KUEHNE+NAGEL

Kuehne + Nagel International AG

Analyst Conference Call – Nine-months 2016 results

October 18, 2016 (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.

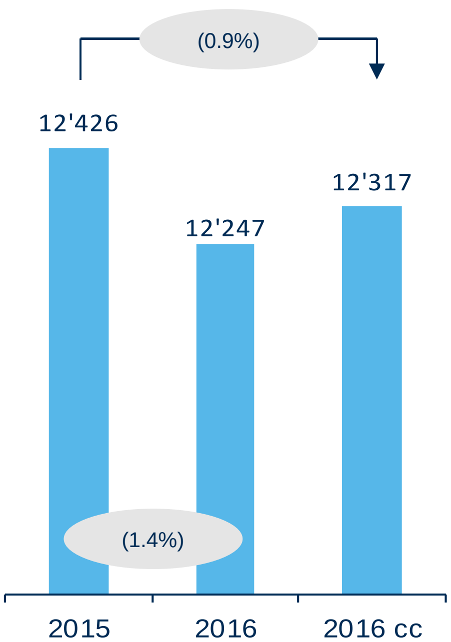
Reference is also made to our disclaimer on the last slide of this presentation.

- Overview nine-months 2016 results
- Financial review
- Appendices

Overview nine-months 2016 results – Kuehne + Nagel Group

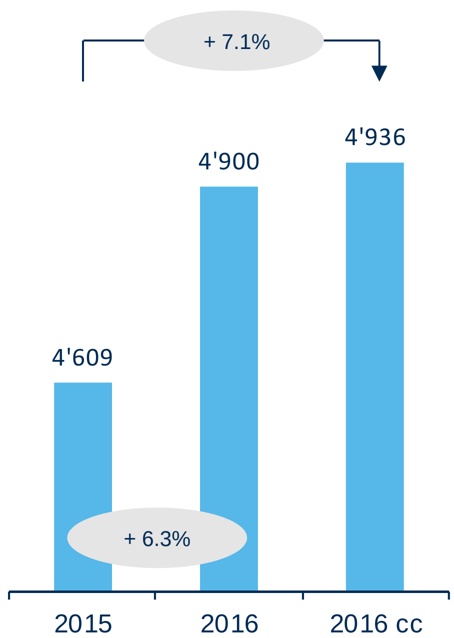
Net turnover

in CHF million



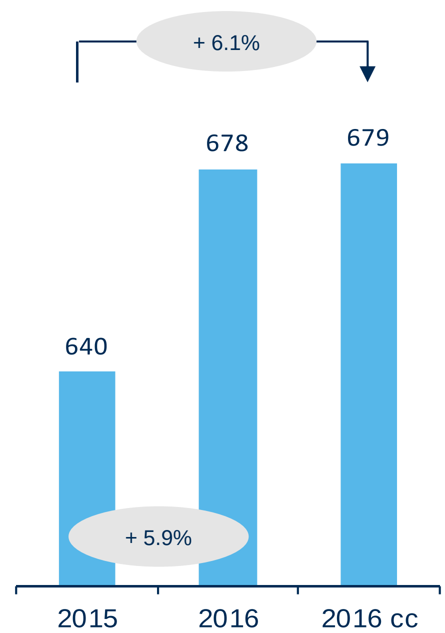
Gross profit

in CHF million



EBIT

in CHF million



cc (in constant currencies)

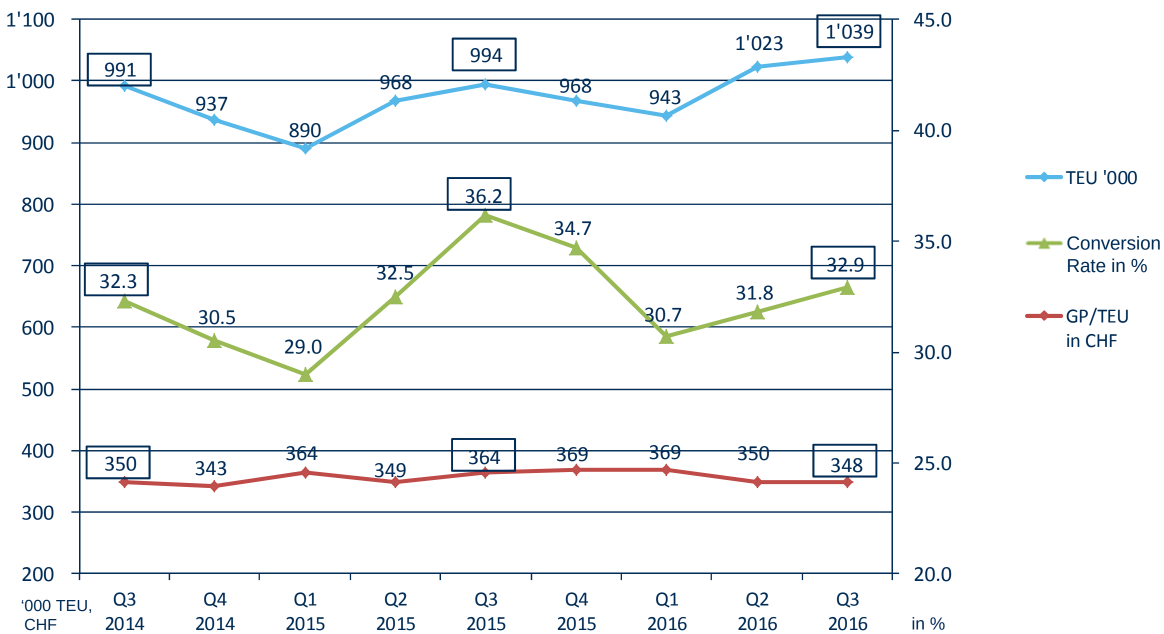
Seafreight

- EBIT: + 1.5%
- Volume: + 5.4%
- GP per TEU: (1.1%)
- Conversion rate: 31.8%

Seafreight – Performance of business unit

Income statement in CHF million	**YTD Sep 2015**	**YTD Sep 2016**	**Variance 2016/2015**	**Growth**	**Forex**[1]
Turnover	6'680	5'975	(10.6%)	(9.9%)	(0.7%)
Gross profit	1'024	1'068	4.3%	5.1%	(0.8%)
EBITDA	353	354	0.3%	0.6%	(0.3%)
EBIT	335	340	1.5%	1.8%	(0.3%)
EBIT in % of GP	**32.7%**	**31.8%**			

[1] Foreign currency translation impact



Business drivers

- Market growth of approx. 1 to 2%
- Asia exports & intra-Asia strong volume growth
- Consolidating shipping industry
- Reduced margins

Airfreight

EBIT: + 8.9%

Volume: + 2.2%

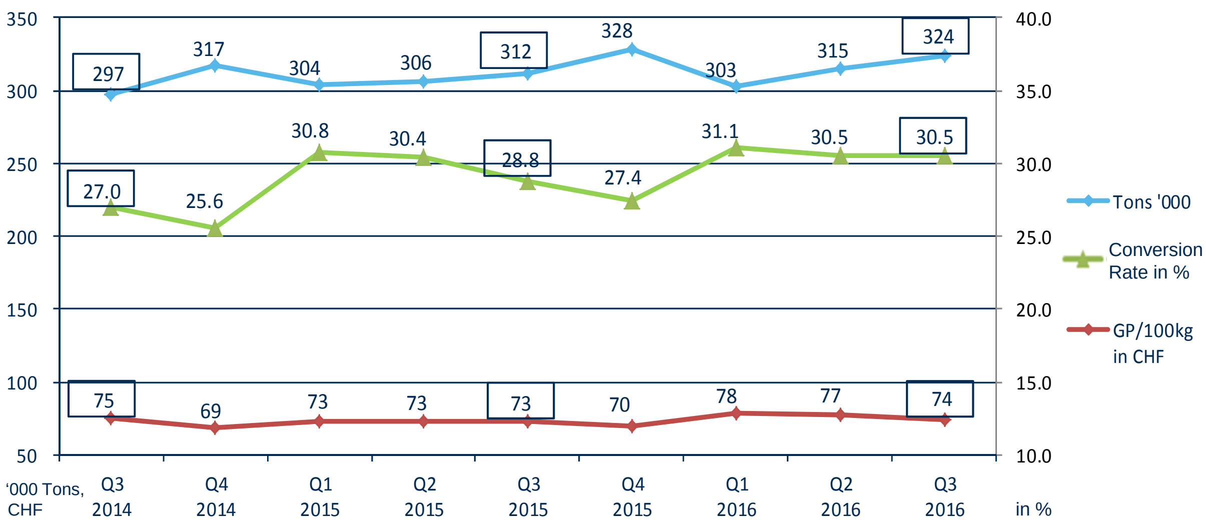
GP per 100kg: + 4.1%

Conversion rate: 30.7%

Airfreight – Performance of business unit

Income statement in CHF million	**YTD Sep 2015**	**YTD Sep 2016**	**Variance** 2016/2015	Growth	Forex[1]
Turnover	2'979	2'869	(3.7%)	(2.9%)	(0.8%)
Gross profit	674	717	6.4%	7.0%	(0.6%)
EBITDA	217	231	6.5%	6.5%	- %
EBIT	202	220	8.9%	9.4%	(0.5%)
EBIT in % of GP	**30.0%**	**30.7%**			

[1] Foreign currency translation impact



Business drivers

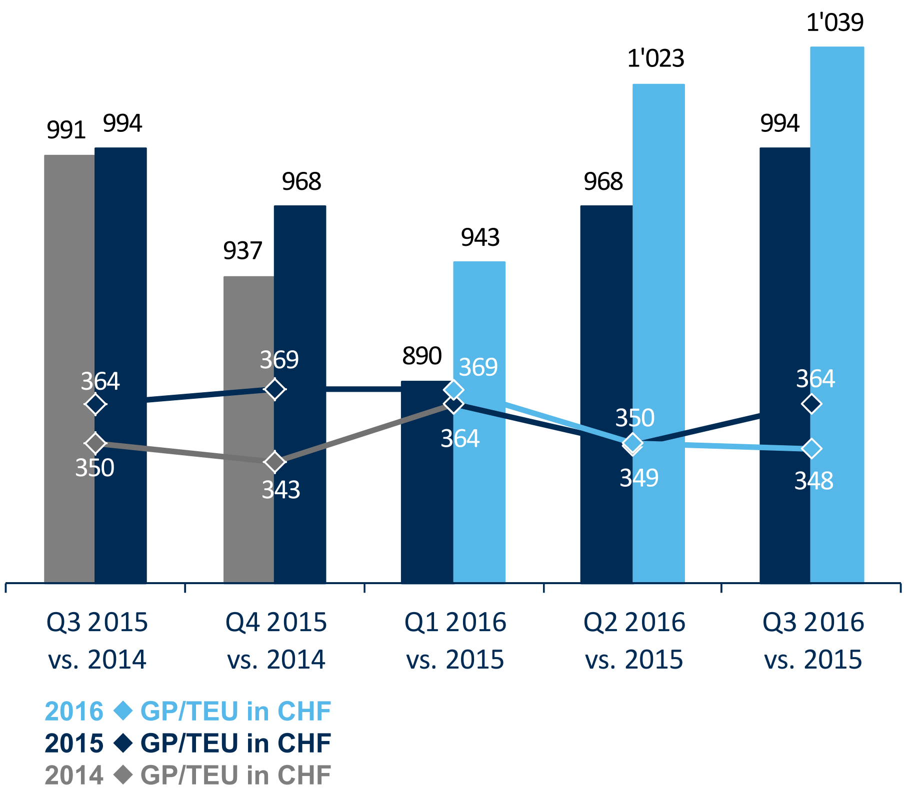
- Market declined by approx. 1%
- Strong export business from Asia and Middle East in Q3 2016
- Stable conversion rate above 30%

Development of volumes

Seafreight

[TEU] ‘000

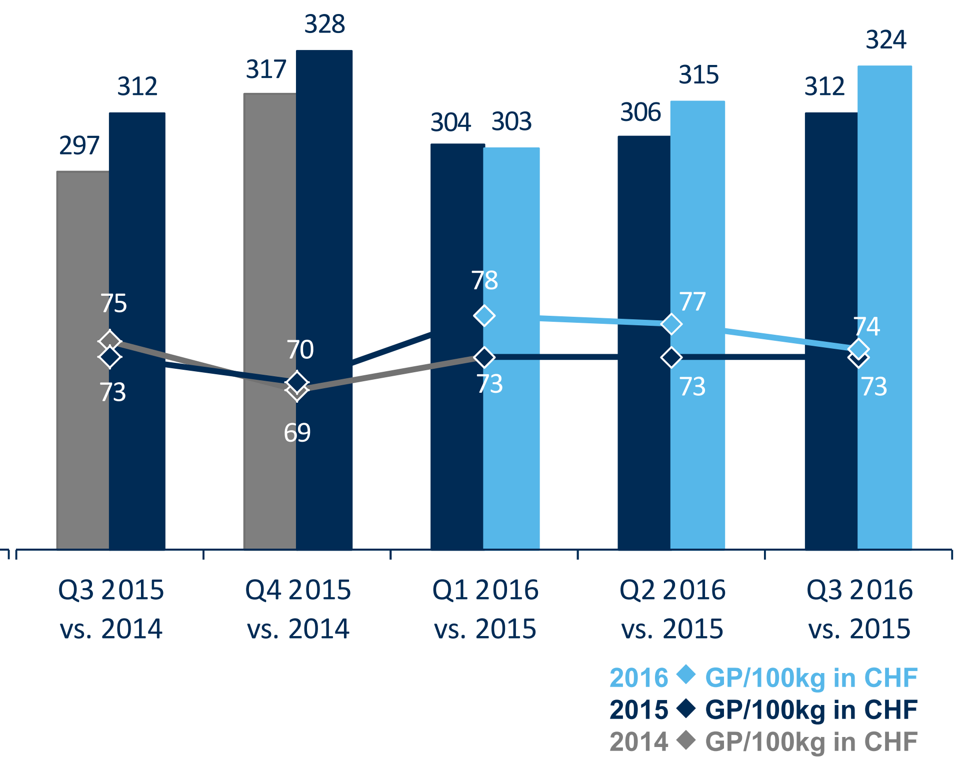
- Volume increase of 5.4% or 153,000 TEUs yoy
- Yield decrease of 1.1% or CHF 4 GP/TEU yoy



Airfreight

[TON] ‘000

- Volume increase of 2.2% or 20,000 tons yoy
- Yield increase of 4.1% or CHF 3 GP/100kg yoy



Overland

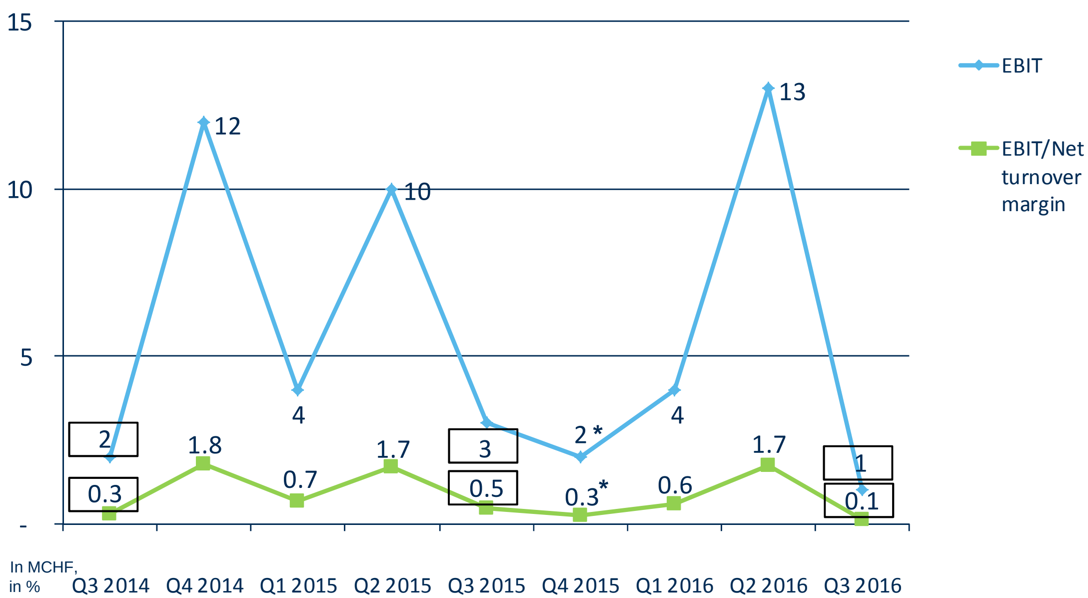
- Net turnover: + 16.9%
- EBITDA: + 2.1%
- EBITDA/net TO margin: 2.3%
- EBIT: + 5.9%

KUEHNE+NAGEL

Overland – Performance of business unit

Income statement in CHF million	**YTD Sep 2015**	**YTD Sep 2016**	**Variance** 2016/2015	Growth	Acquisition	Forex[1]
Net turnover	1'841	2'152	16.9%	3.6%	12.3%	1.0%
Gross profit	614	672	9.4%	2.4%	6.0%	1.0%
EBITDA	48	49	2.1%	(18.7%)	20.8%	-
EBIT	17	18	5.9%	(11.7%)	17.6%	-
EBITDA / Net turnover margin	2.6%	2.3%				
EBIT / Net turnover margin	0.9%	0.8%				
EBIT / GP margin	2.8%	2.7%				

[1] Foreign currency translation impact



* excl. antitrust fine

Business drivers

- Growth significantly above market
- Q3 seasonally weakest quarter
- US intermodal market contracting

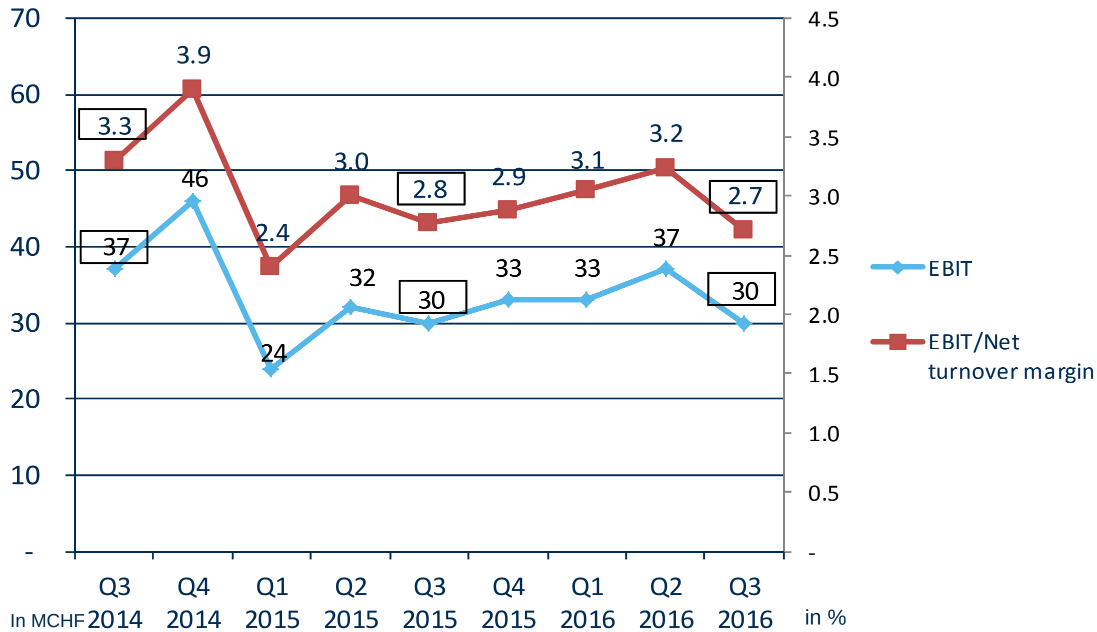
Contract Logistics

- EBITDA: + 15.1%
- EBITDA/net TO margin: 5.5%
- EBIT: + 16.3%
- Idle space: 3.2%

Contract Logistics – Performance of business unit

Income statement in CHF million	**YTD Sep 2015**	**YTD Sep 2016**	**Variance 2015/2016**	**Growth**	**Forex**[1]
Net turnover	3'163	3'328	5.2%	6.3%	(1.1%)
Gross profit	2'297	2'443	6.4%	7.7%	(1.3%)
EBITDA	159	183	15.1%	13.8%	1.3%
EBIT	86	100	16.3%	15.1%	1.2%
EBITDA / Net turnover margin	5.0%	5.5%			
EBIT / Net turnover margin	2.7%	3.0%			

[1] Foreign currency translation impact



Business drivers

- Scaling of industry-specific solutions
- Successful implement-ation of new projects
- Continuous process optimisation

KUEHNE+NAGEL

Overview nine-months 2016 results

Financial review

Appendices

KUEHNE+NAGEL

Income statement

CHF million	2015 Q1	2015 Q2	2015 Q3	YTD Sep 2015	2016 Q1	2016 Q2	2016 Q3	YTD Sep 2016	Variance 2016/2015	Variance Q1	Variance Q2	Variance Q3	Variance in % 2016/2015	Variance in % Growth	Variance in % Acquisition	Variance in % Forex[1]
Net turnover	4'096	4'129	4'201	12'426	4'010	4'137	4'100	12'247	(179)	(86)	8	(101)	(1.4%)	(2.7%)	1.9%	(0.6%)
Gross profit	1'497	1'521	1'591	4'609	1'593	1'664	1'643	4'900	291	96	143	52	6.3%	6.3%	0.8%	(0.8%)
Gross profit margin	*36.5%*	*36.8%*	*37.9%*	*37.1%*	*39.7%*	*40.2%*	*40.1%*	*40.0%*								
EBITDA	233	264	280	777	259	288	270	817	40	26	24	(10)	5.1%	3.7%	1.3%	0.1%
EBITDA margin	*5.7%*	*6.4%*	*6.7%*	*6.3%*	*6.5%*	*7.0%*	*6.6%*	*6.7%*								
EBIT	190	220	230	640	217	238	223	678	38	27	18	(7)	5.9%	5.6%	0.5%	(0.2%)
EBIT margin	*4.6%*	*5.3%*	*5.5%*	*5.2%*	*5.4%*	*5.8%*	*5.4%*	*5.5%*								
EBT	196	222	240	658	220	242	230	692	34	24	20	(10)	5.2%	4.8%	0.6%	(0.2%)
EBT margin	*4.8%*	*5.4%*	*5.7%*	*5.3%*	*5.5%*	*5.8%*	*5.6%*	*5.7%*								
Earnings for the period	153	173	186	512	169	187	177	533	21	16	14	(9)	4.1%	3.7%	0.6%	(0.2%)

- Gross profit growth + 6.3%
- EBIT growth + 5.9%
- Earnings for the period growth + 4.1%

- No material foreign currency translation impact on the earnings for the period

Income Statement (average rates)	Sep 2015	Sep 2016	Variance %	Impact on earnings for the period in %
Euro	1.0699	1.0914	**2.0%**	**(0.2%)**
US Dollar	0.9522	0.9849	**3.4%**	
British Pound	1.4641	1.3697	**(6.4%)**	

[1] Foreign currency translation impact

Financial overview

CHF million	YTD Sep 2015	YTD Sep 2016
Net turnover	12'426	12'247
Gross profit	4'609	4'900
EBITDA	777	817
EBIT	640	678
EBIT margin to net turnover	5.2%	5.5%
Net earnings for the period	510	531
EPS (basic) in CHF	4.26	4.43
Total assets	5'960	6'068
Equity	1'932	1'994
Equity % of total assets	32.4%	32.9%
Cash and cash equivalents, net	508	717
Operational cash flow	779	814
Capex	154	145

Financial targets 2016

Profitability	Group EBIT margin to net turnover > 5%
CAPEX	2016: CHF < 215 million (2015: CHF 253 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 of approx. 23%

Financial review – Balance sheet

CHF million	31 December 2015	30 Sep 2016
Assets		
Property, plant and equipment	1'142	1'149
Goodwill	767	748
Other intangibles	98	82
Others	224	233
Non-current assets	**2'231**	**2'212**
Trade receivables	2'486	2'479
Cash and cash equivalents	841	723
Others	541	654
Current assets	**3'868**	**3'856**
Total assets	**6'099**	**6'068**

	31 December 2015	30 Sep 2016
Liabilities and equity		
Equity attributable to the equity holders of the parent company	**2'121**	**1'988**
Non-controlling interests	5	6
Total equity	**2'126**	**1'994**
Non-current liabilities	**601**	**665**
Trade payables	1'449	1'407
Accrued trade expenses/deferred income	919	924
Bank and other interest-bearing liabilities	7	10
Others	997	1'068
Current liabilities	**3'372**	**3'409**
Total liabilities and equity	**6'099**	**6'068**

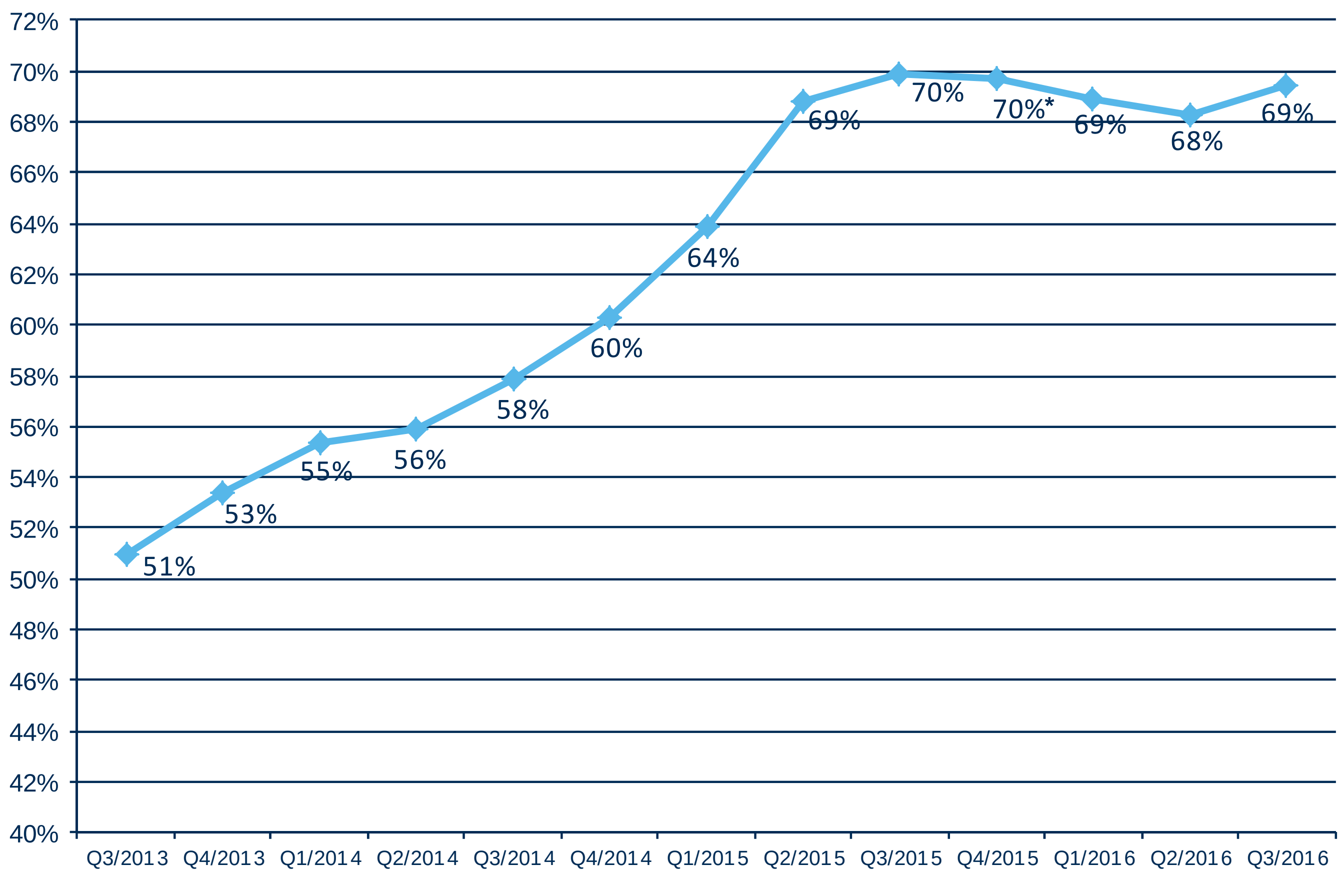
Financial review nine-months 2016 – Cash flow

CHF million	2015	2016	Variance
Operational cash flow	**779**	**814**	**35**
Changes in working capital	(43)	(48)	(5)
Income taxes paid	(128)	(161)	(33)
Cash flow from operating activities	**608**	**605**	**(3)**
Cash flow from investing activities	**(350)**	**(108)**	**242**
Cash flow from financing activities	**(880)**	**(609)**	**271**
Exchange difference on cash and cash equivalents	(33)	(10)	23
Increase/(decrease) in cash and cash equivalents	**(655)**	**(122)**	**533**
Cash and cash equivalents at the beginning of the period, net	**1'163**	**839**	**(324)**
Cash and cash equivalents at the end of the period, net	**508**	**717**	**209**

Financial review – Working capital development

CHF million	September 2015	December 2015	September 2016	Better/(worse) September 16 vs. December 15
Trade receivables & Work in progress	**2'883**	**2'816**	**2'808**	**8**
Trade payables & Accrued trade expenses	**(2'169)**	**(2'222)**	**(2'168)**	**(54)**
Net working capital	**714**	**594**	**640**	**(46)**
KPI's:				
Working capital intensity	3.5%	2.9%	3.2%	(0.3%)
DSO	46.2	44.4	46.3	(1.9)
DPO	55.7	55.1	58.3	3.2
Δ	9.5	10.7	12.0	1.3

Return on capital employed



* Rolling EBIT excluding antitrust fine in Q4 2015

Calculation: Last four quarters EBIT (rolling EBIT) divided by the average of the last four quarters capital employed (rolling capital employed)

2016

Momentum	Continuity in strategy and organic growth
Leverage	Strict cost management and process optimisation
Innovation	Added value through applied innovation
Growth	Volumes, market share, EBIT

Upcoming events

March 1, 2017	**Full year 2016 results**
April 20, 2017	**Three-months 2017 results**
May 9, 2017	**Annual General Meeting**
July 18, 2017	**Half-year 2017 results**
October 16, 2017	**Nine-months 2017 results**

Quarter over quarter 2016/2015

CHF million	2016				2015				2016 / 2015 Change in %				2016 / 2015 Change in mCHF			
	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL
1. Seafreight																
A) Income Statement																
Turnover	1'972	1'960	2'043	5'975	2'244	2'200	2'236	6'680	(12.1)	(10.9)	(8.6)	(10.6)	(272)	(240)	(193)	(705)
Net Turnover	1'430	1'422	1'477	4'329	1'639	1'622	1'618	4'879	(12.8)	(12.3)	(8.7)	(11.3)	(209)	(200)	(141)	(550)
Gross Profit	348	358	362	1'068	324	338	362	1'024	+7.4	+5.9	+0.0	+4.3	24	20	0	44
Opex	(236)	(239)	(239)	(714)	(222)	(223)	(226)	(671)	(6.3)	(7.2)	(5.8)	(6.4)	(14)	(16)	(13)	(43)
EBITDA	112	119	123	354	102	115	136	353	+9.8	+3.5	(9.6)	+0.3	10	4	(13)	1
Depreciation and Amortisation	(5)	(5)	(4)	(14)	(8)	(5)	(5)	(18)	+37.5	+0.0	+20.0	+22.2	3	0	1	4
EBIT	107	114	119	340	94	110	131	335	+13.8	+3.6	(9.2)	+1.5	13	4	(12)	5
B) KPI																
EBIT / GP conversion ratio	30.7%	*31.8%*	*32.9%*	*31.8%*	29.0%	*32.5%*	*36.2%*	*32.7%*								
Volume (TEU's '000)	943	1'023	1'039	3'005	890	968	994	2'852	+6.0	+5.7	+4.5	+5.4	53	55	45	153
GROSS PROFIT	369	350	348	355	364	349	364	359	+1.4	+0.3	(4.4)	(1.1)	5	1	(16)	(4)
EXPENSES (CHF per TEU)	(256)	(239)	(234)	(242)	(258)	(236)	(232)	(242)	+0.8	(1.3)	(0.9)	+0.0	2	(3)	(2)	0
EBIT	113	111	114	113	106	113	132	117	+6.6	(1.8)	(13.6)	(3.4)	7	(2)	(18)	(4)
2. Airfreight																
A) Income Statement																
Turnover	944	962	963	2'869	999	989	991	2'979	(5.5)	(2.7)	(2.8)	(3.7)	(55)	(27)	(28)	(110)
Net turnover	805	819	814	2'438	855	848	840	2'543	(5.8)	(3.4)	(3.1)	(4.1)	(50)	(29)	(26)	(105)
Gross Profit	235	243	239	717	221	224	229	674	+6.3	+8.5	+4.4	+6.4	14	19	10	43
Opex	(158)	(165)	(163)	(486)	(149)	(151)	(157)	(457)	(6.0)	(9.3)	(3.8)	(6.3)	(9)	(14)	(6)	(29)
EBITDA	77	78	76	231	72	73	72	217	+6.9	+6.8	+5.6	+6.5	5	5	4	14
Depreciation and Amortisation	(4)	(4)	(3)	(11)	(4)	(5)	(6)	(15)	+0.0	+20.0	+50.0	+26.7	0	1	3	4
EBIT	73	74	73	220	68	68	66	202	+7.4	+8.8	+10.6	+8.9	5	6	7	18
B) KPI																
EBIT / GP conversion ratio	31.1%	30.5%	30.5%	30.7%	30.8%	30.4%	28.8%	30.0%								
Volume (TON's '000)	303	315	324	942	304	306	312	922	(0.3)	+2.9	+3.8	+2.2	(1)	9	12	20
GROSS PROFIT	78	77	74	76	73	73	73	73	+6.8	+5.5	+1.4	+4.1	5	4	1	3
EXPENSES (CHF per 100kg)	(53)	(54)	(51)	(53)	(50)	(51)	(52)	(51)	(6.0)	(5.9)	+1.9	(3.9)	(3)	(3)	1	(2)
EBIT	25	23	23	23	23	22	21	22	+8.7	+4.5	+9.5	+4.5	2	1	2	1

KUEHNE+NAGEL

Quarter over quarter 2016/2015

CHF million	2016				2015				2016 / 2015 Change in %				2016 / 2015 Change in mCHF			
	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL	Q1	Q2	Q3	TOTAL
3. Overland																
A) Income Statement																
Turnover	749	814	757	2'320	644	652	717	2'013	+16.3	+24.8	+5.6	+15.3	105	162	40	307
Net Turnover	695	754	703	2'152	587	595	659	1'841	+18.4	+26.7	+6.7	+16.9	108	159	44	311
Gross Profit	220	236	216	672	200	205	209	614	+10.0	+15.1	+3.3	+9.4	20	31	7	58
Opex	(205)	(214)	(204)	(623)	(188)	(186)	(192)	(566)	(9.0)	(15.1)	(6.3)	(10.1)	(17)	(28)	(12)	(57)
EBITDA	15	22	12	49	12	19	17	48	+25.0	+15.8	(29.4)	+2.1	3	3	(5)	1
Depreciation and Amortisation	(11)	(9)	(11)	(31)	(8)	(9)	(14)	(31)	(37.5)	+0.0	+21.4	+0.0	(3)	0	3	0
EBIT	4	13	1	18	4	10	3	17	+0.0	+30.0	(66.7)	+5.9	0	3	(2)	1
B) KPI																
EBITDA / Net turnover	2.2%	2.9%	1.7%	2.3%	2.0%	3.2%	2.6%	2.6%								
EBIT / Net turnover	0.6%	1.7%	0.1%	0.8%	0.7%	1.7%	0.5%	0.9%								
4. Contract Logistics																
A) Income Statement																
Turnover	1'200	1'266	1'208	3'674	1'101	1'157	1'174	3'432	+9.0	+9.4	+2.9	+7.1	99	109	34	242
Net turnover	1'080	1'142	1'106	3'328	1'015	1'064	1'084	3'163	+6.4	+7.3	+2.0	+5.2	65	78	22	165
Gross Profit	790	827	826	2'443	752	754	791	2'297	+5.1	+9.7	+4.4	+6.4	38	73	35	146
Opex	(735)	(758)	(767)	(2'260)	(705)	(697)	(736)	(2'138)	(4.3)	(8.8)	(4.2)	(5.7)	(30)	(61)	(31)	(122)
EBITDA	55	69	59	183	47	57	55	159	+17.0	+21.1	+7.3	+15.1	8	12	4	24
Depreciation and Amortisation	(22)	(32)	(29)	(83)	(23)	(25)	(25)	(73)	+4.3	(28.0)	(16.0)	(13.7)	1	(7)	(4)	(10)
EBIT	33	37	30	100	24	32	30	86	+37.5	+15.6	+0.0	+16.3	9	5	0	14
B) KPI																
EBITDA / Net turnover	5.1%	6.0%	5.3%	5.5%	4.6%	5.4%	5.1%	5.0%								
EBIT / Net turnover	3.1%	3.2%	2.7%	3.0%	2.4%	3.0%	2.8%	2.7%								

Quarter over quarter 2016/2015

CHF million	2016 Q1	2016 Q2	2016 Q3	2016 TOTAL	2015 Q1	2015 Q2	2015 Q3	2015 TOTAL	2016 / 2015 Change in % Q1	2016 / 2015 Change in % Q2	2016 / 2015 Change in % Q3	2016 / 2015 Change in % TOTAL	2016 / 2015 Change in mCHF Q1	2016 / 2015 Change in mCHF Q2	2016 / 2015 Change in mCHF Q3	2016 / 2015 Change in mCHF TOTAL
5. Kuehne + Nagel Group																
A) Income Statement																
Turnover	4'865	5'002	4'971	14'838	4'988	4'998	5'118	15'104	(2.5)	+0.1	(2.9)	(1.8)	(123)	4	(147)	(266)
Customs duties and taxes	(855)	(865)	(871)	(2'591)	(892)	(869)	(917)	(2'678)	+4.1	+0.5	+5.0	+3.2	37	4	46	87
Net Turnover	4'010	4'137	4'100	12'247	4'096	4'129	4'201	12'426	(2.1)	+0.2	(2.4)	(1.4)	(86)	8	(101)	(179)
Net expenses for services from third parties	(2'417)	(2'473)	(2'457)	(7'347)	(2'599)	(2'608)	(2'610)	(7'817)	+7.0	+5.2	+5.9	+6.0	182	135	153	470
Gross Profit	1'593	1'664	1'643	4'900	1'497	1'521	1'591	4'609	+6.4	+9.4	+3.3	+6.3	96	143	52	291
Opex	(1'334)	(1'376)	(1'373)	(4'083)	(1'264)	(1'257)	(1'311)	(3'832)	(5.5)	(9.5)	(4.7)	(6.6)	(70)	(119)	(62)	(251)
EBITDA	259	288	270	817	233	264	280	777	+11.2	+9.1	(3.6)	+5.1	26	24	(10)	40
Depreciation and Amortisation	(42)	(50)	(47)	(139)	(43)	(44)	(50)	(137)	+2.3	(13.6)	+6.0	(1.5)	1	(6)	3	(2)
EBIT	217	238	223	678	190	220	230	640	+14.2	+8.2	(3.0)	+5.9	27	18	(7)	38
Result from finance and associates	3	4	7	14	6	2	10	18	(50.0)	+100.0	(30.0)	(22.2)	(3)	2	(3)	(4)
EBT	220	242	230	692	196	222	240	658	+12.2	+9.0	(4.2)	+5.2	24	20	(10)	34
Income tax	(51)	(55)	(53)	(159)	(43)	(49)	(54)	(146)	(18.6)	(12.2)	+1.9	(8.9)	(8)	(6)	1	(13)
Earnings for the period	169	187	177	533	153	173	186	512	+10.5	+8.1	(4.8)	+4.1	16	14	(9)	21
Non-controlling interests	(1)	0	(1)	(2)	(1)	0	(1)	(2)	+0.0	+0.0	+0.0	+0.0	0	0	0	0
Net Earnings	168	187	176	531	152	173	185	510	+10.5	+8.1	(4.9)	+4.1	16	14	(9)	21
B) KPI																
GP / Net turnover	39.7%	40.2%	40.1%	40.0%	36.5%	36.8%	37.9%	37.1%								
EBITDA / Net turnover	6.5%	7.0%	6.6%	6.7%	5.7%	6.4%	6.7%	6.3%								
EBIT / Net turnover	5.4%	5.8%	5.4%	5.5%	4.6%	5.3%	5.5%	5.2%								
EBT / Net turnover	5.5%	5.8%	5.6%	5.7%	4.8%	5.4%	5.7%	5.3%								
Earnings for the period / Net turnover	4.2%	4.5%	4.3%	4.4%	3.7%	4.2%	4.4%	4.1%								

Contact

Markus Blanka-Graff
CFO
markus.blanka@kuehne-nagel.com
Tel: +41 (0)44 7869 644

Andrea Kobi
Investor Relations
andrea.kobi@kuehne-nagel.com
Tel: +41 (0)44 7869 561

Disclaimer

Investing in the shares of Kuehne + Nagel International AG involves risks.

Prospective investors are strongly requested to consult their investment advisors and tax advisors prior to investing in shares of Kuehne + Nagel International AG.

This document contains forward-looking statements which involve risks and uncertainties. These statements may be identified by such words as “may”, “plans”, “expects”, “believes” and similar expressions, or by their context. These statements are made on the basis of current knowledge and assumptions. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. No obligation is assumed to update any forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

The information contained in this document has not been independently verified and no representation or warranty, express or implied, is made to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. The information in this presentation is subject to change without notice, it may be incomplete or condensed, and it may not contain all material information concerning the Kuehne + Nagel Group. None of Kuehne + Nagel International AG or their respective affiliates shall have any liability whatsoever for any loss whatsoever arising from any use of this document, or otherwise arising in connection with this document.

This presentation is not an offer of securities for sale in the United States. The offer and sale of Kuehne + Nagel International AG securities has not been, and will not be registered under the United States Securities Act of 1933, as amended. Kuehne + Nagel International AG securities may not be offered or sold to anyone in the United States absent such registration, except pursuant to an appropriate exemption from registration. There will be no public offering of Kuehne + Nagel International AG securities in the United States.