



PRESS INFO

Kuehne + Nagel Group – First quarter 2019
Kuehne + Nagel continues to grow

- Increase in net turnover, gross profit and EBIT
- EBITDA increase of CHF 118 million due to implementation of IFRS 16-Leases
- Seafreight expands EBIT significantly
- Airfreight achieves higher margins
- Overland increases results substantially
- Contract Logistics continues restructuring

Kuehne + Nagel Group	1st quarter 2019	1st quarter 2018	Variance
<i>CHF in million</i>			
Net turnover	5,237	4,862	+7.7%
Gross profit	1,978	1,843	+7.3%
Operational result (EBITDA) ¹⁾	418	289	+44.6%
EBIT ¹⁾	242	236	+2.5%
Earnings for the period	181	184	-1.6%

¹⁾ The effects of the implementation of IFRS 16-Leases on the Income Statement and the Balance Sheet are disclosed in the Consolidated Interim Financial Statements.

Schindellegi / CH, April 25, 2019 – In the first quarter of 2019, Kuehne + Nagel again increased net turnover, gross profit and EBIT. In seafreight, EBIT expanded significantly and in overland operating results increased substantially. The market-related volume decline in airfreight was largely offset by active cost management. The result of contract logistics decreased due to ongoing restructuring and review of the project portfolio. Overall, the group achieved a good result.

**Corporate
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Implementation IFRS 16-Leases

Due to the implementation of IFRS 16-Leases, EBITDA of the Group increased by CHF 118 million and EBIT by CHF 3 million in the first quarter of 2019. There was no material impact on earnings before tax.

Seafreight

In seafreight, Kuehne + Nagel continued to strengthen its position as the global market leader with 6.2 percent growth in volume. The Group managed the transport of 1.146 million standard containers (TEU) in its networks – thus almost 70,000 units more than in the previous year's period. Imports from North American and European markets to Asia fell slightly in the first quarter (- 2 to 3 percent) reflecting the import restrictions on recycled materials and agricultural products. Kuehne + Nagel, however, was able to achieve a double-digit volume increase of Asian exports to North America and Europe. EBIT reached CHF 112 million. The EBIT-to-gross-profit ratio (conversion rate) grew to 29.3 percent (previous year: 27.2 percent).

Airfreight

Following significant increases in tonnage in the previous years, the airfreight volume dropped slightly by 3.1 percent to 409,000 tonnes in the first quarter of 2019 against the backdrop of a declining market. The business unit developed nearly in line with the overall airfreight market, which declined by 2 to 3 percent. Since the start of the year, the Group has integrated the business operations of Quick International Courier – a market leading provider of time-critical transportation and logistics solutions for the pharma & healthcare and aviation industries – contributing to a significant increase in gross margin. EBIT reached CHF 80 million, which was almost consistent with the very high level of the previous year.

Overland

The overland business continued its growth course, with a net turnover increase by 6.0 percent and gross profit by 8.0 percent in the first quarter.

In overland, Kuehne + Nagel is thus continuing to achieve considerably stronger growth than the overland market as a whole. Intermodal transport in North America, where significant new business was won, and transportation networks in Europe both particularly contributed to this result. Kuehne + Nagel is further developing its competencies in overland, e.g. with digital platforms and by expanding the European pharma trailer fleet. Operating EBIT increased considerably, taking into account that the prior-year period included a positive one-off effect of CHF 6 million.

Contract Logistics

In the first quarter of 2019, Kuehne + Nagel continued to restructure its contract logistics portfolio and active cost management. Net turnover grew by 6.3 percent, while gross profit increased by 4.9 percent. The implementation of a new global warehouse management system that was initiated last year continued in the first quarter of 2019. EBIT was down from the previous year's level at CHF 26 million.

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

"Kuehne + Nagel got off to a good start in 2019. Once again, we increased our net turnover, gross profit and EBIT. However, we find ourselves in an environment in which global economic growth is noticeably slowing. In this volatile market environment we are well positioned. Consistent with our business strategy, we focus on introducing new digital platforms and highly specialised industry solutions. For 2019, we plan to remain on course to grow as a Group and further increase our results.

About Kuehne + Nagel

With over 82,000 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 high value-added segments such as IT-based integrated logistics solutions. You can find more information by visiting www.kuehne-nagel.com