

# INVESTOR PRESENTATION

**DHL GROUP INVESTOR RELATIONS  
AUGUST 2024**





# CONTENT



**DHL Group Highlights**



**Strategy 2025**



**Financial Backup**

## DIVISIONAL DEEP-DIVES:



**Express**



**Global  
Forwarding, Freight**



**Supply Chain**



**eCommerce**



**P&P Germany**





## GDP+ GROWTH driven by best industry portfolio



#1 Global TDI  
Express



#2 Air  
Freight



#2 Ocean  
Freight



#1 Contract  
Logistics



#1 Parcel  
Germany



#2 World's  
Best  
Workplaces

#1 Top  
Employer  
Europe

2023 confirms strong financial performance through the cycle

Strong cash flow and balance sheet

>€3bn

2023 FCF (excl. Net M&A)

BBB+

Fitch

A2

Moody's

Attractive shareholder returns

~5%

dividend yield\*

€4bn

2022-25 share buy-back program

Strong commitment to  
dividend continuity

€2.6bn executed

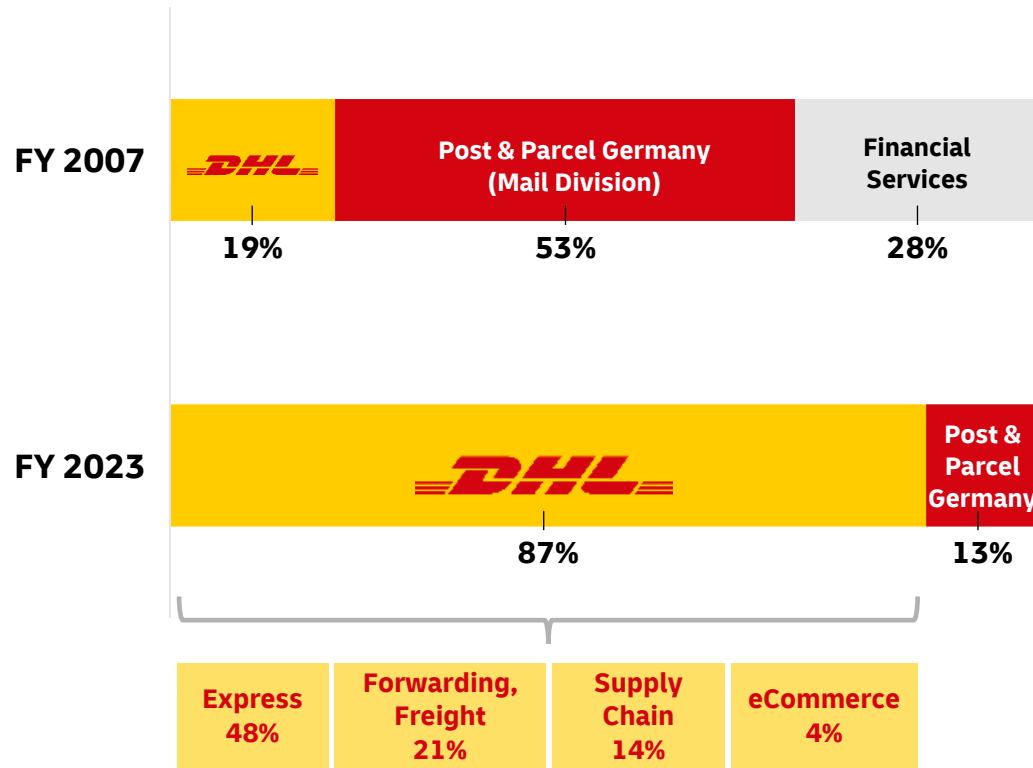
€1bn top-up to €4bn until end 2025 in March 2024

\*based on closing share price on 30 July 2024

# GDP+ growth profile supported by structural long-term trends

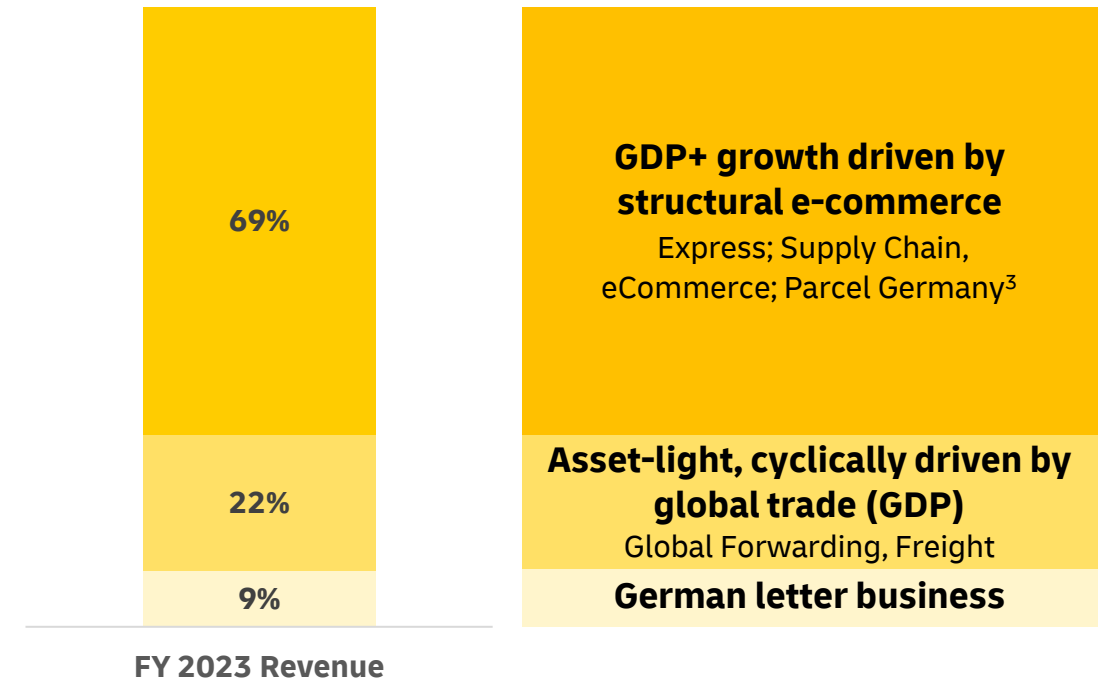
Transformation from German postal operator to global logistics market leader

Share of sum of divisional EBIT<sup>1</sup>



Globally diversified portfolio with GDP+ growth exposure

Share of sum of divisional revenue<sup>2</sup>



<sup>1</sup>Both years excl. Corp Center (2007) / Group Functions (2023) / Consolidation. <sup>2</sup>Excl. P&P Others, Group Functions / Consolidation. <sup>3</sup>Incl. International



# 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



## Q2 2024 Group EBIT of €1,351m (-20% yoy)

Q2 in line with expectations on Group level and divisional trends

### EXPRESS

**€683m**  
-24% yoy

- TDI shipments/day down -3% yoy with B2B slightly up (+1% yoy) and B2C down (-8% yoy)
- Continued solid double-digit margin in prolonged cycle trough

### GLOBAL FORWARDING, FREIGHT

**€279m**  
-28% yoy

- Mid-single digit yoy volume growth in Air (+5%) and Ocean (+6%)
- Ocean Freight GP/TEU stable sequentially
- DGF EBIT/GP conversion rate of 28%

### SUPPLY CHAIN

**€279m**  
+3% yoy

- Continued good top- and bottom line performance
- Growth mainly driven by new business wins
- Well on track to deliver another year of record results

### ECOMMERCE

**€67m**  
-14% yoy

- Intact volume growth as structural B2C trend offsets cautious consumer spending
- Solid margin of 4% in context of current network investment phase

### P&P GERMANY

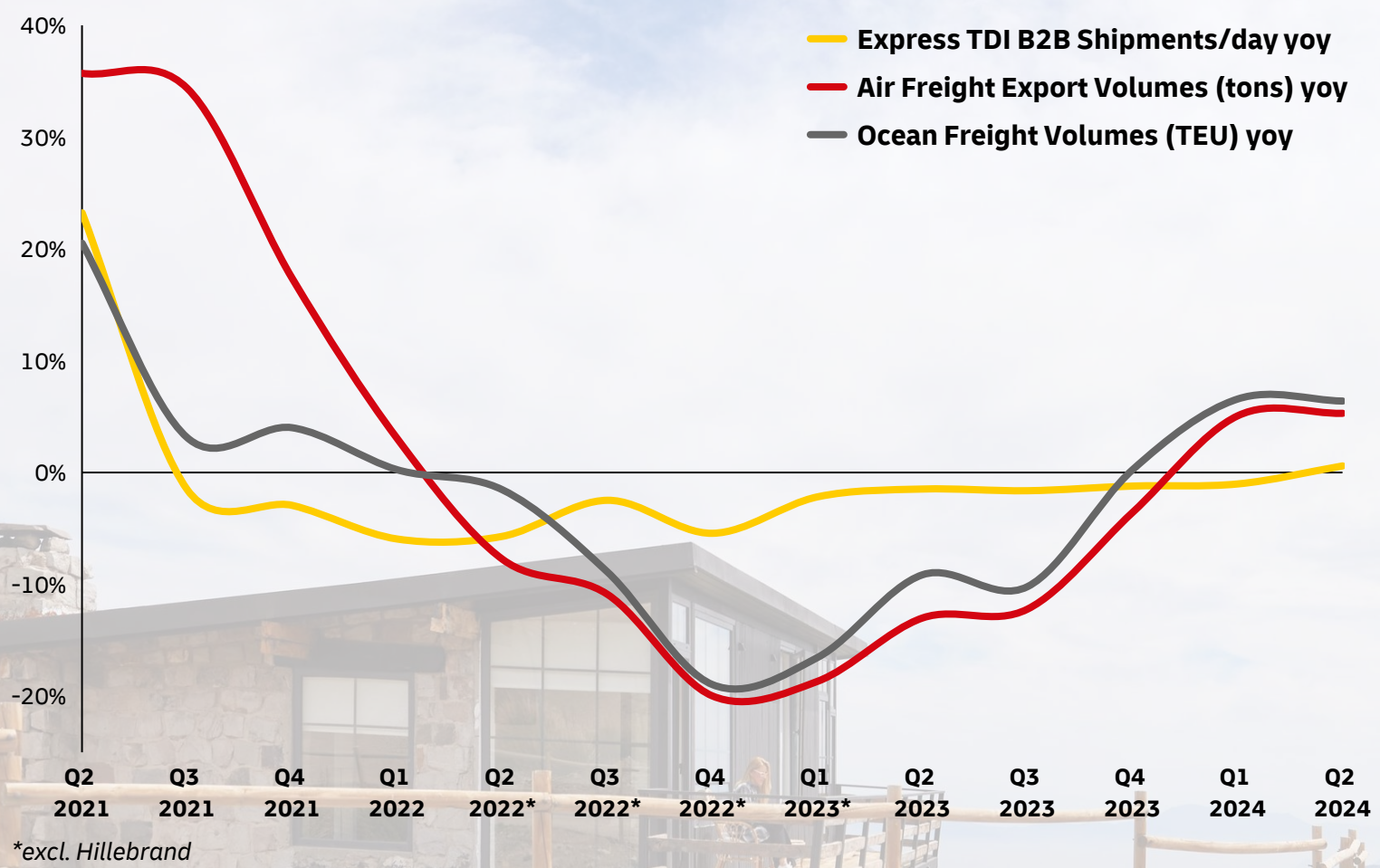
**€130m**  
+6% yoy

- ~11.5% average wage increase effective as of April 1<sup>st</sup>
- EBIT on track towards >€800m FY 2024 target, driven by parcel growth and cost measures



# B2B volumes development

## Signs of improvement but no widespread acceleration yet



- **Air (+5% yoy) and Ocean (+6% yoy) Freight volumes in Q2** maintain similar yoy growth as in Q1, as orders from business customers start to re-align with underlying demand after a long period of destocking
- **Express B2B volumes** gradually turning positive at **+1% yoy**



# Factors influencing 2024 guidance

Well prepared for a still uncertain year – guidance assumptions validated in H1

## STRUCTURAL FACTORS



## CYCLICAL FACTORS

## GUIDANCE ASSUMPTIONS



STRUCTURAL GROWTH  
FROM E-COMMERCE



DISCIPLINED YIELD  
MANAGEMENT



BENEFITS FROM  
DIGITALIZATION &  
CONTINUED INVESTMENTS



OMNI-SHORING



TIMING OF INVENTORY  
RIGHTSIZING PHASE



PACE OF GDP  
DEVELOPMENT

### H1 2024 EBIT expected to decline yoy:

- Higher comparison base in Global Forwarding, Freight
- Lack of B2B recovery in Express; network costs subject to inflation

### H2 2024 EBIT expected to increase yoy:

- Improvement in macroeconomic environment

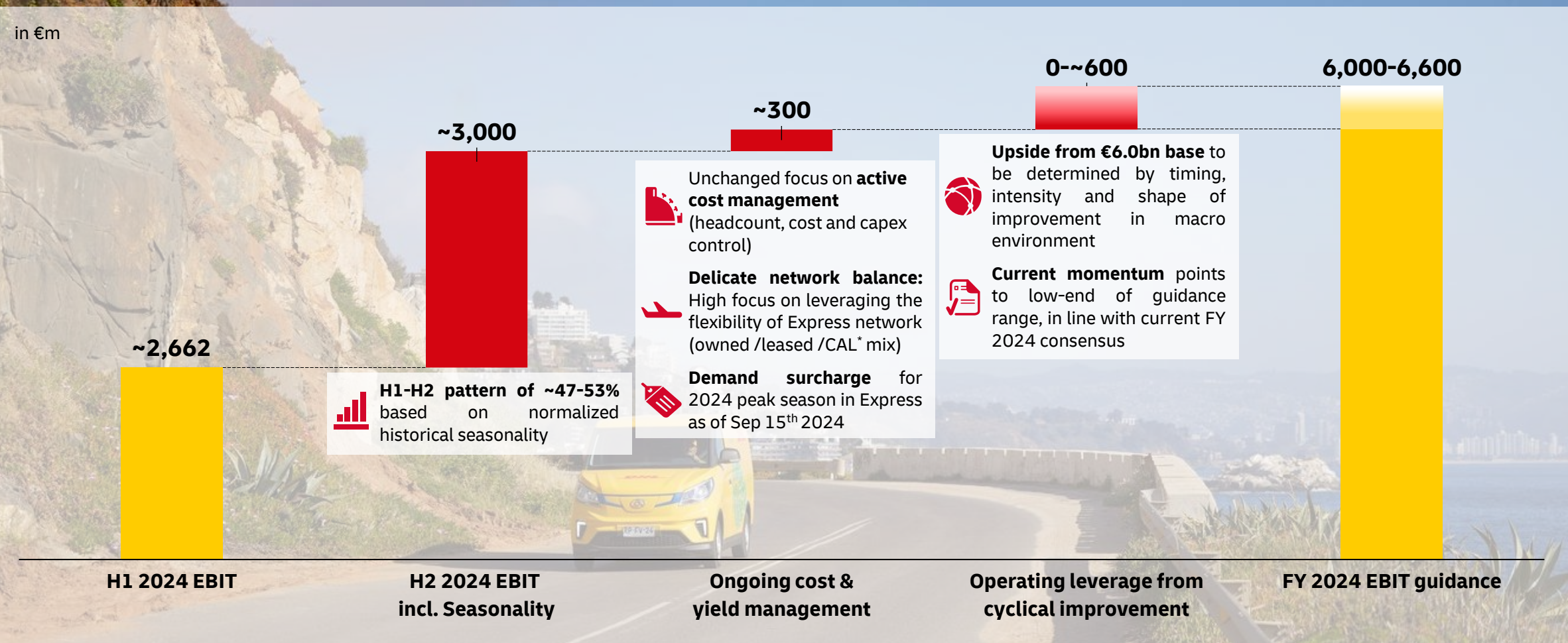
**Assessment on Aug 1<sup>st</sup> 2024**

H1 2024 EBIT and assumptions developed as expected. Some positive signals but no broad-based recovery yet



# FY 2024 EBIT guidance bridge

On track to deliver on guidance on usual seasonality supported by cost and yield measures



\*Commercial Air Linehaul



## 2024 and mid-term guidance confirmed

Outlook remains well above pre-pandemic level

in € bn

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

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

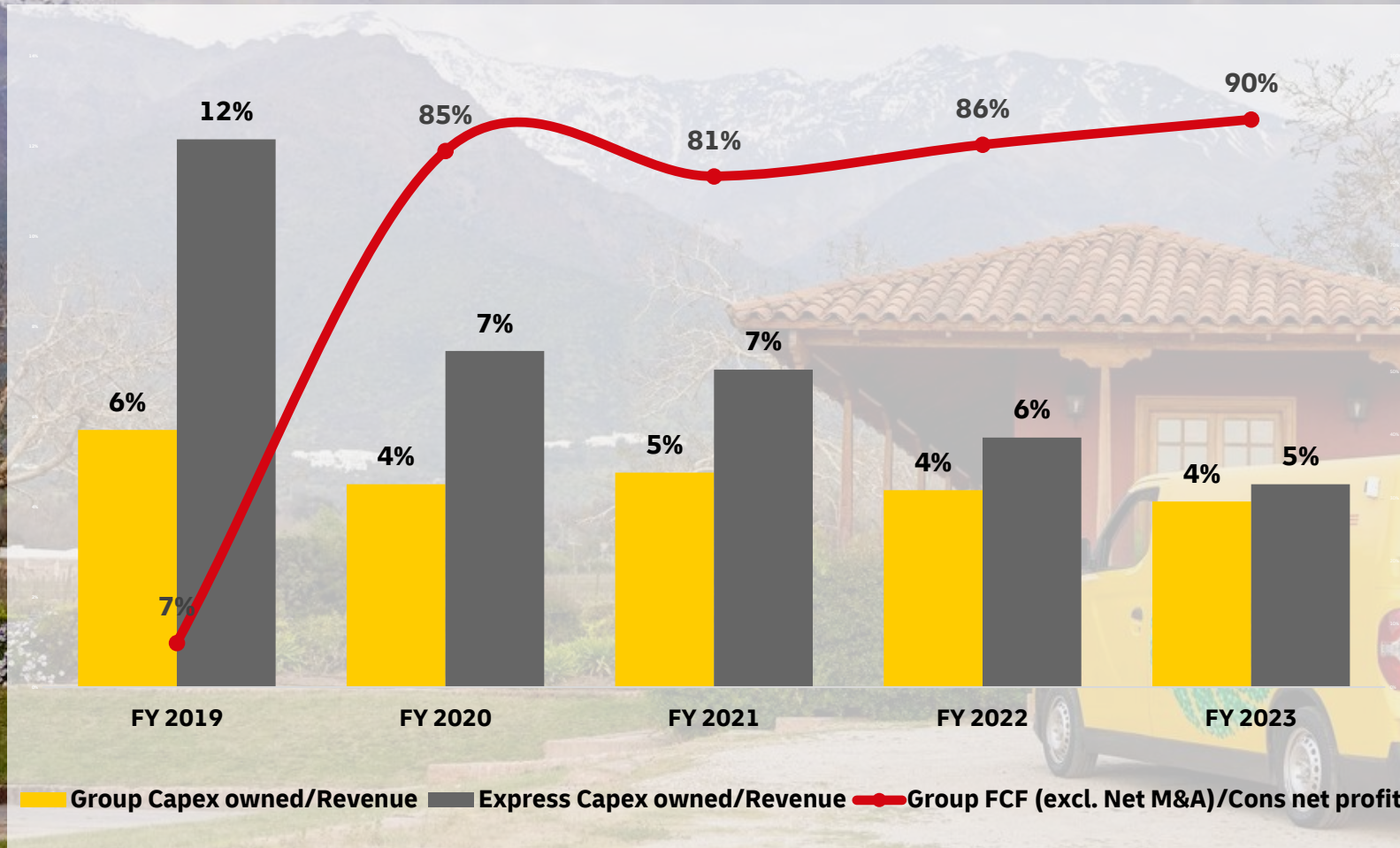
\*excl. Net M&A

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



# Capex management

Capex tightly controlled but ongoing investments in future growth opportunities



H1 2024
3%
Group Capex owned/Revenue
3%
Express Capex owned/Revenue



# Reliable capital allocation

## Balanced use of cash in line with Finance Policy principles

### INVESTING IN ORGANIC GROWTH

**€3.4bn**

**FY 2023 Gross Capex**

FY 2024-26e Gross Capex guidance of €9-11bn

### STRONG COMMITMENT TO DIVIDEND CONTINUITY

**€2.2bn**

**FY 2023 dividend proposal**

Finance strategy: 40-60% dividend pay-out ratio from adjusted net profit (cash flow and continuity considered)

### SHARE BUY-BACK PROGRAM

**€925m**

**Share buy-back in 2023**

Current €3bn 2022-24 share buy-back program increased to €4bn and extended until end 2025

### TARGETED M&A ACTIVITIES

**€381m**

**FY 2023 Net M&A**

Acquired MNG Kargo in Turkey (eCommerce) and remaining stake in Danzas AEI Emirates (Global Forwarding)





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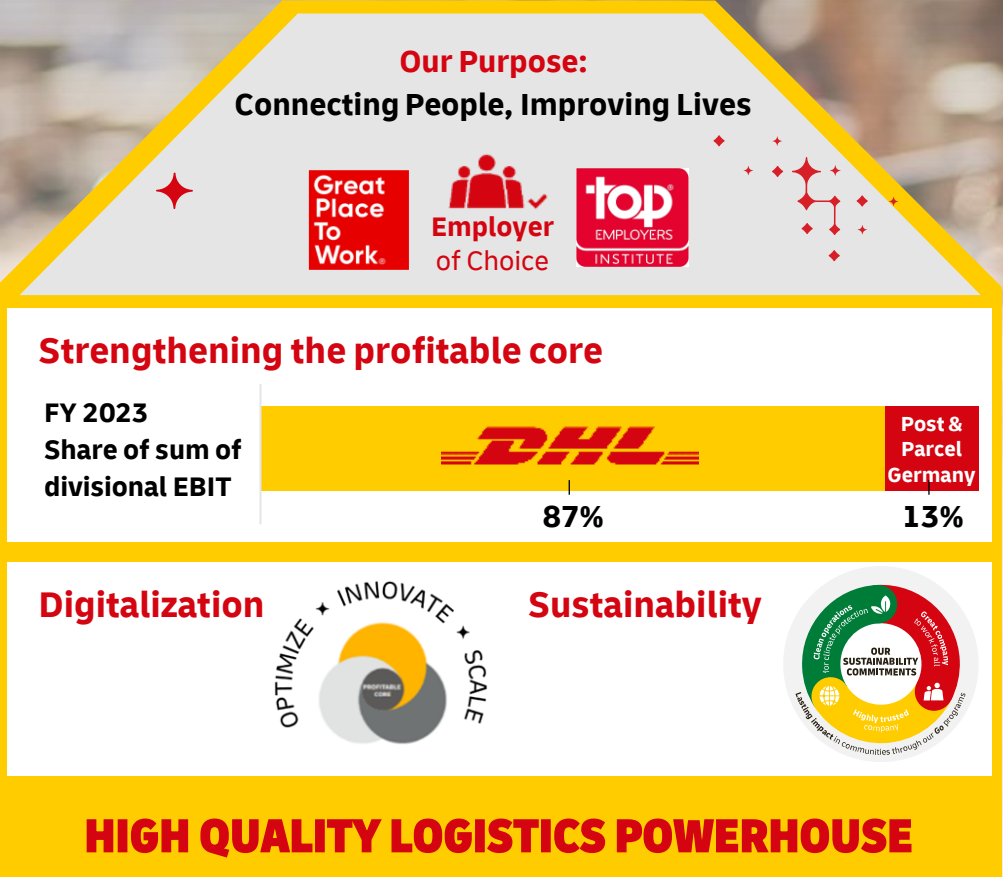
## DIVISIONAL DEEP-DIVES:






# DHL Group with strong base for Strategy 2030

## Successful transformation achieved



## 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

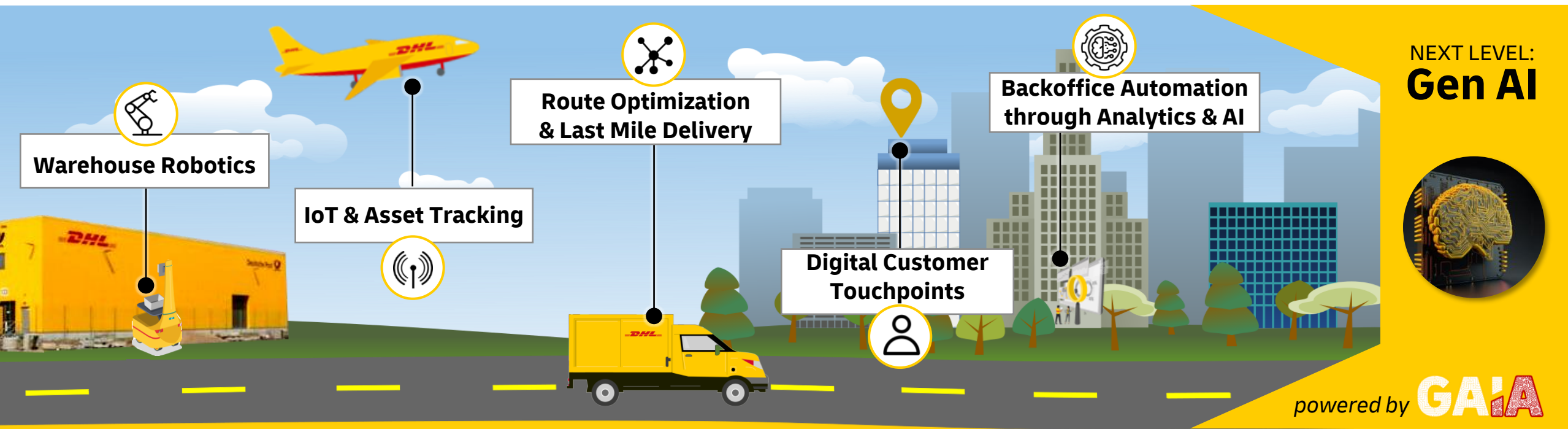
  
**CAPITAL  
ALLOCATION**

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



# DIGITALIZATION

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



Explore The Digital World at DHL Group  
Watch Our **#DIGIFRIDAYS** Sessions



**LINK**





# DHL Group ESG Roadmap

**CONNECTING  
PEOPLE.  
IMPROVING  
LIVES.**

## Clean operations for climate protection

Reduce emissions to

**<29m**

metric tons CO<sub>2</sub>e by 2030 (SBTi)  
No offsetting included

## Net Zero

GHG Emissions by 2050

**>30%**

share of  
sustainable fuels  
by 2030

**60%**

e-vehicles used in  
pick-ups and  
deliveries by 2030

All new owned buildings to be **climate  
neutral**

## Great company to work for all

**>80%**

Group-wide Employee Engagement  
(aggregated & weighted result of 5  
statements in Employee Opinion Survey)

Increase share of women in middle and  
upper management to

**>30%**

by 2025

Reduce LTIFR\* to

**<3.1**

by 2025

\*LTIFR: Lost Time Injury Frequency Rate

## Highly trusted company

**30%**

ESG-related targets in bonus calculation  
for the Board of Management as of 2022

**98%**

share of valid compliance training  
certificates in middle and upper  
management (FY 2024 target)

**≥ 690** out of achievable 820 points

Cyber security rating (FY 2024 target);  
equals top quartile in our reference  
group



# DHL Group ESG measures

## Decarbonization measures

Measures	2023 Results	2030 Targets
Realized Decarbonization Effects	1,334 metric kilotons CO <sub>2</sub> e (2024 Target: 1.5m metric tons CO <sub>2</sub> e)	Reduce GHG emissions to <29m metric tons CO <sub>2</sub> e
Use sustainable fuels in air, ocean and road freight	Share of sustainable fuels amounts to 2.8 %	>30% share of sustainable fuels in air, ocean and road freight
Increase electrification of the fleets in pick-up & delivery	~ 35,200 e-vehicles used in pick-ups and deliveries (37.6%)	60 % e-vehicles used in pick-ups and deliveries
Climate-neutral building design		All our own new buildings are climate neutral

## Employee matters

Measure	2023 Results	2024 Targets	2025 Targets
Employee Engagement	83%	>80%	Maintain employee engagement at a high level
Share of women in middle and upper-management	27.2%	28.8%	at least 30%
Lost Time Injury Frequency Rate per 200,000 working hours (incl. temporary workers as of 2023)	3.1	3.3	<3.1

## Corporate governance

Measure	2023 Results	2024 Targets
Participation of executives in middle- and upper-level management in compliance training	98.6%	98% share of valid training certificates in middle and upper management
Cybersecurity rating	750 points out of achievable 820 points	≥ 690 points* of achievable 820 points



# REDUCE CARBON EMISSIONS THROUGH SUSTAINABLE FUEL AND TECHNOLOGY

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

### Time-Definite-International 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 Global Forwarding



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

### Ocean Freight 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 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 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 eCommerce



- 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

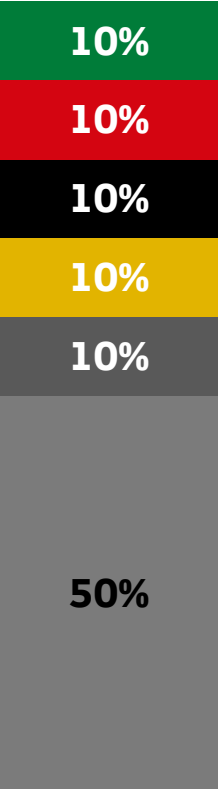


- Insetting via e.g. sustainable fuel, heat pumps, electric vehicles
- 100% CO<sub>2</sub>e reduction levels
- Available for Mail Communication, Dialogue Marketing and Press Service



# ESG targets integrated in management remuneration

## Criteria for Annual Variable Pay for Board of Management



■ Environment

■ Social

■ Governance

■ Free Cash Flow

■ EAC Divisional\*

■ EAC Group\*\*



### E: CO<sub>2</sub>e emissions

Realized Decarbonization Effects

### S: Employee engagement

Group employee engagement

### G: Cyber security

Cybersecurity rating

## Payment schedule

For medium-term component (deferral) and annual bonus

- 50% paid after financial year if bonus criteria achieved
- 50% payout of achieved bonus deferred by additional 2 years\*

\*Medium-term component will only be paid out if EAC target is reached during the sustainability phase, i. e. at least the cost of capital was covered

\*Group EAC is weighted at 50% for Board of Management members responsible for the divisions and the EAC of the respective division for which they are responsible at 10%. For the other members of the Board of Management, Group EAC is weighted at 60%



# DHL CSI (Customer Solutions & Innovation): Providing #OneDHL to the market drives value as many customers require multiple logistics services

Percentage of customers buying from 2+ divisions

**~98%**

**Tier 1**

(Top 100 customers)

Share of total revenue represented by customer group

**~20%**

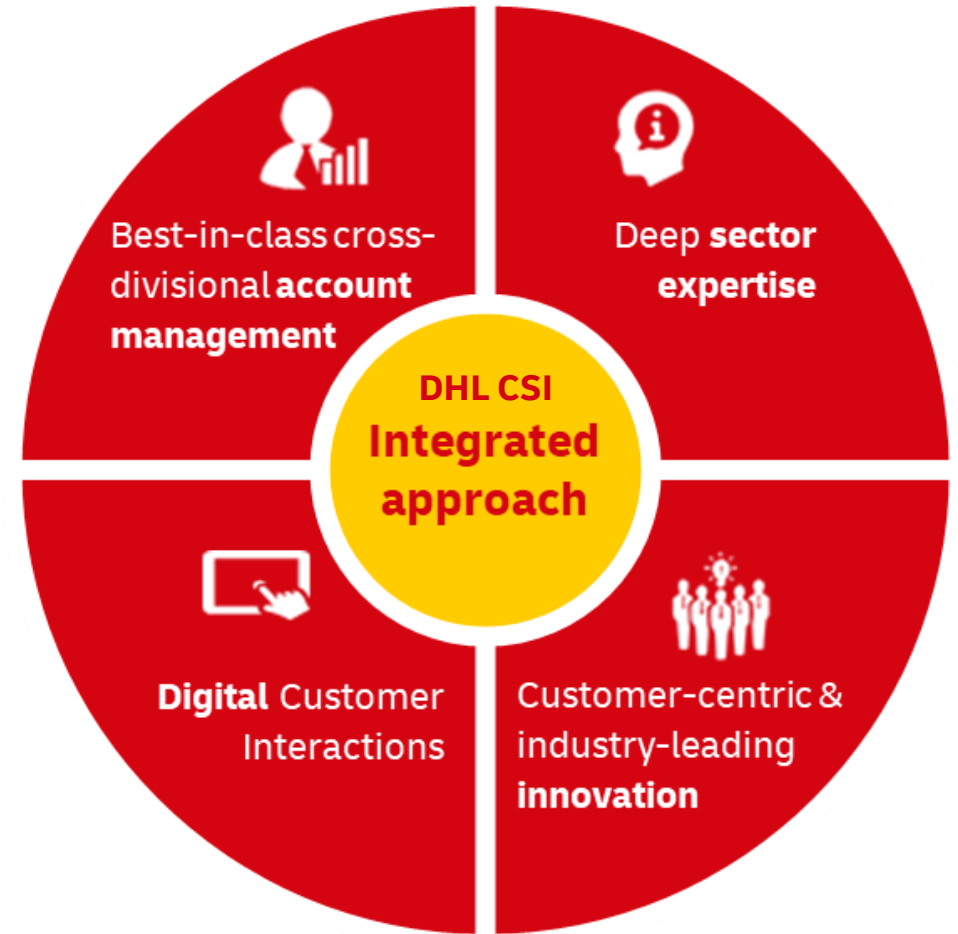
of Group revenue

**~76%**

**Tier 2**

**~46%**

of DHL Group revenue



As of FY 2023



# CONTENT



## DIVISIONAL DEEP-DIVES:



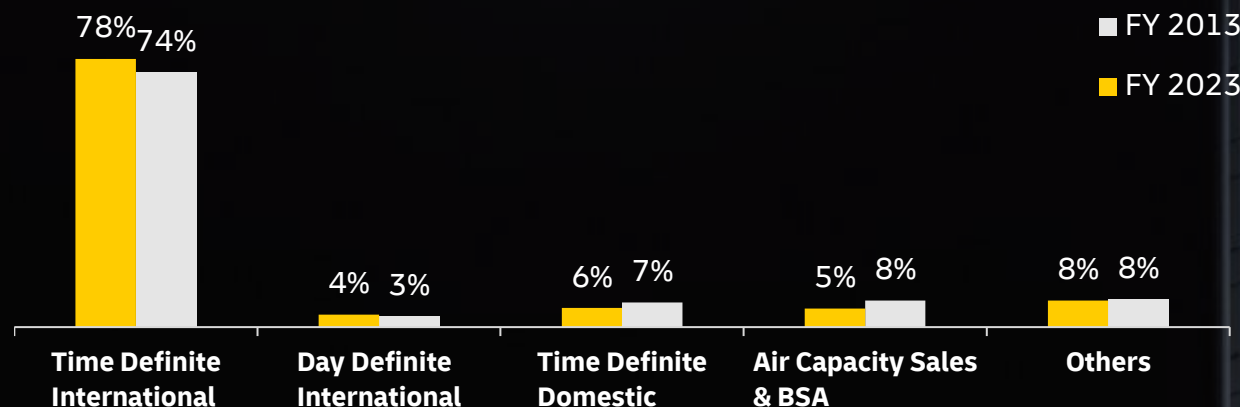
# EXPRESS

Global market leader in Time Definite International (TDI)

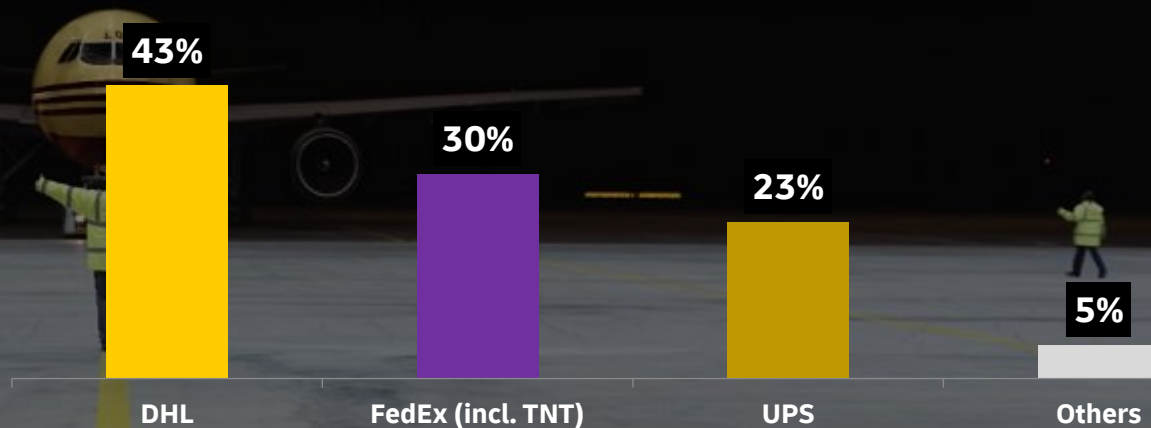
## Investment Summary:

- Voted among the top 3 World's Best Workplace for the 4th year running
- Premium logistics segment offers above-GDP growth driven by global trade (B2B) as well as international e-commerce (B2C+B2B)
- Leading integrated global network with long standing local presence in 220+ countries & territories
- Proven ability to flex network to adapt to changing market circumstances

## Revenue Mix



## Global TDI revenue market share (2021) (€42.3bn)



Source: Market Intelligence 2021



# Express H2 perspectives

Seasonality to be supported by additional yield measures and continued cost focus

Q2 2024 data points developing as expected:

Drivers of EBIT acceleration in H2

**YIELD DISCIPLINE**

**+4%**  
H1 2024 yoy like-for-like rev/kilo

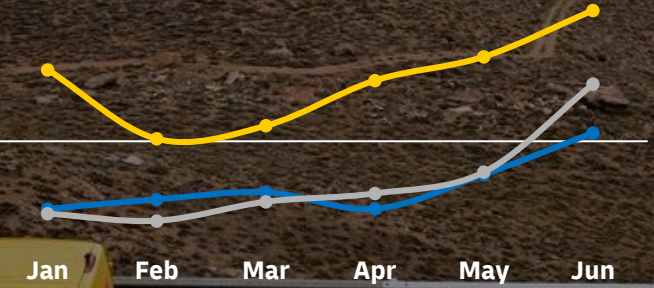
**Introduction of demand surcharge** as of Sept 15<sup>th</sup> 2024



**VOLUME GROWTH**

Some positive signals but no widespread volume acceleration yet

TDI B2B Weights/Day, yoy



Month	APAC	Europe	Americas
Jan	High	Low	Low
Feb	Low	Low	Low
Mar	Mid	Low	Low
Apr	Mid-High	Low	Low
May	High	Mid	Mid
Jun	Very High	High	High

H2 normal seasonality mainly driven by >40% share of B2C volumes; B2B volumes to reflect further **development of inventories**

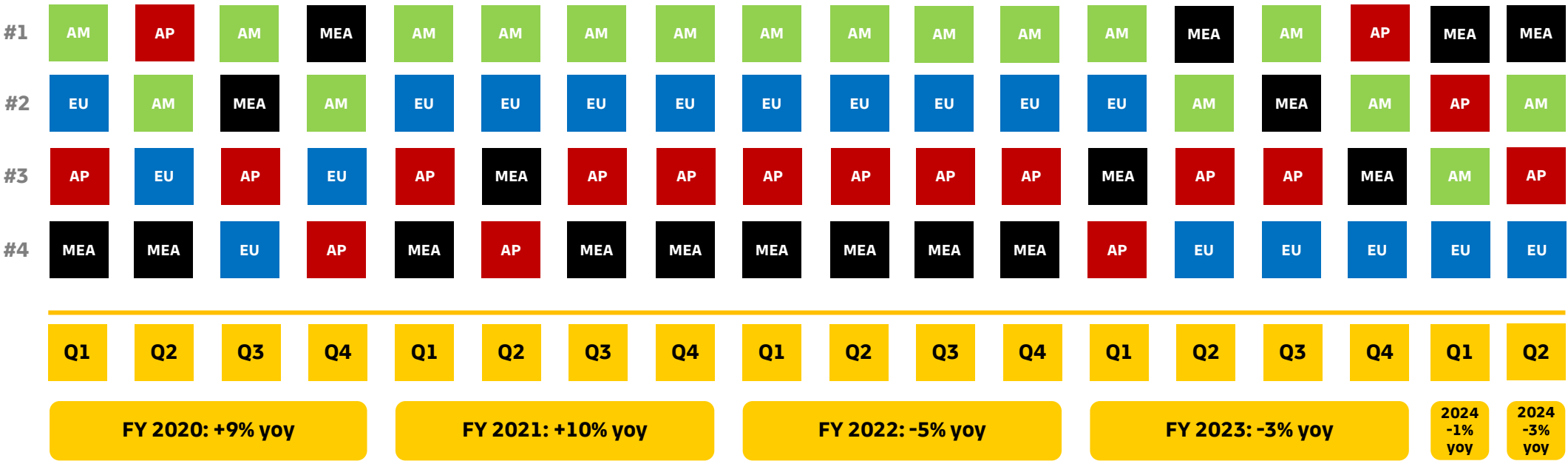
**COST & CAPACITY MANAGEMENT**



Period	EBIT	TDI Weight Load Factor
FY 2019	Low	Mid
FY 2020	Mid	High
FY 2021	Very High	Peak
FY 2022	High	High
FY 2023	Mid	Mid
Q1 2024	Low	Low
Q2 2024	Low	Mid

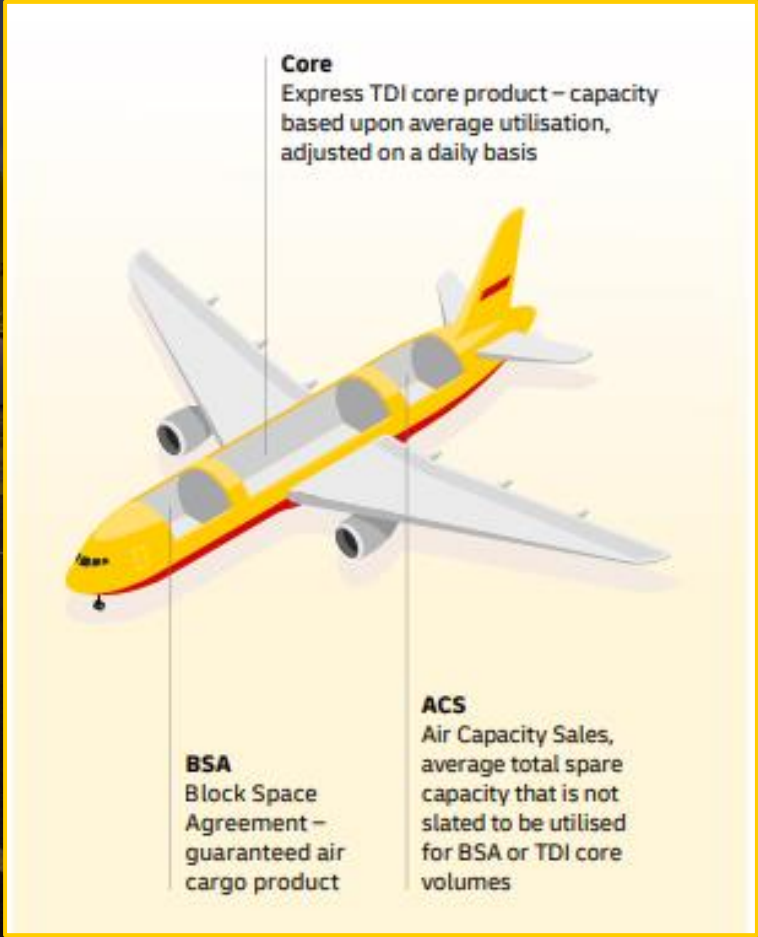
**Active cost management** remains fully in place. **Additional capacities secured** on selected lanes; incremental volumes to generate **operating leverage** in currently lower utilized parts of the network

# Express TDI volume growth, quarterly growth ranking



FY 2016: +8% yoy; FY 2017: +10% yoy; FY 2018: +7% yoy; FY 2019: +6% yoy

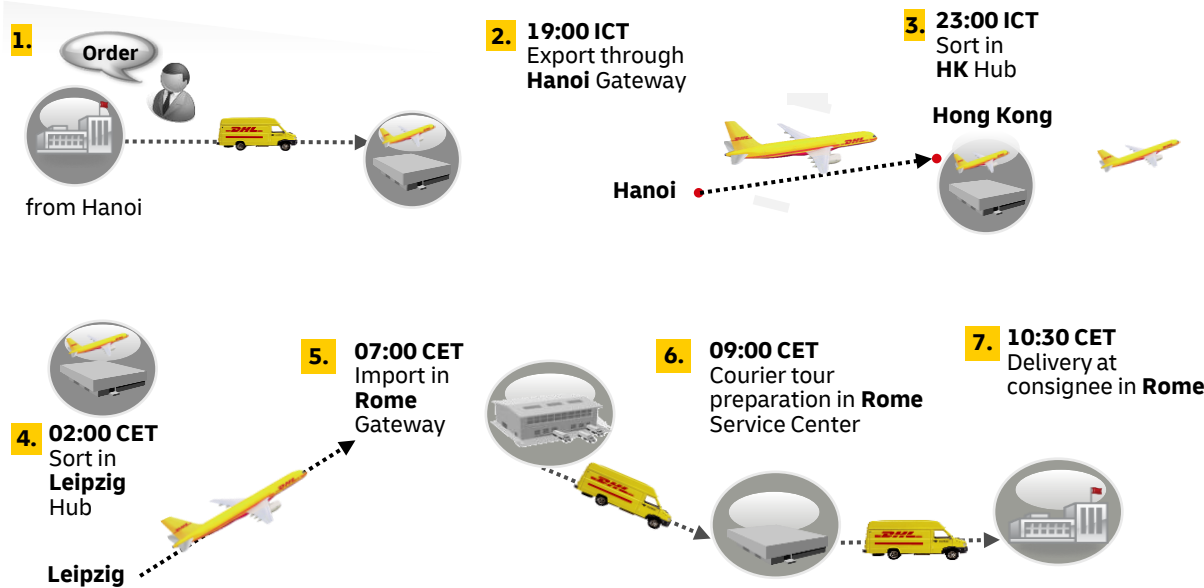




# EXPRESS: CORE PRODUCTS

**Time Definite International (TDI)** The premium segment within the express industry  
Time Definite = dedicated delivery at a scheduled time of day  
International = cross-border shipment (intra- or between continents)

## TDI shipment example: Hanoi, Vietnam to Rome, Italy



## Time Definite Domestic (TDD)

Domestic door-to-door delivery by a specific time, or by the end of the next possible business day

## Day Definite International (DDI) and Day Definite Domestic (DDD)

Door-to-door delivery within a certain number of business days for less urgent and heavier shipments

# Express:

## To serve our global network, we run more than just an airline

### Dedicated Air (year-end 2023)

**>295** aircraft

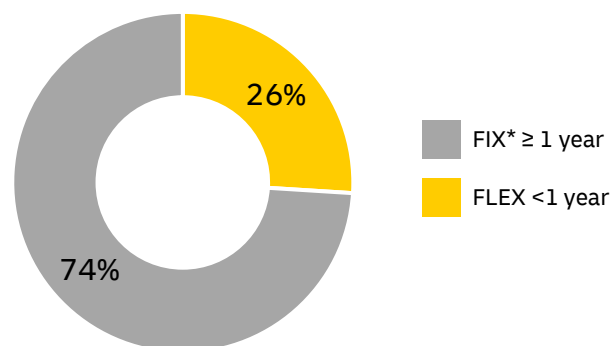
**>70** Intercontinental →

**>225** Regional →

**17** partner airlines

#### Network Flexibility

Fix | Flex



\* Owned & long-term leases

### Purchased Air

**>200** commercial air carriers

### Global Network

**>2300** daily flights

**>500** airports

**22** air hubs

**3** global

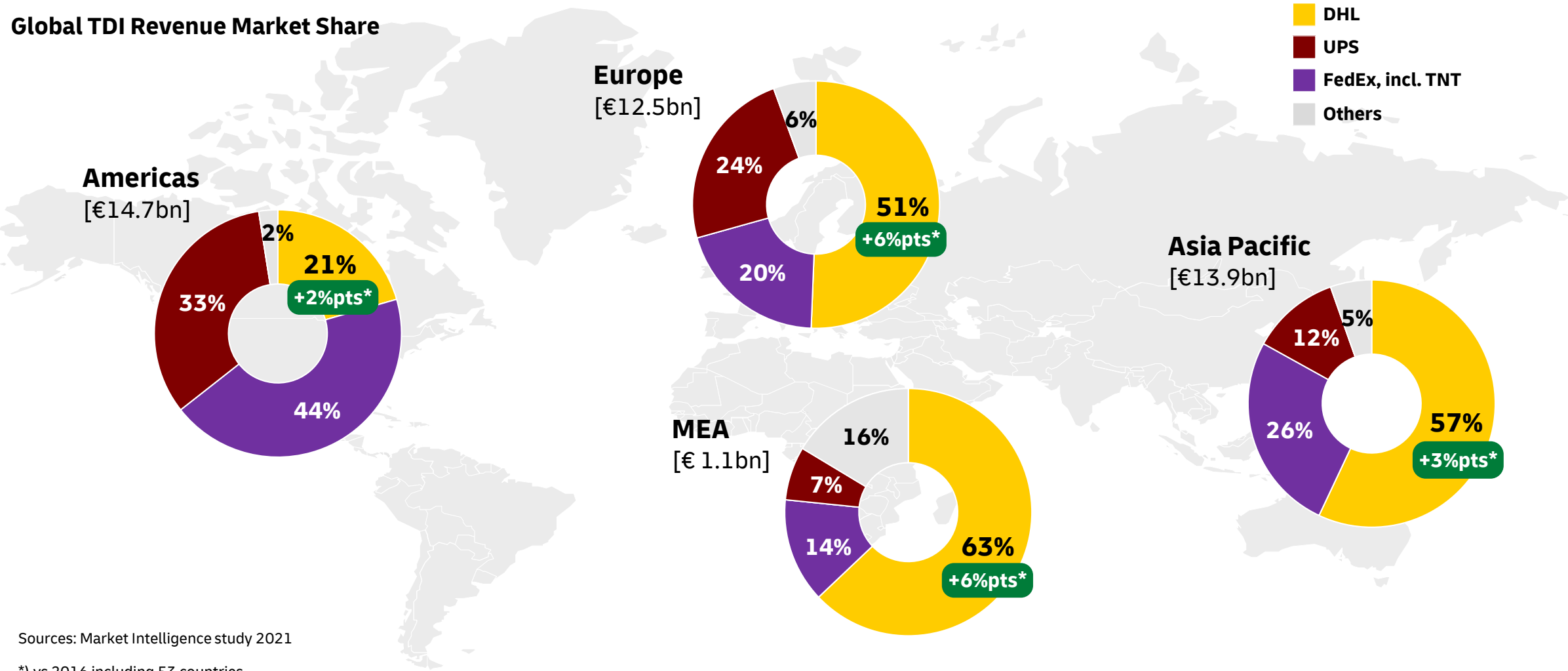
**19** regional

As of year-end 2023



# Express: Market share by geography (2021)

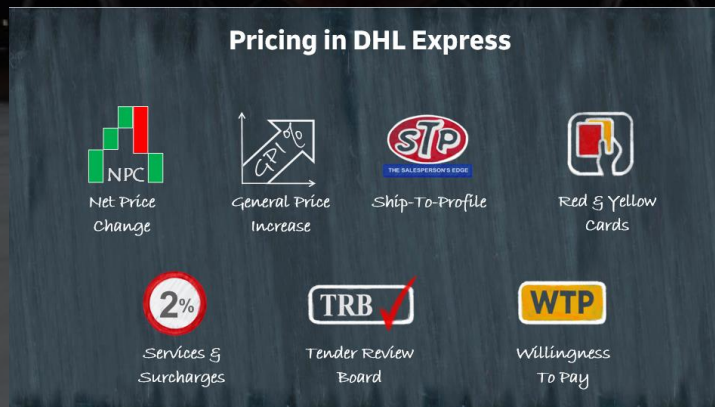
Global TDI Revenue Market Share



Sources: Market Intelligence study 2021

\*) vs 2016 including 53 countries

# Unchanged strong focus on yield management based on well established toolset



## Express pricing components

### Base shipment price

- According to customer shipment profile (volume, weight, trade lanes)
- Subject to annual **General Price Increase (GPI)**

### Fuel surcharge

- Moves up and down with fuel price movements
- Transparently based on external fuel price indices

### Potential other surcharges

- Subject to specific shipment profile or services requested (e.g. Customs, delivery preferences etc.)
- Demand surcharge for 2024 peak season in Express as of Sep 15th 2024

### Constantly tracked and revised through established mechanisms:

- Ship-to-Profile
- Tender review Board
- Red / Yellow Card
- Net Price Change

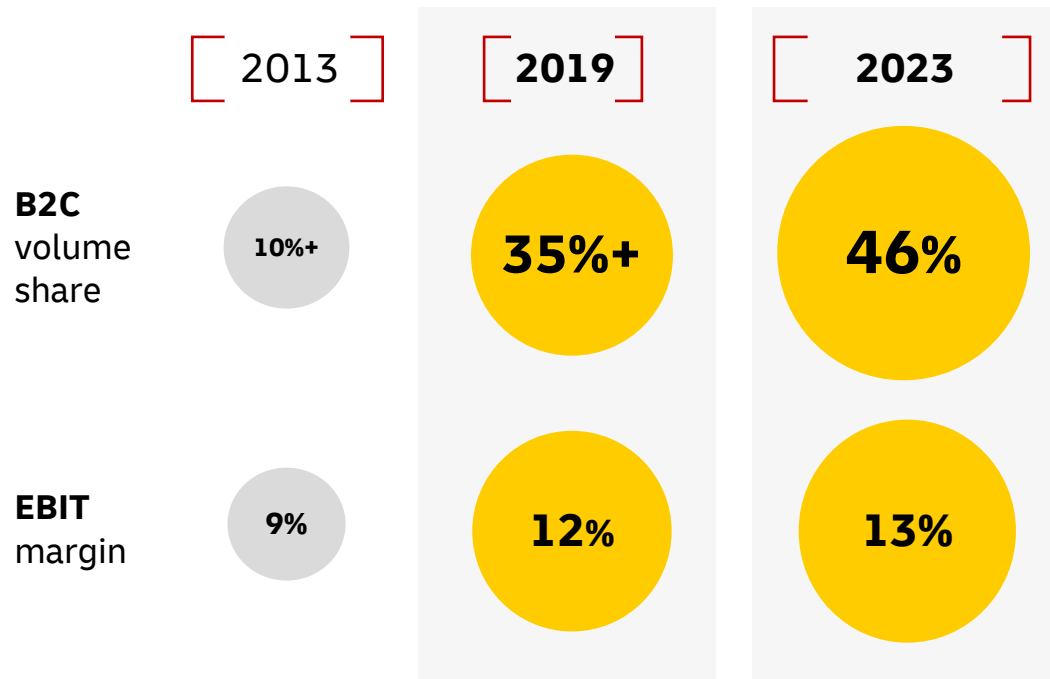


# Express: Well-diversified vertical exposure

TDI Revenue share by sector (FY 2023):



# E-commerce is a profitable growth driver for Express



Network Characteristics	B2C Characteristics	Profitability Impact
Shipments per Day	Volume growth drives better utilization of existing network	↑
Weight per Shipment	Lower weight per shipment	→
Revenue per Kilo	Higher RpK related to lower WpS	↑
First mile	More pieces per stop at pickup	↑
Hub sort	Better utilization of existing infrastructure, with high degree	↑
Airlift	Better utilization of existing capacity, with lower WpS being advantageous	↑
Last Mile	Optimize residential delivery via On Demand Delivery & Drop Off Locations and increased delivery density due to B2C Growth	→



# GLOBAL FORWARDING, FREIGHT

International transportation of Air Freight, Ocean Freight and Road Freight including Customs Clearance and related value-added services like warehousing, cargo insurance, etc.

## Investment Summary:

- Asset-light business model: Global presence in >120 countries with ~47,000 highly qualified employees
- Investments into state-of-the-art IT systems are driving increased operational efficiency and enhanced customer experience
- On this basis, targeting high GP/EBIT conversion and EBIT margin levels
- Sustainable solutions available for all transportation modes

## Revenue Mix, FY 2023



## Market Position (2022)

Air Freight	#2
Ocean Freight	#2
Road Freight (EU)	Leading position in a highly fragmented market

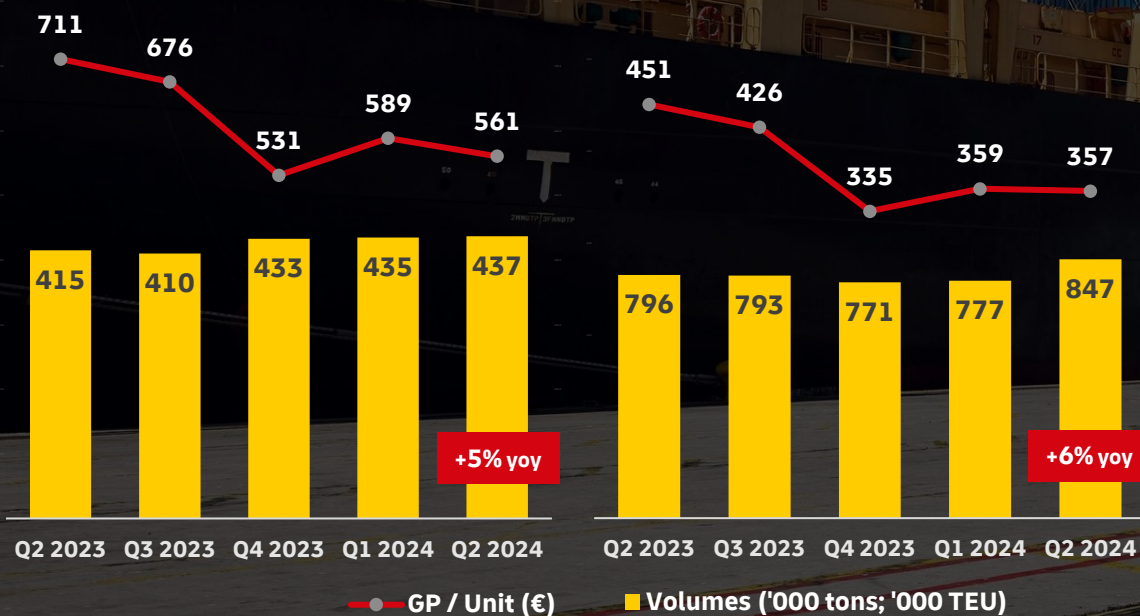


# Global Forwarding, Freight

Confirmation of volume growth, gross profit margins stabilizing

## Air Freight (AFR)

## Ocean Freight (OFR)



- While there are disruptions in ocean freight markets, **continued volume growth in Q2 also reflects improving demand** as customers start re-aligning their orders with underlying demand after long period of destocking
- GP/TEU stable sequentially in disrupted markets:** OFR market increasingly tight during Q2, mainly reflecting supply limitations and related secondary effects
- AFR market tightness** is concentrated on Asia outbound lanes
- Limited financial impact from the **Red Sea disruptions** in Q2 2024
- DGF EBIT/GP conversion rate stable sequentially at 28%**



# Global Forwarding, Freight: Global presence



**EUROPE**  
~40 Countries

**AMERICAS**  
~25 Countries

**MIDDLE EAST & AFRICA**  
~35 Countries

**ASIA PACIFIC**  
~20 Countries



Present in  
~120 countries



~47,000 highly  
qualified employees



~1.7m AFR export  
tons transported



~3.1m TEUs  
transported



~57m shipments  
transported

# Enhanced customer experience and increased operational efficiency with new TMS and Digital Customer Interaction

2017

Started **Global TMS** (CargoWise One) rollout for **Ocean freight**

2018

Started rollout for **Airfreight**

2019

**Accelerated rollout** by introducing an agile deployment approach

2020

Completed rollout for **Ocean freight**



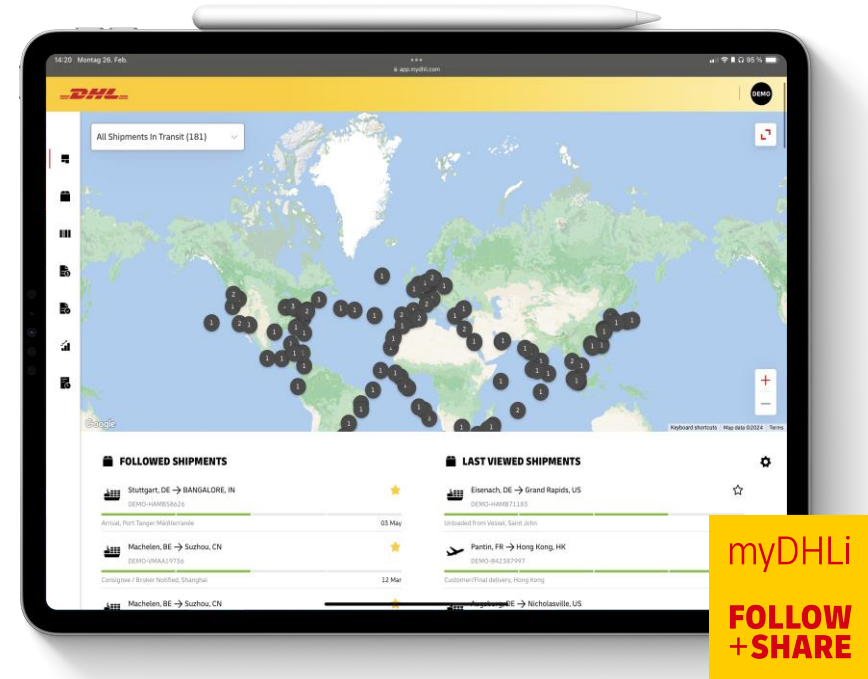
2021

Completed rollout for **Airfreight**



Today

**IRR 2.0: IT Renewal Roadmap** helps us to continuously improve our IT landscape to drive operational efficiency



**myDHLi** provides customers with 360° visibility and full control over their shipments.

One-stop portal for Digital Forwarding with Quote, Book, Track, Documents, Analytics and Reports.



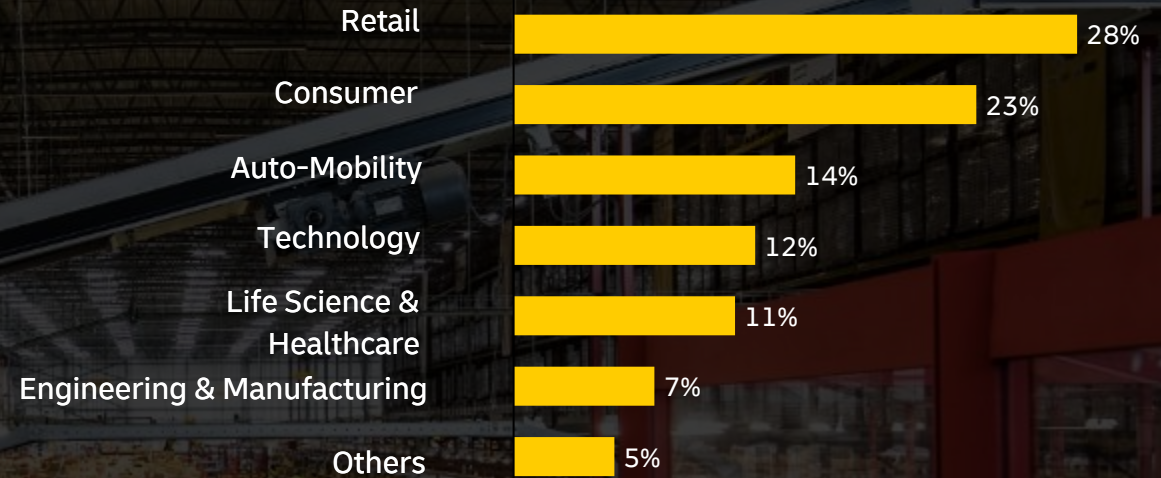
# SUPPLY CHAIN

Manage supply chains to reduce complexity for our customers. Our profitable core includes warehousing, transportation as well as key solutions like e-Commerce (incl. returns management), Lead Logistics Partner (LLP), Service Logistics, Packaging and Real Estate Solutions

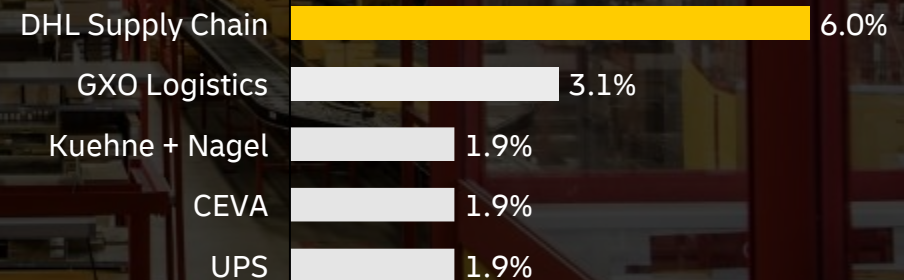
## Investment Summary:

- World market leader in Contract Logistics with industry-leading EBIT margin at >5%
- Leading Omni-channel and e-commerce (incl. returns solutions) offering
- Scalable and flexible digital solutions embedded in our standard ways of working
- Strong focus on Employer of Choice attracting and retaining employees in times of critical labor shortages
- ESG roadmap and metrics fully integrated into strategic and operating framework

## Revenue Mix, FY 2023



## Market Share (2022)





# Supply Chain

Well on track to deliver another year of record profits

**+3%**

Q2 2024 yoy  
Revenue growth

**6%**

Q2 2024  
EBIT margin

**€5bn**

Total Contract Value  
signed in H1 2024

**93%**

Renewal rate  
H1 2024

- Steady topline growth, driven by **strong pipeline of new business gains**, mainly in **Life Sciences & Healthcare, Retail and e-fulfillment**
- DSC demonstrating **resilience of business model** based on **long-term contracts**, reflecting the structural acceleration of **outsourcing driven by ecommerce and omni-shoring**.
- Continued strong **6% EBIT margin** driven by
  - Continued **deployment of digitalization and automation**, with >7,000 robots supporting our operations globally
  - **Standardization** resulting in productivity improvements
  - Focus on **higher margin solutions**

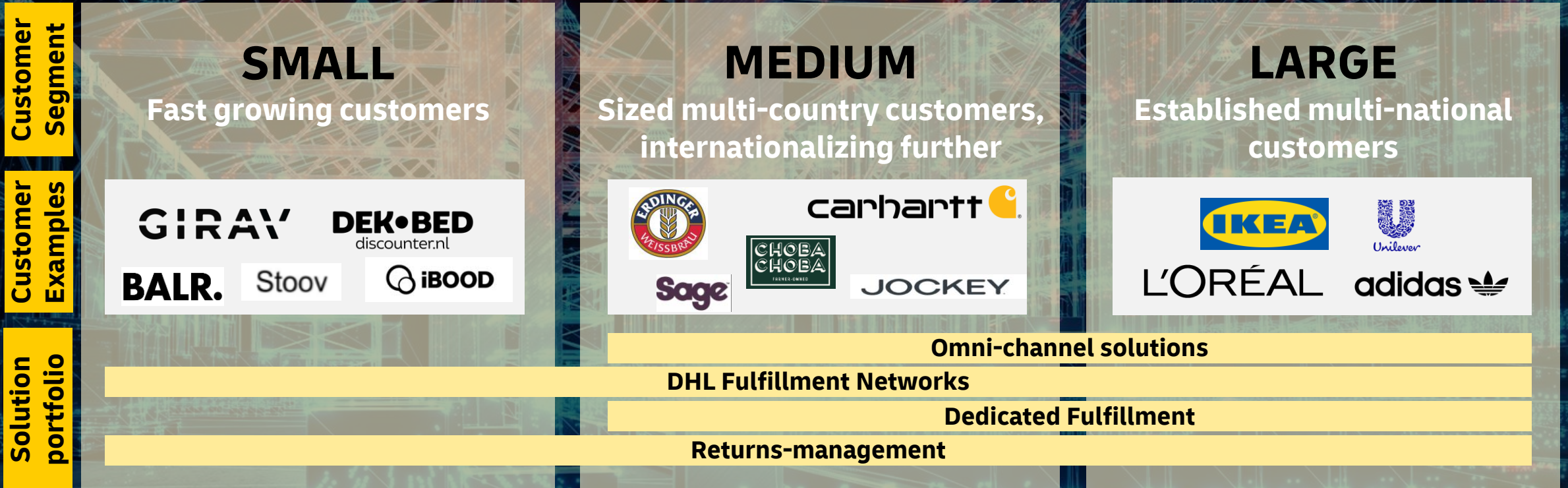


# Our strategic solutions are targeted to our customer's needs across all industry verticals and accelerate our top and bottom-line growth

	e-Commerce incl. returns	Service Logistics	Lead Logistics Provider	Packaging	Real Estate Solutions	Transport	Warehousing
Retail							
Consumer	State of the Art omni-channel and e-fulfillment solutions incl. returns management	Delivery within 2-4 hours in an unrivalled worldwide network for global aftermarket services of critical parts e.g. for medical devices	Management and optimization of the entire or significant parts of customers' supply chains	Tailored design and execution of packaging services	Design, development and management of logistics real estate in strategic locations	Domestic distribution building upon the largest collection of domestic transport capabilities in the industry as well as x-border transport	Providing best-in-class dedicated or shared warehousing operations
Auto-Mobility							
Life Science & Healthcare							
Technology							
Engineering & Manufacturing							



# We are uniquely positioned to cater for structural growth of e-commerce and omni-channel fulfillment demand across all customer segments globally



~**€2.8bn** revenue in e-commerce\* (+15% vs 2022)



**+220 operations** across all regions



**Strong customer sign up** on Fulfillment networks



**16% of DSC's revenue from e-commerce\***



**+60 returns operations** centers globally

\*includes e-commerce transport revenue



# DSC's global expansion and specialized pharma network fuel growth in the evolving **Life Science and Healthcare (LSHC)** landscape

**DSC has a global presence in Life Science and Health Care business including a Clinical Trials network**

**Customer demand for advanced pharma logistics drives growth**






**11%** of DSC's revenue in LSHC in 2023




**>430** LSHC customers globally

**>100k** shipments per year in Clinical Trials network

**Conventional**

Segment	CAGR '23-30
Pharma Conventional 	5%
Consumer Health 	6%
Med Device 	6%

**Advanced**

Biopharma 	13%
Cell & Gene 	25%
Clinical Trials 	12%

# Capturing **omni-shoring** opportunities

Harnessing DSC global footprint to build...

 **resilient**

 **efficient**

 **flexible**

 **and speedy**

...supply chains for our customers



## Customer Example

**Chinese car manufacturer** expanding into **MX** to build production base for sale in US market





## Customer Examples

**Chinese e-commerce companies** expanding into **Brazil domestic market**



## Customer Examples

**Global technology companies** diversifying production and supplier base from **China** into **Thailand, Vietnam and India**

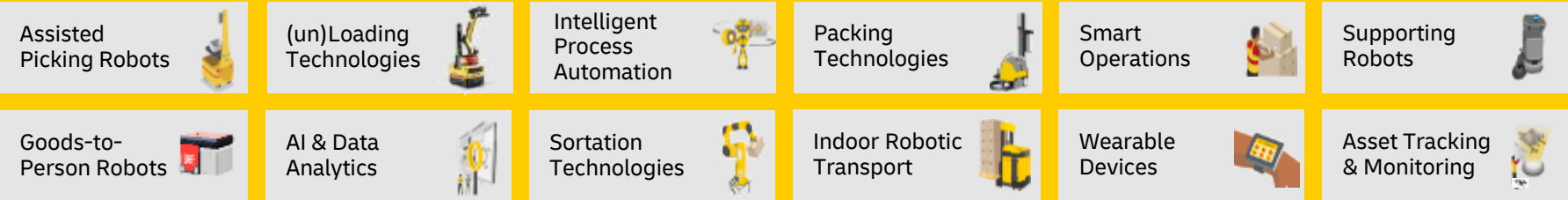
 Countries with DSC operations  
 SF Partnership



# DSC's digitalization agenda is processing fast while the unique ecosystem of integrated solutions, robotics and analytics maximize value

## Focus technologies identified along entire logistics process

### 12 Accelerated Digitalization



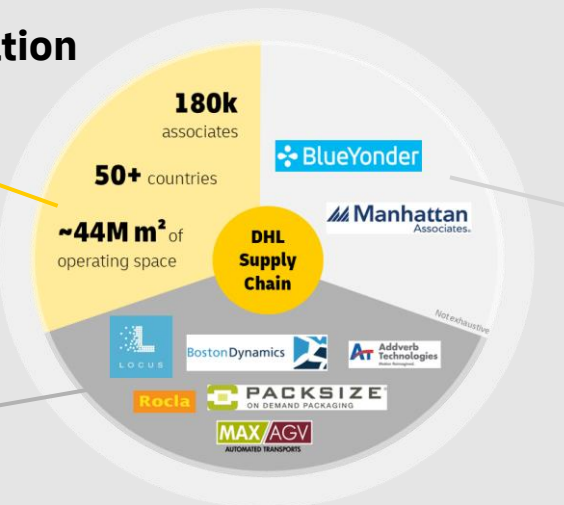
### 6 Mechanized Automation



### Vendor orchestration

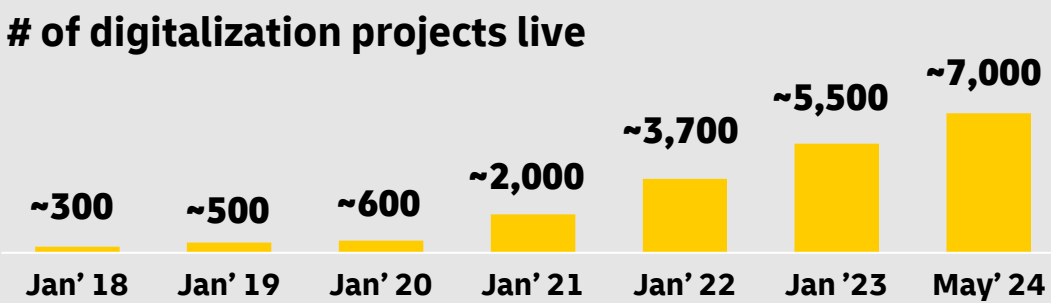
Logistics assets and expertise

Robotics vendors for solutions and analytics



Strategic software vendors for integration and analytics

91% of sites with Accelerated Digitalization technology deployed



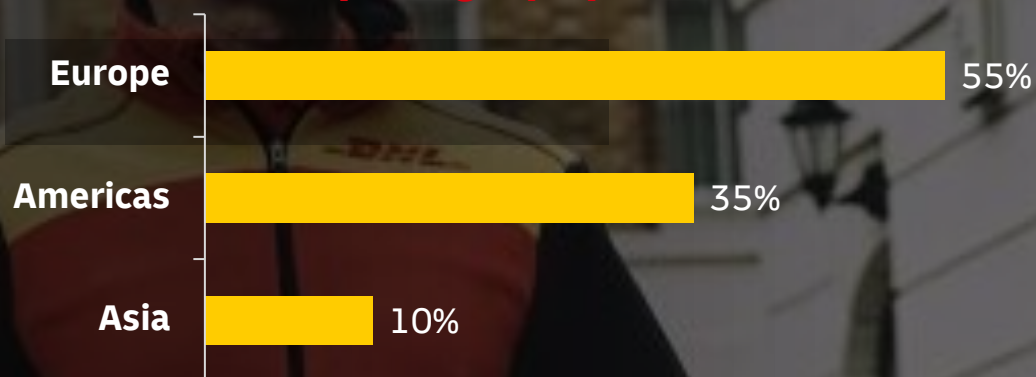
# ECOMMERCE

Domestic parcel delivery in selected countries in Europe, in the United States, in specific markets in Asia, in particular in India, and deferred cross-border services primarily to, from and within Europe, as well as to and from the United States.

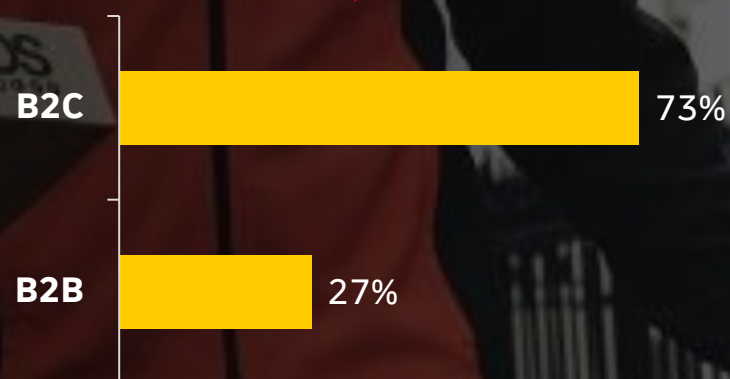
## Investment Summary:

- Strong organic growth driven by domestic and cross-border e-commerce in all selected markets we operate in
- Sustainably increased EBIT, well above the level from before the pandemic in 2019, thanks to economies of scale, yield management and service performance
- Expansion of our domestic footprint by acquiring 100% of MNG Kargo in Turkey
- Investments in network capacity & automation, sustainable last-mile capabilities and technology

## Revenue Mix by Geography, FY 2023



## Parcel Revenue Mix, FY 2023





## eCommerce

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

**+4%**

Q2 2024 yoy  
Organic revenue growth

**4%**

Q2 2024  
EBIT margin

**~140k**

Out of home points

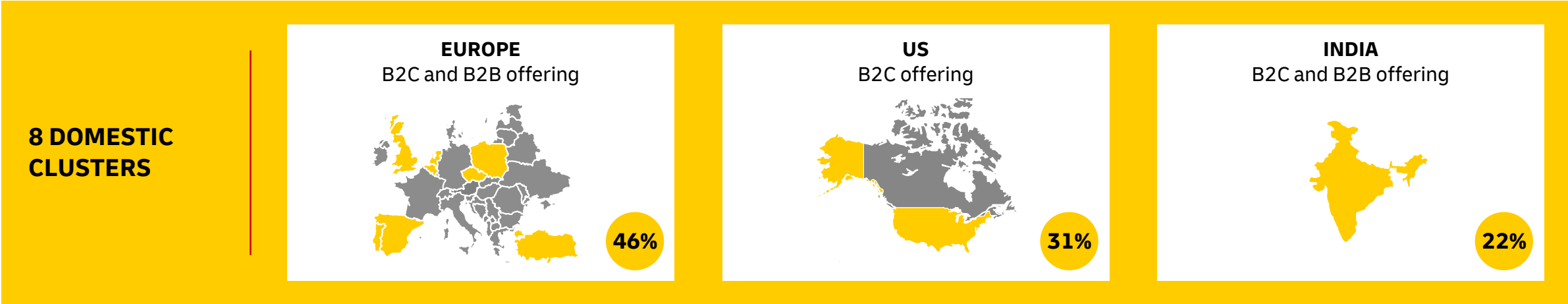
**96%**

On-time delivery

- **Intact volume growth as structural B2C trend offsets cautious consumer spending:** like-for-like Q2 2024 B2C volume +14% yoy in Europe and +9% yoy globally
- **Solid margin of 4% in context of current network investment phase,** building foundation for growth by investing in network infrastructure: hubs, facilities, fleet, lockers
- **Largest integrated out-of-home (OOH) parcel network** in Europe

# Our offer is focused on Europe, US and India

 Volume share





# We accelerate our domestic and cross-border growth through strategic partnerships

Together with other participants in the e-commerce value chain, including carriers, marketplaces, and 3PVs, we're joining forces to **seize market opportunities more swiftly**

Locker network development with Cainiao (logistics arm of Alibaba)



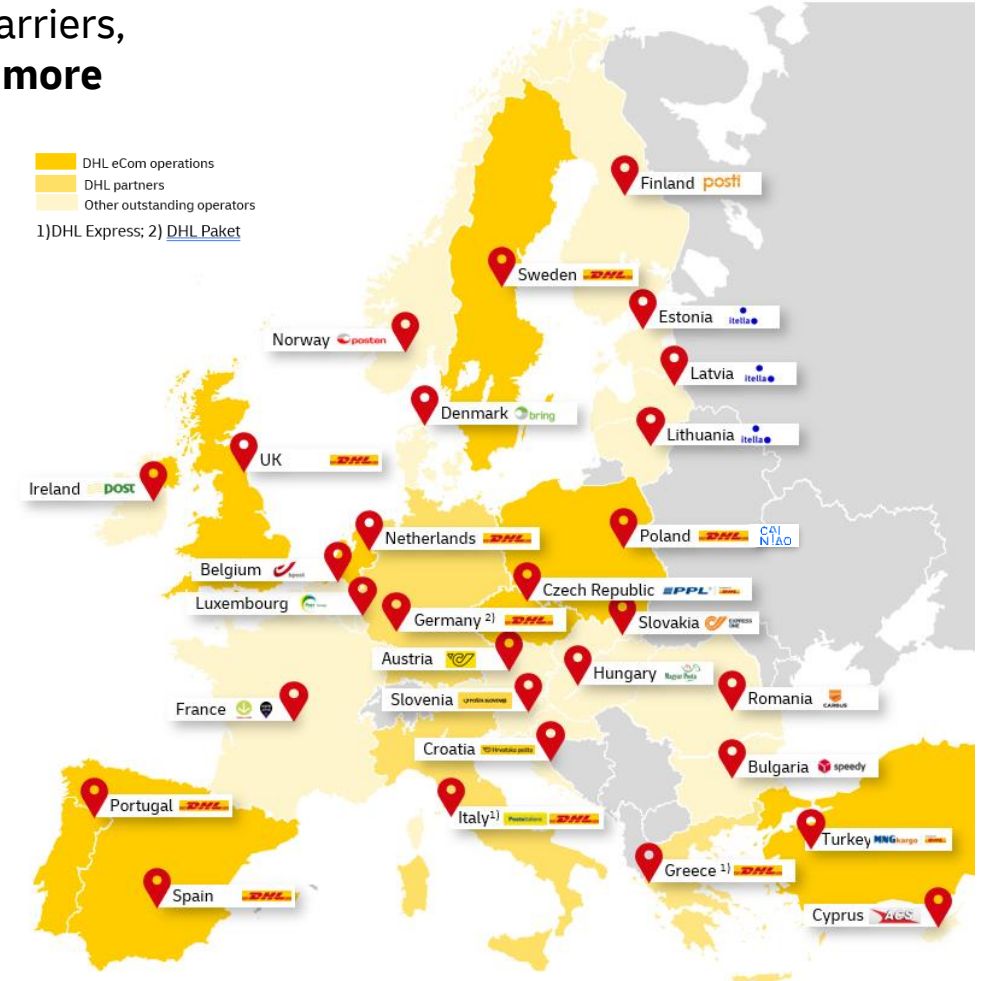
Connecting Italy with rest of Europe with Poste Italiane



European Partnership with Austrian Post



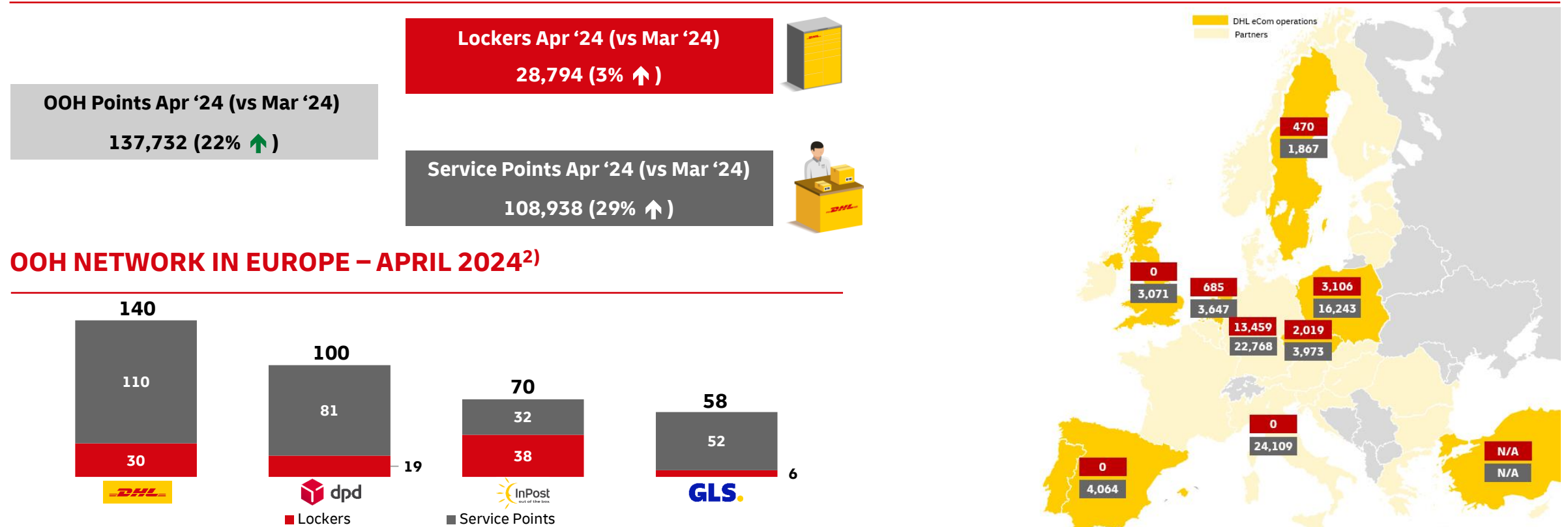
Enabling cross-border delivery for SMEs out of US with Global-e and Shopify



# We are building Europe's most extensive out-of-home delivery network to meet rising e-commerce trend of unattended delivery

The **preference for Out-of-Home** grows in Europe, with **72% of shoppers** demanding the flexibility to change the delivery option<sup>1)</sup>

The parcel volume in our OOH network increased **YoY 25%** and **since 2019 139%**



1) Source: DHL Online Shopper Survey 2023 2) InPost: Q1 2024 results presentation; DPD pick-up finder and country research; GLS OOH-Report (June 2023)





## Evolution of DHL eCommerce in the DHL Group

### PORTFOLIO BUILD-UP

- Expansion geographically, into fulfillment and e-com orchestration
- Optimized set-up in DHL Group structure

### CLEAN UP AND COVID

- Restructuring and focus on domestic and deferred cross-border within DHL eCommerce
- Indirect cost optimization and simplification
- Exploiting tailwind of the pandemic

### INVESTING FOR GROWTH

- Building foundations for growth by investing in network infrastructure: hubs, facilities, fleet, lockers

### MARGIN EXPANSION

- Productivity enhancements and increased utilization of assets
- Leverage volume growth and yield management

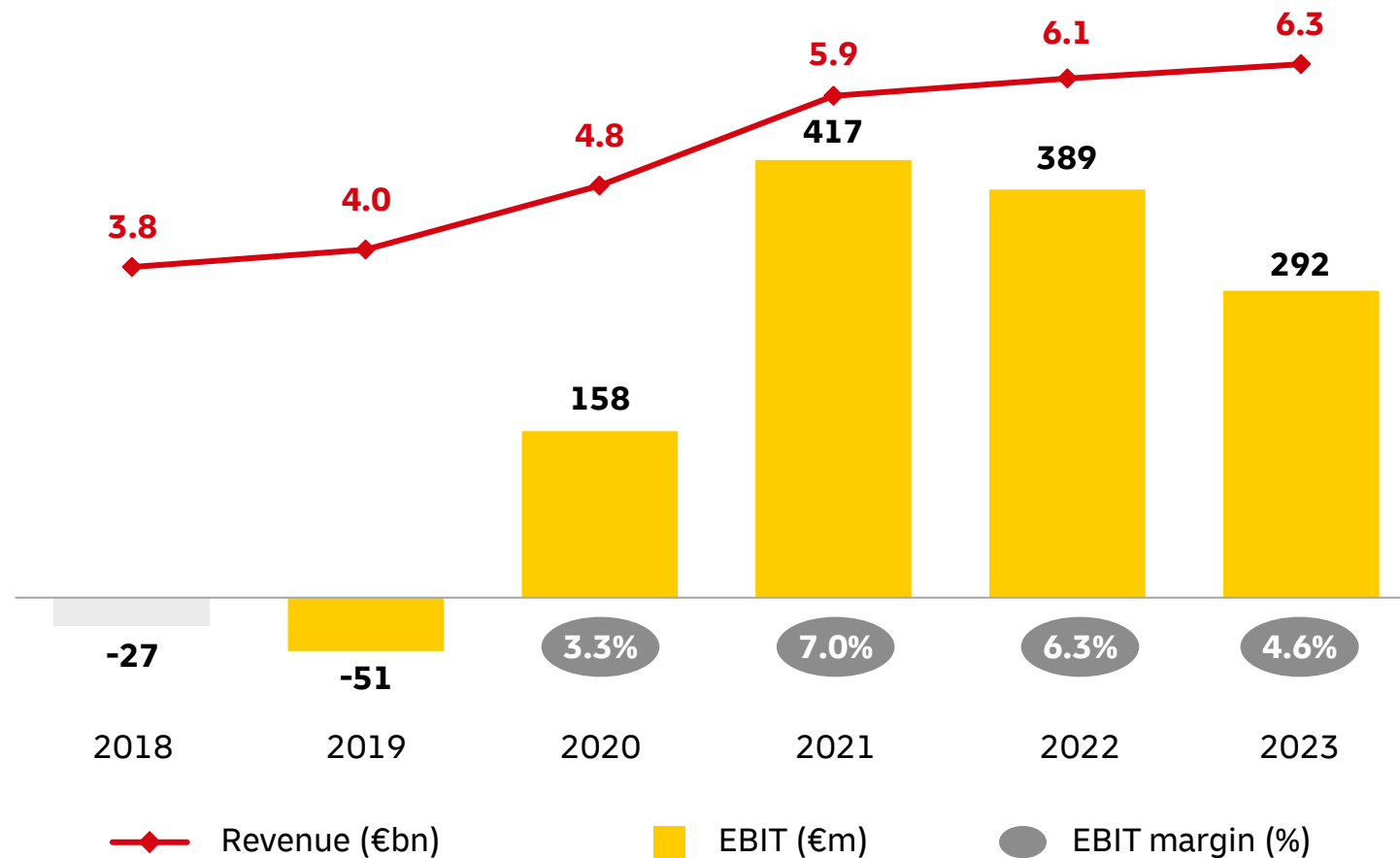
2010 - 2018

2019-2021

2022-2025

2026-2030

## DHL eCommerce 2018 – 2023 Revenue and EBIT development



2018: P&P's subdivisions  
Parcel Europe and eCommerce



# We hold strong presence in the world's leading e-commerce markets

## DOMESTIC PORTFOLIO

Global e-com ranking	Domestic markets	CAGR 2023-28	eCom penetration	DHL eCommerce		
				Market ranking by volume	Profit pool ranking	Unit economics
2	USA	6%	27%	#5	#3	Leader
3	United Kingdom	5%	29%	#8	NA	Niche
8	India	15%	8%	#3	#1	Leader
13	BeNeLux	3%	20%	#2	#1	Leader
16	Iberia	7%	12%	#6	NA	Average
17	Poland	8%	16%	#5	NA	Niche
20	Turkey	14%	16%	#3	#2	Leader
28	Czech Republic	5%	18%	#1	#1	Leader
Total DHL eCom portfolio		7%				

- Actual historic **revenue CAGR (2019-2023) for e-commerce: 18%**
- Expected market retail value **CAGR by 2028: 7%<sup>1)</sup>**
- **5 out of 8 clusters** from our domestic portfolio are **poised to grow faster**

## CROSS-BORDER PORTFOLIO

- Leader in **European cross-border market worth of ~€13b** (B2C ~€7b and B2B ~€6b market)
- We are tapping into **transatlantic eCommerce flows**

Lane	Addressable e-commerce market volume <sup>2)</sup>	Market share
Intra-Europe (incl. DE)	~€7b	~20%
Transatlantic	~€2.5b	NA

Source: 1) Corporate Development – Strategic Market Intelligence; Euromonitor International 2023; 2) McKinsey

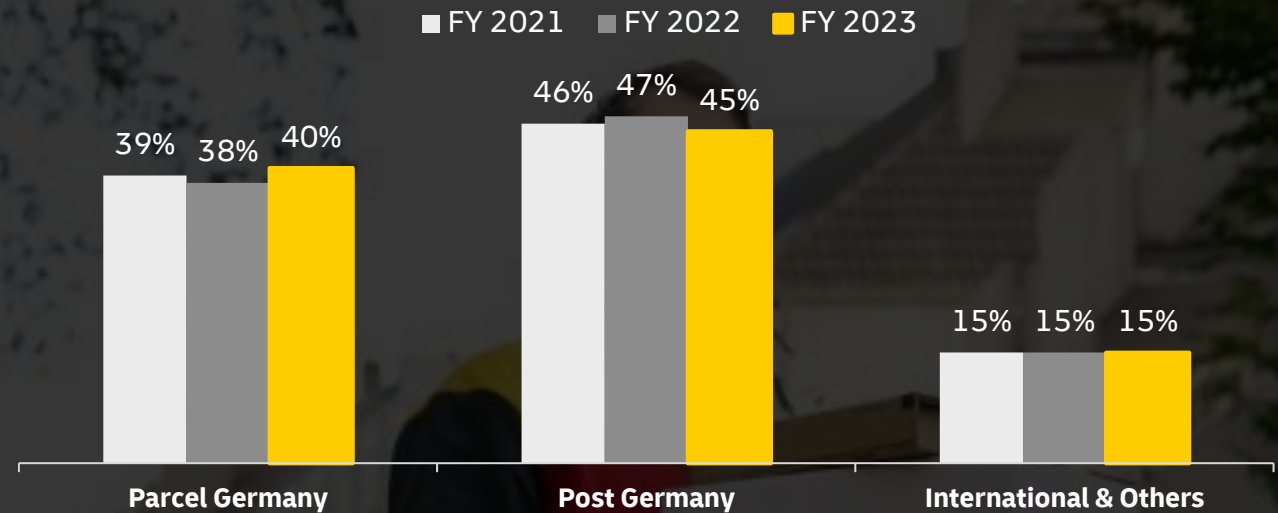
# POST & PARCEL GERMANY

Transporting, sorting and delivering of documents and goods-carrying shipments in Germany and export.

## Investment Summary:

- German parcel and mail service provider with leading market position
- Financial performance outlook: stable long-term EBIT with consistent FCF contribution
- Recognized Top Employer driving superior network and delivery quality
- First mover in green delivery: significantly lower CO<sub>2</sub>e /parcel vs all delivery competitors in Germany
- Digitalization and automation: Highest productivity in the industry through scale, automation und digitalization

## Revenue Mix



## Market Position (2023)

~63%

Market share **Mail Communication**  
(business customers)

>40%

Market share **Parcel**



## Post & Parcel Germany

Structural e-commerce trend remains intact and is reflected in the continued parcel growth

**+5%**

Q2 2024 yoy  
Parcel Germany volume

**+9%**

Q2 2024 yoy  
Parcel Germany revenue

**-6%**

Q2 2024 yoy  
Mail\* volume

**€121m**

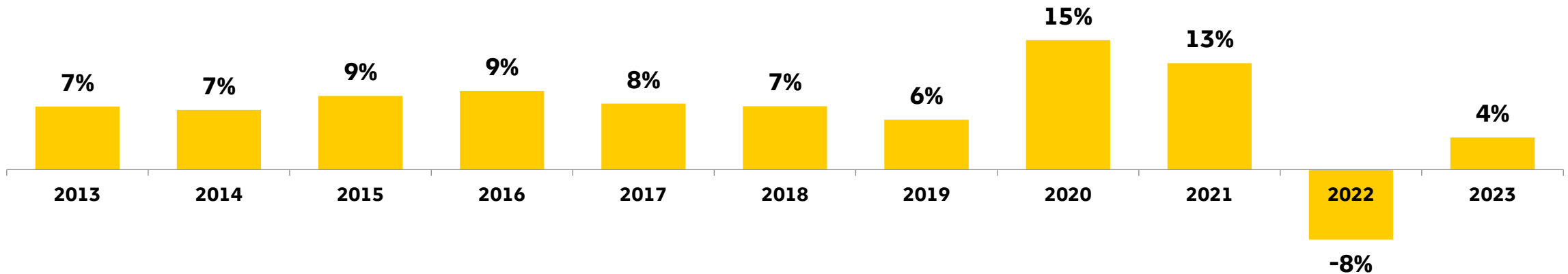
Costs increase from  
wage agreement in Q2  
2024 yoy

- **Parcel volume and revenue growth in Q2** reflected structural e-commerce trend, strong pricing and one additional working day
- As previously flagged, the second round of the **wage agreement** came into effect on April 1<sup>st</sup> with an estimated yoy impact of €~400m for FY 2024
- With €324m EBIT generated in H1 2024, P&P Germany is **on track to deliver FY 2024 EBIT target of >€800m**

\*Mail = Mail Communication & Dialogue Marketing

# Parcel Germany: Structural trend accelerated during pandemic, followed by normalization in 2022

Parcel Germany, volume growth, yoy



**>40%**

Parcel Market Share

**1.7bn**

Parcel Germany Volumes (2023)

**>135k**

Parcel Business customers



**>13,000**

Parcel Lockers  
(Packstation)



## Post & Parcel Germany (1/2)

**New postal law enables us to continue the transformation from mail to parcel in a profitable and self-sufficient way towards an EBIT of >€1bn as of 2025**

	Key Elements	Assessment vs old law	Timeline
 <b>Price regulation</b>	<p><b>Enlarged scope (ex-ante products)</b> Letters (national and export), partial services letters and C2X parcels = ~€5bn revenue (previous law: ~€2bn)</p> <p><b>EBIT margin</b> Benchmark for risk-adjusted average EBIT margin changed from postal peers to EURO STOXX 50 (excl. fin. serv. providers)</p>	<p>More stable basis for calculation of profit margin due to change in benchmark</p>	<p>Expected price headroom announcement by regulator (Bundesnetzagentur) in Q4 2024</p> <p>New pricing starting January 1<sup>st</sup>, 2025</p>
 <b>Universal Service Obligation</b>	<p><b>New delivery speed requirement</b> Date of posting +3 days at 95% (previous law: date of posting +2 days at 95%)</p> <p><b>Digitalization</b> Allowing for fully automated retail outlets</p>	<p>Allows more efficient cost structure for mail delivery, incl. joint delivery. More cost effective fully automated Post Station</p> <p>Optional: change in mail product structure</p>	<p>New delivery requirements starting January 1<sup>st</sup>, 2025</p> <p>Operational efficiencies due to USO changes to materialize through continuous process improvements</p>

## Post & Parcel Germany (2/2)

... but new postal law also has some drawbacks and missed opportunities

### Key Elements

### Assessment vs old law

### Timeline



#### Network access

##### Partial access

Mail competitors can inject small parcel shipments (Warensendungen), newspapers and magazines into our network

Volatile external injection increases unit costs in USO products letters and parcels

In force since July 19<sup>th</sup>, 2024



#### Sanctions and Reporting

##### Increase in regulatory intensity

Fines for violations of tariff regulation rules

Obligation to report all prices to the Federal Network Agency for parcel customer contracts

Increased bureaucracy and risk of legal disputes in case of alleged non-compliance

Fines: In force since July 19<sup>th</sup>, 2024

Submitting prices: requires regulator to determine market dominance

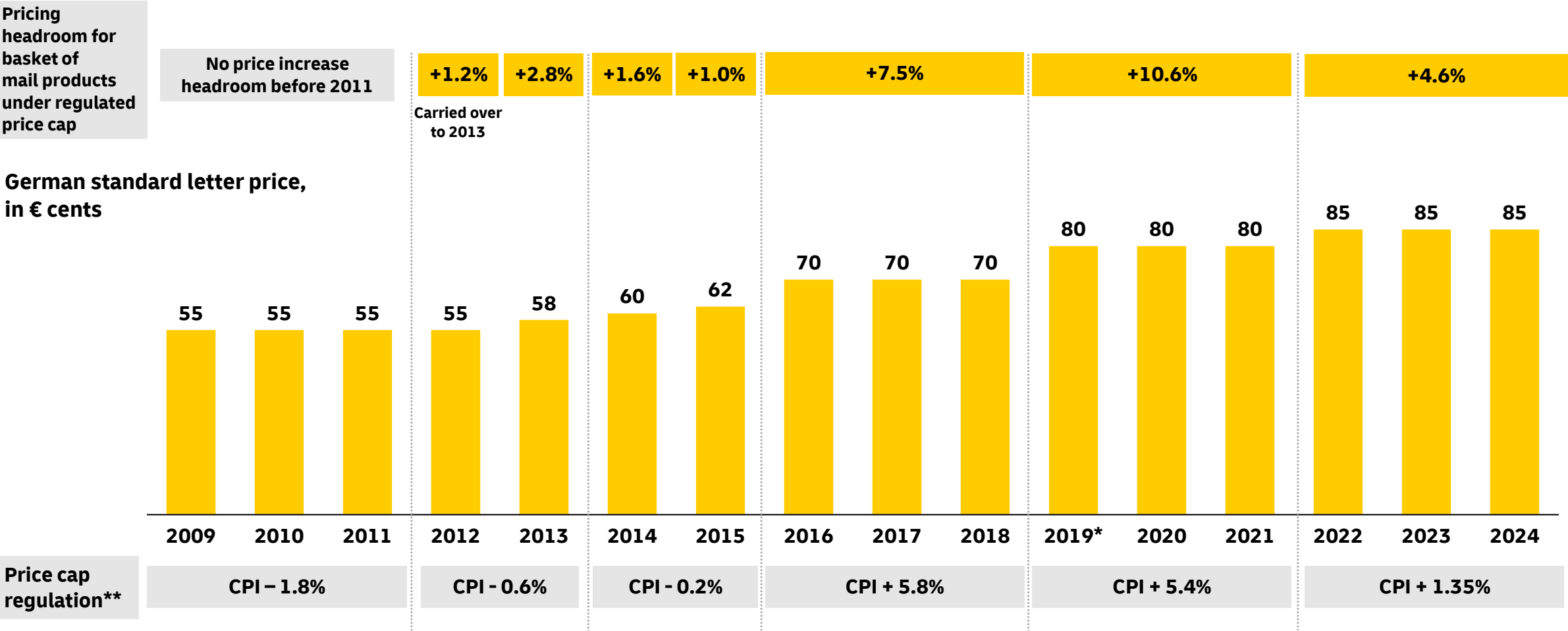


# P&P Germany: Products and Pricing

P&P revenue FY23: ~ €16.9bn**		Pricing
Mail Communication ~ €5.1bn	Private customers (€0.6bn; ex-ante regulated) Business customers (€1.4bn; ex-ante regulated)	4.6% increase starting Jan 1st 2022 for 3 years (incl. international)
	Partial services – business customers (€2.0bn; ex-ante regulated)	Increase discount for 2 <sup>nd</sup> service level by 3 pp & incentive for more E+1/2
	Other (€1.1bn)*	Partial annual price adjustments
Dialogue Marketing ~ €1.8bn	Addressed and unaddressed advertisement mailings, campaigns (both digital & physical)	Introduction of season/peak surcharge & increase in pick-up surcharge abroad & weight-differentiated increase in base prices
International ~ €2.5bn	In- and outbound Germany shipments (Ex-ante: Outbound)	Partial annual price adjustments
Others/Consolidation ~ €0.9bn	Press, pension services, retail	Price curve harmonization and increase of minimum price
Parcel Germany ~ €6.8bn	Business customers Top accounts (~0.5k customers) Middle accounts (~20k customers) Small accounts (~115k customers)	Pricing varies by contracts. General price measures combined with adjustment of toll surcharge
	Private customers (Ex-ante regulated)	Introduction of 20kg-parcel and increase of highest weight category (up to 31,5 kg) from Jul 12 <sup>th</sup> 2024

\* e.g. small items eCommerce, Philately, "Postzustellungsauftrag"; \*\* total ex-ante regulated ~ € 5bn

# Standard letter stamp price development is based on regulated price cap



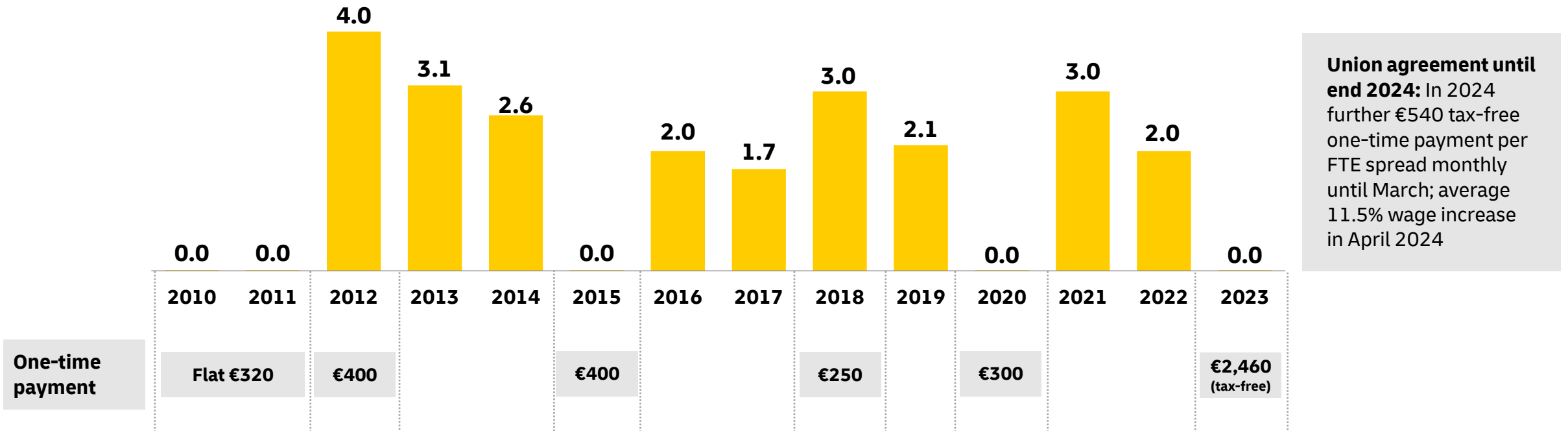
\*implemented from July 1<sup>st</sup> 2019 onwards, taken into account in headroom calculation

\*\*CPI: Consumer price index



# P&P Germany: Wage agreements in Germany

Wage increases for P&P Germany employees\*, yoy in %



\*applies to ~140,000 Deutsche Post AG tariff employees

# CONTENT




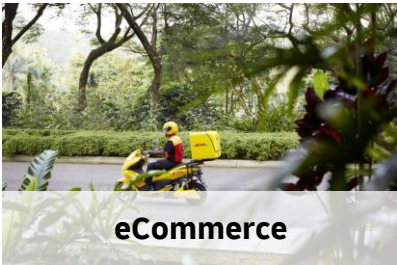



## DIVISIONAL DEEP-DIVES:





# DHL Group at a glance (FY 2023)

GROUP	 Express	 Global Forwarding, Freight	 Supply Chain	 eCommerce	 Post & Parcel Germany
Revenue					
€81,758m	€24,846m	€19,305m	€16,958m	€6,315m	€16,892m
EBIT					
€6,345m	€3,229m	€1,423m	€961m	€292m	€870m
EBIT Margin					
7.8%	13.0%	7.4%	5.7%	4.6%	5.2%
FTE*					
547,692	111,401	46,330	182,446	34,236	159,247

\*average for the year



# Group P&L

## Q2 2024 developments in line with expectations

in €m

Group P&L	Q2 2023	Q2 2024	yoy
Revenue	20,094	20,639	+2.7%
EBIT	1,693	1,351	-20.2%
Income Taxes	-442	-345	+21.9%
Net Profit attributable to DPAG shareholders	978	744	-23.9%
Basic EPS (in €)	0.82	0.64	-22.0%

By way of a resolution of the Board of Management dated May 2, 2024, the issued capital was reduced by €39 million through the retirement of 39,059,409 treasury shares. The issued capital is now composed of 1,200,000,000 no-par-value registered shares (ordinary shares).



# Cash Flow Statement

Capex flexibility key driver for FCF resilience – on track towards €~3bn FY 2024 target

in €m

Cash Flow Statement	Q2 2023	Q2 2024	yoy
EBIT	1,693	1,351	-342
Depreciation/amortization	1,084	1,166	+82
Changes in Working Capital	-179	-439	-260
Other	-749	-467	+282
Operating Cash Flow	1,849	1,611	-238
Net capex	-768	-504	+264
Net Cash for Leases	-681	-739	-58
Net M&A	-6	-15	-9
Net interest	56	-9	-65
Free Cash Flow	450	344	-106

● Ongoing **investments** in structural growth opportunities

● Mainly related to **q-o-q revenue growth**

● Mainly driven by **positive change in provision** and **lower tax payments**

● Reflects reduction of **investments** in network expansion **in line with volume development**

● Mainly related to **continued growth and new business wins in DSC**

● Positive contribution from interest swap **on bond issuance in 2023**

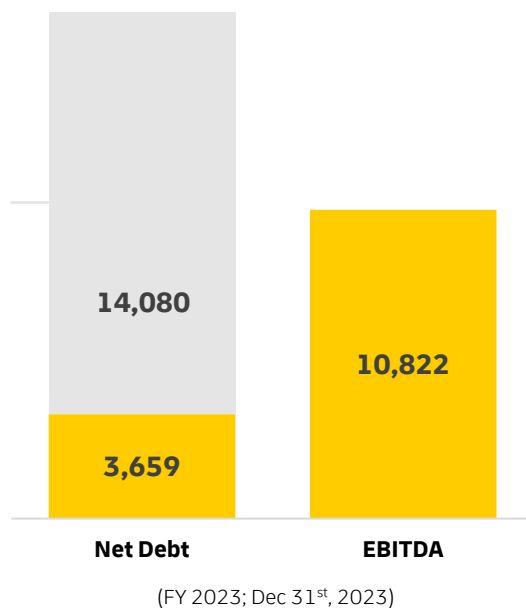
# Balance sheet and liquidity position

## Strong financial profile to weather any downturn

**1.6x**

Net Debt / EBITDA  
(Dec 31<sup>st</sup>, 2023)

Lease liabilities  
in €m  
Related to multi-  
year commitment  
on operating assets



### LIQUIDITY

No financial covenants on bonds and syndicated credit facility

**€0.5bn**

Centrally available  
liquidity  
(Jun 30<sup>th</sup> 2024)

**€4.0bn**

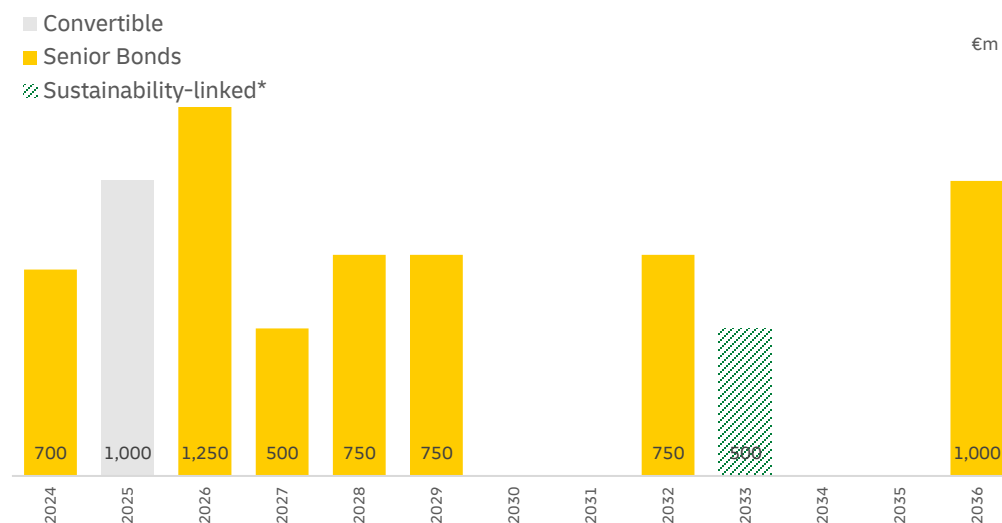
Syndicated credit facility  
runs until 2029  
(undrawn)

**~€1.7bn**

Bilateral uncommitted  
credit lines (undrawn)

### Maturity Profile, Senior Bonds & Convertible

Average time to maturity 4.8 years

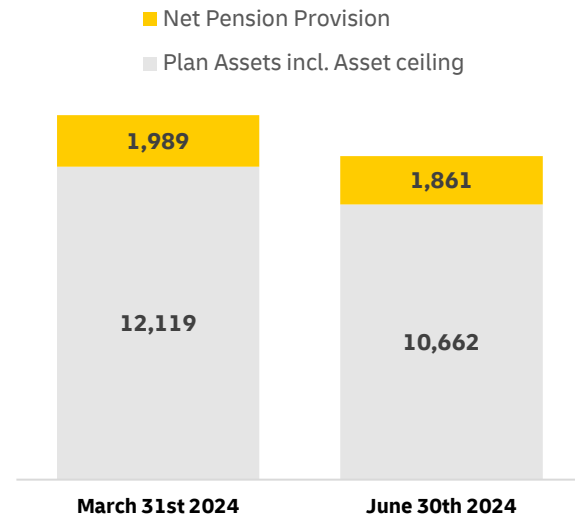




# DHL Group Pensions – DB and DC plans

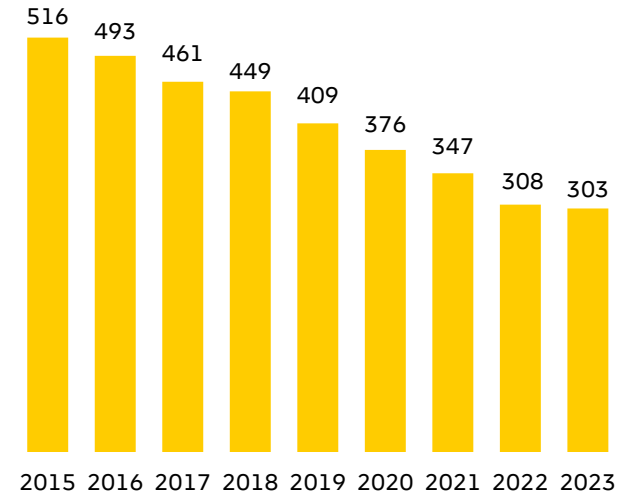
in €m

## Defined Benefit Obligation



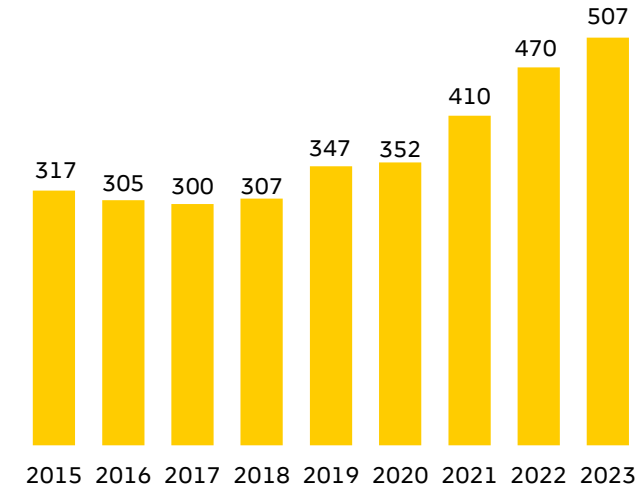
## Defined Contribution (Cash out $\approx$ Staff Costs)

Civil Servants in Germany



Hourly workers & salaried employees\*

\*mainly outside Germany



## Discount Rate (DBO)

June 30<sup>th</sup> 2024

March 31<sup>st</sup> 2024

## Germany

3.80%

3.50%

## UK

5.10%

4.80%

## Other

3.50%

3.50%

## Total (Weighted Average)

4.16%

3.86%

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