OPERATING IN A NEW GLOBAL CONTEXT

Frank Appel, CEO Deutsche Post DHL Group
TPM Conference | Long Beach | February 2016
THE WORLD IS A BETTER PLACE
... THANKS TO LOGISTICS.
Longer, healthier lives

- +19 years life expectancy\(^1\)
- -45% maternal mortality\(^2\)
- -50% under-five mortality\(^3\)

1) Since 1960
2) Since 1990
3) Since 1990
Progress in education

90% of children in developing countries attend primary school.

84% of adults have basic literary skills.
BUT THE WORLD IS FACING TREMENDOUS CHALLENGES
Not enough global growth

Global GDP Growth (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Forecast</th>
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</thead>
<tbody>
<tr>
<td>2012</td>
<td>3.9</td>
<td>2.7</td>
</tr>
<tr>
<td>2013</td>
<td>3.4</td>
<td>2.6</td>
</tr>
<tr>
<td>2014</td>
<td>3.4</td>
<td>2.9</td>
</tr>
<tr>
<td>2015</td>
<td>3.5</td>
<td>2.7</td>
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<td>2016</td>
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<td>3.2</td>
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Deutsche Post DHL Group
Local conflicts = Global threats

- Increasing terrorism
- Refugee crisis
- Maritime piracy
Fear of increasing inequality

- The income gap is widening
- New job creation stagnating
- Low-skilled jobs endangered by change
HUGE OPPORTUNITIES ON THE HORIZON
Some 50bn connected devices by 2020

Decentralized, modular, flexible smart factories

New collaboration models with increased customer centricity
Services 2.0

- Less complexity
- More productivity
- New business models
- Maritime industry behind trend
Free trade

» Boosting cross-border trade benefits all layers of society

» Tariffs no longer the main obstacle to trade

» Need for harmonized standards and free data flows
DHL TREND RESEARCH: INSIGHT TODAY, VALUE TOMORROW
New trends in logistics

- Internet of things
- Booming e-commerce
- Automation & Big Data
- Augmented reality
- Self-driving vehicles
HOW DOES DHL MEET NEW DEMANDS?
Service-driven responses

International Supply Chain

- Fully integrated end-to-end global supply chain solutions
- Linking multiple suppliers from different sourcing locations to various destination markets
Data-driven responses

DHL Resilience 360

- Cloud logistics
- Risk assessment
- Incident monitoring
Technology-driven responses

DHL Parcelcopter

- A groundbreaking innovation
- Fully automated loading and unloading
- Specially developed Packstation
People-driven responses

Certified Specialists

- Engaged, empowered employees
- Cultural change
- >80% of all employees certified by 2020
Coping with the new global context

- Short-term flexibility
- Long-term compass
- Continuous improvement
- Culture of innovation & change
Our aspiration: The logistics company for the world

We are the most global.

We are the quality leader.

We are most customer-centric.
STRATEGY 2020
PASSIONATE FREIGHT FORWARDERS SINCE 1815.
THE WORLD IS A GREAT PLACE.
WE CAN MAKE IT EVEN BETTER.