



Kuehne + Nagel International AG

39. Congress der Controller

Gerard van Kesteren, CFO

Munich, 20. May 2014



Agenda

▶ **What about Gerard van Kesteren**

What about Kuehne + Nagel

The Function of the CFO in a Stagnating Market

CFO Position within Kuehne + Nagel

Organisational Set-up Finance Function

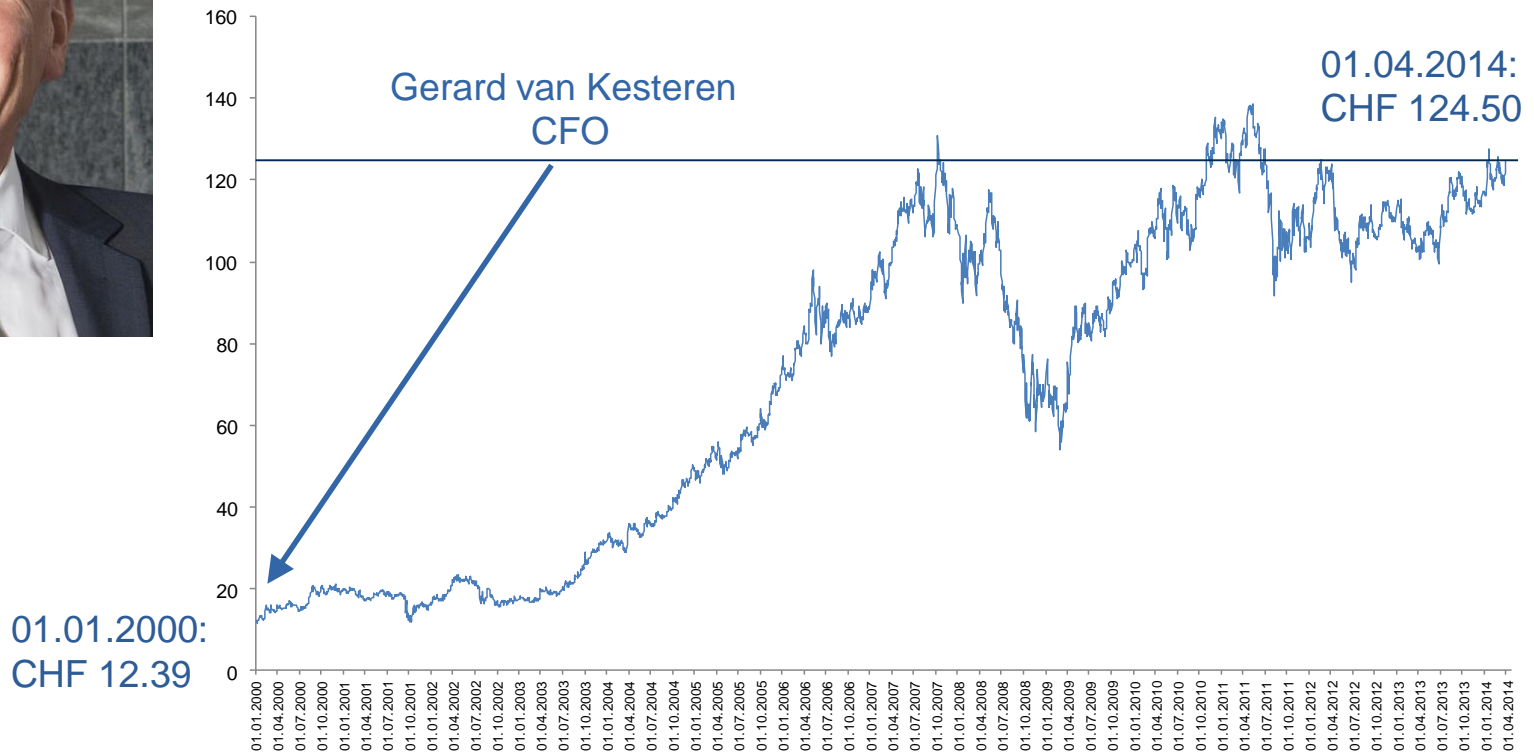


What about Gerard van Kesteren Personal



➔ 17 years with Sara Lee

➔ 25 years with Kuehne + Nagel





Agenda

What about Gerard van Kesteren

▶ What about Kuehne + Nagel

The Function of the CFO in a Stagnating Market

CFO Position within Kuehne + Nagel

Organisational Set-up Finance Function



What about Kuehne + Nagel

Global logistics network



Over 70'000 employees

1'000 locations in more than 100 countries

Ownership of the global network

Non-asset based



What about Kuehne + Nagel

Success factors for a leading global position

Human Resources –
attractive remuneration programme / Share Matching program

Information Technology –
standardised IT systems / resulting in business intelligence

Finance –
globally standardised system

Ownership of the **Global Network** / 1'000 locations



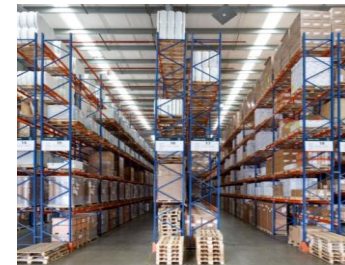
Seafreight
No. 1



Airfreight
No. 2



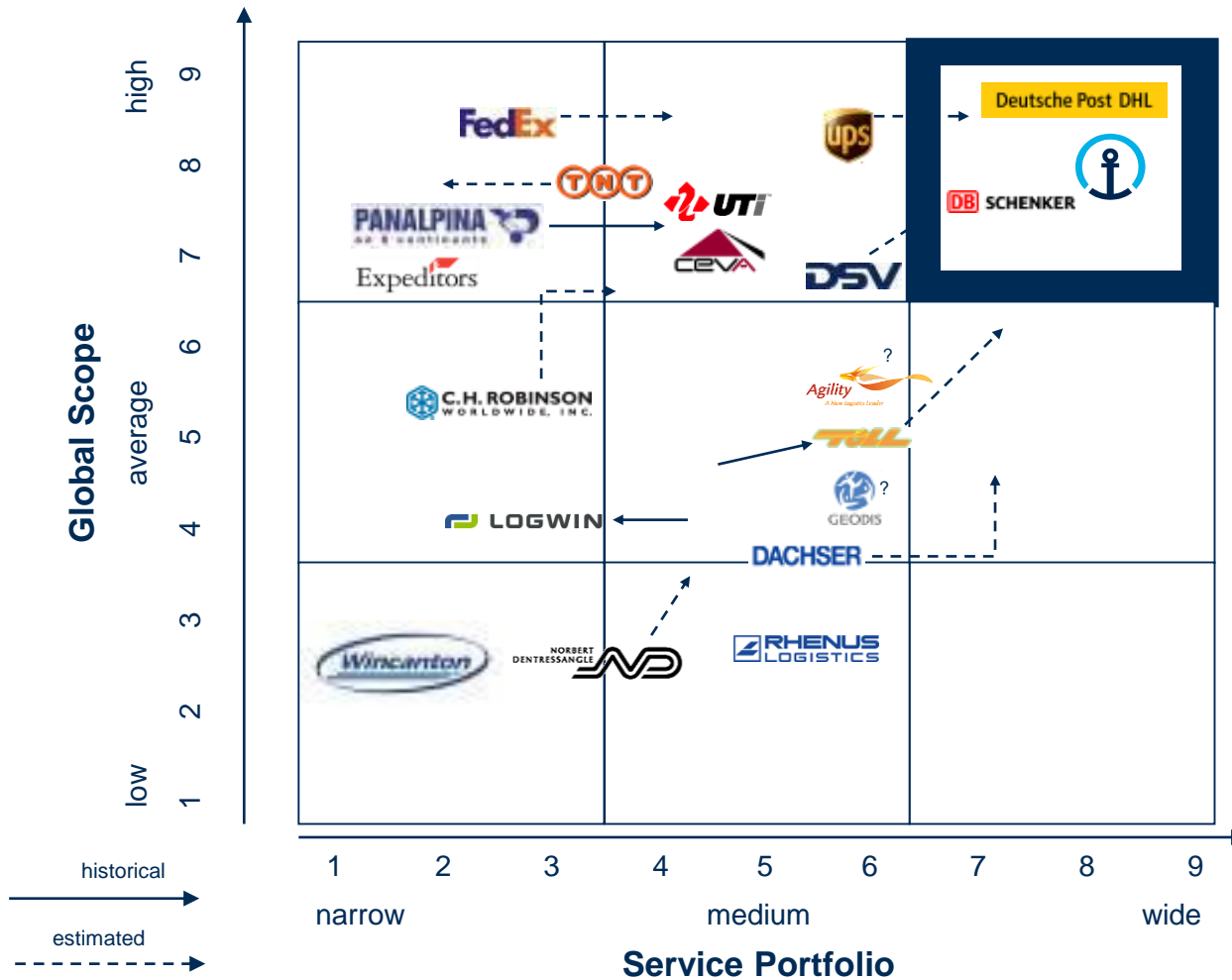
Road & Rail Logistics
No. 5



Contract Logistics
No. 2



What about Kuehne + Nagel Sector positioning



Kuehne + Nagel and its most important competitors count on global, integrated Logistics services.



What about Kuehne + Nagel

Competitive environment

Business Units Leaders

	1	2	3	4	5
Seafreight	KN	DHL	DB Schenker	Panalpina	DSV
Airfreight	DHL	KN	DB Schenker	Panalpina	DSV
Road & Rail	DB Schenker	DHL	DSV		KN
Contract Logistics	DHL	KN	CEVA		



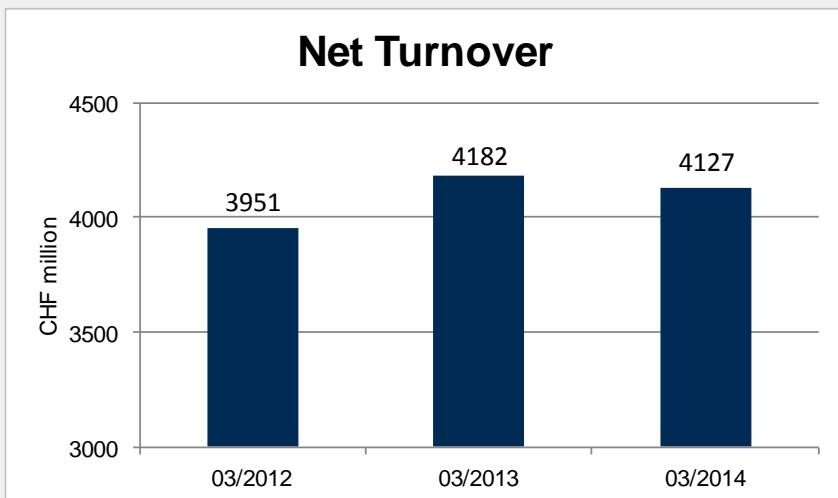
What about Kuehne + Nagel

Competitive environment 2013 – Volumes

Company	Seafreight	Airfreight
	Variance in %	Variance in %
Market	+ 2 to 3%	0%
Kuehne + Nagel	3.0%	3.8%
DHL	(1.2%)	(4.8%)
Panalpina	7.7%	3.0%
DSV	6.4%	0.1%
Expeditors	5.8%	3.4%

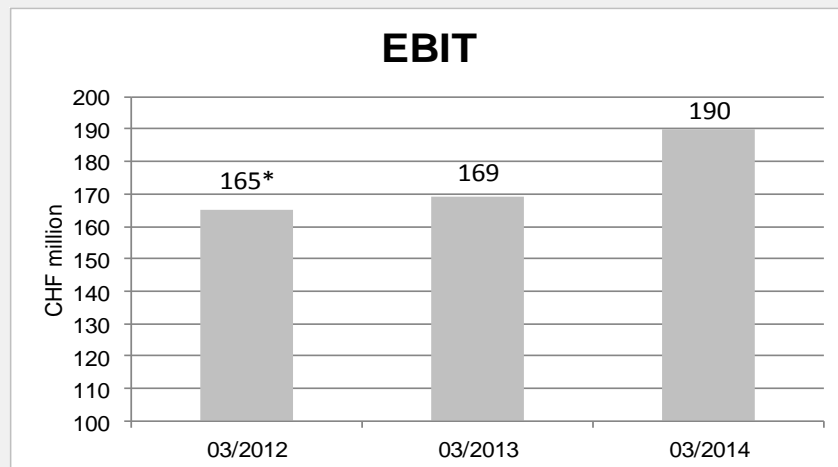
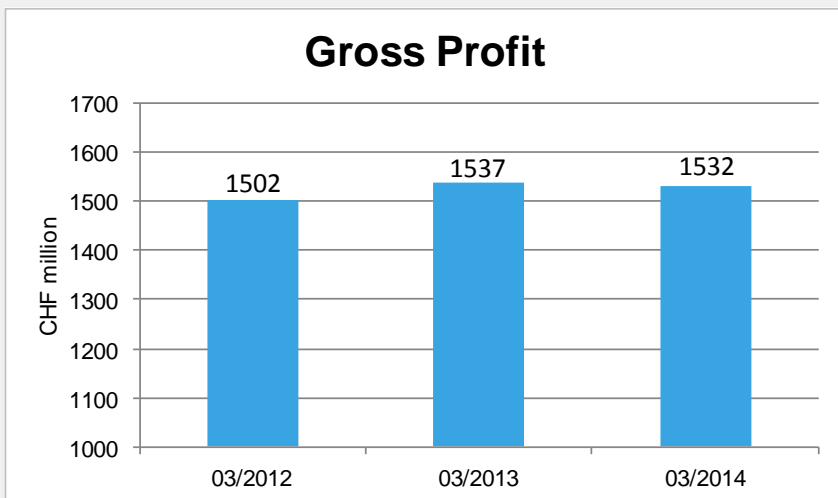


Q1 Results 2014 – Kuehne + Nagel Group



Highlights Q1 2014

- Above market growth in all business units
- Stable Gross Profit by 0.3% (excl. Forex + 2.8%)
- Increased EBIT by 12.4% (excl. Forex + 17.1%)
- Working Capital Intensity 4.1%
- Effective tax rate sustainable at 21 - 22%



* Excl. EU Antitrust fine of CHF 65 million in 2012



Overview Q1 Results 2014 – Consolidated Income Statement

<i>CHF million</i>	2014	2013	Variance 2014/2013	Variance in %		
				2014/2013	Growth	Forex
Net Turnover	4,127	4,182	(55)	(1.3%)	3.3%	(4.6%)
Gross Profit	1,532	1,537	(5)	(0.3%)	2.8%	(3.1%)
<i>Gross Profit margin</i>	37.1%	36.8%				
EBITDA	235	219	16	7.3%	11.4%	(4.1%)
<i>EBITDA margin</i>	5.7%	5.2%				
EBIT	190	169	21	12.4%	17.1%	(4.7%)
<i>EBIT margin</i>	4.6%	4.0%				
EBT	192	171	21	12.3%	17.0%	(4.7%)
<i>EBT margin</i>	4.7%	4.1%				
Earnings for the period	150	134	16	11.9%	16.4%	(4.5%)

- Volume growth in line with our outlook
- EBIT improved by + 12.4% (+ 17.1% excl. forex)

- Material negative foreign currency impact
- Increased Working Capital Intensity



Financial Review – Balance Sheet

CHF million	31 March 2014	31 December 2013	CHF million	31 March 2014	31 December 2013
Assets			Liabilities and equity		
			Total equity	2,657	2,558
Non-current assets	2,126	2,133	Non-current liabilities	591	563
Trade receivables	2,526	2,426	Trade payables	1,271	1,362
Cash and cash equivalents	1,258	1,255	Accrued trade expenses / deferred income	939	936
Others	612	560	Bank and other interest-bearing liabilities	41	21
Current assets	4,396	4,241	Others	1,023	934
			Current liabilities	3,274	3,253
Total assets	6,522	6,374	Total liabilities and equity	6,522	6,374



Financial Review – Working Capital

CHF million	March 2014	Dec 2013	March 2013	Better/(Worse) Mar 14 vs. Mar 13
Trade receivables & Work in progress	2,879	2,806	2,870	(9)
Trade payables & Accrued trade expenses	(2,061)	(2,148)	(2,108)	(47)
Net Working Capital	818	658	762	(56)
KPI's:				
Working Capital Intensity	4.1%	3.1%	3.7%	(0.4%)
DSO	46.7	43.2	46.1	(0.6)
DPO	53.4	52.6	53.5	(0.1)
Δ	6.7	9.4	7.4	(0.7)



Agenda

What about Gerard van Kesteren

What about Kuehne + Nagel

The Function of the CFO in a Stagnating Market

CFO Position within Kuehne + Nagel

Organisational Set-up Finance Function



The Function of the CFO in a Stagnating Market

- ➔ Will the world economic growth return to pre-2009 level?
- ➔ Will the globalisation continue?
- ➔ Will the current CFO be the future CEO?



Agenda

What about Gerard van Kesteren

What about Kuehne + Nagel

The Function of the CFO in a Stagnating Market

▶ CFO Position within Kuehne + Nagel

Organisational Set-up Finance Function



CFO position within Kuehne + Nagel

How to manage business in a volatile environment

	I. Growth	II. Stagnation	III. Recession
Direct Manpower			
Administration			
IT			
Sales			
Capex			
M&A			



CFO position within Kuehne + Nagel

Impact 10% volume reduction K+N

<i>CHF million</i>	2013	10% volume reduction	"left"
Turnover	20'929	(2'093)	18'836
Gross profit	6'257	(626)	5'631
Manpower	(3'735)	-	(3'735)
Other expenses	(1'560)	-	(1'560)
EBITDA	962	(626)	336
EBITA	819	(626)	193
EBIT	761	(626)	135
PAT	607	(488)	119



Agenda

What about Gerard van Kesteren

What about Kuehne + Nagel

The Function of the CFO in a Stagnating Market

CFO Position within Kuehne + Nagel

▶ Organisational Set-up Finance Function



Organisational Set-up Finance Function

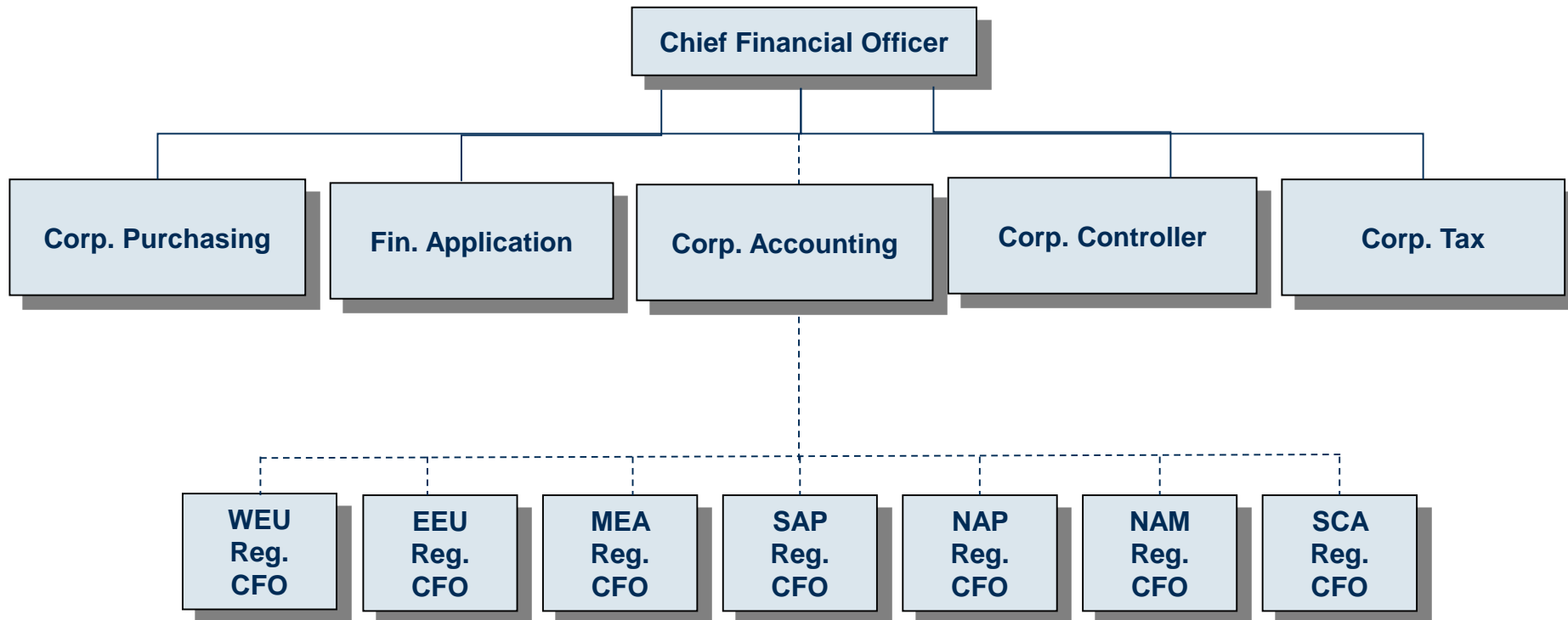
Changes implemented

- ➔ Detailed Budget (time horizon 15 months!) cancelled
- ➔ Rolling Forecast concept introduced based on 3 quarterly cycle and full year estimate
- ➔ Quarterly review calls with Regional Management
- ➔ Financial function clear Nr. 2



Organisational Set-up Finance Function

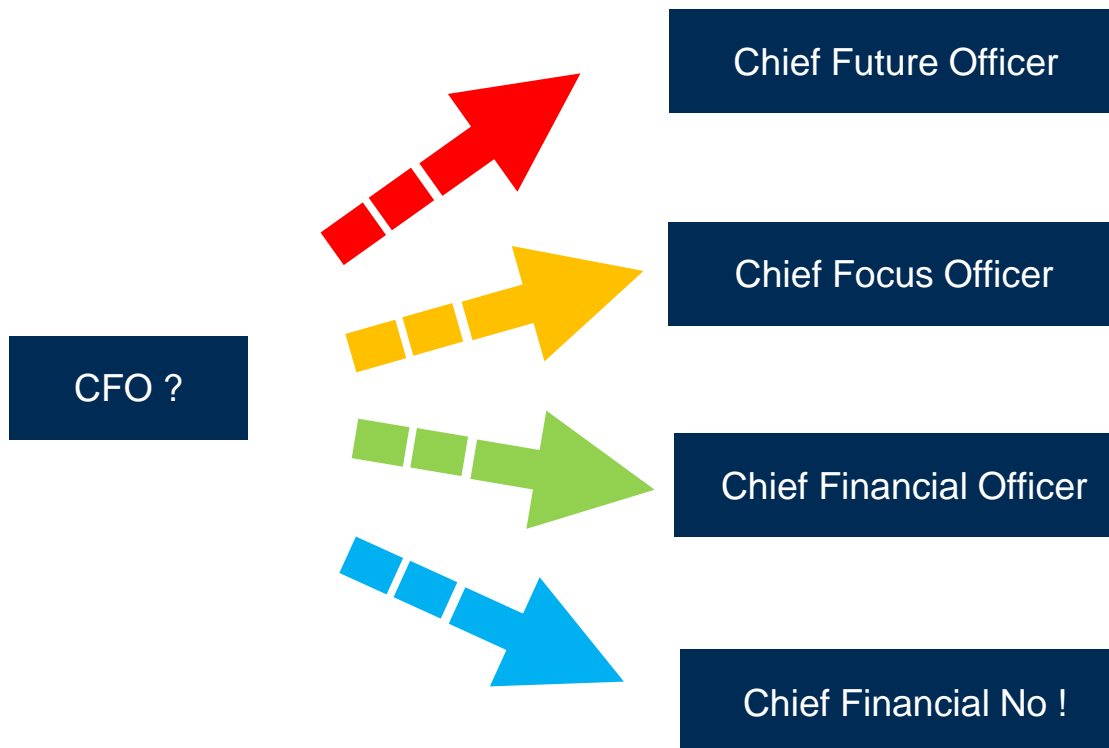
Corporate finance





Organisational Set-up Finance Function

Role of the CFO





Organisational Set-up Finance Function

- ➔ Work hard
- ➔ Have a strategy
- ➔ Ruthless execution
- ➔ Have a bit of luck
- ➔ Have fun



Contact

Gerard van Kesteren
CFO
gerard.vankesteren@kuehne-nagel.com
Tel: +41 (0)44 7869 564

Markus Blanka-Graff
Director Corporate Finance + Investor Relations
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.