We have reached a new performance level and are delivering stronger than ever.

ON A NEW LEVEL

TIM SCHARWATH
CEO DHL GLOBAL FORWARDING, FREIGHT

DOMINIQUE V. ORELLI
EVP GLOBAL OCEAN FREIGHT, DHL GLOBAL FORWARDING

THOMAS MACK
EVP GLOBAL AIRFREIGHT, DHL GLOBAL FORWARDING

13 June 2022
DHL Global Forwarding, Freight: Leading market position in global air & ocean freight and European road freight

DHL Global Forwarding, Freight investment summary

- **Asset-light business model**: Global presence in >150 countries with around 45,000 highly qualified employees

- **Market potential continues to be attractive**: Addressing international supply chain disruptions (short- to mid-term) and above market growth potential in line with global trade developments (long-term)

- **Investments into state-of-the-art IT systems**: Driving increased operational efficiency and enhanced customer experience

- **Sustainably higher GP/EBIT conversion** and EBIT margin levels expected

- **New sustainable product offers**: Launched in 2021 & 2022
EMPLOYER OF CHOICE

- Certified as Top Employer and Great Place to Work in 35 and 17 countries respectively in 2021
- Employee Opinion Survey (EOS) continues to be strong with scores >80 for Employee Engagement (+8pp. vs 2019)

PROVIDER OF CHOICE

- Digitalization roadmap includes significant enhancements in customer experience (myDHLi, Saloodo!)
- Net Promoter Score continues to steadily increase (2021: 56, 2019: 46)

SUSTAINABLE DEVELOPMENT

- Launched series of sustainable transport solutions, e.g. by using rail and sustainable air and marine fuels

INVESTMENT OF CHOICE

- Record DGFF EBIT of €1.3bn in 2021 successfully leveraging challenging freight market conditions
- DGF GP-EBIT conversion at 35%
DHL Global Forwarding: Sustainably higher conversion rate of 35+%

DGF divisional conversion rate development 2017-2022 Q1

Key levers to make conversion rate improvement sustainable

Gross Profit
Operating Costs
Overhead Costs
EBIT
DHL Global Forwarding: New operations back-end sets foundation to realize benefits from digitalization

Legacy back-end system replaced in record time setting the foundation to continuously optimize the business

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Started</strong></td>
<td><strong>Started</strong></td>
<td><strong>Accelerated</strong></td>
<td><strong>Completed</strong></td>
<td><strong>Completed</strong></td>
</tr>
<tr>
<td><strong>Global TMS</strong></td>
<td><strong>Global TMS</strong></td>
<td><strong>rollout</strong></td>
<td><strong>rollout</strong></td>
<td><strong>rollout</strong></td>
</tr>
<tr>
<td>(CargoWise One)</td>
<td><strong>rollout for</strong></td>
<td><strong>by introducing</strong></td>
<td><strong>for</strong></td>
<td><strong>for</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Ocean</strong></td>
<td><strong>an agile</strong></td>
<td><strong>Airfreight</strong></td>
<td><strong>Ocean</strong></td>
</tr>
<tr>
<td></td>
<td><strong>freight</strong></td>
<td><strong>deployment</strong></td>
<td></td>
<td><strong>freight</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>approach</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Benefit realization (exemplary)**

**Already established:**
- Enhanced customer, vendor, carrier and customs integration
- Automated data & timestamp entry
- eDocument library & storage
- Auto-Rating & Auto-Costing functionality
- Full financial & operational transparency
- Harmonized reporting

**Planned/ in development**
- Modernization of indirect function systems
- Standardized and efficient workflows across the network
- Higher data quality and master data integrity
- Further process automation and system integrations, e.g. quote requests
DGFF offers solutions for all shipping needs, including Air, Ocean, Road and Rail, to boost the collaboration with our customers, colleagues and partners:

- Easy to use with fast and accurate information at all times
- Full visibility over the shipments

myDHLi developed as a one-stop-portal for customers with continuous enhancements to offer innovative functionalities and features

- Higher ETA quality and reliability for Ocean Freight shipments
- Improves ETA prediction up to 48%

Latest enhancements

1. Reporting + Analytics
   - GoGreen

2. Smart ETA
   - Latest enhancements
Key levers to make divisional conversion rate improvement sustainable and maintain a DGF conversion of 35+%

Gross Profit optimization

Operating costs reduction

Structural costs reduction

Profitable Growth
- Sector-specific solutions
- E-commerce
- Stronger penetration of selected local markets

AFR shipment consolidation
- Hub & Gateway strategy
- Standardized global operating model

OFR trade & commodity mix
- Dedicated tradelane focus
- J.F. Hillebrand acquisition

Automation
- Further elimination of manual processes like data entry
- Further system integrations, e.g. increasing API usage

Standardization
- Rollout of global operating model on local level incl. standardized approach to offshoring

Scaling
- Scaling of global IT applications for maximum leverage

IT renewal and related benefit realizations through automation, standardization and scaling also in indirect functions incl. HR, IT and Sales
- Continuous review and streamlining of global, regional and country overhead structures
Market expectations post-COVID: Supply chain predictability to remain low

**World Container Index (WCI)**

Source: Drewry, in USD/40ft container, including BAF & THC both ends, 42 individual routes, excluding intra-Asia routes. Surcharges related to e.g. equipment & space availability are not reflected in WCI & SCFI.

**Ocean Schedule Reliability (%)**

Source: Sea Intelligence

#### Market Outlook

- Temporary volume peak expected after Shanghai re-opening.
- US demand expected to remain solid.
- EU market impacted by inflation and Ukraine crisis.

#### Market Environment

- Low schedule reliability
- Sudden COVID constraints
- Port congestions
Ocean Freight: Selective approach to maintain growth path and contribute to 35+% divisional conversion rate for DGF

- Increased margins due to clear **customer segmentation** and focused **trade lane selection**
- Leverage our leading market position to conclude **long-term capacity agreements** with Ocean Carriers
- Favorable **freight rate negotiations** possible because of our extensive global coverage
- Ability to offer **fully integrated solutions** end-to-end within own network
- DHL cross-divisional cooperation allows for a **holistic and comprehensive customer approach**
- **Sector specific value propositions** provide a tailor made solution to all industries

**Gross Profit optimization**

**Operating costs reduction**

- **Enhanced data visibility and quality** through our operating system and interactive tools
- **Higher productivity** thanks to process automation and optimization
- **Operational excellence** supported by state of the art systems, management tools and training
Hillebrand acquisition was finalized, significant integration progress achieved since the deal closing

Great strategic fit

Financially attractive

Integration well under way

Hillebrand is a full service ocean freight forwarder with a focus on logistics for Beer, Wine, Spirits and Bulk commodities in Flexitanks and ISO tank containers and complements DHL’s subsidiary Gori

- Acquisition finalized on 23rd of March at an equity value of €1.5bn
- **100 % ownership** by DHL Global Forwarding, Freight
- Hillebrand and DHL’s subsidiary Gori will serve as experts for logistics of beverages, beer, wine and spirits under joint **brand ‘Hillebrand Gori – a DHL company’**
- **Hillebrand Bulk business** (i.e. flexitanks, ISO tanks) will be transitioned under DHL brand **umbrella**, focusing on industrial commodities & foodstuff
- **Synergies developing as expected** e.g., in the context of joint procurement

>€100m EBIT (FY21)
90+ Countries of presence
2700+ Employees globally

Hillebrand is a full service ocean freight forwarder with a focus on logistics for Beer, Wine, Spirits and Bulk commodities in Flexitanks and ISO tank containers and complements DHL’s subsidiary Gori

Financially attractive

- >€100m EBIT (FY21)
- 90+ Countries of presence
- 2700+ Employees globally

Great strategic fit

Integration well under way

Hillebrand is a full service ocean freight forwarder with a focus on logistics for Beer, Wine, Spirits and Bulk commodities in Flexitanks and ISO tank containers and complements DHL’s subsidiary Gori

Financially attractive

- >€100m EBIT (FY21)
- 90+ Countries of presence
- 2700+ Employees globally

Great strategic fit

Integration well under way

Hillebrand is a full service ocean freight forwarder with a focus on logistics for Beer, Wine, Spirits and Bulk commodities in Flexitanks and ISO tank containers and complements DHL’s subsidiary Gori

Financially attractive

- >€100m EBIT (FY21)
- 90+ Countries of presence
- 2700+ Employees globally

Great strategic fit

Integration well under way

Hillebrand is a full service ocean freight forwarder with a focus on logistics for Beer, Wine, Spirits and Bulk commodities in Flexitanks and ISO tank containers and complements DHL’s subsidiary Gori

Financially attractive

- >€100m EBIT (FY21)
- 90+ Countries of presence
- 2700+ Employees globally
AIR FREIGHT
Providing our customers with solutions leading to strong financial results supported by high yields

Market expectations post-COVID: Capacity expected to remain tight while global AFR market expected to continue its historic growth path

**Capacity Development**

- Disruptions in Ocean Freight market expected to continue
- Demand expected to outstrip supply through 2030
- Given demand vs. supply imbalance, rates to stay at high levels through 2023-2024 (e.g. TransPac / AP<->EU)

**Demand Development (YoY % Growth)**

- Limited new capacity until 2025: PAX capacity not expected to return to 2019 levels before 2025
- Capacity cuts due to sanctions and RU Airspace closure (impact on transit time)
- Production capacity for large freighters limited; new aircraft orders low vs. 2019

**Market Environment**

**Market Outlook**

- Disruptions in Ocean Freight market expected to continue
- Demand expected to outstrip supply through 2030
- Given demand vs. supply imbalance, rates to stay at high levels through 2023-2024 (e.g. TransPac / AP<->EU)
DHL Global Forwarding, **Air Freight**: Automation, standardization and upscaling IT benefits as key levers for sustainable contribution to 35+% DGF conversion rate

- Optimize our **global Hub and Gateway Network** to improve our consolidations and continue to **optimize our cargo routing** enabling centralized capacity procurement and maximizing utilization
- Long-term capacity agreements with our preferred carriers and **close cooperation** and capacity planning with **DHL Aviation**
- Principal of **one-file one-operator** and entrepreneur within a network will continue to improve customer satisfaction
- Maximizing **digital opportunities** within our key operational process to offer better visibility and ensure first class quality to our customers (e.g. RFID labels)

---

**Gross Profit optimization**

---

**Operating costs reduction**

- Upscaling the benefits of one system to standardize our operational processes; implementation of one global target operating model will assure high efficiency across our network
- **Automation of various tasks** (example: auto-rating, booking and costing) will continue to improve productivity and quality
**FREIGHT**

Strong focus on pricing and customer centricity drives best performance and service experience.

---

**Pricing initiatives to protect and further improve EBIT margin**

### Various factors intensify ongoing price pressure

- EU Mobility Package
- Fuel price
- Capacity Shortage
- Labor cost
- Geopolitical tensions
- COVID-19

### Pricing initiatives to cover the price increases

**General Rate Increase (GRI) / surcharge campaign**

- Annual GRI with additional extraordinary GRI conducted in 2022

**Fuel surcharge measures**

- Adjustment of fuel floater methodology with predominantly monthly frequency

---

**Additionally, we leverage our Efficient Network to ensure high quality service:**

1. **Invest** into our [European network](#) to strengthen our footprint
2. **Focus on Quality Management**
3. **Building up respective skills** to establish a strong [workforce](#)
4. **Continue** successful rollout of [digitalization agenda](#), particularly the new Transport Management System (EVO)
DHL Global Forwarding, Freight: Introducing new services as part of our Sustainability agenda

GoGreen: Offering sustainable transport solutions for all core products

Ocean Freight

- **Sustainable Marine Fuels**
  - For less-than-container load, launched in Jan. 2021
  - For full-container load, launched in Jun. 2021

Air Freight

- **Sustainable Aviation Fuels**
  - Launched in Feb. 2022

Road Freight

- **Insetting Solution**
  - Long established in Sweden, relaunch as Skicka Grönt
  - Rollout in further countries, planned in 2022

Rail Freight

- **DHL Railnet**
  - Offered for rail & intermodal shipping

What’s more?

1. **Collaborate with like-minded industry partners**
   - Strong industry partnerships and annual carrier certification

2. **Form a strong team of Certified GoGreen Specialists**
   - As part of our DNA, the Groups Certified program is leveraged to embed the knowledge
   - Over 50% of employees from DGFF have had foundation training
DHL GLOBAL FORWARDING, FREIGHT

FINANCIAL OUTLOOK

Market

Market growth
Expected to be around GDP growth for Air, Ocean and Road Freight

Expected growth vs. market

 ABOVE
Aligned with unchanged focus on GP optimization and profitable growth

Capex Outlook

 Flat / slightly increasing from FY21 levels (€132m)
 Asset light business model: Selected investments related to warehouses, sites and IT

EBIT Outlook

 Absolute GP to fluctuate in fairly narrow range around 2021 levels
 DGF GP-EBIT conversion rate of 35+%, supported by sustainable continuous improvement
 Increase Freight EBIT margin to over 3.5%