KUEHNE+NAGEL

Quarterly Report 2022

Condensed Consolidated Interim Financial Statements 2022 (unaudited)

January – June 2022

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Schindellegi, July 22, 2022

Income statement

CHF million	January – June 2022	January – June 2021	Variance in per cent	April – June 2022	April – June 2021	Variance in per cent
Net turnover	**20,631**	**13,273**	55.4	**10,473**	**7,241**	44.6
Net expenses for services from third parties	–14,733	–8,946		–7,517	–4,933	
Gross profit	**5,898**	**4,327**	36.3	**2,956**	**2,308**	28.1
Personnel expenses	–2,587	–2,316		–1,299	–1,210	
Selling, general and administrative expenses	–724	–613		–373	–310	
Other operating income/expenses, net	–7	–		–10	–1	
EBITDA	**2,580**	**1,398**	84.5	**1,274**	**787**	61.9
Depreciation of property, plant and equipment	–96	–94		–53	–48	
Depreciation of right-of-use assets	–254	–245		–130	–121	
Amortisation of other intangibles	–35	–23		–16	–13	
EBIT	**2,195**	**1,036**	111.9	**1,075**	**605**	77.7
Financial income	27	6		16	3	
Financial expenses	–11	–11		–7	–6	
Result from joint ventures and associates	3	2		2	1	
Earnings before tax (EBT)	**2,214**	**1,033**	114.3	**1,086**	**603**	80.1
Income tax	–586	–269		–290	–157	
Earnings	**1,628**	**764**	113.1	**796**	**446**	78.5
Attributable to:						
Equity holders of the parent company	1,537	756	103.3	754	439	71.8
Non-controlling interests	91	8		42	7	
Earnings	**1,628**	**764**	113.1	**796**	**446**	78.5
Basic earnings per share in CHF	**12.90**	**6.31**	104.4	**6.33**	**3.66**	73.0
Diluted earnings per share in CHF	**12.83**	**6.29**	104.0	**6.29**	**3.65**	72.3

Statement of comprehensive income

	January – June		April – June	
CHF million	2022	2021	2022	2021
Earnings	**1,628**	**764**	**796**	**446**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange differences	29	74	–35	–33
Gains/(losses) on cash flow hedges	–	–28	–	–28
Items that will not be reclassified to profit or loss:				
Actuarial gains/(losses) on defined benefit plans	160	37	93	–4
Income tax on actuarial gains/(losses) on defined benefit plans	–40	–9	–23	1
Total other comprehensive income, net of tax	**149**	**74**	**35**	**–64**
Total comprehensive income	**1,777**	**838**	**831**	**382**
Attributable to:				
Equity holders of the parent company	1,682	830	795	374
Non-controlling interests	95	8	36	8

Balance sheet

CHF million	June 30, 2022	Dec. 31, 2021	June 30, 2021
Assets			
Property, plant and equipment	736	766	802
Right-of-use assets	1,450	1,409	1,469
Goodwill	2,302	2,290	2,281
Other intangibles	218	247	273
Investments in joint ventures and associates	35	31	28
Deferred tax assets	201	226	245
Non-current assets	**4,942**	**4,969**	**5,098**
Prepayments	193	146	175
Contract assets	748	693	402
Trade receivables	6,563	6,404	4,737
Other receivables	156	113	124
Income tax receivables	40	20	65
Cash and cash equivalents	2,193	2,305	662
Current assets	**9,893**	**9,681**	**6,165**
Total assets	**14,835**	**14,650**	**11,263**

CHF million	June 30, 2022	Dec. 31, 2021	June 30, 2021
Liabilities and equity			
Share capital	121	121	121
Reserves and retained earnings	1,252	1,051	1,848
Earnings	1,537	2,032	756
Equity attributable to the equity holders of the parent company	**2,910**	**3,204**	**2,725**
Non-controlling interests	8	7	7
Equity	**2,918**	**3,211**	**2,732**
Provisions for pension plans and severance payments	214	379	403
Deferred tax liabilities	155	136	124
Borrowings	200	200	400
Non-current provisions	55	44	41
Other non-current liabilities	1,125	1,311	346
Non-current lease liabilities	1,073	1,053	1,116
Non-current liabilities	**2,822**	**3,123**	**2,430**
Bank and other interest-bearing liabilities	210	205	6
Trade payables	2,882	2,994	2,257
Contract liabilities	278	223	173
Accrued trade expenses	2,461	2,200	1,632
Income tax liabilities	544	440	245
Current provisions	110	91	79
Other current liabilities	2,158	1,732	1,275
Current lease liabilities	452	431	434
Current liabilities	**9,095**	**8,316**	**6,101**
Total liabilities and equity	**14,835**	**14,650**	**11,263**

Schindellegi, July 22, 2022

Kuehne + Nagel International AG

Dr. Detlef Trefzger
CEO

Markus Blanka-Graff
CFO

Statement of changes in equity

CHF million	Share capital	Share premium	Treasury shares	
Balance as of January 1, 2022	121	651	–93	
Earnings	–	–	–	
Other comprehensive income				
Foreign exchange differences	–	–	–	
Actuarial gains/(losses) on defined benefit plans, net of tax	–	–	–	
Total other comprehensive income, net of tax	**–**	**–**	**–**	
Total comprehensive income	**–**	**–**	**–**	
Purchase of treasury shares	–	–	–555	
Dividend paid [1]	–	–	–	
Expenses for share-based compensation plans	–	–	–	
Transaction with non-controlling interests [2]	–	–	–	
Balance as of June 30, 2022	**121**	**651**	**–648**	

1 2022: CHF 10.00 per share
2 The movement in retained earnings relates to a written put option on non-controlling interests in connection with the Apex acquisition, see note 9.

CHF million	Share capital	Share premium	Treasury shares	
Balance as of January 1, 2021	120	459	–55	
Earnings	–	–	–	
Other comprehensive income				
Foreign exchange differences	–	–	–	
Gains/(losses) on cash flow hedges	–	–	–	
Actuarial gains/(losses) on defined benefit plans, net of tax	–	–	–	
Total other comprehensive income, net of tax	**–**	**–**	**–**	
Total comprehensive income	**–**	**–**	**–**	
Capital increase [1]	1	208	–	
Dividend paid [2]	–	–	–	
Expenses for share-based compensation plans	–	–	–	
Transfer of cash flow hedge reserve to investments	–	–	–	
Acquisition of subsidiaries with non-controlling interests	–	–	–	
Transaction with non-controlling interests [3]	–	–	–	
Balance as of June 30, 2021	**121**	**667**	**–55**	

1 In connection with the acquisition of Apex International Corporation, the Company issued 753,783 registered shares (CHF 1 million). The difference between the nominal value (CHF 1.00 per share) and the fair value of the issued shares (CHF 277.00 per share) in the amount of CHF 208 million (net of CHF 2 million transaction costs) was credited to the share premium.
2 2021: CHF 4.50 per share
3 The movement in retained earnings relates to a written put option on non-controlling interests in connection with the Apex acquisition, see note 9.

Cumulative translation adjustment	Actuarial gains/ (losses)	Hedging reserves	Retained earnings	Total equity attributable to the equity holders of parent company	Non-controlling interests	Total equity
–1,214	–144	–	3,883	3,204	7	3,211
–	–	–	1,537	1,537	91	1,628
25	–	–	–	25	4	29
–	120	–	–	120	–	120
25	**120**	–	**–**	**145**	**4**	**149**
25	**120**	–	**1,537**	**1,682**	**95**	**1,777**
–	–	–	–	–555	–	–555
–	–	–	–1,186	–1,186	–61	–1,247
–	–	–	12	12	–	12
3	–	–	–250	–247	–33	–280
–1,186	**–24**	–	**3,996**	**2,910**	**8**	**2,918**

Cumulative translation adjustment	Actuarial gains/ (losses)	Hedging reserves	Retained earnings	Total equity attributable to the equity holders of parent company	Non-controlling interests	Total equity
–1,230	–168	–	3,281	2,407	6	2,413
–	–	–	756	756	8	764
74	–	–	–	74	–	74
–	–	–28	–	–28	–	–28
–	28	–	–	28	–	28
74	**28**	**–28**	**–**	**74**	**–**	**74**
74	**28**	**–28**	**756**	**830**	**8**	**838**
–	–	–	–	209	–	209
–	–	–	–538	–538	–	–538
–	–	–	15	15	–	15
–	–	28	–	28	–	28
–	–	–	–	–	47	47
–	–	–	–226	–226	–54	–280
–1,156	**–140**	–	**3,288**	**2,725**	**7**	**2,732**

Cash flow statement

		January – June			April – June		
CHF million	Note	2022	2021	Variance	2022	2021	Variance
Cash flow from operating activities							
Earnings		1,628	764		796	446	
Adjustments to reconcile earnings to net cash flows:							
Income tax		586	269		290	157	
Financial income		–27	–6		–16	–3	
Financial expenses		11	11		7	6	
Result from joint ventures and associates		–3	–2		–2	–1	
Depreciation of property, plant and equipment		96	94		53	48	
Depreciation of right-of-use assets		254	245		130	121	
Amortisation of other intangibles		35	23		16	13	
Expenses for share-based compensation plans		12	15		6	11	
(Gain)/loss on disposal of property, plant and equipment, net		–1	–1		1	–1	
Net addition to provisions for pension plans and severance payments		3	6		1	3	
Subtotal operational cash flow		**2,594**	**1,418**	1,176	**1,282**	**800**	482
(Increase)/decrease contract assets		–56	–131		9	–102	
(Increase)/decrease trade and other receivables, prepayments		–71	–988		–165	–308	
Increase/(decrease) provisions		28	–30		19	7	
Increase/(decrease) other liabilities		–18	138		–51	22	
Increase/(decrease) trade payables, contract liabilities and accrued trade expenses		63	587		93	248	
Income taxes paid		–499	–237		–336	–144	
Total cash flow from operating activities		**2,041**	**757**	1,284	**851**	**523**	328

		January – June			April – June		
CHF million	Note	2022	2021	Variance	2022	2021	Variance
Cash flow from investing activities							
Capital expenditure							
– Property, plant and equipment		–85	–89		–44	–45	
– Other intangibles		–5	–5		–1	–1	
Disposal of property, plant and equipment		17	9		–	5	
(Acquisition)/divestment of businesses, net of cash (acquired)/disposed	8/9/10	–	–889		–	–886	
Settlement of deferred/contingent considerations from business combinations		–15	–		–15	–	
Capital (contributions to)/distributions from joint ventures and associates		–3	–1		–3	–1	
Dividend received from joint ventures and associates		1	1		–	1	
Interest received		2	1		1	–	
Total cash flow from investing activities		**–88**	**–973**	885	**–62**	**–927**	865
Cash flow from financing activities							
Repayment of other interest-bearing liabilities		–	–60		–	–60	
Repayment of lease liabilities		–257	–250		–132	–124	
Interest paid on borrowings and other interest-bearing liabilities		–6	–5		–3	–3	
Interest paid on lease liabilities		–5	–5		–3	–3	
Purchase of treasury shares	13	–555	–		–292	–	
Dividend paid to equity holders of parent company		–1,186	–538		–1,186	–538	
Dividend paid to non-controlling interests		–61	–		–61	–	
Total cash flow from financing activities		**–2,070**	**–858**	–1,212	**–1,677**	**–728**	–949
Foreign exchange difference on cash and cash equivalents		–	17	–17	–11	–7	–4
Increase/(decrease) in cash and cash equivalents		**–117**	**–1,057**	940	**–899**	**–1,139**	240
Cash and cash equivalents at the beginning of the period, net		**2,300**	**1,713**	587	**3,082**	**1,795**	1,287
Cash and cash equivalents at the end of the period, net		**2,183**	**656**	1,527	**2,183**	**656**	1,527

Notes to the condensed consolidated interim financial statements

1 Organisation

Kuehne + Nagel International AG (the Company) is incorporated in Schindellegi (Feusisberg), Switzerland. The Company is one of the world's leading logistics providers. Its strong market position lies in the sea logistics, air logistics, road logistics and contract logistics businesses.

The condensed consolidated interim financial statements of the Company for the six months ended June 30, 2022, comprise the Company, its subsidiaries (the Group) and its interests in joint ventures and associates.

The Group voluntarily presents a balance sheet as of June 30, 2021.

2. Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2021.

3. Basis of preparation

The condensed consolidated interim financial statements are presented in Swiss Francs (CHF) million. They are prepared on a historical cost basis except for certain financial instruments, which are stated at fair value. Non-current assets and disposal groups held for sale are stated at the lower of the carrying amount and fair value less costs to sell.

The preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The actual result may differ from these estimates. Judgements made by the management in the application of International Financial Reporting Standards that

have a significant effect on the condensed consolidated interim financial statements and estimates with a significant risk of material adjustment in the next period were the same as those applied to the consolidated financial statements for the year ended December 31, 2021.

4. Accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended December 31, 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Other new, revised and amended standards, improvements and interpretations apply for the first time in 2022, but do not have a material impact on the condensed consolidated interim financial statements of the Group.

5. Recent developments

Russian invasion of Ukraine

On February 24, 2022, Russian forces started the invasion of Ukraine. In response, multiple jurisdictions have imposed economic sanctions against Russia and Belarus.

Kuehne+Nagel is closely monitoring the situation and evaluating the consequences for its employees and its customers. Crisis response teams permanently review the situation and are in close contact with employees and business partners. The safety and wellbeing of the employees are a top priority and the Group continues to support affected employees and their families as and when needed. In Ukraine, all Kuehne+Nagel operations are suspended until further notice. Operations will be resumed once the local situation has normalised.

On March 11, 2022, Kuehne+Nagel announced that it pledges emergency aid to Ukraine for CHF 10 million. This is provided in the form of free logistics services to leading global aid and relief organisations for the transport and temporary storage of humanitarian goods to Ukraine as well as Poland, Slovakia, Hungary and Romania until summer 2022.

Kuehne+Nagel has suspended all shipments to, from and through the Russian Federation and therefore has decided to withdraw from operations in Russia. Refer to note 10 for further details.

The direct impact on the Group is estimated to be minor.

COVID-19 pandemic

Since the beginning of 2021, the Group observed and was exposed to disruptive supply chain events related to ship, port and trucking operations as well as container availability. Significant capacity was absorbed by large numbers of ships waiting in front of ports for their port calls. The resultant delays in port handling and inland container movements have created substantial disruptions and congestions in global supply chains. This situation, and the scarcity of airfreight capacity, led to a steep increase in freight rates.

Impact on the condensed consolidated interim financial statements

For these condensed consolidated interim financial statements, the impact of the COVID-19 pandemic and containment measures taken by various governments as well as the implications of the war and the related events were considered. Assessments for the future are based on various scenarios, taking into account the prevailing situation of uncertainty. In this context, making forecasts remains especially difficult.

The Group continued to assess the expected credit loss by applying updated credit ratings and probabilities of default. The impairment allowance provision in per cent of trade receivables and contract assets stands at 2.39 per cent as of June 30, 2022, compared to 1.91 per cent as of December 31, 2021.

The Group has analysed whether any triggering events could be identified, that would indicate an impairment of its assets. As of June 30, 2022, no material impairment losses needed to be recognised.

6. Foreign exchange rates

Conversion rates of major foreign currencies are applied as follows:

Income statement and cash flow statement
(average rates for the period)

Currency	Jan. – June 2022 CHF	Jan. – June 2021 CHF	Variance in per cent
EUR 1.-	1.0296	1.0945	–5.9
USD 1.-	0.9379	0.9064	3.5

Balance sheet
(period end rates)

Currency	June 2022 CHF	June 2021 CHF	Variance in per cent	Dec. 2021 CHF
EUR 1.-	1.0123	1.0951	–7.6	1.0381
USD 1.-	0.9571	0.9171	4.4	0.9172

7. Seasonality

The Group is not exposed to significant seasonal or cyclical variations in its operations.

8. Changes in the scope of consolidation

There were no major changes in the scope of consolidation **in the first six months of 2022.**

Major changes in the scope of consolidation **in the first six months of 2021** related to the following companies:

2021	Capital share in per cent equals voting rights	Effective date
Acquisition		
Apex International Corporation Group [1]	88.4	May 11, 2021
Divestments		
Pluto Holdings Logistics Ltd., Great Britain [2]	100	January 1, 2021
Kuehne + Nagel Drinkflow Log. (Holdings) Ltd., Great Britain [2]	100	January 1, 2021
Kuehne + Nagel Drinks Logistics Ltd., Great Britain [2]	100	January 1, 2021
Kuehne + Nagel Drinkflow Logistics Ltd., Great Britain [2]	100	January 1, 2021

1 The Group has concluded it has present access to 88.4 per cent ownership interests at acquisition date, comprising 79.3 per cent legally acquired plus 9.1 per cent contractually agreed to be transferred within the next three years. Subsequently, as of August 12, 2021 the Group disposed 24.9 per cent of the share capital without loss of control. Refer to note 9 for details to the acquisition.
2 Refer to note 10 for details to the divestments.

9. Acquisitions

The Group did not acquire any material business in the first six months of 2022.

2021 Acquisitions

The acquisition in the first half year 2021 had the following effect on the Group's assets and liabilities:

CHF million	Recognised fair values
Property, plant and equipment	7
Right-of-use assets	35
Other intangibles	187
Other non-current assets	14
Trade receivables	335
Other current assets	54
Acquired cash and cash equivalents	47
Subtotal assets	**679**
Non-current liabilities	–26
Other current liabilities	–185
Deferred tax liabilities	–49
Trade payables	–84
Total identifiable assets and liabilities, net	**335**
Goodwill	1,096
Total assets and liabilities, net	**1,431**
Non-controlling interests, proportionate share of identifiable net assets	–47
Purchase price for the ownership acquired	**1,384**
Thereof contingent consideration	–242
Thereof shares issued, at fair value	–209
Purchase price, paid in cash	**933**
Acquired cash and cash equivalents	–47
Net cash outflow	**886**

Effective May 11, 2021 the Group legally acquired 79.3 per cent of the shares of Apex International Corporation (Apex) and obtained present access to a further 9.1 per cent of Apex shares contractually agreed to be transferred over the next three years. Therefore, the Group accounted for an 88.4 per cent ownership stake at acquisition date. Apex is one of the leading Asian freight forwarders, especially in the transpacific and intra-Asia.

The purchase price of CHF 1.4 billion for the acquired interest included a contingent consideration liability of CHF 242 million, CHF 933 million were paid in cash and CHF 209 million were settled by 753,783 of the Company's shares. The contingent consideration depends on the achievement of increasing profitability targets (determined by a multiplier of normalised earnings before tax) for the 2021, 2022 and 2023 measurement periods and is to be settled in a variable number of the Company's shares. The annual payments are capped and the maximum earn-out to be paid is CHF 242 million. Whereas management's estimate is that targets in each of the periods will be exceeded, a change to the expected normalised earnings before tax of -10 per cent would result in a positive impact on the income statement of CHF 16 million.

The liability to the previous owners is expected to be settled in a variable number of Kuehne+Nagel shares as follows:

Year of payment	Expected settlement amount of contingent consideration in CHF million
2022	81
2023	81
2024	80
Total	**242**

Additionally, the Group entered into a call option to purchase the remaining 11.6 per cent and wrote a put option to the holders of the non-controlling interests to sell their shares to the Group at the same conditions. The option exercise price depends on an EBITDA multiple to be settled by a variable number of the Company's shares.

For the put option, a liability was recognised at the present value of the redemption amount with a corresponding entry in equity. As the non-controlling shareholders still have present access to the economic benefits associated with the underlying ownership

interest, the non-controlling interest continues to be recognised as a separate component in equity and continues to receive an allocation of profit and loss and other comprehensive income. The non-controlling interest is reclassified as a financial liability at each reporting date as if the acquisition took place at that date. Any excess over the reclassified carrying amount of the non-controlling interest and all subsequent changes in the redemption value of the financial liability are recognised directly in retained earnings.

Acquisition-related costs (included in the line item "selling, general and administrative expenses" in the income statement) amounted to CHF 6 million.

The trade receivables comprised gross contractual amounts due of CHF 335 million, of which none were expected to be uncollectible at the acquisition date.

Other intangibles of CHF 187 million recognised on the acquisition represent the Apex brand as well as contractual and non-contractual customer lists having useful lives of five to seven years. Goodwill of CHF 1,096 million arose on the acquisition and represents management expertise, synergies and workforce, which do not meet the definition of an intangible asset to be recognised separately. Goodwill is not expected to be tax deductible. While the majority of the goodwill was allocated to the business unit Air Logistics the remainder was assigned to Sea Logistics.

No material adjustments to the values previously reported were deemed necessary after having finalised the acquisition accounting in 2021.

10. Divestments

2022 Divestments

The Group did not divest any business in the first six months of 2022.

Agreed-upon divestment

Kuehne+Nagel signed an agreement on June 3, 2022, to sell its business in the Russian Federation to its local managing director. The impact on the consolidated group financial statements is not material. The transaction closed on July 20, 2022.

2021 Divestments

Kuehne+Nagel sold a major part of its contract logistics portfolio in the United Kingdom to XPO Logistics, Inc. (NYSE: XPO).

The transaction closed on January 1, 2021 resulting in the derecognition of the assets and liabilities associated with the disposal group. There was no material impact on the income statement from the transaction in 2021.

CHF million	Jan. 1, 2021
Property, plant and equipment	41
Right-of-use assets	248
Deferred tax assets	2
Trade receivables	64
Other current assets	61
Cash and cash equivalents	18
Assets divested	**434**
Non-current lease liabilities	–215
Other non-current liabilities	–9
Current lease liabilities	–52
Other current liabilities	–97
Trade payables	–46
Liabilities directly associated with the assets divested	**–419**
Net assets divested	**15**

11. Segment reporting

a) Reportable segments

The Group provides integrated logistics solutions across customers' supply chains using its global logistics network. The four reportable segments, **Sea Logistics, Air Logistics, Road Logistics** and **Contract Logistics**, reflect the internal management and reporting structure to the Management Board (the chief operating decision maker, CODM) and are managed through specific organisational structures. The CODM reviews internal management reports on a monthly basis. Each segment is a distinguishable business unit and is engaged in providing and selling discrete products and services.

The discrete distinction between Sea Logistics, Air Logistics and Road Logistics is the usage of the same transportation mode within a reportable segment. In addition to common business processes and management routines, a single main transportation mode is used within a reportable segment. For the reportable segment Contract Logistics the services performed are related to customer contracts for warehouse and distribution activities, whereby services performed are storage, handling and distribution.

Pricing between segments is determined on an arm's length basis. The accounting policies of the reportable segments are the same as applied in the consolidated financial statements.

Information about the reportable segments is presented on the next pages. Segment performance is based on EBIT as reviewed by the CODM. The column "eliminations" shows the eliminations of turnover and expenses between segments. All operating expenses are allocated to the segments and included in the EBIT.

b) Geographical information

The Group operates on a worldwide basis in the following geographical areas: **EMEA, Americas** and **Asia-Pacific**. All products and services are provided in each of these geographical regions. The regional revenue is based on the geographical location of the customers invoiced, and regional assets are based on the geographical location of assets.

c) Major customers

There is no single customer who represents more than ten per cent of the Group's total revenue.

a) Reportable segments

January – June

	Total Group		Sea Logistics		Air Logistics	
CHF million	2022	2021	2022	2021	2022	2021
Turnover (external customers)	**22,469**	**15,145**	**10,820**	**6,189**	**6,651**	**4,293**
Customs duties and taxes	–1,838	–1,872	–951	–947	–327	–317
Net turnover (external customers)	**20,631**	**13,273**	**9,869**	**5,242**	**6,324**	**3,976**
Inter-segment turnover	–	–	2,846	1,548	5,165	2,810
Net expenses for services	–14,733	–8,946	–10,773	–5,710	–9,876	–5,827
Gross profit	**5,898**	**4,327**	**1,942**	**1,080**	**1,613**	**959**
Total expenses	–3,318	–2,929	–712	–561	–747	–529
EBITDA	**2,580**	**1,398**	**1,230**	**519**	**866**	**430**
Depreciation of property, plant and equipment	–96	–94	–17	–12	–14	–11
Depreciation of right-of-use assets	–254	–245	–2	–2	–2	–1
Amortisation of other intangibles	–35	–23	–3	–1	–24	–12
EBIT (segment profit)	**2,195**	**1,036**	**1,208**	**504**	**826**	**406**
Financial income	27	6				
Financial expenses	–11	–11				
Result from joint ventures and associates	3	2				
Earnings before tax (EBT)	**2,214**	**1,033**				
Income tax	–586	–269				
Earnings	**1,628**	**764**				
Attributable to:						
Equity holders of the parent company	1,537	756				
Non-controlling interests	91	8				
Earnings	**1,628**	**764**				
Additional information not regularly reported to CODM						
Allocation of goodwill	2,302	2,281	144	146	1,441	1,391
Allocation of other intangibles	218	273	–	–	192	234
Capital expenditure property, plant and equipment	85	89	9	14	12	9
Capital expenditure right-of-use assets	334	201	29	22	15	14
Capital expenditure other intangibles	5	5	3	1	1	1
Property, plant and equipment, goodwill and intangibles through business combinations	–	1,282	–	109	–	1,173

	Road Logistics		Contract Logistics		Total reportable segments		Eliminations	
	2022	2021	2022	2021	2022	2021	2022	2021
	2,320	**2,143**	**2,678**	**2,520**	**22,469**	**15,145**	**–**	**–**
	–287	–334	–273	–274	–1,838	–1,872	–	–
	2,033	**1,809**	**2,405**	**2,246**	**20,631**	**13,273**	**–**	**–**
	760	804	124	115	8,895	5,277	–8,895	–5,277
	–2,109	–1,983	–870	–703	–23,628	–14,223	8,895	5,277
	684	**630**	**1,659**	**1,658**	**5,898**	**4,327**	**–**	**–**
	–574	–545	–1,285	–1,294	–3,318	–2,929	–	–
	110	**85**	**374**	**364**	**2,580**	**1,398**	**–**	**–**
	–12	–14	–53	–57	–96	–94	–	–
	–12	–11	–238	–231	–254	–245	–	–
	–6	–6	–2	–4	–35	–23	–	–
	80	**54**	**81**	**72**	**2,195**	**1,036**	**–**	**–**
	331	343	386	401	2,302	2,281	–	–
	22	33	4	6	218	273	–	–
	6	11	58	55	85	89	–	–
	32	16	258	149	334	201	–	–
	–	–	1	3	5	5	–	–
	–	–	–	–	–	1,282	–	–

b) Geographical information

January – June

	Total Group		EMEA		Americas	
CHF million	2022	2021	2022	2021	2022	2021
Turnover (external customers)	**22,469**	**15,145**	**11,624**	**8,864**	**7,697**	**4,294**
Customs duties and taxes	–1,838	–1,872	–1,346	–1,411	–392	–359
Net turnover (external customers)	**20,631**	**13,273**	**10,278**	**7,453**	**7,305**	**3,935**
Inter-regional turnover	–	–	3,726	2,861	1,294	785
Net expenses for services	–14,733	–8,946	–10,987	–7,653	–7,022	–3,709
Gross profit	**5,898**	**4,327**	**3,017**	**2,661**	**1,577**	**1,011**
Total expenses	–3,318	–2,929	–2,007	–1,961	–850	–668
EBITDA	**2,580**	**1,398**	**1,010**	**700**	**727**	**343**
Depreciation of property, plant and equipment	–96	–94	–66	–61	–17	–21
Depreciation of right-of-use assets	–254	–245	–170	–162	–56	–53
Amortisation of other intangibles	–35	–23	–7	–9	–13	–9
EBIT	**2,195**	**1,036**	**767**	**468**	**641**	**260**
Financial income	27	6				
Financial expenses	–11	–11				
Result from joint ventures and associates	3	2				
Earnings before tax (EBT)	**2,214**	**1,033**				
Income tax	–586	–269				
Earnings	**1,628**	**764**				
Attributable to:						
Equity holders of the parent company	1,537	756				
Non-controlling interests	91	8				
Earnings	**1,628**	**764**				
Additional information not regularly reported to CODM						
Capital expenditure property, plant and equipment	85	89	57	69	17	11
Capital expenditure right-of-use assets	334	201	232	144	70	20
Capital expenditure other intangibles	5	5	3	5	2	–
Property, plant and equipment, goodwill and intangibles through business combinations	–	1,282	–	–	–	237

	Asia-Pacific		Eliminations	
	2022	2021	2022	2021
	3,148	**1,987**	**–**	**–**
	–100	–102	–	–
	3,048	**1,885**	**–**	**–**
	3,875	1,631	–8,895	–5,277
	–5,619	–2,861	8,895	5,277
	1,304	**655**	**–**	**–**
	–461	–300	–	–
	843	**355**	**–**	**–**
	–13	–12	–	–
	–28	–30	–	–
	–15	–5	–	–
	787	**308**	**–**	**–**
	11	9	–	–
	32	37	–	–
	–	–	–	–
	–	1,045	–	–

12. Fair value of financial assets and liabilities

As of June 30, 2022

CHF million	Financial assets at FVPL	Financial assets at amortised cost	Total carrying amount	Total fair value
Trade receivables	–	6,563	6,563	6,563
Other receivables	5	151	156	156
Total	**5**	**6,714**	**6,719**	**6,719**

CHF million	Financial liabilities at FVPL	Financial liabilities at amortised cost	Total carrying amount	Total fair value
Bank and other interest-bearing liabilities	–	210	210	209
Borrowings	–	200	200	193
Trade payables	–	2,882	2,882	2,882
Accrued trade expenses	–	2,461	2,461	2,461
Contingent consideration liabilities	297	–	297	297
Put option to non-controlling interest	–	1,728	1,728	1,728
Other liabilities	6	308	314	314
Total	**303**	**7,789**	**8,092**	**8,084**

As of December 31, 2021

CHF million	Financial assets at FVPL	Financial assets at amortised cost	Total carrying amount	Total fair value
Trade receivables	–	6,404	6,404	6,404
Other receivables	6	107	113	113
Total	**6**	**6,511**	**6,517**	**6,517**

CHF million	Financial liabilities at FVPL	Financial liabilities at amortised cost	Total carrying amount	Total fair value
Bank and other interest-bearing liabilities	–	205	205	205
Borrowings	–	200	200	201
Trade payables	–	2,994	2,994	2,994
Accrued trade expenses	–	2,200	2,200	2,200
Contingent consideration liabilities	300	–	300	300
Put option to non-controlling interest	–	1,448	1,448	1,448
Other liabilities	–	251	251	251
Total	**300**	**7,298**	**7,598**	**7,599**

The fair values of financial assets and liabilities carried at amortised cost are approximately equal to the carrying amounts.

Level 3 financial liabilities include contingent consideration liabilities of CHF 297 million. Further, the put option to non-controlling interest represents the short and long-term portion of the redemption liability recognised in connection with the acquisition and divestment of Apex (refer to note 40 of the consolidated financial statements for the year ended December 31, 2021, for further details).

At the balance sheet date, the carrying amount of the put option liability amounted to CHF 1,728 million and is recognised in the balance sheet items “Other current liabilities” and “Other non-current liabilities”.

No significant impact resulted from the remeasurement of the liabilities measured at fair value through profit and loss (FVPL) in the first six months 2022.

Level 3 fair values

CHF million	Contingent consideration liabilities
Balance as of January 1, 2022	300
Additions through business combinations	2
Utilised for settlements	–15
Total unrealised (gains)/losses included in the income statement	
– Foreign exchange revaluation – recorded within financial expenses	11
Total (gains)/losses included in other comprehensive income	
Effects of movements in foreign exchange	–1
Balance as of June 30, 2022	**297**
of which	
– Current portion	211
– Non-current portion	86

13. Equity

In the first six months of 2022, the Company purchased 2,100,000 own shares for CHF 555 million (2021: no purchases).

14. Employees

Number	Jun. 30, 2022	Jun. 30, 2021
EMEA	49,615	47,782
Americas	18,099	15,600
Asia-Pacific	11,368	10,548
Total employees	**79,082**	**73,930**
Full-time equivalents of employees	74,126	69,445
Full-time equivalents of temporary staff	17,744	22,193
Full-time equivalents (total)	**91,870**	**91,638**

15. Capital expenditure

From January to June 2022, the capital expenditure on property, plant and equipment (excluding other intangible assets and property, plant and equipment from acquisitions) was CHF 85 million (2021: CHF 89 million) and the non-cash capital expenditure on right-of-use assets (excluding right-of-use assets from acquisitions) was CHF 334 million (2021: CHF 201 million).

16. Legal claims

The status of proceedings, disclosed in the notes 36 and 41 to the consolidated financial statements for the year ended December 31, 2021, has not changed materially.

17. Post balance sheet events

On July 18, 2022, Apex management exercised the put options to sell one third of the remaining 11.6 per cent of their retained shares to the Group for an expected amount of CHF 360 million paid in the Company's treasury shares (for further details refer to note 40 of the consolidated financial statements for the year ended December 31, 2021). Upon closing of the transaction, the Group therefore increases its ownership interests by 3.9 per cent and has present access to 67.4 per cent.

On July 20, 2022, the sale of the Russian business (see note 10) closed with the approval of the competent authorities.

There have been no other material events between June 30, 2022, and the date of authorisation that would require adjustments of the condensed consolidated interim financial statements or disclosure.

These unaudited condensed consolidated interim financial statements of Kuehne + Nagel International AG were authorised for issue by the Audit Committee of the Group on July 22, 2022.

Financial calendar

October 25, 2022	Nine-months 2022 results
March 1, 2023	Full year 2022 results
April 25, 2023	Three-months 2023 results
May 9, 2023	Annual general meeting
July 25, 2023	Half-year 2023 results
October 25, 2023	Nine-months 2023 results

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