



PRESS INFO

Kuehne + Nagel Group

First quarter of 2020: Kuehne + Nagel resilient in the face of crisis

- **Sea Logistics: reduced exports from Asia**
- **Air Logistics: special charters partially compensated volume decline**
- **Road Logistics: lower demand in Europe and North America**
- **Contract Logistics: restructuring progressed successfully**
- **Stable cash flow and solid liquidity**

Kuehne+Nagel Group <i>CHF million</i>	Q1 2020	Q1 2019	Change
Net turnover	4,912	5,237	(6.2%)
Gross profit	1,878	1,978	(5.1%)
Operational profit (EBITDA)	378	418	(9.6%)
EBIT	184	242	(24.0%)
Earnings for the period	139	181	(23.2%)

Schindellegi / CH, April 27, 2020 – As a result of the coronavirus pandemic, business volumes declined sharply in the first quarter of 2020.

Kuehne + Nagel Group's net turnover, gross profit and earnings were significantly below last year's levels. Furthermore, currency fluctuations had a significant negative impact.

Dr. Detlef Trefzger, CEO of Kuehne + Nagel International AG, comments: "The coronavirus pandemic is an immense global challenge, also for Kuehne + Nagel. Industrial production and trade volumes weakened significantly. In this situation, Kuehne + Nagel maintained its operational performance, closely managed a number of specialty businesses and won new customers. In the case of basic commodities and pharmaceuticals, transport volumes were maintained at a respectable level. Our company will face major challenges in the coming months, but is well positioned in view of its customer proximity, agility and digital offerings. A high level of liquidity characterises the company's solid financial strength".

Media Communication

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Facts and figures about Kuehne + Nagel in times of Covid-19:

- Kuehne + Nagel has activated business continuity plans at **1,400 locations** in 108 countries. The protection of employees is a top priority.
- At the beginning of the lockdown, all office staff (approximately **45,000 employees**) were able to access the Group's internal systems remotely within a very short time.
- Since the beginning of March, Kuehne + Nagel has imported some **300 million face protection masks** for its customers via airfreight from Asia.
- Contract Logistics handled **twice as many e-commerce shipments** as in the previous quarter. Food, coffee, beverages and toys were in particularly high demand.
- The myKN customer platform recorded a **145% increase in active users** in the first quarter compared with the same period of the previous year.

Sea Logistics

<i>CHF million</i>	Q1 2020	Q1 2019	Change
Net turnover	1,724	1,852	(6.9%)
Gross profit	344	382	(9.9%)
EBIT	79	112	(29.5%)

With a significant double-digit decline in volume demand to and from China, the business unit Sea Logistics was affected by the impacts of the coronavirus crisis at an early stage. On the other hand, reefer shipments (pharma, amongst others) and export volumes from Latin America (perishables in particular) developed well. With 1.075 million standard containers (TEU), 71,000 fewer units were transported in the first quarter than in the same period last year (-6.2%).

Accordingly, the business unit's net turnover fell by 6.9% to CHF 1.7 billion and gross profit by 9.9% to CHF 344 million. EBIT fell by 29.5% to CHF 79 million. Exchange rate effects had a negative impact of 5.3% (net turnover) and 3.6% (EBIT).

Even in the current environment, customer interest in CO2-neutral Sea Logistics solutions remained high. As part of Kuehne + Nagel's Net Zero Carbon programme, all CO2 emissions from less-than-container shipments (LCL) have been offset since the beginning of the year.

Air Logistics

<i>CHF million</i>	Q1 2020	Q1 2019	Change
Net turnover	1,091	1,170	(6.8%)
Gross profit	307	326	(5.8%)
EBIT	71	80	(11.3%)

The business unit Air Logistics was particularly affected by the coronavirus pandemic from March onwards, when a large number of passenger flights were cancelled on the supply side. Global airfreight capacity fell by around 60% in just a few weeks. On the demand side, the lockdowns in China, Europe and finally America led to a sharp drop in consumption resulting in lower airfreight volumes. In contrast, short-term charter solutions for pharma and time-critical transports were in greater demand.

At 372,000 tonnes, airfreight volume in the first quarter was 9% below the same period of the previous year. Less pronounced was the 6.8% decline in net turnover to CHF 1.1 billion and the 5.8% decline in gross profit to CHF 307 million. EBIT fell by 11.3% to CHF 71 million. Currency effects had a negative impact of 5.0% on both net turnover and EBIT.

Significant progress was made in the implementation of the Group's own Transport Management Solution AirLOG and other digital platforms.

Road Logistics

<i>CHF million</i>	Q1 2020	Q1 2019	Change
Net turnover	863	901	(4.2%)
Gross profit	281	285	(1.4%)
EBIT	17	24	(29.2%)

The business unit Road Logistics had a solid start into the new business year. From March onwards, however, volumes in Europe (especially France, Great Britain and Italy) and North America (primarily the intermodal business) declined significantly. All sectors were affected, with the exception of e-commerce and pharma.

In the first quarter of 2020, the business unit's net turnover fell by 4.2% year-on-year to CHF 863 million and gross profit declined by 1.4% to CHF 281 million. EBIT fell to CHF 17 million. Currency effects had a negative impact of 4.8% on net turnover and 4.2% on EBIT.

In Europe, the two acquisitions Rotra (Belgium and Netherlands) and Joebstl (Austria and Eastern Europe) were integrated as planned. Performance in Asia remained encouraging, with Kuehne + Nagel reporting increased demand for its digital platform solution eTrucknow.

Contract Logistics

<i>CHF million</i>	Q1 2020	Q1 2019	Change
Net turnover	1,234	1,314	(6.1%)
Gross profit	946	985	(4.0%)
EBIT	17	26	(34.6%)

In the business unit Contract Logistics, the supply of automotive production and retail was particularly affected by the impacts of the coronavirus. However, demand for basic goods, pharma and e-commerce services increased.

In the first quarter of 2020, the business unit's net turnover fell by 6.1% to CHF 1.2 billion compared with the same period of the previous year, gross profit by 4.0% to CHF 946 million and EBIT by 34.6% to CHF 17 million. Currency effects had a negative impact of 4.9% on net turnover and 3.8% on EBIT.

The environment required a rapid and comprehensive adjustment of resources, with added support from further progress in restructuring Contract Logistics. Over the quarter, 90% of all Kuehne + Nagel distribution centres worldwide operated without interruption.

About Kuehne + Nagel

With over 83,000 employees at almost 1,400 locations in over 100 countries, the Kuehne + Nagel Group is one of the world's leading logistics companies. Its strong market position lies on Sea, Air, Road and Contract Logistics, with a clear focus on integrated logistics solutions.