Virtual Management Roadshow

Frank Appel, Group CEO
March 2020
2019 summary: Significant progress along all 3 bottom lines, as well as on sustainability targets

**EMPLOYER OF CHOICE**
Employee satisfaction has further increased on all 10 dimensions

**SUSTAINABLE DEVELOPMENT**
CO2 efficiency improved by 2 points in 2019
35% improvement vs. 2007 base level

**PROVIDER OF CHOICE**
DHL: Increase in customer satisfaction
P&P: Complaints declined in Post & Parcel

**INVESTMENT OF CHOICE**
Record Group EBIT of €4.1bn
Dividend proposal of €1.25 (>4% yield)
<table>
<thead>
<tr>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPDHL Group Overview and Results</td>
</tr>
<tr>
<td>Strategy 2025</td>
</tr>
<tr>
<td>Divisional Deep-Dives</td>
</tr>
<tr>
<td>Group Financial Backup</td>
</tr>
</tbody>
</table>
## DPDHL Group at a Glance

<table>
<thead>
<tr>
<th>FY 2019</th>
<th>GROUP</th>
<th>P&amp;P Germany</th>
<th>DHL Express</th>
<th>DHL Global Forwarding Freight</th>
<th>DHL Supply Chain</th>
<th>DHL eCommerce Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€63,341m</td>
<td>€15,484m</td>
<td>€17,101m</td>
<td>€15,128m</td>
<td>€13,436m</td>
<td>€4,045m</td>
</tr>
<tr>
<td>EBIT</td>
<td>€4,128m</td>
<td>€1,230m</td>
<td>€2,039m</td>
<td>€521m</td>
<td>€912m</td>
<td>€-51m</td>
</tr>
<tr>
<td>EBIT Margin</td>
<td>6.5%</td>
<td>7.9%</td>
<td>11.9%</td>
<td>3.4%</td>
<td>4.7%*</td>
<td></td>
</tr>
<tr>
<td>FTEs</td>
<td>499,461</td>
<td>159,100</td>
<td>96,850</td>
<td>44,265</td>
<td>155,791</td>
<td>30,797</td>
</tr>
</tbody>
</table>

*adjusted for one-offs

**Network business – asset intensive**

**Brokerage – asset light**

**Outsource – asset light**

**Network business – asset intensive**
2019 performance again shows benefit of resilient Group footprint & further progress on self-help measures

+2.3% organic revenue growth

Group EBIT margin +140bps in 2019

EBIT Margin: DSC adjusted for 2019 one-offs, DGFF for NFE write-down in 2015

*E2C Express, Parcel Germany and DHL eCommerce Solutions
FY 2019 Group Revenue

GROUP
€63,341m
€+1,791m
(+2.9%)
**FY 2019 Group EBIT**

**Reported EBIT growth yoy**

All in €m

- **P&P Germany**
  - **2019:** Zero net impact from pension revaluation and restructuring costs; EBIT growth supported as planned by cost & yield measures
  - **2018:** €-502m restructuring costs and €+108m pension revaluation

- **Express**
  - **2019:** Continued TDI volume growth across regions translated into sustained EBIT growth. Temporary impact from heavyweight campaign no more holding back EBIT growth as of Q3

- **DGFF**
  - **2019:** Despite increasingly challenging markets, continued EBIT growth throughout 2019; supported by +210bps improvement in DGF GP-to-EBIT conversion

- **DSC**
  - **2019:** €+426m net gain from China deal, partly offset by planned €-151m non-recurring charges. Good operating development in all regions

- **DeCS**
  - **2019:** Includes €-80m restructuring costs. Solid progress in operating performance – on track towards 2020 profitability target

- **Corp. Func./Cons.**
  - **2019:** Cost development in line with 2019 guidance reflecting increase in Corporate Incubations, mainly for StreetScooter

**GROUP €4,128m**

€+966m (+30.6%)

+7.6% excl. one-off effects
Capex outlook: 2019 peak due to B777 order

- Peak at €3.7bn in 2019 (incl. €1.1bn B777 order)
- Stable / slightly rising excl. B777 order going forward

in €m

<table>
<thead>
<tr>
<th>Year</th>
<th>B777 order</th>
<th>Group Capex excl. B777</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,747</td>
<td>1,747</td>
</tr>
<tr>
<td>2014</td>
<td>1,876</td>
<td>1,876</td>
</tr>
<tr>
<td>2015</td>
<td>2,024</td>
<td>2,024</td>
</tr>
<tr>
<td>2016</td>
<td>2,074</td>
<td>2,074</td>
</tr>
<tr>
<td>2017</td>
<td>2,268</td>
<td>2,268</td>
</tr>
<tr>
<td>2018</td>
<td>2,828</td>
<td>2,648</td>
</tr>
<tr>
<td>2019</td>
<td>3,617</td>
<td>3,100</td>
</tr>
<tr>
<td>2020e</td>
<td>3,100</td>
<td>3,100</td>
</tr>
</tbody>
</table>

VIRTUAL MANAGEMENT ROADSHOW | FRANK APPEL | MARCH 2020
Group ROCE up despite significant B777 investment in 2019

Group ROCE vs WACC

- IFRS16 introduction in FY 2018 set a new base for Group ROCE by adding full lease commitments into CE, even though actual cash outs are expensed later through the contract period.
- 2019 EBIT growth drove increase in Group ROCE despite significant investment in Express asset base through intercontinental fleet renewal (B777 order).

Group ROCE = Group EBIT / (Total assets – current liabilities)

*2015 EBIT adjusted for NFE-write off;
€1.25 dividend proposal in line with Finance Policy

Dividend proposal of €1.25 for FY 2019

Expected dividend payments of ~€1.5bn to DPDHL shareholders on May 18th, 2020

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

1) Adjusted for Postbank effects as well as non-recurring items when applicable
### 2020 EBIT Guidance subject to Corona and StreetScooter effects

<table>
<thead>
<tr>
<th>in € bn</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group EBIT</td>
<td>&gt;5.0</td>
</tr>
<tr>
<td>P&amp;P Germany</td>
<td>&gt;1.6</td>
</tr>
<tr>
<td>DHL</td>
<td>&gt;3.7</td>
</tr>
<tr>
<td>Corporate Functions</td>
<td>-0.35</td>
</tr>
</tbody>
</table>

**Not considered:**

- **Corona** effect: Too early to quantify, negative effects likely to be (at least partly) offset by recovery benefits
- One-time costs related to non-core business (StreetScooter)
**Significant step up in EBIT expected in 2020, mainly driven by self-help measures**

**2020 guidance: growth assumptions vs 2019 base**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2019 DSC &amp; DeCS One-offs</th>
<th>2019 base</th>
<th>P&amp;P</th>
<th>DHL</th>
<th>Corp. Functions</th>
<th>2020e</th>
</tr>
</thead>
<tbody>
<tr>
<td>P&amp;P</td>
<td>4,128</td>
<td>-195</td>
<td>3,933</td>
<td>&gt;370</td>
<td>&gt;520</td>
<td>&gt;170</td>
<td>&gt;5,000</td>
</tr>
</tbody>
</table>

- P&P: 2020 EBIT supported by increasing contribution from all three key levers (yield, productivity, overhead)
- DHL: >€520m increase to be supported by contributions from all 4 DHL divisions
- Corporate Functions costs will fall back to the normal, historic Corporate Centre run rate of ~€-350m
## 2020 Guidance: Additional metrics

<table>
<thead>
<tr>
<th></th>
<th>FCF</th>
<th>Gross Capex (excl. Leases)</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effects considered:</td>
<td>- Includes StreetScooter and Corona</td>
<td>- Includes StreetScooter and Corona</td>
<td>- Includes StreetScooter and Corona</td>
</tr>
<tr>
<td>~€1.4bn</td>
<td>~€2.6bn</td>
<td>22% to 24%</td>
<td></td>
</tr>
<tr>
<td>incl. €500m for Express intercontinental fleet renewal</td>
<td>plus €500m for Express intercontinental fleet renewal</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Rolling 2022 financial targets, EBIT confirmed, increase on FCF

<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) cumulative</td>
<td>8.5 - 9.5</td>
</tr>
<tr>
<td>FCF (20-22) cumulative (from 4.5-5.5)</td>
<td>5.0 - 6.0</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 Group 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

SHAREHOLDERS’ RETURN

- Long-term Finance Policy defining sustainable shareholder returns
DPDHL Group Overview and Results

Strategy 2025

Divisional Deep-Dives

Group Financial Backup
STRATEGY 2025: Delivering Excellence in a digital world

Our Purpose
Connecting people, improving lives

Our Vision
We are THE logistics company for the world

Our Values
Respect & Results

Our Mission
Excellence. Simply delivered.
Along the three bottom lines in a sustainable way
Enabled by Common DNA

Our Business Unit focus
Strengthening the profitable core
Supported by Group functions

Digitalization
Sustainable development: CO2 efficiency improved by 2 further index points

**CEX* measures efficiency of greenhouse gas emissions**

- Target 2019 (34%) achieved 35%
- **CEX 2025 Target: 50%**

**Long-term target: Zero CO2 emissions by 2050**

**Measures to reduce emissions – examples**
- Leader in electric mobility: ~11,000 Streetscooter in delivery operations; >30% of deliveries are emission-free
- >80% of group electricity from renewable sources
- >3m trees planted since 2017

---

*CEX: Carbon Efficiency Index*
Core logistics offers sustainable growth opportunity

Focus on profitable growth in our core

Market growth assumption by division (volume p.a., 2018-2025)

- P&P: Parcel +5-7%, Mail -2% to -3%
- EXP: TDI +4-5%
- DGFF: OFR +2-4%; AFR +1-3%; RFR +3-4%
- DSC: Outsourced logistics ~+4% (revenue)
- DeCS: Driving revenue CAGR of 5-10% across all businesses

Expected growth vs. Market

- At least in line: P&P, EXP, DSC, DeCS
- Above: DGFF

- Supported by unchanged strong yield discipline in all divisions
Summary divisional outlook: Strategy 2025

**P&P Germany**
- 2020: Guidance confirmed: €>1.6bn; Margin: ~10%
- Beyond 2020, slow topline growth with stable margin

**EXPRESS**
- Continued growth of absolute EBIT
- Continued, but more incremental margin expansion

**DGFF**
- DGF GP-EBIT conversion improvement of 100-200bps p.a.
- By 2020, 20% DGF GP-EBIT conversion
- Long-term target: ~30% DGF conversion driving 5-6% DGFF EBIT margin

**DSC**
- Topline growth at least in line with market
- Maintain industry leading margin at ~5%

**DeCS**
- Positive EBIT contribution as of 2020
- Gradual increase towards 5% long term margin thereafter
E-commerce: We offer the entire logistics value chain

- **Inbound**
  - DGFF: Freight Transport
  - EXP DGFF: Customs Service

- **Fulfillment**
  - DSC: B2C-dedicated/omni-channel warehouses
  - Multi-user FF network

- **Delivery**
  - P&P DeCS: Domestic parcel
  - EXP: Cross-border TDI
  - Cross-border intercontinental parcel

- **Returns**
  - P&P EXP: Domestic and international
  - DSC: Fulfillment (back to stock)

**Existing offer**

**Underway**
DPDHL Group Overview and Results

Strategy 2025

Divisional Deep-Dives

Group Financial Backup
P&P Germany: 2019 revenue development supported by yield measures in Post and Parcel

- Mail volume decline (MC + DM) in line with long term trend with -3.0% decline in FY 2019 (Q4: -3.1%)
- Significant positive effect from Parcel yield measures continues: FY 2019 Parcel revenue up 9% on 6% volume growth

<table>
<thead>
<tr>
<th>Q4 2019 yoy</th>
<th>Volume</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail*</td>
<td>-3.1%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Parcel Germany</td>
<td>+3.9%</td>
<td>+7.7%</td>
</tr>
</tbody>
</table>

*Mail Communication & Dialogue Marketing
P&P Germany: To have in mind for 2020

• Mail: Shift from DM to MC / elasticity effects
  • Fundamental trend in Mail volume decline confirmed at -2% to -3%
  • However, temporarily stronger volume decline of -5% to -6%, due to changes to product structure and price elasticity
  • Positive revenue effects anticipated due to price increases and structural changes to product portfolio
    ➔ EBIT impact neutral

• Parcel: Expected reduction in Amazon volumes
  • Overall volume increase expected to be slower at 0-5%
  • Stronger revenue than volume growth due to focus on yield
    ➔ EBIT impact considered in guidance

• Current wage agreement expiring end of May
### EBIT contribution, in €m
**2020e vs 2019**

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Staff cost</th>
<th>Material cost</th>
<th>Direct cost measures</th>
<th>Indirect cost measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBIT 2019</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1,230</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expected 2020 EBIT Contribution</strong></td>
<td>&gt;€+150m</td>
<td></td>
<td></td>
<td>~€+100m</td>
<td>&gt;€+100m</td>
</tr>
<tr>
<td><strong>Expected Main Drivers</strong></td>
<td>Yield measures and Parcel volume growth more than offset mail decline and cost inflation in 2020</td>
<td>Gradual ramp-up of multiple measures</td>
<td>Mostly already implemented</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**EBIT Guidance 2020 confirmed**

>1,600

**P&P 2020 EBIT Bridge to be supported by increasing contribution from all three key levers**

EBIT contribution, in €m

2020e vs 2019

**Results: 1,230**

- **Revenue:** Increase
- **Staff cost:** Decrease
- **Material cost:** Increase

**Expected 2020 EBIT Contribution:**

- **EBIT contribution:** >€+150m
- **Direct cost measures:** ~€+100m
- **Indirect cost measures:** >€+100m

**Expected Main Drivers:**

- Yield measures and Parcel volume growth more than offset mail decline and cost inflation in 2020
- Gradual ramp-up of multiple measures
- Mostly already implemented
P&P Germany: Top strategic priorities

**Strategy 2025 divided into two horizons**

**Refocus on core market in Germany (2019/ 2020)**
- Price increases
- Quality improvements
- Indirect cost measures (overhead)
- Direct cost measures (productivity)

**In 2020: Phase over to Roadmap 2025**
- Optimized asset concept including real estate and new sorting concept for mid-sized shipments
- New features and boost of Packstation
- Accelerate digitalization in operations

**Digitalization @ P&P**
**P&P Germany: Products and Pricing**

<table>
<thead>
<tr>
<th>P&amp;P revenue FY19: €15.4bn</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mail Communication €6.3bn</strong></td>
<td>Ex-ante products – <em>private customers</em></td>
</tr>
<tr>
<td><strong>Dialogue Marketing €2.1bn</strong></td>
<td>Partial services – <em>business customers</em></td>
</tr>
<tr>
<td><strong>Other €1.9bn</strong></td>
<td>Addressed and undressed advertisement mailings, campaigns (both digital &amp; physical)</td>
</tr>
<tr>
<td><strong>Parcel Germany €6.1bn</strong></td>
<td>Press, pension services, retail</td>
</tr>
<tr>
<td><strong>Business customers</strong></td>
<td>Top accounts (~330 customers)</td>
</tr>
<tr>
<td></td>
<td>Middle accounts (~18k customers)</td>
</tr>
<tr>
<td></td>
<td>Small accounts (~85k customers)</td>
</tr>
<tr>
<td><strong>Private customers</strong></td>
<td>Listed prices in retail outlets and online</td>
</tr>
</tbody>
</table>
P&P Germany: Parcel growth driven by all customer segments

<table>
<thead>
<tr>
<th></th>
<th>Revenue Parcel 2019 (in €bn)</th>
<th>Revenue growth 2019 (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top accounts</strong></td>
<td>~ 2.3</td>
<td>8%</td>
</tr>
<tr>
<td>(~ 330 customers)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Medium accounts</strong></td>
<td>~ 2.0</td>
<td>12%</td>
</tr>
<tr>
<td>(~ 18,000 customers)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Small accounts</strong></td>
<td>~ 0.4</td>
<td>11%</td>
</tr>
<tr>
<td>(~ 85,000 customers)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6.8% B2X Market
Digitalization in P&P Germany

<table>
<thead>
<tr>
<th>Postage</th>
<th>Notification</th>
<th>Tracking</th>
<th>Receiving/sending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simply use your mobile phone to add postage</td>
<td>Always know which shipment is on the way…</td>
<td>… and where it currently is</td>
<td>Receiving and sending parcels around the clock</td>
</tr>
</tbody>
</table>

- **Postage**:
  - Mobile stamps: End 2020
  - Mobile parcel stamps and returns: Now available

- **Notification**:
  - Notification and copy: Summer 2020
  - 15-minute notification: Fall 2020

- **Tracking**:
  - Letter tracking: Starting in 2021
  - Live parcel tracking: Ramp-up 2020

- **Receiving/sending**:
  - Packstation expansion: 7,000 Packstations through 2021 and the new self-service kiosk solution *Post & Paket 24/7* that will offer basic mail and parcel services starting in 2021

---

VIRTUAL MANAGEMENT ROADSHOW | FRANK APPEL | MARCH 2020
P&P Germany: Financial Outlook

Market (2018 – 25)

Market growth assumptions

- Mail volume: decline of -2 to 3% p.a.
- Parcel volume: growth of +5 to 7% p.a.

Expected growth vs. market

- IN LINE (2020: Expected -5 to -6%)
- AT LEAST IN LINE (2020: Expected 0 to +5%)

Capex Outlook

- Capex p.a. between €500-600m for 2020-2022
- Expansion of Parcel infrastructure (e.g. Packstation, hubs, depots, fleet), new sorting concepts and digitalization

EBIT Outlook

2020

- Guidance confirmed: € >1.6bn
- Margin ~10%

Beyond 2020

- Slow topline growth with stable margin
DHL Express are the ‘Experts in Export and Import’

The Profitable Core

Time Definite International (TDI) service for premium, cross-border delivery of time-critical parcels and documents

Revenue Mix\(^1\)

<table>
<thead>
<tr>
<th>Service</th>
<th>Revenue Mix (€bn, FY 2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDI</td>
<td>77%</td>
</tr>
<tr>
<td>DDI &amp; TDD</td>
<td>10%</td>
</tr>
<tr>
<td>ACS &amp; Others</td>
<td>13%</td>
</tr>
</tbody>
</table>

Global TDI market\(^2\)

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHL</td>
<td>38.0%</td>
</tr>
<tr>
<td>UPS</td>
<td>22.0%</td>
</tr>
<tr>
<td>FedEx</td>
<td>29.0%</td>
</tr>
<tr>
<td>Others</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

\(^1\) TDI: Time-Definite International, DDI: Day-Definite International, TDD: Time-Definite Domestic, ACS: Air Capacity Sales & Other Products & Services

\(^2\) Source: Market Intelligence 2017, annual reports
Express: Leading global footprint drives well supported TDI growth in 2019

TDI volume growth, quarterly growth ranking 2015 - 2019

FY19 TDI shipments/day
+7.8% Europe
+5.4% Americas
+3.7% Asia Pacific
+2.9% Middle East Africa

+8.7%  +7.6%  +9.9%  +7.4%  FY: 5.7%  Q4: 5.4%
DHL Express: TDI focus drives sustained growth momentum

<table>
<thead>
<tr>
<th>TDI Shipments per Day</th>
<th>2015-2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DHL EXPRESS</strong></td>
<td>7-10%</td>
<td>5.7%</td>
</tr>
<tr>
<td><strong>B2B</strong></td>
<td><strong>Mid single-digit</strong></td>
<td><strong>Low single-digit</strong></td>
</tr>
<tr>
<td><strong>B2C</strong></td>
<td>20 plus %</td>
<td>15 plus %</td>
</tr>
</tbody>
</table>
E-commerce is a Profitable Growth Driver for DHL Express

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

<table>
<thead>
<tr>
<th>KPI</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2C shipment share</td>
<td>10%</td>
<td>30%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>9%</td>
<td>12%</td>
</tr>
</tbody>
</table>

- **SpD**: Volume growth drives better utilization of existing network
- **WpS**: Lower weight per shipment
- **RpK**: Higher Revenue per Kilo 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
Intercontinental Fleet: Use Replacements as Opportunity to Move Towards Higher Ownership Structure

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 intercontinental fleet still more tilted towards leases

Outlook: intercontinental replacements by new, owned planes

- Order for 14 Boeing 777s signed, in-line with intentions announced at May 2018 CMD – first delivery 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

2010: ~150 planes

2019: >200 planes
DHL Express: Virtual Airline Model

- **45 dedicated intercontinental aircraft**
- **237 dedicated regional aircraft**

**Virtual Airline**

- Approx. 500 airports and 22 major hubs connected through
- **Dedicated air:** >260 aircraft with 17 owned and partner airlines
- **Purchased air:** >300 commercial airlines
- **Flights per day:** ~3,200 commercial and non-commercial
Express Capex: B777 investment peak in 2019, flat around €1bn excl. B777 order

DHL Express Capex

- B777 order
- Express excl. B777 order

Boeing 777 order
- Expected Capex peak of €1.1bn in 2019
- Investment fully accomplished by 2021
- No net capacity increase: B777 planes replace end-of-lifetime leases

Confirmed Capex budget of €1bn/year:
- Includes planes, vehicles and hubs/depots
- Covers capacity replacement & growth in line with mid-term expectation of +4-5% TDI market volume growth p.a.
## DHL Express: Financial Outlook

### Market (2018 – 25)

<table>
<thead>
<tr>
<th>Market growth assumptions</th>
<th>Expected growth vs. market</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDI volume growth: 4-5%</td>
<td>AT LEAST IN LINE</td>
</tr>
<tr>
<td></td>
<td>Expected growth vs. market</td>
</tr>
<tr>
<td></td>
<td>Supported by unchanged strong yield discipline</td>
</tr>
</tbody>
</table>

### Capex Outlook

- Excl. current replacement order for Boeing 777s, capex flat around 2018 level of €~1bn for next 2-3 years
- Investment in expansion and digitalization along whole value chain (air & ground fleet, hubs/gateways/depots)

### EBIT Outlook

- Continued growth of absolute EBIT
- Continued, but more incremental margin expansion
DGFF: The foundation for further success has been laid

The Profitable Core

International transportation of Air Freight, Ocean Freight and Road Freight including Customs Clearance and related Value-added Services like warehousing, cargo insurance, etc.

Revenue Mix

(€bn, FY 2019)

<table>
<thead>
<tr>
<th>Service</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air</td>
<td>4.9</td>
</tr>
<tr>
<td>Road</td>
<td>4.4</td>
</tr>
<tr>
<td>Ocean</td>
<td>3.5</td>
</tr>
<tr>
<td>Other</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Market Position

(2018)

<table>
<thead>
<tr>
<th>Position</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Air Freight</td>
</tr>
<tr>
<td>#2</td>
<td>Ocean Freight</td>
</tr>
<tr>
<td>#2</td>
<td>European Road Freight</td>
</tr>
</tbody>
</table>
DGFF: Weakening momentum across major markets

- Overall slowdown in the market due to macro and trade tensions
- Overall DGF Gross Profit down 2.8% yoy reflecting market conditions
- Internal measures allowed to turn GP decline into further EBIT increase through incremental GP/EBIT conversion improvement

<table>
<thead>
<tr>
<th>Q4 2019 yoy</th>
<th>Air Freight</th>
<th>Ocean Freight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes</td>
<td>-3.3%</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>-6.7%</td>
<td>-5.2%</td>
</tr>
<tr>
<td>GP/EXP t ; GP/TEU</td>
<td>-3.5%</td>
<td>-1.8%</td>
</tr>
</tbody>
</table>
DGF: EBIT growth supported by further GP-to-EBIT conversion improvement

DGF EBIT margin and GP/EBIT conversion

- Increase in 2019 DGFF GP driven by improved GP margin in AFR, Other and Freight
- Continued GP-EBIT conversion improvement reflecting successful execution on internal self-help measures
- DGFF EBIT: +17.9% in FY 2019, +7.5% in Q4 2019
- CW1 Update: >95% of Ocean Freight volumes and ~15% of Air Freight volumes rolled out

1) Adjusted for NFE one-off
DGFF – Emerging new rivals do not pose imminent risk of disruption

Gaps to close
- Back-end IT infrastructure
- Own setup (physical) globally
- Operational expertise
- Global sales force
- Carrier relationships

Gaps to close
- Modern, fully-integrated IT infrastructure
- Digital customer interaction tools
Complemented by DHL interaction applications to enhance our customer experience

- DGF’s one-stop customer portal to excellence in digital transport logistics
- Delivers fast and accurate information to enhance decision-making
- Follow and share shipment details with all relevant shipment parties
- Integrated quoting capability, reporting and analytics features available
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.

**Goods to be shipped**
- Quotation Process
- Plan route & organize shipment
- Take control of goods from customer
- Create documents for export compliance & customs
- Manage transport to port/airport
- Consolidation
- Manage loading & export process
- Ensure goods are shipped
- Accept delivery at port/airport
- Ensure shipment stays on track

**Billing & payments**
- Transport to warehouse or final destination
- Manage documents for import compliance & customs process
- Manage documents for import compliance & customs process
- Accept delivery at port/airport

**Success in Forwarding** is built on experience, customer relationships, processes and in some aspects, such as consolidation, is also a function of scale.
DGFF: Financial Outlook

Market (2018 – 25)

Market growth assumptions
- Air Freight +1-3%; Ocean Freight +2-4%
- Road Freight +3-4%

Expected growth vs. market
- Above
  Aligned with unchanged focus on GP optimization and profitable growth

Capex Outlook
- Flat / slightly increasing from FY18 levels (€110m)
- Asset light business model: Selected investments related to warehouses, sites and IT

EBIT Outlook
- DGF GP-EBIT conversion improvement of 100-200 bps p.a.
- 2020 target: 20% DGF GP-EBIT conversion
- Long-term target: ~30% DGF conversion driving 5-6% DGFF EBIT margin
DHL Supply Chain: Business Overview

The Profitable Core

- We manage supply chains to reduce complexity for our customers.
- Our profitable core includes warehousing, transportation as well as key solutions like LLP*, Service Logistics, packaging and e-commerce
- We lead in innovation and sustainable solutions

Revenue Mix (%, FY 2019)

<table>
<thead>
<tr>
<th>Category</th>
<th>Revenue Mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>29%</td>
</tr>
<tr>
<td>Consumer</td>
<td>24%</td>
</tr>
<tr>
<td>Auto-mobility</td>
<td>15%</td>
</tr>
<tr>
<td>Technology</td>
<td>14%</td>
</tr>
<tr>
<td>Lifesciences</td>
<td>9%</td>
</tr>
<tr>
<td>Engineering &amp; Manufacturing</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
</tbody>
</table>

Key Facts

- ~2,000 sites globally
- 35% of revenue is transport
- >160,000 employees across 55 countries
- >180 annual project go-lives with 100% start-up performance

*Lead Logistics Provider
DHL Supply Chain: Solutions Overview

Offering Customized Solutions Across the Entire Supply Chain

Revenue by Service Area
FY 2019

- Transportation: 37%
- Value Added Services: 7%
- Warehousing: 56%
DSC: Contributing to Group EBIT growth with industry-leading margins

<table>
<thead>
<tr>
<th>Component</th>
<th>Value (in €m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 EBIT excl. One-offs</td>
<td>612</td>
</tr>
<tr>
<td>Discontinued China contribution</td>
<td>-22</td>
</tr>
<tr>
<td>China disposal</td>
<td>+426</td>
</tr>
<tr>
<td>Restructuring charge</td>
<td>-151</td>
</tr>
<tr>
<td>Operating improvement</td>
<td>+47</td>
</tr>
<tr>
<td>+8% yoy</td>
<td></td>
</tr>
<tr>
<td>2019 Reported EBIT</td>
<td>912</td>
</tr>
</tbody>
</table>

*Note: EBIT excl. One-offs and Discontinued China contribution are calculated before the China disposal and Restructuring charge.*
**DSC: EBIT Margin Development By Region**

**Americas**
- Solid topline growth with margins on sustainable strong level

**EMEA**
- Benefits from restructuring measures in UK beginning to drive margin recovery

**APAC**
- Continued strong performance across countries; margin decline in 2019 was due to discontinued EBIT contribution from China

*All figures excluding one-offs*
#ExecutionEdge: Standardization is key to success – DSC leverages a holistic Management System

Operations Management System First Choice (OMS FC)
#OwnTomorrow: Leading the industry in innovation deployment with the Accelerated Digitalization Program

DSC has a clear focus on technologies that can be scaled widely and selected high impact technologies

<table>
<thead>
<tr>
<th>High impact</th>
<th>High scalability</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOODS-TO-PERSON ROBOTS</td>
<td>CLEANING ROBOTS</td>
</tr>
<tr>
<td>ASSISTED PICKING ROBOTS</td>
<td>ROBOTICS PROCESS AUTOMATION</td>
</tr>
<tr>
<td>NARROW AISLE ROBOTS</td>
<td>WEARABLE DEVICES</td>
</tr>
<tr>
<td>INDOOR ROBOTIC TRANSPORT</td>
<td>DESIGN &amp; SIMULATION</td>
</tr>
<tr>
<td>ROBOTICS ARMS</td>
<td>WRAPPING ROBOTS</td>
</tr>
<tr>
<td>DHL RESOURCE PLANNING</td>
<td></td>
</tr>
<tr>
<td>INVENTORY MGMT. ROBOTS</td>
<td></td>
</tr>
</tbody>
</table>

### High impact technologies

- **GOODS-TO-PERSON ROBOTS**: 7 projects on deployment & 10 go-lives completed
- **ASSISTED PICKING ROBOTS**: 10 projects on deployment & 137 go-lives completed
- **NARROW AISLE ROBOTS**: 3 projects on deployment & 80 go-lives completed
- **WEARABLE DEVICES**: 137 projects on deployment & 80 go-lives completed
- **ROBOTICS PROCESS AUTOMATION**: 80 projects on deployment & 80 go-lives completed
- **CLEANING ROBOTS**: 11 projects on deployment & 11 go-lives completed
- **INDOOR ROBOTIC TRANSPORT**: 24 projects on deployment & 15 go-lives completed
- **ROBOTICS ARMS**: 15 projects on deployment & 15 go-lives completed
- **DHL RESOURCE PLANNING**: 9 projects on deployment & 11 go-lives completed
- **INVENTORY MGMT. ROBOTS**: 11 projects on deployment & 11 go-lives completed
- **DESIGN & SIMULATION**: 13 projects on deployment & 13 go-lives completed
- **WRAPPING ROBOTS**: 66 projects on deployment & 66 go-lives completed

### Source

- AD Collaboration Hub, SD Automation Tracker, Salesforce; 1) Number of unique sites/customers identified by DSC facility/customer ID in deployment phases O2. Site Assessment or further along deployment process (i.e. excluding opportunities not assessed). Blank customer/facility IDs are ignored; 2) Parent customer accounts that generated revenue in the last financial year; 3) Incl. new business and renewals. As measured by SD Automation Tracker by KPI “Technologies proposed”
# DHL Supply Chain: Financial Outlook

## Market (2018 – 25)

### Market growth assumptions

- Outsourced contract logistics:
  - Revenue growth of ~4% p.a.

### Expected growth vs. market

- AT LEAST IN LINE

## Capex Outlook

- Slightly increasing from FY 2018 levels (€282m) driven by new business wins
- Asset light business model
- Selected investments related to new business start-ups and accelerated digitalization initiatives

## EBIT Outlook

- Topline growth at least in line with market, while maintaining selective business approach
- Maintain industry leading margin at ~5%
Going forward we focus on domestic and non-time-definite international parcel delivery - especially within Europe.

**The Profitable Core**

- **Domestic last mile parcel delivery** in selected countries outside of Germany (Europe, USA and selected Asian emerging markets)
- **Non-TDI cross-border services** primarily to/from and within Europe.

**Revenue Mix**

(€bn, FY 2019)

- 14% Asia
- 29% Americas
- 57% Europe

**We are not**

- ... driving a **group-wide e-commerce logistics global strategy**
- ... focusing on **B2C only but also on B2B** across all verticals
- ... the **testing environment** anymore (e.g. eFulfillment or Parcel Metro)
DHL eCommerce Solutions: on track for the first year of profit contribution in 2020

- 2019 EBIT development marked by planned restructuring measures across DeCS portfolio (€ -80m)
- Significant performance improvement initiated and showing benefits:
  - Operational efficiency
  - Reduction of overhead cost
  - Service portfolio adaptation
DHL eCommerce Solutions: Focus on two value streams

Domestic last mile delivery

- High quality delivery in own and partner-networks
- Healthy mix of B2C and B2B across all verticals
- Strong focus on yield and profitability

Non-TDI cross-border

- Strong growth in cross border retail
- Changing expectations on speed, visibility & quality
- Primary focus to/from and intra Europe
- Parcel Connect in Europe a strong and growing platform
## DeCS Financial Outlook

### Market (2018 – 25)

**Market growth assumptions**

- Strong, heterogeneous growth across domestic and cross-border ecommerce markets

**Expected growth vs. market**

- CAGR of 5-10% across all businesses
- Based on selective B2C approach and added B2B focus

### Market growth assumptions

- Average spend of ~€200m p.a. over 2019-2022 (2018: €166m)
- Investments along whole value chain: fleet replacement, network expansion, digital platform, machinery and equipment in hub and depots

### Capex Outlook

- Positive EBIT contribution of €50-100m in 2020

### EBIT Outlook

- 5-10% sales growth with gradual margin expansion towards 5% long-term margin across all businesses
## FY 2019 Group P&L

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>vs. LY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>€61,550</td>
<td>€63,341</td>
<td>+2.9%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>€3,162</td>
<td>€4,128</td>
<td>+30.6%</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>-€576</td>
<td>-€654</td>
<td>-13.5%</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>-€362</td>
<td>-€698</td>
<td>-92.8%</td>
</tr>
<tr>
<td><strong>Consolidated net profit</strong></td>
<td>€2,075</td>
<td>€2,623</td>
<td>+26.4%</td>
</tr>
<tr>
<td><strong>EPS (in €)</strong></td>
<td>€1.69</td>
<td>€2.13</td>
<td>+26.0%</td>
</tr>
</tbody>
</table>

*after minority interest
## FY 2019 Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>vs. LY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBIT</strong></td>
<td>3,162</td>
<td>4,128</td>
<td>+966</td>
</tr>
<tr>
<td>Depreciation/amortization</td>
<td>3,292</td>
<td>3,684</td>
<td>+392</td>
</tr>
<tr>
<td>Change in provisions</td>
<td>282</td>
<td>-506</td>
<td>-788</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>-579</td>
<td>-843</td>
<td>-264</td>
</tr>
<tr>
<td>Other</td>
<td>-78</td>
<td>-418</td>
<td>-340</td>
</tr>
<tr>
<td>Changes in Working Capital</td>
<td>-283</td>
<td>4</td>
<td>+287</td>
</tr>
<tr>
<td><strong>OCF</strong></td>
<td>5,796</td>
<td>6,049</td>
<td>+253</td>
</tr>
<tr>
<td>Net Capex</td>
<td>-2,498</td>
<td>-3,474</td>
<td>-976</td>
</tr>
<tr>
<td>Net cash for leases</td>
<td>-2,081</td>
<td>-2,278</td>
<td>-197</td>
</tr>
<tr>
<td>Net M&amp;A</td>
<td>-60</td>
<td>680</td>
<td>740</td>
</tr>
<tr>
<td>Net interest</td>
<td>-98</td>
<td>-110</td>
<td>-12</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>1,059</td>
<td>867</td>
<td>-192</td>
</tr>
</tbody>
</table>
2019 OCF Generation: Major yoy movements

EBIT | D&A
--- | ---
2018 | 3.162 | 4.128
2019 | 3.292 | 3.684

Mainly DSC China disposal
-447

Mainly P&P early retirement programs (2018/19)
-788
282
+176

Mainly higher EBIT and timing effects
-264
101

Net income from disposal of assets
-18
-465

Chg in provision
-506

Chg in other non-current assets / liab.
-75

Income Taxes Paid
-579
-843

Changes in Working Capital
-283

OCF
+253
5.796

3.292
3.162
3.684
4.128

+966
+392

+287
4

+253
6.049

-966
-392
Cash Flow Outlook: Overview of major drivers (1/2)

<table>
<thead>
<tr>
<th></th>
<th>2019 (in €m)</th>
<th>2020e (in €bn)</th>
<th>FCF effect 22e vs 20e</th>
<th>Main Drivers 2020 – 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>4,128</td>
<td>&gt;5.0</td>
<td></td>
<td>EBIT guidance, 2020: &gt;€5bn, 2022: &gt;€5.3bn</td>
</tr>
<tr>
<td>Depreciation/amortization</td>
<td>3,684</td>
<td>~+3.7</td>
<td></td>
<td>Slight increase in line with spent Capex and leases</td>
</tr>
<tr>
<td>Change in provisions</td>
<td>-506</td>
<td>~0.4</td>
<td></td>
<td>Includes yearly pension costs; In 2019 and 2020 utilisation for early retirement program / restructuring</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>-843</td>
<td>~0.9</td>
<td></td>
<td>Reflecting rising EBT</td>
</tr>
<tr>
<td>Change in WC / Other</td>
<td>-414</td>
<td>~0.3</td>
<td></td>
<td>Slight WC build-up reflecting business growth; &lt;€-100m from P&amp;P early retirement in 2020, slightly declining thereafter</td>
</tr>
<tr>
<td>OCF</td>
<td>6,049</td>
<td>~7.0</td>
<td></td>
<td>Improvement mainly driven by EBIT growth</td>
</tr>
</tbody>
</table>

Excl. Corona and StreetScooter
# Cash Flow Outlook: Overview of major drivers (2/2)

### Main Drivers 2020 - 2022

<table>
<thead>
<tr>
<th></th>
<th>2019 (in €m)</th>
<th>2020e (in €bn)</th>
<th>FCF effect 22e vs 20e</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OCF</strong></td>
<td>6,049</td>
<td>~7.0</td>
<td></td>
<td>↑</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Improvement mainly driven by EBIT growth</td>
<td></td>
</tr>
<tr>
<td><strong>Net Capex</strong></td>
<td>-3,474</td>
<td>~-3.0</td>
<td></td>
<td>↔</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Slight gradual increase in regular Capex</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total group capex declining due to Express B777 order (2019: ~€1.1bn, 2020: ~€500m, 2021: &lt;€300m)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Cash for Leases</strong></td>
<td>-2,278</td>
<td>~-2.4</td>
<td></td>
<td>↔</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Slightly increasing in line with business growth</td>
<td></td>
</tr>
<tr>
<td><strong>Net M&amp;A</strong></td>
<td>680</td>
<td>~0.1</td>
<td></td>
<td>➔</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2019: €+653m China DSC deal; 2020-22: No significant M&amp;A planned</td>
<td></td>
</tr>
<tr>
<td><strong>Net Interest</strong></td>
<td>-110</td>
<td>~0.1</td>
<td></td>
<td>➔</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No major change expected</td>
<td></td>
</tr>
<tr>
<td><strong>Free Cash Flow guidance</strong></td>
<td>867</td>
<td>~1.4</td>
<td></td>
<td>➔</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Significant improvements vs 2019 trough</td>
<td></td>
</tr>
</tbody>
</table>
Balance sheet continues to show healthy leverage ratios

- **48.2%** Net Gearing
- **27.6%** Equity Ratio
- **1.9x (2018)** Net Debt / EBITDA
- **1.7x (2019)**
- **5.9x** Interest Cover

**Net Debt**

- **13,367** in €m

**EBITDA**

- **7,812** in €m

**EBIT**

- **4,128** in €m

**Interest Expense**

- **698** in €m

**Total Equity & Liabilities 31.12.2019**

- **52,169** in €m

**Equity**

- **52,169**

**Non-current liabilities**

- **-**

**Current liabilities**

- **-**

**Other Provisions**

- **-**

**Pension Provisions**

- **-**
Net Debt / EBITDA: History and Outlook

- Introduction
- €1bn Pension Funding
- IFRS16 Introduction

Graph showing debt trends from 2012 to 2021.
### DPDHL Group Pensions – DBO and DCO plans

#### Defined Benefit (Staff Costs & Change in Provisions)

- **Civil Servants in Germany**
  - 2014: 13,754
  - 2015: 13,758
  - 2016: 163
  - 2017: 193
  - 2018: 162
  - 2019: 187

- **Hourly workers & salaried employees**
  - 2014: 6,137
  - 2015: 5,102
  - 2016: 268
  - 2017: 264
  - 2018: 266
  - 2019: 230

#### Defined Contribution (Cash out = staff costs in EBIT)

- **Civil Servants in Germany**
  - 2014: 531
  - 2015: 516
  - 2016: 493
  - 2017: 461
  - 2018: 449
  - 2019: 409

- **Hourly workers & salaried employees**
  - 2014: 276
  - 2015: 317
  - 2016: 305
  - 2017: 300
  - 2018: 307
  - 2019: 347

#### Discount Rate

<table>
<thead>
<tr>
<th></th>
<th>Germany</th>
<th>UK</th>
<th>Other</th>
<th>Total Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31st 2018</td>
<td>2.30%</td>
<td>2.70%</td>
<td>2.35%</td>
<td>2.42%</td>
</tr>
<tr>
<td>Dec 31st 2019</td>
<td>1.40%</td>
<td>1.90%</td>
<td>1.52%</td>
<td>1.56%</td>
</tr>
</tbody>
</table>
Investor Relations Contact

Martin Ziegenbalg  
+49 228 182 63000  
m.ziegenbalg@dpdhl.com

Robert Schneider  
+49 228 182 63201  
robert.schneider1@dpdhl.com

Sebastian Slania  
+49 228 182 63203  
sebastian.slania@dpdhl.com

Christian Rottler  
+49 228 182 63206  
christian.rottler@dpdhl.com

Agnes Putri  
+49 228 182 63207  
a.putri@dpdhl.com
• This presentation contains certain statements that are neither reported results nor other historical information. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Deutsche Post AG’s ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. Deutsche Post AG does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation.

• This presentation does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor shall there be any sale, issuance or transfer of the securities referred to in this presentation in any jurisdiction in contravention of applicable law.

• Copies of this presentation and any documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from Australia, Canada or Japan or any other jurisdiction where to do so would be unlawful.

• This document represents the Company’s judgment as of date of this presentation.