

Deutsche Post DHL
Group

Management Roadshow

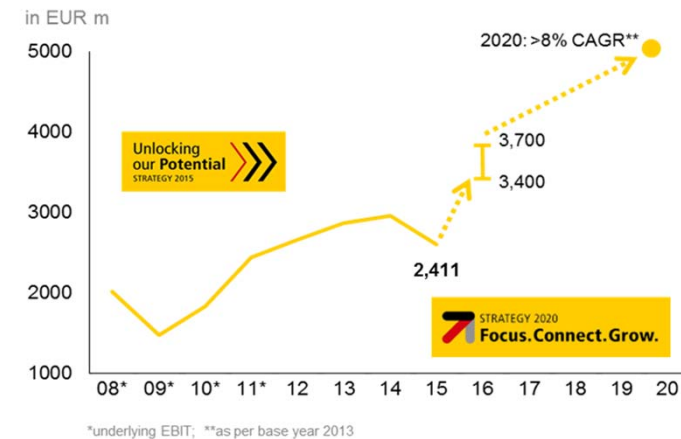
Martin Ziegenbalg, Head of Investor Relations
Frankfurt, 12 May 2016



Q1 2016 HIGHLIGHTS

Double digit increase in Group EBIT, driven by all Divisions

- PeP EBIT increasing as sustained Parcel growth and stamp price increase offset Post volume decline and investments in international network expansion
- Express EBIT growth driven by continued strong volume development. Continuing FX headwind partly offset by mitigation measures
- DGF turnaround making further progress
- Supply Chain on track, second and last tranche of King's Cross real estate sale executed in Q1
- Cash Flow performance showing usual seasonal Q1 pattern



Good start in line with full-year expectations: 2016/20 EBIT guidance confirmed

GROUP P&L Q1 2016

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EUR m	Q1 2015	Q1 2016	Chg.	Management comments
Revenue	14,767	13,872	-6.1%	Revenue development affected by FX, lower fuel surcharge and change in revenue recognition of NHS contract. Organic decline was -3.3% and excluding all above mentioned effects, revenue was +1.4% above previous year
EBIT	720	873	+21.3%	Double digit increase in Group EBIT, driven by growth in all Divisions
t/o PeP	399	412	+3.3%	Stamp price increase and Parcel growth more than compensate for lower working day effect and investments in international Parcel network
t/o DHL	402	534	+32.8%	Strong growth driven by continued TDI growth and yield initiatives at Express, turnaround at DGF as well as business growth and real estate gain at DSC
Financial result	-64	-93	-45.3%	Affected by FX losses
Taxes	-115	-109	+5.2%	Tax rate of 14% reflecting new full year expectation
Cons. net profit ¹⁾	495	639	+29.1%	Net profit and EPS growth reflecting strong operating performance and lower tax rate
EPS (in EUR)	0.41	0.53	+29.3%	

1) Attributable to Deutsche Post AG shareholders

FREE CASH FLOW Q1 2016

Seasonal factors drive usual Free Cash Outflow in Q1

EUR m	Q1 2015	Q1 2016	
Cash from operating activities before changes in Working Capital	737	853	Q1 cash generation as every year burdened by payment of full-year contribution for civil servant pension scheme (EUR 517m) Changes in Working Capital reflect anticipated phasing effect following strong year-end performance
Changes in Working Capital	-658	-1,065	
Net cash from operating activities after changes in Working Capital	79	-212	
Net Capex	-526	-544	Operating cash flow decline translates directly through to Free Cash Flow as real estate proceeds (King's Cross) are balanced by inflow from closing of interest rate swaps in Q1 2015
Net M&A	0	61	
Net Interest	70	-5	
Free Cash Flow	-377	-700	FFO/Debt at 26.5% (year-end 2015: 28.7%)

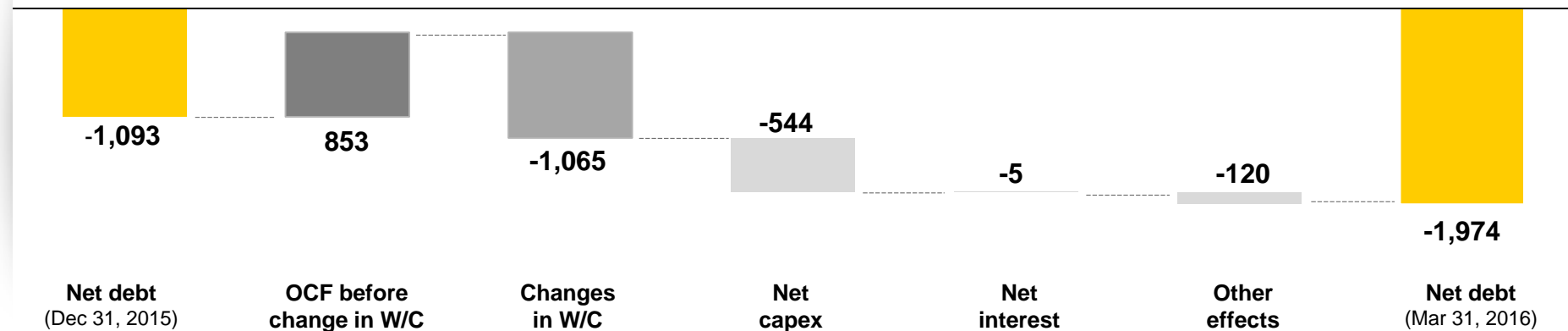
NET DEBT (-)/LIQUIDITY (+)

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Seasonal factors drive usual Q1 net debt increase

Annual contribution to civil servant pension of EUR 517m (o.w. 142m in EBIT and 375m in W/C)

in EUR m

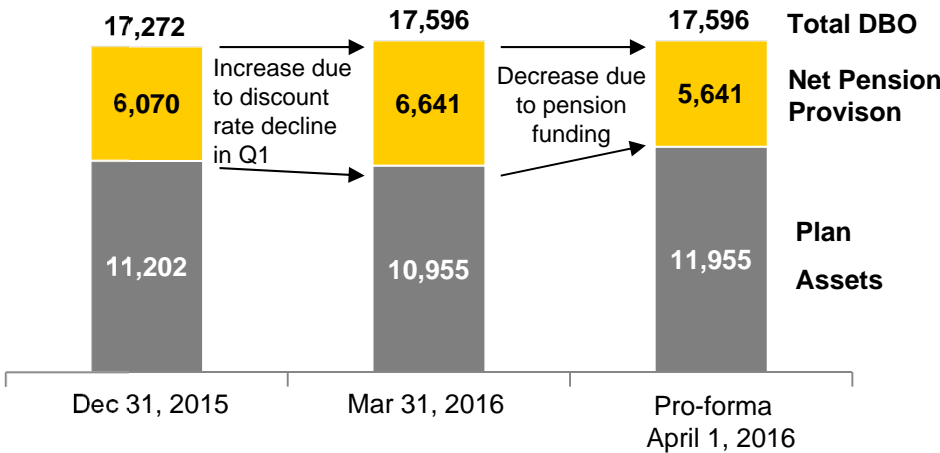


PENSION FUNDING EXERCISE 2016

in EUR m

Taking advantage of low interest rate environment to increase funding ratio, with OCF and net income accretion

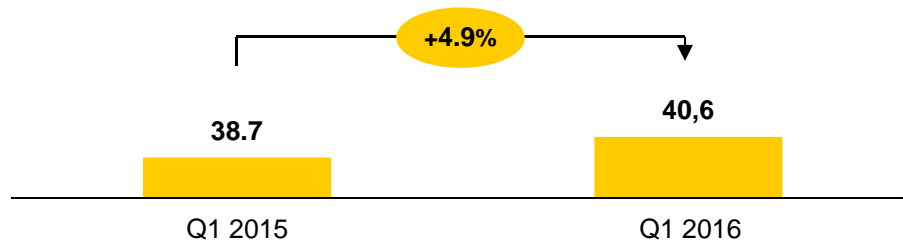
- Successful bond issuance with record low coupon for Euro Corporate 5-year issue
- Pension funding of EUR 1 bn on April 1, 2016, to reduce OCF/FCF in Q2
- Expected higher return on plan assets vs. average coupon should lead to small accretive effect on net income and OCF



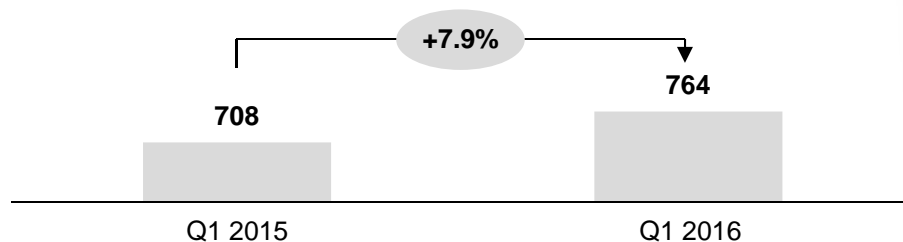
Discount Rate	Germany	UK	Other	Total
Dec 31, 2015	2.75%	3.75%	2.53%	3.02%
Mar 31, 2016	2.25%	3.5%	2.18%	2.59%

EXPRESS: MATCHING TDI GROWTH AND YIELD MANAGEMENT

Time Definite International (TDI)¹⁾
Revenues per day in EUR m



Time Definite International (TDI)
Shipments per day '000s



1) Currency translation impacts are eliminated. Data aggregated with same currency rate

Business Highlights

- Continuation of strong volume performance with TDI growth of +7.9% (Europe +9.4%, Americas +9.0%, Asia/Pacific +7.1%, MEA +3.5%)
- Revenue growth affected by lower fuel surcharges
- FX headwind partially mitigated via pricing and other measures
- Growth achieved via balanced investments in our network and continued focus on customer service and quality improvement

EXPRESS – DIVISIONAL RESULTS Q1 2016

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EUR m	Q1 2015	Q1 2016	Chg.	Management comments
Revenue	3,240	3,251	+0.3%	Organic growth of +4.5% driven by strong growth in TDI. Adjusting for FX and lower fuel surcharges, growth was +6.1%
EBIT	332	357	+7.5%	Strong EBIT performance despite FX headwinds, supported by good volume growth and yield management
Operating Cash Flow	334	234	-29.9%	Operating cash flow impacted by year-end phasing effects
Capex	75	191	>100%	Substantial increase in Capex reflects planned investments in network and timing effects

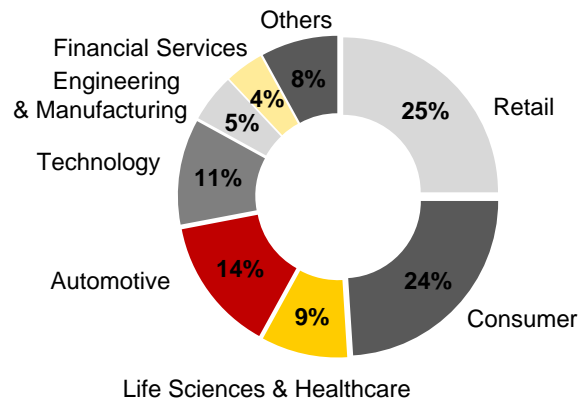
SUPPLY CHAIN: SOLID NEW BUSINESS WINS

New signings, EUR m¹⁾



1) Annualized revenue, incl. Williams Lea

Revenue by sector Q1 2016



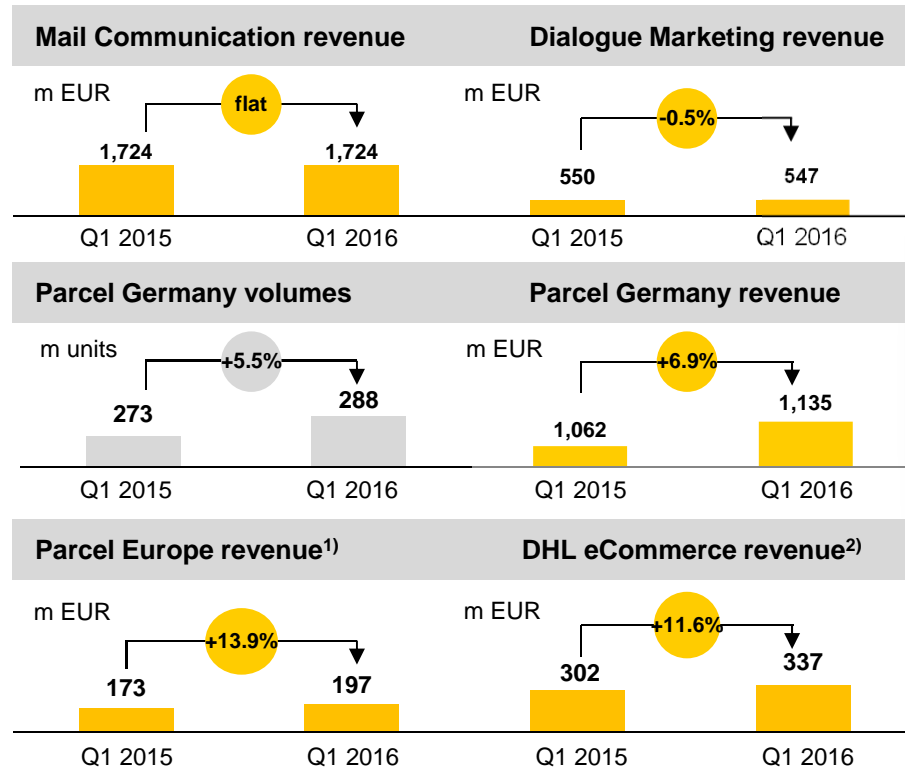
Business Highlights

- Sound order intake in Q1 (EUR 276m) especially in Retail, Consumer, Automotive and Technology
- Revenue growth strongest in Automotive. Life Sciences & Healthcare held back by change in revenue recognition of NHS contract
- Sale of remaining tranche in King's Cross
- North American business rebranded as DHL Supply Chain in order to strengthen global DHL brand identity

SUPPLY CHAIN – DIVISIONAL RESULTS Q1 2016

EUR m	Q1 2015	Q1 2016	Chg.	Management comments
Revenue	3,942	3,393	-13.9%	Revenue affected by FX, lower fuel and change of revenue recognition of NHS contract. Organic revenue decline was -10.1%. Adjusted for all effects, revenue growth of +2.4% reflects steady growth of new business
EBIT	53	127	>100%	EBIT includes real estate gains from King's Cross (EUR 63m) as well as additional restructuring costs (EUR 25m). Solid operating performance supported by previous restructuring investments and new business start-ups
Operating Cash Flow	-112	-141	-25.9%	Mainly reflects phasing effects; proceeds from King's Cross stake sale recognized only in Investing/Free Cash Flow
Capex	73	100	37.0%	Higher Capex reflecting timing of new contract investments

PeP: SUSTAINED GROWTH ACROSS OUR PARCEL ACTIVITIES



1) Parcel Europe excl. Germany; 2) Parcel outside Europe

Business Highlights

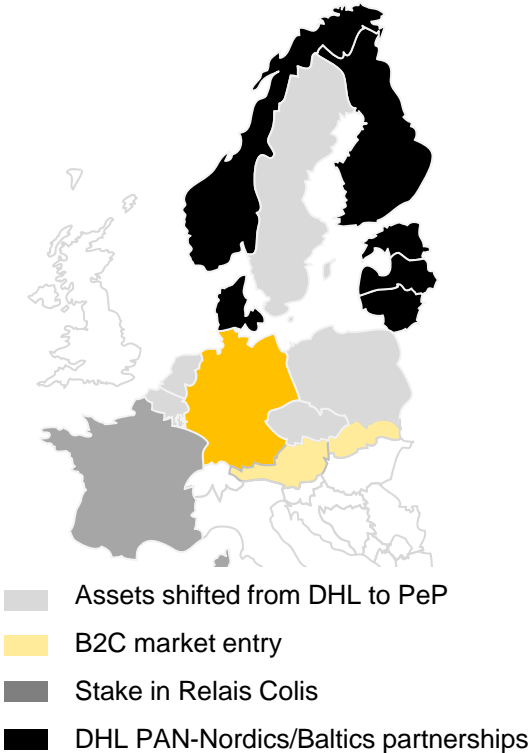
- Stamp price increase drives flat Mail Communication revenue, offsetting continued e-substitution, working day effect and expected price elasticity (Mail Communication volumes -5.8%, or -4.2% working day adjusted)
- Dialogue Marketing holding up well, supported by local elections and Easter timing
- Parcel Germany revenue growth continues to outpace sustained volume growth
- Parcel Europe revenue growth accelerates as more countries enter the network
- DHL eCommerce revenue growth reflects strong organic growth (+14.6%)

PeP – DIVISIONAL RESULTS Q1 2016

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EUR m	Q1 2015	Q1 2016	Chg.	Management comments
Revenue	4,101	4,201	+2.4%	Strong growth in eCommerce-Parcel activities and stamp price increase more than offset Post volume decline, one less working day and addition to stamp provision (EUR 34m). Excluding FX, growth is +2.7%
EBIT PeP	399	412	+3.3%	Revenue growth flowing through to EBIT despite continued investments in German and international eCommerce-Parcel expansion
t/o Germany	393	410	+4.3%	Stamp price increase and good parcel volume growth
t/o International eCommerce - Parcel	6	2	-66.7%	Despite strong topline growth (+12%), international investments currently limit profitability
Operating Cash Flow	185	80	-56.8%	Reflecting phasing effect from year-end
Capex	64	74	+15.6%	Investments driven by infrastructure expansion and investments into electric vehicles (Streetscooter)

DHL PARCEL EUROPE: STATUS UPDATE ON MARKET COVERAGE



Flexible approach to address international e-commerce opportunities in Europe

Leverage legacy DHL assets through shift to PeP	Partnership with locally established players	Greenfield market entries
2014: Poland, Czech Republic, Belgium, Netherlands, Luxembourg 2015: Sweden	2016: France (27.5% Relais Colis stake); Finland, Norway, Denmark, Latvia, Estonia, Lithuania through DHL PAN-Nordics / Baltics partnership ¹⁾	2015: Slovakia, Austria,

Since April 2016: Harmonized European Parcel product covering 15 European e-commerce destinations

1) With Finnish postal operator Posti and Bring, a subsidiary of the Norwegian postal operator

➤ Revenue Parcel Europe, FY15: EUR 735m (+8.7% yoy, organic: +8.1%), Q1 16: EUR 197m (+13.9% yoy, organic: +15.0%)

DHL eCommerce: E-COMMERCE GROWTH OUTSIDE EUROPE

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DHL eCommerce USA



- Consolidation and sorting of domestic and international mail and parcels
- #4 in parcel market for US (SmartMail® product)
- 2 dedicated, vendor-neutral e-fulfillment warehouses in Los Angeles and Columbus
- Leveraging DSC warehousing expertise and USPS last-mile distribution network

DHL eCommerce Asia



- Market leader in Indian B2B and B2C with Blue Dart

- E-fulfillment facilities in Delhi and Bangalore in conjunction with DSC



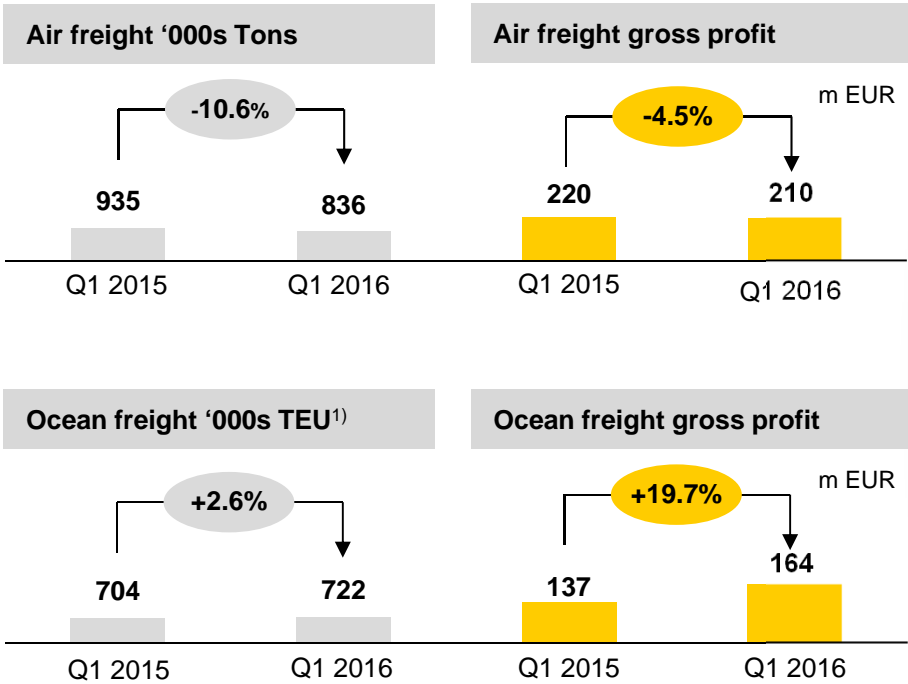
- Strong growth in Chinese outbound e-commerce business with >100k shipments/day from 3 distribution centers to destinations mainly in Europe and the U.S.



- Jan 2016 launch of domestic B2C delivery services in Thailand

➤ Revenue DHL eCommerce: FY15: EUR 1,240m (+23.5% yoy, organic: +6.1%), Q1 16: EUR 337m (+11.6% yoy, organic: +14.6%)

GLOBAL FORWARDING, FREIGHT: CORE BUSINESS PERFORMANCE IMPROVING FURTHER



Business Highlights

- No major trend change in volumes as trade growth remains muted: Air freight continues to contract while Ocean freight sees low growth
- Strong GP margin development driven by Air freight GP/ton +4.7% and Ocean freight GP/TEU +16.7% as a result of turnaround initiatives to improve efficiency and profitability
- IT renewal plan initiated, including global roll-out of selected internal systems and examining and validating potential new transport management system

1) Twenty Foot Equivalent Unit

GLOBAL FORWARDING, FREIGHT– DIVISIONAL RESULTS Q1 2016

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EUR m	Q1 2015	Q1 2016	Chg.	Management comments
Revenue	3,789	3,327	-12.2%	Revenue decline reflecting soft volumes, lower freight rates and FX. Organic decline was -9.3% and also taking fuel into account it was -5.2%
Gross Profit	859	852	-0.8%	Cost management and selective market approach offset lower volumes
EBIT	17	51	>100%	Sustained EBIT recovery due to success of turnaround measures and restructuring benefits
Operating Cash Flow	-160	-166	-3.8%	Working capital development reflects phasing effect and lower revenues
Capex	40	10	-75.0%	Capex decline due to lower investment rate post NFE

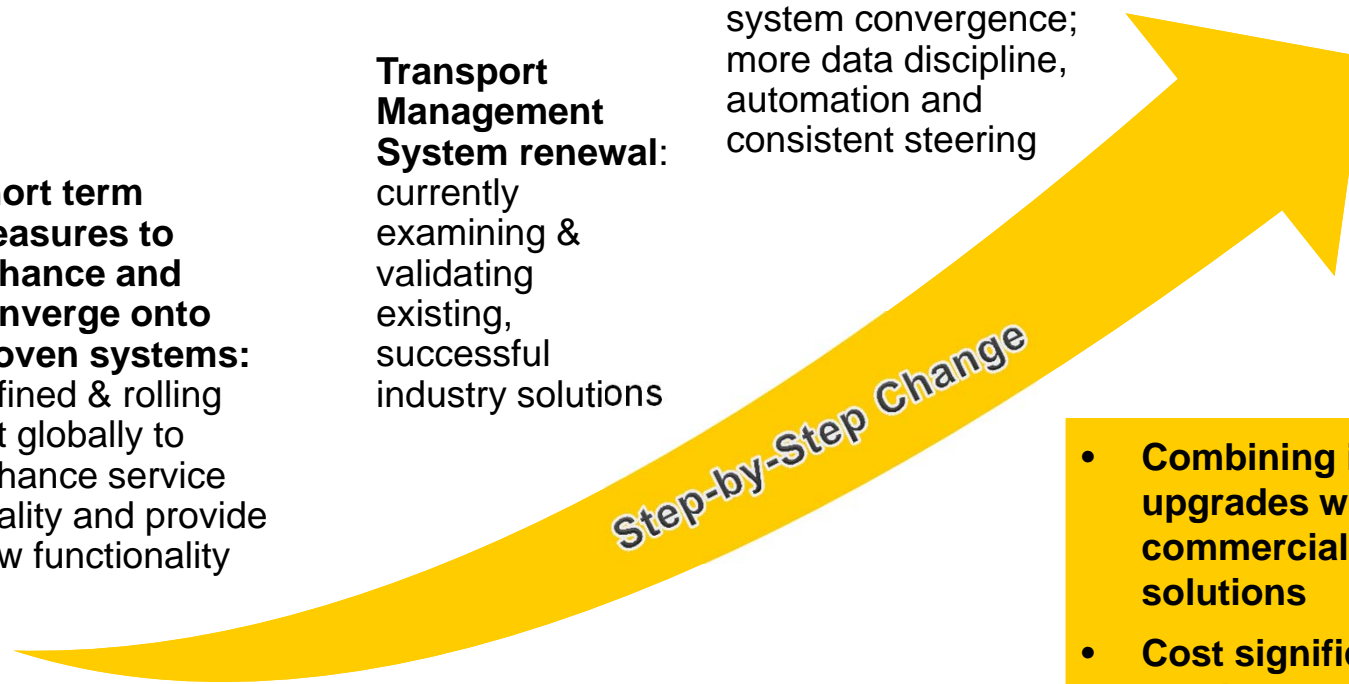
GLOBAL FORWARDING: IT RENEWAL ROADMAP INITIATED

Short term measures to enhance and converge onto proven systems: defined & rolling out globally to enhance service quality and provide new functionality

Transport Management System renewal: currently examining & validating existing, successful industry solutions

Business Centric Renewal: gradual system convergence; more data discipline, automation and consistent steering

Substantial contribution to close GP/EBIT conversion gap



- **Combining in-house system upgrades with industry-proven, commercially available solutions**
- **Cost significantly below previous project plans**

EBIT GUIDANCE CONFIRMED FOR 2016/20; 2016 TAX RATE LOWERED

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EBIT, EUR bn	2016	2020
PeP	> 1.3	~ 3% CAGR 2013-20
DHL	2.45-2.75	~ 10% CAGR 2013-20
CC/Other	~ -0.35	< 0.5% of group revenue
Group	3.4-3.7	> 8% CAGR 2013-20

FY 2016:

Free Cash Flow (*excl. EUR 1 bn pension funding recognition*) to exceed dividend payment (FY15 dividend)

Tax rate of ~14% (*from ~18%*)

Gross Capex of around EUR 2.2bn

Q1 WRAP-UP

Good start into the year, in line with full-year targets

- Sustained, positive volume and yield development in Parcel and Express
- DGF turnaround agenda and IT renewal roadmap making good progress
- DSC with solid first quarter and real estate gain; further restructuring investments

Clear agenda driven by our long-term strategic and financial goals:



Leveraging growth in e-commerce and emerging markets, based on unrivalled, diversified business portfolio



Clear roadmap for margin and profit improvement



Flexible balance sheet and improving cash generation underpin investments and payout policy

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