Q1 2021 EARNINGS INVESTOR CALL

Melanie Kreis, Group CFO

May 5th 2021

Deutsche Post DHL Group

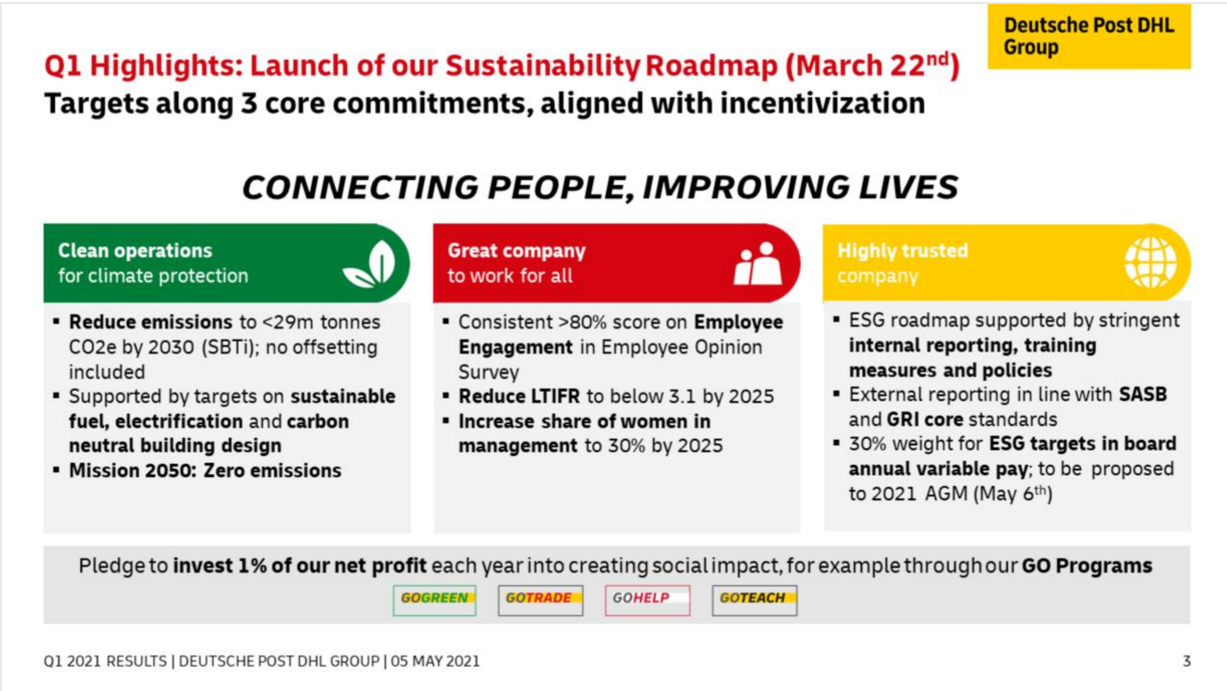
Management comments:

As pre-announced on April 9th 2021, DPDHL Group achieved a record Group EBIT of €1,911m (Q1 2020: €592m) in Q1 2021. Free Cash Flow reached €1,183m in Q1 2021 (Q1 2020: €-409m), hence exceeding initial Q1 expectations by €183m. This reflects the ongoing strong growth momentum in e-commerce while at the same time recovery of B2B activity levels gained further strength.

Our base assumptions on these two trends are unchanged: We expect B2C growth to normalize over time while B2B should see a further gradual recovery.

Following this very strong start into the year, guidance for 2021 has been upgraded to a Group EBIT of >€6.7bn (from >€5.6bn) and Group FCF of >€3.0bn (from €~2.3bn).

While we expect a normalization of e-commerce growth rates from the currently elevated strong levels, we see structural growth continuing from this higher e-commerce penetration base. As we also benefit from the economic recovery which is looking increasingly robust, we have as well revised upwards our 2023 guidance to a Group EBIT of >€7bn (from >€6bn) and cumulative 2021-23 FCF of ~€9bn (from €7.5-8.5bn).



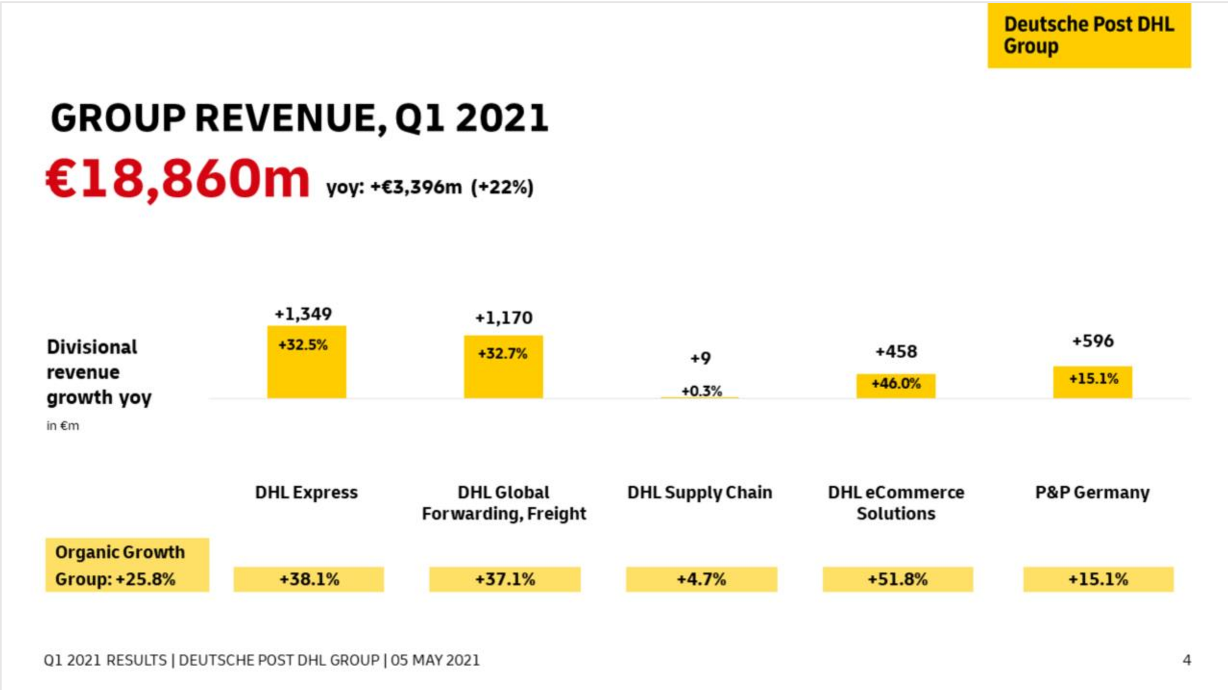
Management comments:

Besides the financial performance, we have set another important milestone in our ESG agenda in Q1 2021 with the launch of our New Sustainability Roadmap on March 22nd. Building on our long-standing commitments and programs along various ESG topics, our Sustainability Roadmap fully integrates our ESG actions into our overall Strategy 2025 framework.

We have set ourselves measurable targets along all three core commitments, with notably a new science-based target on absolute CO2 reduction by 2030 on the way to our confirmed Zero emission commitment by 2050.

We also propose a 30% compulsory weight of ESG targets for variable compensation of Group's management board to be voted for at the AGM on May 6th – to align incentivization with the commitments of the Sustainability Roadmap.

For more details, you can find the presentation of the DPDHL Group ESG Roadmap in the IR Download Center: https://www.dpdhl.com/en/investors/esg.html



Management comments:
Topline growth in Q1 2021 reflects the continued strong momentum in e-commerce-driven B2C activities and further recovery in B2B activities. All divisions recorded a year-over-year improvement in both reported and organic revenue for Q1 2021.

DHL Express is well-positioned to benefit from both, continued strong growth in e-commerce and recovery in B2B volumes. As a result, all regions contributed with double-digit organic revenue growth.

Volume trends in both Air and Ocean freight continued to improve along with economic recovery. This combined with tight market capacity drove 33% revenue growth in DGFF.

In line with the gradual recovery in global economic activity, DHL Supply Chain revenue is slightly above last year's level, representing 5% organic revenue growth once adjusted for €-144m FX impact.

DeCS strong performance continued in Q1 2021 with 52% organic growth as they faced unabated e-commerce growth momentum in their B2C businesses – driving Q1 revenue in line with Q4 peak season levels.

P&P Germany saw a further shift in business mix from mail to parcel, as e-commerce continued to boost volume growth in Parcel. While Parcel activity remained indeed on very high levels, also post Q4 peak season, Mail volume with -9.5% also remained in stronger decline vs. historic trends (-2 to -3%).

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GROUP EBIT, Q1 2021

€1,911m yoy: +€1,319m (+223%)

in €m

DHL Express	DHL Global Forwarding, Freight	DHL Supply Chain	DHL eCommerce Solutions	P&P Germany	Group Functions / Consolidation
961	**216**	**167**	**117**	**556**	**-106**
+145%	+192%	+59%	+1,850%	+67%	+67%
Q1 2020: €393m	*Q1 2020: €74m*	*Q1 2020: €105m*	*Q1 2020: €6m*	*Q1 2020: €334m*	*Q1 2020: €-320m*
Efficient network planning and relentless focus enabled to cater for continued B2C growth and recovering B2B volumes, driving very high network utilization and 17.5% EBIT margin.	Strong profit increase reflects return to volume growth, continued high rates and ongoing internal efficiency gains. EBIT margin up to 4.5%.	Delivering expected significant EBIT growth as new business gains and gradual return of B2B activity levels are supported by improved efficiency e.g. from digitalization. EBIT margin back to 5%.	Continued strong B2C growth and cost focus drive high utilization across all networks, Q1 margin at 8.0%.	Continued strong parcel growth offsets ongoing adverse mail development, supported by continuous efforts to optimize cost structures and utilization of networks.	Group Functions results in line with ~€-400m guidance for FY 2021. Q1 2020 included €-234m StreetScooter effect.

Management comments:

As pre-released on April 9th, Group EBIT in Q1 2021 tripled to €1,911m as B2C growth remained strong while recovery in B2B activities continued to gain pace in Q1.

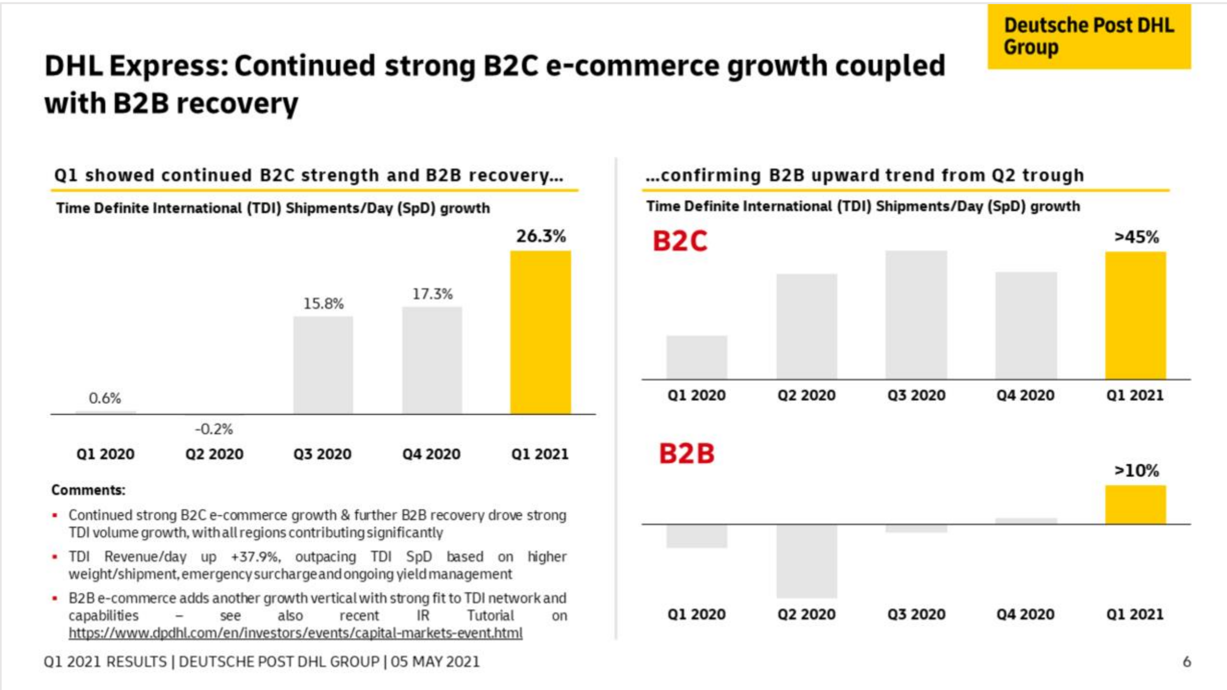
Benefitting from continued strong B2C growth and accelerating B2B momentum and supported by high network utilization, DHL Express achieved record Q1 EBIT of €961m at an EBIT margin of 17.5%.

In DGFF, Air, Ocean and Road freight volumes were back in growth territory in Q1. Strong GP performance was translated into significantly higher EBIT growth as DGF GP-to-EBIT conversion improved to 27% (Q1 2020: 11%).

Gradual recovery in customer activities, particularly in Life Sciences & Healthcare and Technology sectors, is reflected in significant EBIT growth in DSC with a Q1 margin of 5.2% - back at the 5% target level.

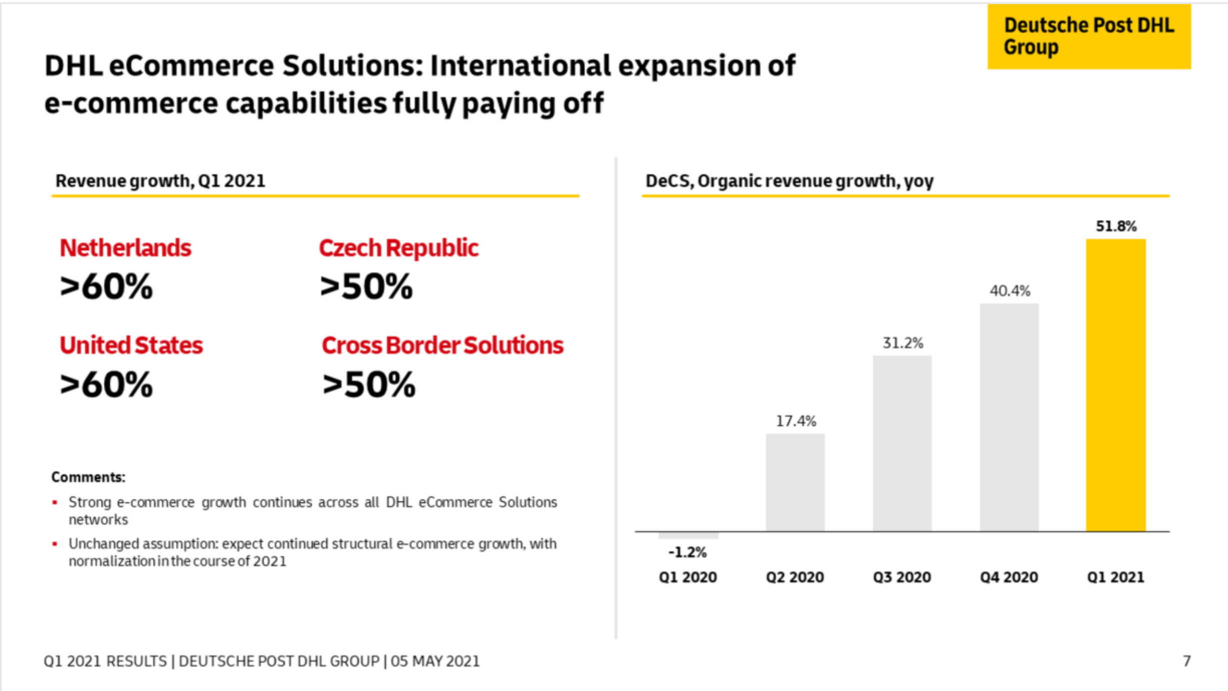
DeCS saw continued strong momentum across its B2C businesses. Supported by efficient network utilization and cost control, this strong volume growth delivered record profits and margins in Q1.

P&P Germany performance continues to reflect the acceleration of e-commerce. Higher-than-usual Parcel growth rates more than offset the ongoing structural mail decline, allowing P&P to post very strong EBIT and margin in Q1 2021.



Management comments:
DHL Express growth has accelerated further in Q1 2021. This reflects, on the one side, that B2C growth, which started accelerating in Q2 last year, has seen continued unabated momentum throughout Q1. On the other side, B2B volumes are showing further gradual recovery from Q2 2020 trough levels.

With volume growth well spread across regions, efficient network planning and relentless focus of the DHL Express global team, this allowed us to deliver this strong volume uplift with high efficiency – driving record Q1 EBIT of €961m with a record margin of 17.5%.

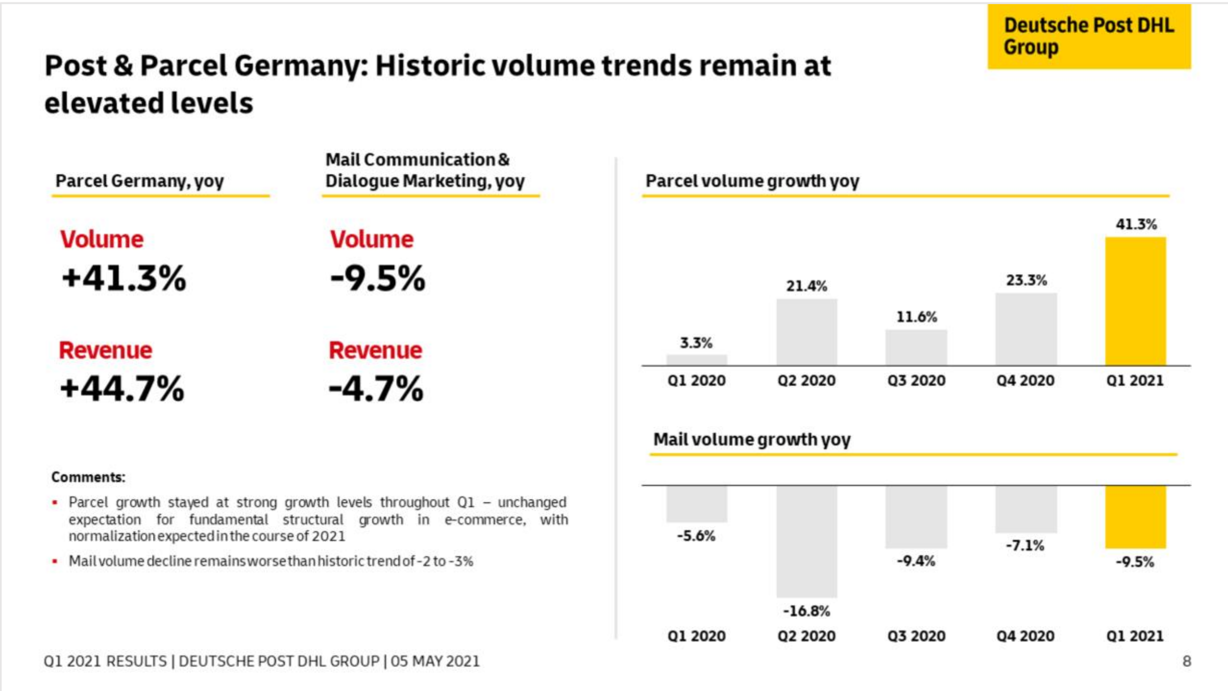


Management comments:

With e-commerce growth showing unabated momentum throughout the first quarter of 2021, revenue in DHL eCommerce Solutions accelerated by 46% to €1.454bn in Q1 2021, about in line with peak season sales of Q4 2020 (€1.455bn). Strong B2C growth was seen in countries like, among others, US, Netherlands, Czech Republic, UK and overall cross-border activities.

All major country networks catered for double-digit growth in their domestic and cross-border e-commerce volumes. Our assumptions regarding further development are unchanged: We expect continued structural growth as the current circumstances have only accelerated the structural trend of increased e-commerce usage and penetration. However, we of course expect volume growth to go through a normalization phase once life circumstances gradually return to normal in each country and region.

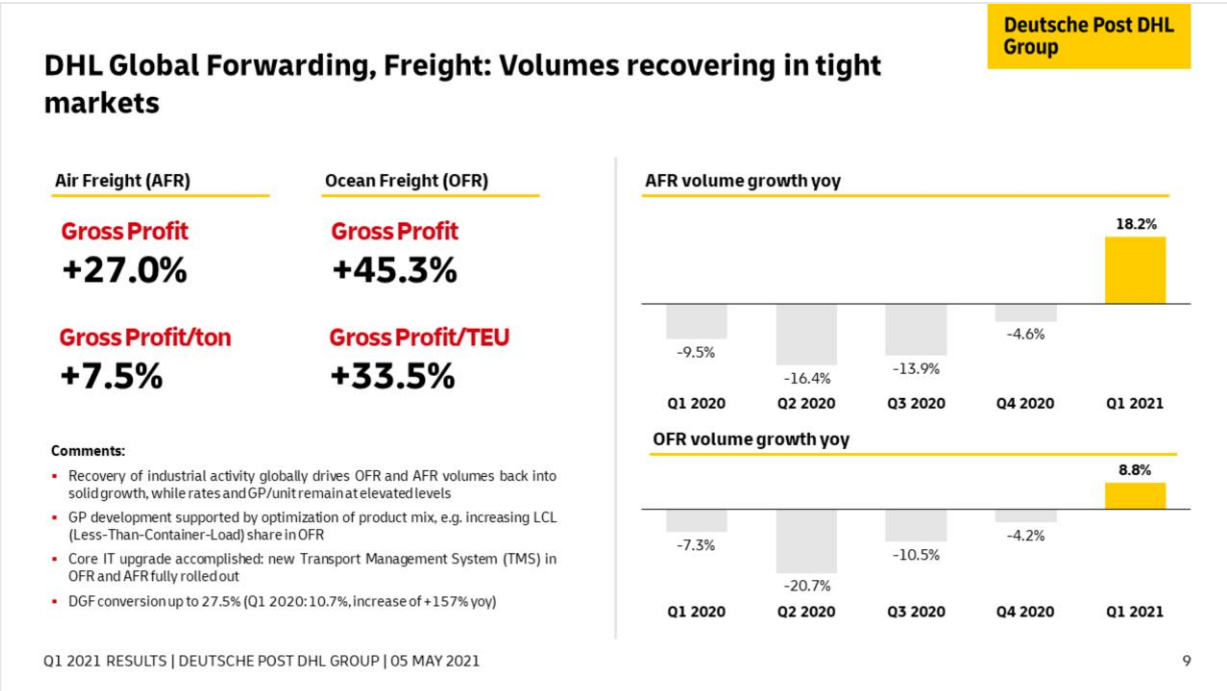
In the meantime, scaling up existing networks and resources has allowed us to deliver on the high volume growth of our widespread customer base with strong efficiencies and cost management – leading to a divisional Q1 EBIT of €117m with a 8.0% margin.



Management comments:
Similar to B2C volumes in Express and DHL eCommerce Solutions, Parcel growth in Germany stayed at strong growth levels throughout Q1. At the same time, the decline rate of mail volumes remained worse than the historic trend, mainly due to still significant declines in Dialogue Marketing volumes.

In line with our overall assumptions for the Group, we expect B2C growth to normalize in the course of 2021 – reflecting an expected return to a more normal way of life thanks to the successful vaccination progress and the gradually stronger base effects of 2020 numbers. Nevertheless, we expect e-commerce to remain a fundamental, structural growth driver for Parcel Germany, also on the higher 2020 base.

For P&P Germany, the main objective therefore remains to keep offsetting declining mail volumes by Parcel growth, in a continued profitable manner.

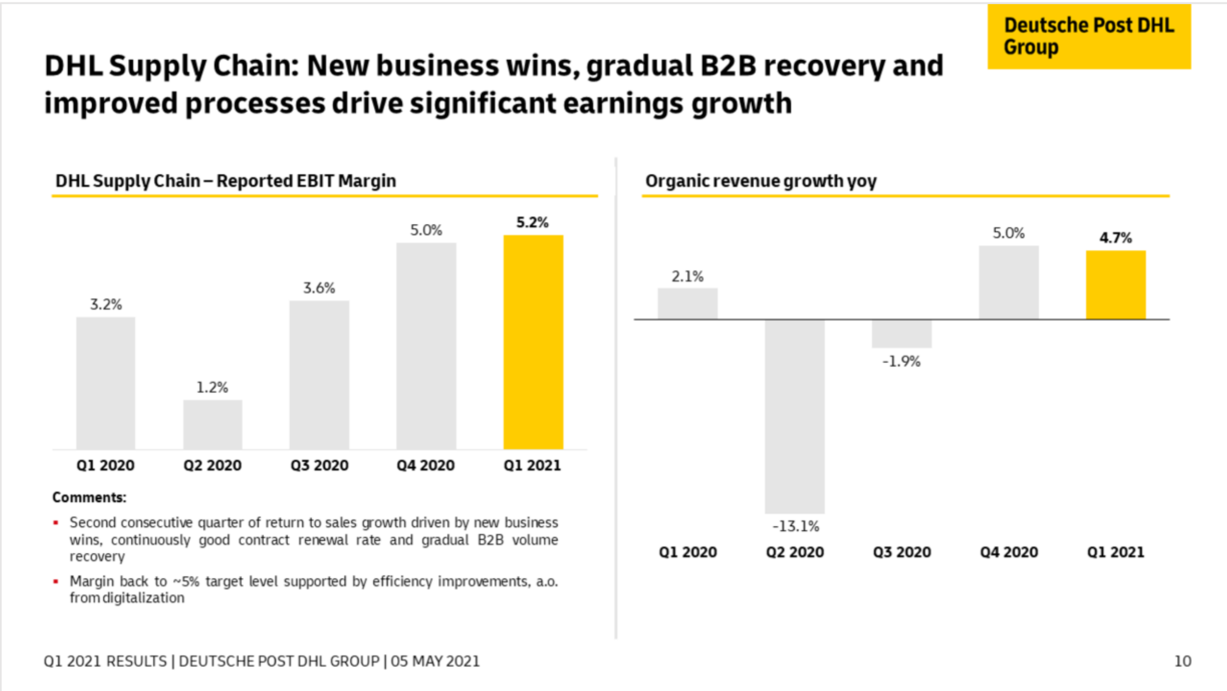


Management comments:

DGFF activities in Q1 2021 were mainly still impacted by the tight capacity situation in both Air and Ocean Freight markets.

In 2020, the resulting high rate and hence gross profit margin environment had successfully offset volume declines, which were triggered by the sudden slowdown in industrial activities and related B2B volumes. In Q1 2021, the yoy volume development has reverted back to growth as the gradual economic recovery has been driving very solid yoy increases in AFR and OFR volumes. As capacities could not be added quickly enough, both markets have remained tight so that higher volumes coupled with higher GP/unit have driven a significant increase in gross profit for both, AFR and OFR.

With the roll-out of our new Transport Management System fully accomplished, the positive market development was further amplified by improved internal efficiency and transparency, driving EBIT margin up to 4.5%, with DGF GP-to-EBIT conversion at 27.5% (Q1 2020: 10.7%).



Management comments:

DSC is showing the second consecutive quarter of very solid organic sales growth driven by new business growth and continued high contract renewal performance, supported by eCommerce as well as the recovery of the B2B business volumes across most regions.

As opposed to the B2B end markets, DHL Supply Chain has seen continued growth in e-fulfillment and omni-channel activities in line with the overall e-commerce acceleration trend. Our dedicated, certified Healthcare operations have also seen their activity levels being well supported throughout that period.

With continued efficiency focus being supported by the widespread roll-out of digitalization initiatives, DHL Supply Chain has also contributed significant growth to the strong Group numbers in Q1 2021 with a divisional EBIT of €167m and EBIT margin back to the 5% target level at 5.2%.

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Q1 2021 Group P&L
Strong EBIT growth drives quadrupling of EPS

in €m	Q1 2020	Q1 2021	vs. LY
Revenue	**15,464**	**18,860**	**+22.0%**
EBIT	**592**	**1,911**	**+222.8%**
Financial result	-151	-154	-2.0%
Taxes	-106	-492	**-364.2%**
Consolidated net profit*	**301**	**1,190**	**+295.3%**
Basic EPS (in €)	**0.24**	**0.96**	**+300.0%**

*attributable to DPDHL Group shareholders

Management comments:
Based on 22% revenue growth, Group EBIT tripled to €1,911m, as all divisions managed to turn volume uplifts into higher profitability.

The stronger operating income is mirrored in an increase in taxes, with the tax rate up to 28% (Q1 2020: 24%) – at the upper end of our 26-28% guidance range.

Consequently, the very strong operating performance is also reflected in a significant increase in net profit and EPS.

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Q1 2021 Group Cash Flow Statement

Strong EBIT performance fully translated into even stronger FCF increase

in €m	Q1 2020	Q1 2021	vs. LY
EBIT	**592**	**1,911**	**+1,319**
Depreciation, amortization and impairment losses	1,021	930	-91
Change in provisions	-26	9	+35
Income taxes paid	-168	-273	-105
Changes in working capital	-758	-94	+664
Other	89	7	-82
Operating Cash Flow	**750**	**2,490**	**+1,740**
Net Capex	-571	-667	-96
Net cash for leases	-578	-629	-51
Net M&A	-5	-2	+3
Net interest	-5	-9	-4
Free Cash Flow	**-409**	**1,183**	**+1,592**

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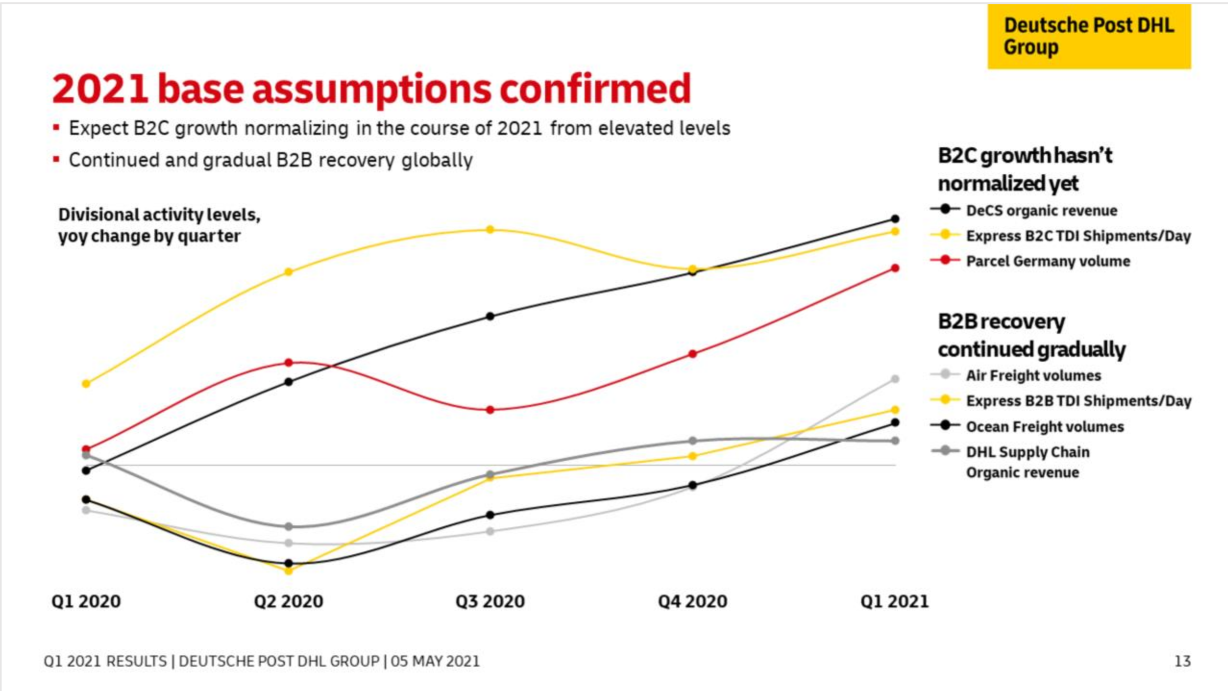
Management comments:
Historically, Q1 is seasonally Free Cash Flow negative but DPDHL generated a positive €1,183m of Free Cash Flow this year.

Firstly, this reflects the health of the operating profit improvement as the €1.3bn EBIT increase has led to a €1.1bn higher Operating Cash Flow before Working Capital, with exceptional depreciation in Q1 2020 and higher cash taxes in Q1 2021 explaining the ~€200m difference.

Working Capital development also provided a significant yoy contribution (+€664m) reflecting the sustainable improvement in cash flow steering and related processes.

Net Capex slightly increased – reflecting continued investments to cater for further expected growth, in line with our full-year capex guidance. Capex (owned assets) related to DHL Express' B777 aircraft order did not have a meaningful impact on the yoy comparison (Q1 2021: €72m ; Q1 2020: €66m).

Hence, the strong Free Cash Flow generation in Q1 2021 mirrors the strength in operating performance as well as improved working capital steering.



Management comments:
The collection of the divisional developments shown on p. 6-10 provides a good summary picture of the business trends since Q1 2020 and particularly the dichotomy between B2C and B2B developments.

The acceleration of e-commerce has driven a significant acceleration in B2C volumes since Q2 2020, as reflected in our business development in DHL eCommerce Solutions, Parcel Germany and B2C volumes in Express. While we expect these growth rates to normalize at some point of time, growth levels have remained very strong throughout Q1 2021. We expect B2C volumes to stay on elevated levels after the structural e-commerce acceleration. Nevertheless, growth rates will of course start to face higher comparison bases from April onwards.

On the contrary, the development in Ocean Freight, Air Freight, Supply Chain and Express B2B volumes mirrors the decline in industrial activity globally in 2020 – with a trough reached in Q2, followed by a gradual sequential recovery since then. By Q1, all of these more B2B-oriented businesses have been back to year-on-year growth.

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Update: 2021 and mid-term guidance

in € bn

EBIT	2021 Guidance
Group	>6.7 (from >5.6)
DHL	>5.4 (from ~4.5)
P&P Germany	~1.7 (from ~1.6)
Group Functions	~-0.4
Free Cash Flow	>3.0 (from ~2.3)
Gross Capex (excl. leases)	~3.8 (from ~3.4)
Tax Rate	26-28%

	Mid-term Guidance
2023 Group EBIT	>7 (from >6)
Free Cash Flow 2021-2023 cumulative	~9 (from 7.5-8.5)
Gross Capex (excl. leases) 2021-2023 cumulative	~11 (from 9.5-10.5)

Base assumptions:

- B2C growth normalizing in the course of 2021
- Continued and gradual B2B recovery globally

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Management comments:

As indicated in the preliminary Q1 release (April 9th), DPDHL Group has now provided a new detailed guidance set with increased EBIT and FCF expectations for FY21 as well as its 2023 mid-term horizon.

In line with the preliminary indication, Group EBIT guidance for FY21 moves significantly above the initial >€5.6bn expectation, to now >€6.7bn. This increase is mainly driven by a significantly higher DHL guidance, reflecting the ongoing high level of B2C volumes and the further strengthening of economic recovery. P&P guidance also increases, taking into account the ongoing support from higher Parcel volume growth as reflected in Q1 EBIT.

The base assumptions for the whole guidance set remain unchanged for a normalization of B2C growth in the course of 2021 as well as a continued gradual B2B recovery.

Reflecting the stronger EBIT expectation, FY21 FCF guidance is also significantly increased from ~€2.3bn to now >€3.0bn. This already takes an increased capex expectation of ~€3.8bn into account in order to cater for the stronger-than-expected B2C and B2B growth.

The structurally higher level of B2C volumes and strengthening economic recovery also allow us to increase FY23 EBIT guidance to now >€7bn. Already factoring in accordingly higher expected levels of capex and cash taxes, we are also increasing our mid-term FCF expectation to now ~€9bn 2021-23 cumulative. This further confirms that the €2.5bn FCF achieved in FY20 has marked the step-up into a sustainably higher level of FCF generation for DPDHL Group.

Management comments:
DPDHL Group has delivered record results in Q1 2021 in quite unusual circumstances. However, they also underscore once more the stength of DPDHL as global logistics powerhouse reflecting among others:

- Consistent strategic focus on our key structural topics: e-commerce, globalization, digitalization and sustainability
- Leading positon in e-commerce logistics and global B2B supply chains, build on our long-standing presence in 220+ countries & territories
- Sustainable stronger cash flow performance, which allows us to balance consistent investment in organic growth with attractive and reliable shareholder returns – increased dividend of €1.35 due to be paid on May 11th, subject to AGM vote on May 6th, 2021.

Hence, Q1 results do reflect much more than current circumstances, they show that DPDHL Group is not only in better shape than ever but a different, better company than ever before, with better business mix, higher profitability and sustainably stronger cash flow generation.