

RAIL FREIGHT MARKET UPDATE

DHL GLOBAL FORWARDING

02 November 2022



Agenda

1. Welcome & Introduction
2. Rail Market situation : Staying on track... green, fast and reliable
3. Outlook : Sharpen the focus to serve sustainable solutions
4. Q&A & Wrap up



Introducing our speakers...



Thomas Kowitzki
Global Head of Chinarail,
DHL Global Forwarding



Luca Chio
Regional Head of Business Customers
and Sales Operation,
DHL Global Forwarding

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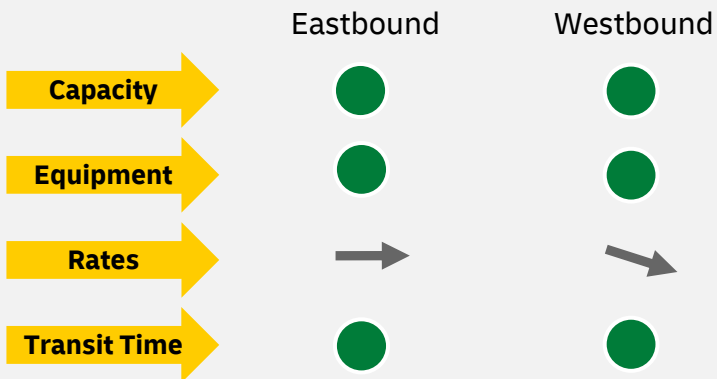
Rail connections running stable between Asia and Europe

Overview of the current market

- Geopolitical challenges
- Sudden local lockdowns
- Increasing energy costs
- Port congestions
- Inflation
- Need for sustainability
- Economic growth slow down
- Freight cost recovery

Remaining volatility and complexity in logistics

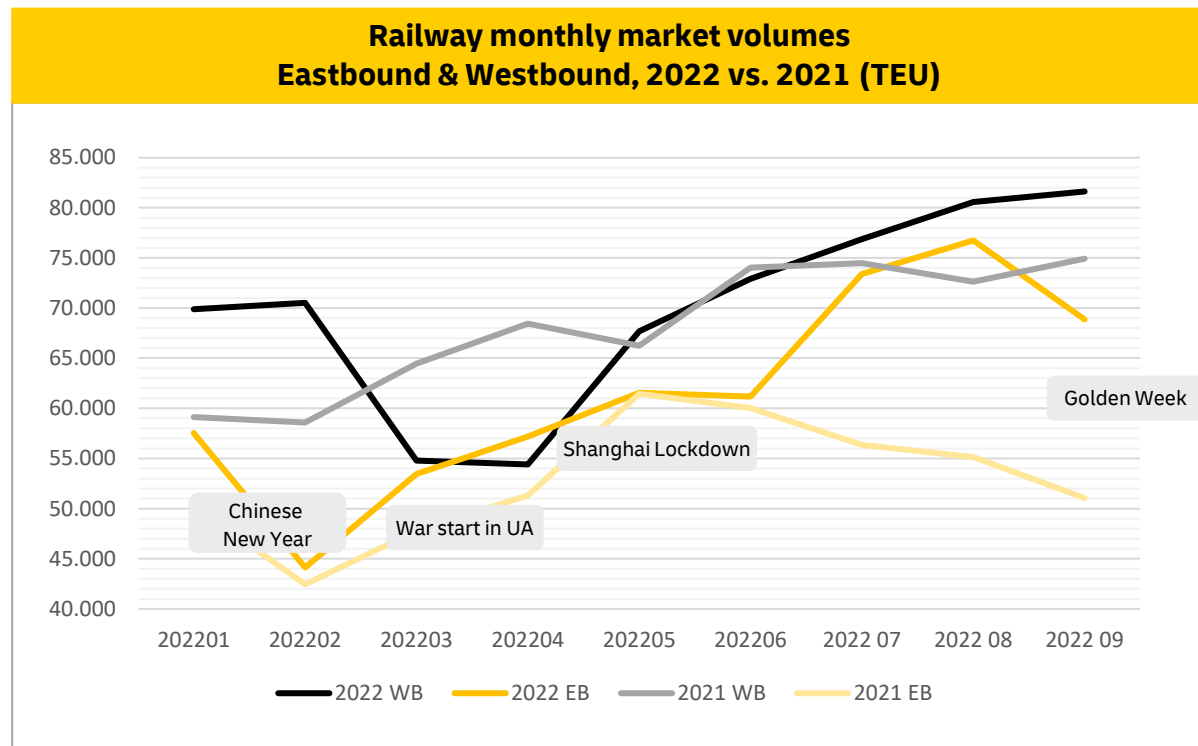
Rail market



- ✓ Capacity and speed back on track
- ✓ Continuously attractive alternative

China Rail is sustainable, fast and secure

China Rail volumes overall YTD 2022 on 2021 levels with improvement in transit time performance on Northern/Western corridor



Overall International rail freight market growth despite conflict:

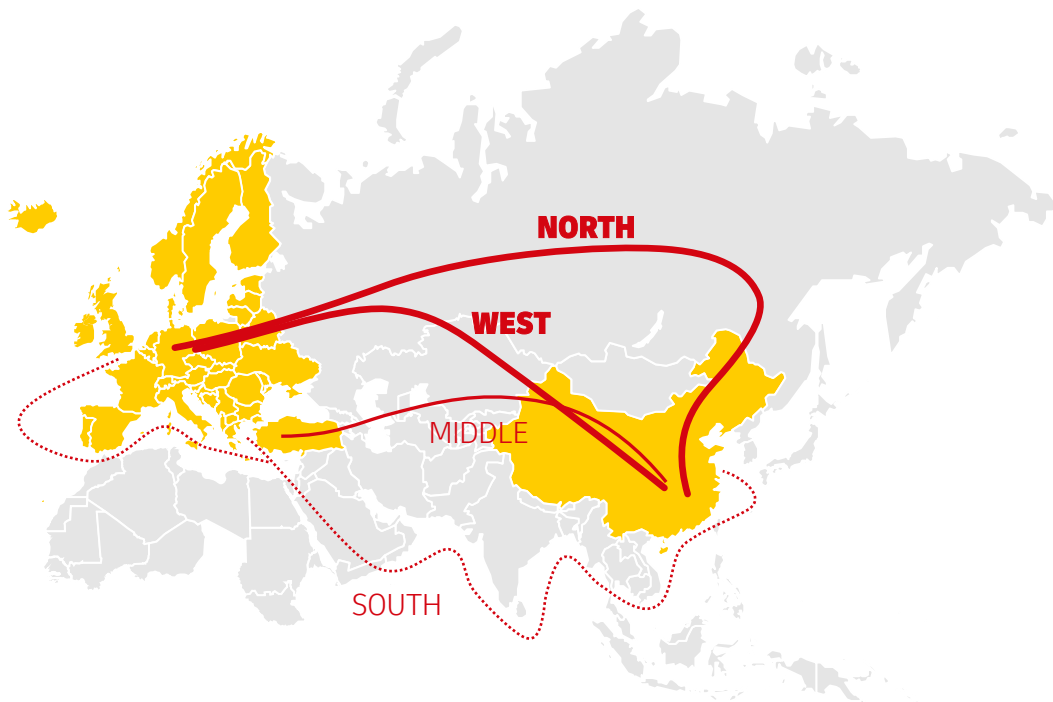
- Westbound **growth by 3%**
- Eastbound **growth by 16%**
- Middle (aka Trans-Caspian or 2 seas) Corridor to bypass conflict in development

Terminal to Terminal Transit:

Via Russia CN-PL = **14 days**
CN-DE = **18 days**

Via Middle CN-EU = **45-55 days**

China Rail is the fastest service for Intercontinental FCL & LCL shipments



Demand for resilient networks



Steady search for new transport solutions



**Proven, incl.
Express Trains**

North Corridor

*Other names: Trans-Siberian
Main route: CN-RU-BY-PL*

West Corridor

*Other names: Trans-Kazakh
Main route: CN-KZ-RU-BY-PL*

Driven by capacity needs (until September) and bypass Russia



In development

Middle Corridor

*Other names: South/ Trans-Caspian/ TMTM Corridor
Main route: CN-KZ-Caspian Sea-AZ-GE-Black Sea-Europe*



**Customized
solutions**

South Corridor

*Other names: Sea/Rail
Main routes: CN-South European Ports*

The “middle corridor” alternative rail routes to bypass conflict zones takes time

Potentials, open topics:

- Increasing governmental interest (EU, GE / AZ / KZ ,CN)
- More attractive rates
- Operational challenges fix for better transit time
- Route potential enables better connectivity with new markets
- Eastbound needed to setup stability



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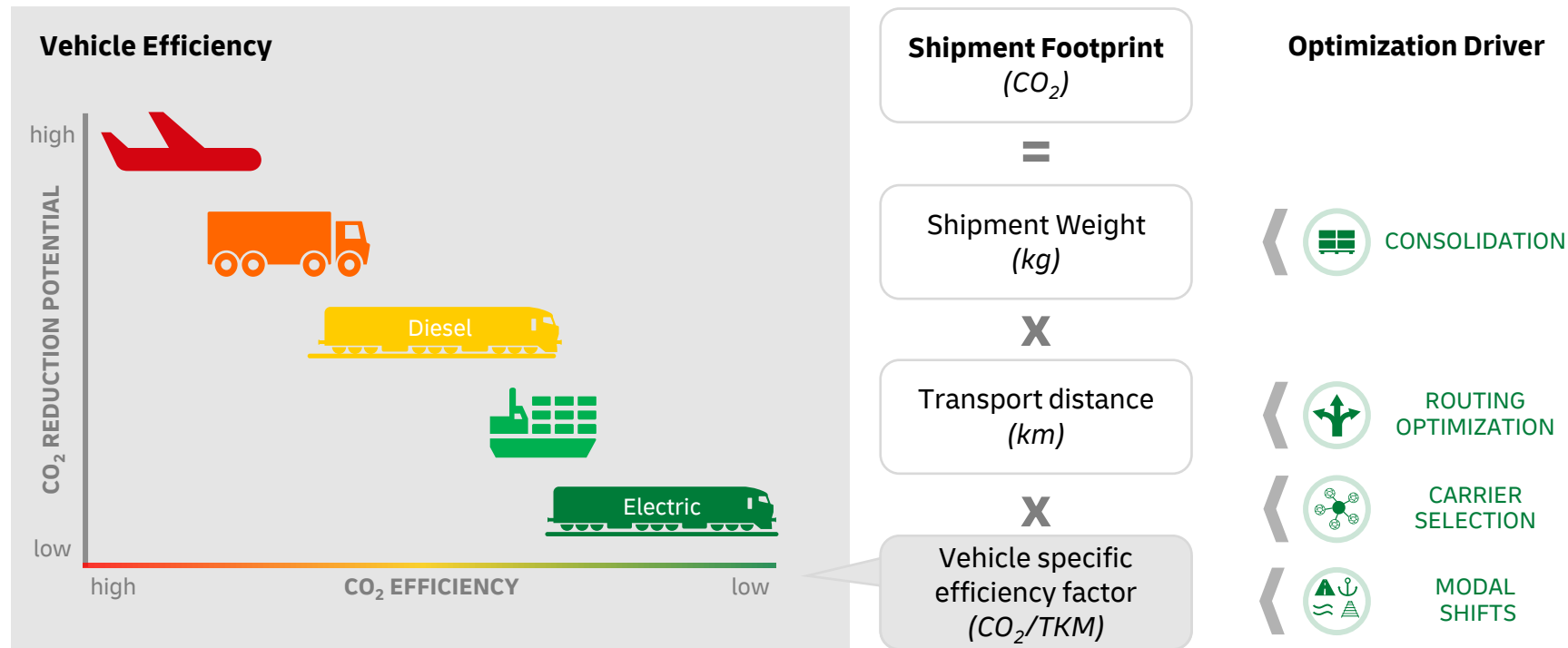
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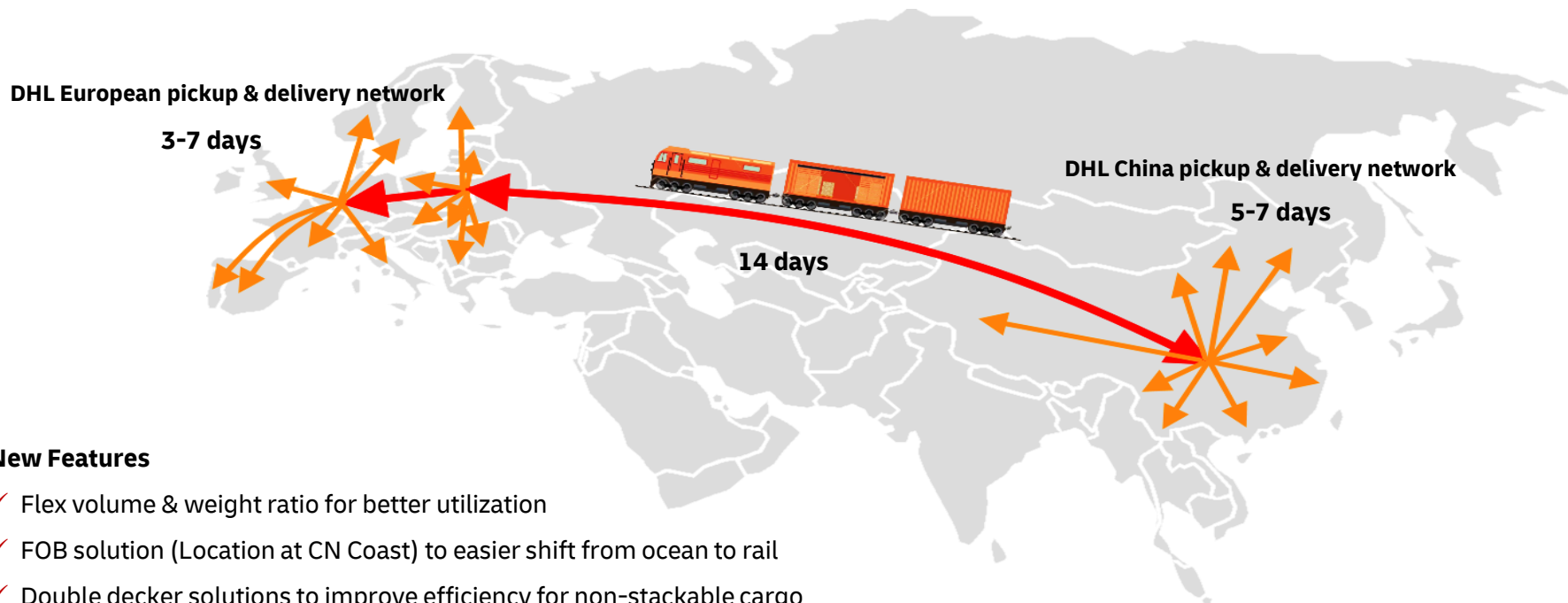
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On the way towards sustainable transportation: Rail plays an important role



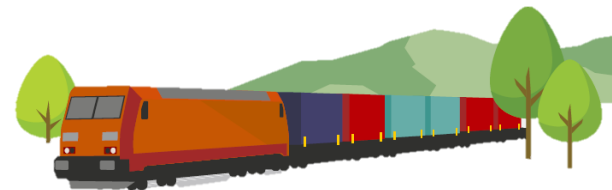
We connect 2 strong regional DHL networks by rail: The fastest LCL delivery times from anywhere in China to anywhere in Europe



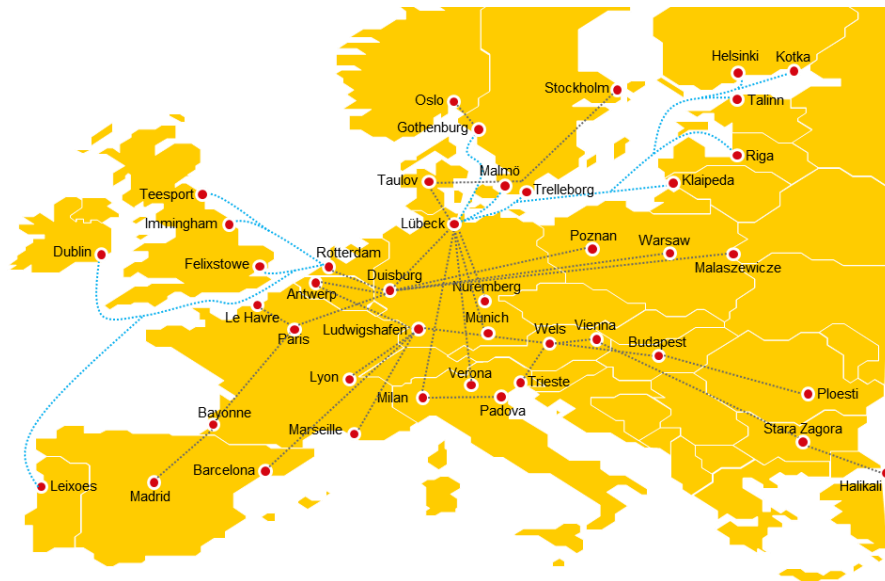
New Features

- ✓ Flex volume & weight ratio for better utilization
- ✓ FOB solution (Location at CN Coast) to easier shift from ocean to rail
- ✓ Double decker solutions to improve efficiency for non-stackable cargo

Central Asia & Intra-european intermodal networks: Green intercontinental end-to-end container logistics



Europe Intermodal capabilities

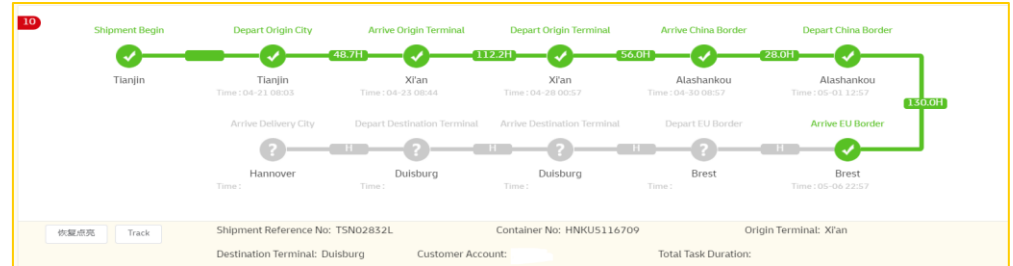


China Intermodal capabilities

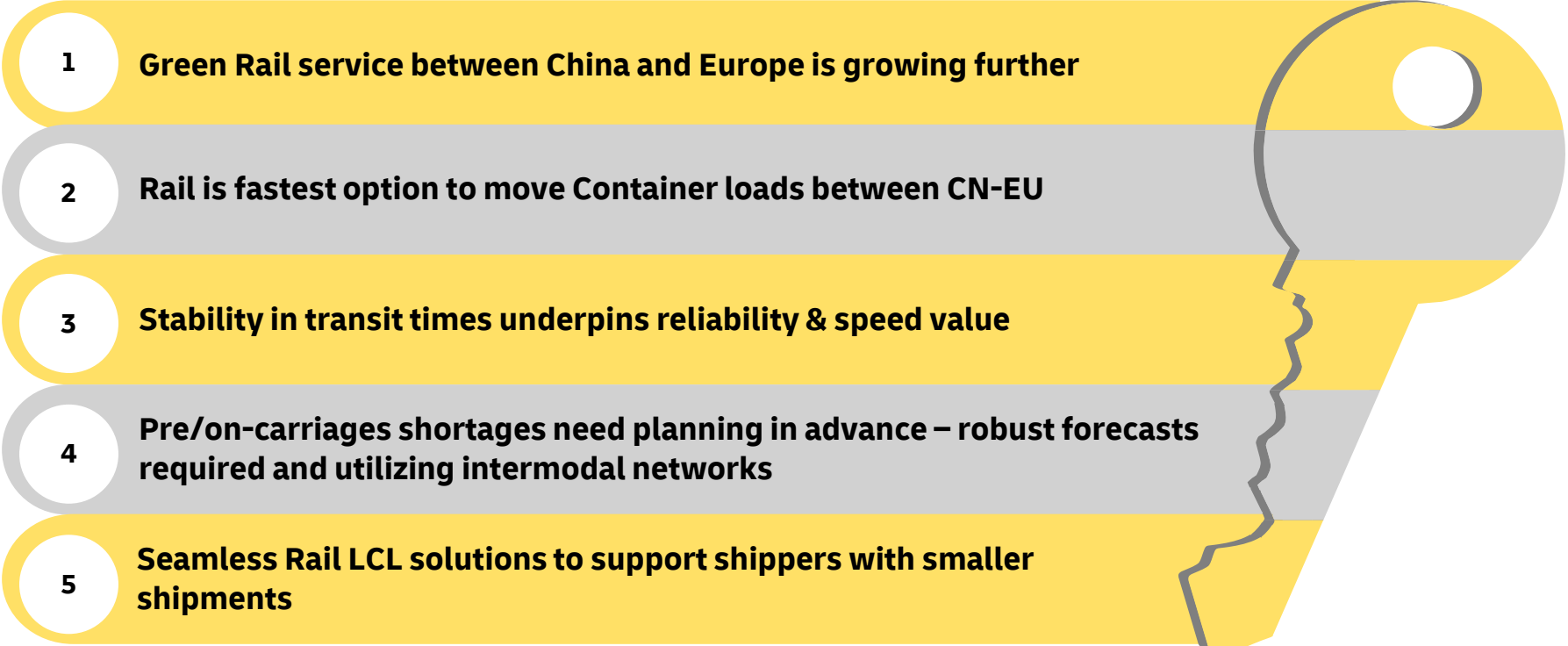


Real time visibility available to follow the rail shipment

Full shipment list displayed, with direct link to tracing
Order timeline to display shipment progress



Key take aways from today

- 
- 1 Green Rail service between China and Europe is growing further**
 - 2 Rail is fastest option to move Container loads between CN-EU**
 - 3 Stability in transit times underpins reliability & speed value**
 - 4 Pre/on-carriages shortages need planning in advance – robust forecasts required and utilizing intermodal networks**
 - 5 Seamless Rail LCL solutions to support shippers with smaller shipments**

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Q&A SESSION

If you have any further questions, contact your usual Account Manager or Customer Service Representative or our Rail Freight Experts



Thomas.Kowitzki@dhl.com

if you are based in Europe



Luca.Chio@dhl.com

if you are based in China