Deutsche Post DHL Group

Management Roadshow

Melanie Kreis, CFO

London, 9 November 2016

AGENDA

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1 **Q3 Highlights & Growth agenda**

2 Q3 Financial results & Guidance

Q3 2016 HIGHLIGHTS

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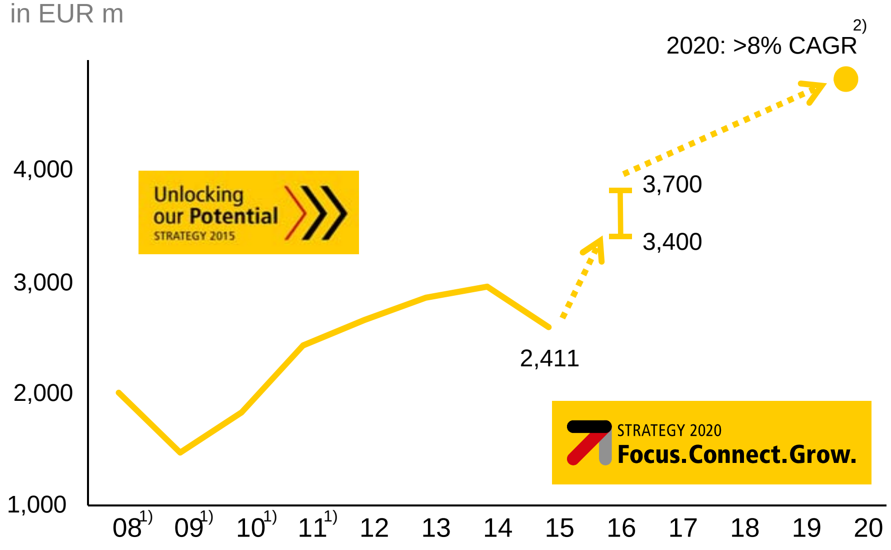
in EUR m



1) underlying EBIT; 2) as per base year 2013

Q3 confirms strong progress in operating performance – building momentum towards 2020 targets

- PeP: Growth in Parcel drives EBIT increase in Germany; investments into international Parcel expansion continue
- Express: confirmation of strong EBIT growth track record, supported by e-commerce growth and yield management
- DGFF: turnaround progressing, IT renewal continuing according to plan
- DSC: good operating performance in Q3 while 2016 restructuring spend nears completion

Strategy 2020:

- **Leverage structural growth trends**
- **Drive further internal profitability improvement**

Well on track to deliver on 2016 guidance despite continued weak economic tailwinds

PeP: STRUCTURAL GROWTH IN PARCEL GERMANY DRIVEN BY E-COMMERCE MEGATREND

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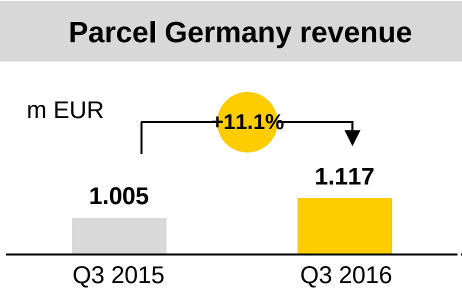
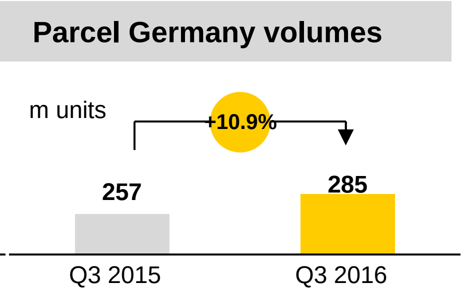
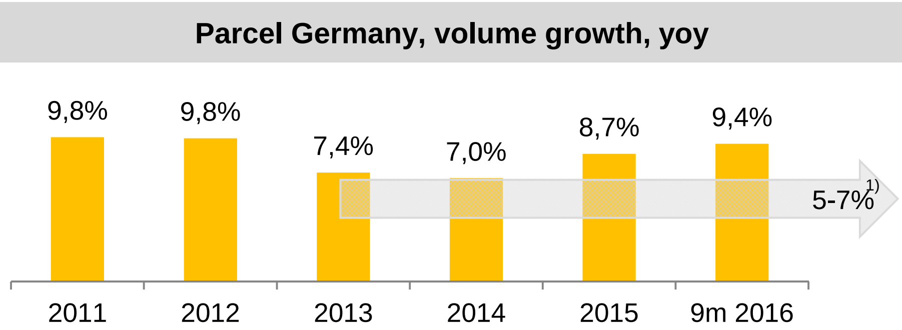




- Continued strong volume growth in Germany reflects structural shift of retail towards e-commerce
- Moreover, strict pricing discipline and focus on profitability support the overall revenue development

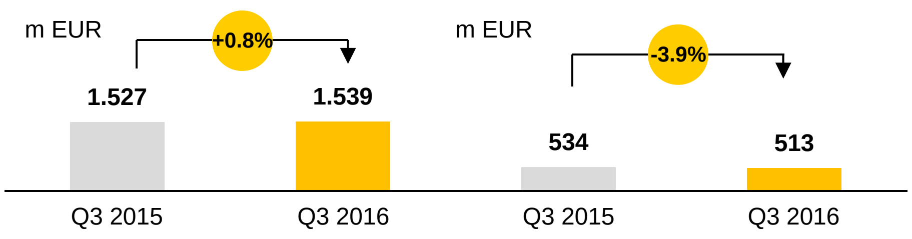


1) Strategy 2020 market volume growth assumption (2013-2020)

- E-commerce provides sustainable growth opportunity - spread across our broad business customer portfolio
- Superior service quality and network strength as well as continuous innovation are key drivers to keep extending market leadership

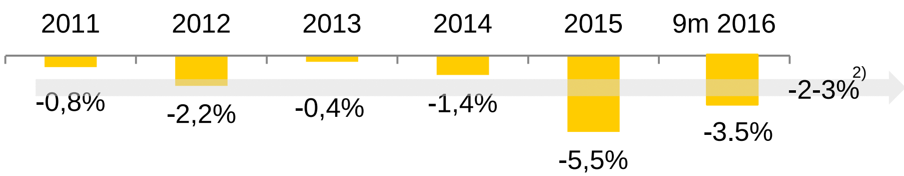
PeP: MANAGING MODERATE POST VOLUME DECLINE

Mail Communication revenue | **Dialogue Marketing revenue**



- Price increase implemented at start of year continues to offset Mail Communication volume decline
- Stamp price fixed for 2016-18; reduction of volume-related discount rates allows for modest price increase for business customers in 2017

Mail products Germany,[1] volume change, yoy



- Overall modest decline in Mail volumes due to strong product and network quality (95% next-day delivery on average)
- Stronger decline in 2015 due to strike effect now trends back towards long-term expectation range

1) Mail Communication + Dialogue Marketing
2) Strategy 2020 market volume growth assumption (2013-2020)

PeP: LEVERAGING STRUCTURAL E-COMMERCE GROWTH BY EXPANDING PARCEL NETWORK OUTSIDE GERMANY

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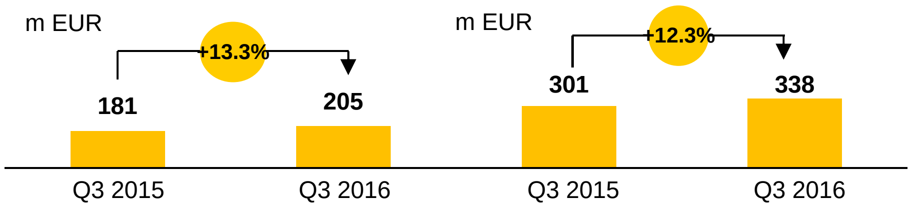
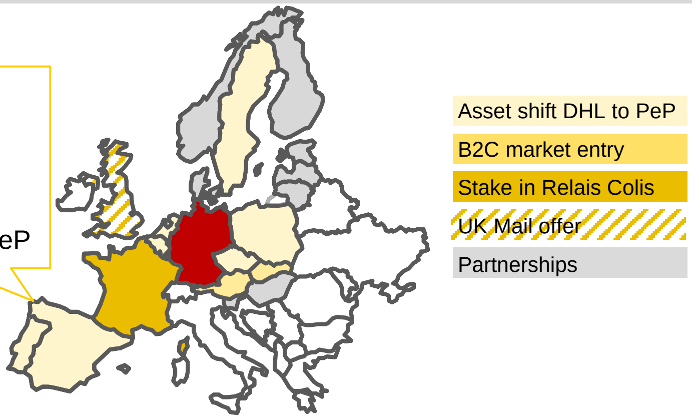
Parcel Europe revenue[1)] | **DHL eCommerce revenue[2)]**



1) Parcel Europe ex Germany; 2) Parcel outside Europe

European coverage of currently 18 countries to be extended

Beginning of 2017: shift of Iberia Day-Definite from DHL EXP to PeP



- Continued strong increase in international revenues reflects growth in international domestic and cross-border volumes as well as gradual expansion of our capabilities and coverage
- Growth momentum confirms appreciation of DHL brand and service quality in international Parcel markets

- International expansion further extends our value proposition for e-vendors
- Strong cross-border growth opportunity as e-commerce goes beyond national borders
- Selective, flexible expansion of our harmonized European product

EXPRESS: STRONG VOLUME GROWTH CONTINUES, ALSO SUPPORTED BY GROWTH IN E-COMMERCE

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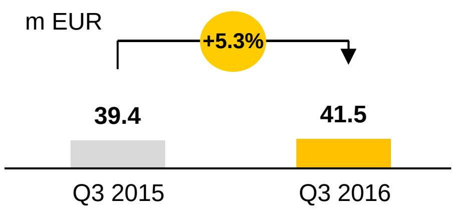
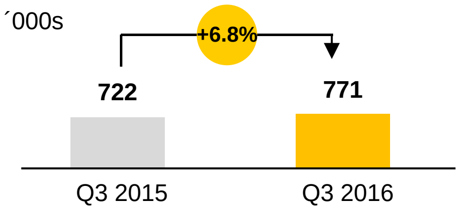
Time Definite International (TDI)[1] - Revenues per day

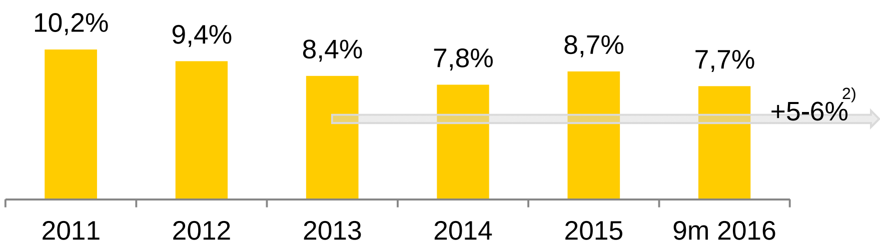


Time Definite International (TDI) - Shipments per day



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

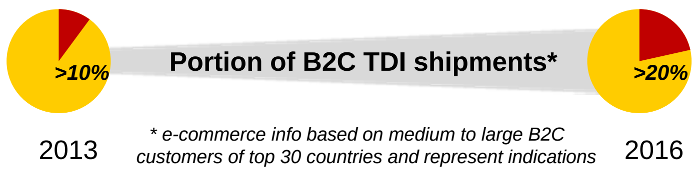
TDI shipments per day growth, yoy



2) Strategy 2020 market volume growth assumption (2013-2020)

- Americas with highest TDI volume growth at +10.0%, followed by Europe (+9.8%), MEA (+4.9%) and Asia/Pacific (+3.0%)
- Revenue increase remains below volume growth due to lower fuel surcharge, but gap reduced vs H1 reflecting good yield management

- Cross-border e-commerce has developed into an additional growing TDI market vertical



** e-commerce info based on medium to large B2C customers of top 30 countries and represent indications*

- DHL Express also further extending market leadership in classic B2B verticals driven by best-in-class international network

TDI IS AN EXCELLENT MATCH FOR PREMIUM X-BORDER E-COMMERCE AND SUPPORTS PROFITABLE EXPRESS GROWTH

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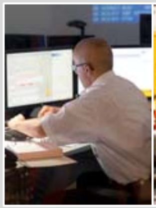
E-commerce and B2C drive TDI volumes because we offer…

Unparalleled global and fast door-to-door network…

…with highest service quality levels…

… excellent customer service, …



…fast customs clearance and flexible delivery options

We grow B2C profitably because 90% of the KPIs perfectly suit our network

SpD	Volume growth drives better utilization of existing network
WpS	Lower weight per shipment
RpK	Higher RpK related to lower WpS
First mile	More pieces per stop at pickup
Hub sort	Better utilization of existing infrastructure, with high degree of conveyables
Airlift	Better utilization of existing capacity, with lower WpS being advantageous
Last mile	Residential delivery to private households

Addressed through new B2C last-mile capabilities in existing network

GLOBAL FORWARDING, FREIGHT: SELF-HELP IN STILL CHALLENGING MARKETS

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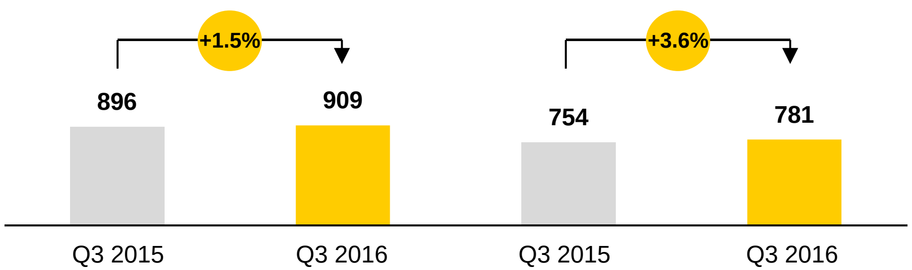
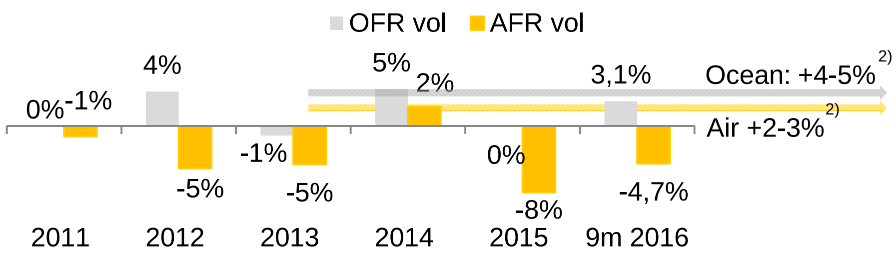
AFR '000s Tons **OFR '000s TEU[1)]**



1) Twenty Foot Equivalent Unit

Ocean & Air Freight Volume, yoy growth



2) Strategy 2020 market volume growth assumption (2013-2020)

- Solid growth in Ocean Freight volume for third consecutive quarter
- First quarter with yoy growth in Air Freight volumes since Q1 2015
- Growth approach remains disciplined as internal self-help agenda remains primary focus

- AFR and OFR volumes weak since 2011, reflecting slowing world trade
- DGF volume performance recovering from NFE issues and very selective approach in 2015

GLOBAL FORWARDING, FREIGHT: FOCUS ON BUSINESS TURNAROUND AND SELF-HELP AGENDA

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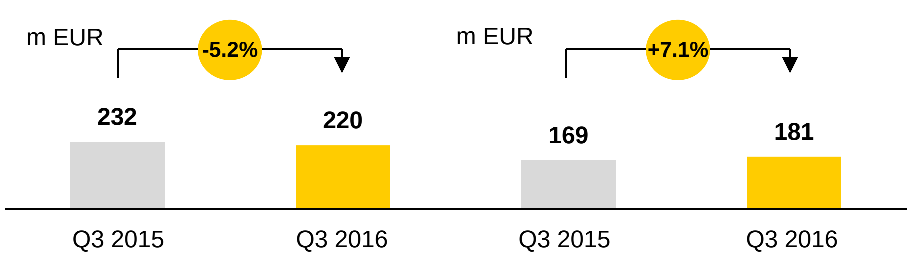
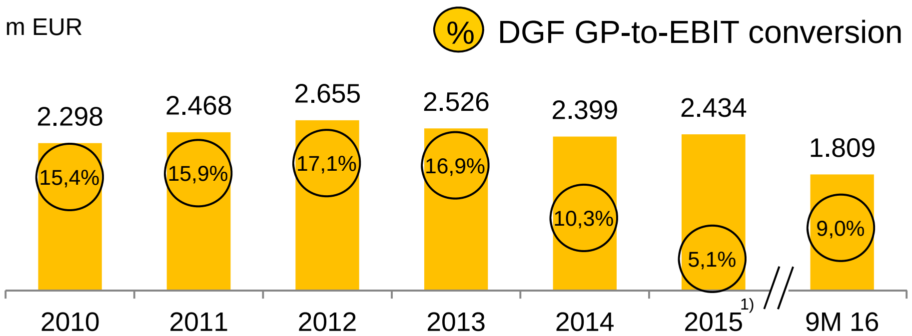
AFR Gross Profit | **OFR Gross Profit**



DGF Gross Profit, 2010-2016



1) 2015 EBIT adjusted for EUR -353m one-offs

- OFR volume growth accompanied by further positive development of GP/TEU despite upward spikes on freight rates
- Decline in AFR GP despite slight volume increase due to early AFR peak season price increases

- GP rather resilient over the last years in light of continued challenging market conditions with subdued volume and very volatile freight rate development
- GP/EBIT conversion is the main driver for EBIT margin improvement and prime objective of our internal measures – independent of any potential market recovery

SUPPLY CHAIN: SOLID GROWTH SUPPORTED BY OUTSOURCING TREND

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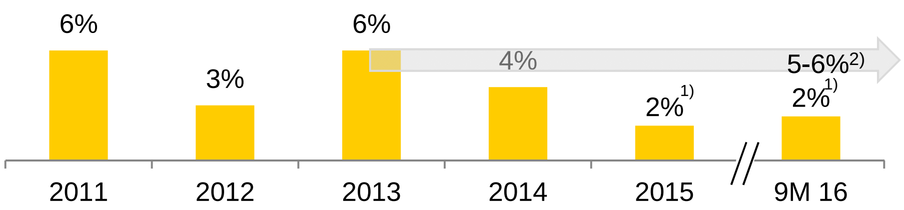
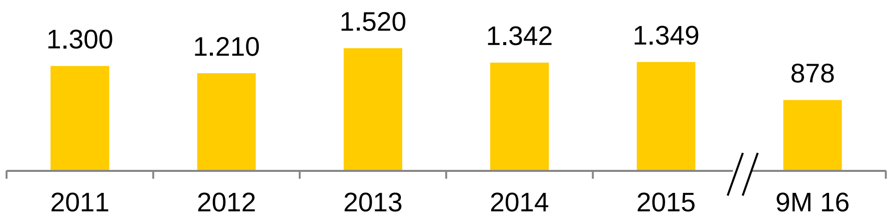
Organic revenue growth, yoy



1) Adjusted for change in accounting treatment of NHS contract in Q4 15 / 9M 16
2) Strategy 2020 market volume growth assumption (2013-2020)

- Consistent topline growth reflecting contract-based business model
- Q3 growth driven by Asia Pacific in particular
- Increased use of outsourcing drives long-term supply chain industry growth ahead of GDP

2011-2016 New Contract Signings[3)]



3) Annualized revenue, as of 2014 incl. Williams Lea

- New business wins of EUR 306m in Q3 especially in Retail, Consumer and Technology
- Stable track record of new signings well in excess of EUR 1 bn / year
- Focus of new signings is not on the absolute annualized revenue, but on potential value add and profitability

SUPPLY CHAIN: EXAMPLES OF VALUE ADD BY KEY SECTOR

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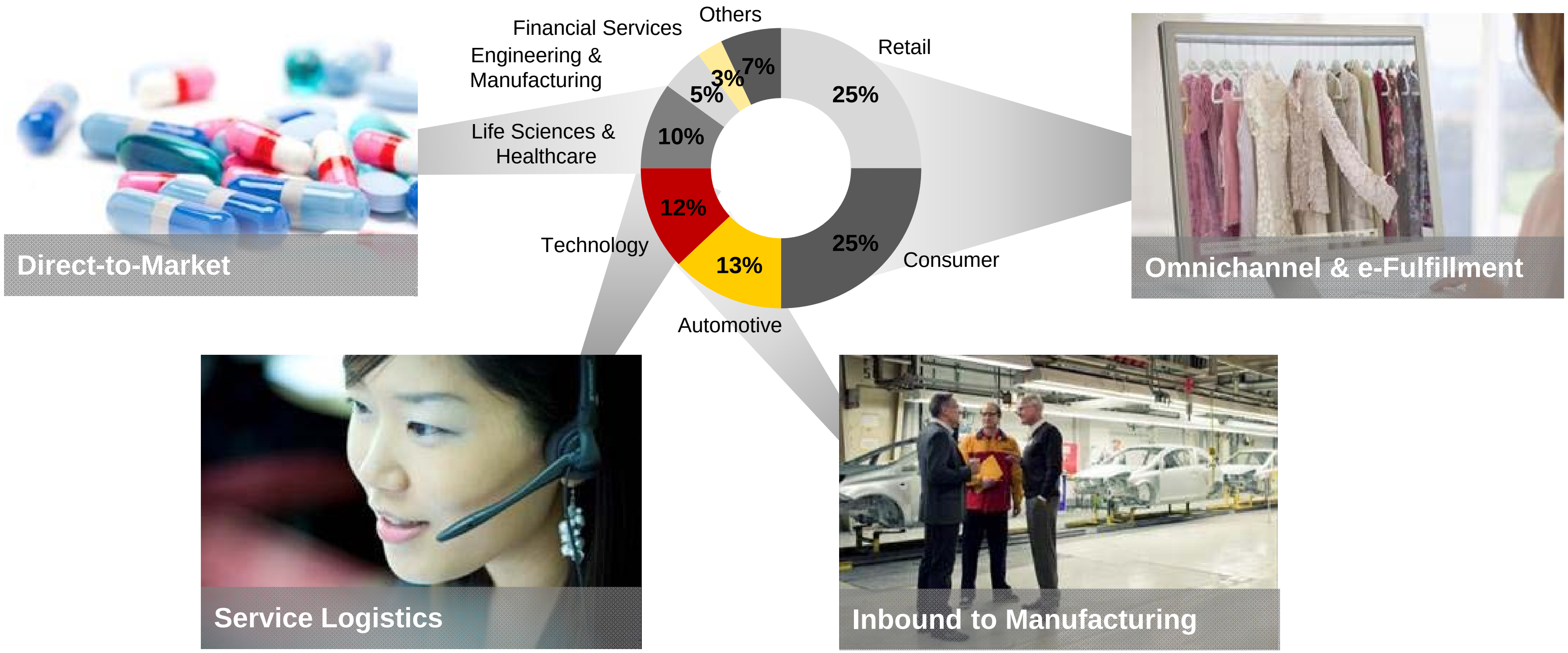
Revenue by sector Q3 2016



CEO WRAP-UP

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- Despite a low-growth macro environment we can leverage structural growth trends to foster **sustainable, above market growth**
- E-commerce is the most important structural growth driver and we have a **unique set of divisional capabilities and assets** to serve this megatrend
- We maintain our focus on internal improvements, yield, and innovation to foster **ongoing margin and absolute EBIT improvement**
- **FCF generation remains key** as it supports our capex plans, shareholder return and unchanged finance policy

Strategy 2020 in full execution: significant steps achieved towards becoming the **leader in e-commerce related logistics**

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2 **Financial results Q3 2016 & Guidance**

GROUP P&L Q3 2016

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EUR m	Q3 2015	Q3 2016	Chg.	Management comments
Revenue	14,424	13,862	-3.9%	Reported growth again constrained by FX effects, lower fuel prices and NHS accounting change, group revenue up 2.4% excl. these effects
EBIT	197	755	>100%	Besides non-recurrence of one-off effects from 2015 transition year, strong operating progress in all divisions
t/o PeP	142	295	>100%	Parcel growth and strict cost discipline drive EBIT increase in Germany; investments into international Parcel expansion continue
t/o DHL	127	536	>100%	Good operating performance in all three DHL divisions as well as non-recurrence of major one-offs from previous year
Financial result	-90	-64	+28.9%	Supported by lower interest cost on provisions and FX effects
Taxes	-18	-33	-83.3%	9M tax rate at 11%, reflecting lowered full year projection
Cons. net profit[1)]	49	618	>100%	Strong increase driven by structural e-commerce growth and successful EBIT turnaround from 2015 transition year
EPS (in EUR)[2)]	0.04	0.51	>100%	

1) Attributable to Deutsche Post AG shareholders; 2) Undiluted

MARGIN MOMENTUM IN ALL DIVISIONS

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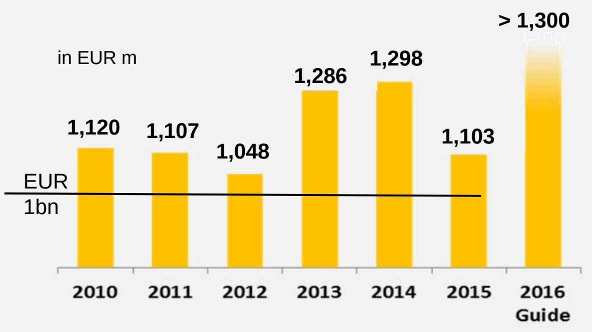
PeP: From stabilization to EBIT growth



Unlocking our Potential

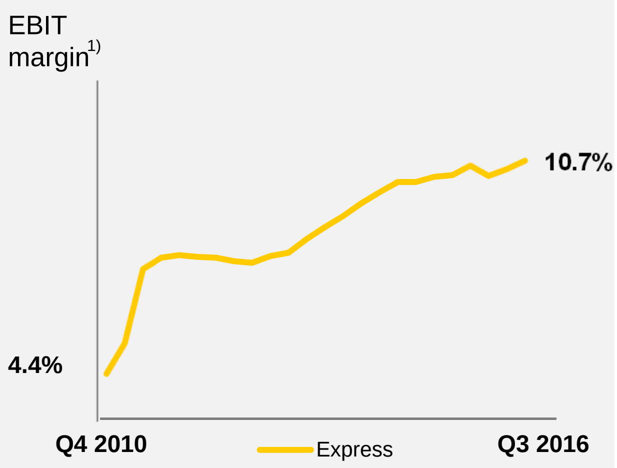
STRATEGY 2020 Focus.Connect.Grow.

EUR 1 bn min. EBIT target

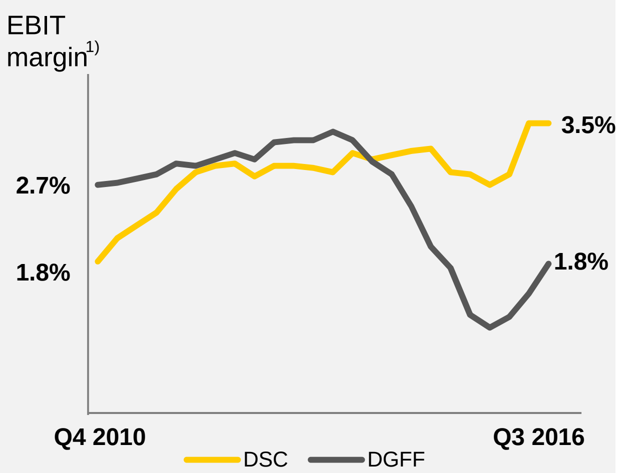
~3% EBIT CAGR 2013-20

DHL: building momentum towards 2020 targets

Asset intensive: Express



Asset light: DGFF and DSC



1) Rolling 12 month EBIT margins, DGFF adjusted for NFE write-off in Q3 2015

FREE CASH FLOW Q3 2016

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EBIT increase drives growth in OCF and FCF

EUR m	Q3 2015	Q3 2016	
Cash from operating activities **before** changes in Working Capital	**461**	**661**	Strong EBIT performance flows well through to OCF, also taking into account that one-off effects in Q3 2015 EBIT were mainly non-cash Good cash inflow from working capital – although below previous year due to strong WC recovery in DGF in Q3 2015
Changes in Working Capital	331	226	
Net cash from operating activities **after** changes in Working Capital	**792**	**887**	
Net Capex	-458	-341	Decline in capex spend reflects timing of investment projects, full-year capex guidance confirmed
Net M&A	3	-7	
Net Interest	-8	4	
Free Cash Flow	**329**	**543**	FFO/Debt at 24.9% (June 30: 25.2%)

NET DEBT (-)/LIQUIDITY (+)

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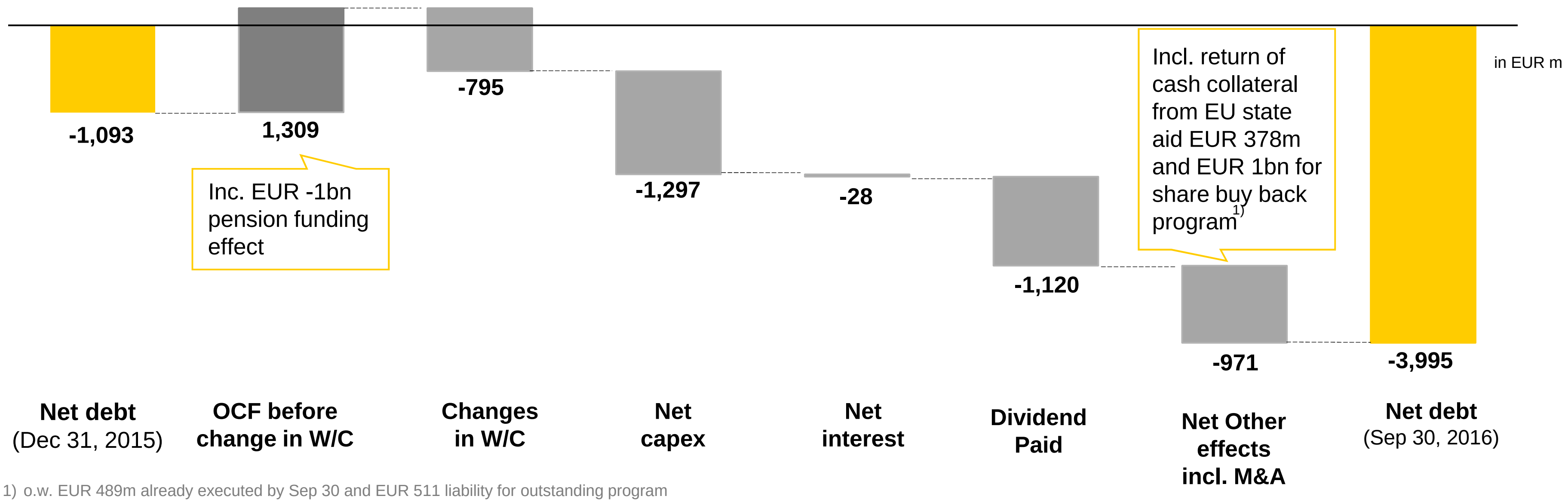
Q3 net debt increased by EUR 487m vs Q2 as full EUR 1 bn for SBB already taken into account



1) o.w. EUR 489m already executed by Sep 30 and EUR 511 liability for outstanding program

N.B: Net pension provision increased to EUR 6.7 bn (from EUR 6.1 bn at end of Q2) due to further decline in interest rates

PeP – DIVISIONAL RESULTS Q3 2016

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EUR m	Q3 2015	Q3 2016	Chg.	Management comments
Revenue	3,805	3,956	+4.0%	Revenues increase as growth in German and international Parcel segments as well as stamp price increase continue to more than offset Post volume decline
EBIT PeP	142	295	>100%	Germany is still the major profit driver; international operations remain in investment phase
t/o Germany	138	294	>100%	Growth in Parcel, stamp price increase, cost discipline and last year´s strike effect drive strong EBIT improvement
t/o International eCommerce - Parcel	4	1	-75.0%	Initial international investments holding back EBIT growth while revenues increase by 12.7%
Operating Cash Flow	186	279	+50.0%	Strong increase in line with EBIT growth
Capex	133	139	+4.5%	Increase in line with full-year expectation; largest capex spend on Parcel Germany

EXPRESS – DIVISIONAL RESULTS Q3 2016

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EUR m	Q3 2015	Q3 2016	Chg.	Management comments
Revenue	3,328	3,426	+2.9%	Increase driven by TDI volume growth and yield management. Reported growth held back by FX and fuel price changes, revenue up 5.3% excl. these effects
EBIT	364	336	-7.7%	Up 19% excl. EUR 82m asset write-up in Q3 15: continued strong operating performance driven by TDI growth
Operating Cash Flow	494	566	+14.6%	Further strong improvement in OCF reflecting growth in operating performance
Capex	267	226	-15.4%	Decline due to exceptionally strong capex increase in previous year quarter – investment program on Express network infrastructure progressing as planned

GLOBAL FORWARDING, FREIGHT– DIVISIONAL RESULTS Q3 2016

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EUR m	Q3 2015	Q3 2016	Chg.	Management comments
Revenue	3,587	3,362	-6.3%	Volume growth not translating into revenue growth due to lower freight rates and FX – decline of -2.2% adjusted for FX and lower fuel prices
Gross Profit	870	875	+0.6%	GP slightly up, driven by good OFR performance
EBIT	-337	63	>100%	EBIT LY significantly impacted by Q3 one-off costs (EUR -384m). Operating performance continues to recover driven by initiated turnaround measures
Operating Cash Flow	138	106	-23.2%	Cash flow down yoy due to strong working capital recovery in Q3 15
Capex	27	15	-44.4%	Lower capex due to phasing

SUPPLY CHAIN – DIVISIONAL RESULTS Q3 2016

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EUR m	**Q3 2015**	**Q3 2016**	**Chg.**	**Management comments**
Revenue	4,005	3,416	-14.7%	Change for the last time strongly impeded by change in NHS revenue recognition, excluding this effect, fuel prices and FX, revenue was up by 2.3% yoy
EBIT	101	137	+35.6%	EBIT improvement mainly driven by lower restructuring spend as well as ramp-up of related benefits
Operating Cash Flow	169	124	-26.6%	Cash flow down due to unfavorable working capital movement
Capex	84	71	-15.5%	Capex development reflects phasing of new contract investments

EBIT GUIDANCE CONFIRMED – 2016 TAX RATE LOWERED

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EUR bn	2016	2020	2013 base[1)]
PeP	> 1.3	~ 3% CAGR 2013-20	1.286
DHL	2.45-2.75	~ 10% CAGR 2013-20	1.997
CC/Other	~ -0.35	< 0.5% of group revenue	-0.422
Group	**3.4-3.7**	**> 8% CAGR 2013-20**	2.861

FY 2016:

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

Tax rate ~11% (from ~ 14%)

Gross Capex of around EUR 2.2bn

1) adjusted for 2013 EBIT of ~EUR 60m from transfer of assets from DHL to MAIL effective on Jan 1, 2014

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THIS DOCUMENT REPRESENTS THE COMPANY'S JUDGMENT AS OF DATE OF THIS PRESENTATION.

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