



趣店 Small Credit, Big Data

4Q17 Earnings Results

March 12, 2018

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions. Such statements are based upon management’s current expectations and current market and operating conditions, and relate to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond the Company’s control, which may cause the Company’s actual results, performance or achievements to differ materially from those in the forward-looking statements. Further information regarding these and other risks, uncertainties or factors is included in the Company’s filings with the U.S. Securities and Exchange Commission. The Company does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under law.

In addition to U.S. GAAP financials, this presentation includes adjusted net income, a non-GAAP financial measure. This non-GAAP financial measure is not defined under U.S. GAAP and is not presented in accordance with U.S. GAAP. The non-GAAP measure has limitations as an analytical tool and you should not consider it in isolation or as a substitute for an analysis of the Company’s results under U.S. GAAP. There are a number of limitations related to the use of the non-GAAP financial measure versus its nearest GAAP equivalent. First, adjusted net income is not a substitute for net income or other consolidated statements of operations data prepared in accordance with U.S. GAAP. Second, other companies may calculate such non-GAAP financial measure differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of the non-GAAP financial measure as a tool for comparison. Finally, the non-GAAP financial measure does not reflect the impact of share-based compensation expenses, which have been and may continue to be incurred in the Company’s business. See the Appendix for reconciliation between adjusted net income to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP, which is net income.

4Q2017 Financial and Operating Highlights⁽¹⁾



62.4MM registered users

26.2MM approved users⁽²⁾

6.9MM active borrowers⁽³⁾ during 4Q17



25.4MM number of credit drawdowns



RMB25.1BN amount of transactions

趣店
Qudian

RMB1.5BN revenue

+108% YoY



RMB540MM net income

+80% YoY



RMB559 MM Adjusted net income⁽⁴⁾

+74% YoY



Note:

- (1) The following operating data relate to cash credit and merchandise credit offered by the Company.
- (2) Approved users are the total number registered users who have been approved of credit.
- (3) Active borrowers are borrowers who have drawn down credit in the specific period.
- (4) Adjusted net income represents net income before share-based compensation expense. Please refer to the "Unaudited Condensed Consolidated Income Statement" for a reconciliation of adjusted net income to net income.

Quarterly Transaction and Revenue

Quarterly Trend of Transactions

(RMB BN)

YoY
Growth

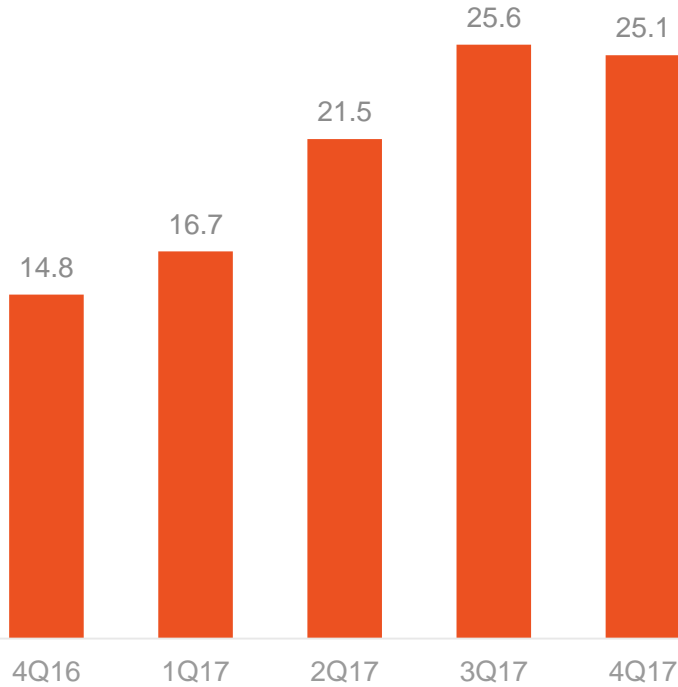
532%

427%

246%

219%

70%



Breakdown of Revenue

(RMB MM)

YoY
Growth

844%

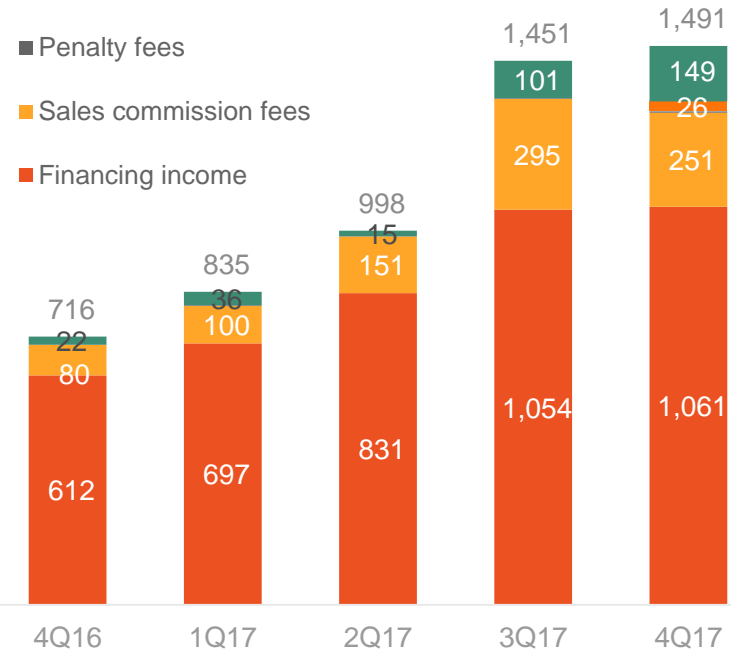
548%

311%

308%

108%

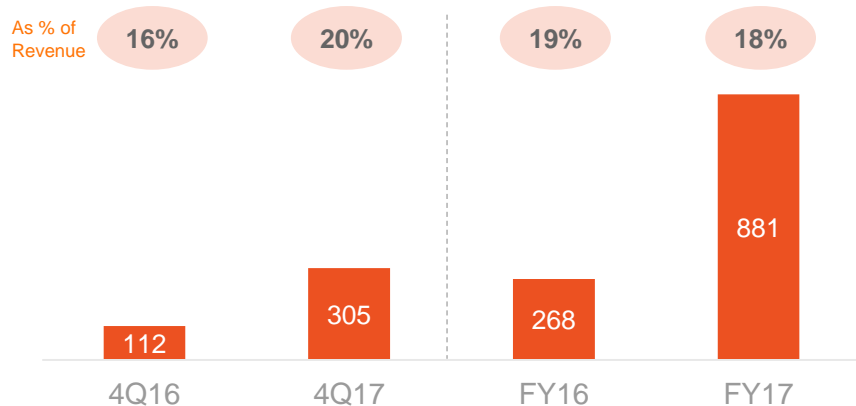
- Loan facilitation income and others
- Revenue from sales-type lease
- Penalty fees
- Sales commission fees
- Financing income



Quarterly Costs and Expenses

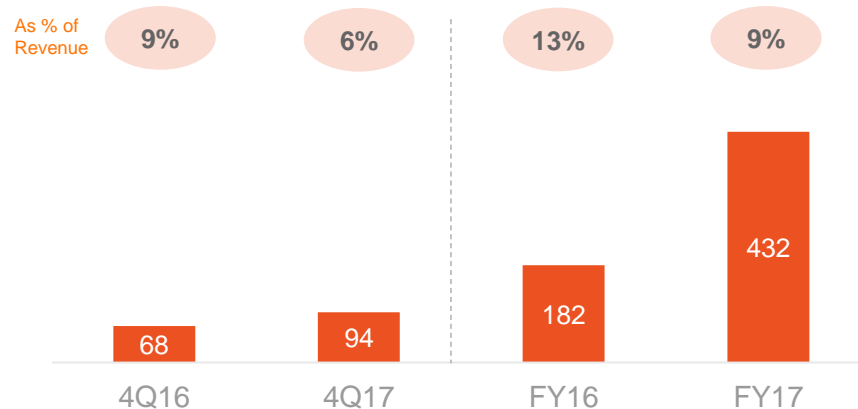
Cost of Revenue

(RMB MM)



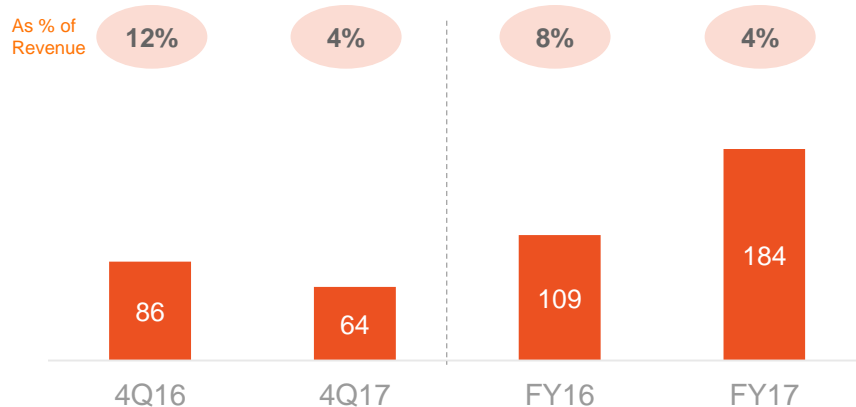
Sales and Marketing

(RMB MM)



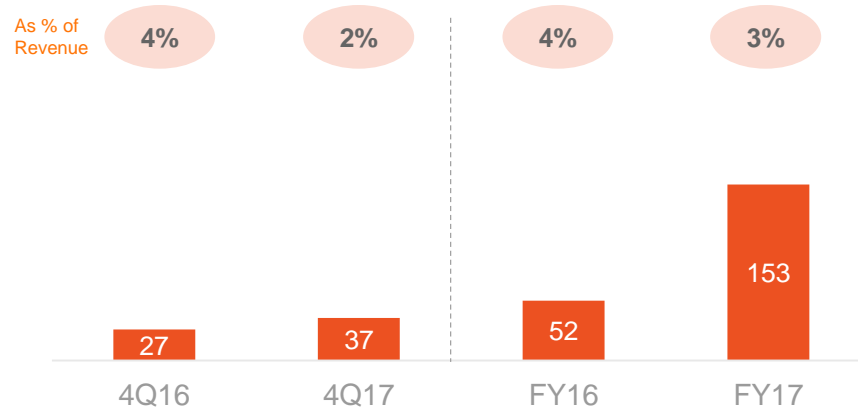
General and Administrative

(RMB MM)



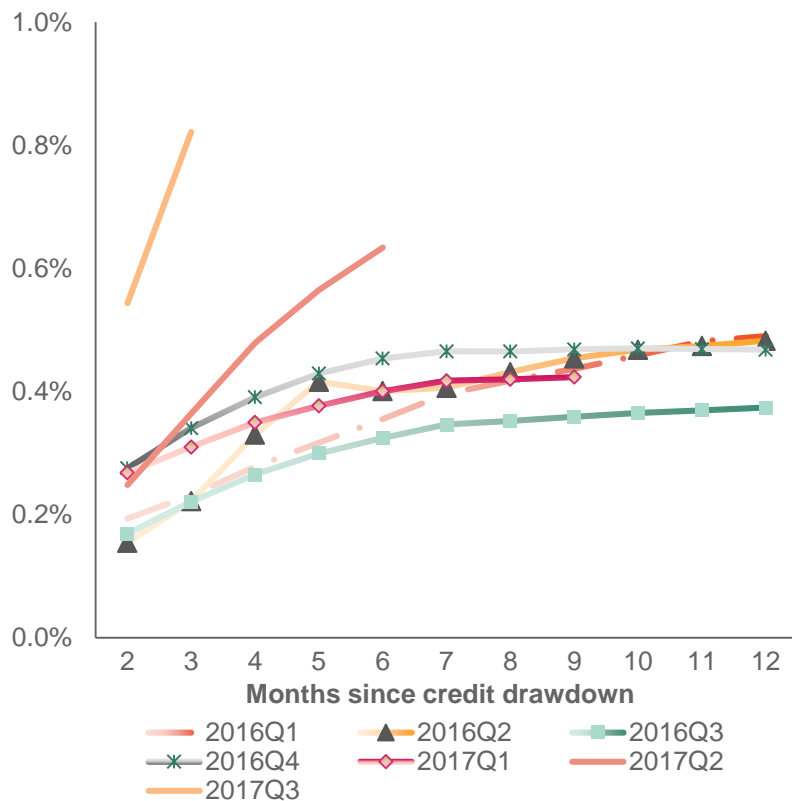
Research and Development

(RMB MM)



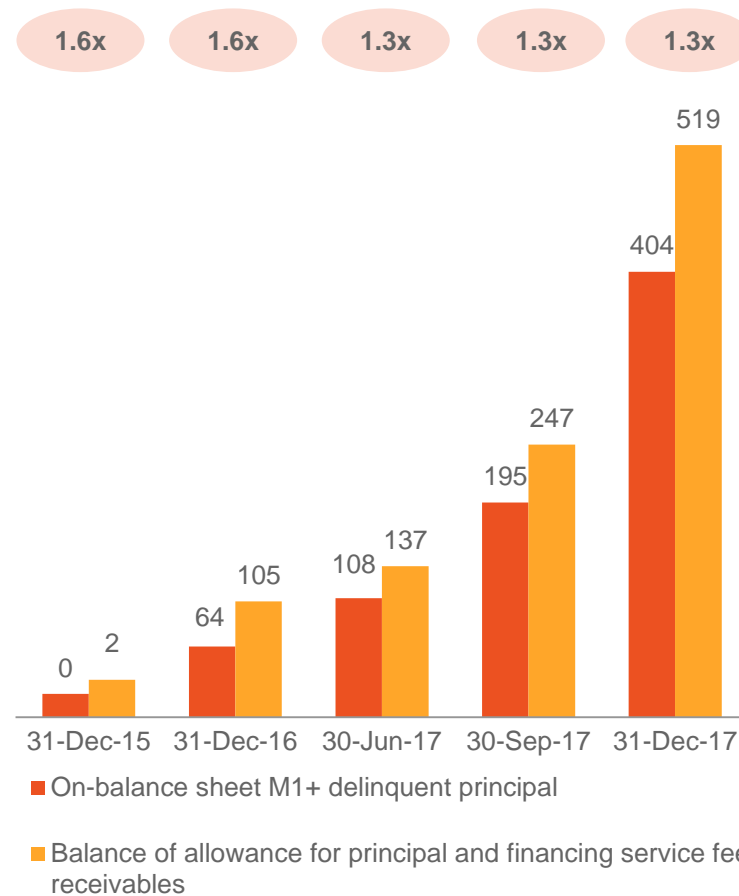
Strong Credit Performance

M1+ Delinquency Rate by Vintage ⁽¹⁾



M1+ Delinquency Coverage Ratio⁽²⁾

(RMB MM)



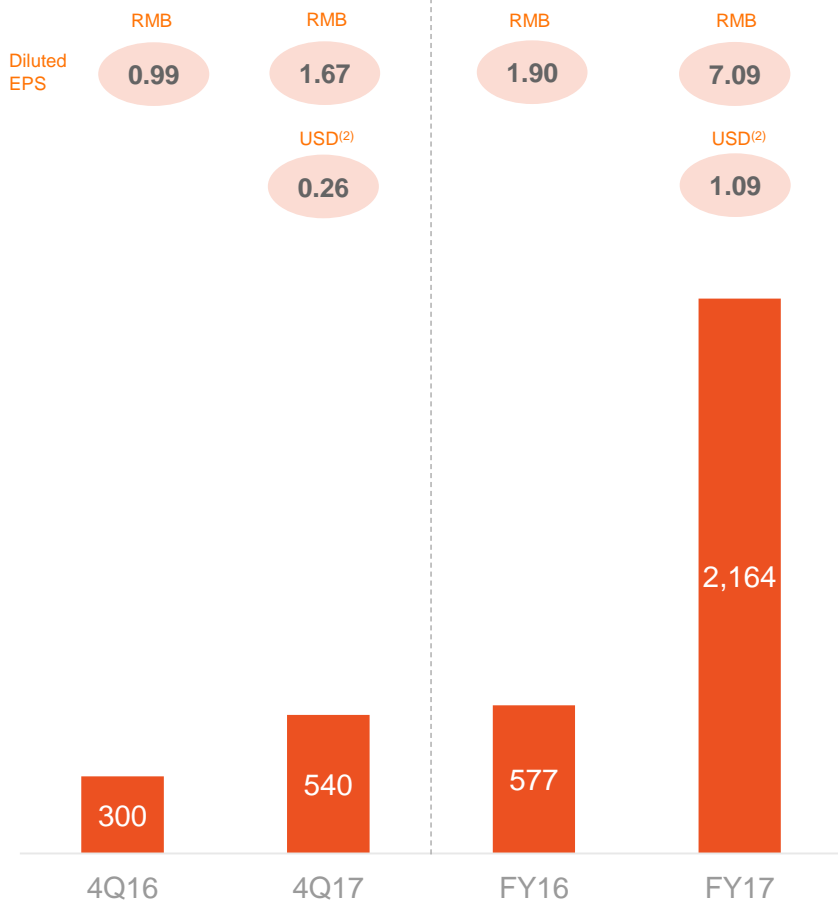
Notes:

- (1) We define "M1+ Delinquency Rate by Vintage" as the total balance of outstanding principal of a vintage for which any installment payment is over 30 calendar days past due as of a particular date (adjusted to reflect total amount of recovered past due payments for principal and without taking into account charge-offs), divided by the total initial principal in such vintage
- (2) We define "M1+ Delinquency Coverage Ratio" as the balance of allowance for principal and financing service fee receivables at the end of a period, divided by the total balance of outstanding principal for on-balance sheet transactions for which any installment payment was more than 30 calendar days past due as of the end of such period

Quarterly Net Income and Diluted EPS

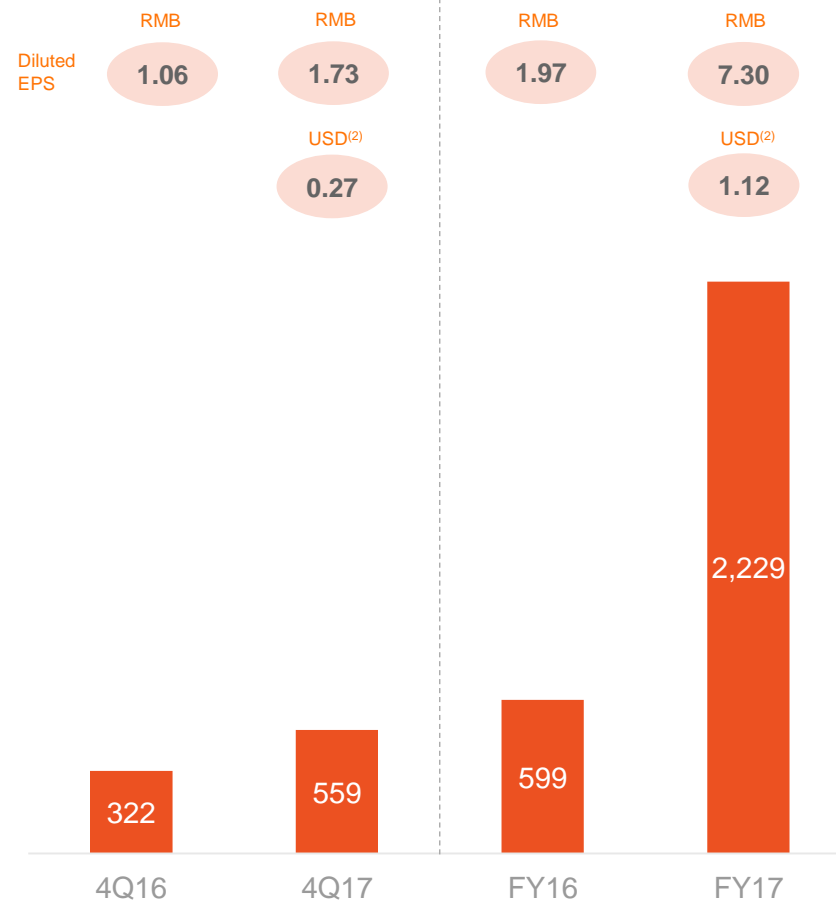
Net Income

(RMB MM)



Adjusted Net Income⁽¹⁾

(RMB MM)



Note:

- (1) Adjusted net income represents net income before share-based compensation expense. Please refer to the "Unaudited Condensed Consolidated Income Statement" for a reconciliation of adjusted net income to net income.
- (2) All translations of RMB into US\$ were made at RMB6.5063 to US\$1.00, the exchange rate on December 29, 2017 as published on the website of the United States Federal Reserve Board

Selected Operating Metrics⁽¹⁾

For the Three Months Ended

	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	
Average MAU (in millions) ⁽²⁾	22.5	23.3	28.9	33.2	32.9	
Number of active borrowers (in millions)	4.5	4.8	5.6	7.5	6.9	
Number of new borrowers (in millions)	2.3	1.6	1.7	2.8	1.6	
Number of credit drawdowns (in millions)	18.4	19.7	20.8	26.7	25.4	
	RMB	RMB	RMB	RMB	RMB	USD ⁽³⁾
Amount of transactions (in millions)	14,820	16,682	21,525	25,592	25,145	3,865
Average ticket size (RMB) ⁽⁴⁾						
Cash Credit	820	830	1,010	920	960	148
Merchandize Credit	1,450	1,250	1,250	1,390	1,400	215
Average term (months) ⁽⁵⁾						
Cash Credit	2.1	1.8	2.4	2.4	2.1	
Merchandise Credit	8.5	8.1	8.5	8.7	8.8	

Note:

- (1) The following operating data relate to cash credit and merchandise credit offered by the Company.
- (2) Average MAU is the average number of monthly active users during a specified period; monthly active users comprise (i) users who use our Laifenqi mobile app or the Alipay consumer interface to access our Laifenqi interface at least once during a specified month and (ii) users who use our Qudian mobile app or the Alipay consumer interface to access our Qudian interface at least once during a specified month; an individual who uses both our mobile app and the Alipay consumer interface to access only one of our Laifenqi or Qudian interfaces during a specified month is counted as one monthly active user; an individual who accesses both of our Laifenqi and Qudian interfaces during a specified month is counted as two monthly active users; a monthly active user may not have borrowed on our platform
- (3) All translations of RMB into US\$ were made at RMB6.5063 to US\$1.00, the exchange rate on December 29, 2017 as published on the website of the United States Federal Reserve Board
- (4) Approximate average ticket size
- (5) Average term weighted by amount of transactions

Unaudited Condensed Consolidated Income Statement

	For the Three Months Ended			For the Year Ended		
	Dec 31, 2016	Dec 31, 2017	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2017
(in millions, except for earnings per share, or EPS)	RMB	RMB	USD	RMB	RMB	USD
Financing income	612	1,061	163	1,271	3,642	560
Sales commission fee	80	251	39	127	797	123
Revenue from sales-type lease	0	26	4	0	26	4
Penalty fees	2	4	1	23	8	1
Loan facilitation income and others	22	149	23	22	302	46
Total revenues	716	1,491	229	1,443	4,775	734
Operating cost and expenses:						
Cost of revenue	(112)	(305)	(47)	(268)	(881)	(135)
Sales and marketing	(68)	(94)	(15)	(182)	(432)	(66)
General and administrative	(86)	(64)	(10)	(109)	(184)	(28)
Research and development	(27)	(37)	(6)	(52)	(153)	(24)
Loss of guarantee liability	(1)	(104)	(16)	(1)	(150)	(23)
Provision for loan principal, financing service fee receivables and other receivables	(63)	(338)	(52)	(132)	(605)	(93)
Total operating cost and expenses	(357)	(943)	(145)	(744)	(2,405)	(370)
Other operating income	9	11	2	15	51	8
Income from operations	368	559	86	713	2,421	372
Net income before income taxes	364	559	86	703	2,420	372
Income tax expenses	(64)	(19)	(3)	(127)	(256)	(39)
Net income	300	540	83	577	2,164	333
Basic EPS	3.78	1.94	0.30	7.27	17.12	2.63
Diluted EPS	0.99	1.67	0.26	1.90	7.09	1.09
Add: share-based compensation expenses	22	19	3	22	64	10
Non-GAAP Net Income	322	559	86	599	2,229	343
Basic EPS	4.06	2.01	0.31	7.55	17.63	2.71
Diluted EPS	1.06	1.73	0.27	1.97	7.30	1.12

Note:

(1) All translations of RMB into US\$ were made at RMB6.5063 to US\$1.00, the exchange rate on December 29, 2017 as published on the website of the United States Federal Reserve Board

Unaudited Condensed Consolidated Balance Sheet

	As of			
	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Dec 31, 2017
(in millions)	RMB	RMB	RMB	USD ⁽¹⁾
Cash and cash equivalents	645	1,483	6,832	1,050
Restricted cash ⁽²⁾	314	2,041	2,253	346
Short-term amounts due from related parties	478	600	551	85
Short-term loan principal and financing service fee receivables	9,434	10,652	8,759	1,346
Long-term loan principal and financing service fee receivables	16	5	0	0
Total assets	11,372	15,366	19,380	2,979
Short-term borrowings and interest payables	6,467	8,855	7,979	1,226
Long-term borrowings and interest payables	12	255	510	78
Total liabilities	7,852	11,184	9,840	1,512
Total mezzanine equity	5,944	5,944	0	0
Total shareholders' equity / (deficit)	(2,425)	(1,761)	9,540	1,466
Total liabilities, mezzanine equity and shareholders' equity / (deficit)	11,372	15,366	19,380	2,979

Note:

- (1) All translations of RMB into US\$ were made at RMB6.5063 to US\$1.00, the exchange rate on December 29, 2017 as published on the website of the United States Federal Reserve Board
- (2) Restricted cash mainly represents the cash in trusts which can only be used to fund credit drawdowns in such trusts or settle these trusts' obligations. Such restricted cash is not available to fund the general liquidity needs of the Company.

Unaudited Condensed Consolidated Cash Flow Statement

	For the Three Months Ended			For the Year Ended		
	Dec 31, 2016	Dec 31, 2017	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2017
(in millions)	RMB	RMB	USD ⁽¹⁾	RMB	RMB	USD ⁽¹⁾
Net cash provided by operating activities	372	742	114	794	3,076	473
Net cash (used in)/provided by investing activities	(1,572)	556	85	(3,598)	(706)	(108)
Net cash (used in)/provided by financing activities	1,749	4,129	635	3,380	3,754	577
Net increase in cash and cash equivalents	549	5,349	822	576	6,047	929
Cash and cash equivalents at beginning of the year	236	1,483	228	210	786	121
Cash and cash equivalents at end of period	786	6,832	1,050	786	6,832	1,050

Note:

(1) All translations of RMB into US\$ were made at RMB6.5063 to US\$1.00, the exchange rate on December 29, 2017 as published on the website of the United States Federal Reserve Board

趣店
Qudian