



FY 2023 Results and Achievements

10 April 2024



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1. Key Messages

The background features a dark blue gradient. On the right side, there is a complex, woven mesh pattern that resembles a fabric or a digital grid. On the left side, there is a dark, undulating shape that looks like a wave or a draped fabric, creating a sense of depth and movement.

About eCargo

- ASX-listed supply chain solutions company
- Help brands expand in the Asia market, with a specific focus on China
- One-stop solution covering logistics and fulfilment, channel management, distribution and marketing
- Trusted by brands across different categories
- Builds an agile, digitalised and integrated supply chain for brands to deliver omnichannel growth



A Year of Growth



Strong revenue growth in online segment



Expanded online distribution network



Launched Flow, proprietary supply chain and trading platform



Improving operational efficiency and scalability of the business



Significant growth in customer acquisition



Cash flow and balance sheet remain strong

Strategic Focus



Shift focus from B2C to B2B sales

Platform demand, higher sell-through rates

Focus on cross-border eCommerce channels



Enhance supply chain technology

Launched Flow, a B2B supply chain and trading platform digitalising logistics, distribution and credit management



Sharpen brand portfolio

Niche brands within high demand categories

Beauty, personal care, maternal and baby, premium food and beverage

Delivering on our mission to help brands sell more

Results Summary

Revenue

HK\$188.2M

YoY increase by 50%

Operating Profit

HK\$6.9M

YoY increase by 71%

EBITDA

HK\$9.2M

YoY increase by 14%

Achievements



Flow completed 120 transactions, funded over US\$12M+ in purchase value



Secured US\$5 million funding to further grow Flow business

Partnership with Chinese eCommerce platforms (Alibaba, JD, VIPShop)



Entry into new industries including electronic components





2. Business Performance Updates

3 Key Business Segments

FY2023 revenue by business segment

Offline Distribution

HK\$10.2M  37.8% vs FY22

Online Distribution

HK\$149.1M  78.8% vs FY22

Digital Commerce Services

HK\$28.9M  12.9% vs FY22

Services

Grocery and convenient stores



CBEC and social commerce partners



Revenue drivers

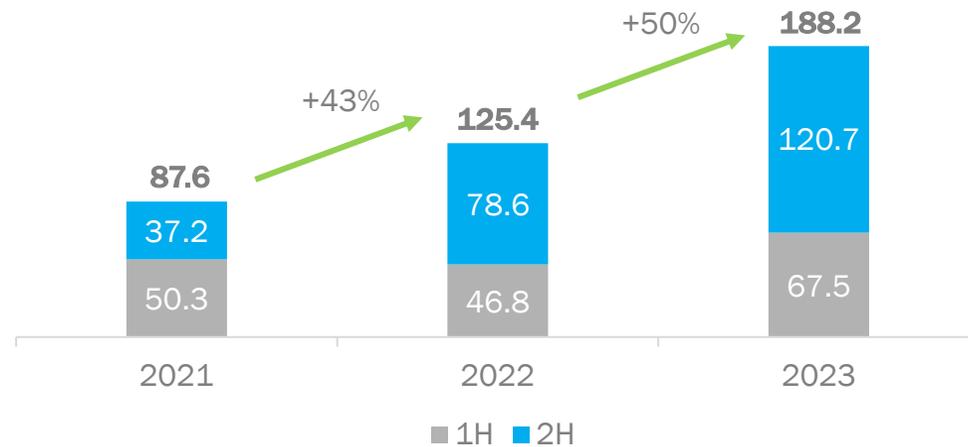
- Trade margins
- Management fees (logistics, channel distribution)
- Technology-enabled

- Fulfilment and warehousing
- eCommerce
- Marketing
- Channel management

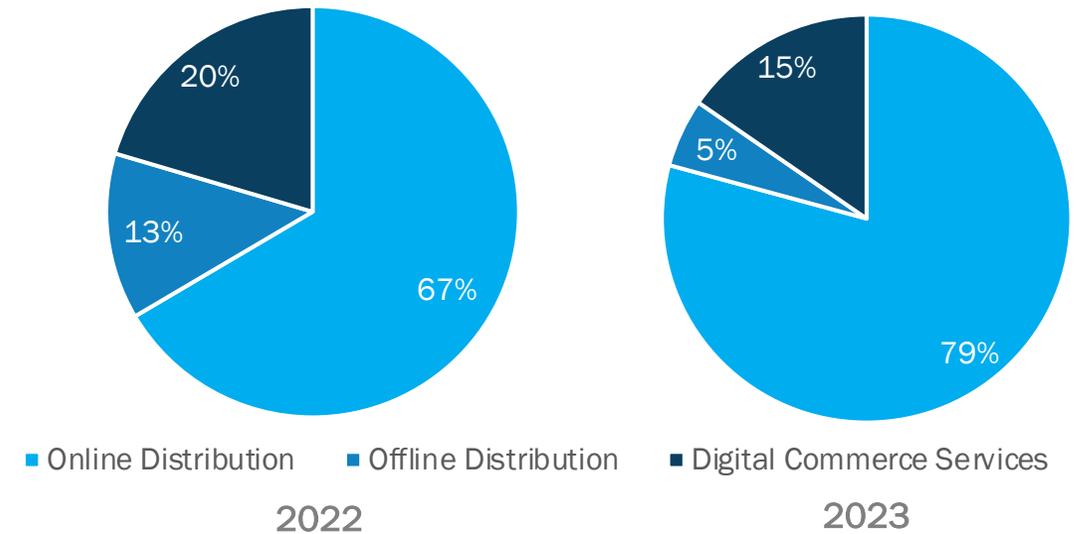
- Retainer fees
- Sales commissions

Overview – Revenue

Revenue (HK\$M)



Revenue Contributions (by Business Segment)

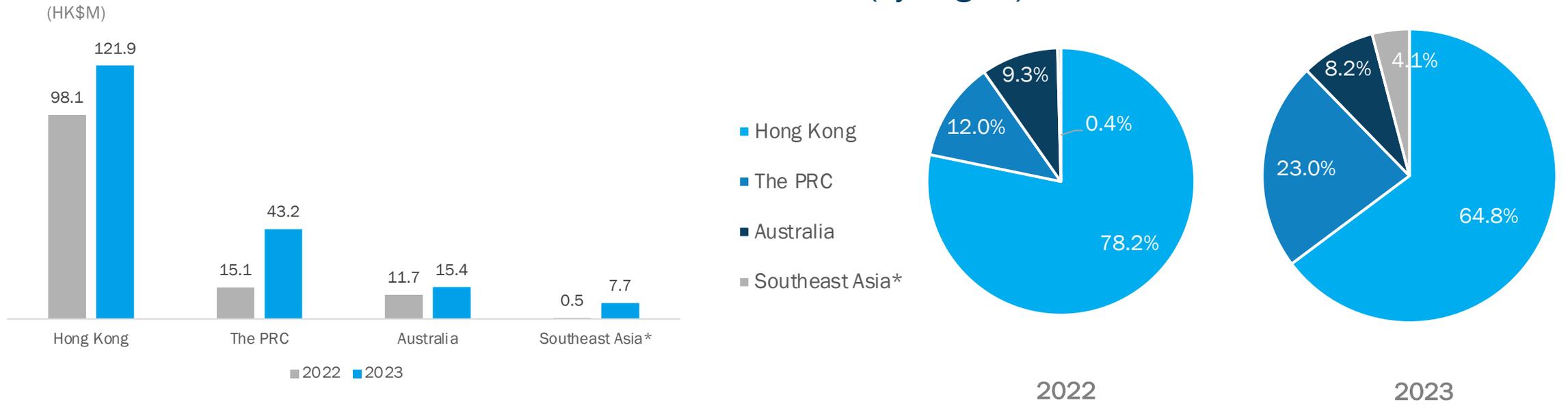


- Revenue growth primarily from increased B2B trade volume;
- Flow platform significantly contributed to the accelerated growth in 2H;
- Online distribution revenue increased by 50%

*Online distribution refers to final sale transaction occurring on online platforms; Offline distribution refers to final sale transactions occurring in brick-and-mortar stores

Overview – Revenue (cont'd)

Revenue Contributions (by Region)

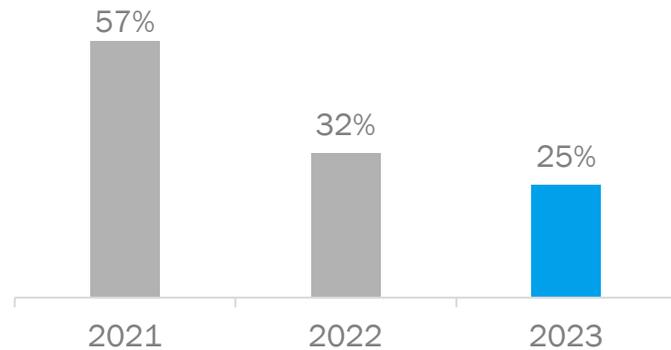


- Revenue growth in Greater China maintains a substantial part of Group’s revenue;
- Southeast Asia revenue also sees growth as the Group expands into regional Asia market

*Southeast Asia region includes Singapore and Malaysia

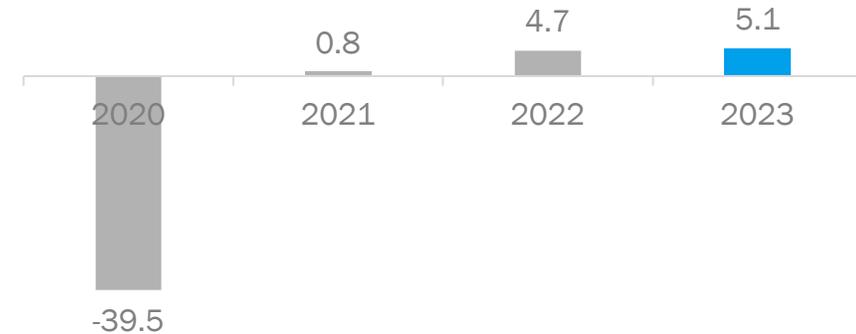
Overview – Net Profit and Gross Profit Margin

Gross Profit Margin



- Fall in gross profit margin as the company shifts from service-driven to technology-driven model
- Weakening renminbi and consumer confidence also puts pressure to execute sales campaigns to maintain sell-through rates
- B2B business can scale quickly and has higher sell-through rates, but generally lower margins

Net Profit* (HK\$M)

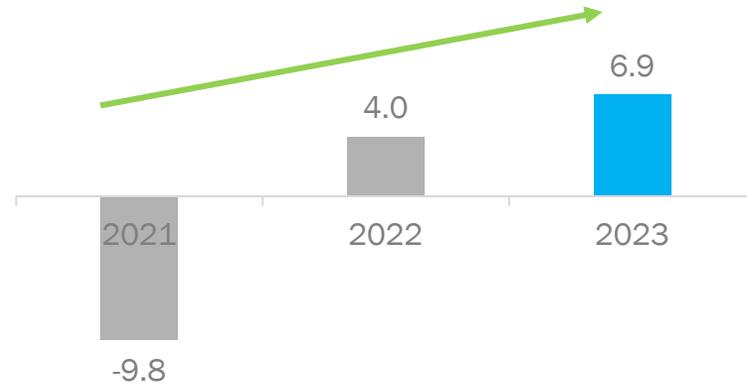


- Net profit growth moderated at 7% due to increased investments on IT developments and higher financing costs due to rising interest rates

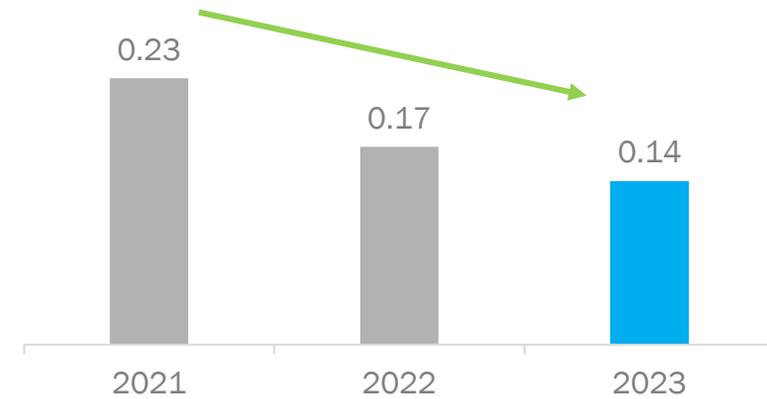
*2022 and 2023 refers to continued operations (excluding one-off disposals)

Overview – Operating Profit

Operating Profit (HK\$M)



Salary to Revenue Ratio



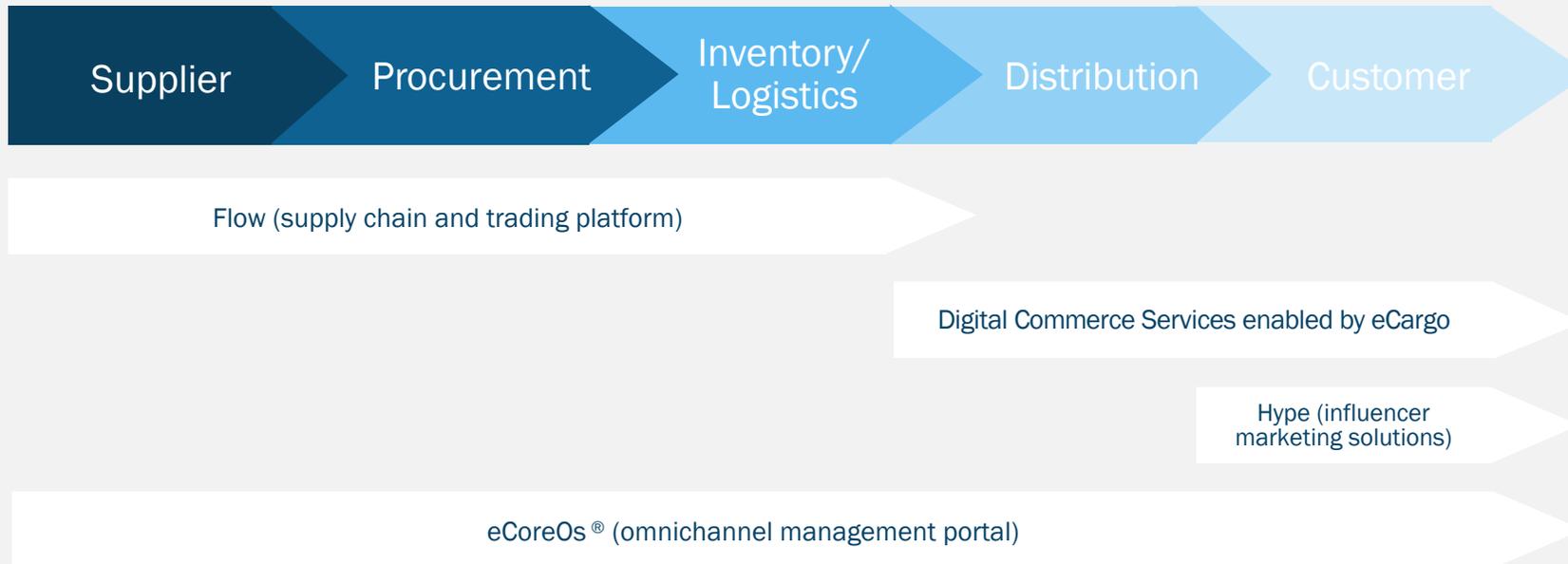
- Increasing operating profit indicates the overall health of the Group's business
- Salary to Revenue improvement demonstrates successful transition from service-driven to technology-driven business model via Flow

3. Growth Drivers

The background features a dark blue gradient. On the left, there is a wavy, textured surface that resembles a liquid or fabric surface. On the right, there is a vertical section with a grid-like pattern of overlapping, slightly offset rectangular shapes, creating a 3D effect. The overall aesthetic is modern and technical.

eCargo supply chain ecosystem

End-to-end Supply Chain:



Value Creation:



Manage and streamline omnichannel sales with eCoreOS®



strong integration capabilities with

E-MARKETPLACES			BRAND SITES	COURIERS		PAYMENTS	ERP
-Tmall	-DouYin	-VIP	-Magento	-Cainiao	-4PX	-Banks	-AS400
-Jingdong (JD)	-WeChat	-Kaola	-BigCommerce	-DHL	-EMS	-Ocean Payment	-Dynamic
-Pinduoduo	-Shopee	-Suning	-Shopify	-SF Express	-ZTO	-AsiaPay	-JAP
-Kuaizhantuan	-Amazon	-Lazada	-Wordpress	-Deppon		-Stripe	-Retail Pro
		...and more	-WooCommerce			-Wechat	-SAP
						-Alipay	
						-Unionpay	

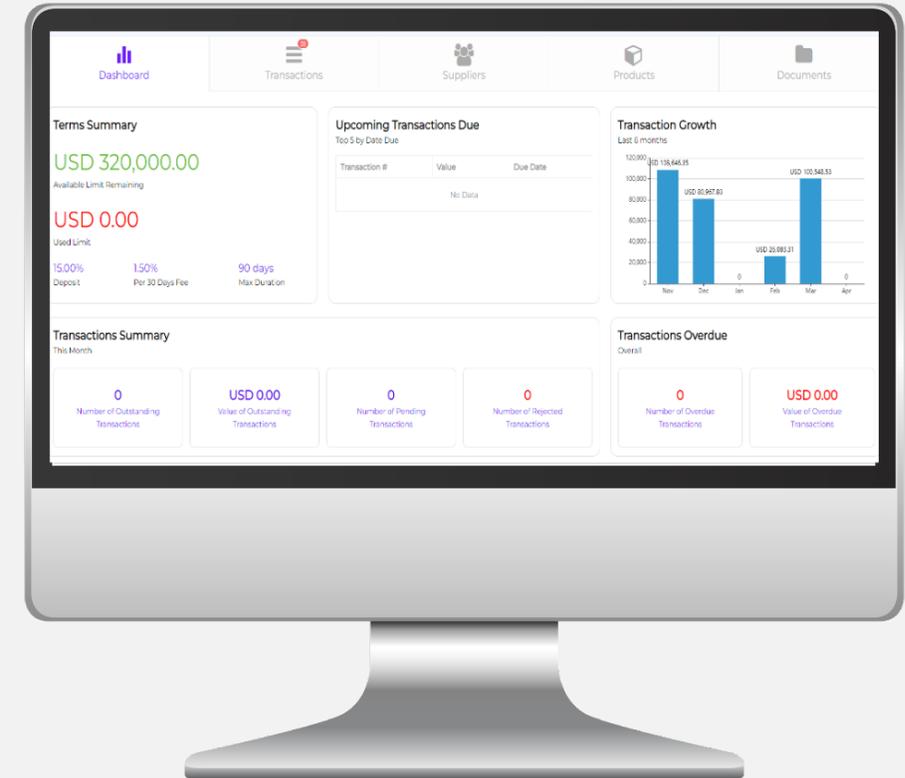
enabling digitalised, streamlined operations

LOGISTICS	ECOMMERCE	DISTRIBUTION	MARKETING	AFTER-SALES
-Freight-forwarding	-e-store development	-Online	-Content creation	-Omnichannel management
-Warehousing	-Product management	-Offline	-Digital marketing	-Market Insights
-Importation	-Channel management	-B2B	-Social media marketing	-Customer Service
-Customs-clearance	-Systems integration	-B2C	-KOL campaign	-CRM
-Shipment tracking	-Technical support	-B2B2C	-Live-streaming	
-Inventory management		-C2C	-Brand-buidling	
-Fulfilment				

Enhanced operational efficiency

Empowering seamless international trade with Flow

- A supply chain and trading platform digitalising trade, credit and logistics management
- Providing secure and transparent environment and robust infrastructure for buyers and sellers to trade
- Tackling challenges currency fluctuations, complex import regulations and supply chain disruptions



80+

Offices in 30+ countries*

100+

Employees

120

Warehouses globally*

30+

Clients across varied industries

120+

Transactions in 2023

>US\$12M

Purchases funded in 2023

*Including affiliate companies' infrastructure network integrated into system

Activate your brand with Hype



Hype is eCargo's microinfluencer platform with over 2,000 content creators helping brands increase brand awareness and drive affiliate sales.



Content Creation

- Local content creators, KOC, KOL, microinfluencers
- Instagram, YouTube
- Foodies, Lifestyle, Beauty, Moms



Brand Activation

- Product launch events
- Community-building events



Affiliate Program

- Affiliates: Moms, Daigous, live-streamers
- Access to private WhatsApp and Facebook groups, forums

10+

Categories of content creators

300k+

Views on Instagram

23

Microinfluencer campaign

2024 outlook and strategic focus

- Expansion into new markets in Southeast Asia
- Continue enhancing services to better support B2B international trades
- Development of Flow to improve capability, scalability, and user experience
- Accelerate acquisition of new clients and fund larger trade transactions



Thank you.

