

JANUARY – MARCH 2020

CONDENSED
CONSOLIDATED
INTERIM FINANCIAL
STATEMENTS 2020
(UNAUDITED)



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Schindellegi, April 24, 2020

INCOME STATEMENT

CHF million	Note	January – March		Variance per cent
		2020	2019	
Net turnover	11	4,912	5,237	-6.2
Net expenses for services from third parties	11	-3,034	-3,259	
Gross profit	11	1,878	1,978	-5.1
Personnel expenses		-1,163	-1,205	
Selling, general and administrative expenses		-342	-363	
Other operating income/expenses, net		5	8	
EBITDA		378	418	-9.6
Depreciation of property, plant and equipment		-49	-48	
Depreciation of right-of-use assets		-134	-115	
Amortisation of other intangibles		-11	-13	
EBIT		184	242	-24.0
Financial income		2	1	
Financial expenses		-5	-7	
Result from joint ventures and associates		1	-	
Earnings before tax (EBT)		182	236	-22.9
Income tax		-43	-55	
Earnings for the period		139	181	-23.2
Attributable to:				
Equity holders of the parent company		138	180	-23.3
Non-controlling interests		1	1	
Earnings for the period		139	181	-23.2
Basic earnings per share in CHF		1.15	1.50	-23.3
Diluted earnings per share in CHF		1.15	1.50	-23.3

STATEMENT OF COMPREHENSIVE INCOME

CHF million	January – March	
	2020	2019
Earnings for the period	139	181
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign exchange differences	-136	21
<i>Items that will not be reclassified to profit or loss:</i>		
Actuarial gains/(losses) on defined benefit plans	50	-16
Income tax on actuarial gains/(losses) on defined benefit plans	-12	4
Total other comprehensive income, net of tax	-98	9
Total comprehensive income for the period	41	190
Attributable to:		
Equity holders of the parent company	41	189
Non-controlling interests	-	1

BALANCE SHEET

CHF million	Note	March 31, 2020	Dec. 31, 2019	March 31, 2019
Assets				
Property, plant and equipment		983	1,089	1,239
Right-of-use assets		1,649	1,899	1,765
Goodwill		1,178	1,220	1,241
Other intangibles		179	185	220
Investments in joint ventures and associates		9	9	7
Deferred tax assets		194	219	179
Non-current assets		4,192	4,621	4,651
Prepayments		208	161	211
Contract assets		201	223	273
Trade receivables		3,304	3,601	3,956
Other receivables		126	264	155
Income tax receivables		99	45	118
Cash and cash equivalents		903	910	654
Assets held for sale	10	415	-	-
Current assets		5,256	5,204	5,367
Total assets		9,448	9,825	10,018

CHF million	Note	March 31, 2020	Dec. 31, 2019	March 31, 2019
Liabilities and equity				
Share capital		120	120	120
Reserves and retained earnings	13	2,067	1,398	2,211
Earnings for the period		138	798	180
Equity attributable to the equity holders of the parent company		2,325	2,316	2,511
Non-controlling interests		6	6	7
Equity		2,331	2,322	2,518
Provisions for pension plans and severance payments		372	431	394
Deferred tax liabilities		57	60	105
Borrowings		400	400	-
Non-current provisions		28	45	47
Other non-current liabilities		200	206	117
Non-current lease liabilities		1,222	1,432	1,309
Non-current liabilities		2,279	2,574	1,972
Bank and other interest-bearing liabilities		28	12	373
Trade payables		1,624	1,890	1,853
Contract liabilities		80	74	91
Accrued trade expenses		1,100	1,190	1,304
Income tax liabilities		204	169	185
Current provisions		65	80	65
Other current liabilities		955	1,004	1,197
Current lease liabilities		467	510	460
Liabilities directly associated with the assets held for sale	10	315	-	-
Current liabilities		4,838	4,929	5,528
Total liabilities and equity		9,448	9,825	10,018

Schindellegi, April 24, 2020

KUEHNE + NAGEL INTERNATIONAL AGDr. Detlef Trefzger
CEOMarkus Blanka-Graff
CFO

STATEMENT OF CHANGES IN EQUITY

CHF million	Share capital	Share premium	Treasury shares	Cumulative translation adjustment	Actuarial gains/(losses)	Retained earnings	Total equity attributable to the equity holders of parent company	Non-controlling interests	Total equity
Balance as of January 1, 2019	120	477	-36	-995	-111	2,863	2,318	6	2,324
Earnings for the period	-	-	-	-	-	180	180	1	181
Other comprehensive income									
Foreign exchange differences	-	-	-	21	-	-	21	-	21
Actuarial gains/(losses) on defined benefit plans, net of tax	-	-	-	-	-12	-	-12	-	-12
Total other comprehensive income, net of tax	-	-	-	21	-12	-	9	-	9
Total comprehensive income for the period	-	-	-	21	-12	180	189	1	190
Expenses for share-based compensation plans	-	-	-	-	-	4	4	-	4
Total contributions by and distributions to owners	-	-	-	-	-	4	4	-	4
Balance as of March 31, 2019	120	477	-36	-974	-123	3,047	2,511	7	2,518
Balance as of January 1, 2020	120	469	-28	-1,042	-161	2,958	2,316	6	2,322
Earnings for the period	-	-	-	-	-	138	138	1	139
Other comprehensive income									
Foreign exchange differences	-	-	-	-135	-	-	-135	-1	-136
Actuarial gains/(losses) on defined benefit plans, net of tax	-	-	-	-	38	-	38	-	38
Total other comprehensive income, net of tax	-	-	-	-135	38	-	-97	-1	-98
Total comprehensive income for the period	-	-	-	-135	38	138	41	-	41
Purchase of treasury shares	-	-	-36	-	-	-	-36	-	-36
Expenses for share-based compensation plans	-	-	-	-	-	4	4	-	4
Total contributions by and distributions to owners	-	-	-36	-	-	4	-32	-	-32
Balance as of March 31, 2020	120	469	-64	-1,177	-123	3,100	2,325	6	2,331

CASH FLOW STATEMENT

CHF million	Note	January – March		Variance
		2020	2019	
Cash flow from operating activities				
Earnings for the period		139	181	
Adjustments to reconcile earnings for the period to net cash flows:				
Income tax		43	55	
Financial income		-2	-1	
Financial expenses		5	7	
Result from joint ventures and associates		-1	-	
Depreciation of property, plant and equipment		49	48	
Depreciation of right-of-use assets		134	115	
Amortisation of other intangibles		11	13	
Expenses for share-based compensation plans		4	4	
(Gain)/loss on disposal of subsidiaries and associates		-	-1	
(Gain)/loss on disposal of property, plant and equipment, net		-5	-4	
Net addition to provisions for pension plans and severance payments		3	2	
Subtotal operational cash flow		380	419	-39
(Increase)/decrease contract assets		-2	31	
(Increase)/decrease trade and other receivables, prepayments		-141	-107	
Increase/(decrease) provisions		-6	-5	
Increase/(decrease) other liabilities		55	53	
Increase/(decrease) trade payables, contract liabilities and accrued trade expenses		-114	-85	
Income taxes paid		-66	-43	
Total cash flow from operating activities		106	263	-157
Cash flow from investing activities				
Capital expenditure				
– Property, plant and equipment	15	-48	-89	
– Other intangibles	15	-3	-4	
Disposal of property, plant and equipment		164	85	
Acquisition of subsidiaries, net of cash acquired	8/9	-35	-14	
Disposal of subsidiaries and associates		-	1	
Interest received		1	1	
Total cash flow from investing activities		79	-20	99
Cash flow from financing activities				
Proceeds from borrowings and other interest-bearing liabilities		1	6	
Repayment of lease liabilities		-133	-115	
Interest paid on borrowings and other interest-bearing liabilities		-2	-2	
Interest paid on lease liabilities		-4	-4	
Purchase of treasury shares	13	-36	-	
Total cash flow from financing activities		-174	-115	-59
Foreign exchange difference on cash and cash equivalents		-27	8	-35
Increase/(decrease) in cash and cash equivalents		-16	136	-152
Cash and cash equivalents at the beginning of the period, net		904	488	416
Cash and cash equivalents at the end of the period, net		888	624	264

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. ORGANISATION

Kuehne + Nagel International AG (the Company) is incorporated in Schindellegi (Feusisberg), Switzerland. The Company is one of the world's leading logistics providers. Its strong market position lies in the Sea Logistics, Air Logistics, Road Logistics and Contract Logistics businesses.

The Condensed Consolidated Interim Financial Statements of the Company for the three months ended March 31, 2020, comprise the Company, its subsidiaries (the Group) and its interests in joint ventures.

The Group voluntarily presents a balance sheet as of March 31, 2019.

2. STATEMENT OF COMPLIANCE

The unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Consolidated Financial Statements of the Group for the year ended December 31, 2019.

3. BASIS OF PREPARATION

The Condensed Consolidated Interim Financial Statements are presented in Swiss Francs (CHF) million. They are prepared on a historical cost basis except for certain financial instruments, which are stated at fair value. Non-current assets and disposal groups held for sale are stated at the lower of the carrying amount and fair value less costs to sell.

The preparation of the Condensed Consolidated Interim Financial Statements in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), requires the management to make judgements, estimates and assumptions

that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The actual result may differ from these estimates. Judgements made by the management in the application of International Financial Reporting Standards that have a significant effect on the Condensed Consolidated Interim Financial Statements and estimates with a significant risk of material adjustment in the next period were the same as those applied to the Consolidated Financial Statements for the year ended December 31, 2019.

4. ACCOUNTING POLICIES

The accounting policies applied in the preparation of the Condensed Consolidated Interim Financial Statements are consistent with those followed in the preparation of the Group's Consolidated Financial Statements for the year ended December 31, 2019.

New, revised and amended standards that are effective for the 2020 reporting year are either not relevant for the Group, or do not have a material impact on the Condensed Consolidated Interim Financial Statements.

5. IMPACT FROM COVID-19

On March 11, 2020 the World Health Organisation, declared the COVID-19 outbreak to be a pandemic due to its rapid spread worldwide. Various governments introduced containment measures in order to reduce the growth of infections.

The Kuehne + Nagel Group has precautionary measures in place to provide safe working environments for its employees and maintain business continuity. Dedicated teams at global and regional level are monitoring the situation as it develops and will adjust any measures based on the guidance of governments and other relevant authorities. To date Kuehne + Nagel has not experienced any major disruptions to its operations. While demand in certain industries such as pharma, healthcare, high-tech, and ecommerce has increased, volumes of some other industries, especially automotive and perishables, reduced significantly. In China, the major part of production has resumed, but the overall progression of the COVID-19 pandemic remains volatile and difficult to predict.

Due to these uncertainties, the Board of Directors of Kuehne + Nagel International AG decided to propose to the Annual General Meeting in May 2020 to carry forward the retained earnings. This will further support the liquidity levels of the Group; in addition, the Group has successfully extended its revolving credit facility of CHF 750 million by another year until April 24, 2023, to ensure immediate access to liquidity.

For these Condensed Consolidated Interim Financial Statements, the impact of the COVID-19 outbreak and containment measures taken by various governments are considered as far as already implemented and assessments for the future are made based on various scenarios.

The Kuehne + Nagel Group has analysed whether any triggering events can be identified, that would indicate an impairment of its assets. As of March 31, 2020, no impairment of assets needs to be recognised.

The Group has reassessed the expected credit loss by applying updated credit ratings and probabilities of default. The bad debt provision in percent of trade receivables and contract assets has increased from 1.95 per cent as of December 31, 2019 to 2.10 per cent as of March 31, 2020.

The Group maintains a number of defined benefit plans. The reassessment of those plans as of March 31, 2020 led to a decrease of the net defined benefit obligation of CHF 50 million, mainly due to increased discount rates. The introduced short-time work in several jurisdictions had no material impact on the Group's Condensed Consolidated Interim Financial Statements for the period ending March 31, 2020.

As of March 31, 2020, the Group has not received any material government subsidies or assistance.

The Kuehne + Nagel Group closely monitors the business and results of its recent acquisitions, for which performance based

earn outs have been agreed to be paid in the future. As of March 31, 2020, no material fair value changes of contingent consideration liabilities had to be recorded.

While the Kuehne + Nagel Group has ensured the continuation of its operations, the impact of COVID-19 on business growth and profitability cannot be quantified at this stage as it depends on the duration and severity of the pandemic.

6. FOREIGN EXCHANGE RATES

Conversion rates of major foreign currencies are applied as follows:

Income statement and cash flow statement

(average rates for the period)

Currency	Jan. – March 2020 CHF	Variance per cent	Jan. – March 2019 CHF
EUR 1.–	1.0700	–5.3	1.1297
USD 1.–	0.9693	–2.5	0.9938
GBP 1.–	1.2486	–3.6	1.2948

Balance sheet

(period end rates)

Currency	March 2020 CHF	Variance per cent	March 2019 CHF	Dec. 2019 CHF
EUR 1.–	1.0592	–5.6	1.1222	1.0889
USD 1.–	0.9511	–4.2	0.9933	0.9769
GBP 1.–	1.1856	–9.6	1.3121	1.2755

7. SEASONALITY

The Group is not exposed to significant seasonal or cyclical variations in its operations.

8. CHANGES IN THE SCOPE OF CONSOLIDATION

Major changes in the scope of consolidation in the first three months of 2020 related to the following companies:

2020	Capital share in per cent equals voting rights	Currency	Share capital in 1,000	Acquisition date
Acquisitions				
Newco Logistics NV, Belgium ¹	100	EUR	65	January 7, 2020
Rotra Forwarding NV, Belgium ¹	100	EUR	1,877	January 7, 2020
Rotrexma 2 Holding BV, Netherlands ¹	100	EUR	–	January 7, 2020
Exmijro 2 BV, Netherlands ¹	100	EUR	–	January 7, 2020
TS Holding BV, Netherlands ¹	100	EUR	–	January 7, 2020
Global Parcel Services BV, Netherlands ¹	100	EUR	50	January 7, 2020
Roelofsen Transport BV, Netherlands ¹	100	EUR	250	January 7, 2020
Rotra Logistics Solutions BV, Netherlands ¹	100	EUR	50	January 7, 2020
Rotra Forwarding BV, Netherlands ¹	100	EUR	250	January 7, 2020
Logistics Software Solutions Holding BV, Netherlands ¹	100	EUR	10	January 7, 2020
Logistics Software Solutions BV, Netherlands ¹	100	EUR	18	January 7, 2020
Truck Supply Europe Srl, Romania ¹	100	RON	442	January 7, 2020
S.C. Rotra Forwarding Srl, Romania ¹	100	RON	212	January 7, 2020

¹ Refer to note 9 for details to the acquisition of subsidiaries.

Major changes in the scope of consolidation in the first three months of 2019 related to the following companies:

2019	Capital share in per cent equals voting rights	Currency	Share capital in 1,000	Incorporation/ acquisition date
Incorporation				
Modern Office Pte Ltd, Singapore	100	SGD	676	January 1, 2019
Acquisitions				
KN-Sincero Logistics Co. Ltd., China (formerly Shanghai Ruichun Logistics Co., Ltd.) ¹	51	CNY	30,000	January 1, 2019
Zhejiang Jiajin Logistics Co. Ltd., China ¹	51	CNY	10,000	January 1, 2019
Wuhan Zhisheng Logistics Co. Ltd., China ¹	51	CNY	10,000	January 1, 2019
Shenzhen Hua Tie Xun Logistics Co. Ltd., China ¹	51	CNY	5,000	January 1, 2019

¹ Refer to note 9 for details to the acquisition of subsidiaries.

9. ACQUISITIONS

2020 Acquisitions

The acquisition of subsidiaries in the first three months 2020 had the following effect on the Group's assets and liabilities:

CHF million	Recognised fair values
Property, plant and equipment	3
Right-of-use assets	27
Other intangibles	10
Trade receivables	17
Other current assets	1
Acquired cash and cash equivalents (net)	3
Subtotal assets	61
Non-current lease liabilities	-23
Other non-current liabilities	-3
Trade payables	-11
Current lease liabilities	-4
Other current liabilities	-7
Total identifiable assets and liabilities, net	13
Goodwill	25
Purchase price, paid in cash	38
Acquired cash and cash equivalents (net)	-3
Net cash outflow	35

Effective January 7, 2020 the Group acquired 100 per cent of the shares of the road and contract logistics activities of Rotrexma 2 Holding BV (Rotra), a company headquartered in the Netherlands, together with its subsidiaries. With approximately 800 employees and a yearly net revenue of above CHF 110 million the Group of companies operates a fleet of over 200 trucks, providing Europe-wide overland transportation as well as contract logistics services for Dutch, Belgian and international customers. It manages cross-dock facilities in the Netherlands and in Belgium. The purchase price of CHF 38 million was paid in cash.

Other intangibles of CHF 10 million recognised on the acquisition represent customer contracts and non-contractual customer lists having a useful life of one to five years.

The trade receivables comprise gross contractual amounts due of CHF 17 million, and all amounts are expected to be collectible. Goodwill of CHF 25 million arose on the acquisition and represents management expertise and workforce, which do not meet the definition of an intangible asset to be recognised separately. Goodwill is not expected to be tax deductible.

The initial accounting for the acquisitions made in the first three months of 2020 has only been determined provisionally.

2019 Acquisitions

The acquisition of subsidiaries in the first three months 2019 had the following effect on the Group's assets and liabilities:

CHF million	Recognised fair values
Property, plant and equipment	2
Other intangibles	13
Acquired cash and cash equivalents (net)	2
Subtotal assets	17
Non-current liabilities	-3
Total identifiable assets and liabilities, net	14
Goodwill	64
Total purchase price consideration	78
Thereof deferred consideration	-13
Thereof contingent consideration	-49
Purchase price, paid in cash	16
Acquired cash and cash equivalents (net)	-2
Net cash outflow	14

Effective January 1, 2019, the Group acquired 51 per cent of the shares of KN-Sincero Logistics Co. Ltd., China (formerly

Shanghai Ruichun Logistics Co., Ltd.), a new company established to conduct the business of the partnership with Sincero, a Chinese automotive logistics group, to focus on contract logistics business for the automotive sector. With more than 800 employees, it operates close to 120,000 sqm of logistics space in Central, Southern and Western China and generates annual revenues of approximately CHF 60 million.

The Group owns a call option to purchase the remaining 49 per cent and has concluded that as a result of this option it has, in substance, acquired 100 per cent ownership interest in KN-Sincero Logistics Co. Ltd. and no non-controlling interest has been recognised. The liability for the 49 per cent that the Group does not yet legally own, is accounted for as contingent consideration.

The purchase price of CHF 78 million includes a deferred consideration of CHF 13 million and a contingent consideration of CHF 49 million depending on the achieved profitability targets until 2021. The consideration is determined by a multiplier of net profit. A change to the expected net profit scenario of +/- 10 per cent would result in a charge to the income statement of +/- CHF 5 million.

The expected additional cash payments to be made to the previous owners are expected as follows:

Year of payment	Expected payment in CHF million
2020	7
2021	58
Total	65

10. AGREED-UPON DIVESTMENT

On March 8, 2020, Kuehne + Nagel entered into a binding agreement to sell a major part of its contract logistics portfolio in the United Kingdom to XPO Logistics. The scope of the transaction includes the drinks logistics, food services and retail & technology businesses, whereby the pharma & healthcare businesses are retained. In 2019, these operations generated a turnover of CHF 750 million and earnings for the period of CHF 2 million. In the first three months 2020, they contributed CHF 164 million turnover and earnings for the period of CHF (5) million. The assets and liabilities related to this divestiture are classified as assets held for sale (CHF 415 million) and liabilities directly associated with the assets held for sale (CHF 315 million) and are presented separately in the balance sheet.

CHF million	March 31, 2020
Property, plant and equipment	45
Right of use assets	158
Goodwill	18
Trade receivables	127
Other current assets	60
Cash and cash equivalents	7
Assets held for sale	415
Non-current lease liabilities	-142
Other non-current liabilities	-11
Current lease liabilities	-17
Other current liabilities	-82
Trade payables	-63
Liabilities directly associated with the assets held for sale	-315
Net assets directly associated with the disposal group	100

11. SEGMENT REPORTING

a) Reportable segments

The Group provides integrated logistics solutions across customers' supply chains using its global logistics network.

The four reportable segments, **Sea Logistics**, **Air Logistics**, **Road Logistics** and **Contract Logistics**, reflect the internal management and reporting structure to the Management Board (the chief operating decision maker, CODM) and are managed through specific organisational structures. The CODM reviews internal management reports on a monthly basis. Each segment is a distinguishable business unit and is engaged in providing and selling discrete products and services.

The discrete distinction between Sea Logistics, Air Logistics and Road Logistics is the usage of the same transportation mode within a reportable segment. In addition to common business processes and management routines, a single main transportation mode is used within a reportable segment. For the reportable segment Contract Logistics the services performed are related to customer contracts for warehouse and distribution activities, whereby services performed are storage, handling and distribution.

Pricing between segments is determined on an arm's length basis. The accounting policies of the reportable segments are the same as applied in the Consolidated Financial Statements.

Information about the reportable segments is presented on the next pages. Segment performance is based on EBIT as reviewed by the CODM. The column "eliminations" shows the eliminations of turnover and expenses between segments. All operating expenses are allocated to the segments and included in the EBIT.

b) Geographical information

The Group operates on a worldwide basis in the following geographical areas: **EMEA**, **Americas** and **Asia-Pacific**. All products and services are provided in each of these geographical regions. The regional revenue is based on the geographical location of the customers invoiced, and regional assets are based on the geographical location of assets.

c) Major customers

There is no single customer who represents more than ten per cent of the Group's total revenue.

a) Reportable segments

January – March

	Total Group		Sea Logistics		Air Logistics		Road Logistics	
CHF million	2020	2019	2020	2019	2020	2019	2020	2019
Turnover (external customers)	5,860	6,323	2,235	2,437	1,285	1,372	975	1,037
Customs duties and taxes	-948	-1,086	-511	-585	-194	-202	-112	-136
Net turnover (external customers)	4,912	5,237	1,724	1,852	1,091	1,170	863	901
Inter-segment turnover	-	-	542	645	621	593	356	385
Net expenses for services	-3,034	-3,259	-1,922	-2,115	-1,405	-1,437	-938	-1,001
Gross profit	1,878	1,978	344	382	307	326	281	285
Total expenses	-1,500	-1,560	-258	-263	-225	-233	-249	-249
EBITDA	378	418	86	119	82	93	32	36
Depreciation of property, plant and equipment	-49	-48	-5	-5	-5	-5	-6	-6
Depreciation of right-of-use assets	-134	-115	-1	-1	-1	-1	-5	-3
Amortisation of other intangibles	-11	-13	-1	-1	-5	-7	-4	-3
EBIT (segment profit)	184	242	79	112	71	80	17	24
Financial income	2	1						
Financial expenses	-5	-7						
Result from joint ventures and associates	1	-						
Earnings before tax (EBT)	182	236						
Income tax	-43	-55						
Earnings for the period	139	181						
Attributable to:								
Equity holders of the parent company	138	180						
Non-controlling interests	1	1						
Earnings for the period	139	181						
Additional information not regularly reported to the CODM								
Allocation of goodwill	1,196	1,241	32	39	418	442	338	323
Allocation of other intangibles	179	220	-	-	123	160	48	47
Capital expenditure property, plant and equipment	48	89	4	6	2	5	5	5
Capital expenditure right-of-use assets	140	113	4	3	4	4	6	30
Capital expenditure other intangibles	3	4	1	1	-	1	1	1
Property, plant and equipment, goodwill and intangibles through business combinations	38	79	-	-	-	-	38	-

Contract Logistics		Total reportable segments		Eliminations	
2020	2019	2020	2019	2020	2019
1,365	1,477	5,860	6,323	-	-
-131	-163	-948	-1,086	-	-
1,234	1,314	4,912	5,237	-	-
42	74	1,561	1,697	-1,561	-1,697
-330	-403	-4,595	-4,956	1,561	1,697
946	985	1,878	1,978	-	-
-768	-815	-1,500	-1,560	-	-
178	170	378	418	-	-
-33	-32	-49	-48	-	-
-127	-110	-134	-115	-	-
-1	-2	-11	-13	-	-
17	26	184	242	-	-
408	437	1,196	1,241	-	-
8	13	179	220	-	-
37	73	48	89	-	-
126	76	140	113	-	-
1	1	3	4	-	-
-	79	38	79	-	-

b) Geographical information

January – March

CHF million	Total Group		EMEA		Americas	
	2020	2019	2020	2019	2020	2019
Turnover (external customers)	5,860	6,323	3,720	3,933	1,535	1,737
Customs duties and taxes	-948	-1,086	-671	-753	-220	-275
Net turnover (external customers)	4,912	5,237	3,049	3,180	1,315	1,462
Inter-regional turnover	-	-	1,008	1,098	285	305
Net expenses for services	-3,034	-3,259	-2,786	-2,949	-1,187	-1,334
Gross profit	1,878	1,978	1,271	1,329	413	433
Total expenses	-1,500	-1,560	-1,051	-1,094	-322	-327
EBITDA	378	418	220	235	91	106
Depreciation of property, plant and equipment	-49	-48	-34	-32	-11	-11
Depreciation of right-of-use assets	-134	-115	-88	-79	-29	-23
Amortisation of other intangibles	-11	-13	-4	-3	-6	-9
EBIT	184	242	94	121	45	63
Financial income	2	1				
Financial expenses	-5	-7				
Result from joint ventures and associates	1	-				
Earnings before tax (EBT)	182	236				
Income tax	-43	-55				
Earnings for the period	139	181				
Attributable to:						
Equity holders of the parent company	138	180				
Non-controlling interests	1	1				
Earnings for the period	139	181				
Additional information not regularly reported to the CODM						
Allocation of goodwill	1,196	1,241	515	519	603	634
Allocation of other intangibles	179	220	44	5	127	202
Capital expenditure property, plant and equipment	48	89	34	55	10	18
Capital expenditure right-of-use assets	140	113	103	89	25	9
Capital expenditure other intangibles	3	4	3	3	-	1
Property, plant and equipment, goodwill and intangibles through business combinations	38	79	38	-	-	-

[illegible]

12. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

As of March 31, 2020

CHF million	Financial assets at FVPL	Financial assets at amortised cost	Total carrying amount	Total fair value
Trade receivables	–	3,304	3,304	3,304
Other receivables	2	124	126	126
Total	2	3,428	3,430	3,430

CHF million	Financial liabilities at FVPL	Financial liabilities at amortised cost	Total carrying amount	Total fair value
Borrowings	–	400	400	394
Bank and other interest-bearing liabilities	–	28	28	28
Trade payables	–	1,624	1,624	1,624
Accrued trade expenses	–	1,100	1,100	1,100
Contingent and deferred consideration	221	3	224	224
Other liabilities	9	262	271	271
Total	230	3,417	3,647	3,641

As of December 31, 2019

CHF million	Financial assets at FVPL	Financial assets at amortised cost	Total carrying amount	Total fair value
Trade receivables	–	3,601	3,601	3,601
Other receivables	2	261	263	263
Total	2	3,862	3,864	3,864

CHF million	Financial liabilities at FVPL	Financial liabilities at amortised cost	Total carrying amount	Total fair value
Borrowings	–	400	400	404
Bank and other interest-bearing liabilities	–	12	12	12
Trade payables	–	1,890	1,890	1,890
Accrued trade expenses	–	1,190	1,190	1,190
Contingent and deferred consideration	227	7	234	234
Other liabilities	–	252	252	252
Total	227	3,751	3,978	3,982

The fair values of financial assets and liabilities carried at amortised cost are approximately equal to the carrying amounts. No significant impact resulted from the remeasurement of the liabilities measured at FVPL in the first three months 2020.

Level 3 fair values

CHF million	Contingent liabilities
Balance as of January 1, 2020	227
Total gains and losses included in other comprehensive income	
Effects of movements in foreign exchange	-6
Balance as of March 31, 2020	221
of which	
- Current portion	21
- Non-current portion	200

13. EQUITY

The Company purchased 237,457 treasury shares for CHF 36 million (2019: none).

14. EMPLOYEES

Number	March 31, 2020	March 31, 2019
EMEA	58,378	58,084
Americas	15,543	15,097
Asia-Pacific	9,256	9,277
Total employees	83,177	82,458
Full-time equivalents of employees	78,052	77,978
Full-time equivalents of temporary staff	17,724	20,895
Full-time equivalents (total)	95,776	98,873

15. CAPITAL EXPENDITURE

From January to March 2020, the capital expenditure on property, plant and equipment (excluding other intangible assets and property, plant and equipment from acquisitions) was CHF 48 million (2019: CHF 89 million) and the non-cash capital expenditure on right-of-use assets (excluding right-of-use assets from acquisitions) was CHF 140 million (2019: CHF 113 million).

16. LEGAL CLAIMS

The status of proceedings, disclosed in the notes 36 and 41 to the Consolidated Financial Statements for the year ended December 31, 2019, has not changed materially.

17. POST BALANCE SHEET EVENTS

On April 9, 2020, the Company announced that due to the uncertainties surrounding the further development of the COVID-19 pandemic and the current economic environment, the Board of Directors will propose to the Annual General Meeting 2020 to carry forward the retained earnings of Kuehne + Nagel International AG for the period ending December 31, 2019 to new account and not to resolve a dividend at the Annual General Meeting on May 5, 2020. The Board of Directors continuously reviews the development of the global economic situation and Kuehne + Nagel's business performance. Should the business environment normalise over the course of the year, the Board of Directors may contemplate to convene an Extraordinary General Meeting in the second half of the year to resolve on a distribution of a dividend payment.

There have been no other material events between March 31, 2020, and the date of authorisation that would require adjustments of the Condensed Consolidated Interim Financial Statements or disclosure.

These unaudited Condensed Consolidated Interim Financial Statements of Kuehne + Nagel International AG were authorised for issue by the Audit Committee of the Group on April 24, 2020.

FINANCIAL CALENDAR

May 5, 2020	Annual General Meeting
July 21, 2020	Half-year 2020 results
October 20, 2020	Nine-months 2020 results
March 3, 2021	Full-year 2020 results

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