



**PRESS INFO**

Kuehne + Nagel Group – First half-year results 2019

**High level result in a tough environment**

- Net turnover, gross profit and EBIT increased
- EBITDA grew by 3.1% before IFRS 16-Leasing effects
- Seafreight successful in all KPIs
- Airfreight further increases gross margin
- Overland improves results again
- Contract logistics continues restructuring

Kuehne + Nagel Group	1st half-year 2019	1st half-year 2018	Variance
<i>CHF million</i>			
Net turnover	<b>10,600</b>	10,066	5.3%
Gross profit	<b>4,015</b>	3,806	5.5%
Operational result (EBITDA) <sup>1)</sup>	<b>869</b>	608	42.9%
EBIT <sup>1)</sup>	<b>511</b>	501	2.0%
Earnings for the period	<b>384</b>	390	-1.5%

1) The effects of the implementation of IFRS 16-Leases on the Income Statement and the Balance Sheet are disclosed in the Consolidated Interim Financial Statements.

**Corporate Communications**

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Schindellegi / CH, July 23, 2019 – In the first half of 2019, the Kuehne + Nagel Group increased net turnover by 5.3 percent, gross profit by 5.5 percent and EBIT by 2.0 percent compared to the previous year’s period. Seafreight and overland continued the growth momentum of the first quarter. In light of the deteriorating market environment, airfreight experienced a decrease in volume. The restructuring in contract logistics proceeded according to plan.

### **Seafreight**

Seafreight successfully grew volume in the first half of the year by 4.5 percent, while the overall market grew by only 2.5 percent. With 2.392 million standard containers (TEU), the Group managed 103,000 units more than in the same period of the previous year. The Group's selective growth strategy, effective cost control and focus on customer service are yielding results. The demand for digital seafreight solutions has also shown positive developments. EBIT increased by 11.9 percent to CHF 235 million in comparison to the previous year's period. The EBIT-to-gross-profit ratio (conversion rate) reached an industry-leading high level of 30.1 percent.

### **Airfreight**

The global airfreight market continued to be under pressure in an economy characterised by growing trade barriers. Due to the stagnating markets of some key industries, the Group's airfreight volume decreased by 5.8 percent to 813,000 tons compared to the same period of the previous year. However, growth was achieved with industry solutions for pharma & healthcare, as well as for perishables. Quick International Courier, one of the market leaders in time-critical transport and logistics services for the pharma & healthcare and the aviation industries, was integrated successfully. At CHF 174 million, EBIT was down by 4.4 percent compared to the previous year's period.

### **Overland**

In overland, net turnover increased by 3.3 percent and gross profit by 4.9 percent. Growth in this business was well above the market, however it slowed down in the second quarter in line with market trends. The primary growth drivers in Europe were Germany and France, while large customers performed well in North America. Due to falling oil prices, intermodal business in the US and project business in Middle East & Africa stagnated. With a new digital booking platform, Kuehne + Nagel expanded its offering for overland in Asia. Initially implemented in

Thailand, the platform will be rolled out gradually throughout Southeast Asia. EBIT improved by 4.7 percent to CHF 45 million.

### **Contract logistics**

Restructuring in contract logistics continued through the second quarter. Net turnover increased by 4.4 percent and gross profit by 2.7 percent compared to the same period of the previous year. New business in pharma & healthcare, as well as e-commerce fulfilment, yielded positive results. Further efficiency gains are expected in the future leveraging the implementation of the global warehouse management system combined with the new picking technology, already deployed in more than 100 warehouses. EBIT was below last year's figure at CHF 57 million.

Dr. Detlef Trefzger, CEO of Kuehne + Nagel International AG, says: "The Kuehne + Nagel Group achieved a high level result in the first half of 2019. This was due to the consistent implementation of our strategy in all business units. Currently our focus is on addressing the significant changes in airfreight market conditions and on continuing our restructuring activities in contract logistics. With our initiatives to improve our technological capabilities we will become more cost effective and improve customer service. We are well set to successfully meet the challenges of an ever demanding market".

### **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 providing IT-based integrated logistics solutions. Further information can be found at [www.kuehne-nagel.com](http://www.kuehne-nagel.com)