

# Kerry Express (Thailand)

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SET Opportunity Day  
Q1/2022 Performance

27 June 2022



# KEX at a Glance

As the **leading and fast growing express delivery company** in Thailand and the **pioneer** of convenient and express delivery solutions in Thailand, we offer a **comprehensive range of integrated parcel delivery services** to customers in the **C2C, B2C, and B2B** segments.

## Strong Network with Nationwide Coverage



**31,000+**  
Service Locations



**ALL 77**  
provinces in Thailand covered



**18**  
Sorting Hubs

## Industry-Leading Service Quality



**1,400+**  
Distribution Centres



**20,000+**  
Fleet of Vehicles under our Management



**99.99%**  
Next-Day Delivery Service Coverage within Thailand



**96.60%**  
of Parcels Delivered on Time

## Largest Payment-on-Delivery Express Company



**7.9bn<sup>(THB)</sup>**  
Monthly Transaction Value



**<1.5%**  
of Parcels Returned





Express-Focus  
Market Leadership  
Sustainable Growth



“Win-Win” Model  
Business Synergies  
Neutral & Professional



“2C”-Focus  
Consumer Centric  
Kerry Express Everywhere



Delivery-Relevant  
Horizontal & Vertical  
New Growth Engines



Cutting-Edge Technologies  
Operational Excellence  
Seamless User-Experience



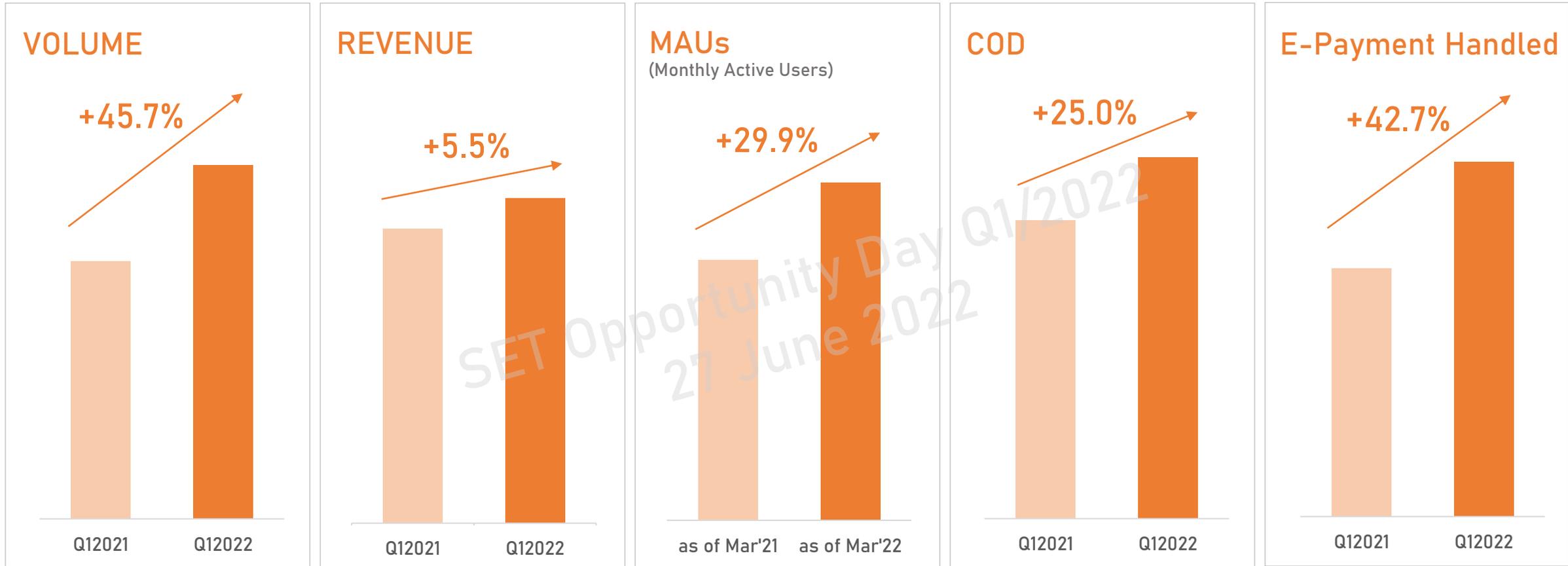
Economic Contribution  
Social Responsibilities  
Green Commitment

## Q12022 HIGHLIGHTS

- **EXPRESS-FOCUS** continues to be our number one uncompromised strategy to lead Thailand’s express market.
- **VOLUME SOARS BY OVER 46%** thanks to **MARKET LEADERSHIP STRATEGY** and **AGGRESSIVE PRICING APPROACH**. Revenue growth is well-maintained, rising 5% YoY, with number of active users increases by 30% YoY.
- KEX has significantly acquired stronger market presence in the **ECONOMY SEGMENT** by engaging the **RESELLER MODEL** through partnerships with 4PL (fourth-party logistics) agents. Number of service locations boosted by 20% from last quarter, with over 31,000 locations nationwide.
- **IMPROVED EFFICIENCY** and capacity utilisation brought by **PLATFORM UPGRADE** and the **INDUSTRIALISATION OF KEX**. Last-mile operations is undergoing standardisation following the direction of **SUPER LAST MILE** with an objective to access cheap and stable supplies of workforce & vehicles in the long run.
- **CAPACITY EXPANSION** is in progress to accommodate 3 million parcels/day, meanwhile setting up spare operating resources to maintain service excellence during the pandemic with **ZERO DOWNTIME**.

# REMARKABLE GROWTH IN VOLUME, REVENUE, USERS & PAYMENT SERVICES

KERRY EXPRESS (THAILAND)



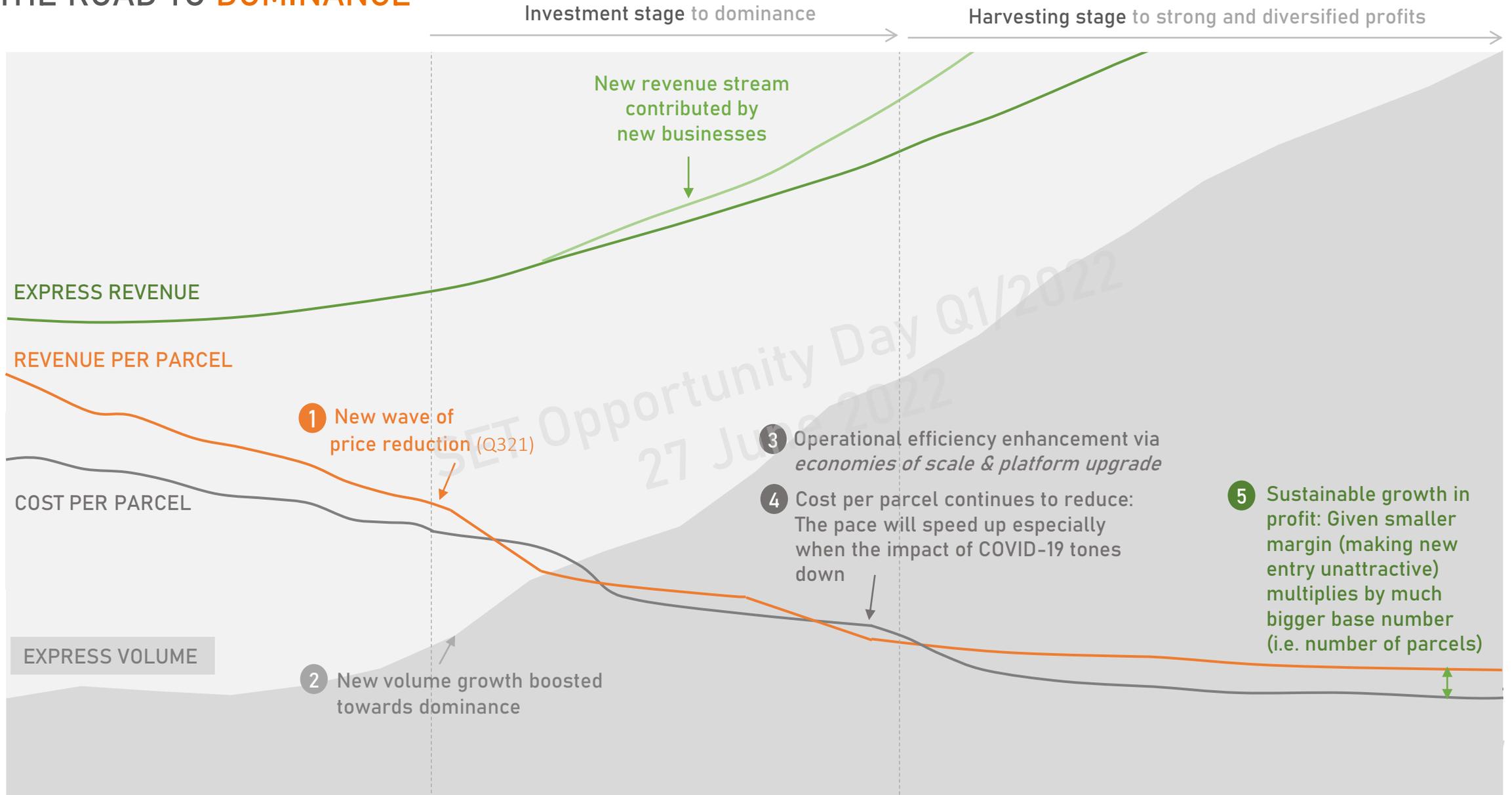
- **AGGRESSIVE PRICING APPROACH** proven successful & volume growth exceeds industry standard. **SMART PRICING SCHEME** is now adopted to further nurture volume growth along with sustainable yield
- **REVENUE GROWTH MAINTAINED** amidst weak consumption, pandemic situation and uncertainties of the global economy
- **CONTINUOUS PENETRATION** into the all segments including social communities, e-commerce & the economy segment
- **ADDITIONAL VALUE-ADDED SERVICES** enhance spending on KEX. Better delivery prices are offered to customers using more value-added services
- One of the biggest merchant handling **A BIG POOL OF E-PAYMENT** in response to changes in consumer behaviour in the new economy

# The Road to Dominance

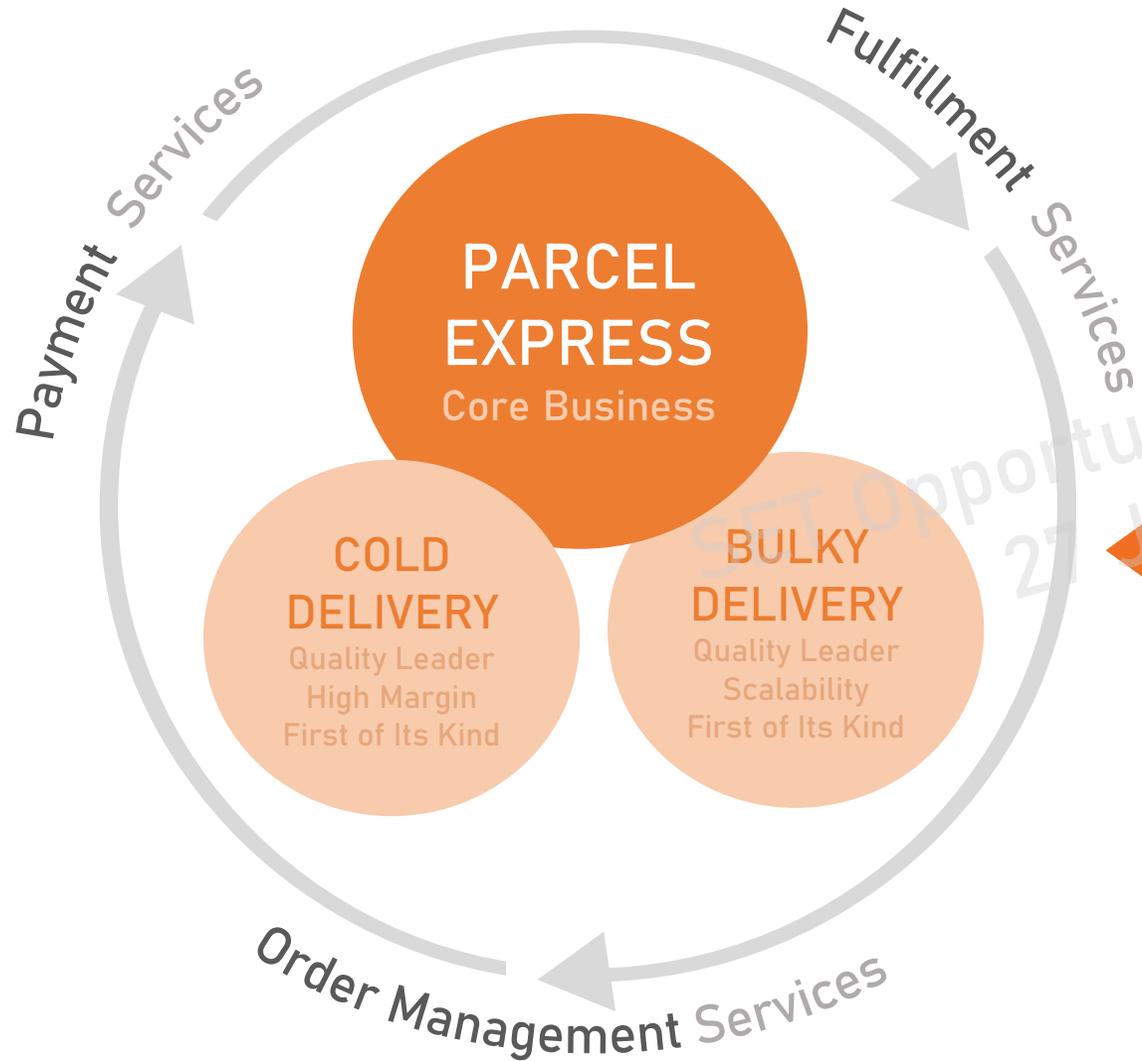
a vision beyond the pandemic

# THE ROAD TO DOMINANCE

KERRY EXPRESS (THAILAND)



# DIVERSIFICATION STRATEGY: KEX ECOSYSTEMS



A unique container of new services & tools and to retain user's spare cash inside **KEX ecosystems**

- Kerry Club loyalty programme
- Kerry e-Wallet
- Kerry EasyShip
- Kerry Engagement
- Payment methods
- Money lending services
- Insurance services
- Top-up services
- Bill payment services
- eKYC services
- Procurement services

# Key Corporate Developments

KEX's New Partnership

National Leadership

# NEW PARTNERS

**STRONG PARTNERSHIPS**  
to serve potential demands



Co-offer the Door-to-Door Instant Pick-up and Express Pick-up Services



Cold Platform Delivery Kerry Cool



Less-than-Truckload Platform Delivery offering the large items shipment services

**NEW SALES CHANNELS**  
enhance community penetration










Approx. 10,000+ locations nationwide

**NEW RETAIL PARTNERS**  
further enhance coverage & convenience











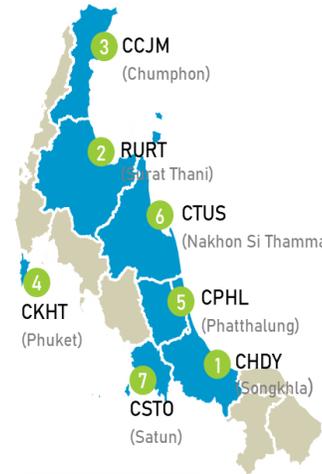





# KERRY COOL & KERRY XL

Best-in-class platforms driven by technology, service & experience

## KERRY COOL COVERAGE EXPANSION UPDATE



- GBKK (6)**  
 Bangkok  
 Pathum Thani  
 Nonthaburi  
 Samut Prakarn  
 Samut Sakorn  
 Nakorn Pathom
- South (11)**  
 Chumpon  
 Surat Thani  
 Phuket  
 Songkla  
 Satun  
 Phattalung  
 Nakorn Sri  
 Thammarat  
 Trang  
 Ranong  
 Krabi  
 Phung-nga
- B2B & C2C customers**
- System readiness**
- Sales acquisition (Sales & Marketing plan)**
- Shop opening (co-located)**



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## KERRY XL BUSINESS MODEL



Less-than-Truckload (LTL)



Platform-Based  
Hub-and-Spoke  
(scalability)



Economy Model  
(Max productivity, Lower cost)



Potential New VAS  
(installation, assembly, maintenance)

## LESS-THAN-TRUCKLOAD SERVICES



Large shipment ( $\geq 30$  kg), that cannot be hand carried by one person, sometimes palletised and sometimes co-loaded by stacking

<15%

EST. MARKET SHARE OF  
TOP 5 PLAYERS COMBINED  
**RELATIVELY FRAGMENTED**  
NO CLEAR MARKET LEADER

23%

EST. SHARE OF TOTAL DOMESTIC LOGISTICS MARKET\*  
**MARKET STILL IN INFANCY**

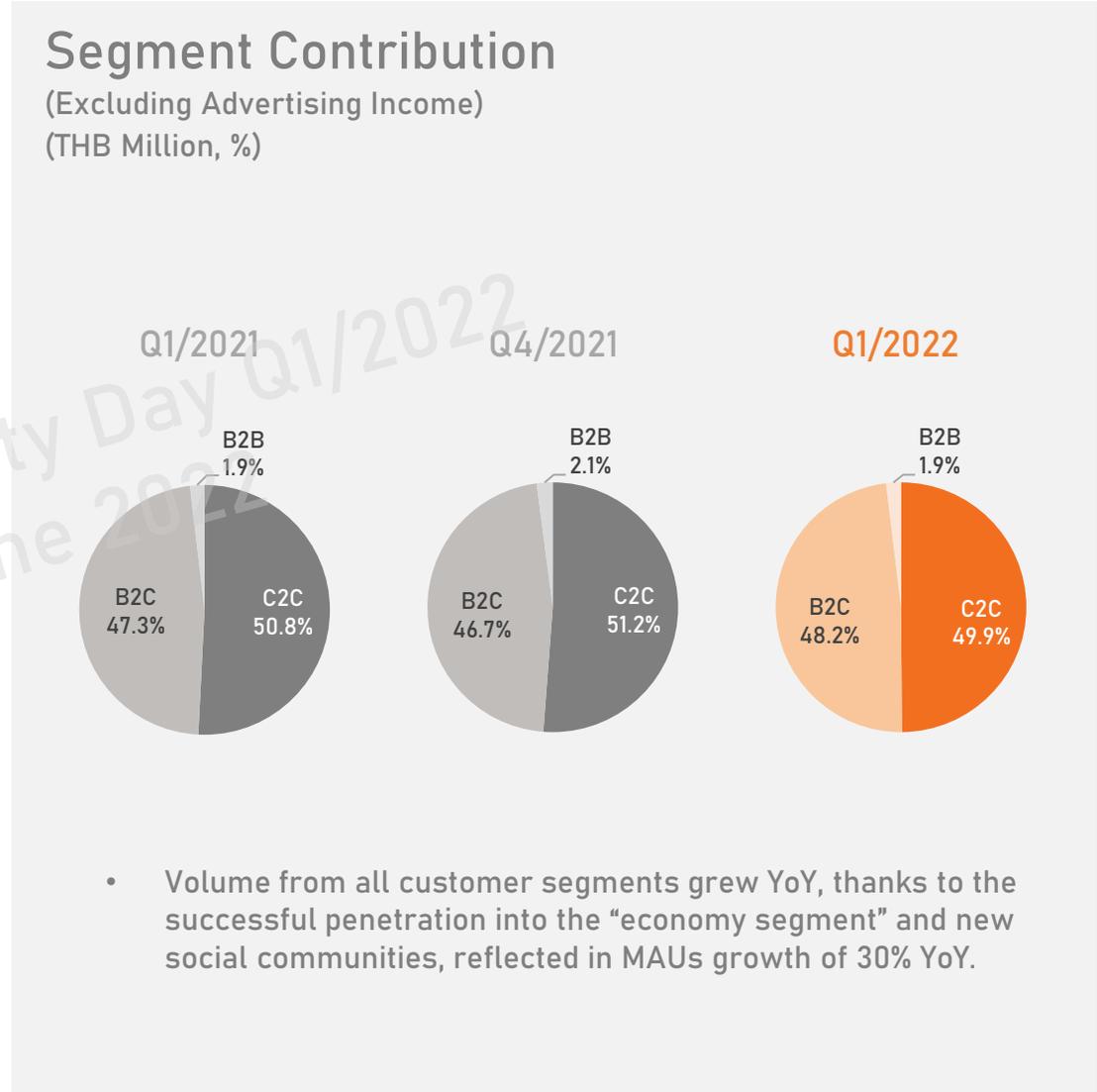
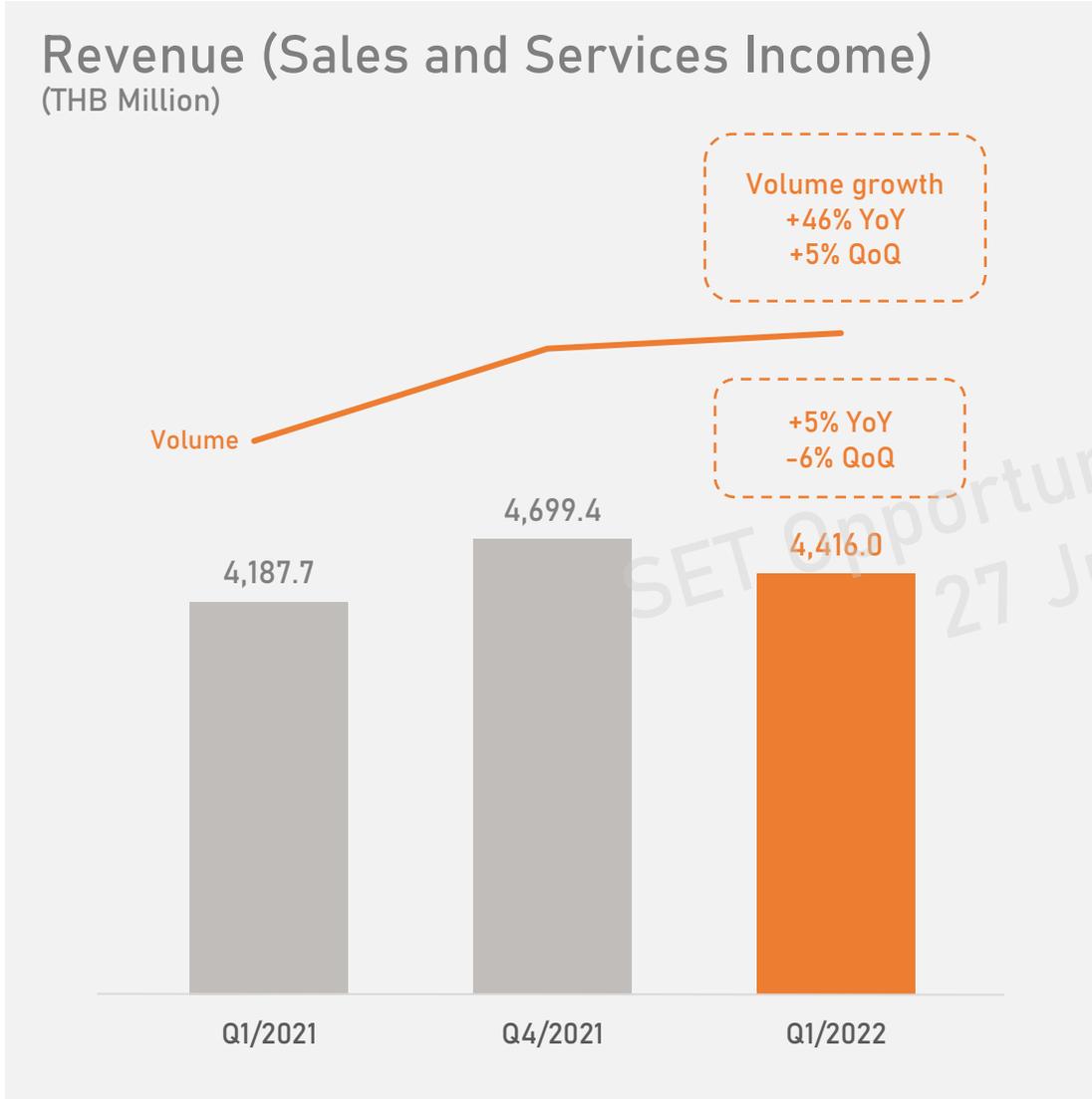
THB 30<sub>Bn</sub>

EST. ANNUAL MARKET SIZE\*  
**INDUSTRY IS SIZEABLE**

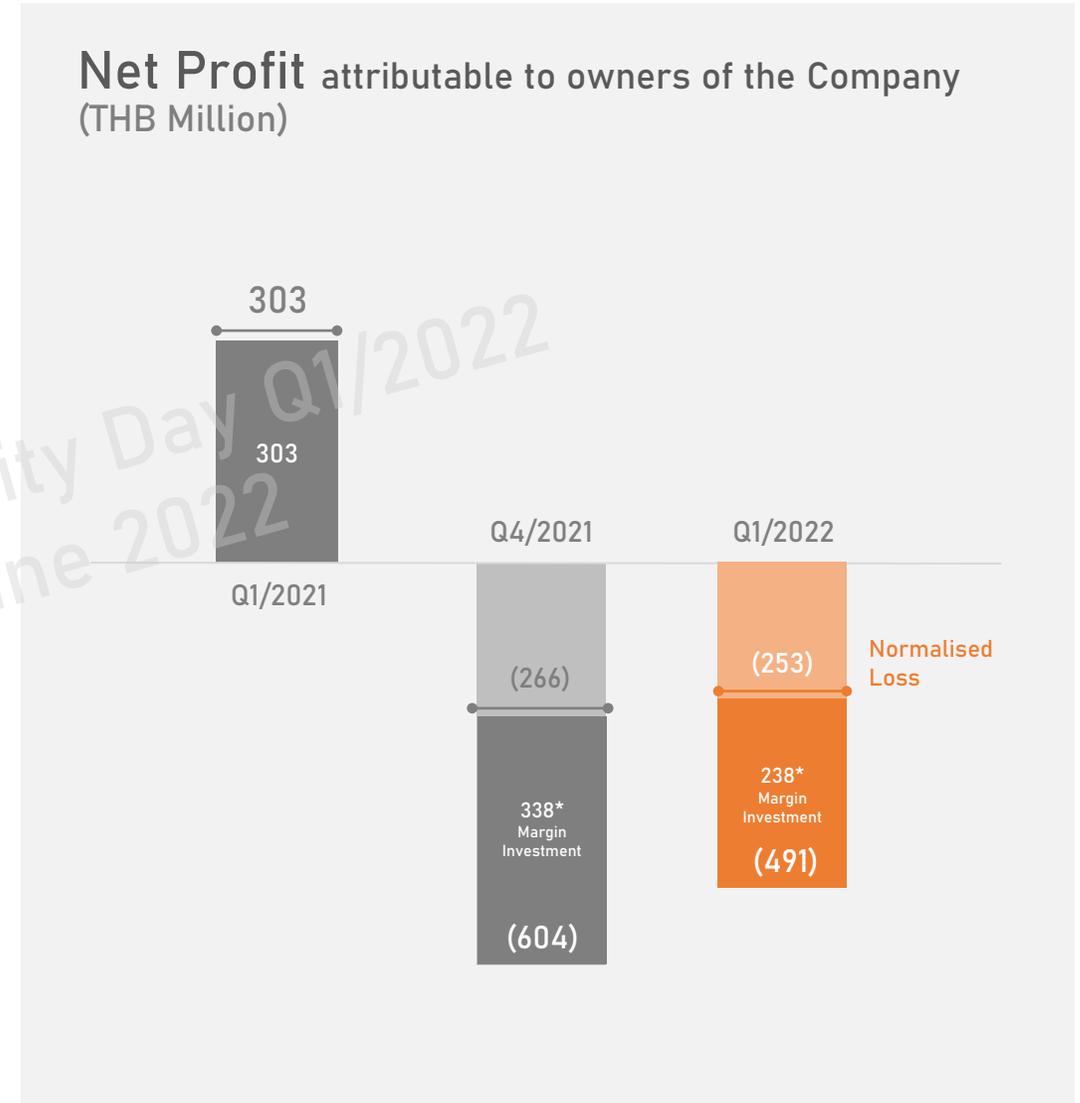
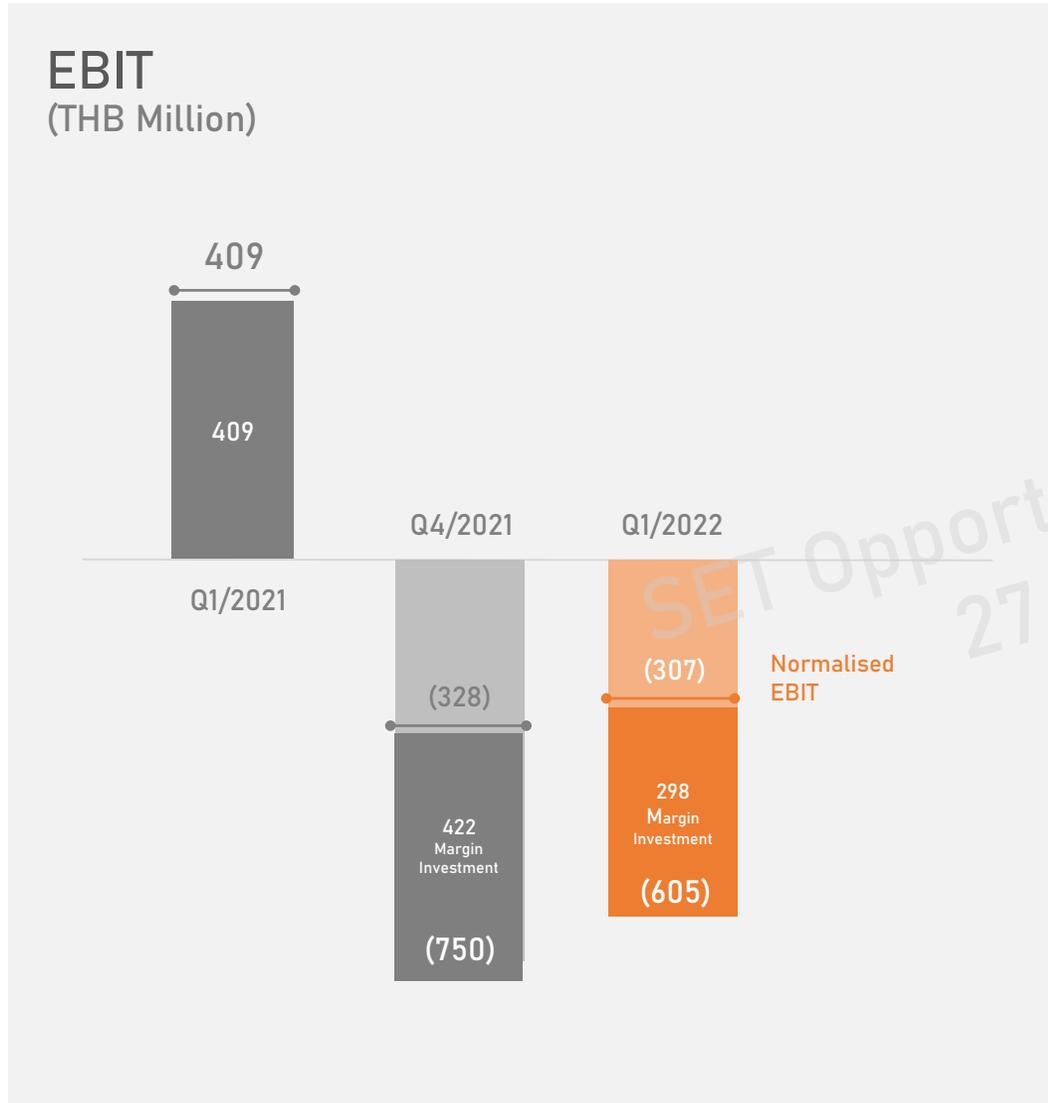


# FINANCIAL PERFORMANCE

# REVENUE AND SEGMENT CONTRIBUTION

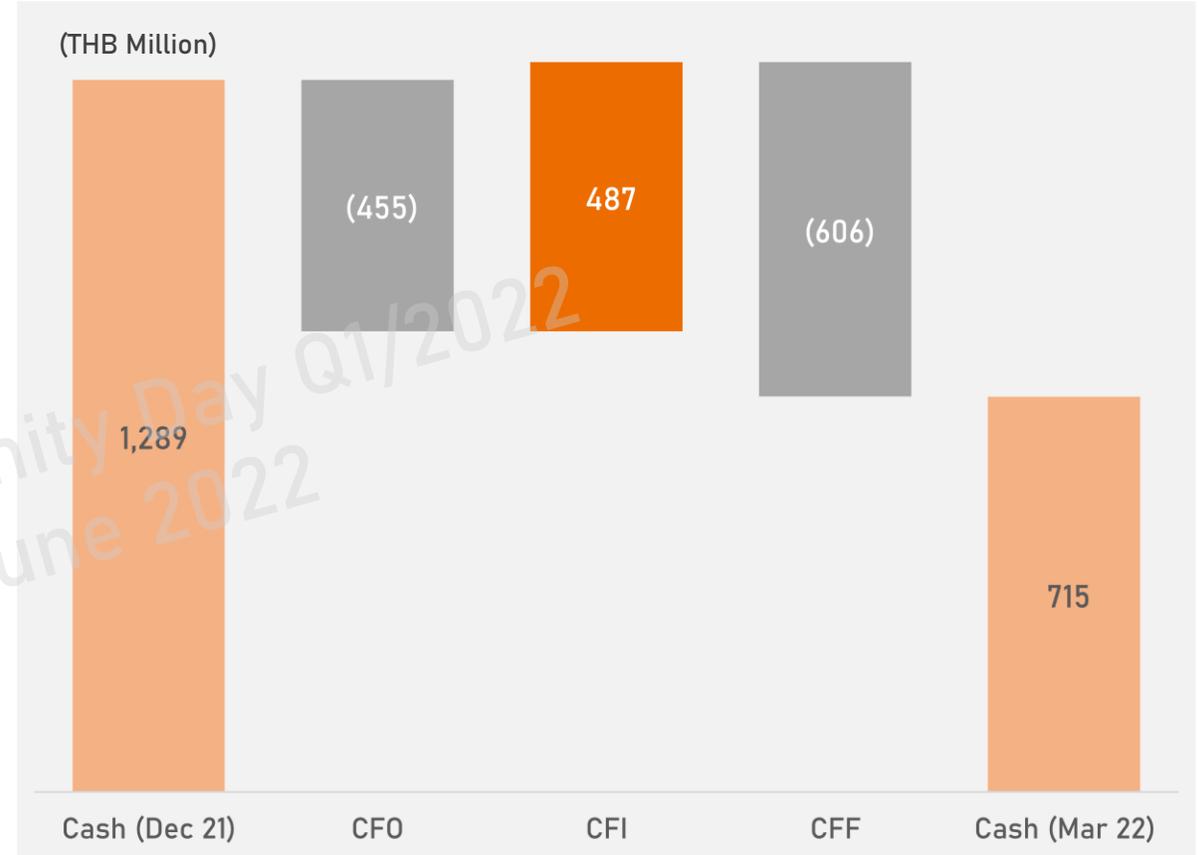
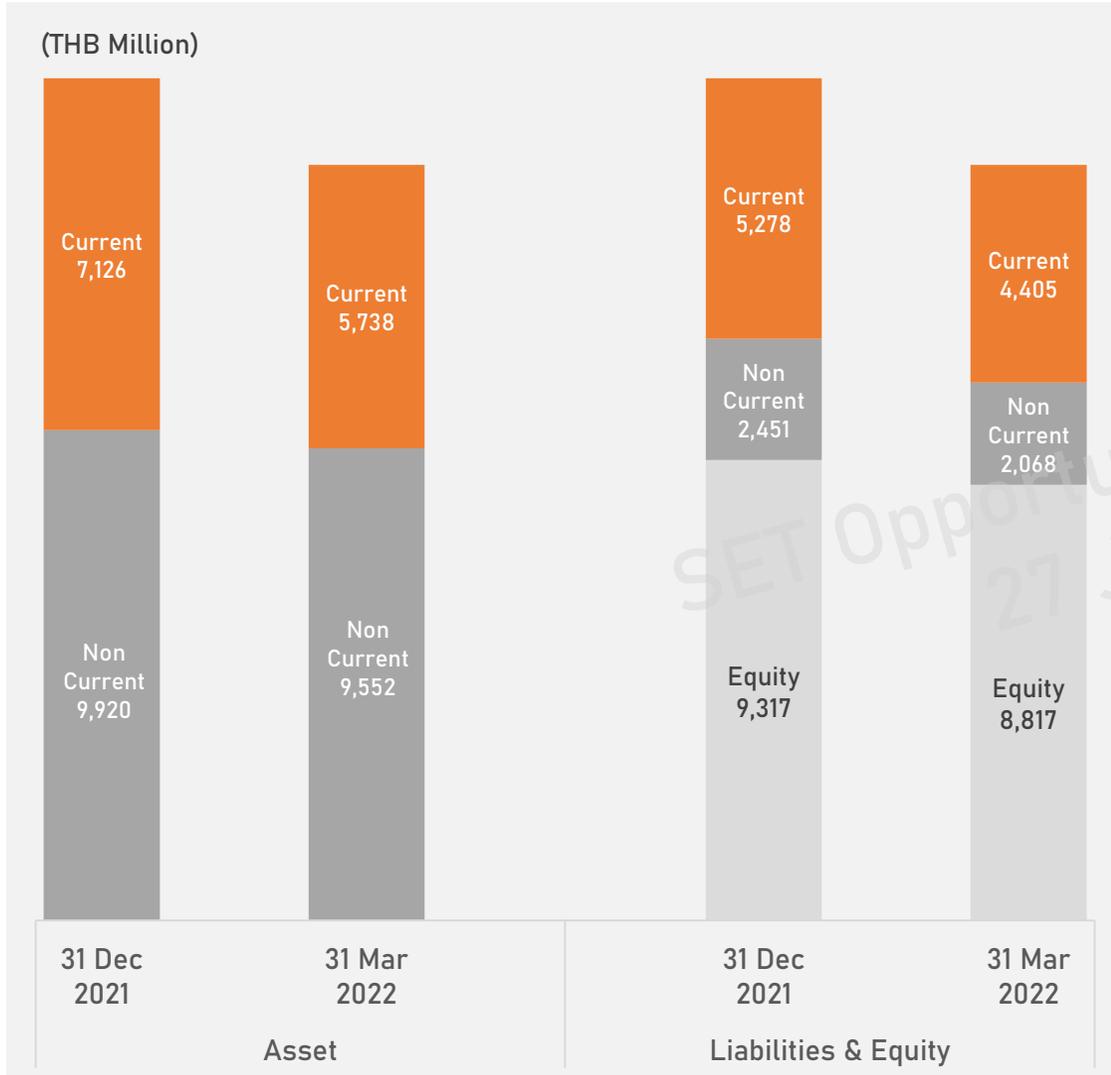


# Q12022 PROFIT BREAKDOWN



\* After-tax figures

# HEALTHY BALANCE SHEET & LIQUIDITY POSITION



**CURRENT RATIO**  
**1.30**

**D/E**  
**0.73**

**GEARING RATIO**  
**-**

# OUTLOOK & MANAGEMENT VISION

## 2022 OUTLOOK

### Management Guidance

- 30%+ VOLUME GROWTH
- SMART PRICING. LOWER PRICE PRESSURE
- DRASTIC UNIT COST REDUCTION (20%+)
- 1H2022 NEGATIVE NPAT
- COVID IMPACT TONES DOWN

### Synergistic Partnership

GRAB Instant Pick-up Service	4PLs Reseller Model
KERRY EXPRESS EVERYWHERE	FULFILLMENT

- Efficiency Enhancement
- Cost Optimisation
- Coverage Expansion

### Business Diversification

KERRY COOL Cold delivery platform	KERRY XL LTL delivery platform
KERRY WALLET Payment, finance & VAS platform	FINTECH & AI

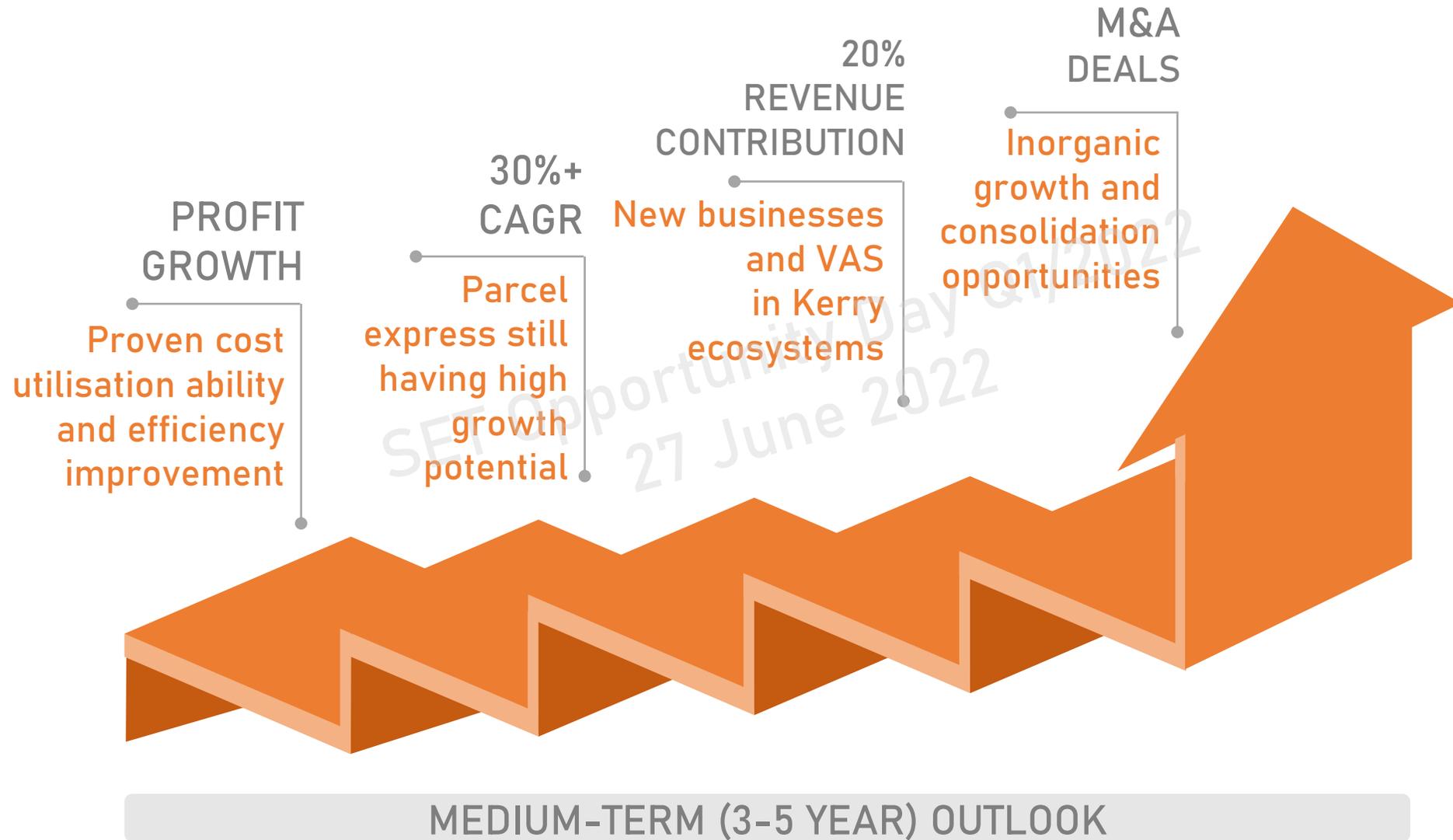
5-10% Revenue Contribution

### Shareholders' Support

AGGRESSIVE PRICING APPROACH SUPPORTED	SF EXPRESS Cross-border e-commerce
BTSG Strategic Bridge	SF EXPRESS Tech know-how

Market Consolidation Catalyst

# THE ROAD TO SUSTAINABLE LEADERSHIP A VISION BEYOND THE PANDEMIC



# DISCLAIMER

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Investment involves risks. Prospective should understand the characteristics of Securities and study information about Kerry Express (Thailand) Public Company Limited (“KEX” or the “Company”) before making a decision to invest in Securities.

This Presentation is not intended to provide the basis for any investment decision, nor to substitute your own analysis and investigation, and should not be considered as a recommendation to any recipient of this Presentation. Some statements made in this presentation are forward-looking statements, which are subject to various risks and uncertainties. These include statements with respect to the Company’s corporate plans, strategies and beliefs and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “estimate”, “continue”, “plan” or other similar words.

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# THANK YOU

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KERRY EXPRESS (THAILAND) PUBLIC COMPANY LIMITED

IR CONTACT

+66 (0) 63 198 1217  
ir@kerryexpress.com

# APPENDIX

# Our Business Segments



C2C

Fastest growing segment of the Company with the largest client pool  
Received No.1 Brand Thailand Award in Delivery/Logistics

**Service Offerings**

Comprehensive service offerings including all of our SD, ND, AM 2D and 3D services  
Innovative door-to-door (“D2D”) service with courier pickup



Nationwide Service Points



Call Centre



Kerry Express Loyalty Program



AI Chatbot



KE App

B2C

Serves the largest e-commerce platforms operating in Thailand

**Service Offerings**

Integrated logistics and e-commerce solutions: cross-border solutions, particularly customs clearance and last-mile deliveries, e-fulfillment services, express delivery, return management, and payment-on-delivery solutions



Nationwide O2O Service Points



Call Centre



On-site Support



AI Chatbot



Dedicated CRM Team



Kerry Express Loyalty Program

B2B

We are deep rooted in serving business customers from small to large enterprises and providing customised & value added services

**Service Offerings**

Streamlined delivery process with integrated logistics solutions, including pickup, packing, labeling and other value-added services



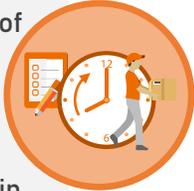
Dedicated CRM Team



On-site Support

# Our Service Offerings

- ✓ Parcels are collected within 2 hours of booking and delivered in the evening of the same day
- ✓ Covers the Bangkok Metropolitan, Greater Bangkok areas and certain upcountry areas
- ✓ Aim to offer nationwide coverage
- ✓ BTS Express Service where parcels can be picked up and delivered along the BTS line



- ✓ Delivery before noon on the next day
- ✓ Covers major cities in Thailand



- ✓ Core focus of our private express delivery service
- ✓ Next-day delivery for any parcel dropped off or collected before cut-off time
- ✓ Covers 99.9% of the areas within Thailand



- ✓ 2-day and 3-day economy delivery services
- ✓ Covers nationwide



- ✓ Pick up parcels at customers' doorsteps
- ✓ Covers nationwide

