

# Q1 2023 RESULTS

May 3<sup>rd</sup> 2023



# DPDHL GROUP

## Q1 2023 Highlights



**Resilient business performance** supported by well-proven yield and cost management

**Current trading showing early, but not yet consistent signs of stabilization**, in line with 2023 guidance scenarios

**Guidance confirmed** reflecting confidence in managing short-term volatility and leveraging attractive long-term growth trends

## B2B cycle developing as expected: March stabilization in line with 2023 guidance scenarios

**DHL Express**  
Time-Definite-International  
B2B Shipments/Day

**-1%**

Q1 2023 yoy

**+3%**

March 2023 yoy

**DHL Global Forwarding**  
Air Freight  
Volume (t)

**-19%**

Q1 2023 yoy

**-17%**

March 2023 yoy

**DHL Global Forwarding**  
Ocean Freight  
Volume (TEU)

**-5% (-17%\*)**

Q1 2023 yoy

**+2% (-10%\*)**

March 2023 yoy

*\*excl. Hillebrand*

- As seen in previous economic cycles, DHL Express volume again shows the best resilience, while cyclical swings are most pronounced in Air Freight. Also, DHL Express weight is confirming its higher resilience than Air Freight with Q1 TDI B2B weight/day -9% yoy (March -5% yoy)
- Decline rates showed some signs of stabilization towards the end of the quarter, in line with all three of our 2023 guidance scenarios



# DHL EXPRESS

## Q1 2023 Highlights

- **Volume and weight development** continues to follow expected usual pattern at current state of economic cycle
- Ongoing focus on **keeping network rightsized** for actual and expected volume and weight movements
- **Q1 EBIT of €903m (-7% yoy)**, supported by disciplined yield management and effective cost measures. Fuel surcharges mechanism provided a temporary tailwind in Q1 2023, partly balanced by FX headwind

**-5% yoy**

TDI Shipments/Day

**-9% yoy**

TDI Weight/Day

**0% yoy**

TDI Revenue/Day



# DHL GLOBAL FORWARDING, FREIGHT

## Q1 2023 Highlights

- **Q1 volume developments** in Air (-19% yoy) and Ocean (-5% yoy, -17% excl. Hillebrand) reflect general economic environment and customer inventory adjustments
- **Gross Profit per unit further normalizing** as expected, but showing resilience vs. spot rate swings as market normalization also allows us to procure capacity at lower buying rates
- **Q1 EBIT of €389m (-35%)** continues to benefit from GP resilience and structural efficiency improvements, among others supported by our new IT systems



**-2% yoy**

Ocean Freight Gross Profit / TEU

**-14% yoy**

Air Freight Gross Profit / ton

**35%**

DGF GP/EBIT conversion rate



**+8% yoy**

Revenue

**5.5%**

EBIT margin

**~5,400**

Digitalization projects deployed  
in operations globally

# DHL SUPPLY CHAIN

## Q1 2023 Highlights

- Long-term contract structures, diversified customer base, cost inflation pass-through as well as continued high level of new business signings and renewal rate continued to drive **revenue growth**
- **Structural trends** like e-commerce, digitalization as well as increased supply chain complexity drive **acceleration in logistics outsourcing**
- **Q1 EBIT of €227m (+11%)** reflects resilience of business model and operational efficiency supported by accelerated digitalization

**+4% yoy**

B2C Volume Europe

**+4% yoy**

Revenue

**5.4%**

EBIT Margin

# DHL ECOMMERCE SOLUTIONS

## Q1 2023 Highlights

- **E-commerce volumes** reflect current macro circumstances with somewhat improving momentum in March
- Revenue development supported by **yield management and resilience in volumes**
- **Q1 EBIT of €81m (-21%)** confirms elevated profitability level of business model, with targeted short-term cost measures but ongoing focus on structural e-commerce growth



**-8% yoy**

Mail volumes/working day

**0% yoy**

Parcel volumes/working day

**€115m**

Costs from new wage agreement

# POST & PARCEL GERMANY

## Q1 2023 Highlights

- **Q1 volume development** showed stronger-than-usual mail decline and no meaningful growth in Parcel
- **New union agreement** provides visibility on wage developments until end of 2024
- **Q1 EBIT of €138m (-61%)** includes €115m costs from new wage agreement and higher-than-usual staff cost in prevention of strike risks



## Resilient EBIT and continued strong FCF generation

### Q1 2023 FINANCIAL HIGHLIGHTS

in €



- Revenue development mainly reflecting decline in DHL Global Forwarding, Freight (-25%)
- EBIT and EPS show resilience in light of current macro environment and expected freight market normalization
- OCF held up better than EBIT driven by WC inflow, mainly in DGFF
- Excluding Net M&A (mainly Hillebrand acquisition last year), FCF down €-151m yoy, due to slightly higher spend on net capex and net leases



**2023 expectations remain subject to macro development  
– no change in scenarios nor guidance range**

**2023 macroeconomic scenario**

**2023 EBIT sensitivities**

V-shape (recovery starting around mid-year)

**~ €7.0bn**

U-shape (recovery starting more towards year-end)

**~ €6.5bn**

L-shape (no significant recovery in 2023)

**> €6.0bn**

---



---

**2023 Group EBIT guidance:  
€6.0-7.0bn**



## 2023 and mid-term guidance confirmed

*in € bn*

<b>EBIT</b>	<b>2023 Guidance</b>
<b>Group</b>	<b>6.0-7.0</b>
DHL	5.5-6.5
P&P Germany	~1.0
Group Functions	~-0.45
<b>Free Cash Flow</b>	<b>~3.0</b>
<b>Gross Capex (excl. leases)</b>	<b>3.4-3.9</b>
<b>Tax Rate</b>	<b>28-30%</b>

	<b>Mid-term Guidance</b>
<b>2025 Group EBIT</b>	<b>&gt;8.0</b>
<b>Free Cash Flow 2023-2025 cumulative</b>	<b>9-11</b>
<b>Gross Capex (excl. leases) 2023-2025 cumulative</b>	<b>10-12</b>



# STRATEGY 2025

## Connecting People. Improving Lives

**Our Purpose**  
Connecting people,  
improving lives

**Our Vision**  
We are THE logistics company  
for the world

**Our Values**  
Respect & Results



**Our Mission**  
**Excellence. Simply delivered.**  
Along the three bottom lines in a sustainable way  
Enabled by **Common DNA**



**Our Business Unit focus**  
**Strengthening the profitable core**  
Supported by **Group functions**

**Digitalization**

## ONGOING FUNDAMENTAL KEY MANAGEMENT TOPICS



**GLOBALIZATION**



**DIGITALIZATION**



**E-COMMERCE**



**SUSTAINABILITY**

# E-COMMERCE IS HERE TO STAY

**+48%**

DHL Express B2C Shipments/Day  
Q1 2023 vs. Q1 2019

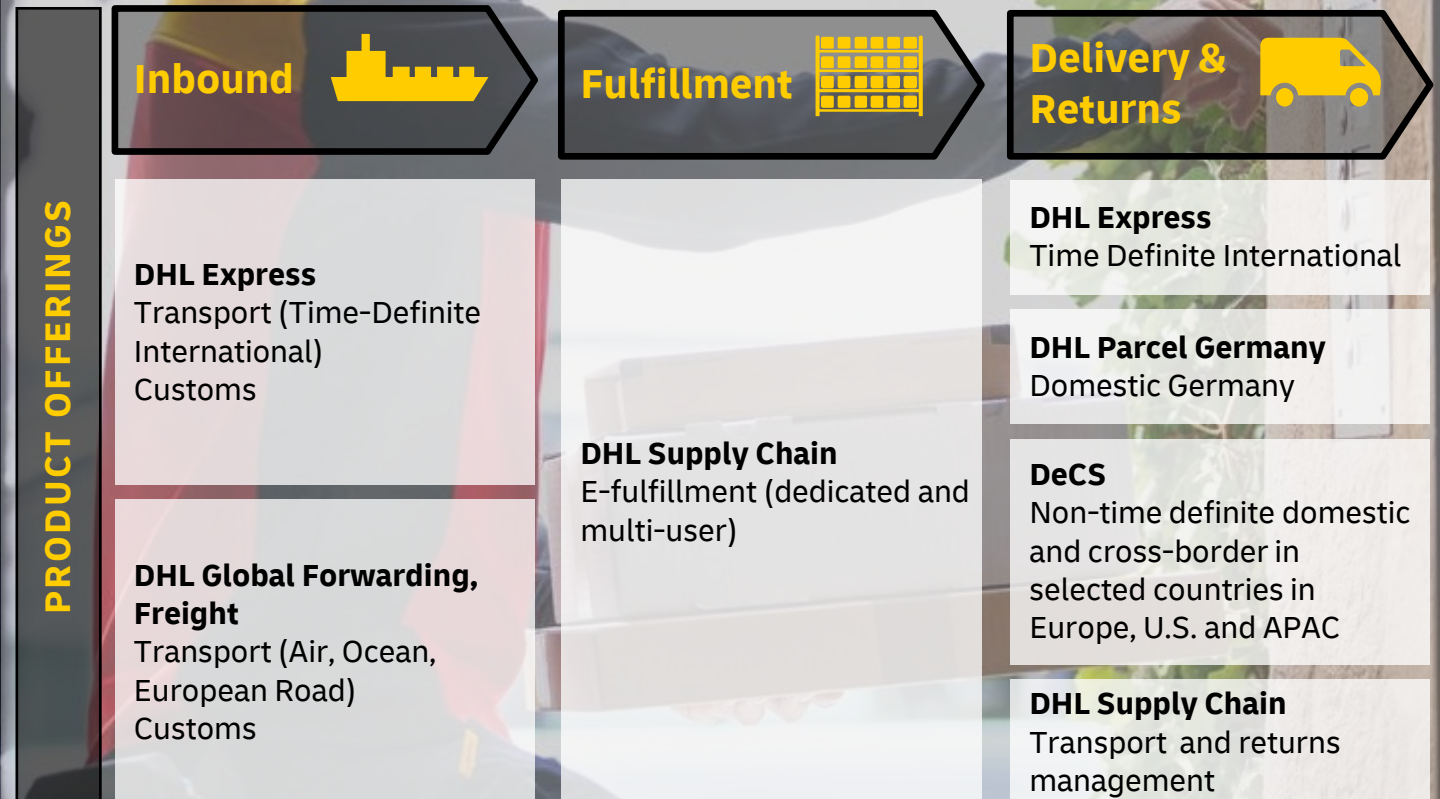
**+74%**

DHL eCommerce Solutions B2C Volumes Europe  
Q1 2023 vs. Q1 2019

**+21%**

DHL Parcel Germany Volumes  
Q1 2023 vs. Q1 2019

## ENABLING E-COMMERCE THROUGHOUT THE ENTIRE LOGISTICS VALUE CHAIN





# REDUCE CARBON EMISSIONS THROUGH SUSTAINABLE FUEL AND TECHNOLOGY

## Our optional GoGreen Plus products & solutions for business customers

### Time-Definite-International DHL Express



- Insetting via Sustainable Aviation Fuel
- Flexible CO<sub>2</sub>e reduction levels for contract customers
- Standard offering at 30% CO<sub>2</sub>e reduction for smaller/ad-hoc customers

### Air Freight DHL Global Forwarding



- Insetting via Sustainable Aviation Fuel
- Flexible CO<sub>2</sub>e reduction levels

### Ocean Freight DHL Global Forwarding



- Insetting via Sustainable Marine Fuel
- Less-Container-Loads: Default service, 100% CO<sub>2</sub>e reduction levels
- Full-Container-Loads: flexible CO<sub>2</sub>e reduction levels

### Road Freight DHL Freight



- Insetting via Sustainable Fuel
- 100% CO<sub>2</sub>e reduction levels
- Available for Less-Truck-Loads (EuroConnect, Eurapid), direct Full & Part-Truck-Loads (EuroLine)

### Warehousing & Transport DHL Supply Chain



- Warehousing: >75% or 100% CO<sub>2</sub>e reduction levels
- Transport: 50-70% CO<sub>2</sub>e reduction levels (Sustainable Fuel) or 100% CO<sub>2</sub>e reduction levels (eVs)

### Transport DHL eCommerce Solutions



- Sustainable Fuel for pick up or line haul
- Up to 100% CO<sub>2</sub>e reduction levels

### Parcel Germany P&P Germany



- Insetting via e.g. sustainable fuel, heat pumps, electric vehicles
- 100% CO<sub>2</sub>e reduction levels
- Rail transport

### Mail Germany P&P Germany



- Insetting via e.g. sustainable fuel, heat pumps, electric vehicles
- 100% CO<sub>2</sub>e reduction levels
- Available for Mail Communication, Dialogue Marketing and Press Service



# DPDHL GROUP

## WRAP-UP



**Well-balanced portfolio of leading core logistics operations** has shown benefits across cycles

Strategy 2025 provides **right priorities to drive profit and cash flow growth**

**Clear focus** regarding proven short-term measures and attractive long-term opportunities



# Q1 2023 RESULTS

May 3<sup>rd</sup> 2023

## Back-up: P&L Highlights & Cash Flow Statement

in €m

<b>P&amp;L Highlights</b>	<b>Q1 2022</b>	<b>Q1 2023</b>	<b>yoy</b>	<b>Cash Flow Statement</b>	<b>Q1 2022</b>	<b>Q1 2023</b>	<b>yoy</b>
<b>Group Revenue</b>	<b>22,593</b>	<b>20,918</b>	<b>(7.4%)</b>	<b>EBIT</b>	<b>2,159</b>	<b>1,638</b>	<b>(24.1%)</b>
DHL Express	6,373	6,281	(1.4%)	Depreciation/amortization	1,009	1,071	6.1%
DHL Global Forwarding, Freight	7,359	5,484	(25.5%)	Change in provisions	(3)	(53)	>(100%)
DHL Supply Chain	3,815	4,107	7.7%	Income taxes paid	(388)	(389)	(0.3%)
DHL eCommerce Solutions	1,445	1,505	4.2%	Other	(17)	(26)	(52.9%)
Post & Parcel Germany	4,245	4,198	(1.1%)	Changes in Working Capital	(334)	154	>100%
<b>Group EBIT</b>	<b>2,159</b>	<b>1,638</b>	<b>(24.1%)</b>	<b>Operating Cash Flow</b>	<b>2,426</b>	<b>2,395</b>	<b>(1.3%)</b>
DHL Express	971	903	(7.0%)	Net capex	(713)	(777)	(9.0%)
DHL Global Forwarding, Freight	601	389	(35.3%)	Net Cash for Leases	(580)	(654)	(12.8%)
DHL Supply Chain	205	227	10.7%	Net M&A	(1,334)	(3)	99.8%
DHL eCommerce Solutions	102	81	(20.6%)	Net interest	4	22	>100%
Post & Parcel Germany	355	138	(61.1%)	<b>Free Cash Flow</b>	<b>(197)</b>	<b>983</b>	<b>&gt;100%</b>
Group Functions/Consolidation	(75)	(100)	(33.3%)				
<b>Net Finance Costs</b>	<b>(123)</b>	<b>(225)</b>	<b>(82.9%)</b>				
<b>Income Taxes</b>	<b>(590)</b>	<b>(424)</b>	<b>28.1%</b>				
<b>Net Profit*</b>	<b>1,351</b>	<b>911</b>	<b>(32.6%)</b>				

\*attributable to DPAG shareholders