Kerry Express
(Thailand)

SET Opportunity Day

15 August 2022
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**
- 33,000+ Service Locations
- ALL 77 provinces in Thailand covered
- 17 Sorting Hubs

**Industry-Leading Service Quality**
- 1,500+ Distribution Centres
- 22,000+ Fleet of Vehicles under our Management
- 99.99% Next-Day Delivery Service Coverage within Thailand
- 96.7% of Parcels Delivered on Time

**Largest Payment-on-Delivery Express Company**
- 7.5bn (THB) Avg. Monthly Transaction Value
- <1.6% of Parcels Returned

Source: Company Information as of Jun 2022
Q2/2022 HIGHLIGHTS

- **1H/2022 VOLUME CONTINUES TO GROW BY 36% amidst low seasonality, thanks to EXPRESS-FOCUS STRATEGY.**

- **Continuous community penetration across segments following MARKET LEADERSHIP STRATEGY continues to be our number one uncompromised strategy to lead Thailand’s express market. Our number of active users rose by 15% YoY. Number of service locations expanded by 115.5% from Q2/2021, with over 33,000 locations nationwide.**

- **SMART PRICING APPROACH** has been carried out in mid-June to further nurture sustainable yield along with volume growth. **FUEL SURCHARGE** has also been adopted to neutralise the impact of rising oil prices, subject to adjustment based on the movement of diesel price.

- **INDUSTRIALISATION OF KEX and COST REDUCTION PROGRAMMES** have been carried out while being challenged by fewer working days in April-May, covid bounce-back, tightening labour market, and upsurge in oil prices. The impact of cost reduction and efficiency improvement are expected to accelerate throughout the remaining of 2022.

- **KEX plans to invest in a JOINT VENTURE with HIVE BOX to establish Thailand’s leading SMART LOCKER SYSTEM,** serving demand for parcel delivery services with lower cost, enhanced flexibility and speeds.

- **First phase of INTEGRATION WITH SF BUSINESS UNITS in Thailand and Southeast Asia is now completed. Unique China-bound and international products to be launched via all our corporate and retail sales network as we expect more CROSS-BORDER E-COMMERCE.**
REMARKABLE GROWTH IN VOLUME, USERS, PAYMENT SERVICES & SERVICE PENETRATION

- SMART PRICING STRATEGY proven successful & volume growth exceeds industry standard during the low season

- 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

- KEX's EXTENSIVE NETWORK has set strong market presence across segments and over other players in the market

**VOLUME**

<table>
<thead>
<tr>
<th></th>
<th>1H2021</th>
<th>1H2022</th>
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<tbody>
<tr>
<td>1H2021</td>
<td>as of Jun'21</td>
<td>as of Jun'22</td>
</tr>
<tr>
<td>+35.7%</td>
<td>+15.3%</td>
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**MAUs (Monthly Active Users)**

<table>
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<tr>
<th></th>
<th>Q22021</th>
<th>Q22022</th>
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<tbody>
<tr>
<td>Q22021</td>
<td>as of Jun'21</td>
<td>as of Jun'22</td>
</tr>
<tr>
<td>+10.0%</td>
<td>+25.2%</td>
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**COD**

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<tr>
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<th>1H2021</th>
<th>1H2022</th>
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</thead>
<tbody>
<tr>
<td>1H2021</td>
<td>as of Jun'21</td>
<td>as of Jun'22</td>
</tr>
<tr>
<td>+25.2%</td>
<td>+115.5%</td>
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Market Leadership Strategy

a vision beyond the endgame
New wave of price reduction (Q321)

New revenue stream contributed by new businesses

Operational efficiency enhancement via economies of scale & platform upgrade

Cost per parcel continues to reduce: The pace will speed up especially when the impact of COVID-19 tones down

Sustainable growth in profit: Given smaller margin (making new entry unattractive) multiplies by much bigger base number (i.e. number of parcels)
STRENGTHENING KEX ECOSYSTEM

- 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

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

KEX's New Partnerships & Business
NATIONAL LEADERSHIP IN SERVICE QUALITY & BUSINESS OPERATIONS

NO.1 BRAND THAILAND 2022
KEX is now a four-time winner of the No.1 Brand Thailand by Marketeer since 2017.

BRAND IMPACT AWARD 2022
In May of 2022, KEX secured its first Brand Impact Award for maintaining distinguishing service quality amid the COVID-19 pandemic.

THAILAND’S MOST ADMIREDBRAND 2022
With proven quality and reliability in services, Kerry Express is now a three-time winner of Thailand’s Most Admired Brand from 2020 - 2022, awarded by BrandAge.

BUSINESS+ THAILAND TOP COMPANY AWARDS 2022
KEX’s continuous improvement in services and products and its national success and leadership in express parcel delivery throughout the years.
SYNERGISTIC PARTNERSHIPS

NEW SALES CHANNELS
enhance community penetration & enlarge customer base

EXTENDED RETAIL COVERAGE
with industry's leading brands

PARCEL DELIVERY
SERVICE PARTNER ON
TIKTOK SHOP

+18,000 SERVICE LOCATIONS
THROUGH RESELLER PARTNERSHIPS

For Inquired Partners Only
SET Opportunity Day
15 July 2022
NEW BUSINESS: SMART LOCKER
Thailand’s leading self-service smart lockers

LONG-TERM STRATEGIC PARTNERSHIP

18% shareholding by KERRY EXPRESS

3,000+ Targeted Locations in BKK Including BTS & MRT, Condominium, Shopping Malls, Office Buildings, and Universities

> 20% Expected IRR

Business Model

“Smart Locker” service with convenient and safe smart locker with technology for smart lifestyle, in collaboration with Hive Box Technology, SF-backed company ‘Shenzhen Hive Box Technology Co., Ltd’.

Business Opportunity for Smart Locker

- Rise in digitization and changing consumer preferences urges the demand for faster, more flexible, and cheaper parcel delivery services
- Positive growth outlook: 13-15% EST. CAGR 2021 – 2028 for APAC Market¹
- Recent rise in installations of Smart Lockers in Vietnam and Indonesia
- The first-mover advantage awaits: No solid adoption of Smart Locker for parcel delivery in Thailand yet

About HIVE BOX

Hive Box, established in 2015, runs the largest express locker system in the world with over 150,000 lockers in China*, with strong independent R&D capabilities of software, and provide the last-mile solution to both couriers and consumers.

Remark: 1. Asia Pacific Smart Parcel Delivery Locker Market Forecast to 2028 - COVID-19 Impact and Regional Analysis By Type (Standard Smart Locker and Temperature Controlled Smart Locker), Component (Hardware and Software), and Application (Retail, Residential, University, Office, and Others)
*Source: Hive Box company website
FINANCIAL PERFORMANCE
Revenue (Sales and Services Income) (THB Million)

<table>
<thead>
<tr>
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<th>Q2/2021</th>
<th>Q1/2022</th>
<th>Q2/2022</th>
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<tbody>
<tr>
<td>Volume</td>
<td>4,600</td>
<td>4,416</td>
<td>4,283</td>
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</table>

1H22 Volume growth +36% YoY

-7% YoY -3% QoQ

Segment Contribution (Excluding Advertising Income) (THB Million, %)

- B2C: 44.8%
- C2C: 53.2%

Q2/2021

- B2B: 2.0%
- B2C: 48.2%
- C2C: 49.9%

Q1/2022

- B2B: 1.9%
- B2C: 47.8%
- C2C: 50.6%

Q2/2022

- B2B: 1.8%
- B2C: 47.8%
- C2C: 50.6%

• Revenue contribution from the B2C segment slightly grew YoY due to heavier sales promotions offered by e-commerce platforms during mid 2022.
SERVICE QUALITY ASSURANCE: RESILIENCE AMIDST THE PANDEMIC

Spare operation resources

- Extra vehicles, equipment & operating resources
- Shuttle services sending labour to work across regions and areas
- Temporary control tower & training centres to enhance COVID control & education as well as new staff training

Earlier engagement of workforce, sites and supplies

- Key Sorting Hub
- Spare sorting hub
- Spare DC
- Original DC

Avoided operations seizure due to random sites close-down, people confiscation and supplies shortage

- Secured people and working sites despite spiking labour cost and severe shortages in certain areas
- Pre-purchase of supplies and equipment to avoid shortage caused by distorted international supply chain

Tight control and policies

- Company-wide policies & control
  - Including travel ban, social gathering ban, work-from-home protocol
  - Thailand’s biggest staff vaccination motivation programme (KerryPrompt)

Spare hubs, DCs & service locations

- Shuttle services sending labour to work across regions and areas
Q2 2022 PROFIT BREAKDOWN

**EBIT**
(THB Million)

- Q2/2021: 428
- Q1/2022: 298
- Q2/2022: 255

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

- Q2/2021: 336
- Q1/2022: 238*
- Q2/2022: 204*

Notes:
* After-tax figures
### BALANCE SHEET & LIQUIDITY POSITION

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<th>31 Dec 2021 (THB Million)</th>
<th>30 Jun 2022 (THB Million)</th>
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<tr>
<td><strong>Asset</strong></td>
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<tr>
<td>Current</td>
<td>7,126</td>
<td>4,689</td>
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<tr>
<td>Non Current</td>
<td>9,920</td>
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<tr>
<td>Equity</td>
<td>9,317</td>
<td>8,046</td>
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<tr>
<td><strong>Liabilities &amp; Equity</strong></td>
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<tr>
<td>Current</td>
<td>5,278</td>
<td>2,451</td>
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<tr>
<td>Non Current</td>
<td>4,269</td>
<td>1,727</td>
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<td>Equity</td>
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<th>30 Jun 2022 (THB Million)</th>
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<td>Cash +ST investment (Jun 22)</td>
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<tr>
<td>CFO</td>
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<td>CFI</td>
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<th>31 Dec 2021 (THB Million)</th>
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<tr>
<td>Cash +ST investment (Dec 21)</td>
<td>7,295</td>
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<tr>
<td>CFO</td>
<td>(1,232)</td>
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<tr>
<td>CFI</td>
<td>(535)</td>
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<tr>
<td>CFF</td>
<td>(1,113)</td>
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**CURRENT RATIO** | **D/E** | **GEARING RATIO**
--- | --- | ---
1.10 | 0.75 | –
OUTLOOK & MANAGEMENT VISION
**MARKET OUTLOOK & COMPETITIVE LANDSCAPE**

### Thailand’s Positive E-Commerce Growth Outlook

**E-commerce boom: Market value +53% CAGR 2019 – 2021**

- **Unit: Billion Baht**
- **CAGR +53%**
- **+24% YoY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Value</th>
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<tbody>
<tr>
<td>2018</td>
<td>100</td>
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<tr>
<td>2019</td>
<td>160</td>
</tr>
<tr>
<td>2020</td>
<td>270</td>
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<tr>
<td>2021E</td>
<td>370</td>
</tr>
<tr>
<td>2022F</td>
<td>450</td>
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**Remark: 1. Source: SCB EIC Note:**

### Competitive Landscape

**Upward Pressures on Service Fee**

Market competition eases as market players have raised service fees in June. However, KEX took the opportunity to offer even lower starting price and continue to widen our **MARKET LEADERSHIP**.

**New normal shopping behaviour**

Though Covid-19 has eased but the online shopping behaviour that heavily relies on e-commerce still persists.

**Extended Variety of Social Commerce Platforms**

Social commerce platforms have grown in terms of diversity and sales channels in response to the rise of digitisation.

**For Intended Particpants Only**

*For SET Opportunity Day, 15 Aug. 2022*
Management Guidance

- 30%+ VOLUME GROWTH
- SMART PRICING, LOWER PRICE PRESSURE
- DRASTIC UNIT COST REDUCTION
- MARGIN RECOVERY IN 2H2022
- COVID IMPACT TONES DOWN

Synergistic Partnership

- Efficiency Enhancement
- Cost Optimisation
- Coverage Expansion

Business Diversification

- Service Coverage Extension
- Core Business Reinforcement
- Diversified Income Stream

Shareholders’ Support

- Unified Strategic Direction & Support

2022 OUTLOOK
THE ROAD TO SUSTAINABLE LEADERSHIP A VISION BEYOND THE ENDGAME

**MEDIUM-TERM (3-5 YEAR) OUTLOOK**

- **PROFIT GROWTH**
  - Proven cost utilisation ability and efficiency improvement

- **30%+ CAGR**
  - Parcel express still having high growth potential

- **20% REVENUE CONTRIBUTION**
  - New businesses and VAS in Kerry ecosystems

- **M&A DEALS**
  - Inorganic growth and consolidation opportunities

**PARCEL EXPRESS STILLL HAVING HIGH GROWTH POTENTIAL**

**NEW BUSINESSES AND VAS IN KERRY ECOSYSTEMS**

**INORGANIC GROWTH AND CONSOLIDATION OPPORTUNITIES**

**PROFIT GROWTH**

**GROWTH PROMISE**

**MEDIUM-TERM (3-5 YEAR) OUTLOOK**

**KEY POINTS**

- Parcel express still having high growth potential
- New businesses and VAS in Kerry ecosystems
- Inorganic growth and consolidation opportunities
DISCLAIMER

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.

The statements are based on the assumptions and beliefs of the Company’s management in light of the information currently available to the Company. These assumptions involve risks and uncertainties which may cause the actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Nothing in this Presentation is, or should be, relied on as promise or representation of the Company as to the future.
APPENDIX
Our Business Segments

C2C (Consumer-to-Consumer)

- 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 5D, ND, AM 2D and 3D services
- Innovative door-to-door (“D2D”) service with courier pickup

B2C (Business-to-Consumer)

- 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

B2B (Business-to-Business)

- 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

Source: Company Information.
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.

Source: Company Information.