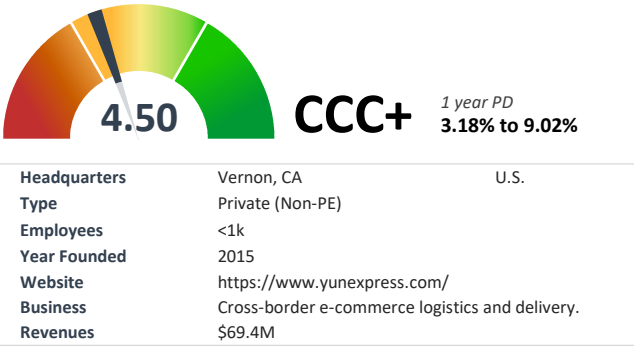


# Yunexpress USA, Inc.



## Company Overview

- Company Overview:** Yunexpress provides cross-border e-commerce logistics services, with operations focused on 1st and last-mile delivery, customs clearance, and end-to-end B2C parcel delivery optimization.
- Product:** B2C cross-border logistics solutions, including inter- rnational parcel forwarding, customs brokerage, and domestic last-mile distribution in partnership with US carriers. Daily throughput exceeds 700k parcels, supported by 30+ global transit centers.
- Customers:** Serves e-commerce merchants—ranging from platform sellers to DTC brands, with logistics integration through partnerships with DHGate, Shopify, Temu, Shein, etc. Claims >60k enterprise clients globally.
- Ownership:** Wholly-owned by Zongteng Group, a Shenzhen-based global logistics group with affiliated brands (e.g. Elogistics, Worldtech, and KWT).
- Debt Structure:** Net of Cash the entity carries no LT debt or an R/C-line.
- Basis for Assessment:** Company prepared, uncommented, high level FY-22, and FY-23. The latter was the main financial basis for this assessment.
- Other (pros/cons):** Although still far below market profitability improved meaningfully in FY-23. Supported by a steep rise in revenue, the entity turned a Net Loss into a Net Profit. Debt-free, but tight Liquidity with a high reliance on vendor credit. The latter exposes them to liquidity shocks should key suppliers shorten terms, given weak current ratio and no credit facility. Other single event default risks are: Regulatory Shock - sudden tariff or customs changes could disrupt volumes and cash flow, with limited margin buffer to absorb impact. Parent Reprioritization - lack of visible financial support from Zongteng Group creates risk if strategic focus shifts or capital is pulled from US operations.

## Financial Snapshot

		Dec-22	Dec-23	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	#N/A	39,683	69,368	74.8%
Gross Profit	#N/A	2,026	5,378	165.4%
Adjusted EBITDA	#N/A	(1,269)	1,677	232.2%
Gross Profit Margin	#N/A	5.1%	7.8%	2.6 ppt
EBITDA Margin	#N/A	-3.2%	2.4%	5.6 ppt
Net Income	#N/A	(1,476)	990	167.1%

## Financial Ratio Benchmarking

# of Benchmarks:	26	Industry Median	Company Metric	Percentile Rank	# of Industry Benchmarks	26
		\$176M	\$69M		Company Financials Date	Dec-23
Liquidity	Revenue				Industry Benchmarks - Primary: Cargo Ground Transportation	
	Current Ratio	1.03	0.67	<div></div> 37%		
	Quick Ratio	0.99	0.67	<div></div> 37%		
Leverage	Net Debt / EBITDA	3.98	(0.89)	<div></div> 96%		
	Debt to Assets	55.8%	0.0%			
Profitability	EBITDA Margin	9.8%	2.4%	<div></div> 4%		
	ROCE %	6.3%	-464.3%	<div></div> 0%		

## Business Risk

Industry Group Risk Profile			Transportation Cyclical	20%	5.5	to	7.0
Industry Risk Assessment	KPI Rating	Contribution	Industry Group Description				
Cyclicality	High risk	<div></div>	Entities that derive a majority of their revenue from operating airlines (including heavy air freight), shipping companies, trucking companies, and certain miscellaneous other transportation companies, such as bus companies.				
Competitive Risk	Moderately high risk	<div></div>					
Global Industry	High risk	<div></div>					
Market Segment Outlook	Strong	<div></div>					
Competitive Position Profile			Logistics	50%	4.0	to	5.5
Competitive Position KPIs	KPI Rating	Contribution	Rating Guideline				
Cycle-Tested	2009-2019	<div></div>	Pre-COVID.				
Customer Concentration	Satisfactory	<div></div>	Moderate customer concentration. Top 5 customers 40-60% of total sales.				
Average Customer Contract Term	Weak	<div></div>	<6 months, short term contracts could lead to revenue volatility.				
On-time Delivery	Weak	<div></div>	Below industry standard on-time delivery rate. Issues with routing and scheduling.				
Technological Capabilities	Satisfactory	<div></div>	Average technology use, some automation but many processes still manual.				
Global Presence and Partnerships	Above Average	<div></div>					
Management, Governance, Sponsorship				30%	4.5	to	5.5

## Anchor Modifiers

Modifiers			
Revenue Segment	Normalization	<div></div>	\$50-100M
Trend Analysis	Adjustment	<div></div>	Strong Positive
Other Modifier	Risk Flag	<div></div>	Downward adjustment due to pending tariff discussions, which could have a severe impact.

## Rating Range (Rounded)

4.0 to 5.0