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Presentation

August 2016

"To make brands successful in e-commerce"

We Are the Market Leader in Brand E-Commerce Solutions in China
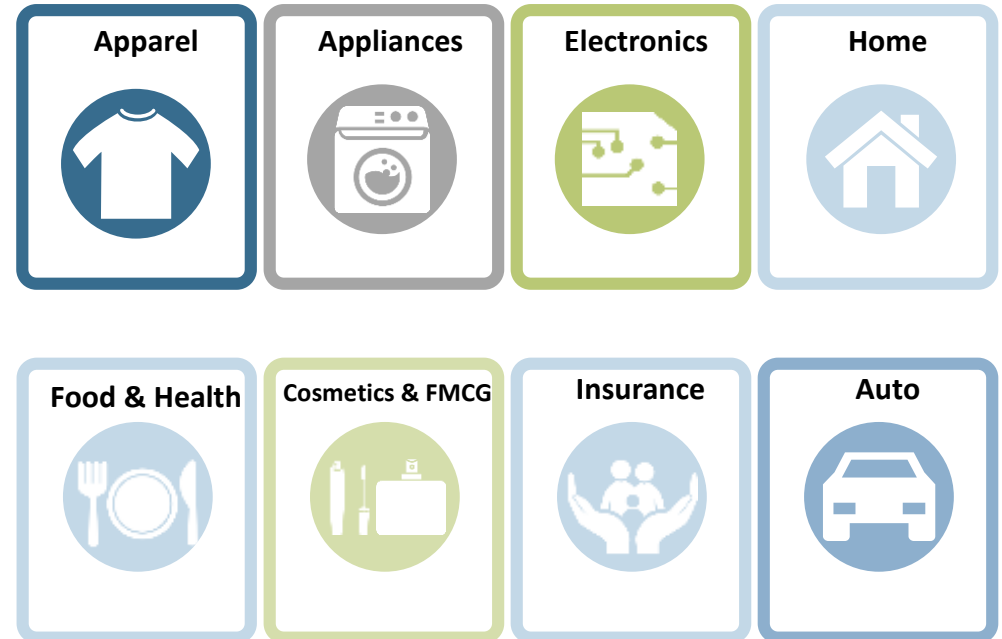
✓ **Largest** brand e-commerce solutions

provider, with **20%** market share[1]

✓ **End-to-end** solutions with **omni-channel** capabilities

✓ **120** brand partners [2] , **8** categories

✓ **RMB2,204MM** GMV[3], up 81% yoy

Leading Global Brand Partners Across 8 Categories

Apparel	Appliances	Electronics	Home

Food & Health	Cosmetics & FMCG	Insurance	Auto

Our Mission is to Make Brands Successful in E-Commerce

**Notes:** Exchange rate used: 1 USD = 6.6459RMB as of June 30, 2016
1. Source: iResearch. Based on China's total brand e-commerce solution provider market size of RMB26 billion (US$4.2 billion) in terms of transaction value in 2014.
2. As of June 30, 2016.
3. For the 3 months ended June 30, 2016. 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.
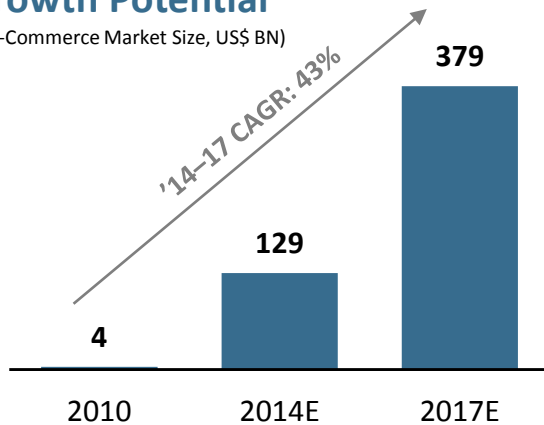
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Market Opportunity

China Brand E-Commerce[1] Represents Only 3% of Total Retail Consumption in 2014

The Drivers

US$4.3Tn Retail Consumption

US$445Bn Online Shopping

US$129Bn Brand E-Commerce[1]
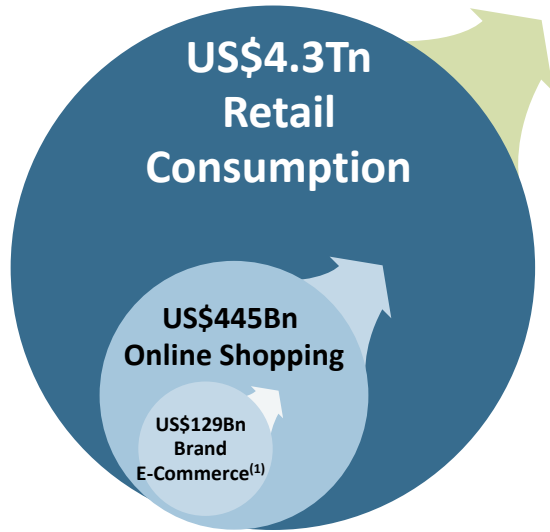
High Growth Potential
(China Brand E-Commerce Market Size, US$ BN)

'14–17 CAGR: 43%

	2010	2014E	2017E
	4	129	379
% of B2C	35%	60%	69%
% of Online Shopping	5%	29%	42%

Consumers

➢ Rising consumer aspirations

➢ Demographic dividend from younger consumers

➢ Low penetration rate in lower tier cities

Brands

➢ Highly fragmented retail market in China

➢ Brand image and control

➢ E-commerce as their key retail strategy in China

Why Brands Come to Baozun

V.S.

China	United States
Fragmented Market	Mature Market
Multi-channels	Brand site + Amazon
Quickly evolved demands	Stable demands
End-to-end solution provider	Single service providers

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We Bridge Brands to Consumers

End-to-end Solutions Across E-Commerce Value Chain

IT Solutions | Store Operations | Digital Marketing | Customer Service | Warehousing & Fulfillment

Brands

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Consumers

Official Marketplace Stores | Official Brand Stores | Mobile | O2O

Omni-Channel Penetration
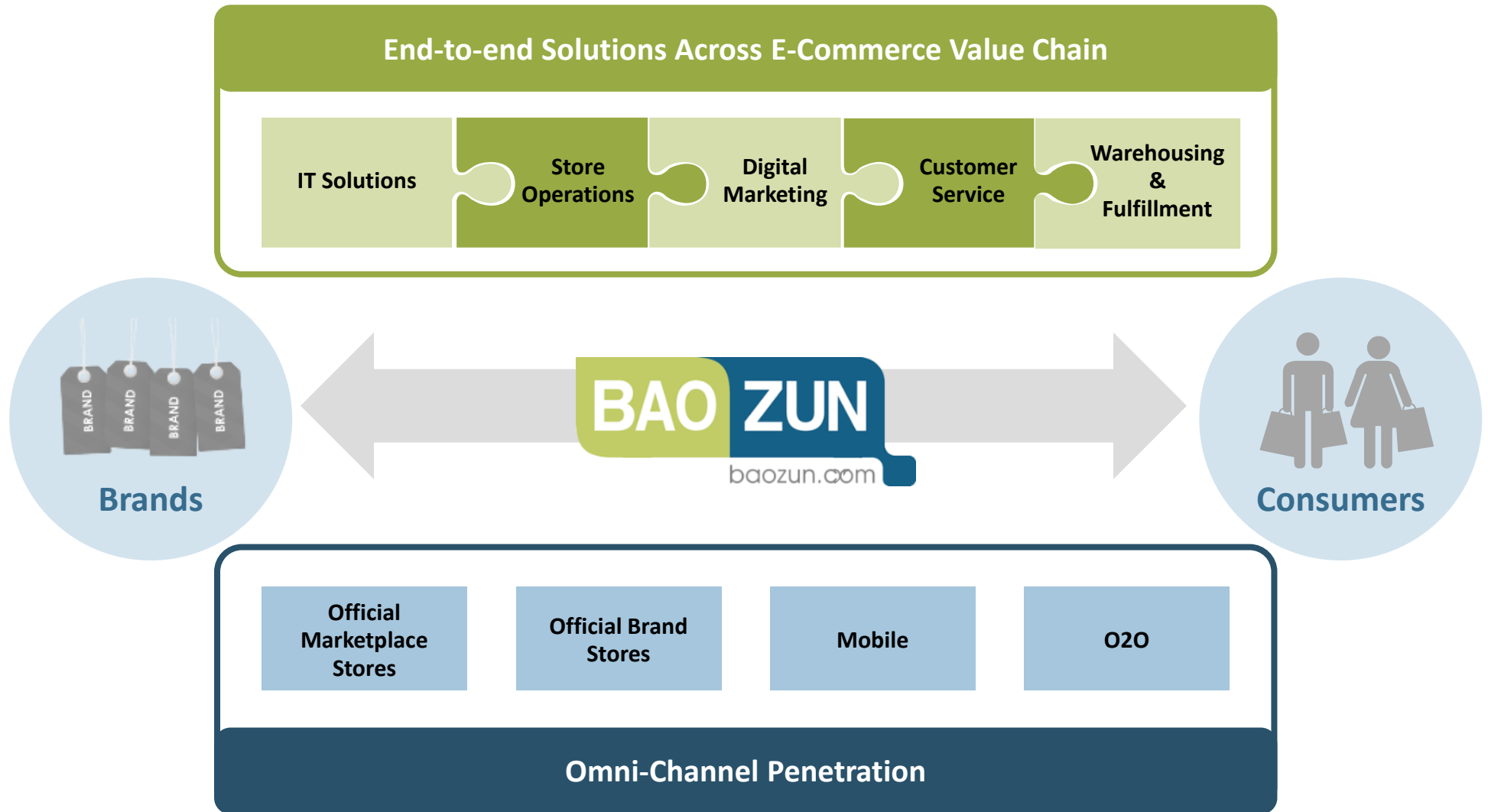
Why Brands Value Us

	宝尊 电商 baozun.com	Self-Operated by Brands	Other Service Providers
Solid Sales Result	●	◐	◔
Better Consumer Engagement	●	◐	◔
Cost Efficiency	●	◔	◔
Robust Technology and Warehousing Capabilities	●	◔	◕
Omni-channel Capability	●	◕	◕
Regional Expansion	●	◐	○

Benefit to Brand Partners: ○ ←——→ ●
Low   High

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Our Business Model

A **Service Fee Model**

Services Revenues (Net)

B **Consignment Model**

Services Revenues (Net)

C **Distribution Model**

Product Sales Revenues (Gross)

① IT Solutions
② Store Operations
③ Digital Marketing
④ Customer Service

⑤ Warehousing & Fulfillment

Inventory Ownership
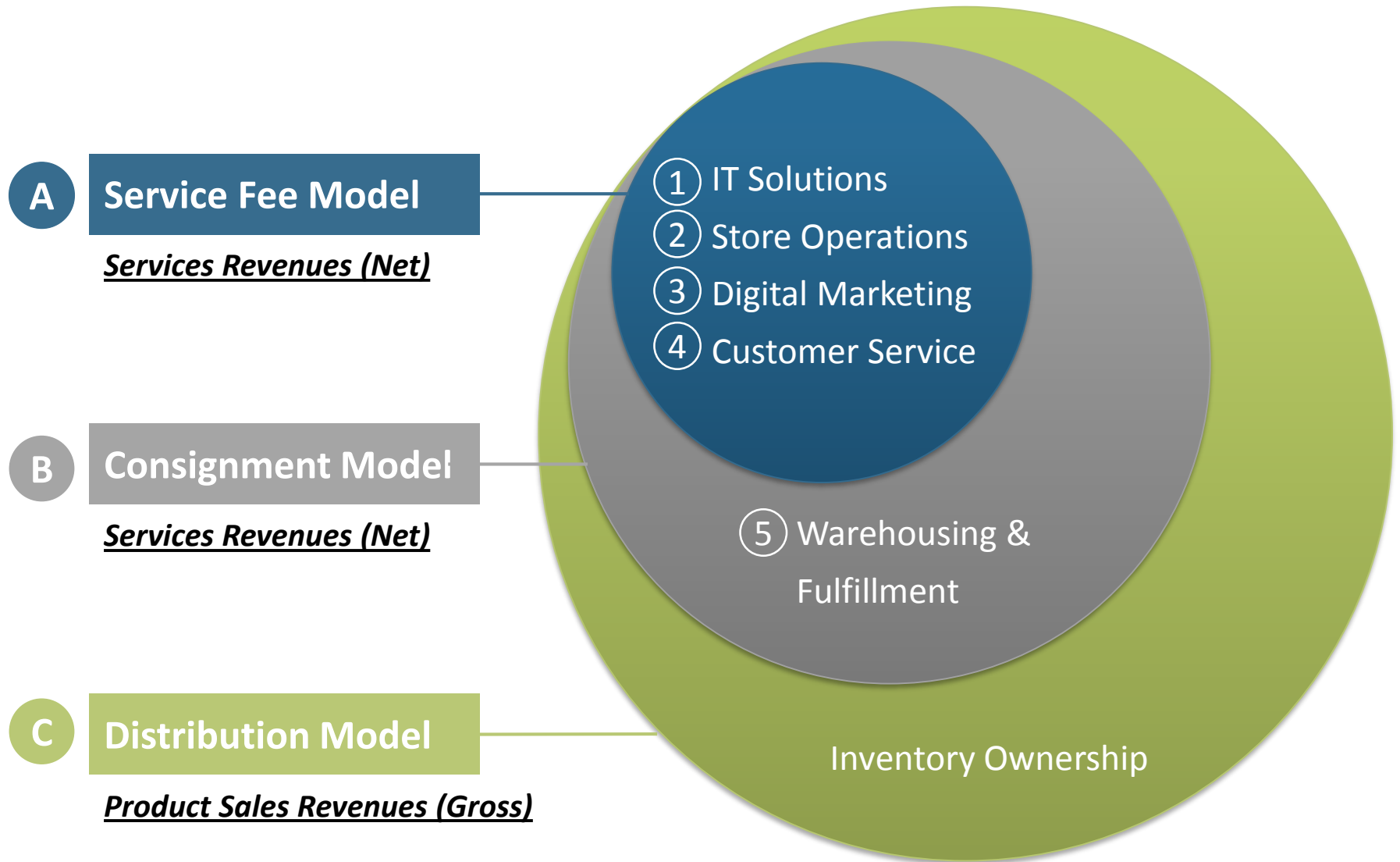
Key Investment Highlights

1 Seamless **Omni-Channel** Experience

2 Proprietary **Technology**

3 **Warehousing** and **Fulfillment** Capabilities
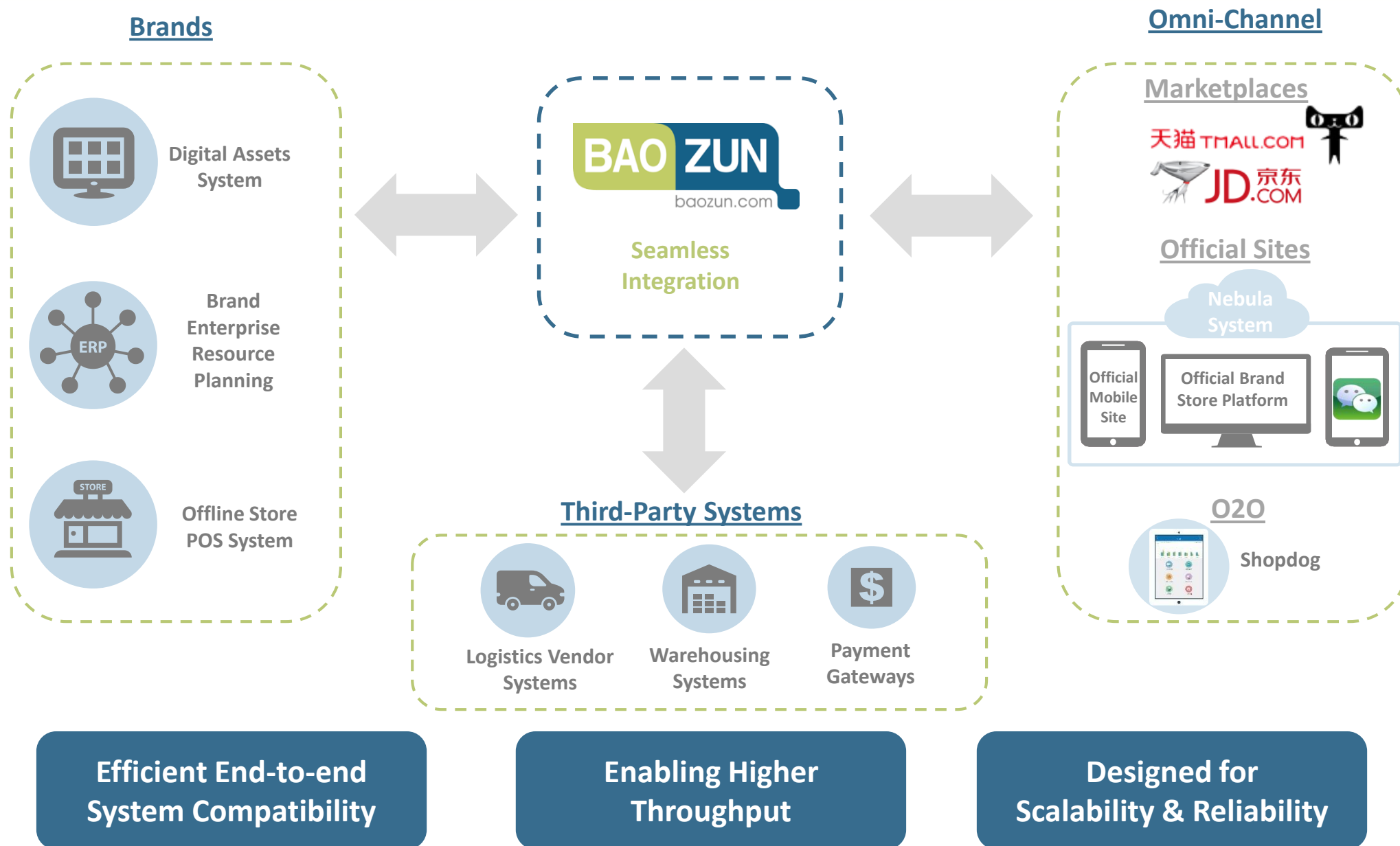
4 Insightful **Digital Marketing**

5 Experienced **Team**

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Scalable and Reliable Proprietary Technology

Brands

Omni-Channel

Digital Assets System

Brand Enterprise Resource Planning

Offline Store POS System

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Seamless Integration

Marketplaces

天猫 TMALL.COM

JD.COM 京东

Official Sites

Nebula System

Official Mobile Site

Official Brand Store Platform

O2O

Shopdog

Third-Party Systems

Logistics Vendor Systems

Warehousing Systems

Payment Gateways

Efficient End-to-end System Compatibility

Enabling Higher Throughput

Designed for Scalability & Reliability

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Proven Warehousing and Fulfillment Infrastructure

Category-tailored and Automatic Warehouses

7 self-operated warehouses with aggregate GFA of **180,000 sqm**[1]

Best-in-Class Fulfillment Capabilities

13MM
annual orders fulfilled[2]
+100% yoy

500K
inbound pieces per day[1]

800K
outbound orders per day[1]

Partnership with Leading Logistics Services Providers

SF EXPRESS 顺丰速运 *+ Integrated Delivery Tracking System*	**Premium Service**
EMS 全球邮政特快专递 WORLDWIDE EXPRESS MAIL SERVICE	**Geographic Coverage**
sto express 申通快递 **YTO** 圆通速递 EXPRESS	**Cost Efficiency**

Platinum Client Status

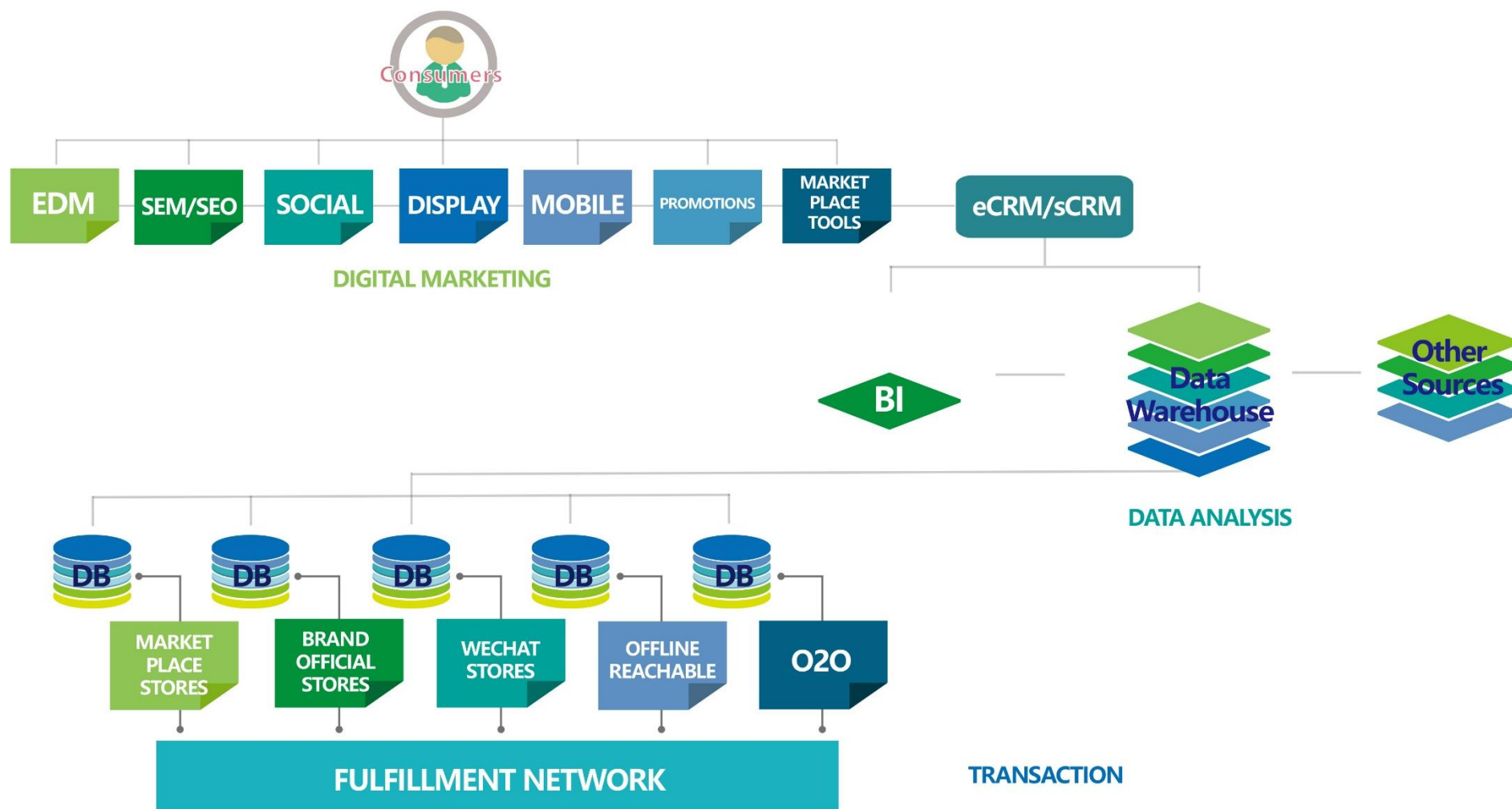One of SF Express' **Top 5** Customers in China[3]

Next Day Delivery in over **100** Cities

Volume Discounts & Quality Assurance

Note:
1. As of August, 2016
2. For the 12 months ended June 30, 2016
3. According to SF Express

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Brand-oriented

Passionate and visionary

Service and technology-driven culture

Diverse and complementary backgrounds

Vincent Qiu
CEO and Co-founder

E C

Junhua Wu
COO and Co-founder

E C

Beck Chen
CFO

E C

Tony Wu
CTO

E C

Aaron Kwok
VP, Appliances and Electronics

B C

Rose Wang
VP, Beauty & Luxury and Cross Border

B C

James Yu
Senior Director of Home and Auto

B E C

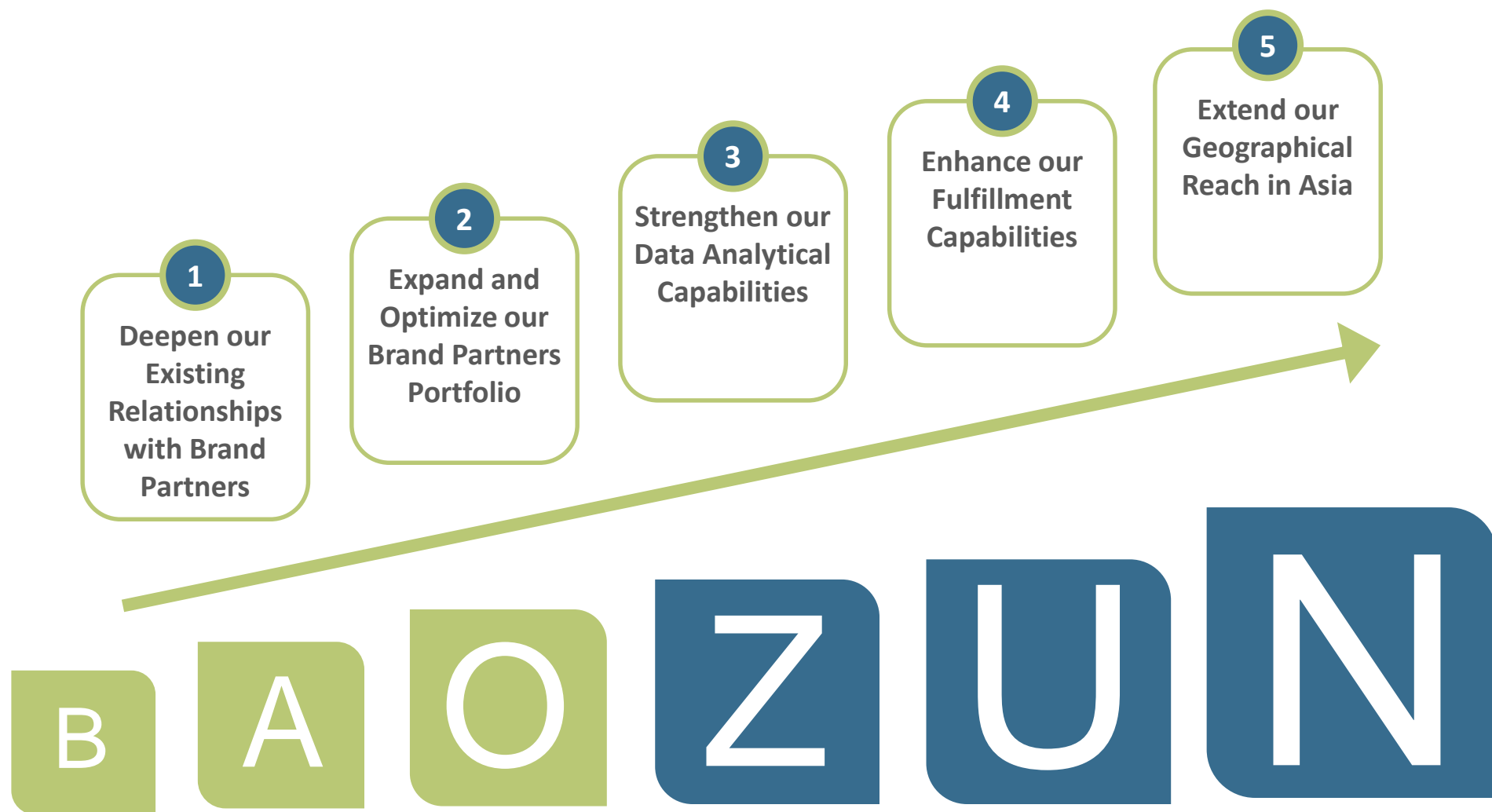**Peter Liang**
Senior Director of Logistic

C

Stella Xu
Senior Director of Sales Operations

C

Brand, **E C**ommerce

Our Growth Strategies

1 Deepen our Existing Relationships with Brand Partners

2 Expand and Optimize our Brand Partners Portfolio

3 Strengthen our Data Analytical Capabilities

4 Enhance our Fulfillment Capabilities

5 Extend our Geographical Reach in Asia

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Strategic Roadmap and Key Milestones

- Started to provide brand e-commerce solutions

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2007

2008
- First brand partner
- Category expansion
- Channel expansion

PHILIPS

天猫 TMALL.COM

2009
- Category expansion
  - Series A
    Ali Ventures

Alibaba Group
阿里巴巴集团

2010
- Category expansion
- Channel expansion - O2O
- Build localized market leadership

2011
- Category expansion
  - Channel expansion

JD.COM 京东

- Series B

Crescent Point

2012
- Category expansion
- Series C

Goldman Sachs

2013

- Channel expansion - Mobile
- Expansion into Hong Kong and Indonesia

2014
- Launched closeout retail platform
- Channel expansion

TMALL GLOBAL™

- Series D

SoftBank

2015

- **IPO on NASDAQ (NASDAQ: BZUN)**

Nasdaq

2016
- Expand into Taiwan

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Latest Update

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1 Held the First Global Brand E-commerce Summit

2 The Only 1 Six-Star Service Provider on Tmall

3 Established an e-commerce JV with CJ

4 Baotong established – focusing on logistics

- The rise of omni-channel brand e-commerce
- The overall mood of the industry remains incredibly upbeat and optimistic

- The only one Six Star Service Provider
- The best on in 308 Star Service Providers

- Baozun takes 51% of the JV and manages the e-commerce operations. CJ is responsible for brand selections and launch in China
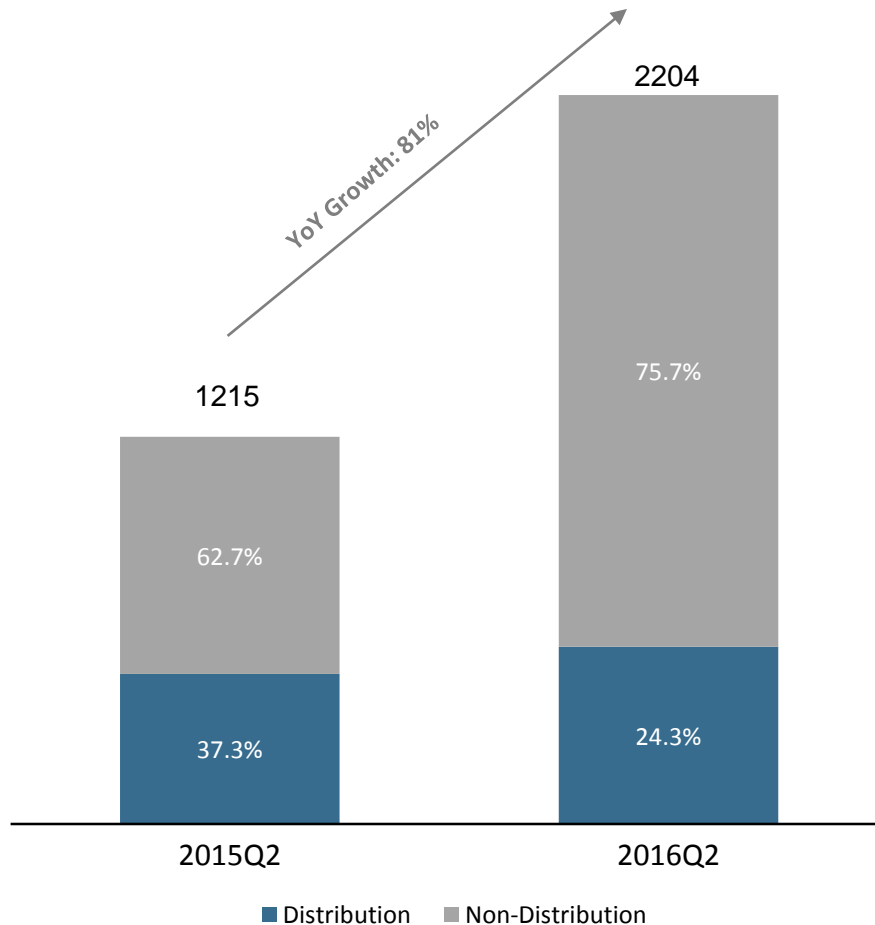- An important channel for Korean brands to Chinese consumers

- A wholly-owned warehousing and logistics solutions subsidiary
- Provides standalone service to an expanded number of brands
- Integration with Cainiao

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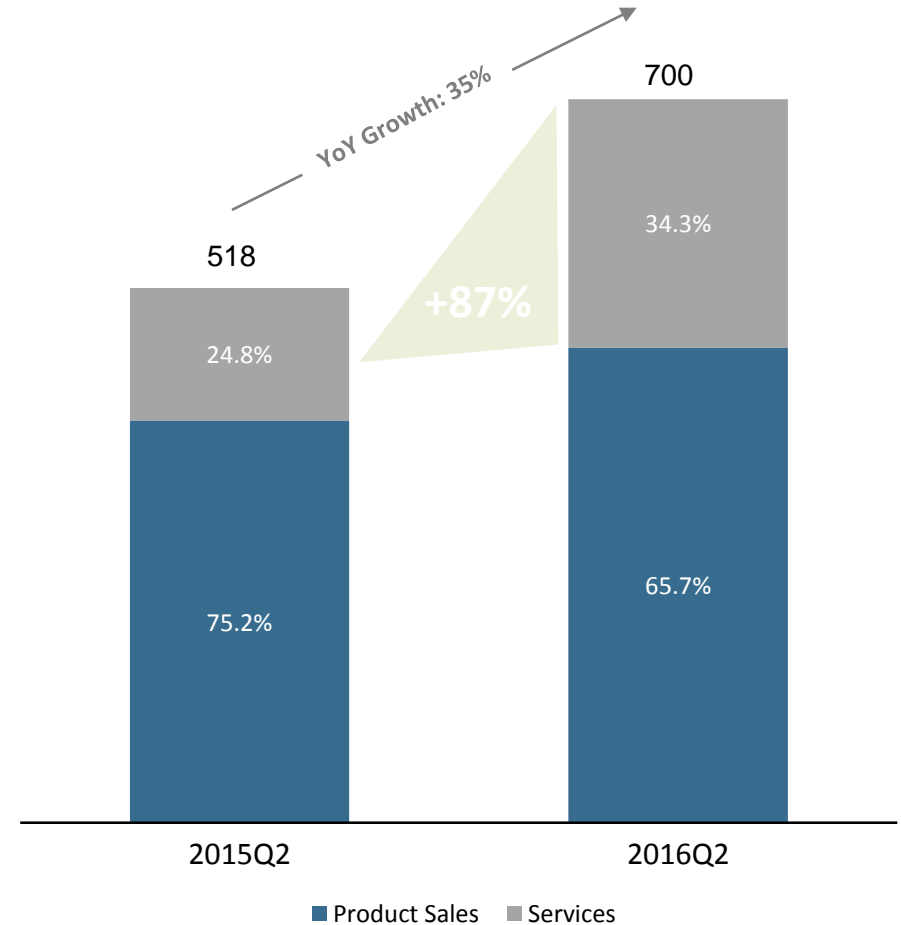# Financial Highlights – Robust GMV Growth & Optimizing Model Mix

Total GMV Breakdown

RMB MM

YoY Growth: 81%

1215
- 62.7% (Non-Distribution)
- 37.3% (Distribution)

2204
- 75.7% (Non-Distribution)
- 24.3% (Distribution)

2015Q2 — 2016Q2

■ Distribution   ■ Non-Distribution

Net Revenues Breakdown

RMB MM

YoY Growth: 35%

518
- 24.8% (Services)
- 75.2% (Product Sales)

+87%

700
- 34.3% (Services)
- 65.7% (Product Sales)

2015Q2 — 2016Q2

■ Product Sales   ■ Services

Asset Light

Less Inventory Risk

Increased Margin

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Financial Highlights – Income Statement Summary

Total Financials

In RMB million	2016 Q2	2015 Q2	YoY
GMV	2,204.4	1,215.4	81%
Total revenues	700.3	517.6	35%
Non-GAAP net income[1]	8.2	7.4	11%

Financials Excluding MKF[2]

In RMB million	2016 Q2	2015 Q2	YoY
Total GMV ex MKF	2,164.9	1,177.3	84%
Total Revenue ex MKF	693.5	494.3	40%
Non-GAAP operating income ex MKF[3]	39.8	21.6	85%
Non-GAAP operating margin ex MKF	*5.7%*	*4.4%*	

Note:
1. non-GAAP numbers exclude share-based compensation expenses.
2. Financials excluding MKF exclude MKF's direct revenues and expenses.
3. **The operating loss from MKF was 5mm in 2016Q2, decreased by around 50% YoY.**

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Financial Highlights – Healthy Working Capital Position

Working Capital Turnover Day

	2016 Q2	2015Q2	Var.	2016Q1	Var.
AR days	50	43	7	49	1
AP days	(108)	(83)	(25)	(105)	(3)
Inventory days	81	64	17	80	1
WCD	23	24	(1)	24	(1)

Notes:
1. Accounts receivable turnover days = # days in the period * average accounts receivables balances as of the beginning and the end of the period / revenues
2. Accounts payable turnover days = # days in the period * average accounts payable balances as of the beginning and the end of the period / cost of product sales
3. Inventory turnover days = # days in the period * average inventory balances as of the beginning and the end of the period / cost of product sales

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THANKS!

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