

# J&T Express (1519 HK)

## Share swap with SF to help expand new markets

J&T and SF (6936 HK / 002352 CH, NR) announced a share-swap agreement this morning. We believe it is an important strategic co-operation that allows both companies to leverage their valuable resources to achieve synergies. Management arranged a conference call this morning. **Key takeaways:** In overseas markets, J&T can leverage SF's first-mile, cross-border line haul, warehouses and parcel lockers to further grow its express delivery network in the emerging markets as well as open up opportunities in Europe and the US market. In terms of products, J&T will be able to expand its offerings on time-definite products in the SEA. In China market, J&T's non-ecommerce delivery products can be expanded through leveraging SF's parcel pick-up point network.

- **Subscription of SF shares by J&T:** J&T will subscribe 225.9mn H-shares issued by SF at a price of HK\$36.74/shr (total consideration: HK\$8.3bn). The subscription price represents a 3.9% premium to the closing price on 14 Jan. The subscription price is equivalent to ~13x 2026E P/E (based on Bloomberg consensus earnings for SF). Upon completion, J&T will own 4.29% of the total o/s shares (enlarged) of SF.
- **Subscription of J&T shares by SF:** SF will subscribe 822mn B shares issued by J&T at a price of HK\$10 (~14.8% discount to the closing price on 14 Jan). Based on our earnings forecast, the subscription price represents ~19x 2026E P/E. Upon completion, SF's holdings in J&T total shares will increase by 8.45ppts to 10%.
- **Long lock-up period.** Both companies agreed on a five-year lock-up period. We think the long lock-up period reflects the strong commitment from the two companies, which will offer the market with confidence.
- **Maintain BUY with unchanged SOTP-based TP of HK\$13.4.** We continue to like J&T, due to (1) its unmatched competitive edge and market share gain potential in SEA (32.8% in 1H25), (2) good potential in new markets such as Brazil and the Middle East, and (3) potential new business opportunities arising from the co-operation with SF. We have left our model unchanged for now as the share-swap agreement is subject to shareholders' approval.

### Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (US\$ mn)	8,849	10,259	12,161	14,110	16,162
YoY growth (%)	21.8	15.9	18.5	16.0	14.5
Adjusted net profit (US\$ mn)	(432.3)	200.3	347.6	583.2	760.9
EPS (Adjusted) (US\$ cents)	(5.00)	2.27	3.94	6.62	8.63
Consensus EPS (US\$ cents)	na	na	4.60	7.05	9.45
P/E (x)	ns	131.9	52.0	25.3	19.4
P/B (x)	4.8	4.7	4.3	3.7	3.1
Yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	na	3.6	8.6	15.7	17.3
Net gearing (%)	(8.8)	(1.9)	(0.8)	(6.0)	(5.8)

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

**Target Price** HK\$13.40  
**Up/Downside** 14.1%  
**Current Price** HK\$11.74

### China Logistics

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### Stock Data

Mkt Cap (HK\$ mn)	103,454.8
Avg 3 mths t/o (HK\$ mn)	237.1
52w High/Low (HK\$)	12.00/4.68
Total Issued Shares (mn)	8812.2

Source: FactSet

### Shareholding Structure

Jet Jie Li	11.1%
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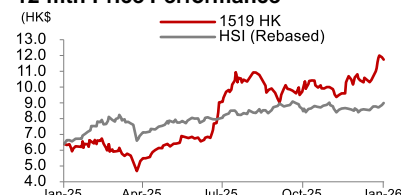
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	10.7%	6.5%
3-mth	22.2%	15.1%
6-mth	29.4%	16.0%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

### Related reports:

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

J&T Express (BUY) – Parcel growth in SEA further accelerated in 3Q25 – 14 Oct 2025 ([link](#))

J&T Express (BUY) – 1H25 profit a mixed bag but growth story well intact – 1 Sep 2025 ([link](#))

J&T Express (BUY) – Impressive parcel volume growth in SEA – 9 Jul 2025 ([link](#))

**Figure 1: Key operating assumptions for J&T Express**

	2020	2021	2022	2023	2024	2025E	2026E	2027E
<b>Shipment volume (mn units of parcel)</b>								
Southeast Asia	1,154	2,161	2,513	3,240	4,563	7,119	9,254	11,290
China	2,084	8,334	12,026	15,341	19,801	23,365	26,870	30,095
New markets	-	-	49	230	281	388	543	750
<b>Total</b>	<b>3,237</b>	<b>10,495</b>	<b>14,588</b>	<b>18,812</b>	<b>24,646</b>	<b>30,872</b>	<b>36,668</b>	<b>42,134</b>
<b>Change (YoY)</b>								
Southeast Asia	-	87.3%	16.3%	28.9%	40.8%	56.0%	30.0%	22.0%
China	-	300.0%	44.3%	27.6%	29.1%	18.0%	15.0%	12.0%
New markets	-	-	-	369.0%	22.1%	38.0%	40.0%	38.0%
<b>Average</b>	<b>-</b>	<b>224.2%</b>	<b>39.0%</b>	<b>29.0%</b>	<b>31.0%</b>	<b>25.3%</b>	<b>18.8%</b>	<b>14.9%</b>
<b>ASP (US\$)</b>								
Southeast Asia	0.91	1.10	0.95	0.81	0.71	0.60	0.57	0.54
China	0.23	0.26	0.34	0.34	0.32	0.30	0.28	0.28
New markets	-	-	1.67	1.42	2.05	2.11	2.08	2.05
Blended	0.47	0.43	0.45	0.44	0.41	0.39	0.38	0.38
<b>Change (YoY)</b>								
Southeast Asia	-	21.3%	-13.9%	-14.2%	-13.2%	-14.5%	-6.0%	-4.0%
China	-	13.9%	30.1%	0.1%	-5.4%	-7.5%	-4.5%	-2.0%
New markets	-	-	-	-14.8%	44.2%	3.0%	-1.5%	-1.5%
<b>Average</b>	<b>-</b>	<b>-7.8%</b>	<b>3.5%</b>	<b>-3.2%</b>	<b>-5.1%</b>	<b>-5.3%</b>	<b>-2.2%</b>	<b>-0.3%</b>
<b>Unit cost of express delivery by region (US\$)</b>								
Southeast Asia	-0.64	-0.79	-0.76	-0.67	-0.57	-0.49	-0.47	-0.46
China	-0.51	-0.41	-0.40	-0.34	-0.30	-0.29	-0.27	-0.26
New markets	-	-	-2.06	-1.41	-1.94	-1.83	-1.81	-1.79
<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>-0.34</b>	<b>-0.34</b>
<b>Change (YoY)</b>								
Southeast Asia	-	24.7%	-4.5%	-12.0%	-15.1%	-14.1%	-3.9%	-2.7%
China	-	-19.5%	-3.0%	-14.9%	-10.6%	-5.0%	-6.7%	-3.0%
New markets	-	-	-	-31.4%	37.5%	-5.8%	-1.0%	-1.0%
<b>Average</b>	<b>-</b>	<b>-11.9%</b>	<b>-4.8%</b>	<b>-12.2%</b>	<b>-9.3%</b>	<b>-4.7%</b>	<b>-3.2%</b>	<b>-0.5%</b>
<b>Unit gross margin (US\$)</b>								
Southeast Asia	0.27	0.31	0.19	0.15	0.14	0.12	0.10	0.09
China	-0.28	-0.15	-0.06	0.00	0.02	0.01	0.02	0.02
New markets	-	-	-0.39	0.01	0.11	0.28	0.27	0.25
<b>Average</b>	<b>-0.08</b>	<b>-0.05</b>	<b>-0.01</b>	<b>0.03</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>
<b>Change (YoY)</b>								
Southeast Asia	-	13.3%	-38.2%	-23.4%	-4.4%	-16.2%	-14.8%	-9.9%
China	-	-	-	-	-	-43.1%	47.4%	13.2%
New markets	-	-	-	-	-	164.8%	-4.8%	-4.9%
<b>Average</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56.1%</b>	<b>-10.2%</b>	<b>6.5%</b>	<b>2.0%</b>
<b>(US\$ mn)</b>								
<b>Revenue</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Express delivery services	1,525	4,559	6,560	8,189	10,185	12,087	14,036	16,087
Southeast Asia	1,047	2,378	2,382	2,633	3,221	4,296	5,250	6,148
China	479	2,181	4,096	5,229	6,388	6,973	7,658	8,405
New markets	-	-	82	327	576	818	1,128	1,533
Cross-border services	10	292	708	660	75	75	75	75
<b>Total</b>	<b>1,535</b>	<b>4,852</b>	<b>7,267</b>	<b>8,849</b>	<b>10,259</b>	<b>12,161</b>	<b>14,110</b>	<b>16,162</b>
<b>Revenue growth (by segment)</b>								
Express delivery services	-	198.9%	43.9%	24.8%	24.4%	18.7%	16.1%	14.6%
Southeast Asia	-	127.2%	0.2%	10.6%	22.3%	33.4%	22.2%	17.1%
China	-	355.5%	87.8%	27.7%	22.2%	9.2%	9.8%	9.8%
New markets	-	-	-	299.5%	76.1%	42.1%	37.9%	35.9%
Cross-border services	-	2797.5%	142.5%	-6.8%	-88.7%	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>16.0%</b>	<b>14.5%</b>
<b>Gross margin (by region)</b>								
Southeast Asia	29.8%	27.8%	20.0%	17.9%	19.7%	19.3%	17.5%	16.4%
China	-120.4%	-55.9%	-16.2%	1.1%	6.6%	4.1%	6.3%	7.3%
New markets	0.0%	0.0%	-23.5%	0.5%	5.2%	13.3%	12.8%	12.4%
Cross border	32.5%	4.1%	-8.8%	-8.8%	-9.5%	14.0%	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>10.1%</b>	<b>11.0%</b>	<b>11.2%</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>2025E</b>	<b>2026E</b>	<b>2027E</b>
SEA	267	427	332	376	456	736	875	942
China	-616	-1,206	-723	31	427	311	323	426
New markets	0	0	-74	-82	-43	22	34	75
Cross border	2	-14	-95	-107	-29	6	7	7
Unallocated	27	-2	-334	-71	-33	-90	-60	-40
<b>Total adjusted EBITDA</b>	<b>-321</b>	<b>-794</b>	<b>-894</b>	<b>147</b>	<b>778</b>	<b>984</b>	<b>1,179</b>	<b>1,409</b>
Share-based payments and expenses	-188	-619	-281	-1,462	-87	-67	0	0
Listing expense	0	-12	-10	-8	0	0	0	0
Others	0	-1	302	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>917</b>	<b>1,179</b>	<b>1,409</b>

Source: Company data, CMBIGM estimates

## Valuation

We apply different EV/EBITDA multiples for different markets to better reflect their respective growth outlook. We maintain our SOTP-based TP of HK\$13.4.

- **SEA:** We assign a target multiple of 14x, which is ~80% premium to the average of global integrated logistics operators (7.7x). 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. We expect the "anti-involution" campaign will lend support to the valuation.
- **New markets:** We assign a target multiple unchanged at 20x. Our valuation premium is to reflect the strong growth potential in the Latin America and the Middle East markets.

**Figure 2: Target equity valuation**

Breakdown	Methodology		2026E (US\$ mn)	Multiple (x)	Value (US\$mn)	% of total
SEA	EV/EBITDA	EBITDA	875	14	12,252	81%
China	EV/EBITDA	EBITDA	323	6.5	2,097	14%
New markets	EV/EBITDA	EBITDA	35	20	693	5%
<b>Total EV</b>					<b>15,042</b>	100%
Add: Net cash (end 2024)					55	
Minus: MI					0	
<b>Equity value</b>					<b>15,096</b>	
<b>Target price</b>						
<b>US\$</b>					<b>1.71</b>	
<b>HK\$</b>					<b>13.4</b>	

Source: CMBIGM estimates

## Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
<b>Revenue</b>	<b>7,267</b>	<b>8,849</b>	<b>10,259</b>	<b>12,161</b>	<b>14,110</b>	<b>16,162</b>
Cost of goods sold	(7,538)	(8,376)	(9,181)	(10,931)	(12,560)	(14,346)
<b>Gross profit</b>	<b>(270)</b>	<b>473</b>	<b>1,078</b>	<b>1,231</b>	<b>1,551</b>	<b>1,816</b>
<b>Operating profit</b>	<b>(1,390)</b>	<b>(1,767)</b>	<b>211</b>	<b>390</b>	<b>726</b>	<b>929</b>
Share of (losses)/profits of associates/JV	(0)	(0)	(0)	0	0	0
Interest income	22	25	41	21	20	20
Interest expense	(99)	(105)	(126)	(86)	(59)	(54)
<b>Net Interest income/(expense)</b>	<b>(77)</b>	<b>(80)</b>	<b>(86)</b>	<b>(65)</b>	<b>(39)</b>	<b>(34)</b>
Others	3,051	708	4	0	0	0
<b>Pre-tax profit</b>	<b>1,583</b>	<b>(1,139)</b>	<b>129</b>	<b>326</b>	<b>686</b>	<b>895</b>
Income tax	(11)	(17)	(15)	(42)	(103)	(134)
<b>After tax profit</b>	<b>1,573</b>	<b>(1,156)</b>	<b>114</b>	<b>283</b>	<b>583</b>	<b>761</b>
Minority interest	84	55	(13)	(28)	(58)	(76)
<b>Net profit</b>	<b>1,656</b>	<b>(1,101)</b>	<b>101</b>	<b>255</b>	<b>525</b>	<b>685</b>
<b>Adjusted net profit</b>	<b>(1,488)</b>	<b>(432)</b>	<b>200</b>	<b>348</b>	<b>583</b>	<b>761</b>
Gross dividends	29	0	0	0	0	0

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
<b>Current assets</b>	<b>2,846</b>	<b>3,137</b>	<b>3,613</b>	<b>3,544</b>	<b>3,833</b>	<b>4,512</b>
Cash & equivalents	1,504	1,483	1,597	1,266	1,260	1,289
Restricted cash	80	42	41	41	41	41
Account receivables	514	556	680	719	827	1,121
Inventories	29	35	22	56	26	84
Prepayment	703	971	1,172	1,360	1,578	1,876
Financial assets at FVTPL	16	50	101	101	101	101
Other current assets	0	0	0	0	0	0
<b>Non-current assets</b>	<b>3,089</b>	<b>3,464</b>	<b>3,682</b>	<b>3,812</b>	<b>4,016</b>	<b>4,193</b>
PP&E	1,053	1,179	1,386	1,635	1,858	2,056
Right-of-use assets	481	503	477	377	377	377
Deferred income tax	43	54	75	75	75	75
Investment in JVs & assos	1	0	0	0	0	0
Intangibles	964	975	1,119	1,099	1,080	1,060
Financial assets at FVTPL	481	726	573	573	573	573
Other non-current assets	67	28	53	53	53	53
<b>Total assets</b>	<b>5,936</b>	<b>6,601</b>	<b>7,295</b>	<b>7,356</b>	<b>7,848</b>	<b>8,706</b>
<b>Current liabilities</b>	<b>1,732</b>	<b>2,085</b>	<b>2,418</b>	<b>2,496</b>	<b>2,605</b>	<b>2,702</b>
Short-term borrowings	77	211	263	263	263	263
Account payables	484	467	590	668	777	873
Tax payable	32	31	35	35	35	35
Other current liabilities	0	11	11	11	11	11
Lease liabilities	151	204	172	172	172	172
Contract liabilities	210	272	322	322	322	322
Accrued expenses	776	889	1,024	1,024	1,024	1,024
<b>Non-current liabilities</b>	<b>9,188</b>	<b>2,037</b>	<b>2,354</b>	<b>2,054</b>	<b>1,854</b>	<b>1,854</b>
Long-term borrowings	1,021	1,071	1,321	1,021	821	821
Obligations under finance leases	341	304	297	297	297	297
Other non-current liabilities	7,826	661	737	737	737	737
<b>Total liabilities</b>	<b>10,920</b>	<b>4,122</b>	<b>4,772</b>	<b>4,550</b>	<b>4,459</b>	<b>4,556</b>
<b>Total shareholders equity</b>	<b>(4,847)</b>	<b>2,750</b>	<b>2,825</b>	<b>3,080</b>	<b>3,605</b>	<b>4,290</b>
Minority interest	(137)	(270)	(303)	(274)	(216)	(140)

<b>CASH FLOW</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec (US\$ mn)</b>						
<b>Operating</b>						
Profit before taxation	1,583	(1,139)	129	326	686	895
Depreciation & amortization	249	246	399	427	453	479
Tax paid	(74)	(82)	(15)	(42)	(103)	(134)
Change in working capital	(227)	205	(189)	(184)	(186)	(554)
Others	(2,050)	1,113	483	165	39	34
<b>Net cash from operations</b>	<b>(520)</b>	<b>342</b>	<b>807</b>	<b>691</b>	<b>890</b>	<b>721</b>
<b>Investing</b>						
Capital expenditure	(541)	(417)	(581)	(650)	(650)	(650)
Acquisition of subsidiaries/ investments	4	(62)	0	0	0	0
Others	(322)	(380)	41	14	13	13
<b>Net cash from investing</b>	<b>(860)</b>	<b>(859)</b>	<b>(541)</b>	<b>(636)</b>	<b>(637)</b>	<b>(637)</b>
<b>Financing</b>						
Dividend paid	(121)	(29)	0	0	0	0
Net borrowings	1,009	184	301	(300)	(200)	0
Proceeds from share issues	264	486	0	0	0	0
Others	(271)	(141)	0	(86)	(59)	(54)
<b>Net cash from financing</b>	<b>881</b>	<b>501</b>	<b>301</b>	<b>(386)</b>	<b>(259)</b>	<b>(54)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	2,102	1,504	1,483	1,597	1,266	1,260
Exchange difference	(100)	(5)	(453)	0	0	0
<b>Cash at the end of the year</b>	<b>1,504</b>	<b>1,483</b>	<b>1,597</b>	<b>1,266</b>	<b>1,260</b>	<b>1,289</b>
<b>GROWTH</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Revenue	49.8%	21.8%	15.9%	18.5%	16.0%	14.5%
Gross profit	na	na	128.0%	14.1%	26.0%	17.1%
Operating profit	na	na	na	85.3%	85.9%	28.1%
Net profit	na	na	na	153.6%	105.8%	30.5%
Adj. net profit	na	na	na	73.5%	67.8%	30.5%
<b>PROFITABILITY</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Gross profit margin	(3.7%)	5.3%	10.5%	10.1%	11.0%	11.2%
Operating margin	(19.1%)	(20.0%)	2.1%	3.2%	5.1%	5.8%
Adj. net profit margin	(20.5%)	(4.9%)	2.0%	2.9%	4.1%	4.7%
Return on equity (ROE)	na	na	3.6%	8.6%	15.7%	17.3%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Net debt to equity (x)	na	(0.1)	(0.0)	(0.0)	(0.1)	(0.1)
Current ratio (x)	1.6	1.5	1.5	1.4	1.5	1.7
Receivable turnover days	21.3	22.1	22.0	21.0	20.0	22.0
Inventory turnover days	1.4	1.4	1.1	1.3	1.2	1.4
Payable turnover days	25.7	20.7	21.0	21.0	21.0	21.0
<b>VALUATION</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
P/E	na	ns	131.9	52.0	25.3	19.4
P/B	na	4.8	4.7	4.3	3.7	3.1
Div yield (%)	na	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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