



PRESS INFO

Kuehne + Nagel Group – nine months 2019

Kuehne + Nagel results greatly improved

- **Seafreight with significant volume and EBIT growth**
- **Airfreight further increases gross profit**
- **Overland trend remains strong**
- **Contract Logistics restructuring shows first results**
- **Free cash flow increased substantially by CHF 363 million**

Kuehne + Nagel Group <i>CHF million</i>	Jan-Sep 2019	Jan-Sep 2018	Change
Net turnover	15,838	15,361	3.1%
Gross profit	5,989	5,736	4.4%
Operating result (EBITDA)	1,341	906	48.0%
Adjusted EBITDA (without IFRS 16)	972	906	7.3%
EBIT	794	745	6.6%
Adjusted EBIT (without IFRS 16)	786	745	5.5%
Earnings for the period	598	580	3.1%
Adjusted earnings (without IFRS 16)	602	580	3.8%
Free cash flow	617	254	>100%

Schindellegi / CH, October 22, 2019 – In the first nine months of 2019, Kuehne + Nagel significantly improved its results. Seafreight and Overland continued their momentum in the third quarter. The tense market environment led to a decline in airfreight volumes. The restructuring in Contract Logistics showed first results.

Group net turnover increased by 3.1% year-on-year to CHF 15.8 billion, gross profit by 4.4% to CHF 6.0 billion, EBIT by 6.6% to CHF 794 million and earnings for the period by 3.1% to CHF 598 million. Organic net turnover growth amounted to 4.3%, foreign exchange effects had a negative impact of 2.9%, and acquisitions a positive effect of 1.7%.

Dr. Detlef Trefzger, CEO of Kuehne + Nagel International AG, comments: "Against the backdrop of consistently tense global markets, Kuehne + Nagel once again delivered very solid results. In Seafreight and Overland in particular, our focus continued to be on customer service, cost efficiency and digitalisation. In the more volatile Airfreight business, earnings remained stable over the past quarters, with the acquisition of Quick having had a sustained positive impact. We are pleased to continue the momentum of the Group this year."

Media Communication

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Seafreight

<i>CHF million</i>	Jan-Sep 19	Jan-Sep 18	Change
Net turnover	5,633	5,250	7.3%
Gross profit	1,173	1,116	5.1%
EBIT	357	324	10.2%

With an increase of 7.3% year-on-year to CHF 5.6 billion, Seafreight posted a very solid net turnover growth and once again improved its performance in the third quarter. Kuehne + Nagel grew significantly in a stagnating overall market and, with 3.67 million standard containers (TEU), the Group transported 152,000 units more than in the same period of last year (+4.3%). Main success drivers were the selective growth strategy, effective cost management and outstanding service quality. EBIT rose by 10.2% year-on-year to CHF 357 million. The business unit improved its conversion rate (ratio of EBIT to gross profit) to 30.4%, maintaining its position at the top of the industry.

Airfreight

<i>CHF million</i>	Jan-Sep 19	Jan-Sep 18	Change
Net turnover	3,503	3,598	-2.6%
Gross profit	997	895	11.4%
EBIT	263	271	-3.0%

The airfreight market continued to decline in an environment of global economic uncertainty and rising trade barriers. As a result of the sharp drop in demand in some key industries, Kuehne + Nagel's Airfreight volume fell by 6.4% year-on-year to 1.22 million tonnes. Still the business unit was able to significantly increase gross profit, especially in the areas of pharma & healthcare, perishables and time-critical shipments. The integration of Quick International Courier, Inc. is proceeding according to plan. Quick, one of the market leaders for time-critical transport and logistics services for the pharma and aviation industries, generated sustained positive results in the third quarter. The 3.0% year-on-year decline of EBIT to CHF 263 million was resilient in light of persistently challenging market conditions.

Overland

<i>CHF million</i>	Jan-Sep 19	Jan-Sep 18	Change
Net turnover	2,682	2,630	2.0%
Gross profit	846	813	4.1%
EBIT	62	57	8.8%

Net turnover in Overland rose by 2.0% year-on-year to CHF 2.7 billion and gross profit by 4.1% to CHF 846 million. Despite the slowdown in global trade, the business unit again grew well ahead of the market. Groupage shipment volumes in France and Germany remained firm. In Austria and Eastern Europe, Kuehne + Nagel strengthened the overland transport network with the acquisition of the Jöbstl Group. In North America, key accounts remained the largest growth driver, while the intermodal business further weakened due to falling oil prices. EBIT increased by 8.8% year-on-year to CHF 62 million.

Contract Logistics

<i>CHF million</i>	Jan-Sep 19	Jan-Sep 18	Change
Net turnover	4,020	3,883	3.5%
Gross profit	2,973	2,912	2.1%
EBIT	112	93	20.4%

In the third quarter, the ongoing restructuring of Contract Logistics yielded results. Related one-off profits from real estate sales amounting to CHF 23 million (previous year: CHF 11 million) were included in EBIT. Due to portfolio optimisation measures and a focus on higher-margin business, net turnover increased by 3.5% year-on-year to CHF 4.0 billion and gross profit by 2.1% to CHF 3.0 billion. Growth was thus significantly slower than in the previous year's period. With the opening of new distribution centres in Luxembourg, Germany and Belgium, the business unit focused on further high-quality growth in the areas of pharma & healthcare and e-commerce fulfilment. A review of the portfolio and specific productivity increases resulted in EBIT of CHF 112 million, an increase of 20.4% year-on-year.

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.