

Kuehne+Nagel with remarkably strong performance in 2021

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Kuehne+Nagel recorded a remarkably strong performance in financial year 2021.

The Group significantly increased all of its key figures relative to the previous year: net turnover climbed 61% to CHF 32.8 billion, EBIT soared 175% to CHF 2.9 billion and earnings for the year surged by 173% to CHF 2.2 billion.

The conversion rate, which reflects EBIT as a percentage of the Group's gross profit, reached 30%, far surpassing the target of 16% by 2022. All our business units contributed to this success.

Kuehne+Nagel Group <i>CHF million</i>	FY 2021	FY 2020	Δ	Q4 2021	Q4 2020	Δ
Net turnover	32,801	20,382	61%	10,960	5,543	98%
Gross profit	9,896	7,475	32%	3,025	1,959	54%
EBITDA	3,679	1,920	92%	1,310	521	151%
EBIT	2,946	1,070	175%	1,121	280	300%
Earnings for the year	2,155	789	173%	813	214	280%
Free cash flow	1,793	1,453	23%	793	642	24%

Dr. Detlef Trefzger, CEO of Kuehne + Nagel International AG, said: "In 2021, Kuehne+Nagel proved itself an important and reliable logistics partner in a challenging market environment. Our 78,000 colleagues worked relentlessly to support customers with a winning service offering."

Once again, we focused on customers, systems and employees, we accelerated strategic initiatives and we far surpassed our ambitious financial targets. Thus far in the current year, the business outlook has been favourable. However, Russia's acts of war highlight the unpredictable nature of geopolitics – the effects of which on economic development cannot yet be assessed."

**Proposal to the Annual General Meeting on 3 May 2022*

Sea Logistics

<i>CHF million</i>	FY 2021	FY 2020	Δ	Q4 2021	Q4 2020	Δ
Net turnover	13,706	7,091	93%	4,560	1,928	137%
Gross profit	2,754	1,417	94%	865	366	136%
EBIT	1,529	423	262%	538	119	352%

The Sea Logistics business experienced an exceptionally high operational workload in 2021. This was due to the difficult market environment with bottlenecks at ports and out-of-sync supply chains.

At 4.6 million TEU, the container volume in 2021 was up 2% on the previous year. The business unit recorded net turnover of CHF 13.7 billion and EBIT of CHF 1.5 billion. The conversion rate reached 55.5%.

In 2021, our proven online Seaexplorer platform functionality was expanded significantly. For example, Kuehne+Nagel developed a "disruption indicator" to measure the efficiency of global sea freight networks. The platform creates transparency and signals potential obstructions along the supply chain due to, for example, processing inefficiency or adverse weather conditions.

Air Logistics

<i>CHF million</i>	FY 2021	FY 2020	Δ	Q4 2021	Q4 2020	Δ
Net turnover	10,810	5,194	108%	4,232	1,491	184%
Gross profit	2,556	1,331	92%	989	374	164%
EBIT	1,167	505	131%	522	155	237%

Limited global freight capacity in 2021 called for customised solutions from the Air Logistics business unit. Demand remained strong for Kuehne+Nagel's services in areas such as pharmaceuticals, essential goods and e-commerce. This enabled the business unit to gain significant market share.

At 2.2 million tonnes, airfreight volume for the year increased 55% relative to the previous year. The first-time consolidation in May 2021 of airfreight provider Apex Logistics accounted for around half of the growth. Net turnover for Air Logistics totalled CHF 10.8 billion and EBIT CHF 1.2 billion. The conversion rate reached 45.7%.

Air freight played a vital role in the global distribution of Covid-19 vaccines. Kuehne+Nagel transported 1.2 billion doses to around 90 countries around the globe. The Group's robust vaccine logistics foundation is rooted in a global healthcare network comprised of over 240 sites.

Road Logistics

<i>CHF million</i>	FY 2021	FY 2020	Δ	Q4 2021	Q4 2020	Δ
Net turnover	3,689	3,222	15%	958	842	14%
Gross profit	1,253	1,089	15%	312	277	13%
EBIT	94	62	52%	19	24	-21%

The Road Logistics business unit lifted its volume in 2021 by more than 13% to a total of 24.4 million orders. In Europe, capacity utilisation was high and networks in North America were also well-booked. Our digital booking platform eTrucknow, originally designed for Asia, was rolled out in around 20 countries across Europe, the Middle East and South America.

The business unit's net turnover in full-year 2021 amounted to CHF 3.7 billion and EBIT jumped 52% year-on-year to CHF 94 million. At 7.5%, the conversion rate reached a record level.

Our digital customs service, originally developed for Brexit, now offers customers worldwide coverage. The system considerably reduces the administrative workload involved in customs clearance and speeds up handling for all parties involved.

Contract Logistics

<i>CHF million</i>	FY 2021	FY 2020	Δ	Q4 2021	Q4 2020	Δ
Net turnover	4,596	4,875	-6%	1,210	1,282	-6%

Gross profit	3,333	3,638	-8%	859	942	-9%
EBIT*	156	80	95%	42	-18	>100%

*Including net negative one-offs of CHF 42 million in fiscal year 2020 (Q4 2020: CHF 46 million) including from the divestment of parts of the Contract Logistics activities in the UK.

The Contract Logistics business unit saw high capacity utilisation in 2021. In particular, it rapidly expanded its pharmaceutical and e-commerce fulfilment offering. The number of distribution centres now specialising in the healthcare sector and e-commerce fulfilment totals 100 and 175, respectively.

Following the divestment of a large share of activities in the UK, the business unit's net turnover of CHF 4.6 billion in full-year 2021 was slightly down on the previous year. By contrast, EBIT nearly doubled to almost CHF 156 million.

Integrated logistics solutions (4PL) were once again in particularly high demand. At eight global sites with KN Control Towers, specialists develop and operate offerings for flexible and efficient supply chains. This enables costs, throughput times and inventories to be optimised even in a challenging operational environment.

Regional results

<i>CHF million</i>	Net turnover FY 2021	Share of Group net turnover	EBIT FY 2021	Share of Group EBIT
Europe, the Middle East and Africa	16,758	51.1%	1,102	37.4%
North and South America	10,922	33.3%	805	27.3%
Asia-Pacific	5,121	15.6%	1,039	35.3%

Dividend

The Board of Directors proposes a dividend of CHF 10.00 per share to the Annual General Meeting to be held on May 3, 2022.

Comment from the Chairman of the Board of Directors

Dr. Joerg Wolle, Chairman of the Board of Directors of Kuehne + Nagel International AG: "In 2021, Kuehne+Nagel successfully capitalised on the strategic initiatives of the past few years. The Company is an agile, innovative and leading logistics provider shaping an increasingly vital sector of the global economy. Kuehne+Nagel is strategically well positioned for sustainable growth with promising potential for the future. We are delighted to propose a dividend of CHF 10 per share to the Annual General Meeting, enabling our shareholders to participate in the Company's success."

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