NEW PEP 2018 EBIT BRIDGE

EBIT contribution, in EUR m
2018 vs 2017

<table>
<thead>
<tr>
<th>2017 PeP EBIT</th>
<th>Operating performance vs initial targets</th>
<th>Additional opex investment in business improvement</th>
<th>NEW 2018 PeP EBIT expectation (before restructuring costs, incl. pension revaluation)</th>
<th>Restructuring costs</th>
<th>NEW 2018 PeP EBIT guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,502</td>
<td>-250</td>
<td>-150</td>
<td>~ 1,100</td>
<td>-500</td>
<td>~ 600</td>
</tr>
</tbody>
</table>

A

B
### 2018: CURRENT STATE ASSESSMENT

<table>
<thead>
<tr>
<th>PeP P&amp;L</th>
<th>Parcel Germany</th>
<th>Post</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td><strong>Revenue</strong></td>
<td><strong>Revenue</strong></td>
</tr>
<tr>
<td><strong>Volume</strong>: unchanged structural growth</td>
<td><strong>Volume</strong>: unchanged structural decline</td>
<td><strong>Volume</strong>: unchanged structural decline</td>
</tr>
<tr>
<td><strong>Price</strong>: increases largely offset by customer mix effects</td>
<td><strong>Price</strong>: stamp prices stable since Jan 1, 2016</td>
<td><strong>Price</strong>: stamp prices stable since Jan 1, 2016</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Direct costs</strong></th>
<th><strong>Direct costs</strong></th>
<th><strong>Direct costs</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor cost increases</strong> not recovered due to insufficient productivity gains</td>
<td><strong>Slow but steady mail decline needs constant downsizing of fixed costs vs rising inflation</strong></td>
<td><strong>Slow but steady mail decline needs constant downsizing of fixed costs vs rising inflation</strong></td>
</tr>
<tr>
<td>More FTEs and transport capacities needed, in tight labor and transport markets</td>
<td>Mix shift from rising e-commerce volumes</td>
<td>Mix shift from rising e-commerce volumes</td>
</tr>
<tr>
<td>Stretched organization &amp; partly unbalanced regional capacity utilization</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Indirect costs</strong></th>
<th><strong>Indirect costs</strong></th>
<th><strong>Indirect costs</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Invested ahead of need</strong> to support strong growth momentum</td>
<td><strong>Scope for reduction</strong> mirroring Post decline not fully realized</td>
<td><strong>Scope for reduction</strong> mirroring Post decline not fully realized</td>
</tr>
</tbody>
</table>

More challenging mix of cost inflation without price offset in 2018 than initially expected
ONGOING EVOLUTION OF BUSINESS PROFILES REQUIRES ADJUSTMENTS TO OUR APPROACH

Letter volumes are 14% lower vs 2010…

Letter and Parcel volume, indexed:

<table>
<thead>
<tr>
<th>Year</th>
<th>Letter Volume</th>
<th>Parcel Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>2011</td>
<td>86</td>
<td>112</td>
</tr>
<tr>
<td>2012</td>
<td>72</td>
<td>134</td>
</tr>
<tr>
<td>2013</td>
<td>60</td>
<td>148</td>
</tr>
<tr>
<td>2014</td>
<td>50</td>
<td>162</td>
</tr>
<tr>
<td>2015</td>
<td>40</td>
<td>168</td>
</tr>
<tr>
<td>2016</td>
<td>30</td>
<td>168</td>
</tr>
<tr>
<td>2017</td>
<td>20</td>
<td>168</td>
</tr>
</tbody>
</table>

…while Parcel volumes are 68% higher

How to adjust Mail network cost to the gradual step down in Mail volumes?

How to calibrate Parcel network expansion to cater for sustainable e-commerce driven growth?

Key question to solve: how to manage costs in light of these diverging trends?
EUR 100-150m / year recurring opex re-investments into the business
• Focus has been more on facilitating strong parcel growth and short-term profitability than regular productivity investments
• Continued investment in IT & operations will drive better customer service AND higher efficiencies
• Detailed measures under development, to be mainly spend along four major areas
  (see p. 8)

EUR 500m one-off restructuring costs to be fully taken into 2018 EBIT
• Mainly financing early retirement program for civil servants - up to EUR 400m, with no detrimental cash flow impact
  (see p. 9-10)
**OVERVIEW OF OUR PLANNED PEP MEASURES**

<table>
<thead>
<tr>
<th>PeP P&amp;L</th>
<th>Parcel Germany</th>
<th>Post</th>
</tr>
</thead>
</table>

**Revenue**

1. BALANCE GROWTH & YIELD

2. REGULATORY PRICE REVIEW

**Direct costs**

2. PRODUCTIVITY MEASURES – supported by further automation / digitalization

**Indirect costs**

3. OVERHEAD RESTRUCTURING PROGRAM

**Reporting alignment**

Shift of selected growth initiatives from PeP to Corporate Incubations

---

**Taking significant measures in 2018 to establish sustainable cost structure for ongoing structural shift in PeP portfolio**
### Parcel Germany

**Balance Growth & Yield**

- Even in competitive market, cost inflation requires price adjustments, to be implemented on rolling basis upon contract renewal / signing
- Accompanied by focus on “Ship-to-Profile” discipline
- Expect continued volume growth, closer to expected 5-7% market development

### Post

**Upcoming review for new regulation as of Jan, 1 2019**

- First draft from Bundesnetzagentur for regulated products expected to be published in autumn
- Increases as of July 1st for niche market of unregulated larger-sized shipments already announced

---

*Post and Parcel pricing will be one important contribution to EBIT growth towards 2020 target*
Regular re-investment with EUR 100-150m opex / year allows to drive sustainable improvement along 4 main areas

**Automation and digitalization**

- Data Analytics tools: e.g. enhanced volume forecasting, quality monitoring & address qualification

**Continuous improvement**

- Strict enforcement of “standard operating procedures” and “Best-in-class”/ “First Choice”-approach

**Last Mile productivity**

- Parcel: dynamic routing
- Post: daily district definition
- Joint delivery

**Dynamic network utilization**

- Optimized production flows: use most productive sorting capacity
Main element: early retirement program

- **Scope:** civil servants in positions, where no re-hiring will be required
- **EBIT effect:**
  - 2018: one-time impact of up to EUR -400m
  - 2020: sustainable positive effect in indirect cost of ~ EUR 160m/year
- **Cash flow effect:**
  - Spread over length of individual early retirement period
  - Given lower remuneration during early retirement phase, cash-out is lower than today

Further smaller restructuring measures within EUR 500m budget under consideration to bring full benefits to EUR >200m annual cost reduction in 2020

One-time costs allow sustainable reduction of fixed cost base, with even positive cash effect
Illustrative case: Civil Servant, salary = 100

**Today: Full salary**
- P&L Cost = 100 salary + 33 pension contribution
- P&L cost = 133
- Cash cost = P&L cost = 133

**Early retirement:**
- P&L Cost = 0 as of 2019, as full P&L costs covered by restructuring provision in 2018
-> **no EBIT cost as of 2019 vs 133 today**
- Cash cost = 68 early retirement + 33 pension contribution
-> Cash cost = 101 = 25% lower than on full salary

*Early retirement program reduces fixed cost base on sustainable basis, with positive cash effect – provided open place is not refilled!*
SHIFT TO CORPORATE INCUBATIONS

New Corporate Functions line
- Includes unchanged Corporate Center / Other (GBS, CSI) costs
- Plus (new) Corporate Incubations segment (incl. a.o. Streetscooter, SmarTrucking India)

Adapted 2018 Guidance:
Corporate Functions: EUR -420m
- t/o CC/O: EUR -350m (confirmed)
- t/o Corporate Incubations (shifted from PeP)
  - 2018: ~EUR -70m, start-up costs reflecting rapid Streetscooter ramp-up
  - 2020: expected to be self-funding (EBIT EUR ~0m)

Reporting structure to be adapted with Q2 release on Aug 7, 2018
PEP EBIT BRIDGE TOWARDS CONFIRMED 2020 GUIDANCE

EBIT contribution, in EUR m
2020 vs 2018

~1,000
+150-250
+150-250
+ >200
+ 0-100
~1,700

EBIT 2018 base
Revenue
Staff Costs
Material costs
Productivity improvement (staff & material costs)
Overhead cost improvement (staff costs)
Parcel International
EBIT Guidance 2020

1) excl. ~ EUR -500m restructuring costs and EUR +108 m pension revaluation
TURNAROUND IN CASH GENERATION ALLOWS US TO FINANCE GROWTH INVESTMENTS AND SHAREHOLDER RETURNS

- FCF more than covering (rising) dividend payment since 2013
- Cash Flow turnaround mainly driven by
  - EBIT growth
  - Tailing off of provision outflows (esp. US domestic Express restructuring)
  - Increased CF focus and management incentives
- Sustainable FCF performance is basis for continued investments in organic growth and attractive shareholders returns – in line with our Finance Policy

1) Adjusted for pension funding (2016: 1bn, 2017: 0.5bn); 2) Adjusted for pension funding (EUR 2bn) and non-recurring items
FINANCE POLICY

- Target / maintain rating BBB+

- Dividend payout ratio to remain between 40–60% of net profit (continuity and Cash Flow performance considered)

- Excess liquidity will be used for share buybacks and/or extraordinary dividends

Dividend of EUR 1.15 for FY2017

Underlying Payout Ratio 1)


€0.65 €0.70 €0.70 €0.80 €0.85 €0.85 €1.05 €1.15

59% 58% 53% 49% 50% 46% 48% 52%

Dividend payments of EUR ~1.4bn to DPDHL shareholders on April 27, 2018

1) Adjusted for Postbank effects as well as non-recurring items when applicable
### WRAP UP: 2018 & 2020 GUIDANCE

<table>
<thead>
<tr>
<th>EBIT, EUR bn</th>
<th>2018 excl. restructuring costs</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>PeP</td>
<td>~0.6</td>
<td>~1.1</td>
</tr>
<tr>
<td>DHL</td>
<td>~3.0</td>
<td>~3.0</td>
</tr>
<tr>
<td>Corporate Functions</td>
<td>~ -0.42</td>
<td>~ -0.42</td>
</tr>
<tr>
<td>Group</td>
<td>~3.2</td>
<td>~3.7</td>
</tr>
</tbody>
</table>

**FY 2018:**

- **Free Cash Flow:** > EUR 1.0bn (excl. debt-financed Express intercontinental fleet renewal)
- **Tax rate:** ~18%
- **Gross Capex (excl. leases):** ~ EUR 2.5bn plus ~ EUR 0.2bn for debt-financed Express intercontinental fleet renewal
Divisional Information
## DPDHL GROUP AT A GLANCE

### Deutsche Post DHL Group

<table>
<thead>
<tr>
<th>Divisions</th>
<th>Post - eCommerce-Parcel</th>
<th>Express</th>
<th>Global Forwarding Freight</th>
<th>Supply Chain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>EUR m</td>
<td></td>
<td></td>
<td>EUR m</td>
</tr>
<tr>
<td>EBIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff (FTE)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products</td>
<td>USO Provider for letter products in Germany, Parcel operations in Germany, Europe and selected international markets</td>
<td>Core product Tide-Definite International (TDI): 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>Geographies</td>
<td>Germany - Europe Americas - Asia Pacific</td>
<td>220 countries and territories</td>
<td>&gt;150 countries and territories</td>
<td>&gt;50 countries and territories</td>
</tr>
<tr>
<td>Market Share</td>
<td>61% letter mail Germany 45% parcel Germany</td>
<td>34% global market share # 1 Europe, MiddleEast, Africa and Asia, # 3 US</td>
<td># 1 in air freight # 2 in ocean freight</td>
<td>#1 globally 6.2% market share</td>
</tr>
</tbody>
</table>

### Network businesses – asset intensive

- **Revenue:** EUR 18.168
- **EBIT Margin:** 8.3%
- **Staff (FTE):** 179,600

### Brokerage & Outsourcing – asset light

- **Revenue:** EUR 15.049
- **EBIT Margin:** 11.5%
- **Staff (FTE):** 86,313

### Global Forwarding Freight

- **Revenue:** EUR 14.482
- **EBIT Margin:** 2.1%
- **Staff (FTE):** 42,646

### Supply Chain

- **Revenue:** EUR 14.152
- **EBIT Margin:** 3.9%
- **Staff (FTE):** 149,042

---

2017

**Group revenues**

€ 60.4bn

**EBIT**

€ 3.741bn

**Market capitalization**

€ 49bn per 31.12.2017

Approximately 500,000 employees in more than 220 countries/territories
Key strategic question: How can **digitalization** best help us to drive revenue and quality up and cost down?

- How to maximize profit potential from the e-commerce opportunity?
- How to realize maximum efficiency/productivity gains?

Key strategic advantage: We are the **leading company** in a highly attractive growth industry

- Today we can leverage **technologies** that have not been available before
- Today we are attracting **talents** that would not have joined us before
CONTINUOUS MARGIN IMPROVEMENT REMAINS TOP PRIORITY ON DIVISIONAL AGENDAS

Further potential to optimize divisional profitability – esp. in DGFF

**Asset intensive: Express and PeP**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2010</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>PeP</td>
<td>4.4%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Express</td>
<td>8.1%</td>
<td>11.8%</td>
</tr>
</tbody>
</table>

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

**Asset light: DGFF and DSC**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2010</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSC</td>
<td>3.9%</td>
<td>2.3%</td>
</tr>
<tr>
<td>DGFF</td>
<td>2.3%</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

Group margin of 6.2% is up +280bp since 2010; +120bp since 2013
GROUP STRUCTURE: ALL DIVISIONS FINANCE THEIR OWN GROWTH CAPEX AND CONTRIBUTE TO FREE CASH FLOW & DIVIDEND

OCF vs Gross Capex by Division, 2010-17

All divisions are self-financing and contribute to Group shareholder return
In order to stay ahead of the curve, we have to think in a creative way and not be afraid to self-disrupt.
Global Powerhouse of Logistics

Clear Strategic Direction
Our roadmap for margin and profit improvement

Sustainable Growth Momentum
Unique position for e-commerce

Increasing Margins and Returns
Divisional self-help agendas

Investing for Growth
Innovation, quality & customer centricity

Delivering Attractive Returns
Committed to FCF growth and improving shareholder returns

#1

EUR > 5bn

EBIT in 2020

~ 3% Dividend Yield
STRATEGY 2020

POST, E-COMMERCE & PARCEL
PeP: KEY VOLUME TRENDS INTACT

### Business Highlights

- **Letter volume (MC & DM)** decline of -4.4% reflects stable e-substitution trends and 1.6 less working days: volume/working day down -2.0%  
  - Mail Communication: -5.1% (-2.7% / WD)  
  - Dialogue Marketing: -3.8% (-1.4% / WD)

- 2017 comparison base includes election volumes, primarily in Q2 & Q3 - long-term assumption of -2-3% underlying decline per annum still expected to hold

- Parcel Germany continues growth trajectory

- Strong growth in international expansion: excl. FX, revenue Parcel Europe +10.5%, DHL eCommerce +16.8%
## PeP – DIVISIONAL RESULTS Q1 2018

<table>
<thead>
<tr>
<th>EUR m</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
<th>Chg.</th>
<th>Management comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,545</td>
<td>4,622</td>
<td>+1.7%</td>
<td>Strong contribution from Parcel Germany and Europe, compensating Post revenue decline. Without FX effect, organic growth would have been 2.9% despite 1.6 less working days in Germany</td>
</tr>
<tr>
<td>EBIT PeP</td>
<td>425</td>
<td>383</td>
<td>-9.9%</td>
<td>Higher expenses including higher wage costs not fully compensated by Parcel growth and pension revaluation (EUR 108m)</td>
</tr>
<tr>
<td>t/o Germany</td>
<td>412</td>
<td>391</td>
<td>-5.1%</td>
<td>German EBIT impacted by wage increase, Streetscooter ramp up as well as higher cost for transport and temp labor due to high sickness rate in the quarter. Positive contribution from pension revaluation</td>
</tr>
<tr>
<td>t/o International eCommerce - Parcel</td>
<td>13</td>
<td>-8</td>
<td>&lt;-100%</td>
<td>Run-up cost of international expansion drives expected small drag on profitability</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>176</td>
<td>-118</td>
<td>&lt;-100%</td>
<td>Many effects including lower EBIT and Streetscooter inventories</td>
</tr>
<tr>
<td>Capex</td>
<td>103</td>
<td>129</td>
<td>+25.2%</td>
<td>Increasing with parcel network investments</td>
</tr>
</tbody>
</table>
**PEP Q1: YOY EBIT BRIDGE**

**Revenue**
- Key volume trends intact
  - Strong contribution from Parcel Germany and international expansion
  - Ongoing Post revenue decline, partly offset by e-post and rising e-commerce volumes
- No meaningful mail price increase

**Material costs**
- Increase in transportation and service costs, mainly due to
  - Parcel growth
  - Change in Post product mix
  - Higher freight rates
- Partly offset by IFRS16 accounting change

**Staff Costs**
- Cost increase due to
  - Increase in FTE (Parcel growth in Germany and International)
  - Wage increase (as of Oct 1, 2017)
  - More temp (at higher cost) due to increased sickness rate

**Other**
- EUR 108m positive pension revaluation
- Depreciation increase mainly reflecting IFRS16 accounting change
- Net negative yoy effect in other opex resulting from several smaller movements

**EBIT Q1 17**
- Revenue: 425
- Material costs: -84
- Staff Costs: -77
- Other: +42
- EBIT Q1 17: 383

**EBIT Q1 18**
- Revenue: 383
- Material costs: 108
- Staff Costs: 275
- Other: +275
- EBIT Q1 18: 275

**PeP EBIT yoy: EUR -42m**
- t/o Germany: EUR -21m (incl. positive pension effect)
- t/o International: EUR -21m
TOPLINE GERMANY:
LETTER VOLUME DECLINE REMAINS IN EXPECTED RANGE

We confirm our assumption of average 2-3% decline

Among lowest letter decline rates internationally

- High quality standards despite cost control measures
- No large customer lost despite price increases since 2013 for regulated mail
- Digital product E-POST has reduced decline by 1% p.a. (2017: >1.1bn items, > EUR 600m revenue, 7% of letter volumes)
- Letter volumes also see strongly increasing support from small size e-commerce shipments
- Digital transformation of Post through new digital service offerings (Dialogue Marketing, Post-ID)

Letter volume (in m pieces)

-2.1%
CAGR

19,569
16,838

2010
2017

Mail Communication & Dialogue Marketing
t.o. EPost

DPDHL GROUP INVESTOR RELATIONS PRESENTATION | JUNE 2018
Regulated stamp price increases allow to partly offset volume decline since 2013.
VIRTUOUS CIRCLE OF PARCEL GROWTH DRIVEN BY E-COMMERCE TRENDS

Best Parcel Service
- Best quality B2C delivery
- Highest number and broadest choice of recipient solutions

Sustained e-commerce growth
DHL Parcel Germany: yoy volume growth

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth %</td>
<td>9.8%</td>
<td>9.8%</td>
<td>7.4%</td>
<td>7.0%</td>
<td>8.7%</td>
<td>9.3%</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

Network investments
- Continued investment in technology, automation, capacity and speed
- State-of-the-art sorting for >1m parcels/hour

Market share expansion
DHL Parcel Germany: market share

- 2010: 39%
- 2017: 45%

We confirm our assumptions of 5-7% volume growth in Germany
TO MINIMIZE IMPACT OF CONTINUOUS MAIL DECLINE, COST FLEXIBILITY HAS BEEN ONE KEY OBJECTIVE

Joint Delivery helps to optimize delivery of declining mail volumes

~50% of Parcel deliveries done through joint delivery with mail

Revenue mix shift also reflected in delivery staff development

Increase in dedicated Parcel and joint delivery drives net hiring since 2010, as a result of strong Parcel growth

Mail volume decline is a given, so our focus has been on compensating measures in order to minimize the impact and allow Parcel to drive PeP growth
Only 8.8% of retail is online in the EU – most EU markets are <7 parcels/capita vs 30 expected by 2025

~4.5bn additional parcels will be sent within Europe by 2025

1) Additional European annual B2C parcel volume in 2025 compared to 2016, excl. Germany (2016: 2.5bn parcels; 2025: 6.9bn parcels)
**Work 20 kWh**

- Top speed: 85 km/h
- Total load capacity: 720 kg
- Range: 113 km
- Battery: 20 kWh Li-ion

**Work 40 kWh**

- Top speed: 85 km/h
- Total load capacity: 585 kg
- Range: 232 km
- Battery: 40 kWh Li-ion

**Work L 40 kWh**

- Top speed: 85 km/h
- Total load capacity: 895 kg
- Range: 205 km
- Battery: 40 kWh Li-ion

*Prototype “Work XL”*

100% electric, 100% emission-free, tough everyday commercial vehicle

E-bikes & E-trikes
# DHL ECOMMERCE PORTFOLIO: FULFILLMENT, X-BORDER AND DOMESTIC DELIVERY

<table>
<thead>
<tr>
<th>Service offering</th>
<th>Domestic delivery</th>
<th>Cross-border delivery</th>
<th>Fulfilment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>End-to-end domestic B2C delivery and returns</td>
<td>International range-definite B2C delivery &amp; returns solution</td>
<td>Multi-site fulfilment network providing global distribution solutions</td>
</tr>
<tr>
<td></td>
<td>Pick-up, sort, delivery and returns</td>
<td>Range of transit times</td>
<td>Multi-user facilities</td>
</tr>
<tr>
<td></td>
<td>Alternative delivery options</td>
<td>Fully-landed cost calculation</td>
<td>Transactional pricing</td>
</tr>
<tr>
<td></td>
<td>High operations and customer service quality</td>
<td>Commercial or postal customs clearance</td>
<td>Integration with top e-commerce platforms and marketplaces</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Connects to the domestic networks globally</td>
<td>End-to-end visibility</td>
</tr>
</tbody>
</table>

**Characteristics**
- Integrated e-commerce logistics
- Multi-site fulfilment network providing global distribution solutions
- Multi-user facilities

**Current footprint**
- Fulfilment: End-to-end domestic B2C delivery and returns
- Cross-border delivery: International range-definite B2C delivery & returns solution

**Origin countries:**
- 220+ destination countries

**ENABLING SERVICES**
- World-class customer service
- IT & Integration Solutions
- Shipment Value Protection

**Targeted e-commerce logistics offerings outside Europe**
STRATEGY 2020


EXPRESS
EXPRESS: CONTINUED STRONG VOLUME AND YIELD DEVELOPMENT

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2017</td>
<td>42.1</td>
<td>+12.6%</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>47.4</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2017</td>
<td>825</td>
<td>+9.6%</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>904</td>
<td></td>
</tr>
</tbody>
</table>

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

Business Highlights

- TDI shipment/day continued to be the motor of growth, up 9.6% led by Americas (+17.2%), MEA (15.7%), Europe (+10.6%), and APAC (+5.3%)
- Fuel surcharge effect remained positive in the quarter driving higher reported sales growth
- Continued focus on yield management and customer discipline
- Planned investment into network and service quality on track
- Debt-financed intercontinental fleet renewal to lead to ~EUR 0.2 bn incremental capex in 2018
## EXPRESS – DIVISIONAL RESULTS Q1 2018

<table>
<thead>
<tr>
<th>EUR m</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
<th>Chg.</th>
<th>Management comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,595</td>
<td>3,772</td>
<td>+4.9%</td>
<td>Organic growth accelerates to 13.2% driven by strong TDI volume growth, yoy higher fuel surcharges and supportive yield environment</td>
</tr>
<tr>
<td>EBIT</td>
<td>396</td>
<td>461</td>
<td>+16.4%</td>
<td>Exemplary EBIT performance - demonstrating continued growth alongside cost and yield control</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>340</td>
<td>621</td>
<td>+82.6%</td>
<td>Besides IFRS16 effect, also driven by strong EBIT and positive W/C movement</td>
</tr>
<tr>
<td>Capex</td>
<td>132</td>
<td>80</td>
<td>-39.4%</td>
<td>Capex decline reflects timing effects</td>
</tr>
</tbody>
</table>
FOCUS ON TDI IS OUR KEY TO SUCCESS

Leading global network & „insane“ customer centricity & certified employees = consistent strong TDI growth and market share expansion

DHL EXPRESS, TDI SPD YOY

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>10.2%</td>
<td>9.4%</td>
<td>8.4%</td>
<td>8.7%</td>
<td>7.6%</td>
<td>9.9%</td>
<td>8.1%</td>
<td>9.6%</td>
<td></td>
</tr>
</tbody>
</table>

TDI, GLOBAL MARKET SHARE

- **2010**
  - DHL: 30%
  - FedEx: 23%
  - UPS: 29%
  - TNT: 11%

- **2014**
  - DHL: 34%
  - FedEx: 22%
  - UPS: 26%
  - TNT: 12%

- **2016**
  - DHL: 38%
  - FedEx: 22%
  - UPS: 29%
  - TNT: 11%

1) includes 4% TNT
EXPRESS GROWTH SUPPORTED BY BALANCED GLOBAL FOOTPRINT

- Consistent strong volume growth in global TDI network
- Constant variation in regional patterns reflects movements in global trade flows

Quarterly growth ranking, TDI volume growth

| #1 | EU | EU | MEA | AM | AP | AP | MEA | EU | MEA | EU | EU | EU | AM | AM | EU | MEA | MEA | MEA | MEA | MEA |
| #2 | AP | MEA | AP | AP | MEA | AM | AM | MEA | EU | MEA | MEA | AP | AM | EU | EU | AM | MEA | EU | AM | AM | AM | AM |
| #3 | MEA | AP | AM | EU | AM | MEA | AP | AP | AP | AP | MEA | AP | AP | MEA | MEA | MEA | AM | AM | EU | EU | EU | EU |
| #4 | AM | AM | EU | MEA | EU | EU | EU | AM | AM | AM | AM | AM | MEA | MEA | AP | AP | AP | AP | AP | AP | AP | AP |

TDI Shipments/ day

- TDI Shipment growth over time:
  - 2013: +8.4%
  - 2014: +7.8%
  - 2015: +8.7%
  - 2016: +7.4%
  - 2017: +9.9%
  - 2018: +9.9%

DEUTSCHE POST DHL GROUP INVESTOR RELATIONS PRESENTATION | JUNE 2018
E-COMMERCE IS A PROFITABLE GROWTH DRIVER FOR DHL EXPRESS

Portion of B2C TDI shipments has increased over time

We treat B2C/e-commerce shipments as a TDI vertical
- applying the same yield discipline
- using B2C requirements to enhance the overall TDI service and capabilities
- equipping our sales force to effectively sell to e-commerce customers
- engaging in partnerships to grow cross-border e-commerce

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

1) Indications based on medium to large B2C customers of top 30 countries
EBIT GROWTH AND MARGIN IMPROVEMENT IS A COMBINATION OF SEVERAL FACTORS...

1. Topline revenue management
Yield initiatives such as GPI, red-yellow-card, ship to profile, B2B and ecommerce growth

2. Leverage Aviation Network
Cost per Kilo (CpK)
Efficiency in air network through scale effects and active fleet management improving CpK

3. Efficiency in Ground Operations
Operations Cost per Move (OCPM)
Efficiency measures include Gemba walks, hub automation and IT investments

EBIT growth is driven by adding the right volumes at the right price to a calibrated and efficient infrastructure
...RESULTING IN CONTINUOUS EBIT GROWTH AND EBIT MARGIN EXPANSION

Continuation of EBIT growth will remain a combination of topline growth and further gradual margin improvement.
CASH GENERATION CONSISTENTLY ABOVE CAPEX SPEND AND THE GAP IS WIDENING

Express OCF vs gross capex, in EUR m

- OCF
- Gross Capex

Disciplined growth investment has led to simultaneously improving cash generation and ROCE.

And we consistently earn more on the capex we spend.
INTERCONTINENTAL FLEET: USE REPLACEMENTS AS OPPORTUNITY TO MOVE TOWARDS HIGHER OWNERSHIP STRUCTURE

2010-17: fleet expansion
- Expansion based on successful virtual airline model – gradual shift in mid-sized, regional segment from leases to ownership
- Today: well balanced fleet regarding ownership and maturity – ownership structure of intercont fleet still more tilted towards leases

Outlook: intercont replacements by new, owned planes
- Considering gradual replacement of older intercont planes by acquisition of new aircraft – first delivery expected in 2019
- Besides that, further fleet expansion to be carefully considered in line with market growth expectations

Planed intercont plane replacements are capacity-neutral, but with significant cost, efficiency and flexibility benefits
1. AVIATION NETWORK STEERING APPROACH UNCHANGED – OPPORTUNE TIMING TO SHIFT INTERCONT TOWARDS MORE OWNERSHIP

How we look on own vs lease:

- **Asset Intensity**
- **Cost Position**
- **Flexibility**

**Significant benefits of Buy vs Lease for intercont replacements**

- **Cost (operation&ownership) – SIGNIFICANT SAVINGS**
  - Savings reflect lower cost over lifetime & fuel efficiency, driving >50bp margin improvement potential
  - Expect EUR ~ 0.2bn incremental capex in FY18
  - Financed by separate debt vehicle – no burden on excess liquidity

- **Asset intensity – NO CHANGE**
  - No difference in asset recognition under IFRS 16

- **Flexibility – OPERATIONAL BENEFITS**
  - Better flexibility to match supply capacity to demand changes
  - Higher reliability and fuel efficiency of new planes are most relevant on intercon fleet given most intense utilization

**Using balance sheet strength to unlock further structural Express margin potential**
FORWARDING, FREIGHT
GLOBAL FORWARDING, FREIGHT: VOLUME SELECTIVITY PAYING OFF

**Air freight ‘000s Tons**
- Q1 2017: 952
- Q1 2018: 923
- Change: -3.0%

**Ocean freight ‘000s TEU**
- Q1 2017: 768
- Q1 2018: 766
- Change: -0.3%

**Air freight gross profit EUR m**
- Q1 2017: 207
- Q1 2018: 215
- Change: +3.9%

**Ocean freight gross profit EUR m**
- Q1 2017: 163
- Q1 2018: 158
- Change: -3.1%

**Business Highlights**
- We maintain disciplined approach to volumes in both AFR and OFR
- Improvements on unit profitability with strong improvement on AFR GP/ton (+7.3% yoy). OFR GP/TEU down -2.8% yoy due to adverse FX effects
- DGF Conversion ratio improved to 9.5% vs 4.7% in Q1 2017
- IT renewal further advancing according to plan
- Freight contribution continues to improve

---

1) Twenty Foot Equivalent Unit

DPDHL GROUP INVESTOR RELATIONS PRESENTATION | JUNE 2018
## GLOBAL FORWARDING, FREIGHT– DIVISIONAL RESULTS Q1 2018

<table>
<thead>
<tr>
<th>EUR m</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
<th>Chg.</th>
<th>Management comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,546</td>
<td>3,591</td>
<td>+1.3%</td>
<td>Organic growth of 7.2%, with positive contribution from both Forwarding and Freight as higher freight rates could be passed on to customers</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>868</td>
<td>855</td>
<td>-1.5%</td>
<td>Good GP development from AFR offset by FX-induced decline at OFR and Others. Overall GP up 4.9% at constant FX rates</td>
</tr>
<tr>
<td>EBIT</td>
<td>40</td>
<td>70</td>
<td>+75.0%</td>
<td>Strong recovery in EBIT due to higher AFR GP margin and significant improvement in conversion ratio</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>-64</td>
<td>-30</td>
<td>+53.2%</td>
<td>Headline number benefits from IFRS16 effect, but underlying slightly weaker due to WC development</td>
</tr>
<tr>
<td>Capex</td>
<td>18</td>
<td>20</td>
<td>+11.1%</td>
<td>Usual low asset intensity</td>
</tr>
</tbody>
</table>
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.
INNOVATION AND TECHNOLOGY INVESTMENT ARE KEY TO SUCCESS

Technology will simplify and accelerate many steps in the forwarding process.

The innovations we are implementing today and accelerating in the future will allow us to exploit our strengths – particularly in terms of customer relationships.
SIMPLIFY STRATEGY AIMS TO CLOSE THE GAP TOWARDS BENCHMARK PROFITABILITY

No structural barriers – we have the right combination of people, business model, processes and IT renewal to achieve benchmark conversion ratios over time.
IT RENEWAL ROADMAP UPDATE

**LEGACY SYSTEMS**

- CRM Tool
- Legacy Quote tool 1
- Legacy Quote tool 2
- Legacy Quote tool 3
- Legacy System
- Legacy System
- Legacy System

- Upgrade CRM
- Enhance Customer Portal
- Harmonized Quotation Tool
- Online Quotation & Booking

**SALES**

**OPERATIONS**

- EDM (US)
- Legacy Transport Management System LOGIS
- Legacy
- Legacy

- EDM Global Roll-out
- OFR Pilot
- OFR Roll Out
- AFR Pilot
- AFR Roll Out
- Operational Irregularities Management
- Shipment Visibility Tools

Maximize scope of use, integration, automation

- Significant progress/completed; now business as usual
- Initiated and demonstrating progress; further rollout ongoing

**Significant progress has been made across all initiatives, further rollout on-going**
FORWARDING IS AN ASSET-LIGHT AND HIGH RETURN INDUSTRY

Steady GP margins show that DGFF business quality remains at benchmark levels. Simplify strategy aims to unlock benchmark conversion and EBIT margin levels.

DHL Global, Forwarding, Freight: ROCE, GP and EBIT margin, 2010-17

1) Divisional ROCE: EBIT / Rolling 12m net segment assets (Business Operating Assets + Goodwill), 2) Adjusted for 2015 write-off
### New signings, EUR m

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>192</td>
<td>175</td>
</tr>
</tbody>
</table>

1) Annualized revenue

### Revenue by sector Q1 2018

- **Engineering & Manufacturing**: 4%
- **Technology**: 13%
- **Automotive**: 17%
- **Life Sciences & Healthcare**: 11%
- **Consumer**: 23%
- **Retail**: 27%
- **Others**: 5%

**EUR 3.1bn revenue**

### Business Highlights

- Decline in new contract signings reflects WLT divestment, signings slightly up on comparable basis.
- In the EMEA and Americas regions, volumes grew primarily in the Automotive and Retail sectors.
- In the Asia Pacific region, we achieved growth in almost all sectors.
- New business signings were concentrated on Automotive, Consumer and Retail sectors.
- Continued, high contract renewal rate.
<table>
<thead>
<tr>
<th>EUR m</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
<th>Chg.</th>
<th>Management comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,523</td>
<td>3,124</td>
<td>-11.3%</td>
<td>Sale of WLT and FX effects clearly visible, without which organic growth of +3.8% as a result of good business volumes across all regions</td>
</tr>
<tr>
<td>EBIT</td>
<td>99</td>
<td>55</td>
<td>-44.4%</td>
<td>Good operating performance and IFRS16 effect more than offset by one-time charge of EUR 50m from customer contracts as well as FX headwinds</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>-104</td>
<td>2</td>
<td>&gt;100%</td>
<td>Reported number driven primarily by IFRS16 effect. Operating cash generation lower due to one-time charge</td>
</tr>
<tr>
<td>Capex</td>
<td>61</td>
<td>70</td>
<td>+14.8%</td>
<td>Low overall asset intensity, yoy changes impacted by project timing</td>
</tr>
</tbody>
</table>
DHL SUPPLY CHAIN: SOLUTIONS OVERVIEW

Offering Customized Solutions Across the Entire Supply Chain

Revenue by Service Area
FY 2017

- Transportation: 33%
- Warehousing: 47%
- Value Added Services: 20%

Value Added Services

- Plan: Laying the foundation for an efficient supply chain
- Source: Getting the materials at the time required
- Make: Supporting product manufacturing
- Store & Customise: Getting it ready to sell
- Deliver: Getting it where it needs to be
- Distribution: Returning it or when it’s not needed

Transportation

- Returns
- Raw materials
- Inbound transport
- Production flows
- Warehousing

End-to-end supply chain

Supply Chain services
LIMITED ASSET INTENSITY DRIVES ATTRACTIVE AND RISING ROCE

Focus on Strategy 2020 initiatives provides sustained growth in EBIT, EBIT margin and ROCE. EBIT margin moving into the target band accompanied by strong & improving return profile.

1) Divisional ROCE: EBIT / Rolling 12m net segment assets (Business Operating Assets + Goodwill)
Digitalization in key operational processes

- Automated Pallet/Tugger Vision Picking
- Collaborative Stationary Robots
- Automated Storage and Retrieval Systems
- Smart Scanning/Smart Watches
- Automated Picking Robots
- Location/Tracking via Internet of Things
- Surveillance with Drones

Processes to be automated:

- Automated Put-away
- Assisted Manual Picking
- Machine Picking
- Assisted Co-Packing
- Automated Support Processes
Appendix
## GROUP P&L Q1 2018

<table>
<thead>
<tr>
<th>EUR m</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
<th>Chg.</th>
<th>Management comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>14,883</td>
<td>14,749</td>
<td>-0.9%</td>
<td>Organic revenue growth 6.4% as FX and WLT sale affect headline number</td>
</tr>
<tr>
<td>EBIT</td>
<td>885</td>
<td>905</td>
<td>+2.3%</td>
<td>Lower PeP result and DSC one-off charge weigh on Group result despite good operating performance in all DHL divisions</td>
</tr>
<tr>
<td>t/o PeP</td>
<td>425</td>
<td>383</td>
<td>-9.9%</td>
<td>EBIT decline driven by higher costs, not fully compensated by pension revaluation (EUR 108m)</td>
</tr>
<tr>
<td>t/o DHL</td>
<td>534</td>
<td>586</td>
<td>+9.7%</td>
<td>Strong performance in EXP and DGFF more than offsets DSC one-off</td>
</tr>
<tr>
<td>Financial result</td>
<td>-93</td>
<td>-135</td>
<td>-45.2%</td>
<td>Significantly lower yoy due to IFRS16 effect – besides that, lower interest expense on provisions</td>
</tr>
<tr>
<td>Taxes</td>
<td>-119</td>
<td>-139</td>
<td>-16.8%</td>
<td>Tax rate of 18% in line with full year guidance</td>
</tr>
<tr>
<td>Cons. net profit(^1)</td>
<td>633</td>
<td>600</td>
<td>-5.2%</td>
<td>Net profit lower due to IFRS16 effect</td>
</tr>
<tr>
<td>EPS (in EUR)</td>
<td>0.52</td>
<td>0.49</td>
<td>-5.8%</td>
<td></td>
</tr>
</tbody>
</table>

1) Attributable to Deutsche Post AG shareholders
### Q1 2018 IFRS 16 P&L IMPLICATIONS OVERVIEW

<table>
<thead>
<tr>
<th>EUR m</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
<th>Chg.</th>
<th>Delta LY</th>
<th>IFRS 16 effect</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>14,883</td>
<td>14,749</td>
<td>-0.9%</td>
<td>-134</td>
<td></td>
</tr>
<tr>
<td><strong>Material Expense / Staff cost /Net other operating expenses</strong></td>
<td>-13,651</td>
<td>-13,075</td>
<td>+4.2%</td>
<td>+576</td>
<td>+482</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>1,232</td>
<td>1,674</td>
<td>+35.9%</td>
<td>+442</td>
<td>+482</td>
</tr>
<tr>
<td><strong>Depreciation &amp; Amortization</strong></td>
<td>-347</td>
<td>-769</td>
<td>&lt;-100%</td>
<td>-422</td>
<td>-438</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>885</td>
<td>905</td>
<td>+2.3%</td>
<td>+20</td>
<td>+44</td>
</tr>
<tr>
<td>Financial Result</td>
<td>-93</td>
<td>-135</td>
<td>-45.2%</td>
<td>-42</td>
<td>-89</td>
</tr>
<tr>
<td>Income Tax</td>
<td>-119</td>
<td>-139</td>
<td>-16.8%</td>
<td>-20</td>
<td>+8</td>
</tr>
<tr>
<td>Net Profit&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>633</td>
<td>600</td>
<td>-5.2%</td>
<td>-33</td>
<td>-37</td>
</tr>
<tr>
<td>EPS</td>
<td>0.52</td>
<td>0.49</td>
<td>-5.8%</td>
<td>-0.03</td>
<td>-0.03</td>
</tr>
</tbody>
</table>

1) Attributable to Deutsche Post AG shareholders

**EBIT Effect due to IFRS 16**

- **PeP** +10
- **DHL** +33
- **EXP** +16
- **DSC** +12
- **DGFF** +5
- **CC/ Other** +1

DPDHL GROUP INVESTOR RELATIONS PRESENTATION | JUNE 2018
## FREE CASH FLOW Q1 2018

Seasonal factors still in play, mainly annual contribution to civil servant pension (EUR 462m, o.w. 335m in WC)

<table>
<thead>
<tr>
<th>EUR m</th>
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<td>905</td>
<td>+20</td>
<td>+44</td>
</tr>
<tr>
<td>Depreciation/ Amortization</td>
<td>347</td>
<td>769</td>
<td>+422</td>
<td>+438</td>
</tr>
<tr>
<td>Cash from operating activities before changes in WC</td>
<td>910</td>
<td>1,321</td>
<td>+411</td>
<td>+482</td>
</tr>
<tr>
<td>Changes in Working Capital</td>
<td>-820</td>
<td>-953</td>
<td>-133</td>
<td>+5</td>
</tr>
<tr>
<td>Net cash from operating activities after changes in WC</td>
<td>90</td>
<td>368</td>
<td>+278</td>
<td>+487</td>
</tr>
<tr>
<td>Net Capex</td>
<td>-484</td>
<td>-535</td>
<td>-51</td>
<td>-</td>
</tr>
<tr>
<td>Net Cash for Leases</td>
<td>0</td>
<td>-487</td>
<td>-487</td>
<td>-487</td>
</tr>
<tr>
<td>Net M&amp;A</td>
<td>-27</td>
<td>-19</td>
<td>+8</td>
<td>-</td>
</tr>
<tr>
<td>Net Interest</td>
<td>-9</td>
<td>-6</td>
<td>+3</td>
<td>-</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>-430</td>
<td>-679</td>
<td>-249</td>
<td>-</td>
</tr>
</tbody>
</table>

Q1 cash generation as every year affected by annual civil servant pension scheme contribution
Higher OCF driven by IFRS16 effect offset by increased cash outflow in working capital as well as specific Q1 developments in PeP and DSC EBIT

As guided in November 2017, new FCF definition includes an adjustment for the treatment of leases to ensure yoy comparability
Lower FCF is mainly a reflection of working capital changes and higher cash out for capex

FFO/Debt at 29.9% (year-end 2017: 32.0%)
**NET DEBT (-)/LIQUIDITY (+)**

Significant change in net debt driven by first time recognition of EUR 9.2bn of lease liabilities (IFRS16)

Usual seasonal net debt increase mainly reflects annual contribution to civil servant pension (EUR 462m)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>-1,938</td>
<td></td>
<td>-953</td>
<td>-1,022</td>
<td>-131</td>
<td>-9,192</td>
<td>-11,915</td>
</tr>
</tbody>
</table>

in EUR m
## IFRS 16: MAJOR P&L IMPLICATIONS

<table>
<thead>
<tr>
<th>EUR m</th>
<th>Expected IFRS16 effect on 2018&lt;sup&gt;1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>➜ No changes</td>
</tr>
<tr>
<td><strong>Materials expense</strong></td>
<td>~ -1,950</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>~ +1,950</td>
</tr>
<tr>
<td><strong>D&amp;A</strong></td>
<td>~ +1,800</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>~ +150</td>
</tr>
<tr>
<td><strong>Net finance costs</strong></td>
<td>~ -350</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>~ -50</td>
</tr>
<tr>
<td><strong>Cons. net profit</strong></td>
<td>~ -150</td>
</tr>
</tbody>
</table>

<sup>1</sup> Based on leases as per 1.1.2018

- **Main P&L effects:** increase in EBITDA and EBIT, long-term neutral to net profit
Scope at DPDHL Group: >25,000 leasing contracts, covering >35,000 assets

Expected major impacts on 2018 numbers:

<table>
<thead>
<tr>
<th>Category</th>
<th>Impact Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>P&amp;L</td>
<td>EBIT: expected increase of EUR ~ 150m</td>
</tr>
<tr>
<td>Balance sheet</td>
<td>Net debt: Expected increase of ~ EUR 9bn</td>
</tr>
<tr>
<td>FCF</td>
<td>FCF: no change based on new definition: OCF – redemption of lease liabilities - net capex - net M&amp;A - net interest</td>
</tr>
<tr>
<td>Credit Rating</td>
<td>No impact on rating and related metrics expected</td>
</tr>
</tbody>
</table>

No effect on actual cash generation and debt rating
EBIT GROWTH IS AND REMAINS THE MOST IMPORTANT FCF DRIVER

<table>
<thead>
<tr>
<th>CASH FLOW STATEMENT</th>
<th>EXPECTED TREND</th>
<th>MAIN DRIVERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>↘</td>
<td>Step change due to 1st time application of IFRS 16 in 2018, thereafter gradual increase reflecting capex spend</td>
</tr>
<tr>
<td>Change in provisions</td>
<td>↘</td>
<td>Total provisions still expected to come further down through net utilization, Cash-outs expected to trend flat to slightly down yoy</td>
</tr>
<tr>
<td>Working capital</td>
<td>↘</td>
<td>Increasing as business grows but strong focus on working capital management</td>
</tr>
<tr>
<td>Income taxes</td>
<td>↘</td>
<td>Increase reflecting EBIT growth</td>
</tr>
<tr>
<td>Net capex</td>
<td>↘</td>
<td>Further modest yoy increases based on growth opportunities, excluding debt-financed Express intercont fleet renewal</td>
</tr>
<tr>
<td>Redemption of lease liabilities</td>
<td>↘</td>
<td>NEW due to 1st time application of IFRS 16 in 2018 (offsetting change in depreciation)</td>
</tr>
<tr>
<td>Net M&amp;A</td>
<td>↘</td>
<td>Remains opportunistic &amp; bolt-on</td>
</tr>
<tr>
<td>FCF</td>
<td>↗</td>
<td>Expect to generate excess liquidity every year (FCF &gt; dividend payment)</td>
</tr>
</tbody>
</table>

EBIT increase allows to balance growth investments and rising shareholder returns
Main difference between P&L tax expense and cash taxes paid arise from deferred tax assets.

- No additional tax loss carryforwards to be capitalized as deferred tax assets in Germany in 2018.
- Not yet capitalized tax loss carryforwards amount to EUR 6.4bn, most of it in the US.
- Cash taxes paid will increase in line with anticipated growth in profitability.

P&L tax rate expected to reach mid-to-high 20% range by 2020.
FX effects are mainly translational
- EUR appreciation => lower revenue and EBIT
- Direct USD exposure actually more than offset by USD-correlated block => USD depreciation = positive stand-alone, but in practice most often offset by FX movements in the USD block
- More than 50% of FX effects in 2017 came from outside of the big currencies

Ultimately, FX volatility is unavoidable and best managed by the business
- We do only opportunistic hedging (e.g. Brexit)
- Difficult to model FX externally due to the many cross currency dependencies

1) Currencies with a correlation to the USD above 75%
CAPEX: RECENT HISTORY AND OUTLOOK

Increase driven by investments in B2C national/international

2017 peak, plateauing in 2018

Low levels reflecting minimal capital intensity

Slight upward trend from new business – still remains mostly asset light

GROUP CAPEX (excl. leases)

<table>
<thead>
<tr>
<th>Capex, EUR m</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 18e</th>
</tr>
</thead>
<tbody>
<tr>
<td>PeP</td>
<td>666</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Express</td>
<td></td>
<td>1,049</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Forwarding, Freight</td>
<td></td>
<td></td>
<td>70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply Chain</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>277</td>
<td></td>
</tr>
</tbody>
</table>

FY 2018 guidance
EUR ~2.5bn
Most investments support e-commerce driven growth in Parcel and Express networks.
DISCIPLINED GROWTH INVESTMENT HAS LED TO RISING RETURNS

Although IFRS 16 implementation means that absolute return numbers will change, we remain committed to unchanged capital allocation discipline and sustained growth of all return metrics.

1) 2015 EBIT adjusted for NFE-write off; 2) Group ROCE = Group EBIT / (Total assets – current liabilities)
DPDHL GROUP PENSIONS - DBO, DCO, CIVIL SERVANTS

Defined Benefit (DB):
Staff costs + Change in provisions

Defined contribution (DC):
Cash out = staff costs in EBIT

Discount Rate

<table>
<thead>
<tr>
<th></th>
<th>Germany</th>
<th>UK</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2017</td>
<td>2.25%</td>
<td>2.5%</td>
<td>2.23%</td>
<td>2.32%</td>
</tr>
<tr>
<td>Mar 31, 2018</td>
<td>2.00%</td>
<td>2.75%</td>
<td>2.12%</td>
<td>2.24%</td>
</tr>
</tbody>
</table>

Plan Assets

Dec 31, 2017: 13,084
Mar 31, 2018: 13,026

Net Pension Provision

Dec 31, 2017: 4,297
Mar 31, 2018: 4,467

Total DBO

Dec 31, 2017: 17,381
Mar 31, 2018: 17,493

Change in provisions

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil servants (in GER)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>542</td>
<td>538</td>
<td>531</td>
<td>516</td>
<td>493</td>
<td>461</td>
</tr>
<tr>
<td>Hourly workers and salaried employees mainly outside GER</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>238</td>
<td>286</td>
<td>276</td>
<td>317</td>
<td>305</td>
<td>300</td>
</tr>
</tbody>
</table>
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