

A DHL cargo plane, registration LEJ-ST-0037, is shown at night with its cargo door open. The aircraft is yellow with red stripes. Ground support equipment, including a mobile staircases and a cargo loader, is positioned at the open door. The scene is illuminated by airport lights.

INVESTOR PRESENTATION

INVESTOR RELATIONS

March 2021

**Deutsche Post DHL
Group**

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Divisional Deep-Dives

DHL Express (page 28), DHL Global Forwarding, Freight (page 34), DHL Supply Chain (page 41), DHL eCommerce Solutions (page 48), P&P Germany (page 54)



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THE GLOBAL LOGISTICS POWERHOUSE – SERVING B2C/B2B TRADE IN 220+ COUNTRIES

CONSISTENT & SUSTAINABLE STRATEGIC FOCUS

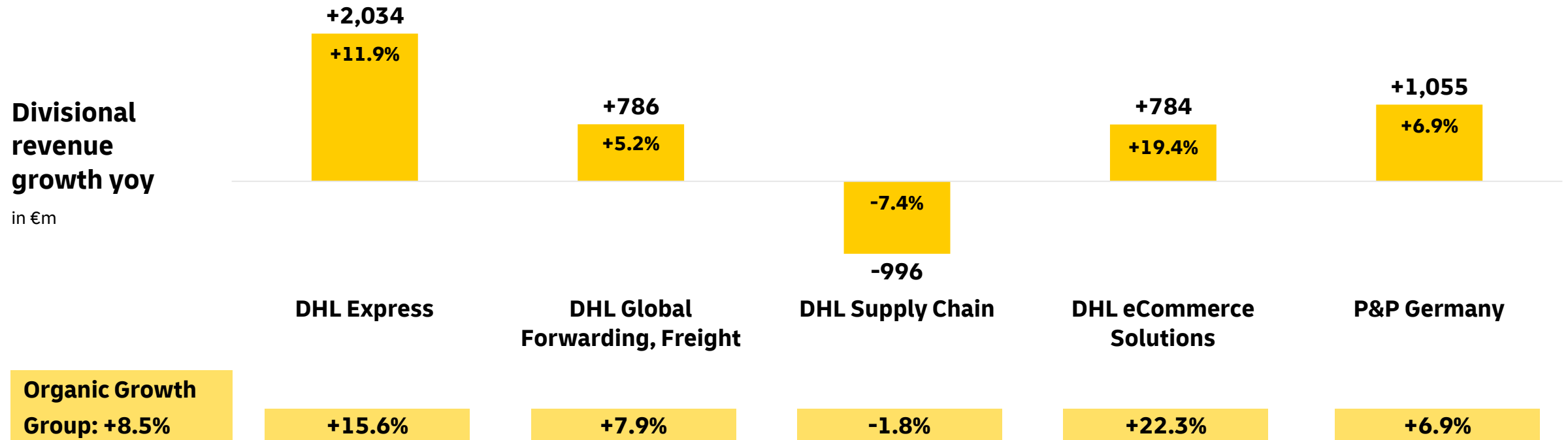
**LEADER IN
E-COMMERCE LOGISTICS**

**DIGITALIZING GLOBAL
SUPPLY CHAINS**

ATTRACTIVE & RELIABLE DIVIDEND POLICY

GROUP REVENUE, FY 2020

€66,806m yoy: +€3,465m (+5.5%)



GROUP EBIT, FY 2020

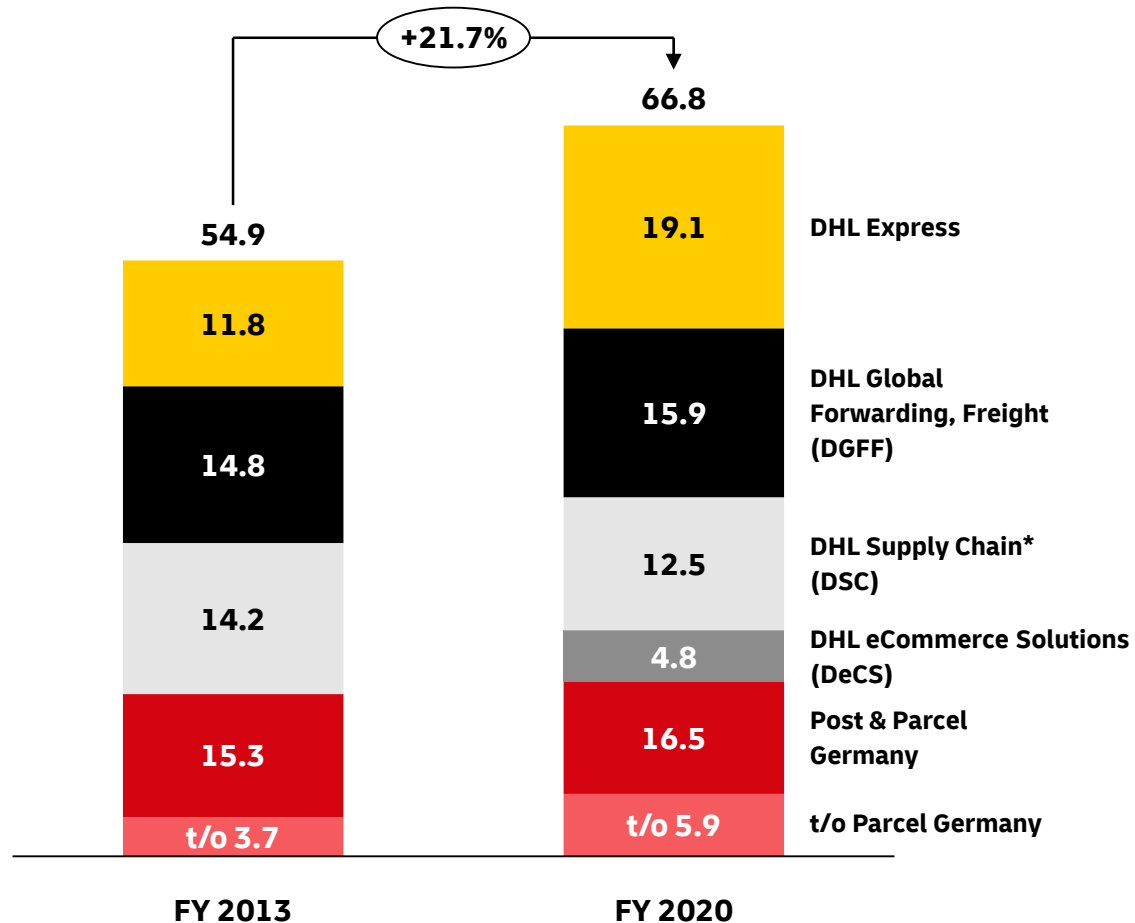
€4,847m yoy: +€719m (+17.4%)

in €m

DHL Express	DHL Global Forwarding, Freight	DHL Supply Chain	DHL eCommerce Solutions	P&P Germany	Corp. Func. / Cons.
2,751	590	426	158	1,592	-670
+34.9%	+13.2%	-53.2%	>100%	+29.4%	-28.4%
2019: €2,039m	2019: €521m	2019: €911m	2019: €-51m	2019: €1,230m	2019: €-522m
<p>B2B decline outweighed by B2C acceleration. Global network constantly adapted to market circumstances to maintain high utilization and profitability</p> <p>EBIT includes €-33m special bonus</p>	<p>DGF GP up yoy as strong GP/unit more than offset volume declines in AFR and OFR</p> <p>GP-EBIT conversion supported by strong cost focus. IT-roll-out successfully continued</p> <p>EBIT includes €-13m special bonus</p>	<p>EBIT decline reflects 2019 China disposal and reduced customer activity – although recovering since end of Q2</p> <p>EBIT includes €-62m asset impairment (Q2) and €-52m special bonus</p> <p>2019 included €+275m net one-offs</p>	<p>First profit contribution higher than initially expected driven by stronger e-commerce growth</p> <p>EBIT includes €-30m asset impairment (Q2) and €-10m special bonus</p> <p>2019 included €-80m restructuring charges</p>	<p>EBIT increase mainly driven by e-commerce related parcel growth. Mail-to-parcel mix shift addressed by disciplined network, cost and yield measures</p> <p>EBIT includes €-51m special bonus</p>	<p>StreetScooter</p> <p>FY 2020: €-318m.</p> <p>FY 2019: €-115m</p> <p>EBIT includes €-7m asset impairment (Q2), €-4m special bonus</p>

DPDHL Group: Strategy 2020 delivered Leading to **better mix ...**

Revenue, in €bn

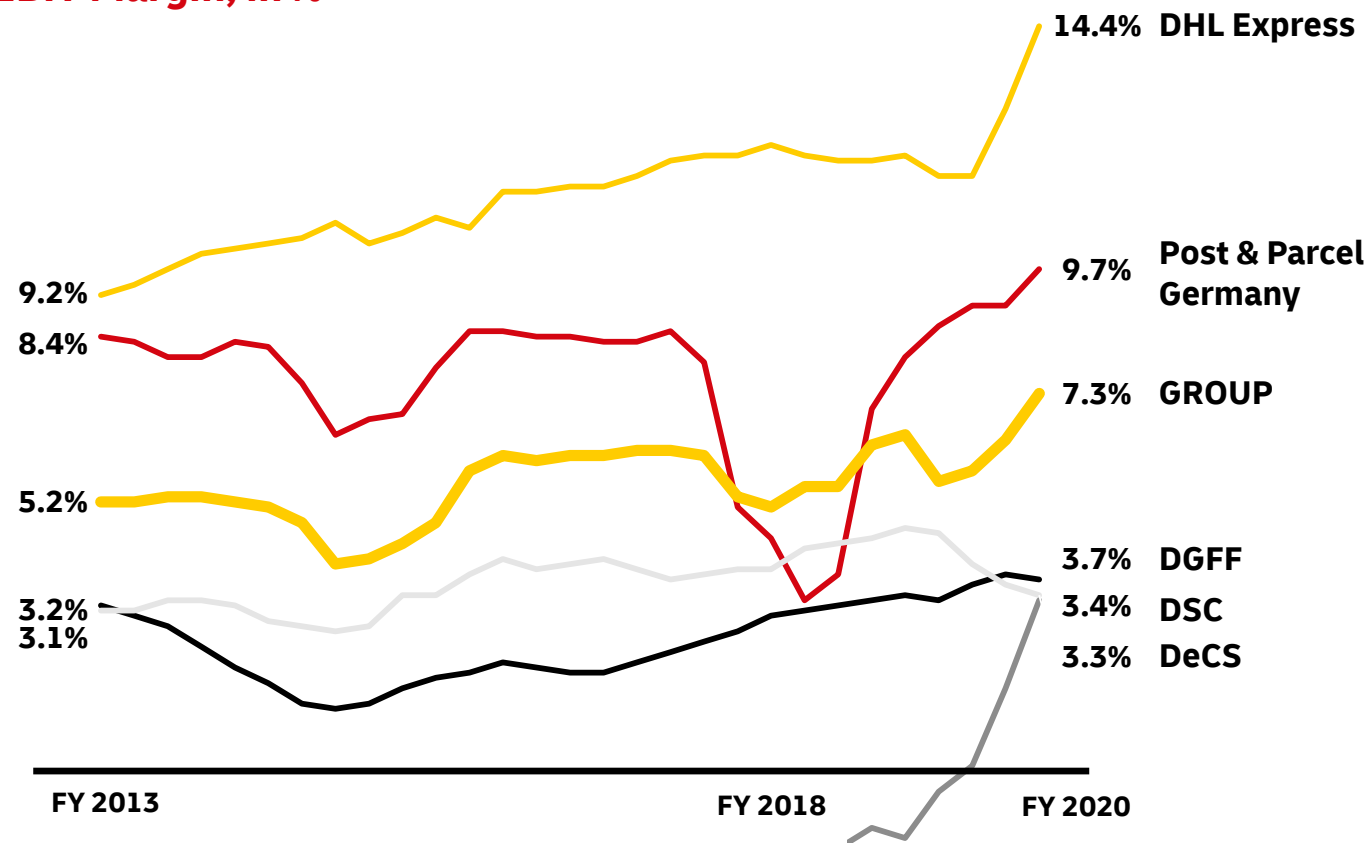


*includes DSC China and Williams Lea Tag disposal

- Consistent growth in **DHL Express** core TDI product
- **DGFF** and **DSC** development reflects selective growth approach over the period as well as China and Williams Lea Tag disposals in DSC
- New division **DeCS** contributes €5bn in 2020
- **P&P Germany** revenue up as **Parcel** growth offset mail decline

DPDHL Group: Strategy 2020 delivered ... and higher profitability

EBIT Margin, in %



EBIT Margin: DSC adjusted for 2019 one-offs, DGFF for NFE write-down in 2015
Until 2017: P&P values include business activities which are now under DeCS

Group margin up >200bps under Strategy 2020

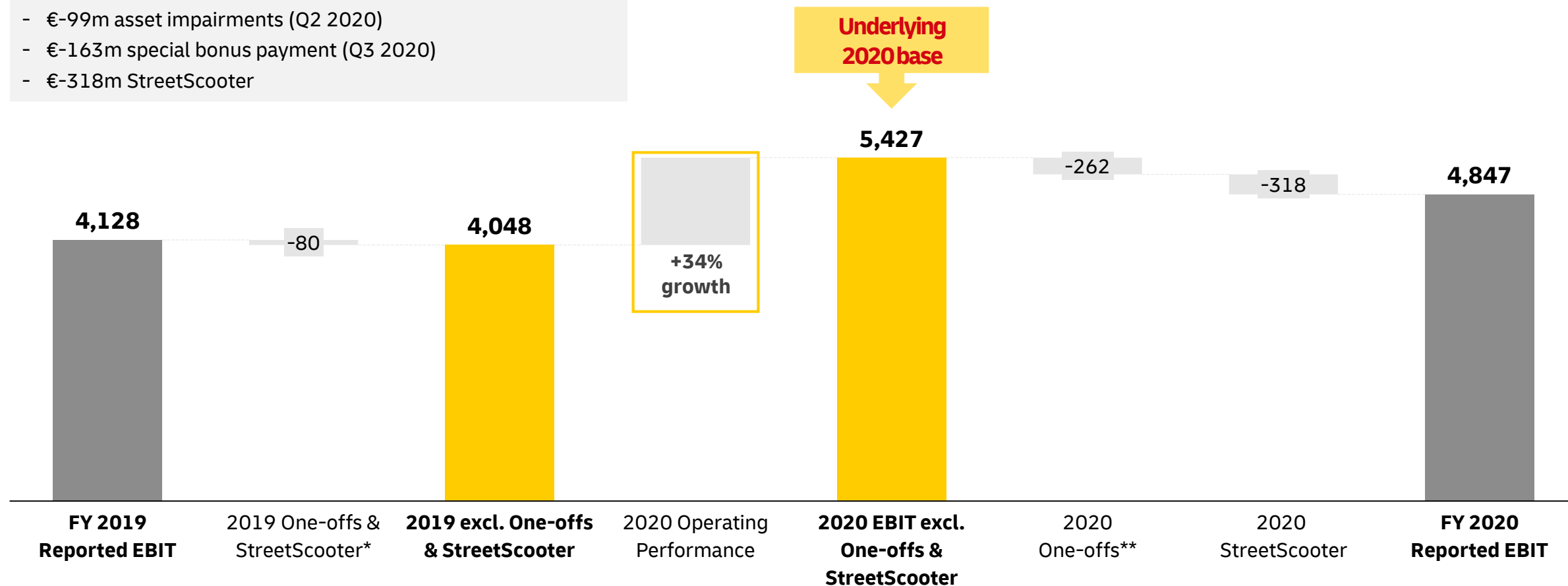
- Strong increase in DHL Express
- P&P Germany fully recovered
- DGFF started upward trend
- DSC impacted by 2020 circumstances
- Profitable DeCS contribution; division created in 2019

**Further improvement embedded
in 2021/23 guidance**

2020 summary: Operating EBIT growth of 34% – setting underlying base for 2021-23 growth guidance

GROUP reported EBIT of €4,847 includes:

- €-99m asset impairments (Q2 2020)
- €-163m special bonus payment (Q3 2020)
- €-318m StreetScooter



*2019 One-offs: €+426m DSC China disposal, €-151m DSC restructuring costs, €-80m DeCS restructuring costs, €-115m StreetScooter

**2020 One-offs: €-163m special bonus payment (Q3); €-99m asset impairments triggered by lockdown (Q2)

Introduction of 2021 and 2023 guidance

in € bn

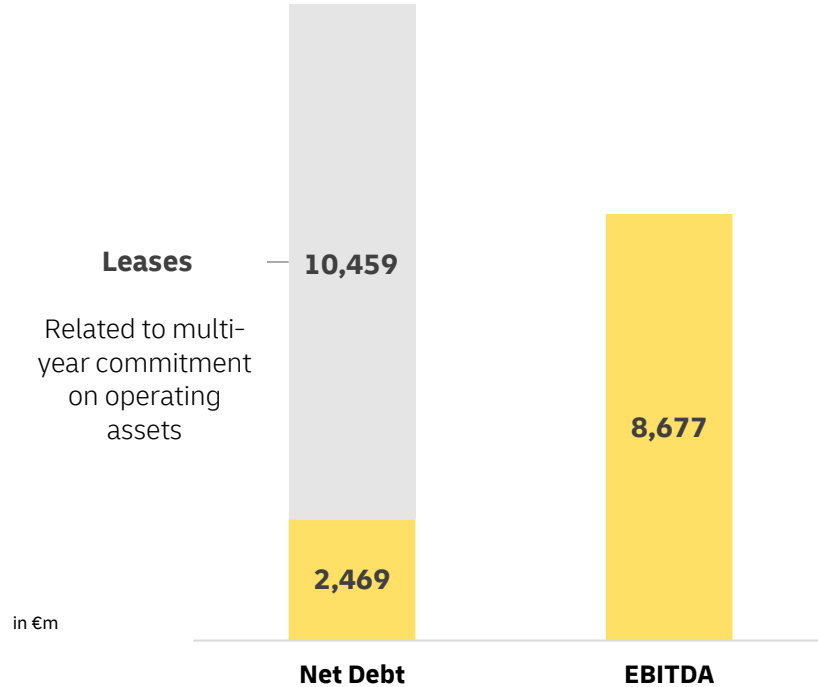
EBIT	2021 Guidance		Mid-term Guidance
Group	>5.6	2023 Group EBIT	>6
DHL	~4.5	Free Cash Flow	
P&P Germany	~1.6	2021-2023 cumulative	7.5-8.5
Group Functions	~-0.4	Gross Capex (excl. leases)	
		2021-2023 cumulative	9.5-10.5
Free Cash Flow	~2.3		
Gross Capex (excl. leases)	~3.4		
Tax Rate	26-28%		

Base assumptions:

- B2C growth normalizing in course of 2021
- Continued and gradual B2B recovery globally

Strong balance sheet and liquidity position

1.5x
Net Debt / EBITDA
(Dec 31st, 2020)



LIQUIDITY

No financial covenants on bonds and syndicated credit facility

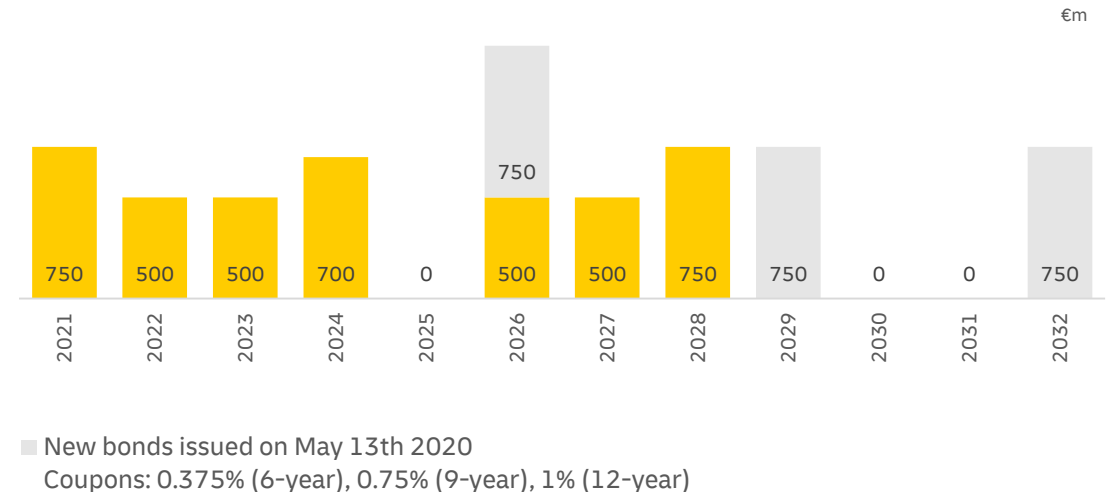
€4.5bn
Cash & cash
equivalents
(Dec 31st, 2020)

€2.0bn
Syndicated credit facility
runs until 2025 (undrawn)

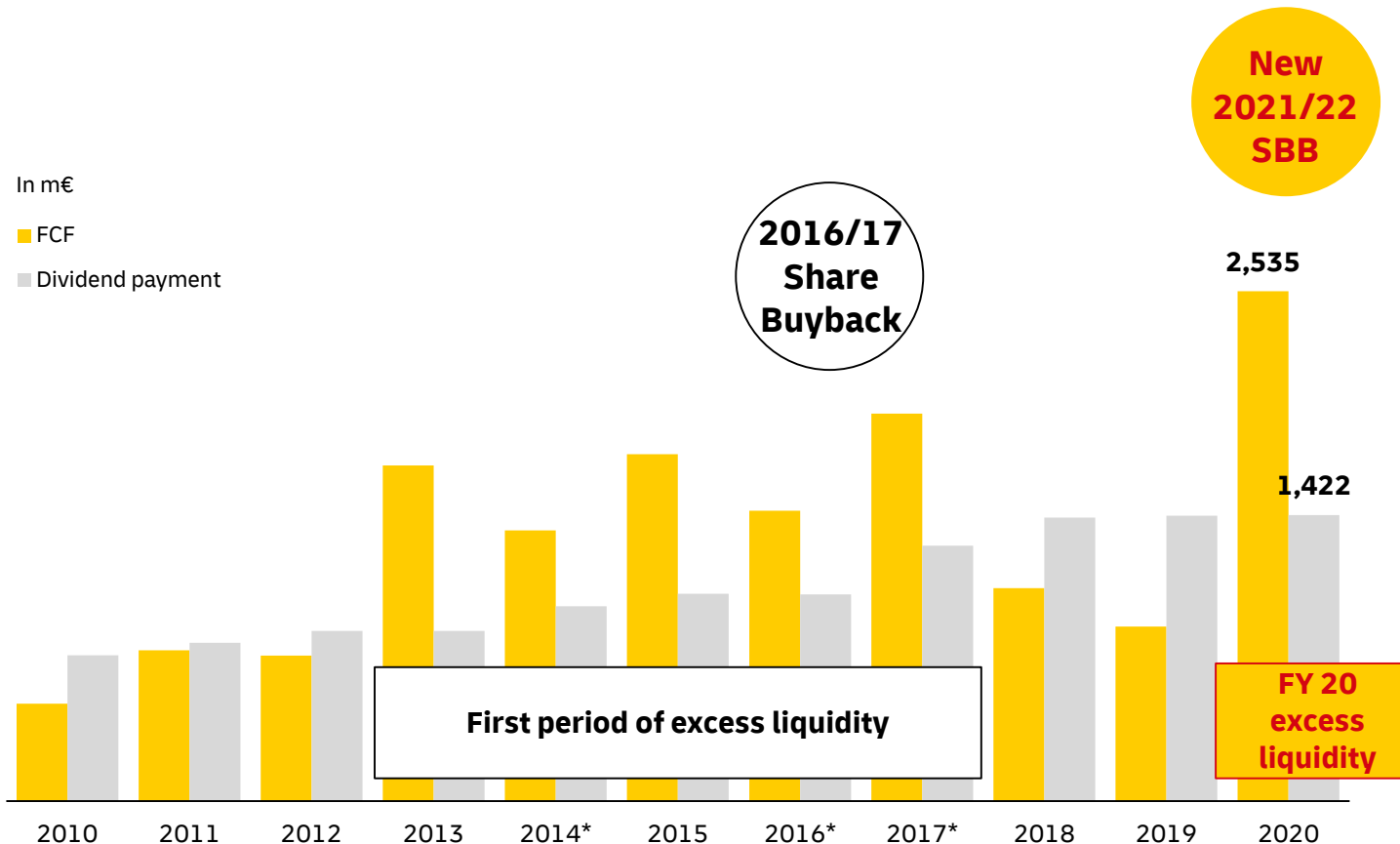
>€1.3bn
Bilateral uncommitted
credit lines (undrawn)

Maturity Profile, Senior Bonds

Average time to maturity 5.4 years



Sustainable improvement in cash generation puts us in position to **balance growth investments and shareholder returns**

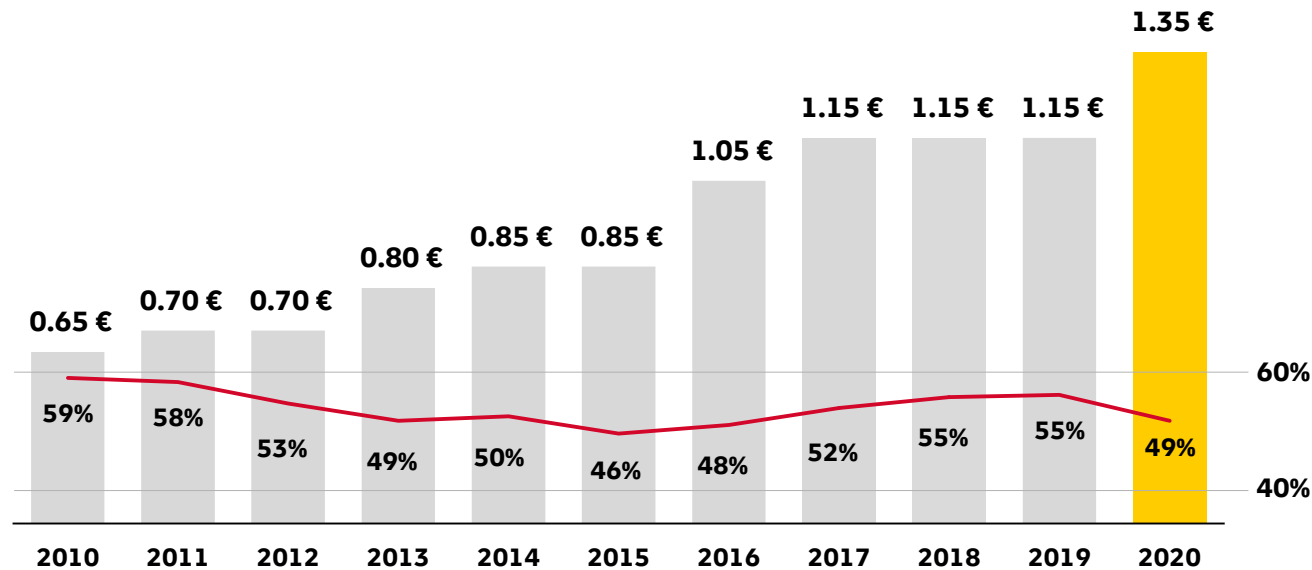


- Long-standing **Finance Policy** provides definition of excess liquidity and clear principles on its usage
- Strong 2020 FCF lead to **significant excess liquidity generation in 2020**
- In line with Finance Policy principles, **new Share Buyback program announced** on March 8th:
 - **Size: up to €1bn**
 - **Schedule: 12 months**
 - **Start: March 2021**

*2014: Adjusted for voluntary pension funding (€2bn) and non-recurring items; Adjusted for voluntary pension funding (2016: €1bn, 2017: €0.5bn)

Shareholder return based on strong operating performance – **Executing on our Finance Policy**

Proposed dividend increase to €1.35 for FY 2020, up 17% yoy



— Underlying Payout Ratio ¹⁾

Dividend payment of €1.7bn to DPDHL shareholders, subject to approval of AGM on May 6th

1) Adjusted for non-recurring items when applicable

FINANCE POLICY

- Target / maintain rating BBB+
- **Dividend** payout ratio to remain between 40–60% of net profit (continuity and Cash Flow performance considered)

FY20 dividend proposal: €1.35; 49% pay-out ✓


- **Excess liquidity** will be used for share buybacks and/or extraordinary dividends

€1bn share buyback program announced ✓



**DPDHL GROUP IS A DIFFERENT,
BETTER COMPANY THAN BEFORE
STRATEGY 2015/2020**

**CONNECTING
PEOPLE.
IMPROVING
LIVES.**



**BETTER MIX, HIGHER
RETURNS,
STRONGER CASH
FLOW & BEST TEAM
EVER**



**CONSISTENT,
SUSTAINABLE
STRATEGIC AGENDA
ALONG ALL METRICS**



**LEADING TO RECORD
FINANCIALS AND
SHAREHOLDER
RETURNS**

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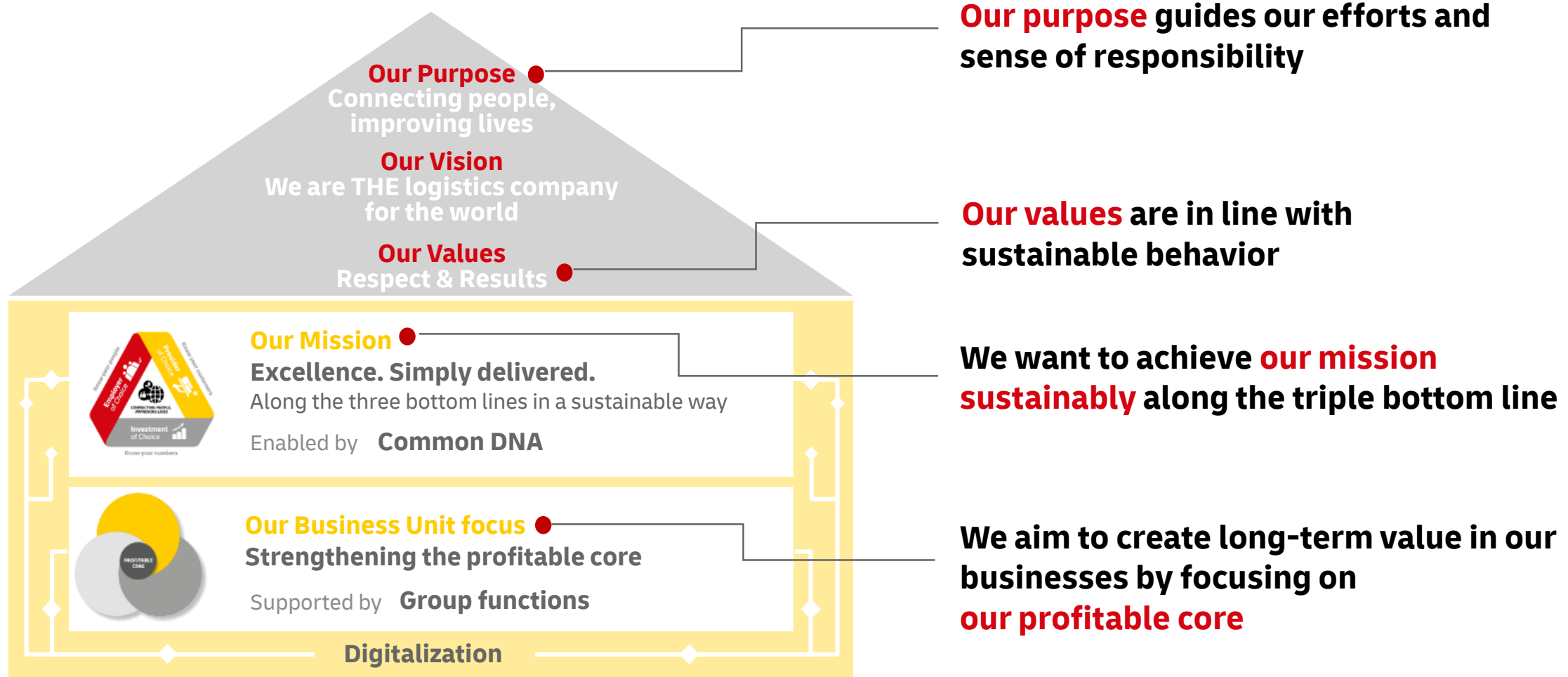


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Strategy 2025 – Sustainability is integral along all dimensions



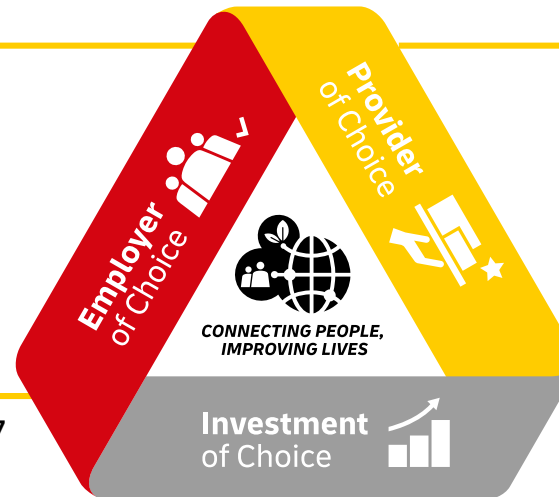
Managing along integrated bottom lines since 2009 – Particularly important and successful in 2020

EMPLOYER OF CHOICE

- Number of employees increased by +20k to 570k in 2020
- Employee Opinion Survey (EOS) shows record employee engagement score

SUSTAINABLE DEVELOPMENT

- 37% improvement in Carbon Efficiency (2007 base year), up further 2 index points in 2020



PROVIDER OF CHOICE

- Keeping our customers' supply chains running despite COVID-19 challenges
 - Net Promoter Scores (NPS) further increasing

INVESTMENT OF CHOICE

- Record Group EBIT and FCF
- Dividend proposal of €1.35, new €1bn SBB announced

Our Sustainability Roadmap

Targets along 3 core commitments, aligned with incentivization

CONNECTING PEOPLE, IMPROVING LIVES

Clean operations for climate protection



- **Reduce emissions** to <29m tonnes CO2e by 2030 (SBTi); no offsetting included
- Supported by targets on **sustainable fuel, electrification** and **carbon neutral design**
- **Mission 2050: Zero emissions**

Great company to work for all



- Consistent >80% score on **Employee Engagement** in Employee Opinion Survey
- **Reduce LTIFR** to below 3.1 by 2025
- **Increase share of women in management** to 30% by 2025

Highly trusted company



- ESG roadmap supported by stringent **internal reporting, training measures and policies**
- External reporting in line with **SASB** and **GRI core** standards
- 30% weight for **ESG targets in board annual variable pay**; to be proposed to 2021 AGM (May 6th)

Pledge to **invest 1% of our net profit** each year into creating social impact, for example through our **GO Programs**

GOGREEN

GOTRADE

GOHELP

GOTEACH

Clean operations for climate protection



All modes to contribute to targeted reduction of CO₂ emissions – key contribution to be achieved on aviation emissions

Science-based target for **CO₂ reduction**:
Reduce our emissions to under 29m tonnes CO₂e by 2030



Target **>30% sustainable aviation fuels blending** by 2030



- **Electrify 60%** of our last-mile delivery vehicles by 2030
- Grow sustainable fuel share in **line-haul to >30%**



Offer **green alternatives for all our core products/solutions**



Carbon neutral design to be used for all new owned buildings

Great company to work for all



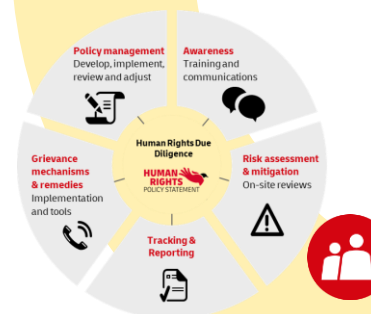
We take action to **provide a safe, inclusive and engaging working environment** for all our employees.



Attract and retain best talent
and reach a consistent >80%
score on Employee
Engagement in EOS



Put safety first and **reduce LTIFR**
(lost time injury frequency rate)
to below 3.1 by 2025



**Being “best-in-class” in
our industry** when it comes to
respect for Human Rights



**Increase share of women in
management** to 30% by
2025

Highly trusted company



We take action to **ensure trusted, transparent and compliant business practices** every day, everywhere



Train all employees in relevant management positions on the Group's compliance & data protection standards



Ensure that our **information security capability is positioned** in the top quartile of our industry

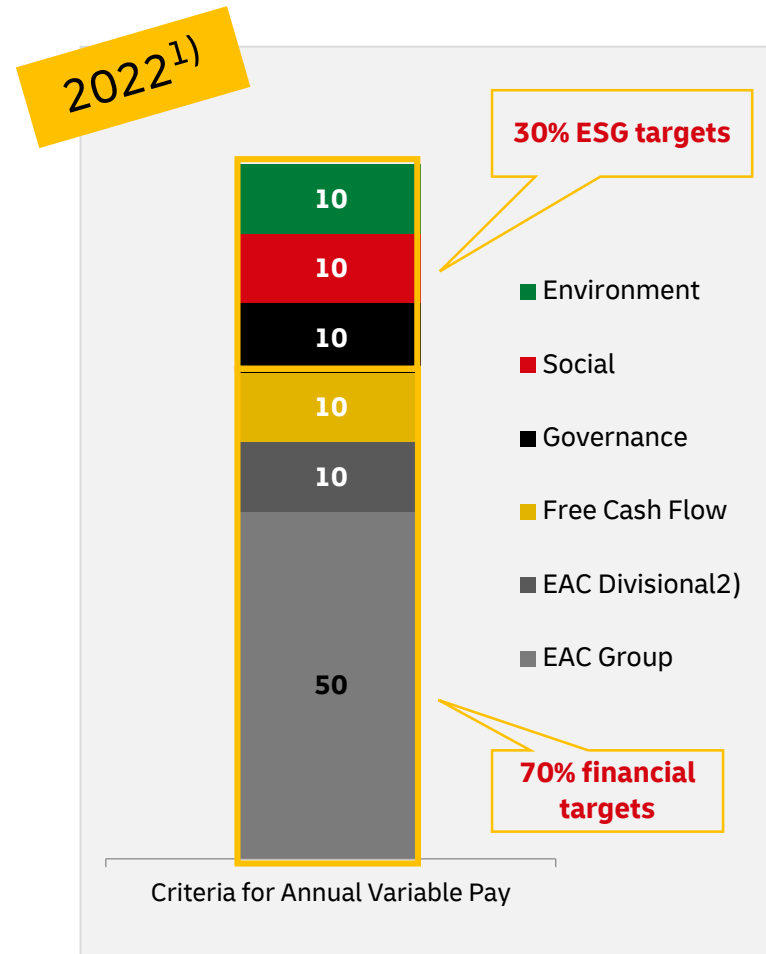
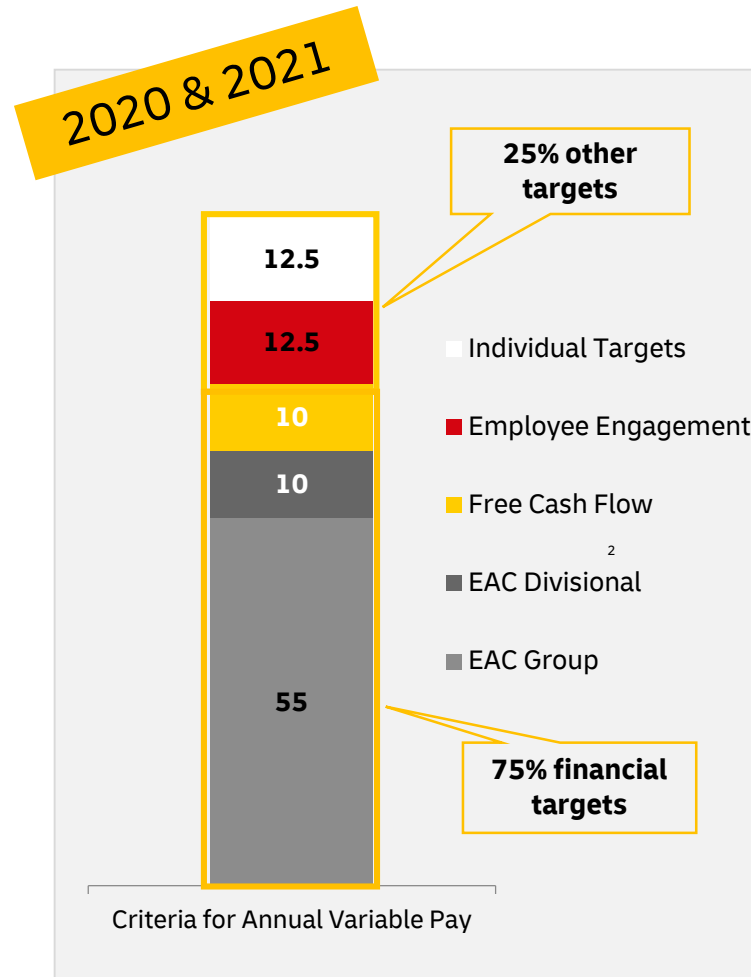


ESG metrics fully integrated into governance and incentives



Build sustainable and resilient supplier relations based on our **Supplier Code of Conduct**

ESG targets fully integrated into new proposed management remuneration



Bonus payment schedule for annual bonus and deferral

- **50% paid in current year if bonus criteria achieved**
- **50% payout of achieved bonus deferred by additional 2 years***

* Medium-term component will only be paid out if EAC target is reached during the sustainability phase; at least the cost of capital was covered

1) Proposal to AGM 6 May 2021; 2) Divisional EAC: only applicable for Divisional CEOs

Broad range of e-commerce offerings across the Group

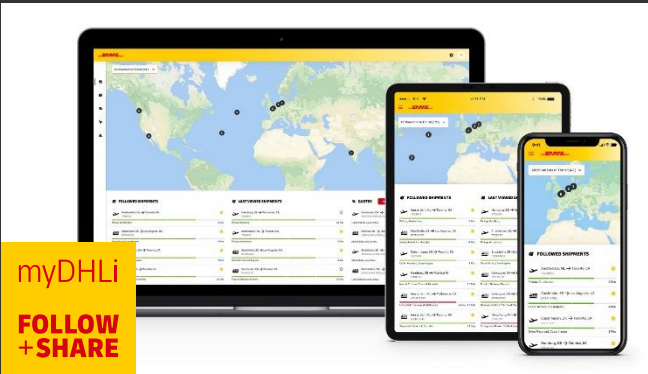
Domestic delivery		Cross-Border delivery	
Germany	International	Deferred	Premium TDI
P&P Germany	DHL eCommerce Solutions		DHL Express
>40% Parcel Market Share	12 Countries with own domestic parcel delivery, t/o 8 in Europe (UK, NL, BE, SE, PL, CZ, ES, PT)	Focus Non-TDI cross-border delivery to/from and within Europe	~1m TDI shipments/Day
~5.9m Parcels per day (2020)	~1.1bn parcels delivered in 2020	European destinations served through Parcel Connect platform – via own delivery and partners	45%+ Express B2C Share
>100k Parcel Business customers	eFulfillment		220+ countries & territories served with pick-up and delivery
~6,650 Parcel Lockers	DHL Supply Chain		ODD* B2C-adapted recipient tool
	~50% Growth in eCommerce new business signings	~30k Employees active in eCommerce operations globally	

* On-Demand-Delivery

DIGITALIZATION @DPDHL GROUP

As seen at IR Virtual Tutorial...

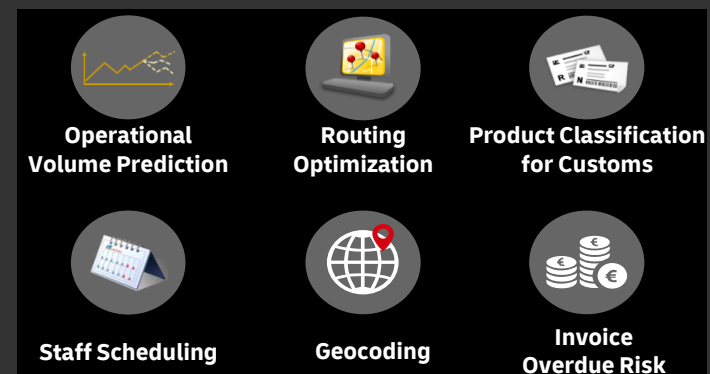
DGF myDHLi



DSC Accelerated Digitalization



Data Analytics

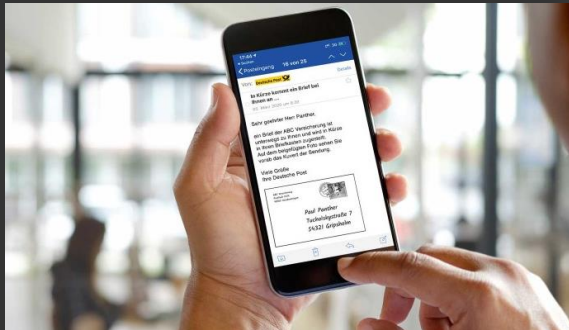


Further ongoing initiatives

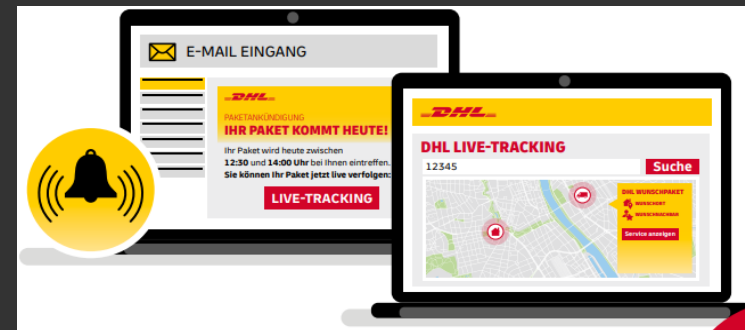
Packstation expansion: 7000 by 2021



Postal mail notification



Parcel delivery: 15min notification & live tracking



Mobile stamps



What does it take to deliver 10bn vaccine doses worldwide?

Starting from Q4 2020 vaccines for emergency use are expected to be shipped around the globe; Emerging actors like governments and NGOs face similar challenges in orchestrating vaccine distribution as for PPE – yet the stakes are even higher.

10+ bn vaccines needed

=

7.8 bn global population

×

~70% immunization in population to achieve herd immunity

×

~1.8 avg. doses/person needed for immunization

200,000

Movements by pallet shippers



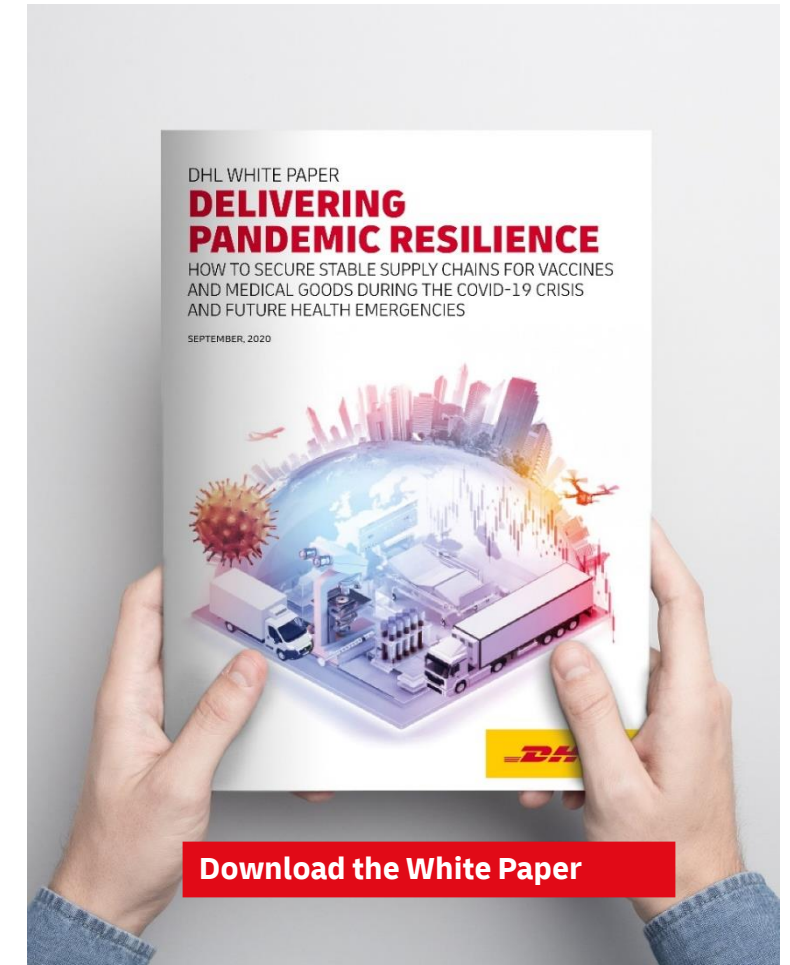
15,000,000

Deliveries in cooling boxes



15,000

Flights



Source: World Bank; DHL; McKinsey

Vaccines' global supply chains show that globalization is part of the solution

DHL has provided vaccines logistics in these countries...



AND MANY MORE....



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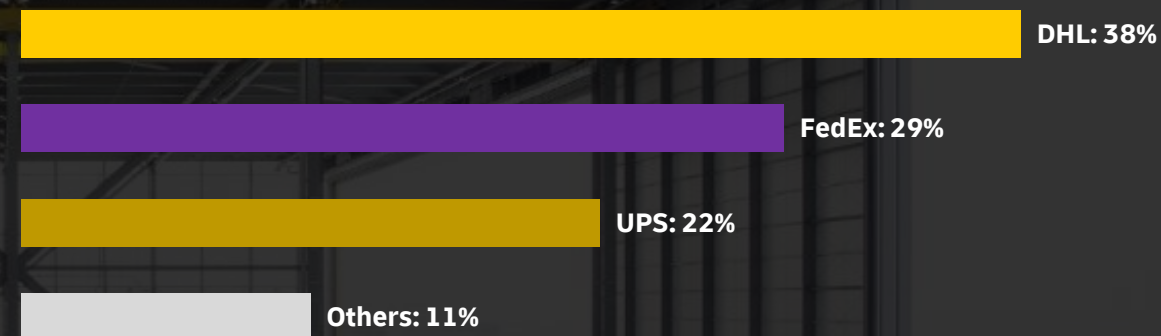


DHL EXPRESS

Profitable Core

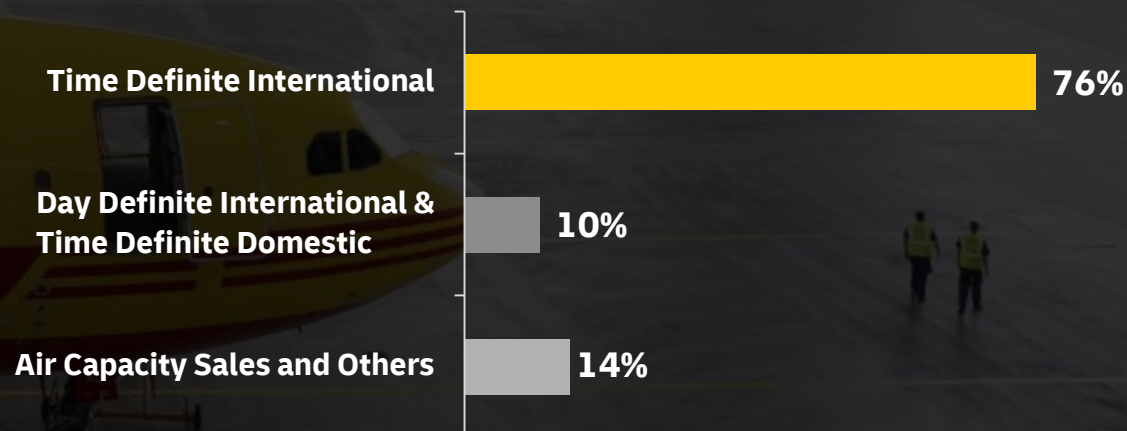
Time Definite International (TDI) service for premium, cross-border delivery of time-critical parcels and documents

Global TDI market share (2016)



Source: Market Intelligence 2017 on 2016 market data based on revenue, annual reports and desk research

Revenue Mix, FY 2020

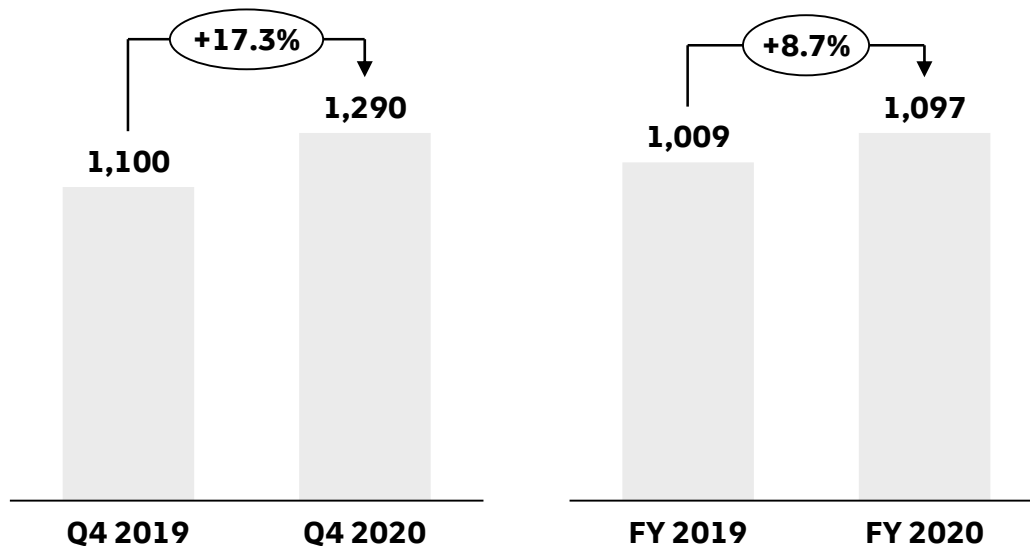


DHL Express: 2020 key numbers and 2021 outlook

Continued B2C growth, B2B recovering

TDI Shipments/Day

in thousands

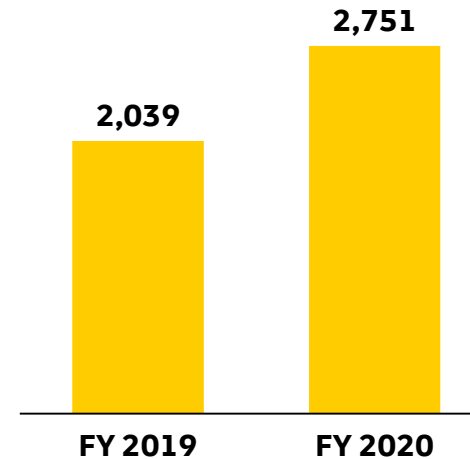


2021 topline drivers:

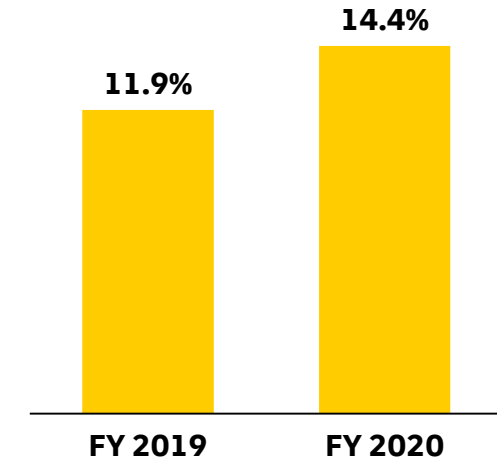
- B2C volumes expected to continue to grow from higher 2020 base – growth rate expected to normalize in course of the year
- B2B volume back to growth in Q4, expect gradual B2B recovery to continue in line with global trade/GDP trend

EBIT

in €m



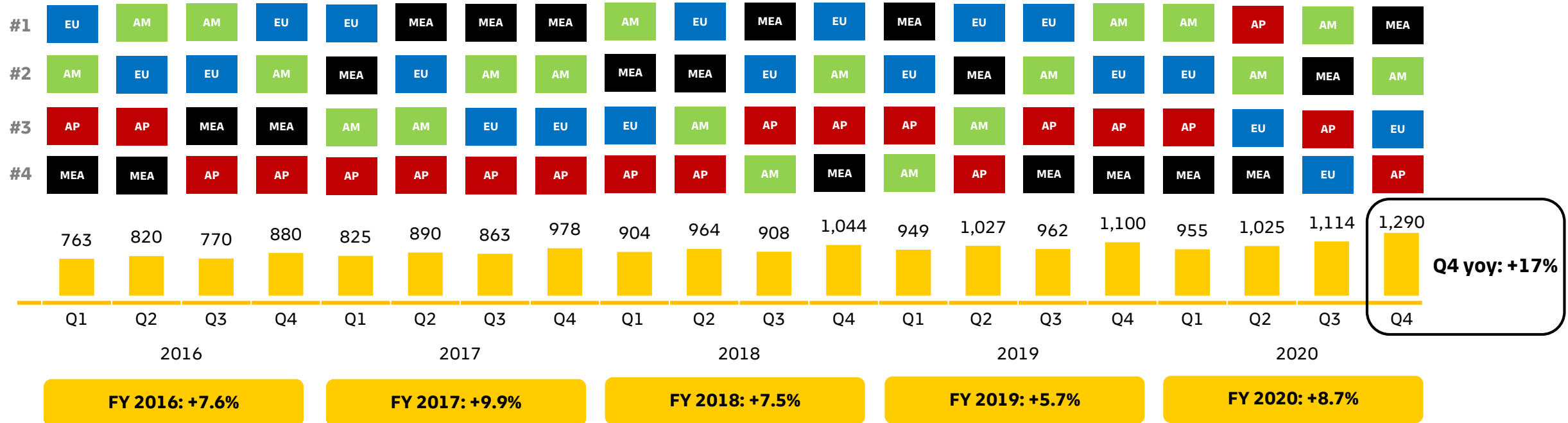
EBIT Margin



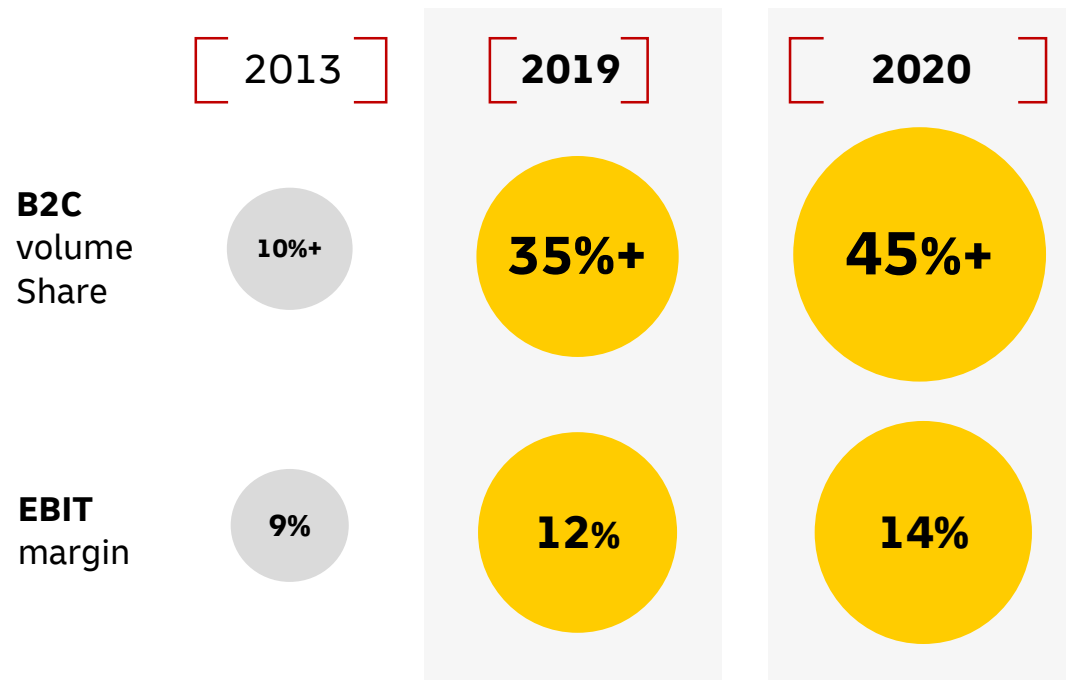
2021 Management focus & outlook:

- Further gradual capacity extension to cater for expected continued growth
- Yield increases and optimization based on well established mechanisms
- Expect Express to deliver EBIT growth on top of 2020 record results

Express TDI volume growth, quarterly growth ranking



E-commerce is a profitable growth driver for DHL Express



Network Characteristics	B2C Characteristics	Profitability Impact
Shipments per Day	Volume growth drives better utilization of existing network	↑
Weight per Shipment	Lower weight per shipment	→
Revenue per Kilo	Higher RpK related to lower WpS	↑
First mile	More pieces per stop at pickup	↑
Hub sort	Better utilization of existing infrastructure, with high degree	↑
Airlift	Better utilization of existing capacity, with lower WpS being advantageous	↑
Last Mile	Optimize residential delivery via On Demand Delivery & Drop Off Locations and increased delivery density due to B2C Growth	→

DHL Express:

To serve our global network, we run more than just an airline

Dedicated Air

>280

aircrafts

15

partner airlines

Purchase Air

>300

commercial airlines

>2200

daily flights

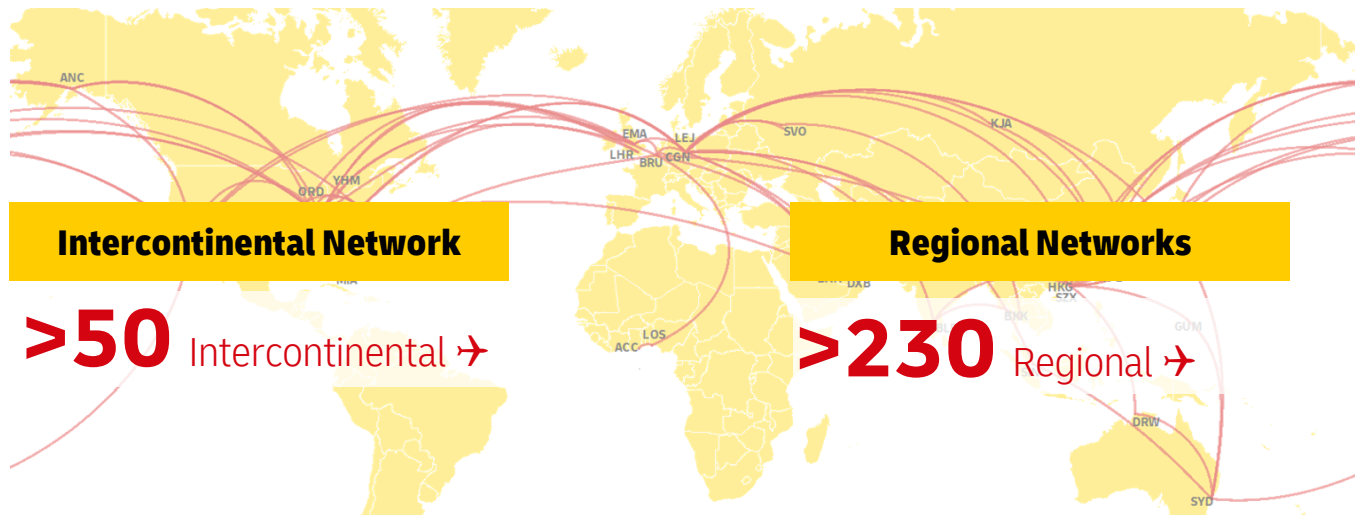
500

airports

21

air hubs
(3 global; 18 regional)

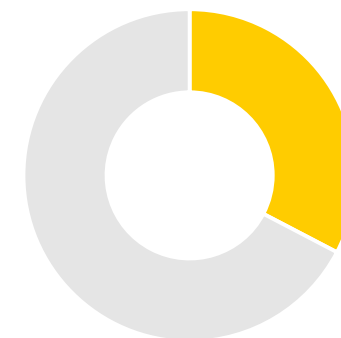
Dedicated Air: Snapshot of DHL network flights



Dedicated fleet (without feeders)

2010: ~150 planes

2020: >240 planes



Owned Leased

EXPRESS FINANCIAL OUTLOOK

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

TDI **Volume** **Growth**

Structural trend: +4% to +5%.
Volatile in 2020. Expect growth rates to
trend back to initial assumptions over
time

Ongoing Capex spend of €~1bn p.a.

B777 Capex : €180m (2018); €1.1bn (2019), €321m
(2020), <€400m (2021e), <€100m (2022e)

DHL GLOBAL FORWARDING, FREIGHT

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.

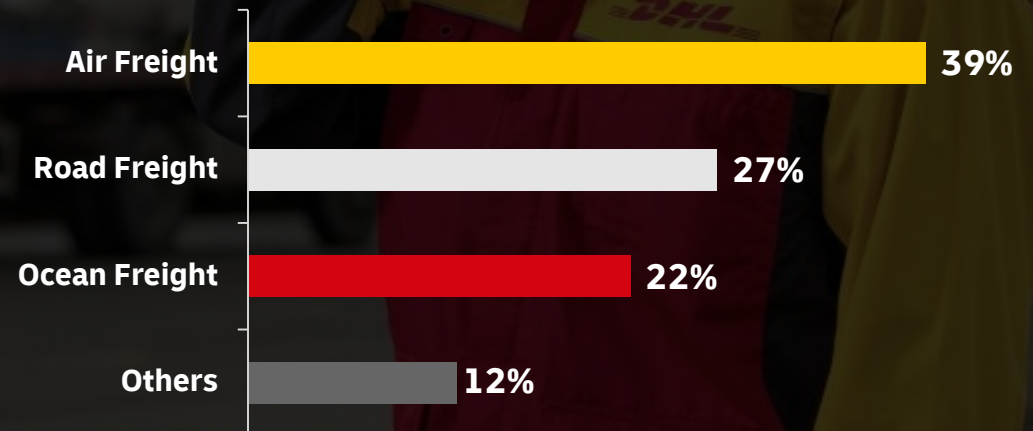
Market Position (2020)

Air Freight **#1**

Ocean Freight **#2**

Road Freight (EU) **Leading position in a highly fragmented market**

Revenue Mix, FY 2020



DGFF: 2020 key numbers & 2021 outlook

B2B volumes starting to recover

All FY figures, yoy

Air Freight (AFR)

Volume

-11.0%

Gross Profit

+17.2%

Gross Profit/Unit

+31.6%

Ocean Freight (OFR)

Volume

-10.8%

Gross Profit

-1.5%

Gross Profit/Unit

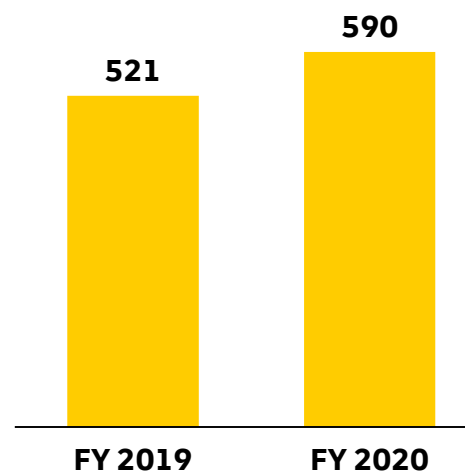
+10.3%

2021 topline drivers:

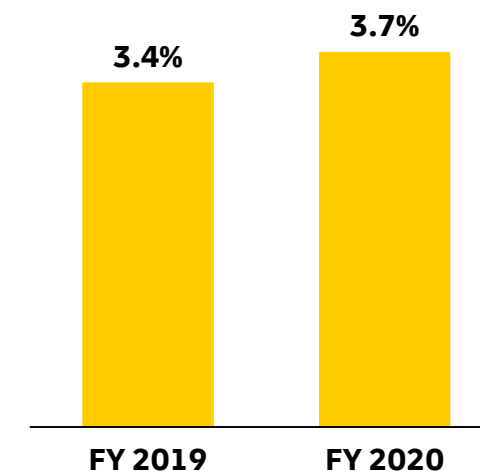
- Expect gradual volume recovery to continue in line with broader global GDP trend
- Rebalancing of market capacities over time will eventually drive GP/unit towards normalization

EBIT

in €m



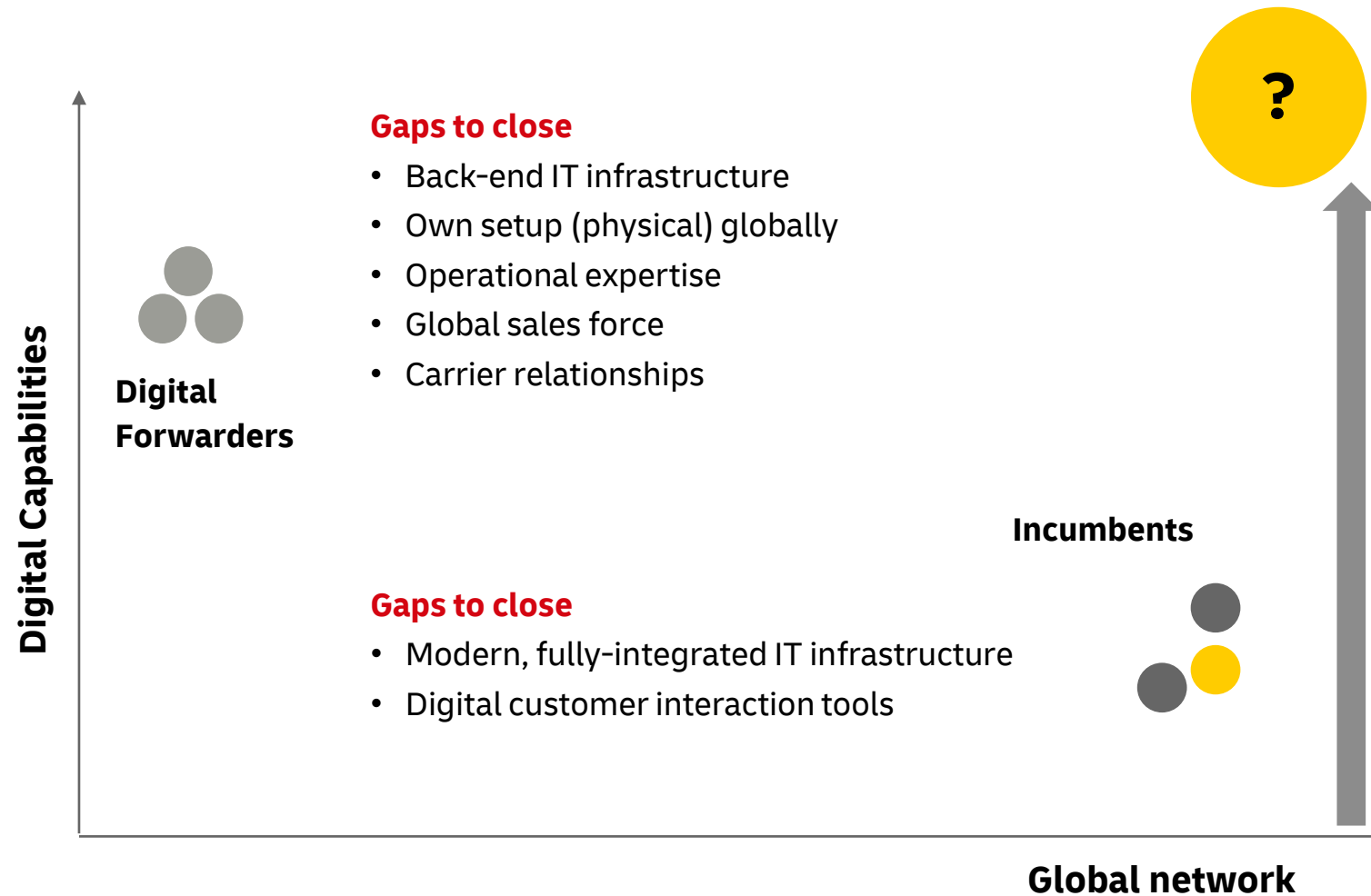
EBIT Margin



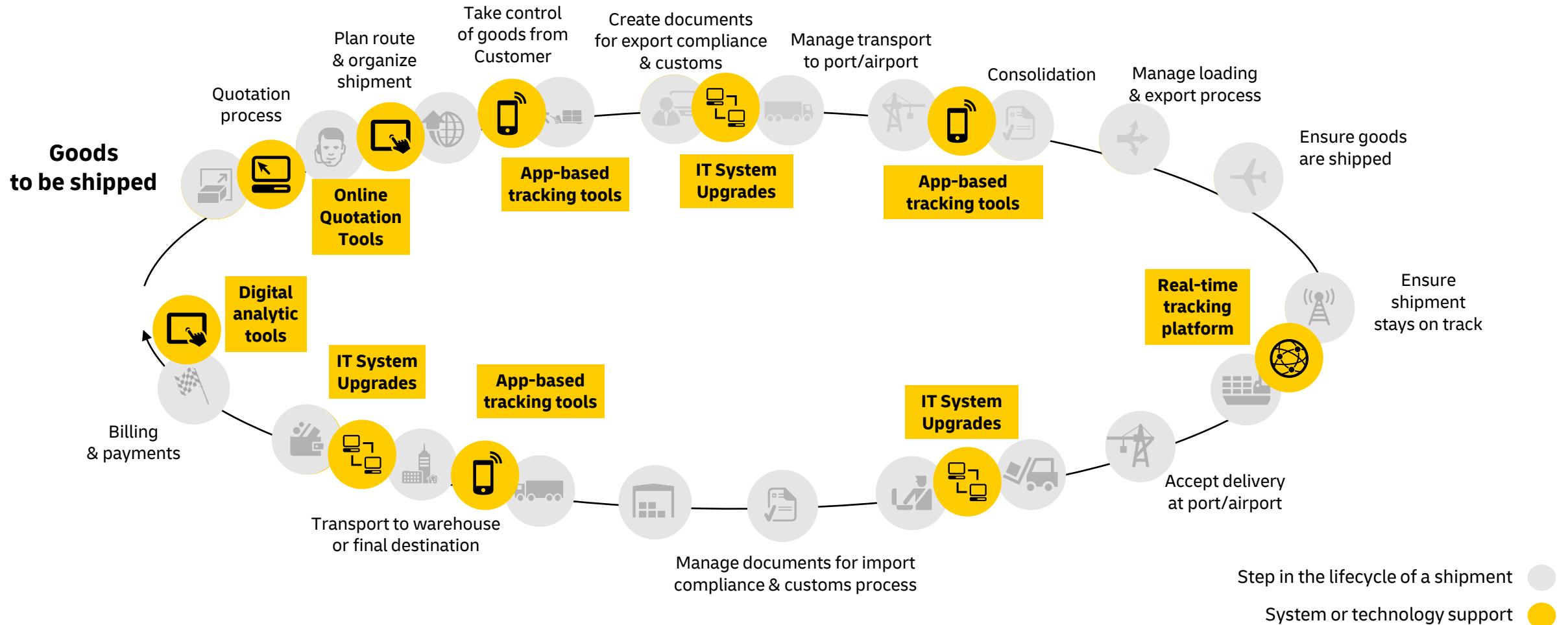
2021 Management focus & outlook:

- Use network strength to provide customers with capacity in tight AFR and OFR markets
- Harvest efficiency gains for sustainable GP-EBIT conversion improvements as volumes recover
- Expect DGFF to deliver EBIT growth on top of 2020 record results

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



The lifecycle of a shipment is a complex process and technology investments are key to success



CargoWise1 Roll-out progressing very well

Benefit realization started



Ocean Freight

**considered
completed**



Air Freight

**>80%
completed**

Complete CargoWise1 roll-out by 2021



With IRR & Digital Customer Interaction DGF is enhancing customer experience while increasing operational efficiency

myDHLi

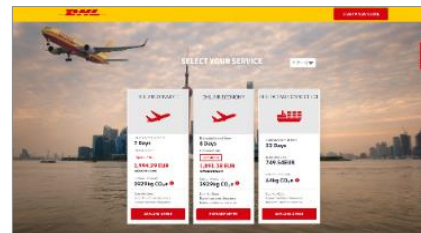
360° VISIBILITY

COLLABORATION

FULL ACCESS

MANAGED BY CUSTOMER

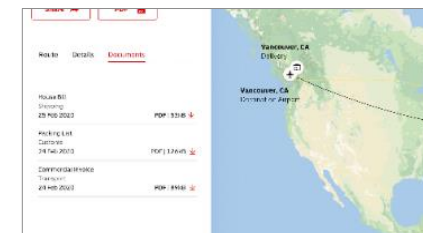
External



QUOTE + BOOK



TRACK



DOCUMENTS



ANALYTICS

IT Renewal Roadmap (IRR): Our Digital Backbone established

Internal



New TMS



Paperless forwarding



Quotation tool



Track + trace / shipment visibility



Steering Logic



... and many more

DGFF FINANCIAL OUTLOOK

EBIT/GP Conversion improvement of 100-200 bps p.a. (with basis from 2018)
Long-term target: **30% DGF conversion**. 5-6% DGFF
EBIT Margin

Initial* market growth assumptions (2018-25):

Air Freight +1-3%

Ocean Freight: +2-4%

Road Freight: +3-4%

Market significant down in 2020. Return to initial assumption depending on recovery shape beyond 2020.

Capex: Flat / slightly increasing from FY 2020 levels (€104m)

Complete CargoWise1 roll-out by 2021. Ocean Freight considered completed. Air Freight >80% completed.

*as introduced at Capital Markets Day in 2019

DHL SUPPLY CHAIN

Profitable Core

Manage supply chains to reduce complexity for our customers. Our profitable core includes warehousing, transportation as well as key solutions like e-Commerce, Lead Logistics Partner (LLP), Service Logistics, packaging and real estate solutions

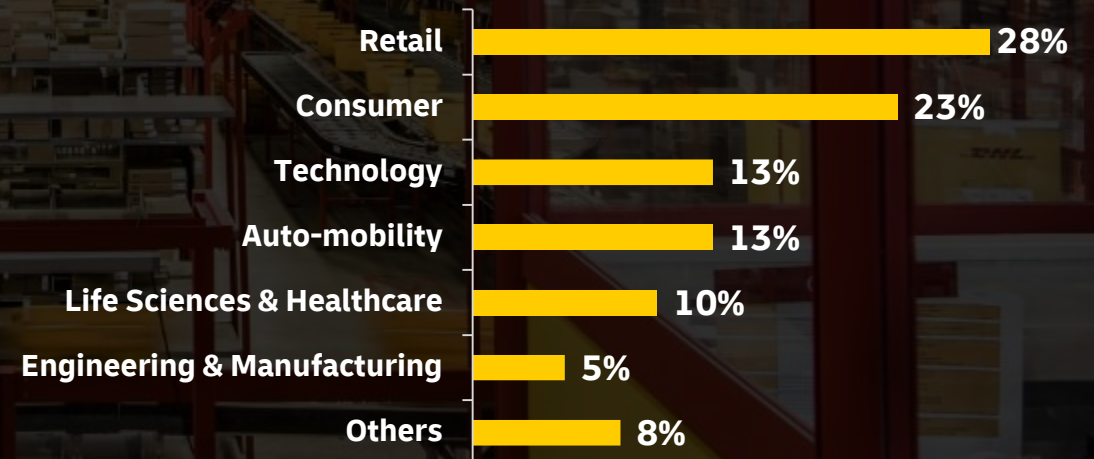
Market Position (2019)

Market share: Top 5 players in contract logistics



Source: company estimates; Transport Intelligence. Market share is presented on the basis of divisional revenue.

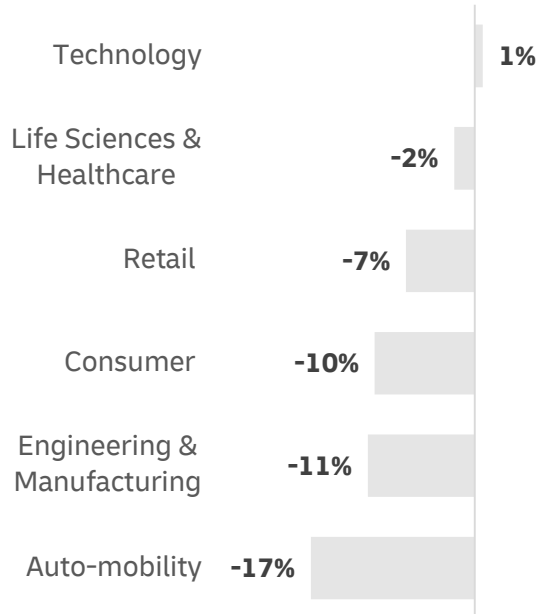
Revenue Mix, FY 2020



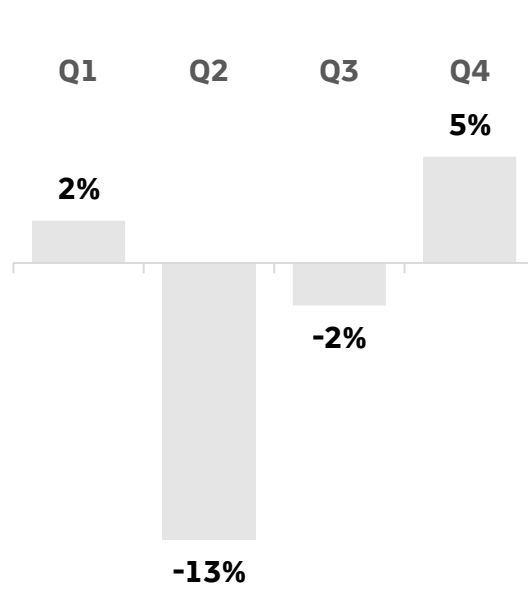
DHL Supply Chain: 2020 key numbers and 2021 outlook

Gradual recovery of B2B customer activities

FY 2020 Revenue yoy by sector

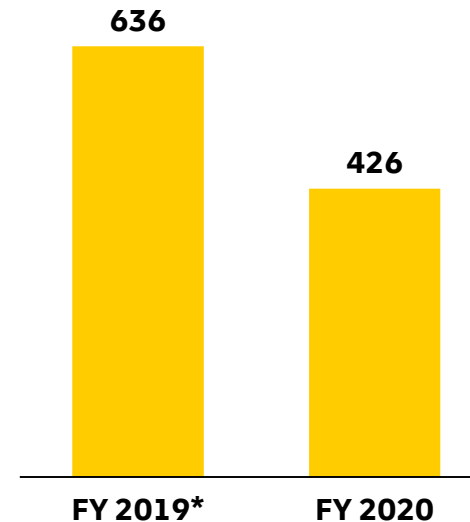


Organic revenue growth yoy

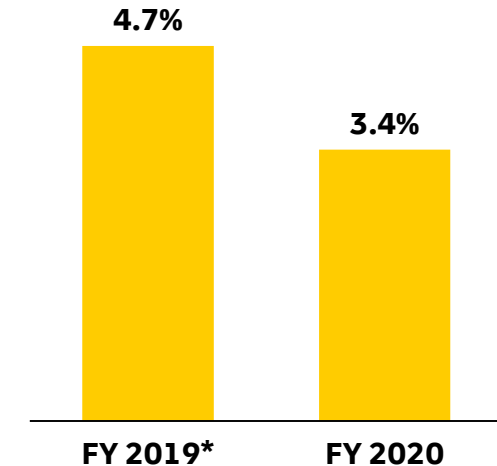


EBIT

in €m



EBIT Margin



2021 topline drivers:

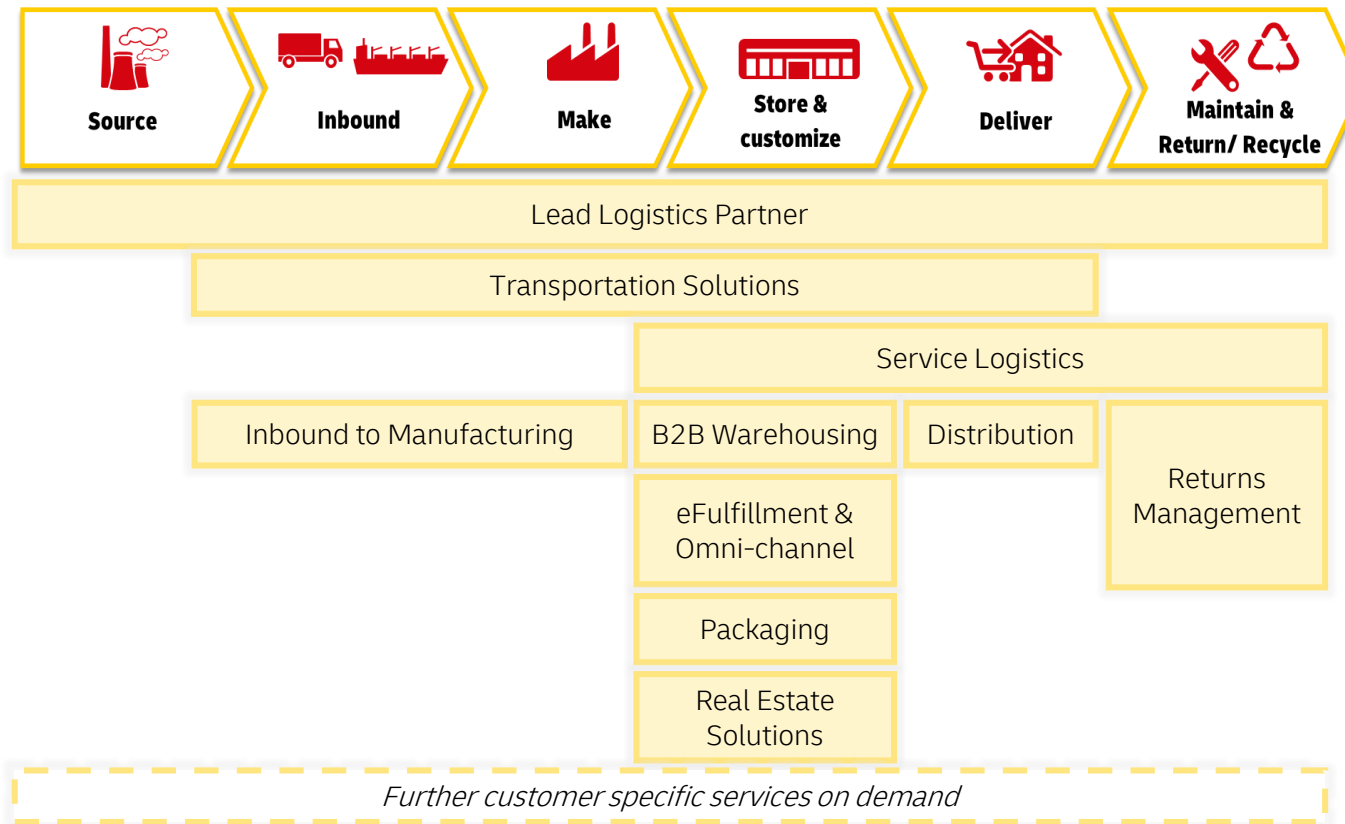
- Strong new business signings and gradual recovery of customer activities laying solid foundation for 2021 growth
- Continued expansion of e-fulfillment capacities driven by customer requirements

2021 Management focus & outlook:

- Collaborative Robotics and Data Analytics at core of digital roadmap
- Expect DSC to show significant increase vs 2020 EBIT as global economic activity recovers

DHL Supply Chain offering attractive strategic solutions across the whole supply chain

DHL Supply Chain portfolio of key solutions ¹⁾



As the **world's leading contract logistics provider** we create competitive advantage for our customers by delivering exceptional operational service as well as **innovative** and **sustainable solutions** across the supply chain.

We leverage thorough depth of knowledge of market and its dynamics, with **highest standards** and with a benefit of unrivaled environmental and **safety credentials**, along with **state-of-the-art technology** and an attractive **portfolio of solutions**.



Over 50²⁾
Countries served



12.537€m
Revenue in 2020



~1,500 ³⁾
Locations



~15 MIO^{3,4)}
Square meters

Offering globally consistent and innovative solutions to our customers through modular standardization

Best in class solutions

Flexibility to build end-to-end customized solutions at increased speed due to modular building blocks compromising solutions design, IT and Operations catering specific needs e.g. eCommerce

Flexible automation solutions

Focused deployment approach through Accelerated Digitalization Program and optimal orchestration of robotics and people resources through Robotics Hub.

High project management standards

Globally standard project management methodology ensuring smooth and fast setup of new operations

Data analytics for operational improvements

Data is being collected in a coherent way and decisions are made by artificial intelligence e.g. warehouse labor optimization

Operations Management System First Choice

Holistic approach to drive productivity and continuous improvement through processes, behaviors, infrastructure and tools including coaching and incentives.



End-to-end visibility across the whole Supply Chain

Globally consistent operating standards

Minimum standards for key processes and tools e.g. for labor management and quality defined for all operations.

Labor management

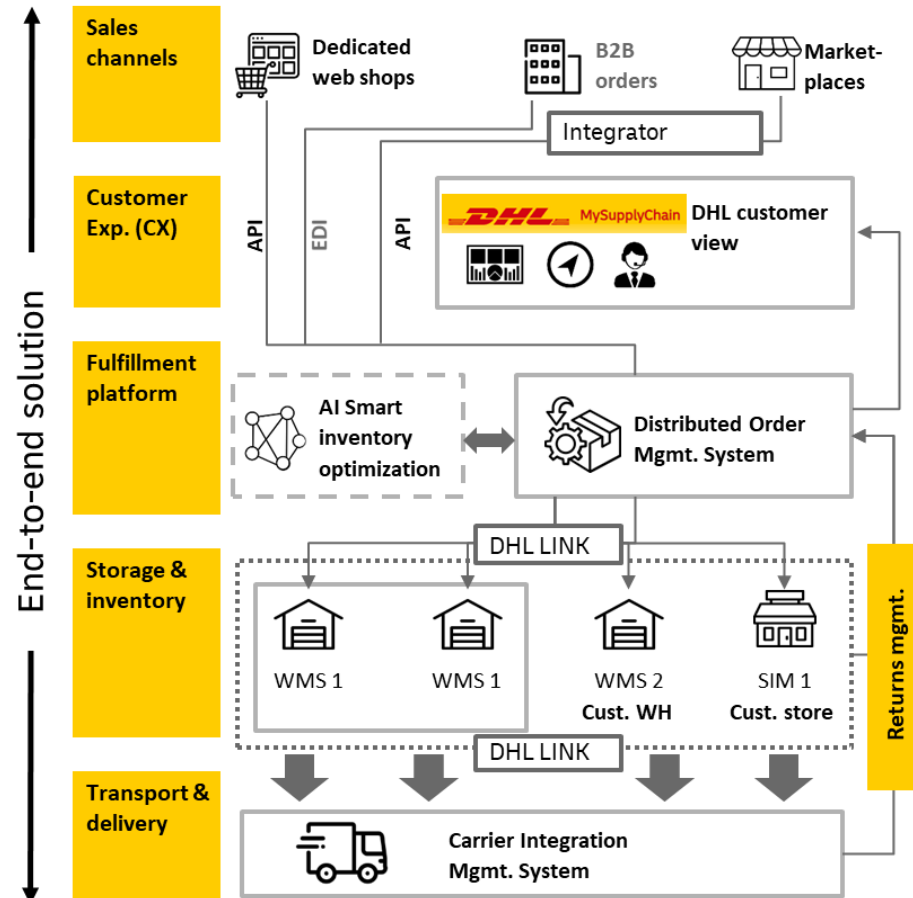
Standards implemented incl. labor management tools, consistent introduction and training, allowing scaling in line with demand and labor sharing across operations.

Real time data based decision taking

Standard reporting tools provide real time financial and operational insights for customers and operations enabling agility and decisions at the right level.

DSC is uniquely positioned to cater for e-commerce growth

Fully integrated end-to-end IT solution for e-Fulfillment



- eCommerce is a focus product for DSC with **~20% of its global staff** already working in eFulfillment operations
- The **53% YoY growth in eCommerce new business** in 2020 was an acceleration of the growth over past years due to the pandemic
- The growth is fueled by the priority areas that DSC is focusing on:
 - **Pure e-commerce for brand manufacturers**
 - **Pure e-commerce retailers / etailers, marketplaces**
 - **Omni-channel** centralized and combined **B2C/ B2B fulfillment**
 - **Regional fulfillment networks** across multi user locations

DHL Supply Chain is leveraging digitalization across all operations to increase efficiency and customer value add

Accelerated Digitalization and Data Analytics (as of 12/2020)



1,700+

projects deployed

60%

of staff touched by AD

800+

sites touched

750+ Collaborative robots deployed

Examples below:



15.000+ smart
wearable devices deployed



200+ analytics projects
to optimize our operations

Standard IT-Robotics integration layer **DHL Robotics Hub**
allowing plug-and-play robotics deployment and orchestrating
labor and robotics in most efficient way



Business Model Digitalization



- UK's first and Europe's largest truly **digital freight platform (DFP)**
- DigiHaul matches **customer demand** for transport load and capacity through **digital platform** by **artificial intelligence**

DSC FINANCIAL OUTLOOK

EBIT margin at ~5%

Capex outlook: Slightly increasing from FY 2020 levels (€351m) driven by new business wins and including investments in digitalization

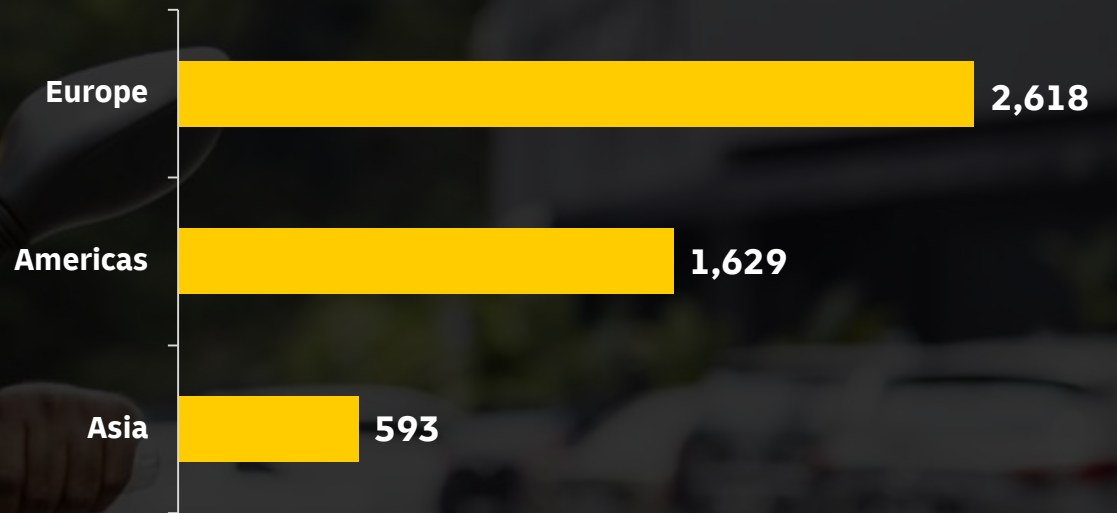
DHL ECOMMERCE SOLUTIONS

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, FY 2020, in €m



DeCS: 2020 key numbers and 2021 outlook

Continued B2C growth

Revenue growth, FY 2020

DeCS **+19% (Q4: +34%)**

Netherlands
>30%

United Kingdom*
>25%

United States
>40%

South East Asia
>35%

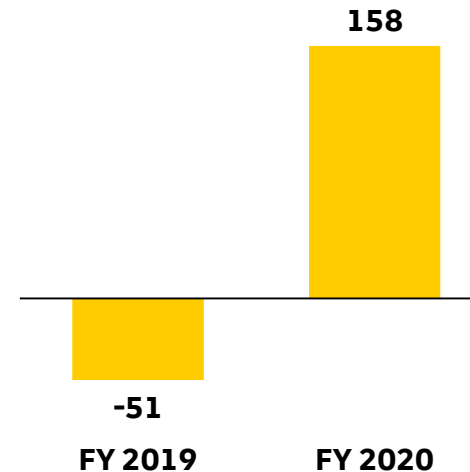
2021 topline drivers:

- E-commerce volumes expected to continue to grow from higher 2020 base – growth rate expected to normalize in course of the year
- Disciplined yield management based on GRI and ship-to-profile mechanism

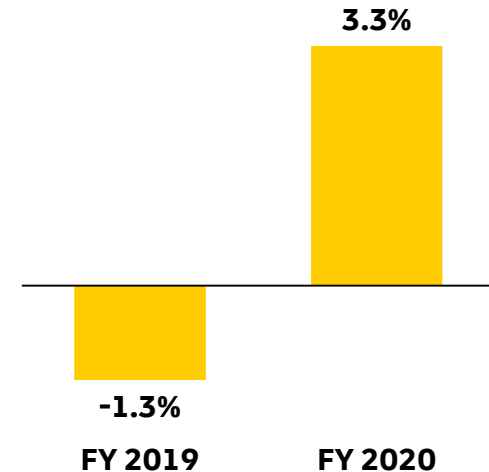
**Parcel business only*

EBIT

in €m



EBIT Margin



2021 Management focus & outlook:

- Further expand and optimize domestic and cross-border networks to maintain economies of scale from continued e-commerce growth
- Expect DHL eCommerce Solutions to deliver EBIT growth on top of 2020 record results

DHL eCommerce Solutions: Regions and service portfolio



AMERICAS

- Nationwide domestic delivery in the **United States**
- **Cross-border** from **US** and **Canada**

EUROPE

- Pan-European **cross-border shipping** via DHL Parcel Connect platform
- **Domestic** delivery in 8 countries: **United Kingdom, Netherlands, Belgium, Poland, Spain, Portugal, Czech Republic, Sweden**

ASIA PACIFIC

- **Blue Dart** in India: nationwide domestic courier delivery and integrated express parcel distribution
- **Nationwide domestic and cross-border** delivery in **Thailand, Malaysia and Vietnam.**
- **Cross-border shipping** from **China, India, Australia and Singapore**

DHL eCommerce Solutions: Key stats at a glance



>1.1 billion

parcels delivered each year



35

Country Offices



22,500

Vehicles



2,400

Facilities



45,000

Employees



>70,000

Access Points



6

Dedicated Aircraft

Data as of 31.12.2020

E-commerce: Profitable expansion into international parcel markets

International Domestic and cross-border Parcel delivery – DHL eCommerce Solutions

BUILD

Before Strategy 2020



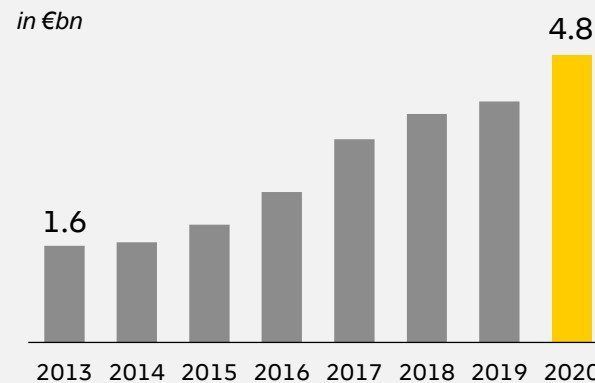
Today



SCALE

DHL eCommerce Solutions

Revenue development¹⁾



¹⁾ Since 2019, international parcel operations are combined under the new eCommerce Solutions division. Prior to that, part of PeP division (DHL Parcel Europe + DHL eCommerce)

CONTRIBUTION

Expectation (CMD 2017, p.22)

- Strong **revenue** growth driven by e-commerce trend and portfolio expansion
- EBIT contribution by 2020 will also depend on trajectory of further **portfolio** expansion
- Positive but not yet significant **EBIT** contribution in 2020

2020 results:

- DeCS EBIT: €158m (3.3% margin)
- Expect further growth on this base



DeCS FINANCIAL OUTLOOK

Positive EBIT contribution in 2020 (FY 2020: €158m)
Mid-term: **5-10% sales growth** with gradual margin expansion towards **5% long-term margin** across all businesses

Average **Capex** spend of ~€200m p.a. over 2019-2022

POST & PARCEL GERMANY

Profitable Core

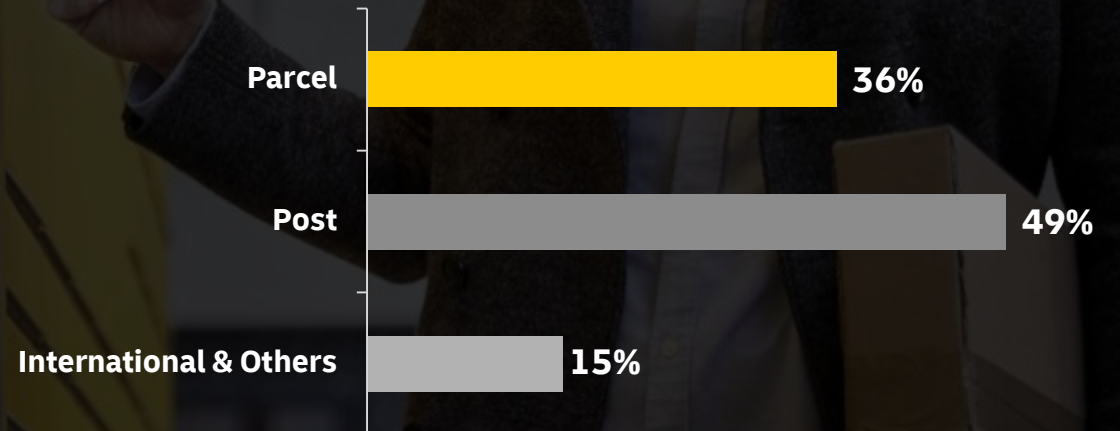
Transporting, sorting and delivering of documents and goods-carrying shipments in Germany and export.

Market Position (2020)

~63% Market share **Mail Communication**
(business customers)

>40% Market share **Parcel**

Revenue Mix, FY 2020



P&P Germany: 2020 key numbers and 2021 outlook

Parcel and Mail growth rates expected to normalize

Mail Communication & Dialogue Marketing, yoy

Volume

-9.5% (FY)

-7.1% (Q4)

Revenue

-1.2% (FY)

+1.3% (Q4)

Parcel Germany, yoy

Volume

+15.3% (FY)

+23.3% (Q4)

Revenue

+21.9% (FY)

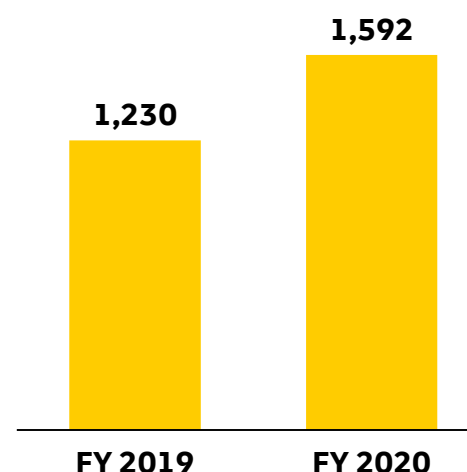
+30.3% (Q4)

2021 topline drivers:

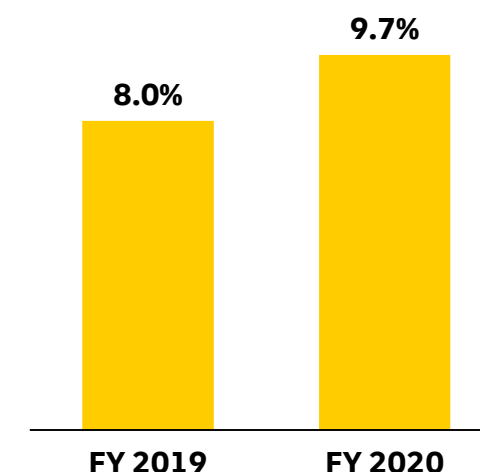
- Continued Mail to Parcel mix shift – with Parcel growth rates to normalize in course of the year
- E-commerce driven Parcel volumes expected to continue to grow from higher 2020 base
- Ongoing yield measures for business customers in Parcel

EBIT

in €m



EBIT Margin



2021 Management focus & outlook:

- Business recovery fully accomplished, focus on margin stabilization through digitalization, network efficiency and yield measures to offset structural mix shift
- 2021 Guidance: ~€1.6bn

P&P Germany: Products and Pricing

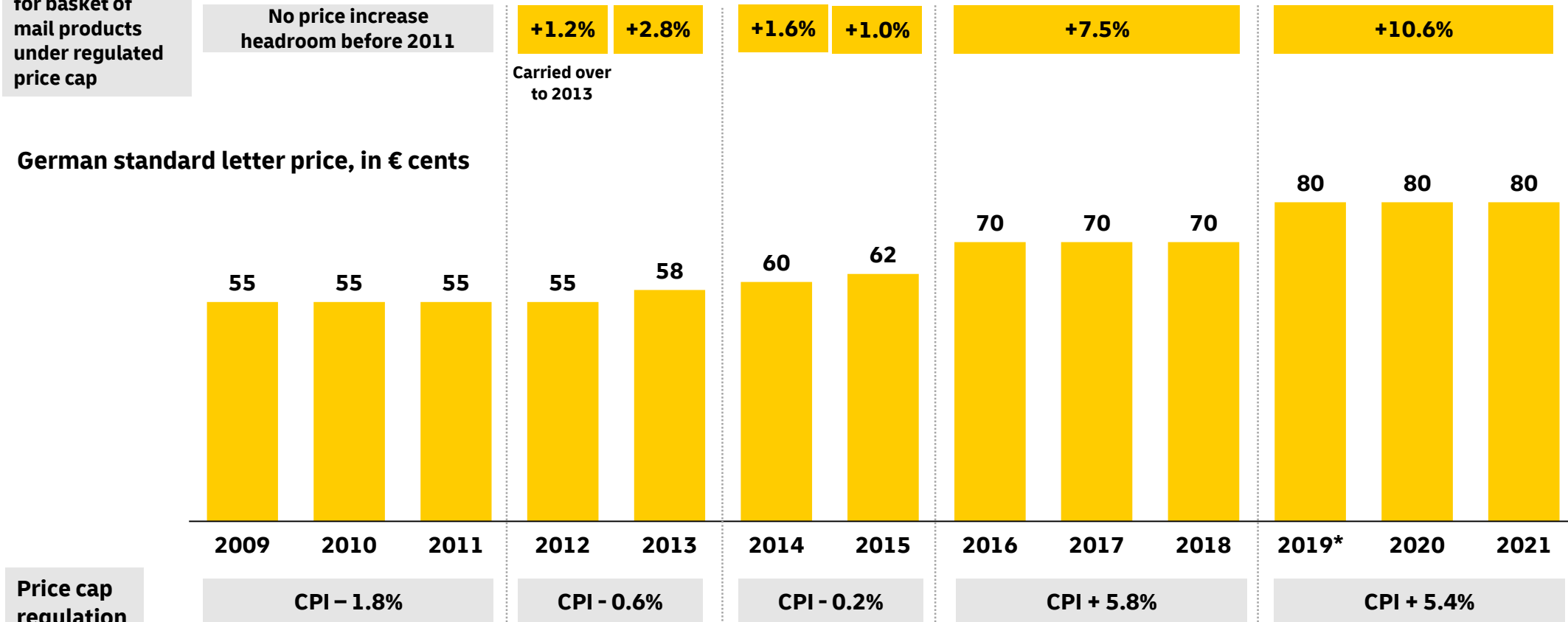
P&P revenue FY20: €16.5bn		Pricing
Mail Communication €5.5bn	Ex-ante products – <i>private customers</i> (€1.0bn) – <i>business customers</i> (€1.6bn)	Jul 2019: 10.6% increase for 2019-2021 period (incl. international)
	Partial services – <i>business customers</i> (€1.9bn)	2020: 3-4% through reduction of discounts
	Other (€0.9bn) ¹⁾	Partially increased in 2020/2021
Dialogue Marketing €1.8bn	Addressed and undressed advertisement mailings, campaigns (both digital & physical)	Partially increased in 2020/2021
International €2.4bn	In- and outbound Germany shipments	Depends on the product category: Partially increased in 2020/2021
Other €0.8bn	Press, pension services, retail	Partially increased in 2020/2021
Parcel Germany €5.9bn	Business customers Top accounts (~470 customers) Middle accounts (~20k customers) Small accounts (~85k customers)	Pricing varies by contracts. Stronger price increase than historically in 2020. Last increase: January 1st 2021.
	Private customers	Listed prices in retail outlets and online

1) e.g.: small items eCommerce, Philately, “Postzustellungsauftrag“

Topline Germany: Standard letter stamp price development is based on regulated price cap

Pricing headroom for basket of mail products under regulated price cap

German standard letter price, in € cents



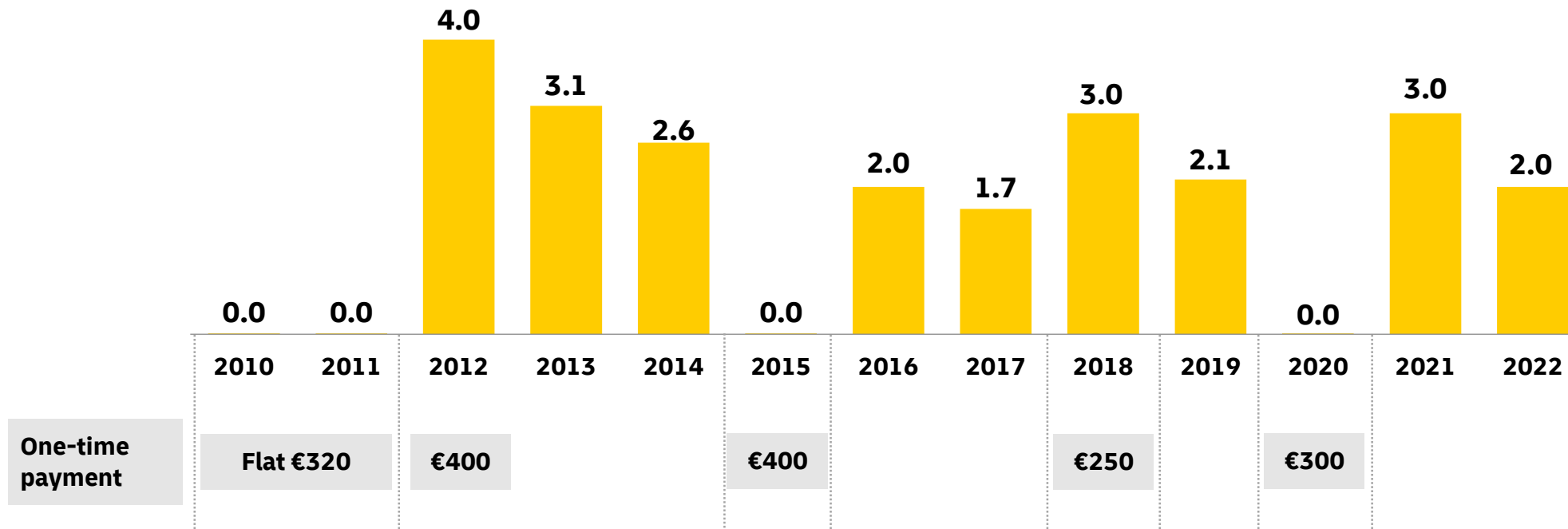
NEXT REVIEW:

Expected by end of 2021 for the period starting January 2022

*implemented from July 1st 2019 onwards, taken into account in headroom calculation

P&P Germany: Wage deals in Germany

Wage increases for P&P Germany employees, yoy in %



Current agreement applies to ~140,000 Deutsche Post tariff employees.

Contract period:
Sep 1st 2020 -
Dec 31st 2022

P&P GERMANY FINANCIAL OUTLOOK

EBIT 2021

Guidance: ~€1.6bn

Mid-term: Slow topline growth with stable **EBIT margin**

Volume

Structural trend:

Mail: -2% to -3% p.a.

Parcel: +5% to +7% p.a.

Stronger Parcel growth and Mail decline seen in 2020. Expect growth rates to trend back to initial assumptions over time

Capex:

Flat / slightly increasing from FY 2020 levels (€590m)

Wage increase for tariff employees: 3% from Jan 1st 2021 and 2% from Jan 1st 2022.

Content



DPDHL Group Highlights

Page 3



Strategy 2025

Page 15



Divisional Deep-Dives

DHL Express (page 28), DHL Global Forwarding, Freight (page 34), DHL Supply Chain (page 41), DHL eCommerce Solutions (page 48), P&P Germany (page 54)



Financial Backup

Page 60



DPDHL Group at a glance

	GROUP	DHL Express	DHL Global Forwarding, Freight	DHL Supply Chain	DHL eCommerce Solutions	P&P Germany
FY 2020						
Revenue	€66,806m	€19,135m	€15,914m	€12,537m	€4,829m	€16,455m
EBIT	€4,847m	€2,751m	€590m	€426m	€158m	€1,592m
EBIT Margin	7.3%	14.4%	3.7%	3.4%	3.3%	9.7%
FTEs*	502,207	99,365	42,376	159,152	29,819	158,889
		Network business – asset intensive	Brokerage – asset light	Outsource – asset light	Network business – asset intensive	Network business – asset intensive

*average for the year

2020 Group P&L




in €m	FY 2019	FY 2020	vs. LY
Revenue	63,341	66,806	+5.5%
EBIT	4,128	4,847	+17.4%
Financial result	-654	-676	-3.4%
Taxes	-698	-995	-42.6%
Consolidated net profit*	2,623	2,979	+13.6%
EPS (in €)	2.13	2.41	+13.1%

*after minority interest

2020 Cash Flow Statement

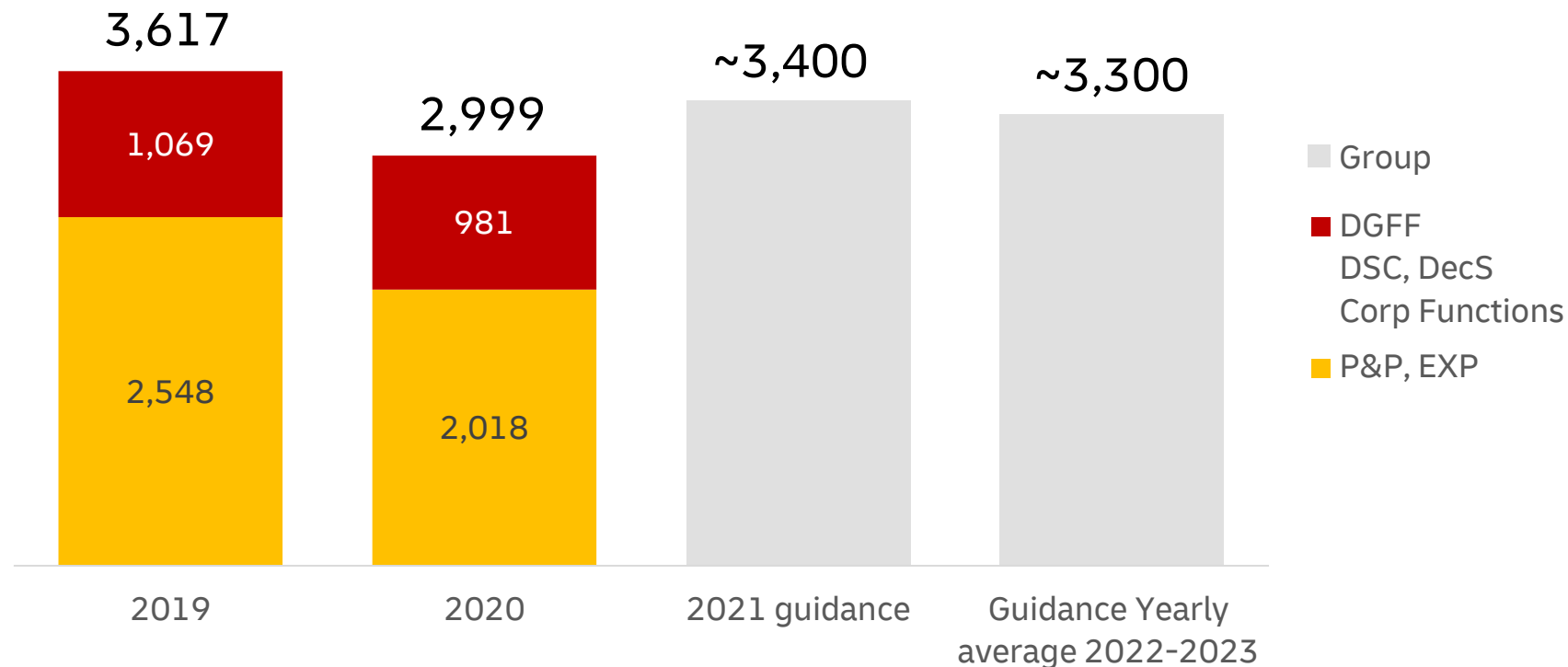
in €m	FY 2019	FY 2020	vs. LY
EBIT	4,128	4,847	+17.4%
Depreciation/amortization	3,684	3,830	+4.0%
Change in provisions	-506	73	>100%
Income taxes paid	-843	-754	+10.6%
Changes in working capital	4	-404	>-100%
Other	-418	107	>100%
Operating Cash Flow	6,049	7,699	+27.3%
Net capex	-3,474	-2,800	+19.4%
Net cash for leases	-2,278	-2,261	+0.7%
Net M&A	680	-8	>-100%
Net interest	-110	-95	+13.6%
Free Cash Flow	867	2,535	>100%

Cash Flow Outlook: Overview of major drivers

	2020 (in €m)	2021e (in €bn)	2023e (vs 2021)	Main Drivers 2021 – 2023
EBIT	4,847	>5.6		<ul style="list-style-type: none"> • 2021 EBIT guidance: >€5.6bn • 2023 EBIT guidance: >€6bn
Operating Cash Flow	7,699	8.0-8.5		<ul style="list-style-type: none"> • Increase to be driven mainly by EBIT growth • D&A, working capital and taxes paid expected to trend slightly up in line with business growth • Provisions in line with historical trend, mainly <€-0.2bn for pension • No unusual meaningful other cash-outs expected
Free Cash Flow	2,535	~2.3		<ul style="list-style-type: none"> • Capex guidance, 2021: ~€3.4bn (2020: €3.0bn); 2021-23 cum.: €9.5-10.5bn • FCF guidance, 2021: ~€2.3bn, 2021-23 cum.: €7.5-8.5bn

Capex: Only moderate increase from 2020 levels planned to support higher volume base and expected growth, mainly in Parcel and Express

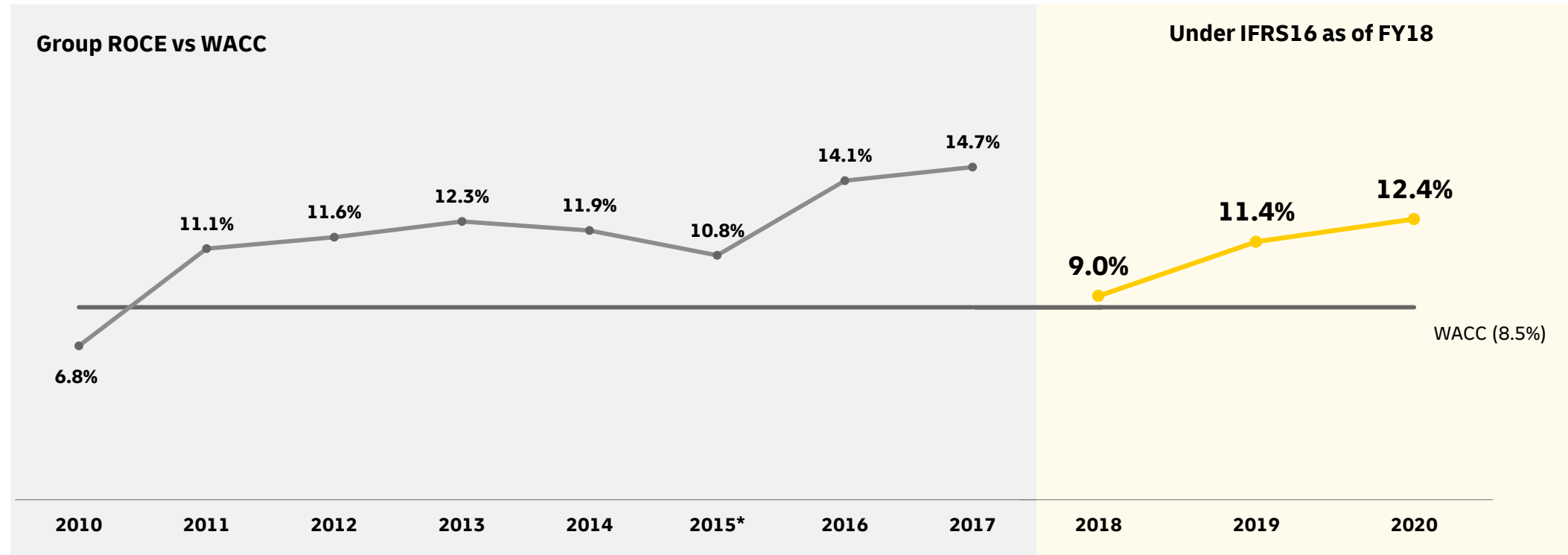
Group gross capex, in €m



Note: Capex expectation includes full gross capex spend related to 2018 & 2020 Boeing 777 orders

Group ROCE trending further up: returns increasing on higher asset base

Increasing returns under Strategy 2015 / 2020 – positive trend continued after lease accounting rebasement



*2015 EBIT adjusted for NFE-write off

ROCE = EBIT / (Total assets – current liabilities)

Balance sheet continues to show healthy leverage ratios

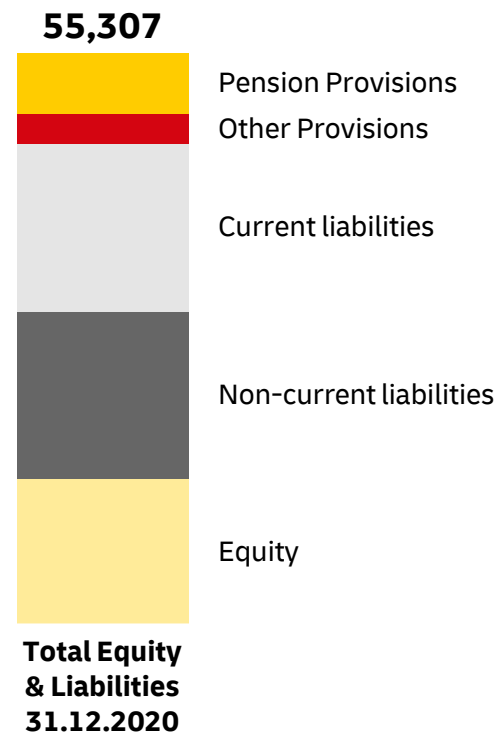
47.9%
Net Gearing

25.5%
Equity Ratio

1.7x (2019) **1.5x (2020)**
Net Debt / EBITDA

9.9x
Net Interest Cover

All figures in €m, FY 2020



12,928
Net Debt

8,677
EBITDA

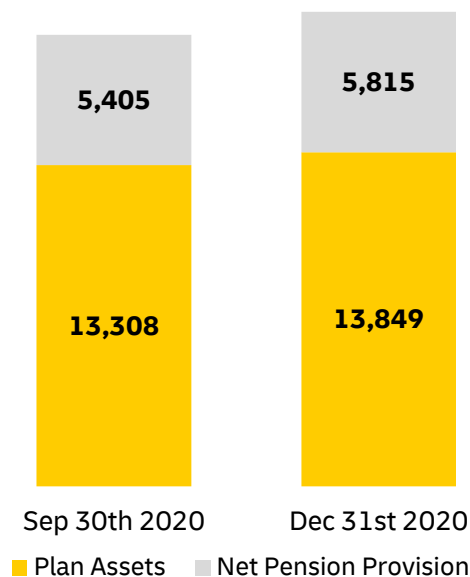
4,847
EBIT

489
Net interest paid

DPDHL Group Pensions – DB and DC plans

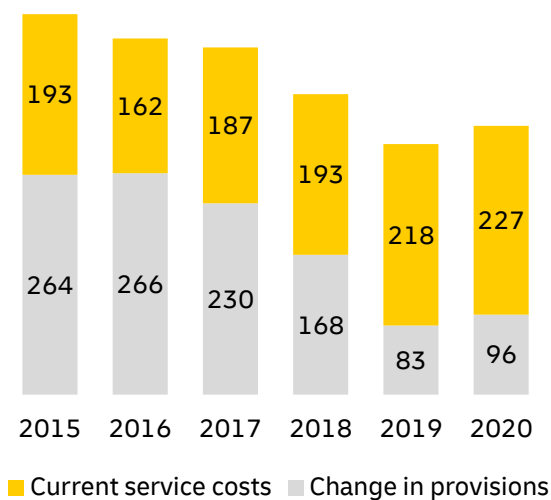
in €m

Defined Benefit Obligation



Defined Benefits Staff Costs* & Change in Provisions

* Excluding one-offs

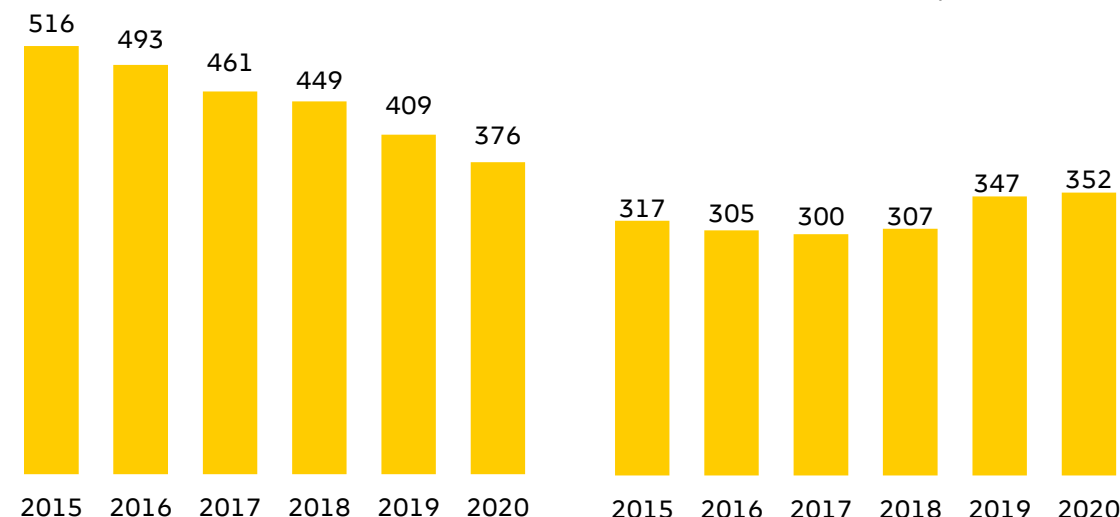


Defined Contribution (Cash out ≈ staff costs in EBIT)

Civil Servants in Germany

Hourly workers & salaried employees*

*mainly outside Germany



Discount Rate (DBO)	Germany	UK	Other	Total
Sep 30 th 2020	1.30%	1.40%	1.41%	1.35%
Dec 31 st 2020	0.80%	1.20%	1.06%	0.95%

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