

Q3 2022 RESULTS

FRANK APPEL, GROUP CEO
MELANIE KREIS, GROUP CFO

8 NOVEMBER 2022





CEO Update

FRANK APPEL, GROUP CEO



Executive Summary

Q3 2022

Group EBIT up +15% yoy, +5% yoy excl. 2021 COVID-19 bonus

B2C yoy comparison improved vs. H1; slowing macro environment becoming visible

Reported Free Cash Flow of €1.8bn, up +45% yoy

Strong EBIT performance translating into strong cash generation

Going forward

2022 EBIT and Free Cash Flow guidance increased

Based on strong 9M 2022 performance in Group portfolio

Executing on established levers to counter macro slowdown

Full focus on flexibly managing external uncertainties

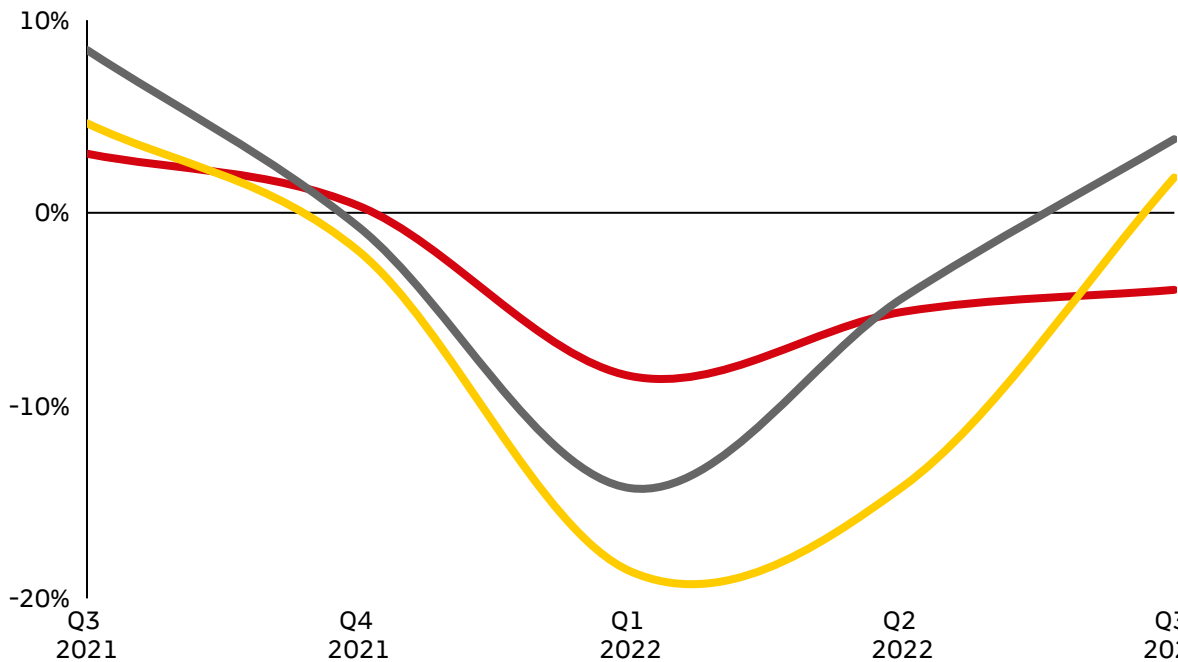


Post lockdown normalization is nearing completion for B2C / e-commerce

B2C yoy comparison significantly improved in Q3

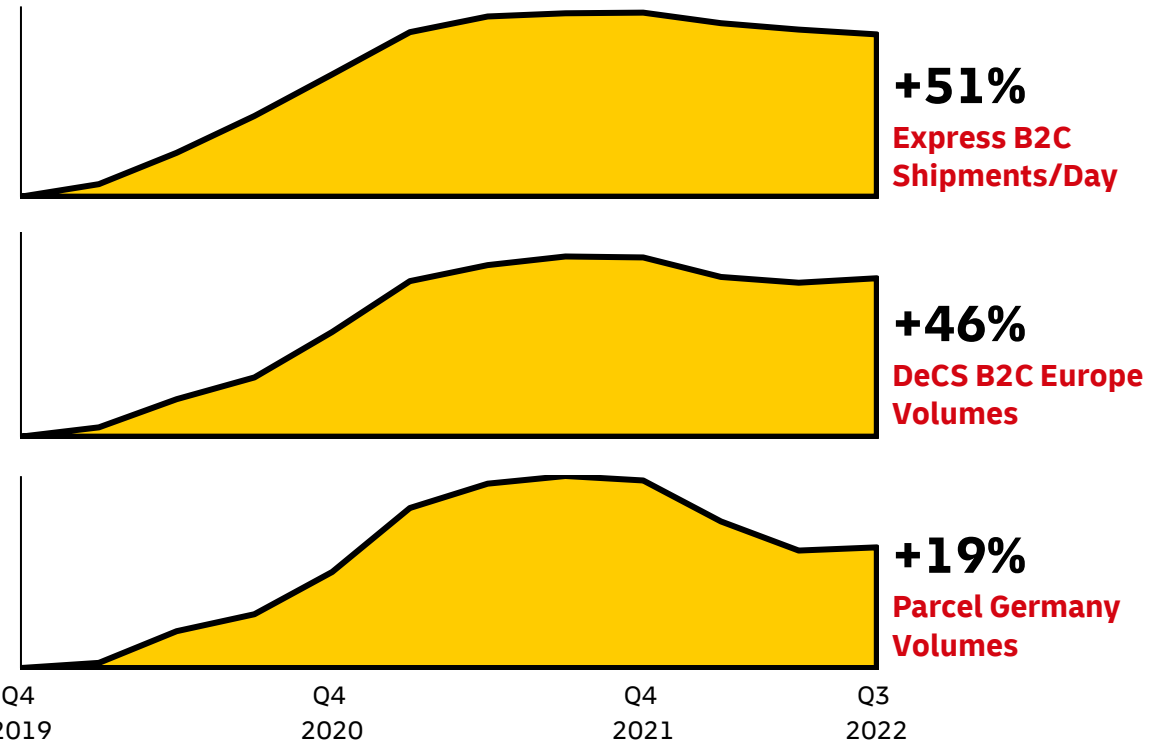
YoY growth

Express B2C Shipments/Day DeCS B2C Europe Volumes Parcel Germany Volumes



Higher e-commerce base level vs. pre COVID-19

Rolling four quarters, indexed



B2B volume development reflecting gradually slowing macro environment

Expected freight market rebalancing started

Resilient Q3 performance by DHL Express

All figures refer to Q3 2022

Air Freight volumes

Ocean Freight volumes

B2B shipments/day

B2B weight/day

-11%
yoy

-9% excl. Hillebrand
yoy

-1%
yoy

+1%
yoy

+3%
vs. Q3 2019

-15% excl. Hillebrand
vs. Q3 2019

-4%
vs. Q3 2019

+25%
vs. Q3 2019



Q3 DGF EBIT/GP conversion rate remained strong at **42%**, reflecting still high freight rates and improved internal processes



Strong Q3 EBIT as network adapted timely to slowing shipment/day dynamic reflecting gradually weakening general economic environment



Strong focus on productivity in normalizing markets. Sustainably stronger **EBIT/GP conversion rate** supported by higher efficiencies from new IT system



Virtual airline model ensures **high network flexibility.** Q4 network planning aims to balance expected B2C peak season uplift with softer B2B outlook

Executing on established levers to proactively manage macro slowdown



Disciplined yield management



General Price Increase

DHL Express (7.9% for 2023), DeCS, Parcel Germany



Surcharges

Established mechanisms in DHL divisions; new energy & peak season surcharge in Parcel Germany



Full focus on cost management



Cost management

Well-known levers executed where required



Network flexibility

Constantly adapting to volume expectations

Execution of Sustainability Roadmap continues irrespective of macro environment



Environment

Clean operations for climate protection

- **DHL Express: Alice** – successful maiden flight of first-ever all-electric cargo plane
- **P&P Germany:** Largest electric fleet with **>20k electric commercial vehicles**
- Introduction of **GoGreen Plus** services at **DHL Freight** and in **Parcel Germany** for private customers
- **DHL Global Forwarding** agreed on a **new SMF Deal** covering **60m liters**



Social

Great company to work for all

- **Employee Opinion Survey (EOS): Stable on high** previous year's level with continuous high participation rate despite **tough labor markets**
- For the second consecutive year, **DHL Express tops the global list of the Great Place to Work™** ranking



Governance

Highly trusted company

- Deutsche Post DHL Group has **revamped** its **Sustainability Advisory Council** with a new group of external experts from science, politics, business and other relevant fields
- **Compliance trainings:** on track towards reaching target of **>97%** share of valid training certificates in middle and upper management

GREAT COMPANY TO WORK FOR ALL

Deutsche Post DHL
Group



**DHL EXPRESS TOPS AGAIN
THE GLOBAL LIST OF
GREAT PLACE TO WORK™**



CEO conclusion

Retained #1 Great Place to Work™ globally

Recognition of our “Employer of Choice” focus, forming our competitive advantage

Upgrade of FY22 EBIT and FCF guidance

Following strong 9M results with increase in revenue, EBIT and FCF

Group EBIT on a new level, post-pandemic – but alert on risks

Attentive to macro environment and executing on our levers





Financials & Outlook

MELANIE KREIS, GROUP CFO



Q3 2022 Group P&L

Double-digit topline growth fully translated into strong EPS growth

in €m	Q3 2021	Q3 2022	vs. LY	9M 2021	9M 2022	vs. LY
Revenue	20,036	24,038	+20.0 %	58,369	70,660	+21.1 %
EBIT	1,771	2,041	+15.2 %	5,765	6,537	+13.4 %
Financial result	-142	-152	-7.0 %	-461	-421	+8.7 %
Taxes	-457	-548	-19.9 %	-1,486	-1,774	-19.4 %
Consolidated net profit*	1,087	1,228	+13.0 %	3,569	4,040	+13.2 %
Basic EPS (in €)	0.88	1.02	+15.9 %	2.89	3.32	+14.9 %

*attributable to DPDHL Group shareholders



DHL Express

€7,197m **€1,012m**

Revenue, Q3 2022
+22% yoy

EBIT, Q3 2022
+4% yoy
0% yoy, excl. 2021 COVID-19 bonus

-3% yoy
TDI Shipments/Day

+19% yoy
TDI Revenue/Day

- Time-Definite-International (TDI) shipments/day yoy slightly better than H1 trend:
 - B2B (Q3: -1% yoy; H1: -5% yoy)
 - B2C (Q3: -4% yoy; H1: -7% yoy)
- Strong revenue growth reflects significant fuel and FX effects as well as yield management. 2023 GPI (General Price Increase) announced with standard increase of +7.9%
- EBIT margin at 14%, down yoy as fuel pass-through and FX added to revenue growth but had a combined net negative EBIT effect



DHL Global Forwarding, Freight

€7,892m **€584m**

Revenue, Q3 2022
+38% yoy

EBIT, Q3 2022
+57% yoy
+51% yoy, excl. 2021 COVID-19 bonus

Air Freight (AFR)

-11% yoy
Volumes

+73% yoy
GP/unit

Ocean Freight (OFR)

+12% yoy
Volumes

+28% yoy
GP/unit

- Volume development reflects ongoing market softening. OFR volume -9% excl. M&A – Hillebrand integration well on track
- GP/unit down sequentially as freight rates normalize, however cushioned by GP management as well as structural system-based improvements in GP generation
- Strong EBIT/GP conversion of 42% in DGF – unchanged target of 35+% conversion in “normalized” freight rate environment based on structural changes enabled by IT renewal



€4bn (+12% yoy)

9M 2022 total contract value

5%

EBIT margin

- Unchanged continued top- and bottom-line growth driven by strong new business wins, a high renewal rate supported by growth of our strategic products and higher efficiencies yielding from continuous investments in scaling digitalization and standardization
- EBIT margin of 5.3% remains in line with 5-6% target



+2% yoy
Organic revenue growth

6%
EBIT margin

- Revenue growth accelerating from H1 due to improving B2C volume momentum yoy, with unchanged positive yield and FX effects
- Annual GPI (General Price Increase) for 2023 tailored to country circumstances as usual
- EBIT margin maintained at high level of 6%, reflecting structurally higher e-commerce penetration and network utilization post lockdown



Post & Parcel Germany

€3,948m **€290m**

Revenue, Q3 2022
0% yoy

EBIT, Q3 2022
-3%
-18% yoy, excl. 2021 COVID-19 bonus

Mail*		Parcel	
-5% yoy Volumes	-3% yoy Revenue	+2% yoy Volumes	+4% yoy Revenue

- Parcel back to yoy growth, significantly improving from H1 in line with expected post lockdown normalization
- 2023 price increase for Parcel business customers to include new energy price and peak season surcharges
- Accelerated cost inflation not fully offset by ongoing cost and pricing measures
- Current focus on peak season quality

*Mail = Mail Communication & Dialogue Marketing

Strong EBIT performance translating into strong cash generation

Q3 2022

All in €m



- Changes in WC up €+486m yoy as working capital build-up reversing; in-line with freight market normalization
- Capex slightly up yoy, in line with full year guidance
- YTD FCF excl. Net M&A amounted to €3.7bn

2022 Share Buy-back:

- First tranche of €800m fully executed
- New tranche of €500m announced, to be executed until March 2023

2022 Guidance update: Group EBIT expected in upper half or above previous guidance

H2 2022 macroeconomic scenario, as introduced in August

2022 EBIT sensitivities (vs previous guidance)

~~Sudden, sharp GDP deceleration~~

~~€7.6-8.0bn (LOWER HALF)~~

Decline in global GDP growth towards year-end

€8.0-8.4bn (UPPER HALF)

Based on currently still valid, solid business momentum

>€8.4bn (ABOVE)

New 2022 Group EBIT guidance: €~8.4bn

2022 and mid-term guidance

in € bn

EBIT	2022 Guidance		Mid-term Guidance
Group	~8.4 (from 8.0 +/- 5%)	2024 Group EBIT	~8.5
DHL	~7.5 (from 7.0 +/- 4%)	Free Cash Flow	~11
P&P Germany	~1.35 (from 1.5 +/- 10%)	2022-2024 cumulative	
Group Functions	~-0.45	Gross Capex (excl. leases)	~12
		2022-2024 cumulative	
Free Cash Flow	>4.2 (from 3.6 +/- 5%)		
Gross Capex (excl. leases)	~4.2		
Tax Rate	28-29% (from ~29%)		

Note:

- FCF guidance excludes Net M&A

Deutsche Post DHL Group

STRONG CASH FLOW & BALANCE SHEET

>€4bn

Free cash flow 2021 / 2022e

BBB+

Fitch

A2

Moody's



#1 Global TDI Express



#1 Air Freight



#2 Ocean Freight



#1 Contract Logistics



#1 Parcel Germany

WE ARE #



#1 World's Best Workplaces

ATTRACTIVE RETURNS

~5%

dividend yield*

Strong commitment to dividend continuity

€2bn

2022-24 share buy-back program

€800m executed YTD

New tranche of €500m announced, to be executed until March 2023

*based on closing share price on Nov 7th 2022

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Q&A Session

Dear Journalists,
If you'd like to ask a question, please use the **“Raise Hand”** button.
Please do not forget to unmute your line while asking questions.

