

DHL SUPPLY CHAIN – DRIVING PROFITABLE GROWTH




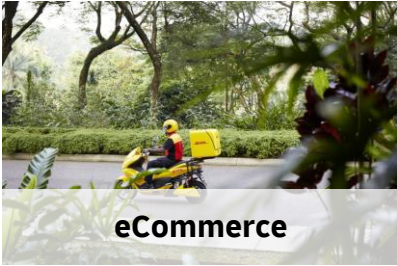

BUSINESS UPDATE

Brussels, 20 June 2024

Agenda

13:00	DHL Supply Chain presentation by Oscar de Bok (CEO DHL Supply Chain)
13:45	DHL Supply Chain site visit
15:00	DHL eCommerce presentation by Pablo Ciano (CEO DHL eCommerce)
18:00	DHL Express Hub tour
21:00	End

DHL Group at a glance (FY 2023)

GROUP	 Express	 Global Forwarding, Freight	 Supply Chain	 eCommerce	 Post & Parcel Germany
Revenue					
€81,758m	€24,846m	€19,305m	€16,958m	€6,315m	€16,892m
EBIT					
€6,345m	€3,229m	€1,423m	€961m	€292m	€870m
EBIT Margin					
7.8%	13.0%	7.4%	5.7%	4.6%	5.2%
FTE*					
547,692	111,401	46,330	182,446	34,236	159,247

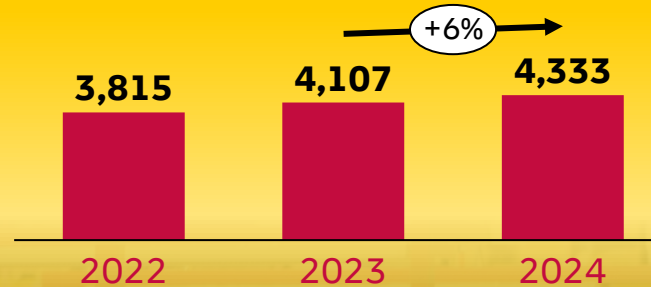
*average for the year

DHL Supply Chain Investment Summary

- **#1** world market leader in Contract Logistics with industry-leading EBIT margin at **>5%**
- Leading efulfillment offering, generating **€2.8bn** revenue in 2023, including returns solutions
- Externally recognized market leader with scalable and flexible digital solutions embedded in our standard ways of working across **91%** of sites
- Strong focus on Employer of Choice, with **>95%** of employee working in Great Place to Work certified environment across 37 countries helps attract and retain employees in times of critical labor shortages
- ESG roadmap and metrics fully integrated into strategic and operating framework
- Strong value proposition as part of the DHL group benefiting from the **unique brand value**, access to customer relationships from multiple divisions and supply chain solutions for customers

LONG TERM
profitable growth
trajectory

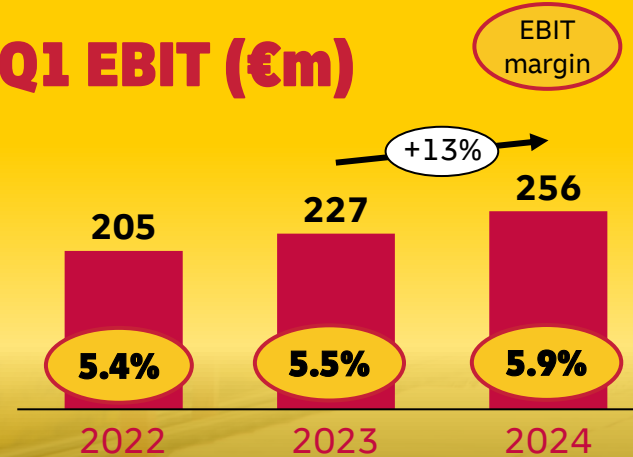
Q1 Revenue (€m)



Topline growth in 2024 driven by

- New business signings
- Great contract retention performance
- Strong demand for e-Commerce and strategic products

Q1 EBIT (€m)

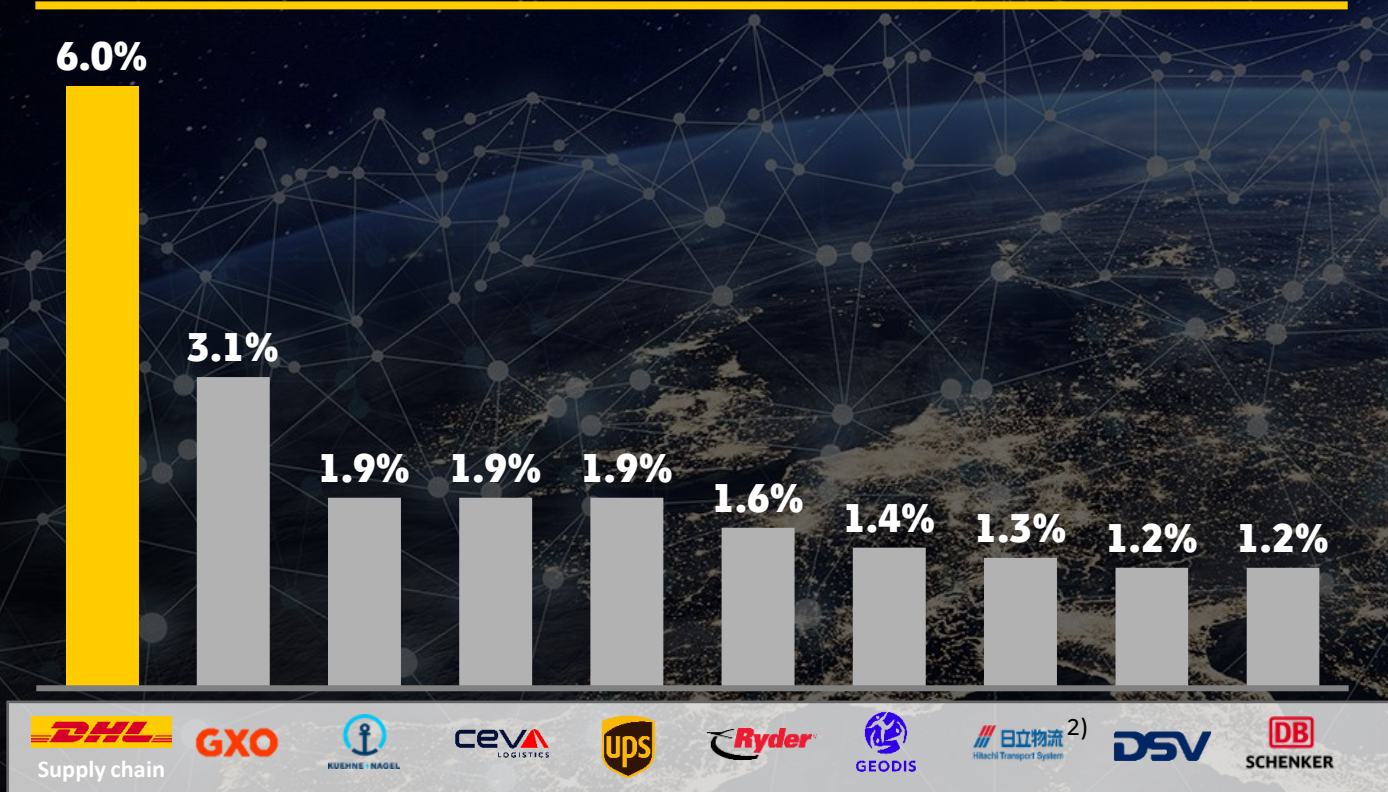


Leading EBIT margins driven by

- Growth in strategic products with higher margins
- Productivity gains from digitalization

DHL Supply Chain continues to be the undisputed market leader in scale and thought leadership

Contract logistics players (Market shares based on 2022¹⁾)



1) market shares are calculated based on companies' respective contract logistics revenues. Source: DHL estimates.


2) Hitachi Transport System is now known as Logisteed since 2023

Gartner Magic Quadrant 2024

DHL is named a Leader in the 2024 Gartner® Magic Quadrant™ for Third-Party Logistics Report

05/14/2024, 12:00 PM CEST

The company is both the Highest In Ability To Execute and Furthest in Completeness Of Vision in the 2024 report.



DHL Supply Chain warehouse

- For the 9th time, DHL has been considered in the research with two business units, DHL Supply Chain and DHL Global Forwarding.

DHL Supply Chain continues to be an employer of choice with already >95% of employees working in a great place to work environment

Great Place to Work certification

>178k

DSC employees are working in a Great Place to Work certified environment

DSC employees are working in a Great Place to Work certified environment

Great
Place
To
Work®



Countries with GPTW certification



Other countries with DSC operations

DSC is best positioned to swiftly adapt to industry transformation and evolving customer needs to unlock growth

Market Forces and changing environment...

- More complex consumer landscape
- Shift to omni-sourcing, nearshoring & China+
- Geopolitical uncertainties
- Increased threat of cyber attacks
- Labor scarcity
- Evolution of AI & GenAI technology
- Higher sustainability requirements

...shaping new requirements for supply chain companies to unlock value



Capabilities



New ways of contracting



Ways of working



Technology

E-Commerce and Omni-Channel demands continue to increase, and we are best suited to cater to them



Global Footprint

Customer Examples (not exhaustive) Countries with DSC operations SF Partnership



>200 operations across all regions



>25% of DSC's new business signings is from e-commerce



€2.8bn revenue in e-commerce in FY 2023 (+14% yoy)



Offering



State-of-the-art dedicated fulfillment and omni-channel solutions

DEEP DIVE AHEAD



Fulfillment networks for easy multi-user network offering

DEEP DIVE AHEAD



Full breadth of returns handling services

Accelerating our global **DHL fulfillment network (DFN)** capabilities to accelerate our customer's growth





Global Footprint

>25 
Countries

>20mn 
orders in 2023

>€200m 
Revenue in FY 2023

+381% yoy 
order number growth (FY 2023)

 DFN Live
 Other DSC countries

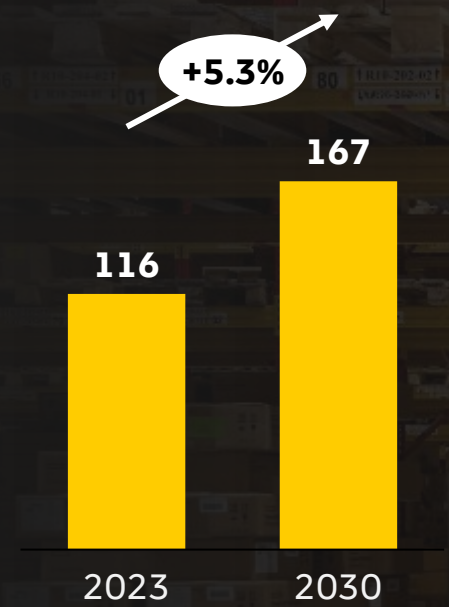
Customer Example

- Customer need for **global reach and extremely fast scaling** to launch product and service end consumers online orders
- Started in 2020, **global expansion** in 2021/2022 - fast **growing** & highly **profitable**
- Leveraging plug-&-play **DHL Fulfillment network and Service Logistics network** for smooth implementations at exceptional speed
- Combination with **LLP (Lead Logistic Provider)** to act as the customer's Supply Chain department
- **Centralized** customer network operational mgmt. and **commercial approach**

Further expanding our **returns capabilities** to address increasing customer needs

Global returns market is growing...

Market size 2030 in bn EUR¹



...and we are further expanding our footprint and capabilities



87 operations globally



2,700 associates



>130m Units returned p.a.



€172m FY 2023 revenue



Customer Example

Returns solution for a global telecommunication customer

- Implementation of **returns and fulfillment service** for mobile phones and accessories
- **Highly automated new solution** as backbone of customer's future network
- Handling **45% of customer's fulfillment** and returns volume efficiently
- DSC enter **high volume, high automation telecommunication warehousing service** globally

DSC’s global expansion and specialized pharma network fuel growth in the evolving Life Science and Healthcare (LSHC) landscape

DSC has a global presence in Life Science and Health Care business including a Clinical Trials network







Customer demand for advanced pharma logistics drives growth



11% of DSC’s revenue in LSHC in 2023

>430 LSHC customers globally

>100k shipments per year in Clinical Trials network

Conventional	Segment	CAGR '23-30
	Pharma Conventional 	5%
	Consumer Health 	6%
	Med Device 	6%
Advanced	Biopharma 	13%
	Cell & Gene 	25%
	Clinical Trials 	12%

Evolving **LLP to Supply Chain Orchestration** to access new value pools across the supply chain driving efficiency and resilience

SUPPLY CHAIN ORCHESTRATION

Driving E2E Value in Transportation, Warehousing, Packaging & Inventory across your entire Supply Chain

End to End Real Time Visibility & Insights – MySupplyChain



Track & Trace



Real Time & Predictive ETA



Inventory



Operational Performance



Reporting



Business Analytics



Customer Service



Document Control

Industry leading Value Creation approach leveraging latest data analytics / AI

Process Mining



Digital Twin



Inventory Profiling and Optimization



Forecasting & Demand sensing



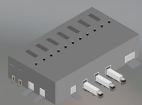
CO2 Optimization



End to End Logistics Management leveraging best-in-class processes and systems



Source



I2M



Make



Store & customize



Deliver



Maintain



Return/Recycle



Customer Examples

Our supply chain orchestration capability drives data-driven insights and value creation across all industry sectors

- For a **Global Semiconductor manufacturer**, building an e2e network model to support their growth plans in Asia leading to growth potential
- For a **Global Medical Devices provider**, installed advanced supply chain analytics with Digital Twin based optimization, reducing both CO2 footprint and future capital deployment needs
- For a **Global Energy provider** launched a supply chain visibility pilot in Malaysia

Capturing **omni-shoring** opportunities

Harnessing DSC global footprint to build...



resilient



efficient



flexible



and speedy

...supply chains for
our customers



Customer Example

Chinese car manufacturer expanding into **MX** to build production base for sale in US market





Customer Examples

Chinese e-commerce companies expanding into **Brazil domestic market**



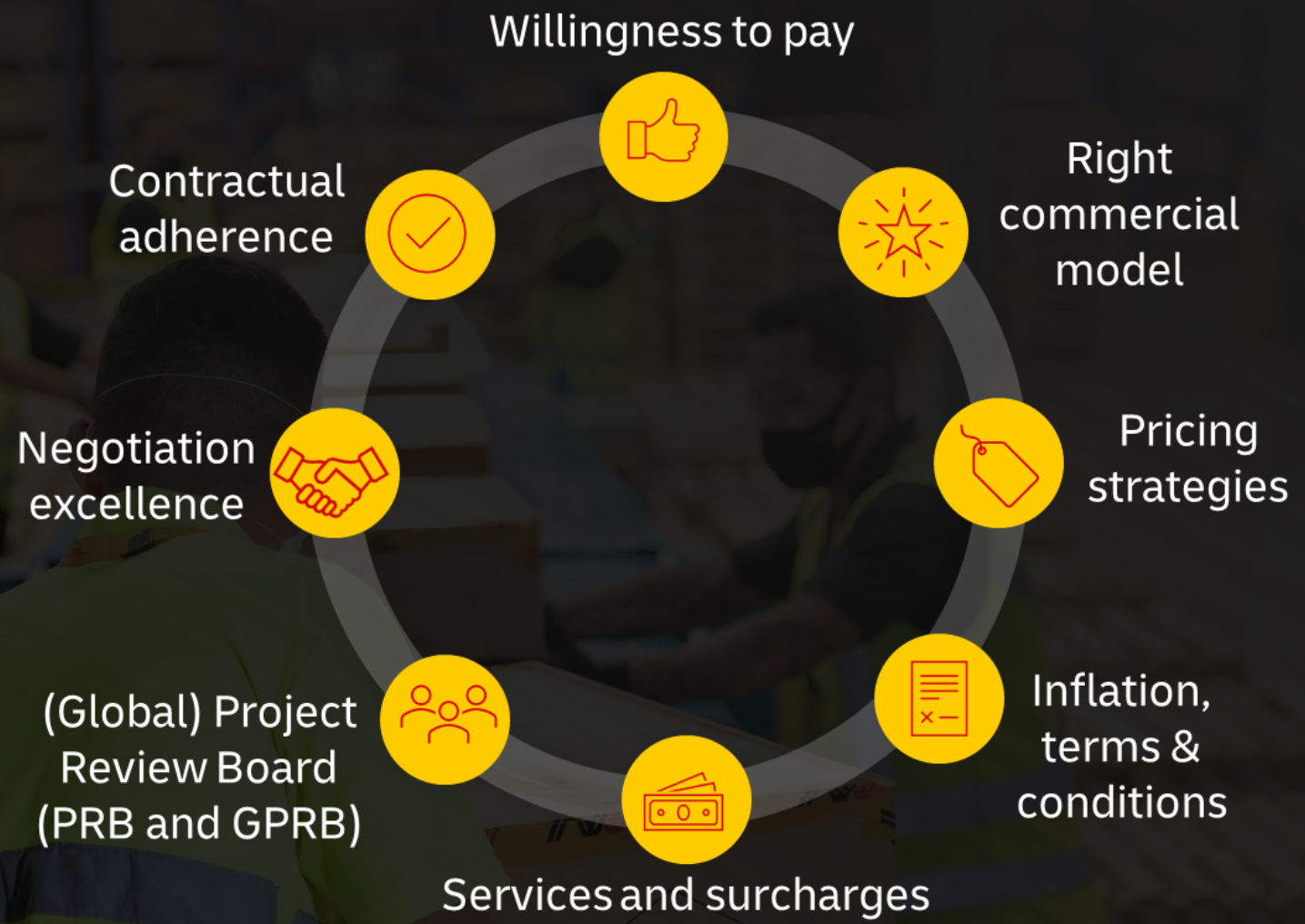
Customer Examples

Global technology companies diversifying production and supplier base from **China** into **Thailand, Vietnam and India**

 Countries with DSC operations
 SF Partnership

Executing the pricing strategy which includes new commercial models and charging mechanisms offers opportunities for new ways of contracting



DSC pricing strategy levers



DSC's digitalization agenda is progressing at great pace while robotics and analytics maximize value and efficiencies across our business







Accelerated Digitalization

12 Focus technologies

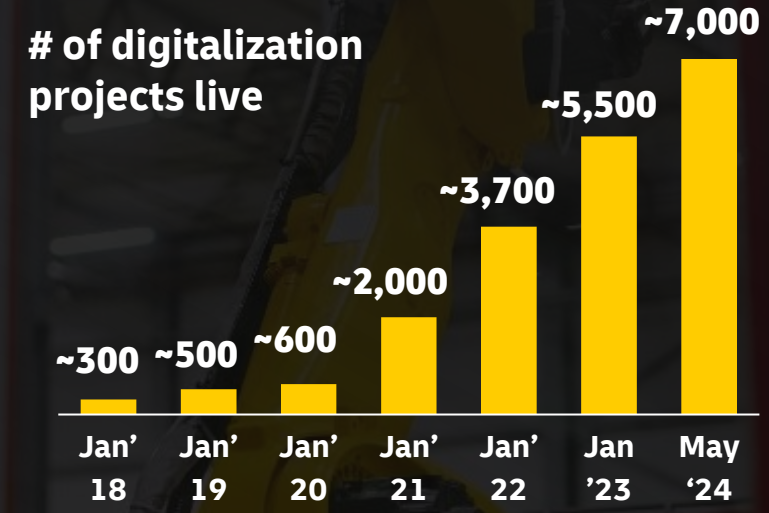
Assisted Picking Robots 	(un)Loading Robots 	Intelligent Process Automation 
Goods-to-Person Robots 	AI & Data Analytics 	Sortation Robots 
Packing Robots 	Smart Operations 	Supporting Robots 
Indoor Robotic Transport 	Wearable Devices 	Asset Tracking & Monitoring 

Mechanized Automation

6 Focus technologies

Automated Order Picking 	Automated Storage & Retrieval System 	Packing/Labeling automation 
Mechanized Sortation 	Mechanized (Un)Loading 	Powered conveyors 

91% of sites with Accelerated Digitalization technology deployed



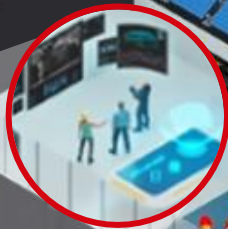
21% of revenue touched by Data Analytics

Embedding robotics, automation, data analytics and Gen AI in our standard ways of working to continuously create competitive advantage



Data analytics & GenAI

21% of revenue touched by data analytics
Operations use cases deployed e.g. optimizing slotting and labor planning
GenAI exploration: contract assessment, Proposal generation, Solution Design data cleansing



Goods-to-Person Technologies

Strategic vendor: Autostore
 Robots deployed: **~600**
 Geographies: North America & EMEA



Assisted Picking Robots

Strategic vendor: Locus
 Robots deployed: **>2,300**
 Items picked: **~4m**
 Geographies: North America, EMEA, APAC & UK&I

WHY DHL SUPPLY CHAIN?

**We are the only
player with true
global scale**

**We enable
customers to turn
their supply chains
in competitive
advantage**

**We sustain long
term growth with
our integration of
physical and digital
supply chains**

Q&A