

# Q4/FY 2022 RESULTS

---

9 MARCH 2023





# CEO REVIEW

FRANK APPEL







# FY 2022 HIGHLIGHTS



**Record financials delivered by diversified Group portfolio**  
€8.4bn Group EBIT and €4.6bn FCF\*



**Fully committed and executing on Sustainability Roadmap**  
All 2022 ESG targets achieved; measurable and ambitious targets for 2023 set



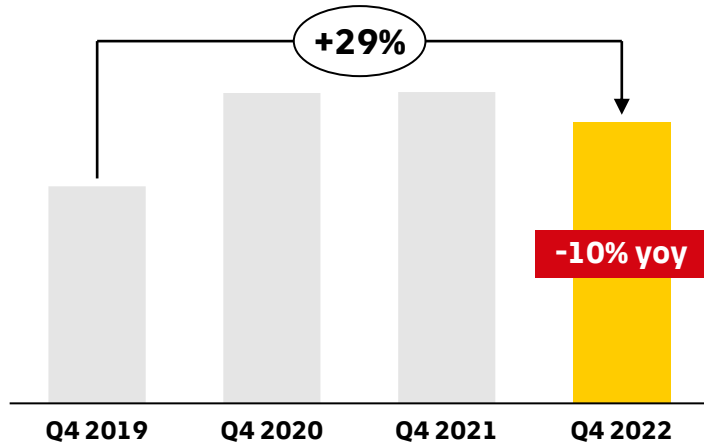
**Sustainable increase in shareholder returns**  
Dividend increase to €1.85; share buy-back program topped up by €1bn to €3bn until end of 2024

\*excl. Net M&A

## B2C: Less pronounced 2022 peak season, as expected – structural trend intact

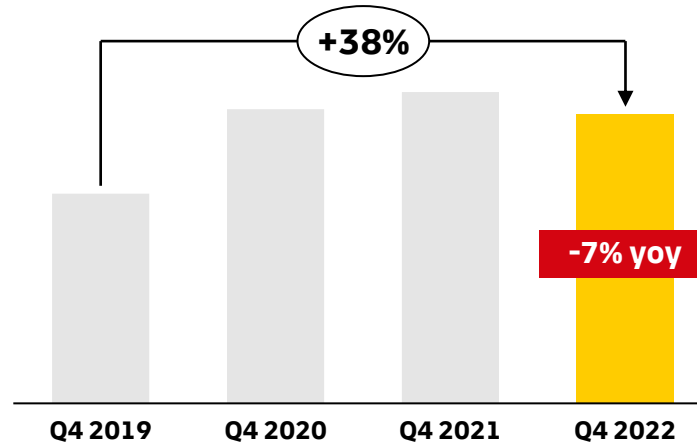
### DHL Express

Time-Definite-International B2C  
Shipments/Day



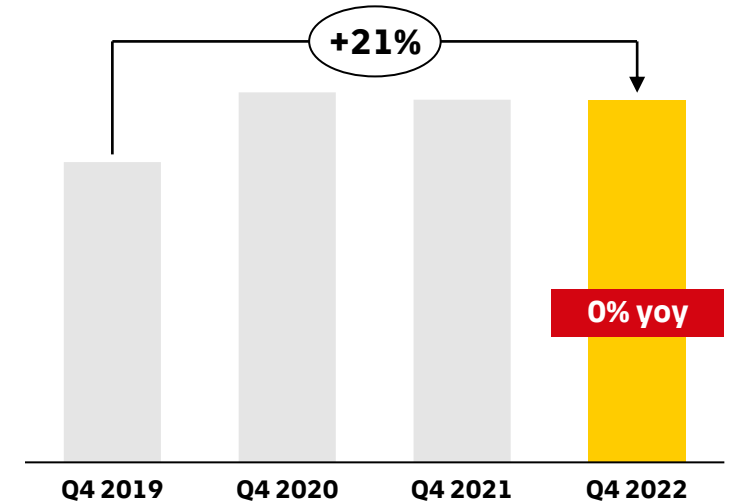
### DHL eCommerce Solutions

B2C Volume



### Parcel Germany

Volume



## CURRENT TRADING & OUTLOOK

- **Structural trend fully intact:** Expect e-commerce to continue to expand share of retail sales
- Expect **B2C to return to mid- to high-single digit volume growth** once consumer spending re-accelerates

## B2B: Pronounced decline driven by inventory cycle and macro situation

DHL Express Time-Definite-International Q4 2022 B2B Shipments/Day	DHL Global Forwarding Air Freight Q4 2022 Volume (t)	DHL Global Forwarding Ocean Freight Q4 2022 Volume (TEU)*	DHL Supply Chain Revenue Q4 2022
<b>-4%</b> yoy	<b>-20%</b> yoy	<b>-4%</b> yoy	<b>+19%</b> yoy
<b>-5%</b> vs. Q4 2019	<b>-10%</b> vs. Q4 2019	<b>-3%</b> vs. Q4 2019	<b>+21%</b> vs. Q4 2019

### CURRENT TRADING & OUTLOOK

- Global **trade volumes remain in decline** YTD 2023; DHL Supply Chain most resilient DHL division in regard to trade flow cycles
- Expect **B2B volumes to recover as trade flows re-align with GDP development** once inventories need replenishment

*\*incl. Hillebrand*

# Record results for FY 2022

## Year-end slowdown countered by cost mitigation

	Q4 2022				FY 2022			
in €m	REVENUE	yoy	EBIT	yoy	REVENUE	yoy	EBIT	yoy
<b>Group</b>	<b>23,776</b>	<b>+1.7%</b>	<b>1,922</b>	<b>-13.1%</b>	<b>94,436</b>	<b>+15.5%</b>	<b>8,436</b>	<b>+5.7%</b>
DHL Express	7,029	+2.5%	941	-15.3%	27,592	+13.9%	4,025	-4.6%
DHL Global Forwarding, Freight	6,805	-4.6%	402	-0.2%	30,212	+32.3%	2,311	+77.4%
DHL Supply Chain	4,363	+19.4%	225	+13.6%	16,431	+18.5%	893	+26.7%
DHL eCommerce Solutions	1,696	+1.9%	91	-2.2%	6,142	+3.6%	389	-6.7%
Post & Parcel Germany	4,623	-3.1%	384	-33.3%	16,779	-3.8%	1,271	-27.2%

FY 2022 EBIT includes €+31m net one-offs. T/o impairment losses, reversal of impairment losses and restructuring expenses in Russia (€-10m in DHL Express and €-25m in DHL Global Forwarding, Freight), gain from disposal StreetScooter business €+66m (Group Functions)

## Taking established mitigation actions, without sacrificing readiness for upturn



### Proven levers for short-term cost flexibility

#### Network capacities adapted to lower volume

DHL Express reduced aviation capacity by ~15%, following peak season in December 2022

#### Adequate use of operational labor flexibility where required

e.g. hiring freeze, reduction in temp labor and overtime

#### EBIT protection plan

Control of indirect/discretionary spending (hiring, travel, marketing)



### Strong structural long-term drivers

#### Investments to support leading service quality

Capex adapted to current circumstances, but no group-wide freeze

#### Unchanged focus on yield management

Regular price increases fully executed as planned

#### Unchanged focus on ESG & digitalization agendas

Executing on our roadmaps along clear metrics and targets



# Digitalization drives excellence along all three bottom lines

## DIGITALIZATION ENHANCES END-TO-END...



Customer Experience



Employee Experience



Operational Efficiency



Real time parcel tracking (P&P)



360° customer platform to manage and track shipments (DGFF)



ICCC+: Cloud-based solution to analyze & apply customer feedback (EXP)



Time recording last mile delivery via hand scanner (P&P)



Communication platform for employees worldwide (Group)



Digital platform to report and react to safety incidents (EXP)



Empowering load planners to optimize aircraft loading and reduce fuel burn (EXP)



12 robotics technologies to accelerate supply chain digitalization (DSC)



Data-driven route planning software for trucks using alternative fuels (DGFF)



# 2022 Group ESG targets fully delivered

ESG targets integrated in board remuneration: 30% of annual bonus



## ENVIRONMENT

Realized decarbonization effects

**1.0**m tonnes CO<sub>2</sub>e  
vs. 2022 Target: 969 kt CO<sub>2</sub>e

2022  
Results

**1.3**m tonnes CO<sub>2</sub>e

2023  
Targets



## SOCIAL

Employee engagement approval rate

**83%**  
vs. 2022 Target: >80%

**> 80%**



## GOVERNANCE

Share of compliance training certifications in middle & upper management

**98%**  
vs. 2022 Target: ≥97%

New KPI & target: Cyber security rating

**≥ 710**  
out of 900 points\*  
(2022 Results: 700 points)

\*equals top quartile in our reference group. The rating agency BitSight announced that it would be making changes to its method which will have an impact on the rating scale and could influence our results.

# GOING FORWARD

## **Group very well positioned to weather 2023**

Proven cost mitigation measures & strong yield discipline

## **Group portfolio offers defensive GDP+ growth**

Will catch cyclical upswing in addition to structurally higher growth from e-commerce and outsourcing

## **Company culture key for long-term success**

Highly engaged ~600k colleagues led by the right values and experienced management team



# KEY FINANCIALS

MELANIE KREIS





# FY 2022 Group P&L

## Record full-year results delivered by diversified Group portfolio

in €m	FY 2021	FY 2022	yoy
<b>Revenue</b>	<b>81,747</b>	<b>94,436</b>	<b>+15.5%</b>
<b>EBIT</b>	<b>7,978</b>	<b>8,436</b>	<b>+5.7%</b>
Financial result	-619	-525	+15.2%
Taxes	-1,936	-2,194	-13.3%
<b>Consolidated net profit*</b>	<b>5,053</b>	<b>5,359</b>	<b>+6.1%</b>
<b>Basic EPS (in €)</b>	<b>4.10</b>	<b>4.41</b>	<b>+7.6%</b>

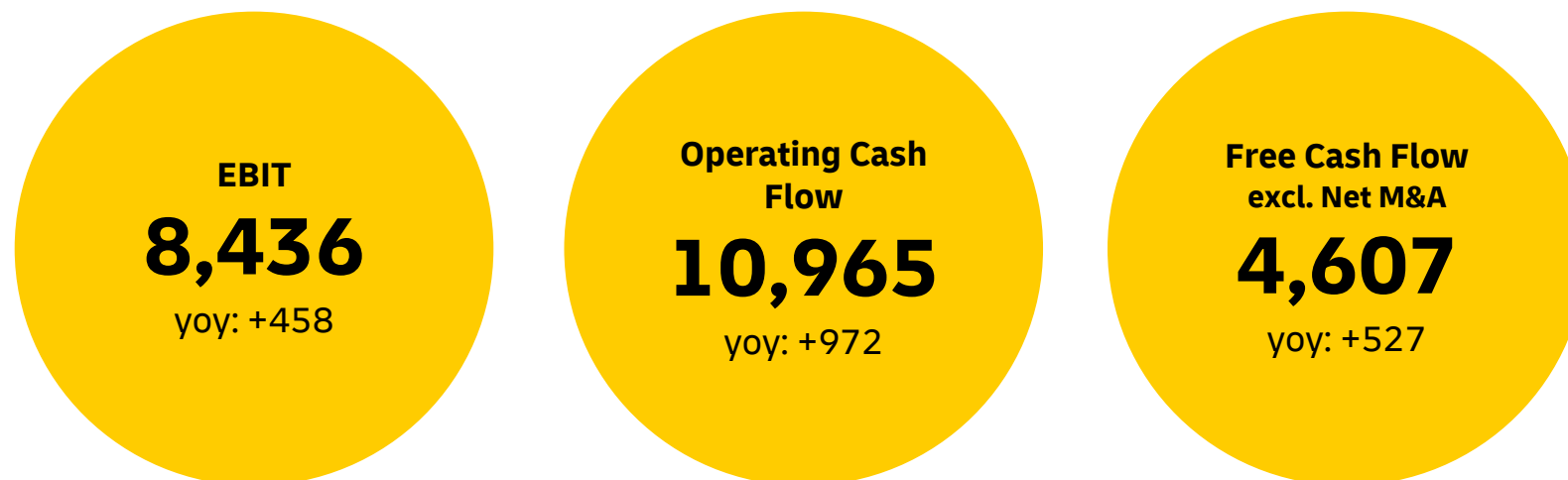
\*attributable to DPDHL Group shareholders

# FY 2022 Cash Flow Generation

## Record EBIT performance translating into further increase in Free Cash Flow

### FY 2022

All in €m



- Changes in working capital improved by €+645m yoy as WC build-up reversed alongside the freight market normalization
- FCF excl. net M&A exceeds guidance of >€4.2bn, with capex spending in line with plans

**2022-2024 share buy-back program**  
increased from  
**€2bn to €3bn**



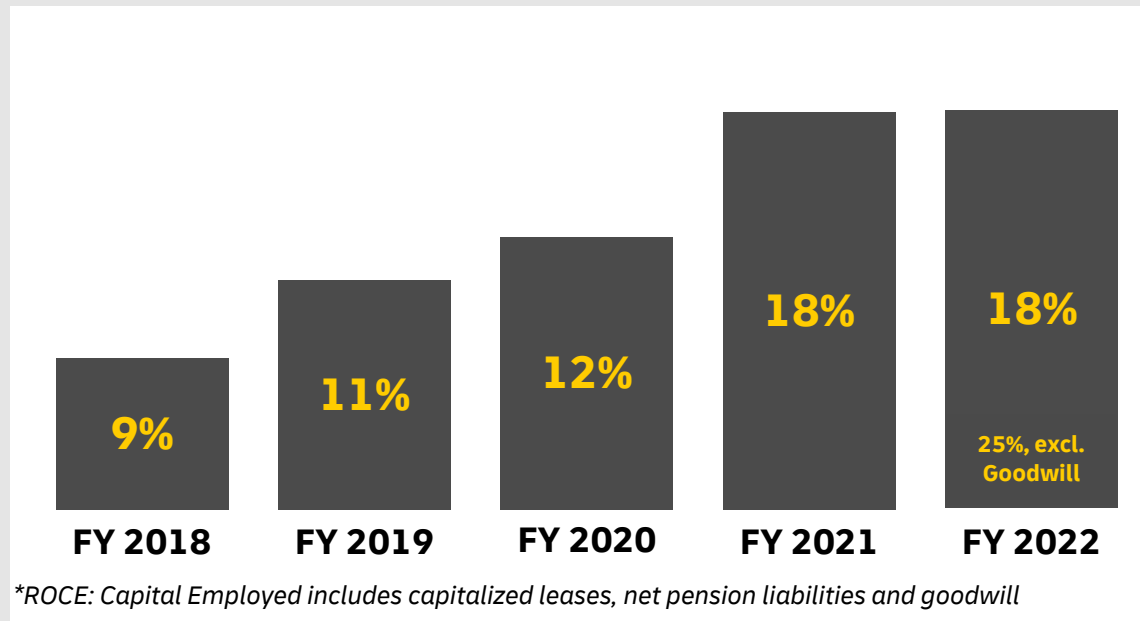
First tranche of  
**€800m**  
fully executed in 2022

Second tranche of  
**€500m**  
in execution until March 2023

# Value generation for shareholders

## Continued investment in leading service quality, at attractive returns

### Group ROCE\* significantly above cost of capital



### Targeted investment in long-term growth

**€4.1bn**

FY 2022 Capex

**€3.4-3.9bn**

FY 2023e Capex Guidance

**€10-12bn**

FY 2023-25e cumulative Capex Guidance



# Long track record of increasing shareholder returns

## Dividend increase to €1.85, SBB program topped up to €3bn by year-end 2024

### Sustainable Shareholder Returns since 2008:

Cumulated dividends & share buy-back

**€23.6bn**

Cumulated dividends per share

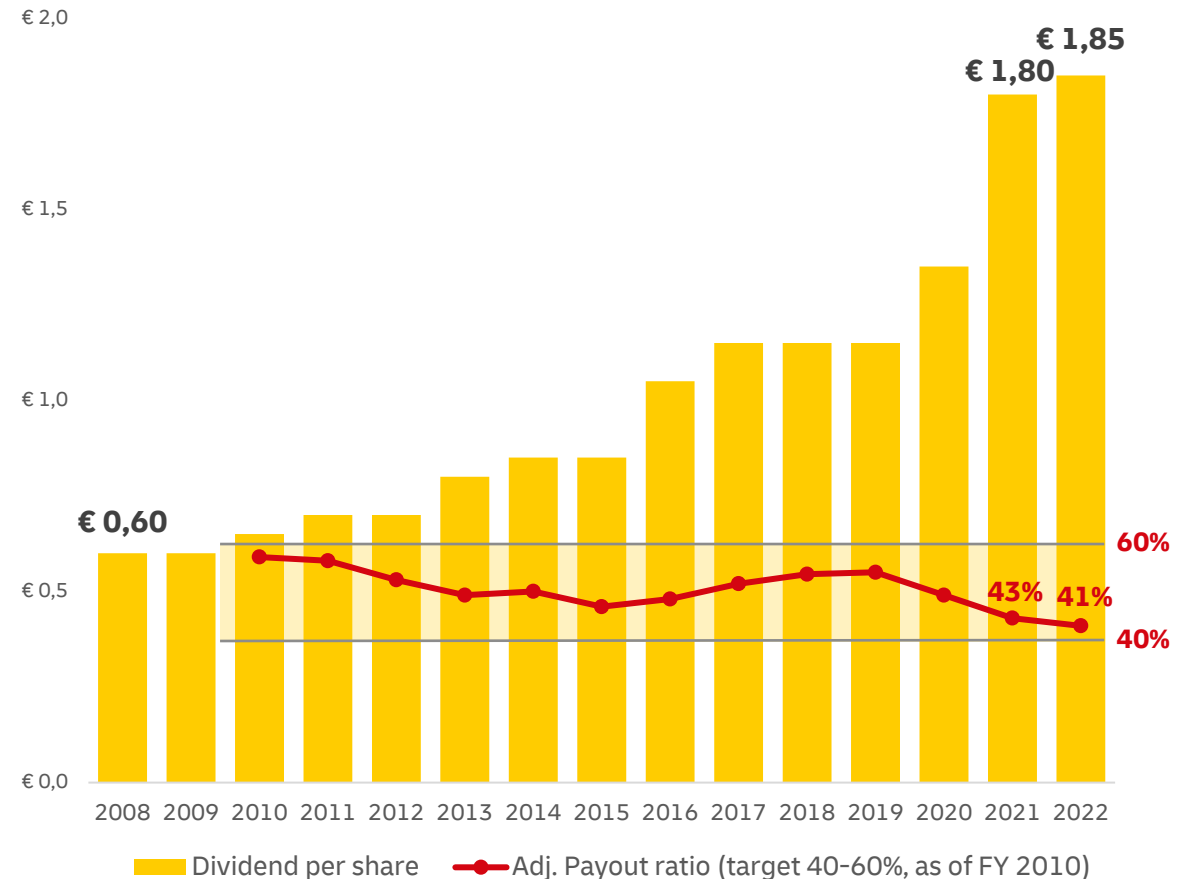
**€15.25**

Total shareholder return p.a.\*

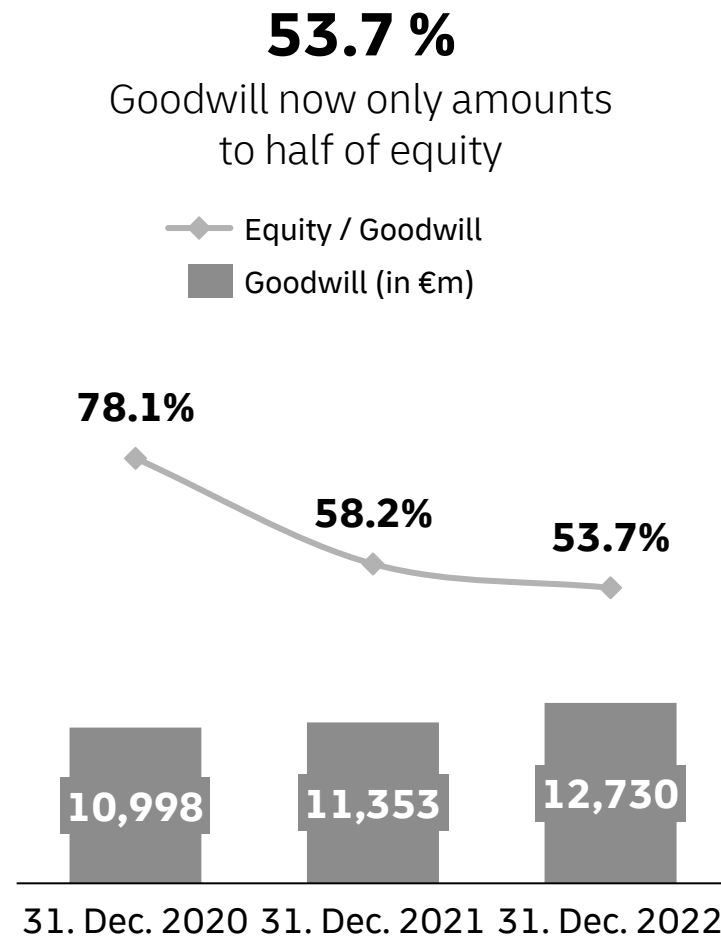
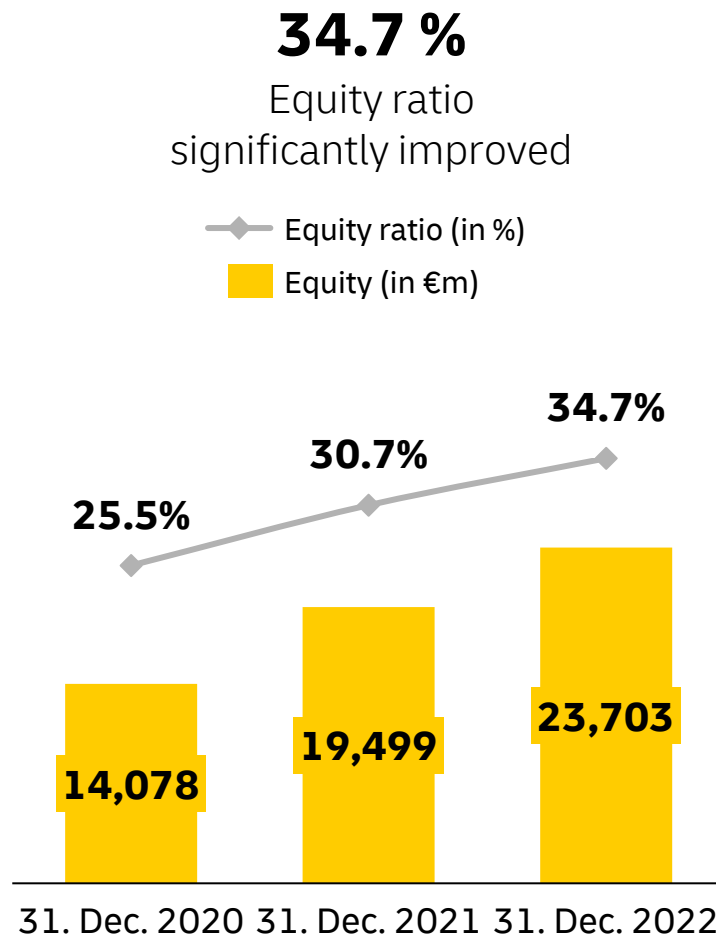
**+8% (DAX: +4%)**

\*Dec 28<sup>th</sup> 2007 – March 8<sup>th</sup> 2023

### FY 2022 dividend payout of €2.2bn proposed



## All balance sheet related indicators on a significant higher level



### Investmentgrade

Credit Ratings  
reflect positive development

#### Fitch Ratings

**BBB+**

Outlook: **positive**

as of 20.07.2022

#### Moody's Investors Service

**A2**

Outlook: **stable**

as of 30.06.2022

# DIVISIONS & FUNCTIONS

HIGHLIGHTS 2022





# DHL EXPRESS RETAINED ITS #1 POSITION AS GREAT PLACE TO WORK

Great  
Place  
To  
Work®



**EBIT** again above **EUR 4 billion** thanks to **excellent service quality**, proven by **positive customer feedback**

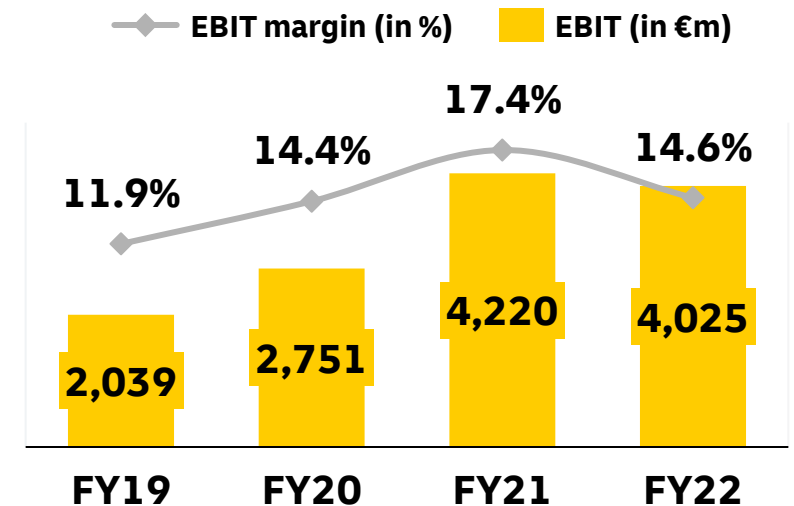


## FINANCIAL HIGHLIGHTS

- Foundation built for insetting GoGreen product (SAF) as first Express operator
- Digital platform iCARE reduced the amount of safety incidents

### Top priorities 2023:

- Aviation Network optimally adapted to volume trends
- Strengthen our position as 'First Choice' for SMEs



# DGFF HAS REACHED RECORD FINANCIAL RESULT IN 2022

Successfully started to harness **benefits of digitalization**:

**Service Quality** and **Operational Excellence** significantly boosted by expanded operations with the new transport management system

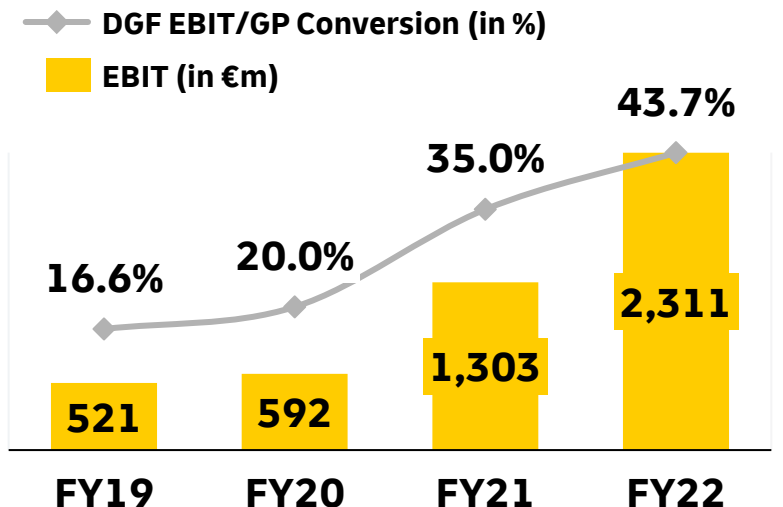


- Increasing demand for **sustainable shipping** now covered with **GoGreen Plus** on all transport modes
- Customer portal **myDHLi** with > 15,000 customers

## Top priorities 2023:

- Further **strengthen Service Quality** and **Operational Excellence**
- **Optimization of Profitability**

## FINANCIAL HIGHLIGHTS





# DHL SUPPLY CHAIN IS THE #1 CONTRACT LOGISTICS PROVIDER

Delivered another year of **strong progress across all bottom lines:**

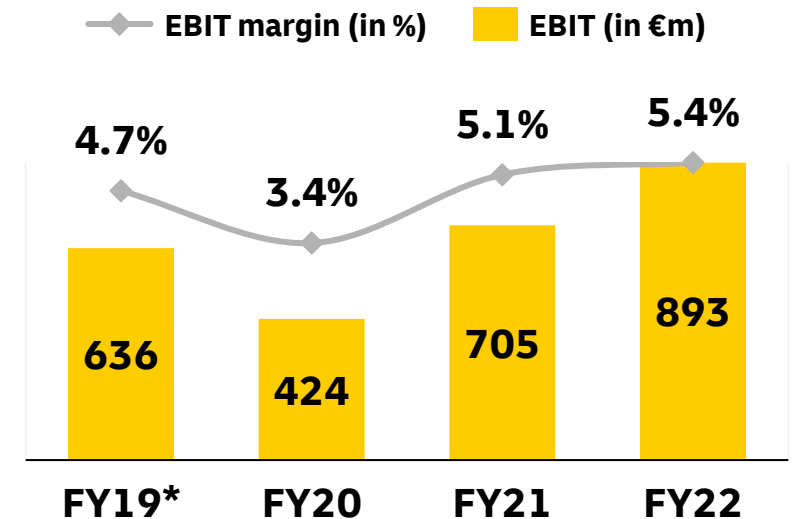
- **18.5% top line growth** year on year
- **+4,000 collaborative robots** deployed in Operations
- Certified employer of choice with **112k employees** in Great Place to Work



## Top Priorities 2023:

- Accelerating **growth** through **eFulfillment** and **Omni-channel**
- **Drive decarbonization** of supply chains of customers
- Continue to **scale collaborative robotics** and **data analytics**

## FINANCIAL HIGHLIGHTS



\* excl. impact from China disposal & restruct. charges



# DHL eCOMMERCE SOLUTIONS RECORDED PROFITABLE GROWTH

Parcel volumes surged by 32% vs. 2019; well diversified across all channels:

- B2C domestic: +37%
- B2B domestic: +14%
- Cross border: +40%

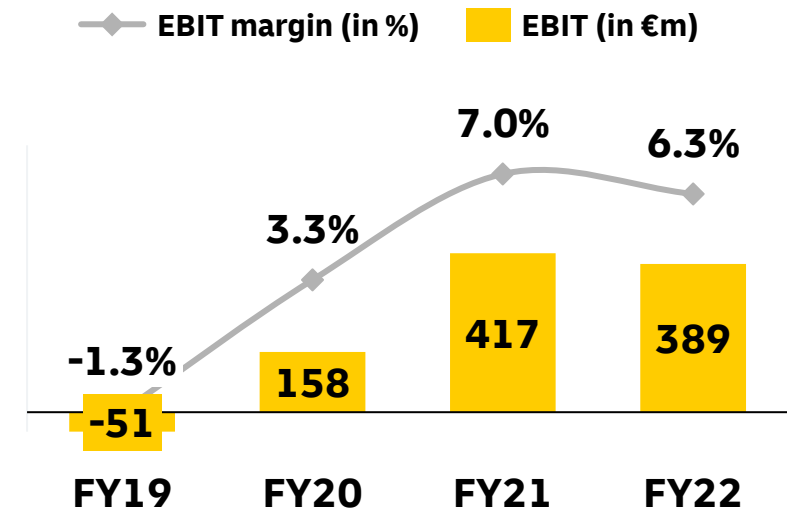
- **Example India:** Parcel volume up 27% yoy, 2 new aircrafts
- **Growing network of >92k** service points and lockers in Europe

## Top priorities 2023:

- Further investment in infrastructure and automation
- **Decarbonization of last mile delivery** in Netherlands



## FINANCIAL HIGHLIGHTS



# FOCUS TOPICS OF POST & PARCEL GERMANY

**Pioneering role in sustainability** further expanded and **sorting capacity increased** in nationwide network.

**Measures initiated to remedy quality problems**, which are taking effect.

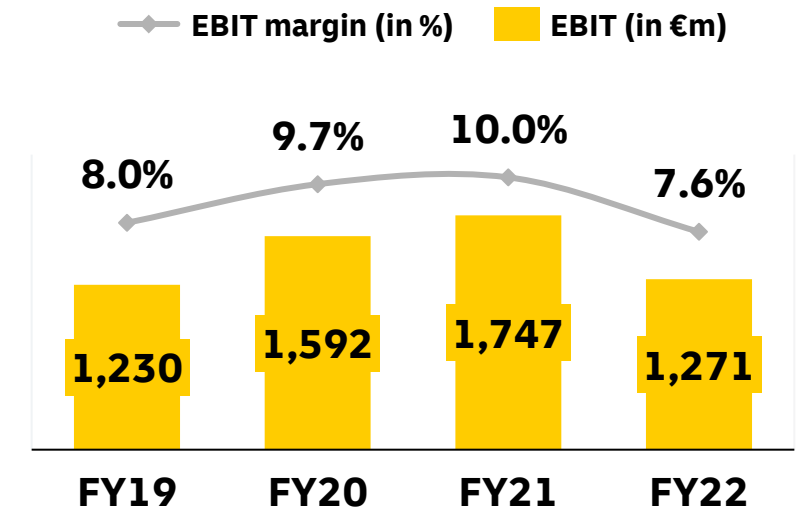


## Top priorities 2023:

- Focus on customer needs and quality
- Future proof business conditions / Postal Act reform
- Viable collective bargaining agreement: Achieve balance between tangible wage increase and long-term economic sustainability



## FINANCIAL HIGHLIGHTS





# EMPLOYEE ENGAGEMENT REMAINS ON A HIGH LEVEL

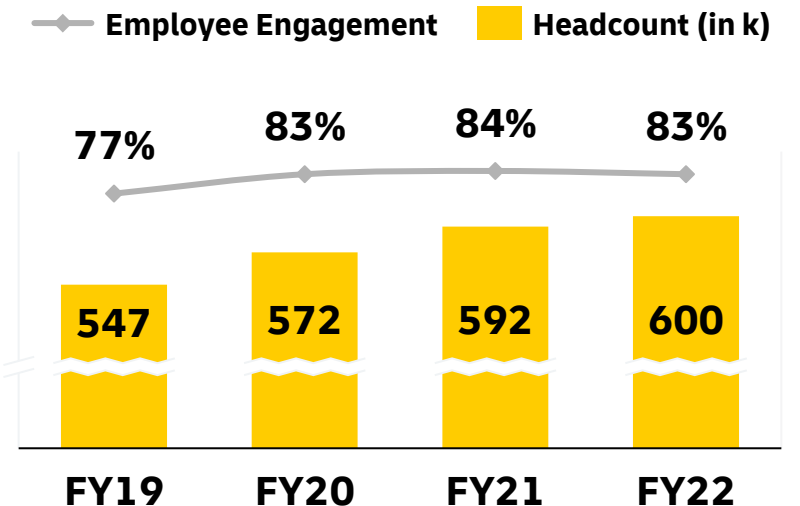
Deutsche Post DHL Group awarded **TOP EMPLOYER EUROPE**,  
now **employing around 600,000 people** around the globe

Great  
Place  
To  
Work®



- High Employee Engagement as key for success
- Improving employee experience and process efficiency through more digitization
- Well prepared for ESG reporting and new legal requirements

## HIGHLIGHTS



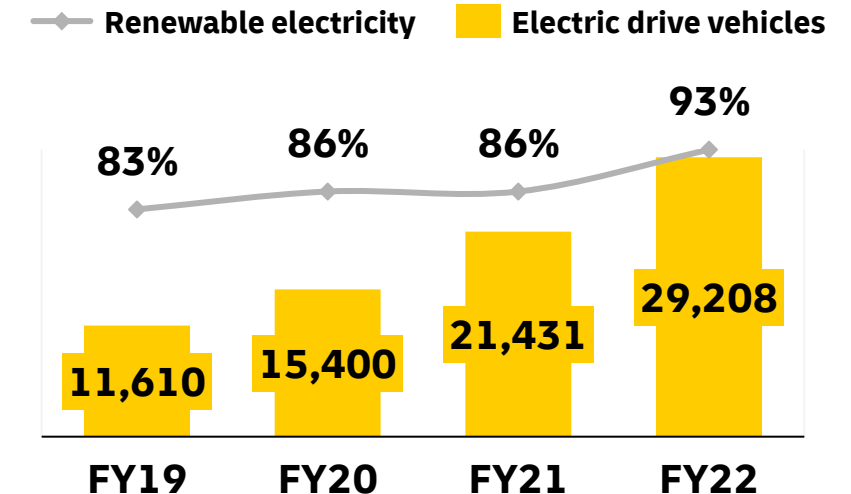
# UNLOCKING NEW HEIGHTS OF EFFICIENCY AND PRODUCTIVITY

Supporting the Groups' strategic key initiatives by focusing on value contribution, back-office efficiency, service quality and compliance, while managing physical, IT and legal risks



- Leveraging **digitalization** and strengthening **IT security**
- Comprehensive **risk management** to cope with climate-related risks for key infrastructure
- **Fleet management** driving the transition to net zero
- **Procurement** supporting the Group's sustainability agenda, e.g. SAF desk and compliance initiatives
- **Top priorities 2023:** rollout of additional IT security measures and CO<sub>2</sub>-friendly technology

## HIGHLIGHTS





# LOOKING AHEAD

TOBIAS MEYER



# Market Outlook – Short-term perspectives

## 2023 internal modelling assumptions

### V-shape (recovery starting around mid-year)

Short recession in the US and Europe with recovery starting already in Q2

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

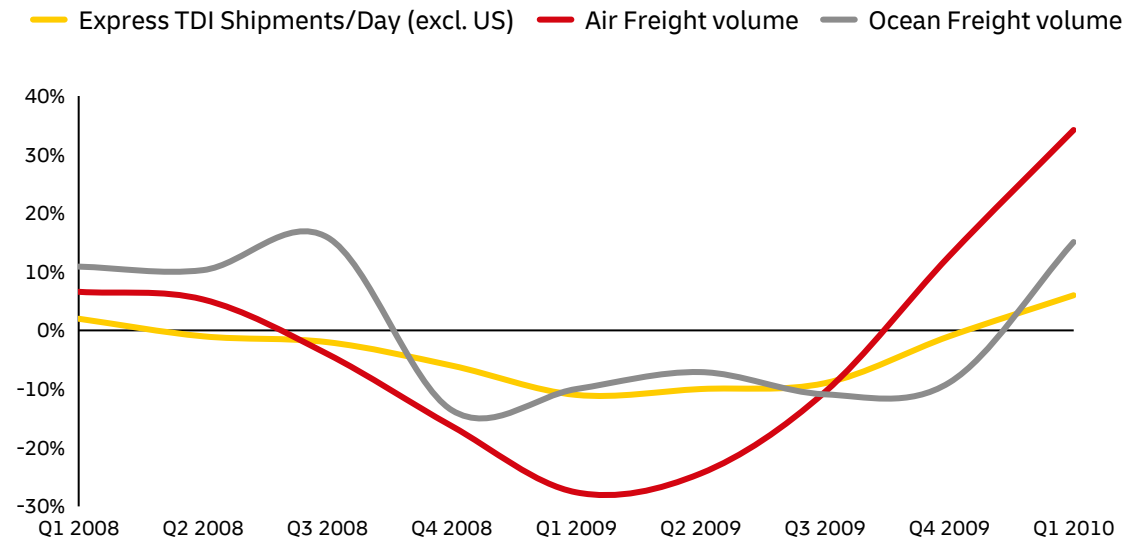
Mild recessions in the US and Europe with recovery starting in H2

### L-shape (no significant recovery in 2023)

Prolonged recession in the US and Europe with recovery not before 2024

## Observations from 2008-2010 economic cycle

### Great Financial Crisis, volume development yoy

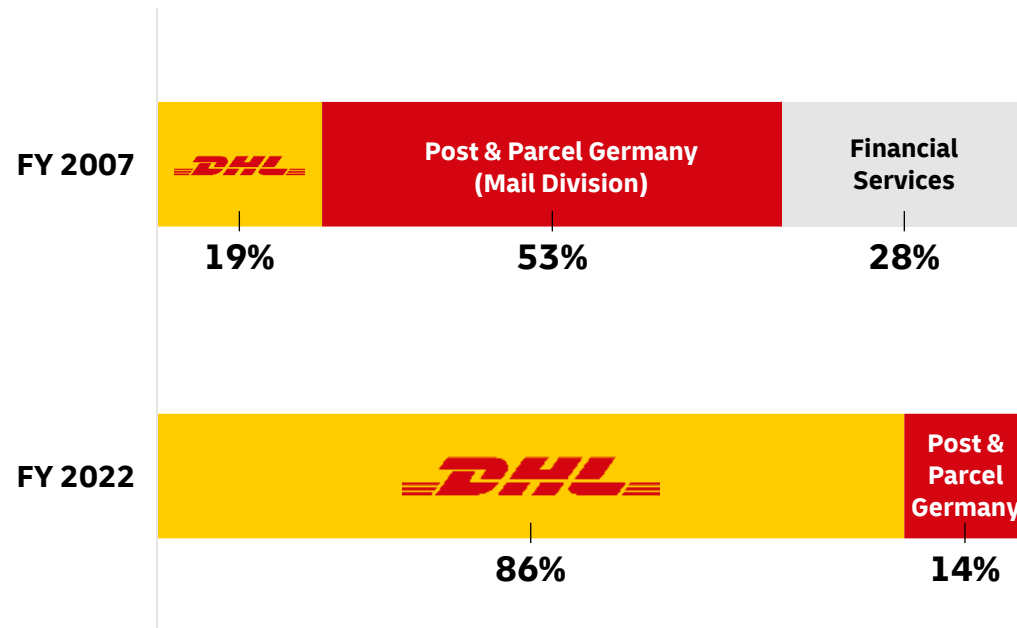


- Negative volume development lasted for 4-6 quarters
- Express Time-Definite International (TDI) most resilient
- Air Freight with steepest development

# Deutsche Post DHL Group in the best shape ever

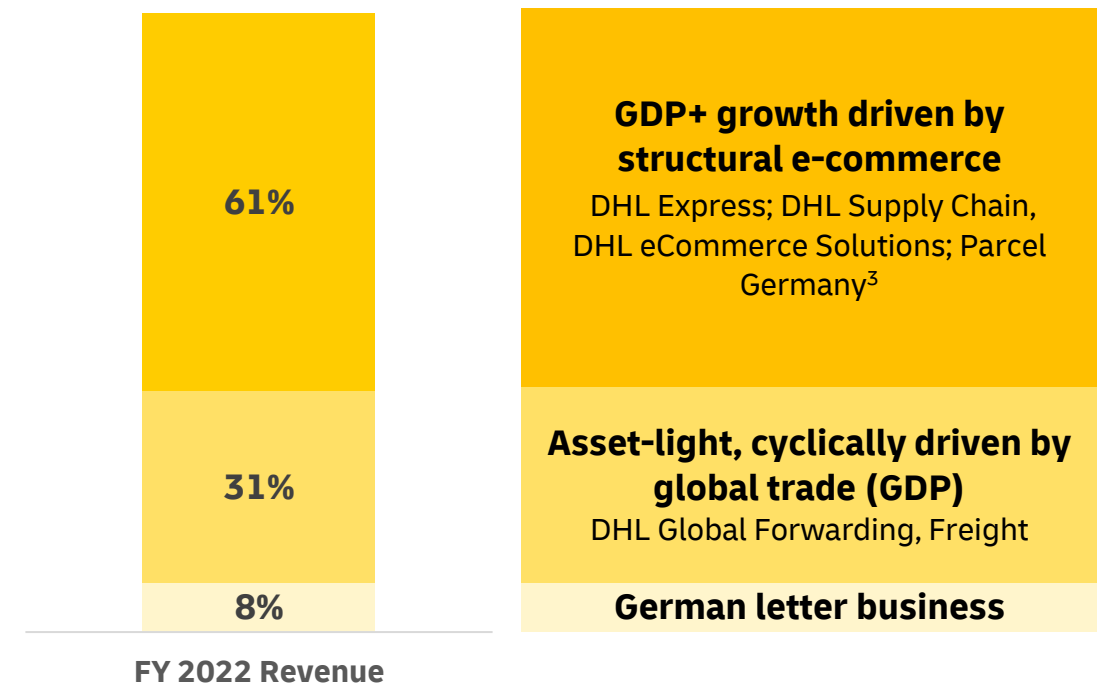
Transformation from German postal operator to  
global logistics market leader

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 / Consolidation. <sup>2</sup>Excl. P&P Others, Group Functions / Consolidation. <sup>3</sup>Incl. International

## 2023 expectations 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**

~ **€6.5bn**

> **€6.0bn**

---

---

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



## 2023 and mid-term guidance

in € bn

EBIT	2023 Guidance
<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>

	Mid-term Guidance
<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>

# Management priorities going forward

## Short-term management priorities

- Stringent cost management, building on experienced divisional teams and established levers
- Unchanged disciplined pricing based on sophisticated, well-established yield mechanisms
- Targeted capex spending balancing short-term slowdown and structural GDP+ growth potential

## Unchanged fundamental key business drivers



**GLOBALIZATION**



**DIGITALIZATION**



**E-COMMERCE**



**SUSTAINABILITY**

# Deutsche Post DHL Group

## GDP+ GROWTH



#1 Global TDI Express



#2 Air Freight



#2 Ocean Freight



#1 Contract Logistics



#1 Parcel Germany



#1 World's Best Workplaces

#1 Top Employer Europe

## STRONG CASH FLOW & BALANCE SHEET

>€4bn

2022 FCF (excl. Net M&A)

BBB+

Fitch

A2

Moody's

## ATTRACTIVE RETURNS

>4%

dividend yield\*

Strong commitment to dividend continuity

€3bn

2022-24 share buy-back program

First tranche of €800m executed in 2022  
Second tranche of €500m in execution until March 2023

\*based on closing share price on March 8<sup>th</sup> 2023



# APPENDICES

## DIVISIONAL RESULTS Q4 2022







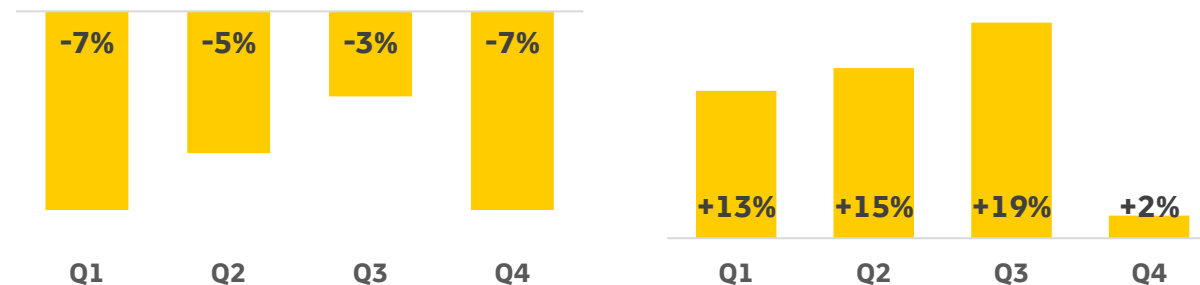
**DHL Express**

**€7,029m    €941m**

Revenue, Q4 2022  
+2.5% yoy  
FY 2022: +13.9% yoy

EBIT, Q4 2022  
-15.3% yoy  
FY 2022: -4.6% yoy

**Deutsche Post DHL Group**



**2022 TDI Shipments/Day, yoy**

**2022 TDI Revenue/Day, yoy**

- Time-Definite-International (TDI) shipments/day down in 2022 due to B2C normalization and gradually slowing GDP growth:
  - B2B (Q4 2022: -4% yoy; FY 2022: -4% yoy)
  - B2C (Q4 2022: -10% yoy; FY 2022: -7% yoy)
- 2022 revenue growth driven by yield management as well as weight, FX and fuel price effects, which all lessened in Q4
- Q4 2022 EBIT decline driven by softening volumes and adverse FX effect. FY 2022 EBIT margin at 14.6%, down yoy reflecting lower volume as well as negative FX effect and dilution from fuel pass-through



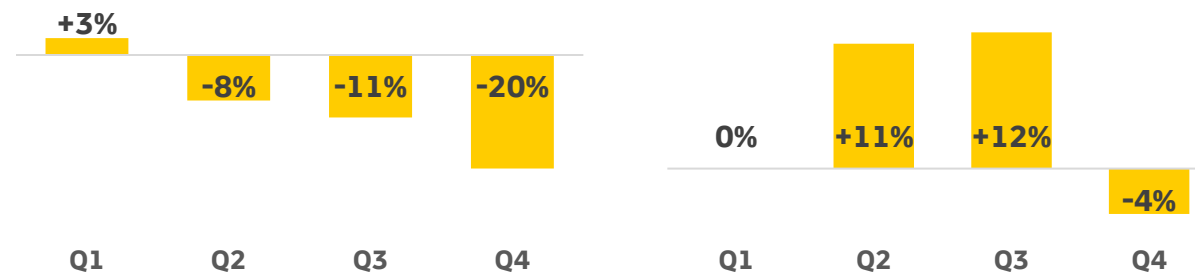
## DHL Global Forwarding, Freight

**€6,805m** **€402m**

Revenue, Q4 2022  
-4.6% yoy  
FY 2022: +32.3%

EBIT, Q4 2022  
-0.2% yoy  
FY 2022: +77.4%

## Deutsche Post DHL Group



2022 Air Freight volume, yoy

2022 Ocean Freight volume, yoy\*

- Market volumes gradually deteriorated over 2022 in line with macroeconomic development and inventory cycle; OFR includes Hillebrand contribution as of Q2 2022
- GP/unit down sequentially since summer as freight rates started to normalize: Q4 GP/t +38% yoy (FY 2022: +64%); Q4 GP/TEU +11% yoy (FY 2022: +47%). GP management as well as structural system-based improvements cushion impact of spot rate movements on GP generation
- DGF EBIT/GP conversion of 44% in FY 2022 (Q4 2022: 33%)

\*incl. Hillebrand acquisition

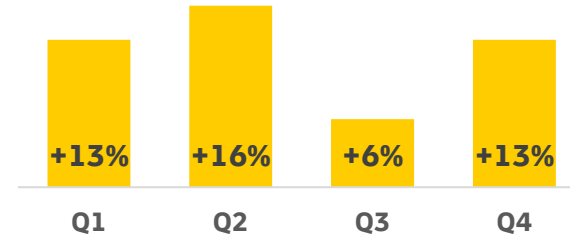


## DHL Supply Chain

**€4,363m** **€225m**

Revenue, Q4 2022  
+19.4% yoy  
FY 2022: +18.5%

EBIT, Q4 2022  
+13.6% yoy  
FY 2022: +26.7%



2022 Organic revenue growth, yoy

**€6.5bn (+27% yoy)**

FY 2022 total contract value

- Resilient business model as long-term contracts are less influenced by short-term volume fluctuations
- Growth driven by new business wins, underpinned by strong structural trends: e-commerce, resilience and digitalization
- FY 2022 EBIT margin of 5.4%, in line with 5-6% target as accelerated topline growth is supported by strategic products and higher efficiencies from digitalization and standardization



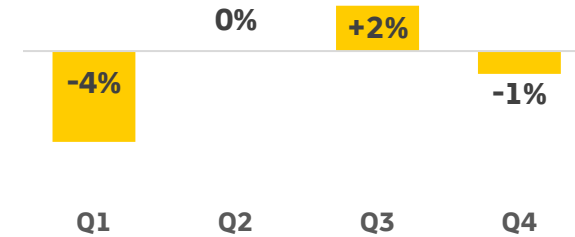


## DHL eCommerce Solutions

**€1,696m** **€91m**

Revenue, Q4 2022  
+1.9% yoy  
FY 2022: +3.6% yoy

EBIT, Q4 2022  
-2.2% yoy  
FY 2022: -6.7% yoy



2022 Organic revenue growth, yoy

**6.3%**

FY 2022 EBIT margin

- 2022 revenue stable on high previous year level following strong volume acceleration during pandemic
- EBIT margin maintained at significantly higher levels vs pre-pandemic, reflecting structurally higher e-commerce penetration and network utilization
- Cost inflation addressed through yield management

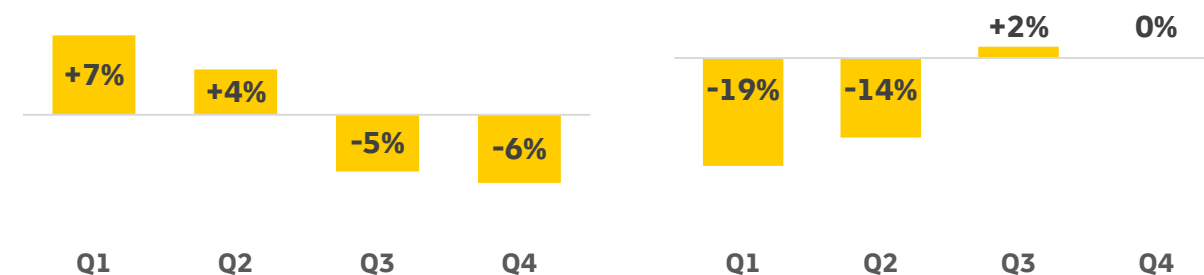


## Post & Parcel Germany

**€4,623m** **€384m**

Revenue, Q4 2022  
-3.1% yoy  
FY 2022: -3.8%

EBIT, Q4 2022  
-33.3% yoy  
FY 2022: -27.2%



### 2022 Mail\* volume, yoy

### 2022 Parcel volume, yoy

\*Mail = Mail Communication & Dialogue Marketing

- Parcel volume down 8% in FY 2022, reflecting expected yoy normalization – mainly in H1 – as well as weakening overall consumption towards year-end. Parcel revenue +270bps yoy better than volumes, reflecting yield measures
- FY 2022 EBIT down by €-476m yoy, mainly due to expected market trends and accelerated inflation:
  - Decline compared to FY21 as anticipated in initial €1.5bn guidance reflects expected e-commerce normalization and structural Mail substitution
  - Further decline to €1.271bn, mainly due to >€200m higher costs due to accelerated cost inflation from energy, transportation, temp labor and other purchased goods and services