

Status Report 2022

Kuehne+Nagel Group key data

| CHF million | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Turnover | 43,034 | 36,699 | 23,812 | 25,295 | 24,825 | 22,220 | 19,985 |
| Net turnover | 39,398 | 32,801 | 20,382 | 21,094 | 20,774 | 18,594 | 16,525 |
| Gross profit | 11,109 | 9,896 | 7,475 | 7,981 | 7,709 | 7,023 | 6,550 |
| In per cent of net turnover | 28.2 | 30.2 | 36.7 | 37.8 | 37.1 | 37.8 | 39.6 |
| EBITDA ¹ | 4,532 | 3,679 | 1,920 | 1,829 | 1,209 | 1,150 | 1,110 |
| In per cent of net turnover ¹ | 11.5 | 11.2 | 9.4 | 8.7 | 5.8 | 6.2 | 6.7 |
| EBIT | 3,763 | 2,946 | 1,070 | 1,061 | 987 | 937 | 918 |
| In per cent of net turnover | 9.6 | 9.0 | 5.2 | 5.0 | 4.8 | 5.0 | 5.6 |
| In per cent of gross profit (conversion rate) | 33.9 | 29.8 | 14.3 | 13.3 | 12.8 | 13.3 | 14.0 |
| EBT | 3,808 | 2,945 | 1,059 | 1,047 | 994 | 955 | 935 |
| In per cent of net turnover | 9.7 | 9.0 | 5.2 | 5.0 | 4.8 | 5.1 | 5.7 |
| Earnings for the year | 2,810 | 2,155 | 789 | 800 | 772 | 740 | 720 |
| In per cent of net turnover | 7.1 | 6.6 | 3.9 | 3.8 | 3.7 | 4.0 | 4.4 |
| Earnings for the year (Kuehne+Nagel share) | 2,644 | 2,032 | 788 | 798 | 770 | 737 | 718 |
| In per cent of net turnover | 6.7 | 6.2 | 3.9 | 3.8 | 3.7 | 4.0 | 4.3 |
| Depreciation of fixed and right-of-use assets, amortisation and impairment of assets ¹ | 769 | 733 | 850 | 768 | 222 | 213 | 192 |
| In per cent of net turnover ¹ | 2.0 | 2.2 | 4.2 | 3.6 | 1.1 | 1.1 | 1.2 |
| Operational cash flow ¹ | 4,523 | 3,688 | 1,904 | 1,746 | 1,156 | 1,148 | 1,062 |
| In per cent of net turnover ¹ | 11.5 | 11.2 | 9.3 | 8.3 | 5.6 | 6.2 | 6.4 |
| Capital expenditures for fixed assets | 239 | 197 | 177 | 320 | 315 | 225 | 239 |
| In per cent of operational cash flow | 5.3 | 5.3 | 9.3 | 18.3 | 27.2 | 19.6 | 22.5 |
| Total assets ¹ | 14,751 | 14,650 | 9,851 | 9,825 | 7,878 | 7,457 | 6,331 |
| Non-current assets ¹ | 4,793 | 4,969 | 3,815 | 4,621 | 2,793 | 2,445 | 2,209 |
| Equity | 4,147 | 3,211 | 2,413 | 2,322 | 2,324 | 2,327 | 2,165 |
| In per cent of total assets ¹ | 28.1 | 21.9 | 24.5 | 23.6 | 29.5 | 31.2 | 34.2 |
| Total employees at year-end | 80,334 | 78,087 | 78,249 | 83,161 | 81,900 | 75,876 | 70,038 |
| FTEs of employees at year-end | 75,194 | 73,516 | 72,021 | 78,448 | 77,416 | 71,263 | 65,718 |
| FTEs at year-end including temporary staff | 95,079 | 93,288 | 93,238 | 99,113 | 99,072 | 92,372 | 85,887 |
| Personnel expenses | 5,144 | 4,922 | 4,443 | 4,877 | 4,736 | 4,243 | 3,957 |
| In per cent of net turnover | 13.1 | 15.0 | 21.8 | 23.1 | 22.8 | 22.8 | 23.9 |
| Gross profit in CHF 1,000 per FTE | 117 | 106 | 80 | 81 | 78 | 76 | 76 |
| Personnel expenses in CHF 1,000 per FTE | 54 | 53 | 48 | 49 | 48 | 46 | 46 |
| Basic earnings per share (nominal CHF 1) in CHF | | | | | | | |
| Basic earnings per share | 22.15 | 16.92 | 6.59 | 6.67 | 6.43 | 6.16 | 5.99 |
| Dividend proposed/distributed in the following year | 14.00 | 10.00 | 4.50 | 4.00 | 6.00 | 5.75 | 5.50 |
| In per cent of basic earnings per share | 63.2 | 59.1 | 68.3 | 60.0 | 93.3 | 93.3 | 91.8 |
| Development of share price | | | | | | | |
| SIX Swiss Exchange (high/low in CHF) | 297/199 | 361/197 | 206/121 | 164/126 | 181/123 | 181/133 | 144/124 |
| Average trading volume per day | 179,212 | 168,174 | 318,423 | 267,260 | 217,865 | 206,266 | 190,820 |

¹ Figures prior to 2019 have not been restated for the impact of IFRS 16 Leases.

Letter to our shareholders

Dear shareholders,

The financial year 2022 was an eventful and challenging one for Kuehne+Nagel, though it was also a highly successful year for us. While the start of 2022 was still dominated by Covid-19, Russia's invasion of Ukraine on February 24 fundamentally changed the view of world affairs. More than 500 of our Ukrainian employees were tragically impacted and our distribution centre in Hostomel in the Kyiv region was destroyed on the third day of the war. This moved Kuehne+Nagel to provide emergency aid in the amount of 10 million Swiss francs. We also became one of the first global companies to cease trading with Russia when we did so on March 1.

Though the quick withdrawal from Russia was by no means an easy decision, it did not require us to fundamentally adapt our business model. The bitter reality is that global trade continues to function even without Russia. The numerous lockdowns in China were in fact more impactful for global logistics in 2022. Our Sea and Air Logistics specialists were in particular demand since individual shipments often needed to be changed dozens of times before being delivered to customers.

Back at the start of 2022, we forecast that the strain across global supply chains would return to normal in the autumn. The worldwide decline in consumer demand starting half-way through the year, triggered by general uncertainty and fears of higher energy prices and inflation in particular, ultimately confirmed this outlook. Since Kuehne+Nagel

has none of its own vessels or aircraft and works together with all carriers and airlines, we were able to adapt our offering to the new circumstances quickly and flexibly.

As a result, the Kuehne+Nagel Group performed extremely well in financial year 2022 and seized opportunities that arose amidst the extremely complex situation. In 2022, the company generated net turnover of 39.4 billion Swiss francs, more than ever before in the company's history. At 3.8 billion francs, our operating profit (EBIT) also reached a new record high. The conversion rate, which describes EBIT as a percentage of gross profit, reached 33.9%, far surpassing the average goal set for the long term of over 16%. For the first time, Kuehne+Nagel also made the Fortune Global 500, a ranking of the top 500 listed companies in the world.

With more than 80,000 employees at 1,300 sites across all the continents, Kuehne+Nagel is the first port of call for Sea, Air, Road or Contract Logistics. All our business units played a part in our company's success. The Sea Logistics business unit has been undisputed number one in ocean-freight for many years, handling an annual 4.4 million standard containers. The acquisition of Chinese airfreight service provider Apex International in 2021 allowed Kuehne+Nagel to handle over 2.2 million tons of airfreight in 2022 and enabled us to take the market lead in Air Logistics worldwide. The Road Logistics business unit recorded more than 24 million orders, offering its



customers a high degree of flexibility and punctuality in Europe and the USA in particular. The Contract Logistics business unit executed more than 150 new logistics projects for customers in 2022 alone – often large-scale storage facilities with state-of-the-art technology and robotics.

The strategic Roadmap 2022 course initiated by Kuehne+Nagel's Board of Directors five years ago was successfully concluded at the end of the year. We have been focusing very successfully since 2017 on the needs of our customers and those of the end consumers. This has enabled us to anticipate numerous trends and develop innovative logistics solutions. During the pandemic in particular, this strategy proved to be extremely resilient and successful. We significantly expanded our global presence, especially in the Asia-Pacific region, far surpassed our financial targets and delivered well above four billion Covid-19 vaccines around the world.

Financial year 2022 was then marked by change in our top management. August saw Dr. Detlef Trefzger hand over the reins after nine successful years of leading the company to Stefan Paul, who previously spearheaded the Road Logistics business unit for many years and additionally took over global sales in 2020. The change was in the spirit of continuity and had been announced a year ahead of time in November 2021. Stefan Paul is succeeded as Head of Road Logistics by Dr. Hansjörg Rodi, who was previously responsible for the Europe region. Chief Human Resources

Officer Lothar Harings is set to retire in the middle of 2023 and Kuehne+Nagel's Board of Directors has found his long-term successor in Sarah Kreienbühl, who headed human resources at Swiss retailer Migros until end of last year.

Dear shareholders and dear readers, we would like to thank you on behalf of the entire Board of Directors for placing your confidence in us this past year. Kuehne+Nagel is in very good shape, which we also want you to benefit from. For financial year 2022, we propose distribution of a dividend in the amount of 14.00 Swiss francs per share. As part of the Capital Markets Day on March 1, 2023, the Management is presenting the company's strategic course for the next four years. Roadmap 2026 is based on the four cornerstones Kuehne+Nagel Experience, Digital Ecosystem, Living ESG and Market Potential. This will ensure that our company is able to continue to build its long-term success in the coming years and in the face of ever-challenging market conditions.

All of this is only possible with the help of our 80,000 colleagues worldwide who guarantee day-in day-out that our customers benefit from the best logistics solutions in the entire industry. Thank you!

Dr. Joerg Wolle
Chairman of the Board of Directors

Economic environment

The Kuehne+Nagel Group (the Group) delivered an extraordinary strong result in 2022 in a business environment characterised by the uncertainties of the Ukraine war, macroeconomic slow-down, interest rate increases, the rebound of inflation and highly strained supply chains. The Group confirmed its global number one position in both Sea Logistics with 4.4 million TEUs managed in container traffic and Air Logistics with 2.2 million tons of volume. Results in Road Logistics and Contract Logistics increased significantly over the course of the year and contributed consistently to the success of the Group.

Kuehne+Nagel's service offering is specialised in managing complex end-to-end supply chain solutions within a global network, controlled by Logistics Control Towers and executed by all Kuehne+Nagel business units. These integrated logistics solutions not only increase transparency and efficiency in the supply chain but also optimise the information flow between the service partners and customers. This allows Kuehne+Nagel to support and add value to its customers' value chain, a key factor in a highly competitive and fast growing market. Against the backdrop of the uncertain economic development during the year 2022, these capabilities have enabled Kuehne+Nagel to offer problem solving competence for customers.

In 2022, the world economy experienced a global economic deterioration with an estimated growth of 2.9 per cent (2021: 5.9 per cent growth). The recovery of the global economy was negatively impacted by the Ukraine war, inflation and the energy crisis. For 2023, global growth of 1.7 per cent is forecasted. (Based on: World Bank, Global Economic Prospects, January 2023)

In 2022, the international logistics industry experienced world trade volume growth below the level of 2021 with an estimated increase of 5.4 per cent in 2022 versus 10.4 per cent in 2021. (Based on: IMF, World Economic Outlook Update, January 2023)

Again, logistics operations were shattered by disruptive events in global supply chains – some due to the war in Ukraine and some due to operational bottlenecks in carrier, port and trucking operations. The Group has decided to stop operations in Russia, Belarus, Azerbaijan and Kazakhstan as a reaction to the war in Ukraine. On the sea and airfreight carrier side, the market in 2022 was characterised by a significant increase in freight capacities caused by a slowdown in economic activities especially in the last quarter of 2022. This and an unexpected surge in inflation drove a severe cost increase effect with respect to the Group's operational efforts to execute shipments, connected with continuous pressure on gross margins.

Kuehne+Nagel's volume grew in line with the declining market. In combination with the large increase of freight rates at the beginning of the year, net turnover was 20.1 per cent greater than in 2021. Gross profit increased by 12.3 per cent and the Group was able to increase EBIT by 27.7 per cent in 2022.

The Group continued executing in line with its strategy Roadmap 2022 presented at the Capital Markets Day 2017 with a focus on creating additional value through customer excellence, expansion into new services and leveraging the Group's strengths to extend from supply chain to value chain services. The ambition was to create sustainable growth in gross profit with new value chain services and selective acquisitions to leverage synergies and expertise. Against the backdrop of the extraordinary economic situation in 2022, the targets of the strategy have been achieved and even over-achieved based on the solid foundation laid throughout the last years but also benefiting from the extraordinary market conditions in 2022.

The overall aim was to reach an EBIT to gross profit margin (conversion rate) for the entire Group in excess of 16 per cent by 2022 which has been over-achieved with 34 per cent conversion rate. In the last year, as in the two years before, the Group had to repeatedly shift the focus to the operational challenges to ensure and deliver customer excellence. However, the Group has delivered on the program and has reached its ambitions in digitisation as a game changer for productivity and market offering, investments in new opportunities connected to value expansion, acquisitions as an accelerator and continuous service excellence for customers.

The Group will communicate a new strategy for the time frame until 2026 and a vision for 2030 at the Capital Markets Day on March 1, 2023 in London.

As a signatory of the UN Global Compact, Kuehne+Nagel continues to strive to be a frontrunner in sustainable logistics. The Group has set ambitious, science-based greenhouse gas emission reduction goals for its own operations and also supports customers with their transition to a low and zero carbon business model. As one of the world's leading logistics providers, the Group acknowledges its responsibility to address climate change, manage climate-related risks and opportunities and develop solutions that decarbonise global supply chains.

In a changing world of work, the Group aims to create a workplace where every employee feels a sense of belonging and believes in the innovative power of diversity.

The Group's sustainability report addresses in detail Kuehne+Nagel's commitment to the principles of sustainable business practices and performance for the respective calendar year.

Key financial figures

| CHF million | 2022 | 2021 | Variance in per cent |
|--|--------|--------|----------------------|
| Turnover | 43,034 | 36,699 | 17.3 |
| Net turnover | 39,398 | 32,801 | 20.1 |
| Gross profit | 11,109 | 9,896 | 12.3 |
| Gross profit in per cent of net turnover | 28.2 | 30.2 | |
| EBITDA | 4,532 | 3,679 | 23.2 |
| EBIT | 3,763 | 2,946 | 27.7 |
| In per cent of net turnover | 9.6 | 9.0 | |
| In per cent of gross profit | 33.9 | 29.8 | |
| Earnings | 2,810 | 2,155 | 30.4 |
| Earnings (Kuehne+Nagel share) | 2,644 | 2,032 | 30.1 |
| Earnings per share basic (in CHF) | 22.15 | 16.92 | 30.9 |
| Operational cash flow | 4,523 | 3,688 | 22.6 |
| Capital expenditures for fixed assets | 239 | 197 | 21.3 |
| Total employees at year-end | 80,334 | 78,087 | 2.9 |
| Total full-time equivalents of employees at year-end | 75,194 | 73,516 | 2.3 |

Kuehne+Nagel's net turnover increased by CHF 6,597 million or 20.1 per cent in 2022, and gross profit grew by CHF 1,213 million or 12.3 per cent compared to the previous year, whereof the inorganic growth was 4.4 per cent of net turnover and 3.7 per cent of gross profit.

In 2022, EBIT increased by CHF 817 million or 27.7 per cent. At constant exchange rates and excluding acquisitions and divestments, the increase would have been CHF 690 million or 23.4 per cent. Earnings for the year 2022 increased by CHF 655 million or 30.4 per cent compared to 2021. In constant currencies and excluding

acquisitions and divestments the Group would have increased the earnings for the year by CHF 590 million or 27.4 per cent.

Capital expenditure in fixed assets increased by CHF 42 million or 21.3 per cent to CHF 239 million compared to the previous year. In 2022, the Kuehne+Nagel Group increased the number of employees year-on-year by 2,247 or 2.9 per cent from 78,087 to 80,334 employees, which includes a net reduction of 853 employees from business combinations. The number of full time equivalents of employees reached 75,194 versus 73,516 which is an increase of 1,678 or 2.3 per cent.

Income statement

Turnover

In 2022, Kuehne+Nagel's turnover amounted to CHF 43,034 million representing an increase of 17.3 per cent or CHF 6,335 million compared to the previous year. Organic business growth resulted in an increase of turnover of CHF 6,252 million (17.1 per cent) while acquisitions and divestments contributed CHF 1,427 million (3.9 per cent). The exchange rate fluctuation had a negative impact of CHF 1,344 million (3.7 per cent).

Volumes in Sea Logistics decreased by 4.9 per cent (227,000 TEUs), and turnover per TEU increased by 38.4 per cent to CHF 4,699 per TEU (2021: CHF 3,395). In Air Logistics, the volume increased by 0.5 per cent (12,000 Tons), and the freight rate increased by 7.1 per cent per 100 kg to CHF 554 (2021: CHF 517).

From a regional perspective, Europe, Middle East and Africa "EMEA" (13.4 per cent), the Americas (28.4 per cent) and Asia-Pacific (7.2 per cent) all reported an increased turnover in 2022.

Exchange rate fluctuations between 2021 and 2022, based on average yearly exchange rates, led to a devaluation of the Euro by 7.0 per cent and an increased valuation of the US Dollar as well as dependent currencies by 4.1 per cent, against the Swiss Franc, resulting in a negative impact of CHF 1,344 million (3.7 per cent) on turnover.

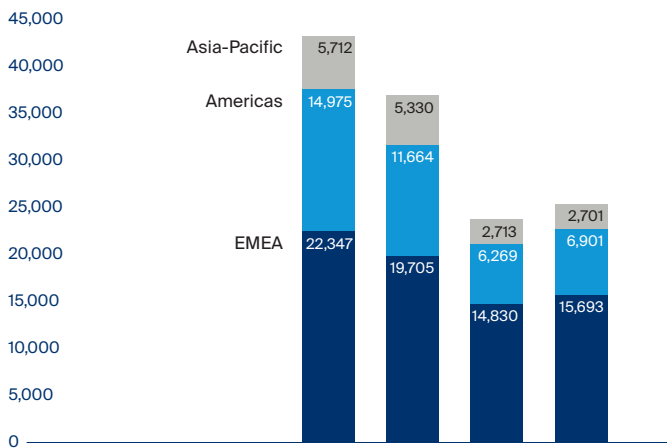
Net turnover

In 2022, Kuehne+Nagel's net turnover amounted to CHF 39,398 million representing an increase of 20.1 per cent or CHF 6,597 million compared to the previous year. Organic business growth resulted in an increase in net turnover of CHF 6,345 million (19.3 per cent) and acquisitions and divestments contributed CHF 1,427 million (4.4 per cent). The exchange rate fluctuation had a negative impact of CHF 1,175 million (3.6 per cent).

From a regional perspective, EMEA (17.5 per cent), the Americas (30.0 per cent) and Asia-Pacific (7.6 per cent) all reported an increase of net turnover in 2022.

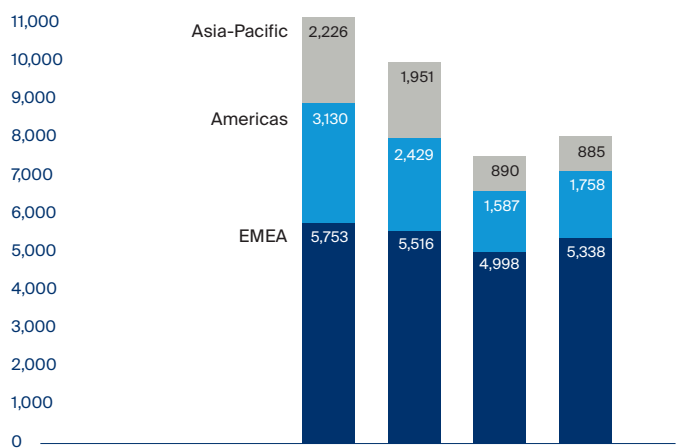
Regional turnover

| CHF million | 2022 | 2021 | 2020 | 2019 |
|-------------|--------|--------|--------|--------|
| | 43,034 | 36,699 | 23,812 | 25,295 |

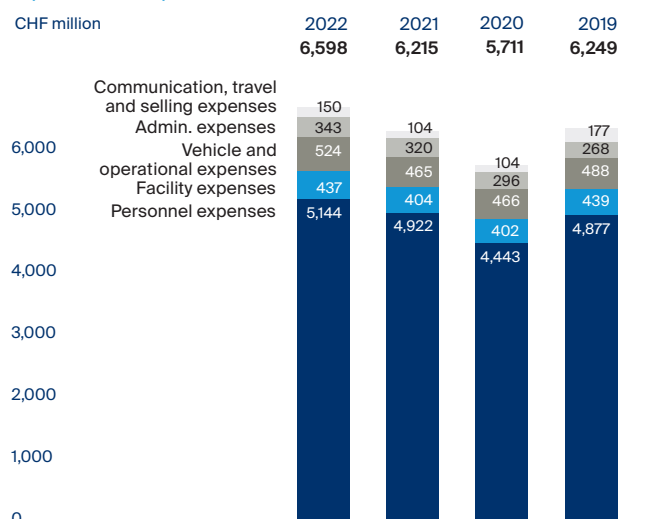


Regional gross profit

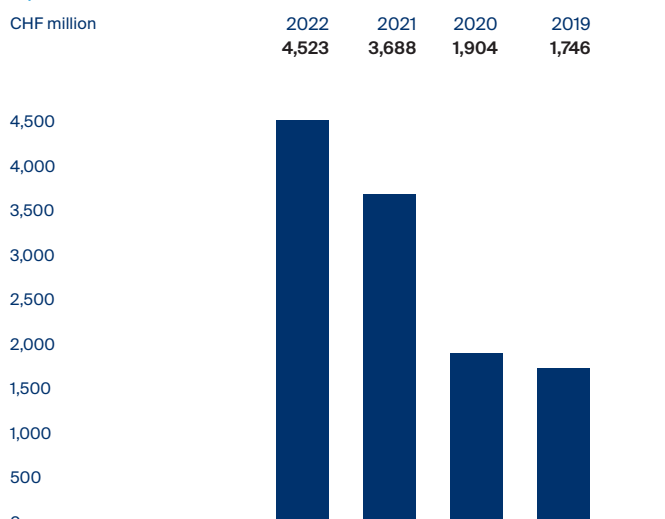
| CHF million | 2022 | 2021 | 2020 | 2019 |
|-------------|--------|-------|-------|-------|
| | 11,109 | 9,896 | 7,475 | 7,981 |



Operational expenses



Operational cash flow



Gross profit

Gross profit amounted to CHF 11,109 million in 2022, which represents an increase of 12.3 per cent or CHF 1,213 million compared to the previous year. Organic business growth resulted in an increase in gross profit of CHF 1,224 million (12.4 per cent). Exchange rate fluctuation had a negative impact of CHF 373 million (3.8 per cent) and acquisitions and divestments contributed CHF 362 million (3.7 per cent) positively.

From a regional perspective, EMEA (4.3 per cent), the Americas (28.9 per cent) and Asia-Pacific (14.1 per cent) all reported a higher gross profit in 2022.

Operational cash flow

The operational cash flow increased by CHF 835 million to CHF 4,523 million in 2022 (for further information, please refer to the cash flow statement in the consolidated financial statements 2022 on page 51 to 52).

EBITDA

In 2022, earnings before interest, tax, depreciation, amortisation and impairment of property, plant and equipment, goodwill and other intangible assets, increased by CHF 853 million or 23.2 per cent to CHF 4,532 million compared to the previous year's CHF 3,679 million; EBITDA of organic business increased by CHF 748 million (20.4 per cent), acquisitions and divestments contributed CHF 222 million (6.0 per cent), and the exchange rate development had a negative impact of CHF 117 million (3.2 per cent).

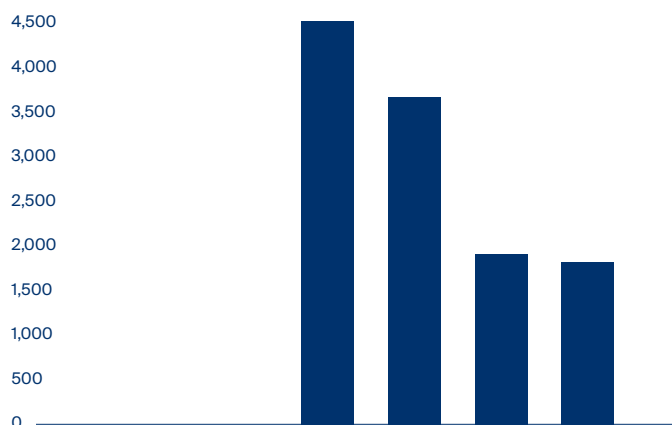
EMEA generated the largest EBITDA contribution with CHF 1,810 million (39.9 per cent), followed by the Asia-Pacific with CHF 1,363 million (30.1 per cent) and Americas with CHF 1,359 million (30.0 per cent).

EBIT/Earnings for the year

In 2022, earnings before interest and tax (EBIT) increased by CHF 817 million to CHF 3,763 million (2021: CHF 2,946 million).

EBITDA

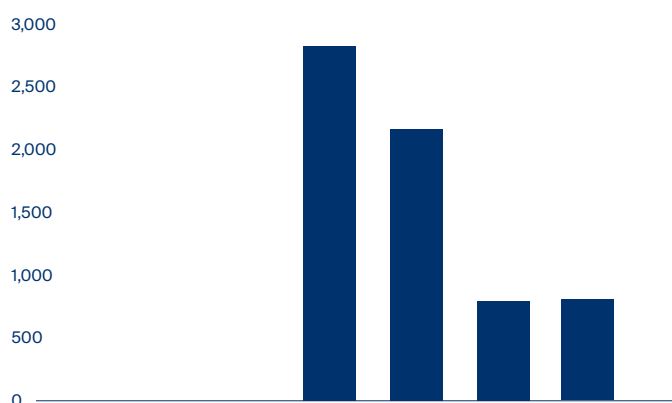
| CHF million | 2022 | 2021 | 2020 | 2019 |
|-------------|-------|-------|-------|-------|
| | 4,532 | 3,679 | 1,920 | 1,829 |



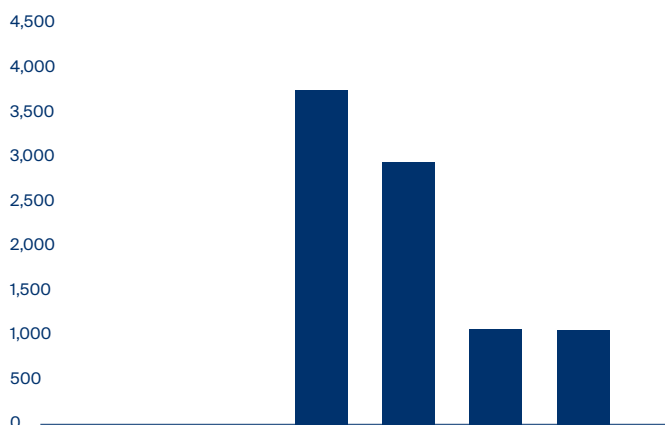
The increase was mainly due to higher contribution from the organic business by CHF 690 million (23.4 per cent), whereas acquired and divested business had a positive impact of CHF 212 million (7.2 per cent), the exchange rate development had a negative impact of CHF 85 million (2.9 per cent). The EBIT margin to net turnover for the Group increased to 9.6 per cent compared to 9.0 per cent in 2021. EBIT in per cent of gross profit (conversion

Earnings for the year

| CHF million | 2022 | 2021 | 2020 | 2019 |
|-------------|-------|-------|------|------|
| | 2,810 | 2,155 | 789 | 800 |

**EBIT**

| CHF million | 2022 | 2021 | 2020 | 2019 |
|-------------|-------|-------|-------|-------|
| | 3,763 | 2,946 | 1,070 | 1,061 |



rate), an important KPI for the Group, increased from 29.8 per cent in 2021 to 33.9 per cent in 2022.

In 2022, the region EMEA contributed CHF 1,322 million (35.1 per cent) to the Group's EBIT, followed by Asia-Pacific with CHF 1,253 million (33.3 per cent), and the Americas with CHF 1,188 million (31.6 per cent).

Earnings for the year 2022 increased by CHF 655 million to CHF 2,810 million compared to the previous year's CHF 2,155 million, whereby the margin increased to 7.1 per cent (in per cent of net turnover) compared to the previous year's 6.6 per cent.

Financial position

In 2022, total assets and liabilities of the Group increased by CHF 101 million to CHF 14,751 million compared to 2021. The amount of cash and cash equivalents increased by CHF 1,473 million to CHF 3,778 million. For details of changes in the balance sheet and cash flow statement, please refer to the consolidated financial statements.

Trade receivables amounting to CHF 5,291 million represent the most significant asset of the Kuehne+Nagel Group. The days of trade receivables outstanding increased to 51.0 days as of December 2022 compared to the previous year's 49.2 days.

As of December 31, 2022, the equity of the Group increased by CHF 936 million to CHF 4,147 million compared to CHF 3,211 million as of December 31, 2021, which represents an equity ratio of 28.1 per cent (2021: 21.9 per cent).

Developments of other key financial indicators on capital structure are shown in the following table:

Kuehne+Nagel Group key figures on capital structure

| Key figures on capital structure | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-------|-------|-------|-------|-------|
| 1 Equity ratio (in per cent)* | 28.1 | 21.9 | 24.5 | 23.6 | 29.5 |
| 2 Return on equity (in per cent) | 70.1 | 69.5 | 32.8 | 33.6 | 32.4 |
| 3 Debt ratio (in per cent)* | 71.9 | 78.1 | 75.5 | 76.4 | 70.5 |
| 4 Short-term ratio of indebtedness (in per cent)* | 52.9 | 56.8 | 53.9 | 50.1 | 61.9 |
| 5 Intensity of long-term indebtedness (in per cent)* | 18.9 | 21.3 | 21.6 | 26.2 | 8.6 |
| 6 Fixed assets coverage ratio (in per cent) | 144.8 | 127.5 | 119.1 | 106.0 | 107.4 |
| 7 Working capital (in CHF million) | 2,148 | 1,365 | 727 | 275 | 208 |
| 8 Receivables terms (in days)** | 51.0 | 49.2 | 50.5 | 52.5 | 54.2 |
| 9 Vendor terms (in days)** | 60.1 | 53.2 | 66.6 | 63.7 | 61.5 |
| 10 Intensity of capital expenditure (in per cent)* | 32.5 | 33.9 | 38.7 | 47.0 | 35.5 |

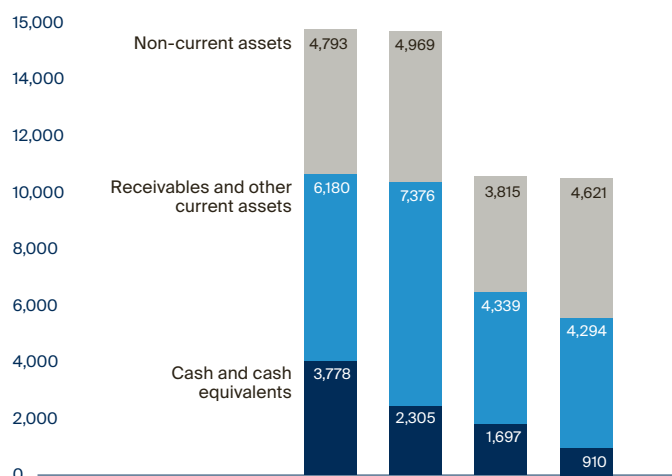
* Figures prior to 2019 have not been restated for the impact of IFRS 16 Leases.

** Calculation method has been changed as of 1.1.2021

- 1 Total equity in relation to total assets at the end of the year.
- 2 Net earnings for the year in relation to share capital plus reserves plus retained earnings as of January 1 of the current year minus dividend paid during the current year as of the date of distribution plus capital increase (incl. share premium) as of the date of payment.
- 3 Total liabilities minus equity in relation to total assets.
- 4 Short-term liabilities in relation to total assets.
- 5 Long-term liabilities in relation to total assets.
- 6 Total equity (including non-controlling interests) plus long-term liabilities in relation to non-current assets.
- 7 Total current assets minus current liabilities.
- 8 Turnover in relation to receivables outstanding at the end of the current year.
- 9 Expenses for services from third parties in relation to trade liabilities/accrued trade expenses at the end of the current year.
- 10 Non-current assets in relation to total assets.

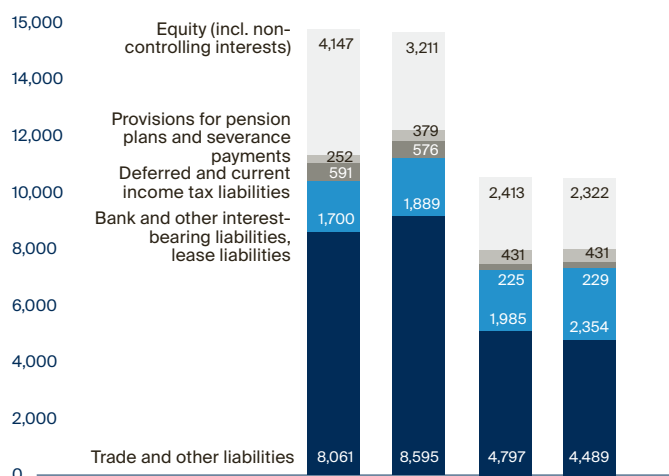
Assets

| CHF million | 2022 | 2021 | 2020 | 2019 |
|-------------|--------|--------|-------|-------|
| | 14,751 | 14,650 | 9,851 | 9,825 |



Liabilities and equity

| CHF million | 2022 | 2021 | 2020 | 2019 |
|-------------|--------|--------|-------|-------|
| | 14,751 | 14,650 | 9,851 | 9,825 |



Investments and depreciation

Property, plant and equipment

The Group continues to operate an asset-light business model and invests only into strategically important locations with high demand for state of the art or industry-specific logistics space.

In 2022, the Kuehne+Nagel Group invested a total of CHF 239 million (2021: CHF 197 million) in fixed assets. Investments in properties and buildings amounted to CHF 4 million (2021: CHF 7 million). CHF 235 million (2021: CHF 190 million) were invested in other fixed assets, operating and office equipment. Depreciation

of property, plant and equipment for the year 2022 amounted to CHF 192 million (2021: CHF 192 million). Refer to note 26 of the consolidated financial statements for further details.

All capital expenditure in 2022 was financed through operational cash flow.

In 2022, the following major investments were made in properties and buildings:

| Location | CHF million | Centres |
|----------------------|-------------|--|
| Contern, Luxembourg | 2 | Cross-dock extension, renewal high voltage cabinet and transformer station |
| Geel, Belgium | 1 | Cold storage extension and building upgrades |
| Moehlin, Switzerland | 1 | Construction of dangerous goods room and racking |
| Total Group | 4 | |

The allocation of investments in other fixed assets, operating and office equipment by category is as follows:

| CHF million | 2022 | 2021 |
|--------------------------------|------------|------------|
| Operating equipment | 123 | 82 |
| Vehicles | 11 | 17 |
| Leasehold improvements | 44 | 49 |
| IT hardware | 46 | 34 |
| Office furniture and equipment | 11 | 8 |
| Total Group | 235 | 190 |

The allocation by region is as follows:

| CHF million | 2022 | 2021 |
|--------------------|------------|------------|
| EMEA | 173 | 141 |
| Americas | 35 | 27 |
| Asia-Pacific | 27 | 22 |
| Total Group | 235 | 190 |

The allocation by business unit is as follows:

| CHF million | 2022 | 2021 |
|--------------------|------------|------------|
| Sea Logistics | 25 | 30 |
| Air Logistics | 29 | 20 |
| Road Logistics | 25 | 30 |
| Contract Logistics | 156 | 110 |
| Total Group | 235 | 190 |

Right-of-use assets

A total of CHF 606 million (2021: CHF 455 million) was invested in right-of-use assets. The allocation of investments in right-of-use assets is as follows:

| CHF million | 2022 | 2021 |
|---------------------|------------|------------|
| Buildings | 465 | 360 |
| Operating equipment | 101 | 56 |
| Vehicles | 40 | 39 |
| Total Group | 606 | 455 |

The allocation by region is as follows:

| CHF million | 2022 | 2021 |
|--------------------|------------|------------|
| EMEA | 425 | 305 |
| Americas | 116 | 73 |
| Asia-Pacific | 65 | 77 |
| Total Group | 606 | 455 |

The allocation by business unit is as follows:

| CHF million | 2022 | 2021 |
|--------------------|------------|------------|
| Sea Logistics | 55 | 43 |
| Air Logistics | 30 | 35 |
| Road Logistics | 67 | 32 |
| Contract Logistics | 454 | 345 |
| Total Group | 606 | 455 |

Depreciation of right-of-use assets amounted to CHF 511 million (2021: CHF 485 million). Refer to note 27 of the consolidated financial statements for further details.

Acquisitions

On July 18, 2022, Apex management exercised the put options to sell one third of the remaining 11.6 per cent of their retained shares to the Group. The Group increases its ownership interests by 3.9 per cent and has present access to 67.4 per cent. For further details, refer to note 40 and 45 of the consolidated financial statements.

Divestments

Kuehne+Nagel signed an agreement on June 3, 2022, to sell its business in Russia, Belarus, Azerbaijan and Kazakhstan. The impact on the consolidated group financial statements is not material. The transaction closed on July 20, 2022.

Business units

The main contributor to the Group's result are the business units Sea and Air Logistics. In 2022 major profitability improvements were generated in both Sea and Air Logistics business units.

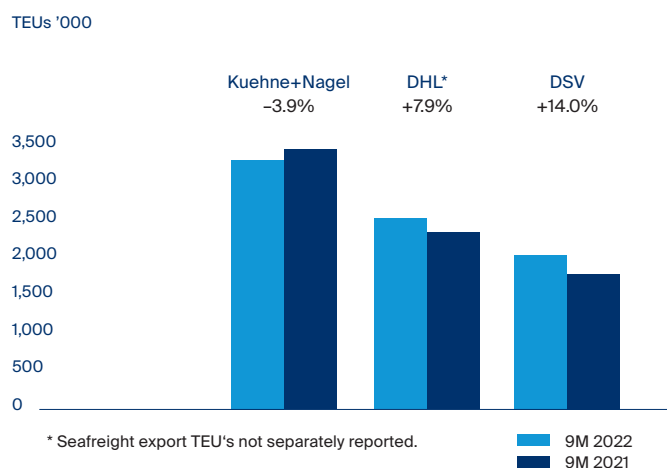
Sea Logistics

Sea Logistics volumes decreased by 4.9 per cent to 4,386,000 TEUs. Besides the Full-Container-Load (FCL) business, specialised services for temperature controlled cargo in reefer containers, pharma and e-commerce have significantly contributed to the result. In an uncertain and volatile market environment Kuehne+Nagel maintained its global leading position in Sea Logistics. From a regional perspective, the volume increase of imports in Europe and North America from Asia has continued in 2022. Despite the challenges in capacity at the beginning of the year and the change into a situation of overcapacity at its end, the high service intensity for all shipments due to extended and unreliable supply chains persisted. Managing towards a favourable service mix and opera-

tional efficiency under the difficult circumstances contributed to significantly increased margins. In 2022, the absolute amount of EBIT increased by 32.2 per cent compared to the previous year, while the ratio of EBIT to gross profit (conversion rate) increased to 58.1 per cent (2021: 55.5 per cent).

It remains the Group's target to achieve volume growth that is in line with the market putting yield optimisation at the forefront of the decision making. The Group is committed to develop its sustainability solutions towards a zero carbon future. With its commitment to provide customers with access to reliable, high standard low carbon maritime fuels and the goal of a leading market position in CO2e transparency, the Group adds to its ambition on the Sea Logistics profitability and continuous efficiency improvements.

Sea Logistics volumes: Market growth ~ -6%



Performance Sea Logistics

| CHF million | 2022 | 2021 | 2020 |
|--|--------|--------|--------|
| Turnover | 20,608 | 15,662 | 8,973 |
| Net turnover | 18,753 | 13,706 | 7,091 |
| Gross profit | 3,479 | 2,754 | 1,417 |
| EBITDA | 2,062 | 1,561 | 451 |
| EBIT | 2,021 | 1,529 | 423 |
| EBIT in per cent of gross profit (conversion rate) | 58.1 | 55.5 | 29.9 |
| Number of operating staff | 12,855 | 11,806 | 10,393 |
| TEUs '000 | 4,386 | 4,613 | 4,529 |

Air Logistics

Global Air Logistics volumes have increased in 2022 in combination with the acquired volumes from Apex, the Group recorded higher volumes by 0.5 per cent, totalling 2,232,000 tons, achieving a number one market position in the global airfreight market in 2022. EBIT-to-gross-profit margin increased to 47.5 per cent in 2022 (2021: 45.7 per cent). EBIT increased by 20.7 per cent compared to the previous year.

In 2022, the increase in demand for air transport services in the first half of the year was generated from positive volume development but also from challenges in seafreight supply chains. This in combination with an extended period of low availability of belly capacity due to low frequency of passenger travel has led also in the airfreight market to capacity shortage and high freight rates.

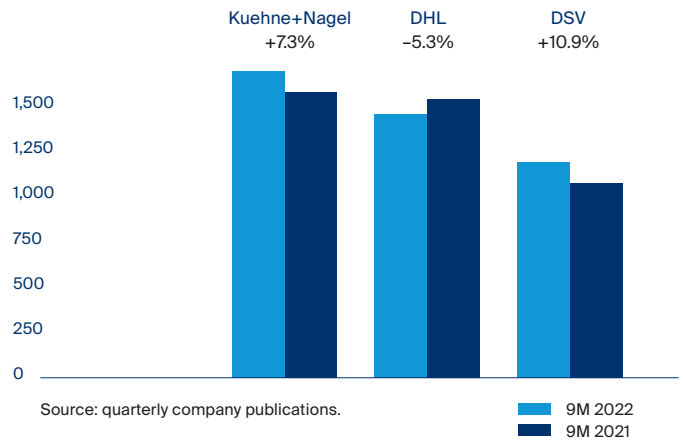
At the end of the year the situation has turned towards a situation of weak demand and overcapacity in the markets with subsequent pressure on the yields.

Similar to the situation in seafreight, a favorable service mix, strong development in the trans-pacific market, unprecedented access to charter capacity and operational efficiency under the difficult circumstances contributed to stable margins.

To support customers transitioning to a low carbon business model, the Group has entered into cooperation with key carriers to further promote and deploy the use of sustainable aviation fuel (SAF).

Air Logistics volumes: Market growth ~ -9%

Tons '000



Performance Air Logistics

| CHF million | 2022 | 2021 | 2020 |
|--|--------|--------|-------|
| Turnover | 12,358 | 11,480 | 5,817 |
| Net turnover | 11,715 | 10,810 | 5,194 |
| Gross profit | 2,965 | 2,556 | 1,331 |
| EBITDA | 1,489 | 1,230 | 600 |
| EBIT | 1,409 | 1,167 | 505 |
| EBIT in per cent of gross profit (conversion rate) | 47.5 | 45.7 | 37.9 |
| Number of operating staff | 11,056 | 10,793 | 7,845 |
| Tons '000 | 2,232 | 2,220 | 1,433 |

Road Logistics

Road Logistics had an increase in net turnover by 8.3 per cent in 2022, due to a strong demand in the first three quarters for land transport activities in Europe. The Group continued to expand its service offering through the Europe-wide road transportation network. The key performance indicator EBITDA to net turnover margin improved to 5.2 per cent from previous year's 4.3 per cent. EBIT increased to CHF 146 million (2021: CHF 94 million).

During the entire year 2022, Road Logistics operations continued to experience a high utilisation of its networks. Additionally digital solutions drove a strong yield development in Asia and North America.

With the consistent operational performance even in volatile markets and the expansion of services to industry-specific solutions, Road Logistics continues its contribution to the success of the Group's integrated logistics offering.

Kuehne+Nagel is committed to decarbonise its own truck fleet to achieve a 60 per cent representation of zero-emission vehicles by 2030. This includes investing in electrification for short and long haul (BEV and FCEV). Additionally Kuehne+Nagel offers road biofuels (HVO) and other technologies to support customers today.

Performance Road Logistics

| CHF million | 2022 | 2021 | 2020 |
|--|-------|-------|-------|
| Turnover | 4,594 | 4,390 | 3,633 |
| Net turnover | 3,997 | 3,689 | 3,222 |
| Gross profit | 1,334 | 1,253 | 1,089 |
| EBITDA | 207 | 157 | 119 |
| EBIT | 146 | 94 | 62 |
| EBIT in per cent of gross profit (conversion rate) | 10.9 | 7.5 | 5.7 |
| Number of operating staff | 9,806 | 9,723 | 9,363 |

Contract Logistics

With an increasingly strong proposition on the market, Contract Logistics had a record performance in the year 2022. With more than 150 new logistics projects for customers, Contract Logistics continuously increases its contribution to the Group's results.

The focus on specialised end-to-end solutions for industries such as high-tech, consumer goods, pharmaceuticals, healthcare, and e-commerce fulfilment led to numerous new customer contracts. The net turnover (net of currency impact) increased by 7.3 per cent

compared to 2021 and the business was able to gain market share in pharma & healthcare services and in e-commerce fulfilment. The EBITDA to net turnover margin was 15.7 per cent versus 15.9 per cent in 2021.

Regarding renewable energy, Kuehne+Nagel has achieved 100 per cent renewable electricity for all Contract Logistics sites in 2022. In addition to maintain this, the Group aims to increase production of clean energy on-site with solar panels.

Performance Contract Logistics

| CHF million | 2022 | 2021 | 2020 |
|--|------------|------------|------------|
| Turnover | 5,474 | 5,167 | 5,389 |
| Net turnover | 4,933 | 4,596 | 4,875 |
| Gross profit | 3,331 | 3,333 | 3,638 |
| EBITDA | 774 | 731 | 750 |
| EBIT | 187 | 156 | 80 |
| EBIT in per cent of gross profit (conversion rate) | 5.6 | 4.7 | 2.2 |
| Number of operating staff | 34,529 | 34,309 | 39,360 |
| Warehousing and logistics space in sqm | 10,331,470 | 10,206,925 | 11,343,955 |
| Idle space in sqm | 121,798 | 277,661 | 227,889 |
| Idle space in per cent | 1.2 | 2.7 | 2.0 |

Shareholder return

Dividend

For 2022, the Board of Directors is proposing a dividend amounting to CHF 14.00 per share for approval at the Annual General Meeting. If the dividend proposal is approved by the shareholders, the dividend payment on the shares will amount to CHF 1,675 million

(2021: CHF 1,186 million) resulting in a payout ratio of 63.4 per cent (2021: 58.4 per cent) of the earnings for the year attributable to the equity holders of the Company. Based on the share price at year-end 2022, the dividend yield on the Kuehne+Nagel share is 4.6 per cent (2021: 1.5 per cent).

Share price and market capitalisation (December 31)

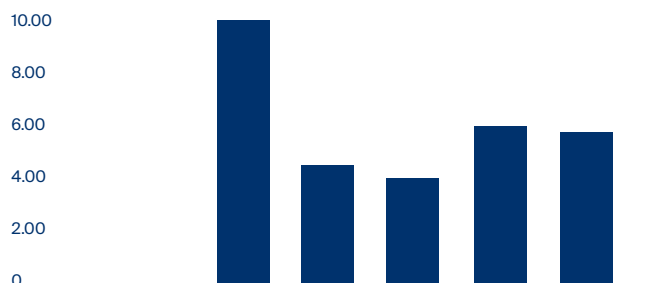
| Share price and market capitalisation | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|--------|--------|--------|--------|--------|
| Share price (in CHF) | 215.20 | 294.40 | 200.80 | 163.20 | 126.35 |
| Market capitalisation (in CHF million) | 25,986 | 35,550 | 24,096 | 19,584 | 15,162 |

Total shareholder return development

| in CHF per share | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|--------|-------|-------|-------|--------|
| Increase/(decrease) of share price year over year | -79.20 | 93.60 | 37.60 | 36.85 | -46.15 |
| Dividend per share paid | 10.00 | 4.50 | 4.00 | 6.00 | 5.75 |
| Total return | -69.20 | 98.10 | 41.60 | 42.85 | -40.40 |
| Dividend yield in per cent | 4.6 | 1.5 | 2.0 | 3.7 | 4.6 |

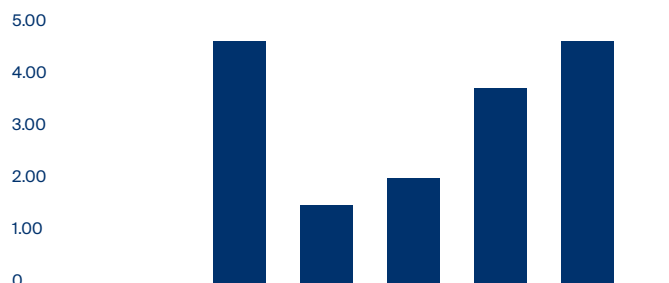
Dividend per share paid

in CHF



Dividend yield

in per cent



Risk management, objectives and policies

Group risk management

Risk management is a fundamental element of the Group's business practice on all levels and is embedded into the business strategy, planning and controlling processes of the Group. Material risks are monitored and regularly discussed within the Risk and Compliance Committee and the Audit Committee of the Board of Directors.

The Risk and Compliance Committee headed by the CEO and the CFO, the Chief Compliance Officer, the Head of Internal Audit, and the Group General Counsel as members, monitors the risk profile of the Group and the development of essential internal controls to mitigate these risks.

A risk is defined as the possibility of an adverse event which has a negative impact on the achievement of the Group's objectives.

The Group carries out an annual risk assessment and in conformity with the Swiss Code of Best Practice for Corporate Governance; the Group's risk management system covers both financial and operational risks.

Risk management as an integral part of the Internal Control System (ICS) for financial reporting

Risk management is incorporated within the ICS. Preventive, risk-mitigating measures to control risks are proactively taken at different levels and are an integral part of management responsibility.

Risk assessment in 2022

An independent risk assessment procedure is implemented for operational risks review. The Regional Management is interviewed on a regular basis in order to assess the risks for each country in their respective region. In addition, each Management Board member assesses the overall strategic risk exposure of the Group. Within the framework of the Corporate Governance process, the updated risk assessment is presented to the Audit Committee of the Board of Directors.

Financial risks analysis and assessment are carried out by the finance and accounting department.

The following risk areas have been identified amongst others for which mitigating actions have been implemented:

- Financial risks such as development of interest rates, credit and financial markets and currency risks are constantly monitored and controlled by the corporate finance and accounting department.

- Risks of unstable macroeconomic developments as well as the uncertainties in the financial markets. These risks are mitigated by appropriate risk diversification and avoidance of regional and industry clustering.
- Risks of political instability, civil war and pandemic or epidemic spread of diseases is constantly monitored and assessed for impact on the business model as well as on the staff. The group keeps back-up structures and business continuity plans updated.
- Risks related to IT network availability, IT data and security are managed by the permanent monitoring of systems, redundant infrastructure as well as interlinked data centres with back-up structures and business continuity plans.
- The increase of regulations, growing complexity and customer expectations have led to rising security requirements and risks; such risks and requirements are considered in the planning of supply chain solutions and worldwide operations.
- Organised crime, terrorism, legal and non-compliance risks such as fraud, intentional and unintentional violations of the law and internal regulations are counteracted by comprehensive and worldwide staff training and a network of compliance officers at regional and national levels.

Organisation of risk management

A continuous dialogue between the Management Board, Risk and Compliance Committee and Audit Committee ensures the Group's effective risk management. The risk management system is governed by the Risk Assessment Guideline defining risk groups and sub-groups, the structure and the process of risk assessments. The risk catalogue is reviewed regularly and critical analysis ensures a continuous development of the risk management system.

Summarised assessment of the risk situation

Based on the risk assessment, the most material risks remain the uncertainty of the global economic development, the geopolitical instability, volatile currency fluctuations, inflation and the financial markets, thus all of those factors being in focus of the management.

Since the commencement of the war in Ukraine, predictions remain difficult given persistent inflation and energy crises. The impact of the war is considered and assessments for the future are based on macro and micro economic scenarios, taking into account the prevailing situation of uncertainty. Further details regarding the impact from recent developments are described in the consolidated financial statements on page 54 to 55.

In 2022, the Group successfully managed and partially mitigated the above risks and demonstrated high levels of resilience resulting in strong financial performance.

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