

# SAILING INTO THE STORM

ANNUAL  
RESULTS  
**2022**



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	CORE OPERATING PROFIT	CORE NET PROFIT
86,649 ▲ 10%*	4,790 ▼ 12%*	3,572 ▲ 11%*
SEGMENT PROFIT		
IL 1,375 ▲ 28%*	E&E (826) -	IFF 4,703 ▼ 3%*
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS	DIVIDEND	GEARING
3,579 ▲ 8%*    ▼ 55% STATUTORY	38 66 FINAL HK CENTS PER SHARE FULL YEAR HK CENTS PER SHARE	48.3% GROSS

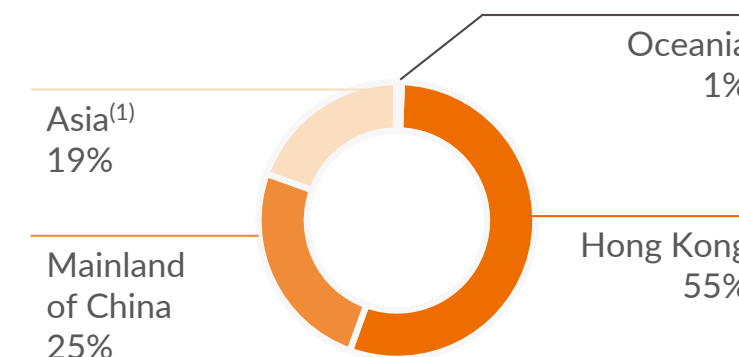
\* For continuing operations only

# SEGMENT PROFIT CONTINUING OPERATIONS

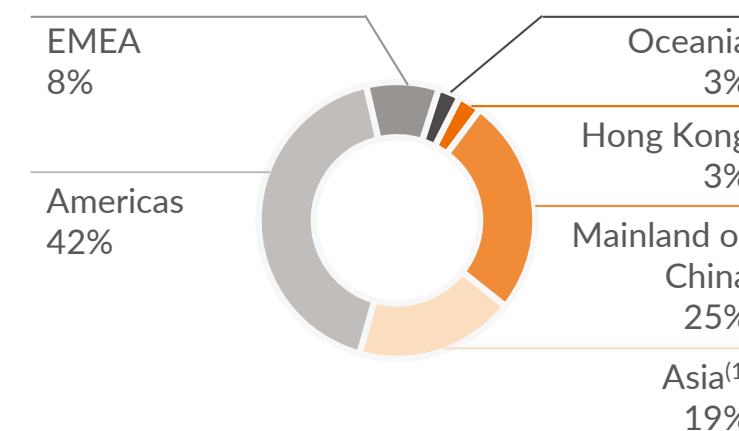
## Segment Profit – Continuing Operations\*

(in HK\$'M)	IL			E&E			IFF			Consolidated		
	FY21	FY22	YoY	FY21	FY22	YoY	FY21	FY22	YoY	FY21	FY22	YoY
Hong Kong	455	756	+66%	63	19	-69%	554	128	-77%	1,072	903	-16%
Mainland of China	353	343	-3%	-	-	-	1,606	1,196	-26%	1,959	1,539	-21%
Asia <sup>(1)</sup>	219	267	+22%	(25)	(863)	->500%	739	880	+19%	933	284	-70%
Americas	-	-	-	-	-	-	1,542	1,978	+28%	1,542	1,978	+28%
EMEA	-	-	-	3	18	+492%	295	399	+35%	298	417	+40%
Oceania	46	9	-80%	-	-	-	89	122	+37%	135	131	-3%
<b>Total</b>	<b>1,073</b>	<b>1,375</b>	<b>+28%</b>	<b>41</b>	<b>(826)</b>	<b>-</b>	<b>4,825</b>	<b>4,703</b>	<b>-3%</b>	<b>5,939</b>	<b>5,252</b>	<b>-12%</b>

## IL Segment Profit by Region



## IFF Segment Profit by Region



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

# SEGMENTAL PERFORMANCE



## Asia Recorded Strong Growth

- Increase in demand for pandemic-related services in Hong Kong
- Rebound of production activities in Asia

## Expect Growth Momentum in 2023

- Reopening of the Mainland of China
- Rebound in retail sales and household consumption



## Performance Contracted due to Intense Competition in Thailand

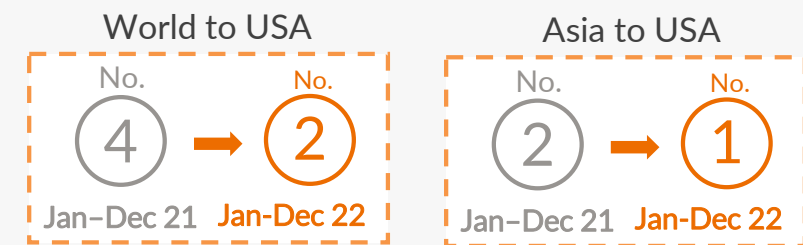
- A series of restructuring and lean programmes launched is set to improve profitability



## Profit Maintained Despite an Extremely Volatile Market

- Asia exports plunged in 2022 2H as global demand for finished products and purchasing orders to Asia started falling
- Freight rates tumbled from unprecedented highs
- Higher freight capacity and low cargo volume pose increasing challenges

## Leading NVOCC to USA<sup>(2)</sup>

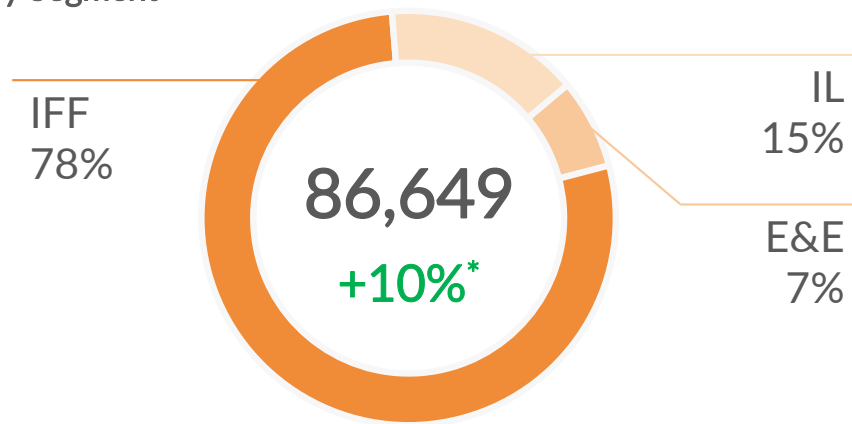


<sup>(2)</sup> From Datamyne - NVOCC Ranking

# REVENUE & PROFIT ATTRIBUTABLE TO SHAREHOLDERS

## Revenue\* (in HK\$'M)

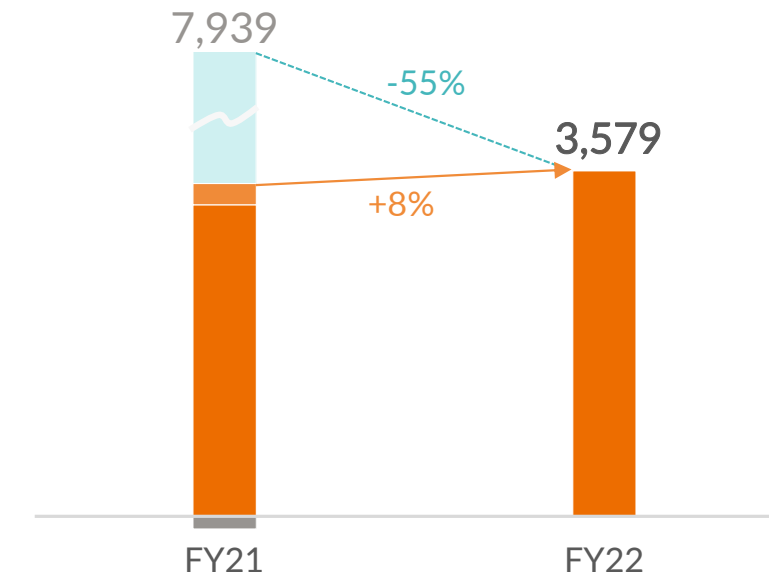
By Segment



By Region

	FY21	FY22	YoY
Hong Kong	8,837	8,612	-3%
Mainland of China	26,178	23,441	-10%
Asia <sup>(1)</sup>	14,830	15,094	+2%
Americas	17,850	27,371	+53%
EMEA	9,893	10,331	+4%
Oceania	1,367	1,800	+32%
<b>Total</b>	<b>78,955</b>	<b>86,649</b>	<b>+10%</b>

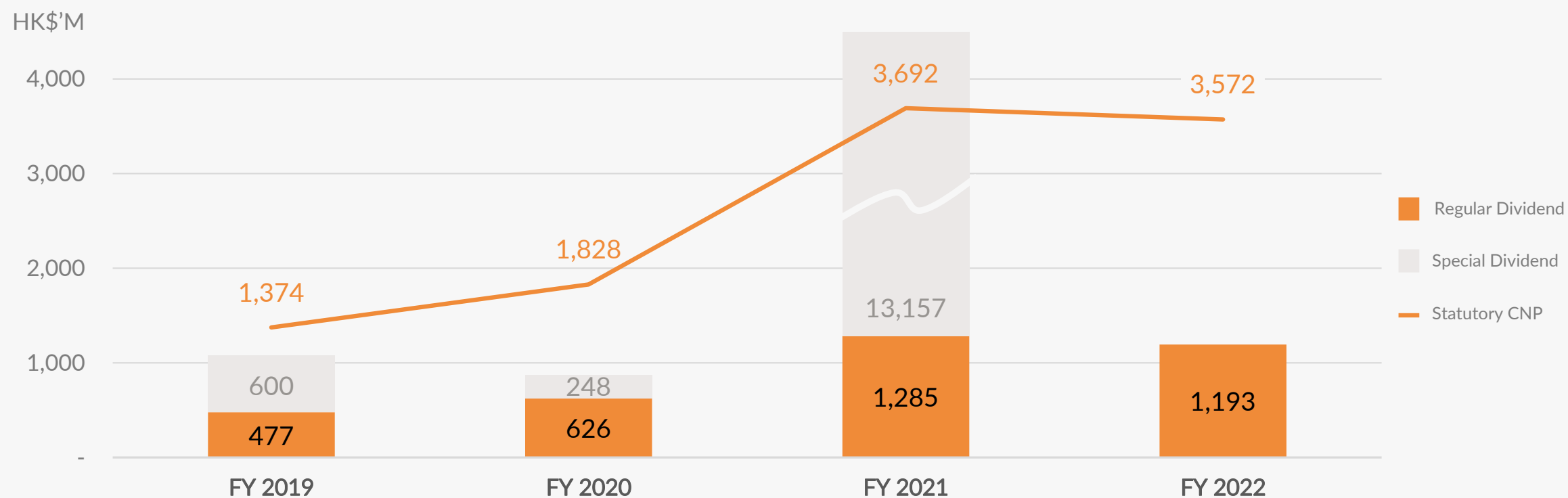
## Profit Attributable To Shareholders (in HK\$'M)



	FY21	FY22
Profit from Discontinued Operations	4,630	-
Change in fair value of investment properties, net of NCI & deferred tax	219	7
CNP from Continuing Operations	3,220	3,572
Goodwill impairment	(130)	-
<b>Profit Attributable to Shareholders</b>	<b>7,939</b>	<b>3,579</b>

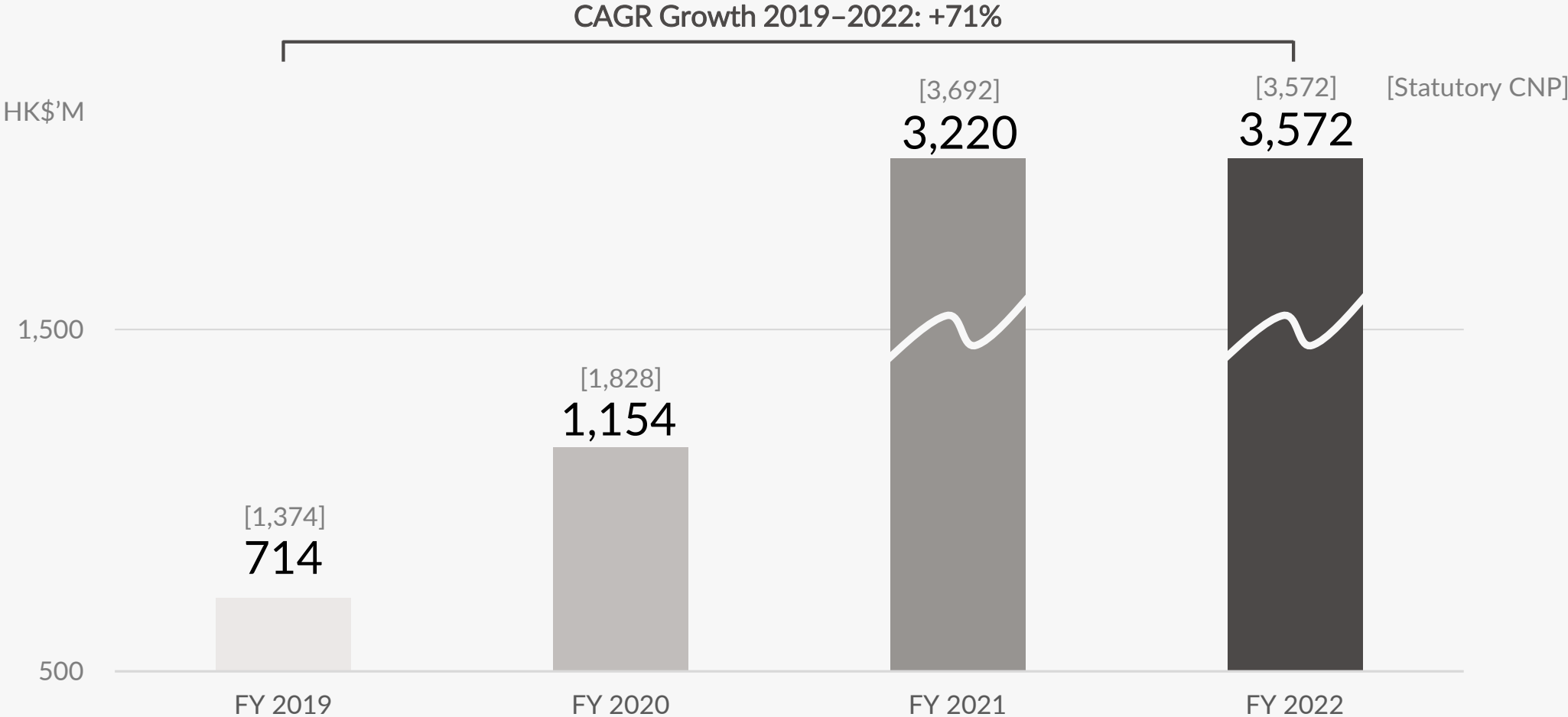
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(1) Asia ex-Greater China

# DIVIDEND 2019-2022



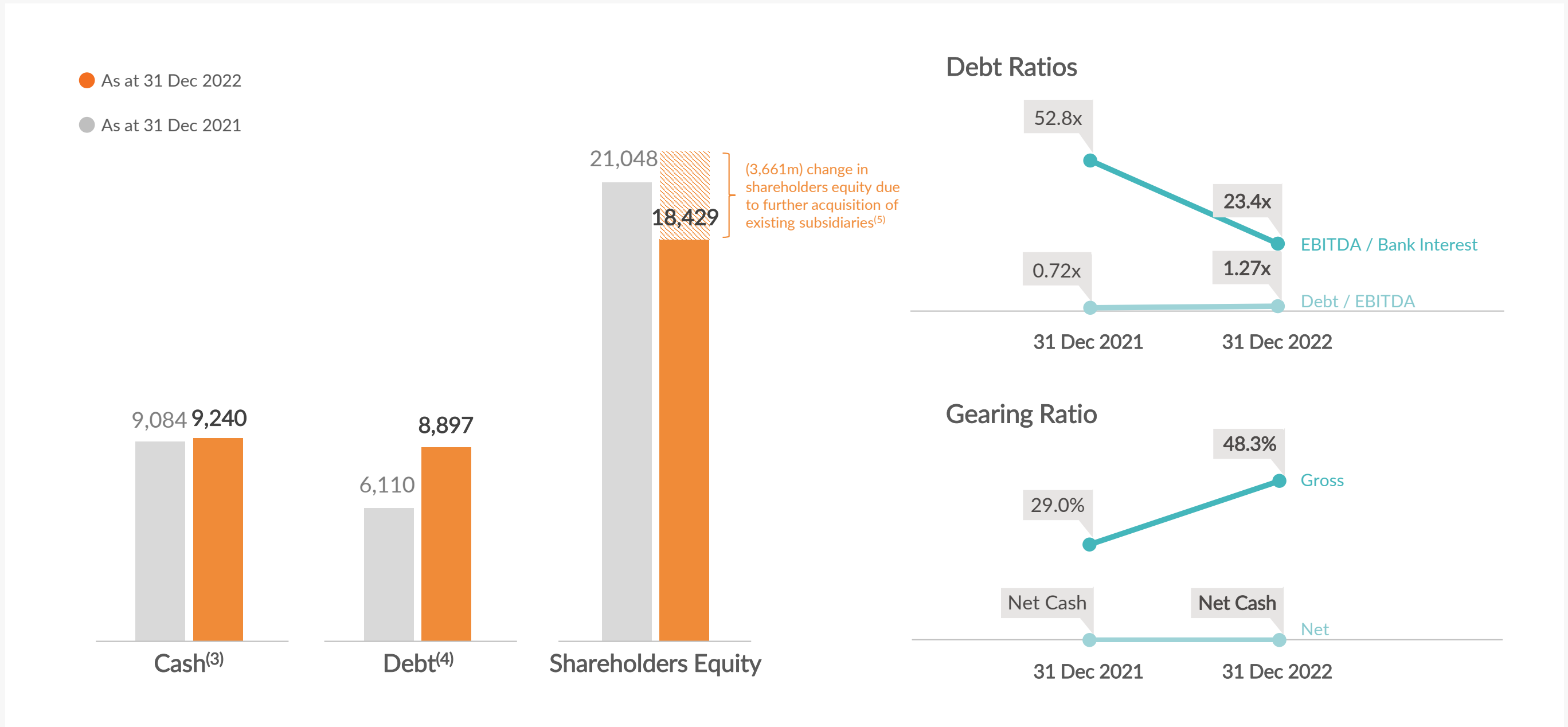
<b>Payout Ratio</b>	<b>35%</b>	<b>34%</b>	<b>35%</b>	<b>33%</b>
<b>Dividend Per Share</b>				
Regular (HK Cents)	<b>27</b>	<b>34.8</b>	<b>71.1</b>	<b>66</b>
Special (HK Cents)	<b>35</b>	<b>13.8</b>	<b>728</b>	<b>-</b>

## Core Net Profit of Continuing Operations





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



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

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

<sup>(5)</sup> Changes in equity attributable to the Company's shareholders arising from changes in ownership of interests in subsidiaries without change of control

# OUTLOOK

## CONTINUOUS EFFORTS TO COPE WITH THE DOWNTURN

- A deeper slowdown of the global economy in 2023 with greater market volatility, uncertainties and risks
- Focus on cost management, customers wins, operations optimisation and digitalization across the network

## SYNERGIES WITH S.F. HOLDING

- Make use of the synergies to pursue new market opportunities, develop more emerging trade lanes and redesign existing service offerings

## TAKE AN ACTIVE PART IN THE GLOBAL SUPPLY CHAIN RESHUFFLING

- Adapt to shifting market conditions to serve customers' ever-changing needs



# COMMITTED TO ACHIEVE NET ZERO EMISSIONS BY 2050



Providing green logistics solutions, minimizing environmental footprint and operating in an environmentally friendly manner

Exploring to develop Science-Based Targets initiative (SBTi) aligned targets

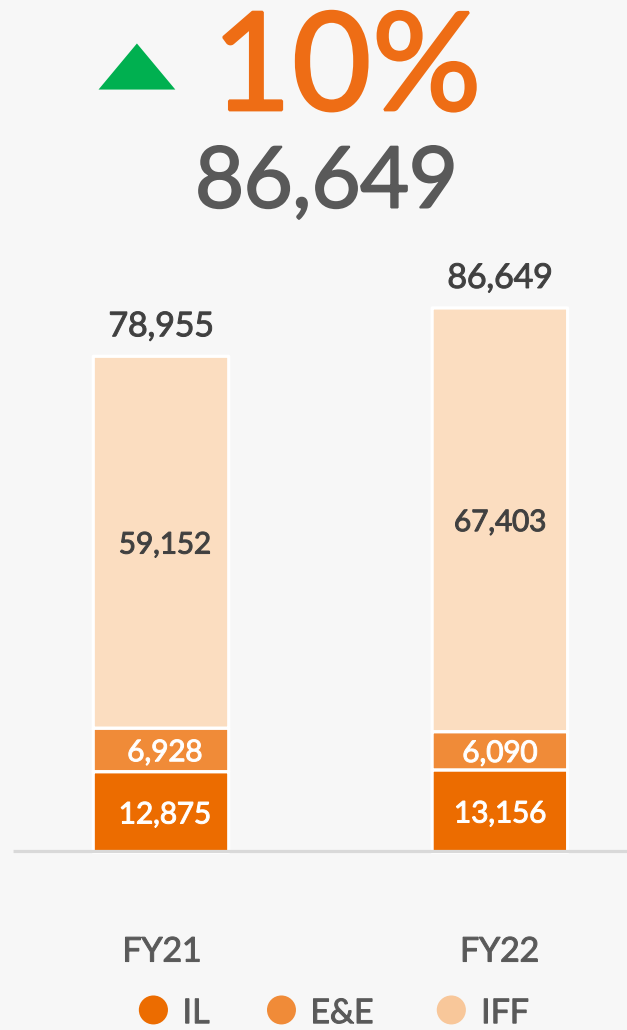
Taking proactive steps to prepare reporting in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations

# THANK YOU

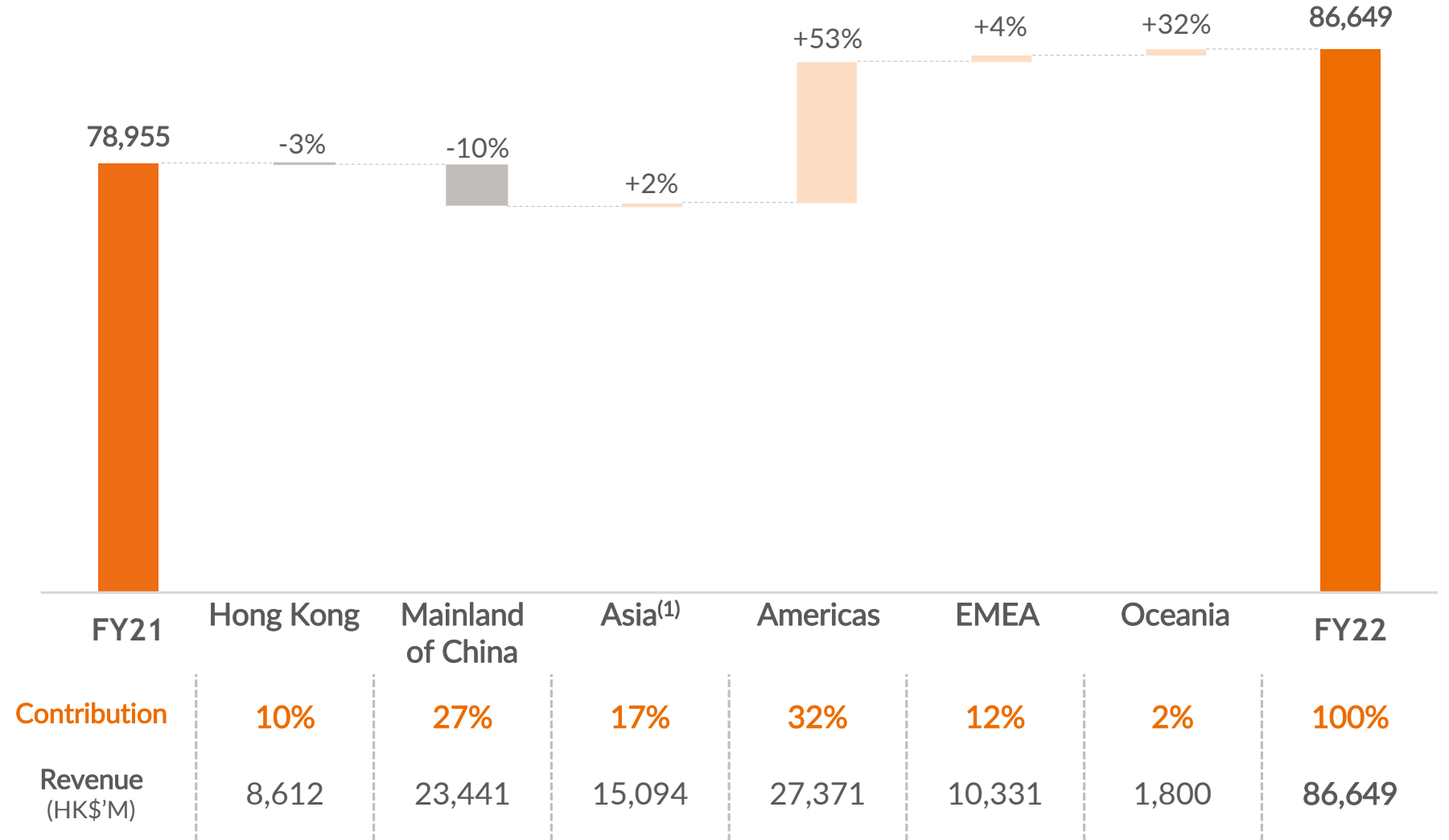


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Revenue Change by Segment\*  
(in HK\$'M)



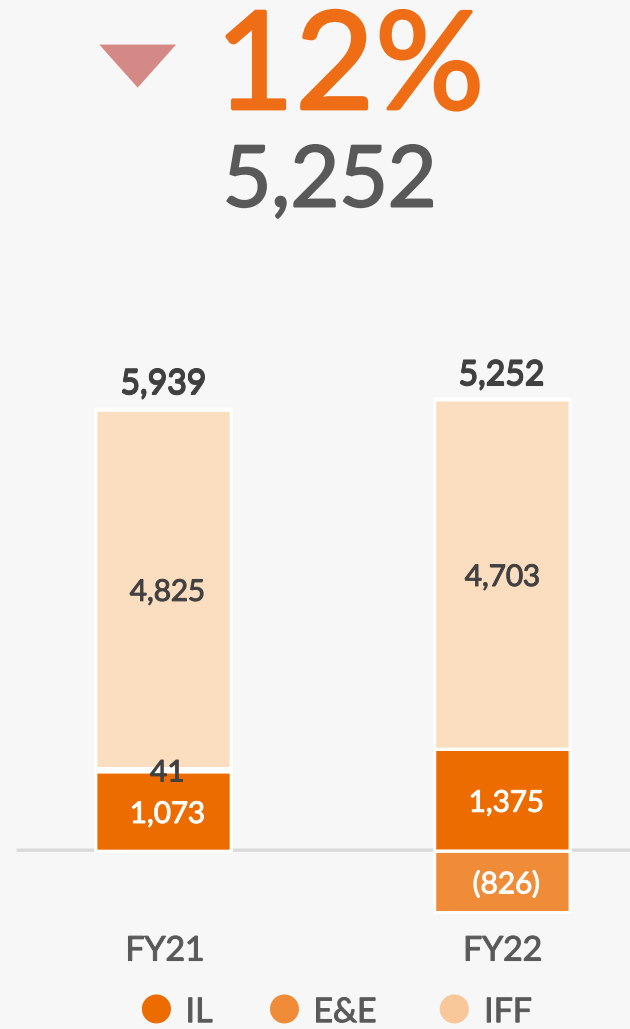
Revenue Change by Region\*  
(in HK\$'M, comparable growth in %)



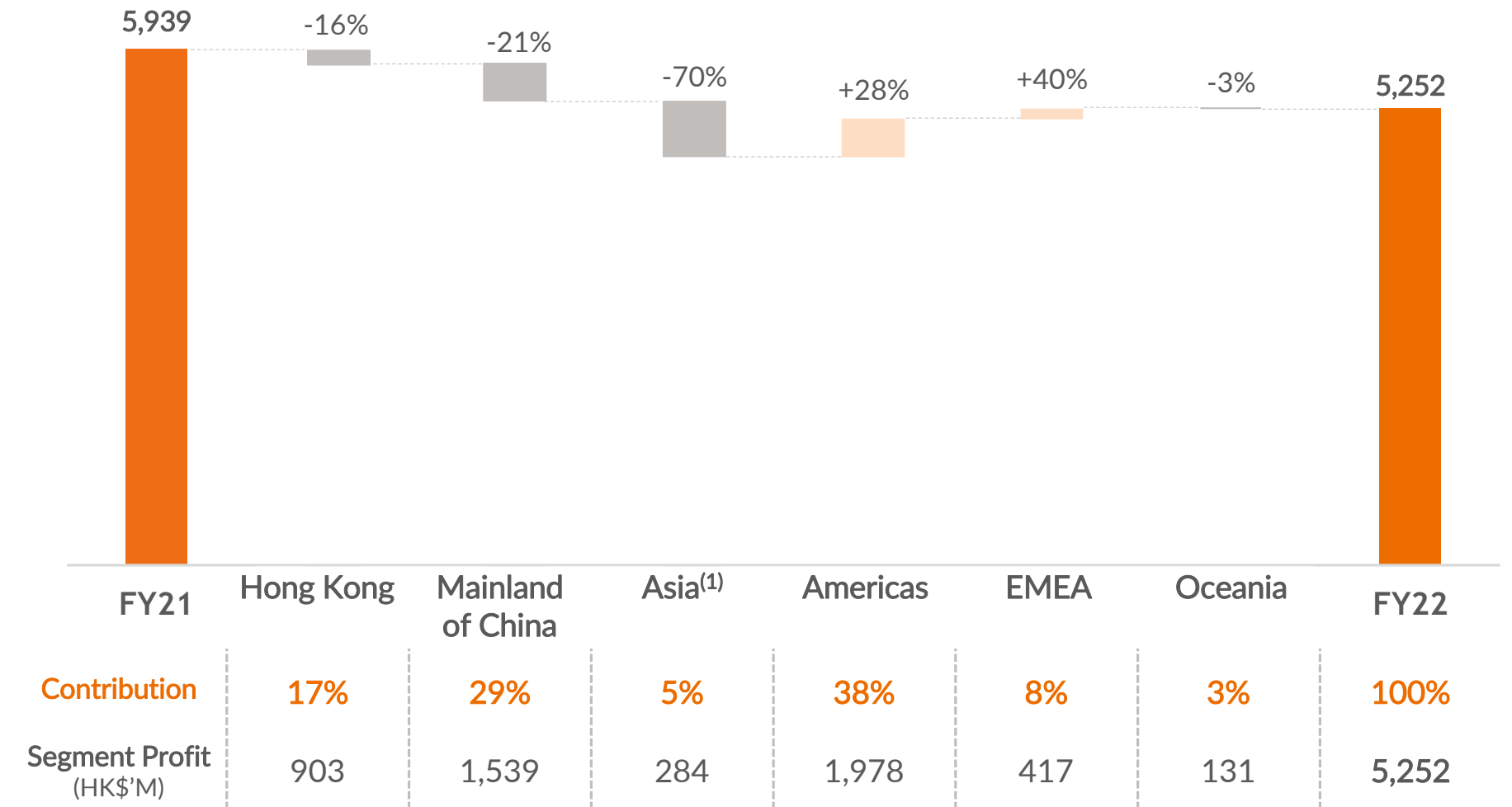
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(1) Asia ex-Greater China

# Appendix II : Segment Profit Analysis

Segment Profit Change by Segment\*  
(in HK\$'M)



Segment Profit Change by Region\*  
(in HK\$'M, comparable growth in %)



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

# Appendix III : Consolidated Income Statement

	For the year ended 31 Dec	
	2021 HK\$'000	2022 HK\$'000
<b>Continuing operations</b>		
Revenue	78,954,724	86,649,463
Direct operating expenses	(69,950,781)	(78,297,812)
Gross profit	9,003,943	8,351,651
Other income and net gains/(losses)	(18,805)	569,849
Administration expenses	(3,626,933)	(3,628,896)
Operating profit before fair value change of investment properties	5,358,205	5,292,604
Change in fair value of investment properties	298,850	9,315
Operating profit	5,657,055	5,301,919
Finance expenses	(250,756)	(392,968)
Share of results of associates and joint ventures	157,958	166,894
Profit before taxation	5,564,257	5,075,845
Taxation	(1,299,167)	(1,255,827)
Profit for the year from continuing operations	4,265,090	3,820,018
Discontinued operations:		
Profit for the year from discontinued operations	4,765,506	-
Profit for the year	9,030,596	3,820,018
Profit attributable to:		
Company's shareholders		
From continuing operations	3,308,813	3,579,191
From discontinued operations	4,629,840	-
Non-controlling interests		
From continuing operations	956,277	240,827
From discontinued operations	135,666	-
	9,030,596	3,820,018
Earnings per share from continuing operations		
- Basic	HK\$1.84	HK\$1.98
- Diluted	HK\$1.83	HK\$1.98
Earnings per share from discontinued operations		
- Basic	HK\$2.57	HK\$-
- Diluted	HK\$2.56	HK\$-

# Appendix IV : Consolidated Statement of Financial Position

	As at 31 Dec 2021 HK\$'000	As at 31 Dec 2022 HK\$'000
<b>ASSETS AND LIABILITIES</b>		
<b>Non-current assets</b>		
Intangible assets	4,303,119	5,855,895
Investment properties	1,939,636	1,819,589
Property, plant and equipment	7,526,228	7,869,412
Right-of-use assets	4,348,205	3,221,273
Associates and joint ventures	2,281,222	1,642,761
Financial assets at fair value through other comprehensive income	587,337	554,962
Investment in convertible bonds	5,911	5,538
Deferred taxation	155,944	463,169
	21,147,602	21,432,599
<b>Current assets</b>		
Financial assets at fair value through profit or loss	800,068	38,137
Financial assets at fair value through other comprehensive income	17,166	-
Inventories	374,775	482,035
Accounts receivable, prepayments and deposits	16,662,937	13,406,909
Tax recoverable	63,972	721,645
Amounts due from fellow subsidiaries	3	-
Restricted and pledged bank deposits	11,748	12,383
Cash and bank balances	9,084,105	9,240,365
	27,014,774	23,901,474
<b>Current liabilities</b>		
Lease liabilities	1,377,209	1,196,141
Accounts payable, deposits received and accrued charges	11,694,873	10,695,071
Amounts due to fellow subsidiaries	-	278,252
Amounts due to related companies	140,842	166,063
Taxation	752,201	492,536
Loans from non-controlling interests	27,703	6,862
Short-term bank loans and current portion of long-term bank loans	3,648,671	2,226,402
Bank overdrafts	199,201	83,801
	17,840,700	15,145,128

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

	As at 31 Dec 2021 HK\$'000	As at 31 Dec 2022 HK\$'000
<b>Non-current liabilities</b>		
Loans from non-controlling interests	205,594	209,144
Long-term bank loans	2,261,839	6,586,447
Lease liabilities	2,384,652	1,453,234
Deferred taxation	406,072	614,209
Retirement benefit obligations	50,028	52,110
Other non-current liabilities	176,775	24,096
	5,484,960	8,939,240
<b>ASSETS LESS LIABILITIES</b>	24,836,716	21,249,705
<b>EQUITY</b>		
<b>Capital and reserves attributable to the Company's shareholders</b>		
Share capital	903,655	903,712
Share premium	4,072,917	4,074,169
Retained profits and other reserves	16,071,908	13,451,213
	21,048,480	18,429,094
Put option written on non-controlling interests	(4,593)	-
	21,043,887	18,429,094
Non-controlling interests	3,792,829	2,820,611
<b>TOTAL EQUITY</b>	24,836,716	21,249,705