

UDC 336.72

RESEARCH ON THE IMPORTANCE OF ZTO EXPRESS'S FINANCING STRUCTURE TO ITS OWN DEVELOPMENT

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Abstract. This study explores how ZTO Express's post-listing financing structure affects its growth, using its 2016–2024 data and empirical methods.

Keywords: ZTO; Express Financing; Structure Corporate; Growth; Post-listing; Empirical Methods.

1. Introduction.

Against the backdrop of intense competition in the express delivery industry and the normalization of capital operations, financing structure has become a core factor influencing the growth capacity of listed enterprises. This paper focuses on the financing structure layout of ZTO Express after its listing, explores the intrinsic correlation between its financing structure and corporate growth capacity, and provides practical references for express delivery enterprises to optimize capital allocation and achieve sustainable growth.

2. Research Purpose.

Analyze the mechanism by which core elements such as equity financing and debt financing affect ZTO Express's business expansion and profitability improvement.

Based on empirical analysis, provide a basis for ZTO Express and peer enterprises to optimize financing strategies and balance capital costs with growth potential

2.1. Debt Level: Reasonable Range. The average asset-liability ratio (DAR) stood at 45.8 % with a standard deviation of 8.2 %, indicating the company's debt scale is within a manageable and rational range.

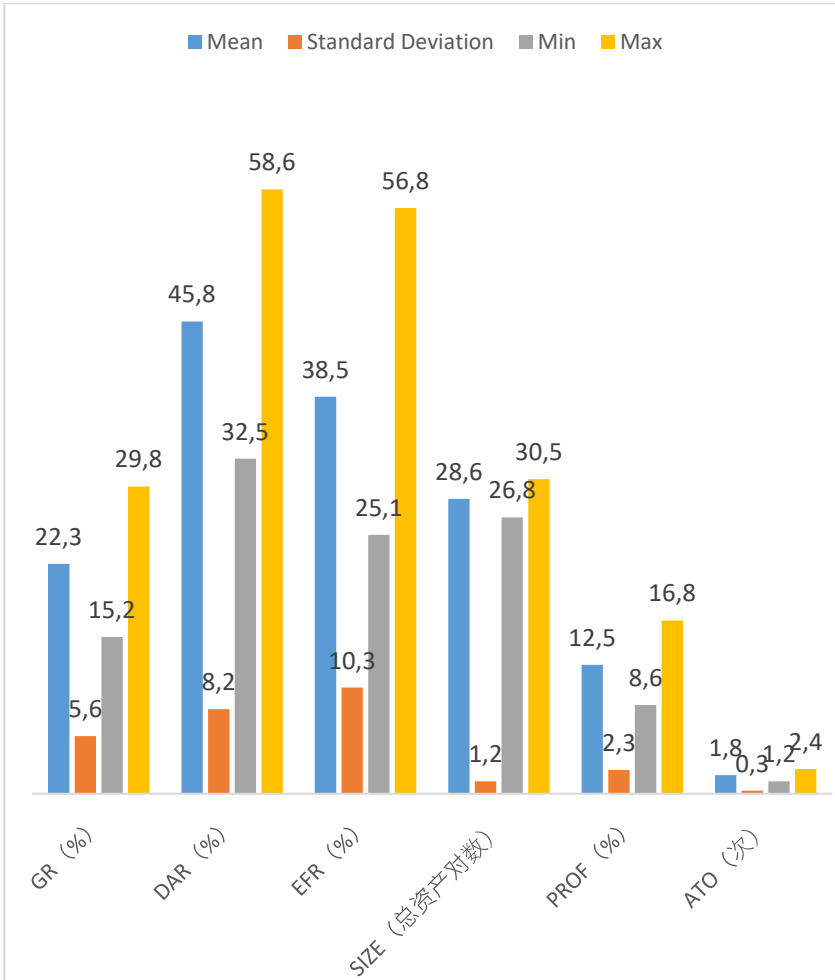


Figure 1 – ZTO Express Variable Financing

Equity Financing: Scale Fluctuations The average equity financing ratio (EFR) reached 38.5 % with a standard deviation of 10.3 %, showing significant fluctuations in the company's equity financing scale.

Comprehensive Development: Positive Trend The average company size (SIZE) was 28.6, average profitability (PROF) 12.5 %, and average

asset turnover rate (ATO) 1.8 times, all demonstrating a sound overall development momentum.

Future Outlook: Opportunities and Challenges Based on the above data, this section infers the company's future development trends and outlines potential opportunities and challenges ahead.

2.2. Result Discussion [0].

Empirical results indicate equity financing exerts a significant positive impact on ZTO Express's growth capacity-post-listing funds raised supported logistics network development, equipment procurement and technological innovation, boosting business scale and competitiveness [0].

The asset-liability ratio shows a U-shaped relationship with growth: below the 48 % threshold, debt financing's interest and repayment pressures inhibit growth; beyond it, the tax shield effect, optimized debt structure (higher long-term debt ratio) and improved capital efficiency turn debt financing into a growth driver.

Company size, profitability and asset turnover rate all have significant positive effects on growth, respectively enhancing economies of scale, providing internal funds and improving asset operational.

3. Financing Strategies.

Equity Financing: Raise core funds through IPO and optimize the equity structure to improve corporate governance efficiency.

Debt Financing: Reasonably use tools such as bank loans and bond issuances to supplement liquidity and reduce the overall cost of capital.

Diversified Financing: Explore approaches such as supply chain finance and the introduction of strategic investors to broaden funding channels and bind industrial resources.

4. Strategy Implementation.

Focus funds on core businesses, investing in the construction of transit centers, upgrading of transportation fleets, and iteration of information systems to improve operational efficiency.

Strengthen the management and control of franchisees and network collaboration, and optimize service quality through financing support to consolidate market share.

Dynamically adjust the financing ratio to respond to changes in industry policies and fluctuations in market competition, balancing growth rate with financial stability.

5. Conclusions and Prospects.

The research shows that the diversified financing structure of ZTO Express after its listing has effectively supported its business expansion and profit growth. Equity financing has optimized the governance structure, and debt financing has improved capital use efficiency. This practice provides a reference path of “capital empowering growth” for enterprises in the express delivery industry. In the future, further exploration can be made into the in-depth binding model between financing structure and long-term competitiveness.

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