

2Q 2024 Earnings Presentation

August 28, 2024

BAO ZUN



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The Company uses certain financial measures that are not recognized under generally accepted accounting principles in the United States (“GAAP”) in evaluating its business. These non-GAAP financial measures have limitations as analytical tools. One of the key limitations of using non-GAAP financial measures is that they do not reflect all items of income and expense that affect the Company’s operations. Further, the non-GAAP measures may differ from the non-GAAP measures used by other companies, including peer companies, and therefore their comparability may be limited. The use of such non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures, see “Reconciliations of GAAP and non-GAAP Financial Measures”.

2Q24 Financial Highlights



Revenue

RMB 2.4 bn

YoY +3%



Non-GAAP
Operating Income ⁽¹⁾

RMB 10 mn

YoY + RMB 9 mn



Non-GAAP
Net Income ⁽²⁾

RMB 7 mn

YoY +42%



YTD Share
repurchase

US\$4.9 mn

(1) Non-GAAP income (loss) from operations is a non-GAAP financial measure, which is defined as income from operations excluding the impact of share-based compensation expenses, amortization of intangible assets resulting from business acquisition, acquisition-related expenses, impairment of goodwill, loss on variance from expected contingent acquisition payment, and cancellation fees of repurchased ADSs and returned ADSs.

(2) Non-GAAP net income (loss) is a non-GAAP financial measure, which is defined as net income (loss) excluding the impact of share-based compensation expenses, amortization of intangible assets resulting from business acquisition, acquisition-related expenses, impairment of goodwill and investments, loss on variance from expected contingent acquisition payment, cancellation fees of repurchased ADSs and returned ADSs, fair value loss on derivative liabilities, loss on disposal of subsidiaries and investment in equity investee, and unrealized investment loss.

Net Revenues Breakdown

Total Net Revenues

RMB 2.4 bn YoY +3%

E-Commerce Net Revenues

RMB 2.1 bn YoY +6%

Brand Management Net Revenues

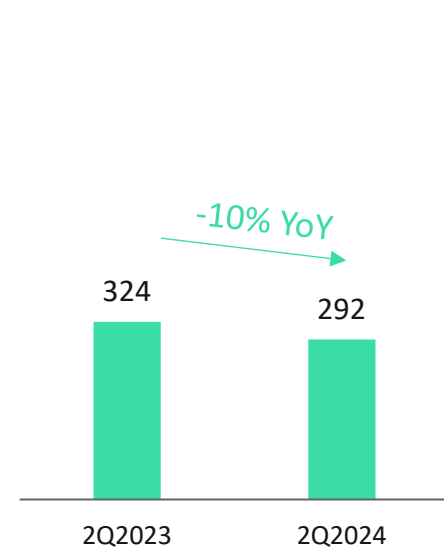
RMB 294 mn YoY -9%

Product Sales

Services

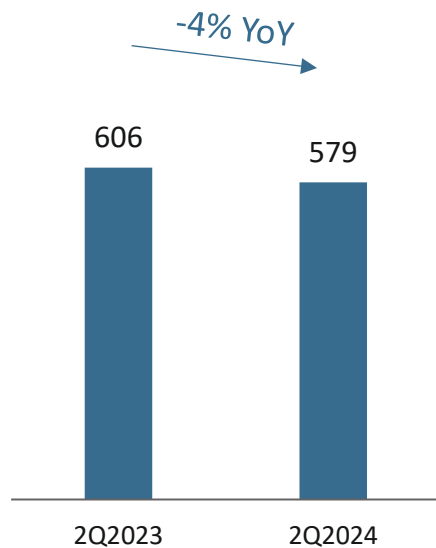
Product Sales – Brand Management

RMB mn



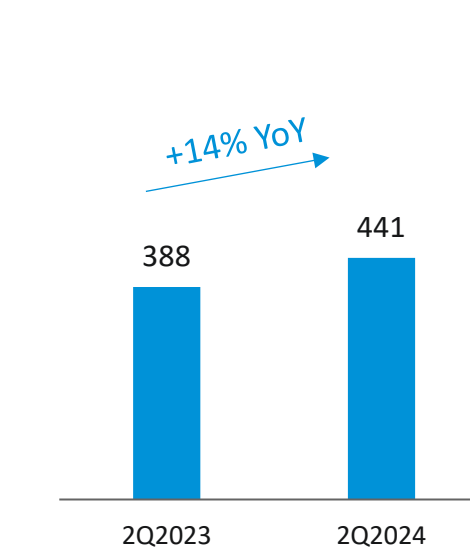
Product Sales – E-Commerce

RMB mn



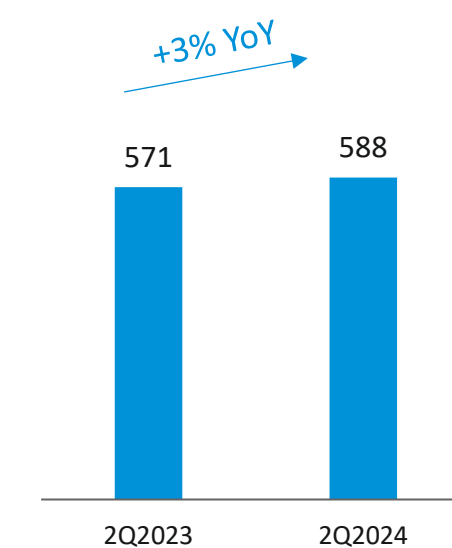
Services – Online Store Operations

RMB mn



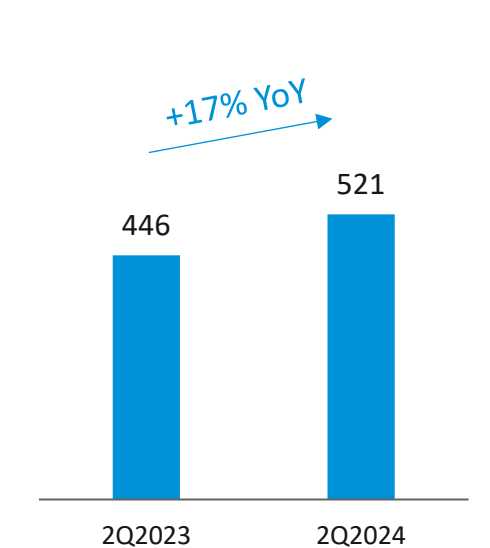
Services – Warehousing & Fulfillment

RMB mn



Services - Digital Marketing & IT Solutions

RMB mn



Brand Management

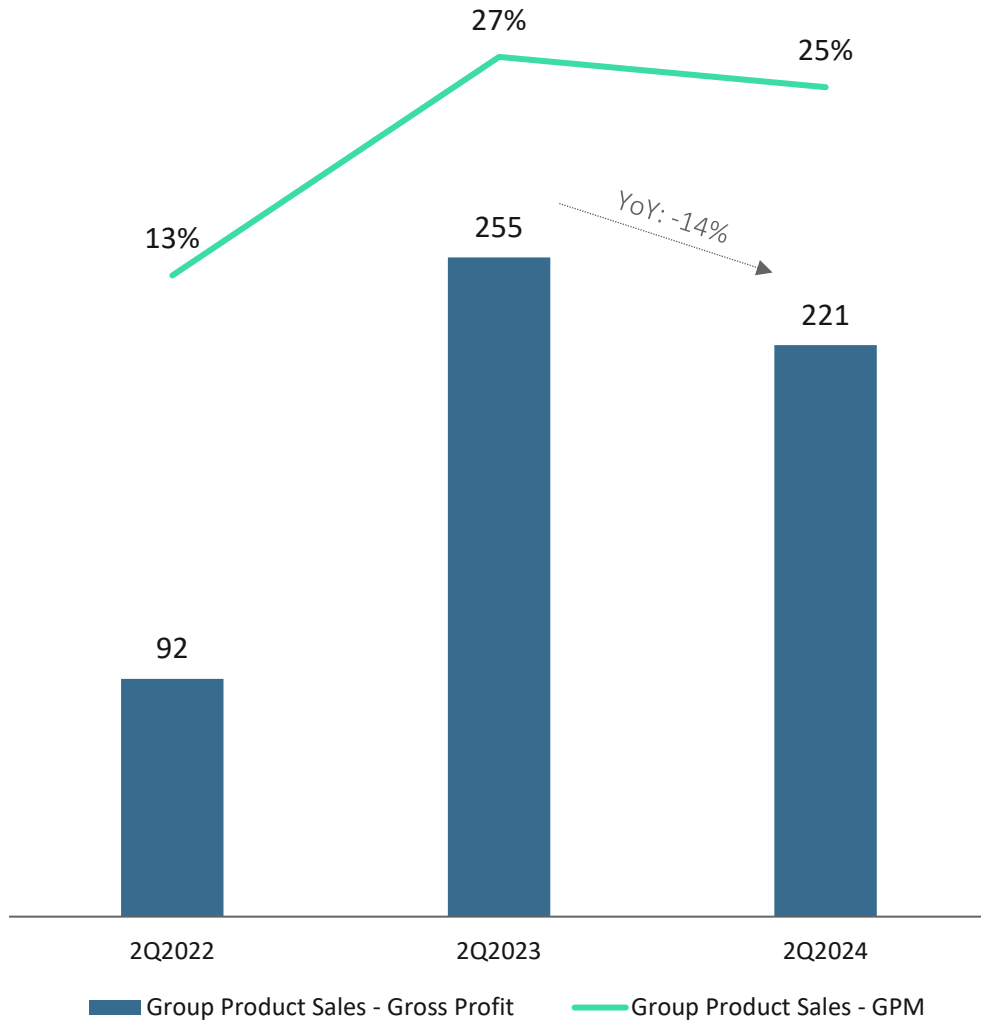
E-Commerce

Gross Profit and Gross Profit Margin of Product Sales



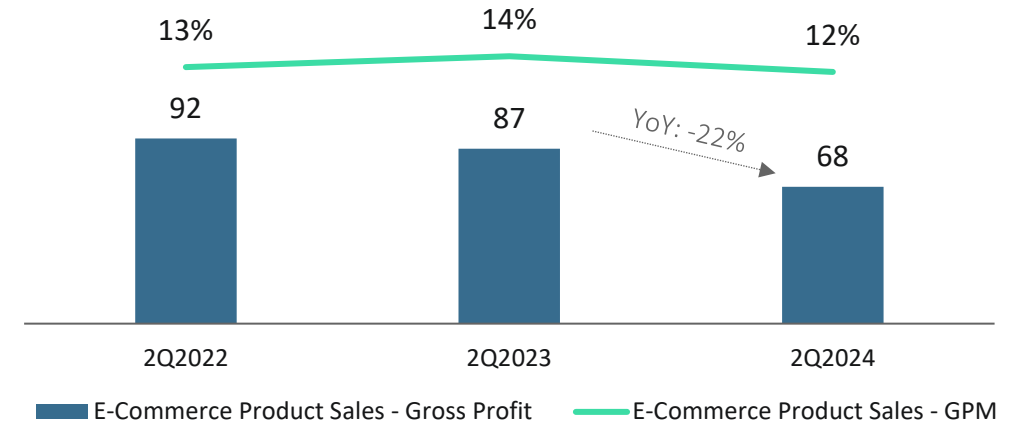
Gross Profit and Gross Profit Margin of Baozun Group Product Sales

RMB mn



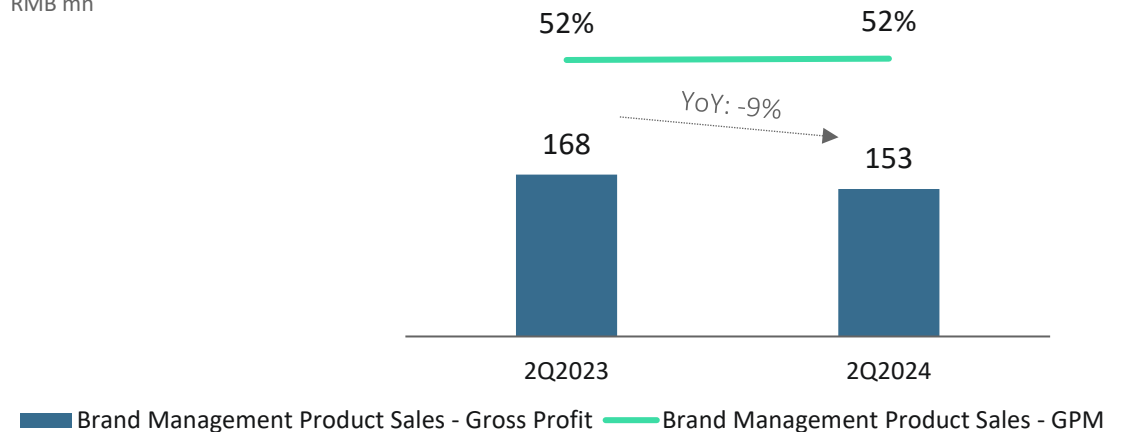
Gross Profit Margin of E-Commerce Product Sales

RMB mn



Gross Profit Margin of Brand Management Product Sales

RMB mn



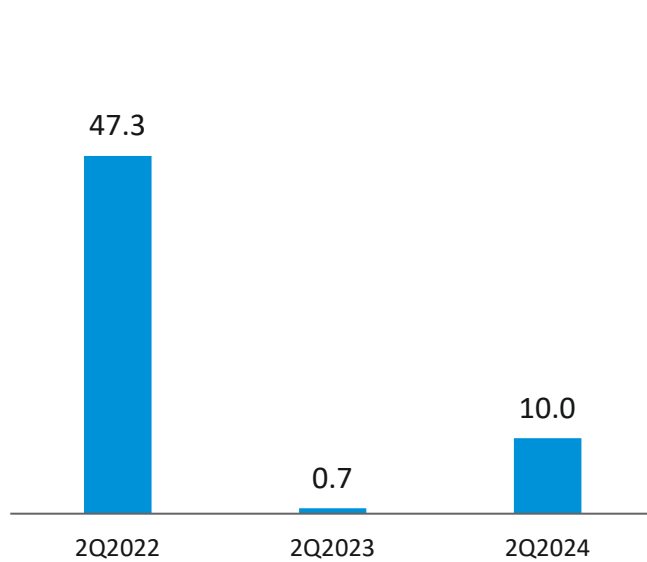
Non-GAAP Operating Profit Breakdown



Baozun Group

Non-GAAP Operating Profit for Baozun Group ⁽¹⁾

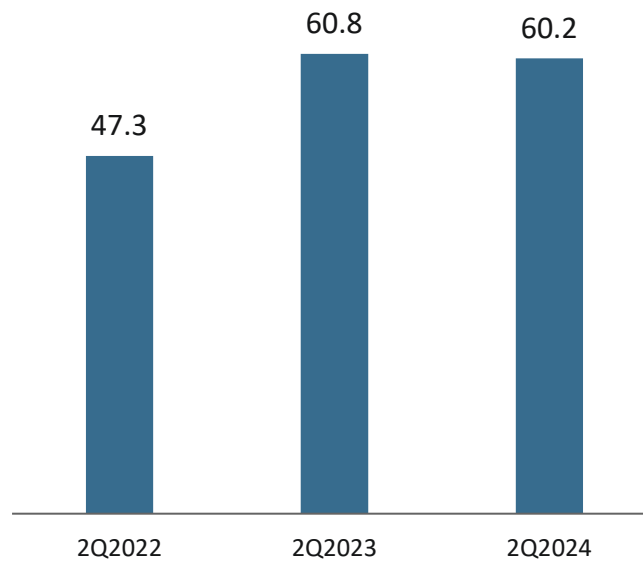
RMB mn



E-Commerce

Adjusted Operating Profit for E-Commerce

RMB mn



Brand Management

Adjusted Operating Profit for Brand Management

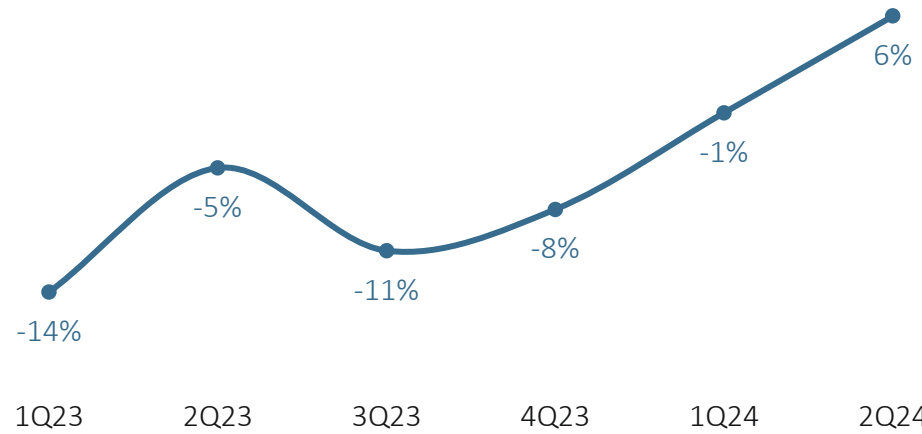
RMB mn



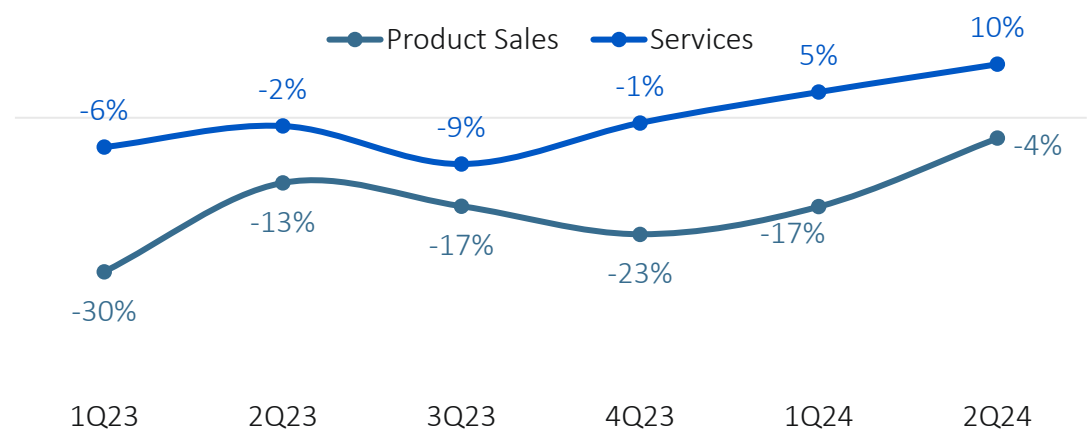
(1) Including inter-segment elimination of RMB0.2 million between E-commerce and Brand Management segment in 2Q2024.

E-Commerce Strategic Plan and Quarterly Highlights

E-Commerce Revenue ⁽¹⁾ YoY Growth



E-Commerce Revenue ⁽¹⁾ Breakdown YoY Growth



3 Growth Enablers



Enhance customer satisfaction and enrich value-added services



Develop high-quality product sales business



Explore new businesses and new service types

2 Sustainability Objectives



Operational excellence & Cost optimization



Corporate governance, sustainability, talent development

(1) Before inter-segment elimination

Brand Management Key Achievements



Net Revenues

Product Sales Gross Profit Margin

Non-GAAP Operating Loss

Total Store Numbers

2Q24

294_{MM}

52.3%

50_{MM}

126

Opened 9 New Stores



Integrated Marketing



Summer Functional Product



Q&A

Appendix



Selected Consolidated Statements of Income

in RMB '000	For the year ended December 31,			For the three months ended June 30,	
	2021	2022	2023	2023	2024
Product sales	3,873,589	2,644,214	3,357,202	930,256	870,301
Services	5,522,667	5,756,417	5,454,811	1,389,905	1,520,693
Total net revenues	9,396,256	8,400,631	8,812,013	2,320,161	2,390,994
Operating expenses:					
Cost of products	(3,276,571)	(2,255,950)	(2,409,110)	(675,050)	(649,696)
Fulfilment	(2,661,126)	(2,719,749)	(2,507,306)	(658,652)	(626,958)
Sales and marketing	(2,549,842)	(2,674,358)	(2,829,016)	(706,440)	(844,698)
Technology and content	(448,410)	(427,954)	(505,203)	(129,142)	(129,788)
General and administrative	(525,802)	(371,470)	(855,914)	(249,503)	(171,637)
Other operating income (expense), net	72,516	95,292	123,368	62,189	13,010
Impairment of goodwill	-	(13,155)	(35,212)	-	-
Total operating expenses	(9,389,235)	(8,367,344)	(9,018,393)	(2,356,598)	(2,409,767)
Income (loss) from operations	7,021	33,287	(206,380)	(36,437)	(18,773)
Other income (expenses):					
Interest income	62,943	45,816	82,113	20,286	16,695
Interest expense	(56,847)	(56,917)	(41,344)	(9,763)	(10,436)
Unrealized investment loss	(209,956)	(97,827)	(68,031)	(9,305)	(2,830)
Gain (loss) on disposal of subsidiaries and investment in equity investee	150	(107,032)	631	3,251	-
Gain on repurchase of CB	-	7,907	-	-	-
Impairment loss of investments	(3,541)	(8,400)	-	-	-
Exchange (gain)/loss	46,226	(32,384)	(8,530)	(6,647)	(10,418)
Fair value loss on derivative liabilities	-	(364,758)	24,515	24,515	-
Fair value change on financial instruments	-	-	-	-	11,152
Income (loss) before income tax and share of income (loss) in equity method investment	(154,004)	(580,308)	(217,026)	(14,100)	(14,610)
Income tax expense	(55,259)	(26,480)	(12,003)	(2,350)	(3,763)
Share of income (loss) in equity method investment	3,300	(3,586)	6,253	4,432	(3,616)
Net (loss) Income	(205,963)	(610,374)	(222,776)	(12,018)	(21,989)

Reconciliations of GAAP and non-GAAP Financial Measures

In RMB '000	For the year ended December 31,			For the three months ended June 30,	
	2021	2022	2023	2023	2024
Income (loss) from operations	7,021	33,287	(206,380)	(36,437)	(18,773)
Add: Share-based compensation expenses	196,547	142,381	103,449	29,264	17,478
Amortization of intangible assets resulting from business acquisition	20,536	39,431	31,875	7,911	10,916
Acquisition-related expenses	-	13,694	12,171	-	-
Impairment of goodwill	-	13,155	35,212	-	-
Loss related to investments ⁽¹⁾	-	9,495	-	-	-
Cancellation fees of repurchased shares	-	4,650	-	-	415
Non-GAAP income (loss) from operations	224,104	256,093	(23,673)	738	10,036
Net income (loss)	(205,963)	(610,374)	(222,776)	(12,018)	(21,989)
Add: Share-based compensation expenses	196,547	142,381	103,449	29,264	17,478
Amortization of intangible assets resulting from business acquisition	20,536	39,431	31,875	7,911	10,916
Acquisition-related expenses	-	13,694	12,171	-	-
Impairment of goodwill and investments	-	21,555	35,212	-	-
Loss related to investments ⁽¹⁾	209,956	579,112	42,885	(18,461)	2,830
Cancellation fees of repurchased shares	-	4,650	-	-	415
Less: Tax effect of amortization of intangible assets resulting from business acquisition	(3,686)	(7,880)	(6,086)	(1,507)	(2,259)
Non-GAAP net income (loss)	217,390	182,569	(3,270)	5,189	7,391
Net income (loss) attributable to ordinary shareholders of Baozun Inc.	(219,830)	(653,290)	(278,422)	(20,028)	(30,620)
Add: Share-based compensation expenses	196,547	142,381	103,449	29,264	17,478
Amortization of intangible assets resulting from business acquisition	15,574	30,076	24,206	5,991	7,523
Acquisition-related expenses	-	13,694	12,171	-	-
Impairment of goodwill and investments	-	21,555	35,212	-	-
Loss related to investments ⁽¹⁾	209,956	579,112	42,864	(18,482)	2,830
Cancellation fees of repurchased shares	-	4,650	-	-	415
Less: Tax effect of amortization of intangible assets resulting from business acquisition	(2,645)	(5,972)	(4,569)	(1,127)	(1,510)
Non-GAAP net income (loss) attributable to ordinary shareholders of Baozun Inc.	199,602	132,206	(65,089)	(4,382)	(3,884)

Data Source: 20-F and 6-K

1. Loss related to investments refer to Loss on variance from expected contingent acquisition payment, Fair value loss on derivative liabilities, Loss on disposal of investments and subsidiary and Unrealized investment loss

Selected Consolidated Balance Sheet Data

in RMB '000	For the year ended December 31,			For the three months ended June 30,	
	2021	2022	2023	2023	2024
ASSETS					
Cash and cash equivalents	4,606,545	2,144,020	2,149,531	1,689,337	1,454,517
Restricted cash	93,219	101,704	202,764	59,374	242,679
Short-term investments	-	895,425	720,522	1,463,784	1,156,066
Accounts receivable, net ⁽¹⁾	2,260,918	2,292,678	2,184,729	1,825,671	1,842,127
Inventories, net ⁽¹⁾	1,073,567	942,997	1,045,116	1,018,088	1,130,958
Property and equipment, net	652,886	694,446	851,151	846,327	816,127
Right-of-use assets	1,095,570	847,047	1,070,120	1,122,118	857,192
Other assets	2,536,275	2,204,153	2,250,543	2,256,066	2,444,070
TOTAL ASSETS ⁽¹⁾	12,318,980	10,122,470	10,474,476	10,280,765	9,943,736
LIABILITIES AND SHAREHOLDERS' EQUITY					
Accounts payable	494,079	474,732	563,562	427,272	439,635
Short-term loan	2,288,465	1,016,071	1,115,721	1,123,468	1,162,824
Accrued expenses and other current liabilities	984,519	1,025,540	1,188,179	1,096,164	1,020,799
Operating lease liabilities	1,161,671	909,400	1,132,079	1,185,837	924,325
Other liabilities	908,897	1,020,389	623,199	789,668	527,852
TOTAL LIABILITIES ⁽¹⁾	5,837,631	4,446,132	4,622,740	4,622,409	4,075,435
Baozun Inc. shareholders' equity	4,896,359	4,084,162	4,097,204	4,052,245	4,032,558
Noncontrolling interests	1,584,990	1,592,176	1,754,532	1,606,111	1,834,180
TOTAL LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY ⁽¹⁾	12,318,980	10,122,470	10,474,476	10,280,765	9,943,736

Data Source: 20-F and 6-K

1. Certain reclassifications in accounts receivable, inventories, prepayments and other current assets and accrued expenses and other current liabilities were retrospectively adjusted as a result of the adoption of a new revenue accounting standard effective on January 1, 2018

Thank You!

BAO ZUN

