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UPDATE

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YUNDA Holding Co Ltd | Asia Pacific

China BEST Conference 2026 Feedback

MORGAN STANLEY ASIA LIMITED+

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YUNDA Holding Co Ltd (002120.SZ, 002120 CS)

Hong Kong/China Transportation & Infrastructure | China

Stock Rating	**Underweight**
Industry View	**In-Line**
Price target	Rmb5.50
Up/downside to price target (%)	(20)
Shr price, close (Sep 17, 2026)	Rmb6.84
52-Week Range	Rmb8.34-6.05
Sh out, dil, curr (mn)	2,899
Mkt cap, curr (mn)	Rmb19,831
EV, curr (mn)	Rmb16,076
Avg daily trading value (mn)	Rmb225

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (Rmb)**	0.39	0.61	0.51	0.47
EPS (Rmb)§	0.50	0.69	0.76	0.81
Revenue, net (Rmb mn)	51,475	55,700	57,074	58,373
EBITDA (Rmb mn)	3,673	4,609	4,282	4,230
ModelWare net inc (Rmb mn)	1,145	1,779	1,477	1,372
P/E	17.1	11.1	13.4	14.5
P/BV	0.9	0.9	0.9	0.8
RNOA (%)	7.3	10.9	9.2	8.5
ROE (%)	5.6	8.4	6.6	6.0
EV/EBITDA	4.3	3.2	3.3	3.1
Div yld (%)	3.0	4.5	3.8	3.5
FCF yld ratio (%)**	6.8	11.5	9.4	9.7
Leverage (EOP) (%)	(11.9)	(17.8)	(20.3)	(23.3)

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

Key Takeaways

- Strategic focus: service quality > market share gain. Business growth in reverse logistics is important, per management.
- Management expects to retain a stable market share in 2027, amid ~6% YoY estimated industry volume growth.
- "Anti-involution" initiatives for Yiwu announced today: likely to reverse the price cuts in Yiwu since July 2026. Anti-involution will remain a regulatory focus.

4Q26 outlook: Management expects mild growth acceleration from a low base since 4Q25. Industry volume growth has been affected by tighter tax compliance requirements for online merchants.

Costs: Management still sees room for cost efficiency to improve, benchmarking leading industry peers.

Reverse logistics: The company has reached 3m/day vs. 1m/day earlier this year. The business has yet to contribute to unit profit expansion, but will likely remain a operational focus.

Social insurance: Management expects social insurance coverage to continue to expand, and believes it will likely support continued industry price hikes.

Capex: To stay at Rmb2bn p.a. in 2026-2027.

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Valuation Methodology and Risks

YUNDA Holding Co Ltd (002120.SZ)

Derived from probability-weighted DCF valuation scenarios: 10% bull case, 70% base case, 20% bear case. We have applied a higher probability to the bear case given the company's worse-than-expected ASP and volume performance. We see a mild probability for the bull case if Yunda can finance from strategic investors to support further capex expansion.

Key assumptions: 1.05x beta, 11.3% WACC and 2.0% terminal growth rate.

Risks to Upside

- Greater-than-expected market share gains
- Significant cost reduction led by increasing self-owned line-haul trucks and automation
- Significantly alleviated price competition
- Acquired by leading players amid ongoing industry consolidation

Risks to Downside

- Demand weakness led by slowing e-commerce activities or GDP growth
- ASP pressure from intensified competition
- Cost pressure from general labor shortage

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(as of August 31, 2026)

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Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1555	42%	450	48%	29%	767	44%
Equal-weight/Hold	1577	43%	395	42%	25%	770	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	559	15%	93	10%	17%	216	12%
Total	3,694		939			1754	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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Stock Price, Price Target and Rating History (See Rating Definitions)





Stock Rating History: 9/1/21 : U/I

Price Target History: 6/9/21 : 12.5; 9/7/21 : 13.8; 11/17/21 : 13.1; 5/20/22 : 14.3; 12/13/22 : 10.3; 4/19/23 : 9.8; 6/2/23 : 9.4; 7/13/23 : 8.5; 9/15/23 : 7.8; 6/12/24 : 7.2; 8/29/24 : 6.6; 2/13/25 : 6; 4/29/25 : 5.7; 7/24/25 : 5.5

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -·- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) ▬
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COMPANY (TICKER)	RATING (AS OF)	PRICE* (09/17/2026)
Qianlei Fan, CFA		
Air China Limited (601111.SS)	E (07/07/2026)	Rmb5.77
Air China Limited (0753.HK)	O (01/13/2025)	HK$3.63
Beijing Capital Int'l Airport (0694.HK)	U (09/23/2025)	HK$1.52
Beijing-Shanghai High-Speed Railway (601816.SS)	O (07/03/2020)	Rmb4.76
BOC Aviation (2588.HK)	O (03/21/2022)	HK$71.25
Cathay Pacific Airways (0293.HK)	O (06/10/2026)	HK$13.98
China Eastern Airlines (600115.SS)	E (07/07/2026)	Rmb3.35
China Eastern Airlines (0670.HK)	O (01/13/2025)	HK$2.54
China Merchants Energy Shipping Co. Ltd. (601872.SS)	O (03/10/2020)	Rmb21.85
China Southern Airlines (600029.SS)	E (07/07/2026)	Rmb4.86
China Southern Airlines (1055.HK)	O (01/13/2025)	HK$2.90
COSCO SHIPPING Energy Transportation (1138.HK)	O (01/12/2023)	HK$19.29
COSCO SHIPPING Energy Transportation (600026.SS)	O (11/25/2025)	Rmb22.09
COSCO Shipping Holdings Ltd (601919.SS)	U (07/15/2024)	Rmb16.27
COSCO Shipping Holdings Ltd (1919.HK)	U (07/15/2024)	HK$16.79
Guangzhou Baiyun Int'l Airport (600004.SS)	U (06/10/2026)	Rmb7.60
J&T Global Express Ltd (1519.HK)	O (07/06/2026)	HK$9.05
JD Logistics, Inc. (2618.HK)	E (09/15/2026)	HK$10.40
Orient Overseas (International) Ltd (0316.HK)	U (07/15/2024)	HK$145.20
Pacific Basin Shipping (2343.HK)	E (07/04/2025)	HK$4.21
S.F. Holding Co Ltd (002352.SZ)	E (09/01/2025)	Rmb30.75
Shanghai International Airport (600009.SS)	E (09/23/2025)	Rmb22.47
SITC International Holdings Company (1308.HK)	U (09/08/2026)	HK$47.92
Spring Airlines (601021.SS)	O (08/31/2015)	Rmb41.81
STO Express Co Ltd (002468.SZ)	E (10/22/2024)	Rmb15.21
TravelSky Technology (0696.HK)	U (01/13/2025)	HK$8.67
YTO Express Group Co Ltd (600233.SS)	O (09/11/2025)	Rmb17.57

YUNDA Holding Co Ltd (002120.SZ)	U (07/29/2020)	Rmb6.84
ZTO Express (ZTO.N)	O (11/21/2016)	US$20.21

Stock Ratings are subject to change. Please see latest research for each company.
* Historical prices are not split adjusted.

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