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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. Share-based compensation expenses, amortization of intangible assets resulting from business acquisition, and unrealized investment loss 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. 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.

2Q22 Financial Highlights



GMV⁽¹⁾

RMB 23.1 bn

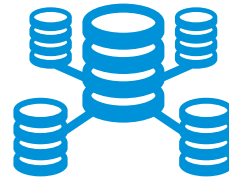
+47% YoY



Total Net Revenues

RMB 2.1 bn

-8% YoY



Service Revenues

RMB 1.4 bn

+7% YoY



Non-GAAP Income from Operations⁽²⁾

RMB 47 mm

-71% YoY



Number of Brand Partners for Store Operations

355

Net +10 in 2Q22

(1) 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
(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

Digital Transformation to Cope With Covid Interruptions

Convergence between online & offline



OmO

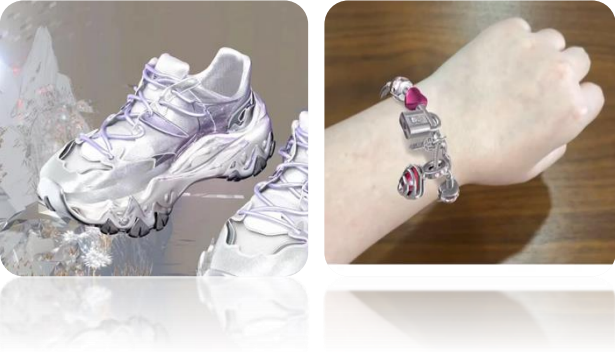
Intelligent customer service management system



S-ANY



Upgrade digital content & More virtual reality functions



Solid Progress in Strategic Business Development



Balanced Categories



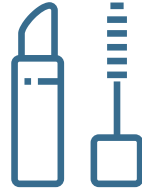
Luxury



Outdoor

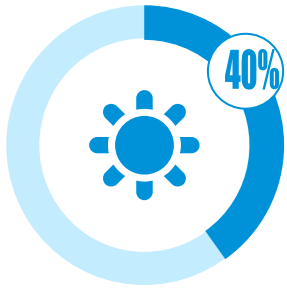


Lifestyle



Cosmetics

Omni-channel Breakthrough



40% brand partners operate in omni-channel approach by 2Q22

More Brand Partners



355
Brand Partners
for store operation
Net +10 in 2Q22

Private Domain Awards & Recognitions

Baozun is the only service partner that is top-listed in both Alibaba Tmall and Tencent mini-program e-commerce ecosystem



Brand Management Achievement

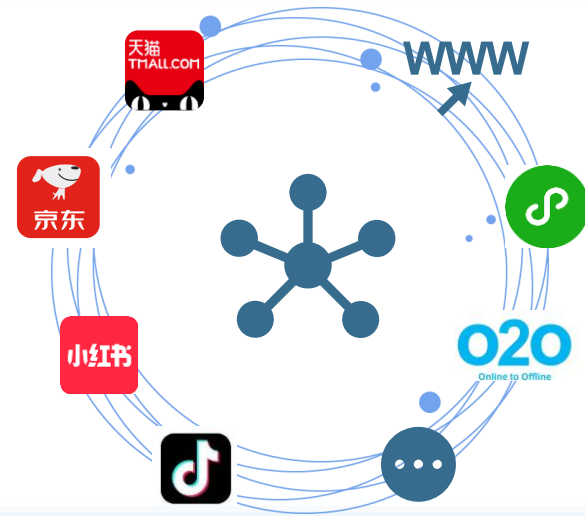
Category Coverage

Apparel & Accessory

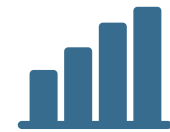


Nobaday

Channel Coverage



Empowered Strong Growth Momentum



+51%

YoY GMV growth in 1H22 for 7 brands in brand management portfolio

Health & Beauty





Released Second Annual ESG Report in May 2022



Released Carbon Neutrality White Paper in June 2022



50% carbon emission reduction by 2030 compared with 2021 baseline



Full carbon neutrality by 2050



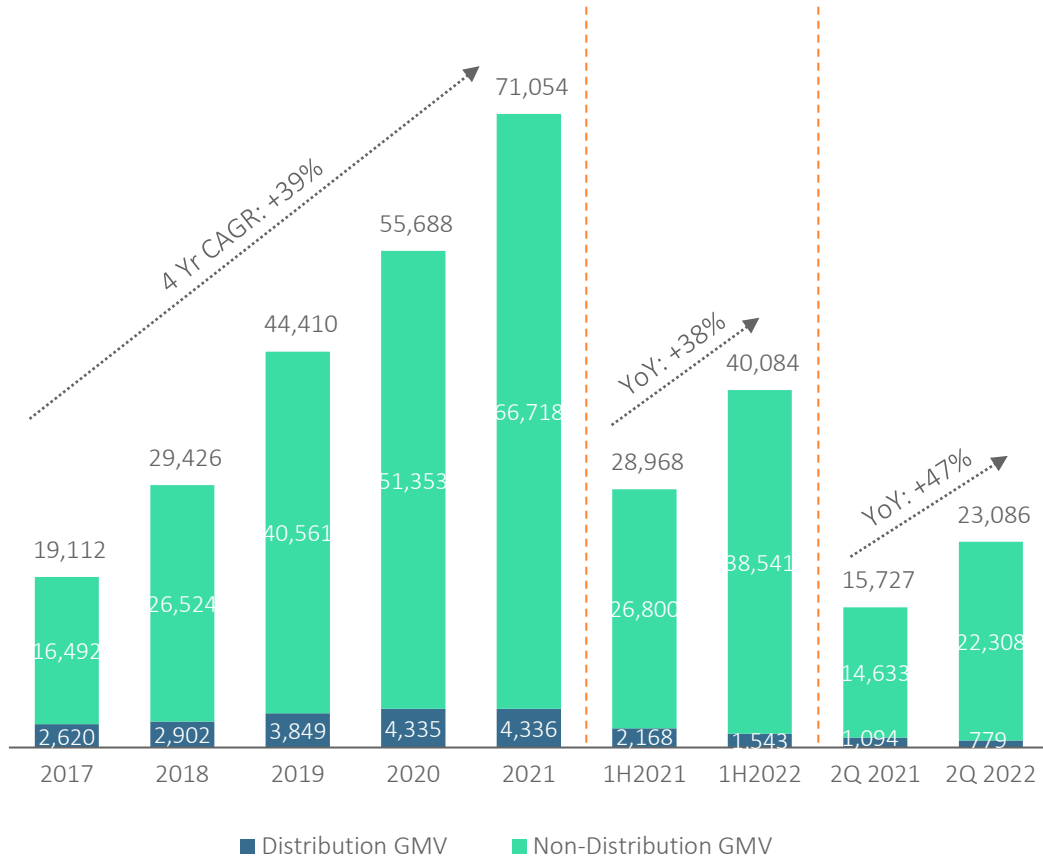
Co-launching a used-shoes recycling program with brand partner

Topline Momentum



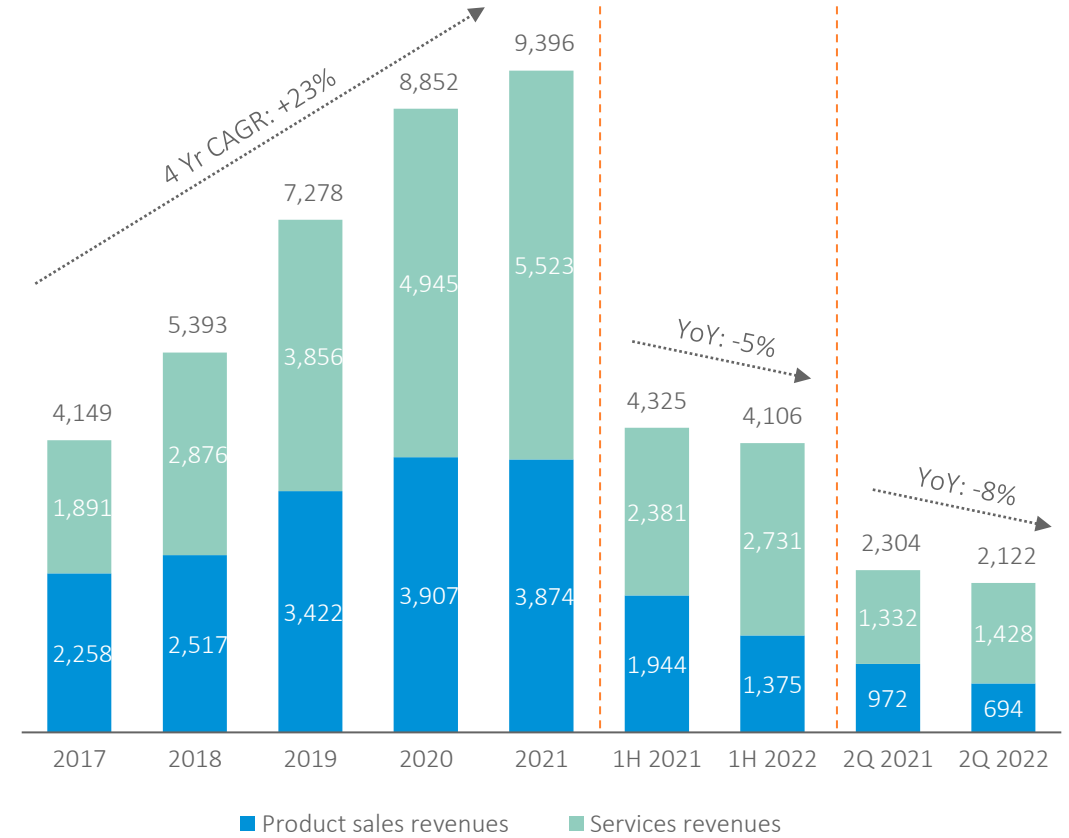
Total GMV (1)

RMB mn



Total Net Revenues

RMB mn

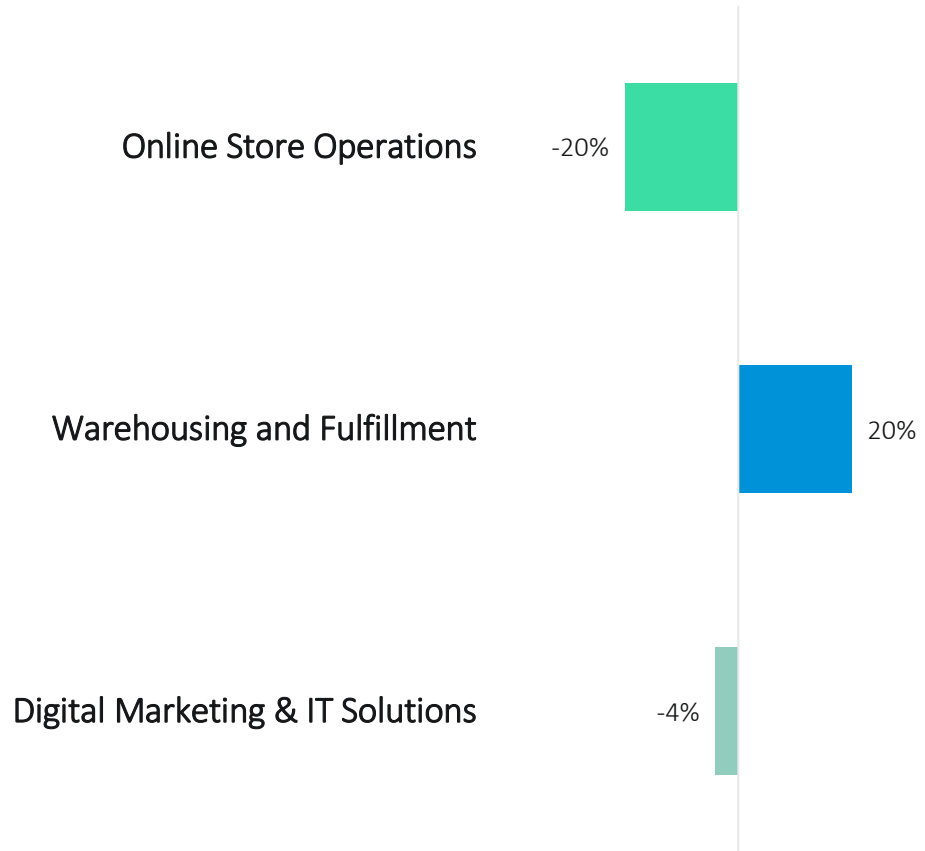


(1) Gross merchandise volume includes value added tax and excludes (i) shipping charges, (ii) surcharges and other taxes, (iii) value of the goods that are returned and (iv) deposits for purchases that have not been settled

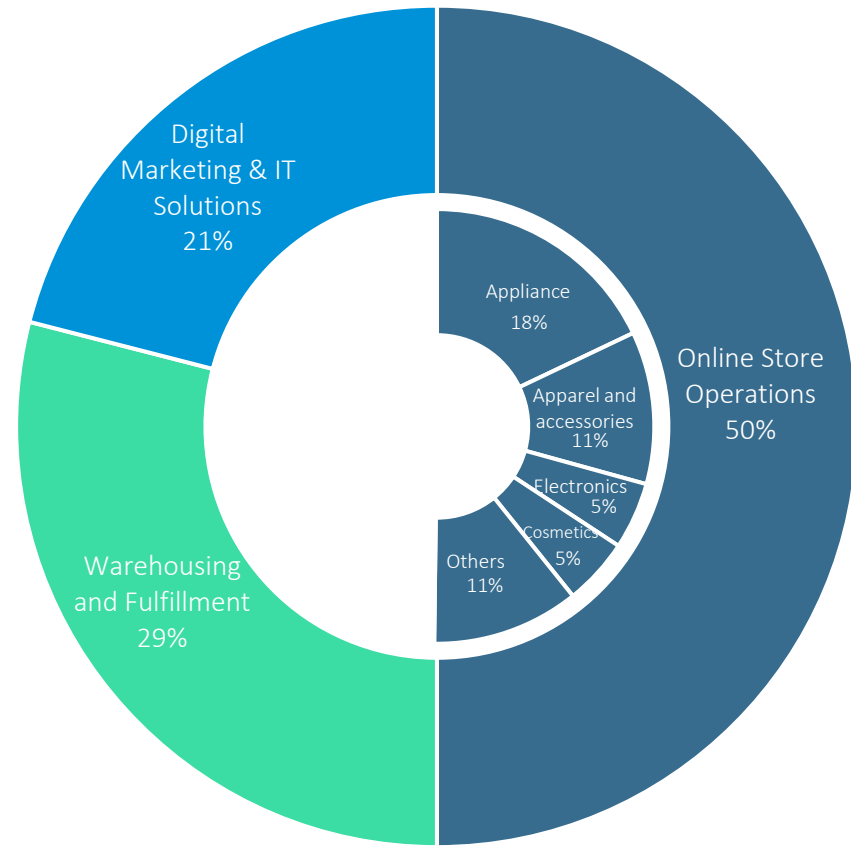
2Q22 Revenue Breakdown



Revenue YoY Growth by Service Segment



Revenue Breakdown by Service Segment

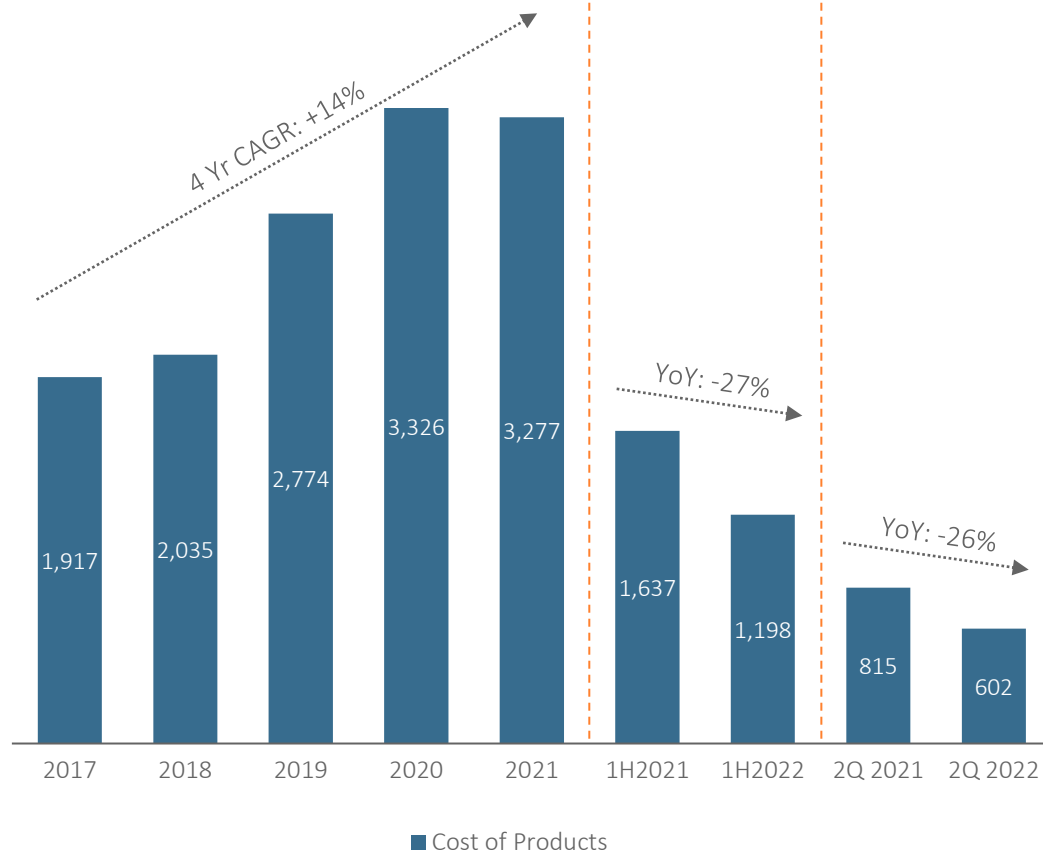


Gross Margin



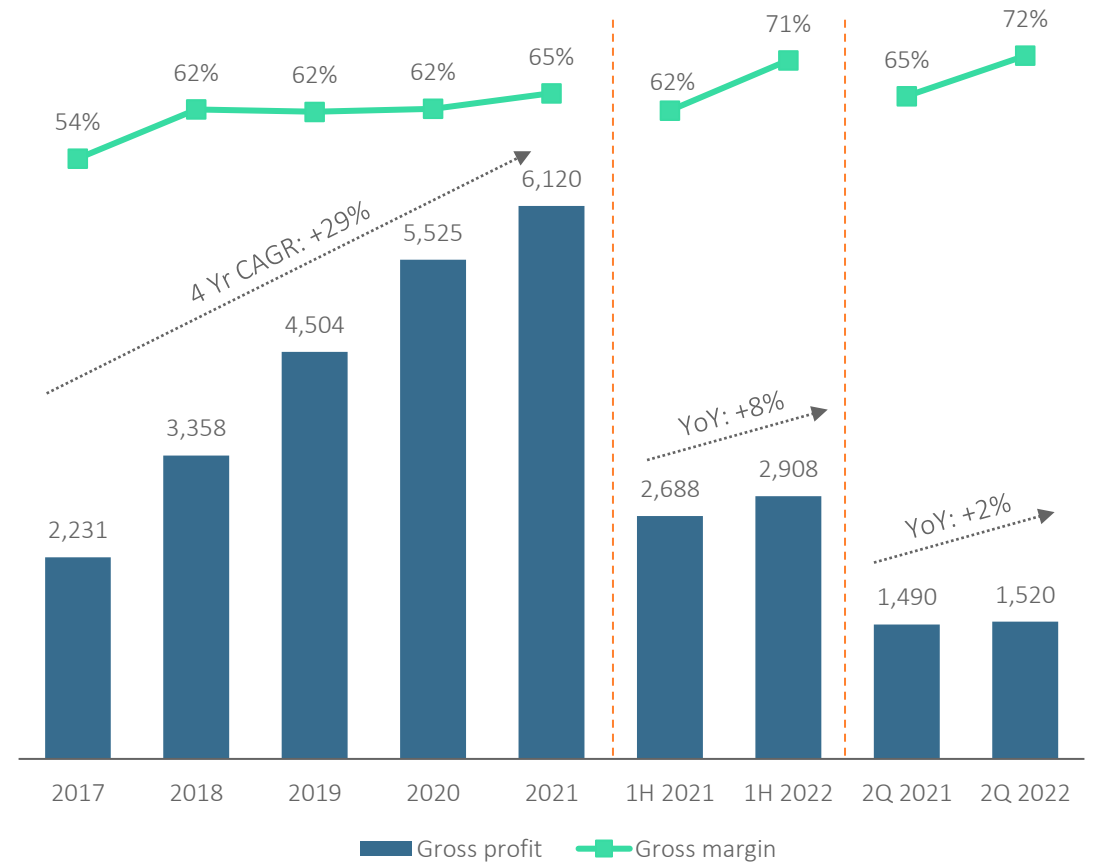
Cost of Products

RMB mn



Gross profit (1)

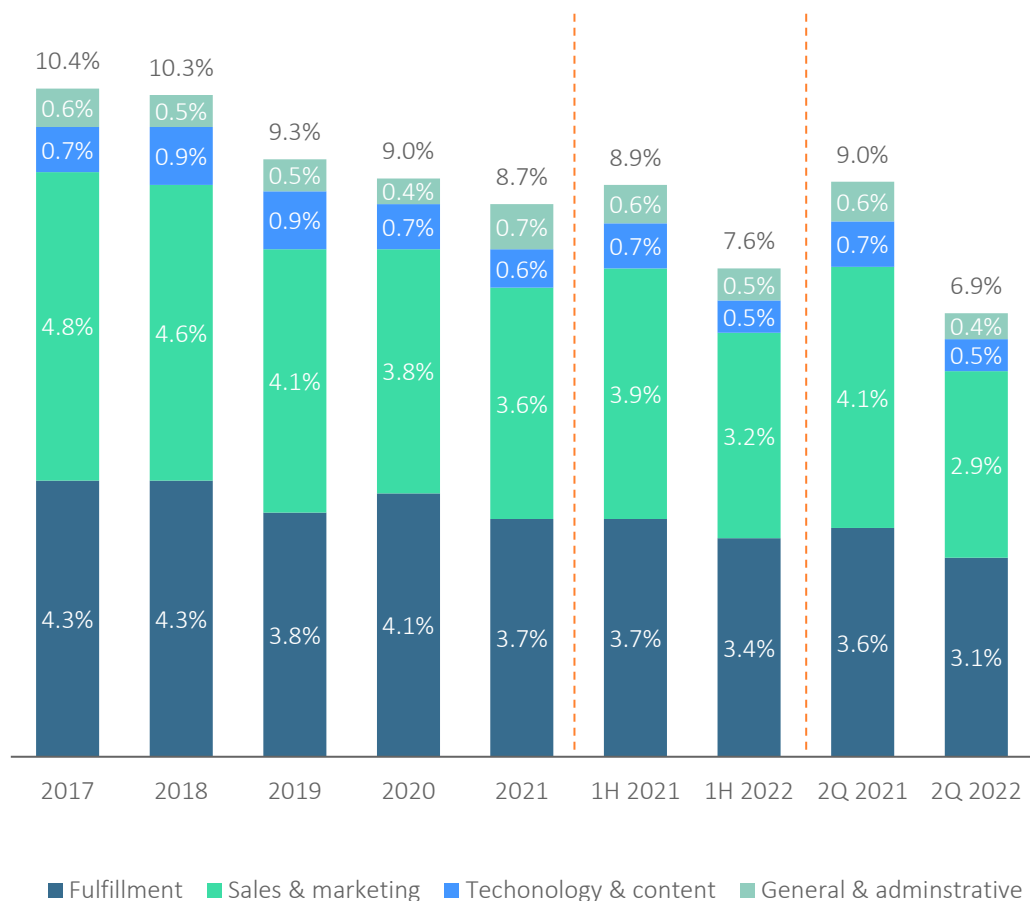
RMB mn



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

Optimizing Cost Structure and Driving Operational Efficiency

Operating expenses breakdown (as % of total GMV)



Operating expense analysis (for 2Q2022)



Fulfillment 725MM
YoY GMV% 3.6%→3.1%

- Efficiency improvement
- Savings in customer services as regional service centers ramping up



Sales & Marketing 668MM
YoY GMV% 4.1%→2.9%

- Increased strategic business development staff to drive business growth
- Efficiency improvement



Technology & Content 112MM
YoY GMV 0.7%→0.5%

- Cost control initiatives
- Efficiency improvement
- Ongoing investment in technological innovation and productization



G&A 92MM
YoY GMV 0.6%→0.4%

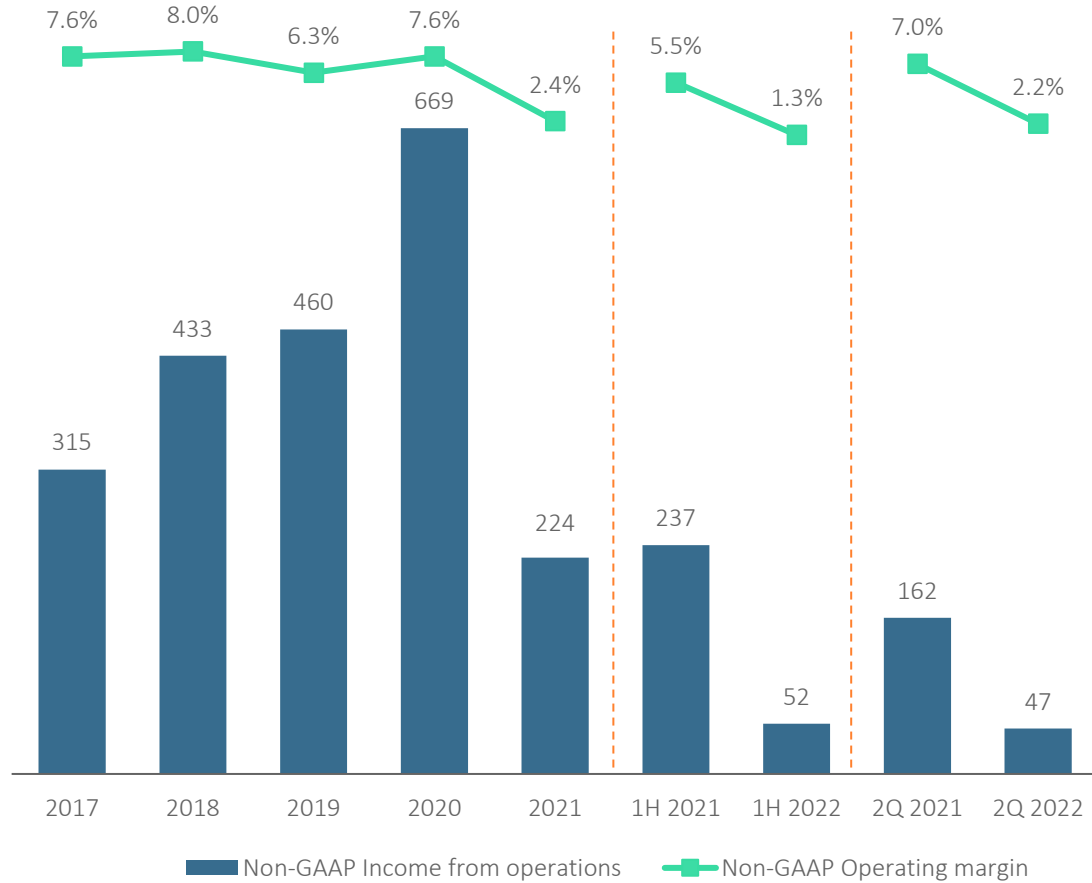
- Higher general and administrative expenses for dual-running period for the Company's new headquarters in the same period of last year
- Cost control initiatives
- Efficiency improvement

Profitability Trend



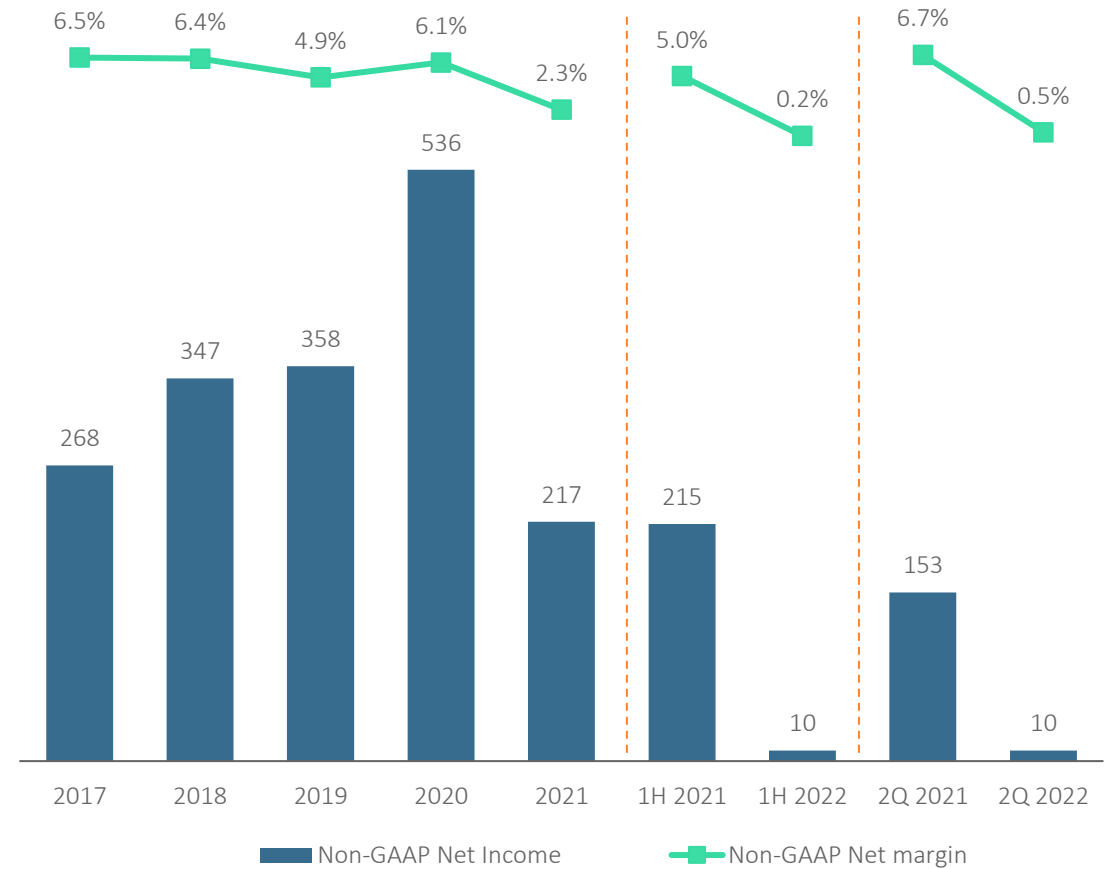
Non-GAAP income from operations (1)

RMB mn



Non-GAAP net income (2)

RMB mn



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

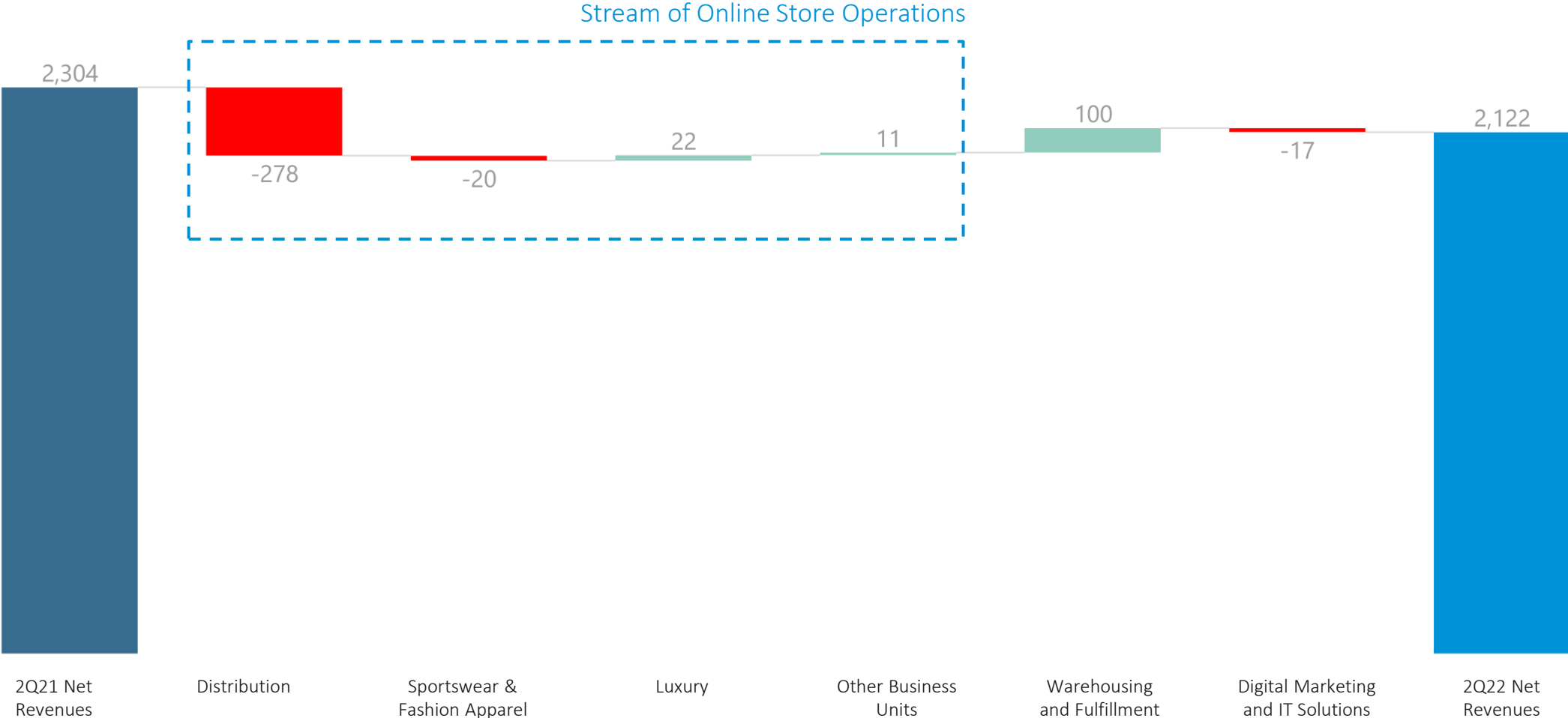
(2) Non-GAAP net income is net income (loss) excluding the impact of share-based compensation expenses, amortization of intangible assets resulting from business acquisition and unrealized investment loss. Non-GAAP net margin is non-GAAP net income (loss) as a percentage of total net revenues

Revenue Walk 2Q21 vs 2Q22



Net Revenues Bridge ⁽¹⁾

RMB Mn



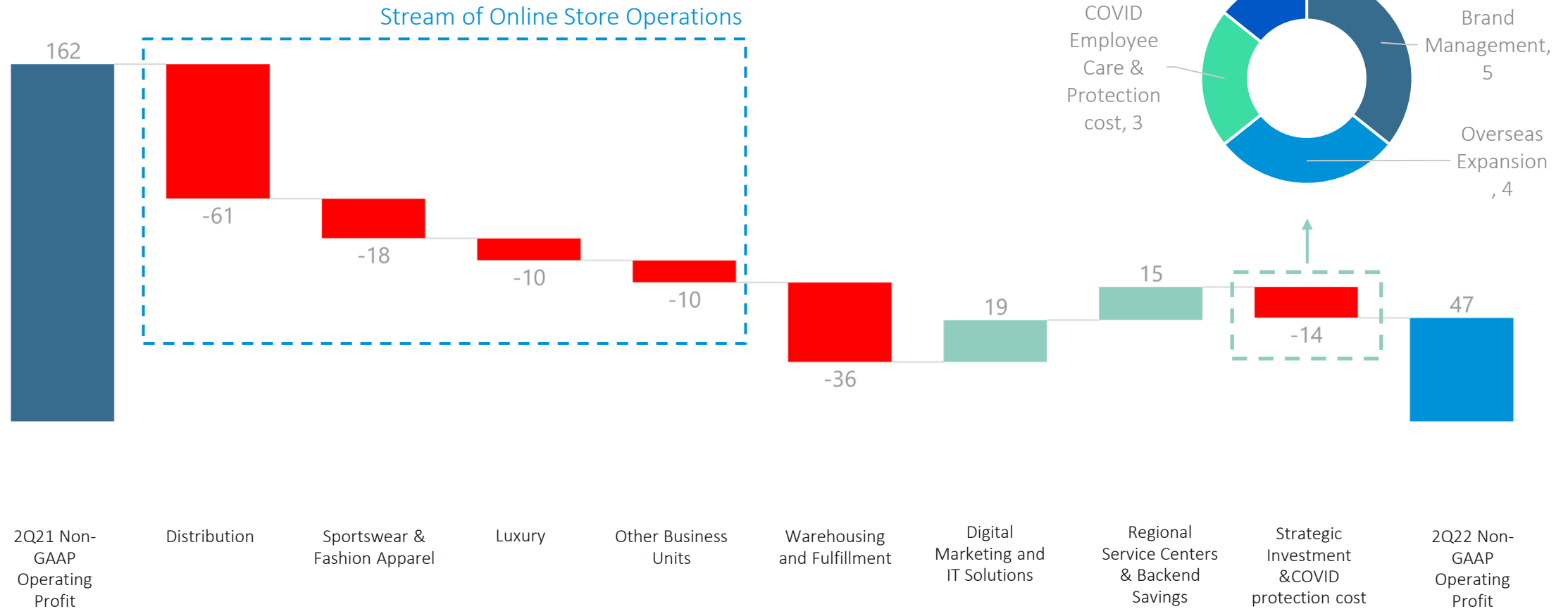
(1) Except for the 2021 Q2 revenue and 2022 Q2 revenue, all the other financial information on this slide is based on the Company's management account

Profits Walk 2Q21 vs 2Q22



Non-GAAP Operating Profit Bridge ⁽¹⁾

RMB Mn



(1) Except for the 2021 Q2 non-GAAP operating profit and 2022 Q2 non-GAAP operating profit, all the other financial information on this slide is based on the Company's management account



01

Expand Regional Service Centers

- Diversify operations into regional service centers
- Select more cities for next phase of expansion



02

Increase Automation and Business Process Re-engineering

- Centralized operating platform
- New automation & intelligent tools to increase efficiency and reduce labor costs



03

Rationalize Remuneration Incentives

- Introduce Baozun Business Owner (BBO)
- Motivate employees to take ownership and offer more entrepreneurial incentives



04

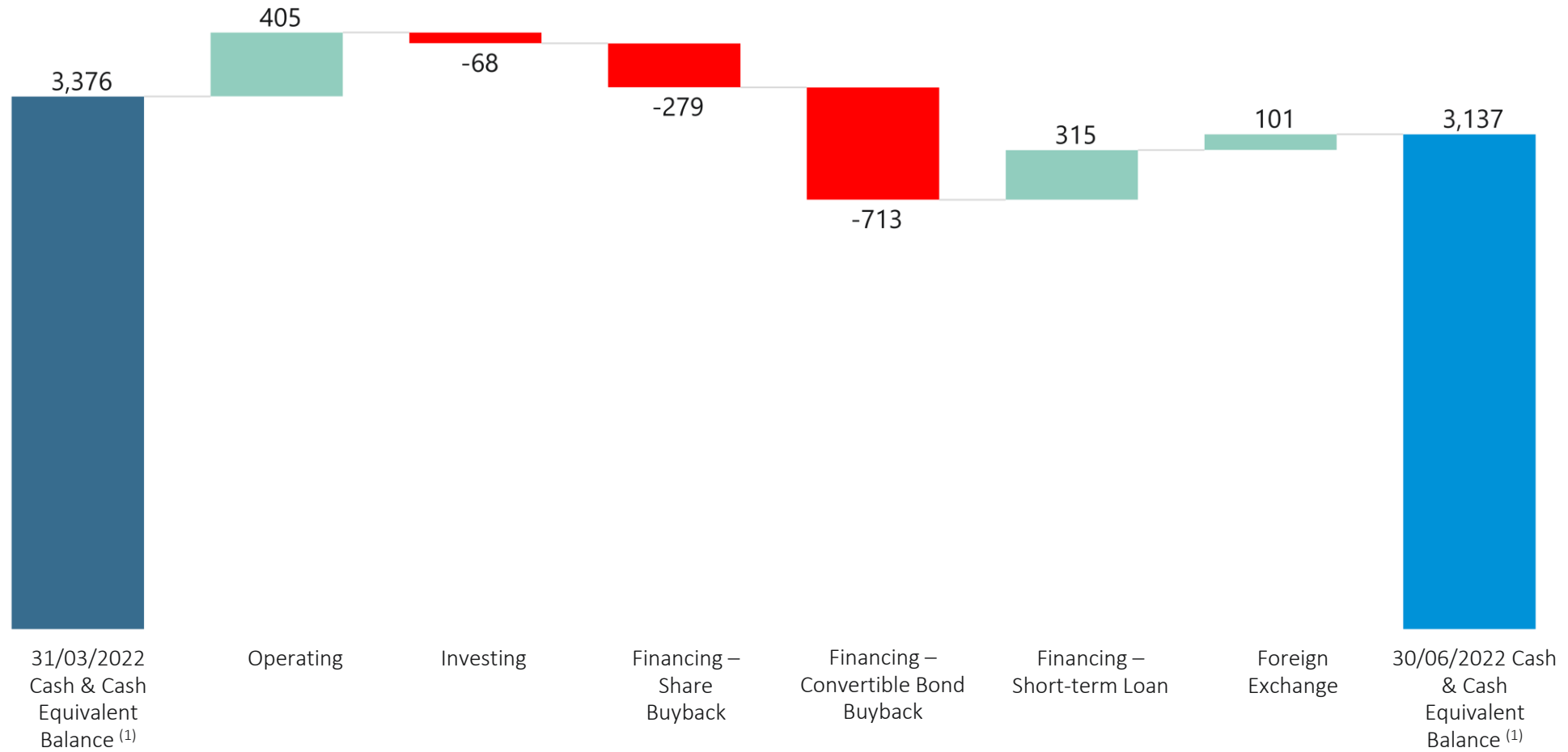
Consolidate Office Footprint

- Consolidate office footprint across departments into one
- Streamline supporting functions

Cash Flow Walk 1Q22 vs 2Q22



RMB Mn



(1) Including cash, cash equivalents and restricted cash

Q&A

Appendix



Consolidated Statements of Income

Selected Consolidated Statements of Income

in RMB '000	For the year ended December 31,			For the six months ended June 30,		For the three months ended June 30,	
	2019	2020	2021	2021	2022	2021	2022
Product sales	3,422,151	3,906,611	3,873,589	1,943,919	1,374,741	972,077	693,901
Services	3,856,041	4,944,952	5,522,667	2,380,694	2,731,454	1,332,040	1,428,136
Total net revenues	7,278,192	8,851,563	9,396,256	4,324,613	4,106,195	2,304,117	2,122,037
Operating expenses:							
Cost of products	(2,774,342)	(3,326,243)	(3,276,571)	(1,636,918)	(1,197,863)	(814,617)	(602,189)
Fulfilment	(1,678,191)	(2,259,176)	(2,661,126)	(1,068,379)	(1,354,415)	(560,382)	(725,030)
Sales and marketing	(1,815,642)	(2,130,667)	(2,549,842)	(1,118,875)	(1,284,236)	(648,233)	(668,331)
Technology and content	(392,951)	(409,870)	(448,410)	(208,404)	(217,507)	(115,421)	(112,226)
General and administrative	(215,660)	(224,045)	(525,802)	(177,585)	(182,278)	(97,960)	(91,704)
Other operating income (expense), net	(17,753)	57,115	72,516	45,093	65,579	39,130	54,088
Total operating expenses	(6,894,539)	(8,292,886)	(9,389,235)	(4,165,068)	(4,170,720)	(2,197,483)	(2,145,392)
Income (loss) from operations	383,653	558,677	7,021	159,545	(64,525)	106,634	(23,355)
Other income (expenses):							
Interest income	42,614	41,373	62,943	37,125	16,258	19,404	7,335
Interest expense	(61,316)	(66,124)	(56,847)	(26,507)	(33,546)	(13,285)	(13,806)
Unrealized investment loss	-	-	(209,956)	(54,605)	(94,645)	(17,254)	(12,657)
Impairment loss of investments	(9,021)	(10,800)	(3,541)	(3,541)	-	(3,541)	-
Gain on disposal of investment	-	-	150	-	-	-	-
Gain on repurchase of 1.625% convertible senior notes due 2024	-	-	-	-	7,907	-	-
Exchange gain (loss)	(7,663)	25,725	46,226	17,992	(25,026)	24,747	(29,041)
Income (loss) before income tax and share of income (loss) in equity method investment	348,267	548,851	(154,004)	130,009	(193,577)	116,705	(71,524)
Income tax expense	(71,144)	(127,787)	(55,259)	(47,092)	(6,621)	(35,470)	(3,659)
Share of income (loss) in equity method investment	4,768	5,470	3,300	1,037	3,256	587	3,795
Net (loss) Income	281,891	426,534	(205,963)	83,954	(196,942)	81,822	(71,388)

Reconciliations of GAAP and non-GAAP Financial Measures

In RMB '000	For the year ended December 31,			For the six months ended June 30,		For the three months ended June 30,	
	2019	2020	2021	2021	2022	2021	2022
Income (loss) from operations	383,653	558,677	7,021	159,545	(64,525)	106,634	(23,355)
Add: Share-based compensation expenses	75,183	108,440	196,547	74,161	94,862	51,709	59,822
Amortization of intangible assets resulting from business acquisition	1,564	1,564	20,536	3,695	21,580	3,304	10,790
Non-GAAP income from operations	460,400	668,681	224,104	237,401	51,917	161,647	47,257
Net income (loss)	281,891	426,534	(205,963)	83,954	(196,942)	81,822	(71,388)
Add: Share-based compensation expenses	75,183	108,440	196,547	74,161	94,862	51,709	59,822
Amortization of intangible assets resulting from business acquisition	1,564	1,564	20,536	3,695	21,580	3,304	10,790
Unrealized investment loss	—	—	209,956	54,605	94,645	17,254	12,657
Less: Tax effect of amortization of intangible assets resulting from business acquisition	(392)	(392)	(3,686)	(924)	(4,402)	(826)	(2,201)
Non-GAAP net income	358,246	536,146	217,390	215,491	9,743	153,263	9,680
Net income (loss) attributable to ordinary shareholders of Baozun Inc.	281,297	425,992	(219,830)	81,021	(200,163)	79,766	(77,759)
Add: Share-based compensation expenses	75,183	108,440	196,547	74,161	94,862	51,709	59,822
Amortization of intangible assets resulting from business acquisition	796	796	15,574	3,026	16,400	2,827	8,200
Unrealized investment loss	—	—	209,956	54,605	94,645	17,254	12,657
Less: Tax effect of amortization of intangible assets resulting from business acquisition	(200)	(200)	(2,645)	(757)	(3,324)	(707)	(1,662)
Non-GAAP net income attributable to ordinary shareholders of Baozun Inc.	357,076	535,028	199,602	212,056	2,420	150,849	1,258

Consolidated Balance Sheet

Selected Consolidated Balance Sheet Data

in RMB '000	For the year ended December 31,			For the three months ended June 30,
	2019	2020	2021	2022
ASSETS				
Cash and cash equivalents	1,144,451	3,579,665	4,606,545	3,114,597
Restricted cash	382,359	151,354	93,219	22,171
Accounts receivable, net ⁽¹⁾	1,800,896	2,188,977	2,260,918	2,095,403
Inventories, net ⁽¹⁾	896,818	1,026,038	1,073,567	899,644
Property and equipment, net	415,648	430,089	652,886	707,747
Right-of-use assets	440,593	524,792	1,095,570	1,014,894
Other assets	2,015,835	2,573,776	2,536,275	2,223,691
TOTAL ASSETS ⁽¹⁾	7,096,600	10,474,691	12,318,980	10,078,147
LIABILITIES AND SHAREHOLDERS' EQUITY				
Accounts payable	877,093	421,562	494,079	400,047
Short-term loan	428,490	—	2,288,465	1,311,387
Long-term loan	1,859,896	1,762,847	—	—
Accrued expenses and other current liabilities	581,122	991,180	984,519	969,434
Operating lease liabilities	447,844	535,556	1,161,671	1,078,534
Other liabilities	302,384	620,943	908,897	283,795
TOTAL LIABILITIES ⁽¹⁾	4,496,829	4,332,088	5,837,631	4,043,197
Baozun Inc. shareholders' equity	2,568,731	6,111,021	4,896,359	4,461,563
Noncontrolling interests	31,040	31,582	1,584,990	1,573,387
TOTAL LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY ⁽¹⁾	7,096,600	10,474,691	12,318,980	10,078,147

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

