Deutsche Post DHL Group

dbAccess Virtual Business Services, Leisure and Transport Conference

Martin Ziegenbalg
Head of Investor Relations
23 November 2021



CONNECTING PEOPLE. IMPROVING LIVES.

Deutsche Post DHL Group

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CONNECTING PEOPLE. IMPROVING LIVES.



THE GLOBAL LOGISTICS POWERHOUSE – SERVING B2C/B2B TRADE IN 220+ COUNTRIES

CONSISTENT & SUSTAINABLE STRATEGIC FOCUS

LEADER IN E-COMMERCE LOGISTICS

DIGITALIZING GLOBAL SUPPLY CHAINS

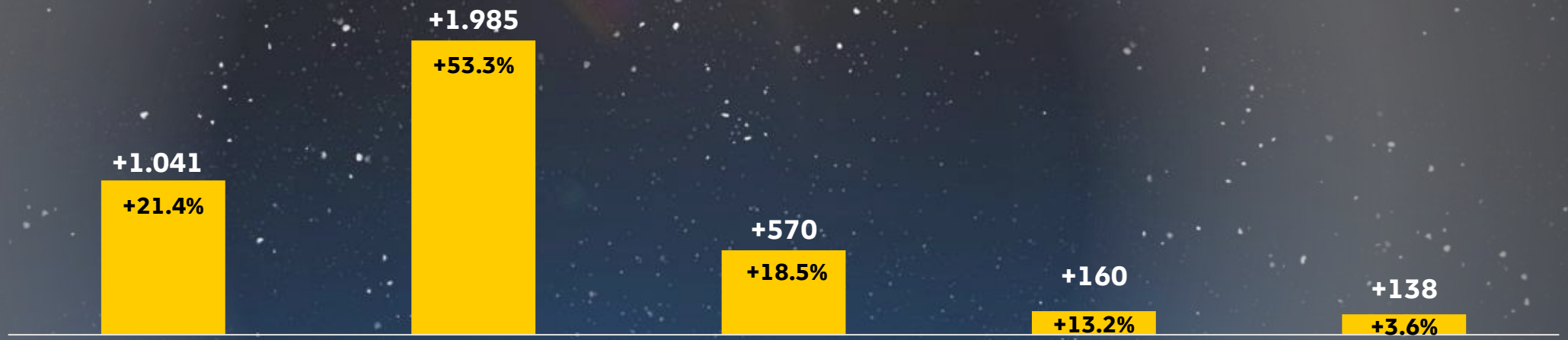
ATTRACTIVE & RELIABLE DIVIDEND POLICY

GROUP REVENUE, Q3 2021

€20,036m yoy: +€3,814m (+23.5%)

Divisional revenue growth yoy

in €m



	DHL Express	DHL Global Forwarding, Freight	DHL Supply Chain	DHL eCommerce Solutions	P&P Germany
Organic Growth Group: +22.1%	**+19.7%**	**+51.7%**	**+16.3%**	**+12.1%**	**+3.6%**

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GROUP EBIT, Q3 2021

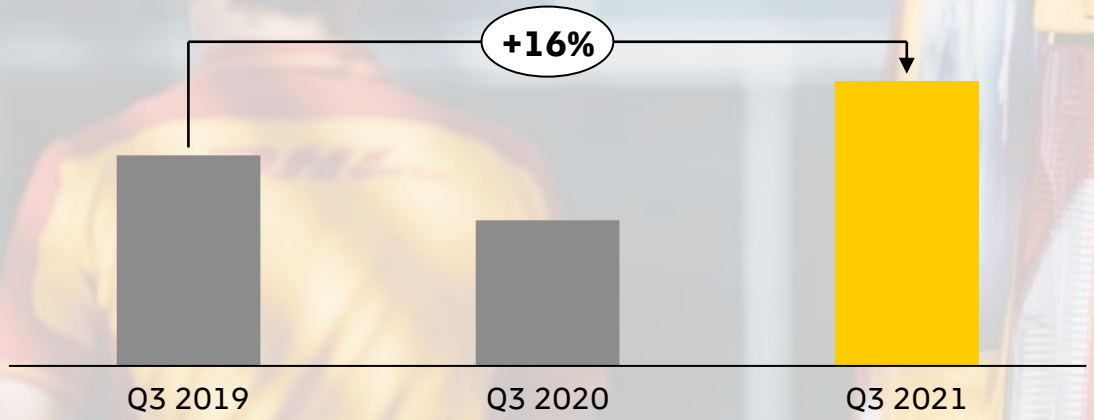
€1,771m yoy: +€394m (+29%)

in €m

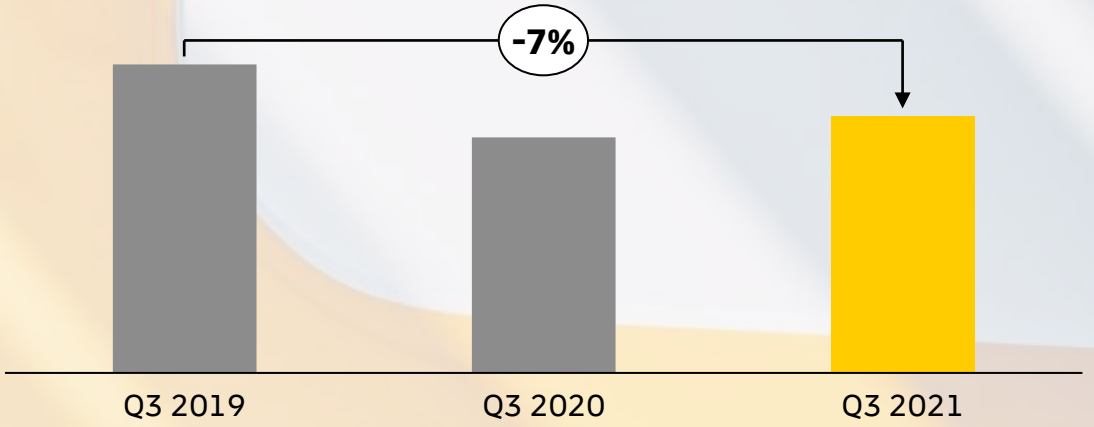
DHL Express	DHL Global Forwarding, Freight	DHL Supply Chain	DHL eCommerce Solutions	P&P Germany	Group Functions / Consolidation
971	**372**	**142**	**91**	**300**	**-105**
+29%	>100%	+27%	+20%	-6%	<-100%
Q3 2020: €753m	*Q3 2020: €155m*	*Q3 2020: €112m*	*Q3 2020: €76m*	*Q3 2020: €320m*	*Q3 2020: €-39m*
+29% EBIT increase on top of +66% in Q3 20. Continued high utilization & yield management drive sustainably higher margin levels (17% excl. bonus).	EBIT/GP conversion of 39% in DGF reflecting high GP/unit but also increasing internal efficiencies from Simplify program.	EBIT growth driven by new business signings (e.g. e-commerce), high renewal rates and increased efficiencies from digitalization. EBIT margin >5% target (excl. corona bonus).	Revenue up >10% driven by continued strong B2C volumes. Ongoing cost focus and yield management support sustainably higher margin levels.	Continued high parcel volumes while mail volumes show temporary rebound due to elections and DM products; high network capacity maintained ahead of peak season.	In line with expected full-year run rate. Q3 2020 also included €18m StreetScooter refocusing.
One-time corona bonus: €-38m (Q3 20: €-33m).	One-time corona bonus: €-14m (Q3 20: €-13m).	One-time corona bonus: €-55m (Q3 20: €-52m).	One-time corona bonus: €-12m (Q3 20: €-10m).	One-time corona bonus: €-54m (Q3 20: €-51m).	One-time corona bonus: €-5m (Q3 20: €-4m).

B2B recovery continuing across full DHL logistics spectrum

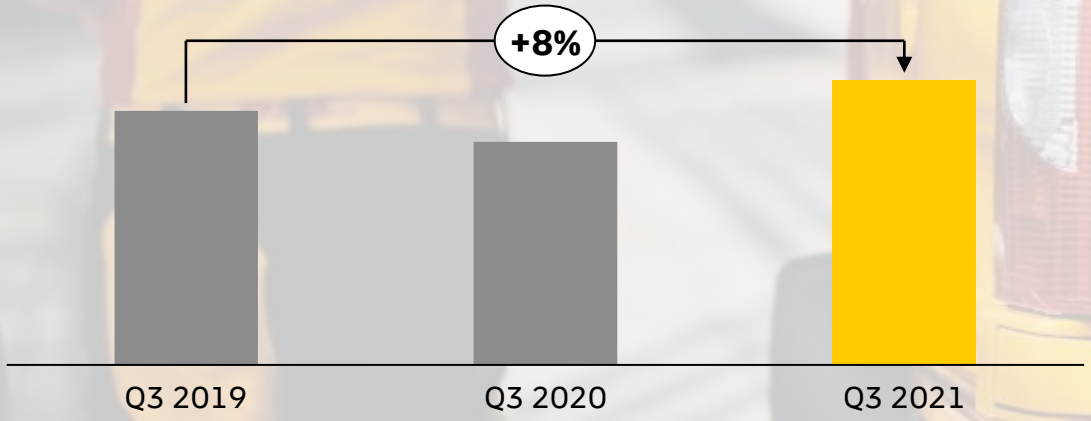
DGF Air Freight volume (t)



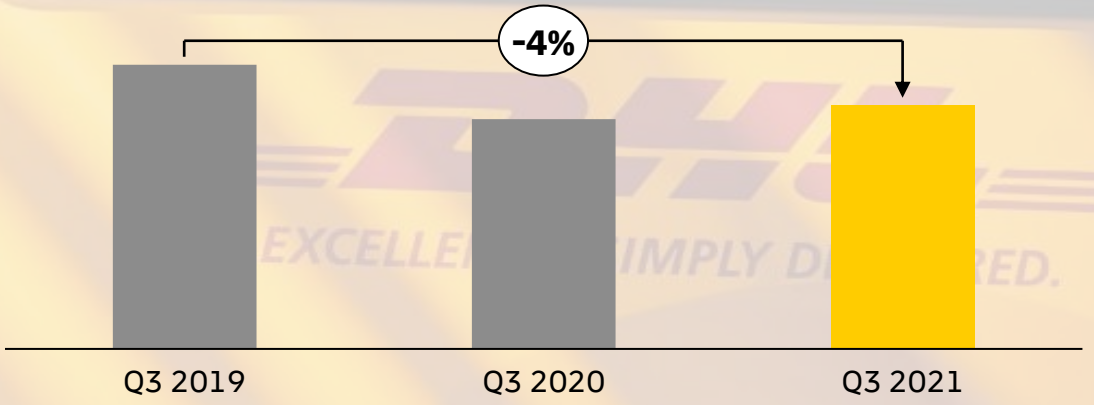
DGF Ocean Freight volume (TEU)



DSC Revenue



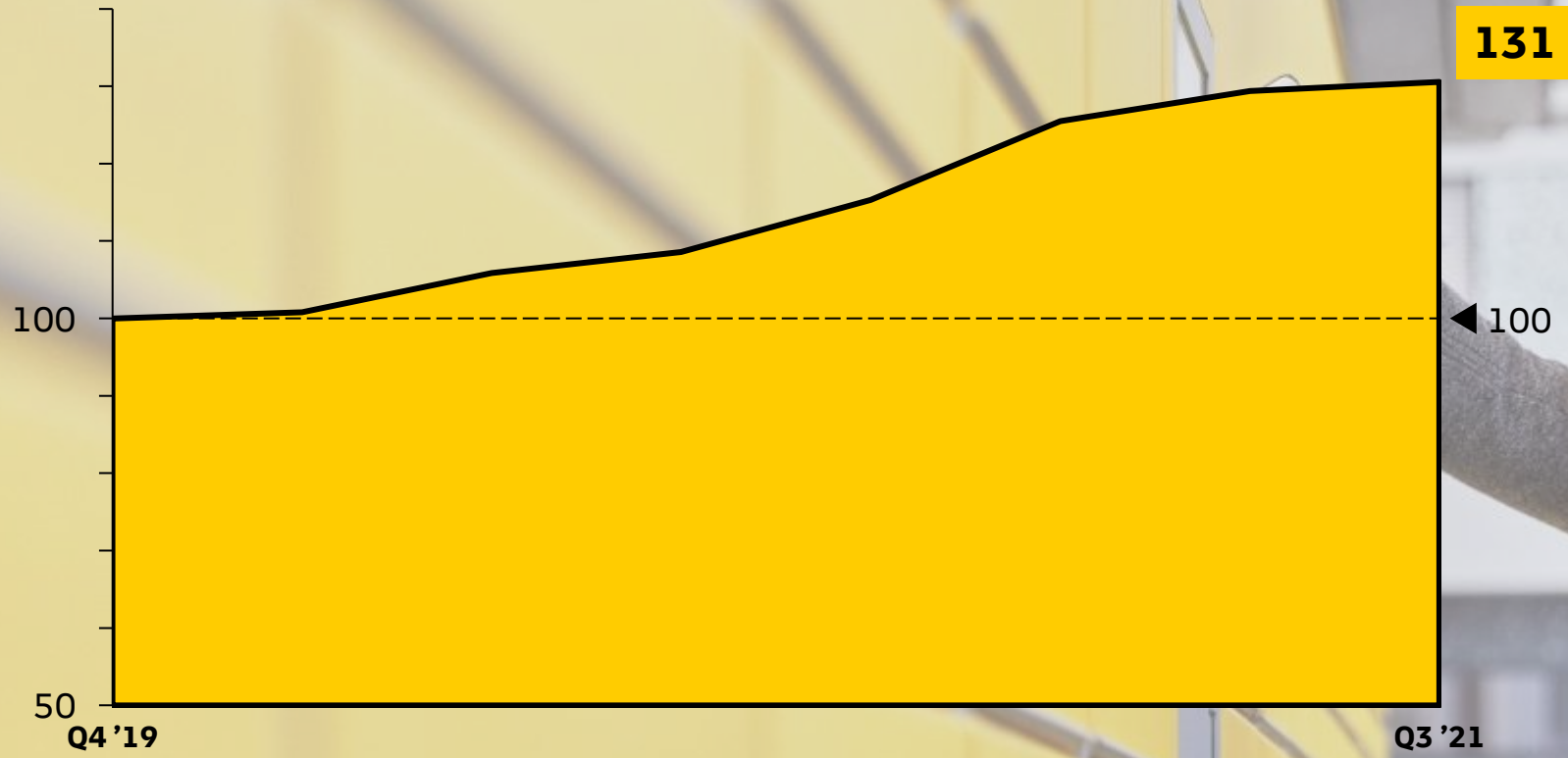
DHL Express TDI B2B Shipments/Day



E-commerce volumes plateauing on elevated levels

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Volumes Parcel Germany,
Rolling four quarters
(Q4 2019-Q3 2021)



>30%

higher volumes vs. 2019
in Parcel Germany

Cost inflation constantly addressed through yield & contract management

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	DHL Express	DGFF	DSC	DeCS	P&P Germany
Transportation costs €24bn (38% of total)	**Regular general price increase** (GPI), based on bottom-up local market situation, incl. inflation; **Emergency Situation Surcharge (ESS)**	Freight rate development is inherent to **gross profit management**	Inflation based pricing: **Transport provided based on management fee and partly open-book contracts**	**Regular general price increase** (GPI), based on bottom-up local market situation, incl. inflation	**Regular general price increase** (GPI) Note: Union agreement extended until 31.12.2022, providing full visibility on wage increase: 3.0% (1.1.21) and 2.0% (1.1.22)
Staff costs €22bn (35% of total)		Offset by improvements in **labour productivity**	**Inflation-linked pricing** and **labour optimization**		
Fuel costs €1.7bn (3% of total)	**Fuel surcharge**	Fuel price fluctuations are reflected in **freight rate** movements	**Fuel surcharges / pass-through** as part of customer contracts	Reflected in local **cost & yield management**	Opportunistic fuel hedging, many districts served by **foot / bike / trike delivery**

Guidance 2021 & 2023 revised upwards

in € bn

EBIT	2021 Guidance
Group	>7.7 (from >7.0)
DHL	>6.4 (from 5.7-5.8)
P&P Germany	1.7-1.8
Group Functions	~-0.4
Free Cash Flow	>3.6 (from >3.2)
Gross Capex (excl. leases)	~3.9
Tax Rate	26-28% (from ~28%)

	Mid-term Guidance
2023 Group EBIT	> 8.0 (from >7.4)
Free Cash Flow 2021-2023 cumulative	~10 (from ~9)
Gross Capex (excl. leases) 2021-2023 cumulative	~11

Note:

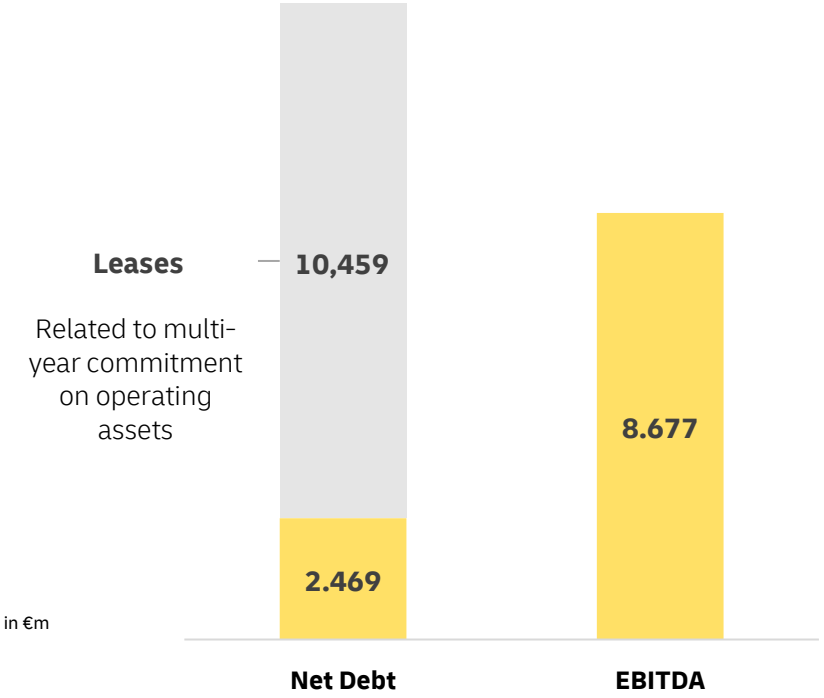
- 2021 guidance includes extraordinary effect of one-time corona bonus (Q3 21: €-178m)
- Planned Hillebrand acquisition not yet taken into consideration

Base assumptions:

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

Strong balance sheet and liquidity position

1.5x
Net Debt / EBITDA
(Dec 31st, 2020)



LIQUIDITY
No financial covenants on bonds and syndicated credit facility

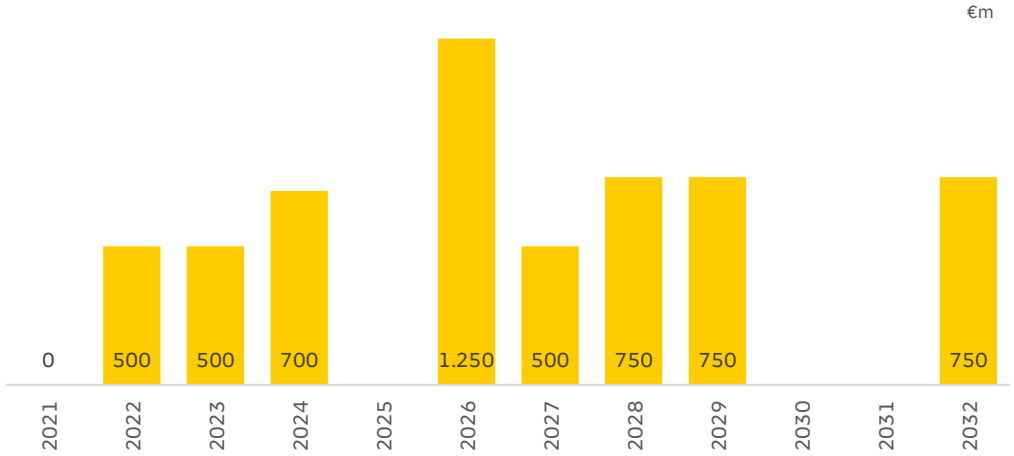
€4.5bn
Cash & cash equivalents
(Dec 31st, 2020)

€2.0bn
Syndicated credit facility runs until 2025 (undrawn)

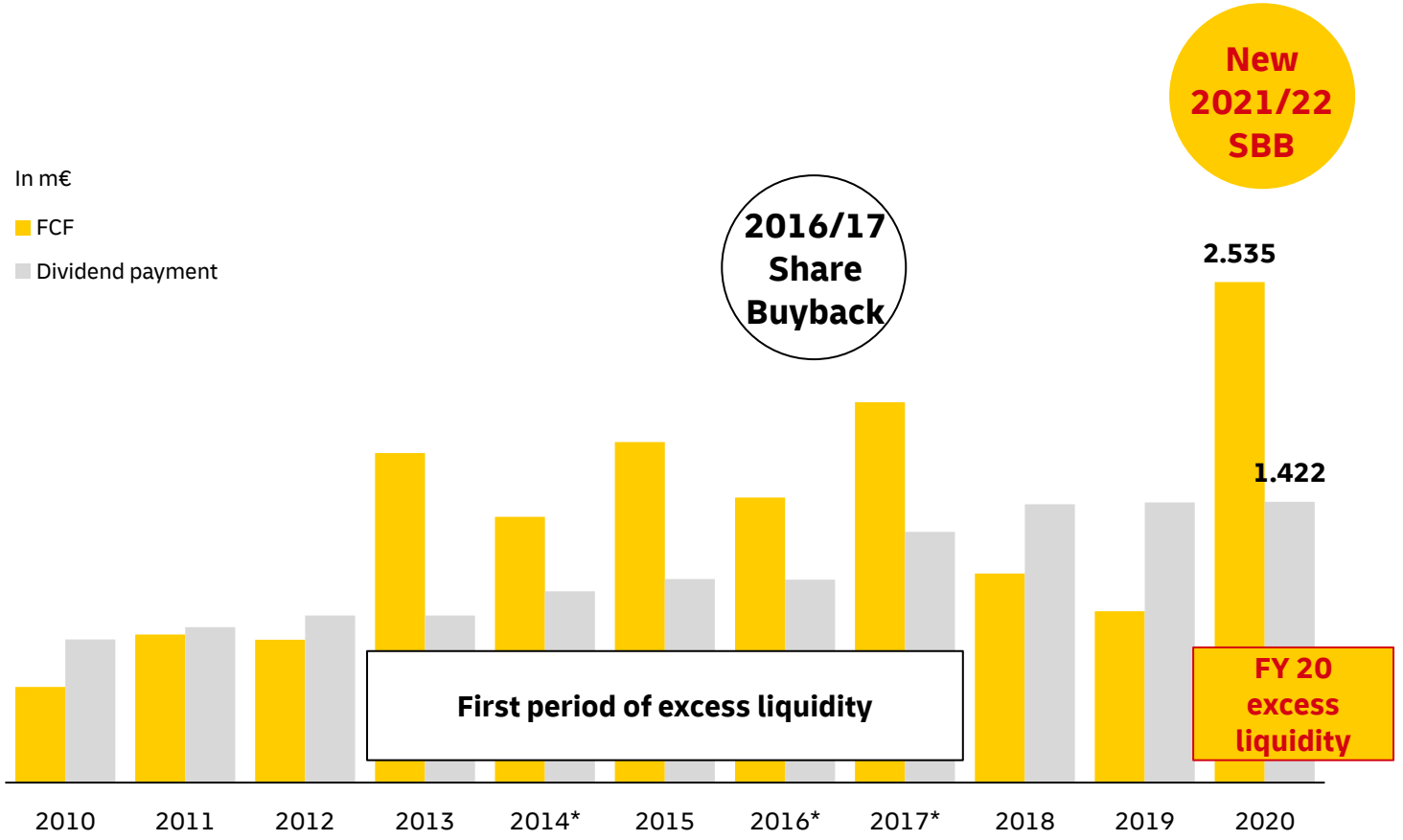
~€1.3bn
Bilateral uncommitted credit lines (undrawn)

Maturity Profile, Senior Bonds

Average time to maturity 5.5 years
2021 maturity of €750m senior bond was redeemed in Q1 2021.



Sustainable improvement in cash generation puts us in position to balance growth investments and shareholder returns



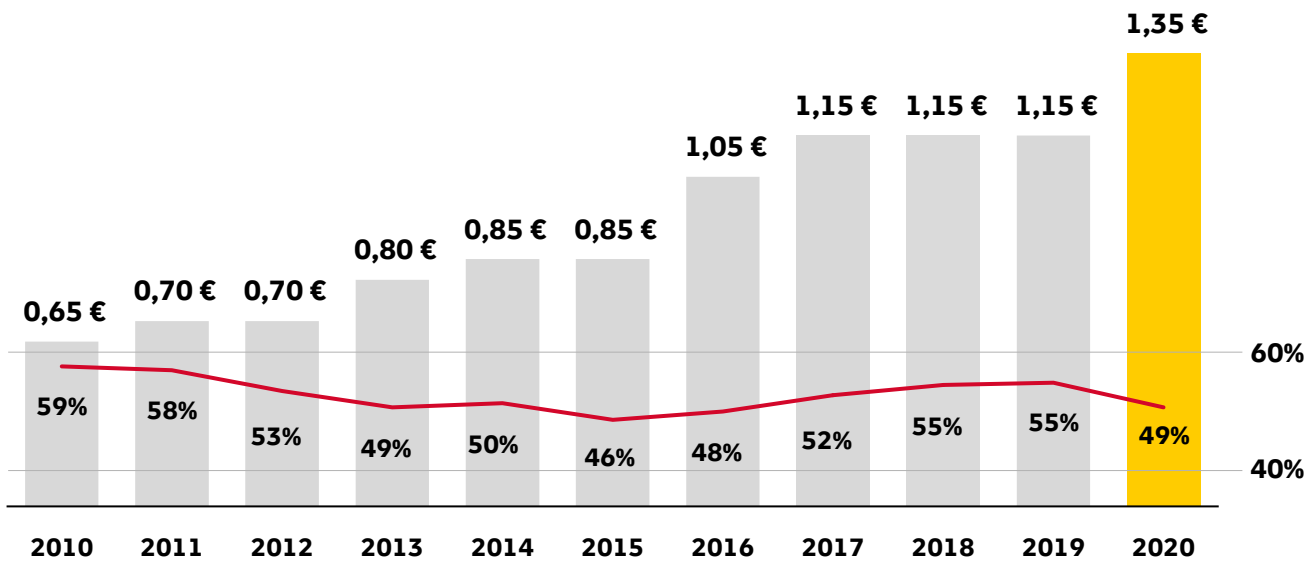
- Long-standing **Finance Policy** provides definition of excess liquidity and clear principles on its usage
- Strong 2020 FCF led to **significant excess liquidity generation in 2020**
- In line with Finance Policy principles, **new Share Buyback program announced** on March 8th:
  - **Size: up to €1bn**
  - **Schedule: 12 months**
  - **Start: May 2021**
  - **Current status:** https://www.dpdhl.com/en/investors/shares/share-buy-backs.html

*2014: Adjusted for voluntary pension funding (€2bn) and non-recurring items; Adjusted for voluntary pension funding (2016: €1bn, 2017: €0.5bn)

Shareholder return based on strong operating performanc

Executing on our Finance Policy

Dividend per share (2010-2020)



Dividend payment of €1.7bn to DPDHL shareholders, approved by AGM on May 6th

FINANCE POLICY

- Target / maintain rating BBB+
- **Dividend** payout ratio to remain between 40–60% of net profit (continuity and Cash Flow performance considered)

  FY20 dividend proposal: €1.35; 49% pay-out
- **Excess liquidity** will be used for share buybacks and/or extraordinary dividends

  €1bn share buyback program executed in 2021

1) Adjusted for non-recurring items when applicable



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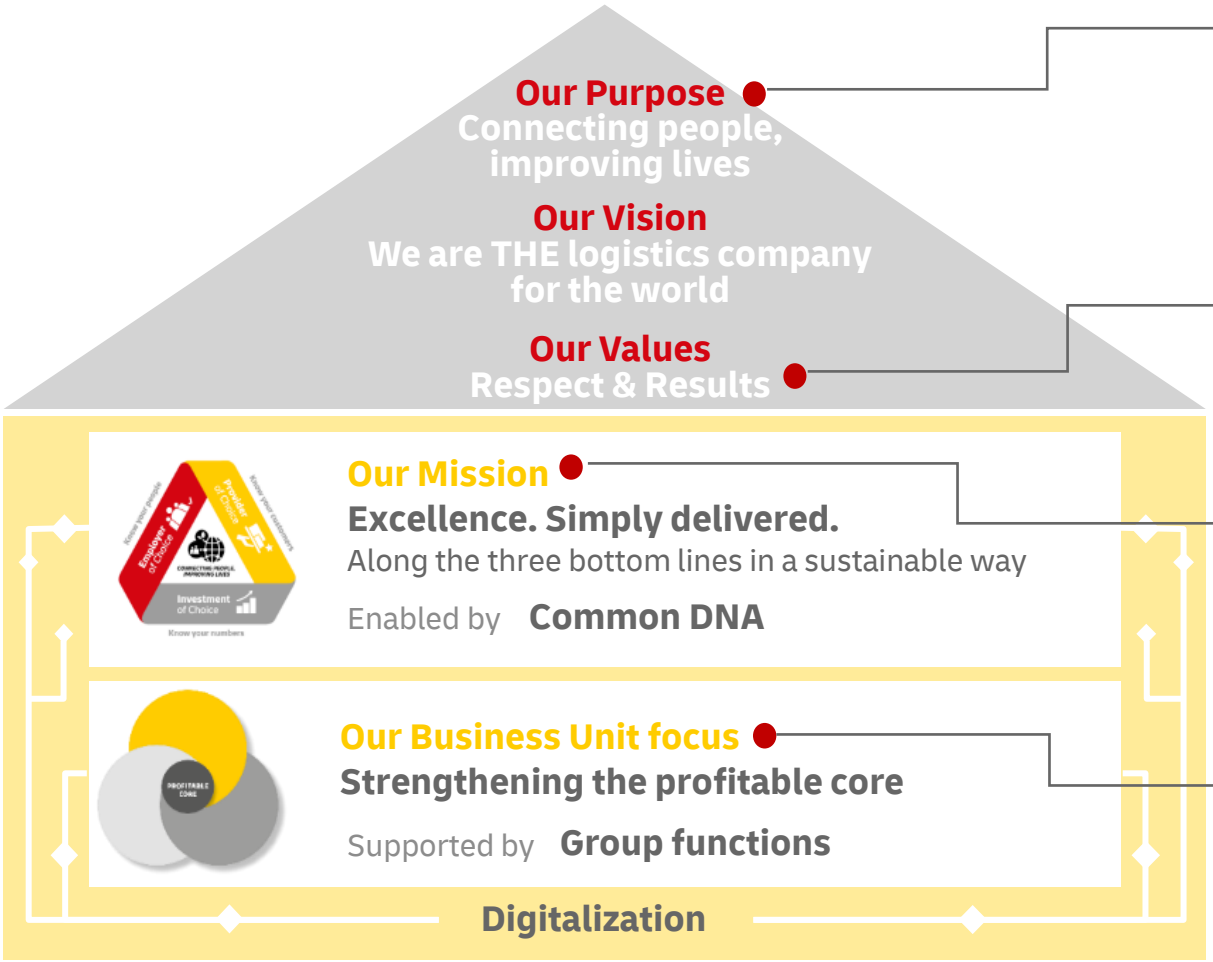
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Strategy 2025 – Sustainability is integral along all dimensions



Our purpose guides our efforts and sense of responsibility

Our values are in line with sustainable behavior

We want to achieve **our mission sustainably** along the triple bottom line

We aim to create long-term value in our businesses by focusing on **our profitable core**

Our Sustainability Roadmap

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Clean operations
for climate protection

Reduce emissions to

<29m

tonnes CO2e by 2030 (SBTi)
No offsetting included

Mission 2050

0

Emissions

Great company
to work for all

>80%

score on Employee Engagement in Employee Opinion Survey

Increase share of women in management to

30%

by 2025

Reduce LTIFR* to

<3.1

by 2025

**LTIFR: Lost Time Injury Frequency Rate*

Highly trusted
company

External reporting in line with

SASB GRI

core standards

30%

weight for ESG targets in board annual variable pay;
Approved by 2021 AGM (May 6th)

Pledge to invest

1% of our net profit each year into creating social impact, e.g. through our GO programs

GOGREEN GOTEACH GOHELP GOTRADE

Clean operations
for climate protection

All modes to contribute to targeted reduction of CO_2 emissions – key contribution to be achieved on aviation emissions

Science-based target for **CO2 reduction**: Reduce our emissions to under 29m tonnes CO_2e by 2030



Target **>30% sustainable aviation fuels blending** by 2030



- **Electrify 60%** of our last-mile delivery vehicles by 2030
- Grow sustainable fuel share in **line-haul to >30%**



Offer **green alternatives for all our core products/solutions**



Carbon neutral design to be used for all new owned buildings

Multiple actions on path to climate neutral operations

GREEN AVIATION



DHL Express ordered 12 all-electric aircrafts

Regular supply of Sustainable Aviation Fuel (SAF) started at **DHL Express.** SAF offerings through Book+Claim solution for air freight customers in **DGF**

GREEN LINE-HAUL



Increase rail transport of parcel in **P&P**

DHL Freight & DSC: Bio-LNG/CNG trucks already in operation & multiple projects on other green solutions (e.g. hydrogen, electric)

DHL Green carrier certification by **DHL Freight** for subcontractors

GREEN LAST-MILE



>40% of **P&P** vehicles are electrified (incl. >17k e-vans, >11k e-trikes) in daily delivery operations

Largest electric delivery fleet in Netherlands at **DeCS**

GREEN FACILITIES



>25% **DSC** facilities are already carbon-neutral and all DSC new sites will be carbon-neutral

25 fully carbon-neutral **P&P** depots. First fully carbon-neutral **DeCS** CityHub in Netherlands

Supported by expected €7bn investments in climate-neutral logistics by 2030

Our customers are increasingly looking for green solutions



Focus on ESG enhances value proposition and supports new business gains for DSC **warehousing** solutions, e.g. reduction of logistics carbon footprint by 16% for Mars in UK



Significantly lower CO_2e/Parcel vs all **delivery** competitors in Germany - expected to become an increasingly important **competitive advantage**, in sales as well as recruitment

Consumers can pick up parcels in >8,000 Packstations (parcel lockers) in Germany; to be expanded to ~15,000 lockers by 2023



Since Jan 2021, DGF decarbonizes **Ocean Freight** LCL shipments as standard product offering and offers customers carbon-neutral FCL shipments.



SKICKA GRÖNT! MED DHL

DHL Freight's insetting solution "**Skicka Grönt**" (Send It Green) is already available in Sweden and will be rolled out to additional countries.

Great company to work for all

We take action to **provide a safe, inclusive and engaging working environment** for all our employees.



Attract and retain best talent and reach a consistent >80% score on Employee Engagement in EOS



Put safety first and **reduce LTIFR** (lost time injury frequency rate) to below 3.1 by 2025



Being "best-in-class" in our industry when it comes to respect for Human Rights



Increase share of women in management to 30% by 2025

Great company to work for all
Recognized externally and internally

DPDHL certified by TE or GPTW



#1 DHL Express is the #1 World's Best Workplace 2021 (by GPTW)

83% of DPDHL employees at workplaces certified by TE or GPTW*

75% employees participated in 2021 Employee Opinion Survey (EOS)



84% "Employee Engagement" score reached an all-time high

*status: March 2021

Highly trusted company

We take action to **ensure trusted, transparent and compliant business practices** every day, everywhere



Train all employees in relevant management positions on the Group's compliance & data protection standards



Ensure that our **information security capability is positioned** in the top quartile of our industry



ESG metrics fully integrated into governance and incentives



Build sustainable and resilient supplier relations based on our **Supplier Code of Conduct**

Highly trusted company: How we translate our ESG roadmap into sustainable execution

Sustainability roadmap **fully integrated in Group Strategy 2025**

Execution: Group targets being translated into **actionable divisional strategies and targets**

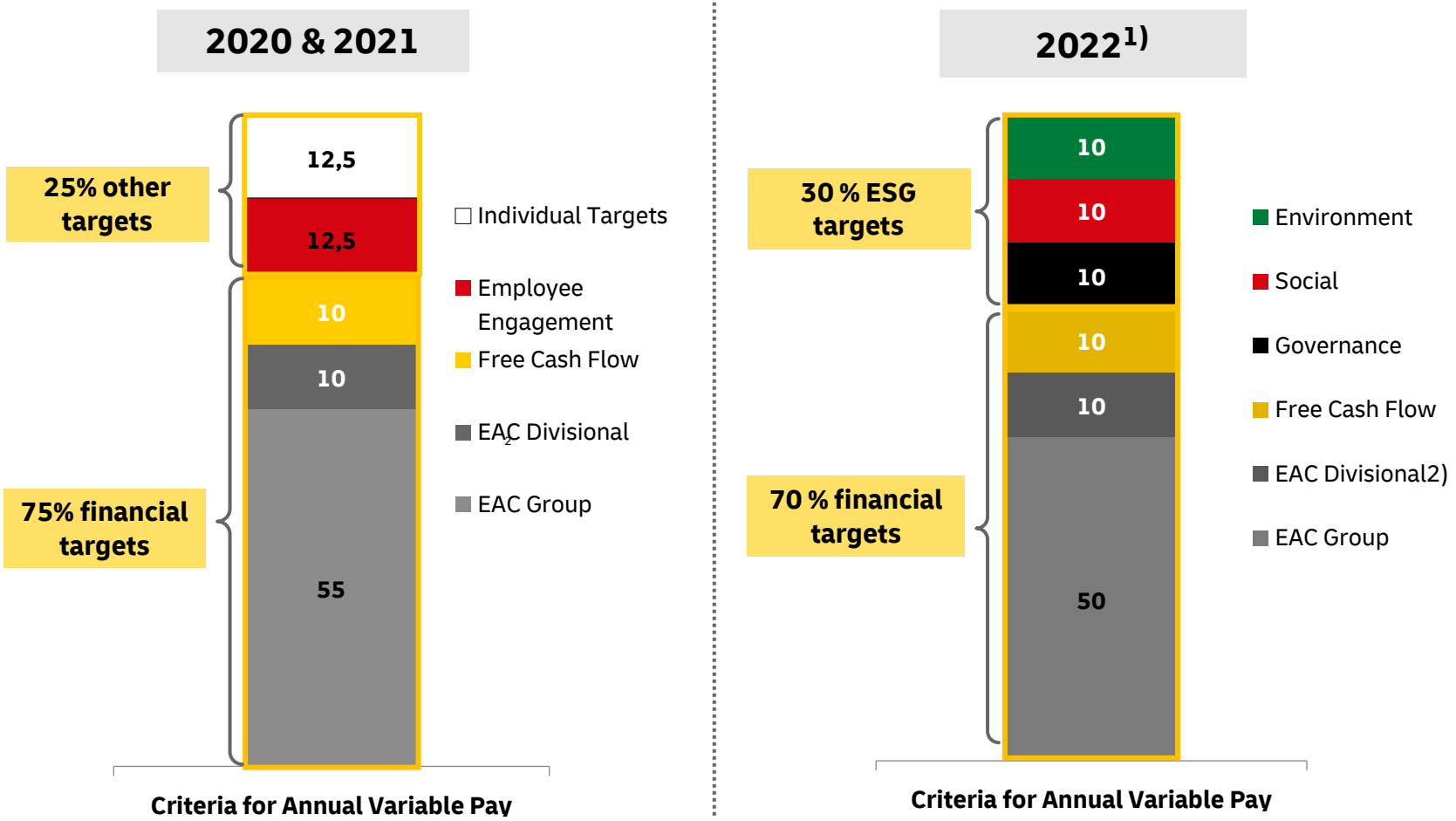
Sustainability KPIs fully integrated into **management reporting & steering**

ESG targets integrated into **management remuneration:** 30% compulsory weight for ESG targets in board annual variable pay

Steering relevant ESG KPIs @DPDHL

- **Carbon efficiency index / absolute greenhouse gas emissions**
- **Employee engagement, Lost time injury frequency rate (LTIFR), Women in management**
- **Mandatory compliance & data policy trainings coverage**

ESG targets fully integrated into new proposed management remuneration



Bonus payment schedule for annual bonus and deferral

- **50% paid in current year if bonus criteria achieved**
- **50% payout of achieved bonus deferred by additional 2 years***

* Medium-term component will only be paid out if EAC target is reached during the sustainability phase; at least the cost of capital was covered

1) Proposal to AGM 6 May 2021; 2) Divisional EAC: only applicable for Divisional CEOs

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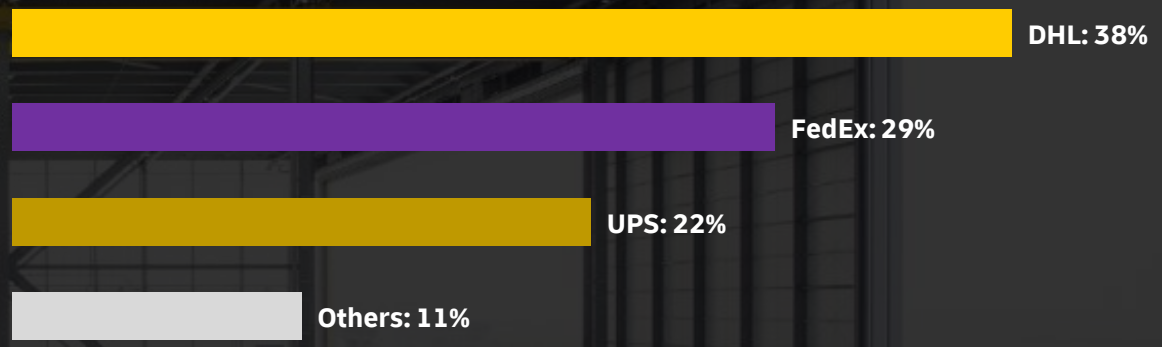


DHL EXPRESS

Profitable Core

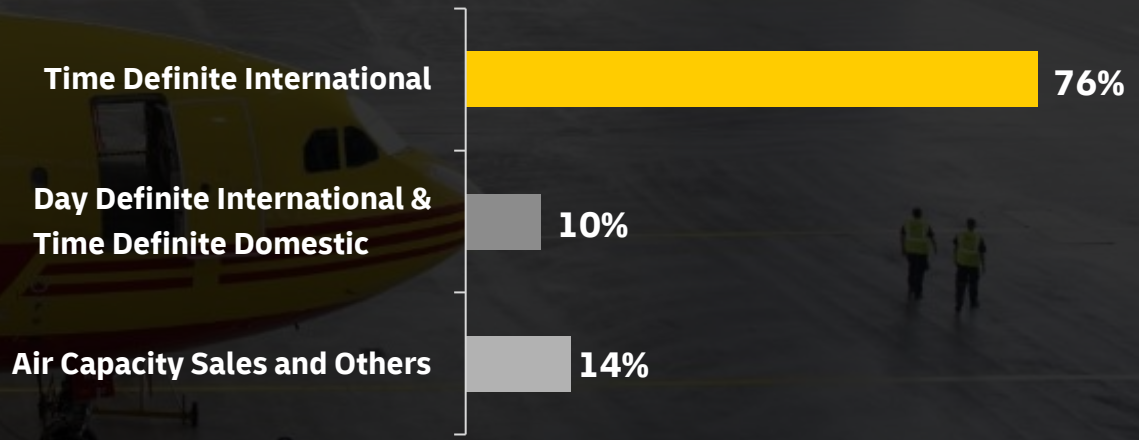
Time Definite International (TDI) service for premium, cross-border delivery of time-critical parcels and documents

Global TDI market share (2016)



Source: Market Intelligence 2017 on 2016 market data based on revenue, annual reports and desk research

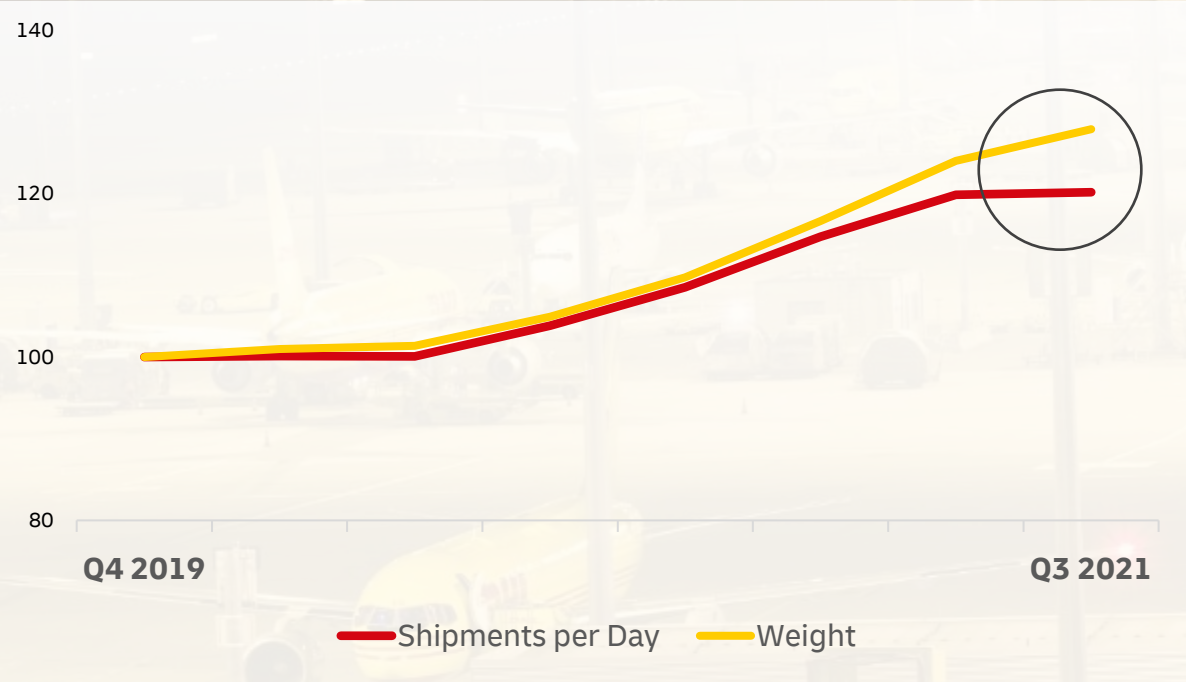
Revenue Mix, FY 2020



DHL Express

Growth mostly driven by higher weight, as expected

Time Definite International (TDI) Weight and SpD,
Rolling four quarters (Q4 2019-Q3 2021) indexed

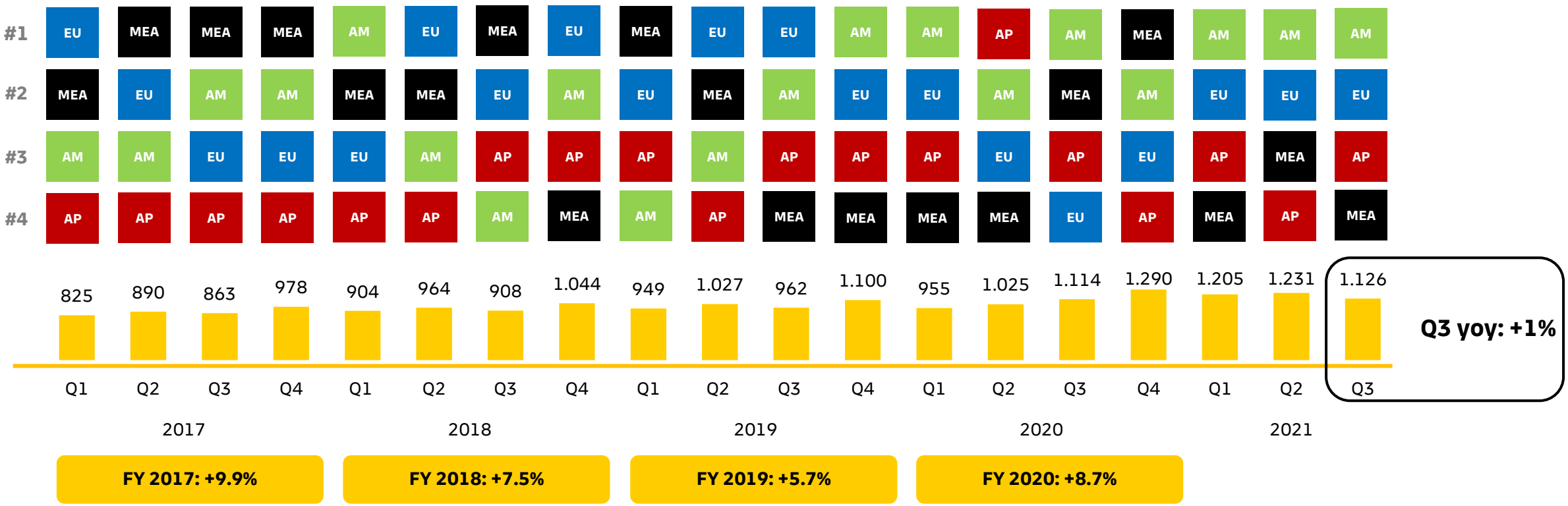




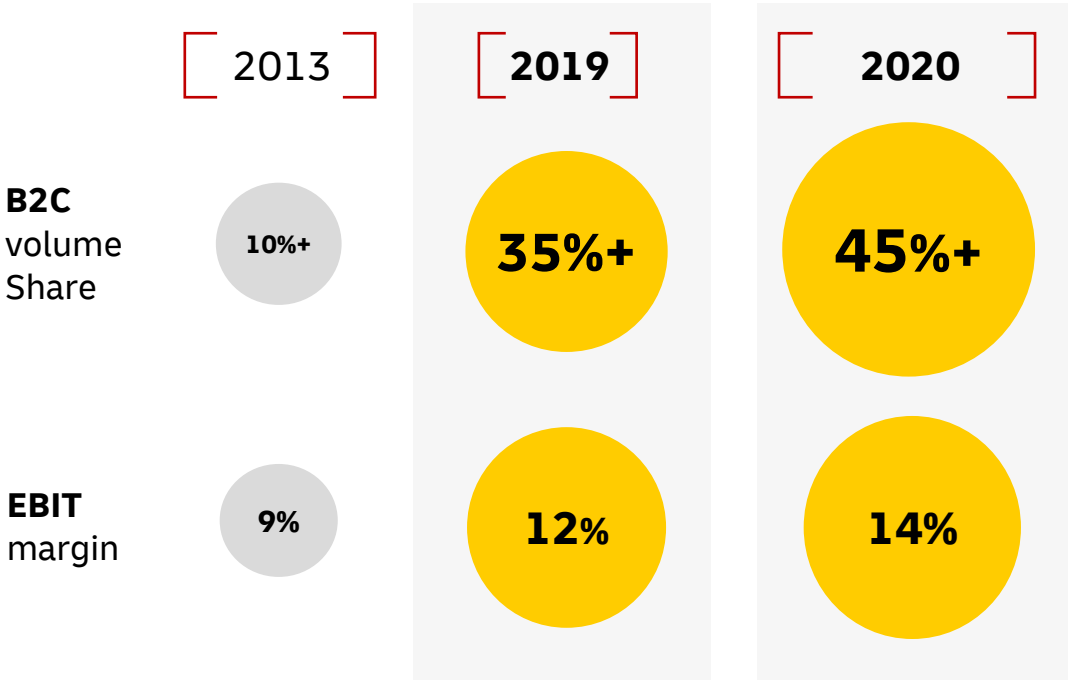
Both B2C and B2B shipments up ~1% yoy in Q3 as B2C plateaus on high level, as expected, and B2B growth is mainly reflected in higher weight. Continued revenue growth again driven by higher weight, surcharges and yield management.

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DHL Express TDI volume growth, quarterly growth ranking



E-commerce is a profitable growth driver for DHL Express



Network Characteristics	B2C Characteristics	Profitability Impact
Shipments per Day	Volume growth drives better utilization of existing network	↑
Weight per Shipment	Lower weight per shipment	→
Revenue per Kilo	Higher RpK related to lower WpS	↑
First mile	More pieces per stop at pickup	↑
Hub sort	Better utilization of existing infrastructure, with high degree	↑
Airlift	Better utilization of existing capacity, with lower WpS being advantageous	↑
Last Mile	Optimize residential delivery via On Demand Delivery & Drop Off Locations and increased delivery density due to B2C Growth	→

DHL Express:
To serve our global network, we run more than just an airline

Dedicated Air

>280 aircrafts

15 partner airlines

Purchase Air

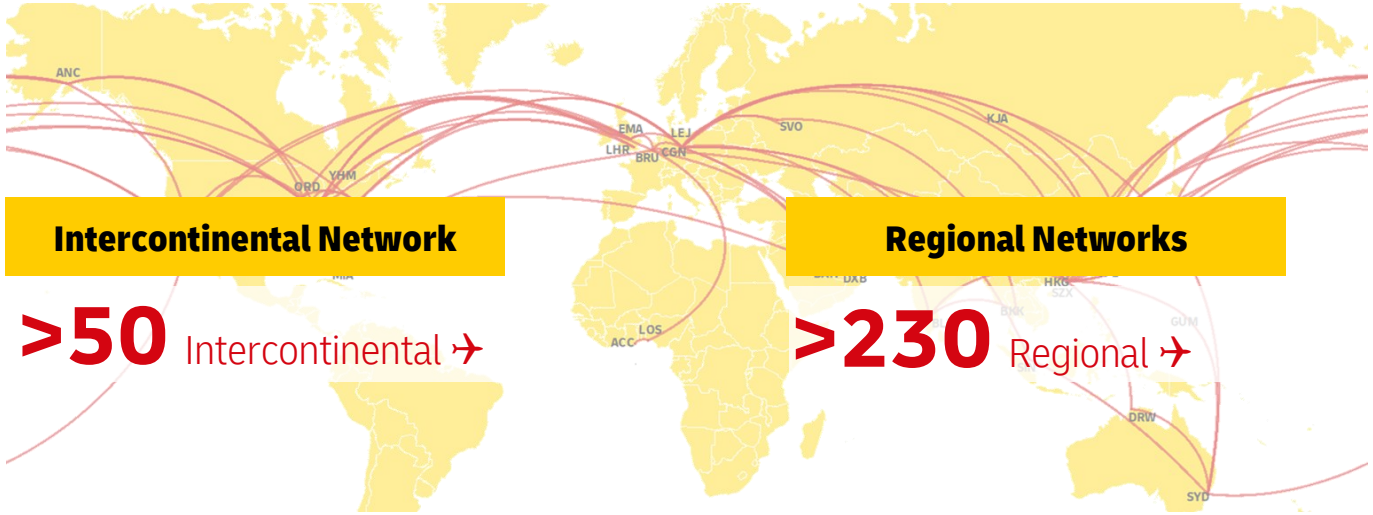
>300 commercial airlines

>2200 daily flights

500 airports

21 air hubs (3 global; 18 regional)

Dedicated Air: Snapshot of DHL network flights



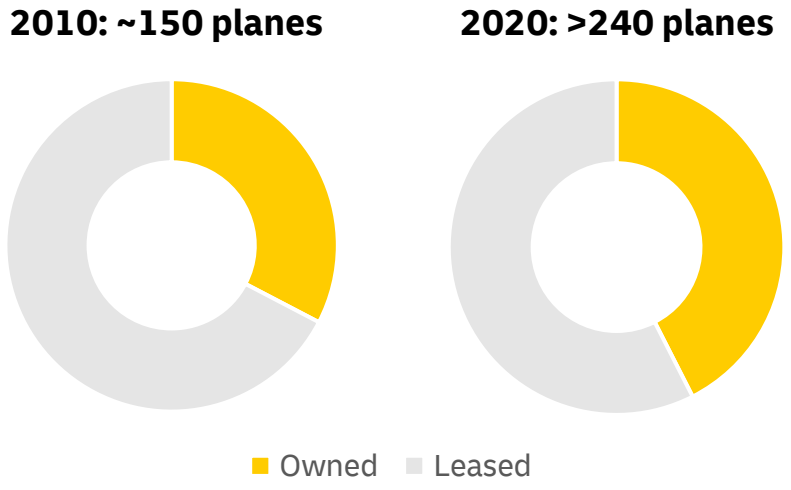
Intercontinental Network

>50 Intercontinental ✈

Regional Networks

>230 Regional ✈

Dedicated fleet (without feeders)



As at 2020

EXPRESS FINANCIAL OUTLOOK*

Continued growth of absolute **EBIT**
Continued, but more incremental margin expansion

TDI Volume Growth

Structural trend: +4% to +5%.
Volatile in 2020. Expect growth rates to trend back to initial assumptions over time

Ongoing Capex spend of €~1bn p.a.

B777 Capex : €180m (2018); €1.1bn (2019), €321m (2020), <€400m (2021e), <€100m (2022e)

*as introduced at Capital Markets Day in 2019

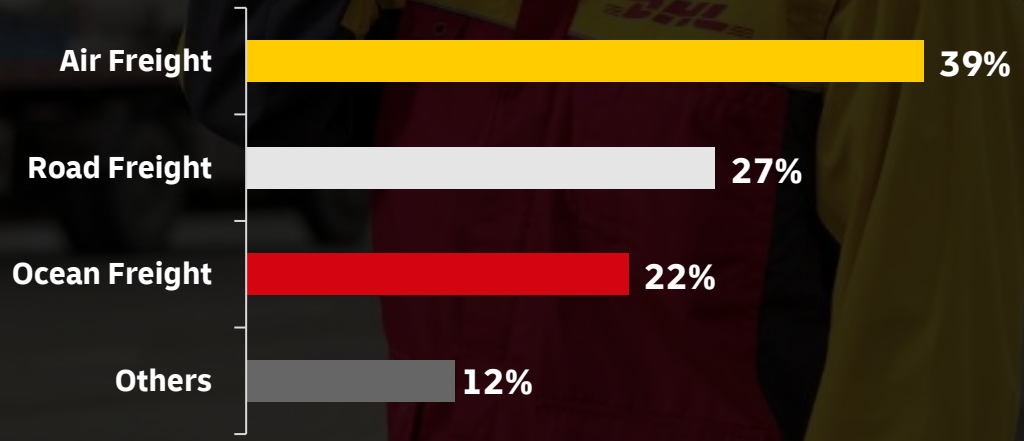
DHL GLOBAL FORWARDING, FREIGHT

Profitable Core
International transportation of Air Freight, Ocean Freight and Road Freight including Customs Clearance and related value-added services like warehousing, cargo insurance, etc.

Market Position (2020)

Air Freight	**#1**
Ocean Freight	**#2**
Road Freight (EU)	**Leading position in a highly fragmented market**

Revenue Mix, FY 2020

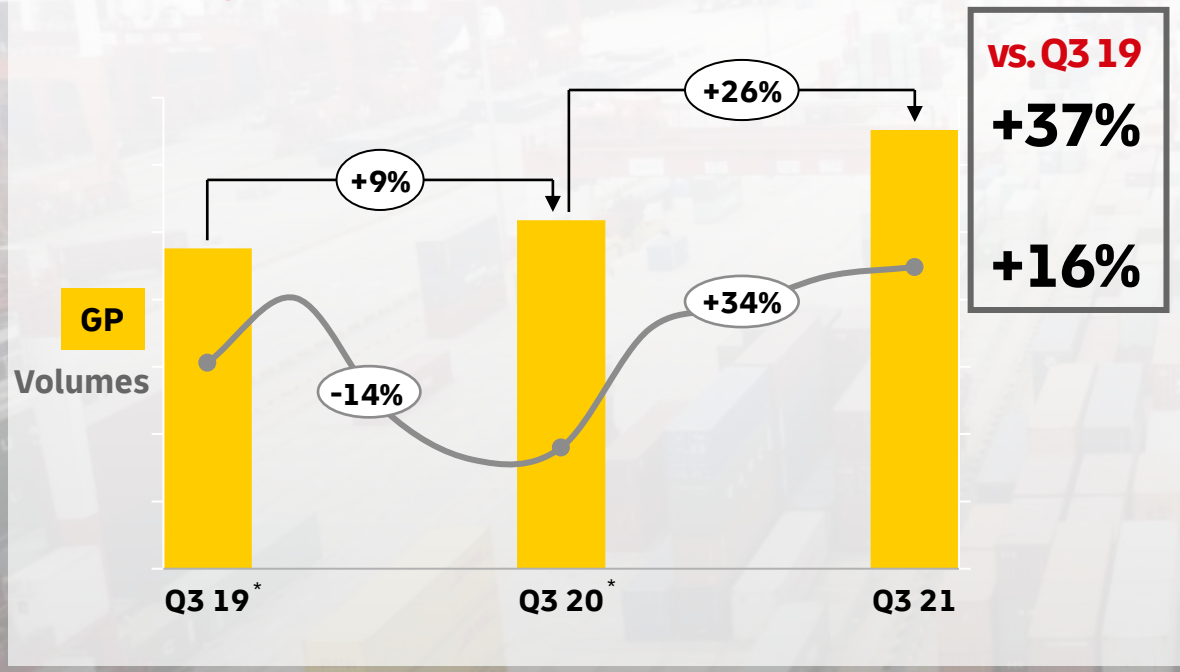


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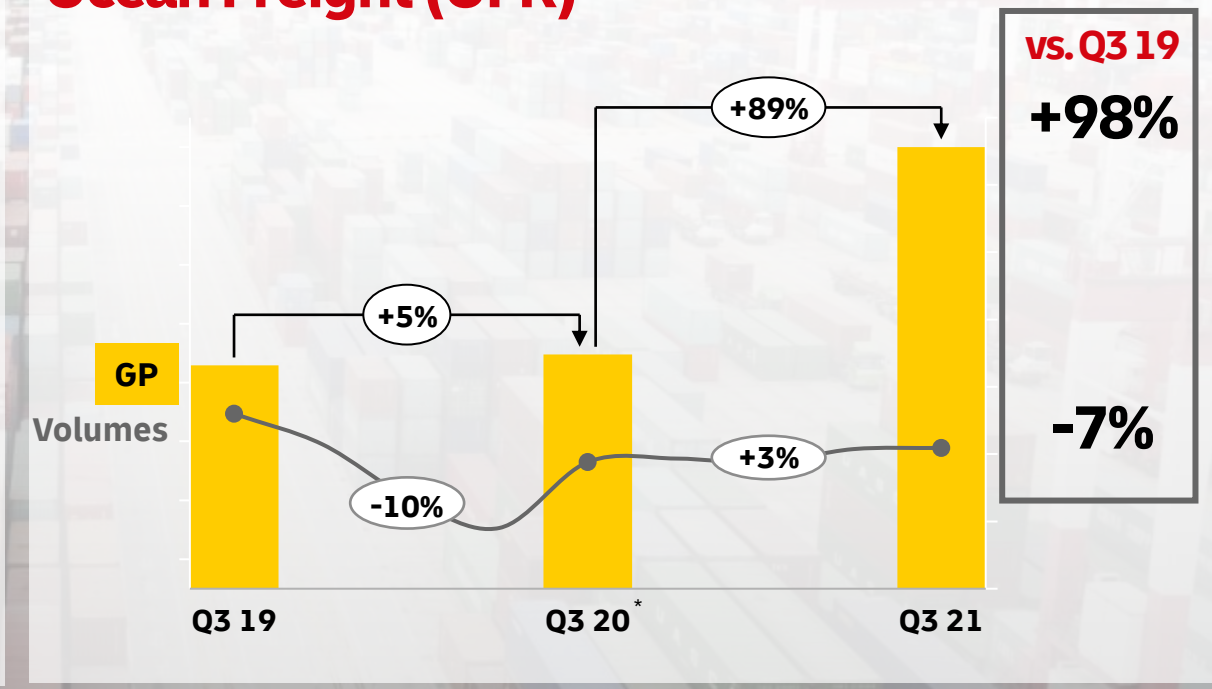
DHL Global Forwarding, Freight

Continued tight markets vs. sustained GDP growth

Air Freight (AFR)



Ocean Freight (OFR)

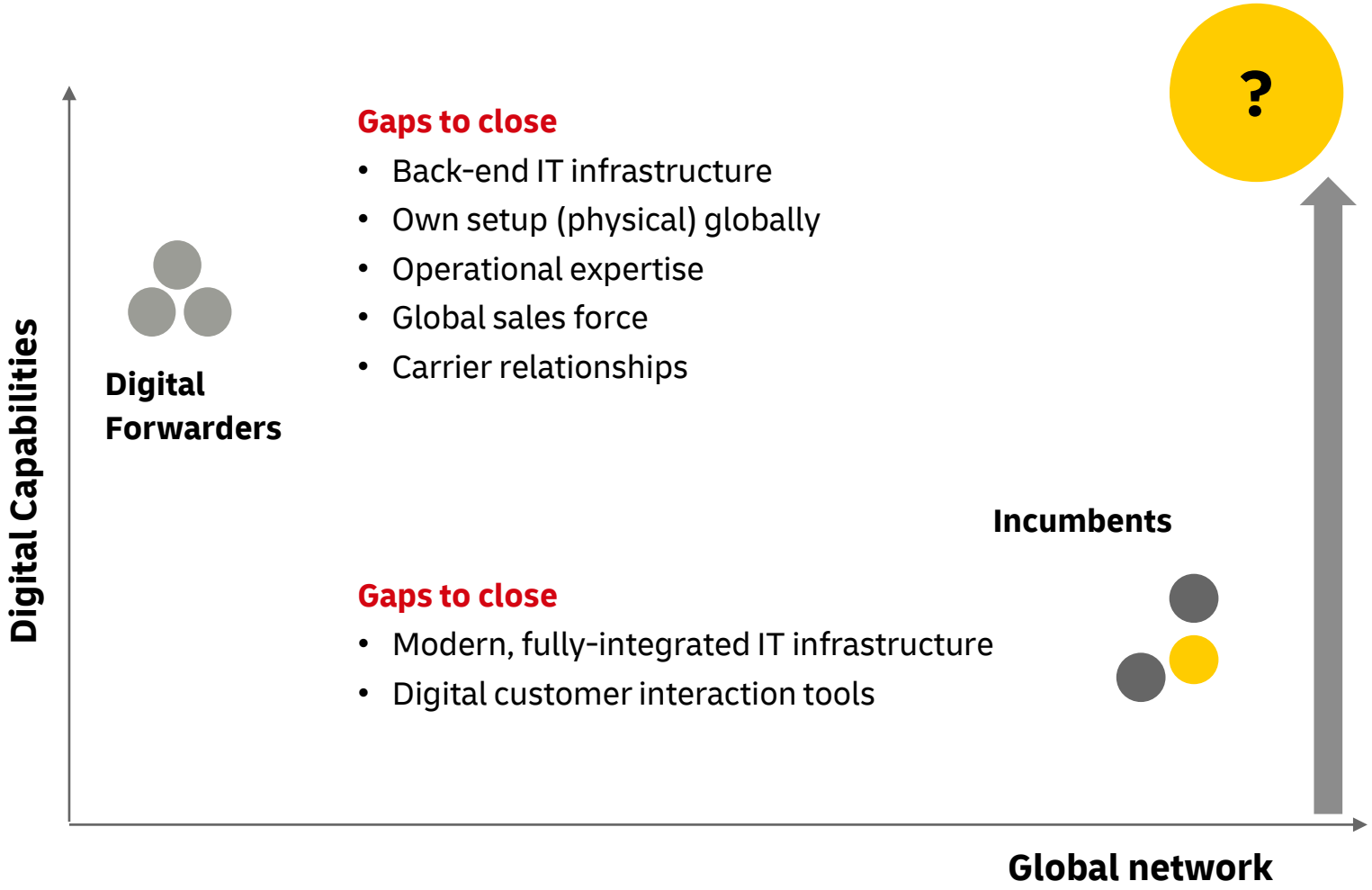


AFR GP increase driven by higher volume and GP/ton
OFR increase mainly reflecting GP/TEU as volume growth restricted by limited market capacity
DHL Freight also on track for record EBIT in 2021

*restated

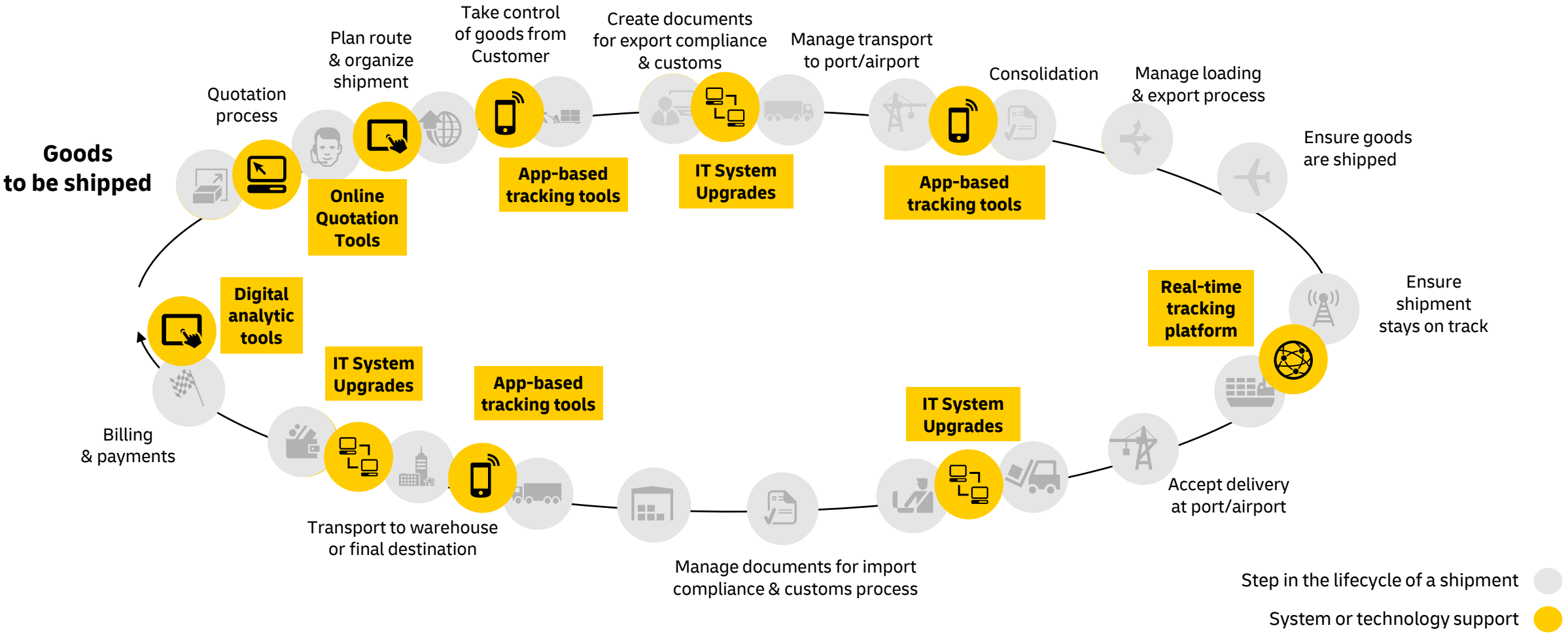
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DGFF – Emerging new rivals do not pose imminent risk of disruption



The lifecycle of a shipment is a complex process and technology investments are key to success

Deutsche Post DHL Group



With IRR & Digital Customer Interaction DGF is enhancing customer experience while increasing operational efficiency

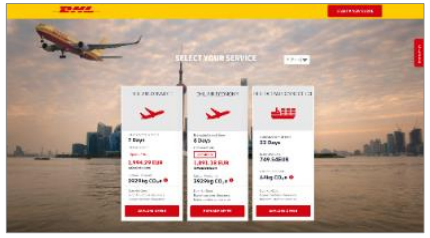
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myDHLi | **360° VISIBILITY** | **COLLABORATION** | **FULL ACCESS** | **MANAGED BY CUSTOMER**

External

myDHLi

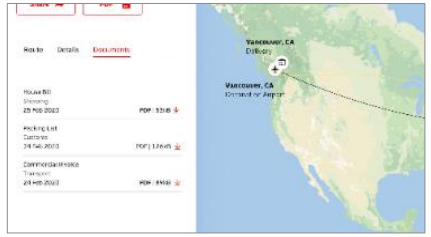
FOLLOW +SHARE



QUOTE + BOOK



TRACK



DOCUMENTS



ANALYTICS

IT Renewal Roadmap (IRR): Our Digital Backbone established

Internal

CargoWise

New TMS



Paperless forwarding

Quotation tool



Track + trace / shipment visibility

Steering Logic

... and many more

DGFF FINANCIAL OUTLOOK*

EBIT/GP Conversion improvement of 100-200 bps p.a. (with basis from 2018)
Long-term target: **30% DGF conversion**. 5-6% DGFF **EBIT Margin**

Initial market growth assumptions (2018-25):
Air Freight +1-3%
Ocean Freight: +2-4%
Road Freight: +3-4%
Market significant down in 2020. Return to initial assumption depending on recovery shape beyond 2020.

Capex: Flat / slightly increasing from FY 2020 levels (€104m)

CargoWise1 implementation for both Air and Ocean Freight is fully rolled out

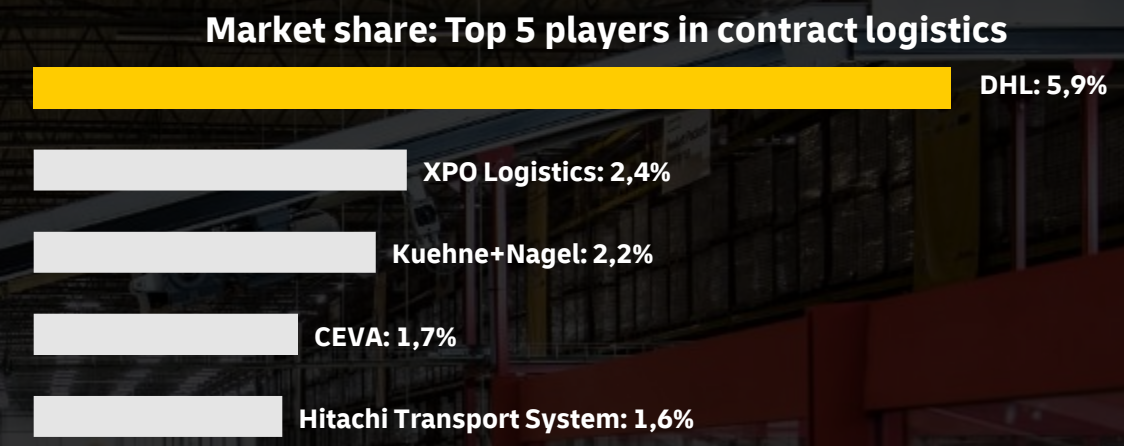
*as introduced at Capital Markets Day in 2019

DHL SUPPLY CHAIN

Profitable Core

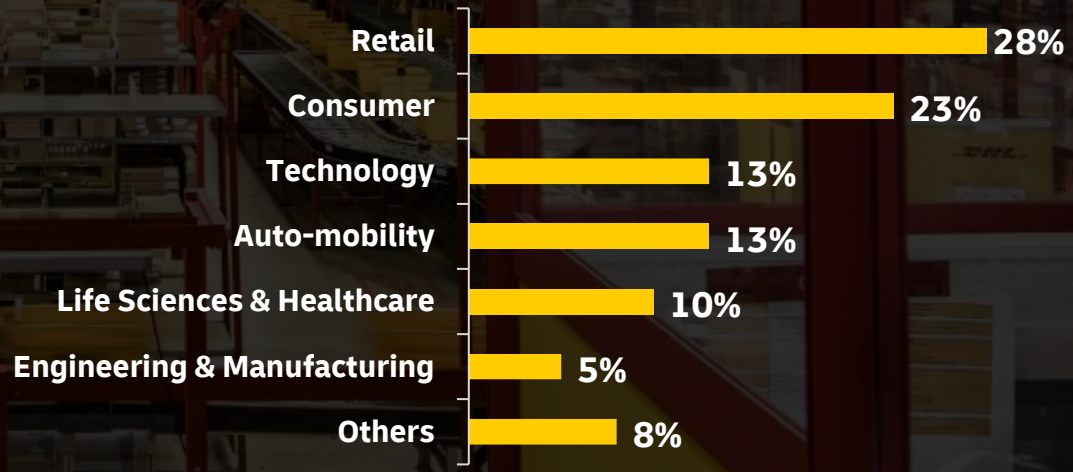
Manage supply chains to reduce complexity for our customers. Our profitable core includes warehousing, transportation as well as key solutions like e-Commerce, Lead Logistics Partner (LLP), Service Logistics, packaging and real estate solutions

Market Position (2019)



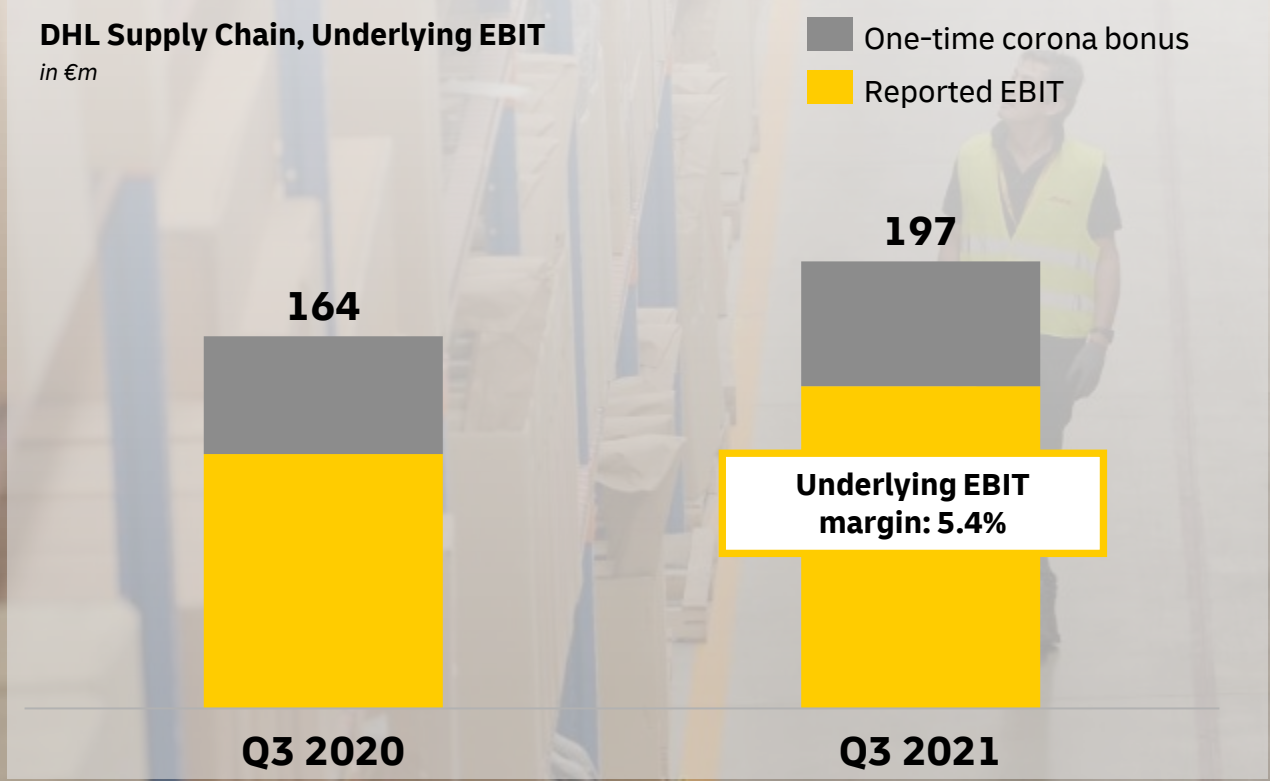
Source: company estimates; Transport Intelligence. Market share is presented on the basis of divisional revenue.

Revenue Mix, FY 2020



DHL Supply Chain

#1 in global contract logistics



New business wins
9M 2021

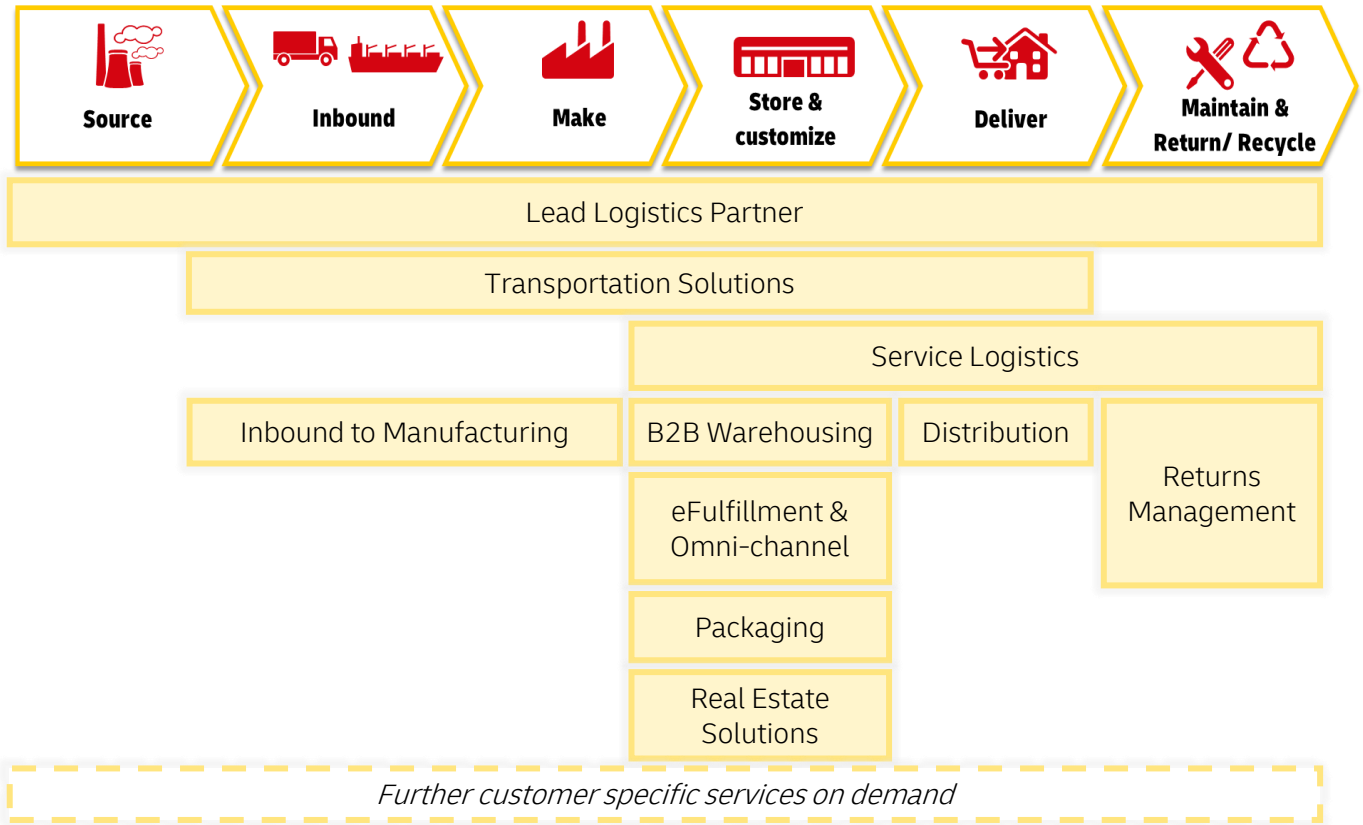
€980m

+16% yoy
with **>100%** growth in **e-commerce** activities

DHL Supply Chain offering attractive strategic solutions across the whole supply chain

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DHL Supply Chain portfolio of key solutions [1)]



As the **world's leading contract logistics provider** we create competitive advantage for our customers by delivering exceptional operational service as well as **innovative** and **sustainable solutions** across the supply chain.

We leverage thorough depth of knowledge of market and its dynamics, with **highest standards** and with a benefit of unrivaled environmental and **safety credentials**, along with **state-of-the-art technology** and an attractive **portfolio of solutions.**

Over 50[2)]
Countries served

12.537€m
Revenue in 2020

~1,500 [3)]
Locations

~15 MIO[3,4)]
Square meters

1) Not exhaustive 2) Countries with significant Supply Chain revenue; 3) Data correct at December 2020; 4) Incl. DHL owned and leased warehouse space only and not customer owned facilities operated by DHL; as of December 2020

Offering globally consistent and innovative solutions to our customers through modular standardization

Deutsche Post DHL Group

Best in class solutions
Flexibility to build end-to-end customized solutions at increased speed due to modular building blocks compromising solutions design, IT and Operations catering specific needs e.g. eCommerce

Flexible automation solutions
Focused deployment approach through Accelerated Digitalization Program and optimal orchestration of robotics and people resources through Robotics Hub.

High project management standards
Globally standard project management methodology ensuring smooth and fast setup of new operations

Data analytics for operational improvements
Data is being collected in a coherent way and decisions are made by artificial intelligence e.g. warehouse labor optimization

Operations Management System First Choice
Holistic approach to drive productivity and continuous improvement through processes, behaviors, infrastructure and tools including coaching and incentives.



End-to-end visibility across the whole Supply Chain

Globally consistent operating standards
Minimum standards for key processes and tools e.g. for labor management and quality defined for all operations.

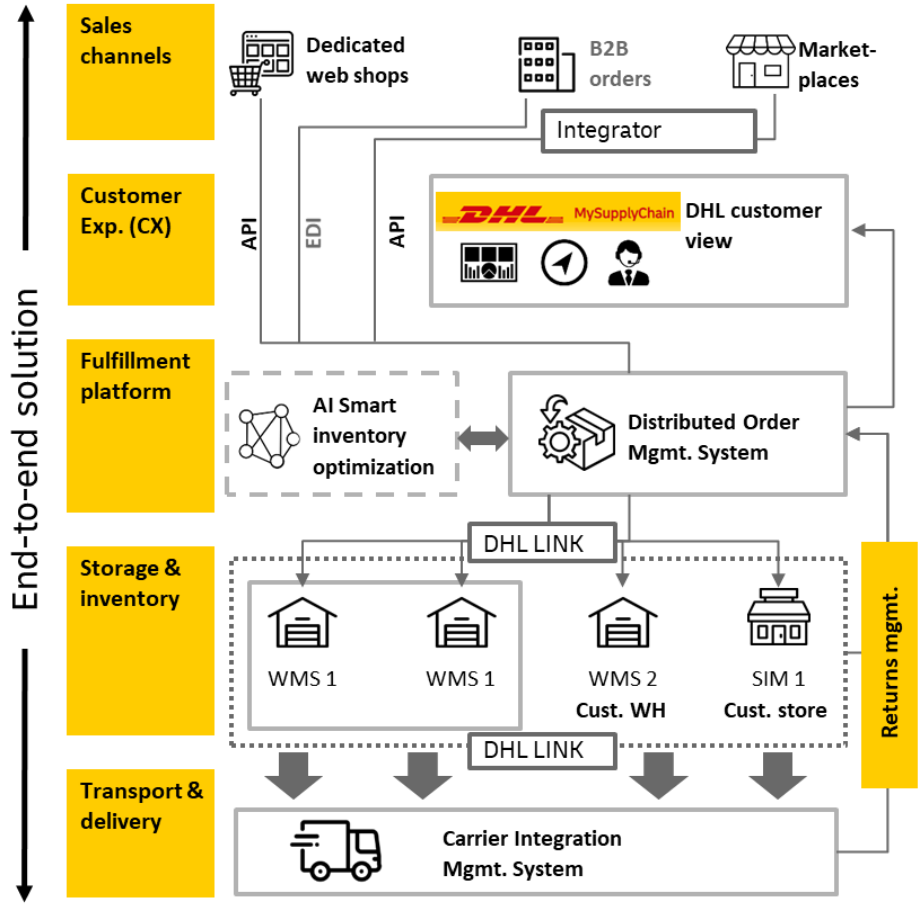
Labor management
Standards implemented incl. labor management tools, consistent introduction and training, allowing scaling in line with demand and labor sharing across operations.

Real time data based decision taking
Standard reporting tools provide real time financial and operational insights for customers and operations enabling agility and decisions at the right level.

DSC is uniquely positioned to cater for e-commerce growth

Deutsche Post DHL Group

Fully integrated end-to-end IT solution for e-Fulfillment



- eCommerce is a focus product for DSC with **~20% of its global staff** already working in eFulfillment operations
- The **53% YoY growth in eCommerce new business** in 2020 was an acceleration of the growth over past years due to the pandemic
- The growth is fueled by the priority areas that DSC is focusing on:
  - **Pure e-commerce for brand manufacturers**
  - **Pure e-commerce retailers / etailers, marketplaces**
  - **Omni-channel** centralized and combined **B2C/ B2B fulfillment**
  - **Regional fulfillment networks** across multi user locations

DHL Supply Chain is leveraging digitalization across all operations to increase efficiency and customer value add

Accelerated Digitalization and Data Analytics (as of 12/2020)

1,700+	60%	800+
projects deployed	of staff touched by AD	sites touched

750+ **Collaborative robots** deployed

Examples below:



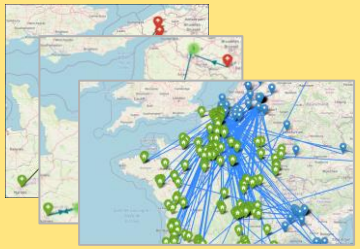
Assisted Picking Robots*



Indoor Robotic Transport

15.000+ **smart wearable** devices deployed





200+ **analytics projects** to optimize our operations

Standard IT-Robotics integration layer **DHL Robotics Hub** allowing plug-and-play robotics deployment and orchestrating labor and robotics in most efficient way

Business Model Digitalization

DIGIHAUL

- UK's first and Europe's largest truly **digital freight platform (DFP)**
- DigiHaul matches **customer demand** for transport load and capacity through **digital platform** by **artificial intelligence**

DSC FINANCIAL OUTLOOK

EBIT margin at ~5%

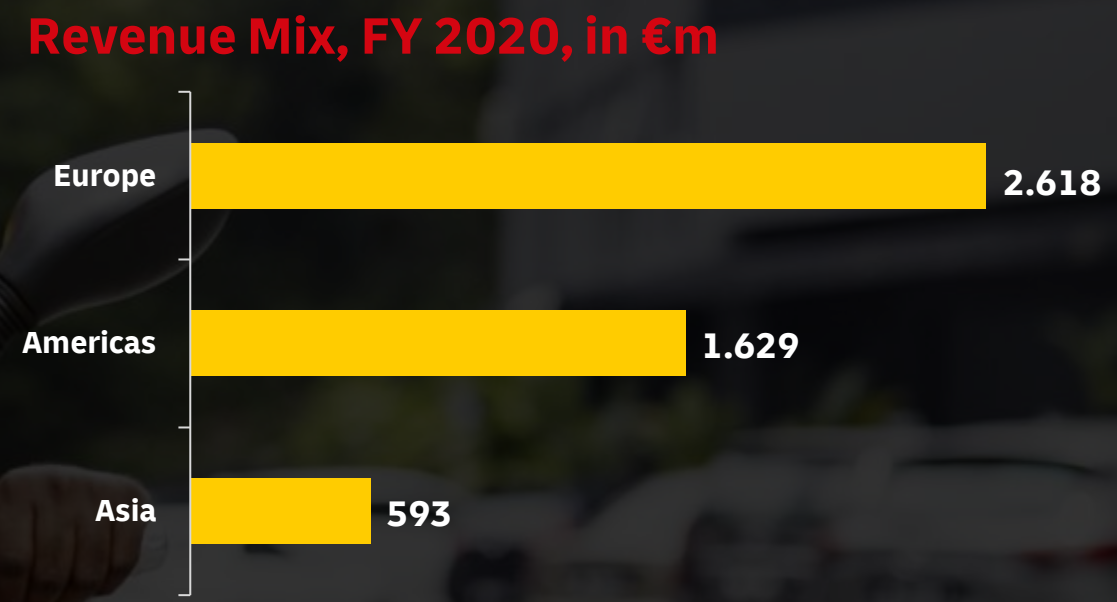
Capex outlook: Slightly increasing from FY 2020 levels (€351m) driven by new business wins and including investments in digitalization

DHL ECOMMERCE SOLUTIONS

Profitable Core

Domestic last mile parcel delivery in selected countries outside of Germany (Europe, USA and selected Asian emerging markets).

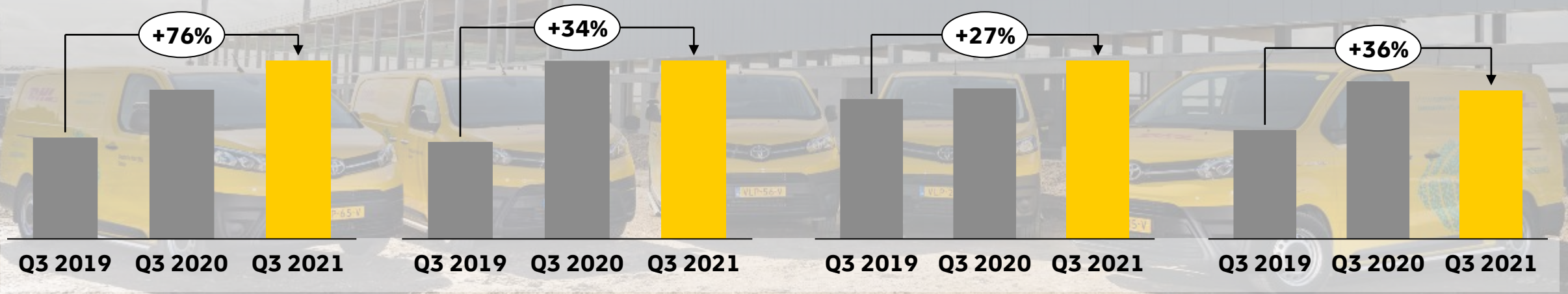
Non-TDI cross-border services primarily to/from and within Europe.



DHL eCommerce Solutions

Also showing B2C on sustainably higher levels

Parcel Volumes, Q3 2019 – Q3 2021



DHL eCommerce Solutions: Regions and service portfolio

AMERICAS

- Nationwide domestic delivery in the **United States**
- **Cross-border** from **US and Canada**

EUROPE

- Pan-European **cross-border shipping** via DHL Parcel Connect platform
- **Domestic** delivery in 8 countries: **United Kingdom, Netherlands, Belgium, Poland, Spain, Portugal, Czech Republic, Sweden**

ASIA PACIFIC

- **Blue Dart** in India: nationwide domestic courier delivery and integrated express parcel distribution
- **Nationwide domestic and cross-border** delivery in **Thailand, Malaysia and Vietnam.**
- **Cross-border** shipping **from China, India, Australia and Singapore**

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DHL eCommerce Solutions: Key stats at a glance

>1.1 billion
parcels delivered each year

35
Country Offices

22,500
Vehicles

2,400
Facilities

45,000
Employees

>70,000
Access Points

6
Dedicated Aircraft

Data as of 31.12.2020

E-commerce: Profitable expansion into international parcel markets

International Domestic and cross-border Parcel delivery – DHL eCommerce Solutions

BUILD

Before Strategy 2020



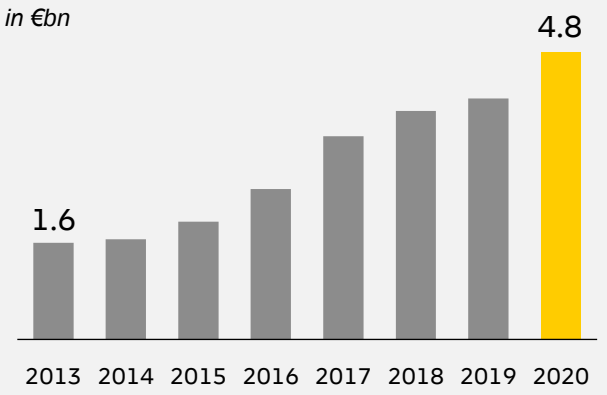
Today



SCALE

DHL eCommerce Solutions

Revenue development[1)]



CONTRIBUTION

Expectation (CMD 2017, p.22)

- *Strong **revenue** growth driven by e-commerce trend and portfolio expansion*
- *EBIT contribution by 2020 will also depend on trajectory of further **portfolio** expansion*
- *Positive but not yet significant **EBIT** contribution in 2020*

2020 results:

- **DeCS EBIT: €158m (3.3% margin)**
- Expect further growth on this base

1) Since 2019, international parcel operations are combined under the new eCommerce Solutions division. Prior to that, part of PeP division (DHL Parcel Europe + DHL eCommerce)

DeCS FINANCIAL OUTLOOK*

Positive EBIT contribution in 2020 (FY 2020: €158m)
Mid-term: **5-10% sales growth** with gradual margin expansion towards **5% long-term margin** across all businesses

Average **Capex** spend of ~€200m p.a. over 2019-2022

*as introduced at Capital Markets Day in 2019

POST & PARCEL GERMANY

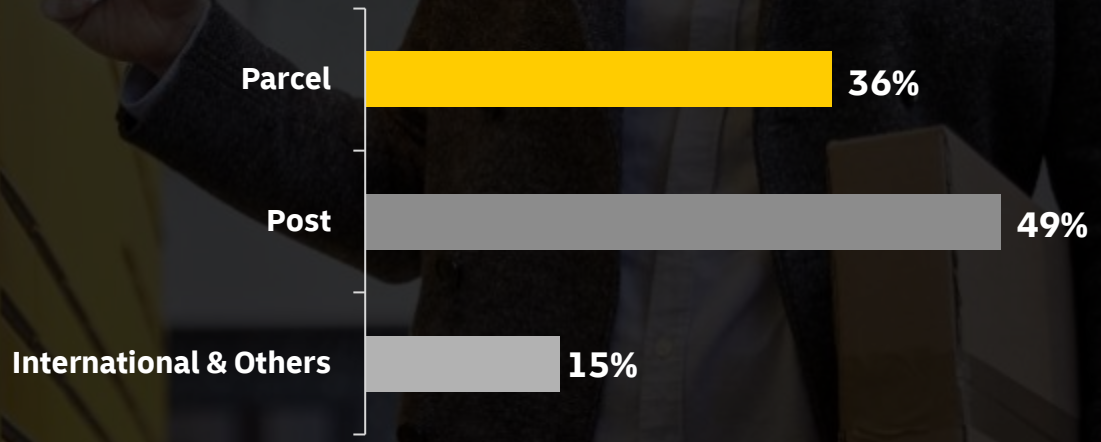
Profitable Core
Transporting, sorting and delivering of documents and goods-carrying shipments in Germany and export.

Market Position (2020)

~63% Market share **Mail Communication** (business customers)

>40% Market share **Parcel**

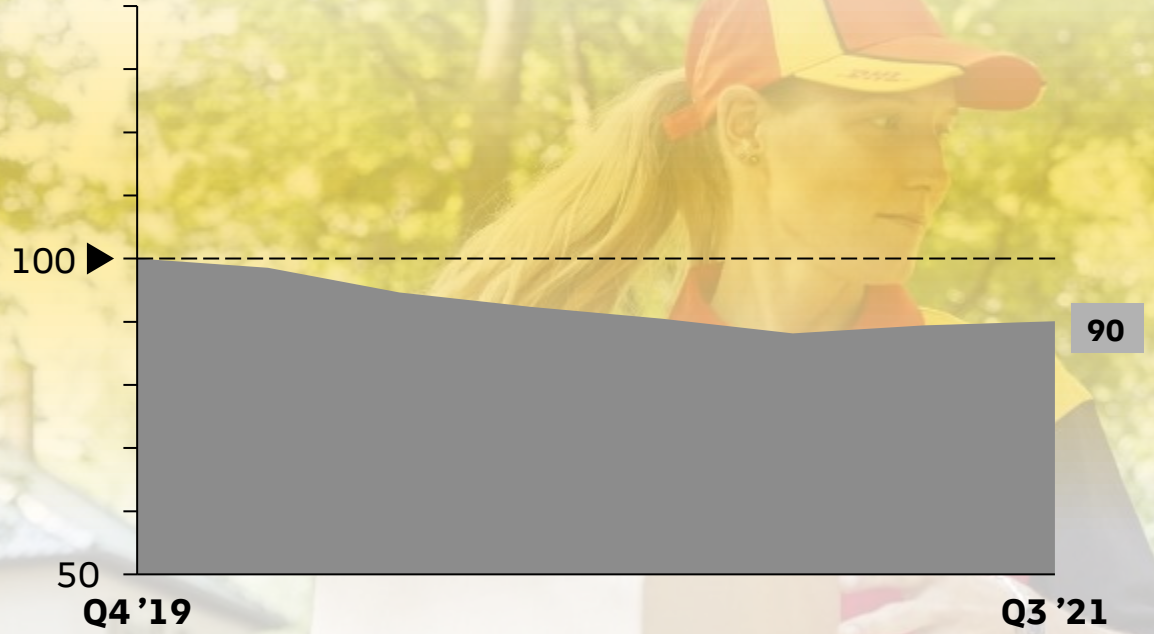
Revenue Mix, FY 2020



Post & Parcel Germany

Structural mix shift remains the key topic

Volume Mail Communication & Dialogue Marketing, Rolling four quarters (Q4 2019 – Q3 2021)



Volume Parcel Germany, Rolling four quarters (Q4 2019 – Q3 2021)



Unchanged main task:
Balance mail decline and parcel growth, supported by efficiency gains and yield management

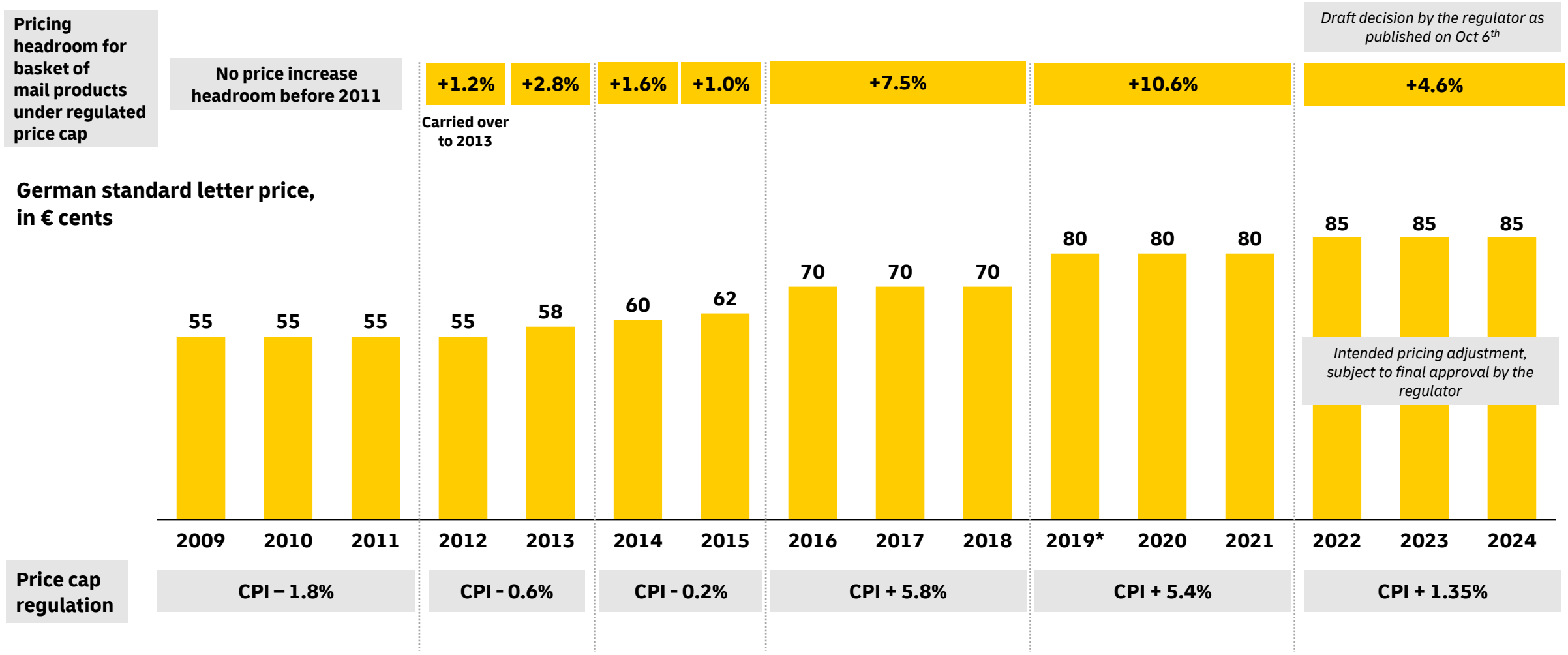
P&P Germany: Products and Pricing

P&P revenue FY20: €16.5bn			Pricing
Mail Communication €5.5bn	Ex-ante products – *private customers (€1.0bn)* – *business customers (€1.6bn)*		Next planned increase based on draft decision by regulator: +4.6% starting Jan 1st 2022 for 3 years.
	Partial services – *business customers (€1.9bn)*		2020: 3-4% through reduction of discounts
	Other (€0.9bn)[1)]		Partially increased in 2020/2021
Dialogue Marketing €1.8bn	Addressed and undressed advertisement mailings, campaigns (both digital & physical)		Partially increased in 2020/2021
International €2.4bn	In- and outbound Germany shipments		Depends on the product category: Partially increased in 2020/2021
Other €0.8bn	Press, pension services, retail		Partially increased in 2020/2021
Parcel Germany €5.9bn	Business customers	Top accounts (~470 customers) Middle accounts (~20k customers) Small accounts (~85k customers)	Pricing varies by contracts. Next planned increase: January 1st 2022.
	Private customers		Listed prices in retail outlets and online

1) e.g.: small items eCommerce, Philately, “Postzustellungsauftrag“

Topline Germany: Standard letter stamp price development is based on regulated price cap

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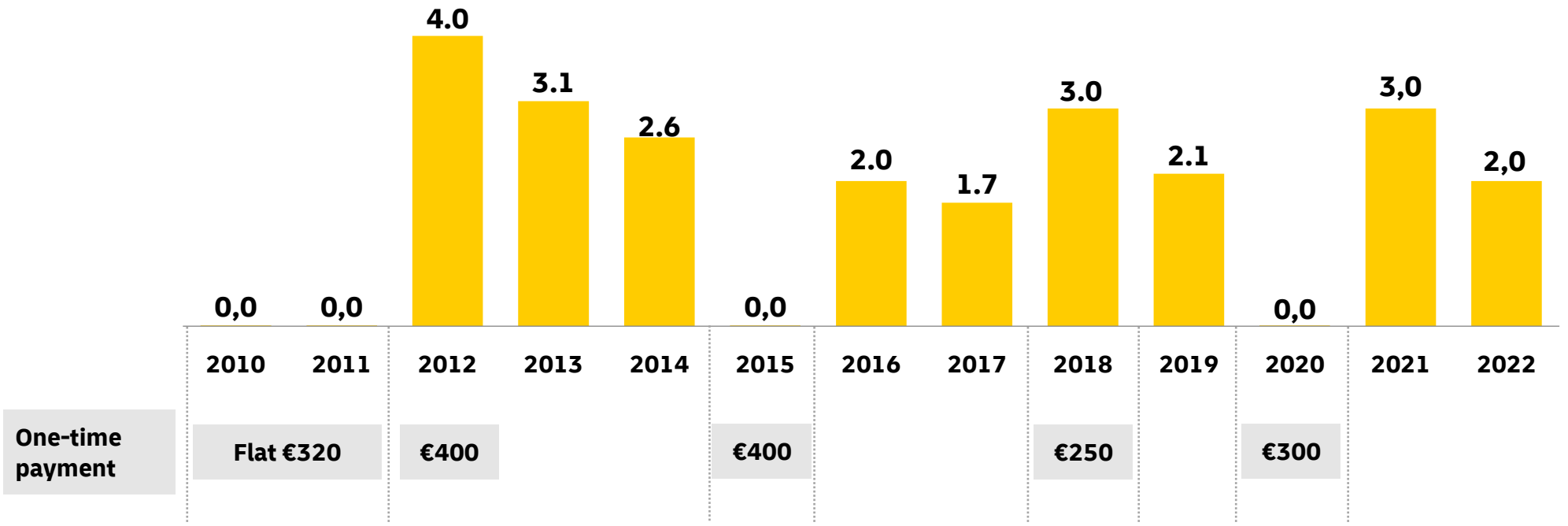


*implemented from July 1st 2019 onwards, taken into account in headroom calculation

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P&P Germany: Wage deals in Germany

Wage increases for P&P Germany employees, yoy in %



Current agreement applies to ~140,000 Deutsche Post tariff employees.

Contract period: Sep 1st 2020 - Dec 31st 2022

P&P GERMANY FINANCIAL OUTLOOK

EBIT 2021
Guidance: ~€1.7-1.8bn

Volume
Structural trend:
Mail: -2% to -3% p.a.
Parcel: +5% to +7% p.a.
Stronger Parcel growth and Mail decline seen in 2020. Expect growth rates to trend back to initial assumptions over time

Capex: Flat / slightly increasing from FY 2020 levels (€590m)

Wage increase for tariff employees: 3% from Jan 1st 2021 and 2% from Jan 1st 2022.

Content

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Divisional Deep-Dives
DHL Express (page 27), DHL Global Forwarding, Freight (page 33), DHL Supply Chain (page 39), DHL eCommerce Solutions (page 46), P&P Germany (page 52)

Financial Backup
Page 58



DPDHL Group at a glance

FY 2020	GROUP	DHL Express	DHL Global Forwarding, Freight	DHL Supply Chain	DHL eCommerce Solutions	P&P Germany
Revenue	€66,806m	€19,135m	€15,914m	€12,537m	€4,829m	€16,455m
EBIT	€4,847m	€2,751m	€590m	€426m	€158m	€1,592m
EBIT Margin	7.3%	14.4%	3.7%	3.4%	3.3%	9.7%
FTEs*	502,207	99,365	42,376	159,152	29,819	158,889
		Network business – asset intensive	Brokerage – asset light	Outsource – asset light	Network business – asset intensive	Network business – asset intensive

*average for the year

Q3 2021 Group P&L

in €m	Q3 2020	Q3 2021	vs. LY
Revenue	**16,222**	**20,036**	**+23.5%**
EBIT	**1,377**	**1,771**	**+28.6%**
Financial result	-183	-142	+22.4%
Taxes	-286	-457	-59.8%
Consolidated net profit*	**851**	**1,087**	**+27.7%**
Basic EPS (in €)	**0.69**	**0.88**	**+27.5%**

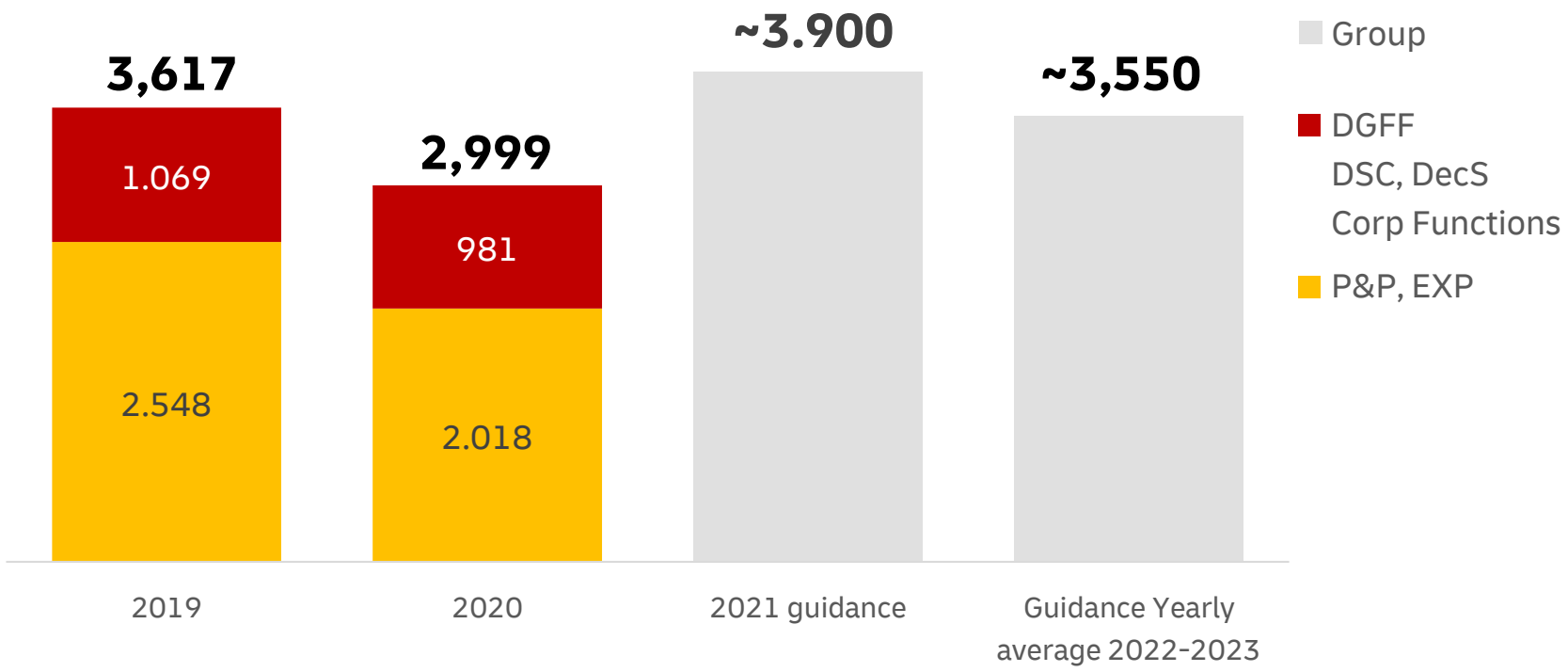
*attributable to DPDHL Group shareholders

Q3 2021 Cash Flow Statement

in €m	Q3 2020	Q3 2021	vs. LY
EBIT	**1,377**	**1,771**	**+28.6%**
Depreciation, amortization and impairment losses	902	973	+7.9%
Change in provisions	-69	-38	+44.9%
Income taxes paid	-231	-338	-46.3%
Other	-39	-14	+64.1%
Changes in working capital	445	295	-33.7%
Operating Cash Flow	**2,385**	**2,649**	**+11.1%**
Net Capex	-565	-819	-45.0%
Net cash for leases	-557	-576	-3.4%
Net M&A	--	--	--%
Net interest	1	3	+200.0%
Free Cash Flow	**1,264**	**1,257**	**-0.6%**

Capex development 2019-2023e

Group gross capex, in €m

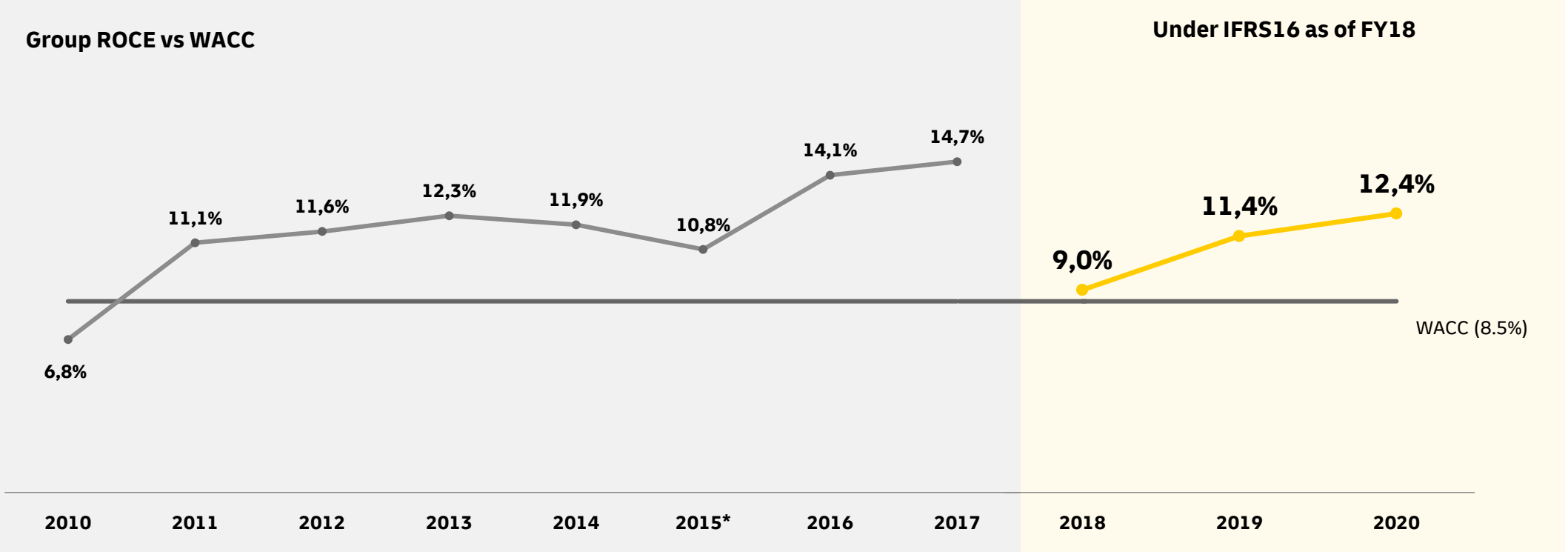


Note: Capex expectation includes full gross capex spend related to 2018 & 2020 Boeing 777 orders

Group ROCE trending further up: returns increasing on higher asset base

Deutsche Post DHL Group

Increasing returns under Strategy 2015 / 2020 – positive trend continued after lease accounting rebasement



*2015 EBIT adjusted for NFE-write off

ROCE = EBIT / (Total assets – current liabilities)

Balance sheet continues to show healthy leverage ratios

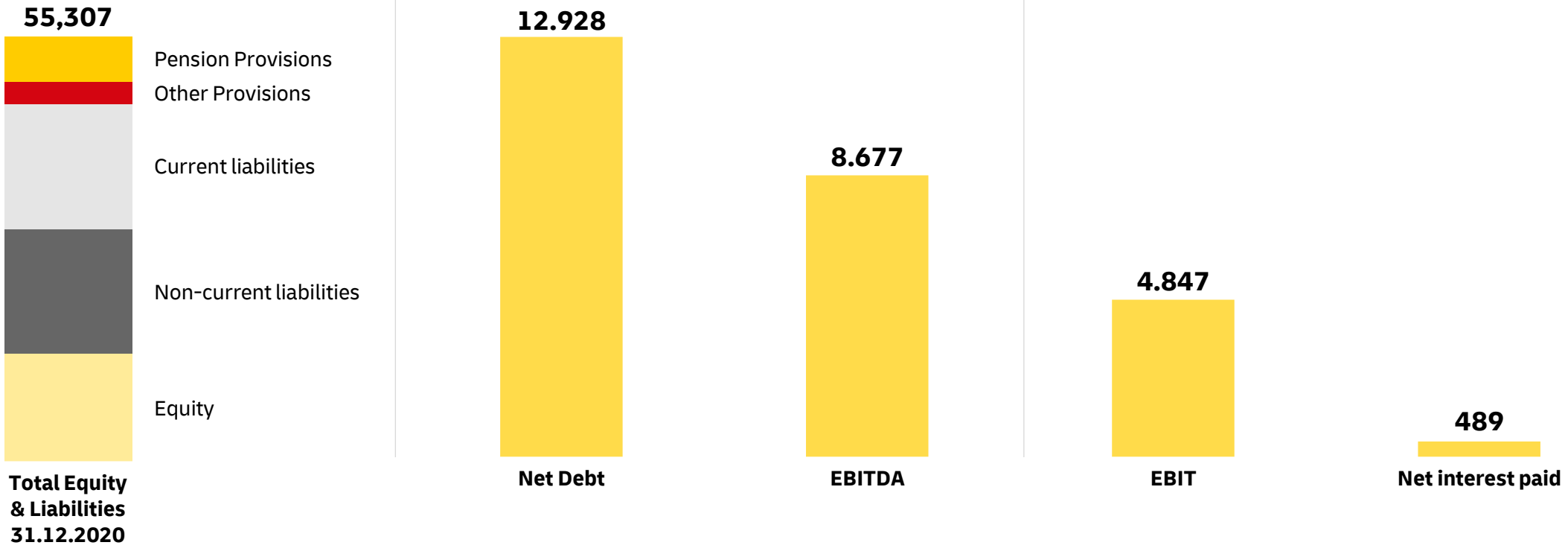
47.9% Net Gearing

25.5% Equity Ratio

1.7x (2019) **1.5x (2020)** Net Debt / EBITDA

9.9x Net Interest Cover

All figures in €m, FY 2020

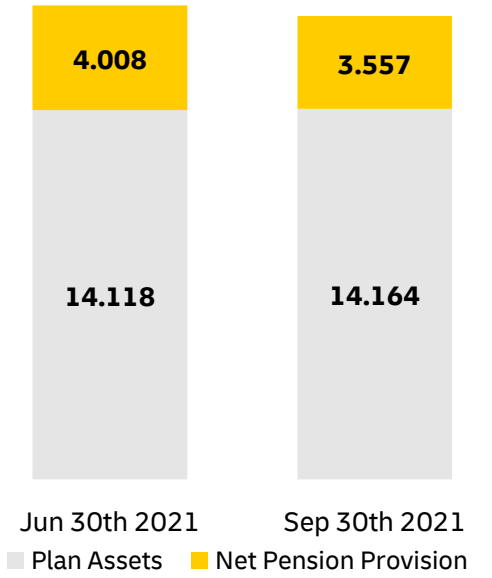


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DPDHL Group Pensions – DB and DC plans

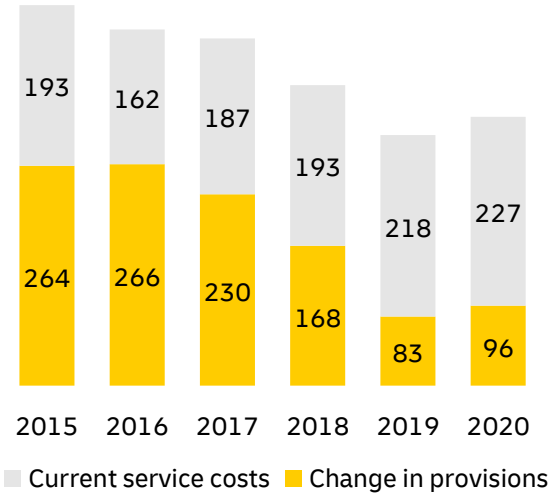
in €m

Defined Benefit Obligation



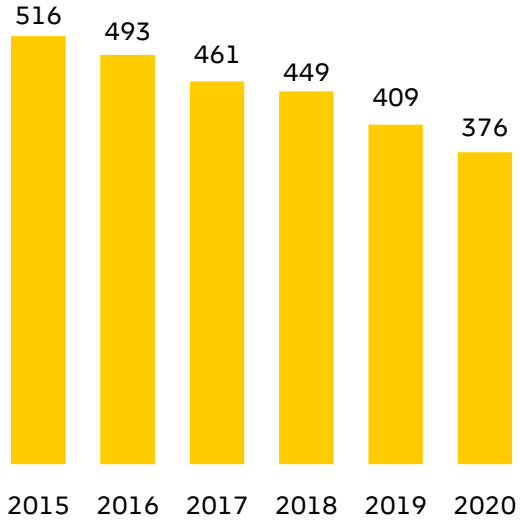
Defined Benefits
Staff Costs* & Change in Provisions

* Excluding one-offs



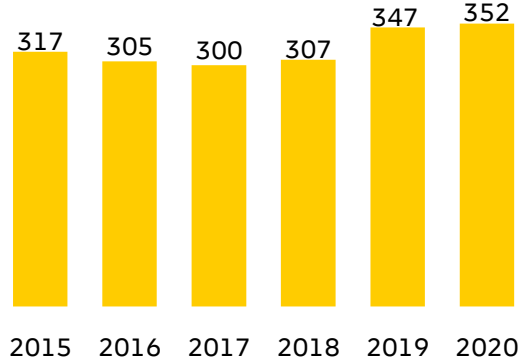
Defined Contribution (Cash out ≈ staff costs in EBIT)

Civil Servants in Germany



Hourly workers & salaried employees*

*mainly outside Germany



Discount Rate (DBO)	Germany	UK	Other	Total (Average)
Sep 30th 2021	1.50%	2.00%	1.52%	1.64%
Jun 30th 2021	1.40%	1.80%	1.43%	1.52%

Deutsche Post DHL Group

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