

Vipshop Holdings Limited Investor Presentation

February 2022

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China's Leading Online Discount Retailer for Brands

Branded Products at Exceptional Value



RMB192Bn

GMV

16% YoY Growth



94MM

Active Customers

12% YoY Growth



787MM

Total Orders

14% YoY Growth



RMB117Bn

Revenue

15% YoY Growth



RMB6Bn

Non-GAAP Net Income



37 Qtrs

of Consecutive
Profitability



RMB3.1Bn

Free Cash Flow

Note:

All data presented on this page is for the full year of 2021.

Business Overview

Our Competitive Strengths



1

High Market Demand and Great Growth Potential for China's Online Discount Retail Market

2

Strong Merchandising Expertise Making us Partner-of-Choice Discount Retail Platform for Brands

3

Superior Customer Experience Fostering Highly Engaged and Loyal Customers with Strong Purchasing Power

4

Operational Excellence Powered by Data and Technology

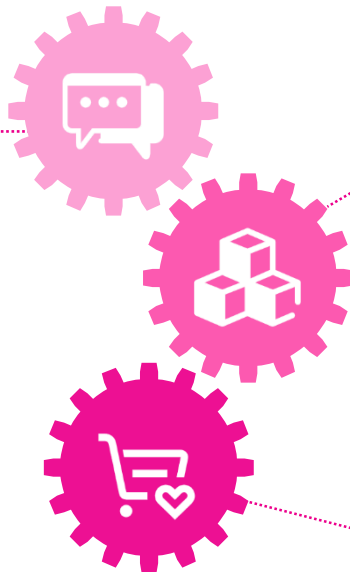
5

Visionary Management with a Proven Track Record and Strong Sense of Social Responsibility

High Market Demand and Great Growth Potential for China's Online Discount Retail Market

Driver 1: Strong Demand for Discounted Merchandise among Chinese Consumers

- More mature, rational and focusing on **value-for-money** Chinese consumers are increasingly fond of discounted merchandise
- Discounted merchandise has been viewed to be **counter-cyclical**, implying prosperous growth potential in the long-run



Driver 2: A Massive Whitespace for Brands to Monetize Inventory Effectively

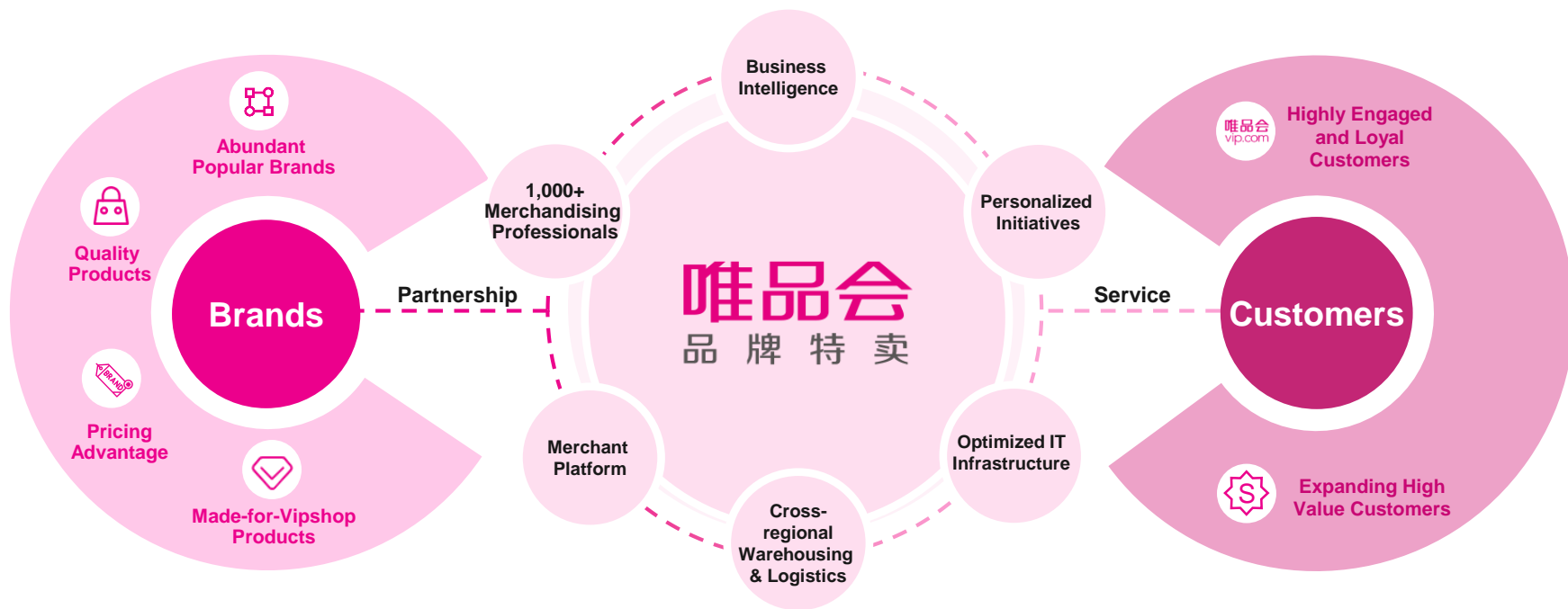
- Brands have been continuously launching new products and looking for an approach to **monetize the inventory** quickly, creating **sustainable supply** for discount retail market

Driver 3: Discount Retailers Have Gradually Become the Preferred Channel of Chinese Consumers

- China's discount retail market accounted for **an increasing proportion** of total consumption of discounted merchandise

Our Unique Business Model

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Strong Merchandising Expertise



Deep Industry
Expertise



1000+ Merchandising
Professionals



Business Intelligence
& Merchant Platform

Deep Brand Relationships



Carefully Select an Abundant and
Diversified Range of Popular Brands



Secure Unique, Price-
competitive Products



Engage Brand Partners⁽¹⁾ in
Product Design and Marketing



Customize Made-for-Vipshop
Products with Core Brands

Proprietary Consumer Insights



Predict Consumer Preferences
and Consumption Trends



Adjust Product Mix Timely
and Precisely



Empower Brand Partners to
Strengthen Product
Innovation and Customization



Optimize Targeted
Marketing and
Sales Events

Note:

(1) Brand partners include primarily brand owners, and to a lesser extent, brand distributors and resellers.

Partner-of-Choice Discount Retail Platform for Brands

? Challenges for Brands in China

- High Inventory Risk
- Limited Access to Consumers
- Lack of Understanding of Consumer Preferences



唯品会
品牌特卖

✓ Our Value to Brands

- One-stop and Efficient Inventory Solution
- Impactful Marketing Channel and Effective Consumer Reach
- Powerful Consumer Insights

What We Offer



Specialized platform for monetizing inventory without brand dilution



Fast payment collection for brands to ensure efficient inventory turnover



Diversified online and offline channels



Reaching new prospective customers and helping to manage customer assets

Superior Customer Experience

? Customer Pain Points

- Lack of Trusted Platform or Collection for Discounted Products
- Quality not Guaranteed at Desired Price Range

唯品会
品牌特卖

✓ Our Value to Customers

- Guaranteed Product Authenticity
- Buyer-selected, Value-for-Money Branded Products
- Superior Quality Control and After-sales Service

What We Offer

Quality Control

Strict brand and product selection process and stringent quality control procedures throughout the whole process

Order Placement

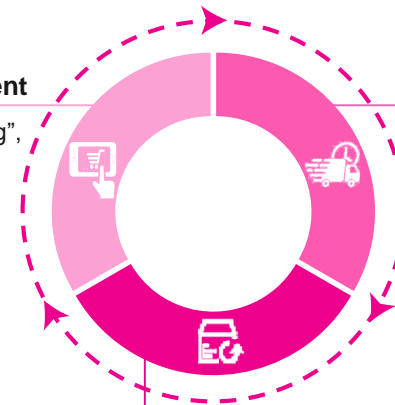
"Treasure-hunting", personalized shopping experience

Order Fulfillment

On-time and fast delivery service all year round through cooperation with industry leading delivery company SF Express

After Sale

Superior after-sale service with door-to-door collection and exchange on top of 7-day unconditional return policy



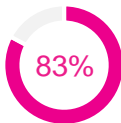
Highly Engaged and Loyal Customers with Strong Purchasing Power

Repeat Customers⁽¹⁾

FY 2021 78 MM

YoY growth 14%

% of total active customers



Orders Placed by Repeat Customers⁽¹⁾

FY 2021 770 MM

YoY growth 14%

% of total orders



Super VIP Active Customers

FY 2021 6 MM

YoY growth 50%

% of online net GMV⁽²⁾ 36%

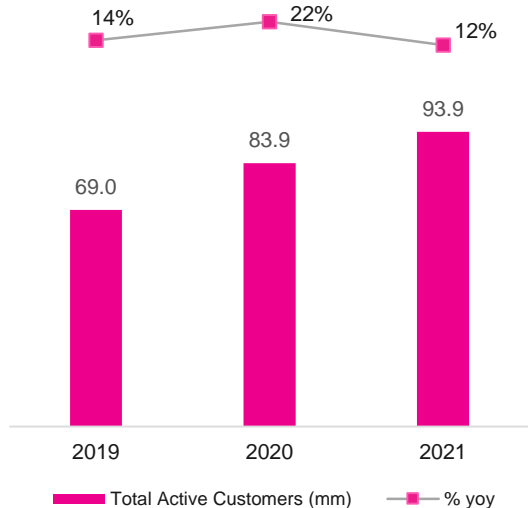
ARPU
v.s. Non-SVIP customers ~ 8x

Notes:

- (1) A "repeat customer" for a given period refers to any customer who (i) is an active customer during such period, and (ii) had purchased products from us at least twice during the period from our inception on August 22, 2008 to the end of such period. Orders placed by a repeat customer during a given period include all orders placed by the customer during such period even if the customer made the first purchase from us in the same period.
- (2) Net GMV is the total GMV net of orders returned.

Expanding Customer Base with Growth Potential

Annual Active Customers

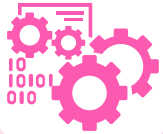


Notes:

(1) Source: China Internet Network Information Center (CNNIC), August 2021.

(2) "Cumulative customers" refers to all customers who had purchased products from our Vipshop Online Platform at least once during the period from our inception on August 22, 2008 to December 31, 2021.

Operational Excellence Powered by Data and Technology



Proprietary Data Insights for Brand Partners

- Refined, data-driven understanding of consumer-behavior
- Better capture of consumer preferences and consumption trends
- Improved inventory management and sales effectiveness



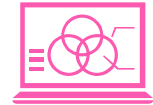
Personalized Marketing

- Context-rich customer profiles
- Personalized initiatives including recommendation and search
- Improved user conversion rate and stickiness



Best-in-Class Fulfillment Capabilities

- Digitalized systems that enhance orders, logistics and warehouse management
- Innovative solutions such as JITX and JIT
- Improved fulfillment efficiency



Optimized Customer Experiences

- Investing in innovative technologies that simulate “in-store” shopping experience
- Optimized customer service, leveraging technology upgrade including AI and big data

Visionary and Experienced Management Team with Proven Track Record



Eric Ya Shen
Co-Founder,
Chairman, CEO

- Innovative entrepreneur in China's consumer goods and e-commerce industry
- Previously Chairman of Guangzhou NEM Import and Export Co., Ltd.
- EMBA from Cheung Kong Graduate School of Business



Arthur Xiaobo Hong
Co-Founder,
Vice Chairman, COO

- Innovative entrepreneur in China's consumer goods and e-commerce industry
- Previously Chairman of Societe Europe Pacifique Distribution



David Cui
Chief Financial Officer

- Extensive experience in public company accounting, internal control and financial management
- Previously CFO of Huami Corp. (NYSE: HMI) and China Digital Video Holdings Limited, and senior manager of Deloitte Touche Tohmatsu
- Bachelor's degree in business administration from Simon Fraser University



Pengjun Lu
Chief Technology Officer

- Over a decade of experience with leading Internet companies in China
- Previously Chief Technology Officer of JOYY Inc. (NASDAQ: YY) and general manager of Baidu Inc. (NASDAQ: BIDU)
- Master's degree in computer science and technology from Fudan University



Yizhi Tang
Senior VP, Logistics

- Seasoned expert in logistics industry
- Previously logistics department head of Tesco in northern China, and Senior Director of logistics department of Dangdang.com (NYSE: DANG)
- Master's degree from Sun Yat-Sen University

Our ESG Commitment



Environmental

Green E-commerce

- Ensure environmental protection measures are implemented throughout the whole process from office to warehousing and packaging



Social

Giving Back to Society

- Invested RMB346 million in female empowerment initiatives, rural vitalization, Internet-based charity innovation and youth development through various charitable programs



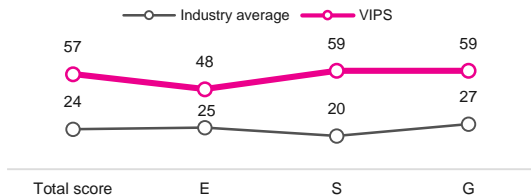
Governance

Responsible Leadership

- Workplace D&I initiatives through programs that care for employee development and wellbeing
- Improve corporate governance to create long-term shareholder value

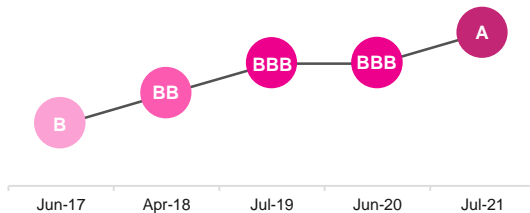
- Vipshop achieved **upper quartile classification** for overall ESG performance, leading in categories such as packaging and privacy among industry peers.⁽¹⁾

2020 DJSI Evaluation Total Score & Classification Score



- Vipshop's MSCI ESG Rating has improved progressively from **B** to **A** since 2017.⁽²⁾

MSCI ESG Ratings for Vipshop



Notes:

(1) 2020 Dow Jones Sustainability World Indices (DJSI).

(2) MSCI ESG Ratings, November 26, 2021.



Solidify Market Leadership by Enhancing Merchandising Capabilities

- *Strengthen and expand brand partnerships by fully leveraging our merchandizing expertise*
- *Increase new and popular brands that appeal to the younger generation, and expand affordable and high-end luxury brands to attract the middle class*



Grow Customer Base and Increase Customer Engagement

- *Improve customer acquisition efficiency, leveraging personalized recommendations, effective targeted marketing and an enhanced shopping experience*
- *Focus on high-value customers to increase user stickiness and ARPU*



Progressively Expand Physical Footprint & Integrate Offline with Online Platform

- *Continue to build an offline presence with outlets and other stores to supplement our online platform, and act as an effective vehicle to increase overall Vipshop exposure*



Drive Solid, Quality and Sustainable Growth

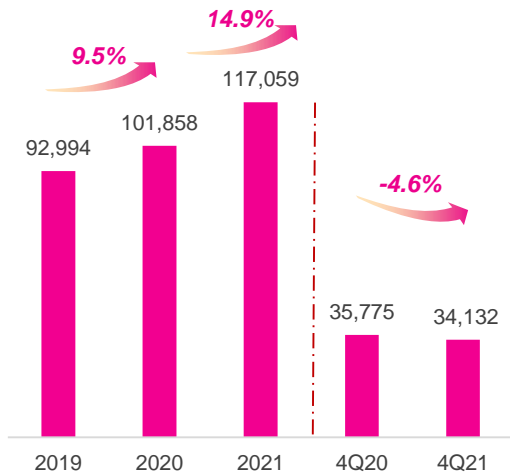
- *Continue to drive quality growth in customer and revenue, while improving profitability through disciplined operations*

Financial Highlights

Balancing Revenue and Margin Growth in Challenging Market

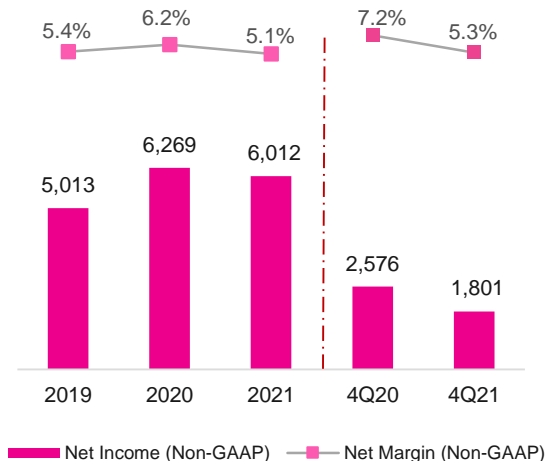
Total Net Revenue

(RMB in millions)



Net Income and Net Margin Attributable to Vipshop's Shareholders (Non-GAAP)⁽¹⁾

(RMB in millions)



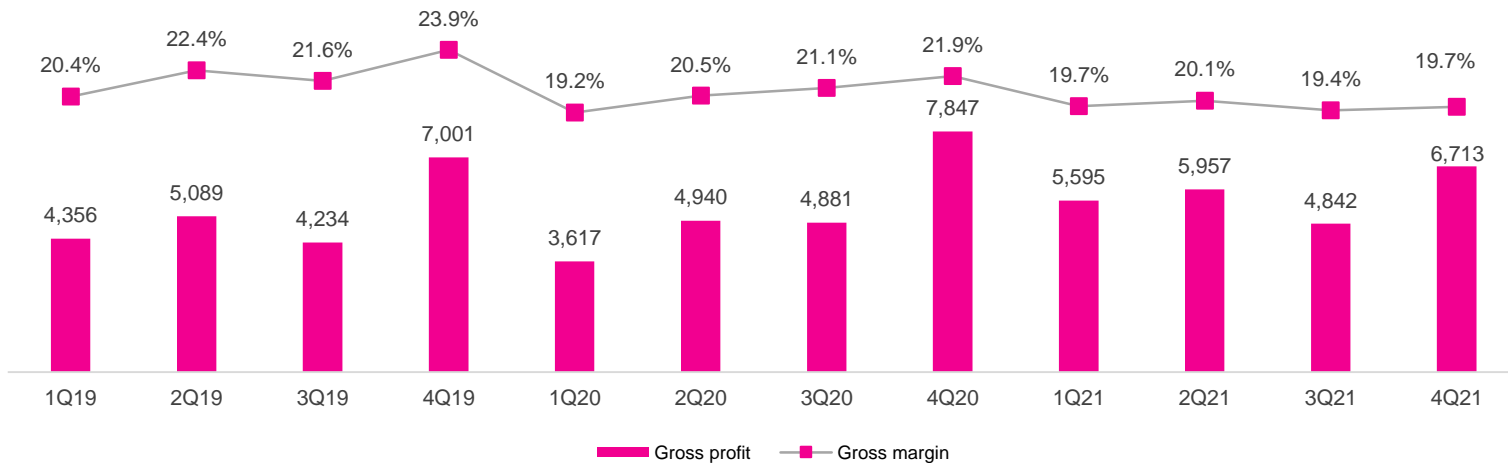
Note:

(1) For details of the non-GAAP measures, please refer to the Company's press release titled "Vipshop Reports Unaudited Fourth Quarter and Full Year 2021 Financial Results" issued on February 23, 2022. Historical earnings releases are available at the Company's website.

Steady Gross Margin

Gross Profit and Gross Margin

(RMB in millions)

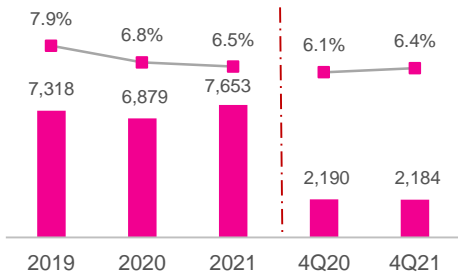


Well-managed Operating Expenses

Fulfillment Expenses

(RMB in millions)

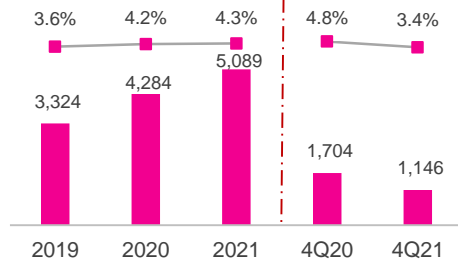
— as % of total net revenue



Marketing Expenses

(RMB in millions)

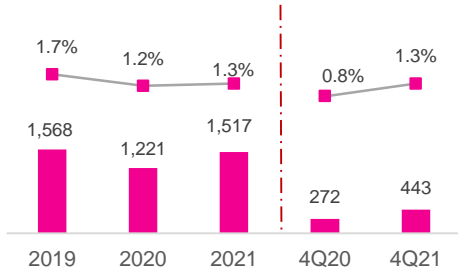
— as % of total net revenue



Technology & Content Expenses

(RMB in millions)

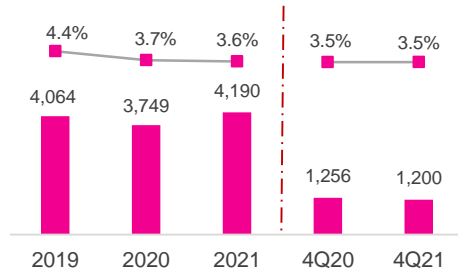
— as % of total net revenue



General and Administrative Expenses

(RMB in millions)

— as % of total net revenue

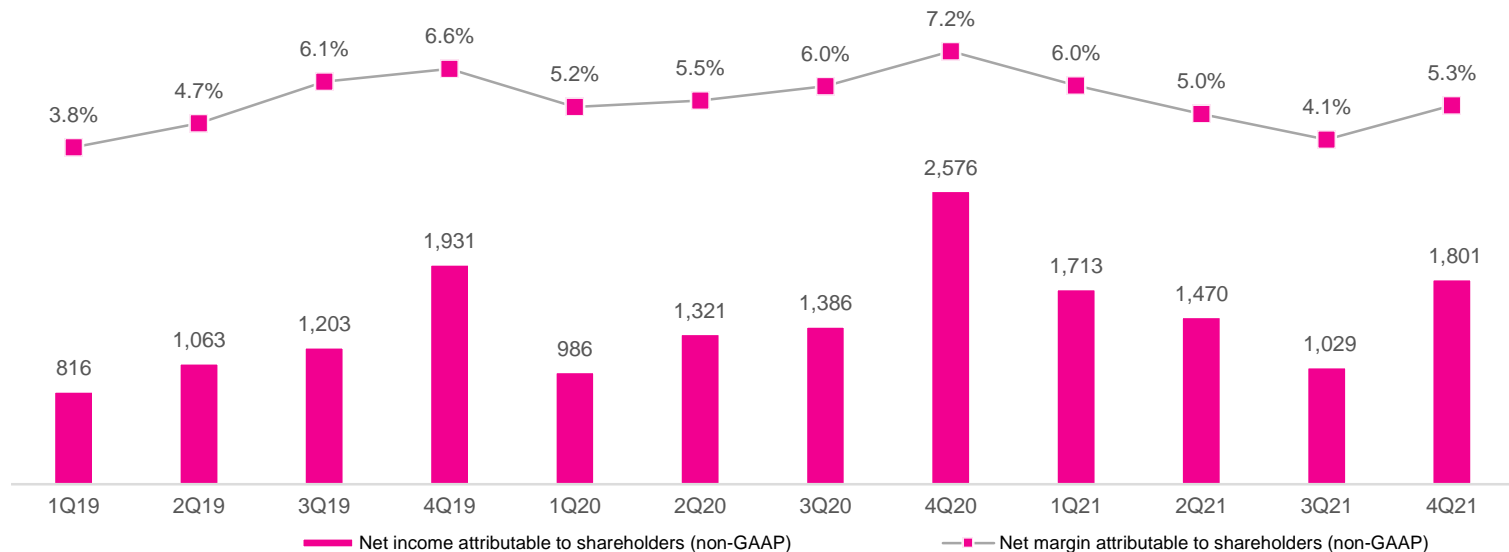


Sustainable and Profitable Business Model

Net Income and Net Margin Attributable to Vipshop's Shareholders (Non-GAAP)⁽¹⁾

(RMB in millions)

37 Quarters of Consecutive Profitability since 4Q2012

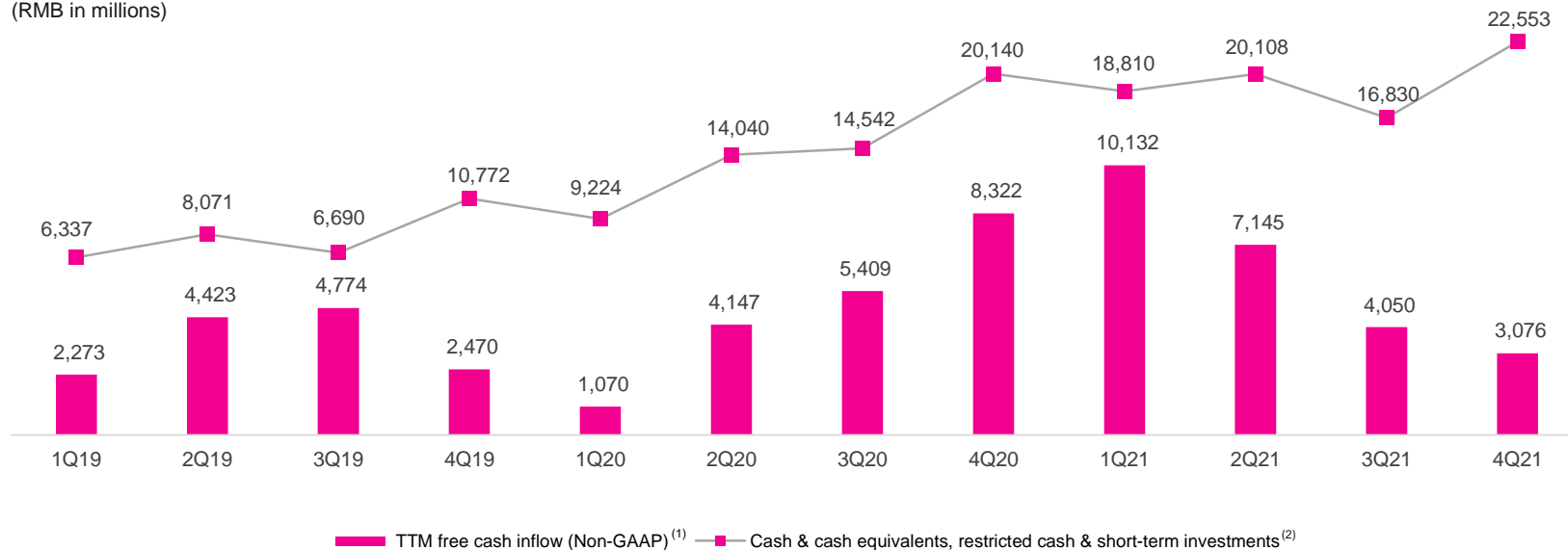


Note:

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Strong Free Cash Flow

(RMB in millions)



Notes:

- (1) TTM free cash flow refers to free cash flow for the trailing twelve months ended on the applicable quarter end. Free cash flow is a non-GAAP financial measure, which is defined as net cash from (used in) operating activities adding back the impact from internet financing activities and less capital expenditures, which include purchase and deposits of property and equipment and land use rights, and purchase of other assets.
- (2) As of each quarter end.

THANKS / 唯品会

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