



PRESS INFO

Kuehne + Nagel Group – Half-year results 2017

Strong growth with solid results

- Significant market share gains in seafreight and particularly in airfreight
- Substantial increase in overland result
- Improved gross profit and operational result in contract logistics
- Earnings for the period at CHF 356 million

Schindellegi / CH, July 18, 2017 – In the first half year of 2017, the Kuehne + Nagel Group gained market shares in all business units and accelerated its growth momentum during the second quarter. Net turnover increased by 8.2 per cent to CHF 8,815 million compared to the previous year's period and gross profit grew by 3.7 per cent to CHF 3,377 million. The operational result (EBITDA) improved by 1.3 per cent to CHF 554 million and with CHF 356 million earnings for the period reached last year's level.

Kuehne + Nagel Group	First half-year 2017	First half-year 2016
<i>CHF million</i>		
Net turnover	8,815	8,147
Gross profit	3,377	3,257
Operational result (EBITDA)	554	547
EBIT	452	455
Earnings for the period	356	356

Corporate
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Dr. Detlef Trefzger, CEO of Kuehne + Nagel International AG:

"The result of the first half of 2017 is a clear evidence of our growth-oriented business strategy as well as efficient cost management, which enabled us to counter the ongoing pressure on margins in seafreight and airfreight. The remarkable improvements of results in contract logistics and overland are mainly due to the successful implementation of our market strategies. During the second half of the year, we will continue to

focus on volume growth, productivity increases and the scaling of industry-specific solutions."

Seafreight

With a volume increase of 7.7 per cent in seafreight, Kuehne + Nagel grew faster than the market and, in the first half of 2017, handled over 151,000 TEUs more than in the previous year's period. Kuehne + Nagel gained market shares in all US trades, both import and export. In the Latin American relations and in the reefer container business double-digit growth rates were realised. At the same time, Kuehne + Nagel further increased productivity and cost efficiency. Margins remained under pressure and below the previous year's level, inter alia due to the fierce competitive environment; however, a slight increase compared to the first quarter has been achieved. The EBIT-to-gross profit margin (conversion rate) was at a high level of 28.8 per cent, EBIT amounted to CHF 198 million.

Airfreight

In airfreight, volume growth accelerated in the second quarter. With an over 18 per cent increase in tonnage in the first half of 2017, Kuehne + Nagel grew about double the market. A strong demand for industry-specific airfreight solutions has made a significant contribution to this positive development. New business was gained particularly in the pharma, aerospace and perishables industries. Strict cost control and productivity increases due to process automation countered the margin pressure and kept the conversion rate stable at 30.6 per cent, reaching previous year's high level. With CHF 151 million, EBIT improved by 2.7 per cent compared to the previous year.

Overland

In the overland business, volume and earnings developed very positive. During the first six months of 2017, net turnover increased by 3.3 per cent and gross profit by 3.5 per cent, compared to the previous year. This was driven by higher volumes for groupage, full truckload and intermodal shipments mainly in Europe and the USA, and on the other hand, by a

strong order intake for industry-specific services. The increase of EBIT from CHF 17 million in the previous year's period to CHF 29 million in the first half of the year 2017 reflects the significant improvement of the operational performance.

Contract Logistics

Customer focus, solutions competence and innovative products led to a substantial increase of new business and the expansion of service offering for existing customers around the globe. Compared to the previous year, an additional 540,000 square meters of warehousing and logistics space were added to operations. Gross profit increased by 6.6 per cent and EBITDA by 10.5 per cent. EBIT improved by 5.7 per cent.

Dr. Joerg Wolle, Chairman of the Board of Directors of Kuehne + Nagel International AG: "The half-year results of 2017 reflect the continuous strength of our Group which makes us confident for its further development despite that seafreight and airfreight markets can be expected to remain demanding and volatile. Kuehne + Nagel remains committed to its proven strategy and continues to invest in growing markets and industry segments. With acquisitions, as the ones announced today, we are ideally complementing our organic growth and strengthen our position in a still fragmented market."

Please note the media release published today:

„Kuehne + Nagel expands its leading position in Perishables Logistics“

About Kuehne + Nagel

With over 70,000 employees at more than 1,300 locations in over 100 countries, the Kuehne + Nagel Group is one of the world's leading logistics companies. Its strong market position lies in the seafreight, airfreight, contract logistics and overland businesses, with a clear focus on providing IT-based integrated logistics solutions. Further information can be found at www.kuehne-nagel.com.