



Kuehne + Nagel International AG

Analyst Conference – First quarter 2017 results

April 20, 2017 (CET 14.00) | Schindellegi, Switzerland

Forward-looking statements



This presentation contains forward-looking statements.

Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of Kuehne + Nagel International AG, may cause actual development and results to differ materially from the expectations contained in the presentation.

Reference is also made to our disclaimer on the last slide of this presentation.



Agenda



▶ Overview first quarter 2017 results

Financial review

Appendices

Highlights Q1 2017



Volume growth in Q1 2017 accelerated to support performance increase in HY2 2017



Gross profit increase of 3.5% and earnings for the period increase of 1.3%¹



Increase of market share (+ 85,000 TEUs) and stabilisation of margin (GP/TEU CHF 328)



Increase of market share (+ 47,000 tons) and strong conversion rate (30%)



Strong performance in the European network traffic



Performance increase due to strong growth of scalable industry-specific solutions

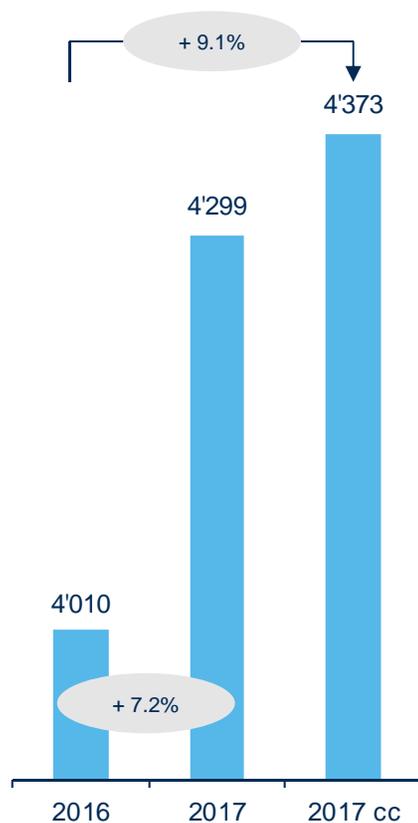
¹ excluding positive one-off impact in Q1 2016



Overview first quarter 2017 results

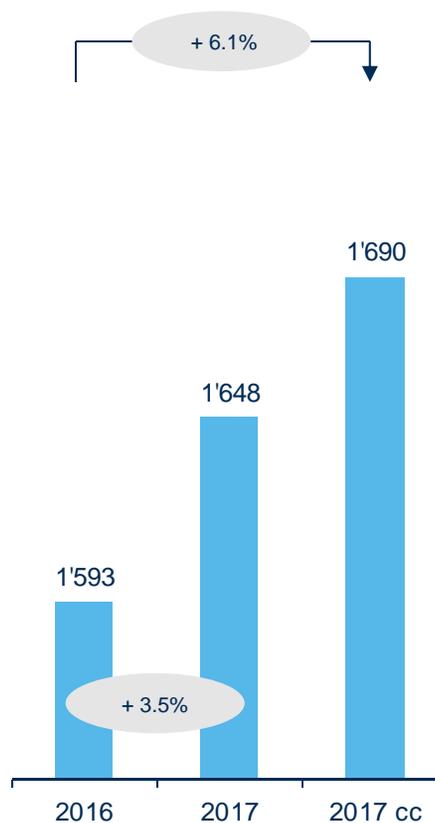
Net turnover

in CHF million



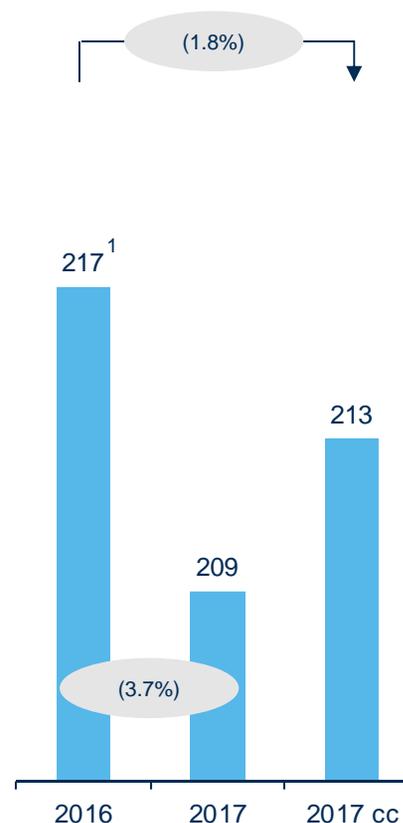
Gross profit

in CHF million



EBIT

in CHF million



1 includes positive one-off impact from sale of real estate amounting to CHF 8 million cc (in constant currencies)

Seafreight



Strong volume growth + 9%

Margins stabilised

High conversion rate of 28%

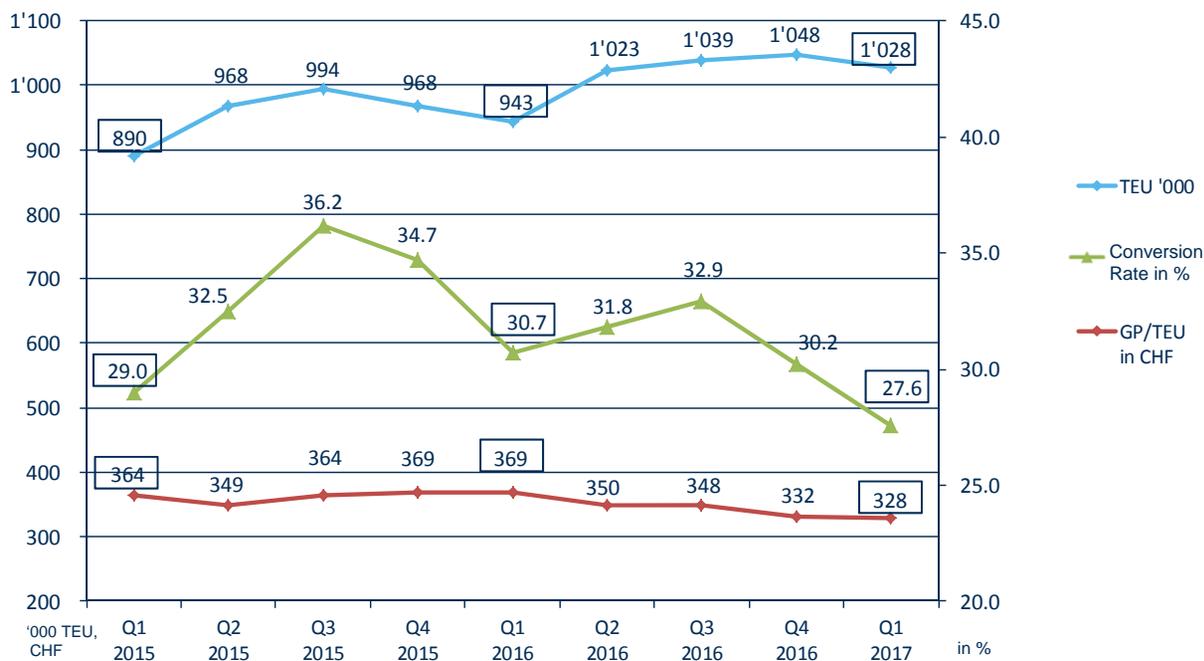




Seafreight – Performance of business unit

Income statement in CHF million	YTD	YTD	Variance		
	Mar 2016	Mar 2017	2017/2016	Growth	Forex ¹
Turnover	1'972	2'095	6.2%	6.5%	(0.3%)
Gross profit	348	337	(3.2%)	(2.6%)	(0.6%)
EBITDA	112	99	(11.6%)	(10.7%)	(0.9%)
EBIT	107	93	(13.1%)	(11.2%)	(1.9%)
EBIT in % of GP	30.7%	27.6%			

¹ Foreign currency translation impact



- Market growth of ~ 4%
- Margin pressure continued from Q4 2016
- Exceeded 1 million TEUs
- Strong volume growth: Transpacific & Transatlantic

Airfreight



Strong volume growth + 16%

Stable margins

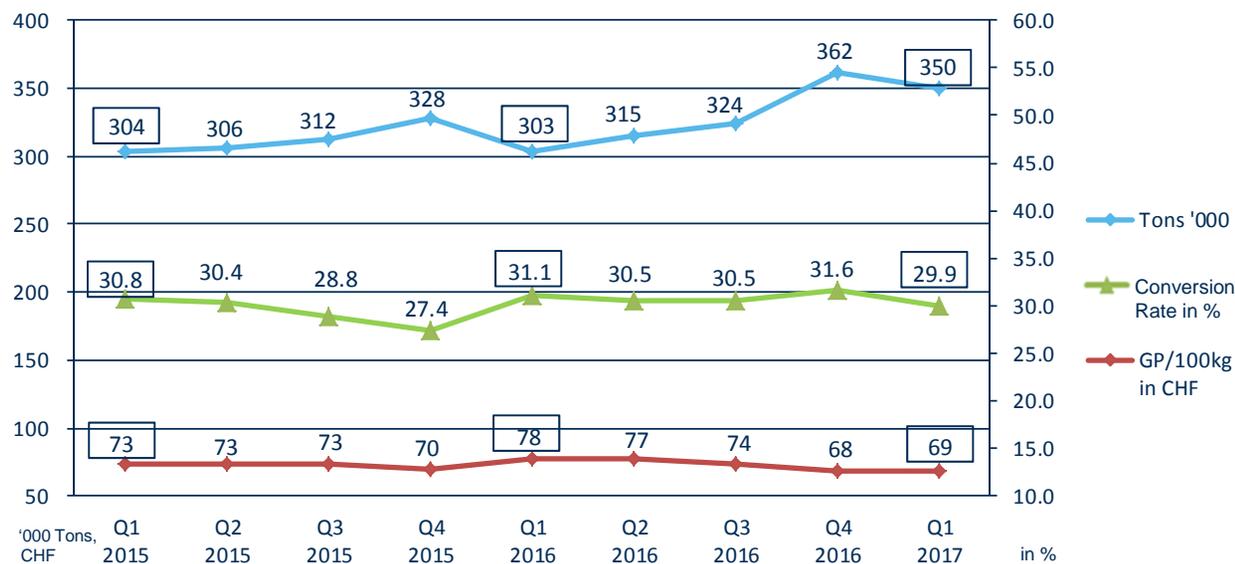
Leading conversion rate of 30%



Airfreight – Performance of business unit

Income statement in CHF million	YTD	YTD	Variance		
	Mar 2016	Mar 2017	2017/2016	Growth	Forex ¹
Turnover	944	1'063	12.6%	13.0%	(0.4%)
Gross profit	235	241	2.6%	3.5%	(0.9%)
EBITDA	77	76	(1.3%)	(1.3%)	- %
EBIT	73	72	(1.4%)	(1.4%)	- %
EBIT in % of GP	31.1%	29.9%			

¹ Foreign currency translation impact



- Market growth of ~ 7%
- Stable margins versus Q4 2016
- Over 350,000 export tons shipped
- Strong export business from Europe and Asia

Overland

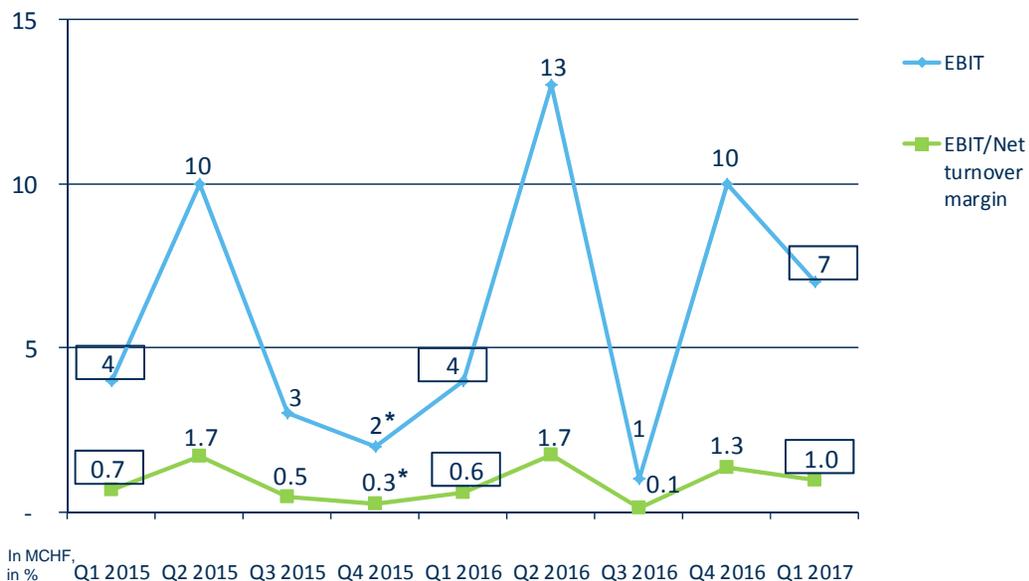




Overland – Performance of business unit

Income statement in CHF million	YTD	YTD	Variance		
	Mar 2016	Mar 2017	2017/2016	Growth	Forex ¹
Net turnover	695	730	5.0%	6.7%	(1.7%)
Gross profit	220	226	2.7%	5.0%	(2.3%)
EBITDA	15	17	13.3%	26.6%	(13.3%)
EBIT	4	7	75.0%	100.0%	(25.0%)
EBITDA / Net turnover margin	2.2%	2.3%			
EBIT / Net turnover margin	0.6%	1.0%			
EBIT / GP margin	1.8%	3.1%			

¹ Foreign currency translation impact



In MCHF,
in %

Q1 2015 Q2 2015 Q3 2015 Q4 2015 Q1 2016 Q2 2016 Q3 2016 Q4 2016 Q1 2017

* excl. antitrust fine

- Growth significantly above market
- Strong network traffic performance in Europe
- Successful implementation of Pharma solutions

Contract Logistics



Scaling of industry-specific solutions leads to EBIT growth of + 15%



Contract Logistics – Performance of business unit

Income statement in CHF million	YTD	YTD	Variance		
	Mar 2016 ¹	Mar 2017	2016/2017	Growth	Forex ²
Net turnover	1'080	1'115	3.2%	7.1%	(3.9%)
Gross profit	790	844	6.8%	11.0%	(4.2%)
EBITDA	55	65	18.2%	21.8%	(3.6%)
EBIT	33	37	12.1%	15.1%	(3.0%)
EBITDA / Net turnover margin	5.1%	5.8%			
EBIT / Net turnover margin	3.1%	3.3%			

¹ Includes profit of real estate sale of CHF 8 million

² Foreign currency translation impact



- Strong gross profit growth of CHF 54 million
- Scaling of industry-specific solutions
- Strong improvement of EBIT/net turnover margin



Overview first quarter 2017 results

▶ Financial review

Appendices



Income statement

CHF million	2016	2016	2016	2016	YTD	2017	Variance	Variance in %		
	Q1 ¹	Q2	Q3	Q4	2016	Q1		Q1 2017/2016	2017/2016	Growth
Net turnover	4'010	4'137	4'100	4'278	16'525	4'299	289	7.2%	9.0%	(1.8%)
Gross profit	1'593	1'664	1'643	1'650	6'550	1'648	55	3.5%	6.1%	(2.6%)
<i>Gross profit margin</i>	39.7%	40.2%	40.1%	38.6%	39.6%	38.3%				
EBITDA	259	288	270	293	1'110	257	(2)	(0.8%)	1.1%	(1.9%)
<i>EBITDA margin</i>	6.5%	7.0%	6.6%	6.8%	6.7%	6.0%				
EBIT	217	238	223	240	918	209	(8)	(3.7%)	(1.9%)	(1.8%)
<i>EBIT margin</i>	5.4%	5.8%	5.4%	5.6%	5.6%	4.9%				
EBT	220	242	230	243	935	214	(6)	(2.7%)	(0.9%)	(1.8%)
<i>EBT margin</i>	5.5%	5.8%	5.6%	5.7%	5.7%	5.0%				
Earnings for the period	169	187	177	187	720	165	(4)	(2.4%)	(0.6%)	(1.8%)

¹ Includes profit on sale of real estate of CHF 8 million

² Foreign currency translation impact

- Foreign currency translation impact in the income statement of approx. 2 per cent

Income Statement (average rates)	Mar 2016	Mar 2017	Variance %	Impact on earnings for the period in %
Euro	1.0910	1.0692	(2.0%)	} (1.8%)
US Dollar	0.9922	1.0054	1.3%	
British Pound	1.4218	1.2523	(11.9%)	

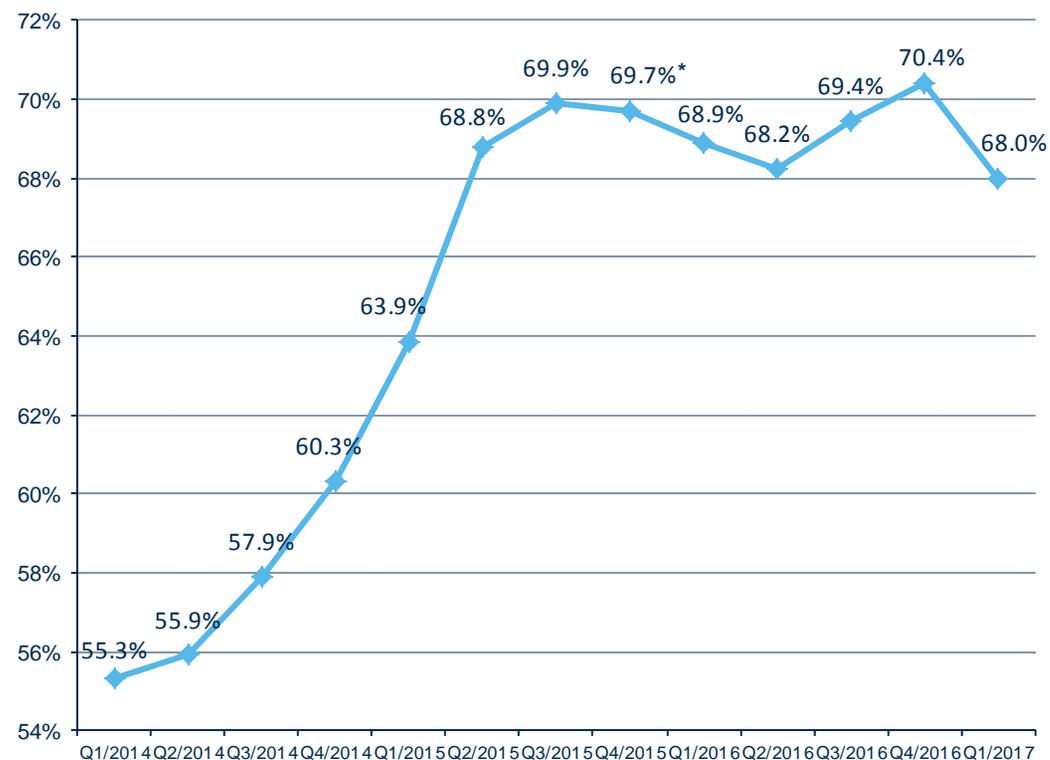
- Gross profit growth in Airfreight, Overland and Contract Logistics
- Seafreight stabilised after Q4 2016
- Market share gains will support HY2 2017



Financial overview

CHF million	YTD Mar 2016	YTD Mar 2017
Net turnover	4'010	4'299
Gross profit	1'593	1'648
EBITDA	259	257
EBIT	217	209
EBIT margin to net turnover	5.4%	4.9%
Net earnings for the period	168	164
EPS (basic) in CHF	1.41	1.37
Total assets	6'330	6'584
Equity	2'268	2'296
Equity % of total assets	35.8%	34.9%
Cash and cash equivalents, net	912	822
Operational cash flow	256	262
Capex	42	52

ROCE



* Rolling EBIT excluding antitrust fine in Q4 2015

Calculation: Last four quarters EBIT (rolling EBIT) divided by the average of the last four quarters capital employed (rolling capital employed)

Balance sheet



CHF million	31 December 2016	31 March 2017		31 December 2016	31 March 2017
Assets			Liabilities and equity		
Property, plant and equipment	1'127	1'126	Equity attributable to the equity holders of the parent company	2'160	2'290
Goodwill	758	744	Non-controlling interests	5	6
Other intangibles	82	77	Total equity	2'165	2'296
Others	242	244	Non-current liabilities	639	631
Non-current assets	2'209	2'191	Trade payables	1'544	1'463
Trade receivables	2'605	2'750	Accrued trade expenses/deferred income	968	1'066
Cash and cash equivalents	841	844	Bank and other interest-bearing liabilities	8	26
Others	676	799	Others	1'007	1'102
Current assets	4'122	4'393	Current liabilities	3'527	3'657
Total assets	6'331	6'584	Total liabilities and equity	6'331	6'584

Cash flow



CHF million	2016	2017	Variance
Operational cash flow	256	262	6
Changes in working capital	(80)	(241)	(161)
Income taxes paid	(72)	(43)	29
Cash flow from operating activities	104	(22)	(126)
Cash flow from investing activities	(21)	18	39
Cash flow from financing activities	(4)	(5)	(1)
Exchange difference on cash and cash equivalents	(6)	(6)	-
Increase/(decrease) in cash and cash equivalents	73	(15)	(88)
Cash and cash equivalents at the beginning of the period, net	839	837	(2)
Cash and cash equivalents at the end of the period, net	912	822	(90)

Working capital development



CHF million	March 2016	March 2017	Better/(worse) March 2017 vs. March 2016
Trade receivables & Work in progress	2'755	3'122	(367)
Trade payables & Accrued trade expenses	(2'142)	(2'333)	191
Net working capital	613	789	(176)
KPIs:			
Working capital intensity	3.2%	3.8%	(0.6%)
DSO	46.8	48.8	(2.0)
DPO	59.3	59.3	-
Δ	12.5	10.5	(2.0)



Upcoming events



May 9, 2017	Annual General Meeting
May 15, 2017	Dividend payment for 2016
July 18, 2017	Half-year 2017 results
September 20, 2017	Capital Markets Day
October 16, 2017	Nine-months 2017 results
February 28, 2018	Full-year 2017 results

Quarter over quarter 2017/2016



<i>CHF million</i>	2017	2016	2017 / 2016 Change in %	2017 / 2016 Change in mCHF
	Q1	Q1	Q1	Q1
1. Seafreight				
A) Income Statement				
Turnover	2'095	1'972	+6.2	123
Net Turnover	1'546	1'430	+8.1	116
Gross Profit	337	348	(3.2)	(11)
Opex	(238)	(236)	(0.8)	(2)
EBITDA	99	112	(11.6)	(13)
Depreciation and Amortisation	(6)	(5)	(20.0)	(1)
EBIT	93	107	(13.1)	(14)
B) KPI				
EBIT / GP conversion ratio	27.6%	30.7%		
Volume (TEUs '000)	1'028	943	+9.0	85
GROSS PROFIT	328	369	(11.1)	(41)
EXPENSES	(237)	(256)	+7.4	19
EBIT	91	113	(19.5)	(22)
				} CHF per TEU
2. Airfreight				
A) Income Statement				
Turnover	1'063	944	+12.6	119
Net turnover	908	805	+12.8	103
Gross Profit	241	235	+2.6	6
Opex	(165)	(158)	(4.4)	(7)
EBITDA	76	77	(1.3)	(1)
Depreciation and Amortisation	(4)	(4)	+0.0	0
EBIT	72	73	(1.4)	(1)
B) KPI				
EBIT / GP conversion ratio	29.9%	31.1%		
Volume (TONs '000)	350	303	+15.5	47
GROSS PROFIT	69	78	(11.5)	(9)
EXPENSES	(48)	(53)	+9.4	5
EBIT	21	25	(16.0)	(4)
				} CHF per 100kg

Quarter over quarter 2017/2016



CHF million	2017 Q1	2016 Q1	2017 / 2016 Change in % Q1	2017 / 2016 Change in mCHF Q1
3. Overland				
A) Income Statement				
Turnover	794	749	+6.0	45
Net Turnover	730	695	+5.0	35
Gross Profit	226	220	+2.7	6
Opex	(209)	(205)	(2.0)	(4)
EBITDA	17	15	+13.3	2
Depreciation and Amortisation	(10)	(11)	+9.1	1
EBIT	7	4	+75.0	3
B) KPI				
EBITDA / Net turnover	2.3%	2.2%		
EBIT / Net turnover	1.0%	0.6%		
4. Contract Logistics				
A) Income Statement				
Turnover	1'233	1'200	+2.8	33
Net turnover	1'115	1'080	+3.2	35
Gross Profit	844	790	+6.8	54
Opex	(779)	(735)	(6.0)	(44)
EBITDA	65	55	+18.2	10
Depreciation and Amortisation	(28)	(22)	(27.3)	(6)
EBIT	37	33	+12.1	4
B) KPI				
EBITDA / Net turnover	5.8%	5.1%		
EBIT / Net turnover	3.3%	3.1%		

Quarter over quarter 2017/2016



CHF million	2017 Q1	2016 Q1	2017 / 2016 Change in % Q1	2017 / 2016 Change in mCHF Q1
5. Kuehne + Nagel Group				
A) Income Statement				
Turnover	5'185	4'865	+6.6	320
Customs duties and taxes	(886)	(855)	(3.6)	(31)
Net Turnover	4'299	4'010	+7.2	289
Net expenses for services from third parties	(2'651)	(2'417)	(9.7)	(234)
Gross Profit	1'648	1'593	+3.5	55
Opex	(1'391)	(1'334)	(4.3)	(57)
EBITDA	257	259	(0.8)	(2)
Depreciation and Amortisation	(48)	(42)	(14.3)	(6)
EBIT	209	217	(3.7)	(8)
Result from finance and associates	5	3	+66.7	2
EBT	214	220	(2.7)	(6)
Income tax	(49)	(51)	+3.9	2
Earnings for the period	165	169	(2.4)	(4)
Non-controlling interests	(1)	(1)	+0.0	0
Net Earnings	164	168	(2.4)	(4)
B) KPI				
GP / Net turnover	38.3%	39.7%		
EBITDA / Net turnover	6.0%	6.5%		
EBIT / Net turnover	4.9%	5.4%		
EBT / Net turnover	5.0%	5.5%		
Earnings for the period / Net turnover	3.8%	4.2%		

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