

GLS Business Update

16th of November 2023



Good results in line with expectations



- GLS performing well despite challenging economic environment
- Robust volume growth driven by higher 2C & cross-border volumes
- Revenue growth impacted by lower fuel surcharges and decline in freight revenues
- Operating profit below prior year due to inflationary effects, investment into strategic initiatives, Out-Of-Home, and working day effects

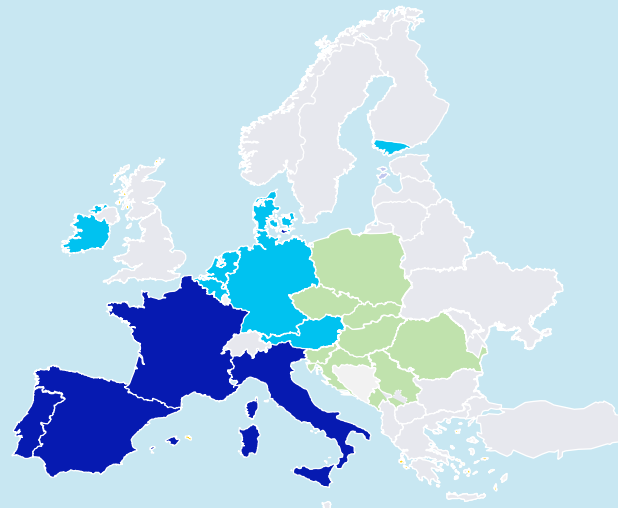
Current year performance (€m)	H1 2023-24	H1 2022-23	Change 2023-24 vs 2022-23
Parcels millions	433	410	6%
Revenue €m	2,694	2,587	4.1%
Adjusted operating profit ¹ €m	173	191	(9.4%)
Margin %	6.4%	7.4%	(100)bps

¹ Adjusted operating profit excludes specific items

Robust performance across Europe in tough market conditions

Southern Europe: strong growth

- Volume and revenue growth above market trends
- Good performance in Italy driven by growth in 2C and cross-border volumes. Profit above prior year
- Double-digit volume growth in Iberia. Transition to new Madrid hub delivering needed capacity
- Continued volume and revenue growth in France despite weak economic conditions



■ GLS Southern Europe
■ GLS Western Europe
■ GLS Eastern Europe

Western Europe: overall resilient performance

- Robust development in Germany despite challenges from higher minimum wage and pressure on volumes
- BeNeLux – pressure on margin due to freight segment and cost inflation
- Q2 trends indicate that economic conditions are becoming more challenging in Western Europe

Eastern Europe: high inflation mitigating growth

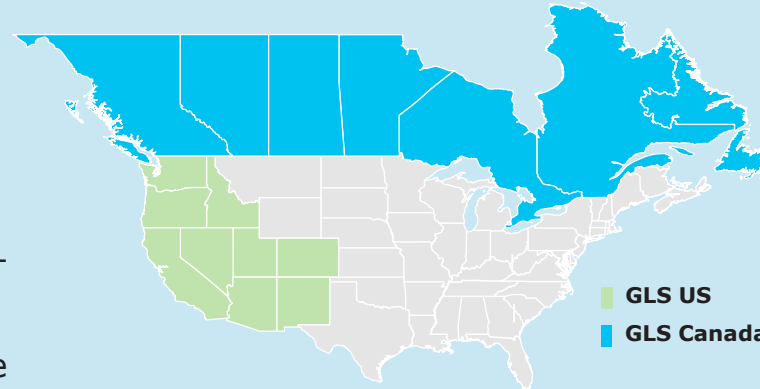
- Revenue growth in all markets despite headwinds
- Profit lower PY due to inflationary impact on cost and strategic investments
- Delivering on strategic initiatives
 - OOH network expansion accelerating with more than 4.5K points added in H1, including 1.7K lockers
 - Serbia greenfield market entry ahead of plan

US delivering on recovery plan, resilient performance in Canada



US: building its recovery momentum

- US turnaround progressing in difficult market environment
- Above market volume growth driven by higher B2C
- Losses narrowed compared with H2 2022-23 run rate
- Cost mitigation measures yielding positive results, despite some downward pressure on prices



Canada: Stable business delivering high margins

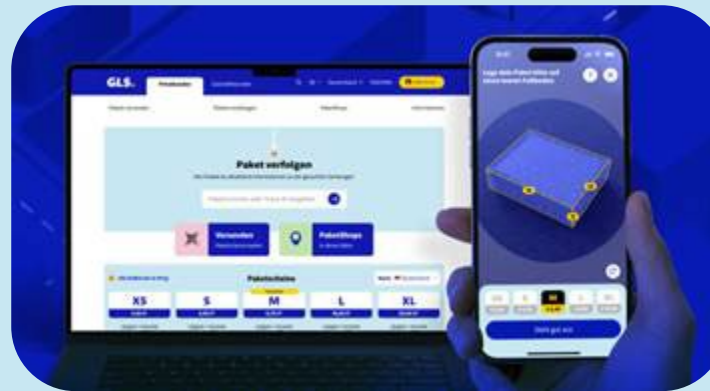
- Continues to deliver high margins, while normalising compared with exceptional performance in 2022-23
- Freight segment (B2B focused) more adversely impacted by weak economic environment
- Performing well despite market headwinds
- Rosenau integration plan progressing positively

Delivering on our strategic priorities to strengthen our business and drive growth



Upgrading network to drive productivity and growth

- Madrid hub operational and ramping up for peak, processing more than 330K parcels daily
- New Paris and Berlin hubs remain on course to open FY 2024-25
- Investing in new automated depots in Copenhagen



Transforming the last mile

- Global OOH network expanded 11% in H1 driven by a 39% expansion in lockers
- Continuing to launch new, innovative digital solutions along entire customer journey
- Building a more sustainable delivery network



Growing our international business & network

- Capitalising on GLS's broad international network, growing export volumes by 7%
- Strengthening GLS's top position in the cross border deferred parcel segment
- Greenfield market entry in Serbia ahead of plan

Continued focus on performance and strategic priorities to deliver profitable growth



Strong core business

- Reputable brand, quality services and a broad international solution
- A loyal customer base and a healthy mix between B2C and B2B

Investing in innovation

- Upgrading our network through investment in productivity and automation
- Developing our business through OOH expansion, a sustainable last mile and a seamless digital customer experience

Delivering reliable performance

- Flexible business model and cost discipline keep us on track in challenging times
- Continuing to generate profitable growth