

Kuehne+Nagel Group

**Efficiency increase alongside volume reduction in the first quarter of 2023**

- **Rapid normalisation of supply chain environment following the exceptional situation in 2021 and 2022**
- **High profitability in all business units compared to pre-pandemic**
- **Focus on cost control by leveraging the asset light model**
- **Group conversion rate at high level of 26%**

Kuehne+Nagel Group CHF m	Q1 2023	Q1 2022	Δ
Net turnover	<b>6,748</b>	10,158	-37%
Gross profit	<b>2,394</b>	2,942	-19%
EBITDA	<b>803</b>	1,306	-39%
EBIT	<b>612</b>	1,120	-45%
Earnings	<b>462</b>	832	-45%
Free cash flow	<b>415</b>	1,037	-60%

Schindellegi / CH, April 25, 2023 – The start of the 2023 business year was marked by geopolitical and inflation-related challenges worldwide. In parallel, the supply chain environment quickly normalised after the boom years of 2021 and 2022. Although demand for transport services declined as expected, the Kuehne+Nagel Group achieved solid results. The corona-related special economic situation distorts the comparison with the previous year. In the context of a normalised business environment and compared to the business performance before the pandemic, the first quarter of 2023 represents a record result.

Net turnover for the first three months of 2023 was CHF 6.7 billion, EBIT CHF 612 million and net earnings totaled CHF 462 million. The conversion rate, which describes the ratio of EBIT to gross profit of the Group, remained at a high level of 26%.

**Stefan Paul, CEO of Kuehne+Nagel International AG:**

"The macroeconomic environment remained extremely challenging at the start of 2023. This does not come as a surprise as signs of significant weakening emerged last autumn, following the period of extraordinary, pandemic-related demand for logistics services.

With our focus on cost control through the consistent exploitation of the asset light model, the Kuehne+Nagel Group was able to hold its own in this environment and expand its market share worldwide. We already see early successes from the strategic Roadmap 2026 presented in March."

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## Sea Logistics

<i>CHF m</i>	<b>Q1 2023</b>	Q1 2022	$\Delta$
Net turnover	<b>2,667</b>	4,857	-45%
Gross profit	<b>686</b>	974	-30%
EBIT	<b>344</b>	621	-45%

In the first quarter of 2023, net turnover of the Sea Logistics business unit was CHF 2.7 billion and EBIT totaled CHF 344 million. The conversion rate stayed at a high level of 50%. The container volume was 987,000 TEU over the first three months of 2023.

Kuehne+Nagel Sea Logistics made significant market share gains, establishing leadership on the transpacific route for the first time.

## Air Logistics

<i>CHF m</i>	<b>Q1 2023</b>	Q1 2022	$\Delta$
Net turnover	<b>1,862</b>	3,146	-41%
Gross profit	<b>488</b>	817	-40%
EBIT	<b>154</b>	425	-64%

In the first quarter of 2023, net turnover of the Air Logistics business unit amounted to CHF 1.9 billion and EBIT to CHF 154 million. The conversion rate was 32%. Air freight volumes were 475,000 tonnes for the first quarter 2023. In an overall declining air freight market, Kuehne+Nagel maintained a stable market share while gaining share in areas like the transport of perishable goods.

As part of a long-term charter agreement with Atlas Air, Kuehne+Nagel took delivery in Seattle of the last Boeing 747 ever produced in February. The jumbo jet will be used primarily for freight on the transpacific route for Kuehne+Nagel's subsidiary Apex Logistics.

## Road Logistics

<i>CHF m</i>	<b>Q1 2023</b>	Q1 2022	$\Delta$
Net turnover	<b>956</b>	982	-3%
Gross profit	<b>349</b>	329	6%
EBIT	<b>52</b>	30	73%

In the first quarter of 2023, net turnover of business unit Road Logistics amounted to CHF 956 million and EBIT to CHF 52 million. Around 6 million orders were processed in the first quarter. The networks continued to be well utilised, enabling the unit to post a record quarterly result.

In March, Kuehne+Nagel put the first 23 electric trucks into operation in France, which will be used primarily in urban environments.

## Contract Logistics

<i>CHF m</i>	<b>Q1 2023</b>	Q1 2022	$\Delta$
Net turnover	<b>1.263</b>	1.173	8%
Gross profit	<b>871</b>	822	6%
EBIT	<b>62</b>	44	41%

In the first quarter of 2023, net turnover of the Contract Logistics business unit was CHF 1.3 billion with EBIT of CHF 62 million. The focus on high value-added customer segments and the high utilisation of warehouse space again led to an increase in profitability to a new record level.

With the opening of a new distribution centre for Decathlon, the French sporting goods retailer, the business unit expanded logistics capacity for this customer in Latin America by around 30%. The new facility in Chile is equipped with state-of-the-art robotics for omnichannel picking.

### **About Kuehne+Nagel**

With over 79,000 employees at almost 1,300 sites in close to 100 countries, the Kuehne+Nagel Group is one of the world's leading logistics providers. It operates in sea logistics, air logistics, road logistics and contract logistics, with a clear focus on integrated logistics solutions.