

Quarterly Report 2024

Condensed
Consolidated
Interim Financial
Statements 2024
(unaudited)

January – March 2024

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Schindellegi, April 19, 2024

Income statement

CHF million	January - March		
	2024	2023	Variance in per cent
Net turnover	5,508	6,748	-18.4
Net expenses for services from third parties	-3,432	-4,354	
Gross profit	2,076	2,394	-13.3
Personnel expenses	-1,167	-1,236	
Selling, general and administrative expenses	-337	-368	
Other operating income/expenses, net	4	13	
EBITDA	576	803	-28.3
Depreciation of property, plant and equipment	-44	-43	
Depreciation of right-of-use assets	-142	-134	
Amortisation of other intangibles	-14	-14	
EBIT	376	612	-38.6
Financial income	7	20	
Financial expenses	-14	-5	
Result from joint ventures and associates	1	1	
Earnings before tax (EBT)	370	628	-41.1
Income tax	-92	-166	
Earnings	278	462	-39.8
Attributable to:			
Equity holders of the parent company	273	456	-40.1
Non-controlling interests	5	6	
Earnings	278	462	-39.8
Basic earnings per share in CHF	2.31	3.83	-39.7
Diluted earnings per share in CHF	2.30	3.81	-39.6

Statement of comprehensive income

CHF million	January - March	
	2024	2023
Earnings	278	462
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange differences	146	-44
Items that will not be reclassified to profit or loss:		
Actuarial gains/(losses) on defined benefit plans	5	-5
Income tax on actuarial gains/(losses) on defined benefit plans	-1	1
Total other comprehensive income, net of tax	150	-48
Total comprehensive income	428	414
Attributable to:		
Equity holders of the parent company	401	411
Non-controlling interests	27	3

Balance sheet

CHF million	Mar. 31, 2024	Dec. 31, 2023	Mar. 31, 2023
Assets			
Property, plant and equipment	871	762	749
Right-of-use assets	1,953	1,534	1,497
Goodwill	2,286	2,034	2,187
Other intangibles	135	121	166
Investments in joint ventures and associates	31	28	37
Deferred tax assets	181	175	223
Non-current assets	5,457	4,654	4,859
Prepayments	229	130	187
Contract assets	253	267	384
Trade receivables	4,055	3,634	4,445
Other receivables	175	161	204
Income tax receivables	121	114	26
Cash and cash equivalents	1,797	2,011	3,979
Current assets	6,630	6,317	9,225
Total assets	12,087	10,971	14,084

CHF million	Mar. 31, 2024	Dec. 31, 2023	Mar. 31, 2023
Liabilities and equity			
Share capital	121	121	121
Reserves and retained earnings	3,110	1,601	3,793
Earnings	273	1,431	456
Equity attributable to the equity holders of the parent company	3,504	3,153	4,370
Non-controlling interests	6	6	7
Equity	3,510	3,159	4,377
Provisions for pension plans and severance payments	277	270	258
Deferred tax liabilities	96	88	97
Borrowings	200	200	200
Non-current provisions	53	54	65
Other non-current liabilities	880	830	1,151
Non-current lease liabilities	1,494	1,128	1,086
Non-current liabilities	3,000	2,570	2,857
Bank and other interest-bearing liabilities	23	3	19
Trade payables	2,120	2,012	2,200
Contract liabilities	129	154	262
Accrued trade expenses	1,171	1,072	1,674
Income tax liabilities	267	244	451
Current provisions	97	108	110
Other current liabilities	1,225	1,162	1,640
Current lease liabilities	545	487	494
Current liabilities	5,577	5,242	6,850
Total liabilities and equity	12,087	10,971	14,084

Schindellegi, April 19, 2024

Kuehne + Nagel International AG

Stefan Paul
CEOMarkus Blanka-Graff
CFO

Statement of changes in equity

CHF million	Share capital	Share premium	
Balance as of January 1, 2024	121	592	
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 ¹	-	-	
Expenses for share-based compensation plans	-	-	
Transaction with non-controlling interests ²	-	-	
Balance as of March 31, 2024	121	592	

¹ Refer to note 12 for further details.

² The movement in retained earnings relates to written put options on non-controlling interests in connection with the Apex and Morgan Cargo acquisitions, see note 28 of the consolidated financial statements for the year ended December 31, 2023.

CHF million	Share capital	Share premium	
Balance as of January 1, 2023	121	606	
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 ¹	-	-	
Dividend paid	-	-	
Expenses for share-based compensation plans	-	-	
Transaction with non-controlling interests ²	-	-	
Balance as of March 31, 2023	121	606	

¹ Refer to note 12 for further details.

² The movement in retained earnings relates to written put options on non-controlling interests in connection with the Apex and Morgan Cargo acquisitions, see note 28 of the consolidated financial statements for the year ended December 31, 2023.

Treasury shares	Cumulative translation adjustment	Actuarial gains/ (losses)	Retained earnings	Total equity attributable to the equity holders of parent company	Non-controlling interests	Total equity
-602	-1,811	-101	4,954	3,153	6	3,159
-	-	-	273	273	5	278
-	124	-	-	124	22	146
-	-	4	-	4	-	4
-	124	4	-	128	22	150
-	124	4	273	401	27	428
-29	-	-	-	-29	-	-29
-	-	-	7	7	-	7
-	22	-	-50	-28	-27	-55
-631	-1,665	-97	5,184	3,504	6	3,510

Treasury shares	Cumulative translation adjustment	Actuarial gains/ (losses)	Retained earnings	Total equity attributable to the equity holders of parent company	Non-controlling interests	Total equity
-270	-1,406	-65	5,154	4,140	7	4,147
-	-	-	456	456	6	462
-	-41	-	-	-41	-3	-44
-	-	-4	-	-4	-	-4
-	-41	-4	-	-45	-3	-48
-	-41	-4	456	411	3	414
-206	-	-	-	-206	-	-206
-	-	-	-	-	-1	-1
-	-	-	6	6	-	6
-	-3	-	22	19	-2	17
-476	-1,450	-69	5,638	4,370	7	4,377

Cash flow statement

CHF million	Note	January - March		Variance
		2024	2023	
Cash flow from operating activities				
Earnings		278	462	
Adjustments to reconcile earnings to net cash flows:				
Income tax		92	166	
Financial income		-7	-20	
Financial expenses		14	5	
Result from joint ventures and associates		-1	-1	
Depreciation of property, plant and equipment		44	43	
Depreciation of right-of-use assets		142	134	
Amortisation of other intangibles		14	14	
Expenses for share-based compensation plans		7	6	
(Gain)/loss on disposal of property, plant and equipment, net		-1	-10	
Net addition to provisions for pension plans and severance payments		2	-	
Subtotal operational cash flow		584	799	-215
(Increase)/decrease contract assets		31	154	
(Increase)/decrease trade and other receivables, prepayments		-330	762	
Increase/(decrease) provisions		-18	-3	
Increase/(decrease) other liabilities		4	-86	
Increase/(decrease) trade payables, contract liabilities and accrued trade expenses		-20	-838	
Income taxes paid		-76	-213	
Total cash flow from operating activities		175	575	-400

CHF million	Note	January - March		Variance
		2024	2023	
Cash flow from investing activities				
Capital expenditure				
- Property, plant and equipment		-121	-73	
- Other intangibles		-2	-1	
Disposal of property, plant and equipment		5	39	
(Acquisition)/divestment of businesses, net of cash (acquired)/disposed	8/9/10	-148	-	
Dividend received from joint ventures and associates		-	1	
Interest received		7	9	
Total cash flow from investing activities		-259	-25	-234
Cash flow from financing activities				
Repayment of lease liabilities		-140	-136	
Interest paid on borrowings and other interest-bearing liabilities		-1	-1	
Interest paid on lease liabilities		-8	-4	
Purchase of treasury shares	12	-29	-206	
Dividend paid to non-controlling interests		-	-1	
Total cash flow from financing activities		-178	-348	170
Foreign exchange difference on cash and cash equivalents		28	-12	40
Increase/(decrease) in cash and cash equivalents		-234	190	-424
Cash and cash equivalents at the beginning of the period, net		2008	3,770	-1,762
Cash and cash equivalents at the end of the period, net		1,774	3,960	-2,186

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 three months ended March 31, 2024, comprise the Company, its subsidiaries (the Group) and its interests in joint ventures and associates.

The Group voluntarily presents a balance sheet as of March 31, 2023.

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, 2023.

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 IFRS Accounting 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, 2023.

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, 2023. 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 2024, but do not have a material impact on the condensed consolidated interim financial statements of the Group.

5 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. - Mar. 2024 CHF	Jan. - Mar. 2023 CHF	Variance in per cent
EUR 1.-	0.9526	0.9941	-4.18
USD 1.-	0.8740	0.9274	-5.75

Balance sheet

(period end rates)

Currency	Mar. 2024 CHF	Mar. 2023 CHF	Variance in per cent	Dec. 2023 CHF
EUR 1.-	0.9777	0.9935	-1.60	0.9405
USD 1.-	0.9019	0.9176	-1.72	0.8497

6 Seasonality

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

7 Changes in the scope of consolidation

Major changes in the scope of consolidation in the first three months of 2024 related to the following companies:

2024	Capital share in per cent equals voting rights	Effective date
Acquisition		
Farrow Group Inc. (Farrow) ¹	100	January 31, 2024

¹ Refer to note 8 for details to the acquisition.

There were no major changes in the scope of consolidation in the first three months of 2023.

8 Acquisitions

2024 Acquisitions

The acquisitions in the first three months of 2024 had the following effect on the Group's assets and liabilities:

CHF million	Recognised fair values
Other intangibles	18
Other non-current assets	7
Acquired cash and cash equivalents	32
Other current assets	53
Subtotal assets	110
Non-current liabilities	-5
Bank and other interest-bearing liabilities	-14
Other current liabilities	-66
Total identifiable assets and liabilities, net	25
Goodwill	141
Total assets and liabilities, net	166
Purchase price, paid in cash	166
Acquired cash and cash equivalents, net	-18
Net cash outflow	148

Effective January 31, 2024, the Group acquired 100 per cent of the shares of Farrow Group Inc. (Farrow), a Canada-based customs broker, for a purchase price of CHF 166 million, which was paid in cash. Headquartered in Windsor, Ontario, Canada, Farrow is supported by 830 employees in 41 locations across Canada and the

USA. In 2022, Farrow managed over 1.5 million customs entries. The acquisition complements the Group's offering for companies that increasingly rely on customs clearance services and supports the growing demand in an environment of increasingly complex international trade regulations.

Acquisition-related costs (included in the line item "selling, general and administrative expenses" in the income statement) amount to CHF 2 million.

The trade receivables comprise gross contractual amounts due of CHF 51 million, of which none were expected to be uncollectible at the acquisition date.

Other intangibles of CHF 18 million recognised on the acquisition represent the Farrow contractual and non-contractual customer lists having useful lives of seven years. Goodwill of CHF 141 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 expected to be tax deductible and it is allocated to the business unit Road Logistics.

From February 1 to March 31, 2024, the acquisition of Farrow contributed CHF 18 million of net turnover and CHF 1 million of earnings. If the acquisition had occurred on January 1, 2024, the Group's net turnover would have been CHF 5,517 million and consolidated earnings for the period would have been CHF 279 million.

The accounting for the acquisition made in 2024 was determined provisionally only. Adjustments may be made to the fair values assigned to the identifiable assets acquired and liabilities assumed up to twelve months from the date of acquisition.

Agreed upon future transactions

On February 29, 2024, the Group entered into an agreement to acquire 100 per cent of the shares of City Zone Express, a subsidiary of Chasen Holdings Ltd., a Singapore Exchange Main-board-listed company. Headquartered in Malaysia and established in 2006, City Zone Express has over 500 employees and operates in Malaysia, Singapore, Vietnam, Thailand, and China. With an own fleet of 260 vehicles and 80,000 sqm of warehousing space, City Zone Express offers reliable cross-border logistics services spanning the entirety of Southeast Asia up to China.

The transaction is subject of customary closing conditions, including clearance by the competent merger control authorities and is expected to close in the second quarter of 2024.

2023 Acquisitions

The Group did not acquire any material businesses in the first three months of 2023.

9 Divestments

The Group did not divest any material businesses in the first three months of 2024 and 2023.

10 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.

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 – March

CHF million	Total Group		Sea Logistics		Air Logistics	
	2024	2023	2024	2023	2024	2023
Turnover (external customers)	6,104	7,527	2,205	3,025	1,702	2,009
Customs duties and taxes	-596	-779	-279	-358	-119	-147
Net turnover (external customers)	5,508	6,748	1,926	2,667	1,583	1,862
Inter-segment turnover	-	-	559	809	1,145	1,306
Net expenses for services	-3,432	-4,354	-1,982	-2,790	-2,336	-2,680
Gross profit	2,076	2,394	503	686	392	488
Total expenses	-1,500	-1,591	-299	-336	-281	-316
EBITDA	576	803	204	350	111	172
Depreciation of property, plant and equipment	-44	-43	-5	-5	-6	-6
Depreciation of right-of-use assets	-142	-134	-1	-1	-1	-1
Amortisation of other intangibles	-14	-14	-1	-	-10	-11
EBIT (segment profit)	376	612	197	344	94	154
Financial income	7	20				
Financial expenses	-14	-5				
Result from joint ventures and associates	1	1				
Earnings before tax (EBT)	370	628				
Income tax	-92	-166				
Earnings	278	462				
Attributable to:						
Equity holders of the parent company	273	456				
Non-controlling interests	5	6				
Earnings	278	462				
Additional information not regularly reported to CODM						
Allocation of goodwill	2,286	2,187	134	134	1,321	1,358
Allocation of other intangibles	135	166	2	-	106	149
Capital expenditure property, plant and equipment	121	73	6	8	5	11
Capital expenditure right-of-use assets	461	206	10	7	4	7
Capital expenditure other intangibles	2	1	1	1	1	-
Property, plant and equipment, goodwill and intangibles through business combinations	161	-	-	-	-	-

b) Geographical information

January – March

CHF million	Total Group		EMEA		Americas	
	2024	2023	2024	2023	2024	2023
Turnover (external customers)	6,104	7,527	3,486	4,286	1,745	2,309
Customs duties and taxes	-596	-779	-421	-568	-138	-163
Net turnover (external customers)	5,508	6,748	3,065	3,718	1,607	2,146
Inter-regional turnover	-	-	1,034	1,345	331	458
Net expenses for services	-3,432	-4,354	-2,798	-3,645	-1,416	-1,966
Gross profit	2,076	2,394	1,301	1,418	522	638
Total expenses	-1,500	-1,591	-954	-996	-389	-416
EBITDA	576	803	347	422	133	222
Depreciation of property, plant and equipment	-44	-43	-31	-30	-8	-8
Depreciation of right-of-use assets	-142	-134	-98	-91	-32	-30
Amortisation of other intangibles	-14	-14	-4	-3	-4	-4
EBIT	376	612	214	298	89	180
Financial income	7	20				
Financial expenses	-14	-5				
Result from joint ventures and associates	1	1				
Earnings before tax (EBT)	370	628				
Income tax	-92	-166				
Earnings	278	462				
Attributable to:						
Equity holders of the parent company	273	456				
Non-controlling interests	5	6				
Earnings	278	462				
Additional information not regularly reported to the CODM						
Capital expenditure property, plant and equipment	121	73	40	49	73	17
Capital expenditure right-of-use assets	461	206	339	154	86	36
Capital expenditure other intangibles	2	1	2	1	-	-
Property, plant and equipment, goodwill and intangibles through business combinations	161	-	-	-	161	-

	Asia-Pacific		Eliminations	
	2024	2023	2024	2023
	873	932	-	-
	-37	-48	-	-
	836	884	-	-
	719	744	-2,084	-2,547
	-1,302	-1,290	2,084	2,547
	253	338	-	-
	-157	-179	-	-
	96	159	-	-
	-5	-5	-	-
	-12	-13	-	-
	-6	-7	-	-
	73	134	-	-
	8	7	-	-
	36	16	-	-
	-	-	-	-
	-	-	-	-

11 Fair value of financial assets and liabilities

As of March 31, 2024

CHF million	Financial assets at FVPL	Financial assets at amortised cost	Total carrying amount	Total fair value
Trade receivables	-	4,055	4,055	4,055
Other receivables	-	175	175	175
Total	-	4,230	4,230	4,230

CHF million	Financial liabilities at FVPL	Financial liabilities at amortised cost	Total carrying amount	Total fair value
Bank and other interest-bearing liabilities	-	23	23	23
Borrowings	-	200	200	197
Trade payables	-	2,120	2,120	2,120
Accrued trade expenses	-	1,171	1,171	1,171
Contingent consideration liabilities	45	-	45	45
Put options on non-controlling interests	-	984	984	984
Other liabilities	5	266	271	271
Total	50	4,764	4,814	4,811

As of December 31, 2023

CHF million	Financial assets at FVPL	Financial assets at amortised cost	Total carrying amount	Total fair value
Trade receivables	-	3,634	3,634	3,634
Other receivables	1	160	161	161
Total	1	3,794	3,795	3,795

CHF million	Financial liabilities at FVPL	Financial liabilities at amortised cost	Total carrying amount	Total fair value
Bank and other interest-bearing liabilities	-	3	3	3
Borrowings	-	200	200	196
Trade payables	-	2,012	2,012	2,012
Accrued trade expenses	-	1,072	1,072	1,072
Contingent consideration liabilities	42	-	42	42
Put options on non-controlling interests	-	929	929	929
Other liabilities	1	246	247	247
Total	43	4,462	4,505	4,501

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 45 million (CHF 42 million as of December 31, 2023).

The put options on non-controlling interests represent the short and long-term portion of the redemption liabilities recognised in connection with the acquisition and divestment of Apex and Morgan Cargo (refer to note refer to notes 26, 27 and 33 of the

consolidated financial statements for the year ended December 31, 2023, for further details). At the balance sheet date, the carrying amount of the put option liabilities amounted to CHF 984 million (CHF 929 million as of December 31, 2023) and are 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 three months 2024.

Level 3 fair values

CHF million	Contingent consideration liabilities
Balance as of January 1, 2024	42
(Gains) / losses included in the income statement	
- Foreign exchange revaluation - recorded within financial expenses	3
Balance as of March 31, 2024	45
of which	
- Current portion	45
- Non-current portion	-

12 Equity

In the first three month of 2024, the Company purchased 121,764 own shares for CHF 29 million (2023: 852,870 own shares for CHF 206 million).

13 Employees

Number	Mar. 31, 2024	Mar. 31, 2023
EMEA	49,642	49,435
Americas	20,345	18,945
Asia-Pacific	11,091	11,553
Total employees	81,078	79,933
Full-time equivalents of employees	75,680	74,973
Full-time equivalents of temporary staff	17,384	18,172
Total full-time equivalents	93,064	93,145

14 Capital expenditure

In the first three month of 2024, the capital expenditure on property, plant and equipment (excluding other intangible assets and property, plant and equipment from acquisitions) was CHF 121 million (2023: CHF 73 million) and the non-cash capital expenditure on right-of-use assets (excluding right-of-use assets from acquisitions) was CHF 461 million (2022: CHF 206 million).

15 Legal claims

The status of proceedings, disclosed in the notes 24 and 29 to the consolidated financial statements for the year ended December 31, 2023, has not changed materially.

16 Post balance sheet events

There have been no material events between March 31, 2024, 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 April 19, 2024.

Financial calendar

May 8, 2024	Annual general meeting
July 23, 2024	Half-year 2024 results
October 23, 2024	Nine-months 2024 results
March 4, 2025	Full-year 2024 results

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