

A photograph of the Aurora Borealis (Northern Lights) over a snowy mountain range at night. The aurora displays vibrant green and purple hues against a dark, star-filled sky. The foreground shows the dark, snow-covered slopes of a mountain valley.

4Q21 & FY2021 Earnings Presentation

March 2022

BAO | ZUN

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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.

4Q 2021 Financial Highlights



GMV⁽¹⁾

RMB 26 bn



Revenue

RMB 3.2 bn



Non-GAAP
Operating Income⁽²⁾

RMB 71 mm



Cash
Balance⁽⁴⁾

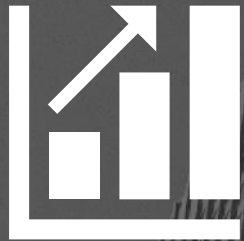
RMB 4.7 bn



RMB 115 mm

(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
(3) Adjust for abnormal expenses including an accelerated amortization of leasehold as the Company moved to new headquarters in October 2021
(4) Including cash, cash equivalents and restricted cash and short-term investment

2021 4Q Highlights



+14%
Total GMV
YoY Growth

- Strong volume in electronics, FMCG, luxury apparel categories
- Breakthrough in beauty and cosmetics category
- Growing omni-channel business in JD, mini-program, Douyin etc.
- Non-Tmall accounted for 26% of total GMV, increased by 400+ bps



7%+
GMV YoY Growth



Brand Official Website
Interactive Private
Domain & Integration
with Omni-channels



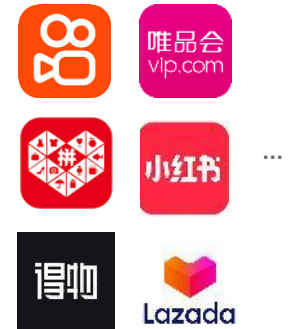
100%+
GMV YoY Growth



70%+
GMV YoY Growth



100%+
GMV YoY Growth



Medium Term Plan (MTP) Strategy 2021 Progress Update

Objective: Sustainable & Profitable Growth

Strategic Drivers



Customer-Centric to drive growth

- Luxury continue momentum and start to break into cosmetics
- Customer satisfaction improvement
- Enhanced BD capability & stronger pipeline



New Business Expansion

- Non-Tmall channel expansion
- M&A to grow business and enhance capability
- Establish footprint in Southeast Asia & Europe



Cost Structure Optimization

- S-ANY and process re-engineering to improve service quality and efficiency
- Middle-office and Regional Service Center expansion

Strategic Enablers



Technology Innovation

- Omni-channel capability enhancement
- Personal Identifiable Information Protection



Digital Marketing

- Live streaming studio
- Integrated digital marketing capability
- Data service and intelligence



Logistics

- Cainiao Network strategic partnership
- Enhance cross-border warehouse capability through BolTone acquisition
- Service differentiation through customization and automation

Culture – Deliver Quality through Developing People





- Headquarter
- Regional Service Center – Customer Service
- Logistics Hub / Offices
- Regional Service Center – IT & Digital Marketing



Improving Resource Allocation

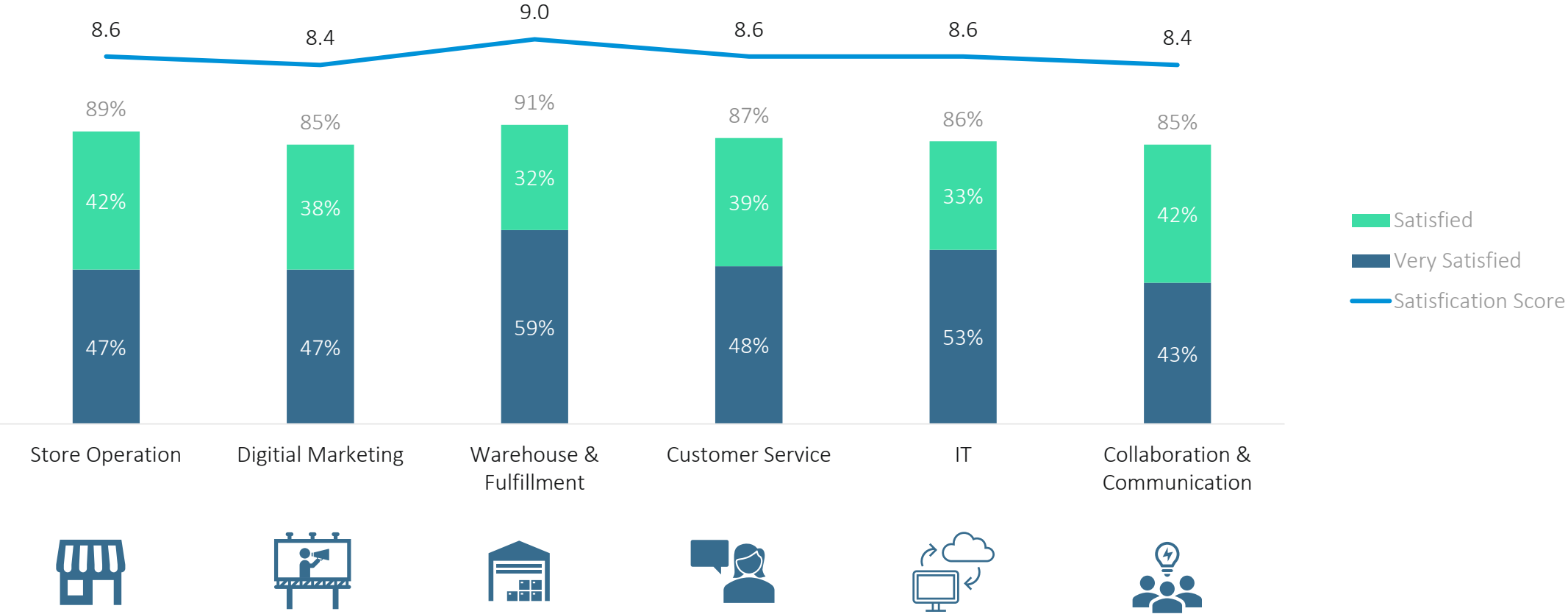
- Focus on high quality growth & superior unit economics
- Active business model transition from distribution to non-distribution
- Beneficial for long term profitability & cash flow

Pioneered NPS Program to Drive Customer-Centric Service Strategy



NielsenIQ  **8.5 / 10**

Baozun Net Promoter Score Details



Source: NielsenIQ x Baozun NPS Report

Marketplace Recognition

- 2021 Tmall Six-Star Service Provider
- 2021 JD Top 10 Service Partner
- 2021 Jianshi Top Private Domain Operator
- 2021 Douyin Brand Service Provider
- 2021 Fliggy Double 11 Ecosystem Service Provider

Customer Service Awards

- Golden Voice Award

Digital Marketing Awards

- Alimama M Awards - New Product Marketing-Bronze Award
- 2021 IAI Awards
- 2021 Golden Mouse Awards
- 2021 ROI Awards
- 2021 Golden Wheat Awards
- 2021 ECI Awards

Corporate Awards

- 2021 Top 50 Online New Economy (Shanghai)
- 2021 Annual Most Influential Brand
- 2021 Shanghai Outstanding E-Commerce Operation Enterprise
- 2021 Member of Global Service Provider Council
- 2021 Social Responsible Business Award



Streamlined Business Structure





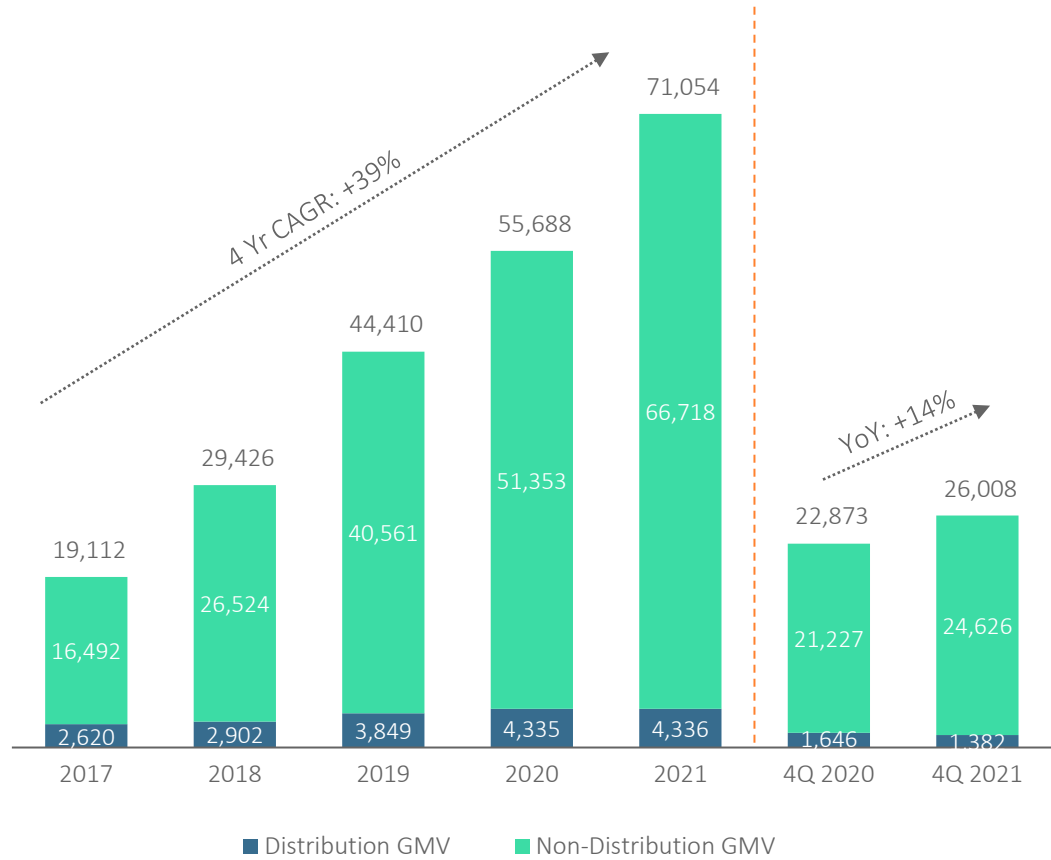
Financial Update



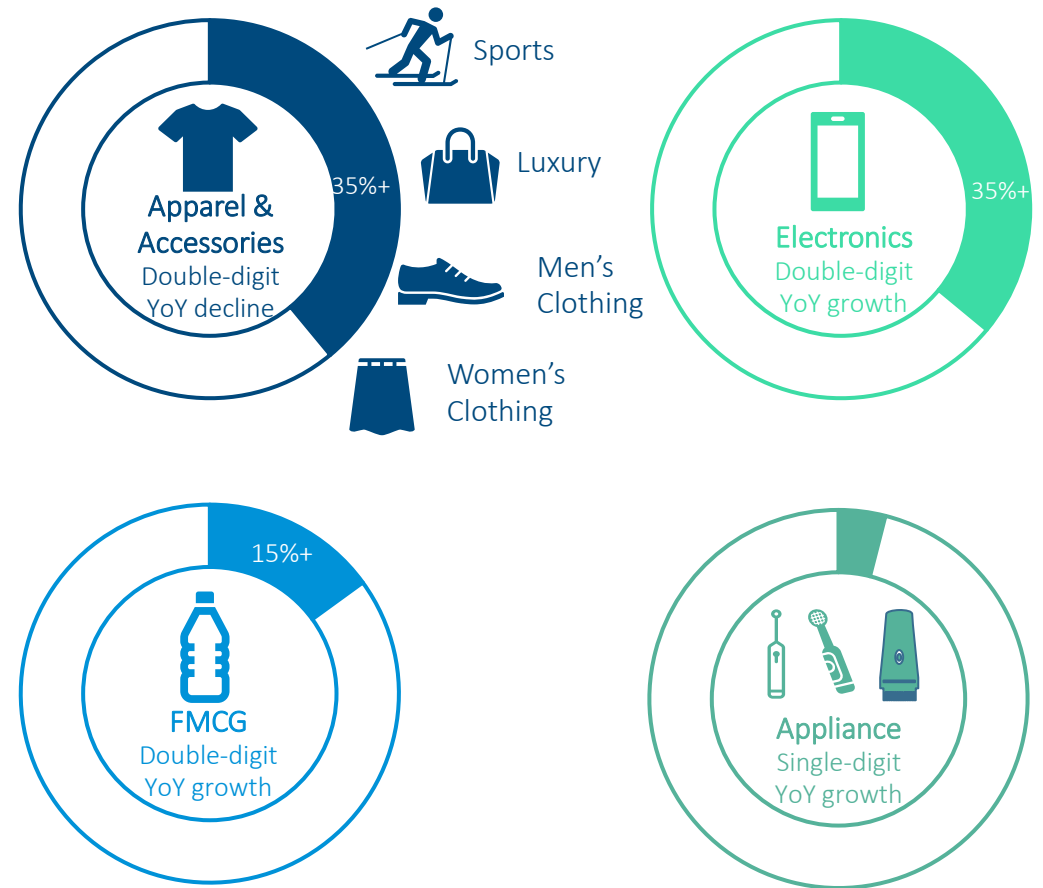
Resilient GMV Growth

Total GMV ⁽¹⁾

RMB mn



GMV by Category (4Q2021)



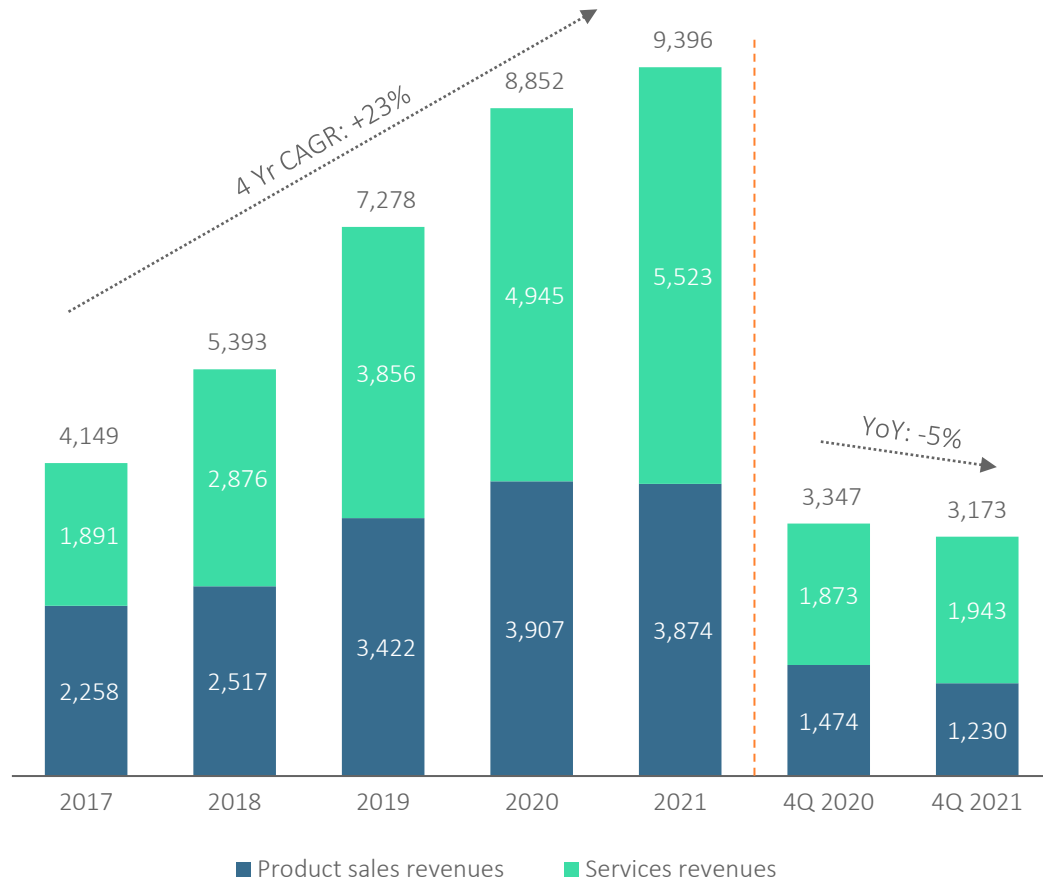
(1) Gross merchandise volume includes value added tax and excludes (i) shipping charges, (ii) surcharges and other taxes, (iii) value of the goods that are returned and (iv) deposits for purchases that have not been settled

Solid Revenue and Improved Gross Margin



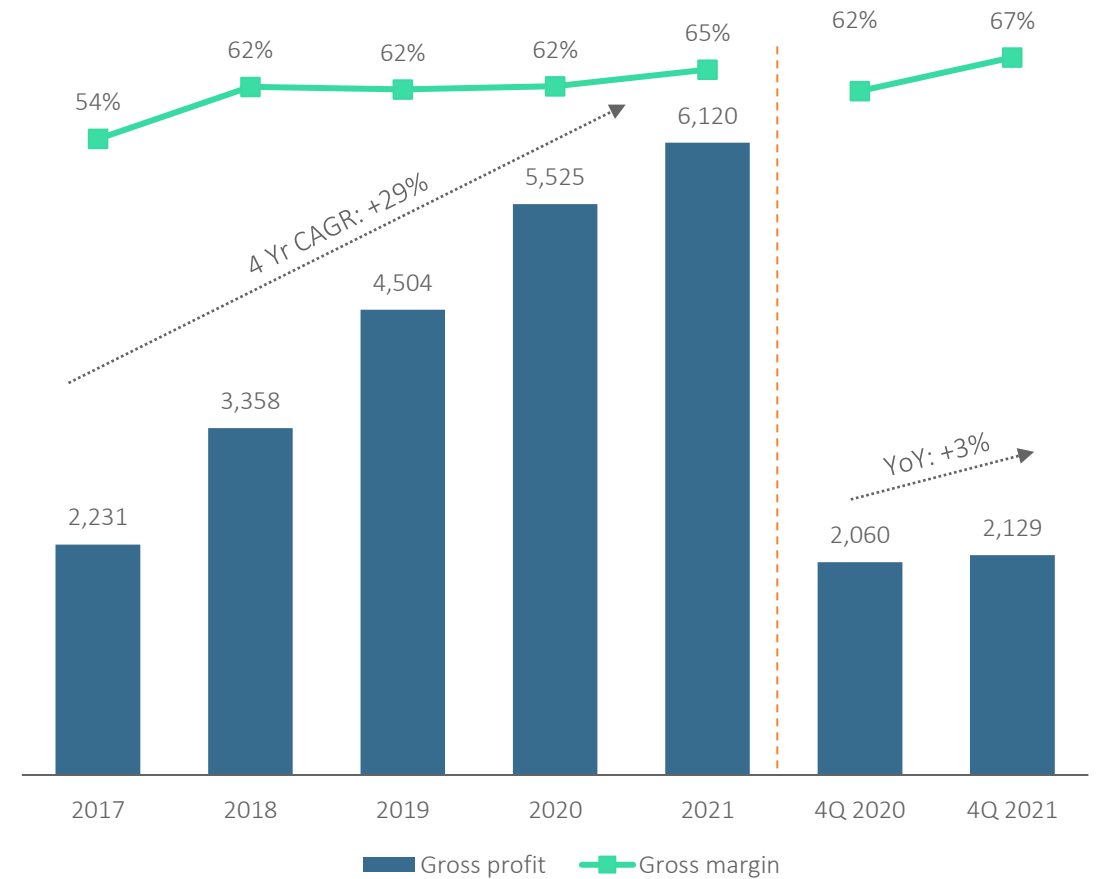
Total net revenues

RMB mn



Gross profit (1)

RMB mn

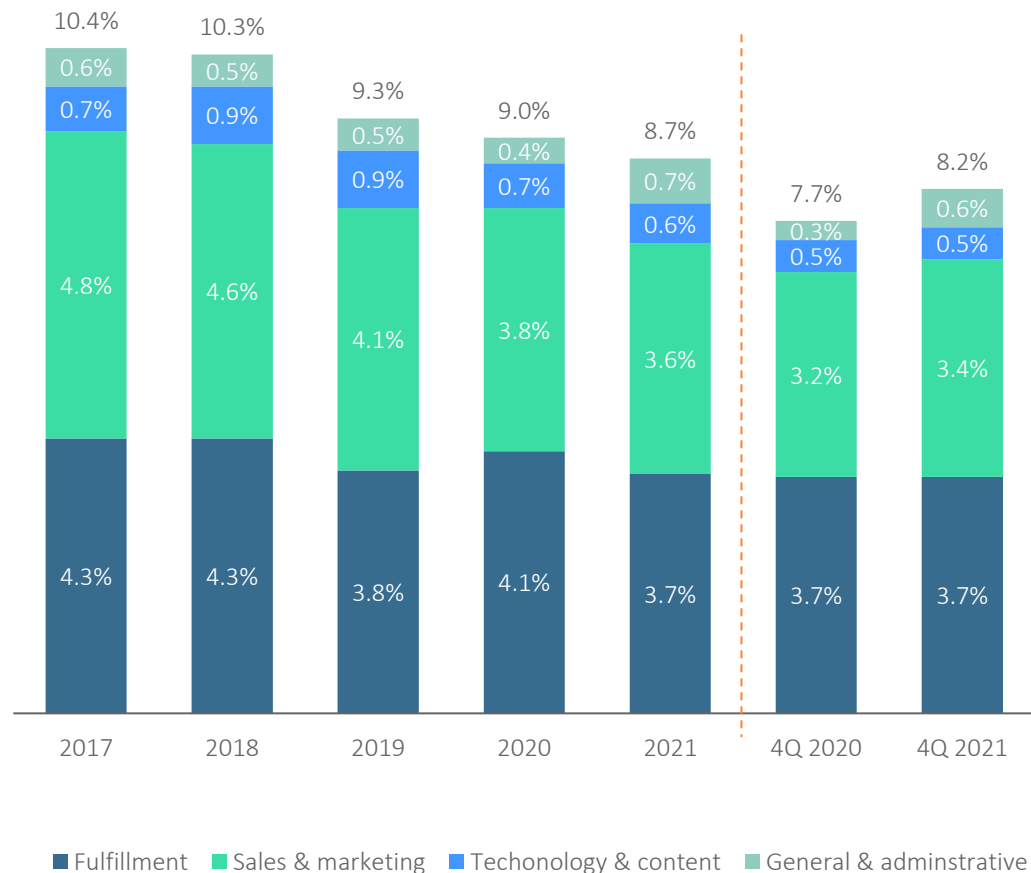


(1) Gross profit equals total net revenues minus cost of products. Gross margin equals gross profit divided by total net revenues

Optimizing Cost Structure and Driving Operational Efficiency



Operating expenses breakdown (as % of total GMV)



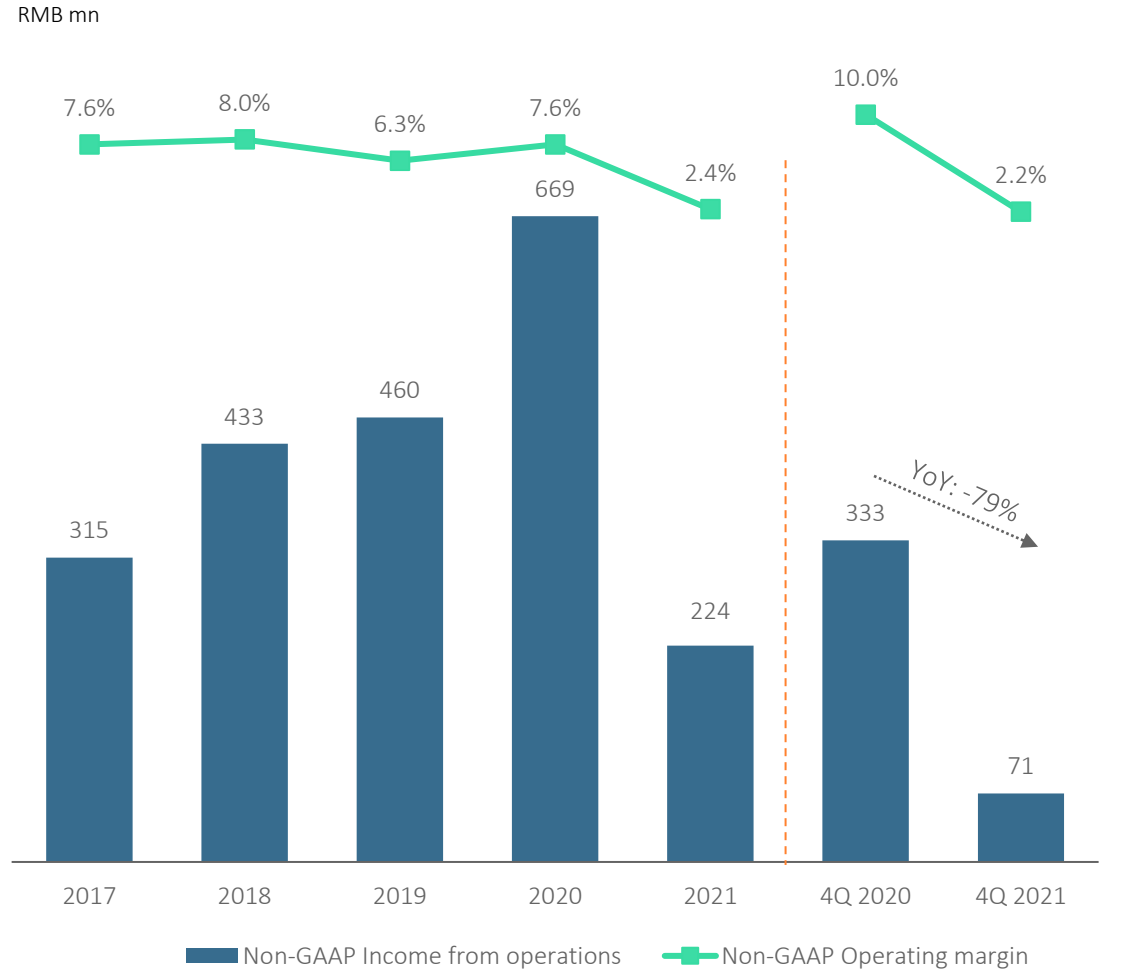
Operating Expense Breakdown ⁽¹⁾ RMB MM	Organic Business	Inorganic Business	Total
Fulfillment Expenses	736	223	959
YoY	(13.5%)	n.a	12.7%
Sales and Marketing Expenses	851	44	895
YoY	14.9%	n.a	20.8%
Technology and Content Expenses	120	6	126
YoY	9.6%	n.a	14.4%
General and Administrative Expenses	141	16	157
YoY	103.6%	n.a	127.2%
Total Operating Expenses	1,848	289	2,137
YoY	4.3%	n.a	20.6%

(1) The breakdown of the operating expenses by organic growth and M&A is based on the Company's management account

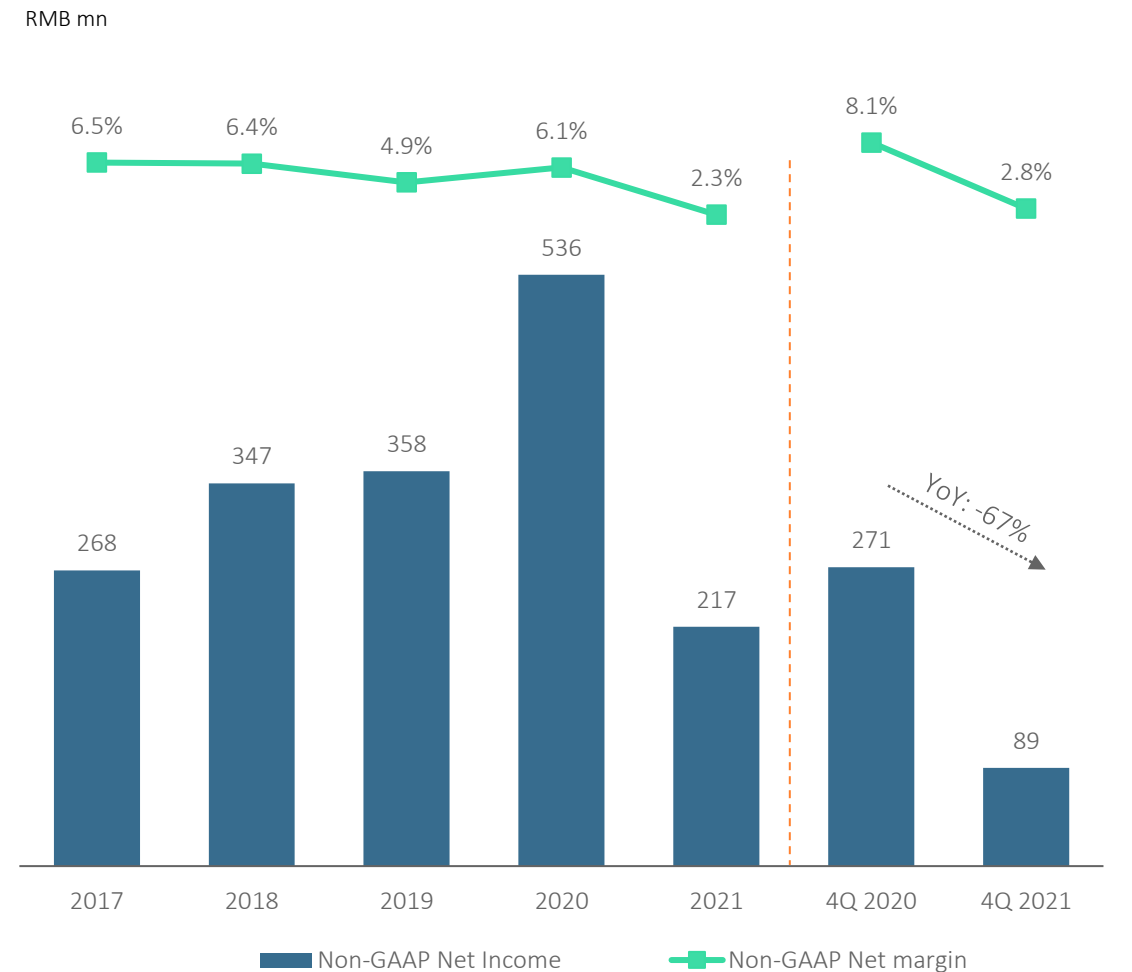
Persistent Profits Despite Challenging Macro-environment



Non-GAAP income from operations ⁽¹⁾



Non-GAAP net income ⁽²⁾



(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 4Q20 vs 4Q21



Revenue Bridge ⁽¹⁾

RMB Mn



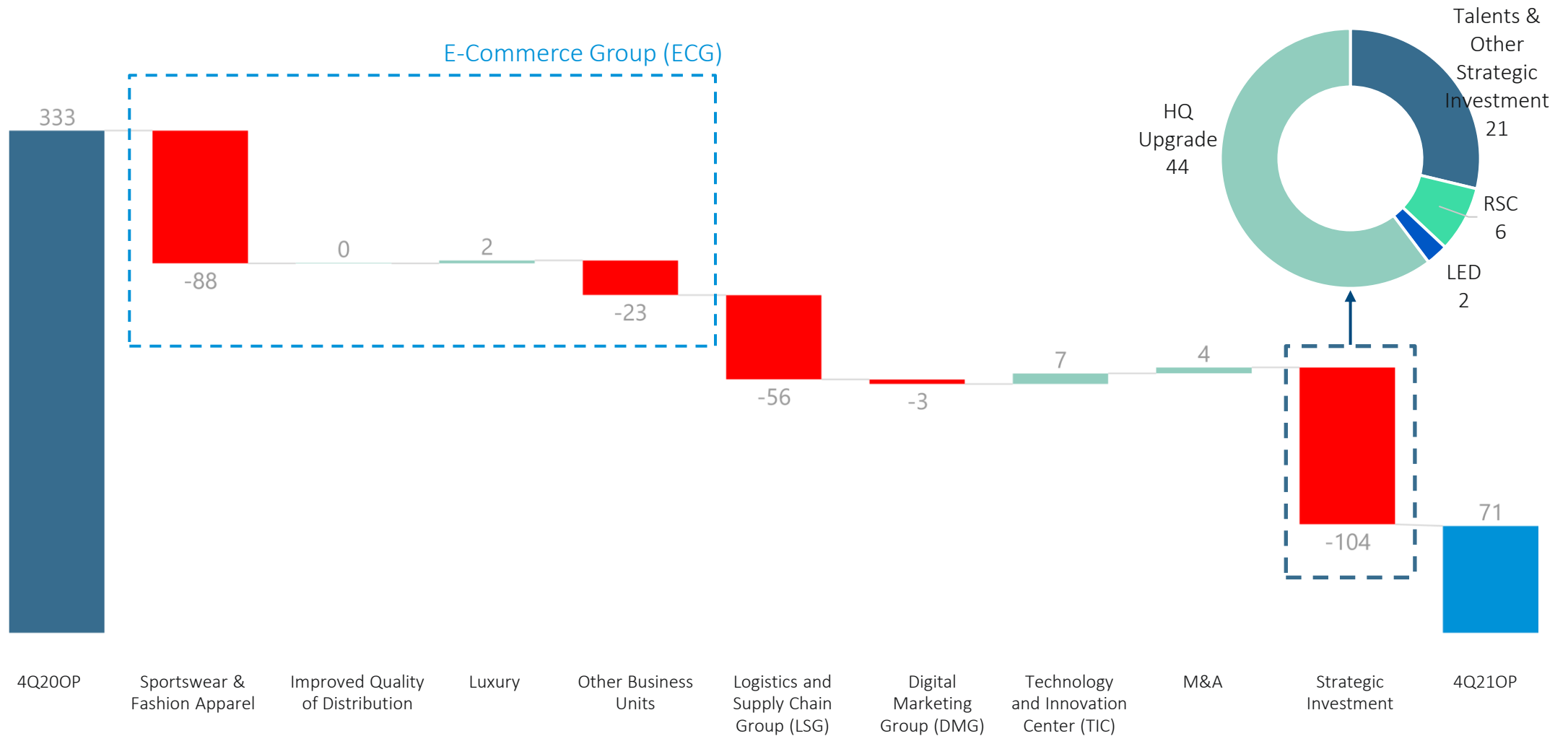
(1) Except for the 2020 Q4 revenue and 2021 Q4 revenue, all the other financial information on this slide is based on the Company's management account

Profits Walk 4Q20 vs 4Q21



Non-GAAP Operating Profit Bridge ⁽¹⁾

RMB Mn



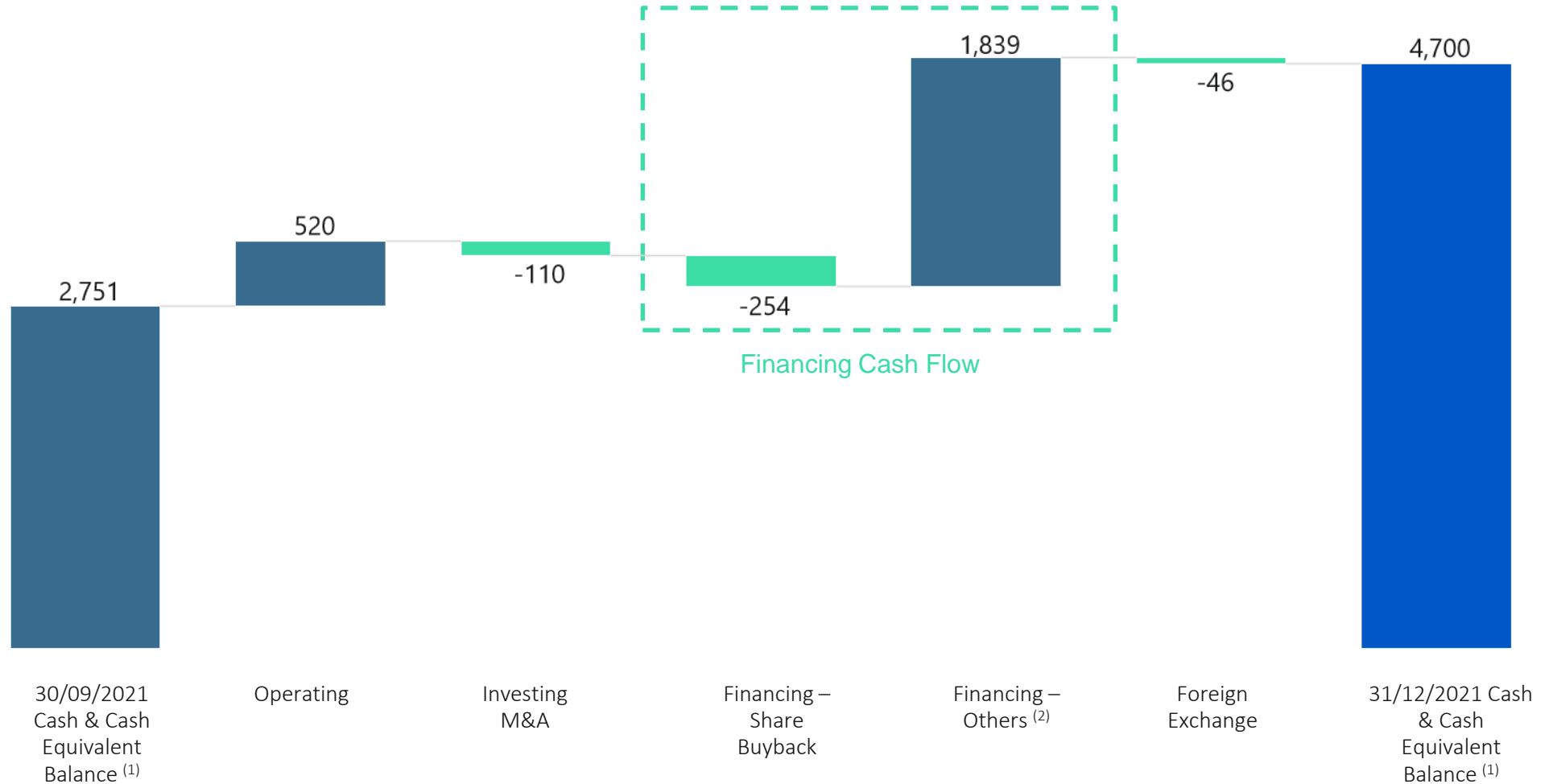
(1) Except for the 2020 Q4 non-GAAP operating profit and 2021 Q4 non-GAAP operating profit, all the other financial information on this slide is based on the Company's management account

Cash Flow Walk 3Q21 vs 4Q21



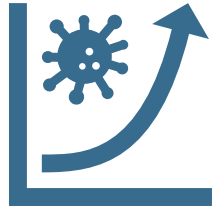
RMB Mn

BZUN FY2021Q4 Cash Flow Bridge



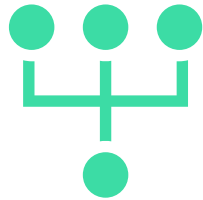
(1) Including cash, cash equivalents, restricted cash and short term investment
 (2) Including minority shareholder capital injection from Cainiao for its investment in Baotong

Strategic M&A Targets



Capability Enhancement

- Digital marketing
- CRM
- Private domain
- Logistics
- O2O/Offline channel
- New channel
- New retail technology



Vertical Consolidation

- TP
- JDP
- Livestreaming service provider



Geographic Expansion

- Replicate Baozun's capability in overseas market
- Overseas offline channel resources
- Overseas brand acquisition

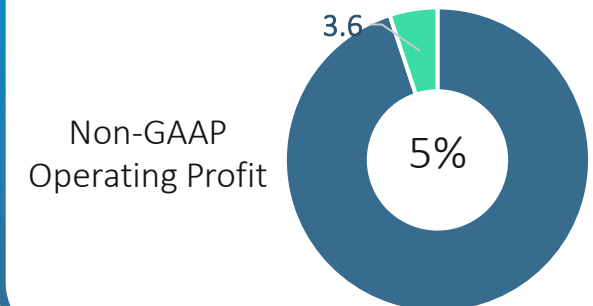
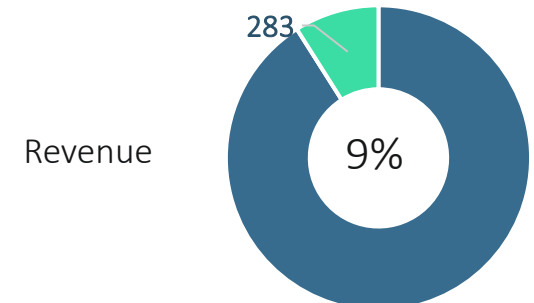
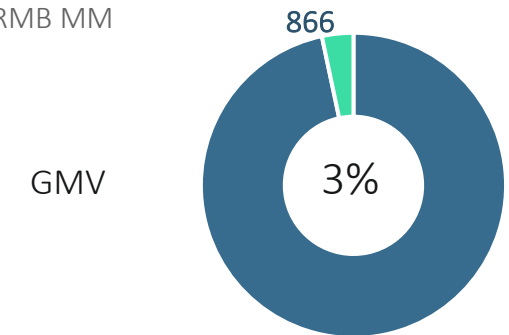


Brand Building

- Brand venture incubation
- Early localization of international brands
- Domestic emerging brands

4Q21 Financial Contributions

RMB MM



Brand Building Showcase



One of Baozun's subsidiary invested in Nobaday in October 2021



“1+X”
Omni-channel
Integrated Supply
Chain Services
Provider



FY2021 Financial Highlights



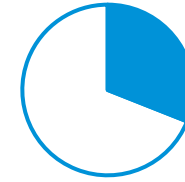
GMV⁽¹⁾

RMB 71 bn



Revenue

RMB 9.4 bn



Non-Tmall
Contribution

31%



Cash
Balance⁽²⁾

RMB 4.7 bn

(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) Including cash, cash equivalents, restricted cash and short-term investment

Q&A



Appendix



Consolidated Statements of Income



Selected Consolidated Statements of Income

in RMB '000	For the year ended December 31,			For the three months ended December 31,	
	2019	2020	2021	2020	2021
Product sales	3,422,151	3,906,611	3,873,589	1,474,246	1,230,025
Services	3,856,041	4,944,952	5,522,667	1,872,452	1,942,853
Total net revenues	7,278,192	8,851,563	9,396,256	3,346,698	3,172,878
Operating expenses:					
Cost of products	(2,774,342)	(3,326,243)	(3,276,571)	(1,286,659)	(1,043,606)
Fulfilment	(1,678,191)	(2,259,176)	(2,661,126)	(850,991)	(958,863)
Sales and marketing	(1,815,642)	(2,130,667)	(2,549,842)	(741,386)	(895,397)
Technology and content	(392,951)	(409,870)	(448,410)	(110,148)	(126,060)
General and administrative	(215,660)	(224,045)	(525,802)	(69,167)	(157,148)
Other operating income (expense), net	(17,753)	57,115	72,516	12,281	12,197
Total operating expenses	(6,894,539)	(8,292,886)	(9,389,235)	(3,046,070)	(3,168,877)
Income from operations	383,653	558,677	7,021	300,628	4,001
Other income (expenses):					
Interest income	42,614	41,373	62,943	13,679	9,074
Interest expense	(61,316)	(66,124)	(56,847)	(14,097)	(16,102)
Unrealized investment loss	(9,021)	(10,800)	(209,956)	-	(21,024)
Impairment loss of investments	-	-	(3,541)	(10,000)	-
Gain on disposal of investment	-	-	150	-	150
Exchange gain (loss)	(7,663)	25,725	46,226	25,544	26,726
Income (loss) before income tax and share of income (loss) in equity method investment	348,267	548,851	(154,004)	315,754	2,825
Income tax expense	(71,144)	(127,787)	(55,259)	(75,951)	(1,818)
Share of income (loss) in equity method investment	4,768	5,470	3,300	(967)	2,086
Net Income (loss)	281,891	426,534	(205,963)	238,836	3,093

Consolidated Balance Sheet



Selected Consolidated Balance Sheet Data

in RMB '000	As of December 31,		
	2019	2020	2021
ASSETS			
Cash and cash equivalents	1,144,451	3,579,665	4,606,541
Restricted cash	382,359	151,354	93,219
Accounts receivable, net ⁽¹⁾	1,800,896	2,188,977	2,260,918
Inventories, net ⁽¹⁾	896,818	1,026,038	1,073,567
TOTAL ASSETS ⁽¹⁾	7,096,600	10,474,691	12,318,980
LIABILITIES AND SHAREHOLDERS' EQUITY			
Accounts payable	877,093	421,562	494,079
Short-term loan	428,490	—	2,288,465
Long-term loan	1,859,896	1,762,847	—
TOTAL LIABILITIES ⁽¹⁾	4,496,829	4,332,088	5,837,631
Baozun Inc. shareholders' equity	2,568,731	6,111,021	5,938,983
TOTAL LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY ⁽¹⁾	7,096,600	10,474,691	12,318,980

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

Reconciliations of GAAP and non-GAAP Financial Measures

In RMB '000	For the year ended December 31,					For the three months ended December 31,	
	2017	2018	2019	2020	2021	2020	2021
Income from operations	256,332	355,773	383,653	558,677	7,021	300,628	4,001
Add: Share-based compensation expenses	58,231	75,862	75,183	108,440	196,547	32,098	55,965
Amortization of intangible assets resulting from business acquisition	782	1,564	1,564	1,564	20,536	391	11,056
Non-GAAP income from operations	315,345	433,199	460,400	668,681	224,104	333,117	71,022
Net income (loss)	209,130	269,771	281,891	426,534	(205,963)	238,836	3,093
Add: Share-based compensation expenses	58,231	75,862	75,183	108,440	196,547	32,098	55,965
Amortization of intangible assets resulting from business acquisition	782	1,564	1,564	1,564	20,536	391	11,056
Unrealized investment loss	—	—	—	—	209,956	—	21,024
Less: Tax effect of amortization of intangible assets resulting from business acquisition	(196)	(392)	(392)	(392)	(3,686)	(98)	(1,853)
Non-GAAP net income	267,947	346,805	358,246	536,146	217,390	271,227	89,285
Net income (loss) attributable to ordinary shareholders of Baozun Inc.	208,866	269,712	281,297	425,992	(219,830)	239,347	(8,345)
Add: Share-based compensation expenses	58,231	75,862	75,183	108,440	196,547	32,098	55,965
Amortization of intangible assets resulting from business acquisition	398	796	796	796	15,574	199	8,348
Unrealized investment loss	—	—	—	—	209,956	—	21,024
Less: Tax effect of amortization of intangible assets resulting from business acquisition	(100)	(200)	(200)	(200)	(2,645)	(50)	(1,311)
Non-GAAP net income attributable to ordinary shareholders of Baozun Inc.	267,395	346,170	357,076	535,028	199,602	271,594	75,681



Thank You!

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