



PRESS INFO

Kuehne + Nagel Group – First quarter 2017

Strong start into the 2017 business year

- Significant market share gains in seafreight and airfreight
- Overland result considerably improved
- Contract logistics successful through industry-specific solutions
- Earnings for the period stable at CHF 165 million

Schindellegi / CH, April 20, 2017 – The Kuehne + Nagel Group maintained the growth momentum of the fourth quarter 2016 in the first three months of the current business year. Net turnover increased by 7.2 per cent to CHF 4,299 million and gross profit by 3.5 per cent to CHF 1,648 million, EBITDA at CHF 257 million reached the previous year’s level.

Kuehne + Nagel Group	1 st quarter 2017	1 st quarter 2016
<i>CHF million</i>		
Net turnover	4,299	4,010
Gross profit	1,648	1,593
Operational result (EBITDA)	257	259
EBIT	209	217
Earnings for the period	165	169

Corporate Communications

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Seafreight

In seafreight Kuehne + Nagel increased volumes by 9 per cent to over 1 million TEU and thus grew more than twice as fast as the overall market. The Group gained significant market shares in almost all trade lanes, particularly in the transatlantic and transpacific relations. Kuehne + Nagel's customer information system, KN Login, proved to be a decisive success factor for winning new business. At the same time, cost efficiency further increased. Margins continued to remain under pressure and thus were under the previous year's level, however, stable compared to the fourth quarter

2016. With 27.6 per cent the EBIT-to-gross profit margin (conversion rate) was at a solid level, EBIT amounted to CHF 93 million.

Airfreight

Kuehne + Nagel's solution-oriented, industry-specific offering in airfreight, combined with stronger market demand, resulted in a considerable growth in the first quarter 2017: volumes increased by 15.5 per cent to 350,000 tons. Customers rely on Kuehne + Nagel's competence and service quality, whereby strong growth was particularly achieved in the industry sectors pharma and perishables, as well as e-commerce. Effective cost control and digitalisation of the internal processes helped to keep both the conversion rate with 29.9 per cent and the EBIT with CHF 72 million at high levels.

Overland

Kuehne + Nagel's overland business continues to expand. In the first three months of 2017, clearly exceeding market growth, turnover increased by 5.0 per cent compared to the previous year. Higher volumes in the groupage, full truckload and intermodal businesses and the increased demand for industry-specific solutions, particularly for the pharma and the expo & event sectors contributed to the positive development. Continuous process automation supported the improvement of the operational performance resulting in a 75.0 per cent EBIT increase.

Contract Logistics

Growth in contract logistics accelerated through customer focus, solution competence, innovative services and digitalised processes. In the first three months of 2017, net turnover increased by 6.8 per cent. New business was won in the fields of e-commerce and pharma. The acquisition of two specialised pharma logistics companies will generate additional growth. EBIT rose by 12.1 per cent, and the EBIT margin increased from 3.1 per cent in the previous year to 3.3 per cent, whereby it must be noted, that in the first quarter 2016 a positive one-off effect of CHF 8 million was recorded pertaining to a profit of sale of real estate.

Dr. Detlef Trefzger, CEO of Kuehne + Nagel International AG: "The good result in the first quarter 2017 supports our optimistic outlook for a continued successful business development this year. In seafreight and airfreight we are experiencing strong growth and have gained significant market shares. This increase in volume and productivity as well as cost control mitigated the ongoing pressure on margins. Our strategic approach for overland and contract logistics led to a further improvement of results. We have established a good basis for the second half of 2017."

About Kuehne + Nagel

With over 70,000 employees at some 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 high value-added segments such as IT-based integrated logistics solutions. Further information can be found at www.kuehne-nagel.com