

Pablo Ciano - Career highlights

2005 - 2016

DHL EXPRESS US:

- Director of Strategy
- VP Customer Support Services
- VP CEO Office to Ken Allen Restructure of US business, Certified program creation
- CIO and VP Customer Service Americas

2016 - 2018

CEO DHL EXPRESS CENTRAL AND SOUTH AMERICA:

#1 Great place to work in LATAM

2018 - 2022

EVP CORPORATE DEVELOPMENT, DHL GROUP IN BONN:

- Designed and developed DHL Group Strategy 2025
- Creation and operationalization of Sustainability roadmap
- Restructuring of the Group profile Creation of DHL eCommerce
- M&A activities

2022 – Today

CEO DHL ECOMMERCE:

Strategy Limitless Growth creation and operationalization

MBA - Darden Graduate School of Business Administration - University of Virginia Born and raised in Argentina



DHL eCommerce: Trusted specialist for domestic and international parcel delivery



EXPRESS

Transport of urgent documents and goods as time-definite international shipments



GLOBAL FORWARDING, FREIGHT

International forwarding services for air, ocean and overland freight



SUPPLY CHAIN

Tailor-made logistics services and supply chain solutions based on warehousing, transport and value-added services



ECOMMERCE

Domestic last-mile parcel delivery across Europe, India, and the US; deferred cross-border services to, from and within Europe, as well as to and from the US



POST & PARCEL GERMANY

Transporting, sorting and delivering documents and goods in Germany and export to the rest of the world

GROUP FUNCTIONS

Corporate Center

Global Business Services

Customer Solutions & Innovations



PORTFOLIO BUILD-UP

- Expansion geographically, into fulfillment and e-com orchestration
- Optimized set-up in DHL Group structure

CLEAN UP AND COVID

- Restructuring and focus on domestic and deferred cross-border within DHI eCommerce
- Indirect cost optimization and simplification
- Exploiting tailwind of the pandemic

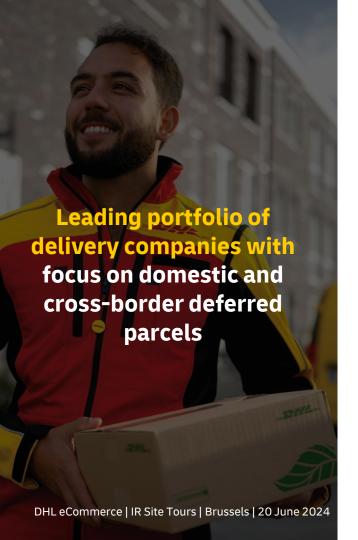
INVESTING FOR GROWTH

Building foundations for growth by investing in network infrastructure: hubs, facilities, fleet, lockers

MARGIN EXPANSION

- Productivity enhancements and increased utilization of assets
- Leverage volume growth and yield management





DHL eCommerce investment summary

Trusted specialists for domestic (outside of Germany) and cross-border deferred parcel delivery with focus on eCommerce, present in Europe, US and India and 2 cross-border lanes

1.6b parcels delivered in 2023. Parcel volumes* surged by >45% vs 2019, with >60% growth in B2C Europe eCommerce volumes

Growth acceleration after restructuring and COVID has led to sustainably higher EBIT and margin levels

Since inception proven track record within DHL Group with return on capital employed (ROCE) of >10%

Portfolio benefits from eCommerce tailwind and diverse geographical coverage Largest integrated out-of-home (OOH) parcel network in Europe with ~140k OOH points

^{*} Note: Figures adjusted for country exits, Central Functions, UK Mail (letters), US flats & Turkey





Pablo Ciano CEO

29 years of experience



YOUR HOSTS TODAY

Lee Spratt CEO DHL eCom

· 22 years of experience



Florian Bumberger CHRO

• 19 years of experience



Sebastian Paeßens CFO

• 23 years of experience



Ronald Leunisse

• 26 years of experience



Alex Schmitz-Hübsch SVP Market. & Commercial

20 years of experience



Wouter van Benten CEO DHL eCom BeNeLux

33 years of experience



Fiona Dalley CIO

• 28 years of experience



Ryan Hunter SVP Sales

20 years of experience

Our offer is focused on Europe, US and India



8 DOMESTIC CLUSTERS







CROSS-BORDER COVERAGE



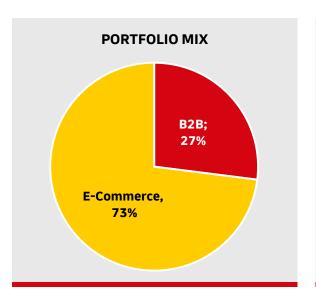


INTRA-EUROPE
Cross-border B2C and B2B offering

Our portfolio capitalizes on the structural trends in e-commerce, thereby fueling our organic growth

The global eCommerce market is projected to reach €5.7 trillion by 20281)

Our portfolio is highly exposed to structural e-commerce trends, that shows strong growth since 2019



PORTFOLIO GROWTH				
	DHL eCommerce	US	INDIA	EUROPE
Parcel volume	1.6b			
change vs '19 ²	+45%	+40%	+42%	+57%
Revenue	6315m €			
change vs '19	+56%	+90%	+42%	+59%
EBIT	292m €			
change vs '19	+672%	+823%	+255%	+327%

¹⁾ Source: Corporate Development – Strategic Market Intelligence; Euromonitor International 2023; Retail Value RSP (Retail Selling Price) incl Sales Tax, constant prices 2) Figures adjusted for country exits, Central Functions, UK Mail (letters), US flats & Turkey

We hold strong presence in the world's leading e-commerce markets

DOMESTIC PORTFOLIO DHL eCommerce Global Domestic Market ranking Profit pool CAGR eCom Unit e-com ranking markets 2023-28 penetration by volume ranking economics USA #5 2 6% 27% #3 Leader Niche **United Kingdom** 5% 29% #8 NA India 15% 8% #3 #1 Leader 13 BeNeLux 3% 20% #2 #1 Leader 16 Iberia 7% 12% #6 NA Average 17 Poland 8% 16% #5 NA Niche 20 Turkey 14% 16% #3 #2 Leader Czech Republic 28 5% 18% #1 #1 Leader

- Actual historic revenue CAGR (2019-2023) for e-commerce: 18%
- Expected market retail value CAGR by 2028: 7%¹⁾

Total DHL eCom portfolio

• 5 out of 8 clusters from our domestic portfolio are poised to grow faster

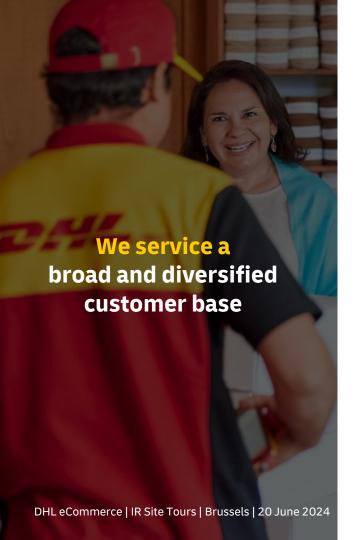
7%

CROSS-BORDER PORTFOLIO

- Leader in European cross-border market worth of ~€13b (B2C ~€7b and B2B ~€6b market)
- We are tapping into transatlantic
 eCommerce flows

Lane	Addressable e-commerce market volume ²⁾	Market share
Intra-Europe (incl. DE)	~€7b	~20%
Transatlantic	~€2.5b	NA

Source: 1) Corporate Development - Strategic Market Intelligence; Euromonitor International 2023; 2) McKinsey



We have a wide range of customers that we service across different market segments:

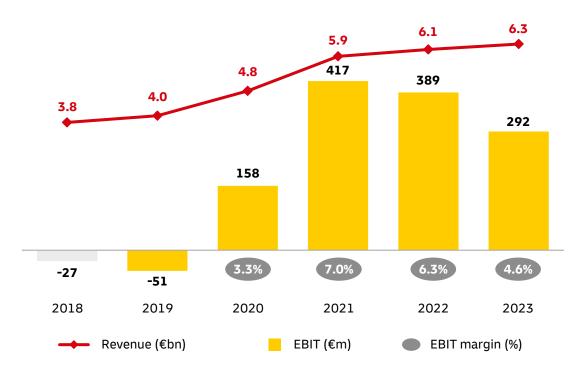
Brands

SMEs

Marketplaces

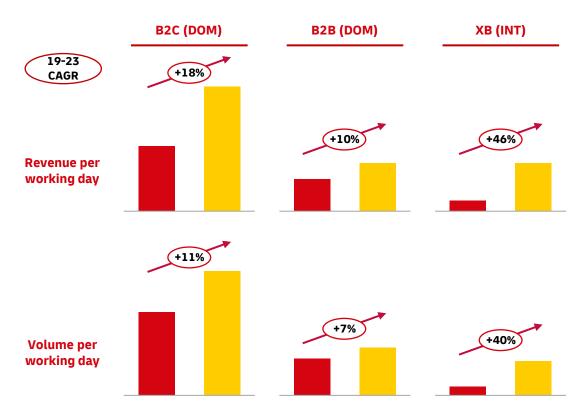




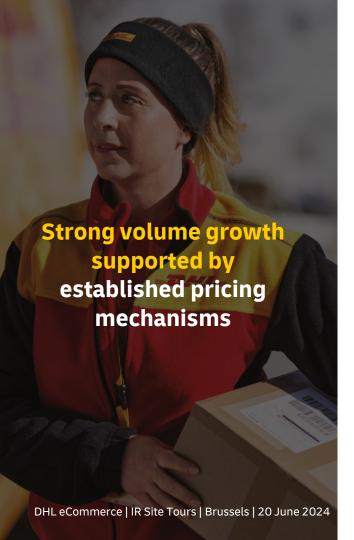


2018: P&P's subdivisions Parcel Europe and eCommerce





without inorganic effects of MNG Kargo acquisition





GENERAL PRICE INCREASE

Established annual process to cover cost inflation



SHIP-TO-PROFILE

Ensures planned GP is protected when customer has over-promised



RED YELLOW CARDS

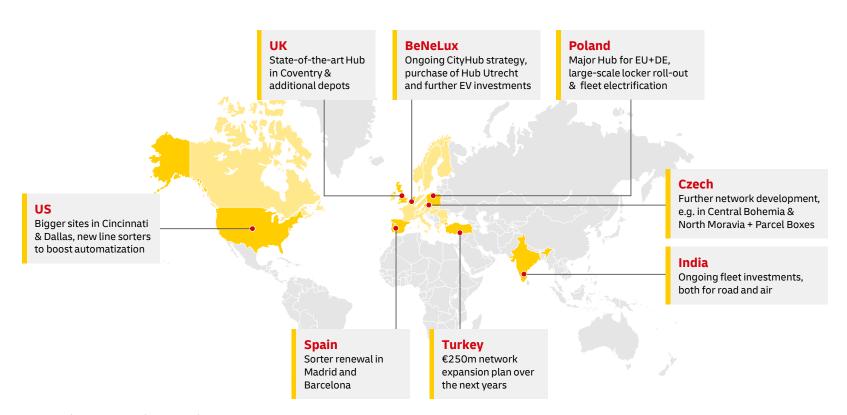
Ensures we fix lower profitable business to allow attractive selling rates for new business

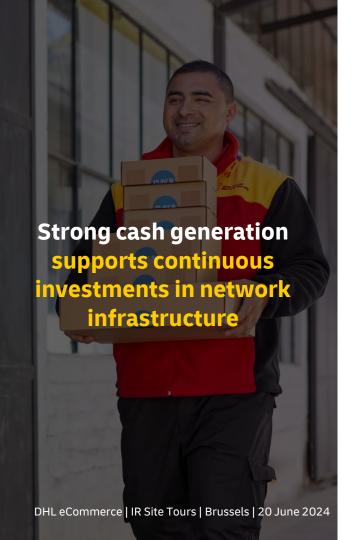


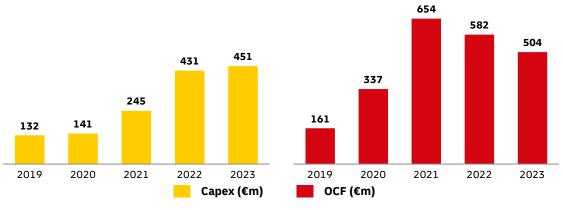
BILL IT ALL

Ensures we recover cost from extra activities we have to execute

Building foundations for growth by investing in network infrastructure







Figures without inorganic effects of MNG Kargo acquisition

Strong **OCF generation** supported by disciplined pricing and working capital policies

Maintaining solid **capital returns** (ROCE >10%) in predominantly self-financed growth investment phase

Continuous **investment** in network expansion to leverage structural growth trend

Opportunistic M&A approach in line with three Group criteria: option to accelerate path to network density and/or reach if strategic, financial & integration conditions attractive





Volume growth / Scale effects

- E-Commerce growth will continue to surpass GDP growth over the next years
- Further volume growth will lead to higher utilization of our network and provide us with attractive economies of scale effects



YIELD / Pricing

Consistently execute against our **pricing fundamentals**:

- GPI
- Ship to profile
- Red Yellow Cards
- Bill it all



Operational efficiencies

- Continue to deliver great quality at market competitive costs through investing in automation and constantly optimizing our countries operational models
- Strict overhead cost management while simultaneously remaining agile and innovative



Capital Discipline despite "Investing for Growth"

- Continuous network expansion driven by structural e-commerce growth
- Maintain solid capital returns and minimize FCF burden in investment phase
- Selective use of M&A in accordance with Group criteria

We know what it takes to run a successful e-commerce parcel delivery company

1

NETWORK DESIGN AND UNIT ECONOMICS:

- Hybrid network Dense network
- Flexibility capability to quickly adjust to volatile demand
- Unit economics Strong cost positioning in the market

2

DHL GROUP CAPABILITIES:

 Leveraging on Group network and capabilities 3

OUT-OF-HOME NETWORK:

 140k Out-of-Home points in Europe 4

CROSS-BORDER CAPABILITIES:

 High growth cross-border intra-Europe and transatlantic business

5

PRODUCT PORTFOLIO:

- Balanced product mix (B2B, B2C, INT) catering to specific market opportunities
- Domestic and unique offer of cross-border returns

6

STRATEGIC PARTNERSHIPS:

 Establishing partnerships with other participants of ecommerce value chain (carriers, marketplaces, 3PVs...) 7

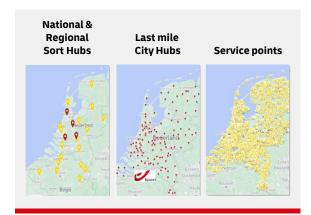
SPEED OF DIGITALIZATION:

 Digital touchpoints reduce direct and indirect cost per piece, while improving service 8

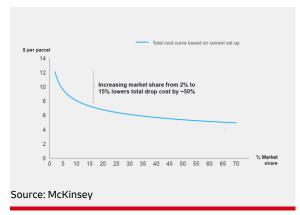
COMMITMENT TO SUSTAINABILITY:

- Decarbonization efforts with focus on road and real estate
- Creating a comprehensive portfolio of green products

Our sophisticated network design enables us to achieve flexibility and unit economics







NETWORK DESIGN

Our hubs, depots and service point coverage is designed to offer **maximal density**

With our network design we offer reliable service as we deliver on customer promise

FLEXIBLE FOR VOLUME VOLATILITY

We have an **optimal labor mix** –Temps, Contractors, Own Staff and Lifestyle Couriers

We are in close alignment with Unions, Councils, Ministry of Labor

UNIT DELIVERY COSTS

We achieve unit economics by:

- Having a competitive last mile labor model
- Capturing significant market share for increased density and reduced cost per stop

We contribute to the power of DHL Group and leverage its capabilities



AVIATION

• Express US flying eCom day definite domestic product

FACILITIES

- Joint investment with P&P and usage of International Hub in Poznan (PL)
- eCom sorts for P&P in Zaltbommel (NL)
- Supply Chain handling DHL eCom shipments in Return Hub





LINE-HAUL

• DHL Freight road and DGF air used for domestic and cross-border

LAST MILE

- P&P delivers for eCom in Germany
- eCom delivering for Express India

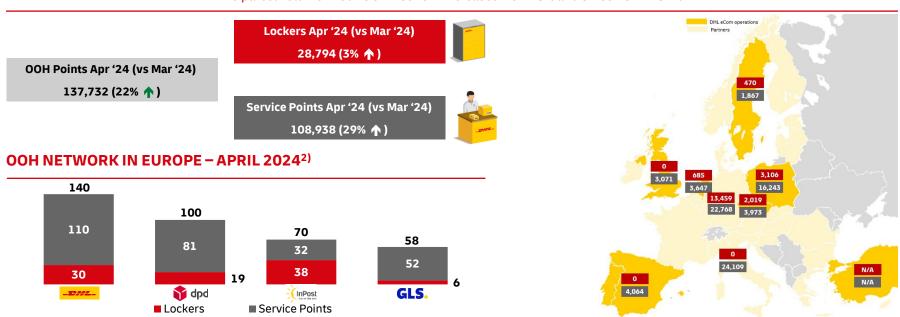
- Express Europe handling eCommerce shipments in various countries
- eCom is the last mile carrier for Supply Chain DHL Fulfillment network



We are building Europe's most extensive out-of-home delivery network to meet rising e-commerce trend of unattended delivery

The preference for Out-of-Home grows in Europe, with 72% of shoppers demanding the flexibility to change the delivery option¹⁾

The parcel volume in our OOH network increased YoY 25% and since 2019 139%



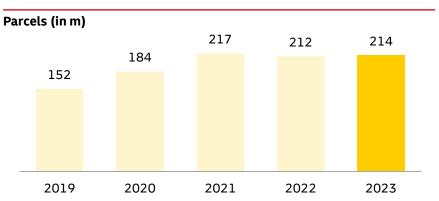
¹⁾ Source: DHL Online Shopper Survey 2023 2) InPost: Q1 2024 results presentation; DPD pick-up finder and country research; GLS OOH-Report (June 2023)

We are capitalizing on cross-border market that is predicted to soar to impressive \$1 trillion in 2030

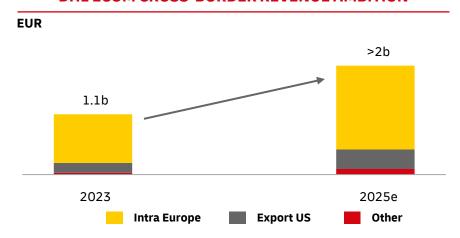
- Cross-border e-commerce growth is predicted to soar globally to \$1 trillion in 2030 1)
- Nearly half of European²⁾ have never purchased a product online from another country, implying significant potential for the European cross-border market

- In Europe we offer standard product differentiated by customer with a local 'flavor', where features depend on the preferences of recipients
- E2E network solutions as well as tailored, modular customer solutions for optimized operational flow (e.g., direct injection/return consolidation)
- Attractive transit times reaching neighboring & key markets within 2-3 days

DHL ECOM CROSS-BORDER GROWTH



DHL ECOM CROSS-BORDER REVENUE AMBITION

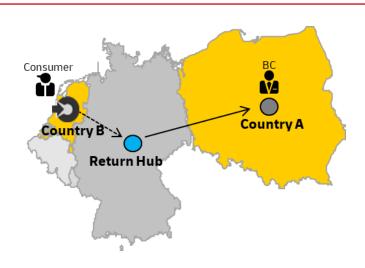


1) Source: McKinsey 2) DHL Online Shopper Survey 2023

We are revolutionizing the returns process with our domestic and crossborder offerings

Estimated addressable cross-border e-commerce returns within Europe ~EUR 1.1bn1)

CROSS-BORDER RETURNS



- We offer returns products in domestic and cross-horder markets
- Key levers that contribute to our return product growth:
 - Consolidation
 - Marketplaces
 - OR/ Label-less
 - High density return drop network of ~140k
 OOH points

¹⁾ MI study 2021, validated with recent McK research



We accelerate our domestic and cross-border growth through strategic partnerships

Together with other participants in the e-commerce value chain, including carriers, marketplaces, and 3PVs, we're joining forces to **seize market opportunities more swiftly**

Locker network development with Cainiao (logistics arm of Alibaba)

CAI N!AC

European Partnership with Austrian Post



Connecting Italy with rest of Europe with Poste Italiane

Posteitaliane

Enabling cross-border delivery for SMEs out of US with Global-e and Shopify







We invest in digital touchpoints for better service and lower costs



SHIPPERS

Self onboarding

Labelling

Tracing

Reporting

Ecommerce plugins

API Gateway



COURIER & PARTNERS

Onboarding

Training

Communication

Planning

On route

Machine Learning

Al route planning



UNATTENDED DELIVERY

Over the Counter (OTC)

Pintless shipping

Unarnnounced returns

Self Service Shipping point



CONSUMERS

Booking

Receiver preferences

Interventions (Time & Day)

Push notifications

Chatbot



SUPERVISOR & TERMINAL HANDLING

Manage couriers

Manage linehauls

Manage damages

View KPI's

Yard management

Sorting & Planning



We are committed to offer decarbonized services

More than 70% of global shoppers said that sustainability is important to them when they shop online and almost half would be prepared to wait longer for their goods if it would help the environment. 1)

- We focus on decarbonizing our:
 - Last-mile 2.6k electric vehicles
 - Line-haul invest in **sustainable bio-fuel**, like bio-LNG in UK, HVO in NL
 - Aviation **fuel saving** practices in our India fleet
 - Real estate 100% green electricity and all new buildings Carbon Neutral





- We aim to have a commercial proposition that reflects our decarbonization efforts by offering:
 - Customer Carbon reporting both for domestic and cross-border
 - GoGreen Plus first insetting pilot launched in NL
 - Customized solutions for large customers

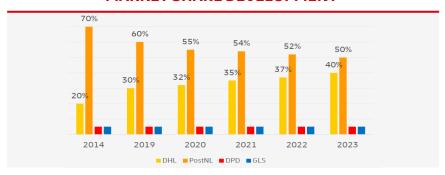
¹⁾ Source: DHL Online Shopper Survey 2023

Lighthouse example: BeNeLux

E-commerce market growth of BeNeLux is estimated to continue, fueled by further e-commerce penetration that is currently at 20%

- DHL eCom in BeNeLux is on a journey to reach the number one position in the market.
- With a unique network set-up of Regional and City Hubs, we have:
 - Superior product portfolio and service quality
 - Leading unit cost
 - Flexibility to answer to volume volatility

MARKET SHARE DEVELOPMENT



NETWORK DESIGN

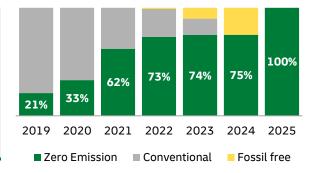


- Split OB & IB operations
- 131 CityHubs
- · Large Cities have Multiple Hubs
- Short Routes (30
- 40 Stops per Hour
- Low Cost per stop
- · Small & Flexible



✓ Decarbonized last mile

- The largest parcel e-fleet in Netherlands, with over 2500 routes
- By 2025 the whole fleet will be electric or with biofuels (including Service Partners*)

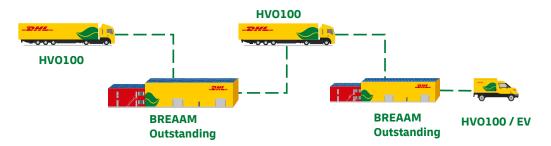


Decarbonized last mile

Customers have access to a digital carbon report

Customized solutions for large customers

eCom helped a big fashion brand in Netherlands achieve 100% fossil-free shipping



Lighthouse example: India

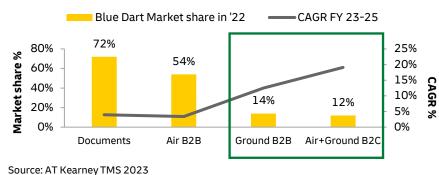
Market growth in the ground segment accelerated by significant government investments in road infrastructure

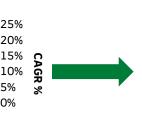
- DHL eCom in India is under the strong domestic 'Superbrand' Blue Dart
 - With a fleet of 8 aircraft, Blue Dart is in a unique position to deliver on their customer promises
 - Network expansion and automation to meet the demand for ground services and maintain a market-leading position in air products

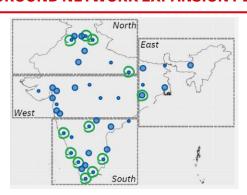


MARKET VIEW

GROUND NETWORK EXPANSION PLAN







odice. At Reathey 1143 2023

Lighthouse example: Turkey

Market growth in Turkey is fueled by B2C growth expected at CAGR to 2028 +17%

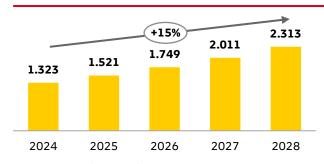
- DHL eCom in Turkey is under the local brand of MNG Kargo specialized in domestic B2C.
- · Key features that will ensure future growth:
 - Market Growth

Investment in capacity

Leading unit cost position

Cross-border connection

MARKET GROWTH FUELED BY B2C



2023-2028 CAGR
C2X +4%
B2B +4%
B2C +17%
OVERALL +15%

CAPACITY EXPANSION PLAN

Increasing capacity with €250m investment:

2023 2027

732 kPPD = 1.27mPPD



Source: E&Y Parthenon and Management



MID-TERM MARKET OUTLOOK

Market volume growth assumptions

5 – 10% Market Growth Strong, heterogeneous growth across domestic and cross-border e-commerce markets

Expected growth vs. market



FASTER THAN MARKET

Supported by continued strong yield discipline

CAPEX OUTLOOK

Market volume growth assumptions

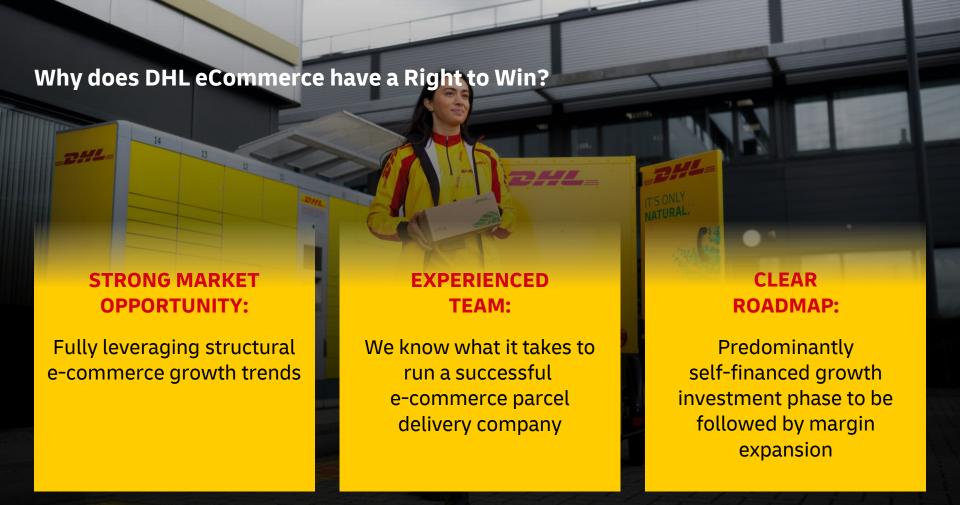
300-500 m€

Continuous investments along whole value chain: fleet replacement, network expansion, digital platform, machinery and equipment in hub and depots

EBIT OUTLOOK

EBIT Margin

- 2022-2025: Stable at 4-6% in investment phase
- 2026-2030: margin expansion to mid- to high-single digit %





THANK YOU