

Annual General Meeting

DHL Group

Address, Dr. Tobias Meyer, CEO

Bonn – May 3, 2024

Check against delivery





Dr. Tobias Meyer

Chief Executive Officer
DHL Group



Ladies and gentlemen,

A warm welcome here in Bonn, close to the headquarters of our company.

This is my first Annual General Meeting as Chairman of the Board of Management. I particularly look forward to engaging in dialogue with you.

Investors have indeed told us they have found the transition from my predecessor Frank Appel to me to be smooth and well orchestrated. I hope you have all gotten the same impression.

I have taken over as head of a company that Frank Appel led very well until the 2023 Annual General Meeting. For this – and for his more than 20 years of service as a member of our company’s Board of Management – we remain very grateful.



As you can see from the photos, I was on the road a lot in my first year as CEO. Particularly in Asia – including China, Thailand, Japan and Singapore. In the Middle East my travels took me to Saudi Arabia, Bahrain, the United Arab Emirates and Israel. I also made trips to the USA, the UK, France and Poland. And of course I visited various branches in Germany.

Even as CEO, it remains very important to me to talk to employees in as many countries as possible. Occasionally I have also lent a hand myself, for example in parcel centers or in delivery. Managers should understand how the processes and delivery of services work that our customers ultimately pay for. Only then can managers support their

teams in doing a great job. And only good working conditions and efficient processes lead to excellent service.

During my visits, I experienced our DHL Group as an impressive company. I was pleased to receive a lot of positive feedback. But I also took away suggestions on how we can improve further. In the future, I will continue to take time to talk in person to our teams on the ground – and listen to the needs and impressions of our customers.



In 2023, however, the news was often more sobering. It was another turbulent year. The global economy was weak. Volumes in global trade were low.

This had to do with an accumulation of international crises and geopolitical problems. People are currently suffering from wars, including in Eastern Europe and in the Middle East. There were continued tensions between the US and China. We have also seen attacks on merchant ships in the Red Sea and bottlenecks in the Panama Canal due to a lack of water. Climate change is having an increasing impact on our lives, with concrete and tangible consequences. And we also continued to struggle with inflation. Naturally, all this leads to uncertainty – and to subdued demand. In the logistics sector, this is reflected in declining transport volumes.

To make matters worse, some business customers are still reducing stocks that they had significantly built up during the pandemic. This is another reason why demand from business customers remains weak. As a result, some of our delivery networks are not fully utilized at present.

In contrast, the e-commerce business is developing more positively across divisions. After the boom during the pandemic and the subsequent moderate decline thereafter, it returned to its path of structural growth last year. E-commerce has been confirmed as a strong trend. As DHL Group, we continue to benefit from this.



Despite all the challenges, our annual figures are encouraging: we achieved our targets – both the outlook for the year and the medium-term outlook.

Let me remind you that in our medium-term outlook published in March 2021, we had forecast EBIT of over €6.0 billion for 2023. At the beginning of 2023, we had then targeted EBIT of between €6.0 and €7.0 billion for the annual financial statements. In the end, we achieved a figure of €6.3 billion.

So even in the weakest market environment of the past 15 years, we are highly profitable. We are therefore satisfied with the 2023 fiscal year. A particularly positive aspect was that our free cash flow excluding acquisitions amounted to €3.3 billion, which exceeded our forecast. This is a clear sign that the foundation of our company is strong. We are generating more free cash flow in the long term.

Even without the tailwind from the global economy, our earnings are significantly higher than in 2019 before the pandemic, which was a record year at the time. And compared to our competitors, we performed well in practically all markets. Overall, the figures show that we have reached new heights.

So it was a successful fiscal year despite adverse circumstances. We achieved this by responding appropriately to challenges: for example, we have passed on increased costs to customers wherever possible and adjusted prices in line with the market. We were also well prepared: we planned our capacities with foresight, kept an eye on costs and continuously increased our efficiency.

Let's take a look at our five divisions:

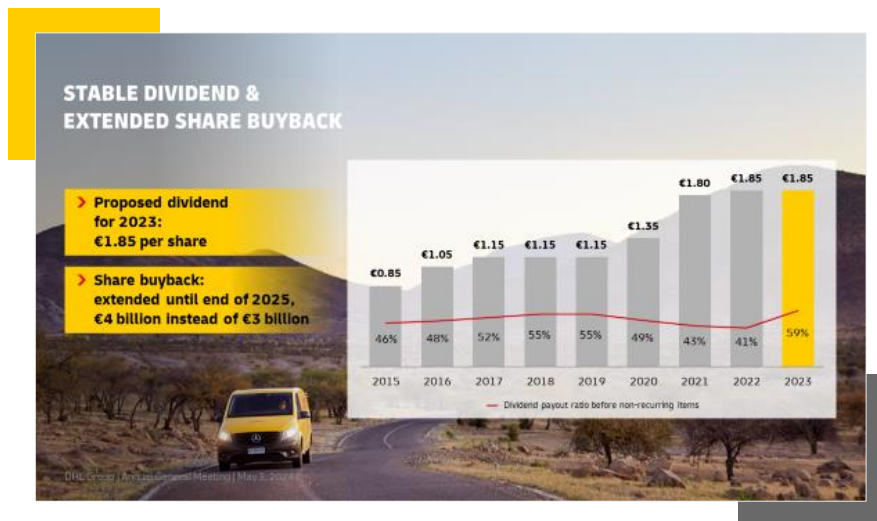
- In the **Express** division, volumes in 2023 were down against the previous year. Nevertheless, DHL Express remains highly profitable because it has a relatively flexible network and has managed its capacities, costs and prices well.
- **Global Forwarding, Freight** also saw volumes fall below the previous year's level. However, they stabilized over the course of the year. The division's lower overall earnings are primarily due to the fact that prices in the freight market have returned to their normal level after rising sharply during the pandemic.
- The development at **Supply Chain** was very pleasing, as business increased in all regions and sectors. New business was strong. At the same time, many contracts were extended. Thanks to ever better data analysis and further automation, the division has also become more productive.

- The **eCommerce** division registered a further increase in parcel volumes in 2023. In almost all markets, the volume was significantly higher than in 2019. The division continues to benefit from the stable growth trend in online retail. And it is continuously expanding its networks.

The DHL eCommerce division has now matured into a young adult in our family. And even though we expect a few more years of “college” and support from the family, we are approaching the point at which the division can become a full earner – with corresponding expectations regarding its contribution to the Group’s EBIT and cash flow.

- At **Post & Parcel Germany**, we see the structural change in the mail business continuing: the number of traditional letters being sent is declining. On the other hand, the division is delivering more parcels and goods shipments. It recorded a profitable fourth quarter – partly because it levied a seasonal surcharge for business customers for the first time in the second half of the year. This having been said, there were numerous burdens to bear: increased energy, material and staff costs – the latter due partly to the new collective wage agreements last year. We also experienced a dampened consumer mood that was attributable in part to inflation.

Overall, the earnings of Post & Parcel Germany are not satisfactory, but result of course in part from the completely outdated regulation. It was introduced in the late 1990s at a time when the mail market was still growing. Above all, it promotes competition. Today, the world is different. Germany is the only industrialized country that is still pursuing this course and has not yet adjusted its regulation. A new postal law is expected to be passed soon. We hope that it will finally take current conditions into account and give us the necessary flexibility in terms of letter delivery times. In addition, the new law should include the topic of sustainability – in an ecological and social sense. In this aspect, we are undoubtedly the leader in the German mail and parcel market.



Despite the headwinds in global trade, we stand by our promise: even in the event of a short-term decline in earnings, we will keep the dividend stable. Our proposal for 2023 is €1.85 per share. This means that we would distribute 59 percent of the net profit to you. Our financial strategy envisages a range of 40 to 60 percent. We would therefore be at the upper end of that range. If you give your approval, we will pay the dividend to you beginning on May 8, 2024.

We have also expanded our share buyback program once again: we are extending it until the end of 2025 and increasing it from €3 billion to €4 billion. We on the Board of Management see this as a clear signal that we have confidence in the good prospects of the company.



This chart shows the performance of our stock over the past five years. We are comparing it here with the DAX and the MSCI World Transportation Index, in other words the global industry index.

The pandemic initially caused share prices to plummet worldwide in March 2020. This was followed by a broad recovery. The price of our shares reached an all-time high in 2021 due to the one-off effects of the COVID-19 pandemic. The war in Ukraine then depressed the markets once more until things started to pick up again in mid-2022.

Our shareholder return, which also includes dividends, has amounted to 96 percent over the past five years. This puts us above the two comparative figures: the DAX is at 72 percent. And the MSCI World Transportation Index is at 44 percent.

If we only look at the past twelve months, the performance of our stock has been subdued. One factor here is that the German government, DHL Group's largest shareholder, sold a portion of its stake in our company to finance other investments. In February of this year, the state bank KfW sold 50 million stocks. The federal government's share in the company has therefore fallen from 20.5 to 16.5 percent. The actions of the federal government had a considerable negative impact on the share

price.



OUTLOOK 2024

Guidance for 2024	€ bn
Group EBIT	6.0 – 6.6
DHL divisions	>5.7
P&P	>0.8
Group Functions	~ -0.45
Free cash flow (excl. M&A)	~3.0

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Let's move on to our forecast for this year. We expect EBIT of between €6.0 billion and €6.6 billion for 2024 as a whole. This would also put us well above the level of 2019. And we expect free cash flow excluding acquisitions of around €3.0 billion in 2024 – that is to say, around the same level as last year.

We believe we can achieve this even though overall economic development is still not making it easy for us. We must expect that the world will remain volatile in 2024. Historically speaking, by the way, I wouldn't categorize this as "exceptional circumstances". It was instead the past decades since German reunification in 1990 that have been extraordinary. In this respect, a tense global situation is more of a return to normality. We must prepare ourselves for further turbulent times.

Global trade and the demand for international transport services are even more relevant for our industry than the global economy as a whole. We continue to see a very pronounced and unusually long bottoming out here. Transport volumes between companies are experiencing an even longer phase of decline than during the major financial crisis of 2008/2009.

Transport volumes between companies are comparatively low, especially in Europe. And in China, further developments are difficult to predict. The country is still struggling with a real estate crisis, which is slowing down consumption and thus imports.

Overall, global trade is currently recovering only sluggishly. We will publish our figures for the first quarter of 2024 on May 7 as planned.

In our outlook in March, we announced that we do not yet anticipate a broad-based upturn in the first half of 2024. However, we expect a recovery in the second half of the year.

As soon as global trade picks up again, we will translate the rising demand into growth. We are prepared for this. Until then, we will remain adaptable and keep an eye on our costs.

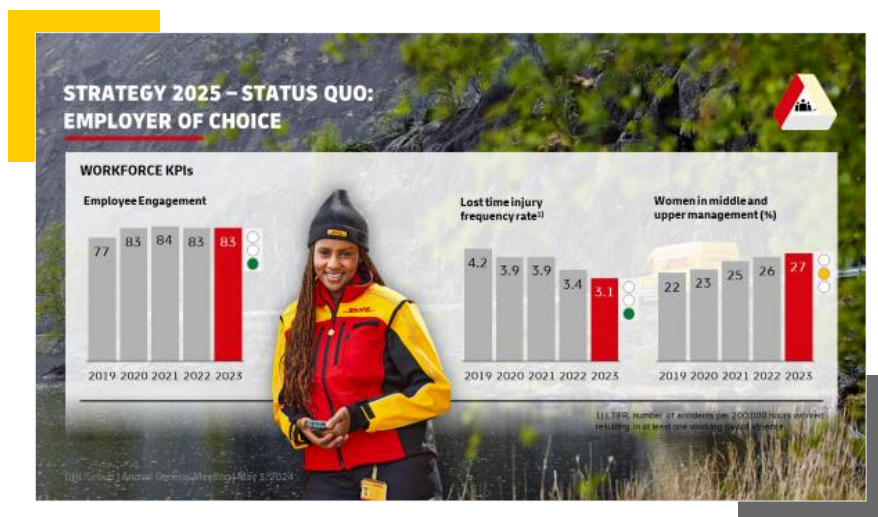
Looking ahead, we will continue to benefit from the powerful e-commerce trend, which is currently gaining momentum again.

This is another reason why we expect EBIT of between €7.5 and €8.5 billion in our medium-term forecast for 2026. We therefore confirm our assessment: the earnings figures from the pandemic years can be achieved again when normal growth returns to the market.



Now let us take stock in a more comprehensive way. We presented our Strategy 2025 at the end of 2019. Among other things, it emphasized our aspiration to be the Employer, Provider and Investment of Choice.

So where do we stand today in these three areas? How far have we come with our Strategy 2025? Let's take a look at the facts.



The first of the three goals is that we want to be the Employer of Choice. In this area, we have continued to improve significantly since 2019. Today we are not only one of the

largest, but also one of the most popular employers worldwide. This is a big plus for us, especially in times marked by a shortage of skilled workers: it enables us to attract – and retain – the best talent.

The diagram on the far left shows Employee Engagement. It is an important factor because motivated and engaged employees make a decisive contribution to our success. We measure this figure across the Group every year. As you can see, it has been consistently high in recent years. And at 83 percent, it was once again above our target of over 80 percent.

I would like to take this opportunity to sincerely thank our approximately 590,000 employees worldwide. Particularly the employees in delivery, sorting, warehousing and transportation – in other words, those who, day after day and night after night, deliver the operational performance of our company, which is what our customers ultimately pay for. Thank you very much for your efforts!

In the future, we also want to give employees below management level more opportunities to participate directly in the company's success. To this end, we are piloting a program in 12 countries that allows employees to acquire our shares at a discounted price.

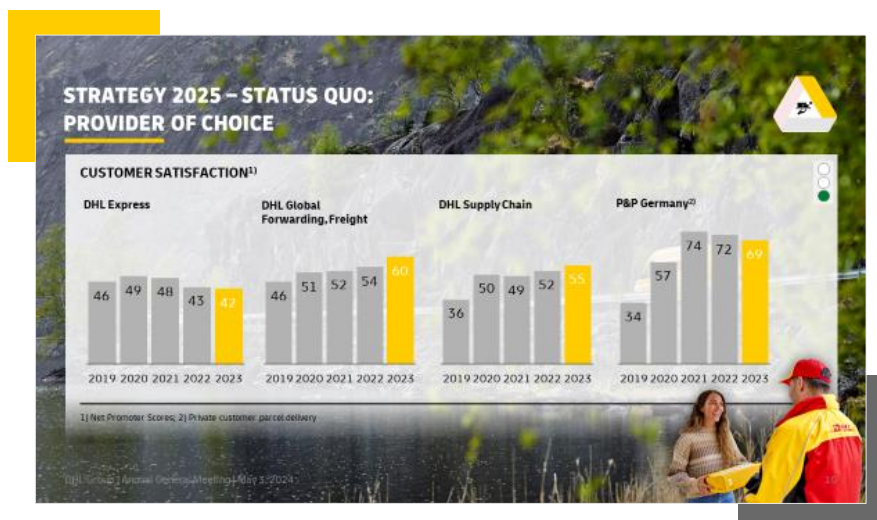
Our exceptional commitment to our employees is also repeatedly acknowledged by external parties. The "Great Place to Work" institute, together with "Fortune" magazine, publishes a prestigious ranking every year. In 2023, DHL Express achieved second place worldwide in this ranking. In the regional lists in Asia, Latin America and Europe, it even took the top spot. In January 2024, the "Top Employers Institute" also recognized 128 DHL Group country organizations as "Top Employers". These are all very gratifying successes.

Our aspiration to be an Employer of Choice also means that we pay close attention to the annual accident rate (LTIFR). Because accidents can happen quickly in logistics. The

second chart shows a positive trend here as well: the rate has continued to fall since 2019 through targeted measures and a Group-wide program. The LTIFR is measured in terms of accidents per 200,000 working hours.

However, we wanted to achieve a little more in regard to the share of women in middle and upper management. By 2025, it should be at least 30 percent across the Group.

The third diagram shows that we have also made steady gains in this area over the years. Last year, however, the share of 27.2 percent was half a percentage point – and thus slightly – below our interim target for 2023. Yet we are confident that our internal programs to promote women in management positions will continue to have an impact.

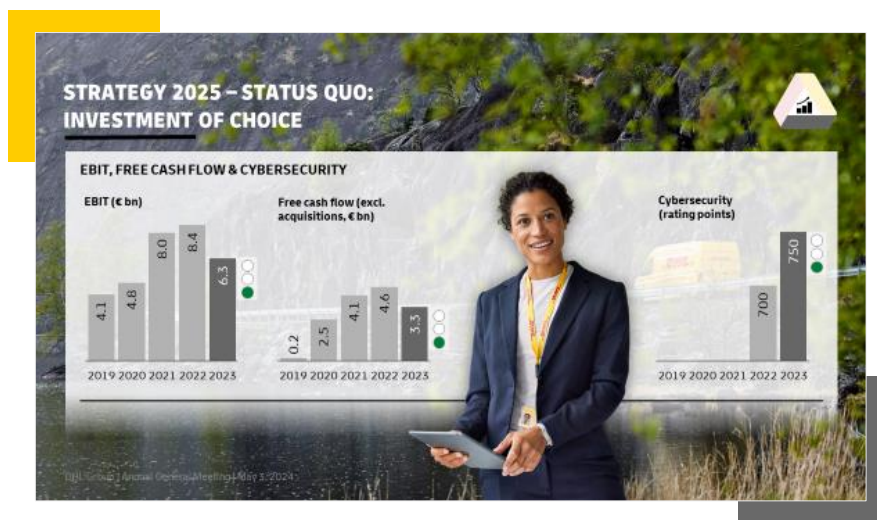


Alongside Employer of Choice, we also want to be Provider of Choice.

To evaluate how successful we are at this, we primarily measure customer satisfaction. Results between -100 and +100 are possible with this method. Even at first glance, the graphs show that we are doing very well here. These are high figures, especially when compared to the rest of the industry.

Please note that the figures are not comparable between the individual divisions. The different divisions serve different markets and customer groups. The key factor is the development of a division over time. We evaluate the results accurately and react to them. At the current level, the figures prove that we are keeping our customer promise and delivering service excellence.

Incidentally, our relatively new DHL eCommerce division has also been collecting these figures across its business areas since last year. In future, we will therefore be able to show division-wide figures here, too.



Finally, our third aspiration: Investment of Choice.

In terms of our earning power, we have reached a new level in the recent past. Our EBIT and free cash flow have risen continually for four years, due partly to exceptional effects during the pandemic. Last year, we achieved – and in some cases overachieved – our targets, despite the lack of economic recovery and all the external crises.

If we want to be the Investment of Choice, we also need to place more emphasis than ever on cybersecurity. The third diagram shows that we have made significant progress

here, too.

We have been publicly reporting on the security of our data and IT systems since 2022. It is evaluated by an independent external agency. According to their method, a maximum of 820 points can be achieved. At the end of 2023, we were at 750 – a very good figure that is not only well above that of the previous year, but also above our target of 690. By way of comparison: at 690 points and above, a company is among the top quartile of the peer group in terms of cybersecurity. This includes all DAX companies, but also logistics companies in other countries and many of our industry customers.



Strategy 2025 has contributed to DHL Group's success in challenging years. We are Employer, Provider and Investment of Choice in many areas. And we are determined to further strengthen our position.

To this end, we are pursuing four major trends in logistics and want to reap their benefits: globalization, digitalization, e-commerce and sustainability.



Let's first take a look at globalization. Is it coming to an end, as many claim? In reality, that does not seem to be the case, even if the daily news often indicate this.

Globalization and the worldwide exchange of goods are powerful, wealth-creating forces. This is also impressively demonstrated by our renowned DHL Global Connectedness Report, which we regularly publish together with New York University. According to the current report, globalization has recently even reached a record high – despite the pandemic and geopolitical conflicts.

What can be said, however, is that globalization is changing. We are also observing this in our customers. They now view dependencies on individual locations more critically and want to disperse their risks better. That is why they are spreading their warehouses and production more widely around the world. The technical term for this is omnishoring.

As a result, supply chains are becoming more complex. This favors competent and flexible logistics partners – like us. We have decades of experience in different parts of the world, with many different logistics services. No one else in the industry is positioned in such a broad, diversified and global way.

We are globally local.

This means that we can optimally support our customers in realigning their supply chains.

With this in mind, we are continuing to invest in our global network. Particularly in fast-growing markets, such as in the Asia Pacific region, the Middle East and Latin America. So we are determined to reap the benefits of omnishoring.



The second major trend in logistics is digitalization. It makes logistics simpler, faster and more efficient. And it improves service for customers – as well as working conditions for employees.

At DHL Group, we have been building up digital expertise for many years. Particularly in the fields of automation and robotics, data analytics and in the area we call the Internet of Things – in other words, communication between networked devices. We also use artificial intelligence to improve our operations. Whenever we find good new solutions, we scale them up in the various areas of the company.

Here are some current examples:

- DHL Supply Chain deploys 6,000 robots, as well as 46,000 smart devices that can be worn directly on the body and make work easier. Such innovations are becoming increasingly relevant and are creating more and more value.
- Artificial intelligence helps our workforce in many ways, including our delivery staff at Post & Parcel Germany: it gives them tips on the most expedient route and sequence when delivering shipments. And it tells our customers when their deliveries will arrive.

We are convinced that digitalization will remain a key lever for us to achieve further growth.



The third major trend from which we are benefiting is e-commerce. As I mentioned earlier: online retail remains a strong growth driver.

The online share of total retail is growing and there is still plenty of opportunity for more. In addition, e-commerce is increasingly crossing national borders. The additional potential is therefore huge.

Our company was an early adopter of this trend. Countless retailers around the world now ship their goods with us. Last year, e-commerce contributed more than a quarter

of our revenue.

And our investments are also strengthening us in this area. Here are two current examples:

- Last year, we acquired the Turkish parcel service provider MNG Kargo. This will enable us to serve the attractive Turkish market even better. At the same time, we will be able to offer new options for shipping across national borders.
- In March of this year, we opened a new logistics center in Poland – one of the largest and most modern in Europe. It enables even faster transportation for our customers. Poland is a strategically important location: many international traders use the country as a hub for their shipments to and from Europe.

We therefore remain the Provider of Choice in e-commerce as well. And we expect at least another decade of structural growth in this area.



The biggest problem of our generation remains climate change. Global warming due to the emission of greenhouse gases and their accumulation in the atmosphere has serious consequences. The number of natural disasters has demonstrably increased as a result of global warming. We all have a duty to do something about it. The logistics sector in particular. After all, transportation still causes a lot of emissions.

As the global market leader in logistics, we vigorously drive sustainable solutions. We also made progress in this area last year:

- We now use over 35,000 e-vehicles in pickup and delivery, which is significantly more than any of our competitors. We have thus increased the share of e-vehicles in our fleet to 38 percent. We want to reach 60 percent by 2030.
- We also remain the industry's largest buyer of sustainable aviation fuel. Last year, for example, we concluded a contract with the producer World Energy. With the sustainable fuel we will receive by 2030 through this agreement, we will be able to reduce carbon dioxide emissions by around 1.7 million metric tons.
- We also successfully placed our first sustainability-related bond on the capital market in 2023. The bond's interest rate paid to investors depends on whether we achieve our climate targets.

Since the end of 2021, our customers have also been able to make a conscious decision to use sustainable fuels – with our GoGreen Plus products. Because sustainable transportation is more expensive for us, we raise a surcharge for it. We are still at the beginning here. But in recent months we have seen more and more customers willing to pay for GoGreen Plus – for example the pharmaceutical manufacturer Novo Nordisk, but also Prada and Mytheresa, both providers of luxury fashion.

Most of our greenhouse gas emissions are generated by air transport. That is why we want to focus more and more on sustainable fuels in the coming years. We already buy a large proportion of the available volumes from various sources. We have set ourselves an ambitious target for 2030: sustainable fuels should account for at least 30 percent of our air and ocean freight and road transportation.

There is one major challenge here: there is still not enough sustainable fuel on the market. The ramp-up of production is only progressing very slowly.

Nevertheless, our goal remains the same: we want to reduce all our greenhouse gas emissions to net zero by 2050. And over the next few years, we will continue to invest consistently in sustainable fuels, carbon neutral buildings and even more electric vehicles, among other things. We want to achieve our goals which are validated by the Science Based Targets initiative.

We take our contribution to climate protection seriously. It is important in order to remain competitive in the long term, too.



Ladies and gentlemen,

I have told you today about the many challenges that the global situation is currently presenting. Nevertheless, I see 2024 as a year of opportunities.

Not because the overall global conditions are getting easier, but because the strength of our company makes me confident:

- First of all, the fundamental growth drivers of our business remain intact, especially the continued growth of e-commerce.
- We have extensive experience in dealing with different economic cycles and external crises. Our broad portfolio and global presence make us robust against fluctuations in the global economy. And we are adaptable.

- Thanks to our financial strength, we can invest in our network even in difficult times. Many of our competitors, by contrast, are distracted by restructuring and major acquisitions. They have cut back on investments and, in some cases, capacities too. Online retailers are also investing less in their own logistics and are once again using providers such as DHL more. All of this affords us opportunities to gain market share.
- Last but not least, I am inspired by the extraordinary motivation of our employees around the world. This takes me back to my initial remarks. No matter where in the world I visit our colleagues, it is extraordinary how much commitment and passion they put into their work. Our team is hard to beat.

And that's why we will continue to develop our strategy step by step. Numerous elements of Strategy 2025 have proven their worth over many years. For Strategy 2030, you can therefore expect an evolution rather than a revolution. But we will have to address some key issues in a new way. In particular, how we can accelerate the Group's profitable growth. We are working on this and we expect to communicate on it later in the year.

Dear shareholders,

I am proud to lead this company. A team of 590,000 hard-working people who keep the world running day in, day out. A team that enables trade in over 220 countries and territories. A team that makes important contributions to society in many ways. DHL Group has developed from a national postal service provider into the global market leader in logistics. Let's continue writing this success story together – and make a very good company into an even better one.

Thank you very much for your confidence and trust.

