

## **Baozun Releases 2025 Chairman Letter**

SHANGHAI, April 23, 2026 /PRNewswire/ --

### **Dear Shareholders:**

First of all, this is a letter I write to you by myself, and it's a pure human writing without any involvement of AI (though yes I use AI everyday for a lot of things). As a company, we are ambitious to deploy AI into a lot aspects of our business to make it more efficient and intelligent, but when communicating with our customers, colleagues and investors, the human approach is what we choose. Thanks to all investors for your trust in the past and please keep trusting us going forward!

Three years ago, along with our takeover of GAP China, we started to execute our new strategy which is to extend our Brand E-commerce business into Brand Management business. It's a great and bold leap since our experiences are limited. Coming through all the challenges and even those mistakes we made, we are happy to see that we completed the first phase of our transformation very successfully.

To summarize 2025, we see:

### **Solid Completion of the First Stage of Strategic Transformation**

Take a look at the financial results. Full-year revenue grew by 6% to RMB 9.9 billion, non-GAAP operating income improved significantly to RMB 126 million from RMB 11 million the previous year, and annual operating cash flow more than tripled to RMB 420 million. Of course, a dedicated day-to-day management of the business contributes to these great results but more importantly, the formation, development and refinement of the strategy, start to contribute more and more. This gives the head room for the company to grow in coming years. This is the true potential of our renovated business model.

Throughout the year, Baozun e-Commerce ("BEC") kept stable and strong in sales profitability and cash flow, thanks to its great execution and cost management. Why the existing business can be still this healthy? Because we shifted our priorities from pursuing scale to profitability through margin expansion, cash generation and strengthening alignment with BBM.

BBM gained even stronger momentum in 2025. Full-year revenue grew 25% year-over-year to RMB 1.8 billion, showing the long-term potential of our brand management platform. Notably, after three years of repositioning and localization, GAP China achieved its first quarterly breakeven in the fourth quarter of 2025! And it's still keeping a great momentum entering into 2026. It's a big win since it tells that the strategy is correct, and our execution is powerful. It give us more courage and confidence in delivering future results looking into the coming new state of 2026 to 2028.

### **2026-2028: Acceleration Stage of Our Strategic Transformation**

Based on the established strategic and business model, we are now ready to accelerate. We aim to keep expanding BEC profit margins, building up scale and developing leverage with BBM. We now have a clear goal: to grow the group's non-GAAP operating profit to RMB 550 million by 2028. Here is how.

BEC will focus on quality, margin and efficiency, which means customer centricity, better service quality, and better margin. Meanwhile, keep utilizing technology and more-recent development and adoption of AI to make possible a much higher effectiveness and process efficiency. Learning and adopting experiences, practices and skillsets also serve these purposes.

BBM will keep focusing on accelerating scale, especially for existing brands. We'll keep active in looking for new brands, but we will be very selective. So, the growth of BBM will majorly rely on more organic aspects.

Now BEC and BBM have been into their positions, then we see a lot of major opportunities in between! By leveraging both BEC and BBM expertise and capabilities, we will be trying to help more of our brand partners turn-around their business or make them more successful. For brands business in China, it now can win big if and only if, they can manage well both online and offline channels, while fully localizing across product design, manufacturing, merchandising and supplying, and utilizing an effective marketing method, among other things. Yes, it's difficult. And it's what we have been focused on the past several years with great efforts.

### **Role of Technologies**

Our vision, "Technology Empowers Future Success", reflects how important technology is to brands success. The solid software, data and security infrastructure we have been building up in the past two decades is valuable for both BEC and BBM

businesses. We are actively adopting AI industrial achievements into our array of technical systems. Several AI-powered tools are now deployed including voice of consumer, demand data analytics, supply chain management, demand forecasting, creative content production, and marketing automation. By combining the classical infrastructure and recent-developed AI models, agents and practices, we are confident to add leading edges to ourselves and making us a true beneficiary of Technology developments, especially when compared to industry peers.

## **Sustainability**

As our business evolves, we remain committed to responsible and sustainable development. In 2025, we advanced our environmental initiatives by reducing carbon emissions across our operations and strengthening sustainability standards throughout our logistics and supply chain networks. We achieved a 36% reduction in Scope 1 and 2 carbon emissions against our 2021 base year, keeping us on track to meet our commitment of a 50% reduction by 2030.

Equally important to what we offer is our people. Our success is built on an ambitious and dedicated team. We will keep striving for quality of our products and services delivered to our target clients and customers, while making every experience of our colleagues worthwhile. We believe these two elements are instrumental to delivering returns for our investors.

Finally, on behalf of the Board, I thank our employees, partners, customers, and shareholders for your continued trust and support. The progress achieved over the past three years belongs to you, and us. Please keep supporting us and I am confident in what Baozun will achieve in the years ahead.

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. 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>.

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