

DHL and Cainiao join forces in Poland: initial investment of EUR 60 million to build the largest out-of-home delivery network

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DHL eCommerce Solutions, the e-commerce logistics specialist of Deutsche Post DHL Group, and Cainiao Network, a global smart logistics company and the logistics arm of Alibaba Group, have signed an agreement, under which DHL should purchase part of the equity securities of Cainiao's subsidiary in Poland. The partnership aims to improve the quality and speed of Poland's out-of-home delivery (OOH). In the first phase following the transaction, the two companies plan to invest 60 million euros to install parcel lockers across the country, with the aspiration of forming one of Poland's largest access point networks.

"Poland is one of the fastest growing e-commerce markets in Europe, expected to double by 2027, and up to 40% of consumers prefer to have shipments delivered to parcel lockers. By joining forces with Cainiao, we will strengthen our position as a trusted parcel provider and create an extensive network of state-of-the-art parcel lockers. In this way, we can provide our customers with an even greater shipping experience, on top of our existing to-door delivery options" says Pablo Ciano, CEO of DHL eCommerce Solutions.

To start, both partners will merge their existing parcel locker networks, so that consumers get immediate and seamless access to the offerings of DHL and Cainiao. The two companies already operate a total of 1,200 parcel lockers in Poland. Furthermore, based on the existing DHL network of parcel shops and access points, the companies will invest in the initial phase of the partnership 60 million euros in installing modern parcel lockers with user-friendly interfaces at key locations. The ultimate ambition is to build Poland's leading parcel locker network, with seamless coverage of the first and last mile, adding to the already extensive network operated by DHL in Europe, totaling over 90,

000 access points.

Over the past years, Cainiao has been setting up its regional hub in Liege, Belgium and sorting centers in major markets in Europe. This is further complemented by a network of parcel lockers in Poland, Spain, and France to provide a more efficient and seamless logistics experience across Europe.

"As we tap into the great potential of Europe's ecommerce market, Cainiao strives to contribute to the growth of a sustainable logistics ecosystem by deepening our cooperation with our local partners. We are glad to have found such a strong and well-established partner in DHL, who shares our vision. By combining both companies' logistics, technology, and e-commerce expertise, we aspire to deliver superior service to our clients and create an unmatched online shopping experience for consumers." states William Xiong, Chief Strategy Officer and General Manager of Europe and SEA regions at Cainiao Network.

The transaction is subject to merger control clearance in jurisdictions of certain countries. Such approvals are expected in the coming months.



Source: <u>Deutsche Post DHL</u>