

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 from the aurora.

Baozun 3Q 2019 Results

November 21, 2019

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Disclaimer

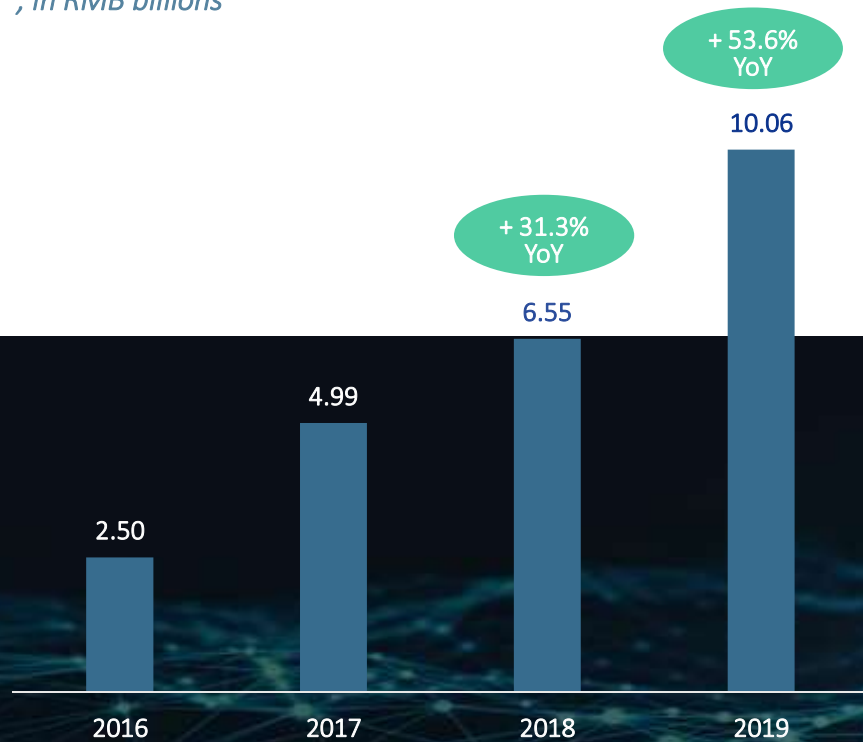
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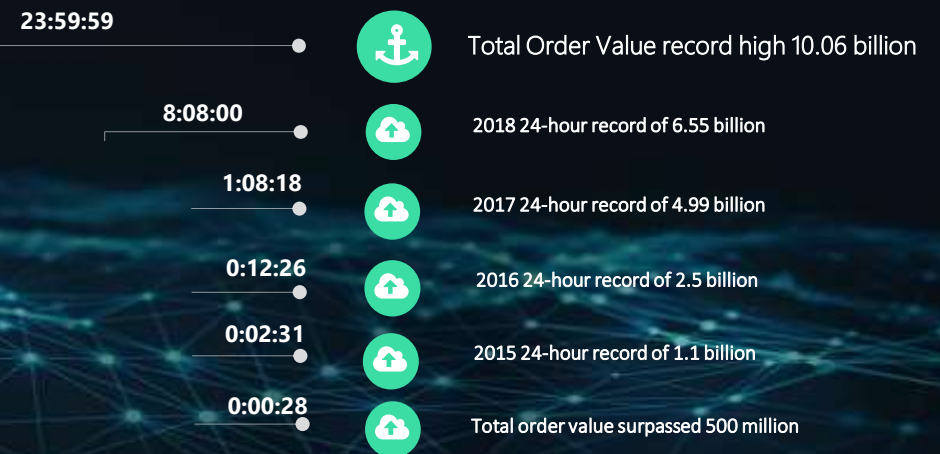
The Company also uses certain financial measures that are not recognized under generally accepted accounting principles in the United States (“GAAP”) in evaluating its business. These non-GAAP financial measures have limitations as analytical tools. One of the key limitations of using non-GAAP financial measures is that they do not reflect all items of income and expense that affect the Company’s operations. 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 use 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 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. 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.

Strong Singles Day 2019 Campaign

Singles Day Total Order Value⁽¹⁾
 , in RMB billions



Merchandise value during the
 Singles Day 2019 (RMB bn)



Source: Company data and public filings

(1) Total order value settled through payment gateways on all of Baozun's e-commerce channels

(2) GMV settled through Alipay on Alibaba's retail marketplaces on 11th November 2019, as disclosed by Alibaba Group Holding Limited on November 11, 2019

3Q 2019 Highlights



GMV⁽¹⁾
RMB9.1 bn
43% YoY Growth



Revenue
RMB1.5 bn
35% YoY Growth



Brand Partners⁽²⁾
223
Net add of 11 brands QoQ

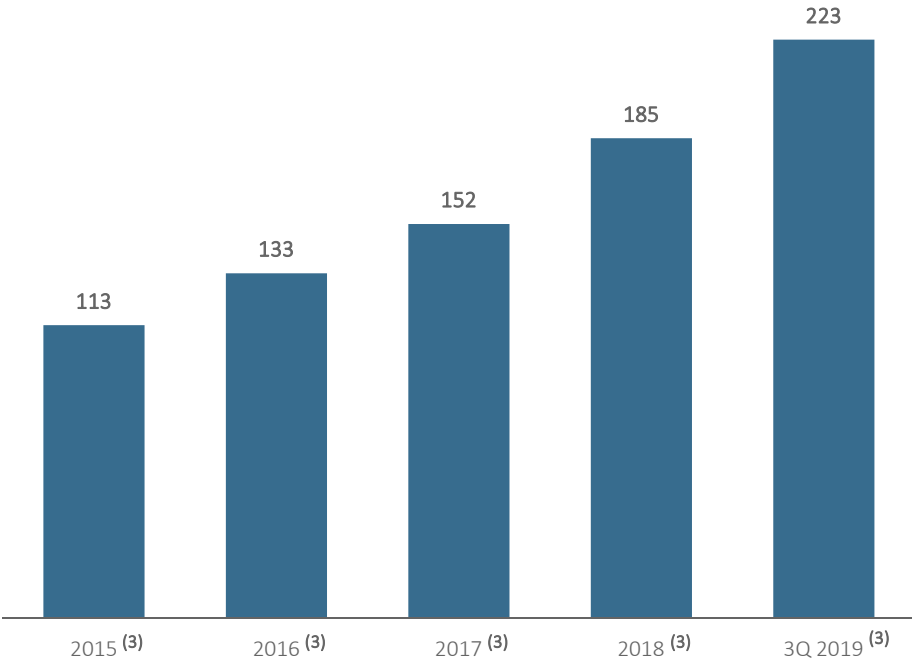


Income from Operations
RMB56 mn
43% YoY Growth

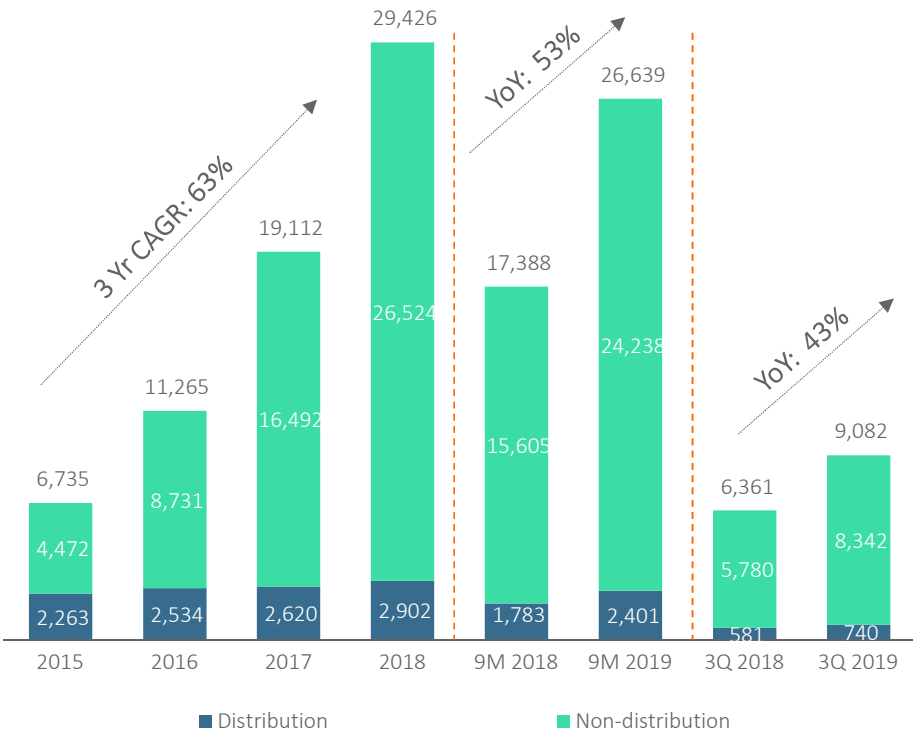
(1) Gross merchandise volume for the third quarter of 2019, includes value added tax and excludes (i) shipping charges, (ii) surcharges and other taxes, (iii) value of the goods that are returned and (iv) deposits for purchases that have not been settled
(2) As of September 30, 2019

Accelerating Customer Acquisition and Solid GMV Growth

223 brand partners⁽¹⁾



Total GMV⁽²⁾
RMB mn

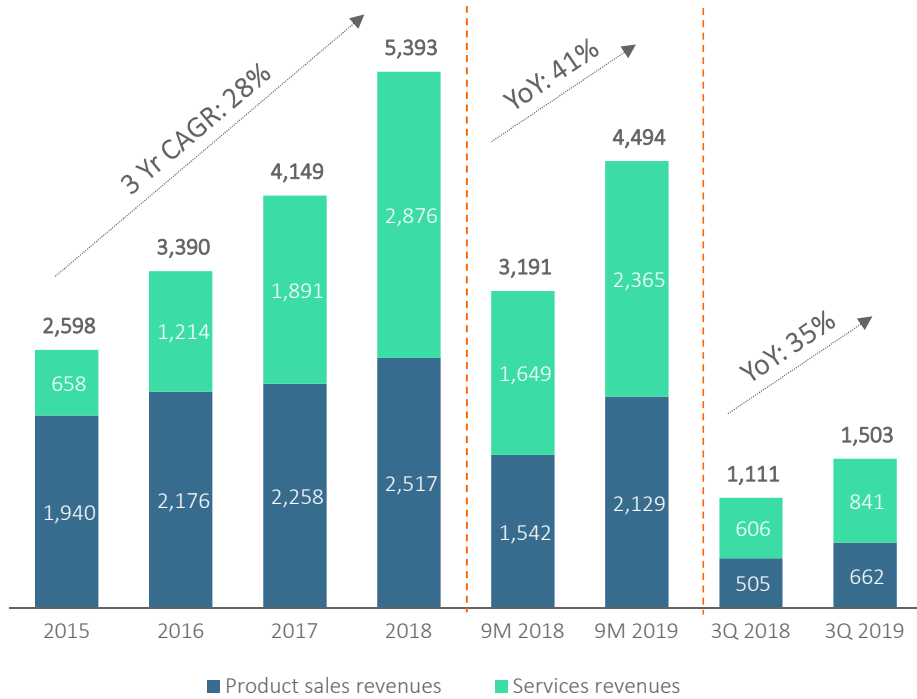


(1) As of September 30, 2019
 (2) Gross merchandise volume, includes value added tax and excludes (i) shipping charges, (ii) surcharges and other taxes, (iii) value of the goods that are returned and (iv) deposits for purchases that have not been settled
 (3) As of year end, or quarter end

Increasing Revenues and Gross Margin Expansion

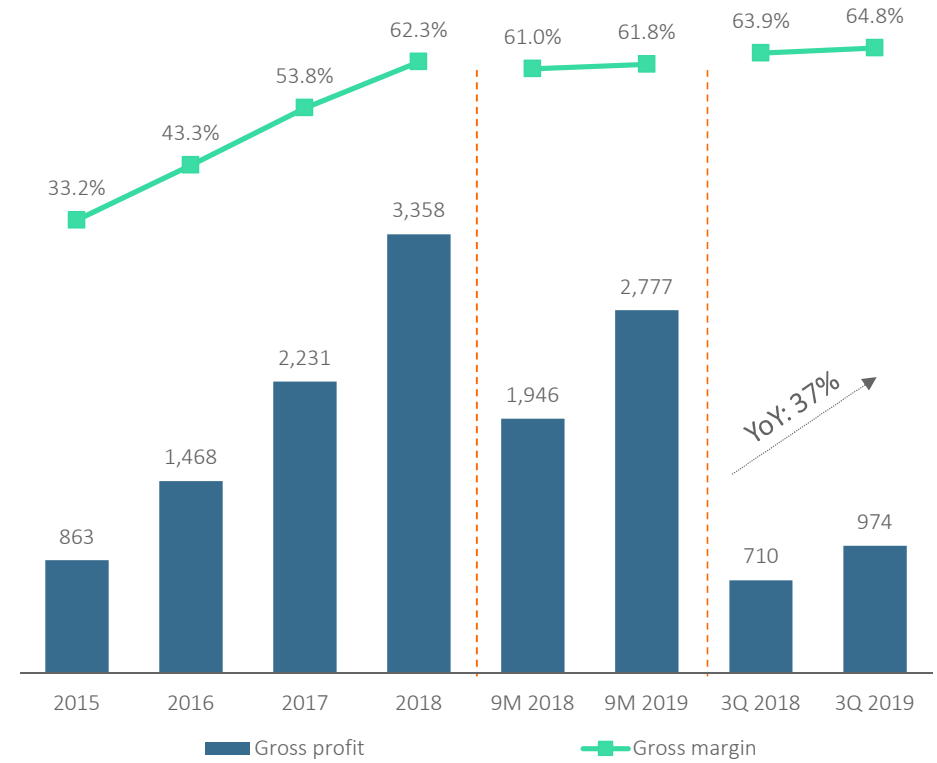
Total net revenue

RMB mn



Gross profit⁽¹⁾

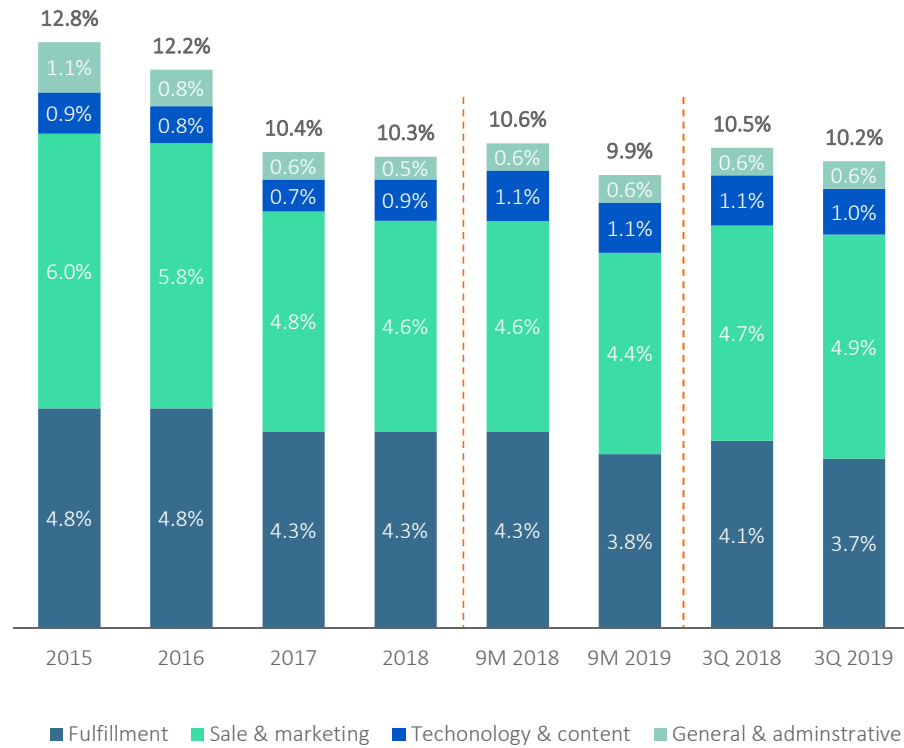
RMB mn



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

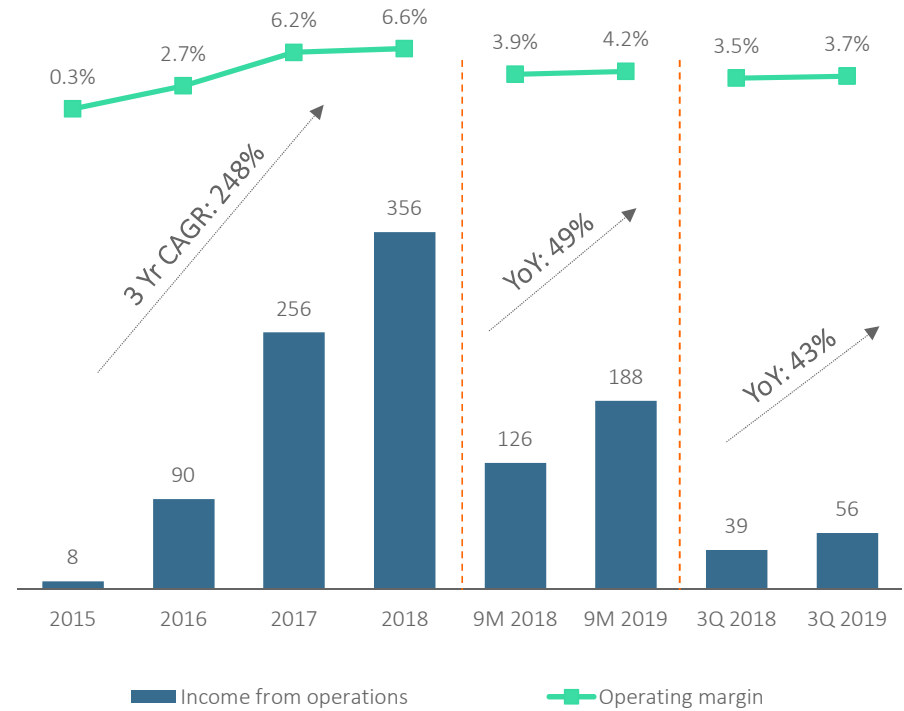
Optimizing Cost Structure to Accelerate Long-Term Growth

Operating expenses breakdown (as % of total GMV)



Income from operations⁽¹⁾

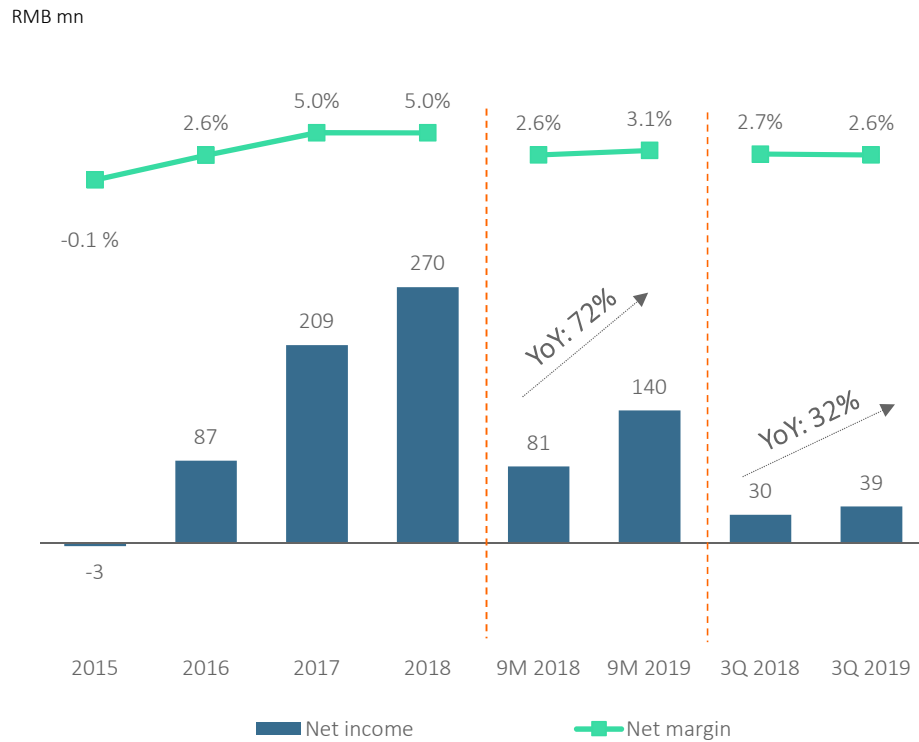
RMB mn



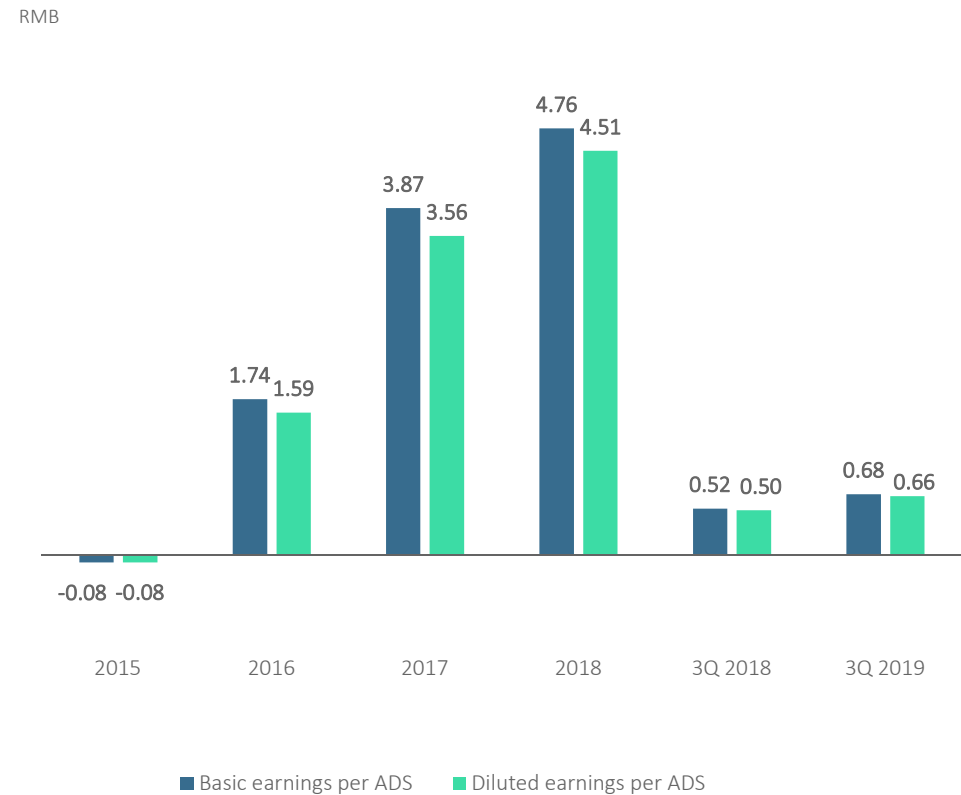
(1) Operating margin is defined as income from operations as a percentage of total net revenues

Sustained Profitability

Net Income attributable to Ordinary Shareholders of Baozun⁽¹⁾



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



(1) Net margin is defined as net income as a percentage of total net revenues

(2) Basic and diluted net income attributable to ordinary shareholders of Baozun Inc. per ADS are 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 Nine Months ended September 30,		For the Three Months ended September 30,	
	2015	2016	2017	2018	2018	2019	2018	2019
Income from operations	8,451	90,066	256,332	355,773	126,001	187,718	39,294	56,082
Add: Share-based compensation expenses	25,195	34,185	58,231	75,862	58,959	54,897	21,504	19,461
Amortization of intangible assets resulting from business acquisition	—	—	782	1,564	1,173	1,173	391	391
Non-GAAP income from operations	33,646	124,251	315,345	433,199	186,133	243,788	61,189	75,934
Net income	22,621	85,424	209,130	269,771	81,323	139,592	29,394	38,968
Add: Share-based compensation expenses	25,195	34,185	58,231	75,862	58,959	54,897	21,504	19,461
Amortization of intangible assets resulting from business acquisition	—	—	782	1,564	1,173	1,173	391	391
Less: Tax effect of amortization of intangible assets resulting from business acquisition	—	—	(196)	(392)	(294)	(294)	(98)	(98)
Non-GAAP net income	47,816	119,609	267,947	346,805	141,161	195,368	51,191	58,722
Net income (loss) attributable to ordinary shareholders of Baozun Inc.	(2,711)	86,633	208,866	269,712	81,469	140,423	29,787	39,352
Add: Share-based compensation expenses	25,195	34,185	58,231	75,862	58,959	54,897	21,504	19,461
Amortization of intangible assets resulting from business acquisition	—	—	398	796	597	597	199	199
Less: Tax effect of amortization of intangible assets resulting from business acquisition	—	—	(100)	(200)	(150)	(150)	(50)	(50)
Non-GAAP net income attributable to ordinary shareholders of Baozun Inc.	22,484	120,818	267,395	346,170	140,875	195,767	51,440	58,962

A wide-angle photograph of the aurora borealis (Northern Lights) in a snowy mountain landscape. The aurora is a vibrant green and blue light display, appearing as a large, curved band across the sky. The sky is filled with numerous stars, and the foreground shows snow-covered mountain slopes. The overall scene is dark and atmospheric.

Thank You!

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