

CAPITAL MARKETS DAY 2017

*Wednesday,
September 20, 2017
London*

KUEHNE+NAGEL



Capital Markets Day 2017 – Wednesday, September 20, 2017

AGENDA

| Time | Presentation | Room | Speaker |
|---------------|---|----------------------------|---|
| 09.00 | ARRIVAL / REGISTRATION | | |
| 09.30 | WELCOME | | |
| 09.30 - 10.00 | KN+NEXTGEN | | <i>Detlef Trefzger, CEO</i> |
| 10.00 - 10.30 | FINANCE UPDATE | | <i>Markus Blanka-Graff, CFO</i> |
| 10.30 - 10.45 | Q & A | | |
| 10.45 - 11.00 | COFFEE BREAK | | |
| 11.00 - 11.45 | GSK / Q & A | | <i>Rob Coyle, VP, NA Pharma Supply Chain & Global Logistics</i> |
| 11.45 - 12.30 | MAERSK / Q&A | | <i>Soren Skou, CEO</i> |
| 12.30 - 13.30 | LUNCH | | |
| 13.30 - 14.15 | SEAFREIGHT CONTRACT LOGISTICS TECHNOLOGY & DATA | Room A Room B Room C | <i>Otto Schacht, Executive Vice President</i> <i>Gianfranco Sgro, Executive Vice President</i> <i>Martin Kolbe, CIO</i> |
| 14.15 - 14.30 | COFFEE BREAK | | |
| 14.30 - 15.15 | AIRFREIGHT OVERLAND TECHNOLOGY & DATA | Room A Room B Room C | <i>Yngve Ruud, Executive Vice President</i> <i>Stefan Paul, Executive Vice President</i> <i>Martin Kolbe, CIO</i> |
| 15.15 - 16.15 | ONE-ON-ONE | | <i>Management / IR</i> |



Capital Markets Day 2017

Leading the Transformation

Detlef Trefzger, CEO Kuehne + Nagel International AG

September 20, 2017

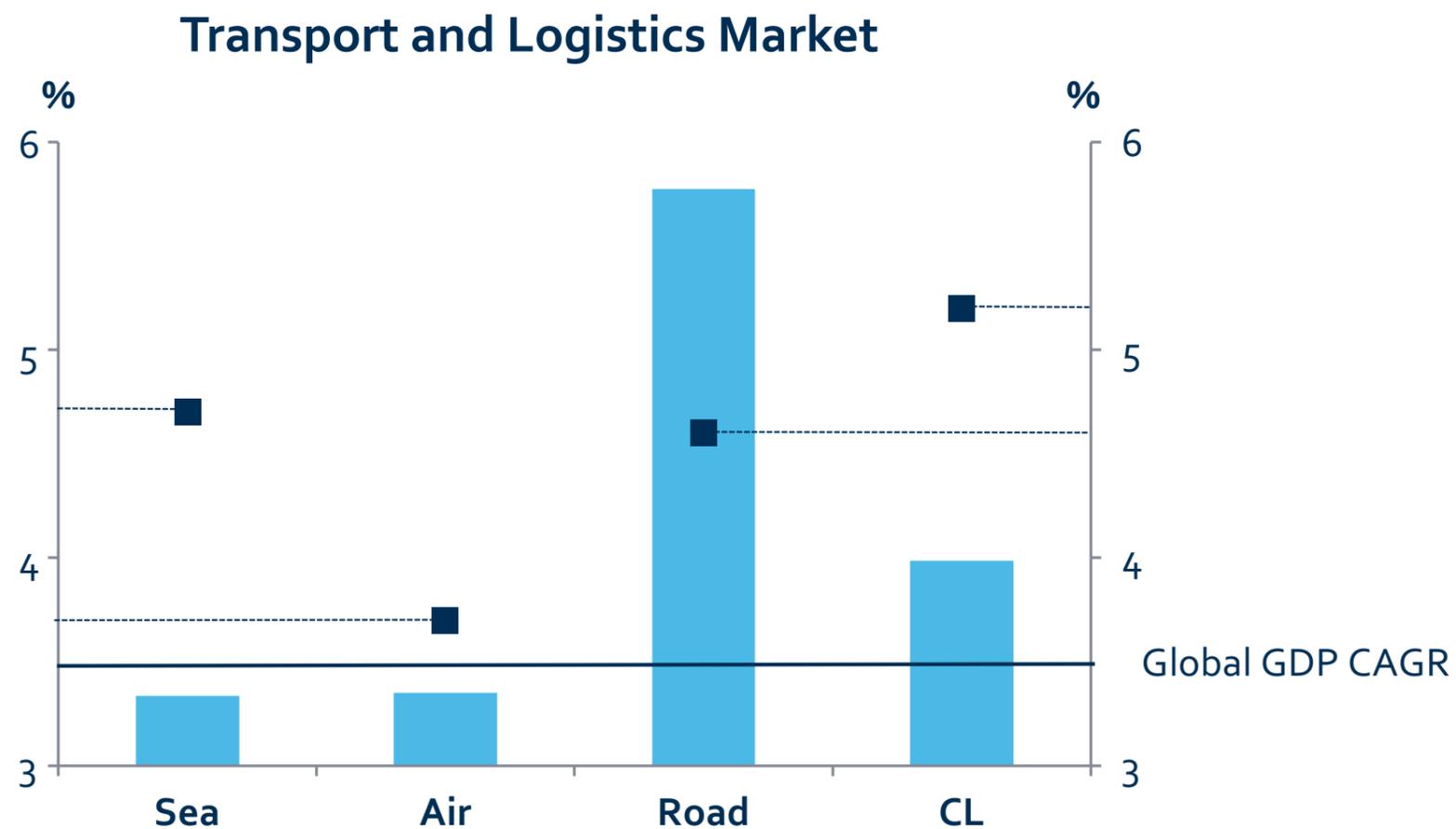
London, UK



A fast paced world *driven by* consumers ...

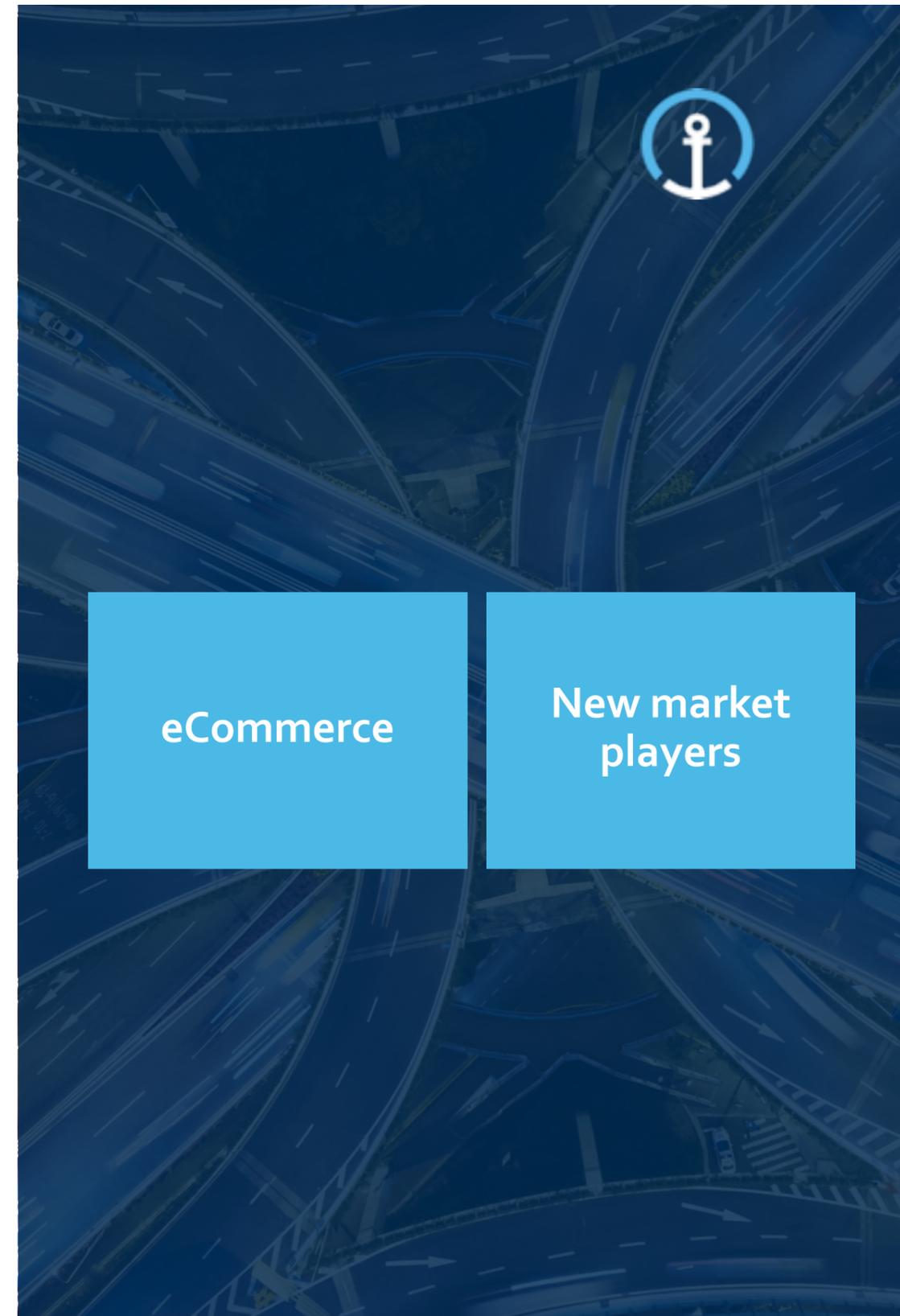
- The new normal of global trade
- Dissolving line between B2C and B2B
- Technology drives data
- Environment and Sustainability

New dynamics will continue to fuel *strong growth* in logistics

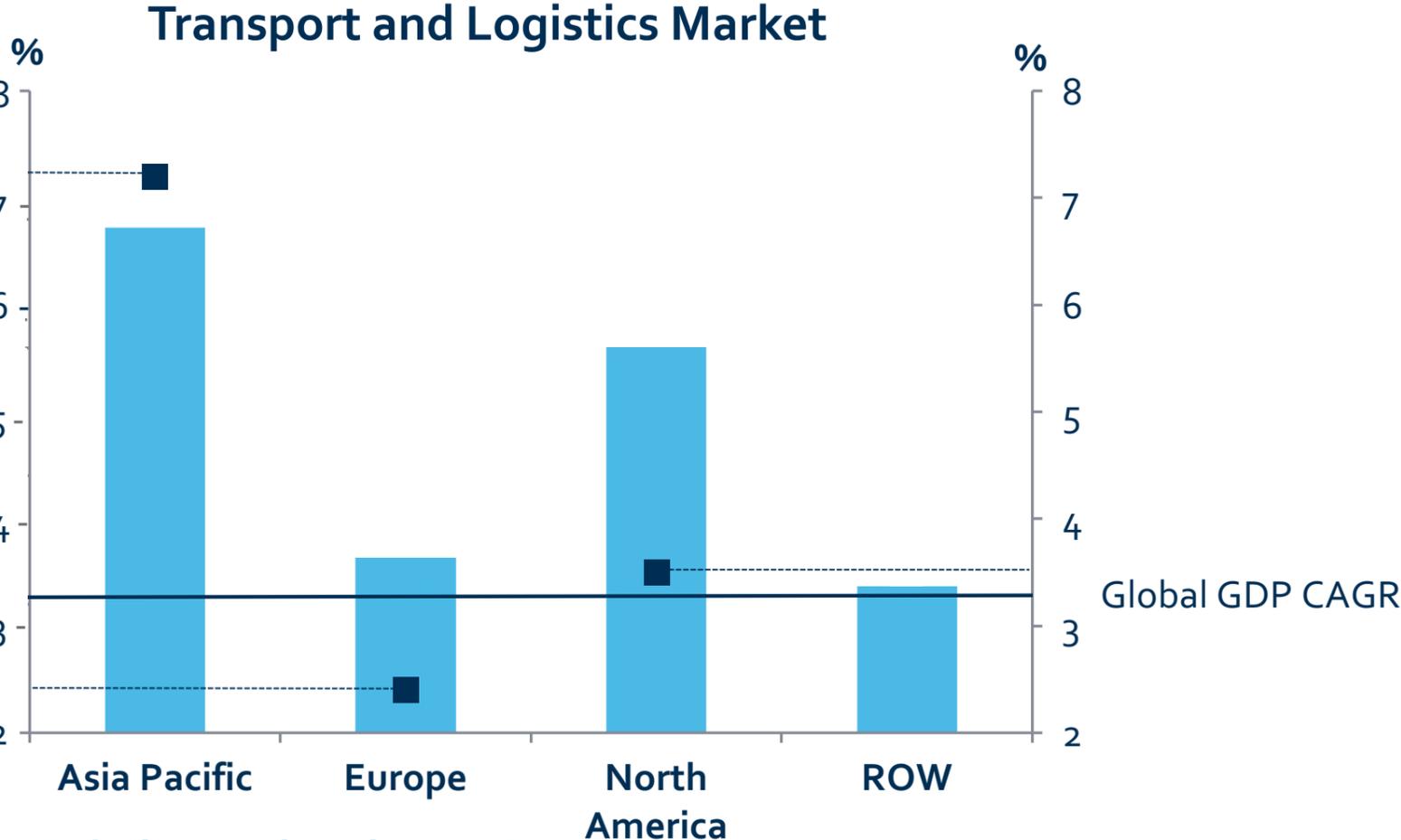


- Relative market size 2016
- CAGR 2016-2020

Source: Ti, IMF, BCG, KN



New dynamics will continue to fuel *strong growth* in logistics



- Relative market size 2016
- CAGR 2016-2020

Source: Ti, IMF, BCG, KN

Anchor icon

eCommerce

New market players

Shift in trade patterns



Best positioned to *lead* this *transformation*

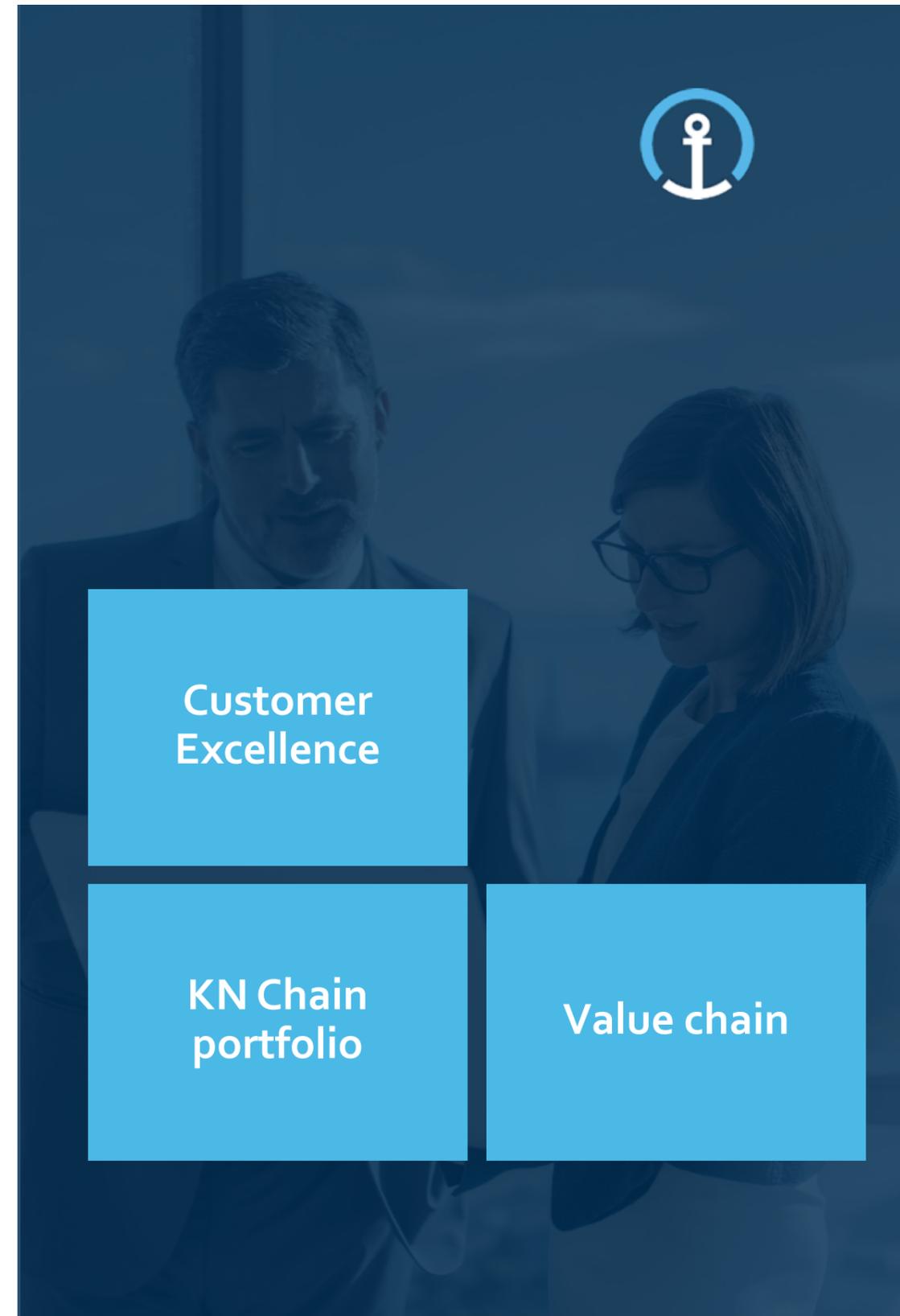
- “Focus + Excellence” successfully deployed
- Strong industry and customer expertise
- Unique global coverage across all modes of transport and logistics
- Unmatched operational execution



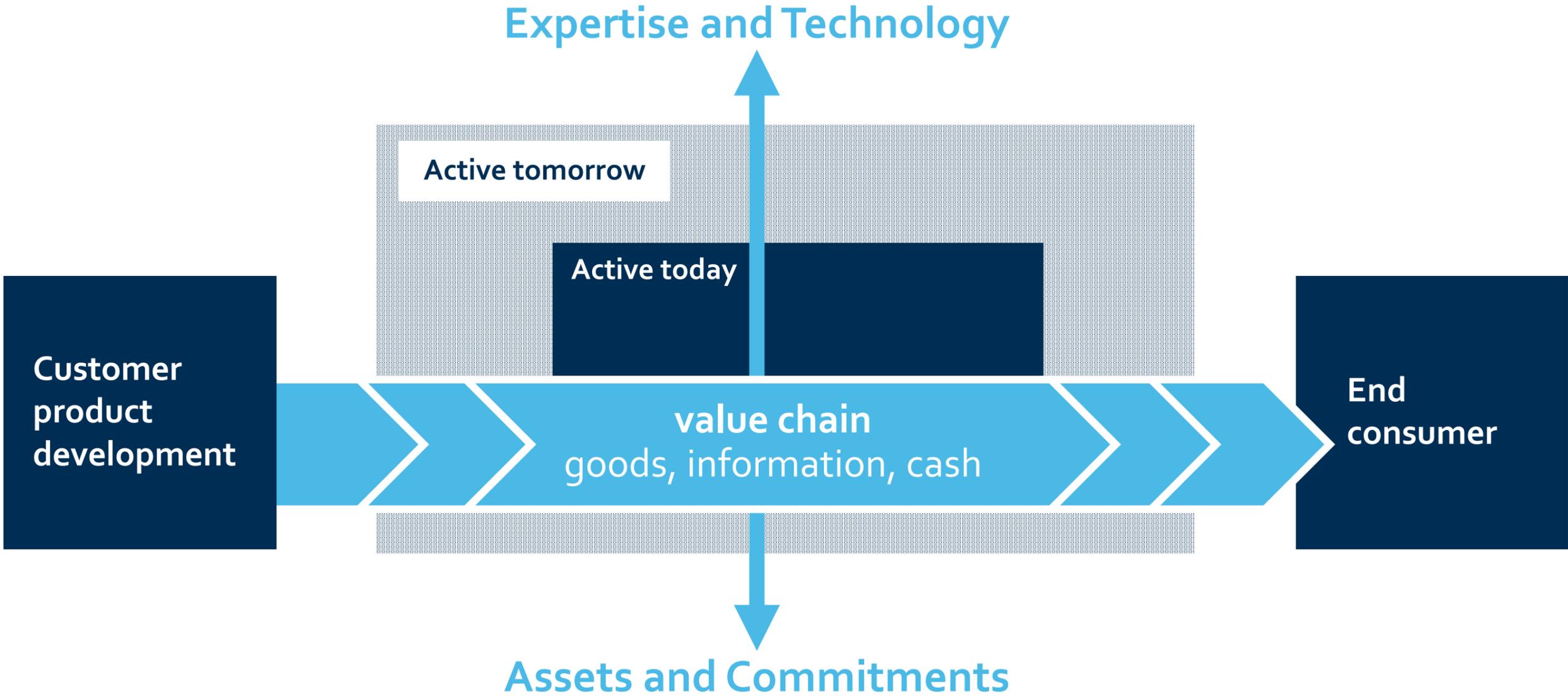
KN+ NextGen

Customer

Create superior value through
customer excellence and
expand into *new services*

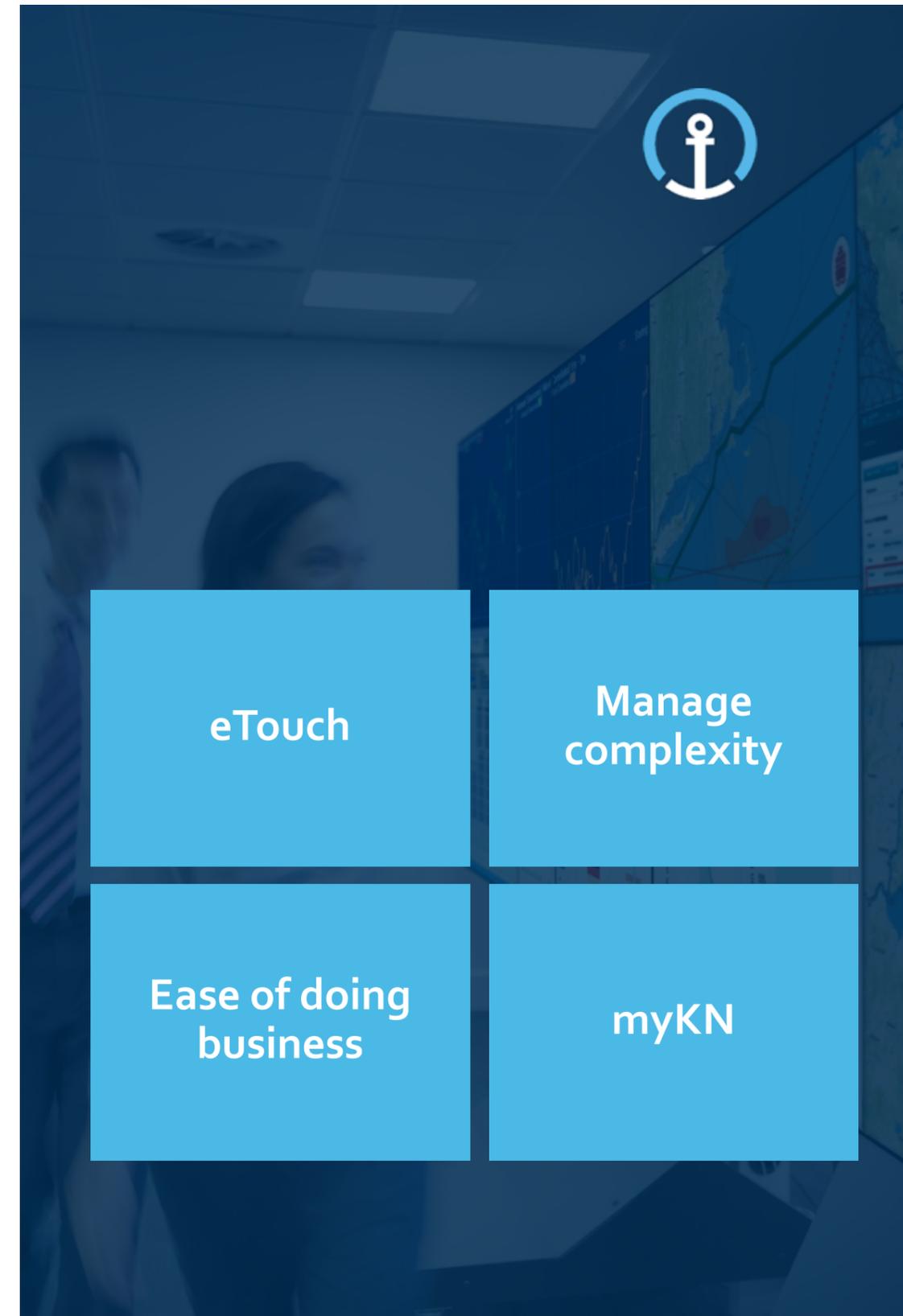


Leveraging our strengths to *extend* from *supply chain to value chain services*



Technology

The *game changer* for productivity improvements, user experience and customer excellence



People

Transformation is driven
by our *people* at all levels

New specialists

eWarder

Leadership

People's
business



Our ambition

Core business

New value chain services

Acquisitions

Grow double the market

Create substantial GP growth

Footprint. Synergies. Know-how

Leading the transformation

KN+ NextGen

Customer + Technology + People



Customer
Excellence

eTouch
myKN

Acquisitions

People's
business



Capital Markets Day 2017

Leading the Transformation

Markus Blanka-Graff, CFO Kuehne + Nagel International AG

September 20, 2017

London, UK

Performance of the Kuehne + Nagel Group 2014 - 2016

In CHF million

Gross profit

+ 262

+ 4.2%

**EBIT in % of
net turnover**

4.7% - 5.6%

EBIT

+ 99

+ 12.1%

**EBIT in % of
gross profit**

13% - 14%

Performance of the Business Units 2014 - 2016

In CHF million

Seafreight

EBIT 445
+ 12%
CR 28 - 36%

Airfreight

EBIT 298
+ 25%
CR 25 - 31%

Overland

EBIT 28
CR 0 - 6%

Contract Logistics

EBIT 147
CR 3 - 6%

CR Conversion rate

Balance Sheet and Working Capital – KPIs



In CHF million

| Balance Sheet | 31.12.2016 | Working Capital | 2014 - 2016 |
|--------------------------------|--------------|---------------------------|--------------------|
| Equity ratio | 34.2% | Working Capital intensity | 3.0 - 3.1% |
| Trade receivables | 2,605 | DSO | 44.4 - 46.6 |
| Cash and cash equivalents, net | 837 | DPO | 54.9 - 60.2 |
| Balance sheet total | 6,331 | DSO/DPO spread | 10.5 - 13.6 |

Shareholder value 2014 - 2017

In CHF

Share price

+ 49%

**Market
capitalisation**

14 → 21 bn

**Return on
equity**

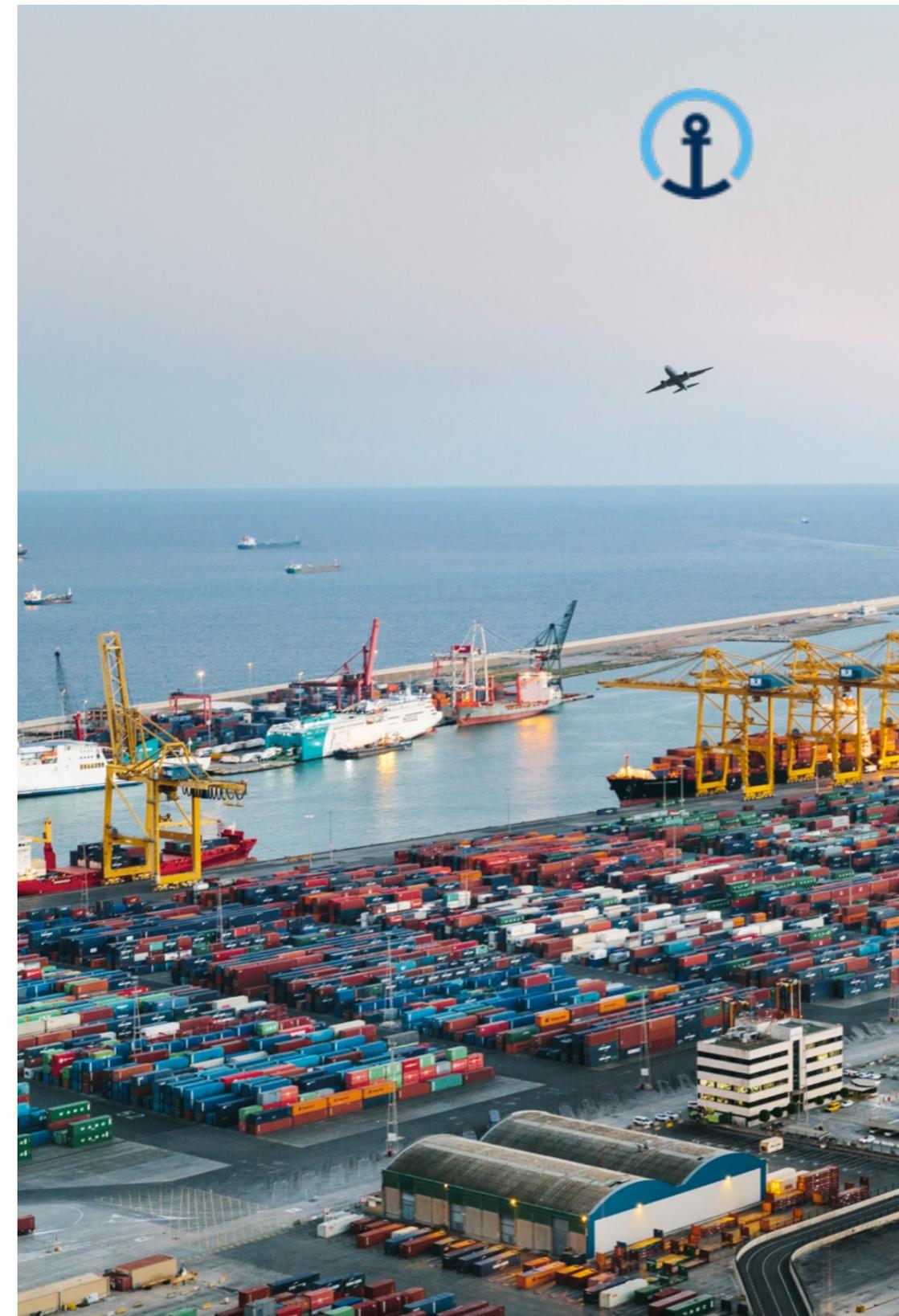
+ 30%

**Dividend
paid**

> 2 bn

Facing *industry realities*

- The *commodity* part of the current business is structurally under margin pressure
- The *service* business offers attractive financials
- *Digitalisation* opens new business activities



Leading the *transformation*

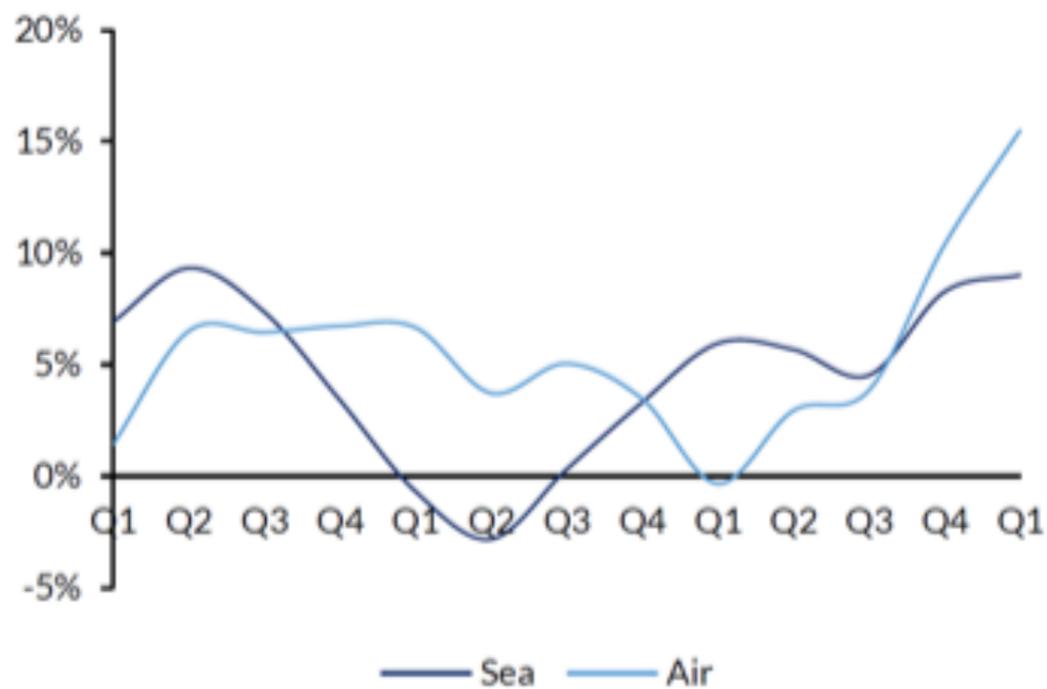
- Strong *organic growth* to leverage efficiency
- *New solutions* to safeguard and expand margins in *service* business
- M+A is an *accelerator* for knowledge acquisition and service development
- M+A is a key element to *capitalise* on operational excellence through *synergies*



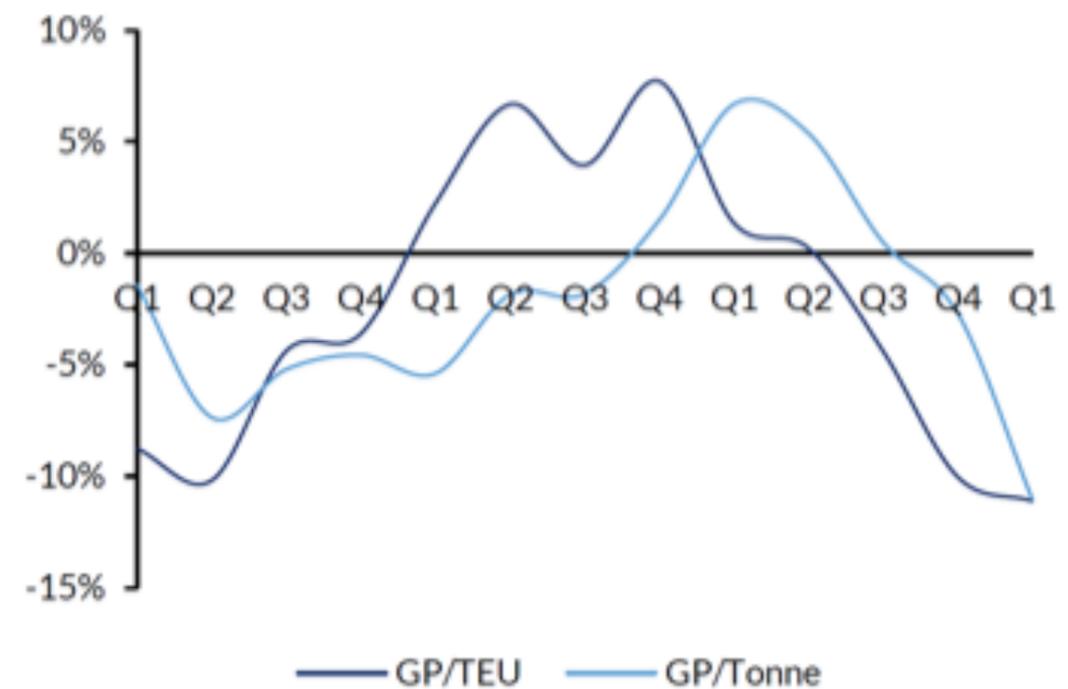
Mechanics of *growth*



Volume growth at twice the market rate 2016/2017



GP/Unit YOY 2016/2017 change in %



Source: Kepler Cheuvreux

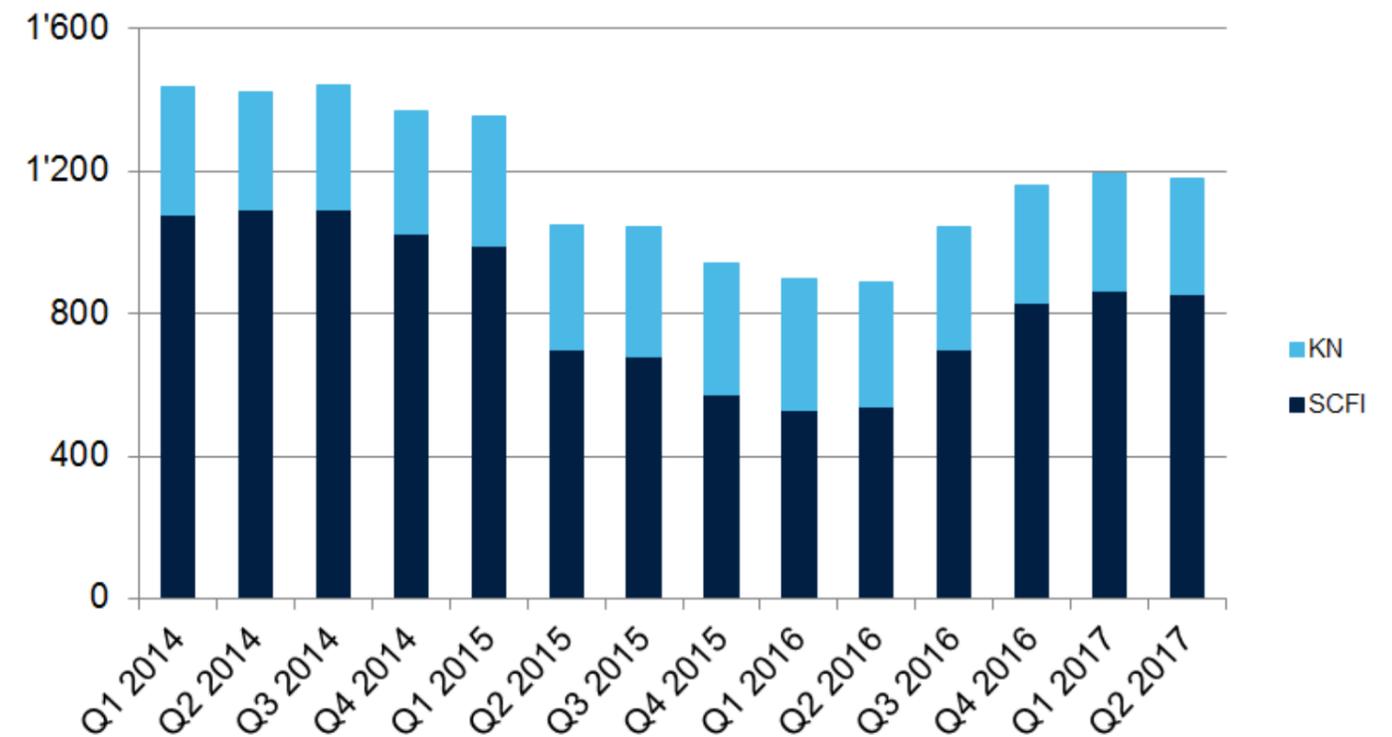
For a major market player, price elasticity of demand is a factor

KN margin drivers



- **Stable** Gross Profit/Unit
- Margin largely **independent** of rate levels
- Margin is earned through **supply** and **value chain** services

KN GP/TEU and Shanghai Containerized Freight Index
in CHF

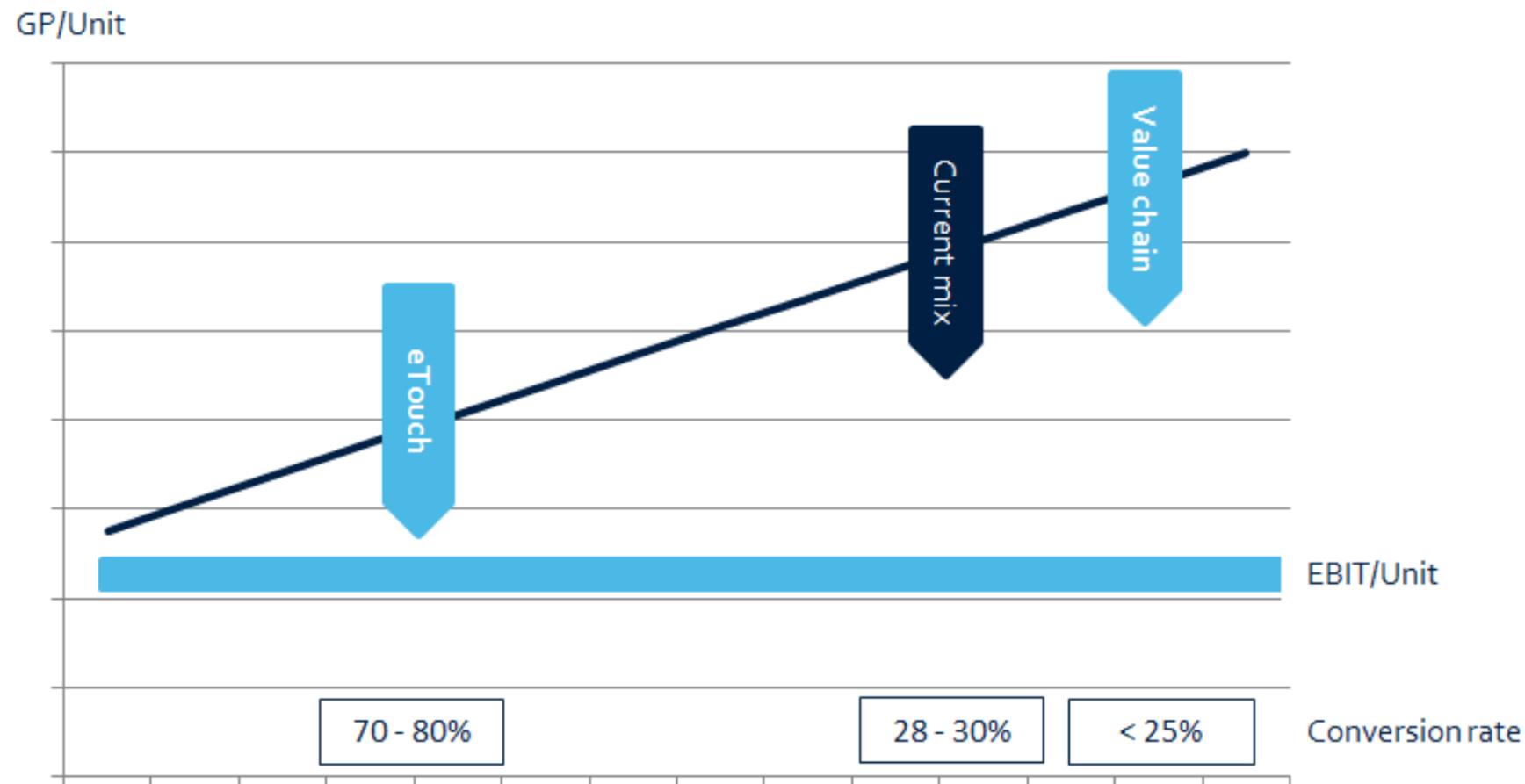


Source: Bloomberg, Shanghai Export Containerized Freight index

Focus on cost leadership in commodity and value creation in service business

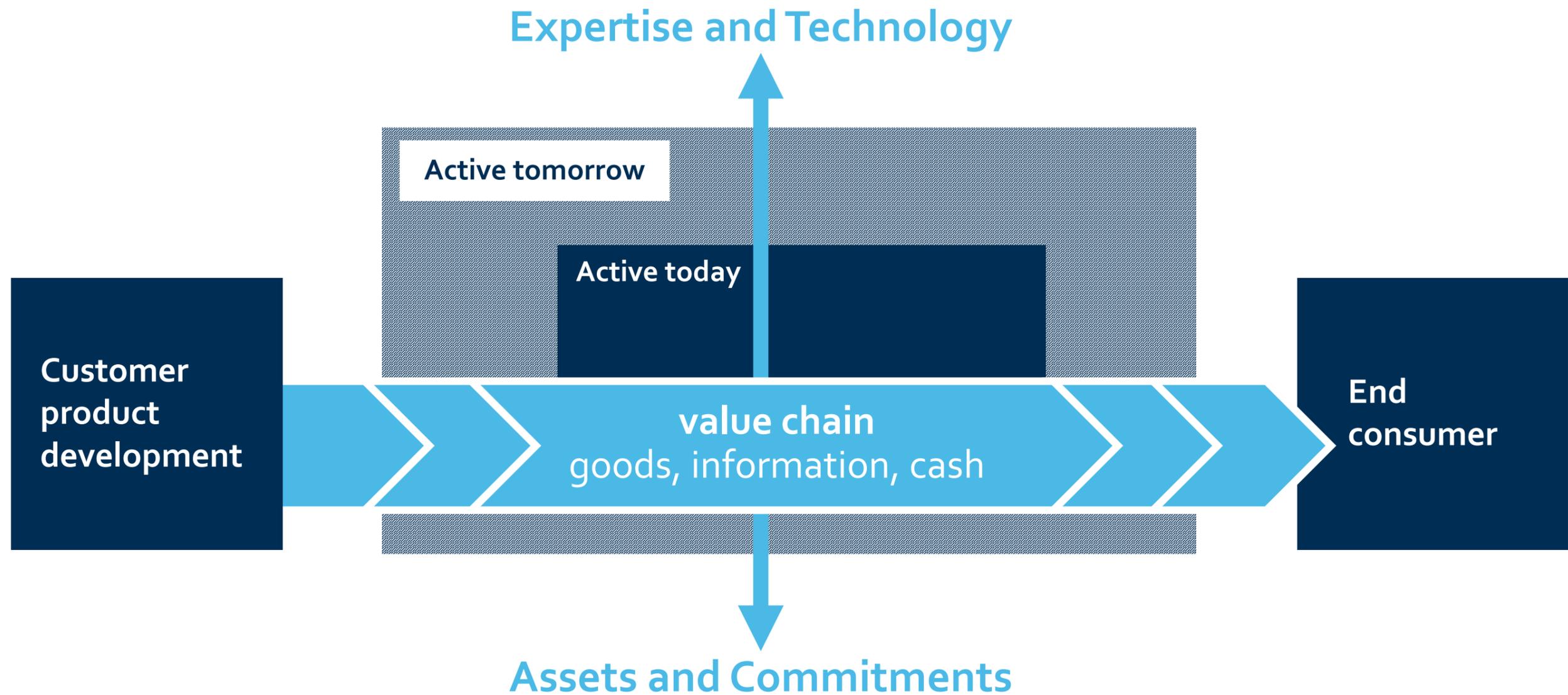
Commodity business and service business

An illustrative example



eTouch volume potential 20 – 40%

Expansion of *service offering*



Expansion of *finance solutions*

- ***Supply Chain Finance*** solution in collaboration with Tradeshift and Citibank for a fully integrated, one channel and seamless invoice-to-cash platform
- ***FinanceChain*** management of information and cash flows along the value chain without tapping into our Balance Sheet

Adam Smith Awards

- SWIFT solution 2016
- Supply Chain Finance 2017

KN⁺ NextGen

- ***Cost control*** to ascertain ***leverage*** benefits
- ***Digitisation*** as game changer for productivity improvements
- Investing in new opportunities connected to ***value expansion***
- ***Acquisitions*** as an ***accelerator*** for our strategy

Ambition

Group conversion rate:

> 16%



Leading the transformation

KN⁺ NextGen

Customer + Technology + People



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Sources

Slide 3 and 4: Transport Intelligence, International Monetary Fund, Boston Consulting Group, Kuehne+Nagel, 18.09.2017

Slide 20 both charts: Q&A Report Kuehne + Nagel, June 9, 2017, page 13, Kepler Cheuvreux Equity Research

Slide 21 chart: Bloomberg, Shanghai Export Containerized Freight index, SHSPSCFI Index, per quarter, in CHF, 15.09.2017

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