

万物新生  
A T R E N E W

# 2Q24 INVESTOR PRESENTATION

August 2024



爱回收  
AHS Recycle

拍机堂  
PJT Marketplace

拍拍  
Paipai Marketplace

AHS DEVICE

# Safe Harbor

## Forward-looking Statements

This presentation has been prepared by ATRenew Inc. (the “Company”) solely for informational purposes. This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect the Company’s current expectations and projections with respect to, among other things, our financial condition, results of operations, plans, objectives, future performance, and business. These statements may be preceded by, followed by or include the words “aim,” “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “likely,” “outlook,” “plan,” “potential,” “project,” “projection,” “seek,” “can,” “could,” “may,” “should,” “would,” “will,” the negatives thereof and other words and terms of similar meaning. Forward-looking statements include all statements that are not historical facts. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Among these factors are risks related to the “Risk Factors” identified in the Company’s F-1 filing with the U.S. SEC. There is no assurance that any forward-looking statements will materialize. You are cautioned not to place undue reliance on forward-looking statements, which reflect expectations only as of this date. The Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise.

## Market and Industry Data

This presentation includes information concerning economic conditions, the Company’s industry, the Company’s markets and the Company’s competitive position that is based on a variety of sources, including information from independent industry analysts and publications, as well as the Company’s own estimates and research. The Company’s estimates are derived from publicly available information released by third party sources, as well as data from its internal research, and are based on such data and the Company’s knowledge of its industry, which the Company believes to be reasonable. The independent industry publications used in this presentation were not prepared on the Company’s behalf. While the Company is not aware of any misstatements regarding any information in this presentation, forecasts, assumptions, expectations, beliefs, estimates and projects involve risk and uncertainties and are subject to change based on various factors.

## Use of Non-GAAP Measures

This presentation includes certain non-GAAP financial measures when evaluating the Company’s business operations. For details of the use of non-GAAP measures, please refer to “Reconciliations of GAAP and Non-GAAP Results” in the Company’s earnings release and the corresponding Form 6-K furnished with the U.S. SEC.

# Three Steps to Our Long-term Mission of Consumer Goods Recycle and Reuse



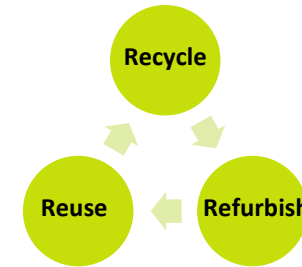
**Foundation · Continued growth of electronics business**

The largest pre-owned consumer electronics transactions and services platform in China<sup>1</sup>



**Breakthrough · A national brand for recycling**

Increase consumer awareness for recycle and reuse of existing and new categories via 1,516 offline stores<sup>2</sup>



**Mission · To give a second life to all idle goods**

Maximize the value of products and resources

# ATRenew Inc. Second Quarter 2024 Highlights

RMB millions	2Q23	2Q24	YoY
<b>Total net revenues</b>	<b>2,963.7</b>	<b>3,776.7</b>	<b>+27.4%</b>
Product revenues	2,636.7	3,401.8	+29.0%
Service revenues	327.0	374.9	+14.6%
<b>Non-GAAP income from operations <sup>(1)</sup></b>	<b>52.0</b>	<b>94.1</b>	<b>+81.0%</b>
Non-GAAP op margin %	1.8%	2.5%	+70bps
<b>Cash and cash equivalents, restricted cash, short-term investments, and funds receivable from third-party payment service providers <sup>(2)</sup></b>			<b>2,768.7</b>
# of AHS stores <sup>(3)</sup>			Self-operated: 730 Joint-operated: 585 (standard) and 201 (shop-in-shop)

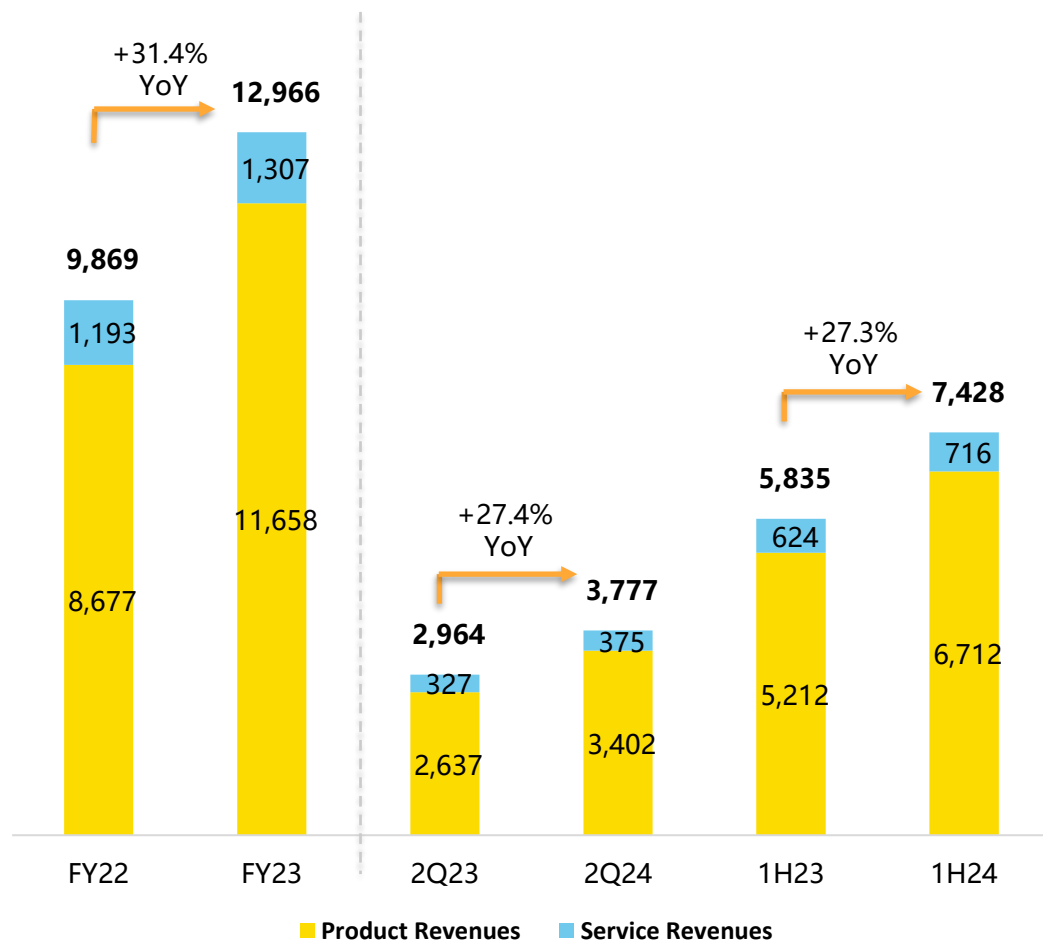
Notes:

- (1) Under non-GAAP measures, the impact of share-based compensation expenses, amortization of intangible assets and deferred cost resulting from assets and business acquisitions, and impairment loss of goodwill and intangible assets is excluded;
- (2) As of June 30, 2024;
- (3) As of June 30, 2024; In 4Q23 and 1Q24, some of the "shop-in-shop" jointly operated stores were closed while the franchisees switched to PJT solutions empowered by our DeviceHero toolkit.

# New Profitability Milestones on Topline Beats

## Net Revenues

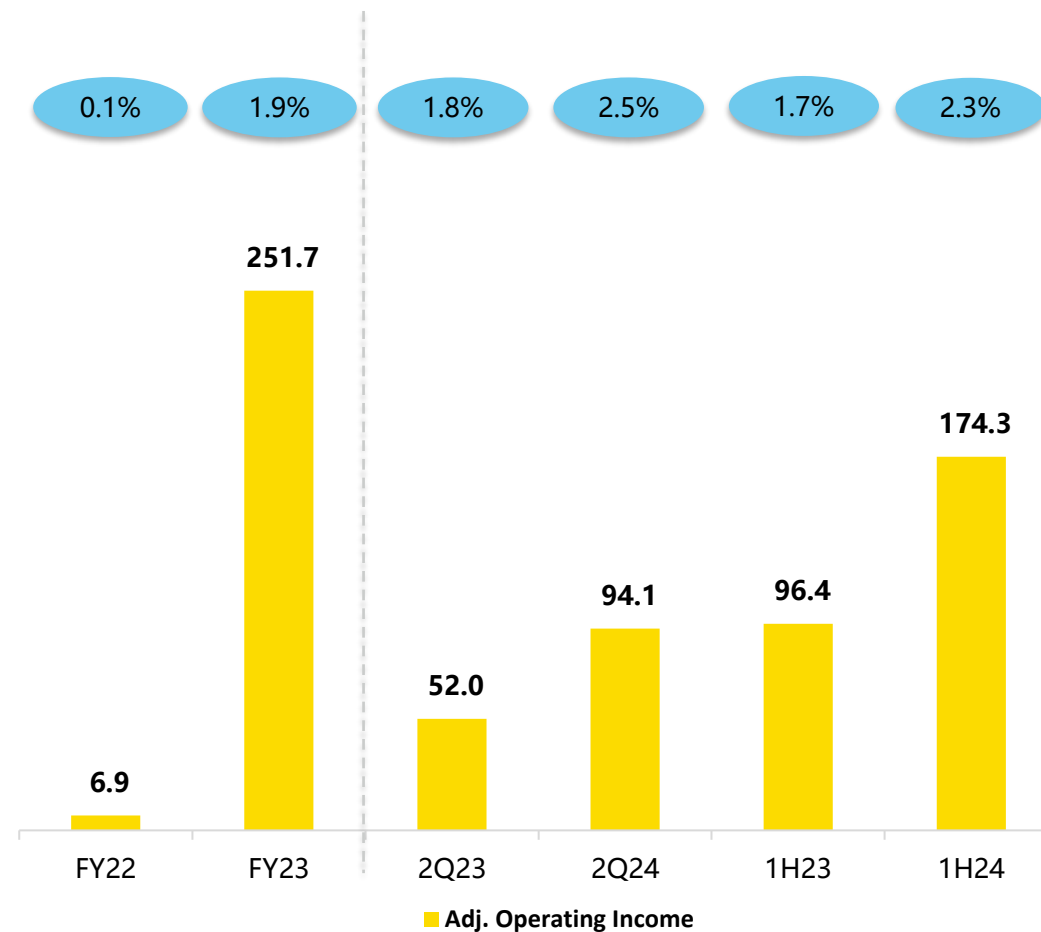
(RMB million)



## Adjusted Income from Operations

(RMB million)

Adj. OpM %

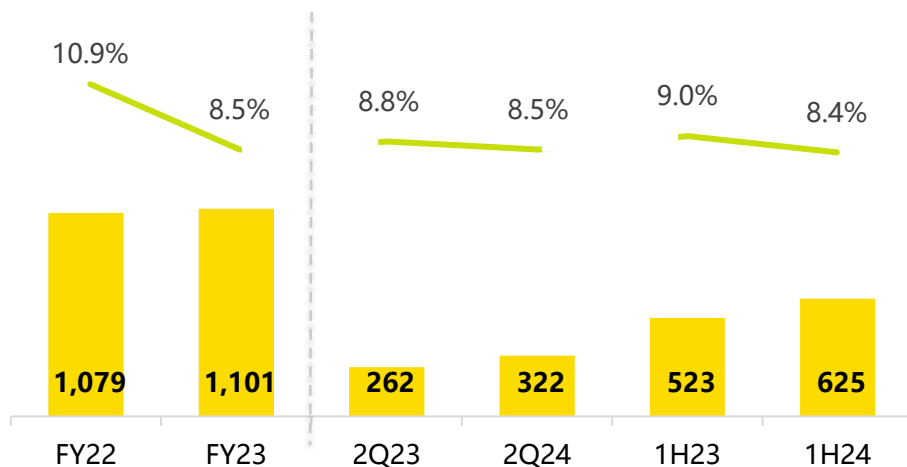


# Snapshot of Non-GAAP Operating Expenses

## Fulfillment Expenses

(RMB million)

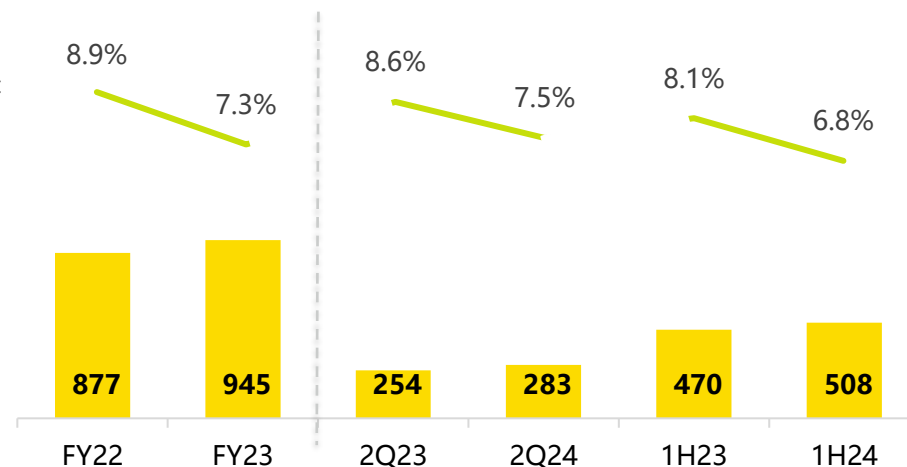
As % of total net revenues



## Selling and Marketing Expenses

(RMB million)

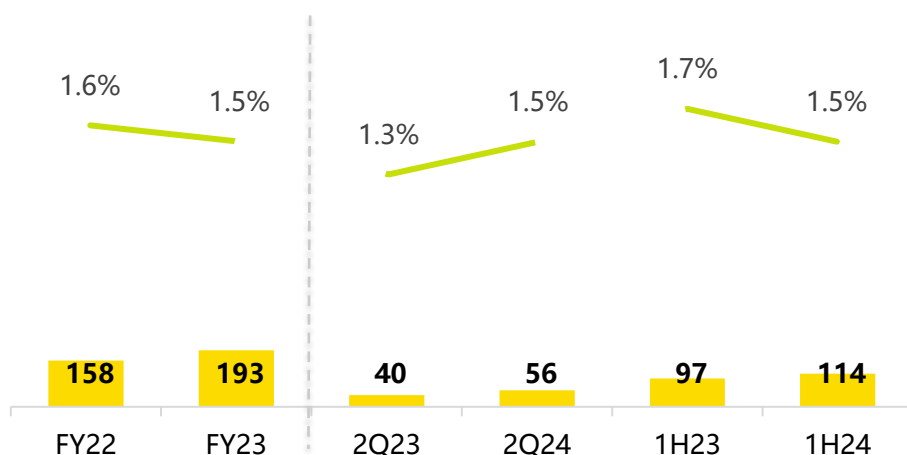
As % of total net revenues



## General and Administrative Expenses

(RMB million)

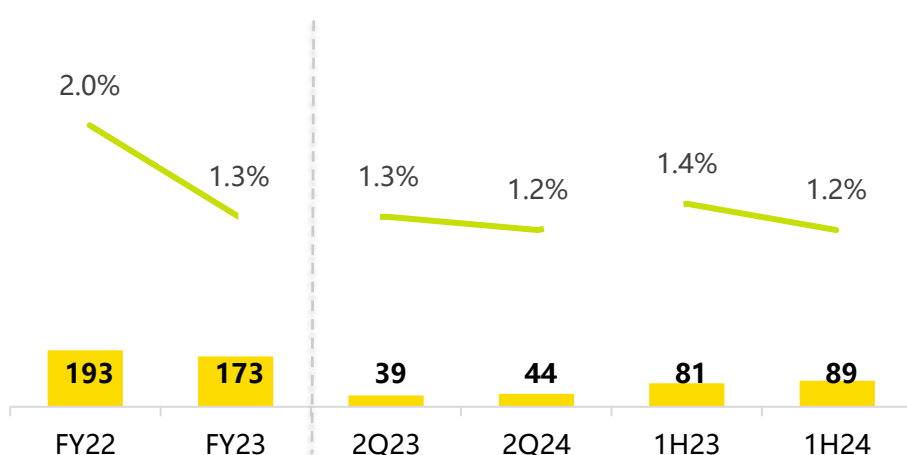
As % of total net revenues



## Technology and Content Expenses

(RMB million)

As % of total net revenues

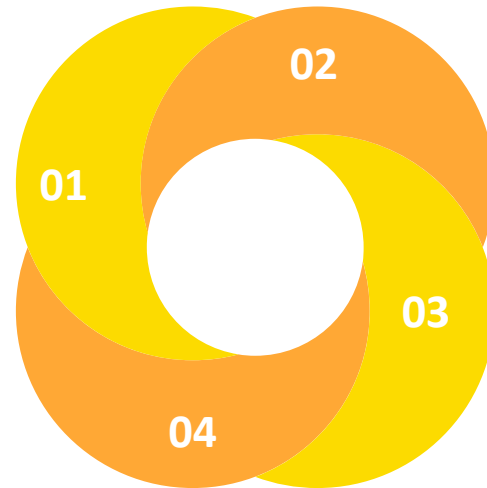


# Our Strategy: Embracing Quality and Service Diversity to Enhance Profitability



## Precise traffic conversion

- Improve penetration rate of traffic directed from JD.com
- Work closely with brand partners, including Apple's trade-in program, as supply chain solutions provider – this segment turned a profit in 2Q24 for the first time since its launch in June 2023
- Further explore high-quality scenarios against the backdrop of China's massive consumer product trade-in



## Embrace more in-store recycling categories

- Enable customers to sell luxury goods, gold, jewelry, and premium liquor for cash hassle-free
- The asset-light business model minimizes capital requirements and eliminates inventory risk
- Attract repurchases and improve store unit economics
- 450 AHS stores were equipped with new category recycling capabilities as of June 30, 2024, and GMV for recycling used goods of new categories exceeded RMB1.5 bn in 1H24



## Retailing refurbished devices

- People's Procuratorate of Shenzhen first issued guidelines for compliant refurbishment in April 2022
- Widen margin as we prioritize ample direct-to-consumer distribution through compliant refurbishment
- Refurbished device sales exceeded RMB580 mn in 1H24



## Improve cost efficiency with tech

- Leverage proprietary automated inspection technologies for higher inspection accuracy
- Economy of scale continues to minimize fulfillment expenses per order
- Non-GAAP fulfillment expenses as a percentage of total revenues continued to decline, being 12.9%/10.9%/8.5% in FY21/FY22/FY23

# Appendix

- Investment Highlights
- Market Overview
- Offerings and Capabilities



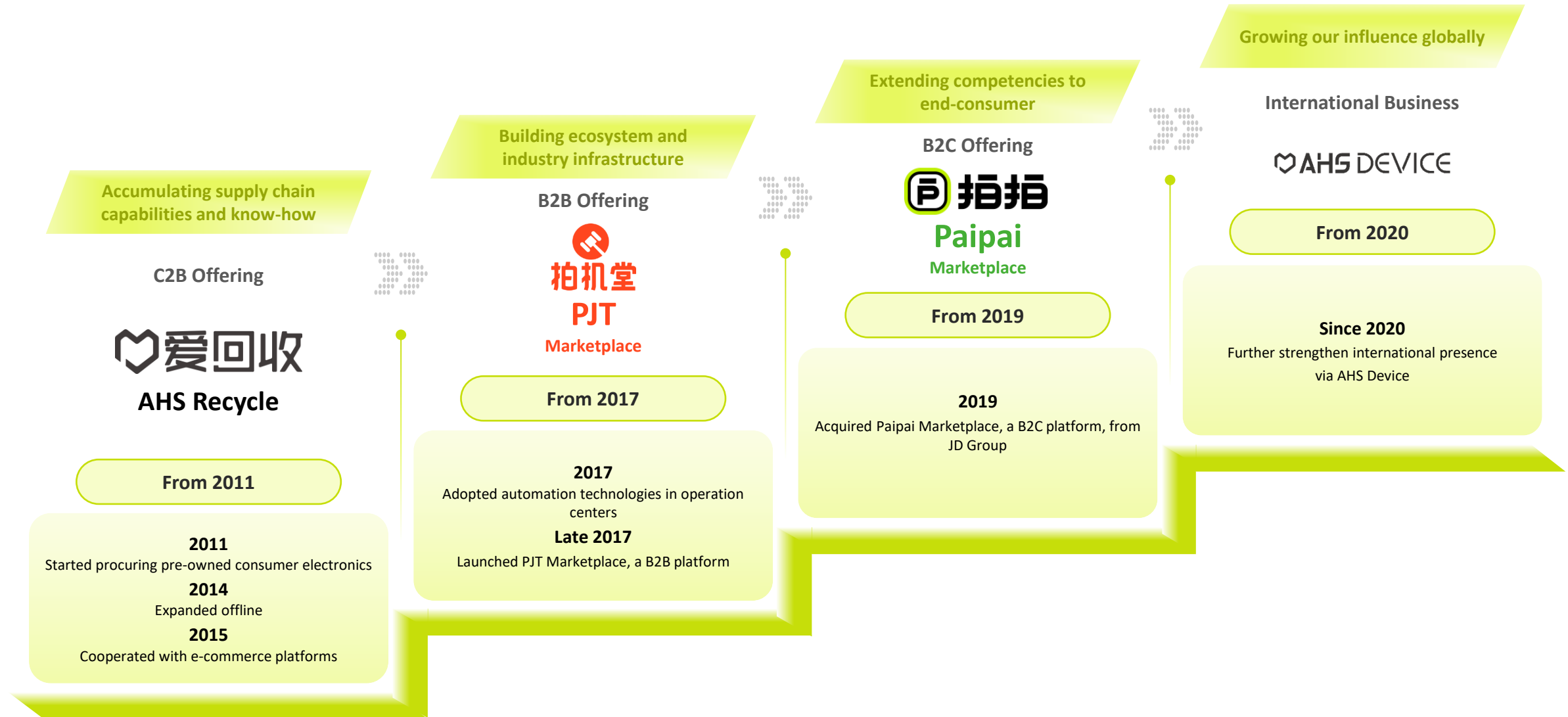


# Key Investment Highlights



# Our Evolution

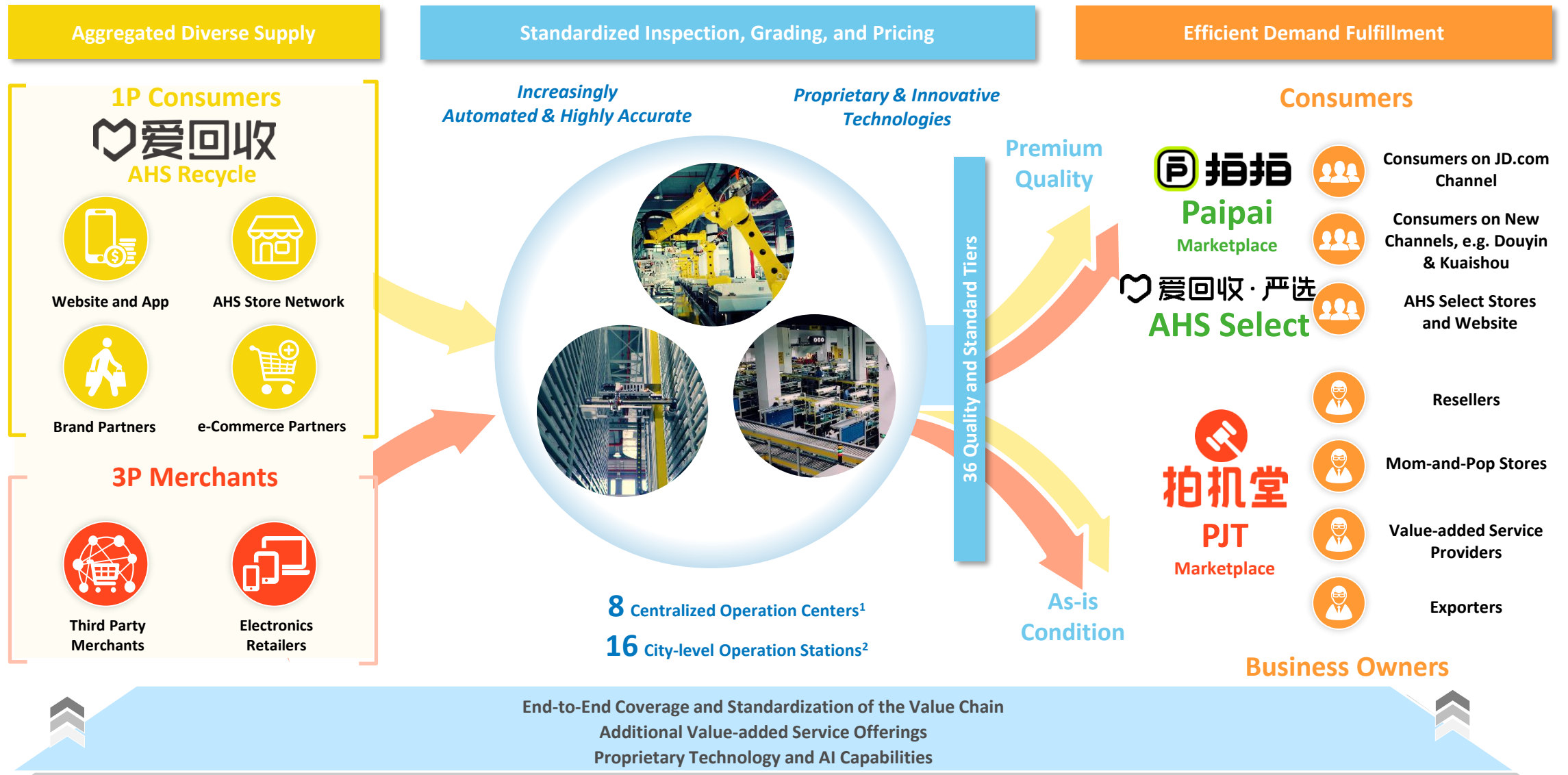
On June 18, 2021, ATRenew became a publicly traded company, listing on the New York Stock Exchange under the symbol 'RERE.'



# ATRenew as a Tech-driven Market Disruptor and Reformer



# We Built the Circulation Ecosystem for Pre-owned Devices in China



# Our Scale and Capabilities Define Industry Standards

## Nationwide coverage of industry participants



**Online Recycling:** Multiple online **consumer touchpoints** for trade-in



**Offline Presence:** **1,516** stores in **260** cities in China<sup>1</sup>



**Extended Reach:** **~728,000** merchants registered as buyers or sellers on PJT Marketplace<sup>2</sup>



**LTM transaction volume:** **33.5** million consumer products transacted over the last twelve months<sup>3</sup>



Empower the industry with widely recognized standards for used electronics transactions.  
Accumulate structured database for new categories.

## Pioneer in developing used electronics industry standards



**Inspection**  
38 Criteria to be inspected automatically



**Grading**  
36 grading tiers set for each device model and used for bidding



**Pricing**  
Based on millions of bids and transactions



**Security**  
Data erasure conducted at storefront and facilities

# Proprietary Testing, Grading, and Pricing Technologies

Our State-of-the-art Operation Centers



## Wide-ranging Coverage in China



**8** centralized operation centers<sup>1</sup>

- Changzhou (automated)
- Dongguan (automated)
- Wuhan
- Chengdu
- Tianjin
- Xi'an
- Shenyang
- Hong Kong



**16** city-level operation stations<sup>2</sup>



## Streamlined Process and High Precision Improve Non-GAAP Fulfillment Cost Efficiency



Enhance Efficiency of Business Operation



Improve Service Accessibility



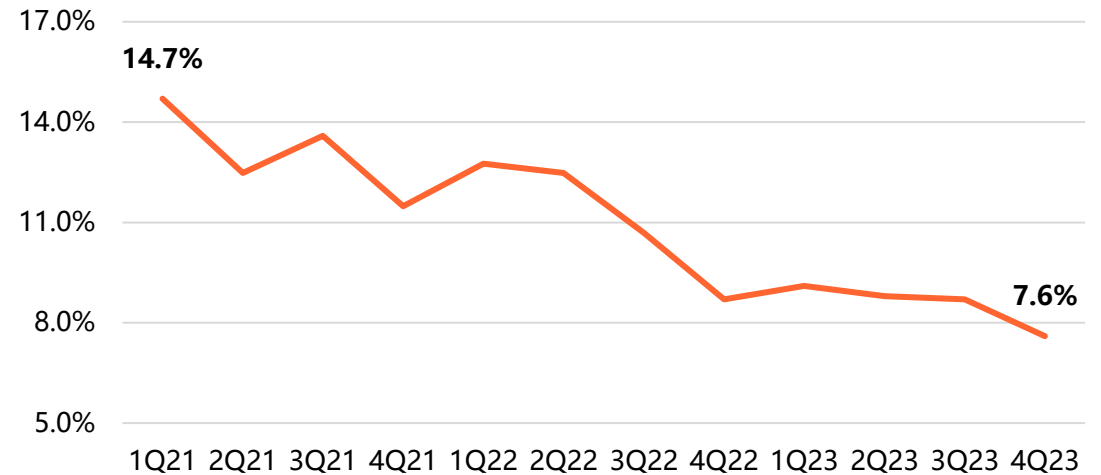
Provide Adequate Processing Capability



Reduce Error Rate and Labor Cost



Non-GAAP fulfillment expenses as % of total net revenues has been decreasing



# 2<sup>nd</sup>-Gen Automation Facility Realizes Multiple Upgrades in Dongguan



The facility officially entered into operation in 4Q22, featuring three significant advances over the first-generation Changzhou facility:

## Circulation efficiency

Automated shunting  
15% more efficient

## Inspection accuracy

Matrix 3.0  
10% more accurate

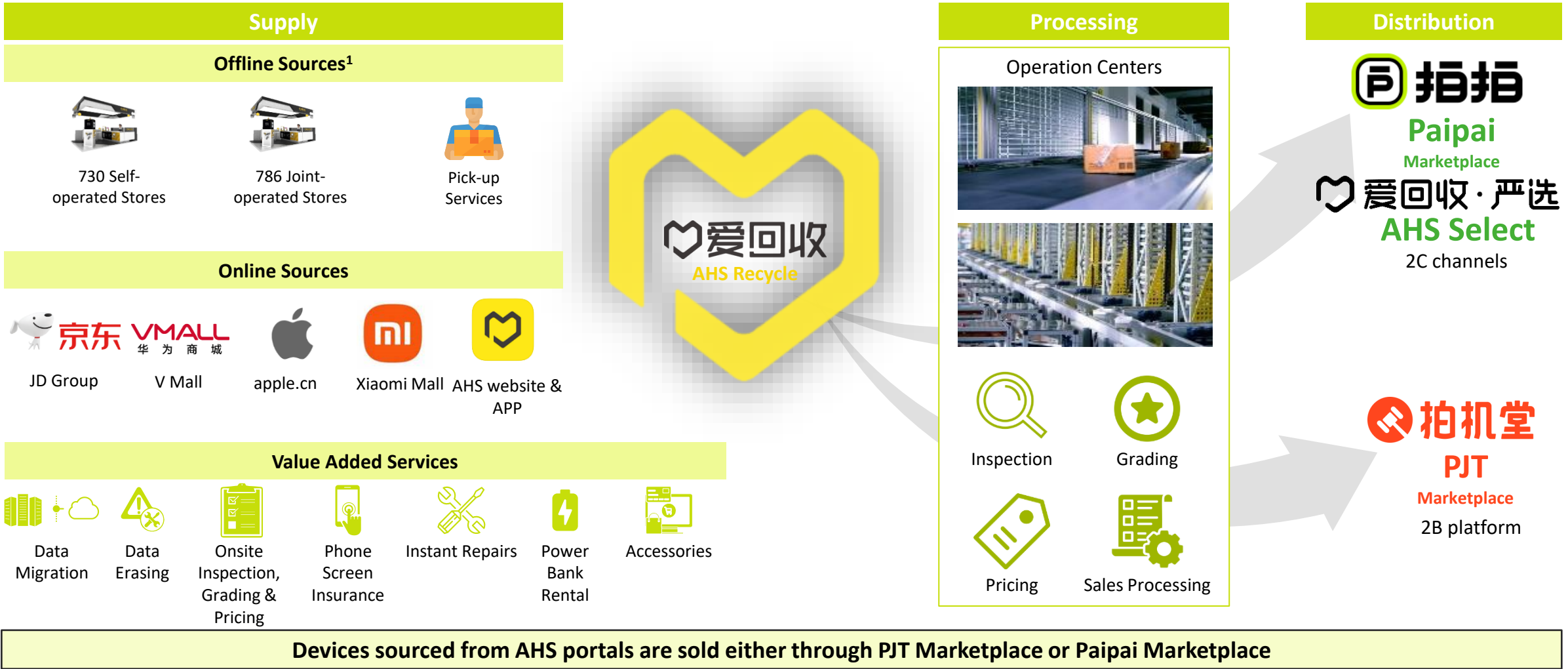
## Storage capacity

AS/RS capacity  
100% greater capacity



# Overview of AHS Recycle (C2B)

C2B – efficiently sourcing supply of all phone types





# AHS Stores are Our Core Consumer Touchpoints

01

Premium recycling experience



02

Trusted face-to-face delivery



03

Established offline trade-in fulfillment infrastructure



04

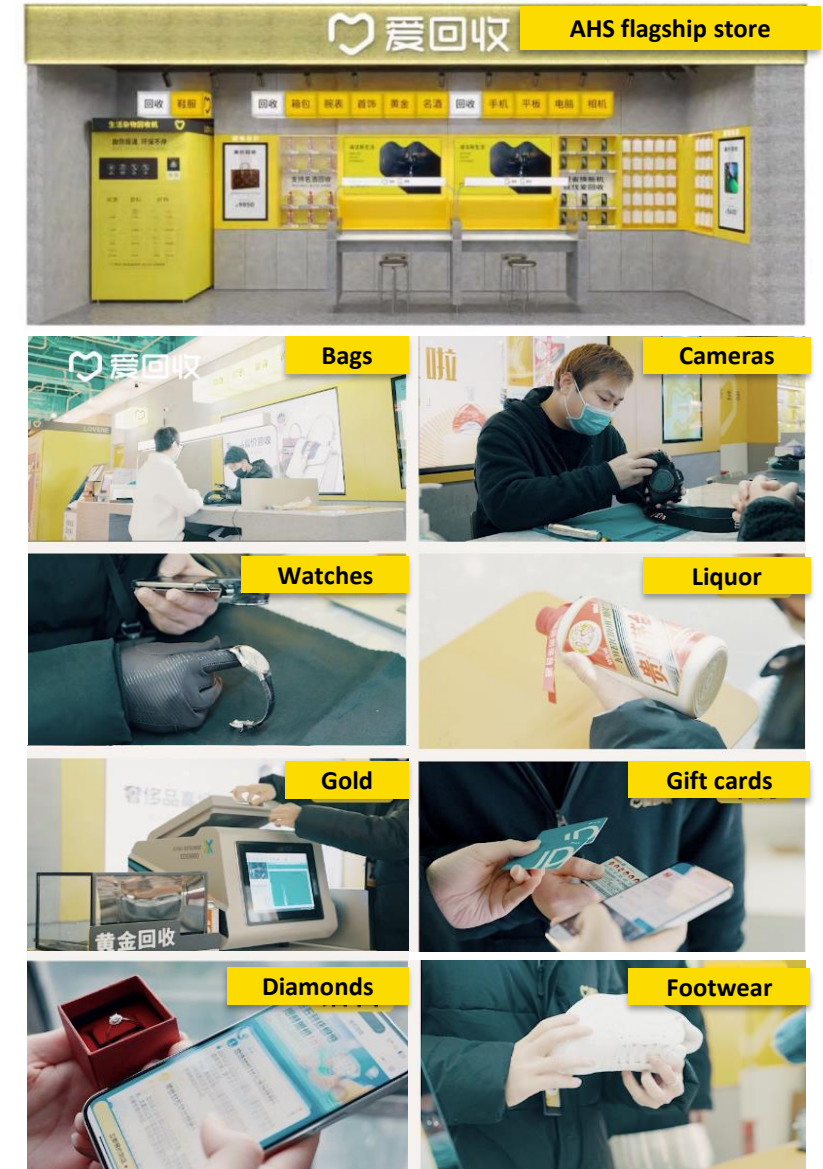
Increased brand awareness



# Accelerating New-category Fulfillment Coverage

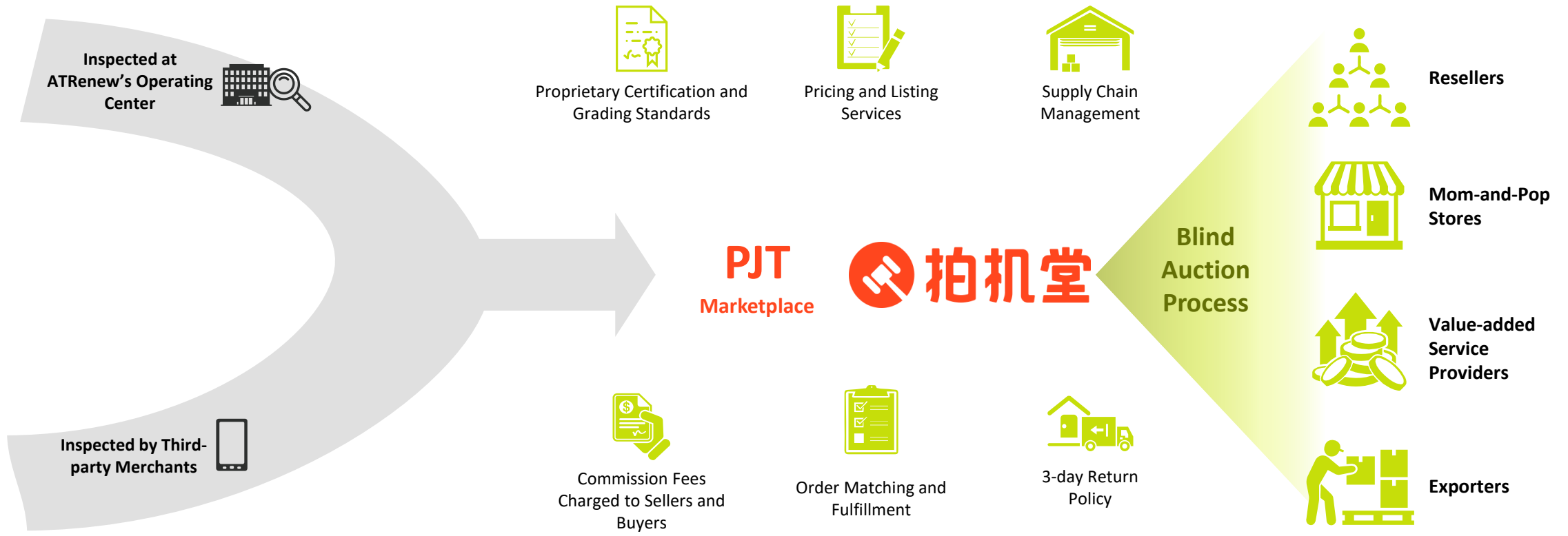
Promote AHS Recycle as a top-of-mind cashback destination, leveraging a third-party model with zero inventory intake.

- **Positioning:** To recycle valuable and popular consumer products
- **Categories:** Luxury goods, gold & jewelry, premium liquor, and more
- **Supply chain capabilities:**
  - Customer acquisition, fulfillment, and reputation building – done through existing 1,516 AHS stores and mobile app
  - Own proprietary capabilities for core consumer electronics, potentially pivot to self-operation for luxury goods, and leverage joint-operation for new takes
- **Recent highlights:**
  - New category recycling GMV surpassed RMB1 bn in FY23 and RMB1.5 bn in 1H24
  - Asset-light and limited need for capex while adding on service revenues to healthy unit economics of physical stores
  - Gold recycling service has been increasingly popular among consumers – GMV for gold product recycling had a five-fold year-on-year increase in 2Q24



# Overview of PJT Marketplace (B2B)

B2B – enabling third-party merchants' trade-in programs and transactions



Providing Small Merchants with a Comprehensive Suite of Solutions

Standardized Certification of Devices

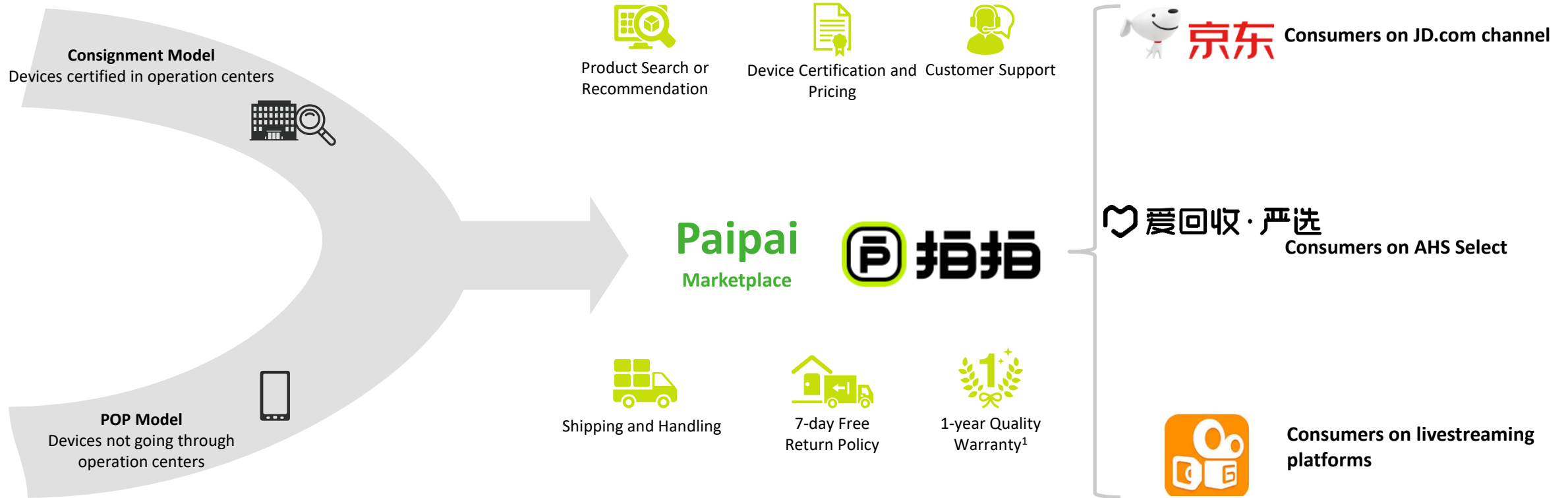
Optimized Inventory Turnover

Fewer Middlemen

Lower Transaction Costs

# Overview of Paipai Marketplace (B2C)

B2C – fulfilling consumers' demand for like-new products and a superior experience



## Providing Consumers With a Diverse Range of Pre-owned Consumer Products

-   
Mobile Phones
-   
Laptops
-   
Tablets
-   
Digital Cameras
-   
Luxury Goods
-   
Household Items
-   
Books

# Highly Synergistic Relationship with JD.com

A win-win for new device sales and used device recycling



Seamless trade-in and recycling solutions incorporated in JD.com's main site (product page)



# Our Continuous Efforts in Compliance and ESG Initiatives

## Environmental highlights:









- ✓ Extended the life cycle of 32.3 million used devices in 2023
- ✓ Obtained ISO 14001 EMS certification
- ✓ Scope 1+2 GHG emission intensity has declined annually since 2020
- ✓ Responsibly disposed of over 110,000 electronic products in 2023
- ✓ Reused 24 tons of parcel filler and 192,000 packaging boxes in 2022
- ✓ Conducted scenario analyses in accordance with the TCFD recommendations

## Social highlights:

- ✓ Surveys showed increased user satisfaction
- ✓ Obtained ISO 9001 QMS certification
- ✓ Established employee career development and protection plan
- ✓ Continue to provide themed training for small business owners
- ✓ Provided educational resources and devices to school children in mountain villages

## Governance highlights:

- ✓ Established ESG committee to improve top-down management
- ✓ Transparent disclosure of business conduct and ethical standards
- ✓ Information security and privacy protection categorized as “High Importance” in Material Issues matrix
- ✓ Obtained ISO 27001 information security management system certification
- ✓ Inclusive board structure: 25% of members are female, and 37.5% are independent directors

<p>UNGC Signatory</p> <p>WE SUPPORT</p> 	<p>“Low” ESG Risk Rating by Sustainalytics</p> 	<p>“Highly Commended” for Circular Transition by Reuters</p> 
<p> <b>EMS</b></p> <p>Well recognized in the aspects of top-down management, environmental programs, environmental records and annual reporting</p>	<p> <b>Sustainability</b></p> <p>Product and service sustainability – the majority of revenues come from sustainable products and services</p>	
<p> <b>Data Security</b></p> <p>Well-established cyber security and privacy protection and training mechanism</p>	<p> <b>Tax Disclosure</b></p> <p>Comprehensive and transparent</p>	
<p> <b>Supply Chain</b></p> <p>Employment requirements are included in procurement policies</p>	<p> <b>QMS</b></p> <p>ISO 9001 certified</p>	

## Explore more:

Home: [www.atrenew.com](http://www.atrenew.com)

IR site: [ir.atrenew.com](http://ir.atrenew.com)

Email: [ir@atrenew.com](mailto:ir@atrenew.com)

