

# China express delivery

## Eyes on “Double 11” amid accelerated sector consolidation

SF/YTO/STO/Yunda's operational data in Sep suggested fiercer competition in low-end e-commerce parcel market, given greater ASP decline and aggressive volume growth. We view that the heated sector consolidation will see completion in 2020E, due to limited room for cost cut and further market growth slowdown. Suggest to pay attention to STO (002468 CH) for Alibaba's possible volume diversion and ZTO (ZTO US) for prominent cost control capability during the upcoming “Double 11” e-commerce carnival.

- **Pitched battle on e-commerce parcels under way.** SF/YTO/STO achieved 38%/42%/51% YoY volume growth in Sep, along with 11%/18%/14% YoY decline, in contrast to market volume/ ASP 25%/-2% YoY change. Yunda's volume/ASP grew 41%/84% YoY. Excluding impact from Yunda's change on revenue recognition, we saw the price war in low-end e-commerce parcel market heat up. Considering 1) the limited room for further dramatic cost cut based on current technical level, and 2) inevitable market growth slowdown in 2020E (CMBI forecasts: volume +21% YoY), we reaffirm that the showdown of ongoing sector consolidation will occur in 2020E.
- **Eyes on upcoming “Double 11” e-commerce carnival.** Although we saw “Tongda” sequentially raise ASP to offset margin pressures caused by volume peak during “Double 11” e-commerce carnival (ZTO, YTO officially announced already), we deem that it cannot be regarded as price war truce. SF/JD Logistics have confirmed that they would maintain aggressive pricing tactics in low-end market, and we believe the heightened competition will continue. Meanwhile, we suggest watching for STO (002468), as it is the first “Double 11” after Alibaba's investment in STO. In addition, the players with advantage on automation and capacity, like ZTO, will edge out, in our view.
- **Large restricted share circulation to shadow sector in near term.** As YTO/Yunda/SF went public on A-share market through restructuring three years ago, their restricted shares issued in restructuring placement will be circulated in the following three months. We worry that the sector will tremble upon lock-up expiration in the near term, and prefer US-listed ZTO which is free from this share-selling brunt.
- **Reiterate ZTO as our top pick.** We think the sector will be volatile in the near term, in view of 1) “Double 11” as catalyst and 2) impact from large restricted share circulation. That said, we are bullish on ZTO, due to 1) accelerated sector consolidation, 2) its advantage on automated sorting and transportation capacity, and 3) limited share-selling risk in the near term.

### Valuation Table

| Company | Ticker    | Rating | Mkt cap<br>(USD mn) | Price<br>(LC) | TP<br>(LC) | Upside<br>(%) | P/E<br>19E 20E | P/B<br>19E | ROE<br>19E |
|---------|-----------|--------|---------------------|---------------|------------|---------------|----------------|------------|------------|
| ZTO     | ZTO US    | BUY    | 16,299              | 20.84         | 22.17      | 6.4           | 24.2 21.0      | 3.1        | 13.7       |
| SF      | 002352 CH | BUY    | 25,544              | 40.90         | 46.53      | 13.8          | 34.1 29.3      | 4.4        | 13.1       |
| YTO     | 600233 CH | NR     | 5,000               | 12.43         | NA         | NA            | 17.4 15.1      | 2.7        | 16.0       |
| STO     | 002468 CH | NR     | 4,940               | 22.81         | NA         | NA            | 18.3 15.8      | 3.5        | 19.8       |
| Yunda   | 002120 CH | NR     | 11,334              | 35.98         | NA         | NA            | 28.1 22.8      | 5.9        | 20.7       |

Source: Bloomberg, CMBIS estimates

### MARKET PERFORM (Maintain)

#### China Express Delivery Sector

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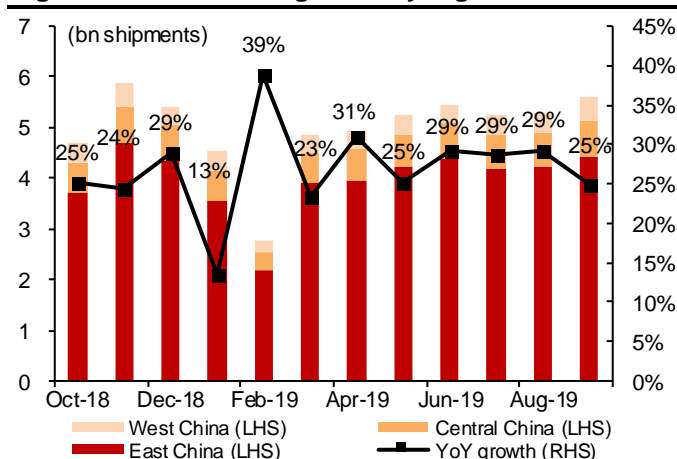
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#### Related Reports

1. Margins eroded in 1H19; Price war to culminate – 24 Sep 2019
2. YTO likely to fall behind “Tongda” peers – 19 Jul 2019
3. Heated competition to stretch into 2020E – 5 Jul 2019

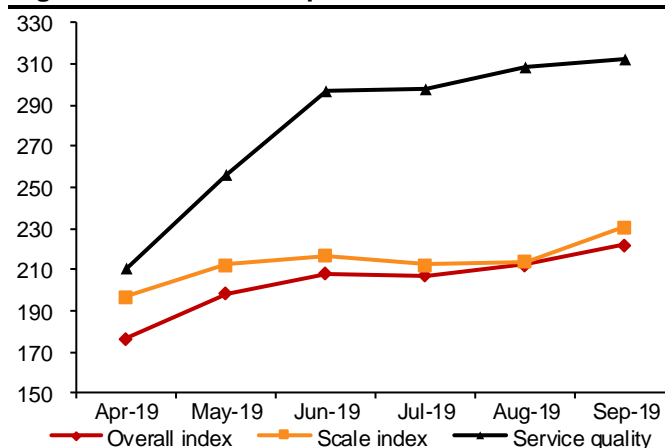
## Focus Charts

**Figure 1: Volume YoY growth by region**



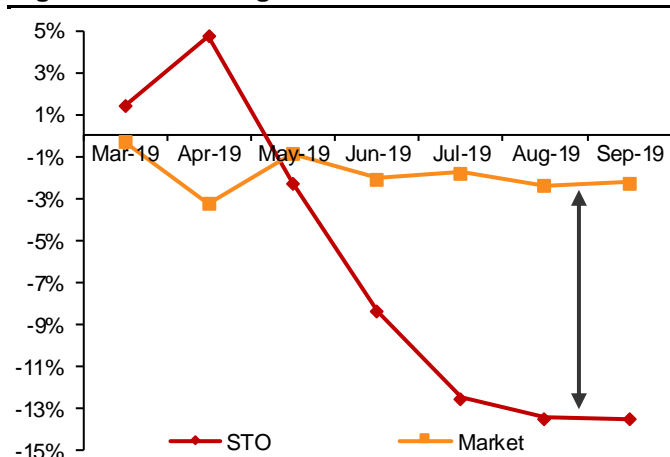
Source: State Post Bureau, Company data, CMBIS

**Figure 2: Sector development index**



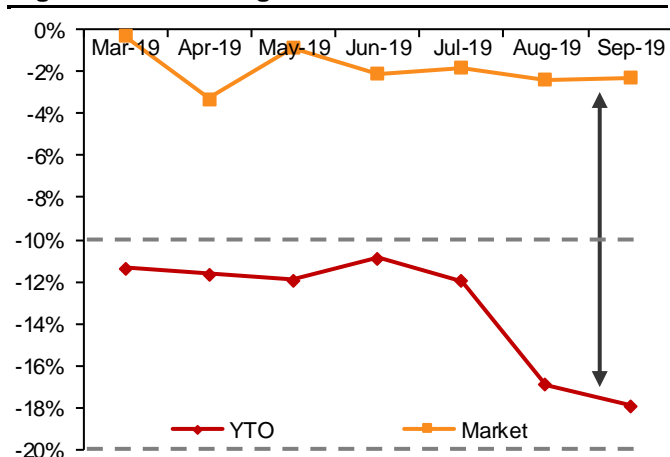
Source: State Post Bureau, CMBIS

**Figure 3: ASP changes of STO**



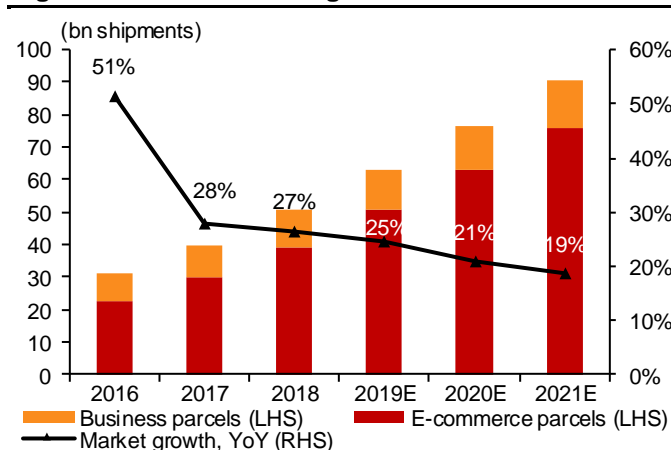
Source: State Post Bureau, Company data, CMBIS

**Figure 4: ASP changes of YTO**



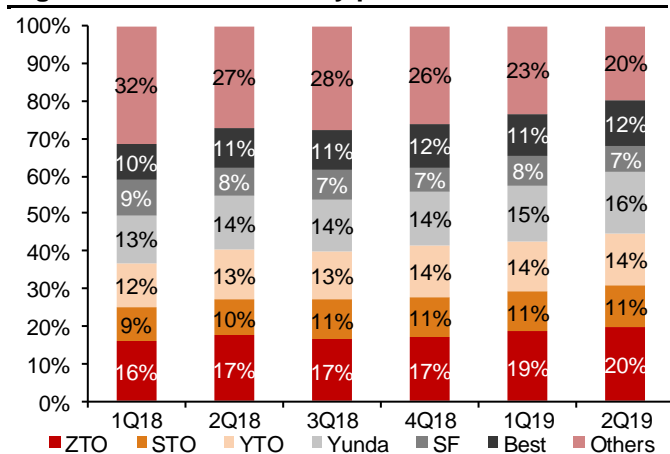
Source: State Post Bureau, Company data, CMBIS

**Figure 5: Market volume growth estimates**



Source: State Post Bureau, CMBIS estimates

**Figure 6: Market shares by parcel volume**



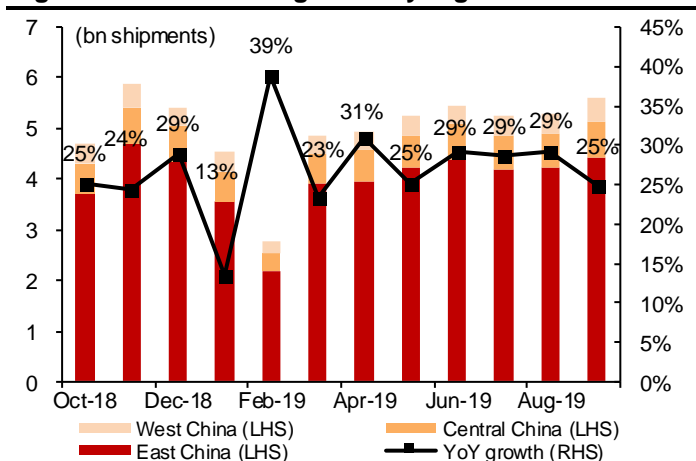
Source: State Post Bureau, Company data, CMBIS

## Market Overview

### Market Vol/ASP +25%/-2% YoY in Sep

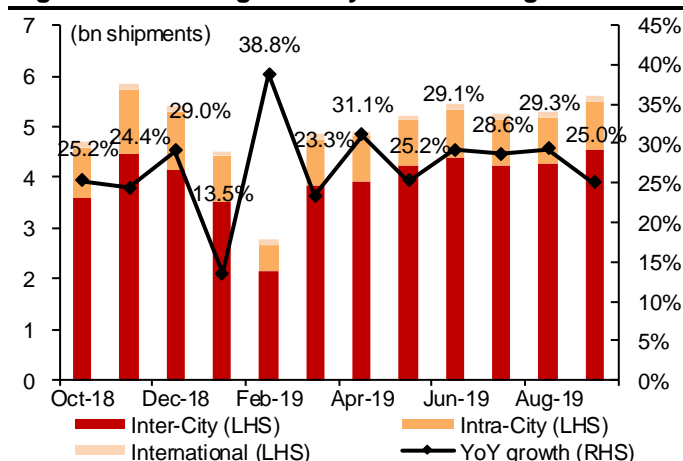
Market in Sep recorded slightly decelerated volume growth of 25% YoY, along with 2% ASP slide (i.e. RMB11.6 per shipment). By segment, East/Central/West grew respectively by 25%/30%/19% YoY; Inter-city/Intra-city/International increased by 34%/17%/41% YoY, respectively. Sector consolidation progressed well as CR8 saw 0.1ppt rise to 81.8 in Sep.

Figure 7: Volume YoY growth by region



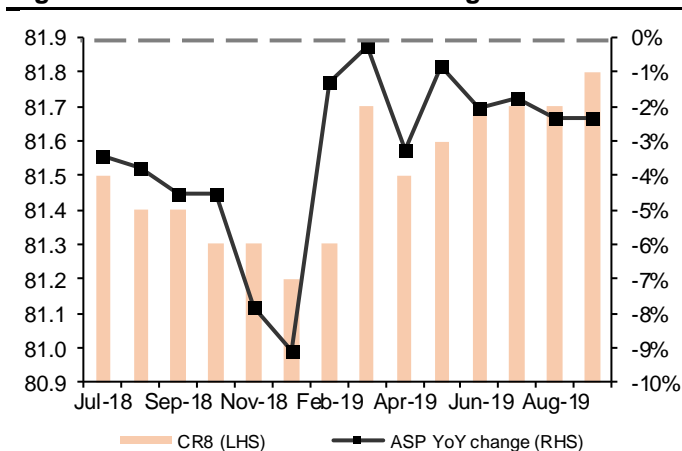
Source: State Post Bureau, Company data, CMBIS

Figure 8: Volume growth by business segment



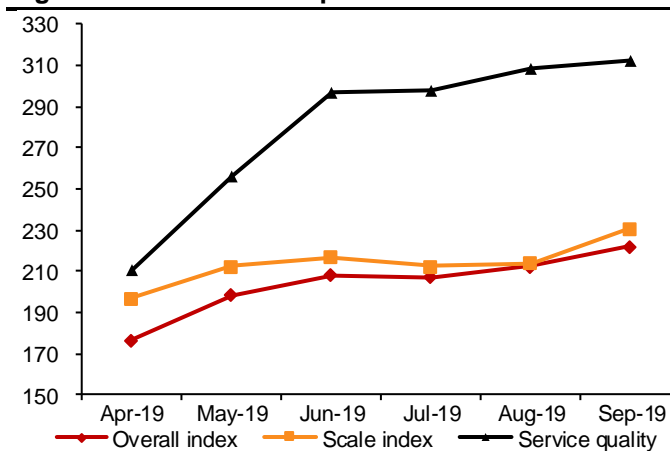
Source: State Post Bureau, CMBIS

Figure 9: CR8 and market ASP changes



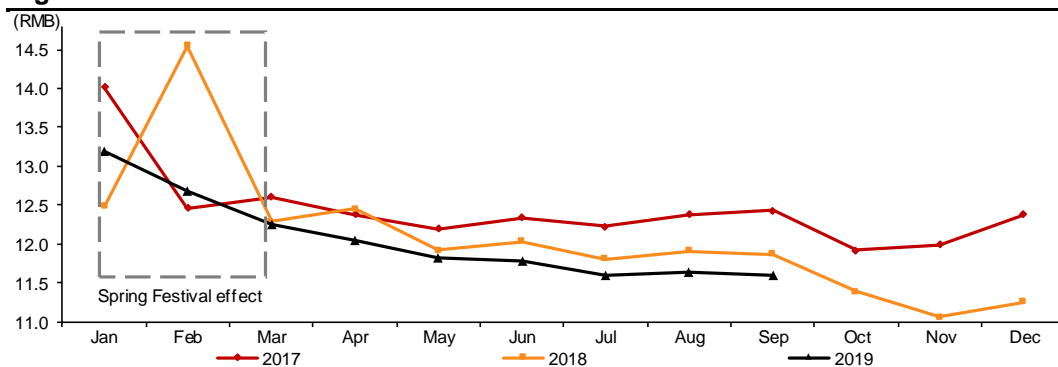
Source: Company data, CMBIS estimates

Figure 10: Sector development index



Source: State Post Bureau, CMBIS

Figure 11: Market ASP trend in 2017-19



Source: State Post Bureau, Company data, CMBIS

## Volume expected to grow 21%/19% in 2020/21E

Mainly driven by prudent outlook towards domestic social consumption hampered by economic slowdown, we moderately revised down our 2020/21E volume growth forecasts from 22%/20% to 21%/19% YoY, respectively. As for ASP trend, we expect 5% decrease in 2020E in view of 1) intensified price war, 2) greater volume contribution from low-ASP e-commerce parcels and 3) continued cost optimization empowered by technology.

**Figure 12: Market volume estimates**

|  | 2016          | 2017          | 2018          | 2019E         | 2020E         | 2021E         |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Market volume (mn)</b>                | <b>31,280</b> | <b>40,060</b> | <b>50,710</b> | <b>63,213</b> | <b>76,345</b> | <b>90,608</b> |
| YoY                                      | 51.3%         | 28.1%         | 26.6%         | 24.7%         | 20.8%         | 18.7%         |
| <b>E-commerce parcels</b>                |               |               |               |               |               |               |
| Social consumption (RMB bn)              | 33,232        | 36,626        | 38,099        | 41,070        | 44,274        | 48,037        |
| YoY                                      | 10.4%         | 10.2%         | 9.0%          | 7.8%          | 7.8%          | 8.5%          |
| Social goods online consumption (RMB bn) | 4,194         | 5,481         | 7,020         | 8,830         | 10,847        | 12,970        |
| YoY                                      | 29.4%         | 30.7%         | 28.1%         | 25.8%         | 22.8%         | 19.6%         |
| E-commerce penetration                   | 12.6%         | 15.0%         | 18.4%         | 21.5%         | 24.5%         | 27.0%         |
| Parcel value per unit (RMB)              | 186.2         | 182.4         | 178.0         | 173           | 171.5         | 170.5         |
| <b>E-commerce parcel volume (mn)</b>     | <b>22,530</b> | <b>30,050</b> | <b>39,440</b> | <b>51,041</b> | <b>63,248</b> | <b>76,071</b> |
| YoY                                      | 57.6%         | 33.4%         | 31.2%         | 29.4%         | 23.9%         | 20.3%         |
| % of total volume                        | 72.0%         | 75.0%         | 77.8%         | 80.7%         | 82.8%         | 84.0%         |
| <b>Business parcels</b>                  |               |               |               |               |               |               |
| PMI- New order index (monthly average)   | 51.13         | 53.12         | 52.02         | 50.6          | 50            | 51            |
| <b>Business parcel volume (mn)</b>       | <b>8,750</b>  | <b>10,010</b> | <b>11,270</b> | <b>12,172</b> | <b>13,097</b> | <b>14,537</b> |
| YoY                                      | 36.7%         | 14.4%         | 12.6%         | 8.0%          | 7.6%          | 11.0%         |

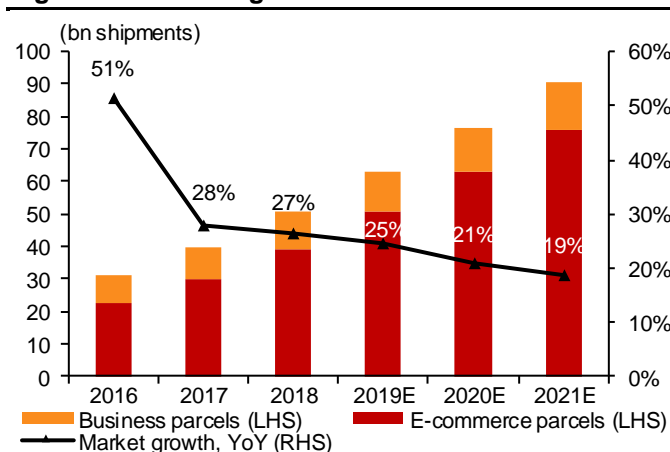
Source: State Council, State Post Bureau, NDRC, MOT, CMBIS estimates

**Figure 13: Market volume estimates**

|                             | 2016           | 2017           | 2018           | 2019E          | 2020E          | 2021E          |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Market volume (mn)</b>   | <b>31,280</b>  | <b>40,060</b>  | <b>50,710</b>  | <b>63,213</b>  | <b>76,345</b>  | <b>90,608</b>  |
| YoY                         | 51.3%          | 28.1%          | 26.6%          | 24.7%          | 20.8%          | 18.7%          |
| <b>ASP (RMB)</b>            | <b>12.71</b>   | <b>12.37</b>   | <b>11.91</b>   | <b>11.43</b>   | <b>10.86</b>   | <b>10.64</b>   |
| YoY                         | -5.1%          | -2.6%          | -3.8%          | -4.0%          | -5.0%          | -2.0%          |
| <b>Market size (RMB mn)</b> | <b>397,440</b> | <b>495,710</b> | <b>603,840</b> | <b>722,611</b> | <b>829,094</b> | <b>964,306</b> |
| YoY                         | 43.5%          | 24.7%          | 21.8%          | 19.7%          | 14.7%          | 16.3%          |

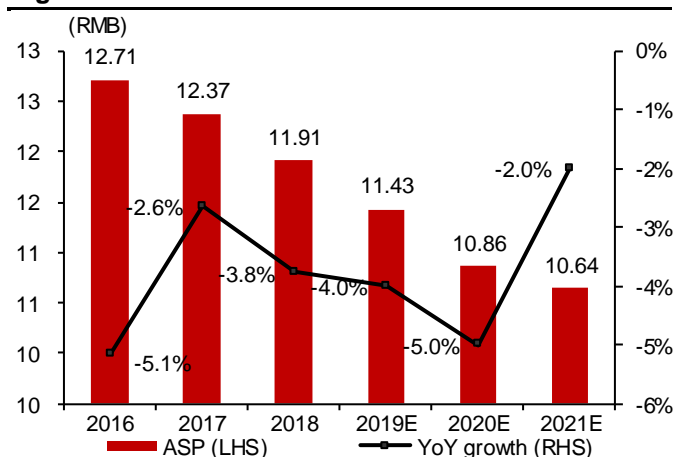
Source: State Post Bureau, CMBIS estimates

**Figure 14: Volume growth estimates**



Source: State Post Bureau, CMBIS estimates

**Figure 15: Market ASP forecasts**



Source: State Post Bureau, CMBIS estimates

## Major players' performance

Driven by decent growth of e-commerce and solid share gains backed by aggressive pricing strategies, SF/YTO/STO/Yunda achieved 22%/42%/51%/41% YoY volume growth in Sep, along with -11%/-18%/-14%/84% YoY ASP changes.

As the ASP decline amplitude gap between major players and market accelerated to extend, we believe it evidenced that the major players were consistently sharing more profits with franchisees in a bid to incentivize them to scramble market shares. Considering 1) the limited room for further dramatic cost cut based on current technical level, and 2) inevitable market growth slowdown in 2020E (CMBI forecasts: volume +21% YoY), we think the ongoing price war cannot last too long, and reaffirm that the showdown of ongoing sector consolidation will occur in 2020E.

**Figure 16: Major players' monthly operational data in Sep**

|                      | Market | SF     | STO    | YTO    | Yunda  |
|----------------------|--------|--------|--------|--------|--------|
| Revenue(RMB mn)      | 64,920 | 9,882  | 2,047  | 2,216  | 2,772  |
| YoY growth           | 22.2%  | 22.3%  | 30.3%  | 16.7%  | 158.6% |
| Shipments(mn)        | 5,597  | 454    | 725    | 811    | 887    |
| YoY growth           | 25.0%  | 38.0%  | 50.6%  | 42.2%  | 40.6%  |
| Revenue per shipment | 11.60  | 21.77  | 2.82   | 2.73   | 3.13   |
| YoY growth           | -2.2%  | -11.3% | -13.5% | -17.9% | 84.1%  |

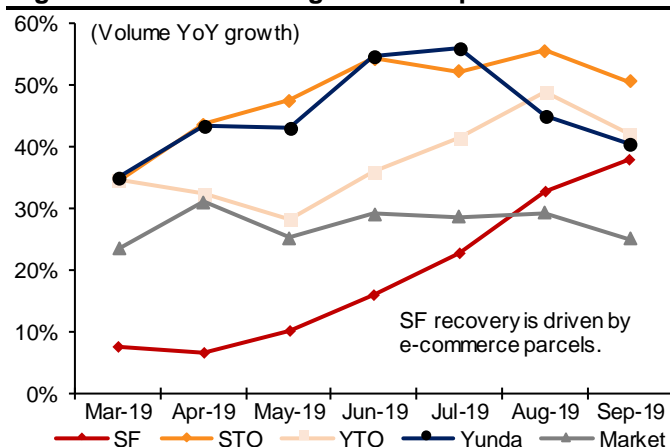
Source: State Post Bureau, Company data, CMBIS

Note: Yunda started to recognize last-mile delivery fee as revenue since 2019.

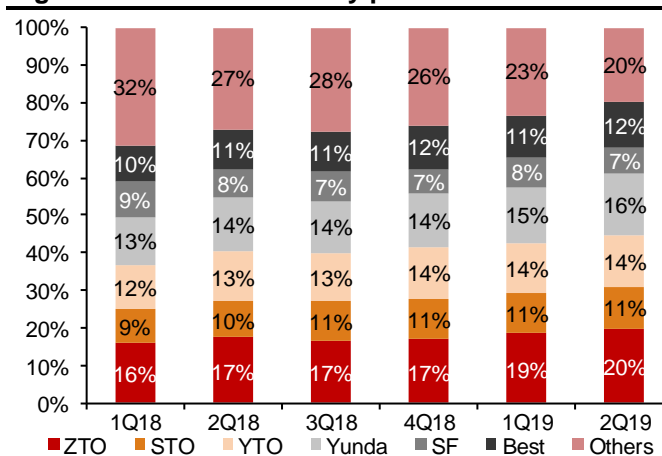
**Figure 17: Monthly operational metrics overview**

|                     | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Volume</b>       |        |        |        |        |        |        |        |        |        |
| <b>YoY growth</b>   |        |        |        |        |        |        |        |        |        |
| SF                  | 27.4%  | -16.9% | 7.3%   | 6.6%   | 10.2%  | 15.8%  | 22.6%  | 32.8%  | 38.0%  |
| YTO                 | 36.1%  | 62.8%  | 34.8%  | 32.3%  | 28.2%  | 35.9%  | 41.6%  | 48.9%  | 42.2%  |
| STO                 | 43.0%  | 81.3%  | 34.5%  | 43.7%  | 47.5%  | 54.4%  | 52.2%  | 55.6%  | 50.6%  |
| Yunda               | 35.6%  | 75.0%  | 35.1%  | 43.5%  | 43.0%  | 54.8%  | 56.1%  | 45.1%  | 40.6%  |
| Market              | 13.5%  | 38.8%  | 23.3%  | 31.1%  | 25.2%  | 29.1%  | 28.6%  | 29.3%  | 25.0%  |
| <b>Market share</b> |        |        |        |        |        |        |        |        |        |
| SF                  | 9.0%   | 8.0%   | 7.2%   | 6.6%   | 6.6%   | 6.8%   | 7.0%   | 7.6%   | 8.1%   |
| YTO                 | 14.5%  | 10.8%  | 14.5%  | 13.6%  | 13.7%  | 13.9%  | 14.7%  | 14.5%  | 14.5%  |
| STO                 | 11.3%  | 9.1%   | 10.6%  | 10.5%  | 11.4%  | 11.4%  | 12.1%  | 12.7%  | 13.0%  |
| Yunda               | 14.6%  | 12.4%  | 16.1%  | 16.1%  | 16.6%  | 16.3%  | 16.7%  | 15.7%  | 15.8%  |
| <b>Revenue</b>      |        |        |        |        |        |        |        |        |        |
| <b>YoY growth</b>   |        |        |        |        |        |        |        |        |        |
| SF                  | 38.5%  | -16.6% | 14.3%  | 11.3%  | 12.5%  | 14.3%  | 19.1%  | 21.6%  | 22.3%  |
| YTO                 | 23.9%  | 39.7%  | 19.5%  | 16.9%  | 12.9%  | 21.1%  | 24.6%  | 23.7%  | 16.7%  |
| STO                 | 39.7%  | 77.7%  | 36.5%  | 50.2%  | 44.2%  | 41.8%  | 33.2%  | 34.9%  | 30.3%  |
| Yunda               | 140.9% | 202.7% | 153.2% | 178.9% | 186.8% | 201.9% | 218.9% | 193.7% | 158.6% |
| Market              | 20.0%  | 21.0%  | 23.0%  | 26.8%  | 24.2%  | 26.5%  | 26.3%  | 26.2%  | 22.2%  |
| <b>ASP change</b>   |        |        |        |        |        |        |        |        |        |
| SF                  | 8.7%   | 0.3%   | 6.5%   | 4.5%   | 2.1%   | -1.3%  | -2.8%  | -7.3%  | -11.3% |
| YTO                 | -9.0%  | -14.2% | -11.3% | -11.6% | -11.9% | -10.9% | -12.0% | -16.9% | -17.9% |
| STO                 | -2.3%  | -2.2%  | 1.4%   | 4.8%   | -2.3%  | -8.4%  | -12.5% | -13.5% | -13.5% |
| Yunda               | 77.1%  | 72.8%  | 87.5%  | 94.0%  | 101.3% | 95.1%  | 104.5% | 102.5% | 84.1%  |
| Market              | 5.7%   | -12.8% | -0.3%  | -3.3%  | -0.9%  | -2.1%  | -1.8%  | -2.4%  | -2.2%  |

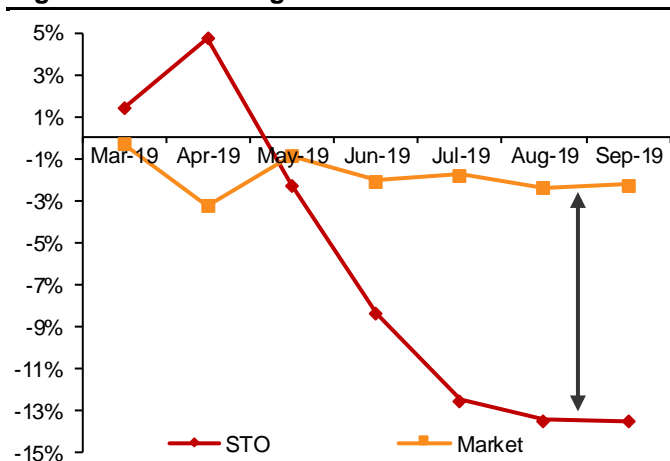
Source: State Post Bureau, Company data, CMBIS

**Figure 18: Volume YoY growth comparison**

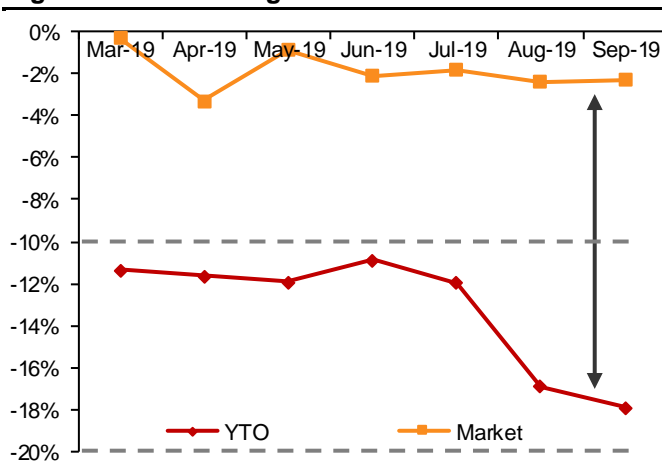
Source: State Post Bureau, Company data, CMBIS

**Figure 19: Market shares by parcel volume**

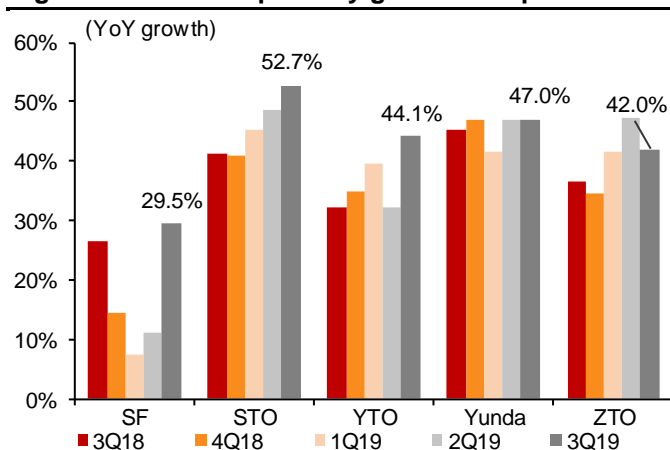
Source: State Post Bureau, Company data, CMBIS

**Figure 20: ASP changes of STO**

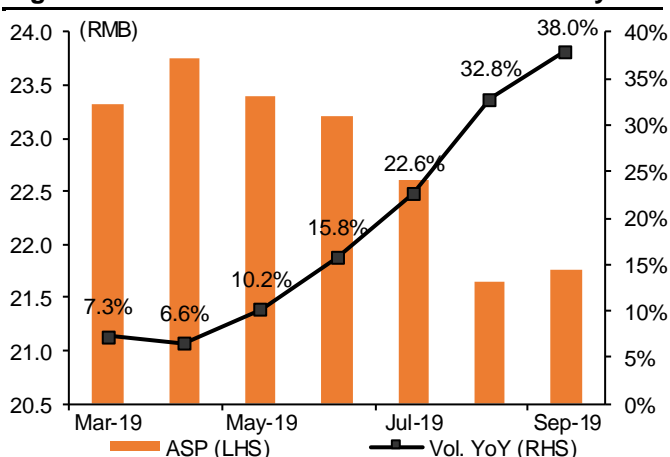
Source: State Post Bureau, Company data, CMBIS

**Figure 21: ASP changes of YTO**

Source: State Post Bureau, Company data, CMBIS

**Figure 22: Volume quarterly growth comparison**

Source: State Post Bureau, Company data, CMBIS estimates

**Figure 23: Low-end market to drive SF recovery**

Source: State Post Bureau, Company data, CMBIS

## Near-term highlights to focus

We believe the sector will be volatile in the near term due to mixed catalysts, and recommend investors to eye on 1) “Double 11” e-commerce carnival, 2) 3Q19 earning results, and 3) upcoming large share selling and restricted share circulation.

### ■ STO may act as game-changer in “Double 11” carnival

As “Double 11” came around, “Tongda”’s have sequentially announced to raise ASP in particular areas to offset margin pressure caused by temporary staff and capacity. ZTO and YTO have now officially confirmed ASP hike. However, we deem that the hike cannot be regarded as a signal of price war truce. During last year’s “Double 11”, some players still offered discounts to gain volume even after ASP hike announcement. In addition, as JD Logistics and SF, two “new” players in low-end market, announced to maintain current pricing, we believe this year’s shopping carnival will continue to be shined the highlight with intensified price war.

Taking account into 1) operational constraints under self-operation model, 2) longstanding high-end brand recognition, 3) existing e-commerce parcel contribution, and 4) drawback on automated sorting, we think JD Logistics/SF will hardly menace “Tongda”’s leadership in near term, which means the pitched battle will occur among “Tongda” peers. Suggest to watch for STO’s performance as this is the first “Double 11” after Alibaba’s strategic investment in STO. We noticed that STO has started to enhance capacity, upgrade digital system, and raise incremental volume incentives to prepare for spiking volume. Together with Alibaba’s potentially greater support in terms of parcel diversion, STO may achieve robust growth, in our view.

### ■ Concentrated restricted share circulation may stumble the sector

Some major players (YTO, STO, SF) went public through restructuring three years ago, and shares lock-up is about to expire in the near term. We believe it may shock the market, especially as there are many financial investors involved in Yunda/STO/YTO’s share circulation, against the backdrop of margins eroded by intensified sector consolidation. In contrast, the US-listed ZTO will confront limited share-selling risk in the near term.

**Figure 24: Overview of major players’ recent equity financing**

| Company | Ticker    | Year | Event             | Amount raised (RMB mn) |
|---------|-----------|------|-------------------|------------------------|
| ZTO     | ZTO US    | 2016 | IPO (US)          | 9,184                  |
| YTO     | 600233 CH | 2016 | Restructuring     | 2,300                  |
| STO     | 002468 CH | 2016 | Restructuring     | 4,800                  |
| SF      | 002352 CH | 2017 | Restructuring     | 8,000                  |
| Yunda   | 002120 CH | 2018 | Private placement | 3,915                  |

Source: Wind, Company data, CMBIS

**Figure 25: Short-term stock pressure form restricted shares circulation**

| Company | Status  | Date                 | Event  |
|---------|---------|----------------------|--|
| SF      | Ongoing | Oct 25, 2019 (End)   | Shun Da Feng Run to sell as many as 133mn shares (~3% of total shares)               |
| SF      | Pending | Oct 30, 2019 (Begin) | Yuan He Shun Feng to sell as many as 132mn shares (~3% of total shares)              |
| SF      | Pending | Jan 23, 2020         | 2,702mn restricted shares to circulate (Principle shareholder; ~61% of total shares) |
| YTO     | Done    | Sep 30, 2019         | 2,038mn restricted shares circulated (~72% of total shares)                          |
| Yunda   | Pending | Dec 24, 2019         | 1,650mn restricted shares to circulate (287% of current free flow)                   |
| STO     | Ongoing | Feb 19, 2020 (End)   | Nan Tong Hong Shi to sell as many as 15mn shares (~1% of total shares)               |
| STO     | Pending | Dec 27, 2019         | 1,199mn restricted shares to circulate (361% of current free flow)                   |

Source: Wind, Company data, CMBIS



**Figure 26: Overview of major players' achievement in Sep**

| Comp | Date      | Event   | Highlights  |
|------|-----------|---|---|
| SF   | Early Sep | Obtained personal privacy protection certificate  | <ul style="list-style-type: none"> <li>Constantly reinforced protection on personal information</li> <li>Benchmarked against global standards</li> </ul>                        |
|      | Sep 4     | SFBest launched new-business supermarkets   | <ul style="list-style-type: none"> <li>Focused on improving operating leverage</li> </ul>   |
|      | Sep 6     | SFFix convened "intelligent logistics empowered by post-sales services" with top brands | <ul style="list-style-type: none"> <li>Aimed to provide post-sales supply chain solutions throughout various industries and expand presence in supply chain business</li> </ul> |
|      | Mid Sep   | SF Rush launched new timeliness product "Bang Wo Mai"(帮我买) in Zhengzhou                 | <ul style="list-style-type: none"> <li>Expanded service categories in intra-city segment</li> </ul>   |
|      | Sep 15    | Initiated first B747 flight into Europe   | <ul style="list-style-type: none"> <li>Built out international air cargo network</li> <li>Focused on help domestic customers penetrate into Europe market.</li> </ul>           |
|      | Sep 24    | CEO Wang Wei announced to increase couriers' income                                     | <ul style="list-style-type: none"> <li>Monthly incremental expense of RMB24mn</li> <li>Limited impact; increased expense ratio by 0.2ppt</li> </ul>                             |
| YTO  | Sep 2     | Opened "Kunming - Karachi" flight route   | <ul style="list-style-type: none"> <li>Opened 14 international flight routes in total, with focus on BRI countries</li> </ul>   |
|      | Sep 4     | Hebei Suning sorting center was put into operation                                      | <ul style="list-style-type: none"> <li>Investment amounted to RMB170mn</li> <li>Daily capacity surpassed 1mn shipments</li> </ul>   |
|      | Sep 30    | Over 2bn restricted shares circulated   | <ul style="list-style-type: none"> <li>Market cap reached RMB23.3bn</li> </ul>  |
| STO  | Sep 20    | Set up Sina Life Insurance in conjunction with Sina and Weibo                           | <ul style="list-style-type: none"> <li>Stepped up penetration into financial service sector</li> </ul>  |
|      | Sep 24    | Cooperated with Cainiao network to provide cross-border delivery services               | <ul style="list-style-type: none"> <li>Took charge of first-mile parcel pick-up</li> <li>Services covered 27provinces, 203 cities nationwide</li> </ul>                         |
| BEST | Sep 9     | Published its first ESG report  | <ul style="list-style-type: none"> <li>Introduced its consistent effort in environmental and social issues</li> </ul>   |
|      | Sep 19    | Entered partnership with Yongxing County to boost sales of local agricultural products  | <ul style="list-style-type: none"> <li>Aimed to provide end-to-end agricultural product logistic solution</li> </ul>  |
| ZTO  | Early Sep | Tested "5G+automated" truck   | <ul style="list-style-type: none"> <li>Tested automated truck's reaction under various circumstances</li> </ul>   |

Source: Company data, CMBIS

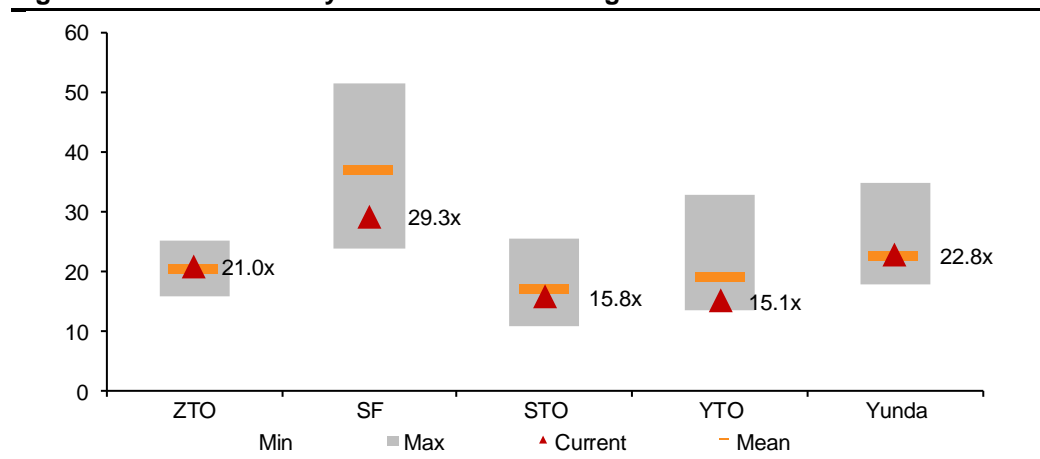


## Stock pick

### Reiterate ZTO as top pick

We think the sector will be volatile in the near term, in view of 1) “Double 11” as catalyst and 2) impact from large restricted share circulation. That said, we are bullish on ZTO, due to 1) accelerated sector consolidation, 2) its advantage on automated sorting and transportation capacity, and 3) limited share-selling risk in the near term.

Figure 27: Current VS 2-year historical P/E range



Source: Bloomberg, CMBIS estimates

Figure 28: Peers comparison

| Comp                      | Ticker    | Mkt cap<br>(USD mn) | Curr. | Price | TP    | Upside | ROE  |      | PE   |      | PB   |      | EV/EBITD<br>A |      | FY18-20E<br>EPS CAGR |
|---------------------------|-----------|---------------------|-------|-------|-------|--------|------|------|------|------|------|------|---------------|------|----------------------|
|                           |           |                     |       |       | (LC)  | (%)    | 19E  | 20E  | 19E  | 20E  | 19E  | 20E  | 19E           | 20E  |                      |
| China express delivery    |           |                     |       |       |       |        |      |      |      |      |      |      |               |      |                      |
| ZTO                       | ZTO US    | 16,299              | USD   | 20.84 | 22.17 | 6.4    | 12.4 | 13.8 | 24.2 | 21.0 | 3.1  | 2.7  | 14.6          | 11.6 | 12%                  |
| SF                        | 002352 CH | 25,544              | CNY   | 40.90 | 46.53 | 13.8   | 13.7 | 14.2 | 34.1 | 29.3 | 4.4  | 3.9  | 17.4          | 14.4 | 33%                  |
| YTO                       | 600233 CH | 5,000               | CNY   | 12.43 | NA    | NA     | 16.0 | 16.1 | 17.4 | 15.1 | 2.7  | 2.3  | 9.7           | 8.4  | 10%                  |
| STO                       | 002468 CH | 4,940               | CNY   | 22.81 | NA    | NA     | 19.8 | 19.8 | 18.3 | 15.8 | 3.5  | 2.9  | 10.6          | 8.7  | 4%                   |
| Yunda                     | 002120 CH | 11,334              | CNY   | 35.98 | NA    | NA     | 20.7 | 20.7 | 28.1 | 22.8 | 5.9  | 4.9  | 15.9          | 12.3 | 13%                  |
| Deppon                    | 603056 CH | 1,737               | CNY   | 12.79 | NA    | NA     | 15.2 | 16.1 | 17.2 | 13.8 | 2.7  | 2.3  | 6.7           | 5.6  | 12%                  |
| Average                   |           |                     |       |       |       |        | 16.3 | 16.8 | 23.2 | 19.6 | 3.7  | 3.2  | 12.5          | 10.2 | 14%                  |
| Overseas express delivery |           |                     |       |       |       |        |      |      |      |      |      |      |               |      |                      |
| FedEx                     | FDX US    | 39,113              | USD   | 149.9 | NA    | NA     | 19.7 | 17.5 | 9.8  | 12.2 | 1.9  | 2.0  | 8.2           | 8.9  | -4%                  |
| UPS                       | UPS US    | 100,769             | USD   | 117.4 | NA    | NA     | 120  | 87.3 | 15.6 | 14.4 | 15.4 | 10.4 | 11.6          | 10.7 | 6%                   |
| Yamato                    | 9064 JP   | 6,701               | JPY   | 1,768 | NA    | NA     | 6.4  | 6.0  | 19.3 | 20.2 | 1.2  | 1.2  | 5.9           | 5.8  | 50%                  |
| DHL                       | DPW GR    | 42,436              | EUR   | 30.76 | NA    | NA     | 18.6 | 19.3 | 14.4 | 12.5 | 2.6  | 2.3  | 7.0           | 6.4  | 16%                  |
| Average                   |           |                     |       |       |       |        | 41.1 | 32.5 | 14.8 | 14.9 | 5.3  | 4.0  | 8.2           | 7.9  | 17%                  |
| Total Average             |           |                     |       |       |       |        | 37.2 | 37.5 | 19.8 | 12.7 | 3.9  | 7.3  | 10.5          | 5.9  | 15%                  |

Source: Bloomberg, CMBIS estimates

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|------------------|---|
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|                       |   |
|-----------------------|---|
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