

Kuehne + Nagel International AG **Analyst Conference Call – Nine-months 2016 results**

October 18, 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 nine-months 2016 results

Financial review

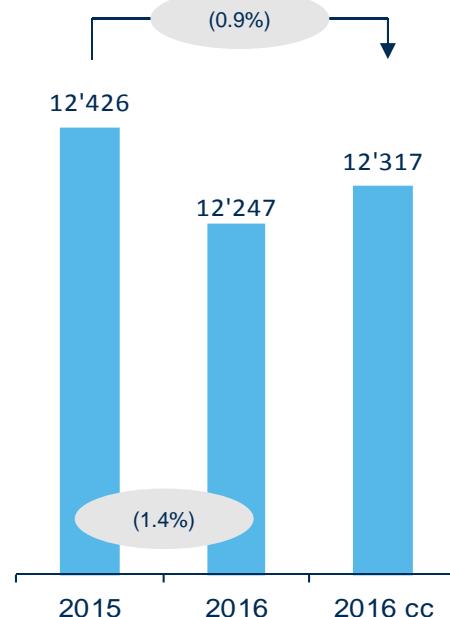
Appendices



Overview nine-months 2016 results – Kuehne + Nagel Group

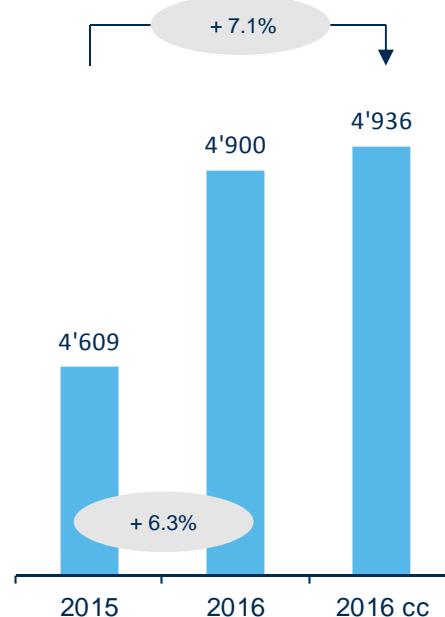
Net turnover

in CHF million



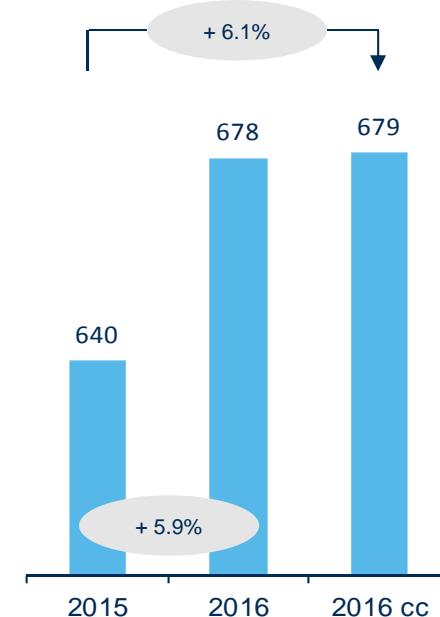
Gross profit

in CHF million



EBIT

in CHF million



cc (in constant currencies)



Seafreight

EBIT: + 1.5%

Volume: + 5.4%

GP per TEU: (1.1%)

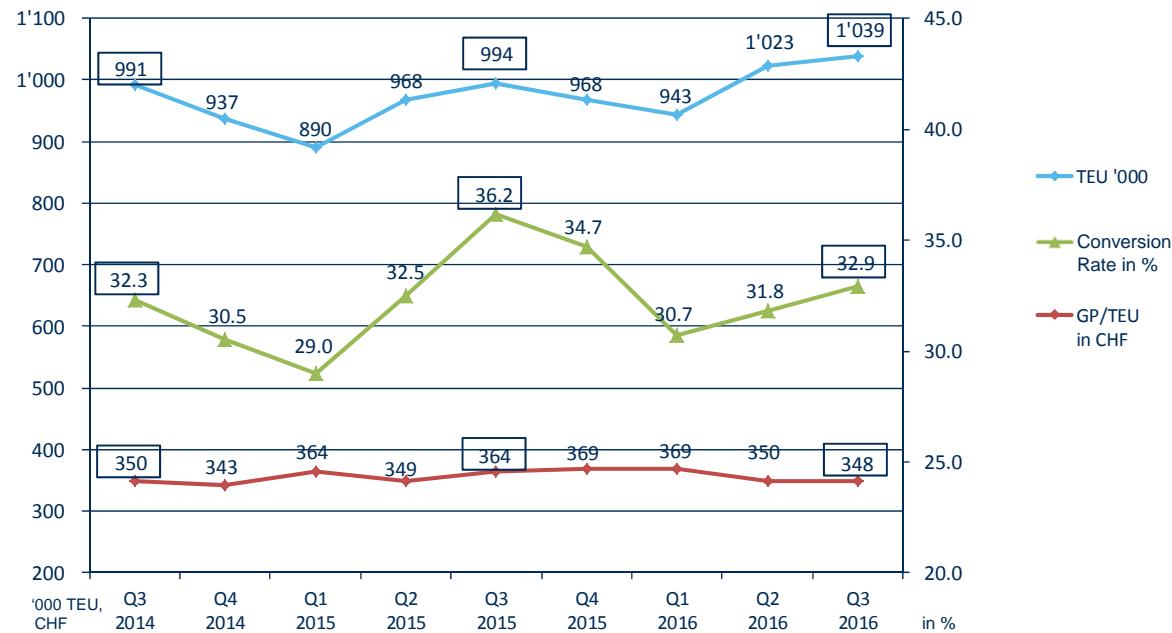
Conversion rate: 31.8%



Seafreight – Performance of business unit

Income statement in CHF million	YTD Sep 2015	YTD Sep 2016	Variance		
			2016/2015	Growth	Forex ¹
Turnover	6'680	5'975	(10.6%)	(9.9%)	(0.7%)
Gross profit	1'024	1'068	4.3%	5.1%	(0.8%)
EBITDA	353	354	0.3%	0.6%	(0.3%)
EBIT	335	340	1.5%	1.8%	(0.3%)
EBIT in % of GP	32.7%	31.8%			

¹ Foreign currency translation impact



Business drivers

- Market growth of approx. 1 to 2%
- Asia exports & intra-Asia strong volume growth
- Consolidating shipping industry
- Reduced margins



Airfreight

EBIT: + 8.9%

Volume: + 2.2%

GP per 100kg: + 4.1%

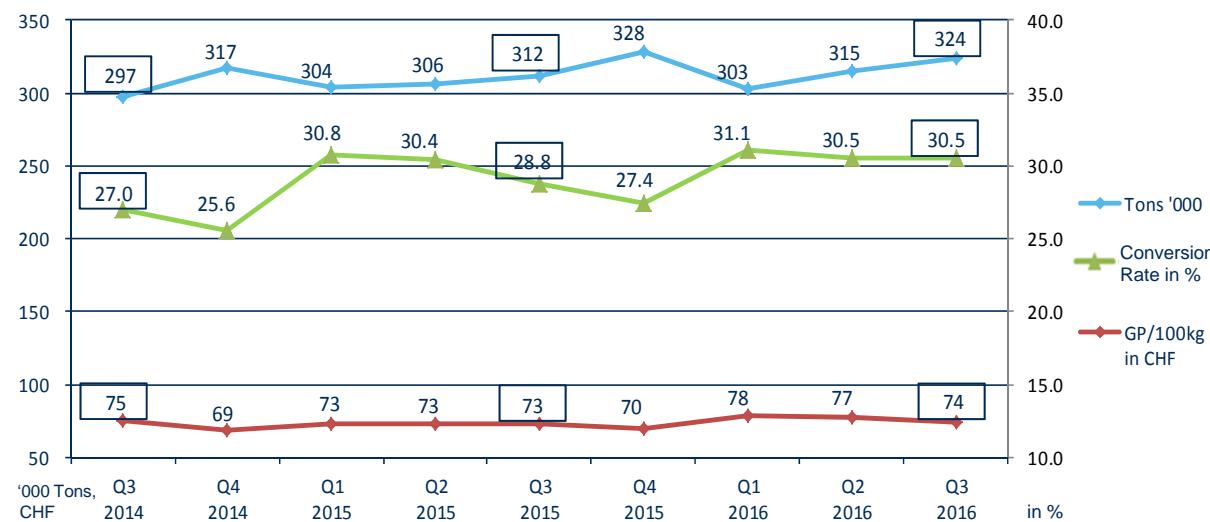
Conversion rate: 30.7%



Airfreight – Performance of business unit

Income statement in CHF million	YTD Sep 2015	YTD Sep 2016	Variance		
			2016/2015	Growth	Forex ¹
Turnover	2'979	2'869	(3.7%)	(2.9%)	(0.8%)
Gross profit	674	717	6.4%	7.0%	(0.6%)
EBITDA	217	231	6.5%	6.5%	- %
EBIT	202	220	8.9%	9.4%	(0.5%)
EBIT in % of GP	30.0%	30.7%			

¹ Foreign currency translation impact



Business drivers

- Market declined by approx. 1%
- Strong export business from Asia and Middle East in Q3 2016
- Stable conversion rate above 30%

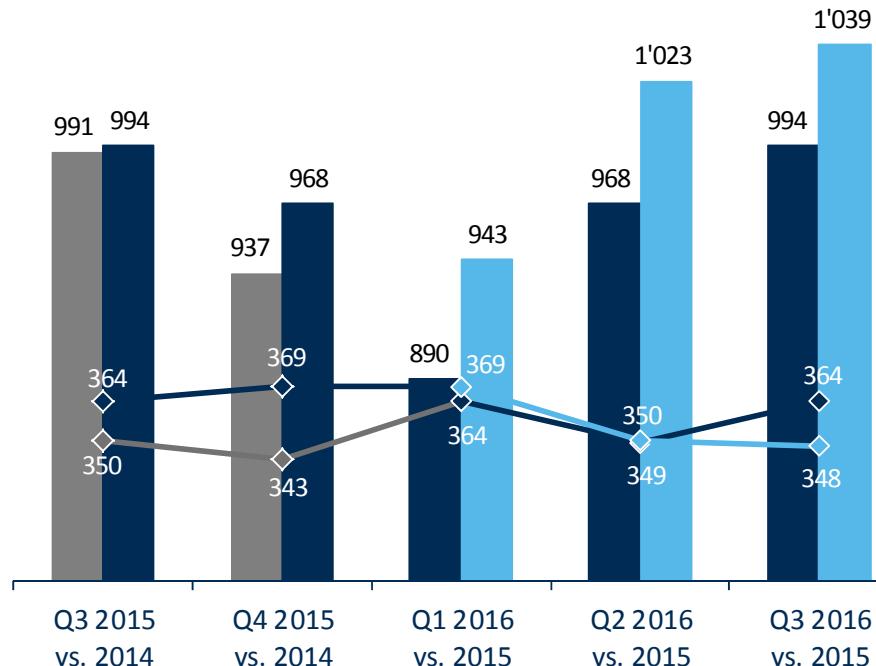


Development of volumes

Seafreight

[TEU] '000

- Volume increase of 5.4% or 153,000 TEUs yoy
- Yield decrease of 1.1% or CHF 4 GP/TEU yoy

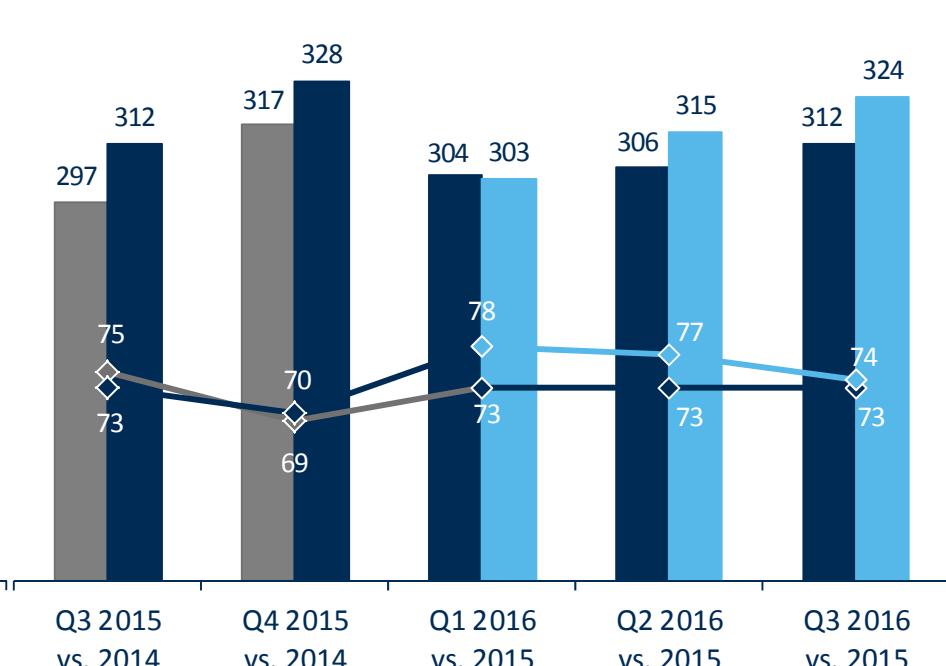


2016 ♦ GP/TEU in CHF
2015 ♦ GP/TEU in CHF
2014 ♦ GP/TEU in CHF

Airfreight

[TON] '000

- Volume increase of 2.2% or 20,000 tons yoy
- Yield increase of 4.1% or CHF 3 GP/100kg yoy



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



Overland

Net turnover: + 16.9%

EBITDA: + 2.1%

EBITDA/net TO margin: 2.3%

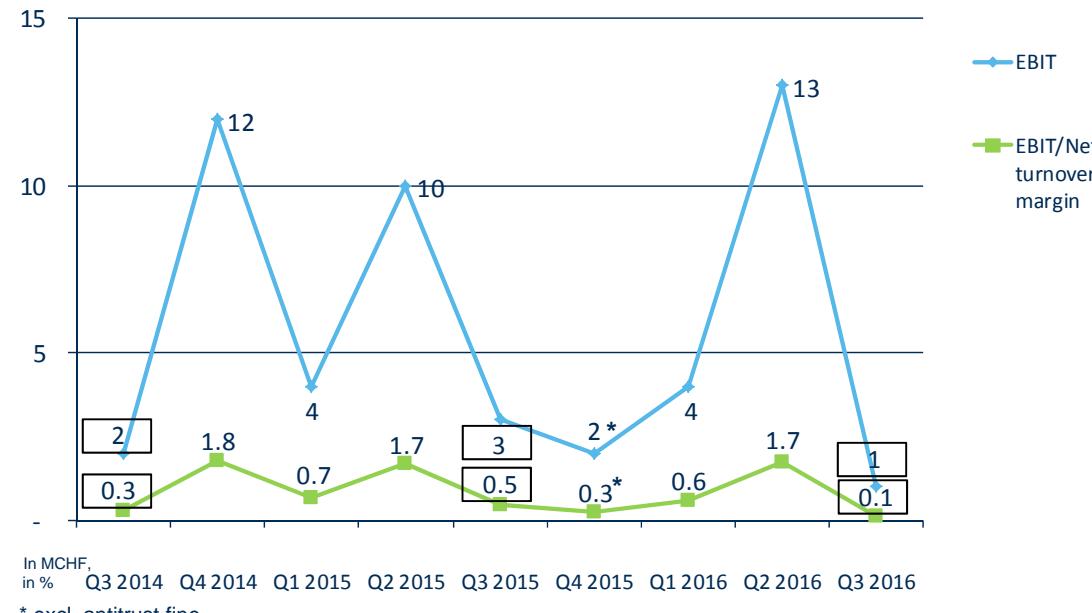
EBIT: + 5.9%



Overland – Performance of business unit

Income statement in CHF million	YTD Sep 2015	YTD Sep 2016	Variance			
			2016/2015	Growth	Acquisition	Forex ¹
Net turnover	1'841	2'152	16.9%	3.6%	12.3%	1.0%
Gross profit	614	672	9.4%	2.4%	6.0%	1.0%
EBITDA	48	49	2.1%	(18.7%)	20.8%	-
EBIT	17	18	5.9%	(11.7%)	17.6%	-
EBITDA / Net turnover margin	2.6%	2.3%				
EBIT / Net turnover margin	0.9%	0.8%				
EBIT / GP margin	2.8%	2.7%				

¹ Foreign currency translation impact



Business drivers

- Growth significantly above market
- Q3 seasonally weakest quarter
- US intermodal market contracting



Contract Logistics

EBITDA: + 15.1%

EBITDA/net TO margin: 5.5%

EBIT: + 16.3%

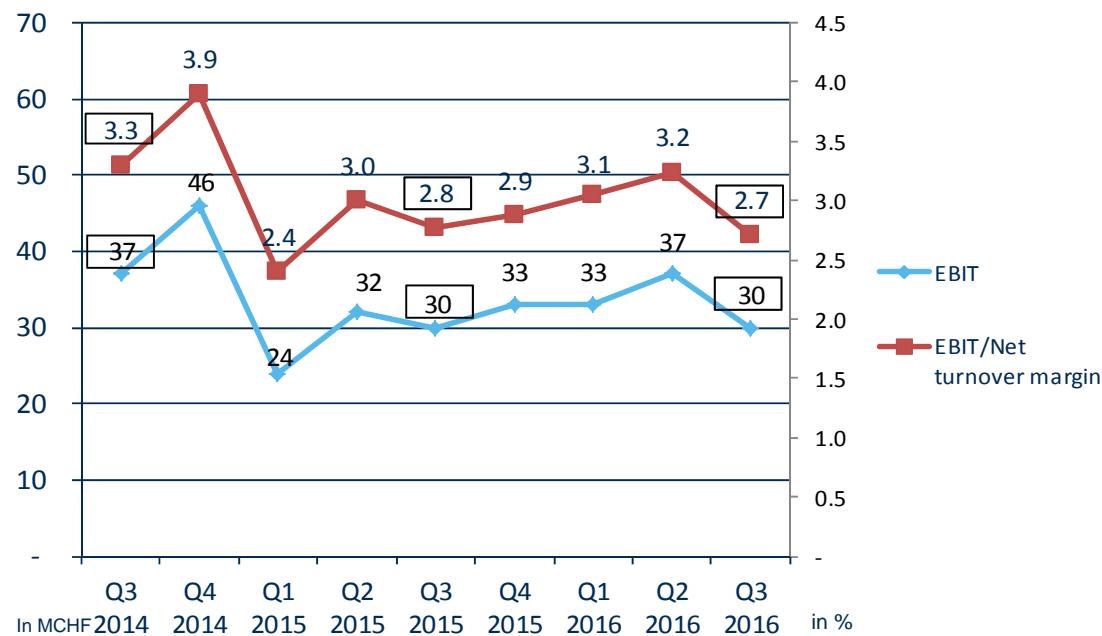
Idle space: 3.2%



Contract Logistics – Performance of business unit

Income statement in CHF million	YTD Sep 2015	YTD Sep 2016	Variance		
			2015/2016	Growth	Forex ¹
Net turnover	3'163	3'328	5.2%	6.3%	(1.1%)
Gross profit	2'297	2'443	6.4%	7.7%	(1.3%)
EBITDA	159	183	15.1%	13.8%	1.3%
EBIT	86	100	16.3%	15.1%	1.2%
EBITDA / Net turnover margin	5.0%	5.5%			
EBIT / Net turnover margin	2.7%	3.0%			

¹ Foreign currency translation impact



Business drivers

- Scaling of industry-specific solutions
- Successful implementation of new projects
- Continuous process optimisation



Overview nine-months 2016 results

Financial review

Appendices



Income statement

CHF million	2015	2015	2015	YTD Sep 2015	2016	2016	2016	YTD Sep 2016	Variance				Variance in %			
	Q1	Q2	Q3		Q1	Q2	Q3		2016/2015	Q1	Q2	Q3	2016/2015	Growth	Acquisition	Forex ¹
Net turnover	4'096	4'129	4'201	12'426	4'010	4'137	4'100	12'247	(179)	(86)	8	(101)	(1.4%)	(2.7%)	1.9%	(0.6%)
Gross profit	1'497	1'521	1'591	4'609	1'593	1'664	1'643	4'900	291	96	143	52	6.3%	6.3%	0.8%	(0.8%)
<i>Gross profit margin</i>	36.5%	36.8%	37.9%	37.1%	39.7%	40.2%	40.1%	40.0%								
EBITDA	233	264	280	777	259	288	270	817	40	26	24	(10)	5.1%	3.7%	1.3%	0.1%
<i>EBITDA margin</i>	5.7%	6.4%	6.7%	6.3%	6.5%	7.0%	6.6%	6.7%								
EBIT	190	220	230	640	217	238	223	678	38	27	18	(7)	5.9%	5.6%	0.5%	(0.2%)
<i>EBIT margin</i>	4.6%	5.3%	5.5%	5.2%	5.4%	5.8%	5.4%	5.5%								
EBT	196	222	240	658	220	242	230	692	34	24	20	(10)	5.2%	4.8%	0.6%	(0.2%)
<i>EBT margin</i>	4.8%	5.4%	5.7%	5.3%	5.5%	5.8%	5.6%	5.7%								
Earnings for the period	153	173	186	512	169	187	177	533	21	16	14	(9)	4.1%	3.7%	0.6%	(0.2%)

- Gross profit growth + 6.3%
- EBIT growth + 5.9%
- Earnings for the period growth + 4.1%

- No material foreign currency translation impact on the earnings for the period

Income Statement (average rates)	Sep 2015	Sep 2016	Variance %	Impact on earnings for the period in %
Euro	1.0699	1.0914	2.0%	
US Dollar	0.9522	0.9849	3.4%	
British Pound	1.4641	1.3697	(6.4%)	(0.2%)

¹ Foreign currency translation impact



Financial overview

CHF million	YTD Sep 2015	YTD Sep 2016
Net turnover	12'426	12'247
Gross profit	4'609	4'900
EBITDA	777	817
EBIT	640	678
EBIT margin to net turnover	5.2%	5.5%
Net earnings for the period	510	531
EPS (basic) in CHF	4.26	4.43
Total assets	5'960	6'068
Equity	1'932	1'994
Equity % of total assets	32.4%	32.9%
Cash and cash equivalents, net	508	717
Operational cash flow	779	814
Capex	154	145

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	30 Sep 2016	31 December 2015	30 Sep 2016
Assets			Liabilities and equity	
Property, plant and equipment	1'142	1'149	Equity attributable to the equity holders of the parent company	2'121
Goodwill	767	748	Non-controlling interests	5
Other intangibles	98	82	Total equity	2'126
Others	224	233	Non-current liabilities	601
Non-current assets	2'231	2'212	Trade payables	1'449
Trade receivables	2'486	2'479	Accrued trade expenses/deferred income	919
Cash and cash equivalents	841	723	Bank and other interest-bearing liabilities	7
Others	541	654	Others	997
Current assets	3'868	3'856	Current liabilities	3'372
Total assets	6'099	6'068	Total liabilities and equity	6'099
				6'068



Financial review nine-months 2016 – Cash flow

CHF million	2015	2016	Variance
Operational cash flow	779	814	35
Changes in working capital	(43)	(48)	(5)
Income taxes paid	(128)	(161)	(33)
Cash flow from operating activities	608	605	(3)
Cash flow from investing activities	(350)	(108)	242
Cash flow from financing activities	(880)	(609)	271
Exchange difference on cash and cash equivalents	(33)	(10)	23
Increase/(decrease) in cash and cash equivalents	(655)	(122)	533
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	508	717	209



Financial review – Working capital development

CHF million	September 2015	December 2015	September 2016	Better/(worse) September 16 vs. December 15
Trade receivables & Work in progress	2'883	2'816	2'808	8
Trade payables & Accrued trade expenses	(2'169)	(2'222)	(2'168)	(54)
Net working capital	714	594	640	(46)
KPI's:				
Working capital intensity	3.5%	2.9%	3.2%	(0.3%)
DSO	46.2	44.4	46.3	(1.9)
DPO	55.7	55.1	58.3	3.2
Δ	9.5	10.7	12.0	1.3



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

March 1, 2017	Full year 2016 results
April 20, 2017	Three-months 2017 results
May 9, 2017	Annual General Meeting
July 18, 2017	Half-year 2017 results
October 16, 2017	Nine-months 2017 results



Quarter over quarter 2016/2015

CHF million																	
1. Seafreight	2016			2015			2016 / 2015 Change in %			2016 / 2015 Change in mCHF							
	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL	
A) Income Statement																	
Turnover			1'972			2'043			5'975			2'244			6'680		
Net Turnover			1'430			1'422			4'329			1'639			4'879		
Gross Profit			348			358			1'068			324			1'024		
Opex			(236)			(239)			(714)			(222)			(226)		
EBITDA			112			119			354			102			353		
Depreciation and Amortisation			(5)			(5)			(14)			(8)			(5)		
EBIT			107			114			340			94			335		
B) KPI			30.7%			31.8%			32.9%			31.8%			29.0%		
EBIT / GP conversion ratio			943			1'023			1'039			890			968		
Volume (TEU's '000)			369			350			348			355			994		
GROSS PROFIT }			(256)			(239)			(234)			(242)			2'852		
EXPENSES }			113			111			114			106			113		
CHF per TEU																	
2. Airfreight																	
A) Income Statement			944			962			963			2'869			999		
Turnover			805			819			814			2'438			855		
Net turnover			235			243			239			717			221		
Gross Profit			(158)			(165)			(163)			(486)			(149)		
Opex			77			78			76			231			(4)		
EBITDA			(4)			(4)			(3)			(11)			73		
Depreciation and Amortisation			73			74			73			220			68		
EBIT			31.1%			30.5%			30.5%			30.7%			30.8%		
EBIT / GP conversion ratio			303			315			324			942			304		
Volume (TON's '000)			78			77			74			76			73		
GROSS PROFIT }			(53)			(54)			(51)			(53)			(50)		
EXPENSES }			25			23			23			23			21		
CHF per 100kg																	



Quarter over quarter 2016/2015

CHF million		2016				2015				2016 / 2015 Change in %				2016 / 2015 Change in mCHF			
		Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL
3. Overland																	
A) Income Statement																	
Turnover		749	814	757	2'320	644	652	717	2'013	+16.3	+24.8	+5.6	+15.3	105	162	40	307
Net Turnover		695	754	703	2'152	587	595	659	1'841	+18.4	+26.7	+6.7	+16.9	108	159	44	311
Gross Profit		220	236	216	672	200	205	209	614	+10.0	+15.1	+3.3	+9.4	20	31	7	58
Opex		(205)	(214)	(204)	(623)	(188)	(186)	(192)	(566)	(9.0)	(15.1)	(6.3)	(10.1)	(17)	(28)	(12)	(57)
EBITDA		15	22	12	49	12	19	17	48	+25.0	+15.8	(29.4)	+2.1	3	3	(5)	1
Depreciation and Amortisation		(11)	(9)	(11)	(31)	(8)	(9)	(14)	(31)	(37.5)	+0.0	+21.4	+0.0	(3)	0	3	0
EBIT		4	13	1	18	4	10	3	17	+0.0	+30.0	(66.7)	+5.9	0	3	(2)	1
B) KPI																	
EBITDA / Net turnover		2.2%	2.9%	1.7%	2.3%	2.0%	3.2%	2.6%	2.6%	+9.0	+9.4	+2.9	+7.1	99	109	34	242
EBIT / Net turnover		0.6%	1.7%	0.1%	0.8%	0.7%	1.7%	0.5%	0.9%	+6.4	+7.3	+2.0	+5.2	65	78	22	165
4. Contract Logistics										+5.1	+9.7	+4.4	+6.4	38	73	35	146
A) Income Statement										(4.3)	(8.8)	(4.2)	(5.7)	(30)	(61)	(31)	(122)
Turnover		1'200	1'266	1'208	3'674	1'101	1'157	1'174	3'432	+17.0	+21.1	+7.3	+15.1	8	12	4	24
Net turnover		1'080	1'142	1'106	3'328	1'015	1'064	1'084	3'163	+4.3	(28.0)	(16.0)	(13.7)	1	(7)	(4)	(10)
Gross Profit		790	827	826	2'443	752	754	791	2'297	+37.5	+15.6	+0.0	+16.3	9	5	0	14
Opex		(735)	(758)	(767)	(2'260)	(705)	(697)	(736)	(2'138)								
EBITDA		55	69	59	183	47	57	55	159								
Depreciation and Amortisation		(22)	(32)	(29)	(83)	(23)	(25)	(25)	(73)								
EBIT		33	37	30	100	24	32	30	86								
B) KPI																	
EBITDA / Net turnover		5.1%	6.0%	5.3%	5.5%	4.6%	5.4%	5.1%	5.0%								
EBIT / Net turnover		3.1%	3.2%	2.7%	3.0%	2.4%	3.0%	2.8%	2.7%								



Quarter over quarter 2016/2015

CHF million		2016				2015				2016 / 2015 Change in %				2016 / 2015 Change in mCHF			
		Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL
5. Kuehne + Nagel Group																	
A) Income Statement																	
Turnover		4'865	5'002	4'971	14'838	4'988	4'998	5'118	15'104	(2.5)	+0.1	(2.9)	(1.8)	(123)	4	(147)	(266)
Customs duties and taxes		(855)	(865)	(871)	(2'591)	(892)	(869)	(917)	(2'678)	+4.1	+0.5	+5.0	+3.2	37	4	46	87
Net Turnover		4'010	4'137	4'100	12'247	4'096	4'129	4'201	12'426	(2.1)	+0.2	(2.4)	(1.4)	(86)	8	(101)	(179)
Net expenses for services from third parties		(2'417)	(2'473)	(2'457)	(7'347)	(2'599)	(2'608)	(2'610)	(7'817)	+7.0	+5.2	+5.9	+6.0	182	135	153	470
Gross Profit		1'593	1'664	1'643	4'900	1'497	1'521	1'591	4'609	+6.4	+9.4	+3.3	+6.3	96	143	52	291
Opex		(1'334)	(1'376)	(1'373)	(4'083)	(1'264)	(1'257)	(1'311)	(3'832)	(5.5)	(9.5)	(4.7)	(6.6)	(70)	(119)	(62)	(251)
EBITDA		259	288	270	817	233	264	280	777	+11.2	+9.1	(3.6)	+5.1	26	24	(10)	40
Depreciation and Amortisation		(42)	(50)	(47)	(139)	(43)	(44)	(50)	(137)	+2.3	(13.6)	+6.0	(1.5)	1	(6)	3	(2)
EBIT		217	238	223	678	190	220	230	640	+14.2	+8.2	(3.0)	+5.9	27	18	(7)	38
Result from finance and associates		3	4	7	14	6	2	10	18	(50.0)	+100.0	(30.0)	(22.2)	(3)	2	(3)	(4)
EBT		220	242	230	692	196	222	240	658	+12.2	+9.0	(4.2)	+5.2	24	20	(10)	34
Income tax		(51)	(55)	(53)	(159)	(43)	(49)	(54)	(146)	(18.6)	(12.2)	+1.9	(8.9)	(8)	(6)	1	(13)
Earnings for the period		169	187	177	533	153	173	186	512	+10.5	+8.1	(4.8)	+4.1	16	14	(9)	21
Non-controlling interests		(1)	0	(1)	(2)	(1)	0	(1)	(2)	+0.0	+0.0	+0.0	+0.0	0	0	0	0
Net Earnings		168	187	176	531	152	173	185	510	+10.5	+8.1	(4.9)	+4.1	16	14	(9)	21
B) KPI																	
GP / Net turnover		39.7%	40.2%	40.1%	40.0%	36.5%	36.8%	37.9%	37.1%								
EBITDA / Net turnover		6.5%	7.0%	6.6%	6.7%	5.7%	6.4%	6.7%	6.3%								
EBIT / Net turnover		5.4%	5.8%	5.4%	5.5%	4.6%	5.3%	5.5%	5.2%								
EBT / Net turnover		5.5%	5.8%	5.6%	5.7%	4.8%	5.4%	5.7%	5.3%								
Earnings for the period / Net turnover		4.2%	4.5%	4.3%	4.4%	3.7%	4.2%	4.4%	4.1%								



Contact

Markus Blanka-Graff
CFO
markus.blanka@kuehne-nagel.com
Tel: +41 (0)44 7869 644

Andrea Kobi
Investor Relations
andrea.kobi@kuehne-nagel.com
Tel: +41 (0)44 7869 561

Disclaimer

Investing in the shares of Kuehne + Nagel International AG involves risks.

Prospective investors are strongly requested to consult their investment advisors and tax advisors prior to investing in shares of Kuehne + Nagel International AG.

This document contains forward-looking statements which involve risks and uncertainties. These statements may be identified by such words as "may", "plans", "expects", "believes" and similar expressions, or by their context. These statements are made on the basis of current knowledge and assumptions. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. No obligation is assumed to update any forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

The information contained in this document has not been independently verified and no representation or warranty, express or implied, is made to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. The information in this presentation is subject to change without notice, it may be incomplete or condensed, and it may not contain all material information concerning the Kuehne + Nagel Group. None of Kuehne + Nagel International AG or their respective affiliates shall have any liability whatsoever for any loss whatsoever arising from any use of this document, or otherwise arising in connection with this document.

This presentation is not an offer of securities for sale in the United States. The offer and sale of Kuehne + Nagel International AG securities has not been, and will not be registered under the United States Securities Act of 1933, as amended. Kuehne + Nagel International AG securities may not be offered or sold to anyone in the United States absent such registration, except pursuant to an appropriate exemption from registration. There will be no public offering of Kuehne + Nagel International AG securities in the United States.

