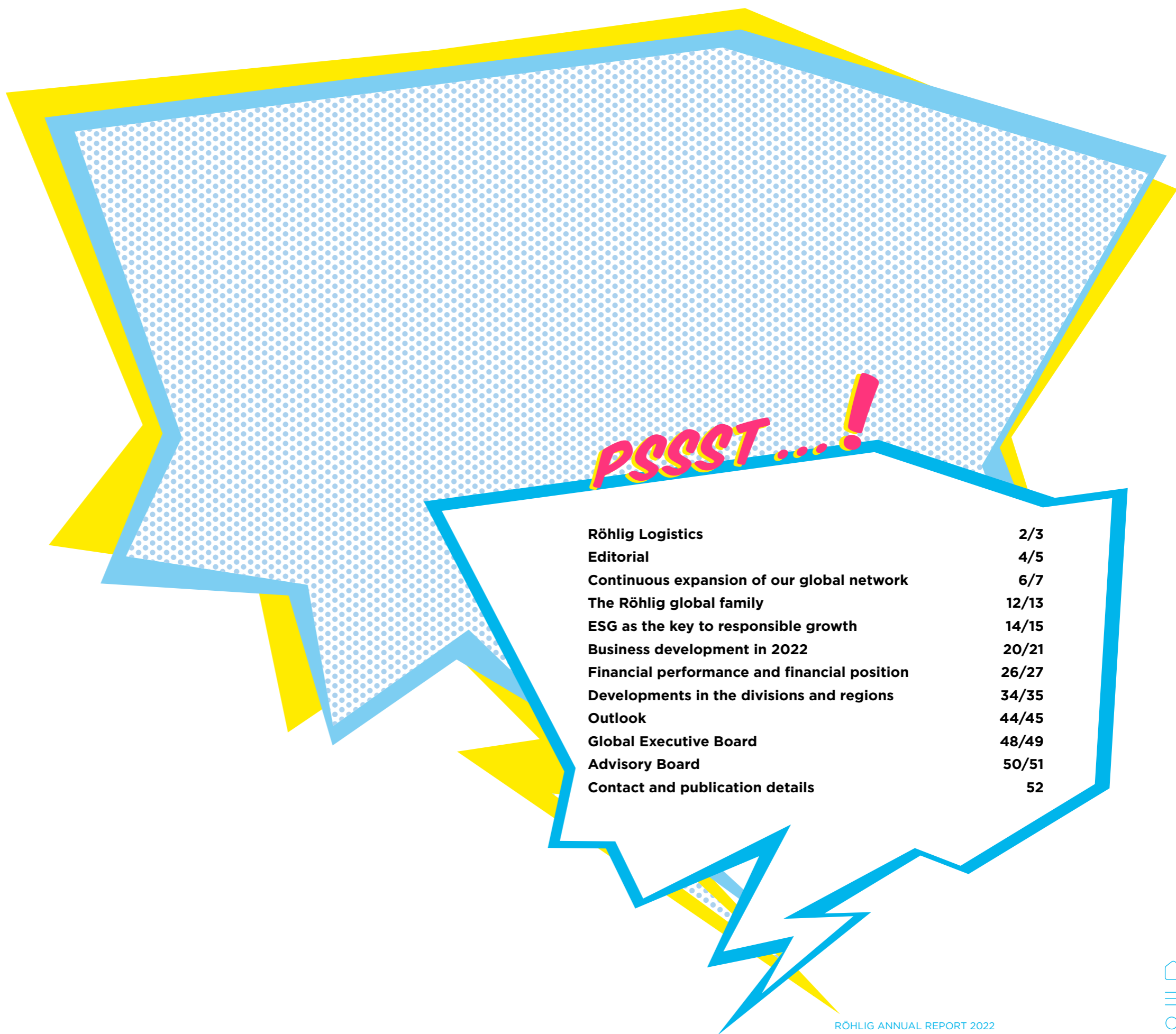


ANNUAL REPORT 2022!








PSSST...!

Röhlig Logistics	2/3
Editorial	4/5
Continuous expansion of our global network	6/7
The Röhlig global family	12/13
ESG as the key to responsible growth	14/15
Business development in 2022	20/21
Financial performance and financial position	26/27
Developments in the divisions and regions	34/35
Outlook	44/45
Global Executive Board	48/49
Advisory Board	50/51
Contact and publication details	52

NAVIGATION
 This report is an interactive PDF file. You can use the elements in the list below to quickly and easily navigate through the report.

-  Cover
-  Content
-  Search





RÖHLIG LOGISTICS

We are an owner-operated independent logistics company with over 2,500 employees worldwide.

We serve our customers by developing tailor-made solutions in the areas of air freight, sea freight and contract logistics. We have a global network of offices in more than 30 countries across all continents, and we combine the professionalism of a large enterprise with the values of a family-run company.

KEY PERFORMANCE FIGURES

in EUR million	2022	2021
Gross sales	1,915.5	1,516.1
Net sales	1,613.2	1,193.0
Gross profit	280.0	214.3
EBIT	84.8	61.4
Total assets	337.9	328.8



BOOOM ...!

Our 2022 in figures,
text and pictures



DEAR CUSTOMERS, BUSINESS PARTNERS AND EMPLOYEES,

2022 was the most successful year in the history of our company – which has a heritage going all the way back to 1852. There are many reasons for this wonderful result. I believe we have been consistently paving the way for profitable growth in recent years; in 2022 as well, we continued to demonstrate our relevance in a market environment that remains difficult.

So to our customers, we were a partner even in difficult situations for which there are no standard solutions. Our employees developed tailor-made offerings – always with huge personal commitment and often under equally significant time pressure. And because they are able to rely on us, many of our customers expanded their business relationships with Röhlig Logistics.

Over the course of 2022, we worked particularly intensively on remaining attractive as an employer, both to existing employees and potential staff. We invested in people in various ways: through financial remuneration, but also talent promotion, appreciation, a range of collaboration opportunities and flexible working models. And while there are many benefits to having virtual meetings as part of our everyday work, there is nothing like coming together in person. That's why I am delighted that we were able to organise celebrations at many of our sites to mark the company's 170th anniversary.

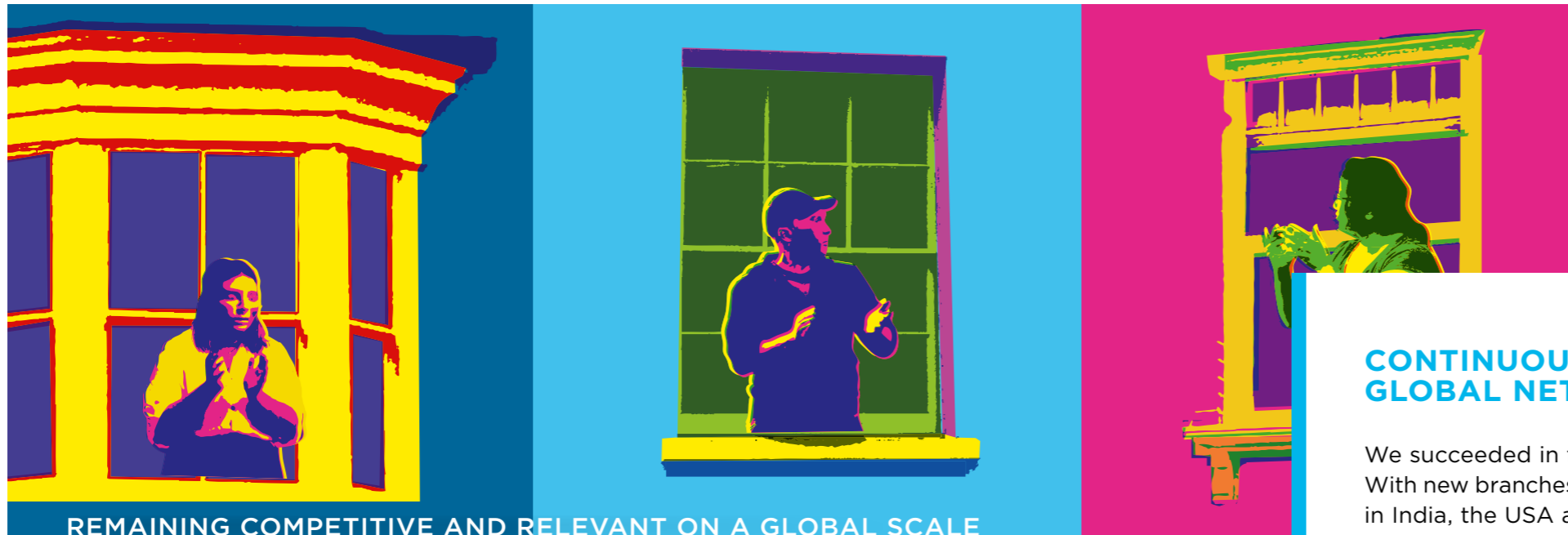
Being relevant also means understanding the problems our partners currently face. Over the past year, the topic of sustainability has become increasingly important in our conversations with customers, business partners, employees, applicants and banks. That is good for us – after all, as a family-run company, sustainable performance is in our DNA. So we embrace this development and also welcome the opportunity to have other parties measure how we are doing – such as EcoVadis, the world's largest sustainability ratings provider for companies, which in October 2022 for the first time ranked us among the top 25 percent of the companies evaluated. We also create transparency in respect of our progress on sustainability, by participating in the UN Global Compact.

2022 also saw us boost our relevance by expanding our international presence. We are now represented with our own offices in Brazil and Switzerland for the first time, enabling us to take even better care of our customers. What's more, we have opened additional offices in countries where Röhlig had an existing presence. Our sales volumes are already healthily distributed across the continents, and every new site we open makes our business more resilient to economic setbacks in individual regions.

We also invested in digital solutions in 2022. These complement our offerings so that we can offer our customers the best of both worlds: personal contact with our employees in a spirit of trust, as well as efficient digital support with logistical processes – from quotes and booking to shipment tracking and reporting.

All of these steps have helped us to grow. Throughout our 170 years as a company, size was never an end in itself, but rather a guarantee of independence and relevance. With this in mind, we continue to work towards positioning Röhlig Logistics effectively for the next 170 years. I would be delighted if you would accompany us on this journey into the future.

Philip W. Herwig
Managing Partner and
Chairman of the Global Executive Board



REMAINING COMPETITIVE AND RELEVANT ON A GLOBAL SCALE

CONTINUOUS EXPANSION OF OUR GLOBAL NETWORK

We succeeded in further expanding our global network in 2022. With new branches in Brazil and Switzerland as well as new offices in India, the USA and Mexico, we were able to significantly grow our worldwide presence. We will now be offering our customers an extended range of services and even better local service coverage in these strategically important locations.

As a sixth-generation owner-operated company, we are proud of our independence and attach great importance to the company's future preservation. With our Vision 2030 initiative, we are pursuing the goal of being ranked among the world's leading independent freight and contract logistics solution providers by 2030, going above and beyond traditional forwarding services.

The strategic opening of new sites is an important component of this vision. Through targeted expansion of our network, we are ensuring that we can remain competitive and relevant on a global scale – for our employees, our suppliers and our customers.





FURTHER MILESTONES IN THE RÖHLIG NETWORK



BRAZIL

Brazil is the largest national economy in Latin America. For over 30 years we were represented in this important market by our valued agent Figwal. In 2022 we concentrated our efforts on entering the market under our own name, with a view to opening our subsidiary in São Paulo on 1 January 2023. As the economic centre of the country, this city offers the ideal framework conditions and a wide range of business opportunities for us.

SWITZERLAND

The newly opened Röhlig branch in Zurich marks a further milestone in our global growth strategy and strengthens our market position in the economically strong DACH region. Röhlig Germany has already built up a customer base in Switzerland with great success. The Swiss branch is affiliated to our German organisation so that it can retain structures and benefit from synergies.





NEW OFFICES IN KEY REGIONS



INDIA

India has gained significant global economic relevance in recent years, with numerous multinational companies relocating production to the country. With the opening of our two new sales offices, we are now represented in the emerging industrial hubs of Ludhiana, Punjab and Bhubaneswar, Odisha. Both states are among India's strongest export locations and therefore offer huge market potential.

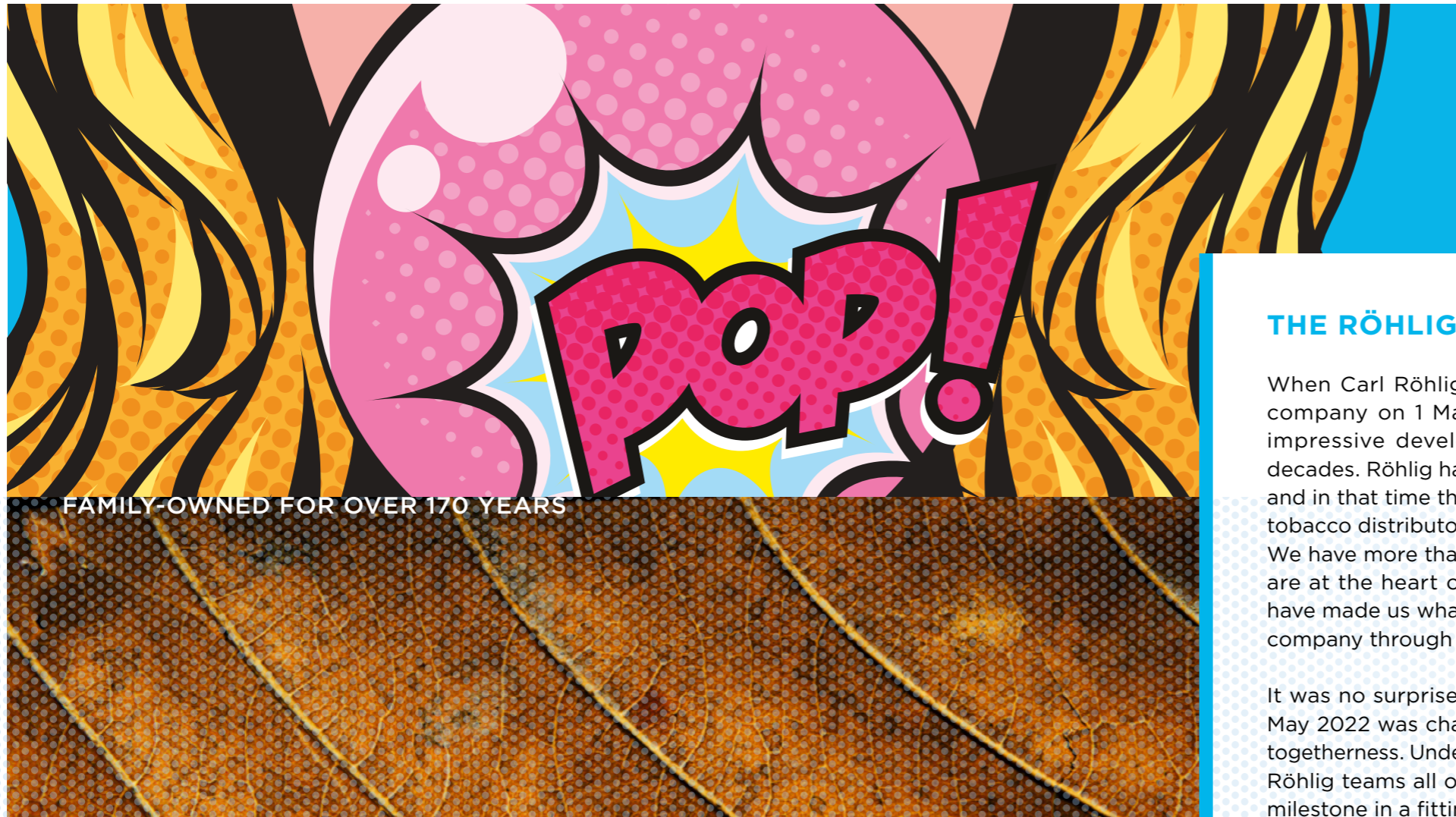
USA

We have opened a new US office in Tulsa, Oklahoma. Located in the heart of the country's south-west region and equipped with a modern infrastructure, Oklahoma offers ideal access to customers and suppliers in the surrounding states. Our employees in Tulsa are focusing their expertise on establishing Röhlig on the truck transport market in particular - for both local core industries and international business.

MEXICO

Mexico is becoming an increasingly important trade centre and serves as a production hub for the entire region of Latin America. Our new office is located in Querétaro, a central connection point in the Bajío region of central Mexico. As one of the country's most dynamic business regions, the area has been attracting multinational companies for years and is now a new Mexican centre for the automotive and aerospace industries.





FAMILY-OWNED FOR OVER 170 YEARS

THE RÖHLIG GLOBAL FAMILY

When Carl Röhlig founded the Röhlig & Co. tobacco trading company on 1 May 1852, he could hardly have imagined the impressive development that took place over the following decades. Röhlig has been owned by the family for over 170 years, and in that time the company has transformed from being a local tobacco distributor to a leading global logistics services provider. We have more than 2500 employees all over the world, and they are at the heart of this long-standing success. Our employees have made us what we are today, and they continue to shape the company through their daily commitment.

It was no surprise then, that our 170th company anniversary in May 2022 was characterised by a spirit of trusting, international togetherness. Under the motto “**170 Years of Röhlig Global Family**”, Röhlig teams all over the globe came together to celebrate this milestone in a fitting manner.

To mark the occasion, all employees worldwide were asked to write down what Röhlig means to them personally, and then to record their answer on video. All the videos were then shared throughout the entire Röhlig network via internal communication channels. Managing Partner Philip W. Herwig started the ball rolling, writing the brief but impactful response: “**Proud of you!**”. He sent that A4 sheet around the world via video message.

Our employees also offered many words of praise, with keywords such as family atmosphere, ambitions and opportunities for development running through their answers as a common thread. This campaign once again showed that our self-image as a global family is part of the reality we live each day, as are our company values: “**Truly Reliable, Forward Thinking, Eager for More**”.



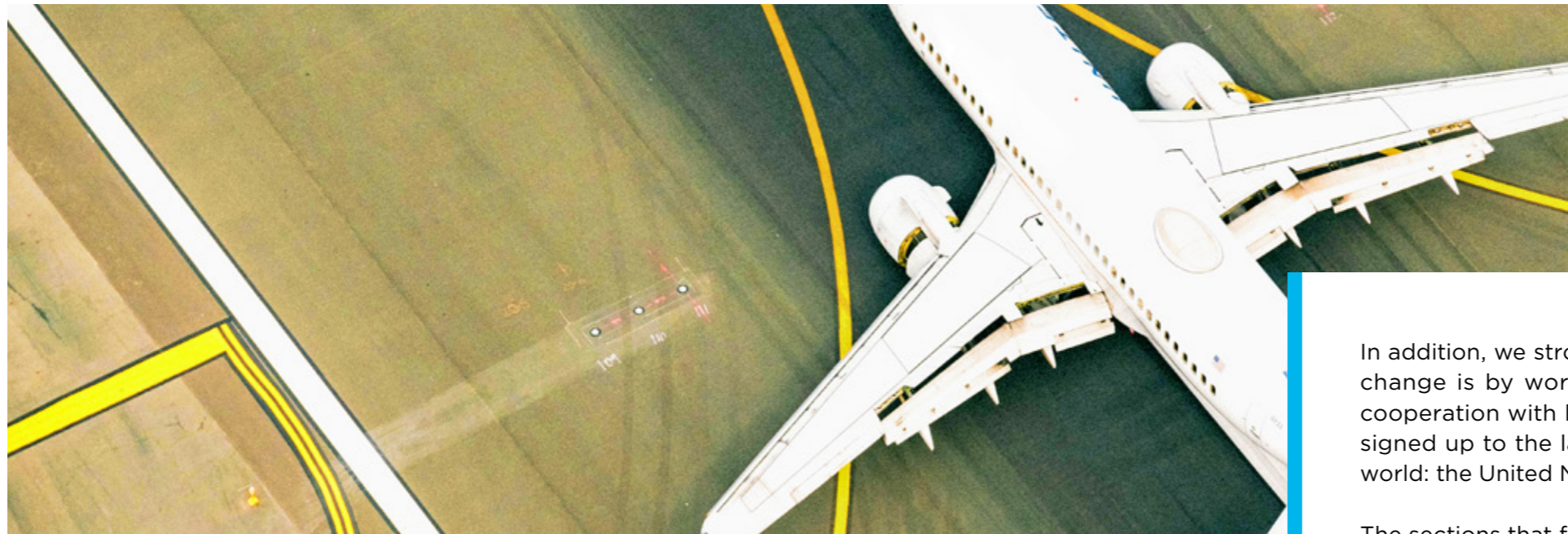
CREATING SUSTAINABLE ADDED VALUE

ESG AS THE KEY TO RESPONSIBLE GROWTH

All three pillars of sustainability are firmly anchored within our corporate culture. We take our environmental, social and governance (ESG) responsibilities very seriously, working afresh every day to create sustainable added value. In doing so we do not limit ourselves to the statutory requirements, but consciously go above and beyond them in our actions. As a matter of course, this applies both to internal company processes and to our interactions with our customers, suppliers and service providers. As a family-run company that looks back on a heritage spanning 170 years, it is particularly important to us that we always act in the interests of future generations, and as such we are committed to a wide range of sustainable business practices.

In 2022, we achieved various successes in the area of sustainability. For example, we increased our rating in the renowned EcoVadis sustainability ranking from bronze to silver in just twelve months. This external acknowledgement highlights the fact that we see ESG matters as ongoing tasks, and are constantly striving to make our business activities even more sustainable.





GLOBAL COMMITMENT TO SUSTAINABILITY



In addition, we strongly believe that the best way to bring about change is by working together, and so we actively seek out cooperation with like-minded stakeholders. That is why we are signed up to the largest business sustainability initiative in the world: the United Nations Global Compact.

The sections that follow offer examples and insights into some of our other ESG activities.

ENVIRONMENT

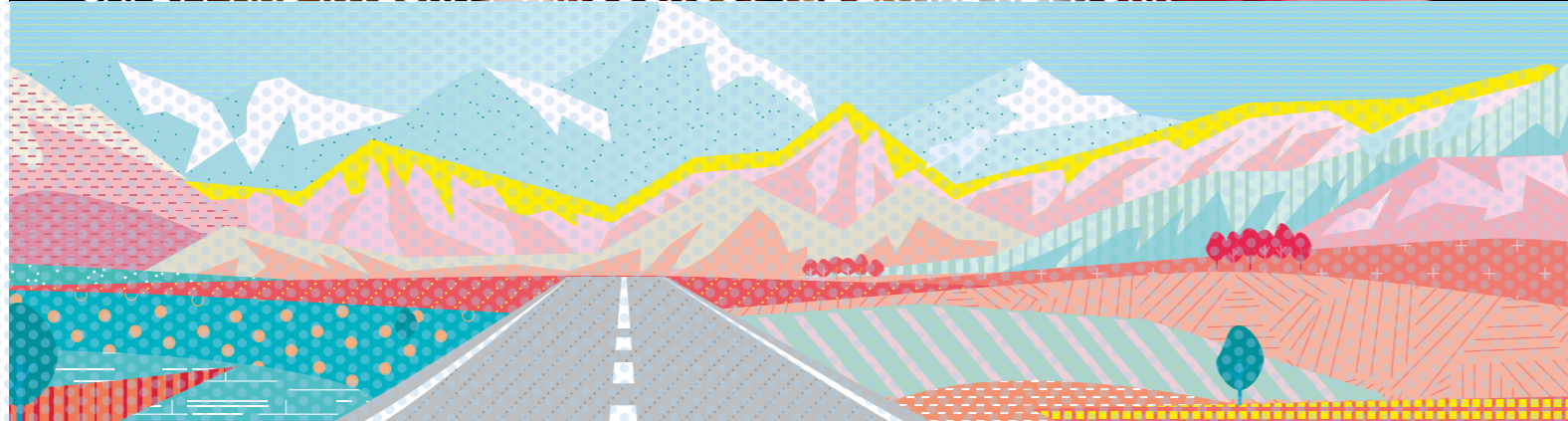
Carbon compensation in cooperation with Lufthansa Cargo

In cooperation with Lufthansa Cargo, we have been offering our customers carbon-neutral freight transport on selected routes since 2022. To effectively compensate for our carbon emissions, we focus on investing in a varied selection of climate protection projects via non-profit organisation myclimate. These investments enable us, as an internationally active company, to engage on a global scale. For example, we are supporting the use of biogas plants in India, the protection of forests in Tanzania, and the production of green energy from waste wood in the Brazilian Amazon. All projects that our carbon compensation efforts support are subject to strict, independent quality standards such as the Gold Standard and Plan Vivo.





SAFETY AND INTEGRITY THROUGHOUT THE ENTIRE NETWORK



SOCIAL

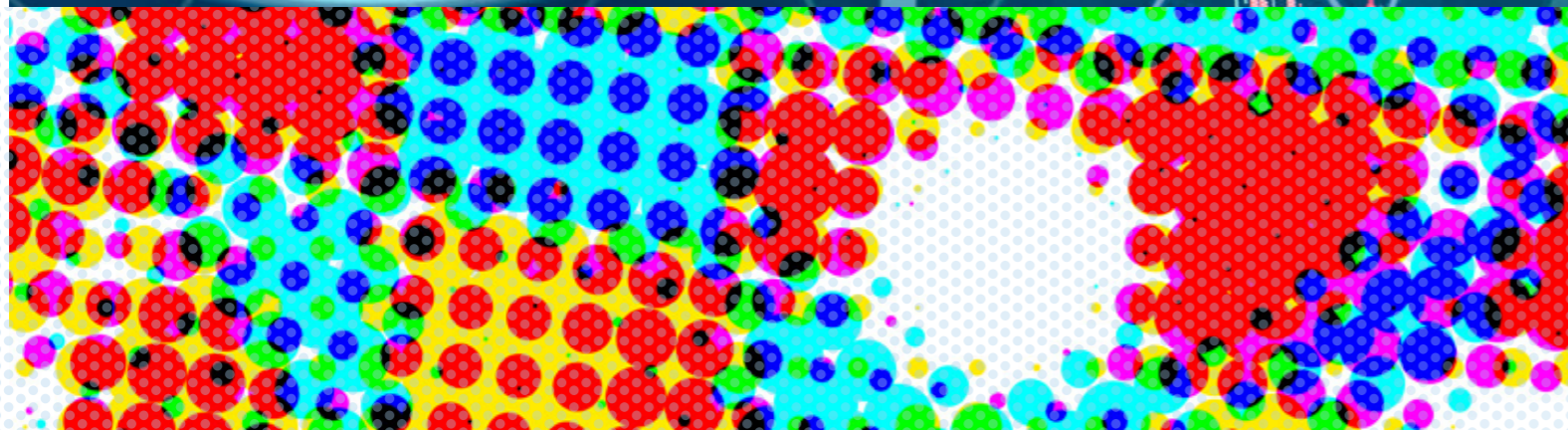
Health and Safety Policy

The welfare of employees, subcontractors and visitors in all our offices and warehouses is a top priority for us. With this in mind, we rolled out a global Health and Safety policy in 2022, which defines binding standards and minimum requirements for all sites. As our company is represented in over 30 countries, local requirements have differed widely to date. Thanks to the new guideline, all Röhlig countries are now working together on shared goals to ensure optimal, safe working conditions on a companywide basis. The Health and Safety policy includes the areas of documentation, communication, training and equipment and is constantly being expanded.

GOVERNANCE

Code of Conduct

We are proud of our corporate culture, which has continued to develop since the founding of the company and is currently being lived out by more than 2500 employees all over the world. Our Code of Conduct forms the basis for this culture and offers a binding framework to guide our personal interactions with one another as well as all of our business activities. In accordance with our company values - **“Truly Reliable, Forward Thinking, Eager for More”** - we also set ourselves high standards and expect responsibility and integrity from all members of the Röhlig network as the basis for our shared work. At the same time, it is very important to us as a service provider to be able to ensure compliance with our ethical standards along the entire supply chain. Our Supplier Code of Conduct therefore sets out the principles of conduct that we consider a prerequisite for working with suppliers.



BUSINESS DEVELOPMENT IN 2022

OVERALL DEVELOPMENT

Market environment

Initially, 2022 was still strongly marked by the coronavirus pandemic and progressing in a similar way to 2021, with all the associated effects. Only in the second half of the year, as the pandemic's impact lessened, did a significantly different market situation emerge. This was reflected in a dramatic fall in freight rates, sufficient air and sea freight capacities, the resolution of queues at ports and a significantly more reliable and cost-efficient supply chain structure for our customers as a result. The war of aggression Russia initiated against Ukraine, on 24 February 2022, negatively impacted this market development. This accelerated, particularly in the second half of the year, as it caused fossil fuel shortages, a considerable increase in the price of food, sharply increasing inflation and a substantial increase in interest rates all over the world. The global change in consumer behaviour, full warehouses, and a slowdown in the world economy led to greatly reduced transport requirements. This was further amplified by the reversal of China's COVID policy towards the end of 2022, and the related production stoppages in the country. Though the United Nations estimated that the global economy grew by around 10 percent – following a 9.3 percent increase in trade volumes in 2021 – it must be taken into account that this growth was largely driven by significantly higher levels of inflation, and global trade volumes actually decreased significantly in the second half of the year compared to the first.

Currency parities

2022 was characterised by significant fluctuations against the euro in the currencies relevant to us, with substantial net currency gains of EUR 4.9 million posted to the income statement. On the other hand, currency movements led to a reduction of EUR 1.9 million in equity.

The development of the US dollar had a particularly strong influence on the development of our net profit. While the US dollar was still trading at around 1.14 to the euro at the start of 2022, it was just 1.07 to the euro by the end of 2022, meaning that it had become around 6 percent stronger than the euro.

The development of the currency conversion adjustment item in particular directly impacted equity, with a negative effect of EUR 1.9 million. The strongest effect was due to the further decline in value of the Argentinian peso over the course of 2022.

Business acquisition – the establishment of Röhlig Penske Logistics

With effect from 1 January 2022, Röhlig acquired 100 percent of the shares in Dutch contract logistics company Penske B.V. and its subsidiaries. Headquartered in the Netherlands, the company operates as a contract logistics services provider. With this acquisition, Röhlig is further expanding its market position in the contract logistics sector in Europe while benefiting from the existing expertise in the company. In return, Röhlig gave 20 percent of its German and Dutch contract logistics business to the Penske Corporation (Penske), our long-standing partner and customer.

Sales growth and further improvement in net profit

In 2022, the Group once again achieved higher net profits compared to the previous year. Following an extraordinarily strong net profit situation in the first nine months of the 2022 financial year, the effects of weakening demand and decreasing freight rates were already becoming noticeable in the final quarter. Net sales in the air and sea freight sectors increased sharply as a result of the above-average freight rates over the course of the year, although the number of sea and air freight contracts for the year as a whole dropped by 4.1 percent. This enabled us to increase net sales at the consolidated companies level by 35.2 percent.

Gross profit in the area of sea freight grew by 33.2 percent, while gross profit for air freight rose by 14.6 percent. At 90.5 percent, the gross profit increase in the contract logistics sector was significantly higher than in the previous year; this was due largely to the first-time consolidation of our joint venture Röhlig Penske Logistics.

Consistent digitisation

We continued with the consistent implementation of our digital strategy throughout 2022. The number of active users on Röhlig REALTIME, our customer portal for large existing customers, doubled once again. Quotation and booking platform My Röhlig also saw strong growth, with the number of new registrations increasing to five times the level of 2021. This tool makes it possible to process thousands of requests for quotations for spot business in seconds. We are dovetailing our processes with our customers by means of EDI and API interfaces, and shipment information is now exchanged on a fully digital basis.

Furthermore, we laid the foundations for a number of new digital products in 2022, including live shipment tracking, a customer platform for contract logistics and a customer application for data analytics and reporting requirements. In addition, we have established collaborations with data and software providers. All of our digital customer applications were developed and implemented by logineer, which is also driving the consistent standardisation of our TMS systems and data structures.

Sustainability

We recognise our responsibilities in the area of sustainability and in this respect we are concentrating on the three focal points of environment, social issues and corporate governance. We are working on constantly developing further in all of these aspects, both in terms of our internal processes and in our relationships with customers and suppliers. In December 2021, we decided to become a signatory to the UN Global Compact, thereby committing to our business activities being guided by the ten defined principles of this initiative. In addition, we are regularly evaluated by EcoVadis, a global collaborative platform for sustainability, and were awarded a Silver Level rating in 2022.

We are also supporting our customers in reducing or offsetting their carbon footprints by making the emissions for their selected freight routes visible via EcoTransIT, using our CO₂ calculator by way of a first step. In addition, we have established a cooperation with Lufthansa and can now provide our customers with a sustainable transport



offering on selected routes. To do this we focus on investment and certified climate protection projects to effectively compensate for CO₂ emissions generated in the context of air freight transport. We have also launched a similar programme for our customers in Australia, for LCL shipments in our own consolidated containers. In terms of social sustainability, we are currently concentrating on health and safety as well as gender equality. As a matter of principle we are committed to fairness, healthy working conditions and equal opportunities – not just for our own employees, but also those of our service providers and partners. For many years now, we have had a certified quality management system and clear compliance guidelines in place. We ensure that our business processes and decisions consistently take place in accordance with high ethical standards, and continuously train our employees on these topics by means of various e-learning formats.

Employees

We employed an additional 235 people at the consolidated companies level in 2022, expanding our workforce to 1,931 employees worldwide. Though some of this was for our new offices, staff recruitment was mostly driven by the continued precarious market situation, which made order processing and customer support more time-consuming. We also employed additional sales staff at the end of the year, in response to the changed market situation in the fourth quarter and in order to begin 2023 from a stronger position. Additional staff were employed for our new joint venture Röhlig Penske Logistics (+88), and also in Australia/New Zealand (+32), in North Asia (+29), Southeast Asia (+17) and in the USA (+20). The other new hires are evenly distributed across the other regions. The number of employees in associated companies increased by 15, with these workers also distributed across all companies.

Personnel costs rose by 26.5 percent or EUR 29 million in 2022, driven by the additional appointment of new employees and also by Röhlig Penske Logistics (EUR 5.7 million) as well as increased bonus payments. We also rewarded the strong commitment of our employees in 2022 by distributing voluntary special payments amounting to a seven-figure sum.

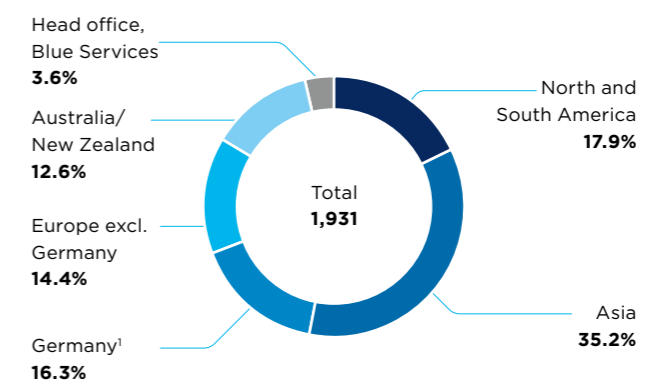
Employee development

The Remote Working Policy introduced in 2021 is now established in almost all countries and is an important factor in attracting new talent. We also rely on internal training and development opportunities to retain these talents in the long term: in 2022, we were able to deliver our management development programme in its full form once again. We concluded the Blue Step programme, launched

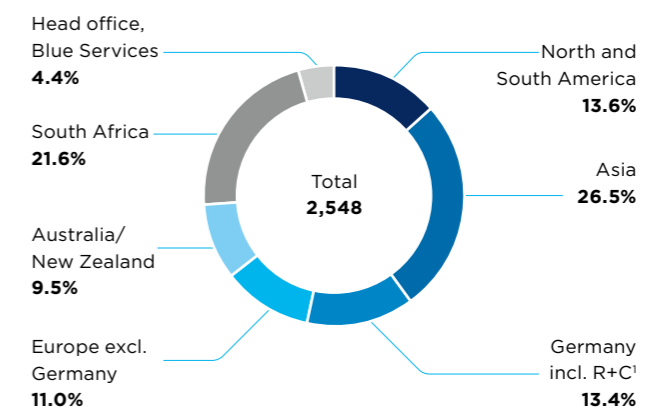
online last year, with an in-person event in Bremen and in November also successfully completed the Blue Arena programme which targets ambitious and talented managers within the company. We are planning an additional global programme for the sales division in 2023: Blue Step Sales.

After a long hiatus due to the coronavirus pandemic, we were once again able to hold our global management conference in 2022. This opportunity for direct exchange among managers from our national subsidiaries is an important plank for the successful business development of the Group. Following the event, we once again organised a Digital Summit for all employees, at which the Board reported on the conference and answered questions.

Distribution of employees by region in 2022 (consolidated companies)



Distribution of employees by region in 2022 (Group)



¹ Inc. Switzerland and Röhlig Penske Logistics.





FINANCIAL PERFORMANCE AND FINANCIAL POSITION

Significantly improved financial performance compared to 2021 thanks to sea and air freight business

At EUR 1,915 million in the year under review, gross consolidated sales were around 26.3 percent higher than the previous year's figure of EUR 1,516 million. On the other hand, the cost of purchased services rose by EUR 299 million to EUR 1,300 million – an increase of 29.9 percent. This led to an increase in gross profit of EUR 280 million, which was significantly higher than the previous year. At 17.4 percent, the gross profit margin on net sales was slightly lower than the 2021 value of 18.0 percent.

Consolidated income statement (key data)

in kEUR

	2022	2021
Gross sales	1,915,470	1,516,134
Excise duties, import turnover taxes	-302,239	-323,113
Net sales	1,613,231	1,193,021
Changes in inventories	-32,435	22,795
Purchased services	-1,300,785	-1,001,493
Gross profit	280,011	214,323
Personnel expenses	-138,073	-109,125
Depreciation and amortisation	-3,460	-2,391
Other operating expenses/income	-58,459	-44,991
Income from participation	4,867	3,602
EBIT	84,886	61,418
Net financial income/expense	-656	-1,152
Net income from ordinary business operations	84,230	60,266
Taxes	-19,635	-14,041
Earnings after taxes	64,595	46,225
Cost for partial profit transfer	-1,200	-1,200
Consolidated net profit	63,395	45,025



All regions played a role in the growth of gross consolidated company sales, with the positive development of core markets in Europe and Australia/New Zealand making a particularly significant contribution. Gross sales in Europe excluding Germany increased from EUR 284 million to EUR 338 million (+19 percent), while the figure for Australia/New Zealand grew from EUR 272 million to EUR 394 million (+45 percent). Other regions such as North America (EUR 389 million), Asia (EUR 333 million), Germany (EUR 376 million) and South America (EUR 84 million) and the new branch opened in the United Arab Emirates in 2021 also contributed to the strong growth. This extraordinary growth is due in particular to the significant increase in sea freight rates compared to the previous year. The number of orders dropped slightly by 4.1 percent for the year as a whole.

At 30.6 percent, gross profit grew a little more slowly than sales, which increased by 35.2 percent. Gross profit rose by EUR 41 million in the sea freight segment and by EUR 11 million in the air freight segment. In the contract logistics segment, we succeeded in growing gross profit to EUR 29 million thanks to new business.

Personnel expenses did not grow as strongly as gross profit. The personnel ratio to gross profit was significantly below the target of 60 percent, at 49.3 percent. The increase in personnel expenses was also due mainly to higher expenses for bonus payments, some of which were not yet cash-effective. Furthermore, wage adjustments for inflation took place in some countries to fulfil regulatory requirements and also to retain talent. No wage adjustments across all the consolidated companies were made.

Depreciation increased to EUR 3.4 million, due mainly to the depreciation of the book value of an investment (EUR 1.1 million).

Other operating expenses/income increased dramatically by 29.9 percent on the previous year. This was related primarily to higher IT fees, currency gains, rents and travel costs. The increased IT fees arose in particular from the reallocation of the costs resulting from the joint venture transaction concluded with q.beyond as well as a net currency gain of EUR 4.9 million. The

increased expenditure from the rental of warehouse space arose from the expansion of our business. Bad debts decreased on the previous year, amounting to EUR 2.5 million.

Income from investments rose in line with business development, increasing by 35.1 percent to EUR 4.9 million.

The 2022 financial result of EUR -0.7 was an improvement on the previous year, due mainly to higher interest income. The higher expenses for commitment fees were almost completely offset by lower interest margins on the expenses side. Thanks to strong financial performance, the consolidated companies gradually reduced the use of credit lines despite a significant working capital requirement.

Due to strong growth and continued rigorous cost management, we were able to increase our EBIT from EUR 61.4 million in the previous year to EUR 84.8 million, despite the rise in personnel expenses. At EUR 63.4 million, the consolidated net profit was significantly higher than the 2021 figure of EUR 45.0 million.

Financial position: increase in total assets

As at the reporting date, the consolidated total assets amounted to EUR 337 million, which was around 2.7 percent higher than the previous year. Despite the decline in freight rates that began in Q4, trade receivables were just EUR 1.1 million below the value for the previous year, at EUR 207 million. This was also due to high levels of invoicing at the end of the year, as a result of which work in progress was 43 percent lower than the previous year at EUR 29.1 million. Trade payables decreased by around 20 percent to EUR 83.3 million, due in particular to the decrease in freight rates. The bank balance increased to EUR 52.1 million, from the previous year's EUR 29.7 million, as a result of the strong financial performance and despite the continued high level of working capital commitment. Bank line drawings were reduced further and further over the course of the 2022 financial year. As a result, we concluded the year with net liquidity of EUR 52.0 million.



Balance sheet (abridged)

In kEUR

ASSETS	31.12.2022	31.12.2021
Non-current assets		
Intangible assets	1,851	1,918
Tangible assets	9,477	6,058
Financial assets	13,459	12,467
	24,787	20,443
Current assets		
Inventories	29,169	51,235
Receivables and other assets	229,432	225,750
Cash in hand and at banks	52,149	29,731
	310,750	306,716
Accrued income	2,369	1,595
Total assets	337,906	328,754
LIABILITIES & EQUITY	31.12.2022	31.12.2021
Equity	110,548	60,688
Silent partnerships	10,000	10,000
Liabilities		
Provisions	104,784	101,753
Liabilities to banks	164	26,116
Liabilities to shareholders	13,595	10,146
Other liabilities	98,815	120,050
	217,358	258,065
Accrued income	0	1
Total equity and liabilities	337,906	328,754

Equity at the end of 2022 had increased significantly, by EUR 50 million (around 82 percent) to EUR 110.6 million. Equity conversion at the historical rates had a negative effect on currency adjustment items in 2022 in the amount of EUR 1.9 million. The significant increase of EUR 2.0 million in minority interests related mainly to the initial consolidation of the new joint venture Röhlig Penske Logistics.

Under liabilities, provisions for forwarding fell from EUR 68.3 million to EUR 58.5 million (-13.8 percent), mainly as a result of the considerable decrease in freight rates at the end of the year. In addition, liabilities to banks were reduced almost to zero.

Furthermore, the remaining long-term loans were repaid in 2022 (amounting to EUR 0.3 million). Like the increased bank balance on the current assets side, this development is due to consistent cash generation throughout the financial year. This was due mainly to the strong net profit achieved in the 2022 financial year and decreasing capital commitment throughout the second half of the year because of falling freight rates.

The increase in liabilities to shareholders, of EUR 3.4 million, resulted from the posting to shareholder accounts of company profits which were not fully paid out during the 2022 financial year. These funds are available in the related accounts for dividend payments.

We concluded a new syndicated loan agreement at the consolidated companies level in 2022, which replaced the old agreement from 2020. The agreement includes an unsecured volume of EUR 80 million and provides for an increase option for acquisitions, for which a sum of up to EUR 30 million can be requested. The term of the agreement is three years, meaning that it will be available until the second quarter of 2025. It can be extended by up to two years. The covenants negotiated as part of the loan agreement offer us significant scope to secure the growth we aim to achieve and to absorb any decline in profits that may arise in a weaker business environment.

The equity ratio calculated under the existing syndicated loan agreement taking account of the silent partnership increased by 12.2 percentage points to 36.8 percent. This is due, in particular, to strong financial performance.

The liquidity situation has improved significantly compared to the previous year, with net cash totalling EUR 52.0 million as at 31 December 2022 compared to EUR 3.4 million as at 31 December 2021.

All covenants for 2022 agreed in April 2022 in the current syndicated loan agreement have been upheld.

To help us finance and secure the development of our company, we also continue to be supported by our longstanding financing partner NORD Holding, Hanover. The financing was extended to October 2025 by means of a unilateral exercising of options by the Röhlig Group. The existing agreement with NORD Holding stipulates that the financing may be repaid in instalments of EUR 1 million and multiples thereof, subject to a notice period



of two months. A contribution of EUR 10 million was posted to the balance sheet as at the reporting date. EUR 5 million of the NORD Holding financing was repaid by the start of 2023.

As part of our liquidity management, we regularly monitor the key figures of Days Sales Outstanding (DSO) and Days Payables Outstanding (DPO). These figures help us to optimise our working capital management on an ongoing basis. In particular, we use the data to develop individual action plans for our national subsidiaries. We were able to reduce the average DSO by one day for 2022. This reduction in capital commitment was counteracted by a reduction in DPO by an average of three days. In 2022, we also launched a large-scale project with a software provider, aimed at greater automation and digitisation of loan and receivables management.

Financial obligations of EUR 77.5 million within the consolidated companies arise largely from the long-term leasing of warehousing space (>5 years).

Cash flow statement (abridged)

in kEUR

	2022	2021
Result for the period	63,395	45,025
Depreciation and amortisation	3,460	2,391
Profits from associated companies	-4,777	-3,514
Changes in provisions	373	46,350
Changes in receivables, inventories and other assets	33,469	-130,422
Changes in trade accounts payable	-39,371	56,005
Loss/profit from deconsolidation	0	-1,018
Interest	1,790	2,351
Taxes	1,914	5,911
Other	-207	-1,373
Cash flow from ongoing activities	60,047	21,706
Cash flow from investment activities	-1,626	547
Cash flow from financing activities	-35,864	-1,668
Cash-effective changes in cash and cash equivalents	22,557	20,585
Exchange rate and valuation-related changes in cash and cash equivalents	410	699
Changes in cash and cash equivalents resulting from the scope of consolidation	790	0
Cash and cash equivalents at the beginning of the period	28,249	6,965
Cash and cash equivalents at the end of the period	52,006	28,249

Cash flow from ongoing activities increased to EUR 60 million, due in particular to a significant rise in profits along with an increase of EUR 5.5 million in working capital.

Dividend payments from associated companies increased significantly in 2022 compared to 2021. The major shareholdings Röhlig-Grindrod, q.beyond logineer GmbH and R+C Seetransport GmbH & Co. KG all made a significant positive contribution during the 2022 financial year.

Provisions at the end of the year were virtually unchanged from the previous year's result. The moderate reduction in provisions for forwarding, of EUR 9.5 million, was balanced out by an increase in other provisions.

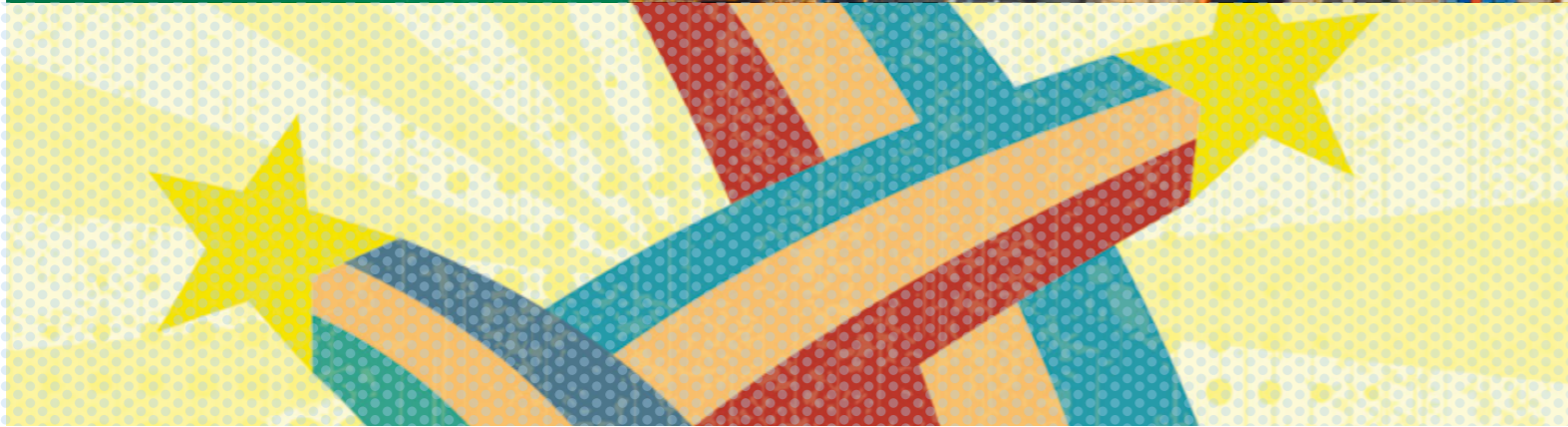
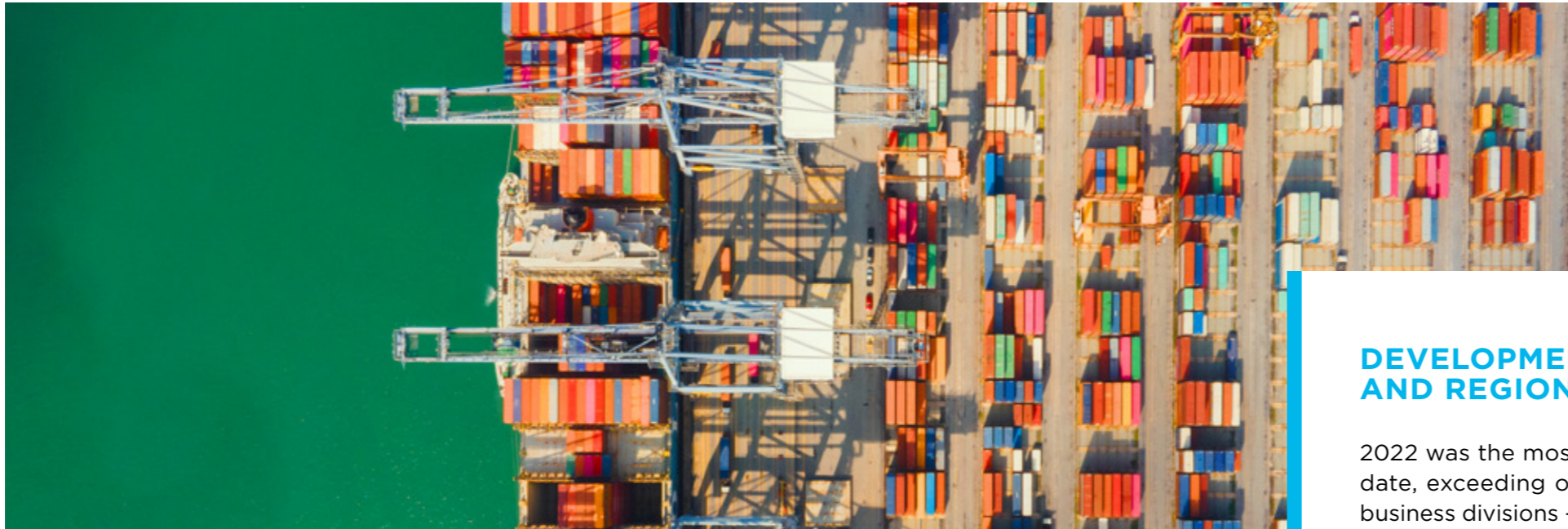
The significant decrease of EUR 33.5 million in receivables, inventories and other assets was driven by declining freight costs and faster invoicing. There was no material change in customer payment behaviour over the course of the year. Changes in trade payables amounting to EUR 39.4 million were also the result of the decline in freight rates.

The interest income, which remained stable compared to the previous year with interest payments of around EUR 2.4 million, is due to increased commitment fees combined with reduced utilisation and lower interest margins.

Investments in 2022 increased moderately in comparison to 2021, as a result of a slight rise in investment in non-current assets.

In 2022, cash flow from financing activities was shaped by an outflow of funds in the amount of EUR 35.9 million, mainly from repayments under the syndicated loan agreement. This is compared against an outflow of EUR 1.7 million in 2021.

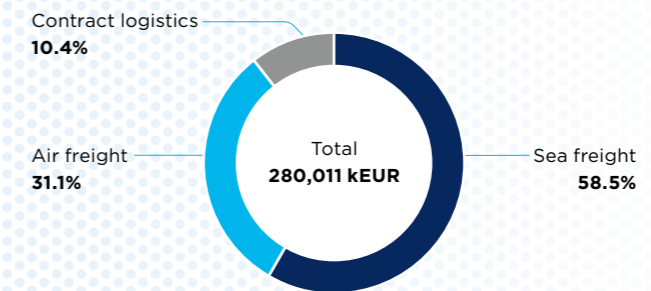




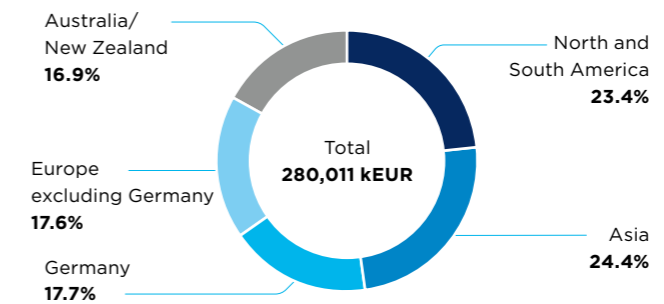
DEVELOPMENTS IN THE DIVISIONS AND REGIONS

2022 was the most successful year in our company's history to date, exceeding our strong net profit for 2021. All of our core business divisions – sea freight, air freight and contract logistics – contributed to this excellent result.

Gross profit by division (consolidated companies)



Gross profit by region (consolidated companies)



¹ Inc. Switzerland, Röhlig Penske Logistics



From a regional perspective, development in 2022 was overwhelmingly positive. Gross profit increased by EUR 7.6 million (+18.1 percent) in Europe excluding Germany, EUR 13.6 million (+40.4 percent) in Australia/New Zealand, EUR 18.3 million (+38.7 percent) in America, EUR 11.4 million (+20.1 percent) in Asia and EUR 14.8 million (+42.5 percent) in Germany.

Whereas the gross profit rose by 30.6 percent at consolidated companies level, there was a slightly smaller increase of 29.9 percent in gross profit at Group level – i.e. taking account of the companies Röhlig-Grindrod and R+C Seetransport.

Divisions

Sea freight

in kEUR			
	2022	2021	Change in %
Gross profit	163,779	122,998	33.2

In 2022, the focus was on keeping the respective supply chains of our customers running in the face of huge impacts on their robustness and reliability. There was extreme upheaval in the provision of shipping capacity by shipping companies, driven mainly by extremely long wait times at major ports (Los Angeles, Long Beach, Shanghai, etc.). This had a particularly negative impact on deadline adherence and resulted in tied-up capacities. This in turn led to historically high sea freight rates of +300 to +400 percent compared to pre-pandemic rates, and also delayed the arrival of freight. In general sea freight rates fluctuated on a daily basis, with freight space the most important “commodity” for most of the year.

In addition to the challenges in the sea freight sector, there was a shortage of truck and rail capacity which in turn led to upstream and downstream queues and delays in freight delivery times. Tariffs increased as a result of the lower capacity available. Before the pandemic, the average punctuality of free deliveries by forwarders, depending on the forwarder and shipping route, was between 75 and 95 percent – this fell to significantly less than 50 percent in 2022.

Rates began to fall in August and had almost returned to pre-pandemic levels by the end of the year. In the face of inflation and weakening market conditions, demand decreased and capacities returned to normal 2019 levels. In 2021/22 the construction of numerous new ships was commissioned, among them a large number of 24,000-TEU vessels that are to be delivered between the end of 2023 and 2025. This will have an effect on the market.

With transport volumes of 262,000 TEU in the FCL segment, we were 3 percent above the level for the previous year in the challenging year of 2022. Despite adverse market conditions in Australia and New Zealand, Germany and the United Arab Emirates, we succeeded in increasing our FCL volume.

Thanks to our allocation management system, we were able to manage freight bookings via fixed contracts and thereby ensure that the cargo space allocated to our customers was also actually used for these customers. We will continue to focus on providing high-quality services and concluding fixed freight capacity contracts to this end. Our allocation management system will therefore continue to significantly contribute to ensuring supply chain security for our customers in 2023.

Air freight

in kEUR			
	2022	2021	Change in %
Gross profit	87,204	76,089	14.6

In the air freight sector, we experienced disproportionate growth from our core markets despite a deterioration in the global market environment compared to the previous year. According to IATA, the global air freight market decreased by around 8 percent from the previous year.

Although passenger airlines resumed many of their flights in 2022, this did not balance out the lack of freight capacity. Higher kerosene costs also contributed to the increase in freight costs. This was the trend for the first three quarters of 2022. A general relaxation of the air freight market only came about in the fourth quarter of 2022.



Contract Logistics

in kEUR

	2022	2021	Change in %
Gross profit	29,028	15,236	90.5

In the contract logistics sector, we succeeded in establishing a joint venture with Penske in the Netherlands under the name Röhlig Penske Logistics. As a result, we can now offer our customers a further 45,000 square metres of warehousing space including flexible warehousing as well as freight and digital solutions. Products handled range from white goods and retail goods to online fulfilment. Gross profits increased by over 300 percent, mainly as a result of the acquisition of new customers and additional income from the joint venture. The basis for this is the successful integration of the two teams in both European locations.

In response to high demand for warehousing space in Southeast Asia and Australia/New Zealand, we have further increased our capacities in these areas.

Regions

Germany (inc. Switzerland and Röhlig Penske Logistics)

in kEUR

	2022	2021	Change in %
Gross profit	49,481	34,717	42.5

The region of Germany increased gross profits by 42.5 percent from 2021 levels. This growth was supported by Röhlig Penske Logistics, with the joint venture contributing around half of the increased gross profit. In the sea freight segment, gross profit grew by 41.5 percent from the previous year and as such decisively contributed to the excellent EBIT result for 2022.

The significant increase in gross profit in the sea freight segment is largely price-related and reflects the generally high freight rates. The German sales team succeeded in expanding the business portfolio to include deliveries for the automotive, food and retail industries.

In the area of air freight, gross profit grew by 10.4 percent. This result is due to extensive charter contracts for the automotive, consumer goods and medical industries in 2021 and 2022.

In mid-2022 we opened a new subsidiary in Switzerland, with offices at Zurich airport and in Bern. A team of five employees currently works in Switzerland.

Europe excluding Germany

in kEUR

	2022	2021	Change in %
Gross profit	49,292	41,742	18.1

In the Northern Europe region, Denmark and the Netherlands increased their gross profits by 25 and 32 percent respectively from the previous year. Our British subsidiary recorded a slight decrease by 10 percent following a record increase in 2021. In particular this is due to the difficult market environment in the sea freight sector, with cancellations of vessel departures, “blank sailings” and port overloading. In the air freight sector, our British subsidiary achieved an increase in tonnage of 32 percent.

In the Southern European region, we increased gross profit for 2022 by 32 percent and earnings by 222 percent. The positive margin development had an impact in all countries. Italy and Spain achieved the greatest increases in gross profit at 43 percent each, with air freight exports expanding significantly in both countries. However, record gross profits were also achieved in France with an increase of 24 percent. Here, we succeeded in expanding the business on the trade routes to the USA, Australia and China.



North and South America

in kEUR

	2022	2021	Change in %
Gross profit	65,617	47,293	38.7

Despite the considerable negative impact of interruptions to supply chains, the USA enjoyed a very successful year, with net profit increasing by 104.5 percent on the previous year. Although business on trans-Pacific trade routes was challenging, this was made easier thanks to our successfully concluded long-term contracts with carriers, and the transport capacities made available to our customers as a result. Nevertheless, it proved a huge challenge when customers required additional cargo space. In such cases, the carriers often did not load the cargo for several weeks at a time due to space constraints. In this context, the allocation management process developed by our sea freight team paid off, allowing for highly effective monitoring of cargo flows.

In the air freight sector, our USA team processed a considerable number of food transports from Southeast Asia. In mid-2022, we opened a new office in Tulsa, Oklahoma, which focuses on further expanding our land transport business in the USA as well as the traditional air and sea transports. Our main branch in Chicago moved to a state-of-the-art facility comprising 8,000 square metres of warehousing space as well as offices and training rooms.

The Latin America region (Mexico, Argentina, Chile, Uruguay) succeeded in increasing gross profit by 34 percent on the previous year. All countries in the region contributed to this significant increase to a similar extent. In Mexico, we further expanded our business with automotive customers. We also focused more closely on the automotive sector in Chile and Argentina, and were once again able to secure a number of large air freight shipments in Chile. Despite the difficult political situation, we managed to double our net profit in Bolivia. Overall, we invested heavily in developing our employees in the region, for example in the form of a special management development programme for the region.

We opened our own office in Brazil in the last quarter of 2022. We see enormous potential in the largest national economy of Latin America and are now represented there under our own company name, after 30 years of successful collaboration with our agent Figwal. The business commenced operations with four employees on 1 January 2023.

Asia

in kEUR

	2022	2021	Change in %
Gross profit	68,249	56,827	20.1

In North Asia (China, Hong Kong, Korea and Taiwan), we succeeded in increasing our gross profits for 2022 by 10 percent from 2021, to a total of EUR 46 million. Korea made a particularly significant contribution to this achievement, with an increase of 52 percent. This was made possible by self-controlled Korean business as well as increased integration into our network business. Hong Kong and Taiwan followed, each with growth of 19 percent. Meanwhile, China achieved gross profits of EUR 29.5 million in 2022, which was almost equal to the result for 2021. This comparatively weak development was due to decreasing business in personal protective equipment and COVID rapid antigen tests as well as the large-scale cessation of rail business along the Silk Road as a result of the war initiated by Russia against Ukraine on 24 February 2022. Countering this, China succeeded in almost doubling its self-controlled business from around 10 percent to around 20 percent.

In Southeast Asia (Singapore, Thailand, Malaysia, Indonesia and Vietnam), we successfully increased gross profits by 44.5 percent. The main drivers behind this positive development were Vietnam (+254 percent) and Singapore (+130 percent). In Singapore, we undertook various charter flights to the USA for an important global customer at the end of the year. Our companies in Malaysia and Indonesia also significantly increased gross profits. In addition, we expanded our warehouse capacities to 10,000 m² at the end of the year to make additional warehousing space available for an important customer in the region. In Thailand, we successfully maintained the high level from 2021.



In India, we also increased gross profits by 41 percent thanks in particular to the securing of new business by the local sales team. The 2021-opened new offices in Hyderabad and Vizag developed very successfully, securing a number of larger customers in the pharmaceuticals sector.

The year 2022 was characterised by a phase of successful growth for the Dubai branch opened in 2021, with sea freight and air freight volumes experiencing extraordinary growth. This region is becoming increasingly important for us.

Australia/New Zealand

in kEUR

	2022	2021	Change in %
Gross profit	47,371	33,744	40.4

Our branches in the Australia and New Zealand region continued their very positive development, attracting 3PL and 4PL customers in various sectors as well as a leading global soft drinks company. This success was made possible by factors including customer retention arising from a high service level as well as customised freight solutions.

Our Australian sea freight container volume grew by 16 percent, while the New Zealand sea freight team increased container turnover by 19 percent – an outstanding solution in a difficult market with significant space problems.

Röhlig Australia succeeded in maintaining a strong position with respect to air freight from the USA and Europe to Australia, with air freight cargo volumes rising by 30 percent.

In the contract logistics business, we successfully expanded our customer relationships by acquiring a number of large customers and also doubled our warehousing space in Australia and New Zealand.

Africa

in kEUR

	2022	2021	Change in %
Gross profit	39,291	30,740	27.8

The Africa region is served by the Röhlig-Grindrod company in South Africa and Mozambique. We hold 50 percent of the company. This means the consolidated financial statements have been prepared using the at-equity method.

In South Africa, volumes in the sea freight container sector decreased by 13 percent due to port restrictions among other things. At the same time, air freight volume rose by 39 percent. The expanded sales team succeeded in securing a range of customers over the course of the year.

As a result of good capacity utilisation, the contract logistics business developed very positively and we successfully expanded our customer base.





OUTLOOK

Geopolitical risks and global economy

Although still rather gloomy in 2022, the economic outlook for 2023 has since gradually stabilised, albeit still at a low level. Consequently, it is no longer anticipated that there will be a recession in 2023. In October 2022, the IMF was still assuming economic growth of 2.7 percent for 2023. This forecast was increased slightly to 2.9 percent in January 2023 as concerns about recession eased due to improved growth predictions (India: from 6.1 to 6.8 percent, China: from 4.4 to 5.2 percent, USA: from 1.0 to 1.4 percent, Germany: from -0.3 to 0.1 percent).

Following a global inflation rate of 8.8 percent in 2022, the IMF reduced its inflation forecast for 2023 to 6.6 percent in January 2023, also reducing its forecast for 2024 to 4.3 percent.

According to the International Air Transport Association (IATA), the tonne kilometres flown in air freight in 2022 were 8.0 percent lower than the previous year and slightly lower than 2019. In this context, the European airlines faced their strongest decrease since 2021, with a drop of 11.5 percent. In parallel, the global air freight capacity available in 2022 increased by 0.5 percent compared to 2021. Forecasts for 2023 are assuming further increases in capacity combined with a continued reduction in the tonne kilometres flown, with corresponding effects on pricing. A recovery is expected only in 2024.

Impacted by the effects of the Chinese New Year festival and the associated factory closures, the global sea freight sector had a slow start to 2023. Following China's abandonment of its zero-COVID policy, the country's GDP is expected to grow by around 5 percent in 2023. Western Europe may avoid a deep recession thanks to improvements in energy supply, while the most important market



in the USA faces a slight downturn compared to 2022 because of a drop in retail sales towards the end of 2022, although automotive sales remained stable.

In the wake of the decline in rates towards the end of 2022, freight rates will likely decrease further during the first half of 2023. Rates have reached pre-pandemic levels and continue to fall. Shipping companies are pursuing a strategy that involves withdrawing or cancelling runs to restore balance between the vessels available and reduce rate erosion and downward pressure on freight rates. This will need to be coordinated by the shipping companies over the further course of the year when the construction of large ships is completed and they enter into service, around the end of 2023 and start of 2024. For 2023, we expect the move from air freight to sea freight to continue. Many retailers have excessive stock which, together with the deteriorating consumer climate, could lower sea freight prices and make sea routes more attractive for non-urgent goods. We expect increasing capacity utilisation in the second half of the year, as stock levels will likely have decreased and the global economic situation is expected to be more relaxed.

The rail transport issues, transport delays and port overloading that arose in 2022 have largely been resolved and the outlook for the supply chain has brightened due to more predictable bookings and more reliable departures.

In view of this, it is also not easy to provide a reliable forecast for 2023 and the year after. Based on the economic data and the uncertainty surrounding demand for freight volumes, we assume that sea and air freight rates will remain both low and volatile. At the same time, we expect significant increases in quantities for 2023 due to our considerably strengthened sales organisation and the current market opportunities for Röhlig. We are expecting that, alongside sea and air freight, contract logistics will also make a positive contribution to our consolidated net profit in 2023.

Blue Star strategy for profitable growth

We plan to triple our volume in the sea and air freight sectors by 2030. The Blue Star strategic programme is based on five core pillars: customer service and product excellence; talent, employee and organisational excellence; digital, data and technological excellence; growth, sales and marketing excellence; and profitability and financial excellence.

In 2023, we will continue to focus on accelerating volume growth in order to remain relevant for our most important suppliers and customers, and also to maintain our strong financial position within a consolidating freight forwarding industry.

We have therefore calculated the potential growth, agreed volume targets for sea and air freight with the regional managers and defined target achievement measures that we will continue to implement in 2023 for all ten regions (Germany, Northern Europe, Southern Europe, South Africa, India, Southeast Asia, North Asia, Australia/New Zealand, North America and Latin America).

The clear alignment of our governance on a regional structure, with the ten regions already specified, continues as before. Those responsible for the regions, products and sales collaborate closely on the Board of Directors (BoD). The BoD also supports the Global Executive Board as a sparring partner and assists with the development of individual projects.

The Global Executive Board continues to focus closely on monitoring and managing credit risks that could lead to a greater burden, in an environment of high inflation, volatility on interest and currency markets, and geopolitical risks. Combined with a decline in working capital commitment against the backdrop of decreasing freight rates, the financial performance in the 2022 financial year caused the Group to end the year with a net liquidity position of EUR 52 million and therefore with significant financial robustness.

The syndicated loan agreement concluded in April 2022 with a volume of EUR 80 million was largely unused by the end of the year and also offers additional means in the form of an extension option for supporting the Group's growth strategy. Therefore, we continue to investigate both organic opportunities and possibilities for investments and acquisitions.

Bremen, 6 April 2023

Global Executive Board





STAYING ON TRACK FOR SUCCESS

**CHALLENGE
ACCEPTED!**

GLOBAL EXECUTIVE BOARD

Global Executive Board

The four-member Executive Board of Röhlig is supported by a global regional management level that reports directly to the responsible board members. This is how Röhlig manages the constantly growing number of countries within its global network.

Challenge accepted

In the year 2021 we achieved double-digit increases in our sales and earnings; to achieve this under extraordinary conditions made that success all the more meaningful. For the current reporting year 2022, the challenge was to ensure we did not rest on the laurels of our previous year's success, but rather to keep constantly moving our company forward. With the aid of our Blue Star strategy programme, we increased profitability in our core business and advanced a number of projects. When pursuing these targets we operate with short decision-making pathways and SME-style hierarchies, as well as always being very customer-focused. We consider ourselves to be excellently positioned for the challenges of the 2023 business year.

Röhlig Executive Board from left to right:

Ulrike Baum, Chief Human Resources Officer

Philip W. Herwig, Managing Partner and
Chairman of the Global Executive Board

Hylton Gray, Chief Executive Officer Air Freight,
Sea Freight, Contract Logistics & Sales

Dr. Robert Gutsche, Chief Financial Officer





A FIRM FOUNDATION FOR GROWTH GOALS

ADVISORY BOARD

The Advisory Board is there to advise the Executive Board with wide-ranging expertise and extensive industry experience.

“2022 was the year of disrupted supply chains. Customers looked for creativity in transport planning and reliability in processing. The Global Executive Board set the right priorities, increased employee loyalty, and brought new colleagues on board. This enabled Röhlig to acquire new customers in a volatile market and to achieve a record result – a result to which all 34 national companies contributed. With an equity ratio of 35%, the company is on a firm foundation to continue pursuing ambitious growth goals.

The Advisory Board thanks all members of the Röhlig organisation for their extraordinarily successful action in the past year.”

Thomas W. Herwig
Chairman of the Advisory Board

Röhlig Advisory Board from left to right:

Dr. Andreas M. Odefey, Dr. Thomas Noth, Jan Brorhilker,
Maximilian Frey, Verena Pausder, Thomas W. Herwig



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Note

This annual report contains future-oriented statements that are based on Röhlig Logistics' current assumptions and forecasts. Risks, uncertainties and other factors may mean that the actual results, financial position, financial performance and cash flows, development or performance of Röhlig Logistics significantly differ from these assumptions and forecasts.

Commercial rounding can mean that values do not add up to the exact totals shown and do not result in accurate percentages.

The annual report is available in German and English. The German version is authoritative. You can find further information about the company on our website at www.rohlig.com

