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CHINA LOGISTICS

Turning incrementally cautious on profit reset, updating estimates/TPs; Buy JDL; Downgrade SF-H/ZTO to Neutral, Yunda to Sell; Upgrade YTO to Neutral

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We are turning incrementally cautious over the China domestic logistics space, amid a broad based online consumption slowdown, convergence between parcel volume growth and ecommerce GMV growth, and sector-specific headwinds including over-capacity and base effect from anti-involution policies. While the sector has undergone a severe de-rating in the past 1 year (from 15X 1-year forward PE in Sept-2025 to 9X in Oct-2026), widening its valuation gap vs. non-China logistic peers to a record level of c.50% (from 16% a year ago), we estimate further downside risk to consensus estimates as our projected aggregate industry profit is set to moderate from 44% yoy growth in 2Q26 to 13%/3% in 3Q/4Q26E, before resuming to a mild 9% growth in 2027E, as the sector is faced with multi-quarter headwinds from:

- **1) Heightened sector over capacity issue** as the excess sorting center capacity of the top 5 franchised express companies commissioned during 2023-2024 gradually comes online after the construction phase (capacity overbuilt during the 2023 eCommerce re-acceleration when demand was resilient, where we estimate over 80+ pipeline project to come online till 1H27), during a period when we expect organic volume growth to slow down to and likely remain at low-single digits yoy, with our capacity tracker pointing to STO and J&T, which have the most incremental capacity ready to come online when depreciation kicks in, as potentially the key players next to focus on price competition.
- **2) Moderating parcel volume growth** with further softening in industry parcel growth to low single digits in 3Q26 amid lukewarm online consumption demand, further exacerbating the supply-demand imbalances; ***GS view:*** We now forecast 2026/27/28E industry volume growth of 5%/4%/4%. We estimate 2026E growth by players at: STO (11%) > YTO (10%) > J&T China (9%) > ZTO (7%) > SF (1%) > Yunda (-1%), with industry contender YTO continuing to gain market share and ZTO focusing on sustaining profitable volumes.
- **3) ASP slowdown pressure** as demand-supply imbalance worsens, and the high base effect of anti-involution driven price increases (implemented end July-2025) kicks in; we estimate the industry to retreat to flattening yoy price movement in 2027E; ***GS view:*** We forecast 0% to 1% ASP movement across Tongda players in 2027E, a meaningful moderation from the high-single-digits ASP yoy recovery in 3Q25-2Q26, as it enters a relatively difficult base for

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2H26E-1H27E. With moderating volume growth (less incremental economies of scale) and flattening ASP expansion (less incremental operating leverage), we now forecast a muted per parcel improvement with industry EBIT per parcel at 0%-3% yoy in 2027E, while continue to expect ZTO to maintain profit leadership (Rmb0.30 EBIT per parcel), followed by YTO (Rmb0.23), Yunda (Rmb0.12), and STO (Rmb0.10).

- **4) Selling pressure from major shareholders,** especially for ZTO & YTO, as BABA recently sold a US$500mn stake in ZTO via a discounted block trade on Sept 21, 2026 (reducing its stake to 6%). Meanwhile, stake cut overhang for YTO is more manageable with a more gradual pace (every 6 months) and lower selling pressure (Rmb0.6~1bn each time).

Looking ahead, we expect competition to return to the China logistics parcel industry where the competitive intensity/duration will hinge on any strategic adjustments of incumbents with China's no.2 express company (YTO) to re-focus on volume share gain, while no.1 ZTO and no.3 STO, no. 5 J&T also have expressed the intention to deliver above-industry volume growth, and further implementation in anti-involution enforcement and floor pricing (which was the case for the State Post Bureau since Sept 2025, to avoid excessive price competition thus supporting ASP on higher last-mile costs), and/or potential industry consolidation. We refresh our ratings and target prices as below:

- **SF Holding - H (6936 HK) - Downgrade to Neutral.** We downgraded our rating for SF-A (002352.SZ) to Neutral in April. We expect China's leading premium logistics provider SF Holdings to see disproportionate impacts in the face of a broad based consumption deceleration as customers opt for more affordable parcel delivery. We now estimate time-definite (the backbone contributing c. 70% of SF gross profit) revenue growth to remain flat yoy in 2H26E as the company is still optimizing its product mix by trimming the less-profitable Douyin e-commerce reversed parcels, with profitability impacted by higher oil prices amid its exposure to air freight time-definite parcels. Meanwhile, SF is shifting away from its capex approach in 2022-25 (where capex shrank from Rmb19bn in 2021 to Rmb10bn in 2025), and we estimate SF's capex to grow 40% yoy in 2H26E with its renewed investment in assets pool including airplanes and smart logistics. While we remain positive on S.F.'s long-term competitive positioning in the China logistics space and are encouraged by its upsized shareholder return plan (target a 50% payout in 2027 and no less than 50% in 2028), we believe the slowdown in the core business, dampened earnings visibility, elevated capex should drive a narrowing valuation multiple premium vs. sector, against a challenging 2027E consensus EPS growth expectation (+13% yoy, VisibleAlpha consensus), making the risk-reward (at 13X 2027E P/E) balanced, in our view.
- **ZTO Express (ZTO/2057.HK) - Downgrade to Neutral,** in line with our more cautious stance on franchised express-delivery operators. While we expect ZTO, as China's largest franchised-based express operator, will continue to deliver higher-than-peers daily volume and uphold a relative unit economics advantage, we note it faces a challenging industry-wide operating backdrop from worsening supply-demand imbalances, and idiosyncratic challenges including slower-than-expected consolidation progress (its 20% volume share has remained

largely stable since 2021) and emerging competitive pressures (with YTO Express continuing to narrow the gap with ZTO in both market share and unit economics). Meanwhile, while ZTO's unit economics remained near record levels in 2Q26, we see limited scope for further upside as the benefits of anti-involution policies that drove earnings acceleration in 3Q25-2Q26 are likely to turn into challenging comps over the next few quarters. In addition, any potential further reduction by Alibaba of its ZTO stake following its recent stake cut (25mn shares for US$500mn on Sept 21), could create a technical overhang as it currently still holds 6.1% stake in ZTO.

- **YTO Express (600233. SH) - Upgrade to Neutral.** While maintaining our cautious sector view on franchised express delivery operators, we are turning incrementally positive on YTO Express as it emerges as a no.2 credible challenger to ZTO, with narrowing gaps in both market share and unit economics backed by improving execution, cost savings benefits from its investment through sorting centers and self-owned vehicles, franchisee partners' balance sheet improvement. We expect YTO to further improve its volume share to 17.8% by 2028E (following the share gain from 15.2% in 2024 to 16.4% in 2026E), with EBIT per order gap (Rmb0.25 vs. Rmb0.31 of ZTO) narrowing in conjunction with volume share gap narrowing, implying the share gain not just driven by price discounts, but increase in service quality and cost efficiencies. Despite our expectations for YTO to relatively outperform the sector on both volume growth and profitability, our conservative sector view and YTO's idiosyncratic exposure to global fuel cost increases (amid the YTO aviation business, which turned loss making in 1H26), keeps us on the sidelines on the stock.
- **Yunda Holdings (002120 CH) - Downgrade to Sell**. With Yunda prioritizing profitable growth while pivoting away from the price-cut led volume share gain growth strategies, its EBIT per parcel has managed to stabilize at Rmb0.1~0.15 following 8 quarters of yoy decline, which is at the expense of its volume share falling to 12% (vs. its peak at 17% in 2022), the lowest level in the past 10 years. We expect the share loss trend to sustain given it is not a temporary pricing measures but a long-term strategy evidenced by Yunda's consistent downsizing of its level-1 franchisees (from over 4.8k in 2023 to 4.2k in 1H26, while peers franchisee count have remained stable/increased). As such, we expect Yunda's market share to remain subdued and to be overtaken by J&T China and slip to no.5 in 2H27E (from no.2 in 2022). While Yunda's strategies have benefited its short-term profitability, we believe volume remains the backbone that forms the economies of scale of e-commerce parcel industry, and an e-commerce parcel centric operator with a sub-scaled network faces the risk of gradually losing its capabilities to offer comparable services at competitive costs against larger peers (except for integrator like SF, JDL, whose core businesses are not ecommerce parcels hence are able to pivot away from the market). As such, we turn incrementally bearish on Yunda, and await further positive signs (i.e. profitable share gain) before turning more constructive.

We revise our TP/estimates across our express delivery and freight forwarder names, where we revise TPs by -24% to +94%. We switch our valuation methodologies to PE-based (from EV/EBITDA-based), as China logistics sector reaches operational

maturity with more steady aggregate capex, healthy margins and sustainable net profits, while also aligning the methodologies used by our global logistic team (see our multiple selection basis in the exhibit below). Among our coverage, YTO is seeing the largest raise (TP +95%) on volume share gain (from 15% in 2024 to 18% in 2028E) with UE improvement (from 50% of ZTO's level in 2024 to 80% in 2028E) driven by operational improvements from better managerial execution, franchisee balance sheet management, cost savings arising from YTO's continued investment in infrastructure; followed by J&T (TP +42%) given its extended volume growth runway in ASEAN and LatAm driven by ongoing China eCommerce go-global trend, with the largest cut for Yunda (TP -24%) amid its strategies to forego less profitable volume share which benefits short-term profitability, yet underwrites a lowering asset utilization outlook, weakening competitive positioning and eventually lower terminal value (as has been the cases for multiple tier-2 franchised based operators which have exited low profit parcels, and exited the industry over 2015-2019).

Stock selections: Despite sector multiples compressed to historical lows (12-month forward PE of 9X, vs. past 2-year average of 11X, and prior cycle peak of 15X in Sept-25), we see downside risks to consensus estimates (where we are +2~-17% vs. consensus net profit forecasts across our coverage, see the exhibit below) for China logistics players, hence continue to adopt a selective approach within the broader logistics sector with our only Buy-rated name being JDL (integrator) with share gain potential across integrated supply chain, time-definite and freight, and limited room for further de-rating (at 6X 2027E P/E, vs. peers at 9-13X P/E) supported by shareholder return (a 4-year US$1.2bn buyback plan).

Risks: Higher-/lower-than-expected industry growth, duration of intensive pricing competition, deployment of cash considering logistics capacity expansion.

Exhibit 1: China logistics: key rating and estimates changes

	Currency	Share price	Market cap (US$mn)	Rating	Prior rating	12-month TP		TP change	Up/down side to TP	Daily parcel volume (mn)			EBIT per parcel (Rmb)			P/E n-GAAP		Adj. net profit CAGR	
						New	Old			2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2025-27E	2026-28E
China logistics																			
S.F. Holding	Rmb	30.9	23,108	Neutral		32.0	39.0	-18%	4%	46	48	51	0.91	0.92	0.95	14.1x	13.3x	4%	7%
S.F. Holding (H)	HK$	29.3	18,715	Neutral	Buy	31.0	39.0	-21%	6%	46	48	51	0.91	0.92	0.95	12.3x	11.6x	4%	7%
ZTO Express (H)	HK$	157.6	16,608	Neutral	Buy	171.0	195.0	-12%	9%	113	119	123	0.30	0.30	0.32	11.0x	10.4x	10%	8%
ZTO Express	US$	20.2	16,664	Neutral	Buy	22.0	25.0	-12%	9%	113	119	123	0.30	0.30	0.32	10.9x	10.3x	10%	8%
JD Logistics	HK$	10.3	7,887	Buy		17.0	18.7	-9%	65%	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	6.2x	5.6x	7%	14%
Yunda Holding	Rmb	6.9	3,010	Sell	Neutral	5.7	7.5	-24%	-18%	69	70	71	0.11	0.12	0.12	11.4x	10.9x	26%	4%
STO Express	Rmb	15.1	3,445	Neutral		15.0	11.1	35%	0%	79	86	90	0.10	0.10	0.10	10.9x	10.0x	29%	8%
J&T Express	HK$	9.0	10,121	Neutral		10.5	7.4	42%	17%	66	69	72	0.06	0.07	0.08	13.0x	11.8x	52%	29%
YTO Express	Rmb	18.2	9,359	Neutral	Sell	21.6	11.1	95%	19%	94	102	110	0.23	0.23	0.24	9.8x	8.7x	28%	12%
Freight forwarding/Integrated logistics																			
KLN Logistics	HK$	5.9	1,353	Neutral		6.0	8.0	-25%	2%							8.2x	7.6x	0%	8%
Sinotrans (A)	Rmb	6.9	7,631	Sell		4.1	4.2	-2%	-41%							15.2x	15.2x	-9%	1%
Sinotrans (H)	HK$	4.6	4,352	Sell		3.1	3.2	-3%	-33%							9.3x	9.3x	-9%	1%

Share prices as of Oct 12, 2026

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 2: China logistics: key estimates changes

Express parcel volumes (mn)	2026E	Old est.	Chg (%)	YoY (%)	2027E	Old est.	Chg (%)	YoY (%)	2028E	Old est.	Chg (%)	YoY (%)
ZTO	41,213	42,754	-4%	7%	43,274	46,087	-6%	5%	45,005	49,116	-8%	4%
Yunda	25,345	32,096	-21%	-1%	25,725	34,503	-25%	1%	25,982	NA	NA	1%
YTO	34,258	35,370	-3%	10%	37,342	38,200	-2%	9%	40,329	NA	NA	8%
STO	29,013	31,822	-9%	11%	31,334	34,686	-10%	8%	32,901	NA	NA	5%
J&T (group)	36,771	36,665	0%	22%	41,518	40,730	2%	13%	46,594	NA	NA	12%
S.F.	16,876	16,876	0%	1%	17,556	18,282	-4%	4%	18,523	19,633	-6%	6%
Industry				**5%**				**4%**				**4%**
Group revenue (Rmb mn)	**2026E**	**Old est.**	**Chg (%)**	**YoY (%)**	**2027E**	**Old est.**	**Chg (%)**	**YoY (%)**	**2028E**	**Old est.**	**Chg (%)**	**YoY (%)**
ZTO	57,510	57,510	0%	17%	60,667	61,015	-1%	5%	63,786	64,522	-1%	5%
Yunda	55,542	61,556	-10%	8%	56,785	66,584	-15%	2%	58,357	NA	NA	3%
YTO	82,353	84,163	-2%	9%	91,662	90,927	1%	11%	100,349	NA	NA	9%
STO	67,417	63,234	7%	21%	72,816	68,945	6%	8%	76,948	NA	NA	6%
J&T (group)	112,633	101,668	11%	32%	132,010	113,449	16%	17%	148,094	NA	NA	12%
S.F.	325,212	325,982	0%	6%	348,918	349,477	0%	7%	375,851	372,956	1%	8%
JDL	261,913	261,913	0%	21%	284,550	284,550	0%	9%	302,322	302,322	0%	6%
Adj. net profit (Rmb mn)	**2026E**	**Old est.**	**Chg (%)**	**YoY (%)**	**2027E**	**Old est.**	**Chg (%)**	**YoY (%)**	**2028E**	**Old est.**	**Chg (%)**	**YoY (%)**
ZTO	10,596	10,890	-3%	13%	11,289	11,649	-3%	7%	12,350	12,784	-3%	9%
Yunda	1,769	2,098	-16%	51%	1,849	2,493	-26%	5%	1,927	NA	NA	4%
YTO	6,180	4,414	40%	46%	6,906	5,030	37%	12%	7,708	NA	NA	12%
STO	2,111	1,361	55%	51%	2,326	1,651	41%	10%	2,479	NA	NA	7%
J&T (group)	5,100	3,139	62%	71%	6,844	4,600	49%	34%	8,705	NA	NA	27%
S.F.	11,152	11,208	0%	0%	12,061	12,865	-6%	8%	12,773	14,562	-12%	6%
JDL	9,080	9,540	-5%	18%	10,030	10,089	-1%	10%	10,809	10,894	-1%	8%

We introduce FY2028E estimates for Yunda, YTO, STO and J&T with this note. Estimates on Rmb basis.

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 3: China express delivery players' quarterly financials overview

	2Q26				3Q26E				4Q26E				2026E			
	ZTO	YTO	Yunda	STO	ZTO	YTO	Yunda	STO	ZTO	YTO	Yunda	STO	ZTO	YTO	Yunda	STO
Express parcel volume and UE																
Total express parcel volume (mn	10,486	8,636	6,547	7,657	10,052	8,570	6,417	7,297	11,008	9,409	6,671	7,417	41,213	34,258	25,345	29,013
yoy %	*6%*	*7%*	*-2%*	*17%*	*5%*	*11%*	*0%*	*12%*	*4%*	*10%*	*3%*	*2%*	*7%*	*10%*	*-1%*	*11%*
ASP (Rmb)	1.37	2.19	2.09	2.17	1.32	2.10	2.16	2.25	1.45	2.29	2.22	2.45	1.37	2.21	2.16	2.30
yoy %	*16%*	*-1%*	*12%*	*10%*	*9%*	*-2%*	*11%*	*10%*	*7%*	*-1%*	*4%*	*6%*	*10%*	*-1%*	*9%*	*10%*
EBIT per parcel (Rmb)	0.31	0.24	0.11	0.10	0.30	0.22	0.11	0.09	0.29	0.23	0.13	0.11	0.30	0.23	0.11	0.10
Financials																
Group revenue (Rmb mn)	14,550	20,125	13,863	16,813	13,520	19,994	14,032	16,675	16,158	23,466	14,977	18,251	57,510	82,353	55,542	67,417
yoy %	*23%*	*7%*	*10%*	*29%*	*14%*	*9%*	*11%*	*23%*	*11%*	*11%*	*7%*	*7%*	*17%*	*9%*	*8%*	*21%*
EBIT (Rmb mn)	3,238	2,119	719	740	2,988	1,913	714	593	3,207	2,045	900	787	12,199	7,840	2,906	2,723
yoy %	*26%*	*81%*	*146%*	*155%*	*26%*	*54%*	*74%*	*48%*	*1%*	*10%*	*-7%*	*-1%*	*13%*	*47%*	*34%*	*52%*
Adj. net profit (Rmb mn)	3,059	1,779	511	585	2,525	1,535	429	434	2,672	1,522	433	645	10,596	6,180	1,769	2,110
yoy %	*51%*	*86%*	*146%*	*169%*	*1%*	*52%*	*113%*	*43%*	*2%*	*5%*	*-1%*	*5%*	*13%*	*46%*	*51%*	*54%*
Adj. net margin	21.2%	8.8%	3.7%	3.6%	18.9%	7.7%	3.1%	2.7%	16.9%	6.5%	2.8%	3.3%	18.7%	7.7%	3.2%	3.1%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 4: China logistics: GSe vs. Bloomberg consensus

Express parcel volumes (mn)	2026E	YoY (%)	Consensus	diff.	2027E	YoY (%)	Consensus	diff.	2028E	YoY (%)	Consensus	diff.
ZTO	41.213	7%	41.971	-2%	43.274	5%	44.914	-4%	45.005	4%	48.093	-6%
Yunda	25.345	-1%	25.585	-1%	25.725	1%	27.120	-5%	25.982	1%	28.569	-9%
YTO	34.258	10%	34.570	-1%	37.342	9%	38.079	-2%	40.329	8%	41.517	-3%
STO	29.013	11%	29.964	-3%	31.334	8%	32.521	-4%	32.901	5%	34.694	-5%
J&T (group)	36.771	22%	36.765	0%	41.518	13%	42.663	-3%	46.594	12%	48.910	-5%
S.F.	16.876	1%	17.100	-1%	17.556	4%	18.554	-5%	18.523	6%	19.963	-7%
Industry		**5%**				**4%**				**4%**		
Group revenue (Rmb mn)	**2026E**	**YoY (%)**			**2027E**	**YoY (%)**			**2028E**	**YoY (%)**		
ZTO	57,510	17%	57,761	0%	60,667	5%	62,690	-3%	63,786	5%	67,500	-5%
Yunda	55,542	8%	54,666	2%	56,785	2%	57,503	-1%	58,357	3%	58,487	0%
YTO	82,353	9%	82,907	-1%	91,662	11%	90,228	2%	100,349	9%	97,494	3%
STO	67,417	21%	66,803	1%	72,816	8%	72,027	1%	76,948	6%	76,959	0%
J&T (group)	112,633	32%	111,216	1%	132,010	17%	129,801	2%	148,094	12%	152,052	-3%
S.F.	325,212	6%	332,568	-2%	348,918	7%	358,240	-3%	375,851	8%	384,865	-2%
JDL	261,913	21%	264,220	-1%	284,550	9%	290,797	-2%	302,322	6%	315,529	-4%
Adj. net profit (Rmb mn)	**2026E**	**YoY (%)**			**2027E**	**YoY (%)**			**2028E**	**YoY (%)**		
ZTO	10,596	13%	10,975	-3%	11,289	7%	12,134	-7%	12,350	9%	13,294	-7%
Yunda	1,769	51%	2,010	-12%	1,849	5%	2,224	-17%	1,927	4%	2,421	-20%
YTO	6,180	46%	6,245	-1%	6,906	12%	7,115	-3%	7,708	12%	8,043	-4%
STO	2,111	51%	2,197	-4%	2,326	10%	2,478	-6%	2,479	7%	2,796	-11%
J&T (group)	5,100	71%	5,107	0%	6,844	34%	6,715	2%	8,705	27%	8,289	5%
S.F.	11,152	0%	11,633	-4%	12,061	8%	13,293	-9%	12,773	6%	14,827	-14%
JDL	9,080	18%	9,271	-2%	10,030	10%	10,542	-5%	10,809	8%	11,843	-9%

Source: Company data, Goldman Sachs Global Investment Research, Bloomberg

Exhibit 5: China logistics: valuation methdologies

China logistics	Competitive positioning	New rating	Old rating	Valuation methodology	Prior valuation methodology	Daily parcel volume (mn)	Rationale for changes
SF	China's largest integrated logistics provider. Leader in time-definite express delivery	Neutral (SF-H)	Buy	**14X** forward PE (-1 s.d. to average past-2-year PE of SF Holding-A), applying 20% H/A discount for SF Holding-H	**6X** forward EV/EBITDA	**46**	1) Moderation of time-definite revenue (key driver of SF profit) to drive narrowing premium multiple vs. sector, 2) premium logistics to face disproportionated pressure as macro slows, 3) change in capex strategies, to potentially impact future buyback
YTO	**Contender in express delivery**	**Neutral**	**Sell**	**12X forward PE (+1 s.d. to average past-2-year PE of YTO)**	**5X forward EV/EBITDA**	**94**	**1) Narrowing volume share gap and UE gap with ZTO; 2) relatively better earnings visibility from improving services and cost management;**
ZTO	**Leader in express delivery**	**Neutral**	**Buy**	**12X forward PE (+1 s.d. to average past-2-year PE of ZTO)**	**8X forward EV/EBITDA**	**113**	**1) Slower-than-expected market share gain with narrowing gap vs. no.2 YTO; 2) moderating earnings growth with high base; 3) overhang of BABA's stake cut**
JD Logistics	Share gainer in time definite and integrated supply chain solutions	Buy	Buy	**11X** forward PE (+1 s.d. to average past-2-year PE of JDL)	**5X** forward EV/EBITDA	**NA.**	1) Share gainer in time definite, integrated logistics and freight with an overseas growth angle, 2) potentially alleviating cost drags such as fuel cost and Deppon restructuring to benefit in 2027.
J&T	Leader in Asean express delivery, share gainer in LatAm, follower in China	Neutral	Neutral	**SoTP: 11X** PE on J&T China, **13X** PE on J&T SEA, and **15X** PE on J&T new markets	**SoTP: 5X** EV/EBITDA on J&T China, **11X** on J&T SEA, and **11X** on J&T new markets	**101**	Market contender with 40% share leadership in Asean, expanding share in LatAm, and quick expansion in China,
STO	Follower in express delivery	Neutral	Neutral	**11X** forward PE (sector average past-2-year PE), as STO historical PE was inflated on lower profitability	**5X** forward EV/EBITDA	**72**	Market contender with faster-than-industry volume growth since early-2023, yet organic growth (ex. Danniao) gradually converge with industry, continued expansion in EBIT per parcel
Yunda	Share doner in express delivery	**Sell**	**Neutral**	**10X** forward PE (-1 s.d. to sector average past-2-year PE) on volume share loss and operating deleverage	**4X** forward EV/EBITDA	**70**	Top 4 player (by volume) that is expected to further drift to no.5 after continued share loss and operating deleverage
Freight matching, integrated logistics & freight forwarding				**Valuation methodology**			**Rationale for changes**
KLN	International freight forwarding	Neutral	Neutral	**9X** forward PE (average past-2-year PE of KLN)	**5X** forward EV/EBITDA	**NA.**	normalized mid-cycle historical average PE
Sinotrans	International freight forwarding	Sell	Sell	No change	**SoTP** based valuation (7X EV/EBITDA for Sinotrans domestic & international)	**NA.**	No change in methodology

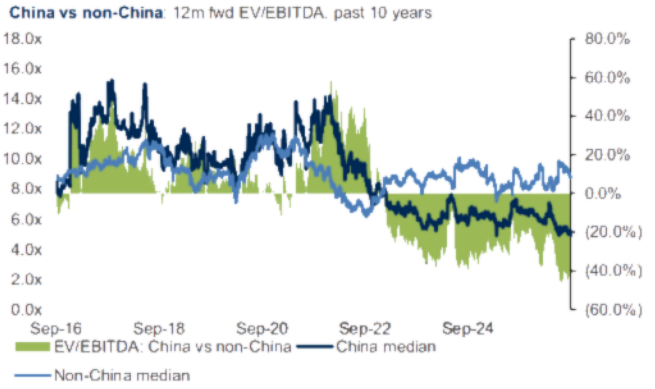
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 6: China logistics average P/E has derated to 10X, at 50% discounts to global peers



Source: Bloomberg

Exhibit 7: China logistics average EV/EBITDA has derated to 5X, at 40% discounts to global peers



Source: Bloomberg

Exhibit 8: Global logistics comps table

Pricing as of Oct 12, 2026

Company	Ticker	fx	Last Price	Target Price	+/- Side	Rating	Mkt Cap (US$mn)	PE n-Gaap 26E	PE n-Gaap 27E	EV/Sales 26E	EV/Sales 27E	EPS CAGR 25-27	EPS CAGR 27E	Rev CAGR 25-27	Rev CAGR 27E	Gross Profit 25-27	EBITDA CAGS 25-27
China express delivery																	
JD Logistics	2618.HK	HK$	10.23	18.4	80%	Buy	7,827	6.2x	5.5x	0.0x	0.0x	18%	13%	19%	11%	24%	17%
ZTO Express	ZTO	$	20.45	22.0	8%	Neutral	16,666	11.0x	10.2x	1.7x	1.6x	13%	8%	15%	7%	15%	15%
ZTO Express	2057.HK	HK$	159.90	171.0	7%	Neutral	16,606	10.9x	10.1x	1.7x	1.6x	13%	8%	15%	7%	15%	15%
S.F. Holding	002352.SZ	Rmb	31.2	32.0	3%	Neutral	23,361	14.6x	13.5x	0.1x	0.1x	2%	6%	6%	7%	5%	3%
S.F. Holding	6936.HK	HK$	29.4	31.0	6%	Neutral	18,755	11.7x	10.8x	0.1x	0.1x	2%	6%	6%	7%	5%	3%
Yunda Holding	002120.SZ	Rmb	6.9	5.7	-17%	Sell	2,985	11.5x	10.8x	0.0x	0.0x	26%	5%	5%	2%	10%	20%
STO Express	002468.SZ	Rmb	14.6	15.0	3%	Neutral	3,339	10.8x	9.7x	0.1x	0.0x	30%	10%	14%	8%	20%	13%
YTO Express Group	600233.SS	Rmb	17.9	21.6	21%	Neutral	9,101	9.8x	8.5x	0.1x	0.1x	29%	13%	10%	11%	22%	23%
J&T Express	1519.HK	HK$	9.2	10.5	14%	Neutral	10,414	14.4x	10.9x	0.0x	0.0x	122%	33%	20%	15%	29%	27%
Hong Kong-listed logistics/conglomerate																	
Kerry Logistics	0636.HK	HK$	5.94	6.0	1%	Neutral	1,367	8.3x	7.7x	0.0x	0.0x	1%	8%	6%	3%	3%	1%
Sinotrans (H)	0598.HK	HK$	4.64	3.1	-33%	Sell	4,371	10.8x	10.6x	0.0x	0.0x	32%	2%	6%	7%	6%	6%
Sinotrans (A)	601598.SS	Rmb	6.8	4.1	-39%	Sell	7,475	18.4x	18.1x	0.1x	0.1x	-9%	0%	2%	5%	2%	2%
China retail/ecommerce platforms																	
Alibaba	BABA	$	110.78	177.0	60%	Buy	265,879	19.3x	14.4x	1.5x	1.4x	23%	34%	13%	12%	14%	35%
JD.com	JD	$	26.72	43.0	61%	Buy	42,365	8.3x	6.4x	0.1x	0.1x	**29%**	**30%**	**10%**	**10%**	**11%**	**66%**
Pinduoduo	PDD	$	80.92	134.0	66%	**Buy**	119,546	8.5x	6.6x	0.9x	0.8x	**11%**	**30%**	**11%**	**10%**	**7%**	**12%**
VIPShop	VIPS	$	12.86	16.5	28%	Neutral	8,785	6.6x	4.8x	0.4x	0.4x	**6%**	**38%**	**2%**	**2%**	**4%**	**-6%**
Japan-listed logistics																	
Yamato Holdings	9064.T	HK$	2,073.00	1,750.0	-16%	Neutral	4,137	36.4x	23.8x	0.3x	0.3x	17%	53%	-1%	2%	4%	5%
Japan Post Holdings	6178.T	¥	2,373.0	2,830.0	19%	Buy	40,895	15.8x	12.6x	NM	NM	20%	26%	-8%	-4%	NM	NM
Nippon Express	9147.T	¥	5,771.0	Not Rated	NM	Not Rated	9,078	17.4x	13.3x	0.1x	0.1x	533%	31%	-2%	-2%	14%	11%
US-listed logistics																	
UPS	UPS	$	95.3	132.0	38%	Buy	81,134	13.2x	11.7x	0.2x	0.2x	10%	33%	1%	4%	3%	3%
FedEx	FDX	$	292.2	390.0	33%	Buy	70,720	16.4x	13.9x	0.1x	0.1x	20%	18%	3%	2%	6%	7%
Expeditors	EXPD	HK$	193.41	171.0	-12%	Sell	25,409	25.1x	24.3x	0.2x	0.2x	16%	3%	11%	3%	11%	13%
CH Robinson	CHRW	HK$	139.75			Not Rated	16,735	22.5x	19.1x	0.1x	0.1x	20%	18%	12%	8%	6%	14%
JB Hunt	JBHT	$	228.3	250.0	10%	Neutral	21,677	31.9x	25.4x	0.2x	0.2x	21%	26%	7%	6%	6%	7%
Landstar	LSTR	$	168.8	174.0	3%	Sell	5,727	28.6x	23.5x	0.0x	0.0x	25%	22%	11%	10%	8%	13%
Ryder	R	$	237.5	287.0	21%	Buy	9,287	16.0x	13.5x	0.0x	0.0x	17%	19%	2%	5%	3%	3%
Europe-listed logistics																	
DHL Group	DHLn.DE	€	56.7	56.0	-1%	Neutral	73,930	15.1x	15.5x	0.0x	0.0x	9%	1%	0%	-4%	NM	1%
Kuehne+Nagel	KNIN.S	SFr	228.6	250.0	9%	Buy	32,617	23.6x	23.4x	0.0x	0.0x	15%	6%	-2%	-6%	-1%	5%
DSV	DSV.CO	Dkr	1,156.0	2,300.0	99%	Buy	40,805	17.2x	14.4x	0.0x	0.0x	50%	93%	5%	-8%	6%	14%
Median (Sum for Mkt cap)					**9%**		**1,421,836**	**14.6x**	**12.6x**	**0.1x**	**0.1x**	**18%**	**18%**	**6%**	**6%**	**6%**	**12%**

Source: Datastream, Goldman Sachs Global Investment Research

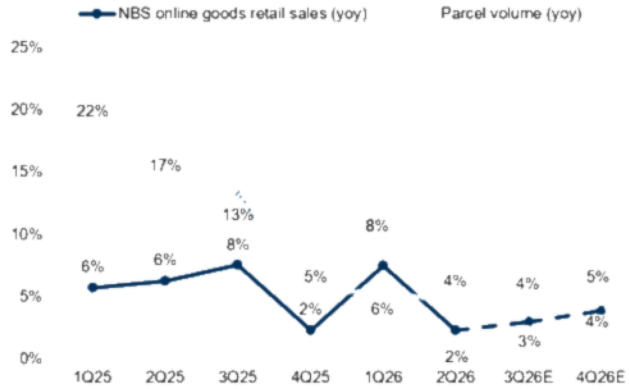
Express delivery

Exhibit 9: Convergence between eCommerce GMV and parcel volume growth: Our estimates for online GMV and parcel volume growth (annual)



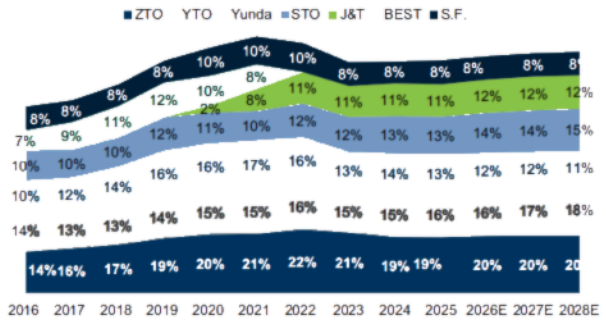
Source: NBS, SPB, Goldman Sachs Global Investment Research

Exhibit 10: Our estimates for parcel volume growth (quarterly)



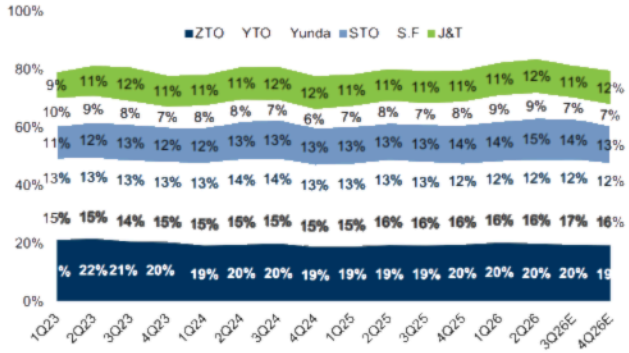
Source: NBS, SPB, Goldman Sachs Global Investment Research

Exhibit 11: Express delivery players' market share



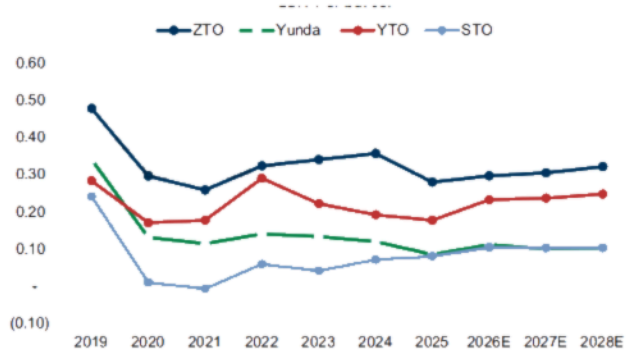
Source: State Post Bureau, Goldman Sachs Global Investment Research

Exhibit 12: Market share quarterly trends



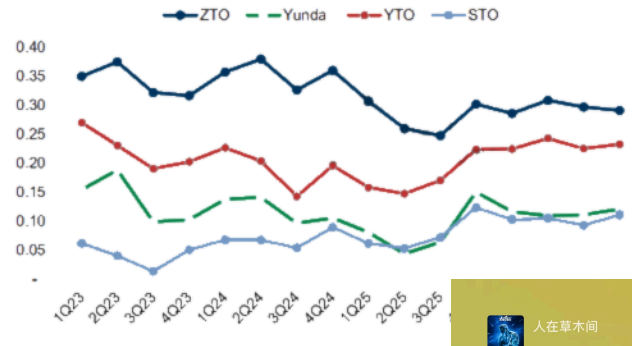
Source: State Post Bureau, Goldman Sachs Global Investment Research

Exhibit 13: EBIT per parcel comparison across express delivery players (yearly)
Rmb



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 14: EBIT per parcel comparison across express delivery players (quarterly)
Rmb



Source: Company data, Goldman Sachs Global Investm

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SF Holdings: changes to estimates and valuation

Exhibit 15: SF: estimate changes

Income statements	New 2026E	Old 2026E	Chg %	YoY %	New 2027E	Old 2027E	Chg %	YoY %	New 2028E	Old 2028E	Chg %	YoY %
Total sales/revenues	**325,212**	**325,982**	**0%**	**6%**	**348,918**	**349,477**	**0%**	**7%**	**375,851**	**372,956**	**1%**	**8%**
yoy %	*6%*	*6%*			*7%*	*7%*			*15%*	*14%*		
Time definite	131,035	131,035	0%	0%	134,048	**137,658**	-3%	2%	140,734	**144,524**	-3%	5%
Economy	32,040	32,040	0%	0%	32,671	**34,574**	-6%	2%	33,315	**36,625**	-9%	2%
Freight	47,274	46,114	3%	12%	51,783	**50,512**	3%	10%	55,841	**54,471**	3%	8%
Cold Chain and Pharma	8,484	11,454	-26%	-20%	8,909	**12,187**	-27%	5%	9,265	**12,811**	-28%	4%
Intra-city delivery	15,066	15,066	0%	18%	16,963	**16,963**	0%	13%	18,907	**18,907**	0%	11%
Suply chain and International	85,257	84,219	1%	17%	97,884	90,922	8%	15%	110,463	98,294	12%	13%
Total COGS	(282,825)	(283,456)	0%	6%	(303,957)	(303,424)	0%	7%	(327,529)	(322,499)	2%	8%
Gross profit	**42,387**	**42,526**	**0%**	**3%**	**44,961**	**46,053**	**-2%**	**6%**	**48,321**	**50,457**	**-4%**	**7%**
Business tax	(807)	(809)	0%	6%	(866)	(867)	0%	7%	(933)	(925)	1%	8%
Sales & marketing costs	(4,065)	(4,075)	0%	4%	(4,187)	(4,194)	0%	3%	(4,134)	(4,103)	1%	-1%
G&A	(20,488)	(20,537)	0%	5%	(21,982)	(22,017)	0%	7%	(23,679)	(23,496)	1%	8%
R&D costs	(2,289)	(2,295)	0%	6%	(2,456)	(2,460)	0%	7%	(2,646)	(2,626)	1%	8%
Other operating income/(expense), mainly govt grants	611	611	0%	0%	611	611	0%	0%	611	611	0%	0%
EBIT, GS definition	**15,348**	**15,422**	**0%**	**0%**	**16,081**	**17,126**	**-6%**	**5%**	**17,541**	**19,918**	**-12%**	**9%**
Pre-tax profit (income before tax)	**15,570**	**15,643**	**0%**	**4%**	**16,548**	**17,593**	**-6%**	**6%**	**17,939**	**20,324**	**-12%**	**8%**
Income taxes	(3,737)	(3,754)	0%	16%	(3,806)	(4,046)	-6%	2%	(4,485)	(5,081)	-12%	18%
Net income	**11,833**	**11,889**	**0%**	**1%**	**12,742**	**13,546**	**-6%**	**8%**	**13,454**	**15,243**	**-12%**	**6%**
Net (income) loss attributable to noncontrolling interests	681	681			681	681			681	681		
Net income to shareholders of the company	**11,152**	**11,208**	**0%**	**0%**	**12,061**	**12,865**	**-6%**	**8%**	**12,773**	**14,562**	**-12%**	**6%**

Margin	2026E	2026E	Chg (ppt)	YoY (ppt)	2027E	2027E	Chg (ppt)	YoY (ppt)	2028E	2028E	Chg (ppt)	YoY (ppt)
Gross margin	13.0%	13.0%	0.0pp	-0.3pp	12.9%	13.2%	-0.3pp	-0.1pp	12.9%	13.5%	-0.7pp	0.0pp
EBIT margin, adjusted (GS)	4.7%	4.7%	0.0pp	-0.2pp	4.6%	4.9%	-0.3pp	-0.1pp	4.7%	5.3%	-0.7pp	0.1pp
Net margin	3.6%	3.6%	0.0pp	-0.2pp	3.7%	3.9%	-0.2pp	0.0pp	3.6%	4.1%	-0.5pp	-0.1pp
Pre-exceptional net margin	2.8%	2.9%	0.0pp	-0.2pp	2.9%	3.1%	-0.2pp	0.1pp	2.9%	3.4%	-0.5pp	0.0pp

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 16: SF: summary of financials

Rmb mn, unless otherwise stated	2023	2024	2025	2026E	2027E	2028E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E
Total sales/revenues	**258,409**	**284,420**	**308,227**	**325,212**	**348,918**	**375,851**	**69,850**	**77,008**	**78,403**	**82,966**	**74,142**	**81,364**	**82,762**	**86,944**
yoy %	*-3%*	*10%*	*8%*	*6%*	*7%*	*8%*	*7%*	*11%*	*8%*	*7%*	*6%*	*6%*	*6%*	*5%*
Total COGS	(225,274)	(244,810)	(267,178)	(282,825)	(303,957)	(327,529)	(60,562)	(66,886)	(68,610)	(71,121)	(63,957)	(70,637)	(72,213)	(76,018)
Gross profit	**33,136**	**39,610**	**41,048**	**42,387**	**44,961**	**48,321**	**9,288**	**10,122**	**9,793**	**11,845**	**10,185**	**10,727**	**10,549**	**10,925**
Gross margin %	*12.8%*	*13.9%*	*13.3%*	*13.0%*	*12.9%*	*12.9%*	*13.3%*	*13.1%*	*12.5%*	*14.3%*	*13.7%*	*13.2%*	*12.7%*	*12.6%*
Business tax	(502)	(714)	(765)	(807)	(866)	(933)	(174)	(176)	(197)	(218)	(194)	(231)	(205)	(176)
Sales & marketing costs	(2,992)	(3,096)	(3,911)	(4,065)	(4,187)	(4,134)	(798)	(964)	(1,011)	(1,137)	(912)	(980)	(1,035)	(1,138)
G&A	(17,633)	(18,557)	(19,499)	(20,488)	(21,982)	(23,679)	(4,338)	(4,687)	(4,947)	(5,527)	(4,871)	(4,770)	(5,214)	(5,634)
R&D costs	(2,285)	(2,534)	(2,170)	(2,289)	(2,456)	(2,646)	(584)	(569)	(497)	(520)	(536)	(546)	(583)	(625)
Operating profit, company defined	**10,454**	**13,668**	**14,763**	**15,415**	**16,393**	**17,785**	**3,032**	**4,550**	**3,150**	**4,031**	**3,399**	**4,308**	**3,682**	**4,026**
yoy %	***-5%***	***31%***	***8%***	***4%***	***6%***	***8%***	***14%***	***23%***	***-18%***	***16%***	***12%***	***-5%***	***17%***	***0%***
Non-operating income	309	312	387	387	387	387	104	66	113	104	101	50	97	139
Non-operating expenses	(277)	(373)	(232)	(232)	(232)	(232)	(31)	(81)	(33)	(87)	(28)	(56)	(58)	(90)
Non-operating income/(loss)	**32**	**(61)**	**154**	**154**	**154**	**154**	**72**	**(15)**	**80**	**17**	**74**	**(7)**	**39**	**49**
Pre-tax profit (income before tax)	**10,487**	**13,607**	**14,918**	**15,570**	**16,548**	**17,939**	**3,104**	**4,535**	**3,230**	**4,048**	**3,473**	**4,302**	**3,721**	**4,074**
Income taxes	(2,575)	(3,388)	(3,233)	(3,737)	(3,806)	(4,485)	(744)	(884)	(526)	(1,079)	(822)	(983)	(893)	(1,039)
Net income	**7,912**	**10,219**	**11,685**	**11,833**	**12,742**	**13,454**	**2,361**	**3,651**	**2,704**	**2,968**	**2,651**	**3,319**	**2,828**	**3,035**
yoy %	***13%***	***29%***	***14%***	***1%***	***8%***	***6%***	***29%***	***25%***	***-7%***	***17%***	***12%***	***-9%***	***5%***	***2%***
Net (income) loss attributable to noncontrolling interest	(323)	48	568	681	681	681	127	148	133	160	125	343	100	113
Net income to shareholders of the company	**8,234**	**10,170**	**11,117**	**11,152**	**12,061**	**12,773**	**2,234**	**3,504**	**2,571**	**2,809**	**2,526**	**2,976**	**2,728**	**2,922**
yoy %	***33%***	***24%***	***9%***	***0%***	***8%***	***6%***	***17%***	***21%***	***-9%***	***10%***	***13%***	***-15%***	***6%***	***4%***
Net margin %	*3.2%*	*3.6%*	*3.6%*	*3.4%*	*3.5%*	*3.4%*	*3.2%*	*4.5%*	*3.3%*	*3.4%*	*3.4%*	*3.7%*	*3.3%*	*3.4%*

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 17: SF: PE-based valuation

S.F. (002352.SZ/6936.HK) 2026E based valuation	2026E net profit to shareholders	P/E multiple	2026E Valuation	%	Comments
S.F. Time-definite & economy express, LTL freight, supply chain, cold chain, intra-city, Kerry Logistics - Rmb mn	**11,152**	**14X**	**161,592**	**100%**	GS estimate: adj net profit from 2026E express, LTL freight, supply chain, cold chain, intra-city and others revenue. Based on (14X) of P/E, at +(-1 s.d. to average past-2-year PE of SF Holding), given 1) Moderation of time-definite revenue, 2) premium logistics to face disproportionated pressure as macro slows, 3) change in capex strategies, yet the 14X P/E remains at a premium to sector (11X past-2-year average forward PE)
No.of share outstanding (mn)			5,113		
12-month target price (Rmb)			**32**		
A/H premium		**20.0%**			
HKD/CNY		1.17			
12-month target price (HK$)			**31**		

Source: Company data, Goldman Sachs Global Investment Research

Key risks:

1. Faster-/slower-than-expected margin recovery: Faster volume ramp-up at the Ezhou Huahu Airport hub and efficiency gains from exiting low-margin e-commerce returns could drive quicker-than-modeled operating leverage; conversely, capex re-accelerating (+40% YoY in 2H26E) into cargo freighters and smart logistics poses negative operating leverage and depreciation drag if volume lags.

2. Pricing discipline vs. peer competition: Brand equity and premium delivery reliability support rate increases across enterprise clients; conversely, prolonged macro slowdown alongside competition (e.g., JD Logistics) into premium B2B parcel express could force rate concessions to defend core market share.

3. Growth outlook across high-quality verticals: A cyclical rebound in enterprise activity could accelerate core time-definite demand (c. 70% of gross profit); conversely, sluggish domestic corporate spend could keep time-definite revenue flat YoY into 2027E, compounded by cyclical softening in global freight forwarding rates.

4. Cost dynamics from fuel and direct labor: Easing global crude oil prices and softening jet fuel crack spreads would immediately expand operating margins across SF's 100+ freighter fleet; conversely, sharp fuel spikes squeeze margins due to pass-through.

ZTO: changes to estimates and valuation

Exhibit 18: ZTO: estimate changes

Rmb mn, unless otherwise stated	FY2026E	Old	% Chg	% YoY	FY2027E	Old	% Chg	% YoY	FY2028E	Old	% Chg	% YoY
Parcel volumes (mn)	41,213	41,213	0%	7%	43,274	43,686	-1%	5%	45,005	45,870	-2%	4%
Revenues	57,510	57,510	0%	17%	60,667	61,015	-1%	5%	63,786	64,522	-1%	5%
Cost of revenues	(43,206)	(42,821)	1%	17%	(45,511)	(45,362)	0%	5%	(47,410)	(47,518)	0%	4%
Gross profit	14,304	14,689	-3%	17%	15,156	15,652	-3%	6%	16,376	17,005	-4%	8%
EBIT, non-GAAP	12,199	12,584	-3%	13%	13,165	13,647	-4%	8%	14,428	15,027	-4%	10%
EBIT per parcel non-GAAP (Rmb)	0.30	0.31	-3%	6%	0.30	0.31	-3%	3%	0.32	0.33	-2%	5%
Net income, non-GAAP	10,751	11,011	-2%	13%	11,444	11,770	-3%	6%	12,505	12,905	-3%	9%
Net income ordinary shareholders, non-GAAP	10,596	10,890	-3%	13%	11,289	11,649	-3%	7%	12,350	12,784	-3%	9%
% of total revenues	**FY2026E**	**FY2026E**	**Chg (pp)**	**YoY (pp)**	**FY2027E**	**FY2027E**	**Chg (pp)**	**YoY (pp)**	**FY2028E**	**FY2028E**	**Chg (pp)**	**YoY (pp)**
Gross profit, GAAP	24.9%	25.5%	(0.7)	(0.1)	25.0%	25.7%	(0.7)	0.1	25.7%	26.4%	(0.7)	0.7
EBIT, non-GAAP	21.2%	21.9%	(0.7)	(0.7)	21.7%	22.4%	(0.7)	0.5	22.6%	23.3%	(0.7)	0.9
Net income, non-GAAP	18.7%	19.1%	(0.5)	(0.7)	18.9%	19.3%	(0.4)	0.2	19.6%	20.0%	(0.4)	0.7

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 19: ZTO: summary of financials

ZTO Express: Income statement (Rmb mn)	2022	2023	2024	2025	2026E	2027E	2028E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E
Total revenue	35,377	38,419	44,281	49,099	57,510	60,667	63,786	10,891	11,832	11,865	14,511	13,282	14,550	13,520	16,158
yoy%	*16%*	*9%*	*15%*	*11%*	*17%*	*5%*	*5%*	*9%*	*10%*	*11%*	*12%*	*22%*	*23%*	*14%*	*11%*
COGS	(26,338)	(26,756)	(30,564)	(36,827)	(43,206)	(45,511)	(47,410)	(8,202)	(8,887)	(8,909)	(10,829)	(10,047)	(10,817)	(9,939)	(12,403)
Gross profit	9,039	11,663	13,717	12,271	14,304	15,156	16,376	2,689	2,944	2,956	3,682	3,235	3,733	3,581	3,755
yoy%	*37%*	*29%*	*18%*	*-11%*	*17%*	*6%*	*8%*	*-10%*	*-19%*	*-11%*	*-2%*	*20%*	*27%*	*21%*	*2%*
SG&A	(2,077)	(2,425)	(2,690)	(2,638)	(2,760)	(2,766)	(2,763)	(738)	(624)	(633)	(644)	(816)	(557)	(676)	(712)
Others, net	775	771	750	841	378	492	517	454	154	82	151	126	51	80	121
EBIT - GAAP	7,736	10,008	11,777	10,475	11,922	12,882	14,130	2,405	2,475	2,405	3,189	2,545	3,228	2,985	3,164
yoy%	*41%*	*29%*	*18%*	*-11%*	*14%*	*8%*	*10%*	*6%*	*-23%*	*-15%*	*-8%*	*6%*	*30%*	*24%*	*-1%*
EBIT, non-GAAP	7,872	10,257	12,106	10,752	12,199	13,165	14,428	2,626	2,563	2,372	3,190	2,766	3,238	2,988	3,207
yoy%	*37%*	*30%*	*18%*	*-11%*	*13%*	*8%*	*10%*	*2%*	*-20%*	*-17%*	*-8%*	*5%*	*26%*	*26%*	*1%*
EBITDA, non-GAAP	11,263	14,107	15,423	15,046	17,141	18,504	20,243	3,687	3,535	3,583	4,241	3,941	4,241	4,208	4,751
Pre-tax profit	8,243	10,683	12,617	11,016	12,431	13,393	14,826	2,567	2,514	2,647	3,288	2,687	3,365	3,080	3,299
Income tax	(1,633)	(1,939)	(2,845)	(1,905)	(1,982)	(2,270)	(2,661)	(532)	(576)	(160)	(638)	(552)	(259)	(551)	(620)
Net income, GAAP	6,809	8,749	8,817	9,081	10,321	11,006	12,052	1,993	1,938	2,524	2,625	2,118	3,051	2,522	2,629
Net profit toshareholders, non-GAAP	6,956	9,000	10,080	9,357	10,596	11,289	12,350	2,213	2,026	2,491	2,626	2,339	3,059	2,525	2,672
yoy%	*39%*	*29%*	*12%*	*-7%*	*13%*	*7%*	*9%*	*1%*	*-28%*	*4%*	*-2%*	*6%*	*51%*	*1%*	*2%*
Margin															
Gross margin	25.6%	30.4%	31.0%	25.0%	24.9%	25.0%	25.7%	24.7%	24.9%	24.9%	25.4%	24.4%	25.7%	26.5%	23.2%
EBIT margin - non-GAAP	22.3%	26.7%	27.3%	21.9%	21.2%	21.7%	22.6%	24.1%	21.7%	20.0%	22.0%	20.8%	22.3%	22.1%	19.8%
Net margin - non-GAAP	19.2%	23.4%	22.9%	19.4%	18.7%	18.9%	19.6%	20.7%	17.3%	21.1%	18.6%	17.9%	21.2%	18.9%	16.9%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 20: ZTO: PE based valuation

ZTO Express		
2026E adjusted net income - Rmb mn	**10,596**	2026E daily parcel of 113mn (20% market share in 2026E), and Rmb0.42 EBITDA per parcel (2026E level, or Rmb0.30 non-GAAP EBIT per parcel/Rmb0.26 non-GAAP net profit per parcel)
Forward P/E multiple	12X	Applying 12X forward PE (+1 s.d. to average past-2-year PE of ZTO)
Implied 2026E forward equity valuation (Rmb mn)	131,390	
Implied 2026E forward equity valuation (US$ mn)	18,376	
Valuation per share (US$)	**22.0**	
Valuation per share (HK$)	**171.0**	

Key risks

1. Higher-/slower-than-expected industry growth: A cyclical recovery in domestic e-commerce consumption and resilient parcel volume demand would drive positive operating leverage across sorting hubs and line-haul networks; conversely, prolonged macroeconomic weakness and volume growth decelerating toward low single digits would limit scale economies and exacerbate industry overcapacity.

2. Benign/intensified industry competitive landscape: Strict regulatory enforcement of the State Post Bureau's anti-involution floor pricing and sustained competitor pricing discipline would protect ZTO's sector-leading unit economics (Rmb0.30 EBIT per parcel); conversely, pipeline sorting capacity coming online from peers (notably STO and J&T) alongside market-share gain by YTO could trigger renewed price competition and unit margin dilution.

3. Execution risks in business operation: Accelerated deployment of automated hub sorting, route optimization across its 10,000+ self-owned line-haul truck fleet, and growth in profitable reverse logistics would expand gross margins; conversely, franchised network management under a difficult backdrop, last-mile courier cost inflation (notably from the social insurance rollout), could impact service quality and impair volume market-share defense.

YTO: changes to estimates and valuation

Exhibit 21: YTO: summary of financials

YTO Express: income statement (Rmb mn)	2022	2023	2024	2025	2026E	2027E	2028E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E
Total revenues	53,539	57,684	69,033	75,277	82,353	91,662	100,349	17,060	18,823	18,272	21,121	18,769	20,125	19,994	23,466
yoy %	19%	8%	20%	9%	9%	11%	9%	11%	10%	9%	7%	10%	7%	9%	11%
Total COGS	(47,490)	(51,825)	(62,515)	(68,114)	(72,732)	(81,043)	(88,489)	(15,606)	(17,191)	(16,555)	(18,763)	(16,671)	(17,540)	(17,653)	(20,869)
Gross profit	6,050	5,859	6,517	7,163	9,621	10,619	11,860	1,455	1,632	1,718	2,359	2,097	2,585	2,342	2,597
yoy %	63%	(3%)	11%	10%	34%	10%	12%	(11%)	(5%)	22%	34%	44%	58%	36%	10%
Total operating expense	43	100	(275)	(168)	(20)	39	171	(15)	(20)	(75)	(57)	46	22	1	(69)
Operating profit - Company definition	5,102	4,788	4,803	5,333	7,840	8,757	10,020	1,059	1,173	1,240	1,861	1,763	2,119	1,913	2,045
yoy %	79%	(6%)	0%	11%	47%	12%	14%	(12%)	(11%)	38%	34%	67%	81%	54%	10%
EBIT - GS definition	5,059	4,688	5,078	5,501	7,860	8,718	9,849	1,075	1,193	1,315	1,918	1,717	2,097	1,913	2,134
EBITDA - GS definition	7,163	6,214	6,975	7,759	10,485	11,665	13,097								
Pre-tax profit	5,053	4,712	4,769	5,303	7,810	8,727	9,990	1,061	1,170	1,244	1,827	1,753	2,129	1,924	2,004
Income tax expense	(1,089)	(961)	(780)	(1,038)	(1,562)	(1,745)	(2,198)	(219)	(205)	(210)	(404)	(388)	(345)	(385)	(444)
Net income (loss)	3,964	3,752	3,989	4,265	6,248	6,981	7,792	842	965	1,035	1,423	1,365	1,784	1,539	1,560
yoy %	81%	(5%)	6%	7%	46%	12%	12%	(10%)	(7%)	10%	32%	62%	85%	49%	10%
Net income (loss) attributable to noncontrolling interests	44	29	(23)	(58)	(85)	(94)	(105)	(15)	(9)	(11)	(23)	(13)	(14)	(12)	(46)
Net income to shareholders of the parent company	3,920	3,723	4,012	4,322	6,332	7,076	7,897	857	974	1,046	1,446	1,378	1,797	1,551	1,606
Adjusted net income to shareholders of the parent company	3,780	3,605	3,844	4,219	6,180	6,906	7,708	810	955	1,008	1,445	1,343	1,779	1,535	1,522
yoy %	83%	(5%)	7%	10%	46%	12%	12%	(10%)	(4%)	9%	41%	66%	86%	52%	5%
Margin	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**	**3Q26E**	**4Q26E**
Gross margin	11.3%	10.2%	9.4%	9.5%	11.7%	11.6%	11.8%	8.5%	8.7%	9.4%	11.2%	11.2%	12.8%	11.7%	11.1%
Operating margin (Company definition)	9.5%	8.3%	7.0%	7.1%	9.5%	9.6%	10.0%	6.2%	6.2%	6.8%	8.8%	9.4%	10.5%	9.6%	8.7%
EBIT margin (GS definition)	9.4%	8.1%	7.4%	7.3%	9.5%	9.5%	9.8%	6.3%	6.3%	7.2%	9.1%	9.1%	10.4%	9.6%	9.1%
EBITDA margin (GS definition)	13.4%	10.8%	10.1%	10.3%	12.7%	12.7%	13.1%								
Net margin	7.4%	6.5%	5.8%	5.7%	7.5%	7.6%	7.8%	4.9%	5.1%	5.7%	6.7%	7.3%	8.9%	7.7%	6.6%
Net margin (excluding exceptionals)	7.1%	6.5%	5.8%	5.7%	7.7%	7.7%	7.9%	4.7%	5.1%	5.5%	6.8%	7.2%	8.8%	7.7%	6.5%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 22: YTO: PE based valuation

YTO	2026E	2
YTO Express delivery		
2026E net income to shareholders- Rmb mn	**6,180**	Express delivery segment 2026E net income (2026E daily average parcel of 94mn, or 16% market share and Rmb0.30 EBITDA per parcel (2026E) or Rmb0.23 EBIT per parcel)
Forward P/E multiple	12X	12X forward PE (+1 s.d. to average past-2-year PE of YTO)
Implied 12-month forward equity valuation (Rmb mn)	74,162	
Implied 12-month forward equity valuation (US$ mn)	10,372	
Valuation per share (Rmb)	**21.6**	

Source: Company data, Goldman Sachs Global Investment Research

Key risks

1. Higher-/lower-than-expected industry growth: Accelerated domestic e-commerce consumption and resilient parcel volume growth (above our 4%–5% base case) would drive positive operating leverage across automated sorting hubs, accelerating YTO's volume share expansion toward 17.8%; conversely, a sharper online consumption slowdown and parcel volume growth stalling at low single digits would limit line-haul scale efficiencies.

2. Dynamic industry competitive landscape: Disciplined volume expansion by market leader ZTO would enable YTO to capture profitable market share while narrowing its unit EBIT gap to Rmb0.23–0.25 per parcel; conversely, aggressive price discounting from peers burdened with heavy sorting center depreciation (notably STO and J&T) could drive more price decrease and dilute unit profits.

3. Regulatory environment: Stringent State Post Bureau enforcement of anti-involution price floors and courier protections preserves regional pricing discipline; conversely, policy relaxation or inconsistent local supervision could trigger renewed price cut across core parcel hubs such as Yiwu and Guangzhou.

4. Cost savings in aviation business: Easing global jet fuel crack spreads alongside higher aircraft load factors across international routes structurally reduce air transport costs; conversely, sharp fuel price rallies and fixed freighter fleet depreciation/maintenance charges would inflate aviation costs.

Yunda: changes to estimates and valuation

Exhibit 23: Yunda: estimate changes

Yunda Holding: Income statement (Rmb mn)	2023	2024	2025	2026E	2027E	2028E
Total revenues	44,983	48,543	51,475	55,542	56,785	58,357
yoy %	(5%)	8%	6%	8%	2%	3%
COGS	(40,685)	(43,936)	(47,622)	(50,796)	(52,115)	(53,562)
Gross profit	4,297	4,607	3,852	4,746	4,670	4,795
Operating profit - Company definition	2,296	2,755	1,821	2,537	2,647	2,753
yoy %	16%	20%	-34%	39%	4%	4%
EBIT - GS definition	2,509	2,834	2,170	2,906	2,986	3,062
yoy %	2%	13%	(23%)	34%	3%	3%
EBITDA - GS definition	5,335	6,069	5,807	6,927	7,416	7,906
Non-operating income	20	16	31	31	31	31
Non-operating expenses	(130)	(159)	(258)	(158)	(158)	(158)
Pre-tax profit	2,186	2,613	1,594	2,411	2,520	2,627
Income tax expense	(537)	(666)	(427)	(646)	(676)	(704)
Net income (loss)	1,649	1,947	1,167	1,764	1,844	1,923
yoy %	10%	18%	(40%)	51%	5%	4%
Net income (loss) attributable to noncontrolling interests	24	33	(5)	(5)	(5)	(5)
Net income to shareholders of the parent company	1,625	1,914	1,171	1,769	1,849	1,927
yoy %	10%	18%	(39%)	51%	5%	4%
Margin						
Gross margin	9.6%	9.5%	7.5%	8.5%	8.2%	8.2%
Operating margin (Company definition)	5.1%	5.7%	3.5%	4.6%	4.7%	4.7%
EBIT margin (GS definition)	5.6%	5.8%	4.2%	5.2%	5.3%	5.2%
Net margin	3.7%	4.0%	2.3%	3.2%	3.2%	3.3%
Net margin (pre-exceptional)	3.1%	3.4%	2.2%	3.1%	3.2%	3.2%

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E
	12,189	12,644	12,660	13,976	12,576	13,863	14,032	14,977
	9%	5%	3%	7%	3%	10%	11%	7%
	(11,245)	(11,905)	(11,814)	(12,658)	(11,447)	(12,784)	(12,854)	(13,618)
	944	740	845	1,317	1,129	1,078	1,179	1,359
	471	265	384	695	689	701	621	668
	(24%)	(72%)	(27%)	6%	36%	164%	62%	(4%)
	491	293	410	971	665	719	714	900
	(28%)	(65%)	(30%)	34%	36%	146%	74%	(7%)
	3	48	4	(25)	4	4	8	15
	(42)	(31)	(65)	(119)	(17)	(18)	(39)	(84)
	432	283	323	551	626	687	590	599
	(111)	(68)	(117)	(131)	(136)	(175)	(162)	(174)
	320	215	206	420	490	512	428	425
	(24%)	(66%)	(46%)	(18%)	53%	139%	108%	1%
	(1)	7	4	(15)	3	1	(1)	(7)
	321	208	201	435	487	511	429	433
	(22%)	(67%)	(45%)	(14%)	52%	146%	113%	(1%)
	7.7%	5.8%	6.7%	9.4%	9.0%	7.8%	8.4%	9.1%
	3.9%	2.1%	3.0%	5.0%	5.1%	5.1%	4.4%	4.5%
	4.0%	2.3%	3.2%	6.9%	5.3%	5.2%	5.1%	6.0%
	2.6%	1.7%	1.6%	3.0%	3.9%	3.7%	3.1%	2.8%
	2.5%	1.1%	1.6%	3.5%	3.6%	3.4%	3.1%	2.9%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 24: Yunda: PE based valuation

Yunda	2026E	
2026E net income to shareholders - Rmb mn	**1,769**	2026E daily average parcel of 69mn (12% market share), and Rmb0.22 2026E EBITDA per parcel, or Rmb0.11 EBIT per parcel
Forward PE multiple	10X	Applying China Logistics past-2-year industry average 1-yr forward P/E at -1 std (10X)
Implied forward equity valuation (Rmb mn)	17,688	
Implied forward equity valuation (US$ mn)	2,423	
Valuation per share (Rmb)	**5.7**	

Source: Company data, Goldman Sachs Global Investment Research

Upside Risks/What could make us more positive:

1. Re-acceleration in parcel volume and profitable market-share recovery: A successful pivot back toward profitable volume expansion that halts market-share erosion at 12% and regains lost ground toward historical peaks (17% in 2022) without reigniting aggressive price discounting would restore operating economies of scale.

2. Franchisee network stabilization and capacity retention: A stabilization or rebound in tier-1 franchisee count (halting the decline from >4.8k in 2023 to 4.2k in 1H26) would preserve terminal network coverage, curb service quality degradation, and prevent market-share loss.

3. Stricter regulatory price enforcement and anti-involution floors: Tighter enforcement of minimum floor pricing and last-mile courier wage guarantees by the State Post Bureau could protect sub-scale operators from predatory pricing, dampening larger peers' scale advantages.

4. Strategic alliances or consolidation support: Value-accretive industry consolidation that monetizes Yunda's sorting assets would elevate its terminal valuation multiple.

Where we are vs. consensus:

We are 1%/5%/9% below consensus estimates on Yunda's parcel volume in 2026-28E, as we believe the market has not fully factored in Yunda's strategic pivot to volume reduction (as current consensus look for a 6% yoy volume growth re-acceleration in 2027E, after -1% in YTD2026), as well as the subsequent operating deleverage when price competition re-emerges. Subsequently, we are 12%/17%/20% below consensus on Yunda's net profit in 2026-28E. Our updated TP of Rmb5.7 implies an 18% downside, vs. our average sector upside of 6%.

Freight forwarding

Sinotrans: changes to estimates and valuation

Factoring the 1H results, we cut 2026-27E revenue by -7%~-8% and net profit estimates by -3~-4%, primarily reflecting the cut on eCommerce revenue where Sinotrans proactively trimmed its cross border ecommerce business amid the EU deminimis policy change, with operating deleverage driven by lower freight rate/teu and geopolitical uncertainties. Accordingly, we lower our SOTP-based 12-month target prices for Sinotrans A/H to Rmb4.1/HK$3.1 (from Rmb4.2/HK$3.2), representing 41%/33% downside, and we are **Sell-rated on both Sinotrans A/H shares**.

Key upside risks and what would make us more positive: 1) higher-than-expected dividend payout ratio that provides a valuation support for Sinotrans' stock price performance; 2) better-than-expected air/sea freight rates, where global shipping capacity continues to be limited by geopolitical tensions/uncertainties; 3) stronger-than-expected demand for cross-border business and moderating market share loss; 4) potential valuation re-rating driven by improved cash flow.

Exhibit 25: Sinotrans: Estimate changes

Sinotrans income statements	Revised			Prior			vs. Prior	
	2026	2027	2028	2026	2027	2028	2026	2027
Total sales/revenue	**95,562**	**100,422**	**105,076**	**104,080**	**108,306**	**113,545**	-8%	-7%
yoy%	*-1%*	*5%*	*5%*	*8%*	*4%*	*5%*		
Total COGS	(90,488)	(95,093)	(99,399)	(98,508)	(102,475)	(107,291)	-8%	-7%
Gross profit	**5,074**	**5,329**	**5,677**	**5,573**	**5,831**	**6,254**	-9%	-9%
Total operating expense	(2,488)	(2,680)	(2,888)	(2,872)	(3,033)	(3,268)	-13%	-12%
EBIT, GS definition	**2,586**	**2,649**	**2,789**	**2,701**	**2,798**	**2,986**	-4%	-5%
Share of jointly invested entities	1,879	1,879	1,879	1,879	1,879	1,879	0%	0%
Pretax profit	**3,894**	**3,967**	**4,144**	**4,009**	**4,112**	**4,337**	-3%	-4%
Income taxes	(857)	(873)	(912)	(882)	(905)	(954)	-3%	-4%
Pre-exceptional net profit	**2,724**	**2,717**	**2,781**	**2,813**	**2,831**	**2,931**	-3%	-4%
yoy%	*62%*	*0%*	*2%*	*68%*	*1%*	*4%*		
Net profit	**3,318**	**3,312**	**3,375**	**3,407**	**3,425**	**3,525**	-3%	-3%
yoy%	*-18%*	*0%*	*2%*	*-15%*	*1%*	*3%*		

Sinotrans margin (%)								
	2026	2027	2028	2026	2027	2028	2026	2027
Gross margins	5.3%	5.3%	5.4%	5.4%	5.4%	5.5%	0.0 ppts	-0.1 ppts
EBIT margin (GS defined)	2.7%	2.6%	2.7%	2.6%	2.6%	2.6%	0.1 ppts	0.1 ppts
Net margins	3.5%	3.3%	3.2%	3.3%	3.2%	3.1%	0.2 ppts	0.1 ppts
Pre-x net margins	2.9%	2.7%	2.6%	2.7%	2.6%	2.6%	0.1 ppts	0.1 ppts

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 26: Our 12-m TP is updated to Rmb4.1/HK$3.1 (from Rmb4.2/HK$3.2)

Sinotrans Limited - SOTP derivation Rmb mn, unless other specified	Effective ownership	EBITDA 2026E	Target 2026E EV/EBITDA multiple	Rmb mn EV	% of EV	Comment
Sinotrans Limited						
Freight Forwarding, Contract Logistics, Storage, Terminal and Equipment Leasing	**Mixed**	4,359	7X	28,988	65%	Referencing global full service logistics peers, -2 s.d. at 7X (unchanged) due to slower growth
Add: Associates/JV						
International Express Delivery: DHL-Sinotrans International Air Courier Ltd.	50%	3,349	7X	11,134		Referencing global full service logistics peers, -2 s.d. at 7X (unchanged) due to dependence on DP-DHL
Add: DHL-Sinotrans net cash				2,297		
				13,431	30%	50% owned JV
Add: Other JV/Associates held by Sinotrans Ltd.				2,096	5%	At 0.5X book, given some JV/Associates are loss-making or generating low returns
EV				44,515		
Less: Net debt				(3,945)		
Less: Minorities				2,473		
NAV				45,987		
Discount to NAV				35%		At 35%, factoring in the multi-corporate layer structure
Implied valuation				29,892		
Total number of shares (mn)				7,294		
2026E valuation per share (Rmb) - A share (601598.SS)				**4.1**		
2026E valuation per share (HK$) - H-share (0598.HK)				**3.1**		**At 30% discount to A-share (12m average)**

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Source: Company data, Goldman Sachs Global Investment Research

KLN: changes to estimates and valuation

Exhibit 27: KLN: changes to GSe

Kerry Logistics	New 2026E	Old 2026E	Chg (%)	YoY %	New 2027E	Old 2027E	Chg (%)	YoY %	New 2028E	Old 2028E	Chg (%)	YoY %
Revenue	61,350	61,350	0%	9%	63,179	63,179	0%	3%	65,813	65,813	0%	4%
Integrated logistics (new)	18,512	18,512	0%	12%	19,383	19,383	0%	5%	20,297	20,297	0%	5%
International freight forwarding	53,411	53,411	0%	8%	54,480	54,480	0%	2%	56,659	56,659	0%	4%
Gross profit	6,807	6,887	-1%	3%	7,052	7,107	-1%	4%	7,314	7,370	-1%	4%
EBIT, GS definition	2,517	2,597	-3%	-3%	2,670	2,724	-2%	6%	2,793	2,849	-2%	5%
Core net profit	1,285	1,341	-4%	-5%	1,406	1,444	-3%	9%	1,507	1,547	-3%	7%
EPS	0.71	0.74	-4%	-5%	0.77	0.79	-3%	8%	0.82	0.84	-3%	6%
Gross margin	11.1%	11.5%			11.2%	11.5%			11.1%	11.5%		
Core net margin	2.1%	2.3%			2.2%	2.4%			2.3%	2.5%		

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 28: KLN: P/E based valuation

HK$mn, unless otherwise specified	Methodology	Pre-exceptional profit 2026E	Target/Implied 2026E P/E multiple (X)	Valuation	Comment
International Freight Forwarding + Logistics & express delivery operations	P/E	1,285	9	10,925	Past-2-year average 1-year forward PE of KLN
Equity valuation				**10,925**	
Total number of shares (mn)				1,826	
12-month SOTP-based target price (HK$)				**6.0**	

Source: Company data, Goldman Sachs Global Investment Research

Investment Thesis, Price Target Risks & Methodology

J&T Express is a global express delivery service provider mainly servicing eCommerce, with a No. 1 market leadership in ASEAN and a No. 5 market challenger position in China, and expanding into new markets (LatAm, MENA etc.). While we believe J&T has ample expansion opportunities in ASEAN, LatAm and new markets to capture the rapid eCommerce growth opportunity, we note J&T relies heavily on its major customer (TikTok Shop) where eCommerce platforms are significantly involved in order allocation/parcel pricing. We believe this could therefore limit J&T's long-term unit economics potential. In terms of China express delivery where J&T has limited pricing power as the No. 5 player, we expect pricing competition is likely to re-emerge into 2027E, which would pose challenges for J&T China's profitability improvement strategy. Meanwhile, expansion into new markets remain as a long-term optionality given tariff and de minimis policy uncertainty. We are Neutral-rated.

Investment Thesis - Yunda Holding

We are Sell rated on Yunda. While prioritizing profitable growth has stabilized EBIT per parcel at Rmb0.10–0.15, this has come at the expense of volume share slipping to a 10-year low of 12% (down from 17% in 2022). We expect this share loss to sustain as Yunda downsizes level-1 franchisees (from >4.8k in 2023 to 4.2k in 1H26), leaving it exposed to the risk of being overtaken by J&T China and slipping to no. 5 position. In e-commerce express, volume underpins essential scale economies; a sub-scaled

network risks losing competitive cost parity against larger peers. We remain cautious and await profitable share recovery before turning constructive.

Investment Thesis - YTO Express

We are Neutral-rated on YTO, China's No.2 express delivery company (by volume). While maintaining a cautious sector view on franchised express operators, we are incrementally positive on YTO Express as a credible no. 2 challenger. Improving managerial execution, infrastructure investments in automated sorting and self-owned vehicles, and healthier franchisee balance sheets continue to narrow both market share and unit economics gaps. Crucially, share gains are driven by service quality and cost efficiencies rather than price cuts. However, despite relative outperformance in volume and profitability, our cautious sector view and persistent fuel cost exposure in its aviation business keeps us on the sidelines.

Investment Thesis - SF Holding

SF Holding is a leading integrated logistics service provider in China with dominant position in China's time-definite delivery market and expanding global logistics network. We expect China's leading premium logistics provider SF Holding to face disproportionate impacts from macroeconomic deceleration as customers opt for more affordable delivery. Time-definite revenue growth (contributing c.70% of gross profit) remains subdued as the company trims less-profitable Douyin return parcels, with profitability weighed down by higher fuel prices. Concurrently, capital expenditure is re-accelerating into freighter aircraft and smart logistics, dampening near-term earnings visibility. While we are encouraged by SF's long-term competitive positioning and upsized shareholder return plan (target ≥50% payout), slowing core growth and elevated investments narrow its valuation premium, leaving risk-reward balanced at current level. We are Neutral rated on SF Holding A/H.

Investment Thesis - ZTO Express

We are Neutral-rated on ZTO/2057.HK, in line with our more cautious stance on franchised express-delivery operators. While we expect ZTO, as China's largest franchised-based express operator, to continue delivering higher-than-peers daily volume and upholding a relative unit economics advantage, it faces worsening industry supply-demand imbalances and slower consolidation progress, with its ~20% volume share remaining largely stable as peers narrow the gap in market share and unit economics. Meanwhile, with unit economics near record levels, we see limited scope for upside as anti-involution policy benefits turn into challenging comps, alongside a potential technical overhang from Alibaba's remaining stake.

Price Target Risks and Methodology - ZTO Express (Cayman) Inc.

We are Neutral-rated on ZTO/2057.HK with 12-month TPs at US$22/HK$171, based on 12X forward PE (+1 s.d. to average past-2-year PE of ZTO). **Key risks:** Higher/Slower-than-expected industry growth; Benign/intensified industry competitive landscape; execution risks in business operation.

Price Target Risks and Methodology - SF Holding
We are Neutral rated on SF Holding-A/H with a 12-month target price of Rmb32/HK$31. For SF-A, we base our valuation on a 14X forward PE (-1 s.d. to average past-2-year PE of SF Holding), and we derive our SF-H valuation by applying the recent 3-month average H/A discounts. Upside/Downside risks for SF Holding-A/H include: 1) Faster-/Slower-than-expected margin recovery; 2) Pricing discipline/competition. 3) Growth outlook of higher-quality segments incl. time-definite, intra-city, and supply chain/international businesses. 4) Cost trend incl. heightened/easing fuel costs.

Price Target Risks and Methodology - YTO Express Group
We are Neutral-rated on YTO, with a 12-month TP of Rmb21.6, based on 12X forward PE (+1 s.d. to average past-2-year PE of YTO). **Key risks:** Higher/lower-than-expected industry growth; dynamic industry competitive landscape; regulation environment; Better/worse-than-expected performance of airline & international business; cost savings in aviation business.

Price Target Risks and Methodology - STO Express
We are Neutral-rated on STO with 12-month TP of Rmb15.0, based on 11X forward PE (sector average past-2-year PE), as STO historical PE was inflated on lower profitability. **Key risks:** (+/-) Higher-/lower-than-expected industry growth; dynamic industry competitive landscape.

Price Target Risks and Methodology - Yunda Holding
We are Sell-rated on Yunda with a 12-month TP of Rmb5.7, based on 10X forward PE (-1 s.d. to sector average past-2-year PE) on volume share loss and operating deleverage. **Key risks:** (+) Better-than-expected execution; a lower stake owned by Alibaba vs. peers makes Yunda a relatively neutral platform; (+) Better-than-expected competitive landscape.

Price Target Risks and Methodology - J&T Global Express Ltd.
We have a 12-m SOTP-based TP of **HK$10.5**, where J&T China is valued at 11X PE, J&T SEA is valued at 13X PE, and J&T new markets is valued at 15X PE**. Key risks: (+)** milder-than-expected price competition in the domestic market; less intense-than-expected industry competition in ASEAN, faster-than-expected penetration in local eCommerce platforms and faster-than-expected ramp up of cross-border players; faster-than-expected growth and better-than-expected profitability in the new markets. **(-)** fierce-than-expected competition in ASEAN/China express delivery market; slower-than-expected ramp up of Temu/TikTok Shop due to regulatory uncertainties; relatively low net cash position vs. peers.

Price Target Risks and Methodology - JD Logistics
Valuation: We are Buy rated on JD Logistics with a 12-m PE based TP of HK$17.0, based on 11X forward PE (+1 s.d. to average past-2-year PE of JDL).

Key risks: Significant revenue contribution from JD Group; Concentration in a few industries/sectors: reliance on a few industries/sectors whereby business operations and profitability could be negatively impacted should there be industry/economic downturns; Relatively high-end positioning: might face growth pressure in the near-term

under macro softness as customers, especially if SMEs focus on the near-term rather than mid-/long-term cost savings/efficiency gains.

Price Target Risks and Methodology - KLN Logistics Group
We are Neutral rated with a 12-m PE based TP of HK$6.0, based on 2026E 9X forward PE (average past-2-year PE of KLN). Key risks: freight rate volatility; changes to international trade policies; execution risk of KLN2.0.

Price Target Risks and Methodology - Sinotrans Ltd.
We are Sell-rated on both Sinotrans (H)/(A), with SOTP-based 12-month target prices of HK$3.10/Rmb4.10. **Key risks:** higher-than-expected dividend payout ratio, stronger-than-expected demand for cross-border business; better-than-expected sea/air freight rates; potential valuation re-rating driven by improved cash flow.