

BAO ZUN

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Presentation

May 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

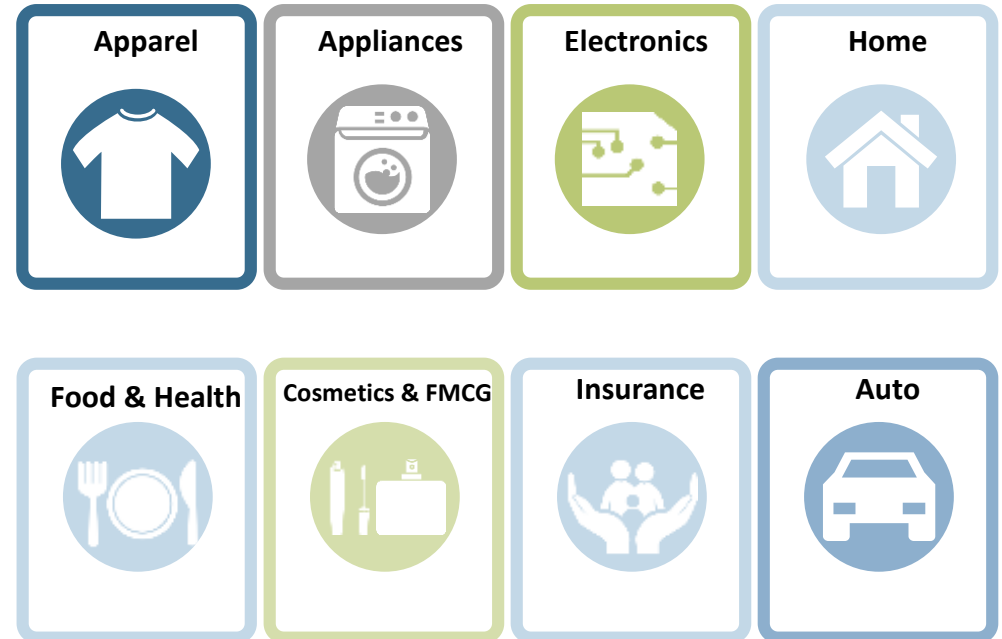
provider, with **20%** market share⁽¹⁾

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

 **116** brand partners ⁽²⁾, **8** categories

 **RMB1,853MM** GMV⁽³⁾, up 60% yoy

Leading Global Brand Partners Across 8 Categories



Our Mission is to Make Brands Successful in E-Commerce

Notes: Exchange rate used: 1 USD = 6.4480RMB as of March 31, 2016

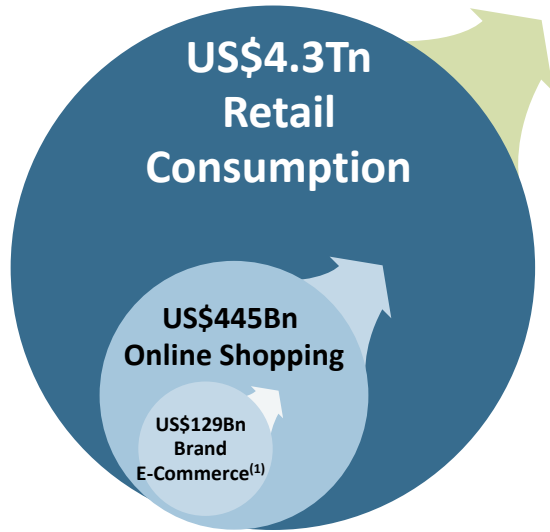
1. Source: iResearch. Based on China's total brand e-commerce solution provider market size of RMB26 billion (US\$4.2 billion) in terms of transaction value in 2014.

2. As of March 31, 2016.

3. For the 3 months ended March 31, 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.

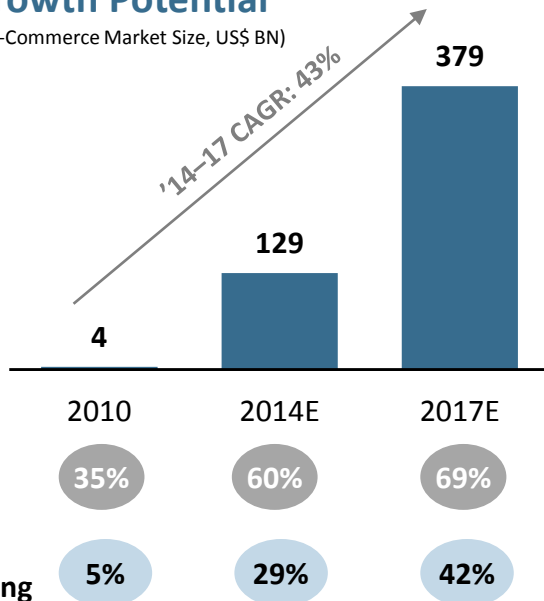
Market Opportunity

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



High Growth Potential

(China Brand E-Commerce Market Size, US\$ BN)



The Drivers

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



Fragmented Market

Multi-channels

**Quickly evolved
demands**

**End-to-end solution
provider**

V.S.



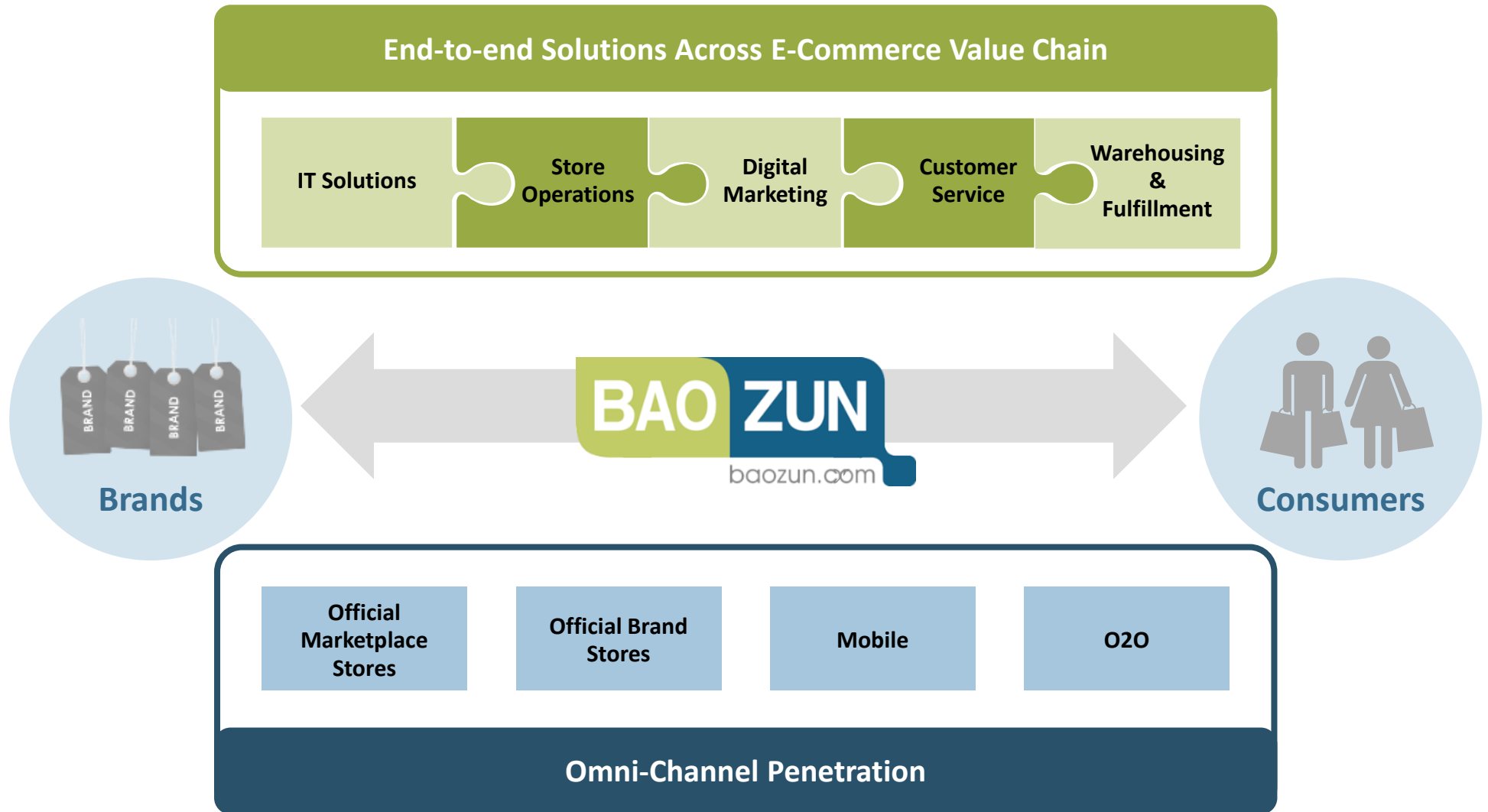
Mature Market

Brand site + Amazon

Stable demands

**Single service
providers**

We Bridge Brands to Consumers



Why Brands Value Us



Self-Operated by
Brands

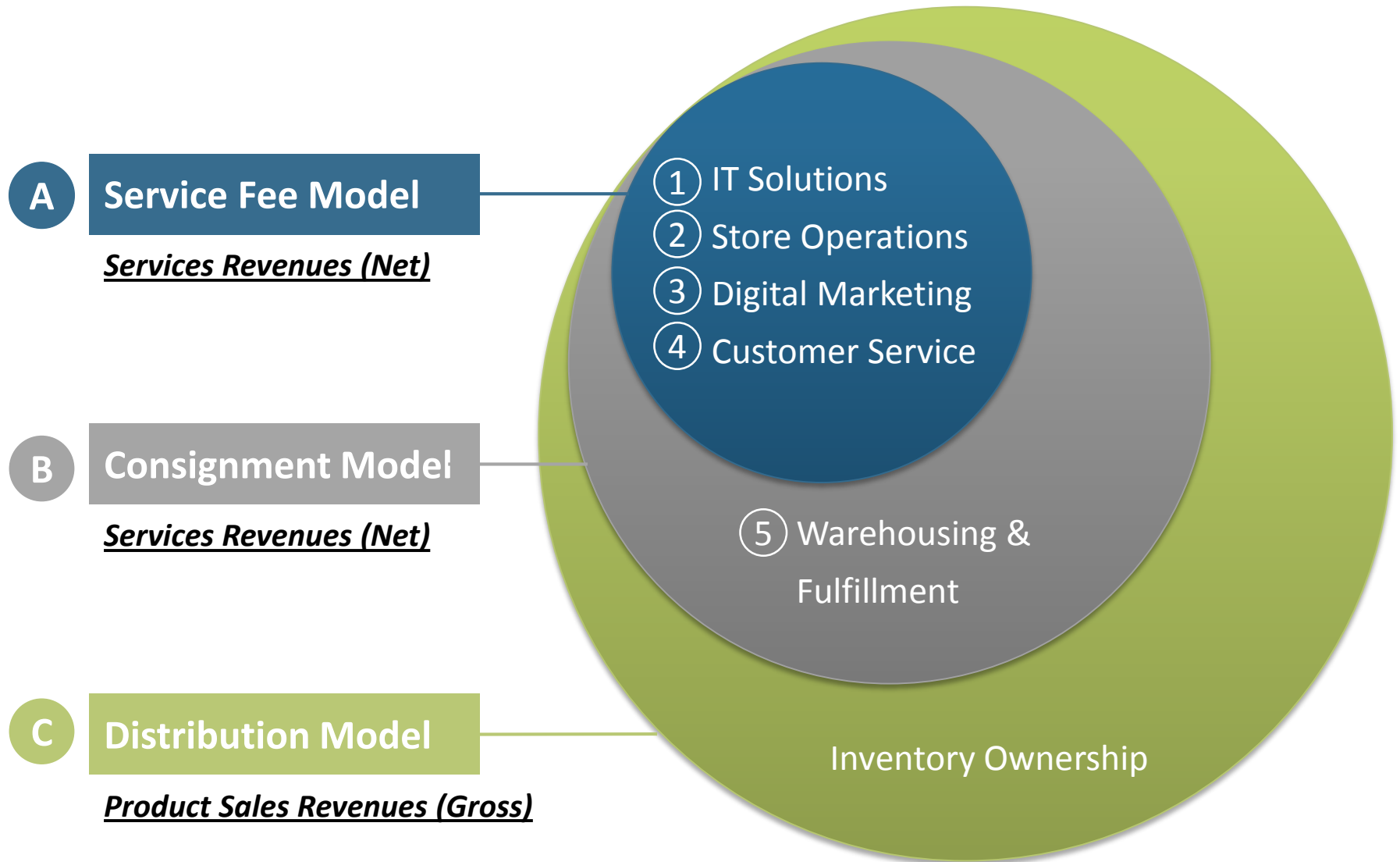
Other Service
Providers

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

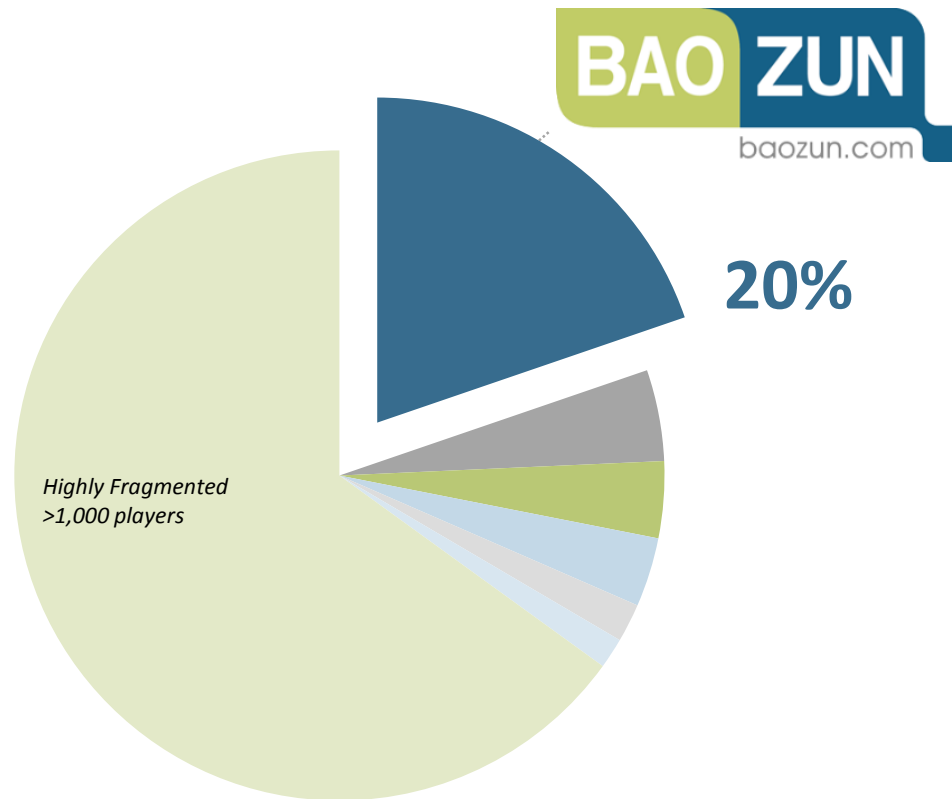
5

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?

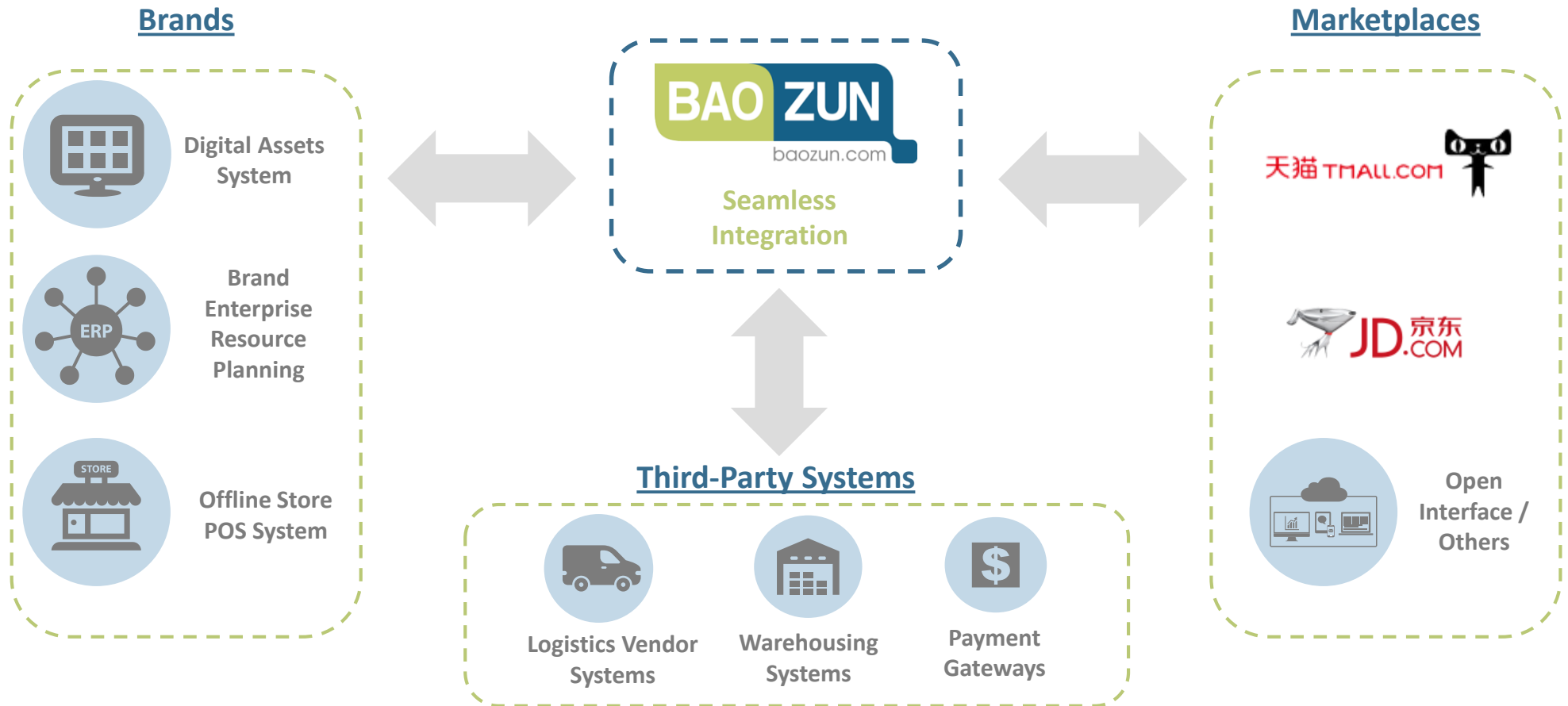
- ☒ First mover with the most experiences
- ☒ Seamless omni-channel experience
- ☒ Robust fulfillment infrastructure and capabilities
- ☒ Integrated proprietary e-commerce technology infrastructure
- ☒ Trusted partnerships with 113 global brands⁽²⁾

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





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

**Enabling Higher
Throughput**

**Designed for
Scalability & Reliability**

Category-tailored Warehouses



7 self-operated warehouses with aggregate GFA of **110,000 sqm**⁽¹⁾

Partnership with Leading Logistics Services Providers



Premium Service



Geographic Coverage



Cost Efficiency

Best-in-Class Fulfillment Capabilities

11.5MM
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



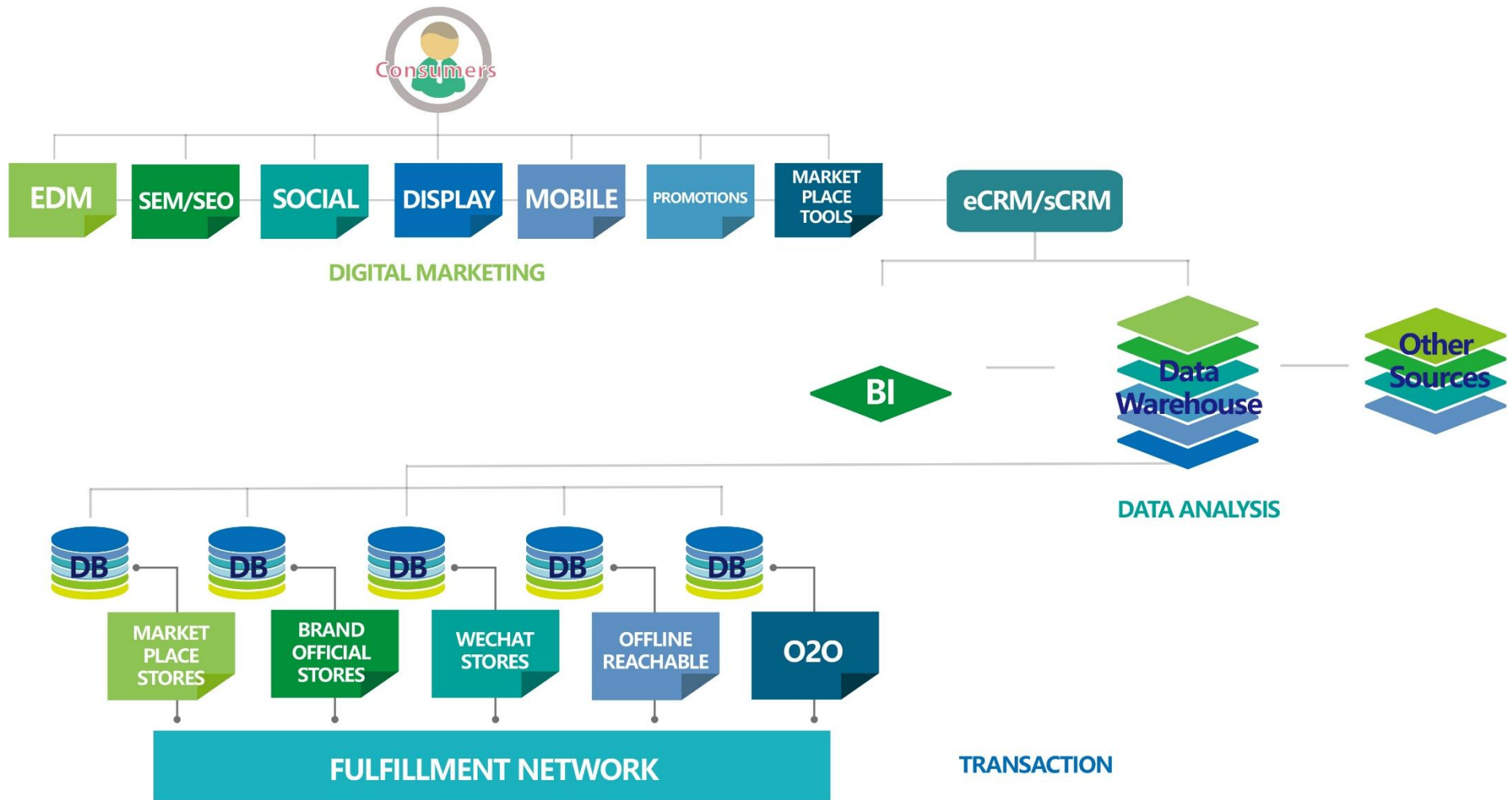
Volume Discounts & Quality Assurance

Note:

1. As of March 31, 2016

2. For the 12 months ended March 31, 2016

3. According to SF Express





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



Aaron Kwok
VP, Appliances and Electronics



Rose Wang GUCCI
VP, Beauty & Luxury and Cross Border
MISS SIXTY.



James Yu
Senior Director of Home and Auto

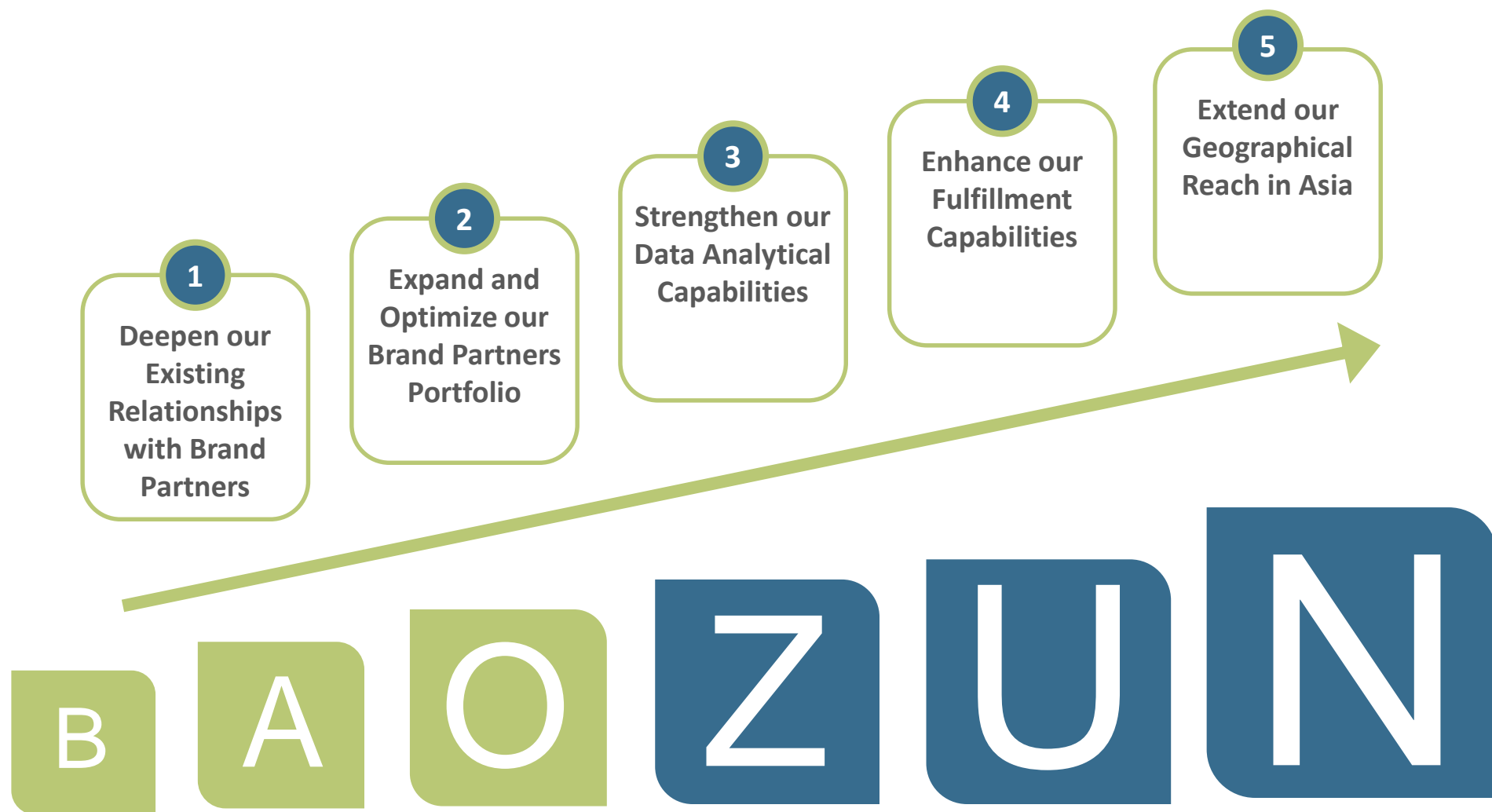


Peter Liang
Senior Director of Logistic

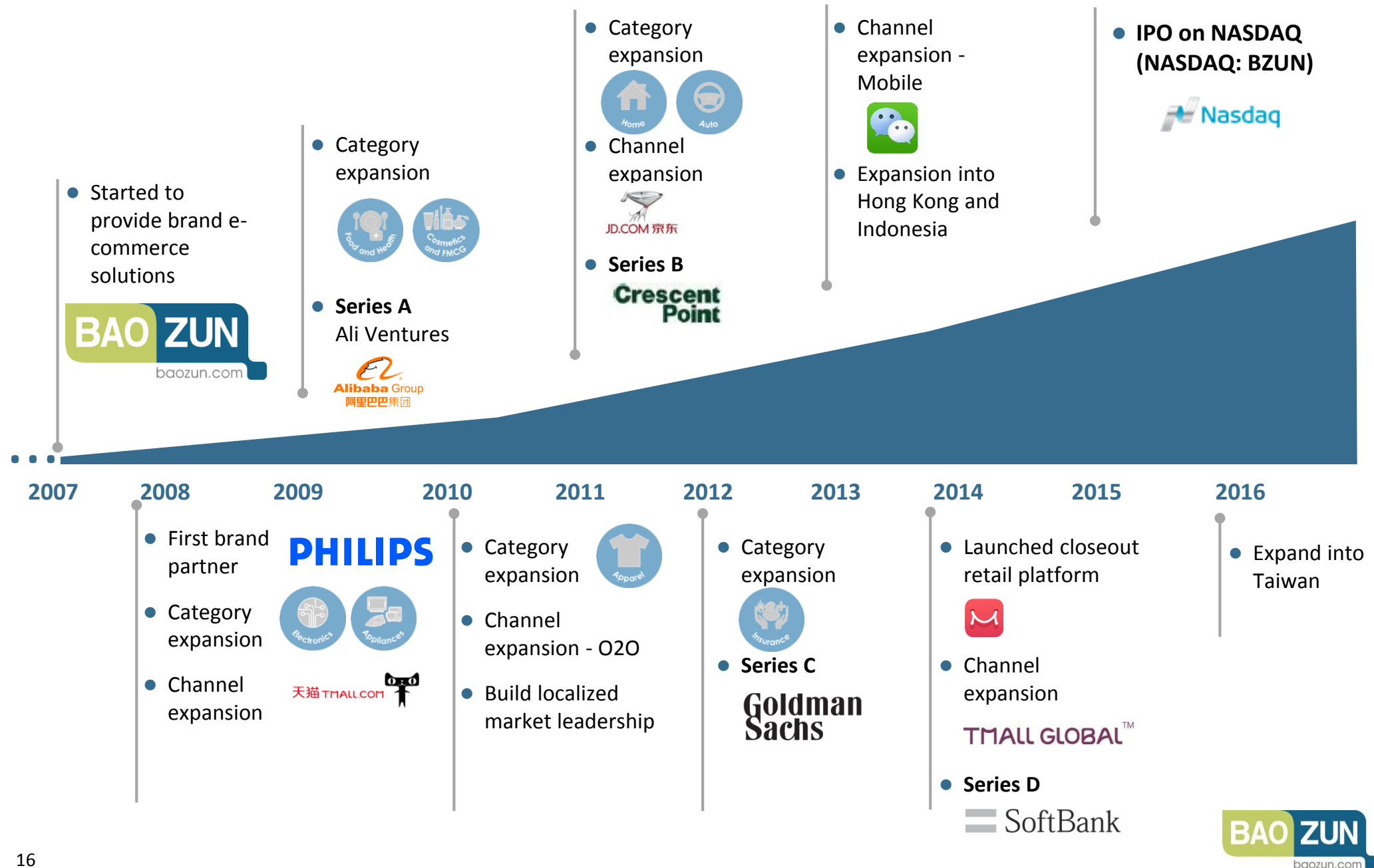


Brand, **E**commerce

Our Growth Strategies



Strategic Roadmap and Key Milestones





1

Held the First Global Brand E-commerce Summit

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

2

Expansion into Taiwan

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

3

Shopdog

- An intelligent O2O tool for ipad
- Help retail store to improve O2O service and improve customer experience

4

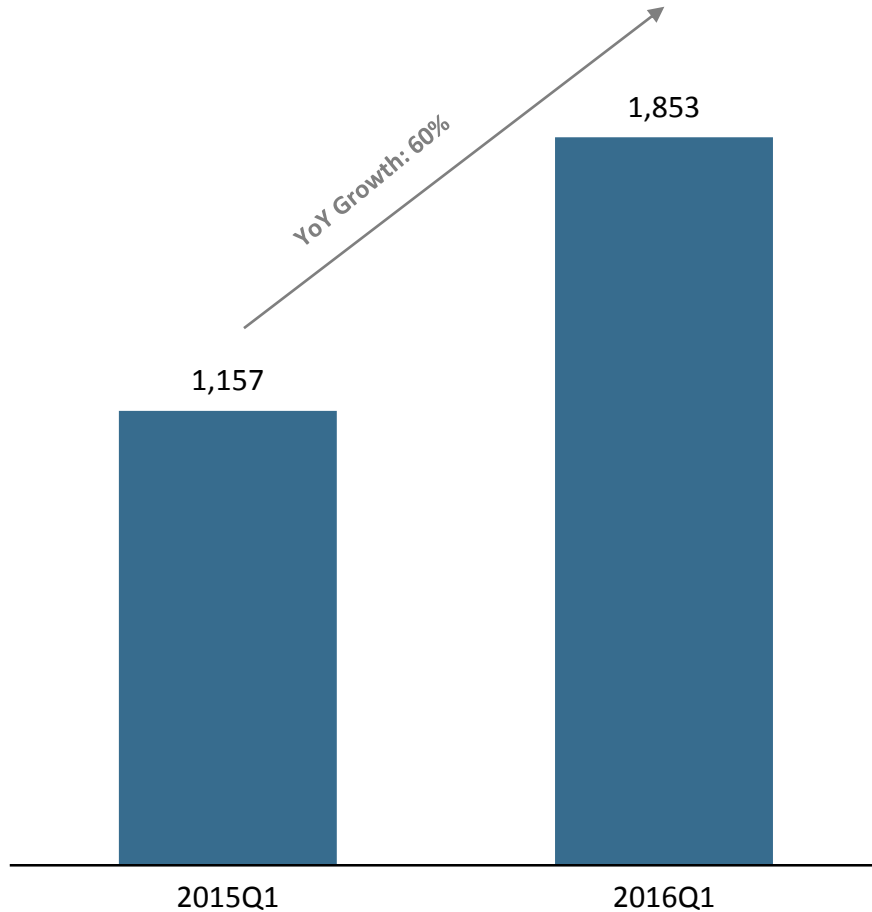
The Only 1 Six Star Service Provider on Tmall

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

Financial Highlights – Robust GMV Growth & Optimizing Revenue Mix

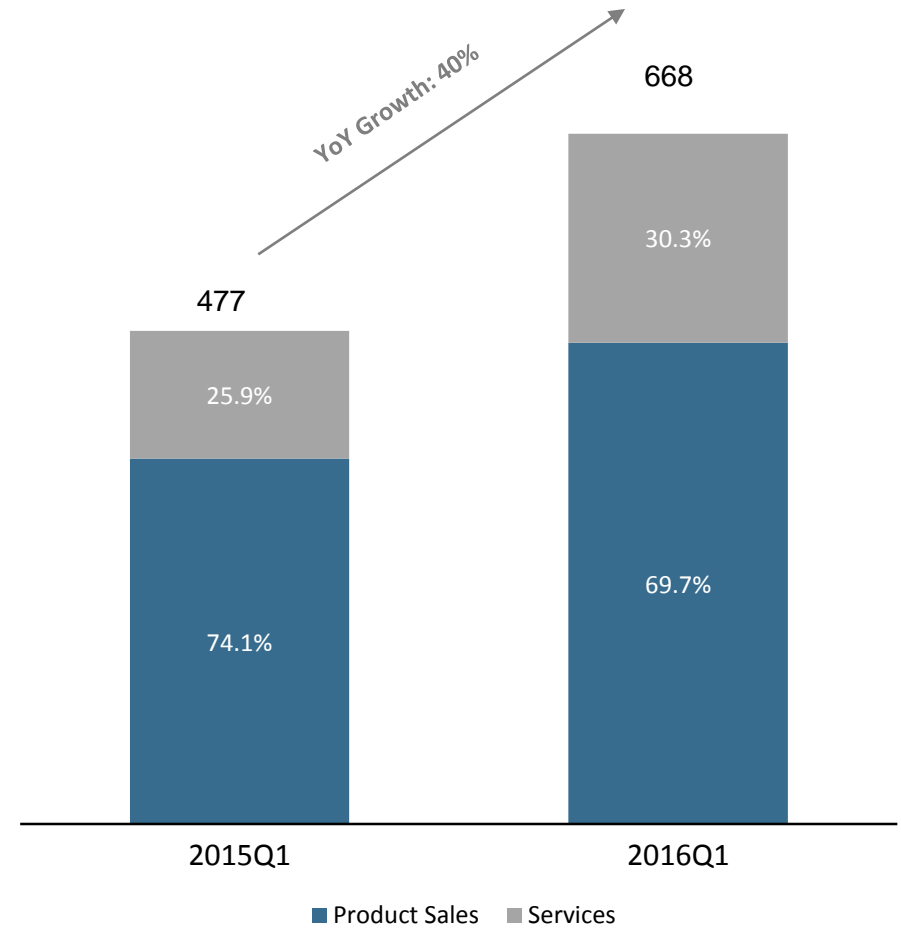
Total GMV

RMB MM



Net Revenues Breakdown

RMB MM



Financial Highlights – Income Statement Summary

Total Financials

<u>In RMB million</u>	2016 Q1	2015 Q1	YoY
GMV	1,853.0	1,157.0	60%
Total revenues	668.2	477.2	40%
Non-GAAP net income⁽¹⁾	14.1	7.6	85%
<i>Non-GAAP net margin</i>	<i>2.1%</i>	<i>1.6%</i>	

Financials Excluding MKF⁽²⁾

<u>In RMB million</u>	2016 Q1	2015 Q1	YoY
Total GMV ex MKF	1,802.0	1,134.5	59%
Total Revenue ex MKF	661.7	457.9	44%
Non-GAAP operating income ex MKF	24.1	14.8	62%
<i>Non-GAAP operating margin ex MKF</i>	<i>3.6%</i>	<i>3.2%</i>	

Note:

1. non-GAAP numbers exclude share-based compensation expenses.
2. Financials excluding MKF exclude MKF's direct revenues and expenses.

Financial Highlights – Healthy Working Capital Position

Working Capital Turnover Day

	2016 Q1	2015Q1	Var.	2015Q4	Var.
AR days	49	47	2	27	22
AP days	(105)	(83)	(22)	(57)	(48)
Inventory days	80	61	19	45	35
WCD	24	25	(1)	15	9

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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