

A photograph of the Aurora Borealis (Northern Lights) over a snowy mountain range at night. The aurora is a vibrant green and blue light display in the dark, starry sky. The mountains are covered in snow and are silhouetted against the light. The overall scene is serene and majestic.

Baozun 1Q 2019 Results

May 29, 2019



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This presentation contains certain financial measures that are not recognized under generally accepted accounting principles in the United States (“GAAP”). 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. Share-based compensation expenses and amortization of intangible assets resulting from business acquisition have been and may continue to be incurred in the Company’s business and is not reflected in the presentation of non-GAAP financial measures. 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 presentation 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. See the Appendix for reconciliation between our non-GAAP income from operations, non-GAAP net income attributable to ordinary shareholders of Baozun Inc. to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP, which is income from operations or net income attributable to ordinary shareholders of Baozun Inc.

1Q 2019 Highlights



GMV⁽¹⁾
RMB7.8 bn
58% YoY Growth



Revenue
RMB1.3 bn
40% YoY Growth



Brand Partners⁽²⁾
200
Across 8 categories



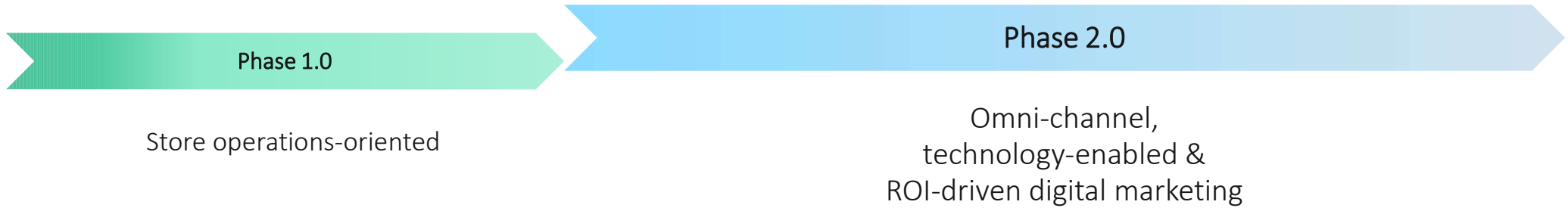
Non-GAAP Income from operations⁽³⁾
RMB65 mn
42% YoY Growth

(1) Gross merchandise volume for the first quarter of 2019, includes value added tax and excludes (i) shipping charges, (ii) surcharges and other taxes, (iii) value of the goods that are returned and (iv) deposits for purchases that have not been settled

(2) As of March 31, 2019

(3) Non-GAAP income from operations is a non-GAAP financial measure, which is defined as income from operations excluding share-based compensation expenses and amortization of intangible assets resulting from business acquisition, and has imbedded accounting treatment on leasing expenses, following adoption of ASC 842, effective on January 1, 2019

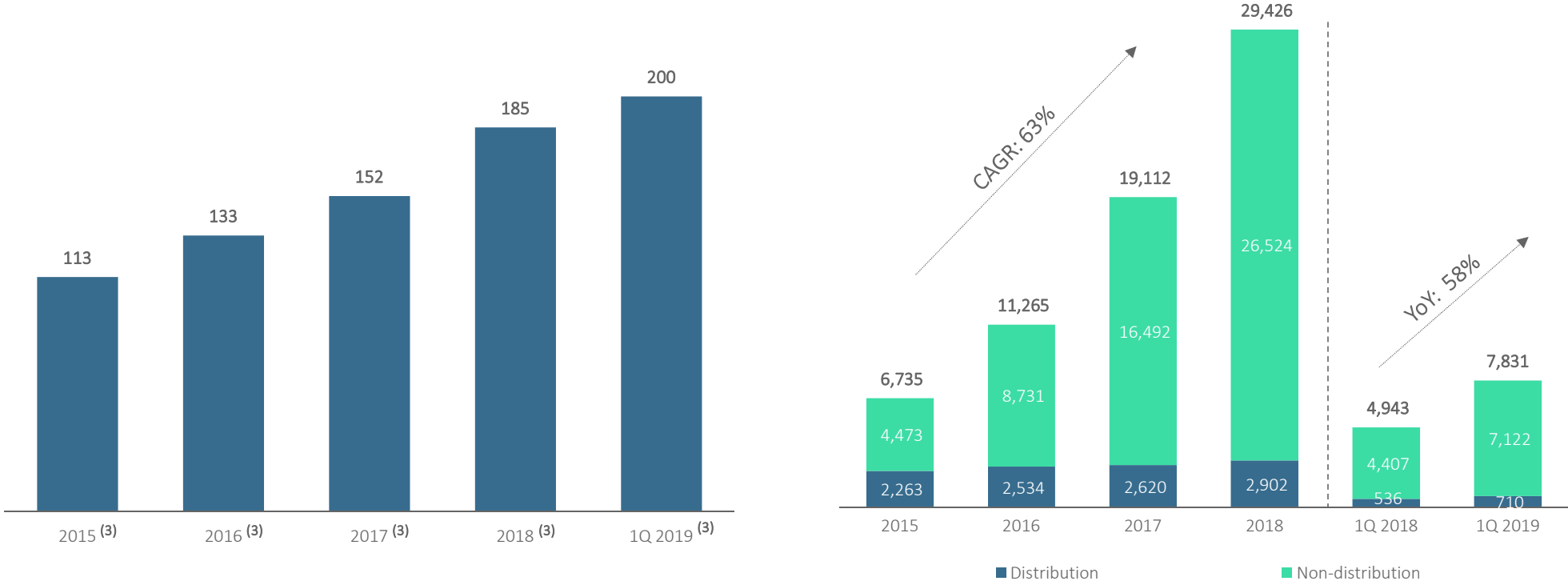
We are at the forefront of a new era in brand e-commerce



Accelerating Customer Acquisition and Solid GMV Growth

200 brand partners⁽¹⁾

Total GMV⁽²⁾
RMB mn

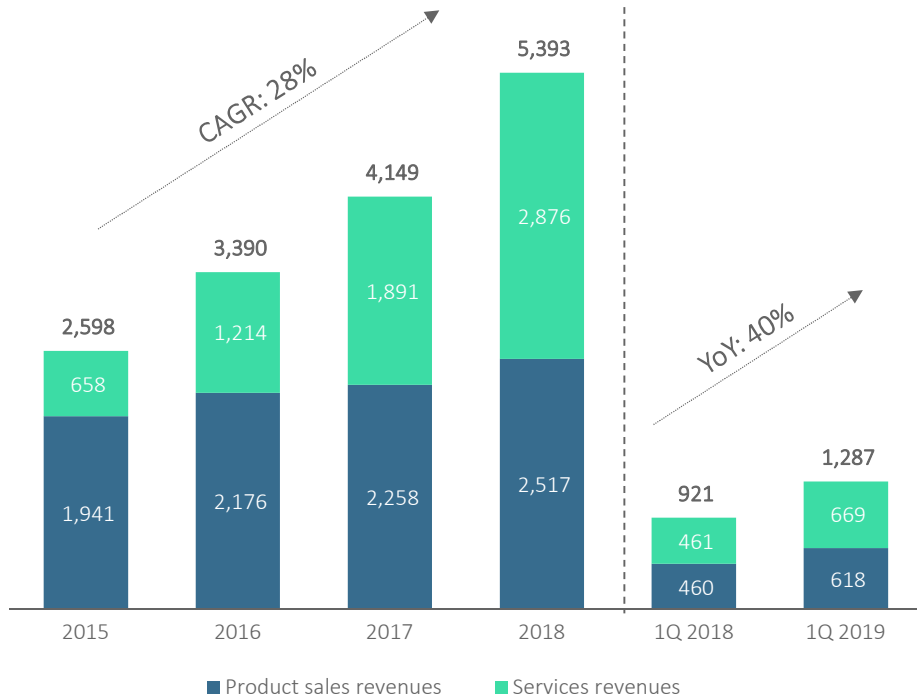


(1) As of March 31, 2019
 (2) Gross merchandise volume, includes value added tax and excludes (i) shipping charges, (ii) surcharges and other taxes, (iii) value of the goods that are returned and (iv) deposits for purchases that have not been settled
 (3) As of year end, or quarter end

Increasing Revenues and Gross Margin Expansion

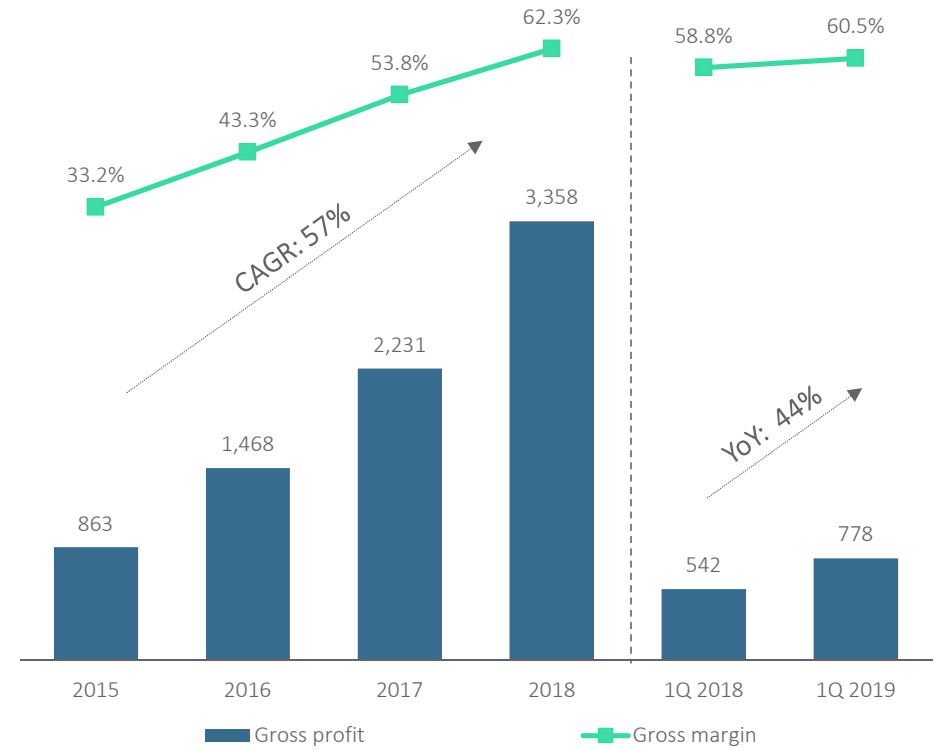
Total net revenues

RMB mn



Gross profit⁽¹⁾

RMB mn

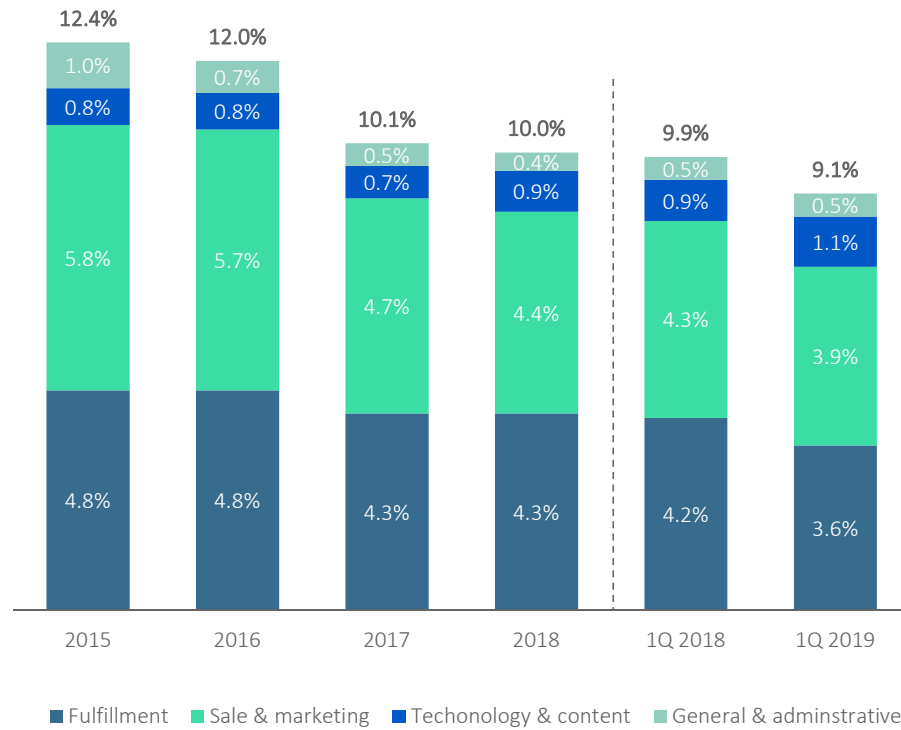


(1) Gross profit equals total net revenues minus cost of products. Gross margin equals gross profit divided by total net revenues

Optimizing Cost Structure to Accelerate Long-Term Growth

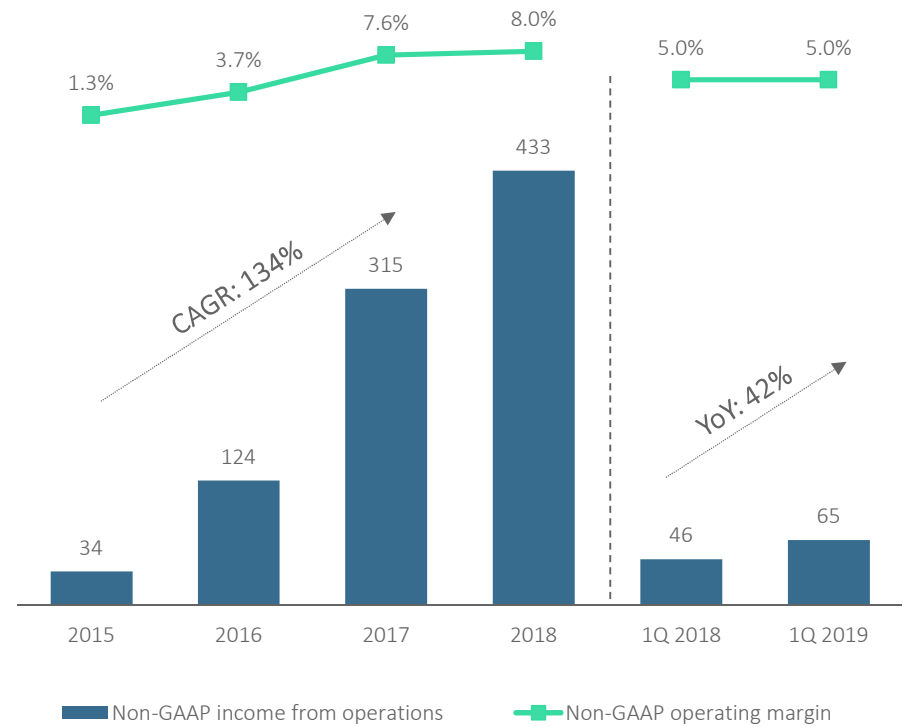
Non-GAAP operating expenses⁽¹⁾ breakdown (as % of total GMV)

RMB mn



Non-GAAP income from operations⁽²⁾

RMB mn

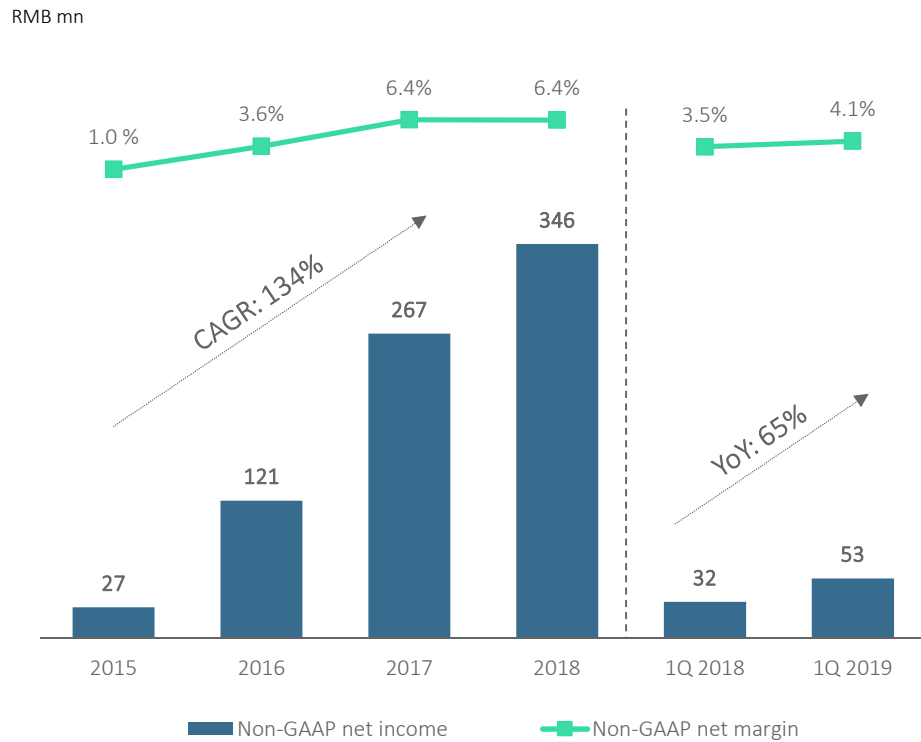


(1) Non-GAAP expenses is defined as expenses excluding share-based compensation expenses and amortization of intangible assets resulting from business acquisition

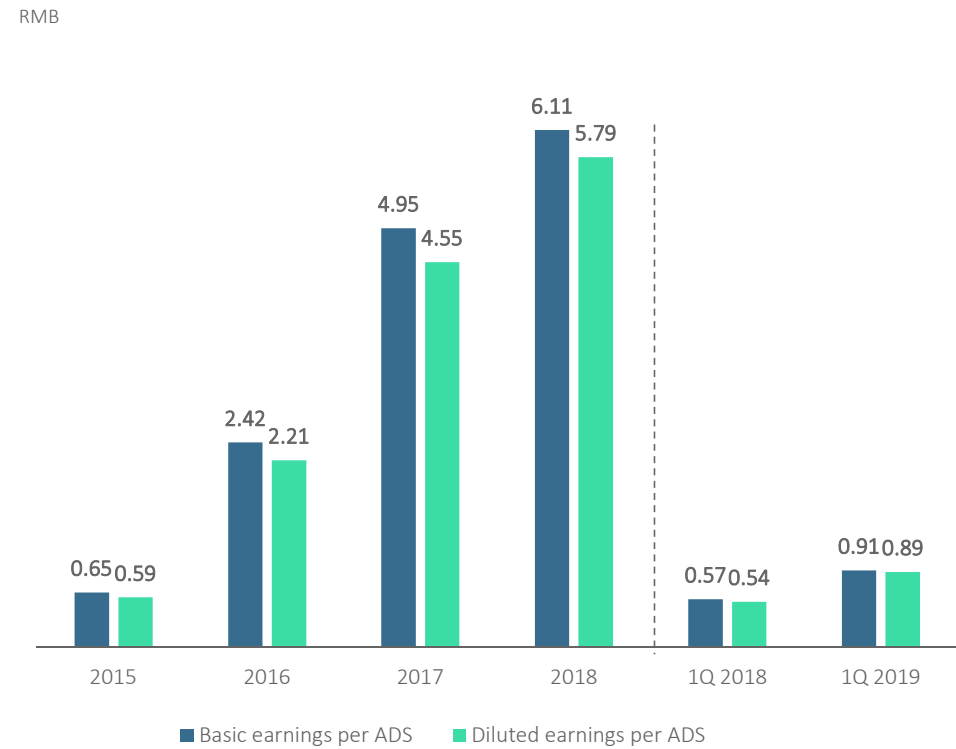
(2) Non-GAAP income from operations is a non-GAAP financial measure, which is defined as income from operations excluding share-based compensation expenses and amortization of intangible assets resulting from business acquisition. Non-GAAP operating margin is non-GAAP income from operations as a percentage of total net revenues

Sustained Profitability

Non-GAAP Net Income attributable to Ordinary Shareholders of Baozun⁽¹⁾



Basic and Diluted non-GAAP Net Income attributable to Ordinary Shareholders of Baozun Inc. per ADS⁽²⁾



(1) Non-GAAP net income attributable to ordinary shareholders of Baozun Inc. is net income attributable to ordinary shareholders of Baozun Inc. excluding the impact of share-based compensation expenses and amortization of intangible assets resulting from business acquisition. Non-GAAP net margin is non-GAAP net income as a percentage of total net revenues

(2) Basic and diluted non-GAAP net income attributable to ordinary shareholders of Baozun Inc. per ADS are non-GAAP financial measures, which are defined as non-GAAP net income attributable to ordinary shareholders of Baozun Inc. divided by weighted average number of shares used in calculating basic and diluted net income per ordinary share multiplied by three, respectively

Appendix – Reconciliations of GAAP and non-GAAP results

RMB in thousands	For the year ended December 31,				For the quarter ended March 31,	
	2015	2016	2017	2018	2018	2019
Income from operations	8,451	90,066	256,332	355,773	28,420	45,840
Add: Share-based compensation expenses	25,195	34,185	58,231	75,862	16,860	18,476
Amortization of intangible assets resulting from business acquisition	—	—	782	1,564	391	391
Non-GAAP income from operations	33,646	124,251	315,345	433,199	45,671	64,707
Net income	22,621	85,424	209,130	269,771	15,465	33,950
Add: Share-based compensation expenses	25,195	34,185	58,231	75,862	16,860	18,476
Amortization of intangible assets resulting from business acquisition	—	—	782	1,564	391	391
Less: Tax effect of amortization of intangible assets resulting from business acquisition	—	—	(196)	(392)	(98)	(98)
Non-GAAP net income	47,816	119,609	267,947	346,805	32,618	52,719
Net income (loss) attributable to ordinary shareholders of Baozun Inc.	(2,711)	86,633	208,866	269,712	14,931	34,009
Add: Share-based compensation expenses	25,195	34,185	58,231	75,862	16,860	18,476
Amortization of intangible assets resulting from business acquisition	—	—	398	796	199	199
Less: Tax effect of amortization of intangible assets resulting from business acquisition	—	—	(100)	(200)	(50)	(50)
Non-GAAP net income attributable to ordinary shareholders of Baozun Inc.	22,484	120,818	267,395	346,170	31,940	52,634



Thank You!

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