



ZKH 震坤行

NYSE: ZKH

1Q2025 Earnings Presentation

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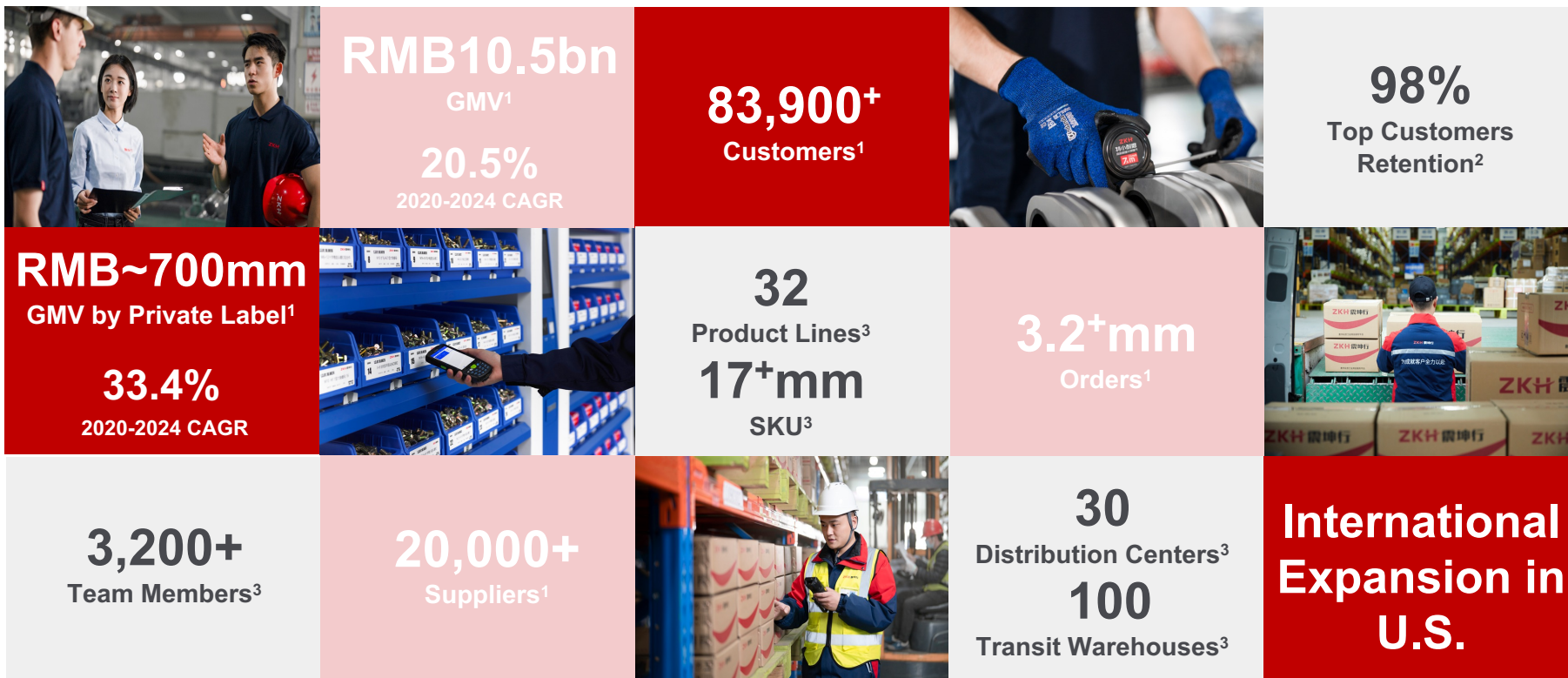
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This document also contains non-GAAP financial measures, the document of which is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with accounting principles generally accepted in the United States of America. In addition, the Company’s calculation of these non-GAAP financial measures may be different from the calculation used by other companies, and therefore comparability may be limited. The reconciliation of those measures to the most comparable GAAP measures is contained within this document or available at our website <https://ir.zkh.com/>.

ZKH Today

ZKH 震坤行

Leading MRO Procurement Service Platform with One-stop Services and Offerings



Notes:

1. In 2024
2. Approximately 98% of our top 500 customers in terms of GMV in 2023 transacted with us in 2024
3. As of December 31, 2024

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1Q2025 Highlights

1Q2025 Highlights

Strategic Focus and Strong Execution Driving Business Growth and Long-Term Success:



Solid Performance: Strengthened Business Quality & Improved Profitability Metrics

- ❑ **Product Sales (1P) Gross Margin:** Up 58.0bps YoY to 16.6% on ZKH Platform; up 67.5bps to 6.2% on GBB Platform
- ❑ **Marketplace (3P) Take Rate:** Up 235.9bps YoY to 14.0%
- ❑ **Private Label Products:** Revenue increased 40% YoY, on track to achieve 50% growth target for FY2025
- ❑ **Operating Loss:** Narrowed 37.7% YoY to RMB80.8M, with margin improvement of 279.1bps (from -7.0% to -4.2%)
- ❑ **Net Loss:** Narrowed 26.6% YoY to RMB66.7M, with margin improvement of 143.9bps (from -4.9% to -3.4%)



Strong Customer Engagement

- ❑ **Customer Base:** Over 60,000 in 1Q2025, 30.3% YoY increase
- ❑ **Customer Mix:** Continued growth in KA and SME customers on both ZKH Platform and GBB Platform



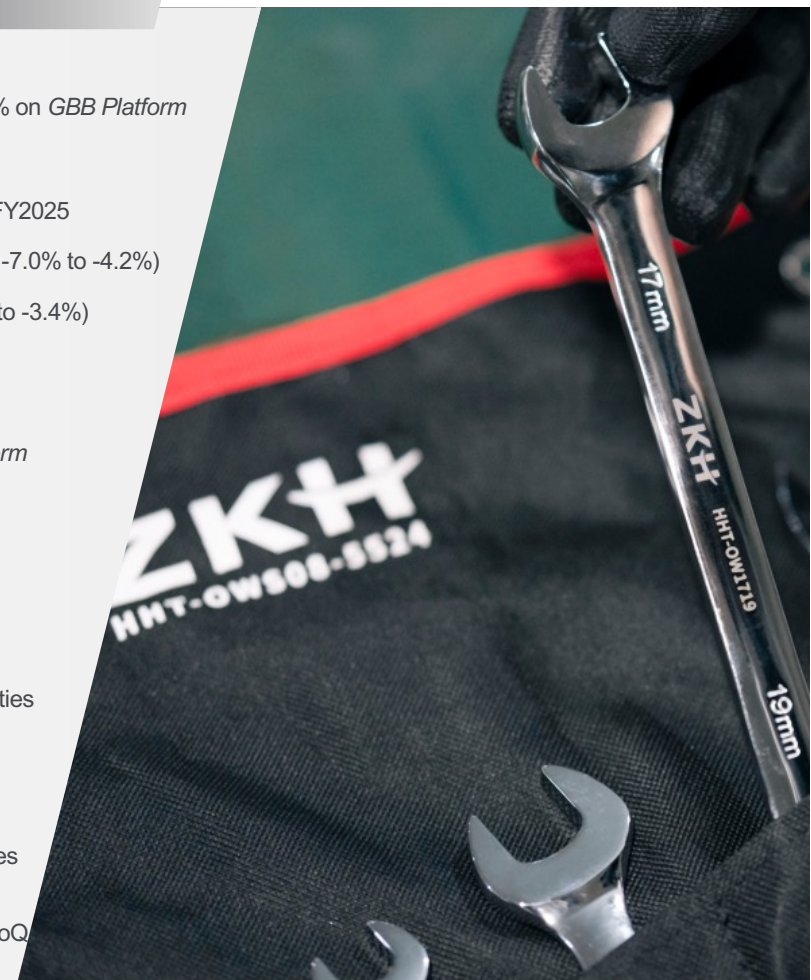
International Expansion

- ❑ **U.S. Growth:** Revenue and customer base nearly doubled each month since January 2025
- ❑ **Future Focus:** Strengthening product offerings and enhancing overseas supply chain capabilities



Digitalization & AI Advancements

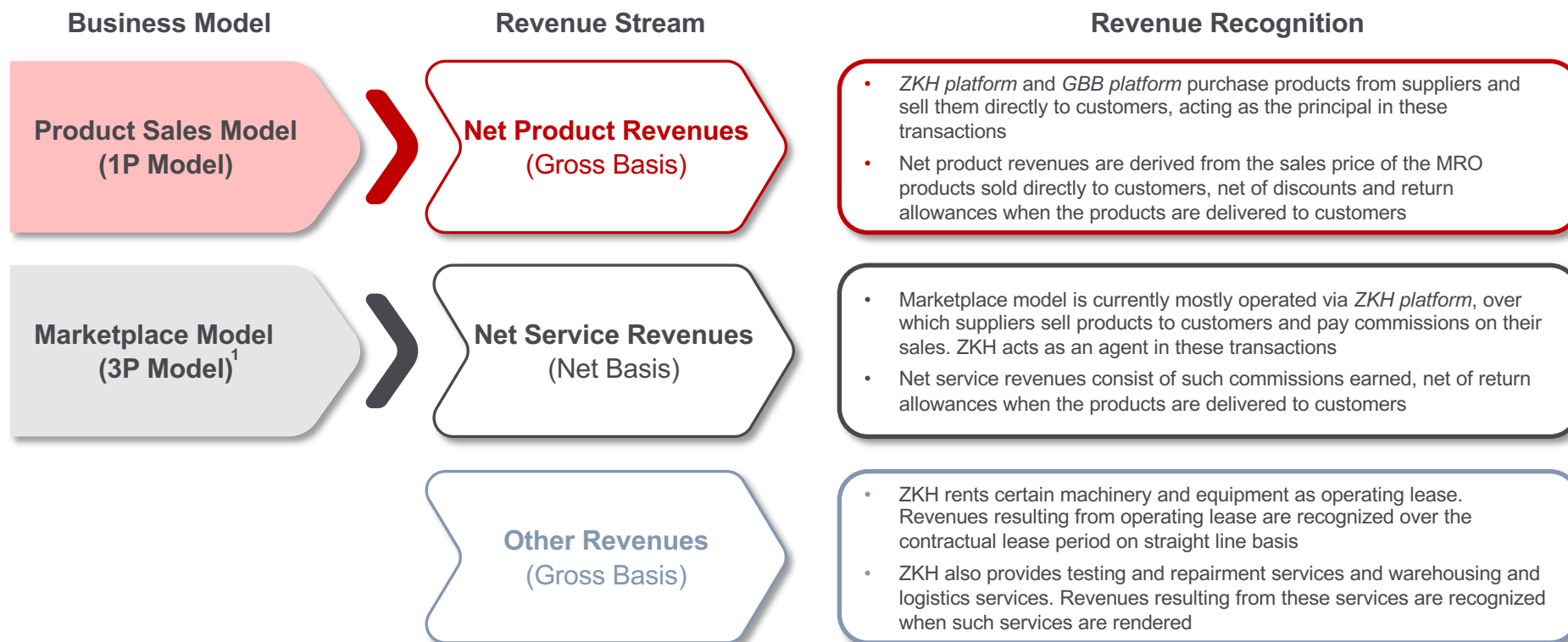
- ❑ **AI Product Metrix:** Successfully deployed 10+ AI applications to enhance customer service capabilities and improve internal operational efficiency
- ❑ **Tangible Value & Scalable Impact**
 - ❖ **AI ProductRecom Agent:** Served 200+ customers, pushed millions of SKUs, and helped drive RMB34M in revenue growth since launch; scaling to 14,000 customers in FY2025 with target sales growth in the hundreds of millions of RMB
 - ❖ **AI Smart Workbench:** Boosted per-customer-service staff order processing volume by 60.4% QoQ in Q1



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How We Performed?

Sources of Revenues



Note:

Net service revenues in 2020, 2021, 2022, 2023 and 2024 are mostly generated via ZKH Platform.

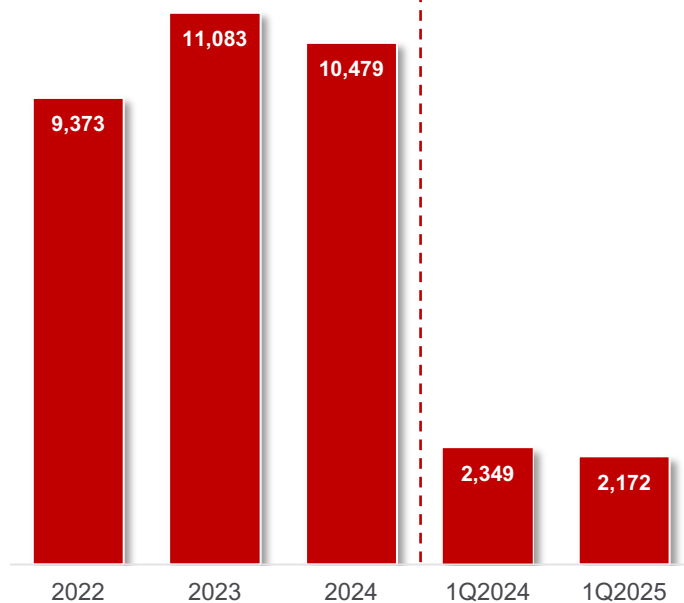
GMV and Revenue Growth

GMV

(RMB mm)

By Platform:

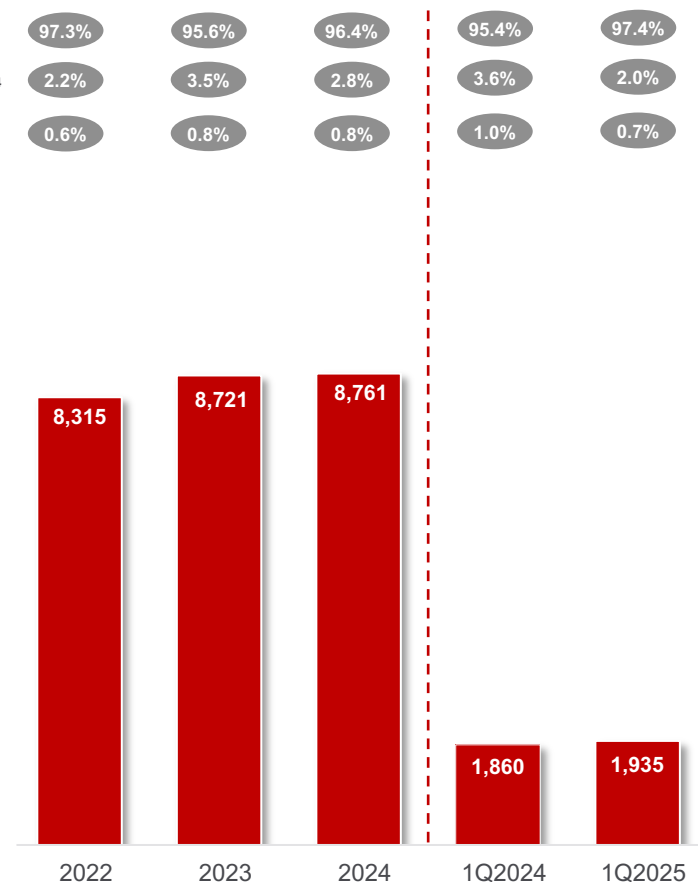
ZKH Platform % ¹	91.4%	91.2%	90.4%	91.0%	90.5%
GBB Platform % ¹	8.6%	8.8%	9.6%	9.0%	9.5%
By Business Model:					
1P % ²	84.6%	75.2%	81.4%	75.6%	87.5%
3P % ²	15.4%	24.8%	18.6%	24.4%	12.5%



Net Revenues

(RMB mm)

Net Product Revenues % ³	97.3%	95.6%	96.4%	95.4%	97.4%
Net Service Revenues % ^{3,4}	2.2%	3.5%	2.8%	3.6%	2.0%
Other Revenues % ³	0.6%	0.8%	0.8%	1.0%	0.7%



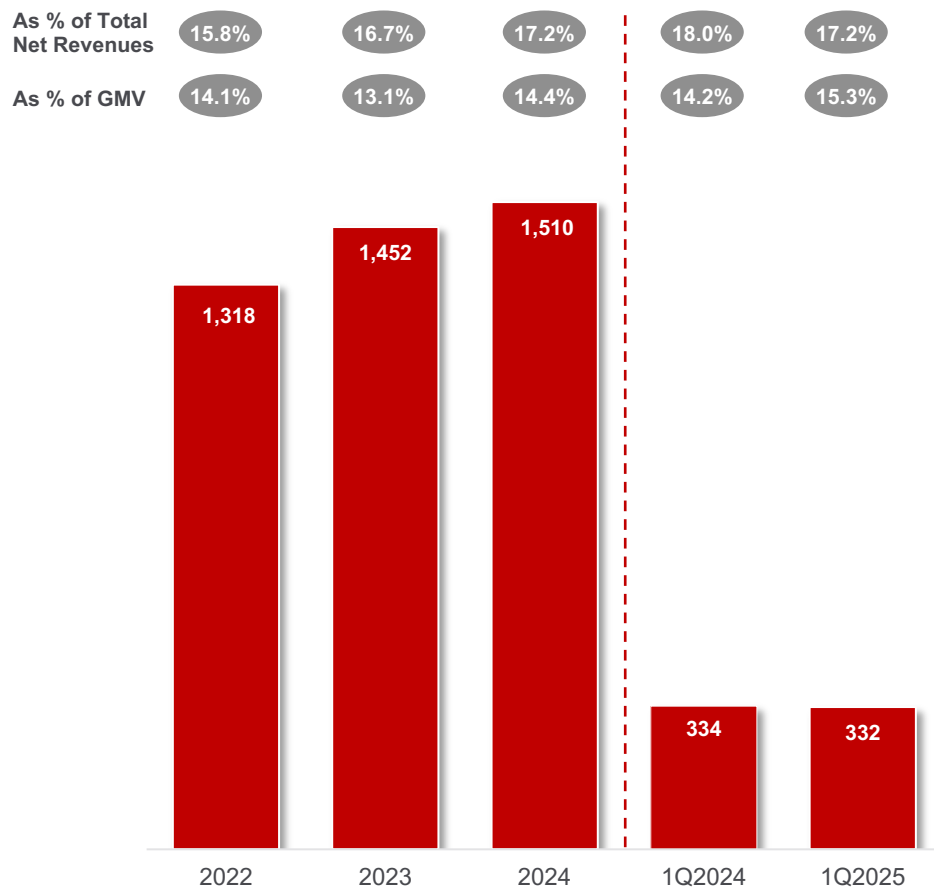
Notes:

1. Denotes the GMV from the ZKH platform as a percentage of total GMV, and the GMV from the GBB platform as a percentage of total GMV, respectively.
2. Denotes the GMV from the product sales model as a percentage of total GMV, and the GMV from the marketplace model as a percentage of total GMV, respectively.
3. Denotes the revenue from net product as a percentage of total revenue, the revenue from net service as a percentage of total revenue, and the revenue from the others as a percentage of total revenue, respectively.
4. Net service revenues under the marketplace model are recognized on a net basis. Therefore, a higher proportion of GMV generated by the marketplace model tends to increase the difference in growth rate between GMV and net revenues.

Gross Profit and Gross Margin

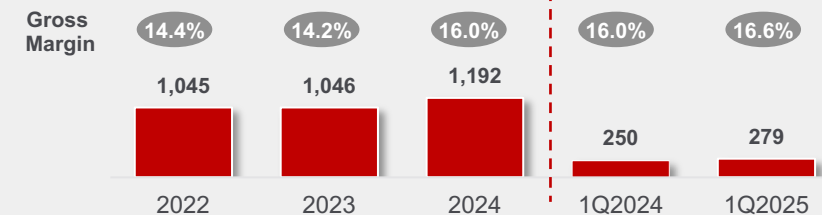
Gross Profit and Gross Margin¹

(RMB mm)



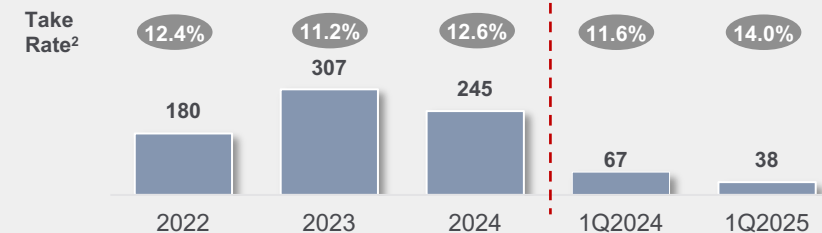
ZKH Platform – Product Sales (1P)

(RMB mm)



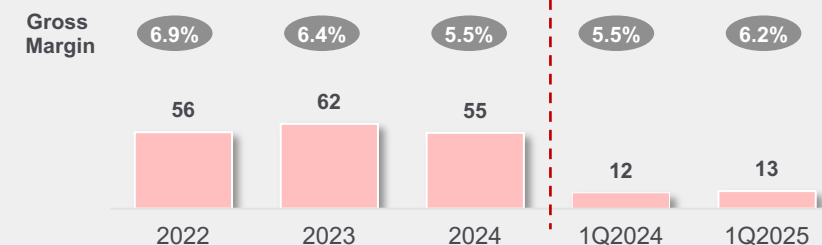
ZKH Platform – Marketplace (3P)

(RMB mm)



GBB Platform

(RMB mm)



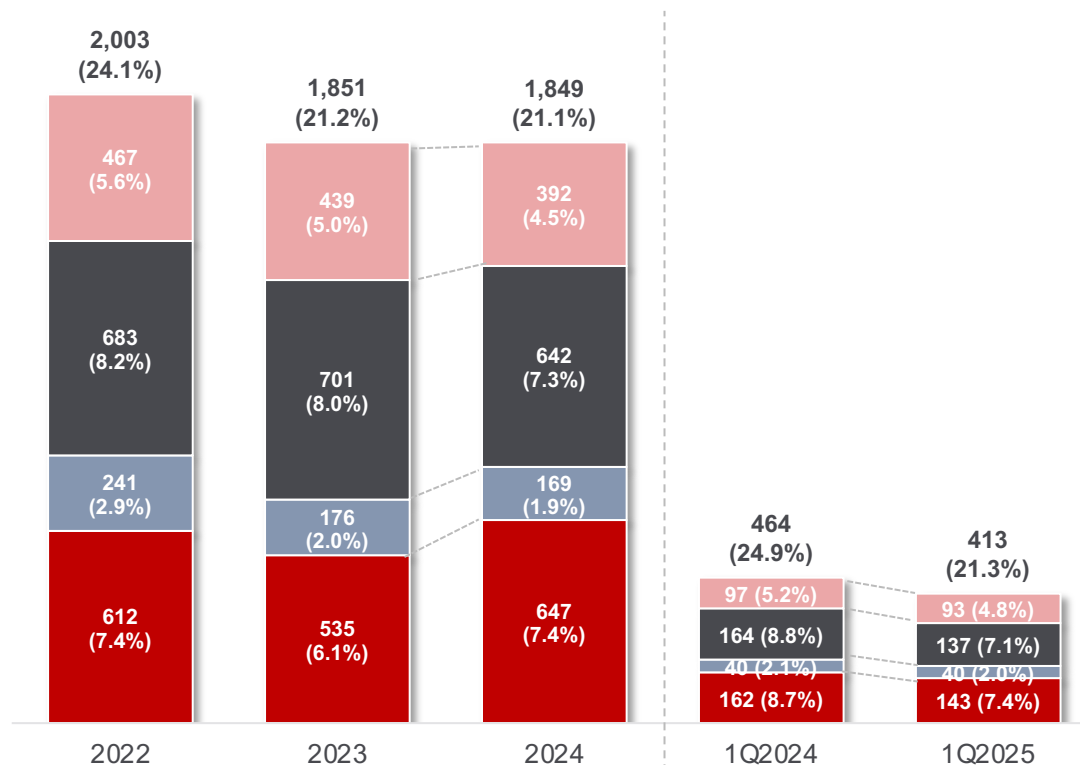
Notes:

1. Gross profit = total net revenues – cost of revenues; gross margin is defined as gross profit divided by total net revenues.
2. Take rate of the marketplace model = gross profit from the marketplace model divided by GMV from the marketplace model.

Operating Leverage

Operating Expenses

(RMB mm, as % of Total Net Revenues)



2024 vs. 2023
Operating Leverage
Improvement

-0.1 pts

-0.5 pts

-0.7 pts

-0.1 pts

+1.3 pts¹

1Q2025 vs. 1Q2024
Operating Leverage
Improvement

-3.6 pts

-0.4 pts

-1.7 pts²

-0.1 pts

-1.3 pts³

■ Fulfillment ■ Sales and Marketing ■ Research and Development ■ General and Administrative ● Total Operating Expenses

Note:

pts denotes percentage points.

1. The increase is mainly due to the increase in share-based compensation expenses of RMB82.6 mm and the increase in allowance of credit losses of RMB36.1 mm.

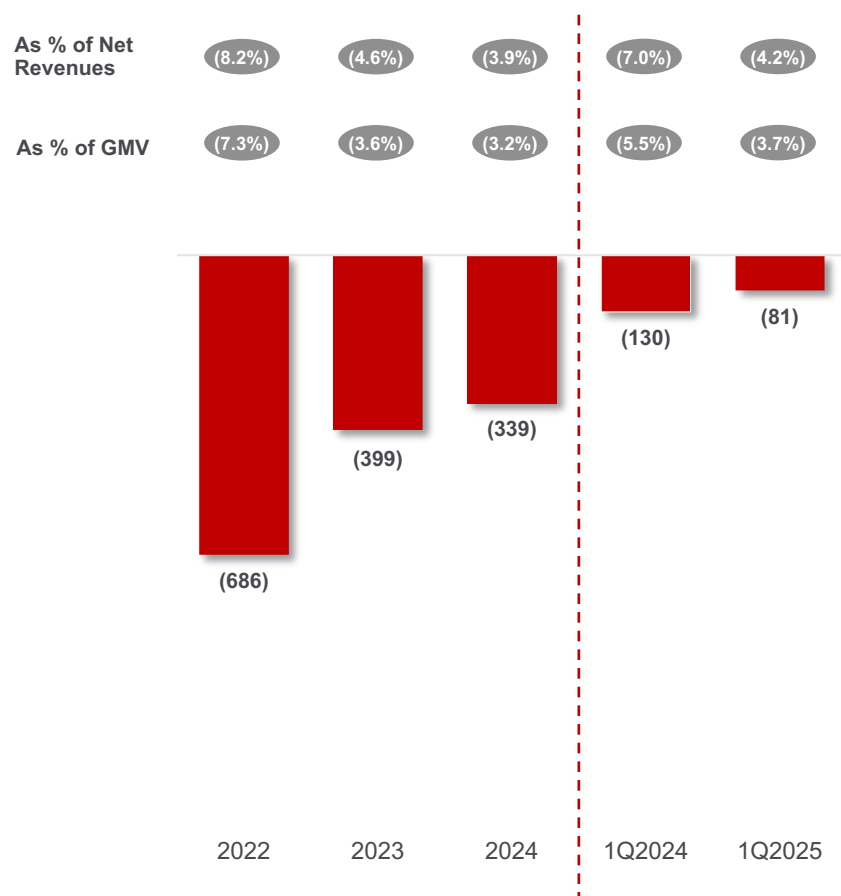
2. The decrease is mainly due to lower employee benefit expenses and travel expenses.

3. The decrease is mainly due to lower share-based compensation expenses, partially offset by higher employee benefit expenses.

Path to Profitability

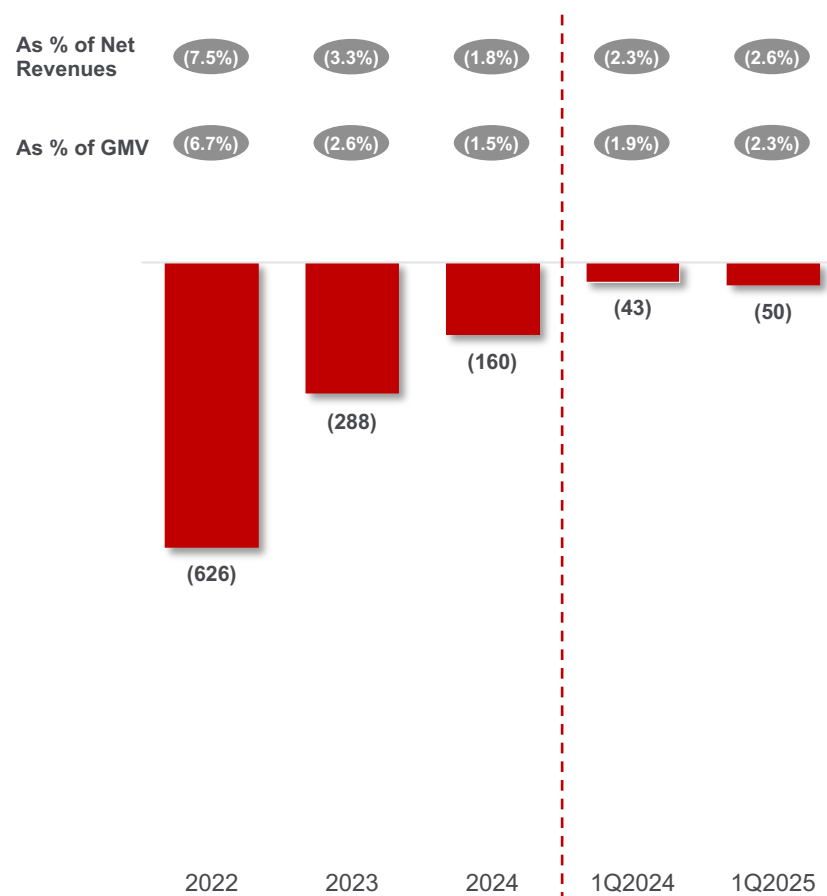
Operating Loss

(RMB mm)



Adjusted Net Loss¹

(RMB mm)



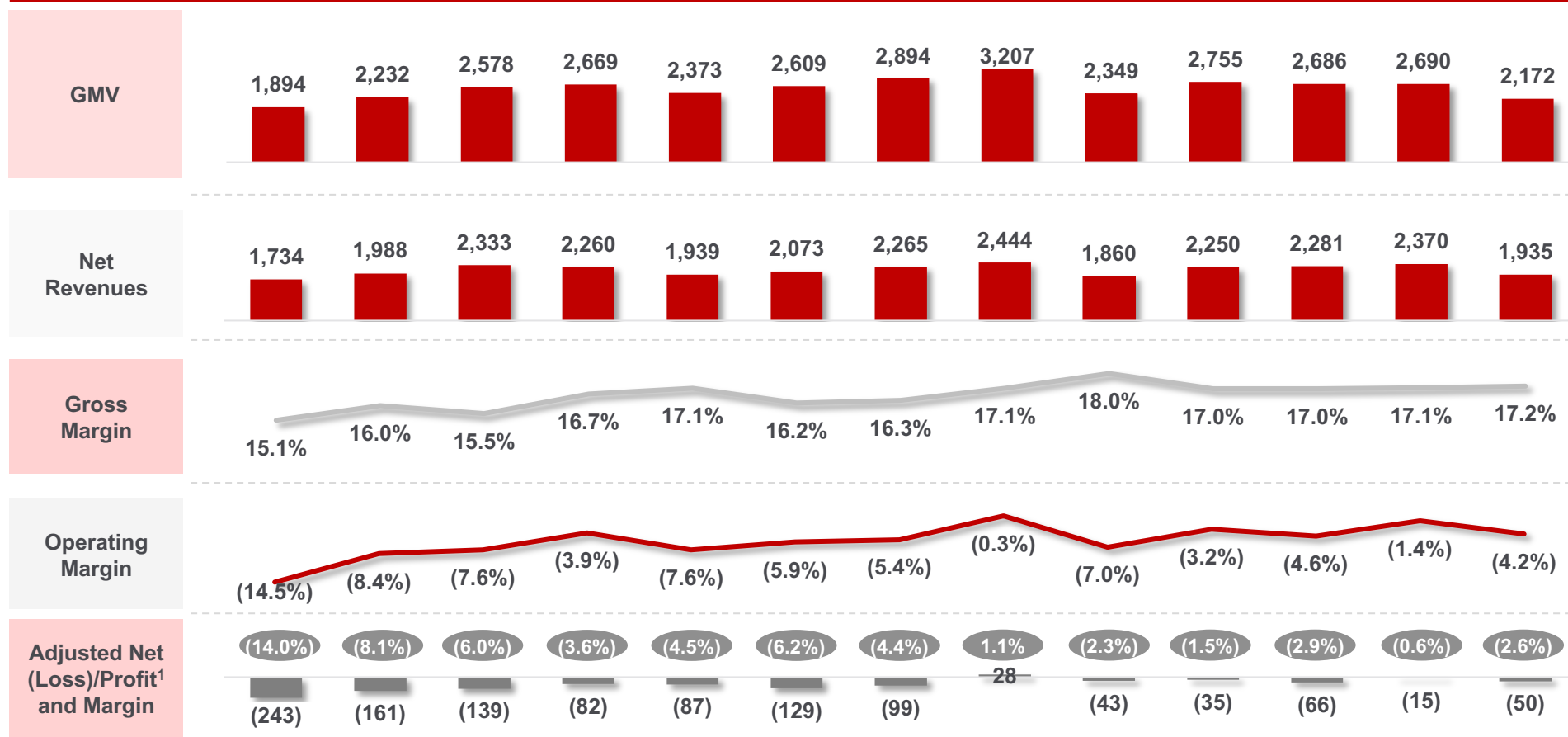
Note:

Adjusted net loss = net loss + share-based compensation expenses + interest expense due to the issuance of Series F Convertible Notes.

Quarterly Performance

(RMB mm)

1Q2022 2Q2022 3Q2022 4Q2022 1Q2023 2Q2023 3Q2023 4Q2023 1Q2024 2Q2024 3Q2024 4Q2024 1Q2025



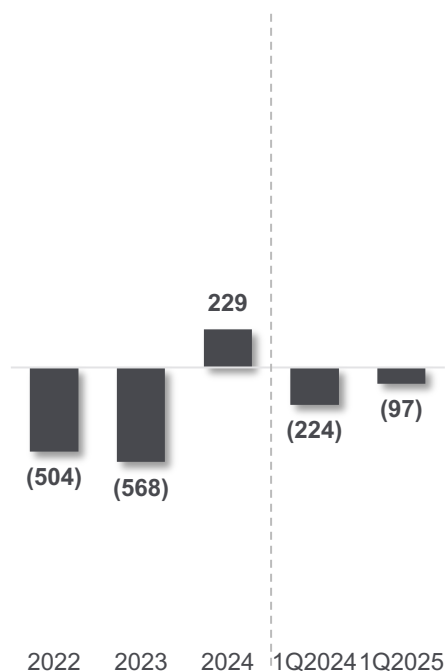
Note:

Adjusted net (loss)/profit = net (loss)/profit + share-based compensation expenses + interest expense due to the issuance of Series F Convertible Notes.

Cashflows

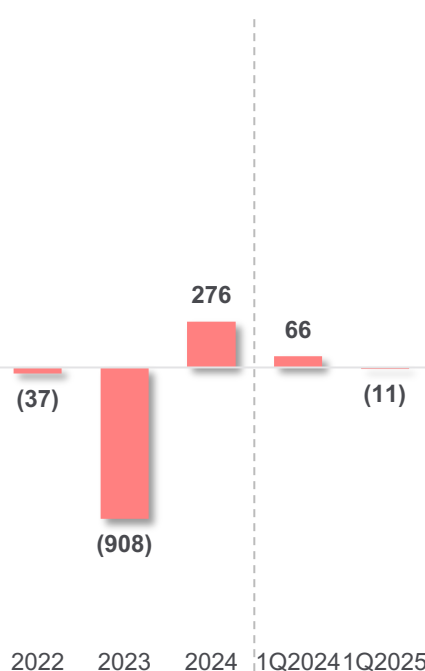
Net Cash (Used in)/Provided by Operating Activities

(RMB mm)



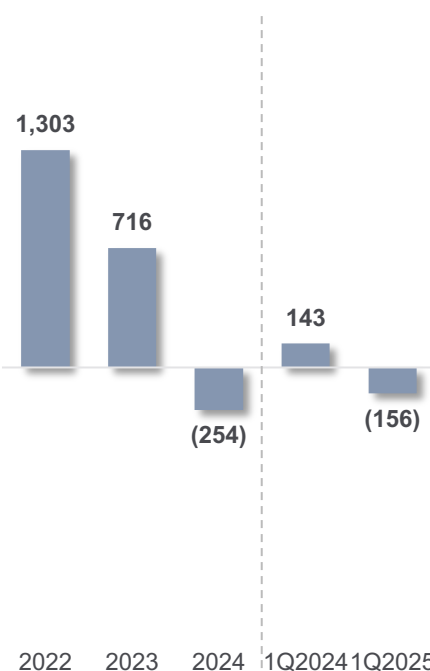
Net Cash (Used in)/Provided by Investing Activities

(RMB mm)



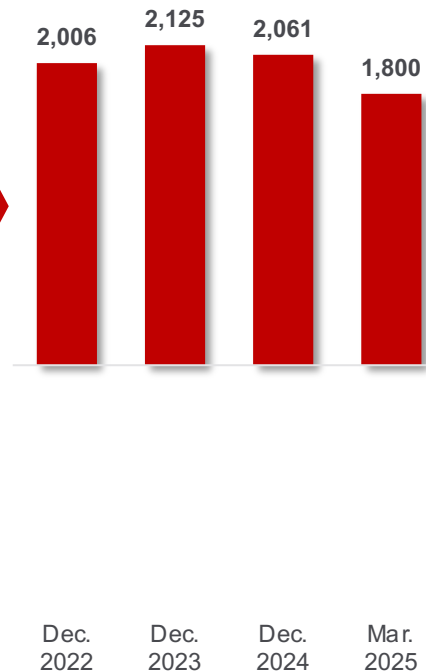
Net Cash Provided by/(Used in) Financing Activities

(RMB mm)



Cash and Cash Equivalents, Restricted Cash and Short-Term Investments

(RMB mm)



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Appendix

Unaudited Condensed Consolidated Statement of Comprehensive Income (Loss)



(All amounts in thousands)

	For the three months ended Mar 31,		
	2024	2025	
	RMB	RMB	USD
Net revenues	1,860,409	1,935,372	266,702
Net product revenues	1,775,019	1,884,860	259,741
Net service revenues	66,654	37,894	5,222
Other revenues	18,736	12,618	1,739
Cost of revenues	(1,526,333)	(1,603,254)	(220,934)
Operating expenses			
Fulfillment expenses	(97,348)	(93,307)	(12,858)
Sales and marketing expenses	(164,113)	(136,835)	(18,856)
Research and development expenses	(39,836)	(39,613)	(5,459)
General and administrative expenses	(162,393)	(143,176)	(19,730)
Loss from operations	(129,613)	(80,813)	(11,135)
Net loss	(90,901)	(66,723)	(9,193)
Net loss attributable to ZKH Group Limited	(90,901)	(66,723)	(9,193)
Net loss attributable to ZKH Group Limited's ordinary shareholders	(90,901)	(66,723)	(9,193)

Reconciliation of GAAP and Non-GAAP Results



(All amounts in thousands)

	For the three months ended Mar 31,		
	2024	2025	
	RMB	RMB	USD
Net loss	(90,901)	(66,723)	(9,193)
Add:			
Income tax expenses	88	247	34
Interest expenses	5,695	2,350	324
Depreciation and amortization expenses	15,070	12,167	1,677
Non-GAAP EBITDA	(70,048)	(51,959)	(7,158)
Net loss	(90,901)	(66,723)	(9,193)
Add:			
Share-based compensation expenses	47,442	16,547	2,280
Non-GAAP adjusted net loss	(43,459)	(50,176)	(6,914)

Unaudited Condensed Consolidated Balance Sheet



(All amounts in thousands)

	As of Dec 31, 2024	As of Mar 31, 2025	
	RMB	RMB	USD
Assets			
Cash and cash equivalents	1,423,943	1,136,052	156,552
Restricted cash	92,939	116,183	16,010
Short-term investments	543,978	547,959	75,511
Accounts receivable (net of allowance for credit losses of RMB145,789 and RMB144,038 as of December 31, 2024 and March 31, 2025, respectively)	3,090,323	2,808,599	387,035
Notes receivable	234,213	217,535	29,977
Inventories	625,390	723,769	99,738
Prepayments and other current assets	179,387	177,261	24,427
Total current assets	6,190,173	5,727,358	789,250
Property and equipment, net	183,572	181,526	25,015
Land use right	10,808	10,751	1,482
Operating lease right-of-use assets, net	179,945	157,280	21,674
Intangible assets, net	15,931	14,169	1,953
Goodwill	30,807	30,807	4,245
Total non-current assets	421,063	394,533	54,369
Total assets	6,611,236	6,121,891	843,619

Unaudited Condensed Consolidated Balance Sheet (Continued)



(All amounts in thousands)

	As of Dec 31, 2024	As of Mar 31, 2025	
	RMB	RMB	USD
Liabilities			
Short-term borrowings	311,000	160,790	22,157
Current portion of long-term borrowings	997	1,153	159
Accounts and notes payable	2,553,396	2,311,127	318,482
Operating lease liabilities	81,379	68,828	9,485
Advance from customers	27,433	26,570	3,661
Accrued expenses and other current liabilities	365,333	350,718	48,330
Derivatives	-	476	66
Total current assets	3,339,538	2,919,662	402,340
Long-term borrowings	38,887	43,803	6,036
Non-current operating lease liabilities	109,096	97,382	13,420
Other non-current liabilities	25,224	23,966	3,302
Total non-current liabilities	173,207	165,151	22,758
Total liabilities	3,512,745	3,084,813	425,098
Total shareholders' equity	3,098,491	3,037,078	418,521
Total liabilities and shareholders' equity	6,611,236	6,121,891	843,619

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