



Kuehne + Nagel International AG

Analyst Conference – Nine-months 2017 results

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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 nine-months 2017 results
- Financial review
- Appendices

Highlights nine-months 2017



	Increased dynamics in volumes and results
	Net turnover growth of 11.5% ¹ and earnings for the period increase of 3.8% ²
	7.7% volume growth (+ 230,000 TEUs) with high conversion rate (29.2%); downward trend of GP/TEU margin stopped in Q3 2017
	19.1% volume growth (+ 180,000 tons) with high conversion rate (30.3%)
	Strong increase of EBIT by CHF 18 million (+ 100.0%)
	EBIT increase of CHF 21 million (+ 21.0%) ²

¹ in constant currencies (cc)

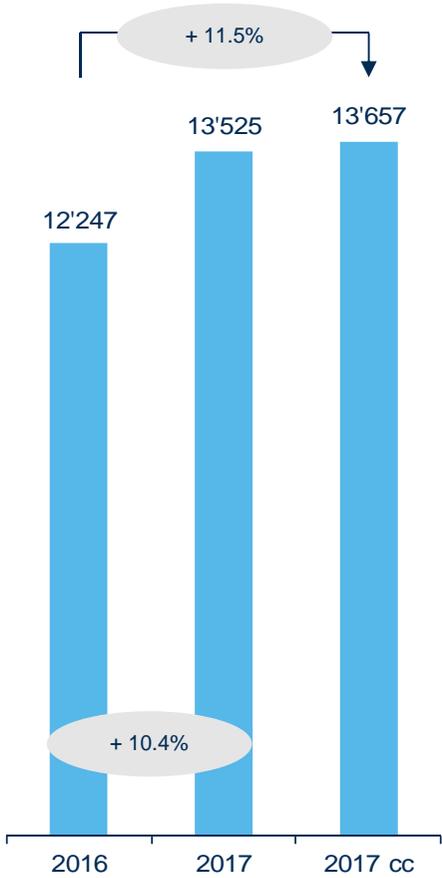
² in cc and excluding amortisation of other intangibles pertaining to acquisitions in Q2 2017 amounting to CHF 7 million

Overview nine-months 2017 results



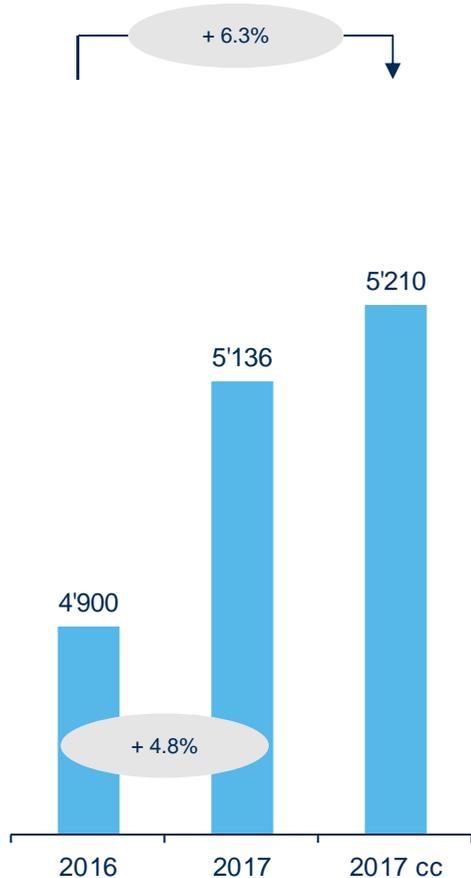
Net turnover

in CHF million



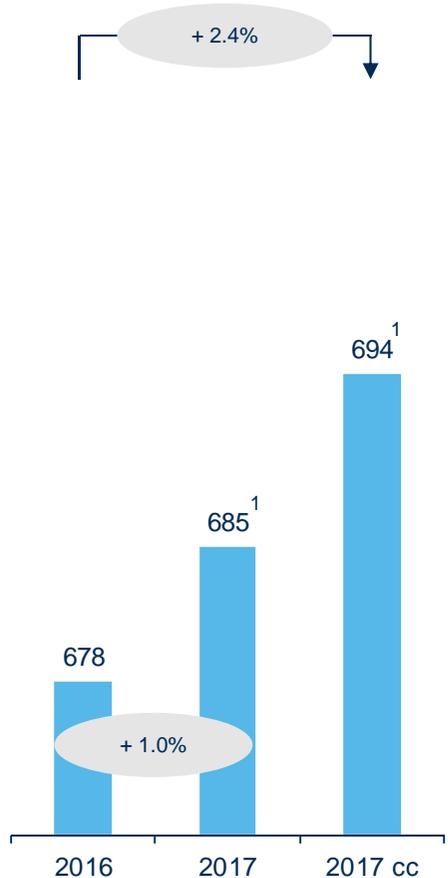
Gross profit

in CHF million



EBIT

in CHF million



¹ includes negative one-off impact from amortisation of other intangibles of CHF 7 million cc (in constant currencies)



Strong volume growth + 8% or
+ 230,000 TEUs, gaining
market share

GP/TEU margin: signs of
recovery in Q3 2017

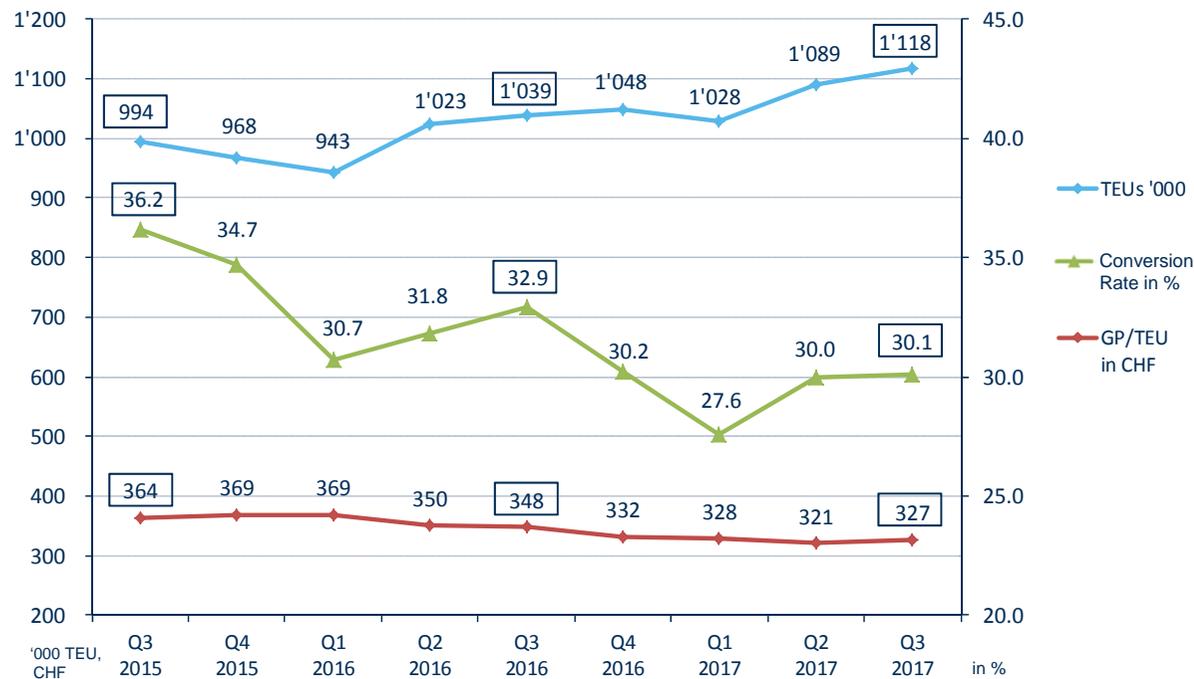


Seafreight – Performance of business unit



Income statement in CHF million	YTD Q3 2016	YTD Q3 2017	Variance		
			2017/2016	Growth	Forex ¹
Turnover	5'975	6'546	9.6%	9.9%	(0.3%)
Gross profit	1'068	1'053	(1.4%)	(0.6%)	(0.8%)
EBITDA	354	324	(8.5%)	(7.7%)	(0.8%)
EBIT	340	308	(9.4%)	(8.2%)	(1.2%)
EBIT in % of GP	31.8%	29.2%			

¹ Foreign currency translation impact



- Market growth of 4 to 5%
- Margin improved in Q3 2017 for the first time since Q4 2015
- Strong conversion rate of 29.2%
- Strong volume growth especially in US import and export and South America trades

Airfreight



Strong volume growth + 19%
or + 180,000 tons, gaining
significant market share

Market lead in perishables
logistics expanded

Airfreight – Performance of business unit

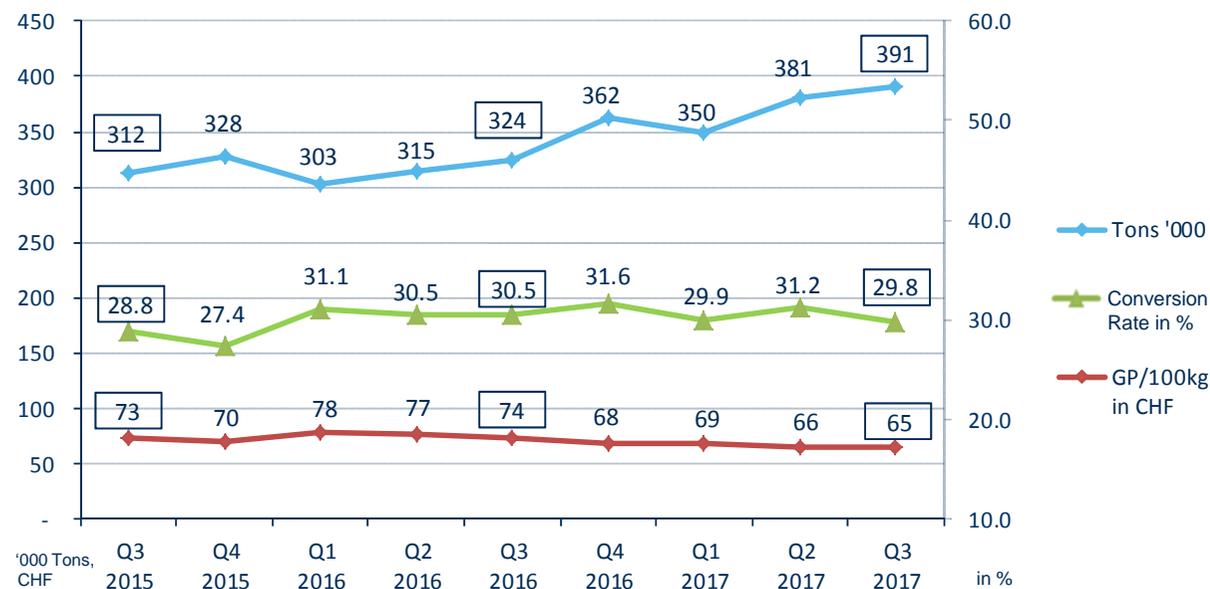


Income statement in CHF million	YTD Q3 2016	YTD Q3 2017	Variance		
			2017/2016	Growth	Forex ¹
Turnover	2'869	3'380	17.8%	18.3%	(0.5%)
Gross profit	717	749	4.5%	5.8%	(1.3%)
EBITDA	231	240	3.9%	6.1%	(2.2%)
EBIT	220	227	3.2%	5.5%	(2.3%)
EBIT in % of GP	30.7%	30.3%			

¹ Foreign currency translation impact

Acquisitions:

- Trillvane closed on Sep 7, 2017, consolidated for one month result
- CFI closed Oct 2, will be part of Q4 2017 results



- Market growth of ~ 10%
- Strong volume growth overcompensates margin dilution
- Cost per 100kg down by 11%
- Strong export business from Europe and Asia

Overland



Strong net turnover growth
of + 5%

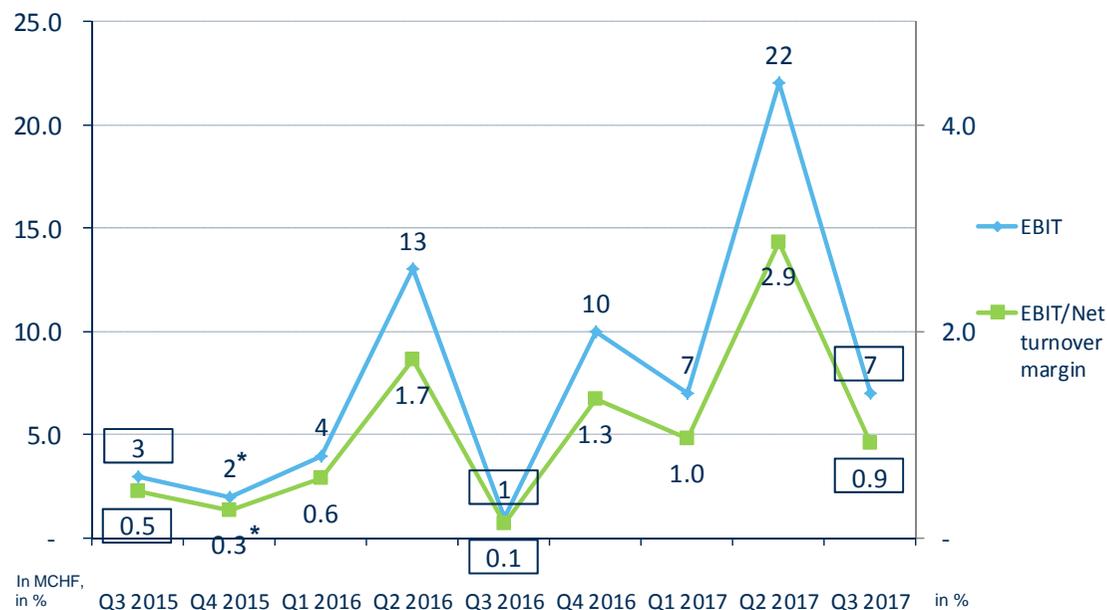
EBIT + CHF 18 million, + 100%

Overland – Performance of business unit



Income statement in CHF million	YTD Q3 2016	YTD Q3 2017	Variance		
			2017/2016	Growth	Forex ¹
Net turnover	2'152	2'263	5.2%	5.4%	(0.2%)
Gross profit	672	703	4.6%	5.0%	(0.4%)
EBITDA	49	67	36.7%	36.7%	-
EBIT	18	36	100.0%	100.0%	-
EBITDA / Net turnover margin	2.3%	3.0%			
EBIT / Net turnover margin	0.8%	1.6%			
EBIT / GP margin	2.7%	5.1%			

¹ Foreign currency translation impact



In MCHF,
in %

* excl. antitrust fine

- GP increased by CHF 31 million converting into CHF 18 million EBIT
- Strong network traffic performance in Europe and the US
- Successful implementation of numerous pharma projects

Contract Logistics



Strong business growth of
+ 6% especially in pharma and
e-commerce fulfilment



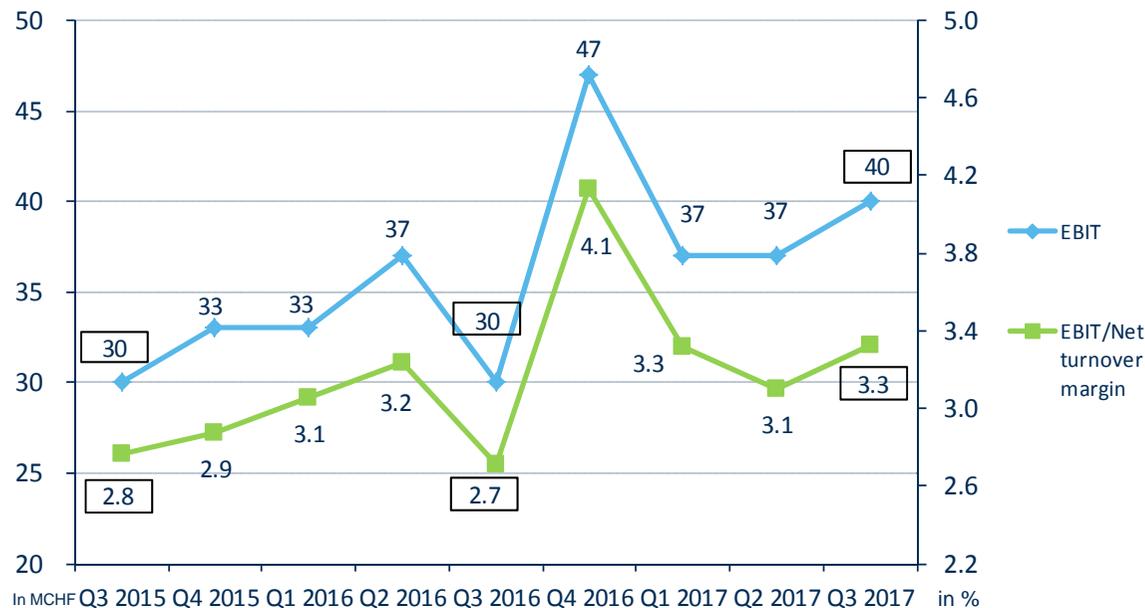
Contract Logistics – Performance of business unit



Income statement	YTD Q3 2016	YTD Q3 2017 ¹	Variance			
			2016/2017	Growth	Acquisition	Forex ²
Net turnover	3'328	3'510	5.5%	7.1%	0.3%	(1.9%)
Gross profit	2'443	2'631	7.7%	9.5%	0.4%	(2.2%)
EBITDA	183	209	14.2%	13.7%	0.5%	-
EBIT	100	114	14.0%	20.0%	(6.0%)	-
EBITDA / Net turnover margin	5.5%	6.0%				
EBIT / Net turnover margin	3.0%	3.2%				

¹ Includes amortisation of other intangibles of CHF 7 million

² Foreign currency translation impact



- Strong gross profit growth of CHF 188 million
- 466,000 sqm of logistics space added to operations
- Total logistics space of 10.3 million sqm with 2.7% idle space



Overview nine-months 2017 results

▶ Financial review

Appendices

Income statement



CHF million	2016 Q1	2016 Q2	2016 Q3	YTD Q3 2016	2017 Q1	2017 Q2	2017 Q3	YTD Q3 2017 ¹	Variance				Variance in %			
									2017/2016	Q1	Q2	Q3	2017/2016	Growth	Acquisition	Forex ²
Net turnover	4'010	4'137	4'100	12'247	4'299	4'516	4'710	13'525	1'278	289	379	610	10.4%	11.4%	0.1%	(1.1%)
Gross profit	1'593	1'664	1'643	4'900	1'648	1'729	1'759	5'136	236	55	65	116	4.8%	6.1%	0.2%	(1.5%)
Gross profit margin	39.7%	40.2%	40.1%	40.0%	38.3%	38.3%	37.3%	38.0%								
EBITDA	259	288	270	817	257	297	286	840	23	(2)	9	16	2.8%	3.7%	0.1%	(1.0%)
EBITDA margin	6.5%	7.0%	6.6%	6.7%	6.0%	6.6%	6.1%	6.2%								
EBIT	217	238	223	678	209	243	233	685	7	(8)	5	10	1.0%	3.2%	(0.9%)	(1.3%)
EBIT margin to net turnover	5.4%	5.8%	5.4%	5.5%	4.9%	5.4%	4.9%	5.1%								
Conversion rate	13.6%	14.3%	13.6%	13.8%	12.7%	14.1%	13.2%	13.3%								
EBT	220	242	230	692	214	248	239	701	9	(6)	6	9	1.3%	3.6%	(0.9%)	(1.4%)
EBT margin	5.5%	5.8%	5.6%	5.7%	5.0%	5.5%	5.1%	5.2%								
Earnings for the period	169	187	177	533	165	191	184	540	7	(4)	4	7	1.3%	3.7%	(1.1%)	(1.3%)

¹ Includes amortisation of other intangibles of CHF 7 million

² Foreign currency translation impact

- Foreign currency translation impact in the income statement

Income Statement (average rates)	Sep 2016	Sep 2017	Variance %	Impact on earnings for the period in %
Euro	1.0914	1.0935	0.2%	} (1.3%)
US Dollar	0.9849	0.9836	(0.1%)	
British Pound	1.3697	1.2548	(8.4%)	

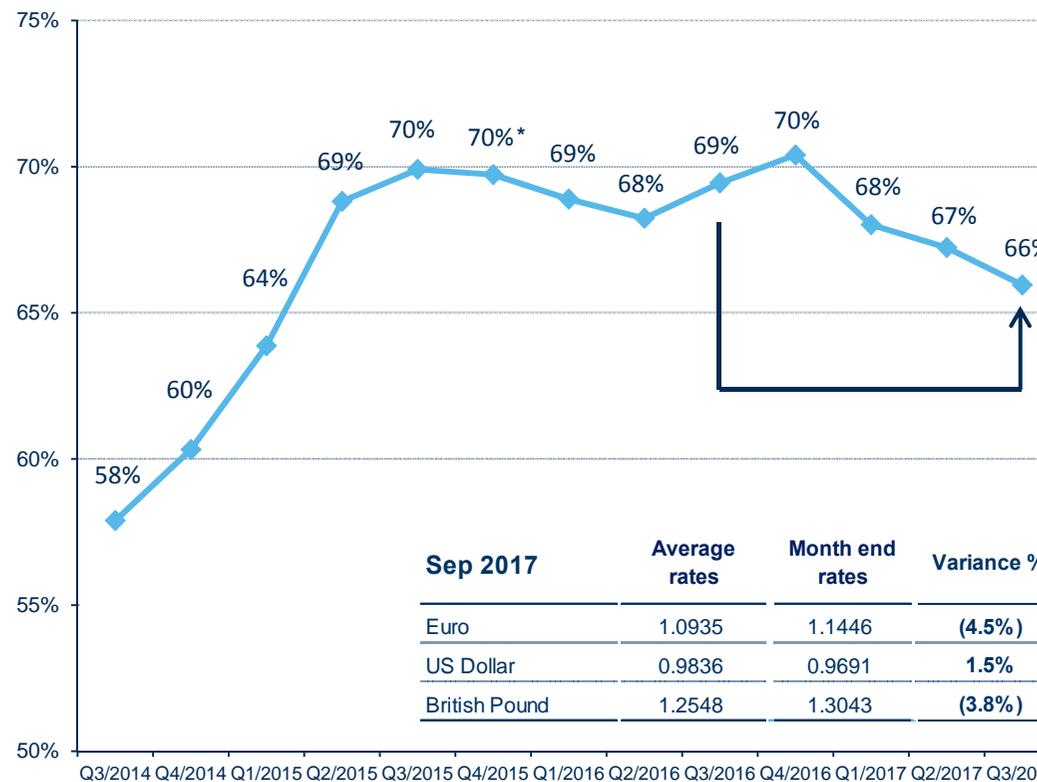
- Profit growth in Airfreight, Overland and Contract Logistics
- Seafreight margins improved in Q3 2017

Financial overview



CHF million	YTD Q3 2016	YTD Q3 2017
Net turnover	12'247	13'525
Gross profit	4'900	5'136
EBITDA	817	840
EBIT	678	685
EBIT margin to net turnover	5.5%	5.1%
Net earnings for the period	531	538
EPS (basic) in CHF	4.43	4.50
Total assets	6'068	6'960
Equity	1'994	2'069
Equity % of total assets	32.9%	29.7%
Cash and cash equivalents, net	717	571
Operational cash flow	814	851
Capex	145	155

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	30 September 2017		31 December 2016	30 September 2017
Assets			Liabilities and equity		
Property, plant and equipment	1'127	1'200	Equity attributable to the equity holders of the parent company	2'160	2'063
Goodwill	758	781	Non-controlling interests	5	6
Other intangibles	82	73	Total equity	2'165	2'069
Others	242	256	Non-current liabilities	639	637
Non-current assets	2'209	2'310	Trade payables	1'544	1'696
Trade receivables	2'605	3'233	Accrued trade expenses/deferred income	968	1'358
Cash and cash equivalents	841	600	Bank and other interest-bearing liabilities	8	33
Others	676	817	Others	1'007	1'167
Current assets	4'122	4'650	Current liabilities	3'527	4'254
Total assets	6'331	6'960	Total liabilities and equity	6'331	6'960

Cash flow nine-months 2017



CHF million	2016	2017	Variance
Operational cash flow	814	851	37
Changes in working capital	(48)	(174)	(126)
Income taxes paid	(161)	(183)	(22)
Cash flow from operating activities	605	494	(111)
Cash flow from investing activities	(108)	(95)	13
Cash flow from financing activities	(609)	(667)	(58)
Exchange difference on cash and cash equivalents	(10)	2	12
Increase/(decrease) in cash and cash equivalents	(122)	(266)	(144)
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	717	571	(146)

Working capital development



CHF million	Sep 2016	Sep 2017	Better/(worse) Sep 2017 vs. Sep 2016
Trade receivables & Work in progress	2'808	3'495	(687)
Trade payables & Accrued trade expenses	(2'168)	(2'652)	484
Net working capital	640	843	(203)
KPIs:			
Working capital intensity	3.2%	3.7%	(0.5%)
DSO	46.3	49.6	(3.3)
DPO	58.3	62.0	3.7
Δ	12.0	12.4	0.4



Upcoming events



February 28, 2018	Full year 2017 results
April 24, 2018	Three-months 2018 results
May 8, 2018	Annual General Meeting
July 19, 2018	Half-year 2017 results
October 18, 2018	Nine-months 2018 results

Quarter over quarter 2017/2016



CHF million	2017				2016				2017 / 2016 Change in %				2017 / 2016 Change in mCHF			
	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL
1. Seafreight																
A) Income Statement																
Turnover	2'095	2'167	2'284	6'546	1'972	1'960	2'043	5'975	+6.2	+10.6	+11.8	+9.6	123	207	241	571
Net Turnover	1'546	1'616	1'707	4'869	1'430	1'422	1'477	4'329	+8.1	+13.6	+15.6	+12.5	116	194	230	540
Gross Profit	337	350	366	1'053	348	358	362	1'068	(3.2)	(2.2)	+1.1	(1.4)	(11)	(8)	4	(15)
Opex	(238)	(240)	(251)	(729)	(236)	(239)	(239)	(714)	(0.8)	(0.4)	(5.0)	(2.1)	(2)	(1)	(12)	(15)
EBITDA	99	110	115	324	112	119	123	354	(11.6)	(7.6)	(6.5)	(8.5)	(13)	(9)	(8)	(30)
Depreciation and Amortisation	(6)	(5)	(5)	(16)	(5)	(5)	(4)	(14)	(20.0)	-	(25.0)	(14.3)	(1)	-	(1)	(2)
EBIT	93	105	110	308	107	114	119	340	(13.1)	(7.9)	(7.6)	(9.4)	(14)	(9)	(9)	(32)
B) KPI																
EBIT / GP conversion ratio	27.6%	30.0%	30.1%	29.2%	30.7%	31.8%	32.9%	31.8%								
Volume (TEUs '000)	1'028	1'089	1'118	3'235	943	1'023	1'039	3'005	+9.0	+6.5	+7.6	+7.7	85	66	79	230
GROSS PROFIT	328	321	327	326	369	350	348	355	(11.1)	(8.3)	(6.0)	(8.2)	(41)	(29)	(21)	(29)
EXPENSES	(237)	(225)	(229)	(230)	(256)	(239)	(234)	(242)	+7.4	+5.9	+2.1	+5.0	19	14	5	12
EBIT	91	96	98	96	113	111	114	113	(19.5)	(13.5)	(14.0)	(15.0)	(22)	(15)	(16)	(17)
2. Airfreight																
A) Income Statement																
Turnover	1'063	1'105	1'212	3'380	944	962	963	2'869	+12.6	+14.9	+25.9	+17.8	119	143	249	511
Net turnover	908	939	1'036	2'883	805	819	814	2'438	+12.8	+14.7	+27.3	+18.3	103	120	222	445
Gross Profit	241	253	255	749	235	243	239	717	+2.6	+4.1	+6.7	+4.5	6	10	16	32
Opex	(165)	(170)	(174)	(509)	(158)	(165)	(163)	(486)	(4.4)	(3.0)	(6.7)	(4.7)	(7)	(5)	(11)	(23)
EBITDA	76	83	81	240	77	78	76	231	(1.3)	+6.4	+6.6	+3.9	(1)	5	5	9
Depreciation and Amortisation	(4)	(4)	(5)	(13)	(4)	(4)	(3)	(11)	-	-	(66.7)	(18.2)	-	-	(2)	(2)
EBIT	72	79	76	227	73	74	73	220	(1.4)	+6.8	+4.1	+3.2	(1)	5	3	7
B) KPI																
EBIT / GP conversion ratio	29.9%	31.2%	29.8%	30.3%	31.1%	30.5%	30.5%	30.7%								
Volume (TONs '000)	350	381	391	1'122	303	315	324	942	+15.5	+21.0	+20.7	+19.1	47	66	67	180
GROSS PROFIT	69	66	65	67	78	77	74	76	(11.5)	(14.3)	(12.2)	(11.8)	(9)	(11)	(9)	(9)
EXPENSES	(48)	(46)	(46)	(47)	(53)	(54)	(51)	(53)	+9.4	+14.8	+9.8	+11.3	5	8	5	6
EBIT	21	20	19	20	25	23	23	23	(16.0)	(13.0)	(17.4)	(13.0)	(4)	(3)	(4)	(3)

Quarter over quarter 2017/2016



CHF million	2017				2016				2017 / 2016 Change in %				2017 / 2016 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	794	826	822	2'442	749	814	757	2'320	+6.0	+1.5	+8.6	+5.3	45	12	65	122
Net Turnover	730	767	766	2'263	695	754	703	2'152	+5.0	+1.7	+9.0	+5.2	35	13	63	111
Gross Profit	226	246	231	703	220	236	216	672	+2.7	+4.2	+6.9	+4.6	6	10	15	31
Opex	(209)	(214)	(213)	(636)	(205)	(214)	(204)	(623)	(2.0)	-	(4.4)	(2.1)	(4)	-	(9)	(13)
EBITDA	17	32	18	67	15	22	12	49	+13.3	+45.5	+50.0	+36.7	2	10	6	18
Depreciation and Amortisation	(10)	(10)	(11)	(31)	(11)	(9)	(11)	(31)	+9.1	(11.1)	-	-	1	(1)	-	-
EBIT	7	22	7	36	4	13	1	18	+75.0	+69.2	+600.0	+100.0	3	9	6	18
B) KPI																
EBITDA / Net turnover	2.3%	4.2%	2.3%	3.0%	2.2%	2.9%	1.7%	2.3%								
EBIT / Net turnover	1.0%	2.9%	0.9%	1.6%	0.6%	1.7%	0.1%	0.8%								
4. Contract Logistics																
A) Income Statement																
Turnover	1'233	1'292	1'315	3'840	1'200	1'266	1'208	3'674	+2.8	+2.1	+8.9	+4.5	33	26	107	166
Net turnover	1'115	1'194	1'201	3'510	1'080	1'142	1'106	3'328	+3.2	+4.6	+8.6	+5.5	35	52	95	182
Gross Profit	844	880	907	2'631	790	827	826	2'443	+6.8	+6.4	+9.8	+7.7	54	53	81	188
Opex	(779)	(808)	(835)	(2'422)	(735)	(758)	(767)	(2'260)	(6.0)	(6.6)	(8.9)	(7.2)	(44)	(50)	(68)	(162)
EBITDA	65	72	72	209	55	69	59	183	+18.2	+4.3	+22.0	+14.2	10	3	13	26
Depreciation and Amortisation	(28)	(35)	(32)	(95)	(22)	(32)	(29)	(83)	(27.3)	(9.4)	(10.3)	(14.5)	(6)	(3)	(3)	(12)
EBIT	37	37	40	114	33	37	30	100	+12.1	-	+33.3	+14.0	4	-	10	14
B) KPI																
EBITDA / Net turnover	5.8%	6.0%	6.0%	6.0%	5.1%	6.0%	5.3%	5.5%								
EBIT / Net turnover	3.3%	3.1%	3.3%	3.2%	3.1%	3.2%	2.7%	3.0%								

Quarter over quarter 2017/2016



CHF million	2017				2016				2017 / 2016 Change in %				2017 / 2016 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	5'185	5'390	5'633	16'208	4'865	5'002	4'971	14'838	+6.6	+7.8	+13.3	+9.2	320	388	662	1'370
Customs duties and taxes	(886)	(874)	(923)	(2'683)	(855)	(865)	(871)	(2'591)	(3.6)	(1.0)	(6.0)	(3.6)	(31)	(9)	(52)	(92)
Net Turnover	4'299	4'516	4'710	13'525	4'010	4'137	4'100	12'247	+7.2	+9.2	+14.9	+10.4	289	379	610	1'278
Net expenses for services from third parties	(2'651)	(2'787)	(2'951)	(8'389)	(2'417)	(2'473)	(2'457)	(7'347)	(9.7)	(12.7)	(20.1)	(14.2)	(234)	(314)	(494)	(1'042)
Gross Profit	1'648	1'729	1'759	5'136	1'593	1'664	1'643	4'900	+3.5	+3.9	+7.1	+4.8	55	65	116	236
Opex	(1'391)	(1'432)	(1'473)	(4'296)	(1'334)	(1'376)	(1'373)	(4'083)	(4.3)	(4.1)	(7.3)	(5.2)	(57)	(56)	(100)	(213)
EBITDA	257	297	286	840	259	288	270	817	(0.8)	+3.1	+5.9	+2.8	(2)	9	16	23
Depreciation and Amortisation	(48)	(54)	(53)	(155)	(42)	(50)	(47)	(139)	(14.3)	(8.0)	(12.8)	(11.5)	(6)	(4)	(6)	(16)
EBIT	209	243	233	685	217	238	223	678	(3.7)	+2.1	+4.5	+1.0	(8)	5	10	7
Result from finance and associates	5	5	6	16	3	4	7	14	+66.7	+25.0	(14.3)	+14.3	2	1	(1)	2
EBT	214	248	239	701	220	242	230	692	(2.7)	+2.5	+3.9	+1.3	(6)	6	9	9
Income tax	(49)	(57)	(55)	(161)	(51)	(55)	(53)	(159)	+3.9	(3.6)	(3.8)	(1.3)	2	(2)	(2)	(2)
Earnings for the period	165	191	184	540	169	187	177	533	(2.4)	+2.1	+4.0	+1.3	(4)	4	7	7
Non-controlling interests	(1)	-	(1)	(2)	(1)	-	(1)	(2)	-	-	-	-	-	-	-	-
Net Earnings	164	191	183	538	168	187	176	531	(2.4)	+2.1	+4.0	+1.3	(4)	4	7	7
B) KPI																
EBIT / GP (conversion ratio)	12.7%	14.1%	13.2%	13.3%	13.6%	14.3%	13.6%	13.8%								
GP / Net turnover	38.3%	38.3%	37.3%	38.0%	39.7%	40.2%	40.1%	40.0%								
EBITDA / Net turnover	6.0%	6.6%	6.1%	6.2%	6.5%	7.0%	6.6%	6.7%								
EBIT / Net turnover	4.9%	5.4%	4.9%	5.1%	5.4%	5.8%	5.4%	5.5%								
EBT / Net turnover	5.0%	5.5%	5.1%	5.2%	5.5%	5.8%	5.6%	5.7%								
Earnings for the period / Net turnover	3.8%	4.2%	3.9%	4.0%	4.2%	4.5%	4.3%	4.4%								



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