

# 3Q 2023 Earnings Presentation

November 22, 2023

**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. 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”.



Revenue

RMB 1.8 bn



Gross Profit

RMB 1.3 bn



Non-GAAP  
Operating Loss <sup>(1)</sup>

RMB 90 mn



Operating  
Cash Flow <sup>(2)</sup>

RMB 1 mn

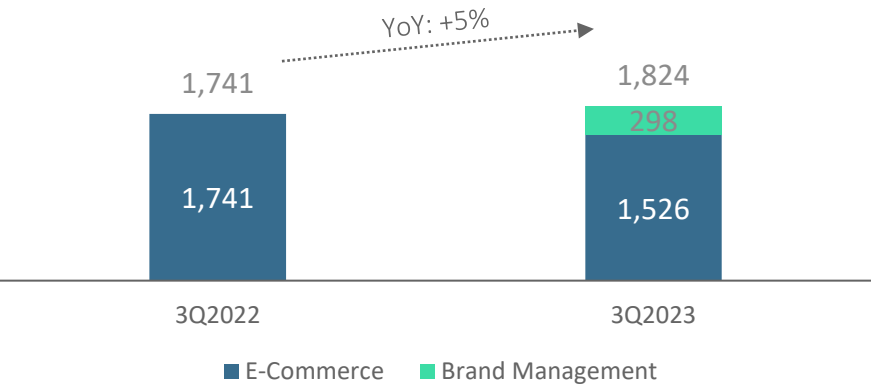
(1) Non-GAAP income (loss) from operations is a non-GAAP financial measure, which is defined as income from operations excluding the impact of share-based compensation expenses, amortization of intangible assets resulting from business acquisition, acquisition-related expenses, impairment of goodwill, loss on variance from expected contingent acquisition payment, and cancellation fees of repurchased ADSs and returned ADSs.

(2) Unaudited operating cash flow, based on the Company's internal management account.

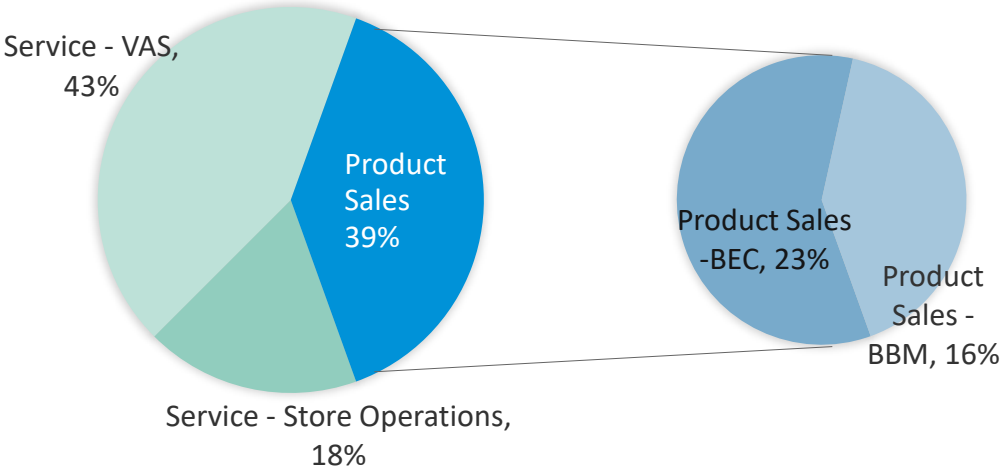
# 3Q23 Revenue Breakdown

## Total Net Revenues

RMB mn



## Revenue Contribution (by Business Model)



## Revenue Characteristics



Product sales revenue of BBM with contribution from Gap Shanghai

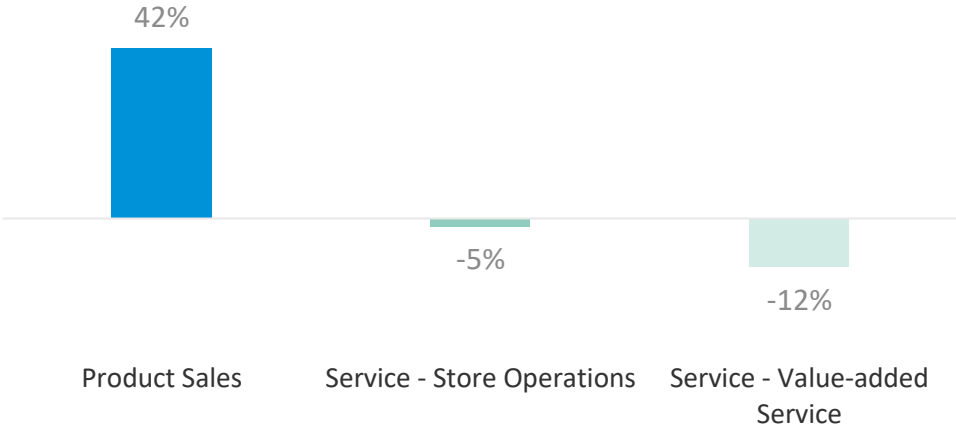


Sportswear delivered double digit revenue growth

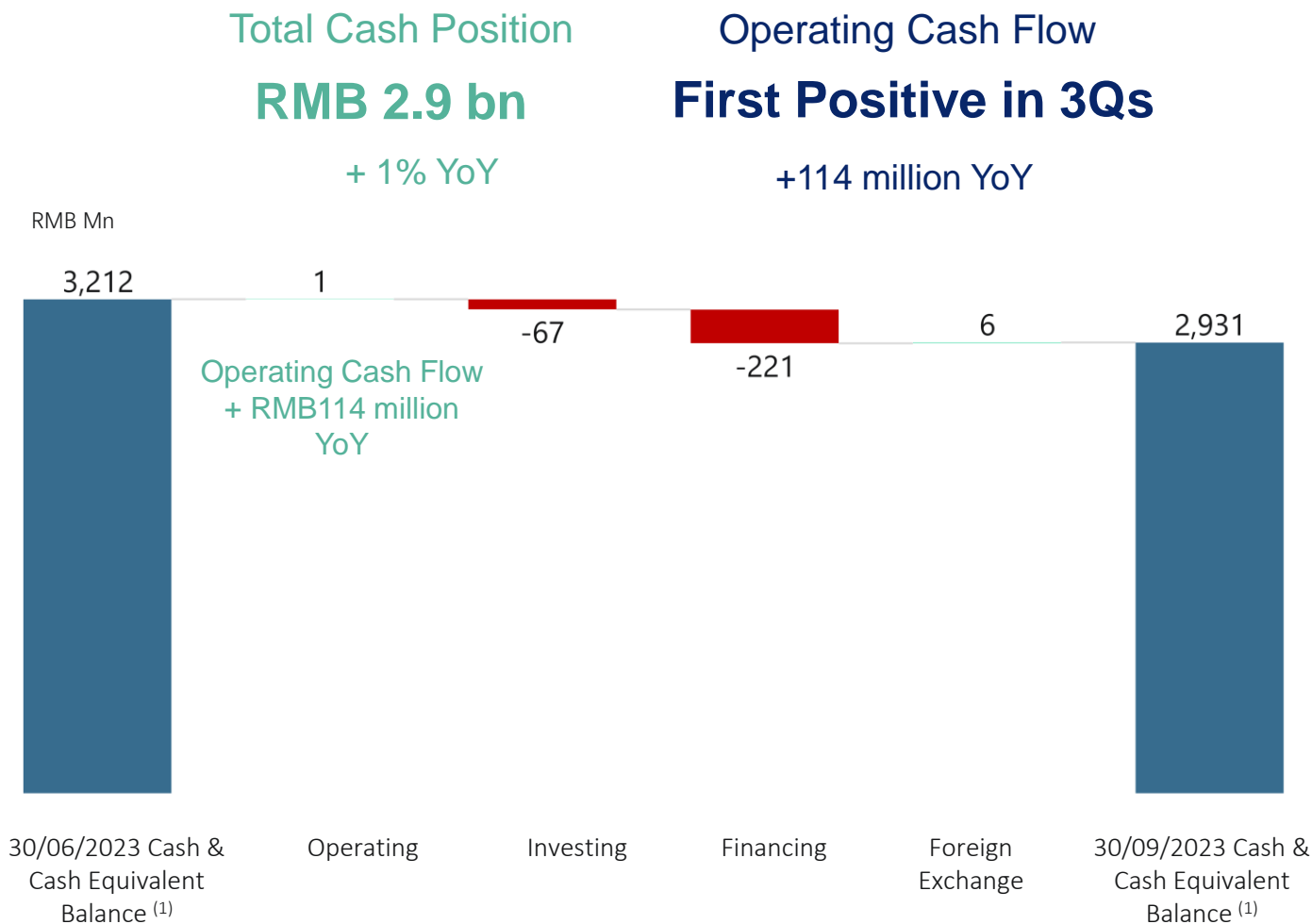


Weak product sales revenue of BEC primarily in FMCG, electronics & appliances categories

## Revenue YoY Change (by Business Model)



# Cash Flow Walk 2Q23 vs 3Q23



First positive OCF during the third quarter, even post operating cash outflow of BBM



OCF improved RMB114 million YoY through efficient working capital management; BEC OCF improved by RMB148 million on apple-to-apple basis



Net interest income RMB13 million+ through effective treasury management



Investing cash outflow mainly due to Capex related to warehousing & fulfillment, Creative Content to Commerce and Gap Shanghai offline stores

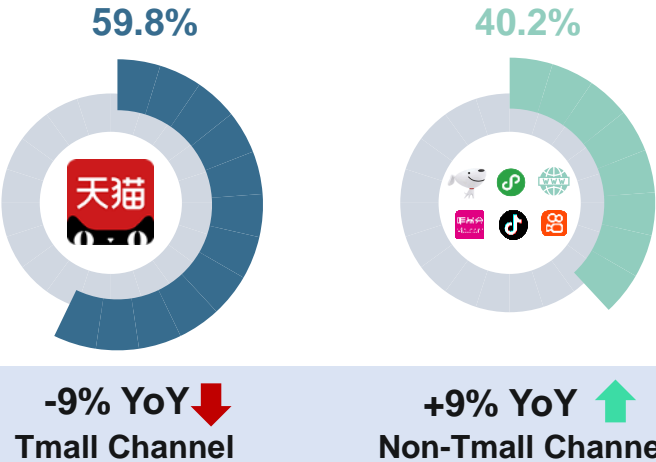


Financing cash flow change mainly due to proactive repayment of short-term loan

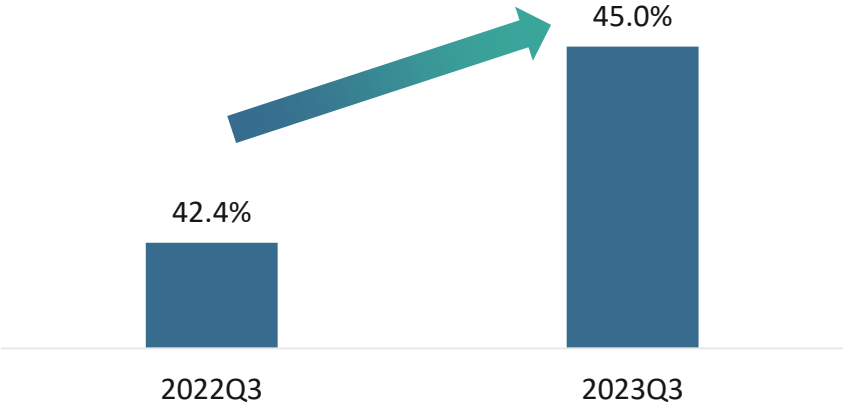
(1) Including cash, cash equivalents, restricted cash and short term investment

# E-Commerce Omni-Channel Progress

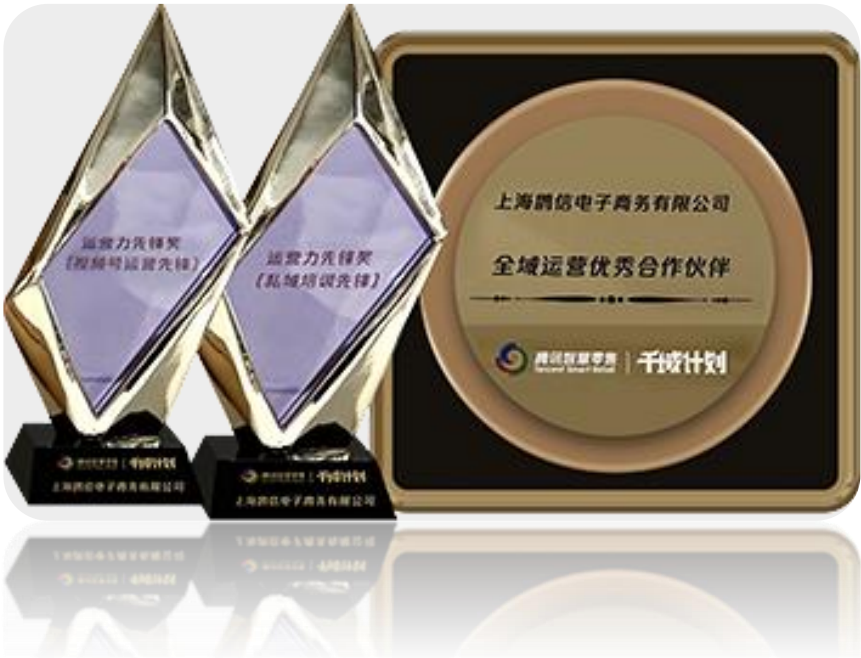
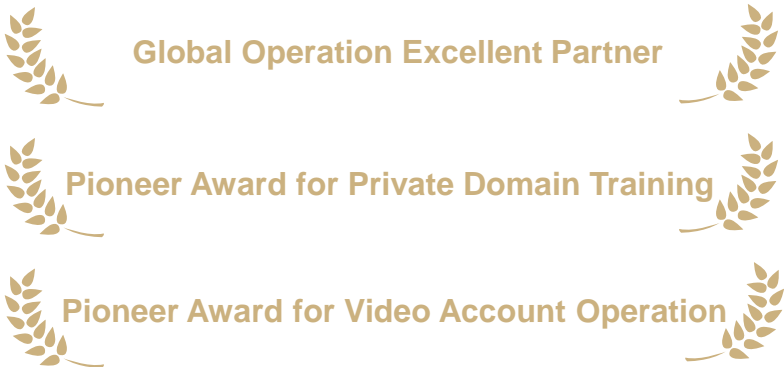
## 2023Q3 GMV Channel Contribution



## 2023Q3 Multi-Channel Engagement of Brands



## Industry Awards in Tencent Mini-program





# Creative Content to Commerce



10+  
S-level campaign



30+  
Brands Douyin  
livestreaming



100MN+  
GMV in 3Q23



## Creative Content & S-level Campaign



Strategic Alliance with Location, a top-tier Douyin Partner  
Positioning Baozun ecosystem as a prominent player in Douyin

4A-level Creative  
Capabilities



Top-notch Content  
Strength



Exceptional Operation  
Capabilities



State-of-the-Art  
Facilities

TOP

Fashion & Apparel

TOP

Luxury

TOP

International Media

BAO ZUN × LOCATION



# BBM 3Q23 Highlights Summary

298MM  
Net  
Revenues



New  
Product  
Launch

56%  
Gross  
Profit Margin



New  
Store  
Opening

13%  
Offline Store  
Same Store Growth



New  
Marketing  
Visibility

177days  
Inventory  
Turnover days

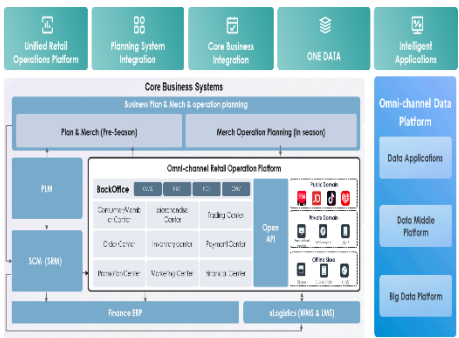


New  
Douyin  
Campaign

50MM  
Non-GAAP  
Operating Loss



New  
IT  
System



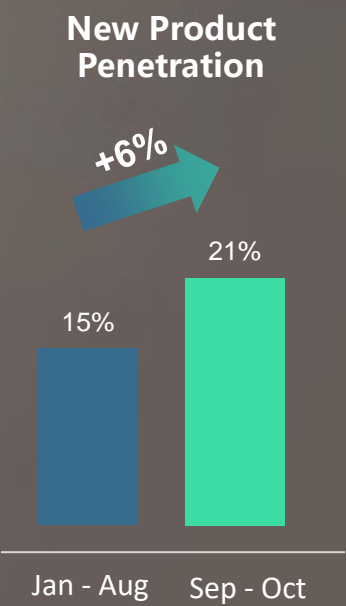
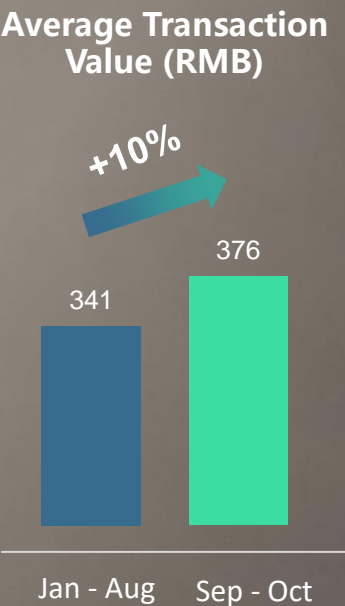
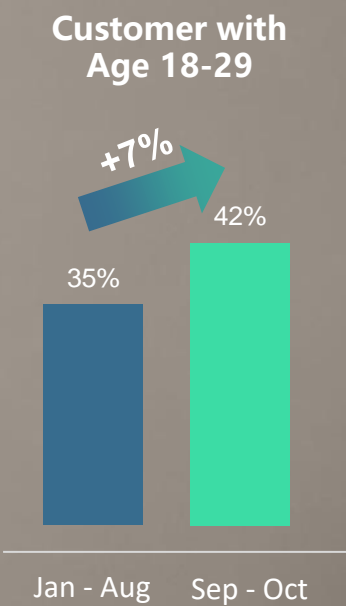
# Gap China Business - Opened 5 New Stores in 3Q23



## New Store Image



# Gap China Business Consumer Demographics



I AM  
**GAP**  
新装出发

**28MM**  
Members as of Oct 31, 2023

**2.5MM**  
Active members as of Oct 31, 2023

# Q&A



# Appendix



## Selected Consolidated Statements of Income

in RMB '000	For the year ended December 31,			For the three months ended September 30,	
	2020	2021	2022	2022	2023
Product sales	3,906,611	3,873,589	2,644,214	497,098	707,855
Services	4,944,952	5,522,667	5,756,417	1,244,174	1,115,787
<b>Total net revenues</b>	<b>8,851,563</b>	<b>9,396,256</b>	<b>8,400,631</b>	<b>1,741,272</b>	<b>1,823,642</b>
<b>Operating expenses:</b>					
Cost of products	(3,326,243)	(3,276,571)	(2,255,950)	(414,776)	(491,160)
Fulfilment	(2,259,176)	(2,661,126)	(2,719,749)	(575,875)	(512,997)
Sales and marketing	(2,130,667)	(2,549,842)	(2,674,358)	(602,438)	(637,488)
Technology and content	(409,870)	(448,410)	(427,954)	(98,301)	(120,382)
General and administrative	(224,045)	(525,802)	(371,470)	(97,684)	(214,487)
Other operating income (expense), net	57,115	72,516	95,292	21,546	17,160
Impairment of goodwill	-	-	(13,155)	-	-
<b>Total operating expenses</b>	<b>(8,292,886)</b>	<b>(9,389,235)</b>	<b>(8,367,344)</b>	<b>(1,767,528)</b>	<b>(1,959,354)</b>
<b>Income (loss) from operations</b>	<b>558,677</b>	<b>7,021</b>	<b>33,287</b>	<b>(26,256)</b>	<b>(135,712)</b>
<b>Other income (expenses):</b>					
Interest income	41,373	62,943	45,816	8,485	24,466
Interest expense	(66,124)	(56,847)	(56,917)	(9,724)	(11,190)
Unrealized investment loss	-	(209,956)	(97,827)	(8,219)	(7,805)
Gain (loss) on disposal/acquisition of subsidiaries and investment in equity investee	-	150	(107,032)	(99,521)	-
Gain on repurchase of CB	-	-	7,907	-	-
Impairment loss of investments	(10,800)	(3,541)	(8,400)	(8,400)	-
Exchange (loss)/gain	25,725	46,226	(32,384)	(8,818)	(1,273)
Fair value gain/(loss) on derivative liabilities	-	-	(364,758)	-	-
<b>Income (loss) before income tax and share of income (loss) in equity method investment</b>	<b>548,851</b>	<b>(154,004)</b>	<b>(580,308)</b>	<b>(152,453)</b>	<b>(131,514)</b>
Income tax expense	(127,787)	(55,259)	(26,480)	(4,259)	(1,946)
Share of income (loss) in equity method investment	5,470	3,300	(3,586)	(269)	3,861
<b>Net Income (loss)</b>	<b>426,534</b>	<b>(205,963)</b>	<b>(610,374)</b>	<b>(156,981)</b>	<b>(129,599)</b>

## Reconciliations of GAAP and non-GAAP Financial Measures

In RMB '000	For the year ended December 31,			For the three months ended September 30,	
	2020	2021	2022	2022	2023
Income (loss) from operations	558,677	7,021	33,287	(26,256)	(135,712)
<b>Add:</b> Share-based compensation expenses	108,440	196,547	142,381	33,829	29,415
Amortization of intangible assets resulting from business acquisition	1,564	20,536	39,431	9,340	7,911
Acquisition-related expenses	-	-	13,694	-	7,995
Impairment of goodwill	-	-	13,155	-	-
Loss related to investments <sup>(1)</sup>	-	-	9,495	-	-
Cancellation fees of repurchased shares	-	-	4,650	-	-
<b>Non-GAAP income (loss) from operations</b>	<b>668,681</b>	<b>224,104</b>	<b>256,093</b>	<b>16,913</b>	<b>(90,391)</b>
Net income (loss)	426,534	(205,963)	(610,374)	(156,981)	(129,599)
<b>Add:</b> Share-based compensation expenses	108,440	196,547	142,381	33,829	29,415
Amortization of intangible assets resulting from business acquisition	1,564	20,536	39,431	9,340	7,911
Acquisition-related expenses	-	-	13,694	-	7,995
Impairment of goodwill and investments	-	-	21,555	8,400	-
Loss related to investments <sup>(1)</sup>	-	209,956	579,112	107,740	7,805
Cancellation fees of repurchased shares	-	-	4,650	-	-
<b>Less:</b> Tax effect of amortization of intangible assets resulting from business acquisition	(392)	(3,686)	(7,880)	(1,838)	(1,507)
<b>Non-GAAP net income (loss)</b>	<b>536,146</b>	<b>217,390</b>	<b>182,569</b>	<b>490</b>	<b>(77,980)</b>
Net income (loss) attributable to ordinary shareholders of Baozun Inc.	425,992	(219,830)	(653,290)	(168,858)	(126,433)
<b>Add:</b> Share-based compensation expenses	108,440	196,547	142,381	33,829	29,415
Amortization of intangible assets resulting from business acquisition	796	15,574	30,076	7,139	5,991
Acquisition-related expenses	-	-	13,694	-	7,995
Impairment of goodwill and investments	-	-	21,555	8,400	-
Loss related to investments <sup>(1)</sup>	-	209,956	579,112	107,740	7,805
Cancellation fees of repurchased shares	-	-	4,650	-	-
<b>Less:</b> Tax effect of amortization of intangible assets resulting from business acquisition	(200)	(2,645)	(5,972)	(1,396)	(1,127)
<b>Non-GAAP net income (loss) attributable to ordinary shareholders of Baozun Inc.</b>	<b>535,028</b>	<b>199,602</b>	<b>132,206</b>	<b>(13,146)</b>	<b>(76,354)</b>

Data Source: 20-F and 6-K

1. Loss related to investments refer to Loss on variance from expected contingent acquisition payment, Fair value loss on derivative liabilities, Loss on disposal of investments and subsidiary and Unrealized investment loss

## Selected Consolidated Balance Sheet Data

in RMB '000	For the year ended December 31,			For the three months ended September 30,	
	2020	2021	2022	2022	2023
<b>ASSETS</b>					
Cash and cash equivalents	3,579,665	4,606,545	2,144,020	2,292,079	2,157,961
Restricted cash	151,354	93,219	101,704	7,254	54,068
Short-term investments	1,448,843	-	895,425	600,000	718,655
Accounts receivable, net <sup>(1)</sup>	2,188,977	2,260,918	2,292,678	1,956,368	1,664,731
Inventories, net <sup>(1)</sup>	1,026,038	1,073,567	942,997	864,880	1,130,888
Property and equipment, net	430,089	652,886	694,446	682,610	854,152
Right-of-use assets	524,792	1,095,570	847,047	914,016	1,087,413
Other assets	1,124,933	2,536,275	2,204,153	2,064,586	2,331,806
<b>TOTAL ASSETS <sup>(1)</sup></b>	<b>10,474,691</b>	<b>12,318,980</b>	<b>10,122,470</b>	<b>9,381,793</b>	<b>9,999,674</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Accounts payable	421,562	494,079	474,732	253,178	536,228
Short-term loan	-	2,288,465	1,016,071	1,264,499	976,310
Long-term loan	1,762,847	-	-	-	-
Accrued expenses and other current liabilities	991,180	984,519	1,025,540	800,935	1,036,029
Operating lease liabilities	535,556	1,161,671	909,400	977,232	1,150,923
Other liabilities	620,943	908,897	1,020,389	147,822	453,981
<b>TOTAL LIABILITIES <sup>(1)</sup></b>	<b>4,332,088</b>	<b>5,837,631</b>	<b>4,446,132</b>	<b>3,443,666</b>	<b>4,153,471</b>
Baozun Inc. shareholders' equity	6,111,021	4,896,359	4,084,162	4,383,697	4,142,451
Noncontrolling interests	31,582	1,584,990	1,592,176	1,554,430	1,703,752
<b>TOTAL LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY <sup>(1)</sup></b>	<b>10,474,691</b>	<b>12,318,980</b>	<b>10,122,470</b>	<b>9,381,793</b>	<b>9,999,674</b>



Thank You!

**BAO ZUN**

