



# S.F. Holding Corporate Overview

February 2025

Stock Ticker: 002352.SZ, 6936.HK

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# 01 Company Overview



# SF is Asia's Largest Integrated Logistics Service Provider

## Scale

**RMB258bn**

Revenue in 2023

**RMB200bn**

Latest market cap<sup>1</sup>

## Growth

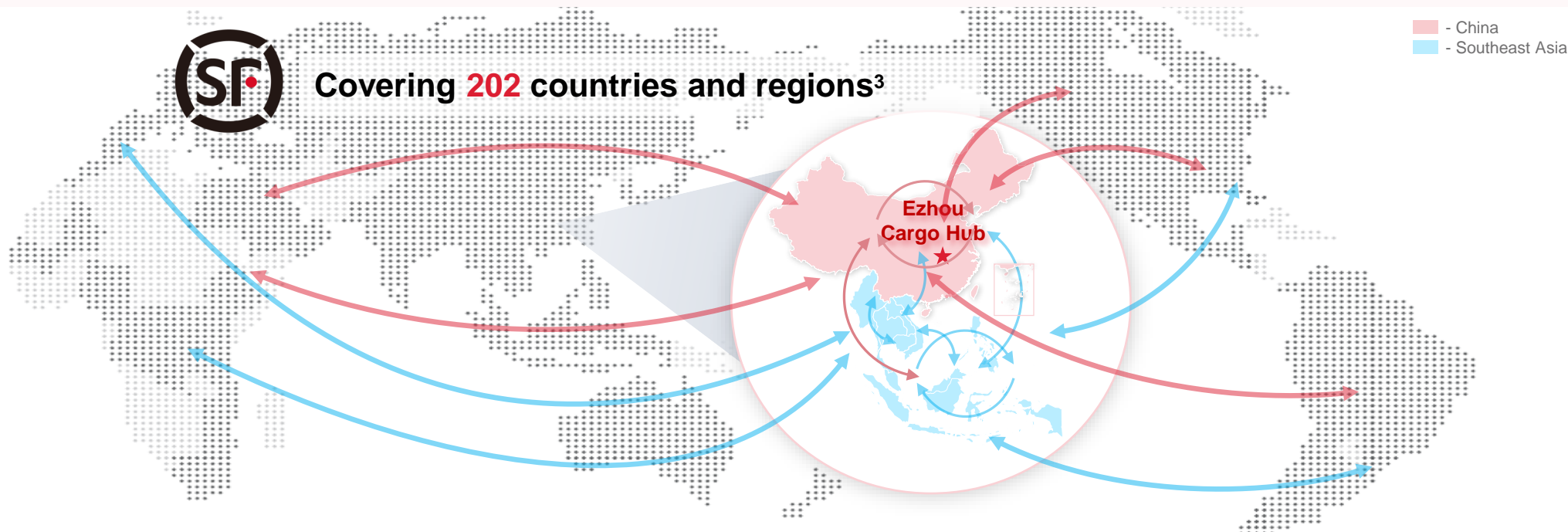
**33.9%**

EPS YoY growth in 2023

## Profitability

**11.4%**

EBITDA margin in 2023<sup>2</sup>



**Fortune Global 500 Company**  
2024

**FORTUNE**

**MOST Admired Chinese Company**  
2017-2024

**FORTUNE**

**No.1 Customer Satisfaction for express delivery<sup>4</sup>**  
2009-2023

**中华人民共和国国家邮政局**  
State Post Bureau of The People's Republic of China

Source: Company information, industry data and rankings are from Frost & Sullivan unless otherwise stated

Note: <sup>1</sup> As of Feb 10, 2025. Market Cap = A-share price x Total number of A-shares + H-share price x Total number of H-share; <sup>2</sup> Based on non-IFRS measure. EBITDA = Profit for the year + Depreciation and Amortization + Finance cost, net + Income tax expense; <sup>3</sup> As of Jun 30, 2024; <sup>4</sup> Customer satisfaction for express services in China according to the State Postal Bureau of the PRC

# Leadership across Logistics Sub-sectors in Asia



Market position<sup>1</sup>

Market share<sup>1,2</sup>

Segment focus

Business model

% of total revenue (2024H1)<sup>12</sup>

	Time-definite Express	Economy Express	LTL Freight	Cold Chain & Pharmaceutical	Intra-city On-demand	Supply Chain	International <sup>8</sup>
Market position <sup>1</sup>	 <b>No.1</b> in Asia <sup>3</sup>	 <b>No.1</b> in China <i>in mid- to high-end economy express</i>	 <b>No.1</b> in Asia <sup>4</sup>	 <b>No.1</b> in Asia <i>ex-Japan<sup>5</sup></i>	 <b>No.1</b> in Asia <sup>6</sup>	 <b>No.1</b> in China <sup>7</sup>	 <b>No.1</b> in Asia <sup>9</sup>
Market share <sup>1,2</sup>	63.9%	49.9% <i>in mid- to high-end economy express</i>	1.7%	2.2%	13.8% <sup>10</sup>	3.2% <sup>11</sup>	NA
Segment focus	High-end	Mid- to high-end	Mid- to high-end	Mid- to high-end	Mid- to high-end	Mid- to high-end	
Business model	B2B B2C C2C	B2C	B2B B2C	B2B B2C	B2B B2C C2C	B2B B2C C2C	
% of total revenue (2024H1) <sup>12</sup>	 44%	 10%	 13%	 4%	 3%	 23%	

Source: Company information, industry data and rankings are from Frost & Sullivan unless otherwise stated

Note: <sup>1</sup> In terms of revenue in 2023; <sup>2</sup> Refers to respective market share in China; <sup>3</sup> The largest express and time definite express delivery service provider in Asia; <sup>4</sup> The largest LTL freight service provider in Asia; <sup>5</sup> Largest cold chain logistics service provider in Asia (ex-Japan); <sup>6</sup> Among third-party intra-city on-demand delivery service providers; <sup>7</sup> Among non-state-owned independent third-party supply chain solutions providers; <sup>8</sup> International delivery services and international freight forwarding services; <sup>9</sup> Largest international operations among Asia-based integrated logistics service providers; <sup>10</sup> Market share in the third-party on-demand delivery service in 2023; <sup>11</sup> Market share of end-to-end supply chain solutions; <sup>12</sup> Numbers based on PRC GAAP Remaining portion not shown was 3% from other segment of non-logistics services and undistributed units



# Premium Brand Serving the Largest Customer Base in Asia

“Let me  
  
this to you”

*Synonymous with*

“Let me  
**EXPRESS MAIL**  
this to you”



**FAST**

**RELIABLE**

**CUSTOMER-CENTRIC**

**c.95%**

of China's Top 500 Enterprises are our customers<sup>1</sup>

**45%+**

of China's Top 500 Enterprises are our international logistics service customers<sup>2</sup>



## Largest Customer Base

Among logistics service providers in Asia<sup>1</sup>

**2.24mm**

Customers with active credit accounts<sup>3</sup>

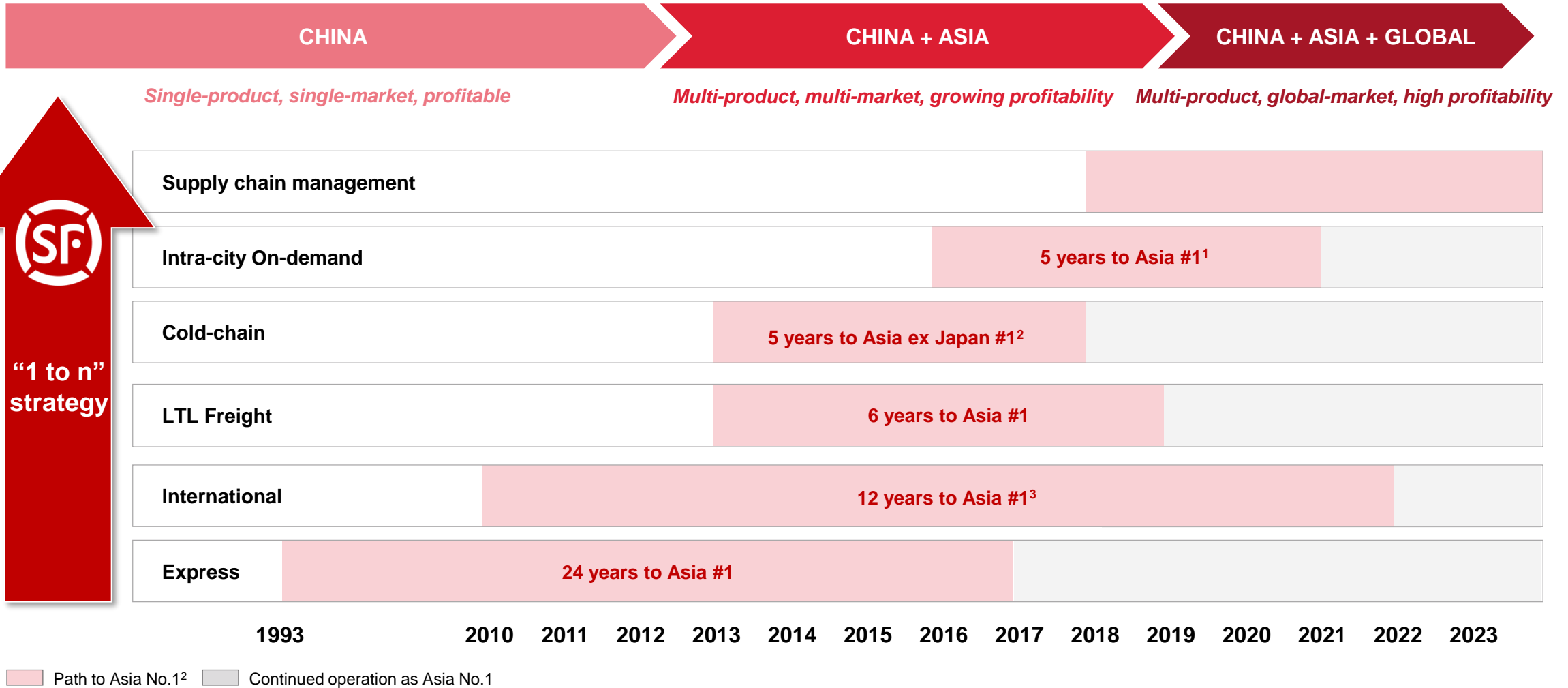


**699mm**

Retail customers<sup>3</sup>



# Evolution from China's No.1 Express Company into a Top Global Integrated Player



Source: Company information, industry data and rankings are from Frost & Sullivan unless otherwise stated

Note: Ranking in terms of Revenue. <sup>1</sup> Among third-party intra-city on-demand delivery service providers; <sup>2</sup> No.1 cold chain player in Asia (ex-Japan); <sup>3</sup> Largest international revenue among Asia integrated logistics players



## **02 Investment Highlights**

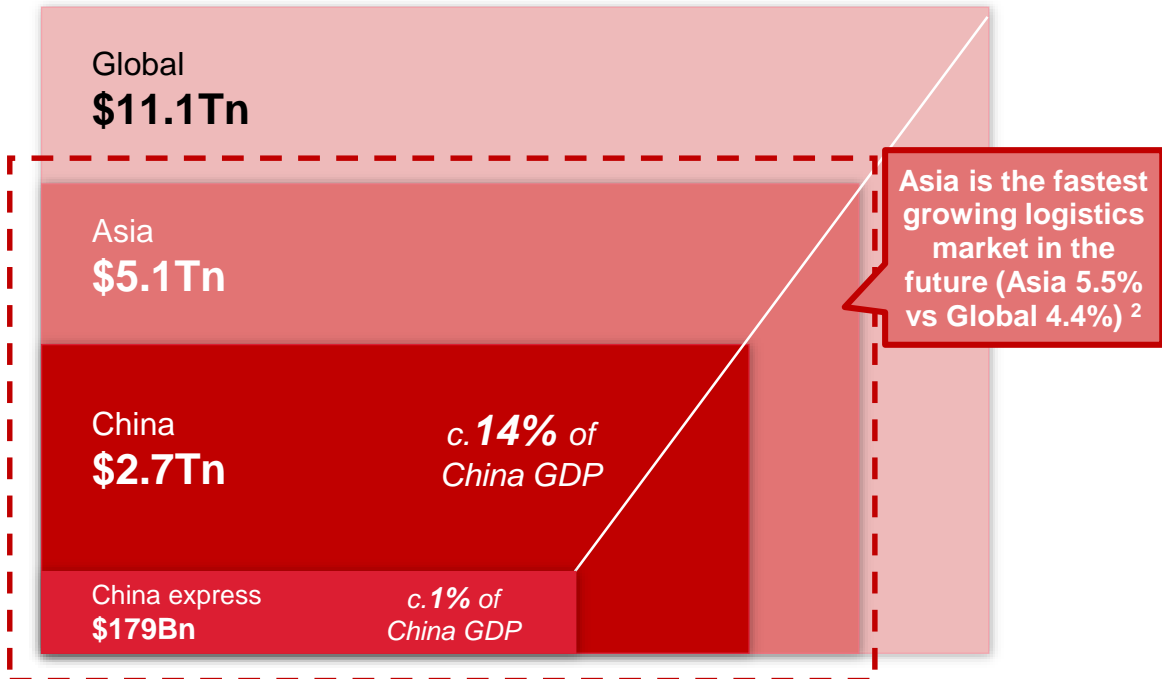




# Logistics Represents an Enormous Market Opportunity

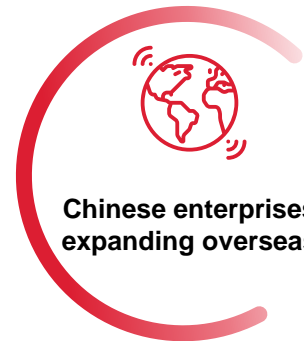
## Massive TAM<sup>1</sup>

### 2023A Global, Asia and China logistics spending



## SF has enormous room to grow

- ✓ SF targets an addressable market worth \$11.1tn, over 19x the size of global e-commerce logistics and 62x of China's express market<sup>3</sup>
- ✓ Asia and China's logistics market remains highly fragmented, with massive potential for further consolidation
- ✓ SF is a direct beneficiary of multiple structural growth drivers in China, Southeast Asia and globally



Source: Company information, industry data and rankings are from Frost & Sullivan unless otherwise stated

Note: <sup>1</sup> Total Addressable Market; <sup>2</sup> Based on 2023-2028E logistics spending growth, from Frost & Sullivan report; <sup>3</sup> According to Frost & Sullivan, global e-commerce logistics market size is estimated to be US\$0.57tn in 2023, China express market is estimated to be US\$179bn in 2023

# SF is Best Positioned to Tap This Enormous Logistics Opportunity

## 1 Scale

Asia's largest integrated logistics service provider

## 2 Winning business model

Directly-operated, integrated and independent

## 3 Global

Global gateway connecting Asia and the world

## 4 Premium focus

Premium and differentiated services commanding premium pricing

## 5 Technology

Proprietary technology platform driving operating efficiency

## 6 Management

Visionary management promoting a people-centric culture



# Winning Business Model – Directly Operated, Integrated and Independent

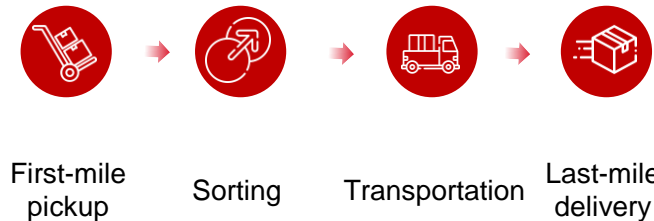


## Directly operated

All processes directly operated

- ✓ Premium services
- ✓ Greater control over network
- ✓ Ownership of customer relationships

*Directly operated*

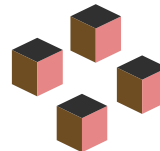


## Integrated

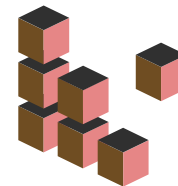
Full spectrum of services

- ✓ Able to address all customer needs
- ✓ Greater customer wallet share
- ✓ Synergies across multiple product lines and networks

*Modular Capabilities*



*Integrated, One-stop Solutions*



## Independent

No affiliation with e-commerce platform

- ✓ Best positioned to capture growth from emerging e-commerce platforms
- ✓ New emerging e-commerce platforms gaining share from traditional ones

*New E-commerce Platforms*

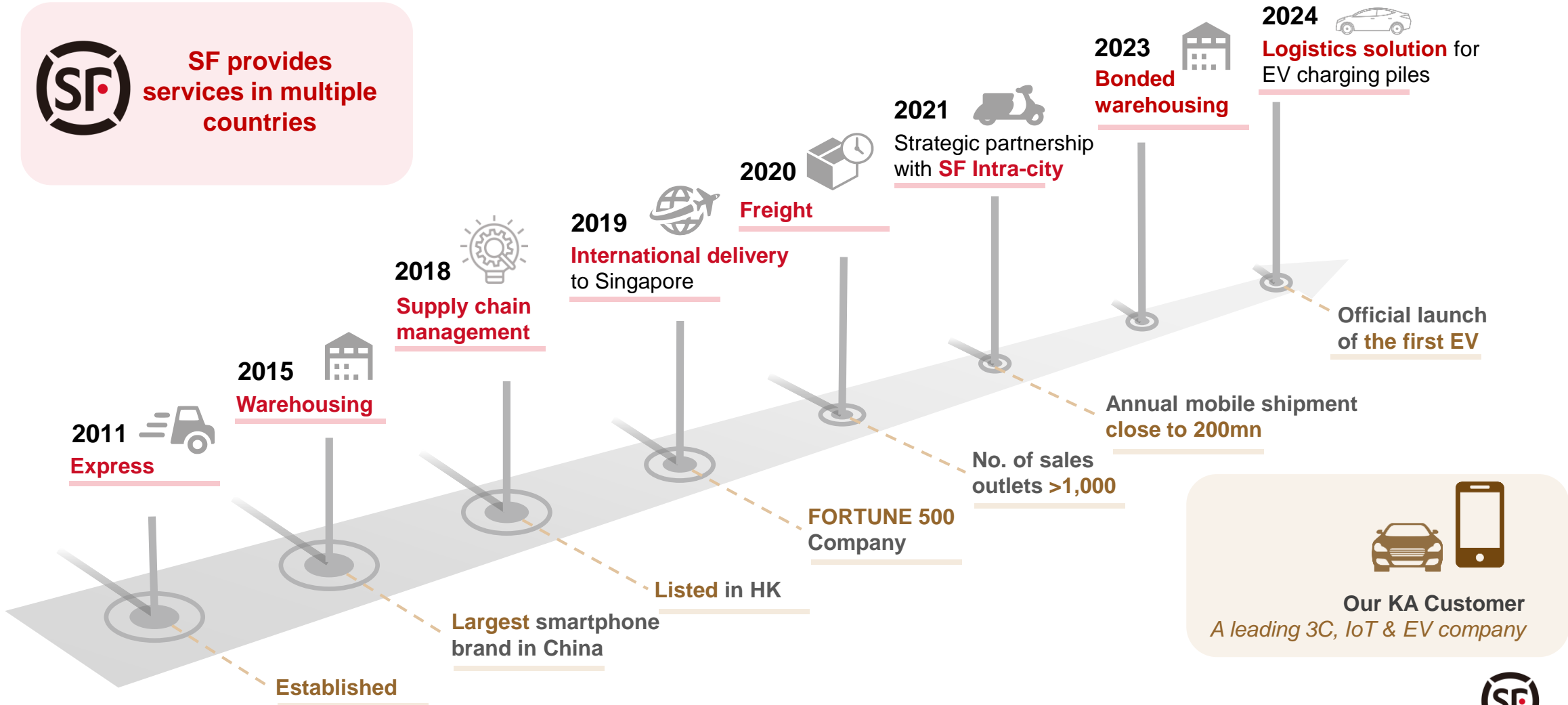
Domestic		Cross-border
Livestreaming E-commerce	Content E-commerce	Cross-border E-commerce Platform
Re-sale platform	Video-based E-commerce	DTC <sup>1</sup> Website
.....	.....	.....

# Case Study: Full-spectrum Coverage and Long-term Partnership with a Leading 3C + EV Brand

Our dedicated and integrated services enable us to continuously capture larger wallet share and grow with the client



SF provides services in multiple countries

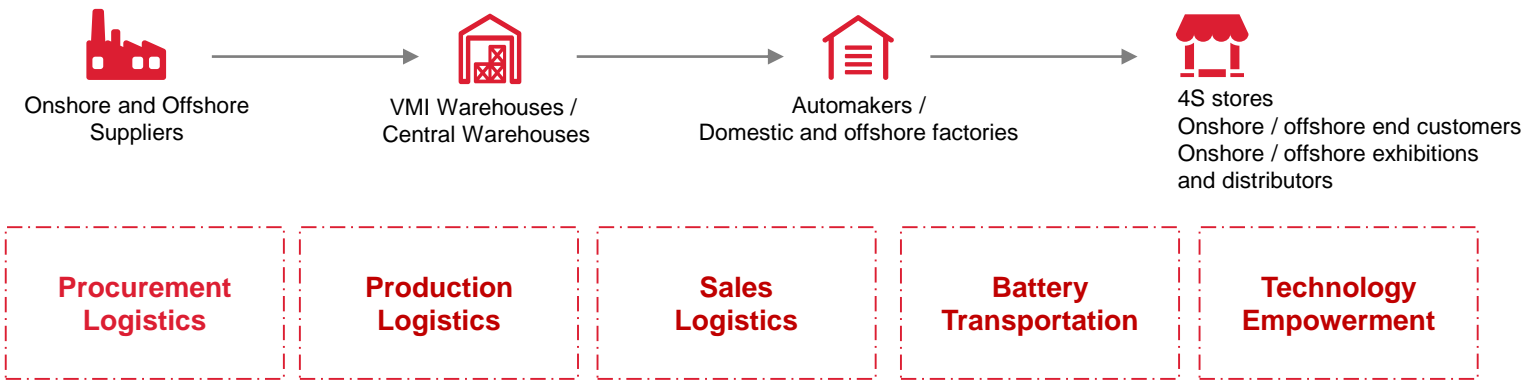


Source: Company information

# Case Study: Global End-to-end Logistics Solutions Empowering Chinese Enterprises' Overseas Expansion

## Enabling overseas expansion of manufacturing capacity

A leading new energy vehicle company in China



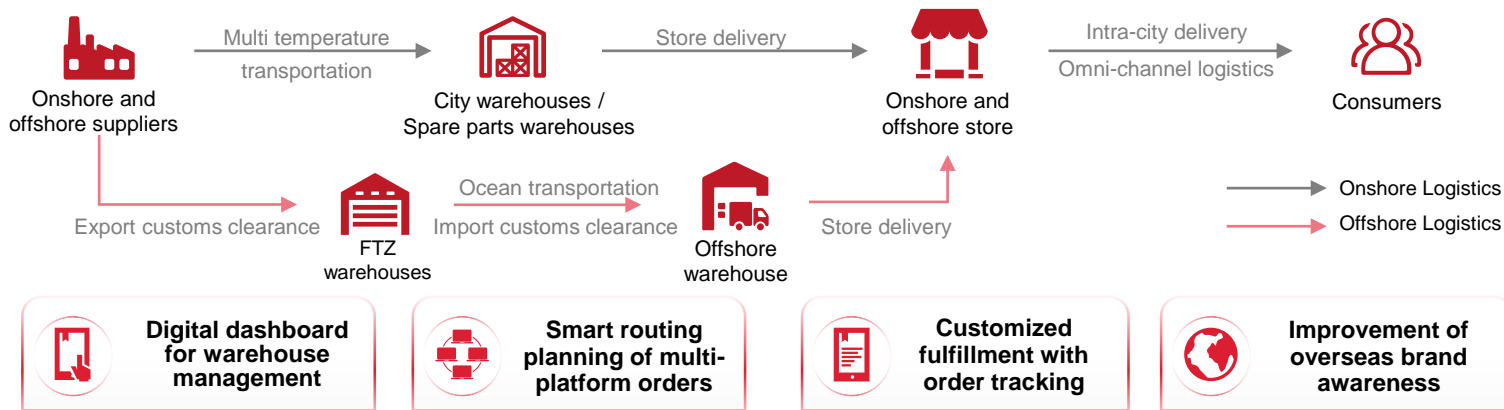
2024H1 Revenue Growth YoY  
**~170%**

**Multiple countries** covered serving the client

**Air cargo export of large lithium battery**  
**Air cargo import of precise equipment**  
**Expanding overseas supply chain cooperation**

## Enabling consumer brands' expansion into overseas markets

A well-known coffee chain brand in China



2024H1 Overseas Revenue Growth<sup>1</sup>

Number of Overseas Store Served<sup>1</sup>  
**>30**

**Swift response and high-quality services**  
**Customer satisfaction >99%**  
**Developing more overseas projects**

Source: Company information

Note: <sup>1</sup> Refers to data related to the overseas expansion project on which Shunxinhui worked with the client on tapping into the Singapore market

# Global Gateway Connecting Asia and the World

Unrivalled network and capabilities in Asia with significant early-mover advantages

Primarily owned & operated

**Largest aircraft and ground fleet in Asia**



**99**

all-cargo aircraft<sup>1</sup>  
(39% market share<sup>6</sup>)



**186k+**

Vehicles<sup>1,2</sup>

**Global ground network**



**1,800**

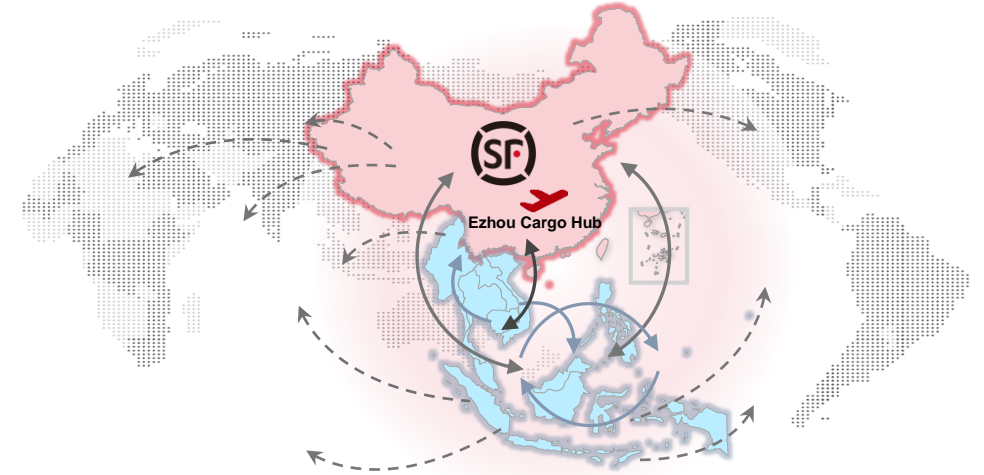
Warehouses<sup>1,4</sup>



**>37,000**

Outlets<sup>1,5</sup>

**202 Countries and regions<sup>1</sup>**



Asset-light

**Leading ocean freight forwarder**



**>13,000**

Maritime routes<sup>1</sup> in operation

**Most extensive railroad coverage**



**1,547**

High-speed railway lines<sup>1,5</sup>

**Asia's only dedicated air cargo hub<sup>3</sup>**

**Ezhou Cargo Hub**

**China**

**Global**

**Expanded city coverage of next-morning delivery**

**Improved timeliness**



**Enhanced international connectivity**

Source: Company information

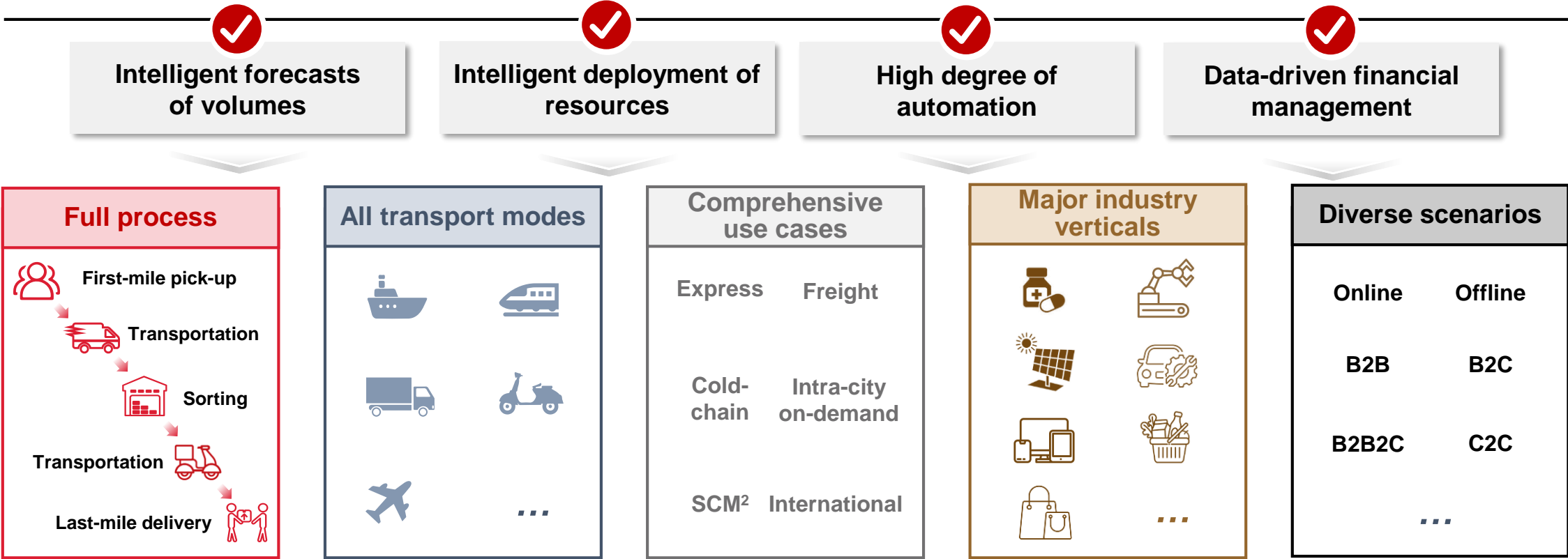
Note: <sup>1</sup> As of Jun 30, 2024; <sup>2</sup> >86,000 line-haul and short-haul trucks and >100,000 first and last-mile delivery vehicles; <sup>3</sup> As of Jun 18, 2024; <sup>4</sup> Globally; <sup>5</sup> In China; <sup>6</sup> As % of all-cargo aircrafts in China in 2023, according to Civil Aviation Administration of China



# Proprietary Technology Platform Powering Complex Operations

 **Advanced technology platform driving superior operating efficiency**

**4,199<sup>1</sup>**  
**MOST** patents and patent applications among Global Top Four<sup>1</sup>



Source: Company information, industry data and rankings are from Frost & Sullivan unless otherwise stated  
 Notes: <sup>1</sup> Patents and patent applications as of Jun 30, 2024; <sup>2</sup> Supply chain management

# Visionary Management Promoting a People-centric Culture

FORTUNE  
500

Top 5 Most Admired Chinese Company – 7 years in a row



Founder of SF  
Led SF's expansion and evolution since inception

**Dick WANG**

Chairman and CEO



Former CFO of Changyou  
CPA in Hong Kong and US  
EMBA, Tsinghua University

**Alex HO**

Chief Financial Officer



Former Global Senior  
Partner of Roland Berger  
MBA, CEIBS

**Tina WANG**

Chief Strategy Officer



Former general manager of  
SF Beijing district  
Assistant Chief Operating  
Officer  
EMBA, Peking University

**Bensong XU**

Chief Marketing Officer



Former Senior Regional  
Manager of Wal-Mart China  
Bachelor of Laws, Sichuan  
Normal University

**Sheng LI**

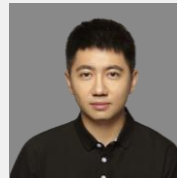
President of SF Airlines



Former Deputy President  
of E-commerce, Regional  
General Manager of SF

**Haiqiang ZHOU**

Chief Human Resources Officer



Former Co-founder and  
CTO of Baidu Waimai  
Master of Engineering,  
Peking University

**Yankun GENG**

Chief Technology Officer



Former analyst at Coatue  
Current member of the Appeal  
Review Committee of the SZSE  
MBA, University of Texas at  
Austin

**Ling GAN**

Board Secretary



# Visionary Management Promoting a People-centric Culture (cont'd)

“There is always a SF courier in your contacts to make your life easier.”

## Self-achievement

- ✓ Career progression to senior management in SF
- ✓ More career choices
- ✓ Personal success

03

02

## Career Development

- ✓ Tailored training programs
- ✓ Opportunity to pursue higher education

01

## Work Satisfaction

- ✓ Competitive remuneration
- ✓ Equal, diversified and supportive working environment
- ✓ Merit based incentives

## Success stories



Mr. Wang, from a warehouse keeper to a captain, and finally to a flight instructor, with more than 5,000 safe flight hours accumulatively



**Our people-centric culture**



**We care for our people**



**Our people care for our customers**



# Recent Updates: Proven Resilience across Cycles with Consistent, Solid Performance



Source: Company information

Note: <sup>1</sup> "New quality productive forces" refers to advanced productivity freed from the traditional economic growth mode and productivity development paths according to the State Council of People's Republic of China. It features high-tech, high efficiency and high quality, and comes in line with the new development philosophy; <sup>2</sup> Refers to the proportion of companies on the Fortune China 500 List which have used SF's international logistics service in 2023



## **03 Growth Strategies**



# Growth Strategies

1

**Grow business and consumer mindshare as “The One in Asia”**

- Promote strengths in full coverage, strong network, deep relationships and seamless integration
- Establish a brand image to be the first choice for consumers

2

**Expand international and cross-border capabilities**

- Expand network coverage in Asia and rest of the world
- Tailored approach by geography - directly operate / M&A / partnerships

3

**Further strengthen network and service offerings**

- Enhance network coverage and network infrastructure
- Fulfill new customer demand and offer bespoke solutions

4

**Continue to enhance efficiency and productivity**

- Multi-network integration
- Enhance automation and optimize personnel management

5

**Invest in technology**

- Promote end-to-end digitalization
- Offer pioneering solutions through technology innovation



# Grow Business and Consumer Mindshare as “The One in Asia”

To become the first name in minds for clients with integrated logistics needs in Asia

## Full coverage in



Services



Geographic



Industry verticals



## Strong network consisting

- ✓ Directly operated network
- ✓ Broad first and last-mile access across China and SEA
- ✓ Asia’s only dedicated air cargo hub<sup>1</sup>

## Deep relationships with

476

of China’s Top 500  
Enterprises served (2023)



**Highest coverage**

of blue-chip customers among integrated  
logistics service providers in Asia

# “The One in Asia”

## Seamless integration across



Synergies



Efficiency

Source: Company information, industry data and rankings are from Frost & Sullivan unless otherwise stated  
Note: <sup>1</sup> Civil Airport

# Our Areas of Focus for International Growth



Become a global leader providing end-to-end services fulfilling diverse customer needs

## Priority geographies / lanes



## Priority businesses

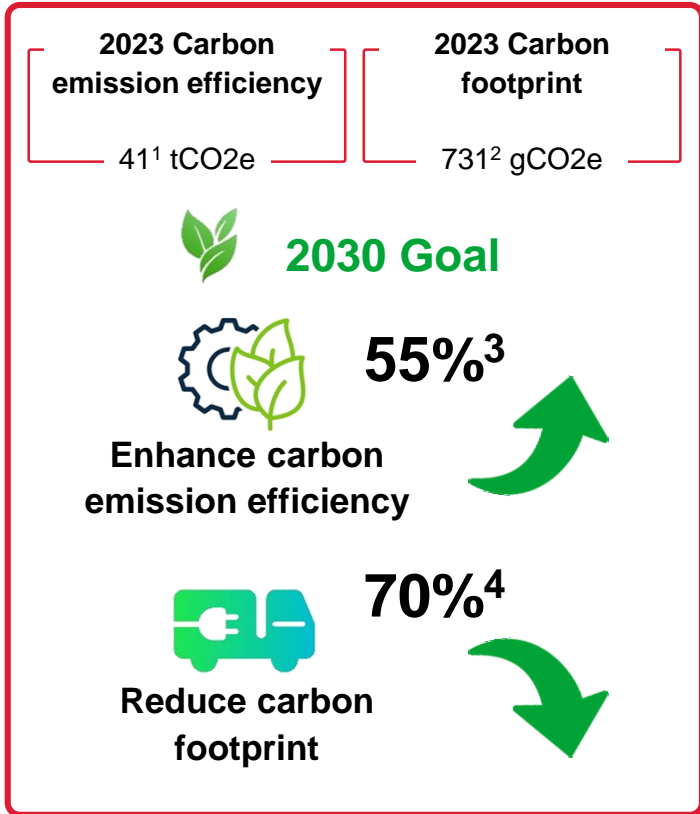


## Key success factors

- ✓ Ownership / access to key infrastructure
- ✓ Strong presence in China and SEA
- ✓ Largest customer base in Asia
- ✓ Integrated capabilities
- ✓ Cost advantage vs Global Top Three

# Long-term Commitment to ESG

## Environment



MSCI  BBB Rating

## Social responsibility

### Care for employees



*The only China logistics company awarded*

### Care for society

- Critical logistics provider during the pandemic
- Rural vitalization
- Education and social welfare



 SUSTAINALYTICS **Low Risk**

## Governance



**A seasoned A+H listed company with leading governance and control**

**Ranked A on information disclosure by SZSE<sup>5</sup> for 8 consecutive years**



**The Best Board of Directors in China**

**21世纪经济报道**  
21<sup>st</sup> CENTURY BUSINESS HERALD

**FORTUNE** **China ESG Impact List**

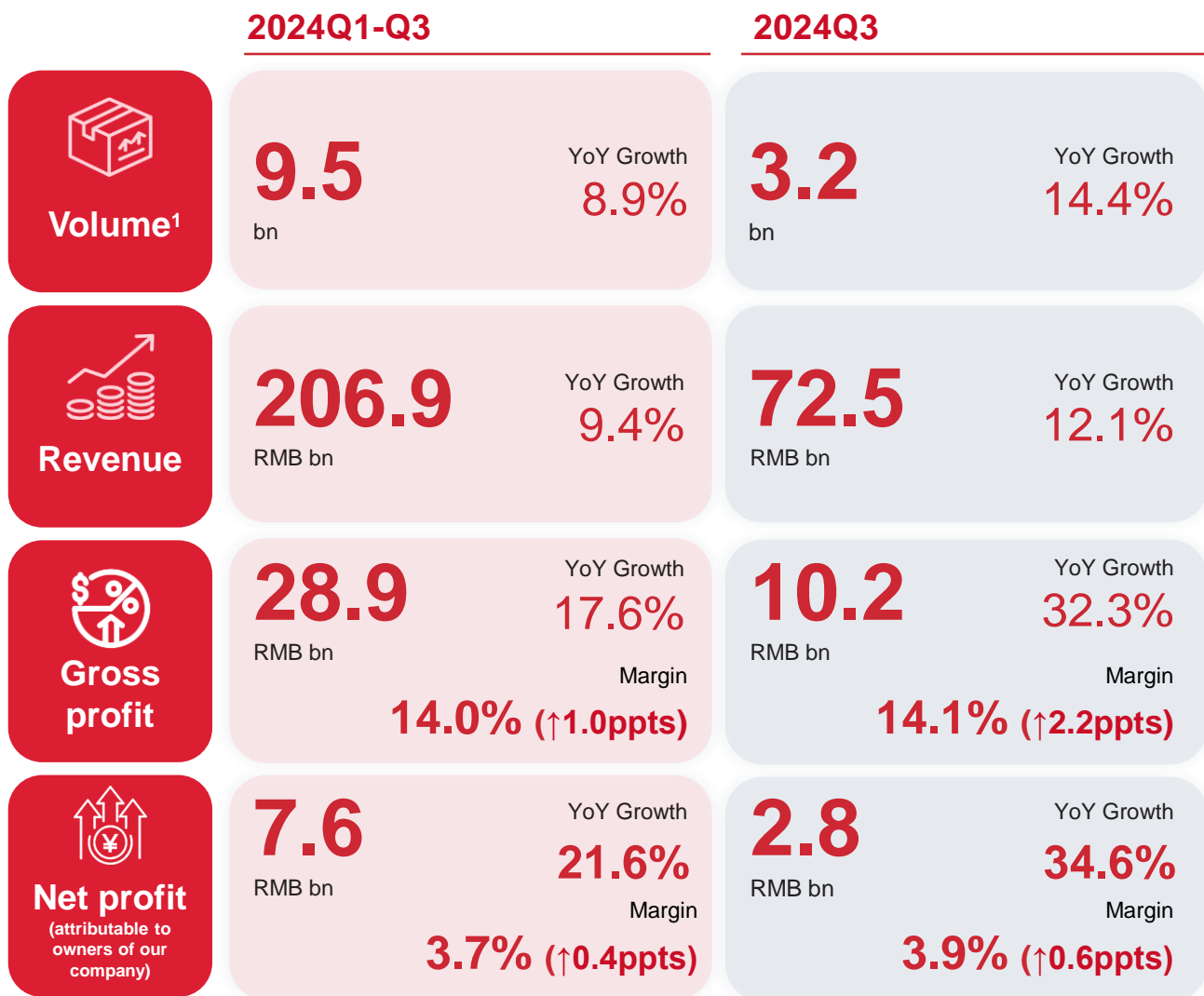


## **04 Recent Financial Highlights**

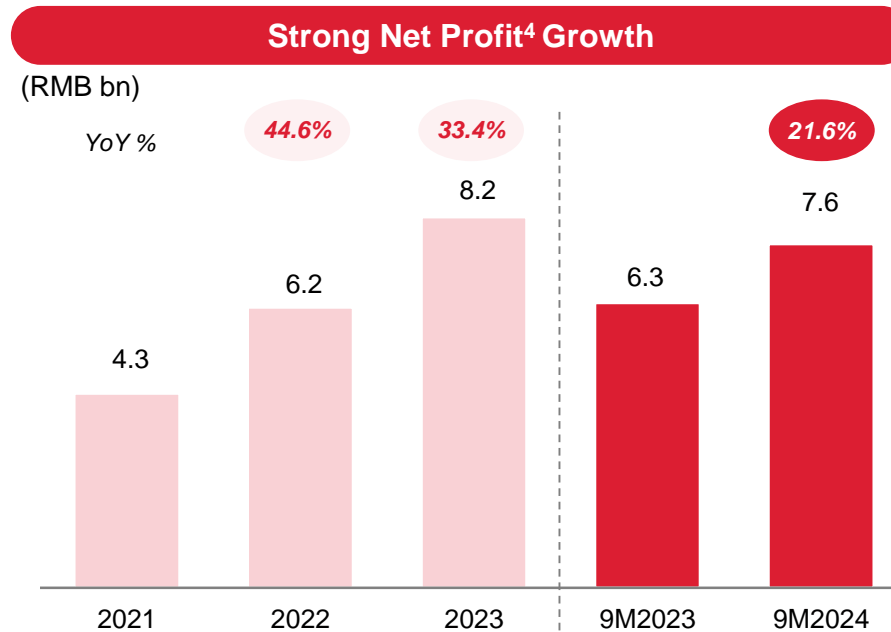




# 2024Q3 Performance Highlights



## Continued Growth in Net Profit Attributable to Owners of our Company

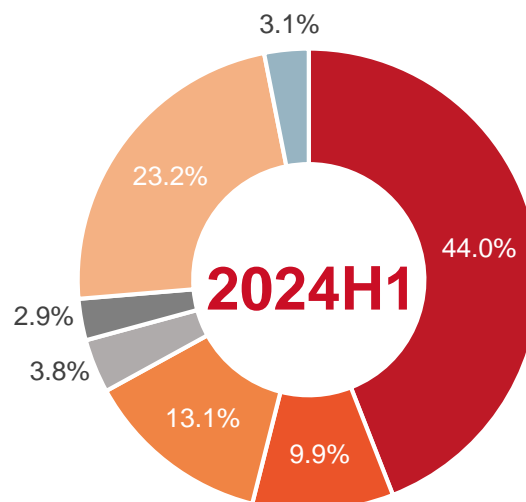
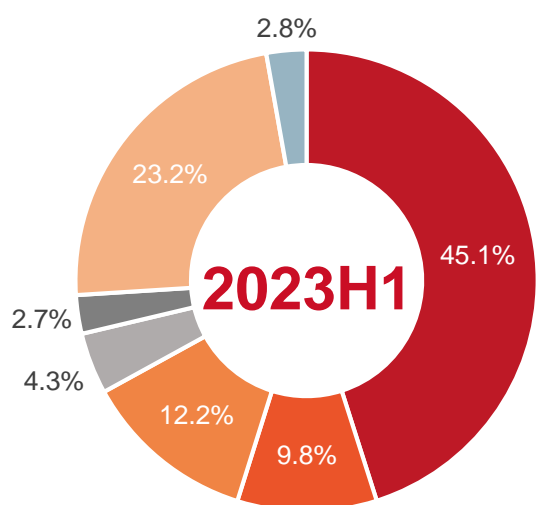


Source: Company information

Note: <sup>1</sup> Including parcel volume of the Express & Logistics segment and shipment volume of SF international express within Supply Chain & International segment (excluding overseas local express)



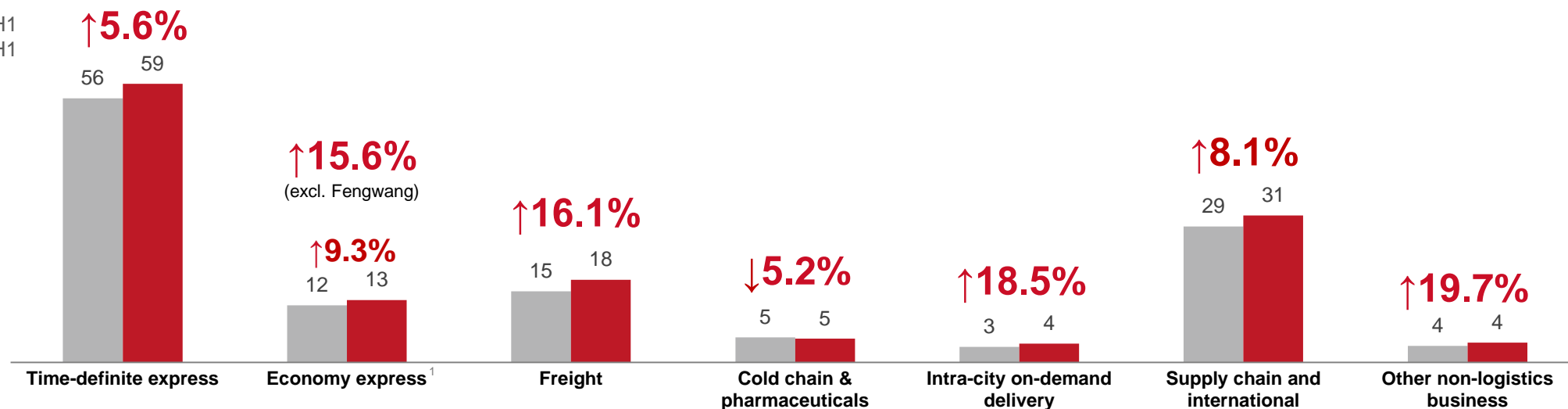
# Balanced Mix Underpinning High-Quality Revenue Growth



- Time-definite express
- Economy express
- Freight
- Cold chain & pharmaceuticals
- Intra-city on-demand delivery
- Supply chain and international
- Other non-logistics business

RMB bn

■ 2023H1  
■ 2024H1



Source: Company information

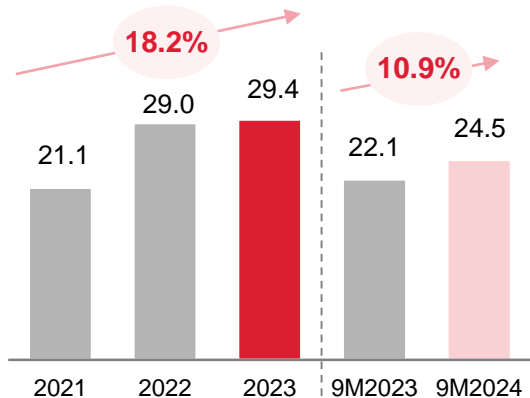
Notes: <sup>1</sup> At the end of June 2023, the Company has completed the sales and delivery of the franchise model business Fengwang Express



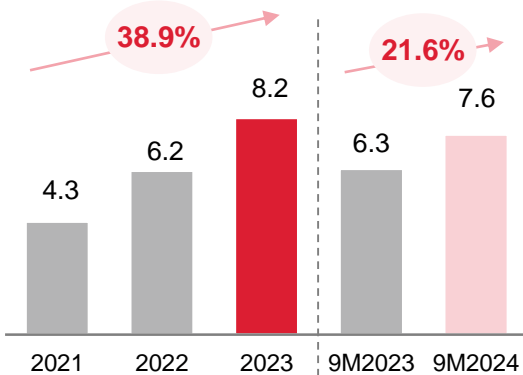
# Robust Earnings Growth with Margin Expansion

## Strong earnings growth

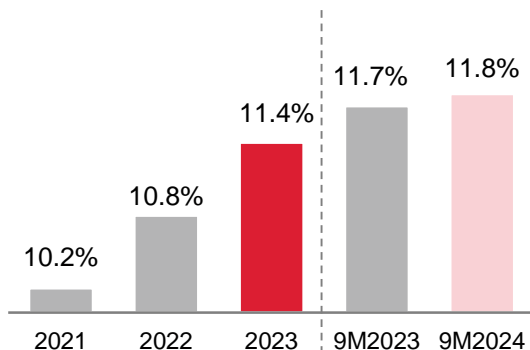
EBITDA<sup>1</sup>  
(RMB bn)



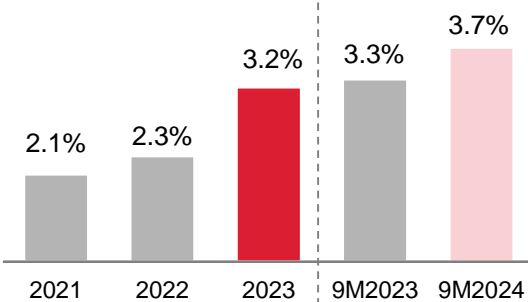
Net profit attributable to owners  
of our company  
(RMB bn)



EBITDA<sup>1</sup> margin %



Net margin attributable to owners  
of our company %



## Multiple drivers of continued growth



New businesses turning profitable



Optimize cost efficiencies from:

- ① Multi-network integration;
- ② Operational transformation

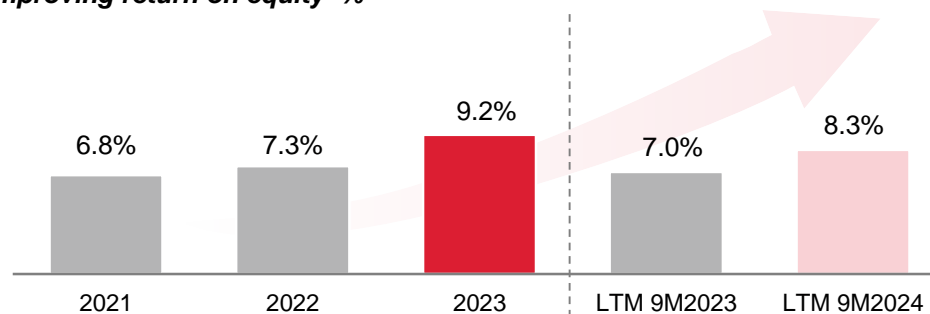


Passed heavy capex phase and enhanced asset utilization rate



Economies of scale

Improving return on equity<sup>2</sup> %



Source: Company information

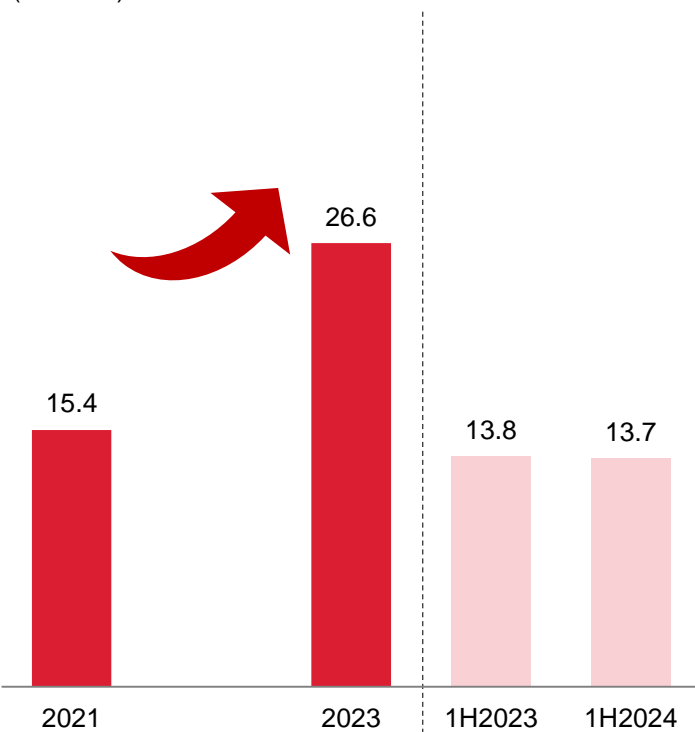
Note: <sup>1</sup> EBITDA = Profit for the year + Depreciation and Amortization + Net Finance Cost + Income tax expense; <sup>2</sup> Based on weighted average return on equity



# Passed Heavy Capex Phase - Stronger FCF

## Increasing OCF generation

(RMB bn)

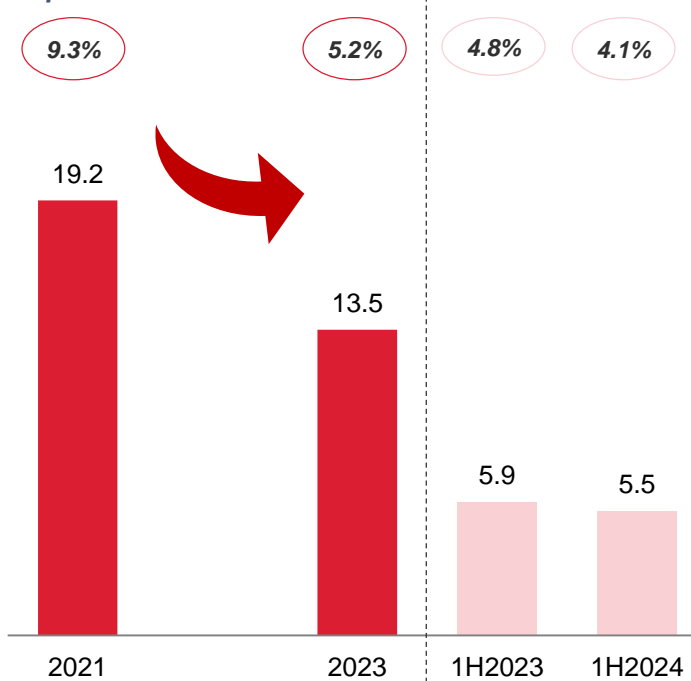


- Growing profit generation
- Improved working capital management

## Capex passed cycle peak

(RMB bn)

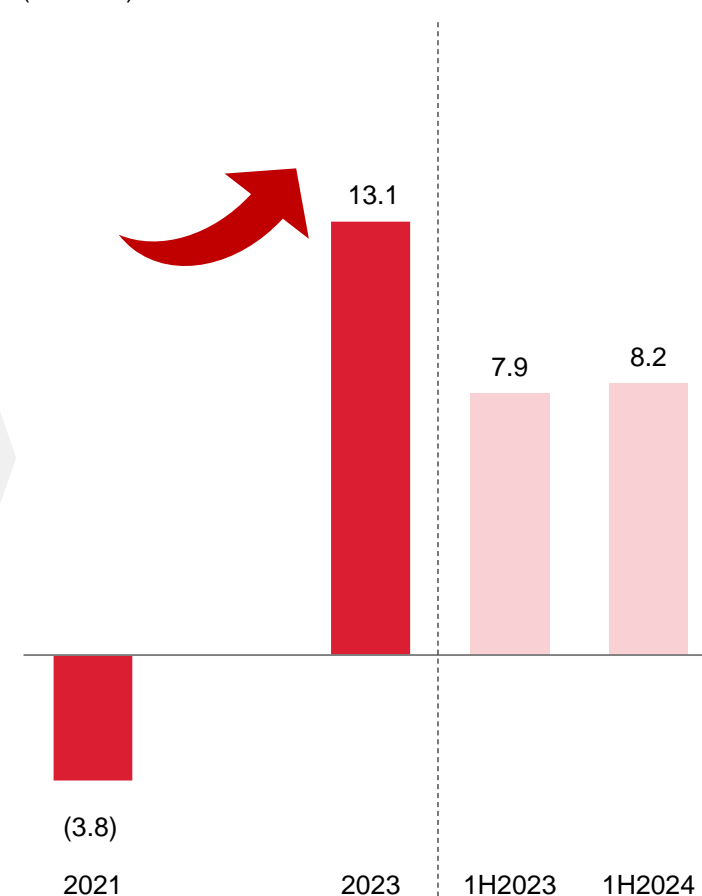
Capex as % of revenue



- ROI-driven Capex
- Major investments substantially completed
  - Ezhou Air Cargo Hub – completed in 2023

## Enhanced FCF<sup>1</sup> generation

(RMB bn)



Source: Company information





Note: <sup>1</sup> Free cash flow = Net cash generated from operating activities - Capital expenditure

# Fortress Balance Sheet and Strong Liquidity

## Low leverage and strong liquidity

Interest-bearing debt / Capital <sup>1</sup>	36%
Interest coverage ratio <sup>2</sup>	8.1x
Cost of debt <sup>3</sup>	3.6%
Cash, cash equivalents and financial assets <sup>1</sup>	RMB50.5bn
Interest-bearing debt <sup>1</sup>	RMB56.8bn

## Strong investment grade credit rating

		Peer C 	Peer A 	Peer B 
S&P Global	<b>A-</b>	N/A	<b>A</b>	<b>BBB</b>
Moody's	<b>A3</b>	<b>A2</b>	<b>A2</b>	<b>Baa2</b>
Fitch Ratings	<b>A-</b>	<b>A-</b>	N/A	N/A

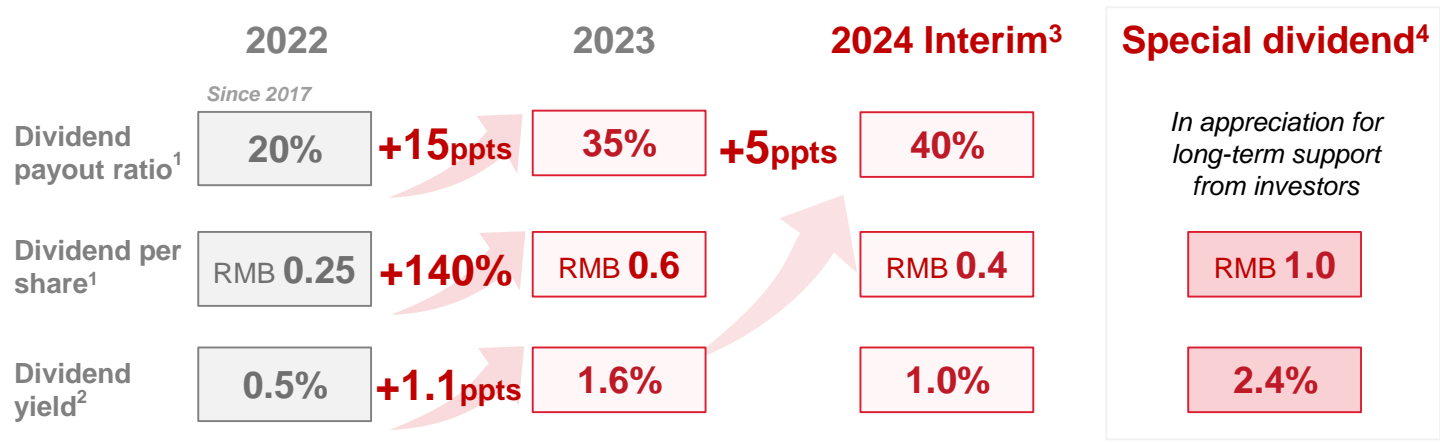
Source: Company information

Note: <sup>1</sup> Total debt, total equity, interest-bearing debt, interest-bearing debt / total capital, cash, cash equivalents and financial assets as of Jun 30, 2024. Total debt is calculated by adding up total borrowings and total leasing liabilities, interest-bearing debt includes total borrowings; <sup>2</sup> Interest coverage ratio = (net income + finance cost, net + income tax expense) / finance cost, net, as of Jun 30, 2024; <sup>3</sup> Calculated as last 12 months (LTM) total finance costs as of Jun 30, 2024 / average of total debt as of Jun 30, 2024 and total debt as of Dec 31, 2023

# Enhancing Shareholder Returns

1

**Dividend increase**



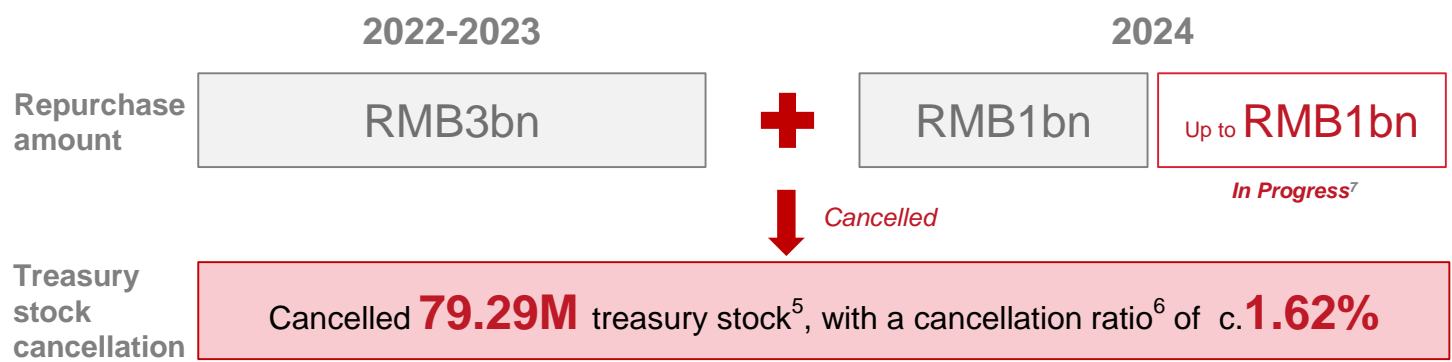
**2024-2028**

*Plan of Shareholders' Returns for Next Five Years (2024-2028)*

**“To Steadily Increase Dividend Payout Ratio from 2024 to 2028”**

2

**Shares repurchase and cancellation**



**Repurchase More Shares in due course**

**Strengthen Market Confidence**

Source: Company information

Note:<sup>1</sup> Dividend per share refers to dividend distributed for the declared year / total shares as of the day of announcement. Dividend payout ratio = dividend distributed / net profit attributable to owners of our company for the declared year; <sup>2</sup> Dividend yield = announced annual dividend payout / market cap on the day of announcement, and dividend yield estimated based on the closing price on March 26, 2024; <sup>3</sup> On October 10, 2024, the company announced the 2024 interim dividend of RMB4 (including tax) per 10 shares. The total 2024 interim dividend is c.RMB1.92bn, which has been approved by the first extraordinary general meeting of shareholders in 2024. Dividend payout ratio = announced 2024 interim dividend payout / net profit attributable to owners of our company for 2024H1; Dividend per share = announced 2024 interim dividend payout / total shares as of the day of announcement; Dividend yield = announced 2024 interim dividend payout / market cap on the day of announcement; <sup>4</sup> On October 10, 2024, the company announced the special dividend of RMB10 (including tax) per 10 shares. The total special dividend is c.RMB4.8bn, which has been approved by the first extraordinary general meeting of shareholders in 2024. Dividend per share = announced special dividend payout / total shares as of the day of announcement; Dividend yield = announced special dividend payout / market cap on the day of announcement; <sup>5</sup> Refers to total treasury stock repurchased in March 2022, September 2022, and January 2024; <sup>6</sup> Treasury stock cancellation ratio is calculated as cancellation of repurchased shares / total share capital before cancellation. EPS is calculated as net profit attributable to owners of our company divided by total shares; <sup>7</sup> As of Oct 28, 2024





**Thank you!**

