

A passion for solutions

Panalpina Group

July 23, 2015

Half-Year Results

January to June 2015



Supply Chain Solutions

Air Freight

Ocean Freight

Logistics



Highlights and key figures

Operating and financial review

Outlook and priorities

Appendix

Highlights and key figures



Highlights



Improved consolidated profit by 3% (currency adjusted by 10%)



Ongoing reduction of operating expenses



Continued positive results in Logistics

Lowlights

Lower Automotive and Energy volumes in Air



Delay in SAP TM implementation

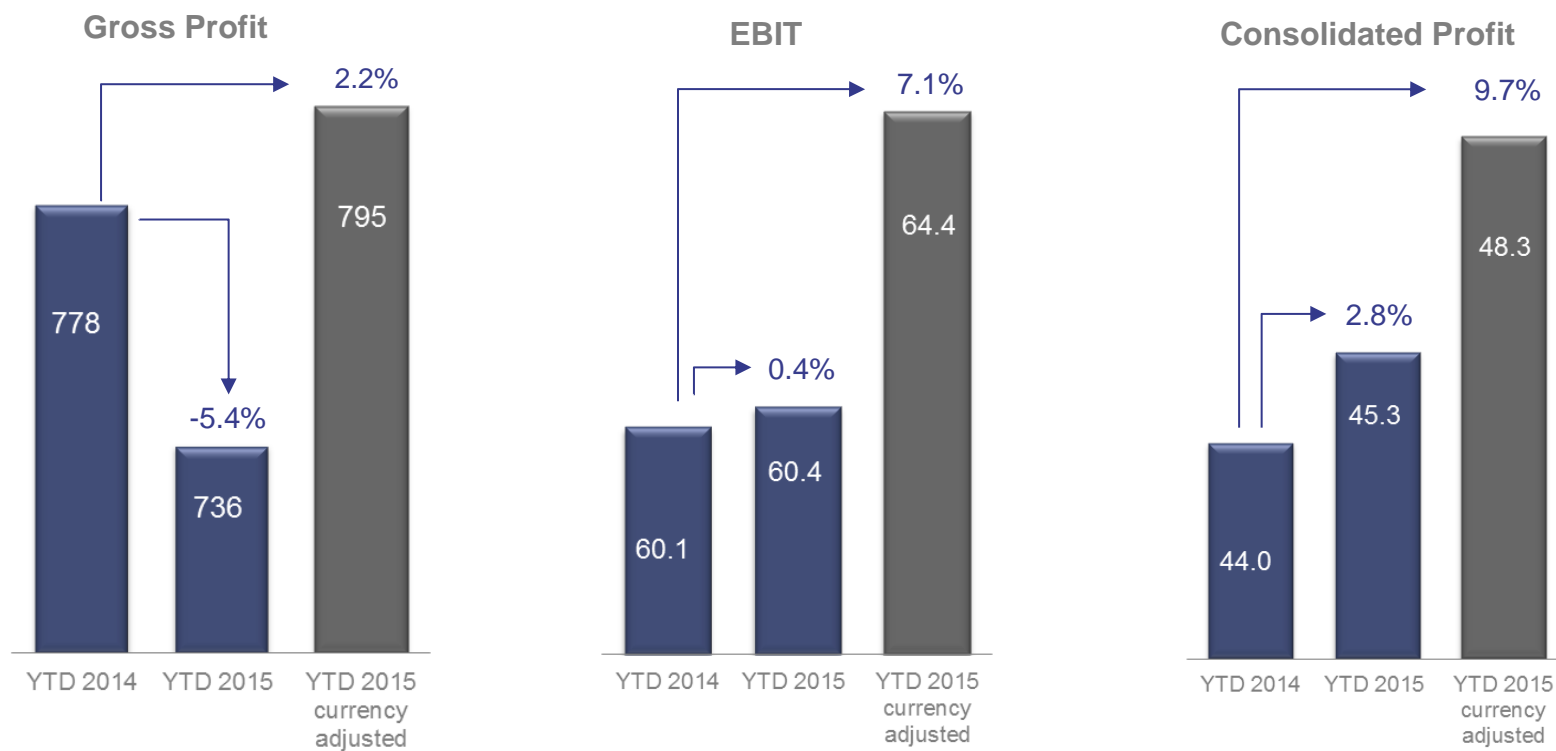


Headwind from low-growth economies



Focus on cost control and productivity improvements

Key figures



- Earnings per share CHF 1.91 (HY 2015) vs. CHF 1.88 (HY 2014)
- Free Cash Flow of CHF 10.5 million (HY 2015) vs. CHF -53.2 million (HY 2014)

Note: CHF million unless otherwise noted

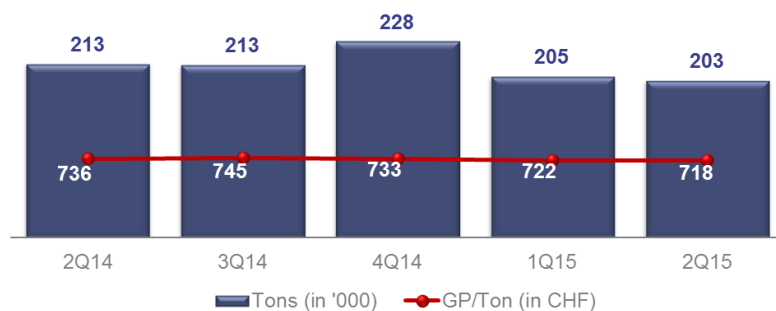


Operating and financial review

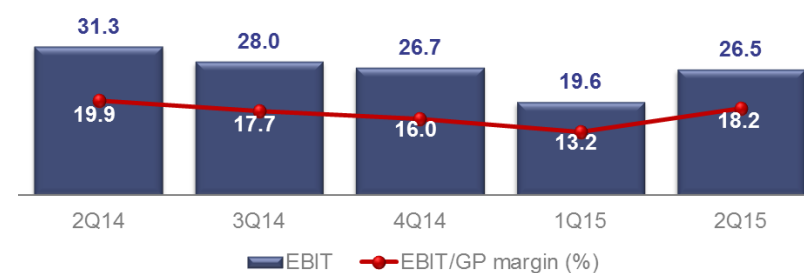
Air Freight: reduced volumes in softer market

- Lower volumes in Automotive and Energy
- Gross profit impacted by -7.7% currency translation (HY 2015)
- Due to lower costs, EBIT conversion increased sequentially

Air Freight: tonnage, GP/ton



Air Freight: EBIT, EBIT/GP margin



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

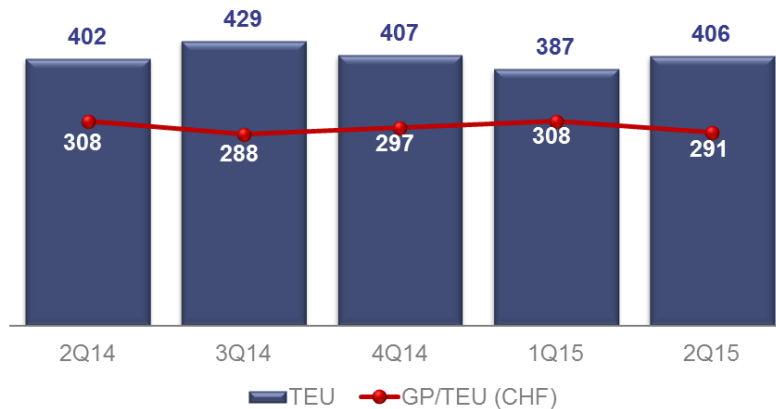
Gross Profit, EBIT (CHF million)	YTD 2014	YTD 2015
Gross Profit	310.8	293.6
EBIT	57.3	46.0
EBIT/GP (%)	18.4%	15.7%

* revised

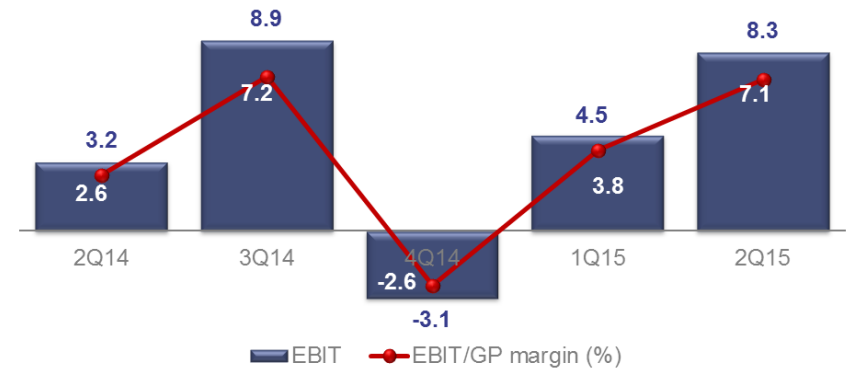
Ocean Freight: improvement in conversion continued

- Growth in line with market for first half-year
- Gross profit impacted by -7.5% currency translation (HY 2015)
- Further reduction in costs helped to increase conversion ratio

Ocean Freight: TEU, GP/TEU



Ocean Freight: EBIT, EBIT/GP margin



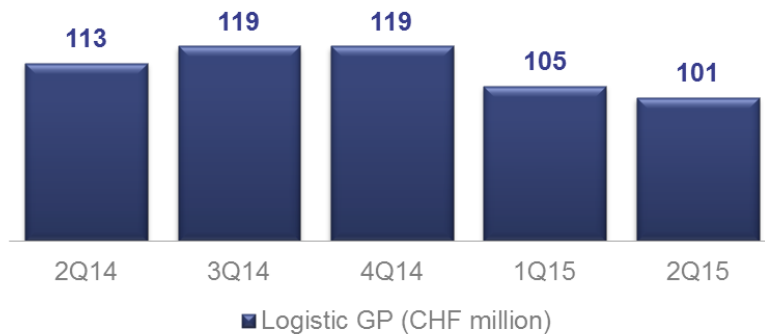
YoY growth in %	2Q14	3Q14	4Q14	1Q15	2Q15
Volume (market)	+3%	+4%	+6%	+3%	+2%
Volume (Panalpina)	+9%	+9%	+6%	+5%	+1%
GP/TEU	-9%	-12%	-5%	-8%	-6%
Gross Profit	-1%	-4%	0%	-3%	-5%

Gross Profit, EBIT (CHF million)	YTD 2014	YTD 2015
Gross Profit	246.6	237.3
EBIT	7.2	12.8
EBIT/GP (%)	2.9%	5.4%

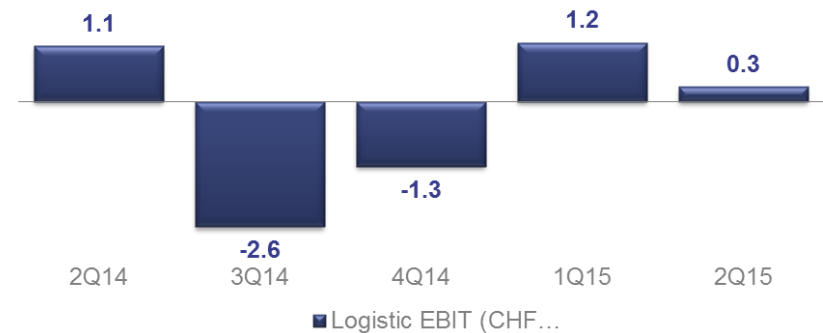
Logistics: focus on portfolio transformation

- Gross profit impacted by exit from underperforming sites and -7.5% currency translation (HY 2015)
- Another positive quarter on EBIT level

Logistics: Gross Profit



Logistics: EBIT



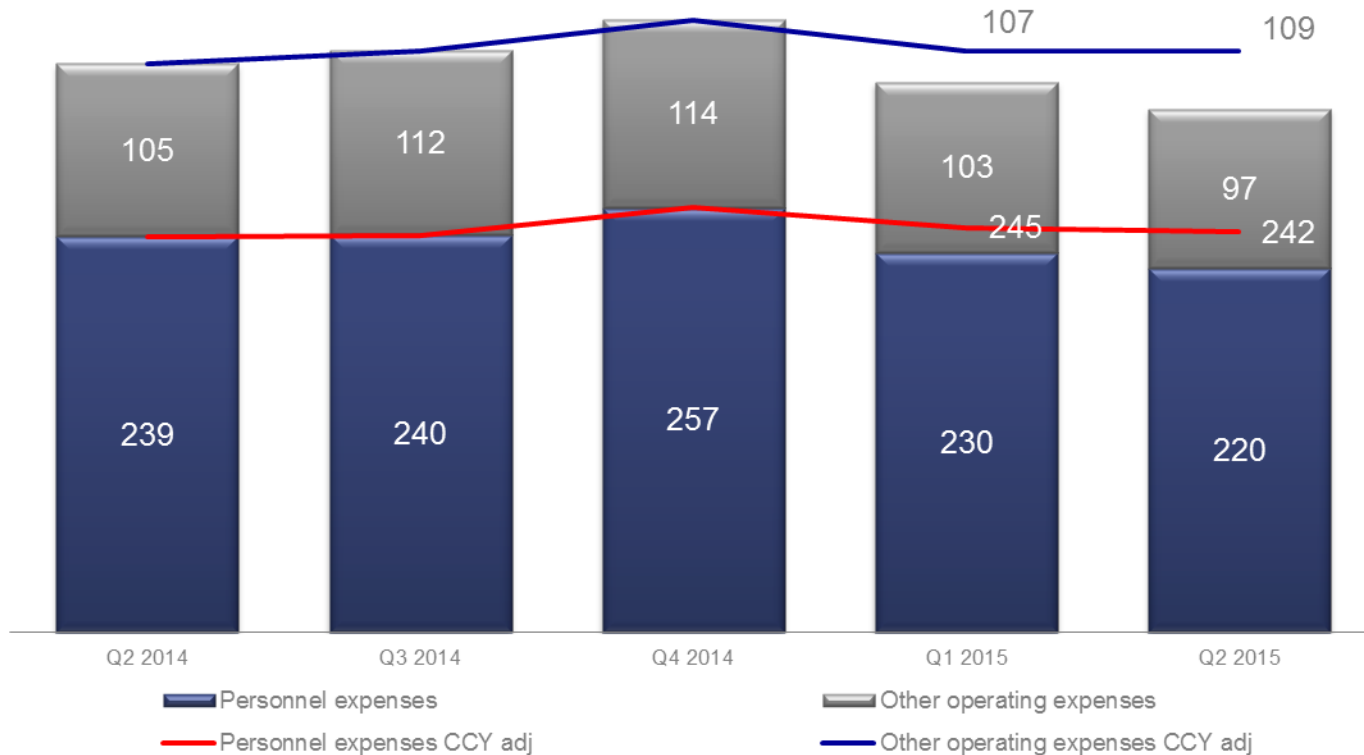
YoY growth in %	2Q14	3Q14	4Q14	1Q15	2Q15
Gross Profit	+4%	+5%	+4%	-3%	-11%

Gross Profit, EBIT (CHF million)	YTD 2014	YTD 2015
Gross Profit	220.6	205.2
EBIT	-4.3	1.5
EBIT/GP (%)	n/a	n/a

Note: Gross profit and EBIT in CHF million

Effective cost control

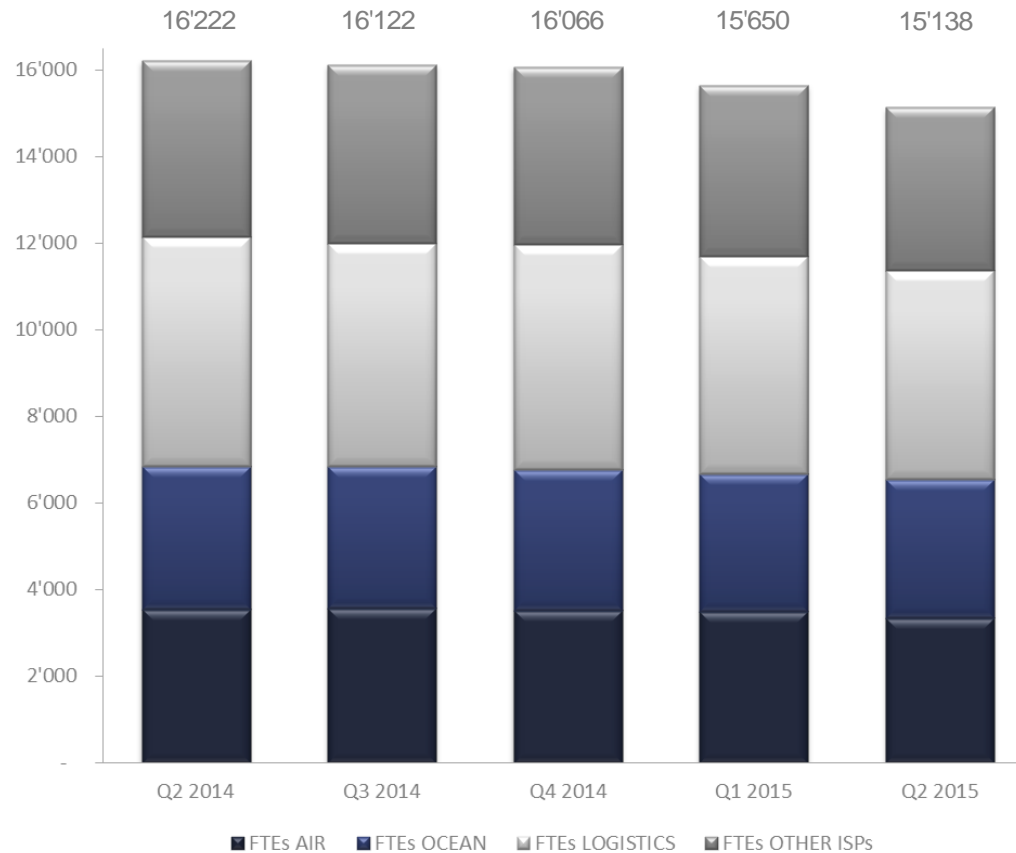
- Total cost increased currency adjusted by 2%
- Increase in IT cost
- Sequential reduction of FTEs resulted in lower personnel expenses



Note: Operating expenses in CHF million

FTE development

- FTEs adjusted to current volumes
- Further reduction in FTEs reflects ongoing optimisation of business



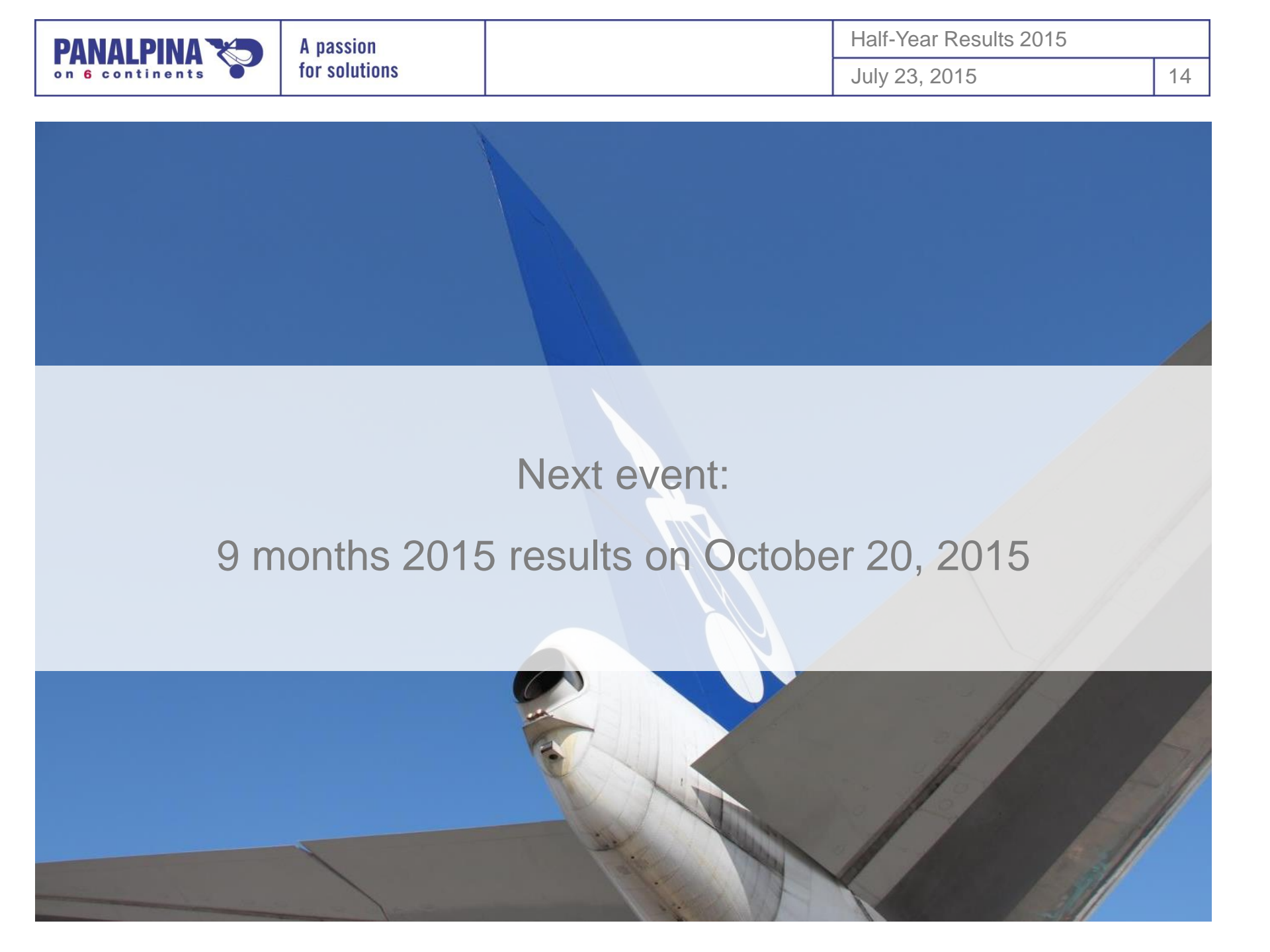
Note: FTEs per month end



Outlook and priorities

2015 outlook and priorities

- Market outlook for Air and Ocean revised downwards
- Strong focus on SAP TM implementation in pilot sites
- Close volume gap in Air Freight
- Continuous productivity and efficiency improvements in Ocean Freight
- Further development of innovative value-added logistics services



Next event:
9 months 2015 results on October 20, 2015

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Key figures

	Q2 2015	Q2 2014	Δ in %	YTD 2015	YTD 2014	YTD 2015 currency adjusted	Δ in %	Δ in %
			CHF				Actual	Excl. FX
Net forwarding revenue	1'438.0	1'634.0	-12.0%	2'941.4	3'230.5	3'142.3	-9.0%	-2.7%
Gross profit	364.3	393.7	-7.4%	736.1	777.9	795.2	-5.4%	2.2%
Total operating expenses	(316.5)	(344.0)	-8.0%	(649.5)	(689.2)	(703.7)	-5.8%	2.1%
EBITDA	47.8	49.6	-3.7%	86.6	88.7	91.5	-2.4%	3.1%
<i>in % of gross profit</i>	13.1%	12.6%		11.8%	11.4%	11.5%		
Operating result (EBIT)	35.1	35.6	-1.4%	60.4	60.1	64.4	0.4%	7.1%
<i>in % of gross profit</i>	9.6%	9.0%		8.2%	7.7%	8.1%		
Consolidated profit	25.7	26.2	-2.0%	45.3	44.0	48.3	2.8%	9.7%
Earnings per share (CHF)	1.07	1.13	-5.3%	1.91	1.88	2.04		
Cash and cash equivalents (end of period)	255.8	224.2						

Note: CHF million unless otherwise noted

Income statement per quarter - Group

Group	Q1 2015	Q2 2015	HY 2015	Q1 2014	Q2 2014	HY 2014	Q3 2014	Q4 2014	FY 2014
Net forwarding revenue	1'503.4	1'438.0	2'941.4	1'596.5	1'634.0	3'230.5	1'725.5	1'751.2	6'707.1
Forw arding expenses	(1'131.6)	(1'073.7)	(2'205.3)	(1'212.2)	(1'240.4)	(2'452.6)	(1'324.6)	(1'344.0)	(5'121.1)
Gross profit	371.8	364.3	736.1	384.3	393.7	777.9	400.8	407.2	1'586.0
<i>in % of net forwarding revenue</i>	24.7%	25.3%	25.0%	24.1%	24.1%	24.1%	23.2%	23.3%	23.6%
Personnel expenses	(229.8)	(220.0)	(449.8)	(240.4)	(239.3)	(479.8)	(240.1)	(256.9)	(976.9)
<i>in % of gross profit (PGP)</i>	61.8%	60.4%	61.1%	62.6%	60.8%	61.7%	59.9%	63.1%	61.6%
Other operating expenses	(103.2)	(96.6)	(199.8)	(104.7)	(104.7)	(209.4)	(111.9)	(113.8)	(435.1)
<i>in % of gross profit (OGP)</i>	27.8%	26.5%	27.1%	27.2%	26.6%	26.9%	27.9%	27.9%	27.4%
Total operating expenses	(333.0)	(316.5)	(649.5)	(345.1)	(344.0)	(689.2)	(352.0)	(370.7)	(1'411.9)
EBITDA	38.8	47.8	86.6	39.1	49.6	88.7	48.8	36.5	174.0
<i>in % of gross profit</i>	10.4%	13.1%	11.8%	10.2%	12.6%	11.4%	12.2%	9.0%	11.0%
Depreciation of property, plant and equipment	(7.6)	(6.8)	(14.4)	(8.3)	(7.7)	(16.1)	(7.9)	(8.0)	(32.0)
Amortization of intangible assets	(5.9)	(5.8)	(11.8)	(6.3)	(6.3)	(12.6)	(6.5)	(6.2)	(25.3)
Total Depreciation & Amortization	(13.5)	(12.7)	(26.2)	(14.6)	(14.0)	(28.6)	(14.5)	(14.2)	(57.3)
EBIT	25.3	35.1	60.4	24.5	35.6	60.1	34.3	22.3	116.7
<i>in % of gross profit</i>	6.8%	9.6%	8.2%	6.4%	9.0%	7.7%	8.6%	5.5%	7.4%
Financial result	0.9	(0.9)	0.0	(0.7)	(0.7)	(1.4)	(0.8)	0.8	(1.3)
Earnings before taxes (EBT)	26.2	34.2	60.4	23.7	35.0	58.7	33.6	23.1	115.4
Income tax expenses	(6.6)	(8.5)	(15.1)	(5.9)	(8.7)	(14.7)	(8.4)	(5.8)	(28.9)
<i>% of EBT</i>	25.1%	24.9%	25.0%	25.0%	25.0%	25.0%	25.0%	25.1%	25.0%
Consolidated profit / (loss)	19.6	25.7	45.3	17.8	26.2	44.0	25.2	17.3	86.5
Earnings per share (CHF)	0.84	1.07	1.91	0.75	1.13	1.88	1.03	0.77	3.68

Note: Group figures in CHF million

Income statement per quarter – Air Freight

Air Freight	Q1 2015	Q2 2015	HY 2015	Q1 2014	Q2 2014	HY 2014	Q3 2014	Q4 2014	FY 2014
Net forwarding revenue	661.5	636.0	1'297.4	747.0	760.3	1'507.3	793.9	840.7	3'141.9
Forw arding expenses	(513.5)	(490.4)	(1'003.9)	(593.3)	(603.2)	(1'196.5)	(635.7)	(673.5)	(2'505.6)
Gross profit	148.0	145.6	293.6	153.7	157.0	310.8	158.3	167.2	636.3
<i>in % of net forwarding revenue</i>	22.4%	22.9%	22.6%	20.6%	20.7%	20.6%	19.9%	19.9%	20.3%
Personnel expenses	(86.2)	(85.3)	(171.5)	(89.8)	(89.9)	(179.7)	(90.5)	(96.7)	(366.8)
<i>in % of gross profit (PGP)</i>	58.2%	58.6%	58.4%	58.4%	57.2%	57.8%	57.2%	57.8%	57.7%
Other operating expenses	(37.3)	(29.2)	(66.5)	(32.6)	(30.7)	(63.3)	(34.4)	(38.5)	(136.3)
<i>in % of gross profit (OGP)</i>	25.2%	20.1%	22.7%	21.2%	19.6%	20.4%	21.8%	23.0%	21.4%
Total operating expenses	(123.4)	(114.5)	(238.0)	(122.4)	(120.6)	(243.0)	(124.9)	(135.2)	(503.1)
EBITDA	24.5	31.1	55.6	31.4	36.4	67.8	33.4	32.0	133.1
<i>in % of gross profit</i>	16.6%	21.3%	18.9%	20.4%	23.2%	21.8%	21.1%	19.1%	20.9%
Depreciation and amortization	(5.0)	(4.6)	(9.6)	(5.3)	(5.2)	(10.5)	(5.3)	(5.3)	(21.1)
EBIT	19.6	26.5	46.0	26.0	31.3	57.3	28.0	26.7	112.0
<i>in % of gross profit</i>	13.2%	18.2%	15.7%	16.9%	19.9%	18.4%	17.7%	16.0%	17.6%
Air Freight volumes ('000 tons)	205.1	202.7	407.8	203.9	213.4	417.3	212.5	228.0	857.8
% change YoY	0.6%	-5.0%	-2.3%	6.3%	1.9%	4.0%	3.8%	4.0%	4.0%
GP/ton (CHF)	722	718	720	754	736	745	745	733	742
% change YoY	-4.3%	-2.4%	-3.3%	-1.3%	-7.0%	-4.3%	-5.2%	1.5%	-3.1%

Note: Air Freight figures in CHF million

Income statement per quarter – Ocean Freight

Ocean Freight	Q1 2015	Q2 2015	HY 2015	Q1 2014	Q2 2014	HY 2014	Q3 2014	Q4 2014	FY 2014
Net forwarding revenue	684.0	646.5	1'330.5	667.1	699.3	1'366.4	742.6	725.9	2'834.9
Forw arding expenses	(565.0)	(528.3)	(1'093.2)	(544.4)	(575.4)	(1'119.8)	(618.8)	(604.8)	(2'343.4)
Gross profit	119.1	118.2	237.3	122.7	123.9	246.6	123.8	121.1	491.5
<i>in % of net forwarding revenue</i>	17.4%	18.3%	17.8%	18.4%	17.7%	18.0%	16.7%	16.7%	17.3%
Personnel expenses	(78.9)	(79.3)	(158.2)	(82.7)	(83.4)	(166.1)	(81.6)	(90.3)	(338.0)
<i>in % of gross profit (PGP)</i>	66.2%	67.1%	66.7%	67.4%	67.3%	67.4%	65.9%	74.5%	68.8%
Other operating expenses	(31.1)	(26.1)	(57.2)	(30.9)	(32.3)	(63.2)	(28.4)	(29.1)	(120.7)
<i>in % of gross profit (OGP)</i>	26.1%	22.1%	24.1%	25.2%	26.1%	25.6%	22.9%	24.0%	24.6%
Total operating expenses	(110.0)	(105.4)	(215.4)	(113.6)	(115.7)	(229.4)	(110.0)	(119.3)	(458.7)
EBITDA	9.1	12.8	21.9	9.0	8.2	17.2	13.8	1.8	32.8
<i>in % of gross profit</i>	7.7%	10.8%	9.2%	7.4%	6.6%	7.0%	11.2%	1.5%	6.7%
Depreciation and amortization	(4.7)	(4.4)	(9.1)	(5.1)	(5.0)	(10.1)	(4.9)	(4.9)	(19.9)
EBIT	4.5	8.3	12.8	3.9	3.2	7.2	8.9	(3.1)	12.9
<i>in % of gross profit</i>	3.8%	7.1%	5.4%	3.2%	2.6%	2.9%	7.2%	-2.6%	2.6%
Ocean Freight volumes ('000 TEUs)	386.8	406.0	792.9	368.1	402.1	770.2	429.2	407.2	1'606.5
% change YoY	5.1%	1.0%	2.9%	6.0%	9.4%	7.7%	8.7%	5.6%	7.4%
GP/TEU (CHF)	308	291	299	333	308	320	288	297	306
% change YoY	-7.6%	-5.6%	-6.5%	-1.2%	-9.2%	-5.4%	-12.0%	-4.9%	-7.0%

Note: Ocean Freight figures in CHF million

Income statement per quarter - Logistics

Logistics	Q1 2015	Q2 2015	HY 2015	Q1 2014	Q2 2014	HY 2014	Q3 2014	Q4 2014	FY 2014
Net forwarding revenue	157.9	155.6	313.4	182.4	174.4	356.8	188.9	184.6	730.4
Forwarding expenses	(53.2)	(55.0)	(108.2)	(74.6)	(61.7)	(136.3)	(70.2)	(65.7)	(272.1)
Gross profit	104.7	100.5	205.2	107.8	112.7	220.6	118.8	118.9	458.2
<i>in % of net forwarding revenue</i>	66.3%	64.6%	65.5%	59.1%	64.6%	61.8%	62.9%	64.4%	62.7%
Personnel expenses	(64.8)	(55.4)	(120.2)	(67.9)	(66.0)	(134.0)	(68.1)	(70.0)	(272.0)
<i>in % of gross profit (PGP)</i>	61.9%	55.1%	58.6%	63.0%	58.6%	60.7%	57.3%	58.9%	59.4%
Other operating expenses	(34.8)	(41.3)	(76.1)	(41.2)	(41.7)	(82.9)	(49.1)	(46.2)	(178.1)
<i>in % of gross profit (OGP)</i>	33.3%	41.0%	37.1%	38.2%	37.0%	37.6%	41.3%	38.8%	38.9%
Total operating expenses	(99.6)	(96.6)	(196.2)	(109.1)	(107.7)	(216.8)	(117.2)	(116.1)	(450.1)
EBITDA	5.1	3.9	9.1	(1.3)	5.0	3.7	1.6	2.7	8.1
<i>in % of gross profit</i>	4.9%	3.9%	4.4%	-1.2%	4.4%	1.7%	1.4%	2.3%	1.8%
Depreciation and amortization	(3.9)	(3.6)	(7.5)	(4.2)	(3.9)	(8.1)	(4.2)	(4.1)	(16.3)
EBIT	1.2	0.3	1.5	(5.5)	1.1	(4.3)	(2.6)	(1.3)	(8.2)

Note: Logistics figures in CHF million

Balance sheet

	30-Jun-15	31-Dec-14	Change in	
			CHF	%
Cash and cash equivalents, other current financial assets	255.8	372.0	-116.3	-31.3%
Trade receivables, unbilled forwarding services	954.7	1'124.1	-169.4	-15.1%
Other current assets	109.6	104.2	5.4	5.2%
Property, plant and equipment	84.5	104.3	-19.8	-19.0%
Intangible assets	109.3	122.0	-12.7	-10.4%
Other non-current assets	94.3	103.1	-8.7	-8.5%
Total assets	1'608.2	1'929.7	-321.5	-16.7%
Short-term borrowings	0.5	0.5	0.0	-1.9%
Trade payables, accrued cost of services	618.4	739.3	-120.9	-16.3%
Other current liabilities	246.6	312.0	-65.4	-21.0%
Long-term borrowings	0.1	0.1	0.0	-9.1%
Other long-term liabilities	125.0	144.7	-19.7	-13.6%
Total liabilities	990.6	1'196.6	-206.0	-17.2%
Share capital	2.4	2.4	0.0	0.2%
Reserves, treasury shares	603.2	718.5	-115.3	-16.0%
Non-controlling interests	11.9	12.2	-0.3	-2.5%
Total equity	617.6	733.1	-115.6	-15.8%
Total equity and liabilities	1'608.2	1'929.7	-321.5	-16.7%

Note: Figures in CHF million

Cash flow

	HY15	HY14	Change in %
Cash flow before changes in working capital	83.8	86.9	-3.5%
Changes in working capital	(49.8)	(106.3)	-53.2%
Cash from operations	34.1	(19.4)	275.4%
Interest and income taxes paid	(18.6)	(13.2)	40.4%
Net cash from operating activities	15.5	(32.7)	-147.4%
Net cash from investing activities	(5.0)	(20.5)	-75.9%
Free cash flow (FCF)	10.5	(53.2)	119.8%
Net cash used in financing activities	(68.3)	(58.8)	16.2%
Effect of exchange rate changes	(58.5)	(0.8)	
Cash and cash equivalents at beginning of period	372.0	336.9	10.4%
Net increase (decrease) in cash and cash equivalents	(116.3)	(112.8)	
Cash and cash equivalents at end of period	255.8	224.2	14.1%