

## Strong recovery in April but valuation is ahead of itself

- China Post Bureau showed industry's April parcel volume grew 32% YoY. Our tracking data showed ZTO grew 44% YoY. As expected, T&D companies gained share in April over C1Q20 while SFE lost share;
- Despite the fact that ZTO has been gaining parcel market share in the most consistent and profitable fashion, the express delivery industry has become more concentrated even without ZTO. We raise ZTO's TP to US\$35 but downgrade the stock and the sector to HOLD.

### April showed strong recovery by T&D companies

ZTO's April parcel volume market share gained 1.9ppt over C1Q20 to 21.1%. However, the same is true for all T&D companies. YUNDA, YTO and STO gained 2.4ppt, 1.2ppt and 1.5ppt, respectively. As expected, SFE lost (4.3)ppt in April over C1Q20, despite growing 88% YoY, due to price cuts and Vipshop's outsourced orders, but without Chinese New Year and pandemic effects (Exhibit 7).

### Industry has become more concentrated with or without ZTO

From 1Q17 to 4Q19, parcel market shares held by Others, namely companies outside of the top six (ZTO, YUNDA, YTO, BEST, STO and SFE), declined from 35% to 18% (Exhibit 8). However, ZTO was only responsible for 3.4ppt of this share decline. YUNDA, BEST, YTO and STO were responsible for 5.1, 4.6, 2.2 and 2.1ppt, respectively. SFE is the only company losing shares but its share gained sharply in C1Q20. On an YoY basis, SFE gained 2.8ppt market share in April.

### Further game change may require a few assumptions

We put ZTO's 2030 parcel market share target at 33% and incorporated ZTO's LTL (Less-than-Truck-Load) business and SE Asia expansion into our DCF (Exhibit 9). We expect ZTO's domestic LTL and SE Asia express delivery market shares to reach 2.7% and 12.3% in 2030, given LTL is a very fragmented market. Further market share gains will require the assumption of consolidation. Possible routes are: (1) Cainiao acquiring BEST and STO, leading to their share losses, (2) SFE poaching BEST franchisees, leading to its share loss; (3) Alibaba taking control of YTO, leading to its share loss. In other words, we expect ZTO to benefit from industry turmoil. But if there is no turmoil, share gain will also be small.

### Key financial of stock mentioned

(RMB mn)	Revenues			Non- (PRC) GAAP op.profit			Non-(PRC) GAAP NI		
	2019	2020E	2021E	2019	2020E	2021E	2019	2020E	2021E
ZTO Express	22,110	25,314	30,556	5,779	6,293	7,902	5,988	6,636	8,013
S.F. Express	112,193	153,036	188,171	6,375	5,554	6,460	5,658	5,061	5,830

Source: Bloomberg, Blue Lotus (as of May 20, 2020)

BUY

**HOLD**

SELL

### What has changed

	To	From
ZTO Express	HOLD	BUY

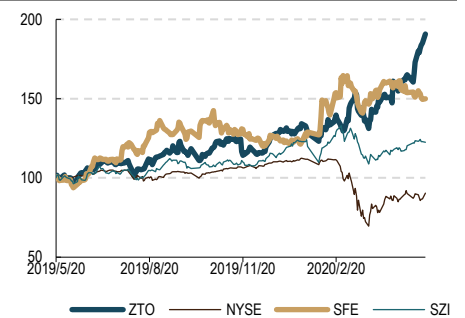
Source: Bloomberg, Blue Lotus (as of May 20, 2020)

### Stocks mentioned

Name	BBG code	Rating	TP	Curr. price	Next yr PE
ZTO	ZTO US	HOLD	US\$35	US\$34.4	23.8
SFE	002352 SZ	HOLD	RMB40	RMB47.1	35.6

Source: Bloomberg, Blue Lotus (as of May 20, 2020)

### Price performance and volume data



Source: Bloomberg (as of May 20, 2020)

### Research team



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Blue Lotus Capital Advisors Limited

All prices are those current at the end of the previous trading session unless otherwise indicated. Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Bloomberg, Blue Lotus Capital Advisors Limited and subject companies. Consensus forward estimates are used in analysis. Past performance is not indicative of future results. Investors should consider this report as only a single factor in making their investment decision.

## Financial Summary – ZTO Express

Fiscal year ends-31-Dec

### Exhibit 1. Income statement

(RMB mn)	F2019A	F2020E	F2021E
Revenues	22,110	25,314	30,556
Cost of revenues	(15,489)	(18,075)	(21,554)
Gross profit	6,621	7,239	9,002
Gross margin	29.9%	28.6%	29.5%
SG&A	(1,546)	(1,771)	(2,021)
EBIT, non-GAAP	5,779	6,293	7,902
EBIT margin, non-GAAP	26.1%	24.9%	25.9%
Interest income/expense	585	550	599
Non-operating income, net	5,779	6,293	7,902
Profit or loss from equity investments	698.4	698.4	349.2
Foreign currency adjustment	13.3	(20.0)	-
Pre-tax (Loss)/income	6,757	7,177	8,937
Income taxes expenses	(1,078)	(885)	(1,341)
Net income, GAAP	5,671	6,291	7,597
Net income, non-GAAP	5,988	6,636	8,013
Net margin, non-GAAP	27.1%	26.2%	26.2%
Number of ADS, diluted	790	792	796
EPADS, non-GAAP (RMB)	7.59	8.38	10.1

Source: ZTO Express, Blue Lotus (as of May 20, 2020)

### Exhibit 2. Balance sheet

(RMB mn)	F2019A	F2020E	F2021E
Cash and cash equivalents	5,277	8,856	15,094
Accounts receivable	676	773	906
Inventories	44	50	58
Advances to suppliers	438	492	583
Prepayments and other current assets	1,965	2,066	2,305
Amounts due from related parties	74	87	103
CURRENT ASSETS	20,098	23,948	30,674
Investment in equity investees	3,109	3,109	3,109
PPE	12,471	15,698	18,587
TOTAL ASSETS	45,891	51,713	62,615
ST bank borrowing	0	0	0
Accounts payable	1,475	1,705	2,015
Advance from customers	1,211	786	927
Income tax payable	80	92	111
Amounts due to related parties	39	45	54
CURRENT LIABILITIES	6,681	7,195	8,618
Additional paid-in capital	22,337	22,737	23,137
Retained earnings	16,727	23,018	30,614
Accumulated other comprehensive loss	676	(13,238)	(13,437)
TOTAL EQUITY	38,303	43,610	53,090
TOTAL LIABILITIES AND EQUITY	45,891	51,713	62,615

Source: ZTO Express, Blue Lotus (as of May 20, 2020)

### Company Description

ZTO Express is China's leading delivery operator using the franchise model. In 2019, ZTO had 30K pickup outlets, 4.8K self-operated line-haul trucks, and 91 self-operated sorting hubs. In 2019, delivery, freight forwarding, and sale of accessories contributed 88%, 7.0%, and 4.5% of revenues. In 2019, ZTO's delivery market share (parcel) was 19.1%.

### Industry View

China delivery industry's parcel volume grew 24% YoY, reaching to 63 bn in 2019. We expect China's delivery industry's parcel volume to grow 21.0% YoY to 76.2bn in 2020, and CAGR from 2018-2020 is 22.3%.

### Exhibit 3. Cash flow statement

(RMB mn)	F2019A	F2020E	F2021E
Net income/(loss)	5,671	6,291	7,597
<i>Adjustment</i>			
Depreciation and amortization	1,265	1,896	2,684
Loss on disposal of PPE	16	19	22
Change in working capital	(260)	245	935
NET CASH USED IN OPERATING ACTIVITIES	6,304	8,432	11,216
Purchase of property and equipment	(4,636)	(5,063)	(5,500)
Purchase of land use rights	(591)	(633)	(764)
Others	118	44	50
NET CASH USED IN INVESTING ACTIVITIES	(3,664)	(3,862)	(3,855)
Proceeds from capital contribution from shareholders	-	400	400
Proceeds from ST borrowing	-	-	-
Repayment of ST borrowing	-	-	-
Payment of dividends	(1,271)	(629)	(760)
Purchase of ordinary shares	(763)	(763)	(763)
NET CASH USED IN FINANCING ACTIVITIES	(1,982)	(992)	(1,123)
Net increase in cash and cash equivalents	655	3,578	6,239
Cash and cash equivalents, beginning of year	4,623	5,277	8,856
Cash and cash equivalents, end of year	5,277	8,856	15,094

Source: ZTO Express, Blue Lotus (as of May 20, 2020)

See the last page of the report for important disclosures

## Financial Summary – S.F. Express (Group) Co., Ltd

Fiscal year ends-31-Dec

### Exhibit 4. Income statement

(RMB mn)	F2019A	F2020E	F2021E
Revenues	112,193	153,036	188,171
Business tax	(280)	(374)	(460)
Cost of revenues	(92,650)	(129,988)	(160,882)
Gross profit	19,264	22,674	26,829
Gross margin	17.2%	14.8%	14.3%
SG&A	(12,889)	(17,119)	(20,370)
EBIT	6,375	5,554	6,460
EBIT margin	5.7%	3.6%	3.4%
Non-operating income and loss	18	19	21
Pre-tax (Loss)/income	7,459	6,748	7,774
Pre-tax margin	6.6%	4.4%	4.1%
Income taxes expenses	(1,802)	(1,687)	(1,943)
Net (loss)/income, PRC-GAAP	5,658	5,061	5,830
Net margin	5.0%	3.3%	3.1%
EPS, PRC GAAP (RMB)	1.32	1.17	1.32
EBITDA	10,210	9,971	11,709
Dividends	(1,189)	(1,045)	(1,203)

Source: S.F. Express (Group) Co., Ltd, Blue Lotus (as of May 20, 2020)

### Exhibit 5. Balance sheet

(RMB mn)	F2019A	F2020E	F2021E
<b>CURRENT ASSETS</b>	<b>42,897</b>	<b>48,121</b>	<b>58,319</b>
Cash and cash equivalents	18,722	23,244	29,263
Account receivable	12,045	14,018	16,272
Prepayments	2,654	3,172	3,778
Other receivables	2,237	2,673	3,184
Other current assets	3,405	3,949	4,570
<b>NON-CURRENT ASSETS</b>	<b>49,638</b>	<b>52,480</b>	<b>55,203</b>
PPE	18,904	19,701	20,689
Construction in progress	3,116	4,140	4,516
Intangible assets	10,008	9,653	9,352
<b>TOTAL ASSETS</b>	<b>92,535</b>	<b>100,601</b>	<b>113,522</b>
<b>Current liabilities</b>	<b>30,982</b>	<b>37,249</b>	<b>43,691</b>
ST bank borrowing	6,053	6,747	7,283
Account payable	11,992	14,857	17,965
Salary payable	3,281	4,239	5,198
Other payables	4,707	5,681	6,686
Non-current liabilities due within one year	2,092	2,525	2,972
LT debt	17,138	17,138	17,138
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>92,535</b>	<b>100,601</b>	<b>113,522</b>

Source: S.F. Express (Group) Co., Ltd, Blue Lotus (as of May 20, 2020)

### Company Description

SF Express is China's leading warehouse-transport-delivery logistics operator using the self-owned model. In 2016, SFE had 40K pickup stations and 44K pickup boxes; 15K trucks, 144 railcars and 51 planes; 291 sorting hubs and 65 warehouses. In 2019, SFE had 115K full time employees. Delivery and Supply Chain contributed 98.8% of revenues. In 2019, SFE's delivery market share (parcel) was 7.6%.

### Industry View

We expect China's domestic cargo transportation industry to grow 14.9% YoY in 2020 to RMB775bn. We expect China's international delivery industry to grow 3.8% YoY in 2020 to RMB78bn. We expect China's Delivery industry to grow 13.8% YoY in 2020 to RMB853bn and grow at 10.0% CAGR from 2020-2023.

### Exhibit 6. Cash flow statement

(RMB mn)	F2019A	F2020E	F2021E
Net income/(loss)	5,658	5,061	5,830
<b>Adjustments</b>			
Depreciation and amortization	3,835	4,417	5,250
Change in working capital			
Account receivable	(4,671)	(1,973)	(2,254)
Prepayments and other receivables	(137)	(518)	(606)
Inventory	(64)	(182)	(188)
Other current assets	(574)	(981)	(1,131)
ST bank borrowing	(2,532)	693	536
Account payables	4,094	2,865	3,107
Salary payables	314	958	959
Non-current liabilities due within a year	1,819	433	447
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>8,586</b>	<b>12,164</b>	<b>13,342</b>
Purchase of PPE and intangible	(6,668)	(8,037)	(7,736)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(5,674)</b>	<b>(7,642)</b>	<b>(7,323)</b>
Net change in LT debt	9,734	0	0
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>9,938</b>	<b>0</b>	<b>0</b>
Net increase in cash and cash equivalents	12,850	4,523	6,019
Cash and cash equivalents, beginning of year	16,131	18,722	23,244
Cash and cash equivalents, end of year	18,722	23,244	29,263

Source: S.F. Express (Group) Co., Ltd, Blue Lotus (as of May 20, 2020)

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## Has logistic stocks gotten ahead of itself?

- Chinese logistics industry in expansion mode:** We are not against the price war as long as its nature is passing on cost savings gained through scale economy and technology advancement. We believe COVID-19 will fundamentally change the retail split between online and offline, benefiting delivery companies. We also believe e-commerce will fundamentally change retail in overseas countries, benefiting Chinese delivery companies along the way. COVID-19 and overseas expansion will put Chinese delivery companies in an expansion mode;

*Best-in-class executioner like ZTO doesn't benefit the most from an industry in expansion.*
- However, ZTO may not be the best choice when industry is in expansion:** ZTO is the industry's cost performance champion, growing profits steadily in tandem with gaining market shares. However, such best-in-class executioner isn't necessarily the best choice in an industry in expansion, in our view. Furthermore, most of China's e-commerce growth will come from under-penetrated categories like food, cooked and uncooked, which doesn't fit into express delivery's small parcel network. In 2019, catering and grocery contributed 6.4% and 9.8% of China's social retail sales (Exhibit 9), which includes new car and gasoline sales. Excluding new car and gasoline, which has little chance for e-commerce transactions, catering and food contribute 11% and 16% of China social retail sales in 2019;

*Many of the new growth areas pursued by the industry will require substantial investment in areas where ZTO has little knowledge and preparation.*
- Further, new frontier markets outside of express delivery might be far less profitable:** We view ZTO as executing the most competitive logistics model (spoke-hub small parcel network) in the most efficient way while SFE as projecting a premium brand umbrella over a collection of different logistics models (small parcel, heavy cargo, cold chain, O2O, airmail, etc.). SFE derives its brand premium through its investment in an extensive fleet of cargo planes. Many of SFE's disparate collection of logistic networks are loss making, thanks to the lack of scale and buildout of infrastructure. But in all of these markets SFE captures the price premium. We believe ZTO will also face the same situation had it entered these markets. We estimate ZTO's LTL business, accounted for using the equity method, for example, lost RMB (40mn) in 2019, according to its 20F. Apparently, to capture the new frontier markets outside of express delivery might necessitate ZTO to lower its margin profile permanently and compete in SFE's terms;

*SFE's brand premium stems from its dominance in cargo aviation, which requires huge capital expenditure.*
- There may not be enough market shares to go around if the industry doesn't go into turmoil:** In C4Q19, parcel share held by Others, including share-gaining entities like JD Logistics, only added up to 18%. While competitors haven't been as consistently profitable as ZTO, they are nevertheless profitable and free cash flow positive. How can we be sure this 18% will all go to ZTO?
- Cainiao must make mistakes for the express delivery industry to go into turmoil:** COVID-19 caught Cainiao-controlled STO by surprise and its C1Q20 market share declined (2.9)ppt QoQ to 8.9%. However, STO's market share rebounded to 10.5% in April, flat from a year ago. While it is true that Cainiao/Alibaba lack management bench to manage their consolidated logistics assets, so far they haven't messed up anyone, which means counting on Cainiao/Alibaba mismanagement isn't necessarily realistic;

*So far Cainiao/Alibaba's controlling stakes in BEST and STO haven't led to market share losses, even though synergy has also been scanty.*

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- **Scalability of the small parcel network is ZTO's strength:** With online gaining in scale over the offline, so will express delivery gaining in scale over LTL. Manufacturers still need LTL to transport materials across the supply chain, but they need less and less LTL to transport finished goods within offline distributors. One can also argue that a big item can always be broken down into small, standardized pieces, like IKEA's furniture, for example. But to wait for many small, unstandardized pieces to fill the room of a truck will destroy efficiency. The scalability of the small parcel network continues to surprise us. We believe in the future it will occupy bigger and bigger share of the overall logistics industry;
- **The concentration of e-commerce industry will dictate the downstream logistics industry to follow its standards:** Comparing to offline retail, online retail in China is certainly more concentrated. This means e-commerce companies like Alibaba and JD.com will persuade and dictate its upstream brands and downstream logistics to follow its form factor standards. After COVID-19, we believe the upstream brands will also take a new look on its online vs. offline channel mix and shift more businesses online;
- **However, the above transformation will take very long time:** With the rise of PDD, MCN and social commerce, the concentration of e-commerce industry is declining. While this might prove positive for the downstream logistics industry, it is also good news for upstream brands and manufacturing industry. Brands and manufacturers are the biggest opponents to logistics standardization, in our view;
- **SFE's price premium stands a better chance at persuading brands and manufacturers to follow its vision for the future:** As long as SFE dominating in cargo aviation, its superiority in speed can sustain so as to substantiate its brand premium. We calculate SFE's ASP of its e-commerce packages is ~4x of ZTO's, suggesting there is ample room for price cuts. While ZTO's hub-spoke small parcel network can be extended to accommodate large form factors, such extension will require extensive supply chain modifications and collaborations. ZTO's thin margin comparing to SFE means it will have less ammunition to persuade the brands and manufacturers to accept its vision for the future;
- **Downgrade the sector and ZTO to HOLD:** Since the pandemic (January 23), Chinese express delivery sector has returned 21.7% as a whole, with ZTO gaining 52% over the period, substantially outperforming indices. Our recommendation for ZTO as our TOP PICK on April 14<sup>th</sup>, has returned 27%. While the gains made by the express delivery industry might be achieved at the expense of offline retail, the gain is mostly achieved in the previously underpenetrated e-commerce categories of grocery and catering, to which ZTO has little exposure. With the pandemic ending, substantial amount of offline retail should return, in our view. Lastly, while overseas expansion in SE Asia and Indian subcontinent might be progressing nicely so far, geopolitical tensions can curtail this progress easily. With SE Asia's leading e-commerce player under the influence of Alibaba and Tencent, ZTO also faces an uphill battle in gaining the market share similar to what it has achieved at home;
- **Price war continued in the month of April:** For the month of April, industry ASP declined (7.9%), comparing to (8.8%) YoY in March and (3.7%) in C1Q20. Intra-city (express delivery) ASP declined (12%), comparing to (10%) YoY in March and (6.0%) in C1Q20. YUNDA led

*Express delivery is encroaching on the territory of LTL. It will occupy bigger and bigger share of the logistics industry.*

*The industry concentration of e-commerce dictates the downstream logistics industry to also concentrate in logistics form factors.*

*Brands and manufacturers are the biggest opponent to logistics standardization.*

*How much market share has the express delivery industry gained in the already penetrated e-commerce categories? We believe not a lot.*

the charge with ASP declining (34%) YoY. YTO, STO and SFE's ASP's declined (24%), (23%) and (21%). Only SFE achieved MoM ASP increase in April;

*The bargaining power of express delivery industry over e-commerce is rising. But so does brands and manufacturers.*

- **Industry's consolidation doesn't appear to happen any time soon:** In April 30, YUNDA announced an entity associated with Alibaba had invested 2% and became YUNDA's 7<sup>th</sup> largest shareholder. While YUNDA's acceptance of Alibaba's investment might prompt ZTO to accept more investments from Alibaba, the low stake YUNDA allowed Alibaba to acquire suggests that industry consolidation is still a long way off, especially when the industry saw fresh growth opportunities both domestically and in overseas.
- **Comparison of EBIT CAGR and PE:** We expect ZTO to grow EBIT at a 3Yr. CAGR of 27.6% from 2020-23, incorporating contribution from LTL and SE Asia, comparing to its 2021 PE of 23.8. We expect SFE to grow EBIT at a 3Yr. CAGR of 24.5%, comparing to its 2021 PE of 35.6.

*Both ZTO and SFE are trading at PEG above one.*

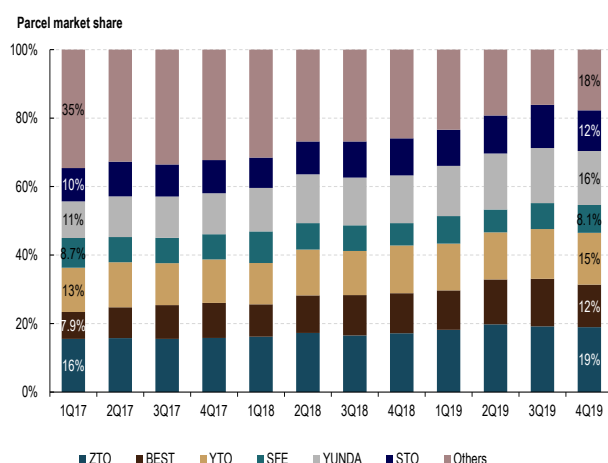


### Exhibit 7. China express delivery industry by month

(mn or RMB mn)	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	3Q19A	4Q19A	1Q20A
Parcel Volume	5,760	7,120	6,730	3,780	2,770	5,980	<b>6,500</b>	16,150	19,610	12,530
YoY	22.8%	21.4%	24.2%	(16.4%)	0.4%	23.0%	<b>32.1%</b>	28%	23%	3.2%
Industry Revenue	65,800	79,670	77,220	50,050	36,440	66,910	<b>72,090</b>	187,440	222,690	153,400
YoY	1.4%	21.1%	(3.1%)	(35.2%)	(27.2%)	83.6%	<b>7.7%</b>	25%	24%	(0.6%)
Parcel ARPU	11.42	11.19	11.47	13.24	13.16	11.19	<b>11.09</b>	11.61	11.36	12.24
YoY	0.3%	1.2%	2.0%	0.3%	3.7%	(8.8%)	<b>(7.9%)</b>	(2.2%)	1.2%	(3.7%)
<b>Parcel volume (mn)</b>										
ZTO Express	1,091	1,333	1,292	700	473	1,237	<b>1,369</b>	3,096	3,716	2,410
YUNDA Express	865	1,107	1,125	633	297	980	<b>1,150</b>	2,599	3,097	1,910
YTO Express	861	1,080	1,023	585	233	847	<b>941</b>	2,349	2,964	1,665
STO Express	702	855	766	401	158	561	<b>680</b>	2,036	2,323	1,120
SFE Express	438	568	584	566	475	679	<b>611</b>	1,224	1,590	1,720
<b>Parcel volume market share</b>										
ZTO	18.9%	18.7%	19.2%	18.5%	17.1%	20.7%	<b>21.1%</b>	19.2%	18.9%	19.2%
YUNDA	15.0%	15.5%	16.7%	16.7%	10.7%	16.4%	<b>17.7%</b>	16.1%	15.8%	15.2%
YTO	14.9%	15.2%	15.2%	15.5%	8.4%	14.2%	<b>14.5%</b>	14.5%	15.1%	13.3%
STO	12.2%	12.0%	11.4%	10.6%	5.7%	9.4%	<b>10.5%</b>	12.6%	11.8%	8.9%
SFE	7.6%	8.0%	8.7%	15.0%	17.1%	11.4%	<b>9.4%</b>	7.6%	8.1%	13.7%
BSTI and Others	31.3%	30.6%	28.8%	23.7%	40.9%	28.0%	<b>26.9%</b>	30.0%	30.2%	29.6%

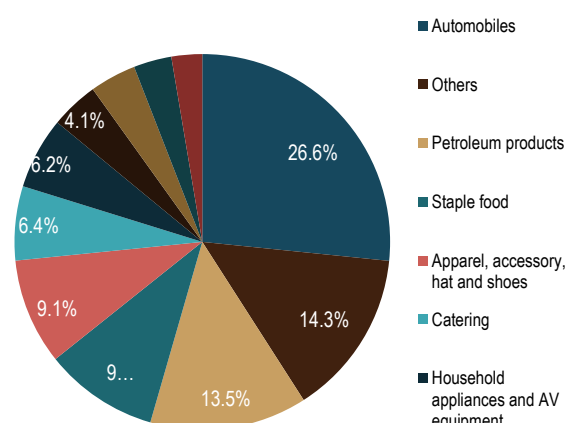
Source: China Post Bureau, ZTO, YTO, SFE, YUNDA, STO, Blue Lotus (as of May 20, 2020)

### Exhibit 8. Parcel market share of China express delivery



Source: ZTO, BEST, YTO, SFE, YUNDA, STO, Blue Lotus (as of May 20, 2020)

### Exhibit 9. China social retail breakdown



Source: National Bureau of Statistics, Blue Lotus (as of May 20, 2020)

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**Exhibit 10. China express delivery parcel volume forecast**

(mn, RMB bn)	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
<b>GDP</b>	99,087	108,004	117,077	126,209	135,296	144,225	152,879	161,134	168,869	175,961	182,296	187,764
YoY	7.8%	9.0%	8.4%	7.8%	7.2%	6.6%	6.0%	5.4%	4.8%	4.2%	3.6%	3.0%
<b>Social retail sales</b>	<b>41,165</b>	<b>44,870</b>	<b>48,639</b>	<b>52,433</b>	<b>56,208</b>	<b>59,917</b>	<b>63,513</b>	<b>66,942</b>	<b>70,155</b>	<b>73,102</b>	<b>75,734</b>	<b>78,006</b>
YoY	8.0%	9.0%	8.4%	7.8%	7.2%	6.6%	6.0%	5.4%	4.8%	4.2%	3.6%	3.0%
<b>E-commerce GMV</b>	<b>9,948</b>	<b>11,896</b>	<b>14,027</b>	<b>16,306</b>	<b>18,683</b>	<b>21,094</b>	<b>23,464</b>	<b>25,709</b>	<b>27,739</b>	<b>29,465</b>	<b>30,808</b>	<b>31,732</b>
YoY	21.3%	19.6%	17.9%	16.2%	14.6%	12.9%	11.2%	9.6%	7.9%	6.2%	4.6%	3.0%
<i>E-commerce as retail</i>	24.2%	26.5%	28.8%	31.1%	33.2%	35.2%	36.9%	38.4%	39.5%	40.3%	40.7%	40.7%
<b>E-commerce orders</b>	<b>78,867</b>	<b>94,813</b>	<b>112,183</b>	<b>130,827</b>	<b>150,346</b>	<b>170,221</b>	<b>189,830</b>	<b>208,470</b>	<b>225,398</b>	<b>239,867</b>	<b>251,188</b>	<b>258,773</b>
YoY	15.4%	20.2%	18.3%	16.6%	14.9%	13.2%	11.5%	9.8%	8.1%	6.4%	4.7%	3.0%
Among: Alibaba	57,552	63,428	67,608	71,029	73,899	76,884	79,990	83,222	86,584	90,082	93,721	97,508
PDD	17,699	25,573	35,125	43,512	48,256	50,197	51,271	52,157	53,096	54,089	55,136	55,963
<b>Delivery Parcels</b>	<b>63,513</b>	<b>77,303</b>	<b>92,764</b>	<b>110,389</b>	<b>126,947</b>	<b>143,831</b>	<b>160,516</b>	<b>176,407</b>	<b>190,872</b>	<b>203,279</b>	<b>213,036</b>	<b>219,427</b>
YoY	25.2%	21.7%	20.0%	19.0%	15.0%	13.3%	11.6%	9.9%	8.2%	6.5%	4.8%	3.0%
<i>Parcel as orders</i>	80.5%	81.5%	82.7%	84.4%	84.4%	84.5%	84.6%	84.6%	84.7%	84.7%	84.8%	84.8%
<b>Market shares</b>												
ZTO	19.1%	20.8%	22.8%	24.8%	26.8%	28.3%	29.8%	31.3%	32.3%	32.8%	33.1%	33.1%
SFE	7.6%	10.2%	11.7%	12.9%	13.4%	13.7%	13.9%	14.0%	14.1%	14.2%	14.3%	14.4%

Source: ZTO, Alibaba, PDD, Blue Lotus (as of May 20, 2020)



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