

Kerry Express (Thailand)

2Q2023 SET Opportunity Day



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AGENDA

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EXECUTIVE SUMMARY

- Q2/2023 was an important quarter of KEX as it marked a new milestone in our history. Collaboration with our major stakeholders, KLN and SF Express, reached another level; personnel, technology and industry know-how exchanges deepened / business strategies updated to put customer's and courier's satisfaction as all-time priority. To achieve these KEX's hub-and-spoke network, operating procedures, product designs and people's principles are set to be upgraded. Our latest Q2 NPS research shows that KEX continues to lead in most aspects, which signals the market's recognition of our brand and quality. Operation result in the latter part of Q2 also showed return on all these actions.
- Delivery volume in Q2/2023 slightly dropped led by softer demand. Despite the drop in overall volume, the contribution of the C2C segment to our total revenue increased from the proportion of 42% to 45% of total revenue. This effect kicked in in late Q2/2023 and expected to reflect the full result in 2H2023. KEX continues to put a big effort into serving e-commerce platforms by providing distinguished service to retain our share of this segment.
- Going forward in term of business strategy in 2023, KEX aims to be recognized as a comprehensive solutions expert by pursuing **MARKET SEGMENTATION APPROACH** to achieve higher revenue per parcel focusing on the intensive cultivation of C-end customers and industries, **TARGETING MEDIUM TO HIGH END CLIENTS**, and establishing unique and premium services. On the operation front, KEX will put its heavy emphasis on expediting the drastic transformation and upgrade of its operating networks and systems to uplift its operating efficiency. In addition, KEX focuses on the improvement in profit level by optimizing operations and refining business strategies.

BUSINESS HIGHLIGHTS

As of June | 2023



20,568

FLEETS UNDER
MANAGEMENT

(-0.3%) QoQ



15,522

STAFFS UNDER
MANAGEMENT

(-10.8%) QoQ



59,861

SERVICE
LOCATIONS

(+37.0%) QoQ



974

DISTRIBUTION
CENTRES



13

SORTING
HUBS



5.1 BN

MONTHLY
COD AMOUNT

Key Corporate Updates

2Q2023 BUSINESS ACTIVITY UPDATES

KEX is poised to reaffirm its position as the **ultimate fruit delivery provider** with its captivating campaign **"Freshness Delivered."**



Kerry Express Celebrates 17th Anniversary, sign up a Kerry Express Club Member, Redeem a Free McDonald's Ice Cream



Sponsorship of Lazada Run 2023



NEW SALES CHANNEL

TOUCHPOINT EXTENSIONS



Kerry Express Teams Up with ALL SPEEDY Expanding Service Points into 7-ELEVEN Branches more than 11,000 service points Nationwide. Complemented with additional services like Cash on Delivery available right within the stores

KERRY COOL ENLARGED CLIENT BASE



KERRY COOL Joined International Food Exhibition 2023. 1st public our express cold chain solution to food trader



WON REPUTABLE AWARDS



KEX win 6 consecutive years as "No.1 Brand Thailand 2023"



KEX Awarded Thailand's most admire brand for 4 years in a row



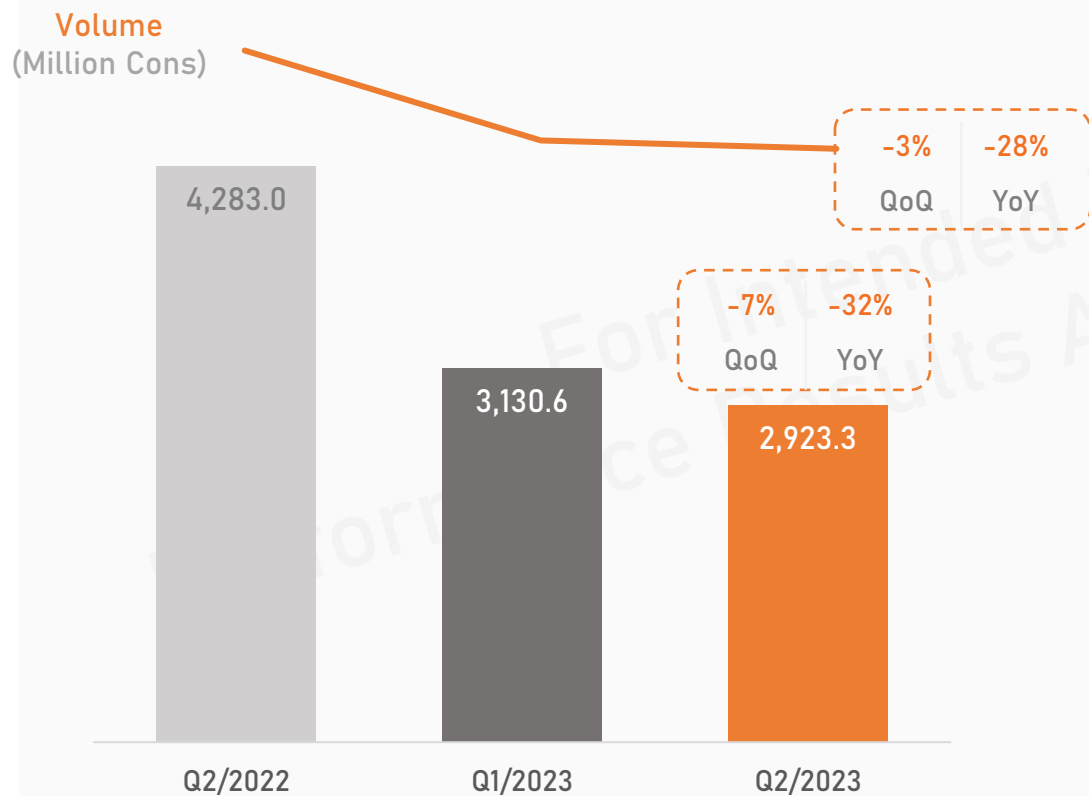
KEX Awarded Thailand Top Company Awards for 2 years in a row



FINANCIAL PERFORMANCE

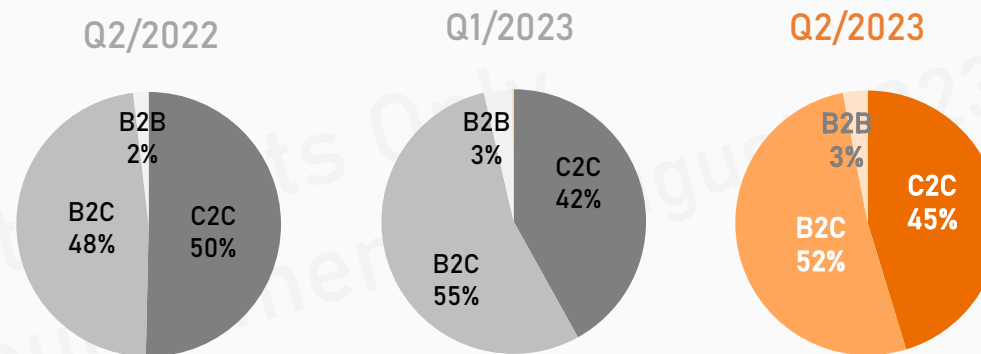
REVENUE AND SEGMENT CONTRIBUTION

Revenue (Sales and Services Income) (THB Million)



Segment Contribution (Excluding Advertising Income)

(THB Million, %)

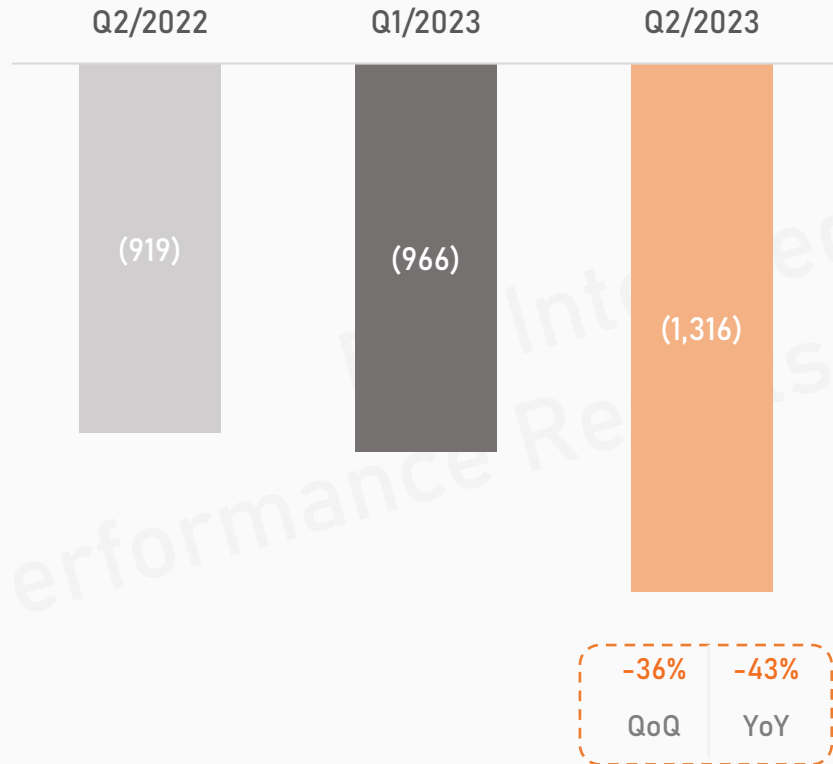


Segment	Q2/22	Q1/23	Q2/23	% YoY	% QoQ
B2B	79	107	88	12%	-18%
B2C	2,047	1,704	1,511	-26%	-11%
C2C	2,157	1,313	1,324	-39%	1%
Total	4,283	3,124	2,923	-32%	-6%

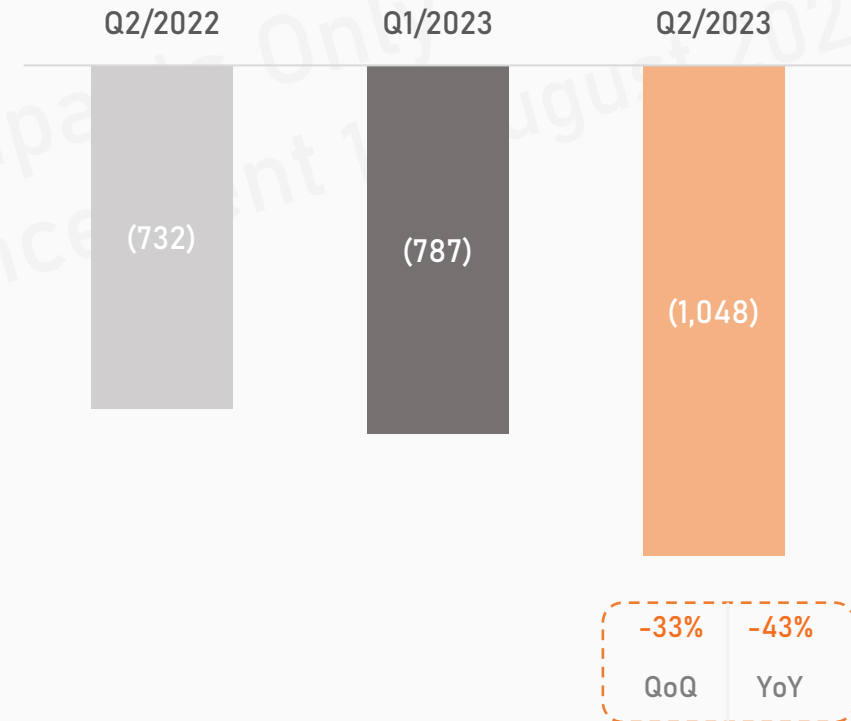
Remark : B2B is Business-to-Business, B2C is Business-to-Consumer; and C2C is Consumer-to-Consumer.

2Q2023 PROFIT BREAKDOWN

EBIT (THB Million)



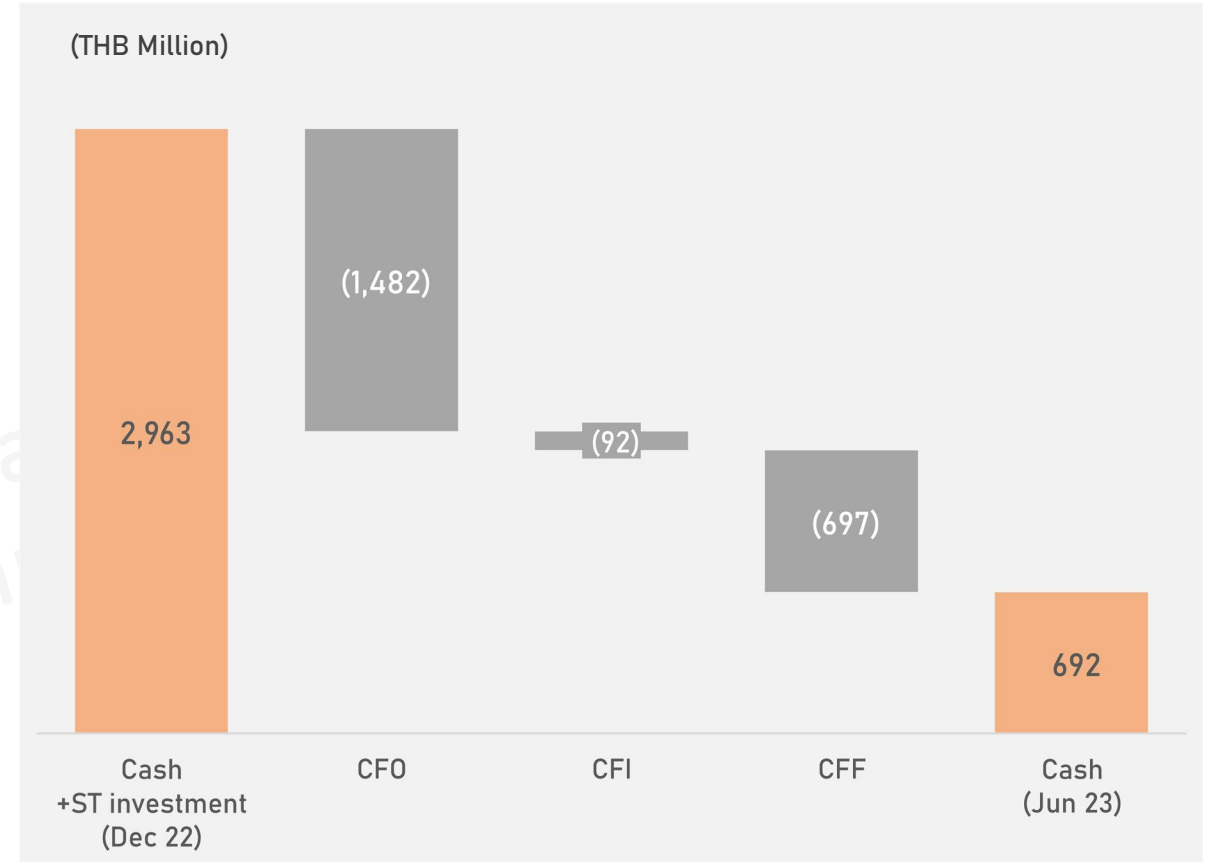
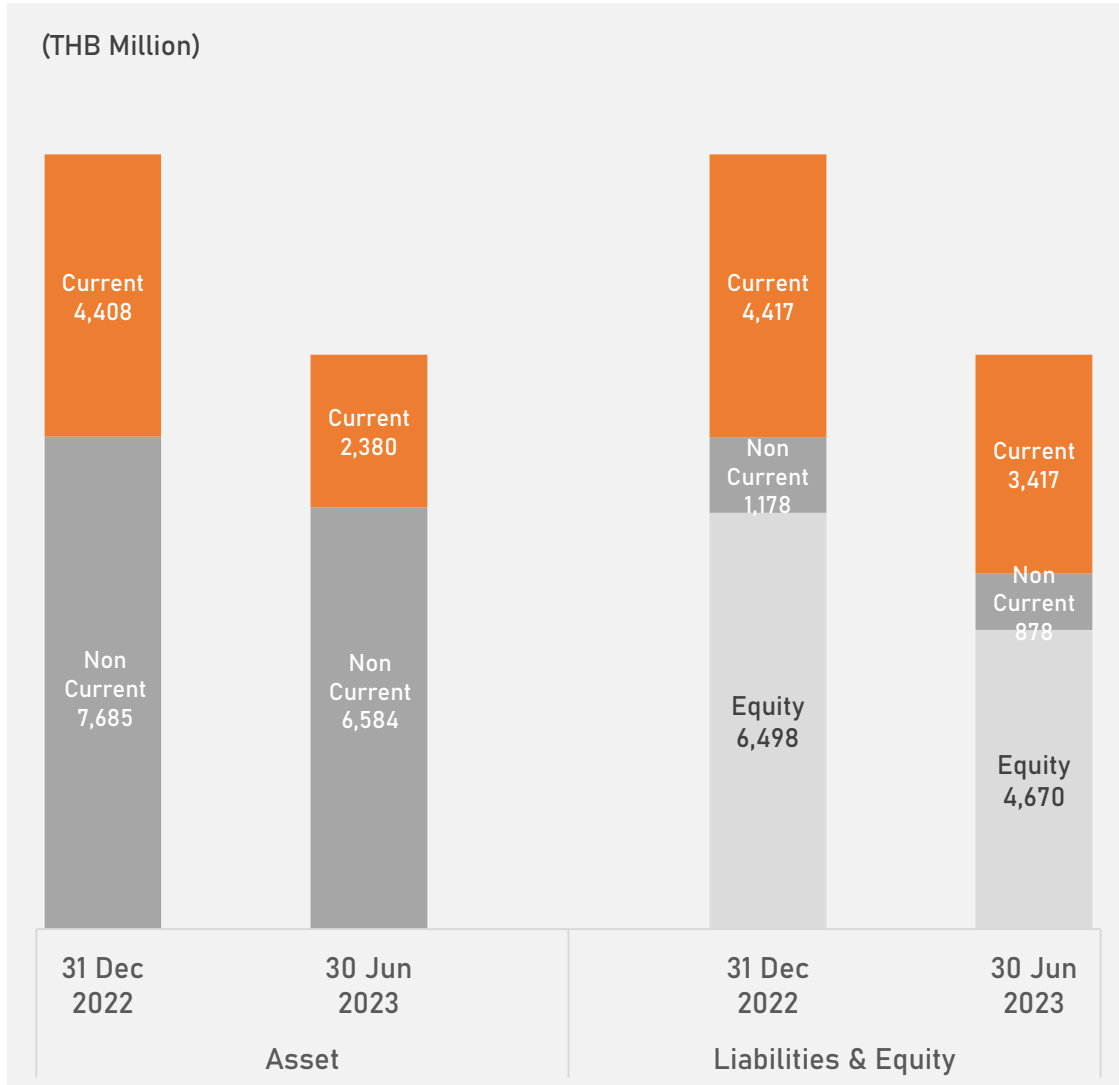
Net Profit attributable to owners of the Company (THB Million)



* After-tax figures

2Q2023 FINANCIAL POSITION

KERRY EXPRESS (THAILAND)



CURRENT RATIO	D/E	GEARING RATIO
0.70	0.92	0.01

STRATEGY FOCUSES

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To become Thailand's first high-quality comprehensive logistics service provider; to achieve the top customer reputation and brand satisfaction; to lead the industry in employee satisfaction.

Three-Year Strategic Plan Overview

Time	Enriching Product	Strengthening the Sales Foundation	Enhancing Business Strategy	Time
2023 Establish foundation and adjust the structure	<ul style="list-style-type: none"> ➤ Optimize product: Add two-tier products, establishing a time efficiency barrier with Thailand D+1 as the main capability. ➤ Optimize standard: Optimize time delivery standards and pricing deployment standards ➤ Capability enhancement: The whole process heavy cargo handling capacity, initial achievement of end-to-end cold chain service capability. ➤ Product expansion plan: Same-day delivery within the city 	<ul style="list-style-type: none"> ➤ Customer segmentation: Redefine customer categories, standardizing discount schemes ➤ Optimize compensation plans: Uncapped rewards, incentivizing sales to expand business ➤ Assessment mechanism: add business evaluation to core positions ➤ Optimize system infrastructure: introducing customer management, discount system, online approval system, and digitalized management ➤ Channel transformation 	<ul style="list-style-type: none"> ➤ Structural optimization: Increase the business proportion of B2C and C2C ➤ Increase order income ➤ Structural balance: Promote balanced development of ad-hoc orders, monthly billing, and key account business ➤ Maintaining stable average order value: Focus on industries and scenarios, targeted development of high-value customer business 	<ul style="list-style-type: none"> ➤ Improving core processes: By integrating collection and delivery, implementing two distribution and two scattered models ➤ Operational cost optimization: improving transit efficiency, optimizing route planning, and reducing single-YPC operating costs through fleet optimization ➤ Collection and delivery terminal: Increase retention time, promoting earnings for couriers, experimenting with multiple channel models, reducing costs and improving efficiency ➤ Transit terminal: Increase investment in transit facilities, improving efficiency ➤ Planning terminal: warehouse and network infrastructure development to enhance product competitiveness
2024-2025 Stabilizing order revenue while capturing the market	<ul style="list-style-type: none"> ➤ Enhancing product delivery capability, establishing same-city capability ➤ Expanding cold chain and same-city express products 	<ul style="list-style-type: none"> ➤ Customer development: Increasing the development of small and medium-sized monthly billing customers ➤ Scenario upgrade: Multi-business development for key clients 	<ul style="list-style-type: none"> ➤ Develop industry scenarios: Dive deep into different business areas, implementing precise solutions ➤ Seizing the mid to high-end market: accounting for over 50% 	<ul style="list-style-type: none"> ➤ Capability enhancement: Stability in service delivery capability ➤ Core resource acquisition: Air cargo belly space resources, shared social resources

Digitizing business data →
Data-driven business



Build an elite team →
Team management



Ability differentiation →
Capability specialization



Standardizing incentives →
Diversifying incentives

THANK YOU

KERRY EXPRESS (THAILAND) PUBLIC COMPANY LIMITED



IR CONTACT

+66 (0) 63 198 1217

IR Email : ir@kerryexpress.com

IR Website : <https://investor.th.kerryexpress.com/>