# DPDHL Group at a Glance

## Deutsche Post DHL Group

<table>
<thead>
<tr>
<th></th>
<th>Post &amp; Parcel Germany</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>Revenue</strong></td>
<td>€15,108</td>
<td>€3,834</td>
<td>€16,147</td>
<td>€14,978</td>
<td>€13,350</td>
</tr>
<tr>
<td><strong>EBIT / Margin</strong></td>
<td>€683</td>
<td>-€28</td>
<td>€1,957</td>
<td>€442</td>
<td>€520</td>
</tr>
<tr>
<td><strong>Staff (FTE)</strong></td>
<td>159,032</td>
<td>29,493</td>
<td>93,550</td>
<td>43,347</td>
<td>151,877</td>
</tr>
</tbody>
</table>

**Group revenue** €61.6bn

**EBIT** €3.162bn

~500k employees

> 220 countries/territories

**Market shares**

# 1 P&P Germany

# 1 Express Global

# 1 GFF Global

# 1 SC Global

*FY 2018 figures*
Q2 2019 Group Revenue

GROUP
€15,480m
€+454m
(+3.0%)
Q2 2019 Group EBIT

GROUP €769m
€+22m (+2.9%) All in €m

Reported EBIT yoy growth

2019:
-53m restructuring charge masks good operating performance across all regions as UK stabilises

2019:
-28m restructuring costs; continued improvement in operating performance and overhead costs

2019:
-51m restructuring charge

2019:
-53m restructuring charge

2019:
-28m restructuring costs; continued improvement in operating performance and overhead costs

2019:
No significant ramp-up in Corporate Incubation costs yet

P&P Germany
2019: Parcel pricing & volume growth as well as cost measures begin to offset ongoing cost inflation; effect of mail price increase to come
2018: €-51m restructuring charge

Express
2019: Back to profit growth despite heavyweight campaign effect (on revenue and capacity utilization) as well as ongoing FX headwind

DGFF
2019: Further improvement of DGF GP-to-EBIT conversion (+190bp to 15.3%) driven by ongoing efficiency and process improvements

DSC
2019: €-53m restructuring charge

DeCS
2019: €-28m restructuring costs; continued improvement in operating performance and overhead costs

Corp. Functions
2019: No significant ramp-up in Corporate Incubation costs yet
DPDHL drivers: external vs internal

Diversified revenue exposure...

...with significant self-help support to EBIT

- **P&P**: mail & parcel pricing, overhead reduction, productivity measures
- **Express**: disciplined yield management & network optimization
- **DGFF**: Simplify program measures
- **DSC**: Strategy 2020 measures
- **DeCS**: portfolio & overhead measures

*2018 revenue

*B2C Express, Parcel Germany and DHL eCommerce Solutions*
**DPDHL: Potential Measures In Case Of A Global Downturn**

**GROUP PERSPECTIVE**
- Well diversified business portfolio
- Positive structural trend from growing e-commerce

**DIVISIONS**

<table>
<thead>
<tr>
<th>P&amp;P</th>
<th>EXP</th>
<th>DGFF</th>
<th>DSC</th>
<th>eCommerce Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yield management &amp; Parcel growth</td>
<td>Yield management &amp; e-commerce growth</td>
<td>Maintain focus on profitable volume</td>
<td>Resilient, multi-year customer contracts</td>
<td>Yield management &amp; e-commerce growth</td>
</tr>
<tr>
<td>Intensify cost management, e.g. add'l overhead cost reduction</td>
<td>Cost adjustments, a.o. discretionary spend, network capacity management</td>
<td>Ongoing cost benefits from “Simplify”</td>
<td>Maintain selectivity and focus on long term customer relationships</td>
<td>Make adjustments to cost structure, e.g. overhead cost reduction</td>
</tr>
<tr>
<td>Capex steering</td>
<td>Capex steering</td>
<td>Asset-light business</td>
<td>Asset-light business</td>
<td>Capex steering</td>
</tr>
</tbody>
</table>
DPDHL: Focus Is The Key To Sustainable Margin Expansion

12m rolling EBIT margin\(^1\)

- **EXP**: Demonstrating the result of sustained focus on TDI and yield
- **P&P**: Overcoming current challenges in managing the transition from post to parcel
- **DSC**: Making gradual progress towards 4-5% goal
- **DGFF**: Building momentum to close gap to benchmark profitability

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2019 P&P Germany and Group EBIT guidance increased at lower end - 2020 guidance confirmed

<table>
<thead>
<tr>
<th>EBIT, € bn</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>P&amp;P Germany</td>
<td>1.1–1.3 (from 1.0 – 1.3)</td>
<td>&gt;1.6</td>
</tr>
<tr>
<td>DHL – incl. eCom. Solutions</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>
<tr>
<td>Group</td>
<td>4.0 – 4.3 (from 3.9 - 4.3)</td>
<td>&gt;5.0</td>
</tr>
</tbody>
</table>

FY 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)
## P&P Germany 2020 bridge: main elements confirmed

### EBIT contribution, in €m

<table>
<thead>
<tr>
<th>EBIT 2018 Clean Base</th>
<th>Revenue</th>
<th>Staff cost</th>
<th>Material cost</th>
<th>Direct cost measures</th>
<th>Indirect cost measures</th>
<th>Expected EBIT Contribution</th>
<th>Current status</th>
</tr>
</thead>
<tbody>
<tr>
<td>€1,050</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Good development of (parcel) revenue growth offset by higher cost inflation</td>
</tr>
</tbody>
</table>

- **€+150 to €+250m ✓**
- **€+150 to €+250m ✓**
- **>€+200m ✓**

### EBIT Guidance 2020 confirmed

- Productivity improvement
- Overhead cost
- Direct cost measures
- Indirect cost measures
- >1,600

UBS BUSINESS SERVICES, LEISURE AND TRANSPORT CONFERENCE | JOHN PEARSON | 9 SEPTEMBER 2019
DHL EBIT Bridge to 2020 Target

Express: Focus on TDI
DGFF: IT renewal / Simplify
DSC: OMS/Standardization
DeCS: Portfolio focus & volume growth

Based on Global GDP consensus estimates for 2019/20 (~ +3%)

DHL EBIT, in €m, including DeCS as of 2019

- 2017: 2,588
- 2018: 3,011 (+423)
- 2019: 3,400-3,500 (~ +200)
- 2020: 3,700 (~ +100)

EBIT excl. non-recurring effects
Operating Contribution from Express, DGFF, DSC
Non-rec. effects: 2018, DSC (€-92m); 2019e, DSC China (€+426m), DSC restr. (~ €-150m), DeCS restr. (~ €-60m)
Consistent Cash Flow Generation And Growth Investment

*OCF and FCF adjusted for 2012, 2016 and 2017 Pension Financing

Impact of IFRS 16 implementation

In €m
Our capex intensity has always been relatively low

FX, divestitures (WLT) and contract structure changes (NHS) have slowed down revenue growth and hence inflated the capex/revenue development

Capex intensity now rising, associated with the Boeing 777 program, which will peak in 2019

Group Capex: Gradual Increase In Growth Investments - 777 Peak In 2019

Group Capex, in € m

<table>
<thead>
<tr>
<th>Year</th>
<th>Capex in € m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>VALUE</td>
</tr>
<tr>
<td>2014</td>
<td>1,876</td>
</tr>
<tr>
<td>2015</td>
<td>VALUE</td>
</tr>
<tr>
<td>2016</td>
<td>VALUE</td>
</tr>
<tr>
<td>2017</td>
<td>VALUE</td>
</tr>
<tr>
<td>2018</td>
<td>180</td>
</tr>
<tr>
<td>2019e</td>
<td>1,100</td>
</tr>
</tbody>
</table>

Capex related to Boeing 777 order
DPDHL Group Finance Policy: Confirmed And Executed Upon

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 €1.15 for FY2018

Dividend payments of €1.4bn to DPDHL shareholders on May 20th, 2019

1) Adjusted for Postbank effects as well as non-recurring items when applicable
DPDHL Investment Case Summary

**Earnings**
- Sustainable growth from diversified global market leader
- Clear agenda for improving profitability

**Cash Flow**
- Continued investments for profitable growth
- Strong balance sheet and cash generation

**Shareholder Returns**
- Long-term Finance Policy defining sustainable shareholder returns
Four GoGreen targets for 2025

Global Target
By 2025, we will **increase our carbon efficiency by 50% over 2007 levels** to support the global ambition to limit global warming to well below 2°C.

Local Target
**Deliver 70% of our own first and last mile services with clean pick-up and delivery solutions.**

Economic Target
> **50% of our sales will incorporate Green Solutions** which make our customers’ supply chains greener.

People Target
> **80% of our employees to become certified GoGreen specialists.** This includes joining partners to **plant one million trees each year.**

More detail in dedicated IR DPDHL Group ESG Presentation
Overview: P&P Germany

**Business model**
- Letter and parcel delivery in Germany
- Provider of German Universal Service regulated by Bundesnetzagentur
- High quality (speed & reliability) network
- High degree of automation in mail and parcel

**Customers**
- Private as well as business customers (B2B,B2C,C2X)
- >44m delivery addresses / drop-off points in Germany
- Broad customer base across all business sectors
- Digital solutions for marketing and mail communication

**Market position/trends**
- Postal incumbent in Germany
- Revenue market share of 63% in letter mail, 45% in parcel market in Germany
- Strong e-commerce driven growth in Parcel activities
- German parcel market volume growth 5-7% p.a.
- Mail volume decline: ~2-3% p.a.

**Strategy**
- Focus on service to maintain high quality and competitive network
- Improve core business through investments in staff, IT & equipment for sortation and delivery
- Drive parcel and e-commerce growth in Germany
## P&P Germany: Parcel yield measures show visible benefit

<table>
<thead>
<tr>
<th>Q2 2019 yoy</th>
<th>Volume</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail*</td>
<td>-4.7%</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Parcel Germany</td>
<td>+6.6%</td>
<td>+10.5%</td>
</tr>
</tbody>
</table>

*Mail Communication & Dialogue Marketing

- Incl. working day effect (1 day less yoy), mail volume decline (MC + DM) close to expected trend at -3.2%
- Parcel yield measures show further significant positive effect as revenue growth rate outpaces solid volume growth
P&P: Price increase on regulated mail as of July 1st

Ex-ante regulated mail products
2018 revenue: € 2.8bn
+10.6% starting July 1st 2019
Valid till end 2021

Partial services (Teilleistungen)
2018 revenue: € 2.0bn
2019: no increase
2020: average increase of +3-4% planned
P&P Germany: Progress in line with expected 2020 Trajectory

H1 2019 EBIT levers:
- Parcel price increases
- Early retirement in ramp-up phase
- Efficiency measures initiated

H2 2019 EBIT levers:
- Mail price increases (as of July 1)
- Parcel price increases, predominantly for business customers
- Gradual increase in benefits from early retirement
- Ramp-up of benefits from efficiency measures

FY 2020 EBIT levers:
- Further yoy contribution from mail price increases
- Further parcel price increases, predominantly for business customers
- Full effect of early retirement
- Full deployment of efficiency measures

2019 YTD: EBIT yoy, excl. Pension revaluation (Q1/18) and restructuring cost (Q2/18):
- Q1 19: €-70m
- Q2 19: €+18m

Ongoing cost inflation:
- Wage costs +3.0% (Oct 2018)
- Wage costs +2.1% (Oct 2019)
- Transport cost: Trucking / Toll

2020 EBIT:
- > €1.6bn
- EBIT levers - cost inflation
## P&P Restructuring Measures, Direct Costs

<table>
<thead>
<tr>
<th>Process</th>
<th>Hubs</th>
<th>Transport</th>
<th>Last mile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Process stabilization</strong></td>
<td>Stabilizing of operations based on existing SOP ¹)</td>
<td>+ Transfer of best practices to low performing entities + Intensify Certified training + Improve accuracy of volume forecasts</td>
<td>+ Optimized schedule management to avoid overtime + Deliver small parcels by postmen + Focus on on-time shift ending</td>
</tr>
<tr>
<td><strong>Process improvement</strong></td>
<td>Apply 1st Choice and lean management tools to improve SOP ¹)</td>
<td>+ Increased performance dialogues + Additional trainers to improve truck loading quality</td>
<td>+ Use regular tours for pick-ups instead of on-call tours + Improve daily network planning + Further rollout “Verbund” delivery (joint parcel &amp; mail delivery) + Increased performance dialogues (Zustellteamleiter)</td>
</tr>
<tr>
<td><strong>Process renewal</strong></td>
<td>Drive structural process enhancements through automation and digitalization</td>
<td>+ Further reduce share of manual handling of letters &amp; parcels + Increase share of letters sorted in delivery sequence even more</td>
<td>+ Replacement of legacy transport management system + Improved volume prognosis based on enhanced data analytics + Introduce intelligent routing and shipment visibility (OnTrack) + Enable flexible mail delivery districts based on daily volumes</td>
</tr>
</tbody>
</table>

¹) SOP = Standard Operating Procedure
## Overview: DHL Express

### Business model
- Door-to-door Express delivery, focused on Time Definite International product
- Self-operated infrastructure
- 3 main global hubs linked by intercontinental network
- Standardized, scheduled network >250 dedicated aircraft serving approx. 500 airports globally

### Customers
- Low customer concentration with more than 2.5m business customers
- Strategic focus on Small & Medium Enterprises
- Premium profitable cross-border B2C~30% of TDI volumes

### Market position/trends
- Presence in more than 220 countries and territories
- Global market leader in the international express market with 38% market share
- Strong presence in developing markets (Asia, Middle East, Africa, Latin America)

### Strategy
- Focus on and grow the TDI (Time-Definite-International) product
- Improve service, while optimizing network utilization and yield
- Relentless focus on customer service along all touch points
Express: TDI growth continues, with expected mix effects

- Solid Q2 19 TDI volume growth in light of macro uncertainties, supported by selective B2C growth and continued – although slower - growth in B2B volumes
- Revenue growth rate remains below volume growth rate, as expected, due to mix effects triggered by measures on heavyweights
Express: Continuation of expected EBIT effects

Reminder: Heavyweight Campaign

Topline Management for Profitable Growth
- Shipment per Day (SpD)
- Weight per Shipment
- Revenue per Day (RpD)

Efficiency in Ground Operations
- Cost per Move (short term, medium term)
- Cost per Kilo (short term, medium term)

Leverage Aviation Network

Main Q2 effects
- Lower rev/shipment due to lower average weight

<table>
<thead>
<tr>
<th>SpD</th>
<th>RpD</th>
</tr>
</thead>
<tbody>
<tr>
<td>+6.6%</td>
<td>+5.6%</td>
</tr>
</tbody>
</table>

- Temporary lower utilization in Aviation Network

Weight-load-factor

Express: Continuation of expected EBIT effects
Trade flows with constant variation in regional pattern

Quarterly growth ranking 2014 - 2019, TDI volume growth

Q2 TDI Shipments per day

- +8.2% Europe
- +6.9% Middle East Africa
- +6.0% Americas
- +4.8% Asia Pacific

TDI Shipments/ day

+7.8%

+8.7%

+7.6%

+9.9%

+7.4%

H1 +5.6%, Q2: +6.6%
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>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>10.2%</td>
<td>9.4%</td>
<td>8.4%</td>
<td>7.8%</td>
<td>8.7%</td>
<td>7.6%</td>
<td>9.9%</td>
<td>7.4%</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
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
Intercontinental Fleet: Use Replacements as Opportunity to Move Towards Higher Ownership Structure

2010-18: 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
- Order for 14 Boeing 777s signed, in-line with intentions announced at May 2018 CMD – first delivery expected in 2019
- New aircraft are capacity neutral but bring significant cost, efficiency and reliability benefits
- Any further fleet expansion to be carefully considered in line with market growth expectations

Dedicated fleet (w/o feeders)

2010: ~150 planes
- Owned: ~100
- Lease: ~50

2018: >200 planes
- Owned: >150
- Lease: >50
Overview: DHL Global Forwarding, Freight

Business model
- Specialist in air, ocean and road freight as well as industrial projects and end-to-end transport management solutions
- Asset-light business model, based on brokerage of transport services
- Tailored sector solutions

Customers
- Established customer base including >50% of Forbes 500 companies
- Strong sales focus on SMEs
- High diversification across regions and industries

Market position/trends
- Global No. 1 in air freight and No. 2 in ocean freight
- Presence in more than 150 countries and territories
- No. 2 in European road freight with presence in more than 50 countries and territories

Strategy
- Strategic focus on sustainable growth, customer and operational excellence as well as maximizing profitability
- Step by step approach to IT renewal
- Goal to achieve GP/EBIT conversion ratios in line with industry benchmark
DGFF: GP increase despite slower markets

<table>
<thead>
<tr>
<th>Q2 2019 yoy</th>
<th>Air Freight</th>
<th>Ocean Freight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes</td>
<td>-5.8%</td>
<td>+0.2%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>+4.8%</td>
<td>-3.0%</td>
</tr>
<tr>
<td>GP/EXP t; GP/TEU</td>
<td>+11.3%</td>
<td>-3.2%</td>
</tr>
</tbody>
</table>

- Volume development continues to decelerate, reflecting weaker markets as a result of macro and trade worries
- Overall DGFF Gross Profit up 2.6%, supported by GP/t increase in AFR
DGF EBIT margin and GP/EBIT conversion, 12-months rolling (LTM)

- Simplify program to improve global organisation, processes and IT continues to provide steady, gradual improvement
- Profitability also supported by AFR GP/t expansion as a result of slowing markets

*Adjusted for NFE one-off
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.
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.
Overview: DHL Supply Chain

Business model
- Delivering customized logistics solutions based upon globally standardized modular components including warehousing, transport and value-added services
- Full value chain: Planning, sourcing, vendor management, production, kitting, packaging, repairs, returns and recycling logistics services
- 6 Global sectors: Life Science & Healthcare, Automotive & Technology, Technology, Retail, Consumer, Engineering & Manufacturing

Customers
- Strong customer base built on long-lasting partnerships in more than 50 countries
- We serve all of the worldwide top 25 best rated supply chains, according to Gartner
- Providing sector expertise, standardized solutions and value-added services to new customers and further develop existing contracts

Market position/trends
- 6% markets share - world No.1 in contract logistics
- Uniquely positioned to benefit from key market trends (outsourcing, emergence of a global market, rise of emerging markets)

Strategy
- Increase efficiency, quality and service through standardization
- Benefit from global scale to create cost benefits
- Drive growth through increased value-added services and investments in emerging markets
- Accelerated digitalization program with deployment of key technologies at our site
China deal closed in Q1 2019

**EBIT** effect: €+426m

**FCF** effect: €+653m

Revenue ~€-500m
EBIT ~€-30m

Restructuring charges:
Q1 €-58m Q2: €-53m

- Reduce overhead / early retirement of staff
- Support exit of customer contracts with low profitability
- Restructure / closure of underperforming sites
DSC Profitability: EBIT Margin Regional Development

- **Americas**: Continued trading improvement in North America and Latin America.
- **EMEA**: Decline driven by business challenges in UK&I, partly offset by growth in other EMEA regions.
- **APAC**: Strong organic growth across APAC.

*All figures excluding WLT*
DHL Supply Chain: Solutions Overview

Offering Customized Solutions Across the Entire Supply Chain

Revenue by Service Area
FY 2018

- Transportation: 36%
- Warehousing: 51%
- Value Added Services: 13%
**DSC: Clear Digitalization Strategy**

- **Digitalization is a strategic pillar for DSC with a clear roadmap** in terms of overarching goals and target use cases.
- **Technologies are being deployed across regions by local experts**, in close cooperation with our customers and the technology providers.
### Overview: DHL eCommerce Solutions

#### Business model
- Parcel operations in Europe, US and selected international markets:
  - India: BlueDart
  - Parcel Europe: Mix of owned assets, joint venture and cooperation with local parcel delivery companies
  - US: Consolidation / Injection of parcels into USPS last mile network

#### Customers
- Domestic B2C/B2B delivery
- Cross border eCommerce customers

#### Market position/trends
- #4 in USPS Parcel Select
- #1 in Indian B2B Express
- No new market entries/geographical expansion planned for now

#### Strategy
- Simplify “logistics as a whole” for our customers
- Sophisticated, tech-enabled solutions along the whole value chain
- Focus on profitable growth
DHL eCommerce Solutions: Main Current Priorities

**Increase profitability**
- Lower unit costs
- Very restrictive Capex
- Maximise utilization of assets

**Focused business expansion**
- No new market entries/geographical expansion planned for now
- Focus on profitable growth

**Design of leading e-commerce solutions**
- Simplify “logistics as a whole” for our customers
- Sophisticated, tech-enabled solutions along the whole value chain
Group Information
### Q2 2019 Group P&L

<table>
<thead>
<tr>
<th></th>
<th>Q2 2018</th>
<th>Q2 2019</th>
<th>vs. LY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (in €m)</strong></td>
<td>15,026</td>
<td>15,480</td>
<td>+3.0%</td>
</tr>
<tr>
<td><strong>EBIT (in €m)</strong></td>
<td>747</td>
<td>769</td>
<td>+2.9%</td>
</tr>
<tr>
<td><strong>Financial result (in €m)</strong></td>
<td>-135</td>
<td>-137</td>
<td>-1.5%</td>
</tr>
<tr>
<td><strong>Taxes (in €m)</strong></td>
<td>-54</td>
<td>-139</td>
<td>&lt;-100%</td>
</tr>
<tr>
<td><strong>Consolidated net profit (in €m)</strong></td>
<td>558</td>
<td>493</td>
<td>-11.6%</td>
</tr>
<tr>
<td><strong>EPS (in €)</strong></td>
<td>0.42</td>
<td>0.38</td>
<td>-9.5%</td>
</tr>
</tbody>
</table>
### Effects to consider for 2019 modelling

<table>
<thead>
<tr>
<th>DSC</th>
<th>DSC</th>
<th>eCommerce Solutions</th>
<th>DHL</th>
<th>Corporate Functions</th>
<th>GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Domestic Transaction</td>
<td>Restructuring Costs</td>
<td>Expected One-Off Costs</td>
<td></td>
<td>e.g. StreetScooter SmarTrucking</td>
<td></td>
</tr>
<tr>
<td>Closing announced on 18.02.2019</td>
<td>Mainly UK Operations</td>
<td>Business Review ongoing</td>
<td></td>
<td>Additional ramp-up costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT effect (€m)</td>
<td>~ +426</td>
<td>~ 150</td>
<td>~ +200</td>
<td>~ 100</td>
<td>~ +100</td>
</tr>
</tbody>
</table>

All these effects are considered in our 2019 guidance.
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 and cash taxes paid expected to increase.

P&L tax rate expected to reach mid-to-high 20% range by 2020.
FX Movements are Part of Being the Most Global Company in the World

**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 2018 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%
## IFRS 16: Major Effects on 2018 P&L

<table>
<thead>
<tr>
<th>€m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>Materials expense</td>
</tr>
<tr>
<td>EBITDA</td>
</tr>
<tr>
<td>D&amp;A</td>
</tr>
<tr>
<td>EBIT</td>
</tr>
<tr>
<td>Net finance costs</td>
</tr>
<tr>
<td>Income taxes</td>
</tr>
<tr>
<td>Cons. Net Profit</td>
</tr>
</tbody>
</table>

- **Materials expense**: Decrease as lease expenses to be recognized as depreciation and interest costs – only exemptions for short-term leases and low-value assets, which stay in material costs.
- **EBITDA**: Increase due to lower materials expenses.
- **D&A**: Increase due to new depreciation of capitalized operating-lease-assets.
- **EBIT**: EBIT increase as operating lease expense replaced by depreciation and interest.
- **Net finance costs**: Increase due to interest cost component booked in finance cost.
- **Income taxes**: Lower during first years due to higher deferred tax assets.
- **Cons. Net Profit**: Whist neutral over time, timing effect due to higher interest during first years.
## IFRS 16: Implications for DPDHL Group

**Scope at DPDHL Group:** >25,000 leasing contracts, covering >35,000 assets

### Major impacts on 2018 results:

<table>
<thead>
<tr>
<th></th>
<th>P&amp;L</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EBIT: increase of €179m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net debt: €9.2bn (from initial recognition of lease liabilities)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FCF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FCF: no change based on new definition: OCF – net cash for lease liabilities - net capex - net M&amp;A - net interest</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Credit Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No impact on rating and related metrics expected</td>
</tr>
</tbody>
</table>

*No effect on actual cash generation and debt rating*
## Q2 2019 Group Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>Q2 2018</th>
<th>Q2 2019</th>
<th>vs. LY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBIT</strong></td>
<td>747</td>
<td>769</td>
<td>+22</td>
</tr>
<tr>
<td><strong>Depreciation/Amortization</strong></td>
<td>807</td>
<td>918</td>
<td>+111</td>
</tr>
<tr>
<td><strong>Operating Cash Flow before chg in WC</strong></td>
<td>1,485</td>
<td>1,446</td>
<td>-39</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>-130</td>
<td>-181</td>
<td>-51</td>
</tr>
<tr>
<td><strong>Operating Cash Flow</strong></td>
<td>1,355</td>
<td>1,265</td>
<td>-90</td>
</tr>
<tr>
<td>Net Capex</td>
<td>-485</td>
<td>-1,188</td>
<td>-703</td>
</tr>
<tr>
<td>(incl. € 743m B777 payment)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash from Leases</td>
<td>-498</td>
<td>-572</td>
<td>-74</td>
</tr>
<tr>
<td>Net M&amp;A</td>
<td>-61</td>
<td>-8</td>
<td>+53</td>
</tr>
<tr>
<td>Net interest</td>
<td>-23</td>
<td>-44</td>
<td>-21</td>
</tr>
<tr>
<td><strong>FCF</strong></td>
<td>288</td>
<td>-547</td>
<td>-835</td>
</tr>
</tbody>
</table>
## Cash Flow Outlook: overview of major drivers (1/2)

<table>
<thead>
<tr>
<th></th>
<th>2019e</th>
<th>20e vs 19e</th>
<th>Main Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBIT</strong></td>
<td>€3.9</td>
<td>~ +0.4</td>
<td>2020 EBIT guidance: &gt;€5bn</td>
</tr>
<tr>
<td><strong>Depreciation/amortization</strong></td>
<td>~ +3.6</td>
<td></td>
<td>Slight increase in line with Capex</td>
</tr>
<tr>
<td><strong>Change in provisions</strong></td>
<td>~ -0.7</td>
<td></td>
<td>2019 from P&amp;P early retirement: ~€-100m cash-out and ~€-200m cash-neutral movement towards other liabilities</td>
</tr>
<tr>
<td><strong>Income taxes paid</strong></td>
<td>-0.7</td>
<td>~ -0.1</td>
<td>Rising EBT at stable cash tax rate (~22%)</td>
</tr>
<tr>
<td><strong>Change in WC / Other</strong></td>
<td>~ -0.4</td>
<td></td>
<td>2019 includes reversal of China EBIT gain and build-up of ~€200m other liabilities from P&amp;P early retirement</td>
</tr>
<tr>
<td><strong>OCF after changes in WC</strong></td>
<td>5.7 – 6.0</td>
<td></td>
<td>Improvement driven by EBIT growth</td>
</tr>
</tbody>
</table>
### Cash Flow Outlook: overview of major drivers (2/2)

<table>
<thead>
<tr>
<th>in €bn</th>
<th>2019e</th>
<th>20e vs 19e</th>
<th>Main Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCF after changes in WC</td>
<td>5.7 – 6.0</td>
<td>↑</td>
<td>Improvement driven by EBIT growth</td>
</tr>
<tr>
<td>Net Capex</td>
<td>~ -3.5</td>
<td>↑</td>
<td>Slight gradual increase in divisional capex spendings; Boeing 777 order: ~€1.1bn in 2019, ~€500m in 2020</td>
</tr>
<tr>
<td>Net Cash for Leases</td>
<td>~ -2.2</td>
<td>↑</td>
<td>Slightly increasing in line with business growth</td>
</tr>
<tr>
<td>Net M&amp;A</td>
<td>~ +0.6</td>
<td>↓</td>
<td>2019: China DSC deal; 2020: no significant M&amp;A planned</td>
</tr>
<tr>
<td>Net Interest</td>
<td>~ -0.1</td>
<td>↓</td>
<td>In line with 2019</td>
</tr>
<tr>
<td>Free Cash Flow guidance</td>
<td>&gt;0.5</td>
<td>↑</td>
<td>Improvement vs 2019 trough</td>
</tr>
</tbody>
</table>
Gross Capex: Recent History and Outlook

Increase driven by investments in B2C
Underlying spend stable, Boeing 777 peak in 2019
Low levels reflecting minimal capital intensity
Spend primarily driven by new business

GROUP GROSS CAPEX

FY 2019 guidance
€ ~3.7bn (including € 1.1bn for debt-financed Boeing 777)

Capex, €m

PeP
Express
Global Forwarding, Freight
Supply Chain

FY 2013
FY 2014
FY 2015
FY 2016
FY 2017
FY 2018

Initial payment for Boeing investment
Healthy Leverage Ratios Even After IFRS 16 Implementation

Net Gearing: 47.0%
Equity Ratio: 27.5%

2018 Net Debt/EBITDA: 1.9x
2018 Interest Cover: 5.0x

Net Debt: 12,303
EBITDA: 6,454
EBIT: 3,162
Interest Expense: 629

Total Liabilities & Equity As per 31.12.2018:
- Other Provisions
- Pension Provision
- Short-term liabilities
- Long-term liabilities
- Equity
Net Debt / EBITDA: History and Outlook
DPDHL Group Pensions - DBO, DCO, and Civil Servants

Defined Benefit (DB): Staff costs + Change in provisions
Defined contribution (DC): Cash out = staff costs in EBIT

<table>
<thead>
<tr>
<th>Discount Rate</th>
<th>Germany</th>
<th>UK</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2018</td>
<td>2.30%</td>
<td>2.70%</td>
<td>2.35%</td>
<td>2.42%</td>
</tr>
<tr>
<td>Jun 30, 2019</td>
<td>1.40%</td>
<td>2.10%</td>
<td>1.66%</td>
<td>1.64%</td>
</tr>
</tbody>
</table>

Total DBO
Net Pension Provision
Plan Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs + Change in provisions</td>
<td>410</td>
<td>282</td>
<td>268</td>
<td>264</td>
<td>266</td>
<td>230</td>
<td>168</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash out = staff costs in EBIT</td>
<td>156</td>
<td>186</td>
<td>163</td>
<td>193</td>
<td>162</td>
<td>187</td>
<td>193</td>
</tr>
</tbody>
</table>

Civil servants (in GER)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>542 538 531 516 493 461 449</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Hourly workers and salaried employees mainly outside GER

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>238 286 276 317 305 300 307</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

UBS BUSINESS SERVICES, LEISURE AND TRANSPORT CONFERENCE | JOHN PEARSON | 9 SEPTEMBER 2019
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# Investor Relations Contacts

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martin Ziegenbalg, Head of Investor Relations</td>
<td>+49 228 182 63000</td>
<td><a href="mailto:m.ziegenbalg@dpdhl.com">m.ziegenbalg@dpdhl.com</a></td>
</tr>
<tr>
<td>Robert Schneider</td>
<td>+49 228 182 63201</td>
<td><a href="mailto:robert.schneider1@dpdhl.com">robert.schneider1@dpdhl.com</a></td>
</tr>
<tr>
<td>Sebastian Slania</td>
<td>+49 228 182 63203</td>
<td><a href="mailto:sebastian.slania@dpdhl.com">sebastian.slania@dpdhl.com</a></td>
</tr>
<tr>
<td>Sarah Bowman</td>
<td>+1 914 226 3437</td>
<td><a href="mailto:sarah.bowman@dpdhl.com">sarah.bowman@dpdhl.com</a></td>
</tr>
<tr>
<td>Christian Rottler</td>
<td>+49 228 182 63206</td>
<td><a href="mailto:christian.rottler@dpdhl.com">christian.rottler@dpdhl.com</a></td>
</tr>
<tr>
<td>Agnes Putri</td>
<td>+49 228 182 63207</td>
<td><a href="mailto:a.putri@dpdhl.com">a.putri@dpdhl.com</a></td>
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