



Kuehne + Nagel International AG

Analyst Conference Call – First quarter 2016 results

April 19, 2016 (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.





Overview first quarter results 2016

Financial review

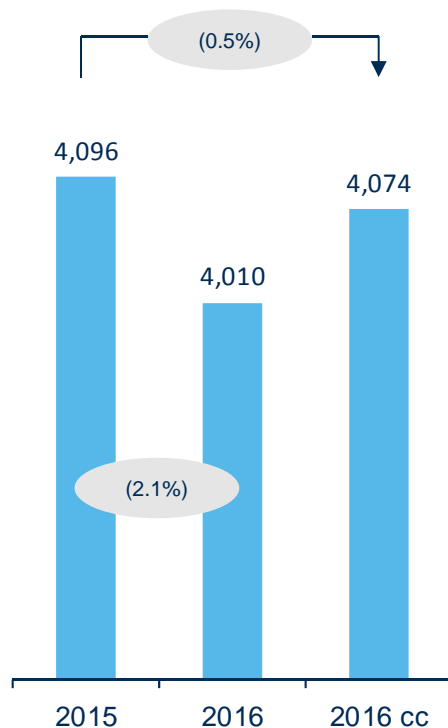
Appendices



Overview first quarter 2016 results - Kuehne + Nagel Group

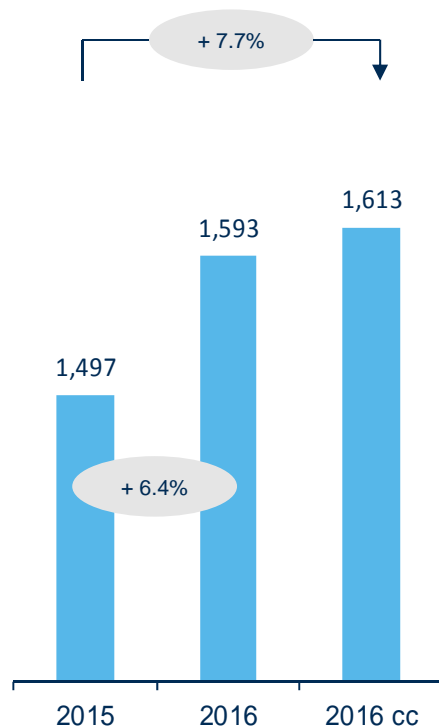
Net turnover

in CHF million



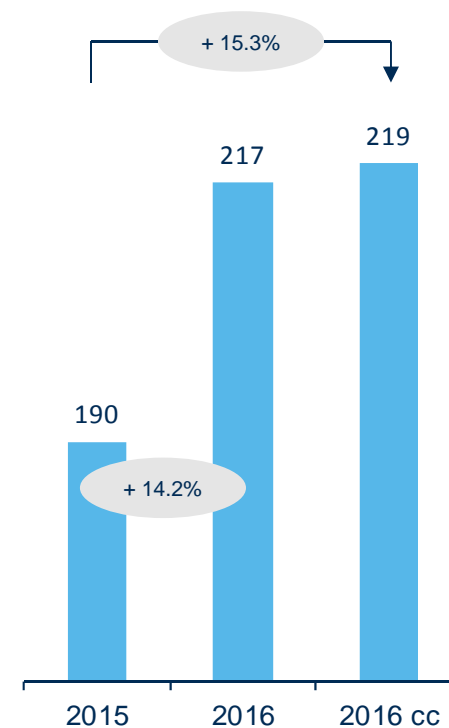
Gross profit

in CHF million



EBIT

in CHF million





Seafreight

EBIT: + 13.8%

Volume: + 6%

GP per TEU: + 1.4%

Conversion rate: 30.7%



Seafreight - Performance of business unit

Income statement in CHF million	YTD Mar 2015	YTD Mar 2016	Variance		
			2016/2015	Growth	Forex ¹
Turnover	2,244	1,972	(12.1%)	(10.2%)	(1.9%)
Gross profit	324	348	7.4%	9.9%	(2.5%)
EBITDA	102	112	9.8%	10.8%	(1.0%)
EBIT	94	107	13.8%	15.9%	(2.1%)
EBIT in % of GP	29.0%	30.7%			

¹ Foreign currency translation impact



Business drivers

- Market growth of max. 1%
- FEWB and Intra Asia strong volume growth
- Continuous rate volatility and overcapacity



Airfreight

EBIT: + 7.4%

Volume: in line with py

GP per 100kg: + 6.8%

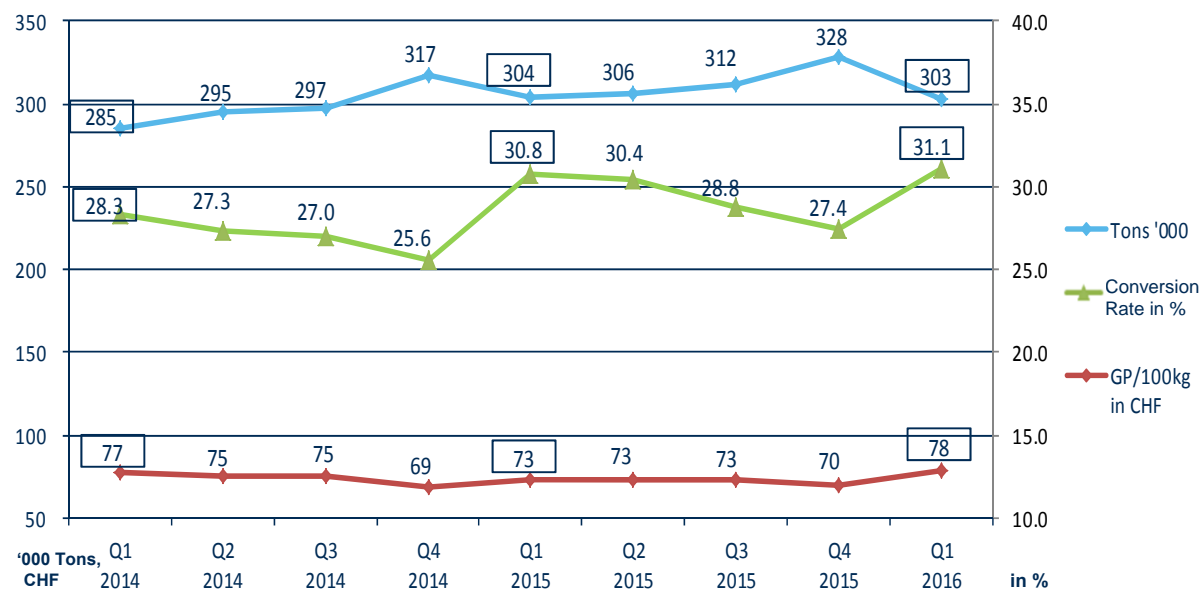
Conversion rate: 31.1%



Airfreight - Performance of business unit

Income statement in CHF million	YTD Mar 2015	YTD Mar 2016	Variance		
			2016/2015	Growth	Forex ¹
Turnover	999	944	(5.5%)	(3.0%)	(2.5%)
Gross profit	221	235	6.3%	8.1%	(1.8%)
EBITDA	72	77	6.9%	5.5%	1.4%
EBIT	68	73	7.4%	7.4%	- %
EBIT in % of GP	30.8%	31.1%			

¹ Foreign currency translation impact



Business drivers

- Market declined by approx. 5%
- Volume increase compensating the US West Coast boom from 2015
- Continuous margin and conversion rate improvement

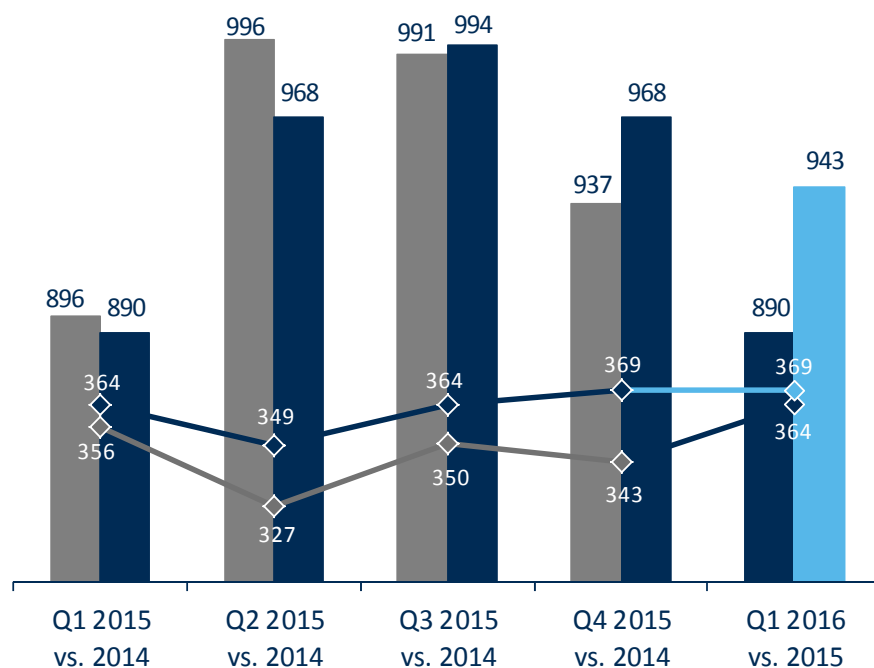


Development of volumes

Seafreight

[TEU] '000

- Volume increase of 6.0% or 53,000 TEUs yoy
- Yield increase of 1.4% or CHF 5 GP/TEU yoy

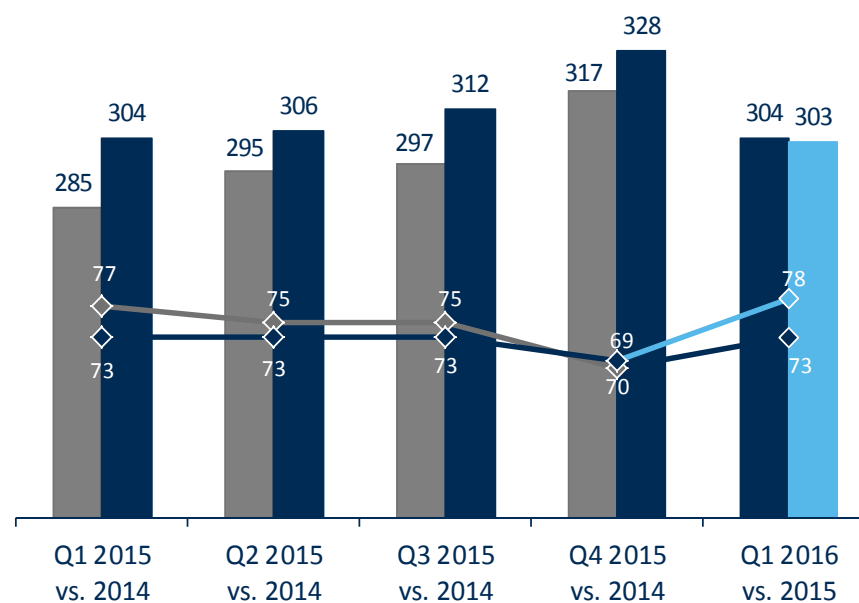


2016 ◆ GP/TEU in CHF
2015 ◆ GP/TEU in CHF
2014 ◆ GP/TEU in CHF

Airfreight

[TON] '000

- Volume decrease of 0.3% or 1,000 tons yoy
- Yield increase of 6.8% or CHF 5 GP/100kg yoy



2016 ◆ GP/100kg in CHF
2015 ◆ GP/100kg in CHF
2014 ◆ GP/100kg in CHF



Overland

EBITDA: + 25%

EBITDA/net TO margin: 2.2%

EBIT: in line with py

Acquisition: EBIT CHF 2 million

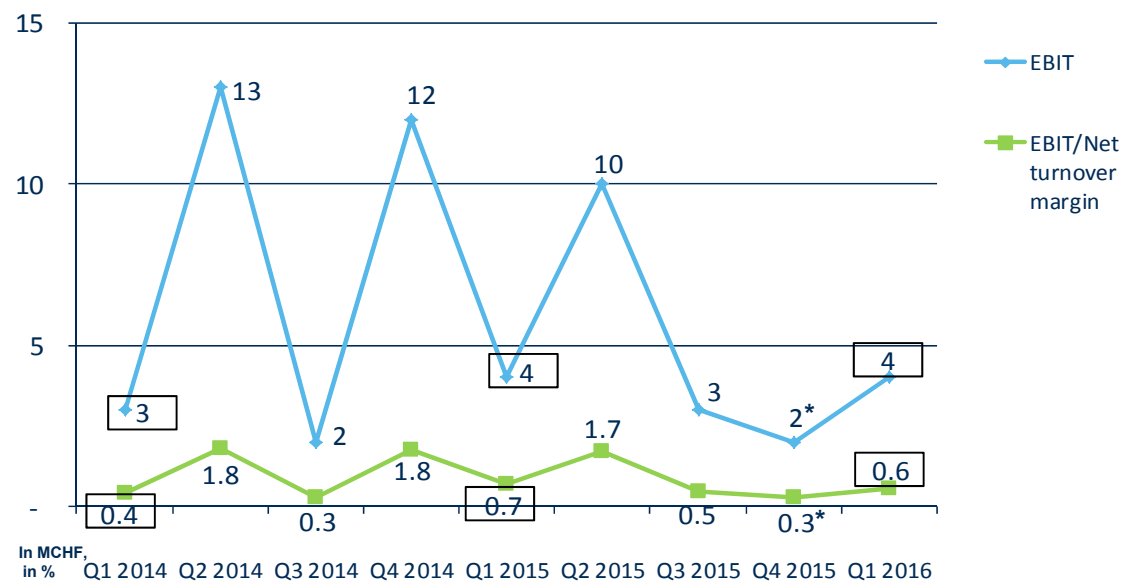




Overland - Performance of business unit

Income statement in CHF million	YTD	YTD	Variance			
	Mar 2015	Mar 2016	2016/2015	Growth	Acquisition	Forex ¹
Net turnover	587	695	18.4%	3.5%	15.2%	(0.3%)
Gross profit	200	220	10.0%	2.0%	8.0%	-
EBITDA	12	15	25.0%	(33.4%)	41.7%	16.7%
EBIT	4	4	-	(75.0%)	50.0%	25.0%
EBITDA / Net turnover margin	2.0%	2.2%				
EBIT / Net turnover margin	0.7%	0.6%				
EBIT / GP margin	2.0%	1.8%				

¹ Foreign currency translation impact



In MCHF,

in % Q1 2014 Q2 2014 Q3 2014 Q4 2014 Q1 2015 Q2 2015 Q3 2015 Q4 2015 Q1 2016

* excl. antitrust fine

Business drivers

- Growth significant above market
- Successful Retrans integration
- Stable result



Contract Logistics

EBITDA: + 17.0%

EBITDA/net TO margin: 5.1%

EBIT: + 37.5%

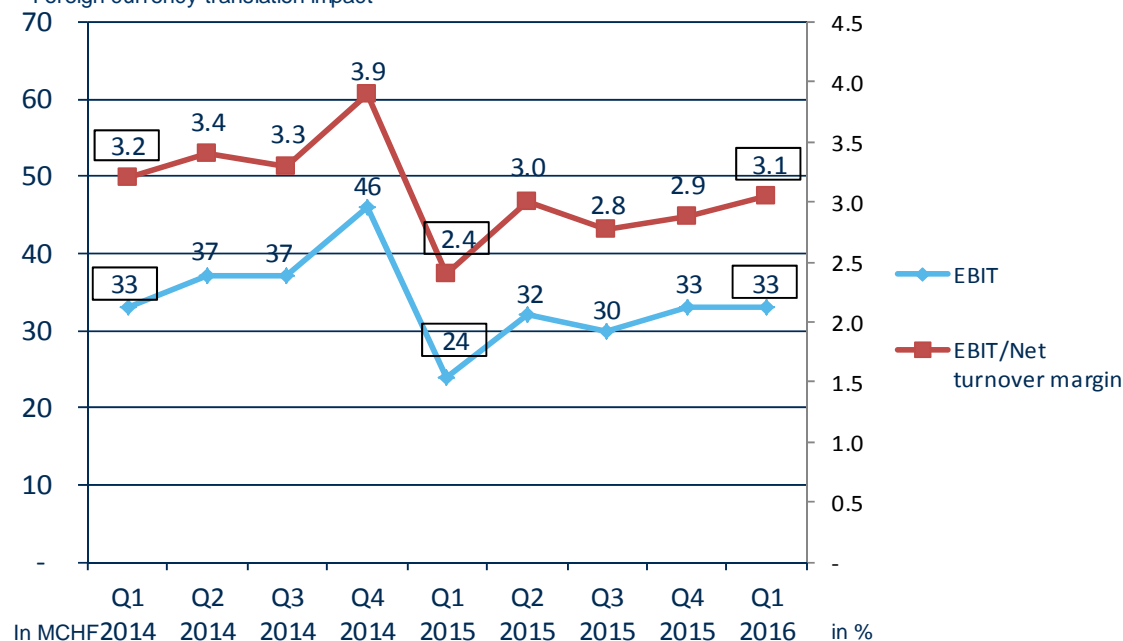
Idle space: 3.2%



Contract Logistics - Performance of business unit

Income statement in CHF million	YTD Mar 2015	YTD Mar 2016	Variance		
			2015/2016	Growth	Forex ¹
Net turnover	1,015	1,080	6.4%	7.4%	(1.0%)
Gross profit	752	790	5.1%	6.2%	(1.1%)
EBITDA	47	55	17.0%	19.1%	(2.1%)
EBIT	24	33	37.5%	41.7%	(4.2%)
EBITDA / Net turnover margin	4.6%	5.1%			
EBIT / Net turnover margin	2.4%	3.1%			

¹ Foreign currency translation impact



Business drivers

- Substantial new business implemented
- Stabilisation of less profitable activities
- Improvement of result



Overview first quarter results 2016

▶ Financial review

Appendices



Income statement

CHF million	2015 Q1	YTD Dec 2015	2016 Q1	Variance Q1 2016/2015	Variance in %			
					Q1 2016/2015	Growth	Acquisition	Forex ¹
Net turnover	4'096	16'731	4'010	(86)	(2.1%)	(2.7%)	2.2%	(1.6%)
Gross profit	1'497	6'251	1'593	96	6.4%	6.6%	1.1%	(1.3%)
Gross profit margin	36.5%	37.4%	39.7%					
EBITDA	233	1'041	259	26	11.2%	8.7%	2.1%	0.4%
EBITDA margin	5.7%	6.2%	6.5%					
EBIT	190	850	217	27	14.2%	14.2%	1.1%	(1.1%)
EBIT margin	4.6%	5.1%	5.4%					
EBT	196	878	220	24	12.2%	11.7%	1.5%	(1.0%)
EBT margin	4.8%	5.2%	5.5%					
Earnings for the period	153	679	169	16	10.5%	11.1%	0.7%	(1.3%)

- Gross profit growth in cc² + 7.7%
- EBIT growth in cc + 15.3%
- Earnings for the period growth in cc + 11.8%, showing high operating leverage

¹ Foreign currency translation impact

² cc (constant currencies)

- Negative foreign currency translation impact of 1.3% on the earnings for the period

Income Statement (average rates)	Mar 2015	Mar 2016	Variance %	Impact on earnings for the year in %
Euro	1.0859	1.0910	0.5%	} (1.3%)
US Dollar	0.9502	0.9922	4.4%	
British Pound	1.4498	1.4218	(1.9%)	



Financial overview Q1

CHF million	2015	2016
Net turnover	4,096	4,010
Gross profit	1,497	1,593
EBITDA	233	259
EBIT	190	217
EBIT margin to net turnover	4.6%	5.4%
Net earnings for the period	152	168
EPS (basic) in CHF	1.27	1.41
Total assets	6,317	6,330
Equity	2,414	2,268
Equity % of total assets	38.2%	35.8%
Cash and cash equivalents, net	1,238	912
Operational cash flow	236	256
Capex	44	42

Financial targets 2016

Profitability	▪ Group EBIT margin to net turnover > 5%
CAPEX	▪ 2016: CHF 215 million (2015: CHF 253 million)
Working Capital	▪ Target to maintain working capital intensity at 3.5 to 4.0%
Cash	▪ Safeguarding a high cash position
Tax	▪ Effective tax rate of approx. 23%



Financial review - Balance sheet

CHF million	31 December 2015	31 March 2016		31 December 2015	31 March 2016
Assets			Liabilities and equity		
Property, plant and equipment	1'142	1'142	Equity attributable to the equity holders of the parent company	2'121	2'262
Goodwill	767	759	Non-controlling interests	5	6
Other intangibles	98	92	Total equity	2'126	2'268
Others	224	229	Non-current liabilities	601	628
Non-current assets	2'231	2'222	Trade payables	1'449	1'357
Trade receivables	2'486	2'458	Accrued trade expenses/deferred income	919	951
Cash and cash equivalents	841	914	Bank and other interest-bearing liabilities	7	6
Others	541	736	Others	997	1'120
Current assets	3'868	4'108	Current liabilities	3'372	3'434
Total assets	6'099	6'330	Total liabilities and equity	6'099	6'330



Financial review Q1 - Cash flow

CHF million	2015	2016	Variance
Cash flow from operating activities	151	104	(47)
Cash flow from investing activities	(35)	(21)	14
Cash flow from financing activities	(13)	(4)	9
Exchange difference on cash and cash equivalents	(28)	(6)	22
Increase/(decrease) in cash and cash equivalents	75	73	(2)
Cash and cash equivalents at the beginning of the period, net	1,163	839	(324)
Cash and cash equivalents at the end of the period, net	1,238	912	(326)

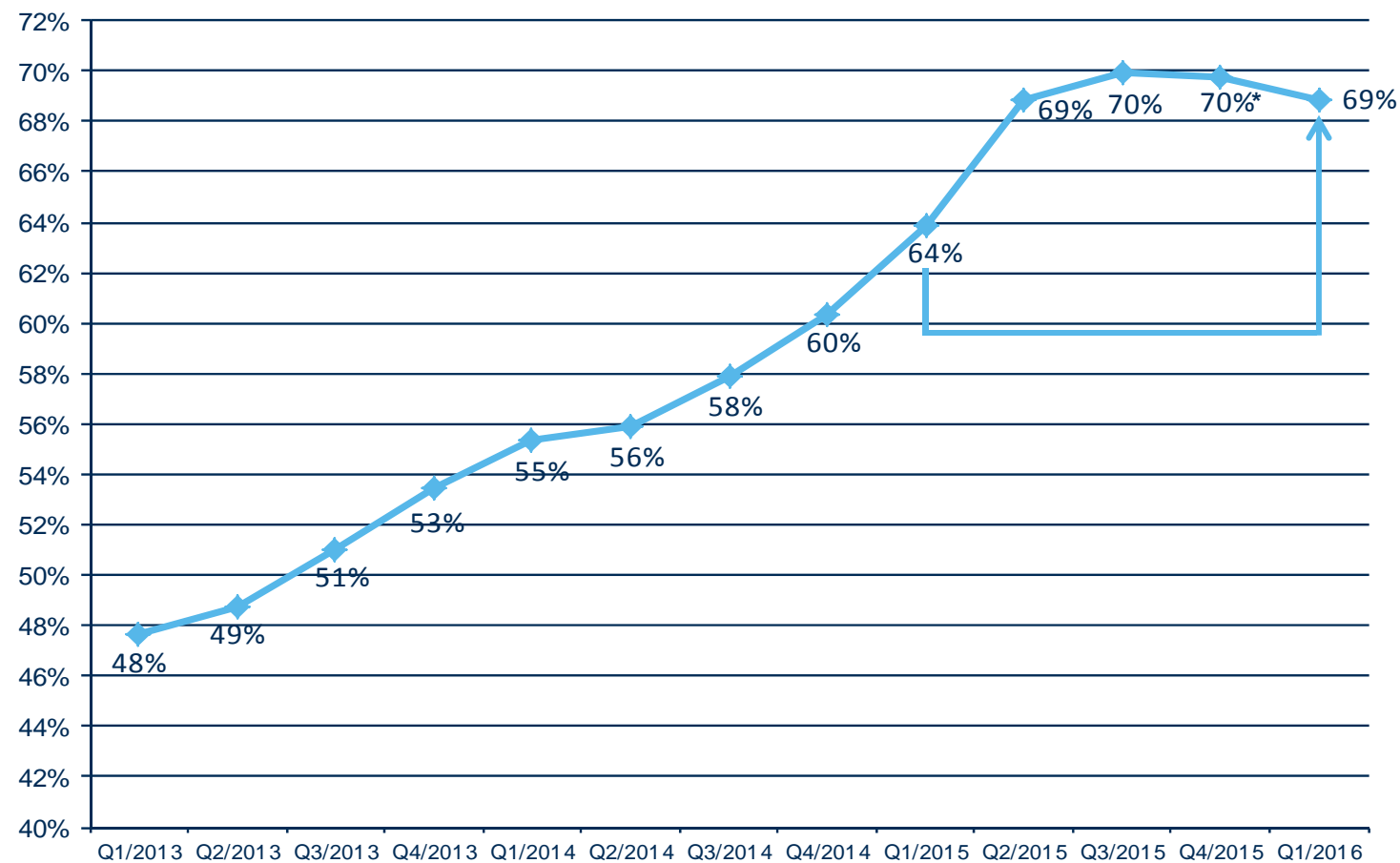


Financial review - Working capital development

CHF million	March 2015	December 2015	March 2016	Better/(worse) March 16 vs. December 15
Trade receivables & Work in progress	2,799	2,816	2,755	61
Trade payables & Accrued trade expenses	(2,134)	(2,222)	(2,142)	(80)
Net working capital	665	594	613	(19)
KPI's:				
Working capital intensity	3.3%	2.9%	3.2%	(0.3%)
DSO	45.8	44.4	46.8	(2.4)
DPO	55.7	55.1	59.3	4.2
Δ	9.9	10.7	12.5	1.8



Return on capital employed



* 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)



2016

Momentum

Continuity in strategy and organic growth

Leverage

Strict cost management and process optimisation

Innovation

Added value through applied innovation

Growth

Volumes, market share, EBIT





Upcoming events

May 3, 2016	Annual General Meeting
May 9, 2016	Dividend payment for 2015
July 19, 2016	Half-year 2016 results
October 18, 2016	Nine-months 2016 results
March 1, 2017	Full year 2016 results



Quarter over quarter 2016/2015

CHF million	2016 Q1	2015 Q1	2016/2015 Change in % Q1	2016/2015 Change in mCHF Q1
1. Seafreight				
A) Income Statement				
Turnover	1'972	2'244	(12.1)	(272)
Net Turnover	1'430	1'639	(12.8)	(209)
Gross Profit	348	324	+7.4	24
Opex	(236)	(222)	(6.3)	(14)
EBITDA	112	102	+9.8	10
Depreciation and Amortisation	(5)	(8)	+37.5	3
EBIT	107	94	+13.8	13
B) KPI				
EBIT / GP conversion ratio	30.7%	29.0%		
Volume (TEU's '000)	943	890	+6.0	53
GROSS PROFIT	369	364	+1.4	5
EXPENSES	(256)	(258)	+0.8	2
EBIT	113	106	+6.6	7
2. Airfreight				
A) Income Statement				
Turnover	944	999	(5.5)	(55)
Net turnover	805	855	(5.8)	(50)
Gross Profit	235	221	+6.3	14
Opex	(158)	(149)	(6.0)	(9)
EBITDA	77	72	+6.9	5
Depreciation and Amortisation	(4)	(4)	0.0	0
EBIT	73	68	+7.4	5
B) KPI				
EBIT / GP conversion ratio	31.1%	30.8%		
Volume (TON's '000)	303	304	(0.3)	(1)
GROSS PROFIT	78	73	+6.8	5
EXPENSES	(53)	(50)	(6.0)	(3)
EBIT	25	23	+8.7	2



Quarter over quarter 2016/2015

CHF million	2016 Q1	2015 Q1	2016/2015 Change in % Q1	2016/2015 Change in mCHF Q1
3. Overland				
A) Income Statement				
Turnover	749	644	+16.3	105
Net Turnover	695	587	+18.4	108
Gross Profit	220	200	+10.0	20
Opex	(205)	(188)	(9.0)	(17)
EBITDA	15	12	+25.0	3
Depreciation and Amortisation	(11)	(8)	(37.5)	(3)
EBIT	4	4	0.0	0
B) KPI				
EBITDA / Net turnover	2.2%	2.0%		
EBIT / Net turnover	0.6%	0.7%		
4. Contract Logistics				
A) Income Statement				
Turnover	1'200	1'101	+9.0	99
Net turnover	1'080	1'015	+6.4	65
Gross Profit	790	752	+5.1	38
Opex	(735)	(705)	(4.3)	(30)
EBITDA	55	47	+17.0	8
Depreciation and Amortisation	(22)	(23)	+4.3	1
EBIT	33	24	+37.5	9
B) KPI				
EBITDA / Net turnover	5.1%	4.6%		
EBIT / Net turnover	3.1%	2.4%		



Quarter over quarter 2016/2015

CHF million	2016	2015	2016/2015	2016/2015
	Q1	Q1	Change in %	Change in mCHF
	Q1	Q1	Q1	Q1
5. Kuehne + Nagel Group				
A) Income Statement				
Turnover	4'865	4'988	(2.5)	(123)
Customs duties and taxes	(855)	(892)	+4.1	37
Net Turnover	4'010	4'096	(2.1)	(86)
Net expenses for services from third parties	(2'417)	(2'599)	+7.0	182
Gross Profit	1'593	1'497	+6.4	96
Opex	(1'334)	(1'264)	(5.5)	(70)
EBITDA	259	233	+11.2	26
Depreciation and Amortisation	(42)	(43)	+2.3	1
EBIT	217	190	+14.2	27
Result from finance and associates	3	6	(50.0)	(3)
EBT	220	196	+12.2	24
Income tax	(51)	(43)	(18.6)	(8)
Earnings for the period	169	153	+10.5	16
Non-controlling interests	(1)	(1)	0.0	0
Net Earnings	168	152	+10.5	16
B) KPI				
GP / Net turnover	39.7%	36.5%		
EBITDA / Net turnover	6.5%	5.7%		
EBIT / Net turnover	5.4%	4.6%		
EBT / Net turnover	5.5%	4.8%		
Earnings for the period / Net turnover	4.2%	3.7%		



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