

# Q2 2023 RESULTS

## MEDIA CALL

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## Q2 2023 Highlights

- Volume development in line with guidance expectations for H1; clear cyclical impulses still to materialize
- Successful network and cost adjustments, supported by strong yield focus secure resilient DHL Group earnings
- 2023 Group EBIT guidance increased; e-commerce & omni-shoring drive structural long-term GDP+ growth in global portfolio



- Group name changed to “DHL Group”  
Stock ticker changed to “DHL”



# STRUCTURAL GDP+ GROWTH

## SUPPORTED BY MEGATRENDS



### GLOBALIZATION

- **Omni-shoring/Multi-sourcing:** Diversification of international tradeflows drives new form of globalization
- Rising complexity as companies seek to build **resilient global supply chains**
- **DHL best positioned** to support customer diversification agenda with broad global logistics portfolio



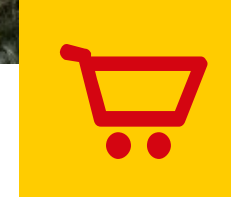
### SUSTAINABILITY

- **Ambitious Science-Based targets** supported by dedicated €7bn budget; on track to 2023 ESG targets
- **First SAF-based service** (GoGreen Plus) in the Express industry that allows customers to reduce emissions associated with their shipments
- SAF availability increasing bottleneck



### DIGITALIZATION

- Leveraging **Technology at Scale** for End-to-End Supply Chain Automation
- Dedicated **Generative AI** team set up

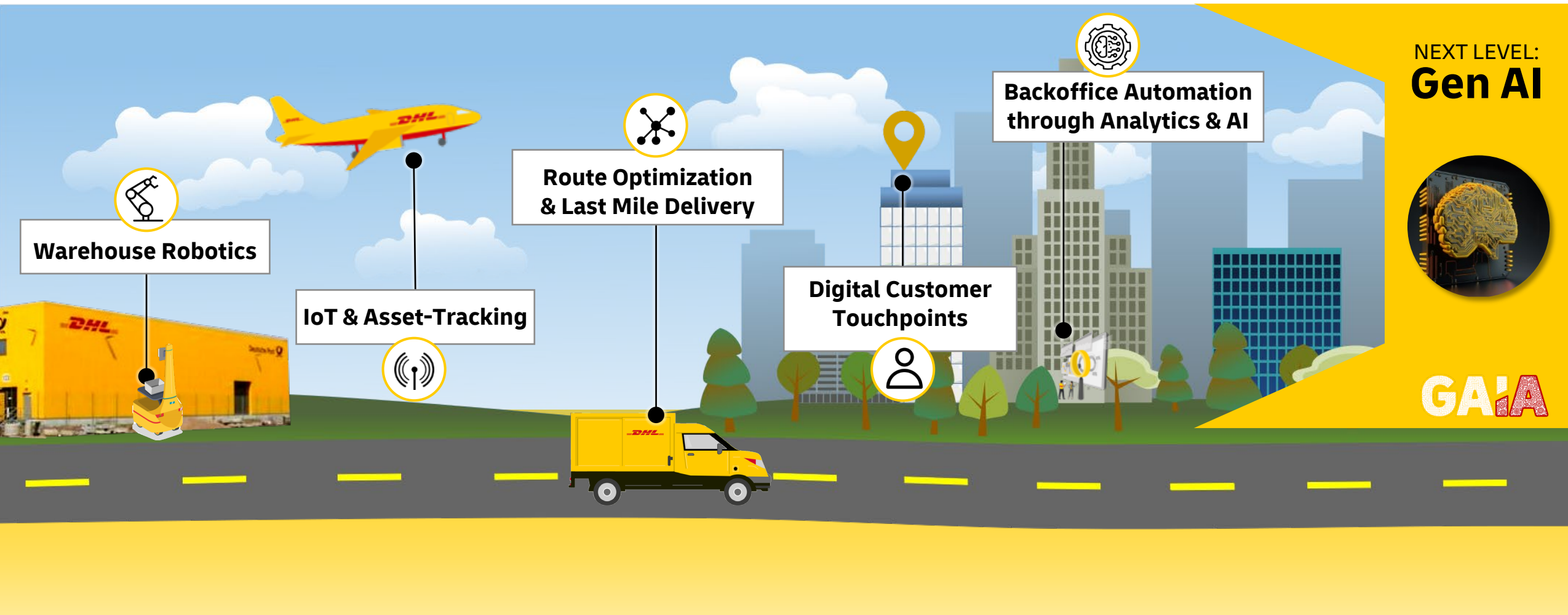


### E-COMMERCE

- Intact **strong structural growth driver**, with H1 volumes showcasing resilience

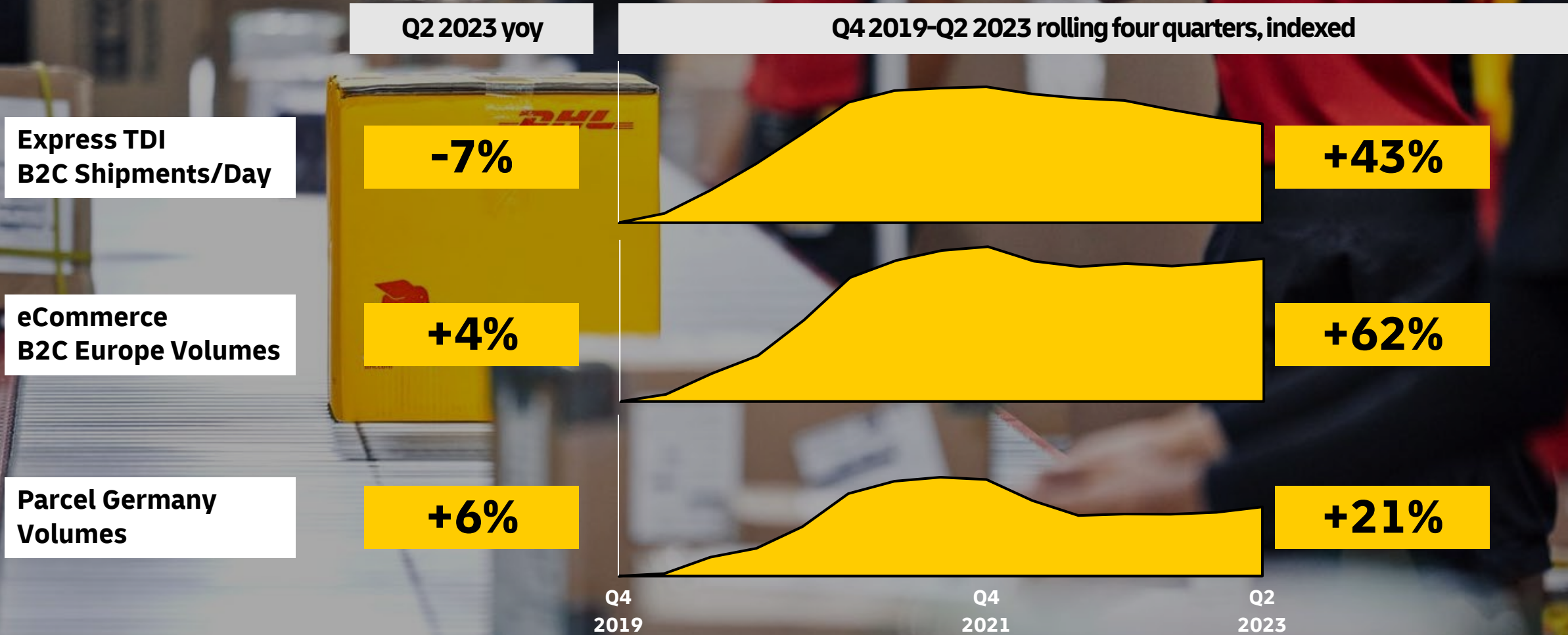
# DIGITALIZATION

## Leveraging Technology at Scale for End-to-End Supply Chain Automation

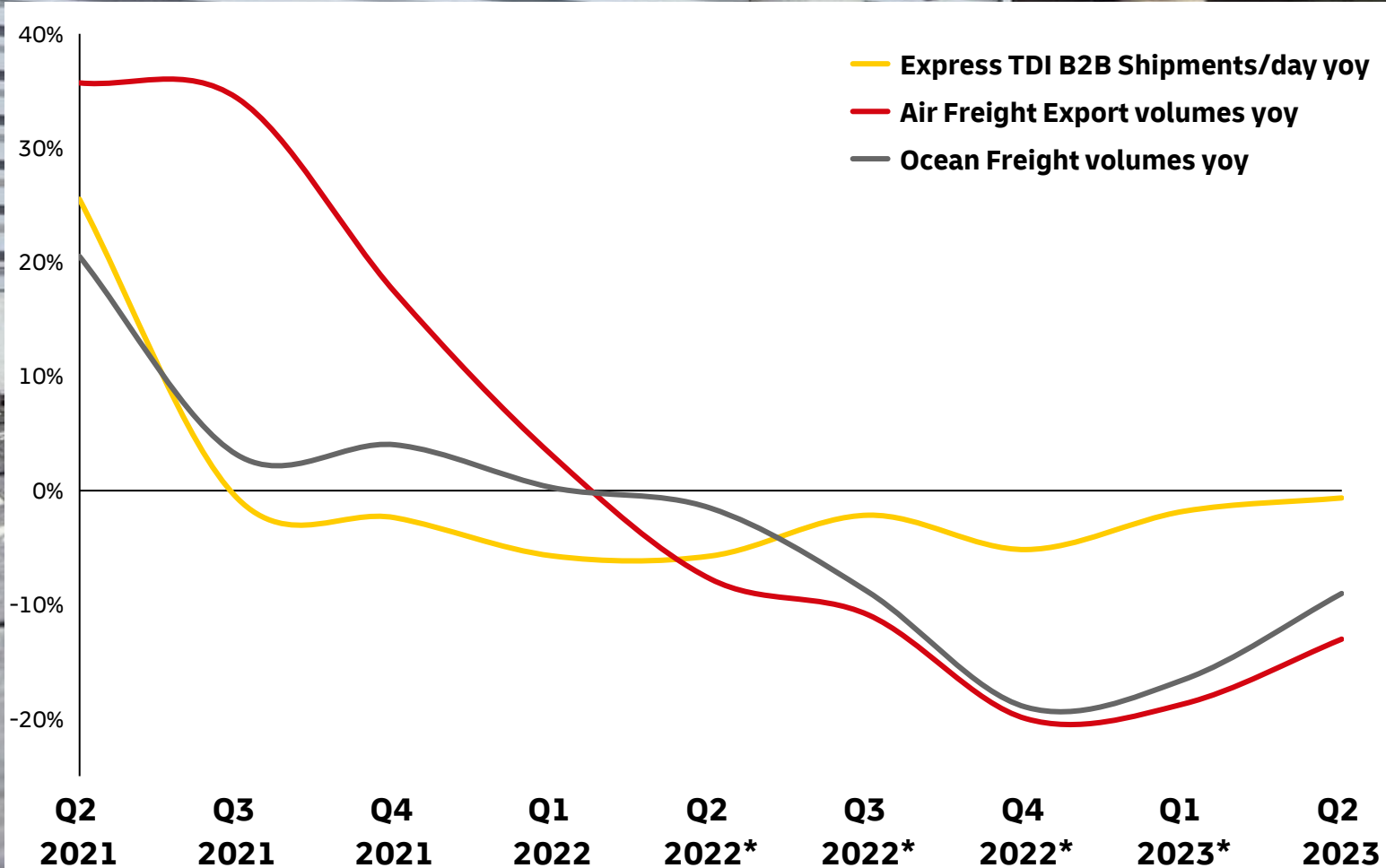


# E-COMMERCE

**Permanent step-up in e-commerce penetration  
B2C post-pandemic normalization done; resilient in current macro environment**



## B2B volumes already down for more than one year: YoY trend stabilizing



- Inventory rightsizing continued
- Express TDI showed the most resilient development
- While still down, both Air and Ocean freight volumes trends saw sequential improvement in Q2

\*excl. Hillebrand

# GROUP EBIT, Q2 2023

## €1,693m yoy: -€633m (-27%)



- Volume stabilizing
- Strong yield and cost discipline
- Flexible network with constant adjustment of capacity

- YoY decline rates in Air & Ocean volume improving
- Continued rate normalization
- Structurally better Gross Profit and conversion rate

- Resilient business model
- Benefiting from complex, diversified supply chains
- Accelerated Digitalization

- B2C volume proving resilient
- Yield and cost management support margin
- Continued investment into long-term growth opportunity, incl. expansion to Turkey

- E-commerce volume proving resilient
- Mail decline and cost inflation key challenges
- Lower capex

# EXPRESS

## Q2 2023 Highlights

- **Volume stabilizing** since March but no consistent recovery trend yet
- **Strong yield and cost discipline:** yearly General Price Increase (GPI) supported by flexible capacity management; yoy lower revenue/shipment mainly due to yoy lower fuel pass-through
- **Flexible network with constant adjustment of capacity:** efficient capacity optimization supports 15% EBIT margin; in Q2 EBIT, temporary fuel tailwind again partly offset by FX effects

**-4% yoy**

TDI Shipments/Day

**-3% yoy**

TDI Weight/Shipment

**-6% yoy**

TDI Revenue/Day



# GLOBAL FORWARDING, FREIGHT

## Q2 2023 Highlights

- **YoY decline rates in Air & Ocean volume** reflecting sequentially stabilizing absolute volumes
- **Continued rate normalization:** GP/unit showing usual cushioning effect vs spot rate movements, also reflecting active GP management (AFR GP/t -38% yoy, OFR GP/TEU -24% yoy)
- **Structurally better Gross Profit and conversion rate:** internal IT and process improvements drive significantly higher GP and EBIT generation vs pre-pandemic



**-13% yoy**  
Air Freight volume (export ton)



**-9% yoy**  
Ocean Freight volume (TEU)

**36%**  
DGF GP/EBIT conversion rate



**+5% yoy**

Organic revenue

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**6%**

EBIT margin

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**90%+**

of sites with Accelerated Digitalization  
technology deployed

# SUPPLY CHAIN

## Q2 2023 Highlights

- **Resilient model** with long-term contract features enabling to pass on inflation
- **Benefiting from complex, diversified supply chains** as customers look for resilience, automation and e-commerce capabilities
- **Accelerated Digitalization** supports top- and bottom-line growth, as evidenced in sustainable strong EBIT margin and new business wins as reflected in total contract value (H1 2023: €3.2bn)



# +4% yoy

B2C Europe Volume

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# 0% yoy

Revenue

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# 5%

EBIT Margin

## ECOMMERCE

### Q2 2023 Highlights

- **B2C volume proving resilient** with return to (slight) volume growth post-pandemic, despite unfavorable macro environment
- **Yield and cost management support margin**, safeguarding sustainably higher profitability post-pandemic
- **Continued investment into long-term growth opportunity:** organic network expansion addressing structural e-commerce growth; Acquisition of MNG Kargo in Turkey



**-5% yoy**

Mail volumes/working day

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**+8% yoy**

Parcel volumes/working day

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**€95m**

Costs from new wage agreement

# POST & PARCEL GERMANY

## Q2 2023 Highlights

- **E-commerce volumes proving resilient** with parcel volumes growing again despite cautious consumer behavior
- **Mail decline and cost inflation key challenges** given regulatory limitations on cost flexibility and price management
- **Lower capex** (41% yoy) reflecting financial constraints from regulatory framework

## 2023 expectations remain subject to macro development

### 2023 macroeconomic scenario

V-shape (recovery starting around mid-year)

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

L-shape (no significant recovery in 2023)

### 2023 EBIT sensitivities

~ **€7.0bn**

~ **€6.6bn** (from ~€6.5bn)

> **€6.2bn** (from >€6.0bn)

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**2023 Group EBIT guidance increased:  
€6.2-7.0bn (from €6.0-7.0bn)**

## 2023 Group EBIT guidance increased; mid-term expectations confirmed

*in € bn*

| <b>EBIT</b>                       | <b>2023 Guidance</b>          |                                   | <b>Mid-term Guidance</b> |
|-----------------------------------|-------------------------------|-----------------------------------|--------------------------|
| <b>Group</b>                      | <b>6.2-7.0 (from 6.0-7.0)</b> | <b>2025 Group EBIT</b>            | <b>&gt;8.0</b>           |
| DHL                               | 5.7-6.5 (from 5.5-6.5)        | <b>Free Cash Flow</b>             | <b>9-11</b>              |
| P&P Germany                       | 0.8-1.0 (from ~1.0)           | <b>2023-2025 cumulative</b>       |                          |
| Group Functions                   | ~-0.45                        | <b>Gross Capex (excl. leases)</b> | <b>10-12</b>             |
|                                   |                               | <b>2023-2025 cumulative</b>       |                          |
| <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>                 |                                   |                          |

**Note: FCF guidance excludes expected net M&A spending of ~€0.5bn in 2023**

## Conclusion



➤ **Markets developed in line with expectations, 2023 scenarios reiterated**

➤ **2023 Group EBIT guidance increased, based on resilient H1 Group EBIT of €3.3bn**

➤ **Outlook: proven resilience, confident in >€8bn Group EBIT in normalized economic environment**

## Back Up: Continued resilient earnings and cash flow performance

in €m

| <b>P&amp;L Highlights</b> | <b>Q2 2022</b> | <b>Q2 2023</b> | <b>yoy in %</b> |
|---------------------------|----------------|----------------|-----------------|
| <b>Revenue</b>            | <b>24,029</b>  | <b>20,094</b>  | <b>-16.4%</b>   |
| <b>EBIT</b>               | <b>2,326</b>   | <b>1,693</b>   | <b>-27.2%</b>   |
| <b>Net Finance Costs</b>  | <b>-146</b>    | <b>-220</b>    | <b>-50.7%</b>   |
| <b>Income Taxes</b>       | <b>-633</b>    | <b>-442</b>    | <b>+30.2%</b>   |
| <b>Net Profit*</b>        | <b>1,453</b>   | <b>978</b>     | <b>-32.7%</b>   |
| <b>Basic EPS (in €)</b>   | <b>1.19</b>    | <b>0.82</b>    | <b>-31.1%</b>   |

\*attributable to DPAG shareholders

| <b>Cash Flow Statement</b> | <b>Q2 2022</b> | <b>Q2 2023</b> | <b>yoy</b>  |
|----------------------------|----------------|----------------|-------------|
| <b>EBIT</b>                | <b>2,326</b>   | <b>1,693</b>   | <b>-633</b> |
| Depreciation/amortization  | 1,019          | 1,084          | +65         |
| Change in provisions       | 27             | -113           | -140        |
| Income taxes paid          | -457           | -506           | -49         |
| Other                      | -95            | -130           | -35         |
| Changes in Working Capital | -836           | -179           | +657        |
| <b>Operating Cash Flow</b> | <b>1,984</b>   | <b>1,849</b>   | <b>-135</b> |
| Net capex                  | -725           | -768           | -43         |
| Net Cash for Leases        | -610           | -681           | -71         |
| Net M&A                    | 17             | -6             | -23         |
| Net interest               | -1             | 56             | +57         |
| <b>Free Cash Flow</b>      | <b>665</b>     | <b>450</b>     | <b>-215</b> |