Q4 2020 RESULTS

INVESTOR CALL

Frank Appel, Group CEO
Melanie Kreis, Group CFO
9 March 2021

Deutsche Post DHL Group

Agenda

01 **Strategy 2020 delivered; Strategy 2025 in execution**

02 2020 Key Financials

03 Cash Flow & Returns

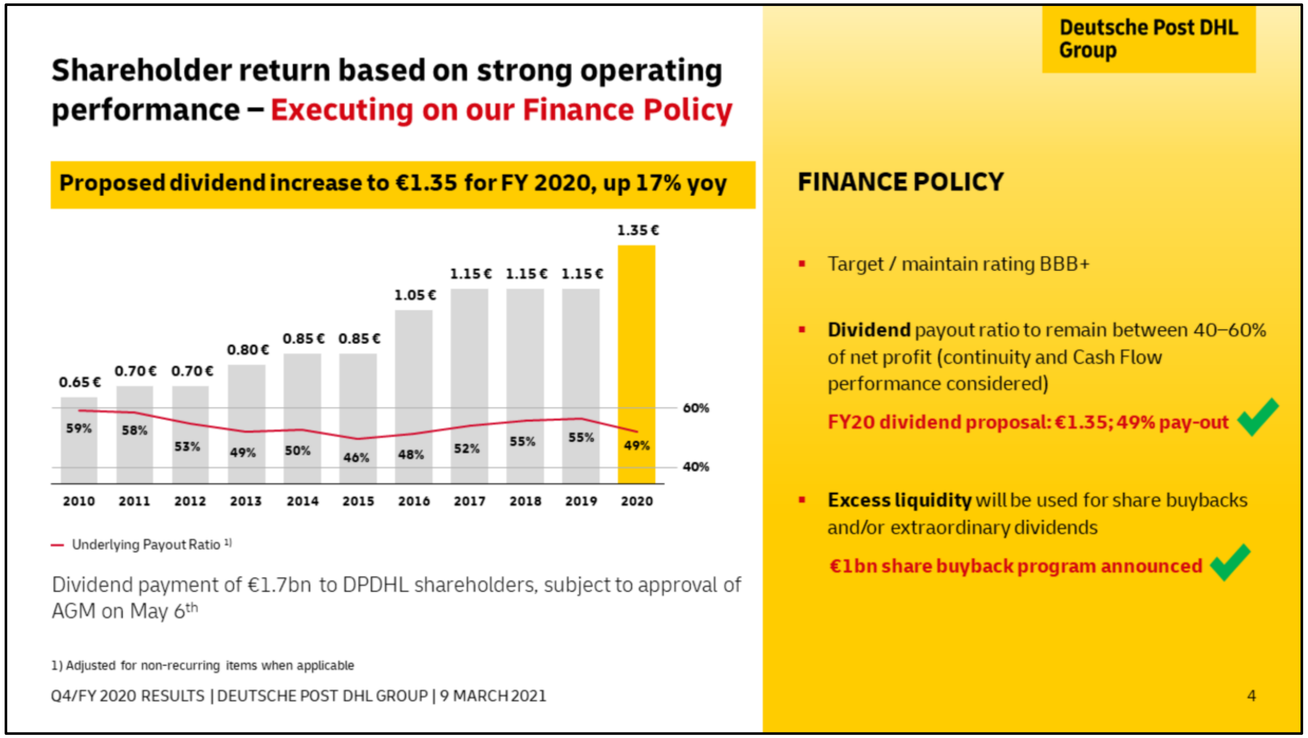
04 Outlook

Management Comments:
2020 was an exceptional year with unseen circumstances. For DPDHL, 2020 also marks the completion of our Strategy 2020, introduced in 2014. This strategic journey has tackled internal and external challenges over these years. Based on our long standing purpose “Connecting People. Improving Lives“, as well as our clear mission and bottom lines, Strategy 2020 has delivered - in terms of financial results, as well as in regards to making DPDHL today a different and better company.

In terms of financial performance, the reported €4.8bn EBIT for 2020 delivers on our targeted 8% CAGR over the period. Excl. 2020 one-offs, e.g. €163m bonus paid to all DPDHL employees for their outstanding 2020 efforts, EBIT was above €5bn, with a fully adjusted EBIT of €5.4bn.

What is even more important is that these achievements set a strong base for further profitable growth as shown with our new mid-term guidance for EBIT growth out to 2023. As detailled later (p. 10), the four identified key long-term strategic trends remain fully valid and are at the core of our strategic actions – also for the now up and running Strategy 2025.

The success of Strategy 2020 benefits all DPDHL stakeholders. We created 90,000 jobs over the period and reached record high employee engagement, and the strong financial performance has been the basis for attractive returns for DPDHL shareholders, see next page for details.



Management Comments:

Based on the strong EBIT and cash flow performance in 2020 and our very sound balance sheet, the Management Board is proposing a dividend of €1.35 per share for FY 2020, up +17% yoy. This proposal delivers on our long-standing Finance Policy, with an adjusted pay-out ratio of 49%, fully in line with our 40-60% target range.

Subject to the approval of the Annual General Meeting (AGM) on May 6th, DPDHL Group will hence pay out a total dividend of €1.7bn to its shareholders based on the successful operating performance in 2020.

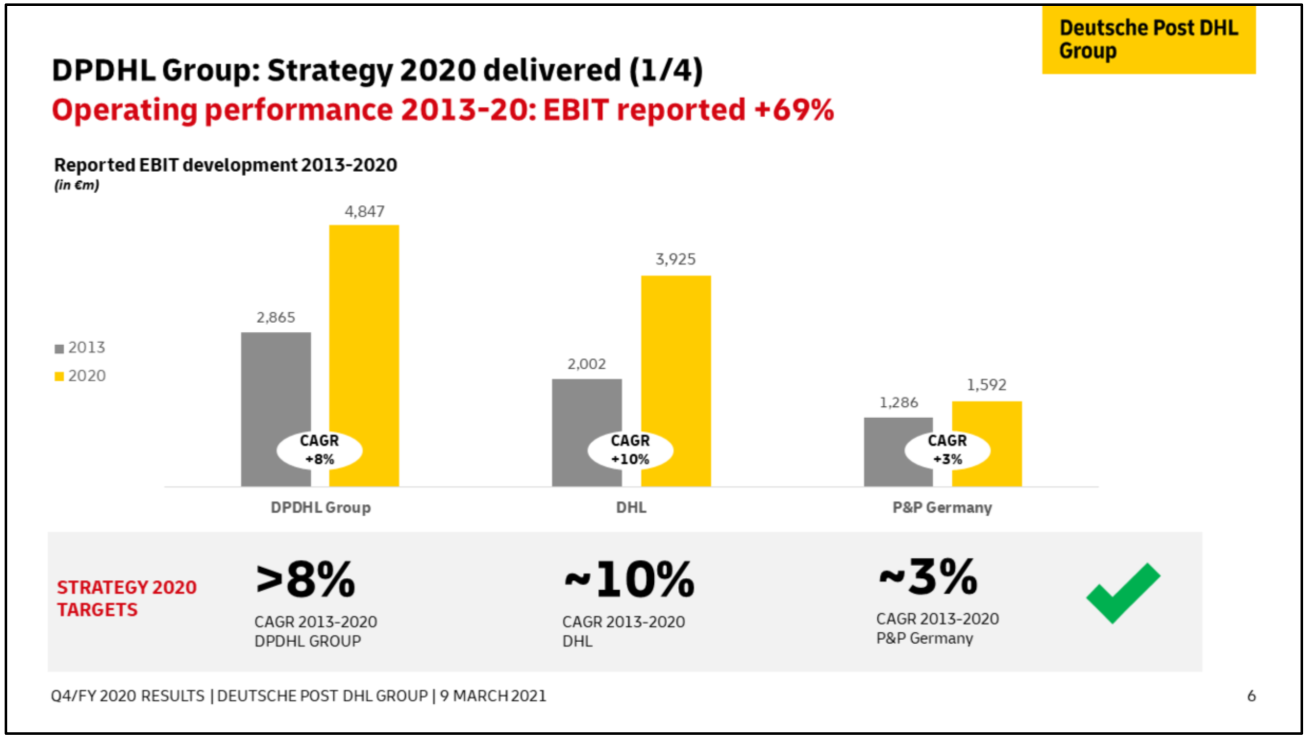
Moreover, as announced on March 8th, we have decided to return excess liquidity to shareholders through a share buyback program, executing on the principles of our finance policy in that regard. The Share Buyback program with a size of up to €1bn will be executed over the next twelve months (see also p. 33).

Management Comments:

The next pages provide a short financial recap of our Strategy 2020 journey, and – more importantly – show how these achievements and the strategic focus on the right long-term topics also form the basis for further significant progress targeted under Strategy 2025.

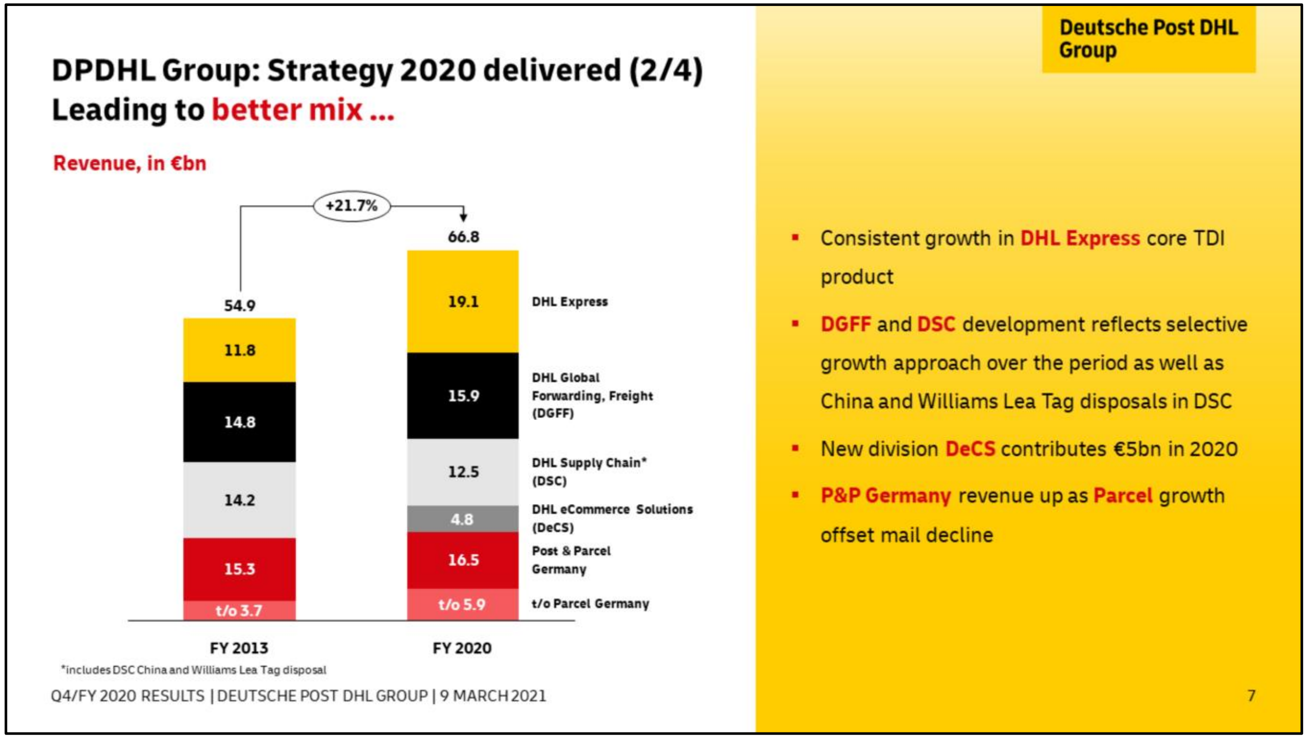
As a summary of Strategy 2020 communication to the Capital Markets:

- Launch of Strategy 2020 at our Capital Markets Day in April 2014
- In addition to ongoing updates in our regular quartertly reporting, Half-Time Report on Strategy 2020 in May 2017
- Launch of Strategy 2025 at our Capital Markets Day in October 2019



Management Comments:
Strategy 2020 was launched with a clear set of ambitious long-term targets. Based on 2020 reported EBIT, DPDHL Group delivered a 69% EBIT increase over the period. Hence, Group CAGR and the individual contributions from the divisions delivered on this long-term guidance. The DHL divisions posted a 10% EBIT CAGR over the period. Just as well, Post & Parcel Germany has been able to leverage the e-commerce trend towards a 3% EBIT CAGR over the period, despite the unchanged structural trend which has seen Mail revenue diluted down to 12% of group sales.

Note that based on the adjusted 2020 EBIT of €5.427bn (see p. 28 for detailed bridge), which we see as the underlying base for our 2021/23 outlook, DPDHL Group EBIT increased by 89%, for a 10% CAGR over the period.

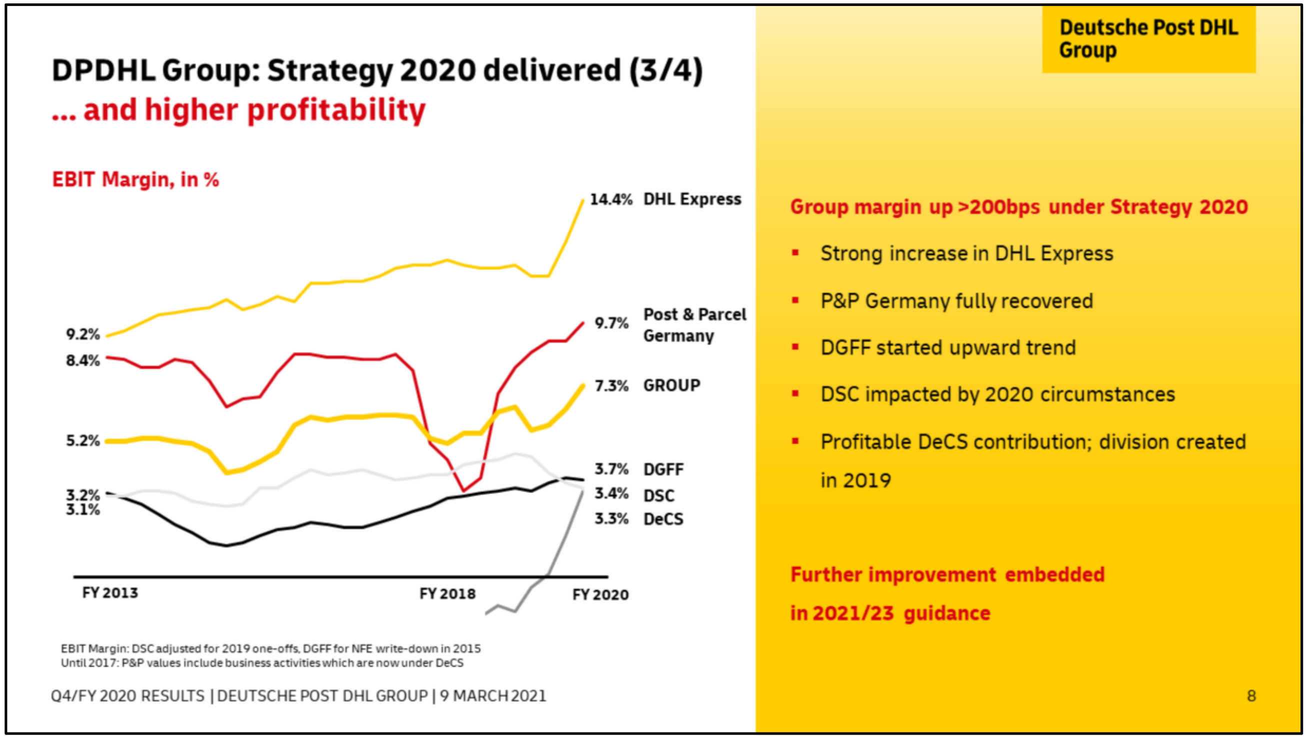


Management Comments:
Besides the absolute increase in EBIT and Cash Flow, Strategy 2020 has also fundamentally and sustainably improved the business mix of DPDHL Group.

DHL Express, the division with the highest EBIT margin, has also grown into the largest revenue contributor.

While the DSC development includes disposals of selected assets over the period, the DGFF and DSC evolution also reflects the selective growth approach over the period.

In line with our strategic ambition and focus, there has been a significant increase in e-commerce logistics across the divisions. Most prominently, this is visible in the ~€5bn contribution by the new DeCS division created in 2019. This shows that our strategic ambition to also tackle parcel delivery in domestic e-commerce markets outside Germany and deferred cross-border e-commerce is fully paying off. Moreover, e-commerce revenue has been increasing significantly in DHL Express and P&P Germany. This division itself has also seen an improving business mix, shifting from mail to parcel. The constant decline in Mail volumes has brought Post revenue down to €8bn in FY 2020, so to just 12% of group revenue.



Management Comments:
Group EBIT margin was up more than 200bps over the Strategy 2020 period, driven by our divisional roadmaps for continued margin improvement.

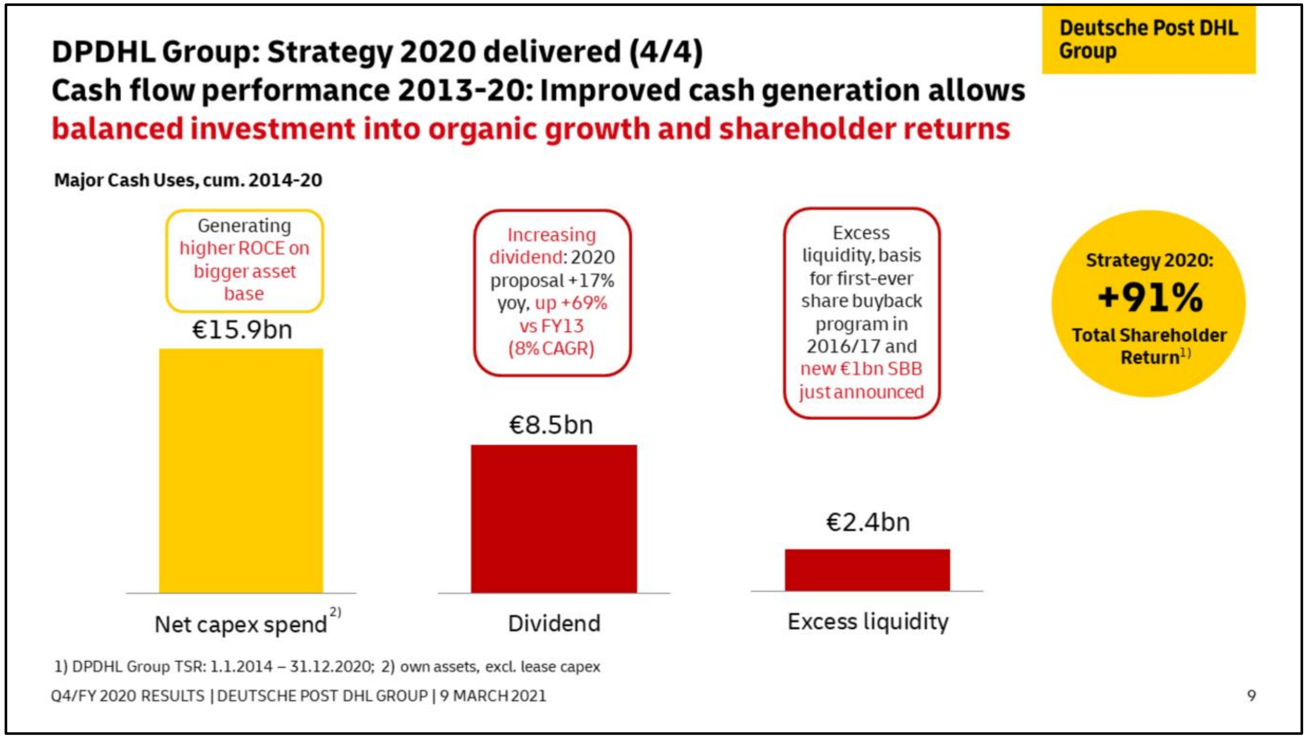
DHL Express, the group's largest and most profitable division, has significantly grown its EBIT margin further over the period, now solidly anchored in double-digit territory. Operating leverage, continued efficiency gains through automation and digitalization as well as methodical yield management have been the main drivers of this strong margin uplift.

P&P Germany has fully recovered from the 2018 issues and is targeting to maintain these levels as declining Mail revenue is replaced by Parcel growth.

DSC margin had already reached its 5% target range in 2019 before the economic standstill in mid-2020. Thus, DSC margin was unusually low in 2020 but is expected to recover back towards its 5% target.

Replacing the core IT and process landscape has been one of the core strategic topics of Strategy 2020 for DGFF. With the IT roll-out well advanced and stringent reporting and incentivization based on GP-to-EBIT conversion in place, DGFF margin has clearly started the expected upward trend.

Last but not least, DeCS, created as a stand alone division in 2019, posted – as expected – its first positive profit contribution in 2020 with further margin upside expected.



Management Comments:

Strong EBIT performance was succesfully translated into significant improvement in cash generation. Under the headline "Cash is King", implementing a "cultural" focus on cash generation as well as refined steering and forecasting mechanisms have been central parts of the financial focus of Strategy 2020.

Operating Cash Flow development over the Strategy 2020 period was distorted by IFRS16 introduction, which significantly altered the recognition of lease contracts in the cash flow statement. However, with no impact on Free Cash Flow and our cash uses.

In line with our organic growth focus and particularly strong e-commerce growth, we have spent €16bn net capex to improve and enlarge our logistic networks over the 7-year period of Stategy 2020 execution. As the ROCE development shows (p. 32), these investments have been generating increasing returns consistently.

Over the same timeframe, DPDHL dividends have been stable or rising every year (8% CAGR). Yet, despite continued significant re-investment into the business and rising dividend payments, improved cash conversion drove FCF ahead of dividend payment, with excess liquidity of >€2bn over the period. In line with our Finance Policy (p. 4), this excess liquidity was used for DPDHL's first ever Share Buyback program in 2016/17. As the strong FCF performance has lead to a significant excess liquidity generation in 2020, we have decided to return further excess liquidity to our shareholders in line with our Finance Policy through another €1bn share buyback program, as announced on March 8th.

Deutsche Post DHL Group

Strategic recap and outlook

Four main trends remain intact and are at the core of Strategy 2025

Sustainability

E-Commerce

Globalization

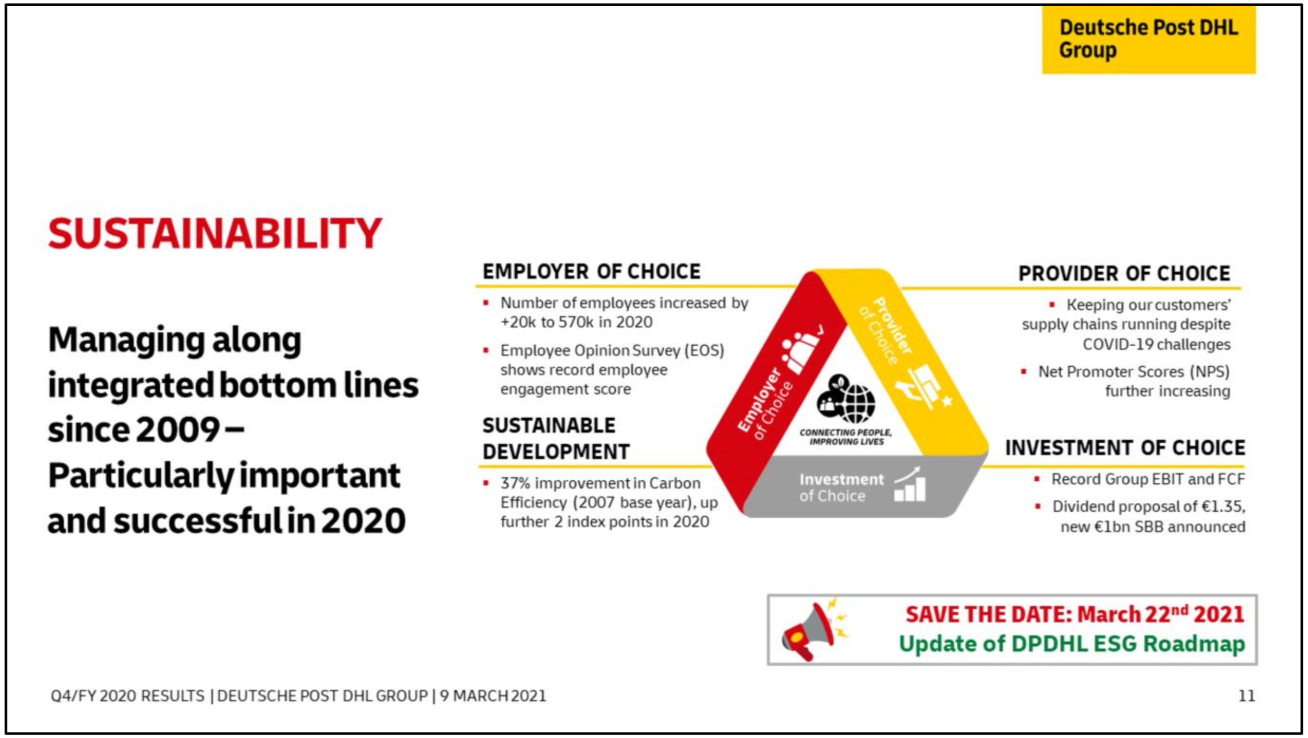
Digitalization

Management Comments:

Strategy 2020 has been a financial success and delivered on financial targets. More importantly, Strategy 2020 has created a strong basis for future success by focussing the whole organization on the relevant long-term trends.

One of the key inputs into our new, now up and running Strategy 2025 has therefore been the confirmation that the key four trends are still fully intact and valid.

Therefore, based on Strategy 2020 accomplishments, DPDHL Group will also further improve its contribution to all stakeholders by orientating all strategic actions along these fundamental trends.



Management Comments:

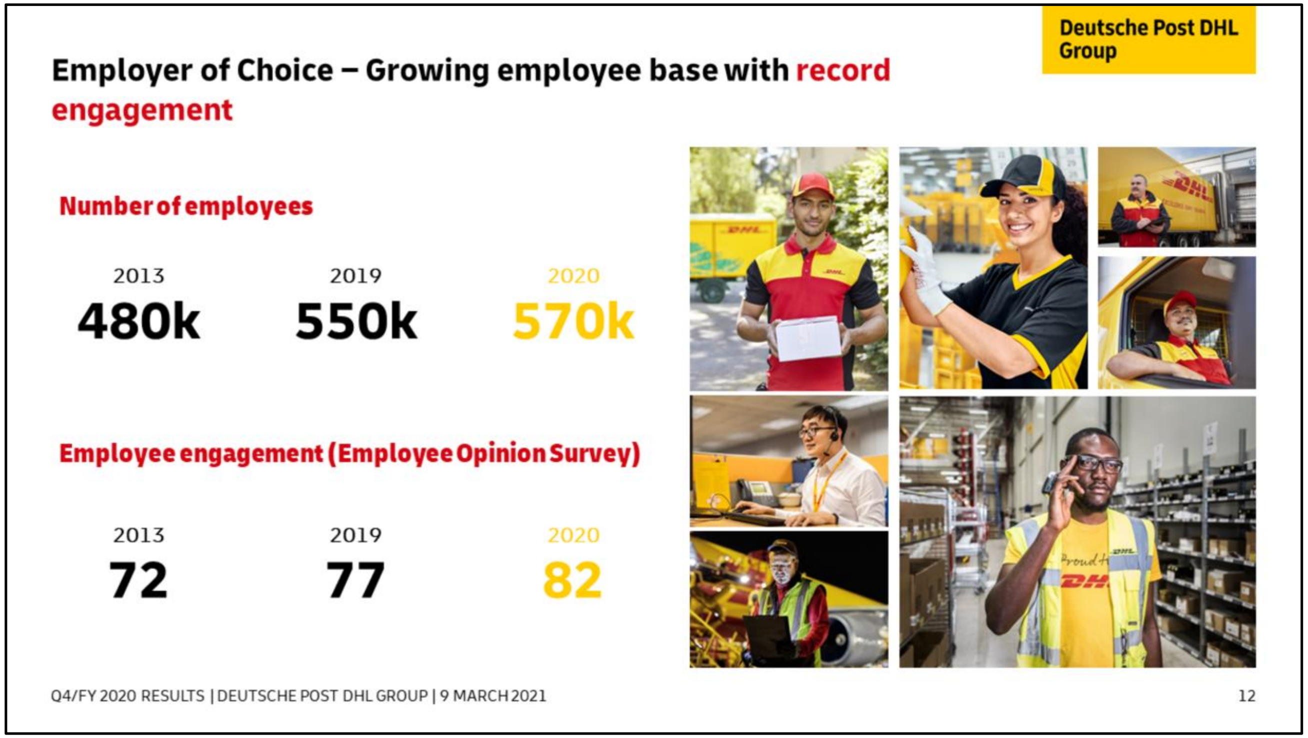
DPDHL Group has been steered along integrated bottom lines since 2009. As part of Strategy 2015, management action and progressively also incentivization have indeed been oriented by the virtuous circle of Employer-, Provider- and ultimately Investment of Choice.

Financial results have been shown in this investor presentation on the previous pages, but Strategy 2020 has also delivered multi-year achievements on many more dimensions.

With DPDHL employees at the basis of everything we achieve for our customers around the globe everyday, our financial performance has been based on a constant growth in our employee base, coupled with record high employee engagement as measured by our yearly employee opinion survey (EOS).

Measurement of customer satisfaction has been and is continuously refined as it is the base for our long-term success. Our NPS showed further improvement in 2020. Of course, in the unusual circumstances, DPDHL Group's purpose of "Connecting People. Improving Lives." has been more valid than ever for our employees, our customers as well as their clients.

The impact on our broader stakeholder base and the environment has been reported in detail since many years as well. Our CO2 efficiency index uses 2007 as base year and showed a 37% improvement by 2020. We will provide an updated roadmap on the broad range of ESG topics on March 22nd.

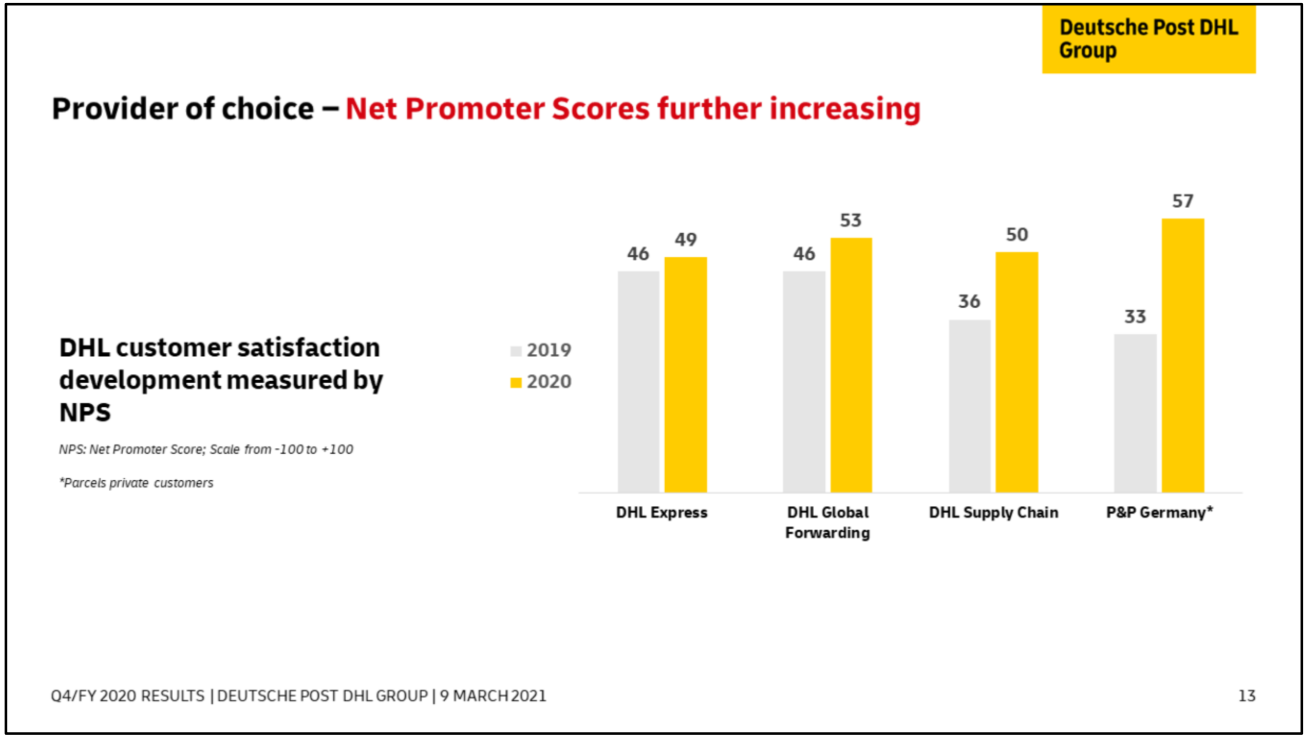


Management Comments:

DPDHL Group's successful Strategy 2020 – and any future accomplishments – are delivered by DPDHL's employees, which are now 570,000, all over the world. The successful business growth, not at least by realizing e-commerce growth opportunities across the group, has come alongside a continuous increase in the overall number of colleagues working for and earning their living from DPDHL Group.

At the origin of any of our group's achievements are the skills and engagement of all DPDHL employees. We therefore invest employee and management time as well as significant budget in training programs, notably our internally-run Certified Program.

Furthermore, measuring anonymous but relevant employee feedback is at the core of our management and steering processes. To that purpose, a dedicated Employee Opinion Survey (EOS) is run every year in autumn across DPDHL Group, with part of management's bonus linked to the results. The core KPI measures "Employee Engagement" and the 2013-2019-2020 progression shows how the continued performance improvement – for our customers and investors – is based on a continuously rising engagement by the increasing number of DPDHL colleagues across the globe.

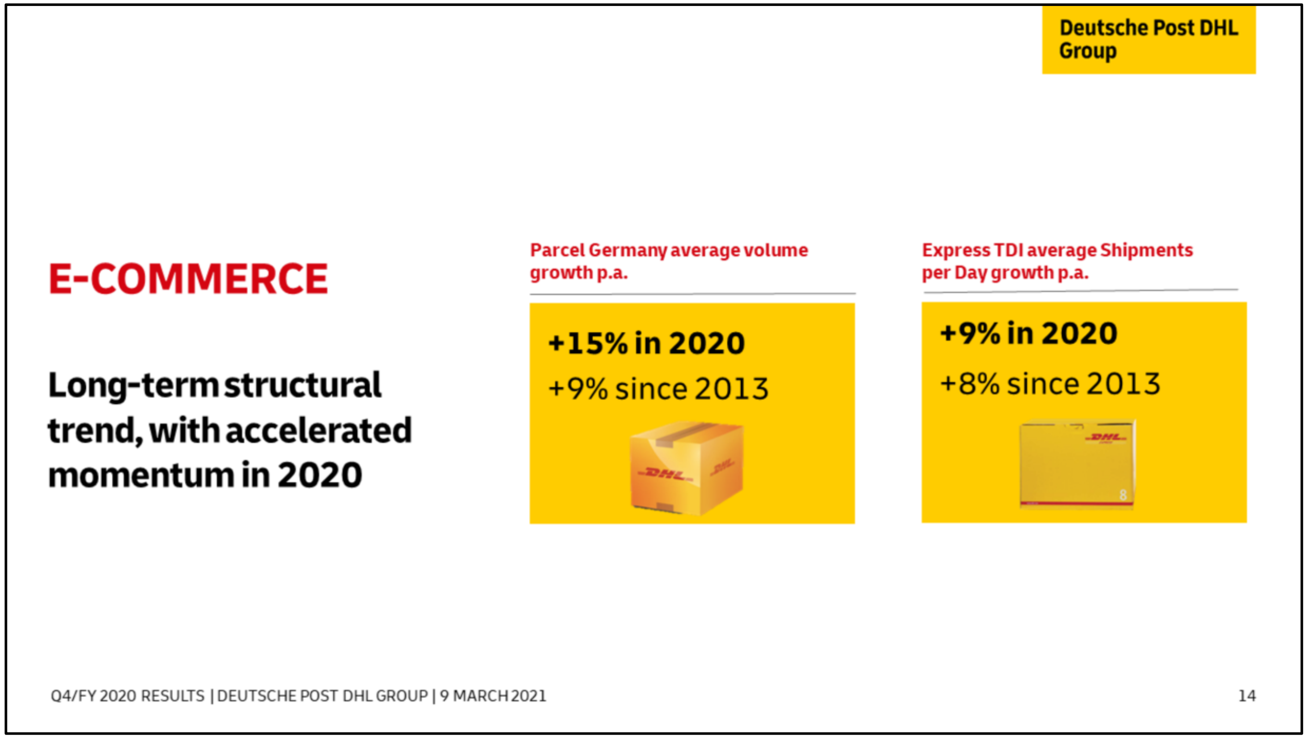


Management Comments:
DPDHL Group is part of customers' supply chains and thereby very much at the core of our customers' operations and the relations with their customers and suppliers. Given this critical role, we receive direct feedback from our customers daily across all operations and countries.

To make this feedback useful for short-term improvements, new business wins and longer-term strategic decisions, customer feedback is measured by a method called Net Promoter Score in the DHL Express, DHL Forwarding, Freight, DHL Supply Chain and P&P divisions. Through benchmarked processes, NPS measures customer satisfaction on a scale of -100 to +100.

While different business models and general market circumstances of course also impact these metrics, our aim is to continuously improve our service to customers in order to drive a consistent positive trend in NPS.

Despite – or perhaps even due to the numerous logistical challenges faced in the unusual 2020 circumstances – 2020 NPS were again up across all four divisions, showing that customers have been increasingly satisfied with and valuing our premium DHL services.



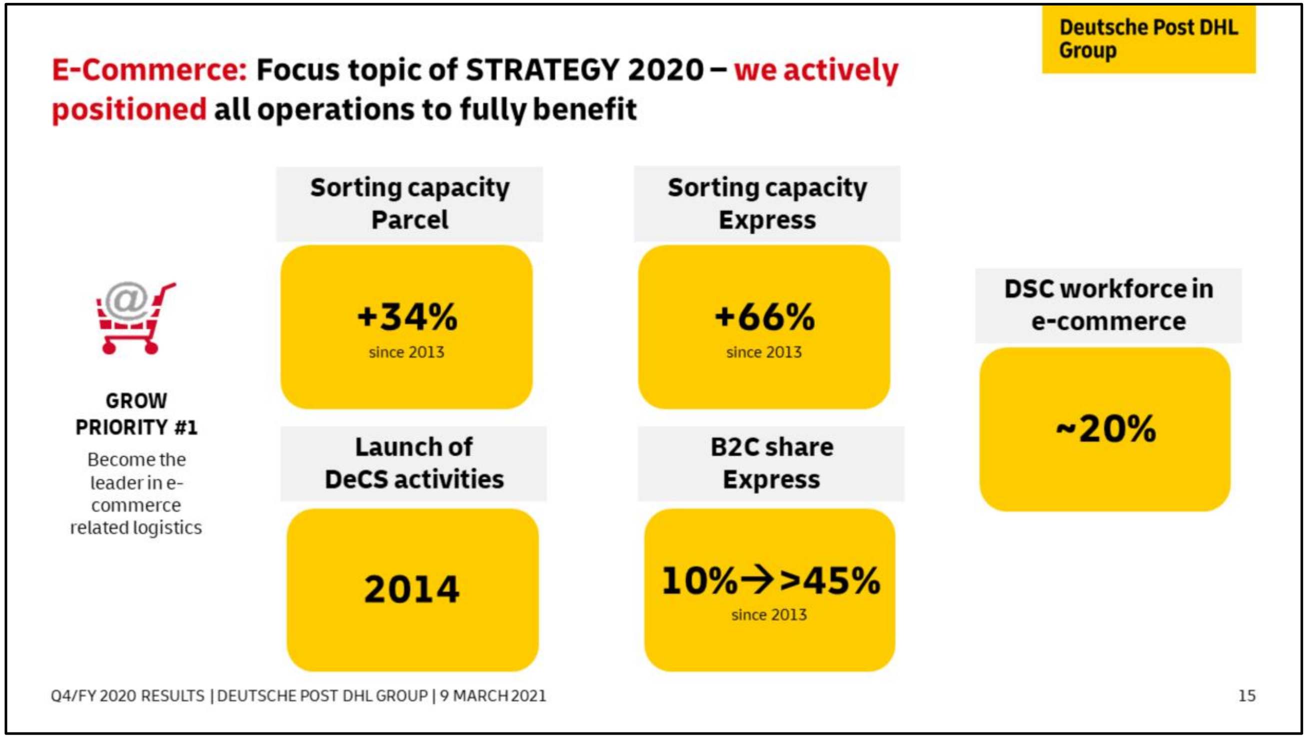
Management comments:
E-commerce was one of the four key structural trends addressed by Strategy 2020. Growth and structural change coming along with it have in the meantime exceeded general expectations, with yet another acceleration in 2020.

German parcel volumes provide a good visualization: Growth has been in the mid- to high-single digit levels continuously since 2013, which is already a very strong trend, and then accelerated to +15% in 2020.

Express volume growth does not look too much different from previous years at the first sight, however the 9% overall TDI growth rate in 2020 includes strong double-digit B2C growth vs declining B2B volumes – in line with general economic trends.

As shown in our outlook (p. 36), we expect e-commerce to remain a strong, structural growth driver with also growth expected in 2021 vs. the elevated 2020 basis.

Despite our strong position, we are constantly enhancing our capabilities to support our customers in their e-commerce journey, like we have done with Strategy 2020.

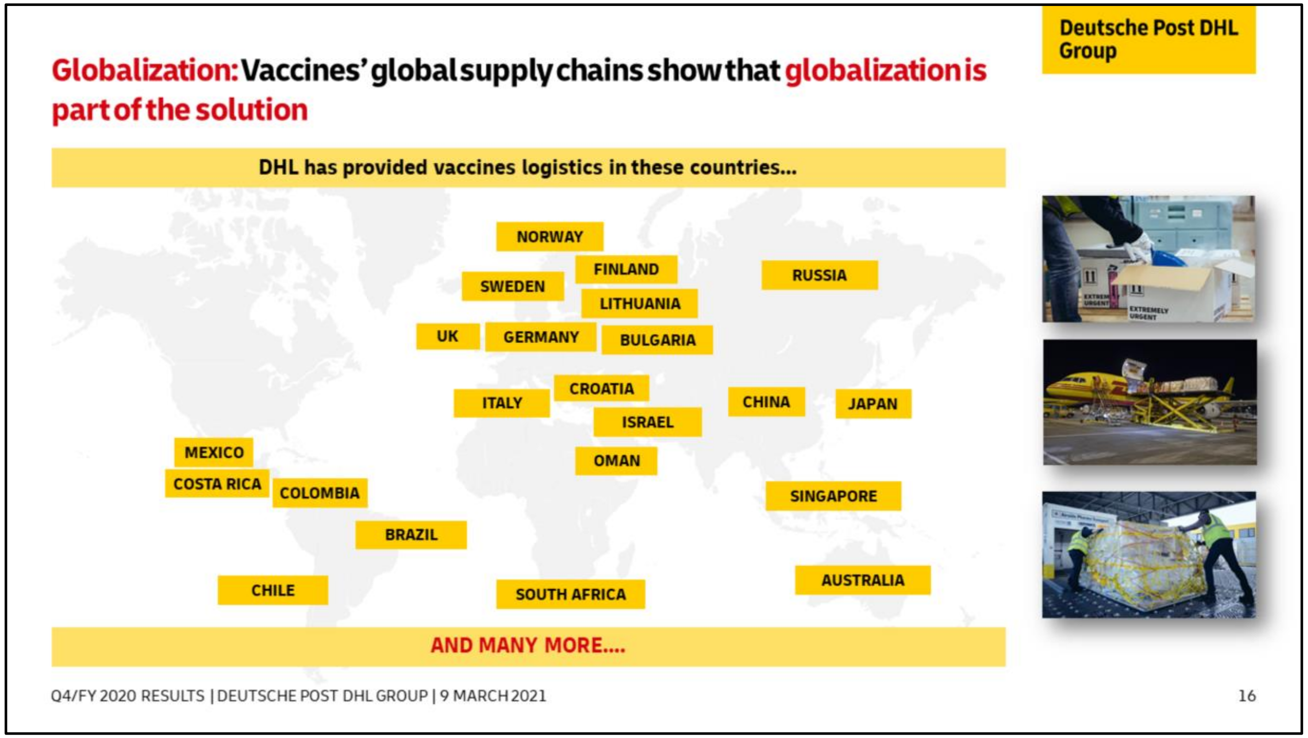


Management comments:

Strategy 2020 has established the ambition for DPDHL Group to become the leader in e-commerce logistics. Thus, while market growth has surpassed expectations, our current strong positions and the financial benefits from the e-commerce boom are also based on our consistent strategic focus as well as our continuous investment and innovation in e-commerce logistics.

As such, we have increased sorting capacity in Parcel Germany and DHL Express significantly over the years to be able to cater for such levels of e-commerce growth in our networks. These investments have come alongside additional benefits from digitalization and efficiency gains.

We have at the same time set course to grasp additional growth opportunities in e-commerce logistics by setting up our international parcel operations which today form the DHL eCommerce Solutions division, actively turning our Express TDI network towards premium e-commerce delivery and making existing and new customers' supply chains ready for e-fulfilment.



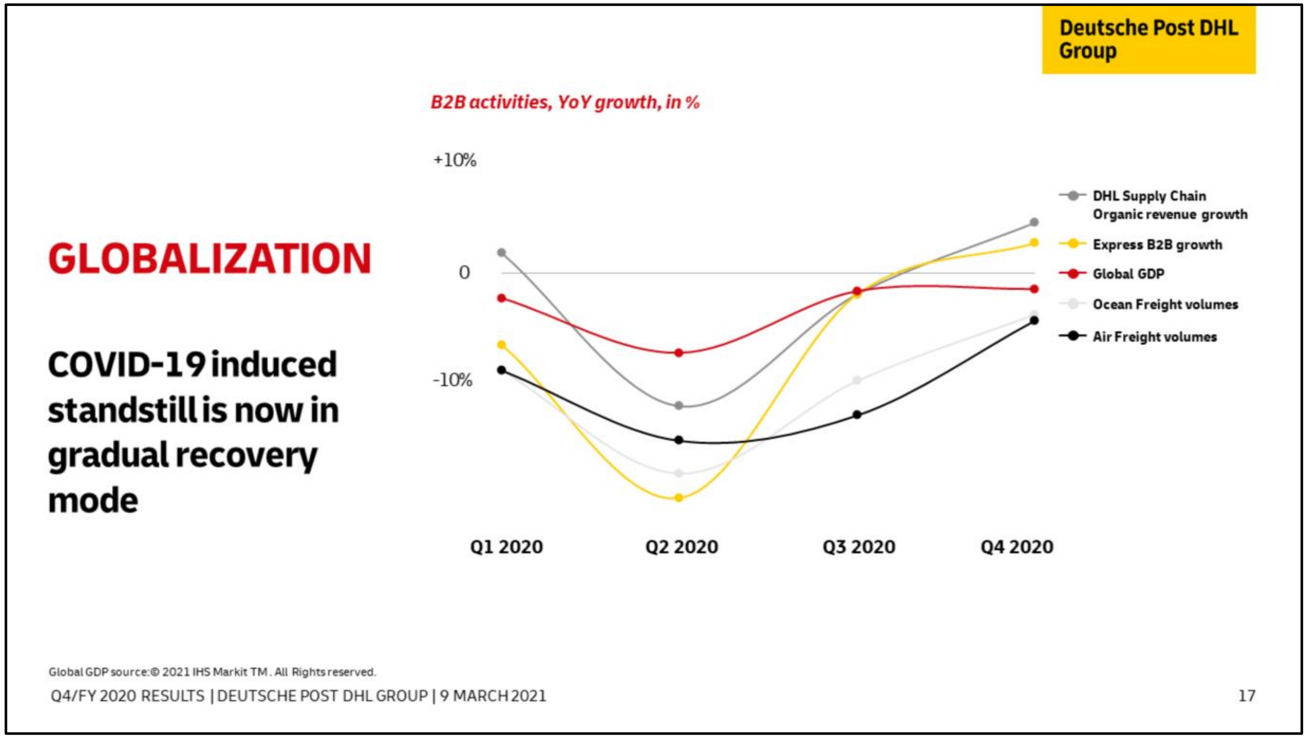
Management comments:
2020 was marked by COVID-19 outbreak around the world. This has shown how integrated supply chains are across regions and how international cooperation and cross-border logistics are part of critical infrastructure. The vaccine delivery is yet another example of how globalization is not the problem but rather the solution.

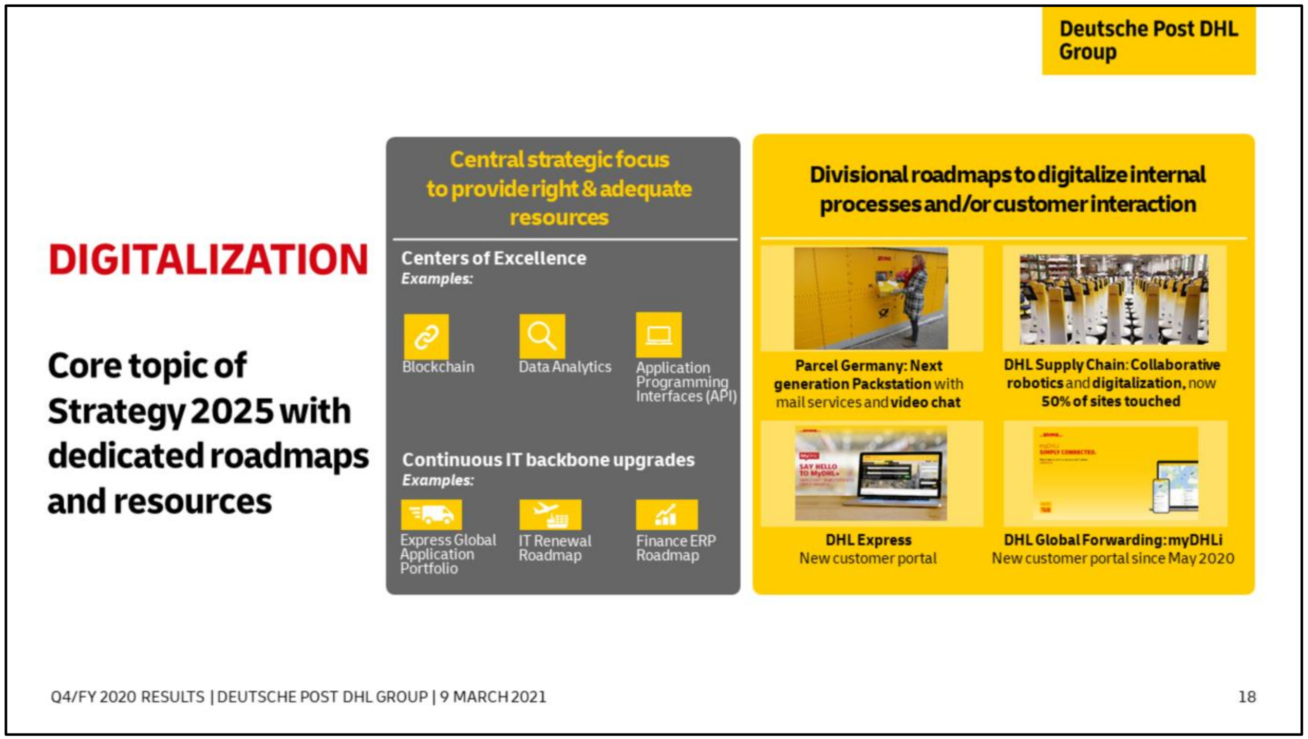
Global trade provides consumers with access to medication, products and innovation. And in an e-commerce world, global trade provides companies with a truly global market. DHL as the global logistics leader provides the connection to make these trades happen, all over the globe.

Management comments:

Global economies saw a sharp fall in economic indicators in Q2 2020. However, this reflects the global pandemic spread and is not a fundamental issue related to globalization.

Quite the contrary, global trade has kept consumption and companies moving during the downturn. Just as well, in the meantime, we see that macro indicators have been pointing upwards, with globalization again being part of the solution as economies restart. As shown in our guidance section (p. 36), based on the 2020 development, we expect to see our 2021 performance benefit significantly from the gradual recovery across all our B2B-related segments shown here.





Management comments:

Digital technologies offer enormous opportunities to reach and interact with customers as well as to improve internal processes. For a large global company like DPDHL Group, the aim of our digitalization strategy is therefore to offer a broad range of technology solutions that fit the needs of our colleagues and customer operations, while at the same time assuring scalability and adequate allocation of resources and skills. That is why as part of Strategy 2025, we have put in place central resources like our Centers of Excellence which drive key technologies and provide related skills to the businesses. Actual implementation of digital solutions is driven by dedicated divisional roadmaps, which allow scalability and ensure the right fit with the practical needs of our employees and customers in their daily logistics activities.

More detailed information on digitalization initiatives, products and solutions can be found in our DPDHL IR Tutorials series:
https://www.dpdhl.com/de/investoren/ir-download-center.html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DPDHL GROUP IS A DIFFERENT, BETTER COMPANY THAN BEFORE STRATEGY 2015/2020
CONNECTING PEOPLE. IMPROVING LIVES.
BETTER MIX, HIGHER RETURNS, STRONGER CASH FLOW & BEST TEAM EVER
CONSISTENT, SUSTAINABLE STRATEGIC AGENDA ALONG ALL METRICS
LEADING TO RECORD FINANCIALS AND SHAREHOLDER RETURNS
Q4/FY 2020 RESULTS | DEUTSCHE POST DHL GROUP | 9 MARCH 2021
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02 **2020 Key Financials**

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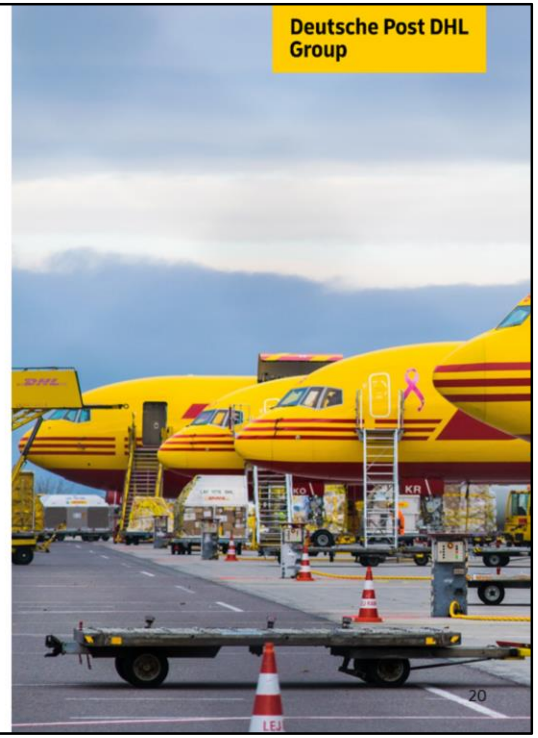
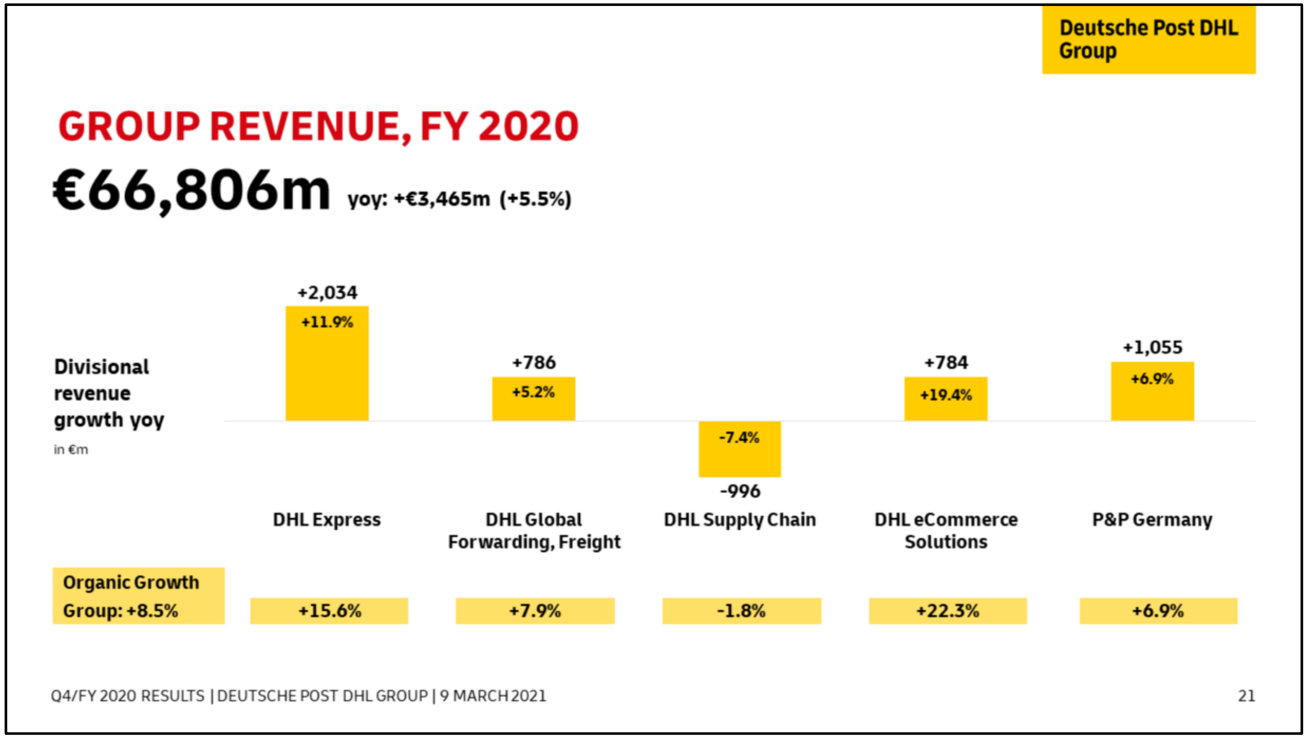


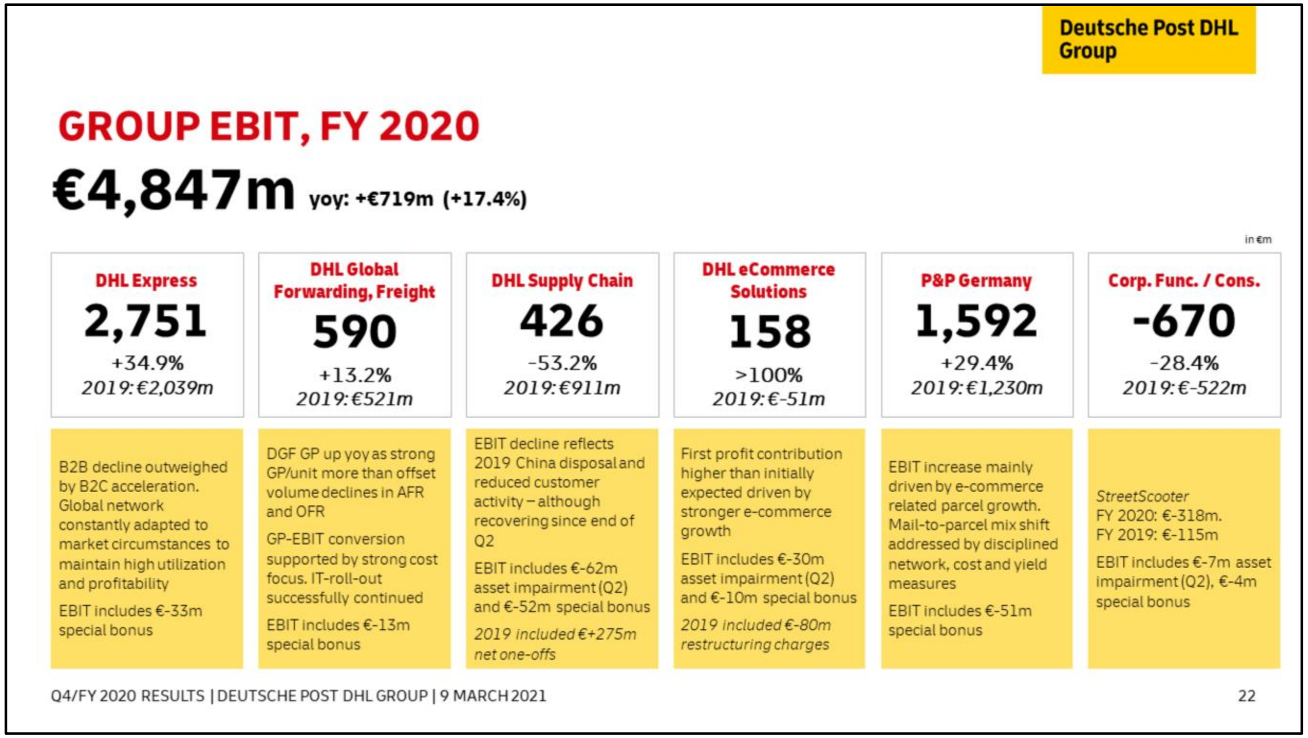


Management comments:
2020 has been marked by a strong disconnection of B2B vs B2C trends.

B2B volumes saw a strong sudden decline as of second half of March 2020 – in line with general economic development. This became especially visible in DHL Supply Chain with temporary site closures.

B2C activities, on the other hand, increased strongly across all divisions driven by an acceleration of the e-commerce trend which continues until today.

B2B business started to recover in Q3 2020. Coupled with B2C strength, this drove full-year revenue up yoy in four of our five divisions, with group organic growth of 8.5%. As the economic recovery takes hold, we see benefits continuing for all B2B segments, also into 2021. Organic revenue in DHL Supply Chain was back to growth in Q4 (+5% yoy), while Group organic growth accelerated to 17.6% in Q4.



Management comments:

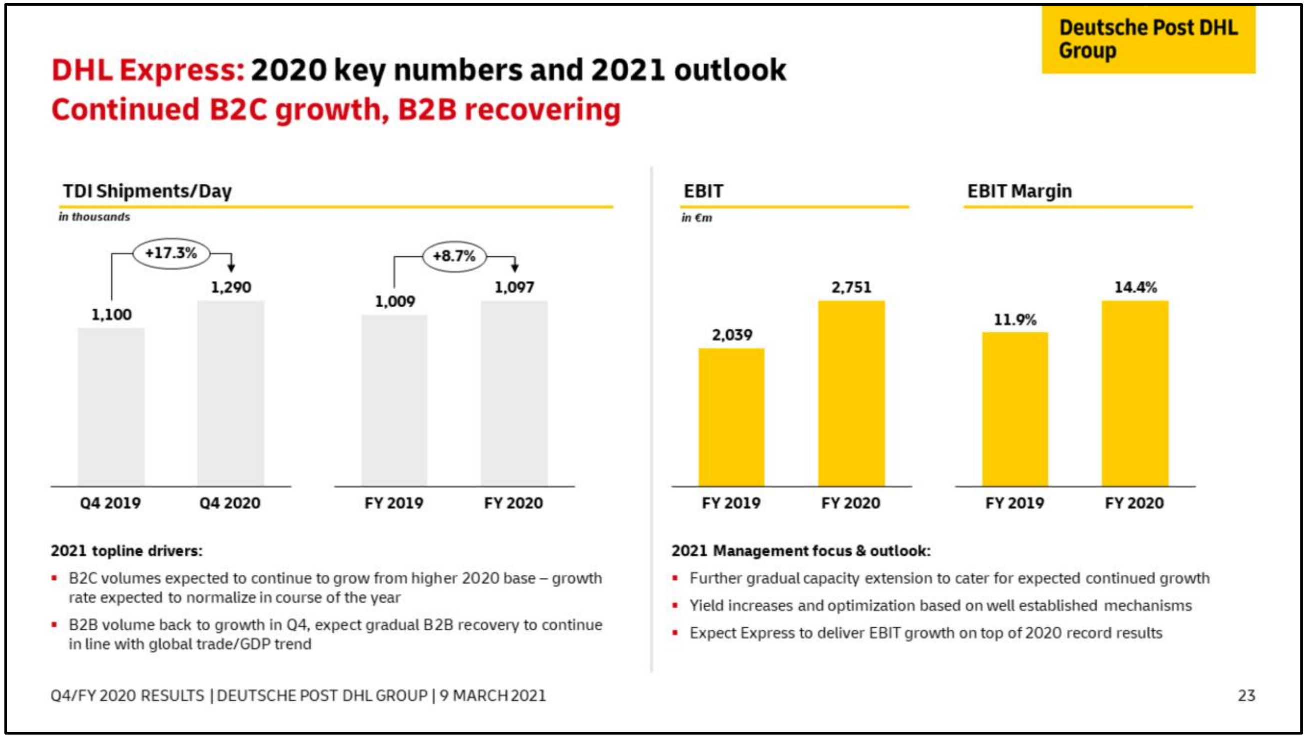
Group EBIT increased by +17% yoy and +34% if excluding 2019 and 2020 one-offs (see p. 28). This strong performance was mainly the result of strong e-commerce growth and recovering B2B activities since Q3.

DHL Express achieved a record EBIT margin of 14.4% in FY 2020 (see next page).

DHL eCommerce Solutions posted its first positive EBIT contribution, taking full benefit of the acceleration in e-commerce growth.

P&P Germany EBIT margin has fully recovered based on the restructuring measures started in 2018 and is now back to 10%.

Economic circumstances had an impact on B2B volumes. DHL Global Forwarding, Freight was able to offset the effect with higher GP/unit. DHL Supply Chain successfully minimized the profit headwind by stringent cost management. Improved B2B volume trends and e-fulfilment growth contributed to improvements in H2.



Management comments:

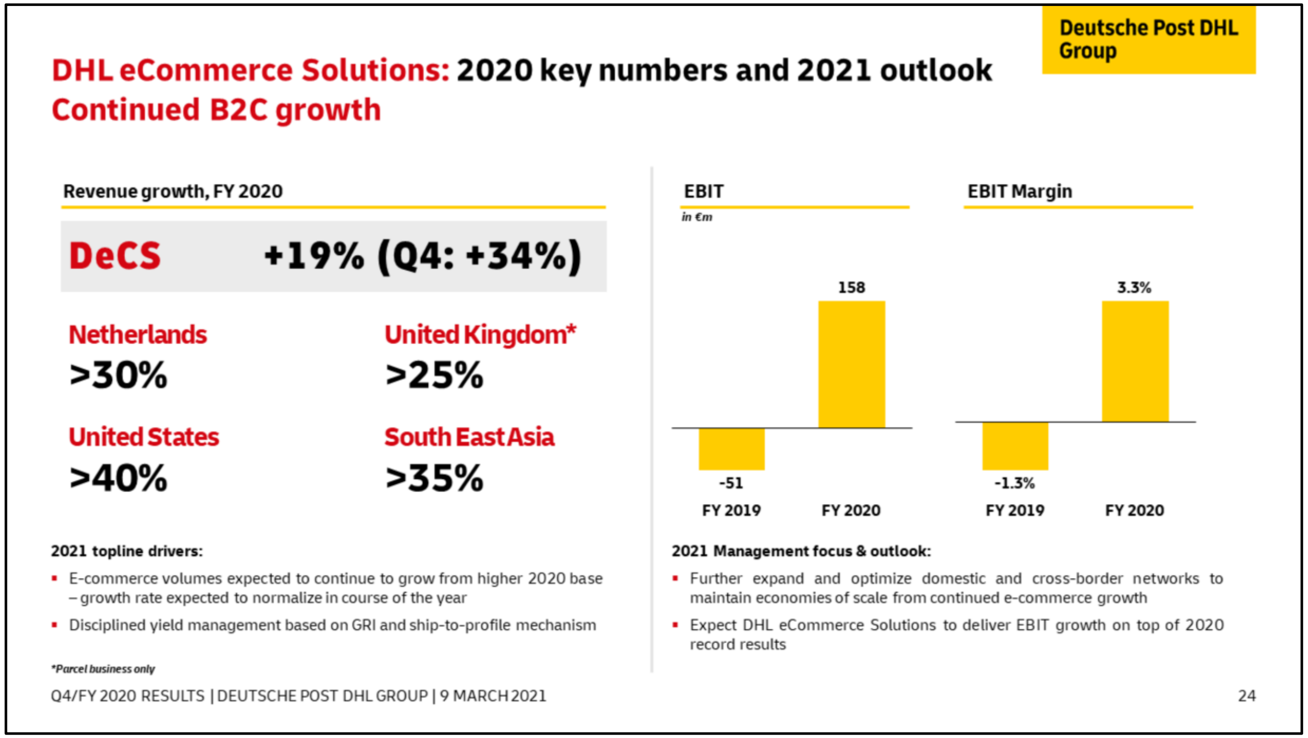
Strong TDI volume growth was driven by accelerated e-commerce activities as well as recovering B2B businesses in the second half of the year.

This drove operating leverage which together with disciplined yield management as well as a flexible network setup led to an EBIT increase of 35% and record EBIT margin of 14.4% in FY 2020.

Operational conditions were very volatile throughout the year, but DHL Express was able to maintain high service levels with its premium TDI product.

Going forward, we expect B2C volume growth rate to normalize in the course of the year, starting from the higher 2020 base. At the same time, B2B volumes should continue to recover and follow global economic activity.

Overall, volume and yield growth is expected to lead to Express EBIT growth in 2021 and beyond.

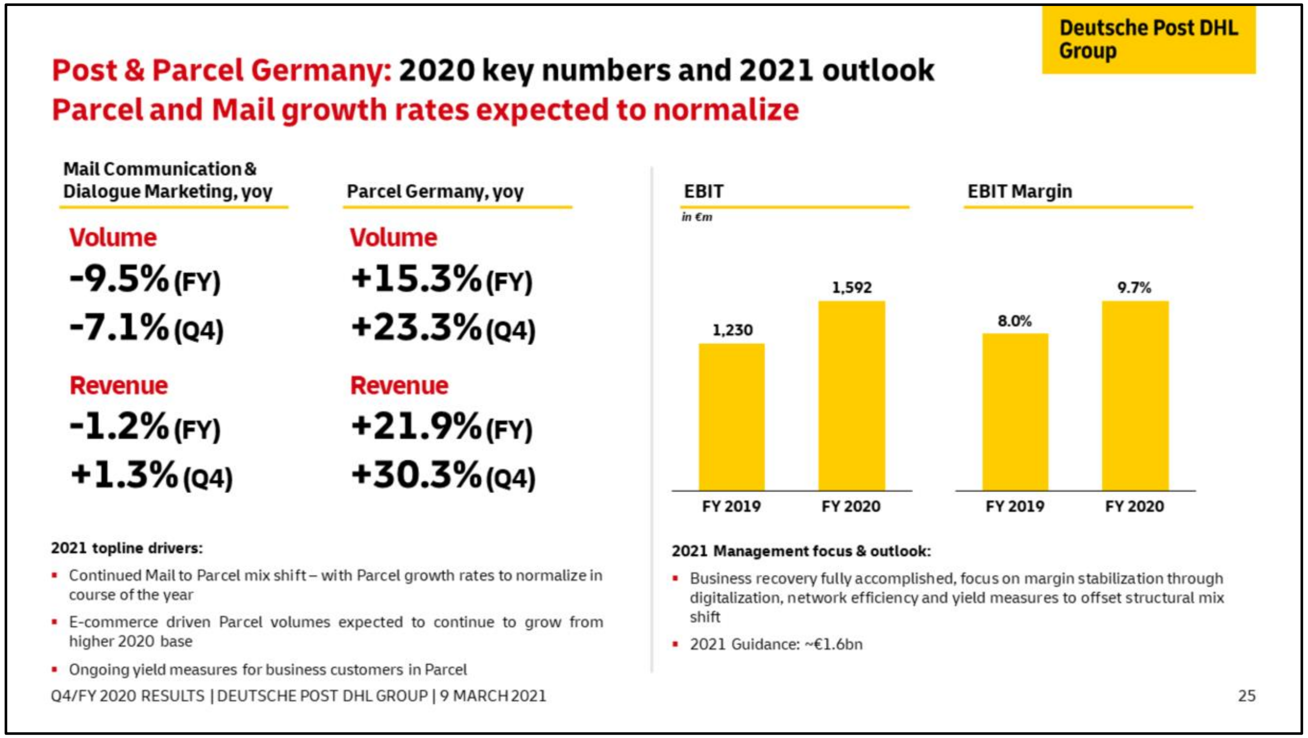


Management comments:

We put strategic focus on developing parcel activities outside Germany since 2014 in order to address structural e-commerce growth in foreign domestic and deferred cross-border markets. In 2019, we established DeCS as a stand-alone division.

The e-commerce trend accelerated strongly in 2020, leading to strong volume growth in our networks supported by yield management. This enabled the expected first positive profit contribution in 2020 to be already quite significant with €158m EBIT and a 3.3% EBIT margin, thus exceeding our initial expectations of €50-100m.

We expect volumes to continue to grow from this higher base, the growth rate to normalize in 2021 and hence, further EBIT growth in 2021 and beyond.



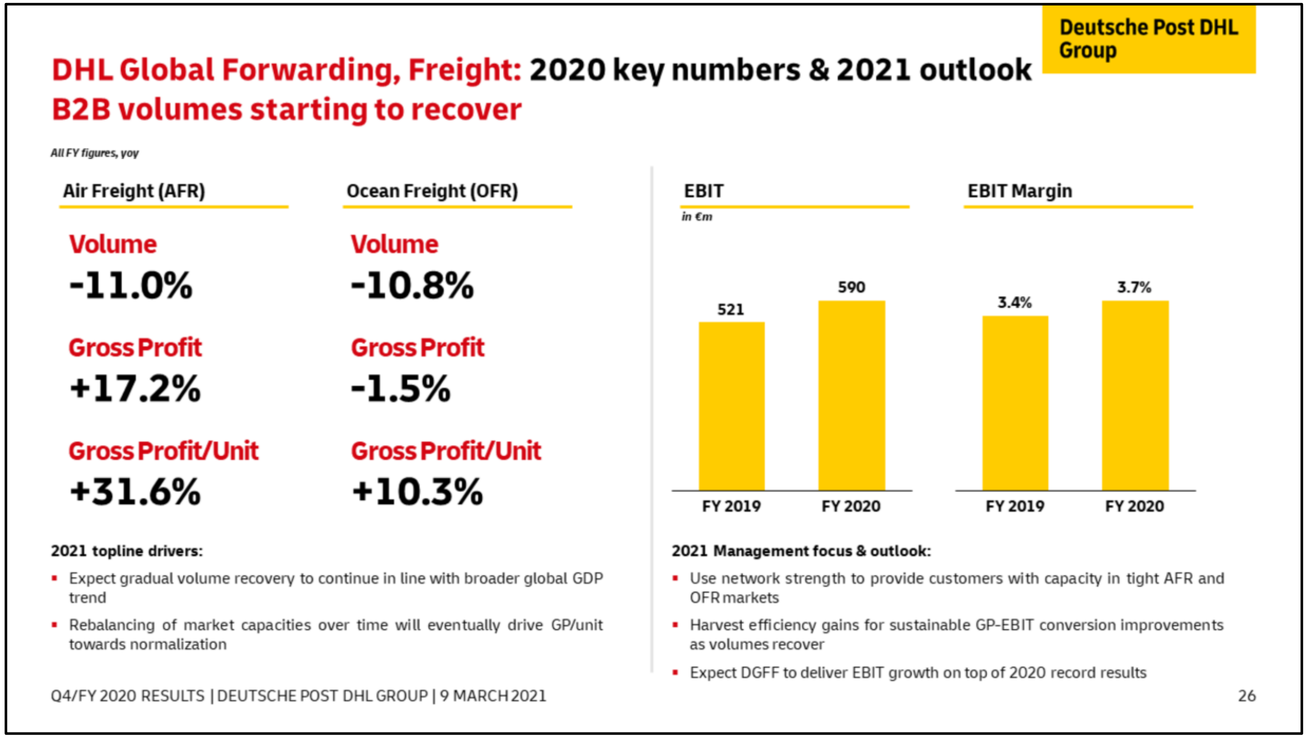
Management comments:
B2C parcel volumes increased strongly in 2020 driven by an accelerated e-commerce trend since April 2020.

Disciplined yield management and positive product mix led to Parcel revenue growing significantly stronger than volume.

On the contrary, mail volumes, especially Dialogue Marketing, suffered in 2020 due to lower economic activity. While improving slightly from the April trough, mail volume decline remained below usual trend in Q4.

EBIT margin fully recovered to 10% after restructuring measures on indirect costs, operational efficiency and parcel pricing launched in 2018 were executed successfully.

We expect the rate of parcel volume growth to normalise in the course of the year. Thus, the structural mix shift will continue with mail further diluted in the mix and e-commerce to remain a growth driver for Parcels, also from the higher 2020 base.



Management comments:
2020 was a very unusual year for air freight where the volume decline was overcompensated by a strong increase in freight rates as a result of capacity shortage, which led to a significantly better GP per unit.

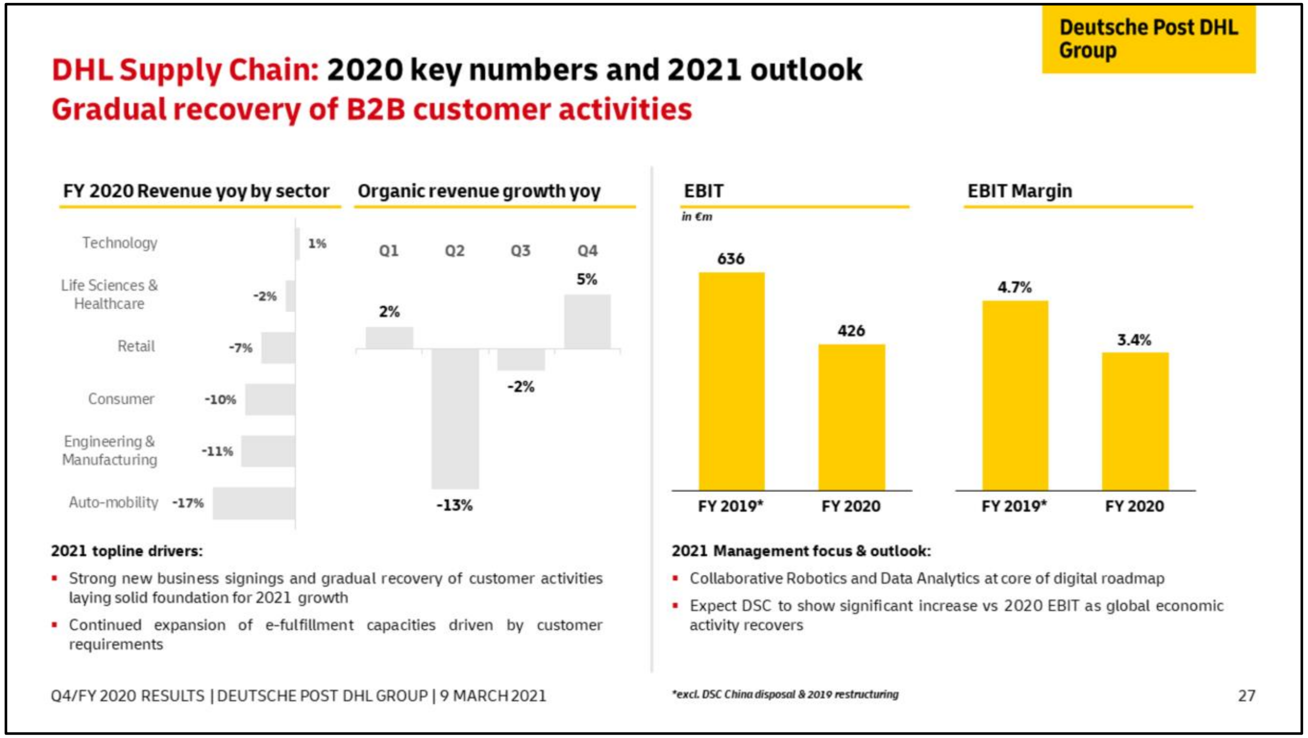
Towards the end of the year, ocean freight was subject to equipment shortages and port congestion – leading to increased freight rates.

Therefore, overall GP in DGFF was up yoy despite the subdued volume development. DGF GP to EBIT conversion reached historical highs at 19.8% in FY 2020 (FY 2019: 16.6%). However, the unusual market circumstances had significant positive (rates) and negative (volume) effects on this metric.

Internal measures continued to be implemented at pace in 2020. We have completed the CargoWise1 implementation in ocean freight and >80% in air freight.

We expect freight rates to normalise eventually as the markets will balance out over a longer timeframe. Volume trends have started improving in line with global economic activity.

Supported by internal efficiency measures, we therefore expect further EBIT growth in 2021 and beyond even if GP per unit will normalize over time as gradual capacity increases balance out the 2020 gaps.

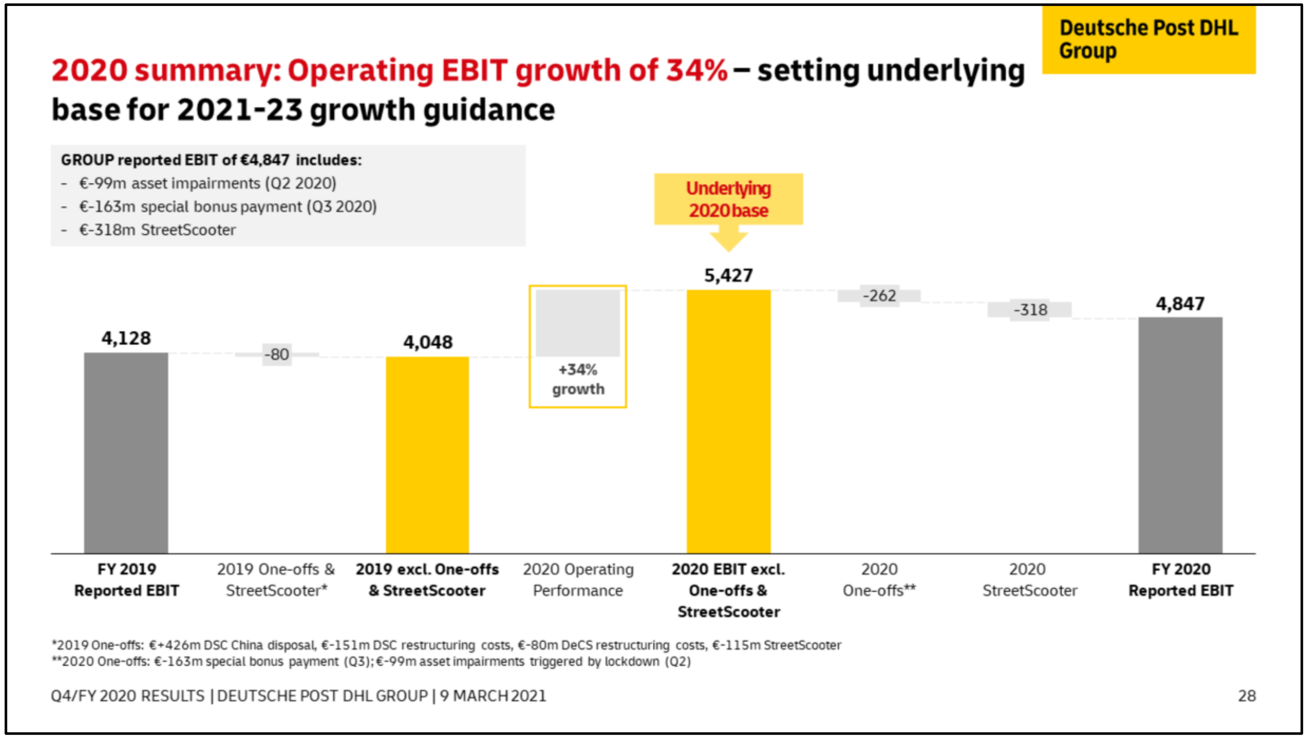


Management comments:

DHL Supply Chain was most negatively affected by lower economic growth in 2020 as the business model is most directly linked to activity levels of individual customers. EBIT headwinds were minimized in 2020 by stringent cost management.

In line with the general economic recovery, activity levels have started improving in Q3 and organic revenue was back to growth in Q4.

Based on the 2020 base effect, strong new business signings and the unfolding global economic recovery, we are confident to achieve a significant EBIT increase in 2021 and continued growth beyond.



Management comments:
Operating performance improved by +34% excluding the one-offs in 2019 and 2020 as a result of strong B2C growth throughout the year and emerging recovery in B2B activities in the second half of the year.

In 2020, we paid a special bonus to reward the outstanding efforts of DPDHL colleagues around the world. This led to an EBIT impact of €-163m. Asset impairments for a total of €-99m were triggered by the lockdown circumstances in Q2. The decision to discontinue production lead to a StreetScooter EBIT effect of €-318m in 2020.

As the above mentioned effects will not repeat in 2021, we expect Group EBIT to grow in 2021 to >€5.6bn from an underlying basis of €5.4bn in 2020.

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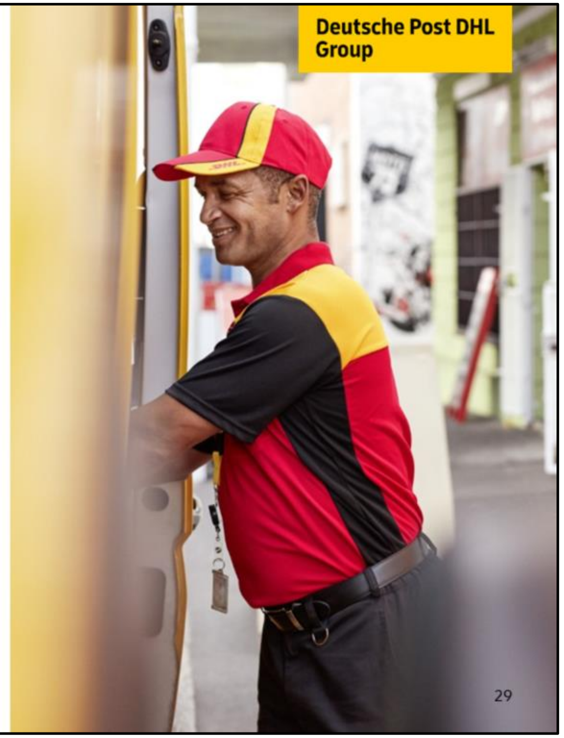
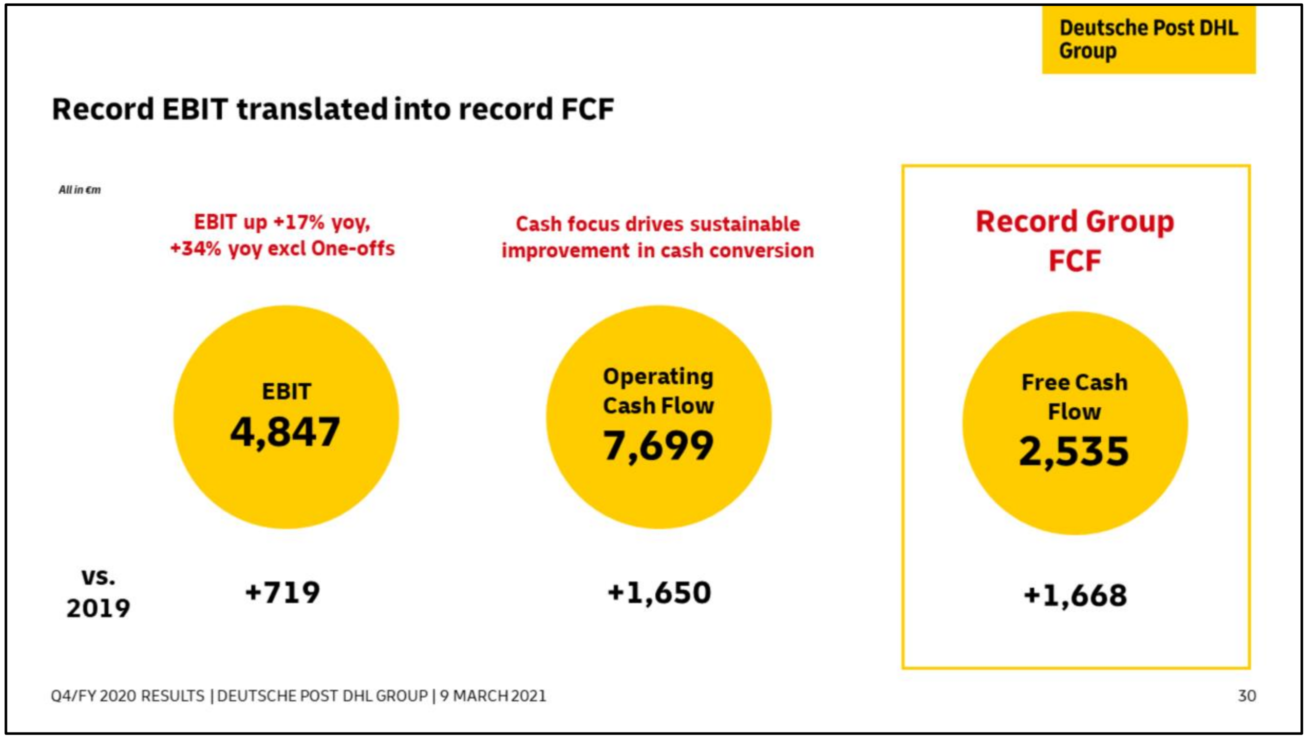




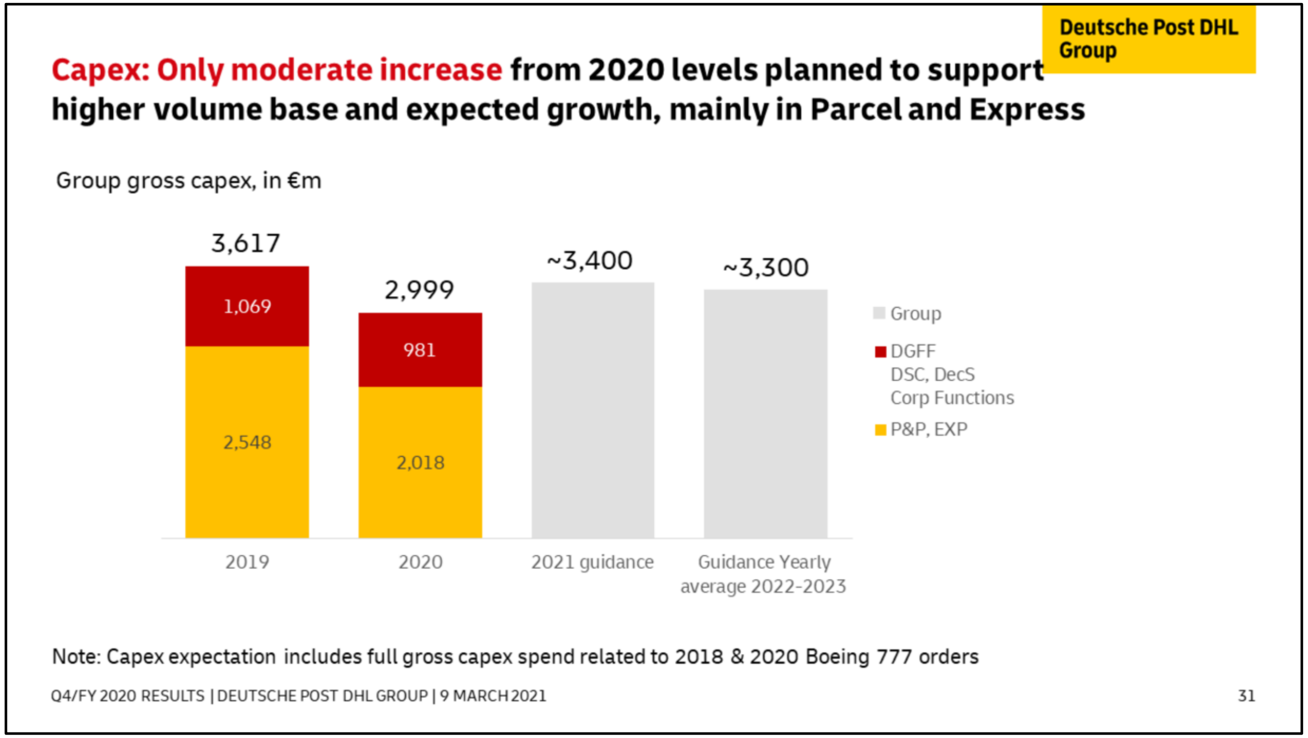
Management comments:

Record Group EBIT as a result of accelerated e-commerce growth translated into an even better operating cash flow increase. This reflects our strong cash flow focus and the very healthy operating performance. Note that some EBIT one-offs did also not have any cash implications.

In 2019, FCF included significant cash flow effects from the DSC China disposal as well as the peak Capex spending on B777 aircrafts. While impacting the yoy change on individual lines of the Cash Flow Statement, this has not influenced the overall strong FCF increase: 2020 Free Cash Flow would have been up €1.5bn yoy excluding these two factors – so very close to the actual significant reported increase.

Hence, 2020 delivered a sustainable strong cash flow performance, reaching record FCF based on record EBIT. We expect strong FCF generation to continue mainly driven by EBIT growth in 2021 and thereafter, as no unusual significant cash outflows are expected.

This lays the groundwork for the execution of our Finance Policy, see page 4.



Management comments:
While EBIT growth is also the key cash flow growth driver for DPDHL, capex spending is the major cash usage in the free cash flow calculation.

We expect capex to increase only moderately in 2021 versus 2020 and stay around these levels until 2023. The capex need is a result of strong growth in 2020 and in line with our base expectation for further continued growth in the years to come.

Capex includes payments for the Boeing 777 orders of €1.1bn in 2019 and €321m in 2020. Capex guidance until 2023 includes all remaining expected capex on both B777 orders, currently estimated at up to €400m in 2021 and less than €100m in 2022. As different financing approaches will be used for the 777s, some financing will be more resembling leasing constructions, protecting capex and FCF, as payments are made over time.

We have been investing continuously into growth, also during 2020, while at the same time generating an increasing return on this higher capital base, see next page.

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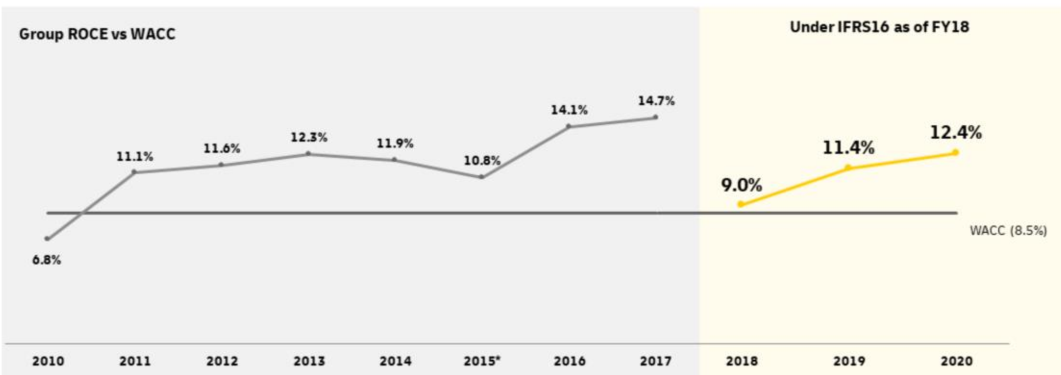
Group ROCE trending further up: returns increasing on higher asset base

Increasing returns under Strategy 2015 / 2020 – positive trend continued after lease accounting rebasement



*2015 EBIT adjusted for NFE-write off

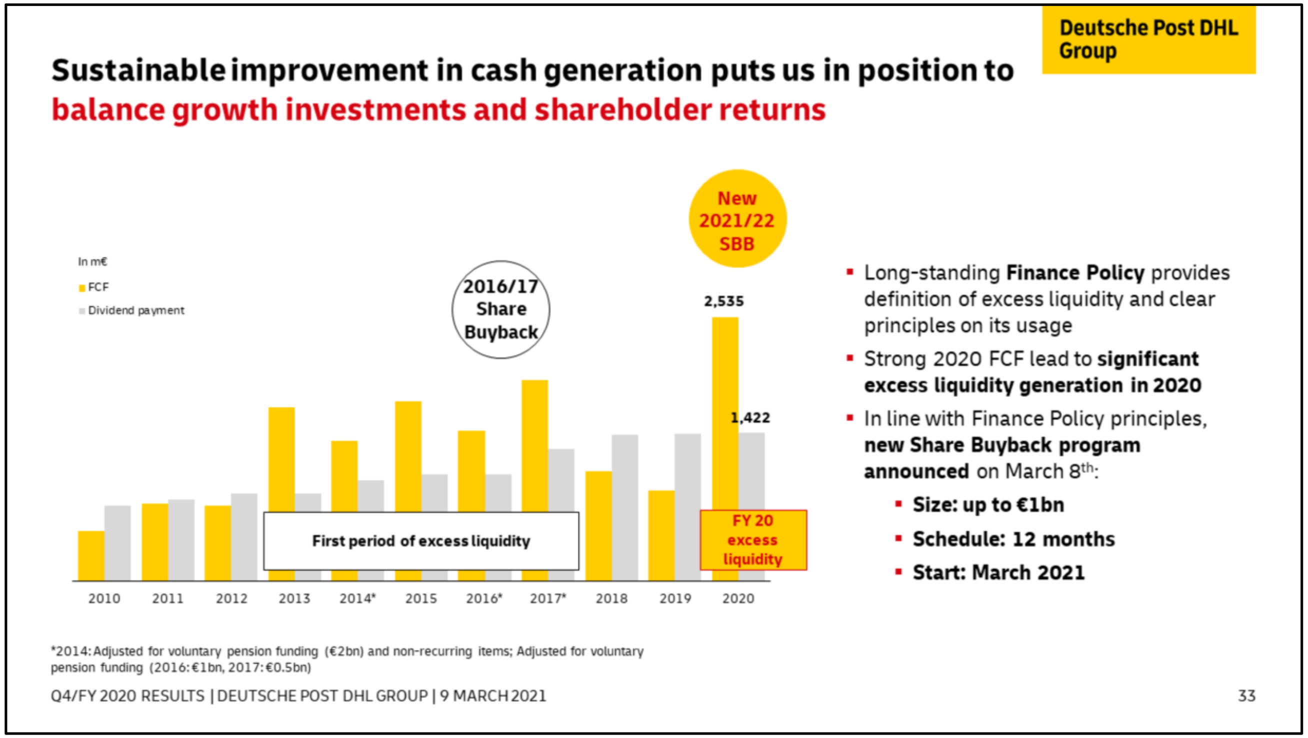
ROCE = EBIT / (Total assets – current liabilities)

Management comments:
We continued investing into growth as depicted on page 31 while at the same time generating an increasing return on this higher capital employed: Group ROCE is on a consistent upward trend.

Note that the ROCE calculation was significantly impacted by the introduction of IFRS 16 in 2018 which increased the Capital Employed by more than €9bn. This amount includes all future liabilities associated to leases under IFRS16 which means that our ROCE calculation already includes in the asset base leasing-related cash-outs that will only occur at a later point in time. Therefore, our ROCE calculation was rebased onto a new, lower level in 2018.

As the graph shows we have been on a consistent upward trend in both accounting sets. This shows that while the asset base itself is increasing, our results generated with these assets even increase at a stronger pace.

Or put simply, we create value for our shareholders by investing continuously into our core business.



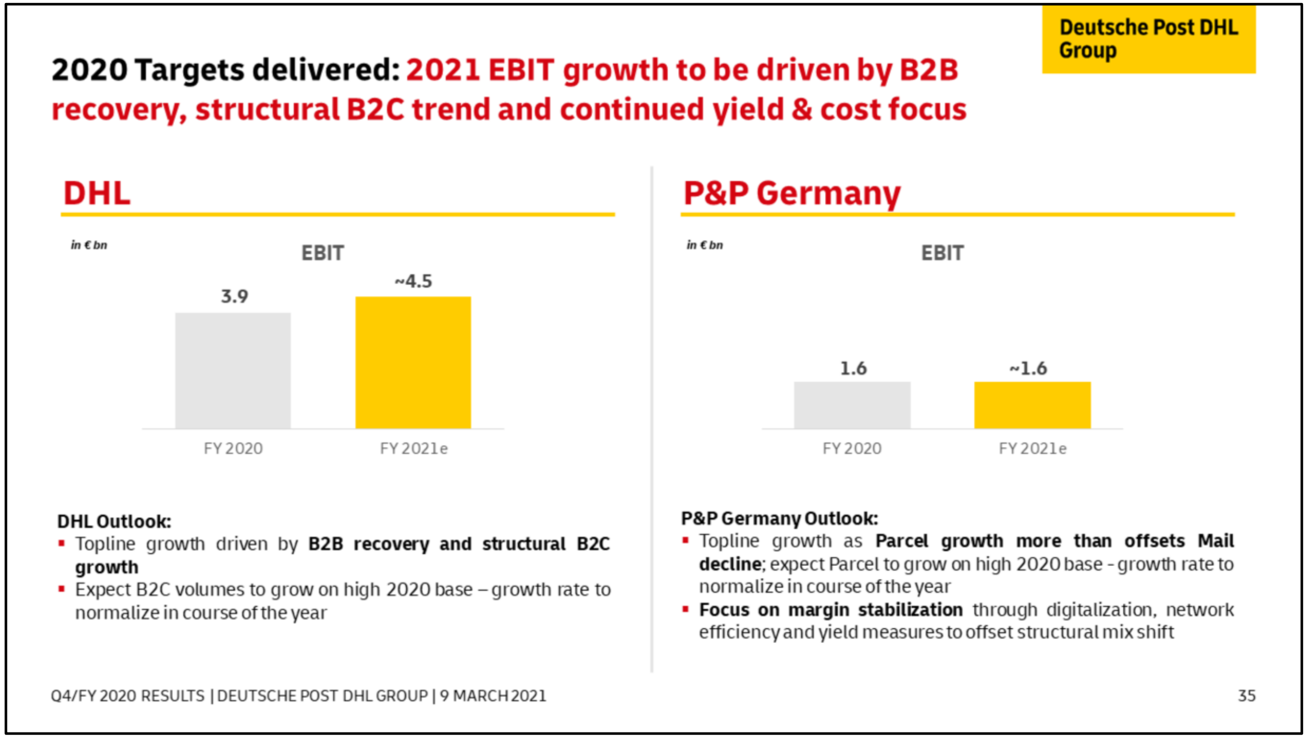
Management comments:
DPDHL cash performance has been significantly marked by high cash-outs for restructuring, mainly related to US Domestic until 2012 – so nearly 10 years ago.

Since 2013, DPDHL FCF has started to exceed the stable or rising dividend payment, leading to the generation of excess liquidity as defined by our Finance Policy (see p. 4). In line with this Finance Policy, DPDHL used this excess liquidity for the company´s first ever Share Buyback program in 2016/17.

After operating issues in P&P in 2018 and the B777-related capex peak in 2019, FCF generation reached new record levels at €2.5bn in 2020, so again generating meaningful excess liquidity. With no unusual significant cash outflows expected going forward, we expect this strong FCF generation to continue and enable sustainable accumulation of excess liquidity also going forward.

In light of the strong 2020 FCF generation as well as our confidence in further sustainable cash generation, we therefore decided to execute upon our Finance Policy principles by returning up to €1bn excess liquidity to our shareholders in form of a 1-year share buyback program, starting in March 2021.

Agenda



Management comments:

2020 has been a very good financial year for DPDHL Group, resulting in record EBIT and Cash Flow. Of course, accelerated B2C growth across our e-commerce logistics activities has been the most important driver for this strong performance. However, we have also seen declines in our B2B volumes at the same time.

Therefore, we expect a normalization of these two trends to occur in 2021: B2C growth rates to stay positive, also against the higher 2020 base, but with more normal, lower growth figures in the course of 2021. In line with the early recovery signs observed in H2 2020, we expect to see stronger growth rates in our B2B volumes in Express, Forwarding and Supply Chain, partly reflecting the low base effects from 2020. While timing on these two trends is very difficult to predict, we expect the developments to be closely related as both will depend on the further development of the pandemic and related lockdown situations.

On that base, we assume further growth in DHL EBIT to ~€4.5bn.

In P&P Germany, we expect a similar pattern for B2C volumes in Parcel. We therefore target a 2021 EBIT of ~€1.6bn, close to the 2020 figure.

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Introduction of 2021 and 2023 guidance

in € bn

EBIT	2021 Guidance
Group	>5.6
DHL	~4.5
P&P Germany	~1.6
Group Functions	~-0.4
Free Cash Flow	~2.3
Gross Capex (excl. leases)	~3.4
Tax Rate	26-28%

	Mid-term Guidance
2023 Group EBIT	>6
Free Cash Flow 2021-2023 cumulative	7.5-8.5
Gross Capex (excl. leases) 2021-2023 cumulative	9.5-10.5

Base assumptions:

- B2C growth normalizing in course of 2021
- Continued and gradual B2B recovery globally

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Management comments:

In line with our directional indications given at the Q4 preliminary release in January, we expect further EBIT growth on top of the strong 2020 base. As introduced with Strategy 2025, our guidance framework provides a detailed outlook for the current year and a mid-term horizon for EBIT as well as FCF generation and related capex expectations, now rolled forward to 2023.

Base assumptions for both horizons is our expectation on how B2C and B2B activity levels should directionally develop in 2021 and beyond: Based on the structural increase in online penetration in 2020, we expect that B2C growth will normalize in course of 2021, meaning that the currently still higher than usual growth rates will move closer towards historic trends, At the same time, we expect the currently developing global B2B recovery to gradually continue.

Timing and shape of these directional movements are of course very difficult to predict. What is however firming up our confidence in our group guidance is the fact that the described trends should be strongly related so that any slower or quicker development of one trend should be mirrored and thereby roughly offset by the other trend.

Capex spending will be steered closely in line with actual observed volume trends, thereby also smoothening potential timing impacts in economic development on FCF. Our cumulative FCF guidance for €7.5-8.5bn confirms that our FCF generation has reached new sustainable levels with the €2.5bn FCF delivered in 2020.


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DPDHL GROUP IS A DIFFERENT, BETTER COMPANY THAN BEFORE STRATEGY 2015/2020
CONNECTING PEOPLE. IMPROVING LIVES.
BETTER MIX, HIGHER RETURNS, STRONGER CASH FLOW & BEST TEAM EVER
CONSISTENT, SUSTAINABLE STRATEGIC AGENDA ALONG ALL METRICS
LEADING TO RECORD FINANCIALS AND SHAREHOLDER RETURNS
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Appendix

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2020 Group P&L

in €m	FY 2019	FY 2020	vs. LY
Revenue	**63,341**	**66,806**	**+5.5%**
EBIT	**4,128**	**4,847**	**+17.4%**
Financial result	-654	-676	-3.4%
Taxes	-698	-995	-42.6%
Consolidated net profit*	**2,623**	**2,979**	**+13.6%**
EPS (in €)	**2.13**	**2.41**	**+13.1%**

*after minority interest

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Q4/FY 2020 Divisional results

in €m	Q4 2020 Revenue	yoy	Q4 2020 EBIT	yoy	FY 2020 Revenue	yoy	FY 2020 EBIT	yoy
Group	**19,116**	**+12.7%**	**1,966**	**+56.3%**	**66,806**	**+5.5%**	**4,847**	**+17.4%**
t/o P&P	4,801	+12.5%	674	+29.1%	16,455	+6.9%	1,592	+29.4%
t/o Express	5,599	+20.6%	1,040	+70.2%	19,135	+11.9%	2,751	+34.9%
t/o DGFF	4,390	+13.9%	172	-0.6%	15,914	+5.2%	590	+13.2%
t/o DSC	3,498	-2.8%	175	-0.6%	12,537	-7.4%	426	-53.2%
t/o DeCS	1,455	+33.9%	75	>100%	4,829	+19.4%	158	>100%

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2020 Group Cash Flow Statement

in €m	FY 2019	FY 2020	vs. LY
EBIT	**4,128**	**4,847**	**+17.4%**
Depreciation/amortization	3,684	3,830	+4.0%
Change in provisions	-506	73	>100%
Income taxes paid	-843	-754	+10.6%
Changes in working capital	4	-404	>-100%
Other	-418	107	>100%
Operating Cash Flow	**6,049**	**7,699**	**+27.3%**
Net capex	-3,474	-2,800	+19.4%
Net cash for leases	-2,278	-2,261	+0.7%
Net M&A	680	-8	>-100%
Net interest	-110	-95	+13.6%
Free Cash Flow	**867**	**2,535**	**>100%**

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Cash Flow Outlook: Overview of major drivers

	2020 (in €m)	2021e (in €bn)	2023e (vs 2021)	Main Drivers 2021 – 2023
EBIT	4,847	**>5.6**	↗	• 2021 EBIT guidance: >€5.6bn • 2023 EBIT guidance: >€6bn
Operating Cash Flow	7,699	**8.0-8.5**	↗	• Increase to be driven mainly by EBIT growth • D&A, working capital and taxes paid expected to trend slightly up in line with business growth • Provisions in line with historical trend, mainly <€-0.2bn for pension • No unusual meaningful other cash-outs expected
Free Cash Flow	2,535	**~2.3**	↗	• Capex guidance, 2021: ~€3.4bn (2020: €3.0bn); 2021-23 cum.: €9.5-10.5bn • FCF guidance, 2021: ~€2.3bn, 2021-23 cum.: €7.5-8.5bn