

# INVESTOR PRESENTATION

**Investor Relations**  
March 2020



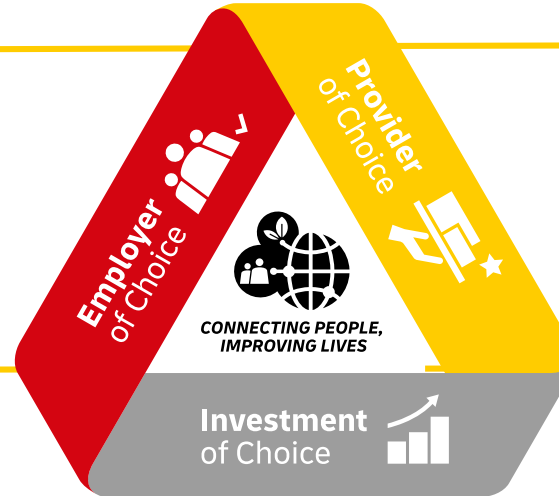
# 2019 summary: Significant progress along all 3 bottom lines, as well as on sustainability targets

## 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)

# DPDHL Group Overview and Results

## Strategy 2025

## Divisional Deep-Dives

## Group Financial Backup

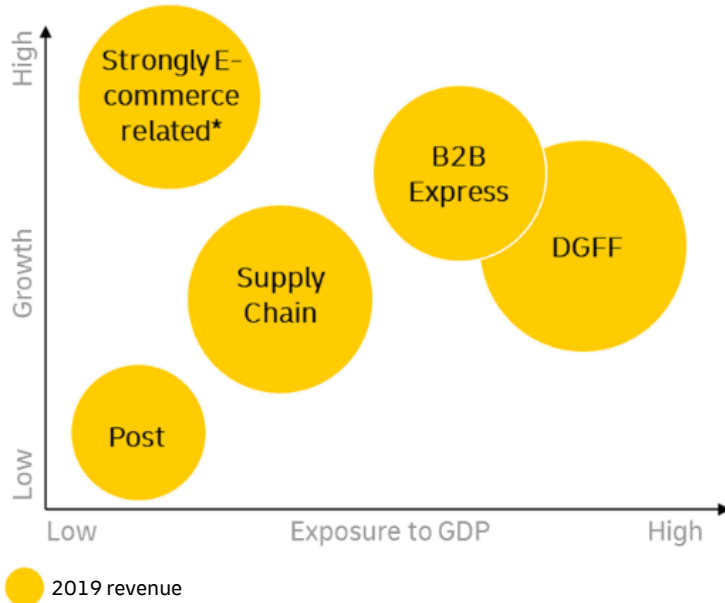


## DPDHL Group at a Glance

FY 2019	GROUP	P&P Germany	DHL Express	DHL Global Forwarding Freight	DHL Supply Chain	DHL eCommerce Solutions
<b>Revenue</b>	€63,341m	€15,484m	€17,101m	€15,128m	€13,436m	€4,045m
<b>EBIT</b>	€4,128m	€1,230m	€2,039m	€521m	€912m	€-51m
<b>EBIT Margin</b>	6.5%	7.9%	11.9%	3.4%	4.7%*	
<b>FTEs</b>	499,461	159,100	96,850	44,265	155,791	30,797
*adjusted for one-offs		Network business – asset intensive	Network business – asset intensive	Brokerage – asset light	Outsource – asset light	Network business – asset intensive

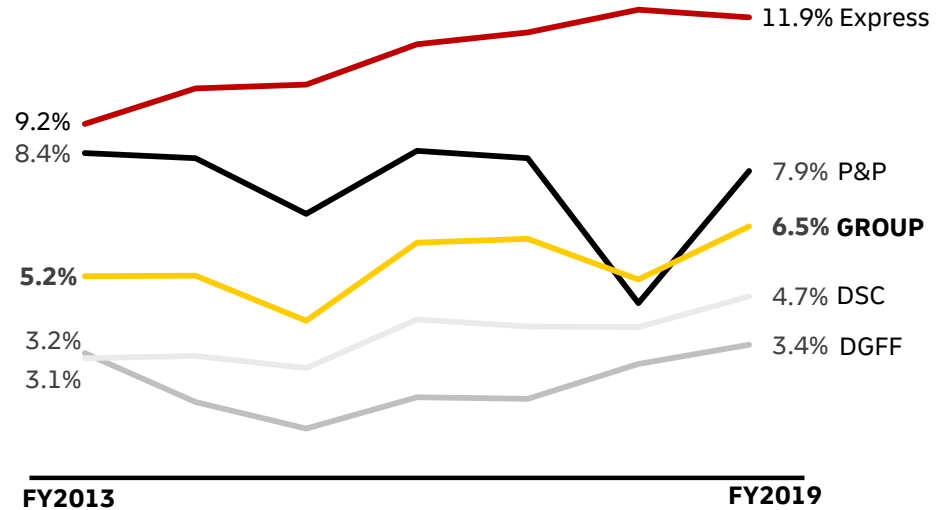
# 2019 performance again shows benefit of resilient Group footprint & further progress on self-help measures

**+2.3% organic revenue growth**



\*B2C Express, Parcel Germany and DHL eCommerce Solutions

**Group EBIT margin +140bps in 2019**

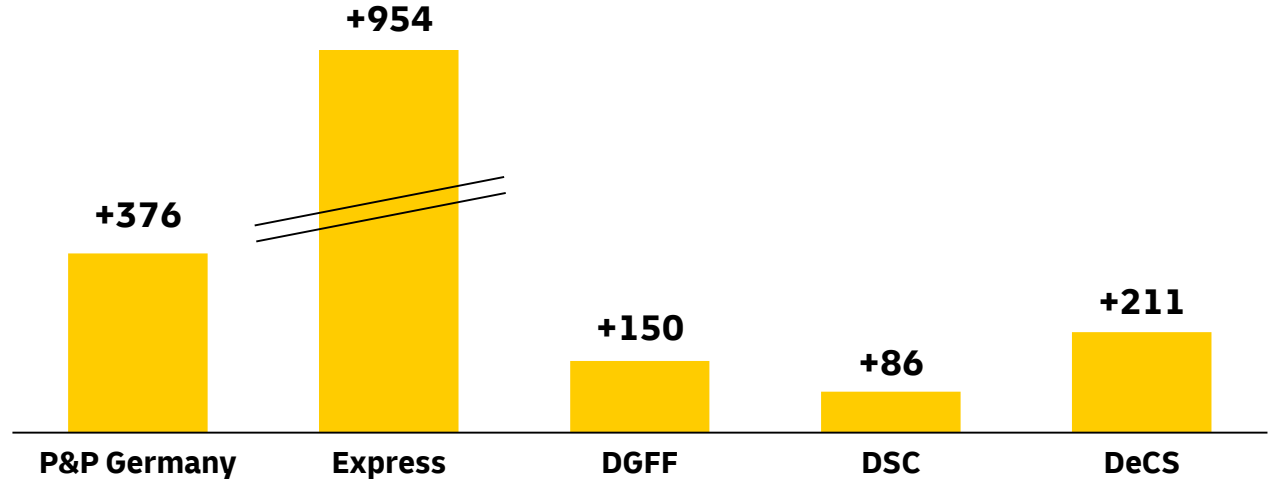


EBIT Margin: DSC adjusted for 2019 one-offs, DGFF for NFE write-down in 2015

# FY 2019 Group Revenue

**GROUP**  
**€63,341m**  
**€+1,791m**  
**(+2.9%)**

Revenue growth yoy  
 All in €m



<b>Organic Growth</b>	<b>Group:</b> +2.3%	+2.5%	+4.2%	+0.2%	+1.5%	+3.5%
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# FY 2019 Group EBIT

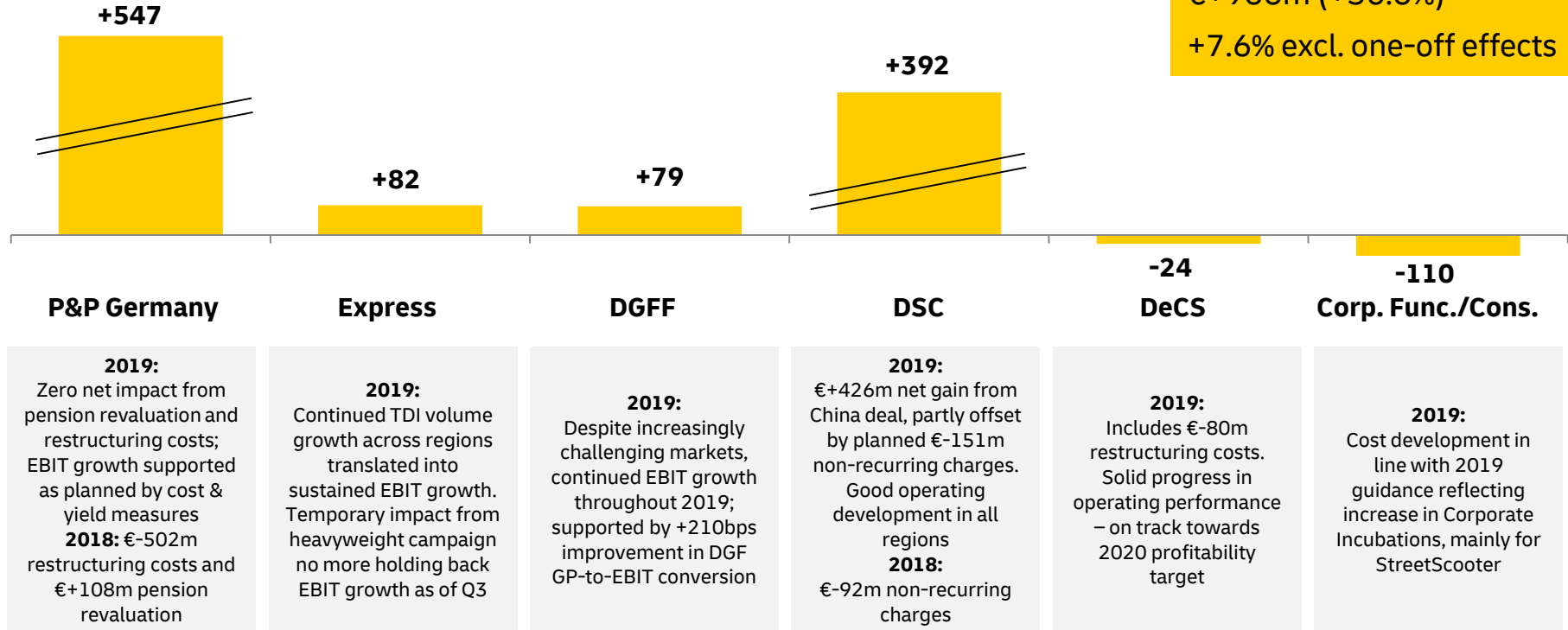
## Reported EBIT growth yoy

All in €m

**GROUP €4,128m**

€+966m (+30.6%)

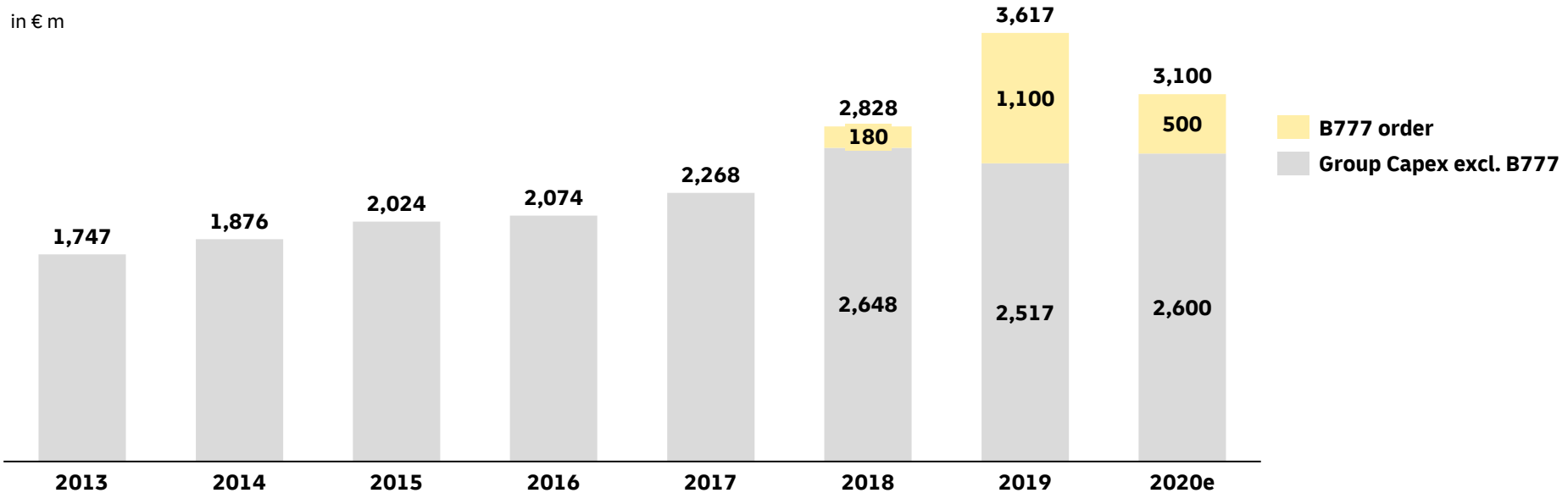
+7.6% excl. one-off effects



## Capex outlook: 2019 peak due to B777 order

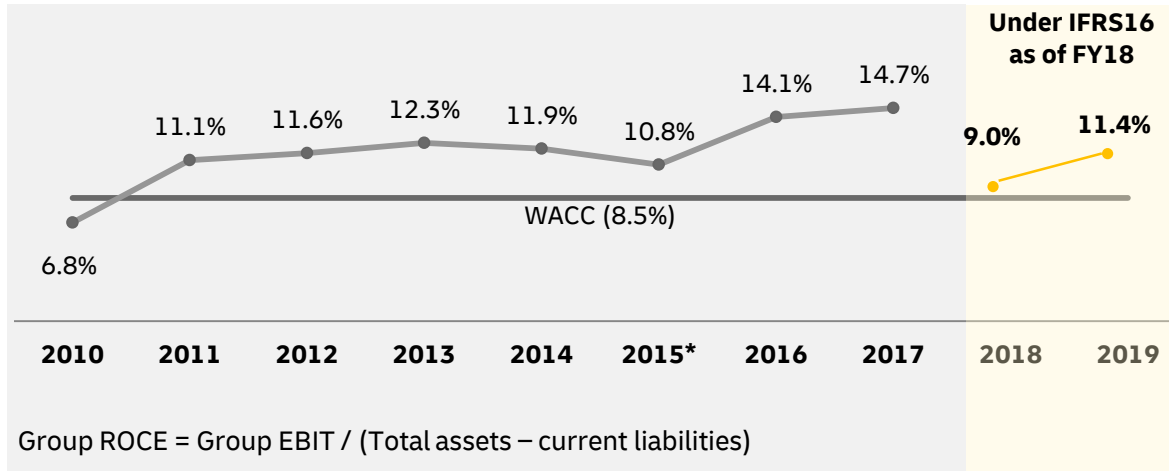
- Peak at €3.7bn in 2019 (incl. €1.1bn B777 order)
- Stable / slightly rising excl. B777 order going forward

in € m



# Group ROCE up despite significant B777 investment in 2019

## Group ROCE vs WACC

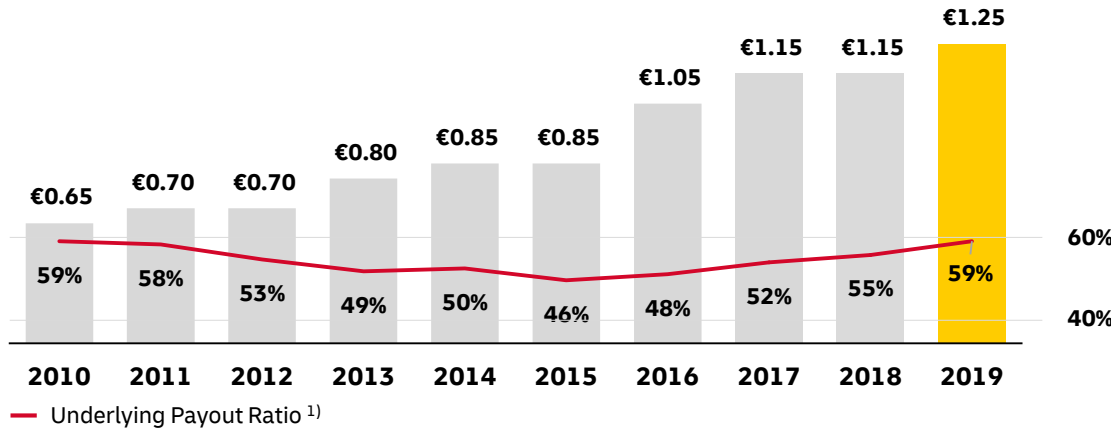


- IFRS16 introduction in FY 2018 set a new base for Group ROCE by adding full lease commitments into CE, even though actual cash outs are expensed later through the contract period
- 2019 EBIT growth drove increase in Group ROCE despite significant investment in Express asset base through intercontinental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

\*2015 EBIT adjusted for NFE-write off;

# €1.25 dividend proposal in line with Finance Policy

Dividend proposal of €1.25 for FY 2019



## 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**

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

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

## 2020 EBIT Guidance subject to Corona and StreetScooter effects

in € bn	2020
Group EBIT	>5.0
P&P Germany	>1.6
DHL	>3.7
Corporate Functions	-0.35

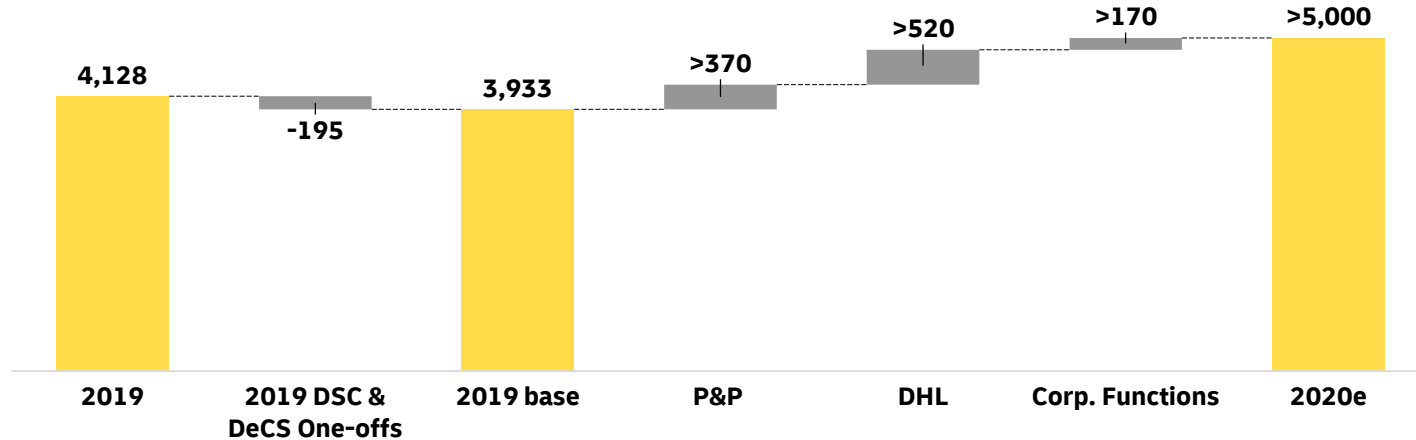
### Not considered:

- **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

in €m



- 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

		<b>Effects considered:</b>
<b>FCF</b>	~€1.4bn incl. €500m for Express intercontinental fleet renewal	<ul style="list-style-type: none"> <li>- Includes StreetScooter</li> <li>- Excludes Corona</li> </ul>
<b>Gross Capex (excl. Leases)</b>	~€2.6bn plus €500m for Express intercontinental fleet renewal	<ul style="list-style-type: none"> <li>- Includes StreetScooter and Corona</li> </ul>
<b>Tax Rate</b>	22% to 24%	<ul style="list-style-type: none"> <li>- Includes StreetScooter and Corona</li> </ul>

## Rolling 2022 financial targets, EBIT confirmed, increase on FCF

All targets to be rolled  
forward annually

in € bn	2022
Group EBIT	>5.3
Capex (20-22) cumulative	8.5 - 9.5
FCF (20-22) cumulative	5.0 - 6.0 (from 4.5-5.5)

**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**

# DPDHL Group Investment Case Summary

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## EARNINGS

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- Sustainable growth from diversified global market leader
  - Clear agenda for improving profitability
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## CASH FLOW

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- Continued investments for profitable growth
  - Strong balance sheet and cash generation
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## SHAREHOLDERS' RETURN

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

## Strategy 2025

## Divisional Deep-Dives

## Group Financial Backup

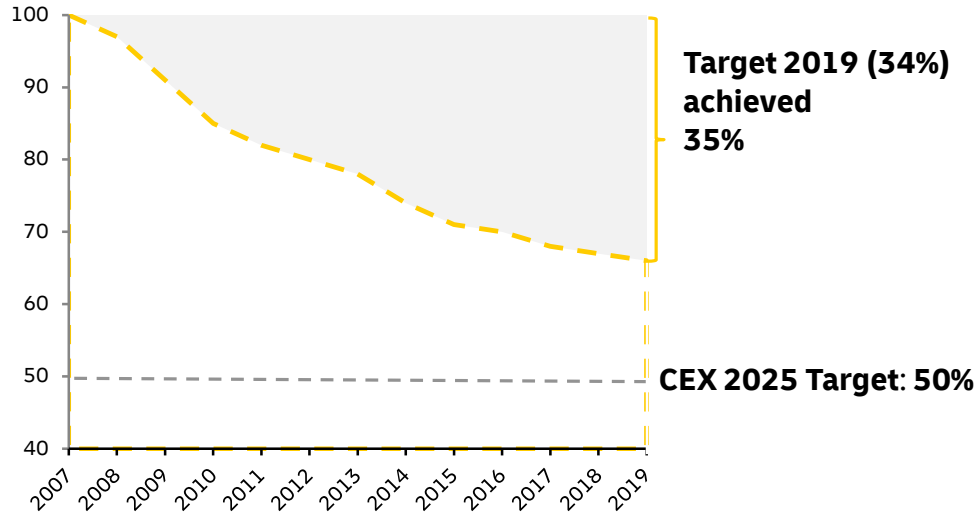


# STRATEGY 2025: Delivering Excellence in a digital world



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

## CEX\* measures efficiency of greenhouse gas emissions



\*CEX: Carbon Efficiency Index

## 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

MISSION 2050  
**ZERO EMISSIONS**  
**GOGREEN**



# 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

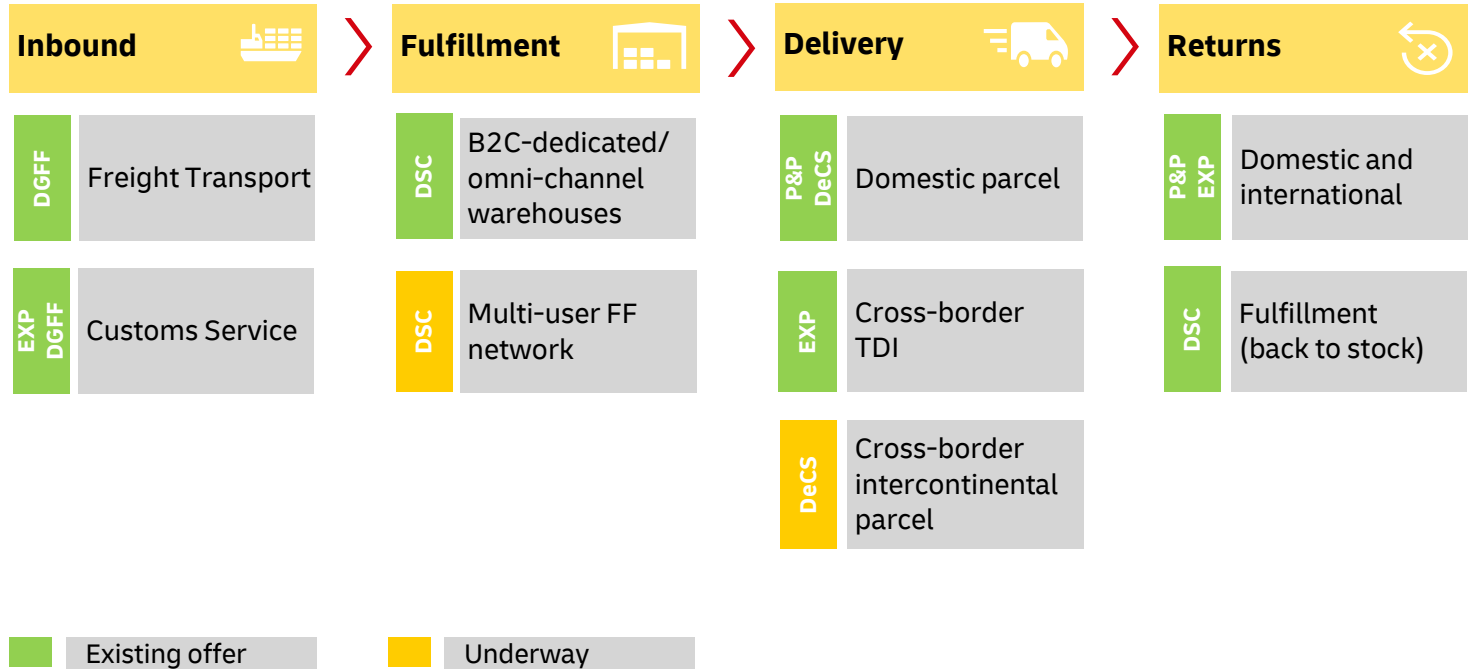
### DSC

- 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



## 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

Q4 2019 yoy	Volume	Revenue
Mail*	<b>-3.1%</b>	<b>-1.8%</b>
Parcel Germany	<b>+3.9%</b>	<b>+7.7%</b>

\*Mail Communication & Dialogue Marketing

- 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



## P&P Germany: To have in mind for 2020

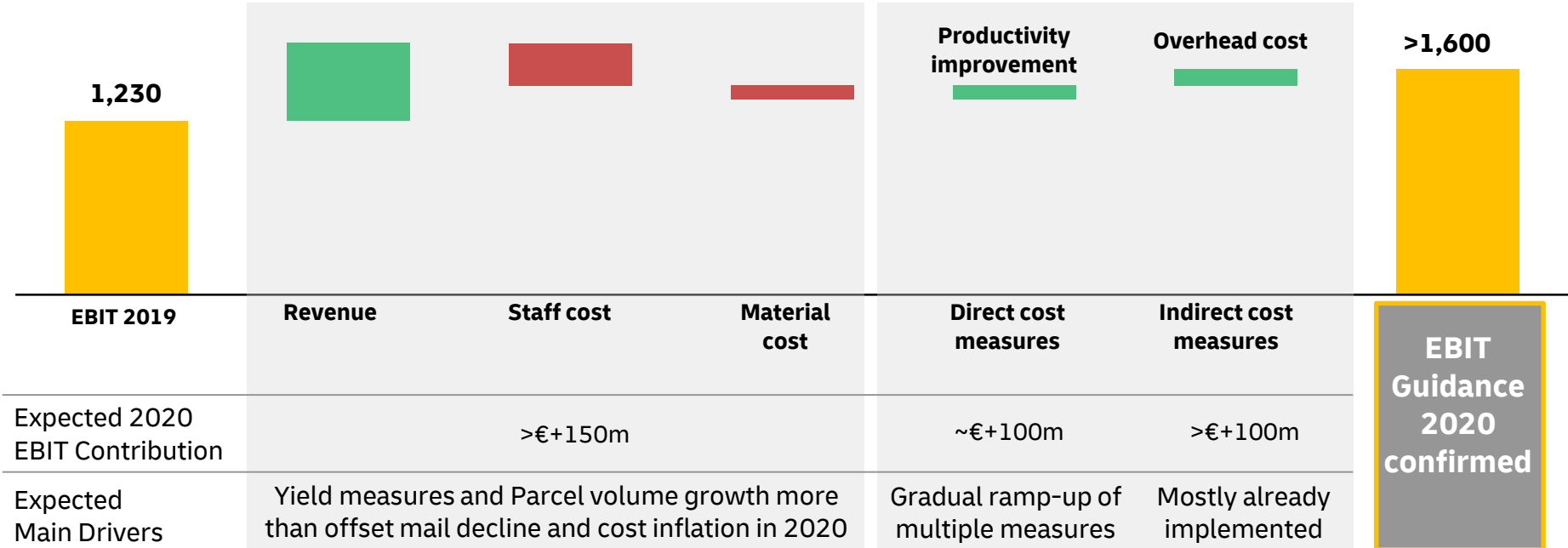
- **Mail: Shift from DM to MC / elasticity effects**
  - Fundamental trend in Mail volume decline confirmed at -2% to -3%
  - However, temporarily stronger volume decline of -5% to -6%, due to changes to product structure and price elasticity
  - Positive revenue effects anticipated due to price increases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

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

EBIT contribution, in €m  
2020e vs 2019



# 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

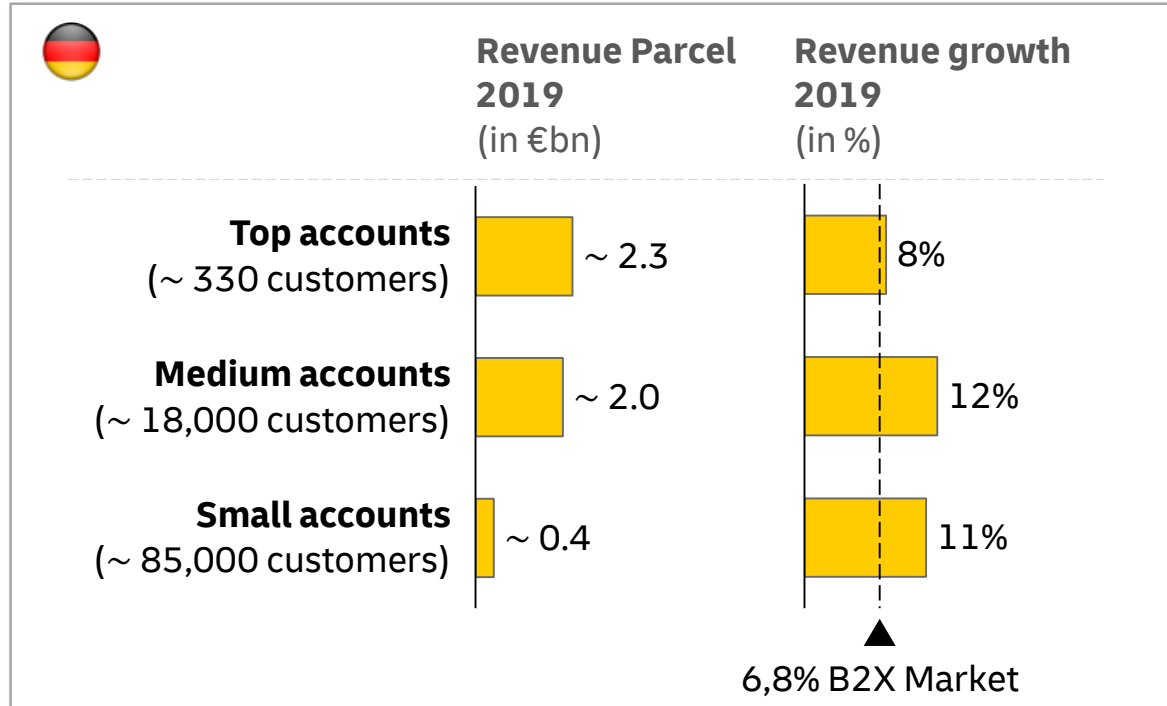
- Optimized asset concept including real estate and new sorting concept for mid-sized shipments
- New features and boost of Packstation
- Accelerate digitalization in operations

## Digitalization @ P&P

# P&P Germany: Products and Pricing

P&P revenue FY19: €15.4bn		Pricing	
Mail Communication €6.3bn	Ex-ante products – <i>private customers</i>	Jul 2019: 10.6% increase for 2019-2021 period	
	Partial services – <i>business customers</i>	2019: No increase, 2020: 3-4% through reduction of discounts	
Dialogue Marketing €2.1bn	Addressed and undressed advertisement mailings, campaigns (both digital & physical)	2020: partially increased	
Other €1.9bn	Press, pension services, retail	2020: partially increased	
Parcel Germany €6.1bn	Business customers	Top accounts (~330 customers)	Stronger increase than historically
		Middle accounts (~18k customers)	Stronger increase than historically
		Small accounts (~85k customers)	Sep 2019: Most recent increase on listed prices
	Private customers	Listed prices in retail outlets and online	

# P&P Germany: Parcel growth driven by all customer segments



# Digitalization in P&P Germany

## Postage

Simply use your mobile phone to add postage



End 2020

**Mobile stamps**

## Notification

Always know *which* shipment is on the way...



Summer 2020

**Notification and copy**

## Tracking

... and *where* it currently is



Starting in 2021

**Letter tracking**

## Receiving/sending

Receiving and sending parcels around the clock

Until 2021

Starting in 2021



## 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



Now available



**Mobile parcel stamps and returns**

Fall 2020



**15-minute notification**

Ramp-up 2020



**Live parcel tracking**



# 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

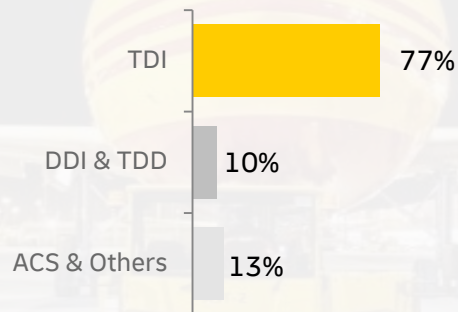
# DHL Express are the 'Experts in Export and Import'

## The Profitable Core

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

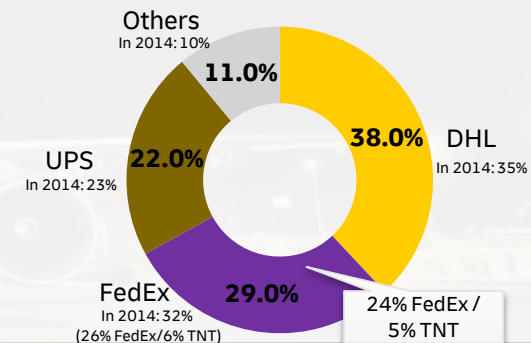
## Revenue Mix<sup>1)</sup>

(€bn, FY 2019)



## Global TDI market<sup>2)</sup>

(2016)

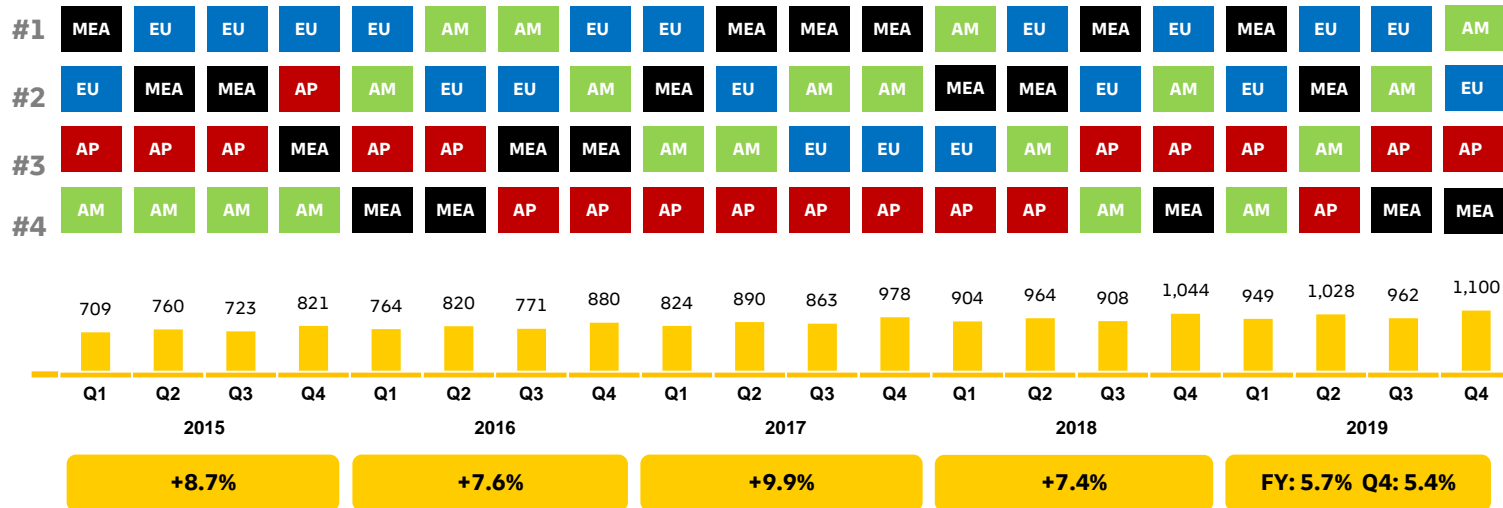


<sup>1)</sup> TDI: Time-Definite International, DDI: Day-Definite International, TDD: Time-Definite Domestic, ACS: Air Capacity Sales & Other Products & Services

<sup>2)</sup> 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

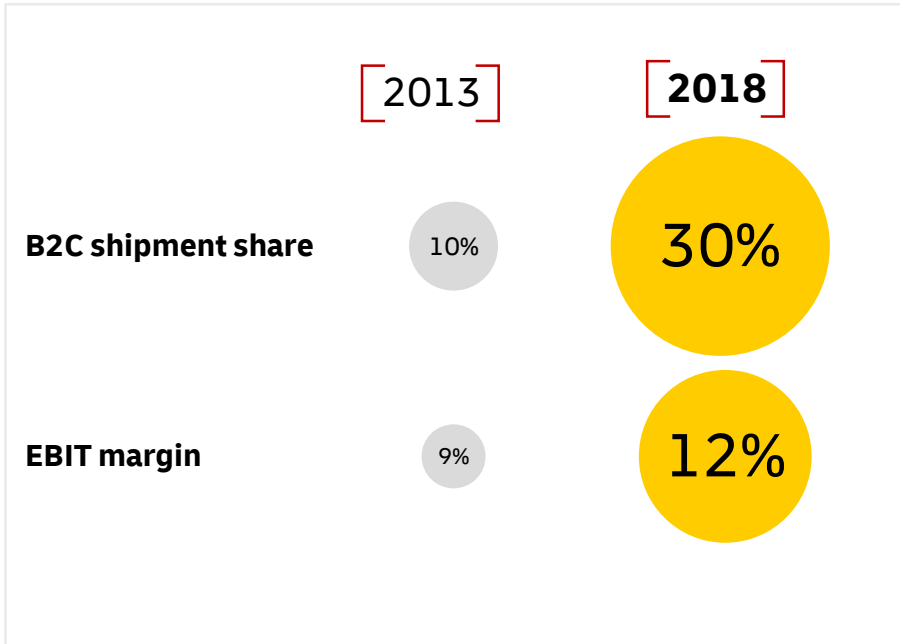
# DHL Express: TDI focus drives sustained growth momentum

## TDI Shipments per Day

	2015-2018	2019
<b>DHL EXPRESS</b>	7-10%	5.7%
<b>B2B</b>	<b>Mid</b> single-digit	<b>Low</b> single-digit
<b>B2C</b>	20 plus %	15 plus %



# E-commerce is a Profitable Growth Driver for DHL Express



## 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 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

## Dedicated fleet (w/o feeders)

2010: ~150 planes

2019: >200 planes



Owned Lease

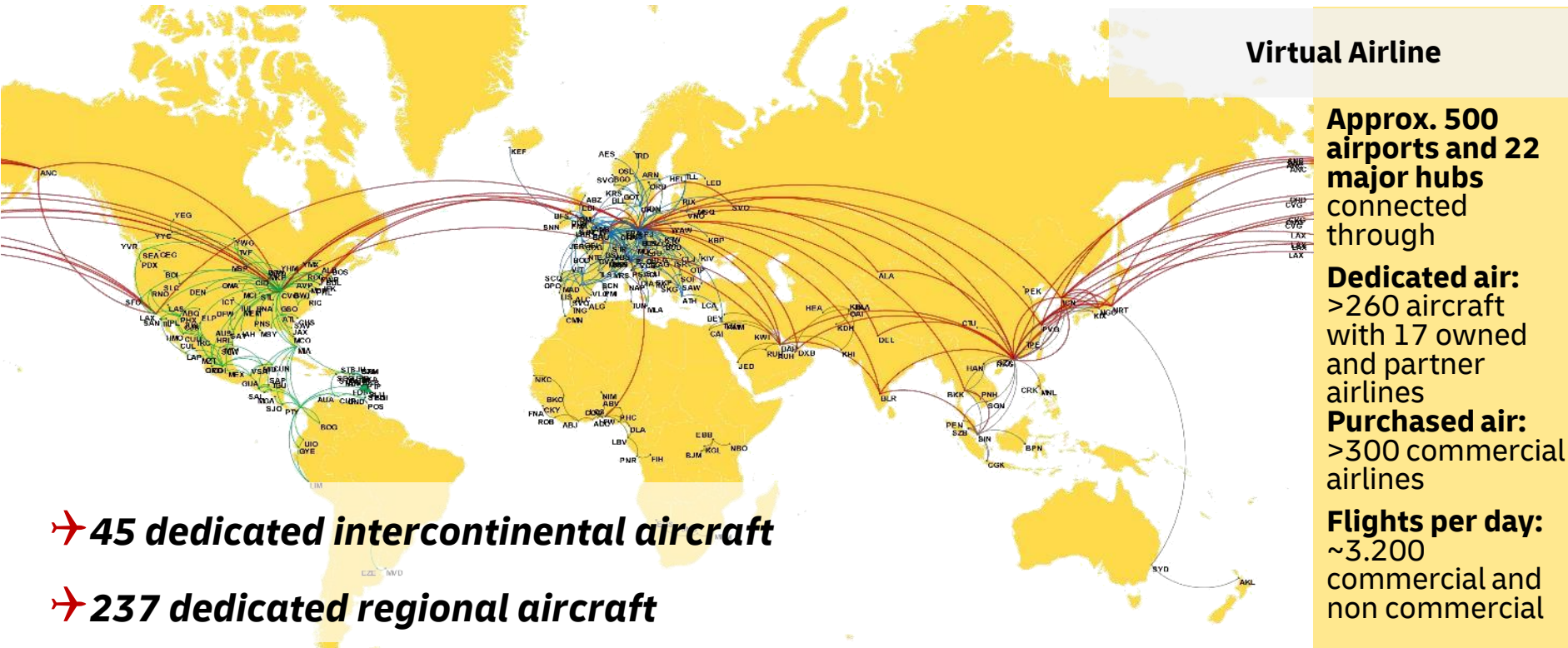
### 2010-18: fleet expansion

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

# DHL Express: Virtual Airline Model



## 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

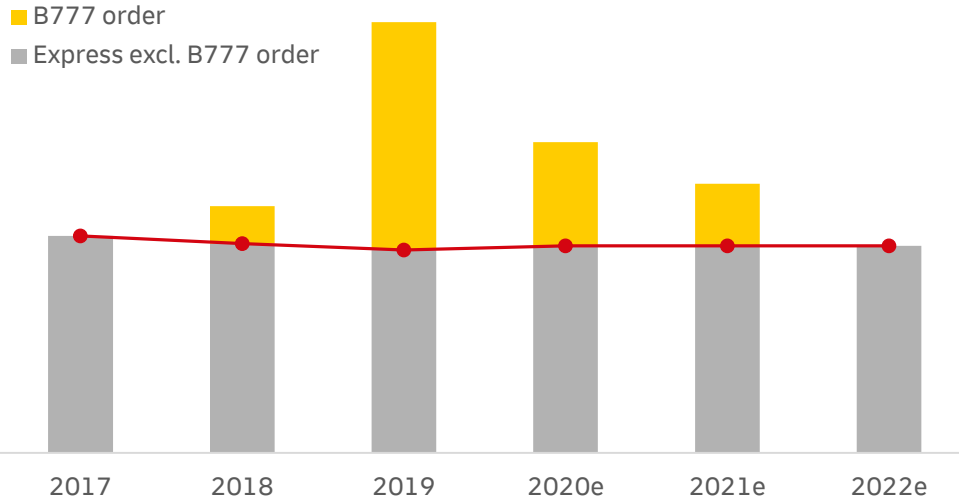
**Flights per day:**  
~3.200 commercial and non commercial

✈ **45 dedicated intercontinental aircraft**

✈ **237 dedicated regional aircraft**

# Express Capex: B777 investment peak in 2019, flat around €1bn excl. B777 order

## DHL Express Capex



## 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)

### Market growth assumptions

- TDI volume growth: 4-5%

### Expected growth vs. market

 **AT LEAST IN LINE**

Supported by unchanged strong yield discipline

## 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

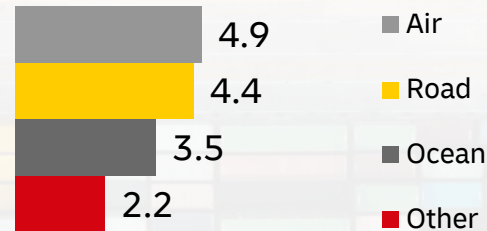
# DGFF: The foundation for further success has been laid

## 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)



## Market Position

(2018)



## DGFF: Weakening momentum across major markets

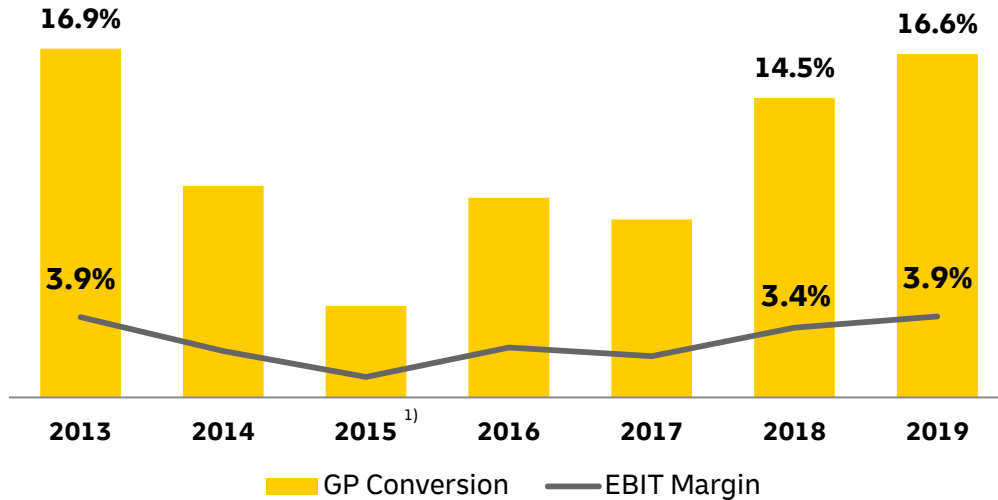
Q4 2019 yoy	Air Freight	Ocean Freight
Volumes	<b>-3.3%</b>	<b>-3.5%</b>
Gross Profit	<b>-6.7%</b>	<b>-5.2%</b>
GP/EXP t ; GP/TEU	<b>-3.5%</b>	<b>-1.8%</b>

- 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



# DGF: EBIT growth supported by further GP-to-EBIT conversion improvement

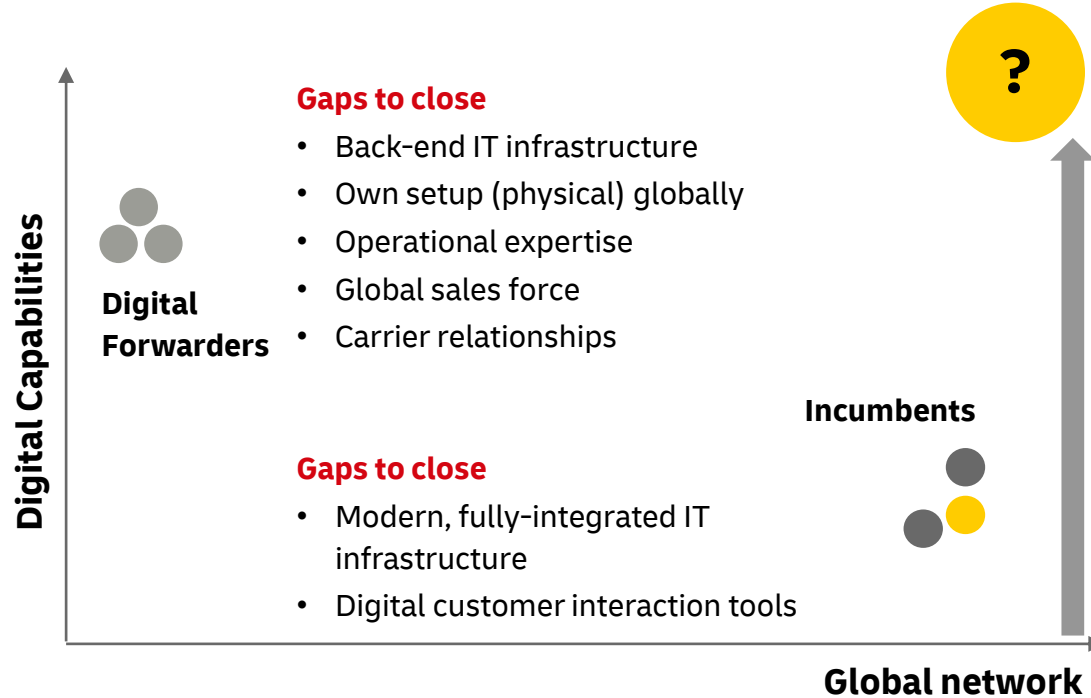
## DGF EBIT margin and GP/EBIT conversion



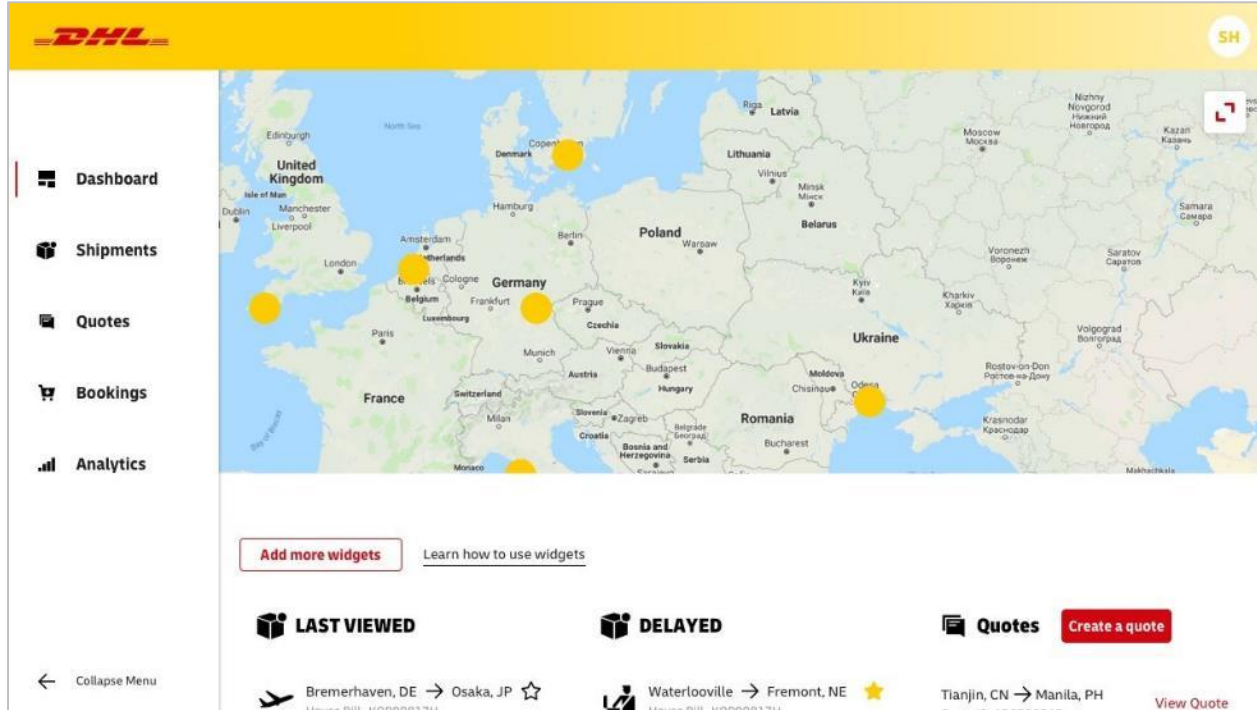
- Increase in 2019 DGFF GP driven by improved GP margin in AFR, Other and Freight
- Continued GP-EBIT conversion improvement reflecting successful execution on internal self-help measures
- DGFF EBIT: +17.9% in FY 2019, +7.5% in Q4 2019
- CW1 Update: >95% of Ocean Freight volumes and ~15% of Air Freight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

1) Adjusted for NFE one-off

# DGFF – Emerging new rivals do not pose imminent risk of disruption



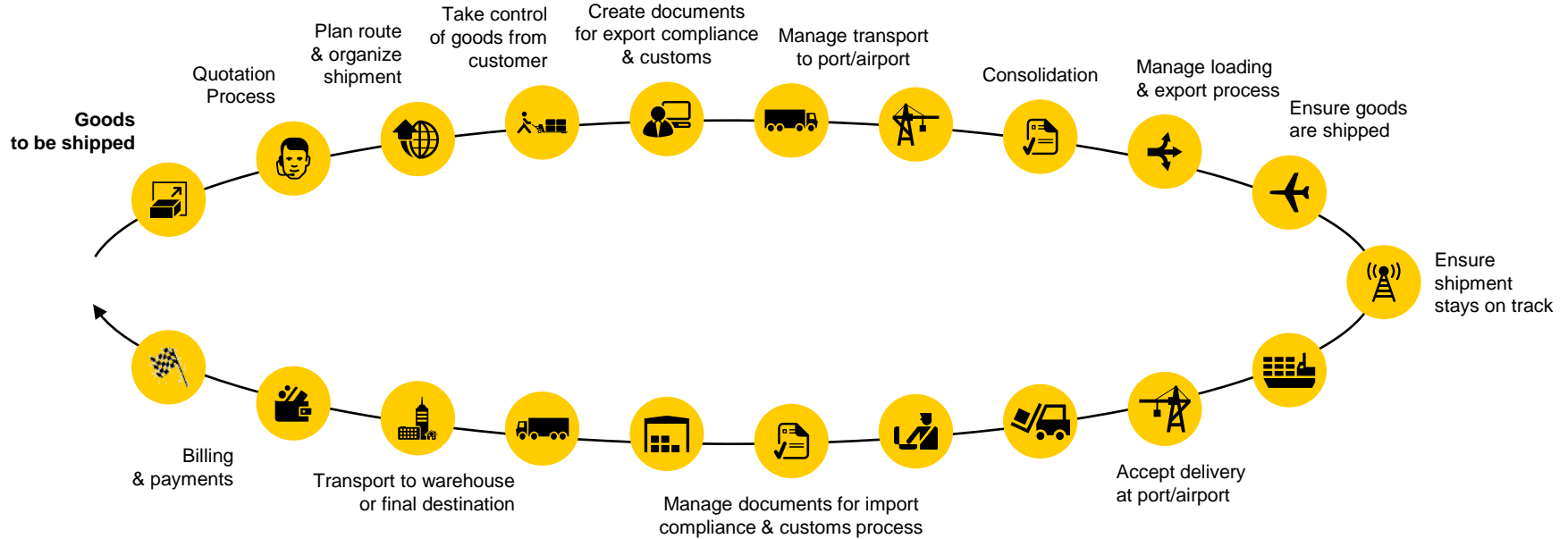
# Complemented by DHL interaction applications to enhance our customer experience



- **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



**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

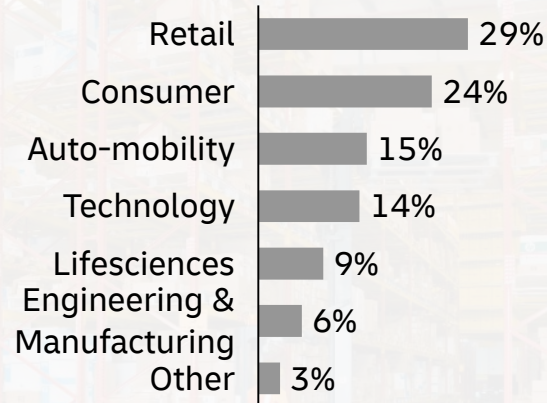
# DHL Supply Chain: Business Overview

## 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)



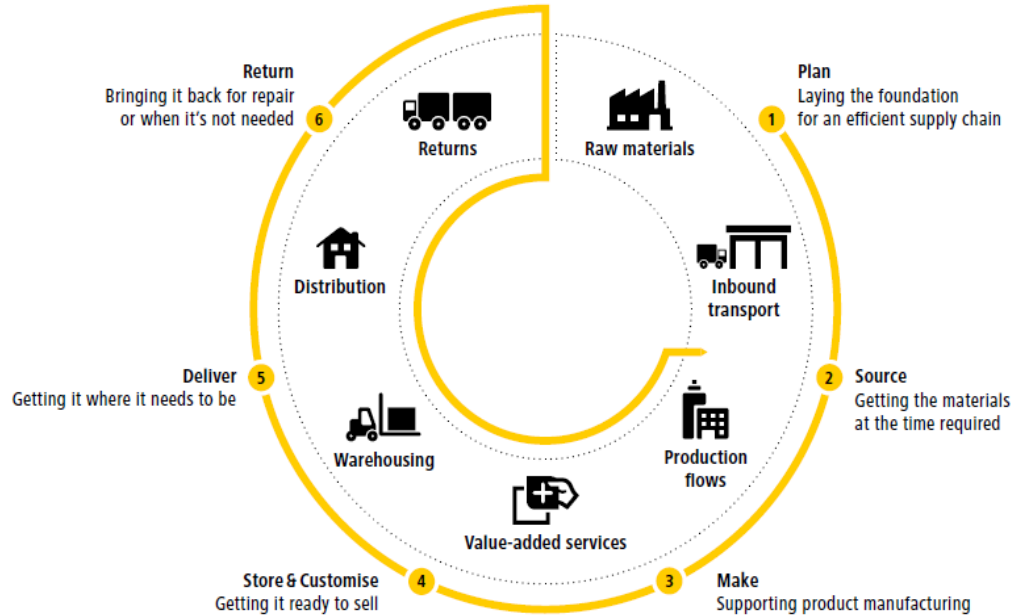
## Key Facts

- ~**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

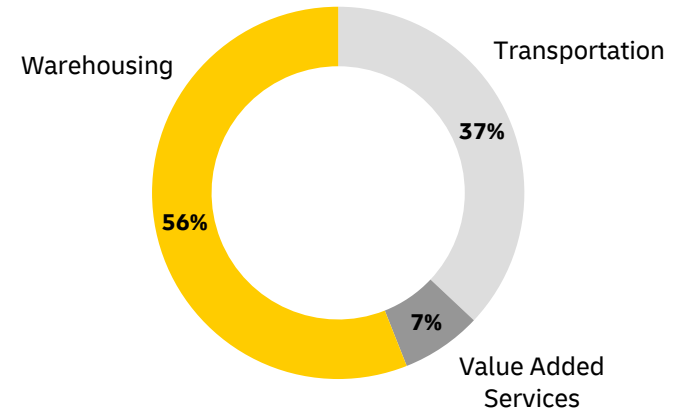
\*Lead Logistics Provider

# DHL Supply Chain: Solutions Overview

## Offering Customized Solutions Across the Entire Supply Chain



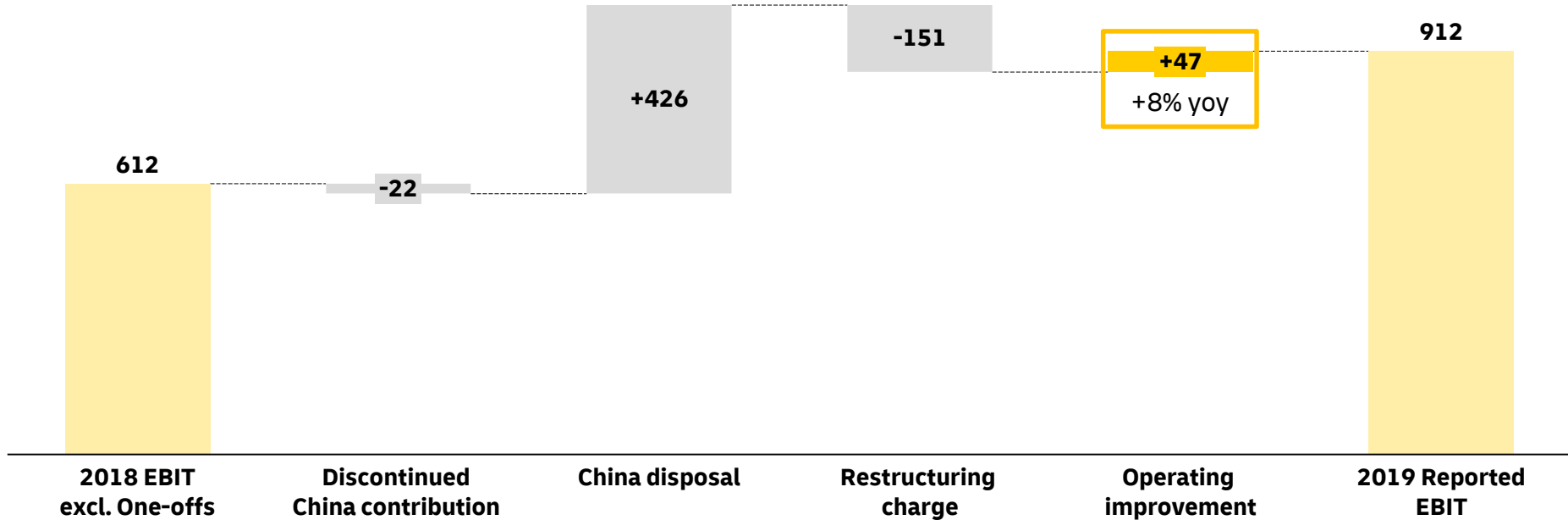
Revenue by Service Area  
FY 2019



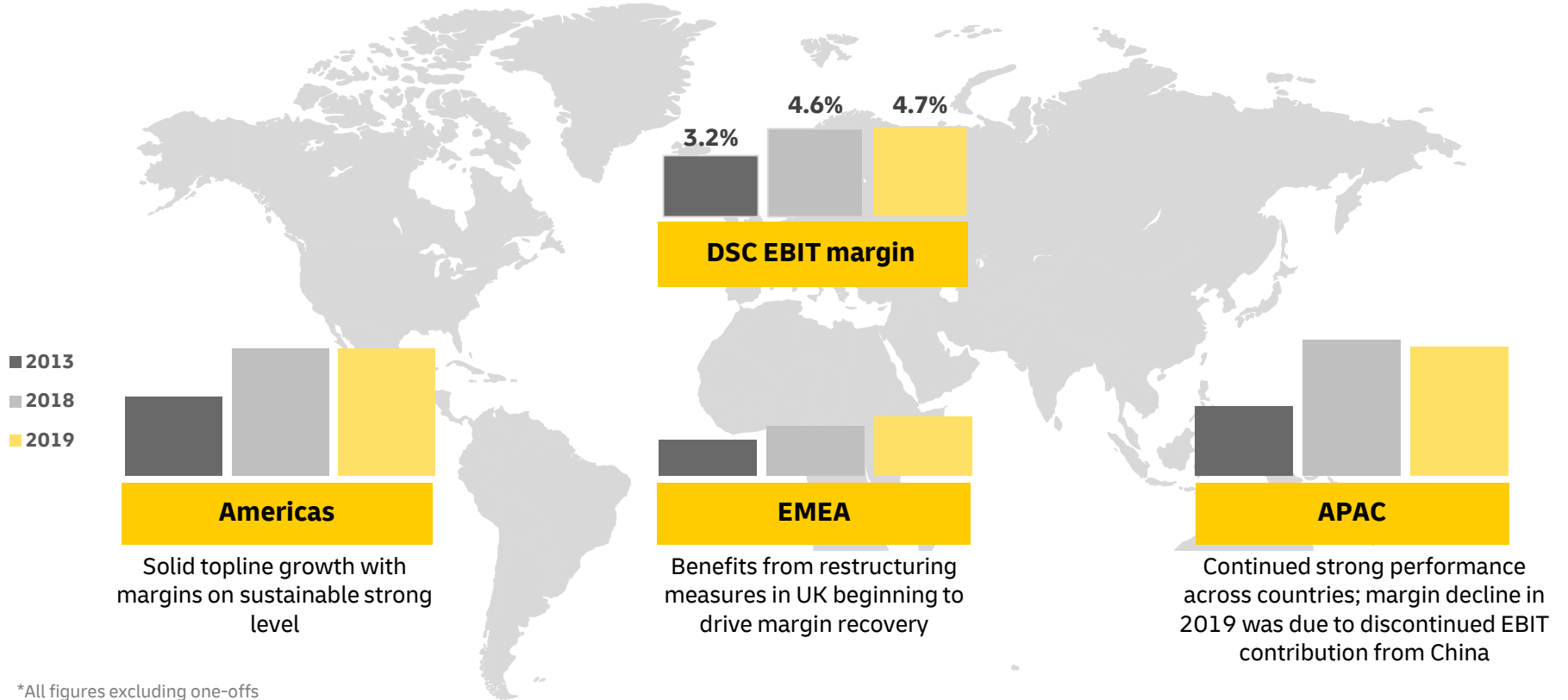
..... End-to-end supply chain    — Supply Chain services

# DSC: Contributing to Group EBIT growth with industry-leading margins

in €m



# DSC: EBIT Margin Development By Region



\*All figures excluding one-offs

# #ExecutionEdge: Standardization is key to success – DSC leverages a holistic Management System

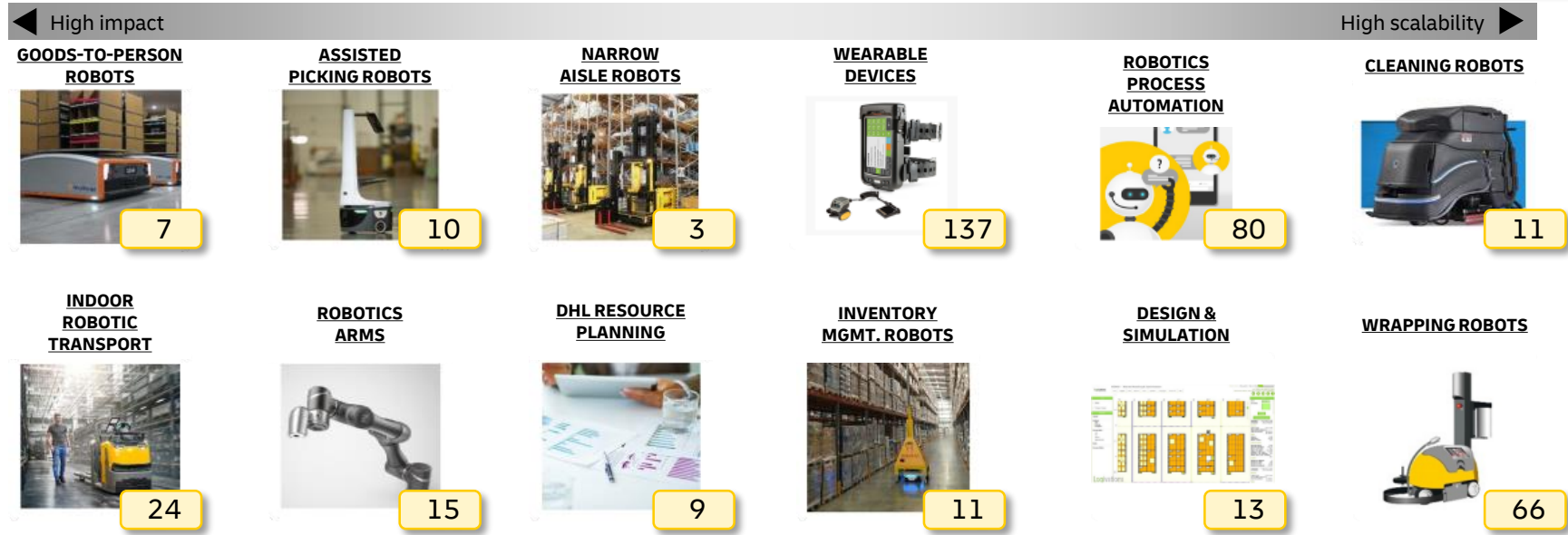
## Operations Management System First Choice (OMS FC)



# #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

# projects on deployment & of 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 02. 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%

# DHL eCommerce Solutions: Business Overview

Going forward we focus on domestic and non-time-definite international parcel delivery - especially within Europe

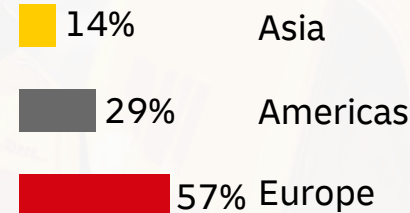
## The Profitable Core

**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)



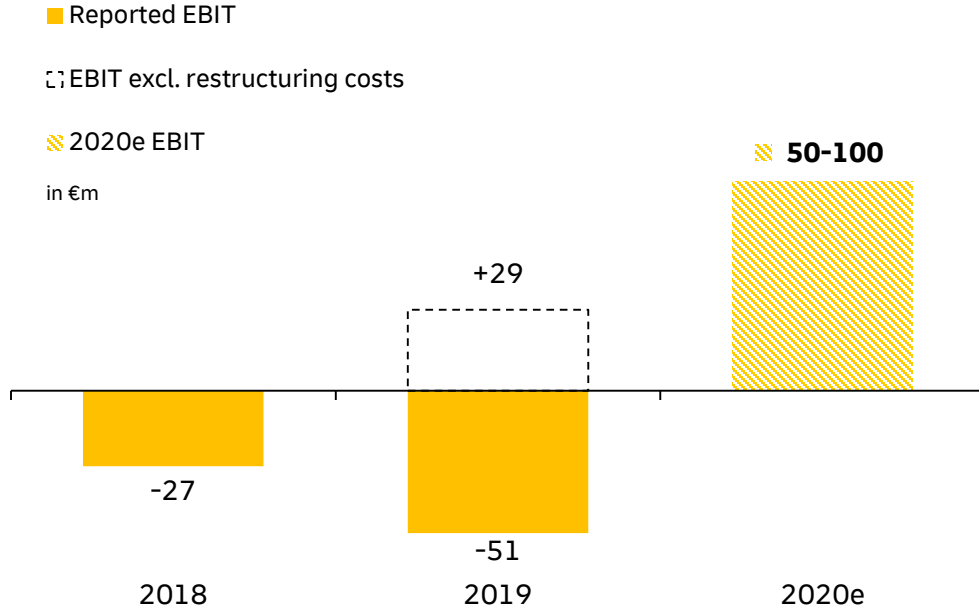
## We are **not**

... 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

## Capex Outlook

- 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

## EBIT Outlook

### 2020

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

### Beyond 2020

- 5-10% sales growth with gradual margin expansion towards 5% long term margin across all businesses

## DPDHL Group Overview and Results

## Strategy 2025

## Divisional Deep-Dives

## Group Financial Backup



## FY 2019 Group P&L

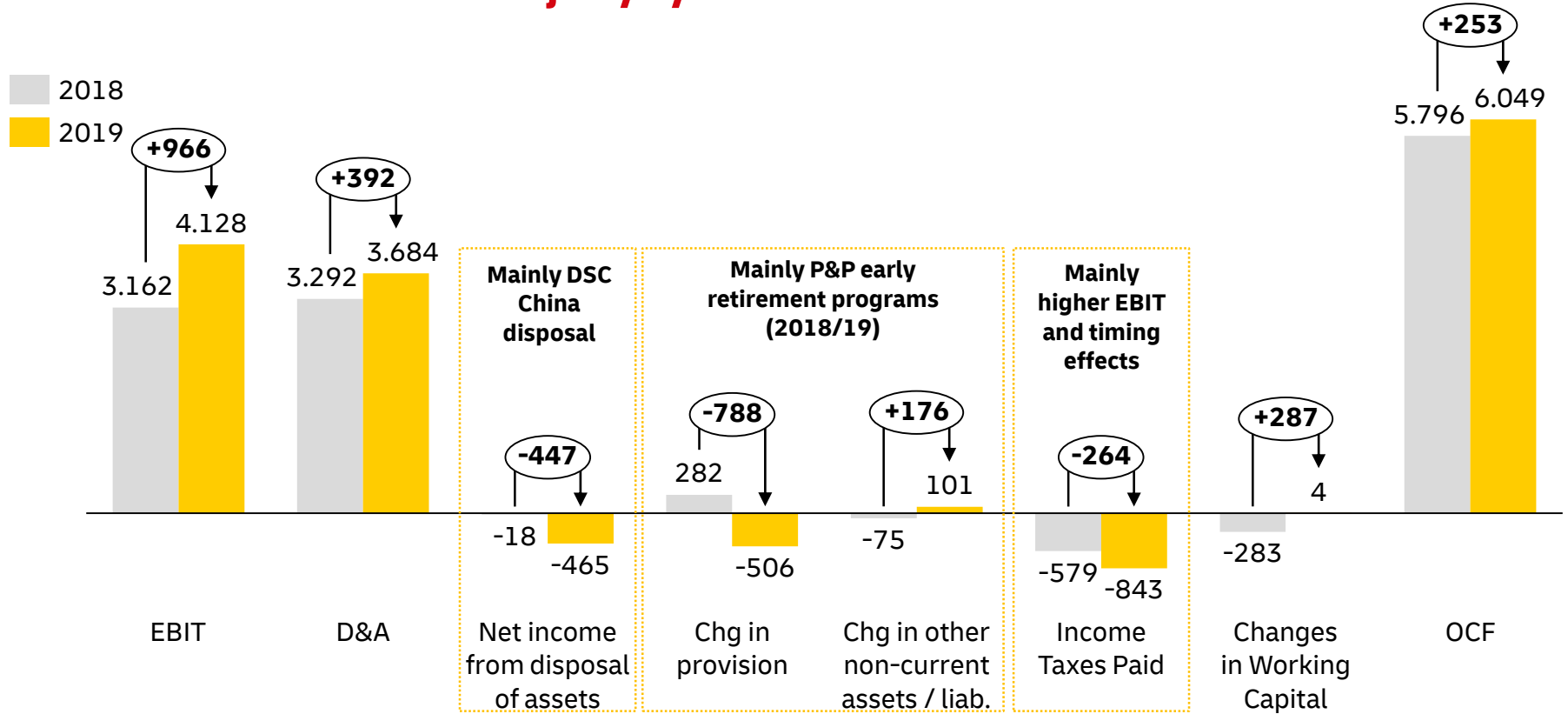
in €m	FY 2018	FY 2019	vs. LY
<b>Revenue</b>	61,550	63,341	+2.9%
<b>EBIT</b>	3,162	4,128	+30.6%
Financial result	-576	-654	-13.5%
Taxes	-362	-698	-92.8%
<b>Consolidated net profit*</b>	2,075	2,623	+26.4%
<b>EPS (in €)</b>	1.69	2.13	+26.0%

\*after minority interest







## FY 2019 Cash Flow

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







# 2019 OCF Generation: Major yoy movements



## Cash Flow Outlook: Overview of major drivers (1/2)

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

## Cash Flow Outlook: Overview of major drivers (2/2)

	<b>2019</b> (in €m)	<b>2020e</b> (in €bn)	<b>FCF effect</b> <b>22e vs 20e</b>	<b>Main Drivers 2020 - 2022</b>
OCF	6,049	~7.0		Improvement mainly driven by EBIT growth
Net Capex	-3,474	~-3.0		Slight gradual increase in regular Capex Total group capex declining due to Express B777 order (2019: ~€1.1bn, 2020: ~€500m, 2021: <€300m)
Net Cash for Leases	-2,278	~-2.4		Slightly increasing in line with business growth
Net M&A	680	~-0.1		2019: €+653m China DSC deal; 2020-22: No significant M&A planned
Net Interest	-110	~-0.1		No major change expected
Free Cash Flow guidance	867	~1.4		Significant improvements vs 2019 trough

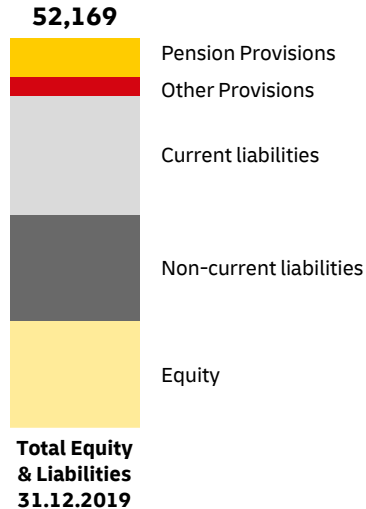
# Balance sheet continues to show healthy leverage ratios

**48.2%**  
Net Gearing

**27.6%**  
Equity Ratio

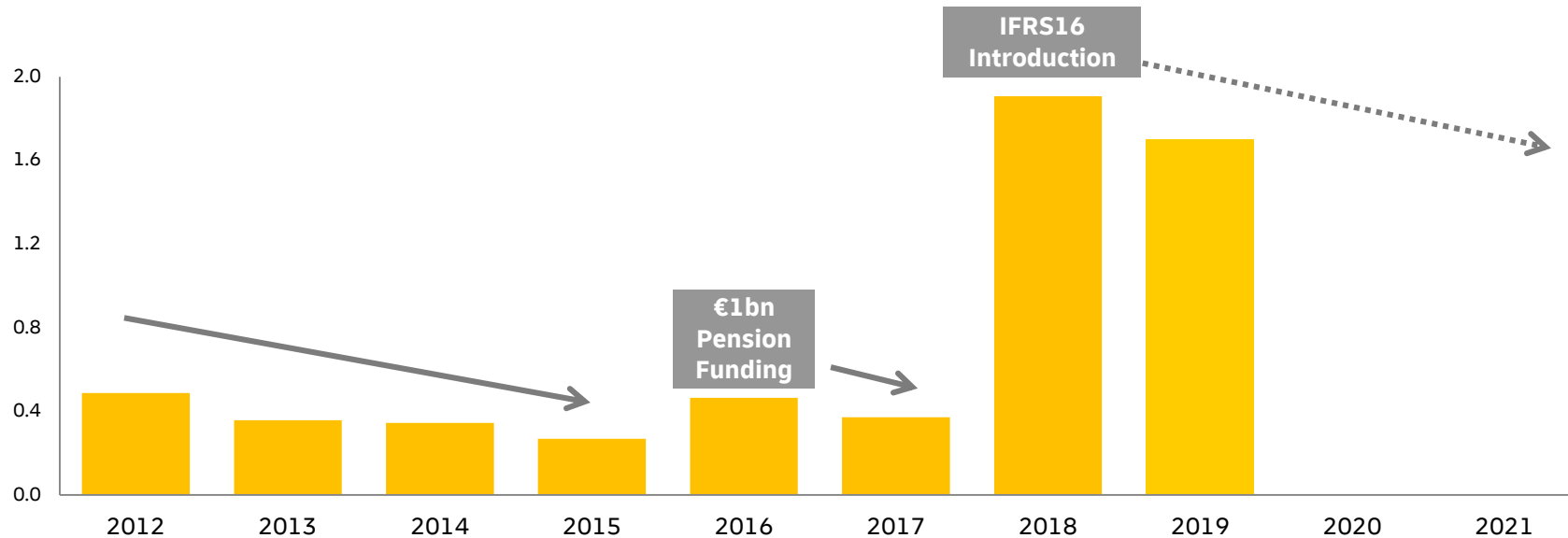
**1.9x (2018)**      **1.7x (2019)**  
Net Debt / EBITDA

**5.9x**  
Interest Cover



in €m

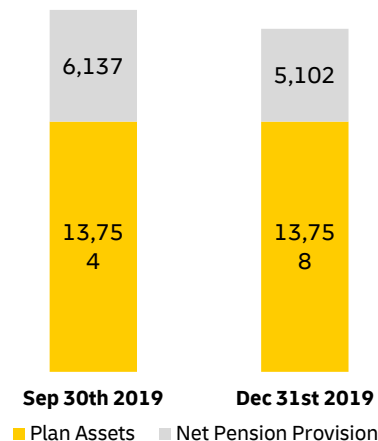
# Net Debt / EBITDA: History and Outlook



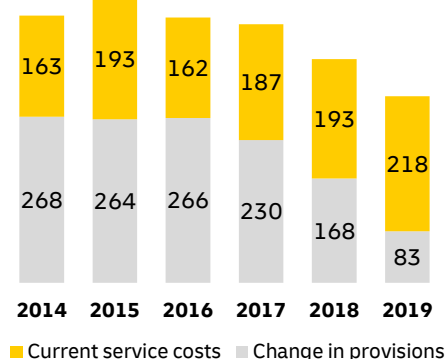
# DPDHL Group Pensions – DBO and DCO plans

in €m

## DBO



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

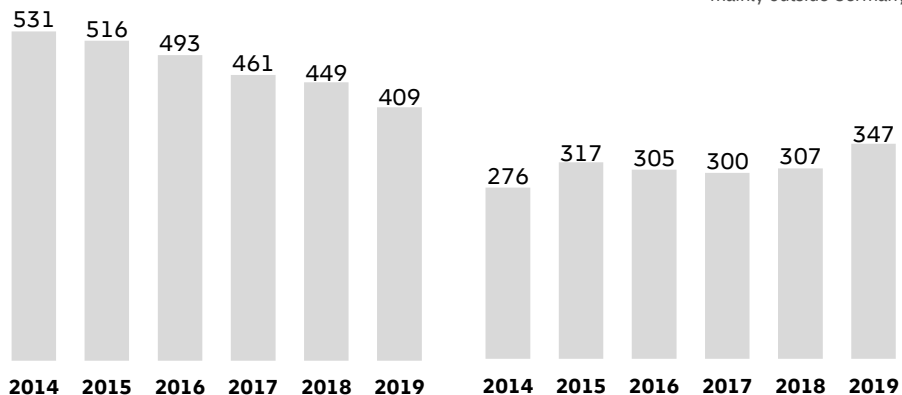


## Defined Contribution (Cash out = staff costs in EBIT)

Civil Servants in Germany

Hourly workers & salaried employees\*

\*mainly outside Germany



Discount Rate	Germany	UK	Other	Total Average
Dec 31 <sup>st</sup> 2018	2.30%	2.70%	2.35%	2.42%
Dec 31 <sup>st</sup> 2019	1.40%	1.90%	1.52%	1.56%

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