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Management Presentation

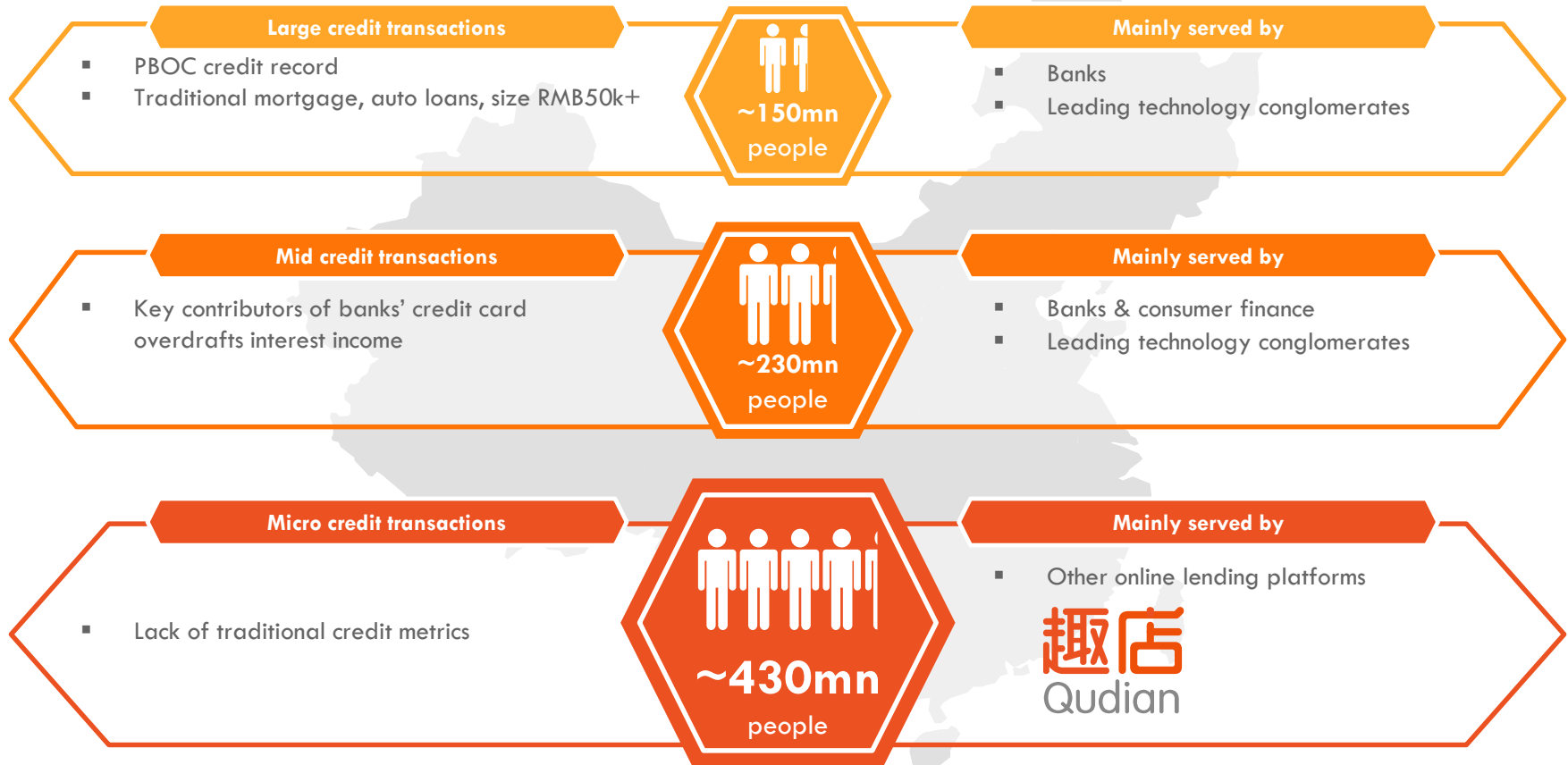
September 2020

Disclaimer

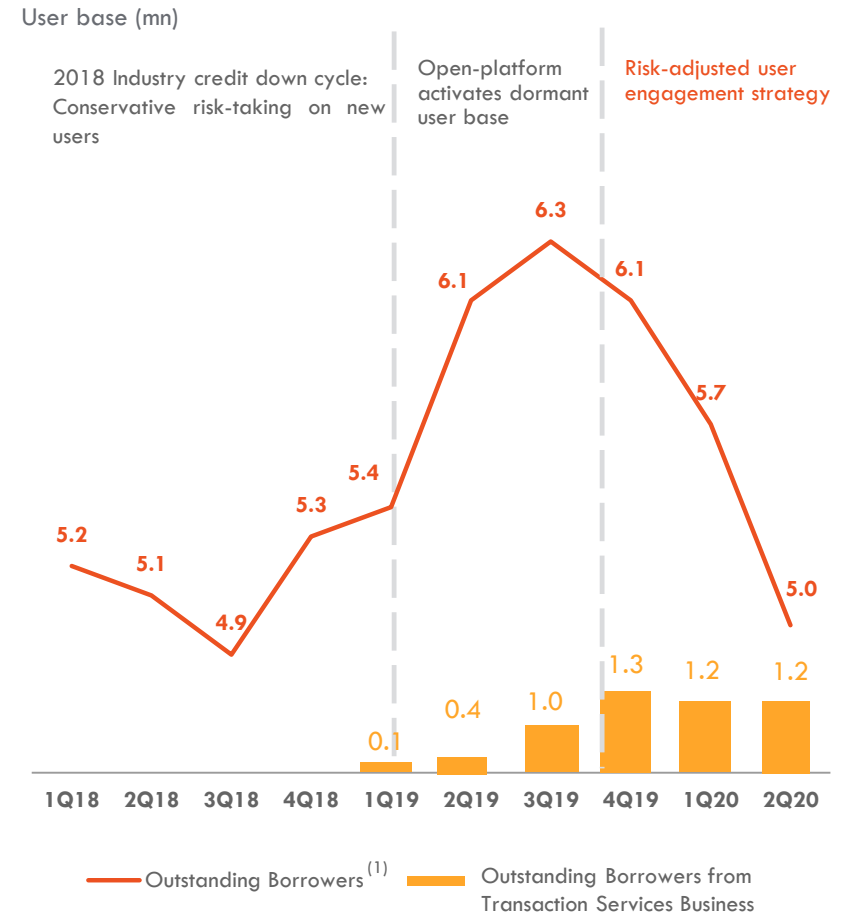
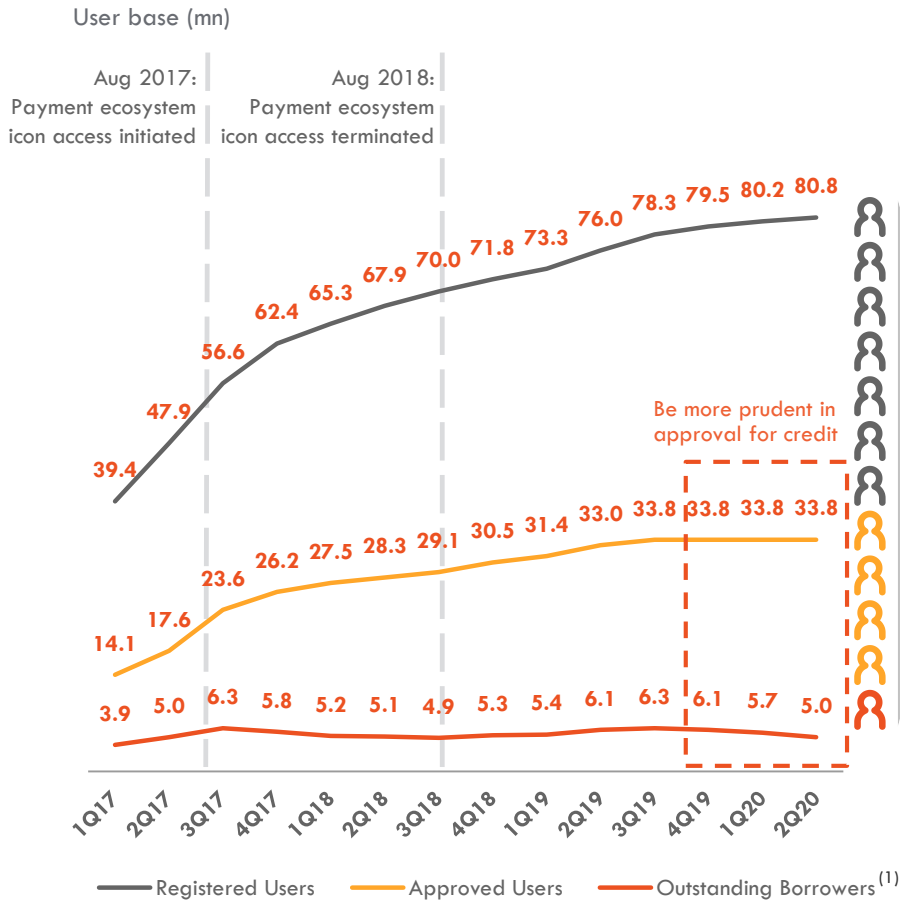
This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “may,” “will,” “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.

Focused on Serving the Massive Underbanked



Risk-adjusted User Engagement Strategy



Note:
(1) Include outstanding borrowers from both loan book business and transaction services business



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1. Overview of Credit Business

Small Credit Facilitation



RMB4.2bn total amount of transactions

QoQ decreased by 6%

During 2Q20



RMB9.7bn outstanding loans⁽¹⁾

QoQ decreased by 36%

As of June 30, 2020



4.7 Months loan tenure

During 2Q20

RMB2.0k loan balance per borrower

As of June 30, 2020

Open Platform



RMB0.7bn total amount of transactions

QoQ decreased by 72%

During 2Q20



RMB9.8bn outstanding loans

QoQ decreased by 25%

As of June 30, 2020



10.6 Months loan tenure

During 2Q20

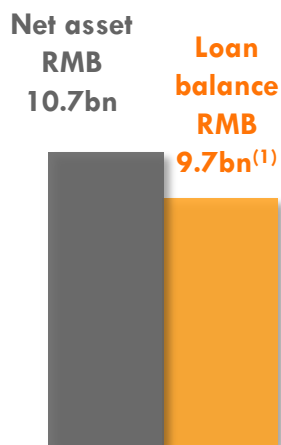
RMB8.4k loan balance per borrower

As of June 30, 2020

Notes:

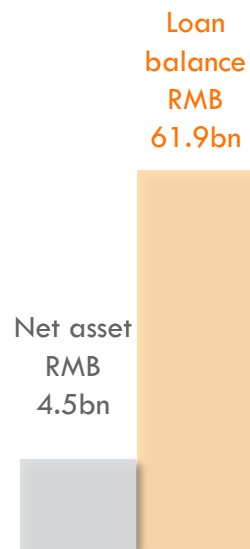
(1) Includes off and on balance sheet loans directly or indirectly funded by our institutional funding partners or our own capital, net of cumulative write-offs and it does not include auto loans from Dabai Auto business and loans from transaction services business

Loan Book at Stable and Healthy Leverage



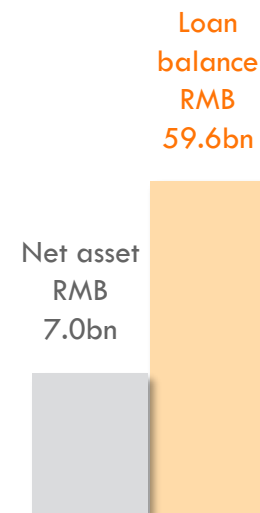
As of 2Q20

Listed Company A



As of 2Q20

Listed Company B



As of 2Q20

Leverage Ratio⁽²⁾

0.9x

13.7x

8.5x

Notes:

(1) Includes off and on balance sheet loans directly or indirectly funded by our institutional funding partners or our own capital, net of cumulative write-offs and it does not include auto loans from Dabai Auto business and loans from transaction services business

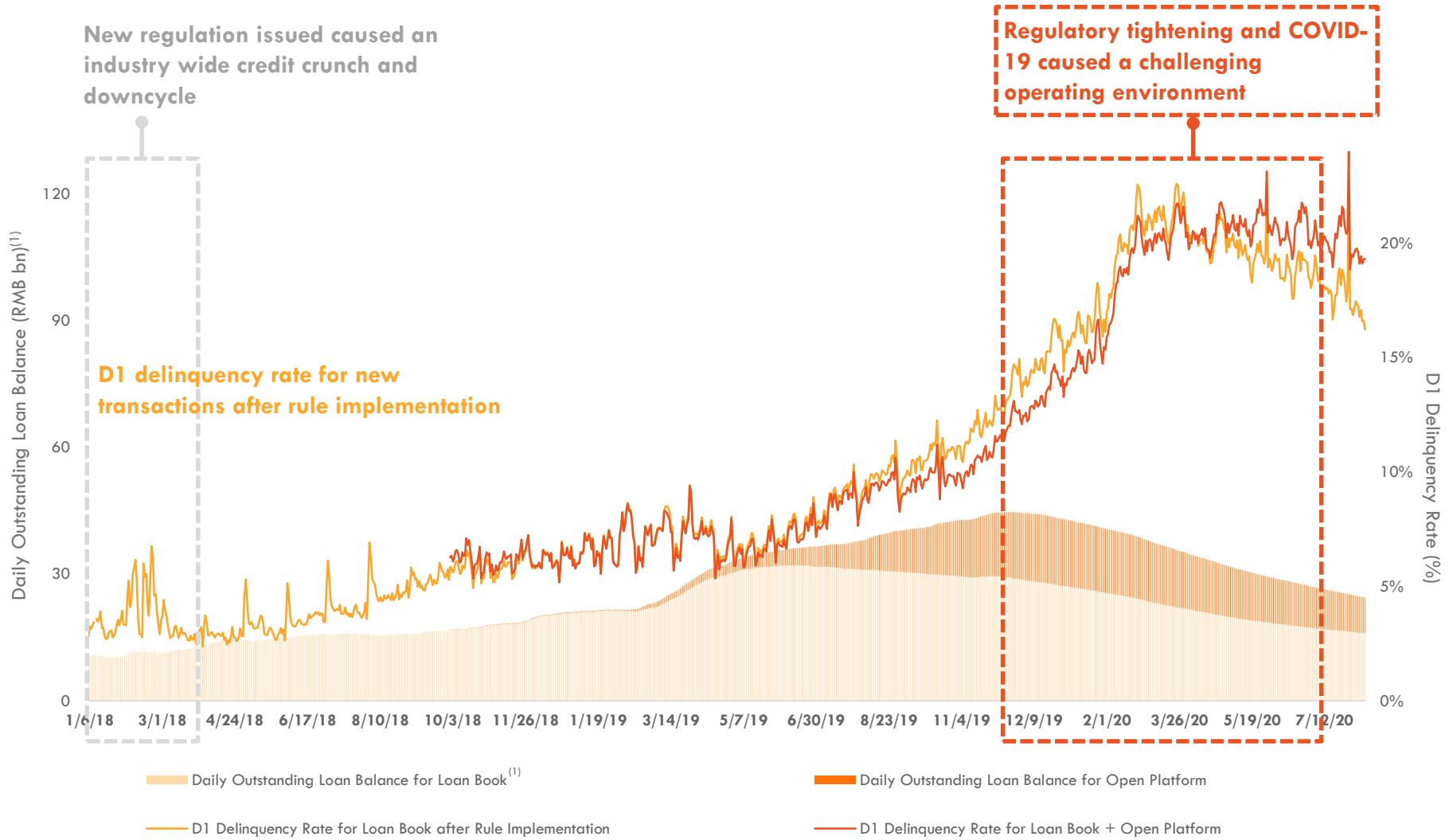
(2) Leverage ratio = Outstanding balance of both on-balance sheet and off-balance sheet loan / net asset

A low-angle, upward-looking photograph of several modern skyscrapers. The image is overlaid with a semi-transparent orange filter. The buildings are arranged in a way that creates a sense of height and scale, with lines converging towards the top of the frame.

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2. Disclosure of Risk Metrics

Optimized Risk Model to Quickly React to Credit Cycle and De-risk Our Loan Book



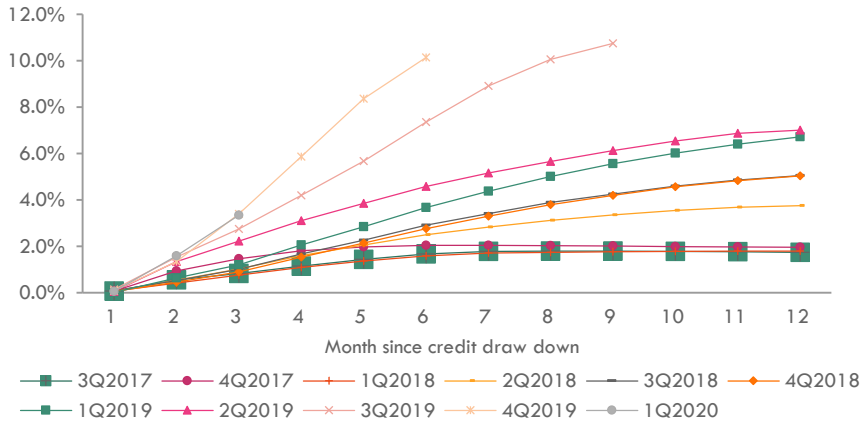
Note: (1) Doesn't take into account for accumulative charge-offs

Credit Performance Managed within Targets

Include Total Potential Receivables at Risk

M1+ Delinquency Rate by Vintage⁽¹⁾

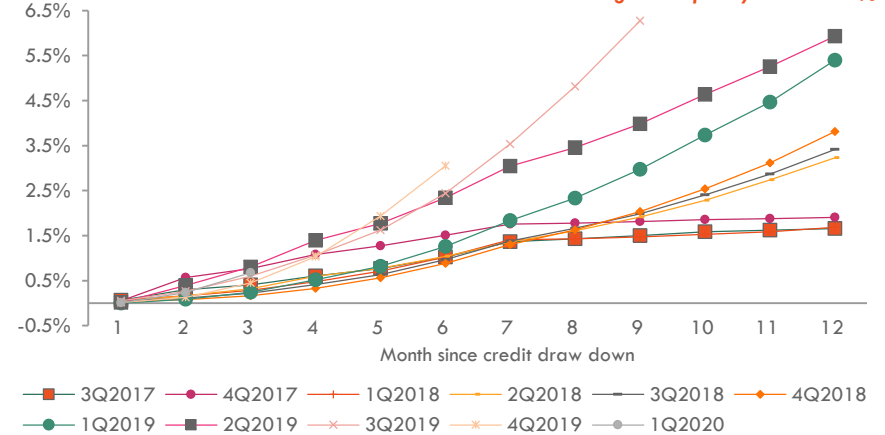
Vintage delinquency rates <10.8%



Only Include Current Receivables at Risk

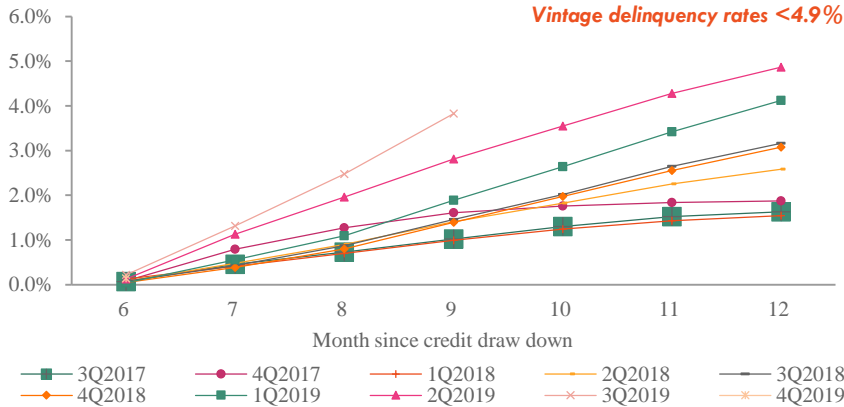
M1+ Delinquency Rate by Vintage⁽²⁾

Vintage delinquency rates <6.3%



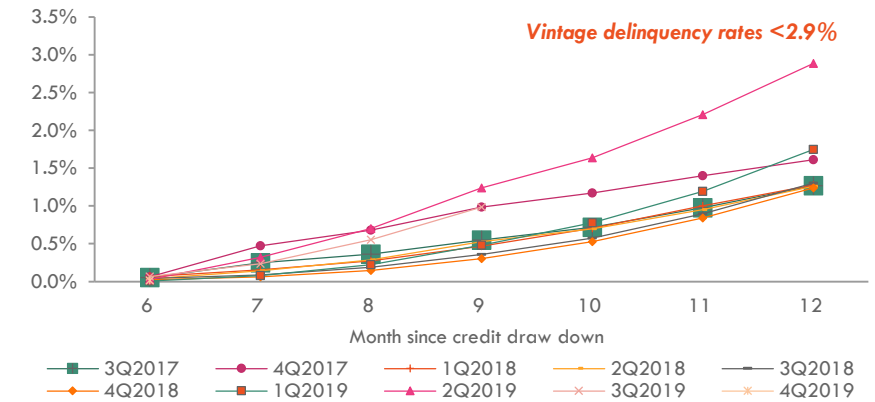
M6+ Charge-off Rate by Vintage⁽³⁾

Vintage delinquency rates <4.9%



M6+ Charge-off Rate by Vintage⁽⁴⁾

Vintage delinquency rates <2.9%



Notes:

- (1) Total potential receivables at risk M1+ delinquency rate by vintage refers to, with respect to on- and off-balance sheet transactions facilitated under the loan book business during a specified time period, the total potential outstanding principal balance of the transactions that are delinquent for more than 30 days up to twelve months after origination, divided by the total initial principal of the transactions facilitated in such vintage. Delinquencies may increase or decrease after such 12-month period
- (2) Current receivables at risk M1+ delinquency rate by vintage refers to, with respect to on- and off-balance sheet transactions facilitated under the loan book business during a specified time period, the actual outstanding principal balance of the transactions that are delinquent for more than 30 days up to twelve months after origination, divided by the total initial principal of the transactions facilitated in such vintage. Delinquencies may increase or decrease after such 12-month period
- (3) Total potential receivables at risk vintage charge-off rate refers to, with respect to on- and off-balance sheet transactions facilitated under the loan book business during a specified time period, the total potential outstanding principal balance of the transactions that are delinquent for more than 180 days up to twelve months after origination, divided by the total initial principal of the transactions facilitated in such vintage. Delinquencies may increase or decrease after such 12-month period
- (4) Current receivables at risk vintage charge-off rate refers to, with respect to on- and off-balance sheet transactions facilitated under the loan book business during a specified time period, the actual outstanding principal balance of the transactions that are delinquent for more than 180 days up to twelve months after origination, divided by the total initial principal of the transactions facilitated in such vintage. Delinquencies may increase or decrease after such 12-month period

Delinquency Rate Measurement Comparison

For illustration purpose, assuming a loan with RMB1,000 principal and 10 months draw down

RMB

Current Receivables at Risk

Total Potential Receivables at Risk

$$\frac{100}{1,000}$$

VS

$$\frac{800}{1,000}$$



A low-angle, upward-looking photograph of several modern skyscrapers. The image is overlaid with a semi-transparent orange filter. The buildings are arranged in a way that creates a sense of height and scale, with lines converging towards the top of the frame. The sky is a pale blue, visible at the top and bottom edges.

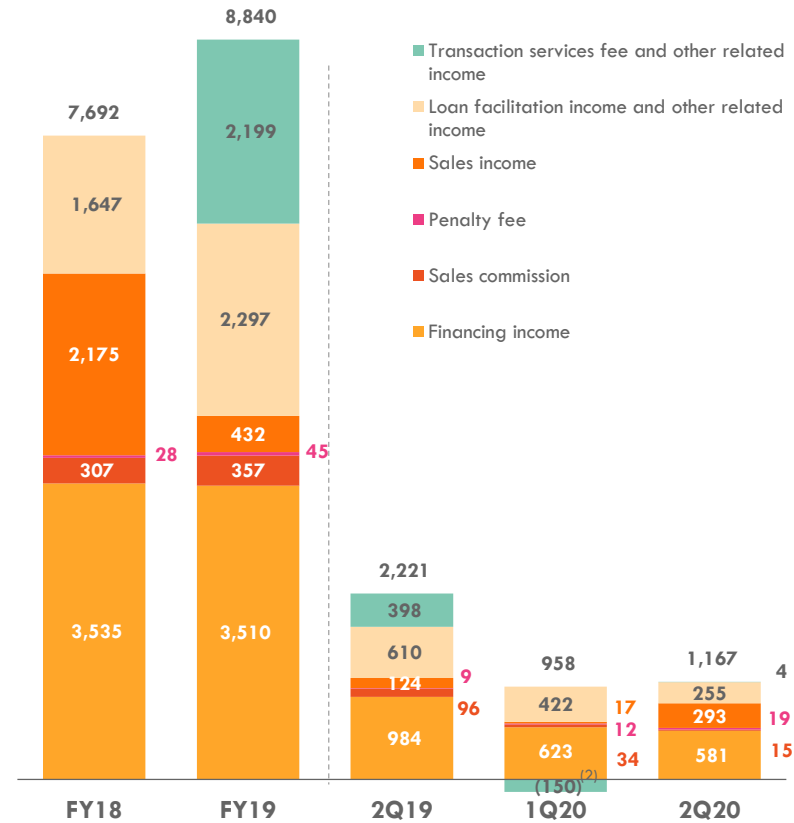
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3. Financials

Financial Highlights

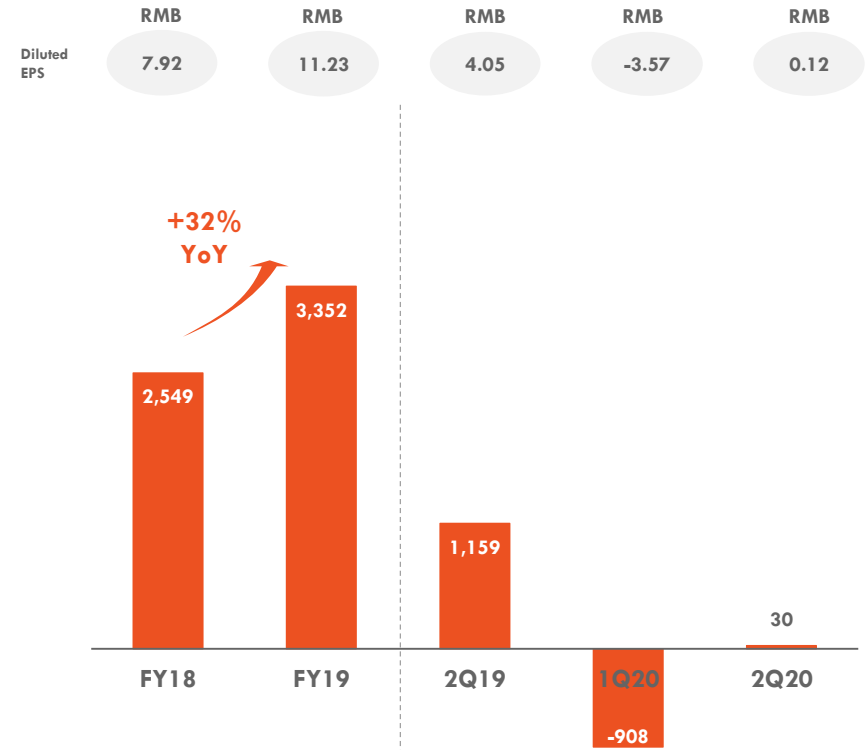
Total Revenue

(RMB mn)



Non-GAAP Net Income /(Loss)⁽¹⁾

(RMB mn, except for EPS numbers)



Notes:

(1) Non-GAAP net income/(loss) represents net income/(loss) before share-based compensation expense, excluding convertible bonds buyback income.

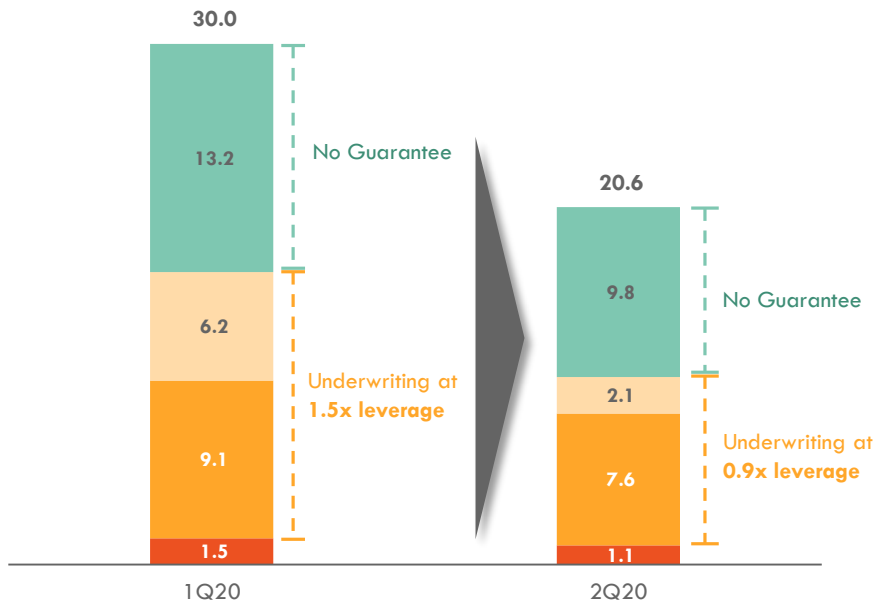
(2) 1Q20 transaction services fee and other related income included positive income of RMB113 million for the transactions referred during 1Q20, income of RMB24 million for the post-origination services of transactions facilitated in previous years, and a revaluation loss of RMB287 million for contract assets incurred for the transactions referred in 2019.

Financial Highlights (Cont'd)

Lower-risk Capital Structure

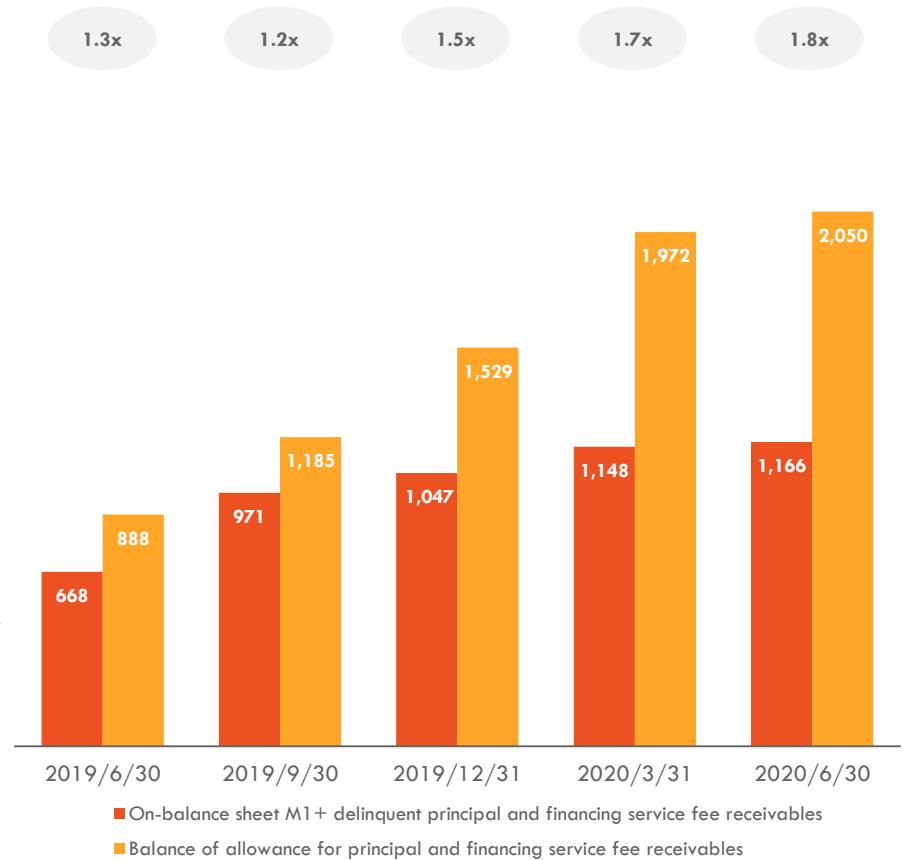
(RMB bn)

- Open Platform Loan Balance
- Off BS Loan Balance(Loan Facilitation)
- On BS Loan Balance (Lending via Entrusted loans and trust structures)
- Cash and cash equivalents



M1+ Delinquency Coverage Ratio⁽¹⁾⁽²⁾

(RMB mn)



Notes:

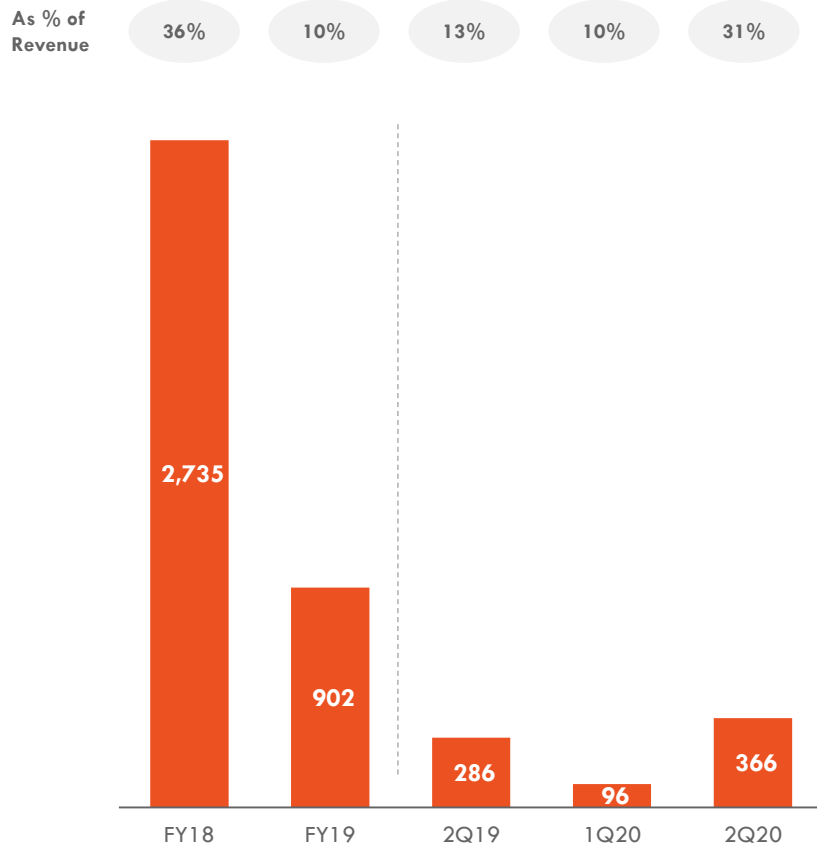
(1) Defined as the balance of allowance for principal and financing service fee receivables at the end of a period, divided by the total balance of outstanding principal and financing service fee receivables for on-balance sheet transactions for which any installment payment was more than 30 calendar days past due as of the end of such period, excluding charged-off amounts. The amount charged-off has been fully covered by allowance provided by the Company

(2) Includes on-balance sheet M1+ delinquent principal and financing service fee receivables

Financial Highlights (Cont'd)

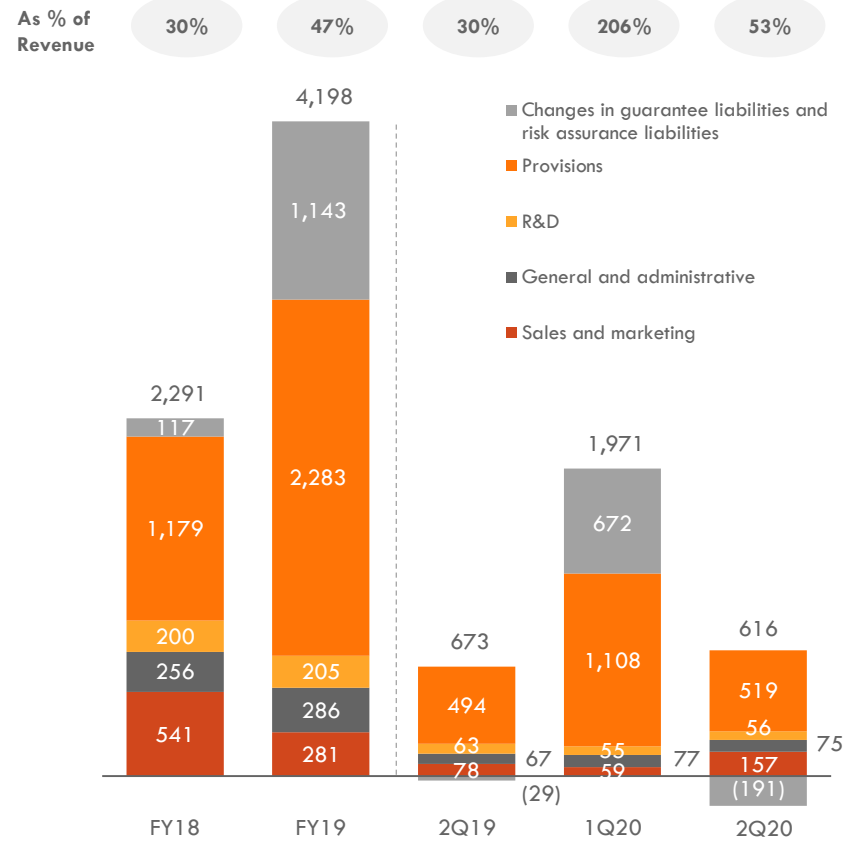
Cost of Revenues

(RMB mn)



Operating Expenses

(RMB mn)



A low-angle, upward-looking photograph of several modern skyscrapers. The image is overlaid with a semi-transparent orange filter. The buildings are arranged in a way that they appear to converge towards the top of the frame, creating a sense of height and scale. The sky is a pale blue, visible at the top and bottom edges.

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Appendix

Unaudited Income Statements

(in millions, except for EPS numbers)	For the Year Ended		For the Three Months Ended		
	31-Dec-18	31-Dec-19	30-Jun-19	31-Mar-20	30-Jun-20
	RMB	RMB	RMB	RMB	RMB
Financing income	3,535	3,510	984	623	581
Loan facilitation income and other related income	1,647	2,297	610	422	255
Transaction services fee and other related income	-	2,199	398	(150) ⁽¹⁾	4
Sales commission fee	307	357	96	34	15
Sales income	2,175	432	124	17	293
Penalty fee	28	45	9	12	19
Total revenues	7,692	8,840	2,221	958	1,167
Operating cost and expenses:					
Cost of revenues	(2,735)	(902)	(286)	(96)	(366)
Sales and marketing	(541)	(281)	(78)	(59)	(157)
General and administrative	(256)	(286)	(67)	(77)	(75)
Research and development	(200)	(205)	(63)	(55)	(56)
Changes in guarantee liabilities and risk assurance liabilities ⁽²⁾	(117)	(1,143)	29	(672)	191
Provision for receivables and other assets	(1,179)	(2,283)	(494)	(1,108)	(519)
Total operating cost and expenses	(5,027)	(5,099)	(959)	(2,067)	(982)
Other operating income	24	109	3	148	128
Income/(Loss) from operations	2,689	3,849	1,264	(961)	312
Net Income/(Loss) before income taxes	2,649	3,891	1,296	(515)	262
Income tax (expenses)/benefit	(158)	(626)	(153)	28	(82)
Net Income/(Loss)	2,491	3,264	1,143	(486)	179
Basic EPS	7.82	11.72	4.03	(1.92)	0.71
Diluted EPS	7.74	10.94	4.00	(1.92)	0.68
Add: Share-based compensation expenses	58	87	15	14	20
Less: Convertible bonds buyback income	-	-	-	435	170
Non-GAAP net Income/(Loss)	2,549	3,352	1,159	(908)	30
Basic EPS	8.00	12.03	4.08	(3.57)	0.12
Diluted EPS	7.92	11.23	4.05	(3.57)	0.12

Note:

(1) 1Q20 transaction services fee and other related income included positive income of RMB113 million for the transactions referred during 1Q20, income of RMB24 million for the post-origination services of transactions facilitated in previous years, and a revaluation loss of RMB287 million for contract assets incurred for the transactions referred in 2019.

(2) The amount includes the change in fair value of the guarantee liabilities accounted in accordance with ASC 815, "Derivative", and the change in risk assurance liabilities accounted in accordance with ASC 450, "Contingencies" and ASC 460, "Guarantees".

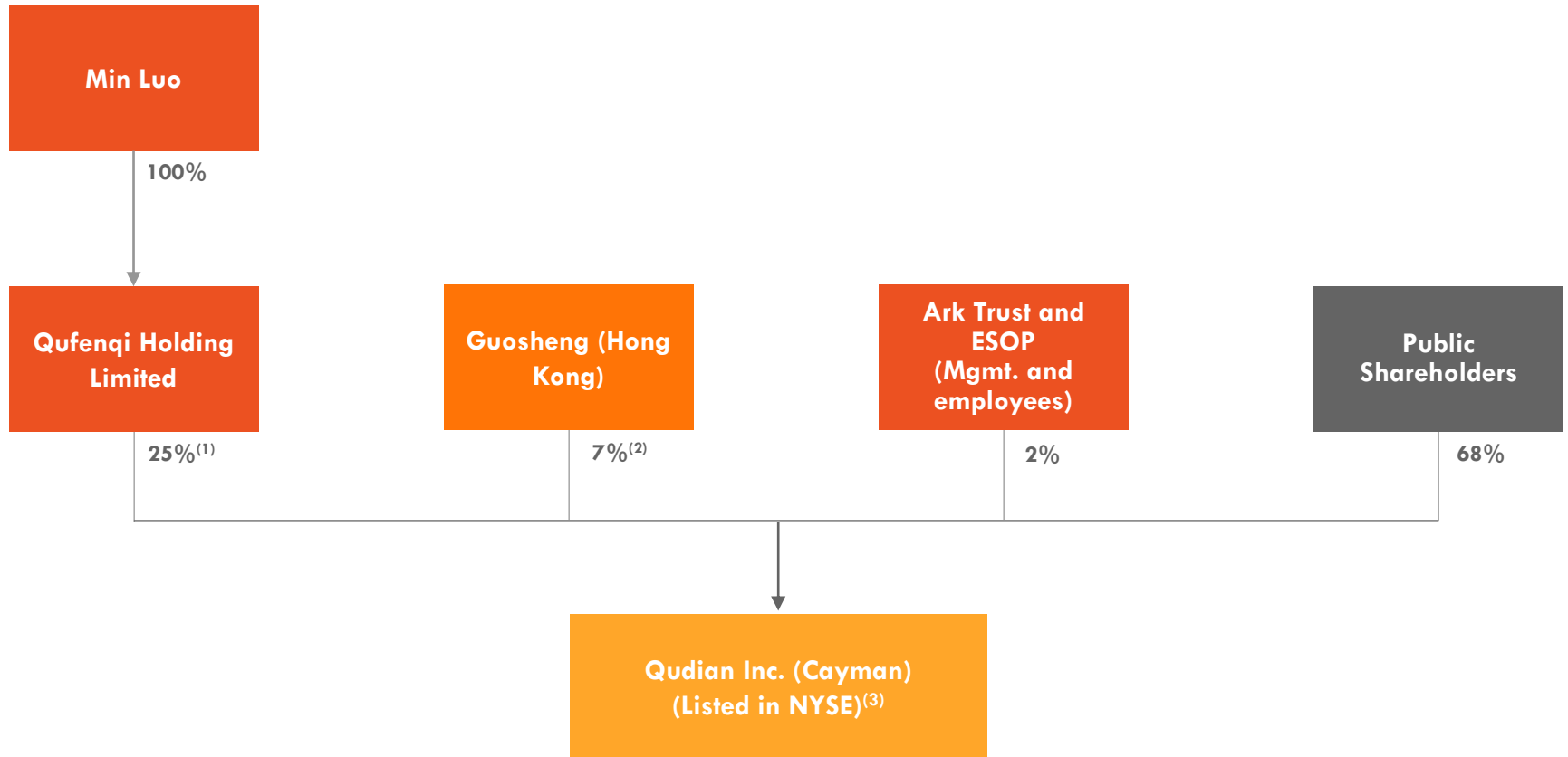
Unaudited Balance Sheets

(in millions)	As of			
	31-Dec-18	31-Dec-19	31-March-20	30-Jun-20
	RMB	RMB	RMB	RMB
Cash and cash equivalents	2,501	2,861	1,516	1,066
Restricted cash ⁽¹⁾	340	1,258	540	511
Time deposits	-	231	235	-
Short-term investments	-	-	1,233	2,288
Short-term loan principal and financing service fee receivables	8,418	7,895	7,287	5,758
Short-term finance lease receivables	509	398	353	340
Short-term contract assets	903	2,742	1,544	731
Other current assets	1,818	1,639	1,113	1,360
Investment in equity method investee	33	45	23	488
Long-term finance lease receivables	649	240	145	46
Long-term contract assets	16	274	98	69
Deferred tax assets	243	290	466	442
Total assets	16,253	18,362	15,056	13,621
Short-term borrowings and interest payables	3,860	1,050	385	322
Accrued expenses and other current liabilities	507	718	673	649
Guarantee liabilities and risk assurance liabilities	303	1,518	1,799	716
Income tax payable	349	590	222	171
Long-term borrowings and interest payables	413	-	24	54
Convertible senior notes	-	2,340	1,438	1,010
Total liabilities	5,432	6,438	4,588	2,964
Total shareholders' equity	10,821	11,924	10,468	10,657
Total liabilities and shareholders' equity	16,253	18,362	15,056	13,621

Note:

(1) Restricted cash mainly represents (i) cash held by the consolidated trusts through segregated bank accounts; (ii) security deposits held in designated bank accounts for guarantee of off-balance sheet transactions. Such restricted cash is not available to fund the general liquidity needs of the Company

Shareholding Structure



Notes:

- (1) Including 4,125,698 Class B ordinary shares subject to the Guosheng proxy, providing Guosheng HK the power to exercise the voting rights
- (2) Represents (i) 12,670,000 Class A ordinary shares held by Guosheng HK and (ii) 4,125,698 Class B ordinary shares subject to the Guosheng proxy
- (3) Total number of shares outstanding (unaudited) is 253,729,349 as of June 30, 2020