

Baozun Releases 2024 Chairman Letter

SHANGHAI, April 23, 2025 /PRNewswire/ --

Dear Shareholders:

On behalf of the Board of Directors and the management team at Baozun, I would like to express our deepest appreciation for your continued support and trust — especially during a year marked by global volatility and uncertainty across capital markets.

Adapting to a Changing Environment

In response to a rapidly shifting macroeconomic and digital landscape, Baozun continued its strategic transformation in 2024 to stay agile, competitive, and future-ready. Our evolution is more than a vision — it's a deliberate strategy to align with changing consumer behavior, market dynamics, and emerging technologies.

2024: A Year of Strategic Progress

Despite external headwinds, Baozun achieved 7% year-over-year revenue growth in 2024 and reached operating profit breakeven — an important milestone that demonstrates our disciplined execution and operational efficiency.

Baozun e-Commerce (BEC) returned to topline growth in 2024 after two consecutive years of contraction, while also delivering expansion in its non-GAAP operating margin. To navigate an ever-evolving market, we enhanced our creative content capabilities and leveraged proprietary technologies to help brand partners capitalize on platform interconnectivity, data intelligence, and AI-driven efficiencies. By year-end, BEC supported over 490 brand partners, up from more than 450 in 2023. Our Net Promoter Score (NPS), measured by Nielsen, rose to 8.53 from 8.23 the previous year — reflecting the trust we've built with our partners and reinforced by a strong 95% renewal rate among key accounts. Once again, we were recognized as a Top Service Provider on both the Alibaba and Tencent WeChat ecosystems. In 2024, we also earned top awards across additional platforms, including Douyin, JD.com, and Rednote.

Baozun Brand Management (BBM) delivered 16% revenue growth in 2024 while narrowing adjusted operating losses by 10%. Our China-for-China strategy continues to evolve with promising progress, particularly in product innovation, marketing, and channel development. We worked closely with Gap Inc. to strengthen the brand's DNA and enhance our localization efforts. Throughout the year, we optimized our offline store network and leveraged a strategic partnership model to expand in emerging cities — further sharpening our competitive edge while mitigating expansion risk. By the end of 2024, the total number of Gap stores in China increased to 152, and store-level unit economics showed a healthy upward trend.

Baozun International (BZI), represents a long-term growth opportunity, and we continue to lay a solid foundation for the business and its supporting infrastructure. In 2024, we expanded our regional presence by introducing Hunter, another BBM brand, to Singapore and Malaysia, while building a strong team across Southeast Asia. These strategic moves broaden our market access and strengthen synergies across business lines.

Technology as a Catalyst for Efficiency and Innovation

We believe our strength in technology — applied across operations and business transformation — is central to Baozun's identity. Building on this foundation, we continue to advance our capabilities and drive innovation in technology monetization, capitalizing on the momentum of omnichannel growth and the seamless integration of online and offline experiences.

We are proud that Baozun has been recognized as a Representative Vendor in Gartner's 2024 Market Guide for Distributed Order Management Systems ("OMS") and Direct-to-Consumer ("DTC") solutions. Tailored for the Chinese market, our OMS and DTC offerings provide a secure, scalable, and flexible commerce platform, empowering our brand partners to accelerate their growth. In 2024, we further enhanced generative AI and large language models in operations, offering agile and sustainable digital transformation.

Advancing Sustainability

As we move forward in our journey, we remain steadfast in our commitment to leading the e-commerce industry toward a more efficient, inclusive, and sustainable future. We employ a green operations strategy to reduce our environmental footprint across offices, warehousing, logistics, packaging, and partnerships — efforts that have contributed to significantly reducing our greenhouse gas emissions. In 2024, we achieved ISO 14064 carbon verification for three warehouse and logistics parks, with

two attaining PAS 2060 carbon-neutral status.

In addition, we prioritize a "people-first" philosophy in our organizational and community efforts. By fostering a sense of "vitality" through various activities, we help employees feel a strong sense of belonging and happiness, cultivating a positive workplace environment. Our talent strategy emphasizes "individual growth and team success," establishing a framework that aligns personal achievement with corporate goals.

Looking Ahead

As we enter the final year of our three-year strategic transformation, we remain committed to maintaining our momentum while adapting to a rapidly shifting external landscape. Following the transformation, we anticipate that BEC, our core business, will enter a phase of quality growth, generating consistent and reliable cash flow. BBM is poised to capture new opportunities and create value for brand equity, driving additional revenue and becoming our new growth driver. By diversifying our revenue streams and ensuring solid financial stability, we aim to position the company for long-term success and resilience in an ever-evolving market.

We are grateful to our employees, customers, and partners for their dedication. We have also further strengthened our leadership team, bringing in deep expertise, strategic vision, and entrepreneurial zeal.

Together, we have navigated adversity and achieved measurable progress. With a continued focus on innovation, operational excellence, and financial discipline, I am confident in Baozun's future and remain committed to delivering sustainable and long-term value.

Thank you for your continued support and confidence in our vision.

Sincerely,
Vincent Wenbin Qiu
Chairman and Chief Executive Officer
Baozun Inc.

About Baozun Inc.

Founded in 2007, Baozun Inc. is a leader in brand e-commerce service, brand management, and digital commerce service. It serves more than 490 brands from various industries and sectors around the world, including East and Southeast Asia, Europe and North America as of December 31, 2024.

Baozun Inc. comprises three major business lines -- Baozun e-Commerce (BEC), Baozun Brand Management (BBM) and Baozun International (BZI) and is committed to accelerating high-quality and sustainable growth. Driven by the principle that "Technology Empowers the Future Success," Baozun's business lines are devoted to empowering their clients' business and navigating their new phase of development.

For more information, please visit <http://ir.baozun.com>.

For investor and media inquiries, please contact:

Baozun Inc.
Ms. Wendy Sun
Email: ir@baozun.com

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