Q3 2024 RESULTS MEDIA BRIEFING

TOBIAS MEYER, GROUP CEO
MELANIE KREIS, GROUP CFO

November 5, 2024

DHL Group

Strategy 2030
Accelerate sustainable growth

TOBIAS MEYER, GROUP CEO

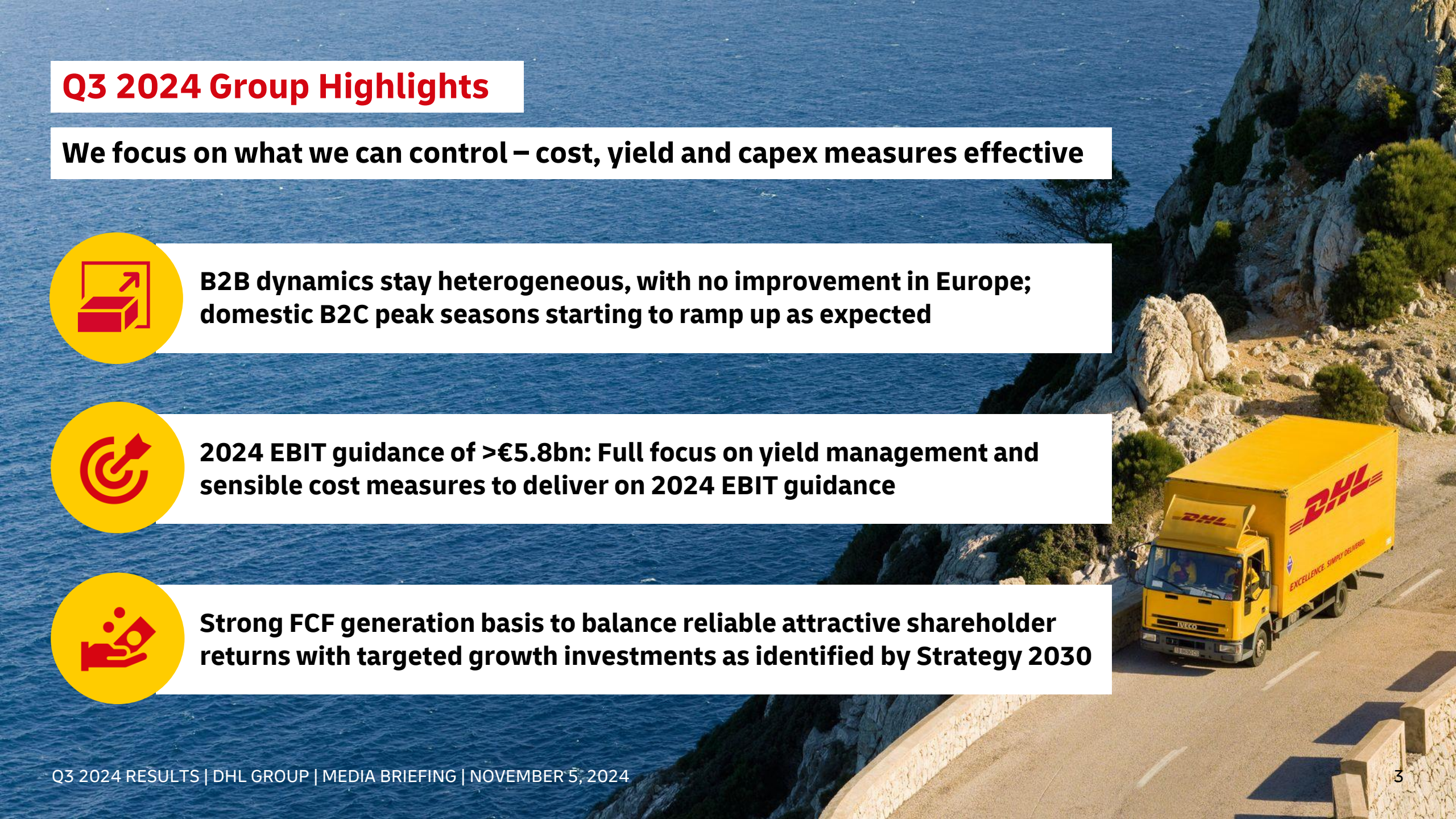
Q3 2024 Group Highlights

We focus on what we can control – cost, yield and capex measures effective

B2B dynamics stay heterogeneous, with no improvement in Europe; domestic B2C peak seasons starting to ramp up as expected

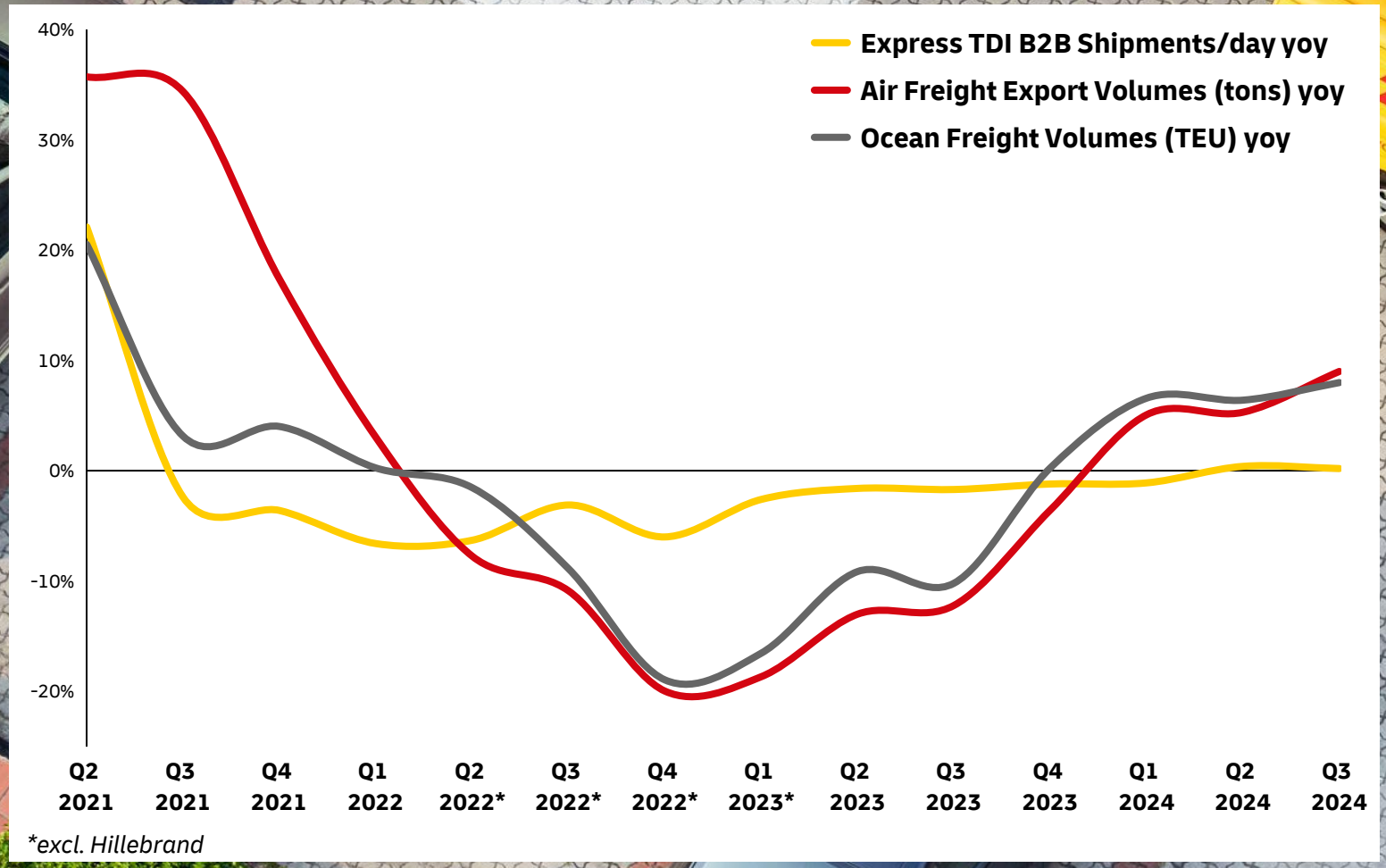
2024 EBIT guidance of >€5.8bn: Full focus on yield management and sensible cost measures to deliver on 2024 EBIT guidance

Strong FCF generation basis to balance reliable attractive shareholder returns with targeted growth investments as identified by Strategy 2030



B2B volumes development

Freight markets continue to recover from 2023 decline



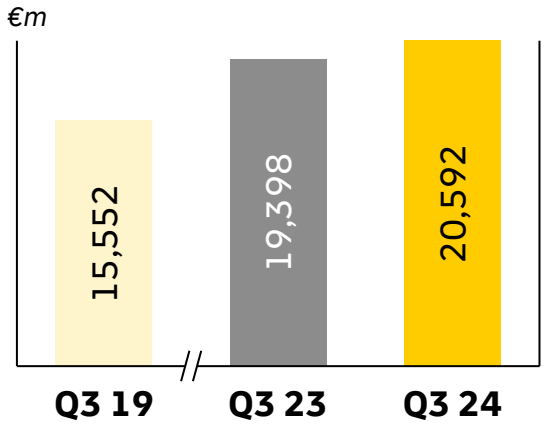
*excl. Hillebrand

- **Air (+9% yoy) and Ocean (+8% yoy)** Freight volumes continue to **bounce back from last year's double-digit declines;** Ocean Freight seeing growth throughout its peak season, no significant acceleration in Air Freight yet
- **Express B2B volumes** remain less volatile but **do not show meaningful change in dynamic yet,** at +0.2% yoy

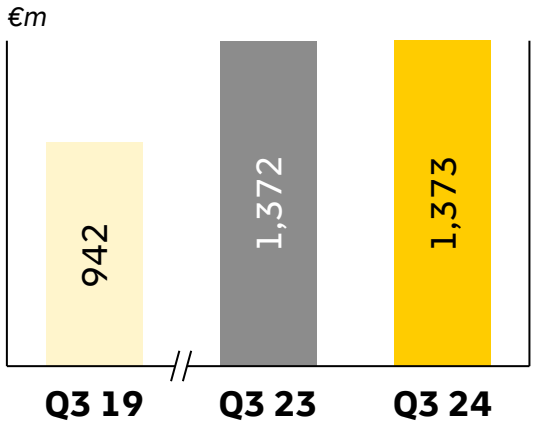
Q3 Group key figures at a glance

Revenue growth in Q3, EBIT stable and significantly above pre-pandemic levels

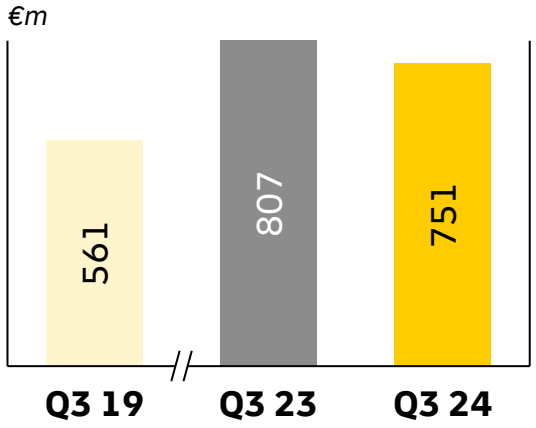
Revenue



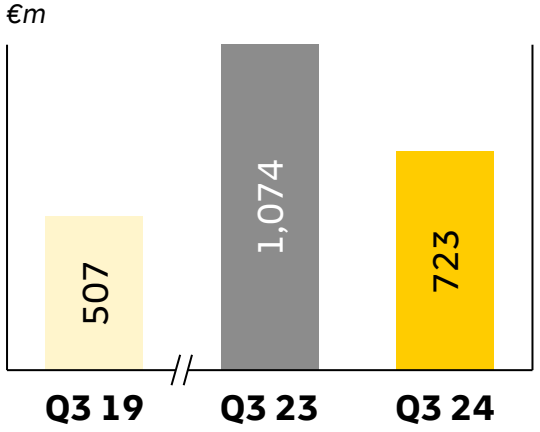
EBIT



Consolidated Net Profit*



Free Cash Flow

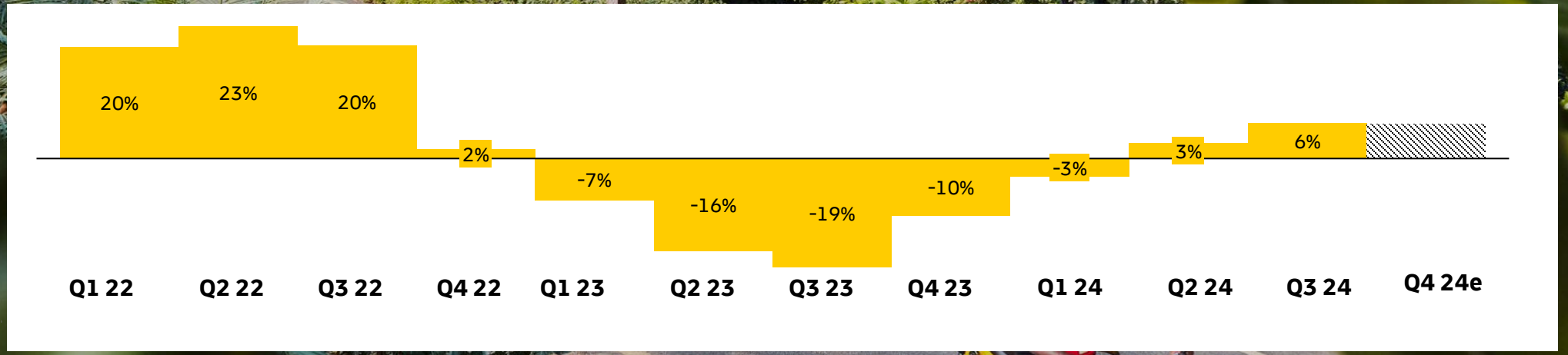


** after non-controlling interests*

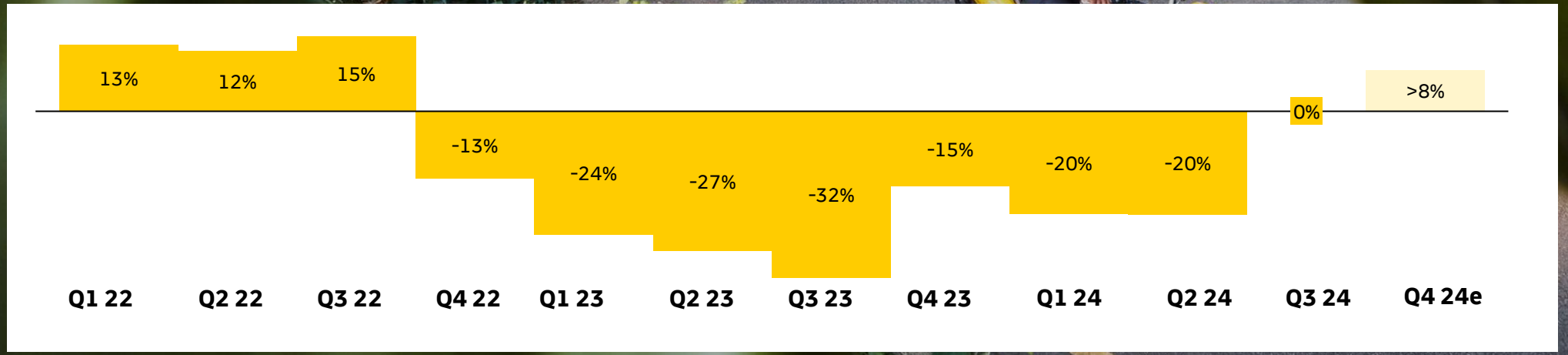
Group Development YoY

Turnaround in revenue and EBIT trend initiated

Group Revenue yoy



Group EBIT yoy



Dedicated efficiency and growth measures

In an environment of low economic momentum we focus on what we can control

Short term: Focus on efficiency while safeguarding quality

Capex Flexibility	**Established capex flexibility** is a driver of our ongoing strong FCF generation
Cost Management	Unchanged focus on **active cost management** and leveraging network flexibility
Peak Season	Balanced investments to **safeguard quality** during peak season; financially supported by **peak season/demand surcharges**

Executing Strategy 2030

Strategy 2030 Accelerate sustainable growth

Divisional growth strategies	Growth through **quality, customer loyalty** and **yield management**
Group growth initiatives	**Accelerate sustainable growth** through a focus on fast-growing industries, geographic tailwinds, e-commerce and digital sales
Decarbonization	**Partner with customers** to help them become carbon-neutral and **increase customer contribution to decarbonization spend**

Expectations for Q4 2024

No widespread cyclical acceleration in sight

Macroeconomic Environment

Low economic momentum expected to continue; rather regionally heterogenous dynamics than widespread acceleration

Business Trends

Accelerated mail volume decline due to digital substitution in dialogue marketing; challenging air freight market

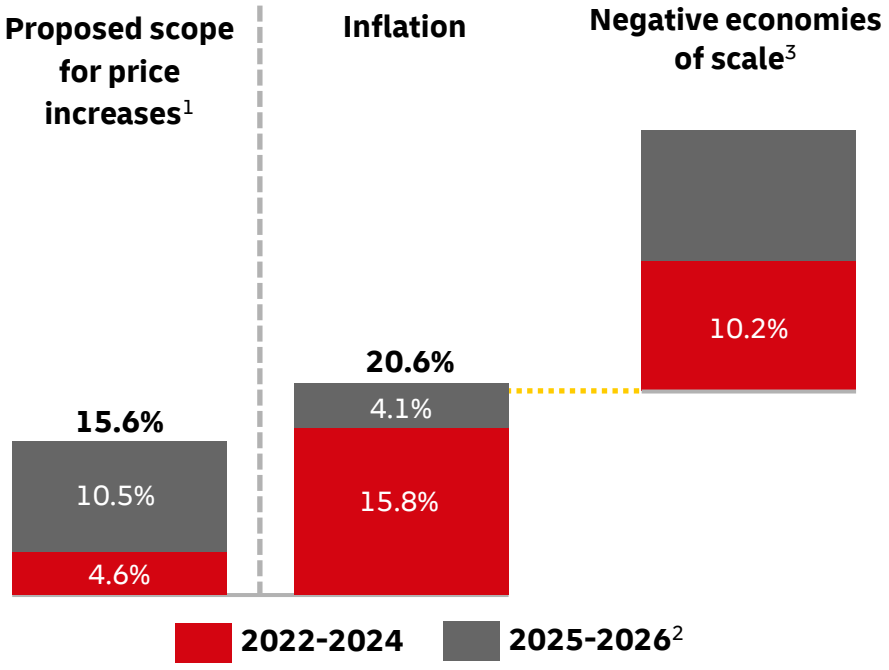
Peak Season

Domestic parcel peak seasons developing as expected; high compliance rate on Express demand surcharge

Update: Price cap process

The preliminary decision on pricing headroom does not acknowledge the economic reality

Developments mail basket



- **Cumulative price increase significantly lower than inflation**
- **Massive decline in letter volumes (2022-2024e: -20.3%) also leads to an increase in unit costs due to negative economies of scale**
- **Preliminary decision on pricing headroom increases is not in accordance with the Postal Modernization Act and its objectives**

1) Price increases according to price cap for mail cart (individual national letter mail items plus export)
2) Forecast
3) Based on mail volume decline (individual national letter mail items plus export)

2024 and mid-term guidance

Outlook remains well above pre-pandemic level

As revised on Oct 30th, 2024
in € bn

EBIT	2024 Guidance
Group	**>5.8 (from 6.0-6.6)**
DHL	>5.5 (from >5.7)
P&P Germany	~0.8 (from >0.8)
Group Functions	~-0.45
Free Cash Flow *	**2.8-3.0 (from ~3.0)**
Gross Capex (excl. leases)	**3.0-3.2 (from 3.0-3.6)**
Tax Rate	**28-30%**

	Mid-term Guidance
2026 Group EBIT	**>7.0 (from 7.5-8.5)**
Free Cash Flow* 2024-2026 cumulative	**9-10**
Gross Capex (excl. leases) 2024-2026 cumulative	**9-11**

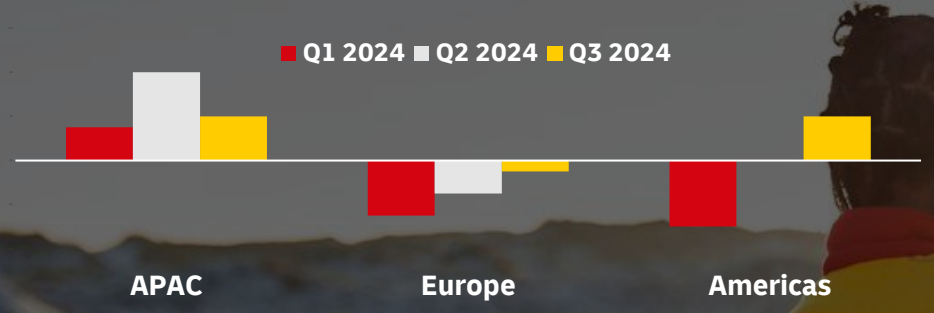
**excl. Net M&A*
Note: €250m blanket budget for M&A expenses p.a.

MELANIE KREIS, GROUP CFO

Express

Market volatility countered by active yield and capacity management

TDI B2B Weight/Day, yoy



Q3 2024 yoy

+4%
like-for-like rev/kg

+4%
weight/shipment

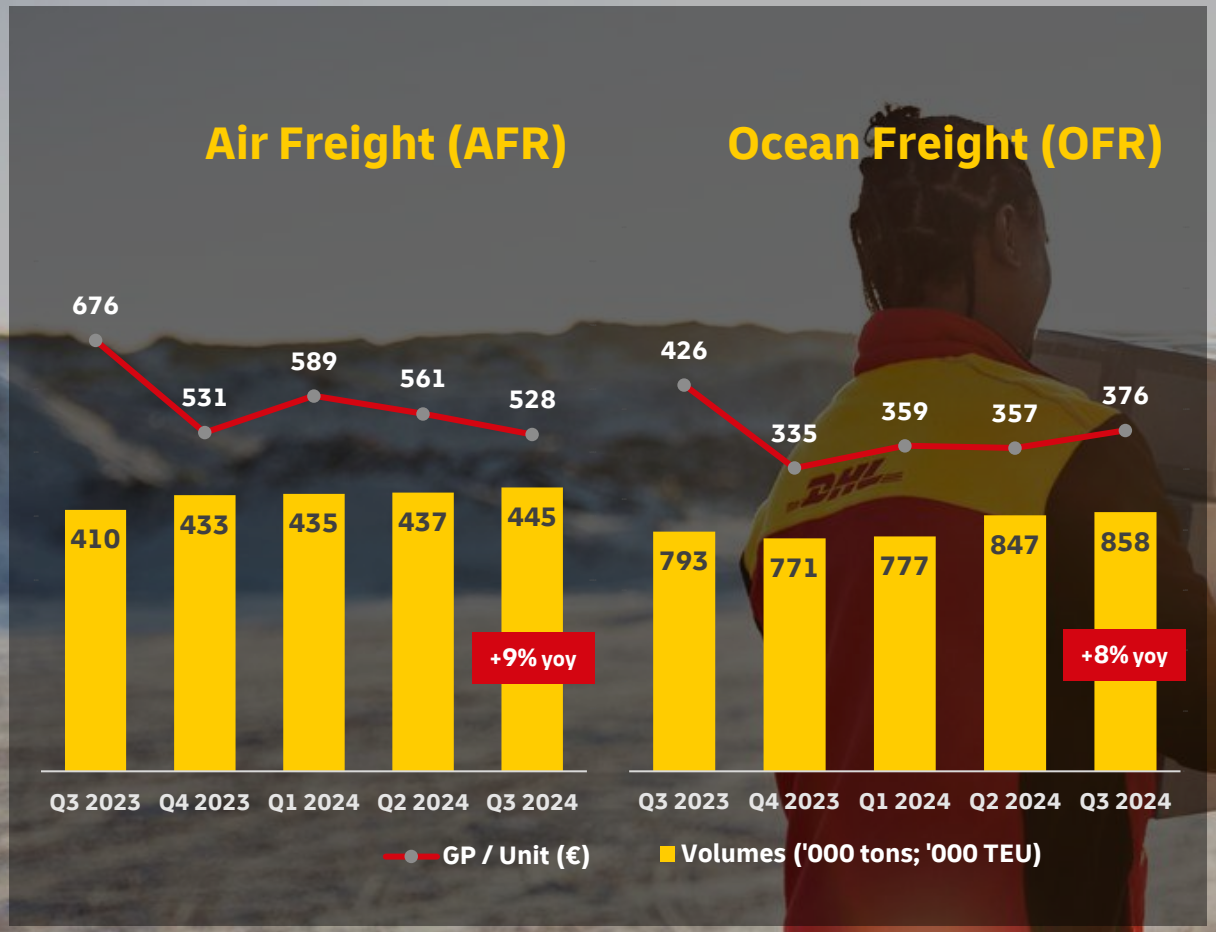
Q3 REVENUE
€ 6,063 m
+3.0% yoy

Q3 EBIT
€ 686m
+2,8% yoy

- Return to revenue and EBIT growth
- Attractive EBIT-margin: 11.3%
- Continued yield discipline and core TDI focus
- High compliance of demand surcharges expected

Global Forwarding, Freight

Confirmation of volume recovery from last year´s decline



Q3 REVENUE

€ 5,037 m

+14.0% yoy

Q3 EBIT

€ 277m

-9.5% yoy

- AFR and OFR volumes continue to recover against double-digit declines in Q3 2023
- OFR: good peak season demand faced continued tight markets
- AFR: significant increase in buying rates (on selected tradelanes)
- DGF: operational efficiency slightly up sequentially and stable yoy at 30% (EBIT/GP conversion rate)

Supply Chain

On its way to deliver another year of record profits

>7,000
Robots in operations

6%
EBIT margin in Q3 2024

€6bn
Total Contract Value signed in 9M 2024

91%
renewal rate in 9M 2024

Q3 REVENUE
€ 4,427 m
+4.0% yoy

Q3 EBIT
€ 274m
+13.2% yoy

- Solid revenue growth, mainly driven by new business wins and contract renewals
- Significant contribution of new business wins in Life Sciences & Healthcare, in Retail/e-commerce, e-fulfillment solutions and in the Energy sector
- Strong EBIT margin driven by digitalization & automation, standardization and focus on more profitable solutions

eCommerce

Attractive structural e-commerce growth; currently in network expansion & investing phase

+7%
organic revenue growth in Q3 2024 yoy

3%
EBIT margin In Q3 2024

Q3 REVENUE
€ 1,645 m
+11.4% yoy

Q3 EBIT
€ 50m
-9.1% yoy

~140k
Out of home points

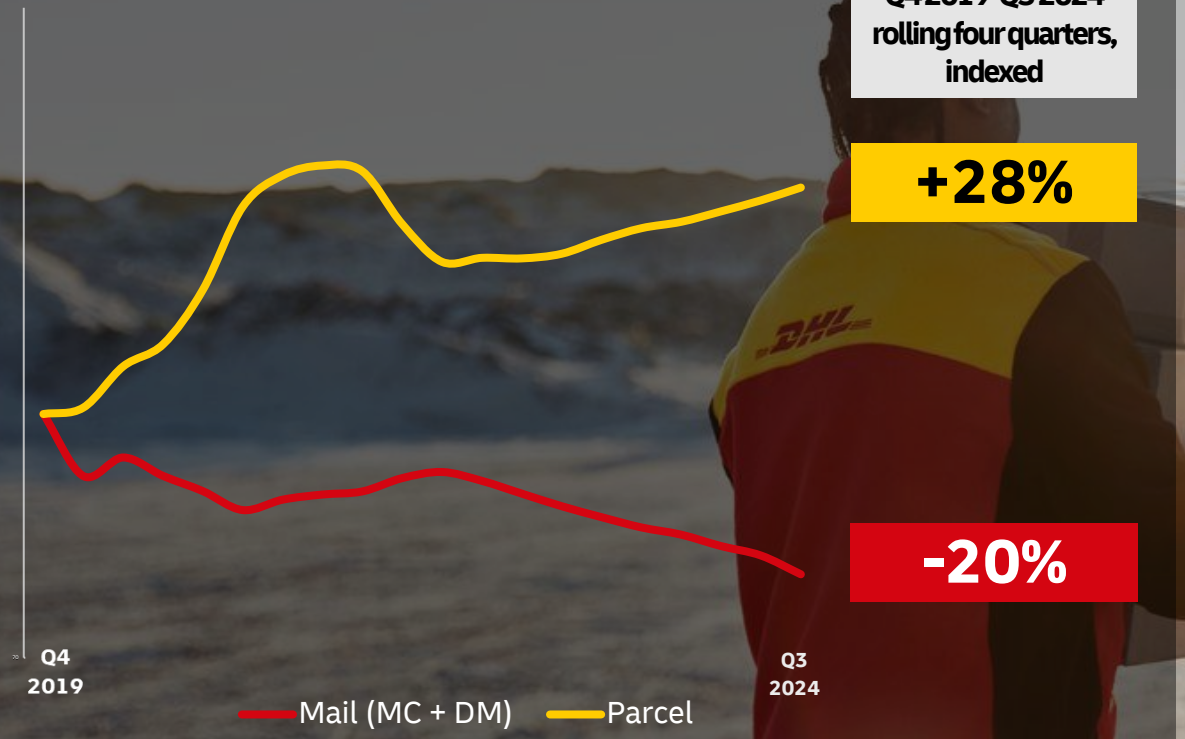
95.5%
On-time delivery

- Organic revenue growth driven by higher volume and yield management
- Margin continues to reflect current network investment phase, a.o. visible in increased depreciation
- Largest integrated out-of-home (OOH) parcel network in Europe with ~140k touchpoints

Post & Parcel Germany

Working through major structural transformation from Mail to Parcel

Mail vs Parcel Volume development



Q3 REVENUE

€ 4,053 m

+2.4% yoy

Q3 EBIT

€ 171m

-17.4% yoy

- Increases in parcel revenue and volumes cannot fully compensate accelerated mail decline and higher costs, esp. from wage increase (Q3 yoy wage increase costs: €132m)
- The second round of the wage agreement came into effect on April 1st with an estimated yoy impact of €~400m for FY 2024
- EBIT includes a net positive one-time effect from developments in various legal disputes of ~€70m

Cash Flow Statement

Capex flexibility key driver for continued strong Free Cash Flow generation

in €m

Cash Flow Statement	Q3 2023	Q3 2024	yoy
EBIT	**1,372**	**1,373**	**+1**
Depreciation/amortization	1,118	1,154	+36
Changes in Working Capital	668	131	-537
Other	-624	-615	+9
Operating Cash Flow	**2,534**	**2,043**	**-491**
Net capex	-798	-604	+194
Net Cash for Leases	-700	-755	-55
Net M&A	17	39	+22
Net interest	21	0	-21
Free Cash Flow	**1,074**	**723**	**-351**

Reflects continued **investments** into targeted growth opportunities

Mainly related to **q-o-q revenue growth,** main drivers are higher freight volumes and rates in DGFF

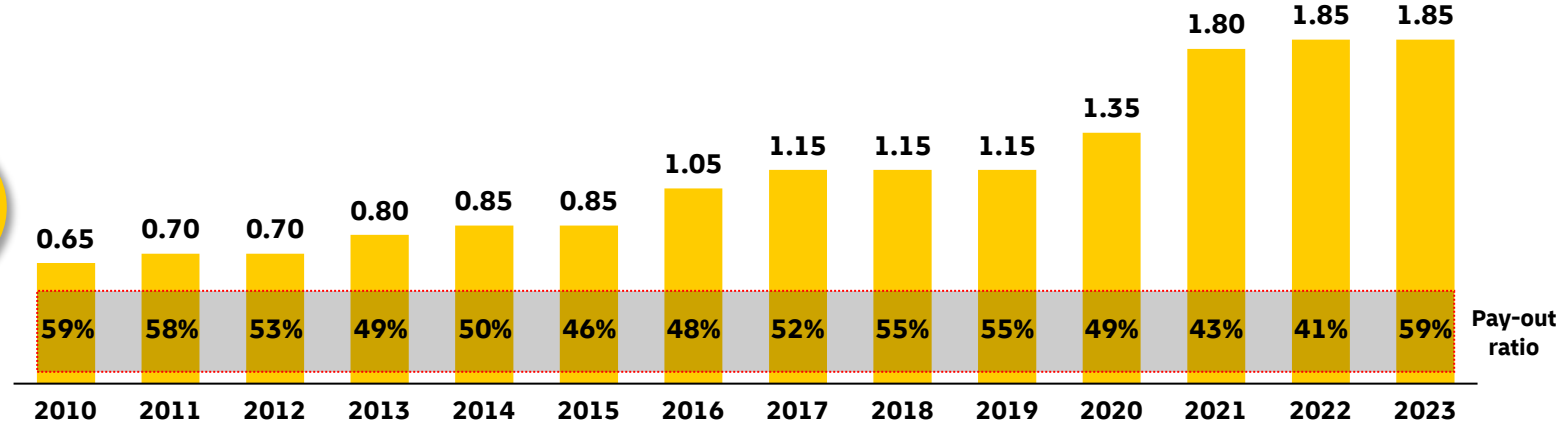
Reflects **capex flexibility to adapt** network investments **in line with volume development**

Mainly related to **Express and Supply Chain**

Proven track record of attractive shareholders return

Strong commitment to dividend continuity and current share buyback program

Dividend (per share, €)



5%
Dividend yield*

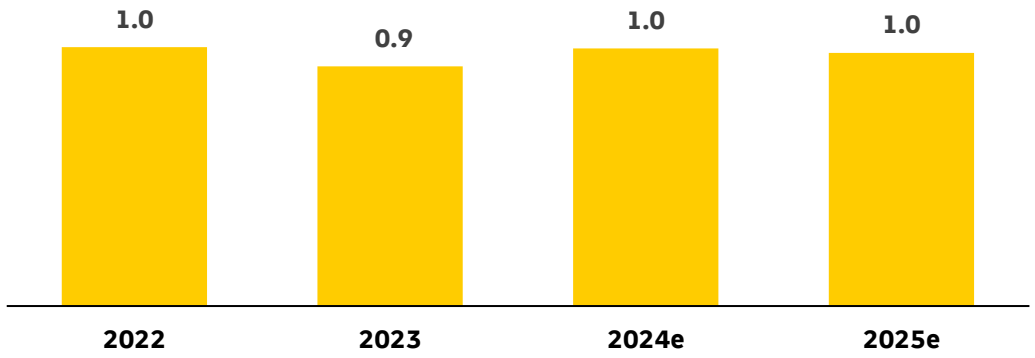
*based on closing share price on November 4th, 2024

Share buy-back (€bn)

2016/2017
up to **€1bn** program

2021
up to **€1bn** program

Current €4bn program:



- Current share buy-back tranche of **€600m** to be completed by Dec 2024
- After that, outstanding buy-back commitment of **€1bn to be** executed by the end of **2025,** in line with €4bn total commitment for 2022-25

Wrap-up

Substantial revenue growth in the third quarter and resilient strong FCF in cycle trough: ready to accelerate growth

Guidance 2024 adjusted

Reflects consumer peak season ramping up as expected in domestic B2C, but unchanged weak dynamics in B2B volumes

Resilient Free Cash Flow Generation

Strong 2024 FCF basis for dividend continuity, execution of Share Buyback program as well as continued targeted investment

Accelerate Sustainable Growth

Strategy 2030 focuses on accelerated topline growth, further margin improvement and optimized capital allocation

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