

J&T Express (1519 HK)

Share swap with SF to help expand new markets

J&T and SF (6936 HK / 002352 CH, NR) announced a share-swap agreement this morning. We believe it is an important strategic co-operation that allows both companies to leverage their valuable resources to achieve synergies. Management arranged a conference call this morning. **Key takeaways:** In overseas markets, J&T can leverage SF's first-mile, cross-border line haul, warehouses and parcel lockers to further grow its express delivery network in the emerging markets as well as open up opportunities in Europe and the US market. In terms of products, J&T will be able to expand its offerings on time-definite products in the SEA. In China market, J&T's non-ecommerce delivery products can be expanded through leveraging SF's parcel pick-up point network.

- **Subscription of SF shares by J&T:** J&T will subscribe 225.9mn H-shares issued by SF at a price of HK\$36.74/shr (total consideration: HK\$8.3bn). The subscription price represents a 3.9% premium to the closing price on 14 Jan. The subscription price is equivalent to ~13x 2026E P/E (based on Bloomberg consensus earnings for SF). Upon completion, J&T will own 4.29% of the total o/s shares (enlarged) of SF.
- **Subscription of J&T shares by SF:** SF will subscribe 822mn B shares issued by J&T at a price of HK\$10 (~14.8% discount to the closing price on 14 Jan). Based on our earnings forecast, the subscription price represents ~19x 2026E P/E. Upon completion, SF's holdings in J&T total shares will increase by 8.45ppts to 10%.
- **Long lock-up period.** Both companies agreed on a five-year lock-up period. We think the long lock-up period reflects the strong commitment from the two companies, which will offer the market with confidence.
- **Maintain BUY with unchanged SOTP-based TP of HK\$13.4.** We continue to like J&T, due to (1) its unmatched competitive edge and market share gain potential in SEA (32.8% in 1H25), (2) good potential in new markets such as Brazil and the Middle East, and (3) potential new business opportunities arising from the co-operation with SF. We have left our model unchanged for now as the share-swap agreement is subject to shareholders' approval.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (US\$ mn)	8,849	10,259	12,161	14,110	16,162
YoY growth (%)	21.8	15.9	18.5	16.0	14.5
Adjusted net profit (US\$ mn)	(432.3)	200.3	347.6	583.2	760.9
EPS (Adjusted) (US\$ cents)	(5.00)	2.27	3.94	6.62	8.63
Consensus EPS (US\$ cents)	na	na	4.60	7.05	9.45
P/E (x)	ns	131.9	52.0	25.3	19.4
P/B (x)	4.8	4.7	4.3	3.7	3.1
Yield (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	na	3.6	8.6	15.7	17.3
Net gearing (%)	(8.8)	(1.9)	(0.8)	(6.0)	(5.8)

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price HK\$13.40
Up/Downside 14.1%
Current Price HK\$11.74

China Logistics

Wayne FUNG, CFA

(852) 3900 0826

waynefung@cmbi.com.hk

Stock Data

Mkt Cap (HK\$ mn)	103,454.8
Avg 3 mths t/o (HK\$ mn)	237.1
52w High/Low (HK\$)	12.00/4.68
Total Issued Shares (mn)	8812.2

Source: FactSet

Shareholding Structure

Jet Jie Li	11.1%
------------	-------

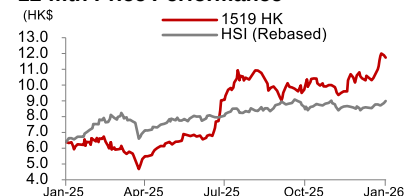
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	10.7%	6.5%
3-mth	22.2%	15.1%
6-mth	29.4%	16.0%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related reports:

J&T Express (BUY) – Takeaways from Bangkok investor call – 12 Dec 2025 ([link](#))

J&T Express (BUY) – Parcel growth in SEA further accelerated in 3Q25 – 14 Oct 2025 ([link](#))

J&T Express (BUY) – 1H25 profit a mixed bag but growth story well intact – 1 Sep 2025 ([link](#))

J&T Express (BUY) – Impressive parcel volume growth in SEA – 9 Jul 2025 ([link](#))

Figure 1: Key operating assumptions for J&T Express

	2020	2021	2022	2023	2024	2025E	2026E	2027E
Shipment volume (mn units of parcel)								
Southeast Asia	1,154	2,161	2,513	3,240	4,563	7,119	9,254	11,290
China	2,084	8,334	12,026	15,341	19,801	23,365	26,870	30,095
New markets	-	-	49	230	281	388	543	750
Total	3,237	10,495	14,588	18,812	24,646	30,872	36,668	42,134
Change (YoY)								
Southeast Asia	-	87.3%	16.3%	28.9%	40.8%	56.0%	30.0%	22.0%
China	-	300.0%	44.3%	27.6%	29.1%	18.0%	15.0%	12.0%
New markets	-	-	-	369.0%	22.1%	38.0%	40.0%	38.0%
Average	-	224.2%	39.0%	29.0%	31.0%	25.3%	18.8%	14.9%
ASP (US\$)								
Southeast Asia	0.91	1.10	0.95	0.81	0.71	0.60	0.57	0.54
China	0.23	0.26	0.34	0.34	0.32	0.30	0.28	0.28
New markets	-	-	1.67	1.42	2.05	2.11	2.08	2.05
Blended	0.47	0.43	0.45	0.44	0.41	0.39	0.38	0.38
Change (YoY)								
Southeast Asia	-	21.3%	-13.9%	-14.2%	-13.2%	-14.5%	-6.0%	-4.0%
China	-	13.9%	30.1%	0.1%	-5.4%	-7.5%	-4.5%	-2.0%
New markets	-	-	-	-14.8%	44.2%	3.0%	-1.5%	-1.5%
Average	-	-7.8%	3.5%	-3.2%	-5.1%	-5.3%	-2.2%	-0.3%
Unit cost of express delivery by region (US\$)								
Southeast Asia	-0.64	-0.79	-0.76	-0.67	-0.57	-0.49	-0.47	-0.46
China	-0.51	-0.41	-0.40	-0.34	-0.30	-0.29	-0.27	-0.26
New markets	-	-	-2.06	-1.41	-1.94	-1.83	-1.81	-1.79
Average	-0.55	-0.49	-0.46	-0.41	-0.37	-0.35	-0.34	-0.34
Change (YoY)								
Southeast Asia	-	24.7%	-4.5%	-12.0%	-15.1%	-14.1%	-3.9%	-2.7%
China	-	-19.5%	-3.0%	-14.9%	-10.6%	-5.0%	-6.7%	-3.0%
New markets	-	-	-	-31.4%	37.5%	-5.8%	-1.0%	-1.0%
Average	-	-11.9%	-4.8%	-12.2%	-9.3%	-4.7%	-3.2%	-0.5%
Unit gross margin (US\$)								
Southeast Asia	0.27	0.31	0.19	0.15	0.14	0.12	0.10	0.09
China	-0.28	-0.15	-0.06	0.00	0.02	0.01	0.02	0.02
New markets	-	-	-0.39	0.01	0.11	0.28	0.27	0.25
Average	-0.08	-0.05	-0.01	0.03	0.04	0.04	0.04	0.04
Change (YoY)								
Southeast Asia	-	13.3%	-38.2%	-23.4%	-4.4%	-16.2%	-14.8%	-9.9%
China	-	-	-	-	-	-43.1%	47.4%	13.2%
New markets	-	-	-	-	-	164.8%	-4.8%	-4.9%
Average	-	-	-	-	56.1%	-10.2%	6.5%	2.0%
(US\$ mn)								
Revenue	2020	2021	2022	2023	2024	2025E	2026E	2027E
Express delivery services	1,525	4,559	6,560	8,189	10,185	12,087	14,036	16,087
Southeast Asia	1,047	2,378	2,382	2,633	3,221	4,296	5,250	6,148
China	479	2,181	4,096	5,229	6,388	6,973	7,658	8,405
New markets	-	-	82	327	576	818	1,128	1,533
Cross-border services	10	292	708	660	75	75	75	75
Total	1,535	4,852	7,267	8,849	10,259	12,161	14,110	16,162
Revenue growth (by segment)								
Express delivery services	-	198.9%	43.9%	24.8%	24.4%	18.7%	16.1%	14.6%
Southeast Asia	-	127.2%	0.2%	10.6%	22.3%	33.4%	22.2%	17.1%
China	-	355.5%	87.8%	27.7%	22.2%	9.2%	9.8%	9.8%
New markets	-	-	-	299.5%	76.1%	42.1%	37.9%	35.9%
Cross-border services	-	2797.5%	142.5%	-6.8%	-88.7%	0.0%	0.0%	0.0%
Average	-	216.0%	49.8%	21.8%	15.9%	18.5%	16.0%	14.5%
Gross margin (by region)								
Southeast Asia	29.8%	27.8%	20.0%	17.9%	19.7%	19.3%	17.5%	16.4%
China	-120.4%	-55.9%	-16.2%	1.1%	6.6%	4.1%	6.3%	7.3%
New markets	0.0%	0.0%	-23.5%	0.5%	5.2%	13.3%	12.8%	12.4%
Cross border	32.5%	4.1%	-8.8%	-8.8%	-9.5%	14.0%	10.0%	10.0%
Blended gross margin	-17.0%	-11.2%	-3.7%	5.3%	10.5%	10.1%	11.0%	11.2%
(US\$ mn)								
Adjusted EBITDA	2020	2021	2022	2023	2024	2025E	2026E	2027E
SEA	267	427	332	376	456	736	875	942
China	-616	-1,206	-723	31	427	311	323	426
New markets	0	0	-74	-82	-43	22	34	75
Cross border	2	-14	-95	-107	-29	6	7	7
Unallocated	27	-2	-334	-71	-33	-90	-60	-40
Total adjusted EBITDA	-321	-794	-894	147	778	984	1,179	1,409
Share-based payments and expenses	-188	-619	-281	-1,462	-87	-67	0	0
Listing expense	0	-12	-10	-8	0	0	0	0
Others	0	-1	302	0	0	0	0	0
Reported EBITDA	-509	-1,427	-884	-1,324	692	917	1,179	1,409

Source: Company data, CMBIGM estimates

Valuation

We apply different EV/EBITDA multiples for different markets to better reflect their respective growth outlook. We maintain our SOTP-based TP of HK\$13.4.

- **SEA:** We assign a target multiple of 14x, which is ~80% premium to the average of global integrated logistics operators (7.7x). Our larger target premium is to reflect J&T's strong pricing power and continuous market share gains in the region.
- **China:** We assign a target multiple of 6.5x, in line with the major peers. We expect the "anti-involution" campaign will lend support to the valuation.
- **New markets:** We assign a target multiple unchanged at 20x. Our valuation premium is to reflect the strong growth potential in the Latin America and the Middle East markets.

Figure 2: Target equity valuation

Breakdown	Methodology		2026E (US\$ mn)	Multiple (x)	Value (US\$m)	% of total
SEA	EV/EBITDA	EBITDA	875	14	12,252	81%
China	EV/EBITDA	EBITDA	323	6.5	2,097	14%
New markets	EV/EBITDA	EBITDA	35	20	693	5%
Total EV					15,042	100%
Add: Net cash (end 2024)					55	
Minus: MI					0	
Equity value					15,096	
Target price						
US\$					1.71	
HK\$					13.4	

Source: CMBIGM estimates

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Revenue	7,267	8,849	10,259	12,161	14,110	16,162
Cost of goods sold	(7,538)	(8,376)	(9,181)	(10,931)	(12,560)	(14,346)
Gross profit	(270)	473	1,078	1,231	1,551	1,816
Operating profit	(1,390)	(1,767)	211	390	726	929
Share of (losses)/profits of associates/JV	(0)	(0)	(0)	0	0	0
Interest income	22	25	41	21	20	20
Interest expense	(99)	(105)	(126)	(86)	(59)	(54)
Net Interest income/(expense)	(77)	(80)	(86)	(65)	(39)	(34)
Others	3,051	708	4	0	0	0
Pre-tax profit	1,583	(1,139)	129	326	686	895
Income tax	(11)	(17)	(15)	(42)	(103)	(134)
After tax profit	1,573	(1,156)	114	283	583	761
Minority interest	84	55	(13)	(28)	(58)	(76)
Net profit	1,656	(1,101)	101	255	525	685
Adjusted net profit	(1,488)	(432)	200	348	583	761
Gross dividends	29	0	0	0	0	0
BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Current assets	2,846	3,137	3,613	3,544	3,833	4,512
Cash & equivalents	1,504	1,483	1,597	1,266	1,260	1,289
Restricted cash	80	42	41	41	41	41
Account receivables	514	556	680	719	827	1,121
Inventories	29	35	22	56	26	84
Prepayment	703	971	1,172	1,360	1,578	1,876
Financial assets at FVTPL	16	50	101	101	101	101
Other current assets	0	0	0	0	0	0
Non-current assets	3,089	3,464	3,682	3,812	4,016	4,193
PP&E	1,053	1,179	1,386	1,635	1,858	2,056
Right-of-use assets	481	503	477	377	377	377
Deferred income tax	43	54	75	75	75	75
Investment in JVs & assos	1	0	0	0	0	0
Intangibles	964	975	1,119	1,099	1,080	1,060
Financial assets at FVTPL	481	726	573	573	573	573
Other non-current assets	67	28	53	53	53	53
Total assets	5,936	6,601	7,295	7,356	7,848	8,706
Current liabilities	1,732	2,085	2,418	2,496	2,605	2,702
Short-term borrowings	77	211	263	263	263	263
Account payables	484	467	590	668	777	873
Tax payable	32	31	35	35	35	35
Other current liabilities	0	11	11	11	11	11
Lease liabilities	151	204	172	172	172	172
Contract liabilities	210	272	322	322	322	322
Accrued expenses	776	889	1,024	1,024	1,024	1,024
Non-current liabilities	9,188	2,037	2,354	2,054	1,854	1,854
Long-term borrowings	1,021	1,071	1,321	1,021	821	821
Obligations under finance leases	341	304	297	297	297	297
Other non-current liabilities	7,826	661	737	737	737	737
Total liabilities	10,920	4,122	4,772	4,550	4,459	4,556
Total shareholders equity	(4,847)	2,750	2,825	3,080	3,605	4,290
Minority interest	(137)	(270)	(303)	(274)	(216)	(140)

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (US\$ mn)						
Operating						
Profit before taxation	1,583	(1,139)	129	326	686	895
Depreciation & amortization	249	246	399	427	453	479
Tax paid	(74)	(82)	(15)	(42)	(103)	(134)
Change in working capital	(227)	205	(189)	(184)	(186)	(554)
Others	(2,050)	1,113	483	165	39	34
Net cash from operations	(520)	342	807	691	890	721
Investing						
Capital expenditure	(541)	(417)	(581)	(650)	(650)	(650)
Acquisition of subsidiaries/ investments	4	(62)	0	0	0	0
Others	(322)	(380)	41	14	13	13
Net cash from investing	(860)	(859)	(541)	(636)	(637)	(637)
Financing						
Dividend paid	(121)	(29)	0	0	0	0
Net borrowings	1,009	184	301	(300)	(200)	0
Proceeds from share issues	264	486	0	0	0	0
Others	(271)	(141)	0	(86)	(59)	(54)
Net cash from financing	881	501	301	(386)	(259)	(54)
Net change in cash						
Cash at the beginning of the year	2,102	1,504	1,483	1,597	1,266	1,260
Exchange difference	(100)	(5)	(453)	0	0	0
Cash at the end of the year	1,504	1,483	1,597	1,266	1,260	1,289
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	49.8%	21.8%	15.9%	18.5%	16.0%	14.5%
Gross profit	na	na	128.0%	14.1%	26.0%	17.1%
Operating profit	na	na	na	85.3%	85.9%	28.1%
Net profit	na	na	na	153.6%	105.8%	30.5%
Adj. net profit	na	na	na	73.5%	67.8%	30.5%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	(3.7%)	5.3%	10.5%	10.1%	11.0%	11.2%
Operating margin	(19.1%)	(20.0%)	2.1%	3.2%	5.1%	5.8%
Adj. net profit margin	(20.5%)	(4.9%)	2.0%	2.9%	4.1%	4.7%
Return on equity (ROE)	na	na	3.6%	8.6%	15.7%	17.3%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Net debt to equity (x)	na	(0.1)	(0.0)	(0.0)	(0.1)	(0.1)
Current ratio (x)	1.6	1.5	1.5	1.4	1.5	1.7
Receivable turnover days	21.3	22.1	22.0	21.0	20.0	22.0
Inventory turnover days	1.4	1.4	1.1	1.3	1.2	1.4
Payable turnover days	25.7	20.7	21.0	21.0	21.0	21.0
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	na	ns	131.9	52.0	25.3	19.4
P/B	na	4.8	4.7	4.3	3.7	3.1
Div yield (%)	na	0.0	0.0	0.0	0.0	0.0

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

Disclosures & Disclaimers

Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report. Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

CMBIGM Ratings

BUY : Stock with potential return of over 15% over next 12 months
HOLD : Stock with potential return of +15% to -10% over next 12 months
SELL : Stock with potential loss of over 10% over next 12 months
NOT RATED : Stock is not rated by CMBIGM

OUTPERFORM : Industry expected to outperform the relevant broad market benchmark over next 12 months
MARKET-PERFORM : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
UNDERPERFORM : Industry expected to underperform the relevant broad market benchmark over next 12 months

CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM. Additional information on recommended securities is available upon request.

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.