



THIRD QUARTER RESULTS 2018

Investor presentation
25/10/2018



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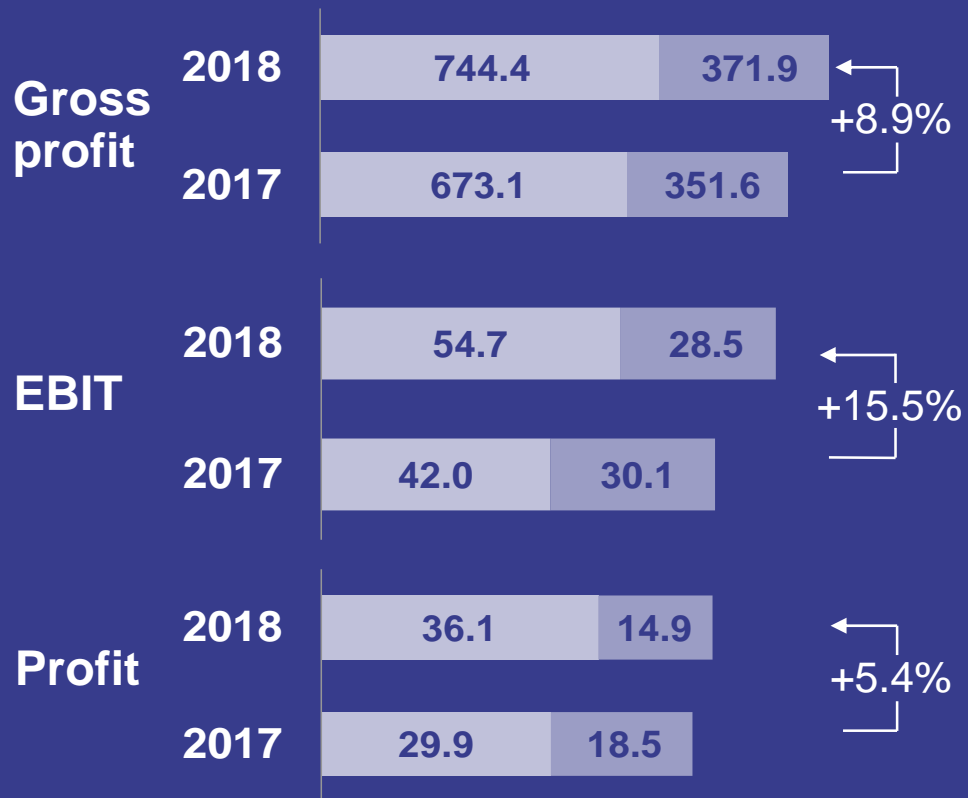
Appendix

1

Achievements and Key Figures

Increased profitability

Financial highlights



Note: Group figures in CHF million / % YTD

Achievements



Accelerated volume growth in Air Freight in Q3



Ocean Freight at break-even in Q2 and Q3



SAP TM implementation on track

Challenges



Challenging macroeconomic environment



Controlling net working capital while implementing SAP TM

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Operating and Financial Review

Year-on-year bridge

	Q3YTD 2017	FX impact ⁽¹⁾	M&A ⁽²⁾	Organic ⁽³⁾	Q3YTD 2018 excl. IFRS 16	IFRS 16 ⁽⁴⁾	Q3YTD 2018
Gross profit	1,024.8	19.9	13.1	35.1	1,092.9	23.3	1,116.2
Personnel expenses	(651.1)	(13.0)	(8.3)	(17.9)	(690.4)		(690.4)
Other operating expenses	(269.8)	(2.8)	(3.2)	(11.5)	(287.3)	69.9	(217.4)
EBITDA	103.9	4.1	1.6	5.7	115.3	93.2	208.5
Depreciation of property, plant and equipment	(15.7)	(2.3)	(0.1)	1.7	(16.3)		(16.3)
Depreciation of right of use assets					0.0	(91.2)	(91.2)
Amortization of intangible assets	(16.2)	0.1	(2.5)	0.8	(17.8)		(17.8)
EBIT	72.1	1.9	(1.0)	8.2	81.2	2.0	83.2
Finance income and costs	(0.2)	(5.1)			(5.3)	(5.2)	(10.4)
EBT	71.9	(3.2)	(1.0)	8.2	75.9	(3.1)	72.8

1) FX impact equally impacted the products on bottom line

2) M&A activity mostly impacting Air product

3) CHF 9.1m PEX cost increase related to investment into sales force

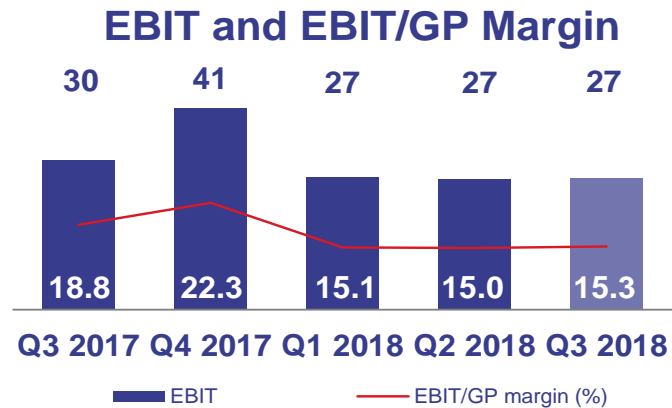
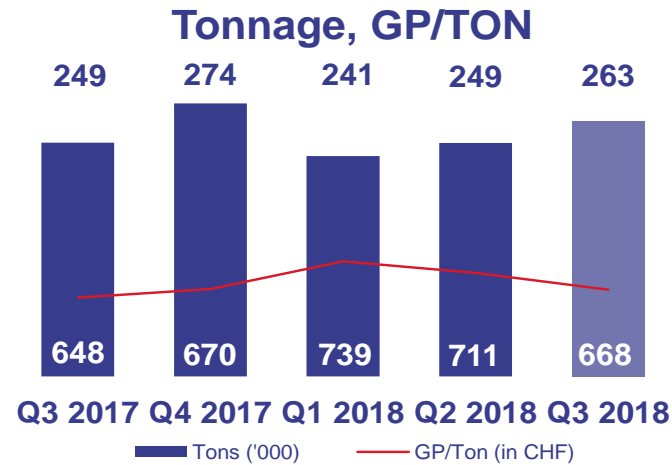
4) IFRS 16 detailed impact per product explained in the appendix



Air Freight: Accelerated volume growth in Q3

Air Freight

- YTD 4% volume growth
- YTD GP/ton of CHF 705 (excl. IFRS 16: CHF 674)
- YTD conversion ratio stable at 15%
- For IFRS 16 impact, see appendix



	2017		2018		
YoY Growth, %	Q3	Q4	Q1	Q2	Q3
Volume (market, estimated)	10%	11%	5%	4%	4%
Volume (Panalpina)	9%	8%	3%	4%	6%
GP/ton	-1%	19%	19%	14%	3%
Gross Profit	8%	29%	23%	18%	9%

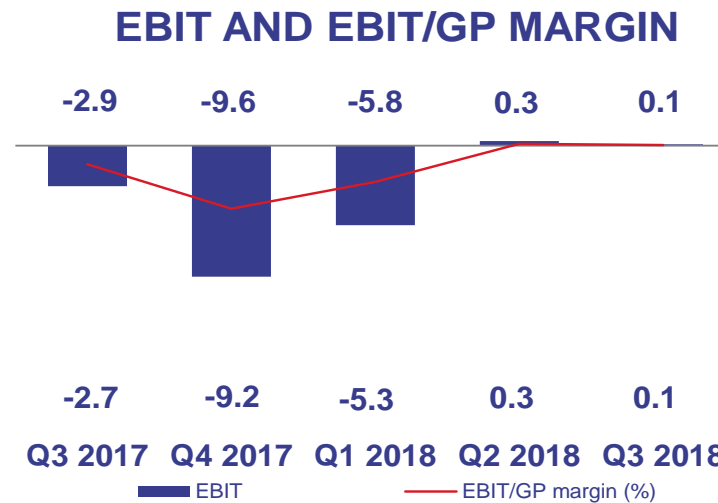
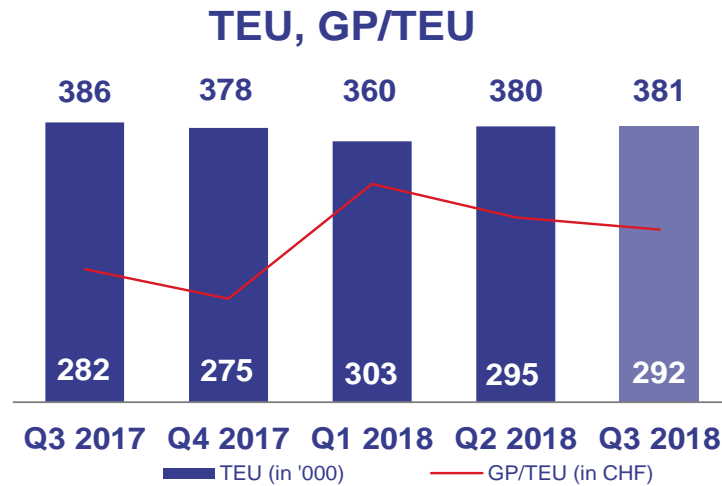
	2017	2018
Gross Profit, EBIT	YTD	YTD
Gross Profit	456.0	530.1 16%
EBIT	69.4	80.2 15%
EBIT/GP (%)	15.2%	15.1%
Volumes (tons '000)	722.0	752.0 4%



Ocean Freight: Break-even in Q2 and Q3

Ocean Freight

- YTD 2% volume decrease
- YTD GP/TEU around CHF 300
- Positive EBIT in Q2 and Q3
- For IFRS 16 impact, see appendix



	2017		2018		
	Q3	Q4	Q1	Q2	Q3
YoY Growth, %					
Volume (market, estimated)	3%	4%	3%	4%	2%
Volume (Panalpina)	2%	-3%	-4%	-1%	-1%
GP/TEU	-5%	8%	7%	3%	3%
Gross Profit	-3%	5%	3%	3%	2%

	2017	2018
	Gross Profit, EBIT	YTD
Gross Profit	323.4	331.9 3%
EBIT	-5.5	-5.3 4%
EBIT/GP (%)	-1.7%	-1.6%
Volumes (TEUs '000)	1142.6	1120.8 -2%

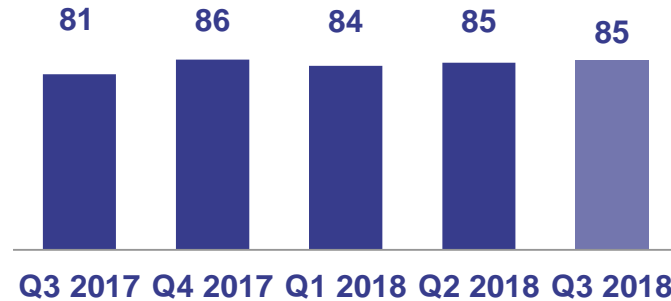


Logistics: Continued positive EBIT

Logistics

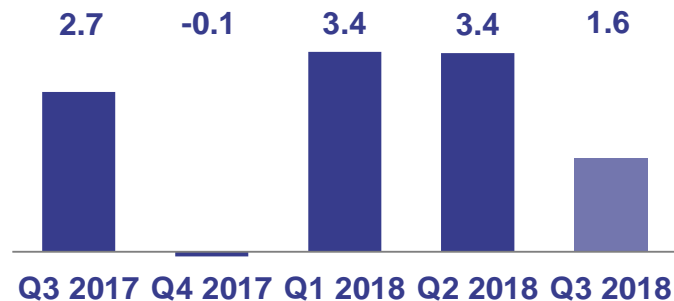
- Steady gross profit and continued positive EBIT
- Ramp-up costs for new business affected EBIT in Q3
- For IFRS 16 impact, see appendix

Gross profit



	2017		2018		
YoY Growth, %	Q3	Q4	Q1	Q2	Q3
Gross Profit	-14%	-7%	2%	4%	5%

EBIT



	2017	2018
Gross Profit, EBIT	YTD	YTD
Gross Profit	245.4	254.2 4%
EBIT	8.1	8.3 2%
EBIT in % of NFR	2.0%	2.1%

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Outlook and Priorities 2018

Outlook and Priorities 2018

Outlook

Market

- International tensions and macroeconomic uncertainties add complexity
- Solid air freight peak season expected, but not as strong as 2017
- Fairly strong ocean freight flows into USA expected, but otherwise moderate growth globally

Panalpina

- Air Freight is expected to grow at or above market, Ocean Freight below market

Priorities

- Peak season execution
- 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

Full-year Results
February 28, 2019

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Appendix

Income Statement Per Quarter – Group

Group	Q1 2017	Q2 2017	Q3 2017	Q3YTD 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q3YTD 2018	IFRS 16 impact	Q3YTD 2018 like-for-like
Net forwarding revenue	1,277.2	1,354.9	1,433.4	4,065.5	1,467.3	5,532.8	1,414.3	1,502.2	1,526.0	4,442.5		4,442.5
Forwarding expenses	(944.5)	(1,014.5)	(1,081.8)	(3,040.7)	(1,094.2)	(4,135.0)	(1,043.6)	(1,128.5)	(1,154.1)	(3,326.3)	(23.3)	(3,349.6)
Gross profit	332.7	340.4	351.6	1,024.8	373.0	1,397.8	370.7	373.7	371.9	1,116.2	(23.3)	1,092.9
Personnel expenses	(216.4)	(216.2)	(218.6)	(651.1)	(238.8)	(889.8)	(230.0)	(231.5)	(228.9)	(690.4)		(690.4)
Other operating expenses	(89.3)	(88.0)	(92.5)	(269.8)	(91.9)	(361.8)	(76.3)	(69.3)	(71.8)	(217.4)	(69.9)	(287.3)
EBITDA	27.1	36.2	40.6	103.9	42.3	146.2	64.4	72.9	71.3	208.5	(93.2)	115.3
Depreciation of PPE	(5.3)	(5.4)	(5.0)	(15.6)	(5.6)	(21.3)	(5.0)	(5.6)	(5.8)	(16.3)		(16.3)
Depreciation of ROU assets							(29.0)	(31.2)	(31.1)	(91.2)	91.2	(0.0)
Amortization of intangibles	(5.4)	(5.2)	(5.5)	(16.2)	(5.4)	(21.6)	(6.0)	(5.9)	(5.9)	(17.8)		(17.8)
EBIT	16.4	25.6	30.1	72.1	31.3	103.3	24.4	30.3	28.5	83.2	(2.0)	81.2
in % of gross profit	4.9%	7.5%	8.6%	7.0%	8.4%	7.4%	6.6%	8.1%	7.7%	7.5%		7.4%
Financial result	0.2	0.1	(0.4)	(0.2)	(1.6)	(1.8)	(1.7)	(3.6)	(5.2)	(10.4)	5.2	(5.3)
Earnings before taxes (EBT)	16.5	25.7	29.7	71.9	29.6	101.5	22.7	26.7	23.3	72.8	3.1	75.9
Income tax expenses	(4.2)	(8.1)	(11.2)	(23.5)	(20.6)	(44.1)	(6.1)	(7.2)	(8.4)	(21.8)	(0.8)	(22.6)
% of EBT	25.2%	31.6%	37.8%	32.7%	69.4%	43.4%	27.0%	27.0%	36.1%	29.9%	27.0%	29.8%
Profit	12.4	17.6	18.5	48.4	9.1	57.5	16.6	19.5	14.9	51.0	2.3	53.3
Earnings per share	0.54	0.75	0.79	2.08	0.40	2.48	0.72	0.84	0.65	2.21		2.31

Note: Group figures in CHF million

Income Statement Per Quarter – Air Freight

Air Freight	Q1 2017	Q2 2017	Q3 2017	Q3YTD 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q3 YTD 2018	IFRS 16 impact	Q3 YTD 2018 like-for-like
Net forwarding revenue	657.1	700.0	738.9	2,096.0	823.8	2,919.8	750.1	803.0	794.1	2,347.2		2,347.2
Forwarding expenses	(512.5)	(550.0)	(577.5)	(1,640.0)	(640.3)	(2,280.3)	(572.4)	(626.1)	(618.7)	(1,817.1)	(23.3)	(1,840.4)
Gross profit	144.7	150.0	161.4	456.0	183.4	639.4	177.8	176.9	175.5	530.1	(23.3)	506.8
Personnel expenses	(90.5)	(91.6)	(92.8)	(275.0)	(104.4)	(379.3)	(101.8)	(103.3)	(100.1)	(305.2)		(305.2)
Other operating expenses	(32.4)	(31.7)	(33.7)	(97.8)	(33.4)	(131.2)	(30.7)	(27.2)	(29.2)	(87.1)	(21.2)	(108.3)
EBITDA	21.8	26.6	34.9	83.3	45.7	129.0	45.3	46.4	46.1	137.8	(44.5)	93.3
Depreciation and amortization	(4.6)	(4.7)	(4.6)	(13.9)	(4.7)	(18.6)	(18.4)	(19.8)	(19.4)	(57.6)	44.0	(13.7)
EBIT	17.1	22.0	30.3	69.4	40.9	110.3	26.9	26.5	26.8	80.2	(0.5)	79.6
in % of gross profit	11.8%	14.6%	18.8%	15.2%	22.3%	17.3%	15.1%	15.0%	15.3%	15.1%		15.7%
Volumes ('000 tons)	233.2	239.9	248.9	722.0	273.9	995.9	240.5	248.9	262.6	752.0		752.0
% change YoY	7.9%	6.6%	9.3%	7.9%	8.5%	8.1%	3.1%	3.7%	5.5%	4.2%		4.2%
GP/ton (CHF)	620.5	625.1	648.3	631.6	669.7	642.1	739.2	710.7	668.1	704.9		673.9
% change YoY	-9.8%	-9.7%	-0.8%	-6.8%	19.2%	-0.6%	19.1%	13.7%	3.0%	11.6%		8.2%

Note: Air Freight figures in CHF million

Income Statement Per Quarter – Ocean Freight

Ocean Freight	Q1 2017	Q2 2017	Q3 2017	Q3YTD 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q3YTD 2018	IFRS 16 impact	Q3YTD 2018 like-for-like
Net forwarding revenue	491.5	517.2	555.1	1,563.7	510.5	2,074.3	534.7	562.4	594.9	1,692.0		1,692.0
Forwarding expenses	(386.0)	(408.1)	(446.3)	(1,240.4)	(406.7)	(1,647.1)	(425.8)	(450.4)	(483.8)	(1,360.1)		(1,360.1)
Gross profit	105.5	109.1	108.8	323.4	103.8	427.2	108.9	112.0	111.0	331.9		331.9
Personnel expenses	(77.9)	(78.4)	(78.8)	(235.2)	(83.7)	(318.9)	(82.3)	(81.4)	(78.4)	(242.1)		(242.1)
Other operating expenses	(27.1)	(26.5)	(29.0)	(82.7)	(25.7)	(108.3)	(24.1)	(21.6)	(23.9)	(69.6)	(15.2)	(84.7)
EBITDA	0.5	4.1	0.9	5.5	(5.5)	(0.0)	2.5	9.0	8.7	20.3	(15.2)	5.1
Depreciation and amortization	(3.6)	(3.6)	(3.8)	(11.0)	(4.1)	(15.1)	(8.3)	(8.7)	(8.6)	(25.6)	14.8	(10.8)
EBIT	(3.2)	0.6	(2.9)	(5.5)	(9.6)	(15.1)	(5.8)	0.3	0.1	(5.3)	(0.3)	(5.7)
in % of gross profit	-3.0%	0.5%	-2.7%	-1.7%	-9.2%	-3.5%	-5.3%	0.3%	0.1%	-1.6%		-1.7%
Volumes ('000 TEUs)	374.2	382.8	385.6	1,142.6	377.9	1,520.5	359.8	380.2	380.8	1,120.8		
% change YoY	7.5%	2.7%	1.8%	3.9%	-2.8%	2.2%	-3.8%	-0.7%	-1.3%	-1.9%		
GP/TEU (CHF)	282	285	282	283	275	281	303	295	292	296		
% change YoY	-16.9%	-7.5%	-4.7%	-9.8%	8.3%	-5.8%	7.3%	3.4%	3.4%	4.7%		

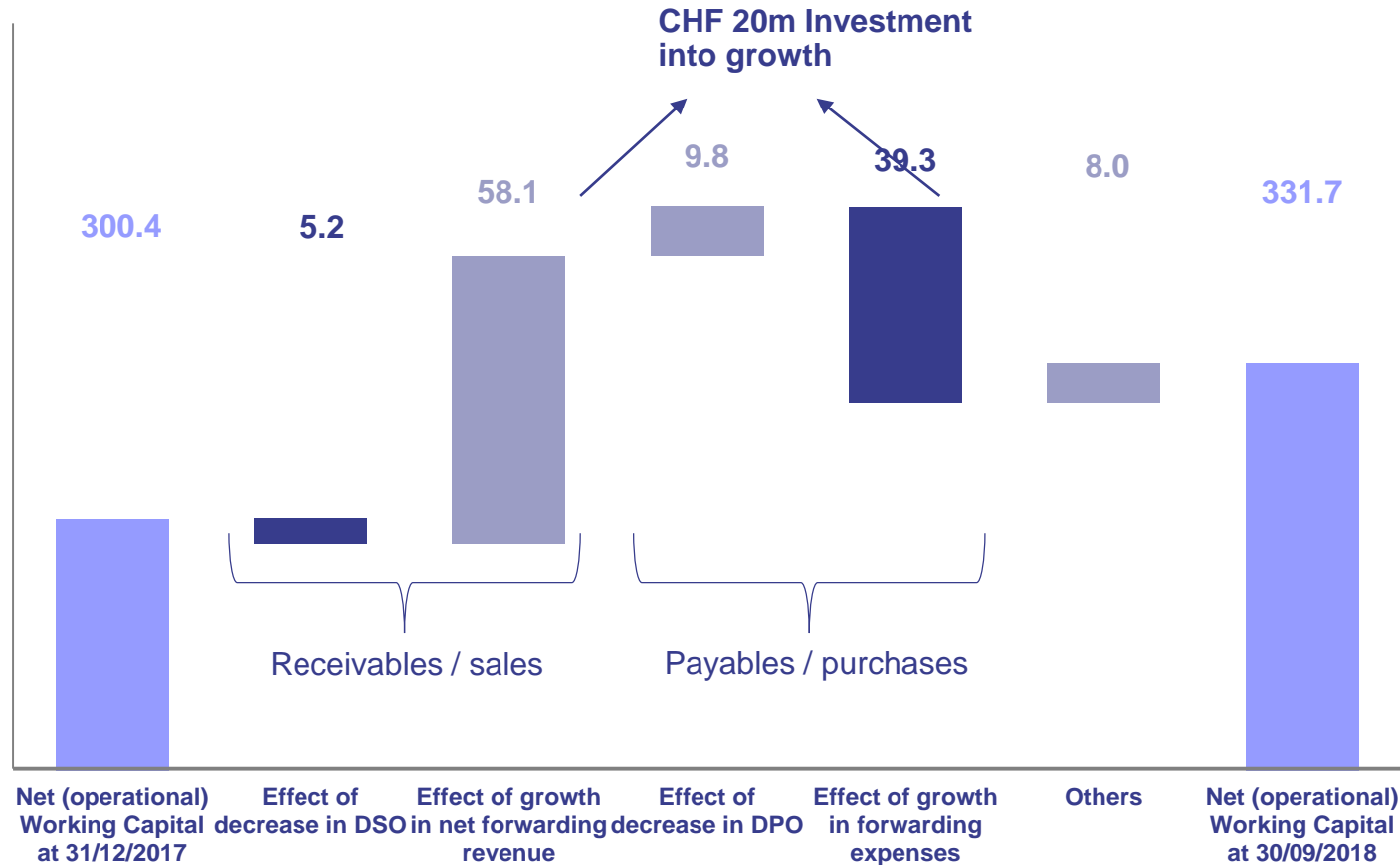
Note: Ocean Freight figures in CHF million

Income Statement Per Quarter – Logistics

Logistics	Q1 2017	Q2 2017	Q3 2017	Q3YTD 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q3YTD 2018	IFRS 16 impact	Q3 YTD 2018 like-for-like
Net forwarding revenue	128.6	137.7	139.4	405.7	133.0	538.7	129.5	136.8	137.0	403.3		403.3
Forwarding expenses	(46.0)	(56.4)	(58.0)	(160.4)	(47.2)	(207.6)	(45.5)	(52.0)	(51.7)	(149.1)		(149.1)
Gross profit	82.5	81.3	81.5	245.4	85.8	331.1	84.0	84.8	85.4	254.2		254.2
Personnel expenses	(47.9)	(46.1)	(46.9)	(140.9)	(50.7)	(191.6)	(45.9)	(46.9)	(50.3)	(143.1)		(143.1)
Other operating expenses	(29.8)	(29.8)	(29.8)	(89.4)	(32.9)	(122.3)	(21.5)	(20.5)	(18.7)	(60.7)	(33.5)	(94.2)
EBITDA	4.8	5.4	4.8	15.1	2.2	17.2	16.6	17.4	16.4	50.4	(33.5)	16.9
Depreciation and amortization	(2.5)	(2.4)	(2.1)	(6.9)	(2.3)	(9.2)	(13.2)	(14.1)	(14.8)	(42.0)	32.3	(9.7)
EBIT	2.4	3.1	2.7	8.1	(0.1)	8.1	3.4	3.4	1.6	8.3	(1.1)	7.2

Note: Logistics figures in CHF million

Net Working Capital development



While DSO/DPO spread is relatively stable, growing business has resulted in increase of operational net working capital.

Operational Net Working Capital defined as:

Trade receivables + contract assets – Trade payables – contract liabilities – accrued cost of services

Note: Group figures in CHF million

Balance Sheet

	31-Dec-17	30-Sep-18	Change in CHF	%
Cash and cash equivalents	310.9	218.1	(92.7)	-30%
Trade receivables, contract assets	1,097.0	1,103.8	6.8	1%
Other current assets	132.2	119.9	(12.3)	-9%
Property, plant and equipment	96.7	102.6	5.9	6%
Right-of-use of leased assets		332.4	332.4	
Intangible assets	88.5	101.8	13.4	15%
Other non-current assets	113.8	121.2	7.4	7%
Total assets	1,839.0	2,099.8	260.7	14%
Short-term borrowings	2.6	1.7	(0.9)	-35%
Trade payables, contract liabilities and accrued costs	796.7	772.2	(24.4)	-3%
Other current liabilities	267.6	362.4	94.7	35%
Long-Term borrowings	3.2	4.2	0.9	n/a
Other long-term liabilities	154.6	393.3	238.7	154%
Total liabilities	1,224.7	1,533.7	308.9	25%
Share capital	2.4	2.4	0	0%
Reserves, treasury shares	605.6	558.9	(46.8)	-8%
Non-controlling interests	6.3	4.9	(1.4)	-23%
Total equity	614.3	566.1	(48.2)	-8%
Total equity and liabilities	1,839.0	2,099.8	260.7	14%

Note: Group figures in CHF million

Impact from IFRS 16:

Right-of-use leased assets in the amount of CHF 332.4m reported under non-current assets. As part of current liabilities lease liabilities in the amount of CHF 113.1m and as part of long-term liabilities lease liabilities in the amount of CHF 222.3m are reported as of September 30, 2018.

Cash Flow

	30-Sep-17	30-Sep-18	IFRS 16 impact	Q3YTD-18 like-for-like
Cash flow before changes in working capital	107.5	213.8	(93.1)	120.7
Changes in working capital	(47.7)	(34.2)		(34.2)
Cash from operations	59.9	179.5	(93.1)	86.4
Interest and income taxes paid	(33.1)	(32.4)		(32.4)
Net cash from operating activities	26.7	147.1	(93.1)	54.1
Net cash from investing activities	(40.9)	(43.2)		(43.2)
Free cash flow	(14.1)	104.0	(93.1)	10.9
Net cash used in financing activities	(89.4)	(185.3)	93.1	(92.2)
Net increase (decrease) in cash and cash equivalents	(103.5)	(81.3)		(81.3)
Cash and cash equivalents at beginning of period	388.8	310.8		310.8
Effect of exchange rate changes	9.3	(11.4)		(11.4)
Cash and cash equivalents at end of period	294.6	218.1		218.1

Note: Group figures in CHF million

Positive cash conversion:

EBIDTA adjusted from IFRS 16 (CHF 115m) was mainly allocated to investment in growth (CHF -34m), taxes (CHF -32m), investing activities (PPE for CHF -25m and acquisitions CHF -16m) and financing activities (dividend -89m), leading to a net decrease of CHF 81m from December 2017 to September 2018.

Impact from IFRS 16:

Repayments of lease liabilities previously reported as operating lease expense hence part of the cash from operations. Under IFRS 16, these are reported as financing activities hence as part of the cash used in financing activities.



THANK YOU

