

# RESILIENCE ON A NEW LEVEL

## INVESTOR PRESENTATION

### INVESTOR RELATIONS

MAY 2022



# ON A NEW LEVEL

13 May 2022



**DHL**  
**Supply Chain**  
Management Update &  
Site Visit in Florstadt

19 May 2022



**Post & Parcel**  
**Germany**  
Management Update (Virtual)

13 June 2022



**DHL Global Forwarding, Freight**  
Management Update (Virtual)

## SAVE THE DATE

# CONTENT



DPDHL Group Highlights



Strategy 2025



Financial Backup

## DIVISIONAL DEEP-DIVES:



DHL Express



DHL Global  
Forwarding, Freight



DHL Supply Chain



DHL eCommerce  
Solutions



P&P Germany

# RESILIENCE ON A NEW LEVEL



Resilient e-commerce driven  
GDP+ growth at **sustainably  
higher earnings level**

Significantly increased &  
sustainable **free cash flow  
generation**, supporting  
attractive shareholder return

Industry-leadership cemented  
by strong strategic focus on  
**digitalization and ESG**

# Financial Highlights: Double-digit growth & guidance confirmed

## Q1 2022 Revenue

**€ 22.6 bn**

**+20% yoy**

Continued positive momentum based on our **global and balanced** Group portfolio

## Q1 2022 EBIT

**€ 2.2 bn**

**+13% yoy**

**Double-digit group EBIT growth**  
while B2C goes through  
expected normalization phase

## Q1 2022 Free Cash Flow excl. Net M&A

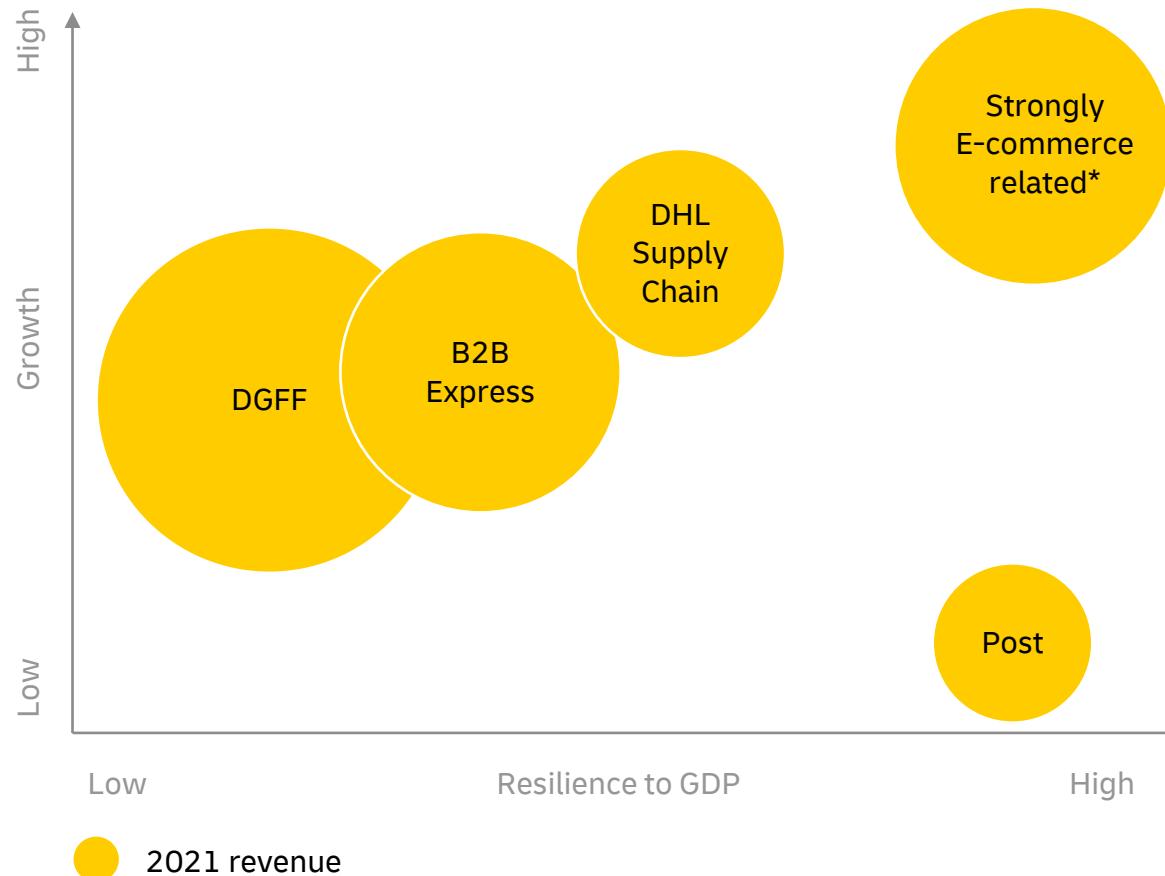
**€ 1.1 bn**

**-4% yoy**

Both EBIT and FCF are maintained on a **strong new level**

**2022 and mid-term guidance confirmed**

# Our broad portfolio makes us more resilient



\*B2C Express, Parcel Germany and DHL eCommerce Solutions

## Our position

- Largest, most global logistics provider
- Leading market positions
- Strong brands, balanced portfolio

# EBIT increase continues to flow through into strong organic FCF generation

## Q1 2022

All in €m



- Expected higher tax rate on higher earnings base led to increased income taxes paid (Q1 2022: €-388m; Q1 2021: €-273m)
- Strong working capital control in light of business growth (€-240m yoy reflecting extraordinarily low seasonal working capital outflow in Q1 2021)
- Reported FCF of €-197m includes €1,379m net purchase price payment for Hillebrand

**€2bn share buy-back program  
started in April**

# Base assumptions for 2022 guidance

## Updated

### GDP & Freight Market Express B2B, DGFF, DSC

- GDP growth **below to in line** with long-term trend (from “in line”, reflecting China impact and war in Ukraine)
- Gradual normalization in freight markets in **Q4 2022, at the earliest** (from “H2 2022”, reflecting China impact and war in Ukraine)
- **Short-term headwind from China lockdowns, expected to turn into pent-up demand later on**

### B2C

Express B2C, DeCS, Parcel  
Germany

- Return to pre-COVID19 structural B2C growth over time, after current normalization phase

### Trends & Structural Mix Shifts P&P Germany

- Gradual return to historic growth rates in mail/parcel, after normalization phase in 2022
- Continued structural mix effects from mail to parcel shift

### Inflation

- Constantly addressed through yield and contract management
- Strong focus on additional targeted measures across all divisions to counteract extreme trends

# Established processes to address volatility in inflation and economic cycle



DHL Express

DHL Global Forwarding,  
Freight

DHL Supply Chain

DHL eCommerce  
Solutions

Post &amp; Parcel Germany

## How do we flex our cost base?

- Mix of own & sub-contractor couriers
- Air capacity split between owned, long-, mid- and short-term contracts
- Digitalization efficiencies

- Reducing operating costs via automation, standardization and scaling
- Streamlining overhead structures from global to country level

- Multiple flexible labor models allowing labor sharing across operations
- Seasonal hires that can be efficiently scaled in line with demand

- Mix of own & sub-contractor couriers
- Investments in automation, hence efficient and flexible network utilization

- Structural measures for optimizing process efficiency
- Continuous review of planned investments

## How do we address inflation?

- Surcharges: e.g. fuel, Emergency Situation Surcharges (ESS)
- Transport & staff cost inflation addressed by GPI

- Transport costs incl. fuel are inherent in GP management
- Labor productivity

- Inflation recovery clauses included in customer contracts
- Digitalization to optimize labor costs

- Regular GPI based on bottom-up local market situation, incl. inflation
- Yield management

- Price increases
- Partial use of fuel hedging

## Group-wide measures

Strongly diversified footprint  
Discretionary spending strictly controlled. Capex projects systematically steered. Labor: hiring freeze as necessary, temporary labor flex.

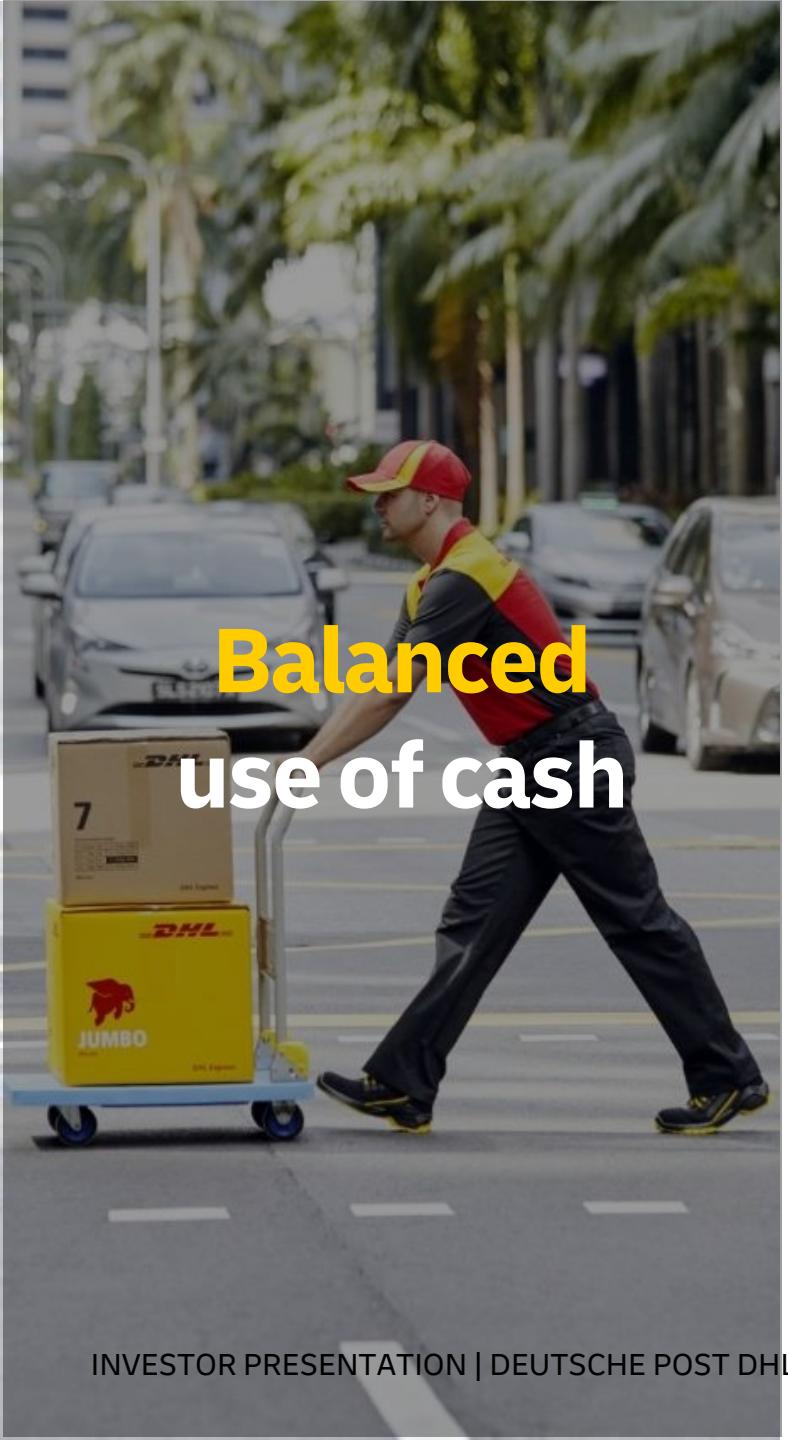
# 2022 and mid-term guidance confirmed

in € bn

EBIT	2022 Guidance	Mid-term Guidance
<b>Group</b>	<b>8.0 +/- 5%</b>	<b>~8.5</b>
DHL	7.0 +/- 4%	~11
P&P Germany	1.5 +/- 10%	
Group Functions	~-0.45	~12
<b>Free Cash Flow</b>	<b>3.6 +/- 5%</b>	
<b>Gross Capex (excl. leases)</b>	<b>~4.2</b>	
<b>Tax Rate</b>	<b>~29%</b>	

## Note:

- FCF guidance excludes Net M&A



**Balanced  
use of cash**

## 3 MAJOR USES OF CASH

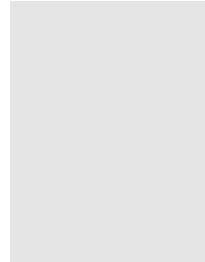
**Investments** into  
organic growth

Continued  
commitment  
to **shareholder**  
return

Value-accretive  
targeted  
**M&A**

*Figures cumulative 2019-2021*

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**Net Capex**



**Shareholder Return**



**Net M&A**

€1.4bn for  
Hillebrand  
booked in Q1  
2022



Investments  
into  
organic growth

## 1 PRIORITY REMAINS PROFITABLE ORGANIC GROWTH

MID SINGLE-DIGIT

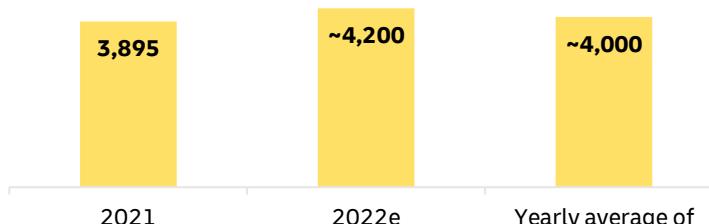
Expected Group revenue growth

Main drivers:

- B2B growth in line with GDP growth
- Structural **e-commerce** growth above GDP growth

## 2 CONTINUED INVESTMENT INTO PROFITABLE GROWTH

Capex, in €m



Capex includes:



Capacity  
expansion

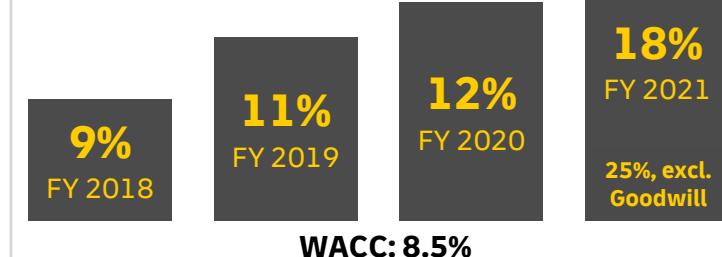


Digitalization  
initiatives



ESG  
Roadmap

## 3 GROUP ROCE\* TRENDING FURTHER UP

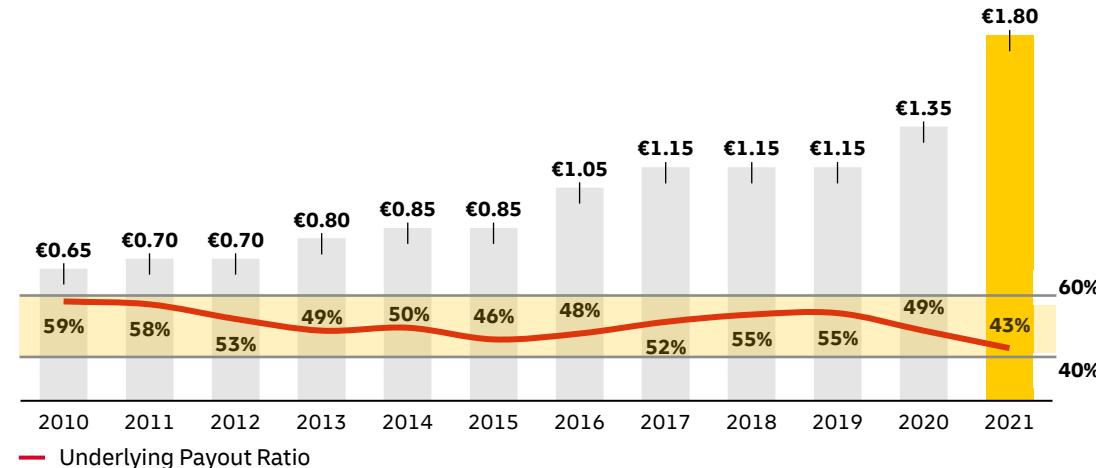


HIGHER RETURNS ON  
HIGHER ASSET BASE

\*ROCE: Capital Employed includes capitalized leases, net pension liabilities and goodwill

Continued  
commitment  
to shareholder  
return

## DIVIDEND



■ Dividend pay-out:  
**40-60%**

of adjusted net profit  
(cash flow and continuity  
considered)

■ **€1.80**

DPS proposed for FY 2021  
43% pay-out ratio;  
Dividend payout of ~€2.2bn

## SHARE BUYBACK

€1bn  
2016-17

€1bn  
2021

€2bn  
2022-24

■ **€2bn**

Third share buyback program  
started



Value-accretive  
targeted  
M&A

# M&A STRATEGY

BASED ON STRICT CRITERIA:

## STRATEGIC

High quality assets, with clear value-add for DPDHL Group's position in core logistics businesses

## FINANCIAL

Accretive and highly disciplined approach as with capex (considering 8.5% WACC)

## INTEGRATION

Manageable, straight-forward integration process

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**Financing** structures expected to depend on the deal: larger amounts would combine strong cash generation and DPDHL Group balance sheet capacity, in accordance with rating target

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EXAMPLE:  FORWARDING PASSION

# UPDATED FINANCE POLICY

## Balanced use of cash



### SHAREHOLDER RETURN

#### Ordinary dividend

40-60% pay-out from adjusted net profit  
(cash flow and continuity considered)

#### Share buyback policy

Use of excess FCF as available and appropriate, relevant M&A spending taken into consideration



### ORGANIC GROWTH

#### Strategy 2025

- Focus on logistics core  
Re-invest into profitable growth of core logistics businesses
- Includes investments in digitalization and ESG roadmap



### M&A

#### Value-accretive & targeted

Opportunistic M&A to supplement core logistics organic growth; subject to strict strategic, financial and integration criteria

#### Financing

Larger amounts to combine strong cash generation with balance sheet capacity, in accordance with rating target

**RATING TARGET RANGE: BBB+ to A-**

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## DIVISIONAL DEEP-DIVES:



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Forwarding, Freight



DHL Supply Chain

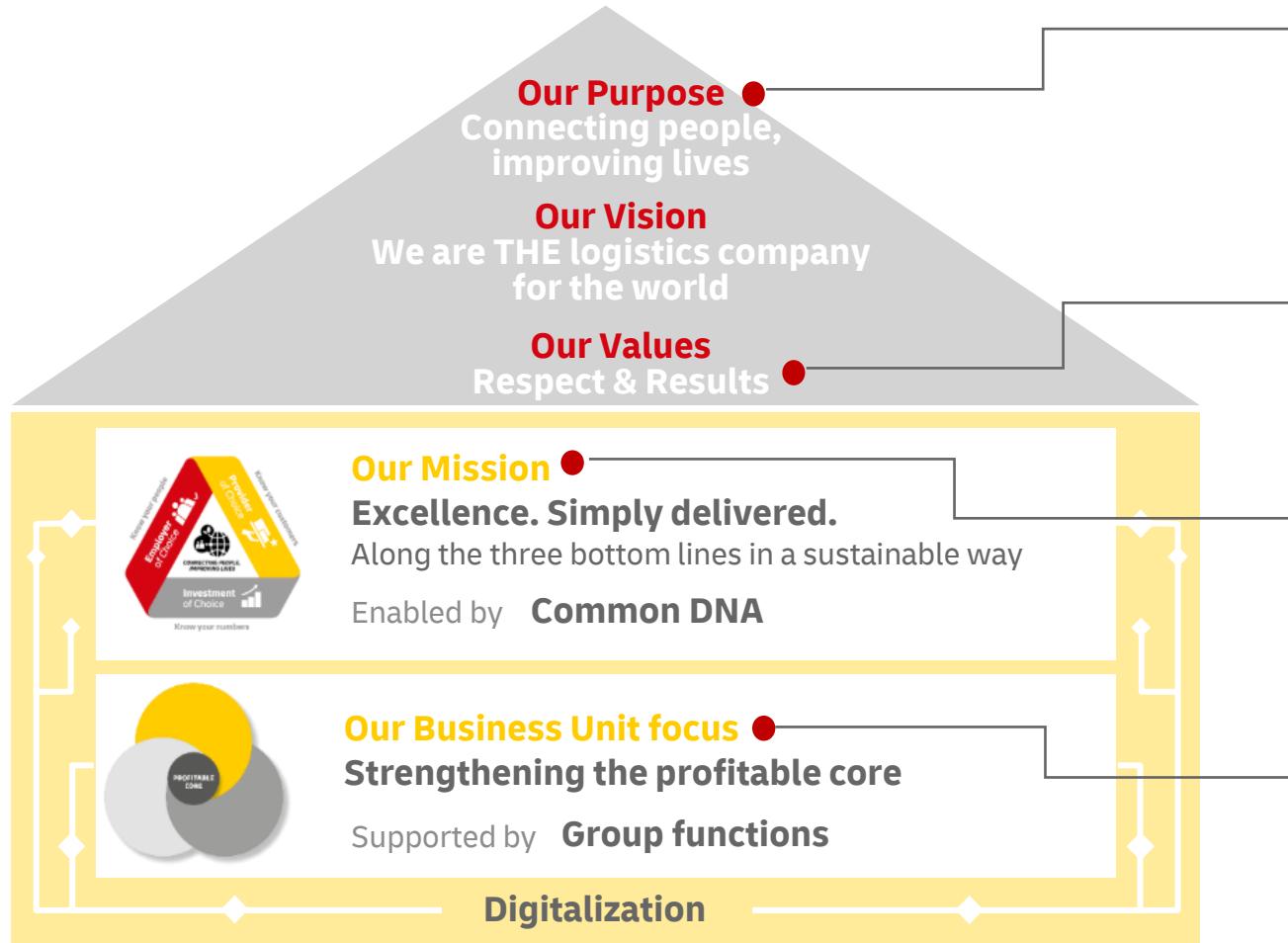


DHL eCommerce  
Solutions



P&P Germany

# Strategy 2025: As an integral part of our strategy, Sustainability is anchored along our three bottom lines



**Our purpose** guides our efforts and sense of responsibility

**Our values** are in line with sustainable behavior

We want to achieve **our mission sustainably** along the triple bottom line

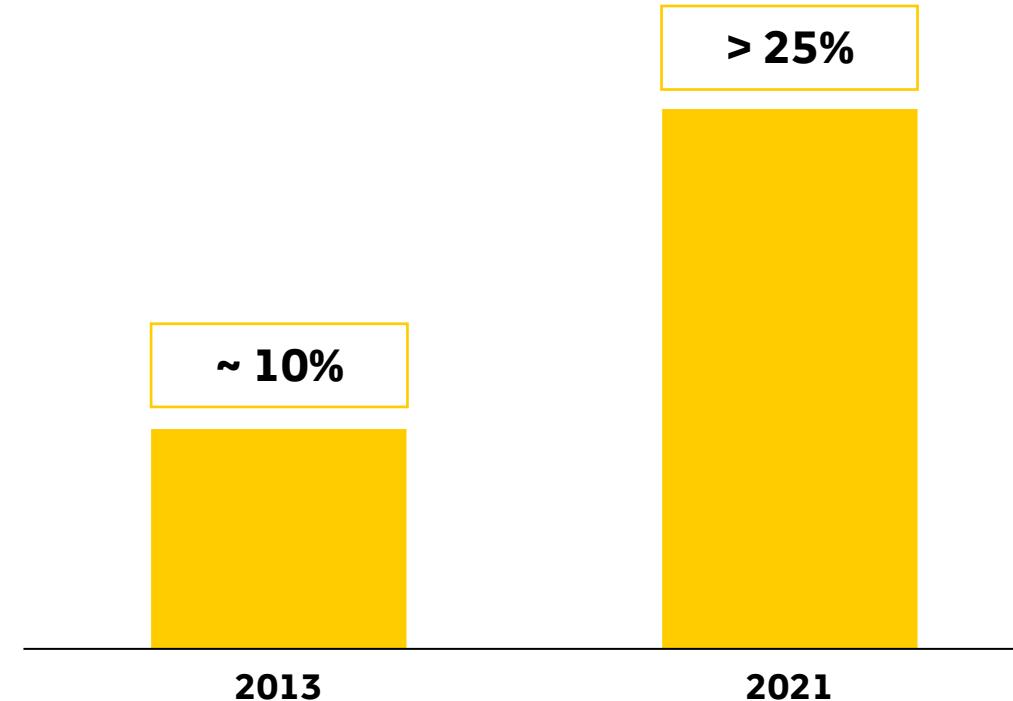
We aim to create long-term value in our businesses by focusing on **our profitable core**

A delivery truck with "DEUTSCHE POST" and "DHL" branding is in the background. A delivery driver in a red and yellow uniform is loading or unloading packages from the truck.

**Uniquely positioned to serve structural e-commerce growth across all divisions**

through domestic delivery, cross-border delivery and e-fulfillment

DPDHL Group,  
**E-commerce share of group revenue**

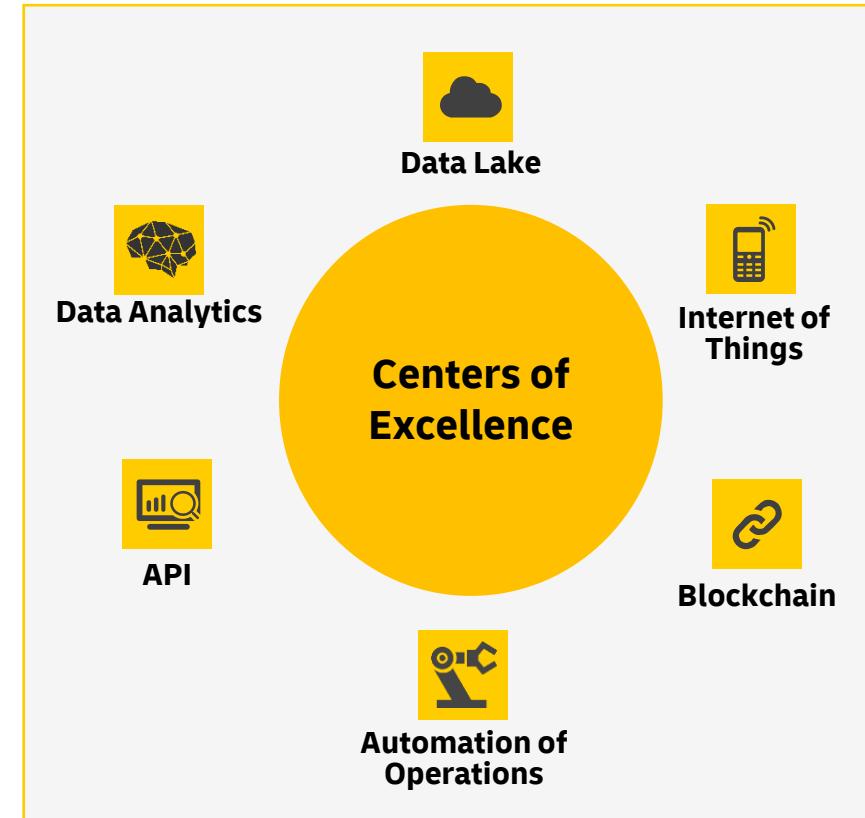


**What we expect:**

- Return to pre-pandemic e-commerce growth rates from elevated levels post COVID-19, after the current normalization phase



# Accelerated Digitalization driving performance improvements in all divisions



## Improved customer service

Track & Trace  
Re-routing  
Inventory Dashboard

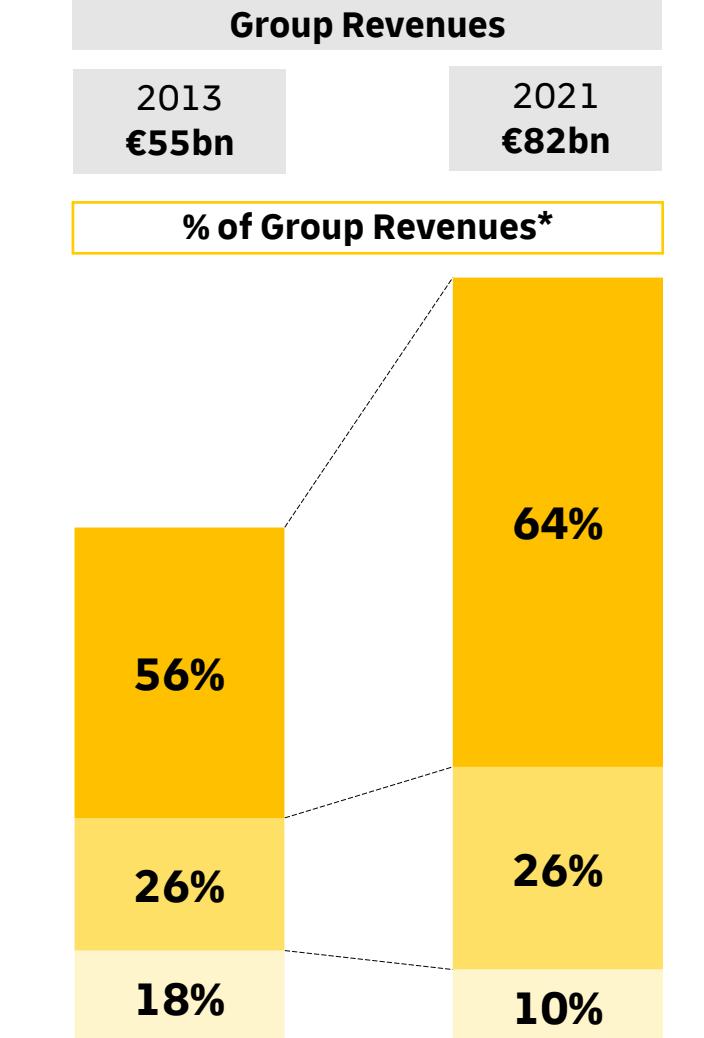
## Increased productivity

Optimized Routing  
Digital Recruiting  
Automation  
Volume Forecasting

## Accelerated growth

E-Fulfillment  
Outsourcing  
B2C & B2B E-Commerce

# DPDHL portfolio: Beneficiary of structural e-commerce growth



\*excl. Consolidation/Group Functions  
\*\*incl. P&P International

# Diversified, resilient investment with e-commerce growth upside



DHL Express



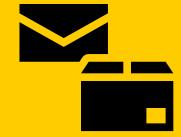
DHL Global  
Forwarding, Freight



DHL Supply Chain



DHL eCommerce  
Solutions



Post & Parcel  
Germany

**GDP+ growth** driven by global trade and structural e-commerce growth

Normalization of freight rates expected in medium-term and included in guidance

Efficiency gains through **new TMS implementation**

**E-Fulfillment** strongly increasing

Increased supply chain complexity and need for flexibility drives **outsourcing**

**Structural e-commerce** growth

Focus on parcel growth in selected countries

Accelerated mix shift between Mail and Parcel during COVID

Focus on **network optimization** and **productivity improvements**

**Confident to continue to grow from new earnings level**  
despite freight rates normalization and mix shift challenges in P&P

# Investing in Clean Fuel & Technology

Progress made to truly decarbonize customer supply chains with green alternatives of our core products



**Support customers to eliminate carbon emissions** without compromising on service level



Use **sustainable fuels** in air, ocean and road freight, as well as renewable energy in our warehouses



Ability to scale the **growing number of solutions** and **latest innovations** in technologies

## EXAMPLES

### GoGreen Plus for AFR & OFR

DGFF successfully launched **GoGreen Plus for air freight products** using **sustainable fuels**



### SAF deal with bp and Neste

Supply of **>800m liters SAF** for DHL Express secured until 2026, **one of the largest SAF deals to date**



### Alternative drive vehicles

**>20,000 already in use.** Progress also made for heavy-duty vehicles; additional installation of solar panels on trucks to reduce emissions



# DPDHL Group ESG Roadmap

## Clean operations for climate protection

Reduce emissions to

**<29m**

tonnes CO<sub>2</sub>e by 2030 (SBTi)

No offsetting included

## Net Zero

GHG Emissions by 2050

**>30%**

share of  
sustainable fuels  
by 2030

**60%**

e-vehicles used in  
pick-ups and  
deliveries by 2030

All new buildings to be **climate neutral**

## Great company to work for all

**>80%**

Group-wide Employee Engagement  
approval rate in Employee Opinion  
Survey

Increase share of women in middle and  
upper management to

**>30%**

by 2025 (25.9% for 2022)

Reduce LTIFR\* to

**<3.1**

by 2025 (3.7 for 2022)

\*LTIFR: Lost Time Injury Frequency Rate

## Highly trusted company

**>97%**

share of valid compliance training  
certificates in middle and upper  
management

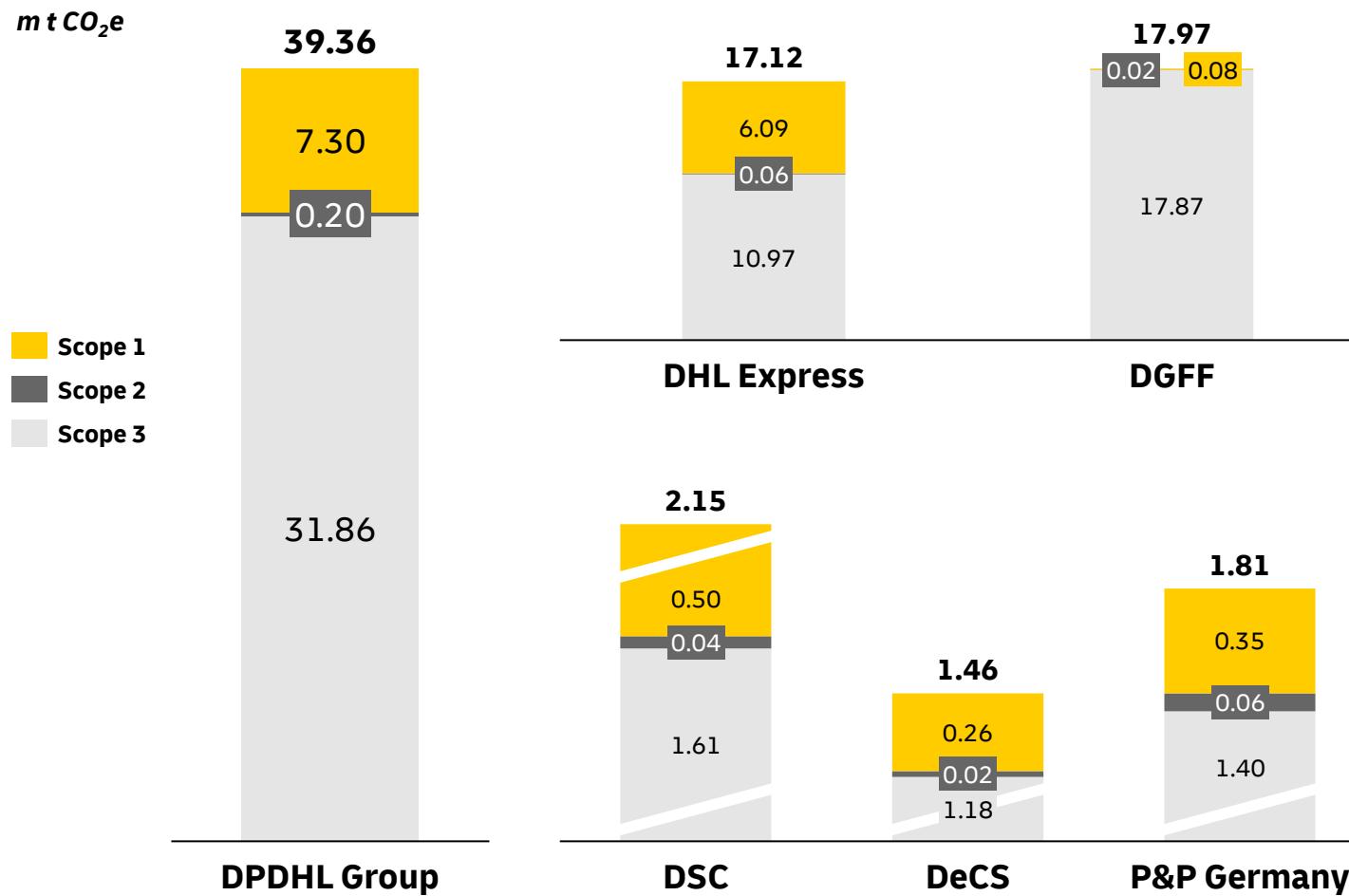
**30%**

ESG-related targets in bonus calculation  
for the Board of Management as of 2022

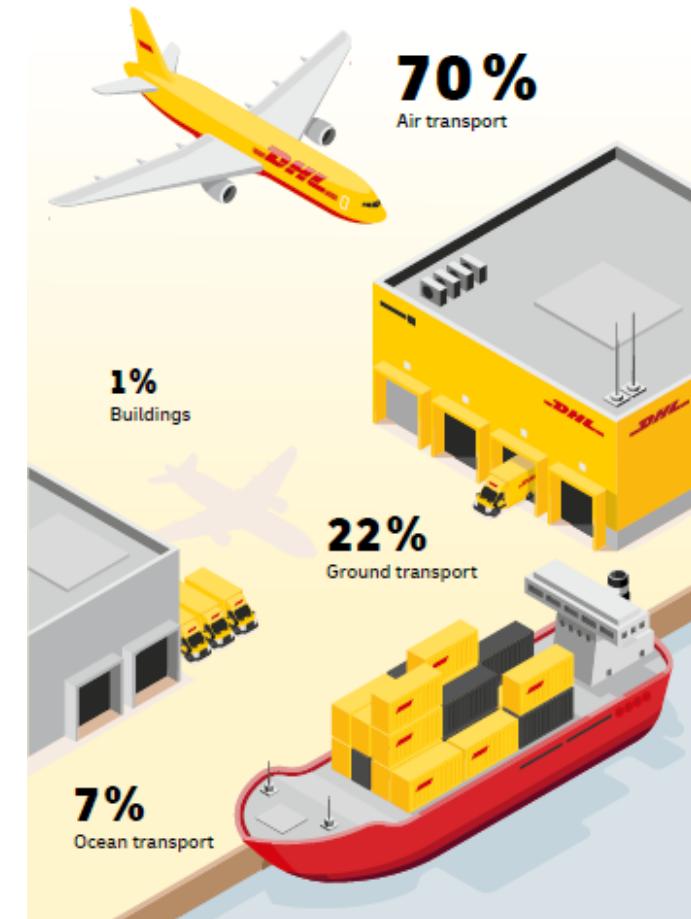
External reporting in line with  
**GRI SASB TCFD WEF**  
disclosure standards indices

# DPDHL Group CO<sub>2</sub> Emissions

## DPDHL Group CO<sub>2</sub> Emissions 2021 by divisions



## CO<sub>2</sub> Emissions 2021 by modes



# DPDHL Group ESG measures

## Decarbonization measures

Measures	2021 Results	2030 Targets
Realized Decarbonization Effects	728 kilotonnes CO <sub>2</sub> e (2022 Target: 969 kilotonnes CO <sub>2</sub> e)	Reduce GHG emissions to <29m tonnes CO <sub>2</sub> e
Use sustainable fuels in air, ocean and road freight	Share of sustainable fuels amounts to 1.3 %	>30% share of sustainable fuels in air, ocean and road freight
Increase electrification of the fleets	Some 20,700 e-vehicles used in pick-ups and deliveries	60 % e-vehicles used in pick-ups and deliveries
Climate-neutral building design		All our own new buildings are climate neutral

## Employee matters

Measure	2021 Results	2022 Targets	2030 Targets
Employee Engagement score in Employee Opinion Survey	84%	>80%	Maintain employee engagement at a high level
Share of women in middle and upper-management	25.1%	25.9%	30%
Lost Time Injury Frequency Rate per 200,000 working hours	3.9	3.7	<3.1

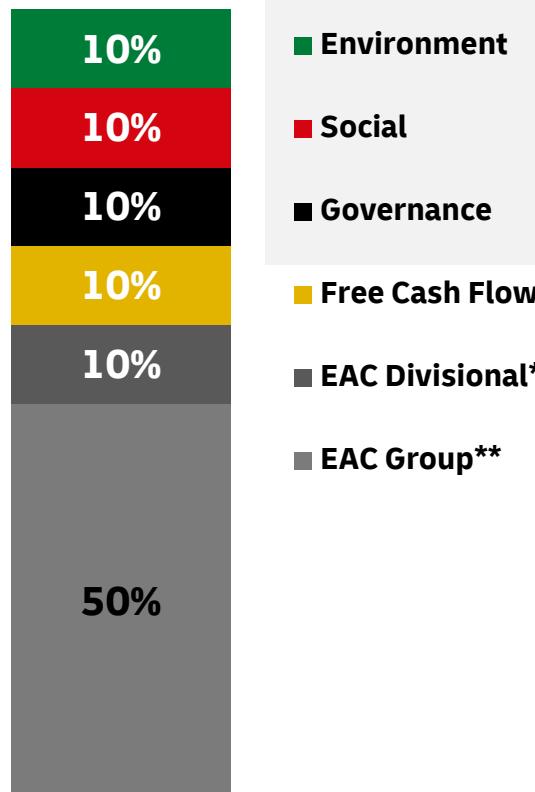
## Corporate governance

Measure	2021 Results	2022 Targets
Participation of executives in middle- and upper-level management in compliance training	96%	>97% share of valid training certificates in middle and upper management

# ESG targets integrated in management remuneration

## Criteria for Annual Variable Pay for Board of Management

from 2022 onwards



### E: CO<sub>2</sub>e emissions

Realized Decarbonization Effects

### S: Employee engagement

Group employee engagement approval rate

### G: Compliance

Share of valid training certificates in middle and upper management

## Payment schedule

For medium-term component (deferral) and annual bonus

- 50% paid after financial year if bonus criteria achieved
- 50% payout of achieved bonus deferred by additional 2 years\*

\*Medium-term component will only be paid out if EAC target is reached during the sustainability phase, i. e. at least the cost of capital was covered

\*Divisional EAC: only applicable for Divisional CEOs

\*\*60% of Group EAC is applied for Group CEO, Group CFO and Board Member for HR

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P&P Germany

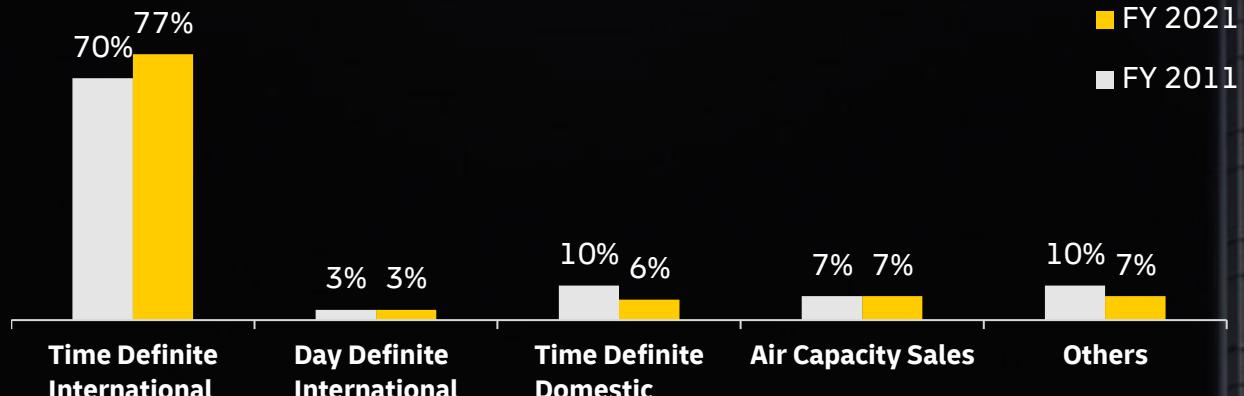
# DHL EXPRESS

Global market leader in Time Definite International Premium logistics segment offers above-GDP growth, driven by global trade and international B2C

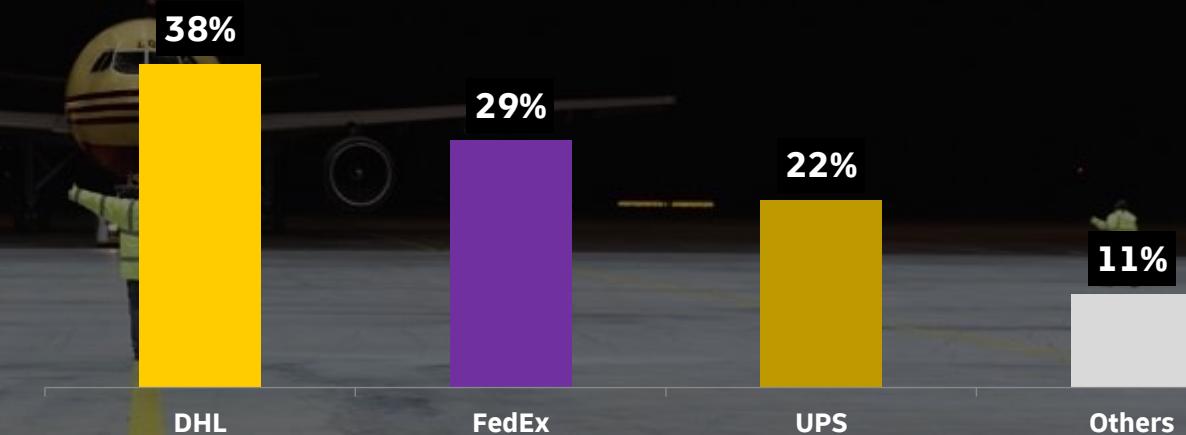
## Investment Summary:

- #1 World's Best Workplaces 2021
- Premium logistics segment offers above GDP growth driven by global trade (B2B) as well as international e-commerce (B2C+B2B)
- Leading integrated global network with long standing local presence in 220+ countries & territories
- Growth acceleration during Covid has led to sustainably higher EBIT and margin levels

## Revenue Mix



## Global TDI market share (2016)



Source: Market Intelligence 2017 on 2016 market data based on revenue, annual reports and desk research



**-7% yoy**

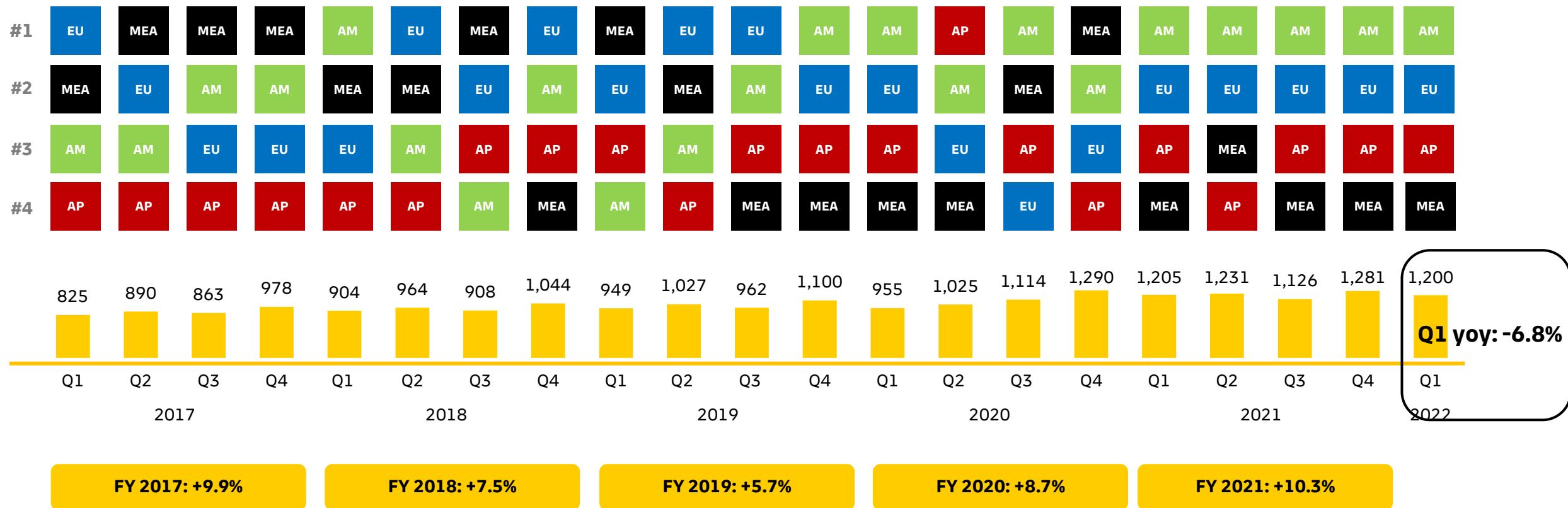
TDI Shipments/Day

**+13% yoy**

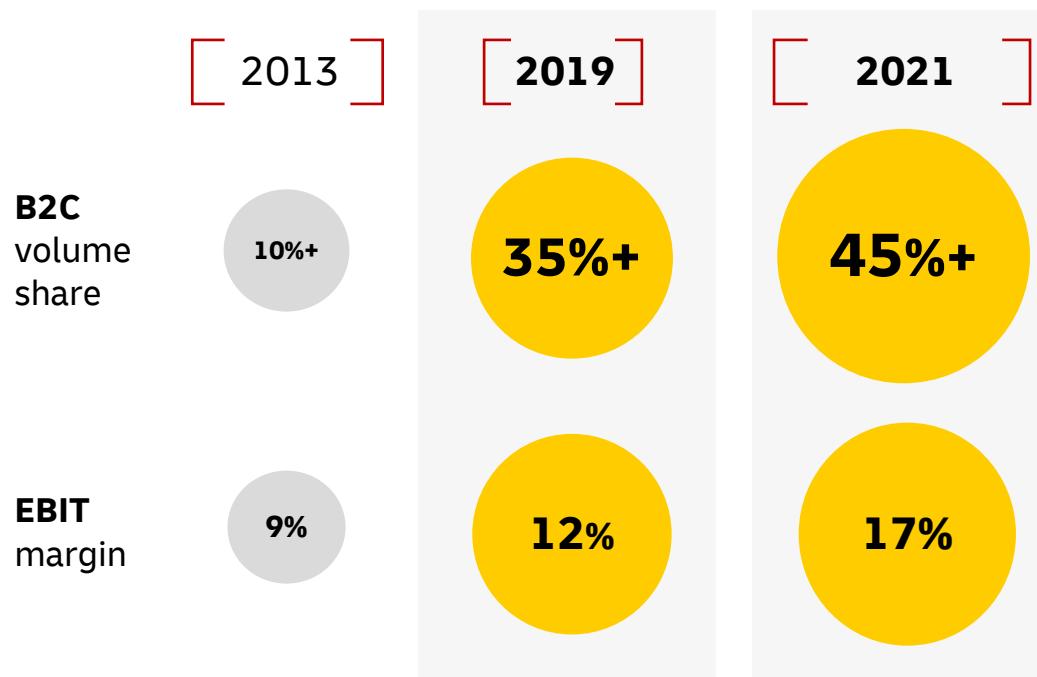
TDI Revenue/Day

- Organic revenue growth of **12%**
- **Higher yield and B2B weight** continue to offset lower B2C volumes during e-commerce normalization phase, as expected
- EBIT includes €-24m asset impairment in Russia, lockdown impact in China and temporary time lag in fuel surcharge pass-through; margin at **15%**
- **Current trends:** Growth continues to be driven by higher yield and weight; high volatility reflecting disruptions like China lockdowns

## DHL Express TDI volume growth, quarterly growth ranking



# E-commerce is a profitable growth driver for DHL Express



Network Characteristics	B2C Characteristics	Profitability Impact
Shipments per Day	Volume growth drives better utilization of existing network	↑
Weight per Shipment	Lower weight per shipment	→
Revenue per Kilo	Higher RpK related to lower WpS	↑
First mile	More pieces per stop at pickup	↑
Hub sort	Better utilization of existing infrastructure, with high degree	↑
Airlift	Better utilization of existing capacity, with lower WpS being advantageous	↑
Last Mile	Optimize residential delivery via On Demand Delivery & Drop Off Locations and increased delivery density due to B2C Growth	→

## DHL Express:

To serve our global network, we run more than just an airline

### Dedicated Air

**>320** Aircraft

**>70** Intercontinental →

**>250** Regional →

**17** Partner airlines

**>2300**

**daily flights**

**>500**

**airports**

**>300**

**commercial  
airlines  
(purchase air)**

**22**

**air hubs  
(3 global; 19 regional)**



As of 2021

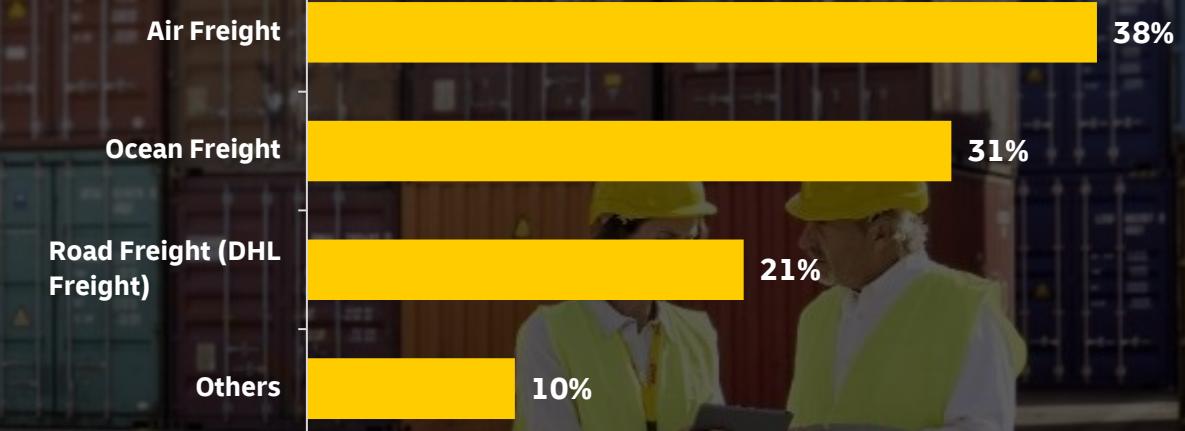
# DHL GLOBAL FORWARDING, FREIGHT

International transportation of Air Freight, Ocean Freight and Road Freight including Customs Clearance and related value-added services like warehousing, cargo insurance, etc.

## Investment Summary:

- Asset-light business model: Global presence in >150 countries with ~45,000 highly qualified employees
- Market potential continues to be attractive with GDP growth driven by global trade
- Investments into state-of-the-art IT systems are driving increased operational efficiency and enhanced customer experience
- On this basis, sustainably higher GP/EBIT conversion and EBIT margin levels post COVID-19 targeted
- New sustainable product offers launched in 2021

## Revenue Mix



## Market Position (2020)

- Air Freight
- Ocean Freight
- Road Freight (EU)

#1  
#2  
**Leading position in a highly fragmented market**



## DHL Global Forwarding, Freight

€7,359m    €601m

Revenue, Q1 2022  
+55% yoy

EBIT, Q1 2022  
+178% yoy

### Air Freight (AFR)

+3% yoy

Volumes

+65% yoy

GP/unit

### Ocean Freight (OFR)

+0% yoy

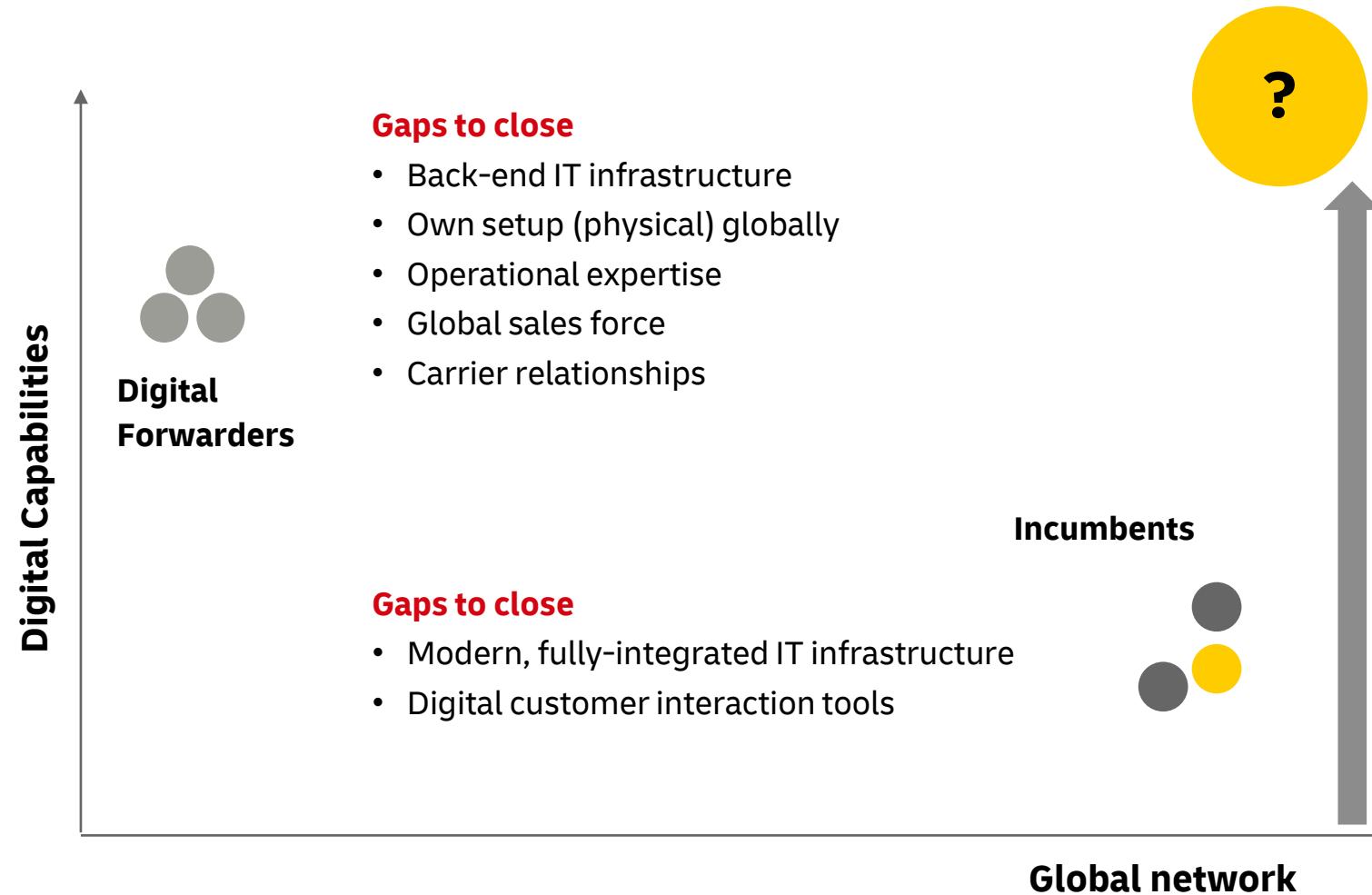
Volumes

+90% yoy

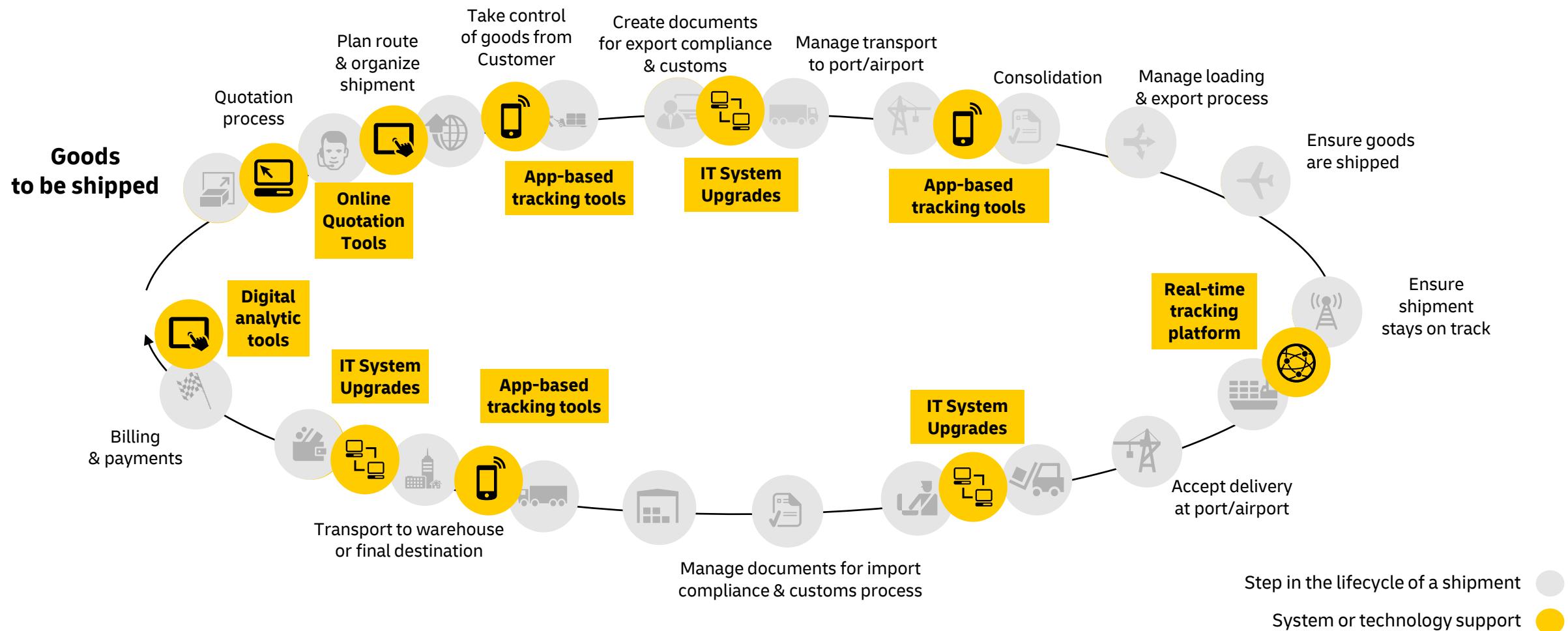
GP/unit

- Continued tight capacity and better usage of new TMS system drove further **GP expansion in AFR (+70% yoy) and OFR (+90% yoy)**
- Internal agenda for process improvements is further pursued, supporting **sustainable conversion improvement** (Q1 2022 DGF conversion rate: 50%)
- **Hillebrand** acquisition successfully closed and integration processes initiated (P&L contribution as of April 2022)
- **Current trends:** Demand continues to exceed tight capacity, situation exacerbated by the war in Ukraine and lockdowns in China; no quick or sudden rate normalization expected

## DGFF – Emerging new rivals do not pose imminent risk of disruption



# The lifecycle of a shipment is a complex process and technology investments are key to success



# With IRR & Digital Customer Interaction DGF is enhancing customer experience while increasing operational efficiency

myDHLi

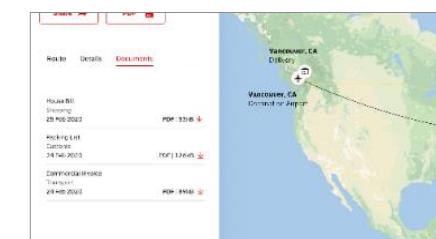
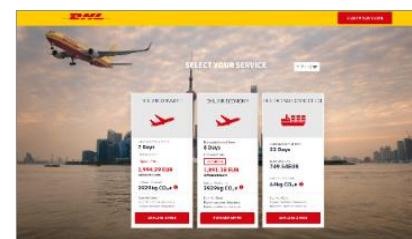
360° VISIBILITY

COLLABORATION

FULL ACCESS

MANAGED BY CUSTOMER

External



## IT Renewal Roadmap (IRR): Our Digital Backbone established

Internal



New TMS

Paperless  
forwarding

... and many more

# DHL SUPPLY CHAIN

Manage supply chains to reduce complexity for our customers. Our profitable core includes warehousing, transportation as well as key solutions like e-Commerce (incl. returns management), Lead Logistics Partner (LLP), Service Logistics, Packaging and Real Estate Solutions

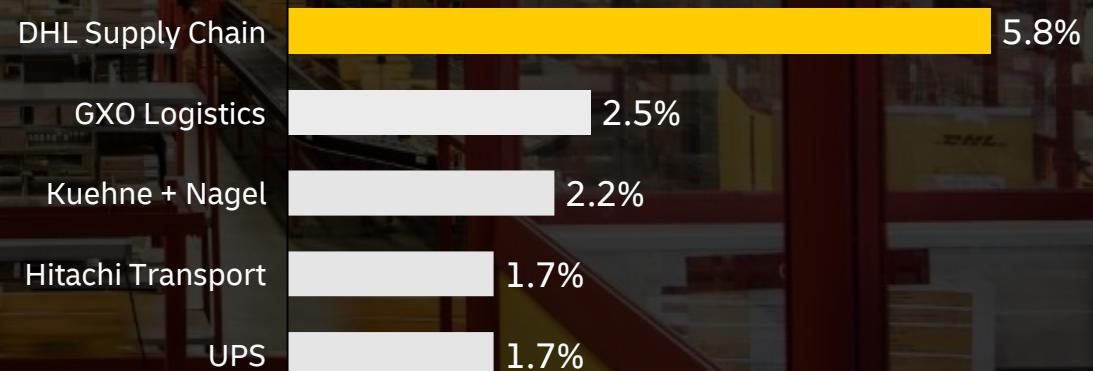
## Investment Summary:

- World market leader in Supply Chain Management with industry-leading EBIT margin at >5%
- Scalable and flexible digital solutions embedded in our standard ways of working
- Leading Omni-channel and e-commerce offering
- Strong focus on Employer of Choice attracting and retaining employees in times of critical labor shortages
- ESG roadmap and metrics fully integrated into strategic and operating framework

## Revenue Mix, FY 2021\*



## Market Position (2020)



\*restated in Q1 2022 reporting



**+13% yoy**

Organic revenue growth

**>5%**

EBIT margin

- Strong **organic top line growth** driven by **new business**, mainly **due to strong e-commerce contribution**, as well as a **high renewal rate**
- **EBIT growth of +23% yoy** reflects top line growth delivered at higher efficiencies from digitalization and standardization, thus further sustaining margin at a high level of **>5%**
- **Current trends:** Continued stable top- and bottom-line growth expected, driven by increased customer outsourcing due to rising complexities and market scarcities

**DSC Management Update on May 13<sup>th</sup> with Site Visit in Florstadt**



We are the  
**#1**  
**contract**  
**logistics player**  
managing supply chains  
to reduce complexity  
for our customers

**~€13.9bn**

revenue in 2021

**~€1.5bn**

eCommerce revenue in 2021

**>5.0%**

EBIT margin in 2021

**~177,000**

FTE

**10.5%**

EBITDA margin in 2021

**#1**

Innovative 3PL provider  
(Gartner ranking)

**75%** of our employees working in  
digitalized environment<sup>1)</sup>

**94%+**

Contract Retention Rate

**>5bn**

of new sales  
total contract value in 2021

**~50**

Net Promoter Score (NPS)  
continuously measured

**83%**

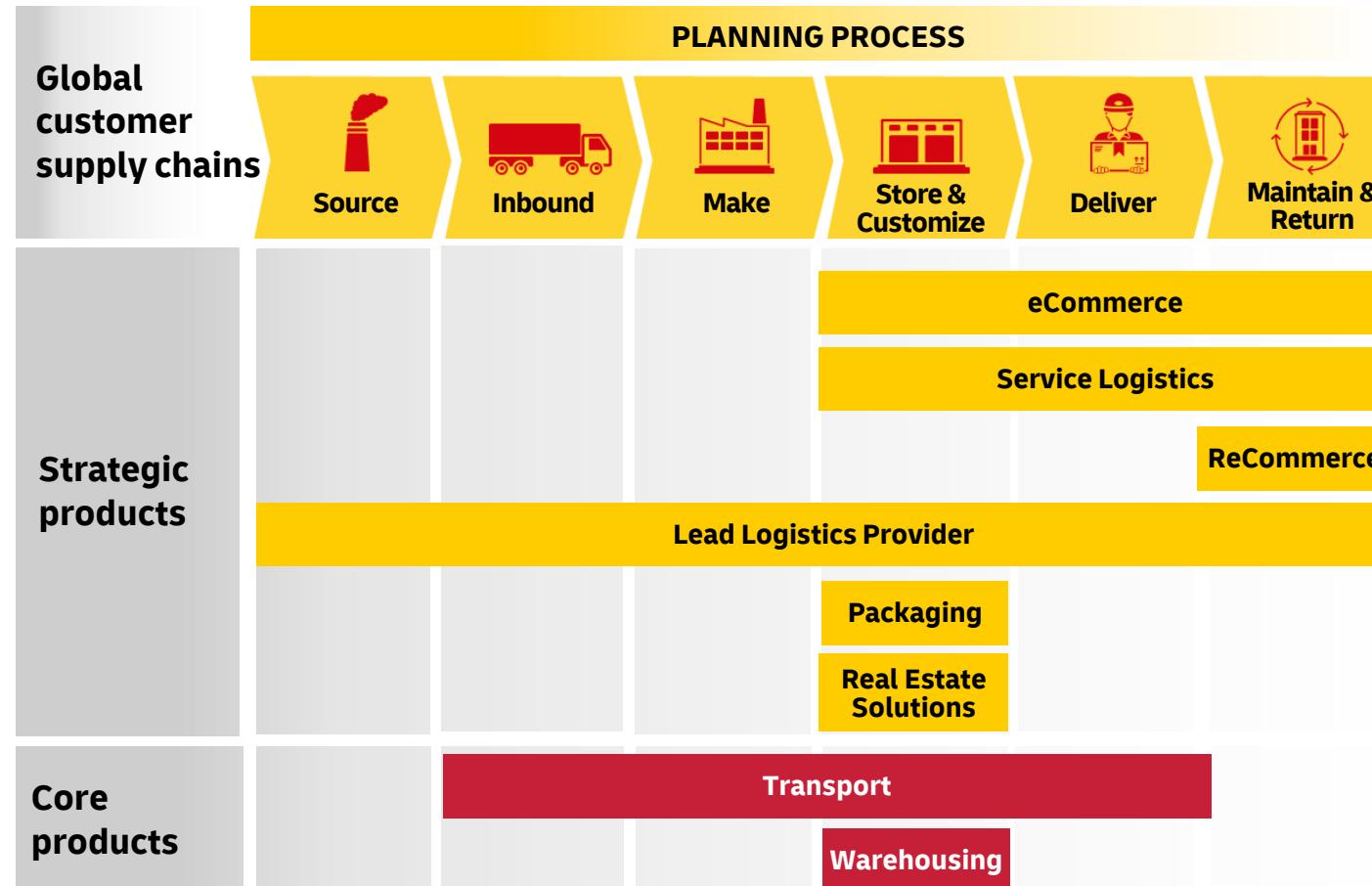
of staff covered by GPTW<sup>2)</sup>/Top  
Employer certification

Industry leading safety: **66%** lower  
Lost Time Injury Frequency Rate  
compared to Industry avg.<sup>3)</sup>

<sup>1)</sup> Employees on locations which have at least one active project of our 12 focus technologies; <sup>2)</sup>Great Place to Work <sup>3)</sup> 0.54 Lost Time Injury Frequency Rate (LTIFR) for DSC vs. Industry average of 1.6

# DSC offering attractive strategic solutions across the whole supply chain

## DHL Supply Chain offerings of key solutions <sup>1)</sup>



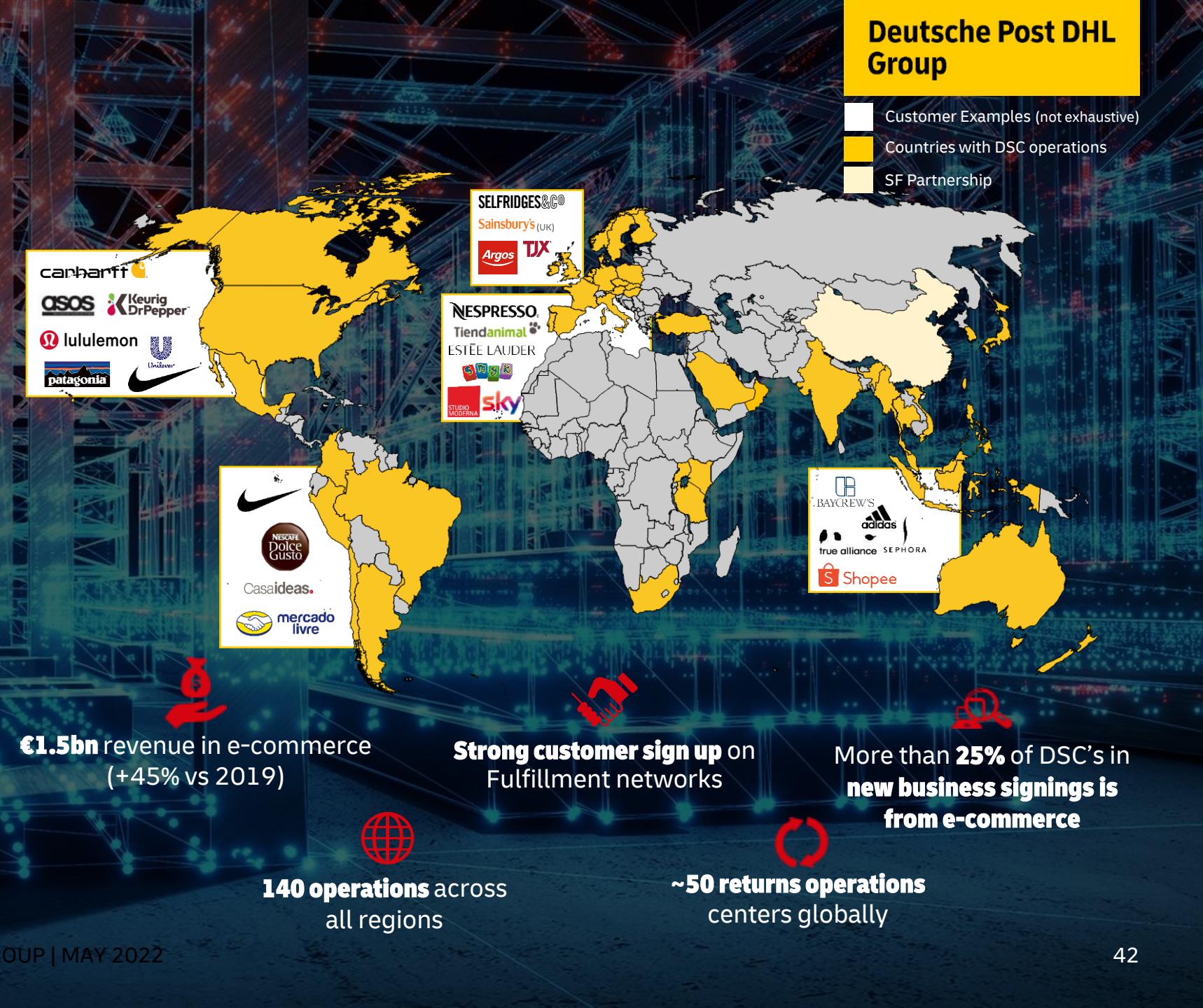
1) Not exhaustive 2) Includes DHL leased and owned locations as well as customer owned locations operated by DHL

DHL Supply Chain is the **most global contract logistics provider**:

- Global coverage of **>50 countries**, more than twice of closest global competitors
- Combine unparalleled reach and scale with **>1,500 locations** in all commercial centers
- Provide efficient scalability and flexibility on **>40m sqm<sup>2</sup> of warehouse space<sup>2)</sup>** that we manage and operate for our customers

As the **world's leading contract logistics provider** we create competitive advantage for our customers by delivering exceptional operational service as well as **innovative and sustainable solutions** across the supply chain.

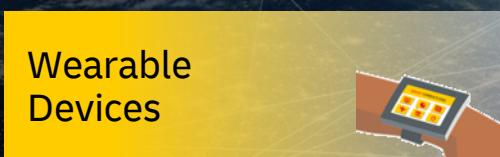
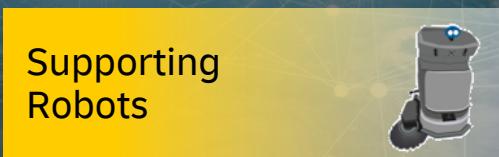
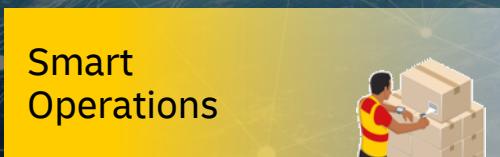
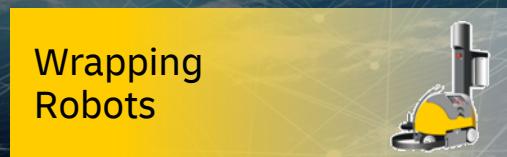
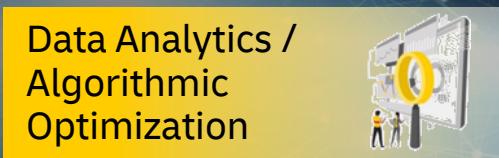
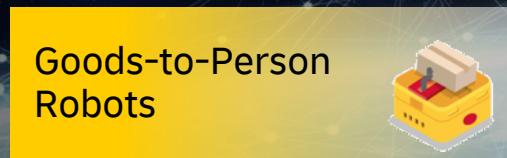
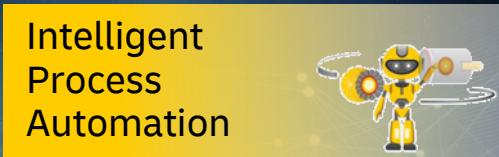
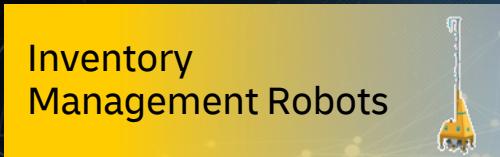
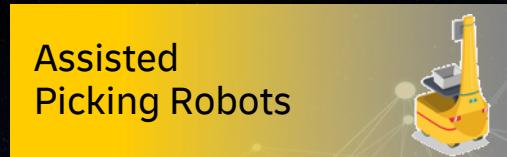
# DHL Supply Chain is uniquely positioned to cater for the structural growth of e-commerce and omni-channel demand globally



# We have defined 12 focus technologies with clear benefits for our customers and DSC

## 12 Focus technologies

identified along entire logistics process



### Investment of choice

Productivity and utilization increase, cost reduction

### Provider of choice

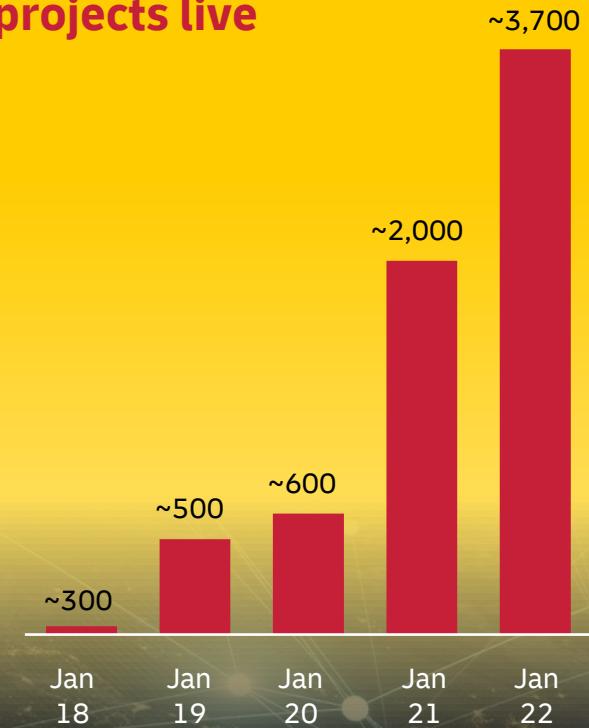
Customer satisfaction increase

### Employer of choice

Employee attraction and retention, overall satisfaction

75%+ of employees working on sites with active Accelerated Digitalization projects

# of digitalization projects live



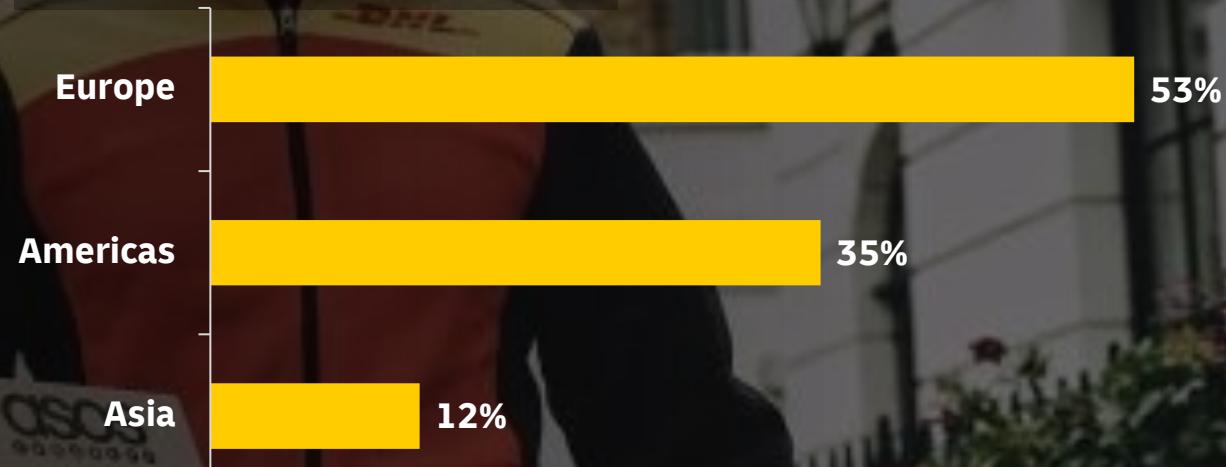
# DHL ECOMMERCE SOLUTIONS

Domestic last mile parcel delivery in selected countries outside of Germany (Europe, USA, India and selected Asian emerging markets). Non-TDI cross-border services primarily to/from and within Europe.

## Investment Summary:

- Strong structural growth driven by e-commerce as well as B2B exposure in all selected markets we operate in
- Sustainably increased EBIT from economies of scale, yield management and service performance
- Expansion of our pan-European Parcel Connect delivery platform
- Investments in network capacity & automation, (clean)-last mile capabilities and technology

## Revenue Mix, FY 2021





## DHL eCommerce Solutions

**€1,445m**

Revenue, Q1 2022  
-1% yoy

**€102m**

EBIT, Q1 2022  
-13% yoy

**>7%**

EBIT margin

- **Price increases** close to balancing out mid-single digit aggregate volume decline versus high B2C base effect in Q1 2021
- **Strong 7% margin** maintained in expected B2C normalization phase despite temporarily lower volumes, supported by yield management and cost focus
- **Current trends:** B2C normalization phase to continue into Q2

# Our profitable core: Focus on domestic and non-TDI\* parcel delivery

## Core business

### Domestic Last Mile

- In **selected countries outside of Germany**
- This includes **Europe, US** and selected emerging markets in **Asia Pacific**, incl. India



### Non-TDI Cross- border

- Commercial capabilities – primarily **to/from and intra-Europe**
- Parcel Connect in Europe a **strong and growing platform** as basis for future growth

#### Parcel Connect

Parcel Connect is our **optimizable delivery and returns solution** developed especially for e-commerce in Europe, catering to both B2B and B2C.

- Customers benefit from a single DHL point of contact for **seamless access** to 28 European countries.
- Brands establish trust and loyalty with customers thanks to fast, flexible, hassle-free delivery and returns.



\*non-Time Definite International Parcel delivery

## DHL eCommerce Solutions: Key stats at a glance



**>1.1 billion**

parcels delivered each year



**>20**

Offices



**22,500**

Vehicles



**2,400**

Facilities



**>48,000**

Employees



**>70,000**

Access Points<sup>1)</sup>



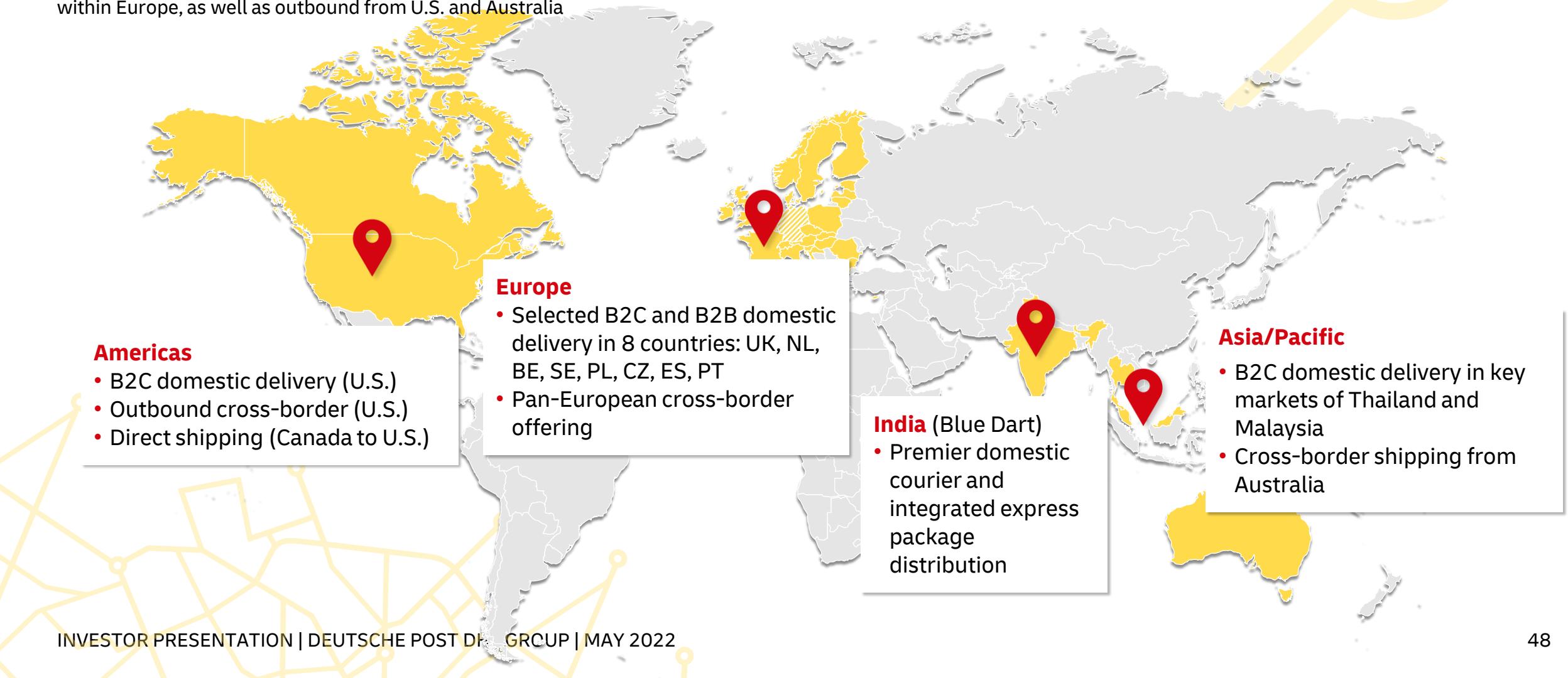
**6**

Dedicated Aircraft

Data as of 31.12.2021. 1) As of February 2022 reached 87.000 service points

# DHL eCommerce Solutions: Regions and service portfolio

We focus on **domestic last-mile parcel delivery** in selected countries in Europe, U.S., India and selected Asian emerging markets. Our non-TDI cross-border services are primarily to, from and within Europe, as well as outbound from U.S. and Australia



# POST & PARCEL GERMANY

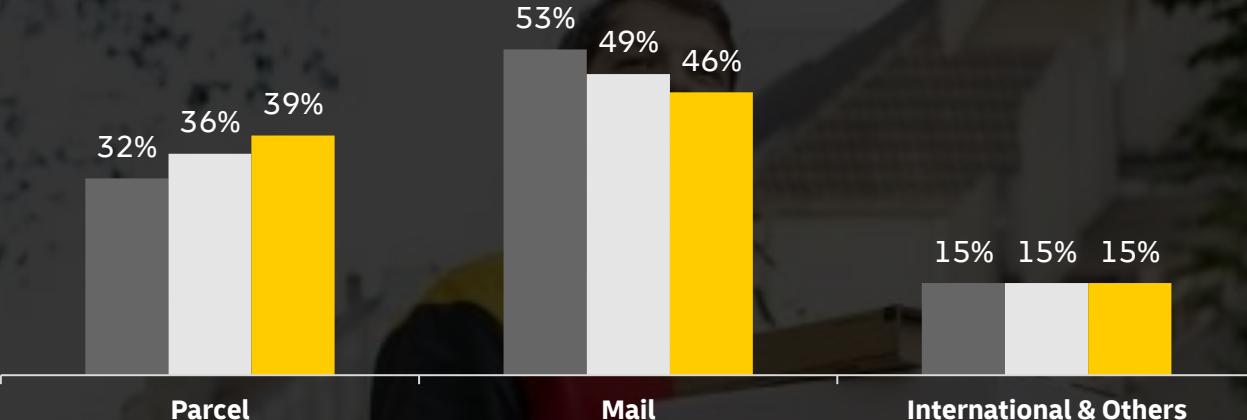
Transporting, sorting and delivering of documents and goods-carrying shipments in Germany and export.

## Investment Summary:

- German parcel and mail incumbent with leading market positions
- Financial performance outlook: stable long-term EBIT with consistent FCF contribution
- Recognized Top Employer driving superior network and delivery quality
- First mover in green delivery: significantly lower CO<sub>2</sub>e /parcel vs all delivery competitors in Germany
- Digitalization and automation: Highest productivity in the industry through scale, automation und digitalization

## Revenue Mix

■ FY 2019 ■ FY 2020 ■ FY 2021



## Market Position (2021)

~61% Market share **Mail Communication**  
(business customers)

>40% Market share **Parcel**

**Post\*****+7% yoy**

Volumes

**+3% yoy**

Revenue

**Parcel****-19% yoy**

Volumes

**-15% yoy**

Revenue

- Expected **B2C parcel normalization** against unusually high H1 2021 levels; Q1 2022 volumes however +19% above Q1 2019
- **Mail** volume and revenue increase, against structural trend, driven by rebound in (lower priced) Dialogue Marketing volume (+18% yoy)
- **Cost reduction** in purchased goods & services and staff costs (>3,000 lower FTE yoy), partly offset by negative COVID-19 impacts (high sickness rate, safety measures)
- **Current trends:** B2C normalization phase to continue into Q2

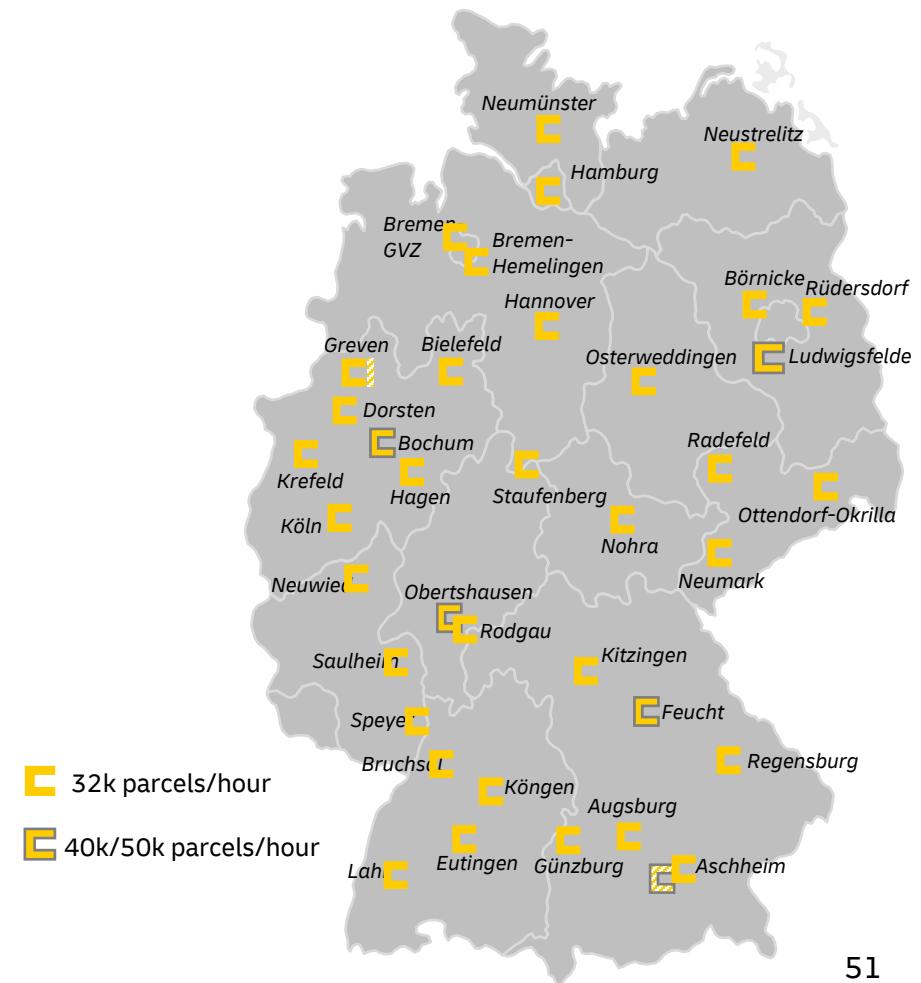
\*Post = Mail Communication & Dialogue Marketing

# German Post and Parcel Network

82 Mail sorting centers



37 Parcel sorting centers



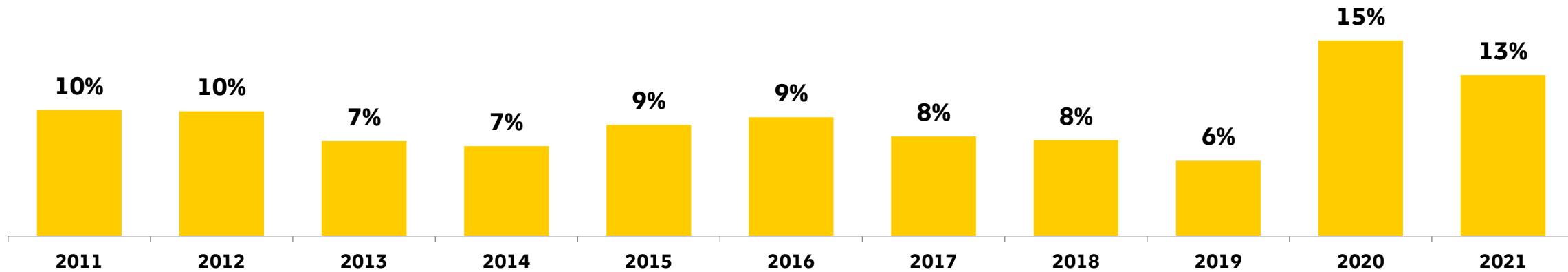
## Delivery



~60% – and growing –  
of Parcel deliveries done  
through joint delivery with mail

# DHL Parcel Germany: Structural e-commerce trend

Parcel Germany, volume growth, yoy



**>40%**  
Parcel Market Share

**7.2m**  
parcels per working day (2021)

**>120k**  
Parcel Business customers

**~8,700**  
Parcel Lockers  
(Packstation)

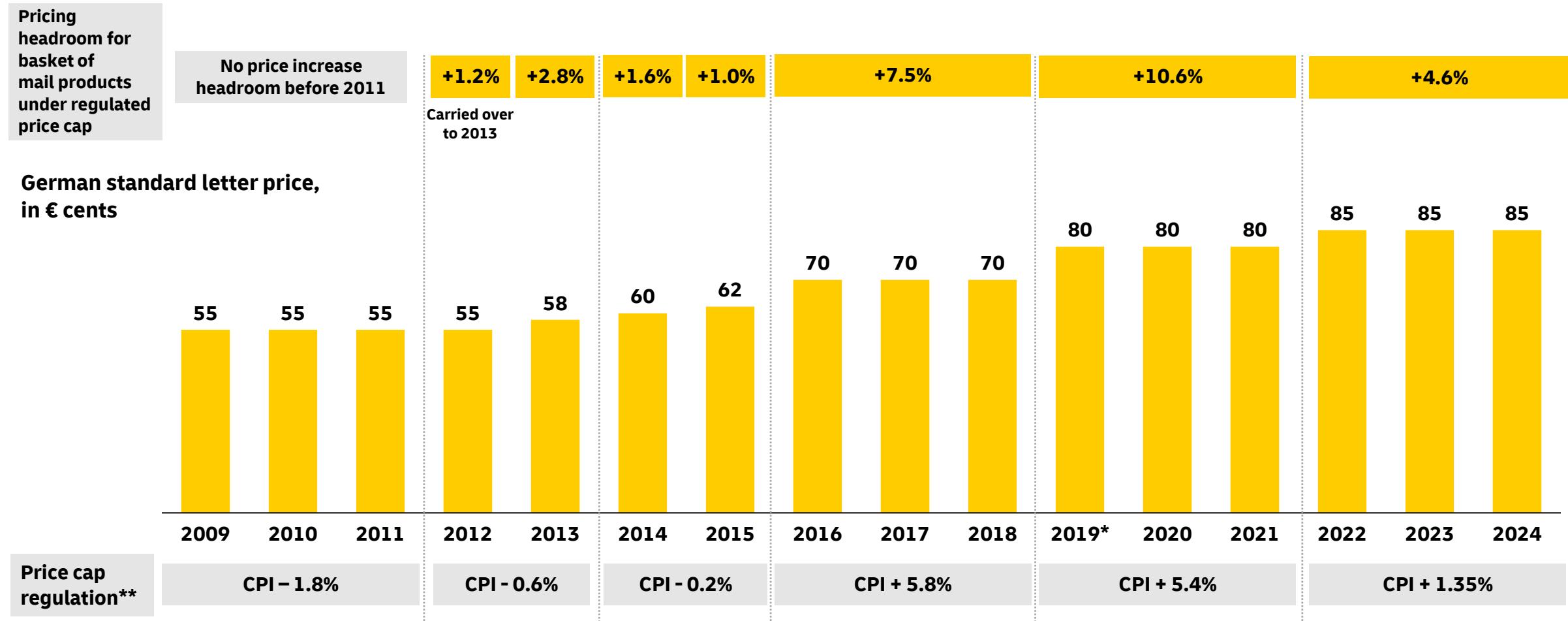
**~79%**  
Next day delivery

# P&P Germany: Products and Pricing

P&P revenue FY21: €17.4bn		Pricing	
Mail Communication €5.5bn	Ex-ante products – <i>private customers</i> (€1.0bn)	4.6% increase starting Jan 1st 2022 for 3 years (incl. international)	
	– <i>business customers</i> (€1.4bn)		
	Partial services – <i>business customers</i> (€2.0bn)	2020: 3-4% through reduction of discounts	
Dialogue Marketing €1.8bn	Other (€1.1bn)*	Partially increased in 2020-2022	
	Addressed and unaddressed advertisement mailings, campaigns (both digital & physical)	Partially increased in 2020-2022	
	In- and outbound Germany shipments	Depends on the product category: Partially increased in 2020-2022	
International €2.6bn	Press, pension services, retail	Partially increased in 2020-2022	
Others/Consolidation €0.8bn	Business customers	Top accounts (~500 customers) Middle accounts (~22k customers) Small accounts (~102k customers)	Pricing varies by contracts. Last increase: January 1st 2022.
Parcel Germany €6.8bn	Private customers		Listed prices in retail outlets and online

1) e.g.: small items eCommerce, Philately, "Postzustellungsauftrag"

# Standard letter stamp price development is based on regulated price cap

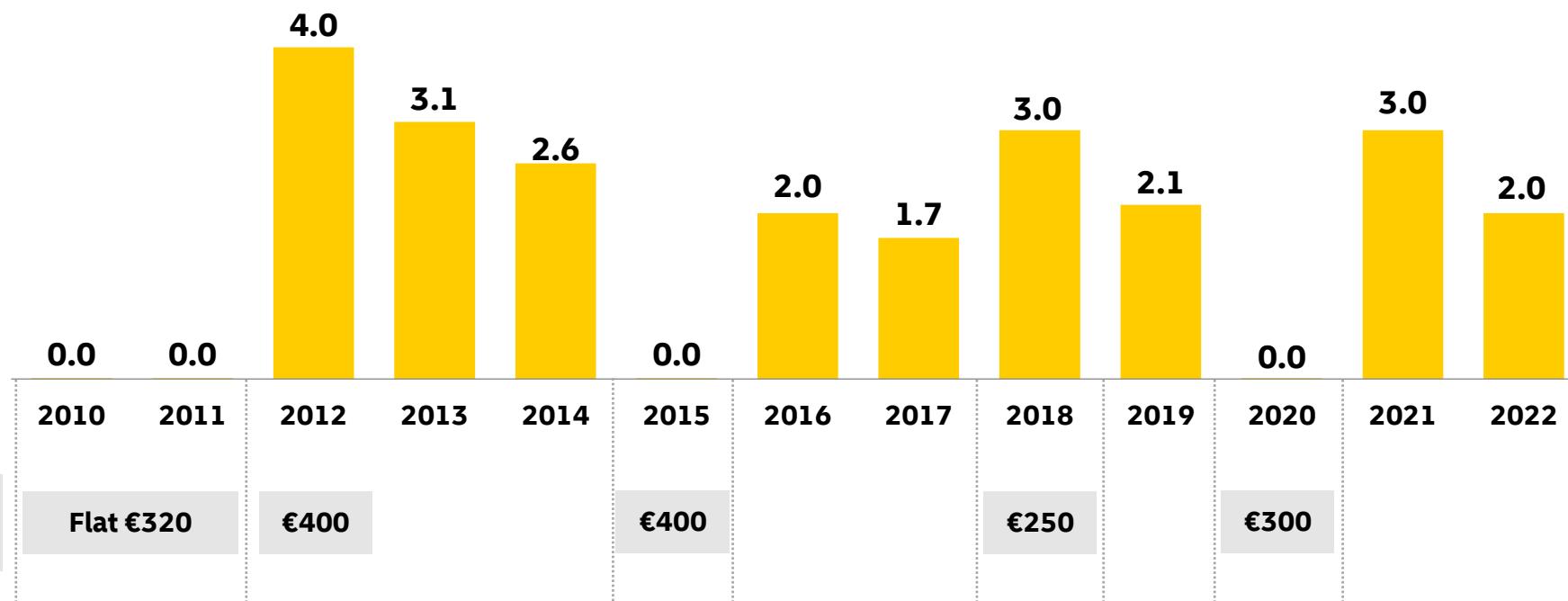


\*implemented from July 1<sup>st</sup> 2019 onwards, taken into account in headroom calculation

\*\*CPI: Consumer price index

# P&P Germany: Wage agreements in Germany

Wage increases for P&P Germany employees\*, yoy in %



Current agreement applies to ~140,000 Deutsche Post tariff employees.

Contract period:  
Sep 1<sup>st</sup> 2020 -  
Dec 31<sup>st</sup> 2022

\*applies to ~140,000 Deutsche Post AG tariff employees

# CONTENT



DPDHL Group Highlights



Strategy 2025



Financial Backup

## DIVISIONAL DEEP-DIVES:



DHL Express



DHL Global  
Forwarding, Freight



DHL Supply Chain



DHL eCommerce  
Solutions



P&P Germany

# Deutsche Post DHL Group at a glance



GROUP



DHL Express

DHL Global Forwarding,  
Freight

DHL Supply Chain

DHL eCommerce  
Solutions

Post &amp; Parcel Germany

## Revenue

€81,747m

€24,217m

€22,833m

€13,864m

€5,928m

€17,445m

## EBIT

€7,978m

€4,220m

€1,303m

€705m

€417m

€1,747

## EBIT Margin

9.8%

17.4%

5.7%

5.1%

7.0%

10.0%

## FTE\*

528,079

108,896

42,348

167,666

32,099

164,429

\*average for the year

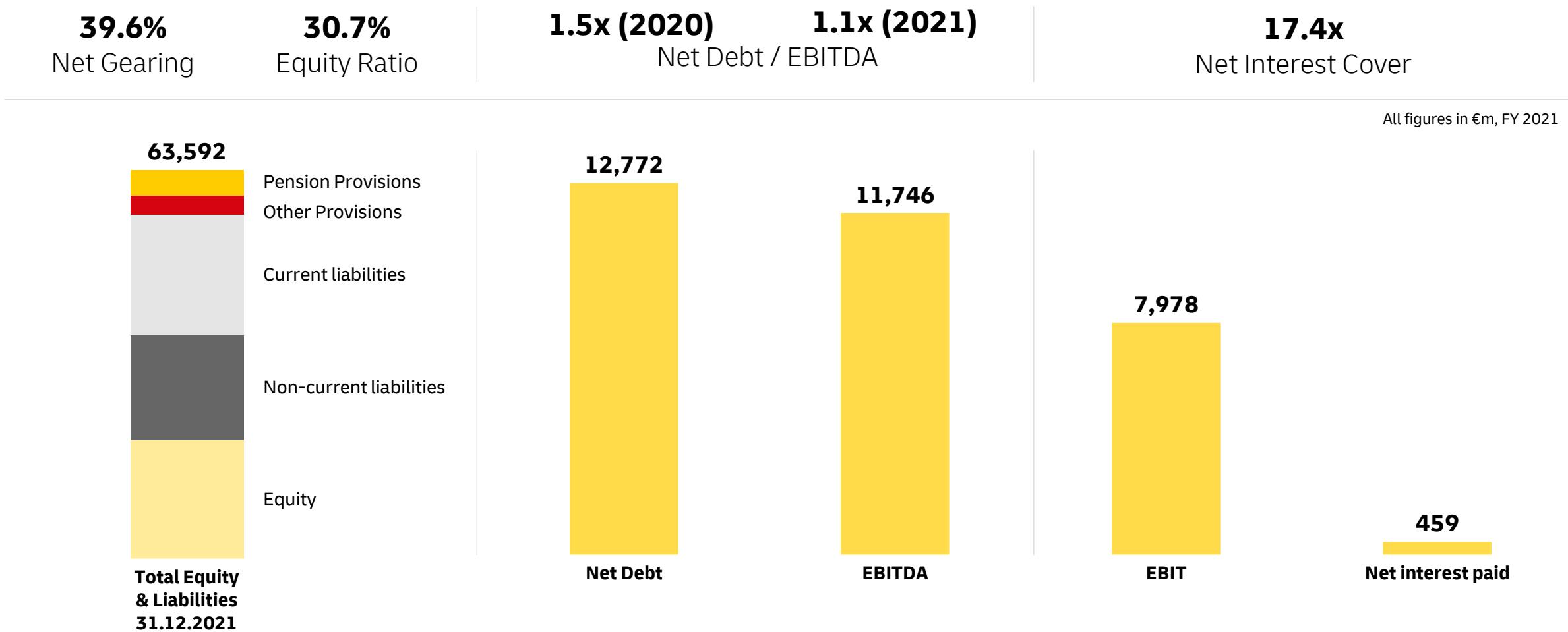
# Q1 2022 Group P&L: Double-digit growth in revenue, EBIT and EPS

in €m	Q1 2021	Q1 2022	vs. LY
<b>Revenue</b>	<b>18,860</b>	<b>22,593</b>	<b>+19.8%</b>
<b>EBIT</b>	<b>1,911</b>	<b>2,159</b>	<b>+13.0%</b>
Financial result	-154	-123	+20.1%
Taxes	-492	-590	-19.9%
<b>Consolidated net profit*</b>	<b>1,190</b>	<b>1,351</b>	<b>+13.5%</b>
<b>Basic EPS (in €)</b>	<b>0.96</b>	<b>1.10</b>	<b>+14.6%</b>

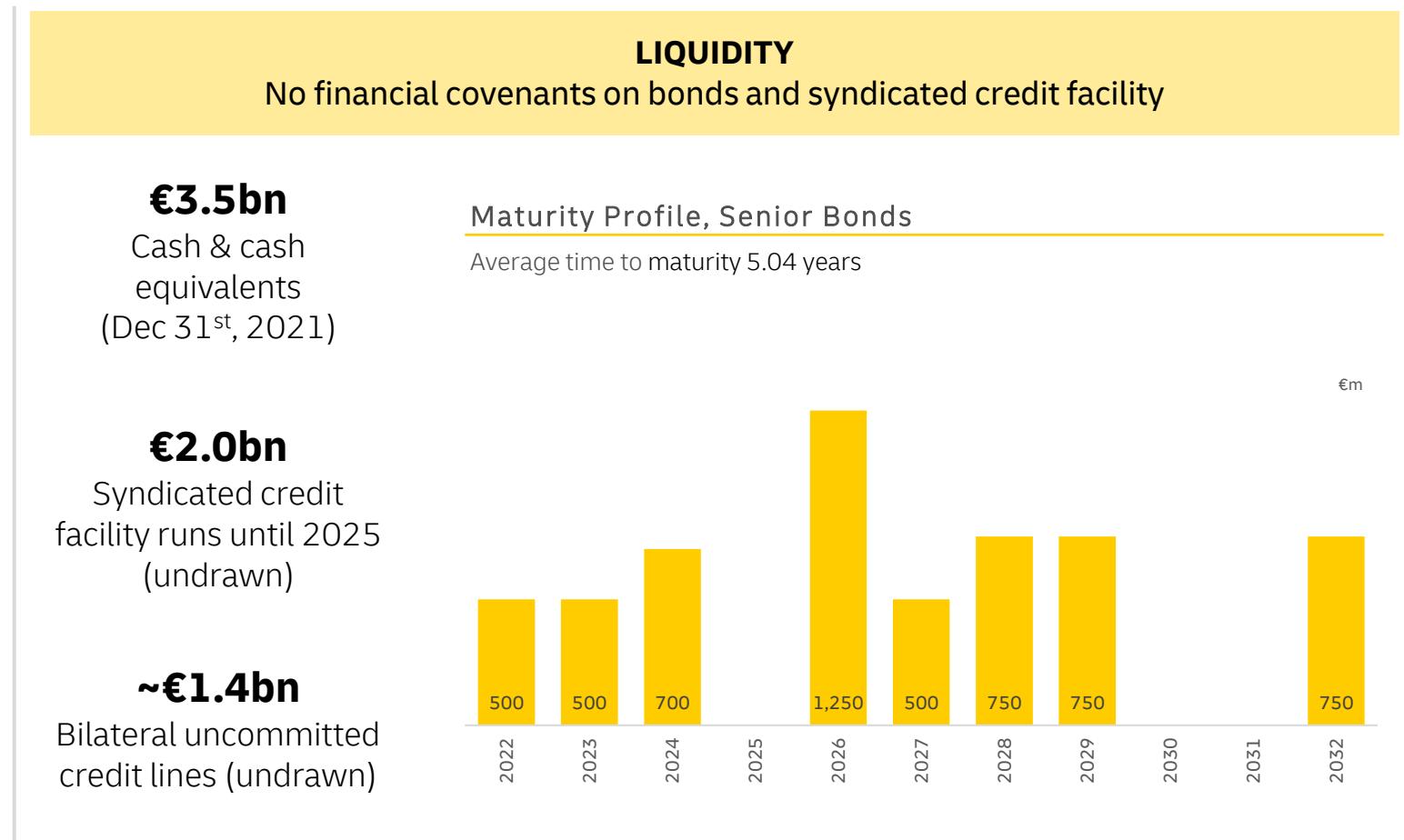
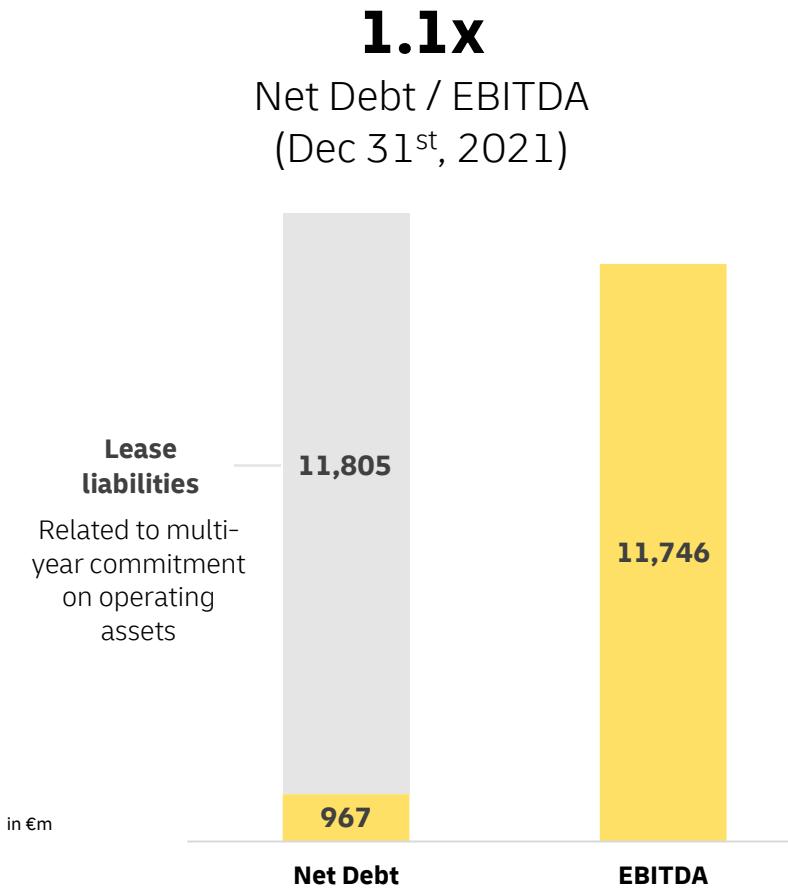
*Q1 2022 Group EBIT includes €+13m net one-offs: €+43m StreetScooter (Group Functions), €-24m asset impairment in Russia (DHL Express), €-6m asset impairment in Russia (DHL Global Forwarding, Freight).*

\*attributable to DPDHL Group shareholders

# Balance sheet continues to show healthy leverage ratios



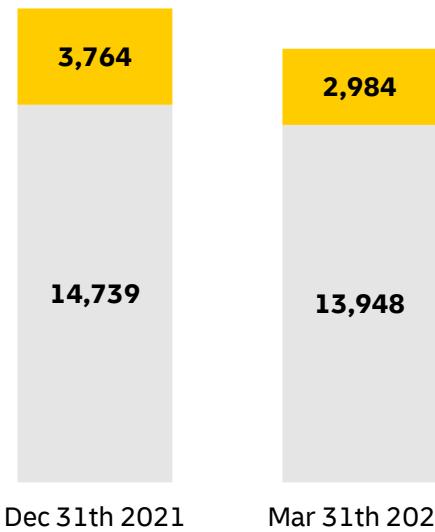
# Strong balance sheet and liquidity position



# DPDHL Group Pensions – DB and DC plans

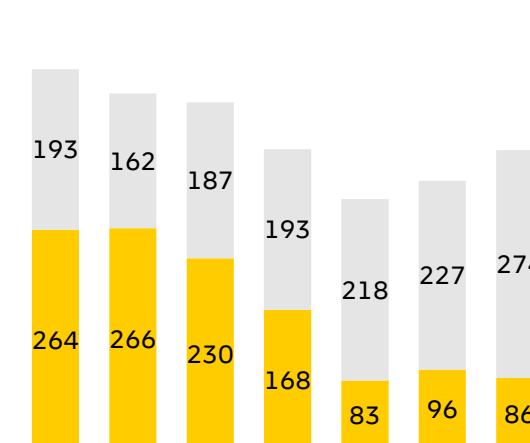
in €m

## Defined Benefit Obligation



## Defined Benefit Staff Costs\* & Change in Provisions

\* Excluding one-offs, in EBIT

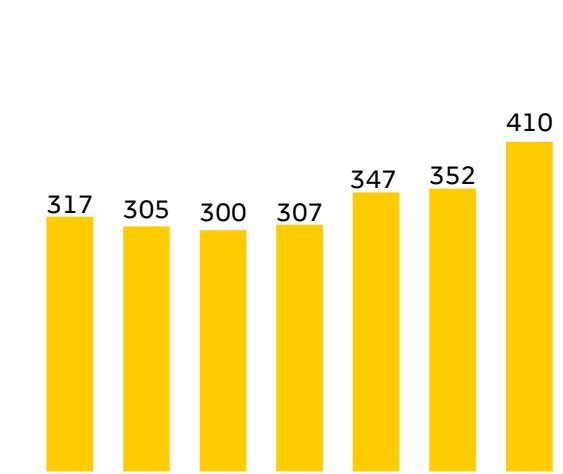
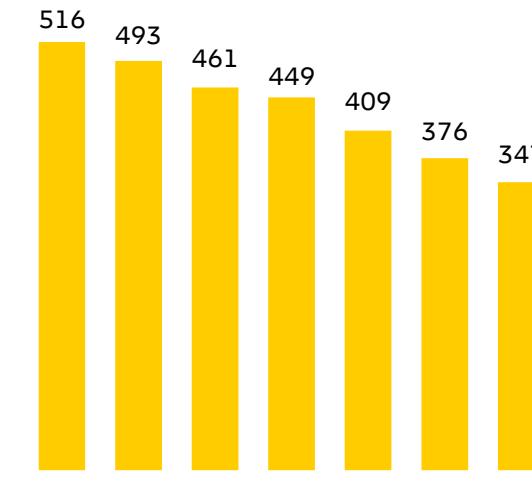


## Defined Contribution (Cash out ≈ Staff Costs in EBIT)

Civil Servants in Germany

Hourly workers &amp; salaried employees\*

\*mainly outside Germany



## Discount Rate (DBO)

### Germany

### UK

### Other

## Total (Weighted Average)

Mar 31<sup>th</sup> 2022

2.10%

2.80%

2.22%

2.32%

Dec 31<sup>st</sup> 2021

1.50%

1.90%

1.61%

1.64%

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