



FIRST QUARTER RESULTS 2018

INVESTOR PRESENTATION

RESULTS FROM JANUARY TO MARCH 2018 | BASEL | 19 APRIL 2018

- ▶ Achievements and key figures
- ▶ Operating and financial review
- ▶ Outlook and priorities 2018
- ▶ Appendix



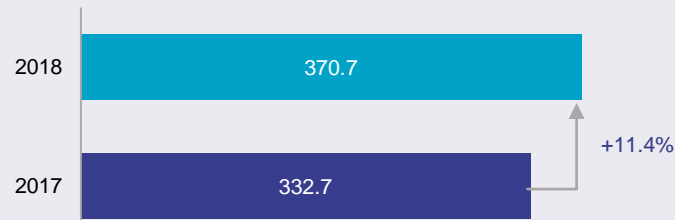
ACHIEVEMENTS AND KEY FIGURES



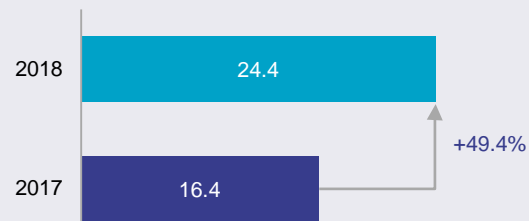
SOLID START INTO THE YEAR

FINANCIAL HIGHLIGHTS

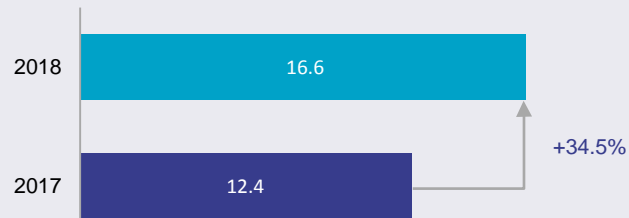
GROSS PROFIT



EBIT



PROFIT



Note: Q1 in CHF million

ACHIEVEMENTS

Increase of unit profitability in Air and Ocean Freight



Conversion ratio in Air Freight increased from 12% to 15% year-on-year



Successful implementation of SAP TM in the US



CHALLENGES

Volume development and continued loss in Ocean Freight



Cost development at Q4 level but still too high



OPERATING AND FINANCIAL REVIEW



YEAR-ON-YEAR BRIDGE (2018 VERSUS 2017)

	Q1.2017	FX impact ¹	M&A ²	Organic	Q1 2018 excl. IFRS 16	IFRS 16 ³	Q1.2018
Gross profit	332.7	5.4	5.6	19.3	363.0	7.6	370.7
Personnel expenses	(216.4)	(2.9)	(3.5)	(7.2)	(230.0)	-	(230.0)
Other operating expenses	(89.3)	(0.9)	(1.4)	(7.3)	(98.9)	22.6	(76.3)
EBITDA	27.1	1.6	0.7	4.7	34.1	30.2	64.4
Depreciation of property, plant and equipment	(5.3)		(0.2)	0.5	(5.0)	-	(5.0)
Depreciation of right of use assets	-				0.0	(29.0)	(29.0)
Amortization of intangible assets	(5.4)		(0.8)	0.2	(6.0)	-	(6.0)
EBIT	16.4	1.6	(0.3)	5.5	23.2	1.2	24.4
Finance income and costs	0.2		-	(0.1)	0.0	(1.7)	(1.7)
EBT	16.5	1.6	(0.3)	5.4	23.2	(0.5)	22.7

¹) FX impact equally impacted the products on bottom line

²) M&A activity mostly impacting Air product

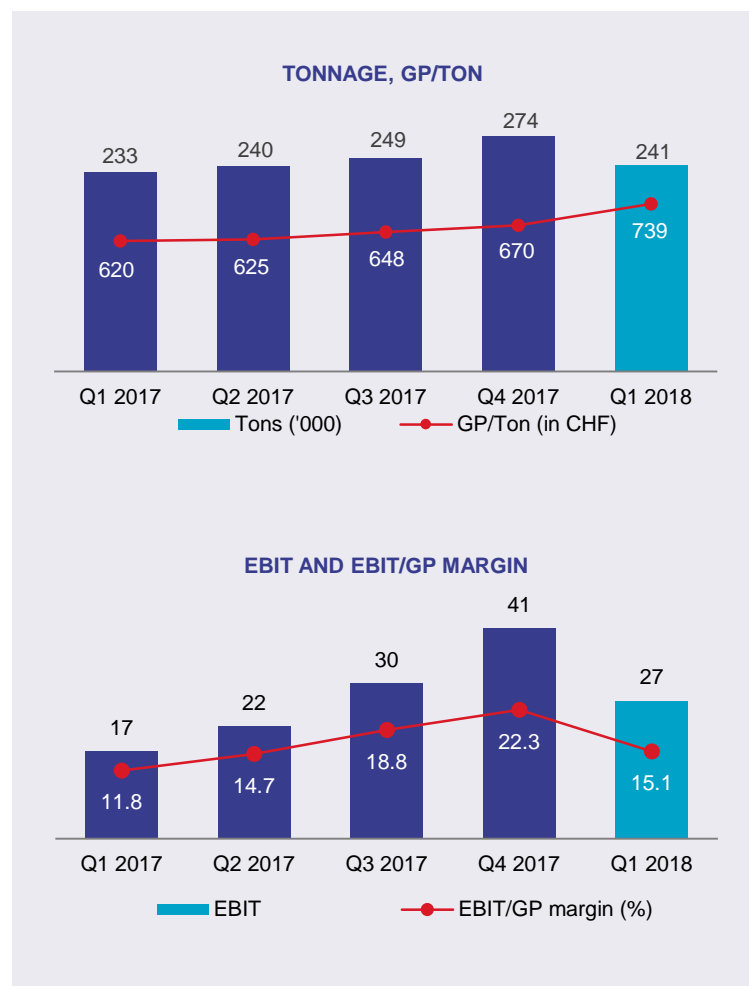
³) IFRS 16 detailed impact per product explained in the appendix

AIR FREIGHT: INCREASED GP/TON



- 3% volume growth
- GP/ton of CHF 739 (excl. IFRS 16: CHF 707)
- Conversion ratio of 15%, up from 12% a year before
- For IFRS 16 impact, see appendix

Note: Gross profit and EBIT in CHF million



YoY Growth, %	2017				2018
	Q1	Q2	Q3	Q4	Q1
Volume (market, estimated)	6%	10%	10%	11%	5%
Volume (Panalpina)	8%	7%	9%	8%	3%
GP/ton	-10%	-10%	-1%	19%	19%
Gross Profit	-3%	-4%	8%	29%	23%

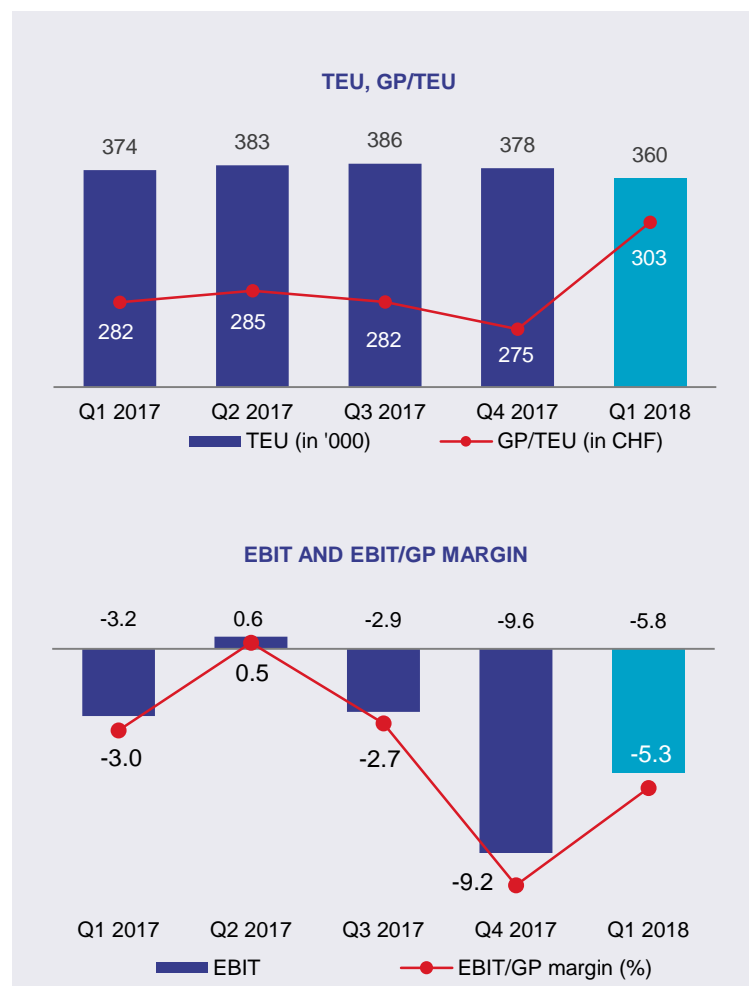
Gross Profit, EBIT	2017	2018	
	YTD	YTD	
Gross Profit	144.7	177.8	23%
EBIT	17.1	26.9	57%
EBIT/GP (%)	11.8%	15.1%	
Volumes (tons '000)	233.2	240.5	3%

OCEAN FREIGHT: CONTINUED LOSS



- 4% volume decrease
- GP/TEU increased to over CHF 300
- Reduced loss over previous quarter
- For IFRS 16 impact, see appendix

Note: Gross profit and EBIT in CHF million



YoY Growth, %	2017				2018
	Q1	Q2	Q3	Q4	Q1
Volume (market, estimated)	4%	3%	3%	4%	3%
Volume (Panalpina)	7%	3%	2%	-3%	-4%
GP/TEU	-17%	-7%	-5%	8%	7%
Gross Profit	-11%	-5%	-3%	5%	3%

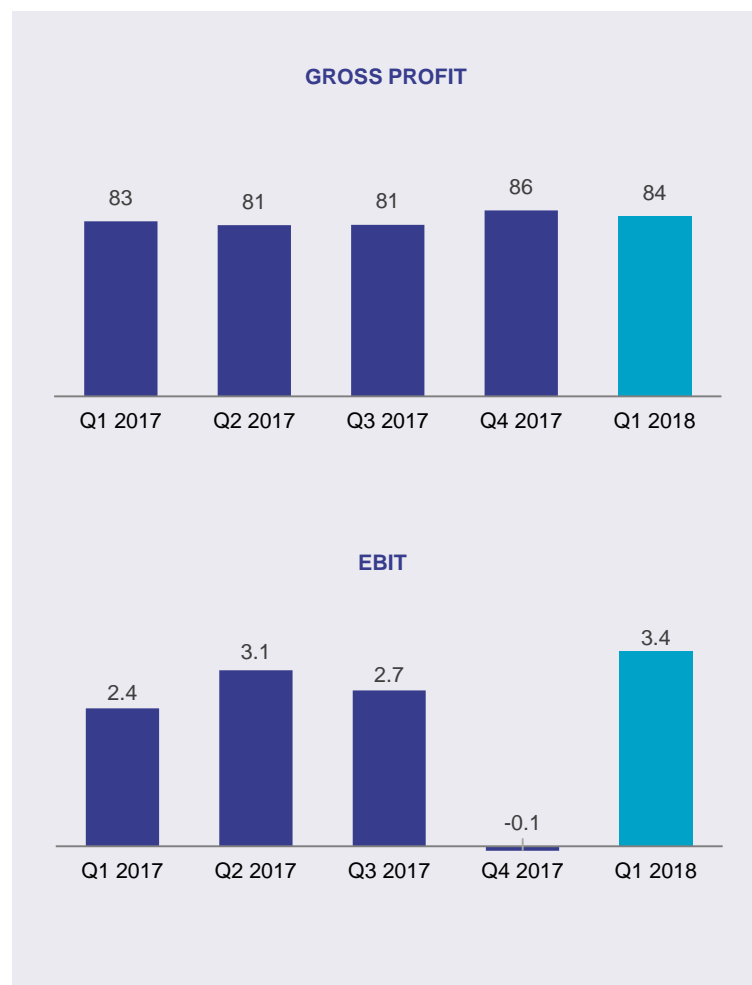
Gross Profit, EBIT	2017	2018	
	YTD	YTD	
Gross Profit	105.5	108.9	3%
EBIT	-3.2	-5.8	n/a
EBIT/GP (%)	-3.0%	-5.3%	
Volumes (TEUs '000)	374.2	359.8	-4%

LOGISTICS: STABLE PROFITABILITY



- Slightly higher gross profit and EBIT
- For IFRS 16 impact, see appendix

Note: Gross profit and EBIT in CHF million



YoY Growth, %	2017				2018
	Q1	Q2	Q3	Q4	Q1
Gross Profit	-16%	-19%	-14%	-7%	2%

Gross Profit, EBIT	2017	2018	
	YTD	YTD	
Gross Profit	82.5	84.0	2%
EBIT	2.4	3.4	43%
EBIT in % of NFR	1.8%	2.6%	

OUTLOOK AND PRIORITIES 2018



OUTLOOK AND PRIORITIES 2018

OUTLOOK

- Market:
 - Political and macroeconomic uncertainties add complexity
 - Air freight rates are expected to increase while ocean freight rates are expected to remain stable
- Panalpina:
 - Air Freight is expected to grow at or above market, Ocean Freight below market

PRIORITIES

- Speed up optimization of cost structure
- Push ahead implementation of SAP TM
- Focus on topline growth and unit profitability
- Improve EBIT in Ocean Freight
- Accelerate growth through selected bolt-on acquisitions

NEXT EVENTS:

- **ANNUAL GENERAL MEETING:**

MAY 8, 2018

- **SECOND QUARTER RESULTS:**

JULY 17, 2018

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APPENDIX



INCOME STATEMENT PER QUARTER – GROUP

Group	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	IFRS 16 impact	Q1 2018 like-for-like
Net forwarding revenue	1,277.2	1,354.9	1,433.4	1,467.3	5,532.8	1,414.3		1,414.3
Forwarding expenses	(944.5)	(1,014.5)	(1,081.8)	(1,094.2)	(4,135.0)	(1,043.6)	(7.6)	(1,051.3)
Gross profit	332.7	340.4	351.6	373.0	1,397.8	370.7	(7.6)	363.0
Personnel expenses	(216.4)	(216.2)	(218.6)	(238.8)	(889.8)	(230.0)		(230.0)
Other operating expenses	(89.3)	(88.0)	(92.5)	(91.9)	(361.8)	(76.3)	(22.5)	(98.9)
EBITDA	27.1	36.2	40.6	42.3	146.2	64.4	(30.2)	34.2
Depreciation of PPE	(5.3)	(5.4)	(5.0)	(5.6)	(21.3)	(5.0)		(5.0)
Depreciation of ROU assets	0					(29.0)	29.0	0.0
Amortization of intangibles	(5.4)	(5.2)	(5.5)	(5.4)	(21.6)	(6.0)		(6.0)
EBIT	16.4	25.6	30.1	31.3	103.3	24.4	(1.2)	23.3
in % of gross profit	4.9%	7.5%	8.6%	8.4%	7.4%	6.6%		6.4%
Financial result	0.2	0.1	(0.4)	(1.6)	(1.8)	(1.7)	1.7	0.0
Earnings before taxes (EBT)	16.5	25.7	29.7	29.6	101.5	22.7	0.5	23.3
Income tax expenses	(4.2)	(8.1)	(11.2)	(20.6)	(44.1)	(6.1)	(0.1)	(6.3)
% of EBT	25.2%	31.6%	37.8%	69.4%	43.4%	27.0%	27.0%	27.0%
Profit	12.4	17.6	18.5	9.1	57.5	16.6	0.4	17.0
Earnings per share	0.54	0.75	0.79	0.40	2.48	0.72		0.73

Note: Group figures in CHF million

INCOME STATEMENT PER QUARTER – AIR FREIGHT

Air Freight	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	IFRS 16 impact	Q1 2018 like-for-like
Net forwarding revenue	657.1	700.0	738.9	823.8	2,919.8	750.1		750.1
Forwarding expenses	(512.5)	(550.0)	(577.5)	(640.3)	(2,280.3)	(572.4)	(7.6)	(580.0)
Gross profit	144.7	150.0	161.4	183.4	639.4	177.8	(7.6)	170.1
Personnel expenses	(90.5)	(91.6)	(92.8)	(104.4)	(379.3)	(101.8)		(101.8)
Other operating expenses	(32.4)	(31.7)	(33.7)	(33.4)	(131.2)	(30.7)	(6.3)	(37.0)
EBITDA	21.8	26.6	34.9	45.7	129.0	45.3	(13.9)	31.3
Depreciation and amortization	(4.6)	(4.7)	(4.6)	(4.7)	(18.6)	(18.4)	13.6	(4.8)
EBIT	17.1	22.0	30.3	40.9	110.3	26.9	(0.3)	26.5
in % of gross profit	11.8%	14.6%	18.8%	22.3%	17.3%	15.1%		15.6%
Air Freight volumes ('000 tons)	233.2	239.9	248.9	273.9	995.9	240.5		
% change YoY	7.9%	6.6%	9.3%	8.5%	8.1%	3.1%		
GP/ton (CHF)	620	625	648	670	642	739		707
% change YoY	-9.8%	-9.7%	-0.8%	19.2%	-0.6%	19.1%		14.0%

Note: Air Freight figures in CHF million

INCOME STATEMENT PER QUARTER – OCEAN FREIGHT

Ocean Freight	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	IFRS 16 impact	Q1 2018 like-for-like
Net forwarding revenue	491.5	517.2	555.1	510.5	2,074.3	534.7		534.7
Forwarding expenses	(386.0)	(408.1)	(446.3)	(406.7)	(1,647.1)	(425.8)		(425.8)
Gross profit	105.5	109.1	108.8	103.8	427.2	108.9		108.9
Personnel expenses	(77.9)	(78.4)	(78.8)	(83.7)	(318.9)	(82.3)		(82.3)
Other operating expenses	(27.1)	(26.5)	(29.0)	(25.7)	(108.3)	(24.1)	(4.4)	(28.5)
EBITDA	0.5	4.1	0.9	(5.5)	(0.0)	2.5	(4.4)	(1.9)
Depreciation and amortization	(3.6)	(3.6)	(3.8)	(4.1)	(15.1)	(8.3)	4.3	(4.1)
EBIT	(3.2)	0.6	(2.9)	(9.6)	(15.1)	(5.8)	(0.2)	(6.0)
in % of gross profit	-3.0%	0.5%	-2.7%	-9.2%	-3.5%	-5.3%		-5.5%
Ocean Freight volumes ('000 TEUs)	374.2	382.8	385.6	377.9	1,520.5	359.8		
% change YoY	7.5%	2.7%	1.8%	-2.8%	2.2%	-3.8%		
GP/TEU (CHF)	282	285	282	275	281	303		n/a
% change YoY	-16.9%	-7.5%	-4.7%	8.3%	-5.8%	7.3%		n/a

Note: Ocean Freight figures in CHF million

INCOME STATEMENT PER QUARTER – LOGISTICS

Logistics	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	IFRS 16 impact	Q1 2018 like-for-like
Net forwarding revenue	128.6	137.7	139.4	133.0	538.7	129.5		129.5
Forwarding expenses	(46.0)	(56.4)	(58.0)	(47.2)	(207.6)	(45.5)		(45.5)
Gross profit	82.5	81.3	81.5	85.8	331.1	84.0		84.0
Personnel expenses	(47.9)	(46.1)	(46.9)	(50.7)	(191.6)	(45.9)		(45.9)
Other operating expenses	(29.8)	(29.8)	(29.8)	(32.9)	(122.3)	(21.5)	(11.8)	(33.3)
EBITDA	4.8	5.4	4.8	2.2	17.2	16.6	(11.8)	4.8
Depreciation and amortization	(2.5)	(2.4)	(2.1)	(2.3)	(9.2)	(13.2)	11.1	(2.1)
EBIT	2.4	3.1	2.7	(0.1)	8.1	3.4	(0.7)	2.7

Note: Logistics figures in CHF million

BALANCE SHEET

	31-Dec-17	31-Mar-18	Change in	
			CHF	%
Cash and cash equivalents	310.9	304.0	(6.8)	-2%
Trade receivables, contract assets	1,097.0	1,051.2	(45.8)	-4%
Other current assets	132.2	137.9	5.8	4%
Property, plant and equipment	96.7	100.8	4.1	4%
Right-of-use of leased assets		340.4	340.4	
Intangible assets	88.5	97.2	8.7	10%
Other non-current assets	113.8	114.2	0.4	0%
Total assets	1,839.0	2,145.7	306.7	17%
Short-term borrowings	2.6	2.3	(0.4)	-14%
Trade payables, contract liabilities and accrued costs	796.7	724.3	(72.4)	-9%
Other current liabilities	267.6	392.0	124.4	46%
Long-Term borrowings	3.2	3.3	0.0	n/a
Other long-term liabilities	154.6	387.4	232.8	151%
Total liabilities	1,224.7	1,509.3	284.5	23%
Share capital	2.4	2.4	0	0%
Reserves, treasury shares	605.6	628.2	22.6	4%
Non-controlling interests	6.3	5.9	(0.4)	-7%
Total equity	614.3	636.5	22.2	4%
Total equity and liabilities	1,839.0	2,145.7	306.7	17%

Impact from IFRS 16 highlighted. Right-of-use leased assets in the amount of CHF 340.4m reported under non-current assets. As part of current liabilities lease liabilities in the amount of CHF 119.5m and as part of long-term liabilities lease liabilities in the amount of CHF 221.3m are reported as of March 31, 2018.

Note: Figures in CHF million

CASH FLOW

	31-Mar-17	31-Mar-18	IFRS 16 impact	31-Mar-18 like-for-like
Cash flow before changes in working capital	28.2	65.6	(28.1)	37.5
Changes in working capital	(4.6)	(16.0)		(16.0)
Cash from operations	23.5	49.6	(28.1)	21.5
Interest and income taxes paid	(7.3)	(5.7)		(5.7)
Net cash from operating activities	16.2	43.9	(28.1)	15.8
Net cash from investing activities	(6.0)	(18.8)		(18.8)
Free cash flow	10.3	25.1	(28.1)	(3.0)
Net cash used in financing activities	1.2	(31.2)	28.1	(3.1)
Net increase (decrease) in cash and cash equivalents	11.5	(6.1)		(6.1)
Cash and cash equivalents at beginning of period	388.8	310.8		310.8
Effect of exchange rate changes	(0.4)	(0.7)		(0.7)
Cash and cash equivalents at end of period	399.9	304.0		304.0

Note: Figures in CHF million