

Analyst conference

Half-year 2022 results

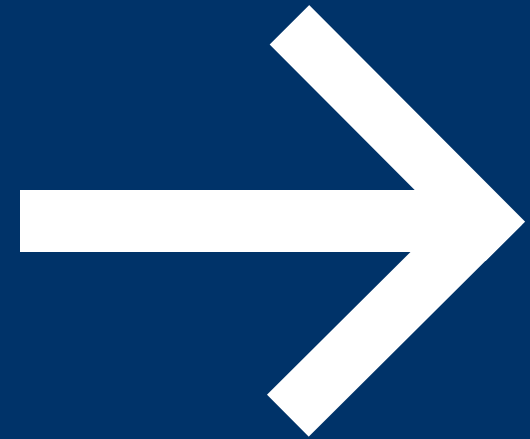
Kuehne + Nagel International AG

Schindellegi, Switzerland

25 July 2022 (CEST 14.00)

01

Overview half-year 2022 results



Highlights half-year 2022 results

20,631

Net turnover
CHF million
2021: 13,273

→ 55% increase on the previous year; 47% organic growth excluding FX

5,898

Gross profit
CHF million
2021: 4,327

→ 36% growth on the previous year; 30% organic growth excluding FX

1,711

Free cash flow
CHF million
2021: 424

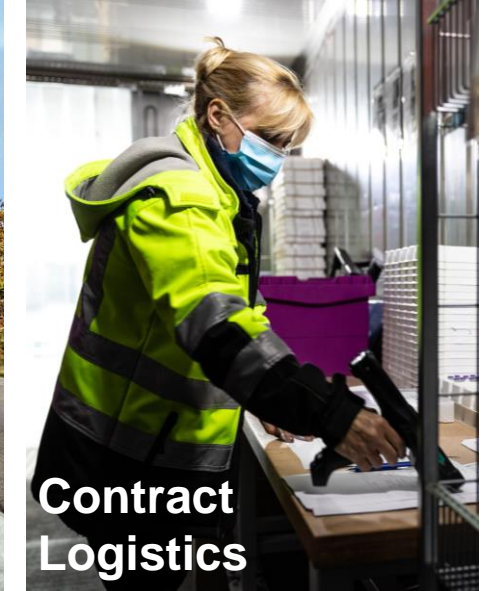
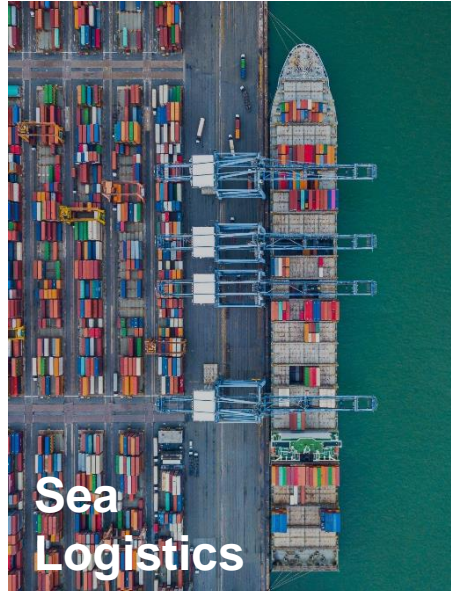
→ 304% increase on the previous year

12.90

EPS
CHF
2021: 6.31

→ 104% increase on the previous year, organic EPS growth of 83% excl. FX

Strong first half-year 2022 achieved in all business units



EBIT of CHF 2,195 million, up by 112%
Conversion Rate of 37%

EBIT of CHF 1,208 million
Persistent congestion at ports requires high service intensity

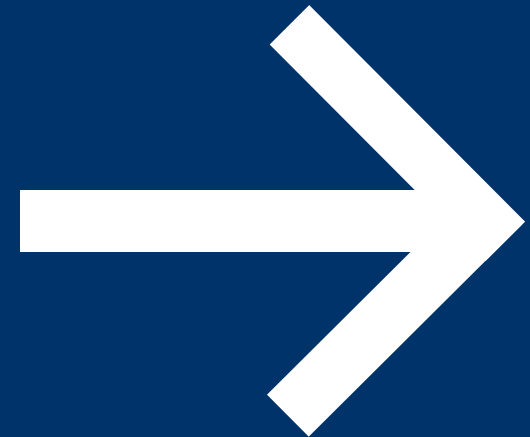
EBIT of CHF 826 million
Route changes due to closed airspace
Acquisition impact on EBIT of CHF 174 million

EBIT of CHF 80 million
Networks operating at full capacity
High demand for digital solutions

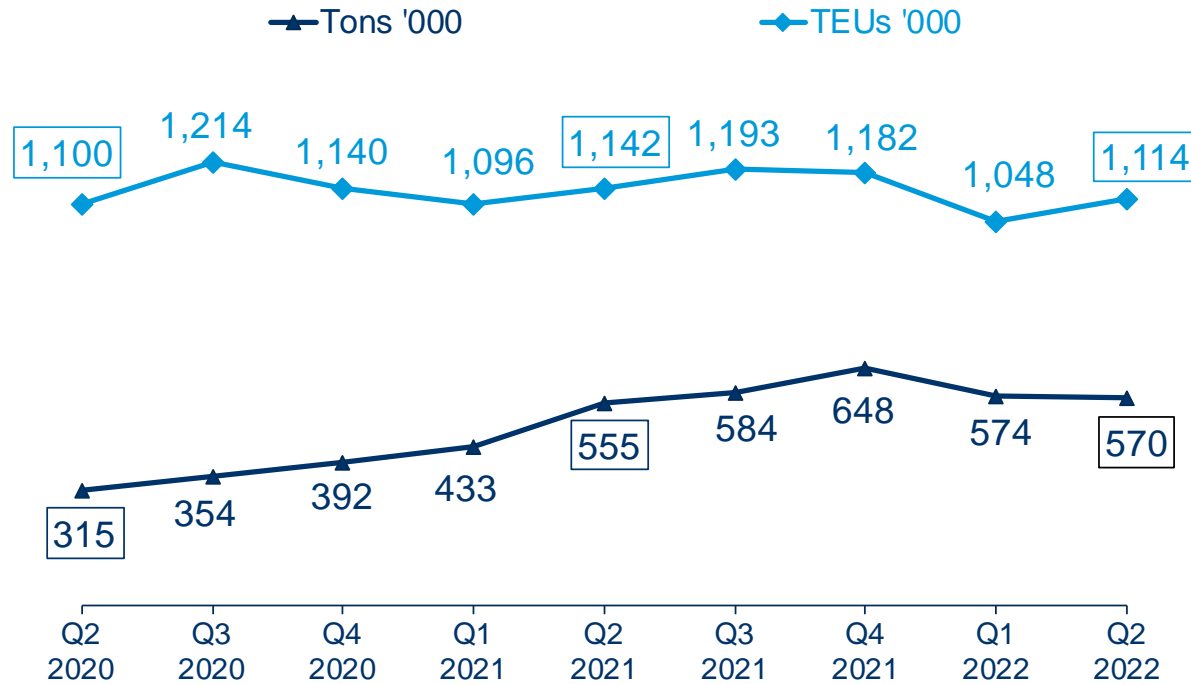
EBIT of CHF 81 million
Expansion of service offering for pharma and e-commerce
High capacity utilisation

02

Business unit update



Sea and Air Logistics volumes



- Sea Logistics volumes half-year 2022 3.4% below prior year; Q2 2022 down by 2.5%
- Air Logistics volumes half-year 2022 15.8% above prior year; Q2 2022 up by 2.7%



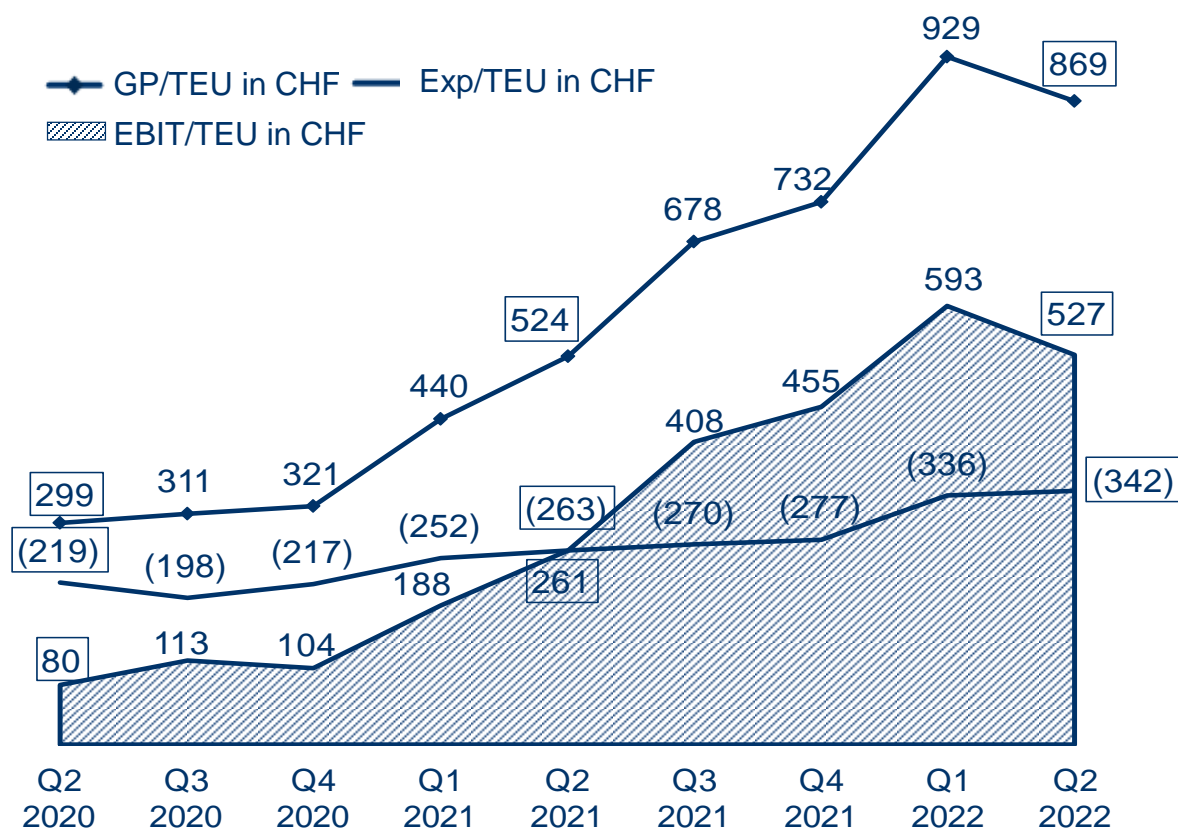
Sea Logistics

Persistent congestion at ports

High service intensity



Sea Logistics



- Gross profit half-year 2022 at CHF 1,942 million, 79.8% above prior year; Q2 2022 CHF 968 million, 61.9% above prior year
- EBIT half-year 2022 at CHF 1,208 million, 139.7% above prior year; Q2 2022 CHF 587 million, 97% above prior year



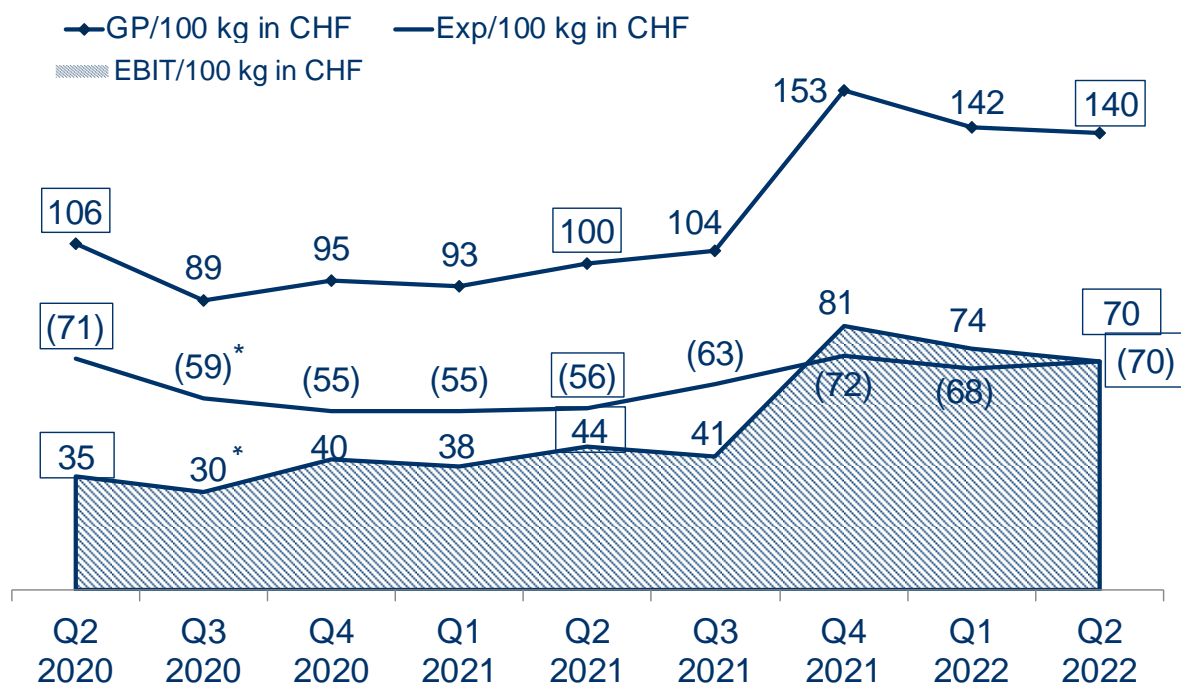
Air Logistics

Route changes due to closed airspace

Positive contribution from acquisitions



Air Logistics



* adjusted for Quick one-off in Q3 2020 of net CHF +63 million

- Gross profit half-year 2022 at CHF 1,613 million, 68.2% above prior year; Q2 2022 CHF 796 million, 42.9% above prior year
- EBIT half-year 2022: CHF 826 million, 103.4% above prior year; Q2 2022 CHF 401 million, 65% above prior year



Road Logistics

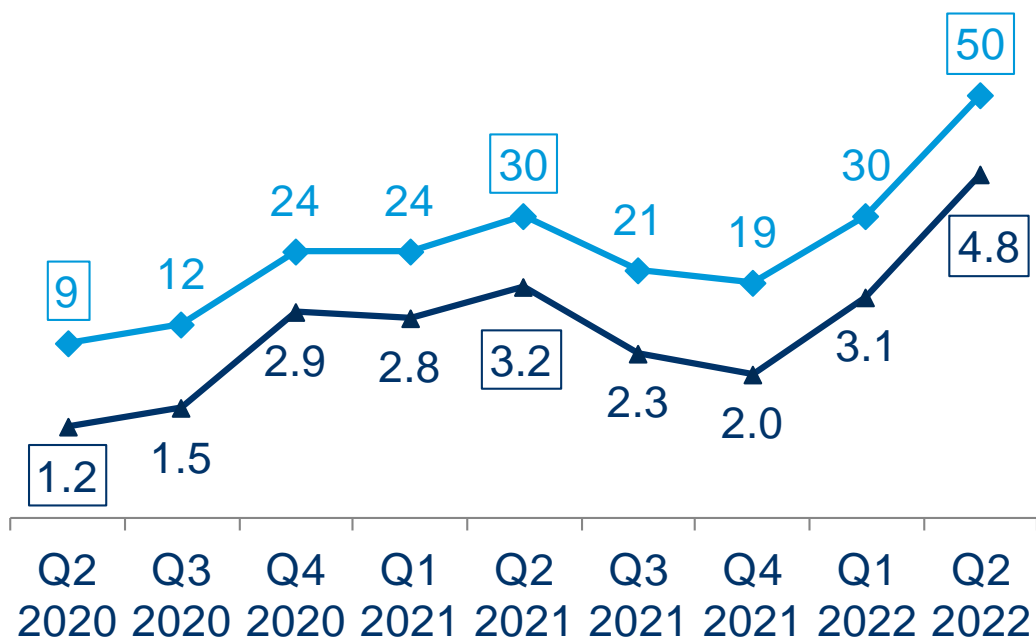
Networks operating at full capacity

High demand for digital solutions



Road Logistics

▲ EBIT/Net TO margin in % ◆ EBIT in CHF m



- Net turnover half-year 2022 at CHF 2,033 million, 12.4% above prior year; Q2 2022 CHF 1,051 million, 11.9% above prior year
- EBIT half-year 2022 at CHF 80 million, 48.1% above prior year; Q2 2022 CHF 50 million, 66.7% above prior year



Contract Logistics

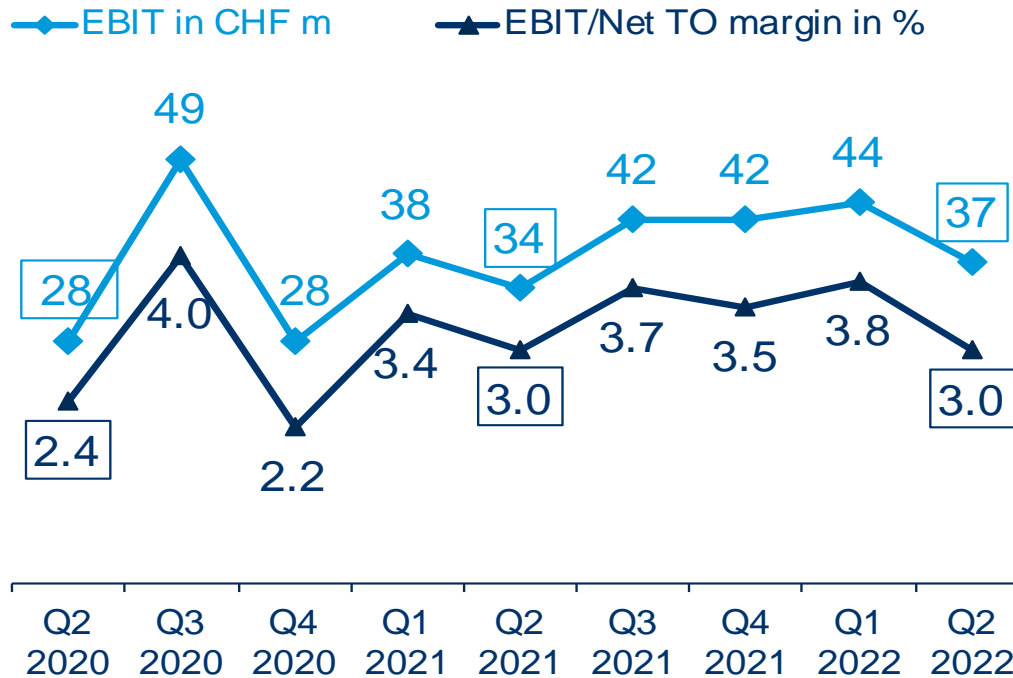
Expansion of service offering in pharma and e-commerce

Robust demand for automated solutions and robotics



Contract Logistics

(excluding one-off impacts)

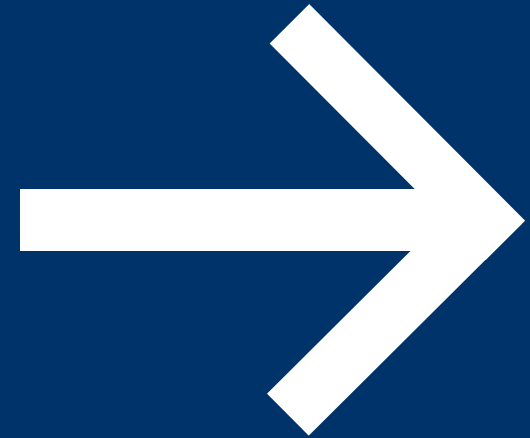


- Net turnover half-year 2022 at CHF 2,405 million, 7.1% above prior year; Q2 2022 CHF 1,232 million, 9.3% above prior year
- EBIT half-year 2022 at CHF 81 million, 12.5% above prior year; Q2 2022 CHF 37 million, 8.8% above prior year



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Key financial figures half-year 2022



Income statement

CHF million	2021 Q1	2021 Q2	2021 YTD	2022 Q1	2022 Q2	2022 YTD	Variance			YTD Variance in %			
							2022/2021	Q1	Q2	2022/2021	Growth	Acquisition	Forex ¹
Net turnover	6,032	7,241	13,273	10,158	10,473	20,631	7,358	4,126	3,232	55.4%	47.1%	11.3%	(3.0%)
Gross profit	2,019	2,308	4,327	2,942	2,956	5,898	1,571	923	648	36.3%	30.1%	9.1%	(2.9%)
Gross profit margin	33.5%	31.9%	32.6%	29.0%	28.2%	28.6%							
EBITDA	611	787	1,398	1,306	1,274	2,580	1,182	695	487	84.5%	70.2%	16.7%	(2.4%)
EBITDA margin	10.1%	10.9%	10.5%	12.9%	12.2%	12.5%							
Depreciation of property, plant & equipment	(46)	(48)	(94)	(43)	(53)	(96)							
Depreciation of right-of-use assets	(124)	(121)	(245)	(124)	(130)	(254)							
Amortisation of other intangibles	(10)	(13)	(23)	(19)	(16)	(35)							
EBIT	431	605	1,036	1,120	1,075	2,195	1,159	689	470	111.9%	92.7%	21.3%	(2.1%)
Conversion rate	21.3%	26.2%	23.9%	38.1%	36.4%	37.2%							
EBT	430	603	1,033	1,128	1,086	2,214	1,181	698	483	114.3%	93.8%	22.5%	(2.0%)
Earnings	318	446	764	832	796	1,628	864	514	350	113.1%	92.3%	22.8%	(2.0%)
Non-controlling interests	(1)	(7)	(8)	(49)	(42)	(91)	(83)	(48)	(35)				
Net earnings	317	439	756	783	754	1,537	781	466	315	103.3%	82.9%	23.0%	(2.6%)

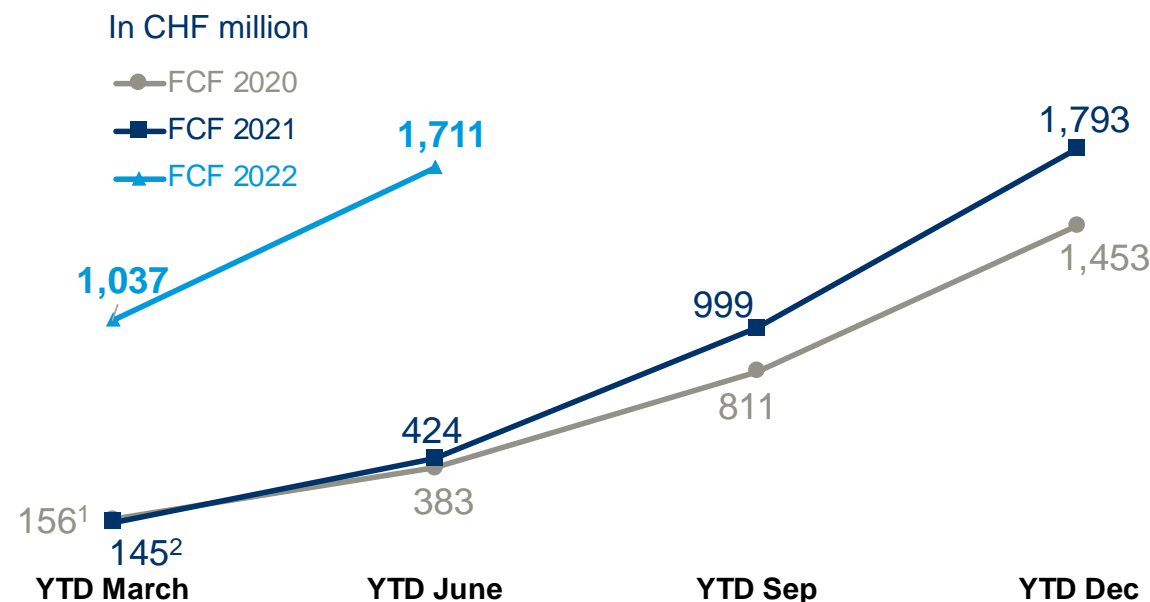
¹ Foreign currency translation impact

Balance sheet

CHF million	December 31, 2021	June 30, 2022		December 31, 2021	June 30, 2022
Assets			Equity and Liabilities		
Property, plant and equipment	766	736	Equity attributable to the equity holders of the parent company	3,204	2,910
Right-of-use assets	1,409	1,450	Non-controlling interests	7	8
Goodwill	2,290	2,302	Total equity	3,211	2,918
Other intangibles	247	218	Non-current lease liabilities	1,053	1,073
Others	257	236	Others	2,070	1,749
Non-current assets	4,969	4,942	Non-current liabilities	3,123	2,822
Trade receivables	6,404	6,563	Trade payables	2,994	2,882
Contract assets	693	748	Contract liabilities	223	278
Cash and cash equivalents	2,305	2,193	Accrued trade expenses/deferred income	2,200	2,461
Others	279	389	Bank and other interest-bearing liabilities	205	210
Current assets	9,681	9,893	Current lease liabilities	431	452
Assets	14,650	14,835	Others	2,263	2,812
			Current liabilities	8,316	9,095
			Equity and Liabilities	14,650	14,835

Cash / free cash flow

CHF million	HY 2021	HY 2022	Variance
Cash and cash equivalents January 1, net	1,713	2,300	587
Operational cash flow	1,418	2,594	1,176
Changes in working capital	(424)	(54)	370
Income taxes paid	(237)	(499)	(262)
Cash flow from operating activities	757	2,041	1,284
Cash flow from investing activities	(973)	(88)	885
Repayment of lease liabilities	(250)	(257)	(7)
Dividend paid to equity holders of parent company	(538)	(1,186)	(648)
Dividend paid to non-controlling interests	-	(61)	(61)
Purchase of treasury shares	-	(555)	(555)
Others	(70)	(11)	59
Total cash flow from financing activities	(858)	(2,070)	(1,212)
Exchange difference on cash and cash equivalents	17	-	(17)
Increase/(decrease) in cash and cash equivalents	(1,057)	(117)	940
Cash and cash equivalents June 30, net	656	2,183	1,527



¹ FCF Q1 2020 reported is CHF 84 million, which includes CHF 72 million from the prepayment of withholding tax, refund received in Q2 2020. YTD December 2020 cash flow from disposal of real estate of CHF 430 million included.

² FCF Q1 2021 reported is CHF 65 million, which includes CHF 80 million from the prepayment of withholding tax. YTD December 2021 cash flow from disposal of real estate CHF 22 million.

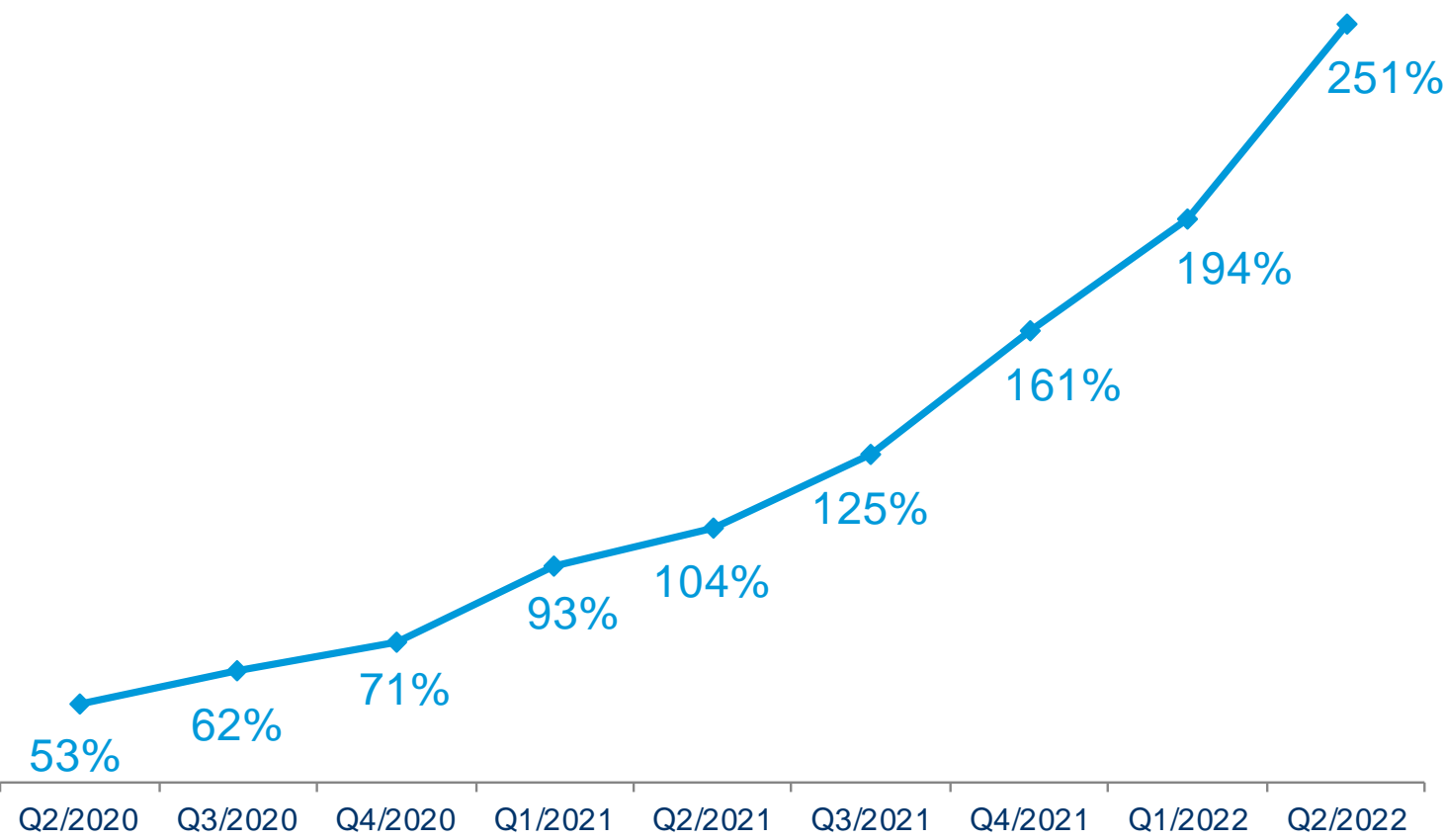
Working capital

CHF million	June 30, 2021	June 30, 2022	Better/(worse) 2022 vs. 2021
Trade receivables/contract assets	5,241	7,490	(2,249)
Trade payables/accrued trade expenses/contract liabilities*	(4,062)	(5,621)	1,559
Net working capital	1,179	1,869	(690)
KPIs:			
Working capital intensity	3.5%	4.1%	(0.6%)
DSO	51.2	53.3	(2.1)
DPO	58.5	57.1	(1.4)
Δ	7.3	3.8	(3.5)

* Contract liabilities have been added to the working capital calculation.

Prior year working capital intensity and DPO have been updated to reflect this change.

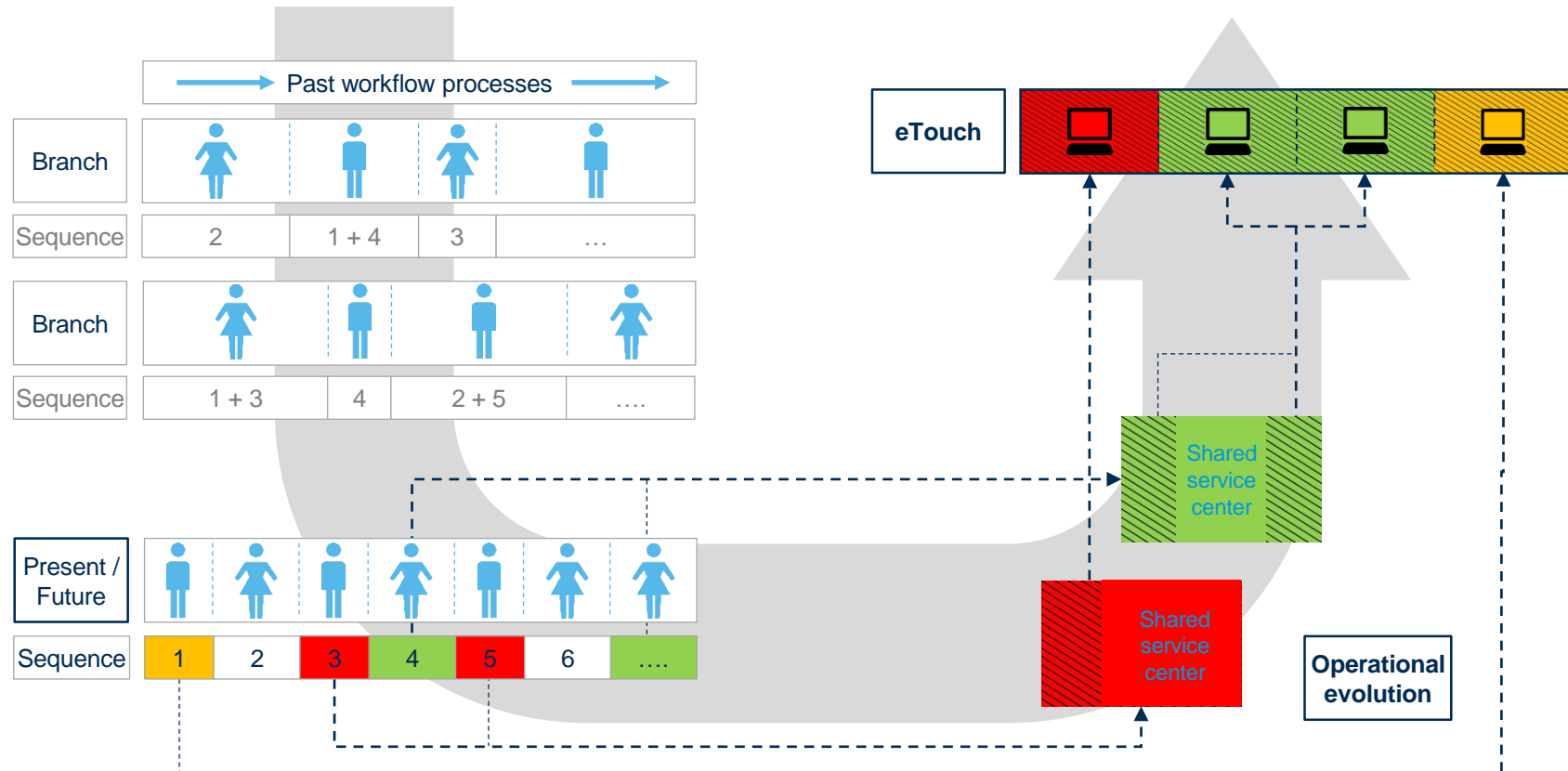
Return on capital employed (ROCE)



Calculation: last four quarters EBIT (rolling EBIT) divided by the average of the last four quarters capital employed (rolling capital employed); capital employed: assets and liabilities excluding investments in joint ventures and associates, deferred tax assets and liabilities, income tax receivables and liabilities, borrowings, cash and cash equivalents

eTouch in context

- Technology integral to realising full scope of efficiency gains
- Further standardisation of workflow and sequencing of tasks
- Centralisation of some customer and carrier facing tasks
- Meaningful opportunity for further digitisation and automation
- Result: free up front-line forwarding resource to provide even greater service while handling additional volume



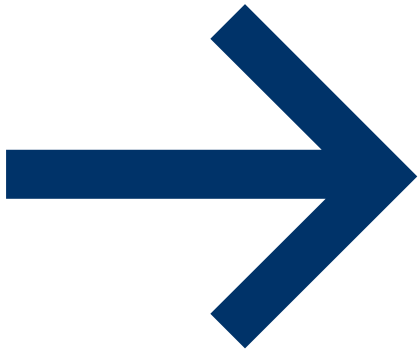
eTouch progress: material man-hour gains YTD



- Annualised man-hour improvement driven by documentation and quotation, booking, status
- Man-hour savings +10% vs. year-end 2021 with estimated cost savings up ~20%
- Organic CR impact of 1.7pp vs. 1.8pp at year-end 2021 due to organic yield expansion

Air Logistics workflow area*		hours saved (000)	CHF cents / 100kg	AL CR impact
Customer quotation, booking and status		410	60	0.5pp
Carrier and supplier communication		- - -	- - -	- - -
Documentation		220	35	0.3pp
Invoicing		770	120	0.9pp
Total		1,400	215	1.7pp

*Core Air Logistics operational workflow categories. All figures relate to stand-alone KN H1 2022 operations, wages and volume development (i.e. excluding Apex Logistics and Salmosped).



Market

Global GDP growth expectations continue to decline: currently 3% vs. 3.5% in April 2022 (Bloomberg)

Global inflationary pressures continue to mount, stoked by energy prices

Supply chains remain inefficient due to insufficient infrastructure

High demand for effective solutions and high quality services

Kuehne+Nagel

Ongoing focus on high service quality, agility and reliability

High yields to continue to compensate for exceptionally high costs to serve

Harvest additional gains from accelerated investment in digital logistics solutions

Further leverage of Asian markets' growth dynamics

Inspire. Empower. Deliver.



Upcoming events

06. - 25.10.2022

25.10.2022

Closed period

Nine-months 2022 results

03.01. - 01.03.2023

01.03.2023

Closed period

**Full-year 2022 results and
Capital Markets Day**

06.04. - 25.04.2023

25.04.2023

Closed period

Three-months results 2023

09.05.2023

Annual General Meeting

06.07. - 25.07.2023

25.07.2023

Closed period

Six-months results 2023

05.07. - 25.07.2023

25.10.2023

Closed period

Nine-months 2023 results



Quarter over Quarter 2022/2021

CHF million	2022			2021			Change in %			Change in mCHF		
	Q1	Q2	TOTAL	Q1	Q2	TOTAL	Q1	Q2	TOTAL	Q1	Q2	TOTAL
1. Sea Logistics												
A) Income Statement												
Turnover	5,363	5,457	10,820	2,878	3,311	6,189	+86.3	+64.8	+74.8	2,485	2,146	4,631
Net Turnover	4,857	5,012	9,869	2,393	2,849	5,242	+103.0	+75.9	+88.3	2,464	2,163	4,627
Gross Profit	974	968	1,942	482	598	1,080	+102.1	+61.9	+79.8	492	370	862
Opex	(343)	(369)	(712)	(268)	(293)	(561)	(28.0)	(25.9)	(26.9)	(75)	(76)	(151)
EBITDA	631	599	1,230	214	305	519	+194.9	+96.4	+137.0	417	294	711
Depreciation and Amortisation	(10)	(12)	(22)	(8)	(7)	(15)	(25.0)	(71.4)	(46.7)	(2)	(5)	(7)
EBIT	621	587	1,208	206	298	504	+201.5	+97.0	+139.7	415	289	704
B) KPI												
EBIT / GP conversion rate	63.8%	60.6%	62.2%	42.7%	49.8%	46.7%						
Volume (TEU's '000)	1,048	1,114	2,162	1,096	1,142	2,238	(4.4)	(2.5)	(3.4)	(48)	(28)	(76)
GROSS PROFIT	929	869	898	440	524	483	+111.1	+65.8	+85.9	489	345	415
EXPENSES	(336)	(342)	(339)	(252)	(263)	(258)	(33.3)	(30.0)	(31.4)	(84)	(79)	(81)
EBIT	593	527	559	188	261	225	+215.4	+101.9	+148.4	405	266	334
2. Air Logistics												
A) Income Statement												
Turnover	3,303	3,348	6,651	1,798	2,495	4,293	+83.7	+34.2	+54.9	1,505	853	2,358
Net turnover	3,146	3,178	6,324	1,650	2,326	3,976	+90.7	+36.6	+59.1	1,496	852	2,348
Gross Profit	817	796	1,613	402	557	959	+103.2	+42.9	+68.2	415	239	654
Opex	(373)	(374)	(747)	(230)	(299)	(529)	(62.2)	(25.1)	(41.2)	(143)	(75)	(218)
EBITDA	444	422	866	172	258	430	+158.1	+63.6	+101.4	272	164	436
Depreciation and Amortisation	(19)	(21)	(40)	(9)	(15)	(24)	(111.1)	(40.0)	(66.7)	(10)	(6)	(16)
EBIT	425	401	826	163	243	406	+160.7	+65.0	+103.4	262	158	420
B) KPI												
EBIT / GP conversion rate	52.0%	50.4%	51.2%	40.5%	43.6%	42.3%						
Volume (TON's '000)	574	570	1,144	433	555	988	+32.6	+2.7	+15.8	141	15	156
GROSS PROFIT	142	140	141	93	100	97	+52.7	+40.0	+45.4	49	40	44
EXPENSES	(68)	(70)	(80)	(55)	(56)	(56)	(23.6)	(25.0)	(42.9)	(13)	(14)	(24)
EBIT	74	70	61	38	44	41	+94.7	+59.1	+48.8	36	26	20

Quarter over Quarter 2022/2021

CHF million	2022			2021			Change in %			Change in mCHF		
	Q1	Q2	TOTAL	Q1	Q2	TOTAL	Q1	Q2	TOTAL	Q1	Q2	TOTAL
3. Road Logistics												
A) Income Statement												
Turnover	1,124	1,196	2,320	1,009	1,134	2,143	+11.4	+5.5	+8.3	115	62	177
Net Turnover	982	1,051	2,033	870	939	1,809	+12.9	+11.9	+12.4	112	112	224
Gross Profit	329	355	684	304	326	630	+8.2	+8.9	+8.6	25	29	54
Opex	(284)	(290)	(574)	(265)	(280)	(545)	(7.2)	(3.6)	(5.3)	(19)	(10)	(29)
EBITDA	45	65	110	39	46	85	+15.4	+41.3	+29.4	6	19	25
Depreciation and Amortisation	(15)	(15)	(30)	(15)	(16)	(31)	-	+6.3	+3.2	-	1	1
EBIT	30	50	80	24	30	54	+25.0	+66.7	+48.1	6	20	26
B) KPI												
EBITDA / Net turnover	4.6%	6.2%	5.4%	4.5%	4.9%	4.7%						
EBIT / GP conversion rate	9.1%	14.1%	11.7%	7.9%	9.2%	8.6%						
EBIT / Net turnover	3.1%	4.8%	3.9%	2.8%	3.2%	3.0%						
4. Contract Logistics												
A) Income Statement												
Turnover	1,300	1,378	2,678	1,248	1,272	2,520	+4.2	+8.3	+6.3	52	106	158
Net turnover	1,173	1,232	2,405	1,119	1,127	2,246	+4.8	+9.3	+7.1	54	105	159
Gross Profit	822	837	1,659	831	827	1,658	(1.1)	+1.2	+0.1	(9)	10	1
Opex	(636)	(649)	(1,285)	(645)	(649)	(1,294)	+1.4	-	+0.7	9	-	9
EBITDA	186	188	374	186	178	364	-	+5.6	+2.7	-	10	10
Depreciation and Amortisation	(142)	(151)	(293)	(148)	(144)	(292)	+4.1	(4.9)	(0.3)	6	(7)	(1)
EBIT	44	37	81	38	34	72	+15.8	+8.8	+12.5	6	3	9
B) KPI												
EBITDA / Net turnover	15.9%	15.3%	15.6%	16.6%	15.8%	16.2%						
EBIT / GP conversion rate	5.4%	4.4%	4.9%	4.6%	4.1%	4.3%						
EBIT / Net turnover	3.8%	3.0%	3.4%	3.4%	3.0%	3.2%						

Quarter over Quarter 2022/2021

CHF million	2022			2021			Change in %			Change in mCHF		
	Q1	Q2	TOTAL	Q1	Q2	TOTAL	Q1	Q2	TOTAL	Q1	Q2	TOTAL
5. Kuehne+Nagel Group												
A) Income Statement												
Turnover	11,090	11,379	22,469	6,933	8,212	15,145	+60.0	+38.6	+48.4	4,157	3,167	7,324
Customs duties and taxes	(932)	(906)	(1,838)	(901)	(971)	(1,872)	(3.4)	+6.7	+1.8	(31)	65	34
Net Turnover	10,158	10,473	20,631	6,032	7,241	13,273	+68.4	+44.6	+55.4	4,126	3,232	7,358
Net expenses for services from 3rd parties	(7,216)	(7,517)	(14,733)	(4,013)	(4,933)	(8,946)	(79.8)	(52.4)	(64.7)	(3,203)	(2,584)	(5,787)
Gross Profit	2,942	2,956	5,898	2,019	2,308	4,327	+45.7	+28.1	+36.3	923	648	1,571
Opex	(1,636)	(1,682)	(3,318)	(1,408)	(1,521)	(2,929)	(16.2)	(10.6)	(13.3)	(228)	(161)	(389)
EBITDA	1,306	1,274	2,580	611	787	1,398	+113.7	+61.9	+84.5	695	487	1,182
Depreciation and Amortisation	(186)	(199)	(385)	(180)	(182)	(362)	(3.3)	(9.3)	(6.4)	(6)	(17)	(23)
EBIT	1,120	1,075	2,195	431	605	1,036	+159.9	+77.7	+111.9	689	470	1,159
Result from finance and associates	8	11	19	(1)	(2)	(3)	+900.0	+650.0	+733.3	9	13	22
EBT	1,128	1,086	2,214	430	603	1,033	+162.3	+80.1	+114.3	698	483	1,181
Income tax	(296)	(290)	(586)	(112)	(157)	(269)	(164.3)	(84.7)	(117.8)	(184)	(133)	(317)
Earnings	832	796	1,628	318	446	764	+161.6	+78.5	+113.1	514	350	864
Non-controlling interests	(49)	(42)	(91)	(1)	(7)	(8)				(48)	(35)	(83)
Net Earnings	783	754	1,537	317	439	756	+147.0	+71.8	+103.3	466	315	781
B) KPI												
EBIT / GP conversion rate	38.1%	36.4%	37.2%	21.3%	26.2%	23.9%						
GP / Net turnover	29.0%	28.2%	28.6%	33.5%	31.9%	32.6%						
EBITDA / Net turnover	12.9%	12.2%	12.5%	10.1%	10.9%	10.5%						
EBIT / Net turnover	11.0%	10.3%	10.6%	7.1%	8.4%	7.8%						
EBT / Net turnover	11.1%	10.4%	10.7%	7.1%	8.3%	7.8%						
Earnings / Net turnover	8.2%	7.6%	7.9%	5.3%	6.2%	5.8%						



Contact

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

Christopher Combé
Head of Investor Relations
christopher.combe@kuehne-nagel.com
Tel: +41 (0)44 7869 693

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

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