2019 Business Profile
Investor Relations
### DPDHL Group at a Glance (as of 1.1.2019)

#### Deutsche Post DHL Group

**2018**
- **Group revenues**: EUR 61.6bn
- **EBIT**: EUR 3.162bn
- >500k employees
- >220 countries/territories

**2020 EBIT targets:**
- Group: EUR >5bn
- P&P: EUR >1.6bn
- DHL: EUR >3.7bn

#### Network Businesses – asset intensive

<table>
<thead>
<tr>
<th>Products</th>
<th>Post &amp; Paket Deutschland</th>
<th>DHL eCommerce Solutions</th>
<th>DHL Express</th>
<th>DHL Global Forwarding, Freight</th>
<th>DHL Supply Chain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Products</strong></td>
<td>USO Provider for letter products in Germany. Parcel operations in Germany</td>
<td>Parcel operations in Europe, US and selected international markets</td>
<td>Core product TDI (Time Definite International): premium cross-border parcels and document delivery</td>
<td>Brokerage of transport services in Air, Ocean and Road freight</td>
<td>Customized, outsourced logistics solutions through full value chain</td>
</tr>
<tr>
<td><strong>Geographies</strong></td>
<td>Germany</td>
<td>Europe; USA; Asia Pacific</td>
<td>&gt;220 countries and territories</td>
<td>&gt;150 countries and territories</td>
<td>&gt;50 countries and territories</td>
</tr>
<tr>
<td><strong>Market Share</strong></td>
<td>63% business letters Germany; 45% parcel Germany</td>
<td>#4 in USPS Parcel Select; #1 in Indian B2B Express</td>
<td>Global No 1 in TDI 38% market share</td>
<td>#1 in air freight; #2 in ocean freight</td>
<td>#1 globally 6.0% market share</td>
</tr>
</tbody>
</table>

#### Brokerage & Outsourcing – asset light

- **INVESTOR RELATIONS | NOVEMBER 2019**
Our sector expertise

Our sector-specific expertise spans across multiple sectors and specialty areas, offering you tailored solutions that best match your industry’s logistics requirements. With dedicated teams of experts, we ensure that we remain at the forefront of sector developments and constantly adapt our portfolio to your needs.

- Automotive
- Financial Services
- Chemicals
- Life Sciences and Healthcare
- Consumer
- Public Sector
- Energy
- Retail
- Engineering and Manufacturing
- Technology

Our green expertise

DHL’s GoGreen program helps you – and us – reduce the environmental impact of doing business across the world. Our GoGreen Solutions portfolio of transport efficient and environmentally optimized logistics solutions supports you to quantify and improve your carbon footprint. It reduces waste, meets producer responsibilities and helps you move to a more Circular Economy.
Revenue distribution, DPDHL Group

- PeP: 13,350
- Express: 14,978
- DGFF: 16,147
- DSC: 18,476
- Corp. Functions & Consol.: -1,401

EBIT distribution, DPDHL Group

- PeP: 520
- Express: 442
- DGFF: 656
- DSC: 1,957
- Corporate Functions & Consol.: -413

Capex distribution, DPDHL Group

- PeP: 282
- Express: 110
- DGFF: 280
- DSC: 786
- Corp. Functions & Consol.: 1,190
DPDHL Group: Geographic Overview

In €m

Revenue by region
DPDHL Group

- Germany: 18,759
- Europe Ex Germany: 11,163
- Americas: 18,464
- Asia Pacific: 10,766
- Others: 2,398

Staff by region (FTE)
DPDHL Group

- Germany: 187,103
- Europe Ex Germany: 90,648
- Americas: 83,561
- Asia Pacific: 118,745
- Others: 2,398

Staff by Division (FTE)
DPDHL Group

- PeP: 12,327
- Express: 155,954
- DGFF: 42,783
- SC: 192,237
- Corporate Functions: 95,717
DPDHL Group: Board of Management

CFO DPDHL GROUP
Melanie Kreis
Member: Oct. 14
Appointed until: June 2022

CEO DPDHL GROUP
Frank Appel
Member since Nov. 2002
CEO since Feb. 2008
Appointed until Oct. 2022

HR, Corporate Incubations
Thomas Ogilvie
Member: Sept. 2017
Appointed until: Aug. 2020

P&P Deutschland
Tobias Meyer
Member since Apr 2019
Appointed until Mar 2022

Express
John Pearson
Member since Jan 2019
Appointed until Dec 2021

Forwarding, Freight
Tim Scharwath
Member since Jun 2017
Appointed until May 2025

Supply Chain
Oscar de Bok
Member since Oct 2019
Mandate until Sept 2022

eCommerce Solutions
Ken Allen
Member since Feb 2009
Appointed until Jul 2022
DPDHL Group: Structural Market Trends

Continued global trade growth but shift in pattern
- Growth in long-haul trade and transport slowing down
- Importance of emerging markets still increasing

Acceleration of eCommerce and more demand for last-mile solutions
- More “fine distribution” and direct shipping, also in B2B
- Multi-channel delivery for B2C

Accelerating impact of process technology and automation
- Automation drives efficiencies
- Importance of data leads to new ways of running businesses

Increasing demands for responsible business
- Increasing importance of social and ethical behavior
- Growing need for greener solutions
## Guidance 2019/2020 confirmed

<table>
<thead>
<tr>
<th>in € bn</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group EBIT</td>
<td>4.0-4.3</td>
<td>&gt;5.0</td>
</tr>
<tr>
<td>P&amp;P Germany</td>
<td>1.1-1.3</td>
<td>&gt;1.6</td>
</tr>
<tr>
<td>DHL</td>
<td>3.4-3.5</td>
<td>&gt;3.7</td>
</tr>
<tr>
<td>Corporate Functions</td>
<td>-0.5</td>
<td>-0.35</td>
</tr>
</tbody>
</table>

### 2019

**Free Cash Flow:** >€0.5bn (incl. ~€1.1bn debt-financed Express intercontinental fleet renewal)

**Tax rate:** Between 19% and 22%

**Gross Capex (excl. leases):** ~€3.7bn (incl. ~€1.1bn for debt-financed Express intercontinental fleet renewal)
Rolling 2022 financial targets, as introduced at 2019 CMD

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group EBIT</td>
<td>&gt;5.3</td>
</tr>
<tr>
<td>Capex (20-22)</td>
<td>8.5 - 9.5</td>
</tr>
<tr>
<td>FCF (20-22)</td>
<td>4.5 - 5.5</td>
</tr>
</tbody>
</table>

**2022 minimum EBIT guidance** based on cautious macro scenario

**Capex** guidance includes ~€800m for Boeing 777 order in 2020/21

Divisional EBIT growth remains **key driver of OCF and FCF growth**

All targets to be rolled forward annually
DPDHL Shareholder Distribution

As per 31 Dec, 2018

- Institutional Investors: 66.8%
  - „KfW Banken-Gruppe“: 20.5%
  - Retail Investors: 12.7%

Institutional Investors by Region:
- USA: 15.8%
- Great Britain: 12.2%
- Germany: 11.3%
- Others: 27.5%
#1 European post and parcel provider
PeP: Revenue Mix and Main Assumptions

**Post**

Brand: Deutsche Post

Post product segments:
- Mail Communication
- Dialogue Marketing
- Other (incl. Press services, retail outlets)

Volume expectation¹:
- German letter decline: ~ -2-3%

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**Parcel and eCommerce**

Brand: DHL

Parcel operations:
- Parcel Germany
- Parcel Europe
- DHL eCommerce (Parcel Outside Europe)

Volume expectation¹:
- German Parcel growth: +5-7%
- International Parcel growth: >+8%

¹) p.a. until 2020
Complex management of transition from postal to parcel player

2018 PeP EBIT: EUR 1,050m (adjusted)*

* Adjusted for €502m restructuring charge and €108m pension revaluation
P&P Deutschland: German Post and Parcel Network

82 Mail sorting centers

35 Parcel sorting centers

Highly efficient and automated sorting capability enables high quality Mail & Parcel delivery
### Post Products, Market Structures and Regulation

#### The Mail Company for Germany

**Uso (Universal Service Offering) Provider in Germany**

- **Mail Communication (MC)**
  - Standard letter products
  - Domestic and Out-/Inbound Germany
  - Includes digital letter product E-POST

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**Dialogue Marketing (DM)**

- Advertisement mailings & campaigns
- Digital & physical

**Other:**

- Press & Pension Services, Retail Outlets

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#### Regulation & Pricing

**Mostly Regulated**

- 2016-18 price cap = CPI +5.8%
- Last regulated price increase: +7.5% in 2016

**Market structure, Business customer mail**

- Deutsche Post: 63%
- Competition: 37%

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**Mostly Unregulated**

- No formal price setting, potentially ex-post price controls

**Market structure, German advertising market**

- Deutsche Post: 8%
- Competition: 92%
P&P: DHL Parcel Germany Maintains Sustainable Growth Momentum

DHL Parcel Germany, volume growth, yoy

9.8% 9.8% 7.4% 7.0% 8.7% 9.3% 7.8% 7.5%

High delivery convenience...
- Broad choice of recipient services for consumers: doorstep delivery, Parcel lockers (Packstation), Click & Collect (Parcel shops)
- Highest density of customer access points for delivery & returns
- ~5m parcels delivered per working day in 2018

DHL Parcel Germany, market share development

...enabled by efficient, automated network
- ~82% next day delivery & ~97% second day delivery
- 35 fully automated parcel sorting centers, with average sorting capacity of ~30,000/hour
- >240 local delivery depots and >80 mechanized depots
- Capacity increased by >50% versus 2012

We aim for a balanced mix of volume growth and yield
#1 Europe’s largest post and parcel provider

#1 International express delivery
**DHL Express: Focus on TDI**

**DHL Express Core Product**

**TDI (Time Definite International)** - The premium segment within Express Industry

**Time Definite** = Dedicated delivery at a scheduled time of day

**International** = Cross-Border Shipment (intra- or between continents)

**TDI** requires dense and broad international network

**TDD**: Time Definite Domestic

**DDI**: Day Definite International

**DDD**: Day Definite Domestic

**ACS**: Air Capacity Sales (re-sale of spare capacity on dedicated fleet to optimize utilization, not sold by core Express sales teams)

**Content examples:**
Bank Docs, Contracts, Certificates, Invoices, Vaccines, Spare parts, Fashion, Passports, Shipping Docs

**Continue successful FOCUS strategy**

**2009 Revenue distribution**
- TDI: 61%
- TDD: 13%
- DDI: 4%
- DDD: 12%
- ACS / Other: 10%

**2018 Revenue distribution**
- TDI: 77%
- TDD: 0%
- DDI: 7%
- DDD: 3%
- ACS / Other: 13%

**INVESTOR RELATIONS | NOVEMBER 2019**
DHL EXPRESS: For Our International Network, x-border B2C is a Profitable Growth Driver

Portion of B2C TDI shipments has increased over time

Our TDI product is attractive to e-tailers because we offer…

- Unparalleled global door-to-door network
- Fast customs clearance
- Flexible delivery options
- Highest service quality & customer service

1) Indications based on medium to large B2C customers of top 30 countries
2) Shipments per Day
3) Weight per Shipment
4) Revenue per Kilo

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

X-Border e-commerce has developed into an important TDI vertical and profitable growth driver
DHL EXPRESS: The Most International Company in the World

Global network covering 220 countries and territories

First-mover in International Express, market entrance date by country (examples):
DHL EXPRESS: Global TDI Market Leader

TDI leadership across all regions outside the Americas

Country base:
EU: AT, CZ, DE, ES, FR, IT, NL, PL, RO, RU, SE, TR, UK
AM: AR, BR, CA, CL, CO, MX, PA, US
AP: AU, CN, HK, IN, JP, KR, SG, TW
GLOBAL: EU+AM+AP+(AE+SA+ZA)

Source: Market Intelligence 2017, annual reports and desk research
DHL EXPRESS: Virtual Airline Model

Virtual Airline

Approx. 500 airports and 22 major hubs connected through

1. **Dedicated air:** >250 aircraft with 17 owned and partner airlines on >600 daily flights

2. **Purchased air:** >300 commercial airlines with >1,800 daily flights
Indexed development of operating KPIs

Indexed to 100

Focus on TDI growth & yield is crucial to sustained profitability growth

<table>
<thead>
<tr>
<th>CAGR</th>
<th>KPI</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>13%</td>
<td>EBIT</td>
<td>€ 1,957m</td>
</tr>
<tr>
<td>8.7%</td>
<td>EBIT margin</td>
<td>12.1%</td>
</tr>
<tr>
<td></td>
<td>TDI SpD</td>
<td>955,000</td>
</tr>
</tbody>
</table>
DHL GLOBAL FORWARDING, FREIGHT (DGFF)

- #1 Europe’s largest postal provider
- #1 International express delivery
- #1 Global air freight volumes
- #2 Global sea freight volumes
- #2 European road freight volumes
DHL GLOBAL FORWARDING: Sector Mix

**Air Freight volume 2018**
*(in k tons)*

<table>
<thead>
<tr>
<th>Sector</th>
<th>Share of total in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering &amp; Manufacturing</td>
<td>13%</td>
</tr>
<tr>
<td>Technology</td>
<td>4%</td>
</tr>
<tr>
<td>Life Science Health Care</td>
<td>5%</td>
</tr>
<tr>
<td>Consumer</td>
<td>2%</td>
</tr>
<tr>
<td>Automotive</td>
<td>1%</td>
</tr>
<tr>
<td>Retail</td>
<td>6%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>7%</td>
</tr>
<tr>
<td>Others</td>
<td>13%</td>
</tr>
<tr>
<td>Energy</td>
<td>23%</td>
</tr>
<tr>
<td>Wine and Spirits</td>
<td>26%</td>
</tr>
</tbody>
</table>

**Ocean Freight volume 2018**
*(in k TEU)*

<table>
<thead>
<tr>
<th>Sector</th>
<th>Share of total in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>11%</td>
</tr>
<tr>
<td>Consumer</td>
<td>9%</td>
</tr>
<tr>
<td>Retail</td>
<td>4%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>9%</td>
</tr>
<tr>
<td>Others</td>
<td>18%</td>
</tr>
<tr>
<td>Wine and Spirits</td>
<td>24%</td>
</tr>
<tr>
<td>Automotive</td>
<td>2%</td>
</tr>
<tr>
<td>Technology</td>
<td>3%</td>
</tr>
<tr>
<td>Life Science Health Care</td>
<td>12%</td>
</tr>
</tbody>
</table>
DHL GLOBAL FORWARDING, FREIGHT: MARKET POSITIONS

Strong market position in all three product segments

**Air Freight volume 2017**
(exports only)
(in k tons)

- DGF: 2,248
- Kuehne & Nagel: 1,570
- DB Schenker: 1,300
- Panalpina: 996

**Ocean Freight volume 2017**
(in k TEU)

- Kuehne & Nagel: 4,355
- DGF: 3,259
- DB Schenker: 2,169
- Panalpina: 1,521

**European Road Freight market share 2017**
(in %, based on revenue)

- DB Schenker: 3.4
- DGF: 2.2
- Kuehne & Nagel: 1.9
- Panalpina: 1.7
- DHL Freight
- DSV
- Dachser

Source: Company publications/estimates; MI Freight 2017
DGFF: We Are Market Leaders in Size and Scope

Europe
- ~8,600 Employees
- 491 Countries
- 2032 Locations (offices + operational sites)

Americas
- ~8,200 Employees
- 361 Countries
- 3952 Locations (offices + operational sites)

Asia Pacific
- ~8,800 Employees
- 371 Countries
- 2562 Locations (offices + operational sites)

Middle East & Africa
- ~1,900 Employees
- 591 Countries
- 472 Locations (offices + operational sites)

Present in more than 190 countries

- ~30,000 highly qualified employees
- >2.2m AFR export tons transported3)
- >3.2m TEUs transported3)

1) Including agent countries; 2) Estimate as of August 2016, this is subject to change depending on business operating needs and environment 3) As per FY 2017
The Lifecycle of a Shipment is a Complex Process

Forwarding is more than brokerage of transport, it is managing all the steps along the way.

Success in Forwarding is built on experience, customer relationships, processes and in some aspects, such as consolidation, is also a function of scale.
DGFF: Gross Profit and Gross Profit/EBIT Conversion

<table>
<thead>
<tr>
<th>FY</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>14,978</td>
</tr>
</tbody>
</table>

Revenues Global Forwarding | 10,667 |
- t/o Airfreight | 4,924 |
- t/o Oceanfreight | 3,503 |
- t/o others | 2,240 |

Revenues Freight | 4,454 |

Consolidation | -143 |

Total Gross Profit | 3,604 |
- t/o Airfreight | 942 |
- t/o Oceanfreight | 668 |
- t/o others | 877 |
- t/o Freight | 1,117 |

Reported EBIT | 442 |
- t/o Forwarding | 362 |
- t/o Freight | 80 |

GP-to-EBIT conversion and EBIT margin

*Adjusted for €353m one-offs
Indexed development of operating KPIs

Indexed to 100

Profitability KPIs are tightly correlated with GP conversion ratio
A strategic framework …

Our Aspiration
Undisputed Industry Leader

Our Goals & Values

Our Service Promise
The Freight Forwarding Experts. Since 1815.

…and priorities

Priorities 2019
DHL SUPPLY CHAIN (DSC)

- #1 Europe’s largest postal provider
- #1 International express delivery
- #1 Global air freight volumes
- #2 Global sea freight volumes
- #2 European road freight volumes
- #1 Global leader in contract logistics
DHL SUPPLY CHAIN: Outsourced Contract Logistics Market

Contract logistics market
Top 10 players 2017

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSC</td>
<td>6.0%</td>
</tr>
<tr>
<td>XPO Logistics</td>
<td>2.3%</td>
</tr>
<tr>
<td>Kuehne &amp; Nagel</td>
<td>2.1%</td>
</tr>
<tr>
<td>Hitachi</td>
<td>1.8%</td>
</tr>
<tr>
<td>CEVA</td>
<td>1.5%</td>
</tr>
<tr>
<td>SNCF Geodis</td>
<td>1.3%</td>
</tr>
<tr>
<td>DB Schenker</td>
<td>1.2%</td>
</tr>
<tr>
<td>UPS SCS</td>
<td>1.2%</td>
</tr>
<tr>
<td>Ryder</td>
<td>0.8%</td>
</tr>
<tr>
<td>DSV</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

A Fragmented Market
Top 10 players represent less than 20% of total estimated market volume

Growth in total addressable market driven by outsourcing trend

<table>
<thead>
<tr>
<th>Year</th>
<th>Outsourced Contract Logistics</th>
<th>In House Logistics</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,907</td>
<td>1,703</td>
<td>5.1%</td>
</tr>
<tr>
<td>2022</td>
<td>2,311</td>
<td>2,050</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

1) DHL projection based on forecasts from IHS Global Insight and Transport Intelligence; suppliers with global footprint
DHL SUPPLY CHAIN: #1 in Global Contract Logistics

- **Present in more than 50 countries**

- **Global revenue leader with EUR 13bn in 2018**

- **~1,500 customers across the globe**

- **Largest warehousing provider with >25m sqm**

* Including owned, leased, and operated space

**European Presence**
- ~66,000 Employees
- 20 Countries

**Americas**
- ~50,000 Employees
- 13 Countries

**Asia Pacific**
- ~25,000 Employees
- 16 Countries

**Middle East & Africa**
- ~6,000 Employees
- 7 Countries
Offering Customized Solutions Across the Entire Supply Chain

Revenue by Service Area
FY 2018

- Transportation: 36%
- Warehousing: 51%
- Value Added Services: 13%
Automation & Digitalization at DHL SUPPLY CHAIN

- Automated Pallet/Tugger
- Vision Picking
- Collaborative Stationary Robots
- Automated Picking Robots
- Surveillance with Drones
- Automated Storage and Retrieval Systems
- Location/Tracking via Internet of Things
- Smart Scanning/Smart Watches
- Automated Pallet/Tugger
DHL SUPPLY CHAIN: Sector Revenue Split and Added Value

Revenue by sector  FY 2018

- Engineering & Manufacturing: 27%
- Life Sciences & Healthcare: 23%
- Technology: 16%
- Consumer: 12%
- Automotive: 10%
- Retail: 7%
- Other: 5%
- Omnichannel & e-Fulfillment
- Direct-to-Market
- Service Logistics
- Inbound to Manufacturing
DHL Supply Chain: Financial Track Record

Indexed development of operating KPIs

Indexed to 100

Focus on selective business wins and contract lifecycles supported by operating standardization drive sustained growth in EBIT and EBIT margin

FY 2018
EUR 520m
3.9%
EUR 1.3bn
EUR 13bn


CAGR
11%
1%
0%

EBIT
EBIT Margin
Biz Wins
Revenue
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