

BAO ZUN

baozun.com



Presentation

March 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

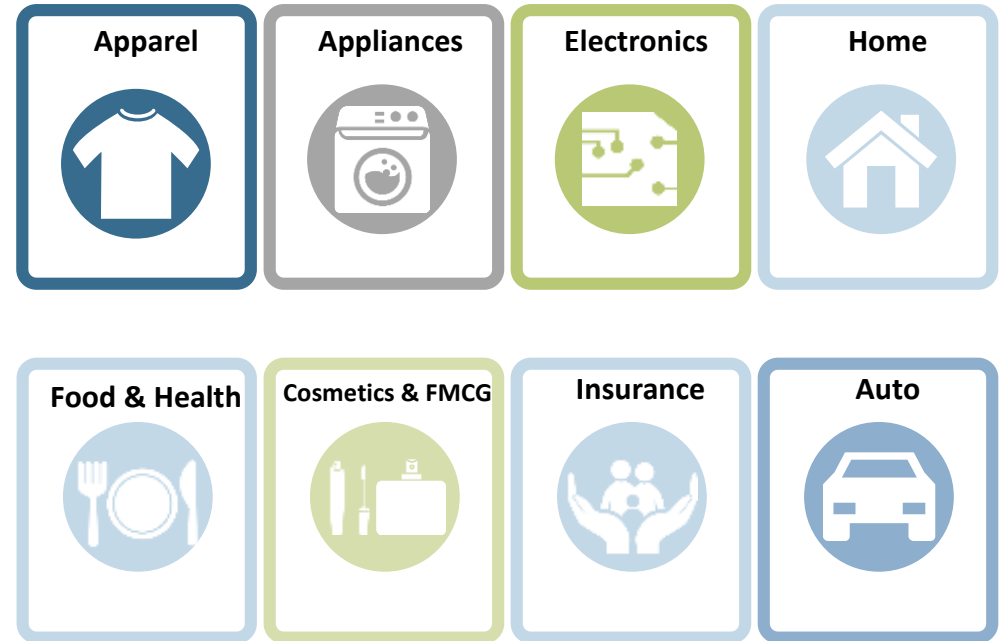
provider, with **20%** market share⁽¹⁾

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

✓ **113** brand partners⁽²⁾

✓ **RMB6,735MM** GMV⁽³⁾, up 59% yoy

Leading Global Brand Partners Across 8 Categories



Our Mission is to Make Brands Successful in E-Commerce

Notes: Exchange rate used: 1 USD = 6.4778RMB as of December 31, 2015

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.

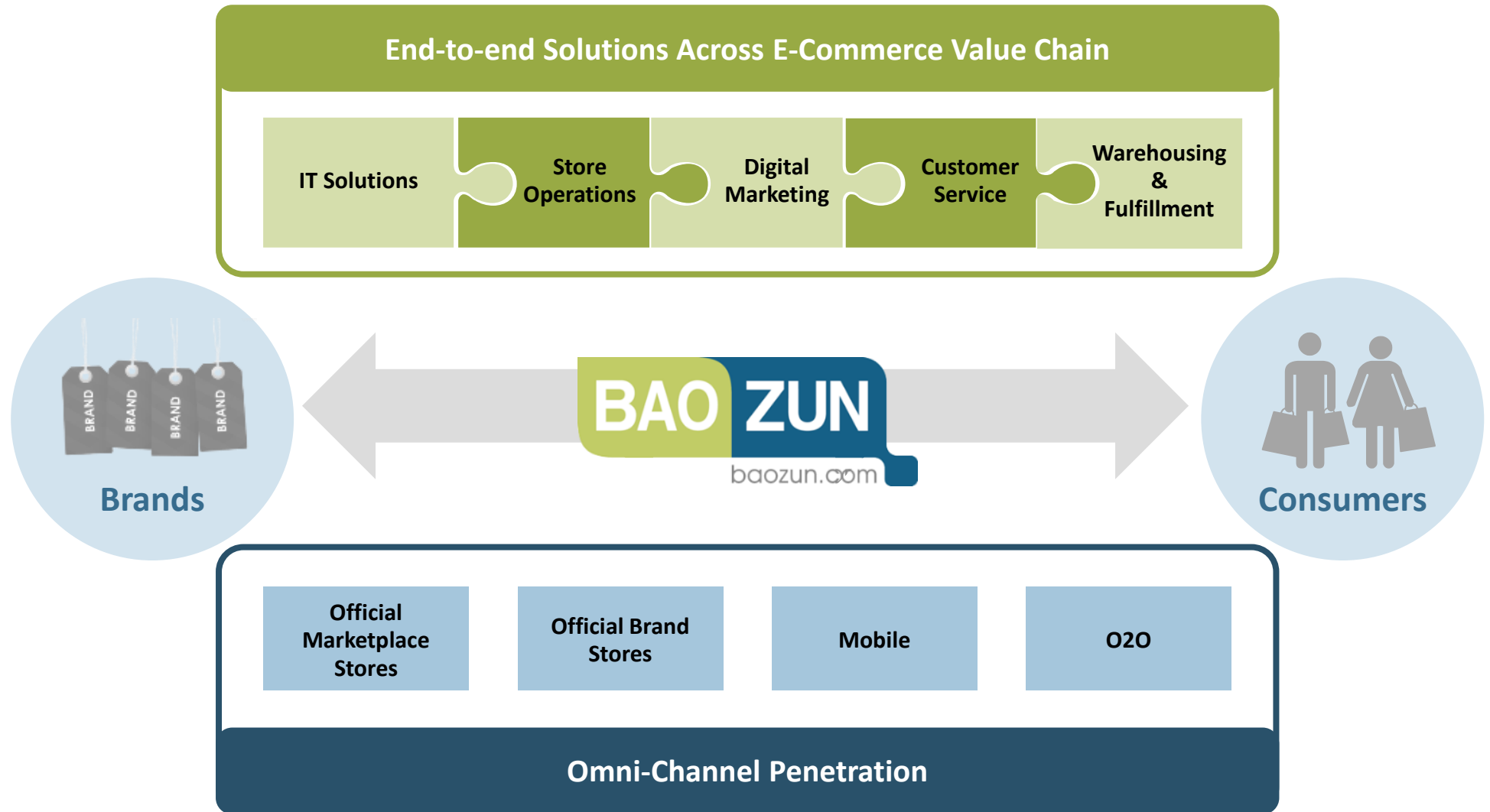
2. As of December 31, 2015.

3. For the 12 months ended December 31, 2015. 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.

Why Brands Come to Baozun



We Bridge Brands to Consumers



Why Brands Value Us



Self-Operated by
Brands

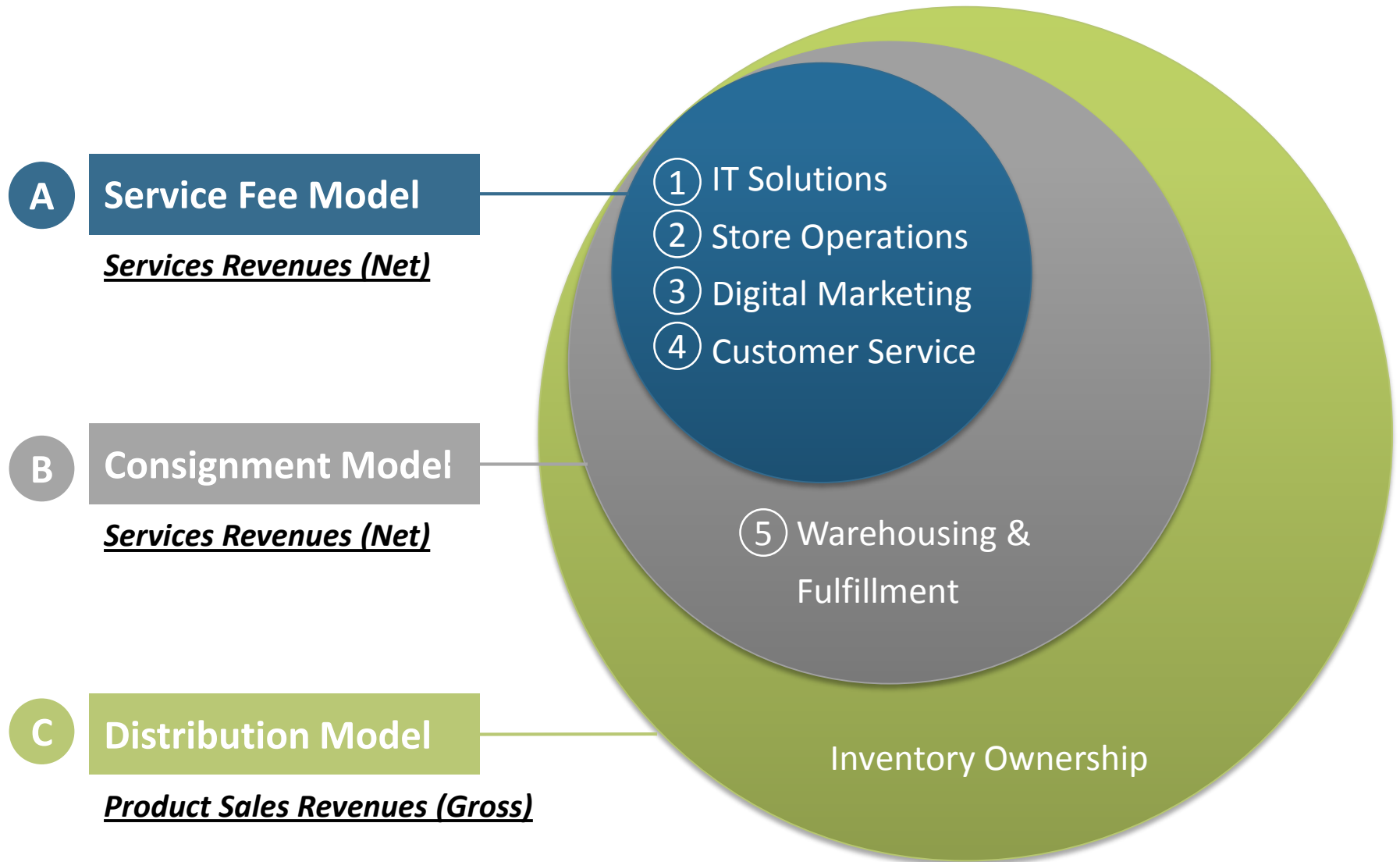
Other Service
Providers

| Solid Sales Result | | | |
|--|--|--|--|
| Better Consumer Engagement | | | |
| Cost Efficiency | | | |
| Robust Technology and Warehousing Capabilities | | | |
| Omni-channel Capability | | | |
| Regional Expansion | | | |

Benefit to Brand Partners:



Our Business Model



Key Investment Highlights

1

Leader in Brand
E-Commerce
Solutions

2

Seamless **Omni-
Channel**
Experience

3

Proprietary
Technology

4

Operational and
Fulfillment
Capabilities

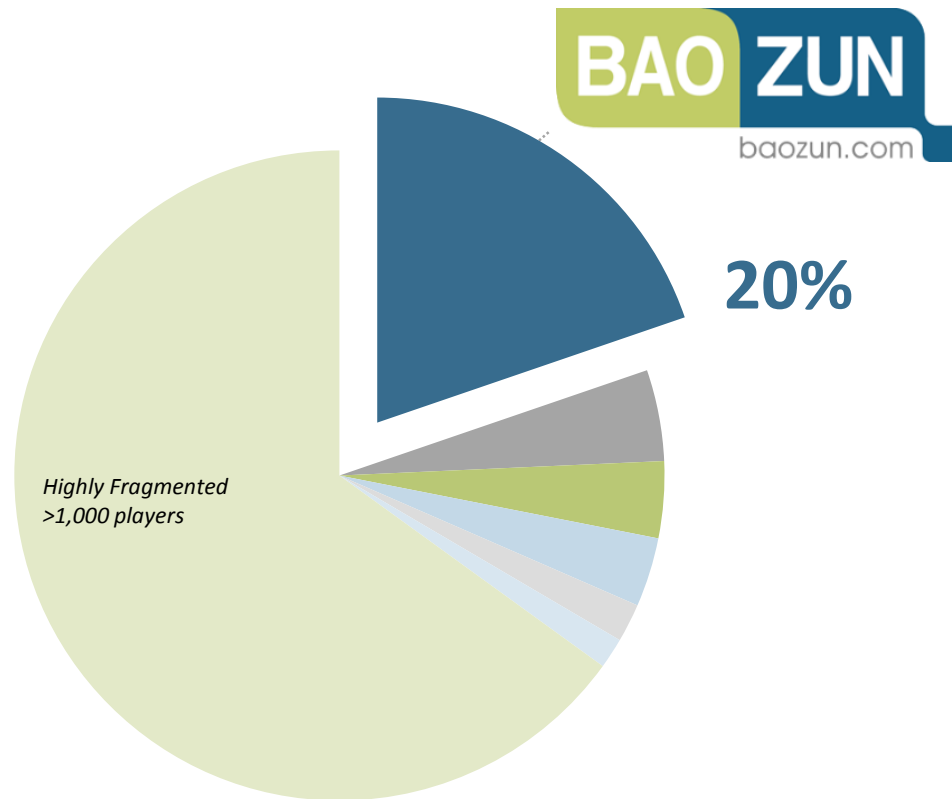
5

Insightful **Digital
Marketing**

6

Experienced **Team**

No.1 Market Share in China ⁽¹⁾



The Go-to Brand E-Commerce Solutions Provider in China

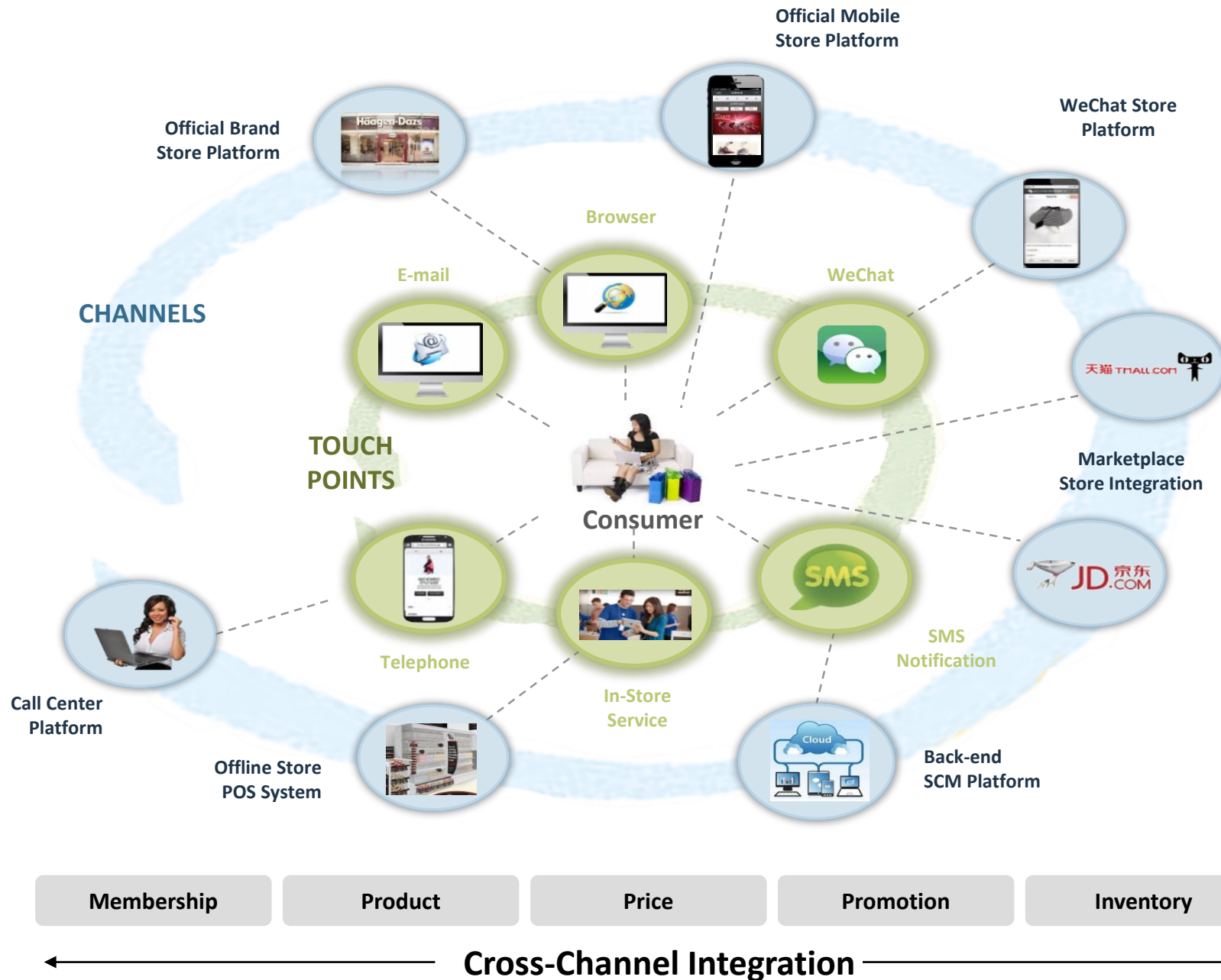
Why Are We Better Than Others?

- ☒ First mover with the most experiences
- ☒ Seamless omni-channel experience
- ☒ Robust fulfillment infrastructure and capabilities
- ☒ Integrated proprietary e-commerce technology infrastructure
- ☒ Trusted partnerships with 113 global brands⁽²⁾

Note:

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 December 31, 2015

2 Seamless Omni-Channel Experience



Product Listing & Inventory Sharing

Unified Product Detail & Centralized Inventory Sharing

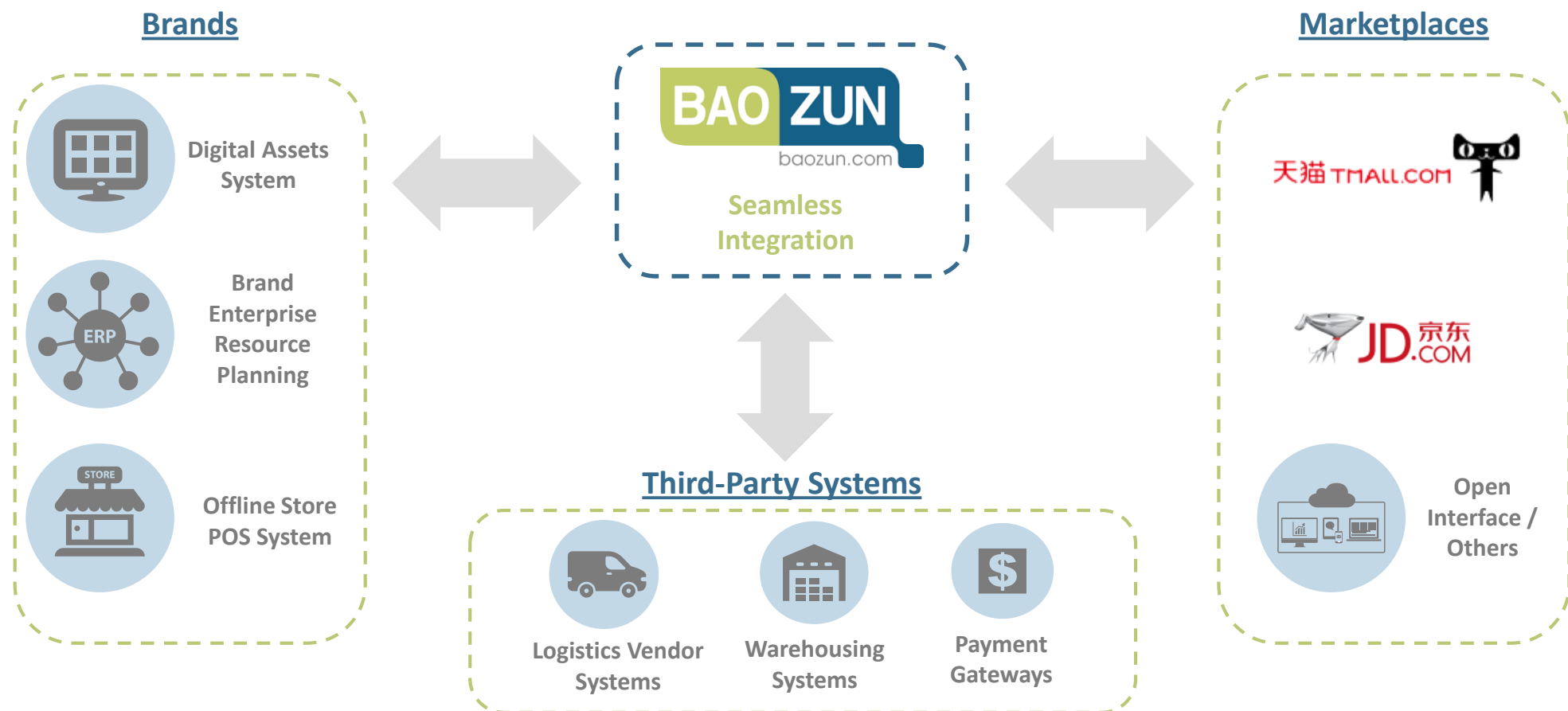


Online to Offline Traffic Sharing



Offline to Online Traffic Sharing



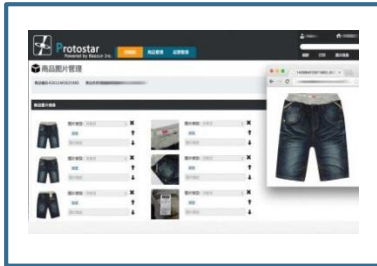


**Efficient End-to-end
System Compatibility**

**Enabling Higher
Throughput**

**Designed for
Scalability & Reliability**

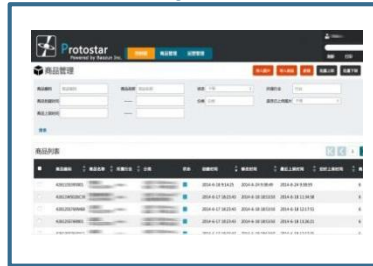
Digital Asset Management



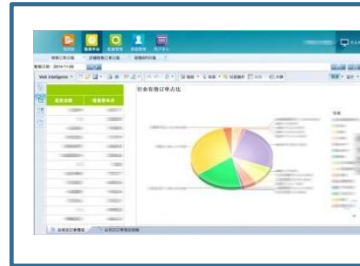
Content Management



Merchandising Tools and Real-time Inventory Allocation



Digital Analytics



Marketing Execution



Services

Product image management

Product description management

Product page design optimization

Site authoring

Copy writing

Site structure management

Assortment planning

Cross-store inventory allocation

Inventory replenishment

Regular reporting

Ad hoc analytics

Data tracking

Event design

Event execution

Results analysis

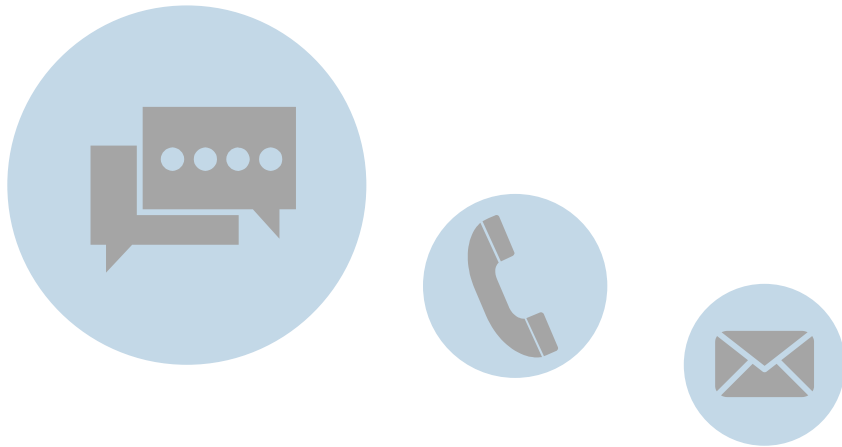
Traffic

Conversion

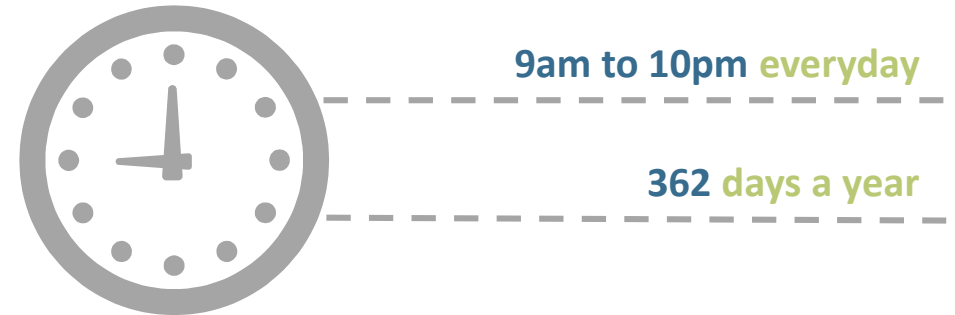
Average order size

Repeat purchase

Design for Local Communications



Dedicated Teams for Each Brand Partner



Deep Brand Knowledge Base



Brands



Joint Training Sessions

Baozun-Developed
Product Handbook

Internal Knowledge Sharing

Category-tailored Warehouses



7 self-operated warehouses with aggregate GFA of **100,000 sqm**⁽¹⁾

Partnership with Leading Logistics Services Providers



Premium Service



Geographic Coverage



Cost Efficiency

Best-in-Class Fulfillment Capabilities

10.7MM
annual
orders
fulfilled⁽²⁾

300K
inbound
pieces
per day⁽¹⁾

500K
outbound
orders
per day⁽¹⁾

Platinum Client Status



One of SF Express' **Top 5** Customers in China⁽³⁾



Next Day Delivery in over **100** Cities



Volume Discounts & Quality Assurance

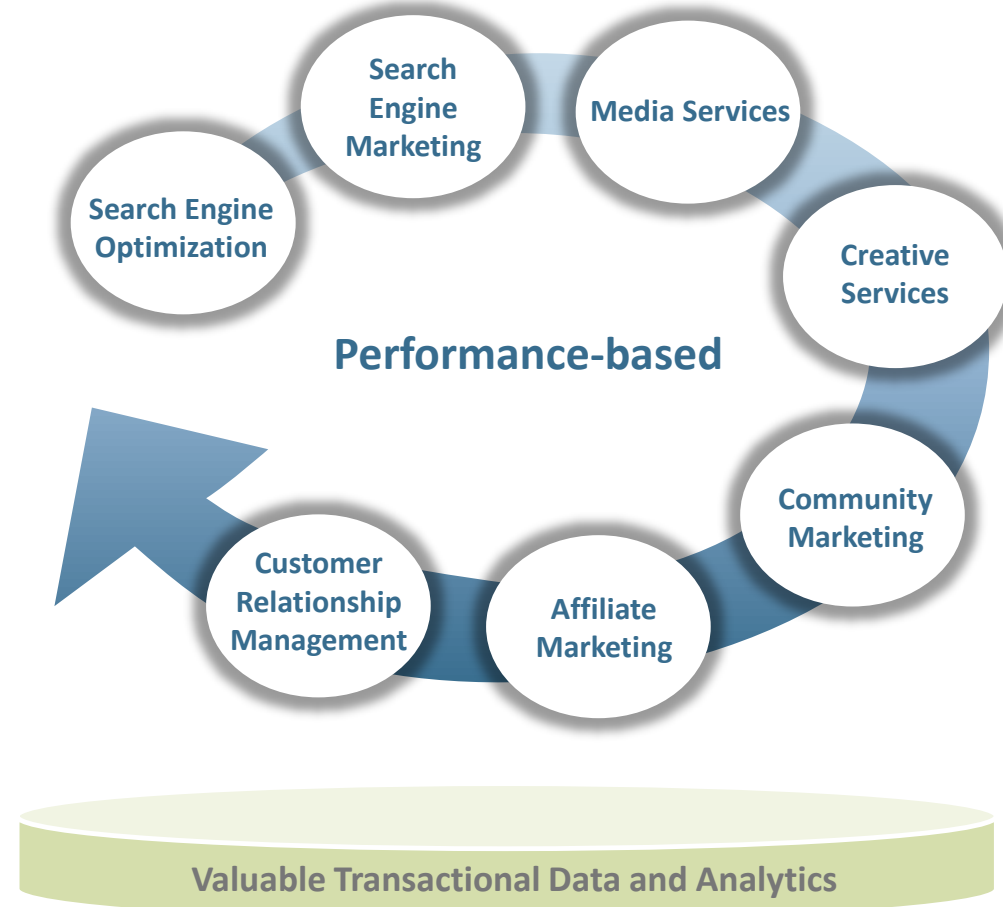
Note:

1. As of December 31, 2015
2. For the 12 months ended December 31, 2015
3. According to SF Express

Traditional



THE BAOZUN WAY



Continuously Enhancing and Evolving Closed-loop Digital Marketing Services



Brand-oriented

Passionate and
visionary

Service and
technology-driven
culture

Diverse and
complementary
backgrounds



Vincent Qiu
CEO and Co-founder



Junhua Wu
COO and Co-founder



Beck Chen
CFO



Tony Wu
CTO



Vicky Lu
Senior VP



Aaron Kwok
VP, Appliances and Electronics



Rose Wang
VP, Beauty & Luxury and Cross Border



Ji Zhou
Head of HR and Corporate Strategy

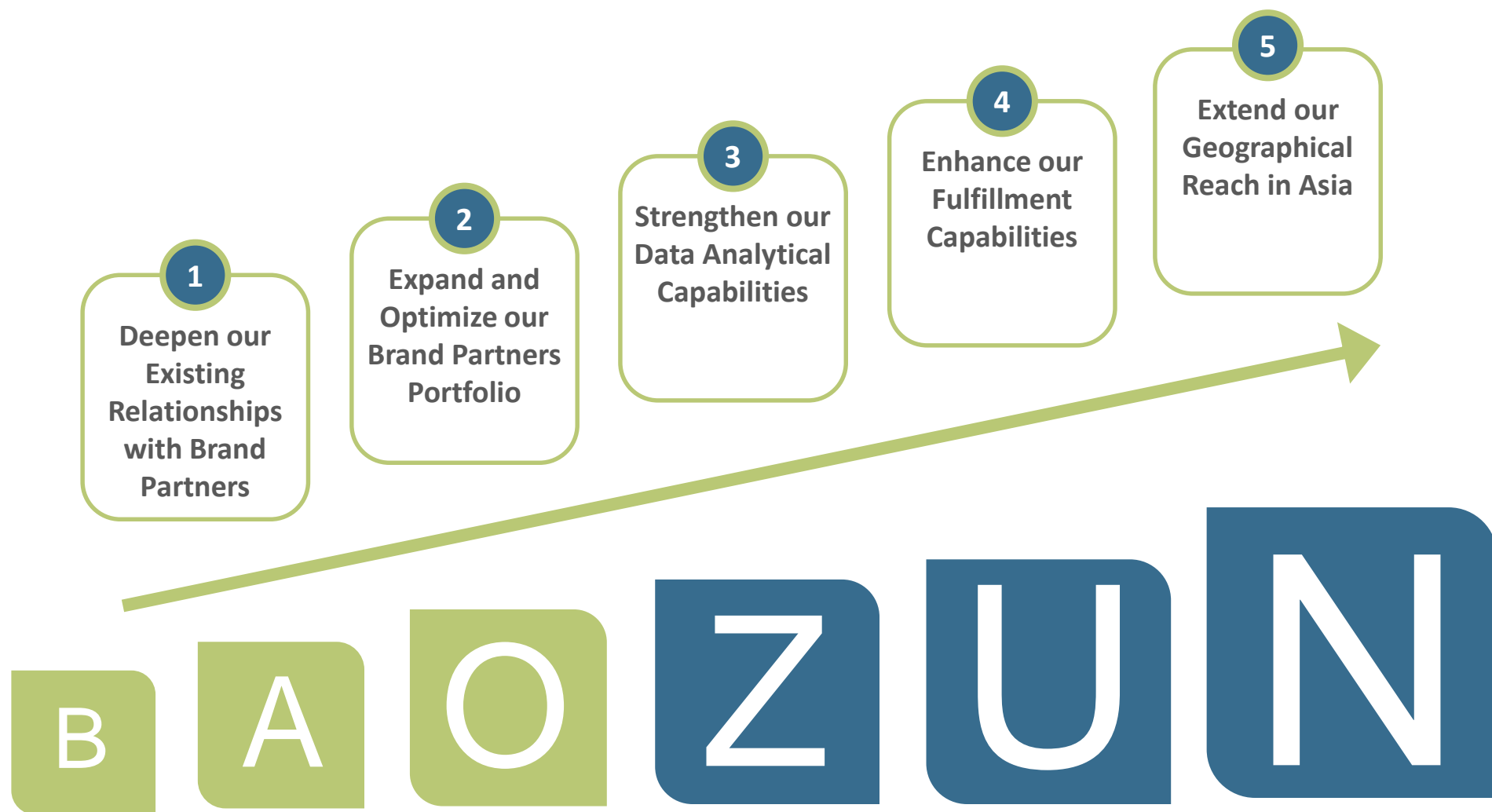


Peter Liang
Senior Director of Logistic

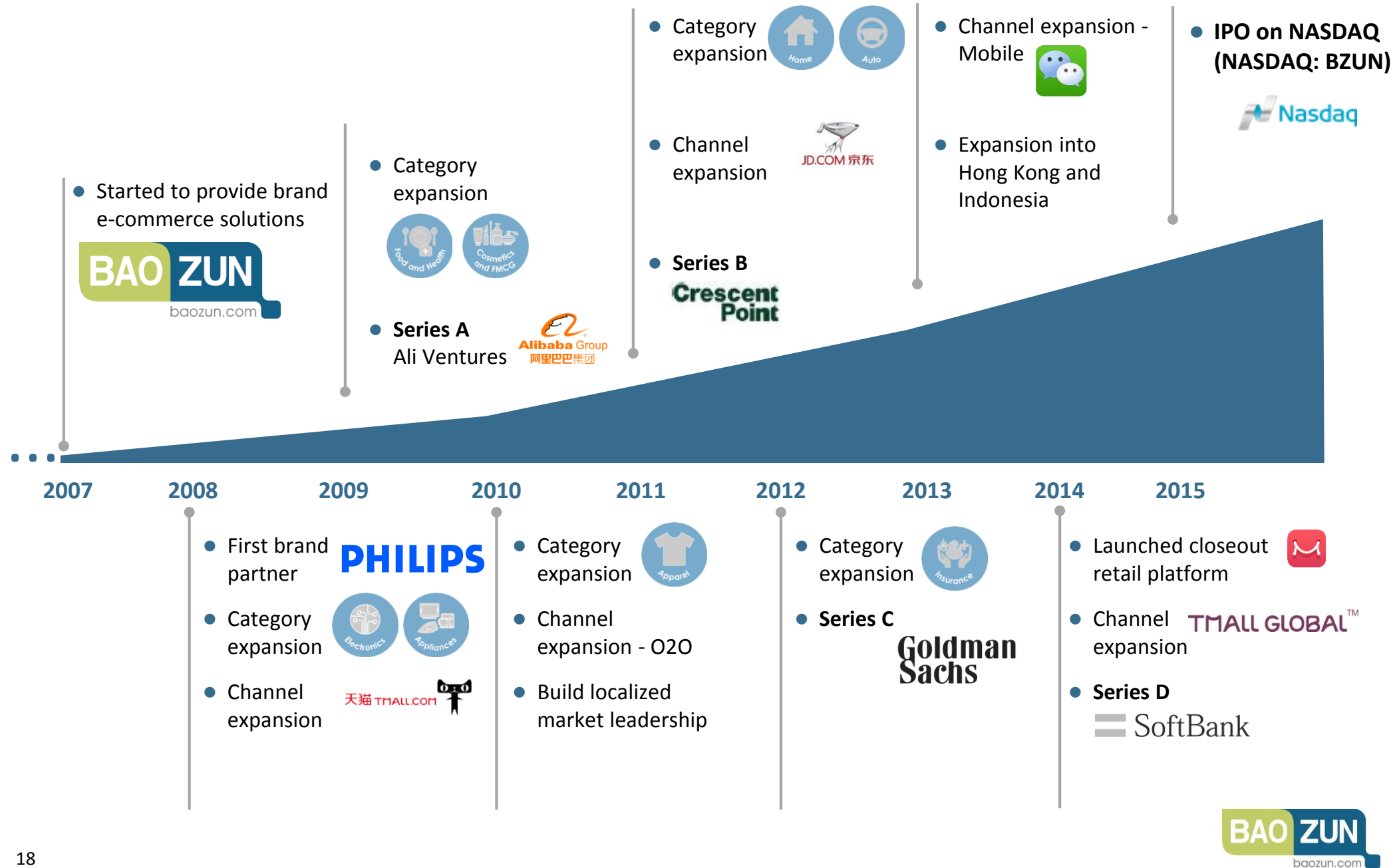


B rand, **E** commerce

Our Growth Strategies



Strategic Roadmap and Key Milestones





1

WeChat Brand Store Platform

- Reinforce of omni-channel E-commerce solutions
- Upgraded solution to expand to WeChat without heavy cost
- Efficient promotion and communication with WeChat users

2

Expansion into Taiwan

- Geographical expansion
- The first mainland e-commerce company to receive authorization from MOEA

3

Innovation with Beabloo

- Jointly invested in Beabloo with Softbank
- Strengthened O2O solution
- Solution to the combination of digital marketing and big data

4

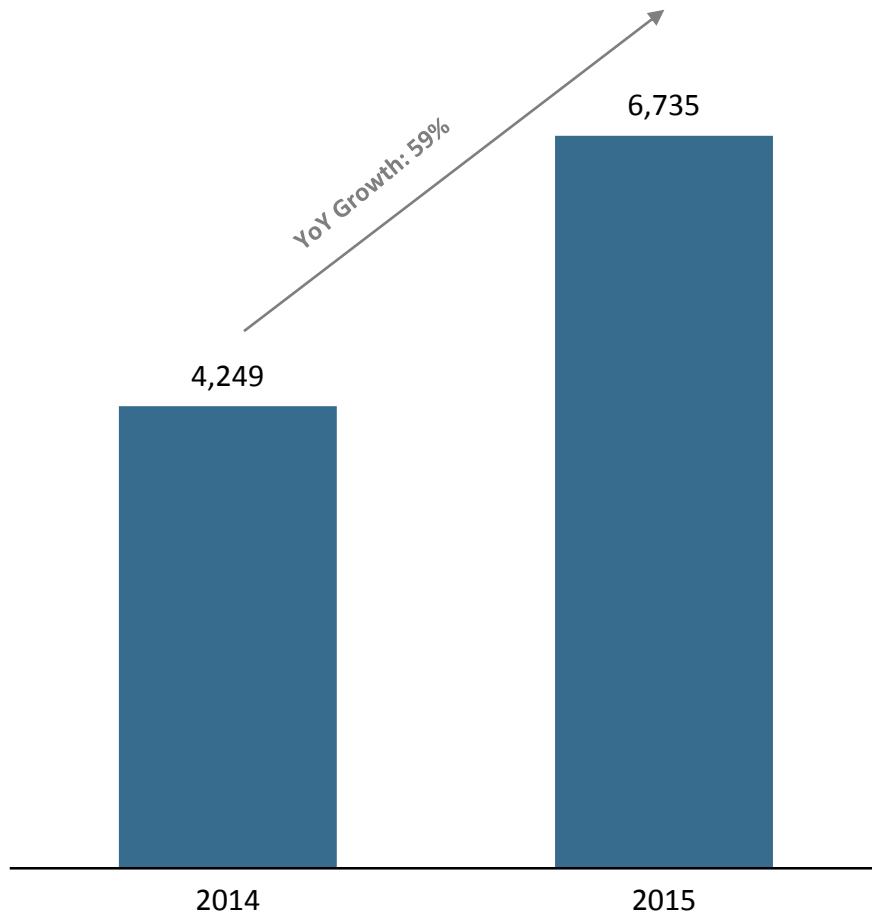
No. 1 Taobao Partner

- No. 1
- Gold or silver status in 9 categories for 2015H2

Financial Highlights – Robust GMV Growth & Optimizing Revenue Mix

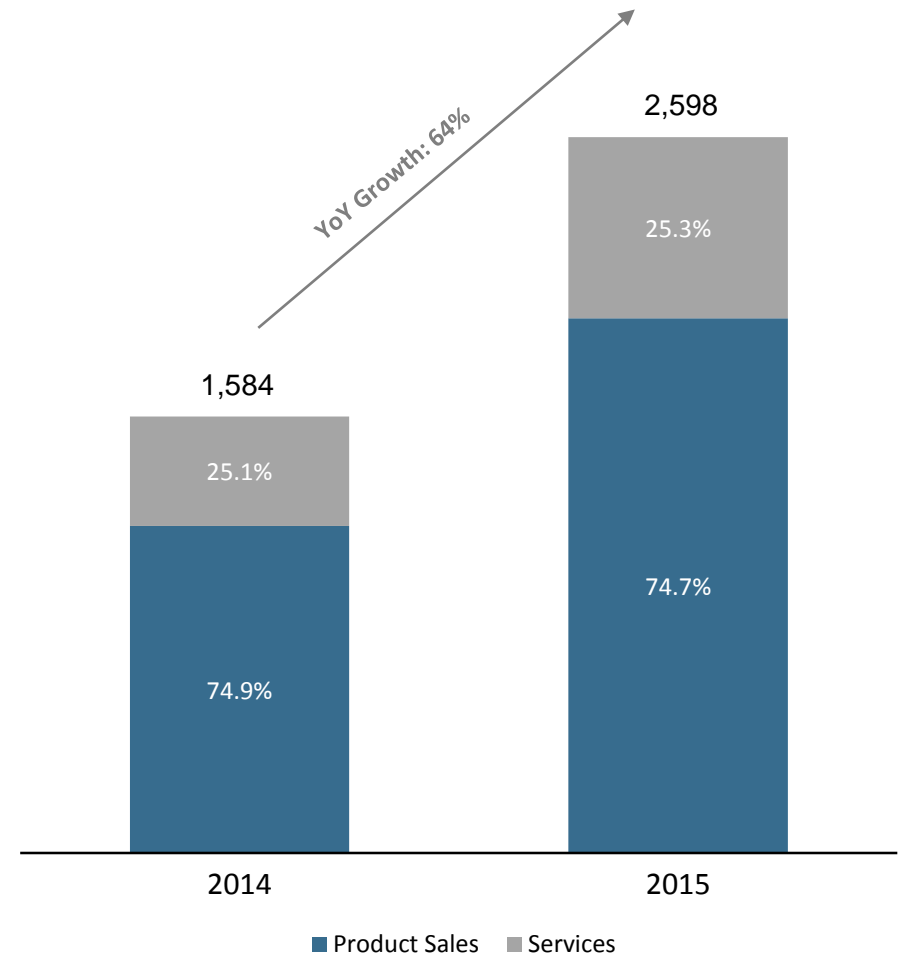
Total GMV

RMB MM



Net Revenues Breakdown

RMB MM



Financial Highlights – Healthy Working Capital Position

Working Capital Turnover Day

| | 2015 Q4 | 2015Q3 | Var. | 2014Q4 | Var. |
|----------------|---------|--------|------|--------|------|
| AR days | 27 | 35 | (8) | 26 | 1 |
| AP days | (57) | (82) | 25 | (47) | (10) |
| Inventory days | 45 | 71 | (26) | 40 | 5 |
| WCD | 15 | 24 | (9) | 19 | (4) |

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

Financial Highlights – Income Statement Summary

Total Financials

| <u>In RMB million</u> | 2014 | 2015 | YoY |
|--|----------------|----------------|------------|
| GMV | 4,249.0 | 6,735.3 | 59% |
| Total revenues | 1,584.4 | 2,598.4 | 64% |
| Non-GAAP net income⁽¹⁾ | 25.1 | 47.8 | 90% |
| <i>Non-GAAP net margin</i> | <i>1.6%</i> | <i>1.8%</i> | |

Financials Excluding MKF⁽²⁾

| <u>In RMB million</u> | 2014 | 2015 | YoY |
|---|----------------|----------------|------------|
| Total GMV ex MKF | 4,215.0 | 6,521.9 | 55% |
| Total Revenue ex MKF | 1,555.4 | 2,529.0 | 63% |
| Non-GAAP operating profit ex MKF | 45.0 | 88.5 | 97% |
| <i>Non-GAAP operating margin ex MKF</i> | <i>2.9%</i> | <i>3.5%</i> | |

Note:

1. non-GAAP numbers exclude share-based compensation expenses.
2. Financials excluding MKF exclude MKF's direct revenues and expenses.
3. As of December 31, 2015, cash, cash equivalents and short-term investment was RMB837.3 million.
4. For the quarter ended December 31, 2015, net cash provided by operating activities was RMB17.2 million.

BAO ZUN

baozun.com



“To make brands successful in e-commerce”