Q3 2023 RESULTS

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MEDIA BRIEFING
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DHL Group

AGENDA

Q3 2023 Group Highlights

Q3 2023 Financials

Strategic Outlook

Group Highlights

In-line quarter in continued weak markets; attractive fundamental footprint further strengthened

- **Q3 performance in line with expectation given macro environment and fuel/FX effects; FY 2023 Group EBIT guidance €6.2-6.6bn in accordance with two remaining macro scenarios**

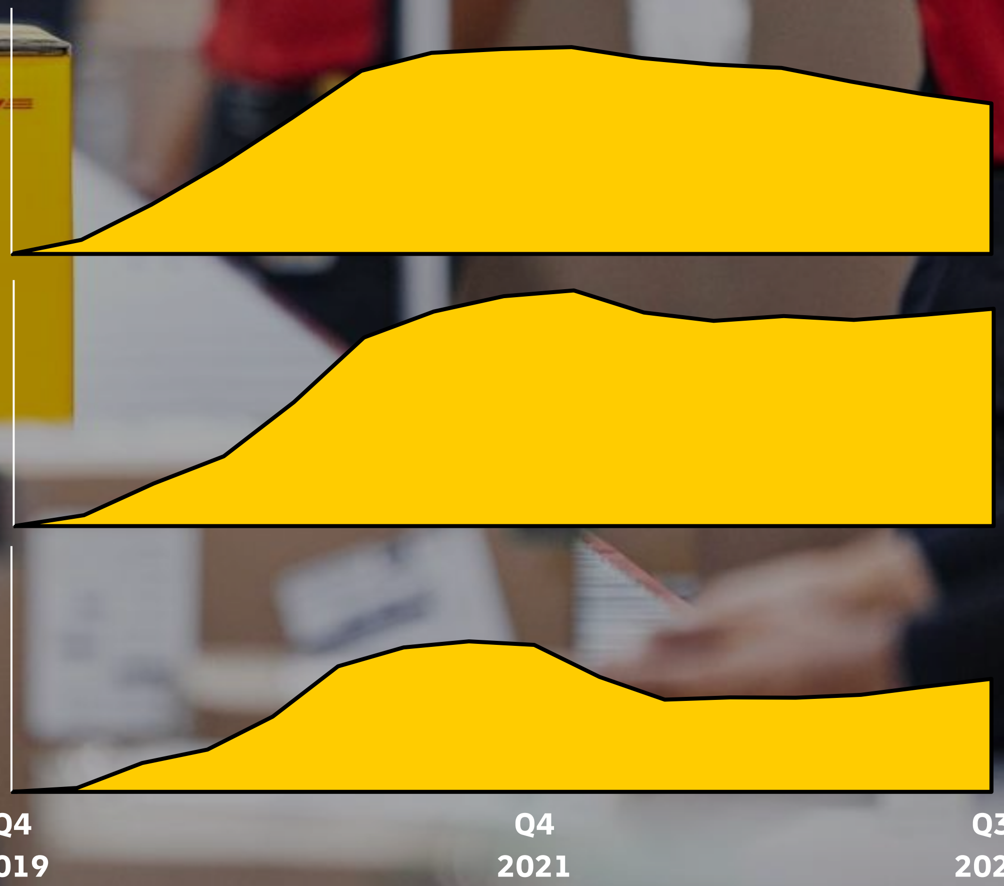
- **Structurally higher FCF generation allows for continued attractive shareholder returns in combination with targeted investments, even in current weak macro environment**

- **DHL Group well-positioned: recognized best employer in the industry, high service quality and leading global networks are strong base for next strategic phase**

B2C volumes development

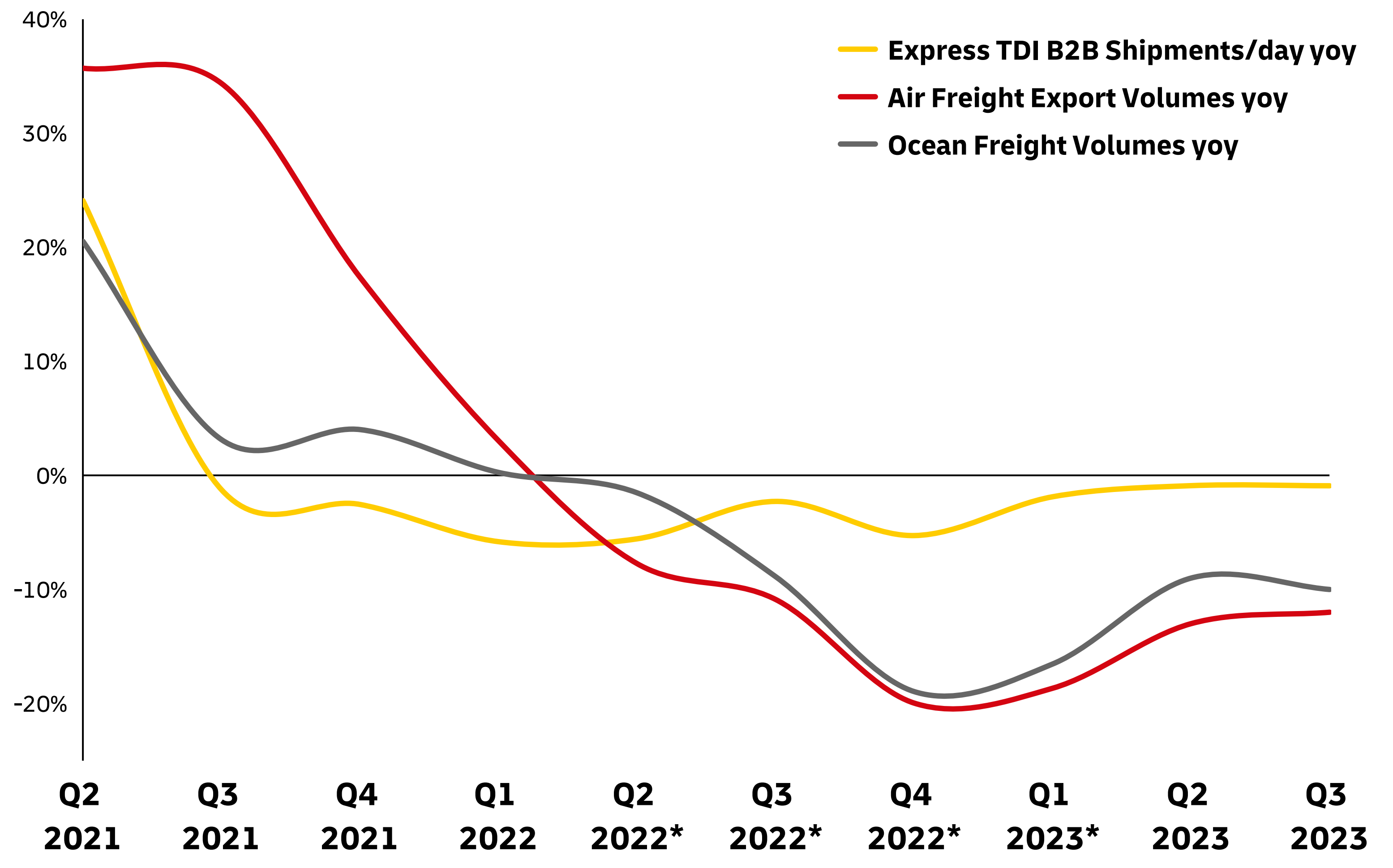
Structural e-commerce trend remains attractive engine for GDP+ growth

	Q3 2023 yoy	Q4 2019-Q3 2023 rolling four quarters, indexed
Express TDI B2C Shipments/Day	-5%	+43%
eCommerce B2C Europe Volumes	+3%	+62%
Parcel Germany Volumes	+5%	+23%



B2B volumes development

Stabilization confirmed – with actual recovery still to come



- **Volumes stabilizing but not yet recovering**
- Inventory rightsizing further advanced, but **no reflection of significant restocking yet**
- Confirmed pattern from previous downturns: **Less cyclicality in Express TDI volumes vs. Air Freight**

*excl. Hillebrand

Current / Shorter-term main Group priorities

DHL Group is equipped with strong levers to navigate through soft trading backdrop

- Stringent **cost management programs** across the Group
- Proven ability to **flex down networks**, e.g. Express

- Well-established **yield** measures
- **Fuel price** movements passed on via surcharges

- Strong experience in managing **peak season** volatility
- Diversified footprint to **capture eventual volume recovery**

DHL Group: Unique core logistics portfolio

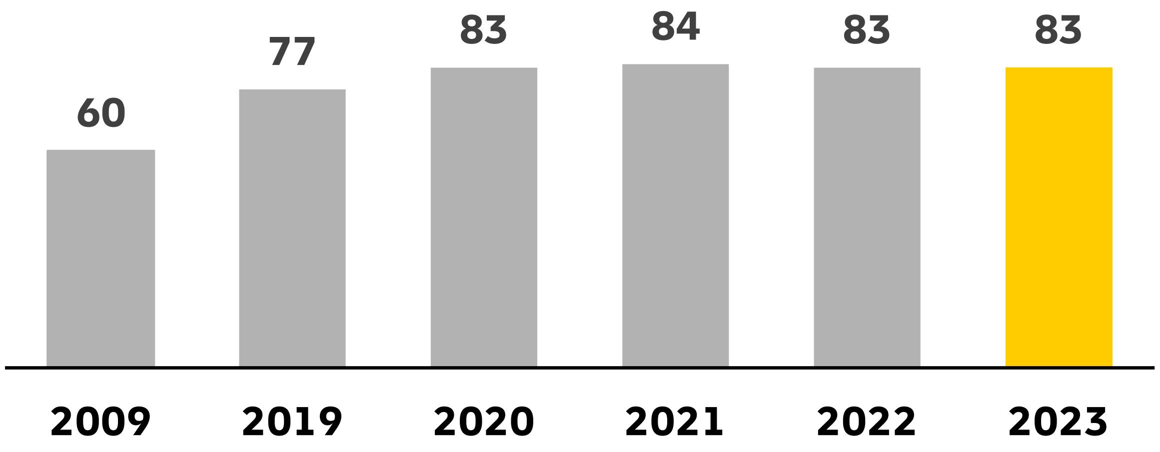
Well-diversified set-up provides resilience to navigate uncertain macro

- **Higher resilience** of e-commerce and Supply Chain visible in current environment
- Confirmed **structural tailwinds** from omni-shoring and e-commerce
- All businesses to again benefit from **operating leverage** once market growth re-accelerates

Highly motivated team amidst challenging circumstances

Employee Engagement constantly on a high level

Employee Engagement score from annual Survey *



*Questionnaire changed in 2015 and 2020 with ensured comparability

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Q3 2023 Group EBIT of €1,372m (-32% yoy)

Delivering expected performance in light of macro environment and fuel/FX effects

Express

€667m

-34% yoy

- No substantial change in volume and yield trends
- Ongoing yield strength and cost control
- ~€-100m net EBIT impact from negative fuel & FX and positive tax effect

Global Forwarding, Freight

€306m

-47% yoy

- Volumes stabilizing but not yet recovering
- Rate normalization continuing as expected
- EBIT protection measures incl. indirect cost control and structural process improvements

Supply Chain

€242m

+11% yoy

- Accelerated growth from strong new business gains and renewals with rising e-commerce share
- Our digital capabilities are a key enabler for customers to manage their increasingly complex global supply chains

eCommerce

€55m

-37% yoy

- B2C volumes remain resilient
- Ongoing focus on yield and cost management
- Continued pro-active network investments to foster structural e-commerce growth opportunity

P&P Germany

€207m

-29% yoy

- E-commerce volumes remain resilient given macro pattern
- Mail decline and cost inflation remain challenging
- Short-term focus on cost, yield and capex measures

Group Financial Highlights

On track to deliver on 2023 guidance

Q3 2023

in €

Revenue	EBIT	EPS	OCF	FCF
19,398m	**1,372m**	**0.68**	**2,534m**	**1,074m**
-4,640m yoy	-657m yoy	-0.33 yoy	-931m yoy	-743m yoy

- Revenue development mainly reflecting continued normalization in Global Forwarding, Freight as well as adverse impact from FX
- Q3 FCF of €1.1bn brings 9M FCF to €2.5bn, hence well on track towards the ~€3bn target. Compared to the 2023 dividend payment of €2.2bn, we will therefore generate significantly higher FCF, even in the current weak macro environment
- €3bn share buy-back program (2022-24): €1.8bn completed so far, next tranche in preparation to be executed

2023 guidance confirmed for two remaining macro scenarios

2023 macroeconomic scenario	2023 EBIT sensitivities
~~V-shape (recovery starting around mid-year)~~	~~**~ €7.0bn**~~
U-shape (recovery starting more towards year-end)	**~ €6.6bn**
L-shape (no significant recovery in 2023)	**> €6.2bn**

2023 Group EBIT guidance: €6.2-6.6bn for two remaining macro scenarios

(from €6.2-7.0bn, three scenarios)

2023 guidance confirmed; scenarios aligned to macro environment

in € bn

EBIT	2023 Guidance
Group	**6.2-6.6 (from 6.2-7.0)**
DHL	5.7-6.1 (from 5.7-6.5)
P&P Germany	0.8-1.0
Group Functions	~-0.45
Free Cash Flow[1]	**~3.0**
Gross Capex (excl. leases)	**~3.5 (from 3.4-3.9)**
Tax Rate	**28-30%**

[1]**FCF guidance excludes net M&A; ~€-0.5bn expected in 2023**

	Mid-term Guidance
2025 Group EBIT	**7-8 (from >8.0)**
Free Cash Flow 2023-2025 cumulative[1]	**9-10 (from 9-11)**
Gross Capex (excl. leases) 2023-2025 cumulative	**10-11 (from 10-12)**

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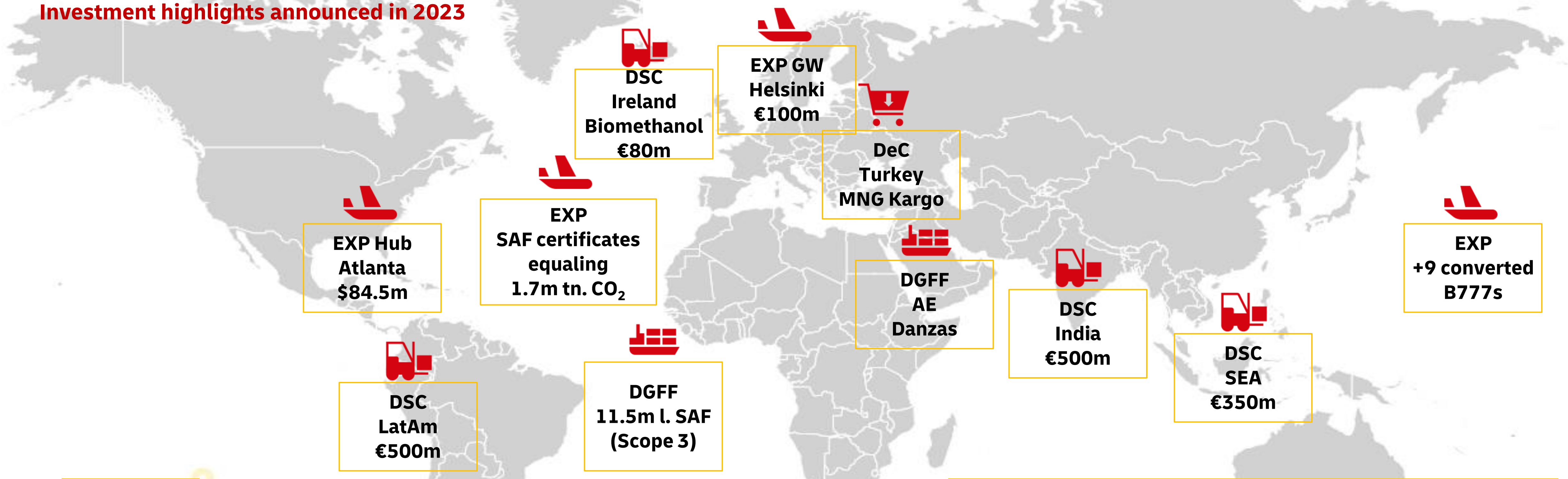
Investments in international growth markets driven by fundamental trends

Investment highlights announced in 2023



GLOBAL TRADE

- Intact **strong structural growth driver**
- DHL Global Connectedness Index shows flows of trade, capital and information **stronger than pre-pandemic**

OMNISHORING

- **Omni-shoring/Multi-sourcing:** Diversification of international tradeflows drives new form of globalization
- **DHL best positioned** to support customer diversification agenda with broad global logistics portfolio

Balanced approach to manage market uncertainties

Mid-term growth drivers remain intact

CONTROL WHAT WE CAN CONTROL

Reduction of direct costs matching current volume trends – without sacrificing core capabilities

9M 2023 capex reflects **temporarily lower growth investment & reduction in P&P capex** due to regulatory uncertainty

Stringent execution on usual **annual general price increases (GPI)**

INTACT GROWTH ENGINES

Further **structural growth from e-commerce** with 25-30% of Group revenue directly exposed to delivery and/or e-fulfillment

Continued growth in Supply Chain driven by accelerated outsourcing and omni-shoring trend

Volume recovery will drive **positive operating leverage** in Express and Global Forwarding, Freight

DHL Group with strong base for Strategy 2030

Successful transformation achieved

Our Purpose:
Connecting People, Improving Lives

Great Place To Work® | Employer of Choice | Top Employers Institute

Strengthening the profitable core

FY 2022
Share of sum of divisional EBIT

DHL	Post & Parcel Germany
86%	14%

Digitalization

INNOVATE · SCALE · OPTIMIZE

Sustainability

OUR SUSTAINABILITY COMMITMENTS

HIGH QUALITY LOGISTICS POWERHOUSE

Key financial topics going forward

STRUCTURAL MEGATRENDS

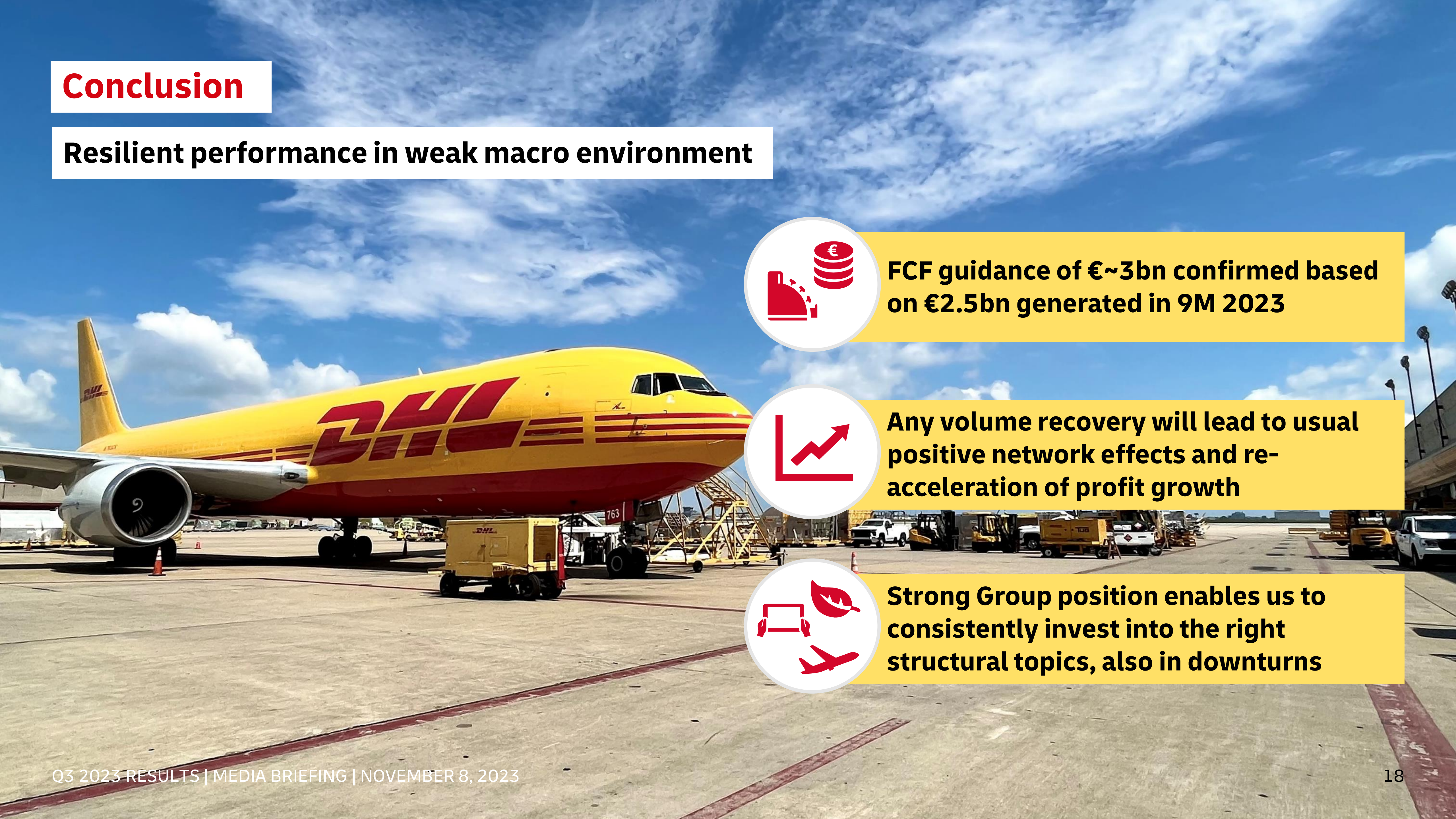
How **structural factors** continue to shape or change our core logistics businesses

ACCELERATED GROWTH

How to best leverage **our industry-leading market positions** and capabilities

CAPITAL ALLOCATION

How to generate optimal returns on our **significantly higher Free Cash Flow generation**



Conclusion

Resilient performance in weak macro environment

- **FCF guidance of €~3bn confirmed based on €2.5bn generated in 9M 2023**
- **Any volume recovery will lead to usual positive network effects and re-acceleration of profit growth**
- **Strong Group position enables us to consistently invest into the right structural topics, also in downturns**

APPENDIX

Express

Q3 Express EBIT shows adverse effects from fuel and FX

	Q1 2023	Q2 2023	Q3 2023
FUEL	↗	↗	↘
FX	↘	↘	↘
TOTAL	↗	↗	↓

Q3 2023

-10% TDI Revenue/Day yoy

-3% TDI Shipments/Day yoy

€667m EBIT

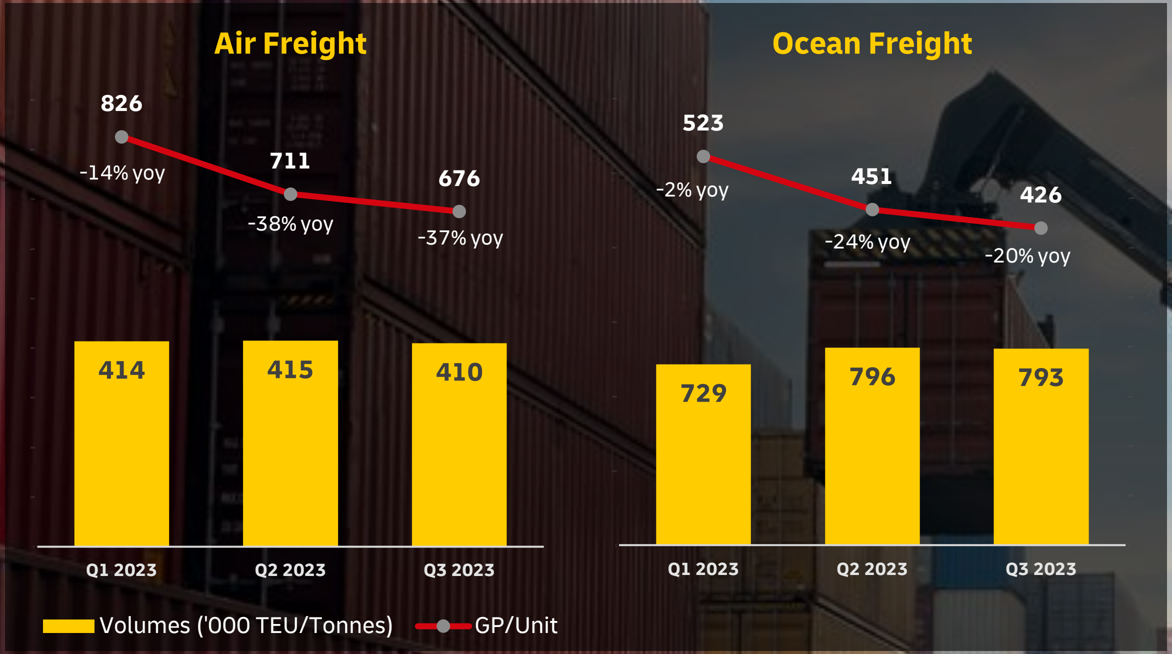
11% EBIT Margin

- **Fuel surcharge: Well-established & effective mechanism** to pass fuel costs on to customers, with unchanged 4-8 weeks time-lag leading to **temporary short-term EBIT headwind** in Q3
- Different to H1, **fuel and FX both had an adverse effect on EBIT: net impact of ~€-100m from negative fuel & FX and positive tax effect**

- In an unchanged soft macro backdrop, **underlying pricing remained disciplined;** the stronger decline in revenue/day mainly reflects lower fuel surcharges and lower weight/day (-5% yoy)
- **Further price increases** announced with TDI GPI of ~5.9% in 2024
- **Capacities** successfully reduced for now, with **flexibility in both directions** dependent on further macro evolution

Global Forwarding, Freight

Expected main business trends, in line with industry peers



Q3 2023

-44%
Revenue yoy

-25%
Gross Profit yoy

30%
DGF GP/EBIT Conversion Rate

7%
EBIT Margin

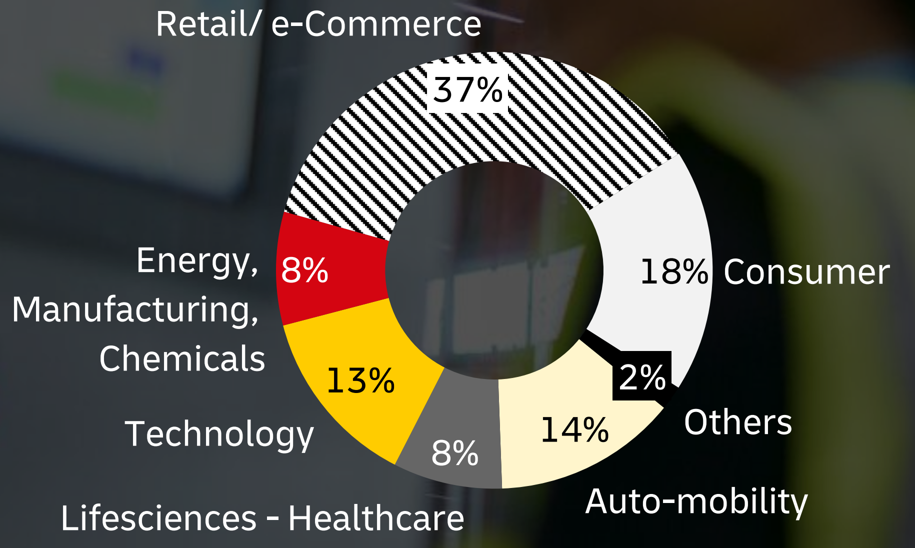
- **Volumes stabilizing but not yet recovering** – actual recovery still to come as no reflection of significant restocking so far
- **Rate normalization continuing as expected** – GP/unit decline qoq slower than in Q2 (AFR -5% qoq; OFR -5% qoq)

- Conversion rate supported by **EBIT protection measures** incl. indirect cost control and structural process improvement
- **Continued gradual reduction in FTE (-3% yoy, -2% qoq)** reflecting current volume development

Supply Chain

Continued high new business growth, even in a volatile environment

>€4bn total contract value new business signings YTD[1)]



1) 9M 2023 Total contract value new business signings

Q3 2023

+5%
Organic revenue yoy

+11%
EBIT yoy

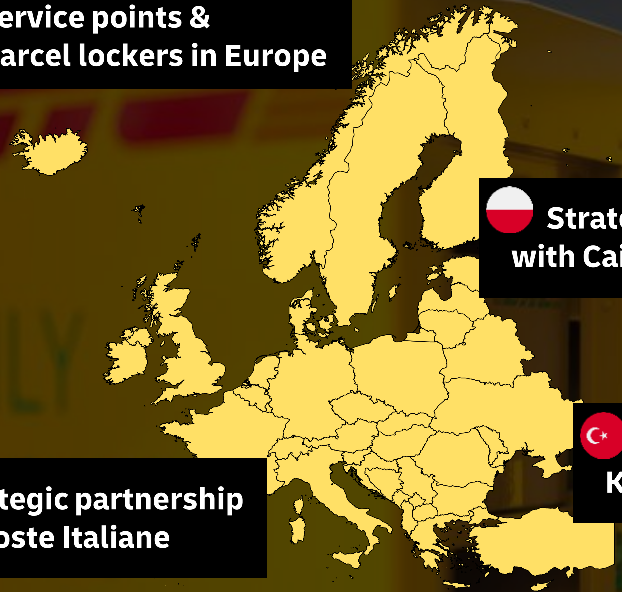
6%
EBIT Margin

- While growth of existing business volumes is slowing, Supply Chain continues to **benefit from structural outsourcing and omni-shoring trend**
- Solid new business gains **with €4,102m of revenue total contract value** already signed in 9M 2023; well balanced across all sectors

- Continued yoy **growth despite slow global macro environment**
- **Continued strong EBIT margin** due to increased efficiencies from **digitalization and higher-margin new business**

eCommerce

Continued investments in structural long-term e-commerce growth



Q3 2023

-1% Revenue yoy	**+3%** B2C Europe volume yoy
4% EBIT Margin	

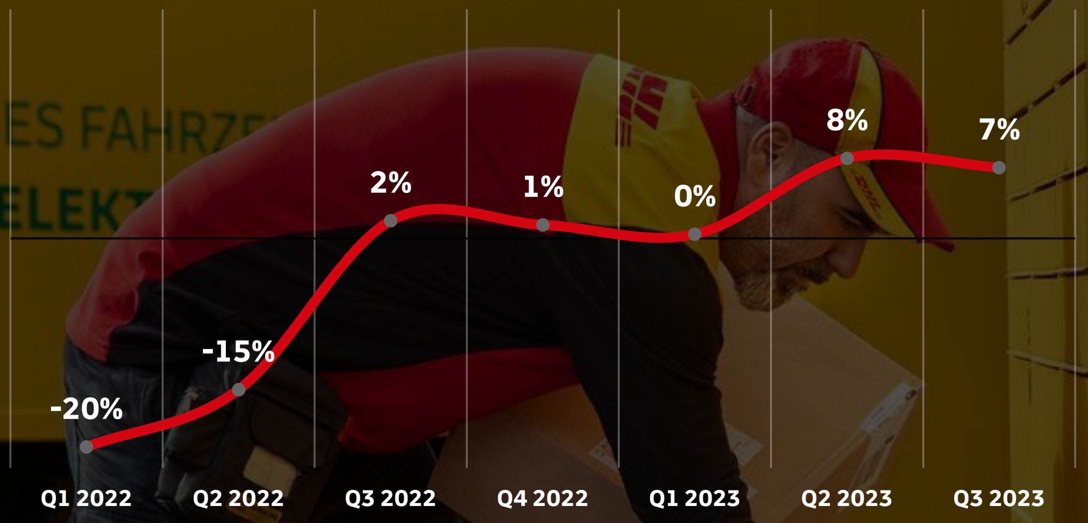
- **B2C volumes remain resilient** – third consecutive quarter of yoy growth despite weak overall retail spending
- **Ongoing focus on yield and cost management** – with dedicated programs across all countries/networks

- **Continued pro-active network investments to foster structural e-commerce growth opportunity** – conscious build-out costs, even at expense of margin performance

Post & Parcel Germany

Confirmation of structural trends; regulation limits adequate measures

Parcel Germany volumes/working day yoy



Q3 2023

+7%
Parcel volumes/WD* yoy

-4%
Mail volumes/WD* yoy

€115m
Costs from new wage agreement

5%
EBIT margin

*WD = Working Day

- **E-commerce volumes remain resilient** given macro pattern – Parcel volumes developing better than overall retail sales
- Fifth consecutive quarter of **yoy growth in Parcel volumes/working day** – however at slow pace reflecting cautious consumer sentiment

- Mail decline and cost inflation remain challenging – **scope of cost and yield measures remains limited by current regulation**
- **Short-term focus on cost, yield and capex measures** – safeguarding full-year EBIT target and spending only the cash P&P earns

P&L and Cash Flow Summary

On track to deliver on 2023 guidance with 9M EBIT of €4.7bn and 9M FCF of €2.5bn

in €m

P&L Highlights	Q3 2022	Q3 2023	yoy in %
Revenue	**24,038**	**19,398**	**-19.3**
EBIT	**2,029**	**1,372**	**-32.4**
Net Finance Costs	**-152**	**-162**	**-6.6**
Income Taxes	**-544**	**-363**	**+33.3**
Net Profit*	**1,220**	**807**	**-33.9**
Basic EPS (in €)	**1.01**	**0.68**	**-32.7**

*attributable to DPAG shareholders

Cash Flow Statement	Q3 2022	Q3 2023	yoy
EBIT	**2,029**	**1,372**	**-657**
Depreciation/amortization	1,057	1,118	+61
Taxes/Provisions/Other	-403	-624	-221
Changes in Working Capital	782	668	-114
Operating Cash Flow	**3,465**	**2,534**	**-931**
Net capex	-891	-798	+93
Net Cash for Leases	-642	-700	-58
Net M&A	-124	17	+141
Net interest	9	21	+12
Free Cash Flow	**1,817**	**1,074**	**-743**

THANK YOU