

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 of the aurora.

# Baozun 2Q 2019 Results

August 21, 2019



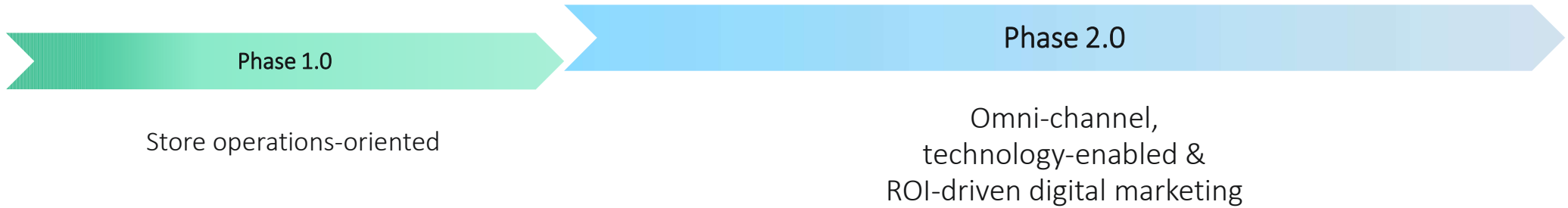
## Disclaimer

This presentation does not constitute an offer to sell or issue or solicitation of an offer to buy or acquire securities of Baozun Inc. (the “Company”) in any jurisdiction or an inducement to enter into investment activity, nor may it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. Specifically, this presentation does not constitute a “prospectus” within the meaning of the U.S. Securities Act of 1933, as amended (the “Securities Act”). No securities of the Company may be offered or sold in the United States without registration with the U.S. Securities and Exchange Commission (the “SEC”) unless pursuant to an available exemption from the registration requirement of the Securities Act. This presentation does not contain all relevant information relating to the Company or its securities, particularly with respect to the risks and special considerations involved with an investment in the securities of the Company.

This presentation contains forward-looking statements, including statements about the intent, belief or current expectations of the Company or its officers, the Company’s business and financial outlook, strategy and market opportunity, and statements about the Company’s historical results that may suggest trends for its business. These statements are forward-looking statements within the meaning of the U.S. securities laws. These forward-looking statements are made only, and are based on estimates and information available to the Company, as of the date of this presentation, and are not guarantees of future performance. These forward-looking statements are based on a number of assumptions which are subject to known and unknown risks, uncertainties and other factors that are beyond the Company’s control, such as the political, social, legal and economic environment in which the Company will operate in the future. Accordingly, actual results, performance or achievements may differ materially from those expressed or implied by these forward-looking statements and future results could materially differ from historical performance. The Company, its officers, advisors, or representatives undertakes no obligation to update or revise these forward-looking statements for events or circumstances that occur subsequent to the date of this presentation, except as required under law.

This presentation contains certain financial measures that are not recognized under generally accepted accounting principles in the United States (“GAAP”). 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 presentation 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 presentation 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.

# We are at the forefront of a new era in brand e-commerce



## 2Q 2019 Highlights



GMV<sup>(1)</sup>  
**RMB9.7 bn**  
60% YoY Growth



Revenue  
**RMB1.7 bn**  
47% YoY Growth



Brand Partners<sup>(2)</sup>  
**212**  
Across 8 categories



Non-GAAP Income from Operations<sup>(3)</sup>  
**RMB103 mn**  
30% YoY Growth

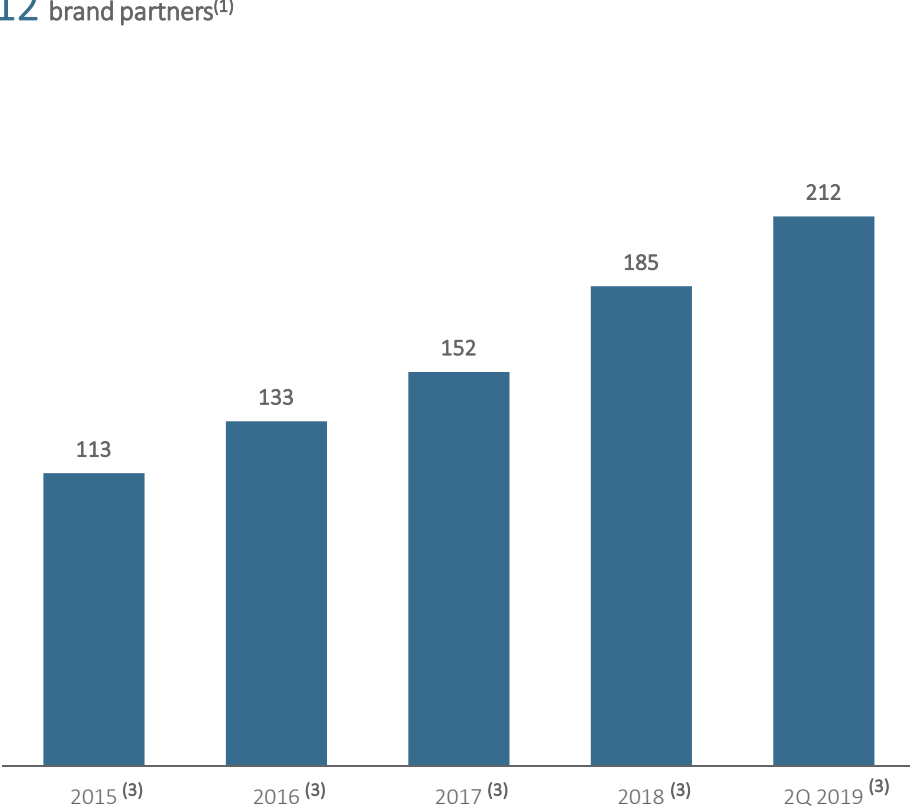
(1) Gross merchandise volume for the second quarter of 2019, includes value added tax and excludes (i) shipping charges, (ii) surcharges and other taxes, (iii) value of the goods that are returned and (iv) deposits for purchases that have not been settled

(2) As of June 30, 2019

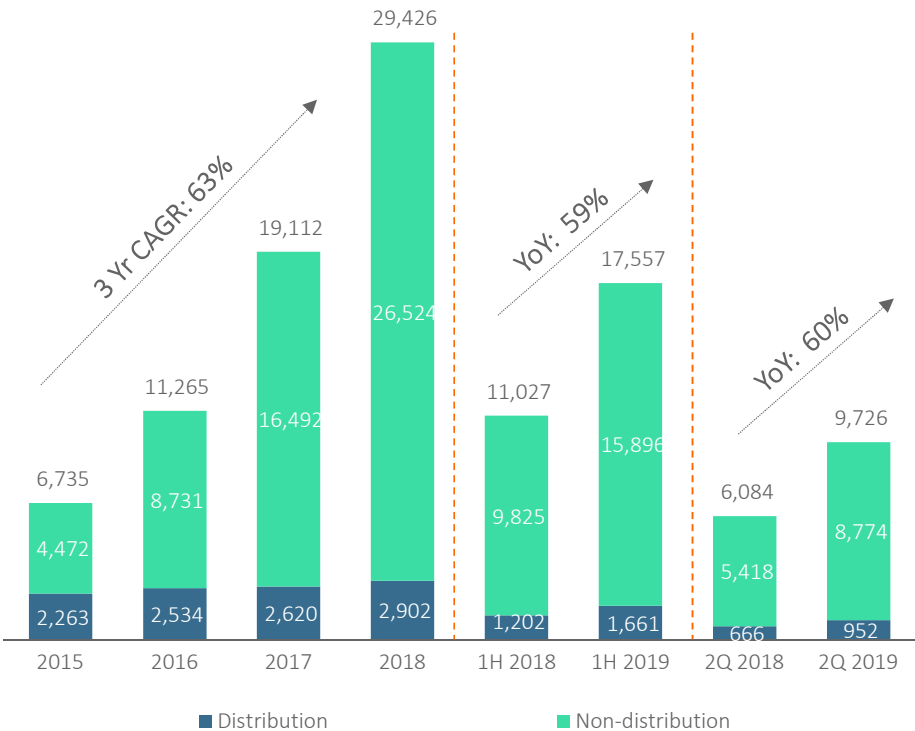
(3) Non-GAAP income from operations is a non-GAAP financial measure, which is defined as income from operations excluding share-based compensation expenses and amortization of intangible assets resulting from business acquisition.

# Accelerating Customer Acquisition and Solid GMV Growth

212 brand partners<sup>(1)</sup>



Total GMV<sup>(2)</sup>  
RMB mn

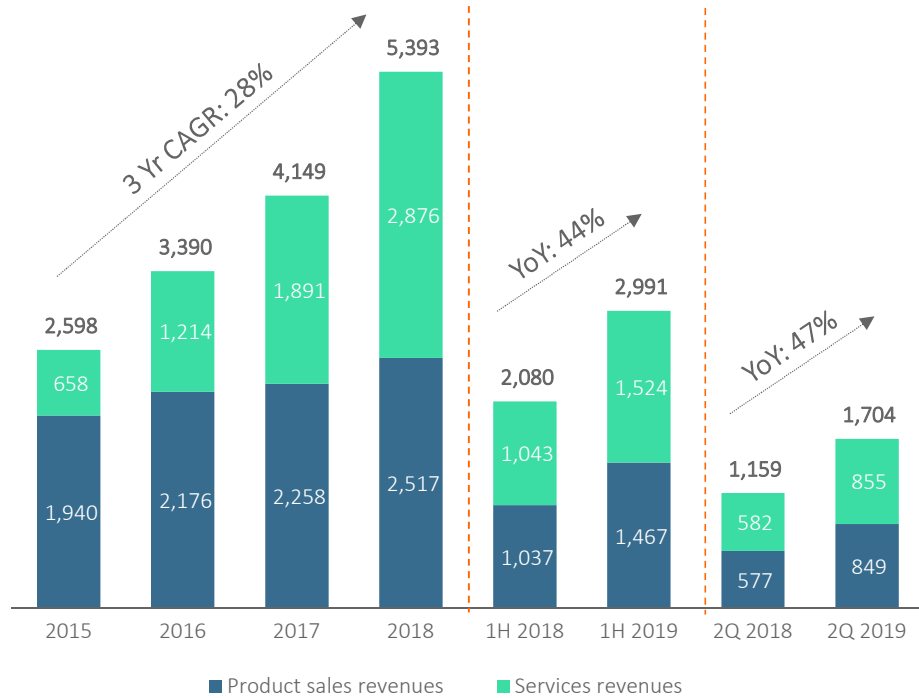


(1) As of June 30, 2019  
 (2) Gross merchandise volume, includes value added tax and excludes (i) shipping charges, (ii) surcharges and other taxes, (iii) value of the goods that are returned and (iv) deposits for purchases that have not been settled  
 (3) As of year end, or quarter end

# Increasing Revenues and Gross Margin Expansion

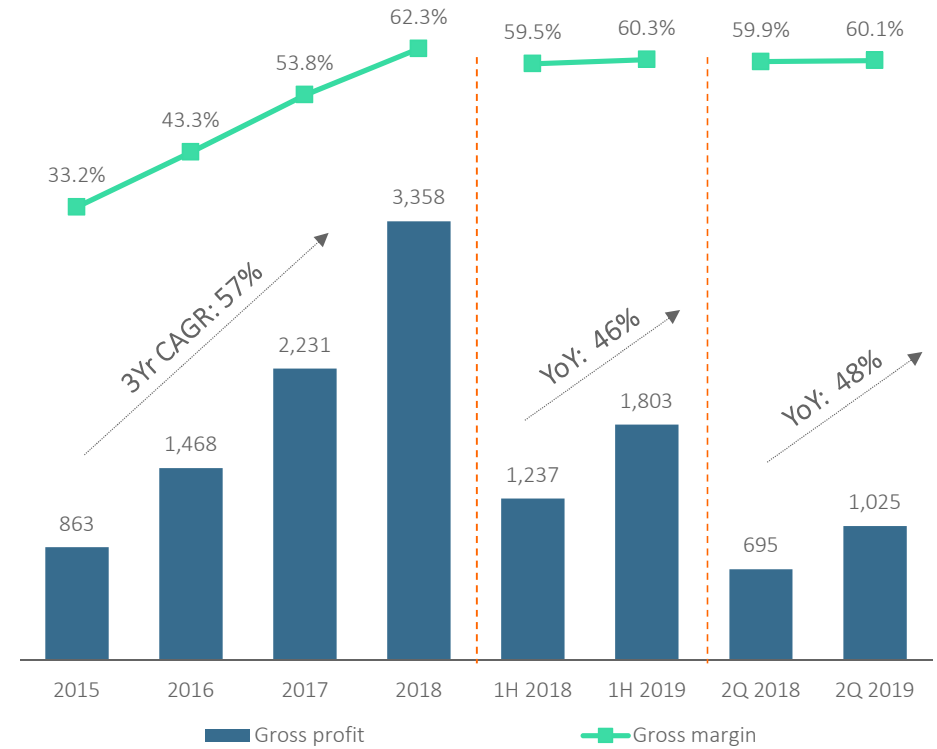
Total net revenues

RMB mn



Gross profit<sup>(1)</sup>

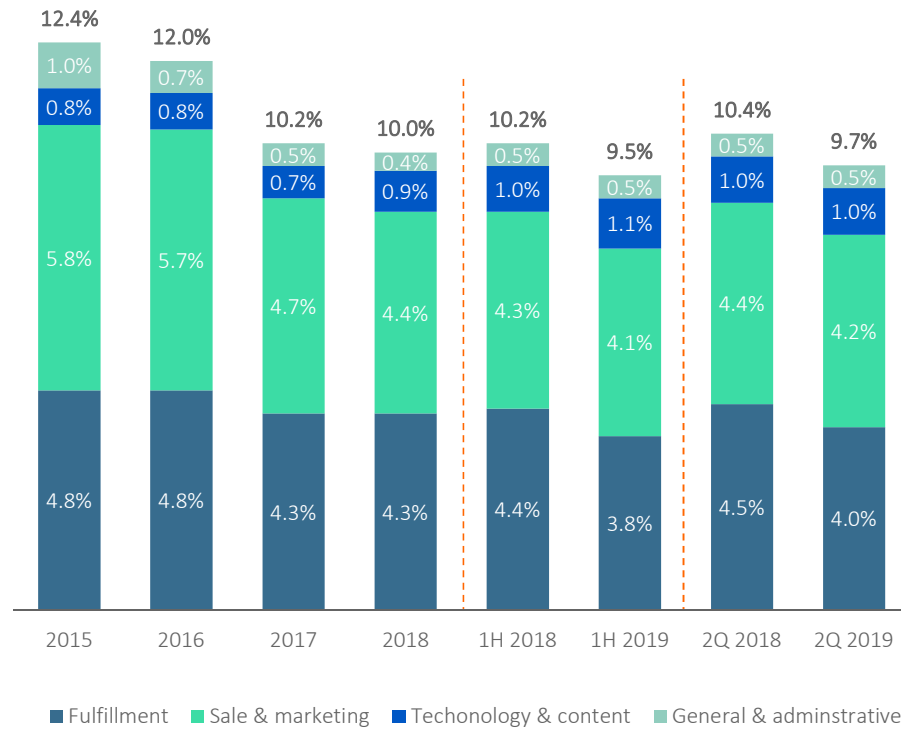
RMB mn



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

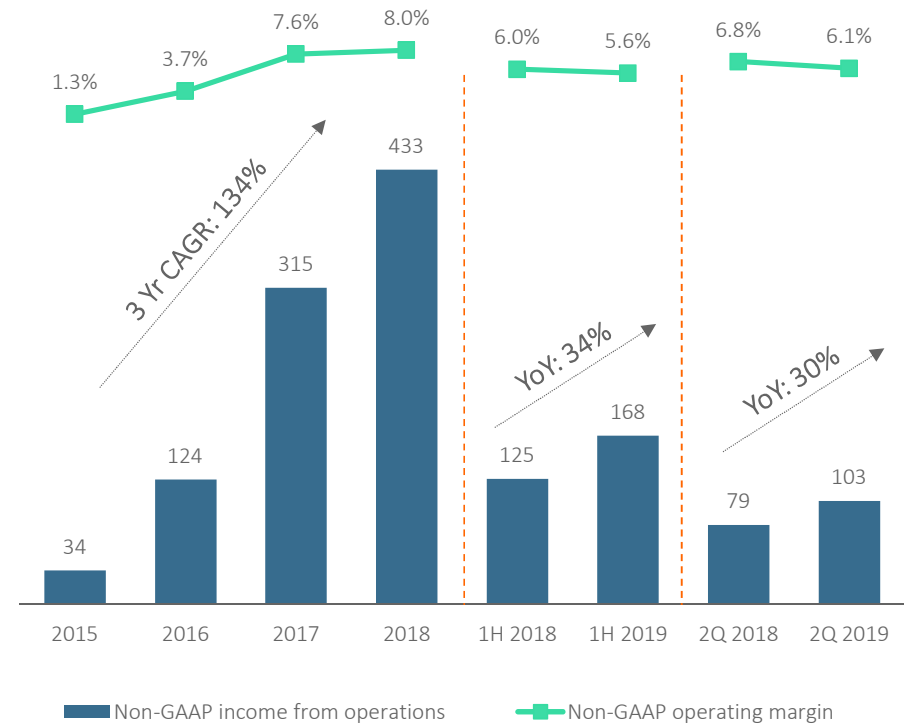
# Optimizing Cost Structure to Accelerate Long-Term Growth

Non-GAAP operating expenses<sup>(1)</sup> breakdown (as % of total GMV)



Non-GAAP income from operations<sup>(2)</sup>

RMB mn



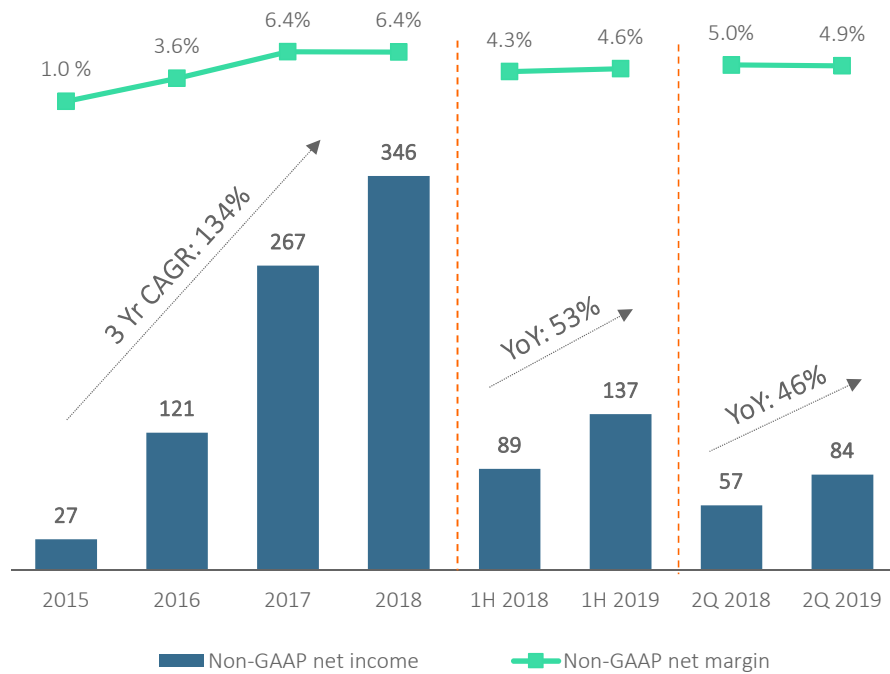
(1) Non-GAAP expenses is defined as expenses excluding share-based compensation expenses and amortization of intangible assets resulting from business acquisition

(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. Non-GAAP operating margin is non-GAAP income from operations as a percentage of total net revenues

# Sustained Profitability

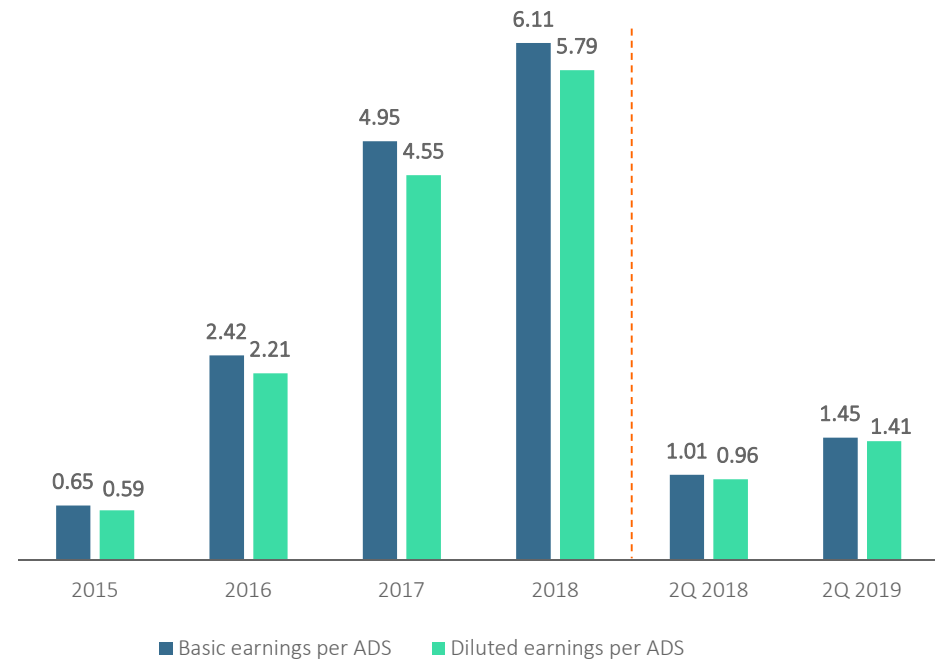
Non-GAAP Net Income attributable to Ordinary Shareholders of Baozun<sup>(1)</sup>

RMB mn



Basic and Diluted non-GAAP Net Income attributable to Ordinary Shareholders of Baozun Inc. per ADS<sup>(2)</sup>

RMB



(1) Non-GAAP net income attributable to ordinary shareholders of Baozun Inc. is net income attributable to ordinary shareholders of Baozun Inc. excluding the impact of share-based compensation expenses and amortization of intangible assets resulting from business acquisition. Non-GAAP net margin is non-GAAP net income as a percentage of total net revenues

(2) Basic and diluted non-GAAP net income attributable to ordinary shareholders of Baozun Inc. per ADS are non-GAAP financial measures, which are defined as non-GAAP 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 Six Months ended June 30,		For the Three Months ended June 30,	
	2015	2016	2017	2018	2018	2019	2018	2019
Income from operations	8,451	90,066	256,332	355,773	86,707	131,636	58,287	85,796
Add: Share-based compensation expenses	25,195	34,185	58,231	75,862	37,455	35,436	20,595	16,960
Amortization of intangible assets resulting from business acquisition	—	—	782	1,564	782	782	391	391
<b>Non-GAAP income from operations</b>	<b>33,646</b>	<b>124,251</b>	<b>315,345</b>	<b>433,199</b>	<b>124,944</b>	<b>167,854</b>	<b>79,273</b>	<b>103,147</b>
Net income	22,621	85,424	209,130	269,771	51,929	100,624	36,464	66,674
Add: Share-based compensation expenses	25,195	34,185	58,231	75,862	37,455	35,436	20,595	16,960
Amortization of intangible assets resulting from business acquisition	—	—	782	1,564	782	782	391	391
Less: Tax effect of amortization of intangible assets resulting from business acquisition	—	—	(196)	(392)	(196)	(196)	(98)	(98)
<b>Non-GAAP net income</b>	<b>47,816</b>	<b>119,609</b>	<b>267,947</b>	<b>346,805</b>	<b>89,970</b>	<b>136,646</b>	<b>57,352</b>	<b>83,927</b>
Net income (loss) attributable to ordinary shareholders of Baozun Inc.	(2,711)	86,633	208,866	269,712	51,682	101,071	36,751	67,062
Add: Share-based compensation expenses	25,195	34,185	58,231	75,862	37,455	35,436	20,595	16,960
Amortization of intangible assets resulting from business acquisition	—	—	398	796	398	398	199	199
Less: Tax effect of amortization of intangible assets resulting from business acquisition	—	—	(100)	(200)	(100)	(100)	(50)	(50)
<b>Non-GAAP net income attributable to ordinary shareholders of Baozun Inc.</b>	<b>22,484</b>	<b>120,818</b>	<b>267,395</b>	<b>346,170</b>	<b>89,435</b>	<b>136,805</b>	<b>57,495</b>	<b>84,171</b>

Thank You!

BAO ZUN

