

BAO ZUN

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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

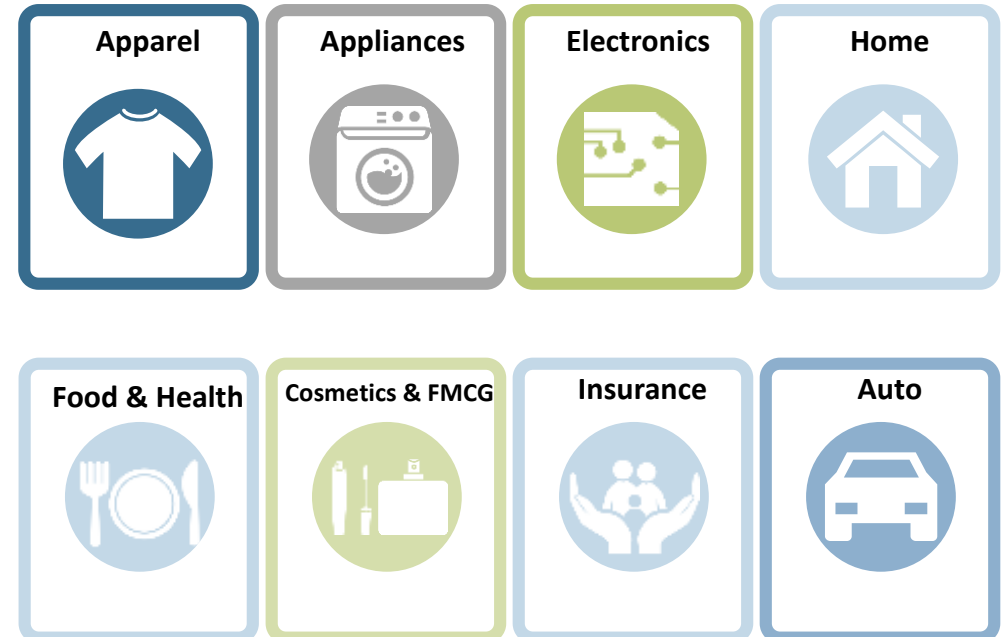
provider, with **20%** market share⁽¹⁾

✓ **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.

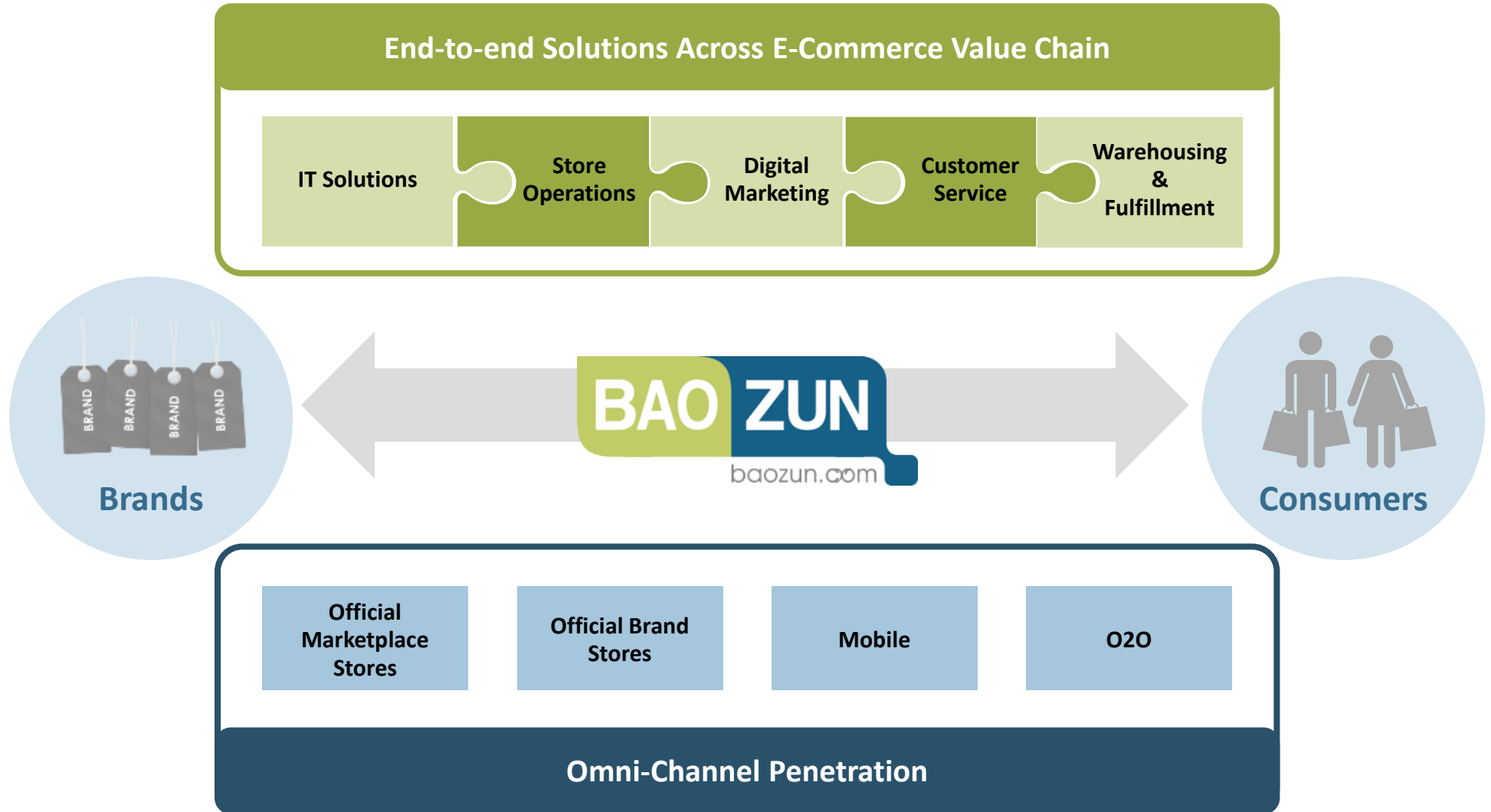
2. As of December 31, 2015.

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

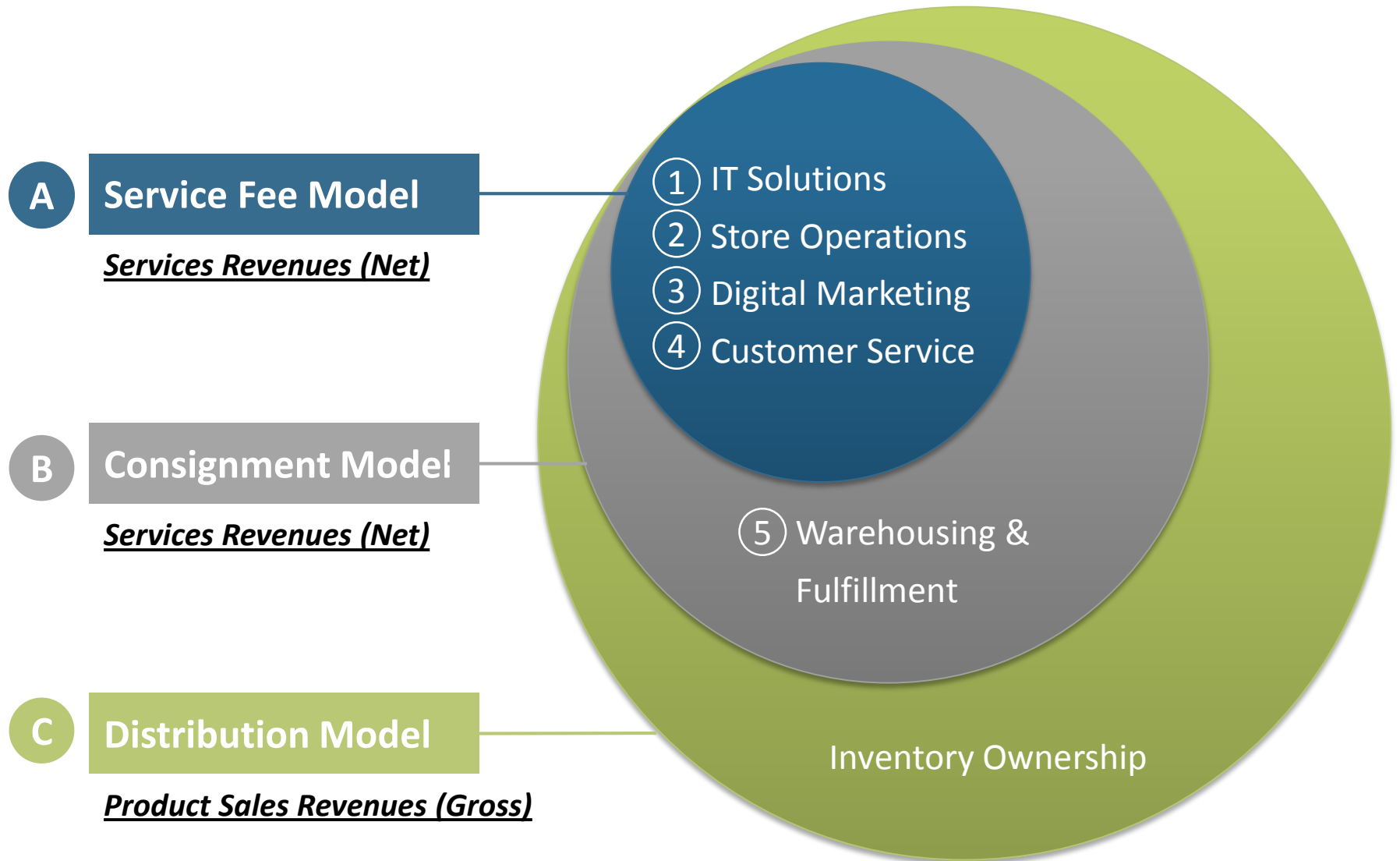
Other Service Providers

	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:



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

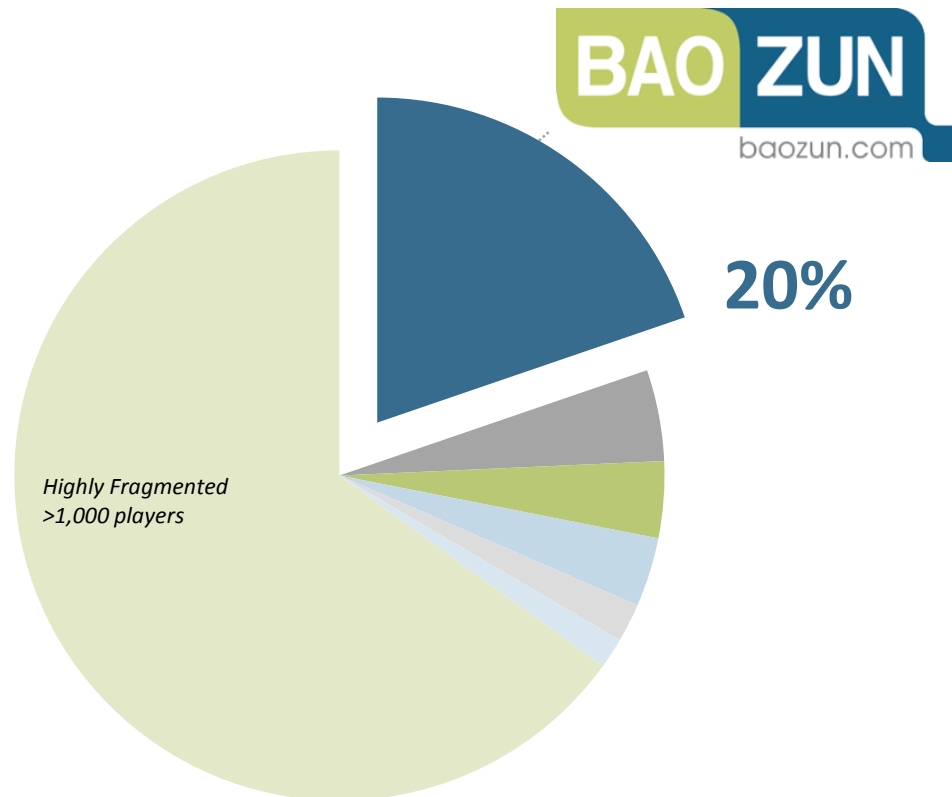
5

Insightful **Digital
Marketing**

6

Experienced **Team**

No.1 Market Share in China ⁽¹⁾



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

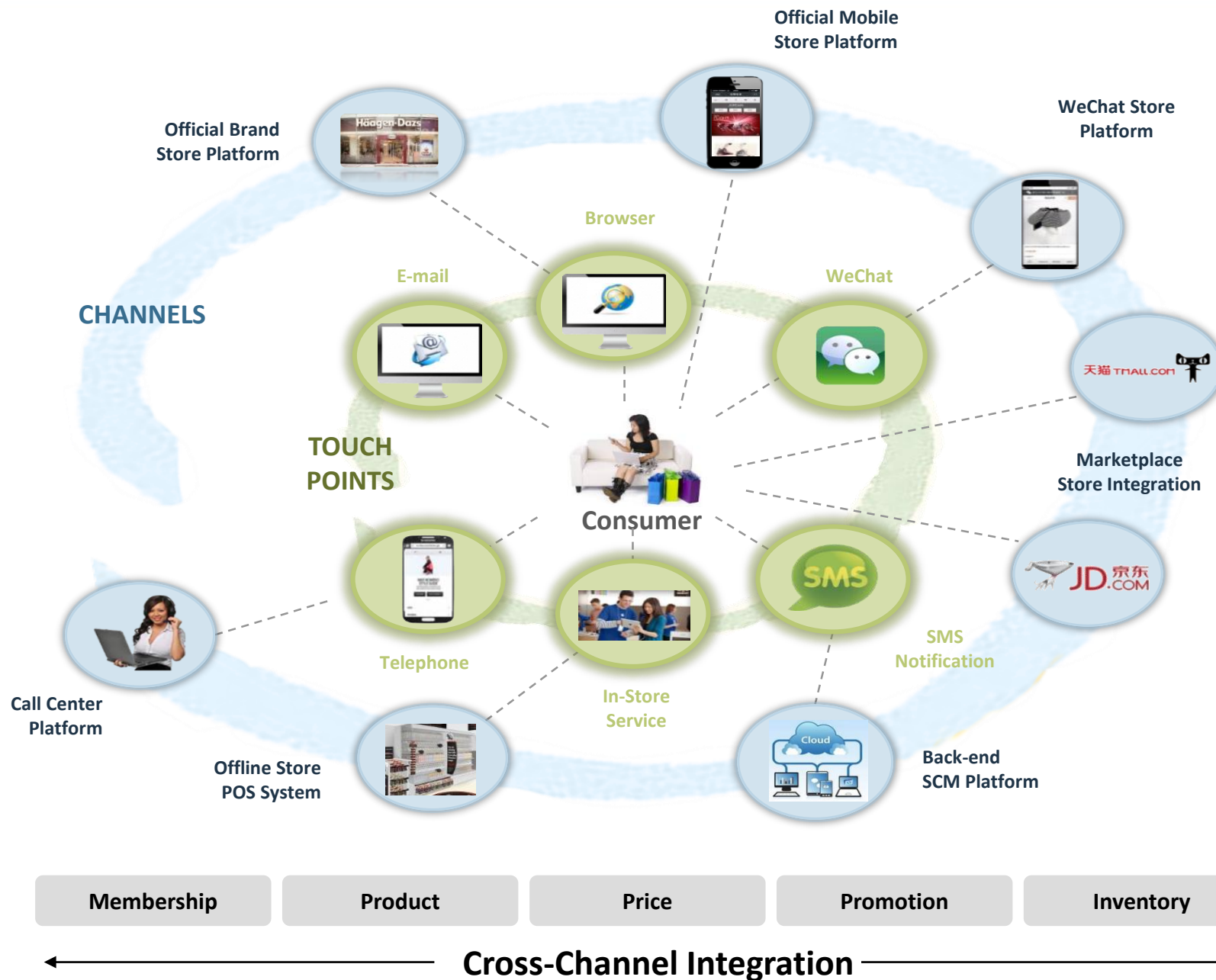
Why Are We Better Than Others?

- 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



2 Seamless Omni-Channel Experience (cont'd)

Product Listing
& Inventory Sharing

Unified Product Detail
& Centralized Inventory
Sharing



Online to Offline Traffic Sharing



Place the order online



Collect or return the
product in offline store

Offline to Online Traffic Sharing



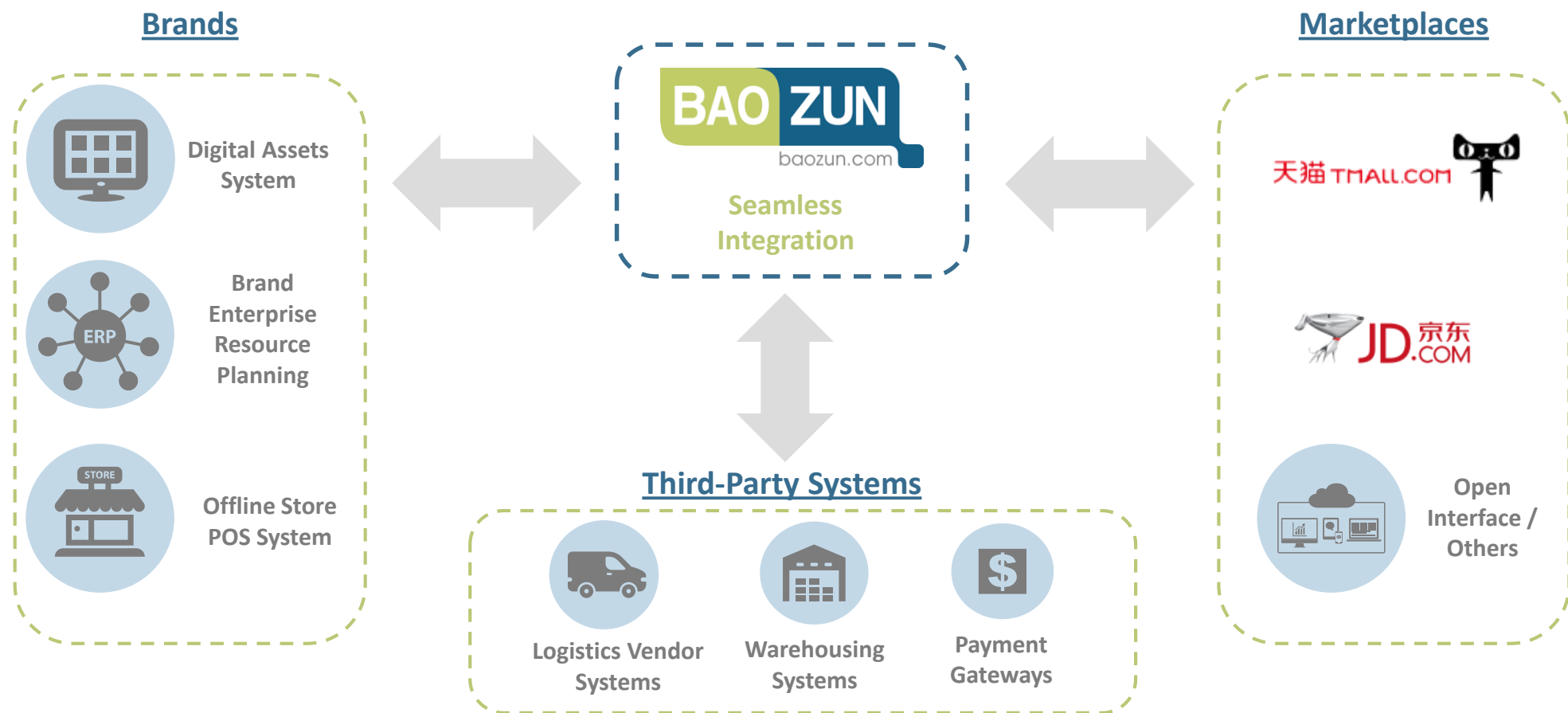
Product delivered at the door



Scan the QR code in
offline store to place an
order online



3 Scalable and Reliable Proprietary Technology



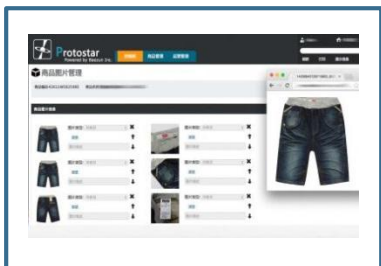
Efficient End-to-end System Compatibility

Enabling Higher Throughput

Designed for Scalability & Reliability

Comprehensive Store Operations Capabilities

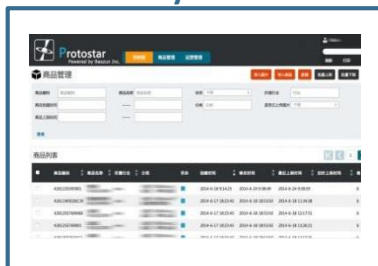
Digital Asset Management



Content Management



Merchandising Tools and Real-time Inventory Allocation



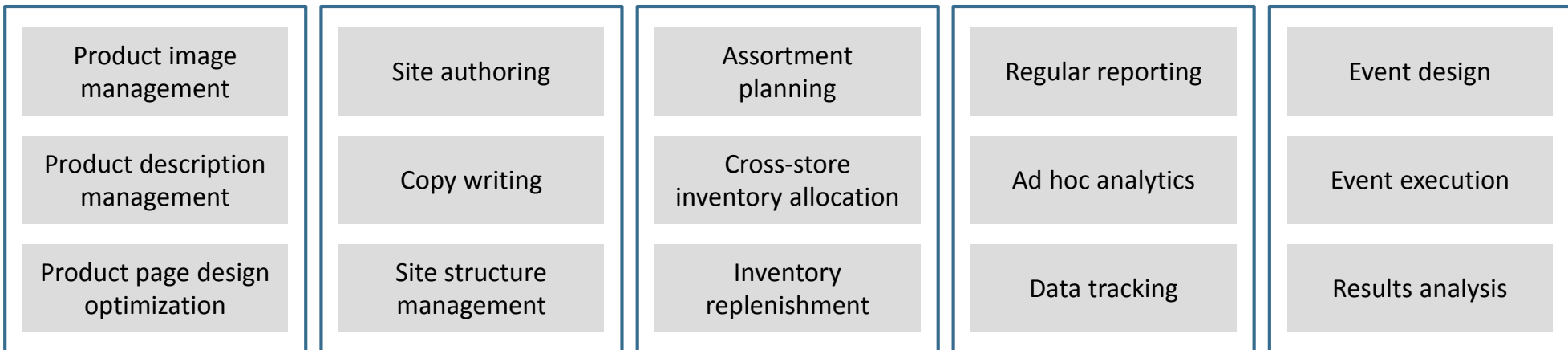
Digital Analytics



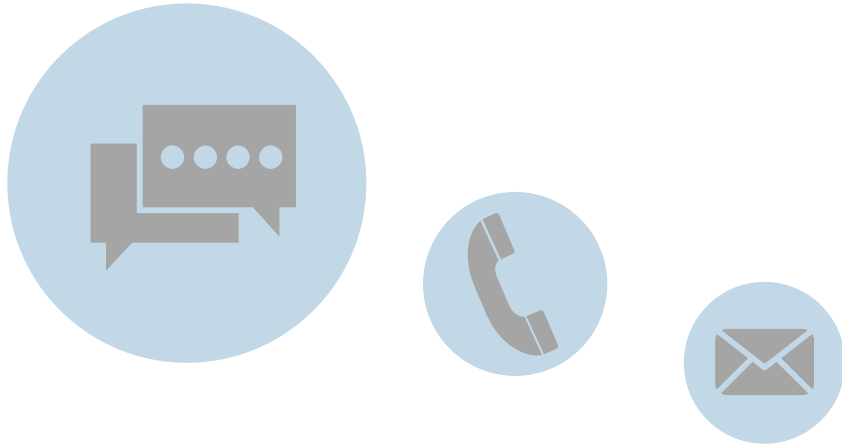
Marketing Execution



Services



Design for Local Communications



Dedicated Teams for Each Brand Partner



9am to 10pm everyday

362 days a year

Deep Brand Knowledge Base

BAO ZUN
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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:

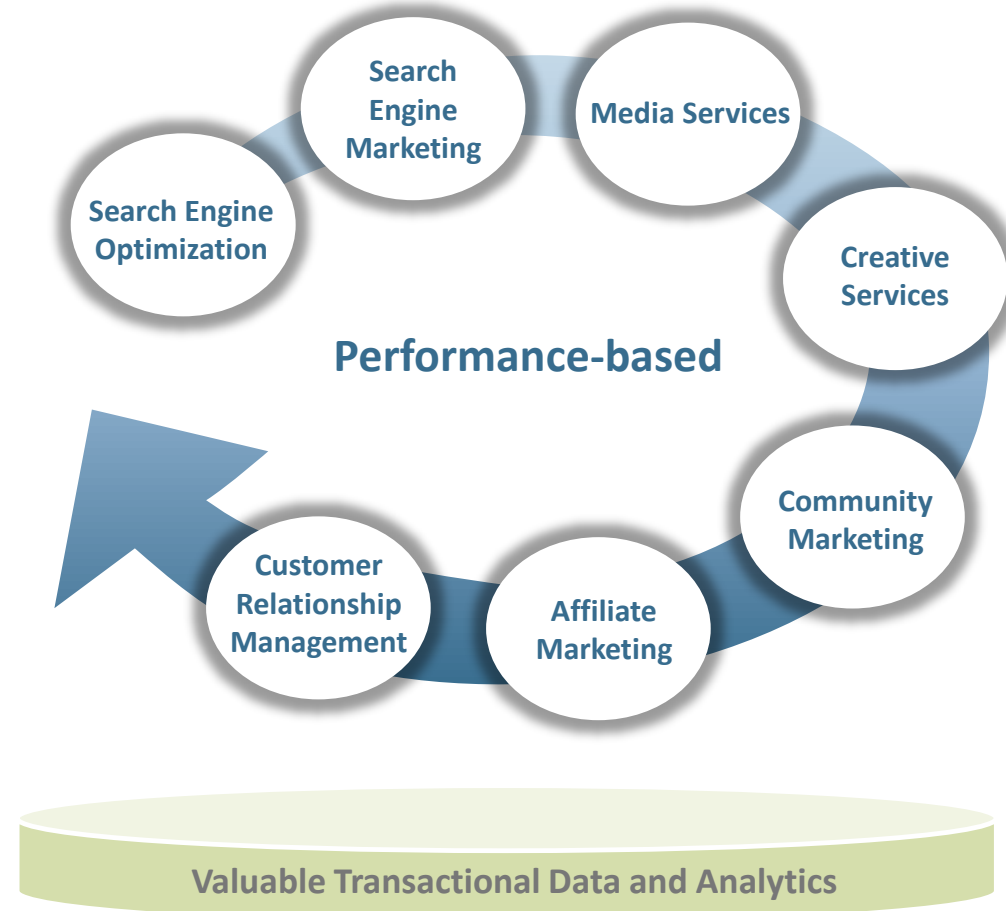
1. As of December 31, 2015
2. For the 12 months ended December 31, 2015
3. According to SF Express

5 Robust and Insightful Digital Marketing

Traditional



THE BAOZUN WAY



Continuously Enhancing and Evolving Closed-loop Digital Marketing Services

6 Visionary Team with Deep Industry Knowledge



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



Vicky Lu
Senior VP

B C



Aaron Kwok
VP, Appliances and Electronics

B C



Rose Wang
VP, Beauty & Luxury and Cross Border



B C



Ji Zhou
Head of HR and Corporate Strategy

E C



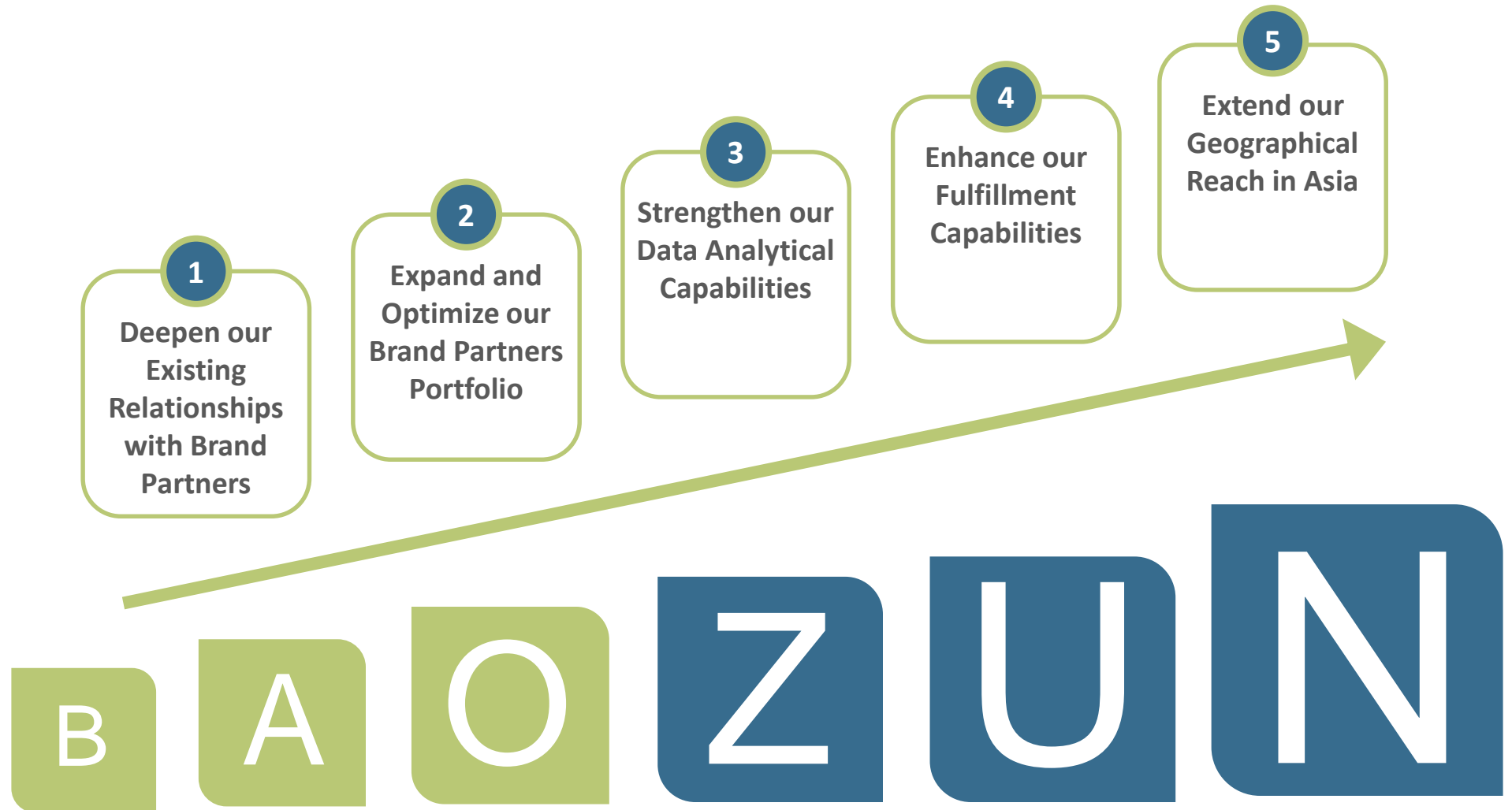
Peter Liang
Senior Director of Logistic

C

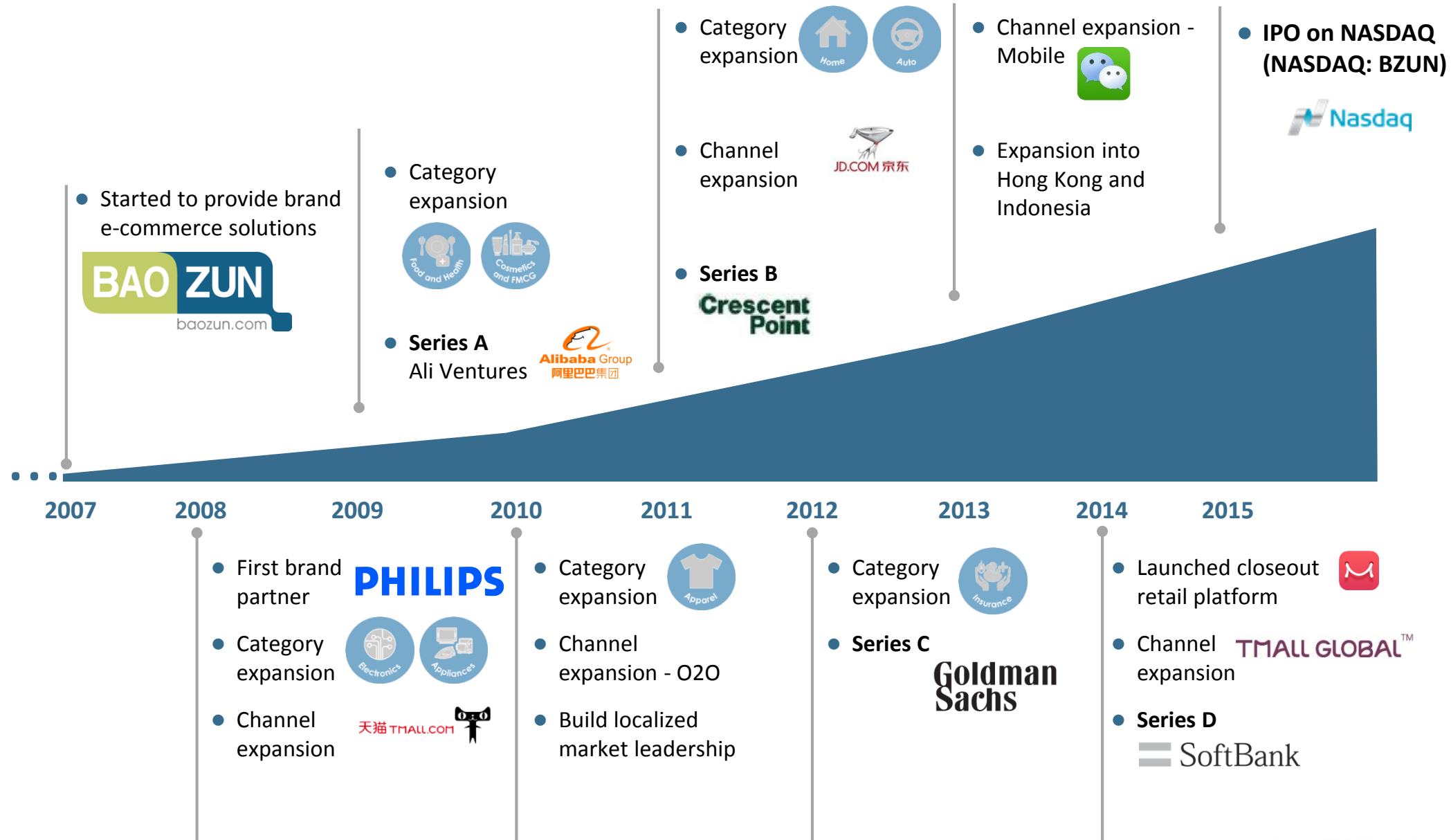
B rand, E C ommerce



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

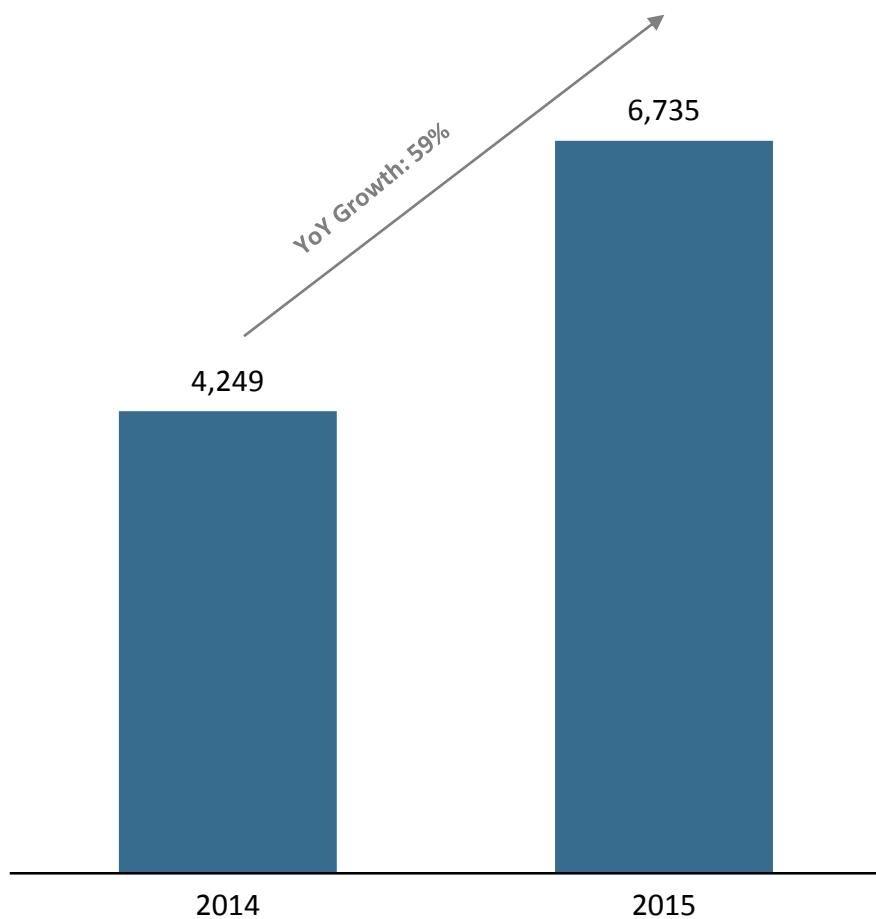
No. 1 Taobao Partner

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

Financial Highlights – Robust GMV Growth & Optimizing Revenue Mix

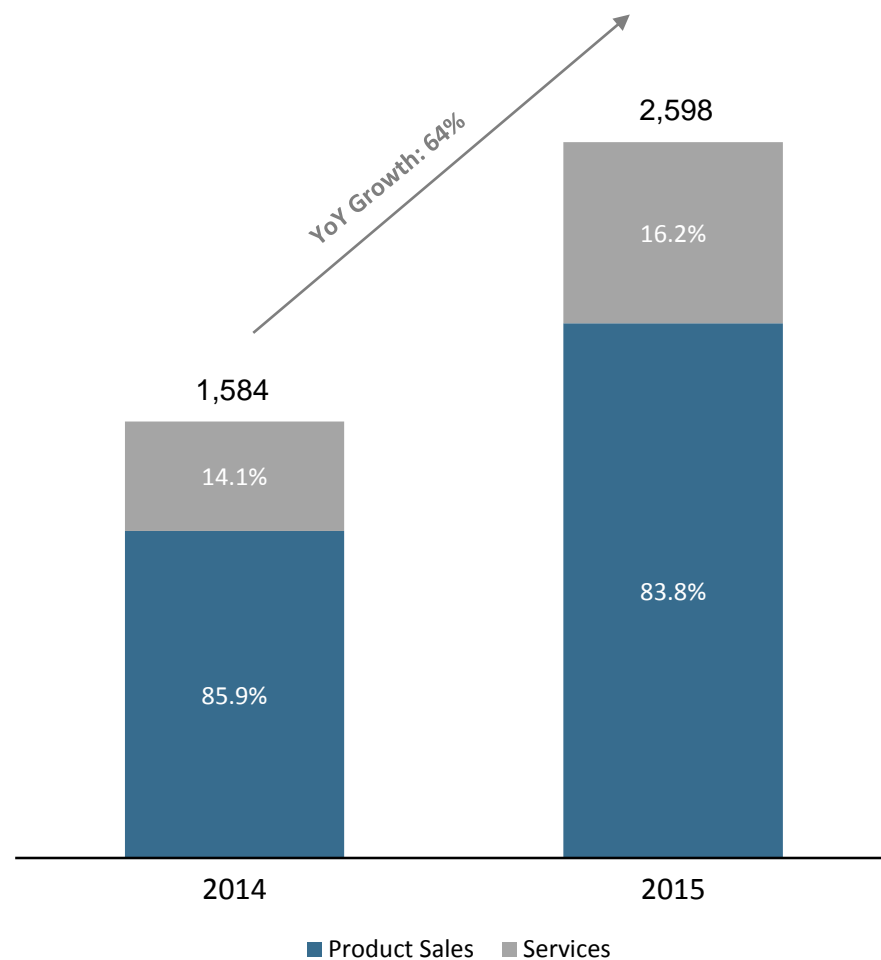
Total GMV

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.

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THANKS!

“To make brands successful in e-commerce”