



PRESS INFO

Financial Statements 2018

Kuehne + Nagel increases annual results

- **Strong volume growth in all business units**
- **Gross profit up 9.8 percent to CHF 7,709 million**
- **EBIT up 5.3 percent to CHF 987 million**
- **Net profit up 4.3 percent to CHF 772 million**
- **Dividend increased, dividend payout ratio at a high level**

Kuehne + Nagel Group	2018	2017
<i>CHF million</i>		
Turnover	24,825	22,220
Net turnover	20,774	18,594
Gross profit	7,709	7,023
Operational result (EBITDA)	1,209	1,150
EBIT	987	937
Earnings for the year	772	740
Kuehne + Nagel International AG		
Dividend per share in CHF	6.00*	5.75

* Proposal to the Annual General Meeting on May 7, 2019

Schindellegi / CH, February 27, 2019 – Dr. Detlef Trefzger, CEO of Kuehne + Nagel International AG, on the Group's annual result: "2018 was another successful year for Kuehne + Nagel. Despite the market weakening at the end of the year, we succeeded in increasing our net turnover, gross profit and EBIT once again. The consistent implementation of our business strategy was decisive for this success. By introducing additional digital platforms, with new highly specialised solutions and

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targeted acquisitions, we reached important milestones last year and will continue to pursue our journey. Even though the growth momentum of the global economy slowed down at the end of 2018, we confirm our goals for the year ahead. In 2019, we aim at growing twice as fast as the market and improving our results further, complemented with selected acquisitions to our portfolio.”

Development of business units

Seafreight

With a 7.7 percent growth in volume, Kuehne + Nagel gained again market share in seafreight and strengthened its position as the global market leader. The company handled 4.7 million standard containers (TEU) last year, representing an increase of around 335,000 TEU. Significant new business was won with KN ESP, a new digital supplier management system for key accounts introduced in early 2018. The company also launched another new digital platform – Sea Explorer – to provide customers with detailed comparisons for carrier services. Strong growth was recorded in the Asia-Europe trade and in US imports, particularly from Asia. In addition, intra-Asian trade lanes grew again last year. With three alliances and seven carriers in the market, the supply of capacity impacted margins which varied substantially, depending on region, trade lane and product. While the margins in European exports were under considerable pressure, those in Asia-Europe trade were growing. In this context, Kuehne + Nagel’s seafreight business achieved a solid EBIT that grew by 1.0 percent compared to the previous year. The conversion rate (EBIT-to-gross-profit ratio) was maintained at an industry-leading high level of 28.2 percent.

Airfreight

Airfreight continued its outstanding development in 2018. Kuehne + Nagel increased its tonnage by 11.0 percent to 1.7 million tons, thereby achieving significantly higher growth than the overall market. Industry-specific solutions for the pharma & healthcare and aviation industries played an

important role in this growth. Kuehne + Nagel pursues an active M&A strategy and acquired Quick International Courier, a company in a high growth market that is one of the global leaders in time-critical transport and logistics solutions. Due to this strong growth in volume, consistent cost control and further productivity gains, EBIT grew by 13.4 percent in airfreight. At 29.5 percent, the conversion rate was once again at a high level for the industry.

Overland

Kuehne + Nagel's excellent results in overland continued in 2018, with the company achieving significant increases in net turnover, gross profit and EBIT. Net turnover grew by 13.1 percent and gross profit by 14.3 percent. EBIT improved by 55.1 percent compared with the previous year.

Business in European groupage and less-than-truckload shipments were the primary growth drivers, as well as intermodal shipments and transport management for major customers in North America. Industry-specific solutions for customers from the pharma & healthcare industry played a key role in this success. Kuehne + Nagel continues to expand on its digital competence and aims at systematically increasing the number of automated shipments to further raise efficiency.

Contract Logistics

In contract logistics, Kuehne + Nagel increased net turnover by 9.0 percent and gross profit by 8.8 percent. The company grew significantly in the USA and Asia. Growth rates of more than 40 percent were achieved in e-commerce fulfilment. The EBIT remained below last year's figure, down by 14.3 percent, due to the review of the project portfolio and investments for a new global warehouse management system, used for the operational control of the Group's worldwide fulfilment centers. Two acquisitions strengthened the company's position as a leading international logistics provider for China's automotive industry and expanded its e-commerce offering in Indonesia. Kuehne + Nagel managed 11.6 million square metres of warehouse and logistics space for its customers.

Net Turnover

The Kuehne + Nagel Group achieved a net turnover of CHF 20,774 million in 2018, an increase of 11.7 percent compared to the previous year. This increase comes from the growth in volume in all business units. Net turnover increased by 17.0 percent in the Americas (North, Central and South America), by 13.5 percent in Asia-Pacific and by 9.3 percent in EMEA (Europe, Near/Middle East, Central Asia and Africa).

Gross Profit

Gross profit, the better performance indicator for a logistics company than turnover, was at CHF 7,709 million, 9.8 percent higher than in the previous year. Gross profit improved by 14.1 percent in Asia-Pacific, by 13.6 percent in the Americas and by 8.1 percent in EMEA.

EBITDA

Earnings before interest, tax, depreciation, amortisation and impairment of property, plant and equipment, goodwill and other intangible assets (EBITDA) increased by 5.1 percent to CHF 1,209 million compared to the previous year. EMEA generated the largest EBITDA contribution with CHF 693 million (57.3 percent), followed by the Americas with CHF 263 million (21.8 percent) and Asia-Pacific with CHF 253 million (20.9 percent).

EBIT

In 2018, earnings before interest and tax (EBIT) improved by 5.3 percent to CHF 987 million. The Group's EBIT margin was at 4.8 percent. EMEA contributed CHF 545 million (55.2 percent) to the Group's EBIT, followed by Asia-Pacific with a contribution of CHF 232 million (23.5 percent) and the Americas with CHF 210 million (21.3 percent).

Dividend

The Board of Directors will propose a dividend per share of CHF 6.00 (previous year: CHF 5.75) to the Annual General Meeting on May 7, 2019.

Dr. Jörg Wolle, Chairman of the Board of Directors of Kuehne + Nagel International AG, says: “The Kuehne + Nagel Group’s annual result demonstrates once again the company’s performance. In 2018, we expanded our position as a globally leading logistics provider and further improved our result. This confirms the strategic focus of the Kuehne + Nagel Group. In this context, the Board of Directors is looking with confidence to the 2019 financial year and ahead. In the medium and long term, the fundamental, all-encompassing transformation processes taking place in all areas of the global economy will continue to represent significant opportunities for Kuehne + Nagel going forward.”

Annual Report 2018

Further information on the 2018 full-year result and the annual report 2018 are published on [our website](#).

About Kuehne + Nagel

With about 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