



The New Normal:

How E-Commerce Third Party Logistics is Evolving in the Age of COVID-19

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Table of Content

- Introduction
- COVID-19: Impact on Supply Chain
- Retail & E-commerce in the New Normal
- Logistics Outlook for 2021
- Key Takeaways
- Appendix

Lin Zheng

COO of Ninja Van MY

- Started in Ninja Van in 2017 as the Vice President of Regional Operations, overseeing warehouses across 6 countries.
- Took on the role of COO in 2018 and now supervises the organisation's ongoing operations and procedures.
- Previous experiences in Telecoms and Management Consulting.



About Ninja Van

Ninja Van is a tech-enabled express logistics company that provides both upstream and downstream solutions, ensuring a hassle-free experience for Southeast Asian businesses of all sizes.



- 6 markets Singapore, Malaysia, Indonesia, Vietnam, Philippines & Thailand
- More than 1M shippers served
- Close to 80M people delivered

COVID 19: Impact on Supply Chain

The COVID-19 pandemic

Over 200 countries and territories affected globally...

Globally...

105,000,000+
cases and
counting

2,280,000+
deaths and
counting

**2020 - Worst
financial year
recorded** *(since the
Great Depression of the
1930)*

Locally...

231,000+ cases
and counting

820+ deaths
and counting

**Economy takes
a hit** *(gross domestic
product in the 4th quarter
of 2019 declined to 3.6 per
cent, the lowest in 41
quarters since 3Q09 at
negative 1.1 per cent)*

1. <https://covid19.who.int/>
2. <http://covid-19.moh.gov.my/>
3. <https://www.bbc.com/news/business-51706225#:~:text=The%20IMF%20estimates%20that%20the.growth%20in%202020%20was%20China.&text=The%20IMF%20is%20however%20predicting.growth%20of%205.2%25%20in%202021.>
4. <https://www.thestar.com.my/aseanplus/aseanplus-news/2020/11/29/malaysia-economy-in-2020---the-year-that-wasn039t#:~:text=The%20looming%20pandemic%20of%20Covid.at%20negative%201.1%20per%20cent.>

Impact on supply chain

An overview

- COVID-19 has disrupted every supply chain around the world, from food through to healthcare thus leading to global shortages of everything.
- Increase in costs began to take place in response to the shortage of products.
- Local, state and national governments around the world has issued work and travel restrictions, impacting the ability for logistics providers to meet high standards of service.
- At the same time, the industry faced a surge in deliveries due to the rise of e-commerce and social commerce adoption.



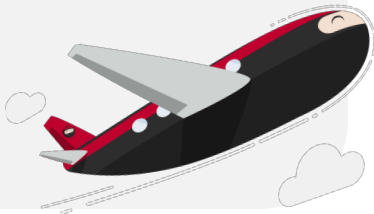
Impact on supply chain

The challenges

Limited air cargo capacity

The COVID-19 pandemic has had a significant impact on the aviation industry due to travel restrictions and a slump in demand among travellers.

Global air cargo capacity declined 16% in the last two weeks compared to last year. Locally, reduced flights have led to significant delays for deliveries, especially for East Malaysia.

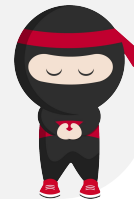


1. <https://www.accenture.com/my-en/insights/travel/coronavirus-air-cargo-capacity>

Limited Operating Hours & Covid-19 SOP

Essential businesses had to work around the clock to implement MCO-specific changes, while remaining operational.

Shortened delivery times, further compounded during the Ramadhan period, greatly impacted overall operational performance.



Disproportionate Cost Structure

During this time, companies have had to scale up operations to meet the growing needs of consumers with very limited resources.

The challenge now is then for companies to demonstrate its ability to remain nimble and agile, while facing a disruption on operations.

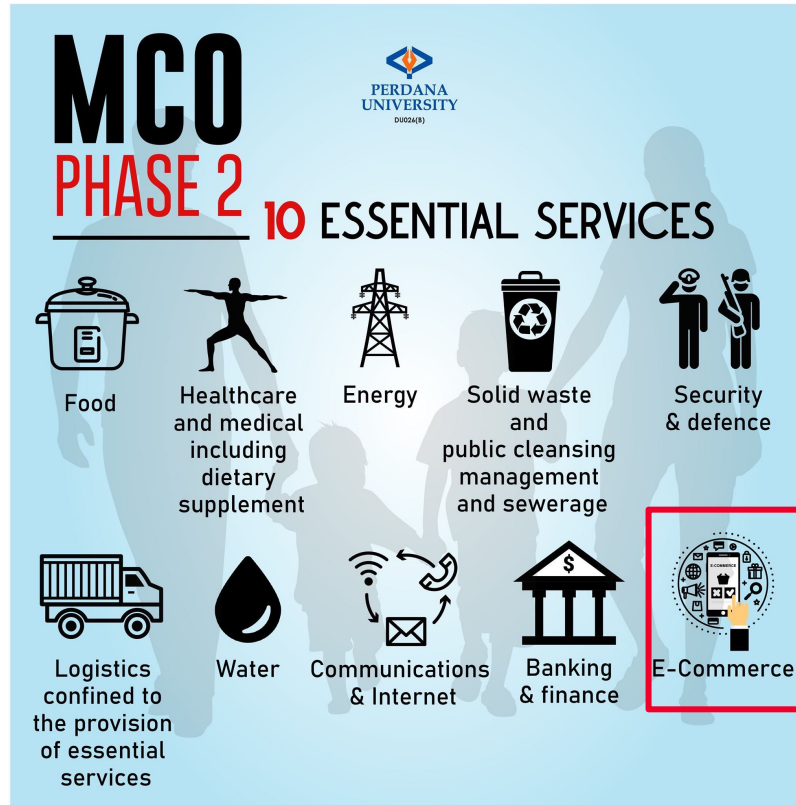




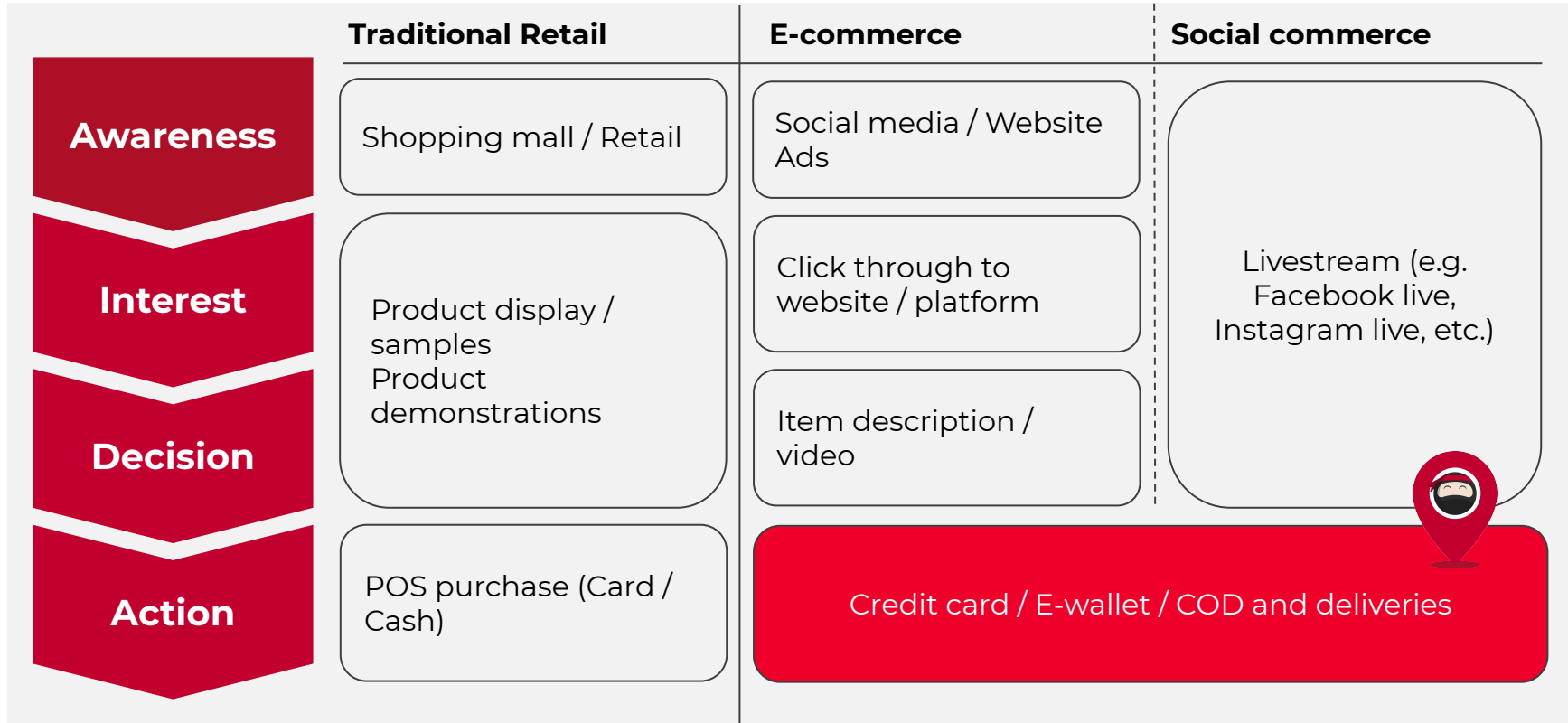
Retail & E-commerce in the New Normal

Recall: What is Essential Services?

Third party logistics is the bridge for non-essential goods to consumer



Traditional retail vs e-commerce & s-commerce



COVID-19 reshapes consumer behaviour

01

The switch to online

- The rise of e-commerce caused a drastic change in consumer buying behaviors and expectations, leading to what is known as the homebody economy.
- Now, 1 out of 3 people in Malaysia prefer online shopping even after the restrictions have been lifted.

02

E-Wallet is the new norm

- With the switch to online, over 45% of Malaysians have started using e-wallet as the new form of payment since the MCO 1.0 and plans to continue to do so in the future.

03

Getting the priority right

- “Needs” prioritized over “wants”, with 72% saying they are less likely to make a major purchase such as a home or a car now than they were over six months ago.



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Logistics Outlook for 2021

Change required from logistic provider to support the growth

01

Adjustment in supply chain based on the shifts

- Distribution model of products have to move from predominantly bulk move to stores to focus on e-commerce deliveries.
- Logistics also have to be able to offer quicker SLA to be competitive (same-day or next-day deliveries)

02

Direct to consumer model

- Investment in tech as it shifts from B2B to B2C orders types
- Investment in additional touch-points e.g. CS and partner with logistic partner that can cater to new delivery types

03

Expansion in types of products

- Products that had low e-commerce reach are increasing e.g. live fish, vegetables
- Bulky deliveries such as white goods, furniture



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Key Takeaways

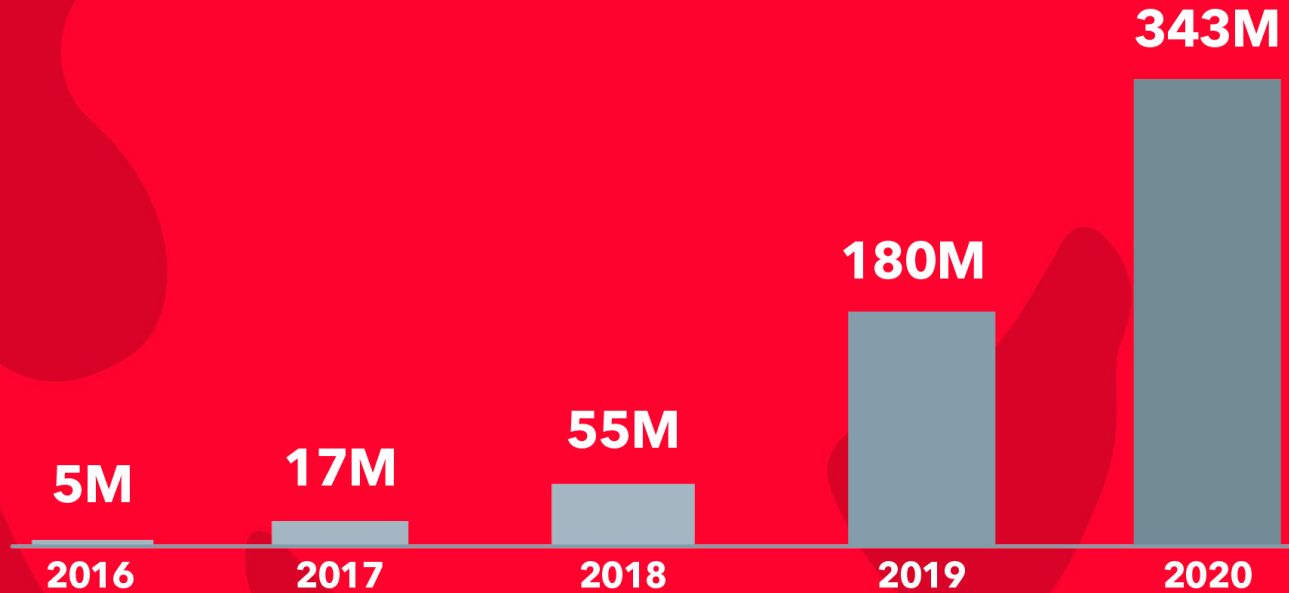
Key Takeaways

- COVID-19 is **disrupting global supply chain on a scale unseen in recent times**, thus creating extreme challenges for logistics organizations.
- With the move to e-commerce expedited by approximately 5 years, companies need to **redefine the ways in which they effectively reach their consumers**.
- Essentials or non-essentials, **logistics now acts as the bridge to connect the two sectors to end-users**.



Appendix - Overview of Ninja Van

Parcels Delivered in SEA (2016 - 2020)



Now delivering ~1.5M parcels per day

Our Strength in SEA



100%
coverage in all
operating markets



>31K
staff count covering
2M square miles of
Southeast Asia



More than
1600
Hubs & Stations



Ninja Van Malaysia

Going beyond logistics to empower SMEs.

Ninja Van Malaysia liberates SMEs from logistical pain points, allowing them to fully focus on growing their businesses.

Next-Day Guaranteed Delivery Partners for:



Lazada

ZALORA

Over the past 12 months...



100%
Coverage in
Peninsular Malaysia



>4000
Ninja points
(Pick-Up Drop-Off
points)



80%
Growth in
fleet size



Millions
Of monthly
parcel deliveries

Questions?

Thank You!



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