



Unaudited Third Quarter 2017 Financial Results

November 16, 2017



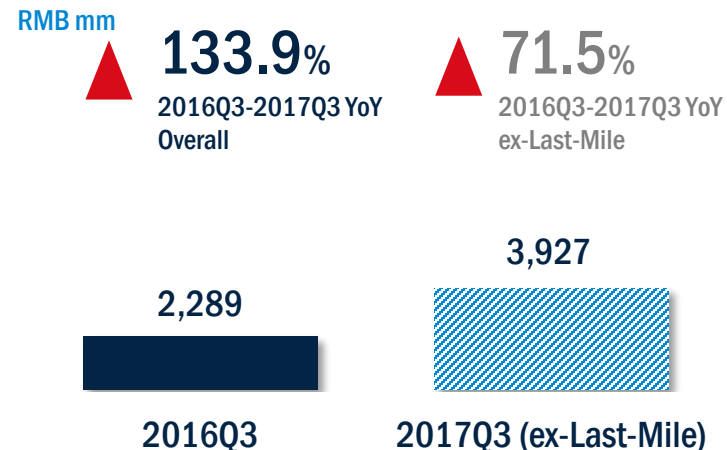
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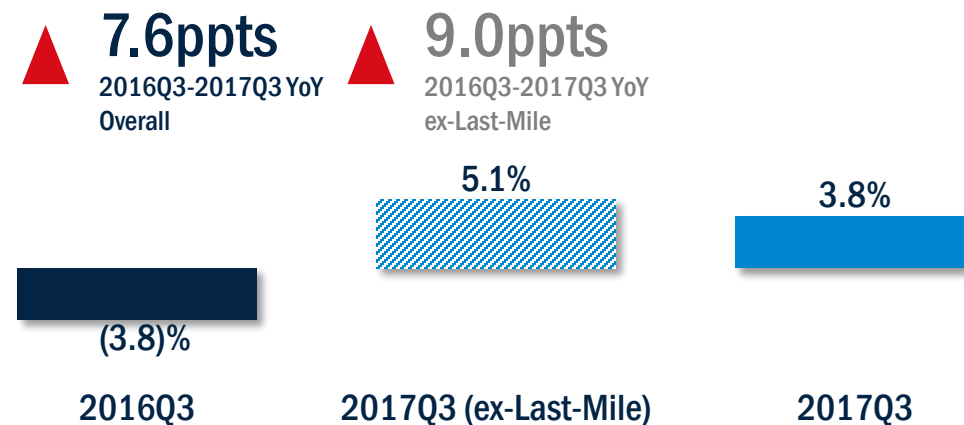
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Superior Revenue Growth



Improving Gross Margin



Third Quarter Key Operating Metrics

百世供应链 BEST SUPPLY CHAIN



43 Million
Supply Chain Orders Fulfilled²



48.6%
2016Q3-2017Q3 YoY Supply Chain Volume Growth³

百世快递 BEST EXPRESS



1.0 Billion
Express Parcels Delivered²



92.6%
2016Q3-2017Q3 YoY Express Volume Growth³



10.0%
Market Share⁴

百世快运 BEST FREIGHT



1.2 Million
Tonnes of Freight Volume²



44.7%
2016Q3-2017Q3 YoY Freight Volume Growth³

百世店加 BEST STORE⁺



702K+
Number of Store Orders Fulfilled



155.2%
2016Q3-2017Q3 YoY Store Order Growth³

Notes:

1. Starting in 2017, the Company revised its arrangements with franchisees and the scope of its service. As a result, the Company became the principal that is directly responsible for last-mile delivery of all parcels and freight processed through its network, and the Company is liable to senders for damage to or loss of parcels and freight in connection with last-mile delivery. Therefore, in consideration of such expanded scope of services and increased responsibilities, the Company increased the fee it charges to pick-up service stations. As a proxy, in the third quarter of 2017, Express and Freight incurred approx. RMB1,282.8 million and RMB145.1 million of last-mile delivery service cost of revenue that were attributable to fees for destination franchised service stations that the Company engaged for the provision of last-mile delivery service; 2. Includes services performed for external customers both directly and indirectly through our other segments; 3. There can be no guarantee that comparable growth metrics will be achieved in the future; 4. Express market share calculated as the Company's parcel volume as a percentage of aggregate national express delivery parcel volume for the relevant period, based on data published by State Post Bureau of the PRC.

- Total revenue increased by 133.9% YoY to RMB5,354 million, primarily due to increases in revenue across the various service lines.

For the Three months ended September 30

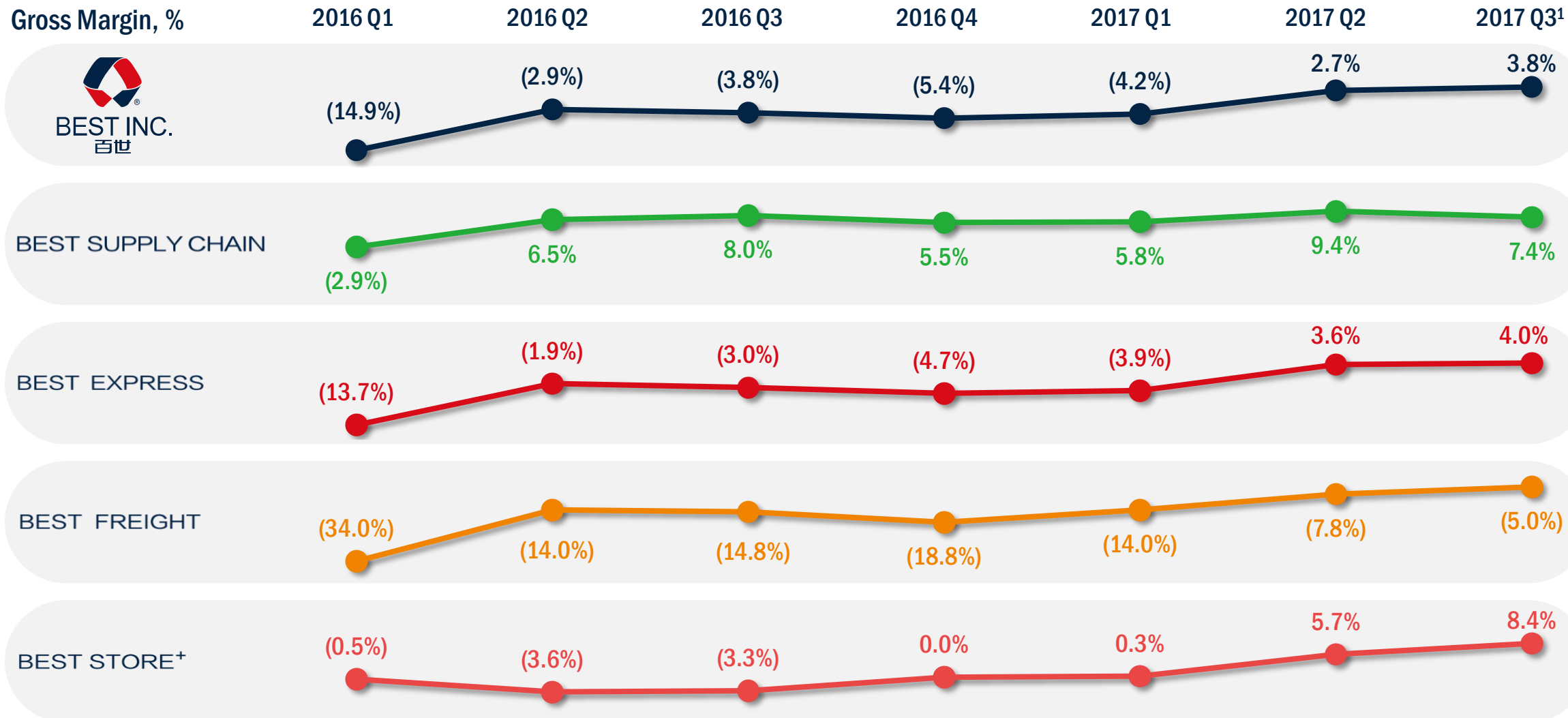
	2016		2017			Revenue YoY Growth
	RMB mm	% of Total Revenue	RMB mm	US\$ mm	% of Total Revenue	
Revenue	2,289	100.0%	5,354	805	100.0%	133.9%
Supply Chain Mgmt.	301	13.1%	386	58	7.2%	28.3%
Express ¹	1,319	57.6%	3,266	491	61.0%	147.6%
Freight ¹	437	19.1%	874	131	16.3%	100.0%
Store ⁺	223	9.8%	768	115	14.3%	244.0%
Others ²	9	0.4%	60	9	1.1%	555.3%

Notes:

1. Starting in 2017, the Company revised its arrangements with franchisees and the scope of its service. As a result, the Company became the principal that is directly responsible for last-mile delivery of all parcels and freight processed through its network, and the Company is liable to senders for damage to or loss of parcels and freight in connection with last-mile delivery. Therefore, in consideration of such expanded scope of services and increased responsibilities, the Company increased the fee it charges to pick-up service stations. As a proxy, in the third quarter of 2017, Express and Freight incurred approx. RMB1,283mm and RMB145mm of last-mile delivery service cost of revenue that were attributable to fees for destination franchised service stations that the Company engaged for the provision of last-mile delivery service.

2. Others include BEST Global, BEST Capital and BEST UCargo.

Continuous Improvement in Quarterly Gross Margin



Note:

1. In the third quarter of 2017, the Company recorded total share-based compensation expense ("SBC expense") of RMB280.7 million, of which RMB6.0 million was allocated to cost of revenue, RMB13.2 million was allocated to selling expenses, RMB237.2 million was allocated to general and administrative expenses, and RMB24.3 million was allocated to research and development expenses. Excluding the impact of SBC expense, the gross margin for BEST Inc., BEST Supply Chain Management, BEST Express, BEST Freight and BEST Store⁺ was 3.9%, 7.7%, 4.1%, (5.0%) and 8.4% respectively, in the third quarter of 2017.

% of Revenue	Cost Control		Economies of Scale		Operational Efficiency		Business Synergies		2016Q3 - 2017Q3 Improvement
	2014	2015	2016	2016Q3	2017Q3				
Cost of Revenue	112.2%	110.2%	106.0%	103.8%	96.2%	▼	7.6ppts		
Adjusted Operating Expenses ^{1,2}	11.4%	10.5%	9.8%	11.4%	7.5%	▼	3.9ppts		
Adjusted EBITDA ^{1,3}	(20.5%)	(17.2%)	(12.7%)	(11.6%)	(1.6%)	▲	10.0ppts		
Non-GAAP Net Loss ^{1,4}	(23.4%)	(20.2%)	(15.4%)	(14.0%)	(3.4%)	▲	10.6ppts		
Capex ⁵	6.9%	7.6%	7.1%	5.6%	3.3%	▼	2.4ppts		

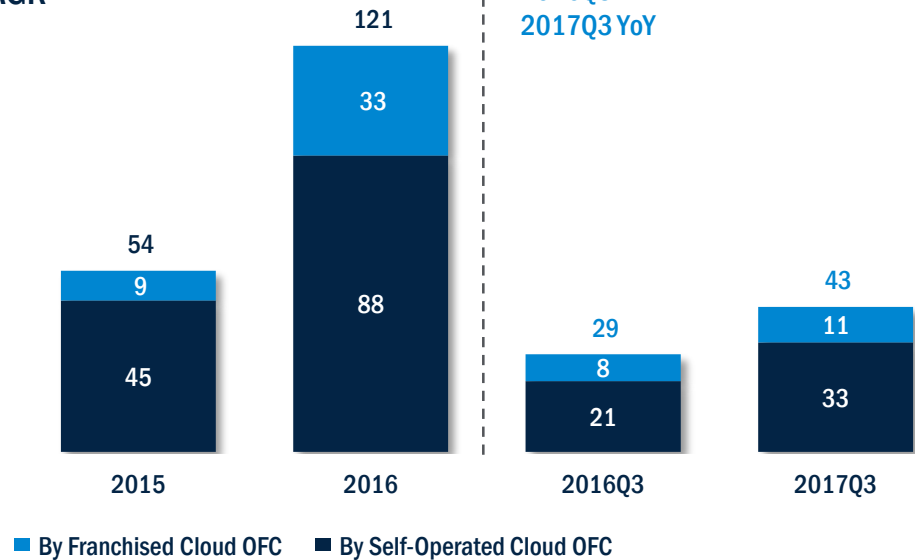
Notes:
 1. See the slide entitled "GAAP to Adjusted/Non-GAAP Measures Reconciliation" for more information about the non-GAAP measures referred to within this presentation.
 2. Adjusted operating expenses represents operating expenses plus SBC expense.
 3. Adjusted EBITDA represents EBITDA plus SBC expense.
 4. Non-GAAP net loss represents net loss plus SBC expense and amortization of intangible assets resulting from business acquisitions.
 5. Capital expenditures include leasehold improvements and purchases of equipment.

- The number of orders fulfilled increased by 48.6% YoY to 43 million. The increase was primarily attributable to increasing business volume of existing customers and the addition of new customers.
- We further strengthened partnership with Cainiao and Alibaba by adding over 180,000 square meters of additional OFC¹ space.

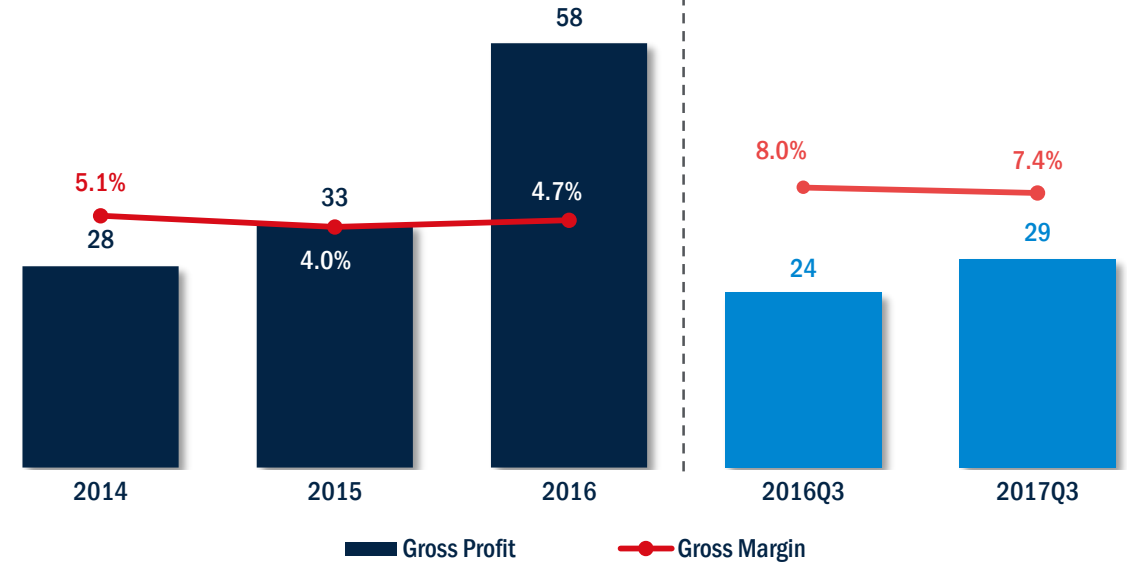
Number of Orders Fulfilled
mm

▲ **143.9%**
2014-16 CAGR

▲ **48.6%**
2016Q3 –
2017Q3 YoY



Gross Profit
RMB mm

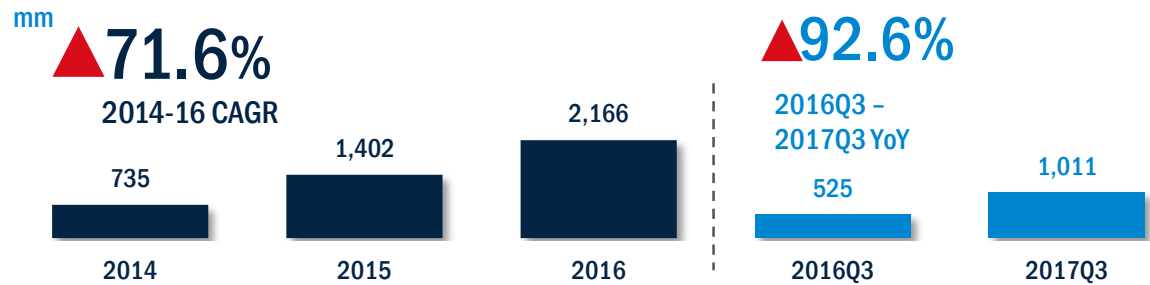


Note:
1. Order fulfillment centers.

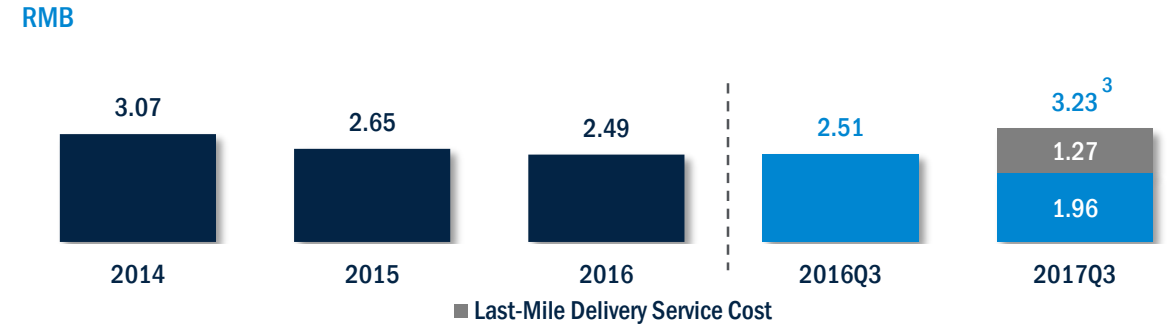
Express – Rapid Growth Driving Continued Market Share Gains

- Parcel volume increased by 92.6% YoY compared to a 28.4% industry-wide YoY growth¹. Our market share² increased to 10.0%, compared to 9.4% in the second quarter ended June 30, 2017, and 6.7% in the third quarter ended September 30, 2016.
- Excluding the impact of service scope expansion, gross profit margin improved to +6.8% from -3.1% in the same period of 2016.

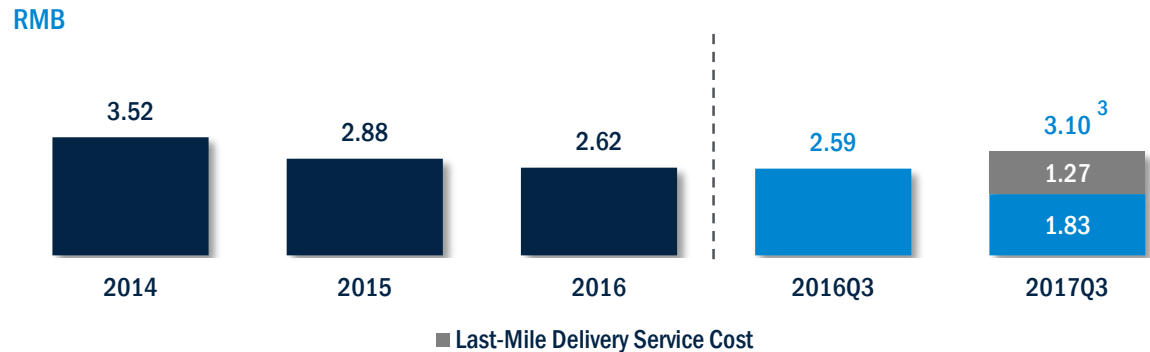
Parcel Volume



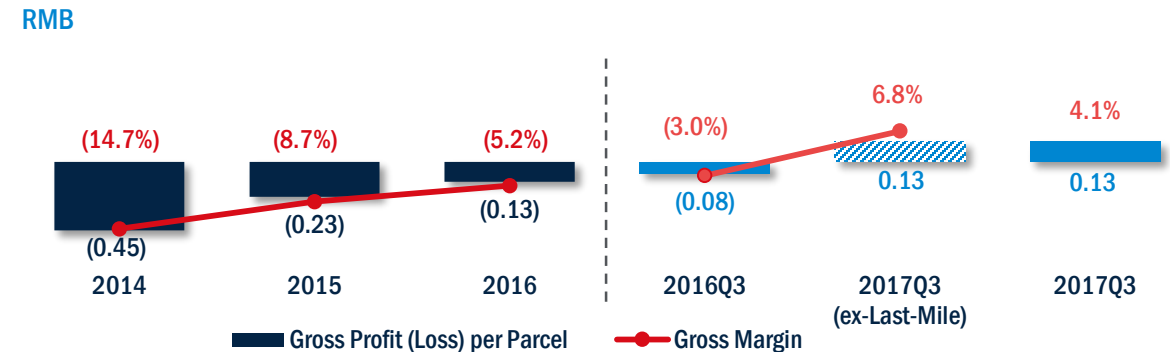
Revenue per Parcel



Cost of Revenue per Parcel



Gross Profit (Loss) per Parcel



Notes:

1. Based on data published by State Post Bureau of the PRC; 2. Express market share calculated as the Company's parcel volume as a percentage of aggregate national express delivery parcel volume for the relevant period, based on data published by State Post Bureau of the PRC; 3. Starting in 2017, the Company revised its arrangements with franchisees and the scope of its service. As a result, the Company became the principal that is directly responsible for last-mile delivery of all parcels and freight processed through its network, and the Company is liable to senders for damage to or loss of parcels and freight in connection with last-mile delivery. Therefore, in consideration of such expanded scope of services and increased responsibilities, the Company increased the fee it charges to pick-up service stations. As a proxy, in the third quarter of 2017, Express incurred approx. RMB1,282.8 million of last-mile delivery service cost of revenue that were attributable to fees for destination franchised service stations that the Company engaged for the provision of last-mile delivery service.

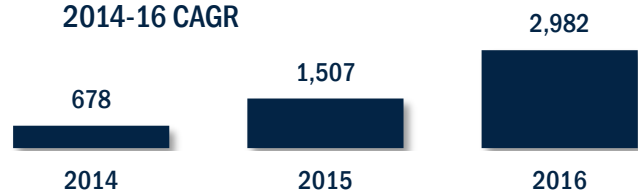
Freight – Growth Supported by Network Expansion, Differentiated Service

- Average revenue per tonne increased by 38.2% YoY due to a greater proportion of long-distance freight volumes in connection with the expansion of the our freight network, upward adjustments of service prices in various provinces and cities, and the expansion of our service scope.
- Similar to express service segment, we continue to optimize our freight network.

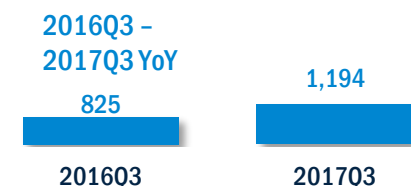
Freight Volume

000's tonnes

▲ **109.7%**
2014-16 CAGR

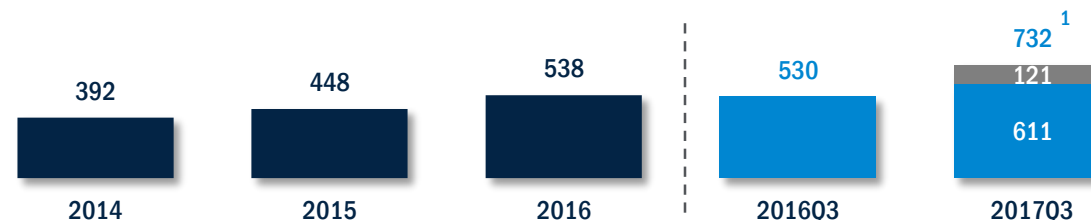


▲ **44.7%**



Revenue per Tonne

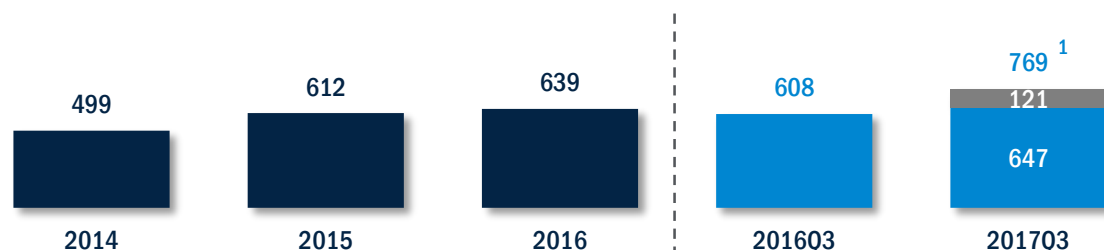
RMB



■ Last-Mile Delivery Service Cost

Cost of Revenue per Tonne

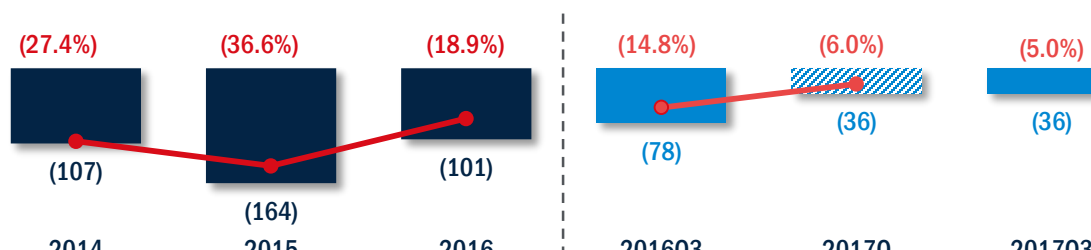
RMB



■ Last-Mile Delivery Service Cost

Gross Loss per Tonne

RMB



■ Gross Loss per Tonne

● Gross Margin (ex-Last-Mile)

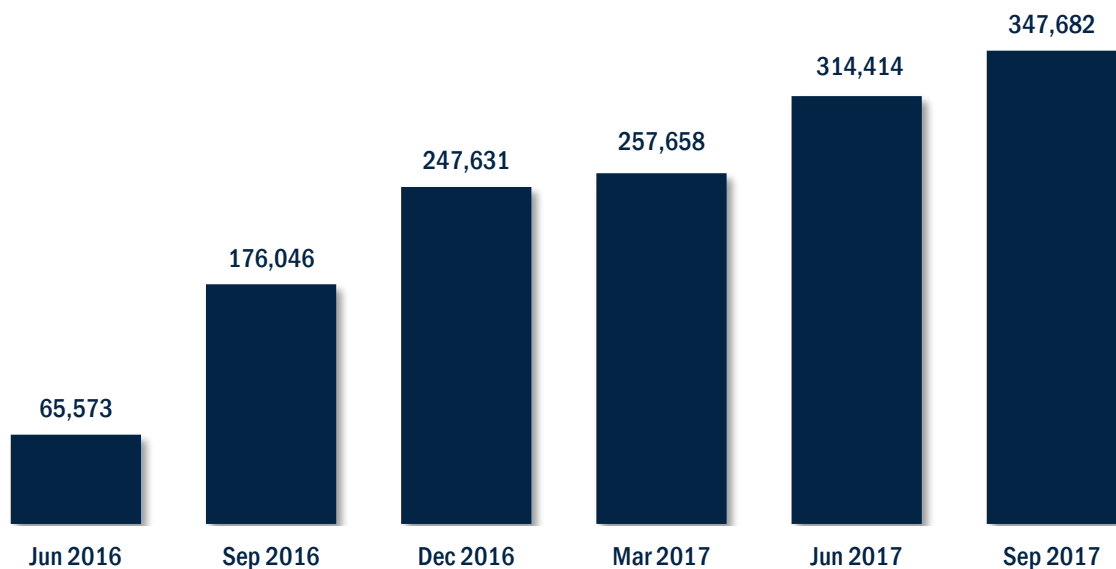
Notes:

1. Starting in 2017, the Company revised its arrangements with franchisees and the scope of its service. As a result, the Company became the principal that is directly responsible for last-mile delivery of all parcels and freight processed through its network, and the Company is liable to senders for damage to or loss of parcels and freight in connection with last-mile delivery. Therefore, in consideration of such expanded scope of services and increased responsibilities, the Company increased the fee it charges to pick-up service stations. As a proxy, in the third quarter of 2017, Freight incurred approx. RMB145.1 million of last-mile delivery service cost of revenue that were attributable to fees for destination franchised service stations that the Company engaged for the provision of last-mile delivery service.

- We continue to expand our Store+ network. The number of membership stores increased by 97.5% YoY to 347,682, covering 50 cities in 24 provinces.
- The number of store orders fulfilled increased by 155.2% YoY to 702,815.

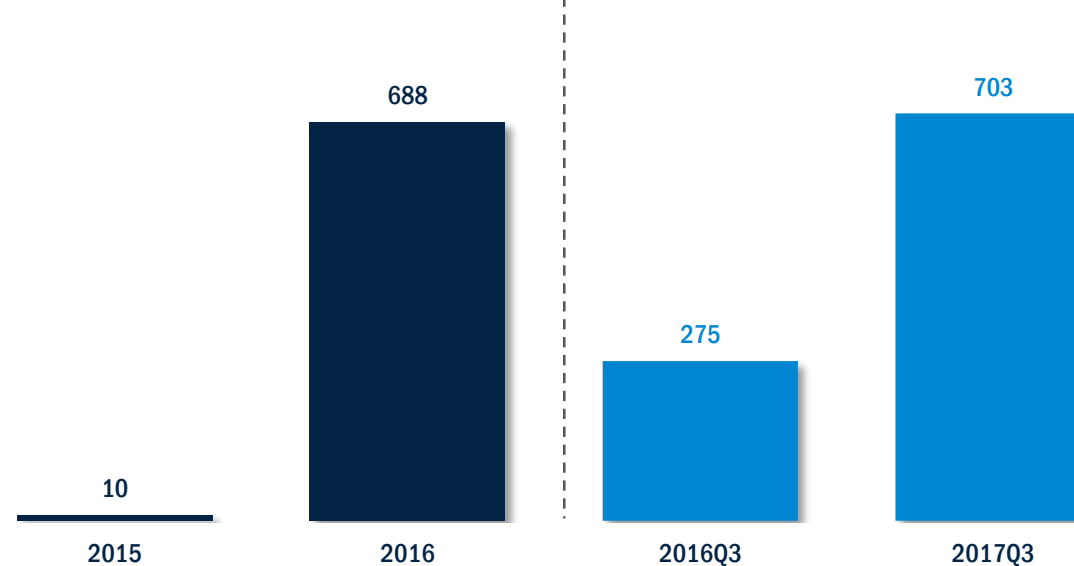
Number of Membership Stores¹

▲ 5x
2016Q2-2017Q3 Growth



Number of Orders 000's

▲ 67x
2015-16 Growth



▲ 155.2%
2016Q3 -
2017Q3 YoY

Note:
1. End of each period.

Income Statement Summary

RMB mm	2014	2015	2016	2016Q3	2017Q3
Revenue	3,066	5,256	8,844	2,289	5,354
Supply Chain Management	536	828	1,241	301	386
Express	2,260	3,710	5,389	1,319	3,266
Freight	266	676	1,605	437	874
Store ⁺	-	10	560	223	768
Others ¹	3	32	49	9	60
Gross (Loss) / Profit²	(375)	(534)	(532)	(88)	202
<i>Gross (Loss) / Profit Margin</i>	<i>(12.2%)</i>	<i>(10.2%)</i>	<i>(6.0%)</i>	<i>(3.8%)</i>	<i>3.8%</i>
Selling Expenses	(132)	(188)	(370)	(112)	(214)
Including Share-based Compensation Expense	-	-	-	-	(13)
G&A Expenses	(233)	(381)	(521)	(153)	(406)
Including Share-based Compensation Expense	-	-	-	-	(237)
R&D Expenses	(27)	(46)	(80)	(21)	(56)
Including Share-based Compensation Expense	-	-	-	-	(24)
Other Operating Income³	43	62	104	24	-
Total Operating Expenses	(349)	(554)	(868)	(262)	(676)
<i>Operating Expenses % of Revenue</i>	<i>(11.4%)</i>	<i>(10.5%)</i>	<i>(9.8%)</i>	<i>(11.4%)</i>	<i>(12.6%)</i>
Adjusted Total Operating Expenses^{4,5}	(349)	(554)	(868)	(262)	(401)
<i>Adjusted Operating Expenses % of Revenue</i>	<i>(11.4%)</i>	<i>(10.5%)</i>	<i>(9.8%)</i>	<i>(11.4%)</i>	<i>(7.5%)</i>
EBITDA⁴	(629)	(905)	(1,120)	(266)	(366)
<i>EBITDA Margin</i>	<i>(20.5%)</i>	<i>(17.2%)</i>	<i>(12.7%)</i>	<i>(11.6%)</i>	<i>(6.8%)</i>
Adjusted EBITDA^{4,6}	(629)	(905)	(1,120)	(266)	(86)
<i>Adjusted EBITDA Margin</i>	<i>(20.5%)</i>	<i>(17.2%)</i>	<i>(12.7%)</i>	<i>(11.6%)</i>	<i>(1.6%)</i>
Net Loss	(718)	(1,059)	(1,363)	(321)	(467)
<i>Net Loss Margin</i>	<i>(23.4%)</i>	<i>(20.2%)</i>	<i>(15.4%)</i>	<i>(14.0%)</i>	<i>(8.7%)</i>
Non-GAAP Net Loss^{4,7}	(718)	(1,059)	(1,363)	(321)	(184)
<i>Non-GAAP Net Loss Margin</i>	<i>(23.4%)</i>	<i>(20.2%)</i>	<i>(15.4%)</i>	<i>(14.0%)</i>	<i>(3.4%)</i>

Notes:

1. Others include BEST Global, BEST Capital and BEST Ucargo; 2. Excluding the impact of SBC expense, the gross profit was RMB208 million and gross profit margin was 3.9%; 3. Other operating income in 2014, 2015 and 2016 mainly consisted of payments from franchised service stations in the Company's express and freight networks in connection with last-mile delivery services to ensure service quality standards and preserve the value of the Company's brand name. Starting in 2017, the Company revised its arrangements with franchisee partners and the scope of its services to provide that the Company is directly responsible for last-mile delivery of all parcels or freight sent through its network and the Company is liable for damage to or loss of parcels in connection with last-mile delivery. As a result, starting in 2017, the Company's cost of revenue has reflected the quality of such last-mile delivery service and therefore the Company no longer generate any other operating income from franchised service stations based on their service quality; 4. See the slide entitled "GAAP to Adjusted/Non-GAAP Measures Reconciliation" for more information about the non-GAAP measures referred to within this presentation; 5. Adjusted operating expenses represents operating expenses plus SBC expense; 6. Adjusted EBITDA represents EBITDA plus SBC expense; 7. Non-GAAP net loss represents net loss plus SBC expense and amortization of intangible assets resulting from business acquisitions.

Balance Sheet Summary

RMB mm	As of December 31, 2016	As of September 30, 2017
Cash & Cash Equivalents	2,928	1,010
Total Restricted Cash	453	756
Short-Term Investments	62	3,721
Accounts & Notes Receivables	433	569
Inventories	82	190
Prepayments & Other Current Assets	794	1,375
Property & Equipment, Net	948	1,225
Other Non-Current Assets	175	793
Total Assets	6,296	10,373
Short-Term Bank Loans	458	909
Accounts & Notes Payable	1,576	2,412
Customer Advances & Deposits	676	923
Accrued Expense & Other Liabilities	1,226	1,752
Total Liabilities	3,962	6,104
Total Mezzanine Equity	15,842	-
Ordinary Shares	4	24
Additional Paid-in-Capital	-	18,921
Total Shareholders' (Deficit) / Equity	(13,508)	4,269

Condensed Cash Flows Statement Summary

RMB mm	2016Q3	2017Q3
Net cash (used in)/generated from operating activities	(90)	109
Net cash generated from/(used in) investing activities ¹	63	(2,995)
Net cash (used in)/generated from financing activities	(104)	2,803
Exchange rate effect on cash and cash equivalents	22	(22)
Net decrease in cash and cash equivalents	(109)	(105)
Cash and cash equivalents at beginning of period	2,790	1,115
Cash and cash equivalents at end of period	2,681	1,010

Note:

1. Including the purchase of short term investments of RMB90.0 million in 2016Q3 and RMB2,999.0 million in the third quarter of 2017.

GAAP to Adjusted/Non-GAAP Measures Reconciliation



RMB mm

Non-GAAP Net Loss

	2014	2015	2016	2016Q3	2017Q3
Net Loss	(718)	(1,059)	(1,363)	(321)	(467)
Add:					
Share-based Compensation Expense ¹	-	-	-	-	281
Amortization of Intangible Assets Resulting from Business Acquisitions	-	-	-	-	2
Non-GAAP Net Loss	(718)	(1,059)	(1,363)	(321)	(184)
<i>Non-GAAP Net Loss Margin</i>	<i>(23.4%)</i>	<i>(20.2%)</i>	<i>(15.4%)</i>	<i>(14.0%)</i>	<i>(3.4%)</i>

EBITDA and Adjusted EBITDA









	2014	2015	2016	2016Q3	2017Q3
Net Loss	(718)	(1,059)	(1,363)	(321)	(467)
Add:					
D&A	85	147	246	60	101
Interest Expense	8	10	21	3	12
Income Tax	-	-	1	0	4
Subtract:					
Interest Income	4	4	24	8	17
EBITDA	(629)	(905)	(1,120)	(266)	(367)
Add:					
Share-based Compensation Expense ¹	-	-	-	-	281
Adjusted EBITDA	(629)	(905)	(1,120)	(266)	(86)

Note:

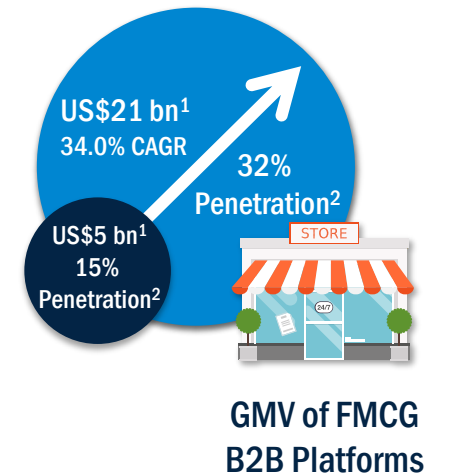
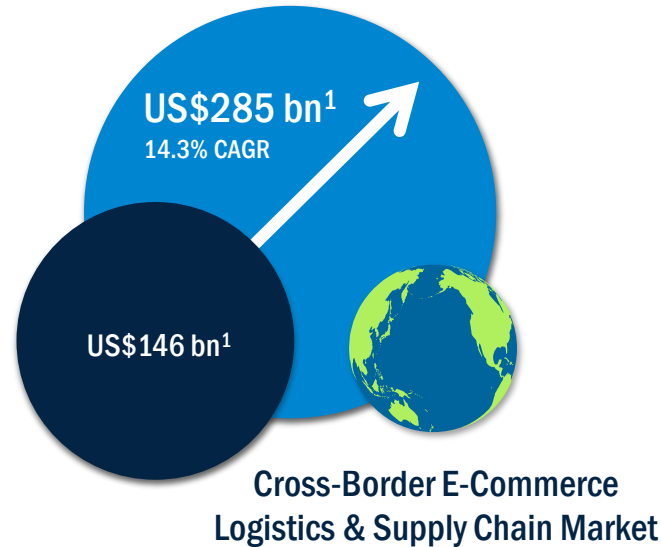
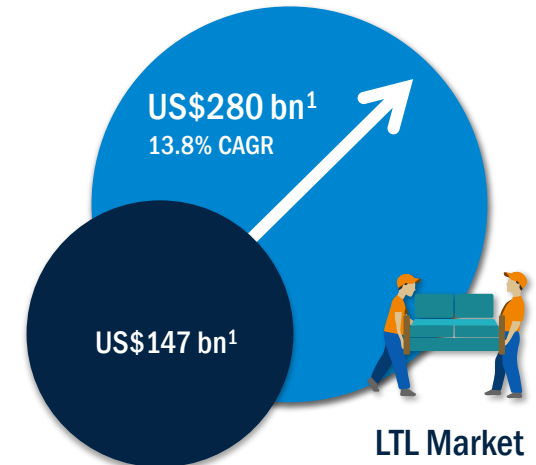
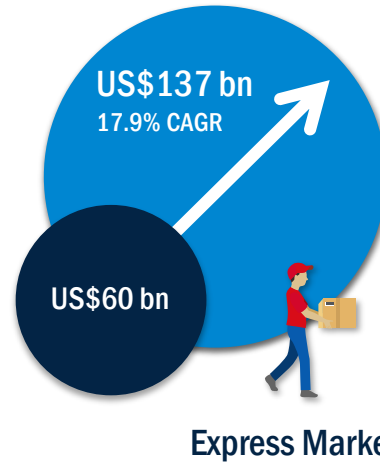
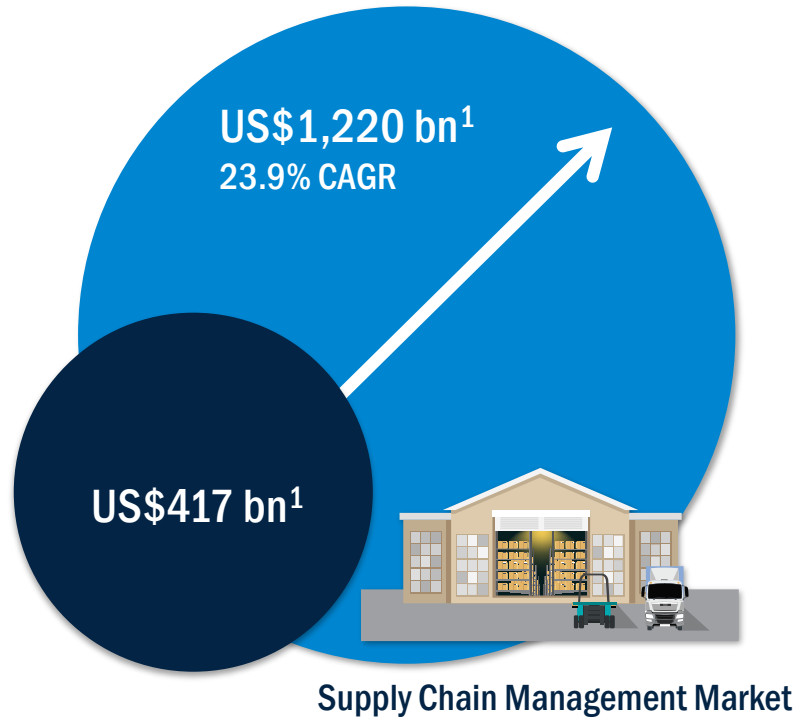
1. In the third quarter of 2017, the Company recorded total share-based compensation expense of RMB280.7 million, of which RMB6.0 million was allocated to cost of revenue, RMB13.2 million was allocated to selling expenses, RMB237.2 million was allocated to general and administrative expenses, and RMB24.3 million was allocated to research and development expenses.



Appendix

Services	Description
 百世云 BEST CLOUD	Proprietary technology powering our services and solutions
 百世供应链 BEST SUPPLY CHAIN	Integrated, customizable supply chain management services
 百世快递 BEST EXPRESS	Express delivery of parcels under 15 kg
 百世快运 BEST FREIGHT	Door-to-door, LTL and FTL freight services
 百世店加 BEST STORE ⁺	Online merchandise sourcing and store management services for convenience stores and last-mile B2C services
 百世国际 BEST GLOBAL	Door-to-door, integrated cross-border supply chain services
 百世金融 BEST CAPITAL	Financial services to support our ecosystem participants
 百世优货 BEST UCARGO	Real-time bidding platform for truckload capacity sourcing

Addressing a US\$1 Trillion Market Opportunity



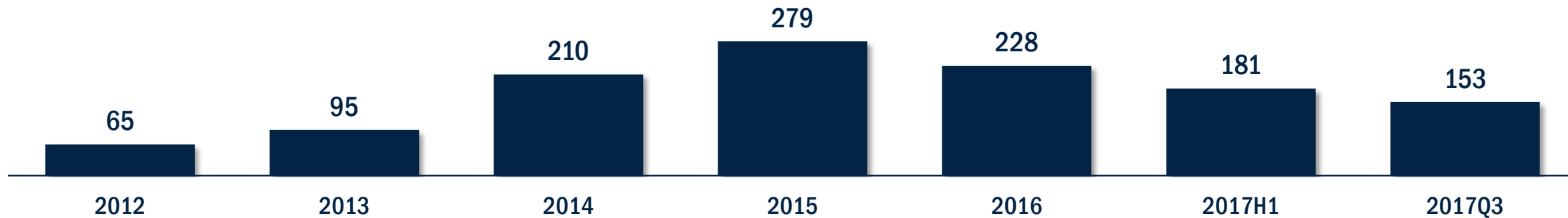
- 2016 Market Size in China
- 2021E Market Size in China
CAGR from 2016 to 2021E

Source: iResearch.
Notes:
1. US\$ / RMB = 6.7793.
2. Percentage of retail stores using B2B platforms to purchase goods.



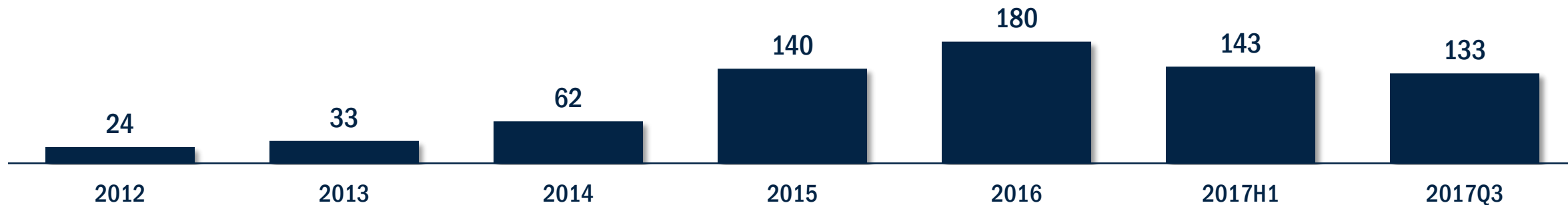
百世快递 BEST EXPRESS

Total Hubs and Sortation Centers¹



百世快运 BEST FREIGHT

Total Hubs and Sortation Centers¹



Note:
1. End of each period.



百世
BEST Inc.

Empower Business Enrich Life

百世快递
BEST EXPRESS

百世快递
BEST EXPRESS

百世快递
BEST EXPRESS

百世快递
BEST EXPRESS