DHL SUPPLY CHAIN – ON A NEW LEVEL

MANAGEMENT UPDATE & SITE VISIT

Florstadt, 13 May 2022

DHL Supply Chain – Excellence. Simply delivered.
Your hosts today

Oscar de Bok
CEO DHL Supply Chain

Dietrich Franz
CFO DHL Supply Chain

Martin Ziegenbalg
EVP Head of Investor Relations DPDHL
AGENDA FOR TODAY

Welcome & Introduction to DHL Supply Chain 11:30 – 12:00

Site Tour 12:00 – 13:20

Networking Break & Lunch 13:20 – 13:50

Best positioned to win in the future 13:50 – 14:35

Q&A 14:35 – 15:00
AGENDA

- DHL Supply Chain – Leader in contract logistics
- Site Tour
- DHL Supply Chain – Best positioned to win in the future
- Q&A
Industry-leading EBIT margin of >5% and attractive top line growth of 10%

Leading in Omni-channel and e-Commerce incl. returns solutions

Proactive real estate strategy in tier 1 locations enables fast growth in times of capacity constraints

Scalable and flexible digital solutions embedded in our standard ways of working driving efficiency

Strong Employer of Choice focus with 100k+ employees working in GPTW* environment, thus attract and retain employees in times of labor shortage

Business provides the largest supply chain data pool and we leverage data analytics to drive value
DHL SUPPLY CHAIN IS THE MOST INNOVATIVE LOGISTICS PROVIDER, DELIVERING CONSISTENTLY ACROSS ALL BOTTOM LINES

EMPLOYER OF CHOICE
- +18.3k more employees (vs. 2019), proving our recruiting and retention approach in times of labor shortages
- +7pp. Employee Engagement score of Employee Opinion Survey (EOS) (vs. 2019)

PROVIDER OF CHOICE
- +13 pt. of Net Promoter Score (NPS) increase from 2019 to 2021
- >€5bn new sales in 2021 (total contract value, +20% vs. 2019)

SUSTAINABLE DEVELOPMENT
- Industry leading safety with 66% lower Lost Time Injury Frequency Rate compared to industry average
- >43% of our facilities are already carbon neutral

INVESTMENT OF CHOICE
- EBIT margin at industry leading >5.0% and EBITDA margin of 10.5%
- >75% of employees working in digitalized environment

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1) FTEs at year-end: FY 2021 vs. 2019
2) 0.54 Lost Time Injury Frequency Rate (LTIFR) for DSC vs. industry average of 1.6
3) Employees on locations which have at least one active project of our 12 focus technologies

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WE ARE MORE THAN TWICE THE SIZE OF OUR CLOSEST COMPETITORS AND THE ONLY ONE BEING ABLE TO SCALE GLOBALLY

Contract logistics players
(Revenue 2020 in €B)

1. Market shares only refer to the company’s respective contract logistics segment. Source: DPDHL Market Intelligence, Transport Intelligence. Market share is presented on the basis of divisional revenue.
DSC is the only truly global player capable of managing supply chains across all continents.

We drive growth from a diversified customer base.

We ensure resilience by serving diversified strategic sectors.

**Revenue Mix, FY 2021**

- Retail: 29%
- Consumer: 22%
- Auto-Mobility: 14%
- Technology: 13%
- Life Science & Healthcare: 12%
- Engineering & Manufacturing: 5%
- Others: 5%

**Examples**

- **Blue-chip customers**
  - IBM
  - Pfizer
  - wayfair
  - zalandc
  - adidas
  - OxiWorks
  - MARS
  - SPACEX
  - ALCHEMY
  - SAMSUNG
  - BAYER
  - Tiendanimal
  - mercadolibre

- **‘Rising stars’**
  - Example blue-chip customers
  - Example ‘rising stars’

- 15% of revenue from top 10 customers
- 80% of revenue from top 200 customers

+50 countries with own operations

+1500 operations in strategic locations globally

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Our strategic solutions are targeted to our customer’s needs across all industry verticals and accelerate our top and bottom line growth.

<table>
<thead>
<tr>
<th>Industry Vertical</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>State of the Art omni-channel and e-fulfillment solutions incl. returns management</td>
</tr>
<tr>
<td>Consumer</td>
<td>Delivery within 2-4 hours in an unrivalled worldwide network for global aftermarket services of critical parts e.g. for medical devices</td>
</tr>
<tr>
<td>Auto-Mobility</td>
<td>Management and optimization of the entire or significant parts of customers’ supply chain’s</td>
</tr>
<tr>
<td>Life Science &amp; Healthcare</td>
<td>Tailored design and execution of packaging services</td>
</tr>
<tr>
<td>Technology</td>
<td>Design, development and management of logistics real estate in strategic locations</td>
</tr>
<tr>
<td>Engineering &amp; Manufacturing</td>
<td>Domestic distribution building upon the largest collection of domestic transport capabilities in the industry as well as x-border transport</td>
</tr>
<tr>
<td>e-Commerce incl. returns</td>
<td>Providing best-in-class dedicated or shared warehousing operations</td>
</tr>
</tbody>
</table>

- **e-Commerce incl. returns**: State of the Art omni-channel and e-fulfillment solutions incl. returns management
- **Service Logistics**: Delivery within 2-4 hours in an unrivalled worldwide network for global aftermarket services of critical parts e.g. for medical devices
- **Lead Logistics Provider**: Management and optimization of the entire or significant parts of customers’ supply chain’s
- **Packaging**: Tailored design and execution of packaging services
- **Real Estate Solutions**: Design, development and management of logistics real estate in strategic locations
- **Transport**: Domestic distribution building upon the largest collection of domestic transport capabilities in the industry as well as x-border transport
- **Warehousing**: Providing best-in-class dedicated or shared warehousing operations
Our strategic solutions are accelerating growth

**Service Portfolio Mix**

- Warehousing & value added services: 41%
- e-Commerce & returns: 13%
- Lead Logistics Provider, Service Logistics & Packaging: 14%
- Transport Solutions: 32%

**2021 vs. 2020 Revenue Growth**

- e-Commerce incl. returns: +25%
- Service Logistics: +17%
- LLP: +11%
- Packaging: +23%
- Transport: +13%

Based on FY 2021 Revenue
A strong financial profile on a profitable growth trajectory

Topline growth in 2021 driven by

- New business signings
- Great contract retention performance
- Strong demand for e-Commerce and strategic products

1) adjusted for divested businesses

Leading EBIT margins driven by

- Growth in strategic products with higher margins
- Productivity gains from digitalization

2) adjusted for Greater China divestment gain and restructuring one-offs
Digitalization and Automation drive profitable growth

**CapEx 2021 vs. 2019 (€m)**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>324</td>
<td>483</td>
</tr>
</tbody>
</table>

>50% of CapEx in 2021 is Automation & Digitalization

**Return on Capital Employed**

<table>
<thead>
<tr>
<th></th>
<th>2019²</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>23%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Generating higher returns on more digitalized asset base

1) excl. Goodwill, incl. leases
2) EBIT adjusted for Greater China divestment gain and restructuring one-offs
Focus on Net Working Capital drives strong EBITDA to Cash Conversion

Operating Cash Flow (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Cash Flow (€m)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1,337</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>1,582 (+18%)</td>
<td></td>
</tr>
</tbody>
</table>

Operating Cash flow as % of EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Cash Flow as % of EBITDA</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>74%</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>108% (+34 ppt.)</td>
<td></td>
</tr>
</tbody>
</table>
Q1 2022 top and bottom line growth remains strong

**Q1 Revenue (€m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>3,241</td>
</tr>
<tr>
<td>2022</td>
<td>3,815</td>
</tr>
</tbody>
</table>

**Q1 EBIT (€m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>167</td>
</tr>
<tr>
<td>2022</td>
<td>205</td>
</tr>
</tbody>
</table>

EBIT margin:

- 2021: 5.2%
- 2022: 5.4%
Financial Outlook

**Market & Revenue**
- **4 – 6% Market Growth**
  - Topline growth above market, while maintaining selective business approach

**Capex**
- **500+€m CapEx**
  - Increasing from FY2021 levels driving growth, digitalization & decarbonization

**EBIT**
- **5 – 6% EBIT Margin**
  - Continuous improvement of industry-leading profitability with EBIT margin of 5-6%

**Return on Capital Employed**
- **25%+ ROCE**
  - Improving mid-term from FY2021 levels while continuing to invest into automation and digitalization

1) excl. Goodwill, incl. leases
AGENDA

- DHL Supply Chain today – Leader in contract logistics
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- DHL Supply Chain – Best positioned to win in the future
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Significant acceleration in global mega trends and changing customer needs increase complexity of Supply Chains

Global Mega Trends...

- Globalization
- E-Commerce
- Digitalization
- Sustainability

...shape rising Customer needs

- Flexibility & Agility
- Speed
- ESG
- Resilience
- Cost
We target to continue to outgrow ~4-6% market growth

Outsourced market development\(^1\) (in €B)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>~220</td>
<td></td>
<td>~360</td>
</tr>
</tbody>
</table>

+4-6%  

1. Excludes Real Estate Solutions and Packaging
Source: DPDHL Market Intelligence, Statista, Passport/Euromonitor, EvaluatePharma, APQC, Armstrong & Associates, Inc., Mordor Intelligence
E-COMMERCE AND OMNI-CHANNEL DEMANDS CONTINUE TO INCREASE AND WE ARE BEST SUITED TO CATER TO THEM

- €1.8bn revenue in e-commerce (+51% vs 2019)
- Strong customer sign up on Fulfillment networks
- ~50 returns operations centers globally
- 189 operations across all regions
- More than 25% of DSC’s in new business signings is from e-commerce in 2021
We deliver State of the Art fulfillment and returns solutions catering to specific customer needs and exceeding growth plans.

<table>
<thead>
<tr>
<th>Dedicated Fulfillment and Omni-channel solutions</th>
<th>Fulfillment Networks</th>
<th>Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tailored solutions building on DSC's extensive experience incl. automation solutions</td>
<td>Easy fulfillment - close to your customers on a click</td>
<td>Full breadth of returns handling services</td>
</tr>
<tr>
<td>Best in class operations to deliver on customer promise</td>
<td>Multi-customer sites offering e-Commerce sellers quicker market access</td>
<td>Returns shipping</td>
</tr>
<tr>
<td>Fit for purpose automation solutions</td>
<td>+30 locations in Europe and India live and growing</td>
<td>Returns Fulfillment</td>
</tr>
<tr>
<td>Full end to end visibility via MySupplyChain</td>
<td>Fast set up easily integrating via API and key web-shops</td>
<td>Returns Management</td>
</tr>
</tbody>
</table>
We are leading the industry’s ESG standards to offer a future-proof product portfolio to our customers

**Environment**
Clean operations for climate protection

**Example initiatives**
- Net-Zero carbon warehouses
- Reducing transport emissions
- GoGreen sustainable customer solutions

>43%
Carbon neutral warehouses

**Social**
Great company to work for

**Example initiatives**
- Industry-leading OHS\(^1\) standards
- Diversity and inclusion
- CSR / Corporate Citizenship

\(~66\%\)
Lower Lost Time Injury Frequency Rate compared to industry average\(^2\)

**Governance**
Highly trusted company

**Example initiatives**
- Data protection and IT-security
- Zero-tolerance to corruptive behavior
- Trade compliance

96% compliance training completion
DSC’s strong green solutions portfolio is a differentiator as customer’s CO₂ reduction commitments increase.

Examples of decarbonization measures:

**Warehousing**
- Building decarbonization: New build of >400,000 sqm. of carbon neutral warehouse space through our Real Estate Solutions product in 2022.

**Transport**
- CO₂ reduction within own fleet: Deployment of >520 gas vehicles in UK (until 2025)
- Securing bio gas supply: Closing long term biogas supply deals e.g. Ireland saving >15,000t CO₂ per year
- Third party transport: Green Carrier Certification

**Packaging**
- Focus renewable packaging: replacing conventional stretch wrap with fully fiber film (60% reduction in the amount of film used, compared to standard stretch wrap)

2/3 of our customers have signed off for Science Based Targets increasing their CO₂ reduction commitments.

1) Share of DHL Supply Chain’s Global Account Managed customers signed up for Science based Targets
SCALING DIGITALIZATION TECHNOLOGIES ON THE BASIS OF OUR MODULAR, STANDARDIZED BACK END TO MITIGATE LABOR SHORTAGE AND INCREASE PRODUCTIVITY

Standardization
Globally consistent operating standards via our Operations Management System First Choice

Automation and Digitalization
4,000+ digitalization projects live to date, focused on 12 core technologies for our customers
Our unique ecosystem of integrated IT solutions, robotics and data analytics applications maximize value for us & our customers.
Assisted picking robots as example for implementation of focus technologies

Assisted Picking Robots

- Transport cartons and picked goods through the warehouse, minimizing non-value-adding walking
- Calculates optimal order-picking route within the warehouse
- Supports with inventory replenishment
- Primarily used in piece-picking operations, such as eCommerce and Retail

# of robots live & planned

<table>
<thead>
<tr>
<th>Year</th>
<th>Bots deployed</th>
<th>Bots planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>108</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>451</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>1,691</td>
<td>1,708</td>
</tr>
<tr>
<td>2022E</td>
<td>2,000+</td>
<td></td>
</tr>
</tbody>
</table>

~30 – 180% Efficiency savings in picking productivity (units picked / hour)
DHL Robotics Hub

- Cloud based ‘plug & play’ integration of robotics into our IT landscape
- 60 % reduction in implementation time to deploy robotics solutions

- Optimal real time resource allocation between people and all integrated robotics for maximum efficiency and flexibility
Transport optimization as example how to leverage digital analytics capabilities

Transport Analytics

- Uses central data layer to consistently **optimize transport networks**
- Identifies backhaul opportunity for trucks to **increase network utilization**
- Optimizes lane combinations for international shipments to **reduce costs and emissions**

+5.4 million km
distance savings in EMEA alone in the first 6 month of deployment; combining ~21,000 shipments
Scaling digital business models successfully

Leading Digital Freight Platform UKI

- **Analytics enhanced** Digital Freight Platform increasing efficiency of freight transportation.
- **Real time instant visibility** for carriers and shippers
- Algorithms based **matching of loads**
- Easy and **fast carrier onboarding**
- **Optimizing capacity** for customers in times of driver shortage

~307 Avg. this month

~1452 Peak

>110,000 Transaction completed year to date.

>775 Carriers on the platform

>70 Live customers

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We are uniquely positioned to integrate physical and digital supply chain solutions

We are >2x the size of our closest competitors seen as the most innovative 3PL provider by Gartner ranking...

**#1 in global reach**
We operate 1,500 locations in 50 countries

**#1 in capacity**
>40 Mio square meters of warehouse space

**#1 in vehicles operated**
>10,000 own vehicles in addition to managed transportation

...and we are leading in digital capabilities

**#1 Logistic data pool globally**
Our global reach and scale gives us unmatched access to data

**#1 in workforce digitalization**
>75% of our employees operate in sites with focus technologies deployed

**#1 Leading technology ecosystem**
100+ strong partnerships to ensure speed and drive innovations

**Physical assets**

**Digital capabilities**
New global realities are changing Supply Chain requirements rapidly and further increasing the complexity of Supply Chains

- Scarcity
- Sociopolitical Environment
- Inflation
- Cybersecurity
DSC’s capability to manage inflation impact and capitalize on scarcities is a clear competitive advantage

**Capacity constraints**

- **Capacity to grow** in all Tier 1 locations globally
  - ~1.2m sqm. of prime real estate in strategic locations developed per year
  - Long term pre-defined rental development

**Driver / Transport capacity shortage**

- Leverage **digitalization** and **data analytics**
  - >5.4 million km saved with analytics based optimization and AI
  - Training >1,500 truck drivers in own driving schools

**Labor shortage**

- **Best talent approach** as competitive advantage
  - 1.4m applications screened for hiring & onboarding of >75k employees in 2021
  - 100k+ employees covered by GPTW
  - Scaling of **robotics solutions**

**Inflation**

- **Protected** in all types of contract
  - Contractually agreed inflation recovery and pass through
  - Effective labor management e.g. sharing across sites to mitigate impact
WHY DHL SUPPLY CHAIN?

1. Only player with true global scale and global customer access, serving all channels
2. We have access to the largest amount of supply chain data and drive value from it
3. We are best positioned to benefit from market scarcities
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