

# Capital Markets Day 2023

## Roadmap 2026

Stefan Paul, CEO  
Kuehne + Nagel International AG

March 1, 2023

London, UK

# Trust.

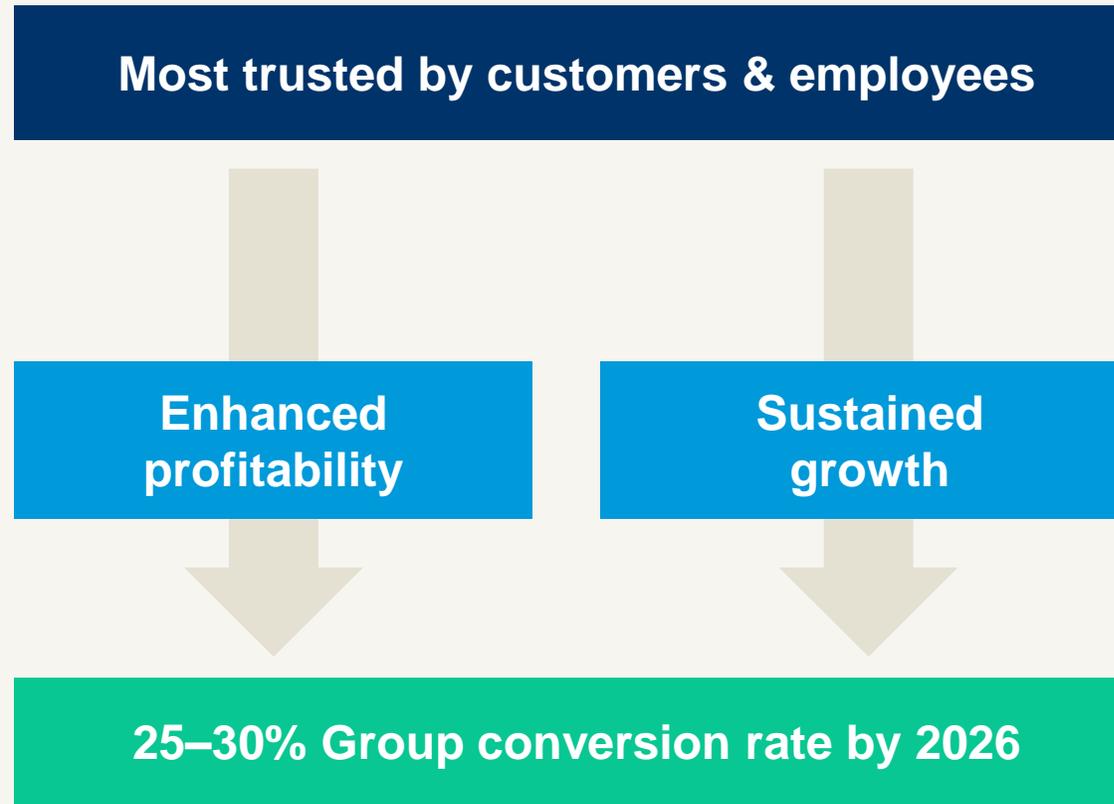
# Key takeaways

- 1. Most trusted by customers & employees**
- 2. Focus on yield management and product mix**
- 3. Maintaining growth path**
- 4. Experienced team with clear plan and KPIs**
- 5. 25–30% Group conversion rate by 2026**

**Goal:  
Aiming higher**

# Our goals

- Yield focus and product mix
- Automation (eTouch)
- Operating model optimisation



- Extraordinary customer & employee experience
- World-class service delivery
- Unique insights from proprietary data
  
- Customer retention
- Product offering
- Geographic footprint

# Starting position: Challenging times

# The past years have challenged everyone



# Today, we are stronger than ever

## Global market position



## Deep expertise

130-year  
track record

80,000  
logistics  
experts

6 industry  
verticals

## Technology and automation

Innovative,  
tailor-made  
technology

etouch  
process  
automation

Dedicated  
cloud-based  
solutions

## Financial strength

Resilient  
business  
model

Strong  
dividend track  
record

Unique  
ownership  
structure

# Old and new trends are impacting logistics ...

## Consumer needs

Demographic shifts  
Rise of e-commerce



## Supply chain challenges

Geopolitical events,  
trade barriers  
Agility and resilience  
Multi-sourcing



## Competitive landscape

Customers / suppliers  
become competitors  
“Digital” forwarders  
invest in operations



## Data & automation

Unique insights from data  
New and better services  
More efficient operations



## Sustainability

Increasing regulation  
Demand from customers  
Generational shift



## Transport capacity

Volatility  
Low data quality

## ... driving demand for reliable high-quality and efficient solutions

Can my logistics provider ...

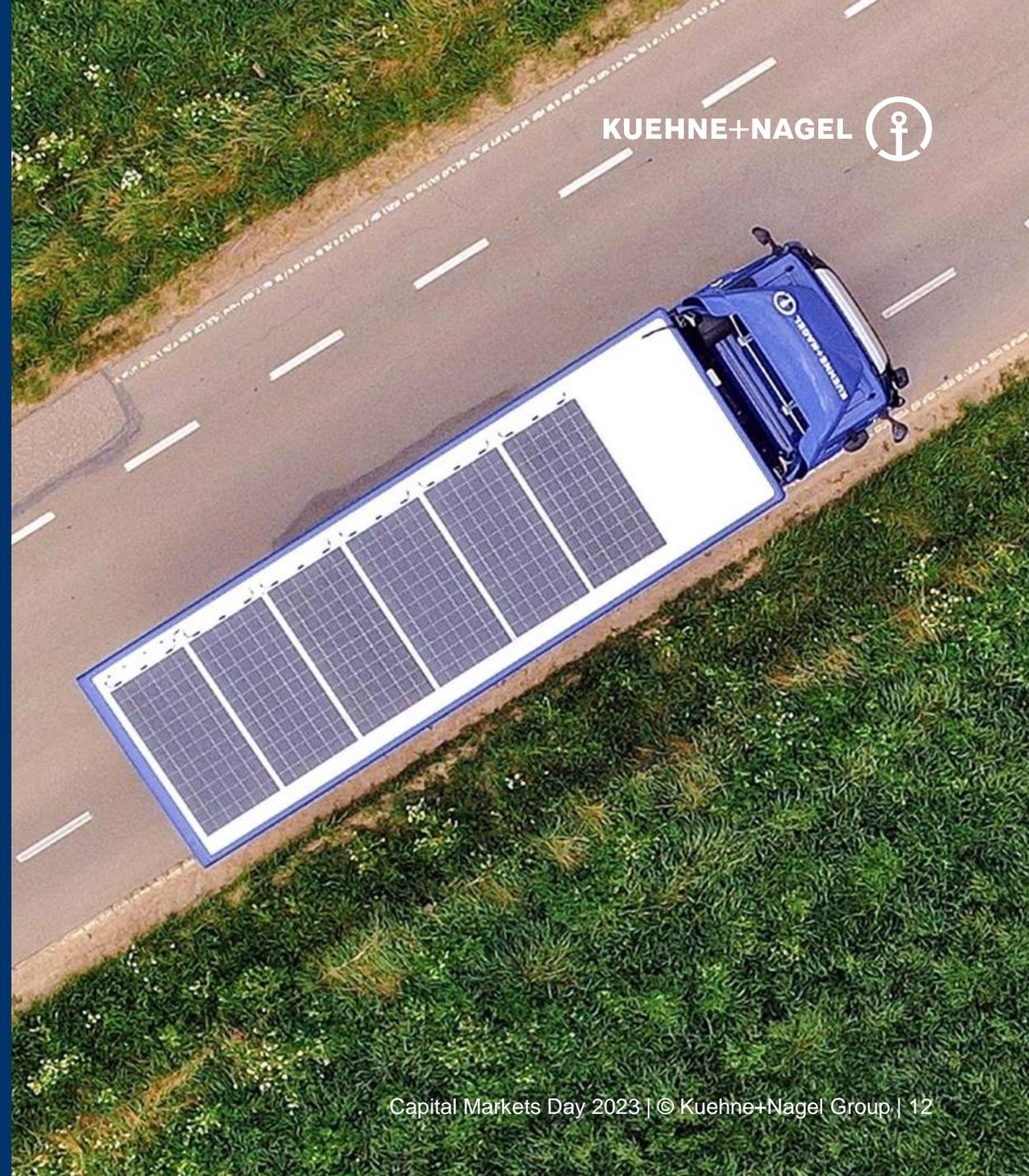
- **fix problems** quickly when they arise?
- **ensure access** to transport capacities, even when markets are tight?
- **understand my business** and become a **real partner** for the long term?
- offer **powerful technologies** that make them efficient and effective to work with?
- share deep, useful **market insights**?

**“Who can I trust with my critical supply chain needs?”**

# Vision 2030

Vision 2030

Being the most trusted supply chain partner supporting a sustainable future.



# What we want our customers to say about us

*“Who can I trust with my critical supply chain needs?”*



*“Kuehne+Nagel is worth it.”*

*“Kuehne+Nagel is my most trusted partner.”*

*“Kuehne+Nagel is my safest choice.”*

# Roadmap 2026: A clear plan forward

# Roadmap 2026 is our first plan toward our Vision 2030



2017 – 2022

2023 – 2026

2027 – 2030

Roadmap 2022

Roadmap 2026

Accelerate

- ✓ Successfully implemented
- ✓ Strong foundation for next roadmap cycles

- First defined set of initiatives towards Vision 2030

- Define next initiatives based on learnings from Roadmap 2026

# Our clear choices underpinning Roadmap 2026



Lead with quality and trust

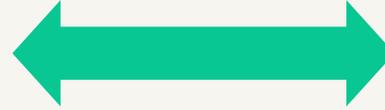
Best logistics experts and technology

Asset-light business model

Yields and margins + maintaining growth

Evolution

Medium-term roadmap to long-term vision



Compete on price, transactional

Only focus on one element

Invest heavily in transport assets

Just go for growth or yield

Radical change

Short-term action plans only

# Our Roadmap 2026 has four cornerstones

**Kuehne+Nagel  
Experience**



**Market  
Potential**

**Digital  
Ecosystem**



**Living  
ESG**



# Kuehne+Nagel Experience: From excellent to extraordinary

## Delivering an extraordinary customer and employee experience

### Customer & employee journey redesign for:

- **globally consistent delivery** of high-quality services
- **more efficient** processes
- **better enablement** of our employees and customers **through technology**



- **Higher customer satisfaction and retention**
- **Higher employee satisfaction, motivation, and retention**

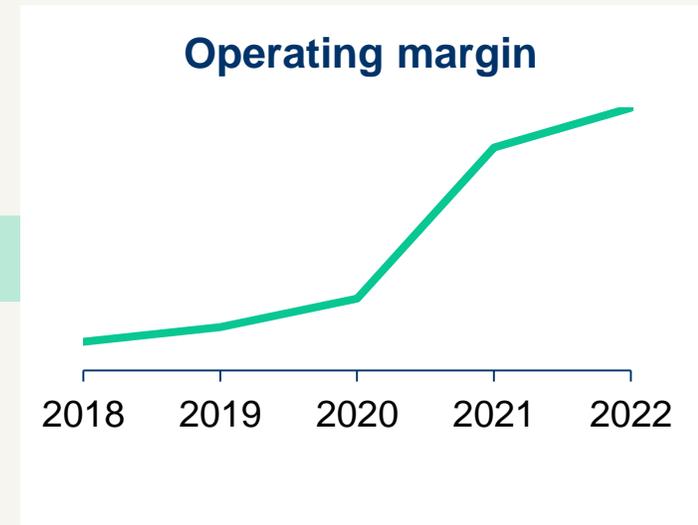
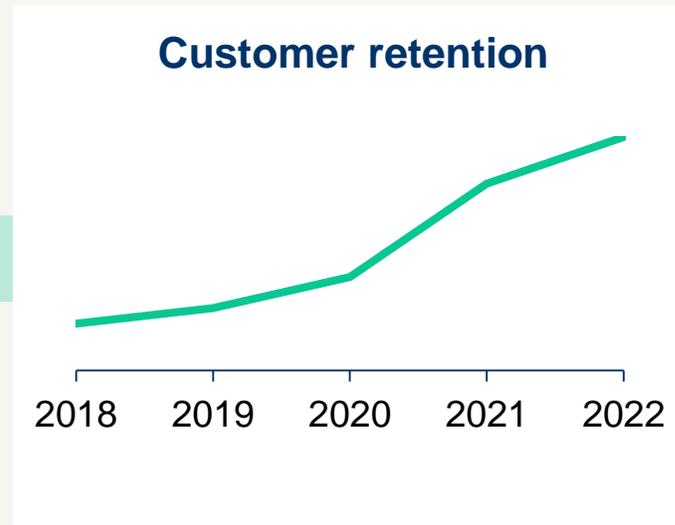
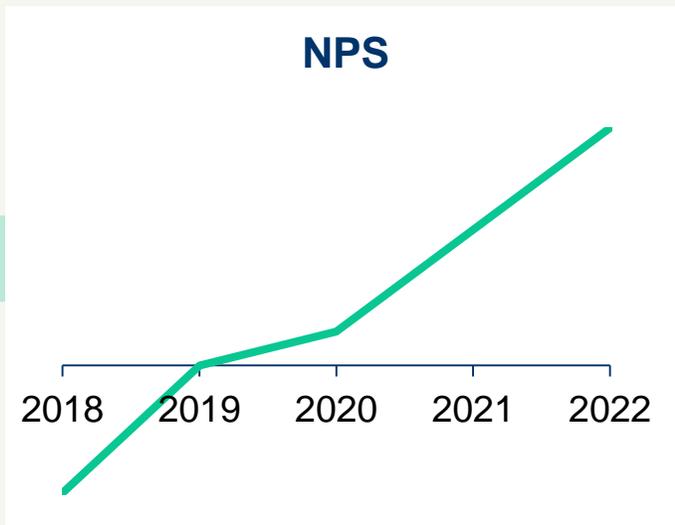
**Higher yield, higher growth, and  
higher conversion rate**



# Kuehne+Nagel Contract Logistics has already proven the value of customer experience

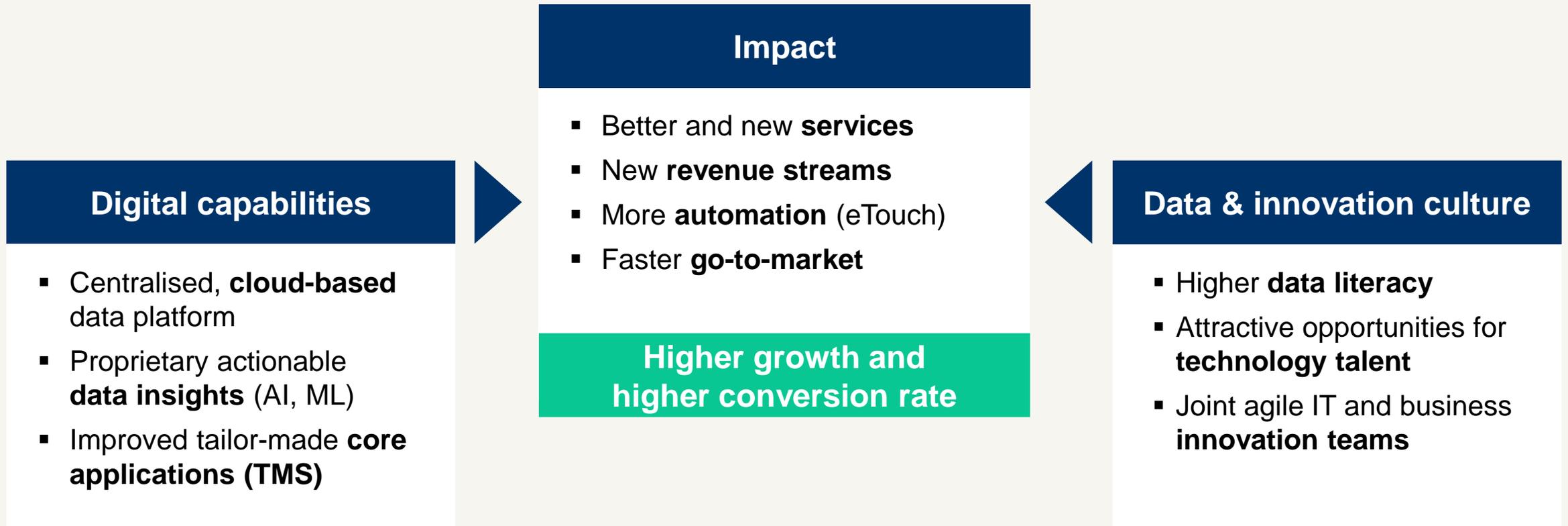


- Pioneered the use of proven B2C measurements in Contract Logistics in 2018
- Disciplined focus on customer experience and satisfaction
- Simplification, agility, and speed in all customer journey steps





# Digital Ecosystem: Data and technology create competitive advantages





# eTrucknow is a successful part of our emerging digital ecosystem

## eTrucknow:

Our private cloud solution in Asia to manage fleets of truck vendors





## Living ESG:

Sustainability is an integral part of our success

### Customer solutions for the environment

- Actionable data (to measure and avoid emissions and optimise routes)
- Low carbon fuels and renewable energy
- Supplier engagement

### Being the best company to work for

- Employee satisfaction and retention
- Employee development
- Health and safety
- Human rights, diversity and equal opportunities

### Safeguarding the business

- Governance structure for alignment and agility

**KPIs to measure progress and impact**



# Market Potential:

## Driving higher yields and top-line growth

### Healthcare

- Expand offering to full product life-cycle and new customer segments
- Highest quality is our differentiator
- Attractive yields for all business units

### Renewable Energy

- Massive demand in coming decades
- Project logistics and maintenance
- Attractive yields for all business units

### Semicon

- Strong growth driven by digitalisation
- Specialised logistics offering based on highest quality standard
- Significant new customer growth

### E-commerce

- Rapid growth trend continues
- New services for SME customers
- Higher conversion rates

### Customs

- Increasing regulatory complexity
- Global coverage and consistency
- Higher-yielding extension to 3PL

### Asia

- Attractive growth for all business units
- Global coverage of JP / KR customers
- Selected acquisitions

# Roadmap 2026 will enhance global consistency with dedicated board-level leadership



# Implementation: An experienced team

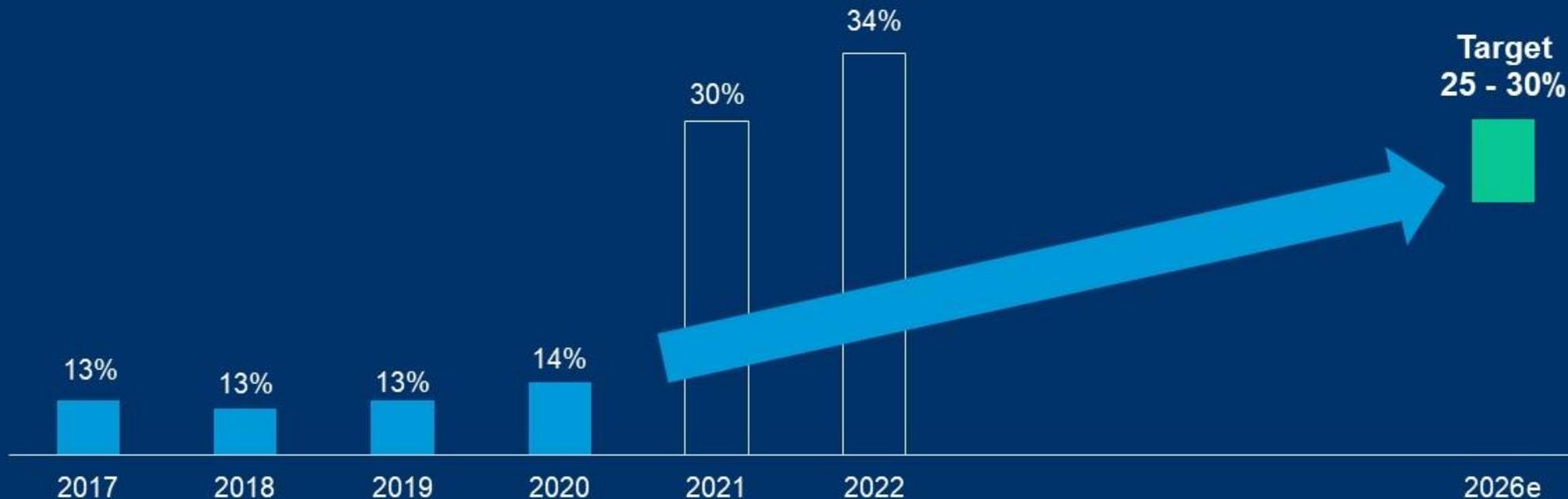
# The recipe for success for Roadmap 2026

## The future Management Board of Kuehne + Nagel International AG

								
<b>Stefan Paul</b>	<b>Markus Blanka-Graff</b>	<b>Martin Kolbe</b>	<b>Sarah Kreienbühl</b>	<b>Dr. Marc Pfeffer</b>	<b>Dr. Hansjörg Rodi</b>	<b>Yngve Ruud</b>	<b>Otto Schacht</b>	<b>Gianfranco Sgro</b>
CEO	CFO	CIO	CHRO as of April 2023	CLO	Road Logistics	Air Logistics	Sea Logistics	Contract Logistics

# Financial impact

# With Roadmap 2026, we aim to deliver a sustainably higher conversion rate



# Key takeaways

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- 1. Most trusted by customers & employees**
- 2. Focus on yield management and product mix**
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- 4. Experienced team with clear plan and KPIs**
- 5. 25–30% Group conversion rate by 2026**

Inspire. Empower. Deliver.



# Roadmap 2022

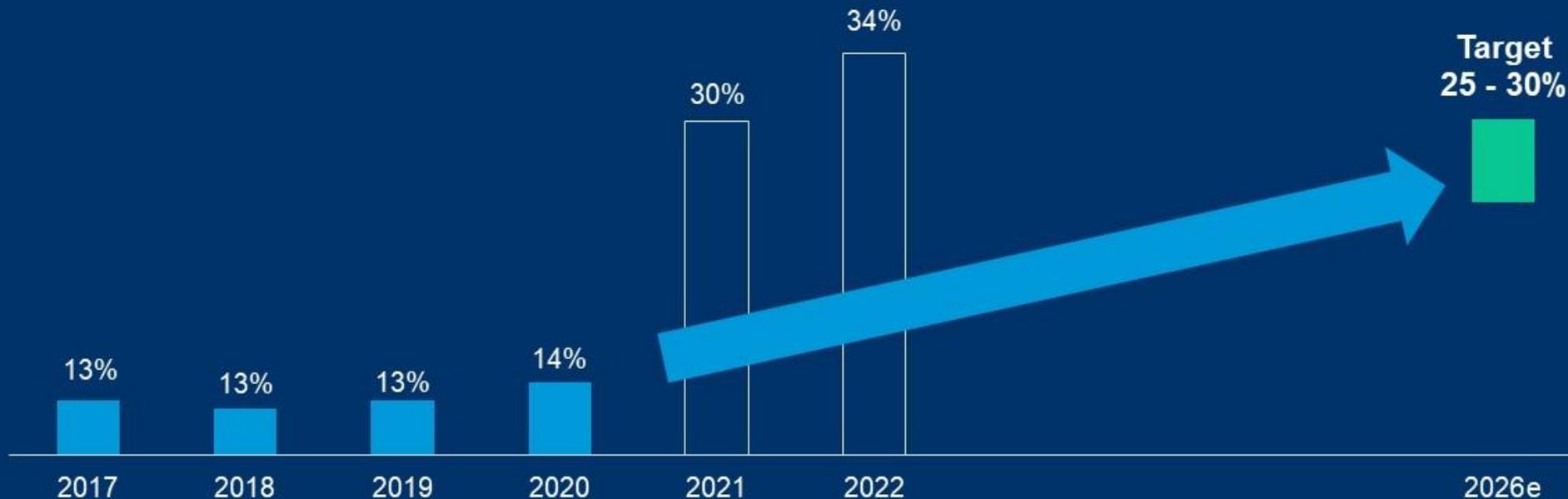
## Financial results

Markus Blanka-Graff, CFO  
Kuehne + Nagel International AG

March 1, 2023

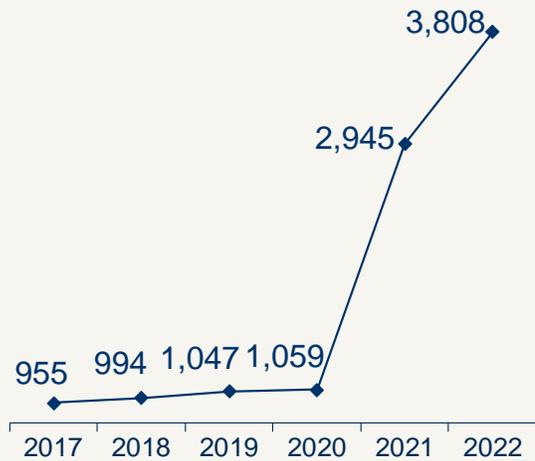
London, UK

# With Roadmap 2026, we aim to deliver a sustainably higher conversion rate

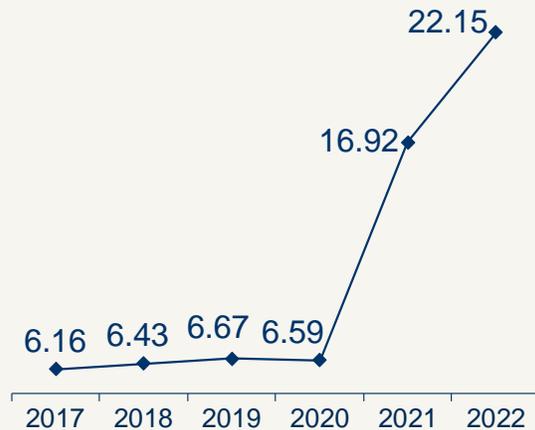


# Delivering on Financial Targets 2022

## EBT in CHF million



## EPS in CHF



## Conversion rate in %



## ROCE in %



# Capital Markets Day 2023

## Roadmap 2026 – Financial ambitions

Markus Blanka-Graff, CFO  
Kuehne + Nagel International AG

March 1, 2023

London, UK

# Roadmap 2026 will deliver a sustainably higher conversion rate

## Growth – Profit – Cash

### Previous:

- Volume driven business model at incremental profit for incremental cash flow
- Niches to optimize macro stabilization, industry penetration and yield
- High consumption of people, technology and capacity



### New:

- Higher yield is the base for any business
- Value pricing based on sustainable and evolving value propositions for customers
- Extraordinary service based on expert people and cloud technology

# Financial ambitions as part of the Roadmap 2026

## Roadmap 2026



## Business Unit Priorities



Sea Logistics



Air Logistics



Road Logistics



Contract Logistics

**Offering an extraordinary service, we can earn an average of 50 USD more GP per TEU**

## **Customer in Focus:**

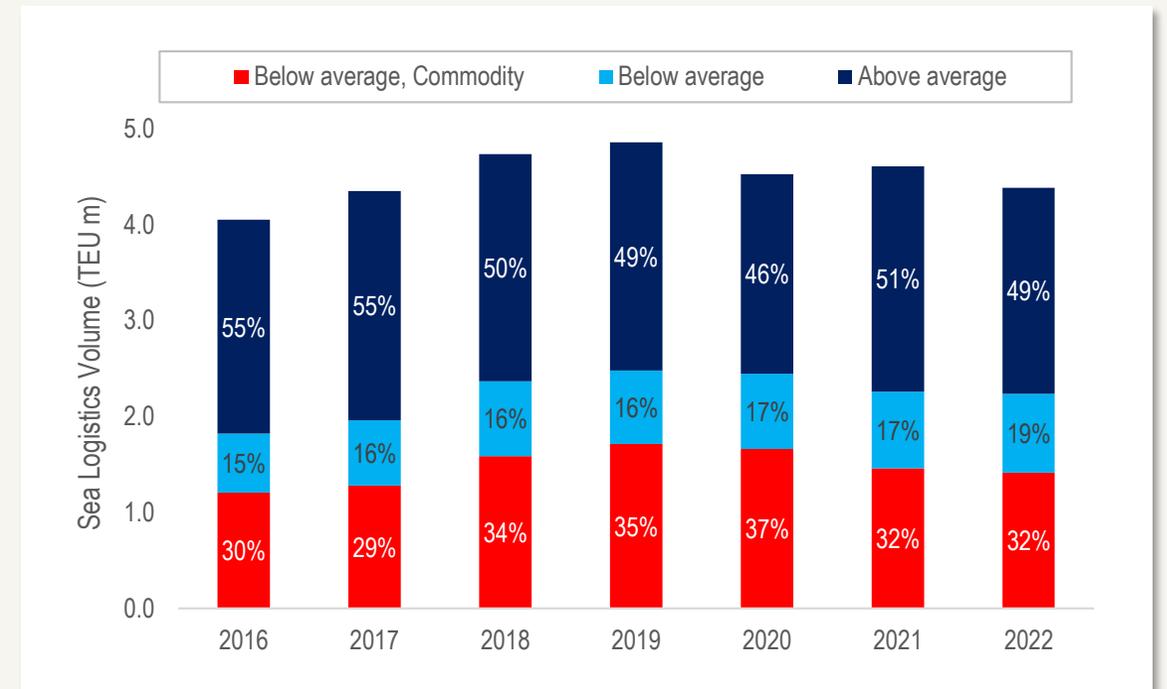
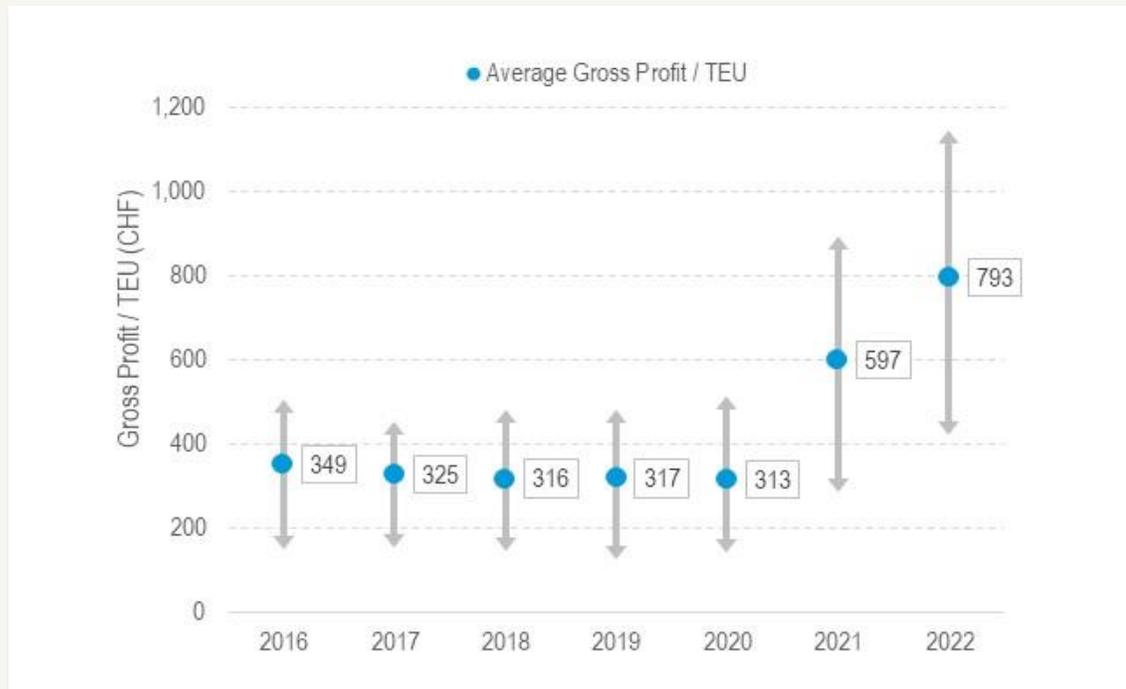
Sea Logistics has the largest share of SME customers – service intensive, door-to-door buyers, multimodal and a focus on getting the job done, being informed and offered solutions when the world changes.

## **Here is why we believe it works:**

Every SME forwarding provider proves it on a daily basis, that's why.

# Financials: Sea Logistics

## Why yield is better than volume



**Working for large customers looking for scalability, reliability and pricing. Continued automation will add up to 3 USD per 100 kg to EBIT**

## **Customer in Focus:**

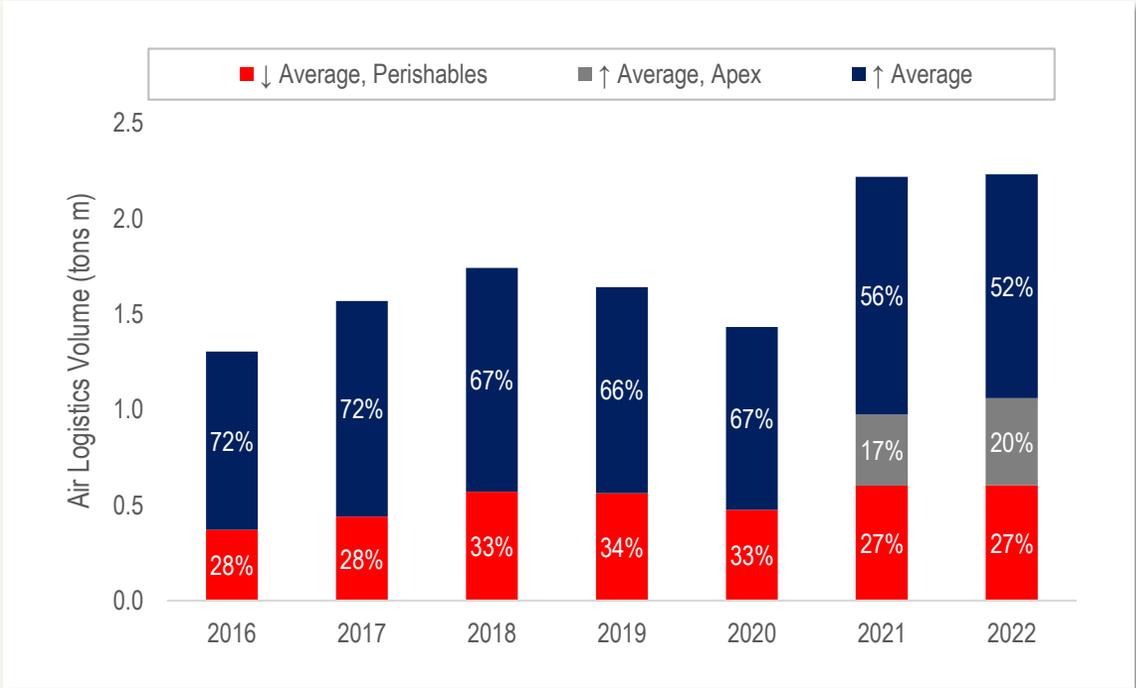
Air Logistics has the largest share of large multinational customers, when scalability and pricing matters most. They focus on adding to their value creation, sharing risks and creating a partnership.

## **Here is why we believe it works:**

Automation including eTouch is under our control. New digital solutions will offer another step change in execution.

# Financials: Air Logistics

## Building on a strong foundation



# What **Market Potential** means for Road Logistics

**Scaling up  
existing networks  
and adding  
digital offerings  
will grow EBIT  
faster than GP**

## **What is the effect:**

Market potential will add organic growth CAGR  
on Gross Profit + 8%

## **Here is why we believe it works:**

Networks still have room for optimisation on  
density and efficiency.

**Focusing on value creation for customers with above average profitable business, increasing margin by 80 to 100 bps**

## **Business development:**

Organic growth of CAGR 8% with clear focus on bottom line development.

Control of committed capital with a best-in-class level of profitability, complemented by selective M&A.

# Contributions from Cornerstones

# Evolution from all segments

Relative contribution in % to Roadmap 2026

Market expectation 2023	Kuehne+Nagel Experience	Market Expansion	Digital Solutions + Automation	M & A	Conversion rate 2026
Sea Logistics	40–50%	30–40%	10–20%	< 10%	> 40%
Air Logistics	30–40%	40–50%	20–30%	< 10%	> 10%
Road Logistics	10–20%	50–60%	5–10%	20–40%	7–9%
Contract Logistics					

# How we will measure our progress

## Operational and financial KPIs

### KN Experience

**Net Promoter Score  
(NPS)**

### Digital Ecosystem

**etouch indicators**

### Market Potential

**Incremental GP  
Incremental EBIT**

### Living ESG

**Total greenhouse  
gas emissions per  
net turnover**

### Financials

**GP  
EBIT  
Conversion rate**

# Summary of ambitions

# Roadmap 2026 financial targets

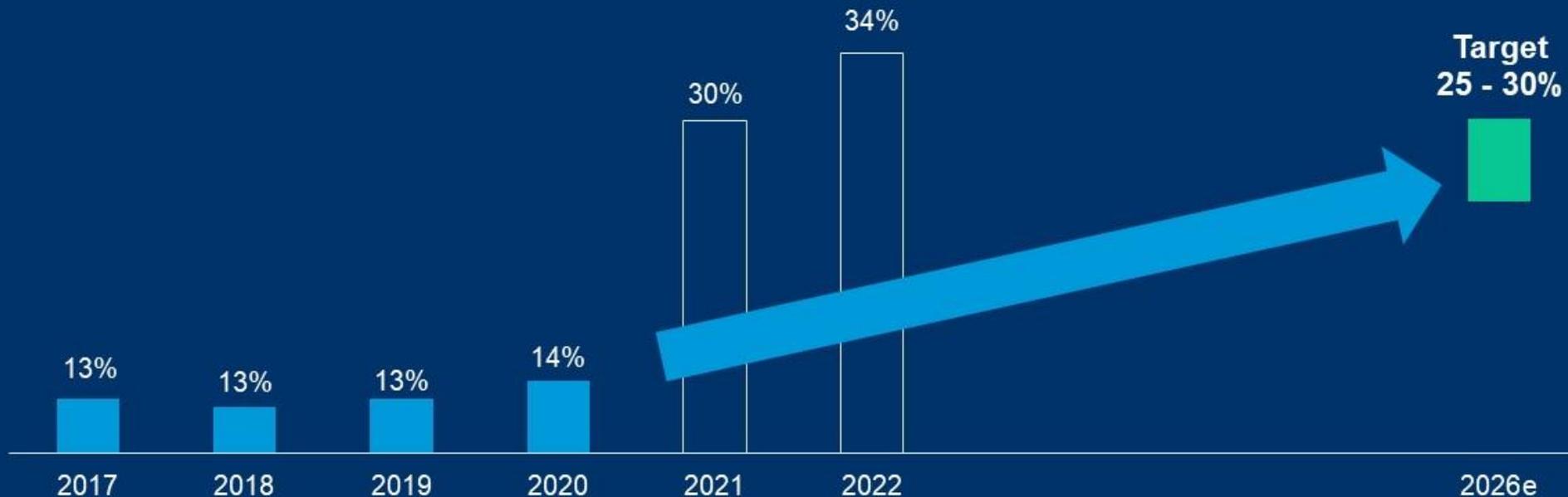
**This is our  
starting point  
from 2019 with a  
CAGR of 17-19%**

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<b>CAGR EBIT 2019 - 2026</b>	<b>17–19%</b>
<b>Conversion rate Group</b>	<b>25–30%</b>
<b>Conversion rate Sea Logistics</b>	<b>&gt; 40%</b>
<b>Conversion rate Air Logistics</b>	<b>&gt; 40%</b>
<b>Free cash flow generation</b>	<b>&gt; 70% of NPAT</b>
<b>Working capital intensity</b>	<b>3.5–4.5%</b>
<b>CAPEX</b>	<b>200–250 Mio CHF</b>

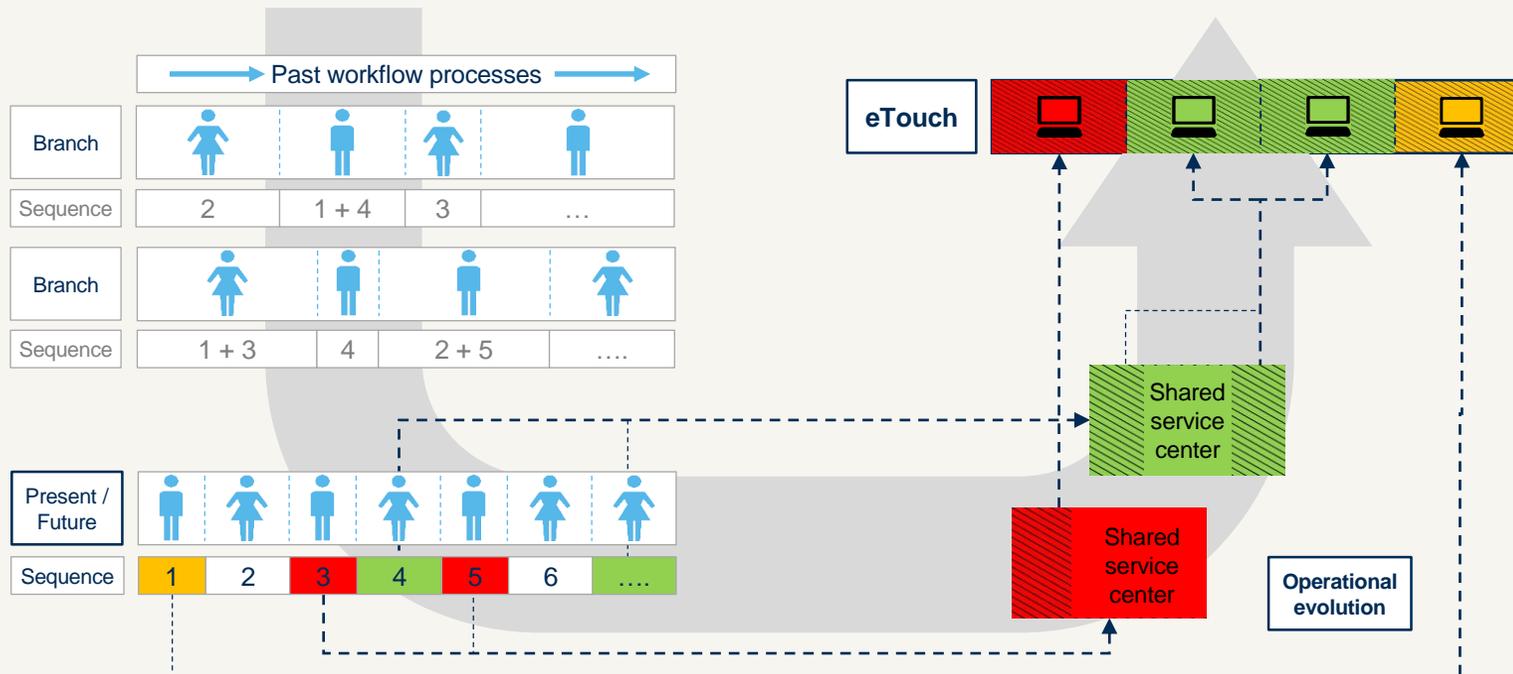
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With **Roadmap 2026**, we aim to deliver a sustainably higher conversion rate



Inspire. Empower. Deliver.





- Technology integral to realising full scope of efficiency gains
- Further standardisation of workflow and sequencing of tasks
- Centralisation of some customer and carrier facing tasks
- Meaningful opportunity for further digitisation and automation
- Result: free up front-line forwarding resource to provide even greater service while handling additional volume

# etouch progress Air Logistics

## Further progress

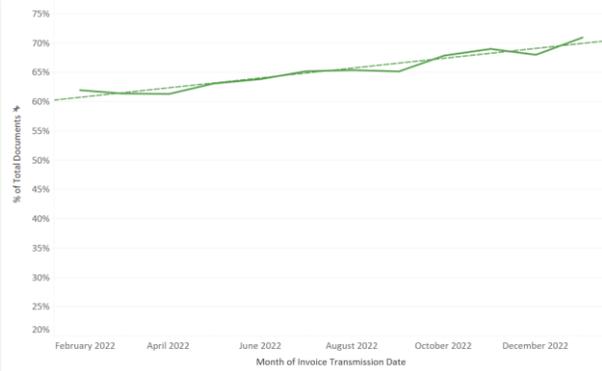
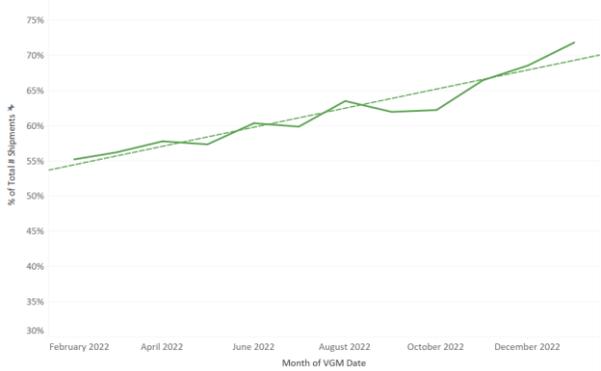
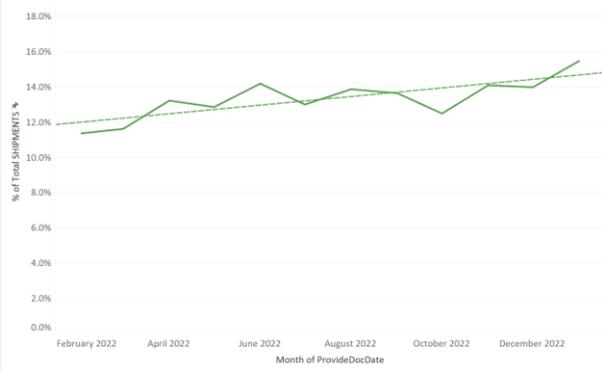
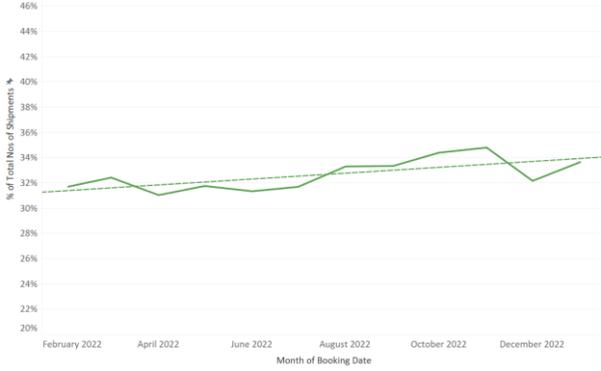


- Annualised work-hour improvement driven by documentation and quotation, booking, status
- Man-hour savings +8% vs. mid-year 2022 with estimated cost savings expansion
- CR impact of 2.0pp vs. 1.6pp at mid-year 2022 on expanded efficiencies and lower gross profit base

Air Logistics workflow area*	hours saved (000)	CHF cents / 100kg	AL CR impact
Customer quotation, booking and status	445	70	0.6pp
Carrier and supplier communication	- - -	- - -	- - -
Documentation	280	45	0.4pp
Invoicing	775	120	1.0pp
<b>Total</b>	<b>1,500</b>	<b>235</b>	<b>2.0pp</b>

\*Core Air Logistics operational workflow categories. All figures relate to stand-alone KN FY 2022 operations, wages and volume development (i.e. excluding Apex Logistics and Salmosped).

# etouch progress Sea Logistics



- Execution of etouch initiatives already yielding efficiencies
- Scope for improvement at least as large as that for Air Logistics
- Quantified progress to come during 2023

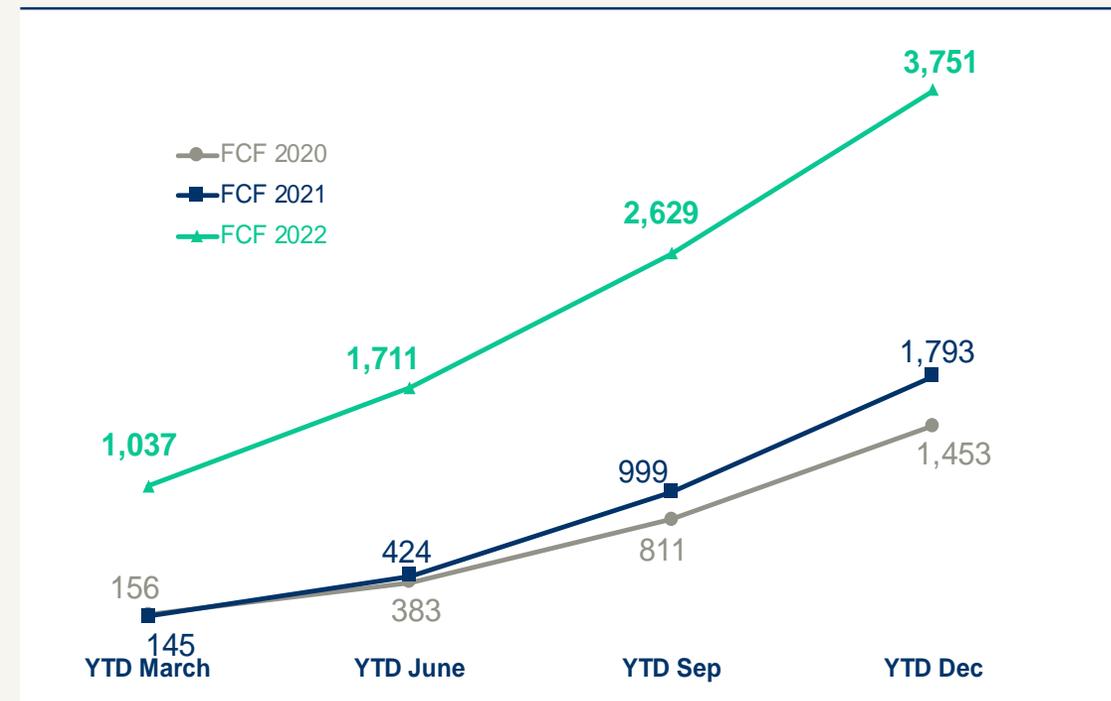
## Balance Sheet 2022

(in CHF million)

	<b>31.12.2022</b>
Non-current assets	4,793
▪ Trade receivables	5,291
▪ Cash and cash equivalents	3,778
▪ Others	889
Current assets	9,958
<b>Total assets</b>	<b>14,751</b>
Equity	4,147
Non-current liabilities	2,794
Current liabilities	7,810
<b>Total liabilities and equity</b>	<b>14,751</b>

## Free cash flow 2022

(in CHF million)



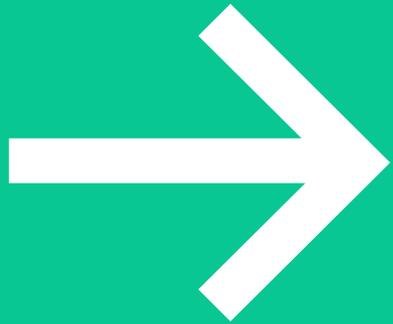
# Capital Markets Day 2023

## Roadmap 2026 – Living ESG

Andrea Debbané, Global Head of Sustainability  
Kuehne + Nagel International AG

March 1, 2023

London, UK



**Kuehne+Nagel is an excellent investment because we have a long-term strategy to turn the transport industry's biggest sustainability challenges into growth opportunities.**

## Agenda

### 1. Environment

Being a frontrunner in sustainable logistics results in customer retention, attraction and business development

### 2. Social

We are the best company to work for

### 3. Governance

We have a strong governance structure for alignment and agility

# Living ESG: Environment

Being a frontrunner in sustainable logistics

# Being a frontrunner in sustainable logistics results in customer retention, attraction and business development



## Sea Logistics

**SailGP** uses biofuel to reduce emissions for event logistics

## Air Logistics

**Lenovo** and their customers can now reduce emissions through using Sustainable Aviation Fuel (SAF)

**Novo Nordisk** purchases 13 million litres of SAF

## Road Logistics

**Moderna** uses HVO on a 3,700km round trip from Belgium to Spain for shipping vaccines

## Contract Logistics

Strategic partnership with **Adidas** to build CO<sub>2e</sub>-neutral fulfilment centre in Italy

# Customer commitments to science-based targets are growing

## In 2022 alone:

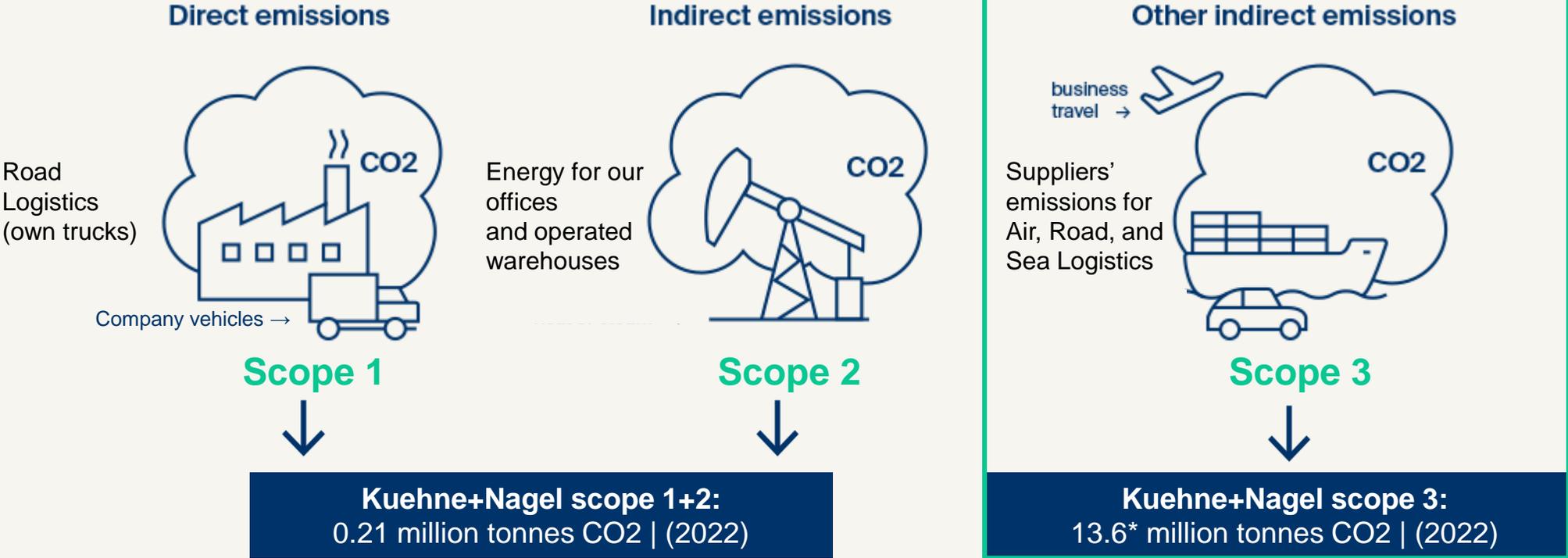
- 72% increase in SBTi committed companies to 4,535 worldwide
- 31% increase in our SBTi committed global Key Account customers
  - 47% of global Key Accounts are committed to SBTi
  - These customers represent 30% of our net turnover 2022



Global Key Account customer commitment by Vertical	SBTi commitment [%]
Aerospace	32%
Automotive + New Mobility	46%
Consumer	57%
Healthcare	42%
High Tech	48%
Industrials	47%

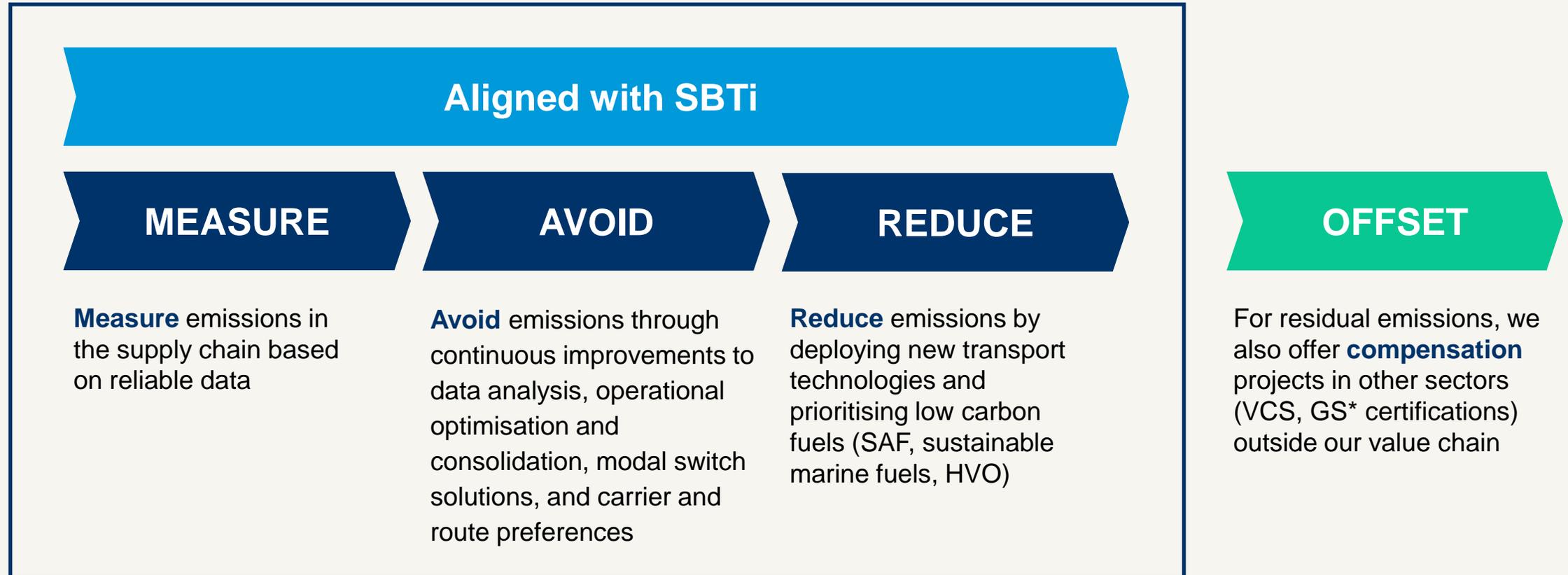
# Supporting our customers and suppliers with the right solutions is key to decarbonisation

**98.6%** of Kuehne+Nagel's emissions are created in our value chain (scope 3)



\*current estimate

# Our customer solutions for decarbonisation



\*VCS = Verified Carbon Standards, GS = Gold Standard

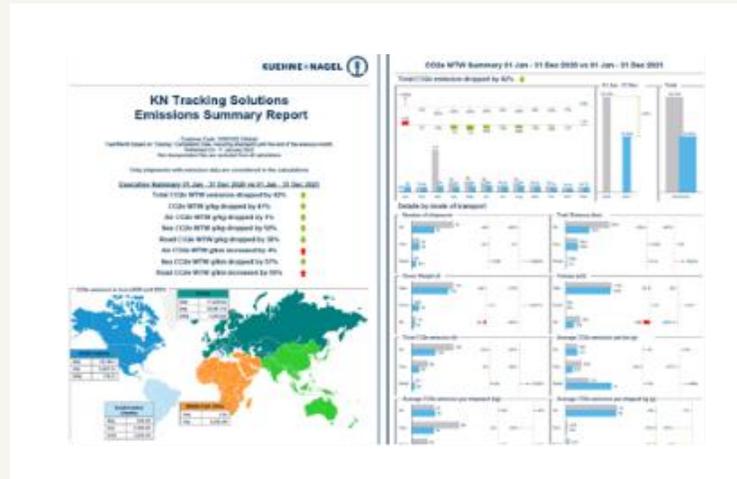
# Embracing the power of data

Empowering our customers to make more sustainable choices



## Emissions visibility

Customers can have access to their emission information on a shipment level



## Emissions reporting

- Interactive emission dashboard
- Emissions summary reports
- Emissions detail reports (shipment level, breakdown per leg, shipment status)

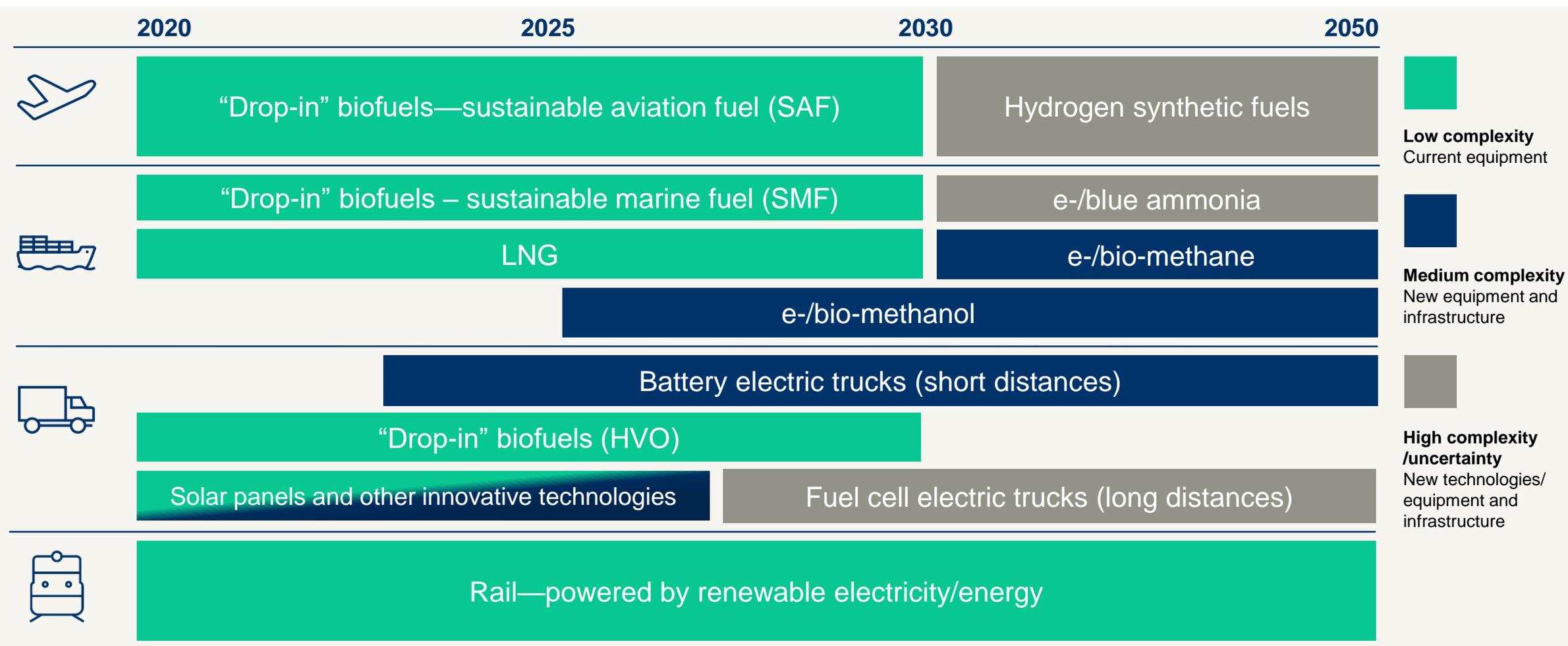


## Emissions analytics

- Possibility to manage the CO<sub>2</sub>e emissions for a customer's complete supply chain
- Setting and monitoring of targets
- Monitoring of data quality

# Low carbon fuels are the bridging solution

New technologies for transportation are in development but not readily available

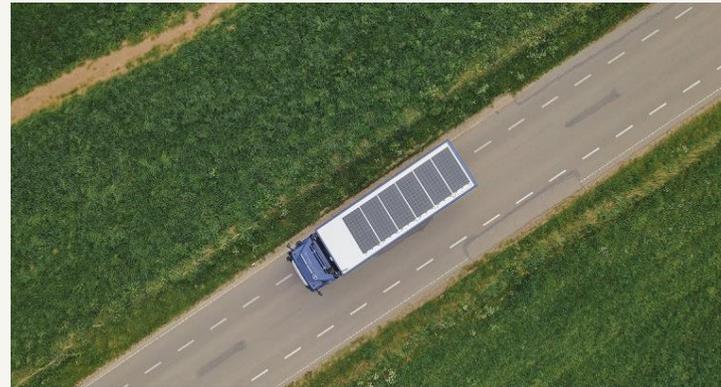


# Agility and innovation for our customers



## Zero emission vehicles

- Target of 60% Zero Emission Vehicles in our own fleet by 2030



## Solar panels on trucks

- Fuel consumption reduction by up to 6% per year, per truck
- Emission reduction up to 3.8 tonnes per year, per truck



## EVs for airport corridors

- Electric vehicle service for airport transfers in India
- Electric truck service to shuttle cargo from airlines to local facilities (Los Angeles)

# Zero impact logistics centre in Contract Logistics

## Applicability:

CO<sub>2</sub>e reduction / energy & water efficiency

## Purpose:

Reduce environmental impact through renewable energy, energy production (PV) and efficiency, water efficiency, low-carbon transport in line with sustainable building certificates BREEAM\*, LEED\*\*, WELL\*\*\*

## Scope:

Worldwide

## Benefits:

- CO<sub>2</sub>e improvement
- Lower energy & water consumption

\* BREEAM - Building Research Establishment Environmental Assessment Method

\*\* LEED - Leadership in Energy und Environmental Design

\*\*\* WELL - WELL Building Standard



# Key levers for a zero carbon future



## Customer engagement

Building strong partnerships with customers to jointly address scope 3 emissions



## Supplier collaboration

Engaging with suppliers/carriers in scope 3 for decarbonisation efforts



## Low carbon fuels, renewable energy, and technology

Using alternative fuels and renewable energy to decrease the carbon density of transport warehousing activities. Investments in e-vehicles



## Data and analytics

Empowering our customers by implementing and monitoring a rigorous measure-avoid-reduce approach

Our **KPI** to measure progress:

*Total GHG emissions (t CO<sub>2</sub>e)*  
*Net Turnover*



# Living ESG: Social

We are the best company to work for

# We are the best company to work for and work with

- Over **100 nationalities** are represented at Kuehne+Nagel
- **40%** of our workforce are women
- **24%** of senior management are women (10% top management)
- **15%** of our employees are Generation Z



# Creating an extraordinary employee experience

## Building on our corporate culture to enhance:

- Employee satisfaction and retention
- Employee development
- Occupational health and safety
- Human rights, diversity and equal opportunities

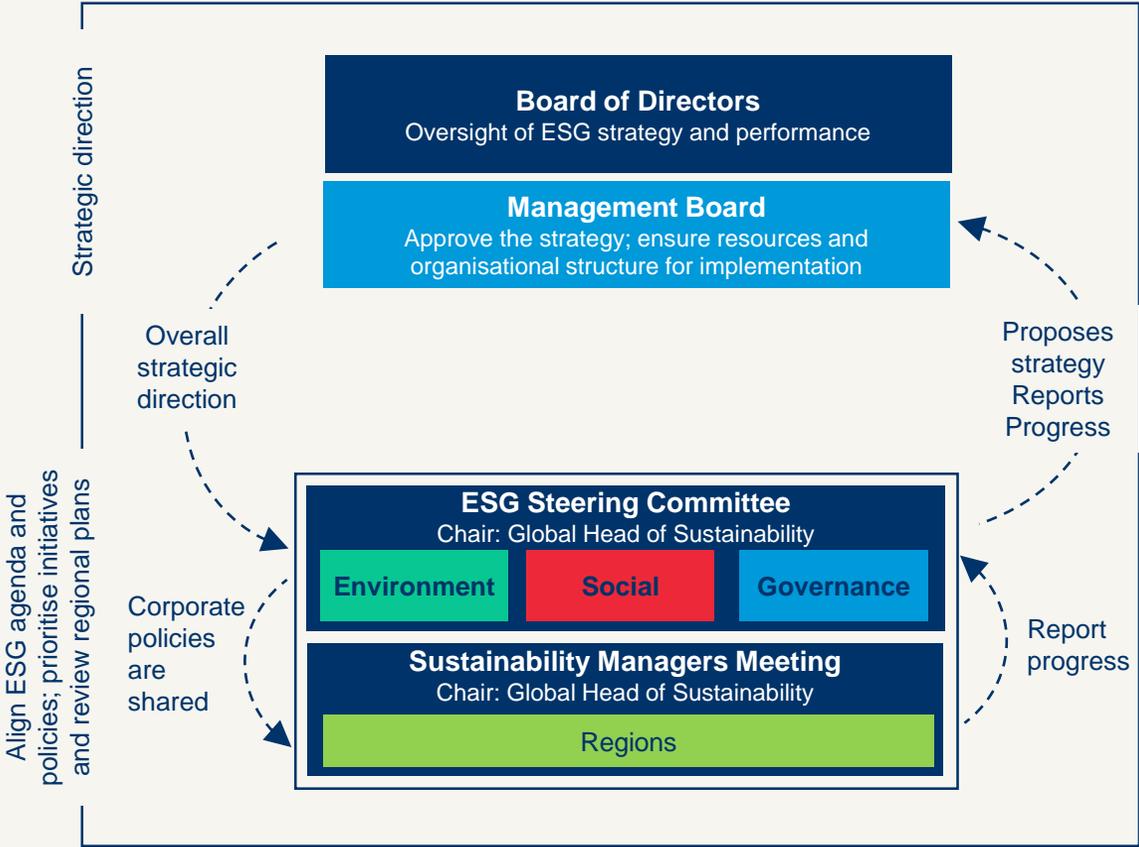
Using **employee Net Promoter Score (eNPS)** as one KPI to measure progress



# Living ESG: Governance

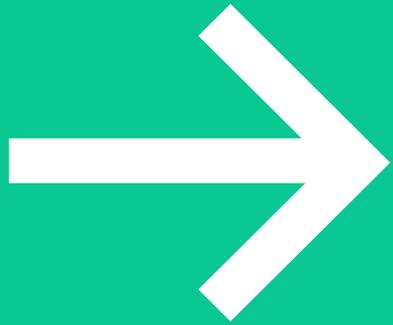
We have a strong governance structure

# We have a strong governance structure for alignment and agility



# Living ESG includes local and global collaboration





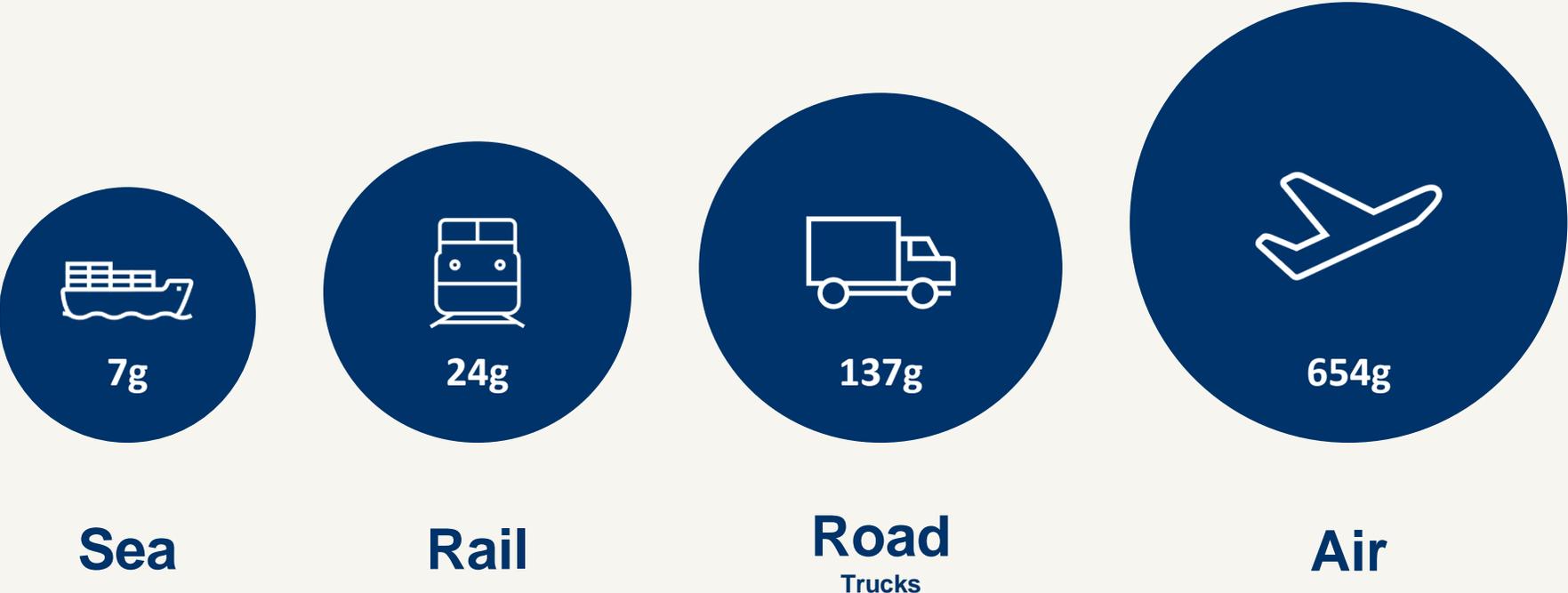
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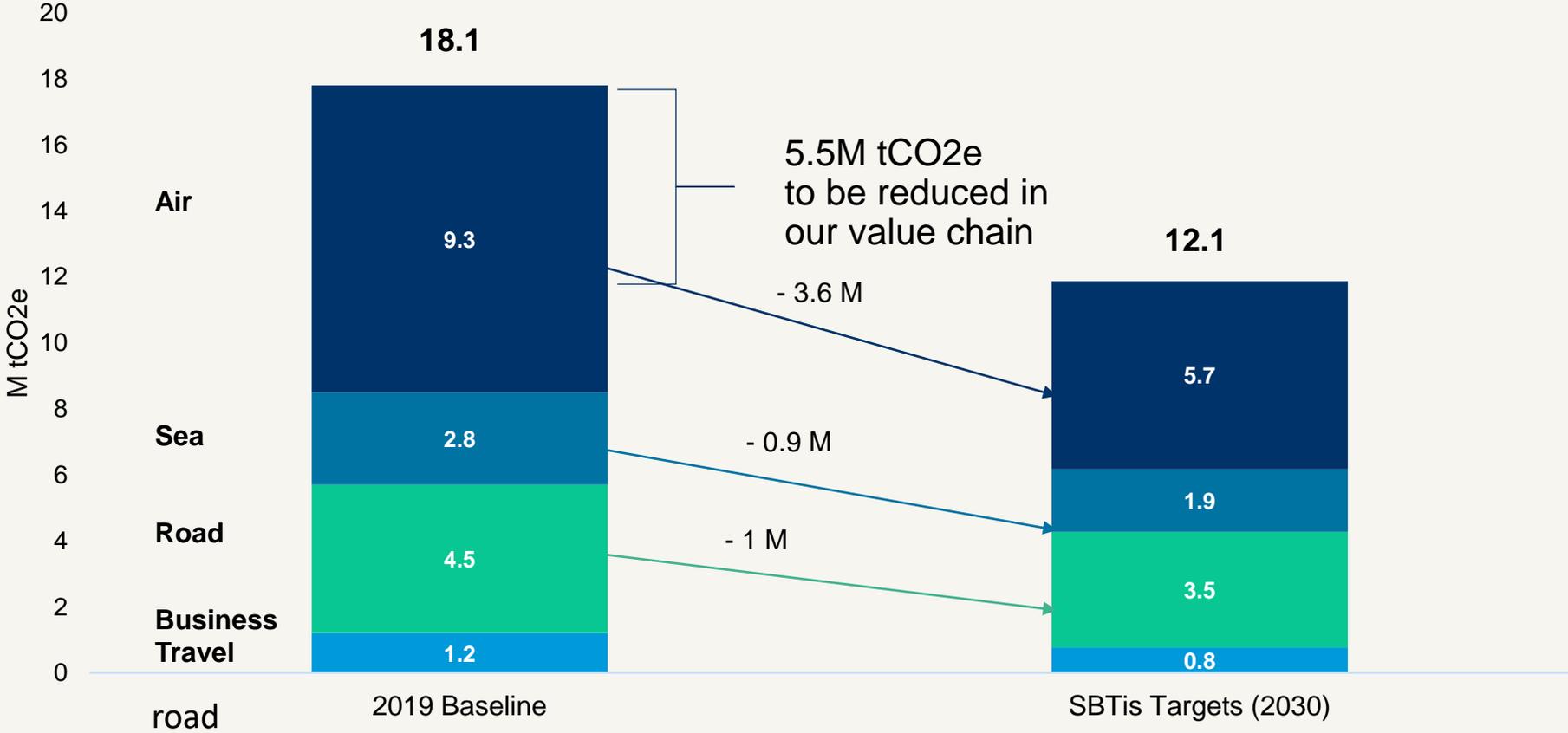
# Carbon intensity of logistics services

[CO<sub>2</sub>e/tkm]



[Source: Methodology for GHG Efficiency of Transport Modes, Fraunhofer ISI and CE Delft, 2020](#)

# Under the Science Based Targets initiative, we have to reduce our Scope 3 emissions by 5.5Mt CO<sub>2</sub>e by the end of 2030



# Environment Targets

## 2030 Targets

- GHG emission reduction target: reduce 33% absolute Scope 1, 2 and 3 GHG emissions 33% by 2030 from a 2019 base year
- 100% renewable energy and maintain 100% electricity in all sites
- Zero Waste to landfill
- Zero Plastics in all facilities
- Maintain 10% water consumption reduction (vs. 2019)



# Capital Markets Day 2023

## Roadmap 2026 – Sea Logistics

Otto Schacht, Executive Vice President Global Sea Logistics  
Kuehne + Nagel International AG

March 1, 2023  
London, UK

## Agenda

1. Lessons from three extreme years
2. Our market today
3. Kuehne+Nagel Sea Logistics today
4. Roadmap 2026
5. Renewable energy

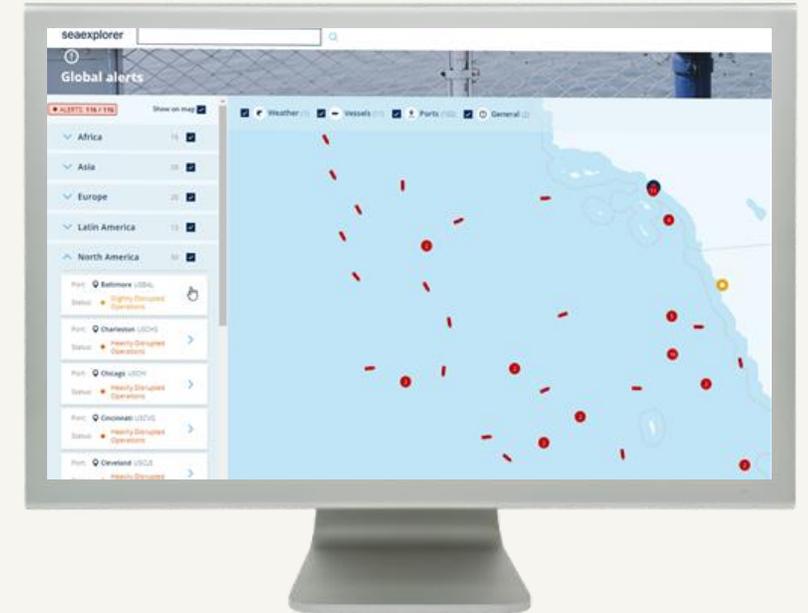


**Top-class profit performance  
over the last 3 years**

**Very positive feedback  
from customers**

# Sea Logistics optimised yield and mix amid extreme market volatility

CHF million	2019	2022
Net turnover	7,457	18,753
Gross profit	1,539	3,479
EBIT	456	2,021
Conversion rate	29.6%	58.1%
<b>TEU '000</b>	<b>4,861</b>	<b>4,386</b>
<b>GP per TEU in CHF</b>	<b>317</b>	<b>793</b>
Cost per TEU in CHF	(223)	(332)
EBIT per TEU in CHF	94	461



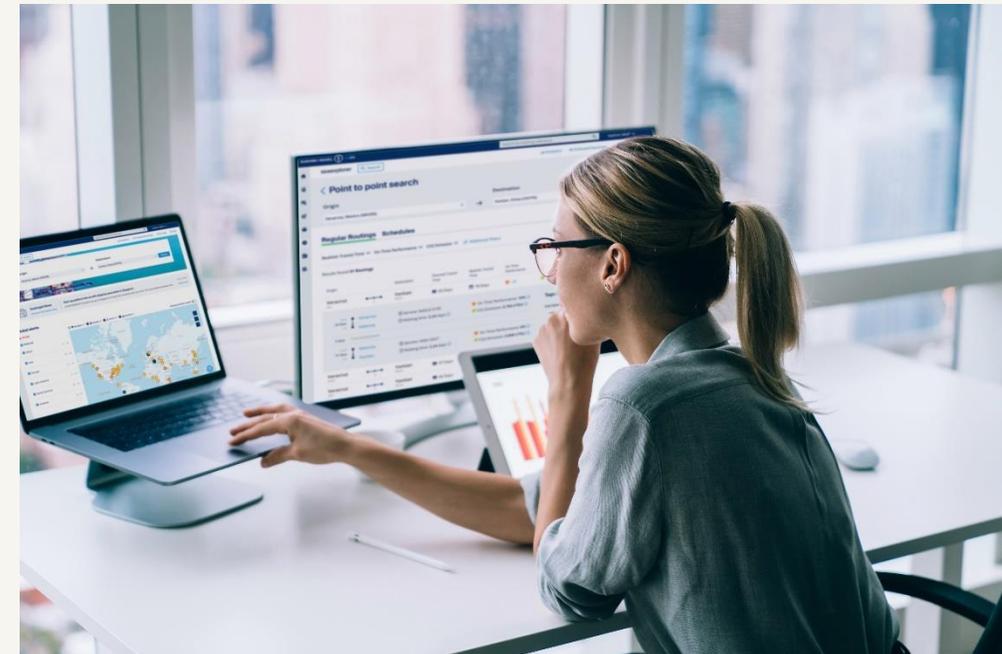
# Our market today

## Clear customer needs we can serve:

- Improved customer experience
- Predictability and real time visibility
- Increasing demand for carbon-neutral transport solutions

## Fragmented competition:

- All forwarders are digital
- Top 25 forwarders hold only 20% of global volumes
- >100,000 participants
- Competitors in SME segment are “local heroes”
- No material change in carrier competition (50/50 share)



# Kuehne+Nagel Sea Logistics today

## Global market leader in non-asset-based sea freight

- Over 3 million weekly schedules
- **12,900 specialists**
- Largest partner of all carriers
- Largest global reefer forwarder
- Major project forwarder

## Segregation of operations and customer service

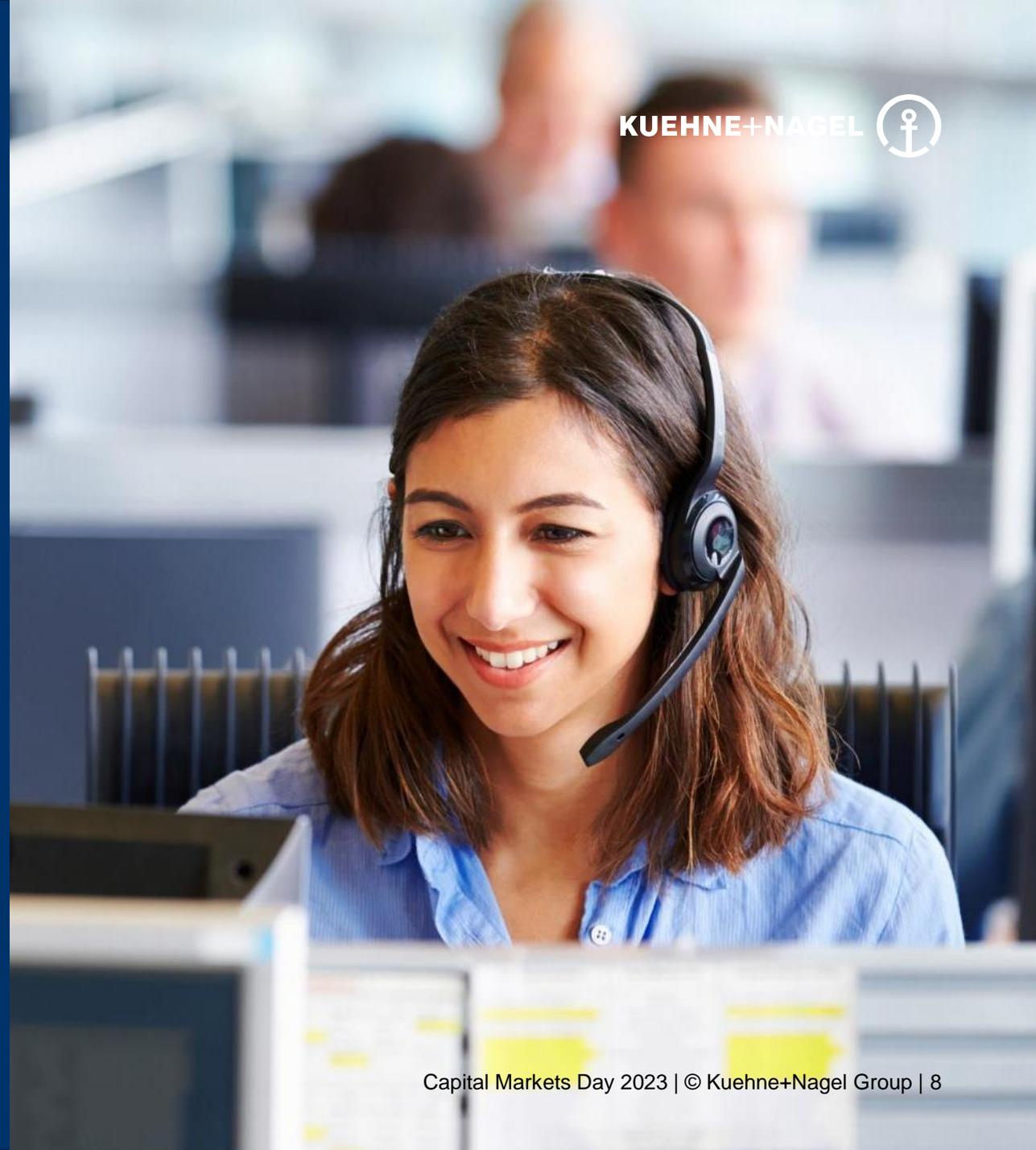
- Over 400 Customer Care Locations
- TMS **SeaLOG** rolled out globally
- Industry leading digital platform myKN / seaexplorer

Weekly services offered globally by Kuehne+Nagel



# Roadmap 2026: What and How

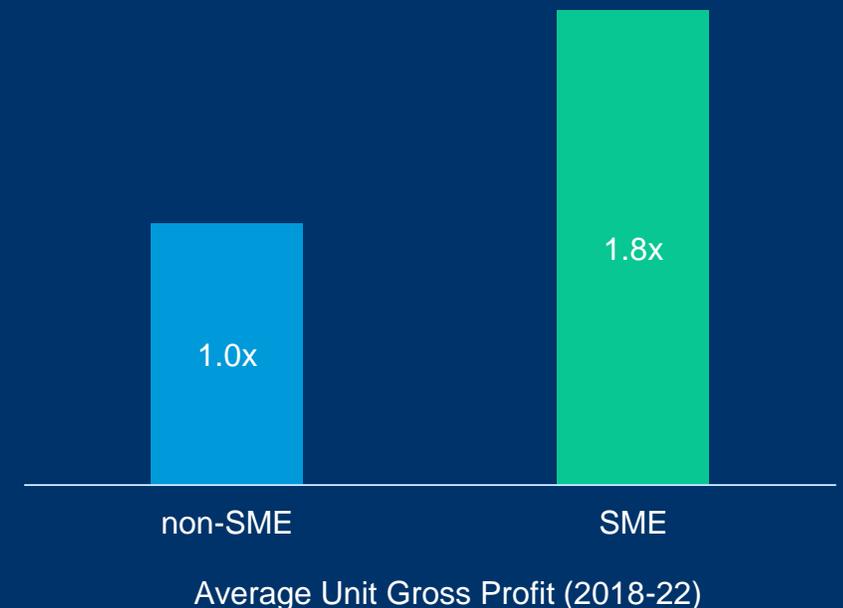
Our Roadmap 2026 will focus on **Customer Experience** and **Employee Experience**, and an enhanced **digital landscape**, enabling selective growth to attain a conversion rate above 40%



# How extraordinary Customer Experience will drive higher yields and stronger growth

- **Stronger loyalty:** Improved customer proximity and **one extraordinary Customer Experience worldwide** will increase customer retention and increase our margin by an average of USD 50/TEU
- **Targeting SMEs:** Many new locations in smaller cities enable us to focus on higher-yielding SME customers in previously unaddressed markets
- **Network expansion:** We will pursue more selective growth in key lanes / countries / regions with small market shares
- **Yield management:** We will focus on International Supply Chain (ISC) customers with higher yields and additional service requirements

## SME volumes generate higher yields





- **Sea Logistics etouch efforts yielded first observable benefits in 2022**
  - Initiatives supported by rollout of enabling, in-house TMS SeaLog (rollout completed Dec. 2022)
  - Systematic means of measuring and tracking progress in place
  - Estimated **potential efficiency gains at least as great as those of Air Logistics** (CHF basis)
  - Areas of greatest potential: digital bookings and shipping instructions, collaboration on case management
  - First indications of quantified progress to be published in 2023
- **Targeted improvements of digital systems myKN, CoreLog and SeaLog to foster:**
  - Enhanced collaboration with customers and colleagues
  - Improved shipment status data
  - Offering of market-leading end-to-end supply chain visibility

# Living ESG

## Leading in CO2e transparency

**We will improve loyalty and margin by enabling our customers to gain industry-leading insights into the CO2e emissions of a transport.**

- **Customer access** to reliable, high standard suppliers of **low carbon fuels**
- **Structured campaigns** within established associations / customer groups
- Commitment of **large cargo volumes** utilising low-carbon fuels under the “mass balance” concept



# Sea Logistics summary: Selective, balanced market share expansion with an eye on yields

- **EBIT improvement will come from**
  1. **Extraordinary Customer Experience**
    - Higher margin, especially from SME
    - Less customer attrition
  2. **Digital ecosystem/etouch**
    - Lower cost per transaction
  3. **Growth / new markets**
- **Conversion rate above 40%**

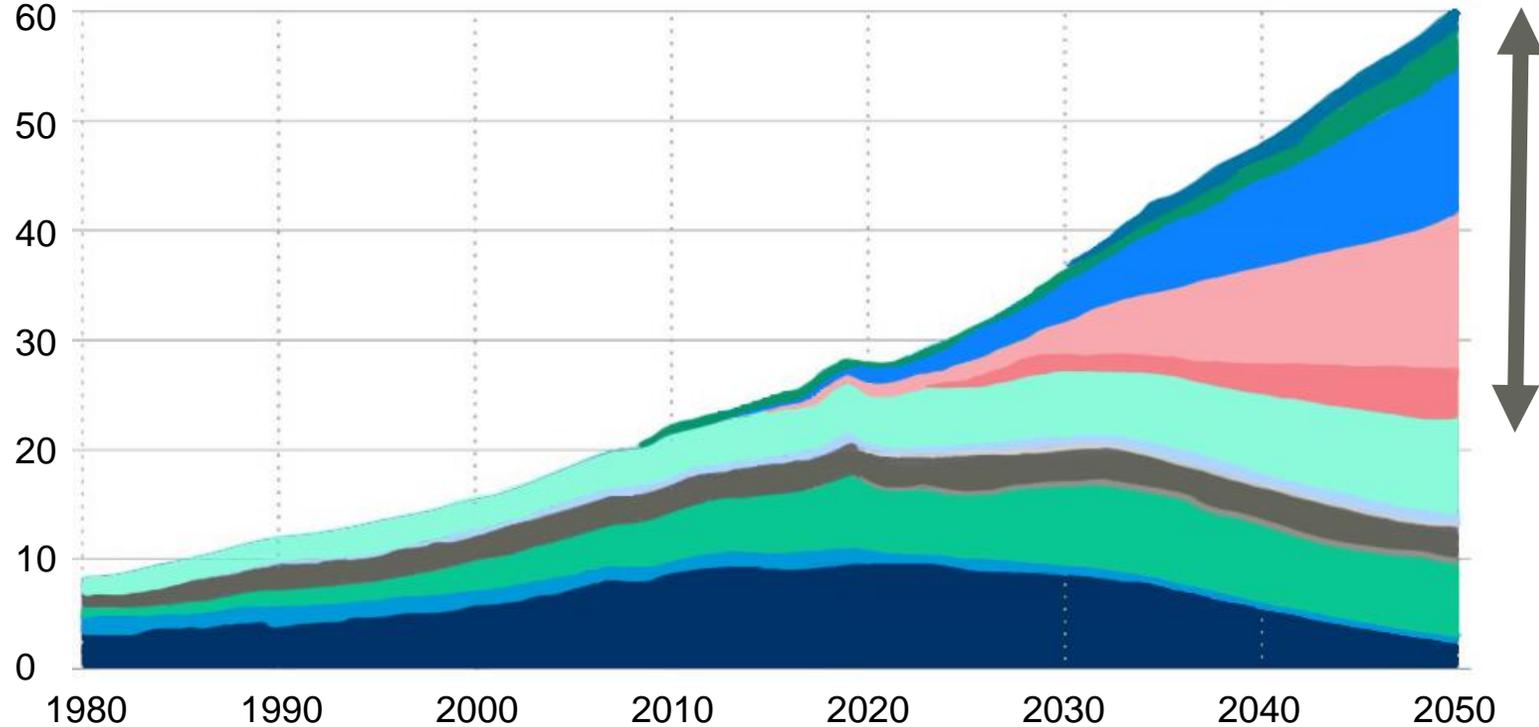


# Renewable energy: A large and unique opportunity

# Wind and solar will account for over 50% of power generation by 2050

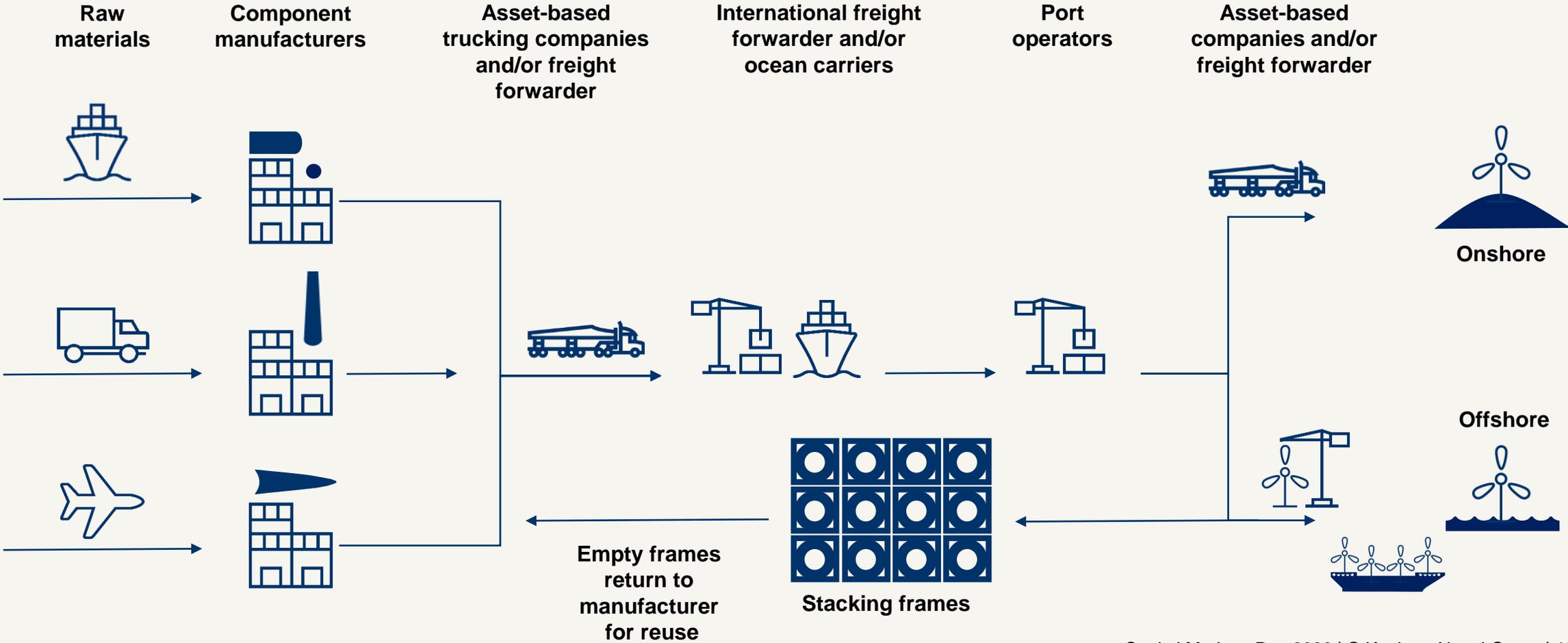
## World electricity generation by power station type

Units: PWh/yr



# Wind industry supply chain

## Complex process and planning



# Global growth outlook 2022–2030



## Solar

- + 2.295 GW  
USD 1.7 trillion CAPEX
- **USD 85 billion**  
logistics spend



## Onshore Wind

- + 842 GW  
USD 1.1 trillion CAPEX
- **USD 56 billion**  
logistics spend



## Offshore Wind

- + 209 GW  
USD 800 billion CAPEX
- **USD 40 billion**  
logistics spend



## Hydropower

- + 201 GW  
USD 300 billion CAPEX
- **USD 15 billion**  
logistics spend

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# Capital Markets Day 2023

## Roadmap 2026 – Air Logistics / Healthcare / Semicon

Yngve Ruud, Executive Vice President Air Logistics  
Kuehne + Nagel International AG

March 1, 2023

London, UK

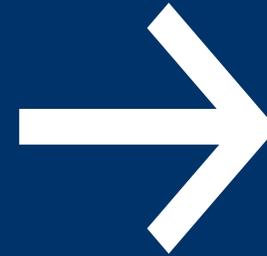
# Agenda

- **Roadmap 2026 Air Logistics**
  - Our successful transformation: 2017-2022
  - Our extraordinary KPI trend: 2017-2022
  - Roadmap 2026: What and How
  
- **Growth Area: Healthcare**
  
- **Growth Area: Semicon**

# Our successful transformation: 2017-2022

# We have transformed how we ...

- **Grow our solutions**
  - Time-critical logistics
  - Market leadership on transpacific routes
  - Industry focus
- **Work and operate**
  - Long-term commitments with our own flights
  - Air Logistics 2.0 and SALOG TMS
- **Deploy automation and technology**
  - etouch



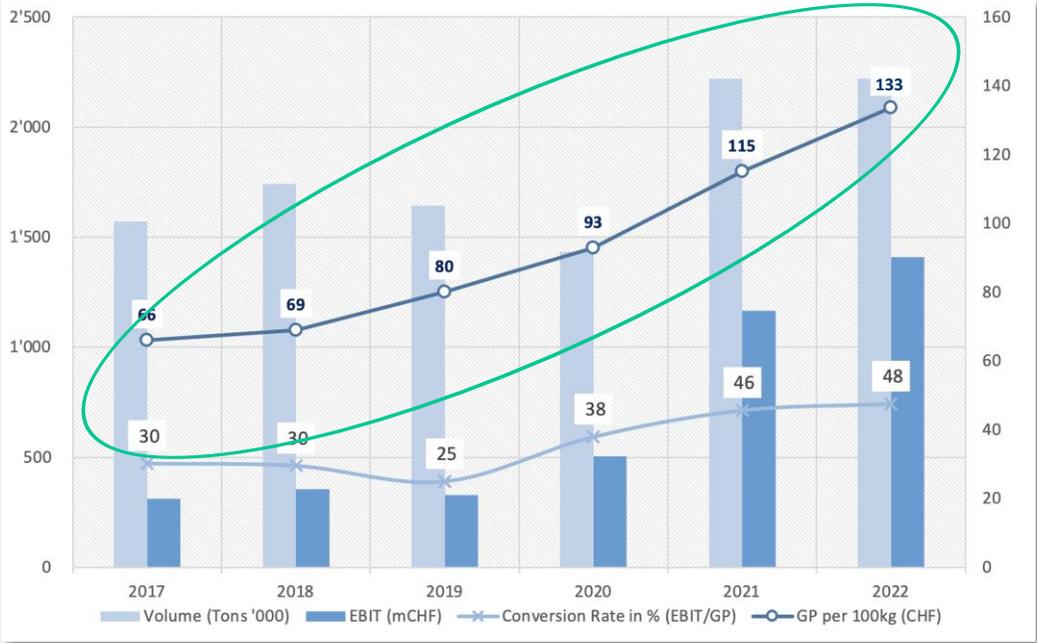
**Our roadmap  
2026 builds  
on this strong  
foundation**

# Our extraordinary KPI trend: 2017-2022

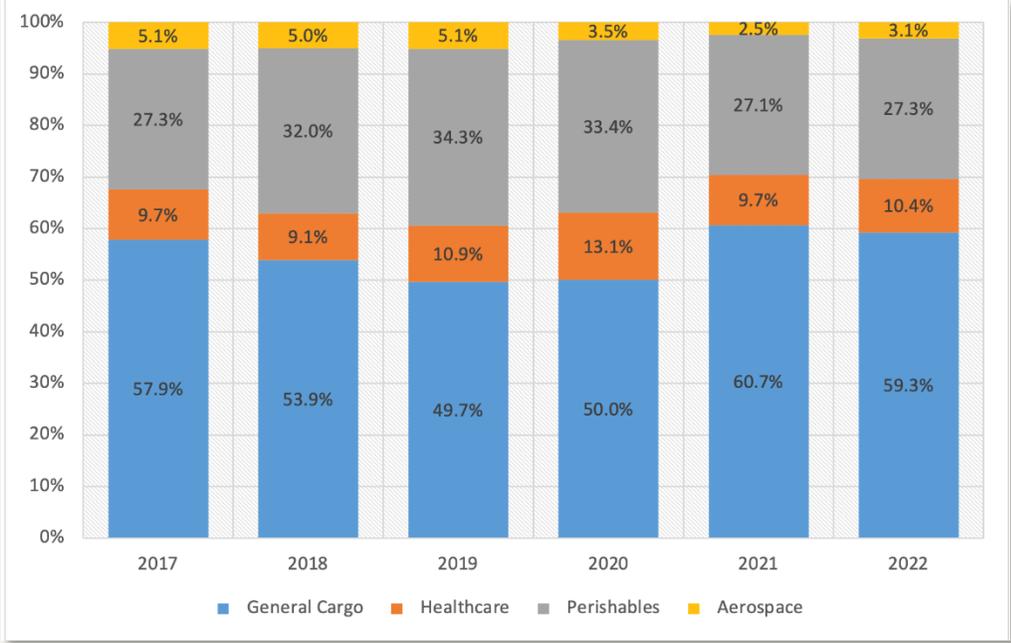
# Our successful transformation in facts and figures



KPI development



Tons per vertical in % of total





**We take off into  
Roadmap 2026  
stronger than ever**

# Roadmap 2026: What and How

# Enabling an extraordinary experience

## Building trust

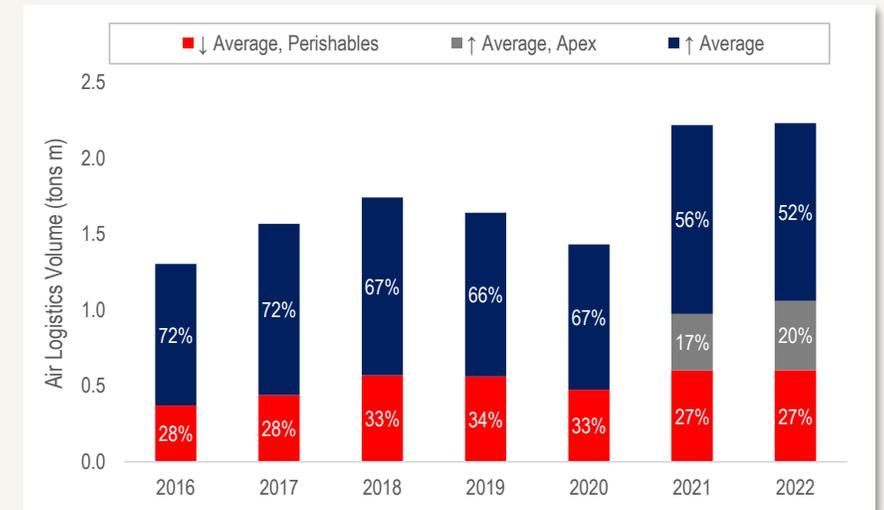
- We want our customers to experience us as the easiest company to work with
- We will redefine the definition of world-class **product delivery** and **customer service**
- We will keep being the vanguard for **sustainable supply chain solutions** in our industry



# Yield protection and optimisation

## Strengthening product portfolio

- Continued investment in **sector-specific solutions**
- **Quality certification** as the main differentiator
- Ideal **commodity mix** with high, recession-resistant yield



# Driving efficiencies

## Continue to invest in a world-class way of operating our business

- to fuel the customer experience
- as the foundation for profitable growth
- to manage our conversion rate

**etouch** empowers our product delivery, ease our customers' minds, and enables us to **work smarter**

Automation drives down our production cost and sets a new baseline for **profitable growth**

**TMS** enables continued transformation of operations



# Delivering scalable and reliable services

## Global gateway model

This model will deliver **consistent** and **scalable** solutions that drive profitable growth and improve ease of doing business

## M&A

We will add value for our customers and ensure profitable growth by protecting and developing the competencies and capabilities we acquire



# Air Logistics 2026 ambition

Strengthen our #1 market position  
with a conversion rate of > 40%.

increase of 2019 conversion rate

Kuehne+Nagel Experience	Market Expansion	Digital Solutions + Automation	M&A
5-10%	5-10%	3-5%	3-5%

# Growth area: Healthcare

# Healthcare 2026 ambition

By 2026, we aim to **double current market share**, focusing on the full product lifecycle.

# Understanding the product lifecycle

## For when it matters the most



← QuickSTAT & Kuehne+Nagel Healthcare →

# Roadmap 2026

## Focus on 5 key objectives:

- **KN Experience:** Achieving #1 in Healthcare customer and employee experience
- **Quality is our differentiator:** maintaining 240+ certified operations and launching "Quality Matters" to showcase our approach
- **Global access:** investing in transport and warehousing services for our customers to be closer to their patients
- **Customer growth:** further defined service offering for the segments of Pharma, biopharma/vaccines, med device/ med tech, diagnostics/testing, animal health and consumer healthcare
- **M&A/partnership growth:** supporting all aspects of our customer life cycle



# Growth area: Semicon

# Semicon 2026 ambition

By 2026, we want to be engaged as a **core service provider** with more than **50% of companies** participating the Semicon supply chain.

The goal is to gain CHF 500 million of new business.

# Semicon industry

## Market:

Expanding global digital ecosystems drive strong semiconductor growth, but an unstable supply severely impacts key industries.

- Market size > USD 10 billion
- Growth 6% CAGR

Increasingly more complex supply chain due to future shift of production back to western economies.



# Roadmap 2026

Semicon Logistics 5

## Introducing SemiconChain: Kuehne+Nagel's new quality standard

An Air Logistics service specifically designed to meet the unique requirements of the semiconductor supply chain.



**CERTIFIED QUALITY**  
SemiconChain  
**BY KUEHNE+NAGEL**

The SemiconChain label promises unparalleled quality and adherence to ISO 9001 2015 / IATF 16949 industry standards along the entire supply chain, assuring full transparency, predictability and reliability. The SemiconChain quality standard guarantees process standardization, continuous improvement and service excellence across our dedicated network of SemiconChain certified locations.

To address these supply chain challenges and to ensure our customers' success, we introduce and invest in specialised logistics offering **based on highest quality standards.**

 <p><b>Reliability</b> The only certified quality-based semiconductor industry network ensuring the highest service quality and uninterrupted operations</p>	 <p><b>Predictability</b> Reliable transit times with various speed and capacity options, including time-critical services</p>	 <p><b>Safety and security</b> Direct flight priority, special handling controls and global airside services ensure a safe and secure delivery</p>
 <p><b>Industry knowledge</b> Highly qualified and experienced personnel who understand the semiconductor supply chain</p>	 <p><b>Digital solutions</b> Dedicated digital solutions for improved decision-making, providing key information and documentation transparency</p>	 <p><b>Risk mitigation</b> Professional risk assessment transparency solutions help avoid and minimise damages</p>

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# Capital Markets Day 2023

## Roadmap 2026 – Road Logistics / Customs

Hansjörg Rodi, Executive Vice President Road Logistics  
Kuehne + Nagel International AG

March 1, 2023

London, UK

## Agenda

1. **Kuehne+Nagel Road Logistics today**  
Our business, financials, and market
2. **Roadmap 2026**  
Our focus and our future

# Kuehne+Nagel Road Logistics today



Kuehne+Nagel Road is active in **4 of our 5 regions**.



Our biggest region remains Europe, where we operate a **pan-European network** built on own-managed cross-dock operations.

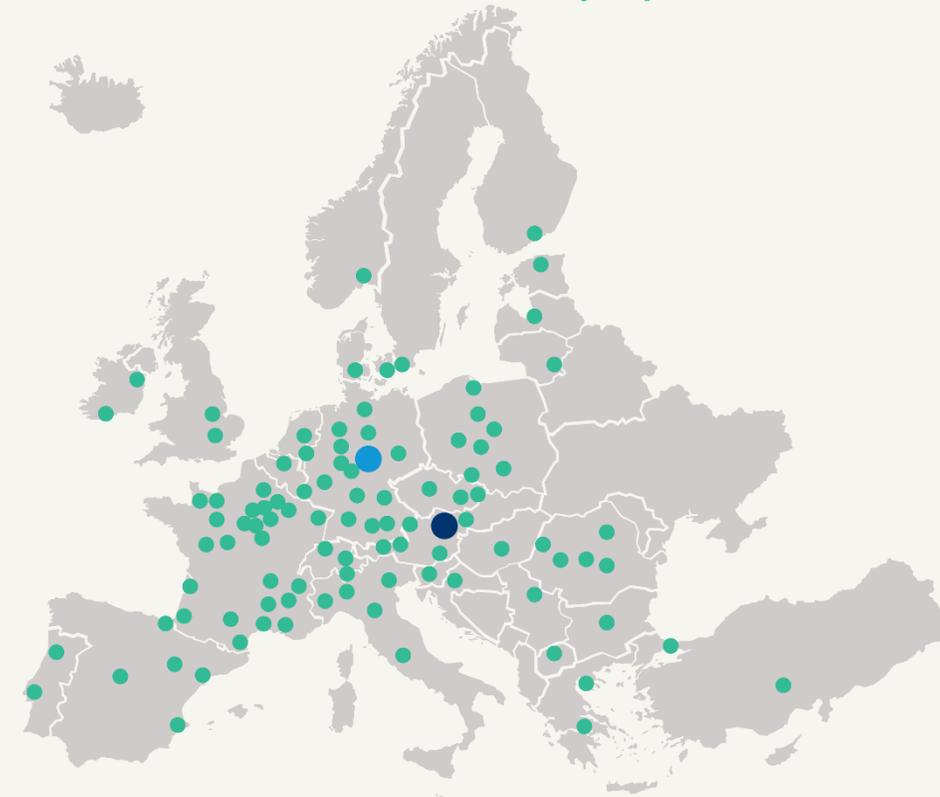


In the other regions, our product offering is asset-light.



**Expo & Events and customs brokerage** are standalone businesses that complete our product offering.

More than **40 countries** in Europe are connected via more than **3,000 international weekly departures**.

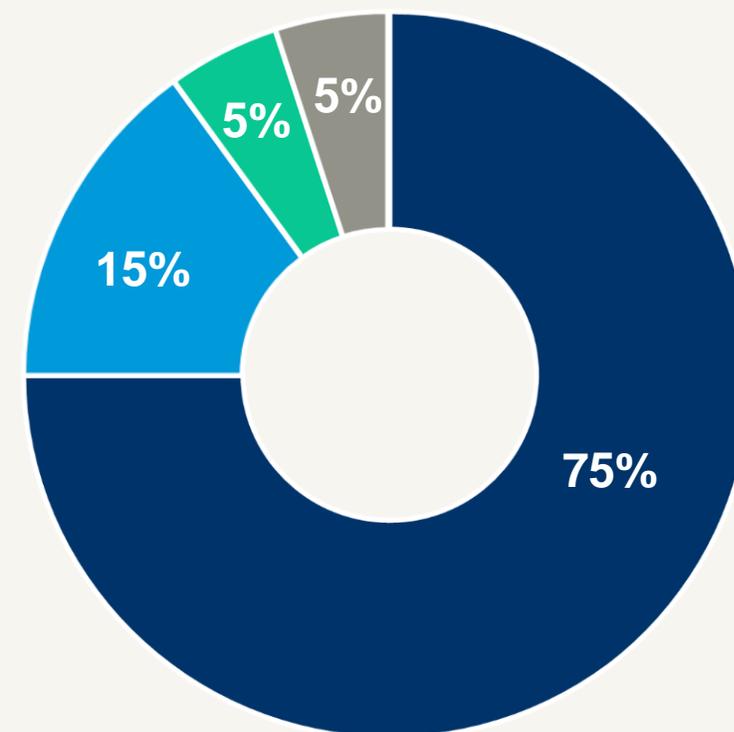


 Eurohub  
 Easthub

## Our 3-year financial performance reflects improvements in mix and yields

CHF million	2019	2022
Net turnover	3,586	3,997
Gross profit	1,121	1,334
EBIT	78	146
Conversion rate	7.0%	10.9%
EBIT margin to net turnover	2.2%	3.7%

Turnover split per region 2022



■ EUR ■ NAM ■ MEA + ASP ■ Customs

# Success is local or regional in our very fragmented markets



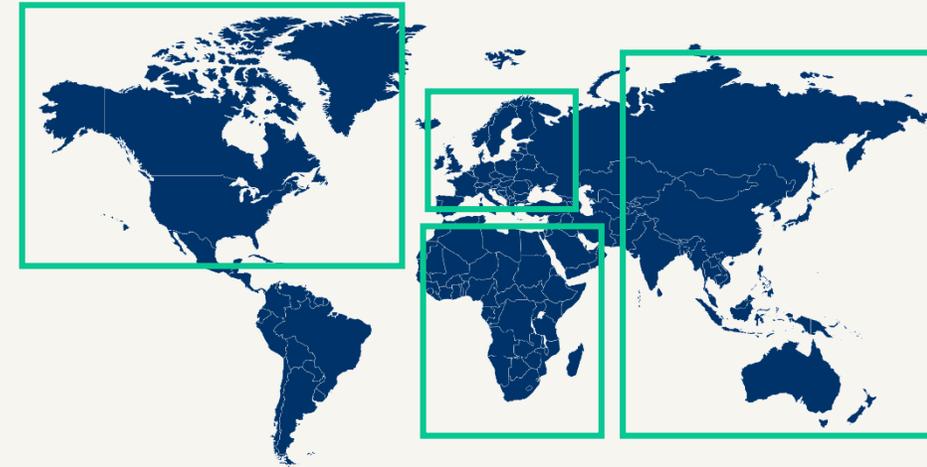
A “global” market for Road Logistics does **not exist**, and the competitive landscape is very fragmented.



Markets are traditionally very local, with a trend toward **regionalised services** like pan-European groupage and corridor solutions in North America, Middle East Africa, and Asia-Pacific.



High market shares are not a driving force for success.



# Roadmap 2026: Focus and future

# Our focus and future under Roadmap 2026



**Staying asset-light** and focusing on **building KN Road Ecosystem**: Suppliers, employees, and customers.



**Delivering solutions to meet complex customer demands:**

- cross-border corridor solutions
- real-time visibility



**Supporting our people's decision-making** through data and augmented intelligence.



# Digital Ecosystem: We deliver innovative seamless digital experiences



We are standardising our TMS landscape

- Our own TMS **RoadLog** has been implemented in **42 countries**
- Further deployments underway.



We use **cloud-based business intelligence solutions** to enable faster decision-making.



We continue to invest in **seamless eTouch solutions** (e.g. myKN, eTrucknow) for customers and suppliers.

**85%** of our orders are already processed via **EDI/API** or the **digital customer self-entry portal.**

# Relentless implementation of our initiatives will drive growth

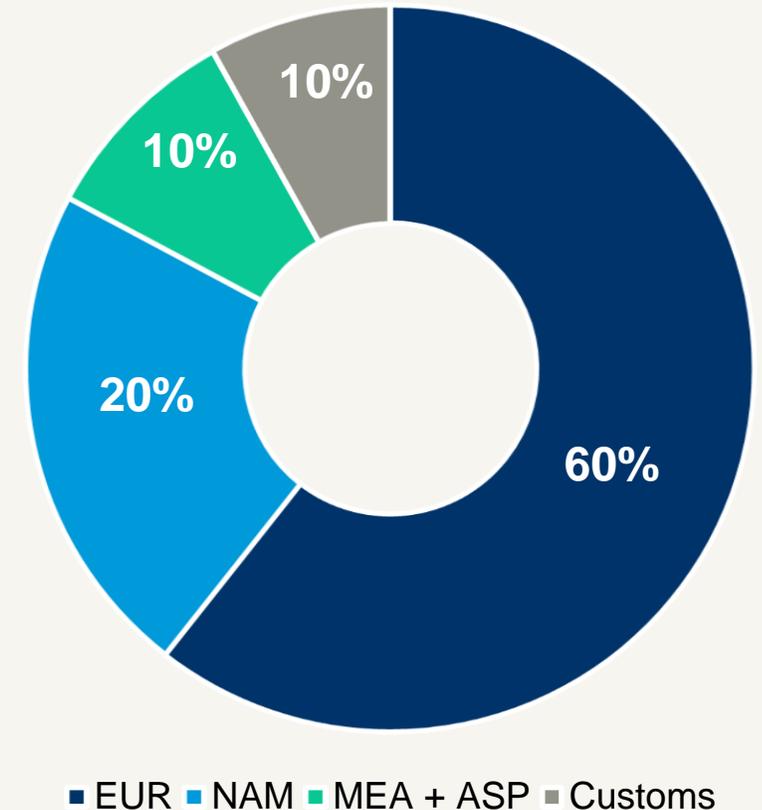
Kuehne+Nagel Road Logistics will continue its successful growth path, driven by:

- Engaged employees and suppliers
- State-of-the-art technology.

We will design and implement regional-specific Road Logistics solutions tailored to customer needs.

- **We expect our top-line to grow with an CAGR of 8%.**
- **We expect higher growth rates in NAM, MEA, ASP and Customs than in Europe.**

Turnover split per region 2026



# Growth Area: Customs Brokerage

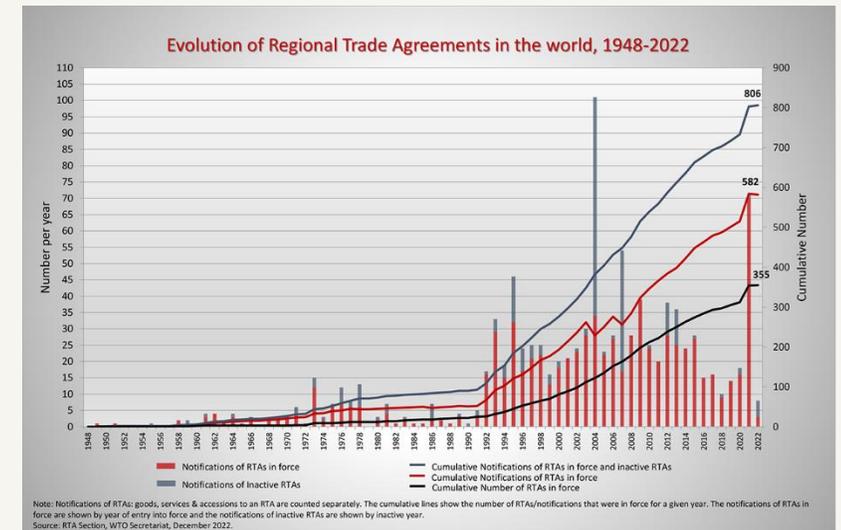
# We will continue to innovate Customs as a standalone product

Kuehne+Nagel is already a major customs broker in North America and Europe.

The demand for our services is growing, as more international trade and increased regulations lead to **higher complexity**.

We are rolling out a **cloud-based digital customs platform** for all transactions to drive efficiency and accuracy.

## Evolution of Regional Trade Agreements in the world, 1948-2022



**We want to become  
the most trusted Road  
Logistics supply  
chain partner  
supporting a  
sustainable future.**

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# Capital Markets Day 2023

## Roadmap 2026 – Contract Logistics / e-commerce

Gianfranco Sgro, Executive Vice President Contract Logistics  
Kuehne + Nagel International AG

March 1, 2023

London, UK

## Agenda

- 1. Our strong basis for growth**  
The 2017-2022 transformation, market landscape,  
and our unique positioning
- 2. Roadmap 2026**  
Targets and focus on 4 main strategic initiatives

# Contract Logistics in numbers (2022)

## Net turnover

CHF 4.9 billion (+7% or 13% excl. FX)

## EBITDA

CHF 774 million

## EBIT

CHF 187 million

## ROCE

27%

## New business wins

CHF 400 million



# Contract Logistics in numbers (2022)

## Fulfilment centers

650 (more than 10% with high automation)

## FTE – countries

49,000 (more than 500 in R&D)

45 countries

## Business by industry vertical and geographies

Consumer and e-commerce 50%

Healthcare 15%

Technology 35%

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EMEA 50%

AMERICAS 25%

ASIA 25%



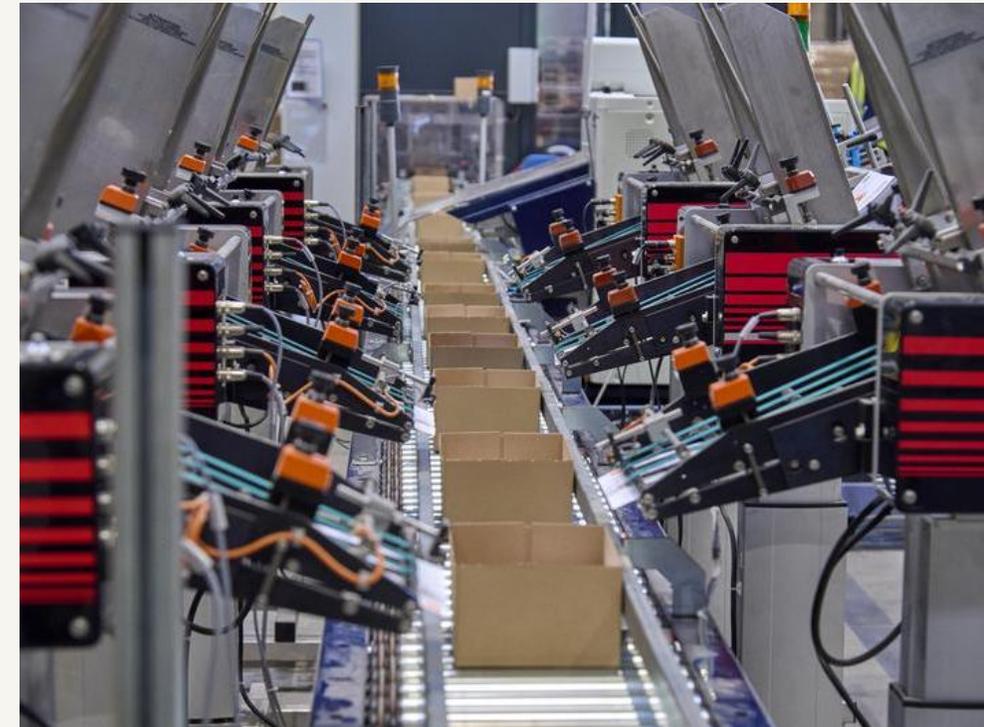
# The new market landscape

## Activities in scope

- National, regional and global fulfilment center and distribution through B2B and B2C channels
- Value added operations. Seamlessly integrated into our networks

## Competitive and market dynamics

- Re-configuration of networks
- Digital native solutions
- Highly automated solutions
- Contract tenure scaling up from 3-5 years to 10-15 years
- Specialisation
- Market fragmentation (top 10 players = 20% of the market)



# Our unique positioning

## Employees

We master complexity

## Technology

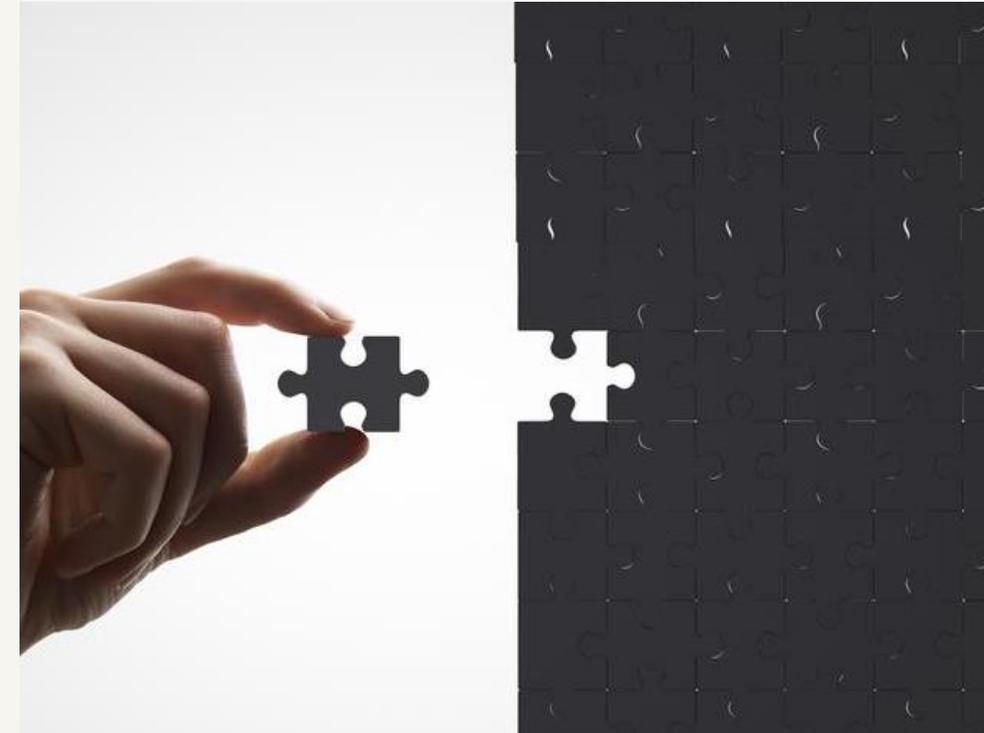
From “loving robots” to “loving customer solutions”

## Customer and people centricity

More than 15,000 touch points per year

## Industry vertical specialisation

Healthcare, consumer/e-commerce and technology



# Roadmap 2026: What and How

# We will deliver above-market turnover growth and conversion rate improvement

## Market continuing to grow

Fewer customers able to cope with rising complexity  
Higher entry barriers

## Organic top-line growth at CAGR 8%

Above-market projections

## M&A

Strategically support geographical and vertical development

## Conversion rate increase by 80-100 bps

**What**

Kuehne + Nagel Experience will continue to increase loyalty and win rate

Mix enhancement

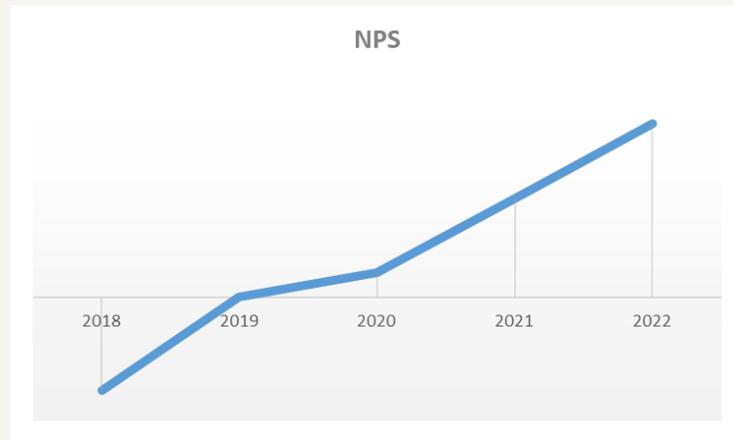
Product evolution

Future-ready operations

**How**

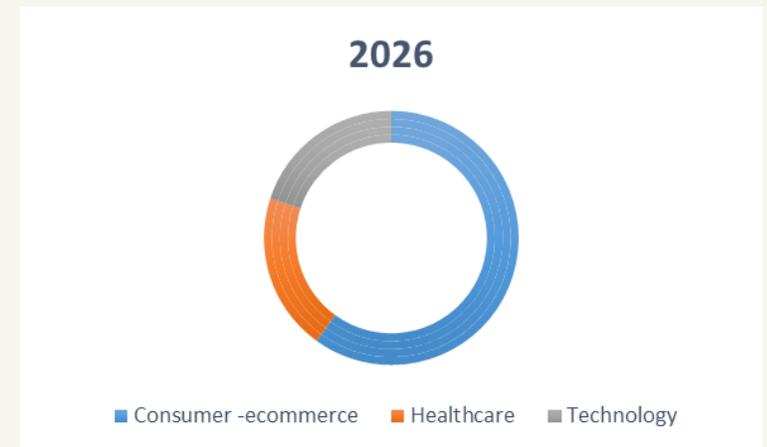
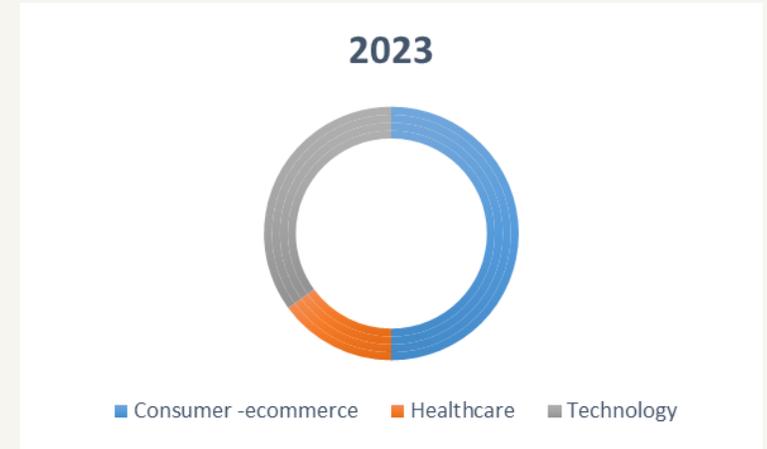
# Extraordinary Customer Experience drives superior trust

- **Pioneers** in introducing proven B2C measurements into the world of Contract Logistics
- **Simplification, agility and speed** to constantly improve product delivery
- From customer satisfaction to **customer enablement** to generate additional profit streams
- **Value pricing**



# Relentless focus on premium industry verticals and geographies

- **Healthcare and consumer e-commerce** represent our “premium” industry verticals with higher conversion margin
- The **future needs of both these industries** combined with **our product development** will drive higher conversion rate
- Increase of **Asia-based** customers
- **M&A** will focus on “premium” industry verticals, USA and selected Asian countries



# Product evolution supporting premium industry verticals and B2C channels

## New E-commerce product offering

**Healthcare footprint to more than double** with combination of organic, M&A and service expansion

Healthcare service expansion:  
Focus on Quality  
Supply Chain Management Services  
Direct to Patient  
Consumer Health spin off

# Future-ready operations with full integration between humans and robots and 100% sustainable fulfilment centers

**Doubling highly automated** fulfilment centers by 2026, driving higher productivity

Already reached **1:1 ratio** between humans and robots, more to come

**Energy production = energy consumption** in all new infrastructures

- **Future-proof organisation**
- **Ready for today, flexible for tomorrow**
- **Supplementing the humans**
- **Agile and flexible**

## Key takeaways

### We will continue to evolve and lead the market

- Our focus on **market specialisation and customer experience** is a proven strong driver of higher growth and higher yields
- **Very solid market** conditions to sustain our growth
- **Fully equipped** to deliver on Roadmap 2026 expectations



# Growth area: E-commerce

## E-commerce ambition

By 2026, we aim to generate an additional **CHF 500 million of new business** by leveraging the strong existing footprint and creating new product offerings for SMEs

# Strong performance in a constantly evolving market

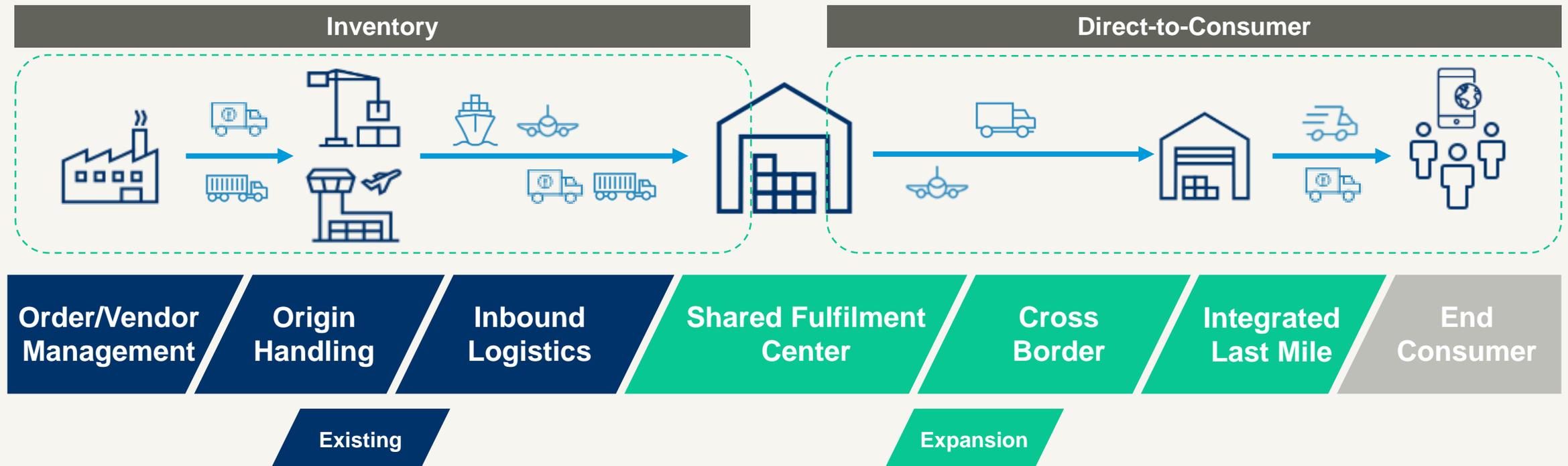
## We are successful in all main categories in e-commerce

- E-Commerce's share of global retail sales to grow from 20% currently to 25% by 2026
- Leading position in e-commerce solutions for clothing, shoes, consumer electronics, personal care and luxury goods with hi-level of customization
- Primary focus on big brands, retailers and marketplaces
- Brands versus marketplaces
- All business units involved



# Giving SMEs access to end-to-end offering

- 15% of the market
- highest growth rate
- 6 out of 10 SMEs selling nationally – 9/10 with plans to go international
- End-to-end logistics offering is key



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**KUEHNE+NAGEL**

