



FULL-YEAR RESULTS 2016

INVESTOR PRESENTATION

RESULTS FROM JANUARY TO DECEMBER 2016 | ZURICH | 02 MARCH 2017

- ▶ Achievements and key figures
- ▶ Operating and financial review
- ▶ Outlook and priorities 2017
- ▶ Appendix



ACHIEVEMENTS AND KEY FIGURES



HIGHER VOLUMES AND REDUCED PROFIT

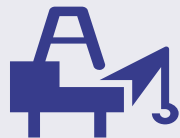
CHALLENGES



Overall soft markets with strong peak season in air freight and capacity constraints in ocean freight



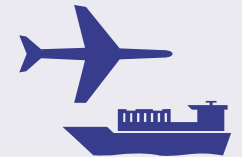
Significant rate increases impacted GP margins in second half of 2016



Downturn in Oil and Gas negatively impacted GP with CHF 74 million (-5%)

ACHIEVEMENTS

Solid volume growth in Air and Ocean Freight



Maintained strict cost management

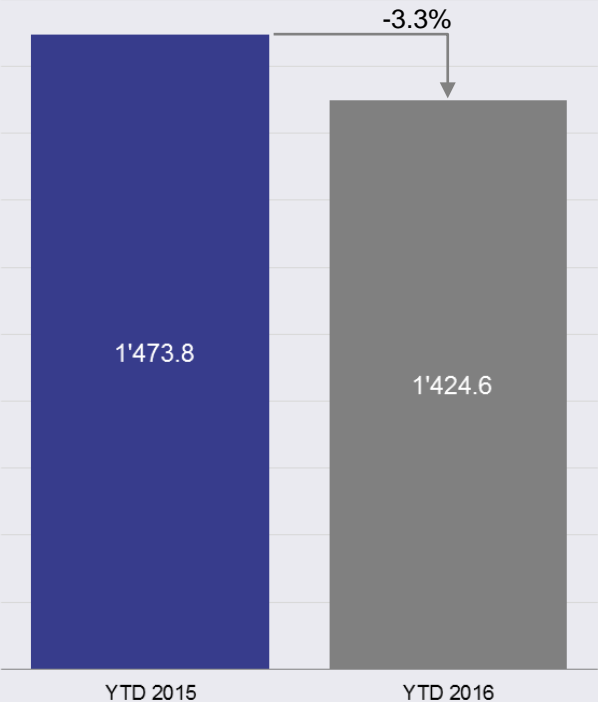


Strong cash conversion / healthy cash position

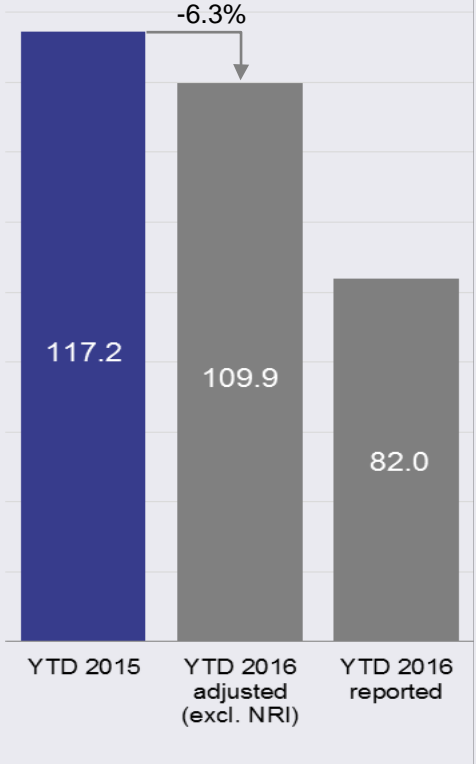


KEY FIGURES (REPORTED / ADJUSTED)

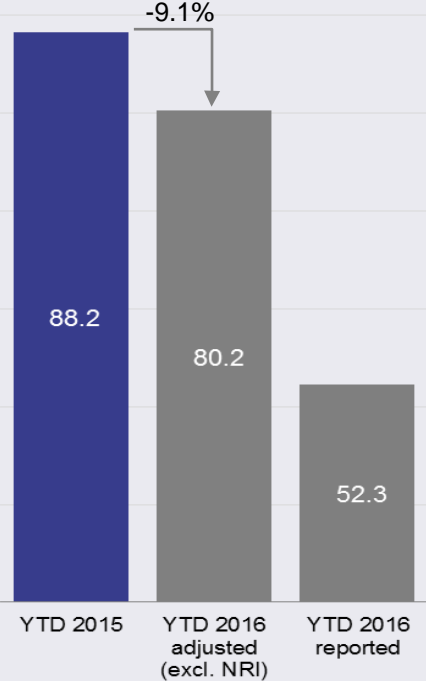
GROSS PROFIT



EBIT



PROFIT



Note: CHF million unless otherwise noted, NRI: Non-Recurring Items

YEAR-ON-YEAR COMPARISON (2016 VERSUS 2015)

BREAKDOWN OF KEY FIGURES

	impact on reported key figures from					FY 2016
	FY 2015	Energy and Project Solutions**	Restructuring expenses	Acquired businesses	Organic growth / others	
Gross profit	1'473.8	(73.9)	-	12.9	11.8	1'424.6
Personnel expenses	(896.2)	38.5	(11.6)	(4.6)	(8.1)	(882.0)
Other operating expenses	(409.3)	19.0	(16.4)	(2.7)	(1.5)	(410.9)
EBITDA	168.3	(16.4)	(28.0)	5.6	2.2	131.7
Depreciation of property, plant and equipment	(27.9)	1.4	-	(0.4)	1.1	(25.8)
Amortization of intangible assets*	(23.2)	-	-	(2.2)	1.5	(23.9)
EBIT reported	117.2	(15.0)	(28.0)	3.0	4.7	82.0

* Capitalized IT costs will be fully amortized by the end of 2018.

**GP drop: thereof CHF 33 million in Ocean, CHF 24.7 million in Logistics and CHF 16.2 million in Air.

Volume increases:	28.4
Margin decline (mainly Air):	-16.6
Costs:	-7.1
Net impact on EBIT:	4.7

Note: CHF million unless otherwise noted

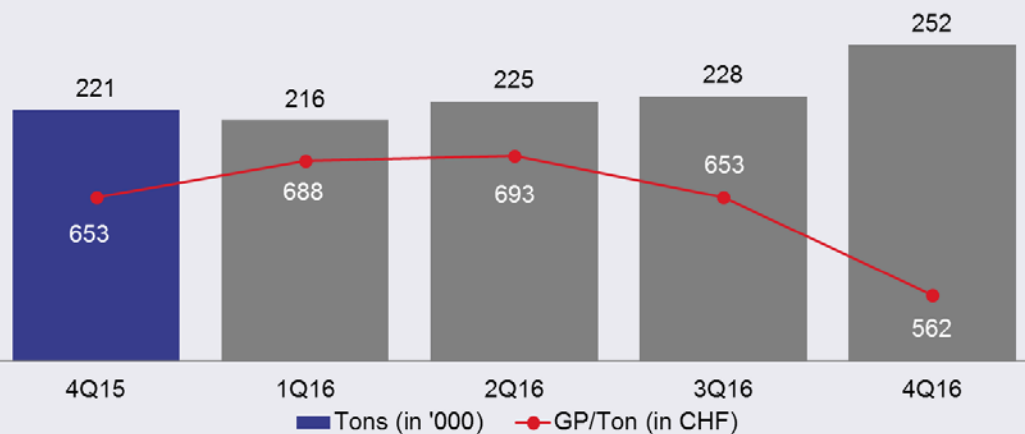
OPERATING AND FINANCIAL REVIEW



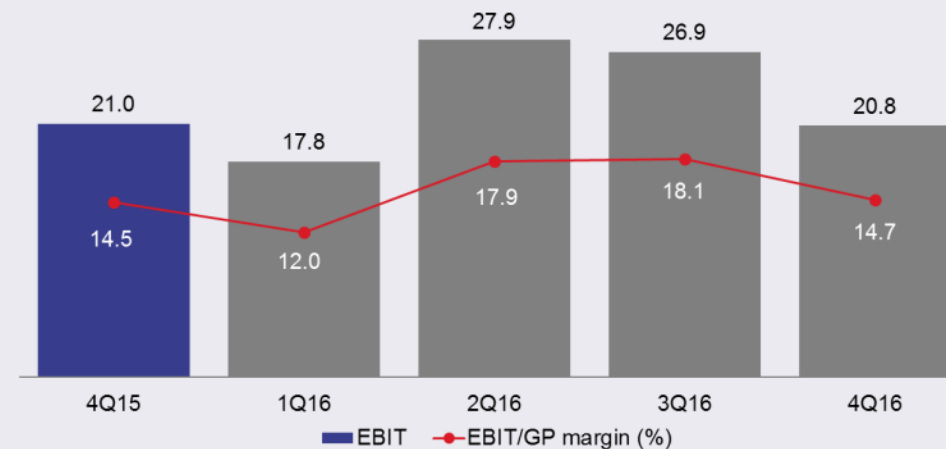
AIR FREIGHT: STRONG VOLUME GROWTH, MARGIN PRESSURE

- Very strong volumes during peak season
- Rate increases impacted GP margin
- EBIT/GP conversion slightly higher than 2015

AIR FREIGHT: TONNAGE, GP/TON



AIR FREIGHT: EBIT AND EBIT/GP MARGIN (ADJUSTED)



YoY growth (%)	4Q15	1Q16	2Q16	3Q16	4Q16	YTD16
Volume (market)	-3%	-4%	-2%	+2%	+8%	+1-2%
Volume (Panalpina)	-3%	+5%	+11%	+10%	+14%	+10%
GP/ton	-11%	-5%	-4%	-7%	-14%	-8%
Gross Profit	-14%	0%	+7%	+2%	-2%	2%
GP/ton excl. Airflo	-	-1%	0%	-5%	-11%	-4%

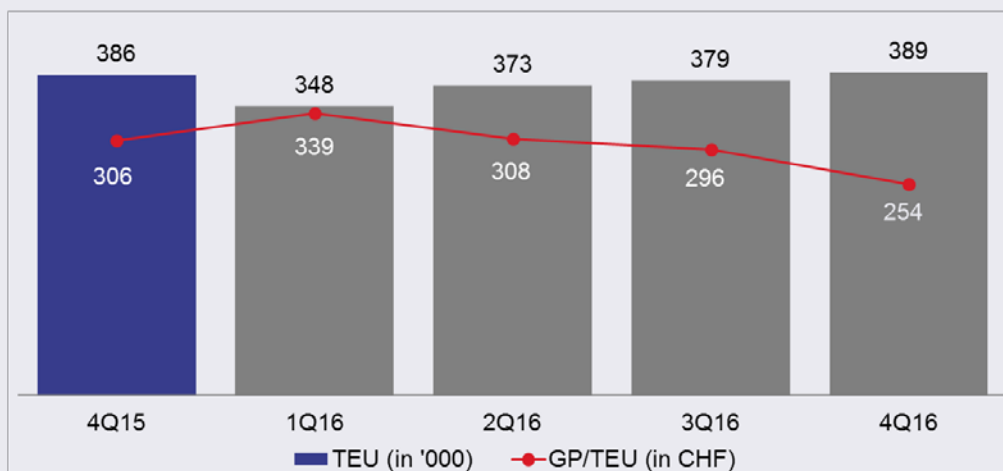
Gross Profit, EBIT	YTD 2015	YTD 2016
Gross Profit	584.1	595.2
EBIT adjusted	88.5	93.5
EBIT/GP adjusted (%)	15.2%	15.7%
EBIT reported	88.5	80.8

Note: Gross profit and EBIT in CHF million

OCEAN FREIGHT: LOW GP MARGIN LED TO Q4 LOSS

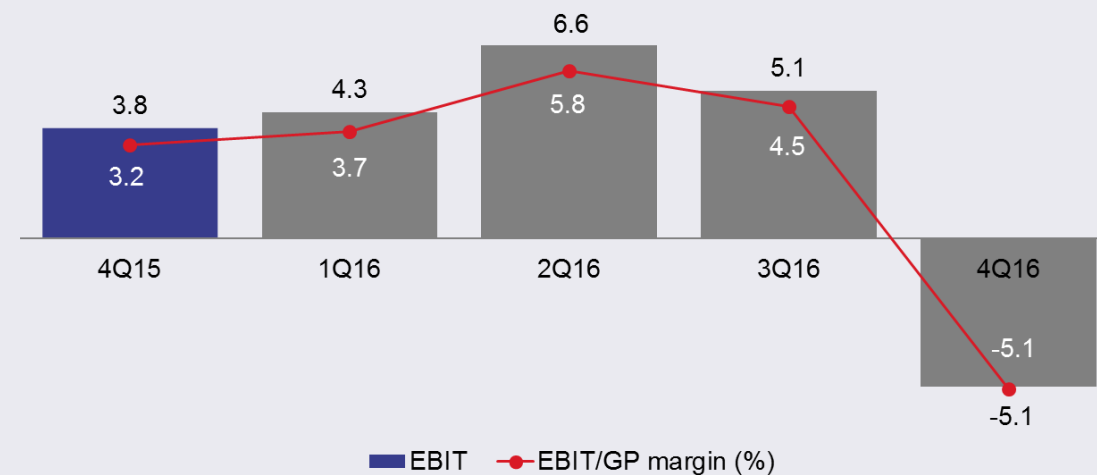
- Volume growth in Q4
- Rate increases impacted GP margin
- Review of operating model to restore profitability

OCEAN FREIGHT: TEU, GP/TEU



YoY growth in %	4Q15	1Q16	2Q16	3Q16	4Q16	YTD16
Volume (market)	+1%	-1%	-1%	0%	+3%	+1%
Volume (Panalpina)	-5%	-10%	-8%	-9%	+1%	-7%
GP/TEU	+3%	+10%	+6%	-2%	-18%	-1%
Gross Profit	-2%	-1%	-3%	-10%	-16%	-8%

OCEAN FREIGHT: EBIT AND EBIT/GP MARGIN (ADJUSTED)



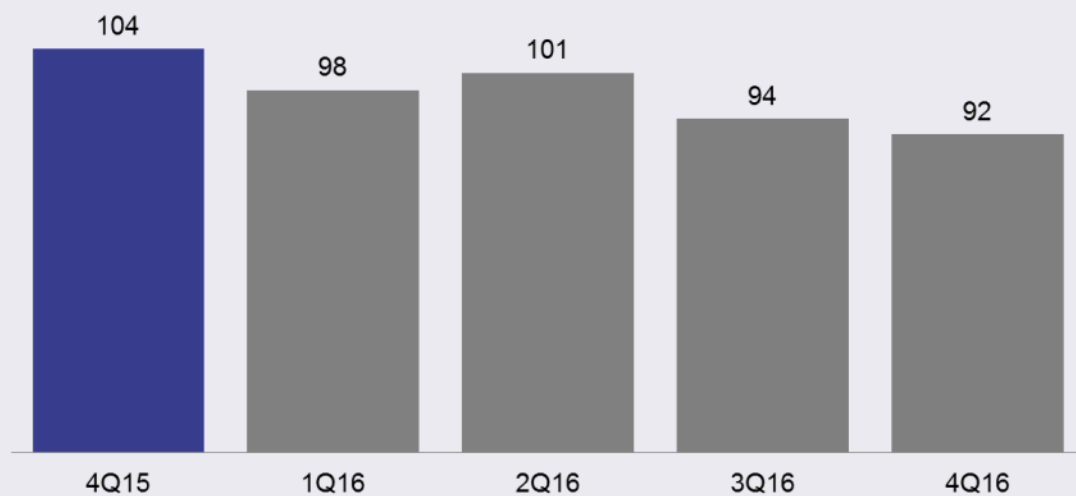
Gross Profit, EBIT	YTD 2015	YTD 2016
Gross Profit	480.4	443.8
EBIT adjusted	26.6	10.9
EBIT/GP adjusted (%)	5.5%	2.5%
EBIT reported	26.6	-0.6

Note: Gross profit and EBIT in CHF million

LOGISTICS: CONTINUED POSITIVE EBIT

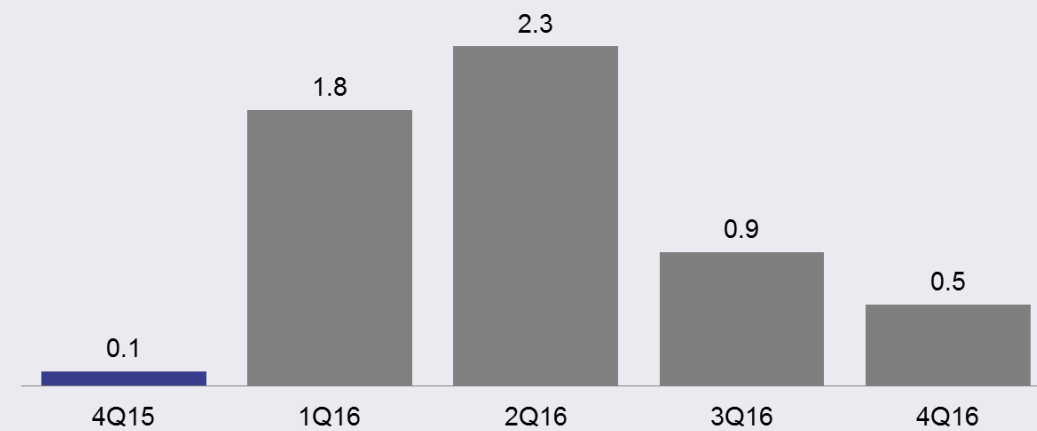
- Lower gross profit due to reduced activities in Oil and Gas
- Focus on establishing sales pipeline to grow turnover in 2018 and beyond

LOGISTICS: GROSS PROFIT



YoY growth in %	4Q15	1Q16	2Q16	3Q16	4Q16
Gross Profit	-13%	-6%	0%	-6%	-11%

LOGISTICS: EBIT (ADJUSTED)



Gross Profit, EBIT	YTD 2015	YTD 2016
Gross Profit	409.3	385.7
EBIT adjusted	2.1	5.6
EBIT reported	2.1	1.8

Note: Gross profit and EBIT in CHF million

OUTLOOK AND PRIORITIES 2017



OUTLOOK AND PRIORITIES 2017

OUTLOOK

- Political and macroeconomic uncertainties make planning even more difficult
- Market environment in air and ocean freight remains challenging

PRIORITIES

- Focus on topline growth
- Diversify industry vertical mix
- Accelerate growth through selected bolt-on acquisitions
- Maintain cost discipline
- Improve margins



NEXT EVENTS:

- **FIRST QUARTER RESULTS:**
APRIL 20, 2017

- **ANNUAL GENERAL MEETING:**
MAY 3, 2017

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APPENDIX



INCOME STATEMENT PER QUARTER – GROUP

GROUP	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
Net forwarding revenue	1'503.4	1'438.0	1'467.9	1'446.2	5'855.5	1'307.2	1'289.4	1'267.0	1'332.5	5'196.0
Forw arding expenses	(1'131.6)	(1'073.7)	(1'096.6)	(1'079.7)	(4'381.6)	(942.3)	(918.0)	(911.6)	(999.6)	(3'771.4)
Gross profit	371.8	364.3	371.2	366.5	1'473.8	364.9	371.4	355.4	332.9	1'424.6
Personnel expenses	(229.8)	(220.0)	(225.8)	(220.7)	(896.2)	(225.0)	(221.3)	(212.9)	(211.3)	(870.5)
Other operating expenses	(103.2)	(96.6)	(100.5)	(109.0)	(409.3)	(103.7)	(101.1)	(97.1)	(92.7)	(394.5)
EBITDA adjusted	38.8	47.8	44.9	36.9	168.3	36.2	49.1	45.4	28.9	159.6
Depreciation of property, plant and equipment	(7.6)	(6.8)	(7.2)	(6.3)	(27.9)	(6.2)	(6.2)	(6.2)	(7.1)	(25.8)
Amortization of intangible assets	(5.9)	(5.8)	(5.7)	(5.7)	(23.2)	(6.0)	(6.0)	(6.3)	(5.6)	(23.9)
EBIT adjusted	25.3	35.1	32.0	24.9	117.2	24.0	36.8	32.9	16.3	109.9
in % of gross profit	6.8%	9.6%	8.6%	6.8%	8.0%	6.6%	9.9%	9.2%	4.9%	7.7%
Non-recurring items:										
Restructuring expenses	-	-	-	-	-	-	(26.1)	-	(1.9)	(28.0)
EBIT reported	25.3	35.1	32.0	24.9	117.2	24.0	10.7	32.9	14.4	82.0
in % of gross profit	6.8%	9.6%	8.6%	6.8%	8.0%	6.6%	2.9%	9.2%	4.3%	5.8%
Financial result	0.9	(0.9)	(0.0)	0.4	0.4	(0.9)	0.7	(0.4)	0.2	(0.4)
Earnings before taxes (EBT)	26.2	34.2	32.0	25.3	117.6	23.1	11.4	32.5	14.6	81.6
Income tax expenses	(6.6)	(8.5)	(8.0)	(6.3)	(29.4)	(5.8)	(6.9)	(7.9)	(8.8)	(29.3)
% of EBT	25.1%	24.9%	25.0%	25.0%	25.0%	25.0%	60.2%	24.2%	60.1%	35.9%
Profit	19.6	25.7	24.0	19.0	88.2	17.3	4.5	24.6	5.8	52.3
Earnings per share (CHF)	0.84	1.07	1.00	0.78	3.69	0.75	0.21	1.06	0.27	2.29

Note: Group figures in CHF million

INCOME STATEMENT PER QUARTER – AIR FREIGHT

AIR FREIGHT	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
Net forwarding revenue	661.5	636.0	652.6	695.6	2'645.6	633.2	635.9	634.1	723.4	2'626.7
Forw arding expenses	(513.5)	(490.4)	(506.5)	(551.1)	(2'061.5)	(484.6)	(480.0)	(485.3)	(581.6)	(2'031.5)
Gross profit	148.0	145.6	146.1	144.5	584.1	148.6	155.9	148.9	141.8	595.2
Personnel expenses	(86.2)	(85.3)	(86.1)	(83.7)	(341.3)	(88.5)	(86.9)	(84.7)	(87.3)	(347.3)
Other operating expenses	(37.3)	(29.2)	(33.6)	(35.3)	(135.4)	(37.1)	(35.9)	(31.8)	(28.4)	(133.3)
EBITDA adjusted	24.5	31.1	26.4	25.4	107.4	23.0	33.1	32.4	26.1	114.6
Depreciation and amortization	(5.0)	(4.6)	(4.9)	(4.4)	(18.9)	(5.2)	(5.2)	(5.5)	(5.3)	(21.1)
EBIT adjusted	19.6	26.5	21.5	21.0	88.5	17.8	27.9	26.9	20.8	93.5
in % of gross profit	13.2%	18.2%	14.7%	14.5%	15.2%	12.0%	17.9%	18.1%	14.7%	15.7%
Non-recurring items:										
Restructuring expenses	-	-	-	-	-	-	(12.7)	-	-	(12.7)
EBIT reported	19.6	26.5	21.5	21.0	88.5	17.8	15.3	26.9	20.8	80.8
in % of gross profit	13.2%	18.2%	14.7%	14.5%	15.2%	12.0%	9.8%	18.1%	14.7%	13.6%
Air Freight volumes ('000 tons)	205.1	202.7	207.2	221.2	836.2	216.1	225.1	227.8	252.4	921.4
% change YoY	0.6%	-5.0%	-2.5%	-3.0%	-2.5%	5.4%	11.1%	9.9%	14.1%	10.2%
GP/ton (CHF)	722	718	705	653	699	688	693	653	562	646
% change YoY	-4.3%	-2.4%	-5.3%	-10.9%	-5.8%	-4.7%	-3.6%	-7.3%	-14.0%	-7.5%
GP/ton (w ithout) Acquired business										
thereof Acquired businesses										
Gross profit						3.6	3.0	2.8	3.6	12.9
EBIT						1.1	0.5	0.3	1.1	3.0
Air Freight volumes ('000 tons)						13.6	11.8	10.8	14.5	50.7
GP per ton Airflo						261	250	262	249	255
GP per ton excluding Airflo						716	717	673	581	669
% change YoY						-0.7%	-0.1%	-4.5%	-11.1%	-4.3%

Note: Air Freight figures in CHF million

INCOME STATEMENT PER QUARTER – OCEAN FREIGHT

OCEAN FREIGHT	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
Net forwarding revenue	684.0	646.5	660.4	596.4	2'587.3	533.8	492.1	495.5	477.0	1'998.4
Forw arding expenses	(565.0)	(528.3)	(535.5)	(478.2)	(2'106.9)	(415.7)	(377.3)	(383.4)	(378.3)	(1'554.7)
Gross profit	119.1	118.2	124.9	118.2	480.4	118.1	114.8	112.1	98.7	443.8
Personnel expenses	(78.9)	(79.3)	(79.7)	(76.4)	(314.3)	(79.1)	(75.2)	(75.5)	(72.1)	(301.9)
Other operating expenses	(31.1)	(26.1)	(30.5)	(33.9)	(121.6)	(30.5)	(28.8)	(27.4)	(27.5)	(114.4)
EBITDA adjusted	9.1	12.8	14.6	8.0	44.6	8.4	10.8	9.2	(0.9)	27.5
Depreciation and amortization	(4.7)	(4.4)	(4.7)	(4.2)	(18.0)	(4.1)	(4.2)	(4.1)	(4.2)	(16.6)
EBIT adjusted	4.5	8.3	10.0	3.8	26.6	4.3	6.6	5.1	(5.1)	10.9
in % of gross profit	3.8%	7.1%	8.0%	3.2%	5.5%	3.7%	5.8%	4.5%	-5.1%	2.5%
Non-recurring items:										
Restructuring expenses	-	-	-	-	-	-	(9.7)	-	(1.9)	(11.5)
EBIT reported	4.5	8.3	10.0	3.8	26.6	4.3	(3.0)	5.1	(6.9)	(0.6)
in % of gross profit	3.8%	7.1%	8.0%	3.2%	5.5%	3.7%	-2.6%	4.5%	-7.0%	-0.1%
Ocean Freight volumes ('000 TEUs)	386.8	406.0	415.3	385.7	1'593.9	348.2	372.6	378.7	389.0	1'488.5
% change YoY	5.1%	1.0%	-3.2%	-5.3%	-0.8%	-10.0%	-8.2%	-8.8%	0.8%	-6.6%
GP/TEU (CHF)	308	291	301	306	301	339	308	296	254	298
% change YoY	-7.6%	-5.6%	4.3%	3.0%	-1.5%	10.2%	5.9%	-1.6%	-17.6%	-1.1%

Note: Ocean Freight figures in CHF million

INCOME STATEMENT PER QUARTER – LOGISTICS

LOGISTICS	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
Net forwarding revenue	157.9	155.6	154.9	154.2	622.5	140.2	161.3	137.4	132.1	570.9
Forwarding expenses	(53.2)	(55.0)	(54.6)	(50.4)	(213.2)	(42.0)	(60.7)	(42.9)	(39.7)	(185.3)
Gross profit	104.7	100.5	100.3	103.8	409.3	98.2	100.6	94.4	92.4	385.7
Personnel expenses	(64.8)	(55.4)	(59.9)	(60.6)	(240.7)	(57.4)	(59.1)	(52.8)	(51.9)	(221.3)
Other operating expenses	(34.8)	(41.3)	(36.4)	(39.8)	(152.2)	(36.0)	(36.3)	(37.8)	(36.7)	(146.9)
EBITDA adjusted	5.1	3.9	3.9	3.4	16.4	4.8	5.2	3.8	3.7	17.5
Depreciation and amortization	(3.9)	(3.6)	(3.4)	(3.3)	(14.2)	(2.9)	(2.9)	(2.9)	(3.2)	(11.9)
EBIT adjusted	1.2	0.3	0.5	0.1	2.1	1.8	2.3	0.9	0.5	5.6
Non-recurring items:										
Restructuring expenses	-	-				-	(3.8)	-	0.0	(3.8)
EBIT reported	1.2	0.3	0.5	0.1	2.1	1.8	(1.5)	0.9	0.5	1.8

Note: Logistics figures in CHF million

BALANCE SHEET

	31-Dec-15	31-Dec-16	CHANGE IN	
			CHF	%
Cash and cash equivalents, other current financial assets	392.3	388.8	-3.5	-1%
Trade receivables, unbilled forwarding services	954.3	908.7	-45.6	-5%
Other current assets	106.5	102.5	-4.0	-4%
Property, plant and equipment	78.5	63.5	-14.9	-19%
Intangible assets	98.8	97.9	-0.9	-1%
Other non-current assets	97.4	99.0	1.6	2%
Total assets	1'727.8	1'660.6	-67.2	-4%
Short-term borrowings	0.1	2.3	2.2	n/a
Trade payables, accrued cost of services	669.3	652.4	-16.9	-3%
Other current liabilities	264.6	243.9	-20.7	-8%
Long-term borrowings	0.0	0.0	0.0	n/a
Other long-term liabilities	140.4	144.9	4.5	3%
Total liabilities	1'074.5	1'043.6	-30.9	-3%
Share capital	2.4	2.4	0.0	0%
Reserves, treasury shares	638.9	605.7	-33.2	-5%
Non-controlling interests	12.0	8.9	-3.1	-26%
Total equity	653.3	617.0	-36.3	-6%
Total equity and liabilities	1'727.8	1'660.6	-67.2	-4%

CASH FLOW

	31-Dec-15	31-Dec-16	CHANGE IN %
Cash flow before changes in working capital	162.1	131.3	
Changes in working capital	25.3	18.8	
Cash from operations	187.4	150.1	
Interest and income taxes paid	(35.7)	(39.4)	
Net cash from operating activities	151.7	110.7	-27%
Net cash from investing activities	(8.9)	(24.1)	171%
Free cash flow (FCF)	142.8	86.6	-39%
Net cash used in financing activities	(69.4)	(88.7)	28%
Net increase (decrease) in cash and cash equivalents	73.3	(2.1)	
Cash and cash equivalents at beginning of period	372.0	392.3	
Effect of exchange rate changes	(53.1)	(1.4)	
Cash and cash equivalents at end of period	392.3	388.8	

Note: Figures in CHF million