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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”.

Baozun E-Commerce (BEC)

Core business

- Cultivate China e-commerce market, enhance service depth and value proposition
- Omni-channel empowerment
- Value-added oriented end-to-end solution provider and business enabler with continuous innovations

Baozun Brand Management (BBM)

Growth & profitability focus

- 360° brand management
- Online merge offline
- China for China
- Gap Greater China
- Other potential brands

Baozun International (BZI)

Long term opportunity

- Glocalization
- Replicate China e-commerce insights to explore overseas market
- Progressively exploring strategic markets including Southeast Asia, Europe etc.

Technology

Our vision “Technology Empowers Future Success”

- Backbone to support business development and innovations
- Efficiency enhancement as well as sales enabler
- Empower more brand partners through Baozun Omni-channel Digital Operating Platform (BOCDOP)
- Creative business model to drive additional growth drivers for Baozun

1Q23 Financial Highlights



Revenue

RMB 1.9 bn

-5% YoY



Non-GAAP Operating
Income / (Loss) ⁽¹⁾

RMB (10) mn

- Triple digit year-over-year growth for BEC
- Significantly narrowed operating loss for BBM on comparable basis



Non-GAAP Net Income /
(Loss) to Shareholders⁽²⁾

RMB (13) mn



Operating
Cash Flow⁽³⁾

improvement of
+ 338 mn YoY

(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.

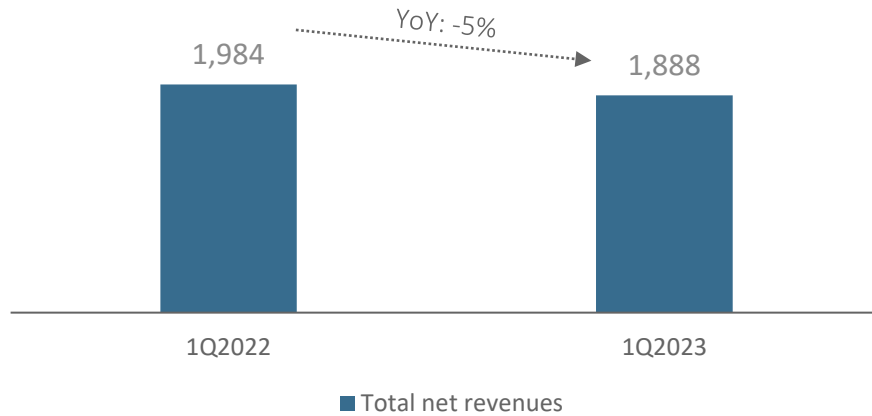
(2) Non-GAAP net income (loss) attributable to ordinary shareholders of Baozun Inc. is a non-GAAP financial measure, which is defined as net income attributable to ordinary shareholders of Baozun Inc. excluding the impact of share-based compensation expenses, amortization of intangible assets resulting from business acquisition, acquisition-related expenses, impairment of goodwill and investments, loss on variance from expected contingent acquisition payment, cancellation fees of repurchased ADSs and returned ADSs, fair value loss on derivative liabilities, loss on disposal of subsidiaries and investment in equity investee, and unrealized investment loss.

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

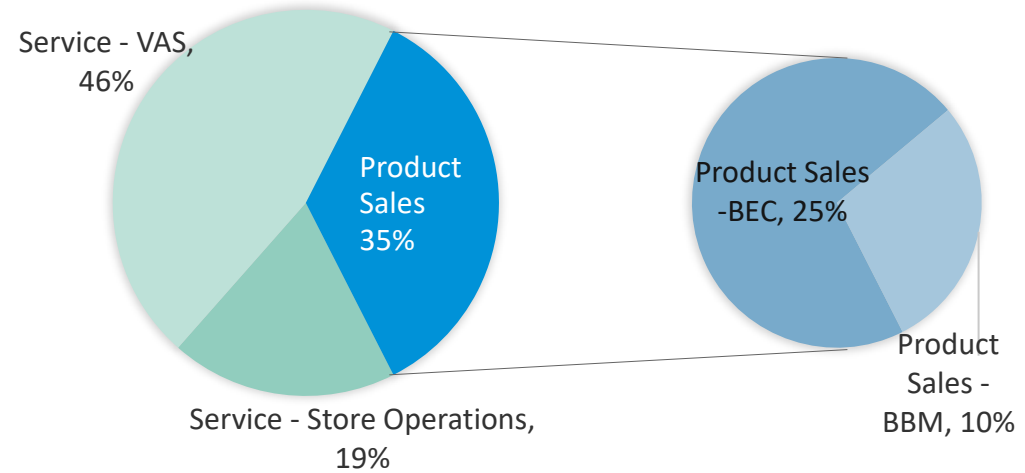
1Q23 Revenue Breakdown

Total Net Revenues

RMB mn



Revenue Contribution by Business Model



Revenue Characteristics



Product sales revenue of BBM with contribution from Gap Greater China

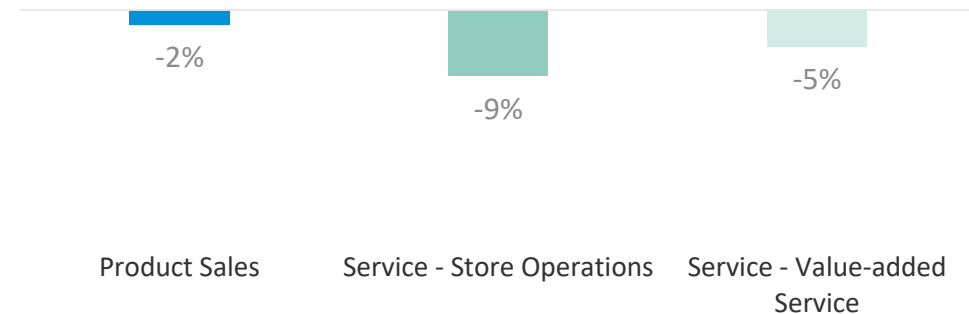


Stable revenue contribution from value-added services



Weak product sales revenue of BEC primarily due to appliances and electronics category

Revenue YoY Change Breakdown by Segment



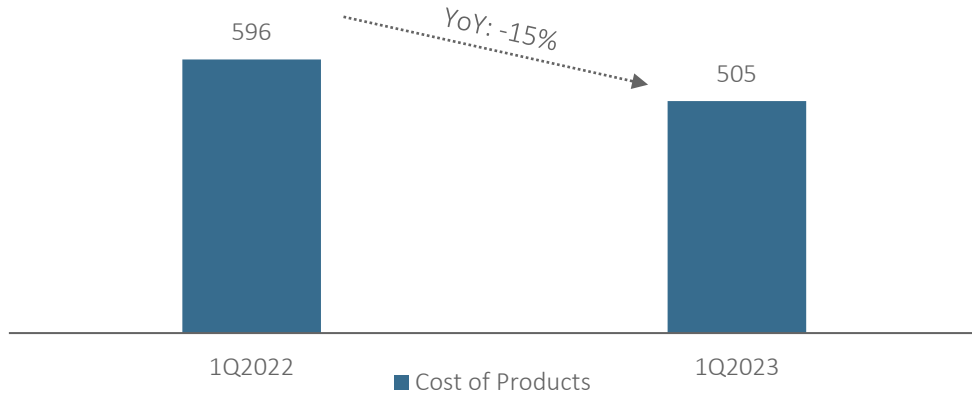
(1) Gross profit equals total net revenues minus cost of products. Gross margin equals gross profit divided by total net revenues.

Profitability Trend



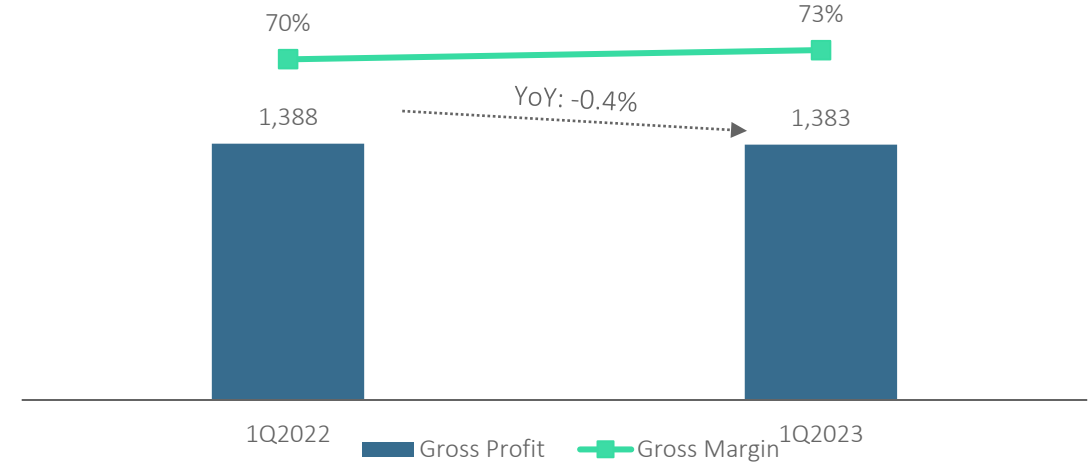
Cost of Products

RMB mn



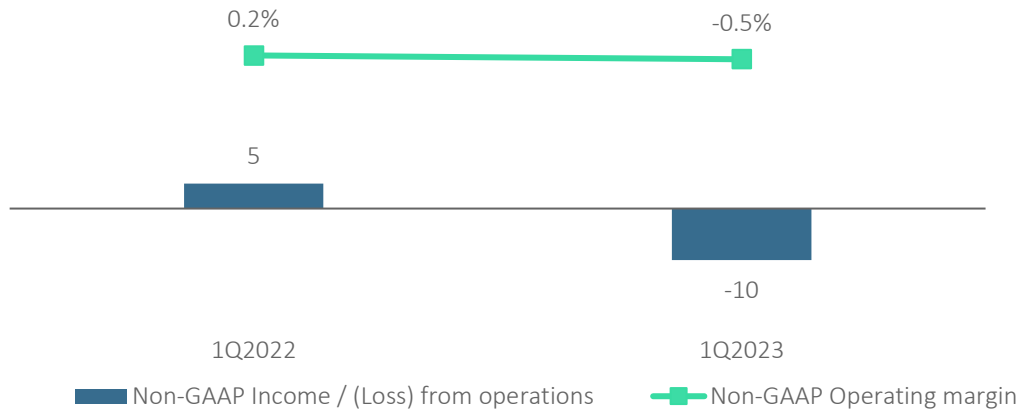
Gross Profit ⁽¹⁾

RMB mn



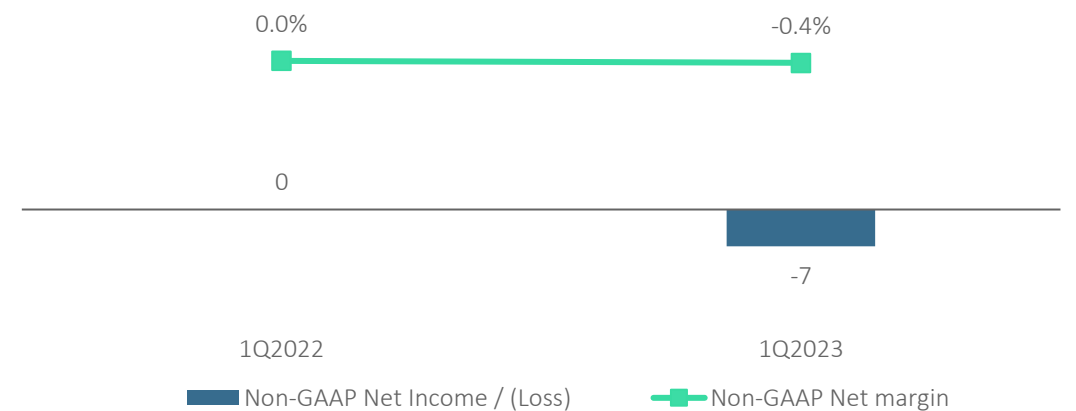
Non-GAAP Income / (Loss) from Operations ⁽²⁾

RMB mn



Non-GAAP Net Income / (Loss) ⁽³⁾

RMB mn



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

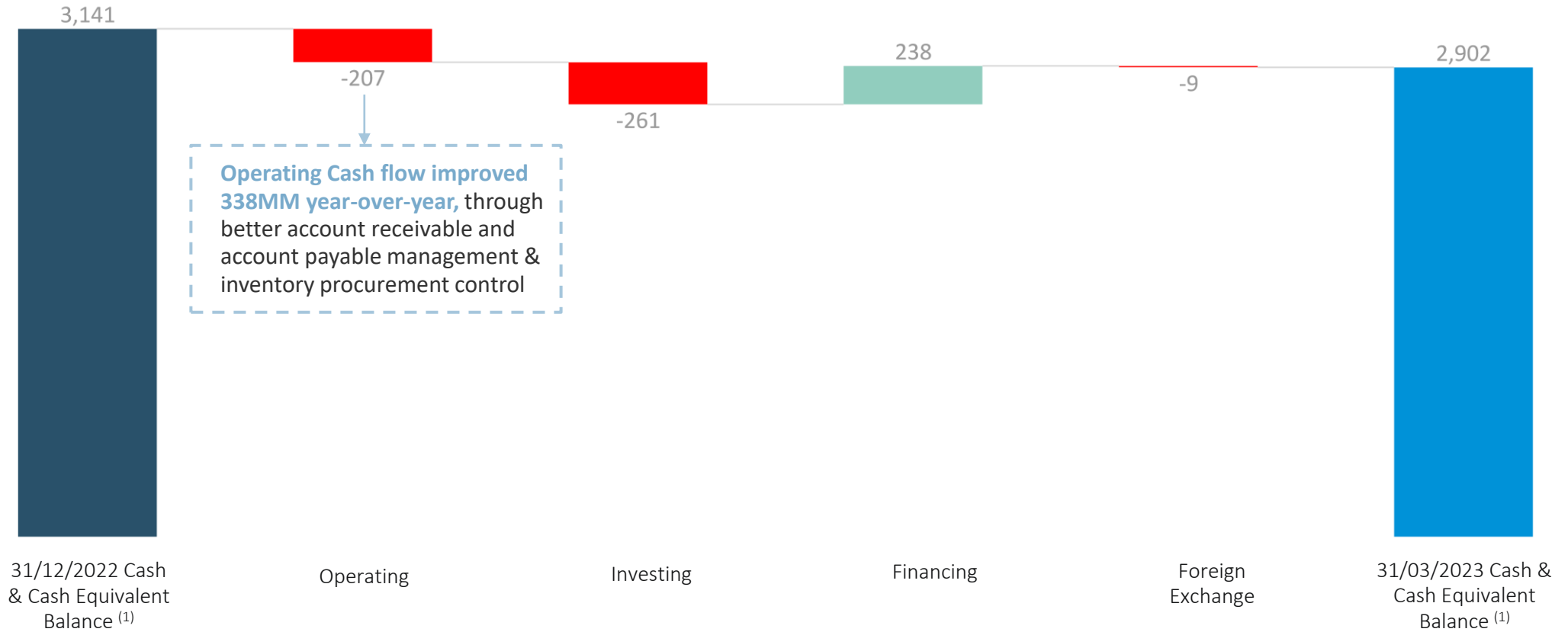
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(3) Non-GAAP net income / (loss) is a non-GAAP financial measure, which is defined as net income excluding the impact of share-based compensation expenses, amortization of intangible assets resulting from business acquisition, acquisition-related expenses, impairment of goodwill and investments, loss on variance from expected contingent acquisition payment, cancellation fees of repurchased ADSs and returned ADSs, fair value loss on derivative liabilities, loss on disposal of subsidiaries and investment in equity investee, and unrealized investment loss.

Cash Flow Walk 4Q22 vs 1Q23



RMB Mn



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

BAOZUN BRAND MANAGEMENT (BBM), ENGAGES IN HOLISTIC BRAND MANAGEMENT FOR A SELECTED PORTFOLIO OF BRANDS



**STRATEGY &
TACTIC**



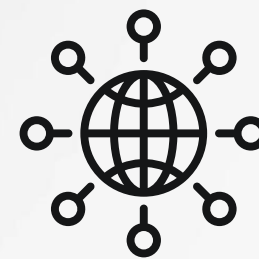
**BRANDING &
MARKETING**



**RETAIL & EC
OPERATIONS**



**SUPPLY CHAIN &
LOGISTICS**



**TECHNOLOGY
EMPOWERMENT**

Our technologies and insights enable us to forge a sustainable, symbiotic relationship between physical retail and online commerce. We aim to deliver the best-in-class seamless omnichannel experience by integrating the digital and the physical at scale and succeeding where few have done in retail. Likewise, our big data capabilities will enable us to extract market insights and identify emerging consumer trends and new opportunities.

Prioritize Smooth Post-Acquisition Transition of GAP China

GAP

189MM
1Q23 Revenue Contribution

Approx. 55%
1Q23 Gross Margin



Refine Product & Merchandizing Strategies



Build Supply Chain Infrastructures



Enhance Back-end Systems



Develop Right Talent Pool

Q&A

Appendix



Selected Consolidated Statements of Income

in RMB '000	For the year ended December 31,			For the three months ended March 31,	
	2020	2021	2022	2022	2023
Product sales	3,906,611	3,873,589	2,644,214	680,840	666,069
Services	4,944,952	5,522,667	5,756,417	1,303,318	1,221,727
Total net revenues	8,851,563	9,396,256	8,400,631	1,984,158	1,887,796
Operating expenses:					
Cost of products	(3,326,243)	(3,276,571)	(2,255,950)	(595,674)	(505,087)
Fulfilment	(2,259,176)	(2,661,126)	(2,719,749)	(629,385)	(567,629)
Sales and marketing	(2,130,667)	(2,549,842)	(2,674,358)	(615,905)	(592,687)
Technology and content	(409,870)	(448,410)	(427,954)	(105,281)	(114,891)
General and administrative	(224,045)	(525,802)	(371,470)	(90,574)	(163,227)
Other operating income (expense), net	57,115	72,516	95,292	11,491	15,096
Impairment of goodwill	-	-	(13,155)	-	-
Total operating expenses	(8,292,886)	(9,389,235)	(8,367,344)	(2,025,328)	(1,928,425)
Income (loss) from operations	558,677	7,021	33,287	(41,170)	(40,629)
Other income (expenses):					
Interest income	41,373	62,943	45,816	8,923	17,853
Interest expense	(66,124)	(56,847)	(56,917)	(19,740)	(10,955)
Unrealized investment loss	-	(209,956)	(97,827)	(81,988)	(42,569)
Gain (loss) on disposal of subsidiaries and investment in equity investee	-	150	(107,032)	-	-
Gain on repurchase of CB	-	-	7,907	7,907	-
Impairment loss of investments	(10,800)	(3,541)	(8,400)	-	-
Exchange (gain)/loss	25,725	46,226	(32,384)	4,015	(1,345)
Fair value loss on derivative liabilities	-	-	(364,758)	-	-
Income (loss) before income tax and share of income (loss) in equity method investment	548,851	(154,004)	(580,308)	(122,053)	(77,645)
Income tax expense	(127,787)	(55,259)	(26,480)	(2,962)	(1,755)
Share of income (loss) in equity method investment	5,470	3,300	(3,586)	(539)	224
Net (loss) Income	426,534	(205,963)	(610,374)	(125,554)	(79,176)

Reconciliations of GAAP and non-GAAP Financial Measures

In RMB '000	For the year ended December 31,			For the three months ended March 31,	
	2020	2021	2022	2022	2023
Income (loss) from operations	558,677	7,021	33,287	(41,170)	(40,629)
Add: Share-based compensation expenses	108,440	196,547	142,381	35,040	20,103
Amortization of intangible assets resulting from business acquisition	1,564	20,536	39,431	10,790	8,142
Acquisition-related expenses	-	-	13,694	-	2,709
Impairment of goodwill	-	-	13,155	-	-
Loss related to investments ⁽¹⁾	-	-	9,495	-	-
Cancellation fees of repurchased shares	-	-	4,650	-	-
Non-GAAP income (loss) from operations	668,681	224,104	256,093	4,660	(9,675)
Net income (loss)	426,534	(205,963)	(610,374)	(125,554)	(79,176)
Add: Share-based compensation expenses	108,440	196,547	142,381	35,040	20,103
Amortization of intangible assets resulting from business acquisition	1,564	20,536	39,431	10,790	8,142
Acquisition-related expenses	-	-	13,694	-	2,709
Impairment of goodwill and investments	-	-	21,555	-	-
Loss related to investments ⁽¹⁾	-	209,956	579,112	81,988	42,569
Cancellation fees of repurchased shares	-	-	4,650	-	-
Less: Tax effect of amortization of intangible assets resulting from business acquisition	(392)	(3,686)	(7,880)	(2,201)	(1,565)
Non-GAAP net income (loss)	536,146	217,390	182,569	63	(7,218)
Net income (loss) attributable to ordinary shareholders of Baozun Inc.	425,992	(219,830)	(653,290)	(122,404)	(83,547)
Add: Share-based compensation expenses	108,440	196,547	142,381	35,040	20,103
Amortization of intangible assets resulting from business acquisition	796	15,574	30,076	8,200	6,233
Acquisition-related expenses	-	-	13,694	-	2,709
Impairment of goodwill and investments	-	-	21,555	-	-
Loss related to investments ⁽¹⁾	-	209,956	579,112	81,988	42,569
Cancellation fees of repurchased shares	-	-	4,650	-	-
Less: Tax effect of amortization of intangible assets resulting from business acquisition	(200)	(2,645)	(5,972)	(1,662)	(1,188)
Non-GAAP net income (loss) attributable to ordinary shareholders of Baozun Inc.	535,028	199,602	132,206	1,162	(13,121)

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 March 31,	
	2020	2021	2022	2022	2023
ASSETS					
Cash and cash equivalents	3,579,665	4,606,545	2,144,020	3,365,645	1,545,800
Restricted cash	151,354	93,219	101,704	10,058	50,443
Short-term investments	1,448,843	-	895,425	-	1,305,350
Accounts receivable, net ⁽¹⁾	2,188,977	2,260,918	2,292,678	1,960,352	1,806,623
Inventories, net ⁽¹⁾	1,026,038	1,073,567	942,997	1,045,617	1,134,764
Property and equipment, net	430,089	652,886	694,446	685,445	826,890
Right-of-use assets	524,792	1,095,570	847,047	1,071,179	1,081,374
Other assets	1,124,933	2,536,275	2,204,153	2,266,858	2,194,784
TOTAL ASSETS ⁽¹⁾	10,474,691	12,318,980	10,122,470	10,405,154	9,946,028
LIABILITIES AND SHAREHOLDERS' EQUITY					
Accounts payable	421,562	494,079	474,732	297,039	444,406
Short-term loan	-	2,288,465	1,016,071	1,685,301	1,264,286
Long-term loan	1,762,847	-	-	-	-
Accrued expenses and other current liabilities	991,180	984,519	1,025,540	827,520	949,287
Operating lease liabilities	535,556	1,161,671	909,400	410,360	1,159,201
Other liabilities	620,943	908,897	1,020,389	936,430	520,230
TOTAL LIABILITIES ⁽¹⁾	4,332,088	5,837,631	4,446,132	4,156,650	4,337,410
Baozun Inc. shareholders' equity	6,111,021	4,896,359	4,084,162	4,673,129	4,009,334
Noncontrolling interests	31,582	1,584,990	1,592,176	1,575,375	1,599,284
TOTAL LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY ⁽¹⁾	10,474,691	12,318,980	10,122,470	10,405,154	9,946,028

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

