

Quarterly Report 2024

Condensed
Consolidated
Interim Financial
Statements 2024
(unaudited)

January – June 2024

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Schindellegi, July 19, 2024

Income statement

CHF million	January - June			April - June		
	2024	2023	Variance in per cent	2024	2023	Variance in per cent
Net turnover	11,554	12,721	-9.2	6,046	5,973	1.2
Net expenses for services from third parties	-7,281	-8,072		-3,849	-3,718	
Gross profit	4,273	4,649	-8.1	2,197	2,255	-2.6
Personnel expenses	-2,402	-2,447		-1,235	-1,211	
Selling, general and administrative expenses	-690	-699		-353	-331	
Other operating income/expenses, net	4	15		-	2	
EBITDA	1,185	1,518	-21.9	609	715	-14.8
Depreciation of property, plant and equipment	-88	-87		-44	-44	
Depreciation of right-of-use assets	-292	-269		-150	-135	
Amortisation of other intangibles	-27	-27		-13	-13	
EBIT	778	1,135	-31.5	402	523	-23.1
Financial income	16	51		9	31	
Financial expenses	-30	-11		-16	-6	
Result from joint ventures and associates	3	2		2	1	
Earnings before tax (EBT)	767	1,177	-34.8	397	549	-27.7
Income tax	-191	-317		-99	-151	
Earnings	576	860	-33.0	298	398	-25.1
Attributable to:						
Equity holders of the parent company	561	856	-34.5	288	400	-28.0
Non-controlling interests	15	4		10	-2	
Earnings	576	860	-33.0	298	398	-25.1
Basic earnings per share in CHF	4.74	7.21	-34.3	2.44	3.37	-27.6
Diluted earnings per share in CHF	4.73	7.19	-34.2	2.43	3.36	-27.7

Statement of comprehensive income

CHF million	January - June		April - June	
	2024	2023	2024	2023
Earnings	576	860	298	398
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange differences	96	-248	-50	-204
Items that will not be reclassified to profit or loss:				
Actuarial gains/(losses) on defined benefit plans	11	-5	6	-
Income tax on actuarial gains/(losses) on defined benefit plans	-3	1	-2	-
Total other comprehensive income, net of tax	104	-252	-46	-204
Total comprehensive income	680	608	252	194
Attributable to:				
Equity holders of the parent company	649	640	248	229
Non-controlling interests	31	-32	4	-35

Balance sheet

CHF million	June 30, 2024	Dec. 31, 2023	June 30, 2023
Assets			
Property, plant and equipment	868	762	741
Right-of-use assets	1,957	1,534	1,482
Goodwill	2,257	2,034	2,096
Other intangibles	121	121	146
Investments in joint ventures and associates	31	28	37
Deferred tax assets	169	175	208
Non-current assets	5,403	4,654	4,710
Prepayments	232	130	205
Contract assets	271	267	339
Trade receivables	4,095	3,634	3,970
Other receivables	167	161	190
Income tax receivables	110	114	75
Cash and cash equivalents	862	2,011	2,030
Current assets	5,737	6,317	6,809
Total assets	11,140	10,971	11,519

CHF million	June 30, 2024	Dec 31, 2023	June 30, 2023
Liabilities and equity			
Share capital	121	121	121
Reserves and retained earnings	1,883	1,601	1,688
Earnings	561	1,431	856
Equity attributable to the equity holders of the parent company	2,565	3,153	2,665
Non-controlling interests	7	6	7
Equity	2,572	3,159	2,672
Provisions for pension plans and severance payments	266	270	255
Deferred tax liabilities	99	88	83
Borrowings	-	200	200
Non-current provisions	55	54	61
Other non-current liabilities	9	830	854
Non-current lease liabilities	1,510	1,128	1,076
Non-current liabilities	1,939	2,570	2,529
Bank and other interest-bearing liabilities	405	3	9
Trade payables	2,159	2,012	2,090
Contract liabilities	133	154	243
Accrued trade expenses	1,116	1,072	1,397
Income tax liabilities	229	244	337
Current provisions	106	108	100
Other current liabilities	1,946	1,162	1,654
Current lease liabilities	535	487	488
Current liabilities	6,629	5,242	6,318
Total liabilities and equity	11,140	10,971	11,519

Schindellegi, July 19, 2024

Kuehne + Nagel International AG

Stefan Paul
CEOMarkus Blanka-Graff
CFO

Statement of changes in equity

CHF million	Share capital	Share premium
Balance as of January 1, 2024	121	592
Earnings	-	-
Other comprehensive income		
Foreign exchange differences	-	-
Actuarial gains/(losses) on defined benefit plans, net of tax	-	-
Total other comprehensive income, net of tax	-	-
Total comprehensive income	-	-
Purchase of treasury shares ¹	-	-
Dividend paid ²	-	-207
Expenses for share-based compensation plans	-	-
Transaction with non-controlling interests ³	-	-
Balance as of June 30, 2024	121	385

¹ Refer to note 12 for further details.

² 2024 Kuehne+Nagel dividend: The Group paid regular dividend of CHF 8.25 per share and dividend from legal capital contribution reserves of CHF 1.75 per share.

³ The movement in retained earnings relates to written put options on non-controlling interests in connection with the Apex and Morgan Cargo acquisitions, see note 28 of the consolidated financial statements for the year ended December 31, 2023.

CHF million	Share capital	Share premium
Balance as of January 1, 2023	121	606
Earnings	-	-
Other comprehensive income		
Foreign exchange differences	-	-
Actuarial gains/(losses) on defined benefit plans, net of tax	-	-
Total other comprehensive income, net of tax	-	-
Total comprehensive income	-	-
Purchase of treasury shares ¹	-	-
Dividend paid ²	-	-
Expenses for share-based compensation plans	-	-
Transaction with non-controlling interests ³	-	-
Balance as of June 30, 2023	121	606

¹ Refer to note 12 for further details.

² 2023 Kuehne+Nagel dividend: The Group paid CHF 14.00 per share.

³ The movement in retained earnings relates to written put options on non-controlling interests in connection with the Apex and Morgan Cargo acquisitions, see note 28 of the consolidated financial statements for the year ended December 31, 2023.

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
-602	-1,811	-101	4,954	3,153	6	3,159
-	-	-	561	561	15	576
-	80	-	-	80	16	96
-	-	8	-	8	-	8
-	80	8	-	88	16	104
-	80	8	561	649	31	680
-29	-	-	-	-29	-	-29
-	-	-	-975	-1,182	-22	-1,204
-	-	-	14	14	-	14
-	15	-	-55	-40	-8	-48
-631	-1,716	-93	4,499	2,565	7	2,572

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
-270	-1,406	-65	5,154	4,140	7	4,147
-	-	-	856	856	4	860
-	-212	-	-	-212	-36	-248
-	-	-4	-	-4	-	-4
-	-212	-4	-	-216	-36	-252
-	-212	-4	856	640	-32	608
-517	-	-	-	-517	-	-517
-	-	-	-1,661	-1,661	-2	-1,663
-	-	-	13	13	-	13
-	-37	-	87	50	34	84
-787	-1,655	-69	4,449	2,665	7	2,672

Cash flow statement

CHF million	Note	January - June			April - June		
		2024	2023	Variance	2024	2023	Variance
Cash flow from operating activities							
Earnings		576	860		298	398	
Adjustments to reconcile earnings to net cash flows:							
Income tax		191	317		99	151	
Financial income		-16	-51		-9	-31	
Financial expenses		30	11		16	6	
Result from joint ventures and associates		-3	-2		-2	-1	
Depreciation of property, plant and equipment		88	87		44	44	
Depreciation of right-of-use assets		292	269		150	135	
Amortisation of other intangibles		27	27		13	13	
Expenses for share-based compensation plans		14	13		7	7	
(Gain)/loss on disposal of property, plant and equipment, net		-1	-12		-	-2	
Net addition to provisions for pension plans and severance payments		2	2		-	2	
Subtotal operational cash flow		1,200	1,521	-321	616	722	-106
(Increase)/decrease contract assets		6	188		-25	34	
(Increase)/decrease trade and other receivables, prepayments		-453	1,076		-123	314	
Increase/(decrease) provisions		-4	-14		14	-11	
Increase/(decrease) other liabilities		-101	-280		-105	-194	
Increase/(decrease) trade payables, contract liabilities and accrued trade expenses		33	-1,146		53	-308	
Income taxes paid		-190	-518		-114	-305	
Total cash flow from operating activities		491	827	-336	316	252	64

CHF million	Note	January - June			April - June		
		2024	2023	Variance	2024	2023	Variance
Cash flow from investing activities							
Capital expenditure							
- Property, plant and equipment		-179	-139		-58	-66	
- Other intangibles		-3	-2		-1	-1	
Disposal of property, plant and equipment		7	53		2	14	
(Acquisition)/divestment of businesses, net of cash (acquired)/disposed	8/9/10	-148	-		-	-	
Capital (contributions to)/distributions from joint ventures and associates		-1	-2		-1	-2	
Dividend received from joint ventures and associates		2	2		2	1	
Interest received		16	27		9	18	
Total cash flow from investing activities		-306	-61	-245	-47	-36	-11
Cash flow from financing activities							
Repayment of lease liabilities		-288	-270		-148	-134	
Interest paid on borrowings and other interest-bearing liabilities		-2	-2		-1	-1	
Interest paid on lease liabilities		-16	-9		-8	-5	
Purchase of treasury shares	12	-29	-517		-	-311	
Dividend paid to equity holders of parent company		-1,182	-1,661		-1,182	-1,661	
Dividend paid to non-controlling interests		-22	-2		-22	-1	
Acquisition of non-controlling interests		-17	-		-17	-	
Total cash flow from financing activities		-1,556	-2,461	905	-1,378	-2,113	735
Foreign exchange difference on cash and cash equivalents		20	-54	74	-8	-42	34
Increase/(decrease) in cash and cash equivalents		-1,351	-1,749	398	-1,117	-1,939	822
Cash and cash equivalents at the beginning of the period, net		2,008	3,770	-1,762	1,774	3,960	-2,186
Cash and cash equivalents at the end of the period, net		657	2,021	-1,364	657	2,021	-1,364

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 six months ended June 30, 2024, comprise the Company, its subsidiaries (the Group) and its interests in joint ventures and associates.

The Group voluntarily presents a balance sheet as of June 30, 2023.

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, 2023.

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 IFRS Accounting 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, 2023.

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, 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Other new, revised and amended standards, improvements and interpretations apply for the first time in 2024, but do not have a material impact on the condensed consolidated interim financial statements of the Group.

5 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.- June 2024 CHF	Jan.- June 2023 CHF	Variance in per cent
EUR 1.-	0.9624	0.9864	-2.43
USD 1.-	0.8880	0.9140	-2.84

Balance sheet

(period end rates)

Currency	June 2024 CHF	June 2023 CHF	Variance in per cent	Dec. 2023 CHF
EUR 1.-	0.9580	0.9787	-2.12	0.9405
USD 1.-	0.8936	0.8943	-0.08	0.8497

6 Seasonality

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

7 Changes in the scope of consolidation

Major changes in the scope of consolidation in the first six months of 2024 related to the following companies:

2024	Capital share in per cent equals voting rights	Effective date
Acquisition		
Farrow Group Inc. (Farrow) ¹	100	January 31, 2024

¹ Refer to note 8 for details to the acquisition.

There were no major changes in the scope of consolidation in the first six months of 2023.

8 Acquisitions

2024 Acquisitions

The acquisitions in the first six months of 2024 had the following effect on the Group's assets and liabilities:

CHF million	Recognised fair values
Other intangibles	18
Other non-current assets	7
Acquired cash and cash equivalents	32
Other current assets	53
Subtotal assets	110
Non-current liabilities	-5
Bank and other interest-bearing liabilities	-14
Other current liabilities	-66
Total identifiable assets and liabilities, net	25
Goodwill	141
Total assets and liabilities, net	166
Purchase price, paid in cash	166
Acquired cash and cash equivalents, net	-18
Net cash outflow	148

Effective January 31, 2024, the Group acquired 100 per cent of the shares of Farrow Group Inc. (Farrow), a Canada-based customs broker, for a purchase price of CHF 166 million, which was paid in cash. Headquartered in Windsor, Ontario, Canada, Farrow is supported by 830 employees in 41 locations across Canada and the USA. In 2022, Farrow managed over 1.5 million customs entries. The acquisition complements the Group's offering for companies that increasingly rely on customs clearance services and supports the growing demand in an environment of increasingly complex international trade regulations.

Acquisition-related costs (included in the line item "selling, general and administrative expenses" in the income statement) amount to CHF 2 million.

The trade receivables comprise gross contractual amounts due of CHF 51 million, of which none were expected to be uncollectible at the acquisition date.

Other intangibles of CHF 18 million recognised on the acquisition represent the Farrow contractual and non-contractual customer lists having useful lives of seven years. Goodwill of CHF 141 million arose on the acquisition and represents management expertise, synergies and workforce, which do not meet the definition of an intangible asset to be recognised separately. Goodwill is expected to be tax deductible and it is allocated to the business unit Road Logistics.

From February 1 to June 30, 2024, the acquisition of Farrow contributed CHF 51 million of net turnover and CHF 3 million of earnings. If the acquisition had occurred on January 1, 2024, the Group's net turnover would have been CHF 11,563 million and consolidated earnings for the period would have been CHF 577 million.

The accounting for the acquisition made in 2024 was determined provisionally only. Adjustments may be made to the fair values assigned to the identifiable assets acquired and liabilities assumed up to twelve months from the date of acquisition.

Agreed upon future transactions

On February 29, 2024, the Group entered into an agreement to acquire 100 per cent of the shares of City Zone Express, a subsidiary of Chasen Holdings Ltd., a Singapore Exchange

Mainboard-listed company. Headquartered in Malaysia and established in 2006, City Zone Express has over 500 employees and operates in Malaysia, Singapore, Vietnam, Thailand, and China. With an own fleet of 260 vehicles and 80,000 sqm of warehousing space, City Zone Express offers reliable cross-border logistics services spanning the entirety of Southeast Asia up to China.

The transaction is subject of customary closing conditions, including clearance by the competent merger control authorities and is expected to close in the third quarter of 2024.

2023 Acquisitions

The Group did not acquire any businesses in the first six months of 2023.

9 Divestments

The Group did not divest any businesses in the first six months of 2024 and 2023.

10 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. 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

On April 8, 2024, the Group announced a new direct reporting of country organisations to the Management Board whereby the Business Units remain the primary reporting line. With this change, the historically evolved regional structure was discontinued. The disclosure of regional information was therefore removed as of the second quarter of 2024.

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 – June

CHF million	Total Group		Sea Logistics		Air Logistics	
	2024	2023	2024	2023	2024	2023
Turnover (external customers)	12,788	14,227	4,639	5,573	3,631	3,792
Customs duties and taxes	-1,234	-1,506	-582	-714	-239	-276
Net turnover (external customers)	11,554	12,721	4,057	4,859	3,392	3,516
Inter-segment turnover	-	-	1,068	1,558	2,538	2,491
Net expenses for services	-7,281	-8,072	-4,108	-5,108	-5,108	-5,070
Gross profit	4,273	4,649	1,017	1,309	822	937
Total expenses	-3,088	-3,131	-607	-656	-579	-609
EBITDA	1,185	1,518	410	653	243	328
Depreciation of property, plant and equipment	-88	-87	-10	-11	-12	-12
Depreciation of right-of-use assets	-292	-269	-2	-2	-2	-2
Amortisation of other intangibles	-27	-27	-1	-1	-19	-21
EBIT (segment profit)	778	1,135	397	639	210	293
Financial income	16	51				
Financial expenses	-30	-11				
Result from joint ventures and associates	3	2				
Earnings before tax (EBT)	767	1,177				
Income tax	-191	-317				
Earnings	576	860				
Attributable to:						
Equity holders of the parent company	561	856				
Non-controlling interests	15	4				
Earnings	576	860				
Additional information not regularly reported to CODM						
Allocation of goodwill	2,257	2,096	133	126	1,305	1,289
Allocation of other intangibles	121	146	1	-	96	131
Capital expenditure property, plant and equipment	179	139	12	20	9	24
Capital expenditure right-of-use assets	660	359	21	16	30	15
Capital expenditure other intangibles	3	2	1	1	1	-
Property, plant and equipment, goodwill and intangibles through business combinations	161	-	-	-	-	-

11 Fair value of financial assets and liabilities

As of June 30, 2024

CHF million	Financial assets at FVPL	Financial assets at amortised cost	Total carrying amount	Total fair value
Trade receivables	–	4,095	4,095	4,095
Other receivables	1	166	167	167
Total	1	4,261	4,262	4,262

CHF million	Financial liabilities at FVPL	Financial liabilities at amortised cost	Total carrying amount	Total fair value
Bank and other interest-bearing liabilities	–	405	405	403
Trade payables	–	2,159	2,159	2,159
Accrued trade expenses	–	1,116	1,116	1,116
Contingent consideration liabilities	44	–	44	44
Put options on non-controlling interests	–	959	959	959
Other liabilities	2	281	283	283
Total	46	4,920	4,966	4,964

As of December 31, 2023

CHF million	Financial assets at FVPL	Financial assets at amortised cost	Total carrying amount	Total fair value
Trade receivables	–	3,634	3,634	3,634
Other receivables	1	160	161	161
Total	1	3,794	3,795	3,795

CHF million	Financial liabilities at FVPL	Financial liabilities at amortised cost	Total carrying amount	Total fair value
Bank and other interest-bearing liabilities	–	3	3	3
Borrowings	–	200	200	196
Trade payables	–	2,012	2,012	2,012
Accrued trade expenses	–	1,072	1,072	1,072
Contingent consideration liabilities	42	–	42	42
Put options on non-controlling interests	–	929	929	929
Other liabilities	1	246	247	247
Total	43	4,462	4,505	4,501

The fair values of financial assets and liabilities carried at amortised cost are approximately equal to the carrying amounts.

Level 3 financial liabilities include contingent consideration liabilities of CHF 44 million (CHF 42 million as of December 31, 2023).

The put options on non-controlling interests represent the short and long-term portion of the redemption liabilities recognised in connection with the acquisition and divestment of Apex and Morgan Cargo (refer to notes 26, 27 and 33 of the consolidated

financial statements for the year ended December 31, 2023, for further details). At the balance sheet date, the carrying amount of the put option liabilities amounted to CHF 959 million (CHF 929 million as of December 31, 2023) and are recognised in the balance sheet items "Other current liabilities" and "Other non-current liabilities".

No significant impact resulted from the remeasurement of the liabilities measured at fair value through profit and loss (FVPL) in the first six months 2024.

Level 3 fair values

CHF million	Contingent consideration liabilities
Balance as of January 1, 2024	42
(Gains)/losses included in the income statement	
- Foreign exchange revaluation - recorded within financial expenses	2
Balance as of June 30, 2024	44
of which	
- Current portion	44
- Non-current portion	-

12 Equity

In the first six month of 2024, the Company purchased 121,764 own shares for CHF 29 million (2023: 2,076,075 own shares for CHF 517 million).

13 Employees

Number	June 30, 2024	June 30, 2023
Total employees	80,290	79,696
Full-time equivalents of employees	74,996	74,553
Full-time equivalents of temporary staff	19,255	18,672
Total full-time equivalents	94,251	93,225

14 Capital expenditure

In the first six month of 2024, the capital expenditure on property, plant and equipment (excluding other intangible assets and property, plant and equipment from acquisitions) was CHF 179 million (2023: CHF 139 million) and the non-cash capital expenditure on right-of-use assets (excluding right-of-use assets from acquisitions) was CHF 660 million (2023: CHF 359 million).

15 Legal claims

The status of proceedings, disclosed in the notes 24 and 29 to the consolidated financial statements for the year ended December 31, 2023, has not changed materially.

16 Post balance sheet events

There have been no material events between June 30, 2024, 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 July 19, 2024.

Financial calendar

October 23, 2024	Nine-months 2024 results
March 4, 2025	Full-year 2024 results
April 24, 2025	Three-months 2025 results
May 7, 2025	Annual general meeting
July 24, 2025	Half-year 2025 results
October 23, 2025	Nine-months 2025 results

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