Deutsche Post DHL Group and SF Holding conclude landmark supply chain deal

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Deutsche Post DHL Group ("DPDHL Group") has concluded the landmark deal to transfer its supply chain operations in Mainland China, Hong Kong and Macau, herein after referred to as "China" to SF Holding ("SF"), a leading premium logistics service provider in the country. The transaction involves the supply chain business, and has no bearing on DPDHL Group's business activities in international express, freight transport and e-commerce logistics solutions in China.

As part of this transaction, DPDHL Group received RMB 5.5 billion (~ EUR 700 million), and will continue to receive revenue-based partnership fees for 10 years while DPDHL Group provides the co-branded business with trademark license, customer referral, employee training, best practice sharing and other areas of support. The co-branded business - SF DHL Supply Chain China - was announced at the deal closing, and Yin Zou (former CEO, Greater China of DHL Supply Chain) was appointed CEO of the organization, and along with his existing management team, will continue leading the business. Headquartered in Shanghai, SF DHL Supply Chain China will harness DPDHL Group's best-in-class supply chain services, management expertise, transportation and warehousing technology, combined with SF's extensive domestic infrastructure, distribution network and broad base of local customers, to drive its growth trajectory.

"This supply chain alliance with SF is a strategic milestone for DPDHL Group. With our joint capabilities we will create a unique platform to meet the need for a high quality end-to-end supply chain provider in China. SF's local market expertise combined with DPDHL Group's global operations standards and network support provide a solid foundation for us to continue exploring further opportunities in China in the coming years. China is on course for sustainable growth1, and SF DHL Supply Chain China is well-placed to serve the increasing demands for world-class supply chain services. The agreement, therefore, is the cornerstone for DPDHL Group to gain unprecedented access to China's immense domestic market," said Frank Appel, CEO Deutsche Post DHL Group.

"SF's vision is to become a trustworthy logistics-based business partner with comprehensive solutions for our customers,

and our partnership with DPDHL, the leading logistics company in the world, helps us move solidly ahead with this vision. We are expanding our domestic footprint through SF DHL Supply Chain China to cater to our customers across a multitude of industries. This deal with DPDHL Group, a world-class organization, also helps us to better serve multi-national clients," said Dick Wong, Chairman, SF Holding.

SF DHL Supply Chain China will have access to DPDHL Group's global expertise, network, operations standards and innovations, across industries from technology, healthcare, retail and automotive to e-commerce. Leveraging SF's market position in China, SF DHL Supply Chain China is setting its sights on expanding the service portfolio to SF's customers while winning new customers with its enhanced product and service offerings.

Added Yin Zou, CEO, SF DHL Supply Chain China, "This landmark deal gives SF DHL Supply Chain China unparalleled advantage to transform the supply chain industry in China. My team and I are looking forward to amalgamating the best of what DPDHL Group and SF stand for, and converting these into tangible value for existing and new customers. The strong commitment from DPDHL Group and SF has led to the swift and smooth completion of the transaction, and it is full steam ahead for us to deliver top quality turnkey supply chain solutions to enterprises in China."

Source: Deutsche Post DHL

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