

[RERE] – ATRenew Inc.
Q1 2025 Earnings Conference Call Transcript(Corrected)
Tuesday, May 20, 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 first quarter 2025 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 first quarter 2025 earnings conference call. Speaking first today is Kerry Chen, our Founder, Chairman, and CEO, and he will be followed by Rex Chen, our CFO. After that, we'll open the call to questions from the analysts.

The first quarter 2025 financial results were released earlier today. The earnings press release and investor slides accompanying this call are now 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 participate during the Q&A session.

Please note our 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 2025 年第一季度业绩电话会，我们很高兴与各位更新 2025 年的开局战绩与业务动态，并回应各位对集团发展近况的关注。

(Translated) Hello everyone, and thank you for joining ATRenew's First Quarter 2025 earnings conference call. We're excited to share the update of our performance and business developments, and to address your questions about the Company's recent progress.

首先，在经营业绩层面，一季度总收入再次超出区间指引高端，同比增长 27.5%至 46.53 亿元。在利润达成方面，non-GAAP 经营利润同比增长 39.5%至 1.1 亿元，non-GAAP 经营利润率为 2.4%，较去年一季度同期实现了健康提升。

Firstly, in terms of operating results, total net revenues for the first quarter once again exceeded the high end of our guidance range, increasing 27.5% year-over-year to RMB 4,653.5 million. On the profitability side, our non-GAAP operating income increased by 39.5% year-over-year to over RMB 110 million. Non-GAAP operating margin reached 2.4%, indicating healthy progress compared to the first quarter of last year.

整体收入的快速健康增长，主要得益于我们 1P 业务实现了加速增长。我们持续投入 1P 自营业务与回收的交付能力建设、巩固一手货源获取与爱回收品牌的用户心智，并逐步实现更高比例的 toC 严选零售。我会就这三点 1P 业务的增长驱动力进行进一步的说明。

The strong and stable growth of total revenue was primarily driven by the accelerated growth of our 1P business. We continued to invest in our 1P business and recycling fulfillment capabilities, enhance supply access and strengthen AHS Recycle brand recognition among consumers to further improve the penetration of our 1PtoC retail sales in our sales mix. Let me provide more color for the three key drivers of the 1P business.

首先，一季度，1P 产品收入取得同比增长 28.8%，如果扣除四季度电话会上提到的苹果官方回收和海外业务去年一季度的高收入基数影响，产品收入同比增长超过 50%，超出我们对大盘业务的业绩预期。

Firstly, in the first quarter, 1P business revenue grew by 28.8% year-over-year. Excluding the high-base impact from Apple's official trade-in program and overseas business as mentioned during the fourth-quarter earnings call, product revenue in the first quarter increased by over 50% year-over-year, exceeding our expectations.

趋势上，受益于手机数码品类国家补贴的发放、以及京东场景的用户换新需求拉动，爱回收的 C2B 手机数码回收额同比增长也超过了 50%。我们继续践行“更多从 C 端消费者收、更多向 C 端销售”的发展策略。能力方面，我们继续夯实线下服务能力的建设，同比去年一季度末净新增 458 间爱回收门店；上门团队所支持交付范围也更加扩大、交付也更加及时——共同助推 C2B 回收用户满意度相关的多个指标向好提升，让借助国补体验以旧换新的用户同样拥有好的体验。

In terms of trends, supported by the national subsidies for smartphones and digital products, as well as, increased demand for user upgrades in the scenario of our strategic partner JD.com's platform, our C2B consumer electronics recycling value grew by over 50% year-over-year.

We are committed to advancing strategies on direct engagement with consumers at the front of recycling and retailing. On the capability side, we continue to enhance offline fulfillment capabilities, achieving a net addition of 458 AHS stores year-on-year by the end of March, 2025, and broadening our

door-to-door fulfillment coverage with more prompt service. The effort improves multiple metrics indicating C2B recycling customer satisfaction, and ensures a high-quality experience for trade-in users via national subsidies.

在京东战略合作方面，我们持续发挥与京东长期共建的独特供应链优势，保持着行业领先的用户体验和交付能力，进一步加强以旧换新的交付响应，降低了用户参与国补的门槛。通过协作以旧换新，我们和京东帮助用户以“又好又便宜”的方式抵扣新品购买成本，有效激发用户的消费需求，并抓住更多优质的二手手机 3C 产品货源，实现二手回收渗透率的提升。作为结果，一季度以旧换新业绩增长继续领跑京东大盘。我们将继续努力提升以旧换新供应链能力和服务能力的建设，以进一步扩大在二手手机 3C 货源端的获取能力和份额。

In terms of our strategic partnership with JD.com, we've strengthened the long-term co-developed supply chain, delivering best-in-class user experience and efficient fulfillment. By optimizing the trade-in process, we've reduced barriers to national subsidies, enabling customers to trade in used devices for new ones in a "better and cheaper" way. This not only stimulates demand but also improves supplies of high-quality pre-owned consumer electronics to boost recycling penetration.

As a result, the growth of the trade-in segment continues to outpace. Looking ahead, we'll continue to enhance our trade-in supply chain and services to expand our market share in the pre-owned consumer electronics industry.

同时，我们加码爱回收品牌能力的建设，通过创新的新媒体内容营销和环保达人互动，鼓励用户体验爱回收更加丰富的服务选项，支持爱回收现有渠道实现更快速的回收业绩增长。通过爱回收品牌，我们提出“返航新生”环保倡议，并实现二者的全面连结打通，鼓励更多消费品牌参与互动，促进更多用户对爱回收品牌价值的认可，提升用户对爱回收品牌的感知和使用爱回收服务的频次。在今年四月的“世界地球日”期间，“爱回收”与“返航新生”携手 12 个国内一线的消费品牌，推出以二手手机回收和循环经济为主题的营销活动，于线上和线下渠道促进用户参与二手回收。

At the same time, we have strengthened AHS Recycle's brand presence through new media channels with creative marketing and influencer partnerships, encouraging users to experience AHS Recycle's wide range of recycling services and accelerating the growth of our recycling channels.

We've launched the "REVIVE" environmental protection initiative under the AHS Recycle brand and fully integrated it with our existing initiatives. This encourages more consumer brands to collaborate with us, enhancing user recognition of AHS Recycle's value proposition and increasing engagement with our services.

In April, while celebrating the "Earth Day", we collaborated with 12 leading domestic consumer brands to promote initiatives focused on recycling and the circular economy, through joint campaigns across online and offline channels.

在一季度，我们继续发挥成熟的端到端供应链能力，加强自营商品的 toC 零售，一季度 1PtoC 收入同比增长 73.5%，1P 收入的 toC 占比进一步提升至 33%。其中，我们看到“以销定修”项目在自有的合规翻新整备能力基础上，放大发挥 toC 零售效能，为拍拍、爱回收严选、零售合作渠道的用户提供价格更好、售后放心的产品，GMV 环比呈现健康提升。同时，爱回收门店官网的零售能力持续发展，收入同比增长超过 160%，让更多严选好货唾手可得。

By continuously leveraging our mature, end-to-end supply chain, we enhanced our direct-to-consumer retail operations under the 1P business. In the first quarter, 1PtoC revenue grew by 73.5% year-over-year. Retail revenue accounted for 33% of 1P revenue, representing an upward trend. Backed by our refurbishment capabilities, we've seen the pilot program of on-demand refurbishment effectively leverage retail capabilities, creating strong synergies with our in-house compliant refurbishment

operations. This approach allows us to offer competitively priced, quality-assured 1P refurbished products to users across Paipai, AHS Selection and other retail partner channels. As a result, GMV has shown a healthy upward trend quarter-over-quarter. Additionally, the retail capability of AHS Recycle's official store network continued to expand, with revenue growing by over 160% year-over-year. This amplified our product accessibility to consumers.

单独看苹果官方以旧换新业务，如此前的业绩电话会沟通，由于有历史价格策略产生的高基数影响，该业务板块一季度收入同比有所下降，但得益于我们的操盘能力与效率提升，苹果业务的利润率水平显著改善。海外收入方面，我们主动进行业务规模的调整，利润率水平同样在一季度实现了显著的优化。

Looking specifically at the Apple official trade-in business, as mentioned in previous earnings calls, revenue declined year-over-year in the first quarter due to the high base driven by early-stage pricing strategies. However, benefiting from our management capabilities and operational efficiencies, the margin in this segment improved significantly. For overseas revenues, as we adjusted our business scale, there was a notable improvement in margin as well.

平台业务方面，今年以来，除了看到线上线下用户对于以旧换新的接受度显著提升，行业商家的需求也在发生一些积极的变化。为此，我们的 B2B、B2C、多品类回收业务进行了服务能力升级，通过领先的体验提升用户粘性。

Regarding our marketplace businesses, we've seen a marked rise in trade-in service acceptance among both online and offline users, alongside positive shifts in merchant demands. In response, we've enhanced our B2B, B2C, and multi-category recycling services to deliver best-in-class user experience, thereby boosting user loyalty.

我们不断加强拍机堂的行业基础设施能力，提升对商家的服务。截至一季度末，拍机堂的累计注册商家数量突破 100 万，交易商家数量呈现显著的双位数的同比增长。收费率更高的入仓质检收入占比提升，带动拍机堂平台成色机收费率同比提升 24 个基点。这些印证了拍机堂作为行业基础设施、作为二手手机 3C 交易所的定位被全国商家更广泛地认可。

We've strengthened our industry capabilities as fundamental infrastructure and enhanced services for merchants. As of the end of the first quarter, the number of registered merchants in PJT exceeded 1 million, with a double-digit year-over-year increase in active trading merchants.

The proportion of higher-fee opt services, i.e., ship-in quality inspection services, grew, raising PJT Marketplace's take rate for second-hand consumer electronics transactions by 24 basis points. This reflects PJT's growing nationwide prominence as an essential infrastructure within the industry and as a leading exchange for second-hand electronic products.

拍机堂引领二手销售方式的创新，增加更多样的线上线下出货方式。今年 3 月，我们在深圳华强北开幕了拍机堂全国首家线下旗舰店，引领二手 3C 行业的透明化升级。该店占地 1200 平方米现场陈列近万台经专业检测的二手手机。拍机堂旗舰店采用了仓储前置模式的“仓卖一体”模式，通过构建“看 - 验 - 采”一体化的场景，比传统销售渠道缩短 3-5 天调货周期，帮助 B 端商家降低囤货成本与物流等待周期；通过现场看货，还有利于降低售后争议。

我们将继续探索更多行业商家的赋能，向本地及全国商家货源开放，进一步夯实线下的选购丰富度。

PJT is pioneering the innovation of second-hand sales models by expanding diverse online and offline sales channels for merchants. In March, we launched our first offline flagship store in Shenzhen's Huaqiangbei, driving transparency in the pre-owned consumer electronics industry. The 1,200-square-meter store displays nearly 10,000 second-hand phones that have undergone professional inspection.

The flagship store operates under a “warehouse-to-retail model” seamlessly integrating storage and sales functions. By offering an all-in-one “browse-inspect-purchase” experience, it significantly reduces the traditional 3 to 5 days' of restocking cycle, helping merchants reduce inventory costs and minimize logistics delays. On-site procurement also reduces after-sales disputes.

We will continue to empower more industry merchants, open up our local and national merchant resources to enrich the offline product selection.

此外，我们近期在自营城市测试开设取证仓，简化商家的入仓质检流程，以更低的成本经营位于城市交易中心的小仓，距离商家更近，商家服务也更加便捷。同时，我们探索直播平台的主播达人合作，开放拍机堂 1P 和 3P 货盘和供应链，由二手手机 3C 行业的主播达人帮助 C 端用户在拍机堂上淘到高性价比的机器，打造“代淘”模式，补充从拍机堂到 C 端消费者的服务闭环。未来，我们将进一步探索、开放更多平台能力给到行业商家，增加优质商品的销售机会，助力区域中心城市二手手机 3C 的商品集散和合规发展。

In addition, we recently began piloting compact authentication warehouses within our self-operated city to streamline the quality inspection process for merchants. These compact warehouses, located closer to major trading hubs, allow us to operate at lower costs while offering more convenient and accessible services to merchants.

At the same time, we are exploring collaborations with influencers on live-streaming platforms.

We opened our 1P and 3P inventory and supply chain on the PJT Marketplace to those influencers, which enables them to help users find high-quality and cost-effective devices, creating the "specialty buyer" model and enhancing the service loop between PJT and consumers.

Moving forward, we will open up more platform capabilities to merchants to boost quality product sales and promote distribution capabilities and compliant growth of pre-owned consumer electronics across regional centers.

拍拍为更多二手行业的中小商家提供寄卖转型，通过扩大招商、增加平台货品的在售规模，强化商家后台建设，优化商家体验和定价水平，综合提高货品的动销率，同时加强完善售后检测和服务策略，以提升流量和用户的购买体验。规模上，拍拍寄卖全品类一季度的销售额同比增加 2.2 倍，我们将探索把寄卖商品打通到更多的自营销场景中，为中小商家提供更加丰富的零售通路。

As part of the ongoing transformation of the Paipai consignment business, we are focused on better serving small merchants in the second-hand industry. This includes expanding merchants to increase the variety and volume of available products, strengthening backend systems to improve greater accuracy in pricing and the overall merchant experience, while driving higher product turnover. In terms of scale, sales across all categories in the Paipai consignment business grew by 2.2 times year-over-year in the first quarter. Looking ahead, we plan to further integrate consignment products into more of our self-operated distribution channels, providing small and medium-sized merchants with broader access to retail opportunities.

在多品类回收服务发展方面，一季度多品类的回收交易 GMV 和收入均实现了接近 200% 的同比增长，增长势头依然强劲。其中，收费率较低的黄金回收的业绩增速较快；奢侈品回收方面，收费率实现了小幅度的提升。综合影响下，多品类回收的综合收费率同比稳定。在用户体验方面，我们从多品类回收前的咨询体验、价格体验、交付体验等多方面持续优化 SOP 和内部能力，用户体验与满意度得到了有效的改善。

Throughout the development of multi-category recycling services, both gross transaction value and revenue nearly tripled year-over-year in the first quarter. Gold recycling saw faster growth, while the recycling service [take rate] for luxury goods increased slightly. As a result of these combined factors,

the overall multi-category recycling take rate remained stable year-over-year. In terms of user experience, we have continued to optimize our SOPs and internal capabilities across multiple areas, including pre-recycling consultation, pricing, and delivery. As a result, overall customer satisfaction and user experience have improved meaningfully.

总结而言，我们主营业务在今年的第一季度实现了超出预期的快速增长，以行业最佳的以旧换新体验抓住的国补带来的发展机会。进入二季度，我们有信心持续加强交付力和品牌力的建设，为用户形成更强的以旧换新消费与回收心智，进一步抓住行业发展的助推力。

长期看，随着用户对于回收和二手认可度的提升，二手行业继续上行向好发展，我们以长期坚定的“场景+供应链”战略，加强爱回收品牌心智建设，持续优化用户体验，做好二手商品的高效流转，实现更多价值创造。

In summary, our core businesses achieved faster-than-expected growth in the first quarter of this year. We seized growth opportunities arising from national subsidies by providing best-in-class trade-in experience.

As we enter the second quarter, we are confident in further strengthening our fulfillment capabilities and brand influence. This will enhance users' awareness of trade-in and recycling, enabling us to seize industry growth opportunities.

In the long term, as user recognition of recycling and second-hand products continues to rise, the industry is on a positive growth trajectory. With our long-term and steadfast "scenarios + supply chain" strategy, we are committed to obtaining more user mindshare, enhancing user experience, ensuring the efficient circulation of second-hand products, and creating greater value.

下面，请 CFO Rex 对财务数据进行解读。

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

Rex Chen, CFO:

(Speaking Mandarin)各位投资者和分析师大家好，我们很高兴与各位分享公司 2025 年一季度出色的财务表现，伴随国补政策的落地、集团履约交付能力的加强、零售能力的拓展，我们再度突破指引区间高端。2025 年一季度营收超过 46.5 亿元，同比增长 27.5%，Non-GAAP 经营利润同比增长 39.5%，超过 1.1 亿元。

(Translated) Hello, everyone, we are pleased to report strong financial performance in the first quarter of 2025. Driven by the national subsidy policies, our enhanced fulfillment capabilities and expanded retail network, total revenue in the first quarter once again exceeded the high end of our guidance, increasing by 27.5% to over RMB 4,650 million, and adjusted operating income increased by 39.5% to over RMB 110 million.

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, please note that all amounts are in RMB and all comparisons are on a year-over-year basis unless otherwise stated.

第一季度，集团总收入的增长动力主要来自产品收入的持续稳健增长。产品收入增长 28.8%至 42.6 亿元，主要得益于公司线上渠道二手消费电子产品销售的增长。

In the first quarter, the growth of total revenues was primarily driven by sustained growth in our net product revenues. Net product revenues increased by 28.8% to RMB 4,260 million, primarily due to an increase in the sales of pre-owned consumer electronics through our online channels.

服务收入为 3.9 亿元，同比增长 14.2%，主要得益于多品类回收业务及拍机堂平台业务贡献的服务收入增长。平台服务收入随交易规模同步增长，一季度的平台综合收费率为 5.25%。期间，多品类回收业务贡献超过 5,000 万元的服务收入，占本季度服务收入的 13.3%，相比 2024 年同期的 5.6% 大幅提升。

Net service revenues were RMB 390 million, representing an increase of 14.2%. The increase was primarily due to an increase in the service revenue generated from multi-category recycling business and PJT Marketplace. 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 5.25% in the first quarter of 2025. During the quarter, our multi-category recycling businesses contributed over RMB 50 million of revenue, accounting for 13.3% of service revenues. The percentage significantly increased from 5.6% in the same period of 2024.

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.

商品成本增加 22.7% 至 36.2 亿元，与产品销售的增加一致。我们 1P 业务的毛利率为 15.2%，而上年同期为 10.9%。1P 毛利率的改善主要得益于我们发挥 C2B 回收供应链、合规翻新整备能力、以及多重零售渠道的优势，实现更多毛利较高的 toC 零售。我们在同期优化苹果官方以旧换新的业务策略，业务规模较 2024 年一季度的高基数下降，毛利率较去年同期显著扭亏。

Merchandise costs increased by 22.7% to RMB 3,620 million, in line with the growth in product sales. Gross profit margin for our 1P business was 15.2% compared with 10.9% in the same period last year. The improvement of gross margin in our 1P business was mainly due to our C2B recycling supply chain capabilities, compliant refurbishment capabilities, and diversified retail channels.

In addition, we optimized the business strategy of Apple's official trade-in program. Despite a decrease in business scale from the high base in the first quarter of 2024, the gross margin in the first quarter of 2025 achieved a significant turnaround from losses compared to the same period last year.

履约费用增长 38.1% 至 4.3 亿元。Non-GAAP 履约费用增长 40.2% 至 4.3 亿元。Non-GAAP 履约费用增长的主要原因有：1) 与 2024 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) 2025 年第一季度拓展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 8.3% 上升至 9.1%。

Fulfillment expenses increased by 38.1% to RMB 430 million. Non-GAAP fulfillment expenses increased by 40.2% to RMB 430 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 2024, and an increase in operation-related expenses as we expanded our store networks and operation center capacity in the first quarter of 2025.

Non-GAAP fulfillment expenses as a percentage of total revenues increased to 9.1% from 8.3%.

销售费用增加 30.4% 至 4.2 亿元。non-GAAP 销售费用增加 72.8% 至 3.9 亿元，主要因为广告和推广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 6.1% 上升至 8.3%。

Selling and marketing expenses increased by 30.4% to RMB 420 million. Non-GAAP selling and marketing expenses increased by 72.8% to RMB 390 million. The increase was 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 to 8.3% from 6.1%.

管理费用降低 14.1%至 6,300 万元。non-GAAP 管理费用提升 2.2%至 5,900 万元，主要由于人员成本增加。non-GAAP 管理费用率从 1.6%下降至 1.3%。

General and administrative expenses decreased by 14.1% to RMB 63 million. Non-GAAP G&A expenses increased by 2.2% to RMB 59 million, primarily due to an increase in personnel costs. Non-GAAP G&A expenses as a percentage of total revenues decreased to 1.3% from 1.6%.

研发费用上升 9.6%至 5,500 万元。non-GAAP 研发费用上升 16.5%至 5,300 万元，主要由于人员成本增加。non-GAAP 研发费用率从 1.2%下降至 1.1%。

Technology and content expenses increased by 9.6% to RMB 55 million. Non-GAAP technology and content expenses increased by 16.5% to RMB 53 million. The increase was primarily due to an increase in personnel costs. Non-GAAP technology and content expenses as a percentage of total revenues decreased to 1.1% from 1.2%.

利润层面，第一季度的 non-GAAP 经营利润为 1.1 亿元，同比增长 39.5%。non-GAAP 经营利润率为 2.4%，上年同期为 2.2%。

As a result, our non-GAAP operating income was RMB 110 million in the first quarter of 2025, representing an increase of 39.5% year-on-year. Non-GAAP operating profit margin was 2.4%, compared to 2.2% in the first quarter of 2024.

在 2025 年一季度，我们使用了约 120 万美元回购近 40 万股 ADS，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。截至 2025 年 3 月 31 日，我们在此回购计划下已使用 2,710 万美元回购了约 1,070 万股 ADS。

During the first quarter of 2025, we repurchased a total of approximately 0.4 million ADSs for approximately US\$1.2 million under our current share repurchase program which authorizes us to repurchase up to US\$50 million worth of our shares (including ADSs) through June 27, 2025. As of March 31, 2025, we had repurchased a total of approximately 10.7 million ADSs for approximately US\$27.1 million under this share repurchase program.

截至 2025 年 3 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 27.8 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 March 31, 2025, cash and cash equivalents, restricted cash, short-term investments, and funds receivable from third-party payment service providers totaled RMB2.78 billion. Our financial reserves are sufficient to support reinvestment in business development and shareholder returns.

关于 2025 年第二季度的指引，我们预计总收入将在 47.1 亿元至 48.1 亿元，对应同比增长 24.7% 至 27.4%。以上指引仅反映当前我们对市场和运营状况的初步看法，预期有可能有变化。

Now turning to the business outlook. For the second quarter of 2025, we anticipate total revenues to be between RMB 4,710 million and RMB [4,810] million, representing a year-over-year increase of 24.7% to 27.4%. 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 & Answers

Operator: We will now begin the question-and-answer session. (Operator Instructions). The first question comes from Joyce Ju from Bank of America, please go ahead.

Joyce Ju: (Speaking Mandarin) 感谢管理层接受我的提问，首先恭喜这个季度取得的成绩，我这边有两个问题。第一个问题是我们看到的请问国补对回收和以旧换新的促进力度如何？在二手回收和销售业务增长上能否看到持续性？第二个问题是关于履约和销售费用率的提升，我们第一季度的收入和 non-GAAP 经营利润率都取得了优秀的的成绩，请问如何理解 non-GAAP 履约费用率和销售费用率的提升？我们今年的收入和利润率目标是否有所调整？

Thanks, management for taking my questions, and congrats for achieving a strong quarter. My first question is on the national subsidy. How effective has the national subsidy been in promoting recycling and trade-in programs? Do you see sustained growth momentum in your second-hand recycling and resale business as a result? Secondly, in the first quarter, we see that both total net revenues and non-GAAP operating margins showed strong performance. Could you help explain the increase in the non-GAAP fulfillment margin and the sales and marketing margin? Is there any adjustment to this year's total net revenues and margins targets?

Kerry Chen: (Speaking Mandarin) 谢谢提问，我先回答第一个问题，第二个问题 Rex 来回答。

第一个问题：据统计，今年一季度，国内智能手机新机出货量同比增长 9%，连续五个季度实现了正增长；我们所服务的京东平台手机 3C 品类的势能很强。以旧换新提升了更多用户换机的动力，我们基于在主流回收场景提前锁定的优势位置，实现了 1P 自营业绩的加速增长。

(Translated) Thank you for the question, I will take the first question and Rex will take the second.

Regarding your first question, according industry research, the shipment of new smartphones in the domestic market increased by 9% year-over-year in the first quarter, marking positive growth for the fifth consecutive quarter. Meanwhile, new consumer electronics sales on our partner platform JD.com has strong growth momentum. The subsidies for trade-in programs, combined with our strong positioning in key recycling channels, have jointly driven the accelerated growth of our 1P business.

我们曾分享一个观点，即国补对于手机回收业务的推动是明确的；爱回收具有回收端领先的品牌力、交付能力和独特的场景优势，可以抓住主流场景的以旧换新服务渗透率提升的机会。目前手机的国补封顶补贴是 500 元人民币，但爱回收 1P 业务的回收客单价在 1500 元左右，用户有更强的动力不只领取国补，更实际去叠加爱回收的以旧换新服务。

展望中长期，我们相信国家促进消费的决心是确定的。在我们手机 3C 的全部交易量中，手机是最主要的商品品类，占比约 70%。手机的更换周期约为 2 年，中国每年有约 3 亿部的手机新机出货量、以及数千万部笔记本和数码新品出货，目前的回收和以旧换新服务渗透率仍是个位数水平，从长期看，国内渗透率有提升到 20% 以上的发展空间。

We have previously shared the view that national subsidies will definitely boost the mobile phone recycling business. Backed by industry-leading brand awareness, fulfillment capabilities and unique advantages in essential application scenarios in recycling, AHS Recycle is well-positioned to benefit from the increasing adoption of recycling in mainstream channels.

Currently, the national subsidy cap for mobile phone trade-ins is RMB 500. However, our average recycling price in 1P business is approximately RMB 1,500. This creates a stronger incentive for users to

not only take up the national subsidy but also leverage the trade-in service of AHS Recycle.

Looking ahead to the medium to long term, we remain confident in China's strong and consistent commitment to stimulating consumption. In our total transaction volume for pre-owned consumer electronics, mobile phones are the largest category, accounting for approximately 70%. The average replacement cycle for phones is about 2 years, and there are approximately 300 million new phones and tens of millions of new laptops and digital devices being shipped annually in China. Currently, the penetration rate for recycling and trade-in programs remains in the single digits, but in the long run, we believe there is potential for domestic penetration to rise to over 20%.

我们所服务的主要品牌和电商平台，在以更灵活的价格策略，更进一步参与到国补。在今年已经开启的 618 电商大促期间，我们期待以旧换新能进一步提升业务增长动能，爱回收也将以更优质的交付能力承接用户的回收和换新服务。

The main brands and e-commerce platforms we collaborated with are participating in national subsidy programs with more flexible pricing strategies.

Therefore, during the June 18th shopping festival this year, we expect to maintain business growth through trade-in services and are committed to strengthening our delivery capabilities to better serve users in recycling and trade in.

Rex Chen: (Speaking Mandarin)我来回答 Joyce 的第二个问题。一季度我们的 non-GAAP 经营利润率的同比提升，主要得益于我们对业务的价格策略以及综合费用率的平衡把控。如之前 Kerry 分享，苹果官方以旧换新业务和海外业务在 2024 年一季度均有高基数和较大亏损的影响，但今年一季度，随着我们业务策略、价格策略的优化，上述两项业务的利润率得以显著改善。同时，我们发挥供应链能力优势，1PtoC 零售收入占比同比提升 8%。

Regarding the second question. The year-on-year improvement of non-GAAP operating profit margin in the first quarter was mainly due to our pricing strategy and balanced control of the overall expense ratio. As Kerry noted, in the first quarter of 2024, Apple's official trade-in program and our overseas business reported high revenues and losses. However, in the first quarter of 2025, as we optimized business and pricing strategies, the profit margins of the two businesses have significantly improved. Meanwhile, by leveraging our supply chain strengths, the proportion of 1P-to-C retail revenue increased by 8% year-over-year.

同期，随着自营业务规模的快速增长，我们阶段性地侧重自营门店的发展，在履约和处置端均增加了人手，因此 non-GAAP 履约费用率同比增加 0.9%。

non-GAAP 销售费用率同比增加 2.2%，主要影响因素来自推广和广告费用。本季度，随着业务需求增加，我们增加了优惠券等推广类费用。配合品牌认知度提升的需求，我们进行了符合业务增长预期的投入规划，比如此前分享的对爱回收品牌的新媒体投入。另外，在与京东加强回收和以旧换新协同的过程中，渠道佣金出现了在预期内的一些提升。

During the same period, as our 1P business expanded rapidly, we strategically focused on self-operated stores and increased staff in fulfillment and operation functions. Thus, the non-GAAP fulfillment expense ratio rose by 0.9% year-over-year.

The non-GAAP selling expense ratio has increased by 2.2%, mainly due to higher promotion and advertising expenses. With rising business demands, we increased coupon-related promotion expenses this quarter. Meanwhile, to raise brand awareness, we made investments aligned with business growth, such as in new media promotion of AHS Recycle brand. Additionally, in strengthening recycling and trade-in collaboration with JD.com, channel commissions rose as expected.

由于集团精细化的管理与研发运营，一季度的 non-GAAP 管理与研发费用率均呈现下降趋势，故本季度的 non-GAAP 经营利润率可以同比提升 0.2%。

Benefiting from our refined management of general and administrative expenses, as well as technology and content expenses, both non-GAAP expenses ratios decreased in the first quarter. As a result, the non-GAAP operating profit margin for the first quarter increased by 0.2% year-over-year.

纵观 2025 年全年，我们保持总收入努力实现加速增长的目标不变，并保持建设支持国补带来以旧换新增量的交付力和爱回收品牌力的战略发展目标，保持用户端的价格有吸引力；在未来逐步去提升 non-GAAP 经营利润率，以体现更有效的经营杠杆。

Looking at the full year of 2025, we remain committed to our goal of accelerating total revenue growth. We will continue to strengthen our fulfillment capacity and brand influence to support growth in trade-in volumes driven by national subsidy programs and maintain competitive pricing strategy.

In the future, we aim to gradually improve our non-GAAP operating profit margin, reflecting our effective operating leverage.

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

Jiao Wan: (Speaking Mandarin) 管理层晚上好，感谢接受我的提问，我有一个问题，此前管理层讲到，计划今年加速开店，全年净新增 800 家爱回收门店的规模，能否分享一下一季度的开店进度？

Thank you for taking my question, as you mentioned earlier, the goal is to accelerate store openings this year with target of a net-add of 800 AHS Recycle stores. Can you share details on the progress of store openings in the first quarter? Thank you

Kerry Chen: (Speaking Mandarin) 感谢提问。截至 2025 年 3 月 31 日，爱回收在全国共有 1,886 家门店，其中自营店 917 家，加盟店 969 家；门店总数同比去年 Q1 净新增了 458 家。环比 2024 年年底，我们在三个高线城市的部分区域，为有效承接国补带来的增量业务、实现用户的满意度改善，将部分门店切换为自营模式，以更高效的自营管理运营能力去提升这些门店的回收业绩。

A: As of March 31, 2025, there were a total of 1,886 AHS Recycle stores nationwide, including 917 self-operated stores and 969 joint-operated stores. The total number of stores has increased by a net of 458 compared to the same time last year. Compared to the end of 2024, in certain areas of three high-tier cities, we transitioned some of our joint-operated stores to a self-operated model to effectively handle the incremental trade-in volumes from national subsidies and improve user satisfaction. This change allows us to leverage the more efficient, self-managed, operational capabilities to quickly boost the recycling performance of these stores.

同期，我们快速建设上门交付团队能力，上门团队人员规模突破 1,000 人，同比净新增约 360 人，在更加广泛的用户市场形成交付力的提升。

Over the same period, our to-door fulfillment team expanded by 360 people year-over-year to over 1,000 people, strengthening our fulfillment capabilities in more markets.

到店回收与到家回收齐头并进，进一步提升爱回收面对面服务的比例。在用户净推荐值 NPS 的调研过程中，到店回收与上门回收两种线下当场确认的交付方式的用户满意度，持续大幅领先于物流取件的回收方式。我们将坚持夯实线下交付履约能力，为用户提供行业最佳的以旧换新体验。

We are increasing the proportion of face-to-face services by expanding both in-store and to-door services. In our NPS surveys, users are much more satisfied with these two face-to-face offline services featuring instant confirmation than with logistics-based pickup. We will continue to enhance our offline fulfillment capabilities to provide the best-in-class trade-in experience.

好，谢谢。

Thank you for the question.

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

Michael Kim: Great. Good morning and good evening, everyone. Just one question from me just in terms of your initiative to enhance the AHS recycle brand. Can you discuss how much traction you've seen as a result of your increased focus on marketing and advertising. And then just related to that, how should we be thinking about incremental expenses or customer acquisition costs as you continue to prioritize improving brand awareness and loyalty? Thanks.

(Chinese translation for clarity)关于提升爱回收的品牌影响力，能否谈谈在加强营销广告投入后取得的效果？与此相关的是，随着你们持续优先提升品牌认知度和客户忠诚度，我们该如何看待新增投入和/或客户获取成本的变化？

Kerry Chen: (Speaking Mandarin)爱回收的回收第一品牌心智建设，主要是通过上个问题所提到的更好的履约交付服务进行的，我们相信优质的回收交付服务和对用户反馈的积极响应，是品牌美誉的基础。除此之外，我们考虑到当前回收服务渗透率依然很低，我们通过一些审慎的新媒体推广活动进行宣传推广。

Ok, thank you for your question. AHS Recycle has solidified its position as the leading brand in recycling by providing best-in-class fulfillment services. We believe that high-quality service and proactive response to user feedback are the cornerstones of brand reputation. Given the current low penetration rate of recycling services, we have strategically employed well-planned new media campaigns to promote our services and enhance brand awareness.

一方面，我们记录并制作真实有趣的回收服务工作，向更广泛的用户介绍爱回收价格好、安全且便捷的回收服务，另一方面，我们基于地理位置向用户推送附近的爱回收门店，转化用户从爱回收小程序、官网、门店的下单。此外，我们支持门店加盟商，与加盟商共同制作对本地用户更有共鸣的内容，为加盟商门店新媒体账号进行赋能，带动本地用户到店体验回收服务。作为结果，今年一季度，爱回收小程序、官网来源产品的收入增速显著快于 1P 整体的增速。

On the one hand, we produce engaging content showcasing our recycling services, emphasizing AHS Recycle's competitive pricing, security, and convenience. On the other hand, by leveraging geotargeting, we guide users to nearby AHS Recycle stores, driving orders through our mini-program, official website and AHS stores. Furthermore, we enhance the new media presence of our joint-operated stores by co-creating content that resonates with local users, thereby attracting more customers to the stores. As a result, in the first quarter, the product revenue from AHS mini-program and official website grew faster than our overall 1P business.

值得强调的是，在国补的促进作用下，更多用户接触到或使用了二手回收服务。我们相信，随着我们有节奏地建设爱回收的品牌力，并提供行业领先的回收服务体验，爱回收将进一步提升市场份额和用户心智认知。

The national subsidy has also played a role in increasing user awareness and adoption of our services. Looking ahead, we will continue to strengthen the AHS Recycle brand and refine our industry-leading recycling service offering to capture greater market share and reinforce user perception.

Operator:

As there are no further questions at this time, I'd like to turn 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.