Deutsche Post DHL Group

Investor Call Q4/FY 2019 RESULTS

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Melanie Kreis, Group CFO

10 March 2020

Deutsche Post DHL Group

Agenda

2019 Highlights

2019 Financials

Strategy and Outlook

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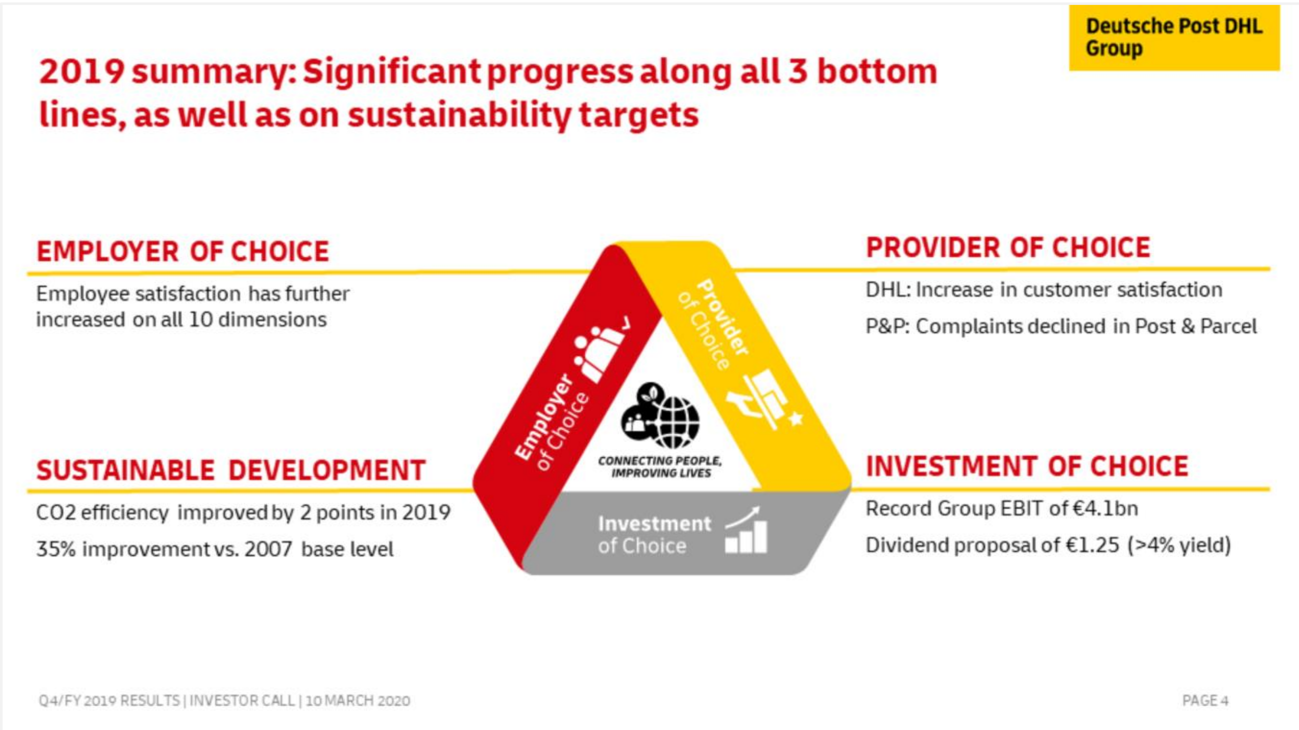
DPDHL Group: Where We Stand Today

- **DPDHL Group is in the best shape ever, as confirmed by record 2019 numbers**
- **2020 uncertainties have been taken into account in guidance update (Feb 28^{th})**
- **Clearly defined strategic (Strategy 2025) and financial targets (FY 2022)**

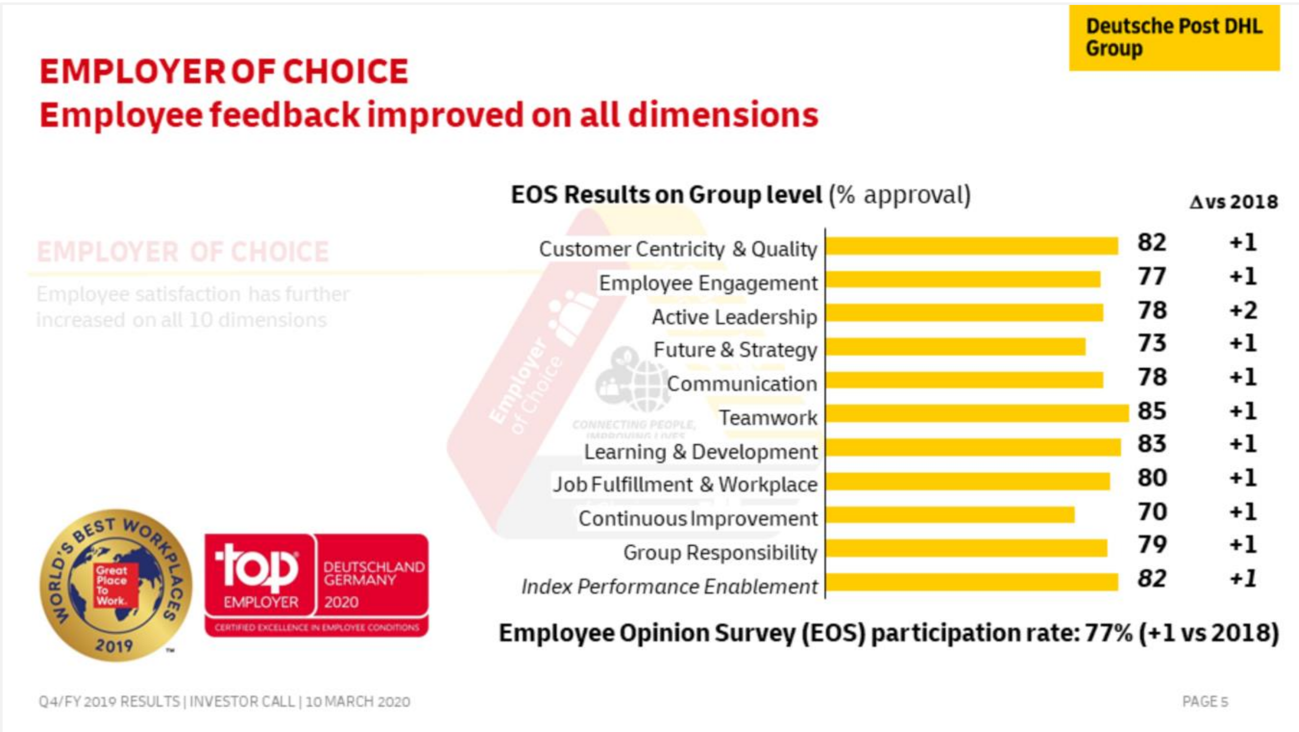


Management Comments:

We have a well established Company Purpose ("Connecting People, Improving Lives") which is translated into daily management, among others, through the virtuous circle of our three bottom lines: Highly motivated people provide excellent service, excellent service leads to highly satisfied customers and happy customers do more business, which ultimately drives an attractive performance for our shareholders.

Sustainable development is also an integral part of our strategy as we are aware of the responsibility that we have globally.

2019 has shown good further progress on all these dimensions, see next pages for detail.



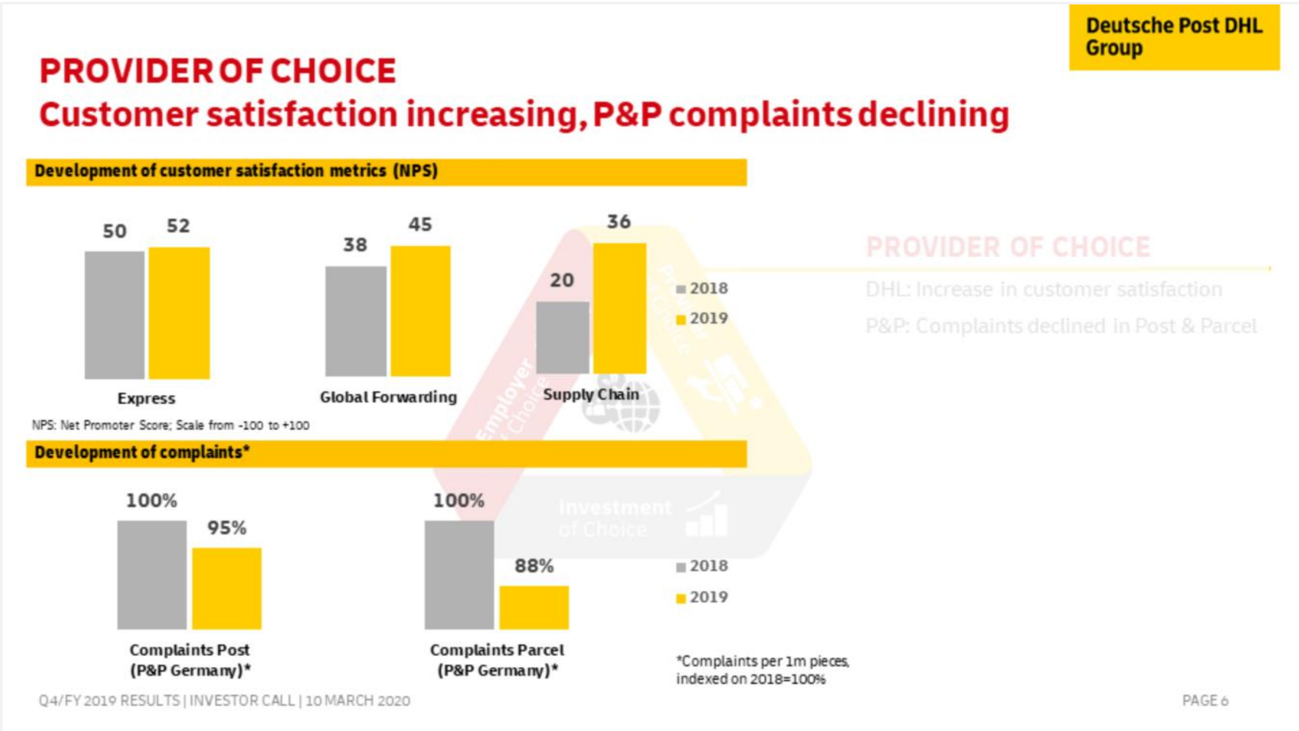
Management Comments:

Our annual EOS (Employee Opinion Survey) is the key channel for measurement of employee feedback and as such also a compulsory metric of Board and broader management remuneration.

In 2019, 77% of all employees around the world took part in this Group-wide survey (+1 percentage point vs 2018).

In terms of feedback, employee satisfaction has increased on all 10 dimensions.

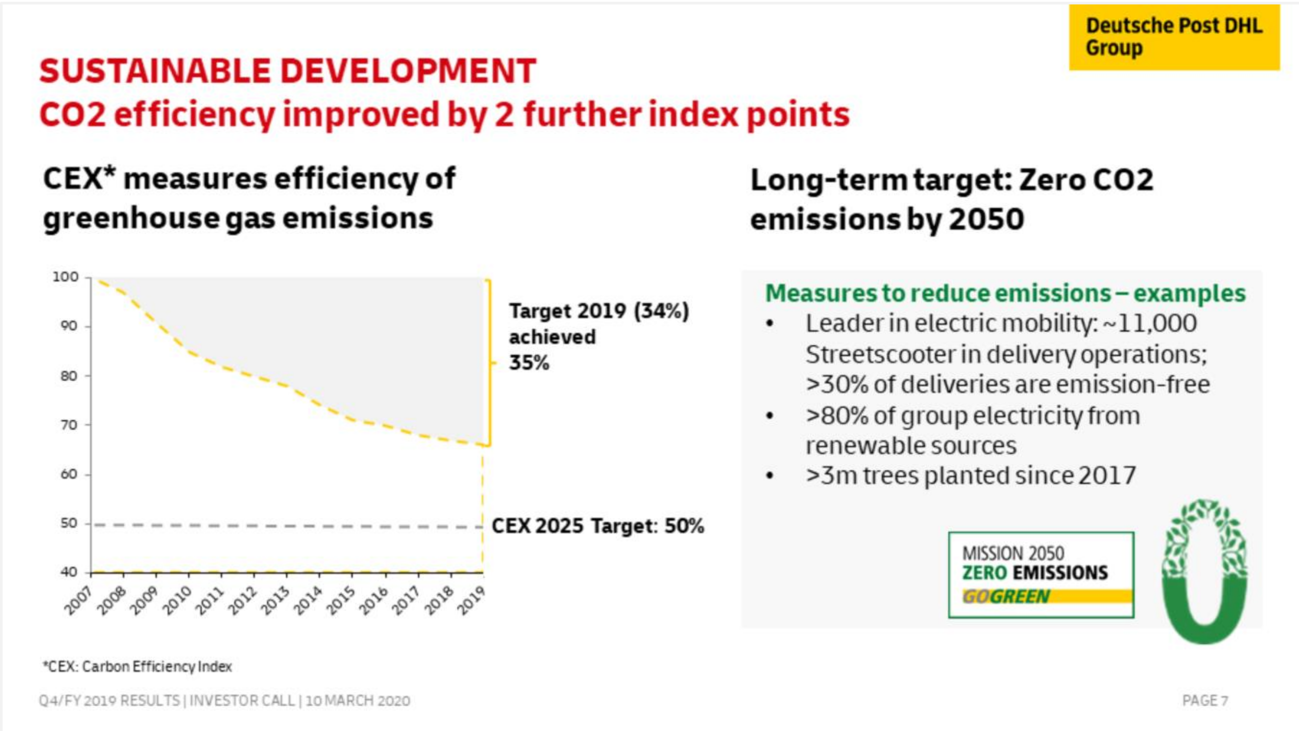
Clearly, employee satisfaction is crucial to retain and attract best talents as a basis for our long-term success.



Management Comments:

Our goal to achieve best-in-class customer satisfaction is, among others, evaluated through a Net Promoter Score Approach, which measures "detractors" vs "promoters" on a -100 to +100 scale. Our three large DHL divisions achieved strong and improving scores on that metric.

Better network planning and investment in training and additional infrastructure are also showing results in our P&P Germany division, where complaints for both Post and Parcel reduced significantly in 2019.



Management Comments:

Reducing utilization of fossil fuels and promoting the use of alternative fuels/energies in our fleets and buildings are at the heart of our Group-wide GoGreen program.

We have been tracking our CO2 emission since 2007 through our CEX (Carbon Emission Index).

In 2019, the CEX improved by 2 index points yoy to now 35% better efficiency vs. the 2007 base year. The share of Green Electricity increased by 5.3% to 82.8%.

Our long-term aim stands unchanged for zero emissions by 2050. This is supported by a very broad range of measures, from short-term offsetting measures like tree planting to supporting long-term technological solutions for carbon free transportation, like synthetic fuels.

Of course, the StreetScooter investment has made a significant contribution towards establishing DPDHL Group as a leader in e-mobility with ~11,000 StreetScooter deployed in daily delivery operations today. Not at least through the ramp-up of StreetScooter, we are nearly halfway through our intermediate 2025 target of operating 70% of our own first and last mile services with zero-emission solutions.

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INVESTMENT OF CHOICE
Delivering on 2019 financial guidance

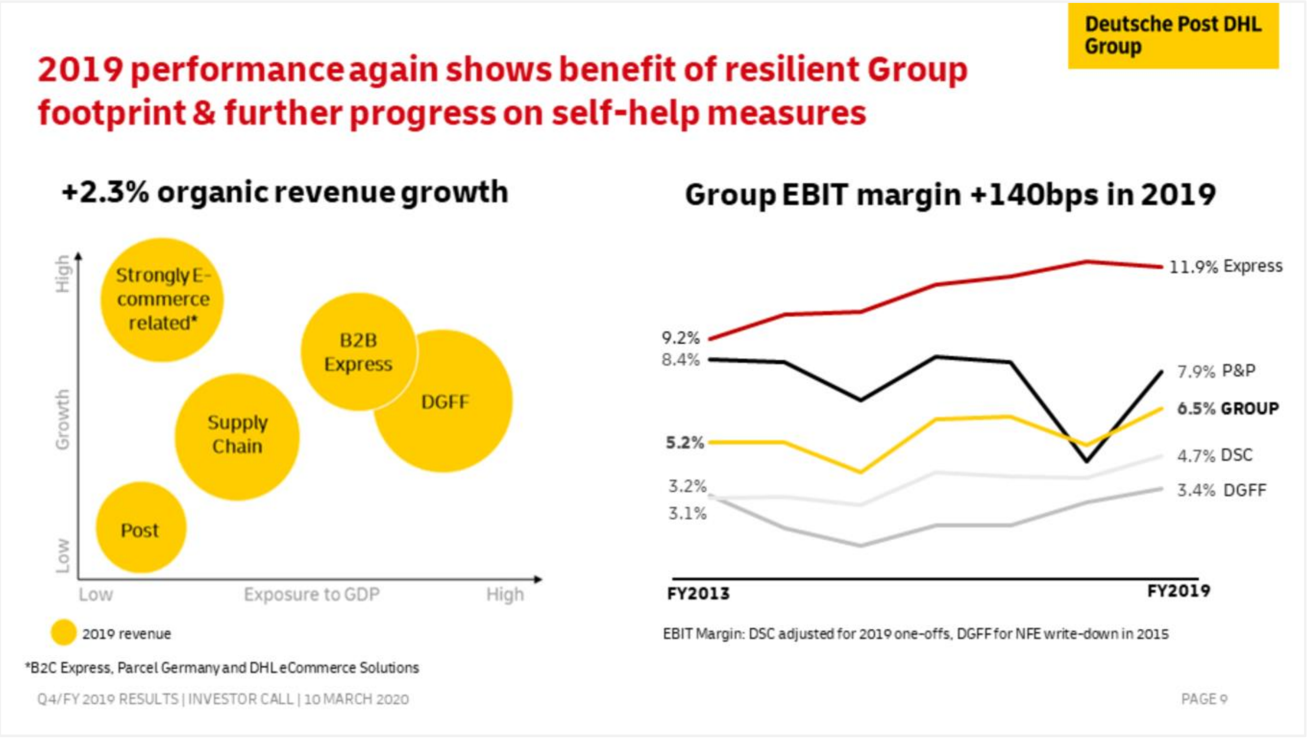
in €bn	2019 Guidance	2019 Actuals	
Group EBIT	4.0-4.3	4.128	✓
P&P Germany	1.1-1.3	1.230	✓
DHL	3.4-3.5	3.420	✓
Corporate Functions / Consolidation	-0.5	-0.523	✓
Group FCF	>0.5	0.867	✓

Management Comments:

Regarding the Investment of Choice bottom line: Our 2019 results show that we have fully delivered on our financial guidance.

Free Cash Flow exceeded the minimum target substantially.

For further details on 2019 financial performance, see next pages and CFO section.



Management Comments:

This slide summarizes why DPDHL is in a strong shape today – irrespective of any external market factors outside of our control.

We have a clear logistics focus with market leading positions in all activities. This sets the base for resilient and sustainable topline growth and also allows us to weather any external issues relatively well.

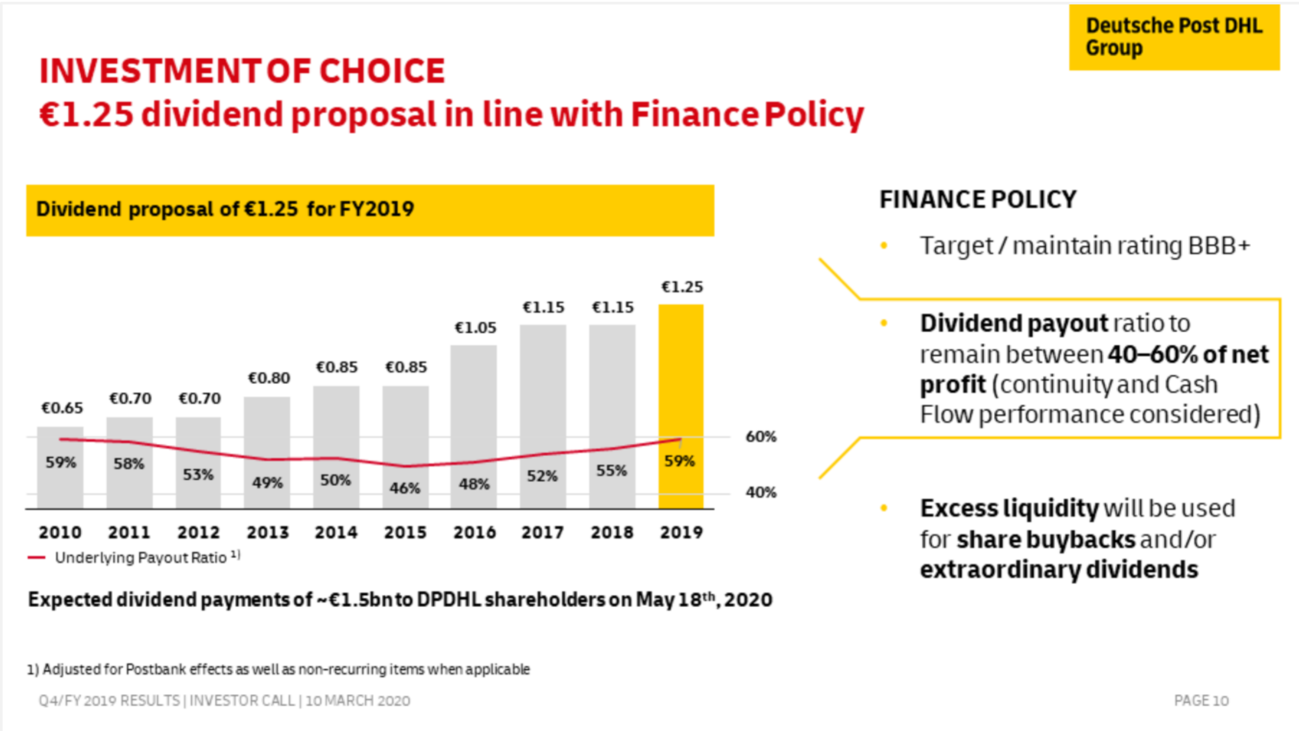
Group EBIT margin increased by 140bps in 2019 – or +30bps when adjusted for one-off effects. By division:

- P&P Germany is recovering towards ~10% margin target for 2020
- Express maintained margin at a strong 12% despite H1 profits that were held back by the heavyweight campaign
- DGFF & DSC both set new record margin levels in 2019
- DeCS is well on track towards its target of 2020 profits

Management Comments:

Dividend proposal to the AGM on May 13th: Dividend increase of 9% to €1.25.

In line with our Finance Policy, this implies a 59% payout ratio on adjusted net profit and once again shows our commitment to translate our improving operating performance into an adequate development of shareholder returns.



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2019 Group P&L

in €m	FY 2018	FY 2019	vs. LY
Revenue	61,550	63,341	+2.9%
EBIT	3,162	4,128	+30.6%
Financial result	-576	-654	-13.5%
Taxes	-362	-698	-92.8%
Consolidated net profit*	2,075	2,623	+26.4%
EPS (in €)	1.69	2.13	+26.0%

*after minority interest

Management Comments:

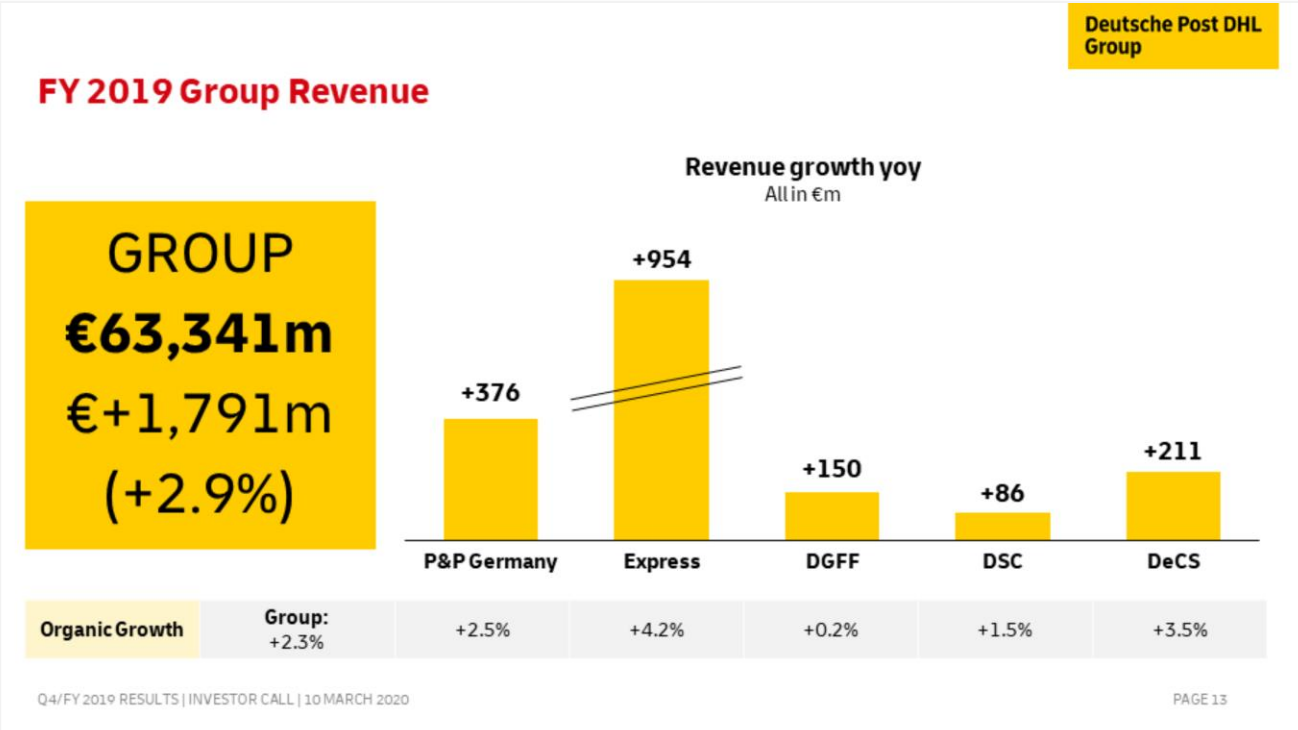
2019 P&L, major developments to highlight:

Revenue: Organic Group revenue growth of +2.3% after adjustment for FX and M&A (mainly DSC China disposal). Q4 organic revenue growth flat at -0.2% due to weak air and ocean markets and higher revenue from real estate projects in DSC in Q4 2018.

EBIT increase driven by good operating performance as well as a base effect from €-486m one-offs charges in 2018 versus a net positive from disposal gains and restructuring charges of €+202m in 2019 (+7.6% excl. one-offs).

Financial result increased mainly due to mark-to-market of stock appreciation rights and higher lease liabilities.

Increase in taxes reflects significantly higher taxable income as well as expected higher tax rate of 20% vs. exceptionally low 14% in 2018.

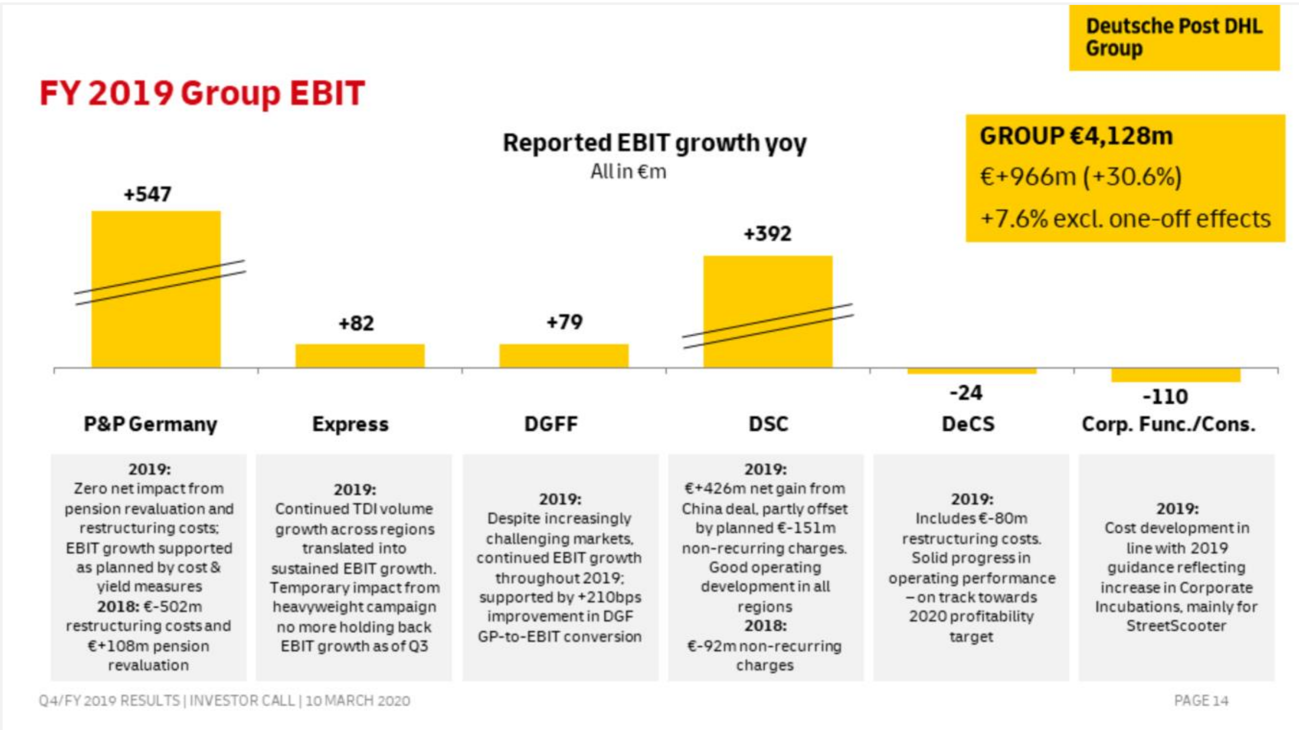


Management Comments:

2019 has again shown the benefit of our very well diversified global footprint.

Group organic revenue growth in FY 2019 was +2.3%, in an environment marked by limited macro tailwind and trade war uncertainty.

- P&P Germany: Strong top line growth was driven by the renewed focus on yield management in parcel and letter price increases as of July 1st
- Express: Revenue continued to be well supported by solid TDI volume growth throughout the year
- DGFF has seen slowing momentum with an organic decline in Q4 reflecting more challenging markets
- DSC delivered solid and resilient growth, with organic decline in Q4 reflecting timing of real estate projects
- Organic growth in DeCS was held back by portfolio adjustments



Management Comments:

Organic revenue growth of +2.3% was the basis for a significant increase in EBIT of 30.6%. Adjusting for one-off effects, operating improvements in each division drove a 7.6% EBIT increase in 2019.

As explained in our Q3 communication, we had positive EBIT effects from pension revaluations in Q3 and Q4 2019. The vast majority of these effects was related to P&P (€234m) and has been fully offset by additional cost measures so that the net impact on P&P was zero, leaving a small net positive EBIT effect of €+7m on Group level for FY 2019.

- P&P Germany: EBIT excl. one-offs was up 14.2% with contributions from yield, overhead and productivity measures
- Express: EBIT increase driven by volume and revenue growth in TDI; EBIT up +9% yoy in H2
- DGFF: Further double-digit EBIT growth with internal measures driving GP/EBIT conversion improvement
- DSC: China disposal gain, as guided, is partly utilized for restructuring charges, mainly in UK. Strong operating performance is visible across regions and UK showed recovery
- DeCS: Strong progress in operating performance puts division well on track towards delivering its first divisional profit expected in 2020

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Q4 2019 Summary
Group revenue -0.2% organic, EBIT +6.7% excl. One-offs

in €m

	Revenue		EBIT	
	Q4 2019	yoy	Q4 2019	yoy
DPDHL Group	16,956	+0.2%	1,258	+10.9%
P&P	4,290	+2.4%	522	+40.3%
Express	4,643	+5.0%	611	+7.2%
DGFF	3,854	-3.7%	173	+7.5%
Supply Chain	3,571	-4.6%	177	-3.8%
eCommerce Solutions	1,087	+2.1%	-11	-83.3%
Corporate Functions / Consolidation	-489	+1.4%	-214	-45.6%

Management Comments:

Q4 organic revenue growth flat at -0.2% due weak air and ocean markets and higher sales from real estate projects in DSC in the previous year.

EBIT development by division:

- P&P Germany: EBIT excl. one-offs was up by €91m (+21%), very good peak season performance with focused volume/yield discipline in parcel
- Express: Q3 turnaround continues in Q4 as capacity, which was freed up by the heavyweight campaign, filled up
- DGFF: Internal measures helped driving EBIT growth despite weak air and ocean market development and a weaker GP
- DSC: EBIT development yoy impacted by different phasing of real estate projects vs. Q4 2018; continued good operating performance across all regions
- DeCS: Q4 EBIT includes €25m restructuring charges, hence on track towards positive EBIT contribution for 2020
- Corp. Functions: Higher costs mainly reflect StreetScooter related expenses

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P&P Germany: 2019 revenue development supported by yield measures in Post and Parcel

Q4 2019 yoy	Volume	Revenue
Mail*	-3.1%	-1.8%
Parcel Germany	+3.9%	+7.7%

*Mail Communication & Dialogue Marketing

- Mail volume decline (MC + DM) in line with long term trend with -3.0% decline in FY 2019 (Q4: -3.1%)
- Significant positive effect from Parcel yield measures continues: FY 2019 Parcel revenue up 9% on 6% volume growth

Management Comments:

Our mail business saw a decrease in volumes in line with the -2 to -3% expectation in 2019 as well as an increase in yield due to the ex-ante stamp price increase in the second half of the year. Q4 includes a mix shift due to changes in our product structure and pricing schemes and higher price elasticity. We expect this to continue in 2020. See next page for more details.

In FY 2019, Parcel saw volume growth in line with the 5-7% guidance (+5.9%) and stronger revenue increase (+9.3%) due to our focus on yield throughout the year.

In line with Q3 development, Parcel volume growth was slower in Q4 as Amazon continued to in-source volumes into Amazon Logistics. We expect Parcel to continue to grow at a slower pace also throughout 2020 (see next page for more details).

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P&P Germany: To have in mind for 2020

- **Mail: Shift from DM to MC / elasticity effects**
  - Fundamental trend in Mail volume decline confirmed at -2% to -3%
  - However, temporarily stronger volume decline of -5% to -6%, due to changes to product structure and price elasticity
  - Positive revenue effects anticipated due to price increases and structural changes to product portfolio
  - → **EBIT impact neutral**
- **Parcel: Expected reduction in Amazon volumes**
  - Overall volume increase expected to be slower at 0-5%
  - Stronger revenue than volume growth due to focus on yield
  - → **EBIT impact considered in guidance**
- **Current wage agreement expiring end of May**

Management Comments:

The following volume and yield expectations are embedded in our 2020 planning (see next page).

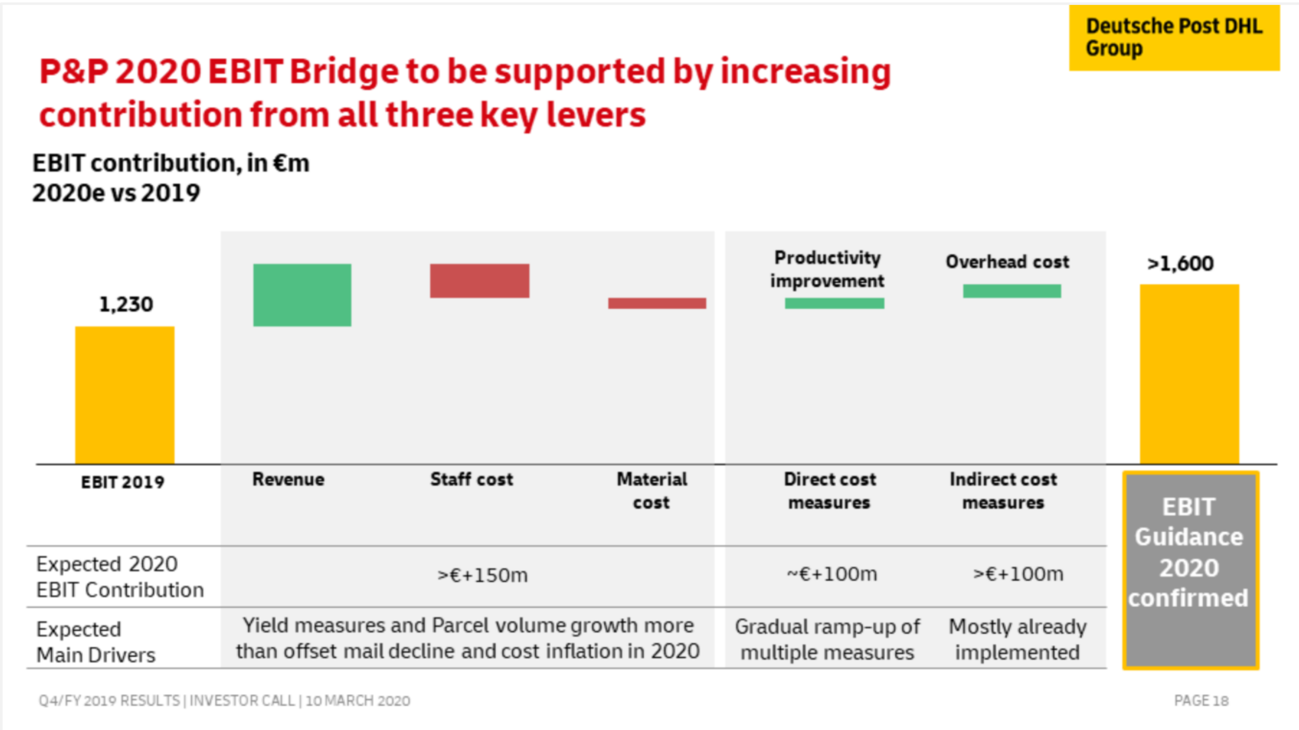
The two main reasons for the temporarily stronger mail decline also lead to higher average unit prices

- Yield measures: Price increase on partial services would probably trigger some elasticity from business customers, in-line with historic elasticity effects – however with expected net positive revenue impact
- Mix effects: Selected mail items no more eligible as (cheaper) Dialogue Marketing product. Part of volumes is expected to shift to Mail Communication with anticipated net neutral/slightly positive revenue impact

Hence, although reported mail volume decline is expected to be steeper in 2020, this would not have adverse revenue (and EBIT) effects.

In Parcel, we expect Amazon to continue redirecting volumes into Amazon Logistics network. As already seen in H2 2019, this may lead to slower overall Parcel volume growth in 2020. For 2020, we therefore assume in our planning a volume growth of 0-5% for the German Parcel business, reflecting that growth in other customer segments will continue to offset a decline in Amazon volumes. As already in 2019, the relative weight of Amazon will therefore further decline (2019: ~2% of Group revenue; ~6% of P&P revenue). Note that as with other customers, fluctuations in volumes are reflected in adequate pricing mechanism in our contracts.

All of the above has been reflected in our full-year planning and re-iteration of P&P guidance (see 2019-20 EBIT bridge on next page).



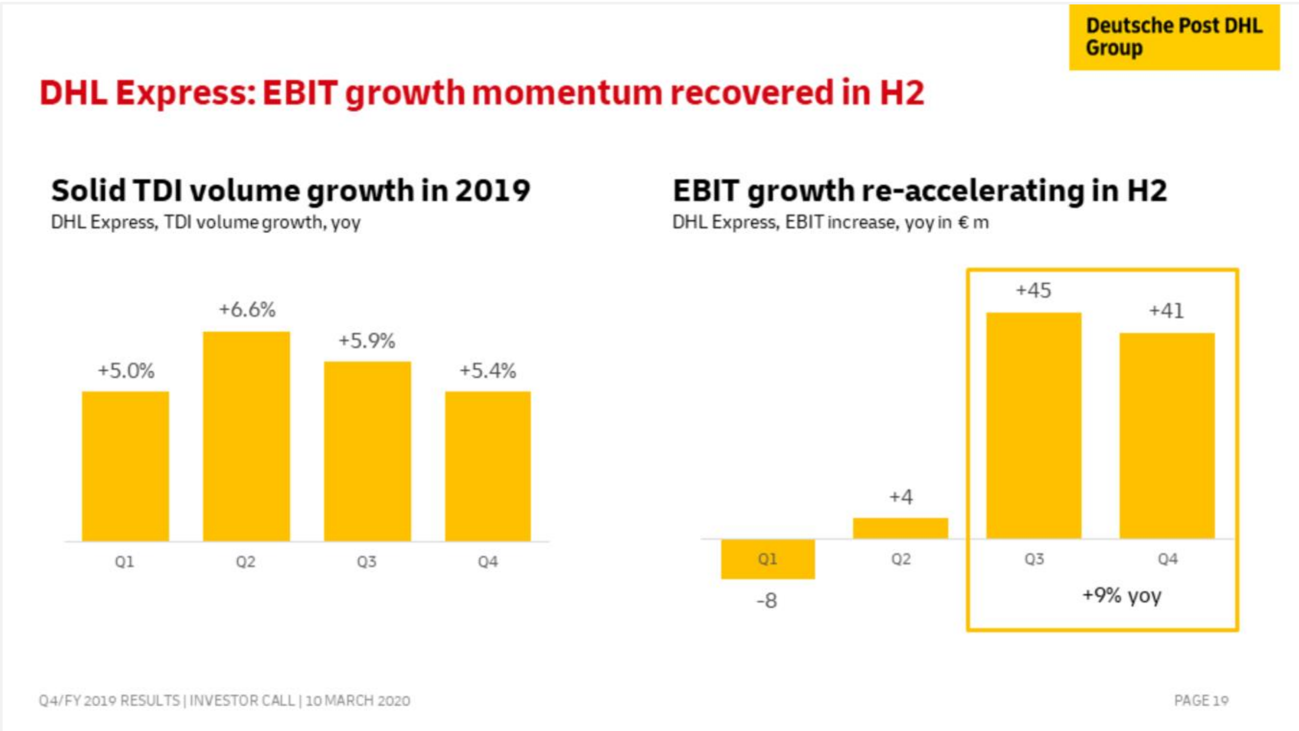
Management Comments:

In line with our initial plan, the P&P 2020 guidance will be achieved through a combination of yield, productivity and overhead measures. We expect all three elements and especially the productivity improvements to get even more traction in 2020 versus 2019.

In total, we expect at least €150m improvement in the operating development since the stamp price increases (yoy effective in H1 2020) and partial services (+3-4% yoy effective for full year), continued Parcel volume growth and yield benefits more than offset cost inflation and continued mail volume decline.

As previously flagged, productivity improvements have a longer lead time and are expected to get more traction towards ~€100m in 2020 as the various measures take effect.

Already implemented and additional overhead measures announced in H2 2019 should deliver further benefits throughout 2020 amounting to at least €100m.



Management Comments:

Solid TDI volume growth throughout the year with Q4 delivering a satisfactory peak season.

We had a lower fuel surcharge in Q4 2019, hence also a lower revenue growth than in previous quarters.

EBIT growth accelerated as anticipated in the second half of the year as heavyweight campaign lapsed leading to a better network utilisation and profitability.

The EBIT increase in the second half of 2019 is setting a strong base for Express to deliver a significant EBIT increase to our 2020 guidance.

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DGFF: Weakening momentum across major markets

Q4 2019 yoy	Air Freight	Ocean Freight
Volumes	**-3.3%**	**-3.5%**
Gross Profit	**-6.7%**	**-5.2%**
GP/EXP t ; GP/TEU	**-3.5%**	**-1.8%**

- Overall slowdown in the market due to macro and trade tensions
- Overall DGFF Q4 Gross Profit down 1.9% yoy reflecting market conditions
- Internal measures allowed to turn GP decline into further EBIT increase through incremental GP/EBIT conversion improvement

Management Comments:

Difficult market conditions characterised the volume development in the fourth quarter. Volumes in air and ocean were down yoy and in line with the overall market development.

Gross profit was down in the fourth quarter as a result of declining volumes.

Internal measures have cushioned some of the impact from poor market conditions so that we were able to maintain EBIT growth despite weakening markets.

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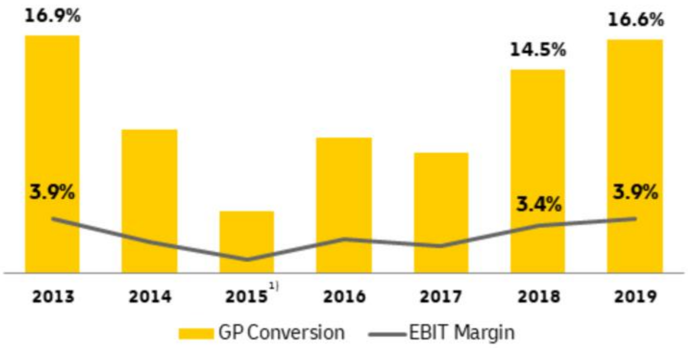
DGF: EBIT growth supported by further GP-to-EBIT conversion improvement

DGF EBIT margin and GP/EBIT conversion



1) Adjusted for NFE one-off

- Increase in 2019 DGFF GP driven by improved GP margin in AFR, Other and Freight
- Continued GP-EBIT conversion improvement reflecting successful execution on internal self-help measures
- DGFF EBIT: +17.9% in FY 2019, +7.5% in Q4 2019
- CW1 Update: >95% of Ocean Freight volumes and ~15% of Air Freight volumes rolled out

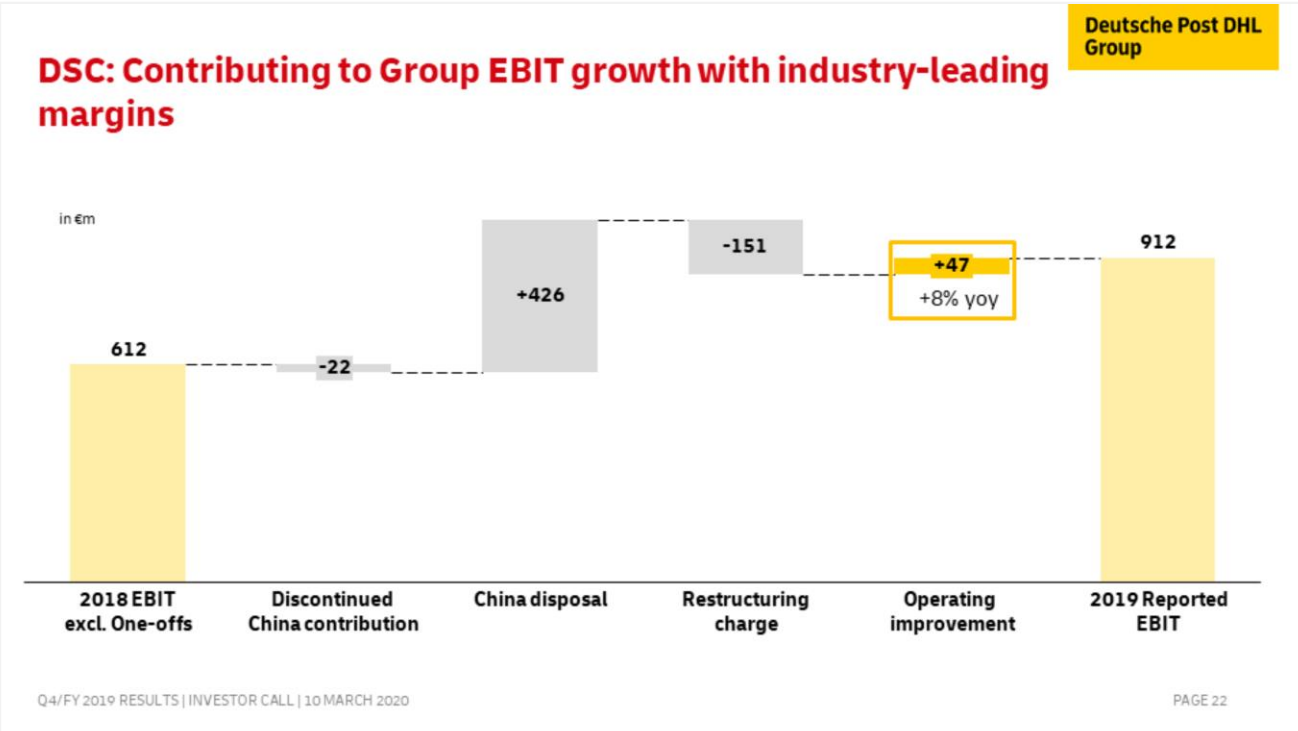
Management Comments:

DGFF EBIT growth was held back by a slowdown in global markets in Q4 (+7.5%), bringing full year growth to +17.9% in 2019.

Internal improvements are the main drivers for DGF GP/EBIT conversion increase in 2019 as a result of a successful implementation of self-help measures. The conversion ratio stands at 16.6% now with scope for additional improvement in the coming years.

DGF EBIT margin in Q4 2019 was at 5.2%, the highest level since Q4 2012.

We are happy to report that the CargoWise implementation in Ocean Freight reached >95% of volumes in 2019. Around 15% of air freight volumes are on the new system now as well.



Management Comments:

We can report strong underlying EBIT growth of 8% in 2019. Our restructuring efforts in UK and operating improvements across regions supported a positive margin development.

The sale of our Supply Chain activities in China in Q1 2019 implies a discontinued EBIT contribution of €-22m in 2019.

Excluding China disposal and restructuring, we achieved an industry leading EBIT margin of 4.7% in 2019.

Based on its 2019 performance, DSC is expected to deliver at least a similar operating improvement towards our 2020 targets.

Management Comments:

Operational efficiencies, a reduction in overhead and a change to the service portfolio lead to an improvement in profitability excluding restructuring costs.

Excluding restructuring costs, DeCS achieved €+29m EBIT in 2019. Hence, we have upgraded our EBIT expectation in 2020 to between €50m and €100m with no additional restructuring costs in 2020.

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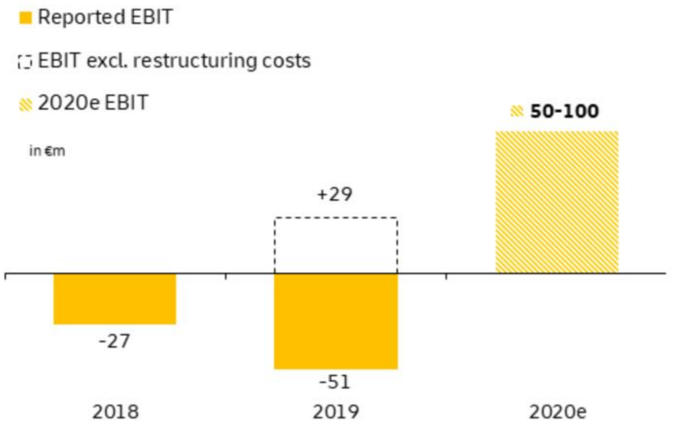
DHL eCommerce Solutions: On track for the first year of profit contribution in 2020



- 2019 EBIT development marked by planned restructuring measures across DeCS portfolio (€ -80m)
- Significant performance improvement initiated and showing benefits:
  - Operational efficiency
  - Reduction of overhead cost
  - Service portfolio adaptation

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2019 Free Cash Flow Generation

in €m	2018	2019	vs. LY
OCF	**5,796**	**6,049**	**253**
Net Capex	-2,498	-3,474	-976
Net cash for leases	-2,081	-2,278	-197
Net M&A	-60	680	740
Net interest	-98	-110	-12
Free Cash Flow	**1,059**	**867**	**-192**
Free Cash Flow excl. DSC China disposal and B777 capex	1,239	1,314	75

Management Comments:

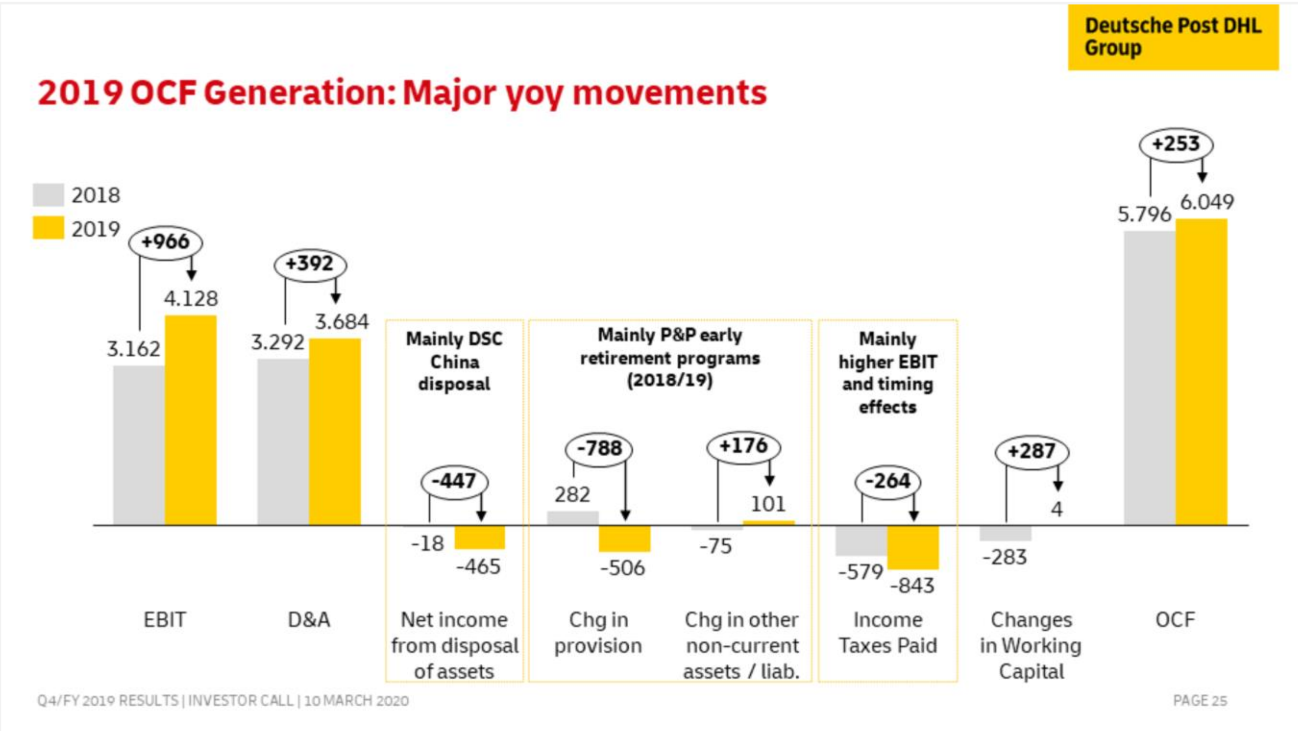
Operating cash flow increased by €253m: OCF growth (+4.4%) is close but slightly below the comparable EBIT growth excl. one-offs (+7.6%) due to higher cash tax payments (see next page).

Our net Capex increased in line with guidance and due to payments related to the B777 order of €1.1bn in 2019.

Net M&A includes the proceeds from DSC China disposal amounting to €653m.

Hence, FCF came in well above our guidance of >€500m supported by good EBIT and OCF development.

Excluding DSC China disposal and B777 Capex, FCF came in at €1.3bn including ongoing restructuring spend.



Management Comments:

You can see that while we increased EBIT by €966m, operating cash flow increased "only" by €253m.

This difference is mainly explained by various one-off factors, especially restructuring (see p. 14: Reported EBIT increase of 30.6%,+7.6% excl. one-offs).

Especially the 2018 restructuring charge in P&P led to a significant swing between change in provisions in 2018 (addition to provision) vs. 2019 (utilization resp. re-allocation to liabilities).

Also, the China disposal gain is accordingly recognised in the Cash Flow Statement (see also Net M&A on previous page).

Eventually, higher cash taxes are the main reason why OCF growth (+4.4%) is close but slightly below the comparable EBIT growth excl. one-offs (+7.6%).

Express Capex: B777 investment peak in 2019, flat around €1bn excl. B777 order

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DHL Express Capex

Boeing 777 order

- Expected Capex peak of €1.1bn in 2019
- Investment fully accomplished by 2021
- No net capacity increase: B777 planes replace end-of-lifetime leases

Confirmed Capex budget of €1bn/year:

- Includes planes, vehicles and hubs/depots
- Covers capacity replacement & growth in line with mid-term expectation of +4-5% TDI market volume growth p.a.

Management Comments:

Express Capex remained flat, adjusted for the B777 plane purchases of €1.1bn in 2019. Express Capex has peaked in 2019 and will decrease thereafter due to lower cost for the remaining B777 purchases.

We expect the Express base Capex to remain flat throughout to 2022 which already includes the regular cash that we spend on our air fleet each year as well as spending on hubs, gateways, depots and vehicles, all including replacement and growth investments.

Reminder: B777 order is a discreet investment opportunity, relates to expiring leases and not to increase of capacity or catch up spend on capacity and/or technology.

Related Capex is expected to roughly halve to €500m in 2020 before a final, smaller tranche will be due in 2021.

Group ROCE up despite significant B777 investment in 2019

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Group ROCE vs WACC

- IFRS16 introduction in FY 2018 set a new base for Group ROCE by adding full lease commitments into CE, even though actual cash outs are expensed later through the contract period
- 2019 EBIT growth drove increase in Group ROCE despite significant investment in Express asset base through intercontinental fleet renewal (B777 order)

*2015 EBIT adjusted for NFE-write off;

Management Comments:

After setting a lower new base for ROCE in 2018 due to the introduction of IFRS16, which brought a higher amount of assets on balance sheet, we are able to report a significant increase to 11.4% in 2019. Please note that we have not adjusted last year's figure for the one-off effects in P&P.

This shows that despite significant investments in our intercontinental air fleet in Express, our Group ROCE is again increasing and remains well above WACC of 8.5%.

We expect ROCE to continue increasing as a reflection of our continued investment in profitable growth.

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Cash Flow Outlook: Overview of major drivers (1/2)

Excl. Corona and StreetScooter

	2019 (in €m)	2020e (in €bn)	FCF effect 22e vs 20e	Main Drivers 2020 – 2022
EBIT	4,128	>5.0	↗	EBIT guidance, 2020: >€5bn, 2022: >€5.3bn
Depreciation/amortization	3,684	~+3.7	→	Slight increase in line with spent Capex and leases
Change in provisions	-506	~-0.4	→	Includes yearly pension costs; In 2019 and 2020 utilization for early retirement program / restructuring
Income taxes paid	-843	~-0.9	→	Reflecting rising EBT
Changes in WC / Other	-414	~-0.3	→	Slight WC build-up reflecting business growth; <€-100m from P&P early retirement in 2020, slightly declining thereafter
OCF	6,049	~7.0	↗	Improvement mainly driven by EBIT growth

Management Comments:

This chart shows the expected development of the main cash flow drivers for 2020 out to 2022.

Besides normal business growth, the effects of our early retirement program are and will remain visible in the cash flow statement, however to a lesser extend from 2021 onwards.

The key observation remains that EBIT growth remains the main driver for OCF growth.

Management Comments:

Modelling from OCF towards FCF generation, Capex development is the biggest factor.

Net Capex will indeed decrease in 2020 as a result of lower payments relating to B777 purchase and continue to fall throughout 2022 for the same reason.

As such, besides ongoing EBIT growth, Capex reduction (due to B777 payment peak in 2019) will have a significant positive effect on free cash flow generation as embedded in our cumulative FCF guidance for 2022.

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Cash Flow Outlook: Overview of major drivers (2/2)

Excl. Corona

	2019 (in €m)	2020e (in €bn)	FCF effect 22e vs 20e	Main Drivers 2020 - 2022
OCF	6,049	~7.0		Improvement mainly driven by EBIT growth
Net Capex	-3,474	~-3.0		Slight gradual increase in regular Capex Total group Capex declining due to Express B777 order (2019: ~€1.1bn, 2020: ~€500m, 2021: <€300m)
Net Cash for Leases	-2,278	~-2.4		Slightly increasing in line with business growth
Net M&A	680	~-0.1		2019: €+653m China DSC deal; 2020-22: No significant M&A planned
Net Interest	-110	~-0.1		No major change expected
Free Cash Flow	867	~1.4		Significant improvements vs 2019 trough

2020 EBIT Guidance subject to Corona and StreetScooter effects

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in € bn	2020
Group EBIT	>5.0
P&P Germany	>1.6
DHL	>3.7
Corporate Functions	-0.35

Not considered:

- **Corona** effect: Too early to quantify, negative effects likely to be (at least partly) offset by recovery benefits
- One-time costs related to non-core business (**StreetScooter**)

Management Comments:

As updated on Feb 28th, the 2020 Group EBIT guidance of more than €5bn is now excluding any still to be quantified effect due to Corona implications.

In line with our initial statement, negative effects of the Corona crisis on Group EBIT were around €60-70m in February, compared to the initial internal planning. As an encouraging signal, we have seen volumes in China starting to recover.

Nevertheless, here remains uncertainty on how the virus itself as well as ripple effects on the global economy will further develop. Therefore, implications on Group results for 2020 still cannot currently be concretely assessed.

As also announced on Feb 28th, the refocusing of StreetScooter – a change outside of the company's core businesses – is expected to result in one-off charges of €300-400m for the current financial year. The impact on the cash flow, however, will be limited.

2022 guidance for a Group EBIT of minimum €5.3bn is not at all affected by this (see also p.36).

Significant step up in EBIT expected in 2020, mainly driven by self-help measures

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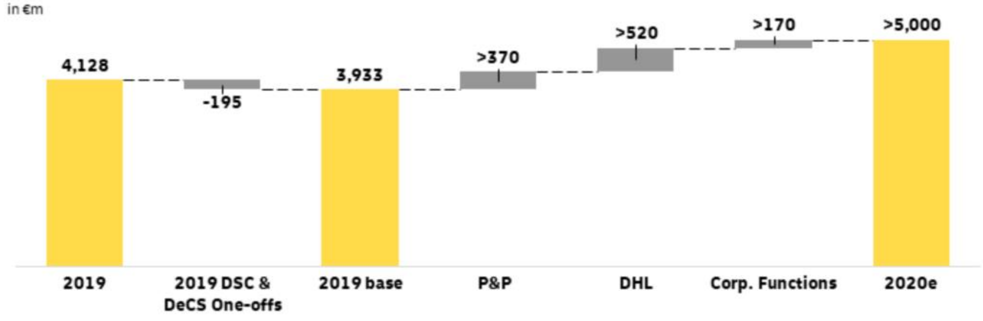
Excl. Corona and StreetScooter

2020 guidance: Growth assumptions vs 2019 base



- P&P: 2020 EBIT supported by increasing contribution from all three key levers (yield, productivity, overhead)
- DHL: >€520m increase to be supported by contributions from all 4 DHL divisions
- Corporate Functions costs will fall back to the normal, historic Corporate Centre run rate of ~€-350m

Management Comments:

As announced on Feb 28th, the 2020 Group EBIT guidance of more than €5bn is now excluding any still to be quantified effect induced by Corona implications. We also announced to discontinue the production of StreetScooter which is expected to lead to €300-400m of one-off charges related to non–core operations in 2020.

Still, excluding these external respective non-core factors, our aim is unchanged to deliver a €5bn operating EBIT run rate from our core operations for 2020.

Here’s the bridge from 2019 towards €5bn in 2020.

- P&P Germany will see an accelerating contribution from all three key levers towards its >€1.6bn target (see p. 18 for more details)
- The DHL EBIT increase of >€520m will be shared among all four DHL divisions
- With the decision on StreetScooter, Corporate Functions costs will fall back to the normal, historic Corporate Centre run rate of €-350m

Note that the 2019 starting point is €3.933bn, adjusted for 2019 one-off effects (mainly DSC China disposal).

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2020 Guidance: Additional metrics

		Effects considered:
FCF	~€1.4bn incl. €500m for Express intercontinental fleet renewal	- Includes StreetScooter - Excludes Corona
Gross Capex (excl. Leases)	~€2.6bn plus €500m for Express intercontinental fleet renewal	- Includes StreetScooter and Corona
Tax Rate	22% to 24%	- Includes StreetScooter and Corona

Management Comments:

As usual, we today also provide FCF, Capex and Tax Rate guidance for the current year.

FCF is expected to increase significantly from €867m in FY2019 to ~€1.4bn in FY 2020. Note, this assumption incl. all StreetScooter-related effects: Limited cash-outs from the one-off charges are indeed expected to be at least offset by the positive FCF generated through the progressive phasing out of production.

Similar to EBIT guidance, it is, as of today, not possible to concretely assess any Corona impacts on the Group's FCF. Therefore, the FCF target explicitly excludes any Corona effects. Of course, any more prolonged downturn due to Corona would trigger adequate reactions notably regarding WC management from our side.

Gross Capex expectation for FY 2020 stands at €2.6bn plus €500m for Express B777 order. As expected, Capex spend on our B777 order hence comes down significantly from €1.1bn in 2019 to ~€500m in 2020 driving an overall significant Capex reduction. Gross Capex excl. B777 order is therefore expected around flat yoy at ~€2.6bn.

Tax rate is expected in a range of 22%-24%, including StreetScooter effects and Corona impacts.

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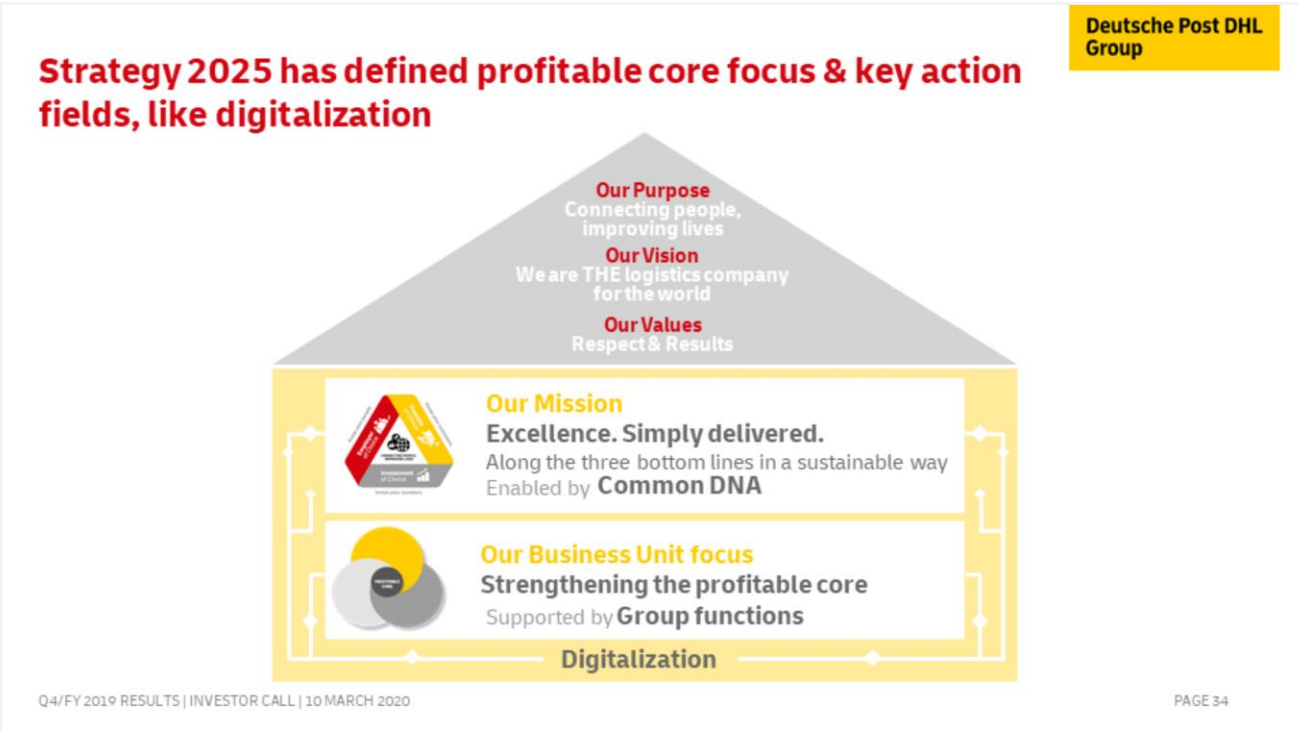
Agenda

2019 Highlights

2019 Financials

Strategy and Outlook

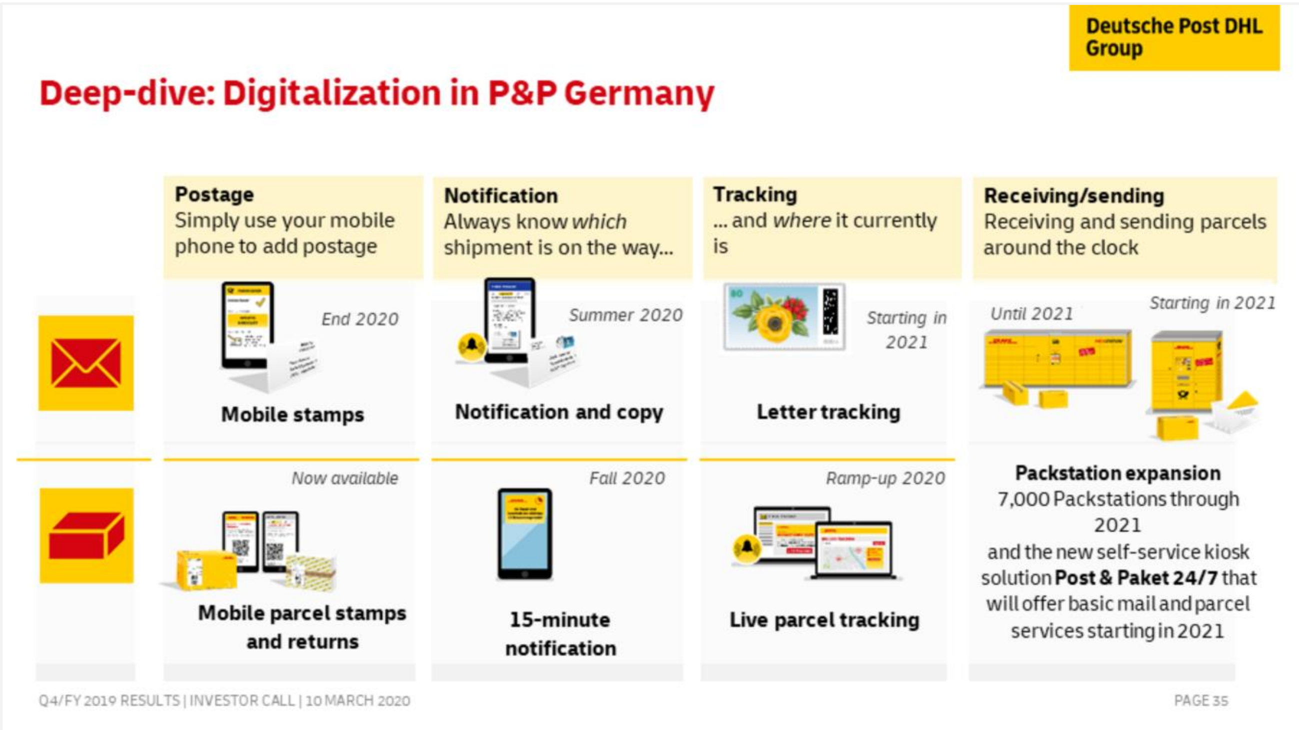


Management Comments:

As introduced at our Capital Markets Day in autumn last year, "Strategy 2025" is the Group's answer to key future trends - Globalization, Digitalization, Sustainability and E-Commerce.

In addition to focusing on the profitable logistics core, Deutsche Post DHL Group sees systematic digitalization throughout its businesses as a lever for achieving significant progress.

Our most recent announcement on digitalization in P&P showcases that on the next page.



Management Comments:

Here are some examples of our digital transformation in P&P:

- Facilitation of dispatch, receipt, traceability and notification of letters and parcels
- Simple tracking on the internet, even for ordinary letters
- Daily letter notification with picture of the envelope by e-mail and within an app starting summer 2020
- In 2021, we will enable the content of a letter to be sent by e-mail (digital copy)
- More precise announcement and real-time tracking for parcels
- Postage of letters and postcards via smartphone with no additional cost
- Introduction of a new machine for Post & Parcel with 24/7 basic services for letters and parcels and piloting of a video chat function at it
- Further expansion of our Packstation network

Rolling 2022 financial targets, EBIT confirmed, increase on FCF

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In € bn	2022
Group EBIT	>5.3
Capex (20-22) cumulative	8.5 - 9.5
FCF (20-22) cumulative	5.0 - 6.0 (from 4.5-5.5)

All targets to be rolled forward annually

2022 minimum EBIT guidance based on cautious macro scenario

Capex guidance includes ~€800m for Boeing 777 order in 2020/21

Divisional EBIT growth remains **key driver of OCF and FCF growth**

Management Comments:

Today, we increase our 2020-2022 cumulative FCF guidance by €500m to €5.0bn – €6.0bn after strong 2019 performance which supports our confidence in improving cash flow generation and related planning and steering mechanisms.

All other 2022 guidance elements are unchanged.

As a reminder, we introduced our new guidance framework out to 2022 at our CMD on Oct 1st 2019.

The EBIT guidance for 2022 of minimum €5.3bn is based on a conservative assumption regarding future macro development with a scenario that implies no significant up- or downturn in growth levels throughout 2022. Capex and FCF guidance are cumulative for the 2020-22 period. Hence, both include the remaining Capex spending of around €800m for the B777 order. Capex phasing of the B777 order alone will thus drive an overall capex decrease and FCF increase between 2019 and 2022. Therefore, the cumulative guidance for 2020-22 includes a significantly higher 2022 FCF vs 2019 and 2020.

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DPDHL Group in best shape ever

Significant progress achieved in 2019

- ✓ All divisions executing on growth and cost agendas
- ✓ Record Group EBIT; dividend proposal: €1.25
- ✓ All while investing in sustainable strategic way forward

Priorities for further path clearly laid out

- Significant EBIT increase to be achieved in 2020
- Strategy 2025 has defined profitable core focus & key action fields, like digitalization
- Clear objectives for sustainable strategic development, incl. achievable 2022 financial targets

Management Comments:

2019 numbers delivered record levels for EBIT and dividend.

This is supported by all divisions further working successfully on their growth and cost agenda:

- P&P results showing benefits from yield, overhead and productivity measures
- Express succesfully rebalanced its network through heavyweight campaign with EBIT growth back on track in H2
- DGFF delivers continued improvement in GP-to-EBIT conversion, supported by IT roll-outs
- DSC shows strong operating performance across all regions, with UK starting recovery
- DeCS: Positive 2019 EBIT excl. restructuring shows division on track to deliver profits in 2020 as promised

All that while investing in infrastructure and digital capacities for a sustainable way forward.

Priorities going forward:

- 2020: Corona impact aside, our priority is to continue turnaround in P&P and keep driving profitable growth in DHL despite slow tailwind from global macro
- Strategy 2025 has defined clear logistics focus and divisional agendas supporting confirmed 2022 targets

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