

# Q1 2021 INVESTOR PRESENTATION

Investor Relations  
May 2021





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## DPDHL Group Highlights

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## Strategy 2025

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## Divisional Deep-Dives

DHL Express (page 26), DHL Global Forwarding, Freight (page 32), DHL Supply Chain (page 38), DHL eCommerce Solutions (page 45), P&P Germany (page 51)



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

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**CONSISTENT & SUSTAINABLE STRATEGIC FOCUS**

**LEADER IN  
E-COMMERCE LOGISTICS**

**DIGITALIZING GLOBAL  
SUPPLY CHAINS**

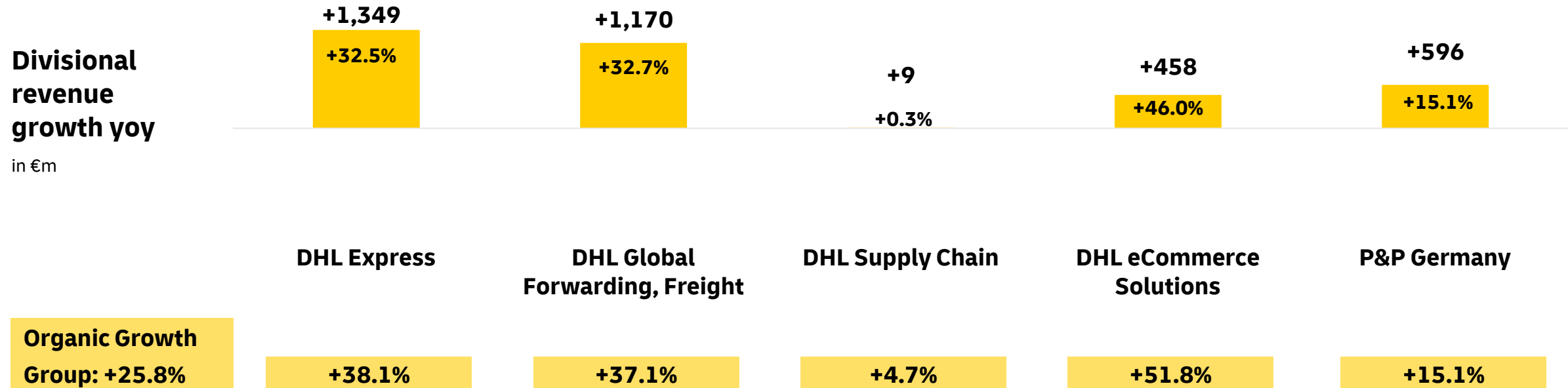
**ATTRACTIVE & RELIABLE DIVIDEND POLICY**

# GROUP REVENUE, Q1 2021

**€18,860m** yoy: +€3,396m (+22%)

Divisional  
revenue  
growth yoy

in €m



# GROUP EBIT, Q1 2021

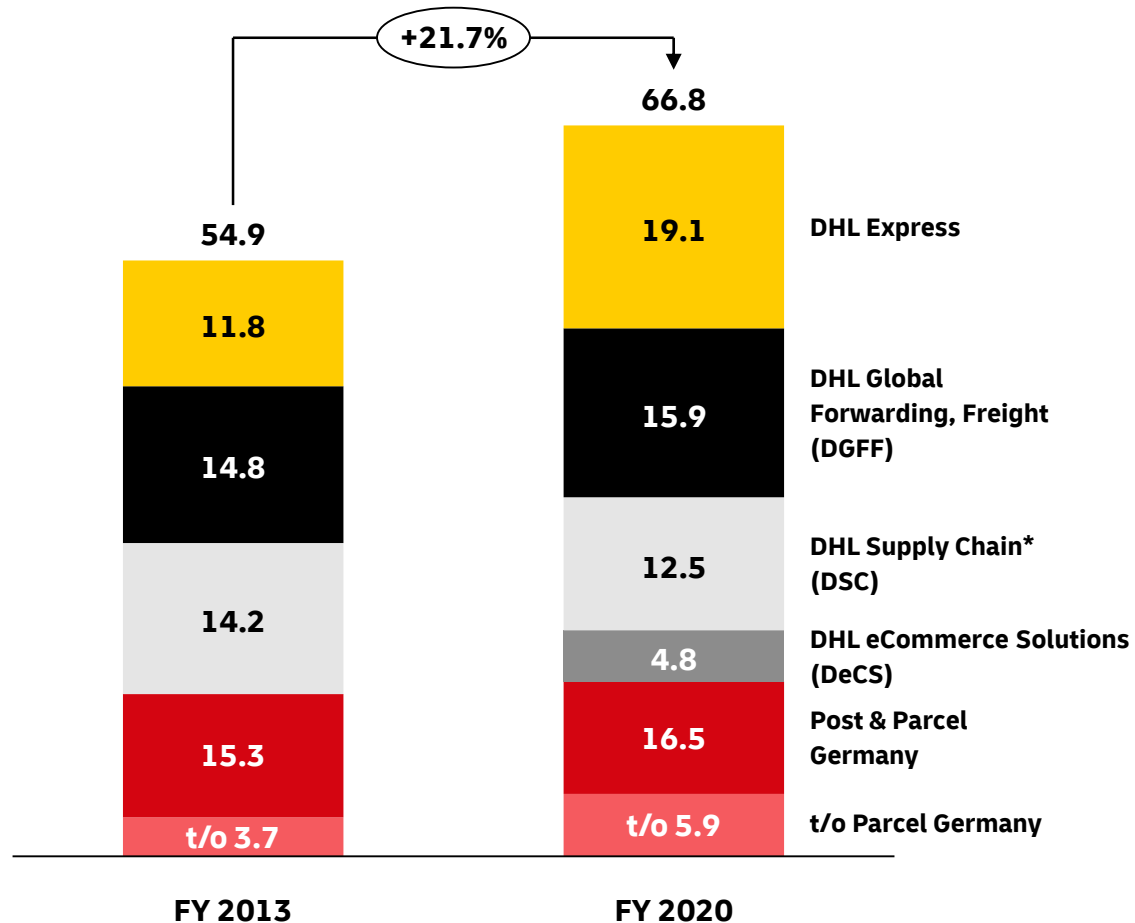
**€1,911m** yoy: +€1,319m (+223%)

in €m

DHL Express	DHL Global Forwarding, Freight	DHL Supply Chain	DHL eCommerce Solutions	P&P Germany	Group Functions / Consolidation
<b>961</b>	<b>216</b>	<b>167</b>	<b>117</b>	<b>556</b>	<b>-106</b>
+145%	+192%	+59%	+1,850%	+67%	+67%
Q1 2020: €393m	Q1 2020: €74m	Q1 2020: €105m	Q1 2020: €6m	Q1 2020: €334m	Q1 2020: €-320m
Efficient network planning and relentless focus enabled to cater for continued B2C growth and recovering B2B volumes, driving very high network utilization and 17.5% EBIT margin.	Strong profit increase reflects return to volume growth, continued high rates and ongoing internal efficiency gains. EBIT margin up to 4.5%.	Delivering expected significant EBIT growth as new business gains and gradual return of B2B activity levels are supported by improved efficiency e.g. from digitalization. EBIT margin back to 5%.	Continued strong B2C growth and cost focus drive high utilization across all networks, Q1 margin at 8.0%.	Continued strong parcel growth offsets ongoing adverse mail development, supported by continuous efforts to optimize cost structures and utilization of networks.	Group Functions results in line with ~€-400m guidance for FY 2021. Q1 2020 included €-234m StreetScooter effect.

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

Revenue, in €bn

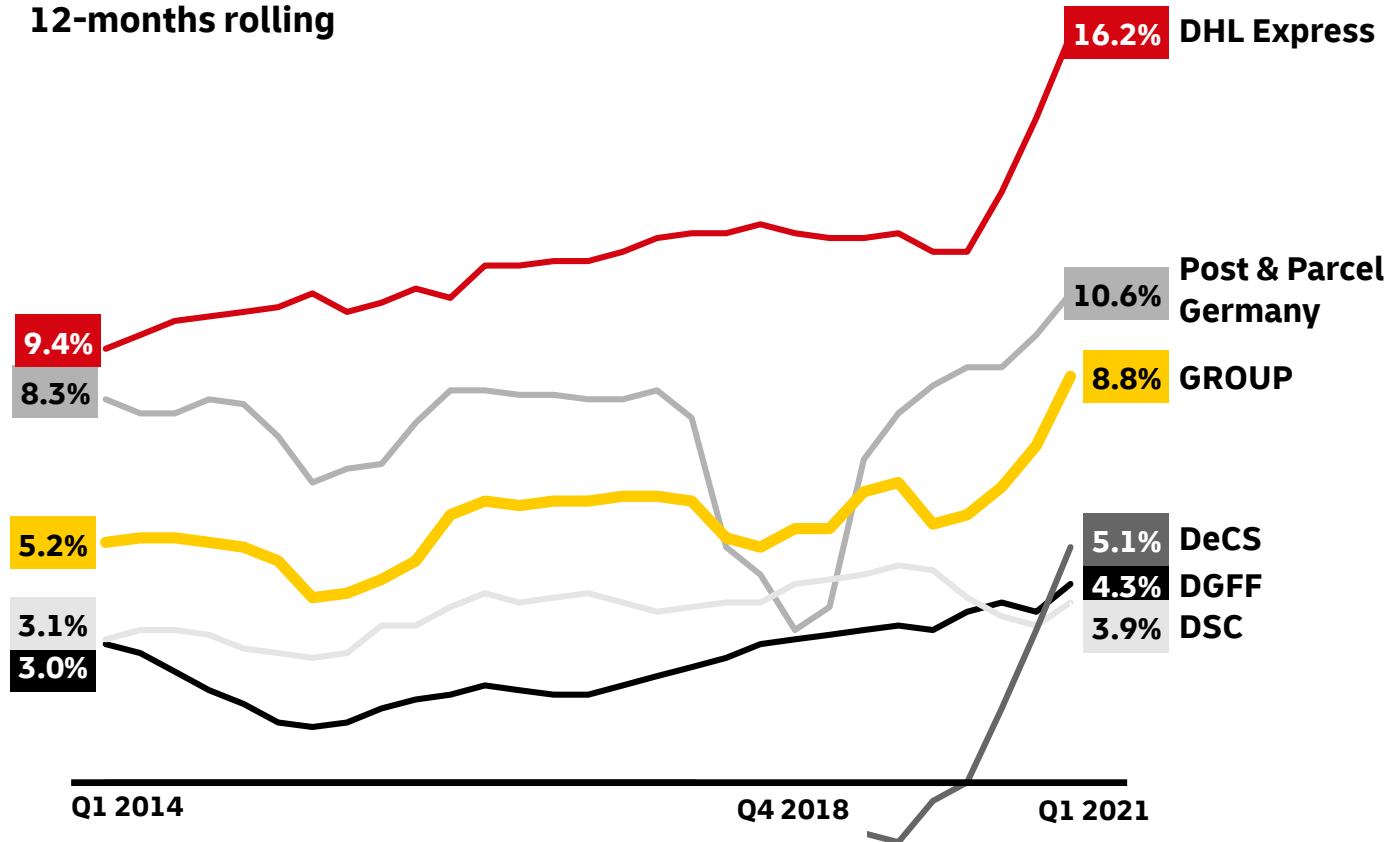


\*includes DSC China and Williams Lea Tag disposal

- 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  
12-months rolling



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

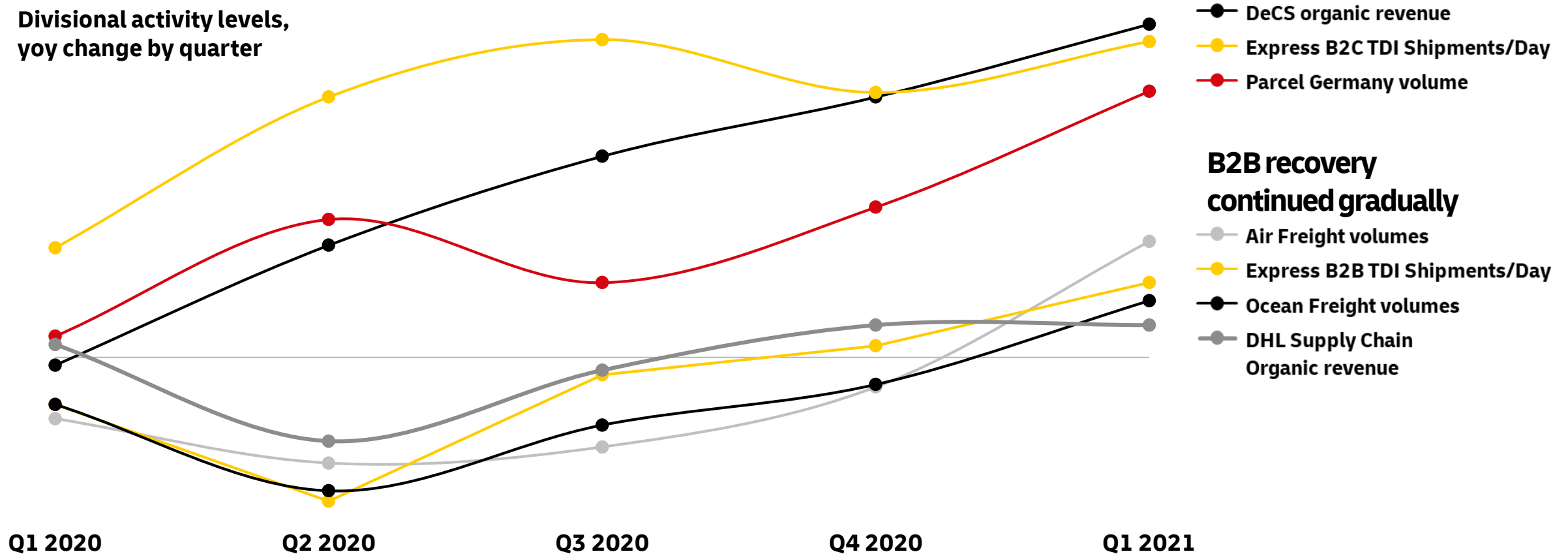
**Further improvement embedded  
in 2021/23 guidance**



# 2021 base assumptions confirmed

- Expect B2C growth normalizing in course of 2021 from elevated levels
- Continued and gradual B2B recovery globally

Divisional activity levels,  
yoy change by quarter



# 2021 and 2023 guidance

in € bn

EBIT	2021 Guidance
<b>Group</b>	>6.7 (from >5.6)
DHL	>5.4 (from ~4.5)
P&P Germany	~1.7 (from ~1.6)
Group Functions	~-0.4
<b>Free Cash Flow</b>	>3.0 (from ~2.3)
<b>Gross Capex (excl. leases)</b>	~3.8 (from ~3.4)
<b>Tax Rate</b>	26-28%

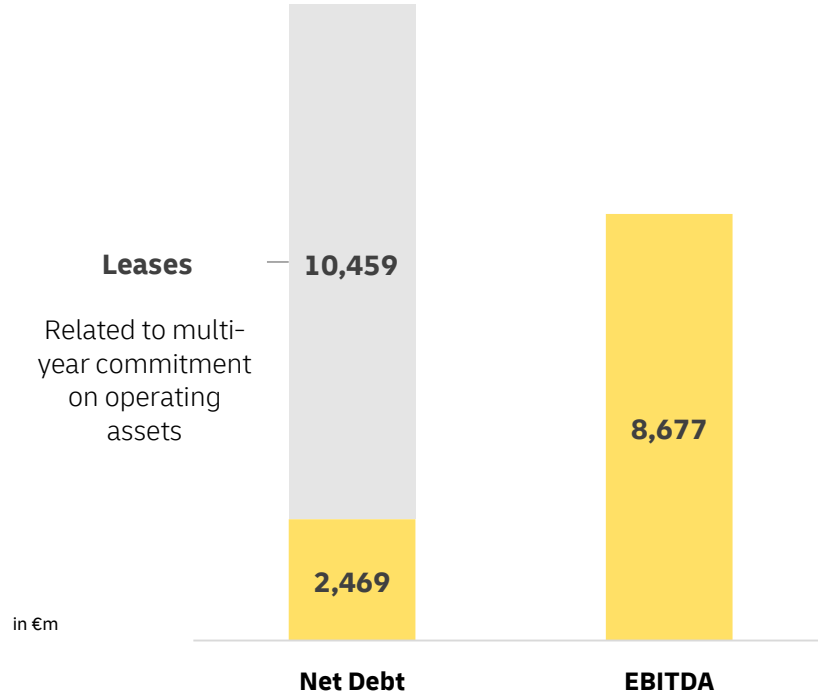
## Base assumptions:

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

	Mid-term Guidance
<b>2023 Group EBIT</b>	>7 (from >6)
<b>Free Cash Flow 2021-2023 cumulative</b>	~9 (from 7.5-8.5)
<b>Gross Capex (excl. leases) 2021-2023 cumulative</b>	~11 (from 9.5-10.5)

# Strong balance sheet and liquidity position

**1.5x**  
Net Debt / EBITDA  
(Dec 31<sup>st</sup>, 2020)



## LIQUIDITY

No financial covenants on bonds and syndicated credit facility

**€4.5bn**  
Cash & cash equivalents  
(Dec 31<sup>st</sup>, 2020)

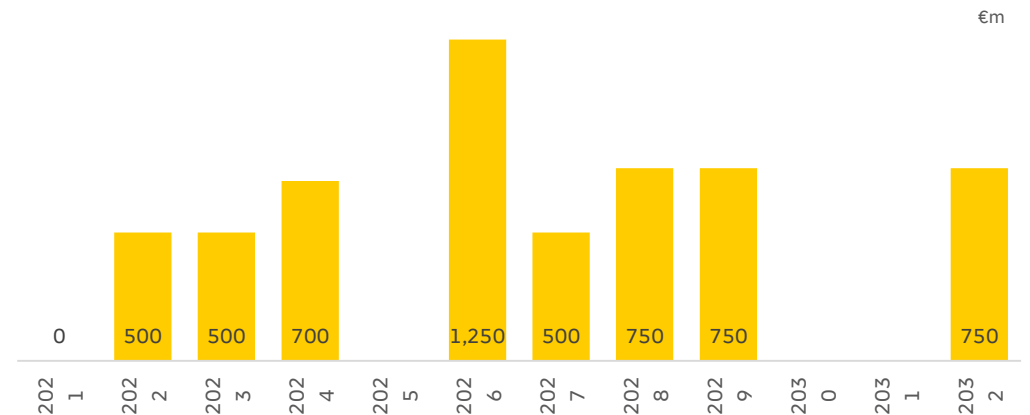
**€2.0bn**  
Syndicated credit facility runs until 2025 (undrawn)

**>€1.3bn**  
Bilateral uncommitted credit lines (undrawn)

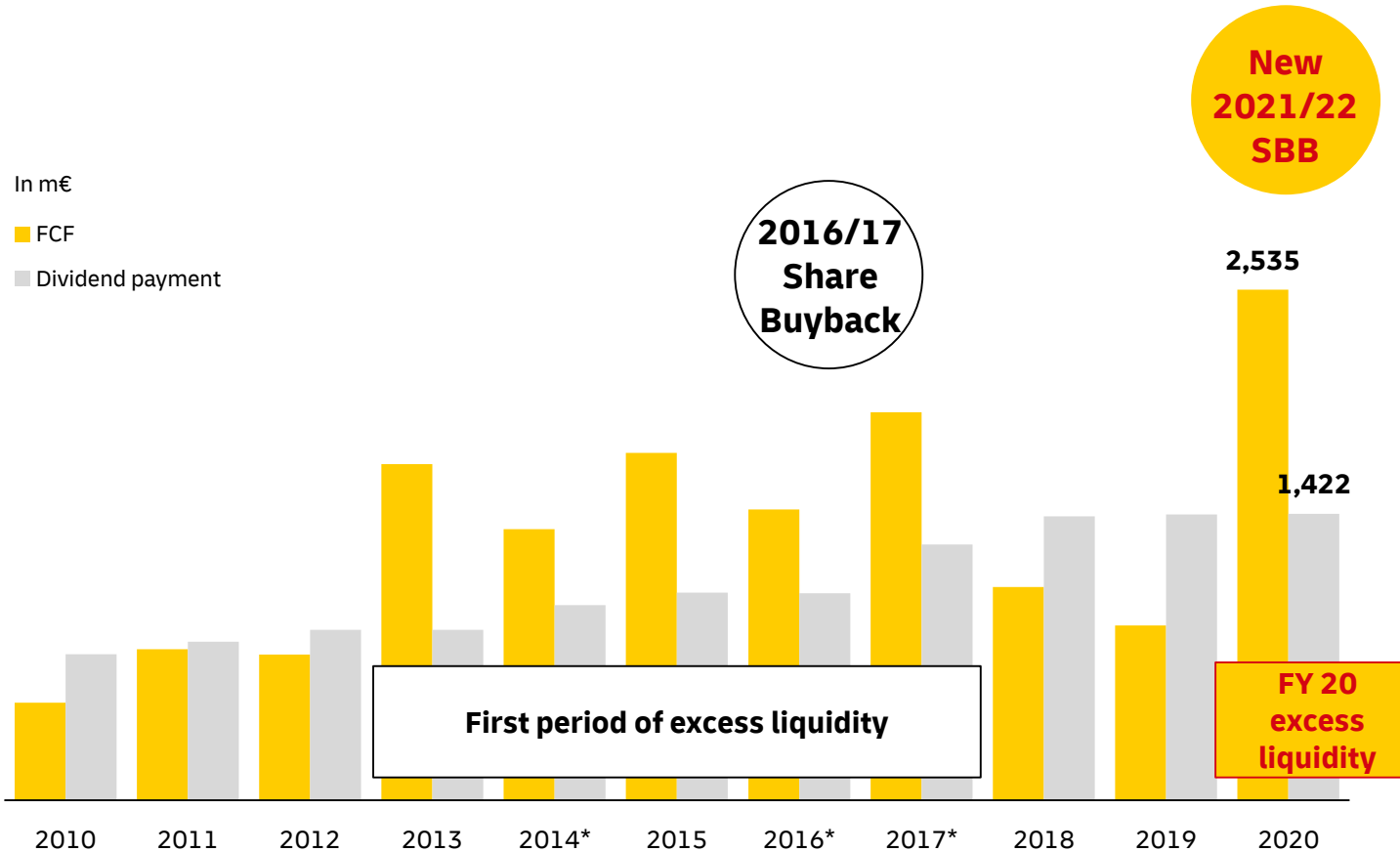
## Maturity Profile, Senior Bonds

Average time to maturity 5.8 years

2021 maturity of €750m senior bond was redeemed in Q1 2021.



# 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 8<sup>th</sup>:
  - **Size: up to €1bn**
  - **Schedule: 12 months**
  - **Start: May 2021**

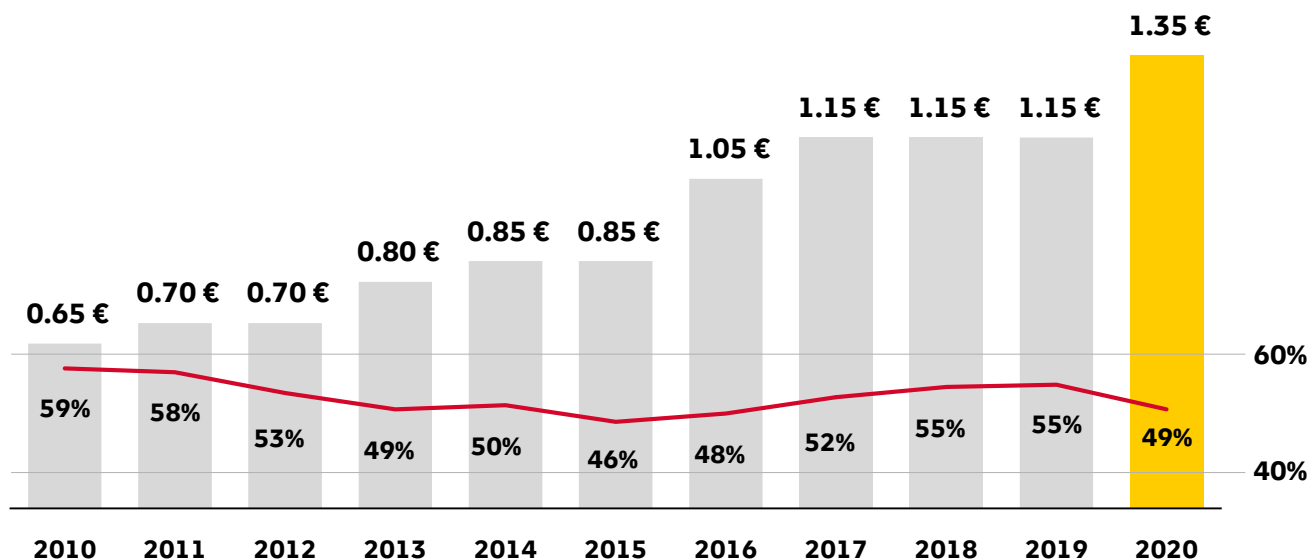
\*2014: Adjusted for voluntary pension funding (€2bn) and non-recurring items; Adjusted for voluntary pension funding (2016: €1bn, 2017: €0.5bn)



# 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 <sup>1)</sup>

## 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**

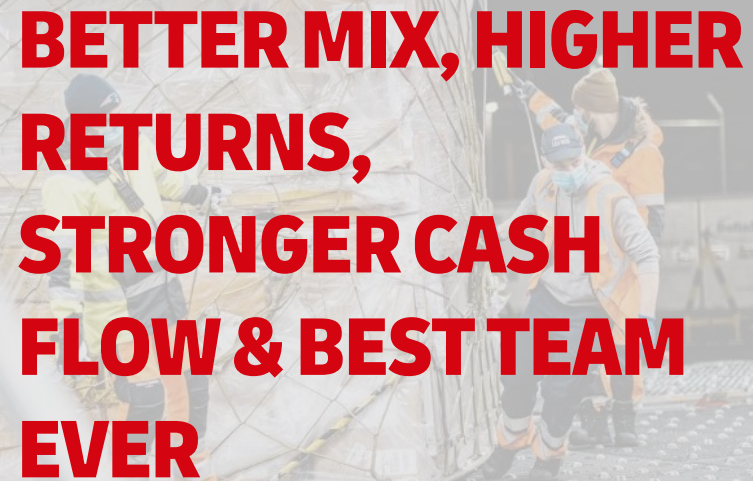
**Dividend payment of €1.7bn to DPDHL shareholders, subject to approval of AGM on May 6<sup>th</sup>**

1) Adjusted for non-recurring items when applicable



**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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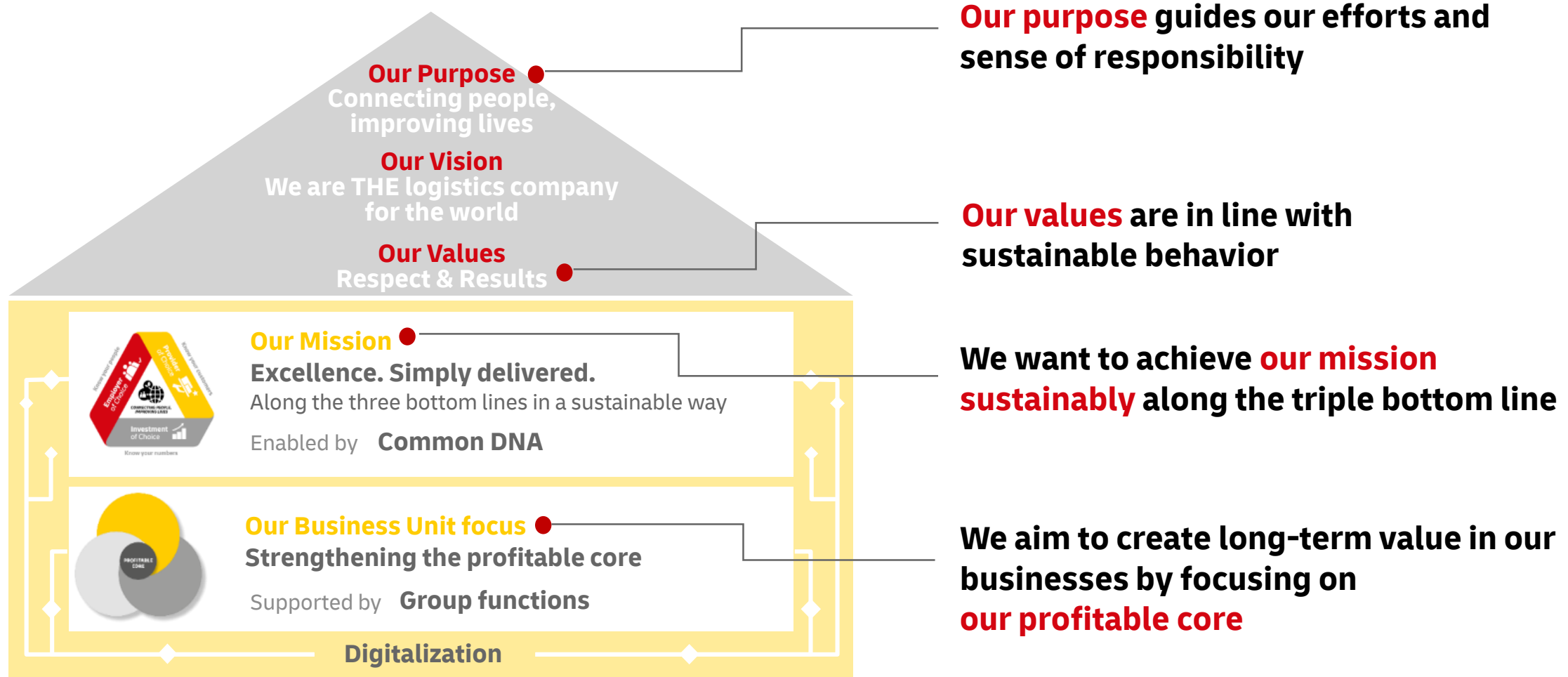
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# Strategy 2025 – Sustainability is integral along all dimensions





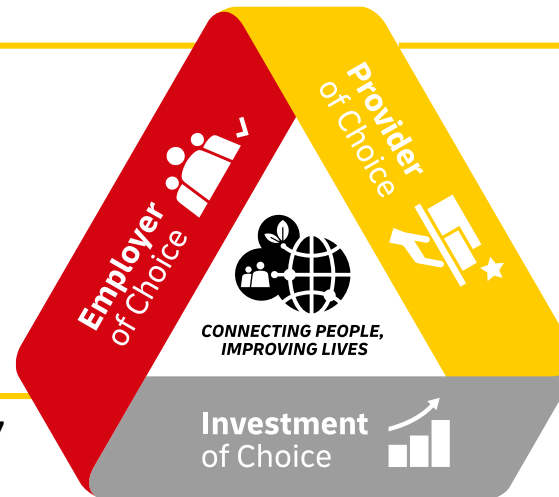
# Managing along integrated bottom lines since 2009 – Particularly important and successful in 2020

## 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

**CONNECTING  
PEOPLE.  
IMPROVING  
LIVES.**

## Clean operations for climate protection

Reduce emissions to

**<29m**

tonnes CO2e by 2030 (SBTi)  
No offsetting included

Mission 2050

**0**  
**Emissions**

Pledge to invest

**1%** of our net profit each year into in its social impact programs e.g. through GO programs

## Great company to work for all

**>80%**

score on Employee Engagement in  
Employee Opinion Survey

Increase share of  
women in management to

**30%**

by 2025

Reduce LTIFR\* to

**<3.1**

by 2025

\*LTIFR: Lost Time Injury Frequency Rate

## Highly trusted company

External reporting in line with

**SASB GRI**

core standards

**30%**

weight for ESG targets in board  
annual variable pay;  
to be proposed to 2021 AGM (May  
6th)

**GOGREEN**

**GOTEACH**

**GOHELP**

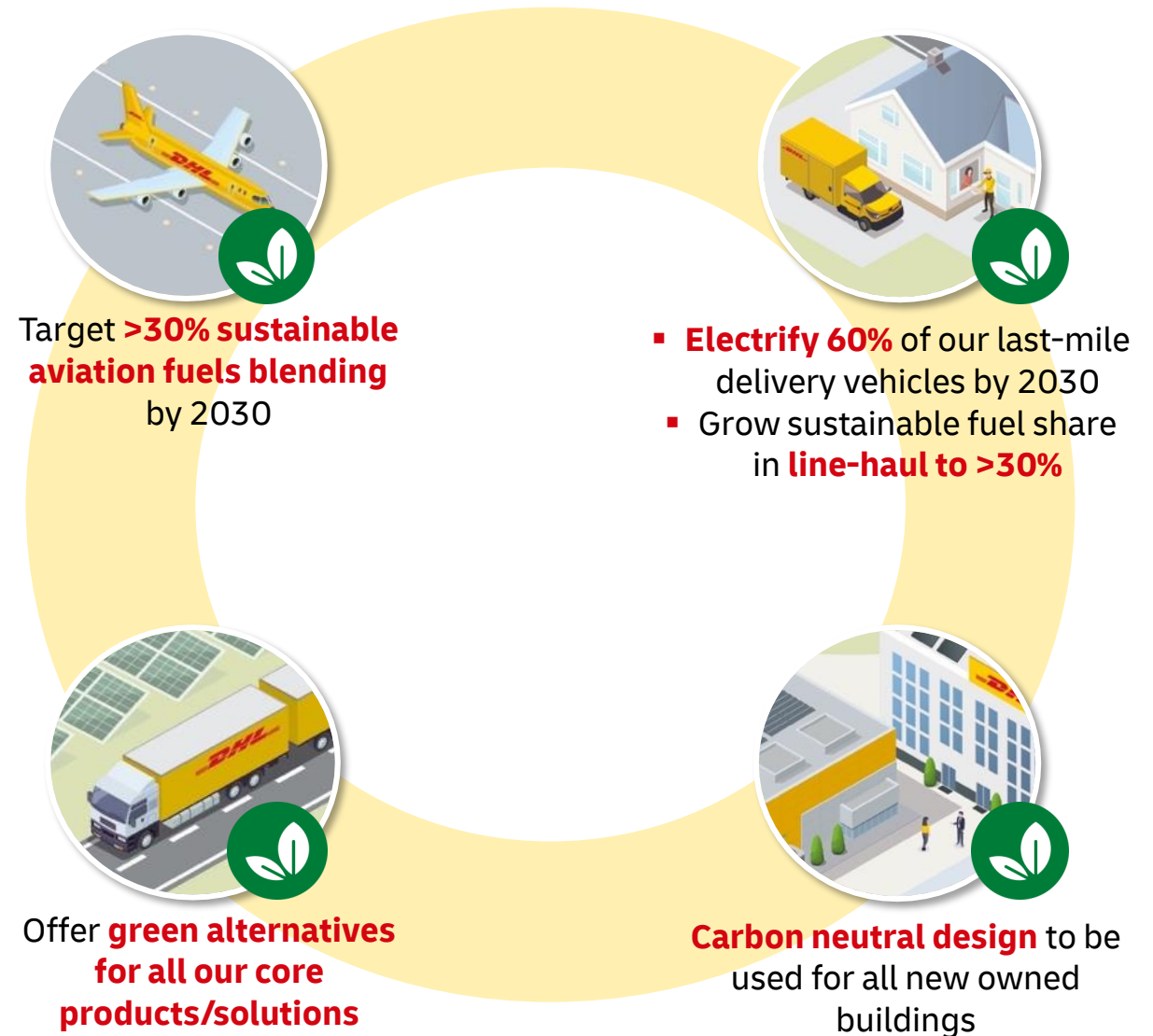
**GOTRADE**

## Clean operations for climate protection



**All modes to contribute** to targeted reduction of CO<sub>2</sub> emissions – key contribution to be achieved on aviation emissions

Science-based target for **CO<sub>2</sub> reduction**:  
Reduce our emissions to under 29m tonnes CO<sub>2</sub>e by 2030





## 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

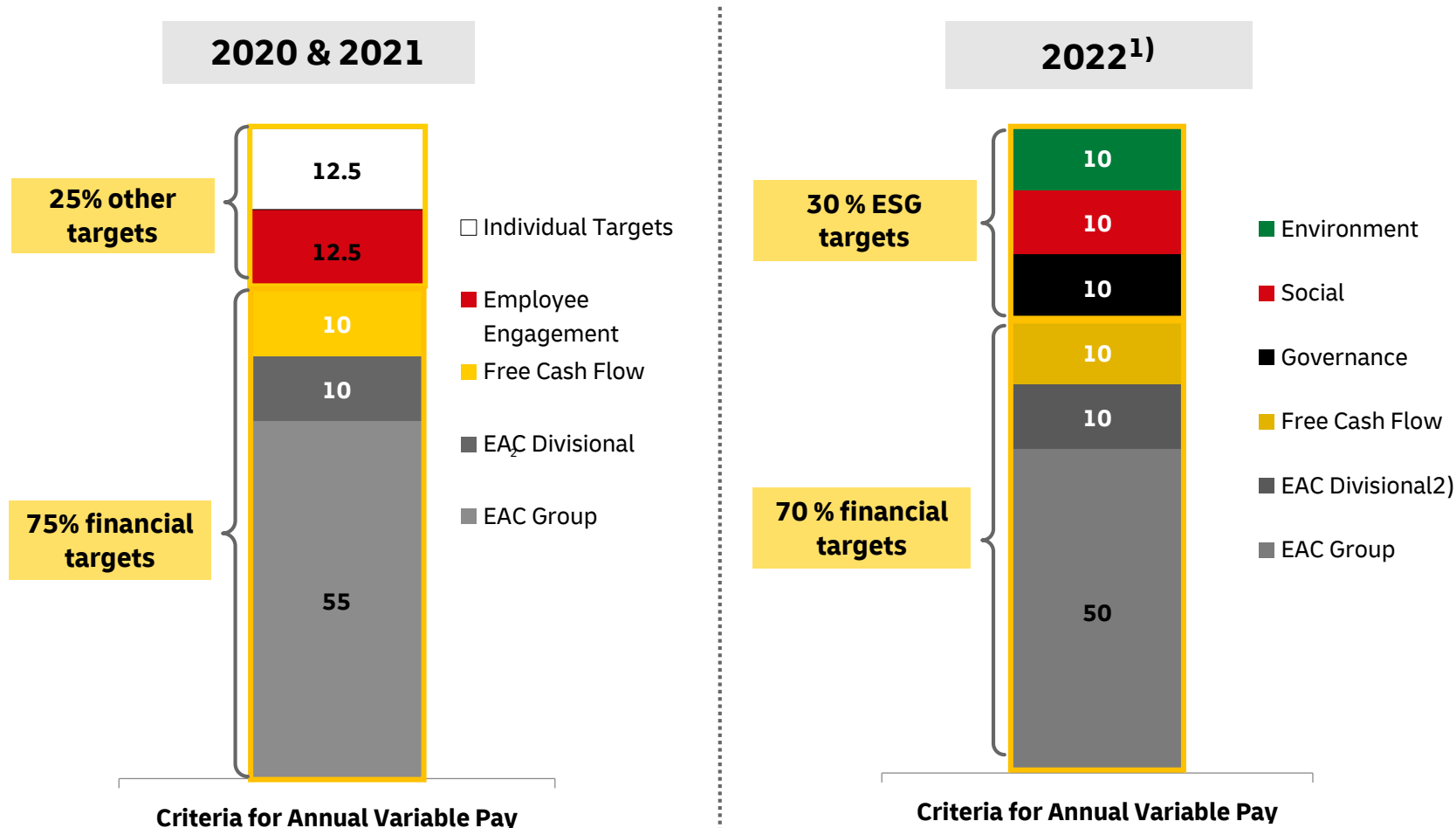


**ESG metrics fully integrated** into governance and incentives



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

All figures for FY 2020

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

\* On-Demand-Delivery

# DIGITALIZATION @DPDHL GROUP

As seen at IR Virtual Tutorial...

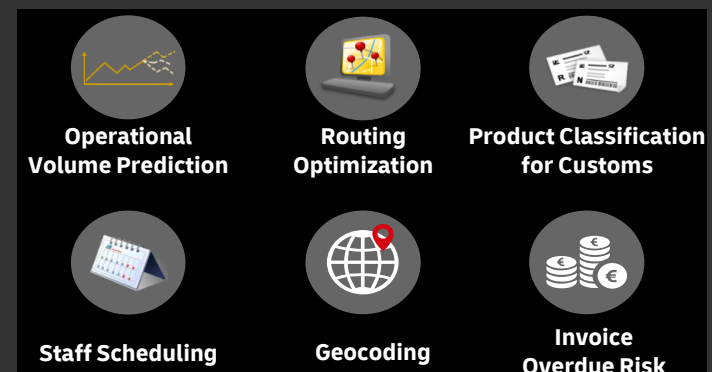
## DGF myDHLi



## DSC Accelerated Digitalization



## Data Analytics

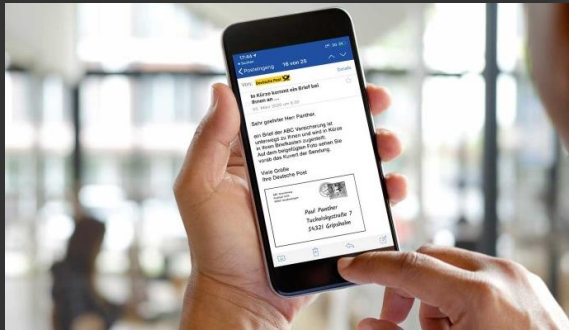


Further ongoing initiatives

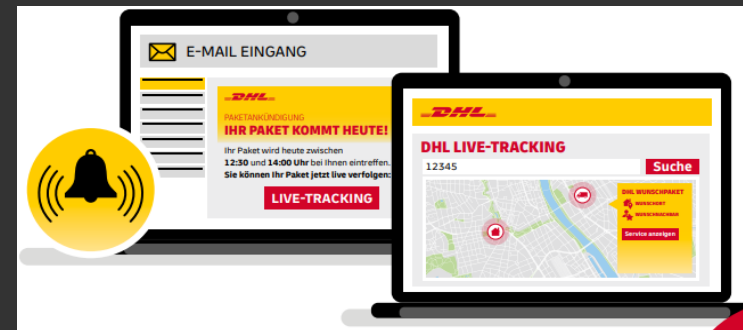
## Packstation expansion: 7000 by 2021



## Postal mail notification



## Parcel delivery: 15min notification & live tracking



## Mobile stamps





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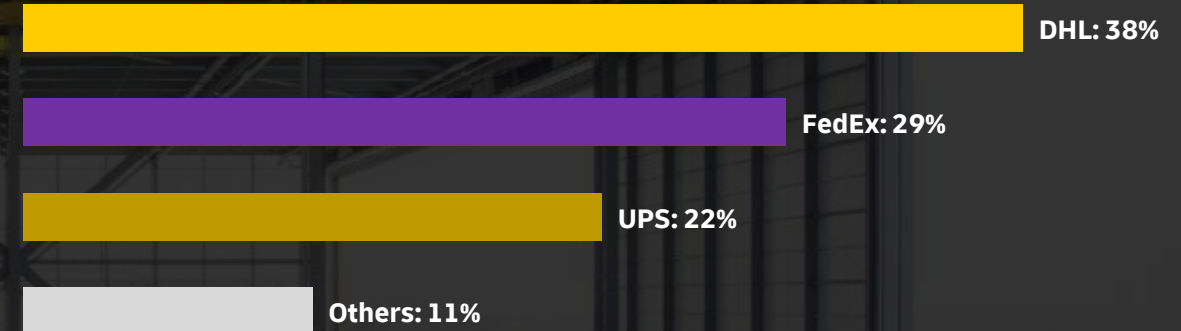


# DHL EXPRESS

## Profitable Core

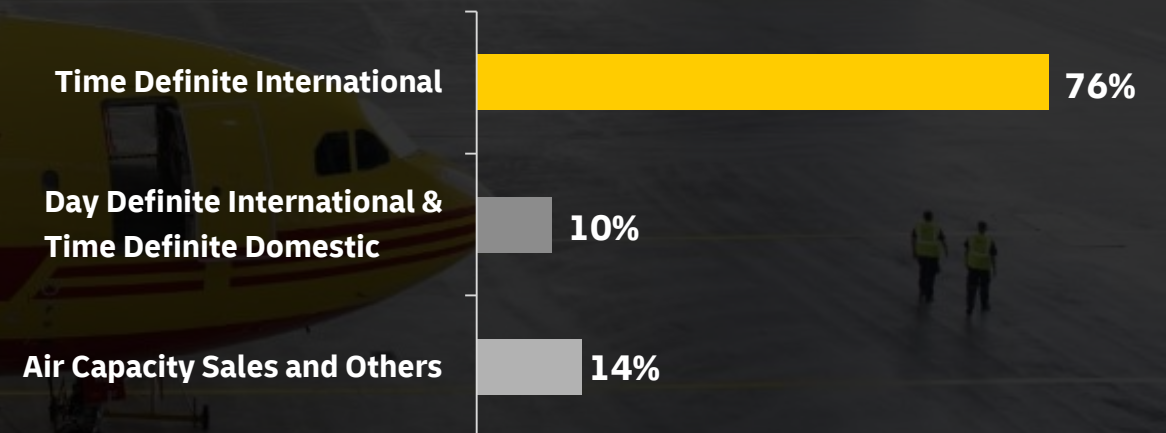
Time Definite International (TDI) service for premium, cross-border delivery of time-critical parcels and documents

## Global TDI market share (2016)



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

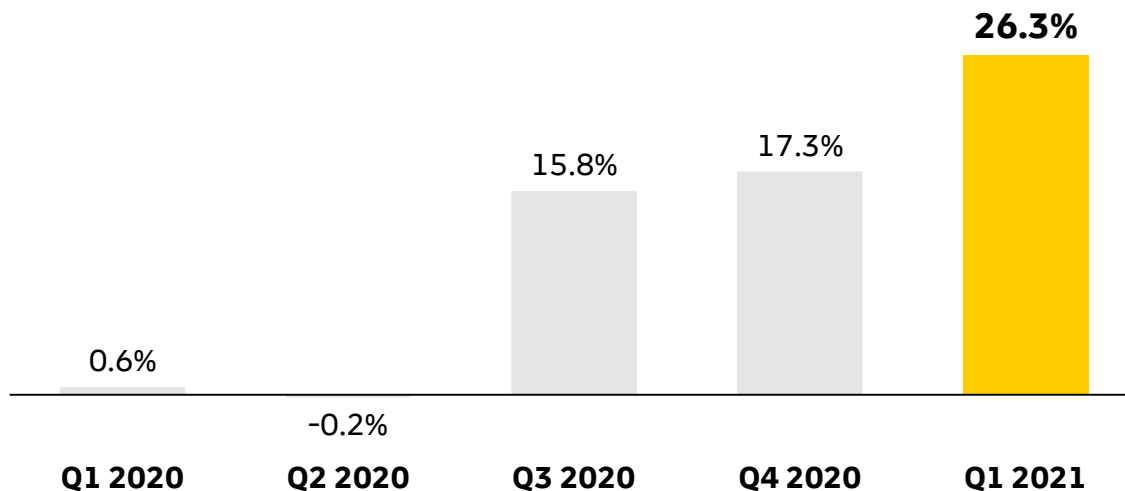
## Revenue Mix, FY 2020



# DHL Express: Continued strong B2C e-commerce growth coupled with B2B recovery

## Q1 showed continued B2C strength and B2B recovery...

Time Definite International (TDI) Shipments/Day (SpD) growth

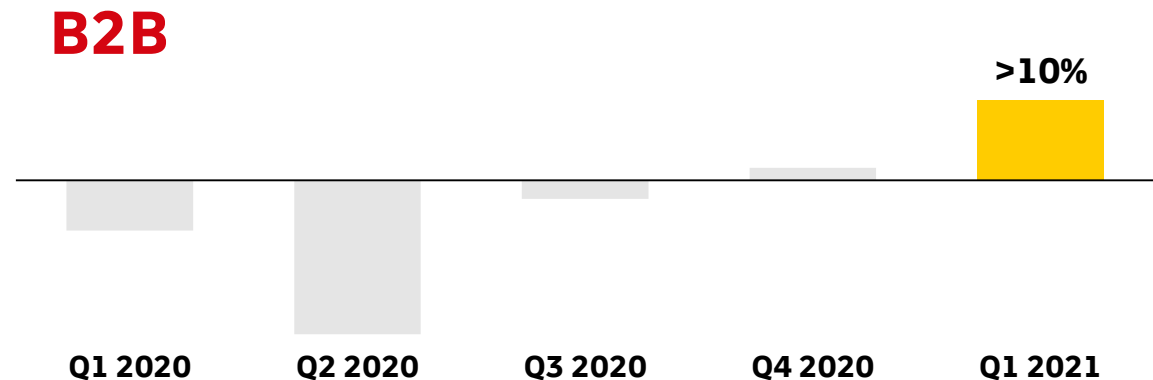
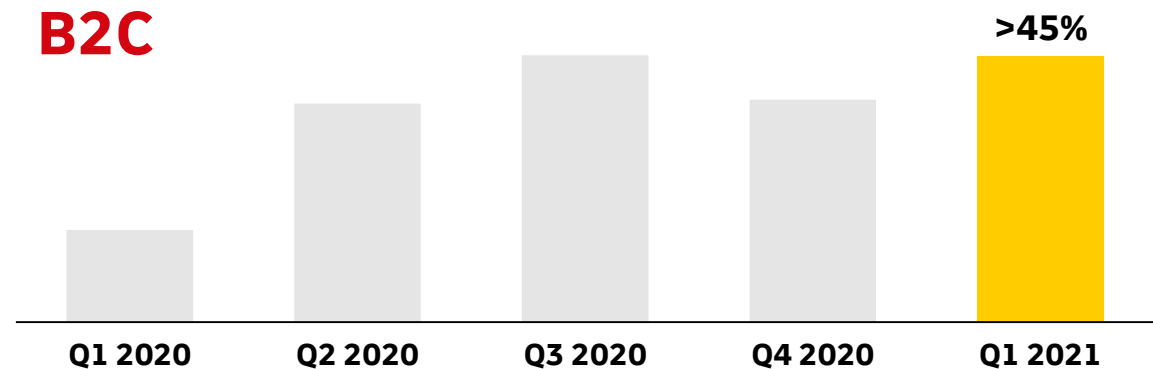


### Comments:

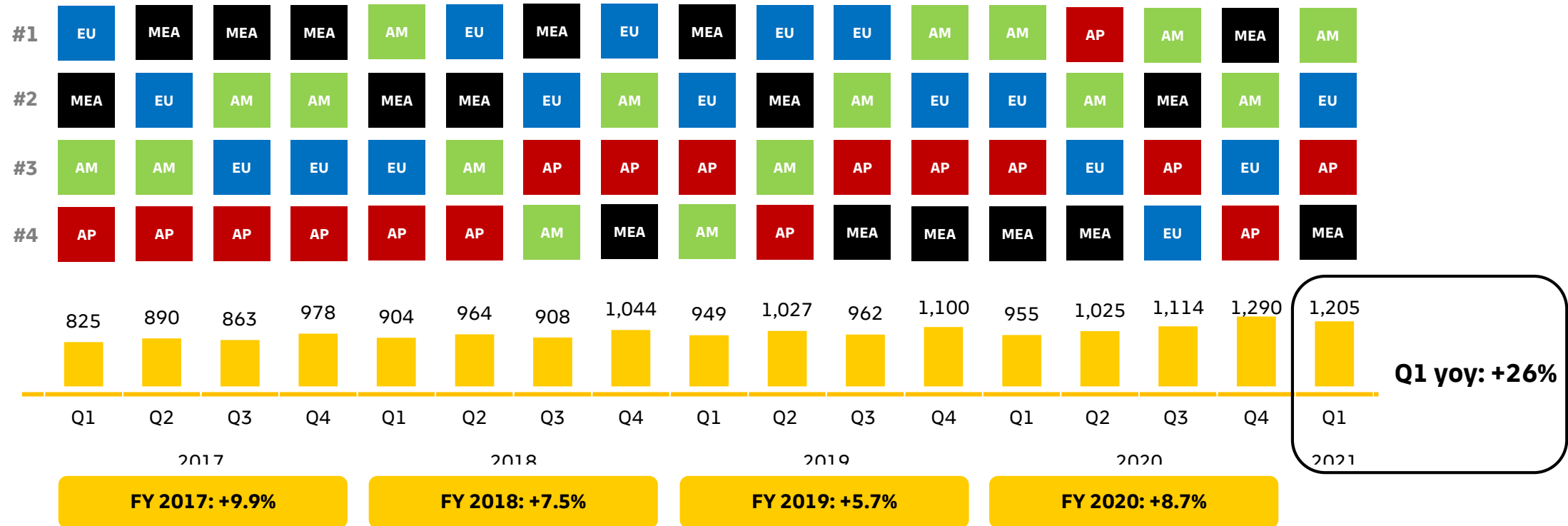
- Continued strong B2C e-commerce growth & further B2B recovery drove strong TDI volume growth, with all regions contributing significantly
- TDI Revenue/day up +37.9%, outpacing TDI SpD based on higher weight/shipment, emergency surcharge and ongoing yield management
- B2B e-commerce adds another growth vertical with strong fit to TDI network and capabilities – see also recent IR Tutorial on <https://www.dpdhl.com/en/investors/events/capital-markets-event.html>

## ...confirming B2B upward trend from Q2 trough

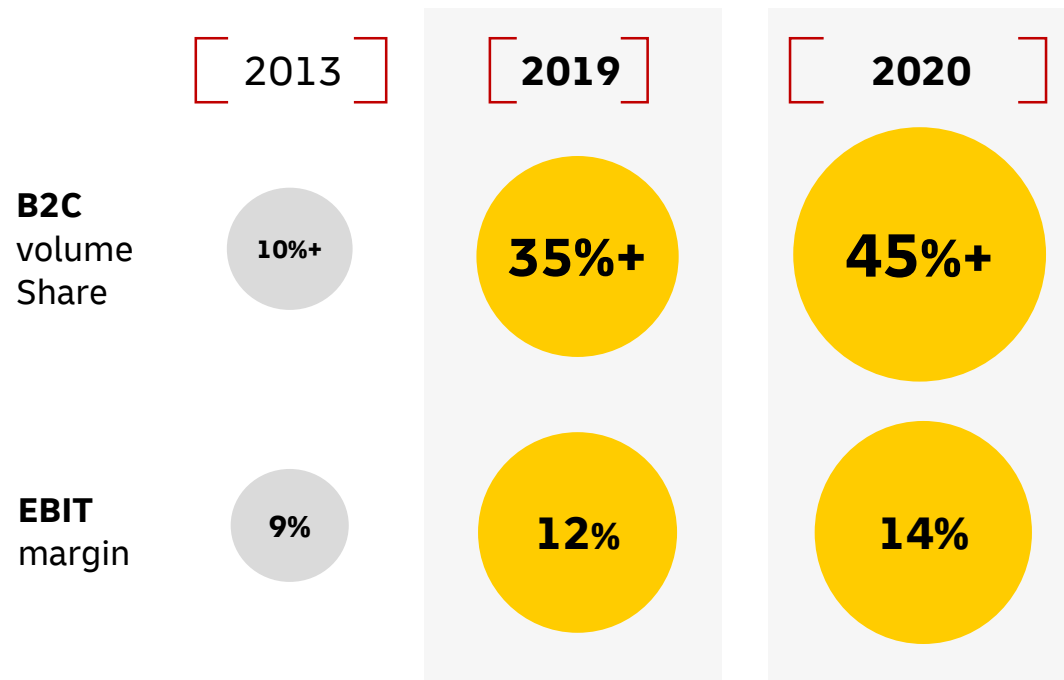
Time Definite International (TDI) Shipments/Day (SpD) growth



# 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	↑
<b>Last Mile</b>	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

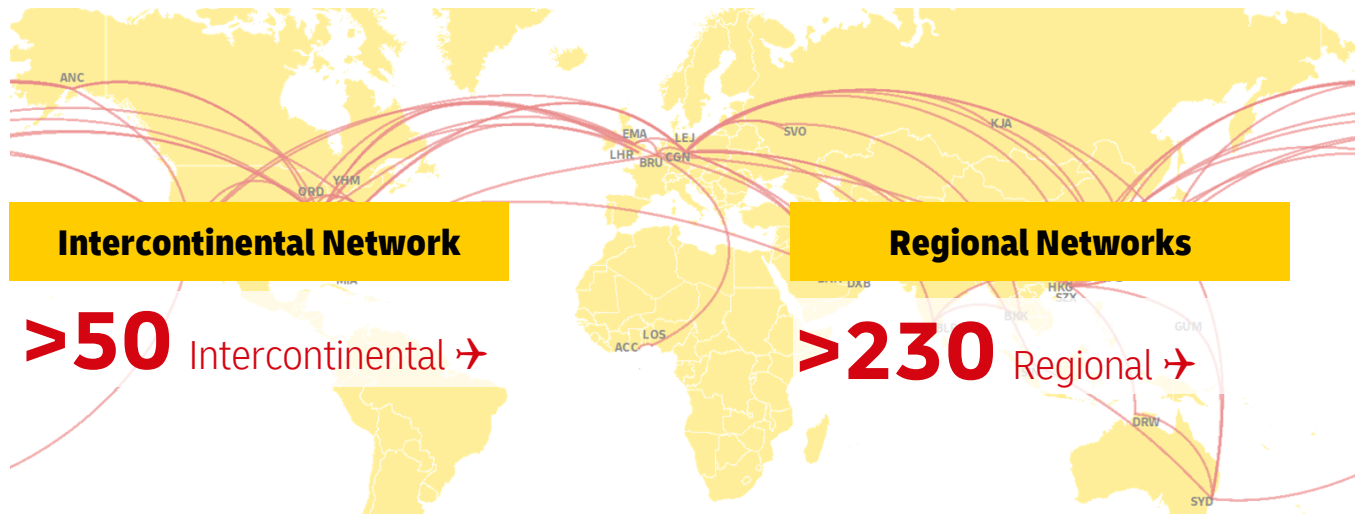
500

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

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## **TDI** **Volume** **Growth**

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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.

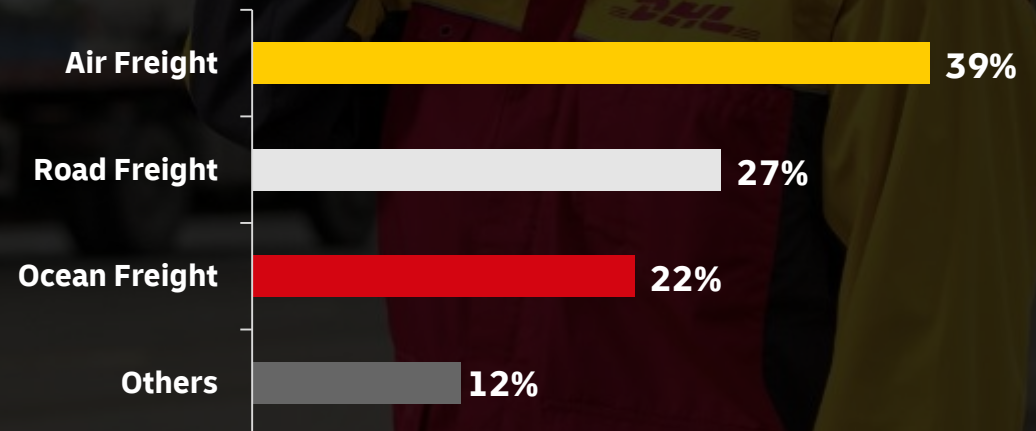
## Market Position (2020)

Air Freight **#1**

Ocean Freight **#2**

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

## Revenue Mix, FY 2020





# DHL Global Forwarding, Freight: Volumes recovering in tight markets

## Air Freight (AFR)

**Gross Profit**  
**+27.0%**

**Gross Profit/ton**  
**+7.5%**

## Ocean Freight (OFR)

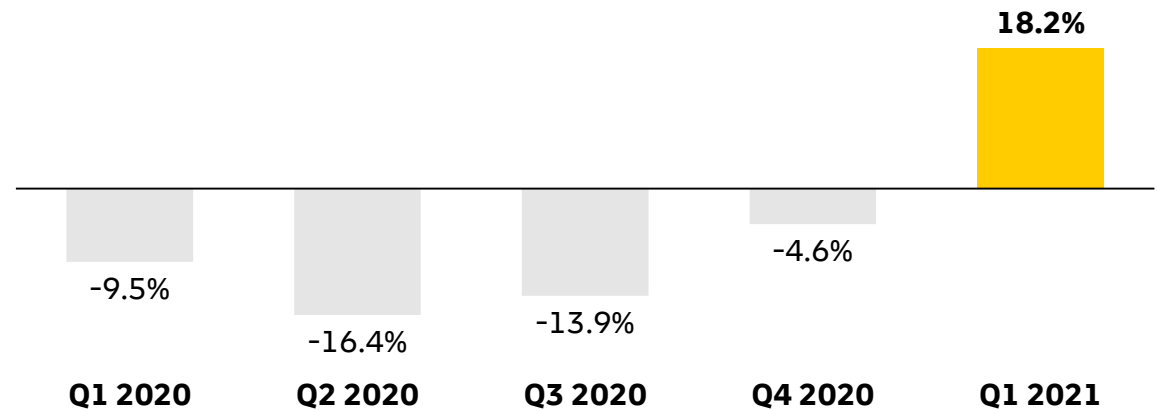
**Gross Profit**  
**+45.3%**

**Gross Profit/TEU**  
**+33.5%**

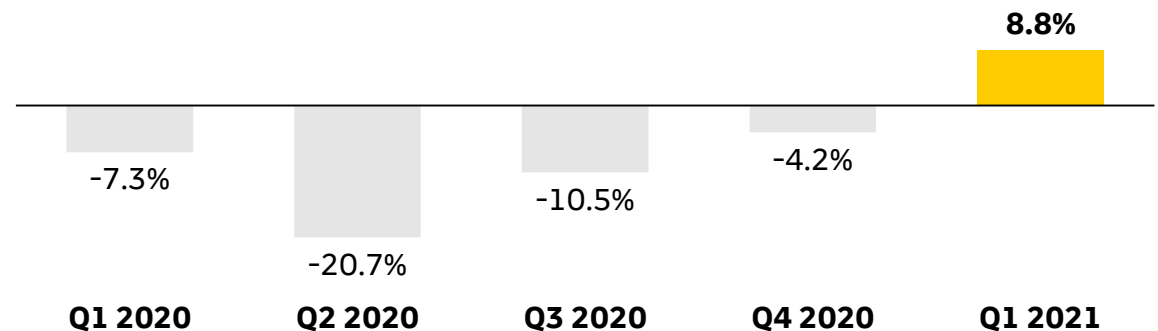
### Comments:

- Recovery of industrial activity globally drives OFR and AFR volumes back into solid growth, while rates and GP/unit remain at elevated levels
- GP development supported by optimization of product mix, e.g. increasing LCL (Less-Than-Container-Load) share in OFR
- Core IT upgrade accomplished: new Transport Management System (TMS) in OFR and AFR fully rolled out
- DGF conversion up to 27.5% (Q1 2020: 10.7%, increase of +157% yoy)

## AFR volume growth yoy

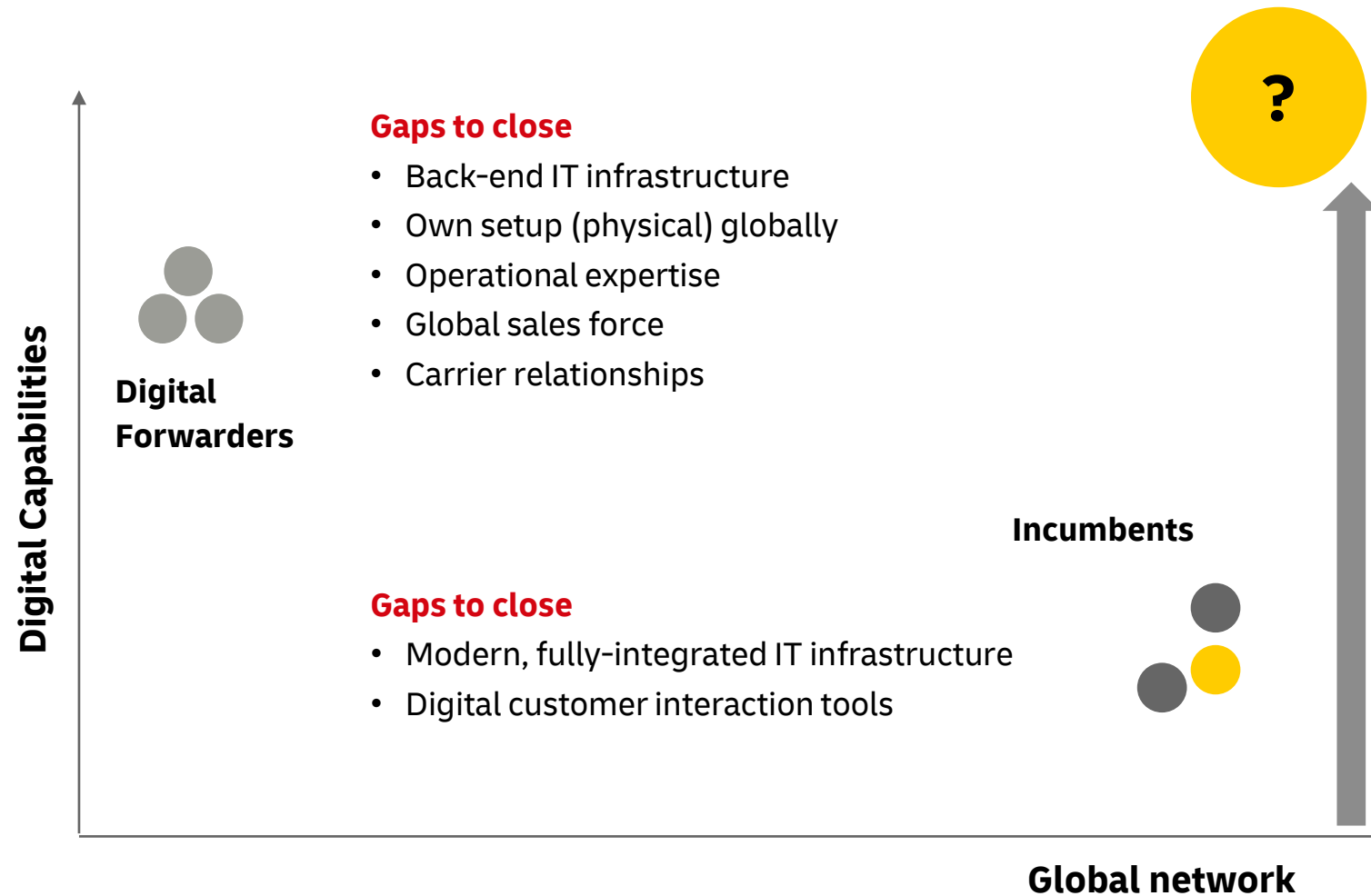


## OFR volume growth yoy

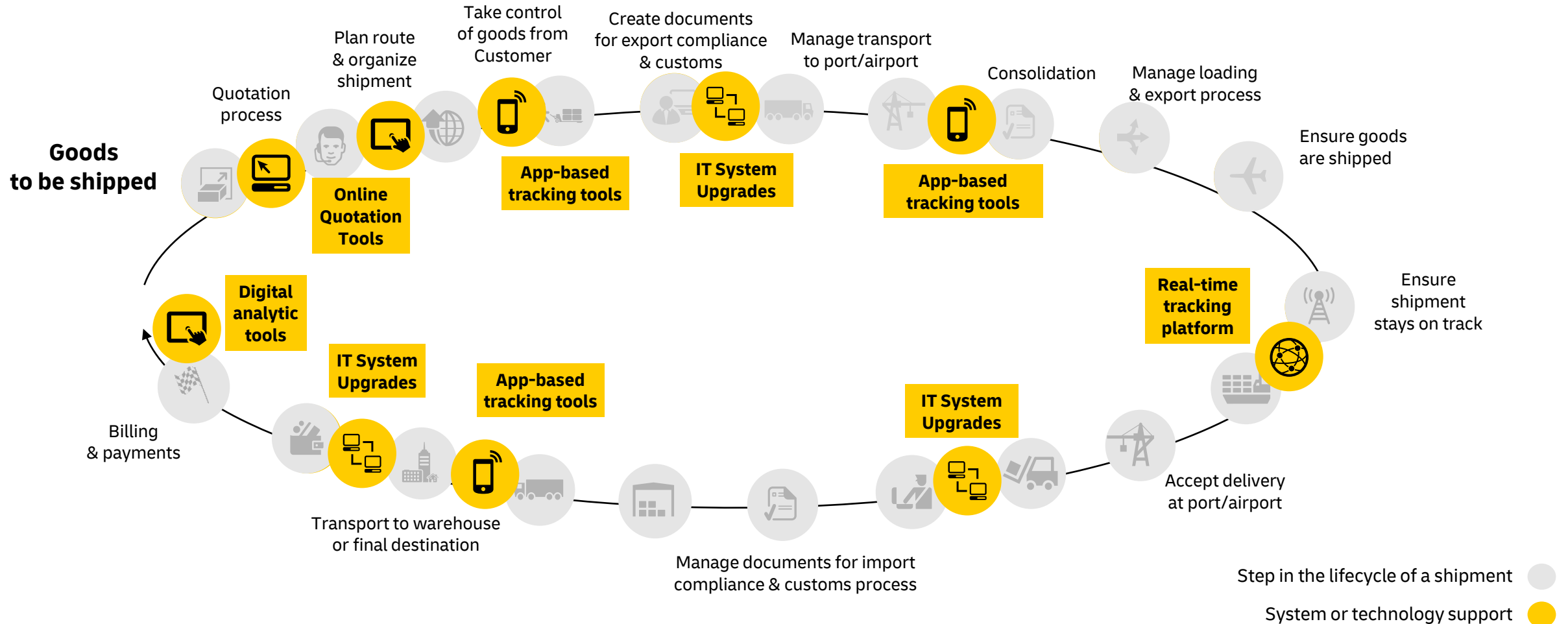




# DGFF – Emerging new rivals do not pose imminent risk of disruption



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



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

myDHLi

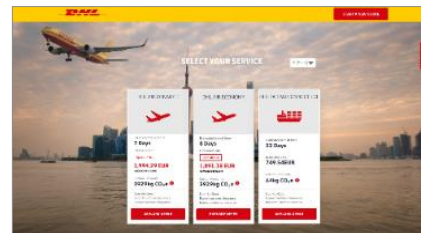
360° VISIBILITY

COLLABORATION

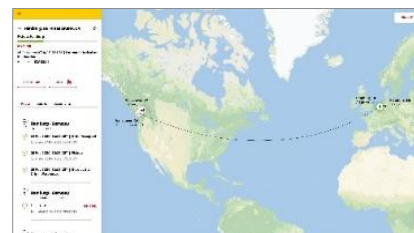
FULL ACCESS

MANAGED BY CUSTOMER

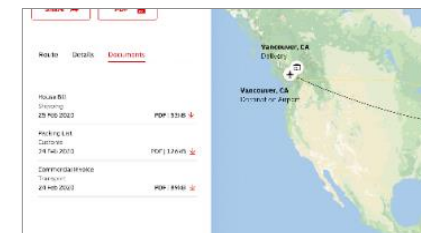
External



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**

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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.

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

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CargoWise1 implementation for both Air and Ocean Freight is fully rolled out



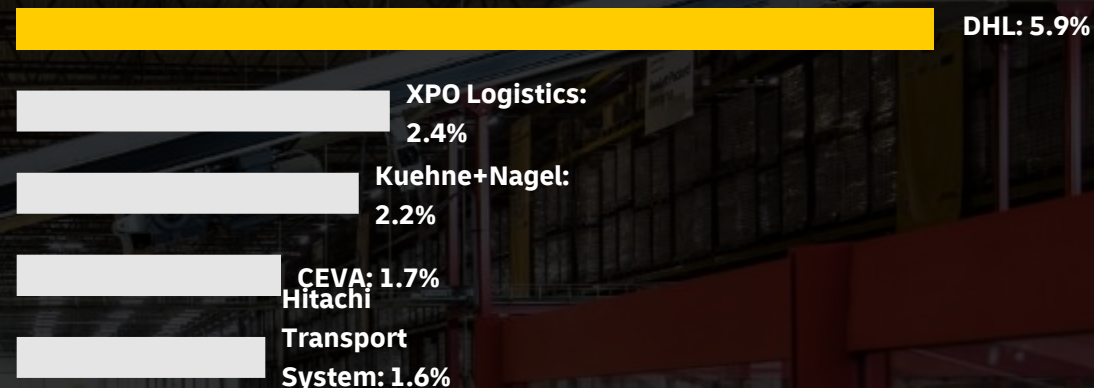
# DHL SUPPLY CHAIN

## 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

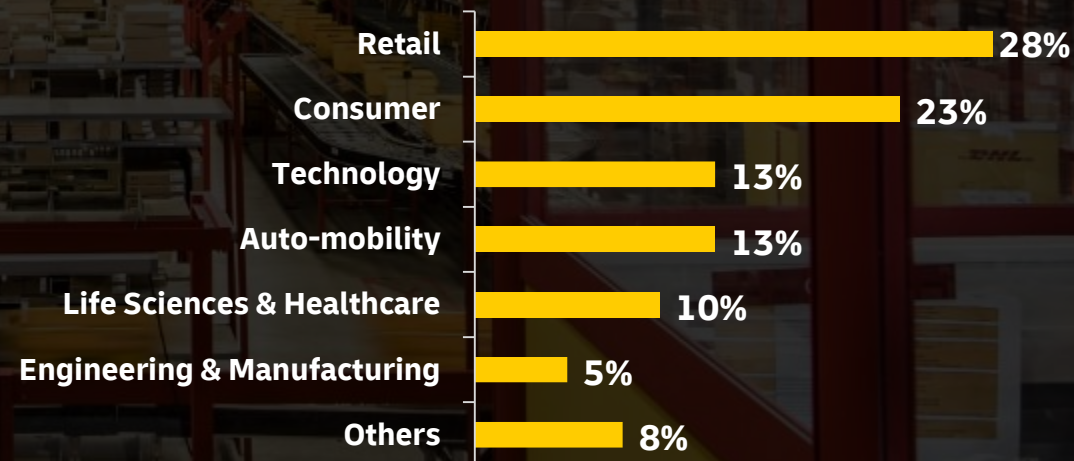
## Market Position (2019)

### Market share: Top 5 players in contract logistics



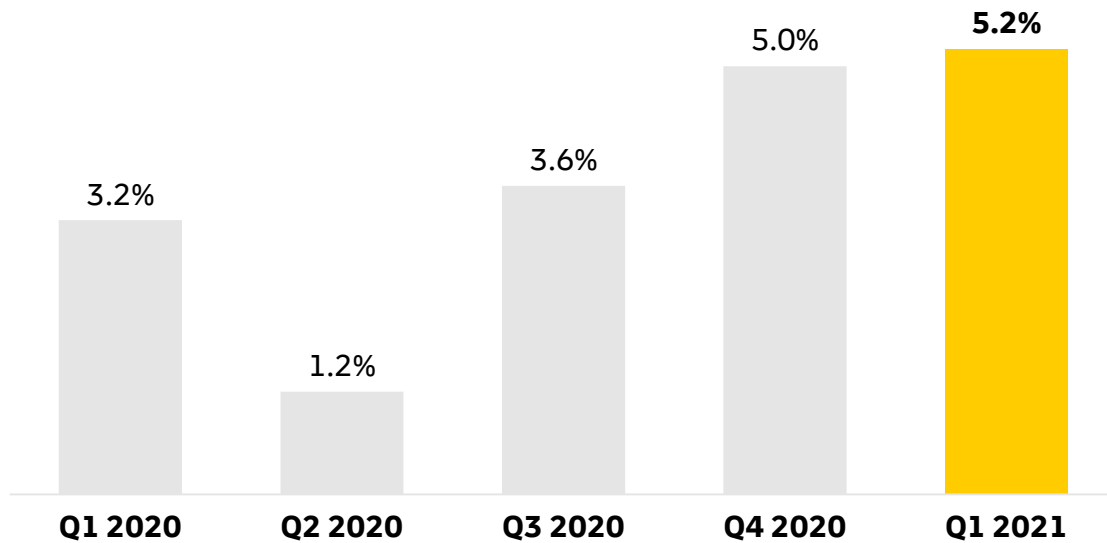
Source: company estimates; Transport Intelligence. Market share is presented on the basis of divisional revenue.

## Revenue Mix, FY 2020



# DHL Supply Chain: New business wins, gradual B2B recovery & improved processes drive significant earnings growth

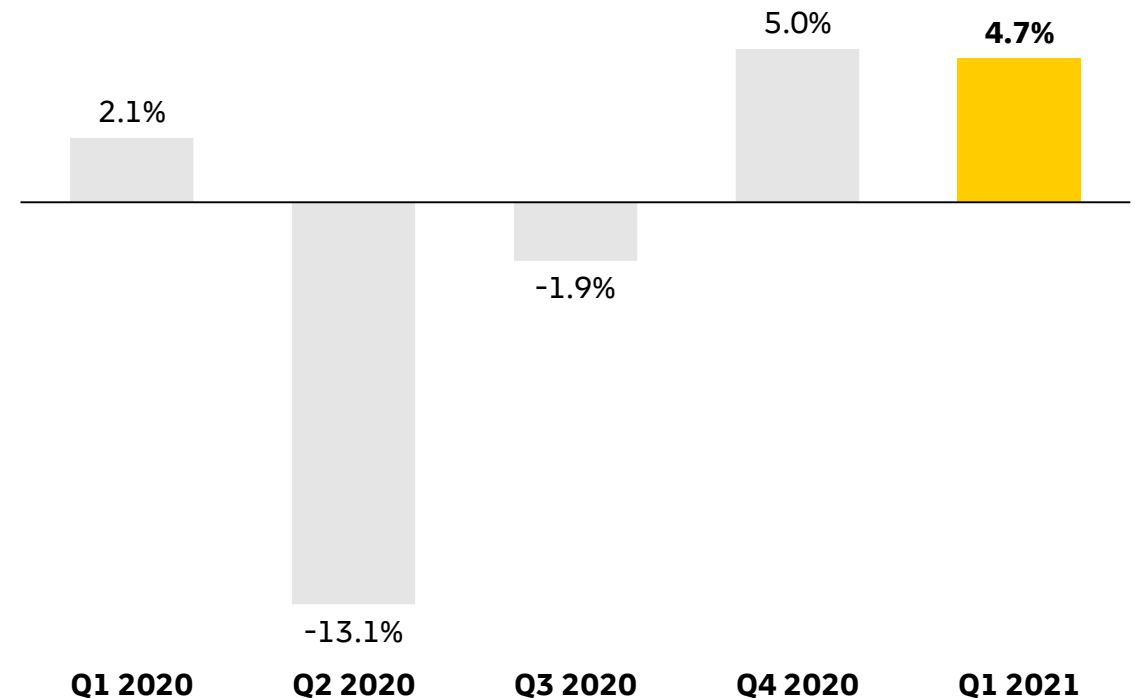
DHL Supply Chain – Reported EBIT Margin



**Comments:**

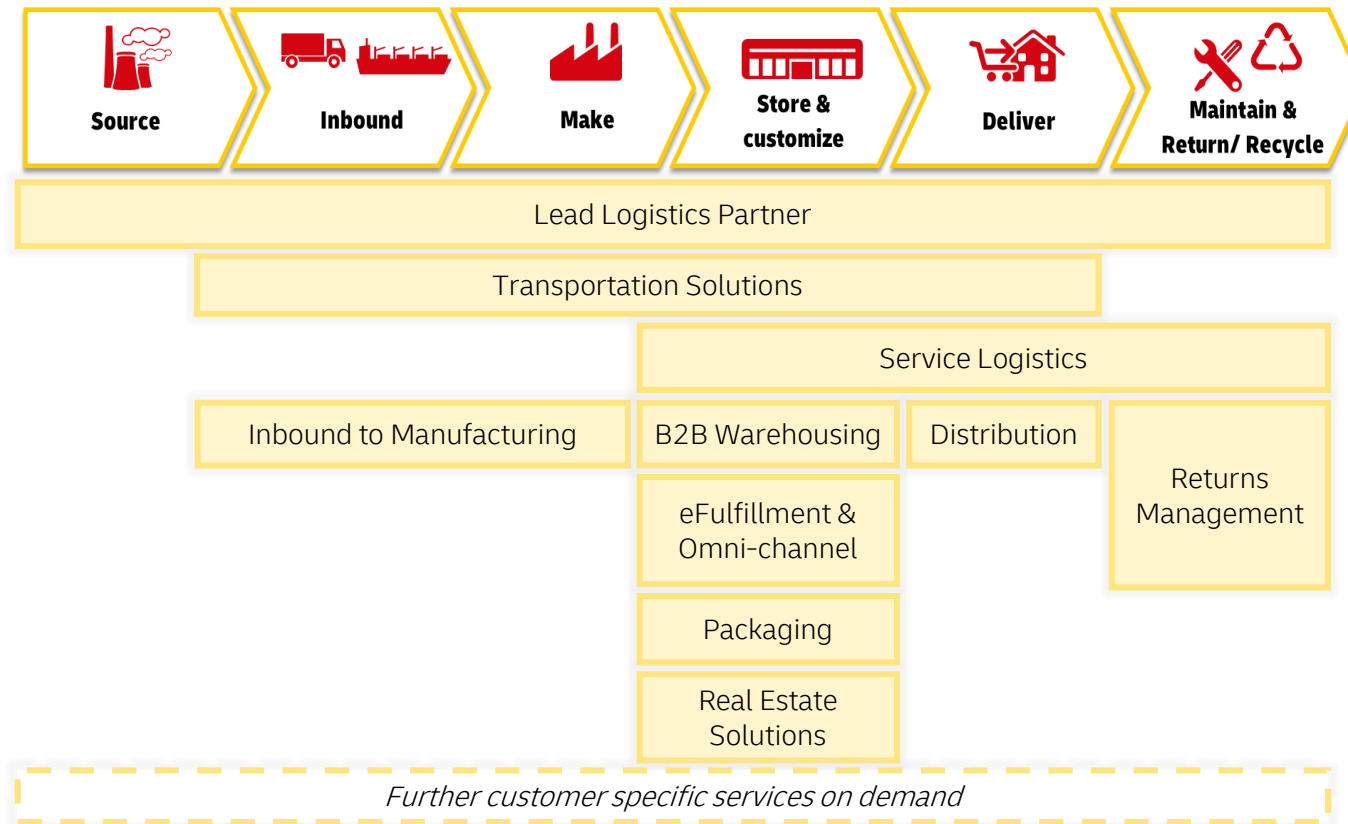
- Second consecutive quarter of return to sales growth driven by new business wins, continuously good contract renewal rate and gradual B2B volume recovery
- Margin back to ~5% target level supported by efficiency improvements, a.o. from digitalization

Organic revenue growth yoy



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

## DHL Supply Chain portfolio of key solutions <sup>1)</sup>



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 50<sup>2)</sup>**  
Countries served



**12.537€m**  
Revenue in 2020



**~1,500 <sup>3)</sup>**  
Locations



**~15 MIO<sup>3,4)</sup>**  
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 comprising 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.

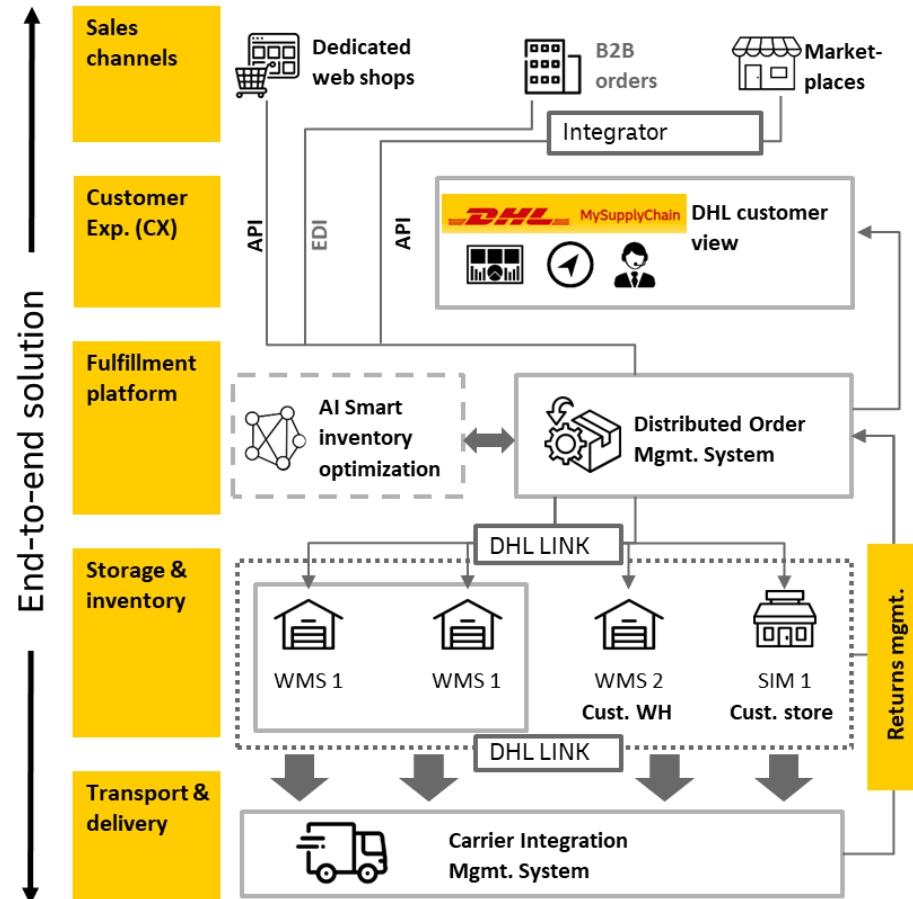
## Real time data based decision taking

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%

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



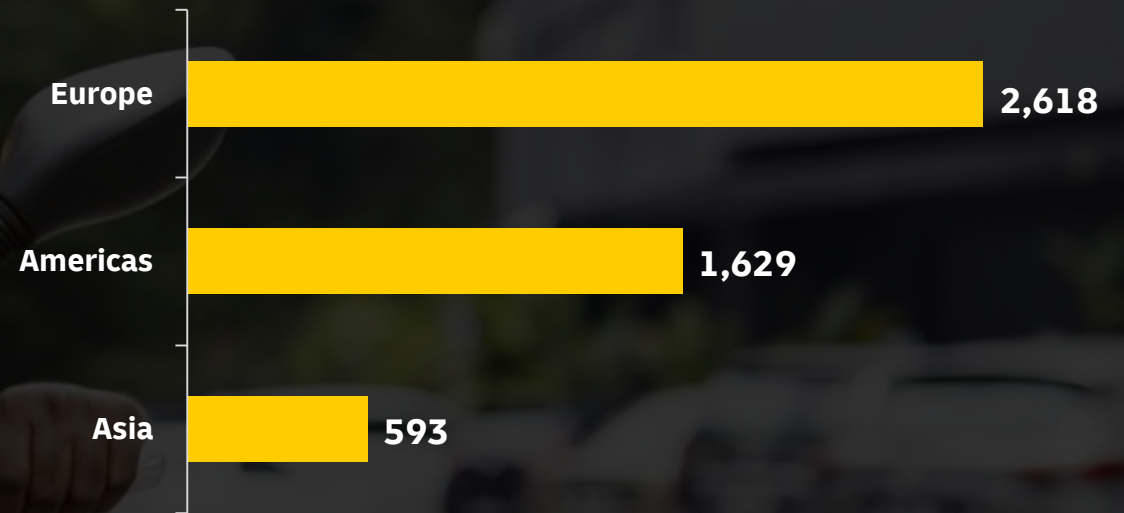
# DHL ECOMMERCE SOLUTIONS

## 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



# DHL eCommerce Solutions: International expansion of e-commerce capabilities fully paying off

## Revenue growth, Q1 2021

**Netherlands**  
**>60%**

**Czech Republic**  
**>50%**

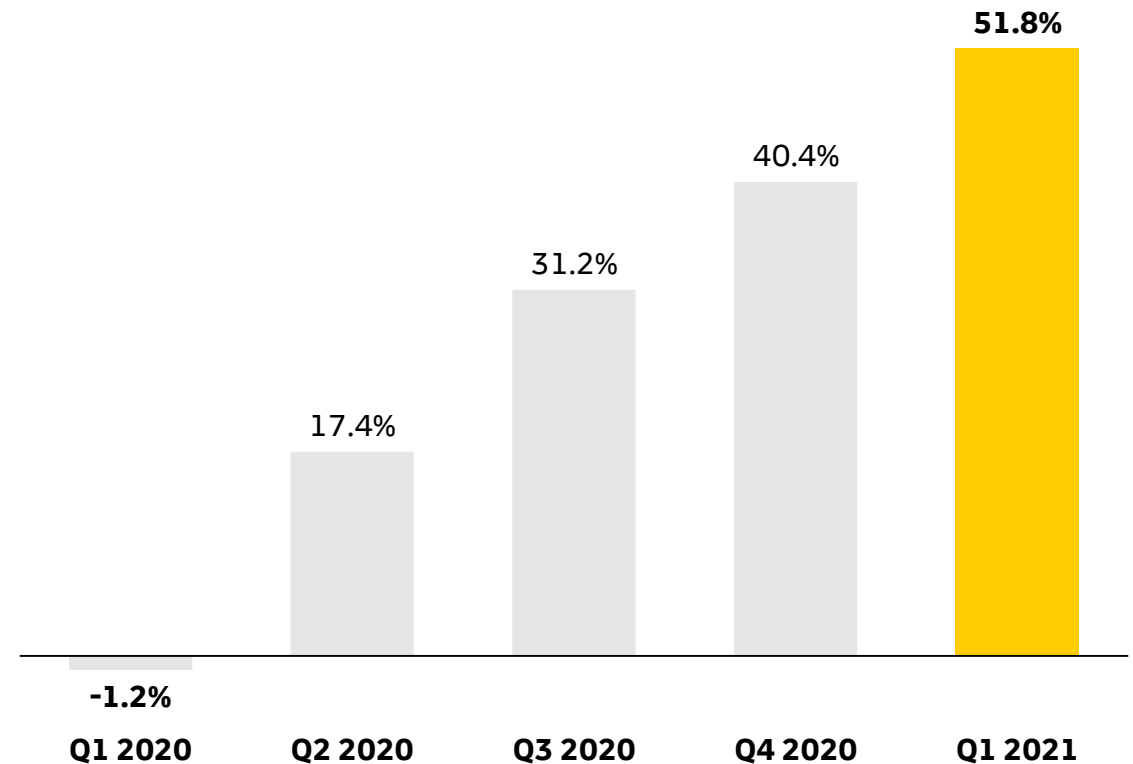
**United States**  
**>60%**

**Cross Border Solutions**  
**>50%**

### Comments:

- Strong e-commerce growth continues across all DHL eCommerce Solutions networks
- Unchanged assumption: expect continued structural e-commerce growth, with normalization in the course of 2021

## DeCS, Organic revenue growth, yoy





# 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



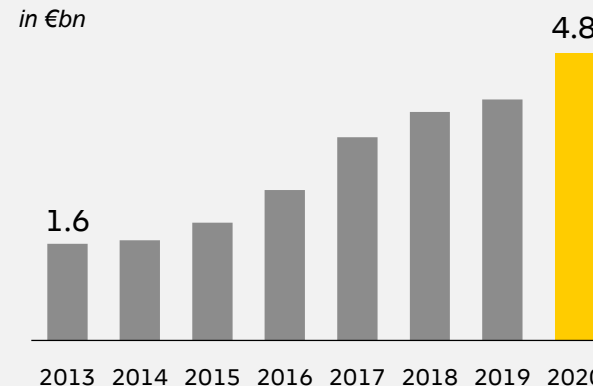
#### Today



### SCALE

#### DHL eCommerce Solutions

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



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

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



# POST & PARCEL GERMANY

## Profitable Core

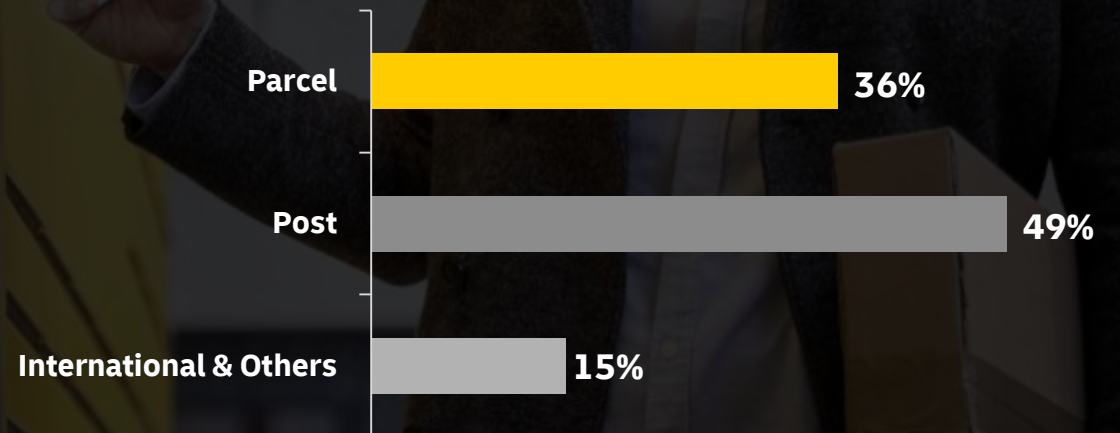
Transporting, sorting and delivering of documents and goods-carrying shipments in Germany and export.

## Market Position (2020)

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

>40% Market share **Parcel**

## Revenue Mix, FY 2020



# Post & Parcel Germany: Historic volume trends remain at elevated levels

## Parcel Germany, yoy

**Volume**

**+41.3%**

**Revenue**

**+44.7%**

## Mail Communication & Dialogue Marketing, yoy

**Volume**

**-9.5%**

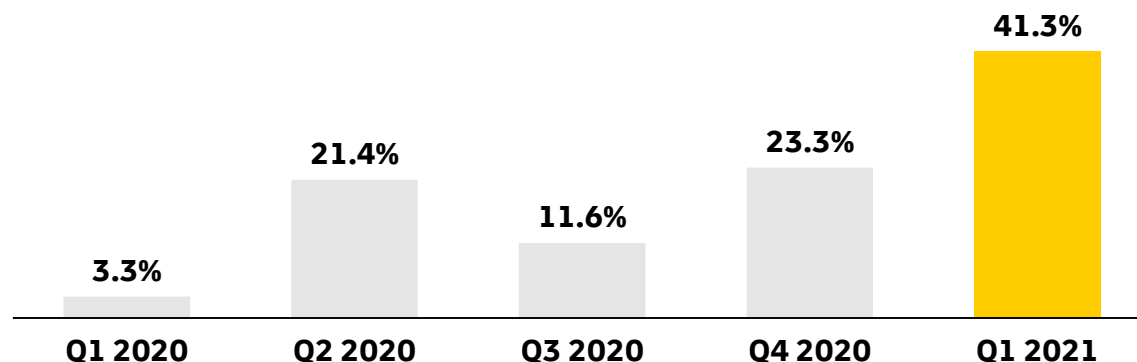
**Revenue**

**-4.7%**

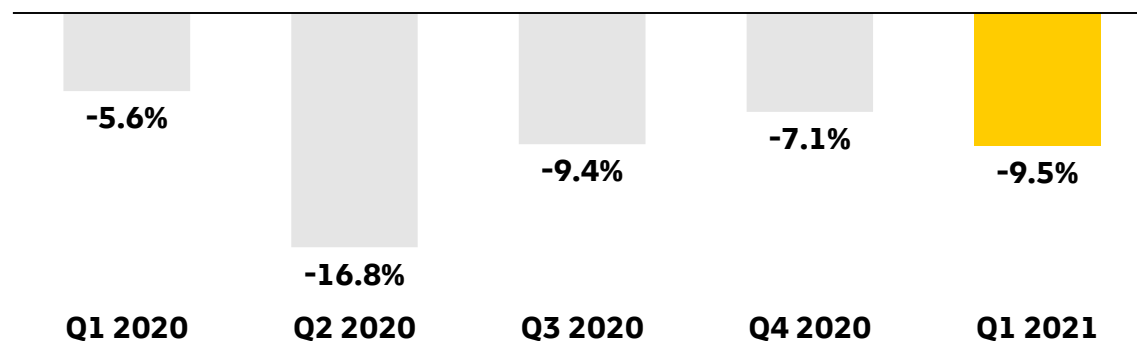
### Comments:

- Parcel growth stayed at strong growth levels throughout Q1 – unchanged expectation for fundamental structural growth in e-commerce, with normalization expected in the course of 2021
- Mail volume decline remains worse than historic trend of -2 to -3%

## Parcel volume growth yoy



## Mail volume growth yoy

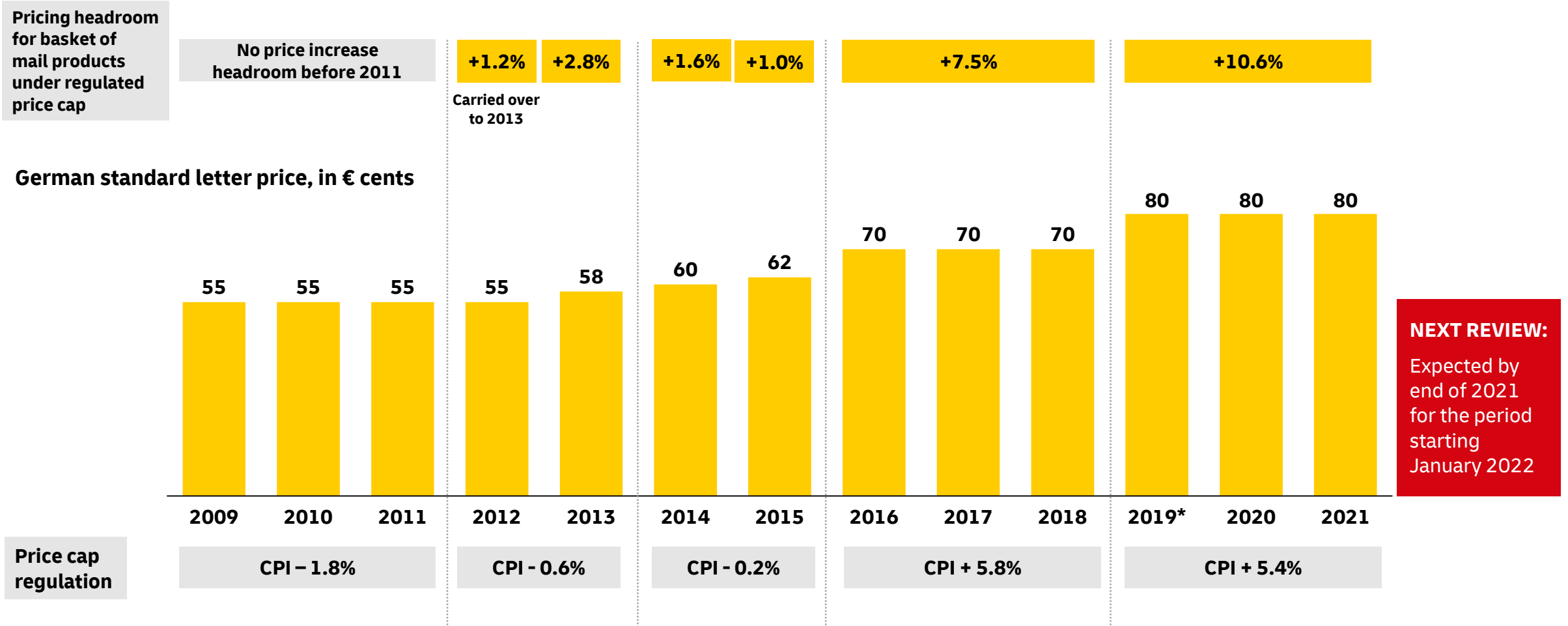


# P&P Germany: Products and Pricing

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) <sup>1)</sup>	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

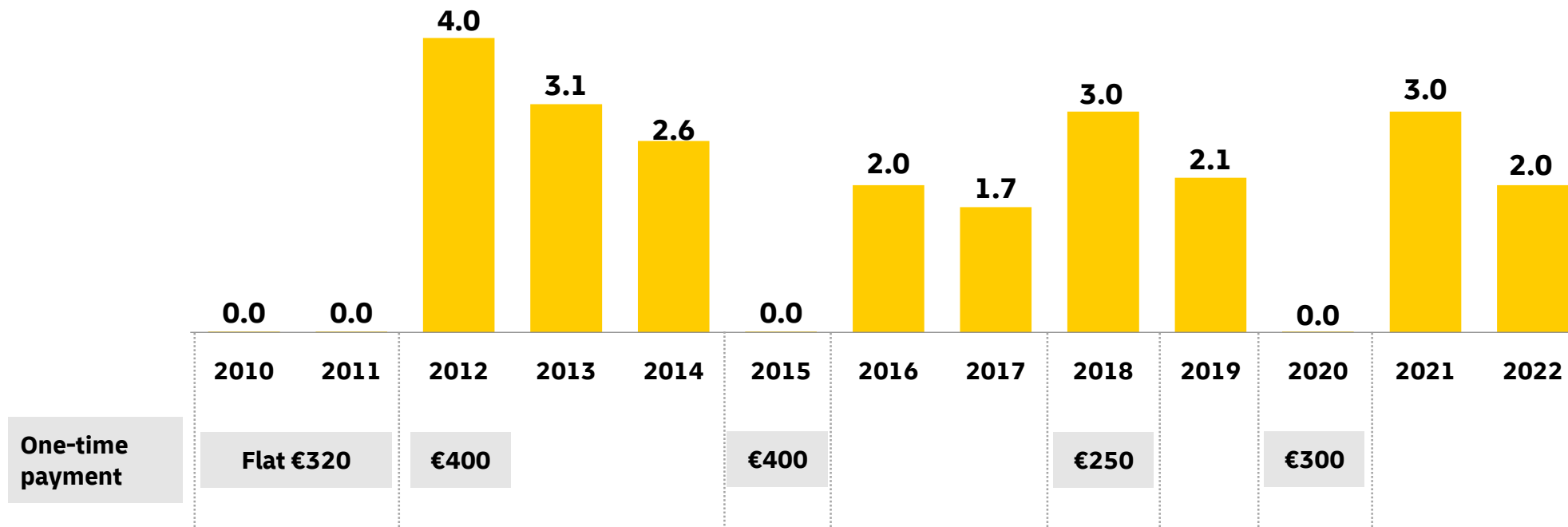


\*implemented from July 1<sup>st</sup> 2019 onwards, taken into account in headroom calculation



# 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 1<sup>st</sup> 2020 -  
Dec 31<sup>st</sup> 2022

# P&P GERMANY FINANCIAL OUTLOOK

## EBIT 2021

Guidance: ~€1.7bn

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 1<sup>st</sup> 2021 and 2% from Jan 1<sup>st</sup> 2022.

# Content



## DPDHL Group Highlights

Page 3



## Strategy 2025

Page 15



## Divisional Deep-Dives

DHL Express (page 26), DHL Global Forwarding, Freight (page 32), DHL Supply Chain (page 38), DHL eCommerce Solutions (page 45), P&P Germany (page 51)



## Financial Backup

Page 57



# 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



# Q1 2021 Group P&L

in €m	Q1 2020	Q1 2021	vs. LY
<b>Revenue</b>	<b>15,464</b>	<b>18,860</b>	<b>+22.0%</b>
<b>EBIT</b>	<b>592</b>	<b>1,911</b>	<b>+222.8%</b>
Financial result	-151	-154	-2.0%
Taxes	-106	-492	<b>-364.2%</b>
<b>Consolidated net profit*</b>	<b>301</b>	<b>1,190</b>	<b>+295.3%</b>
<b>Basic EPS (in €)</b>	<b>0.24</b>	<b>0.96</b>	<b>+300.0%</b>

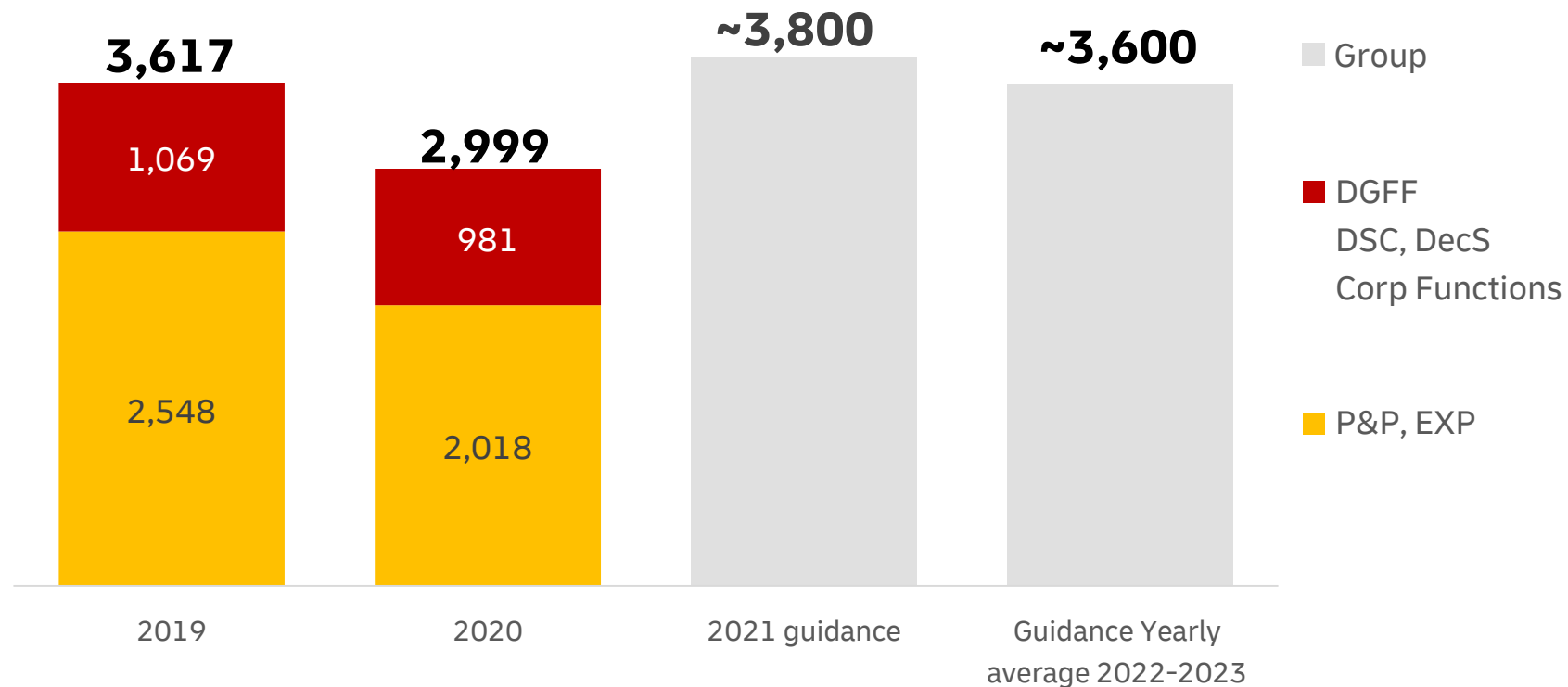
\*attributable to DPDHL Group shareholders

# Q1 2021 Cash Flow Statement

in €m	Q1 2020	Q1 2021	vs. LY
<b>EBIT</b>	<b>592</b>	<b>1,911</b>	<b>+1,319</b>
Depreciation, amortization and impairment losses	1,021	930	-91
Change in provisions	-26	9	+35
Income taxes paid	-168	-273	-105
Changes in working capital	-758	-94	+664
Other	89	7	-82
<b>Operating Cash Flow</b>	<b>750</b>	<b>2,490</b>	<b>+1,740</b>
Net Capex	-571	-667	-96
Net cash for leases	-578	-629	-51
Net M&A	-5	-2	+3
Net interest	-5	-9	-4
<b>Free Cash Flow</b>	<b>-409</b>	<b>1,183</b>	<b>+1,592</b>

# Capex development 2019-2023e

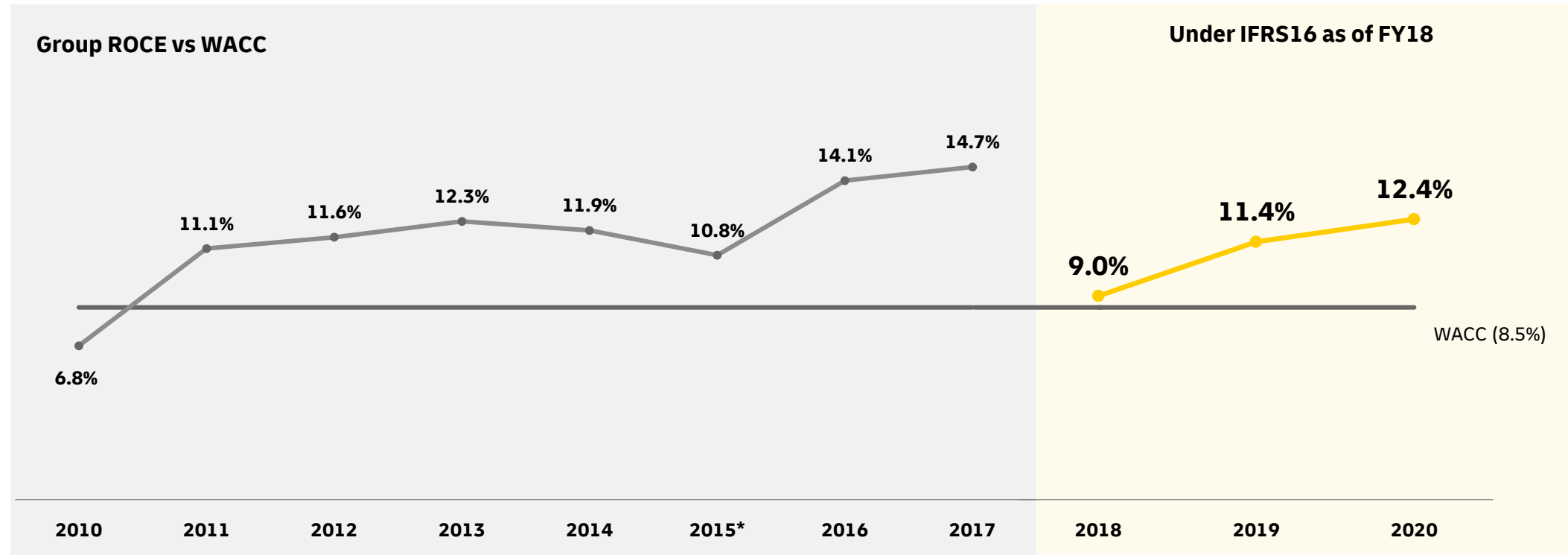
Group gross capex, in €m



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

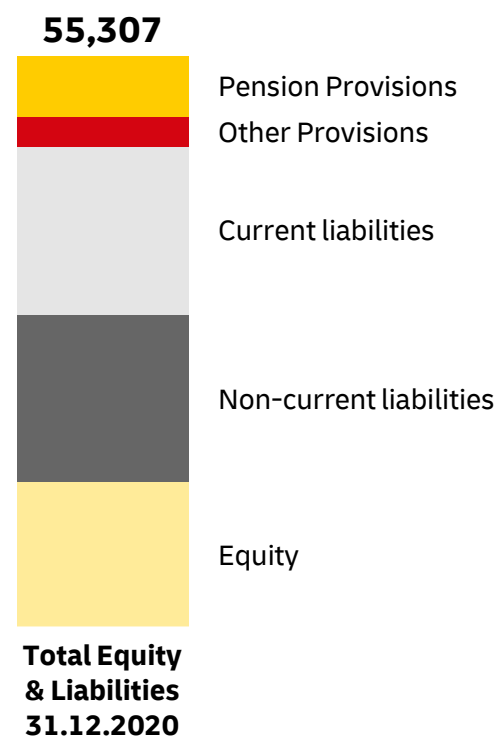
**47.9%**  
Net Gearing

**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**

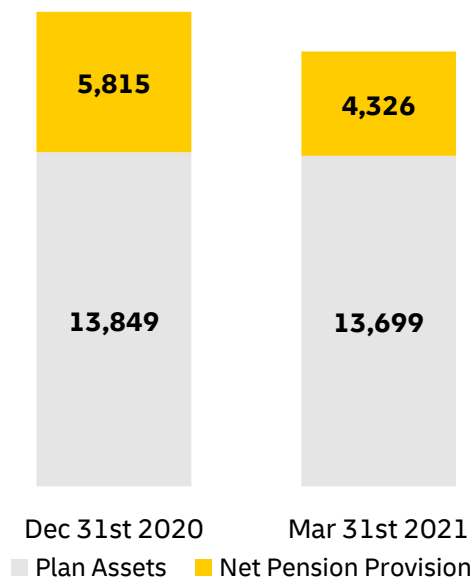
**4,847**  
**EBIT**

**489**  
**Net interest paid**

# DPDHL Group Pensions – DB and DC plans

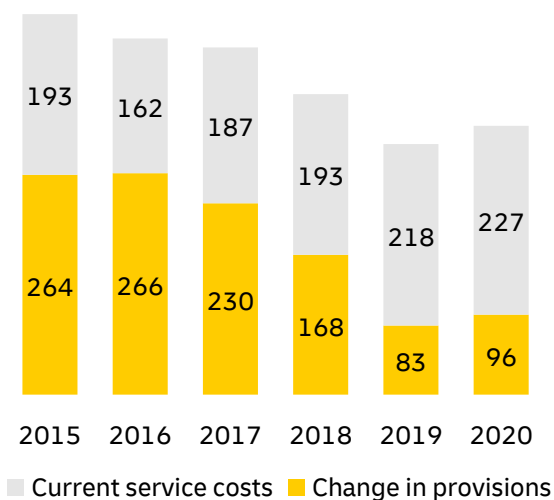
in €m

## Defined Benefit Obligation



## Defined Benefits Staff Costs\* & Change in Provisions

\* Excluding one-offs

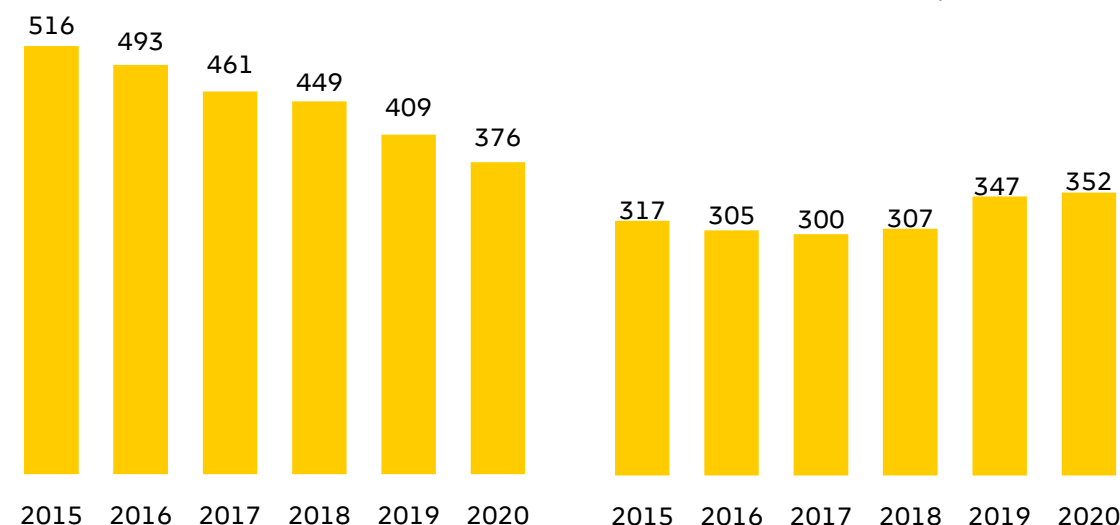


## Defined Contribution (Cash out $\approx$ staff costs in EBIT)

Civil Servants in Germany

Hourly workers & salaried employees\*

\*mainly outside Germany



Discount Rate (DBO)	Germany	UK	Other	Total
Mar 31 <sup>st</sup> 2021	1.40%	2.00%	1.46%	1.58%
Dec 31 <sup>st</sup> 2020	0.80%	1.20%	1.06%	0.95%

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