



Dingdong (Cayman) Limited 2023Q3 Results

November 2023

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Content

01

—
2023Q3 Financial
and Operational
Results

02

—
Business
Updates

03

—
2023Q3 Financial
Highlights and
Guidance

2023Q3 Financial and Operational Results

All figures in RMB

Fourth consecutive quarter of non-GAAP profitability
GAAP profitability for the second time since 2022Q4

GMV & Revenue

	Q3	QoQ	YoY
GMV	5.7 billion	+6.4%	-13.0% ¹
Reason		<ul style="list-style-type: none"> Order volume +6.0% Average daily order volume per station +11.7% AOV +0.5% 	<ul style="list-style-type: none"> Strategic suspension of operations in a number of cities and stations leading to 9.8% decrease in GMV Resumption of offline shopping and travel during peak holiday season
Revenue	5.1 billion	+6.2%	-13.5% ¹

GAAP & Non-GAAP Net Profit

	Q3	QoQ	YoY
GAAP net profit	2.1 million Margin +0.04%	+38.7 million	+347.0 million
Non-GAAP net profit	15.5 million Margin +0.3%	+8.0 million	+300.7 million

Operating highlights

Average monthly user order frequency	4.2 times	QoQ +0.2 times
Users with monthly ARPU of more than RMB560	~1 million	
Shanghai GMV		+7.8%

Note 1 High base effect set in 2022Q3 due to Covid-19 restrictions in China.



Core Competitive Advantages

Service

Timely, efficient, and reliable instant home delivery

Improving Order Fulfillment Efficiency

- Percentage of instant orders delivered within 40 minutes **+6.8 percentage points YoY**
- Average earliest available timeslot for scheduled orders **-14.3 mins YoY**

Optimized Network Layout of Regional Processing Centers

- Fulfillment expense ratio for regional processing centers **-2.7 percentage points YoY**

Product Development Capabilities

Core driving force

Extensive SPUs, Concentrated SKUs

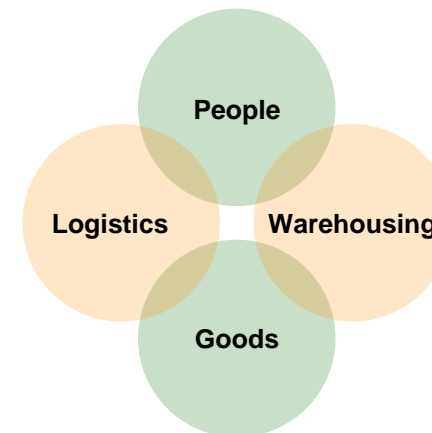
- SKUs with monthly sales exceeding 5 million **+10, compared with Q1**
- SKUs with monthly sales exceeding 10 million **+3, compared with Q1**

Improving Product Turnover Rate

- Turnover time **reduced to 10.7 days**
- Turnover time for frontline fulfillment stations **reduced to 4.5 days**

IT-Enabled Supply Chain Capabilities

Procurement → Production & Processing → Warehousing → Fulfillment & Distribution



End-to-end loss rate below 1.5%

We are a Food Company with R&D and Production Capabilities

Customers are Increasingly Buying Dingdong-branded Products Rather than Products on Dingdong

Numerous private-label products are developed and produced in our **12 self-operated factories**



Our full-chain, closed-loop supply chain gives us a unique advantage when ensuring supply, quality, price, and efficiency.

"Dingdong Handmade Thin Skin" series of rice flour products

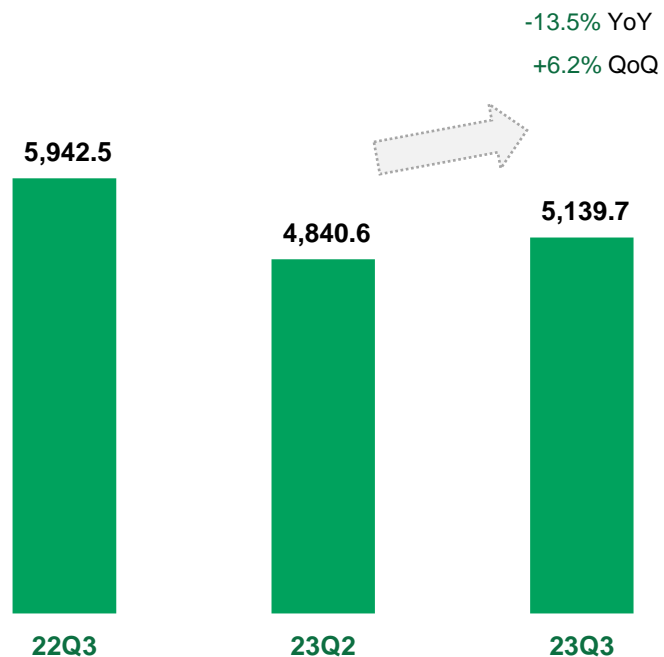


Generated more than **RMB16 million** in sales in just over two months.

2023Q3 Financial Highlights

Revenue

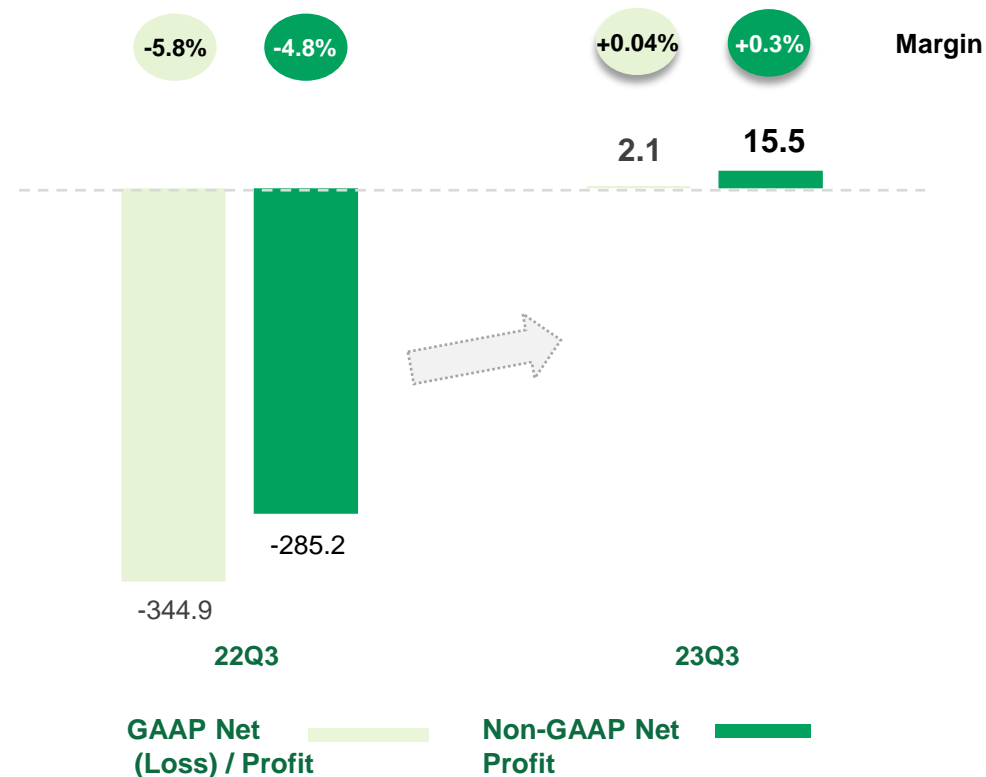
RMB (M)



■ GMV in Jiangsu and Zhejiang provinces achieved double-digit growth YoY and QoQ.

Net (Loss) / Profit

RMB (M)



2023Q3 Financial Highlights

Gross Profit

RMB (M)

Gross Margin

30.0%

30.4%



Fulfillment Expenses

RMB (M)

As % of revenue

26.8%

1,595.3

22Q3

23.3%

1,199.3

23Q3

G&A Expenses

RMB (M)

As % of revenue

2.2%

133.3

22Q3

1.7%

89.3

23Q3

Sales and Marketing Expenses

RMB (M)

As % of revenue

2.1%

127.2

22Q3

1.9%

98.2

23Q3

Product Development Expenses

RMB (M)

As % of revenue

4.3%

255.0

22Q3

3.9%

199.3

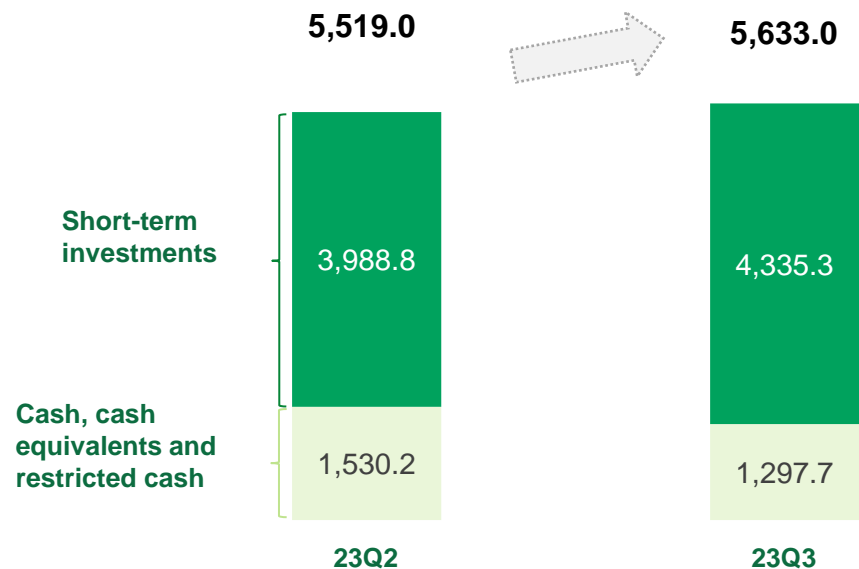
23Q3

Note: The fees and rates in the above figure are based on GAAP standards.

2023Q3 Financial Highlights

Cash Position

RMB (M)



Positive operating cash inflow of **RMB130 million** in Q3

Guidance for the Fourth Quarter and Full Year of 2023

2023 Outlook

- 2023Q4 non-GAAP net profit break even
- 2023 Full Year non-GAAP net profit break even

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THANK YOU