

# NINE MONTHS RESULTS 2017

INVESTOR PRESENTATION

RESULTS FROM JANUARY TO SEPTEMBER 2017 | BASEL | 19 OCTOBER 2017

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



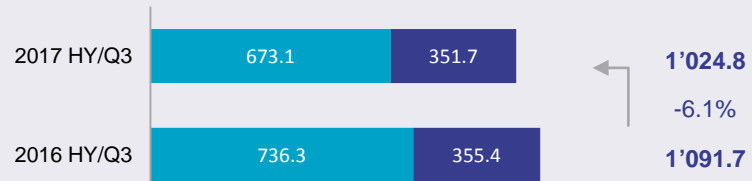
## ACHIEVEMENTS AND KEY FIGURES



# THIRD CONSECUTIVE QUARTER WITH GP AND EBIT GROWTH

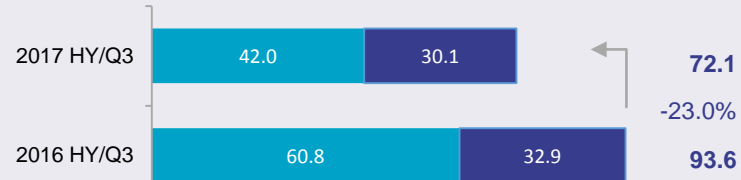
## FINANCIAL HIGHLIGHTS

### GROSS PROFIT



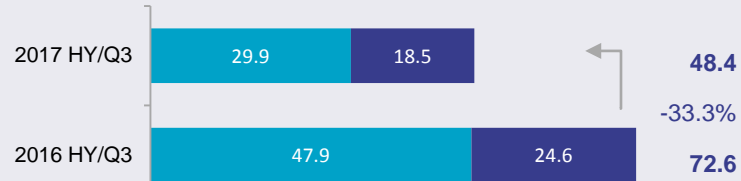
YTD currency impact: -0.3% (CHF -3.5 million)

### EBIT (adjusted for 2016)



YTD currency impact: -4.4% (CHF -3.0 million)

### PROFIT (adjusted for 2016)



YTD currency impact: -4.5% (CHF -2.1 million)

## ACHIEVEMENTS

Strong volume growth and gross profit margin recovery in Air Freight



Conversion ratio improved to 19% in Air Freight in Q3



Significant improvement in cash position compared to end of June 2017



## CHALLENGES

Modest volume growth in Ocean Freight with low but stable margins



Ocean Freight profitability



Slightly higher costs driven by SAP TM system roll-out



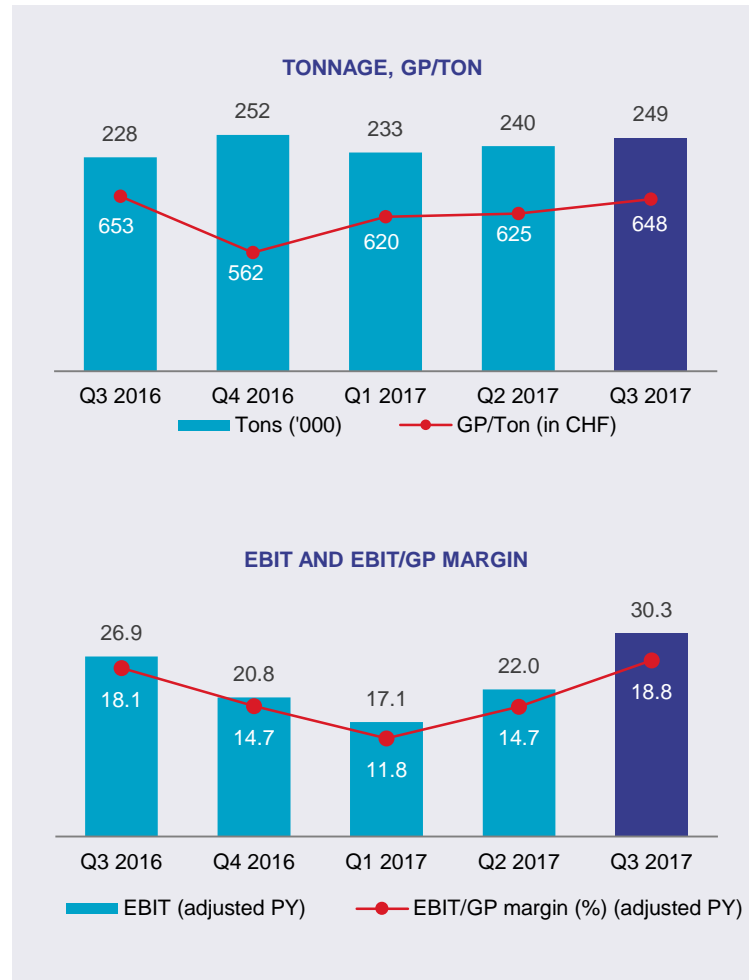
# OPERATING AND FINANCIAL REVIEW



# AIR FREIGHT: STRONG AND PROFITABLE GROWTH



- YTD 8% volume growth
- Improved unit profitability
- Conversion rate at previous-year level



YoY Growth, %	2017				
	Q3	Q4	Q1	Q2	Q3
Volume (market, estimated)	2%	8%	6%	10%	10%
Volume (Panalpina)	10%	14%	8%	7%	8%
GP/ton	-7%	-14%	-10%	-10%	-1%
Gross Profit	2%	-2%	-3%	-4%	8%

Gross Profit, EBIT	2016	2017	
	YTD	YTD	
Gross Profit	453.4	456.0	1%
EBIT (adjusted PY)	72.6	69.4	-4%
EBIT/GP (%)	16.0%	15.2%	
Volumes (tons '000)	669.0	722.0	8%

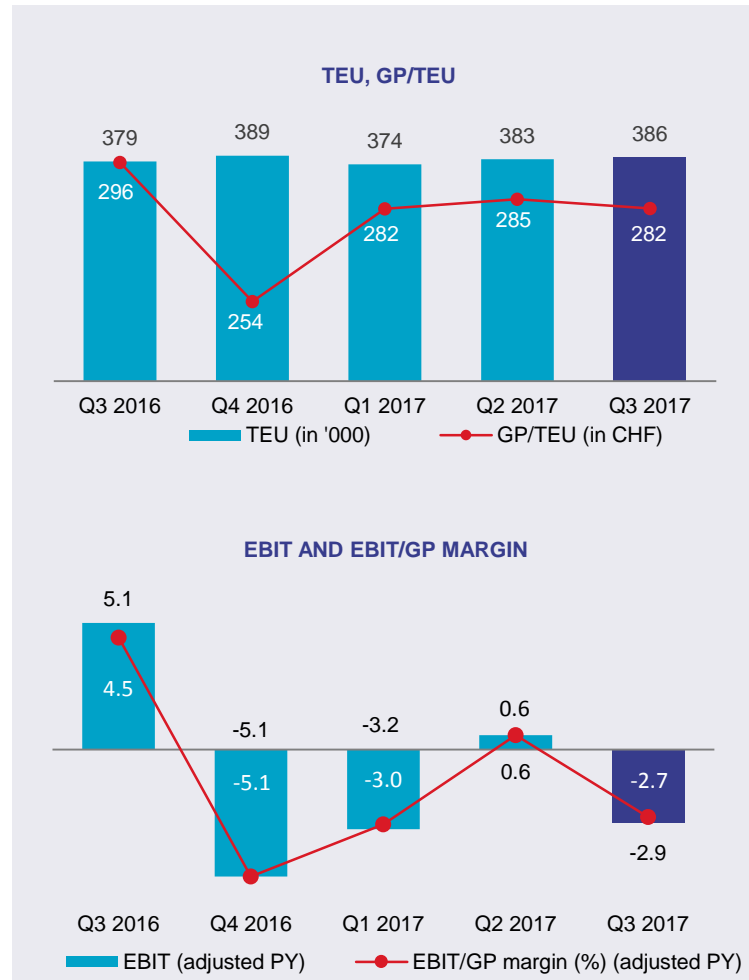
Note: Gross profit and EBIT in CHF million

# OCEAN FREIGHT: QUARTERLY LOSS DUE TO MARGIN STAGNATION



- YTD 4% volume growth
- Higher volumes, however at lower margin and with increased costs resulted in loss for Q3

Note: Gross profit and EBIT in CHF million



YoY Growth, %	2017				
	Q3	Q4	Q1	Q2	Q3
Volume (market, estimated)	0%	3%	4%	3%	3%
Volume (Panalpina)	-9%	1%	7%	3%	2%
GP/TEU	-2%	-18%	-17%	-7%	-5%
Gross Profit	-10%	-16%	-11%	-5%	-3%

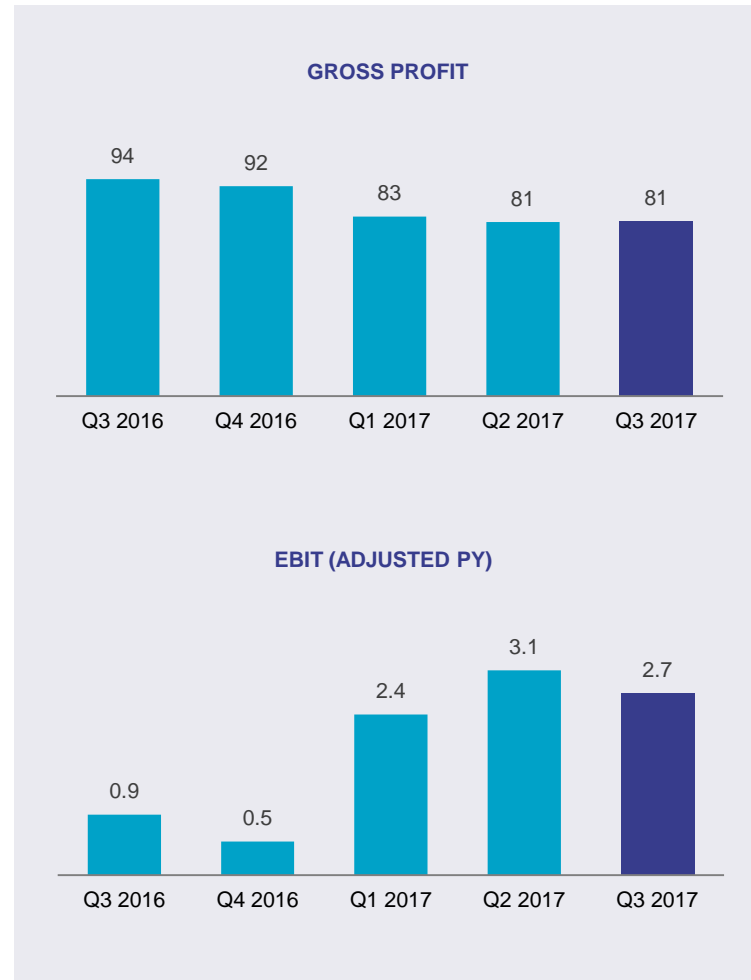
Gross Profit, EBIT	2016	2017	
	YTD	YTD	
Gross Profit	345.0	323.4	-6%
EBIT (adjusted PY)	16.0	-5.5	-135%
EBIT/GP (%)	4.6%	-1.7%	
Volumes (TEUs '000)	1,099.5	1,142.6	4%

# LOGISTICS: IMPROVED PROFITABILITY



- Top-line has stabilized. Focus on growth.
- EBIT-over-NFR-margin of 2.0%

Note: Gross profit and EBIT in CHF million



YoY Growth, %	2017				
	Q3	Q4	Q1	Q2	Q3
Gross Profit	-6%	-11%	-16%	-19%	-14%

Gross Profit, EBIT	2016	2017	
	YTD	YTD	
Gross Profit	293.3	245.4	-16%
EBIT (adjusted PY)	5.0	8.1	63%
NFR in % of EBIT	1.0%	2.0%	

## OUTLOOK AND PRIORITIES 2017



# OUTLOOK AND PRIORITIES 2017

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## OUTLOOK

- Market:
  - Air: continuous strong volumes expected but growth rate slowing down (tough Q4 2016 comparison)
  - Ocean: Soft market conditions Q4
- Panalpina:
  - Air: margin impact of peak season difficult to anticipate
  - Ocean: spot market rates have decreased lately and a slight margin improvement could be expected

## PRIORITIES

- Focus on topline growth and further improvement of unit profitability
- Improve EBIT in Ocean Freight
- Accelerate growth through selected bolt-on acquisitions
- Maintain cost discipline and push ahead operations transformation program



## NEXT EVENTS:

- YEAR-END RESULTS:

MARCH 7, 2018

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# APPENDIX



# INCOME STATEMENT PER QUARTER – GROUP

Group	Q1 2016	Q2 2016	Q3 2016	Q3YTD	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q3YTD 2017
<b>Net forwarding revenue</b>	<b>1,307.2</b>	<b>1,289.4</b>	<b>1,267.0</b>	<b>3,863.5</b>	<b>1,332.5</b>	<b>5,196.0</b>	<b>1,277.2</b>	<b>1,354.9</b>	<b>1,433.4</b>	<b>4,065.5</b>
Forwarding expenses	(942.3)	(918.0)	(911.6)	(2,771.8)	(999.6)	(3,771.4)	(944.5)	(1,014.5)	(1,081.8)	(3,040.7)
<b>Gross profit</b>	<b>364.9</b>	<b>371.4</b>	<b>355.4</b>	<b>1,091.7</b>	<b>332.9</b>	<b>1,424.6</b>	<b>332.7</b>	<b>340.4</b>	<b>351.6</b>	<b>1,024.8</b>
Personnel expenses	(225.0)	(221.3)	(212.9)	(659.2)	(211.3)	(870.5)	(216.4)	(216.2)	(218.6)	(651.1)
Other operating expenses	(103.7)	(101.1)	(97.1)	(301.8)	(92.7)	(394.5)	(89.3)	(88.0)	(92.5)	(269.8)
<b>EBITDA adjusted</b>	<b>36.2</b>	<b>49.1</b>	<b>45.4</b>	<b>130.7</b>	<b>28.9</b>	<b>159.6</b>	<b>27.1</b>	<b>36.2</b>	<b>40.6</b>	<b>103.9</b>
Depreciation of property, plant and equip.	(6.2)	(6.2)	(6.2)	(18.7)	(7.1)	(25.8)	(5.3)	(5.4)	(5.0)	(15.6)
Amortization of intangible assets	(6.0)	(6.0)	(6.3)	(18.3)	(5.6)	(23.9)	(5.4)	(5.2)	(5.5)	(16.2)
<b>EBIT adjusted</b>	<b>24.0</b>	<b>36.8</b>	<b>32.9</b>	<b>93.6</b>	<b>16.3</b>	<b>109.9</b>	<b>16.4</b>	<b>25.6</b>	<b>30.1</b>	<b>72.1</b>
in % of gross profit	6.6%	9.9%	9.2%	8.6%	4.9%	7.7%	4.9%	7.5%	8.6%	7.0%
<b>Non-recurring items</b>										
Restructuring expenses	0.0	(26.1)	0.0	(26.1)	(1.9)	(28.0)	0.0	0.0	0.0	0.0
<b>EBIT reported</b>	<b>24.0</b>	<b>10.7</b>	<b>32.9</b>	<b>67.5</b>	<b>14.4</b>	<b>82.0</b>	<b>16.4</b>	<b>25.6</b>	<b>30.1</b>	<b>72.1</b>
in % of gross profit	6.6%	2.9%	9.2%	6.2%	4.3%	5.8%	4.9%	7.5%	8.6%	7.0%
Financial result	(0.9)	0.7	(0.4)	(0.6)	0.2	(0.4)	0.2	0.1	(0.4)	(0.2)
<b>Earnings before taxes (EBT)</b>	<b>23.1</b>	<b>11.4</b>	<b>32.5</b>	<b>67.0</b>	<b>14.6</b>	<b>81.6</b>	<b>16.5</b>	<b>25.7</b>	<b>29.7</b>	<b>71.9</b>
Income tax expenses	(5.8)	(6.9)	(7.9)	(20.5)	(8.8)	(29.3)	(4.2)	(8.1)	(11.2)	(23.5)
% of EBT	25.0%	60.2%	24.2%	30.6%	60.1%	35.9%	25.2%	31.6%	37.8%	32.7%
<b>Profit</b>	<b>17.3</b>	<b>4.5</b>	<b>24.6</b>	<b>46.5</b>	<b>5.8</b>	<b>52.3</b>	<b>12.4</b>	<b>17.6</b>	<b>18.5</b>	<b>48.4</b>
Earnings per share	0.75	0.21	1.06	2.01	0.27	2.29	0.54	0.75	0.79	2.08

Note: Group figures in CHF million

# INCOME STATEMENT PER QUARTER – AIR FREIGHT

Air Freight	Q1 2016	Q2 2016	Q3 2016	Q3YTD 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q3 YTD 2017
<b>Net forwarding revenue</b>	<b>633.2</b>	<b>635.9</b>	<b>634.1</b>	<b>1,903.2</b>	<b>723.4</b>	<b>2,626.7</b>	<b>657.1</b>	<b>700.0</b>	<b>738.9</b>	<b>2,096.0</b>
Forwarding expenses	(484.6)	(480.0)	(485.3)	(1,449.9)	(581.6)	(2,031.5)	(512.5)	(550.0)	(577.5)	(1,640.0)
<b>Gross profit</b>	<b>148.6</b>	<b>155.9</b>	<b>148.9</b>	<b>453.4</b>	<b>141.8</b>	<b>595.2</b>	<b>144.7</b>	<b>150.0</b>	<b>161.4</b>	<b>456.0</b>
Personnel expenses	(88.5)	(86.9)	(84.7)	(260.0)	(87.3)	(347.3)	(90.5)	(91.6)	(92.8)	(275.0)
Other operating expenses	(37.1)	(35.9)	(31.8)	(104.8)	(28.4)	(133.3)	(32.4)	(31.7)	(33.7)	(97.8)
<b>EBITDA adjusted</b>	<b>23.0</b>	<b>33.1</b>	<b>32.4</b>	<b>88.5</b>	<b>26.1</b>	<b>114.6</b>	<b>21.8</b>	<b>26.6</b>	<b>34.9</b>	<b>83.3</b>
Depreciation and amortization	(5.2)	(5.2)	(5.5)	(15.8)	(5.3)	(21.1)	(4.6)	(4.7)	(4.6)	(13.9)
<b>EBIT adjusted</b>	<b>17.8</b>	<b>27.9</b>	<b>26.9</b>	<b>72.6</b>	<b>20.8</b>	<b>93.5</b>	<b>17.1</b>	<b>22.0</b>	<b>30.3</b>	<b>69.4</b>
in % of gross profit	12.0%	17.9%	18.1%	16.0%	14.7%	15.7%	11.8%	14.6%	18.8%	15.2%
<b>Non-recurring items</b>										
Restructuring expenses	0.0	(12.7)	0.0	(12.7)	0.0	(12.7)	0.0	0.0	0.0	0.0
<b>EBIT reported</b>	<b>17.8</b>	<b>15.3</b>	<b>26.9</b>	<b>60.0</b>	<b>20.8</b>	<b>80.8</b>	<b>17.1</b>	<b>22.0</b>	<b>30.3</b>	<b>69.4</b>
in % of gross profit	12.0%	9.8%	18.1%	13.2%	14.7%	13.6%	11.8%	14.6%	18.8%	15.2%
Air Freight volumes ('000 tons)	216.1	225.1	227.8	669.0	252.4	921.4	233.2	239.9	248.9	722.0
% change YoY	5.4%	11.1%	9.9%	8.8%	14.1%	10.2%	7.9%	6.6%	9.3%	7.9%
GP/ton (CHF)	688	693	653	678	562	646	620	625	648	632
% change YoY	-4.7%	-3.6%	-7.3%	-5.2%	-14.0%	-7.5%	-9.8%	-9.7%	-0.8%	-6.8%

Note: Air Freight figures in CHF million

# INCOME STATEMENT PER QUARTER – OCEAN FREIGHT

Ocean Freight	Q1 2016	Q2 2016	Q3 2016	Q3YTD 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q3YTD 2017
<b>Net forwarding revenue</b>	<b>533.8</b>	<b>492.1</b>	<b>495.5</b>	<b>1,521.4</b>	<b>477.0</b>	<b>1,998.4</b>	<b>491.5</b>	<b>517.2</b>	<b>555.1</b>	<b>1,563.7</b>
Forwarding expenses	(415.7)	(377.3)	(383.4)	(1,176.4)	(378.3)	(1,554.7)	(386.0)	(408.1)	(446.3)	(1,240.4)
<b>Gross profit</b>	<b>118.1</b>	<b>114.8</b>	<b>112.1</b>	<b>345.0</b>	<b>98.7</b>	<b>443.8</b>	<b>105.5</b>	<b>109.1</b>	<b>108.8</b>	<b>323.4</b>
Personnel expenses	(79.1)	(75.2)	(75.5)	(229.8)	(72.1)	(301.9)	(77.9)	(78.4)	(78.8)	(235.2)
Other operating expenses	(30.5)	(28.8)	(27.4)	(86.8)	(27.5)	(114.4)	(27.1)	(26.5)	(29.0)	(82.7)
<b>EBITDA adjusted</b>	<b>8.4</b>	<b>10.8</b>	<b>9.2</b>	<b>28.4</b>	<b>(0.9)</b>	<b>27.5</b>	<b>0.5</b>	<b>4.1</b>	<b>0.9</b>	<b>5.5</b>
Depreciation and amortization	(4.1)	(4.2)	(4.1)	(12.4)	(4.2)	(16.6)	(3.6)	(3.6)	(3.8)	(11.0)
<b>EBIT adjusted</b>	<b>4.3</b>	<b>6.6</b>	<b>5.1</b>	<b>16.0</b>	<b>(5.1)</b>	<b>10.9</b>	<b>(3.2)</b>	<b>0.6</b>	<b>(2.9)</b>	<b>(5.5)</b>
in % of gross profit	3.7%	5.8%	4.5%	4.6%	-5.1%	2.5%	-3.0%	0.5%	-2.7%	-1.7%
<b>Non-recurring items</b>										
Restructuring expenses	0.0	(9.7)	0	(9.7)	(1.9)	(11.5)	0.0	0.0	0.0	0.0
<b>EBIT reported</b>	<b>4.3</b>	<b>(3.0)</b>	<b>5.1</b>	<b>6.3</b>	<b>(6.9)</b>	<b>(0.6)</b>	<b>(3.2)</b>	<b>0.6</b>	<b>(2.9)</b>	<b>(5.5)</b>
in % of gross profit	3.7%	-2.6%	4.5%	1.8%	-7.0%	-0.1%	-3.0%	0.5%	-2.7%	-1.7%
Ocean Freight volumes ('000 tons)	348.2	372.6	378.7	1,099.5	389.0	1,488.5	374.2	382.8	385.6	1,142.6
% change YoY	-10.0%	-8.2%	-8.8%	-9.0%	0.8%	-6.6%	7.5%	2.7%	1.8%	3.9%
GP/TEU (CHF)	339	308	296	314	254	298	282	285	282	283
% change YoY	10.2%	5.9%	-1.6%	4.7%	-17.6%	-1.1%	-16.9%	-7.5%	-4.7%	-9.8%

Note: Ocean Freight figures in CHF million

# INCOME STATEMENT PER QUARTER – LOGISTICS

Logistics	Q1 2016	Q2 2016	Q3 2016	Q3YTD 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q3YTD 2017
<b>Net forwarding revenue</b>	<b>140.2</b>	<b>161.3</b>	<b>137.4</b>	<b>438.9</b>	<b>132.1</b>	<b>570.9</b>	<b>128.6</b>	<b>137.7</b>	<b>139.4</b>	<b>405.7</b>
Forwarding expenses	(42.0)	(60.7)	(42.9)	(145.6)	(39.7)	(185.3)	(46.0)	(56.4)	(58.0)	(160.4)
<b>Gross profit</b>	<b>98.2</b>	<b>100.6</b>	<b>94.4</b>	<b>293.3</b>	<b>92.4</b>	<b>385.7</b>	<b>82.5</b>	<b>81.3</b>	<b>81.5</b>	<b>245.4</b>
Personnel expenses	(57.4)	(59.1)	(52.8)	(169.4)	(51.9)	(221.3)	(47.9)	(46.1)	(46.9)	(140.9)
Other operating expenses	(36.0)	(36.3)	(37.8)	(110.2)	(36.7)	(146.9)	(29.8)	(29.8)	(29.8)	(89.4)
<b>EBITDA adjusted</b>	<b>4.8</b>	<b>5.2</b>	<b>3.8</b>	<b>13.8</b>	<b>3.7</b>	<b>17.5</b>	<b>4.8</b>	<b>5.4</b>	<b>4.8</b>	<b>15.1</b>
Depreciation and amortization	(2.9)	(2.9)	(2.9)	(8.8)	(3.2)	(11.9)	(2.5)	(2.4)	(2.1)	(6.9)
<b>EBIT adjusted</b>	<b>1.8</b>	<b>2.3</b>	<b>0.9</b>	<b>5.0</b>	<b>0.5</b>	<b>5.6</b>	<b>2.4</b>	<b>3.1</b>	<b>2.7</b>	<b>8.1</b>
<b>Non-recurring items</b>										
Restructuring expenses	0.0	(3.8)	0.0	(3.8)	0.0	(3.8)	0.0	0.0	0.0	0.0
<b>EBIT reported</b>	<b>1.8</b>	<b>(1.5)</b>	<b>0.9</b>	<b>1.2</b>	<b>0.5</b>	<b>1.8</b>	<b>2.4</b>	<b>3.1</b>	<b>2.7</b>	<b>8.1</b>

Note: Logistics figures in CHF million

# BALANCE SHEET

	31-Dec-16	30-Sept-17	Change in	
			CHF	%
Cash and cash equivalents	388.8	294.6	(94.2)	-24%
Trade receivables, unbilled forwarding services	908.7	989.3	80.6	9%
Other current assets	102.5	116.7	14.2	14%
Property, plant and equipment	63.5	80.3	16.8	26%
Intangible assets	97.9	91.7	(6.2)	-6%
Other non-current assets	99.0	113.3	14.3	14%
<b>Total assets</b>	<b>1,660.6</b>	<b>1,685.9</b>	<b>25.3</b>	<b>2%</b>
Short-term borrowings	2.3	2.1	(0.2)	-10%
Trade payables, accrued cost of services	652.4	707.5	55.1	8%
Other current liabilities	243.9	225.4	(18.5)	-8%
Long-Term borrowings	0.0	2.0	2.0	n/a
Other long-term liabilities	144.9	152.7	7.8	5%
<b>Total liabilities</b>	<b>1,043.6</b>	<b>1,089.6</b>	<b>46.0</b>	<b>4%</b>
Share capital	2.4	2.4	(0.0)	-1%
Reserves, treasury shares	605.7	588.4	(17.3)	-3%
Non-controlling interests	8.9	5.5	(3.4)	-38%
<b>Total equity</b>	<b>617.0</b>	<b>596.3</b>	<b>(20.7)</b>	<b>-3%</b>
<b>Total equity and liabilities</b>	<b>1,660.6</b>	<b>1,685.9</b>	<b>25.3</b>	<b>2%</b>

# CASH FLOW

	30-Sep-16	30-Sep-17	Change in %
Cash flow before changes in working capital	102.9	107.5	
Changes in working capital	35.7	(47.7)	
Cash from operations	138.6	59.9	
Interest and income taxes paid	(29.2)	(33.1)	
<b>Net cash from operating activities</b>	<b>109.4</b>	<b>26.7</b>	<b>-76%</b>
<b>Net cash from investing activities</b>	<b>(34.2)</b>	<b>(40.9)</b>	<b>20%</b>
<b>Free cash flow</b>	<b>75.2</b>	<b>(14.1)</b>	<b>-119%</b>
<b>Net cash used in financing activities</b>	<b>(85.8)</b>	<b>(89.4)</b>	<b>4%</b>
Net increase (decrease) in cash and cash equivalents	(10.6)	(103.5)	
Cash and cash equivalents at beginning of period	392.3	388.8	
Effect of exchange rate changes	(1.7)	9.3	
Cash and cash equivalents at end of period	379.9	294.6	

Note: Figures in CHF million