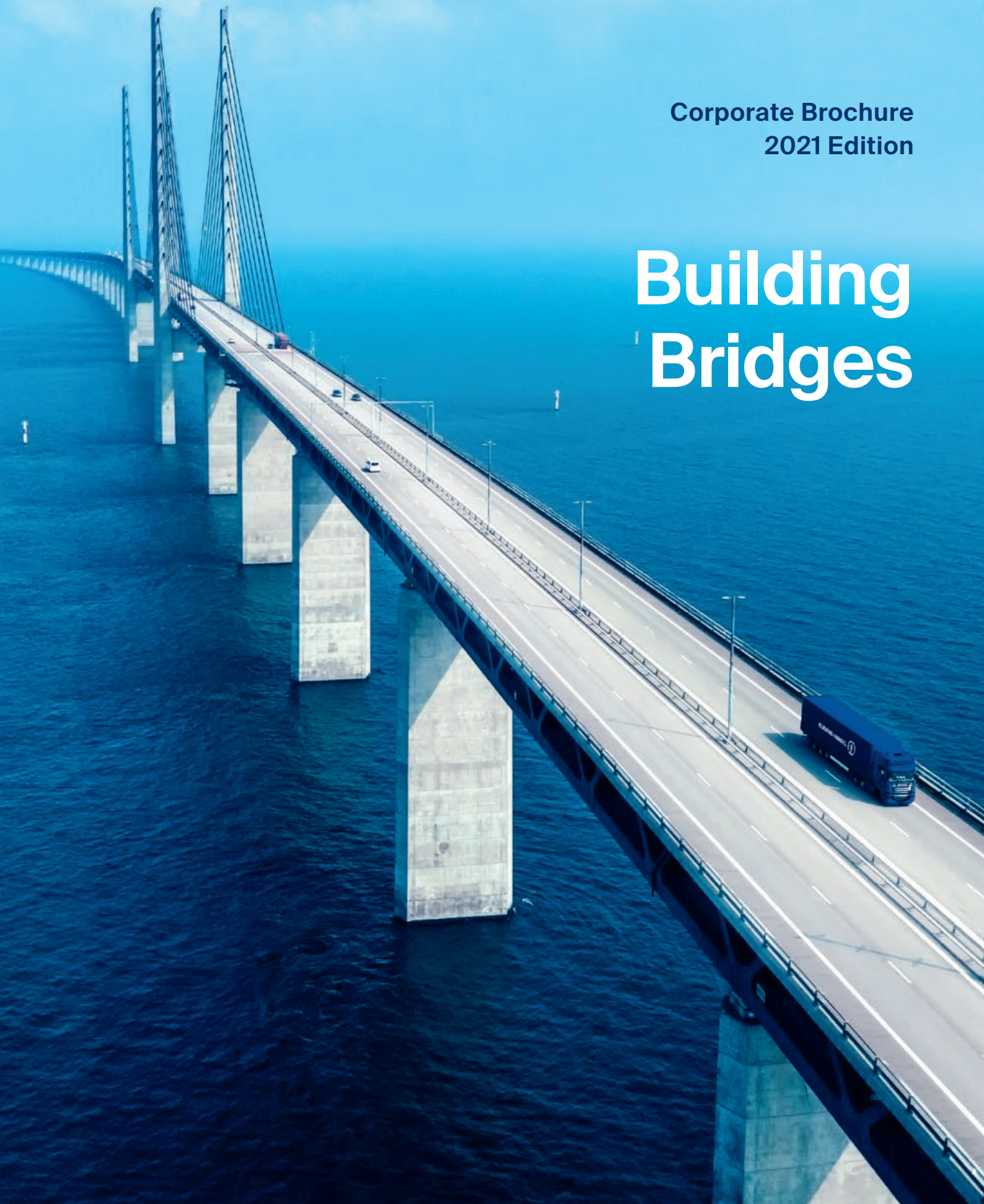


**Corporate Brochure
2021 Edition**

Building Bridges



Key Figures

In CHF million	2020	Variance
23,812	Turnover	-5.9%
20,382	Net turnover	-3.4%
7,475	Gross profit	-6.3%
1,920	EBITDA	5.0%
1,070	EBIT	0.8%
14.3	EBIT in per cent of gross profit (conversion rate)	
789	Earnings for the year	-1.4%
1,904	Operational cash flow	9.0%
177	Investments	
71%	Return on Capital Employed	
CHF 6.59	Earnings per share (basic)	
CHF 4.50	Dividend per share ¹	
78,249	Employees	

¹ Proposal to the Annual General Meeting

Chairman's Message

Dear readers,

It is hard to imagine a financial year more demanding than 2020 for our business partners and employees at all levels. At Kuehne+Nagel, we demonstrated great commitment and flexibility by quickly adapting to a changing situation. We now look back with some professional pride and can say that 2020, the year of the pandemic, was a highly successful year for your company, the Kuehne+Nagel Group. We managed to overcome the challenges, some of which were huge, as well as making the most of opportunities as they presented themselves.

In a global economy that has taken a considerable hit with significant drops in trade flows, net turnover for the Group was only slightly down on the previous year at 20.4 billion Swiss francs. At 1.1 billion francs, EBIT was almost one percentage point up on 2019, a record high. All of Kuehne+Nagel's business units generated new client business and increased profitability, particularly in the second half of the year.

We feel justified in saying that not only has 2020 proven to be a successful year for Kuehne+Nagel despite the pandemic, but also that in spite of the global lockdown, the Company made a crucial contribution towards maintaining global supply chains that are so important and under threat right now. The range of services we offer to the pharmaceutical industry enabled us to ship millions of items of protective equipment, and we are now setting standards in the secure, reliable global distribution of Covid-19 vaccines. By doing so, we are also making an important contribution to the public health situation, which will hopefully ease soon.



But 2020 was also an eventful year for Kuehne+Nagel from a structural perspective: with the disposal of parts of the Contract Logistics activities in the United Kingdom, France and Argentina, we successfully completed the comprehensive restructuring of this business unit. At the beginning of 2019, we launched a strategic review of these activities at the Board of Directors meeting and informed you, our business partners and the public accordingly. The division is now in excellent shape to focus globally on scalable solutions, particularly in e-commerce and pharma.

This is partly a payoff from the bold strategic decision taken several years ago to focus, expand and extend our presence in China and other parts of Asia. In the past, Kuehne+Nagel focused mainly on Europe and North America, whereas the Group is now systematically expanding its position in the Asia-Pacific region. The Board of Directors is firmly convinced that Asia will be the central driver of global economic development in the years to come. We are not only committed, but also have the capacity, to play an active part in this process. In this respect, the announcement of the acquisition of Apex Logistics in February 2021 is an important milestone.

Dear readers, on behalf of the entire Board of Directors, I would like to express my heartfelt thanks for your continued confidence in Kuehne+Nagel.

Dr. Joerg Wolle,
Chairman of the Board of Directors

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Sea Logistics

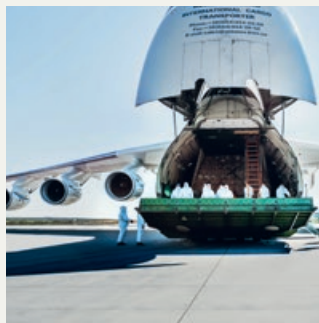


No. 1 worldwide

9.0

billion CHF
turnover 2020
worldwide

Air Logistics

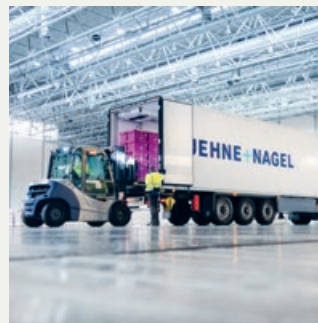


No. 2 worldwide

5.8

billion CHF
turnover 2020
worldwide

Road Logistics



No. 5 in Europe

3.6

billion CHF
turnover 2020
worldwide

Contract Logistics



No. 2 worldwide

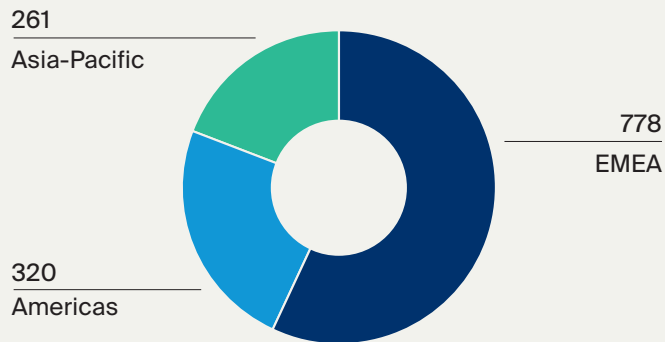
5.4

billion CHF
turnover 2020
worldwide

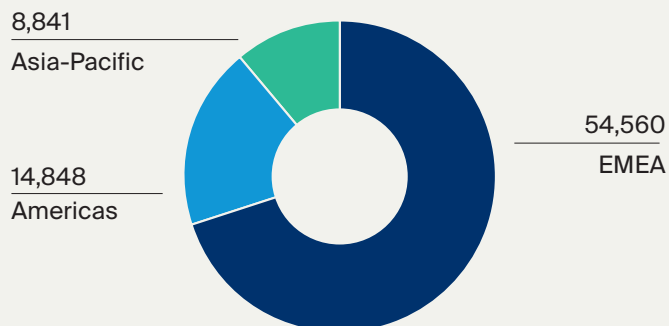
Kuehne+Nagel Group at a Glance

Global Network

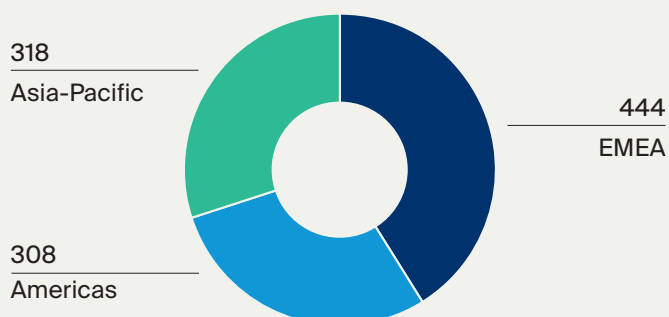
Number of sites by region



Employees by region



EBIT by region
in CHF million



109

countries
worldwide



1,359

sites
worldwide



78,249

employees
worldwide

Interview with Dr. Detlef Trefzger

“Logistics is a question of trust”

The CEO of Kuehne+Nagel on the promise it can make regarding logistics in the coronavirus period, the importance of long-term customer relations and the route to climate neutrality.

Perhaps more than any other industry, logistics needs to be ahead of the curve. That was clearly demonstrated at the start of 2020, when normality still reigned in large parts of the world. At Kuehne+Nagel, however, crisis teams were assembled in the very first week of January to assess the direct impact a new virus might have on logistics. “Initially, the on-site safety of our employees was our top priority,” says Dr. Detlef Trefzger, CEO of Kuehne+Nagel. But we soon went on to discuss operational issues – how to guarantee the international flow of goods if the factories remained closed for several weeks after the Chinese New Year holiday. “In those first critical weeks we managed to show our customers that we are a reliable partner,” says Detlef Trefzger. Under difficult conditions, Kuehne+Nagel ensured that customers’ goods could travel from A to B via the best and quickest route, even in times of a pandemic. More than ever, Kuehne+Nagel built bridges – symbolic bridges between cultures, but also “air bridges” from China to Europe for COVID-19 protective materials. “It’s in times of crisis like these where trust is what links the clients and end users of our logistics services,” emphasises Detlef Trefzger.

Agile business strategy tested in practice

This exceptional year, 2020, was a successful one for Kuehne+Nagel from a business perspective, too: for the seventh year in a row, EBIT reached a new record high at 1.1 billion Swiss francs. Kuehne+Nagel’s strategy of investing in digitalisation, far-sighted business continuity plans, communications and team expertise paid off. In spring 2020, as large parts of the world went into lock-down, Kuehne+Nagel was able to shift 45,000 workers to mobile working within a very short period of time, with no significant problems.

The business strategy followed by Kuehne+Nagel over many years, with its focus on optimising interactions between customers, technology and colleagues was enormously helpful in practice here. Detlef Trefzger says: “in the past year we have shown what’s behind Kuehne+Nagel’s success – we adapted our business to the volatile market environment very quickly”. The Group rapidly developed services tailored to the “new normal”, adjusted its cost structure and even completed the restructuring of its contract logistics business despite the pandemic.



“It’s in times of crisis like these where trust is what links the clients and end users of our logistics services.”

Dr. Detlef Trefzger

Reliable partner for vaccine logistics

This agility was crucial allowing Kuehne+Nagel to pack a real punch in global logistics for COVID-19 vaccines. The Group very quickly developed solutions for large vaccine manufacturers such as Moderna as well as end users at the last mile such as the government of Germany’s most populous state, North-Rhine Westphalia, and the canton of Zurich in Switzerland. This was a result of many years spent building up the pharma and healthcare business.

In vaccine logistics, too, the Kuehne+Nagel Group has demonstrated how systemically important its role is. That’s a promise Kuehne+Nagel can make confidently based on its tried and trusted, multimodal pharmaceutical and healthcare transport network with over 240 certified sites in air, sea and road as well as contract logistics. “We very quickly developed a number of different solutions for vaccine logistics. We started by ensuring that the raw materials for the vaccines and ancillary items such as syringes got to the right place quickly. Now we’re ensuring that the vaccine consistently gets from the factory to the end user,” says Detlef Trefzger.

Doing business in a sustainable way

Despite the restrictions imposed by the pandemic, Detlef Trefzger has been driving a major project: making Kuehne+Nagel completely CO2 neutral by 2030. An initial, important interim goal was reached by the end of 2020 with CO2 neutrality for all own, direct emissions. That makes Kuehne+Nagel a pioneer in the logistics sector. It is an ambitious project that can only be achieved on the basis of Kuehne+Nagel’s shared core values. That’s because “sustainability is a task for all of society, where every individual has to take responsibility”.

The Boards of Kuehne + Nagel International AG

Board of Directors



Klaus-Michael Kühne
Honorary Chairman of the
Board of Directors



Dr. Joerg Wolle
Chairman of the
Board of Directors



Karl Gernandt
Vice Chairman of the
Board of Directors



Dominik Bürgy
Member of the
Board of Directors



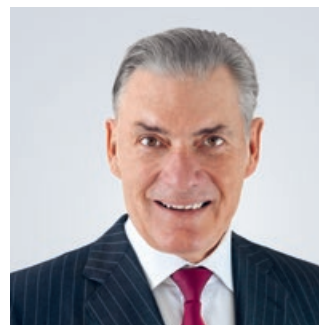
Dr. Renato Fassbind
Member of the
Board of Directors



David Kamenetzky
Member of the
Board of Directors



Hauke Stars
Member of the
Board of Directors



Dr. Martin C. Wittig
Member of the
Board of Directors

Management Board



Dr. Detlef Trefzger
Chief Executive Officer
(CEO)



Markus Blanka-Graff
Chief Financial Officer
(CFO)



Lothar Harings
Chief Human Resources
Officer (CHRO)



Martin Kolbe
Chief Information Officer
(CIO)



Stefan Paul
Road Logistics & Sales



**Horst Joachim
(Otto) Schacht**
Sea Logistics



Yngve Ruud
Air Logistics



Gianfranco Sgro
Contract Logistics

The Future of Work

Around the world, Kuehne+Nagel's 78,000 colleagues ensure that the cogs of logistics mesh. And they do it with enthusiasm. "What sets us apart is the diversity of development opportunities, worldwide. Especially in these challenging times, our shared "can do" culture has proven its worth," says Lothar Harings, Chief Human Resources Officer at Kuehne+Nagel.

Even in times of pandemic, Kuehne+Nagel's digital and networked working world builds bridges between cultures. Four field reports follow below.



At the service of society

At the beginning of March 2020, the world watched northern Italy spellbound as the coronavirus broke out for the first time in Europe. Federico Rota, Operations Manager in Turin, was right in the middle of it. Kuehne+Nagel operates a contract logistics site there for truck and bus spare parts. The operation had been classified as systemically important by the authorities. "The fact that we were able to deliver spare parts for ambulances, for example, made us proud," says Federico. Nevertheless in the first few days, many colleagues were unsettled as home office is not possible in the warehouse. Therefore, stringent safety measures were implemented and work processes were redefined to ensure social distancing. The internal support and the good communication on site were decisive in order to be able to act quickly, Federico emphasises. Equally important was the open exchange with customers. "Apparently they were very satisfied with our work, because in the summer they extended the cooperation with Kuehne+Nagel."



Federico Rota implemented Covid-19 protection measures early on.

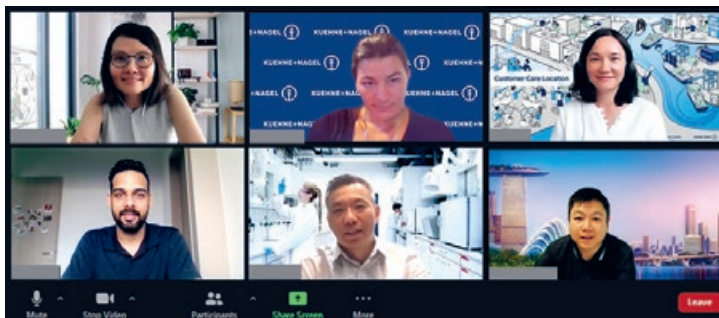
Career between West and East

Deming Wu has a plan. Since his first day at Kuehne+Nagel's North American headquarters near New York in 2015, he has known that he wanted to carve out a career in logistics. He receives full support from his employer: "Kuehne+Nagel is the best company for me to realize my dreams." Deming's career is something to behold: after his stint in the USA, he took over a dynamic team in Canada; soon he will take on a key management role in China. There he will look after all industrial clients. As a native Chinese who has spent the majority of his life in North America, he is an excellent mediator between cultures. His constant career companion at Kuehne+Nagel is the Group-wide Global Talent Programme. It covers all development steps, from onboarding and employee development to follow-up support in the event of a successful placement. "Even more important, however, is the personal exchange. My bosses are mentors rather than supervisors."



Deming Wu is making a career leap from Toronto to Shanghai.

Virtual meet-up for Kuehne+Nagel colleagues.



Virtual exchange creates trust

For Ankit, Daniel, Ice, Jocelyn, Sonia and Wayne, it took the coronavirus to meet. All six are long-standing employees of Kuehne+Nagel in different locations across Asia Pacific. Because of the pandemic, the Asia regional management meeting took place virtually for the first time, gathering 250 participants. "It was great to meet colleagues and put faces to names," says Singapore-based Sonia. The variety of interactive discussions with internal and external speakers, lunch and learns as well as market places, all clinched the people's confidence in video conferencing and set the region's course for positive development. "We even played bingo!" tells Ankit from India who organised the online game with Ice from China. When employees and managers are dispersed across 21 markets and 195 branches across Asia Pacific, communicating effectively becomes a priority and a challenge. The "saving grace" was the video conferencing tool implemented by Kuehne+Nagel even before the pandemic started. "Our internal online platforms are really empowering the way we work and exchange, within Asia Pacific and beyond," concludes Jocelyn.

In operation worldwide for the customer

For almost ten years, Stephanie Maeder held various positions at Kuehne+Nagel, most recently as Customer Solutions Expert in Hamburg, interacting with customers on a daily basis. Boredom? Not a chance. Nevertheless, the polyglot – she speaks six languages – did not hesitate for a moment when Kuehne+Nagel's Career Explorer suggested a new position in Dubai. On the digital career platform, employees can enter their qualifications and preferences and then opt in to receive job suggestions. Since the beginning of 2021, Stephanie has now been working on the front line with customers in the Middle East and Africa, and can bring her experience from Europe to bear in her new home. "I am impressed that Kuehne+Nagel offers such a variety of jobs to employees around the world – and that HR proactively comes up with exciting new challenges."



Cosmopolitan Stephanie Maeder looks after customers from Dubai.

The Role of Pharmaceutical Logistics in Combating the Pandemic

Kuehne+Nagel helps to secure global pharmaceuticals supply – including Covid-19 vaccines.



11

billion Covid-19 vaccine doses or more will be transported worldwide in the next 1.5 to 2 years.



Around half of all Covid-19 vaccines are transported by air. Over the entire period, the total volume of cargo will be equivalent to the contents of nearly a thousand B747 freighter aircraft.



In the current coronavirus epidemic, no industry has a greater role to play than pharmaceuticals and healthcare. A decade or so ago, Kuehne+Nagel took the strategic, long-term decision to strengthen its pharmaceutical logistics business, which had been an important driver of growth for the Company for many years. That was a highly prescient decision, as it turned out to be just what was needed in the situation we are now facing – although the expansion plan had not factored in a global pandemic.

Taking on responsibility for society

Kuehne+Nagel took responsibility for combatting the pandemic back in early 2020, shipping millions of face

masks and other protective equipment. The Company established an “air bridge” between China and Germany with over 30 charter flights, for example.

Kuehne+Nagel has over 240 GxP-certified sites and more than 3,000 specialists in pharmaceutical logistics worldwide. The network now covers all four corners of the earth. Kuehne+Nagel's function as logistics partner to the pharmaceuticals industry involves accepting pharmaceuticals from the manufacturing site, product warehousing and picking as well as distribution of product to the respective end markets. A crucial component of its success is the outstanding service mentality shared by its employees around the world.



-70°

The vaccines must be stored at consistently low temperatures.

Kuehne+Nagel has developed its own solution in the form of Temperature Pods.



Kuehne+Nagel serving the global pharma supply chain – also for Covid-19 vaccines

Kuehne+Nagel was also quick to step up and signal its willingness to help with the global distribution of the Covid-19 vaccine. Even before the first vaccines had been authorised, Kuehne+Nagel CEO Dr. Detlef Trefzger emphasised in the *Wall Street Journal*: “it will be a wave (of demand for logistics services), but it’s nothing where we will say, ‘it’s impossible’”.

More than 11 billion doses of vaccine will be needed around the world over the next few years to achieve herd immunity. Logistics experts reckon that less than 1,000 747 cargo aircraft in total will be needed to transport them. In Air Logistics alone, Kuehne+Nagel has a network of 100 IATA-certified pharmaceutical sites standing ready across all continents.

A key asset is its direct access from warehouse to runway – since keeping the products at or below fridge temperature is crucial for vaccines.

Kuehne+Nagel prepared for vaccine distribution early on, setting up hypercare teams in spring 2020, distributing ancillary materials such as vials and syringes to customers all around the world, and training staff. Temporary distribution centres were set up for vaccines, with dozens of refrigeration units at key sites. This ensured that Kuehne+Nagel was ready for global distribution when the first vaccines were approved at the end of 2020. In Europe alone, the logistics company has a fleet of 200 of its own refrigeration trailers as well as additional capacity via suppliers.

The example of vaccine logistics demonstrates that having Kuehne+Nagel as logistics partner provides a reliable link between manufacturers and end users – including the last mile to the patient.



Mobile cooling – the Temperature Pod

Kuehne+Nagel has developed an in-house solution that it calls Temperature Pods – fully-insulated refrigerated containers fitted with deep-freeze units. They are mobile and versatile, as they can be modified to reflect demand, volume and location. Most importantly: they meet all of the pharmaceutical industry's requirements on ensuring patient safety. Since the containers can be transported almost anywhere, from an airport apron to a conference centre, they can be positioned as close as necessary to the patient in support of final mile distribution. At sites with high population densities, the solution is scalable as additional units can be added at any time. The Temperature Pods are highly adaptable. When demand for vaccine distribution to the whole population declines or the site is to be returned to its original use, the pod can be repositioned or removed at short notice.



Going the last mile: In Germany's North Rhine-Westphalia, Kuehne+Nagel distributes the doses to the vaccination centres, clinics, surgeries and nursing homes.

Acting Sustainably for Society

Environmental protection,
social responsibility and integrity.

The transport of goods is responsible for around seven per cent of all global CO₂ emissions and also contributes to climate change. As a leading global logistics company, Kuehne+Nagel embraces its responsibility to be part of the solution: since the end of 2020, the Company has been operating on a CO₂ neutral basis in terms of its own direct emissions (Scope 1 and 2 of the Greenhouse Gas Protocol) and is playing a pioneering role in the industry with its Net Zero Carbon programme.

Now for the next goal: all of Kuehne+Nagel's indirect emissions, i.e. all shipments by subcontractors such as airlines, shipping companies and road hauliers will be CO₂ neutral by 2030 (Scope 3), which is less than ten years away. With this aim, Kuehne+Nagel is continuing to drive decarbonisation in the Company forward for its customers and ultimately to benefit the environment.

However, sustainability is much more than simply environmental protection. As a company operating on a global scale, Kuehne+Nagel bears a responsibility to society and is committed to integrity. Smart use of data and technology plays a crucial role here – for customers and for society.



100%

As part of its Net Zero Carbon programme, Kuehne+Nagel has been CO₂ neutral for its own, direct emissions since the end of 2020.



The distribution centres are equipped with solar panels that correspond to a total area of 700,000 sqm – the size of around 100 football pitches.



Net Zero Carbon

The Net Zero Carbon programme was launched by Kuehne+Nagel in September 2019. The Company has set itself science-based climate targets as part of the Science-Based Targets initiative. The goal is to achieve a zero CO2 footprint by 2030 and contribute towards limiting global warming to well below 2° C. There are three areas of action within the Net Zero Carbon programme: visibility, avoiding and reducing as well as compensation of CO2 emissions.

Visibility: Kuehne+Nagel has developed online solutions that show its customers how much CO2 their shipment produces. Big Data and prospective analysis can be used to offer innovative CO2 neutral solutions. The Seaexplorer online portal offers seafreight customers total transparency on CO2 emissions for every single ship throughout its sea journey, regardless of which shipping company is used.

Reduction: Kuehne+Nagel is working closely with its subcontractors to reduce the CO2 emissions of customer shipments and ensure the sustainability of the entire supply chain. Kuehne+Nagel has been using 100% sustainable fuel on the Air France KLM Los Angeles – Amsterdam airfreight route since the beginning of 2021. The Company is an active partner in the UN Global Compact and supports the development of bio-fuels and synthetic fuels.

Compensation: Despite all the efforts to reduce them, it is still not possible to cut 100% of CO2 emissions from shipments. For this reason, Kuehne+Nagel participates in nature-based offsetting projects around the world which remove CO2 from the atmosphere. These voluntary CO2 offsetting measures support the United Nations Sustainable Development Goals (SDGs).

More information is available in the Kuehne+Nagel Sustainability Report. The report can be downloaded at www.kuehne-nagel.com.

Connecting the World for our Customers

Four customers – out of a total of over 400,000 – talk about their relationship with Kuehne+Nagel.



“

We take great pride, and place a high level of importance on our strategic partnerships, including the one we've enjoyed for many years with Kuehne+Nagel. Partnerships are defined, and either strengthened or weakened, in crisis. What we've seen from Kuehne+Nagel over the last twelve months, as we've battled continuous international shipping challenges, is even greater top-down engagement, commitment and tenacity. Kuehne+Nagel's continuous risk management, proactive collaboration and innovative solutions in meeting our increasing demand have enabled SBD's success.”

Jeff Douville,
Director of Global Logistics,
Stanley Black & Decker



“

We would like to point out a moment where we felt like Kuehne+Nagel stepped out of the box to deliver amazing results. You assisted with moving a shipment under attractive conditions, by consolidating our load with that of another customer. This type of forward thinking is what makes us at Cummins proud to have partners like you.”

Jay Desai, General Manager
Sourcing – SCM and Corporate Services,
Cummins India Ltd.



“

We are proud to be partnering with Kuehne+Nagel to support the distribution of vaccines from Europe to global citizens. This is another step closer to resolving the pandemic and an exciting time for both of our companies and everyone involved.”

Dan Staner, Vice President,
Head of Europe, Middle East &
Africa Region, Moderna



“

The decisive factor in our decision to entrust Kuehne+Nagel with our sea logistics was their Net Zero Carbon programme. It sets new standards with CO2 neutral logistics. We are pleased about this cooperation where we see eye to eye sharing the same values for the environment and people.”

Dirk Engehausen, Managing Director,
Schleich GmbH

Sea Logistics

Kuehne+Nagel is the global number 1 in Sea Logistics. 10,400 seafreight experts worldwide enable Kuehne+Nagel customers to enjoy reliable sea transport on all major trade routes and 63,000 port connections. The focus is on full container loads (FCL) and partial loads (LCL), refrigerated and fresh produce transports as well as project logistics. Over 750 weekly connections and a variety of connection options in a cross-shipowner, independent network guarantee a flexible and reliable service.

Innovative, digital information solutions such as Seaexplorer ensure full visibility and support supply chains tailored to individual customer needs – regardless of company size.

In 2020, Kuehne+Nagel handled 4.5 million standard containers (TEU) in Sea Logistics, the Company's largest business unit by revenue. In the 2020 financial year, Kuehne+Nagel consolidated its market-leading position in Sea Logistics. Net turnover amounted to CHF 7.1 billion and EBIT to CHF 423 million.

Performance

in CHF million	2020	2019	2018
Turnover	8,973	9,751	9,366
Net turnover	7,091	7,457	7,129
Gross profit	1,417	1,539	1,482
EBITDA	451	485	441
EBIT	423	456	418
EBIT in % of gross profit	29.9	29.6	28.2
TEU in 1,000	4,529	4,861	4,690
Number of operating staff	10,393	10,535	10,025



Seaexplorer from Kuehne+Nagel maintains supply chains

In spring 2020, Kuehne+Nagel launched an enhanced version of its Seaexplorer online platform. Transparency is crucial, especially in a volatile market environment and particularly for companies shipping by sea. An unfortunate feature of the logistics industry is a high number of cancelled sailings on various routes. Seaexplorer offers accurate forecasts of actual sailing for the coming weeks in addition to detailed overviews of the CO2 emissions of each individual service and port connection. The online platform is thus an important part of Kuehne+Nagel's Net Zero Carbon programme.



4.5

million TEU in 2020



7.1

billion CHF
net turnover 2020



10,400

seafreight
specialists



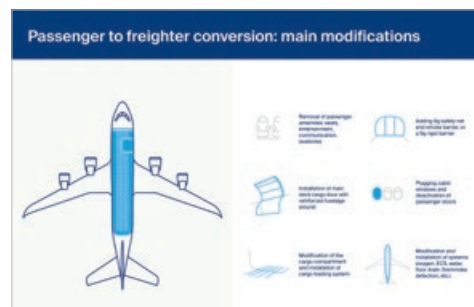
Air Logistics

With long-standing experience and an extensive global network of 420 sites in 106 countries and over 7,800 specialists, Kuehne+Nagel is the world's number 2 in airfreight. The business unit has access to a comprehensive, worldwide network of carrier partners and managed in 2020 more than 60,000 shipments per week. With a full range of air logistics services and a focus on industry-specific expertise, Kuehne+Nagel is the logistics partner who can provide unique solutions for the most demanding tasks.

In 2020, turnover was CHF 5.2 billion with EBIT of CHF 505 million. A special focus was on expanding the service portfolio, in particular in relation to Covid-19 vaccine distribution as well as continuing the development of eTouch solutions.

Performance

in CHF million	2020	2019	2018
Turnover	5,817	5,465	5,620
Net turnover	5,194	4,653	4,870
Gross profit	1,331	1,317	1,202
EBITDA	600	394	380
EBIT	505	329	355
EBIT in % of gross profit	37.9	25.0	29.5
Tons in 1,000	1,433	1,643	1,743
Number of operating staff	7,845	8,115	7,412



A second life for passenger aircraft

Kuehne+Nagel has developed an integrated end-to-end logistics solution to support conversion of passenger aircraft into freighter aircraft (so-called P2F). In light of the dynamic cargo market requirements and a significant amount of unused passenger equipment due to the Covid-19 pandemic, Kuehne+Nagel shifted the focus of its proven “KN InteriorChain” service towards P2F conversions. This requires a number of complex structural modifications to the aircraft and precise and reliable materials management. Thanks to in-depth industry expertise and a close collaboration with suppliers and customers, the new P2F aircraft conversion programme is an efficient end-to-end solution to manage the conversions of retired passenger aircraft into long-lasting freighters.

**1.4**

million tons in 2020

**5.2**billion CHF
net turnover 2020**7,800**airfreight
specialists

Road Logistics



With around 9,400 employees at more than 350 sites, Kuehne+Nagel's Road unit is one of the world's leading overland freight providers. In Europe, Kuehne+Nagel operates one of the region's leading networks with 32,500 departures a day providing customers with maximum flexibility and speed for their groupage, full truckload (FTL) or less-than-truckload (LTL) shipments. In North America, the division acts as a broker for FTL, LTL and intermodal solutions. In the Middle East and South-East Asia, it provides FTL and LTL services and continues to drive the expansion of its eTrucknow digital platform.

In the 2020 financial year, net turnover for overland transport was CHF 3.2 billion with EBIT of CHF 62 million. Gross profit was CHF 1.1 billion, almost the same as the previous year. The division managed to compensate for some of the drop in demand for expo and event logistics caused by the coronavirus pandemic by focusing on final mile vaccine logistics – for example, in Germany's North-Rhine Westphalia.

Your Easy Brexit Solution

In 2020, after more than 27 years, free trade of goods between the United Kingdom and the European Union came to an end. Kuehne+Nagel developed a digital customs solution called "Your Easy Brexit Solution" that automates export/import procedures for loaders and importers at an early stage. The software receives data and converts it into export/import declarations as well as ensuring that all customs formalities have been completed correctly. As such, Kuehne+Nagel customers can be certain that their goods will cross the English Channel as quickly as possible.

Performance

in CHF million	2020	2019	2018
Turnover	3,633	4,102	4,009
Net turnover	3,222	3,586	3,526
Gross profit	1,089	1,121	1,088
EBITDA	119	136	118
EBIT	62	78	76
EBIT in % of gross profit	5.7	7.0	7.0
Number of operating staff	9,363	8,781	8,456



32,500

departures a day
in Europe in 2020



3.2

billion CHF
net turnover 2020



9,400

road logistics
specialists



Contract Logistics



With over 39,000 employees in more than 46 countries, the Contract Logistics business unit is the world market number 2. Kuehne+Nagel's service portfolio ranges from outsourcing logistics to handling complex end-to-end goods flows and e-commerce, covering all aspects of logistics including planning, management and execution. Around 500 engineers develop customized and highly automated industry solutions for the consumer goods, pharma, aerospace, automotive and other sectors.

Integrated Logistics forms part of this business unit. At eight sites around the world, known as KN Control Towers, 700 specialists develop and implement end-to-end solutions to make supply chains both flexible and efficient. This allows costs of logistics operations, turnaround times and customer inventories to be optimized. The state-of-the-art IT solution launched in 2020 introduces predictive analytics and artificial intelligence solutions in Supply Chain management.

In the 2020 financial year, net turnover in contract logistics totaled CHF 4.9 billion and EBIT reached CHF 80 million. With the divestment of a major part of its UK Contract Logistics portfolio, Kuehne+Nagel completed the restructuring of the business unit. This transaction followed the sale of the Contract Logistics activities in Argentina, the chilled FMCG portfolio in France as well as a portfolio of real estate assets.

Performance

in CHF million	2020	2019	2018
Turnover	5,389	5,977	5,830
Net turnover	4,875	5,398	5,249
Gross profit	3,638	4,004	3,937
EBITDA	750	814	270
EBIT	80	198	138
EBIT in % of gross profit	2.2	4.9	3.5
Warehousing space in million sqm	11.3	11.4	11.6
Number of operating staff	39,360	43,661	43,694

Integrated e-commerce fulfilment

Availability to the end customer is of central importance for e-commerce fulfilment. To meet the increasing demand for online orders, Kuehne+Nagel has developed an end-to-end solution package for e-commerce. This allows producers, retailers and e-commerce marketplace operators to draw on automated logistics processes such as the new SwiftLOG warehouse management system to support their physical infrastructure. Almost all of Kuehne+Nagel's distribution centers worldwide have e-commerce or omni-channel capabilities.

**11.3**

million sqm logistics
and warehousing space

**4.9**

billion CHF
net turnover 2020

**39,400**

contract logistics
specialists



Kuehne+Nagel Group

Financial Key Figures

Income Statement*

CHF million	2020	2019
Net turnover	20,382	21,094
Net expenses for services from third parties	-12,907	-13,113
Gross profit	7,475	7,981
Personnel expenses	-4,443	-4,877
Selling, general and administrative expenses	-1,268	-1,372
Other operating income/expenses, net	156	97
EBITDA	1,920	1,829
Depreciation of property, plant and equipment	-185	-206
Depreciation of right-of-use assets	-506	-497
Amortisation of other intangibles	-40	-54
Impairment of assets	-119	-11
EBIT	1,070	1,061
Financial income	9	11
Financial expenses	-22	-29
Result from joint ventures and associates	2	4
Earnings before tax (EBT)	1,059	1,047
Income tax	-270	-247
Earnings for the year	789	800
Attributable to:		
Equity holders of the parent company	788	798
Non-controlling interests	1	2
Earnings for the year	789	800
Basic earnings per share in CHF	6.59	6.67
Diluted earnings per share in CHF	6.57	6.66

* This Income Statement only presents an extract and should be read in conjunction with the Consolidated Financial Statements 2020 of the Kuehne+Nagel Group.

Balance Sheet*

CHF million	Dec. 31, 2020	Dec. 31, 2019
Assets		
Property, plant and equipment	797	1,089
Right-of-use assets	1,500	1,899
Goodwill	1,155	1,220
Other intangibles	101	185
Investments in joint ventures and associates	12	9
Deferred tax assets	250	219
Non-current assets	3,815	4,621
Prepayments	82	161
Contract assets	259	223
Trade receivables	3,412	3,601
Other receivables	112	264
Income tax receivables	40	45
Cash and cash equivalents	1,697	910
Assets held for sale	434	-
Current assets	6,036	5,204
Total assets	9,851	9,825
Liabilities and equity		
Share capital	120	120
Reserves and retained earnings	1,499	1,398
Earnings for the year	788	798
Equity attributable to the equity holders of the parent company	2,407	2,316
Non-controlling interests	6	6
Equity	2,413	2,322
Provisions for pension plans and severance payments	431	431
Deferred tax liabilities	61	60
Borrowings	400	400
Non-current provisions	35	45
Other non-current liabilities	52	206
Non-current lease liabilities	1,150	1,432
Non-current liabilities	2,129	2,574
Bank and other interest-bearing liabilities	2	12
Trade payables	1,875	1,890
Contract liabilities	87	74
Accrued trade expenses	1,338	1,190
Income tax liabilities	164	169
Current provisions	86	80
Other current liabilities	905	1,004
Current lease liabilities	433	510
Liabilities directly associated with the assets held for sale	419	-
Current liabilities	5,309	4,929
Total liabilities and equity	9,851	9,825

* This Balance Sheet only presents an extract and should be read in conjunction with the Consolidated Financial Statements 2020 of the Kuehne+Nagel Group.

Socio-political Responsibility

Kühne Foundation

The non-profit Kühne Foundation was established by the Kühne family in Switzerland in 1976. Today it is renowned for its initiatives to support academic and further education as well as research in the fields of logistics and supply chain management. The Kühne Foundation is also strongly involved in medical, cultural and humanitarian projects. It is an operative foundation, which develops almost all of its projects itself. Through its extensive funding projects, the Kühne Foundation and its donor Klaus-Michael Kühne exercise their socio-political responsibility.

Funding Area Logistics

The Kühne Foundation pursues the goal of supporting and developing logistics as an academic field. Logistics plays a cross-sectional function in the global economy and is currently facing major challenges – one clear example being the coronavirus crisis. Digitalisation, along with the call for climate and environment protection are leading to transformations that require innovative approaches.

The Kühne Foundation connects research institutions that provide scientific monitoring of new developments and supports training of the current and upcoming generation of managers. The Kühne Logistics University (KLU), founded in Hamburg in 2010, promotes pioneering research and practice-oriented teaching amongst others in its key competence areas “Digital Transformation”, “Value Creation” and “Sustainability”.



Key Figures

70	projects worldwide
50	countries form the radius of action
380	people are working for the Kühne Foundation and its institutions
400	students are enrolled at Kühne Logistics University
Approx. 30	million CHF funding volume



HELP Logistics AG, a subsidiary of the Kühne Foundation, advises and trains government bodies as well as international aid organisations in developing and emerging countries to improve their expertise in logistics and thereby enhance the effectiveness of aid measures. In addition to its headquarters in Switzerland, HELP has regional offices in Amman, Dakar, Nairobi and Singapore. Most of its training is offered online and, during the coronavirus pandemic, especially focussed on the healthcare sector.

While the offerings of the Kühne Logistics University and the chairs funded by the Foundation aim to provide qualifications for an international logistics elite, the Kühne Foundation is providing sustainable education programmes with its projects in developing and emerging countries. It supports institutes of higher education, particularly in Africa, to develop courses of study in logistics and supply chain management at an international level. In this area, the Kühne Foundation also collaborates with the Bill & Melinda Gates Foundation and the Global Fund.

Funding Area Medicine

The Kühne Foundation has established a major centre for medical activities on the premises of the Hochgebirgsklinik Davos, which was taken over several years ago, and has been self-managed since then. Hospital management, research and medical training together form a unit called the “Davos Medicine Campus”. As one of Switzerland's leading rehabilitation clinics, the Hochgebirgsklinik Davos has faced particular challenges when dealing with the coronavirus pandemic. Despite this, a number of building projects have been initiated to expand and modernise the hospital.

The Christine Kühne – Centre for Allergy Research and Education (CK-CARE), a Kühne Foundation initiative dedicated to allergy research and treatment as well as education,

has been based on the campus since 2009. A professorship in allergology, appointed in conjunction with the University of Zurich, is a highly effective addition to CK-CARE's research. A key institution, the extensive biobank and database, provides a range of new findings on allergic diseases. The results are made available to the pharmaceutical industry via the Davos BioSciences AG, a company specially created for this purpose, and to support the development of new medicines.

The Cardio-CARE programme marks a new focus in the Foundation's commitment to fund medicine projects, and represents the largest research programme on whole genome sequencing to date in the German-speaking countries. The aim of the cooperation between the Kühne Foundation, University Hospital Zurich and the UKE Hamburg-Eppendorf is to obtain a better understanding of the causes of cardiovascular disease to allow new diagnostic and treatment options to be developed.

Funding Area Culture

The Kühne Foundation in particular funds outstanding projects in classical music in cooperation with a range of music festivals, opera houses and concert halls. It is a main sponsor of the Salzburg Festival and the Lucerne Festival, as well as a major sponsor of the Hamburg International Music Festival at the Elbphilharmonie. The Philharmonic State Orchestra at the Hamburg State Opera is also the beneficiary of a significant multi-year donation.

The coronavirus crisis meant that a large number of cultural events had to be cancelled or held in smaller formats in 2020. In July 2020, it was announced that the Kühne Foundation would be providing a major grant to support the construction of a new concert hall for the Balearic Symphony Orchestra in Palma de Mallorca.

Imprint:

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