

MEDIA RELEASE

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Double-digit profitability growth for Panalpina

The international freight forwarding and logistics company Panalpina recorded a sound first half-year 2018 with sustained margins and double-digit profitability growth across the board. From January to June 2018, Panalpina increased EBIT from CHF 42.0 million to CHF 54.7 million and consolidated profit from CHF 29.9 million to CHF 36.1 million.

“Half way through 2018 we can say that Panalpina is on track. Ocean Freight broke even again in the second quarter as a result of strict cost control and recovering volumes from April to June. Sustained margins in both Air and Ocean Freight and the reliable performance in Logistics led to sound half-year results,” says Panalpina CEO Stefan Karlen. “We are pleased with the progress we made, especially when considering that we are working diligently on major transformation projects while focusing on accelerated growth at the same time.”

Panalpina Group: Results for the first half of 2018

(CHF million)

	YTD 2018	YTD 2017
Net forwarding revenue	2,916.5	2,632.1
Gross profit	744.4	673.1
EBITDA *	137.2	63.3
EBIT	54.7	42.0
Consolidated profit	36.1	29.9

* The application of IFRS 16 (leases) positively impacted EBITDA by approximately CHF 60 million. The impact on EBIT and consolidated profit was not material.

[Half-year Results 2018 – Consolidated Financial Statements](#)

[Half-year Results 2018 – Investor Presentation](#)

Gross profit, EBIT and consolidated profit grow by double digits

In the first six months of 2018, Panalpina’s gross profit increased 11% to CHF 744.4 million (YTD 2017: CHF 673.1 million), while total operating expenses stayed flat at CHF 607.1 million (YTD 2017: CHF 609.9 million). EBIT and consolidated profit increased year-on-year by 30% and 21% respectively. EBIT reached CHF 54.7 million compared to CHF 42.0 million a year before and the EBIT-to-gross-profit margin stood at 7.3%, up from 6.2% in 2017. The consolidated profit reached CHF 36.1 million, up from CHF 29.9 million in 2017.

Air Freight

Panalpina’s Air Freight volumes increased 3% in the first half of 2018. Compared to the same period of last year, gross profit per ton increased 16% to CHF 725 (YTD 2017: CHF 623), while gross profit increased to CHF 354.7 million (YTD 2017: CHF 294.6 million). EBIT in Air Freight increased from CHF 39.1 million to CHF 53.4 million. The EBIT-to-gross-profit margin came in at 15.1% compared to 13.3% a year before.

Ocean Freight

Panalpina’s Ocean Freight volumes decreased 3% year-on-year, mainly as the result of a discontinued high-volume contract, while gross profit per TEU increased 6% to CHF 299 (YTD 2017: CHF 283), bringing gross profit to CHF 220.9 million (YTD 2017: CHF 214.6 million). EBIT in Ocean Freight was positive for the second quarter of 2018. For the first half of the year, Ocean Freight recorded an EBIT loss of CHF 5.5 million, compared to a loss of CHF 2.6 million a year before.

Logistics

In Logistics, gross profit increased 3% to CHF 168.8 million year-on-year (YTD 2017: CHF 163.9 million). EBIT reached CHF 6.8 million for the first six months of 2018, compared to CHF 5.4 million for the same period of last year.

Outlook

“For the second half-year we expect accelerated volume growth for our Air and Ocean Freight activities. 2017 was a record air freight year though, so the comparison will be tough, and uncertainties in international relationships will increase volatility in the air and ocean freight markets and possibly change trade patterns,” says Karlen. “Regardless of the market environment, we are determined to stay focused on executing our strategy as we continue to build a robust and efficient organization that can deliver sustainable, profitable growth.”

-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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