Deutsche Post DHL Group

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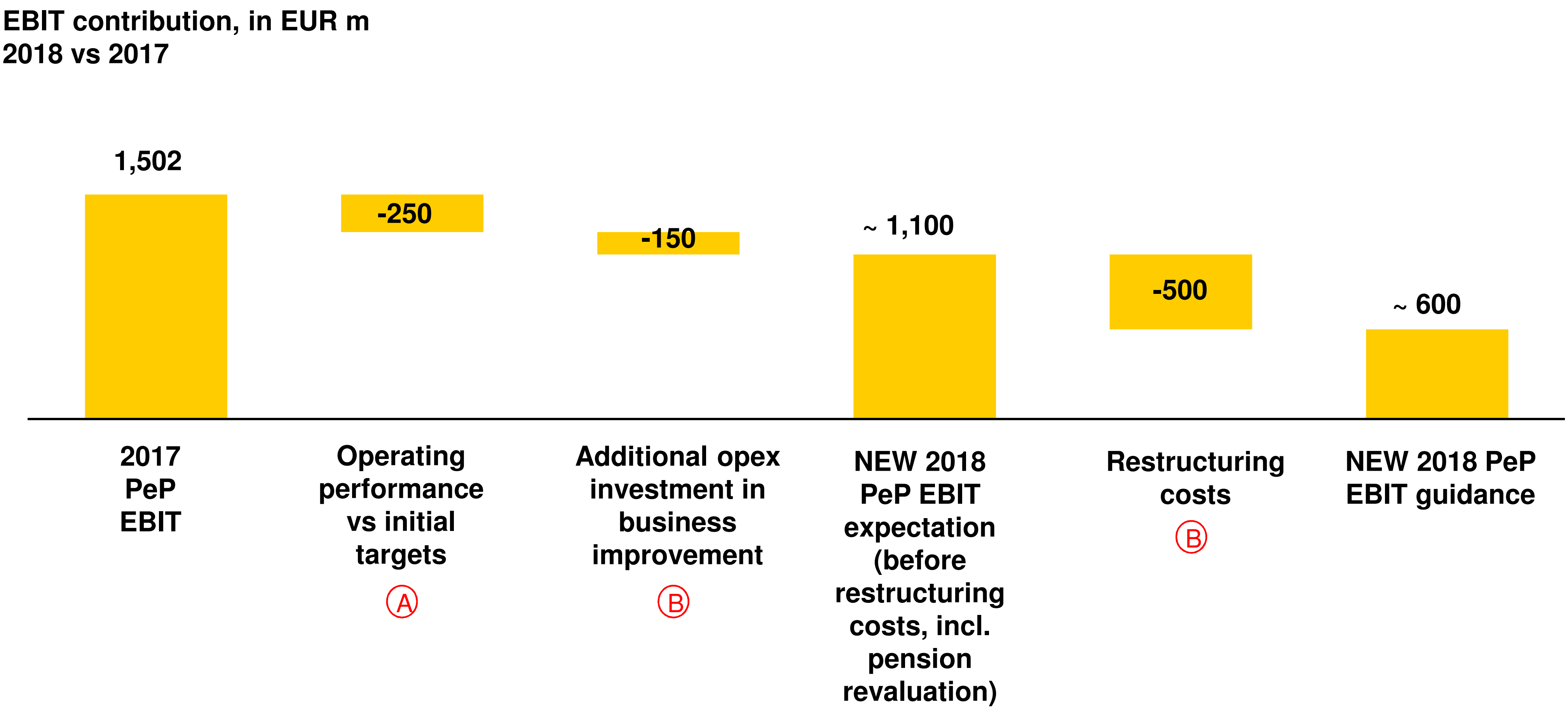
Investor Relations

June 2018

NEW PEP 2018 EBIT BRIDGE

Deutsche Post DHL Group



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Ⓐ 2018: CURRENT STATE ASSESSMENT

PeP P&L	Parcel Germany	Post
Revenue	• **Volume**: unchanged structural **growth** • **Price**: **increases** largely offset by customer mix effects	• **Volume**: unchanged structural **decline** • Price: stamp prices **stable** since Jan 1, 2016
Direct costs	• **Factor cost increases** not recovered due to **insufficient productivity gains**	
	• More FTEs and transport capacities needed, in **tight labor and transport** markets • Stretched organization & partly unbalanced regional capacity utilization	• Slow but steady mail decline needs constant downsizing of fixed costs vs **rising inflation** • Mix shift from **rising e-commerce volumes**
Indirect costs	• **Invested ahead of need** to support strong growth momentum	• **Scope for reduction** mirroring Post decline not fully realized

! More challenging mix of cost inflation without price offset in 2018 than initially expected

ONGOING EVOLUTION OF BUSINESS PROFILES REQUIRES ADJUSTMENTS TO OUR APPROACH

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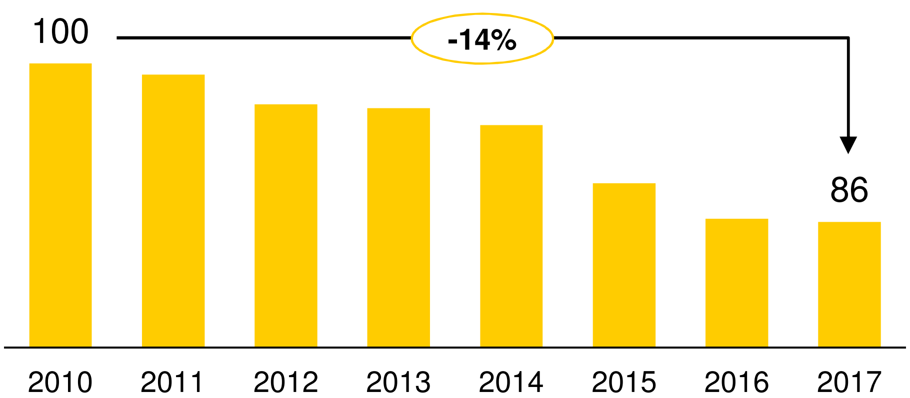
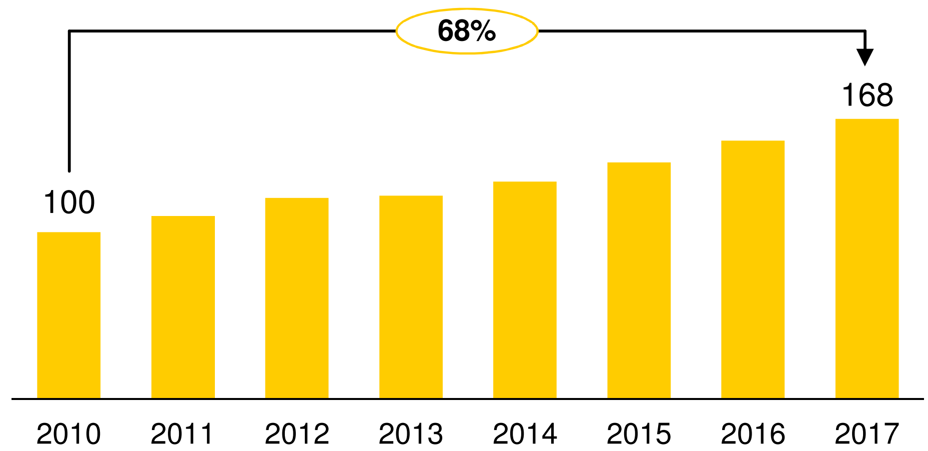
Letter volumes are 14% lower vs 2010…

…while Parcel volumes are 68% higher

Letter and Parcel volume, indexed:



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



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

Key question to solve: how to manage costs in light of these diverging trends?

Ⓑ FURTHER SPENDING REQUIRED TO ACHIEVE SUSTAINABLE IMPROVEMENTS; INCLUDED IN NEW 2018 EBIT GUIDANCE

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EUR 100-150m / year recurring opex re-investments into the business

- Focus has been more on facilitating strong parcel growth and short-term profitability than regular productivity investments
- Continued investment in IT & operations will drive better customer service AND higher efficiencies
- Detailed measures under development, to be mainly spend along four major areas

  (*see p. 8)*

EUR 500m one-off restructuring costs to be fully taken into 2018 EBIT

- Mainly financing early retirement program for civil servants - up to EUR 400m, with no detrimental cash flow impact

  (*see p. 9-10)*

OVERVIEW OF OUR PLANNED PEP MEASURES

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PeP P&L	Parcel Germany	Post
Revenue	1 **BALANCE GROWTH & YIELD**	1 **REGULATORY PRICE REVIEW**
Direct costs	2 **PRODUCTIVITY MEASURES – supported by further automation / digitalization**	
Indirect costs	3 **OVERHEAD RESTRUCTURING PROGRAM**	
Reporting alignment	Shift of selected growth initiatives from PeP to Corporate Incubations	

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

① PRICING MEASURES

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Parcel Germany

Balance Growth & Yield

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

Post

Upcoming review for new regulation as of Jan, 1 2019

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

Post and Parcel pricing will be one important contribution to EBIT growth towards 2020 target

② PRODUCTIVITY MEASURES, DIRECT COSTS

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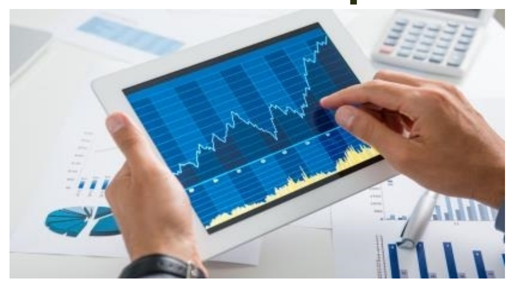
Regular re-investment with EUR 100-150m opex / year allows to drive sustainable improvement along 4 main areas

Automation and digitalization

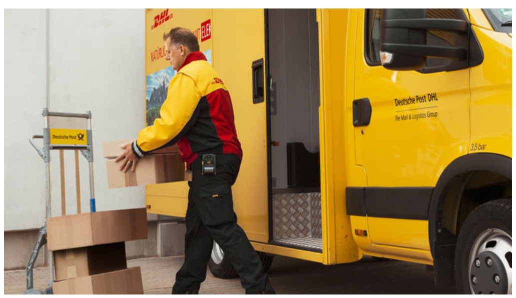
Data Analytics tools: e.g. enhanced volume forecasting, quality monitoring & address qualification

Continuous improvement



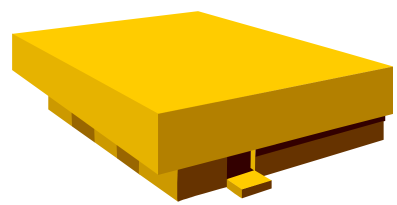
Strict enforcement of "standard operating procedures" and "Best-in-class"/ "First Choice"-approach

Last Mile productivity



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

Dynamic network utilization



Optimized production flows: use most productive sorting capacity

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③ RESTRUCTURING MEASURES, INDIRECT COSTS (1/2)

Main element: early retirement program

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

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

One-time costs allow sustainable reduction of fixed cost base, with even positive cash effect

③ RESTRUCTURING MEASURES, INDIRECT COSTS (2/2)

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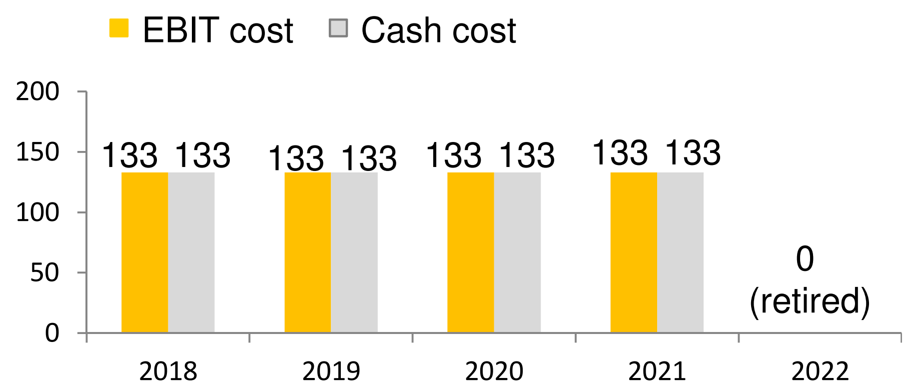
Illustrative case: Civil Servant, salary = 100

<u>Today: Full salary</u>

- P&L Cost = 100 salary + 33 pension contribution
- P&L cost = 133
- Cash cost = P&L cost = 133



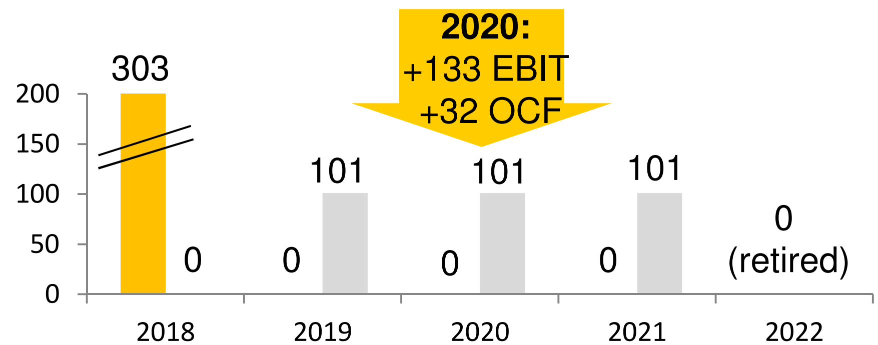
<u>Early retirement :</u>

- P&L Cost = 0 as of 2019 , as full P&L costs covered by restructuring provision in 2018

-> no EBIT cost as of 2019 vs 133 today

- **Cash cost =** 68 early retirement + 33 pension contribution

-> Cash cost = 101 = 25% lower than on full salary



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

SHIFT TO CORPORATE INCUBATIONS

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New Corporate Functions line

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

Adapted 2018 Guidance:

Corporate Functions: EUR -420m

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

Reporting structure to be adapted with Q2 release on Aug 7, 2018

PEP EBIT BRIDGE TOWARDS CONFIRMED 2020 GUIDANCE

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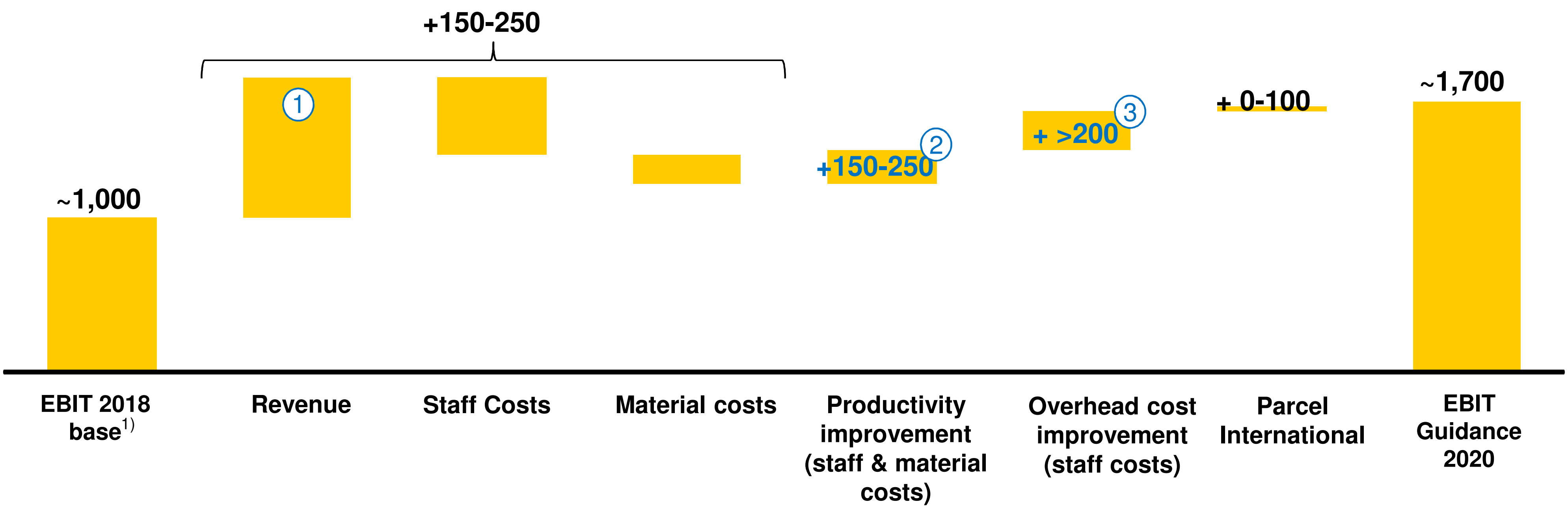
EBIT contribution, in EUR m
2020 vs 2018



1) excl. ~ EUR -500m restructuring costs and EUR +108m pension revaluation

TURNAROUND IN CASH GENERATION ALLOWS US TO FINANCE GROWTH INVESTMENTS AND SHAREHOLDER RETURNS

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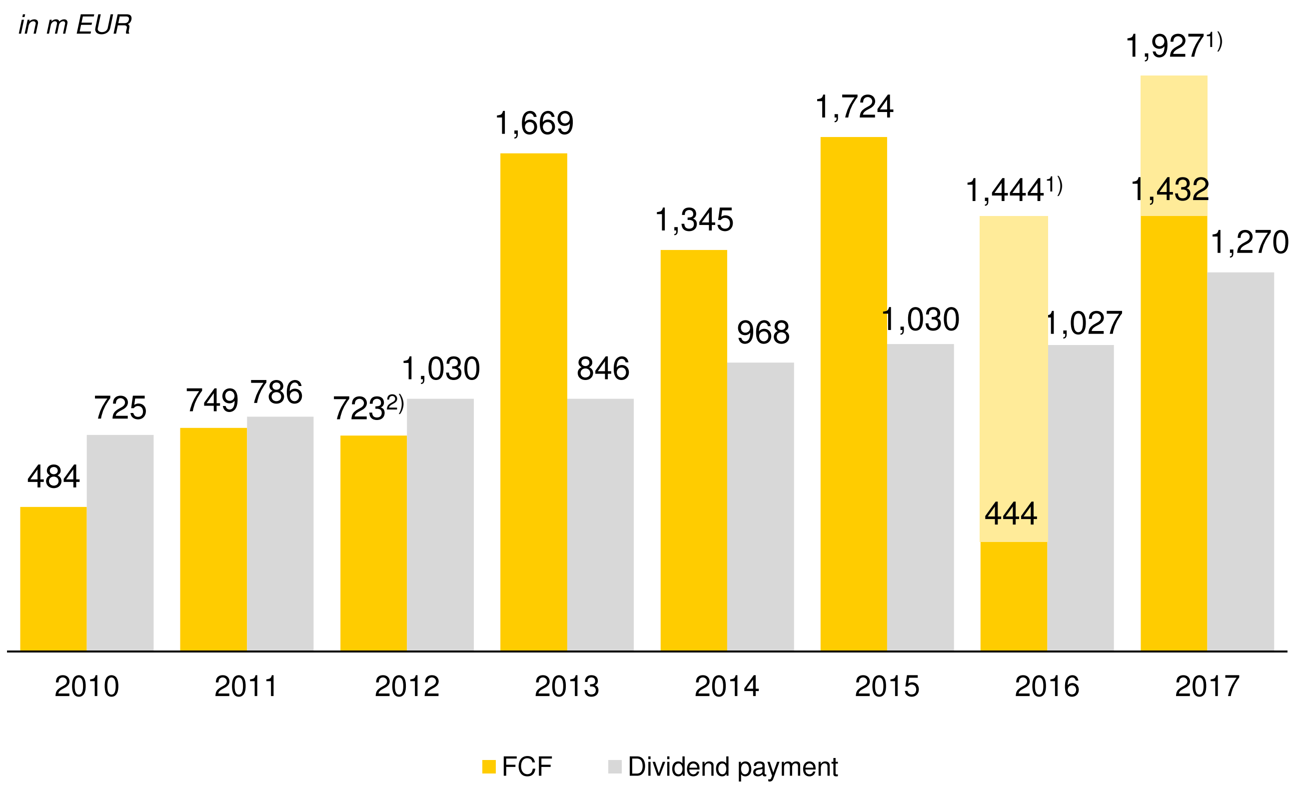

- FCF more than covering (rising) dividend payment since 2013
- Cash Flow turnaround mainly driven by
  - EBIT growth
  - Tailing off of provision outflows (esp. US domestic Express restructuring)
  - Increased CF focus and management incentives
- Sustainable FCF performance is basis for continued investments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

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

DPDHL GROUP FINANCE POLICY
MAIN PRINCIPLES CONFIRMED AND EXECUTED UPON

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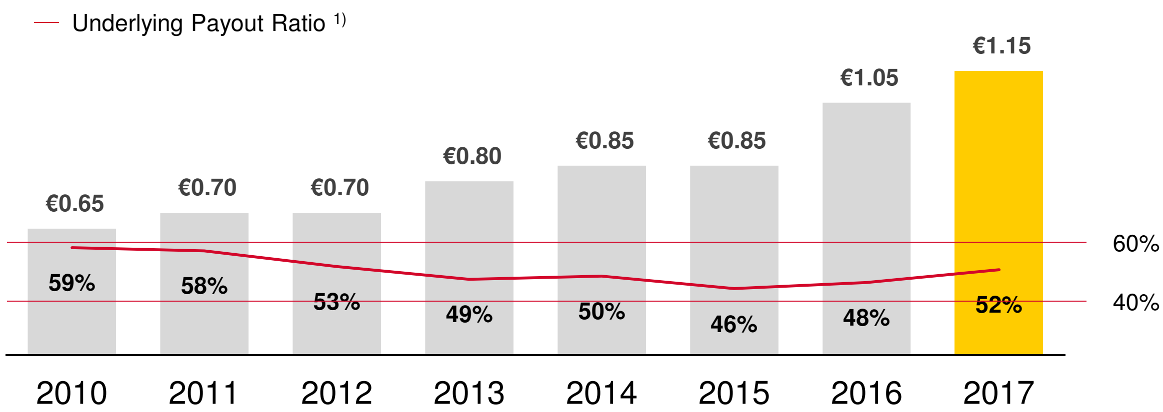
FINANCE POLICY

- Target / maintain rating BBB+
- **Dividend payout** ratio to remain between **40–60% of net profit** (continuity and Cash Flow performance considered)
- **Excess liquidity** will be used for **share buybacks** and/or **extraordinary dividends**

Dividend of EUR 1.15 for FY2017



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

1) Adjusted for Postbank effects as well as non-recurring items when applicable

WRAP UP: 2018 & 2020 GUIDANCE

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EBIT, EUR bn	2018	2018 excl. restructuring costs	2020
PeP	~0.6	~ 1.1	~1.7
DHL	~3.0	~3.0	~3.7
Corporate Functions	~ -0.42	~ -0.42	~ -0.35
Group	**~3.2**	**~3.7**	**>5.0**

Incl. IFSR 16

FY 2018:

Free Cash Flow: > EUR 1.0bn (excl. debt-financed Express intercontinental fleet renewal)

Tax rate: ~18%

Gross Capex (excl. leases): ~ EUR 2.5bn plus ~ EUR 0.2bn for debt-financed Express intercontinental fleet renewal

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Divisional Information

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DPDHL GROUP AT A GLANCE

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2017

Group revenues
€ 60.4bn

EBIT
€ 3.741bn

Market capitalization
€ 49bn per 31.12.2017

Approximately 500,000 employees in more than 220 countries/territories

	Network businesses – asset intensive		*Brokerage & Outsourcing – asset light*	
Divisions -EUR m -	**Post - eCommerce-Parcel**	**Express**	**Global Forwarding Freight**	**Supply Chain**
Revenue	**18.168**	**15.049**	**14.482**	**14.152**
EBIT Margin	**1.502** **8.3%**	**1.736** **11.5%**	**297** **2.1%**	**555** **3.9%**
Staff (FTE)	**179.600**	**86.313**	**42.646**	**149.042**
Products	USO Provider for letter products in Germany. Parcel operations in Germany, Europe and selected international markets	Core product Tide-Definite International (TDI): premium cross-border parcels and document delivery	Brokerage of transport services in Air, Ocean and Road freight	Customized, outsourced logistics solutions through full value chain
Geographies	Germany - Europe Americas -Asia Pacific	220 countries and territories	>150 countries and territories	>50 countries and territories
Market Share	61% letter mail Germany 45% parcel Germany	34% global market share # 1 Europe, MiddleEast, Africa and Asia, # 3 US	# 1 in air freight # 2 in ocean freight	#1 globally 6.2% market share

DPDHL GROUP TOMORROW: REAP FULL BENEFITS OF E-COMMERCE AND DIGITALIZATION OPPORTUNITIES

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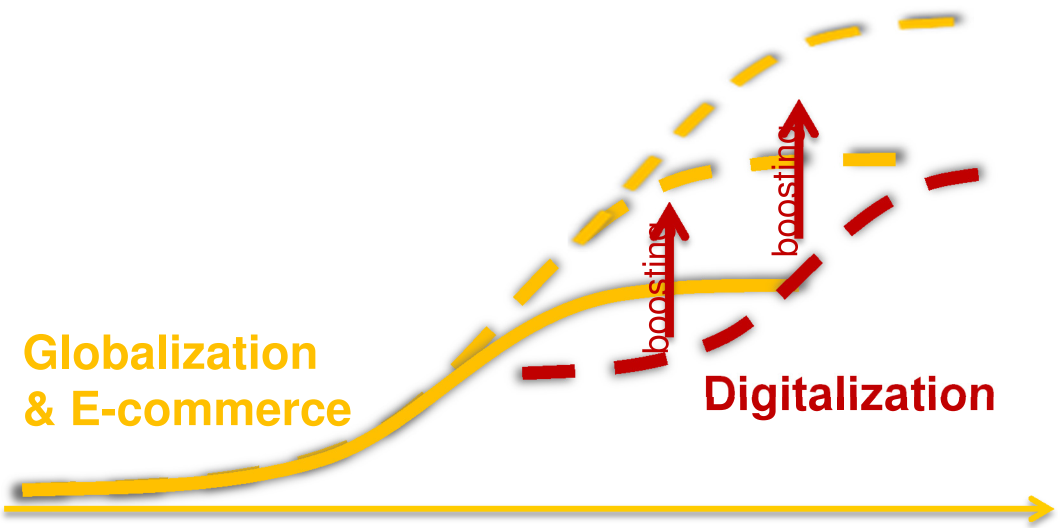

Globalization: *basis of our long standing B2B business and position as most international company in the world*

E-commerce: *emerging B2C business driven by consumers increasingly shopping online from abroad*

Digitalization: *accelerating impact of technology boosting globalization and e-commerce as well as efficiency and productivity*

Key strategic question: *How can **digitalization** best help us to drive revenue and quality up and cost down?*

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

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

- *Today we can leverage **technologies** that have not been available before*
- Today we are **attracting talents** that would not have joined us before

CONTINUOUS MARGIN IMPROVEMENT REMAINS TOP PRIORITY ON DIVISIONAL AGENDAS

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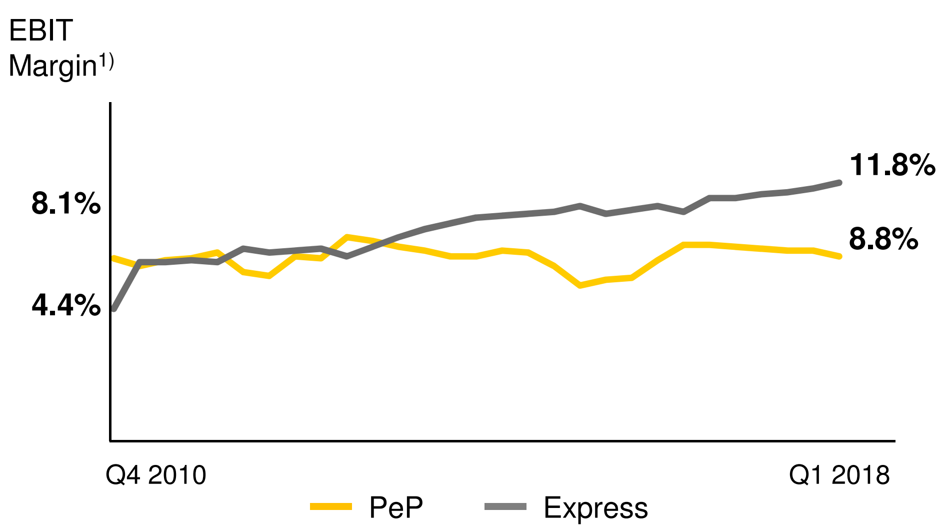
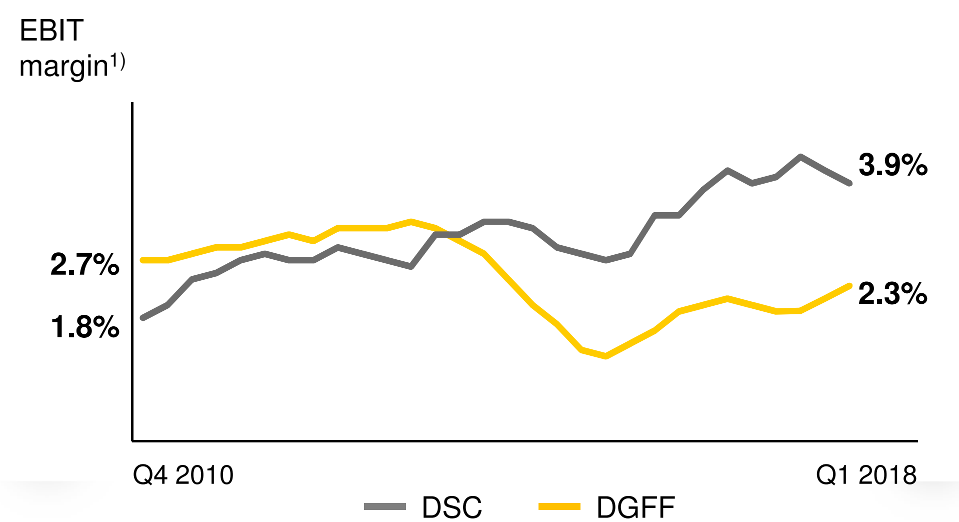
Further potential to optimize divisional profitability – esp. in DGFF

Asset intensive: Express and PeP



Asset light: DGFF and DSC



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

Group margin of 6.2% is up +280bp since 2010; +120bp since 2013

GROUP STRUCTURE: ALL DIVISIONS FINANCE THEIR OWN GROWTH CAPEX AND CONTRIBUTE TO FREE CASH FLOW & DIVIDEND

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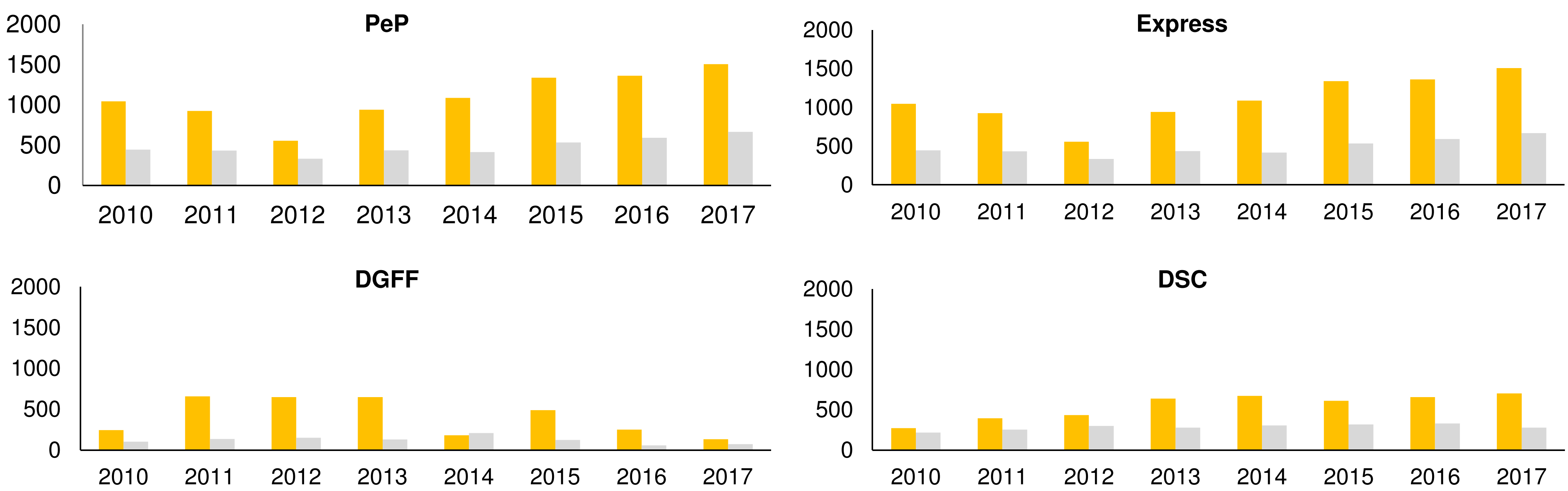
EUR m OCF Capex

OCF vs Gross Capex by Division, 2010-17



All divisions are self-financing and contribute to Group shareholder return

DISRUPTION IS EVERYWHERE: INNOVATION IS THE SOLUTION

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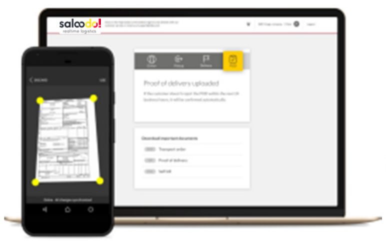
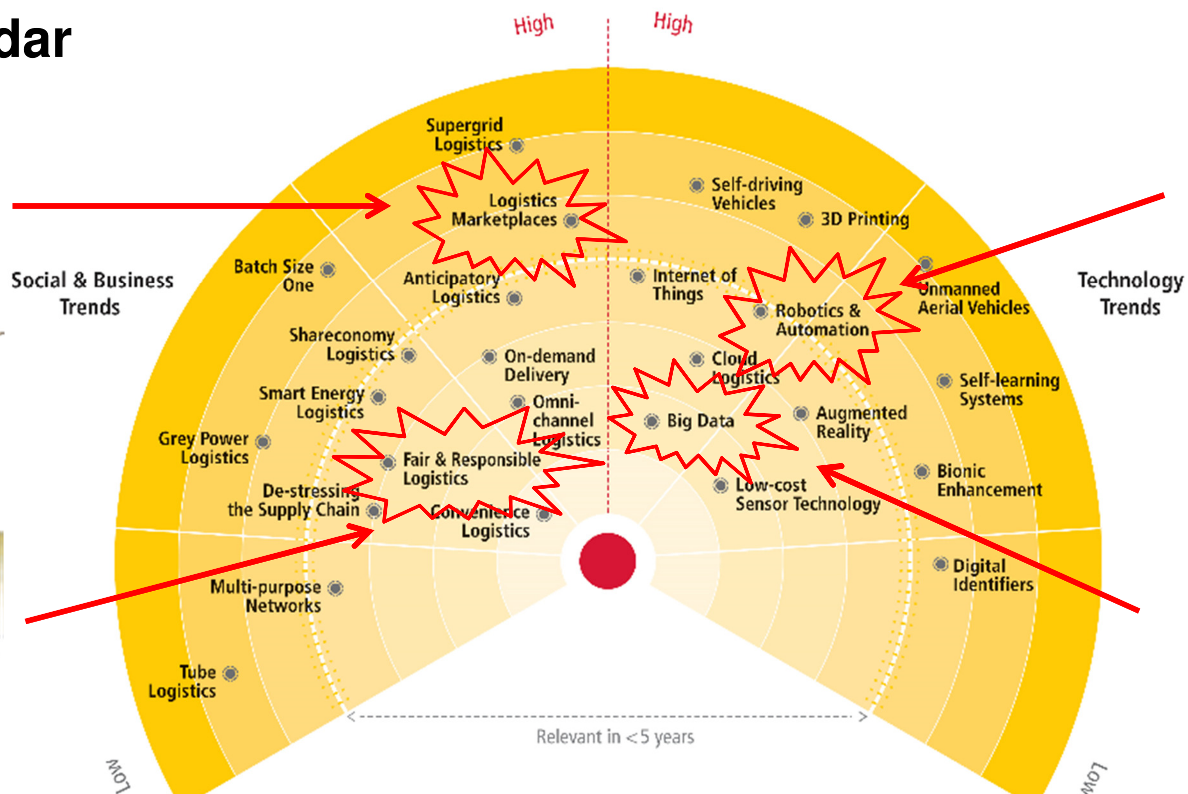
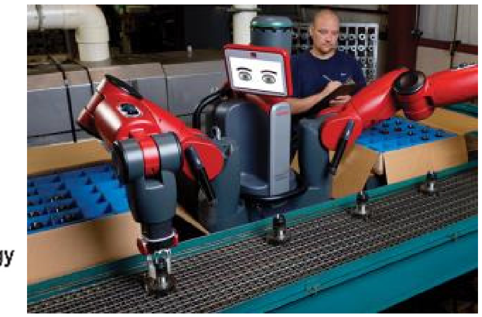
DHL Trend - Radar







In order to stay ahead of the curve, we have to think in a creative way and not be afraid to self-disrupt

DPDHL INVESTMENT PROFILE

Deutsche Post DHL Group

Global Powerhouse of Logistics

Deutsche Post DHL PAKET · DHL GLOBAL FORWARDING FREIGHT · DHL EXPRESS · DHL SUPPLY CHAIN

#1

Clear Strategic Direction

Our roadmap for margin and profit improvement

STRATEGY 2020 Focus.Connect.Grow.

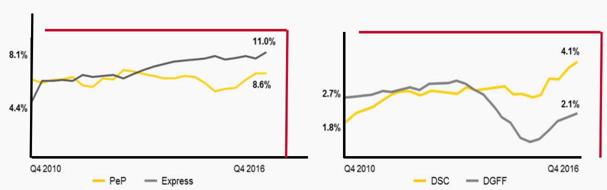
EUR >5bn EBIT in 2020

Sustainable Growth Momentum

Unique position for e-commerce

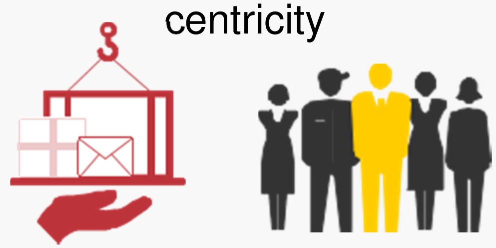
Increasing Margins and Returns

Divisional self-help agendas



Investing for Growth

Innovation, quality & customer centricity



Delivering Attractive Returns

Committed to FCF growth and improving shareholder returns

~3% Dividend Yield

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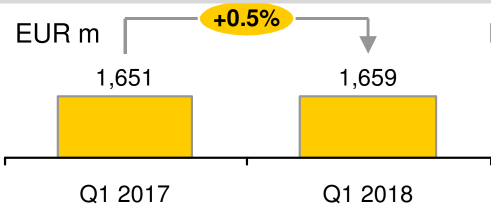
STRATEGY 2020

Focus. Connect. Grow.

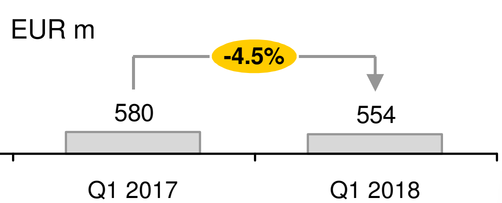
POST, E-COMMERCE & PARCEL

PeP: KEY VOLUME TRENDS INTACT

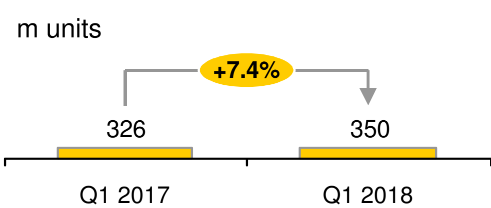
Mail Communication revenue



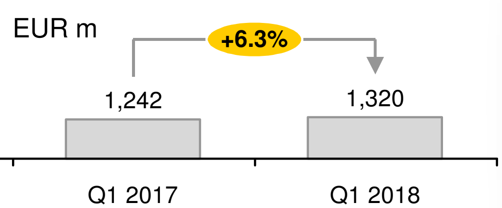
Dialogue Marketing revenue



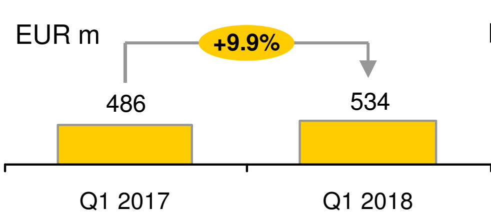
Parcel Germany volumes



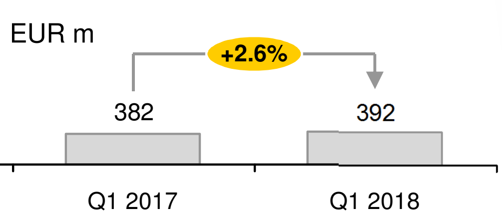
Parcel Germany revenue



Parcel Europe revenue[1)]



DHL eCommerce revenue[2)]



1) Parcel Europe excl. Germany; 2) Parcel outside Europe

Business Highlights

- Letter volume (MC & DM) decline of -4.4% reflects stable e-substitution trends and 1.6 less working days: volume/working day down -2.0%
  - Mail Communication: -5.1% (-2.7% / WD)
  - Dialogue Marketing: -3.8 % (-1.4% / WD)
- 2017 comparison base includes election volumes, primarily in Q2 & Q3 - long-term assumption of -2-3% underlying decline per annum still expected to hold
- Parcel Germany continues growth trajectory
- Strong growth in international expansion: excl. FX, revenue Parcel Europe +10.5%, DHL eCommerce +16.8%

PeP – DIVISIONAL RESULTS Q1 2018

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

PEP Q1: YOY EBIT BRIDGE

Revenue

Key volume trends intact
- Strong contribution from Parcel Germany and international expansion
- Ongoing Post revenue decline, partly offset by e-post and rising e-commerce volumes

No meaningful mail price increase

Material costs

Increase in transportation and service costs, mainly due to
- Parcel growth
- change in Post product mix
- higher freight rates

Partly offset by IFRS16 accounting change

Staff Costs

Cost increase due to
- increase in FTE (Parcel growth in Germany and International)
- wage increase (as of Oct 1, 2017)
- more temp (at higher cost) due to increased sickness rate

Other

EUR 108m positive pension revaluation

Depreciation increase mainly reflecting IFRS16 accounting change

Net negative yoy effect in other opex resulting from several smaller movements

PeP EBIT yoy: EUR -42m

t/o Germany: EUR -21m (incl. positive pension effect)

t/o International: EUR -21m

In EUR m

TOPLINE GERMANY:
LETTER VOLUME DECLINE REMAINS IN EXPECTED RANGE

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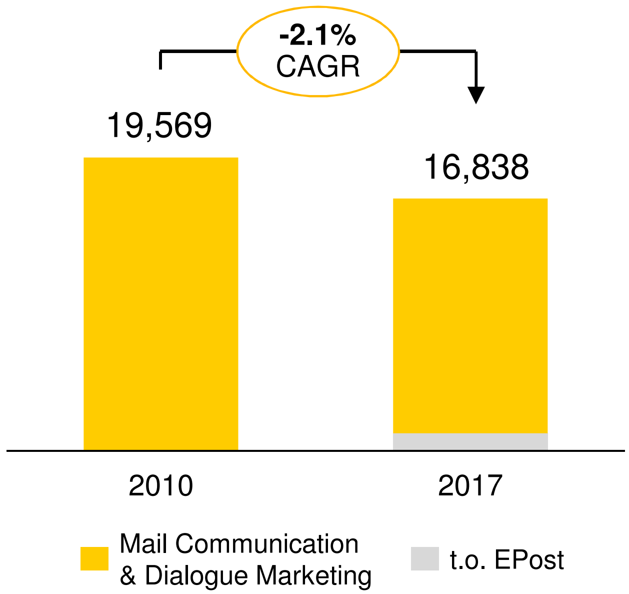
Letter volume (in m pieces)



Among lowest letter decline rates internationally

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

We confirm our assumption of average 2-3% decline

TOPLINE GERMANY: STANDARD LETTER STAMP PRICE DEVELOPMENT IS BASED ON REGULATED PRICE CAP[1)]

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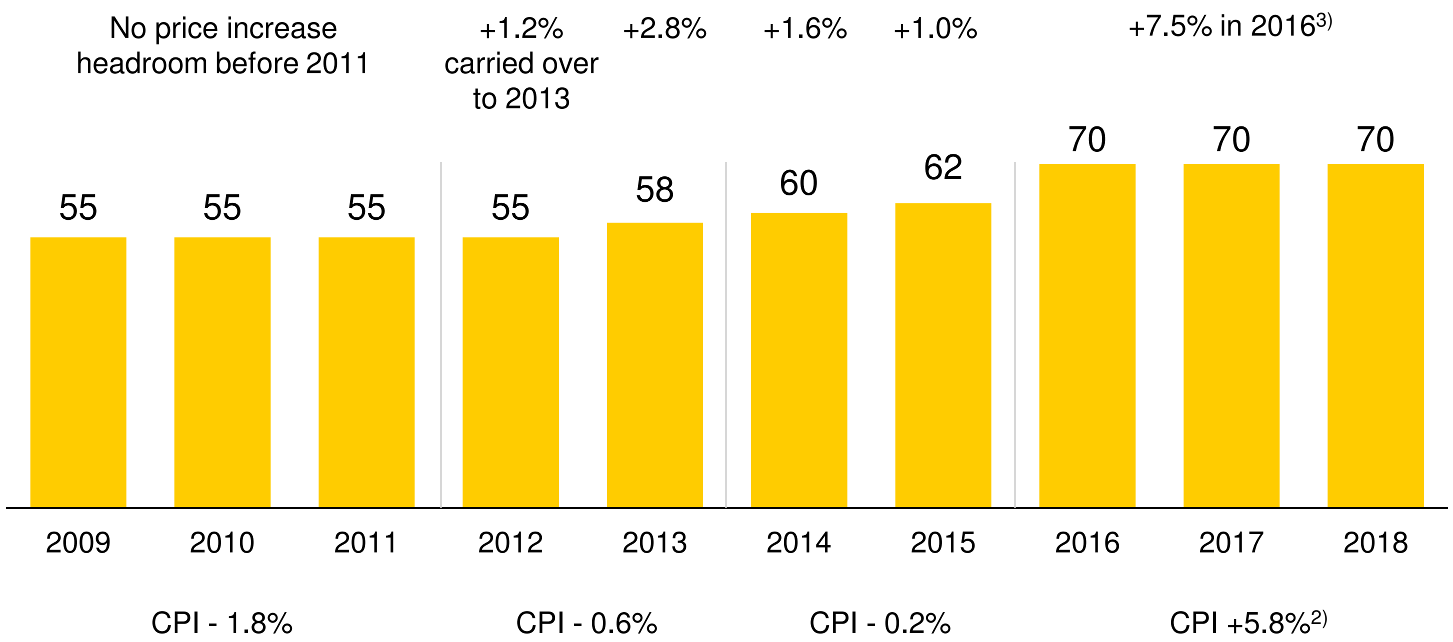
German standard letter price, in EUR cents



Regulatory headroom[1)]

NEXT REVIEW:

Expected by end of 2018 for the period starting January 2019

Price cap regulation

1) Average increase on basket of regulated products 2) from 1.1.2016 through 31.12.2018 3) 2016-18 estimated cumulative CPI: 1.7%

Regulated stamp price increases allow to partly offset volume decline since 2013

VIRTUOUS CIRCLE OF PARCEL GROWTH DRIVEN BY E-COMMERCE TREND

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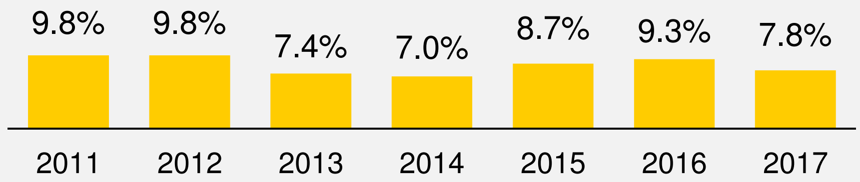
Best Parcel Service

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

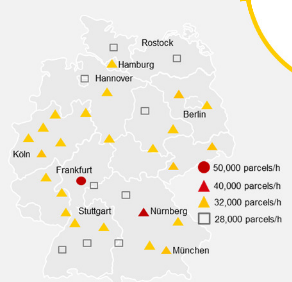
Sustained e-commerce growth

DHL Parcel Germany: yoy volume growth



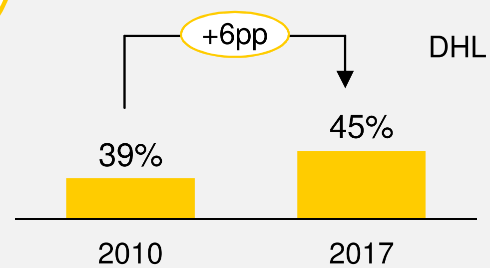
Network investments

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



Market share expansion

DHL Parcel Germany: market share



We confirm our assumptions of 5-7% volume growth in Germany

TO MINIMIZE IMPACT OF CONTINUOUS MAIL DECLINE, COST FLEXIBILITY HAS BEEN ONE KEY OBJECTIVE

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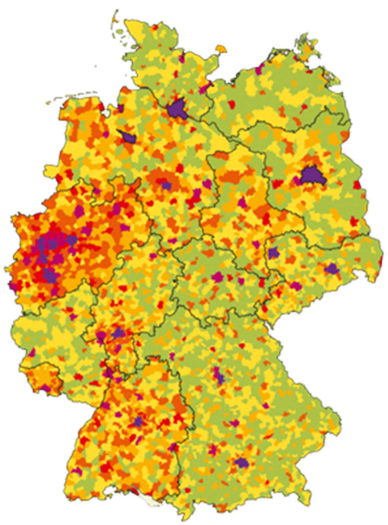
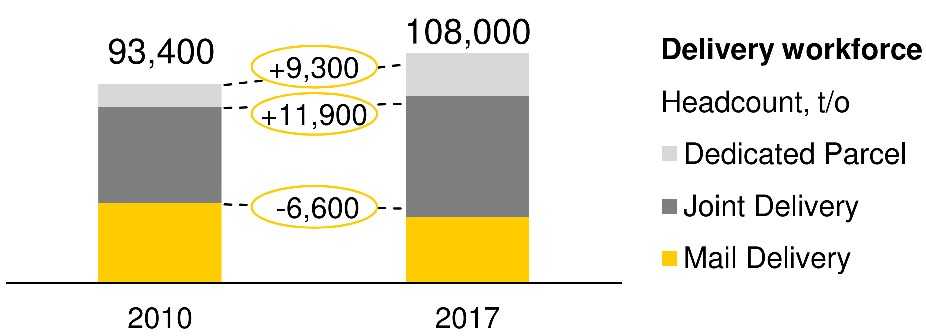
Joint Delivery helps to optimize delivery of declining mail volumes



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

Joint Delivery of Parcels and Mail
Dedicated Mail or Parcel Delivery
Population density, increasing order

Revenue mix shift also reflected in delivery staff development



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

Mail volume decline is a given, so our focus has been on compensating measures in order to minimize the impact and allow Parcel to drive PeP growth

PARCEL EUROPE, MOTIVATION: ADDRESSING A UNIQUE STRUCTURAL GROWTH OPPORTUNITY

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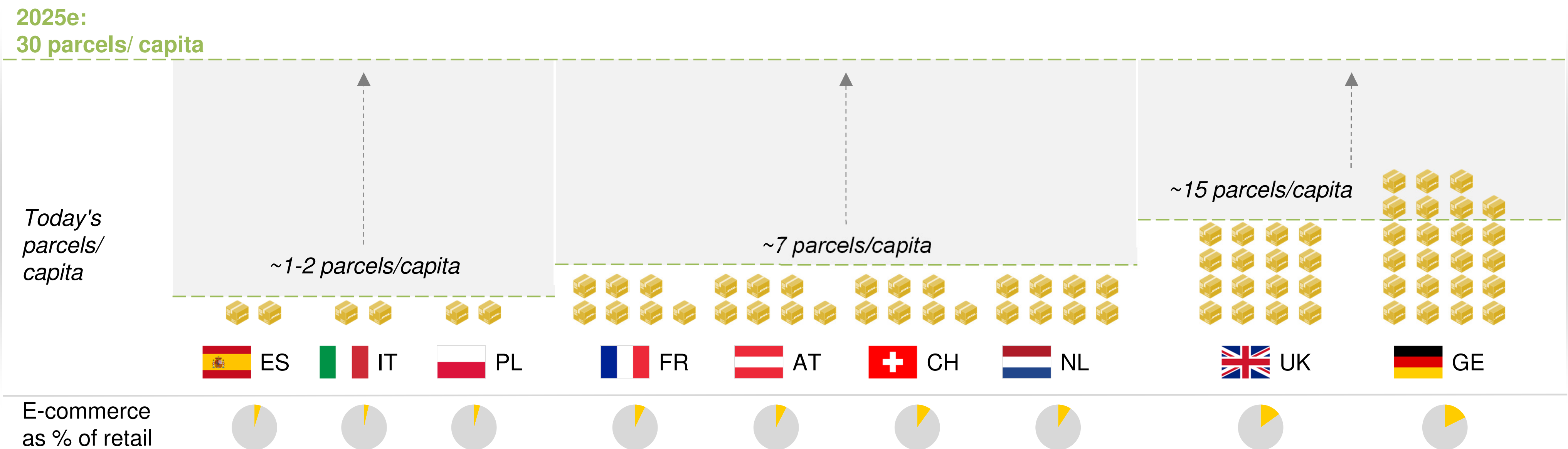
Only 8.8% of retail is online in the EU – most EU markets are <7 parcels/capita vs 30 expected by 2025



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

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

STREETSCOOTER PRODUCT PORTFOLIO

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Work 20 kWh

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

Work 40 kWh

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

Work L 40 kWh

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

\+

Prototype **„Work XL"**

\+

E-bikes & E-trikes

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

DHL ECOMMERCE PORTFOLIO: FULFILLMENT, X-BORDER AND DOMESTIC DELIVERY

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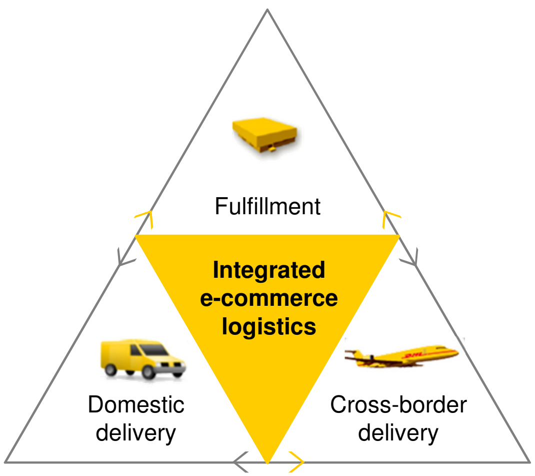
DHL eCommerce, Product Portfolio



ENABLING SERVICES

- ✓ World-class customer service
- ✓ IT & Integration Solutions
- ✓ Shipment Value Protection

	Domestic delivery	Cross-border delivery	Fulfilment
Service offering	▪ End-to-end domestic B2C delivery and returns	▪ International range-definite B2C delivery & returns solution	▪ Multi-site fulfilment network providing global distribution solutions
Characte-ristics	▪ Pick-up, sort, delivery and returns ▪ Alternative delivery options ▪ High operations and customer service quality	▪ Range of transit times ▪ Fully-landed cost calculation ▪ Commercial or postal customs clearance ▪ Connects to the domestic networks globally	▪ Multi-user facilities ▪ Transactional pricing ▪ Integration with top e-commerce platforms and marketplaces ▪ End-to-end visibility
Current footprint		Origin countries: 220+ destination countries	

Targeted e-commerce logistics offerings outside Europe

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STRATEGY 2020

Focus. Connect. Grow.

EXPRESS

EXPRESS: CONTINUED STRONG VOLUME AND YIELD DEVELOPMENT

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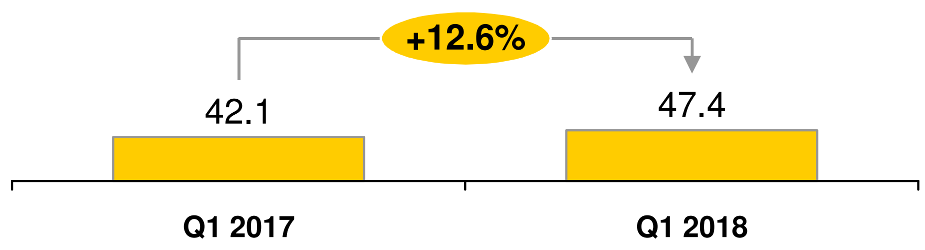
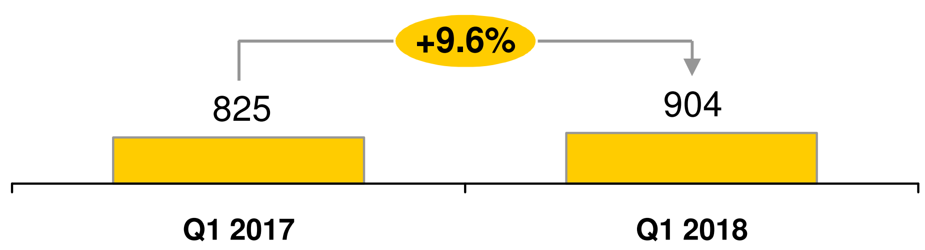
Time Definite International (TDI)[1]
Revenues per day in EUR m



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



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

Business Highlights

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

EXPRESS – DIVISIONAL RESULTS Q1 2018

Deutsche Post DHL Group

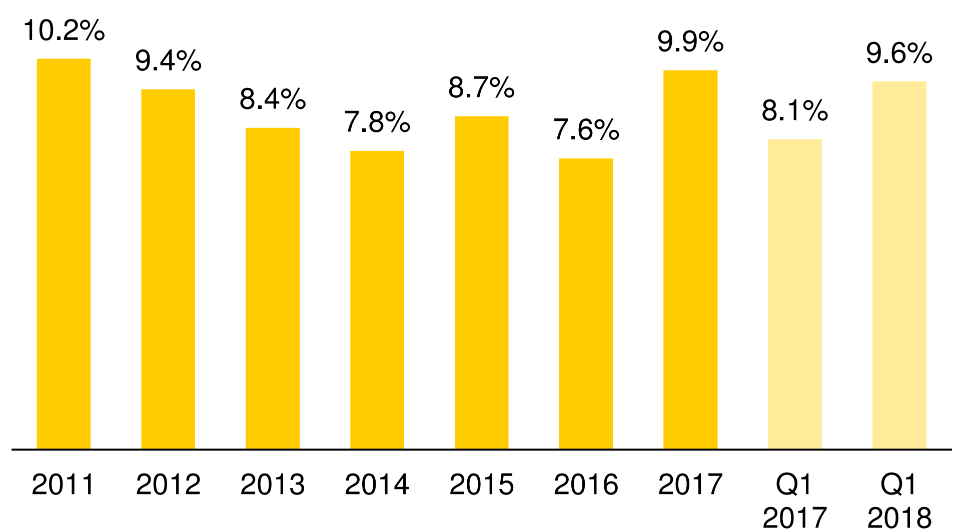
EUR m	Q1 2017	Q1 2018	Chg.	Management comments
Revenue	3,595	3,772	+4.9%	Organic growth accelerates to 13.2% driven by strong TDI volume growth, yoy higher fuel surcharges and supportive yield environment
EBIT	396	461	+16.4%	Exemplary EBIT performance - demonstrating continued growth alongside cost and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

FOCUS ON TDI IS OUR KEY TO SUCCESS

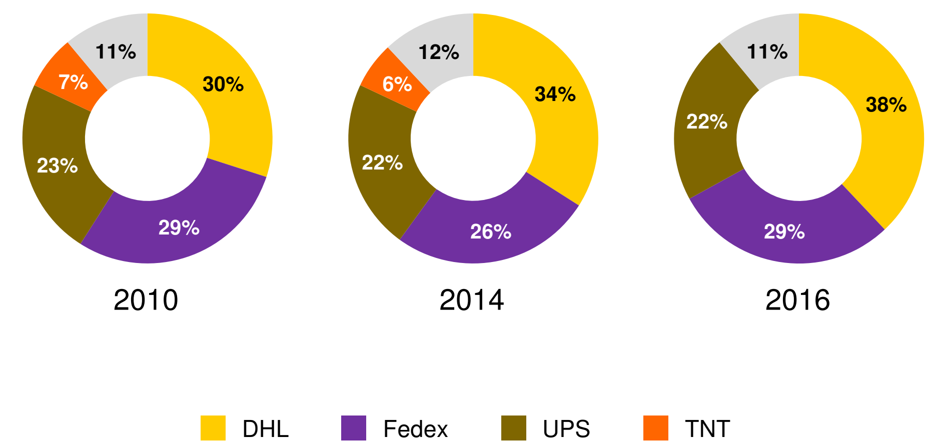
Deutsche Post DHL Group

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

DHL EXPRESS, TDI SPD YOY



TDI, GLOBAL MARKET SHARE



1) includes 4% TNT

EXPRESS GROWTH SUPPORTED BY BALANCED GLOBAL FOOTPRINT

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Quarterly growth ranking, TDI volume growth

	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1
#1	EU	EU	MEA	AM	AP	AP	MEA	EU	MEA	EU	EU	EU	EU	AM	AM	EU	EU	MEA	MEA	MEA	MEA
#2	AP	MEA	AP	AP	MEA	AM	AM	MEA	EU	MEA	MEA	AP	AM	EU	EU	AM	MEA	EU	AM	AM	AM
#3	MEA	AP	AM	EU	AM	MEA	AP	AP	AP	AP	AP	MEA	AP	AP	MEA	MEA	AM	AM	EU	EU	EU
#4	AM	AM	EU	MEA	EU	EU	EU	AM	AM	AM	AM	AM	MEA	MEA	AP	AP	AP	AP	AP	AP	AP
TDI Shipments/ day	615	647	618	693	662	700	661	748	709	760	723	821	764	820	771	880	824	890	863	978	904

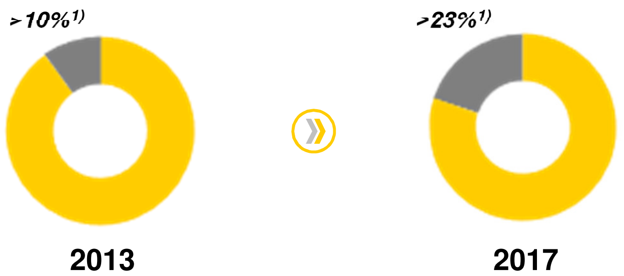
2013	2014	2015	2016	2017
+8.4%	+7.8%	+8.7%	+7.4%	+9.9%

TDI Shipments/ day | EU Europe | MEA Middle East Africa | AM Americas | AP Asia Pacific

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

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

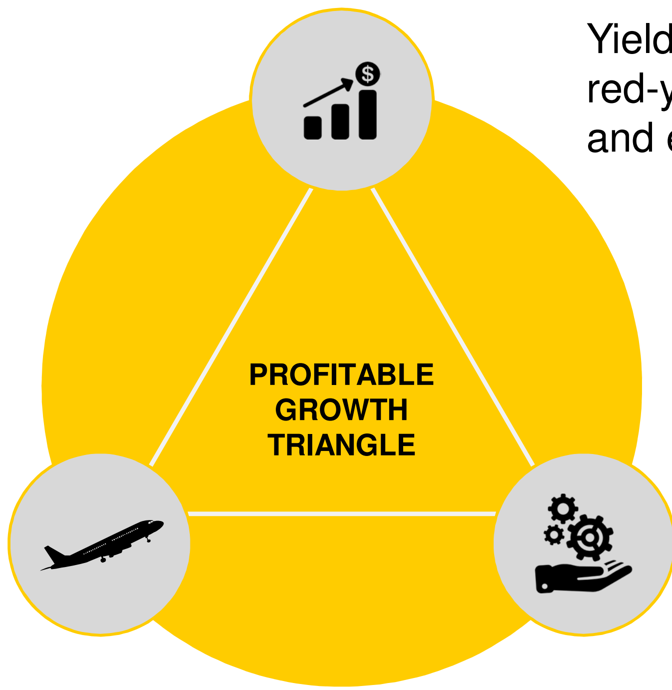
We grow B2C profitably because 90% of the KPIs perfectly suit our network

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

1) Indications based on medium to large B2C customers of top 30 countries

X-Border e-commerce has developed into an important TDI vertical and profitable growth driver

EBIT GROWTH AND MARGIN IMPROVEMENT IS A COMBINATION OF SEVERAL FACTORS…



1. Topline revenue management

Yield initiatives such as GPI, red-yellow-card, ship to profile, B2B and ecommerce growth

2. Leverage Aviation Network

Cost per Kilo (CpK)

Efficiency in air network through scale effects and active fleet management improving CpK

3. Efficiency in Ground Operations

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

EBIT growth is driven by adding the right volumes at the right price to a calibrated and efficient infrastructure

...RESULTING IN CONTINUOUS EBIT GROWTH AND EBIT MARGIN EXPANSION

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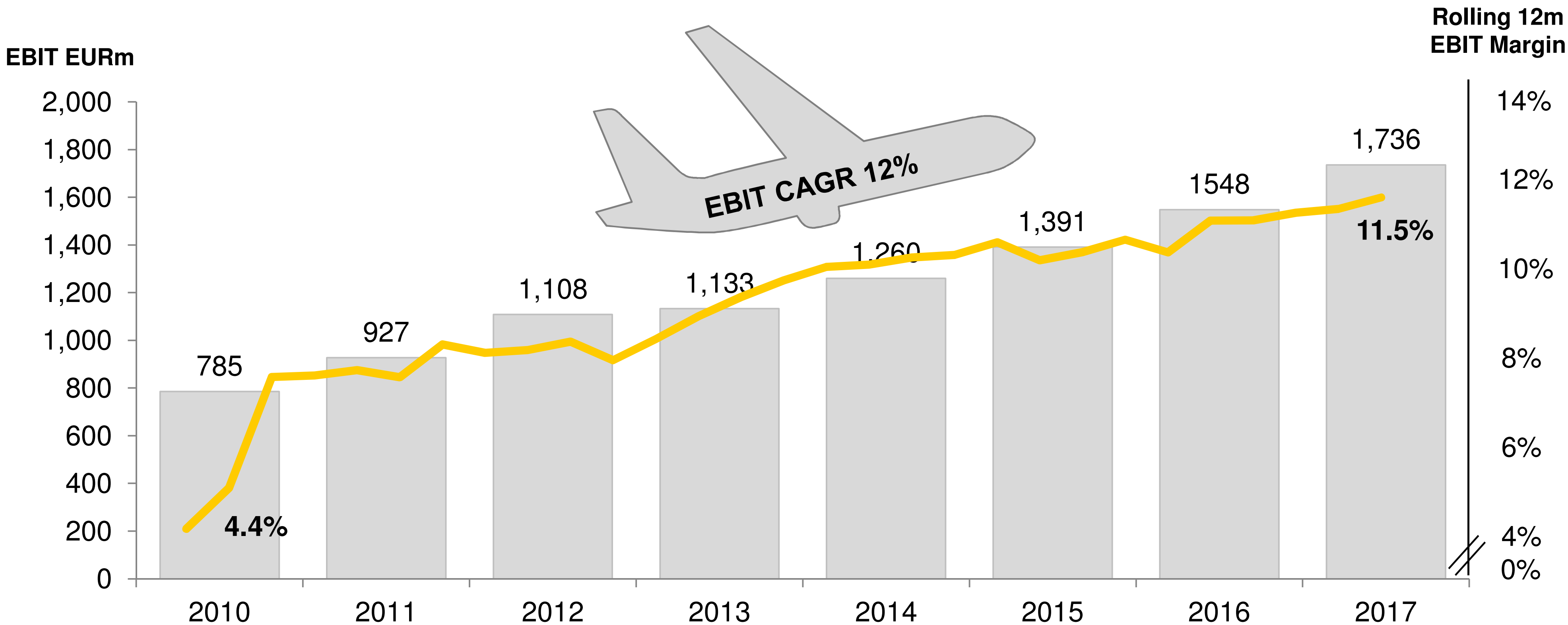

Continuation of EBIT growth will remain a combination of topline growth and further gradual margin improvement

CASH GENERATION CONSISTENTLY ABOVE CAPEX SPEND AND THE GAP IS WIDENING

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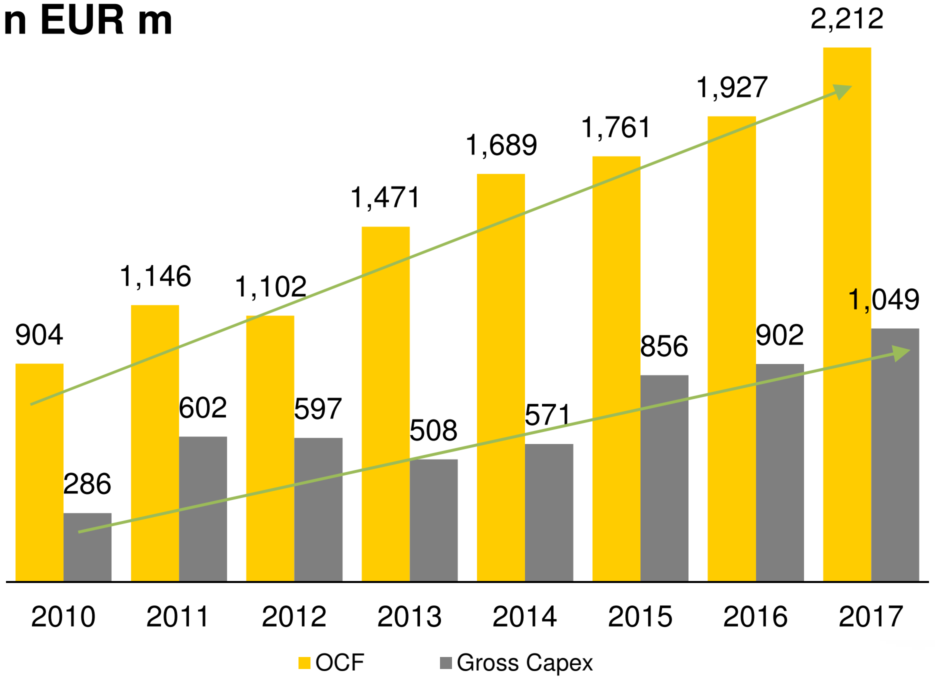
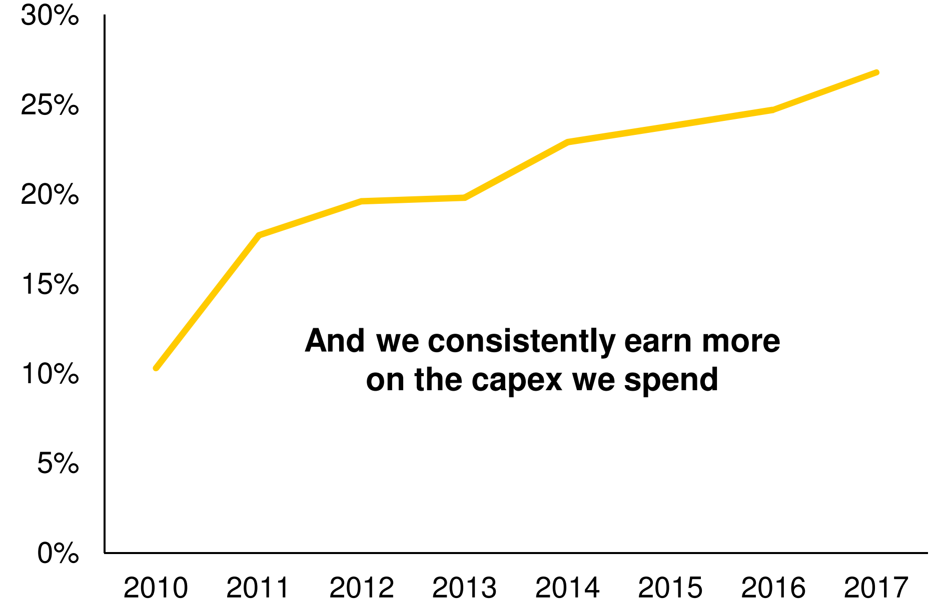
Express OCF vs gross capex, in EUR m



Express, ROCE



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

INTERCONTINENTAL FLEET: USE REPLACEMENTS AS OPPORTUNITY TO MOVE TOWARDS HIGHER OWNERSHIP STRUCTURE

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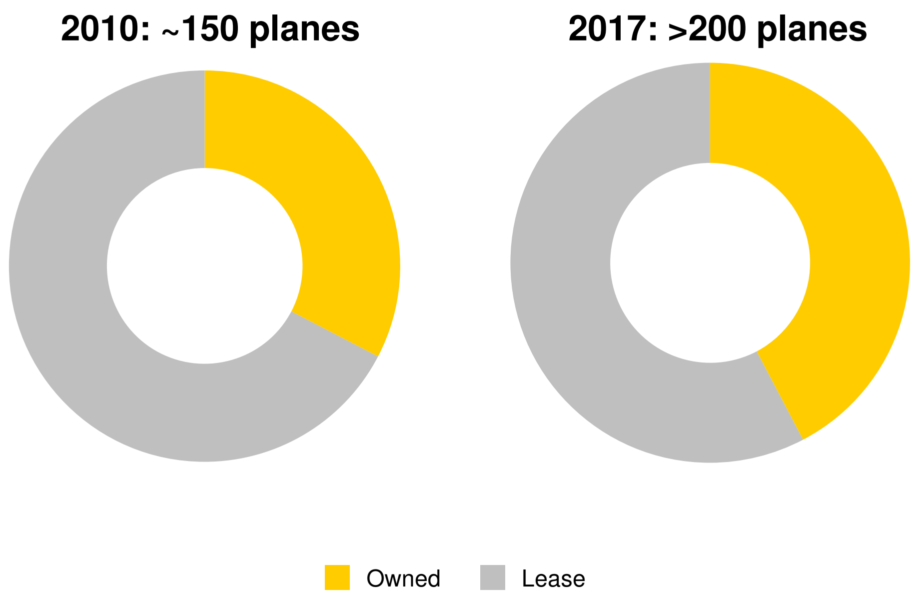
Dedicated fleet (w/o feeders)



2010-17: fleet expansion

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

Outlook: intercont replacements by new, owned planes

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

Planed intercont plane replacements are capacity-neutral, but with significant cost, efficiency and flexibility benefits

1. AVIATION NETWORK STEERING APPROACH UNCHANGED – OPPORTUNE TIMING TO SHIFT INTERCONT TOWARDS MORE OWNERSHIP

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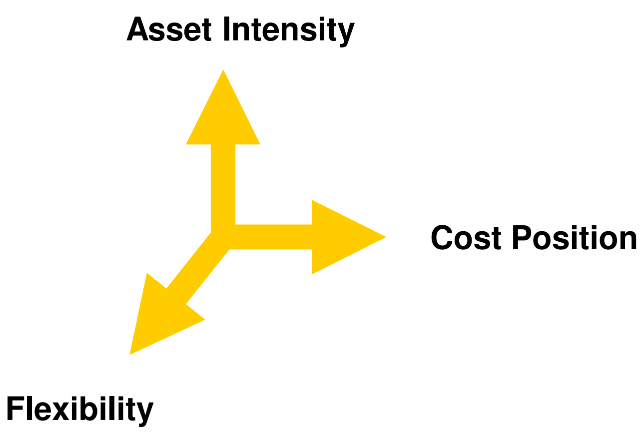
How we look on own vs lease:



Significant benefits of Buy vs Lease for intercont replacements

Cost (operation&ownership) – SIGNIFICANT SAVINGS

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

Asset intensity – NO CHANGE

- No difference in asset recognition under IFRS 16

Flexibility – OPERATIONAL BENEFITS

- Better flexibilty to match supply capacity to demand changes
- Higher reliability and fuel efficiency of new planes are most relevant on intercon fleet given most intense utilization

Using balance sheet strength to unlock further structural Express margin potential

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STRATEGY 2020

Focus. Connect. Grow.

FORWARDING, FREIGHT

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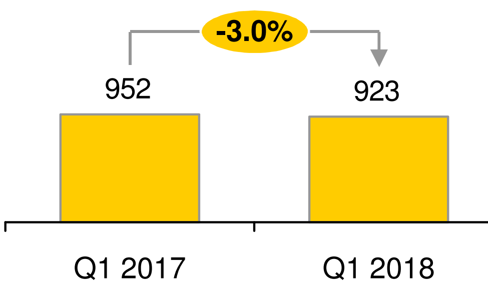
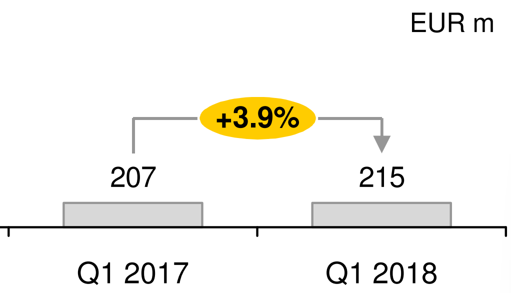
GLOBAL FORWARDING, FREIGHT: VOLUME SELECTIVITY PAYING OFF

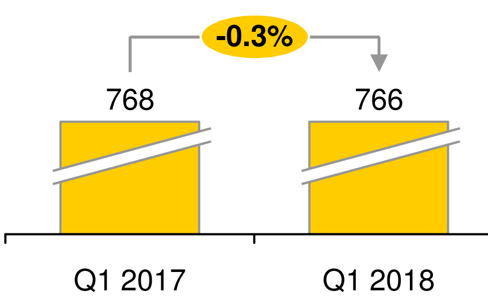
Air freight '000s Tons



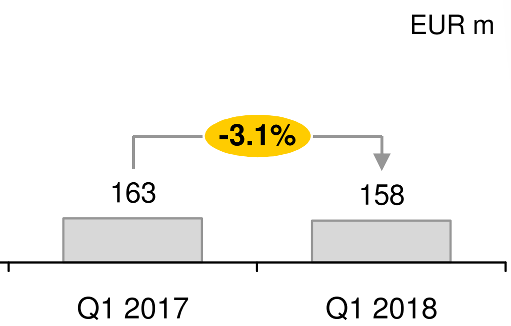
Air freight gross profit



Ocean freight '000s TEU[1)]



Ocean freight gross profit



Business Highlights

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

1) Twenty Foot Equivalent Unit

GLOBAL FORWARDING, FREIGHT– DIVISIONAL RESULTS Q1 2018

Deutsche Post DHL Group

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

THE LIFECYCLE OF A SHIPMENT IS A COMPLEX PROCESS

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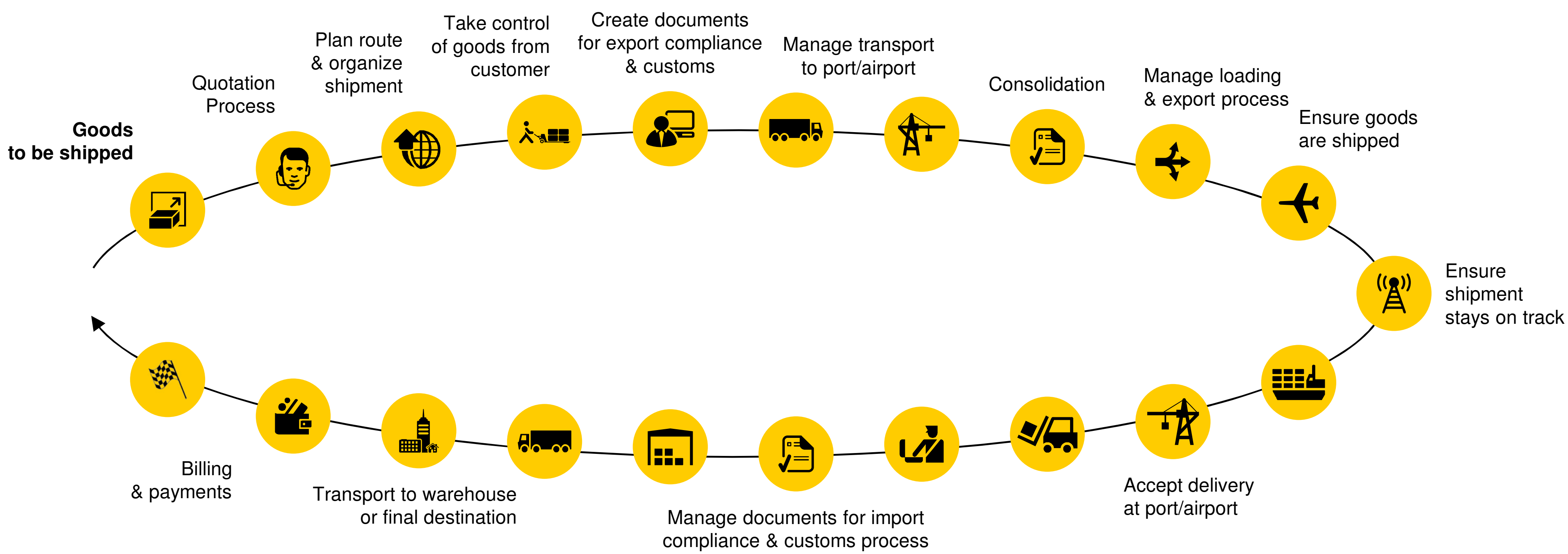
Forwarding is more than brokerage of transport, it is managing all the steps along the way



Success in Forwarding is built on experience, customer relationships, processes and in some aspects, such as consolidation, is also a function of scale

INNOVATION AND TECHNOLOGY INVESTMENT ARE KEY TO SUCCESS

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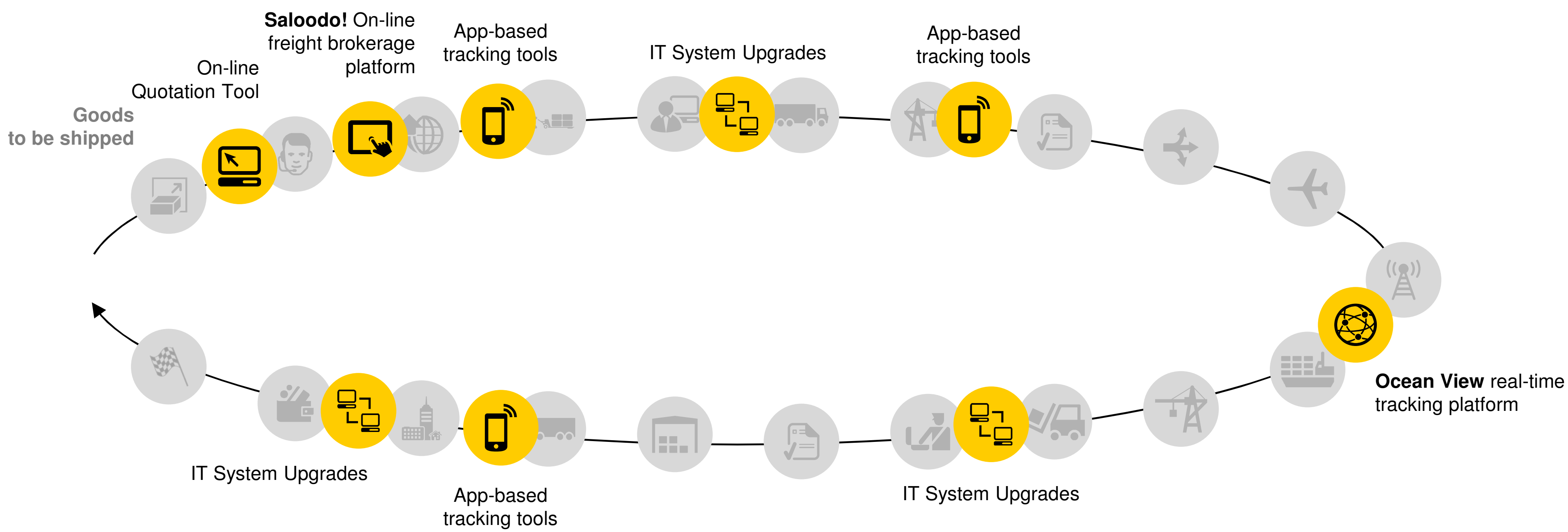
Technology will simplify and accelerate many steps in the forwarding process



The innovations we are implementing today and accelerating in the future will allow us to exploit our strengths – particularly in terms of customer relationships

SIMPLIFY STRATEGY AIMS TO CLOSE THE GAP TOWARDS BENCHMARK PROFITABILITY

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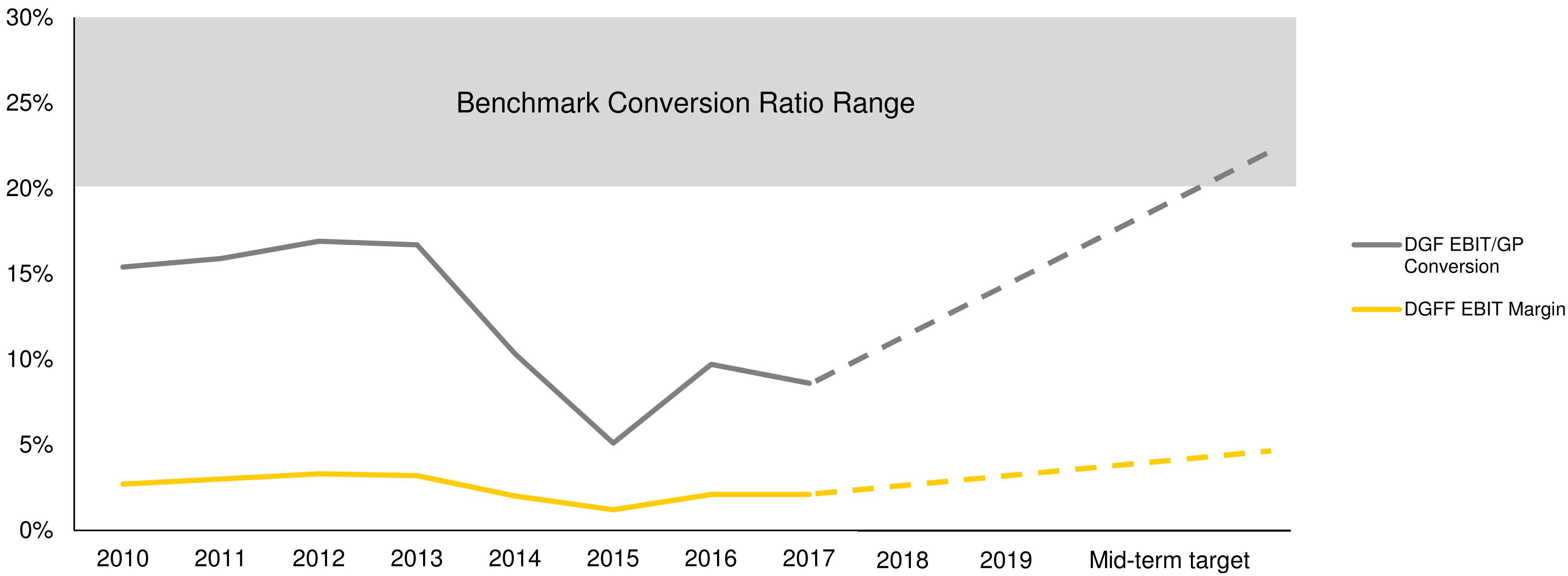

No structural barriers – we have the right combination of people, business model, processes and IT renewal to achieve benchmark conversion ratios over time

IT RENEWAL ROADMAP UPDATE

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LEGACY SYSTEMS

SALES

- CRM Tool → Upgrade CRM ✓
- Legacy Quote tool 1 | Legacy System → Enhance Customer Portal
- Legacy Quote tool 2 | Legacy System → Harmonized Quotation Tool ✓
- Legacy Quote tool 3 | Legacy System → Online Quotation & Booking ✓

OPERATIONS

- EDM (US) → EDM Global Roll-out ✓
- Legacy Transport Management System **LOGIS** → Transport Mgmt System (POC) CargoWise One → **OFR Pilot** ✓ → **OFR Roll Out** ✓ / **AFR Pilot** → **AFR Roll Out**
- Legacy | Legacy → Operational Irregularities Management ✓
- Legacy | Legacy → Shipment Visibility Tools ✓

Maximize scope of use, integration, automation

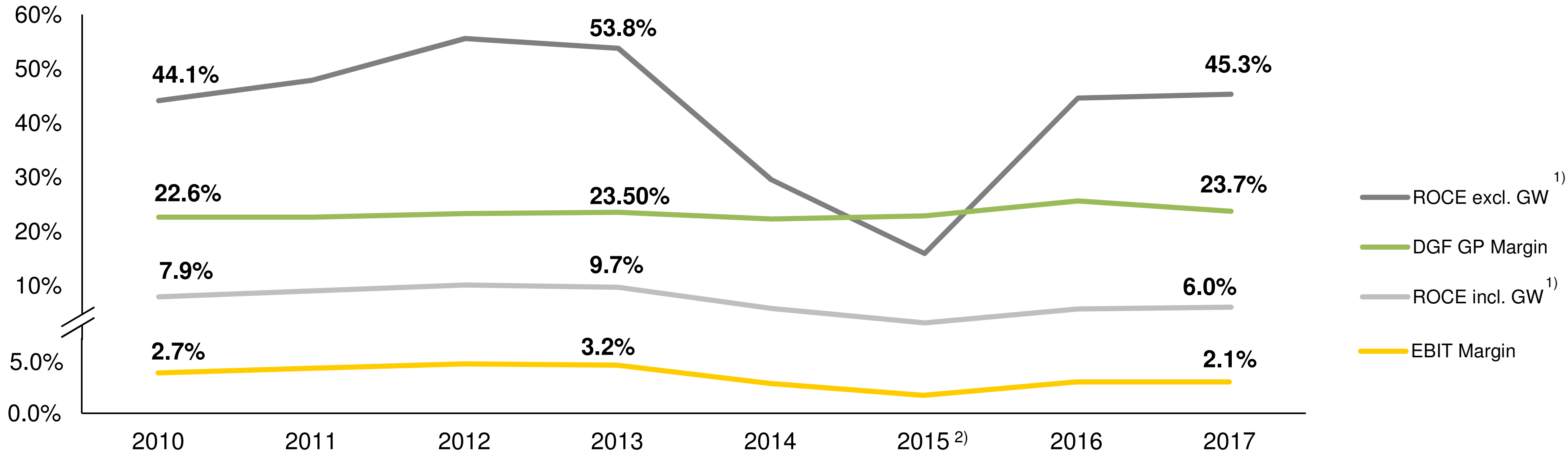
✓ (green) Significant progress/completed; now business as usual

✓ (grey) Initiated and demonstrating progress; further rollout ongoing

Significant progress has been made across all initiatives, further rollout on-going

FORWARDING IS AN ASSET-LIGHT AND HIGH RETURN INDUSTRY

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



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

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

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STRATEGY 2020

Focus. Connect. Grow.

SUPPLY CHAIN

SUPPLY CHAIN: UNCHANGED SELECTIVE APPROACH

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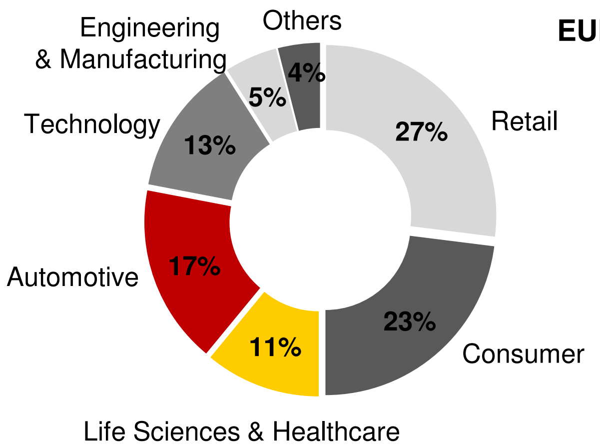
New signings, EUR m[1)]

1) Annualized revenue

Revenue by sector Q1 2018

EUR 3.1bn revenue



Business Highlights

- Decline in new contract signings reflects WLT divestment, signings slightly up on comparable basis
- In the EMEA and Americas regions, volumes grew primarily in the Automotive and Retail sectors
- In the Asia Pacific region, we achieved growth in almost all sectors
- New business signings were concentrated on Automotive, Consumer and Retail sectors
- Continued, high contract renewal rate

SUPPLY CHAIN – DIVISIONAL RESULTS Q1 2018

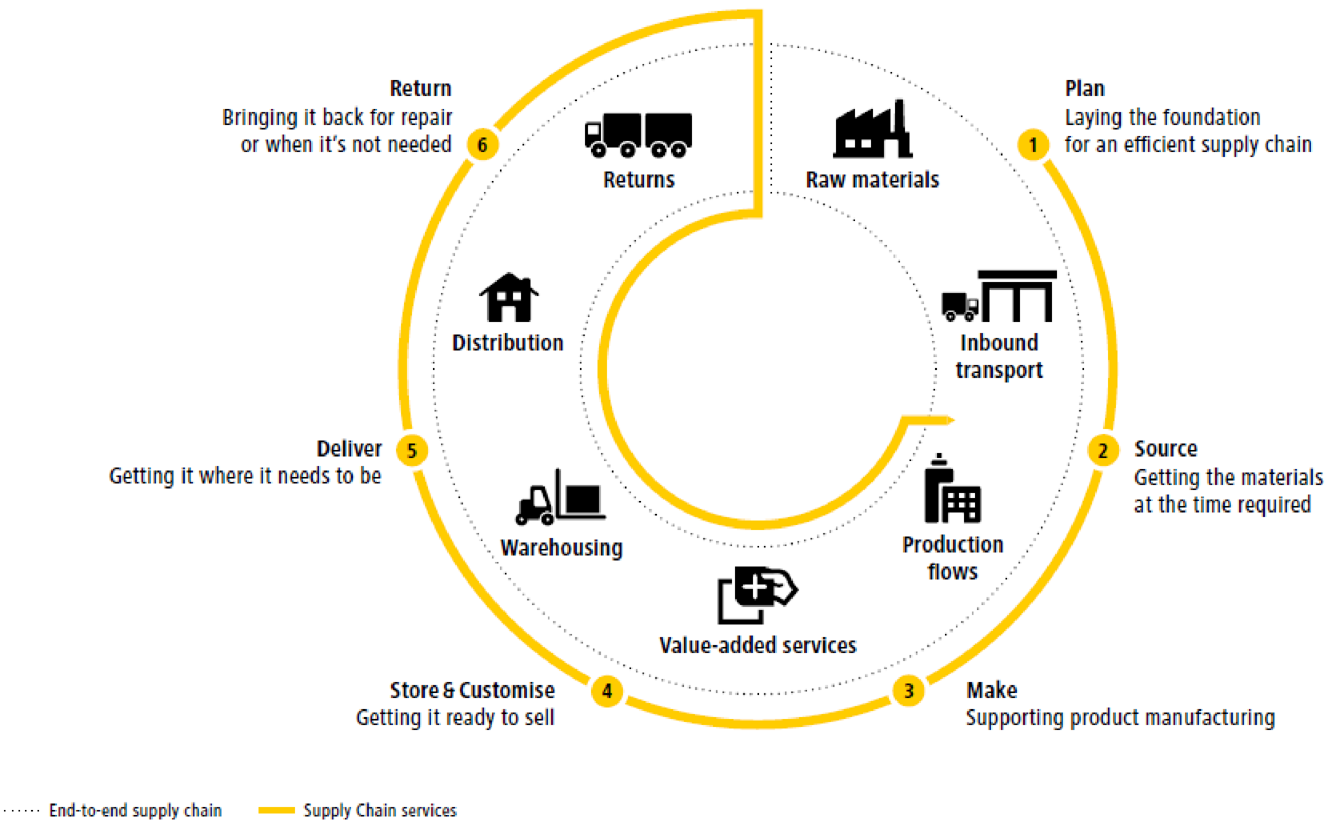
Deutsche Post DHL Group

EUR m	Q1 2017	Q1 2018	Chg.	Management comments
Revenue	3,523	3,124	-11.3%	Sale of WLT and FX effects clearly visible, without which organic growth of +3.8% as a result of good business volumes across all regions
EBIT	99	55	-44.4%	Good operating performance and IFRS16 effect more than offset by one-time charge of EUR 50m from customer contracts as well as FX headwinds
Operating Cash Flow	-104	2	>100%	Reported number driven primarily by IFRS16 effect. Operating cash generation lower due to one-time charge
Capex	61	70	+14.8%	Low overall asset intensity, yoy changes impacted by project timing

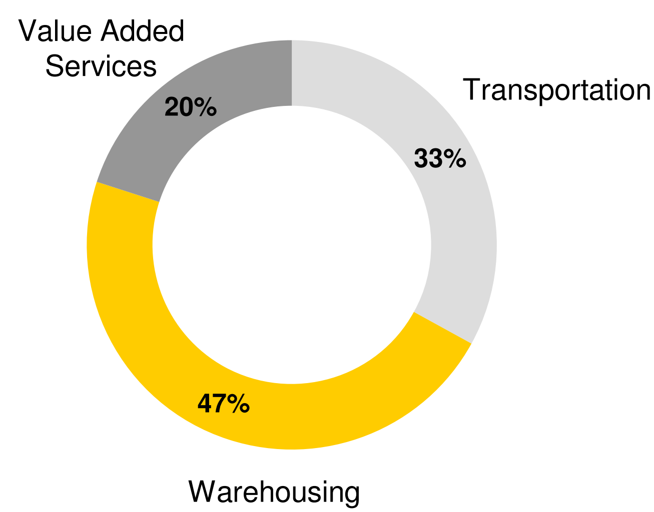
DHL SUPPLY CHAIN: SOLUTIONS OVERVIEW

Deutsche Post DHL Group

Offering Customized Solutions Across the Entire Supply Chain



Revenue by Service Area FY 2017



LIMITED ASSET INTESITY DRIVES ATTRACTIVE AND RISING ROCE

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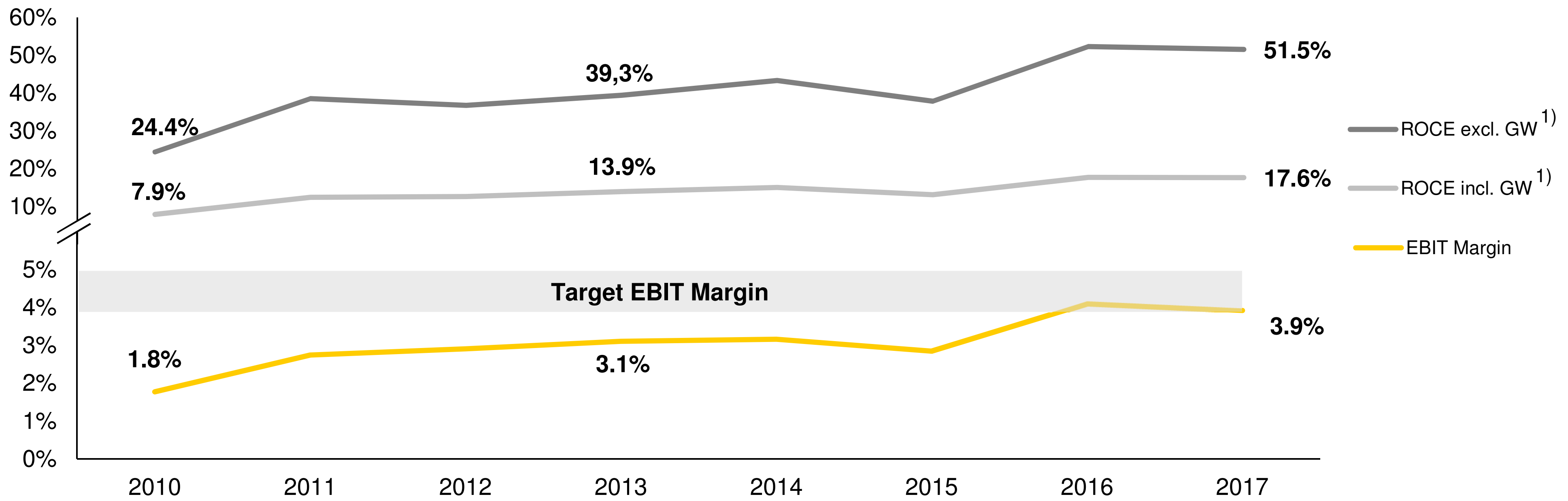
DHL Supply Chain: ROCE and EBIT margin, 2010-17



1) Divisional ROCE: EBIT / Rolling 12m net segment assets (Business Operating Assets + Goodwill)

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

AUTOMATION & DIGITALIZATION AT DHL SUPPLY CHAIN

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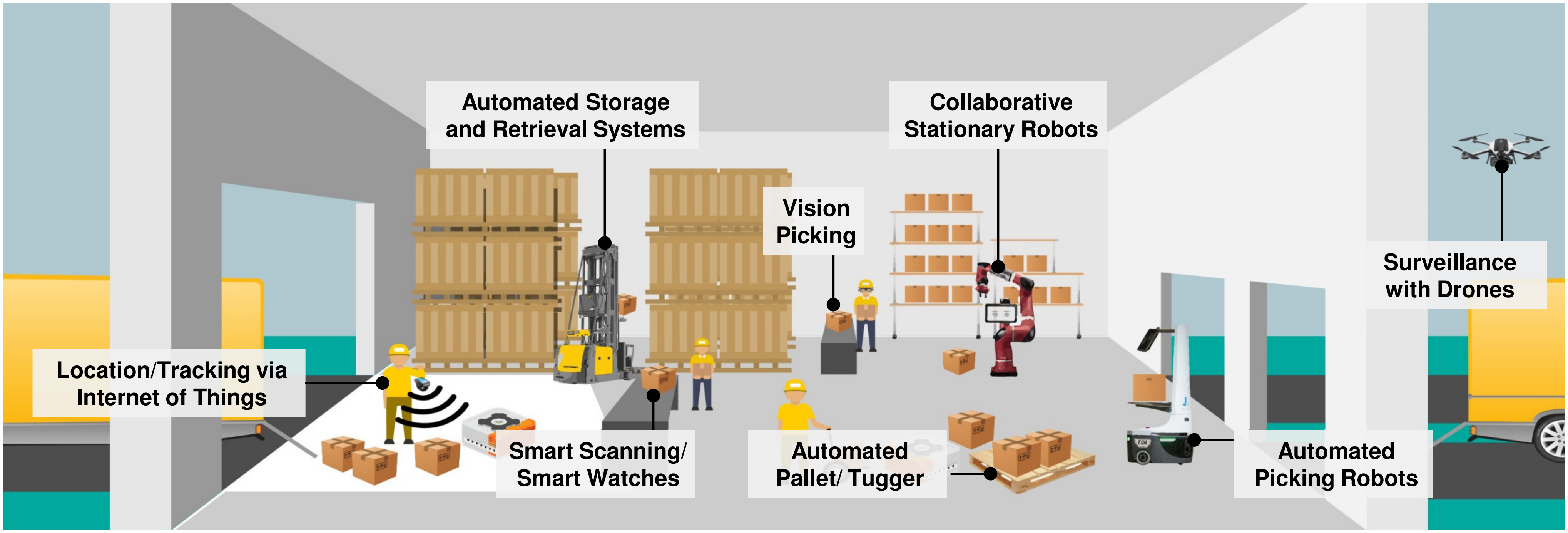
Digitalization in key operational processes



Processes to be automated: » **Automated Put-away** » **Assisted Manual Picking** » **Machine Picking** » **Assisted Co-Packing** » **Automated Support Processes**

Deutsche Post DHL Group

Appendix

GROUP P&L Q1 2018

Deutsche Post DHL Group

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

1) Attributable to Deutsche Post AG shareholders

Q1 2018 IFRS 16 P&L IMPLICATIONS OVERVIEW

Deutsche Post DHL Group

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

EBIT Effect due to IFRS 16

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

1) Attributable to Deutsche Post AG shareholders

FREE CASH FLOW Q1 2018

Deutsche Post DHL Group

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

EUR m	Q1 2017	Q1 2018	Delta LY	IFRS 16 effect	
EBIT	**885**	**905**	**+20**	**+44**	
Depreciation/ Amortization	347	769	+422	+438	
Cash from operating activities before changes in WC	**910**	**1,321**	**+411**	**+482**	Q1 cash generation as every year affected by annual civil servant pension scheme contribution Higher OCF driven by IFRS16 effect offset by increased cash outflow in working capital as well as specific Q1 developments in PeP and DSC EBIT
Changes in Working Capital	-820	-953	-133	+5	
Net cash from operating activities after changes in WC	**90**	**368**	**+278**	**+487**	
Net Capex	-484	-535	-51	-	As guided in November 2017, new FCF definition includes an adjustment for the treatment of leases to ensure yoy comparability Lower FCF is mainly a reflection of working capital changes and higher cash out for capex
Net Cash for Leases	0	-487	-487	-487	
Net M&A	-27	-19	+8	-	
Net Interest	-9	-6	+3	-	
Free Cash Flow	**-430**	**-679**	**-249**	**-**	FFO/Debt at 29.9% (year-end 2017: 32.0%)

NET DEBT (-)/LIQUIDITY (+)

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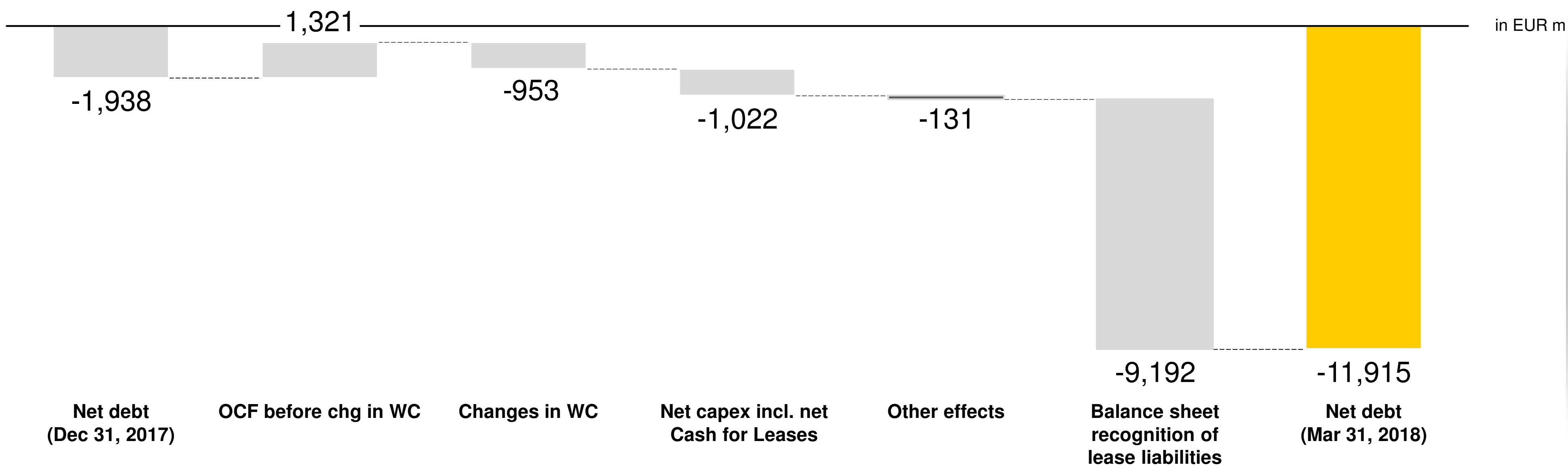
Significant change in net debt driven by first time recognition of EUR 9.2bn of lease liabilities (IFRS16)

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



IFRS 16: MAJOR P&L IMPLICATIONS

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EUR m	Expected IFRS16 effect on 2018[1)]		
Revenue			**No changes**
Materials expense	~ -1,950		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	**~ +1,950**		**Increase due to lower materials expenses**
D&A	~ +1,800		Increase due to new depreciation of capitalized operating-lease-assets
EBIT	**~ +150**		**EBIT increase as operating lease expense replaced by depreciation and interest**
Net finance costs	~ -350		Increase due to interest cost component booked in finance cost
Income taxes	~ -50		Lower during first years due to higher deferred tax assets
Cons. net profit	**~ -150**		**Whilst neutral over time, timing effect due to higher interest during first years**

Main P&L effects: increase in EBITDA and EBIT, long-term neutral to net profit

1) Based on leases as per 1.1.2018

IFRS 16: EXPECTED IMPLICATIONS FOR DPDHL GROUP

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

Expected major impacts on 2018 numbers:

P&L	EBIT: expected increase of EUR ~ 150m
Balance sheet	Net debt: Expected increase of ~ EUR 9bn
FCF	FCF: no change based on new definition: OCF – *redemption of lease liabilities* - net capex - net M&A - net interest
Credit Rating	No impact on rating and related metrics expected

Current internal estimates: to be further validated

No effect on actual cash generation and debt rating

EBIT GROWTH IS AND REMAINS THE MOST IMPORTANT FCF DRIVER

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CASH FLOW STATEMENT	EXPECTED TREND	MAIN DRIVERS
EBIT	↗	**Group EBIT guidance, 2018: EUR ~4.15bn; 2020: EUR >5bn**
Depreciation	➚	Step change due to 1st time application of IFRS 16 in 2018, thereafter gradual increase reflecting capex spend
Change in provisions	➘	Total provisions still expected to come further down through net utilization Cash-outs expected to trend flat to slightly down yoy
Working capital	➚	Increasing as business grows but strong focus on working capital management
Income taxes	↗	Increase reflecting EBIT growth
Net capex	➚	Further modest yoy increases based on growth opportunities, excluding debt-financed Express intercont fleet renewal
Redemption of lease liabilities	➚	**NEW** due to 1st time application of IFRS 16 in 2018 (offsetting change in depreciation)
Net M&A	➡	Remains opportunistic & bolt-on
FCF	↗	**Expect to generate excess liquidity every year (FCF > dividend payment)**

EBIT increase allows to balance growth investments and rising shareholder returns

P&L TAX RATE AND CASH TAXES PAID EXPECTED TO INCREASE

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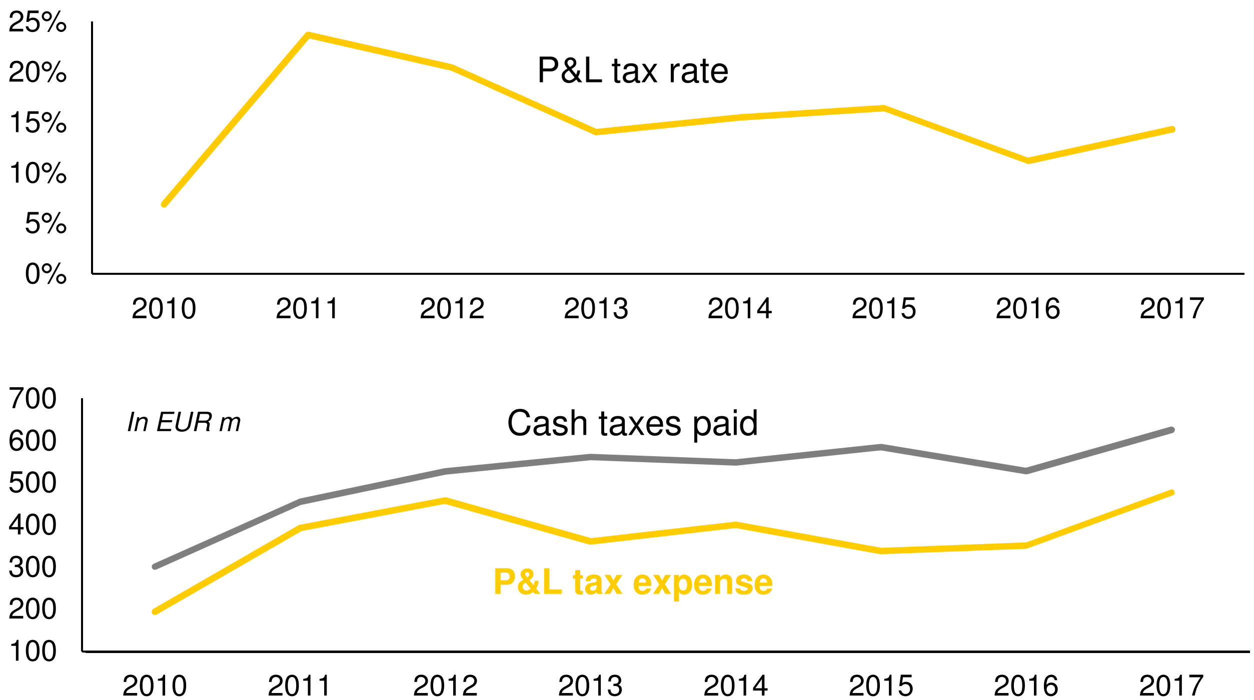

- Main difference between P&L tax expense and cash taxes paid arise from deferred tax assets
- No additional tax loss carryforwards to be capitalized as deferred tax assets in Germany in 2018
- Not yet capitalized tax loss carryforwards amount to EUR 6.4bn, most of it in the US
- Cash taxes paid will increase in line with anticipated growth in profitability

P&L tax rate expected to reach mid-to-high 20% range by 2020

FX MOVEMENTS ARE PART OF BEING THE MOST GLOBAL COMPANY IN THE WORLD

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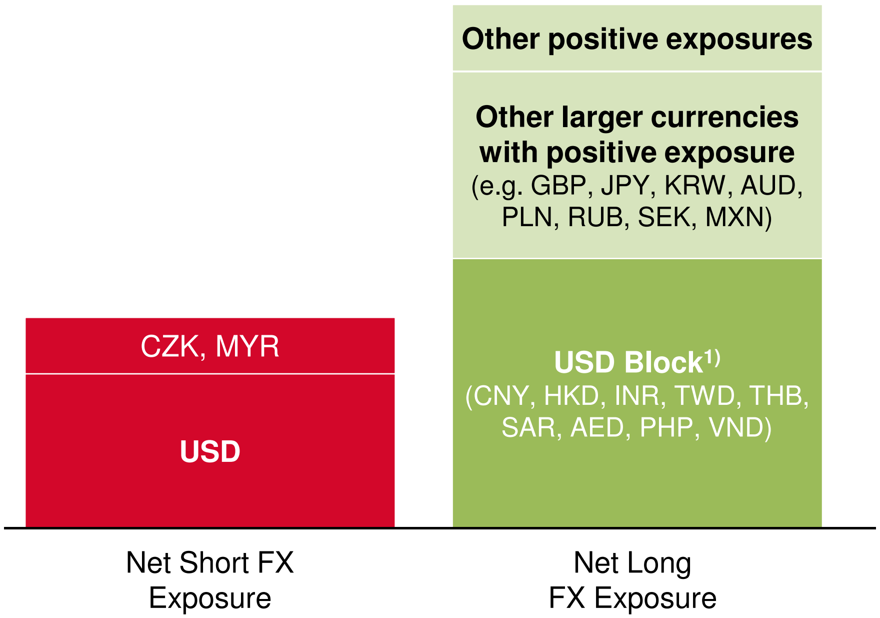

FX effects are mainly translational

- EUR appreciation => lower revenue and EBIT
- Direct USD exposure actually more than offset by USD-correlated block => USD depreciation = positive stand-alone, but in practice most often offset by FX movements in the USD block
- More than 50% of FX effects in 2017 came from outside of the big currencies

Ultimately, FX volatility is unavoidable and best managed by the business

- We do only opportunistic hedging (e.g. Brexit)
- Difficult to model FX externally due to the many cross currency dependencies

1) Currencies with a correlation to the USD above 75%

CAPEX: RECENT HISTORY AND OUTLOOK

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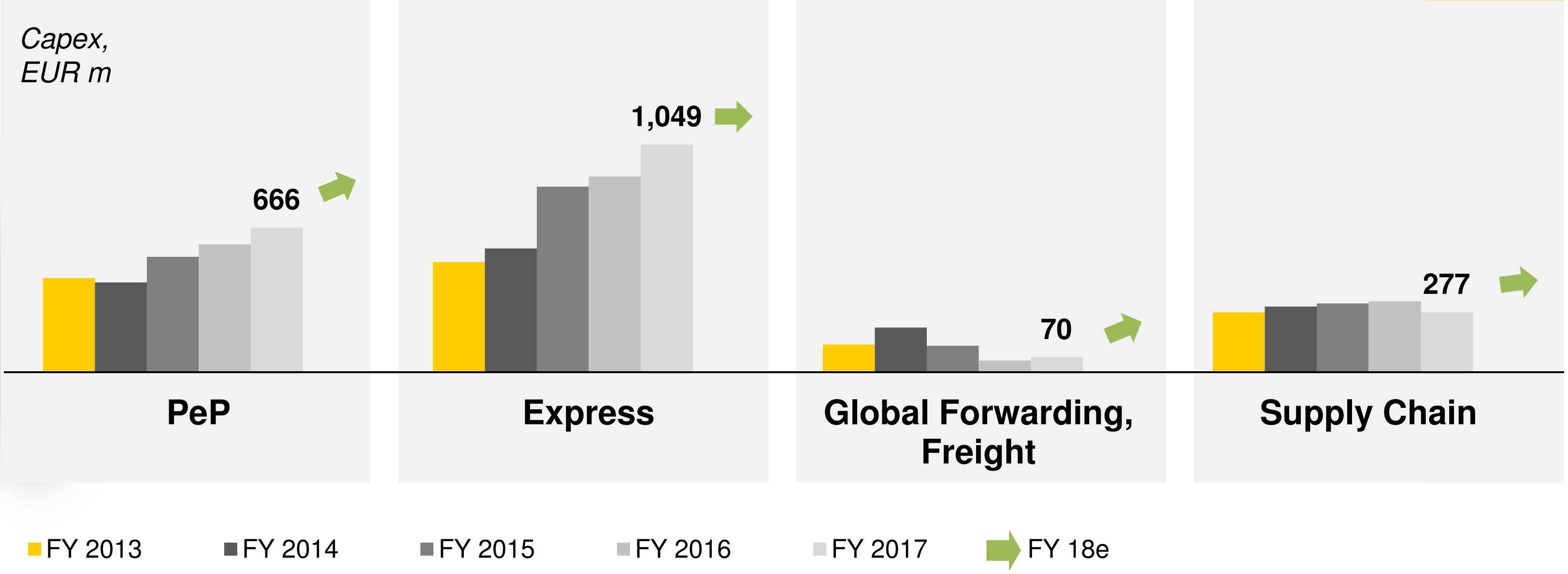
Increase driven by investments in B2C national/international + 2017 peak, plateauing in 2018 + Low levels reflecting minimal capital intensity + Slight upward trend from new business – still remains mostly asset light = **GROUP CAPEX (excl. leases)**



FY 2018 guidance
EUR ~2.5bn

CAPEX BY DIVISION – WHERE DOES IT GO?

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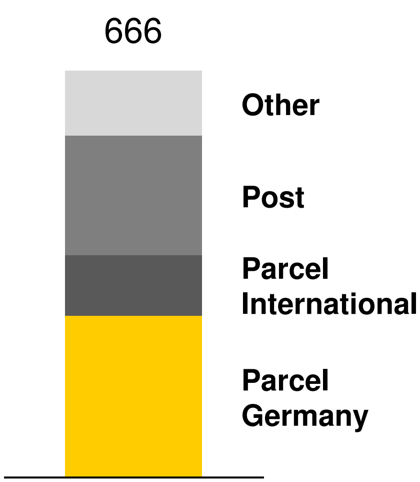
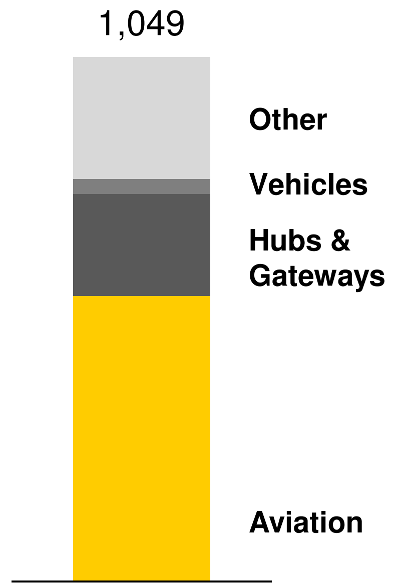
PeP
(2017 Capex, EUR m)



EXAMPLES

- Other:
  - StreetScooter
- Post:
  - IT
  - Partner outlets
- Parcel International:
  - Market entries/expansion
  - Sorting center expansion
- Parcel Germany:
  - 50k sorting center
  - Mechanized depots

EXPRESS
(2017 Capex, EUR m)



EXAMPLES

- Other:
  - Gateways
  - Service Centers
- Hubs & Gateways:
  - Leipzig Hub
  - Brussels Hub
  - East Midlands Hub
  - Cincinnati Hub
  - Madrid Hub
  - Ground Hub Mexico
- Aviation:
  - Aircraft purchases/ Air Hong Kong transaction
  - Aircraft maintenance

Most investments support e-commerce driven growth in Parcel and Express networks

DISCIPLINED GROWTH INVESTMENT HAS LED TO RISING RETURNS

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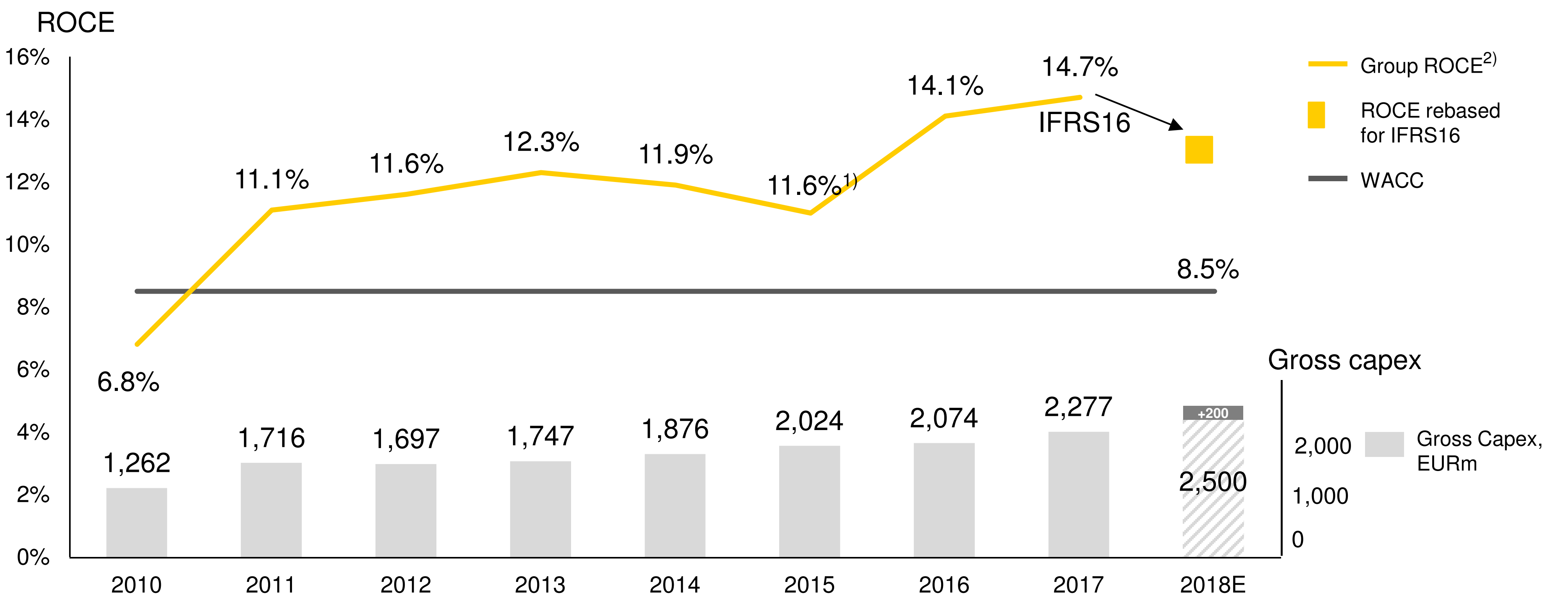

1) 2015 EBIT adjusted for NFE-write off; 2) Group ROCE = Group EBIT / (Total assets – current liabilities)

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

DPDHL GROUP PENSIONS - DBO, DCO, CIVIL SERVANTS

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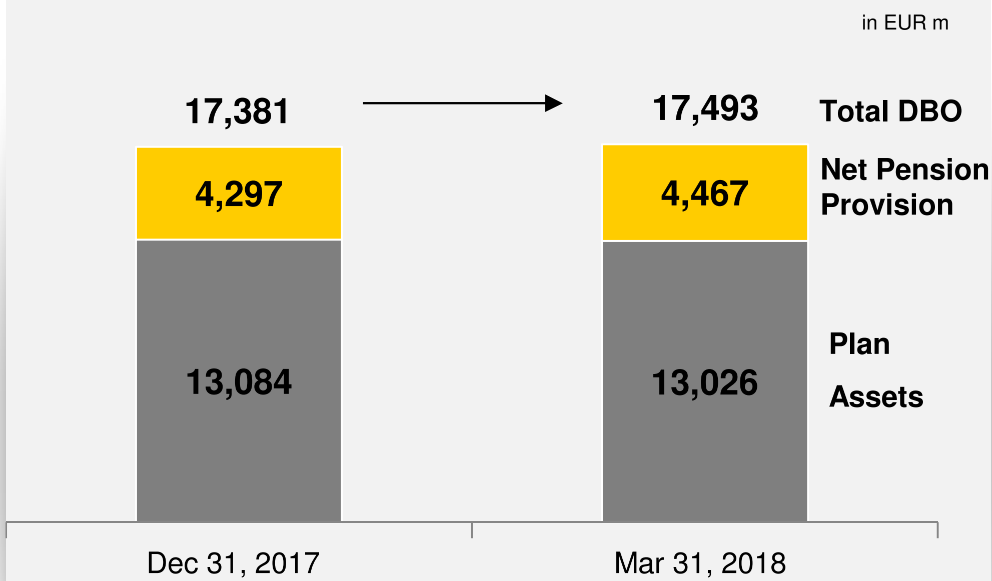
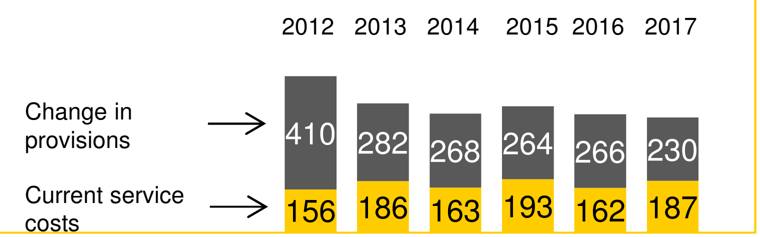


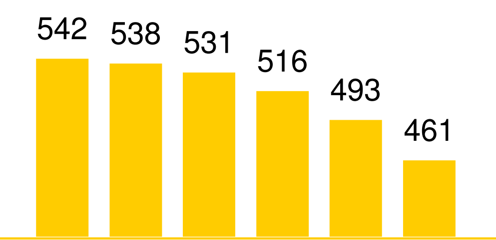
Discount Rate	Germany	UK	Other	Total
Dec 31, 2017	2.25%	2.5%	2.23%	2.32%
Mar 31, 2018	2.00%	2.75%	2.12%	2.24%

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

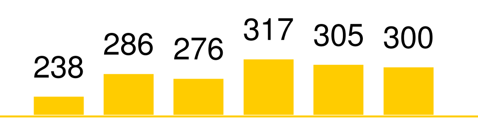


Defined contribution (DC):
Cash out = staff costs in EBIT

Civil servants (in GER)



Hourly workers and salaried employees mainly outside GER



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