



RÖHLIG ANNUAL REPORT

2023

RÖHLIG LOGISTICS

We are an owner-operated independent logistics company with more than 2,700 employees worldwide.

We serve our customers by developing tailor-made solutions in the areas of sea freight, air freight and contract logistics. We have a global network of our own offices in more than 35 countries spanning six continents, and we combine the professionalism of a major company with the values of a family-owned business.

KEY PERFORMANCE FIGURES

In EUR million	2023	2022
Gross sales	1,193.2	1,915.5
Net sales	961.0	1,613.2
Gross profit	221.0	280.0
EBIT	19.6	84.8
Total assets	281.5	337.9






VIDEO

Our 2023 in numbers, text and images.

NAVIGATION

This report is an interactive PDF file. You can quickly and easily navigate the report via the elements listed on the left.

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Dear customers, business partners and employees,

When everything is running to plan in the world of supply chains, logistics is an unproblematic business.

now represented with our own branches in the important markets of Brazil and Japan. We also now offer our contract logistics business in Chile, Uruguay and Thailand, and therefore have over 40 warehouses and around 265,000 square metres of storage space worldwide. In addition, we have opened new offices in Spain, Belgium, Malaysia, India and Thailand. This global presence is not only important for our customers but also strengthens our resilience, as it means our business success does not depend on the economy in one individual region.

Things get more difficult when deviations from the well-rehearsed normal status arise. 2023 offered many such challenges. For example, a drought caused low water levels, limiting the extent to which the Panama Canal could be traversed. At year-end, many ships had to travel around the Cape of Good Hope for safety reasons rather than take the shorter passage through the Red Sea and Suez Canal.

A fast response to changes like these requires a strong team, local expertise and commercial thinking and action. We have all of this – and much more – at Röhlig Logistics. As such, it’s no surprise that we have achieved very good results despite volatile markets, geopolitical risks and enduring crises. In fact, after the two exceptional years of 2021 and 2022, with their one-off effects from COVID, 2023 was the third-best business year in our long company history. This success was made possible by more than 2,700 employees all over the world, to whom, on behalf of the Global Executive Board, I would like to extend heartfelt thanks for their commitment.

We have used this year to invest in our staff and our network, enabling us to expand our global sales team by almost 100 employees. We are

Our customers welcomed new innovations in 2023. For example, they were able to track, in real time, their freight’s location and status. This is possible with “Röhlig TIVE Trackers”. These discrete devices travel with the cargo and transfer data about position, humidity level, light incidence, temperature and impact. We have also received IATA certifications for the transport of lithium-ion batteries in many network countries – an important criterion for our customers in the electromobility sector. The GDP certification for handling pharmaceutical products also proves our claim to be a professional logistics partner with industry expertise.

These successes have not happened purely by chance. They have emerged from our “Blue Star” strategy programme, which we successfully completed in 2023. Its successor is called “#Connected for Growth”. This new strategy programme is designed to last three years and is based on our most critical success factors: People, Network and Sales.

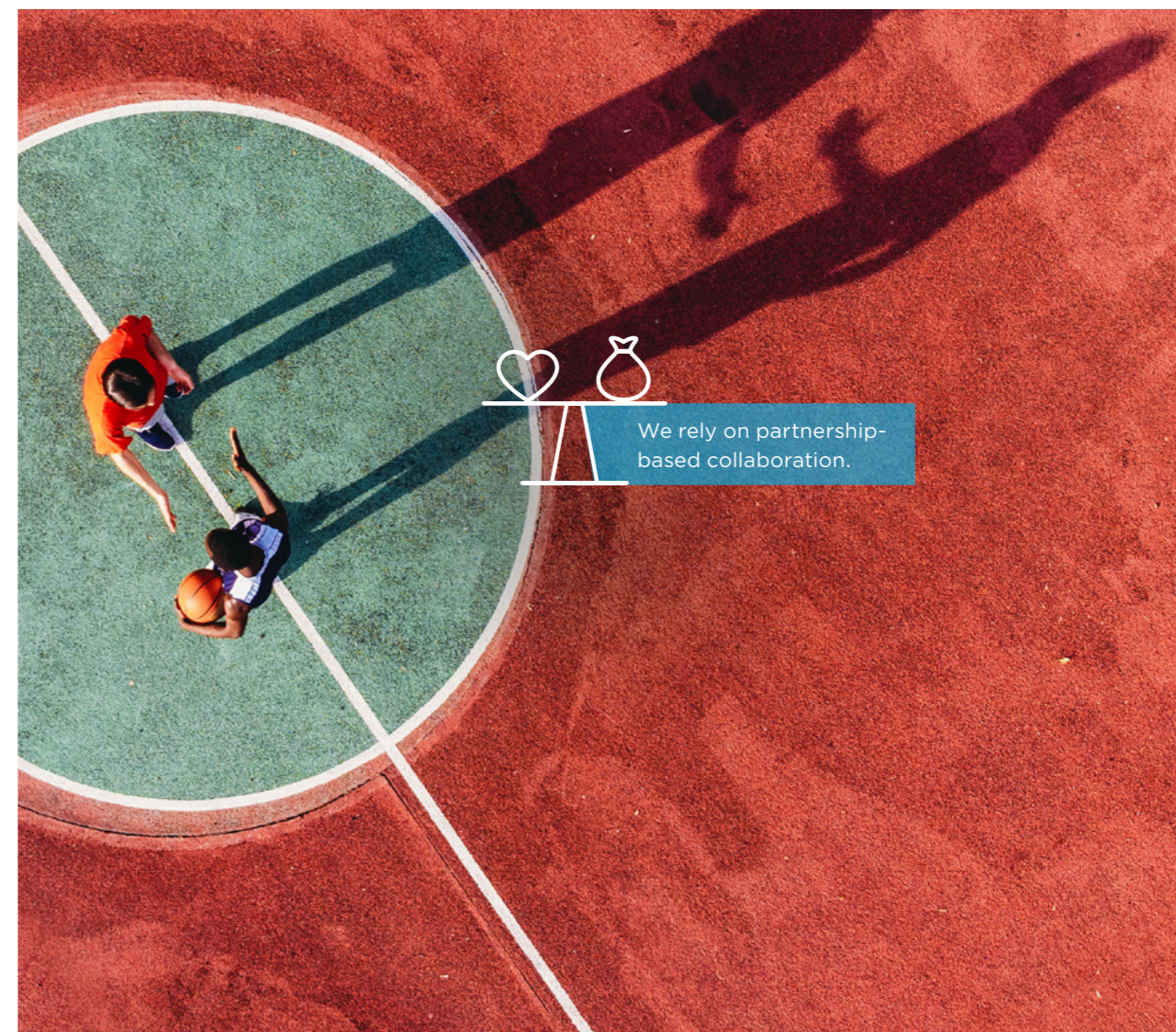


#Connected for Growth will bring us closer to our vision: by 2030, we want to be one of the world’s leading independent solutions providers for freight and contract logistics, as well as having strong digital expertise that goes beyond this.

I would like to invite you to join us on this journey.



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





WORKING TOGETHER TO ACHIEVE OUR GOAL

Successful execution of our Blue Star strategy

At the end of 2023, we successfully completed our three-year Blue Star strategy programme and therefore reached an important milestone on the way to our Vision 2030. With this vision, we are pursuing the goal of becoming one of the world's leading independent solutions providers for freight and contract logistics by 2030. In the course of our ambitious Blue Star strategy, we have achieved significant growth and expanded our market position, while at the same time securing our financial stability.

A STRENGTHENED NETWORK

One particular focus was our global network, which we have meaningfully strengthened with the opening of new country-level organisations in Switzerland, Dubai, Brazil and Japan, as well as many new offices all over the world. We have also opened up new markets in contract logistics and expanded existing capacities, with the result that we now have more than 40 warehouses and around 265,000 square metres of storage space worldwide. There is also Röhlig Penske Logistics, the joint venture for contract logistics founded in 2021, with sites in Germany and the Netherlands.

IMPROVED SERVICE OFFERING

In addition, we have systematically advanced the expansion of our service offering with Blue Star. For example, our increased focus on certain industries has proven very successful: among other aspects, we have strategically developed our expertise in automotive and battery logistics as well as in healthcare and pharma, and we can now provide our customers with even more targeted support.

Additionally, we have advanced the development of our digital expertise and the expansion of our digital service portfolio. From preparing quotes to booking, consignment tracking and reporting, we now offer our customers an even broader range of digital services, ensuring the perfect balance between cutting-edge digital support and personal contact.

Another key success in this context is the spin-off of the joint ventures logineer and <cargonerd>. These two digital specialists offer their digital products and services to all global air and sea freight forwarders.





CONTINUING ON A GROWTH COURSE

Our new strategy programme #Connected for Growth

We are continuing our successful growth course into 2024 and beyond with our new strategy programme #Connected for Growth. In a dynamic market environment, we will focus on our core expertise and work together to drive ambitious future visions forward.

At the core of the three-year programme are the key areas of People, Network and Sales, which reflect our three most important success factors: the way that we work together with one another, with our partners, and with our customers.

PEOPLE

Our employees are the figurehead for our company and the centrepiece of our success. That's why we invest in their development and, with #Connected for Growth, promote a highly-professional and productive working environment.

NETWORK

Our continually growing network is essential for our global relevance, reach and competitiveness. That's why we concentrate on the global Röhlig network as a crucial pillar of our growth.

SALES

With tailored logistics solutions, a digital offering and our clear customer orientation, we go the extra mile for our customers every day. In the context of #Connected for Growth, we are aiming to convince even more customers of the advantages we offer and to win new business.



PEOPLE



NETWORK



SALES

#Connected for GROWTH



Together as a team, we drive our ambitious future visions forward.

CONTINUAL EXPANSION OF OUR GLOBAL NETWORK

By opening new country-level organisation in Brazil, Japan and Canada, we have made three additional key markets available in 2023. Plus, we have markedly expanded our local presence in Spain, Malaysia, India and Thailand by opening additional offices. Our continually growing network underlines our global relevance and enables us to support customers worldwide in an even more targeted way.

BRAZIL

Effective 1 January 2023, we entered the Brazilian market under our own name. As the most economically powerful nation in Latin America, Brazil offers diverse business opportunities, for example in the automotive and industrial sectors. This applies in particular to São Paulo, the site of our Brazilian subsidiary's registered office. The metropolis is one of the most densely populated cities in the world, and is now considered the country's economic powerhouse.

JAPAN

In recent years, Japan has shown rapid economic growth and therefore offers enormous market potential. We chose Osaka as the starting point for our entry into the Japanese market. This city, with its millions of inhabitants, has a comprehensive logistics infrastructure and a broad range of industries with a high proportion of foreign companies. Additionally, the favourable geographic location ensures an ideal operational advantage.

CANADA

Canada is the tenth-largest political economy worldwide, and the United States' most important trading partner. The country benefits significantly from an abundance of natural resources and also enjoys a flourishing services sector as well as a well-established production industry. Canada is synonymous with innovation and technological progress. We set the strategic course in 2023 to open our subsidiary in Toronto on 1 February 2024. Given the close relationships between the two countries, Röhlig Canada is aligned with our US organisation.



We will also continue to expand our global network in future.



OUR FINANCIAL YEAR

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Sufficient cargo space was available in 2023.



BUSINESS DEVELOPMENT IN 2023

Overall development

MARKET ENVIRONMENT

The market environment in 2023 was challenging. As anticipated, supply chains continued to normalise. There was no continuation of the exceptional circumstances of 2021 and 2022 during which the sector achieved significantly higher margins due to global tensions in supply chains, a result of the various impacts of the coronavirus pandemic. During 2021 and 2022, the restricted capacity meant it was very much a suppliers' market. 2023 saw a significant increase in transport capacity availability due to an increased number of ship deliveries and a growing passenger flight market, which freed up belly capacity. This resulted in a significant fall in freight rates. Competition likewise intensified which had a corresponding impact on margins. The persistently high rates of inflation, despite the fall in rates compared to 2022, coupled with numerous geopolitical risks have had a major influence on consumer behaviour. Companies, for example, were more cautious with investments due to increased operating costs and the effects of the interest rate environment. In 2023, global trading volume rose by just 0.4 percent.¹ Spot freight rates for sea freight did not rise noticeably until December 2023, as at this point many container liners were beginning to reroute their ships around the Cape of Good Hope. The Red Sea route was no longer safe due to the growing number of attacks by the Houthi rebels.

CURRENCY PARITIES

2023 was characterised by significant fluctuations against the euro in currencies relevant to us, with currency losses of around EUR 5.0 million posted to the income statement. Currency fluctuations also led to a reduction in equity of EUR 7.4 million.

The rapid devaluation of the Argentinian peso had a significant influence on the change in net profit. While the Argentinian peso was still trading at around 188.99 to the euro at the start of 2023, by the end of 2023 it was trading at just 893.18 to the euro and was therefore around 400 percent weaker against the euro than at the start of the year.

The development of the currency conversion adjustment item in particular directly impacted equity. The strongest effect was due to the further decline in the Argentinian peso over the course of 2023. Further material effects result from the decline in the value of the US dollar, the Chinese renminbi, the Indian rupee, the South African rand and the Australian dollar.

¹<https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

SIGNIFICANT DECLINE IN SALES AND NET PROFIT

As anticipated, we were not able to repeat the exceptional profits of the previous years. The market environment continued to deteriorate over the course of the year. This is also reflected in the results. Gross sales decreased by 37.7 percent due to the sharp fall in freight rates although we were able to increase the number of orders by almost 6 percent.

The gross profit for sea freight decreased by 20.8 percent and was therefore less pronounced than the fall in sales. Air freight declined by 23.5 percent. The figure for contract logistics was also significantly below the previous year with a reduction of 15.0 percent, however this decline was less marked than in the other two sectors.

ON THE OFFENSIVE THROUGH DIGITISATION

2023 saw us make significant progress in the development of our digital capabilities for the purpose of improving the digital customer experience and optimising processes.

We have successfully expanded the global coverage of our “My Röhlig” quotation platform. This allows customers worldwide to easily access and retrieve spot-price offers. Customers are increasingly valuing simple communication and transparency in the quotation process. In 2023, we prepared thousands of quotations digitally within seconds.

Our focus on improving data quality has led to more precise and more reliable shipment tracking options. The use of advanced technologies and the streamlining of our data management processes with the help of a standardised CargoWise and SAP landscape (One Global platform) means we ensure that customers can see the status and location of their consignments in real time. This increases confidence in our services and demonstrates our global expertise.

We have also completed our new reporting platform “Röhlig Insights”. The platform provides comprehensive insights and analyses to enable customers to make informed decisions on the basis of sound, data-driven knowledge. Intuitive functions and customisable reporting options mean that Röhlig Insights is setting a new standard in terms of transparency and strategic decision-making within the organisation. The product is being launched on the market in 2024.

In view of the growing demand for seamless integration and connectivity, we have expanded the capabilities of our EDI/API interfaces. This improvement enables a more seamless exchange of data and improved cooperation with partners which helps to support efficiency and agility throughout the supply chain ecosystem.

We have introduced TIVE trackers to further improve our shipment tracking capabilities. The trackers enable real-time monitoring and proactive management of shipments during their journey. They allow customers to continuously monitor their goods in terms of position, temperature, light, humidity and shock. This means processes can be optimised and, as a result, risks in the supply chain minimised.

Overall, the digital initiatives in 2023 have strengthened our position as a leading company in the logistics sector. We continue to look to technology to offer added value and to meet the changing needs of our customers in a constantly changing market. The digital service offers complement the personal customer service and the consultancy expertise of our customer service and sales organisation.

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 (ESG). We are working on the continual development of 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.

Our CO₂ Calculator enables customers to assess the emissions for their selected freight routes. We also support our customers with CO₂ reports calculated using EcoTransIT. These reports offer transparency relating to the emissions associated with freight routes and enable our customers to understand and effectively manage the environmental impacts.

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. We have a certified environmental and quality management system – which includes ISO 14001 and ISO 9001 – in the



USA, France, Spain, Switzerland, South Africa and at our head office in Bremen, Germany, and are currently in the process of extending the scope of our certifications. We ensure that 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. Once a year, all employees are required to complete e-learning courses on combating and preventing bribery, conflicts of interest and money laundering as well as on the General Data Protection Regulation (GDPR).

In the reporting year, we also made an appointment to the position of Group Sustainability Manager. Röhlig branches around the world are driving forward ESG initiatives - from community projects to waste management and the use of renewable energy. In order to effectively manage these initiatives and to facilitate coordination between the head office in Bremen and

the other countries, we have created a global network of "Sustainability Champions" under the leadership of the Group Sustainability Manager.

All country-level organisations have appointed local champions for the network who are responsible for promoting sustainable practices in their respective regions. The network gives the champions the opportunity to make contacts, to share best practices to inspire one another. We have also introduced a tiered system that enables champions to work with countries that are at similar stages in their sustainability journey.

Selected lighthouse projects and initiatives at local levels are also communicated to all employees within the Röhlig Group via internal newsletters and with the support of the Corporate Communications & Marketing department.

Responsibility and organisation of ESG



ESG is broadly anchored in the company, across various project groups and disciplines.

INCREASED EMPLOYEE SATISFACTION

We employed an additional 159 people at the consolidated companies level in 2023, expanding our workforce to 2,090 employees worldwide. We increased our personnel in Latin America (+26) - which is broadly attributed to 18 new employees for our new office in Brazil - and also in the regions of Australia/New Zealand (+26), South East Asia (+33), USA (+22), India (+14) and in the Head Office (+9). The remainder of the increase is spread relatively evenly across the other regions. One main focus in this regard was the strengthening of sales with a total of 89 additional sales individuals being recruited worldwide. Associated companies saw an increase of 35 employees. This is largely a result of logineer (+71). In contrast, the sale of the remaining shares in R+C Seetransport, with 26 employees, saw a reduction in personnel.

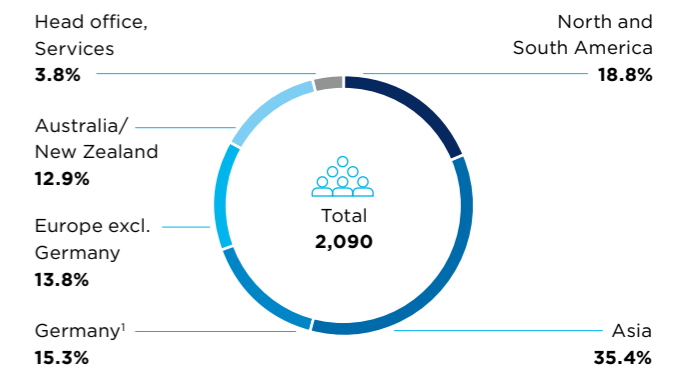
Personnel costs fell by 3 percent or EUR 4.3 million in 2023, driven by the decrease in bonus payments for employees entitled to bonuses for 2023 and the discontinuation of the voluntary employee bonus for employees not entitled to bonuses, which was still paid in 2022. The latter is due to the fact that we had set clear criteria for the employee bonus, which we were unable to achieve at Group level in 2023.

PERSONNEL DEVELOPMENT

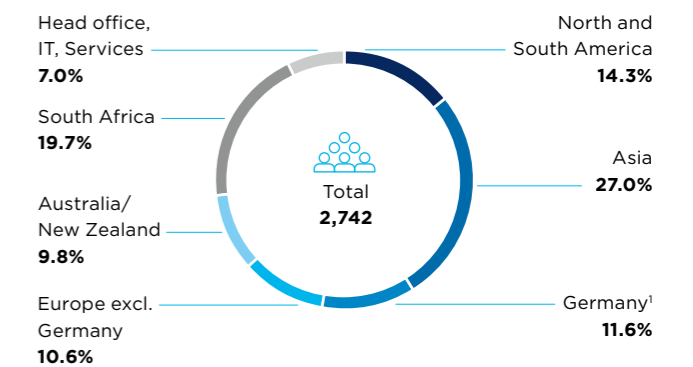
In 2023, we launched Blue Step Sales, another global development programme for sales. Sales individuals worldwide were able to qualify for this and participate in a one-week training course in Bremen. Once again, two training blocks of our Blue Step management programme also took place in Bremen.

We conducted another global employee survey in 2023. We were again able to increase participation from 73.7 percent to 81.1 percent compared to 2021 and we further improved overall satisfaction to 4.9, measured on a scale of 1 to 6. The employees are particularly satisfied with their job, the team spirit and the management.

Distribution of employees by region in 2023 (consolidated companies)



Distribution of employees by region in 2023 (Group)



¹ Incl. Switzerland and Röhlig Penske Logistics.



FINANCIAL PERFORMANCE AND FINANCIAL POSITION

Significantly lower income compared to 2022 due to sea and air freight business

At EUR 1,193 million in the year under review, gross consolidated sales (including excise duties and import turnover taxes) were around 37.7 percent below the previous year's figure of EUR 1,915 million. In addition, the cost of purchased services fell by EUR 567 million to EUR 733 million, a decrease of 43.6 percent. This led to a fall in gross profit to EUR 221 million. The gross profit margin on net sales increased to 23.0 percent in 2023 compared to 17.4 percent in the previous year.

Profit and loss statement (key data)

in kEUR

	2023	2022
Gross sales	1,193,171	1,915,470
Excise duties, import turnover taxes	-232,186	-302,239
Net sales	960,985	1,613,231
Changes in inventories	-6,534	-32,435
Purchased services	-733,439	-1,300,785
Gross profit	221,012	280,011
Personnel expenses	-133,772	-138,073
Depreciation and amortisation	-2,743	-3,460
Other operating expenses/ income	-69,518	-58,459
Income from participation	4,644	4,867
EBIT	19,623	84,886
Net financial income/expense	3,196	-656
Net income from ordinary business operations	22,819	84,230
Taxes	-6,683	-19,635
Earnings after taxes	16,136	64,595
Cost for partial profit transfer	-450	-1,200
Consolidated net profit	15,686	63,395

SIGNIFICANT DECLINE IN GROSS SALES IN ALL REGIONS

The largest decrease in gross sales was in the North America region. Gross sales fell by 51.9 percent and reached EUR 187 million. In Asia, gross sales were EUR 200 million (-39.9 percent); and in Europe excluding Germany the figure for gross sales was EUR 209 million (-38.0 percent). In Germany, gross sales were 36.9 percent lower, at EUR 237 million, than in the previous year. The lowest falls in gross sales were seen in Australia/New Zealand and South America. Gross sales in Australia/New Zealand were EUR 293 million (-25.6 percent) and in South America gross sales of EUR 65 million (-22.8 percent) were achieved. Over the year as a whole, there was a moderate 6 percent increase in the number of orders.

Gross profit fell by EUR 34 million in sea freight and by EUR 21 million in air freight. Contract logistics also saw a decline in gross profit, which was EUR 4 million lower than in the previous year.

In 2023, the fall in personnel expenses was less pronounced than the fall in gross profit. The personnel ratio to gross profit therefore increased proportionally to 60.5 percent. The decrease in personnel expenses was due mainly to lower expenses for bonus payments. There was an offsetting effect from the increase in sales personnel (+89 employees) and targeted wage adjustments for the retention of talent in the business. The decrease in depreciation and amortisation to EUR 2.7 million mainly

relates to warehouse equipment and leasehold improvements. The figure of EUR 3.5 million in the previous year includes amortisation of EUR 1.1 million on the book value of an investment.

Other operating expenses/income increased by 18.9 percent on the previous year. This was largely due to the currency loss, which increased by EUR 4.1 million. IT fees, rents and travel costs have also increased. Currency gains in individual currencies have fallen. The increased expenditure arising from the rental of warehouse space arose from the expansion of our business. Bad debts were relatively stable compared to the previous year, amounting to EUR 2.7 million. A number of extraordinary items had a positive effect on other operating income. These included a profit from the sale of the R+C Seetransport shares and further reversals of provisions.

Income from investments of EUR 4.6 million has remained at approximately the same level as in the previous year (EUR -0.2 million). The net financial income of EUR 3.2 million in 2023 improved significantly compared to the level of the previous year. This is largely due to increased interest income. Interest income was generated in part from short-term investments with our syndicate banks at Röhlig Logistics. As a result of the sharp rise in interest rates, we have centralised the surplus liquidity of subsidiaries in Röhlig Logistics and invested it as efficiently as possible without entering into any special risks. Due to the strict foreign exchange restrictions in Argentina and in order to mitigate the strong

decline in value of the Argentinian peso, investments were made locally in Argentinian bonds. In the 2023 financial year, this resulted in high currency gains in Argentina of EUR 2.7 million, which were reported in the net financial income/expense under other interest and similar income.

Following the exceptional results in 2021 and 2022, 2023 saw a marked decline in net profit, as expected. The sharp falls in gross profit, driven by lower freight rates and growth investments in sales and in the network, resulted in EBIT of EUR 19.6 million compared to EUR 84.8 million in the previous year. At EUR 15.7 million, the consolidated net profit was significantly lower than the 2022 figure of EUR 63.4 million.

FINANCIAL POSITION: STABLE FINANCIAL POSITION WITH DECREASE IN TOTAL ASSETS

At the time of publication, total assets amounted to EUR 282 million, which is around 16.7 percent below the value for the previous year. The changes resulted largely from a decrease in trade receivables which, at EUR 124 million, were significantly lower than the figure for the previous year of EUR 207 million. Work in progress of EUR 26.2 million was also slightly lower than in the previous year (EUR 29.2 million). Cash in hand and at banks increased to EUR 82.8 million due to the positive operating cash flow. This was a significant increase compared to the end of the previous year (EUR 52.1 million).

Over the course of the 2023 financial year, there were minimal credit line drawings, with the figure for the end of the year amounting to EUR 20,000. The year ended with net liquidity of EUR 82.7 million.

Balance sheet (abridged)

in kEUR

ASSETS	31.12.2023	31.12.2022
Non-current assets		
Intangible assets	1,842	1,851
Tangible assets	10,480	9,477
Financial assets	14,021	13,459
	26,343	24,787
Current assets		
Work in progress	26,193	29,169
Receivables and other assets	143,804	229,432
Cash in hand and at banks	82,750	52,149
	252,747	310,750
Accrued income	2,434	2,369
Total assets	281,524	337,906
LIABILITIES	31.12.2023	31.12.2022
Equity	106,039	110,548
Silent partnerships	0	10,000
Liabilities		
Provisions	82,150	104,784
Liabilities to banks	20	164
Liabilities to shareholders	16,152	13,595
Other liabilities	77,163	98,815
	175,485	217,358
Accrued income	0	0
Total equity and liabilities	281,524	337,906

EQUITY RATIO INCREASED TO 37.7 PERCENT

Equity fell by EUR 4.5 million (-4.1 percent) to EUR 106.0 million. The currency conversion differences resulting from the equity conversion at historical rates have resulted in an adverse effect on equity of EUR 7.4 million. The amount is largely due to the decline in value of the Argentinian peso, US dollar, Chinese renminbi, Indian rupee, South African rand and Australian dollar.

Under liabilities, trade payables fell by around 27 percent to EUR 61.0 million due primarily to a result of the fall in freight rates. This also led to a fall in provisions for forwarding from EUR 56.4 million to EUR 47.4 million (-15.9 percent). There were virtually no drawings on the Group's credit lines over the course of the year. Like the increased bank balance on the assets side, this development is due to the consistent cash generation throughout the financial year. This was largely attributable to the positive operating result in the 2023 financial year and a significant reduction in working capital. The lower level of capital commitment is due to the lower freight rates and the reduction in overdue receivables in the Group.

The increase in liabilities due to shareholders, of EUR 2.6 million, resulted from the various postings to shareholder accounts of the holding company Röhlig Logistics GmbH & Co. KG.

At consolidated companies level, we utilised the first extension option of the syndicated loan agreement in 2022, thereby extending the term by a further year. The agreement is therefore available until the second quarter of 2026. The agreement includes an unsecured volume of EUR 80 million and an increase option for acquisitions, for which a sum of up to EUR 30 million can additionally be requested. The covenants negotiated as part of the loan agreement offer us sufficient 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 increased by 2.1 percentage points to 37.9 percent. This is due, in particular, to the reduction in total assets. Equity, however, decreased by EUR 14.3 million. The material effects result from the repayment of a contribution by NORD Holding in the amount of EUR 10 million, which was classified as equity, the posting of company profits to shareholder accounts (EUR 12.2 million) and the currency adjustment items (EUR 7.4 million). The substantially positive net profit was unable to offset these effects.

The liquidity situation has improved significantly compared to the previous year, with net cash totalling EUR 82.7 million as of 31.12.2023 compared to EUR 52.0 million as of 31.12.2022.

All covenants for 2023 agreed in April 2022 in the current syndicated loan agreement have been upheld.

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 this data to develop individual action plans for our national subsidiaries.

Financial obligations of EUR 73 million within the consolidated companies largely arise from the long-term leasing of warehousing space (>5 years).

Cash flow statement (abridged)

in kEUR	2023	2022
Result for the period	15,686	63,395
Depreciation and amortisation	2,743	3,460
Profits from associated companies	-4,508	-4,777
Changes in provisions	-15,046	373
Changes in receivables, inventories and other assets	84,193	33,469
Changes in trade accounts payable	-16,580	-39,371
Interest	-2,736	1,790
Taxes	-6,963	1,914
Other	-2,130	-207
Cash flow from ongoing activities	54,659	60,047
Cash flow from investment activities	4,539	-1,626
Cash flow from financing activities	-22,114	-35,864
Cash-effective changes in cash and cash equivalents	37,084	22,557
Exchange rate and valuation-related changes in cash and cash equivalents	-6,349	410
Changes in cash and cash equivalents resulting from the scope of consolidation	0	790
Cash and cash equivalents at the beginning of the period	52,006	28,249
Cash and cash equivalents at the end of the period	82,741	52,006

Cash flow from ongoing activities decreased to EUR 55 million. The significant fall in profits was largely offset by a EUR 53 million reduction in working capital.

Dividend payments from associated companies increased slightly in 2023 compared to 2022. The major shareholdings in Röhlig-Grindrod and logineer once again made a significant positive contribution during the 2023 financial year.

Provisions at the end of the year were significantly lower compared to the previous year. This is due both to a reduction in provisions for forwarding of EUR 9.0 million and a decrease in other provisions.

The significant decrease of EUR 84.2 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, however there has been a slight reduction in relative overdue payments. Changes in trade payables amounting to EUR 16.6 million were also a result of the decline in freight rates.

The improved net financial income compared to the previous year with reduced interest payments of around EUR 1.6 million in 2023 and significantly increased interest income is due to short-term investments, with significantly increased interest margins, with our banks under the syndicated loan. Investments in the Argentinian peso also had a positive effect.

Investments in 2023 decreased by 18.0 percent compared to 2022 as a result of a moderate reduction in investments in non-current assets.

In 2023, cash flow from financing activities was shaped by an outflow of funds in the amount of EUR 10 million, mainly from repayments under the syndicated loan agreement.





We offer more than 40 warehouses worldwide and around 265,000 m² of storage space.



DEVELOPMENTS IN THE DIVISIONS AND REGIONS

2023 was very much typical of the post coronavirus period with ample freight space being available. The market shifted entirely from a suppliers' market to a buyers' market. This therefore had consequences in terms of pricing structure and margins given lower overall demand due to significantly weaker global economic activity and also given changed consumer behaviour following the coronavirus pandemic. This applies to all of our divisions and regions equally, although the extent differs slightly in each case. In view of this, we are satisfied with our growth in orders of around 6 percent. We also achieved the third best results in our 172-year history as a company. In 2023, for example, our gross profit of EUR 221 million was significantly above the figure for 2019 of EUR 141 million, the last financial year before the coronavirus pandemic (this is equivalent to an increase of 57 percent).

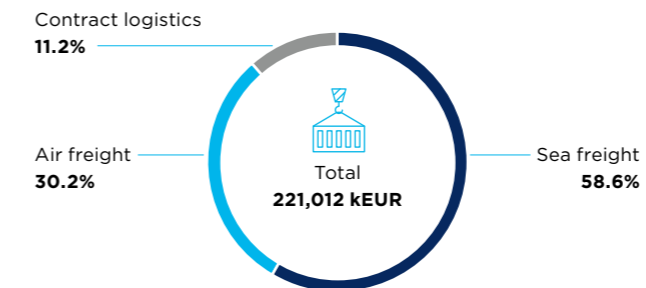
Gross profit by region (consolidated companies)



¹ Incl. Switzerland, Röhlig Penske Logistics joint venture.

From a regional perspective, we performed as follows in 2023: Gross profit decreased by EUR 10.4 million (-21.1 percent) in Europe excluding Germany, EUR 4.8 million (-10.1 percent) in Australia/New Zealand, EUR 14.7 million (-22.4 percent) in America, EUR 18.7 million (-27.4 percent) in Asia and EUR 10.5 million (-21.2 percent) in Germany.

Gross profit by division (consolidated companies)



Gross profit at consolidated companies level fell by 21.1 percent, and at Group level - i.e. taking into account Röhlig-Grindrod - the fall in gross profit was virtually the same at -21.0 percent.

DIVISION

Sea freight

in kEUR			
	2023	2022	Change in %
Gross profit	129,664	163,779	-20.8

The market volume in sea freight increased compared to the previous year, with most of the growth being achieved in the fourth quarter. Factors affecting the market included high inflation and the increased stock levels held by companies following the pandemic.

2023 was characterised by relatively restrained demand and available space. The situation worsened globally, however, towards the end of the year due to developments in the Red

Sea, low water levels in the Panama Canal and various incidents of industrial action being taken in some ports.

The security situation in the Bab al-Mandab strait off the Yemeni coast made it necessary to divert ships around the Cape of Good Hope. The increased shipping time and the additional shipping capacity required resulted in higher costs and, in some cases, bottlenecks.

In 2023, freight rates were initially at or below the pre-pandemic level. Disruptions in services only occurred due to the conflict in the Middle East, and this resulted in general rate increases and surcharges. In some cases, freight rates rose on some shipping routes by more than 300-400 percent.



The Emissions Trading System (ETS) entered into force and requires carriers to meet the sustainability and environmental emission targets set by EU ports.

We achieved positive growth of 6 percent in FCL sea freight volumes at a time when the FCL market was stagnating or was even slightly in decline.

Air freight

in kEUR			
	2023	2022	Change in %
Gross profit	66,674	87,204	-23.5

2023 was a difficult year for air freight. This was a result in particular of the significantly improved situation in global sea freight driven by falling sea freight rates, greater space availability and higher reliability in the ports. This made sea freight, once again, an attractive alternative to air freight. Passenger air travel had also returned to 2019 levels, which meant that cargo capacity was therefore also available again. This led to a significant fall in air freight rates.

The air freight market therefore saw a contraction in the first three quarters of 2023. Airlines did not see an increase in volumes again until October 2023, due mainly to the expansion of online trade and the resulting increased use of air freight by retailers. This applied in particular to freight volumes from Asia. The reduced consumer demand led to a decline in tonnage from Europe and North America. Forwarders are anticipating growth of 1 to 2 percent in air freight for 2024.¹

¹ Air Freight Outlook 2024: A return of classic seasonality but risks remain on the horizon (xeneta.com).

In air freight, our orders on hand increased by 7 percent. At the same time, air freight volumes fell by 11 percent compared to the previous year. This is roughly in line with the overall market trend. 2023 also did not include the significant charter volume of the previous year.

Contract logistics

in kEUR			
	2023	2022	Change in %
Gross profit	24,674	29,028	-15.0

The effects of a more challenging economic environment were also felt in contract logistics. There was a decline in volumes of stock held as customers had built up higher stocks during the coronavirus pandemic, however demand fell due to rising inflation and increasing interest rates. This impacted the retail sector in particular.

The key focus areas remain supply chain transparency, reducing costs and digital visibility. There continues to be a high level of interest in sustainability and automation.

Due to the sustained demand for storage capacity in South East Asia and Oceania, we have significantly increased our local capacities. We have also successfully expanded our contract logistics business to the three further markets of Chile, Uruguay and Thailand. Overall, we now have over 40 warehouses and approximately 265,000 square metres of storage space available to us.

REGIONS

Germany (incl. Switzerland and Röhlig Penske Logistics joint venture)

in kEUR			
	2023	2022	Change in %
Gross profit	39,008	49,481	-21.2

The region of Germany was heavily impacted by the fall in air and sea freight rates. The gross margin fell by 21.2 percent compared to the previous year. Although new business was secured and orders increased by more than 3.5 percent, profitability fell considerably, which meant that Germany and Switzerland slipped into the red. While the sea freight export division saw good growth in volumes, the weak rates and low margins meant the gross profit margin for sea freight imports fell by 60 percent compared to the previous year. By contrast, transatlantic trade recorded strong growth with double-digit growth rates.

The key drivers for the growth in orders in Germany were air freight imports and sea freight exports. These areas grew by 15.5 percent and 12.5 percent respectively. There was, however, no charter business in air freight, and margins fell in all areas due to low rates.

In the area of contract logistics, we consolidated the Roosendaal and Nettetal locations with our joint venture Röhlig Penske Logistics and began standardising the systems and software between the companies. Our national subsidiary Röhlig Switzerland, which was established at the end of 2022, expanded its business and reported a small loss. We are anticipating an improvement here in 2024.

Europe excluding Germany

in kEUR			
	2023	2022	Change in %
Gross profit	38,894	49,292	-21.1

In the region of Northern Europe, we implemented a management change in the Netherlands and appointed a new Managing Director in 2023. The business stabilised towards the end of the year and is in a good position to achieve further growth in the new year.

While we recorded an 8.5 percent rise in orders in the United Kingdom, there was a sharp fall in the gross margin due to low rates, currency losses and long-term ocean freight contracts which were not profitable at the low rates.

In Denmark, orders received rose by 7 percent compared to the previous year and profitability remained high in a challenging market environment.

Gross profit fell by 8 percent in the region of Southern Europe (France, Italy, Spain). In France, we achieved the highest gross profit ever in the history of Röhlig France. We were able to increase gross profit in particular in niche markets in the transport of seeds and wine barrels, resulting in an increase in gross profit of 3 percent compared to 2022. However, we saw a fall of 8 percent in the net result for the region of Southern Europe, although earnings did improve in Italy. Here we invested significantly in sales and focused on the development of new customers. This enabled us to mitigate the drop in gross profit caused by the fall in rates. We also achieved a positive result in Spain. We opened a new branch in Madrid in October, further expanding our presence in the country.

America

in kEUR			
	2023	2022	Change in %
Gross profit	50,940	65,617	-22.4

The USA experienced a difficult 2023, during which prices fell sharply and customers issued fewer orders due to high levels of stock held. This had a marked impact on the US market. Orders reduced, although only in the single-digit

range. To be able to grow profitably in the USA over the long term, we have accepted the fall in gross profits and that there will be months of net losses over a temporary period. We have also invested heavily in expanding the sales team and have developed strategies to significantly improve the order situation in 2024 by attracting new business.

In 2023, we established a national subsidiary in Canada which began operations on 1 February 2024. Given the close relationships between the two countries, the Canadian branch is organisationally aligned with our US organisation. By taking this step, we are further strengthening our global network.

We increased gross profit in the region of Latin America (Argentina, Bolivia, Brazil, Chile, Mexico, Uruguay) by 18.9 percent, due mainly to our new office in Brazil and also a significant, though currency-related, increase in Argentina. In contrast, we saw a significant fall in Mexico and Chile. Overall, we were able to achieve a positive result of EUR 285,000 in Latin America.

In Argentina, the high inflation rate of 400 percent brought significant challenges. Nevertheless, we did not withdraw from this market and were even able to gain new customers. In Brazil, we have developed a strong team of 22 employees in a short space of time and have therefore invested significantly here. Bolivia has again achieved a strong result, namely due to project business for the beverage, oil and gas industries. In this market, we are among the top three in the sector. We have also rolled out CargoWise, our transport management software, in the region. In Mexico, we were able to significantly expand the volume and attract major automotive customers; however, due to the pressure on margins, we were unable to repeat the result of 2022.

Asia

in kEUR	2023	2022	Change in %
Gross profit	49,581	68,249	-27.4

Gross profit fell significantly by 30 percent in North Asia (China, Hong Kong, Japan, Korea and Taiwan) compared to 2022. In 2023, the region nevertheless ended the year with a net result of EUR 2.2 million, a fall compared to 2022 and primarily due to the specific situation in China. China had to cope with a severe wave of coronavirus at the beginning of 2023, and this ultimately led to a reversal of the zero-Covid policy. The significant consumer reluctance to spend globally has also led to a marked slowdown in growth and in exports from China. Korea

achieved the best net result of EUR 1.250 million. Despite concerns regarding a possible conflict with China, Taiwan also contributed to earnings in the region with a net result of EUR 729,000.

We also opened a new national subsidiary in the region in Osaka, Japan, on 1 October 2023. Following start-up losses of around EUR 200,000 in 2023, we are expecting positive results from our network business – which will then be fully acquired – from the second quarter of 2024 and will then be able to start expanding our controlled business in Japan.

Gross profit fell by 27.8 percent in Southeast Asia (Singapore, Thailand, Malaysia, Indonesia and Vietnam) compared to 2022, due primarily to the loss of a number of highly profitable charter flights that were carried out in 2022 in addition to the fall in rates. This resulted overall in a slightly negative result in the region, although in Malaysia we again achieved a positive net result of EUR 589,000.

At the end of the year, we decided to again double our warehouse space in Malaysia and expand our existing warehouse by 10,000 m². We have also received approval for a customs warehouse. This further increases the attractiveness of our warehouse for customers. We have also opened a new office in Penang and have set up a new office in Laem Chabang, Thailand.

Gross profit in India fell by 20.7 percent in 2023 due to the strong pressure on margins. The result is also significantly lower than 2022, but is still at a very good level of EUR 1.4 million. In the reporting year, our Indian national subsidiary invested heavily in the expansion of the network business. Investment was also made in new sales offices in Kochi, Jamshedpur, Jaipur and Aurangabad. There was also a particular focus on expanding Intra-Asia business, including the trade lanes between India and China as well as India and Japan.

Our branch in Dubai continued its success and achieved a very satisfactory result. We were able, in particular, to successfully expand sea freight services.

Australia/New Zealand

in kEUR	2023	2022	Change in %
Gross profit	42,589	47,371	-10.1

Our branches in the Australia and New Zealand region performed well in the market. The 4PL client base was enlarged, existing customers were successfully retained and new customers were also acquired.

While the Australian results were below the highs of the two exceptional previous years, the results were very satisfactory and we were able to perform exceptionally well in a difficult market environment following the pandemic. We defended our leading position in air freight volumes from Germany and significantly increased air freight volumes from the USA by the end of 2023. The sea freight export division saw strong volume growth of over 100 percent compared to the previous year.

Our New Zealand entity achieved very good profits in 2023, although congestion at the port in Auckland adversely affected supply chains for part of the year.

Africa

in kEUR	2023	2022	Change in %
Gross profit	38,622	39,291	-1.7

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.

Towards the end of the year, South Africa experienced significant bottlenecks at all ports, putting pressure on our customers' supply chains. The ships had to wait three to four weeks for a berth. Despite these challenges in the ports, the South African team managed to achieve a similarly high profitable result as in the exceptional year of 2022.



2024: well prepared thanks to our strategy programme.



OUTLOOK

GEOPOLITICAL RISKS AND THE WORLD ECONOMY

The world economy is stabilising at a low level, however it continues to be impacted by existing challenges and international crises.¹ Existing and new geopolitical conflicts in 2024 could adversely impact not just energy markets but also key trade routes in the Red Sea.²

In its World Economic Outlook Update from January 2024, the International Monetary Fund (IMF) expects global gross domestic product to grow by 3.1 percent in 2024 (India: 6.5 percent, China: 4.6 percent, USA: 2.1 percent, Germany: 0.5 percent).³ According to the IMF, the global rate of inflation is set to fall only slowly from a high of 6.9 percent in 2023 to 5.8 percent in 2024.⁴

The International Air Transport Association (IATA) regards the positive initial figures for 2024 as a very promising start for the air freight market. In January, demand for air freight tonne-kilometres rose by 18.4 percent compared to the previous year. The trend towards recovery was already evident in the fourth quarter of 2023 and is likely to continue in 2024. The strong growth in demand is a result, among other things, of the increasing share of e-commerce business in the air freight market. The high growth rates, however, are also due to base year

effects. In January 2024, 14.6 percent more air freight capacity was available than in January 2023, due mainly to an increasing number of passenger flights. Increasing improvements in utilisation (January 2024: 45.7 percent, January 2023: 44.3 percent) are also indicative of market recovery. Other sources of volatility in terms of air freight demand and prices in 2024 could be the political crisis in the Red Sea, the drought in the Panama Canal, the outcome of elections in many countries and interest rate cuts.⁵ Overall, freight forwarders are anticipating growth of 1 to 2 percent in air freight for 2024.⁶

According to the assessment of the industry experts at Clarksons, the sea freight sector is likely to see growth in volumes in the low single-digit percentage range.⁷ The geopolitical crisis in the Middle East, and therefore the need to divert shipping around the Cape of Good Hope, is increasing the risk of capacity bottlenecks. In the future, however, we also anticipate the risk of renewed pressure on sea freight rates if significant capacity comes onto the market in 2024 and 2025. The announcement of new alliances in the sea freight carrier market for the start of 2025, such as those between the major shipping companies Maersk and Hapag-Lloyd, may already begin to influence the market in 2024.

¹ <https://www.bmwk.de/Redaktion/DE/Schlaglichter-der-Wirtschaftspolitik/2023/12/11-weltwirtschaft.html>

² <https://www.oecd.org/economic-outlook/february-2024/>

³ <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

⁴ <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

⁵ <https://www.iata.org/en/iata-repository/publications/economic-reports/air-cargo-market-analysis-january-2024/>

⁶ Air Freight Outlook 2024: A return of classic seasonality but risks remain on the horizon (xeneta.com).

⁷ <https://www.clarksons.com/home/news-and-insights/2024/2023-shipping-market-review/>.

Supported by a solid pipeline of orders, we at Röhlig Logistics are anticipating increased demand for our services from the second quarter of 2024. This is likely to be reflected in increased volume growth for the remainder of the year. According to our assessment, this should place us above the general market trend. The strong liquidity created in the previous year provides us with the necessary scope to handle volume growth and to invest in our network.

In the area of contract logistics, we have set the following targets over the next three years: introducing a standardised warehouse management system based on international standards, increasing both the service offer as well as transparency, and making the supply chain process even more stable for our customers.

In the area of personnel development, we are planning the relaunch of our Blue Arena programme in 2024. The programme is aimed at experienced managers with potential. We shall start to select candidates in March. In 2024, we will also be introducing Workday software for HR purposes on a worldwide basis.

STRATEGIC PROGRAMME #CONNECTED FOR GROWTH FOR PROFITABLE GROWTH

Our goal is to become a leading provider of logistics solutions at a global level. We are therefore planning to triple our volume in sea and air freight by 2030. The Blue Star strategy programme was conceived for the period spanning 2021 to 2023 and has now come to an end. To achieve our goals for 2030, the Global Executive Board, together with the extended leadership group, has developed the next programme – #Connected for Growth – for the 2024–2026 period. This programme has been in place since 1 January 2024 and focuses on three main pillars: People, Network, Sales. We will invest in the training of our managers and the development of talent on the basis of specific targets. We plan to grow and continuously expand our existing network. Finally, we want to increase our sea and air freight turnover and expand our digital product portfolio.

The clear alignment of governance on a regional structure continues as before. The responsibilities of the managing directors for individual regions have been reassigned. The following regions will also be led in future by a regional CEO: Australia, New Zealand and Southeast Asia will be managed as the “South Pacific”. Spain, Italy and France form Southern Europe. The current managing directors will remain responsible at country level. To become even more agile, the Global Executive Board is introducing a new committee which will be referred to as “the Committee”. This body will focus on issues relevant to the implementation of the



#Connected for Growth strategy programme. The Committee consists of six permanent members who support the Global Executive Board as sparring partners and who are already members of the board of directors. The Board of Directors comprises those responsible for the regions, products and sales.

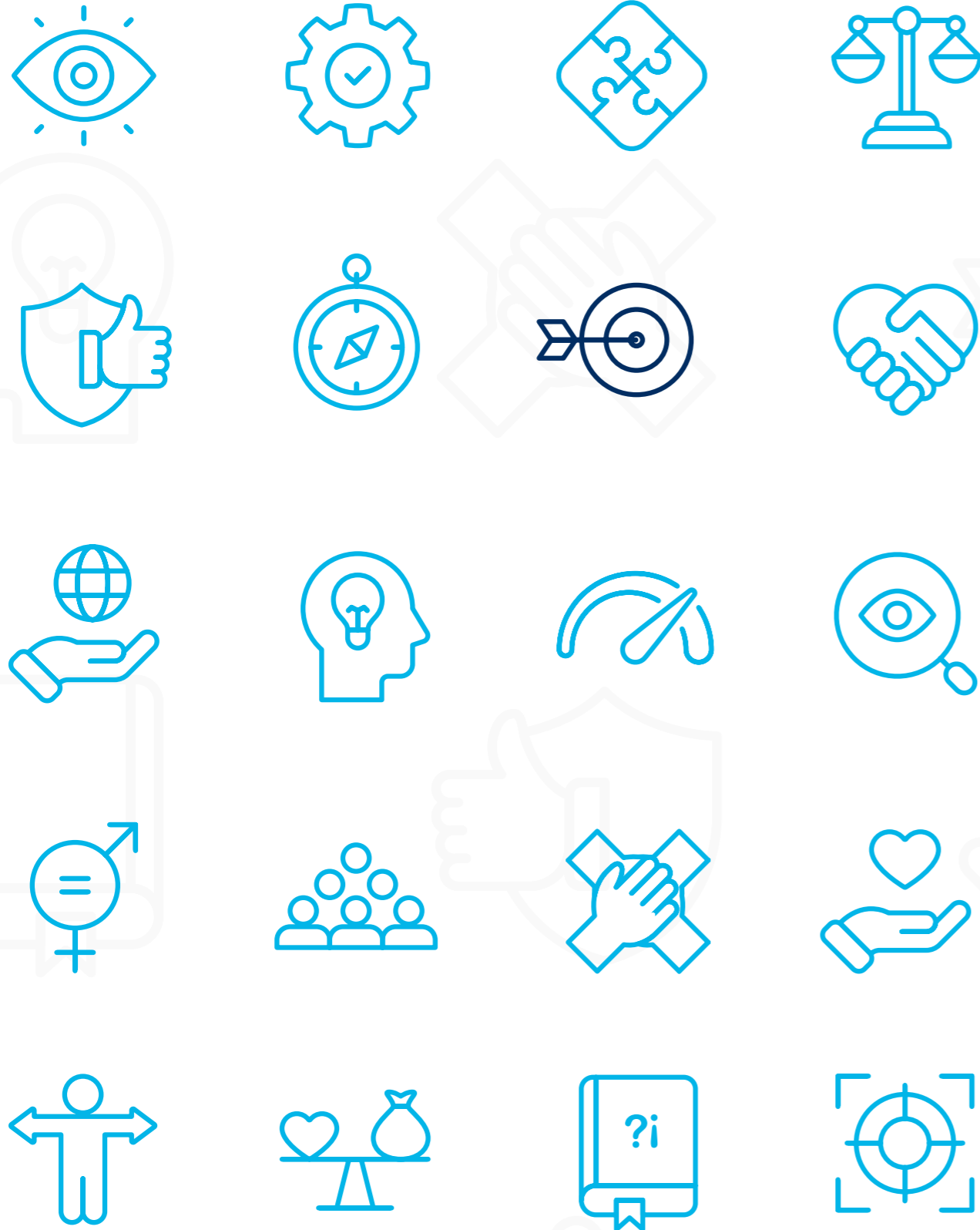
Based on our strategy programme, we assume that in 2024 we will be able to increase volume across all products by around 20 percent. We are therefore planning to increase our gross profit to over EUR 230 million and to achieve a result comparable to 2023.

The syndicated loan agreement concluded in April 2022 with a volume of EUR 80 million was largely unused by the end of 2023 and also offers additional means in the form of an extension option to support the Group’s growth strategy. Therefore, we continue to investigate both organic opportunities and possibilities for investments and acquisitions. The term of the syndicated loan agreement was extended in 2024 by the participating banks until Q2 2027.

Bremen, 8 April 2024

Global Executive Board





The Röhlig Global 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

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 rising number of countries within its global network.

A FOCUS ON GROWTH

In a challenging market environment, we asserted ourselves in 2023 and have achieved a strong result compared with the pre-pandemic level. One highlight was the successful completion of our three-year growth programme Blue Star, which aided us in significantly

increasing our profitability in our core business and strengthening our worldwide relevance.

We will build on these successes over the next three years with our new business strategy #Connected for Growth. The name says it all: with #Connected for Growth, we are advancing the internal and external networking of our company as well as the expansion of our digital expertise in order to work together to achieved profitable growth. This is to ensure that we are best positioned to secure our long-term relevance and independence as an owner-operated family business.



The Röhlig Advisory Board from left to right:
 Dr. Andreas M. Odefey, Verena Pausder, Thomas W. Herwig, Dr. Thomas Noth,
 Jan Brorhiker, Dr. Jürgen Hernichel

ADVISORY BOARD

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

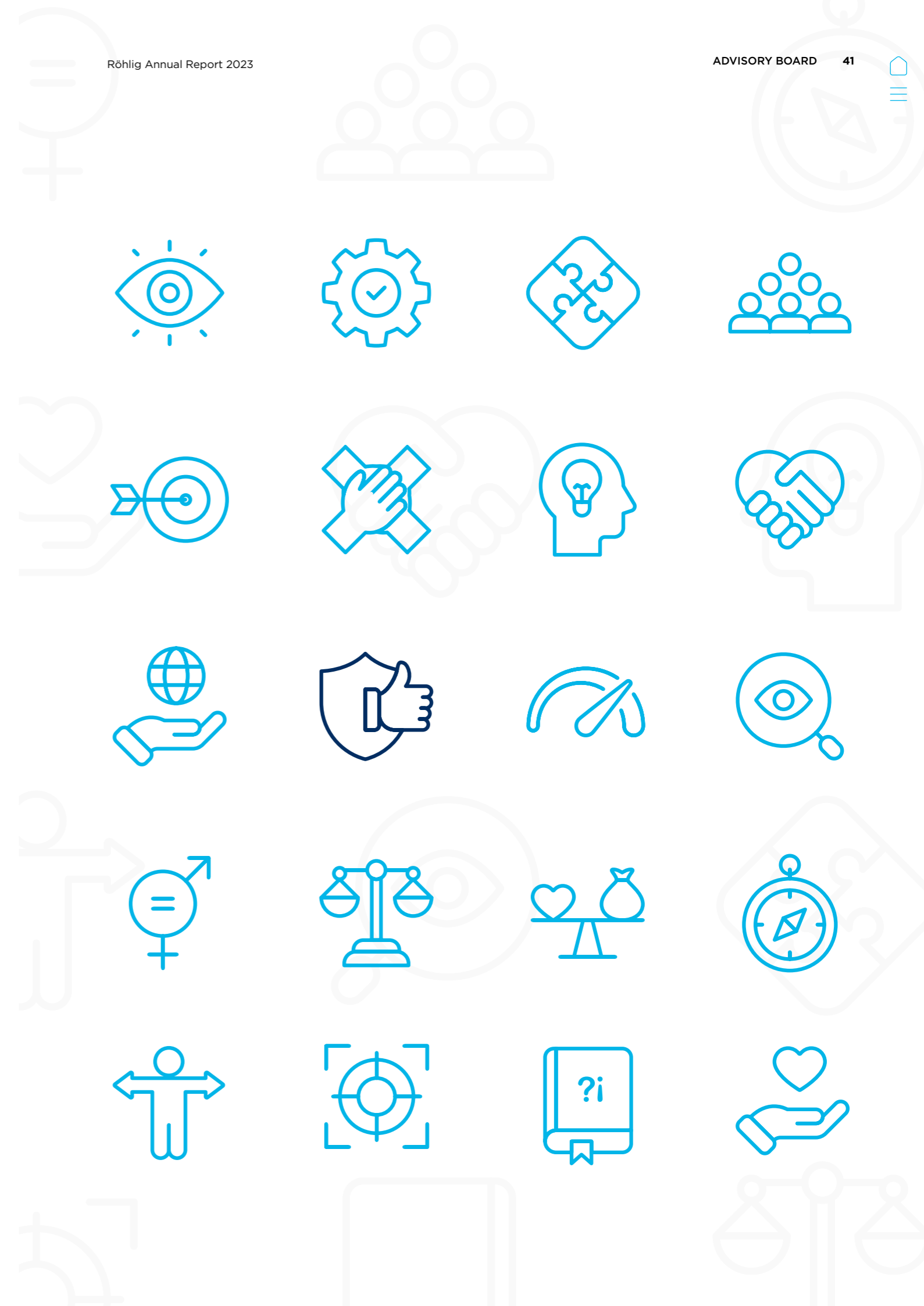
“Maximising profits is not the primary goal of a family business that thinks in terms of generations. Particularly in economically challenging times, it is about achieving loyalty to the company among qualified and well-trained employees, investing in network expansion and digitisation, and strengthening sales. Lasting values are not created with a ‘hire and fire’ approach; sustainability also means fair and respectful treatment of employees.

Even under difficult conditions in a weakening sea and air freight market, Röhlig achieved respectable results in 2023. At EUR 221 million, gross profit was almost 60 percent above

the 2020 year, when the COVID pandemic started. Röhlig owes this success equally to its employees’ creativity and motivation, and to the trust and loyalty of its customers worldwide.

The Advisory Board extends its thanks to all members of the Röhlig organisation for their successful activities in the past year, and wishes the Global Executive Board much success in implementing the #Connected for Growth strategy.”

Thomas W. Herwig
 Chairman of the Advisory Board



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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 cause the actual results, financial performance, financial position and the development or performance of Röhlig Logistics to materially differ from these assumptions and forecasts.

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

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

