



Q3 2024 Earnings

November 2024

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Q3 2024 Snapshot



51.9 million Fulfilled Orders⁽¹⁾
+22.1% YoY



2.84 million Average Shippers MAUs⁽²⁾
+33.6% YoY



RMB 3,031.4 million
Net Revenues
+33.9% YoY



RMB 1,121.9 million
Net Income
+81.4% YoY



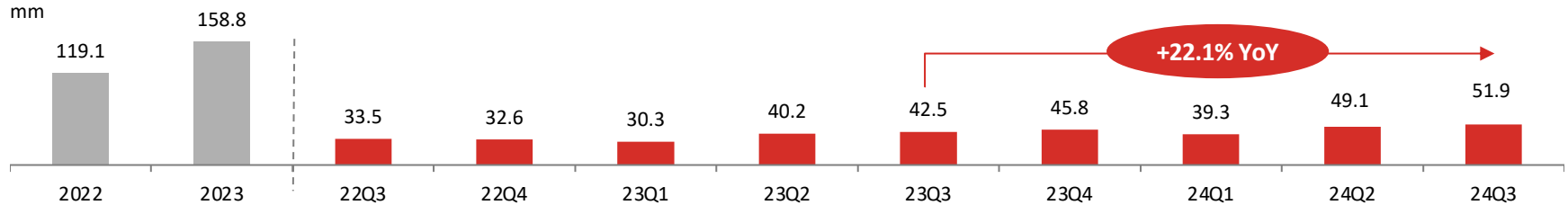
RMB 1,241.2 million
Adj. Net Income⁽³⁾
+50.2% YoY

Notes:

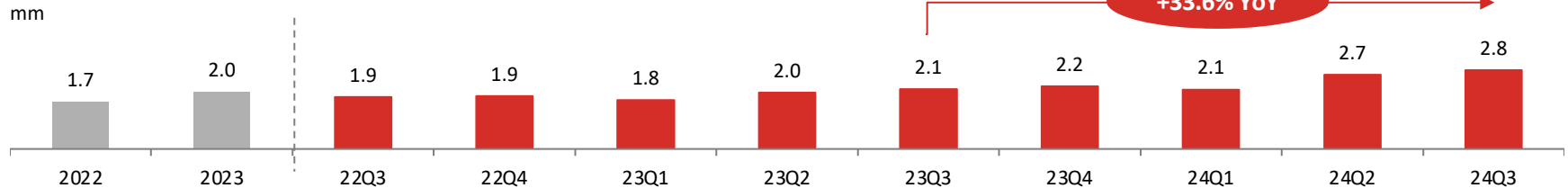
1. Fulfilled orders on our platform in a given period are defined as all shipping orders matched through our platform during such period but exclude (i) shipping orders that are subsequently canceled and (ii) shipping orders for which our users failed to specify any freight prices as there are substantial uncertainties as to whether the shipping orders are fulfilled.
2. Average shipper MAUs in a given period are calculated by dividing (i) the sum of shipper MAUs for each month of a given period by (ii) the number of months in a given period. Shipper MAUs are defined as the number of active shippers on our platform in a given month. Active shippers are defined as the aggregate number of registered shipper accounts that have posted at least one shipping order on our platform during a given period.
3. Non-GAAP adjusted net income is defined as net income excluding (i) share-based compensation expense; (ii) amortization of intangible assets resulting from business acquisitions; (iii) compensation cost incurred in relation to acquisitions; and (iv) tax effects of non-GAAP adjustments. See "Non-GAAP Reconciliation" on page 7 of this presentation.

Sustained Momentum in Both Order and User Growth

Number of Fulfilled Orders⁽¹⁾



Average Shipper MAUs⁽²⁾



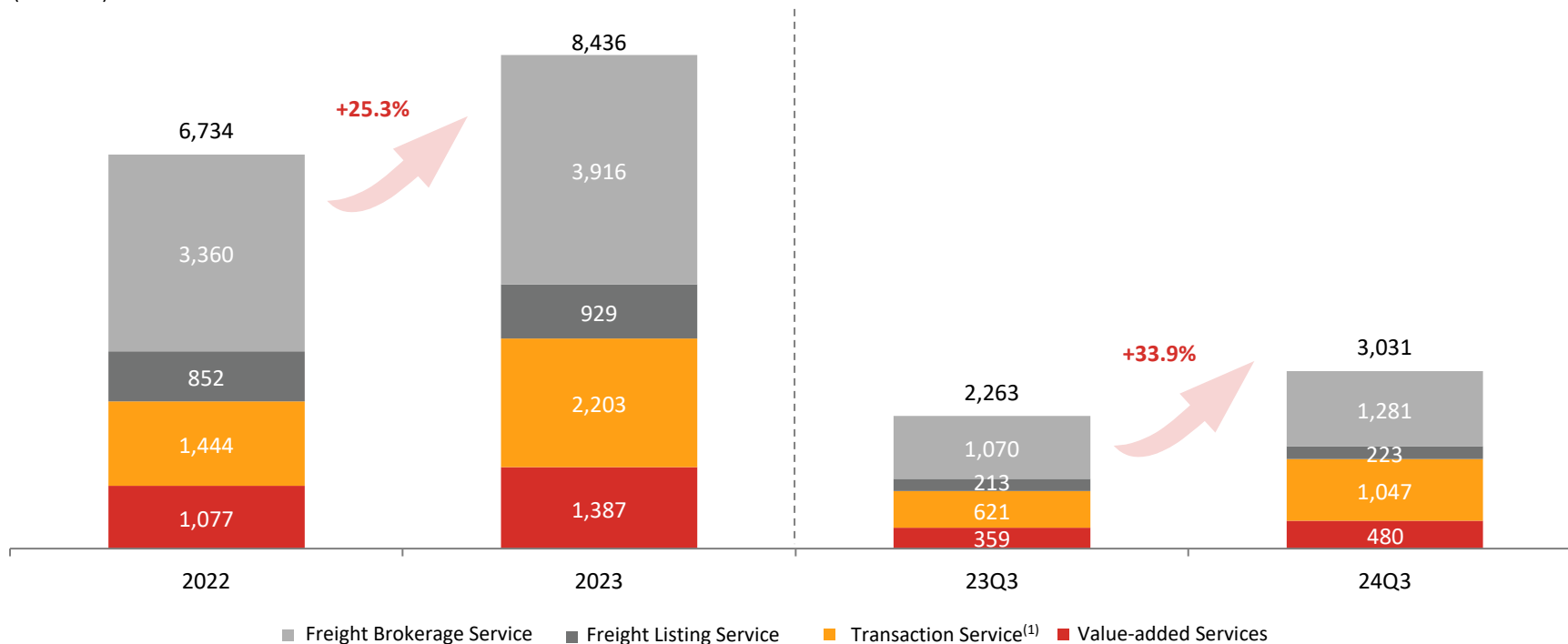
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Strong Revenue Growth and Diversified Monetization Channels

Revenue Breakdown

(RMB mm)



Notes:

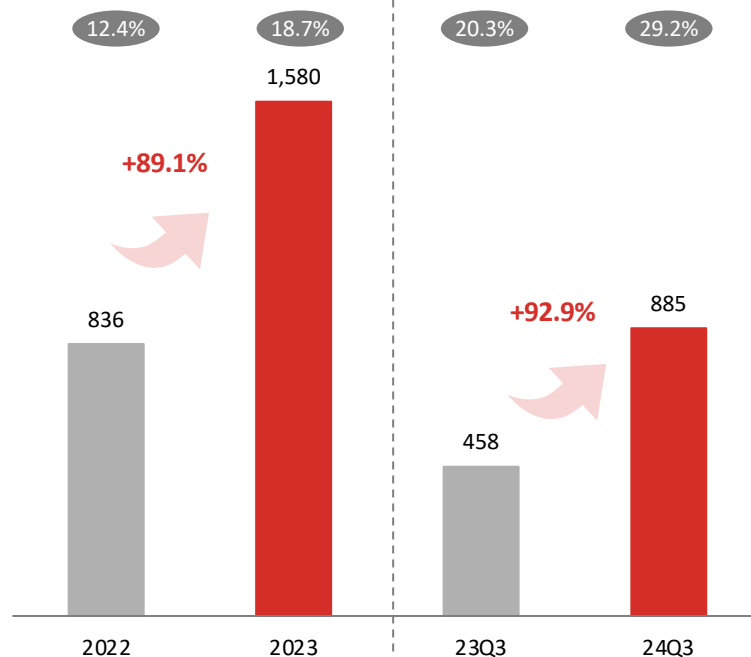
1. Effective January 1, 2024, we have renamed our "Transaction commission" revenue stream as "Transaction service," which consists of all monetization from truckers related to our freight matching service, including the revenue generated from our intra-city business, which was previously classified under "Freight listing service" and "Value-added services." The comparative periods have been restated to conform to this presentation by reclassifying RMB19.2 million and RMB0.1 million, which were previously included in "Freight listing service" and "Value-added services," respectively, as "Transaction service".

Improving Operating Leverage and Profitability

Non-GAAP Adjusted Operating Income ⁽¹⁾

(RMB mm)

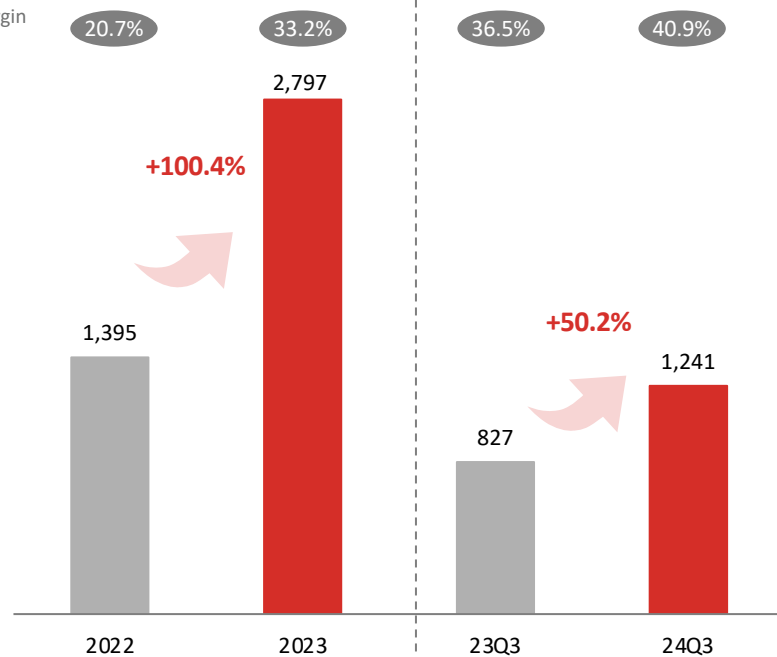
Margin
%



Non-GAAP Adjusted Net Income ⁽²⁾

(RMB mm)

Margin
%



Notes:

1. Non-GAAP adjusted operating income is defined as income from operations excluding (i) share-based compensation expense; (ii) amortization of intangible assets resulting from business acquisitions; (iii) compensation cost incurred in relation to acquisitions. See "Non-GAAP Reconciliation" on page 7 of this presentation
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Consolidated Income Statement

	Three months ended			Nine months ended	
	Sep 30, 2023	Jun 30, 2024	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net revenues⁽¹⁾	2,263,917	2,764,283	3,031,388	6,028,202	8,064,384
Operating expenses:					
Cost of revenues ⁽²⁾	(1,142,057)	(1,312,072)	(1,364,884)	(2,966,699)	(3,708,844)
Sales and marketing expenses	(290,782)	(372,288)	(412,499)	(818,231)	(1,124,934)
General and administrative expenses	(290,443)	(219,157)	(227,874)	(671,661)	(711,498)
Research and development expenses	(237,716)	(232,140)	(195,142)	(691,291)	(674,990)
Net income	618,423	840,508	1,121,936	1,638,843	2,548,811

Notes:

1. Including value added taxes, "VAT", of RMB1,137.9 million, RMB1,255.6 million, RMB1,380.7 million, RMB2,975.3 million and RMB3,675.6 million for the three months ended Sep 30, 2023, Jun 30, 2024, and Sep 30, 2024, and nine month ended Sep 30, 2023 and Sep 30, 2024, respectively
2. Including VAT net of refund of VAT of RMB870.0 million, RMB992.8 million, RMB1,034.4 million, RMB2,256.3 million, and RMB2,822.4 million for the three months ended Sep 30, 2023, Jun 30, 2024, and Sep 30, 2024, and nine month ended Sep 30, 2023 and Sep 30, 2024, respectively

Non-GAAP Reconciliation

	Three months ended			Nine months ended	
	Sep 30, 2023	Jun 30, 2024	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Income from operations	247,060	565,367	761,989	746,613	1,639,545
Add:					
Share-based compensation expense	122,200	116,301	109,506	311,152	381,763
Amortization of intangible assets resulting from business acquisitions	13,021	13,021	13,021	39,063	39,063
Compensation cost incurred in relation to acquisitions	4,281	4,281	—	12,843	8,562
Settlement in principle of U.S. securities class action	71,900	—	—	71,900	—
Non-GAAP adjusted operating income	458,462	698,970	884,516	1,181,571	2,068,933
Net income	618,423	840,508	1,121,936	1,638,843	2,548,811
Add:					
Share-based compensation expense	122,200	116,301	109,506	311,152	381,763
Amortization of intangible assets resulting from business acquisitions	13,021	13,021	13,021	39,063	39,063
Compensation cost incurred in relation to acquisitions	4,281	4,281	—	12,843	8,562
Settlement in principle of U.S. securities class action	71,900	—	—	71,900	—
Tax effects of non-GAAP adjustments	(3,255)	(3,255)	(3,255)	(9,765)	(9,765)
Non-GAAP adjusted net income	826,570	970,856	1,241,208	2,064,036	2,968,434

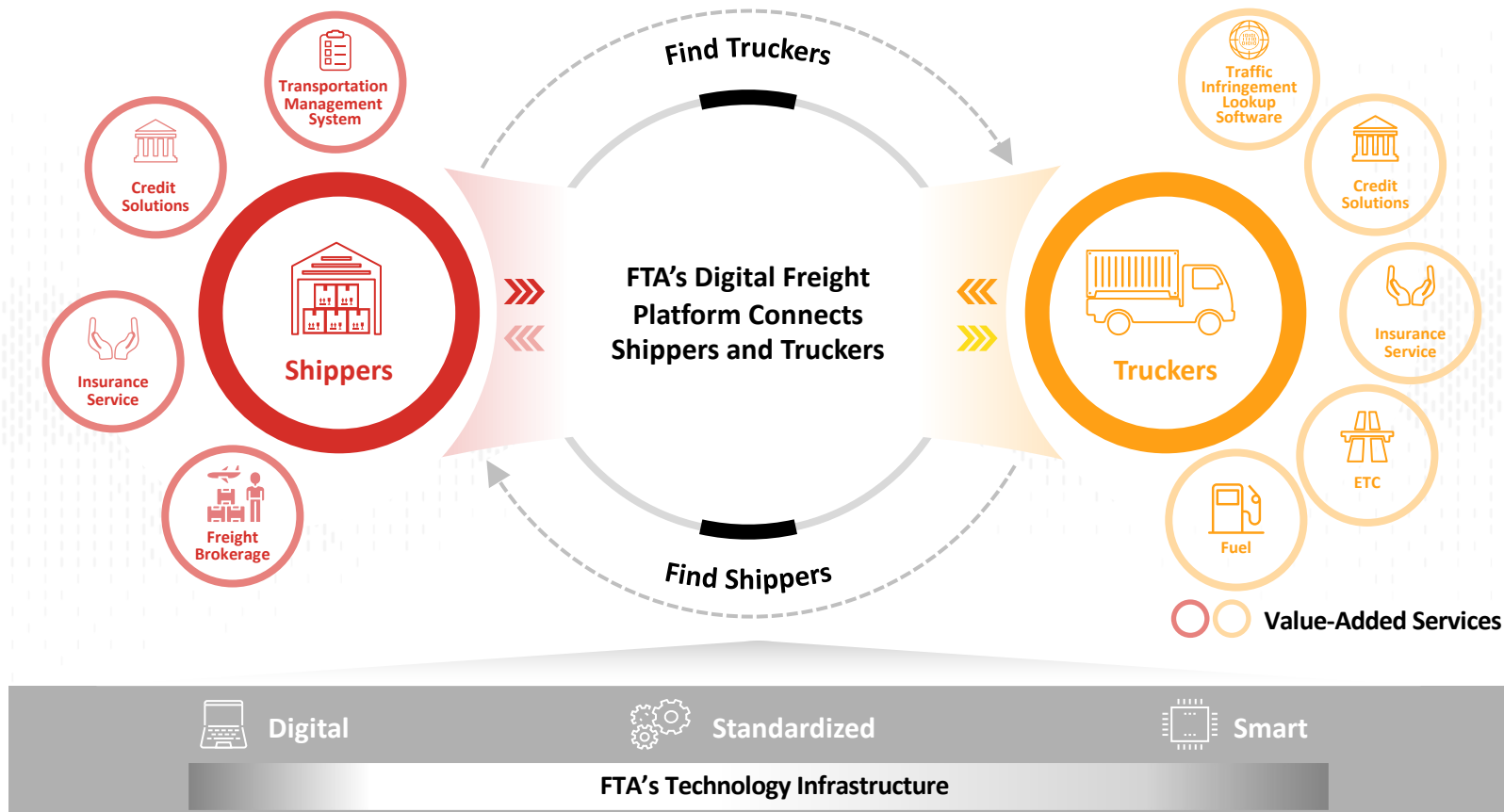
Consolidated Balance Sheet

	As of Dec 31, 2023	As of Sep 30, 2024
	RMB'000	RMB'000
Current Assets:		
Cash and cash equivalents	6,770,895	4,592,305
Restricted cash – current	115,513	100,562
Short-term investments	11,516,304	15,855,809
Accounts receivable, net	23,418	27,038
Loans receivable, net	3,521,072	4,326,360
Prepayments and other current assets	2,049,780	2,894,832
Total Current Assets	23,996,982	27,796,906
Restricted cash – non-current	10,000	20,000
Long-term investments ⁽¹⁾	11,075,739	8,661,163
Property and equipment, net	194,576	267,449
Intangible assets, net	449,904	407,359
Goodwill	3,124,828	3,124,828
Deferred tax assets	149,081	78,576
Operating lease right-of-use assets and land use rights	134,867	125,476
Other non-current assets	211,670	130,862
Total Non-Current Assets	15,350,665	12,815,713
Total Assets	39,347,647	40,612,619
Total Current Liabilities	3,274,673	3,638,223
Total Non-Current Liabilities	178,250	146,792
Total Liabilities	3,452,923	3,785,015
Total Shareholders' Equity	35,617,304	36,401,881
Total Liabilities, Mezzanine Equity and Equity	39,347,647	40,612,619

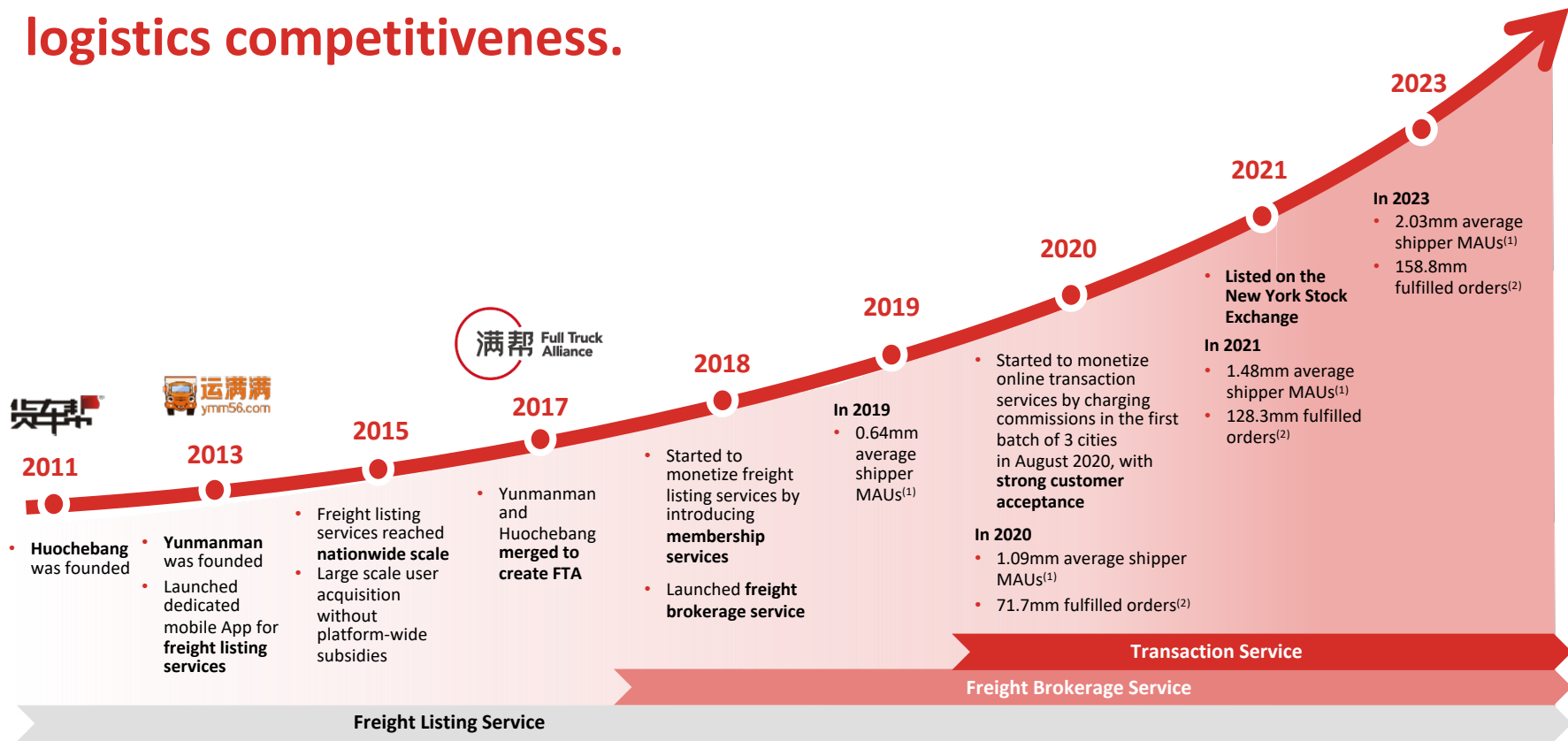
Notes:

1. The Group's long-term investments consist of RMB6,086 million long-term time deposits, RMB638 million wealth management products with maturities over one year, RMB915 million investments in debt securities, RMB320 million equity method investments, and RMB702 million equity investments without readily determinable fair value as of September 30, 2024.

FTA's Digital Freight Platform



FTA's Mission: To empower enterprises with greater logistics competitiveness.



Notes:

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Our Value Proposition to Direct Shippers

Direct Shippers (Demand)



Pain Points

- ✗ **Limited reach** to a small group of truckers
- ✗ **Low efficiency & long matching time**
- ✗ **Multiple layers of sub-contracting** involving 3PLs / brokers
- ✗ **Expensive quotes** from 3PLs / brokers
- ✗ **Limited protection / counterparty risk**, leading to frequent disputes
- ✗ **Unmet working capital needs**
- ✗ **Poor service quality**
- ✗ **Difficulty** in obtaining legitimate tax invoice

What We Offer

- ✓ **Freight Listing service** to allow direct orders posting on FTA app
 - RMB688 membership: up to 100 orders / year
 - Non-paying shipper members: up to 5 free orders / month
- ✓ Access to a pool of **4.06 million active truckers**⁽²⁾
- ✓ Matching with truckers **directly without intermediary, reduces freight fee by ~10-15%** vs. traditional channels
- ✓ **Average time spent on finding shippers** drops from 3-5 days to **less than 10min**
- ✓ **Real-time tracking, cargo damage protection** and **dispute resolution**
- ✓ **Working capital loans** & other financial services
- ✓ **Dedicated customer service** and **legitimate VAT tax invoice service** offered under **Freight Brokerage service**

Order Contribution from “688” members and non-paying users continued to increase in 3Q24

Notes:

1. Small and medium sized enterprises in China as of 2021, according to MIIT, CIC

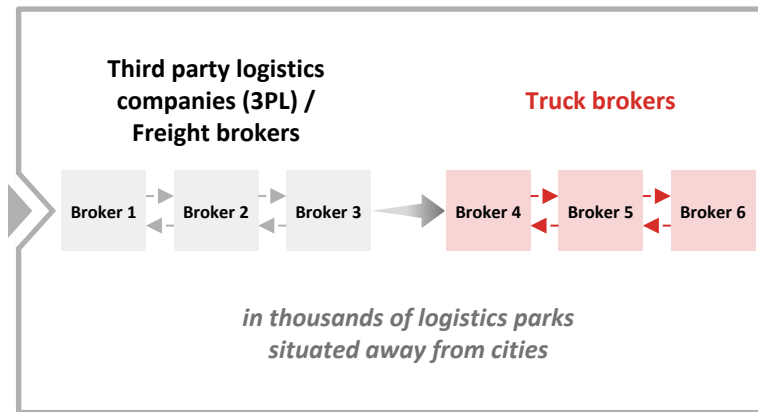
2. Active truckers are defined as truckers who fulfilled orders in the past 12 months as of 3Q2024

Our Value Proposition to 3PLs and Brokers

Pain Points

- ✗ **Limited access to truckers**
- ✗ At least **RMB10k / year** for offline booth rental
- ✗ Dispatching orders on **blackboards**
- ✗ **Low efficiency & long matching time**
- ✗ **Lack of productivity tools** to track matched orders and truckers
- ✗ **Limited protection / counterparty risk**, leading to **frequent disputes**
- ✗ **Unmet working capital needs**
- ✗ **Poor service quality**
- ✗ **Difficulty** in obtaining a **legitimate tax invoice**

Professional Shippers



What We Offer

- ✓ **Freight Listing service** for professional shippers to post orders on FTA app
 - RMB1688 membership: up to 1,688 orders / year
- ✓ Platform to publish order, make matching **"anytime, anywhere"**
- ✓ Negotiation channels for **lower freight rate** by utilizing back-haul capacity
- ✓ **Save logistics costs** (e.g. logistic park rent)
- ✓ **Real-time tracking, cargo damage protection and dispute resolution**
- ✓ **Working capital loans** & other financial services
- ✓ **Premium customer service** and **legitimate VAT tax invoice** provided under **Freight Brokerage service**

Our Value Proposition to Truckers

Pain Points

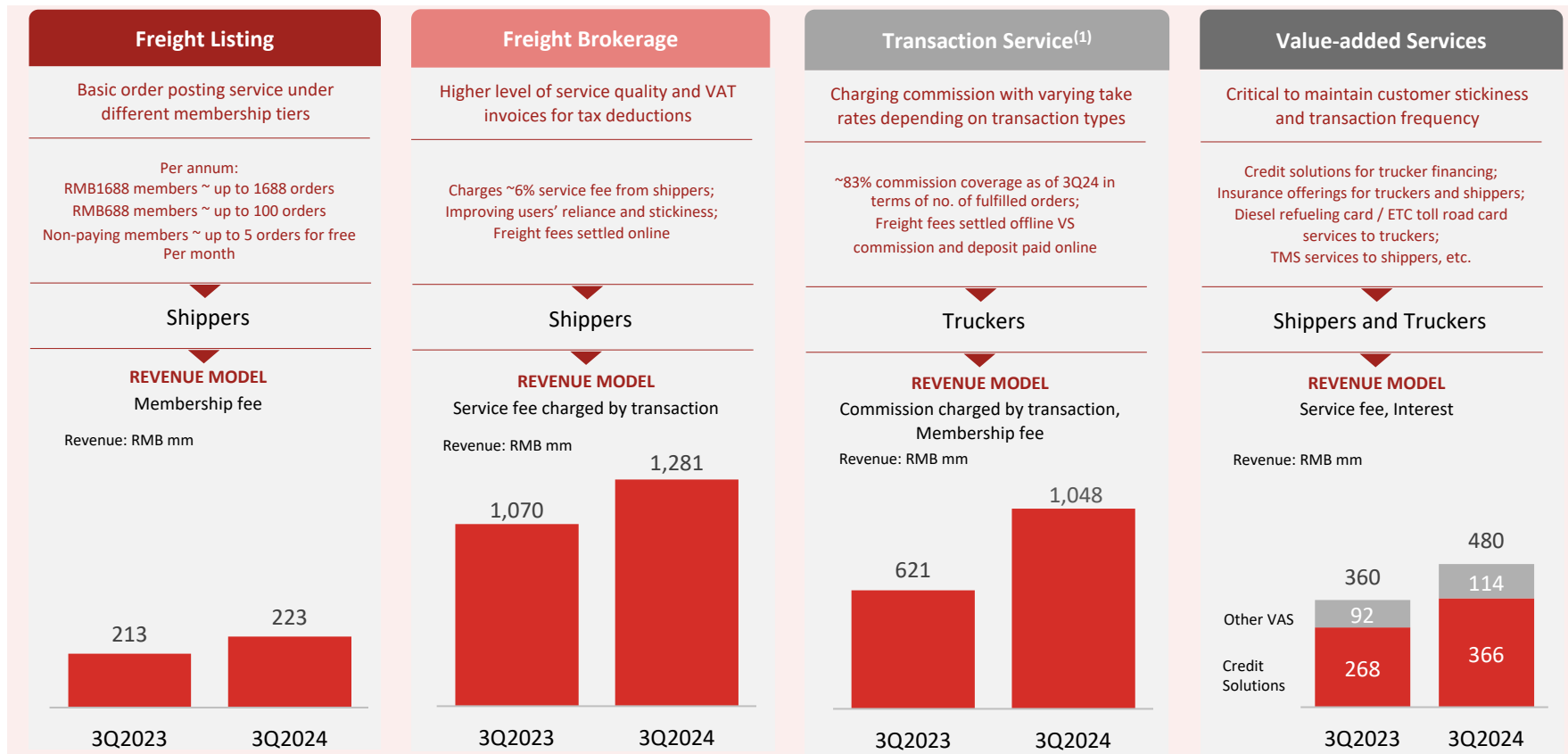
- ✗ Dispatching orders on **blackboards**
- ✗ **Low efficiency**
- ✗ **Wasted mileage and time** to travel to logistics parks
- ✗ Extra costs for **parking & accommodation**
- ✗ **Limited protection / significant counter-party risk**, leading to frequent disputes
- ✗ **Idle capacity** resulting in low-income visibility
- ✗ **Difficult to get access to loans** from banks without available credit rating system

What We Offer

- ✓ LBS mobile app that *accumulates nationwide shippers* (both direct shippers and brokers)
- ✓ *Accurately match orders* for both ends
- ✓ Better capture the freight fees with the *elimination of payment to the intermediary*
- ✓ *Shortened average time spent* on finding orders (from 3-5 days to *less than 10 mins*)
- ✓ *Data-enabled user credit profiles* make credit solutions more accessible
- ✓ *Higher earnings* with *fewer empty miles* and *better utilization*
- ✓ Deposit (to shipper) and commission (to FTA) are paid before pick-up

**Next-month retention of truckers who responded to orders
remained above 85% in 3Q2024**

Diverse Revenue Streams and Monetization



Notes:

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Powerful Network Effects

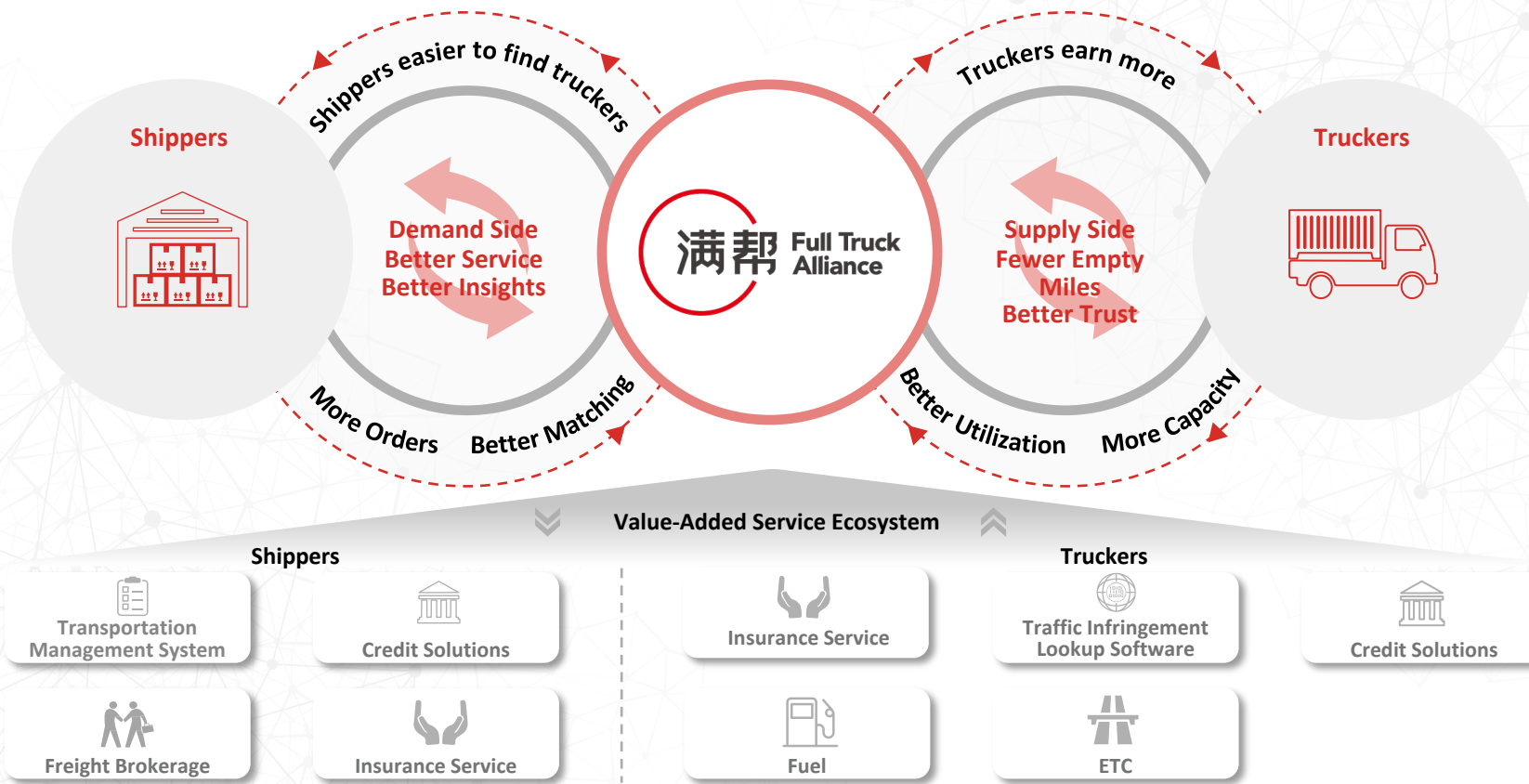








Illustration of VAT Impact under Freight Brokerage

	Item	Amount (RMB)	Explanatory Note	Financial Recognition
	Shipping fee and platform service fee received from the shipper, including VAT of RMB89 assuming VAT rate of 9%	1,068	<ul style="list-style-type: none"> VAT is included in the transaction price with the shipper 	Not in financial statements
	Shipping fee paid to the trucker	1,000	<ul style="list-style-type: none"> The shipping fee is agreed between the shipper and the trucker 	Not in financial statements
<hr/>				
	Net revenue recognized	68	<ul style="list-style-type: none"> The difference between the amount we collect from the shippers and the amount we pay to the truckers is our platform service fee 	Revenue
	VAT payable to tax authorities and recorded in cost of revenue	89		Cost of revenue ⁽¹⁾
	Government subsidies based on VAT	45	<ul style="list-style-type: none"> We receive VAT refunds from local government authorities, and the rate of refund may vary across jurisdictions and over time 	Cost of revenue (deduction)
<hr/>				
	Net contribution after VAT effect	24	<ul style="list-style-type: none"> Only VAT is factored in here 	

Notes:

1. While there are other less significant tax costs associated with an actual freight brokerage transaction, only VAT and related refunds are included in the calculation above

2. For more information please refer to the Company's annual report



Thank you

