

# J&T Express (1519 HK)

## Strong volume in 3Q26; global expansion on track

J&T's parcel volume in 3Q26 grew 25% YoY, with SEA staying strong while China and other markets exceeding our expectations. In the analyst call, management targets to achieve the high-end of full-year volume growth guidance of 50-55% (for SEA). On progress in Europe, J&T is expanding networks in Germany, the UK and France, by adopting an asset-light model at the current stage. We revise up our earnings forecast by 5-7% in 2026-28E, largely due to higher earnings forecasts for China that offset lower forecasts for SEA (as we model in higher transportation cost due to high oil price). Our SOTP-based target price is, however, lowered to HK\$13.1 due to change in the regional mix of valuation. That said, we continue to like J&T's (1) unmatched competitive edge and market share gain potential in SEA (38.1% in 1H26), (2) large potential in emerging markets; and (3) breakthrough in Europe. Maintain **BUY**.

### Key takeaways from 3Q26 results and analyst call:

- **Southeast Asia (SEA) volume +45% YoY to 2.9bn units.** The growth remained strong (though decelerated from 63% in 2Q26 due to high base effect), as J&T continued to gain market share. Besides, emerging e-commerce platforms continued to boost customer intakes. Looking forward, management maintains the full-year parcel volume growth guidance of 50-55%, and will strive to achieve the high-end of the target range. Regarding network capacity, the daily peak level is currently at 47mn parcels. J&T plans to boost the capacity to 50-60mn, through network expansion and increased equipment automation.
- **China volume +15% YoY to 6.4bn units.** The growth rate surprisingly further accelerated from 2Q26. Management revealed that the "anti-involution" campaign and high oil price have been supporting the ASP. ASP in 2H26 has been resilient as local authorities have successively rolled out guidance on pricing.
- **Other markets volume +1.6x YoY to 271mn units.** The growth rate further accelerated from 2Q26. Management revealed that growth in the region has been driven by strong macro factors (such as young population). Besides, improvement in port infrastructure will facilitate more Chinese goods imports, which will be positive to the region's e-commerce and logistics. J&T has been working smoothly with **Mercado Libre (MELI US, NR)**, the regional partner on both e-commerce and non-platform business.

### Earnings Summary

| (YE 31 Dec)                   | FY24A  | FY25A  | FY26E  | FY27E  | FY28E   |
|-------------------------------|--------|--------|--------|--------|---------|
| Revenue (US\$ mn)             | 10,259 | 12,158 | 15,572 | 18,173 | 20,969  |
| YoY growth (%)                | 15.9   | 18.5   | 28.1   | 16.7   | 15.4    |
| Adjusted net profit (US\$ mn) | 200.3  | 425.4  | 661.7  | 889.2  | 1,041.8 |
| EPS (Adjusted) (US\$ cents)   | 2.30   | 4.87   | 7.16   | 9.27   | 10.86   |
| Consensus EPS (US\$ cents)    | na     | 0.00   | 7.67   | 10.06  | 12.94   |
| P/E (x)                       | 98.5   | 50.1   | 18.1   | 13.9   | 11.9    |
| P/B (x)                       | 3.5    | 3.2    | 2.9    | 2.4    | 2.0     |
| Yield (%)                     | 0.0    | 0.0    | 0.0    | 0.0    | 0.0     |
| ROE (%)                       | 3.6    | 6.6    | 16.9   | 19.0   | 18.4    |
| Net gearing (%)               | (1.9)  | 8.5    | (1.9)  | (9.2)  | (15.7)  |

Source: Company data, Bloomberg, CMBIGM estimates

## BUY (Maintain)

|               |            |
|---------------|------------|
| Target Price  | HK\$13.10  |
| (Previous TP) | HK\$14.70) |
| Up/Downside   | 46.8%      |
| Current Price | HK\$8.93   |

### China Logistics

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#### Stock Data

|                          |            |
|--------------------------|------------|
| Mkt Cap (HK\$ mn)        | 85,595.8   |
| Avg 3 mths t/o (HK\$ mn) | 353.3      |
| 52w High/Low (HK\$)      | 12.00/8.08 |
| Total Issued Shares (mn) | 9590.6     |

Source: FactSet

#### Shareholding Structure

|            |       |
|------------|-------|
| Jet Jie Li | 10.2% |
| SF         | 10.1% |

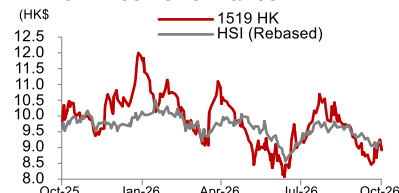
Source: HKEx

#### Share Performance

|       | Absolute | Relative |
|-------|----------|----------|
| 1-mth | -4.0%    | -1.7%    |
| 3-mth | -2.5%    | -2.4%    |
| 6-mth | -14.1%   | -8.6%    |

Source: FactSet

#### 12-mth Price Performance



Source: FactSet

#### Related reports:

J&T Express – 2025 earnings beat expectations; Market share further expanded – 31 Mar 2026 ([link](#))

J&T Express – Share-swap with SF to help expand new markets – 15 Jan 2026 ([link](#))

J&T Express – Takeaways from Bangkok investor call – 12 Dec 2025 ([link](#))

Figure 1: Quarterly parcel volume

|                        | 1Q25         | 1Q26         | Change YoY   | 2Q25         | 2Q26         | Change YoY   | 3Q25         | 3Q26         | Change YoY   |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Shipment volume</b> |              |              |              |              |              |              |              |              |              |
| (mn units of parcel)   |              |              |              |              |              |              |              |              |              |
| Southeast Asia         | 1,538        | 2,768        | 79.9%        | 1,688        | 2,755        | 63.2%        | 1,997        | 2,886        | 44.5%        |
| China                  | 4,985        | 5,404        | 8.4%         | 5,614        | 6,211        | 10.6%        | 5,576        | 6,428        | 15.3%        |
| New markets            | 77           | 154          | 100.5%       | 89           | 211          | 136.4%       | 104          | 271          | 159.9%       |
| <b>Total</b>           | <b>6,600</b> | <b>8,326</b> | <b>26.2%</b> | <b>7,392</b> | <b>9,177</b> | <b>24.2%</b> | <b>7,677</b> | <b>9,584</b> | <b>24.8%</b> |

Source: Company data, CMBIGM

Figure 2: Change in key assumptions

|                                                       | 2026E         | Old 2027E     | 2028E         | 2026E         | New 2027E     | 2028E         | 2026E        | Change 2027E | 2028E        |
|-------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|
| <b>Shipment volume (mn units of parcel)</b>           |               |               |               |               |               |               |              |              |              |
| Southeast Asia                                        | 10,339        | 12,924        | 15,509        | 11,718        | 14,647        | 17,577        | 13.3%        | 13.3%        | 13.3%        |
| China                                                 | 24,493        | 27,432        | 30,724        | 24,493        | 27,432        | 30,724        | 0.0%         | 0.0%         | 0.0%         |
| New markets                                           | 545           | 752           | 1,038         | 889           | 1,226         | 1,692         | 63.0%        | 63.0%        | 63.0%        |
| <b>Total</b>                                          | <b>35,378</b> | <b>41,109</b> | <b>47,272</b> | <b>37,100</b> | <b>43,306</b> | <b>49,994</b> | <b>4.9%</b>  | <b>5.3%</b>  | <b>5.8%</b>  |
| <b>ASP (US\$)</b>                                     |               |               |               |               |               |               |              |              |              |
| Southeast Asia                                        | 0.54          | 0.52          | 0.50          | 0.52          | 0.50          | 0.48          | -4.3%        | -4.3%        | -4.3%        |
| China                                                 | 0.30          | 0.29          | 0.29          | 0.31          | 0.30          | 0.30          | 4.1%         | 4.1%         | 4.1%         |
| New markets                                           | 2.11          | 2.07          | 2.03          | 2.07          | 2.03          | 1.99          | -2.0%        | -2.0%        | -2.0%        |
| <b>Blended</b>                                        | <b>0.40</b>   | <b>0.40</b>   | <b>0.39</b>   | <b>0.42</b>   | <b>0.42</b>   | <b>0.42</b>   | <b>5.2%</b>  | <b>5.5%</b>  | <b>6.0%</b>  |
| <b>Unit cost of express delivery by region (US\$)</b> |               |               |               |               |               |               |              |              |              |
| Southeast Asia                                        | -0.44         | -0.43         | -0.42         | -0.45         | -0.43         | -0.42         | 1.0%         | 0.6%         | 0.5%         |
| China                                                 | -0.28         | -0.27         | -0.26         | -0.28         | -0.27         | -0.26         | 0.0%         | 0.0%         | 0.0%         |
| New markets                                           | -1.76         | -1.72         | -1.69         | -1.77         | -1.73         | -1.70         | 0.5%         | 0.5%         | 0.5%         |
| <b>Average</b>                                        | <b>-0.35</b>  | <b>-0.35</b>  | <b>-0.35</b>  | <b>-0.37</b>  | <b>-0.37</b>  | <b>-0.37</b>  | <b>5.2%</b>  | <b>5.6%</b>  | <b>6.3%</b>  |
| <b>Unit gross margin (US\$)</b>                       |               |               |               |               |               |               |              |              |              |
| Southeast Asia                                        | 0.10          | 0.09          | 0.08          | 0.07          | 0.06          | 0.05          | -28.9%       | -28.6%       | -30.7%       |
| China                                                 | 0.02          | 0.02          | 0.02          | 0.03          | 0.03          | 0.04          | 60.0%        | 54.2%        | 48.4%        |
| New markets                                           | 0.35          | 0.35          | 0.34          | 0.30          | 0.30          | 0.29          | -14.9%       | -14.6%       | -14.8%       |
| <b>Average</b>                                        | <b>0.05</b>   | <b>0.05</b>   | <b>0.05</b>   | <b>0.05</b>   | <b>0.05</b>   | <b>0.05</b>   | <b>5.4%</b>  | <b>5.1%</b>  | <b>4.2%</b>  |
| <b>(US\$ mn)</b>                                      |               |               |               |               |               |               |              |              |              |
| <b>Revenue</b>                                        |               |               |               |               |               |               |              |              |              |
| <b>Express delivery services</b>                      |               |               |               |               |               |               |              |              |              |
| Southeast Asia                                        | 5,591         | 6,709         | 7,729         | 6,061         | 7,273         | 8,379         | 8.4%         | 8.4%         | 8.4%         |
| China                                                 | 7,299         | 8,011         | 8,793         | 7,597         | 8,338         | 9,152         | 4.1%         | 4.1%         | 4.1%         |
| New markets                                           | 1,151         | 1,557         | 2,106         | 1,838         | 2,486         | 3,362         | 59.6%        | 59.6%        | 59.6%        |
| Cross-border services                                 | 76            | 76            | 76            | 76            | 76            | 76            | 0.0%         | 0.0%         | 0.0%         |
| <b>Total</b>                                          | <b>14,117</b> | <b>16,354</b> | <b>18,704</b> | <b>15,572</b> | <b>18,173</b> | <b>20,969</b> | <b>10.3%</b> | <b>11.1%</b> | <b>12.1%</b> |
| <b>Gross margin (by region)</b>                       |               |               |               |               |               |               |              |              |              |
| Southeast Asia                                        | 18%           | 17%           | 16%           | 13%           | 13%           | 11%           | ppt (4.6)    | (4.3)        | (4.3)        |
| China                                                 | 7%            | 8%            | 8%            | 10%           | 11%           | 12%           | 3.7          | 3.6          | 3.6          |
| New markets                                           | 17%           | 17%           | 17%           | 15%           | 15%           | 14%           | (2.2)        | (2.2)        | (2.2)        |
| Cross border                                          | 10%           | 10%           | 10%           | 10%           | 10%           | 10%           | 0.0          | 0.0          | 0.0          |
| <b>Blended gross margin</b>                           | <b>12%</b>    | <b>12%</b>    | <b>12%</b>    | <b>12%</b>    | <b>12%</b>    | <b>12%</b>    | <b>0.0</b>   | <b>(0.0)</b> | <b>(0.2)</b> |
| <b>Recurring net profit after tax</b>                 | <b>615</b>    | <b>830</b>    | <b>990</b>    | <b>662</b>    | <b>889</b>    | <b>1,042</b>  | <b>7.6%</b>  | <b>7.2%</b>  | <b>5.3%</b>  |

Source: Company data, CMBIGM estimates

**Figure 3: Key operating assumptions**

|                                                       | 2020          | 2021          | 2022          | 2023          | 2024          | 2025          | 2026E         | 2027E         | 2028E         |
|-------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Shipment volume (mn units of parcel)</b>           |               |               |               |               |               |               |               |               |               |
| Southeast Asia                                        | 1,154         | 2,161         | 2,513         | 3,240         | 4,563         | 7,659         | 11,718        | 14,647        | 17,577        |
| China                                                 | 2,084         | 8,334         | 12,026        | 15,341        | 19,801        | 22,066        | 24,493        | 27,432        | 30,724        |
| Others                                                | -             | -             | 49            | 230           | 281           | 404           | 889           | 1,226         | 1,692         |
| <b>Total</b>                                          | <b>3,237</b>  | <b>10,495</b> | <b>14,588</b> | <b>18,812</b> | <b>24,646</b> | <b>30,129</b> | <b>37,100</b> | <b>43,306</b> | <b>49,994</b> |
| <b>Change (YoY)</b>                                   |               |               |               |               |               |               |               |               |               |
| Southeast Asia                                        | -             | 87.3%         | 16.3%         | 28.9%         | 40.8%         | 67.8%         | 53.0%         | 25.0%         | 20.0%         |
| China                                                 | -             | 300.0%        | 44.3%         | 27.6%         | 29.1%         | 11.4%         | 11.0%         | 12.0%         | 12.0%         |
| New markets                                           | -             | -             | -             | 369.0%        | 22.1%         | 43.6%         | 120.0%        | 38.0%         | 38.0%         |
| <b>Average</b>                                        | <b>-</b>      | <b>224.2%</b> | <b>39.0%</b>  | <b>29.0%</b>  | <b>31.0%</b>  | <b>22.2%</b>  | <b>23.1%</b>  | <b>16.7%</b>  | <b>15.4%</b>  |
| <b>ASP (US\$)</b>                                     |               |               |               |               |               |               |               |               |               |
| Southeast Asia                                        | 0.91          | 1.10          | 0.95          | 0.81          | 0.71          | 0.59          | 0.52          | 0.50          | 0.48          |
| China                                                 | 0.23          | 0.26          | 0.34          | 0.34          | 0.32          | 0.30          | 0.31          | 0.30          | 0.30          |
| Others                                                | -             | -             | 1.67          | 1.42          | 2.05          | 2.15          | 2.07          | 2.03          | 1.99          |
| Blended                                               | 0.47          | 0.43          | 0.45          | 0.44          | 0.41          | 0.40          | 0.42          | 0.42          | 0.42          |
| <b>Change (YoY)</b>                                   |               |               |               |               |               |               |               |               |               |
| Southeast Asia                                        | -             | 21.3%         | -13.9%        | -14.2%        | -13.2%        | -16.7%        | -12.0%        | -4.0%         | -4.0%         |
| China                                                 | -             | 13.9%         | 30.1%         | 0.1%          | -5.4%         | -5.7%         | 2.0%          | -2.0%         | -2.0%         |
| Others                                                | -             | -             | -             | -14.8%        | 44.2%         | 5.3%          | -4.0%         | -2.0%         | -2.0%         |
| <b>Average</b>                                        | <b>-</b>      | <b>-7.8%</b>  | <b>3.5%</b>   | <b>-3.2%</b>  | <b>-5.1%</b>  | <b>-3.0%</b>  | <b>4.2%</b>   | <b>0.1%</b>   | <b>0.0%</b>   |
| <b>Unit cost of express delivery by region (US\$)</b> |               |               |               |               |               |               |               |               |               |
| Southeast Asia                                        | -0.64         | -0.79         | -0.76         | -0.67         | -0.57         | -0.48         | -0.45         | -0.43         | -0.42         |
| China                                                 | -0.51         | -0.41         | -0.40         | -0.34         | -0.30         | -0.28         | -0.28         | -0.27         | -0.26         |
| Others                                                | -             | -             | -2.06         | -1.41         | -1.94         | -1.79         | -1.77         | -1.73         | -1.70         |
| <b>Average</b>                                        | <b>-0.55</b>  | <b>-0.49</b>  | <b>-0.46</b>  | <b>-0.41</b>  | <b>-0.37</b>  | <b>-0.35</b>  | <b>-0.37</b>  | <b>-0.37</b>  | <b>-0.37</b>  |
| <b>Change (YoY)</b>                                   |               |               |               |               |               |               |               |               |               |
| Southeast Asia                                        | -             | 24.7%         | -4.5%         | -12.0%        | -15.1%        | -16.2%        | -5.7%         | -3.1%         | -2.7%         |
| China                                                 | -             | -19.5%        | -3.0%         | -14.9%        | -10.6%        | -5.8%         | -2.2%         | -2.8%         | -2.9%         |
| Others                                                | -             | -             | -             | -31.4%        | 37.5%         | -7.9%         | -1.1%         | -2.2%         | -1.6%         |
| <b>Average</b>                                        | <b>-</b>      | <b>-11.9%</b> | <b>-4.8%</b>  | <b>-12.2%</b> | <b>-9.3%</b>  | <b>-4.5%</b>  | <b>4.1%</b>   | <b>-0.1%</b>  | <b>0.1%</b>   |
| <b>Unit gross margin (US\$)</b>                       |               |               |               |               |               |               |               |               |               |
| Southeast Asia                                        | 0.27          | 0.31          | 0.19          | 0.15          | 0.14          | 0.11          | 0.07          | 0.06          | 0.05          |
| China                                                 | -0.28         | -0.15         | -0.06         | 0.00          | 0.02          | 0.02          | 0.03          | 0.03          | 0.04          |
| Others                                                | -             | -             | -0.39         | 0.01          | 0.11          | 0.37          | 0.30          | 0.30          | 0.29          |
| <b>Average</b>                                        | <b>-0.08</b>  | <b>-0.05</b>  | <b>-0.01</b>  | <b>0.03</b>   | <b>0.04</b>   | <b>0.05</b>   | <b>0.05</b>   | <b>0.05</b>   | <b>0.05</b>   |
| <b>Change (YoY)</b>                                   |               |               |               |               |               |               |               |               |               |
| Southeast Asia                                        | -             | 13.3%         | -38.2%        | -23.4%        | -4.4%         | -19.0%        | -38.7%        | -9.7%         | -13.3%        |
| China                                                 | -             | -             | -             | -             | -             | -5.1%         | 60.2%         | 4.6%          | 5.5%          |
| Others                                                | -             | -             | -             | -             | -             | 248.2%        | -18.0%        | -0.9%         | -4.2%         |
| <b>Average</b>                                        | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>56.1%</b>  | <b>9.7%</b>   | <b>4.3%</b>   | <b>1.2%</b>   | <b>-0.6%</b>  |
| <b>(US\$ mn)</b>                                      |               |               |               |               |               |               |               |               |               |
| <b>Revenue</b>                                        | <b>2020</b>   | <b>2021</b>   | <b>2022</b>   | <b>2023</b>   | <b>2024</b>   | <b>2025</b>   | <b>2026E</b>  | <b>2027E</b>  | <b>2028E</b>  |
| Express delivery services                             | 1,525         | 4,559         | 6,560         | 8,189         | 10,185        | 12,082        | 15,496        | 18,097        | 20,893        |
| Southeast Asia                                        | 1,047         | 2,378         | 2,382         | 2,633         | 3,221         | 4,502         | 6,061         | 7,273         | 8,379         |
| China                                                 | 479           | 2,181         | 4,096         | 5,229         | 6,388         | 6,710         | 7,597         | 8,338         | 9,152         |
| Others                                                | -             | -             | 82            | 327           | 576           | 870           | 1,838         | 2,486         | 3,362         |
| Cross-border services                                 | 10            | 292           | 708           | 660           | 75            | 76            | 76            | 76            | 76            |
| <b>Total</b>                                          | <b>1,535</b>  | <b>4,852</b>  | <b>7,267</b>  | <b>8,849</b>  | <b>10,259</b> | <b>12,158</b> | <b>15,572</b> | <b>18,173</b> | <b>20,969</b> |
| <b>Revenue growth (by segment)</b>                    |               |               |               |               |               |               |               |               |               |
| Express delivery services                             | -             | 198.9%        | 43.9%         | 24.8%         | 24.4%         | 18.6%         | 28.3%         | 16.8%         | 15.4%         |
| Southeast Asia                                        | -             | 127.2%        | 0.2%          | 10.6%         | 22.3%         | 39.8%         | 34.6%         | 20.0%         | 15.2%         |
| China                                                 | -             | 355.5%        | 87.8%         | 27.7%         | 22.2%         | 5.0%          | 13.2%         | 9.8%          | 9.8%          |
| Others                                                | -             | -             | -             | 299.5%        | 76.1%         | 51.2%         | 111.2%        | 35.2%         | 35.2%         |
| Cross-border services                                 | -             | 2797.5%       | 142.5%        | -6.8%         | -88.7%        | 2.1%          | 0.0%          | 0.0%          | 0.0%          |
| <b>Average</b>                                        | <b>-</b>      | <b>216.0%</b> | <b>49.8%</b>  | <b>21.8%</b>  | <b>15.9%</b>  | <b>18.5%</b>  | <b>28.1%</b>  | <b>16.7%</b>  | <b>15.4%</b>  |
| <b>Gross margin (by region)</b>                       |               |               |               |               |               |               |               |               |               |
| Southeast Asia                                        | 29.8%         | 27.8%         | 20.0%         | 17.9%         | 19.7%         | 19.1%         | 13.3%         | 12.5%         | 11.3%         |
| China                                                 | -120.4%       | -55.9%        | -16.2%        | 1.1%          | 6.6%          | 6.7%          | 10.5%         | 11.2%         | 12.0%         |
| Others                                                | 0.0%          | 0.0%          | -23.5%        | 0.5%          | 5.2%          | 17.0%         | 14.6%         | 14.7%         | 14.4%         |
| Cross border                                          | 32.5%         | 4.1%          | -8.8%         | -8.8%         | -9.5%         | 8.7%          | 10.0%         | 10.0%         | 10.0%         |
| <b>Blended gross margin</b>                           | <b>-17.0%</b> | <b>-11.2%</b> | <b>-3.7%</b>  | <b>5.3%</b>   | <b>10.5%</b>  | <b>12.0%</b>  | <b>12.1%</b>  | <b>12.2%</b>  | <b>12.1%</b>  |
| <b>(US\$ mn)</b>                                      |               |               |               |               |               |               |               |               |               |
| <b>Adjusted EBITDA</b>                                | <b>2020</b>   | <b>2021</b>   | <b>2022</b>   | <b>2023</b>   | <b>2024</b>   | <b>2025</b>   | <b>2026E</b>  | <b>2027E</b>  | <b>2028E</b>  |
| SEA                                                   | 267           | 427           | 332           | 376           | 456           | 706           | 679           | 794           | 786           |
| China                                                 | -616          | -1,206        | -723          | 31            | 427           | 363           | 651           | 772           | 895           |
| Others                                                | 0             | 0             | -74           | -82           | -43           | 48            | 86            | 134           | 189           |
| Cross border                                          | 2             | -14           | -95           | -107          | -29           | 4             | 7             | 7             | 7             |
| Unallocated                                           | 27            | -2            | -334          | -71           | -33           | -73           | -60           | -60           | -60           |
| <b>Total adjusted EBITDA</b>                          | <b>-321</b>   | <b>-794</b>   | <b>-894</b>   | <b>147</b>    | <b>778</b>    | <b>1,049</b>  | <b>1,363</b>  | <b>1,647</b>  | <b>1,817</b>  |
| Share-based payments and expenses                     | -188          | -619          | -281          | -1,462        | -87           | -113          | 0             | 0             | 0             |
| Listing expense                                       | 0             | -12           | -10           | -8            | 0             | 0             | 0             | 0             | 0             |
| Others                                                | 0             | -1            | 302           | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>Reported EBITDA</b>                                | <b>-509</b>   | <b>-1,427</b> | <b>-884</b>   | <b>-1,324</b> | <b>692</b>    | <b>937</b>    | <b>1,363</b>  | <b>1,647</b>  | <b>1,817</b>  |

Source: Company data, CMBIGM estimates

## Valuation

We apply different EV/EBITDA multiples for different markets to better reflect their respective growth outlook. Our new SOTP-based TP is HK\$13.1 (from HK\$14.7). Our multiples for each market are unchanged. The change in TP is mainly due to our high earnings forecasts for China but lower forecasts for SEA.

- **SEA:** We assign a target multiple of 14x, which is ~60% premium over the average of global integrated logistics operators. Our larger target premium is to reflect J&T's strong pricing power and continuous market share gains in the region.
- **China:** We assign a target multiple of 6.5x, in line with the major peers' average. We expect the "anti-involution" campaign will lend support to the valuation.
- **Others:** We assign a target multiple of 20x. Our valuation premium is to reflect the strong growth potential in the Latin America and Europe.

**Figure 4: Target equity valuation**

| Breakdown                 | Methodology |        | 2026E<br>(US\$ mn) | Multiple<br>(x) | Value<br>(US\$mn) | % of total |
|---------------------------|-------------|--------|--------------------|-----------------|-------------------|------------|
| SEA                       | EV/EBITDA   | EBITDA | 679                | 14              | 9,512             | 61%        |
| China                     | EV/EBITDA   | EBITDA | 651                | 6.5             | 4,229             | 27%        |
| Others                    | EV/EBITDA   | EBITDA | 86                 | 20              | 1,728             | 11%        |
| <b>Total EV</b>           |             |        |                    |                 | <b>15,469</b>     | 100%       |
| Add: Net cash (end 2025)  |             |        |                    |                 | -269              |            |
| Minus: MI                 |             |        |                    |                 | 0                 |            |
| <b>Equity value</b>       |             |        |                    |                 | <b>15,199</b>     |            |
| <b>Market value of SF</b> |             |        |                    |                 | <b>935</b>        |            |
| <b>Target price</b>       |             |        |                    |                 |                   |            |
| US\$                      |             |        |                    |                 | <b>1.68</b>       |            |
| HK\$                      |             |        |                    |                 | <b>13.1</b>       |            |

Source: CMBIGM estimates

**Risk factors:** (1) Slowdown of overseas parcel growth; (2) continuously high oil price; (3) sharp depreciation of emerging markets currencies.

## Financial Summary

| INCOME STATEMENT                           | 2023A          | 2024A         | 2025A         | 2026E         | 2027E         | 2028E         |
|--------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| YE 31 Dec (US\$ mn)                        |                |               |               |               |               |               |
| <b>Revenue</b>                             | <b>8,849</b>   | <b>10,259</b> | <b>12,158</b> | <b>15,572</b> | <b>18,173</b> | <b>20,969</b> |
| Cost of goods sold                         | (8,376)        | (9,181)       | (10,695)      | (13,694)      | (15,958)      | (18,429)      |
| <b>Gross profit</b>                        | <b>473</b>     | <b>1,078</b>  | <b>1,463</b>  | <b>1,878</b>  | <b>2,216</b>  | <b>2,540</b>  |
| <b>Operating profit</b>                    | <b>(1,767)</b> | <b>211</b>    | <b>473</b>    | <b>873</b>    | <b>1,130</b>  | <b>1,302</b>  |
| Share of (losses)/profits of associates/JV | (0)            | (0)           | (0)           | 0             | 0             | 0             |
| Interest income                            | 25             | 41            | 46            | 51            | 55            | 62            |
| Interest expense                           | (105)          | (126)         | (148)         | (145)         | (138)         | (138)         |
| <b>Net interest income/(expense)</b>       | <b>(80)</b>    | <b>(86)</b>   | <b>(103)</b>  | <b>(95)</b>   | <b>(83)</b>   | <b>(77)</b>   |
| Others                                     | 708            | 4             | (106)         | 0             | 0             | 0             |
| <b>Pre-tax profit</b>                      | <b>(1,139)</b> | <b>129</b>    | <b>263</b>    | <b>779</b>    | <b>1,046</b>  | <b>1,226</b>  |
| Income tax                                 | (17)           | (15)          | (38)          | (117)         | (157)         | (184)         |
| <b>After tax profit</b>                    | <b>(1,156)</b> | <b>114</b>    | <b>225</b>    | <b>662</b>    | <b>889</b>    | <b>1,042</b>  |
| Minority interest                          | 55             | (13)          | (27)          | (79)          | (107)         | (125)         |
| <b>Net profit</b>                          | <b>(1,101)</b> | <b>101</b>    | <b>198</b>    | <b>582</b>    | <b>782</b>    | <b>917</b>    |
| <b>Adjusted net profit</b>                 | <b>(432)</b>   | <b>200</b>    | <b>425</b>    | <b>662</b>    | <b>889</b>    | <b>1,042</b>  |
| Gross dividends                            | 0              | 0             | 0             | 0             | 0             | 0             |
| BALANCE SHEET                              | 2023A          | 2024A         | 2025A         | 2026E         | 2027E         | 2028E         |
| YE 31 Dec (US\$ mn)                        |                |               |               |               |               |               |
| <b>Current assets</b>                      | <b>3,137</b>   | <b>3,613</b>  | <b>4,505</b>  | <b>4,904</b>  | <b>5,790</b>  | <b>6,778</b>  |
| Cash & equivalents                         | 1,483          | 1,597         | 2,009         | 2,152         | 2,494         | 2,932         |
| Restricted cash                            | 42             | 41            | 130           | 130           | 130           | 130           |
| Account receivables                        | 556            | 680           | 953           | 754           | 1,039         | 1,259         |
| Inventories                                | 35             | 22            | 21            | 32            | 38            | 53            |
| Prepayment                                 | 971            | 1,172         | 1,271         | 1,716         | 1,969         | 2,282         |
| Financial assets at FVTPL                  | 50             | 101           | 121           | 121           | 121           | 121           |
| Other current assets                       | 0              | 0             | 0             | 0             | 0             | 0             |
| <b>Non-current assets</b>                  | <b>3,464</b>   | <b>3,682</b>  | <b>4,296</b>  | <b>4,453</b>  | <b>4,622</b>  | <b>4,794</b>  |
| PP&E                                       | 1,179          | 1,386         | 1,771         | 2,127         | 2,496         | 2,838         |
| Right-of-use assets                        | 503            | 477           | 566           | 386           | 206           | 56            |
| Deferred income tax                        | 54             | 75            | 108           | 108           | 108           | 108           |
| Investment in JVs & assos                  | 0              | 0             | 0             | 0             | 0             | 0             |
| Intangibles                                | 975            | 1,119         | 1,112         | 1,093         | 1,073         | 1,053         |
| Financial assets at FVTPL                  | 726            | 573           | 658           | 658           | 658           | 658           |
| Other non-current assets                   | 28             | 53            | 81            | 81            | 81            | 81            |
| <b>Total assets</b>                        | <b>6,601</b>   | <b>7,295</b>  | <b>8,801</b>  | <b>9,356</b>  | <b>10,412</b> | <b>11,571</b> |
| <b>Current liabilities</b>                 | <b>2,085</b>   | <b>2,418</b>  | <b>3,455</b>  | <b>3,549</b>  | <b>3,716</b>  | <b>3,833</b>  |
| Short-term borrowings                      | 211            | 263           | 814           | 814           | 814           | 814           |
| Account payables                           | 467            | 590           | 741           | 835           | 1,002         | 1,119         |
| Tax payable                                | 31             | 35            | 23            | 23            | 23            | 23            |
| Other current liabilities                  | 11             | 11            | 5             | 5             | 5             | 5             |
| Lease liabilities                          | 204            | 172           | 166           | 166           | 166           | 166           |
| Contract liabilities                       | 272            | 322           | 346           | 346           | 346           | 346           |
| Accrued expenses                           | 889            | 1,024         | 1,361         | 1,361         | 1,361         | 1,361         |
| <b>Non-current liabilities</b>             | <b>2,037</b>   | <b>2,354</b>  | <b>2,501</b>  | <b>2,301</b>  | <b>2,301</b>  | <b>2,301</b>  |
| Long-term borrowings                       | 1,071          | 1,321         | 1,595         | 1,395         | 1,395         | 1,395         |
| Obligations under finance leases           | 304            | 297           | 331           | 331           | 331           | 331           |
| Other non-current liabilities              | 661            | 737           | 575           | 575           | 575           | 575           |
| <b>Total liabilities</b>                   | <b>4,122</b>   | <b>4,772</b>  | <b>5,956</b>  | <b>5,850</b>  | <b>6,017</b>  | <b>6,134</b>  |
| <b>Total shareholders equity</b>           | <b>2,750</b>   | <b>2,825</b>  | <b>3,155</b>  | <b>3,738</b>  | <b>4,520</b>  | <b>5,437</b>  |
| Minority interest                          | (270)          | (303)         | (311)         | (232)         | (125)         | 0             |

| CASH FLOW                                | 2023A        | 2024A        | 2025A        | 2026E        | 2027E        | 2028E        |
|------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>YE 31 Dec (US\$ mn)</b>               |              |              |              |              |              |              |
| <b>Operating</b>                         |              |              |              |              |              |              |
| Profit before taxation                   | (1,139)      | 129          | 263          | 779          | 1,046        | 1,226        |
| Depreciation & amortization              | 246          | 263          | 291          | 310          | 338          | 365          |
| Tax paid                                 | (82)         | (64)         | (38)         | (117)        | (157)        | (184)        |
| Change in working capital                | 205          | 65           | (219)        | (163)        | (378)        | (431)        |
| Others                                   | 1,113        | 415          | 791          | 275          | 263          | 227          |
| <b>Net cash from operations</b>          | <b>342</b>   | <b>807</b>   | <b>1,088</b> | <b>1,084</b> | <b>1,113</b> | <b>1,203</b> |
| <b>Investing</b>                         |              |              |              |              |              |              |
| Capital expenditure                      | (417)        | (502)        | (594)        | (640)        | (680)        | (680)        |
| Acquisition of subsidiaries/ investments | (62)         | 11           | 0            | 0            | 0            | 0            |
| Others                                   | (380)        | (83)         | (70)         | 44           | 48           | 55           |
| <b>Net cash from investing</b>           | <b>(859)</b> | <b>(574)</b> | <b>(664)</b> | <b>(596)</b> | <b>(632)</b> | <b>(625)</b> |
| <b>Financing</b>                         |              |              |              |              |              |              |
| Dividend paid                            | (29)         | 0            | 0            | 0            | 0            | 0            |
| Net borrowings                           | 184          | 301          | 826          | (200)        | 0            | 0            |
| Proceeds from share issues               | 486          | 0            | (43)         | 0            | 0            | 0            |
| Others                                   | (141)        | (401)        | (783)        | (145)        | (138)        | (138)        |
| <b>Net cash from financing</b>           | <b>501</b>   | <b>(100)</b> | <b>(1)</b>   | <b>(345)</b> | <b>(138)</b> | <b>(138)</b> |
| <b>Net change in cash</b>                |              |              |              |              |              |              |
| Cash at the beginning of the year        | 1,504        | 1,483        | 1,597        | 2,009        | 2,152        | 2,494        |
| Exchange difference                      | (5)          | (20)         | (11)         | 0            | 0            | 0            |
| <b>Cash at the end of the year</b>       | <b>1,483</b> | <b>1,597</b> | <b>2,009</b> | <b>2,152</b> | <b>2,494</b> | <b>2,932</b> |
| GROWTH                                   | 2023A        | 2024A        | 2025A        | 2026E        | 2027E        | 2028E        |
| <b>YE 31 Dec</b>                         |              |              |              |              |              |              |
| Revenue                                  | 21.8%        | 15.9%        | 18.5%        | 28.1%        | 16.7%        | 15.4%        |
| Gross profit                             | na           | 128.0%       | 35.7%        | 28.4%        | 18.0%        | 14.6%        |
| Operating profit                         | na           | na           | 124.4%       | 84.8%        | 29.4%        | 15.3%        |
| Net profit                               | na           | na           | 97.3%        | 193.5%       | 34.4%        | 17.2%        |
| Adj. net profit                          | na           | na           | 112.3%       | 55.6%        | 34.4%        | 17.2%        |
| PROFITABILITY                            | 2023A        | 2024A        | 2025A        | 2026E        | 2027E        | 2028E        |
| <b>YE 31 Dec</b>                         |              |              |              |              |              |              |
| Gross profit margin                      | 5.3%         | 10.5%        | 12.0%        | 12.1%        | 12.2%        | 12.1%        |
| Operating margin                         | (20.0%)      | 2.1%         | 3.9%         | 5.6%         | 6.2%         | 6.2%         |
| Adj. net profit margin                   | (4.9%)       | 2.0%         | 3.5%         | 4.2%         | 4.9%         | 5.0%         |
| Return on equity (ROE)                   | na           | 3.6%         | 6.6%         | 16.9%        | 19.0%        | 18.4%        |
| GEARING/LIQUIDITY/ACTIVITIES             | 2023A        | 2024A        | 2025A        | 2026E        | 2027E        | 2028E        |
| <b>YE 31 Dec</b>                         |              |              |              |              |              |              |
| Net debt to equity (x)                   | (0.1)        | (0.0)        | 0.1          | (0.0)        | (0.1)        | (0.2)        |
| Current ratio (x)                        | 1.5          | 1.5          | 1.3          | 1.4          | 1.6          | 1.8          |
| Receivable turnover days                 | 22.1         | 22.0         | 24.5         | 20.0         | 18.0         | 20.0         |
| Inventory turnover days                  | 1.4          | 1.1          | 0.7          | 0.7          | 0.8          | 0.9          |
| Payable turnover days                    | 20.7         | 21.0         | 22.7         | 21.0         | 21.0         | 21.0         |
| VALUATION                                | 2023A        | 2024A        | 2025A        | 2026E        | 2027E        | 2028E        |
| <b>YE 31 Dec</b>                         |              |              |              |              |              |              |
| P/E                                      | ns           | 98.5         | 50.1         | 18.1         | 13.9         | 11.9         |
| P/B                                      | 3.6          | 3.5          | 3.2          | 2.9          | 2.4          | 2.0          |
| Div yield (%)                            | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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