FitchRatings

Corporates
Distribution/Postal Services
Germany

Deutsche Post AG

Ratings

Long-Term IDR	A-
Short-Term IDR	F2
Senior Unsecured Debt - Long-Term Rating	A-

Outlook

Long-Term Foreign-Currency IDR	Stable

Click here for the full list of ratings

2035 Climate Vulnerability Signal: 36

The Long-Term Issuer Default Rating upgrade reflects Fitch Ratings' reassessment of Deutsche Post AG's (DP) global market-leading businesses and a sustainable improvement in its financial profile, following a pandemic-driven demand surge as well as a well-managed volume slump of the last 18 months. The upgrade also reflects EBITDAR net leverage stabilising close to 2.5x in 2024-2026, despite market-driven weakness in 2023 and 1H24 and large capex and shareholder returns.

The Stable Outlook reflects our expectation of continued revenue growth across its businesses, the resumption of profit growth at two of the company's largest businesses – express and global forwarding, freight (GFF) – from 2025 and positive regulatory developments for postal services. This will support the company's capex and planned shareholder returns, while maintaining credit metrics at close to current levels.

Key Rating Drivers

Solid Financial Profile: DP has improved its financial profile significantly from pre-pandemic levels, driven by a structural shift of its revenue mix towards a higher share of its more profitable express, e-commerce and parcel businesses. Even in worsened market conditions in 2023, DP's Fitch-calculated EBIT of EUR5.3 billion sharply exceeded its pre-pandemic performance of EUR3.2 billion in 2019. This underscores structural growth in profits, driven by e-commerce trends and supported by active margin management through pricing and cost optimisation.

Consolidated Scale; Diversified Business Model: The ratings reflect DP's scale, geographic and operational diversification, and global market leadership in all areas of its operations. DP has a balanced business risk profile between its high-growth express and parcel businesses, fuelled by e-commerce, its contracted supply-chain operations, and its highly cyclical GFF segment and structurally declining conventional mail.

Over the last decade, its business model has substantially changed from a postal operator to a global logistics leader, which has led to various upward revisions of its debt capacity by us.

New Postal Law: In July 2024, new legislation for postal services allows application for price increases to accommodate salary increases and inflation from the last two years, which were not previously reflected due to regulatory constraints. Starting next year, the new Postal Act will affect, among other things, mail delivery, allowing longer mail delivery time, which will bring cost efficiencies. We expect this to enhance the profitability of the post & parcel segment in the next three years.

Stable Leverage: We anticipate EBITDAR net leverage to remain at 2.5x in 2024-2025, before it declines to 2.4x in 2026, supported by profit growth and positive free cash flow (FCF) generation from 2025. This is despite the company's current weaker financial performance due to a soft market, substantial capex averaging EUR3.5 billion annually in 2024-2026 and a large share buyback programme (EUR3.0 billion in 2022-2024), which was extended by another EUR1 billion until end-2025.

While leverage may decrease with normalisation in freight markets and volumes, we believe DP will prioritise shareholder returns over deleveraging.

2023 Results Close to Expectations: DP's Fitch-calculated EBIT fell in 2023 to EUR5.3 billion (about 30% down from record level in 2022). It was largely driven by a decline in business-to-business (B2B) volumes due to a slowdown in industrial production and an excess of inventories. This led to a normalisation of freight rates from record highs and a realignment of transport capacities and supply to meet demand.

Applicable Criteria

Corporate Rating Criteria (November 2023)

Sector Navigators – Addendum to the Corporate Rating Criteria (June 2024)

Corporates Recovery Ratings and Instrument Ratings Criteria (October 2023)

Corporate Hybrids Treatment and Notching Criteria (November 2020)

Related Research

Global Corporates Macro and Sector Forecasts (June 2024)

EMEA Logistics & Postal Services — Relative Credit Analysis (January 2024)

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Recovery in Volumes after Delay: B2B volumes have continued to face challenges, which are mostly affecting its express segment while GFF has returned to growth, albeit from a weaker base. We anticipate slight improvements in 2H24 and continued growth in 2025-2026, taking Fitch-calculated EBIT in 2024 to EUR5.2 billion and EUR6.4 billion by 2026. In addition to volume growth, we expect moderate margin expansion during 2024-2026, driven by low- to mid-single-digit price increases and higher network utilisation.

Supply-Chain Division Resilient: DP's supply-chain segment continues to grow, driven by new contract wins and loyal existing customers. The growing complexity of supply chains, accelerated by multiple- source points of key products for customers and development of e-commerce, drives demand for DP's services. The segment's EBIT increased in 2023 and 1Q24, which has proved resilience in a volatile macroeconomic environment. We expect its EBIT to continue to modestly grow over 2024-2026.

Financial Summary

(EURm)	2021	2022	2023	2024F	2025F	2026F
EBIT	7,473	7,878	5,270	5,209	5,882	6,430
EBIT margin (%)	9.1	8.3	6.4	6.1	6.5	6.6
FCF after acquisitions and divestitures	2,310	775	646	-654	335	414
EBITDAR net leverage (x)	1.7	1.8	2.3	2.5	2.5	2.4
EBITDAR fixed-charge coverage (x)	5.1	4.8	3.7	3.5	3.5	3.6

F – Forecast
Source: Fitch Ratings, Fitch Solutions

Rating Derivation Relative to Peers

DP has strong credit metrics compared with peers. Its global scale of operations, leading market positions and operationally diversified business provide a competitive advantage over peers such as FedEx Corp., InPost S.A. (BB/Positive), SGL Group ApS (B/Stable), GXO Logistics, Inc. (BBB/Negative) and government-related operators La Poste (A+/Stable; Standalone Credit Profile of 'bbb+').

La Poste is a mail operator in France. Fitch views La Poste as a government-related entity of the French state and rates the entity one notch below France (AA-/Stable).

GXO is one of the leading providers of contract logistics globally. Relative to DP, which has large operations outside contract logistics, GXO is considerably smaller, generates lower margins and is less diversified operationally.

SGL is an asset-light freight forwarder and logistics provider with a global footprint, particularly active in the Nordics and North America. It is less diversified in operations than DP and is smaller in size, which constraints its debt capacity.

Polish-based InPost operates on higher EBITDA margins than DP. It also has a significantly smaller scale, a weak international presence and lack of product diversification, resulting in a substantially lower debt capacity.

Navigator Peer Comparison

	IDR/Outlook	Operating Environment	Management and Corporate Governance	Sector Competitive Intensity	Industry Profile	Market Position	Diversification	Profitability	Financial Structure	Financial Flexibility
Deutsche Post AG	A-/Stable	aa	a-	bbb+	bbb	a-	a	bb-	a-	bbb+
GXO Logistics, Inc.	BBB/Negative	aa	bbb	bbb-	bbb+	bbb+	bb+	bb	bbb	bbb
InPost S.A.	BB/Positive	bbb+	bbb	bbb	bbb+	bbb	bb-	bbb+	bb+	bb+
SGL Group ApS	B/Stable	a+	bb+	b	bb+	b+	bbb-	b-	b	b

Source: Fitch Ratings.
Relative Importance of Factor: Higher / Moderate / Lower

Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Sector Competitive Intensity	Industry Profile	Market Position	Diversification	Profitability	Financial Structure	Financial Flexibility
Deutsche Post AG	A-/Stable	+4	0	-1	-2	0	+1	-6	0	-1
GXO Logistics, Inc.	BBB/Negative	+6	0	-1	+1	+1	-2	-3	0	0
InPost S.A.	BB/Positive	+4	+3	+3	+4	+3	-1	+4	+1	+1
SGL Group ApS	B/Stable	+10	+4	0	+4	+1	+5	-1	0	0

Source: Fitch Ratings.
Factor Score Relative to IDR: Worse positioned than IDR / Within one notch of IDR / Better positioned than IDR

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Total adjusted net debt/EBITDAR below 1.7x on a sustained basis
- Positive Fitch-calculated FCF on a sustained basis
- Structural improvement of profitability, leading to Fitch-calculated EBIT margin above 8% on a sustained basis

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Total adjusted net debt/EBITDAR above 2.7x (previously 2.5x) on a sustained basis
- Significant deterioration in business fundamentals due to a protracted economic downturn or structural changes leading to significant volume decrease and consistently negative FCF
- Fitch-calculated EBIT margin below 6% on a sustained basis
- EBITDAR/(interest paid plus rents) below 3.3x on a sustained basis

Liquidity and Debt Structure

Strong Liquidity: DP has maintained solid liquidity. At end-2023, it had EUR2.1 billion of unrestricted cash and cash equivalents. This was complemented by a EUR2 billion committed and undrawn syndicated credit line and EUR0.4 billion of current financial assets, the majority of which are short-term investments. In 1Q24 its syndicated credit facility was increased to EUR4 billion, with a maturity in 2029.

At end-2023 DP had short-term debt of EUR2.1 billion, excluding lease liabilities of EUR2.3 billion. We expect enough liquidity to cover negative FCF after acquisitions and divestitures of EUR654 million in 2024 and we anticipate positive FCF after acquisitions and divestitures from 2025. Debt maturities in the following three years are evenly balanced.

ESG Considerations

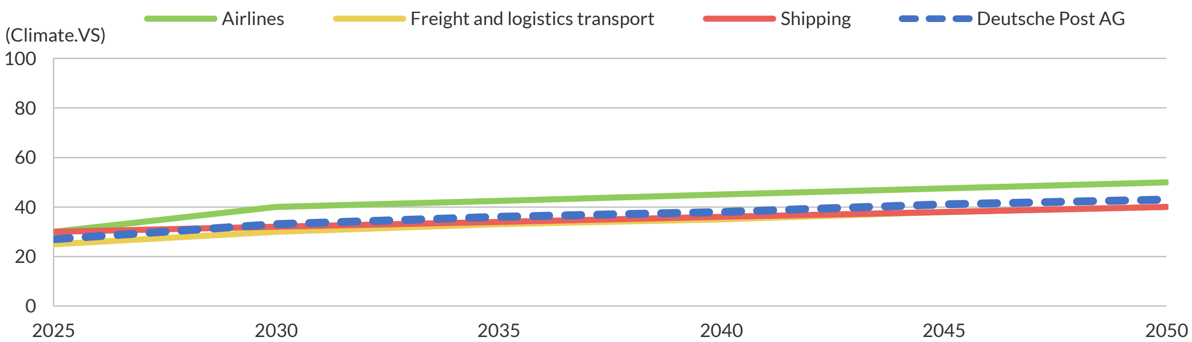
The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's Corporate Rating Criteria.

The 2023 revenue-weighted Climate.VS for DP for 2035 is 36 out of 100, suggesting low exposure to climate-related risks in that year.

Climate.VS Evolution
As of 31 December 2023



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(EURm)	2024F	2025F	2026F
Available liquidity			
Beginning cash balance	2,051	-1,816	-4,153
Rating case FCF after acquisitions and divestitures	-654	335	414
Share buy-backs	-1,150	-1,070	-70
Other cash inflows post-FCF or not modeled into base case FCF	12	29	-56
Total available liquidity (A)	**259**	**-2,523**	**-3,865**
Liquidity uses			
Debt maturities	-2,075	-1,630	-1,247
Total liquidity uses (B)	**-2,075**	**-1,630**	**-1,247**
Liquidity calculation			
Ending cash balance (A+B)	-1,816	-4,153	-5,112
Revolver availability	4,000	4,000	4,000
Ending liquidity	**2,184**	**-153**	**-1,112**
Liquidity score (x)	2.6	1.5	0.2

F – Forecast
Source: Fitch Ratings, Fitch Solutions, Deutsche Post AG

Scheduled debt maturities

(EURm)	31 Dec 23
2024	2,075
2025	1,630
2026	1,247
2027	498
2028	745
Thereafter	1,993
Total	**8,188**

Source: Fitch Ratings, Fitch Solutions, Deutsche Post AG

Key Assumptions

Fitch's Key Assumptions Within Our Rating Case for the Issuer

- Post & Parcel division to see steady decline in mail volumes but increasing parcel volumes in 2024-2026
- The express segment's volumes to remain broadly flat in 2024 and then to increase in 2025-2026
- GFF's EBIT flat to lower in 2024 and then to increase in 2025-2026
- Stable growth in the supply-chain segment in 2024-2026
- Decrease in EBIT of its e-commerce segment in 2024, followed by modest increases in 2025-2026
- Total capex at EUR10.4 billion in 2024-2026
- Dividend payout ratio at 40%-60%, in line with DP's guidance
- Share buyback in line with DP's guidance at a total EUR2 billion across 2024-2025

Summary of Financial Adjustments

Lease debt is calculated by capitalising lease expense at a 6.4x multiple.

Financial Data

(EURm)	2021	2022	2023	2024F	2025F	2026F
Summary income statement						
Gross revenue	81,747	94,436	81,758	85,770	90,824	96,817
Revenue growth (%)	22.5	15.5	-13.4	4.9	5.9	6.6
EBITDA before income from associates	9,322	9,913	7,473	7,537	8,335	9,027
EBITDA margin (%)	11.4	10.5	9.1	8.8	9.2	9.3
EBITDA after associates and minorities	9,101	9,556	7,217	7,287	8,085	8,777
EBITDAR	11,344	12,191	9,918	10,179	11,189	12,073
EBITDAR margin (%)	13.9	12.9	12.1	11.9	12.3	12.5
EBIT	7,473	7,878	5,270	5,209	5,882	6,430
EBIT margin (%)	9.1	8.3	6.4	6.1	6.5	6.6
Gross interest expense	-210	-202	-115	-138	-163	-202
Pretax income including associate income/loss	7,359	7,911	5,516	4,937	5,496	6,002
Summary balance sheet						
Readily available cash and equivalents	1,626	1,834	2,051	259	252	540
Debt	8,092	8,304	8,188	8,188	8,888	8,888
Net debt	6,466	6,470	6,137	7,929	8,636	8,348
Lease-adjusted debt	21,033	22,883	23,836	25,096	27,158	28,383
Summary cash flow statement						
EBITDA	9,322	9,913	7,473	7,537	8,335	9,027
Cash interest paid	-167	-182	-170	-218	-244	-278
Cash tax	-1,323	-1,782	-1,625	-1,584	-1,621	-1,771
Dividends received less dividends paid to minorities (inflow/outflow)	-221	-357	-256	-250	-250	-250
Other items before FFO	118	16	33	-291	-89	-137
FFO	7,820	7,788	5,708	5,296	6,144	6,604
FFO margin (%)	9.6	8.2	7.0	6.2	6.8	6.8
Change in working capital	-430	215	536	-293	-402	-344
CFO (Fitch-defined)	7,390	8,003	6,244	5,003	5,742	6,260
Total non-operating/nonrecurring cash flow	—	—	—	—	—	—
Capex	-3,736	-3,912	-3,381	—	—	—
Capital intensity (capex/revenue) (%)	4.6	4.1	4.1	—	—	—
Common dividends	-1,673	-2,205	-2,205	—	—	—
FCF	1,981	1,886	658	—	—	—
FCF margin (%)	2.4	2.0	0.8	—	—	—
Net acquisitions and divestitures	329	-1,111	-12	—	—	—
Other investing and financing cash flow items	-1,966	1,599	2,797	—	—	—
Net debt proceeds	-837	-1,067	-2,598	—	700	—
Net equity proceeds	-1,115	-1,099	-986	-1,150	-1,070	-70
Total change in cash	-1,608	208	-141	-1,792	-7	288
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-5,080	-7,228	-5,598	-5,657	-5,407	-5,845
FCF after acquisitions and divestitures	2,310	775	646	-654	335	414
FCF margin after net acquisitions (%)	2.8	0.8	0.8	-0.8	0.4	0.4
Gross Leverage ratios (x)						
EBITDAR leverage	1.9	1.9	2.5	2.5	2.5	2.4
CFO-capex/debt	45.2	49.3	35.0	20.7	26.4	28.3
Net Leverage ratios (x)						
EBITDAR net leverage	1.7	1.8	2.3	2.5	2.5	2.4
CFO-capex/net debt	56.5	63.2	46.7	21.4	27.2	30.1

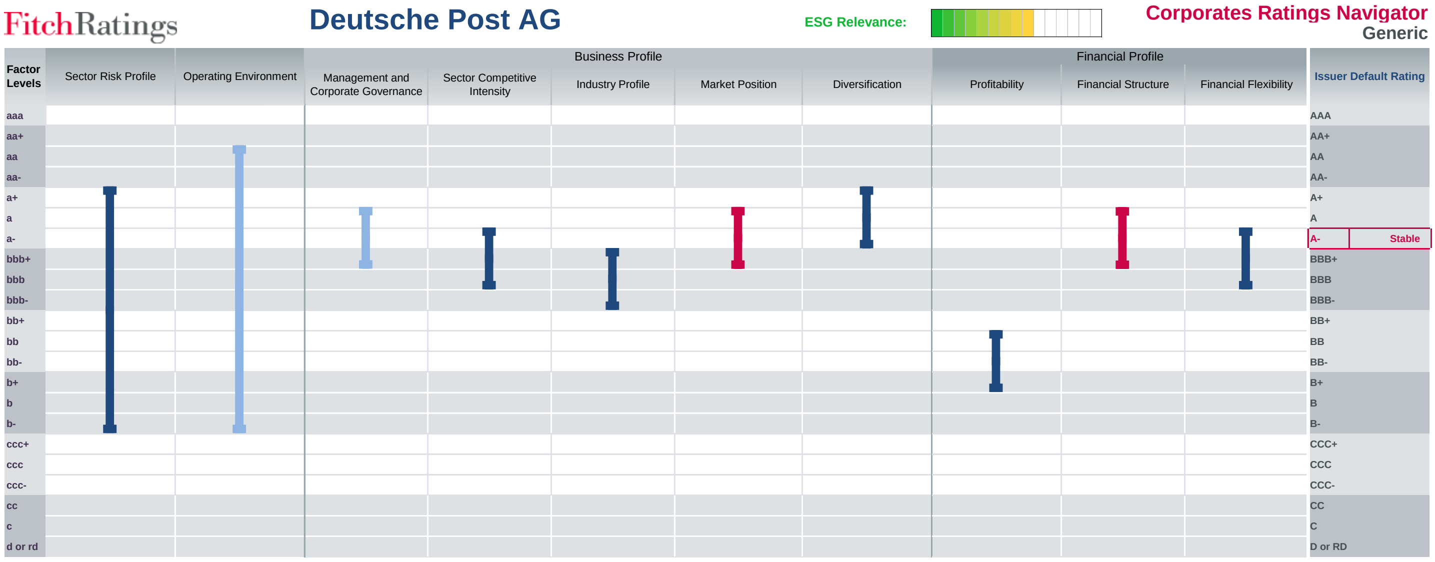
(EURm)	2021	2022	2023	2024F	2025F	2026F
Coverage ratios (x)						
EBITDAR fixed-charge coverage	5.1	4.8	3.7	3.5	3.5	3.6
EBITDAR net fixed-charge coverage	5.3	5.2	4.1	3.6	3.5	3.6

CFO – Cash flow from operations
Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:			
Vertical Bars = Range of Rating Factor		Bar Arrows = Rating Factor Outlook	
Bar Colors = Relative Importance		⇧	Positive
■	Higher Importance	⇩	Negative
■	Average Importance	⇳	Evolving
■	Lower Importance	□	Stable

FitchRatings

Deutsche Post AG

Corporates Ratings Navigator
Generic

Operating Environment

aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	aa	Very strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'
b-			
ccc+			

Management and Corporate Governance

a+	Management Strategy	a	Coherent strategy and good track record in implementation.
a	Governance Structure	a	Experienced board exercising effective check and balances. Ownership can be concentrated among several shareholders.
a-	Group Structure	bbb	Some group complexity leading to somewhat less transparent accounting statements. No significant related-party transactions.
bbb+	Financial Transparency	a	High quality and timely financial reporting.
bbb	Financial Sponsor Attitude (LBO only)		

Sector Competitive Intensity

a	Industry Structure	bbb	Larger number of competitors with some track record of price discipline in downturns.
a-	Barriers to Entry/Exit	a	Time and significant financial commitment required to enter the industry meaningfully.
bbb+	Relative Power in Value Chain	a	Stronger bargaining power than suppliers and customers.
bbb			
bbb-			

Industry Profile

a-	Long-Term Growth Potential	bbb	Mature industry. Traditional markets may be under some pressure but opportunities arise in new markets.
bbb+	Volatility of Demand	bbb	Demand volatility in line with economic cycles.
bbb	Threat of Substitutes	bbb	Facing substitutes of comparable quality but switching costs are significant.
bbb-			
bb+			

Market Position

a+	Market Share	aa	Market leader in most of its segments.
a	Competitive Advantage	bbb	Some competitive advantages with reasonably good sustainability.
a-	Operating Efficiency	bbb	Return on invested capital in line with industry average.
bbb+			
bbb			

Diversification

aa-	Geographic Diversification	a	Strong diversification but balance between emerging and growth markets could be better.
a+	Product/End-Market	a	Well balanced exposure to at least three business lines or markets with different sensitivity to the economic cycle.
a			
a-			
bbb+			

Profitability

bb+	EBITDA Margin or EBITDAR Margin	b	15% or 15%
bb	EBIT Margin	b	7%
bb-	FFO Margin	b	7%
b+	FCF Margin	b	Neutral to negative FCF margin.
b	Volatility of Profitability	a	Lower volatility of profits than industry average.

Financial Structure

a+	EBITDA Leverage or EBITDAR Leverage	a	2.0x or 2.0x
a	EBITDA Net Leverage or EBITDAR Net Leverage	bbb	2.5x or 2.5x
a-	FFO Leverage or FFO Adjusted Leverage	a	2.5x or 2.5x
bbb+	(CFO-Capex)/Debt	a	20%
bbb	Funding Structure (LBO only)		

Financial Flexibility

a	Financial Discipline	a	Clear commitment to maintain a conservative policy with only modest deviations allowed.
a-	Liquidity	a	No need for external funding beyond committed facilities in the next 12 months even under a severe stress scenario. Well-spread maturities. Diversified funding.
bbb+	EBITDA Interest Coverage or EBITDAR Fixed Charge Coverage	bb	3.5x or 3.5x
bbb	FFO Interest Coverage or FFO Fixed Charge Cover	bb	3x or 3x
bbb-	FX Exposure	bbb	Some exposure of profitability to FX movements and/or debt/cash-flow match. Effective hedging in place.

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Credit-Relevant ESG Derivation

Overall ESG

Deutsche Post AG has 12 ESG potential rating drivers				
GHG emissions; air quality	key driver	0	issues	5
Energy management	driver	0	issues	4
Waste and hazardous materials management; ecological impacts; product design & lifecycle management; supply chain management - product	potential driver	12	issues	3
Impact of climate change and extreme weather events on assets and operations	not a rating driver	0	issues	2
Human rights; relationships with communities and/or land right holders; access and affordability		2	issues	1
Customer privacy; data security; product quality and safety; customer welfare; selling practices and product labeling				
Showing top 6 issues				

For further details on Credit-Relevant ESG scoring, see page 3.

FitchRatings

Deutsche Post AG

Corporates Ratings Navigator
Generic

Credit-Relevant ESG Derivation

Deutsche Post AG has 12 ESG potential rating drivers

- Deutsche Post AG has exposure to emissions regulatory risk but this has very low impact on the rating.
- Deutsche Post AG has exposure to energy productivity risk but this has very low impact on the rating.
- Deutsche Post AG has exposure to waste & impact management risk and supply chain management but this has very low impact on the rating.
- Deutsche Post AG has exposure to extreme weather events but this has very low impact on the rating.
- Deutsche Post AG has exposure to land rights/conflicts risk, access/affordability risk or human rights violations risk but this has very low impact on the rating.
- Deutsche Post AG has exposure to customer accountability risk or product quality/ethical marketing risk but this has very low impact on the rating.

Showing top 6 issues

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	12	issues	3
not a rating driver	0	issues	2
not a rating driver	2	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	3	GHG emissions; air quality	Diversification; Profitability; Financial Structure; Financial Flexibility	5
Energy Management	3	Energy management	Diversification; Profitability; Financial Structure; Financial Flexibility	4
Water & Wastewater Management	1	Water and wastewater management	Diversification; Profitability; Financial Structure; Financial Flexibility	3
Waste & Hazardous Materials Management; Ecological Impacts	3	Waste and hazardous materials management; ecological impacts; product design & lifecycle management; supply chain management - product	Diversification; Profitability; Financial Structure; Financial Flexibility	2
Exposure to Environmental Impacts	3	Impact of climate change and extreme weather events on assets and operations	Diversification; Sector Trend; Profitability; Financial Structure; Financial Flexibility	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	3	Human rights; relationships with communities and/or land right holders; access and affordability	Management and Corporate Governance; Company's Market Position; Diversification; Profitability; Financial Flexibility	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Customer privacy; data security; product quality and safety; customer welfare; selling practices and product labeling	Management and Corporate Governance; Sector Competitive Intensity; Company's Market Position; Profitability	4
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction; supply chain management - labor; employee diversity and inclusion	Operating Environment; Diversification; Profitability; Financial Structure; Financial Flexibility	3
Employee Wellbeing	3	Employee health and safety	Diversification; Profitability; Financial Flexibility	2
Exposure to Social Impacts	1	Shifting social preferences; social resistance to major projects or operations that leads to delays or cost increases	Operating Environment; Sector Trend; Company's Market Position; Diversification; Profitability	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram

Deutsche Post AG
A-/Stable
EBITDA: EUR 7,473m

EUR700m unsecured bonds due 2024: 'BBB+' outstanding: EUR700m
EUR500m unsecured bonds due 2026: 'BBB+' outstanding: EUR500m
EUR750m unsecured bonds due 2026: 'BBB+' outstanding: EUR750m
EUR500m unsecured bonds due 2027: 'BBB+' oustanding EUR500m
EUR750m unsecured bonds due 2028: 'BBB+' outstanding: EUR750m
EUR750m unsecured bonds due 2029: 'BBB+' outstanding: EUR750m
EUR750m unsecured bonds due 2032: 'BBB+' outstanding: EUR750m
EUR500m unsecured bonds due 2032: 'BBB+' outstanding: EUR500m
EUR1000m unsecured convertibles due 2025: NR outstanding: EUR989m
EUR560m amounts due to banks: NR
EUR1,323m other financial liabilities: NR
EUR2000m unsecured revolver due 2025: NR outstanding EUR0m

Source: Fitch Ratings, Fitch Solutions, Deutsche Post AG, Fitch as at end-2023

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	EBITDAR (EURm)	EBITDAR margin (%)	FCF after acquisitions and divestitures (EURm)	EBITDAR net leverage (x)	EBITDAR fixed-charge coverage (x)
Deutsche Post AG	A-						
	BBB+	2023	9,918	12.1	646	2.3	3.7
	BBB+	2022	12,191	12.9	775	1.8	4.8
	BBB+	2021	11,344	13.9	2,310	1.7	5.1
GXO Logistics, Inc.	BBB						
	BBB	2023	823	9.2	96	2.6	4.2
	BBB	2022	758	9.0	-662	2.9	4.6
	BBB	2021	635	9.0	153	2.2	4.6
InPost S.A.	BB						
	BB	2023	441	21.5	25	2.3	6.3
	BB	2022	285	18.9	-67	3.5	6.5
	BB	2021	234	23.6	-525	3.9	8.7
SGL Group ApS	B						
		2022	202	6.1	179	1.2	5.3
		2021	104	5.2	-214	3.8	4.6

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(EURm as of 31 Dec 23)	Standardised values	Other adjustments	Lease treatment	Other adjustments	Adjusted values
Income statement summary					
Revenue	81,758	—	—	—	81,758
EBITDAR	10,822	—	-369	-535	9,918
Lease expense for capitalised leased assets	—	—	-2,445	—	-2,445
EBITDA	10,822	—	-2,814	-535	7,473
Depreciation and amortisation	-4,477	—	2,274	—	-2,203
EBIT	6,345	—	-540	-535	5,270
Balance sheet summary					
Debt	8,638	—	—	-450	8,188
Of which other off-balance-sheet debt	—	—	—	—	—
Lease-equivalent debt	—	—	15,648	—	15,648
Lease-adjusted debt	8,638	—	15,648	-450	23,836
Readily available cash and equivalents	2,051	—	—	—	2,051
Not readily available cash and equivalents	1,598	—	—	—	1,598
Cash flow summary					
EBITDA	10,822	—	-2,814	-535	7,473
Dividends received from associates less dividends paid to minorities	-256	—	—	—	-256
Interest paid	-710	—	540	—	-170
Interest received	253	—	—	—	253
Preferred dividends paid	—	—	—	—	—
Cash tax paid	-1,625	—	—	—	-1,625
Other items before FFO	-502	—	—	535	33
FFO	7,982	—	-2,274	—	5,708
Change in working capital	536	—	—	—	536
CFO	8,518	—	-2,274	—	6,244
Non-operating/nonrecurring cash flow	—	—	—	—	—
Capex	-3,381	—	—	—	-3,381
Common dividends paid	-2,205	—	—	—	-2,205
FCF	2,932	—	-2,274	—	658
Gross leverage (x)					
EBITDAR leverage	0.8	—	—	—	2.5
FFO adjusted leverage	1.0	—	—	—	3.0
(CFO-capex)/debt (%)	59.5	—	—	—	35.0
Net leverage (x)					
EBITDAR net leverage	0.6	—	—	—	2.3
FFO adjusted net leverage	0.8	—	—	—	2.7
(CFO-capex)/net debt (%)	78.0	—	—	—	46.7
Coverage (x)					
EBITDAR fixed-charge coverage	14.9	—	—	—	3.7
FFO fixed-charge coverage	11.9	—	—	—	3.1

CFO – Cash flow from operations
Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region. Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.
Debt includes other off-balance-sheet debt.
Debt in the standardised values column excludes lease liabilities of EUR14080 million.
Source: Fitch Ratings, Fitch Solutions, Deutsche Post AG

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.