

1Q 2025 INVESTOR PRESENTATION

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May 2025

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Leading Express Delivery Company in China





- 1. "Parcels" or "Parcel volume" in any given period is defined as the number of parcels picked up using ZTO waybills
- 2. In terms of parcel volume calculated based on data from State Post Bureau
- 3. Includes over 10,000 self-owned vehicles with approximately 9,400 high capacity 15-17 meter trailer trucks
- 4. Line-haul routes between sorting hubs only

- 5. Includes 91 self-operated sorting hubs, and 4 sorting hubs operated by our network partners
- 6. ZTO, YUNDA, YTO and STO are commonly known as Tongdas



Our Business: Past and Present





1. Numbers may not add up due to rounding

2. In terms of parcel volume calculated based on data from State Post Bureau. From the beginning of 2024, the statistic scope of industry data has been revised to include China postal small packages, hence statistic base has expanded. The market share in 2023 was 21.0% on a comparable basis.

Our Distinct Network Partner Business Model ("NPM")





Note:

"Best of both worlds": NPM organization yet vertically managed through digitalization

 Include SF, EMS, China Post, JD, and other express delivery companies that use direct model. Some express delivery companies' market share based on assumptions





Our "shared–success" philosophy, our focus on profitability and our disciplined investment approach greatly contributed to our distinct leadership in the industry and cannot be easily replicated



Next–generation hybrid drones improving accessibility while reducing logistics costs and delivery time

Self-driving vehicles optimizing the efficiency of last-mile delivery

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Real-time data monitoring and analytics powering operational excellence

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OUR CORE COMPETITIVE ADVANTAGES



Significant Market Growth Opportunities





Express Delivery Industry

Stable Volume Growth with More Sustainable Pricing Level

Stable and Healthy Volume Growth

- 100bn+ incremental parcel volume from 2021 to 2025
- Continued economic growth with higher e-commerce penetration

More Sustainable Pricing Level

- Shift focus towards quality and differentiated products and services
- Constructive regulatory environment that supports sensible competition and curtails below-cost pricing¹

Express Delivery Market in China Becoming More Consolidated



Sources: iResearch, National Bureau of Statistics of China, State Post Bureau of China, CNNIC, Ministry of Commerce of the People's Republic of China, public filings Notes:

1. On Jan 7th 2022, State Post Bureau announced *Measures for the Administration of Express Delivery Market (Draft)*

2. BEST sold its express delivery business in China to J&T in 4Q2021.



2 Distinct Partner Network Built Upon a "Shared–Success" Philosophy ZTO 中通快

Our "shared-success" philosophy inspired us to enhance and transform the network partner model, and has underpinned our success

 Fee Sharing Mechanism

 Before 2008:
 Last–mile delivery is free of charge

- Outlets earn revenue only on pick-up
 - Outlets with higher delivery volumes relative to pickup volumes (e.g. due to geographic disparity, uneven nature of economic development) are less profitable or loss making
- · Negatively impacted outlets' service quality and network stability

After 2008:

ZTO introduced delivery service fee sharing mechanism

- Pickup outlets pay last-mile outlets for delivery based on pre-set formulae
- Sharing mechanism facilitated by implementation of our proprietary operating system
- Today, the fee sharing mechanism continues to serve as a balancing function across our network



Successfully Convert Major Network Partners to Shareholders

- Major network partners became shareholders of ZTO and united under a common goal
- Share-swap transactions fairly priced and with transparency
- The reorganization aligned interests, built trust and forged loyalty, and laid the foundation for network stability









7. Delayering refers to reducing the number of stops a package must be aggregated and segregated across the transit network







Strategic Importance of Last–Mile Presence



Solution to increasing delivery cost due to volume surge



Alternative to door-to-door pickup and delivery



Enhance customer reach and connectivity

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"Express+" opportunities to create additional income



Maintain and improve network profitability and stability

Note: 1. Not including Hong Kong, Macau and Taiwan





4

Best-in-Class Operational Capabilities and Cost Efficiencies Enabled ZOP by Technology



Cost leadership with high operational efficiencies driven by continuous innovations

Line-Haul Transportation



- Largest self-owned line-haul fleet of 10.000+ vehicles among Tongdas
- Systematic upgrade with high-capacity trailers ۰
- Data-driven route planning and safety monitoring



- Patented curved trailer with higher load capacity and improved fuel economy
- RFID-equipped tires to allow real-time monitoring of ٠ operating conditions and schedule needed maintenance



Sorting Technologies



- 631 automated sorting lines in service as of 1Q25
- Joint collaborations with Chinese Academy of Sciences to develop several generations of automated sorting technologies (e.g. cross-belt sorting equipment, line shaft diverter, dynamic weighting machines)



Developed and continuously re-engineered sophisticated software to support high-speed sorting (e.g. data-enabled algorithm, real-time analytics and recalibration)



4 Best–in–Class Operational Capabilities and Cost Efficiencies Enabled by Technology (Cont'd)



Our culture of innovation and technological focus will continue to drive value creation going forward

Digital and Innovative Culture

- Establish data-driven and value-add operational management framework; digitize business know-how and make processes calculable
- "Problem-solving" to "Problem Prevention"

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Strong In-house R&D Capabilities

- Certified as "High and New Technology Enterprise" since 2017 with significant tax benefits
- ~ 1,100 tech talents
- 262 software copyrights
- 803 trademarks
- 258 patents

INDUSTRY LEADING PROFITS



2020 2021 2022 2023

Achieved ~63% net profit share among Tongdas in 2023 with ~27% parcel volume share in 2024

Continuous Breakthrough in Autonomous Technology

- Next-generation automation with faster throughput and smarter, more precise dispatch
- Testing unmanned vehicles, self-driving cars, hybrid drones



Data Analytics Capabilities

- Collect vast volume of data from all aspects of operation
- Analyze with AI and deep learning
- Achieve optimal performance with data learning
- Optimize routing planning based on data insights



Source: public filings

Notes: Data as of 1Q25 unless otherwise indicated

1. According to public filings. Net profit for ZTO and BEST represent adjusted net income; otherwise, represent net profit after deducting nonrecurring profit or loss attributable to shareholders of the parent company

2. BEST sold its express delivery business in China to J&T in 4Q2021.

4 Best-in-Class Operational Capabilities and Cost Efficiencies Enabled ZTO by Technology (Cont'd)

Provide varied yet integrated logistic services by implementing more efficient time-space operational design at Smart Logistic Parks



Integrated Logistics

- Offer comprehensive one-stop services
- Address the demand of diversified 2B customers
- Optimize resources utilization

Warehouse-Delivery



Enable zero–distance pickup for new e– commerce formats

- Extend order placement hours
- Cross-sell other logistics services (express delivery, cold chain, LTL, and more)



- Adopt customized equipment: automated sorting lines, self-driving vehicles, solar energy
- Standardize operations through process digitization
- Optimize routing planning based on data insights



5 Experienced Leadership & Sound Execution



Stable and Entrepreneurial Management Team with Deep Industry Knowledge & Experience



Meisong Lai

Hongaun Hu

Jianchang Lai

Founder, Chairman & Chief Executive Officer

 23 years of experience in express delivery industry
 Deputy chairman of the China Express Delivery Association

Director and Chief Operating Officer 33 years of experience in financial services industry

Vice President of Overseas Operation

Over 23 years of managerial experience in logistics

and 9 years of experience in overseas operation

Former manager of ZTO Network Partner

Former chairman of Zhejiang Tonglu Rural

Commercial Bank



Director and Vice President of Infrastructure Management

- 18 years of experience in express delivery industry
- Former deputy general manager of ZTO's network partner in Beijing



Chief Financial Officer

- Over 33 years of experience in corporate and financial management
- 11 years at GE in US and Asia, 8 years in public accounting and tax consulting

Huiping Yan



Jingxi Zhu

- President
- Over 22 years of experience in logistics technology management

Sound Execution Driven by Clear Accountability & Fair Measurement of Performance

Performance Metrics

- Results–oriented KPIs
- Process–driven OKRs



- Emphasis on internal promotion
- Fair competition with true talents

Incentive Programs

 Equitable incentives to reward performance

/ Talent Development

- ZTO Academy and fast-track
- On–the–job training
- Mentorship



Sources: public filings and media coverage



6



We have simultaneously maintained our superior service quality, grown our market share, and sustained our profitability



Sources:

1. In terms of parcel volume calculated based on data from State Post Bureau. From the beginning of 2024, the statistic scope of industry data has been revised to include China postal small packages, hence statistic base has expanded

2. Adjusted net income is defined as net income before (i) share-based compensation expense, (ii) gain on disposal of equity investees, (iii) impairment of equity investments and (iv) unrealized gain from investment in equity investee



Adjacent Expansion Beyond Express Delivery



Systemically develop an ecosystem with diversified product and services leveraging core express infrastructure and ability to access and consolidate resources

International / Cross–Border (Since 2014)

 Diversified products: freight forwarding, dedicated routes, centralized shipping, international express Cold Chain/Air Freight (Since 2020) delivery, overseas warehousing, etc. Strona International express delivery service coverage in Extend the business presence into cold chain Network Infrastructure Southeast Asia and Africa ZTO:中通国际 market, optimize express, LTL freight, cloud "Belt and road" initiatives and RCEP 中通星联 warehouse, air express with integrated temperature-controlled solutions • Cold Chain: existing network coverage across ~ 30 provinces Less -- than-Truckload (Since 2016) Air Freight: collaboration with ~ 30 airports 中通快递 Focus on heavy cargo • Cargo volume ranking top 3 among network Technolo Capability partner model competitors² 27k service outlets Last–Mile Posts (Since 2018) 免責 ~ 110k last-mile posts Covering all provinces¹ and ~300 cities in China Warehouse–Delivery (Since 2018) Standardized last-mile service posts with commercial and community services Diversified products including B2C, B2B. Established strategic foothold for enhanced endcross-border and temperature-controlled warehousing to-end linkage Self or franchisee-operated warehousing totalling 2mm m² in area **Z70**CWST 中通云仓科技 Integrated warehousing, processing and delivery • fulfillment Fleet Technological Eco friendly Finance ZTO THE STORE **Maintenance** Innovation Packaging

Stations

Note: data quoted are approximate and not precise 1.Not including Hong Kong, Macau and Taiwan 2. According to Yunlian Research "Top 10 Players with Network Partner Model in LTL Industry in 2024"

Sources: Yunlian Research, public filings, ZTO official website

ESG Practices – Responding to Climate Change and Carbon Reduction ZOP 8



Incorporating Climate Change into Governance and **Strategic Framework**



The BoD is responsible for climate change-related risks and opportunities, and authorizes the ESG Committee to oversee risk identification, assessment and management



- Physical risks (acute and chronic risks. e.g., extreme weather and rising sea levels)
- Transition risks (policy and regulations, market, technology and reputation)
- **Opportunities**
- Resource efficiency
- Types of energy
- Products and services
- Climate resilience



Continuous decrease in greenhouse gas emissions and energy consumption intensity (kg CO₂ per parcel) -12.3% -3.1% 0.073 0.064 0.062 2022 2023 2024 (tons of standard coal/RMB10k) -0.5% -8.4% 0.192 0.191 0.175 2022 2023 2024

Efforts to reduce carbon emission on track while minimizing disruption to business operation

20% Reduction

in GHG emissions intensity per parcel produced by the Company by 2028 (base year 2023)

-5%

GHG emissions in 2024 vs 2023

By 2050, the potential costs due to carbon emission reduction only expected to be ~6% of total revenue









Accelerating the transition towards green and low-carbon transportation

DIMBINE

Adoption of solar energy in transit centers

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Enhancing life quality and supporting common prosperity



OUR STRATEGIES

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Maintaining high quality of service and customer satisfaction Maximize earnings upon achieving targeted volume growth



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Promoting rural revitalization and serving the rural market







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Last–mile posts enhancing customer reach and network efficiency



FINANCIAL OVERVIEW

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Strong Unit Economics





Notes:

- 1. Adjusted net income is defined as net income before (i) share-based compensation expense, (ii) gain on disposal of equity investees , (iii) impairment of equity investments and (iv) unrealized gain from investment in equity investee
- 2. Adjusted EBITDA is defined as net income before depreciation, amortization, interest expenses and income tax expenses, and further adjusted to exclude (i) shared-based compensation expense, (ii) gain on disposal of equity
- investees, (iii) impairment of equity investments and (iv) unrealized gain from investment in equity investee
- 3. Excluding freight forwarding business
- 4. Including other operating income and excluding SBC

Robust Parcel Volume and Revenue Growth







Strong Profitability and Margins



Income from Operations and Margin



Adjusted EBITDA¹ and Margin



Adjusted EBITDA

Adjusted EBITDA margin %



Adjusted Net Income² and Margin



Adjusted net income -Adjusted r

Adjusted net income margin%

Notes: Adjusted EBITDA is a non-GAAP financial measure, which is defined as net income before depreciation, amortization, interest expenses and income tax expenses, and further adjusted to exclude (i) shared-based compensation expense; (ii) gain on disposal of equity investees, (iii) impairment of equity investments and (iv) unrealized gain from investment in equity investee

2. Adjusted net income is a non-GAAP financial measure, which is defined as net income before (i) share-based compensation expense, (ii) gain on disposal of equity investees , (iii) impairment of equity investments and (iv) unrealized gain from investment in equity investee



Continuous Cost Efficiencies and Productivity Gains





Cost of Revenues – Breakdown

Cost of Revenues per Parcel¹





Key Observations on 1Q 2025 Results

- Line-haul transportation cost
 - Better economies of scale (+)
 - Improved load rate (+)
 - Real-time data monitoring and analytics to optimize route planning(+)
- Sorting hub cost
 - Better economies of scale (+)
 - Increased automation, 631 sets of automated sorting equipment in use (461 sets @ 1Q24) (+)

Gross profit

The combined impact resulting from intensified competition, optimization of customer structure, and improvement in cost efficiency





Strong Operating Cash Flow Supports Continued Investment in Growth Z





Purchases of Property, Equipment and Vehicles

Cash and cash equivalents

Notes:

1. Including cash and cash equivalents, restricted cash and short-term & long-term investments

2. On August 24,2022. ZTO completed US \$1 billion convertible senior notes offering (net proceeds equivalent to RMB 6.6 billion, including over allotment, excluding underwriting fees and other listing expenses)



Reconciliation of GAAP to Adjusted / Non–GAAP Measures



	Mar 31, 2022	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025
Adjusted EBITDA	RMB'000												
Net Income	875,524	1,758,702	1,895,455	2,129,285	1,664,821	2,530,213	2,349,610	2,209,813	1,447,747	2,613,997	2,379,042	2,446,809	2,039,181
Add: Depreciation	601,643	640,577	633,279	665,400	651,685	671,283	712,734	705,117	752,119	720,930	695,241	714,289	789,108
Add: Amortization	31,054	31,392	32,002	35,199	34,793	33,791	31,951	33,855	33,980	34,345	35,709	36,793	37,819
Add: Interest Expenses	59,635	23,102	31,637	76,147	71,710	72,218	83,801	61,084	83,916	115,855	66,364	71,784	68,876
Add: Income Tax Expenses	255,219	438,205	439,388	500,518	455,007	575,585	271,387	636,621	566,305	665,011	554,959	1,059,086	531,574
EBITDA	1,823,075	2,891,978	3,031,761	3,406,549	2,878,016	3,883,090	3,449,483	3,647,210	2,884,067	4,150,138	3,731,315	4,328,761	3,466,558
Add: Share-based Compensation Expense	178,980		-		254,976		-		298,387	6,768	6,769	6,768	220,269
Add: Impairment of the investments	_	_	26,328	_	_	_	_	_	478,364	194,452	_	258,551	-
Less: Gain on Deemed Disposal of Equity Method Investments	-	-	-60,515	-9,083	-	764	-10,838	4,589	-451	-11,683	1,440	21,212	-147
Unrealized gain from investment in equity investee	-	-	-		_	-	-	-	-	-	-	-	_
Adjusted EBITDA	2,002,055	2,891,978	2,997,574	3,397,466	3,132,992	3,883,854	3,438,645	3,651,799	3,660,367	4,339,675	3,739,524	4,615,292	3,686,680
Adjusted EBITDA margin	25.33%	33.41%	33.51%	34.42%	34.88%	39.87%	37.89%	34.39%	36.75%	40.46%	35.03%	35.72%	33.85%
Adjusted Net Income	RMB'000												
Net Income	875,524	1,758,702	1,895,455	2,129,285	1,664,821	2,530,213	2,349,610	2,209,813	1,447,747	2,613,997	2,379,042	2,446,809	2,039,181
Add: Share-based Compensation Expense	178,980	_	_	-	254,976	-	-		298,387	6,768	6,769	6,768	220,269
Add: Impairment of the investments		_	26,328						478,364	194,452		258,551	_
Less: Gain on Deemed Disposal of Equity Method Investments			-49,192	-9,083	-	764	-8,866	459	-451	-9,496	1,440	21,212	-121
Unrealized gain from investment in equity investee			_					-	-		-	-	
Adjusted Net Income	1,054,504	1,758,702	1,872,591	2,120,202	1,919,797	2,530,977	2,340,744	2,214,402	2,224,047	2,805,721	2,387,251	2,733,340	2,259,329
Adjusted Net Income Margin	13.34%	20.32%	20.93%	21.48%	21.37%	25.98%	25.79%	20.85%	22.33%	26.16%	22.36%	21.16%	20.74%

Note: Numbers may not add up due to rounding

THANK YOU

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奉福都是奋斗出来的!

