

# 2024 Annual Results Presentation

March 21, 2025, Hong Kong



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## II. Financial Analysis

## III. Business Outlook

## Appendix: Financial Summary

# FY24 Financial Highlights

 Robust revenue growth has been accompanied by solid margin improvement, delivering sustainable growth momentum with balance achieved between topline and profit.

## Revenue

**RMB11,576** mm

**16.7% YoY growth** ↑



## Gross Profit

**RMB1,842** mm

**45.2% YoY growth** ↑

15.9% gross margin  
3.1pps YoY increase



## Adjusted Net Profit

**RMB837** mm

**64.2% YoY growth** ↑

7.2% adjusted net margin  
2.2pps YoY increase

**Pro forma adjusted net profit<sup>1</sup>**

**105.3% YoY increase**



<sup>1</sup> Adjusted profit before tax in 2023 is net of other income totalling CNY136 million from weight deduction of value-added tax, which will be nil in 2024 as a result of policy adjustments; weight deduction of value-added tax is taxed at a rate of 25%.

# FY24 Operative Highlights

 Network expansion and “3300-product policy”<sup>1</sup> enhanced core competitiveness, which together drove high growth in freight volume and significant optimisation of freight weight structure.

## Total freight volume

**14.15** mm tons

17.5% YoY growth ↑



## Freight weight per shipment

**84** kg

9 kg YoY decrease ↓



## Number of freight partners

**7,200+**

21.8% YoY growth ↑



<sup>1</sup> Full exemption from special dispatch charges for freights weighting 3 kg to 300 kg.



# Firm Implementation of the “Five Most” Strategy Let to Continuous Financial Performance Improvement and Quality Enhancement



## Strong commitment to Five Most strategy

### Most optimal cost

Completed structural adjustment and insisted on refined operation

In 2024,

Unit line-haul transportation cost decreased by 5.0% YoY

Unit sorting centre cost decreased by 16.5% YoY

### Most stable timeliness

Enhanced transportation efficiency while increased delivery frequency

In 2024,

Average shipment time was shortened by 7.1% YoY



### Most dense network coverage

Focused on network expansion to motivate freight partners and freight agents

By the end of 31 December 2024,

Most freight partners & agents amounted to 33,000+ among the industry

Number of freight partners has surpassed 7,200

### Most superior quality

Reduced transshipment and further standardized operations

In 2024, on average,

Damage rate<sup>2</sup> decreased by 64.7% YoY

Loss rate<sup>2</sup> decreased by 79.7% YoY

### Most timely service response

Built “Iron Triangle” with collaboration at each level to empower freight partners and agents

The “520” service principle

Complaint rate<sup>2</sup> decreased by 91.0% YoY

<sup>1</sup> Adjusted profit before tax in 2023 is net of other income totalling CNY136 million from weight deduction of value-added tax, which will be nil in 2024 as a result of policy adjustments; weight deduction of value-added tax is taxed at a rate of 25%.

<sup>2</sup> Number of damaged unit/lost unit/complaint per 100k shipment.

# FY24 Results are Owing to Our Focus on Scale Growth, Network Ecosystem Optimization and Technological Empowerment



## Product upgrade enhancing differentiated competitiveness



Freight of 3-300kg

**Zero  
special  
charge**

Freight volume of 3-  
300kg

**+24%**

Same-day delivery  
rate

**+7%**



## Network expansion driving volume growth



Number of freight  
partners and agents

**+17%**

County and township  
coverage

**99.3%**

Top freight partner  
retention rate

**97.0%**



## Refined operations improving asset utilisation



Average mileage per  
truck

**+10%**

Sorting centre labour  
efficiency

**+7%**

Sorting centre floor  
space efficiency

**+21%**



## Technological empowerment reducing costs and boosting efficiency



**2** automated sorting assembly  
lines put into use

Trial of **electric trucks** on  
Zhejiang-Fujian line-hauls

**~30** trucks equipped with NOA  
functions



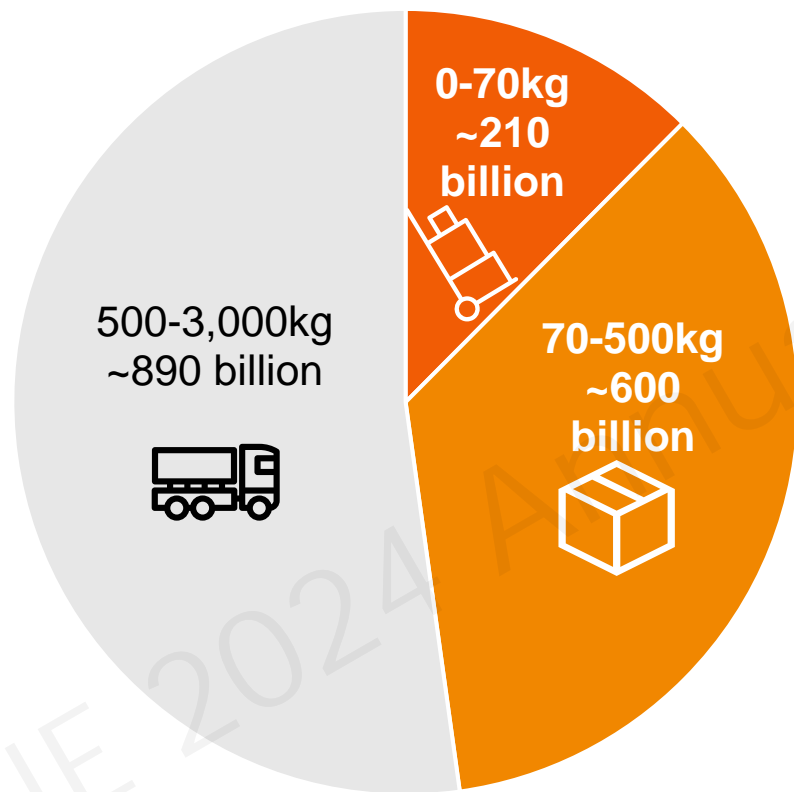
# Express Freight Network Growth Outperforms LTL to Accelerate Consolidating Mini and Light Freight Market, Unleashing Vast Potential

LTL market is amounted to CNY1.7 trillion, with 50% of the volume below 500kg

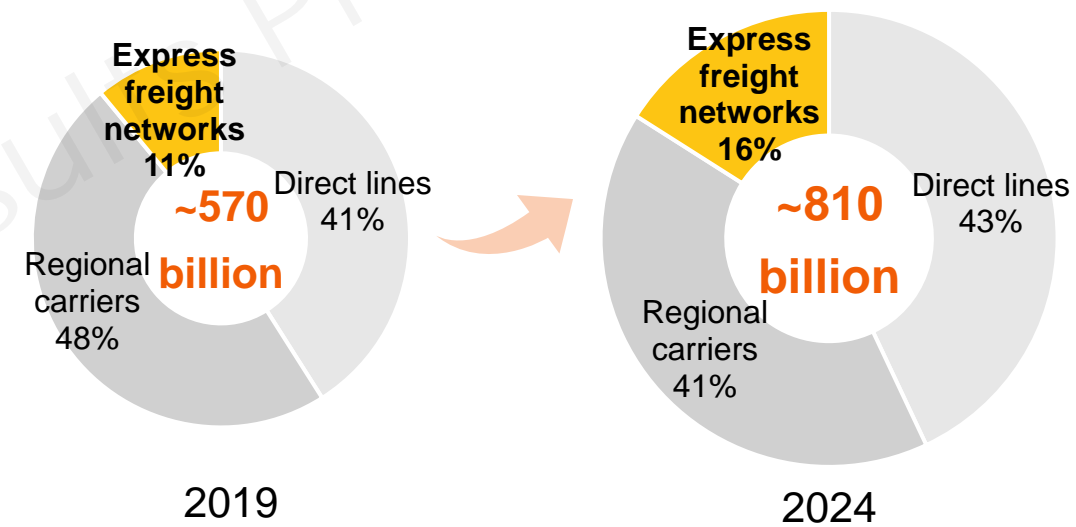
Supply chain flexibility and fragmentation, and the penetration of heavy goods e-commerce can accelerate the consolidation by express freight networks of mini and light freight market

China LTL Market Size by Weight, 2024E

Unit: RMB billion



Market Size and Segmentation of China LTL Industry of Freight Less Than 500kg, 2019-2024E



Market share of ANE in the express freight network industry<sup>1</sup>



Source: iResearch  
1 In terms of freight revenue, as an estimate.



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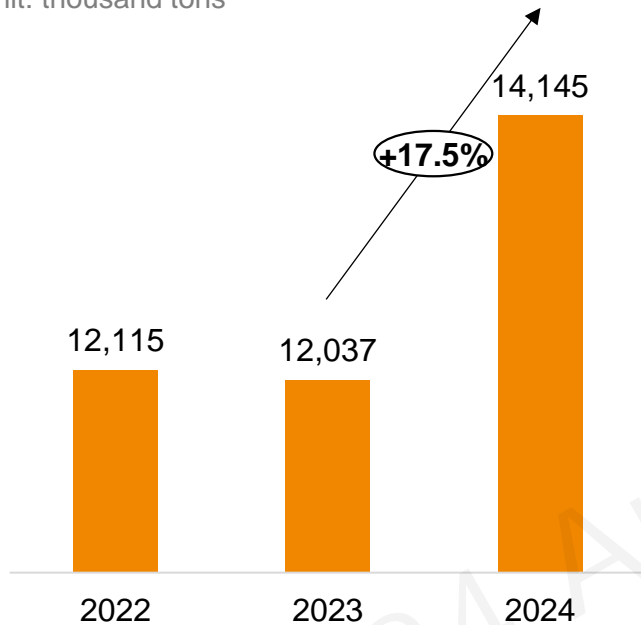
Appendix: Financial Summary

# Freight Volume Grew 17.5% YoY Driven by Network Expansion and "3300-Product Policy", with Mini and Light Freight Outperforming

## 17.5% YoY growth in freight volume

### Freight volume

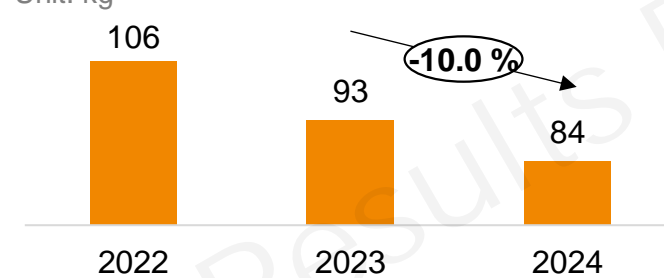
Unit: thousand tons



## Weight structural optimization

### Freight weight per shipment

Unit: kg



### Volume growth by weight

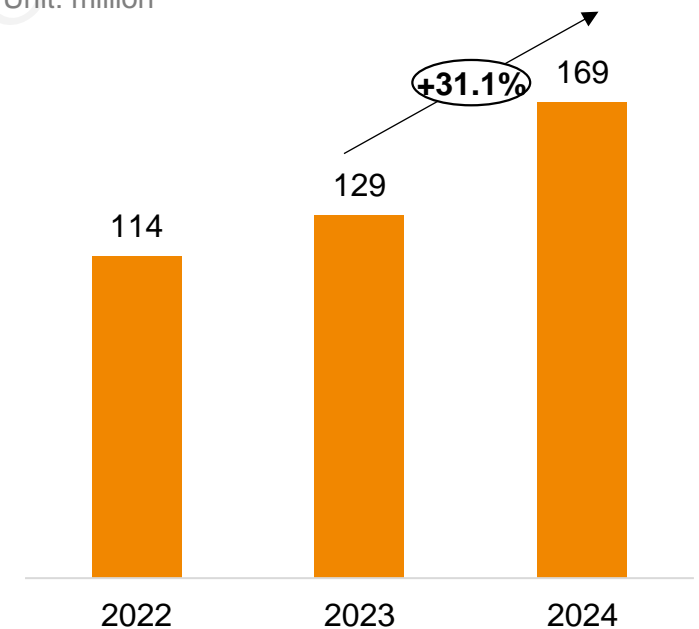
Unit: %



## 31.1% YoY growth in shipment

### Number of shipment

Unit: million



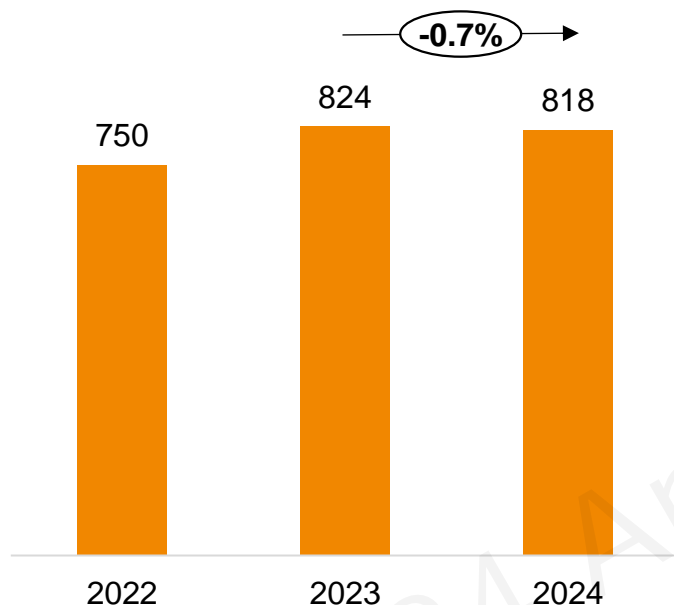
- Freight volume grew significantly year-on-year, benefiting from the growth in the number of freight partners and agents as well as the "3300" product upgrade, which stimulated demand for mini and light freight:
  - The total number of freight partners and agents increased by 17.2% year-on-year, of which the net increase of 21.8% year-on-year by freight partners, along with the network ecology improvement driving the growth of freight volume
  - Launched the "3300-product policy" in May 2024, which drove significant growth in mini and light freight volume and further optimised the freight weight structure, resulting in a significant increase in the number of shipments; of which, the proportion of e-commerce freight increased by 5pps to 35% after the product upgrade

# Unit Price Remained Stable While Revenue Grew by 16.7% YoY Driven by Volume; Operational Efficiency Enhancement Improved Unit Economics

Unit price remained stable despite investment in network ecology

## Unit price

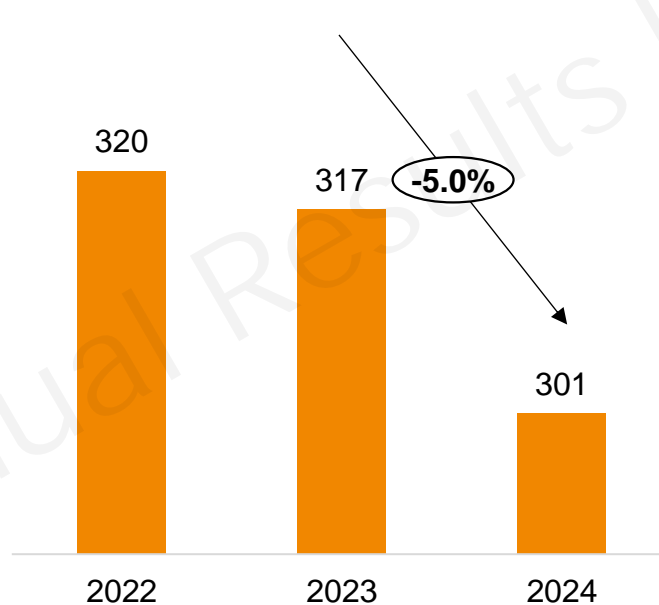
Unit: RMB/ton



Improved transportation efficiency drove down transportation costs

## Unit line-haul transportation cost

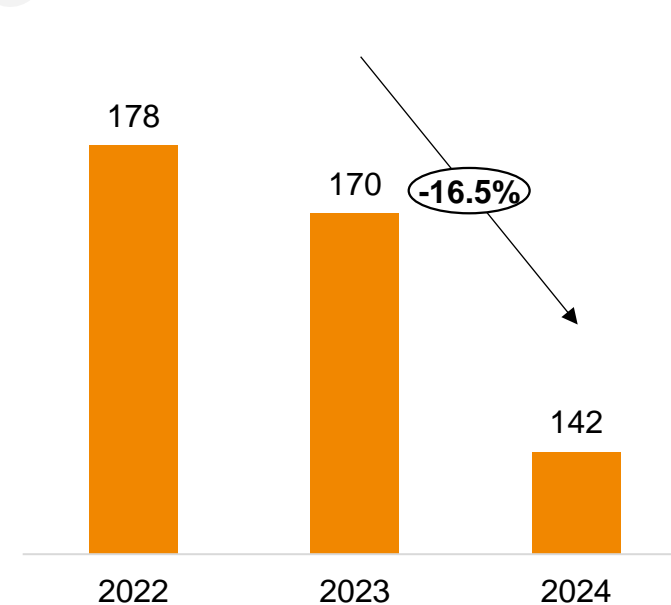
Unit: RMB/ton



Cost reduction due to increase in labour and floor space efficiency

## Unit sorting centre cost

Unit: RMB/ton



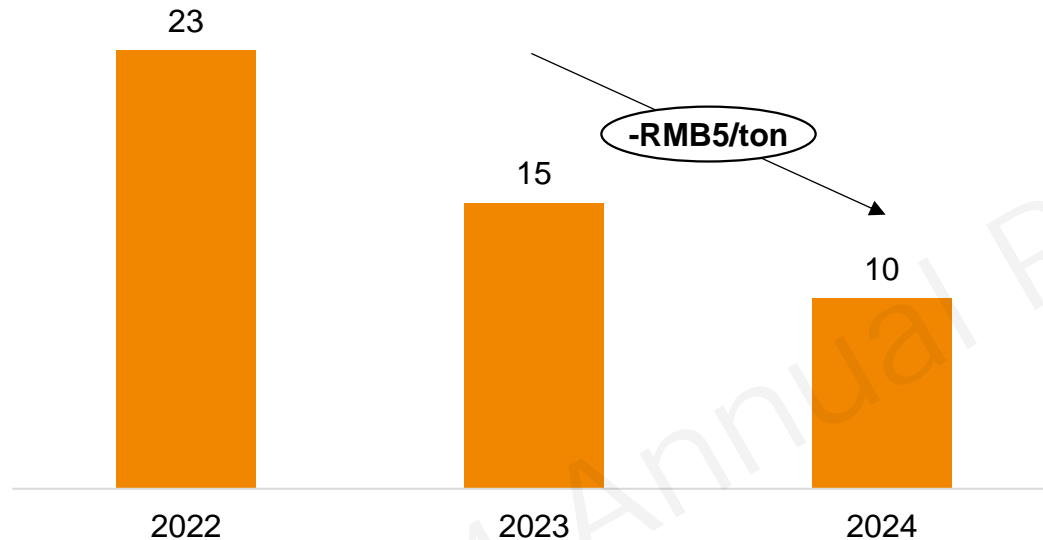
- Through our investment to improve network ecology such as the "3300-product policy, we have promoted **high growth of high margin mini and light freight**, while maintaining the relative stability of unit prices.
- Optimized sorting network in 2023**, of which the financial impact on unit cost was fully released in 2025
- Optimized **line-haul planning and resource allocation** to improve capacity utilization; **enhanced fleet management** and reduce value leakage
- We initiated the utilization of **automated sorting assembly line** in some of our sorting centres in the third quarter of 2024, which improved the efficiency of mini freight and **reduced equipment rental costs**; optimised site planning to **drive down rents**; strengthened systematic staff training and adjusted the salary structure to **reduce labour costs**.

# Optimisation of Freight Weight Structure Boosted Unit VAS Gross Profit by RMB5/ton YoY, Offsetting the Unit Dispatch Gross Profit Reduction

Unit dispatch gross profit decreased by RMB5/ton, due to network optimization compensation

## Unit gross profit for dispatch services

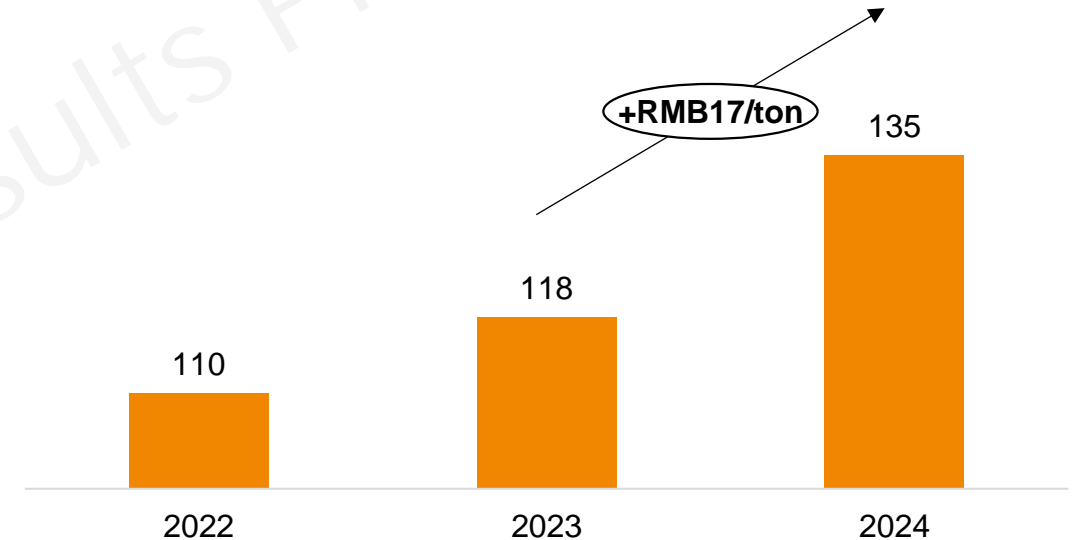
Unit: RMB/ton



Unit VAS gross profit improved by RMB17/ton YoY resulting from the increase in shipments

## Unit gross profit for value-added services

Unit: RMB/ton



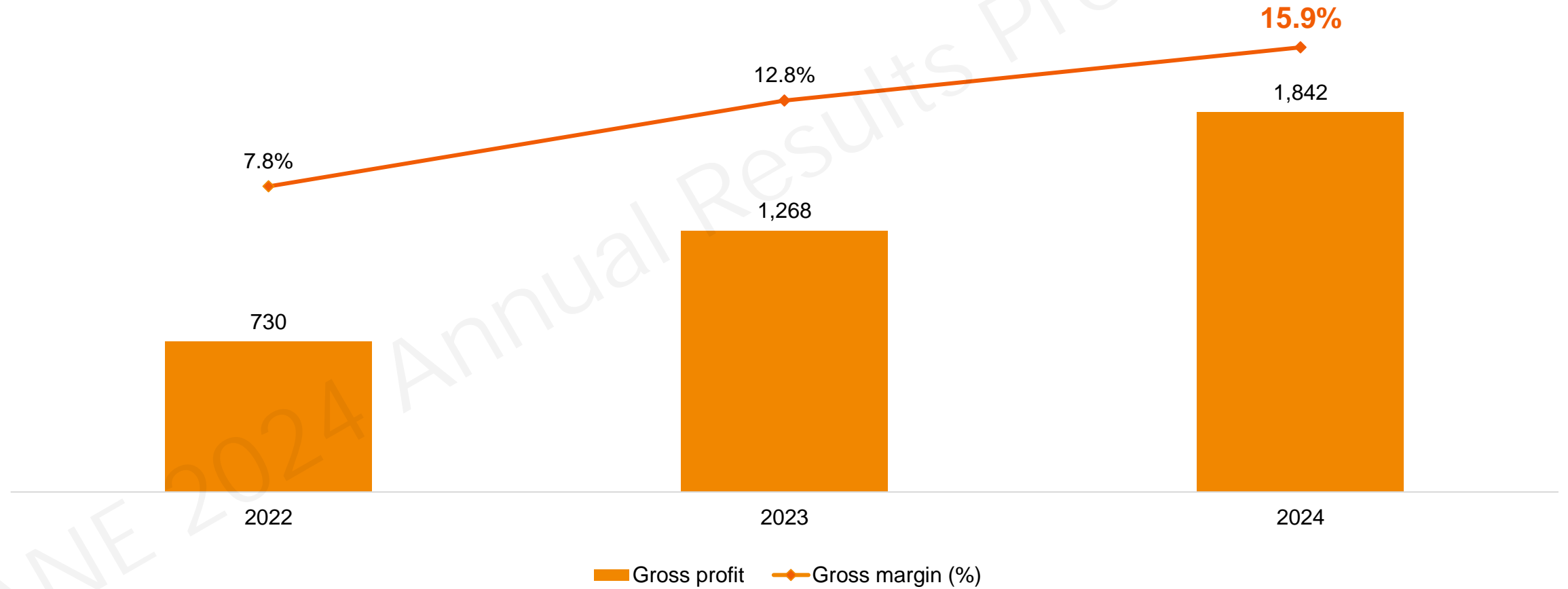
- In May 2024, we launched “**3300-product policy**” to eliminate special dispatch charges for freight weighting less than 300kg, while we still insisted on subsidizing the delivery freight partners and agents to continuously build a positive network ecosystem. As a result, unit dispatch gross profit declined
- In return, the policy became a powerful driver in volume growth, which also fueled the **significant growth of shipment** and helped **optimise weight structure**
- As most VAS is charged by shipment, **light-weighted freight usually has higher unit VAS gross margins**. The increasing contribution of mini and light freight therefore resulted in higher VAS unit gross profit, which more than offset the reduction in unit dispatch gross profit

# Continuous Implementation of Cost Reduction Measures and the Optimisation of Freight Weight Structure Lifted Gross Margin by 3.1pps

Gross profit increased significantly by 45.2% YoY, with gross margin up by 3.1pps to 15.9%

## Gross profit

Unit: RMB million



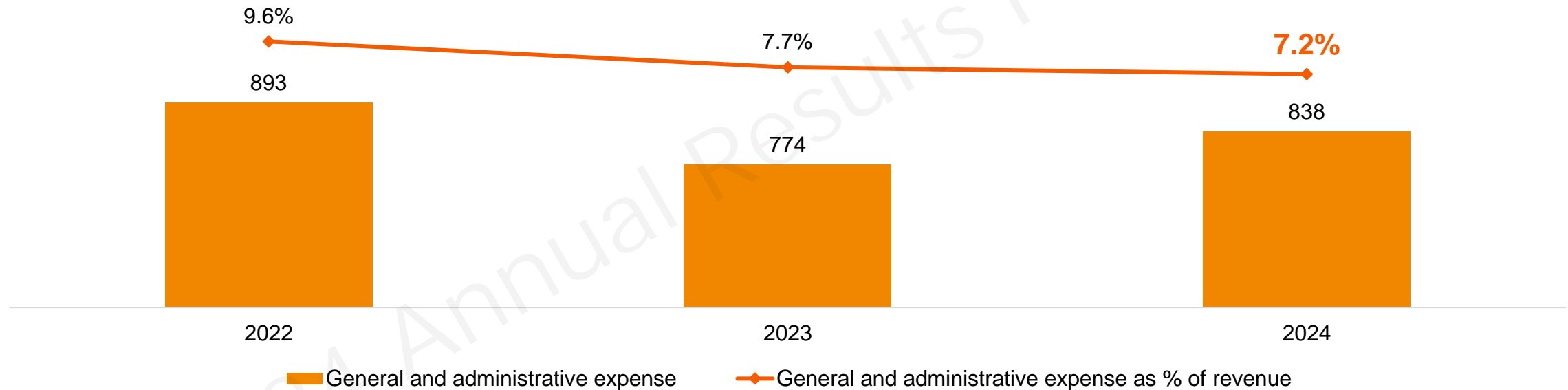


# Invested in Digitalisation and Employee Incentive Mechanism, While Implemented Lean Cost Control, Leading to a Lower G&A Expense Ratio

G&A expenses increased driven by digitalisation-related expenses and staff compensation, while G&A expense ratio decreased by 0.5pp YoY, benefiting from the precise expense control

## General and administrative expenses

Unit: RMB million



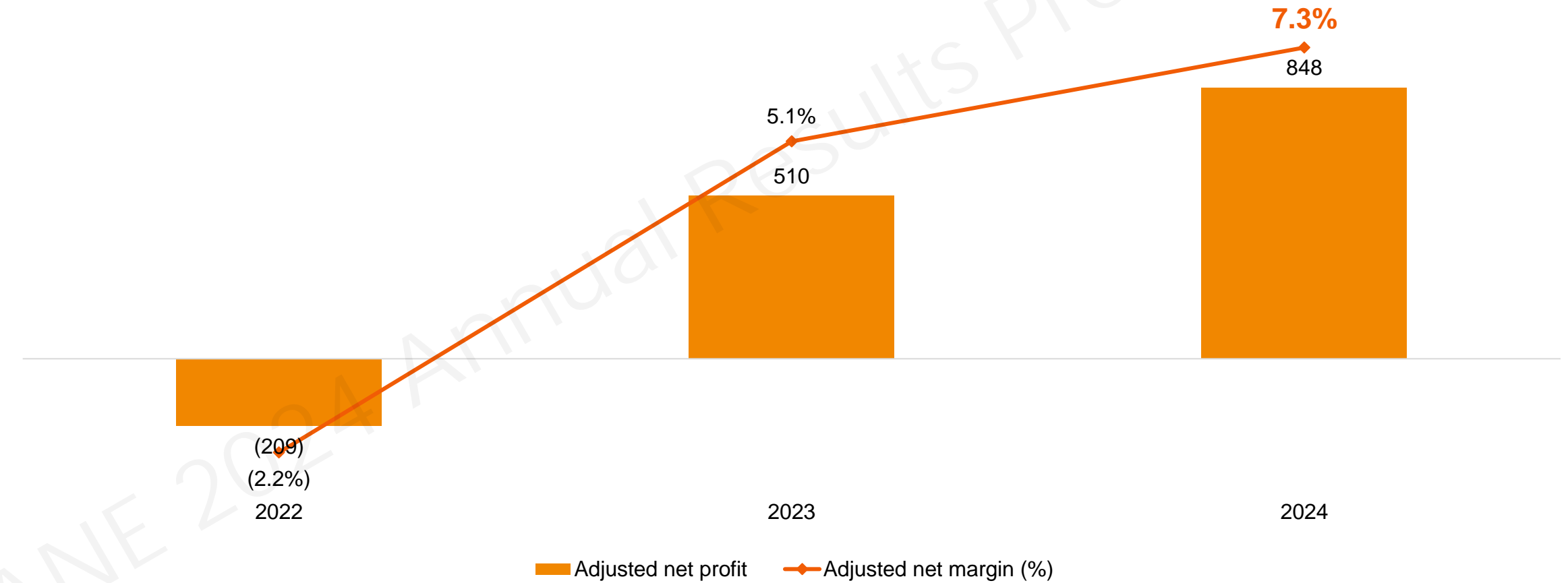
- **Ramped up investment in digitisation**, with digitisation-related expenditure increasing by more than \$10 million YoY in 2024
- **Optimised the employee compensation system in a performance-oriented manner**, motivating employees through bonuses, equity incentives, etc. in accordance with annual results
- Depreciation and amortisation decreased by 10.6% YoY as we **ceased part of our office lease** at the end of 2023 and also **reduced leased parking area** as the disposal of redundant trucks was completed

# Significant Growth in Adjusted Net Profit, with Adjusted Net Margin Reaching 7.2% in FY24, up by 2.2pps YoY

Adjusted net profit increased by 64.2% and adjusted net margin improved by 2.2pps to 7.35; Pro forma adjusted net profit increased by 105.3%<sup>1</sup>

## Adjusted net profit

Unit: RMB million



<sup>1</sup> Adjusted profit before tax in 2023 is net of other income totalling CNY136 million from weight deduction of value-added tax, which will be nil in 2024 as a result of policy adjustments; weight deduction of value-added tax is taxed at a rate of 25%.

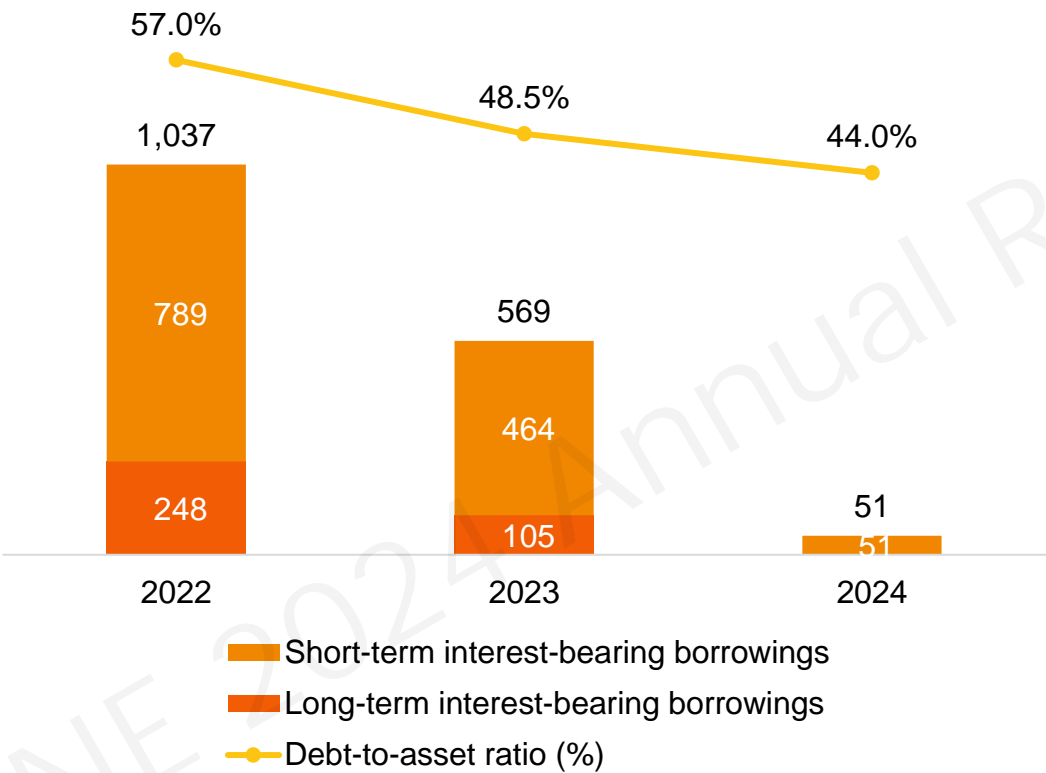
# Proactively Deleveraged to Continuously Enhance the Operational Resilience and Profitability

Repaid all long-term interest-bearing borrowings, resulting in decreasing debt-to-asset ratio

Adjusted weighted ROE for FY24 is 26.2%, up by 7.6pps YoY

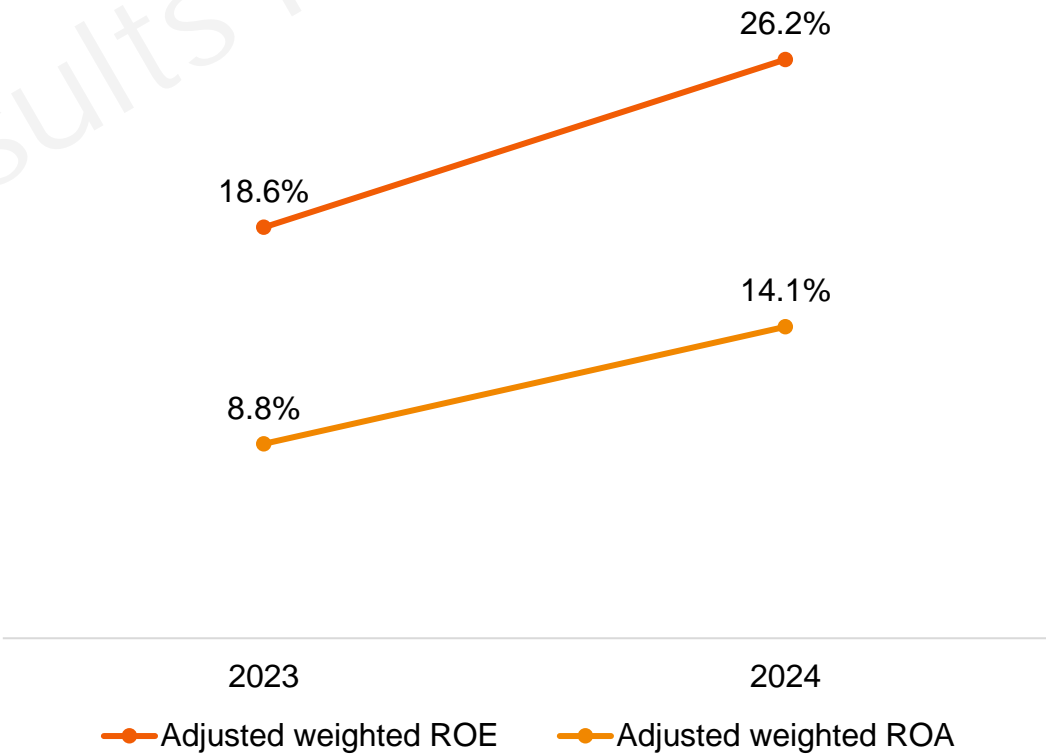
Interest-bearing borrowings and debt-to-asset ratio

Unit: RMB million



Adjusted weighted ROE and ROA

Unit: %

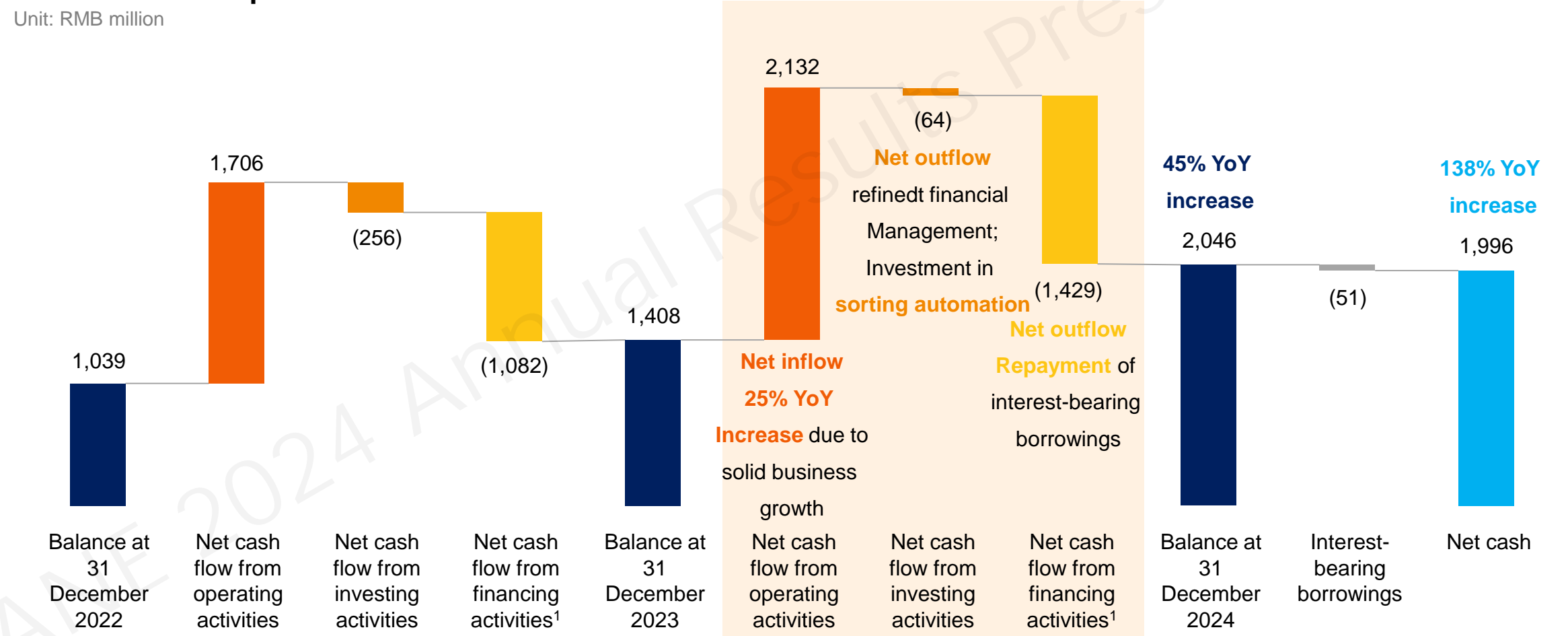


# Robust Operating Cash Flow Growth to Fuel Investment in Digitalisation and Technologies While Maintaining Net Cash Position

Cash and cash equivalents was amounted to RMB2.05 billion at the end of FY24 with net cash amounted to RMB2.00 billion

## Cash and cash equivalents

Unit: RMB million



<sup>1</sup> Including the effect of foreign exchange rate changes

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# ANE is Dedicated to Uphold the Business Steadfastness, While Persistently Endeavors to Capture Future Opportunities



## Insist on customer value

**Focus on the effective scale** of freight weighting from 3kg to 300kg

**Ensure stability in freight partners and agents' operations** to motivate their commitment

**Empower** freight partners and agents to improve their operational capabilities

**Digitalise** to enhance the capabilities of freight partners and agents



## Insist on optimal cost

**Structure optimisation**: continuous improvement on line-hauls and sorting networks

**Precision Management**: refined operations through the whole value chain

**Technology empowerment**: automated sorting assembly lines and fleet upgrade



## Insist on profitability benefiting all stakeholders

**Freight partners and agents**: ensuring their profitability

**Employees**: strengthening incentives

**Shareholder returns**: delivering sustainable returns and share price enhancement for shareholders

**Social responsibility**: continued investment in ESG

# With Improvement on Our Network Ecosystem and Service Quality, Freight Volume is Expected to Maintain Sustainable Growth Momentum

## Network ecosystem optimisation

### Network expansion

- ✓ Expand networks to release freight volume growth potential
- ✓ Encourage freight partners to freight agents

### Network compensation

- ✓ Firm implementation of "3300-product policy"
- ✓ Stabilize pricing policy to ensure network stability

### Operation empowerment

- ✓ Provide digital tools optimise customer management, cost control, etc.
- ✓ Empower network via "Iron Triangle"

## Service quality enhancement



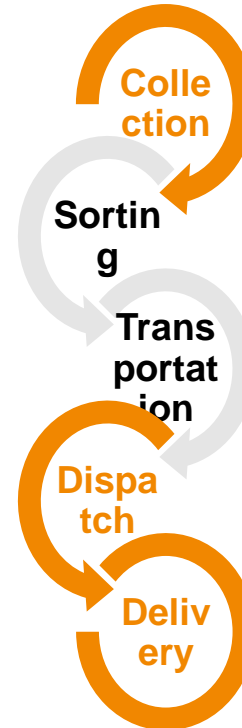
Empower freight partners and agents to enhance service capability



Improve transport and sorting efficiency via refined management

Improve field capacity

Increase delivery frequency

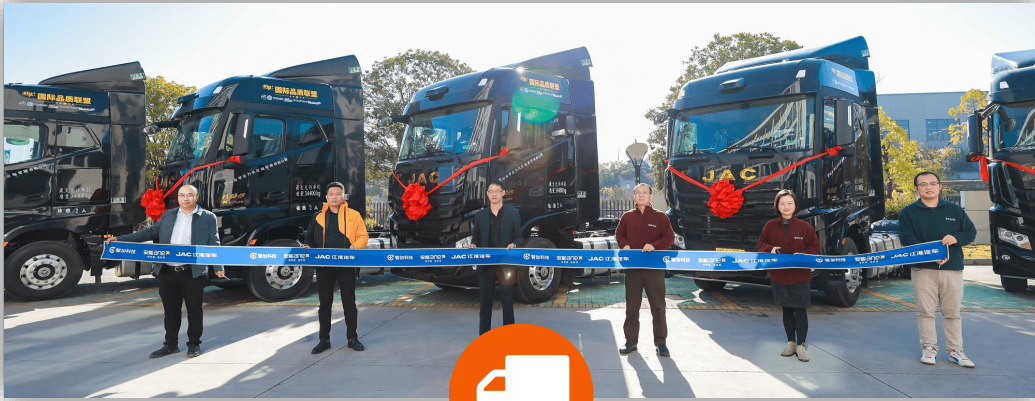


Reduce the radius of collection

Increase long-distance loading factor

Promote same-day sign-off

# Proactively Invest in Technologies Including Introducing Clean Energy and Intelligent Fleets, and Promoting Automation in Sorting Centres



## Transportation



Replace ~ **600 trucks** throughout FY25  
of which expanding **LNG** and **electric** trucks



Deepen the use of **ADAS** to improve driving  
safety and reduce energy consumption



Explore the application of **autonomous  
driving** to improve timeliness



## Sorting Centres



Add **5-10** automated sorting assembly lines to  
enhance the capacity of existing sites



Deploy **AI visual management system**  
to assist infield management and reduce damage  
or loss

# Empower the Entire Value Chain via Digitalisation

## 01 Freight Partner and Agent Empowerment

Digital maps

Digital financial management

Customer service intelligence

Digital driver portal

## 03 Sorting Centre Upgrade

Infield movement panel

Smart labour scheduling

AI quality assurance

AI visual management

## Business Scenarios

## 02 Network Expansion

Regional data dashboards

Enrollment digitisation

Full life cycle management

Pricing engine

## 04 Transportation Efficiency Enhancement

AI freight volume forecast

Line-haul intelligence

Intelligent navigation

Driver risk profiling

**Organizational Support:**  
Digitalisation team restructure;  
Tech & AI talent team expansion by 15%

**Systematic Support:**  
Data safety assurance;  
Data infra and R&D process development

# Develop Practical Applications in the Short Term, and Realise Digitally-assisted Diagnosis and Decision-making in the Medium and Long Term

Phases

2025

Short-term

Applications developed for high-ROI scenarios

2026H2

Mid-term

To build intelligence based on different scenarios

2027+

Long-term

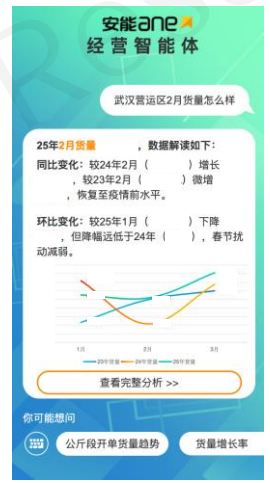
To assist in operational diagnosis and decision-making

Cases



Customer Service Portal

- ✓ Integration of order tracking, data analysis, etc.
- ✓ Access to generative AI to enhance service efficiency



Operational Intelligence

- ✓ Integration of Big Model and ChatBI



- ✓ Intelligent data processing and analysis to shorten the analysis process and improve readability



# ESG Panorama: Synergistic Evolvement of Carbon Reduction, Social Empowerment and Governance Efficiency

## Environmental

- Deepened the carbon verification with initiative disclosure of scope3
- Commenced using automated sorting assembly lines
- Increased investment in clean energy and intelligent fleet
- Set carbon reduction targets for 2030 based on SBTi

### Automated sorting assembly line

**21%**

Labour efficiency enhancement

**75%**

Reduction in delay rate

### Solar panel area

**69.5**

thousand  
square  
metres



+45 %

### Clean energy trucks and line-hauls

**20+**

trucks

**12**

line-hauls



## Social

- Introduced “3300-product policy” , “9996 timeliness standard” and “520 service standard”
- Established "Bole Award" to encourage management to recognize talents
- Reduced complaints through digitalisation, customer service training, improving infrastructure, etc.

### Complaint rate

**41.6**

per 100,000  
shipments

YOY  
**-91%**



### Partner Major Accident Fund

**RMB2.1 mm**



### Training hours per capita

**22**

hours/person

YOY  
**+43.5%**



## Governance

- The Board of Directors and its committees operated efficiently and effectively
- Established work safety committee to promote compliance and efficiency in all production activities
- Constructed business risk map 2.0, and integrated ESG risks into the Group's risk management system

### Information System Level Protection

**8**

level III assurance certificates to cover  
core business operations



### Anti-fraud and risk training

**2,516**

hours



### Corruption litigation cases

**0**

to cultivate integrity culture



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# FY24 Financial Overview

For the year ended December 31

RMB thousand

Consolidated Statement of Profit or Loss	2023	2024	YoY change
Revenue	9,916,899	11,575,954	16.7%
Gross profit	1,268,003	1,841,680	45.2%
Gross margin%	12.8%	15.9%	3.1pps
Operating profit	619,508	1,069,783	72.7%
Operating profit margin%	6.2%	9.2%	3.0pps
Profit for the period	407,245	761,988	87.1%
Net margin%	4.1%	6.6%	2.5pps
Adjusted net profit	509,805	837,293	64.2%
Adjusted net margin%	5.1%	7.2%	2.1pps
Consolidated Statement of Financial Position	2023	2024	YoY change
Cash and cash equivalents <sup>1</sup>	1,407,856	2,046,179	45.3%
Interest-bearing borrowings	568,747	50,623	-91.1%
<b>Net cash</b>	<b>839,109</b>	<b>1,995,555</b>	<b>137.8%</b>
Consolidated Statement of Cash Flow	2023	2024	YoY change
Net cash flows from operating activities	1,706,182	2,137,787	24.9%
Net cash flows from investing activities	(255,751)	(64,176)	N/A
Net cash flows from financing activities	(1,081,908)	(1,420,942)	N/A

<sup>1</sup> Cash and cash equivalents = Cash and bank balance + Time deposits – Restricted cash

# FY24 Unit Economics

For the year ended December 31

	2023	2024	YoY change
Total freight volume ('000 tons)	12,037	14,145	17.5%
Total shipments ('000)	128,839	168,962	31.1%
Freight weight per shipment (kg)	93	84	-10.0%
Unit price for transportation services (RMB/ton)	460	428	-7.0%
Unit price for value-added services (RMB/ton)	149	174	16.8%
Unit price for dispatch services (RMB/ton)	215	216	0.5%
<b>Unit price for total services (RMB/ton)</b>	<b>824</b>	<b>818</b>	<b>-0.7%</b>
Unit line-haul transportation cost (RMB/ton)	317	301	-5.0%
Unit sorting centre cost (RMB/ton)	170	142	-16.5%
Unit cost of value-added services (RMB/ton)	31	39	25.8%
Unit cost of dispatch services (RMB/ton)	200	206	3.0%
<b>Unit cost of revenues (RMB/ton)</b>	<b>718</b>	<b>688</b>	<b>-4.2%</b>
Unit gross profit for transportation services (RMB/ton)	(27)	(15)	N/A
Unit gross profit for value-added services (RMB/ton)	118	135	14.4%
Unit gross profit for dispatch services (RMB/ton)	15	10	-33.3%
Unit gross profit (RMB/ton)	<b>106</b>	<b>130</b>	<b>22.6%</b>
<b>Unit adjusted net profit (RMB/ton)</b>	<b>42</b>	<b>59</b>	<b>40.5%</b>

Thanks!

