



# INTERIM RESULTS 2022

# NEW PAGE NEW GROWTH



Kerry Logistics  
Network Limited  
嘉里物流聯網有限公司

0636.HK

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# FINANCIAL HIGHLIGHTS (in HK\$'M)

## REVENUE

48,034

▲ 39%\*

## CORE OPERATING PROFIT

3,461

▲ 74%\*

## CORE NET PROFIT

2,372

▲ 96%\*

## SEGMENT PROFIT

IL

717

▲ 28%\*

E&E

(393)

-

IFF

3,398

▲ 140%\*

## PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS

2,377

▲ 118%\* ▼ 30%  
STATUTORY

## INTERIM DIVIDEND

28

HK CENTS PER SHARE

## GEARING

GROSS

58.4%

NET

8.8%

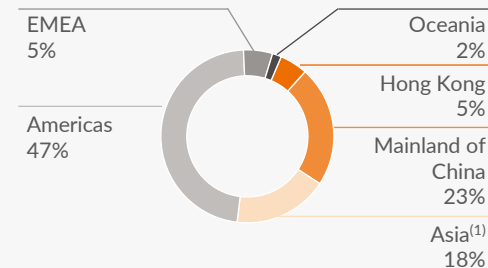
\* For continuing operations only

# SEGMENT PROFIT CONTINUING OPERATIONS

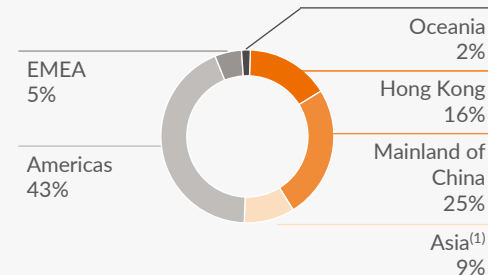
## Unaudited Segment Profit – Continuing Operations\*

(in HK\$'M)	IL			E&E			IFF			Consolidated		
	1H21	1H22	YoY	1H21	1H22	YoY	1H21	1H22	YoY	1H21	1H22	YoY
Hong Kong	210	<b>393</b>	88%	36	<b>12</b>	-68%	140	<b>178</b>	27%	386	<b>583</b>	51%
Mainland of China	179	<b>159</b>	-11%	-	-	-	477	<b>768</b>	61%	656	<b>927</b>	41%
Asia <sup>(1)</sup>	129	<b>161</b>	24%	173	<b>(411)</b>	-	263	<b>602</b>	129%	565	<b>352</b>	-38%
Americas	-	-	-	-	-	-	432	<b>1,613</b>	273%	432	<b>1,613</b>	273%
EMEA	-	-	-	-	<b>6</b>	-	67	<b>180</b>	166%	67	<b>186</b>	176%
Oceania	43	<b>4</b>	-90%	-	-	-	36	<b>57</b>	58%	79	<b>61</b>	-22%
<b>Total</b>	<b>561</b>	<b>717</b>	<b>28%</b>	<b>209</b>	<b>(393)</b>	-	<b>1,415</b>	<b>3,398</b>	<b>140%</b>	<b>2,185</b>	<b>3,722</b>	<b>70%</b>

## IFF Segment Profit by Region



## Total Segment Profit by Region



\* For continuing operations only  
<sup>(1)</sup> Asia ex-Greater China

# SEGMENT PROFIT CONTINUING OPERATIONS



## Asia Reported Strong Growth

- Reopening of borders across countries
- Pickup in manufacturing & domestic consumption

## Lockdowns in the Mainland of China

- Curtailed manufacturing activities

## Deepen Chemical & Cold-chain Logistics Offering



## Expansion in Thailand

Parcel Volume	Monthly Active Users	Service Locations
+36%	+15%	+116%

## Performance Contractured due to Price War in Thailand

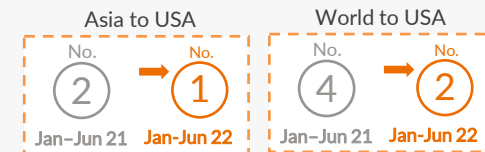
- Losses have started to narrow since May 2022
- KETH is expected to come close to breakeven by end of 2022



## The Growth Driver of KLN

- Topocean as new Group member since Apr 2022

## Leading Position in the Trans-Pacific Trade Lane<sup>(2)</sup>



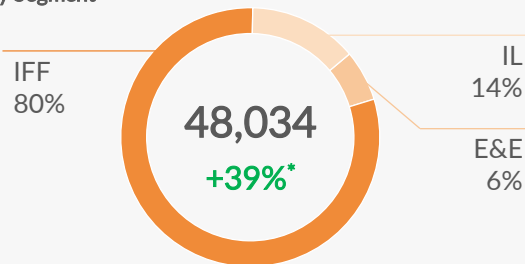
## Strengthening IFF Capabilities in S&SEA

<sup>(2)</sup> From Datamyne - Asia to USA NVOCC Ranking

# REVENUE & PROFIT ATTRIBUTABLE TO SHAREHOLDERS

## Revenue (in HK\$'M)

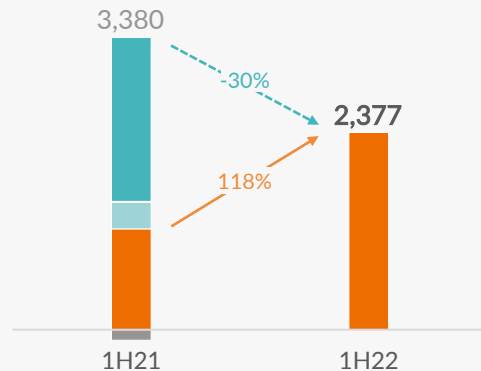
### By Segment



### By Region

	1H21	1H22	YoY
Hong Kong	3,912	4,616	+18%
Mainland of China	11,278	12,652	+12%
Asia <sup>(1)</sup>	6,515	8,433	+29%
Americas	8,404	16,458	+96%
EMEA	3,988	5,056	+27%
Oceania	557	819	+47%
<b>Total</b>	<b>34,654</b>	<b>48,034</b>	<b>+39%</b>

## Profit Attributable To Shareholders (in HK\$'M)



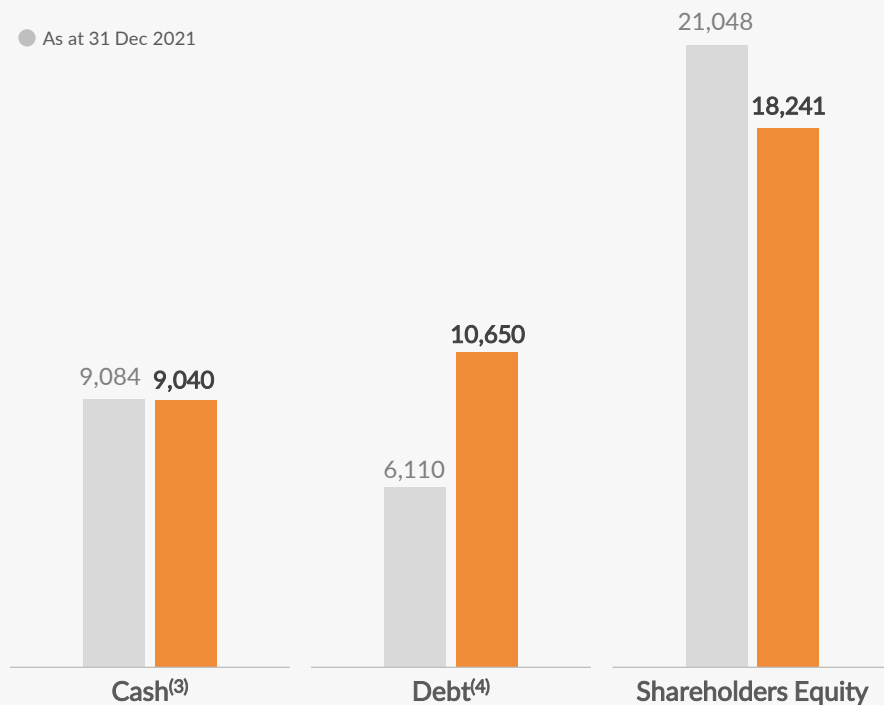
	1H21	1H22
Change in fair value of HKW, net of deferred tax	1,970	-
CNP from Discontinued Operations	318	-
Change in fair value of investment properties, net of NCI & deferred tax	10	5
CNP from Continuing Operations	1,212	2,372
Goodwill impairment	(130)	-
<b>Profit Attributable to Shareholders</b>	<b>3,380</b>	<b>2,377</b>

\* For continuing operations only  
(1) Asia ex-Greater China

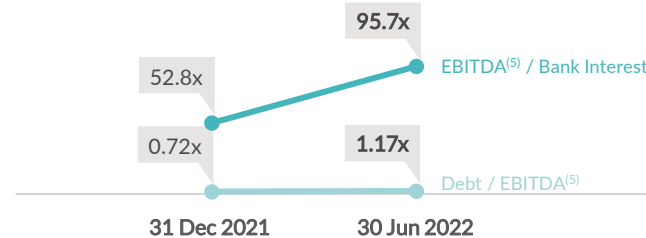
# CASH, DEBT & EQUITY (in HK\$'M)

● As at 30 Jun 2022

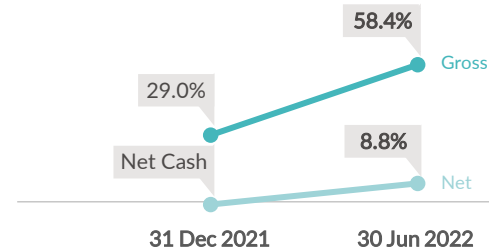
● As at 31 Dec 2021



## Debt Ratios



## Gearing Ratio



<sup>(3)</sup> Cash and bank balances

<sup>(4)</sup> Total bank loans and overdrafts

<sup>(5)</sup> EBITDA on LTM basis

# OUTLOOK

## AMIDST MARCO VOLATILITY & ECONOMIC UNCERTAINTY

- The overall market braces for a downturn with softening global demand and lingering impact of the pandemic.
- Leverage on the Asia-based position, KLN Group will continue to support supply chain reshuffling through effective and efficient multimodal solutions.
- Remain optimistic on full-year results from continuing operations.

## COMMITTED TO ACHIEVE NET ZERO BY 2050

- KLN Group has extended the focus on Scope 3 emissions to enrich our sustainability disclosure and plan for carbon reduction.
- Continue to evaluate climate risks, explore science-based targets and increase the use of renewable energy.





# Q&A



Kerry Logistics  
Network Limited  
嘉里物流聯網有限公司

ASIA SPECIALIST

CHINA FOCUS

GLOBAL NETWORK

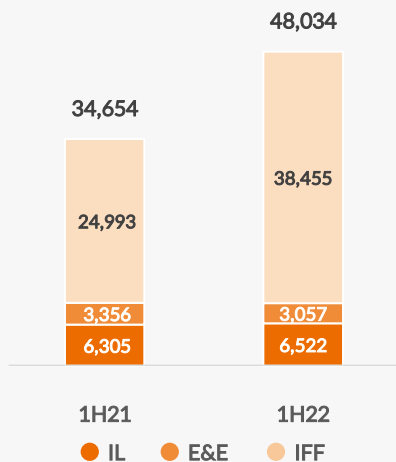


# Appendix I : Revenue Analysis

## Revenue Change by Segment

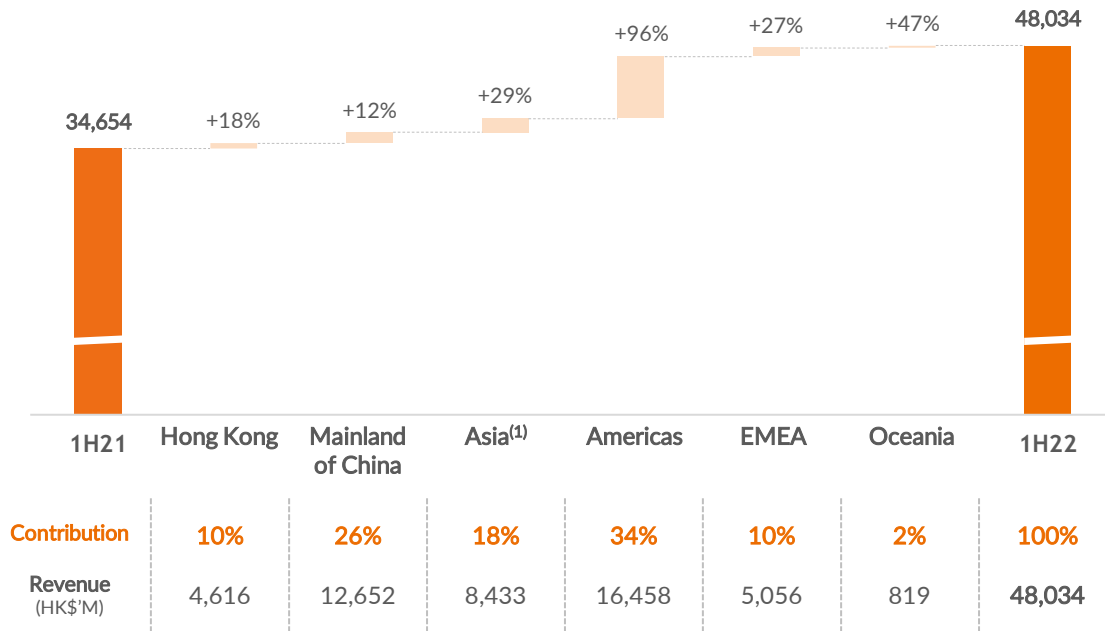
(in HK\$'M)

**39%\***  
48,034



## Revenue Change by Region

(in HK\$'M, comparable growth\* in %)



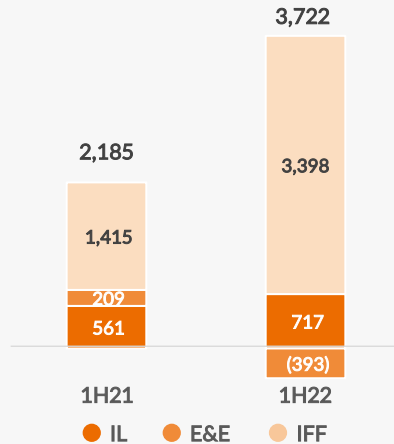
\* For continuing operations only  
<sup>(1)</sup> Asia ex-Greater China

## Appendix II : Segment Profit Analysis

### Segment Profit Change by Segment

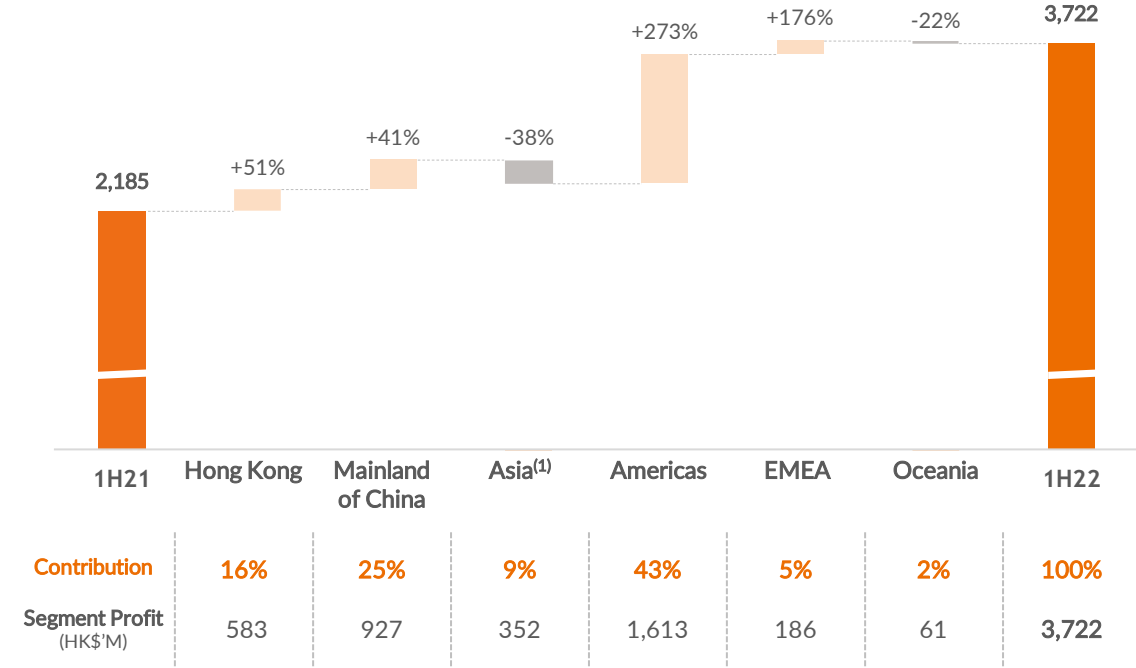
(in HK\$'M)

**70%\***  
**3,722**



### Segment Profit Change by Region

(in HK\$'M, comparable growth\* in %)



\* For continuing operations only  
<sup>(1)</sup> Asia ex-Greater China

## Appendix III : Condensed Consolidated Interim Income Statement

	For the six months ended 30 Jun	
	Unaudited 2022 HK\$'000	Unaudited 2021 HK\$'000
Continuing operations		
Revenue	48,034,324	34,653,907
Direct operating expenses	(42,746,293)	(31,160,697)
Gross profit	5,288,031	3,493,210
Other income and net gains/(loss)	162,412	(29,312)
Administration expenses	(1,838,500)	(1,584,985)
Operating profit before fair value change of investment properties	3,611,943	1,878,913
Change in fair value of investment properties	6,706	10,633
Operating profit	3,618,649	1,889,546
Finance costs	(150,592)	(119,776)
Share of results of associates and joint ventures	92,458	80,888
Profit before taxation	3,560,515	1,850,658
Taxation	(865,923)	(383,511)
Profit for the period from continuing operations	2,694,592	1,467,147
Discontinued operations:		
Profit for the period from discontinued operations	-	2,386,611
Profit for the period	2,694,592	3,853,758
Profit attributable to:		
Company's shareholders		
From continuing operations	2,376,815	1,092,406
From discontinued operations	-	2,287,942
Non-controlling interests	317,777	473,410
	2,694,592	3,853,758
Earnings per share from continuing operations		
- Basic	HK\$1.32	HK\$0.61
- Diluted	HK\$1.31	HK\$0.60
Earnings per share from discontinued operations		
- Basic	HK\$-	HK\$1.27
- Diluted	HK\$-	HK\$1.27

## Appendix IV : Condensed Consolidated Interim Statement of Financial Position

	Unaudited As at 30 Jun 2022 HK\$'000	Audited As at 31 Dec 2021 HK\$'000
<b>ASSETS AND LIABILITIES</b>		
<b>Non-current assets</b>		
Intangible assets	6,320,364	4,303,119
Investment properties	1,875,510	1,939,636
Property, plant and equipment	7,747,821	7,526,228
Right-of-use assets	3,927,208	4,348,205
Associates and joint ventures	2,129,323	2,281,222
Financial assets at fair value through other comprehensive income	850,730	587,337
Investment in convertible bonds	5,705	5,911
Deferred taxation	651,734	155,944
	23,508,395	21,147,602
<b>Current assets</b>		
Financial assets at fair value through profit or loss	282,011	800,068
Financial assets at fair value through other comprehensive income	-	17,166
Inventories	470,876	374,775
Accounts receivable, prepayments and deposits	17,861,857	16,662,937
Tax recoverable	519,279	63,972
Amounts due from fellow subsidiaries	-	3
Restricted and pledged bank deposits	12,133	11,748
Cash and bank balances	9,039,890	9,084,105
	28,186,046	27,014,774
<b>Current liabilities</b>		
Lease liabilities	1,300,735	1,377,209
Accounts payable, deposits received and accrued charges	13,526,746	11,694,873
Amounts due to fellow subsidiaries	351,343	-
Amounts due to related companies	4,317	140,842
Taxation	846,803	752,201
Short-term bank loans and current portion of long-term bank loans	3,108,157	3,648,671
Loans from non-controlling interests	27,015	27,703
Bank overdrafts	186,841	199,201
	19,351,957	17,840,700

## Appendix IV : Condensed Consolidated Interim Statement of Financial Position (Cont'd)

	Unaudited As at 30 Jun 2022 HK\$'000	Audited As at 31 Dec 2021 HK\$'000
<b>Non-current liabilities</b>		
Loans from non-controlling interests	205,899	205,594
Long-term bank loans	7,355,277	2,261,839
Lease liabilities	2,079,238	2,384,652
Deferred taxation	659,369	406,072
Retirement benefit obligations	53,573	50,028
Other non-current liabilities	537,418	176,775
	10,890,774	5,484,960
<b>ASSETS LESS LIABILITIES</b>	<b>21,451,710</b>	<b>24,836,716</b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to the Company's shareholders</b>		
Share capital	903,687	903,655
Share premium and other reserves	77,778	4,333,941
Retained profits	17,259,177	15,810,884
	18,240,642	21,048,480
Put option written on non-controlling interests	(4,593)	(4,593)
	18,236,049	21,043,887
Non-controlling interests	3,215,661	3,792,829
<b>TOTAL EQUITY</b>	<b>21,451,710</b>	<b>24,836,716</b>