Analyst conference
First quarter 2021 results

Kuehne + Nagel International AG

Schindellegi, Switzerland

26 April 2021 (CET 14.00)

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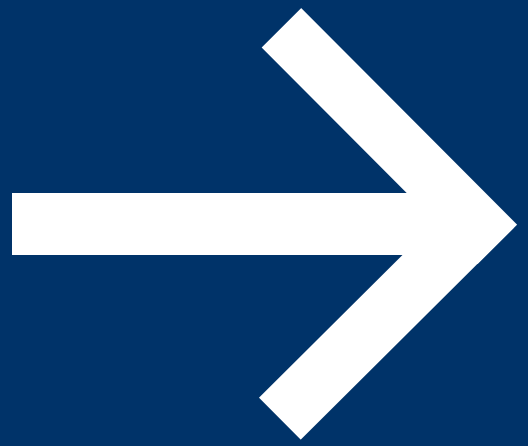
Overview first quarter 2021 results



Highlights first quarter 2021 results

KUEHNE+NAGEL

6,032 | **Net turnover**
CHF million
2020: 4,912

→ 22.8% increase including negative FX and divestment impact of 6.2% on the previous year

2,019 | **Gross profit**
CHF million
2020: 1,878

→ 16.9% organic growth on the previous year

145 | **Free cash flow[1]**
CHF million
2020: 156

→ 7.1% decrease on the previous year – 2020 includes additional CHF 160 million from sale of real estate

2.65 | **EPS**
CHF
2020: 1.15

→ 130.4% increase on the previous year, recurring EPS growth of 131.1% excluding FX and divestment impact

[1] (excluding withholding tax payments in Q1 2021 and Q1 2020)

Kuehne+Nagel marks a strong start to 2021

KUEHNE+NAGEL

Group

- Group Q1 2021 EBIT at CHF 431 million, up by 134.2%

Sea Logistics

- EBIT of CHF 206 million
- Strong performance
- Increased service intensity

Air Logistics

- EBIT of CHF 163 million
- Strong volume and yield performance in Q1 2021

Road Logistics

- EBIT of CHF 24 million
- European volumes recovering

Contract Logistics

- EBIT of CHF 38 million
- Back to organic growth and restructuring bearing fruit

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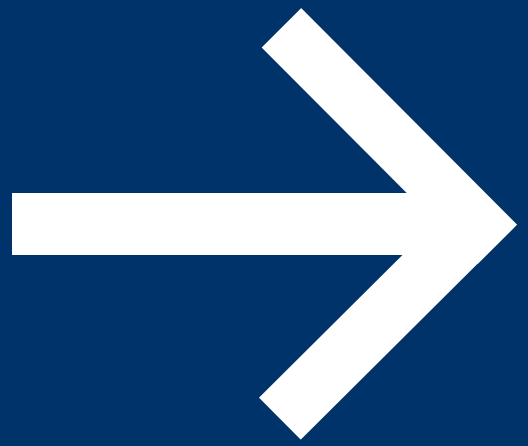
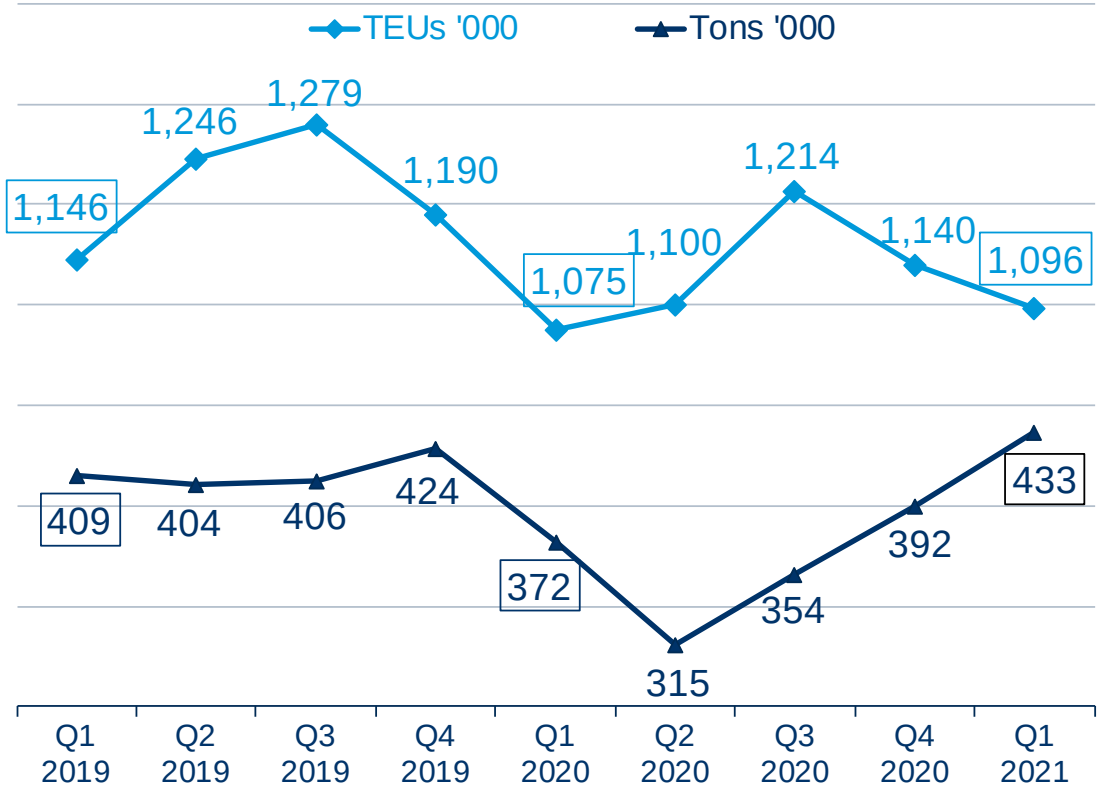
Business unit update



Sea and Air Logistics volumes



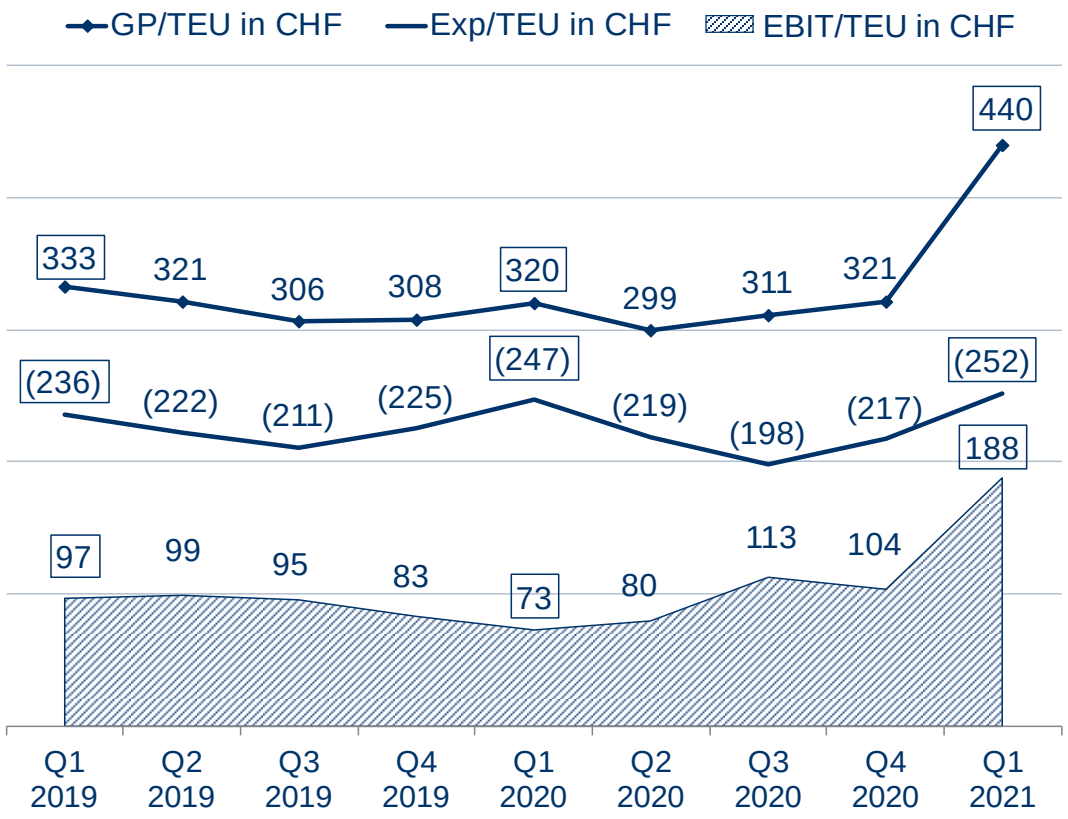
- Sea Logistics volumes first quarter 2021 2.0% above prior year
- Air Logistics volumes first quarter 2021 16.4% above prior year

Sea Logistics

Strong performance; increased service intensity

High demand in Europe and North America for imports from Asia

Sea Logistics



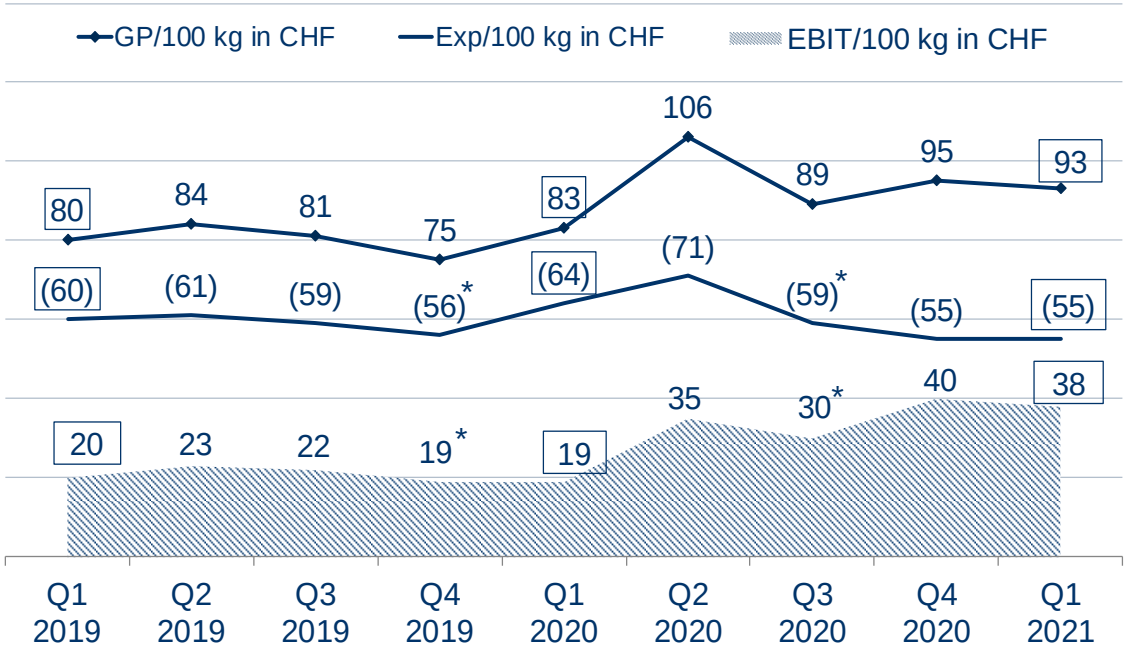
- Gross profit first quarter 2021 at CHF 482 million, 40.1% above prior year
- EBIT first quarter 2021 at CHF 206 million, 160.8% above prior year

Air Logistics

Return to volume growth for the first time in two years

Continuation of strong yield

Air Logistics*



* adjusted for write-off of intangibles in Q4 2019 of CHF (14) million and Quick one-off in Q3 2020 of net CHF +63 million

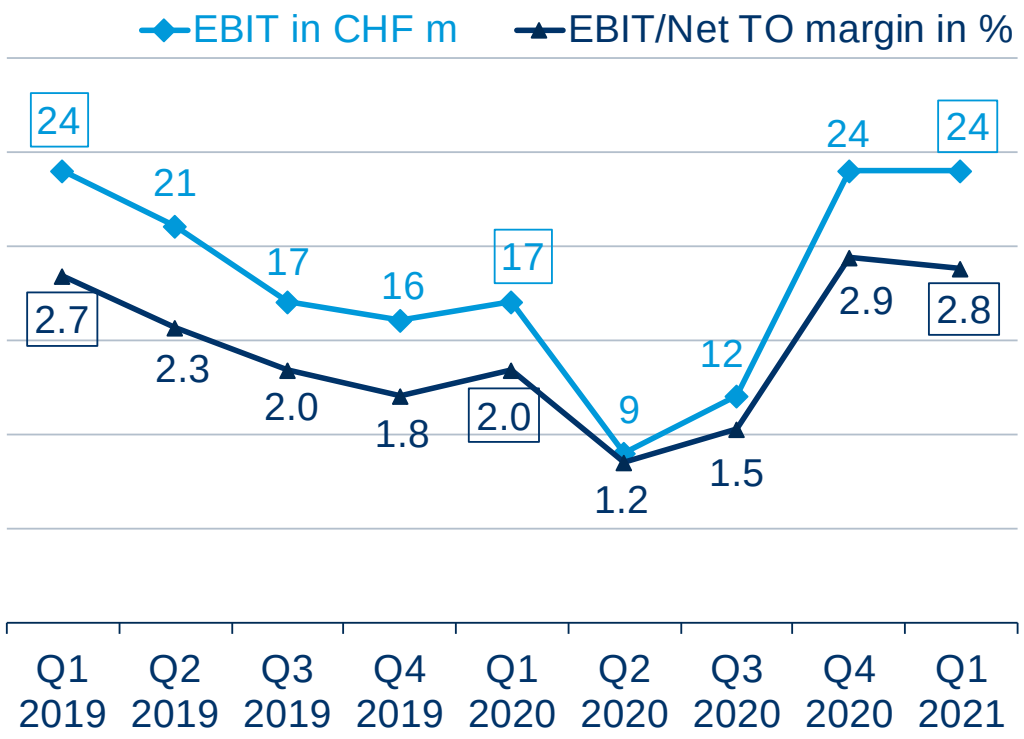
- Gross profit first quarter 2021 at CHF 402 million, 30.9% above prior year
- Reported EBIT first quarter 2021: CHF 163 million, 129.6% above prior year

Road Logistics

European cross border business recovering

Demand of domestic transports in Europe growing

Road Logistics

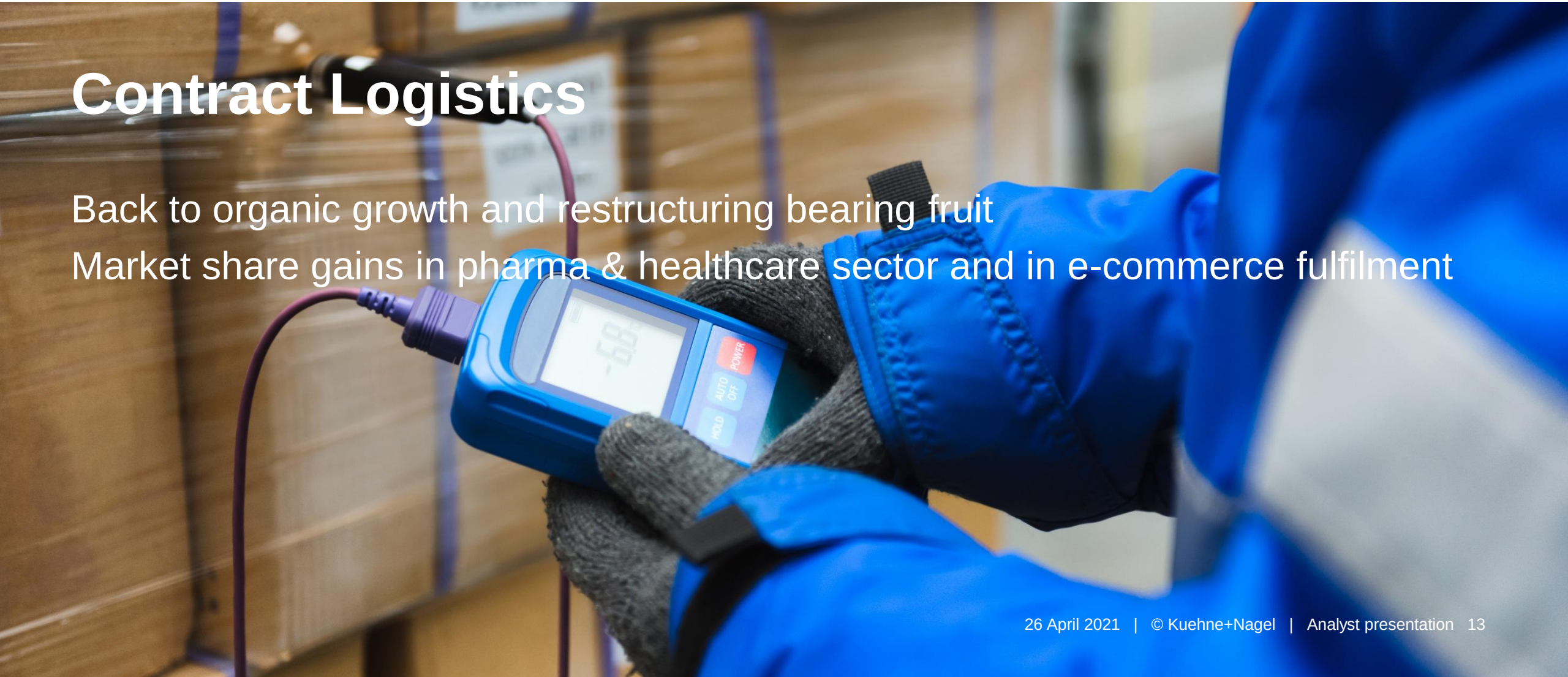


- Net turnover first quarter 2021 at CHF 870 million, 0.8% above prior year
- EBIT first quarter 2021 at CHF 24 million, 41.2% above prior year

Contract Logistics

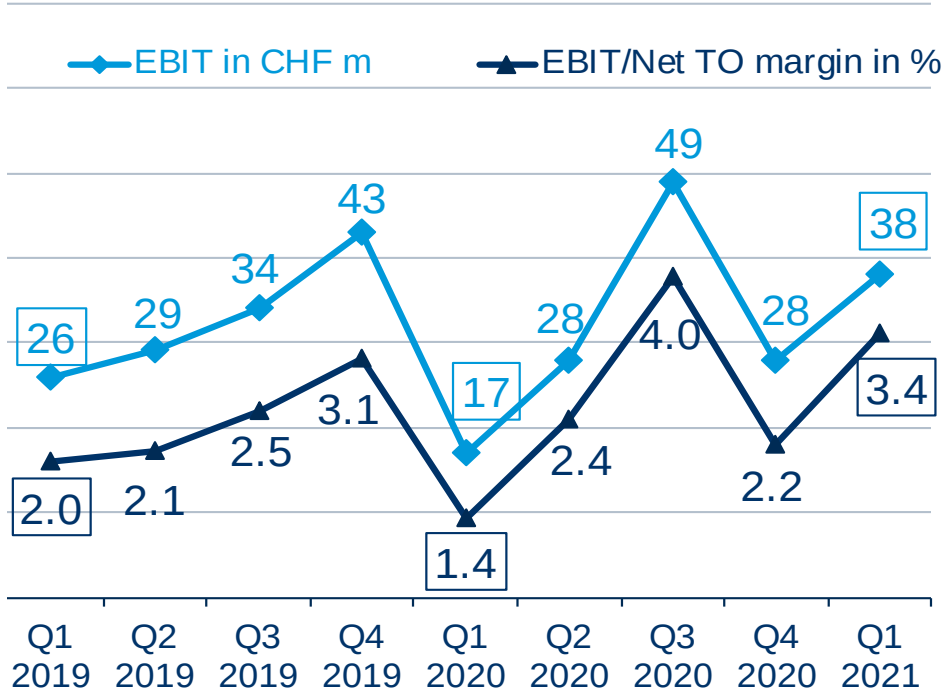
Back to organic growth and restructuring bearing fruit

Market share gains in pharma & healthcare sector and in e-commerce fulfilment



Contract Logistics

(excluding one-off impacts)



- Net turnover first quarter 2021 at CHF 1,119 million, 4.0% above prior year excluding divestment impact
- Reported EBIT first quarter 2021 at CHF 38 million, CHF 16 million above prior year excluding divestment impact
- Sale of a major part of the UK business closed on 1.1.2021 marked the end of the restructuring program

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Key financial figures first quarter 2021

Income statement

CHF million	2020 Q1	2021 Q1	Variance	YTD Variance in %			
			2021/2020	2021/2020	Growth	Divestment	thereof Forex [1]
Net turnover	4,912	6,032	1,120	22.8%	29.0%	(3.3%)	(2.9%)
Gross profit	1,878	2,019	141	7.5%	16.9%	(7.8%)	(1.6%)
Gross profit margin	38.2%	33.5%					
EBITDA	378	611	233	61.6%	64.5%	(0.3%)	(2.6%)
EBITDA margin	7.7%	10.1%					
Depreciation of property, plant & equipment	(49)	(46)					
Depreciation of right-of-use assets	(134)	(124)					
Amortisation of other intangibles	(11)	(10)					
EBIT	184	431	247	134.2%	135.5%	3.0%	(4.3%)
EBIT margin to net turnover	3.7%	7.1%					
Conversion rate	9.8%	21.3%					
EBT	182	430	248	136.3%	137.4%	3.3%	(4.4%)
EBT margin to net turnover	3.7%	7.1%					
Earnings for the period	139	318	179	128.8%	130.2%	2.9%	(4.3%)

[1] Foreign currency translation impact

FX translation impact: EUR 2.0%; USD (6.7)%; GBP (0.3)%, negative impact on earnings for the period of CHF (6) million

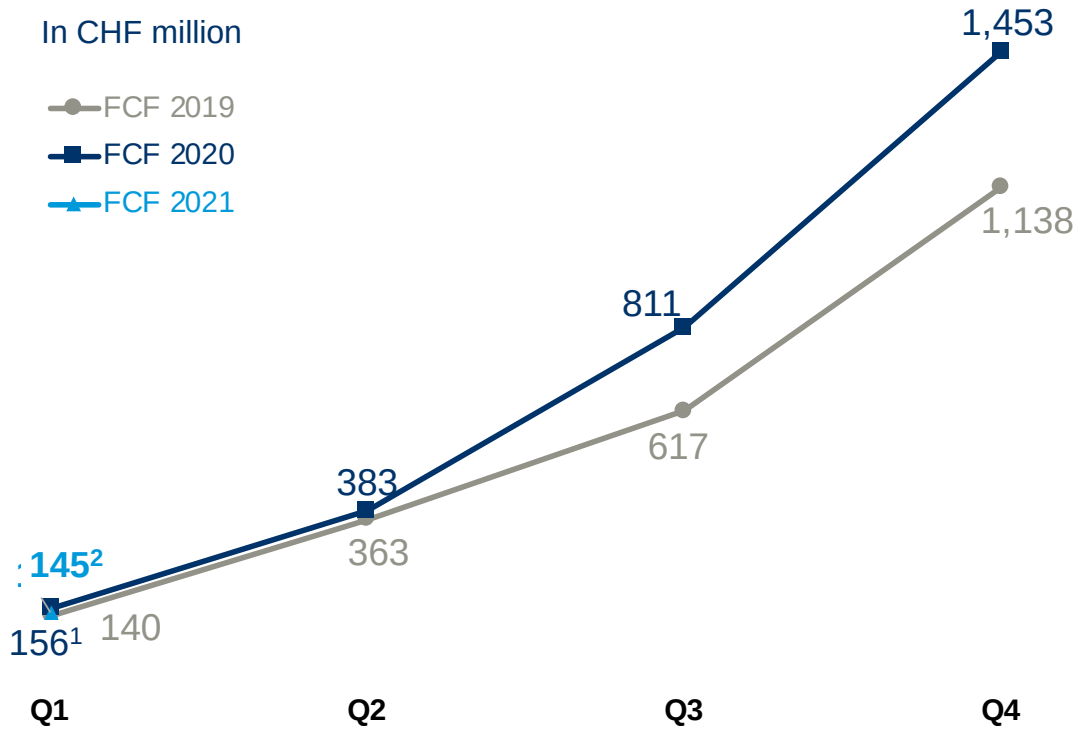
Balance sheet

CHF million	December 31, 2020	March 31, 2021
Assets		
Property, plant and equipment	797	812
Right-of-use assets	1,500	1,533
Goodwill	1,155	1,207
Other intangibles	101	100
Others	262	270
Non-current assets	**3,815**	**3,922**
Assets held for sale	434	-
Trade receivables	3,412	4,157
Contract assets	259	306
Cash and cash equivalents	1,697	1,824
Others	234	369
Current assets	**6,036**	**6,656**
Assets	**9,851**	**10,578**

	December 31, 2020	March 31, 2021
Equity and Liabilities		
Equity attributable to the equity holders of the parent company	**2,407**	**2,867**
Non-controlling interests	6	6
Total equity	**2,413**	**2,873**
Non-current lease liabilities	1,150	1,169
Others	979	909
Non-current liabilities	**2,129**	**2,078**
Liabilities associated to assets held for sale	419	-
Trade payables	1,875	2,081
Contract liabilities	87	121
Accrued trade expenses/deferred income	1,338	1,578
Bank and other interest-bearing liabilities	2	29
Current lease liabilities	433	448
Others	1,155	1,370
Current liabilities	**5,309**	**5,627**
Equity and Liabilities	**9,851**	**10,578**

Cash / free cash flow

CHF million	YTD 2020	YTD 2021	Variance
Cash and cash equivalents January 1, net	**904**	**1,713**	**809**
Operational cash flow	**380**	**618**	**238**
Changes in working capital	(208)	(291)	(83)
Income taxes paid	(66)	(93)	(27)
Cash flow from operating activities	**106**	**234**	**128**
Cash flow from investing activities	**79**	**(46)**	**(125)**
Repayment of lease liabilities	(133)	(126)	7
Others	(41)	(4)	37
Total cash flow from financing activities	**(174)**	**(130)**	**44**
Exchange difference on cash and cash equivalents	(27)	24	51
Increase/(decrease) in cash and cash equivalents	(16)	82	98
Cash and cash equivalents March 31, net	**888**	**1,795**	**907**



[1] FCF Q1 2020 reported is CHF 84 million, which includes CHF 72 million from a prepayment of withholding tax, refund received in Q2 2020. Cash flow from disposal of real estate of CHF 164 million.

[2] FCF Q1 2021 reported is CHF 65 million, which includes CHF 80 million from a prepayment of withholding tax, dividend payment expected in Q2 2021. Cash flow from disposal of real estate CHF 4 million.

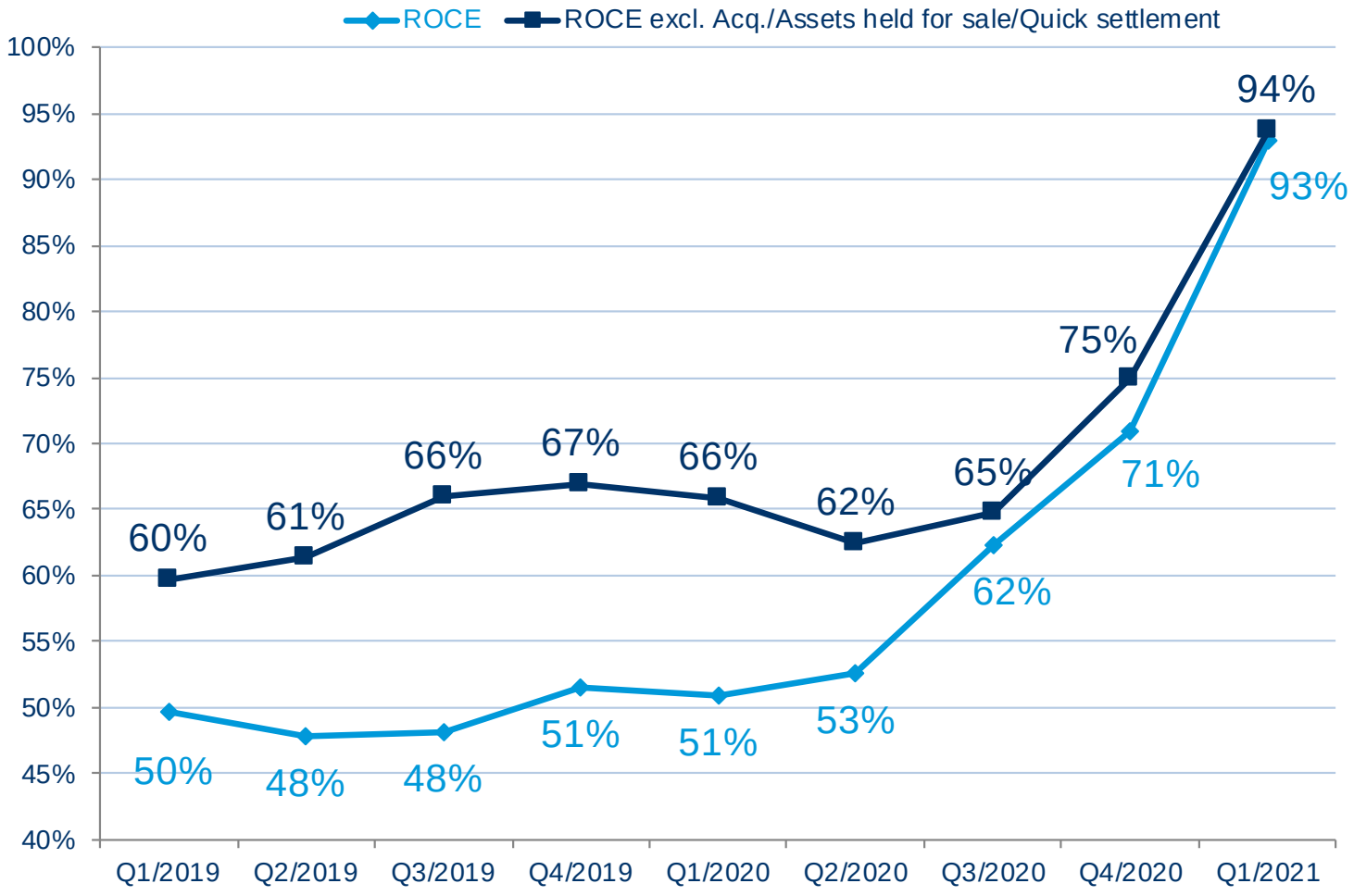
The Kuehne+Nagel Group has successfully extended the revolving credit facility of CHF 750 million by one more year until 24.04.2024

Working capital

CHF million	Mar 31, 2020	Mar 31, 2021	Better/(worse) 2021 vs. 2020
Trade receivables/contract assets/work in progress	3,711	4,555	(844)
Trade payables/contract liabilities/accrued trade expenses	(2,798)	(3,659)	861
Net working capital	**913**	**896**	**17**
KPIs:			
Working capital intensity	**3.9%**[1]	**3.2%**	**0.7%**
DSO	53.9	55.1	(1.2)
DPO	62.9	68.3	5.4
Δ	9.0	13.2	4.2

[1] Net working capital intensity excluding effects from assets held for sale equals 3.8%

Return on capital employed (ROCE)



Calculation: last four quarters EBIT (rolling EBIT) divided by the average of the last four quarters capital employed (rolling capital employed); capital employed: assets and liabilities excluding investments in joint ventures and associates, deferred tax assets and liabilities, income tax receivables and liabilities, borrowings, cash and cash equivalents

- **Acquisition effect:**

  Acquisition impact of one year due to assets added and full EBIT included only after one year

  Effect assets held for sale: Divestment of major part of the UK Contract Logistics business

- **Covid-19 effect:**

  Sudden decrease of profitability HY1 2020 on similar asset base led to lower ROCE

2021: current perspectives

Market

- Another year impacted by the pandemic - uncertainty to persist
- Economic activity and trade volume rebounding
- Consumption patterns and supply chains likely to undergo further change

Kuehne+Nagel

- Overcoming capacity constraints to provide reliable and quality service
- Provides value with solutions and technology (SeaExplorer, KN etrucknow, myKN)
- Remains well-positioned and ready to intensify the services for its customers and supports shifting supply chains

Inspire. Empower. Deliver.

KUEHNE+NAGEL

Upcoming events

04.05.2021	**Annual General Meeting**
05.05.2021	Last trading day for dividend eligibility
06.05.2021	Ex date
07.05.2021	Record date
10.05.2021	Payment date
07. – 20.07.2021	Closed period
20.07.2021	**Half-year 2021 results**
06. – 20.10.2021	Closed period
20.10.2021	**Nine-months 2021 results**
03.01. – 02.03.2022	Closed period
02.03.2022	**Full-year 2021 results**

Quarter over Quarter 2021/2020

CHF million	2021 Q1	2020 Q1	Change in % Q1	Change in mCHF Q1
1. Sea Logistics				
A) Income Statement				
Turnover	2,878	2,235	+28.8	643
Net Turnover	2,393	1,724	+38.8	669
Gross Profit	482	344	+40.1	138
Opex	(268)	(258)	(3.9)	(10)
EBITDA	214	86	+148.8	128
Depreciation and Amortisation	(8)	(7)	(14.3)	(1)
EBIT	206	79	+160.8	127
B) KPI				
EBIT / GP conversion rate	42.7%	23.0%		
Volume (TEU's '000)	1,096	1,075	+2.0	21
GROSS PROFIT (CHF per TEU)	440	320	+37.5	120
EXPENSES (CHF per TEU)	(252)	(247)	(2.0)	(5)
EBIT (CHF per TEU)	188	73	+157.5	115
2. Air Logistics				
A) Income Statement				
Turnover	1,798	1,285	+39.9	513
Net turnover	1,650	1,091	+51.2	559
Gross Profit	402	307	+30.9	95
Opex	(230)	(225)	(2.2)	(5)
EBITDA	172	82	+109.8	90
Depreciation and Amortisation	(9)	(11)	+18.2	2
EBIT	163	71	+129.6	92
B) KPI				
EBIT / GP conversion rate	40.5%	23.1%		
Volume (TON's '000)	433	372	+16.4	61
GROSS PROFIT (CHF per 100kg operational)	93	83	+12.0	10
EXPENSES (CHF per 100kg operational)	(55)	(64)	+14.1	9
EBIT (CHF per 100kg operational)	38	19	+100.0	19

Quarter over Quarter 2021/2020

CHF million	2021 Q1	2020 Q1	Change in % Q1	Change in mCHF Q1
3. Road Logistics				
A) Income Statement				
Turnover	1,009	975	+3.5	34
Net Turnover	870	863	+0.8	7
Gross Profit	304	281	+8.2	23
Opex	(265)	(249)	(6.4)	(16)
EBITDA	39	32	+21.9	7
Depreciation and Amortisation	(15)	(15)	-	0
EBIT	24	17	+41.2	7
B) KPI				
EBITDA / Net turnover	4.5%	3.7%		
EBIT / GP conversion rate	7.9%	6.0%		
EBIT / Net turnover	2.8%	2.0%		
4. Contract Logistics				
A) Income Statement				
Turnover	1,248	1,365	(8.6)	(117)
Net turnover	1,119	1,234	(9.3)	(115)
Gross Profit	831	946	(12.2)	(115)
Opex	(645)	(768)	+16.0	123
EBITDA	186	178	+4.5	8
Depreciation and Amortisation	(148)	(161)	+8.1	13
EBIT	38	17	+123.5	21
B) KPI				
EBITDA / Net turnover	16.6%	14.4%		
EBIT / GP conversion rate	4.6%	1.8%		
EBIT / Net turnover	3.4%	1.4%		

Quarter over Quarter 2021/2020

CHF million	2021 Q1	2020 Q1	Change in % Q1	Change in mCHF Q1
5. Kuehne+Nagel Group				
A) Income Statement				
Turnover	6,933	5,860	+18.3	1,073
Customs duties and taxes	(901)	(948)	+5.0	47
Net Turnover	6,032	4,912	+22.8	1,120
Net expenses for services from 3rd parties	(4,013)	(3,034)	(32.3)	(979)
Gross Profit	2,019	1,878	+7.5	141
Opex	(1,408)	(1,500)	+6.1	92
EBITDA	611	378	+61.6	233
Depreciation and Amortisation	(180)	(194)	+7.2	14
EBIT	431	184	+134.2	247
Result from finance and associates	(1)	(2)	+50.0	1
EBT	430	182	+136.3	248
Income tax	(112)	(43)	(160.5)	(69)
Earnings for the year	318	139	+128.8	179
Non-controlling interests	(1)	(1)		0
Net Earnings	317	138	+129.7	179
B) KPI				
EBIT / GP conversion rate	21.3%	9.8%		
GP / Net turnover	33.5%	38.2%		
EBITDA / Net turnover	10.1%	7.7%		
EBIT / Net turnover	7.1%	3.7%		
EBT / Net turnover	7.1%	3.7%		
Earnings for the year / Net turnover	5.3%	2.8%		

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