



PRESS INFO

Kuehne + Nagel Group – 9-Months 2017 Results

Increased dynamics in volumes and results

- **Seafreight:** significant market share gains and slight margin improvement in the third quarter
- **Airfreight:** strong development of volume and earnings
- **Overland:** twice the EBIT compared to the previous year
- **Contract Logistics:** successful business expansion and further improvement of results
- **Group earnings for the period at CHF 540 million**

Schindellegi / CH, October 16, 2017 – In the first nine months of 2017, the Kuehne + Nagel Group’s growth momentum accelerated sequentially in the quarters. All business units recorded significant market share gains. Compared to the previous year’s period, net turnover increased by 10.4 per cent to CHF 13,525 million and gross profit by 4.8 per cent to CHF 5,136 million. The operational result (EBITDA) improved by 2.8 per cent to CHF 840 million and earnings for the period by 1.3 per cent to CHF 540 million.

Kuehne + Nagel Group	January to September	
	2017	2016
<i>CHF million</i>		
Net turnover	13,525	12,247
Gross profit	5,136	4,900
Operational result (EBITDA)	840	817
EBIT	685	678
Earnings for the period	540	533

Corporate
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Seafreight

With a volume increase of approximately 8 per cent in the first nine months of the year, Kuehne + Nagel confirmed its ability to achieve strong growth in a still demanding market environment. In total, the Group handled 230,000 TEUs more than in the previous year's period, whereby the strongest volume increases were realised in all US trades. Kuehne + Nagel also achieved double-digit growth in the Latin America trades. The Group significantly improved its leading market position in the reefer container and LCL (Less-than-Container Load) operations. In the third quarter Kuehne + Nagel improved margins through further automation of internal processes, economies of scale and efficient cost management. The EBIT-to-gross profit margin (conversion rate) was at a high level of 29.2 per cent; EBIT reached CHF 308 million.

Airfreight

In the first nine months of the year, Kuehne + Nagel increased volumes by 19 per cent (+180,000 tons), growing more than twice as fast as the market. A key factor for this positive development was the company's comprehensive offering of industry-specific airfreight solutions. New business was won in the pharmaceutical, high-tech and automotive industries. Perishables logistics continued to develop very successfully, thus further expanding Kuehne + Nagel's position as the global market leader in this segment. Trillvane, the Kenyan perishables logistics company acquired in July 2017, has been part of the Kuehne + Nagel Group since September 2017. With strict cost control and productivity increases due to process automation Kuehne + Nagel compensated for margin pressure and maintained the conversion rate with 30.3 per cent at previous year's high level. EBIT improved by 3.2 per cent to CHF 227 million.

Overland

Despite seasonal market fluctuations the successful development of the overland business continued in the third quarter. In the first nine months of 2017, net turnover increased by 5.2 per cent and gross profit by 4.6 per cent compared to the previous year's period. All regions, in particular Europe and North America, contributed to this improvement. The groupage and full truckload shipments as well as industry-specific services were the key drivers for growth. As a result of the consistent and ongoing process optimisation, EBIT increased from CHF 18 million in the previous year's period to CHF 36 million.

Contract Logistics

In the first nine months of the year, Kuehne + Nagel won a significant amount of new contracts, with business activities in Asia growing dynamically. The acquisition of two specialised pharma logistics companies in Italy and Turkey, which have now been integrated into the Kuehne + Nagel network, enables a further expansion in pharma logistics. E-commerce fulfilment equally performed very strongly. Gross profit increased by 7.7 per cent, the operational result improved by 14.2 per cent compared to the previous year's period. EBIT increased by 14.0 per cent to CHF 114 million.

Dr. Detlef Trefzger, CEO of Kuehne + Nagel International AG: "With strong volume growth and active cost management we further improved results in the third quarter in line with our expectations. In seafreight a margin improvement was achieved in the third quarter. The airfreight, overland and contract logistics businesses contributed to significant profitability increases. The business development in the first nine months of 2017 confirms our strategic focus on value-creating solutions and makes us confident to reach our profitability targets we have set ourselves for the full business year."

About Kuehne + Nagel

With over 74,000 employees at around 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 providing IT-based integrated logistics solutions. Further information can be found at www.kuehne-nagel.com.