

[RERE] – ATRenew Inc.
Q4 2024 Earnings Conference Call Transcript (Corrected)
Tuesday, March 11, 2025, 08:00 AM EDT

Company Participants:

Kerry Chen, Founder, Chairman, CEO
Rex Chen, CFO
Jeremy Ji, Director of Corporate Development, Investor Relations

Other Participants:

Joyce Ju, BofA Securities
Jiao Wan, CICC
Michael Kim, Zacks

Presentation

Operator:

Good morning and good evening, ladies and gentlemen. Thank you for standing by and welcome to ATRenew Inc.'s fourth quarter and full year 2024 earnings conference call. At this time, all participants are in a listen-only mode. We will be hosting a question-and-answer session after management's prepared remarks. Please note today's event is being recorded.

I will now turn the call over to the first speaker today, Mr. Jeremy Ji, Director of Corporate Development and Investor Relations of the Company. Please go ahead, Sir.

Jeremy Ji, IRD:

Thank you. Hello, everyone, and welcome to ATRenew's fourth quarter and full year 2024 earnings conference call. Speaking first today is Kerry Chen, our Founder, Chairman, and CEO, and he'll be followed by Rex Chen, our CFO. After that, we'll open the call to questions from analysts.

The fourth quarter and full year 2024 financial results were released earlier today. The earnings press release and IR deck accompanying this call are available at our IR website: ir.atrenew.com. There will also be a transcript following this call for your convenience.

For today's agenda, Kerry will share his thoughts of our quarterly performance and business strategy, followed by Rex, who will address the financial highlights. Both Kerry and Rex will join the Q&A session.

Please pay attention to the Safe Harbor statements. Some of the information you will hear during our discussion today will consist of forward-looking statements, and I refer you to our Safe Harbor statements in the earnings press release. Any forward-looking statements that management makes on this call are based on assumptions as of today, and that ATRenew does not take any obligations to upgrade our assumptions on these statements.

Also, this call includes discussions of certain non-GAAP financial measures. Please refer to our earnings press release which contains a reconciliation of non-GAAP measures to GAAP measures. Finally, please note that unless otherwise stated, all figures mentioned during this conference call are in RMB and all comparisons are on a year-over-year basis.

I'd now like to turn the call over to Kerry for business and strategy updates.

Kerry Chen, CEO:

(Speaking Mandarin) 各位投资者和分析师，大家好，欢迎参加万物新生集团 2024 年第四季度业绩电话会，我们很高兴与各位分享集团的四季度及全年的业绩，更新我们对二手行业的战略思考，并交流 2025 年的发展路径。

(Translated) Hello, everyone, and welcome to ATRenew's fourth quarter and full year 2024 earnings conference call. We are excited to share our business updates, our strategic insights into the pre-owned industry, and our development roadmap for 2025.

我们在 2024 年第四季度及全年，超预期达成了收入和利润目标。Q4 总收入超出此前提提供的指引区间高端，同比增长 25.2%至 48.5 亿元。全年总收入达 163.3 亿元，同比增长 25.9%，这一成绩大幅超过二手手机 3C 行业的增速以及国内消费大盘的增速。在利润端，四季度和全年的 non-GAAP 经营利润分别为 1.3 亿元与 4.1 亿元，同比增长 61.0%和 62.8%。利润率方面，四季度 non-GAAP 经营利润率为 2.7%，全年的 non-GAAP 经营利润率也如期达成 2.5%的内部目标。全年二手商品交易总数超过 3,530 万件，订单量健康增长。我们相信，在 2025 年国家加力支持“两新”政策、各地方通过超长期国债支持以旧换新的背景下，爱回收正在业务发展的黄金机遇上。

First, I'm delighted to report that we realized total net revenues and profits ahead of targets for the fourth quarter and full-year 2024. Revenues for the fourth quarter exceeded the high end of our guidance, growing 25.2% year-over-year to RMB 4.85 billion. Full-year revenue reached RMB 16.33 billion, representing a 25.9% year-over-year growth, significantly outpacing the growth rates of the pre-owned electronics industry as well as the national retail sales of consumer goods.

On profitability, our non-GAAP income from operations was RMB 130 million in the fourth quarter and RMB 410 million in full-year 2024, growing 61.0% and 62.8% year-over-year, respectively. In terms of margins, non-GAAP operating margins, as we expected, were 2.7% in the fourth quarter and 2.5% in full-year 2024. The total number of transactions grew healthily to over 35.3 million. With China's stronger supports and subsidies backed by ultra-long special treasury bonds to large-scale renewal of equipment and trade-in of consumer goods in 2025, AHS Recycle stands at the forefront of a promising growth era.

具体看，四季度产品收入同比增长 26.6%。我们聚焦自营回收业务，做好用户体验，更多实现“从 C 端用户回收，向 C 端用户销售”的产业链端到端的闭环。

在 C 端回收方面：我们看到消费者的换机情绪提升，爱回收通过长期经营的门店优质场景，牢牢抓住一手货源的获取；与此同时，我们与战略合作伙伴京东基于行业领先的供应链能力基础，共同升级交付服务。从结果看，第四季度在我们服务京东的回收换新场景中，以旧换新的回收额占比超过一半，更受用户欢迎。我们从四年前就开始培育的以旧换新业务模式，越来越成为促进消费的重要抓手。

Zooming in, product revenues for the fourth quarter grew by 26.6% year-over-year. We focused on growing our 1P business and further advancing our user experience. This allows us to enhance the end-to-end cycle of direct engagement with consumers at the front of recycling and retailing.

On recycling from consumers, we sourced an increasing volume of first-hand supplies from individual users as their demand increased. AHS stores have been the quality scenarios for fulfillment. In the

meantime, we collaborated with JD.com as we master industry-leading know-how and supply chain capabilities. Together, we introduce our next-level fulfillment services to users. In the fourth quarter, trade-in contributed over 50% of the total recycling value in our exclusive service for JD.com's recycling program, becoming a mainstream consumption solution for users. We attribute the results to our investments into trade-in offering four years ago, which has incrementally driven consumption growth.

在 C 端销售方面：京东拍拍、爱回收门店和官网、新媒体渠道的 B2C 销售能力均实现了突破。我们以供应链能力整合“一盘货”，提升 B2C 货源的选货效率；并上线了“以销定修”项目，让可供 C 端售卖的货源数量实现了翻倍的提升；我们的合规翻新流程进一步完善，保障了“低价好货、持续供给、售后放心”。作为结果，我们自营的 B2C 严选销售业务实现了全年 GMV 55 亿的里程碑。第四季度，1P 回收收入中的 toC 销售占比提升至 29%，同比提升了 8 个百分点。

On the direct sales to consumers, Paipai Selection on JD.com, physical stores and online portals of AHS Recycle, and new media distribution channels all had breakthroughs. We leveraged our supply chain capabilities and established an integrated inventory system, advancing our efficiency in screening and picking retail products. We launched a pilot program of on-demand refurbishment. It allows us to display multiple product options, and conduct on-demand refurbishment only when a consumer has made an order. We also polish our refurbishment processes, ensuring ample supplies of value-for-money quality-assured products to our consumers. To name a few results we made, the total GMV of our 1PtoC sales reached a new milestone at RMB 5.5 billion in 2024. Retail revenue as a percentage of net product revenues was 29% in the fourth quarter, up by 8 percentage points year-on-year.

有货源还要有好的传播，我们在 2024 年重点孵化了新媒体团队，着手打造爱回收回收品类专家、自营严选好货的用户心智。我们通过抖音快手小红书等新媒体平台增加曝光，并基于独特的门店地理位置开展内容营销，全年新媒体营销投入超过 1 亿元，提升爱回收的品牌和服务认知。我们相信，在二手回收领域，爱回收这样的优质品牌仍然稀缺，品牌心智建设仍有空间。我们清晰地看到，以旧换新是一个增量市场，还有很多在京东和线下购买新机的用户从未体验过以旧换新服务。

We coupled marketing strategy and prioritized the development of our new media department in 2024. This established a consumer mindshare that AHS Recycle is the expert in recycling numerous categories of products and offers value-for-money quality products. We spent RMB 100 million on new media marketing to increase our brand exposure across Douyin, Kuaishou and Xiaohongshu, and promoted our location-based in-store services with content developed in-house. This was a valuable approach to raise our brand and service awareness as trade-in subsidies were deployed. Once again, we want to emphasize that AHS Recycle is a unique brand name with huge potential in the secondhand industry. Trade-in has a clear growth outlook as the massive consumer group is still new to this option.

在多品类业务方面，我们在 2024 年快速提升了门店的服务能力布局。截至 2024 年底共有 673 间爱回收门店开通了多品类回收服务；多品类回收业务一方面复用爱回收门店的基础能力，提升了单店产出，另一方面对于门店运营模型增量利润贡献显著。2024 年在多品类的能力建设方面，我们积极加快报价响应，降低用户在门店的服务时长，提高回收报价的接受率。全年爱回收自有场景的多品类回收交易额同比增长近三倍，贡献了 2024 年服务收入的 8.6%，2023 年同期这一比例为 2.3%。爱回收已经建立起对用户的二手手机 3C、二手奢侈品、黄金、名酒、鞋服等多种品类的标准化一站式服务能力，“爱回收不只收手机”的品牌认知，开始被更多消费者认知到。

In terms of category expansion, we rapidly expanded our multi-category recycling services to 673 AHS stores in 2024. More consumers recognize that AHS Recycle serves diversified needs and categories. Multi-category recycling services grow in our existing stores and basic fulfillment capabilities. This leveled up store performance and contributed incremental operating profits to store operations.

As for the development of multi-category recycling services in 2024, we strengthened our pricing capabilities, reduced in-store service time, and improved price acceptance. In 2024, multi-category recycling services' transaction volume increased nearly threefold year-over-year, contributing 8.6% of total service revenue, up from 2.3% in 2023.

We comprehensively enhanced AHS's standardized one-stop ability to serve users recycling various items including consumer electronics, luxury goods, gold, premium liquor, shoes and clothing. More consumers are now realizing that AHS Recycle offers more than just mobile phone and electronics recycling.

交易平台方面，拍机堂 2024 年的平台服务收入稳健提升。“拍机堂是国内二手手机 3C 货源中心”的定位进一步夯实，平台累计注册商家突破 85 万家；拍机堂还在卖家端的本地新媒体流量扶持、买家端的分层服务和直播供货上做出创新，综合提升了商家生态的活跃度，为 2025 年国补带来的处置量提升打下了良好基础。拍拍 POP 业务向寄卖模式升级，打通商家货源池，为商家提供统一的店铺运营、质检验证、售后客服，综合降低了中小商家在京东平台进行二手零售的成本，全年拍拍寄卖的交易规模同比增长近 6 倍。

On our marketplaces, the service revenue of Paijitang saw a steady increase in 2024. The positioning of "Paijitang as the source center of domestic second-hand smartphones and consumer electronics" was further strengthened, with the number of registered merchant users on the platform exceeding 850,000. Paijitang also made innovations in local new media traffic support for sellers, tiered services for buyers, and live-streaming supply, which generally enhanced the vitality of the merchant ecosystem and laid a solid foundation for the business expansion in 2025 supported by the national subsidy. Paipai POP business was upgraded to the consignment model, which aggregated fragmented sources of supply and provided them with unified store operation, quality inspection, and after-sales customer service. This comprehensively reduced the cost for small and medium-sized business owners who wish to expand their retail business on JD.com. The transaction value of Paipai consignment business increased nearly six times year-on-year.

回顾 2024 年，我们还有一些业务值得一提：第一点，苹果官方以旧换新业务全年收入 10.5 亿元，我们在保障用户体验的同时，通过优化价格和运营策略，在第四季度取得了较好的利润率表现。第二点，海外业务方面，2024 年下半年我们调整了一些亏损的业务线，收入出现阶段性下降。我们相信，二手手机依然是最具有全球流通价值的品类，二手手机的出口和跨区域流转有着重大机会，我们将继续进行创新探索，未来在合适的时机与投资者和分析师更新进展。

Reviewing 2024, certain business segments were in a transition phase as we refined our strategy. Firstly, in our Apple official trade-in business, we adjusted pricing and operational strategy without jeopardizing user experience, realizing an improved profit margin in the fourth quarter. Segment revenue was RMB 1.05 billion in 2024.

Secondly, in terms of our overseas businesses, we closed certain loss-making businesses, resulting in a downsized overseas product revenue. However, we believed that smartphones remain one of the most globally tradeable and valuable categories in the pre-owned market. There is substantial opportunity in the export and cross-regional circulation of pre-owned smartphones, and we will approach this with innovative approaches. We will provide further updates at appropriate times.

展望 2025 年，我们的战略聚焦于三个坚持，即“坚持体验驱动，大力投入 C 端业务；坚持投入爱回收品牌的建设；坚持投入交付能力的建设”。

Looking ahead to 2025, our strategy will focus on three commitments. Commitment to experience-driven growth with further investment in retail business. Commitment to building the AHS Recycle brand. Commitment to strengthening our fulfillment capabilities.

第一点，集中资源坚持投入“C端收，C端卖”的战略。

公司升级了用户体验驱动的机制，设置了集团用户体验委员会，专项研讨并优化用户体验。在回收价格、面对面交易占比、上门即时率、质检后的议价率等多个用户体验指标上持续提升优化。First, we will concentrate resources on direct engagement with consumers at the front of recycling and retailing.

We have upgraded a user experience-driven mechanism and set up a group-level user experience committee dedicated to analyzing and optimizing user experience. Multiple user experience metrics, including recycling prices, the proportion of face-to-face transactions, to-door service punctuality, and post-inspection negotiation rates are steadily optimizing.

四季度至今，在补贴和平台推广的驱动下，我们看到来自京东渠道的以旧换新需求快速增长，这得益于我们此前联合京东共同建设的服务能力和二手供应链能力，双方系统打通协作、运营高效联动，从C端用户收到更多的一手货源。2025年1月20日，国家对手机、平板、智能手表手环等3类数码产品的以旧换新补贴正式线上线下落地，对于促销价在6,000元以下的新机进行15%、上限为500元的消费补贴。春节假期期间，我们的C2B回收业绩实现了70%以上的同比增长，有效服务全国用户的以旧换新换机需求。

Since the fourth quarter of 2024, driven by subsidy rollouts and platform promotions, we have seen rapid growth in trade-in demand from users of JD.com. This is attributed to our joint efforts with JD.com in building a robust secondhand electronics trade-in service capability and supply chain, enabling seamless system integration and efficient operational collaboration. As a result, we have sourced more first-hand supplies directly from individual users.

On January 20th, 2025, the national trade-in subsidies for mobile phones, tablets, and smartwatches were officially launched both online and offline, offering a 15% subsidy, capped at RMB 500, for new devices priced below RMB 6,000. During the Chinese New Year holiday, our C2B recycling business grew by over 70% year-on-year, effectively meeting the trade-in needs of users nationwide.

同时，我们发挥领先行业的供应链能力，进行合规翻新整备，我们拥有知名头部品牌厂商的授权翻新资质，可以使用品牌配件进行增值处置，提升了自营严选零售的可售货源。我们的自营严选零售业务占1P业务的比例，从2023年一季度的17%，稳步提升到2024年四季度的29%，中长期目标是达到50%。同时，我们还通过拍拍寄卖能力拉通更多可售货源，预计在2025年实现拍拍寄卖销售规模的翻倍增长。

Leveraging our industry-leading supply chain capabilities, we conduct compliant refurbishment. With authorization from leading manufacturers, we use genuine parts for value-added processing, enhancing the availability of retail-ready products for our 1P business. 1P to C retail revenue as a percentage of total product revenues, has steadily increased from 17% in the first quarter of 2023 to 29% in the fourth quarter of 2024, and our mid-to-long-term goal of this proportion is 50%. Additionally, by leveraging Paipai's consignment capabilities, we expect to double our offerings and consignment sales in 2025.

第二点，坚持投入爱回收APP和爱回收品牌的建设。

在二手回收领域，爱回收是一个稀缺的优质品牌，目前仍有大量的普通用户还没有体验过回收和以旧换新服务；行业里有大量分散的第三方回收店维修店还没有实现品牌化运营。无论是回收渗透率还是品牌连锁化率，都有巨大的提升空间。

在这样的机会下，我们将延续2024年的品牌能力建设，积极探索新媒体能力，围绕爱回收“国民第一回收品牌”，从抖音和小红书等新媒体渠道进行营销。这也是对我们已有的精准电商和品牌场景的补充。通过以回收服务为主题的新媒体内容，吸引更多用户来到爱回收门店，尝试体验回

收服务；并通过多品类回收和“返航新生”环保特色活动，提升用户使用爱回收 APP 和小程序的频次，体验爱回收的服务能力。

Second, we remain committed to building AHS Recycle app and this brand.

In the pre-owned recycling industry, AHS Recycle is a rare, high-quality brand. However, a significant portion of users has yet to experience recycling or trade-in services, and the industry remains fragmented with many third-party recycling and repair shops lacking brand recognition. This presents huge opportunities to improve both recycling penetration and brand consolidation.

Building on our 2024 brand-building efforts, we will actively explore new media capabilities to position AHS Recycle as the top brand for recycling services in China. We will leverage platforms like Douyin and Xiaohongshu for marketing, complementing our existing precise e-commerce and brand partners' scenarios.

Through production of new media content focused on recycling services, we aim to attract more users to AHS stores to experience our services. Additionally, multi-category recycling and eco-friendly initiatives like the "REVIVE" campaign will encourage users to explore the AHS Recycle app and mini-program, showcasing our service capability.

第三：坚持投入交付能力的建设。

我们在新媒体渠道对爱回收品牌的持续投入，预计将会带动更多线上流量到店，支撑更多门店的扩张。在一、二线城市，叠加的轻资产模式的多品类回收业务快速增长，优化了爱回收门店的盈利模型，也支持我们进行更多的门店开设。在中低线城市，我们支持加盟商新媒体 IP 本地流量建设，提升本地流量，提升门店经营能力，也支持开出更多的加盟门店；在消费者不方便到店的区域，我们加强上门服务能力，以提升服务密度、满足用户面对面交易的需求。

未来三年，我们目标在全国布局 5,000 家门店和 5,000 人的上门团队，以更充分的交付网络，满足用户多样的回收和以旧换新的需求。

Third, we remain committed to enhancing our fulfillment capabilities.

Our continuous marketing efforts for the AHS Recycle brand are expected to drive more online traffic to our physical stores, which drive our store openings.

In first- and second-tier cities, the rapid growth of our asset-light, multi-category recycling business has optimized the profitability model of our stores, supporting the opening of new stores.

In lower-tier cities, we support partners in building local traffic through new media IPs. With greater local traffic, the operational capabilities of our franchisee will be enhanced. Thus, further converting to an expanded franchise network. In areas where in-store visits are less convenient, we are strengthening our to-door service capabilities to increase service density and meet users' demand for face-to-face transactions. Over the next three years, we aim to establish a nationwide network of 5,000 stores and a 5,000-member to-door service team, ensuring a robust fulfillment network to cater to diverse recycling and trade-in needs.

基于以上三点战略聚焦，我们有信心抓住国补带来的供给增长机会，以更广泛的前端交付能力，获取更多一手回收货源，并且通过高效的供应链能力，实现更多比例的 toC 零售。

Based on the three strategic focuses, we are confident in capturing an increase in growth opportunities on the supply side driven by national subsidies. By expanding our fulfillment capabilities, we will secure more first-hand sources of supply, utilize our supply chain capabilities to drive more retail.

我们相信，2025 年对于二手行业和爱回收而言，将是充满机会的一年。

We believe, for the pre-owned industry and AHS Recycle, 2025 is a year full of opportunities.

下面请公司 CFO Rex 解读一下财务情况。

Now I'd like to turn the call over to our CFO Rex for financial updates.

Rex Chen, CFO:

(Speaking Mandarin) 各位投资者和分析师，大家好。2024 年我们取得了出色的业绩表现。在发展核心回收业务和创新业务的同时，我们实现了收入和盈利能力的双重增长。全年总收入同比增长 25.9% 至 163 亿元，全年 Non-GAAP 经营利润同比大幅增长 62.8% 至 4.1 亿元。我们也首次实现了全年 GAAP 口径下的经营利润。这些业绩体现了我们在规模效应建设和推动可持续发展方面取得的成功。

(Translated) Hello, everyone. I'm pleased to announce that we achieved strong financial performance in 2024, driving revenue and profitability growth as we developed our core recycling business and cultivated our innovative business. Total net revenue for the year increased by 25.9% to RMB 16.3 billion. Adjusted operating income grew significantly, rising 62.8% to RMB 410 million, and we are proud to have achieved our first GAAP operating income for the year as well. These results demonstrate our success in building out our economies of scale and delivering on our mission of driving sustainable development.

在解读财务数据之前，请注意，除非另有说明，所有金额均以人民币为单位，所有增速数据均为同比。

Before taking a detailed look at the financials of the fourth quarter of 2024, please note that all amounts are in RMB and all comparisons are on a year-over-year basis unless otherwise stated.

第四季度，集团总收入增长 25.2% 至 48.49 亿元，主要得益于产品收入持续稳健增长。产品收入增长 26.6% 至 44.61 亿元，主要得益于公司回收规模的增长，以及线上渠道二手消费电子产品销售的增长。

全年产品收入 148.4 亿元，同比增长 27.3%。

In the fourth quarter, total revenues increased by 25.2% to RMB 4,849 million, primarily driven by ongoing growth in our net product revenues. Net product revenues increased by 26.6% to RMB 4,461 million, primarily due to the growth in our recycling scale and the sales of pre-owned consumer electronics through our online channels.

Net product revenue for the full year reached RMB 14.84 billion, representing a year-on-year increase of 27.3%.

第四季度，服务收入为 3.89 亿元，增长 10.7%，主要得益于拍机堂平台产生服务收入和多品类回收业务的增加。我们的平台服务收入随交易规模的增加而同步增长，四季度的平台综合收费率为 5.36%。期间，多品类回收业务贡献超过 4,000 万元的服务收入，超过集团季度服务收入的 10%，相比 2023 年第四季度的 5.5% 大幅提升。

全年服务收入 14.8 亿元，同比增长 13.5%，综合服务收费率为 5.35%。全年多品类回收业务贡献 1.3 亿元服务收入，同比增长 3 倍，贡献服务收入的 8.6%，2023 年这一比例为 2.3%。

Net service revenues were RMB 389 million in the fourth quarter, representing an increase of 10.7%. The increase was primarily due to an increase in the service revenue generated from PJT Marketplace and multi-category recycling businesses. The growth in service revenues went along with the upward trend in our marketplaces' overall gross transaction value, delivering an overall marketplace take rate of 5.36% in the fourth quarter of 2024. During the quarter, our multi-category recycling businesses contributed over RMB 40 million to service revenues, representing over 10% of service revenues, a significant increase from 5.5% in the same period of 2023.

Net service revenue for the full year reached RMB 1.48 billion, representing a 13.5% year-on-year increase with an overall take rate of 5.35%. Of which, our multi-category recycling business contributed RMB 130 million, representing a three-fold increase year-on-year. This accounted for 8.6% of total service revenues in 2024, compared to 2.3% in 2023.

在运营费用方面，我们主要讨论 non-GAAP 口径的费用分析，以展示管理团队视角的费用趋势。关于 GAAP 和 non-GAAP 口径之间的调整，请参考我们的财务报告与呈交给美国证券交易委员会的 6-K 表格。

Now, let's discuss our operating expenses. To provide greater clarity on the trends in our actual operating-based expenses, we will mainly discuss our non-GAAP operating expenses, which better reflect how management views our results of operations. The reconciliations of GAAP and non-GAAP results are available in our earnings release and the corresponding Form 6-K furnished with the U.S. SEC.

第四季度商品成本增加 24.0%至 39.05 亿元，与产品销售的增长一致。我们 1P 业务的毛利率为 12.5%，出现企稳回升的趋势，上年同期为 10.6%。1P 毛利率的改善，主要得益于我们发挥端到端完整产业链的能力优势，以及合规翻新的整备能力，实现更多毛利较高的 toC 零售。我们在同期优化了苹果官方以旧换新的业务表现，在四季度实现了收入规模和毛利率的同步提升。

全年商品成本 130.9 亿元，同比增长 26.6%。全年 1P 毛利率为 11.8%，上年为 11.3%

In the fourth quarter of 2024, merchandise costs increased by 24.0% to RMB 3,905 million, in line with the growth in product sales. Gross profit margin for our 1P business was 12.5%, showing a trend of stabilization and recovery, compared with 10.6% in the same period last year. The improvement of gross margin in 1P business was mainly driven by our end-to-end supply chain strengths and refurbishment capabilities, contributing to higher-margin DTC sales. We also optimized the performance of Apple's official trade-in program, driving both revenue growth and margin expansion in the fourth quarter. Merchandise costs for the full year increased by 26.6% to RMB 13.09 billion, with a 1P gross margin of 11.8%, compared to 11.3% in 2023.

第四季度履约费用增长 31.8%至 3.97 亿元。Non-GAAP 履约费用增长 32.7%至 3.92 亿元。Non-GAAP 履约费用增长的主要原因有：1) 与 2023 年同期相比，回收和交易量的增加，导致人力和物流费用增加；2) 由于集团在 2024 年第四季度拓展了线下交付网络和运营中心产能，运营费用相应增长。Non-GAAP 履约费用率从 7.6%上升至 8.1%。

全年 non-GAAP 履约费用为 13.6 亿元，同比增长 23.7%。全年 non-GAAP 履约费用率为 8.3%，上年为 8.5%

In the fourth quarter of 2024, fulfillment expenses increased by 31.8% to RMB 397 million. Non-GAAP fulfillment expenses increased by 32.7% to RMB 392 million. Under the non-GAAP measures, the increase was primarily due to an increase in personnel costs and logistics expenses as we conducted more recycling and transaction activities compared with the same period of 2023, and an increase in operation related expenses as we expanded our recycling fulfillment network and operation center capacity in the fourth quarter of 2024. Non-GAAP fulfillment expenses as a percentage of total revenues increased to 8.1% from 7.6%.

Non-GAAP fulfillment expenses for the full year increased by 23.7% to RMB 1.36 billion, while the non-GAAP fulfillment expenses as a percentage of total revenues decreased to 8.3% from 8.5%.

第四季度销售费用增加 18.7%至 3.76 亿元。non-GAAP 销售费用增加 30.0%至 3.21 亿元，主要因为广告和促销活动相关的费用增加，以及与渠道服务相关的佣金费用的增加。non-GAAP 销售费用率从 6.4%小幅上升至 6.6%。

全年 non-GAAP 销售费用为 10.9 亿元，同比增长 14.8%。全年 non-GAAP 销售费用率为 6.6%，上年为 7.3%

In the fourth quarter of 2024, selling and marketing expenses increased by 18.7% to RMB 376 million. Non-GAAP selling and marketing expenses increased by 30.0% to RMB 321 million, primarily due to an increase in advertising expenses and promotional campaign-related expenses, and an increase in commission expenses in relation to channel service fees. Non-GAAP selling and marketing expenses as a percentage of total revenues increased slightly to 6.6% from 6.4%.

Non-GAAP selling and marketing expenses for the full year increased by 14.8% to RMB 1.09 billion, while non-GAAP selling and marketing expenses as a percentage of total revenues decreased to 6.6% from 7.3%.

第四季度管理费用增长 46.5%至 9,100 万元。non-GAAP 管理费用增长 71.1%至 7,700 万元，主要是由于人员成本增加。non-GAAP 管理费用率从 1.2%上升至 1.6%。

全年 non-GAAP 管理费用为 2.5 亿元，同比增长 28.2%。全年 non-GAAP 管理费用率为 1.5%，同比持平。

In the fourth quarter of 2024, general and administrative expenses increased by 46.5% to RMB 91 million. Non-GAAP G&A expenses increased by 71.1% to RMB 77 million, primarily due to an increase in personnel cost. Non-GAAP G&A expenses as a percentage of total revenues increased to 1.6% from 1.2%.

Non-GAAP G&A expenses increased by 28.2% to RMB 250 million, while Non-GAAP G&A expenses as a percentage of total revenues remained flat year-on-year at 1.5%.

第四季度研发费用减少 10.7%至 5,700 万元。non-GAAP 研发费用减少 9.3%至 5,290 万元，主要是由于人力成本降低。non-GAAP 研发费用率从 1.5%下降至 1.1%。

全年 non-GAAP 研发费用为 1.9 亿元，同比增长 10.7%。全年 non-GAAP 研发费用率为 1.2%，上年为 1.3%

In the fourth quarter of 2024, technology and content expenses decreased by 10.7% to RMB 57 million. Non-GAAP technology and content expenses decreased by 9.2% to RMB 53 million. The decrease was primarily due to a decrease in personnel costs. Non-GAAP technology and content expenses as a percentage of total revenues decreased to 1.1% from 1.5%.

Non-GAAP technology and content expenses for the full year increased by 10.7% to RMB 190 million, while non-GAAP technology and content expenses as a percentage of total revenues decreased to 1.2% from 1.3%.

利润层面，第四季度的 non-GAAP 经营利润为 1.31 亿元，同比增长 61%。non-GAAP 经营利润率为 2.7%，上年同期为 2.1%。全年 non-GAAP 经营利润为 4.1 亿元，同比增长 62.8%。全年 non-GAAP 经营利润为 2.5%，而上年为 1.9%

As a result, our non-GAAP operating income was RMB 131 million in the fourth quarter of 2024, representing an increase of 61% year-on-year. Non-GAAP operating profit margin was 2.7%, compared to 2.1% in the fourth quarter of 2023.

Our non-GAAP operating profit for the full year reached RMB 410 million, increasing meaningfully by 62.8%. Non-GAAP operating profit margin in 2024 was 2.5% compared to 1.9% in 2023.

在股东回报方面，我们持续推进回购，现行的回购计划允许我们在 2025 年 6 月 27 日及之前，使用不超过 5,000 万美元做回购。在 2024 年第四季度，我们使用了 580 万美元回购了近 210 万股 ADS。截至 2024 年 12 月 31 日，我们在此回购计划下已经将 2,590 万美元回馈给股东，共计回购约 1,030 万股 ADS。

In terms of shareholder returns, we continue to push forward with repurchases, and our current repurchase program allows us to repurchase up to USD 50 million of our ADSs through June 27, 2025. In the fourth quarter of 2024, we used USD 5.8 million to repurchase approximately 2.1 million ADSs. As of December 31, 2024, we have returned USD 25.9 million to our shareholders for a total of 10.3 million ADSs.

截至 2024 年 12 月 31 日，现金及现金等价物、受限资金、短期投资以及第三方支付平台应收账款合计 29 亿元，公司的资金储备充足，支持对业务发展的再投入和股东回报。

As of December 31, 2024, cash and cash equivalents, restricted cash, short-term investments, and funds receivable from third-party payment service providers totaled RMB 2.9 billion. The Company's financial reserves are sufficient to support reinvestment in business development and shareholder returns.

关于 2025 年第一季度的指引，我们预计总收入将在 45.5 亿元至 46.5 亿元，对应同比增长 24.6% 至 27.4%。补充说明，由于我们在 2023 年下半年首次启动了苹果官方以旧换新业务，并优先发展业务规模，该业务在 2024 年第一季度产生高基数的产品收入，而 2025 年第一季度公司调整了经营策略，预估该业务的规模下降但运营利润率为正。此外，2024 年以来，我们对海外一些亏损的业务进行缩量调整。这两点因素已考虑进 2025 年第一季度的收入指引中。以上指引仅反映当前我们对市场和运营状况的初步看法，预期有可能变化。

Now turning to the business outlook. For the first quarter of 2025, we anticipate total revenues to be between RMB 4,550 million and RMB 4,650 million, representing a year-over-year increase of 24.6% to 27.4%. Notably, the first quarter of 2024 marked a high base of product revenue for Apple Trade-in business. In the first quarter of this year, the Company adjusted its operational strategy and estimated that the scale of this business would decrease but the operating profit margin could turn positive. In addition, we downsized some overseas businesses with negative margins. These two factors have been taken into account in the outlook for the first quarter of 2025. Please note that this forecast only reflects our current and preliminary views on the market and operational conditions, which are subject to change.

以上是我们的业绩重点分享，欢迎各位提问交流。

This concludes our prepared remarks. Operator, we are now ready to take questions.

Questions and Answers

Operator: We will now begin the question-and-answer session. (Operator Instructions). The first question we have is Joyce Ju from Bank of America.

Joyce Ju: (Speaking Mandarin) 感谢接受我的提问。今年国补带来强劲的换机趋势，请问管理层计划如何抓住 2025 年的发展机会？国补手机 3C 带来的刺激因素如何量化？可否为 2025 年的整体增速提供一些方向性的指引？

Management, thank you for taking my question. Could you share your plans to capture growth opportunities in 2025 on the back of nationwide consumer electronics trade-in subsidy? Can you help us quantify the add-ons from this year's subsidy? What's the outlook for the growth rate of your topline in 2025?

Kerry Chen: (Speaking Mandarin) 谢谢。我们认为，中国的二手电子产品交易与服务市场仍有巨大的开发空间。从行业上游的新机市场来看，2024 年新机销售市场回暖，全年中国智能手机新机出货量同比增长近 6% 至 2.9 亿台，主要得益于换机需求的逐步释放和消费政策刺激的推动。第三方机构 IDC 报告也显示，二手智能手机回收交易行业每年继续保持着双位数的增长。

(Translated) Thank you for your question. We believe China's pre-owned electronics market has significant untapped potential. Looking upstream, new smartphone shipments in China rebounded in 2024 by nearly 6% year-over-year to 290 million units. This was driven by a steady increase in replacement demand and supportive consumption policies. Meanwhile, according to IDC research, China's pre-owned smartphone recycling and transaction industry has sustained a double-digit growth.

我们认为，国补对于手机回收业务的推动是确定的，爱回收将凭借其行业独特的地位和领先的回收端能力，努力抓住机会，实现主流场景的回收渗透率的提升。2025 年，国家发布了手机、平板、智能手表的以旧换新消费补贴。得益于我们前端的回收服务能力、定价能力、以及提前布局的系统级对接能力，我们今年年初以来实现了 C2B 回收的显著增量。

The national trade-in subsidies are inevitably a growth engine for our recycling business. By leveraging our unique industry position and front-end capabilities, we will strive to seize opportunities and increase our penetration rates in core scenarios. As China deploys national subsidies to mobile phones, tablets, and smartwatches in 2025, we witnessed a significant increase in C2B recycling volume in January and February, thanks to our front-end fulfillment, pricing, and system capabilities.

我们还将通过发挥合规翻新整备能力，及以拍机堂为核心的高效率周转能力，促进更多二手 3C 商品有效率和有利润的流通。通过爱回收严选门店和官网的零售能力，服务全国消费者对严选二手手机的购买需求。在爱回收能力侧，一方面通过多品类回收服务增加用户触达，另一方面开设更多门店并提供上门团队服务能力，在保持回收额提升的同时，通过加强商品结构化数据和报价能力，逐步提升各个品类的货币化率。综合以上，目标集团收入增速在 2025 年预计实现超过 2024 年的加速增长。

We aim to further deploy our compliant refurbishment capabilities and high turnover capabilities of PJT Marketplace. This is to drive more efficient and profitable circulation of pre-owned consumer electronic products. Through AHS stores and official website, we are meeting the growing consumer demand for high-quality pre-owned products nationwide. On our recycling service capabilities, we expand our user reach by offering a broader array of product service capabilities, in addition to more stores and larger to-door service teams. We deliver upward recycling results and take rates for product categories, while further establishing our product catalog and pricing capability. As a result, we aim at an accelerated growth of the topline in 2025.

具体看路径，为承接更广范围的以旧换新业务量，我们计划在 2025 年加速开店，加速建设上门团队，目标年内新增 800 间爱回收门店，新增 1,000 名上门服务员工，基本实现全国范围内的“当面回收、当场放款”的履约网络，进一步提升用户体验，提升用户的需求转化。同时，我们计划适当加大对爱回收品牌的投入，于抖音和小红书等新媒体平台发布更多生动的爱回收品牌与回收服务内容，巩固爱回收的国民第一回收品牌的用户心智，牵引更多用户到店或线上下单。我们认为，二手行业在 2025 年趋势向好，我们应通过合理的品牌力和交付力的建设，为长期的业务发展做准备；中长期看，集团会得益于行业龙头的地位与规模效应，逐步释放经营利润。

On tactics, we plan to speed up store openings and expanding our to-door service team, by net adding 800 stores and 1,000 to-door staff in 2025. This advances our national face-to-face fulfillment network that provides instant recycling and cashback services. We convert more customers with such a unique

user experience. We'll also boost brand investment by amplifying AHS's presence on new media platforms like Douyin and Xiaohongshu, reinforcing AHS Recycle's position as the top-of-mind brand name for recycling services and attracting more users to our offline and online touchpoints. Given the bright growth outlook for the pre-owned market, we should value rational investment into brand awareness and fulfillment capabilities in preparation for long-term development. In the mid- to long-term, our industry leadership and economies of scale will gradually deliver sustained profitability.

Operator: (Operator Instructions). The next question we have is Jiao Wan from CICC.

Jiao Wan: (Speaking Mandarin): 我们知道公司过去几年推进自动化质检运营，取得了不错的降本效果，不知道公司对近期 DeepSeek 等 AI 模型方面有关关注吗？公司是否有通过 AI 进行业务优化的打算？

We know the company has made great progress in reducing costs through automated quality inspection and operations in recent years. Does the company pay attention to recent AI models like DeepSeek and have a plan to optimize your business with AI?

Kerry Chen: (Speaking Mandarin) 感谢提问。爱回收是一家场景驱动的产业互联网公司，通过自营回收和平台业务实现规模效应、提升运营的标准化程度，积累了大量的内部专有知识。我们此前已经在部分业务场景中开展了 AI 技术的应用，例如我们在东莞和常州的自动化质检运营中心，广泛运用了 AI 图像识别等能力，实现了商品外观项与内部质检属性项的自动判定，提升了质检准确度、降低了质检运营成本和人工带来的差错率。

(Translated) ATRenew is a scenario-driven industry Internet company. It achieves scale effects and enhances the standardization of operations through its own recycling and platform businesses, accumulating enormous know-how. We have AI applications in some business scenarios. For example, in our automated quality inspection centers in Dongguan and Changzhou, we have extensively deployed AI image recognition to automatically determine the appearance and inspect mainboards and components, improving inspection accuracy, reducing costs of quality inspection, and reducing manual inspection errors.

当前，我们的一些业务环节仍然倚赖人工，通过 AI 实现效率提升的空间非常可观。我们从去年四季度开始，积极拥抱前沿趋势，通过一些开源大模型的部署应用，初步实现了一些行业应用创新。例如爱回收全国门店的合规巡检效率的提升、爱回收运营中心员工的数字人技能培训、总部办公室更低代码的软件开发流程、更加智能好用的内部知识库等，团队间的协作效率也因此提升；在今年，我们还将进一步在更多部门、更多业务环节部署 AI 应用，重点围绕智能客服、智能质检、智能定价来发展“AI+循环经济”的创新应用，以实现更多回收场景和业务流程下的降本增效，为客户带来更多价值。

At present, some of our business procedures need human operation. And there is considerable room for efficiency improvement through AI. Since the fourth quarter of last year, we have actively embraced the cutting-edge trend and achieved some initial industry application innovations through the deployment of some open-source large language models. For example, the efficiency improvement of compliance check of our store operations, digital operational trainings at operation centers, coding for back-office related requirements, internal knowledge database, etc.

This year, we will further deploy AI applications in more departments and business scenarios, focusing on the development of "AI + circular economy" innovative applications in the fields of intelligent

customer service, intelligent quality inspection, and intelligent pricing, to achieve cost reduction and efficiency improvement in more recycling scenarios and business processes, and bring more value to customers.

此外，我们预期 AI 大语言模型将更广泛地登上手机终端以及新形式的终端，并出现更多的智能硬件的迭代和升级。爱回收专注个人和家庭消费级电子产品市场，我们认为长期看这是属于爱回收的重大业务机会。

In addition, we expect that AI will be more widely deployed on mobiles and PC terminals, leading to the renewal of AI hardware. Given we focus on personal and household electronic products, we believe this presents a significant long-term business opportunity for us.

Operator: (Operator Instructions). The next question we have is from Michael Kim from Zacks.

Michael Kim: Can you provide your updated thinking on capital management priorities, particularly as it relates to reinvesting for growth vs. returning capital to shareholders via stock buybacks?

(Chinese translation for clarity)可以请管理层更新下对资金使用的规划吗？有哪些优先事项？尤其是对再投入于业务的增长，和通过回购进行股东回报，管理层现在有哪些考量？

Rex Chen: (Speaking Mandarin)我来回答这个问题。如此前环节的分享，我们对二手回收行业未来 3-5 年的增长保持乐观，因此我们将“重回加速增长轨道”设定为 2025 年的内部业绩目标。因此，我们在加强前端用户的服务能力，与爱回收品牌的用户心智建设两方面，会匹配业务规模进行一些 opex 的再投入。我们在过去 1-2 年重点发展的新兴业务，如多品类回收、合规翻新、苹果官方以旧换新等，已经验证了健康增长和盈利能力，基本不需要额外追加投入。

(Translated) I'll address this question. As mentioned earlier, we remain optimistic about the growth of the second-hand recycling industry over the next three to five years. Therefore, we have set re-acceleration as our internal target for 2025. Consequently, we will make some opex reinvestments in line with the business scale to enhance the service capabilities on the front end for users and to build the user perception of AHS Recycle's brand name. The emerging businesses that we have focused on developing over the past 1 to 2 years, such as multi-category recycling, compliant refurbishing, and Apple's official trade-in program, have already demonstrated healthy growth and profitability, and thus basically require no additional investment.

我们的业务整体上是一个重运营、轻资产的模型。我们 2025 年的增量门店和交付能力投入，将采用轻重结合的方式；我们的华南运营中心的调整升级也在近期基本完成，因此 2025 年不会有太多额外的 capex 投入。我们希望将 non-GAAP 运营利润率保持在一个健康的水平，支持业务再投入与股东回报。

Our business model is generally asset-light but operation-intensive. We will adopt a balanced approach when expanding our store network and fulfillment capabilities in 2025. The adjustment and upgrade of our South China operation center is complete, so there will not be too much additional capex in 2025. We aim to maintain a healthy non-GAAP operating profit margin to support business reinvestment and shareholder returns.

2025 年，我们将继续执行现有的回购计划，这体现了我们对公司业务的信心；在行业机会增加的时候，我们也将平衡将更多资金投入业务实现增长的策略，从而长期提升股东回报。本次回购计划有效期至 2025 年 6 月底，在到期之前我们会再在董事会层面积极地沟通，争取延期。

We are confident in our business outlook and will further execute on our current repurchase plan. We will also balance the use of cash and invest more when industry opportunities grow. The ultimate goal is to increase long-term shareholder returns. The repurchase program is valid until the end of June 2025. We will continue to actively engage with our board of directors during the interim for extension.

Operator:

As there are no further questions at this time, I'd like to hand the conference back to management for closing remarks.

Jeremy Ji, IRD:

Thank you all again for joining us. A replay of today's call will be available on our IR website shortly, followed by a transcript when ready. If you have any additional questions, please feel free to email us at ir@atrenew.com. Have a good day.

Operator:

This conference is now concluded. Thank you for attending today's presentation. You may now disconnect.