

BAO ZUN

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Presentation

November 2015

“To make brands successful in e-commerce”

We Are the Market Leader in Brand E-Commerce Solutions in China

✓ **Largest** brand e-commerce solutions

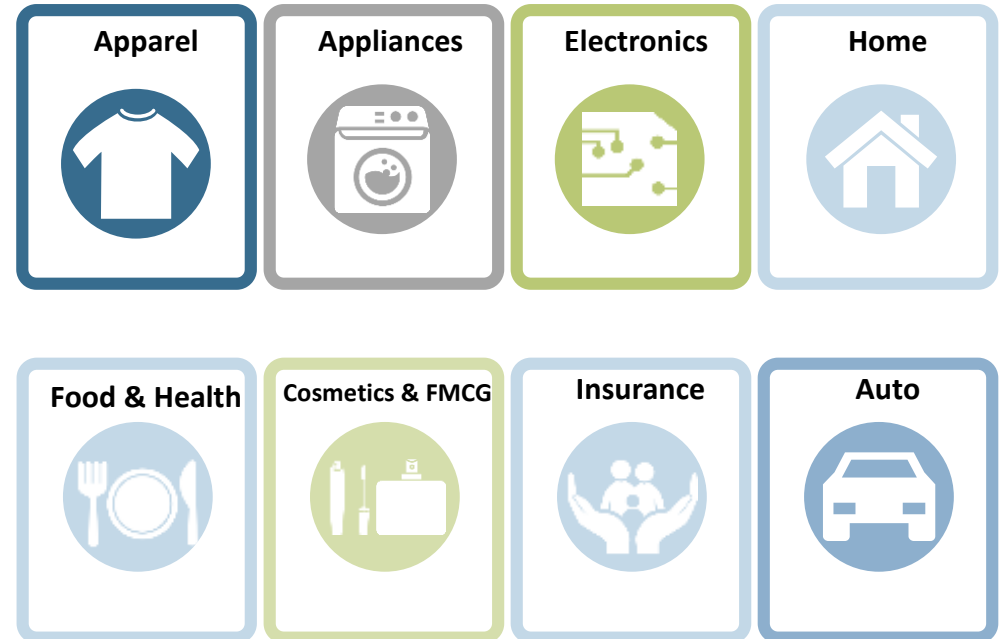
provider, with **20%** market share⁽¹⁾

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

✓ **109** brand partners⁽²⁾

✓ **RMB3,777MM** GMV⁽³⁾, up 83% yoy

Leading Global Brand Partners Across 8 Categories



Our Mission is to Make Brands Successful in E-Commerce

Notes: Exchange rate used: 1 USD = 6.3556RMB as of September 30, 2015

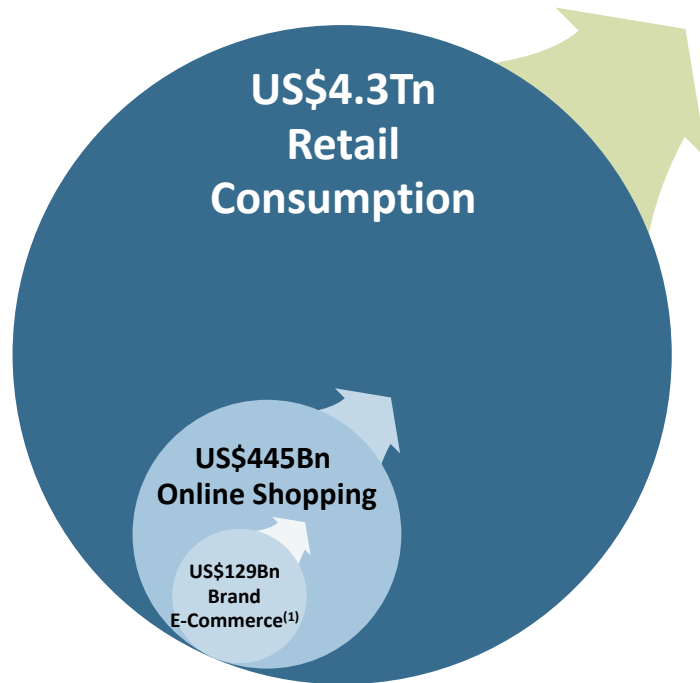
1. Source: iResearch. Based on China's total brand e-commerce solution provider market size of RMB26 billion (US\$4.2 billion) in terms of transaction value in 2014.

2. As of September 30, 2015.

3. For the 9 months ended September 30, 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.

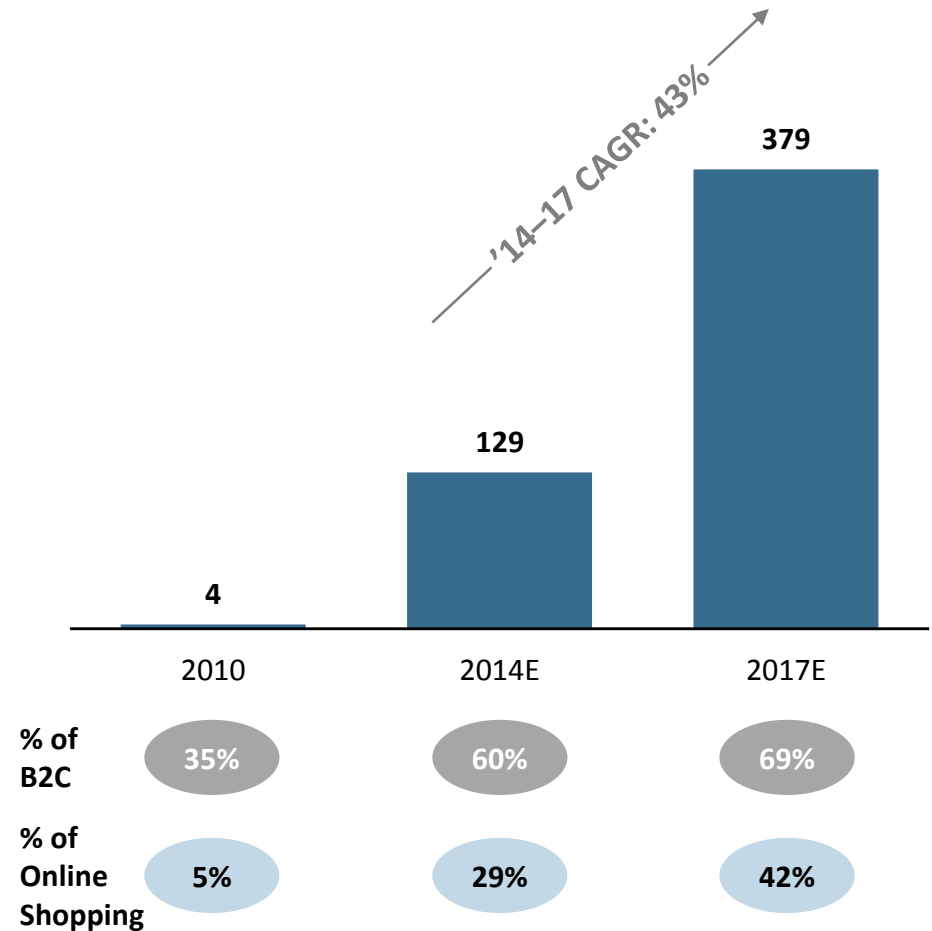
Huge Market Opportunity in Brand E-Commerce

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



... Showing High Growth Potential

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



Source: iResearch

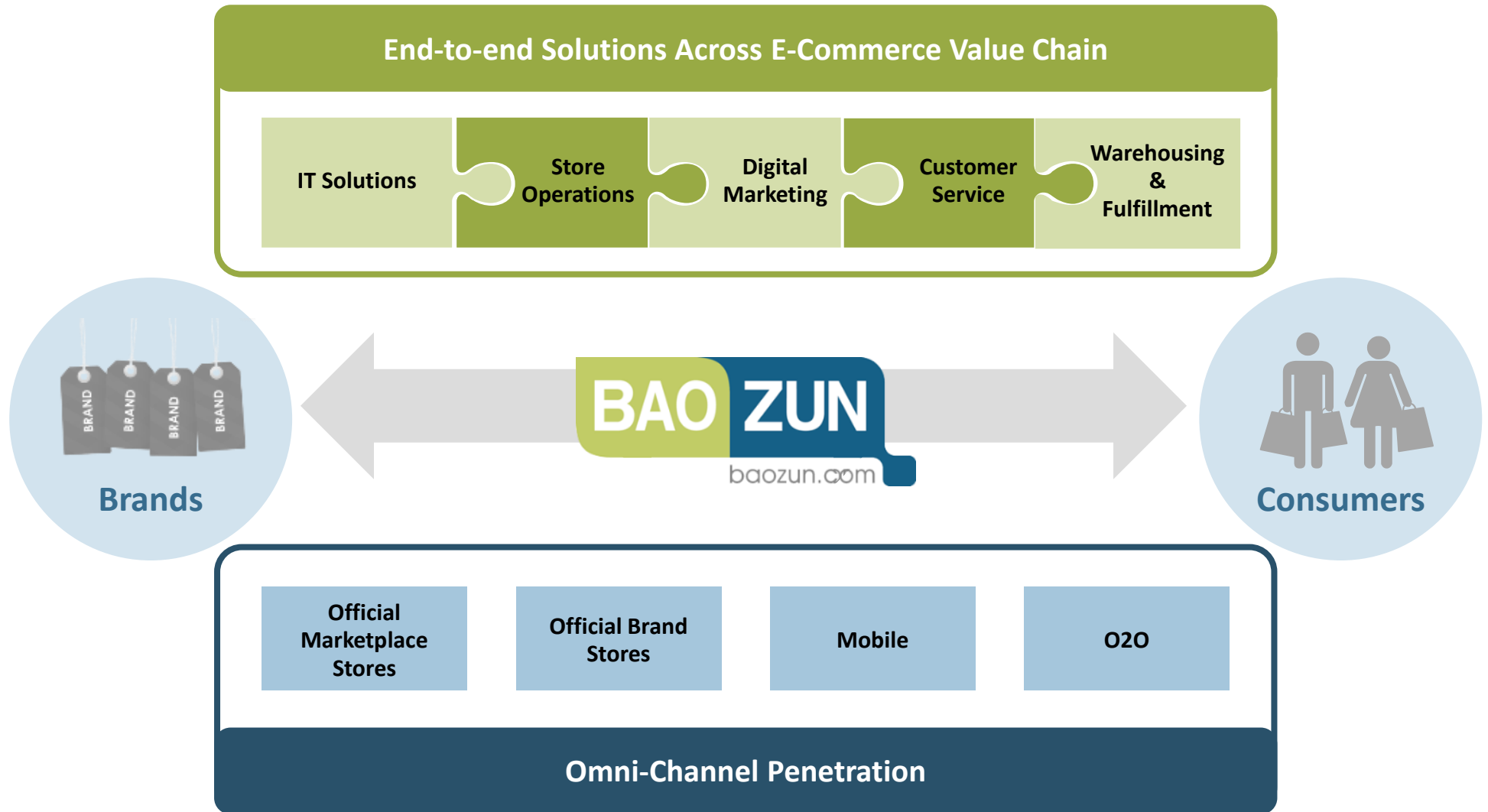
Note:

1. Brand e-commerce defined as B2C e-commerce conducted through official brand stores or official marketplace stores

Why Brands Come to Baozun



We Bridge Brands to Consumers



Why Brands Value Us



Self-Operated by
Brands

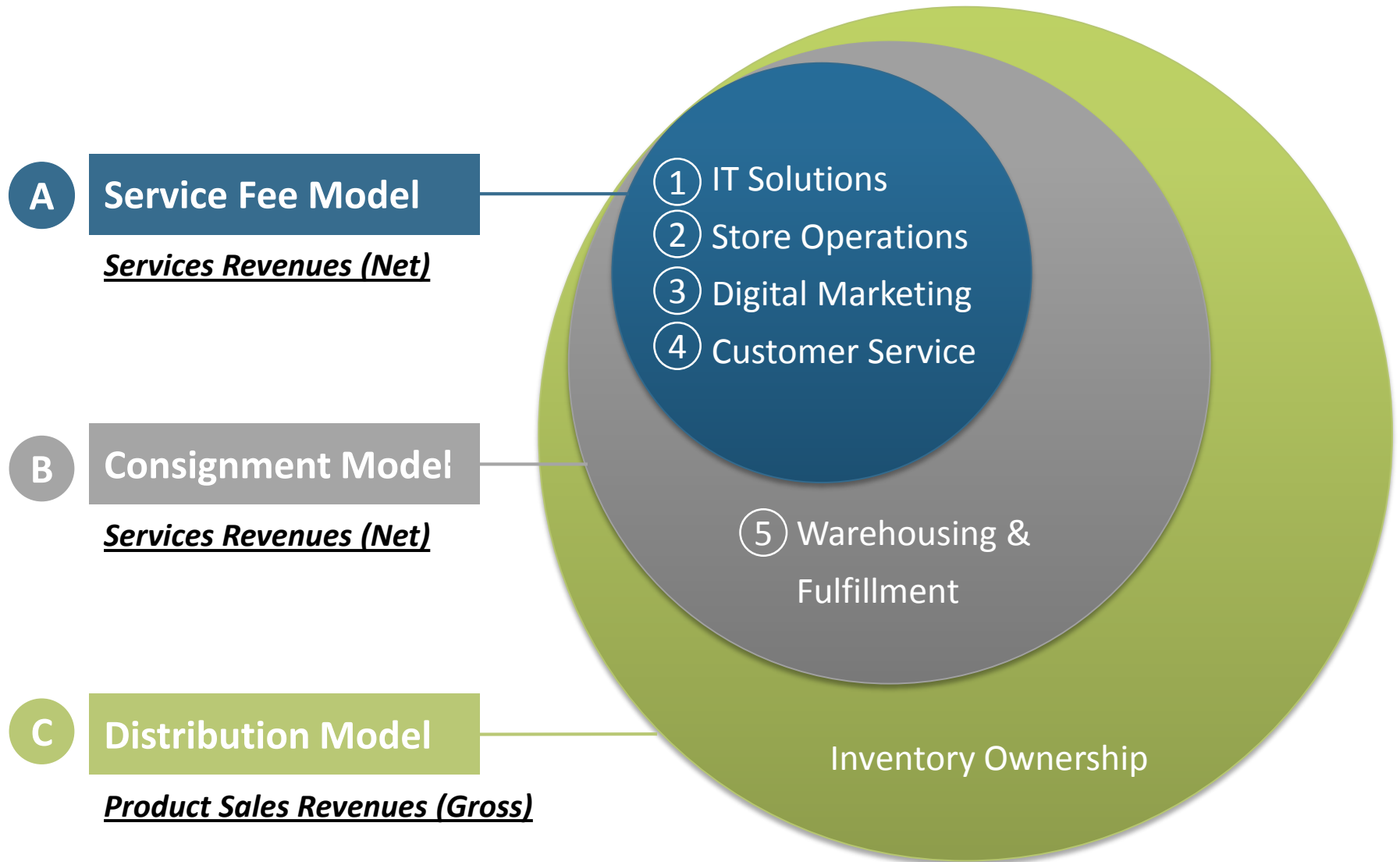
Other Service
Providers

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

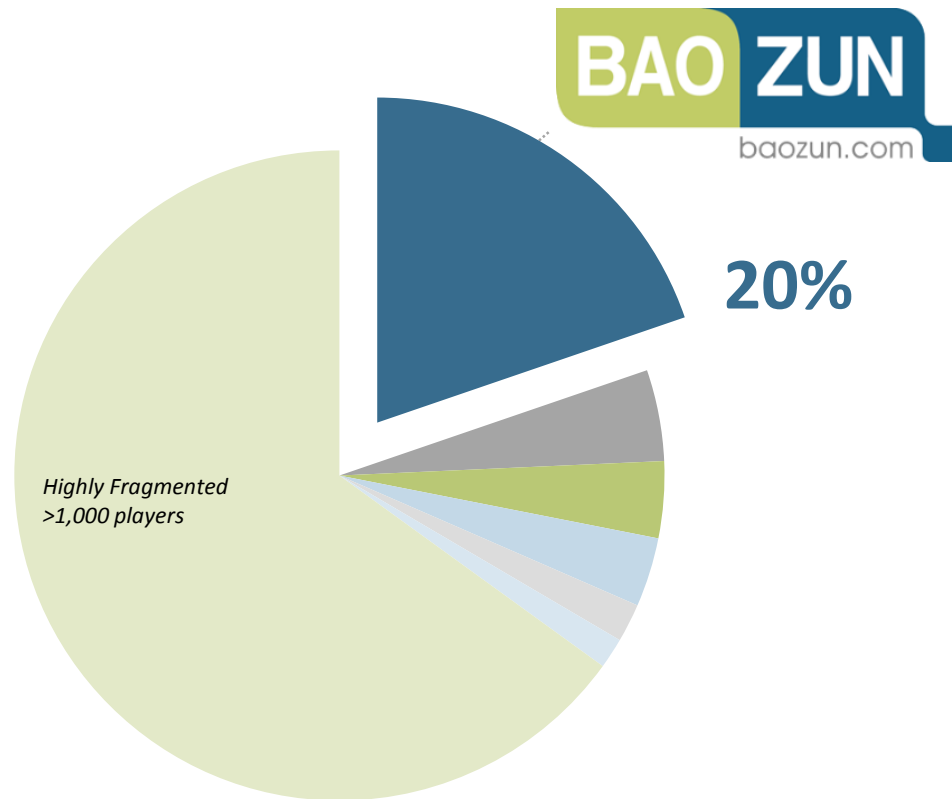
5

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?

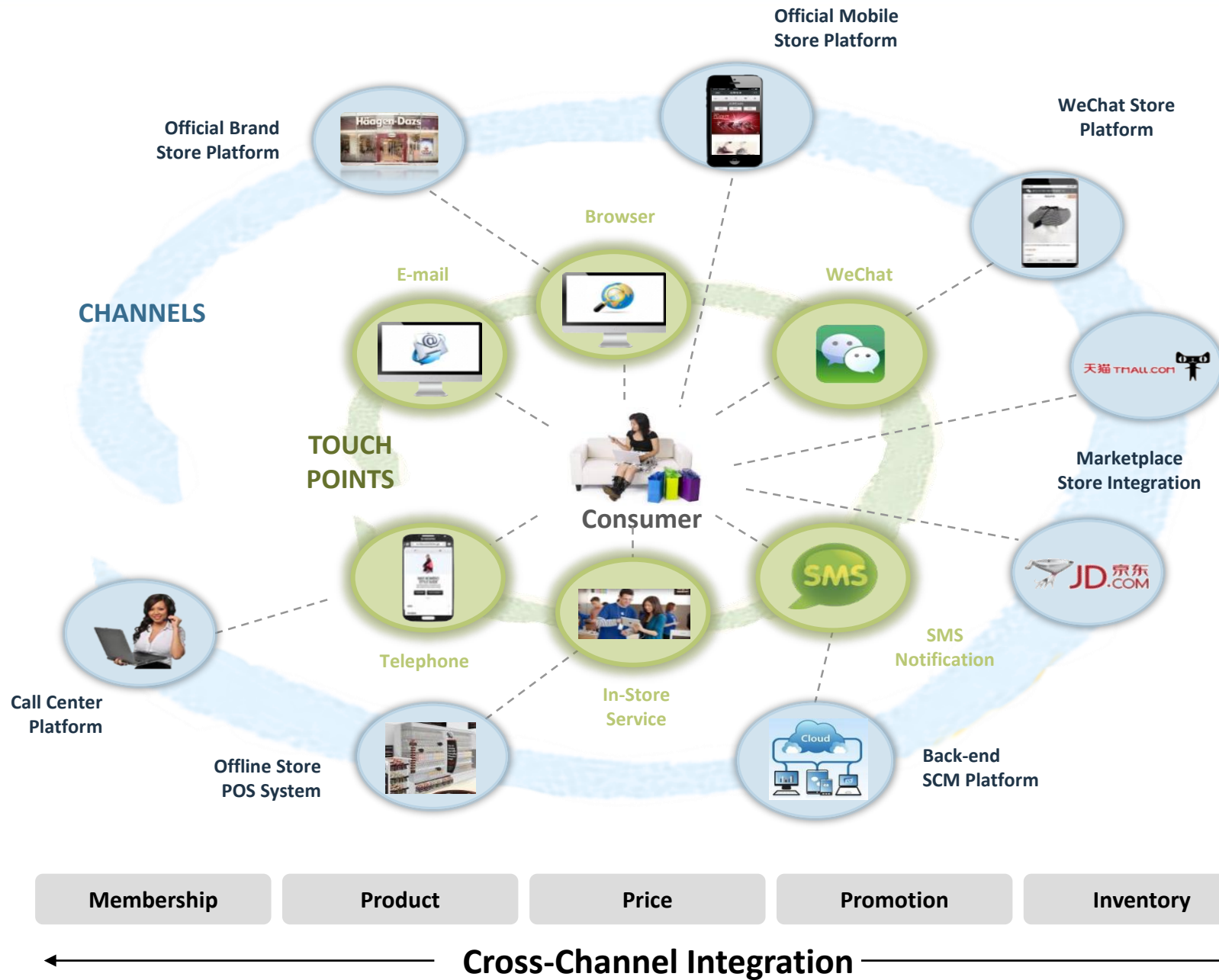
- ☒ First mover with the most experiences
- ☒ Seamless omni-channel experience
- ☒ Robust fulfillment infrastructure and capabilities
- ☒ Integrated proprietary e-commerce technology infrastructure
- ☒ Trusted partnerships with 109 global brands⁽²⁾

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 September 30, 2015

2 Seamless Omni-Channel Experience



Product Listing & Inventory Sharing

Unified Product Detail & Centralized Inventory Sharing

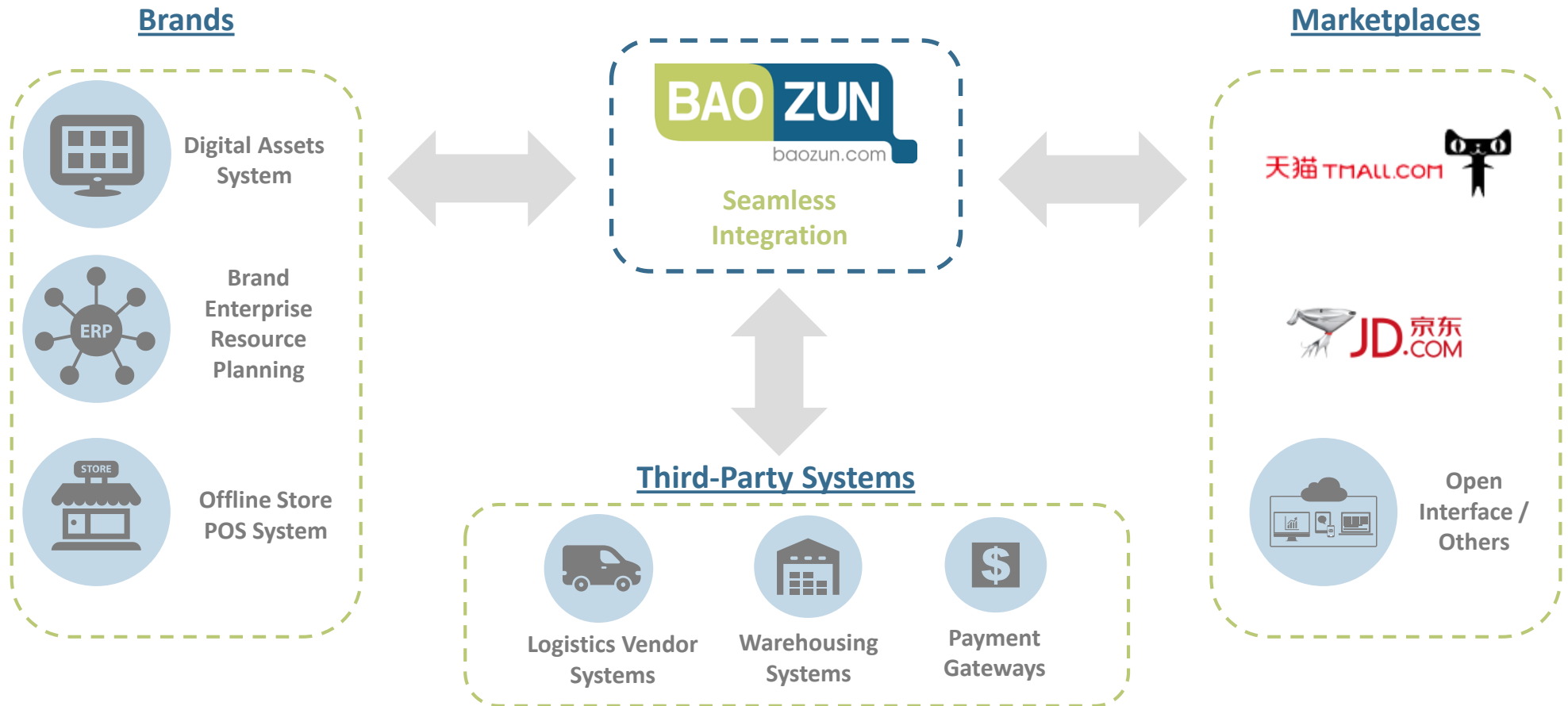


Online to Offline Traffic Sharing



Offline to Online Traffic Sharing



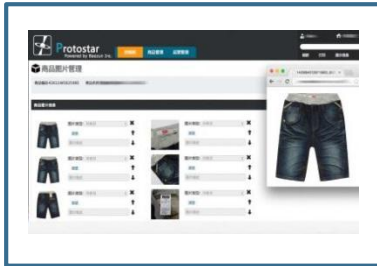


**Efficient End-to-end
System Compatibility**

**Enabling Higher
Throughput**

**Designed for
Scalability & Reliability**

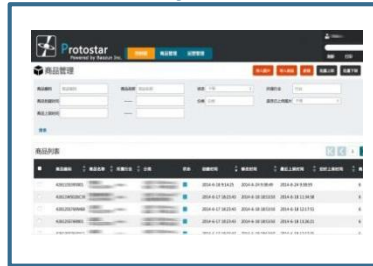
Digital Asset Management



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

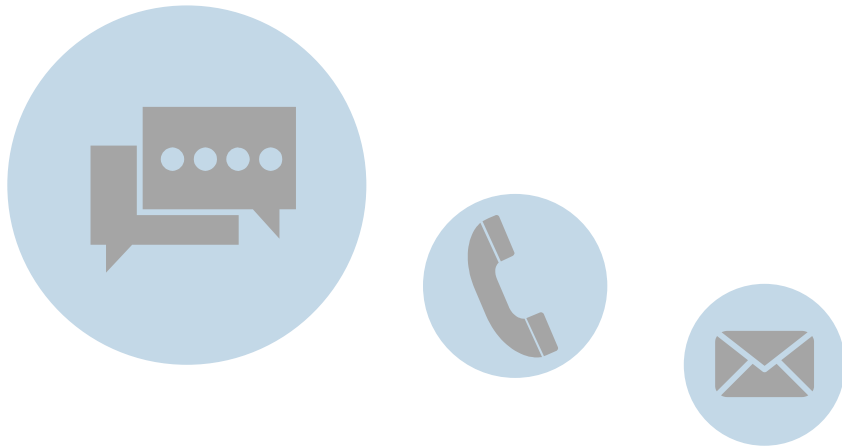
Traffic

Conversion

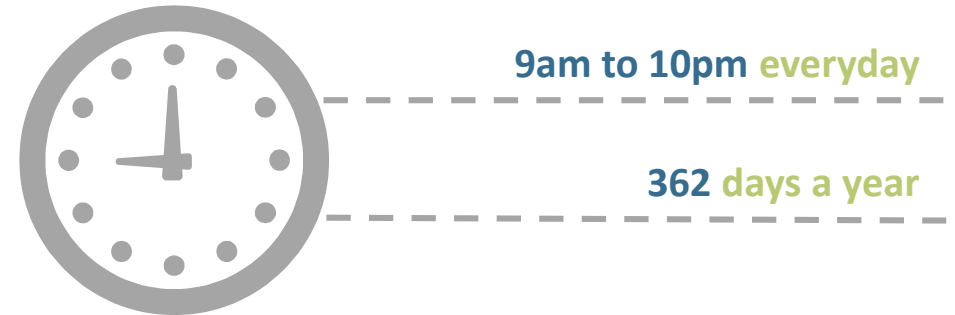
Average order size

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

8.2MM
annual
orders
fulfilled⁽²⁾

200K
inbound
pieces
per day⁽¹⁾

450K
outbound
orders
per day⁽¹⁾

Platinum Client Status



One of SF Express' **Top 10** Customers in China⁽³⁾



Next Day Delivery in over **100** Cities



Volume Discounts & Quality Assurance

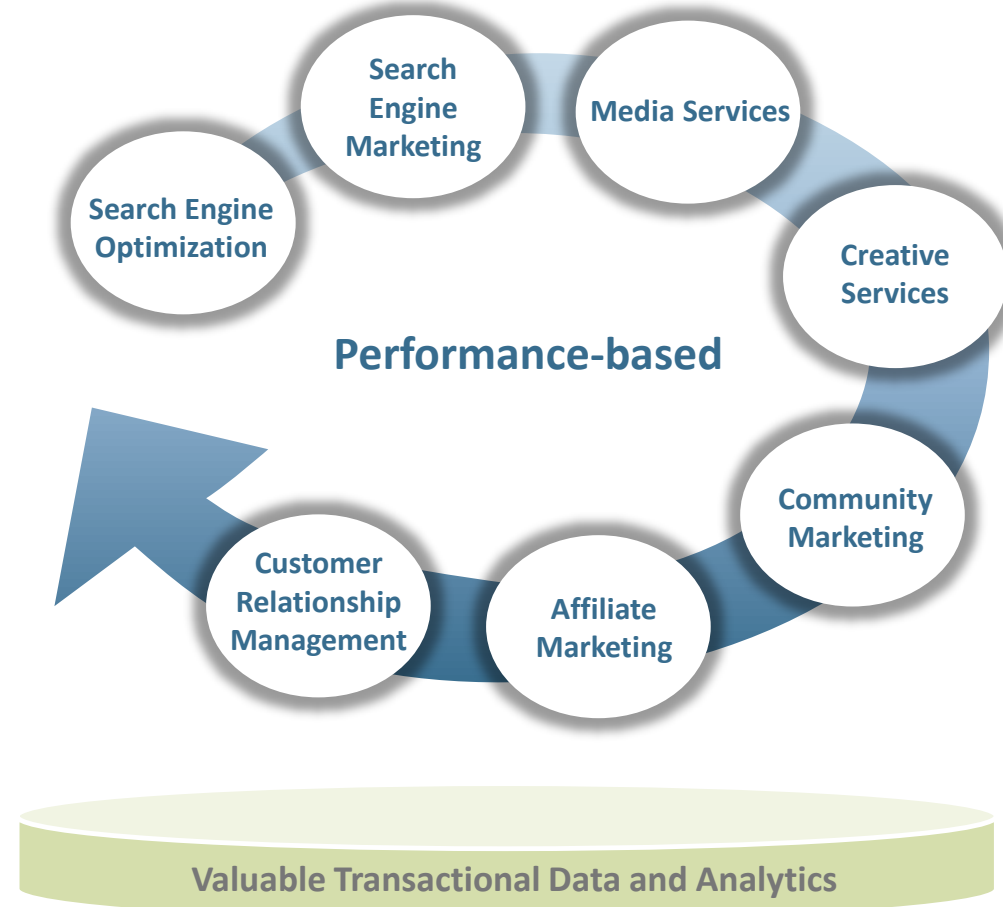
Note:

1. As of September 30, 2015
2. For the 12 months ended September 30, 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



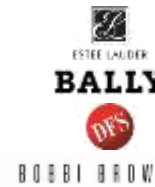
Beck Chen
CFO



Tony Wu
CTO



Vicky Lu
Senior VP



Aaron Kwok
VP, Appliances and Electronics



Alex Shi
VP, BD/PR



Ji Zhou
Head of HR and Corporate Strategy

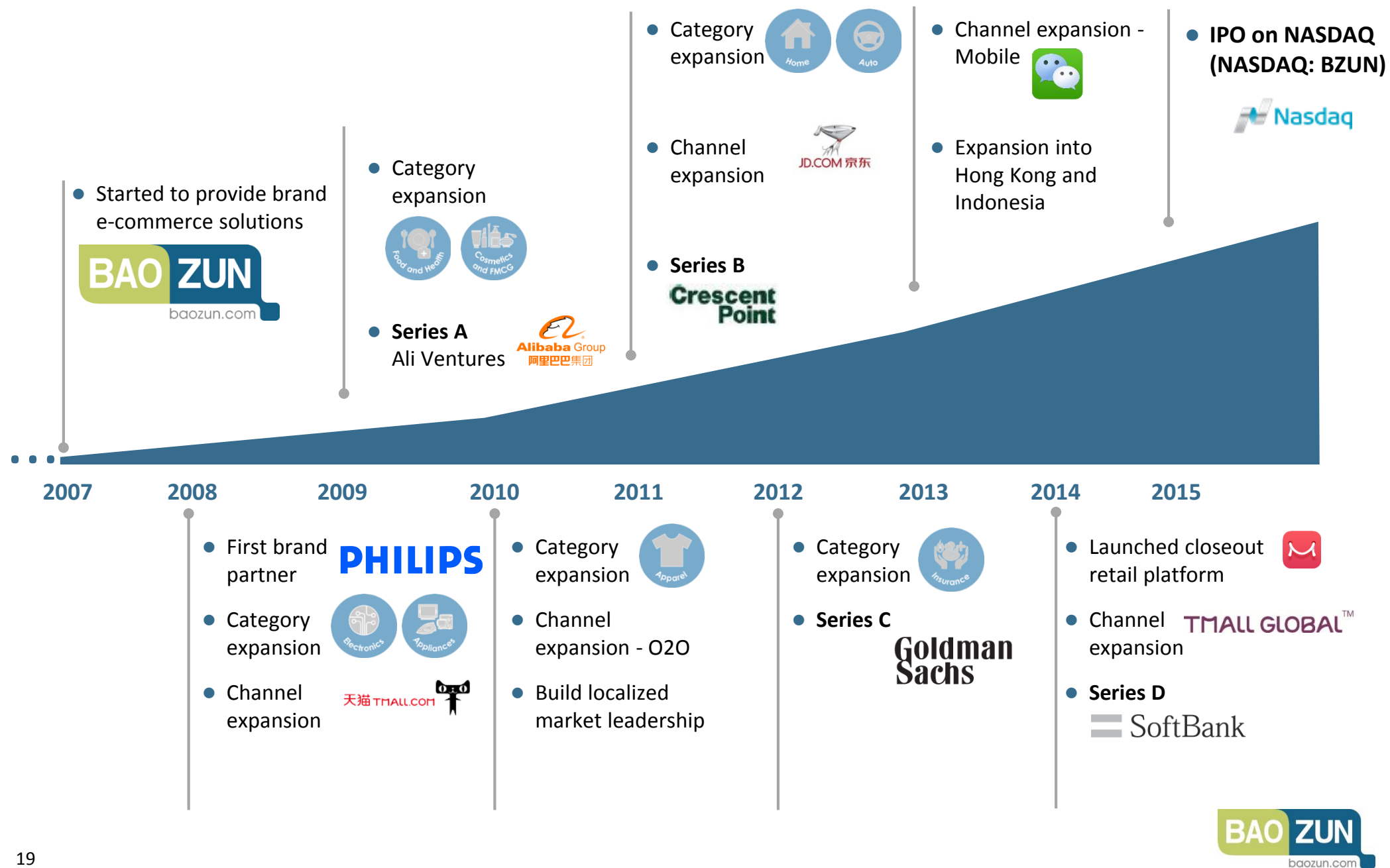


B rand, **E** **C** ommerce

Our Growth Strategies



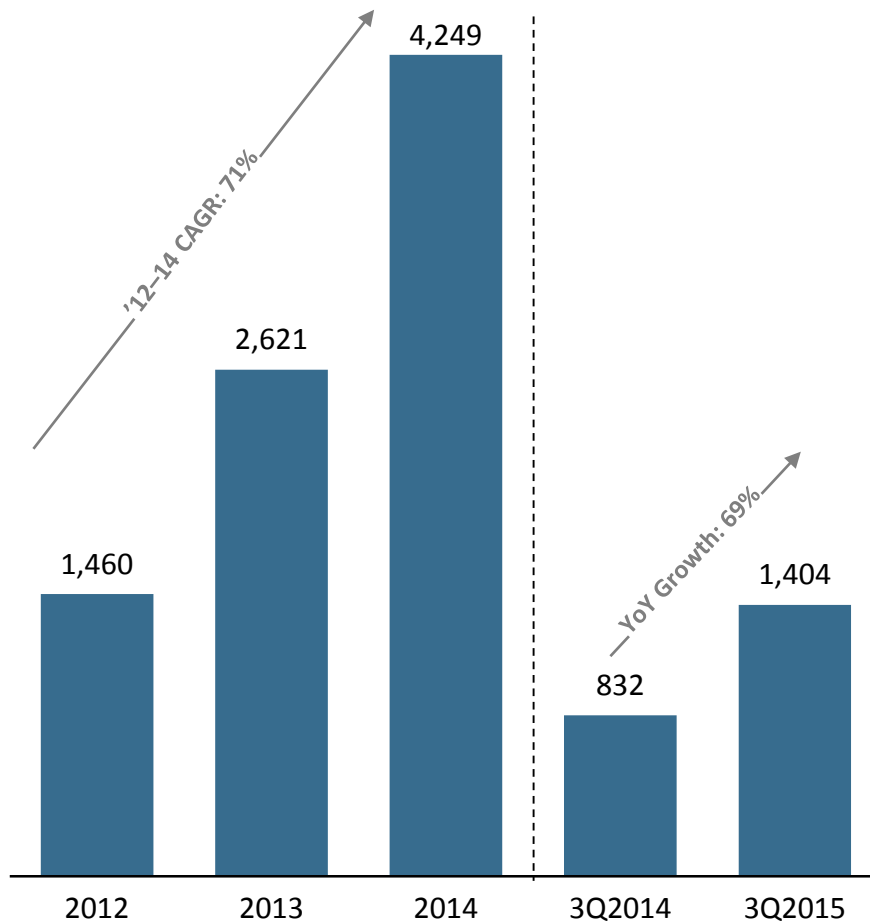
Strategic Roadmap and Key Milestones



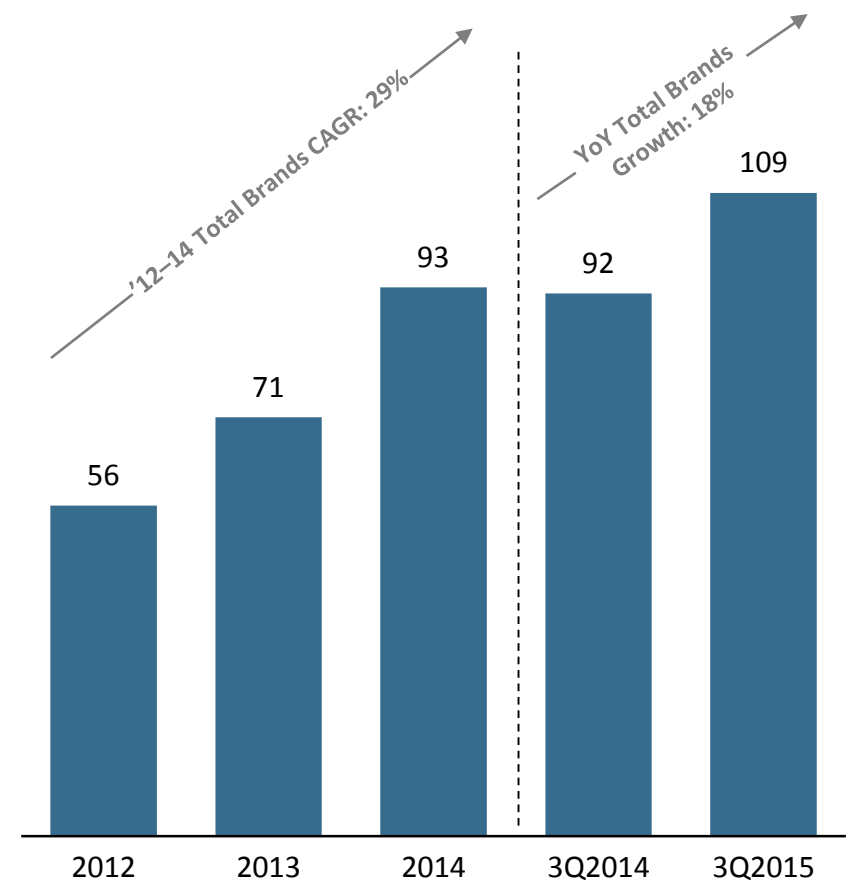
Financial Highlights – Robust GMV Growth

Total GMV

RMB MM



Number of Total Brand Partners⁽¹⁾



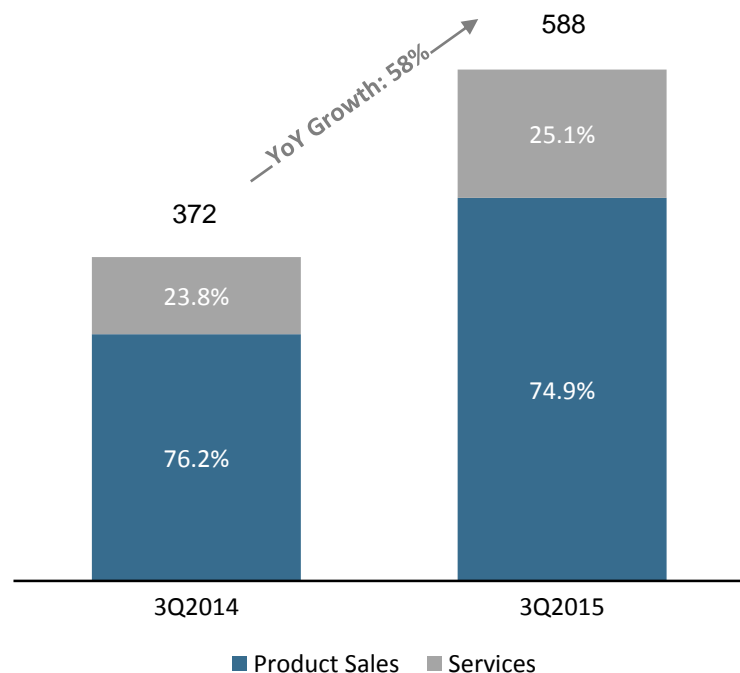
Notes:

1.Brand partners are defined as companies for which we operate official brand stores or official marketplace stores under their brand names or have entered into agreements to do so

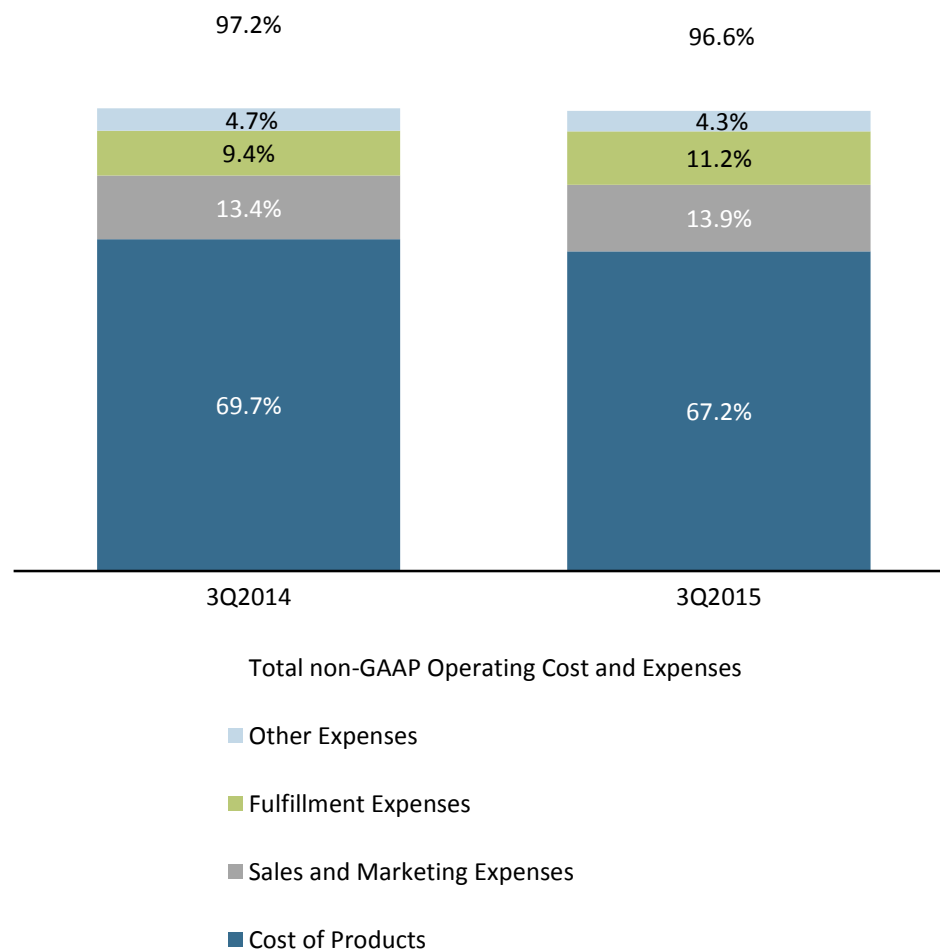
Financial Highlights – Improving Profitability

Net Revenues Breakdown

RMB MM



Ex-MKF Non-GAAP Operating Expenses⁽¹⁾ as % of Net Revenues



Notes:

1. Ex-MKF non-GAAP numbers exclude MKF's direct revenue and expenses and share-based compensation

Financial Highlights – Healthy Working Capital Position

Working Capital Turnover Day

	2015 Q3	2015Q2	Var.	2014Q3	Var.
AR days	35	43	(8)	34	1
AP days	(82)	(83)	(1)	(56)	(26)
Inventory days	71	64	7	54	17
WCD	24	24	0	32	(8)

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 Q3	2015 Q3	YoY
GMV	832.0	1,404.7	69%
Total revenues	372.2	587.6	58%
Revenues - COGS	112.0	190.8	70%
Non-GAAP operating profit⁽¹⁾	5.6	3.8	-33%
<i>Non-GAAP OP margin</i>	<i>1.5%</i>	<i>0.6%</i>	
Non-GAAP net income⁽¹⁾	5.7	14.0	145%
<i>Non-GAAP net margin</i>	<i>1.5%</i>	<i>2.4%</i>	

Financials Excluding MKF⁽²⁾

<u>In RMB million</u>	2014 Q3	2015 Q3	YoY
Total GMV ex MKF	821.6	1,338.7	63%
Total Revenue ex MKF	363.3	570.3	57%
Non-GAAP operating profit ex MKF	10.3	19.2	86%
<i>Non-GAAP operating margin ex MKF</i>	<i>2.8%</i>	<i>3.4%</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 September 30, 2015, cash, cash equivalents and short-term investment was RMB868.3 million.
4. For the quarter ended September 30, 2015, net cash used by operating activities was RMB32.9 million.

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