

Kuehne+Nagel Group

Kuehne+Nagel more than doubles earnings in the first half of 2021

- **Successfully meeting high-end service level requirements against a backdrop of constrained supply chains**
- **Focus on solutions for pharma and e-commerce fulfilment**
- **Rising worldwide demand across all modes of transport**

Kuehne+Nagel Group CHF million	H1 2021	H1 2020	Δ	Q2 2021	Q2 2020	Δ
Net turnover	13,273	9,808	35%	7,241	4,896	48%
Gross profit	4,327	3,650	19%	2,308	1,772	30%
EBITDA	1,398	799	75%	787	421	87%
EBIT	1,036	419	147%	605	235	157%
Earnings for the period	764	309	147%	446	170	162%

Schindellegi / CH, July 20, 2021 – The continued recovery of the global economy led to strong demand for logistics services in the first half of 2021. In this environment, the Kuehne+Nagel Group delivered an outstanding financial performance; all business units were able to significantly exceed prior year earnings. At CHF 13.3 billion, the Group's net turnover for the first six months of 2021 was 35% higher than in the same period of last year while EBIT more than doubled to CHF 1.0 billion.

Dr. Detlef Trefzger, CEO of Kuehne + Nagel International AG, says: "This year, we are experiencing uniquely high consumer demand combined with supply chain uncertainty. Thanks to the tireless efforts of our employees, a successfully implemented strategy and our agile logistics solutions, we have once again met the increased service requirements of our customers in a challenging market environment. We expect demand to remain strong and look forward with confidence to continuing the positive development."

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Sea Logistics

<i>CHF million</i>	H1 2021	H1 2020	Δ	Q2 2021	Q2 2020	Δ
Net turnover	5,242	3,386	55%	2,849	1,662	71%
Gross profit	1,080	673	61%	598	329	82%
EBIT	504	167	202%	298	88	239%

In the second quarter of 2021, the trend towards transporting higher value products in Sea Logistics continued. This, coupled with limited container capacity and reduced productivity across the supply chain, required a very high and sustained level of service intensity.

At 2.2 million TEU, container volumes in the first half of 2021 were up 3% on the same period last year. The unit's net turnover was CHF 5.2 billion and EBIT CHF 504 million. The conversion rate again reached a new record level of 46.7%.

The online platform Seaexplorer with actual information on the transport situation proved to be particularly valuable for Kuehne+Nagel's customers.

Air Logistics

<i>CHF million</i>	H1 2021	H1 2020	Δ	Q2 2021	Q2 2020	Δ
Net turnover	3,976	2,460	62%	2,326	1,369	70%
Gross profit	959	642	49%	557	335	66%
EBIT	406	181	124%	243	110	121%

Despite global capacity constraints, Air Logistics recorded significant volume growth in the first half of 2021 thanks to tailor-made customer solutions such as combined sea and air freight. The business unit again recorded strong market share gains. Transport solutions for pharma and essential goods as well as e-commerce were in particularly high demand.

From May onwards, the first-time consolidation of Apex also contributed to the overall result. The company is one of Asia's leading freight forwarders, especially on the transpacific trade route. Together, Kuehne+Nagel and Apex offer their customers a compelling value proposition in the competitive Asian logistics industry, especially in e-commerce fulfilment, hi-tech and e-mobility.

Air freight volumes in the first half of 2021 were up 44% on the same period last year at 988,000 tonnes. Net turnover was CHF 4.0 billion and EBIT CHF 406 million. The conversion rate was 42.3%.

The demand for ecologically-friendly solutions such as Sustainable Aviation Fuel (SAF) expanded sharply over the period. In response, Kuehne+Nagel entered into partnerships with American Airlines, IAG Cargo (British Airways) and Air France-KLM Martinair Cargo.

Road Logistics

<i>CHF million</i>	H1 2021	H1 2020	Δ	Q2 2021	Q2 2020	Δ
Net turnover	1,809	1,584	14%	939	721	30%
Gross profit	630	538	17%	326	257	27%
EBIT	54	26	108%	30	9	233%

In Road Logistics, the first half of 2021 was characterised by a significant increase in the number of shipments, maximising network utilisation. Kuehne+Nagel continued to accept a rising number of customer orders in European less-than-truckload networks, with no degradation of high service quality especially.

The business unit's net turnover in the first half of 2021 was CHF 1.8 billion and EBIT more than doubled to CHF 54 million compared to the same period last year.

The digital customs clearance platform "Your Easy Brexit Solution," originally designed for Brexit, was rolled out further in Q2 2021 due to its great success and is now available to manage customs clearance globally. In Asia-Pacific, digital bookings via eTrucknow experienced strong growth. This platform is now available in 18 countries worldwide.

Contract Logistics

<i>CHF million</i>	H1 2021	H1 2020	Δ	Q2 2021	Q2 2020	Δ
Net turnover	2,246	2,378	-6%	1,127	1,144	-2%
Gross profit	1,658	1,797	-8%	827	851	-3%
EBIT	72	45	60%	34	28	21%

In the first half of 2021, Contract Logistics managed to expand its business with strong growth of pharma and e-commerce fulfilment

solutions. These two segments alone accounted for approximately 80% of customer wins.

Due to the divestment of parts of the UK contract logistics portfolio in January 2021, net turnover of CHF 2.2 billion in the first half of 2021 was slightly below the prior-year period. EBIT improved by 60% to CHF 72 million.

In the first half of the year, Contract Logistics opened several highly automated facilities including new distribution centres for the semiconductor and consumer goods industries.

Comment from the Chairman of the Board of Directors

Dr. Joerg Wolle, Chairman of the Board of Directors of Kuehne + Nagel International AG, says: "Kuehne+Nagel closed the second quarter of 2021 with an absolute record result. This reflects the strategic course we have set and the initiatives we have taken in recent years, as well as our early and successful pursuit of digital leadership. In these special times, our company stands for entrepreneurial vision and for a highly motivated team. Last but not least, the targeted expansion of our positions in Asia is increasingly paying off."

About Kuehne+Nagel

With 74,000 employees at 1,400 locations in over 100 countries, the Kuehne+Nagel Group is one of the world's leading logistics companies. Its strong market position lies in sea logistics, air logistics, road logistics and contract logistics, with a clear focus on integrated logistics solutions.