



Kuehne + Nagel International AG

Analyst Conference Call – Q1 results 2015

April 14, 2015 (CET 14.00)
Schindellegi, Switzerland



Forward-looking statements

This presentation contains forward-looking statements.

Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of Kuehne + Nagel International AG, may cause actual development and results to differ materially from the expectations contained in the presentation.

Reference is also made to our disclaimer on the last slide of this presentation.



Agenda

Overview Q1 results 2015

Financial review

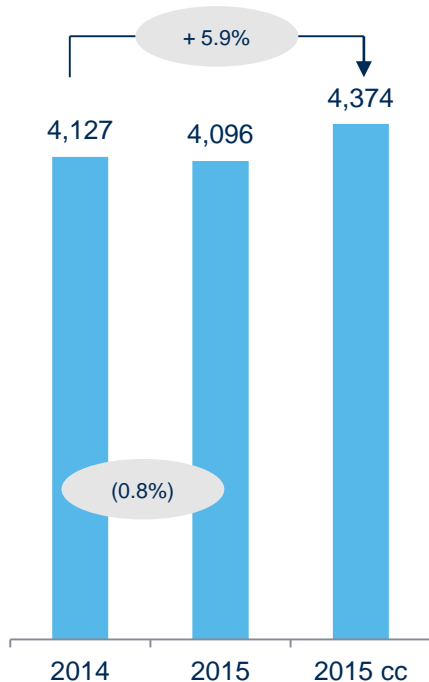
Appendices



Overview Q1 results 2015 - Kuehne + Nagel Group

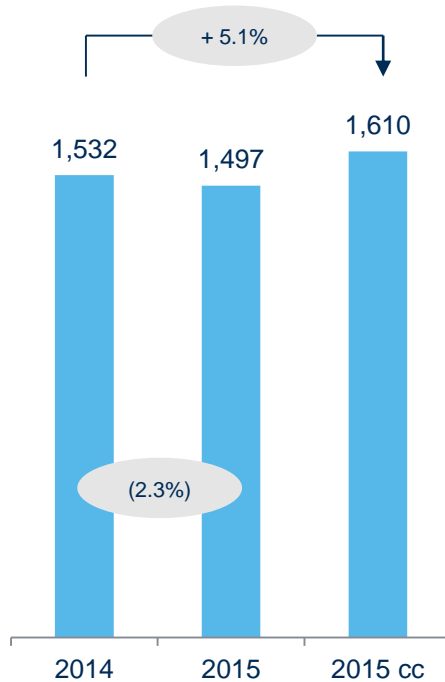
Net turnover

in CHF million



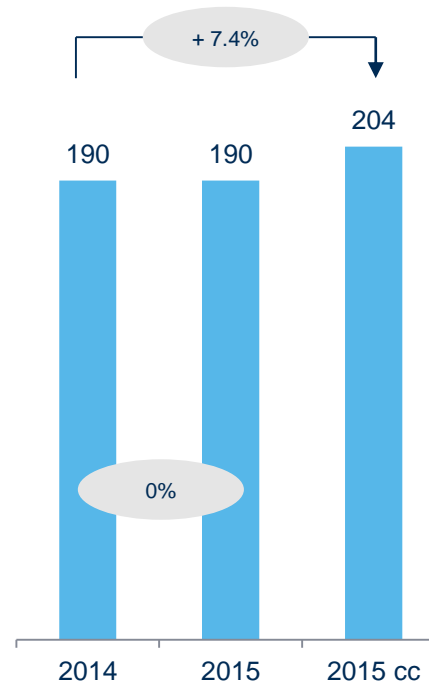
Gross Profit

in CHF million



EBIT

in CHF million



- Net turnover growth of 5.9% in cc¹
- Gross Profit increased by 5.1% in cc
- EBIT – Profitability improved by 7.4% in cc

¹ cc (constant currencies)

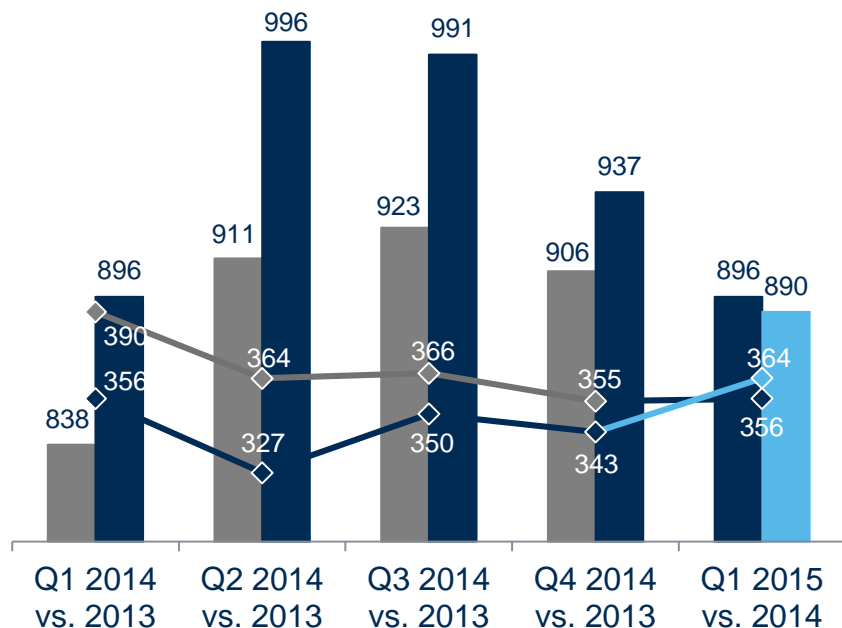


Development of volumes

Seafreight

[TEU] '000

- Volume decrease of 0.7% yoy

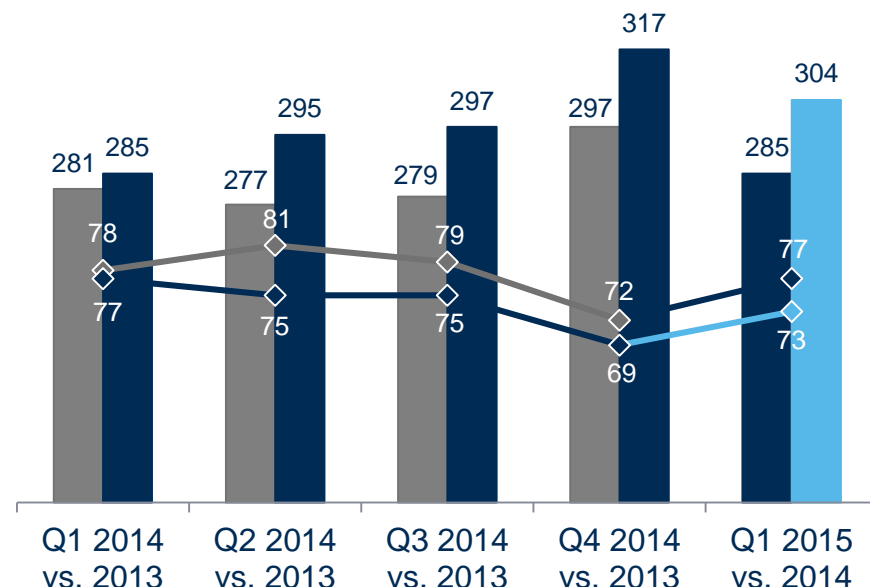


2015 ◆ GP/TEU in CHF
 2014 ◆ GP/TEU in CHF
 2013 ◆ GP/TEU in CHF

Airfreight

[TON] '000

- Volume increase of 6.7% yoy



2015 ◆ GP/100kg in CHF
 2014 ◆ GP/100kg in CHF
 2013 ◆ GP/100kg in CHF



EBIT per business unit - Q1 2015/2014

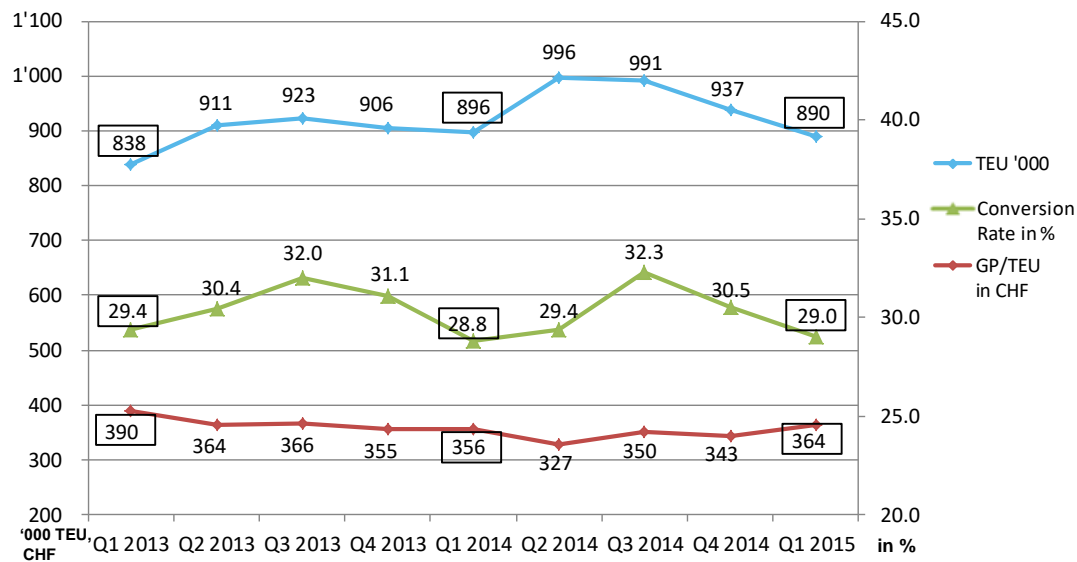
Business Unit (in CHF million)	Q1 2014	Q1 2015	Q1 2015 cc¹
Seafreight	92	94	102
Airfreight	62	68	71
Overland	3	4	4
Contract Logistics	33	24	27
Kuehne + Nagel	190	190	204
Average exchange rates:			
Euro	1.2232	1.0859	1.2232
US Dollar	0.8904	0.9502	0.8904
British Pound	1.4756	1.4498	1.4756

¹ cc (constant currencies)



Seafreight - Performance of business unit

Income Statement in CHF million	YTD Mar 2014	YTD Mar 2015	Variance		
			2015/2014	Growth	Forex
Turnover	2'154	2'244	4.2%	9.9%	(5.7%)
Gross Profit	319	324	1.6%	7.6%	(6.0%)
EBITDA	98	102	4.1%	12.3%	(8.2%)
EBIT	92	94	2.2%	10.9%	(8.7%)
EBIT in % of GP	28.8%	29.0%			



Highlights Q1 2015

- Gross Profit increase of 7.6% (in cc¹)
- EBIT increase of 10.9% (in cc)
- Volume decrease of 0.7%
- GP/TEU of CHF 364, +2.2% yoy
- Conversion rate at 29.0%
- Volumes Asia-Europe
- Volumes Asia-North America

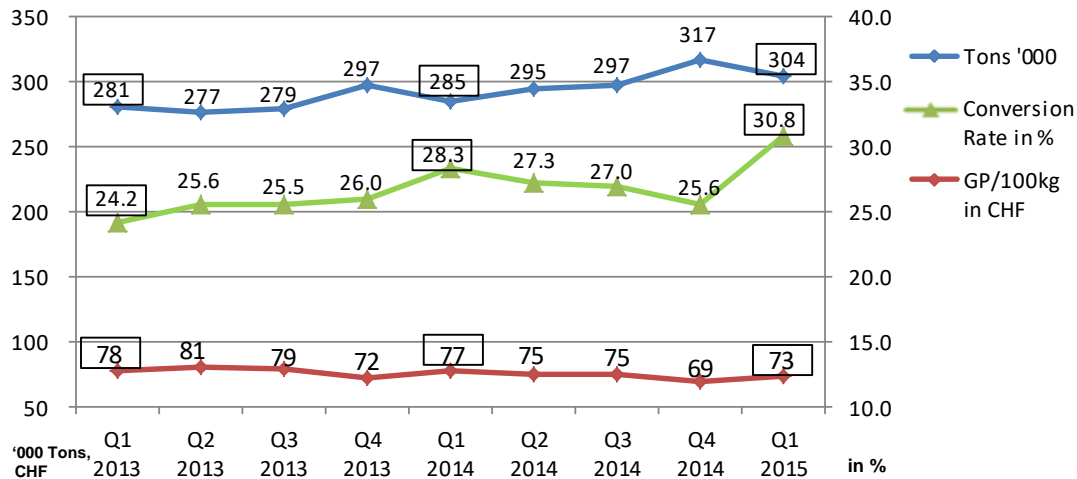


¹ cc (constant currencies)



Airfreight - Performance of business unit

Income Statement in CHF million	YTD Mar 2014	YTD Mar 2015	Variance		
			2015/2014	Growth	Forex
Turnover	1'002	999	(0.3%)	5.1%	(5.4%)
Gross Profit	219	221	0.9%	5.5%	(4.6%)
EBITDA	68	72	5.9%	10.3%	(4.4%)
EBIT	62	68	9.7%	14.5%	(4.8%)
EBIT in % of GP	28.3%	30.8%			



Highlights Q1 2015

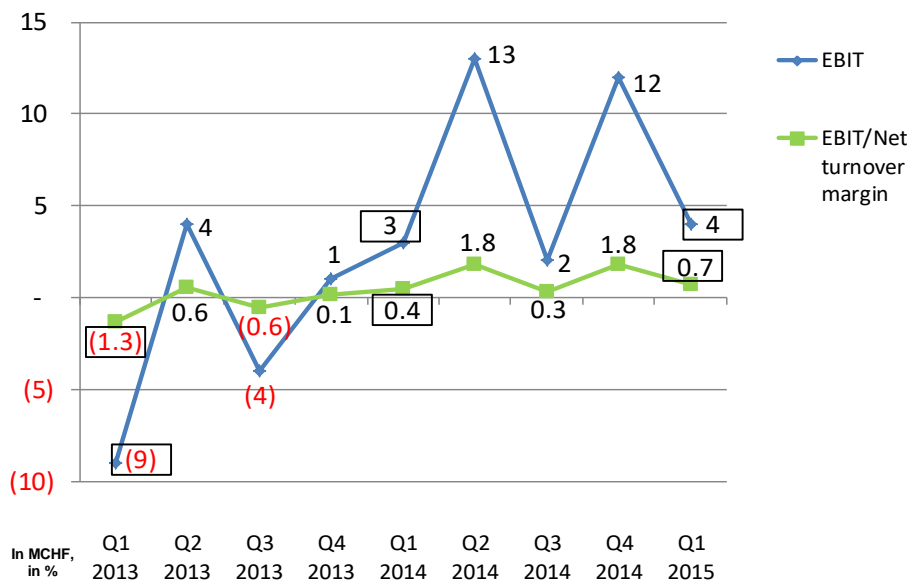
- Strong development of profitability
- Volume growth of 6.7%
- EBIT increased by 14.5% in cc¹
- Conversion rate of 30.8%

¹ cc (constant currencies)



Overland - Performance of business unit

Income Statement in CHF million	YTD Mar 2014	YTD Mar 2015	Variance		
			2015/2014	Growth	Forex
Net Turnover	692	587	(15.2%)	(5.8%)	(9.4%)
Gross Profit	225	200	(11.1%)	(1.8%)	(9.3%)
EBITDA	12	12	0.0%	16.7%	(16.7%)
EBIT	3	4	33.3%	40.5%	(7.2%)
EBITDA / Net Turnover Margin	1.7%	2.0%			
EBIT / Net Turnover Margin	0.4%	0.7%			
EBIT / GP Margin	1.3%	2.0%			



Highlights Q1 2015

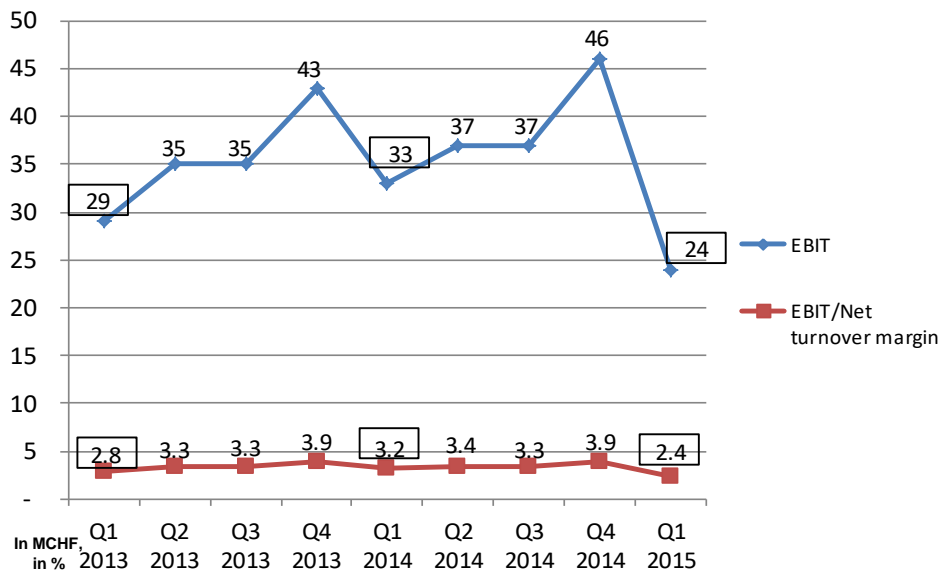
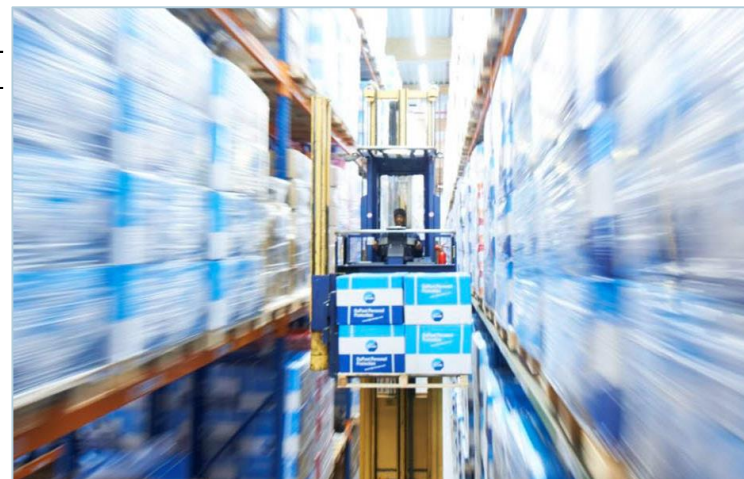
- Net Turnover decreased by 5.8% (in cc¹)...
- Gross Profit decreased by 1.8% (in cc) ...
- ...due to divestment of project business in 2014 and reduced rates based on lower diesel prices
- Significant improvement of profitability
- EBIT increased

¹ cc (constant currencies)



Contract Logistics - Performance of business unit

Income Statement in CHF million	YTD Mar 2014	YTD Mar 2015	Variance		
			2015/2014	Growth	Forex
Net Turnover	1'026	1'015	(1.1%)	6.9%	(8.0%)
Gross Profit	769	752	(2.2%)	6.0%	(8.2%)
EBITDA	57	47	(17.5%)	(8.7%)	(8.8%)
EBIT	33	24	(27.3%)	(18.2%)	(9.1%)
EBITDA / Net Turnover Margin	5.6%	4.6%			
EBIT / Net Turnover Margin	3.2%	2.4%			



Highlights Q1 2015

- Increase of Net Turnover by 6.9% (in cc¹)
 - Increase of Gross Profit by 6.0% (in cc)
 - Decrease of EBITDA by 8.7% (in cc)...
 - Decrease of EBIT by 18.2% (in cc)...
- ...due to volume reduction from large customers, price pressure in Western Europe and the built-up of resources for further organic growth

¹ cc (constant currencies)



Agenda

Overview Q1 Results 2015

Financial review

Appendices



Income statement

CHF million	2014 Q1	YTD Dec 2014	2015 Q1	Variance	Variance in %		
				Q1 2015/2014	Q1 2015/2014	Growth	Forex
Net Turnover	4'127	17'501	4'096	(31)	(0.8%)	5.9%	(6.7%)
Gross Profit	1'532	6'288	1'497	(35)	(2.3%)	5.1%	(7.4%)
Gross Profit margin	37.1%	35.9%	36.5%				
EBITDA	235	1'005	233	(2)	(0.9%)	6.8%	(7.7%)
EBITDA margin	5.7%	5.7%	5.7%				
EBIT	190	819	190	0	0.0%	7.4%	(7.4%)
EBIT margin	4.6%	4.7%	4.6%				
EBT	192	824	196	4	2.1%	9.4%	(7.3%)
EBT margin	4.7%	4.7%	4.8%				
Earnings for the period	150	644	153	3	2.0%	9.3%	(7.3%)

- Gross Profit growth in cc¹ + 5.1%
- EBITDA growth in cc + 6.8%
- Earnings for the period growth in cc + 9.3%, showing high operating leverage
- Negative foreign currency translation impact of 7.3% on the earnings for the period

Income Statement (average rates)	Q1 2014	Q1 2015	Variance %	Impact on earnings for the year in %
Euro	1.2232	1.0859	(11.2%)	} (7.3%)
US Dollar	0.8904	0.9502	6.7%	
British Pound	1.4756	1.4498	(1.8%)	

¹ cc (constant currencies)



Financial overview Q1

CHF million	2014	2015
Net Turnover	4'127	4'096
Gross Profit	1'532	1'497
EBITDA	235	233
EBIT	190	190
EBIT margin to Net Turnover	4.6%	4.6%
Net earnings for the period	147	152
EPS (basic) in CHF	1.23	1.27
Total Assets	6'522	6'317
Equity	2'657	2'414
Equity % of Total Assets	40.7%	38.2%
Cash and cash equivalents, net	1'225	1'238
Operational Cash Flow	243	236
Capex	44	44

Financial targets 2015

Profitability	▪ Group EBIT margin to Net Turnover of 5%
CAPEX	▪ 2015: CHF 228 million (2014: CHF 196 million)
Working Capital	▪ Target to maintain working capital intensity at 3.5 to 4.0%
Cash	▪ Safeguarding a high cash position
Tax	▪ Effective tax rate around 21 to 22%



Financial review - Balance sheet

CHF million	31 December 2014	31 March 2015		31 December 2014	31 March 2015
Assets			Liabilities and equity		
Property, plant and equipment	1'175	1'051	Equity attributable to the equity holders of the parent company	2'448	2'409
Goodwill	695	626	Non-controlling interests	5	5
Other intangibles	49	36	Total equity	2'453	2'414
Others	256	235	Non-current liabilities	671	603
Non-current assets	2'175	1'948	Trade payables	1'485	1'316
Trade receivables	2'600	2'459	Accrued trade expenses / deferred income	1'032	979
Cash and cash equivalents	1'170	1'253	Bank and other interest-bearing liabilities	13	23
Others	658	657	Others	949	982
Current assets	4'428	4'369	Current liabilities	3'479	3'300
Total assets	6'603	6'317	Total liabilities and equity	6'603	6'317



Financial review - Cash flow Q1

CHF million	2014	2015	Variance
Operational cash flow	243	236	(7)
Changes in working capital	(131)	(38)	93
Income taxes paid	(65)	(47)	18
Cash flow from operating activities	47	151	104
Cash flow from investing activities	(35)	(35)	-
Cash flow from financing activities	(21)	(13)	8
Exchange difference on cash and cash equivalents	(8)	(28)	(20)
Increase/(decrease) in cash and cash equivalents	(17)	75	92
Cash and cash equivalents at the beginning of the period, net	1'242	1'163	(79)
Cash and cash equivalents at the end of the period, net	1'225	1'238	13



Financial review - Working capital development

CHF million	March 2014	December 2014	March 2015	Better/(Worse) March 15 vs. December 14
Trade receivables & Work in progress	2'879	2'993	2'799	194
Trade payables & Accrued trade expenses	(2'061)	(2'351)	(2'134)	(217)
Net working capital	818	642	665	(23)
KPI's:				
Working capital intensity	4.1%	3.0%	3.3%	(0.3%)
DSO	46.7	44.4	45.8	(1.4)
DPO	53.4	54.9	55.7	0.8
Δ	6.7	10.5	9.9	(0.6)



Outlook 2015 - Development main exchange rates vs. CHF





Translation impact

	Estimate 2015	2015	Variance %	Impact on earnings for the period in CHF million
Income Statement (average rates)				
Euro	1.0500	1.0859	(3.3%)	(2)
US Dollar	0.9000	0.9502	(5.3%)	(3)
British Pound	1.3600	1.4498	(6.2%)	(0)

Estimate based on Note 52 of the Consolidated Financial Statements 2014



Outlook 2015 - Volume development

Business Unit	Q1 2015 - Actual		2015 - Estimate	
	Market	Kuehne + Nagel	Market	Kuehne + Nagel
 Seafreight [TEU]	+ 2 to 3 %	- 1 %	+ 3 to 4 %	market
 Airfreight [Ton]	+ 3 to 4 %	+ 7 %	+ 4 to 5 %	1.5 x market
 Overland [Net turnover] In cc ¹	+ 1 to 3 %	- 6 %	+ 2 to 3 %	market
 Contract Logistics [Net turnover] In cc	+ 2 to 3 %	+ 7 %	+ 3 to 4 %	2 x market

¹ cc (constant currencies)



Appendices



Upcoming events

May 5, 2015	Annual General Meeting
May 12, 2015	Dividend payment for 2014
July 14, 2015	Half-year 2015 results
October 13, 2015	Nine-months 2015 results



Quarter over quarter 2015/2014

CHF million

	2015 Q1	2014 Q1	2015 / 2014 Change in % Q1	2015 / 2014 Change in mCHF Q1
1. Seafreight				
A) Income Statement				
Turnover	2'244	2'154	+4.2	90
Net Turnover	1'639	1'572	+4.3	67
Gross Profit	324	319	+1.6	5
Opex	(222)	(221)	(0.5)	(1)
EBITDA	102	98	+4.1	4
Depreciation and Amortisation	(8)	(6)	(33.3)	(2)
EBIT	94	92	+2.2	2
B) KPI				
EBIT / GP conversion ratio	29.0%	28.8%		
Volume (TEU's '000)	890	896	(0.7)	(6)
GROSS PROFIT	364	356	+2.2	8
EXPENSES	(258)	(253)	(2.0)	(5)
EBIT	106	103	+2.9	3
2. Airfreight				
A) Income Statement				
Turnover	999	1'002	(0.3)	(3)
Net turnover	855	837	+2.2	18
Gross Profit	221	219	+0.9	2
Opex	(149)	(151)	+1.3	2
EBITDA	72	68	+5.9	4
Depreciation and Amortisation	(4)	(6)	+33.3	2
EBIT	68	62	+9.7	6
B) KPI				
EBIT / GP conversion ratio	30.8%	28.3%		
Volume (TON's '000)	304	285	+6.7	19
GROSS PROFIT	73	77	(5.2)	(4)
EXPENSES	(50)	(55)	+9.1	5
EBIT	23	22	+4.5	1



Quarter over quarter 2015/2014

CHF million

	2015 Q1	2014 Q1	2015 / 2014 Change in % Q1	2015 / 2014 Change in mCHF Q1
3. Overland				
A) Income Statement				
Turnover	644	754	(14.6)	(110)
Net Turnover	587	692	(15.2)	(105)
Gross Profit	200	225	(11.1)	(25)
Opex	(188)	(213)	+11.7	25
EBITDA	12	12	+0.0	0
Depreciation and Amortisation	(8)	(9)	+11.1	1
EBIT	4	3	+33.3	1
B) KPI				
EBITDA / Net turnover	2.0%	1.7%		
EBIT / Net turnover	0.7%	0.4%		
4. Contract Logistics				
A) Income Statement				
Turnover	1'101	1'119	(1.6)	(18)
Net turnover	1'015	1'026	(1.1)	(11)
Gross Profit	752	769	(2.2)	(17)
Opex	(705)	(712)	+1.0	7
EBITDA	47	57	(17.5)	(10)
Depreciation and Amortisation	(23)	(24)	+4.2	1
EBIT	24	33	(27.3)	(9)
B) KPI				
EBITDA / Net turnover	4.6%	5.6%		
EBIT / Net turnover	2.4%	3.2%		



Quarter over quarter 2015/2014

CHF million

	2015 Q1	2014 Q1	2015 / 2014 Change in % Q1	2015 / 2014 Change in mCHF Q1
5. Kuehne + Nagel Group				
A) Income Statement				
Turnover	4'988	5'029	(0.8)	(41)
Customs duties and taxes	(892)	(902)	+1.1	10
Net Turnover	4'096	4'127	(0.8)	(31)
Net expenses for services from third parties	(2'599)	(2'595)	(0.2)	(4)
Gross Profit	1'497	1'532	(2.3)	(35)
Opex	(1'264)	(1'297)	+2.5	33
EBITDA	233	235	(0.9)	(2)
Depreciation and Amortisation	(43)	(45)	+4.4	2
EBIT	190	190	+0.0	0
Result from finance and associates	6	2	+200.0	4
EBT	196	192	+2.1	4
Income tax	(43)	(42)	(2.4)	(1)
Earnings for the period	153	150	+2.0	3
Non-controlling interests	(1)	(3)	+66.7	2
Net Earnings	152	147	+3.4	5
B) KPI				
GP / Net turnover	36.5%	37.1%		
EBITDA / Net turnover	5.7%	5.7%		
EBIT / Net turnover	4.6%	4.6%		
Earnings for the period / Net turnover	3.7%	3.6%		



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