

MEDIA RELEASE

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Panalpina improves profitability

In the first three months of 2018, international freight forwarding and logistics company Panalpina improved profitability compared to the same period of last year. Panalpina reported an EBIT of CHF 24.4 million (YTD 2017: CHF 16.4 million) and a consolidated profit of CHF 16.6 million (YTD 2017: CHF 12.4 million).

“We’ve had an encouraging start into 2018. Profitability per transported unit increased in both Air and Ocean Freight,” says Panalpina CEO Stefan Karlen. “In Ocean Freight we still recorded a loss, but it has come down from the last quarter of 2017. Logistics contributed to the good overall performance with a solid EBIT result.”

Panalpina Group: Results for the first quarter of 2018

(CHF million)

	YTD 2018	YTD 2017
Net forwarding revenue	1,414.3	1,277.2
Gross profit	370.7	332.7
EBITDA	64.4	27.1
EBIT	24.4	16.4
Consolidated profit	16.6	12.4

[First Quarter Results 2018 – Consolidated Financial Statements](#)

[First Quarter Results 2018 – Investor Presentation](#)

Higher EBIT and consolidated profit

In the first quarter of 2018, Panalpina’s gross profit increased 11% to CHF 370.7 million (YTD 2017: CHF 332.7 million), while total operating expenses stayed flat at CHF 306.3 million (YTD 2017: CHF 305.7 million). EBIT and consolidated profit increased year-on-year by 49% and 34% respectively. EBIT reached CHF 24.4 million compared to CHF 16.4 million a year before and the EBIT-to-gross-profit margin stood at 6.6%, up from 4.9% in 2017. The consolidated profit increased from CHF 12.4 million to CHF 16.6 million.

Air Freight

Panalpina’s Air Freight volumes increased 3% in the first quarter of 2018. Compared to the same period of last year, gross profit per ton increased 19% to CHF 739 (YTD 2017: 620), while overall gross profit increased to CHF 177.8 million (YTD 2017: CHF 144.7 million). EBIT in Air Freight increased from CHF 17.1 million to CHF 26.9 million. The EBIT-to-gross-profit margin came in at 15.1% compared to 11.8% a year before.

Ocean Freight

Panalpina’s Ocean Freight volumes decreased 4% year-on-year, mainly as the result of a discontinued high-volume contract, while gross profit per TEU increased 7% to CHF 303 (YTD 2017: CHF 282), bringing gross profit to CHF 108.9 million (YTD 2017: CHF 105.5 million). For the first quarter of 2018, Ocean Freight recorded an EBIT loss of CHF 5.8 million, compared to a loss of CHF 3.2 million a year before.

Logistics

In Logistics, gross profit increased 2% to CHF 84.0 million year-on-year (YTD 2017: CHF 82.5 million). EBIT reached CHF 3.4 million for the first three months of 2018, compared to CHF 2.4 million for the same period of last year.

Outlook

“Global air freight demand continues to be healthy and the carriers have begun to increase rates substantially. We will have to be very disciplined in passing these rate increases on as we head for a summer season that could be busier than usual again,” says Karlen. “In Ocean Freight, our immediate focus is clearly on improving profitability. In Logistics, we have made important investments that put us in a good position for top-line growth during the rest of the year.”

-ENDS-

Photo

A photo showing a Panalpina flag can be downloaded [here](#).

About Panalpina

The Panalpina Group is one of the world's leading providers of supply chain solutions. The company combines its core products – Air Freight, Ocean Freight, and Logistics and Manufacturing – to deliver globally integrated, tailor-made end-to-end solutions for eleven core industries. Drawing on in-depth industry know-how and customized IT systems, Panalpina manages the needs of its customers' supply chains, no matter how demanding they might be. Energy and Project Solutions is a specialized service for the energy and capital projects sector. The Panalpina Group operates a global network with some 500 offices in around 70 countries, and it works with partner companies in another 100 countries. Panalpina employs approximately 14,000 people worldwide who deliver a comprehensive service to the highest quality standards – wherever and whenever.

www.panalpina.com

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