

A passion for solutions

Panalpina Group

April 22, 2015

Three Months Results

January to March 2015



Supply Chain Solutions

Air Freight

Ocean Freight

Logistics

Highlights and key figures

Operating and financial review

Outlook and priorities

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Highlights and key figures



Highlights



Improved consolidated
profit by 10%



Positive quarter for
Logistics



Free cash flow of
CHF 27.5 million

Lowlights

Strong currency
headwind



Margin pressure in
energy sector



Air Freight growth
below market



Focus on strategy execution and business transformation

Key figures

	Q1 2015	Q1 2014	Δ in %	Q1 2015 currency adjusted	Δ in %
			CHF		CHF
Net forwarding revenue	1'503.4	1'596.5	-5.8%	1'583.0	-0.8%
Gross profit	371.8	384.3	-3.2%	393.4	2.4%
Total operating expenses	(333.0)	(345.1)	-3.5%	(352.2)	2.0%
EBITDA	38.8	39.1	-0.8%	41.3	5.5%
<i>in % of gross profit</i>	<i>10.4%</i>	<i>10.2%</i>		<i>10.5%</i>	
Operating result (EBIT)	25.3	24.5	3.2%	27.3	11.7%
<i>in % of gross profit</i>	<i>6.8%</i>	<i>6.4%</i>		<i>6.9%</i>	
Consolidated profit / (loss)	19.6	17.8	10.1%		
Earnings per share (CHF)	0.84	0.76	10.6%		
Cash and cash equivalents (end of period)	346.7	355.3		-	

Note: CHF million unless otherwise noted



Operating and financial review

Overview of product and group performance

	Air Freight		Ocean Freight		Logistics		Group	
								
	4Q14 YoY	1Q15 YoY	4Q14 YoY	1Q15 YoY	4Q14 YoY	1Q15 YoY	4Q14 YoY	1Q15 YoY
Volumes (market)	3 - 4%	3 - 4%	6%	3%				
Volumes (Panalpina)	4%	1%	6%	5%				
Gross profit	6%	-4%	0%	-3%	4%	-3%	4%	-3%

(absolute numbers

CHF million)

Gross profit

EBIT

EBIT/GP

	1Q14	1Q15	1Q14	1Q15	1Q14	1Q15	1Q14	1Q15
Gross profit	153.7	148.0	122.7	119.1	107.8	104.7	384.3	371.8
EBIT	26.0	19.6	3.9	4.5	-5.5	1.2	24.5	25.3
EBIT/GP	16.9%	13.2%	3.2%	3.8%	n/a	n/a	6.4%	6.8%

(absolute numbers

in CHF million)

Free cash flow

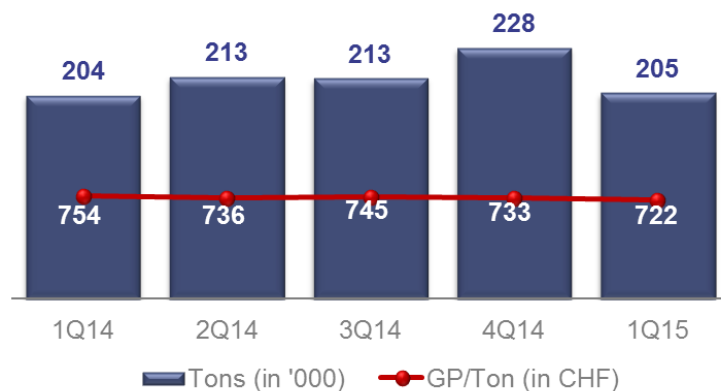
NWC intensity

	1Q14	1Q15
Free cash flow	19.6	27.5
NWC intensity	2.1%	2.1%

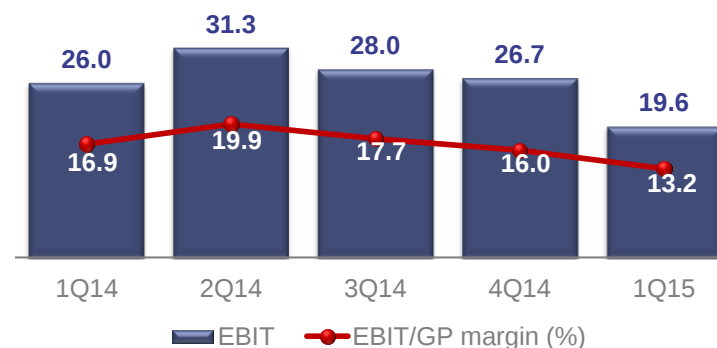
Air Freight: slow start with tough comparison

- Tough comparison with Q1 2014 (Automotive)
- Gross Profit impacted by -5% currency translation
- Lower EBIT conversion caused by continuous investment in IT

Air Freight: tonnage, GP/ton



Air Freight: EBIT, EBIT/GP margin



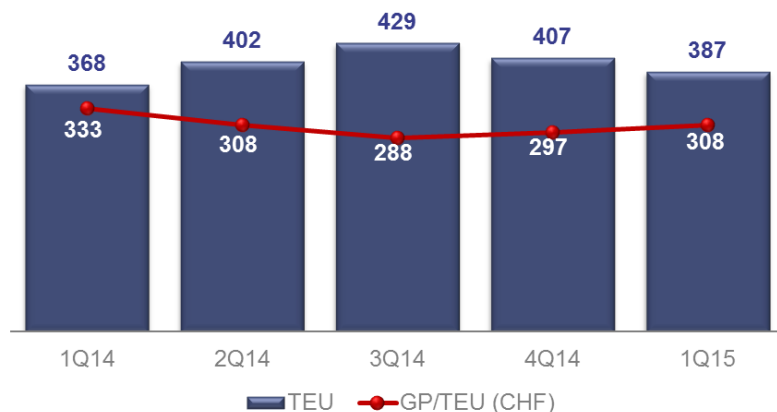
YoY growth (%)	1Q14	2Q14	3Q14	4Q14	1Q15
Volume (market)	+4%	+4%	+3%	+3-4%	+3-4%
Volume (Panalpina)	+6%	+2%	+4%	+4%	+1%
GP/ton	-1%	-7%	-5%	+2%	-4%
Gross Profit	+5%	-5%	-2%	+6%	-4%

Gross Profit, EBIT (CHF million)	YTD 2014	YTD 2015
Gross Profit	153.7	148.0
EBIT	26.0	19.6
EBIT/GP (%)	16.9%	13.2%

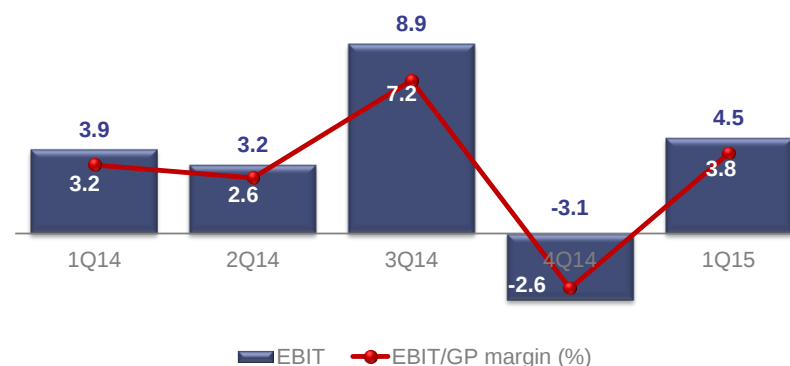
Ocean Freight: continuous volume growth – improved conversion

- More business wins in managed solutions
- Gross Profit impacted by -5.4% currency translation
- EBIT conversion slightly up but far below mid-term target

Ocean Freight: TEU, GP/TEU



Ocean Freight: EBIT, EBIT/GP margin



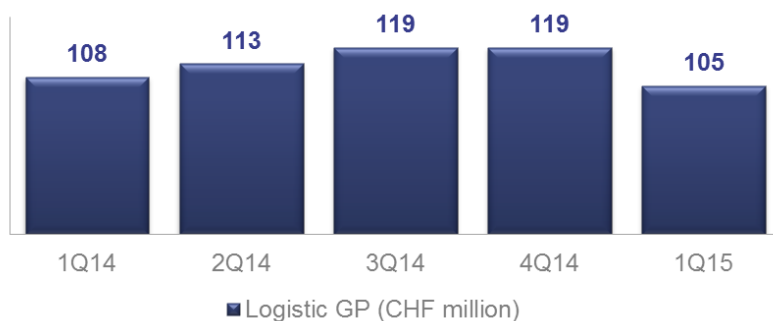
YoY growth in %	1Q14	2Q14	3Q14	4Q14	1Q15
Volume (market)	+3%	+3%	+4%	+6%	+3%
Volume (Panalpina)	+6%	+9%	+9%	+6%	+5%
GP/TEU	-1%	-9%	-12%	-5%	-8%
Gross Profit	+5%	-1%	-4%	0%	-3%

Gross Profit, EBIT (CHF million)	YTD 2014	YTD 2015
Gross Profit	122.7	119.1
EBIT	3.9	4.5
EBIT/GP (%)	3.2%	3.8%

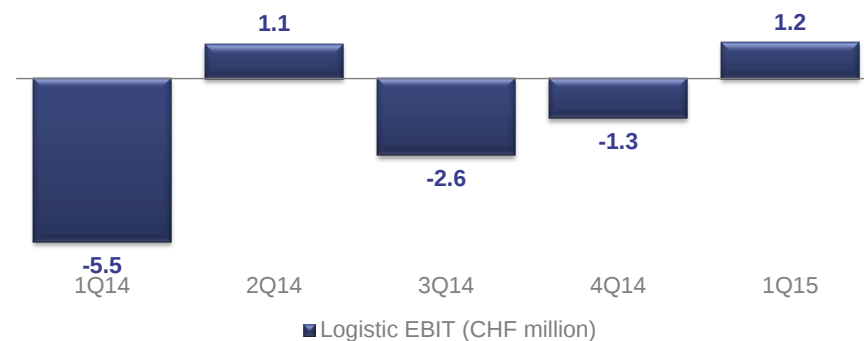
Logistics: positive first quarter

- Gross profit impacted by currency translation (6.8%) and the exit from underperforming sites
- EBIT: back to black

Logistics: Gross Profit



Logistics: EBIT



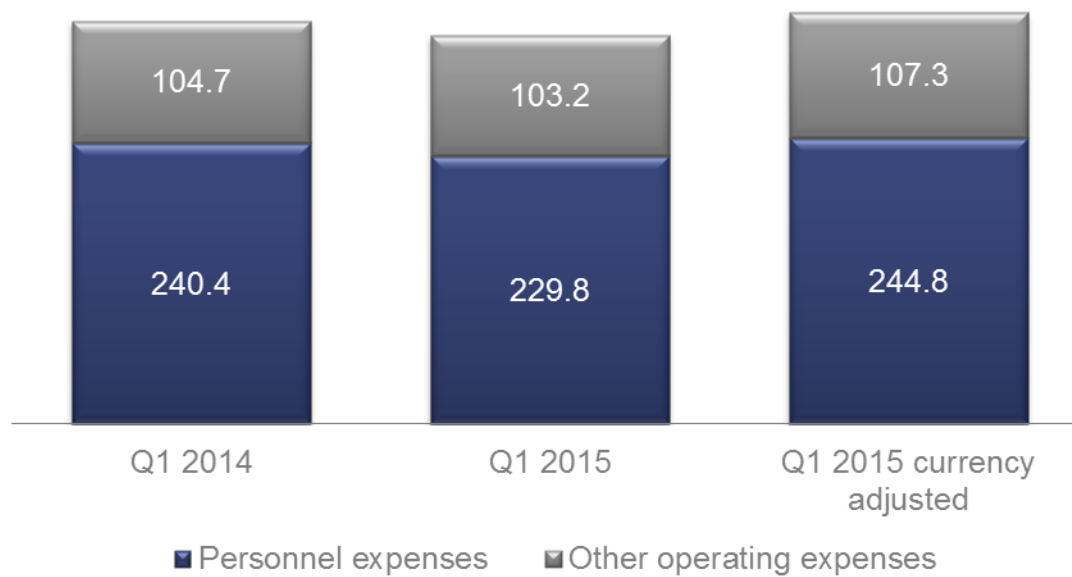
YoY growth in %	1Q14	2Q14	3Q14	4Q14	1Q15
Gross Profit	+6%	+4%	+5%	+4%	-3%

Gross Profit, EBIT (CHF million)	YTD 2014	YTD 2015
Gross Profit	107.8	104.7
EBIT	-5.5	1.2
EBIT/GP (%)	n/a	n/a

Note: Gross profit and EBIT in CHF million

Continuous investment in SAP TM

- Personnel Expenses and Other Operating Expenses increased currency adjusted by 1.8% and 2.5% respectively of which respectively 0.7% and 1.7% are due to incremental cost increases in SAP TM



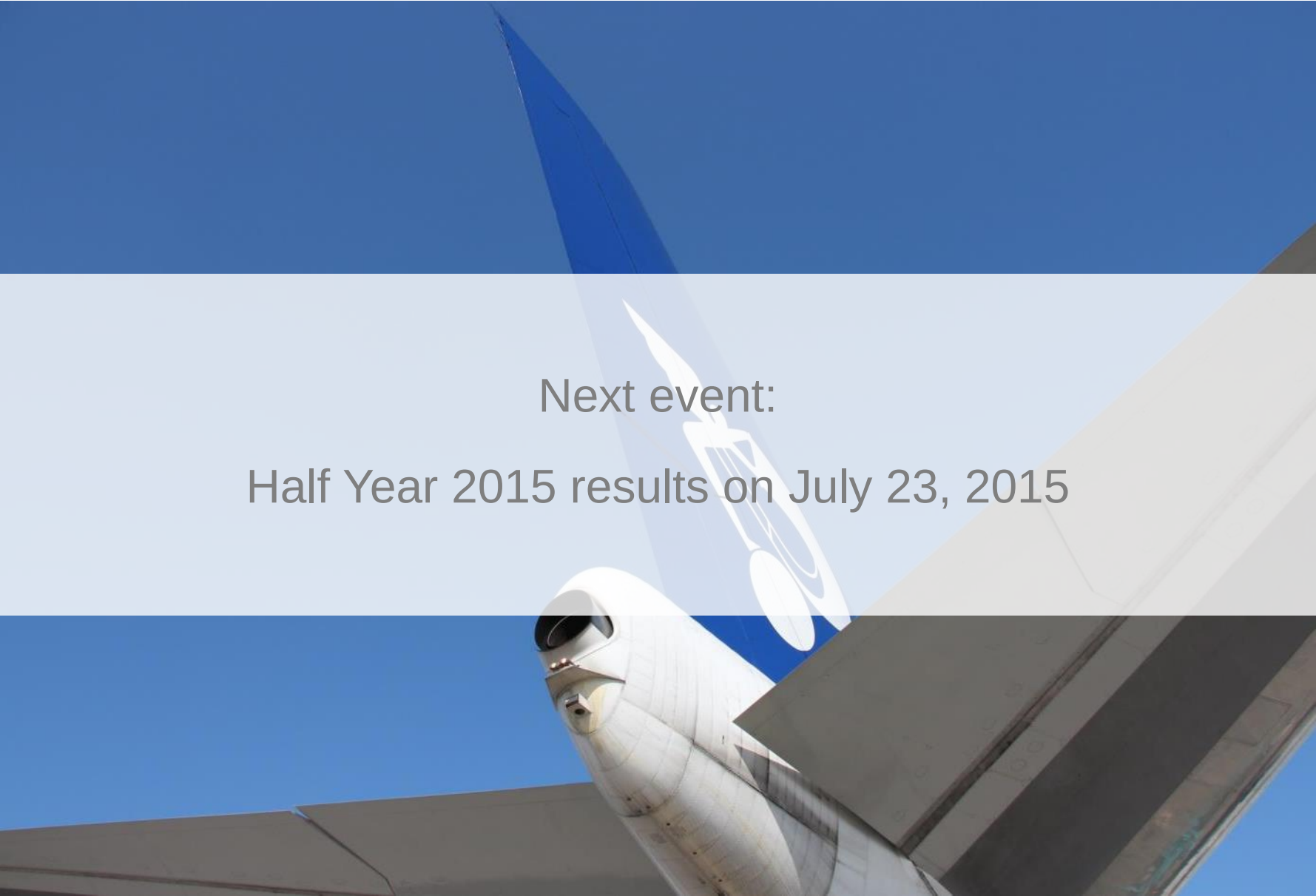
Note: Operating expenses in CHF million

A photograph of a large warehouse interior. In the foreground, a man in a blue t-shirt with a white logo on the back is seen from behind, holding a handheld device. In the background, a yellow forklift is operating on a concrete floor. High industrial shelving units filled with cardboard boxes line the walls.

Outlook and priorities

2015 outlook and priorities

- Market outlook for both Air and Ocean at 3 – 4%
- Continued headwind from strong Swiss franc and margin pressure in particular in the energy sector
- Strong focus on SAP TM implementation in pilot sites
- Continued expansion of controlled Air Freight network
- Productivity improvements in Ocean Freight
- Further development of Value-added Logistics Services



Next event:
Half Year 2015 results on July 23, 2015

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Income statement per quarter - Group

Group	Q1 2015	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Net forwarding revenue	1'503.4	1'596.5	1'634.0	1'725.5	1'751.2	6'707.1
Forwarding expenses	(1'131.6)	(1'212.2)	(1'240.4)	(1'324.6)	(1'344.0)	(5'121.1)
Gross profit	371.8	384.3	393.7	400.8	407.2	1'586.0
<i>in % of net forwarding revenue</i>	24.7%	24.1%	24.1%	23.2%	23.3%	23.6%
Personnel expenses	(229.8)	(240.4)	(239.3)	(240.1)	(256.9)	(976.9)
<i>in % of gross profit (PGP)</i>	61.8%	62.6%	60.8%	59.9%	63.1%	61.6%
Other operating expenses	(103.2)	(104.7)	(104.7)	(111.9)	(113.8)	(435.1)
<i>in % of gross profit (OGP)</i>	27.8%	27.2%	26.6%	27.9%	27.9%	27.4%
Total operating expenses	(333.0)	(345.1)	(344.0)	(352.0)	(370.7)	(1'411.9)
EBITDA	38.8	39.1	49.6	48.8	36.5	174.0
<i>in % of gross profit</i>	10.4%	10.2%	12.6%	12.2%	9.0%	11.0%
Depreciation of property, plant and equipment	(7.6)	(8.3)	(7.7)	(7.9)	(8.0)	(32.0)
Amortization of intangible assets	(5.9)	(6.3)	(6.3)	(6.5)	(6.2)	(25.3)
EBIT	25.3	24.5	35.6	34.3	22.3	116.7
<i>in % of gross profit</i>	6.8%	6.4%	9.0%	8.6%	5.5%	7.4%
Financial result	0.9	(0.7)	(0.7)	(0.8)	0.8	(1.3)
Earnings before taxes (EBT)	26.2	23.7	35.0	33.6	23.1	115.4
Income tax expenses	(6.6)	(5.9)	(8.7)	(8.4)	(5.8)	(28.9)
<i>% of EBT</i>	25.1%	25.0%	25.0%	25.0%	25.1%	25.0%
Consolidated profit / (loss)	19.6	17.8	26.2	25.2	17.3	86.5
Earnings per share (CHF)	0.84	0.75	1.13	1.03	0.77	3.68

Note: Group figures in CHF million

Income statement per quarter – Air Freight

Air Freight	Q1 2015	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Net forwarding revenue	661.5	747.0	760.3	793.9	840.7	3'141.9
Forw arding expenses	(513.5)	(593.3)	(603.2)	(635.7)	(673.5)	(2'505.6)
Gross profit	148.0	153.7	157.0	158.3	167.2	636.3
<i>in % of net forwarding revenue</i>	22.4%	20.6%	20.7%	19.9%	19.9%	20.3%
Personnel expenses	(86.2)	(89.8)	(89.9)	(90.5)	(96.7)	(366.8)
<i>in % of gross profit (PGP)</i>	58.2%	58.4%	57.2%	57.2%	57.8%	57.7%
Other operating expenses	(37.3)	(32.6)	(30.7)	(34.4)	(38.5)	(136.3)
<i>in % of gross profit (OGP)</i>	25.2%	21.2%	19.6%	21.8%	23.0%	21.4%
Total operating expenses	(123.4)	(122.4)	(120.6)	(124.9)	(135.2)	(503.1)
EBITDA	24.5	31.4	36.4	33.4	32.0	133.1
<i>in % of gross profit</i>	16.6%	20.4%	23.2%	21.1%	19.1%	20.9%
Depreciation and amortization	(5.0)	(5.3)	(5.2)	(5.3)	(5.3)	(21.1)
EBIT	19.6	26.0	31.3	28.0	26.7	112.0
<i>in % of gross profit</i>	13.2%	16.9%	19.9%	17.7%	16.0%	17.6%
 Air Freight volumes ('000 tons)	 205.1	 203.9	 213.4	 212.5	 228.0	 857.8
% change YoY	0.6%	6.3%	1.9%	3.8%	4.0%	4.0%
GP/ton (CHF)	722	754	736	745	733	742
% change YoY	-4.3%	-1.3%	-7.0%	-5.2%	1.5%	-3.1%

Note: Air Freight figures in CHF million

Income statement per quarter – Ocean Freight

Ocean Freight	Q1 2015	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Net forwarding revenue	684.0	667.1	699.3	742.6	725.9	2'834.9
Forwarding expenses	(565.0)	(544.4)	(575.4)	(618.8)	(604.8)	(2'343.4)
Gross profit	119.1	122.7	123.9	123.8	121.1	491.5
<i>in % of net forwarding revenue</i>	17.4%	18.4%	17.7%	16.7%	16.7%	17.3%
Personnel expenses	(78.9)	(82.7)	(83.4)	(81.6)	(90.3)	(338.0)
<i>in % of gross profit (PGP)</i>	66.2%	67.4%	67.3%	65.9%	74.5%	68.8%
Other operating expenses	(31.1)	(30.9)	(32.3)	(28.4)	(29.1)	(120.7)
<i>in % of gross profit (OGP)</i>	26.1%	25.2%	26.1%	22.9%	24.0%	24.6%
Total operating expenses	(110.0)	(113.6)	(115.7)	(110.0)	(119.3)	(458.7)
EBITDA	9.1	9.0	8.2	13.8	1.8	32.8
<i>in % of gross profit</i>	7.7%	7.4%	6.6%	11.2%	1.5%	6.7%
Depreciation and amortization	(4.7)	(5.1)	(5.0)	(4.9)	(4.9)	(19.9)
EBIT	4.5	3.9	3.2	8.9	(3.1)	12.9
<i>in % of gross profit</i>	3.8%	3.2%	2.6%	7.2%	-2.6%	2.6%
Ocean Freight volumes ('000 TEUs)	386.8	368.1	402.1	429.2	407.2	1'606.5
% change YoY	5.1%	6.0%	9.4%	8.7%	5.6%	7.4%
GP/TEU (CHF)	308	333	308	288	297	306
% change YoY	-7.6%	-1.2%	-9.2%	-12.0%	-4.9%	-7.0%

Note: Ocean Freight figures in CHF million

Income statement per quarter - Logistics

Logistics	Q1 2015	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Net forwarding revenue	157.9	182.4	174.4	188.9	184.6	730.4
Forwarding expenses	(53.2)	(74.6)	(61.7)	(70.2)	(65.7)	(272.1)
Gross profit	104.7	107.8	112.7	118.8	118.9	458.2
<i>in % of net forwarding revenue</i>	66.3%	59.1%	64.6%	62.9%	64.4%	62.7%
Personnel expenses	(64.8)	(67.9)	(66.0)	(68.1)	(70.0)	(272.0)
<i>in % of gross profit (PGP)</i>	61.9%	63.0%	58.6%	57.3%	58.9%	59.4%
Other operating expenses	(34.8)	(41.2)	(41.7)	(49.1)	(46.2)	(178.1)
<i>in % of gross profit (OGP)</i>	33.3%	38.2%	37.0%	41.3%	38.8%	38.9%
Total operating expenses	(99.6)	(109.1)	(107.7)	(117.2)	(116.1)	(450.1)
EBITDA	5.1	(1.3)	5.0	1.6	2.7	8.1
<i>in % of gross profit</i>	4.9%	-1.2%	4.4%	1.4%	2.3%	1.8%
Depreciation and amortization	(3.9)	(4.2)	(3.9)	(4.2)	(4.1)	(16.3)
EBIT	1.2	(5.5)	1.1	(2.6)	(1.3)	(8.2)

Note: Logistics figures in CHF million

Balance sheet

	31-Mar-15	31-Dec-14	Change in	
			CHF	%
Cash and cash equivalents, other current financial assets	346.7	372.0	-25.4	-6.8%
Trade receivables, unbilled forwarding services	939.2	1'124.1	-184.9	-16.4%
Other current assets	204.1	104.2	99.9	95.9%
Property, plant and equipment	90.0	104.3	-14.3	-13.7%
Intangible assets	114.8	122.0	-7.2	-5.9%
Other non-current assets	94.3	103.1	-8.8	-8.5%
Total assets	1'789.0	1'929.7	-140.7	-7.3%
Short-term borrowings	0.6	0.5	0.0	5.8%
Trade payables, accrued cost of services	682.5	739.3	-56.9	-7.7%
Other current liabilities	312.5	312.0	0.5	0.2%
Long-term borrowings	0.1	0.1	0.0	-9.1%
Other long-term liabilities	126.9	144.7	-17.8	-12.3%
Total liabilities	1'122.5	1'196.6	-74.1	-6.2%
Share capital	2.4	2.4	0.0	0.2%
Reserves, treasury shares	652.0	718.5	-66.5	-9.3%
Non-controlling interests	12.1	12.2	-0.2	-1.4%
Total equity	666.5	733.1	-66.7	-9.1%
Total equity and liabilities	1'789.0	1'929.7	-140.8	-7.3%

Note: Figures in CHF million

Cash flow

	1Q15	1Q14	Change in %
Cash flow before changes in working capital	36.6	38.0	-3.7%
Changes in working capital	5.8	5.5	-4.6%
Cash from operations	42.3	43.5	-2.7%
Interest and income taxes paid	(10.5)	(10.9)	-3.9%
Net cash from operating activities	31.9	32.6	-2.3%
Net cash from investing activities	(4.4)	(13.0)	-66.1%
Free cash flow (FCF)	27.5	19.6	40.1%
Net cash used in financing activities	0.1	2.3	94.3%
Effect of exchange rate changes	(53.2)	(3.5)	
Cash and cash equivalents at beginning of period	372.0	336.9	10.4%
Net increase (decrease) in cash and cash equivalents	(25.4)	18.4	
Cash and cash equivalents at end of period	346.7	355.3	-2.4%

Note: Figures in CHF million