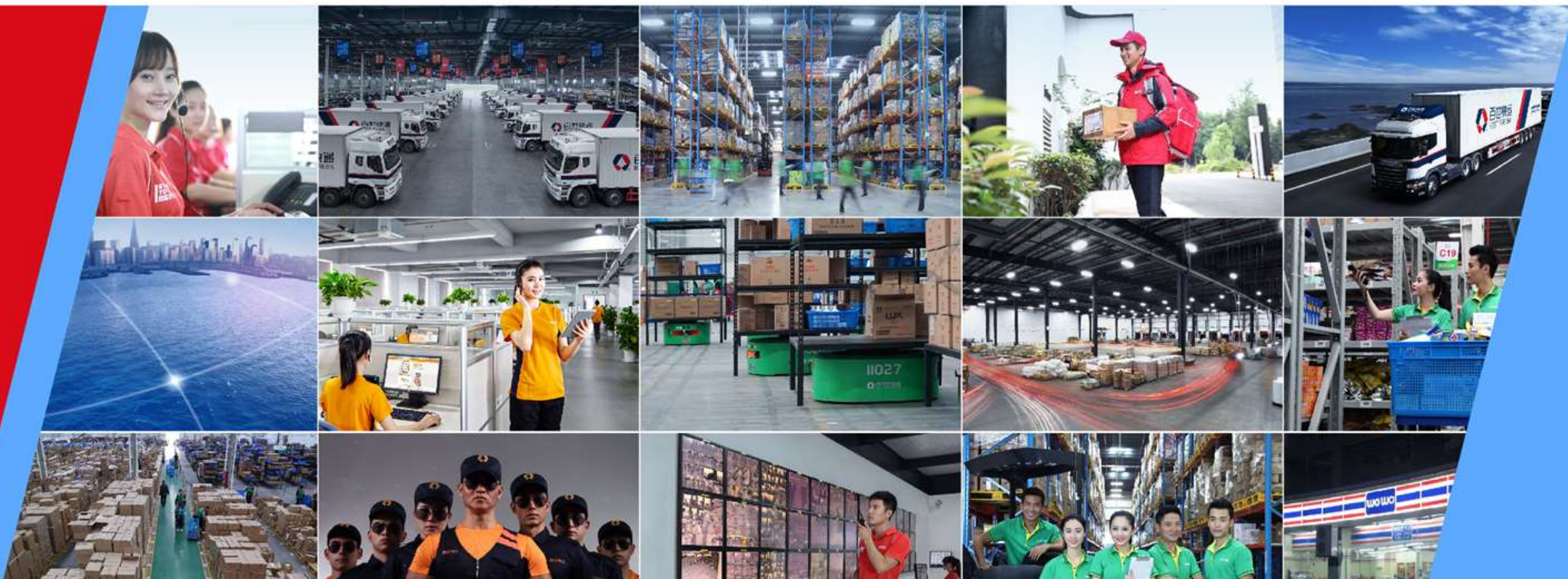


Q3 2020 Earnings Presentation

November 19, 2020



This presentation has been prepared by BEST Inc. (the “Company”) solely for informational purposes and have not been independently verified. No representations or warranties, express or implied, are made by the Company or any of its affiliates, directors, officers, employees, advisors, or representatives with respect to, and no reliance should be placed, on the accuracy, fairness or completeness of the information presented or contained in these materials. None of the Company nor any of its affiliates, directors, officers, employees, advisors or representatives accepts any responsibility or liability whatsoever for any loss howsoever arising from any information presented or contained in or derived from these materials. The information presented or contained in these materials is as of the date hereof and is subject to change without notice and its accuracy, fairness or completeness is not guaranteed.

This presentation contains forward-looking statements. All statements, other than statements of historical facts, contained in this presentation, including, without limitation, statements regarding our strategy and market opportunities, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management, are forward-looking statements. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “target,” “potential,” “will,” “would,” “could,” “should,” “continue,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements are forward-looking statements within the meaning of the U.S. securities laws. These forward-looking statements are made only, and are based on estimates and information available to the Company, as of the date of this presentation, and are not guarantees of future performance. These forward-looking statements are based on a number of assumptions which are subject to known and unknown risks, uncertainties and other factors that are beyond the Company’s control, such as the political, social, legal and economic environment in which the Company will operate in the future. Accordingly, actual results, performance or achievements may differ materially from those expressed or implied by these forward-looking statements and future results could materially differ from historical performance. Further information regarding these and other risks is included in the Company’s filings with the SEC. The Company undertakes no obligation to update or revise these forward-looking statements for events or circumstances that occur subsequent to the date of this presentation.

Nothing herein constitutes an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company in any jurisdiction or any inducement to enter into investment activity, or may form the basis of or be relied on in connection with any contract or commitment whatsoever.

This presentation contains certain financial measures that are not recognized under generally accepted accounting principles in the United States (“GAAP”), such as “Non-GAAP Net Loss/Profit”, “Non-GAAP Net Loss/Profit Margin”, “EBITDA”, “EBITDA Margin”, “Adjusted EBITDA”, “Adjusted EBITDA Margin”, “Adjusted Total Operating Expenses”, “Adjusted Selling Expenses”, “Adjusted General and Administrative Expenses” and “Adjusted Research and Development Expenses”. Such non-GAAP financial measures have limitations as analytical tools. The presentation of such non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. These non-GAAP measures may differ from the non-GAAP information used by other companies and therefore their comparability may be limited.

- Company continued to grow in most business segments amid intensified industry competition
- Express parcel volume increased by 24.8% YOY to 2.36 billion; Freight volume increased by 30.7% YoY to 2.46 million tonnes; Supply Chain Management orders fulfilled increased by 18.3% YoY to 102 million; SEA parcel volume increased by almost seven times to 20.8 million
- Revenue was RMB8.7 billion, a decrease of 0.6% YoY, primarily due to a decrease in ASP of BEST Express and BEST Freight; Gross Profit was RMB37.6 million, a decrease of 92.6% YoY primarily due to decreased ASP and increased costs from BEST Express and BEST Freight
- Maintained strong balance sheet and liquidity. Cash and cash equivalents, restricted cash, and short-term investments totalled RMB4.8 billion at the end of the third quarter
- Company announced a strategic refocusing plan following a comprehensive review of the Company's operations, plans to implement major adjustments to its strategy to refocus on its core logistics and supply chain management businesses with a view to driving long-term growth and profitability
- Announced the winding down of BEST Store⁺ except for the self-operated WoWo Stores on November 15, 2020. For its other businesses, including BEST UCargo, Capital and Global, the Company is considering all options available with the goal of maximizing shareholder value
- Announced cost measures to implement a company wide cost cutting plan. Through optimisation of its SG&A and R&D expenses to focus its resources on core businesses, anticipating an estimated saving of approximately RMB 200 million by the end of 2021. Company also took significant steps to realign its management team to support the refocusing plan for its core businesses

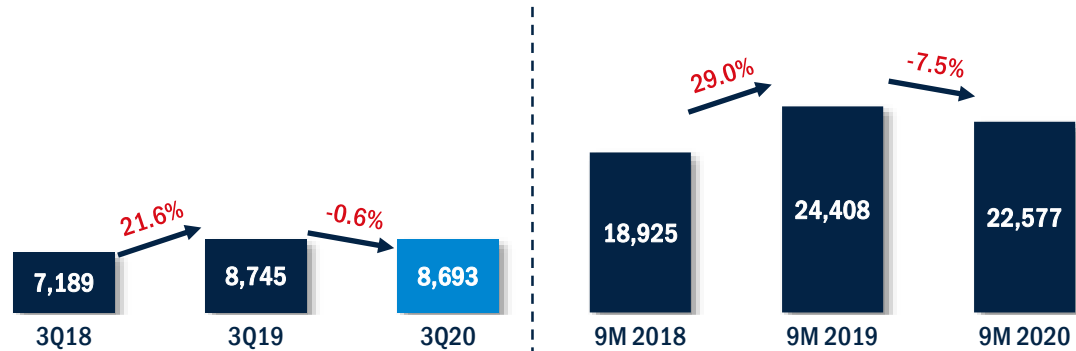


➤ **Financial Results**

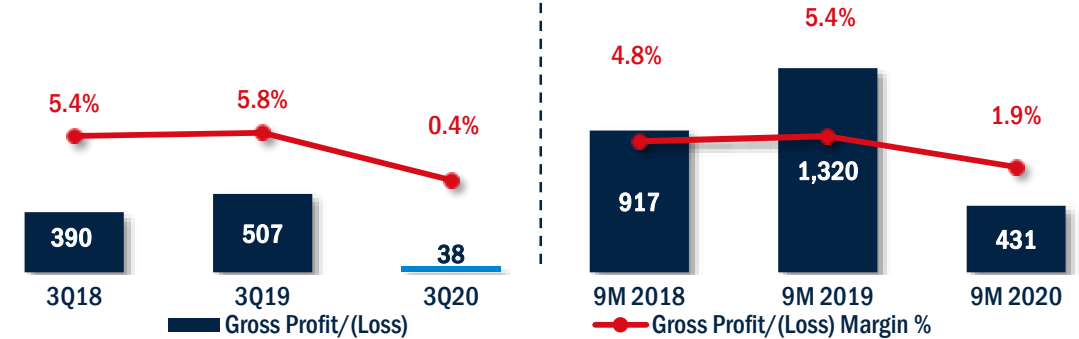
➤ Business Update

Financial Highlights – 3rd Quarter, 2020

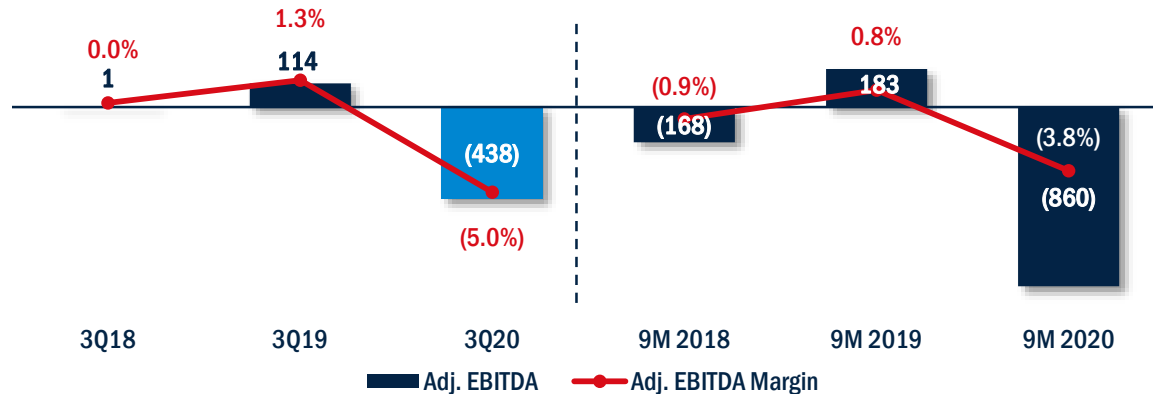
Revenue RMB mm



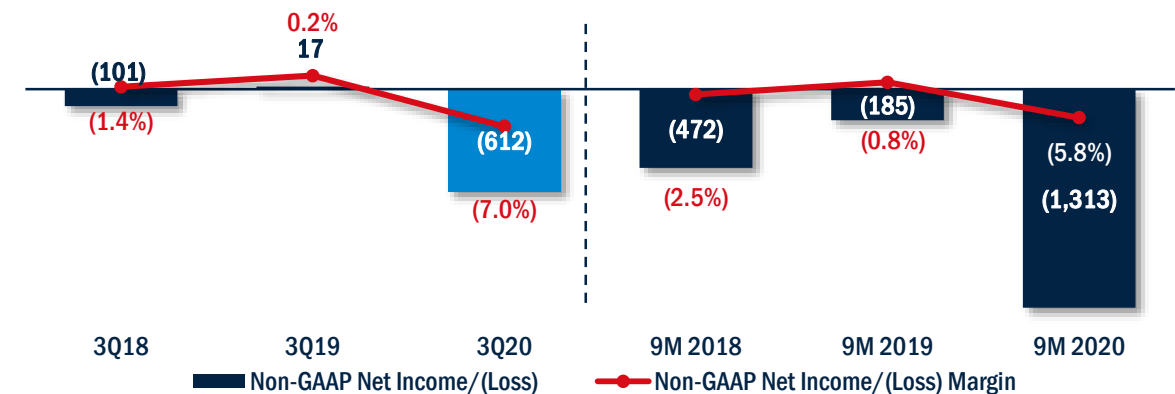
Gross Profit and Gross Margin RMB mm



Adjusted EBITDA and Adjusted EBITDA Margin RMB mm



Non-GAAP Net (Loss)/Income and Non-GAAP Net Margin¹ RMB mm



Notes:

All numbers presented have been rounded to the nearest integer, tenth, or hundredth and may not add up. Year-over-year comparisons are based on figures before rounding.

1. Non-GAAP net loss represents net loss excluding share-based compensation expense, amortization of intangible assets resulting from business acquisitions and fair value change of equity investments if any.

Revenue breakdown by segments – 3rd Quarter, 2020

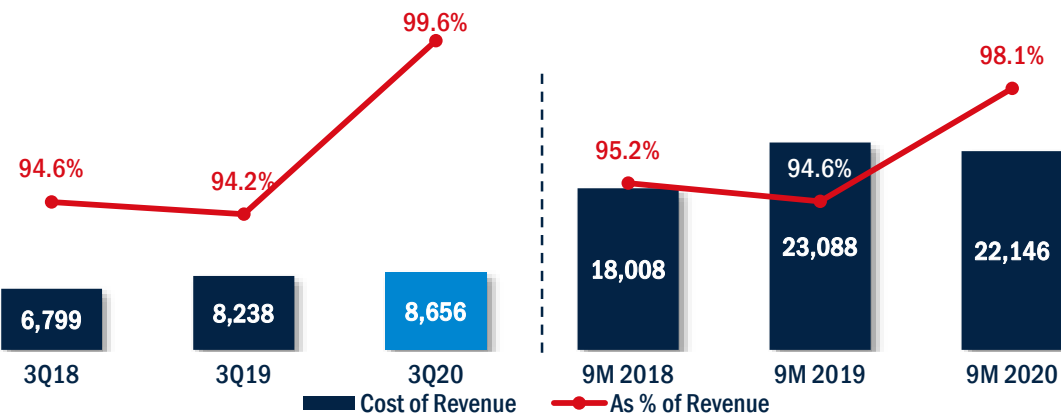


RMBmm (Except for %)	3Q2019		3Q2020		%Change YoY
	RMB	% of Revenue	RMB	% of Revenue	
Core Logistics and Supply Chain					
Express	5,209	59.5%	5,076	58.5%	(2.6%)
Freight	1,375	15.7%	1,488	17.1%	8.2%
Supply Chain Management	452	5.2%	453	5.2%	0.1%
UCargo	702	8.0%	689	7.9%	(1.9%)
Capital	49	0.6%	55	0.6%	12.4%
Total Core Logistics and Supply Chain	7,788	89.0%	7,760	89.3%	(0.4%)
Store ⁺	862	9.9%	717	8.2%	(16.8%)
Global	96	1.1%	216	2.5%	125.9%
Total Revenue	8,745	100.0%	8,693	100.0%	(0.6%)

Cost trend - 3rd Quarter, 2020

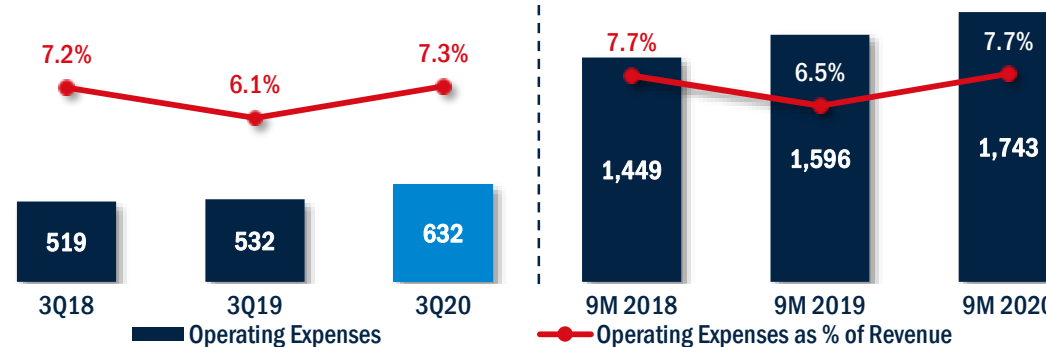
Cost of Revenue and % of Revenue

RMB mm



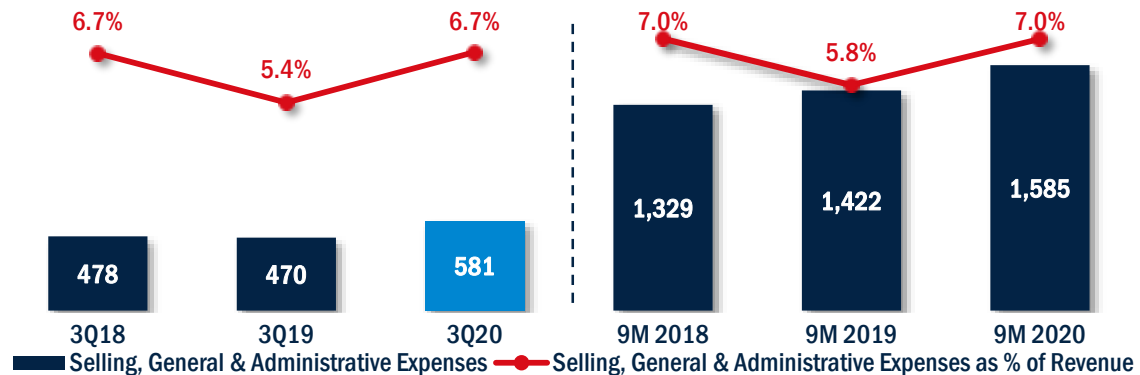
Adjusted Operating Expenses and % of Revenue ¹

RMB mm



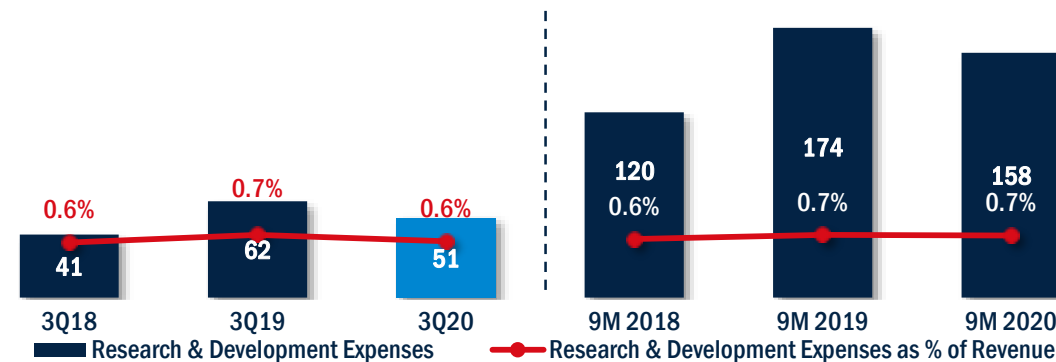
Adjusted Selling, General & Administrative Expenses and % of Revenue ¹

RMB mm



Adjusted Research & Development Expenses and % of Revenue ¹








RMB mm



Notes:

All numbers presented have been rounded to the nearest integer, tenth, or hundredth and may not add up. Year-over-year comparisons are based on figures before rounding.

1. All excluding SBC

	Core Logistics and Supply Chain					Total Core Logistics and Supply Chain	BEST STORE+ BEST GLOBAL		Unallocated	Total
										
(RMB mm, except for %)										
Revenue	5,076	1,488	453	689	55	7,760	717	216		8,693
YoY Growth	(2.6%)	8.2%	0.1%	(1.9%)	12.4%	(0.4%)	(16.8%)	125.9%		(0.6%)
Gross Profit/(Loss)	(129)	14	20	14	47	(35)	96	(24)		38
YoY Growth	(152.3%)	(83.3%)	(48.2%)	(1.4%)	45.1%	n/m	5.7%	n/m		(92.6%)
Gross Profit/(Loss) Margin	(2.5%)	1.0%	4.4%	2.0%	85.3%	(0.4%)	13.4%	(10.9%)		0.4%
YoY Growth	-7.2ppts	-5.3ppts	-4.0ppts	+0.0ppts	+19.2ppts	-5.8ppts	+2.9ppts	-9.6ppts		-5.4ppts
Adjusted EBITDA ¹	(211)	(45)	(27)	(30)	34	(278)	(68)	(61)	(31)	(438)
YoY Growth	n/m	n/m	n/m	n/m	3.0%	n/m	n/m	n/m	n/m	n/m
Adjusted EBITDA ¹ Margin	(4.2%)	(3.0%)	(5.9%)	(4.4%)	63.0%	(3.6%)	(9.5%)	(28.1%)		(5.0%)
YoY Growth	-7.9ppts	-6.1ppts	-7.2ppts	-3.5ppts	-5.8ppts	-7.0ppts	+1.8ppts	+4.2ppts		-6.3ppts

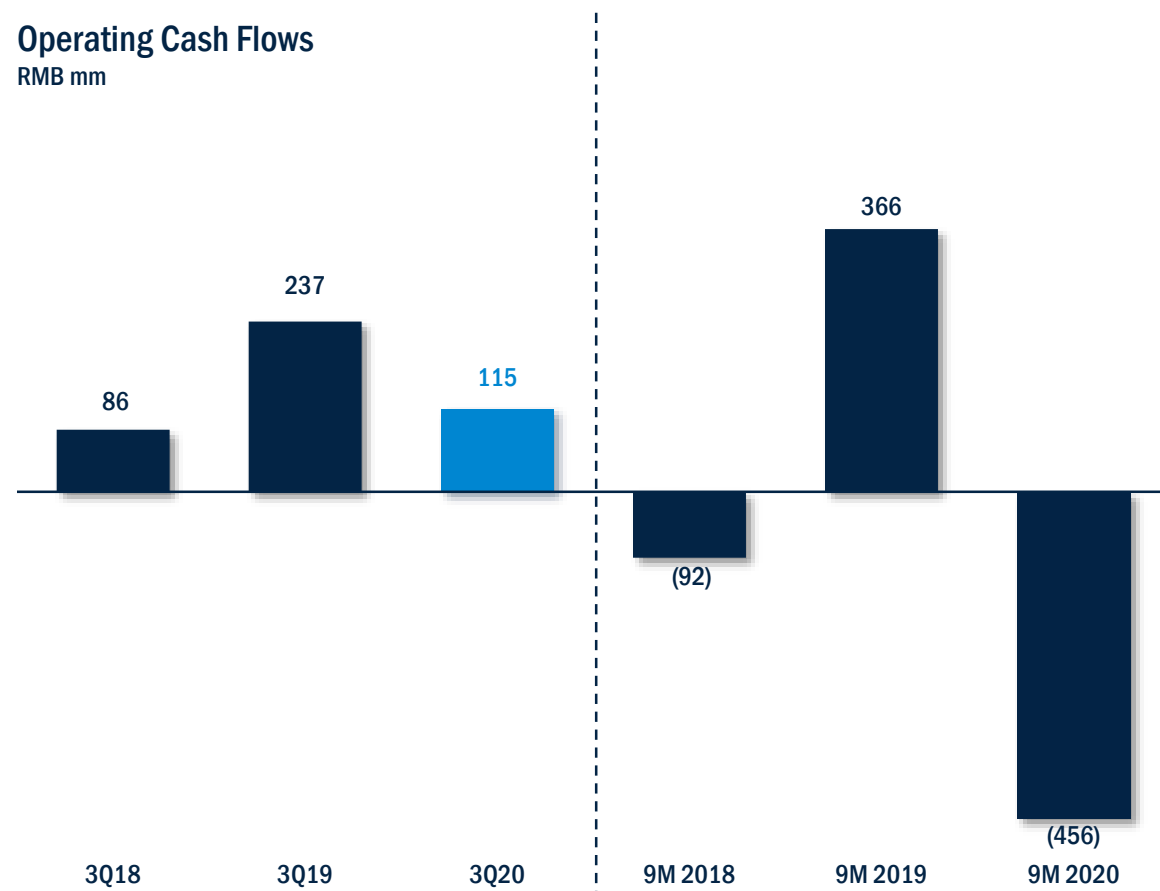
Notes:

All numbers presented have been rounded to the nearest integer, tenth, or hundredth and may not add up. Year-over-year comparisons are based on figures before rounding.

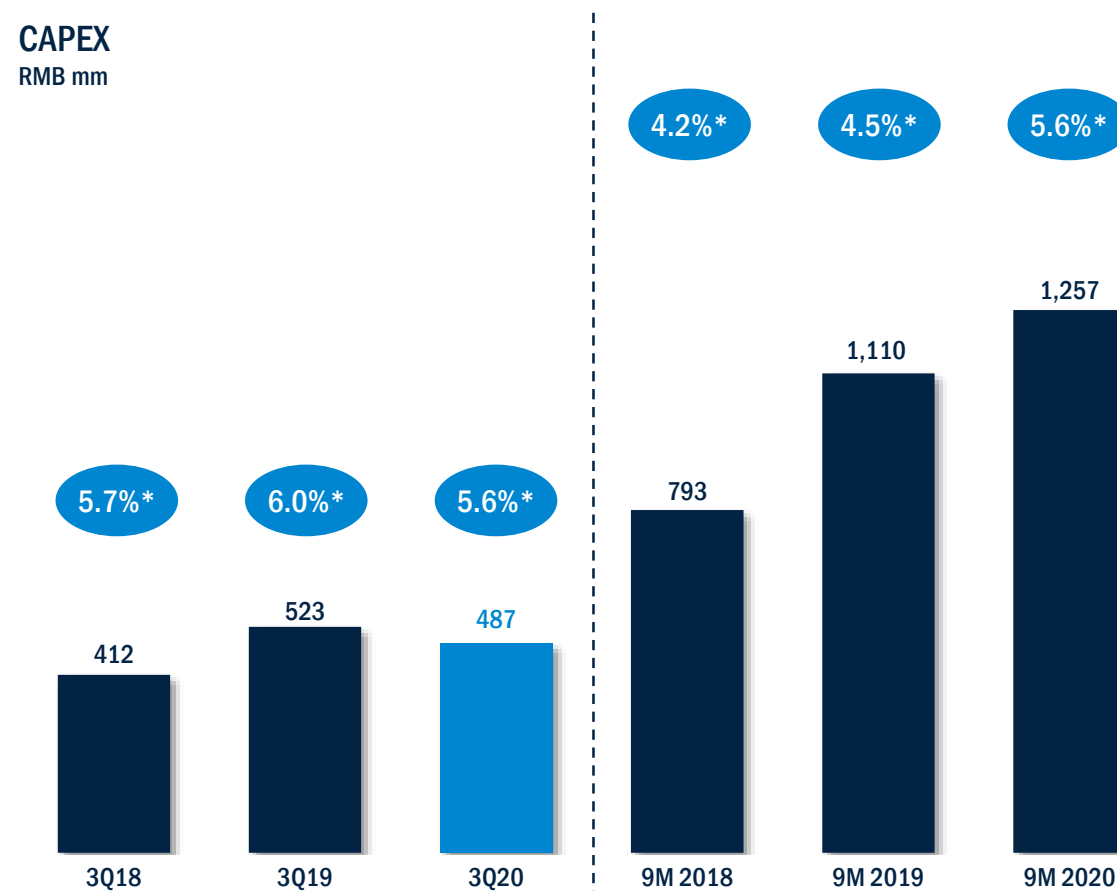
1. EBITDA represents net loss excluding depreciation, amortization, interest expense and income tax expense and minus interest income. Adjusted EBITDA represents EBITDA excluding share-based compensation (SBC) expense and fair value change of equity investments. See the slide entitled "GAAP to Non-GAAP Measures Reconciliation" for more information about the non-GAAP measures used in this presentation.

As of September 30, 2020, cash and cash equivalents, restricted cash and short-term investments were RMB4.8 billion, compared to RMB5.1 billion as of June 30, 2020

Operating Cash Flows
RMB mm



CAPEX
RMB mm



*As % of Revenue

GAAP to non-GAAP measures reconciliation

RMBmm
(Except for %)

Non-GAAP Net (Loss)/Profit	3Q19	3Q20	9M19	9M20
Net Loss	(7)	(640)	(262)	(1,421)
Add:				
Share-based Compensation Expense ¹	21	35	69	111
Amortization of Intangible Assets				
Resulting from Business Acquisitions	2	2	8	7
Add/(Subtract):				
Fair Value Change of Equity Investments	-	(10)	-	(10)
Non-GAAP Net (Loss)/Profit	17	(612)	(185)	(1,313)
Non-GAAP Net (Loss)/Profit Margin	0.2%	(7.0%)	(0.8%)	(5.8%)
EBITDA and Adjusted EBITDA	3Q19	3Q20	9M19	9M20
Net Loss	(7)	(640)	(262)	(1,421)
Add:				
Depreciation & Amortization	106	141	383	382
Interest Expense	12	47	53	121
Income Tax Expense	4	7	12	15
Subtract:				
Interest Income	(21)	(18)	(71)	(58)
EBITDA	93	(463)	114	(961)
Add:				
Share-based Compensation Expense ¹	21	35	69	111
Add/(Subtract):				
Fair Value Change of Equity Investments	-	(10)	-	(10)
Adjusted EBITDA	114	(438)	183	(860)
Adjusted EBITDA Margin	1.3%	(5.0%)	0.8%	(3.8%)

Notes:

All numbers presented have been rounded to the nearest integer, tenth, or hundredth and may not add up. Year-over-year comparisons are based on figures before rounding.

1. In the third quarter of 2020, the Company recorded share-based compensation ("SBC") expense of RMB35.0 million, of which approximately RMB0.6 million was allocated to cost of revenue, RMB1.5 million was allocated to selling expenses, RMB30.8 million was allocated to general and administrative expenses, and RMB2.1 million was allocated to research and development expenses. For the first nine months of 2020, the Company recorded SBC expense of RMB111.0 million, of which approximately RMB1.9 million was allocated to cost of revenue, RMB7.2 million was allocated to selling expenses, RMB95.8 million was allocated to general and administrative expenses, and RMB6.0 million was allocated to research and development expenses.



➤ Financial Results

➤ **Business Update**

Asset-light business utilizing our network, franchisee partners and 3rd party transportation service providers to provide express delivery of parcels



3Q20 Recap

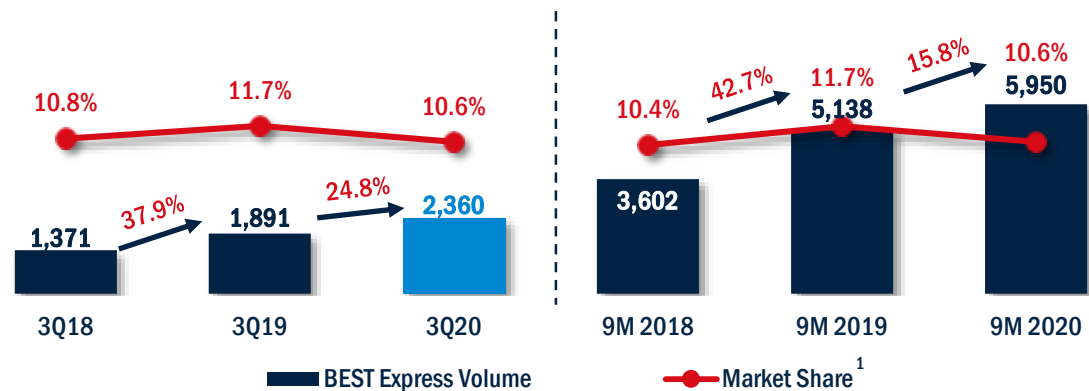
- Parcel volume increased by 24.8% YoY, representing market share of 10.6% during the quarter, 0.1 ppts lower compared with the second quarter
- Gross margin contracted by 7.2ppts as the average cost per parcel decrease of 15.9% YoY did not completely offset the ASP decline of 21.9%
- Covered 100% of districts and counties across China, self operated 86 hubs and sortation centers, managed 3,795 line hauls and 49,057 franchisee operated service stations

Strategies

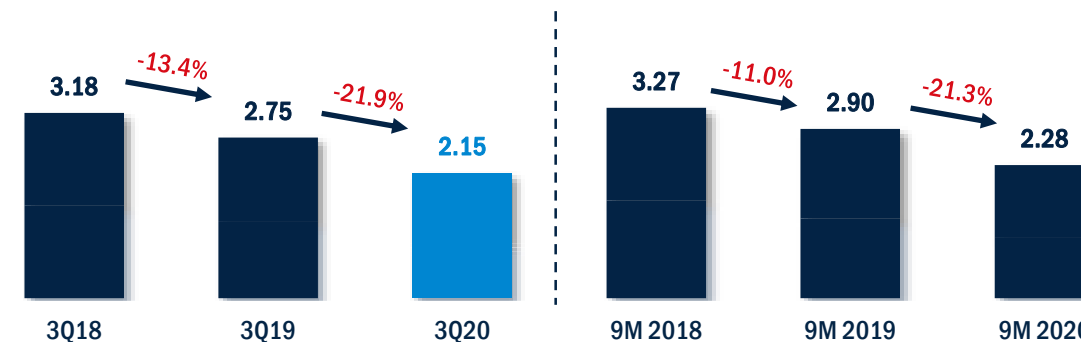
- Focus on long-term sustainable growth and profitability by focusing on developing a more balanced network, optimizing its product and pricing structure, improving operating efficiency, enhancing service quality and customer experience, as well as gaining market share
- Technology application: continue to invest in automation to increase productivity and efficiency
- Further integration with BEST Freight and BEST Supply Chain Management to extract revenue and cost synergy

Parcel Volume

mm

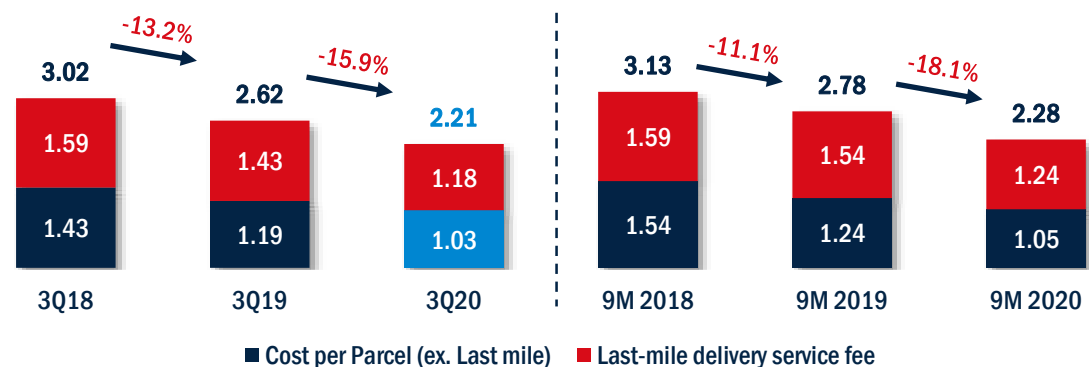
Revenue per Parcel²

RMB



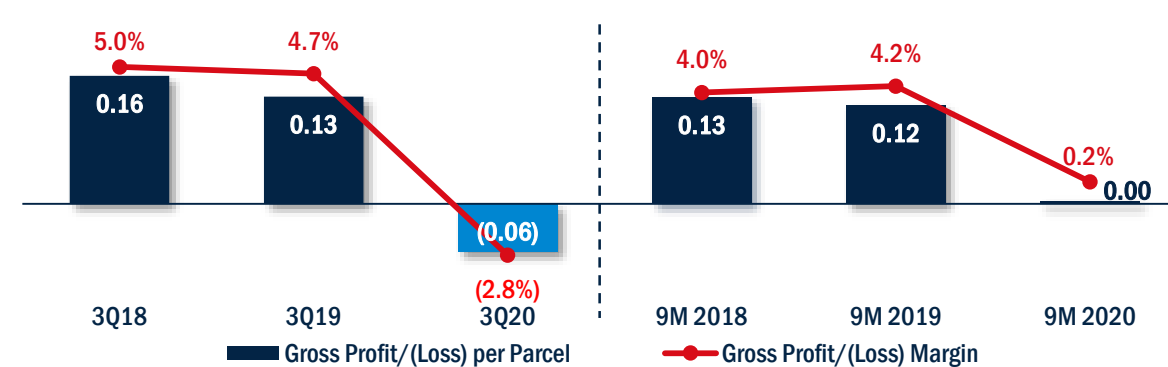
Cost of Revenue per Parcel

RMB



Gross Profit/(Loss) per Parcel

RMB



Notes:

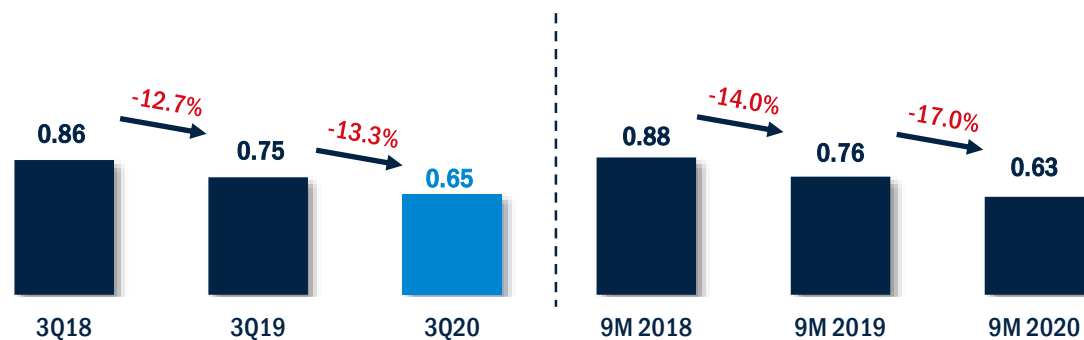
All numbers presented have been rounded to the nearest integer, tenth, or hundredth and may not add up. Year-over-year comparisons are based on figures before rounding.

1. Based on State Post Bureau of China

2. Revenue per parcel includes last-mile delivery service fees

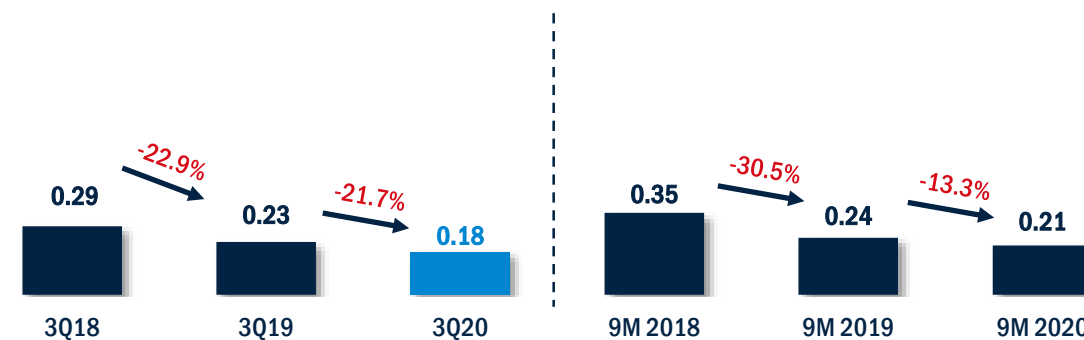
Transportation Cost per Parcel

RMB



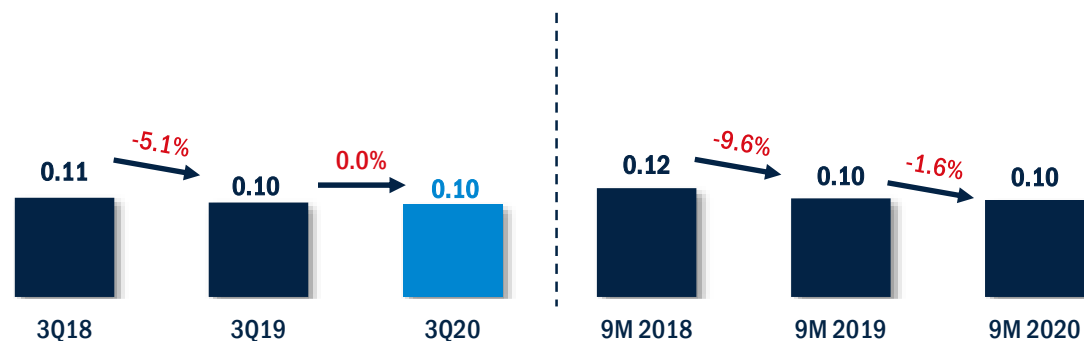
Labor Cost per Parcel

RMB



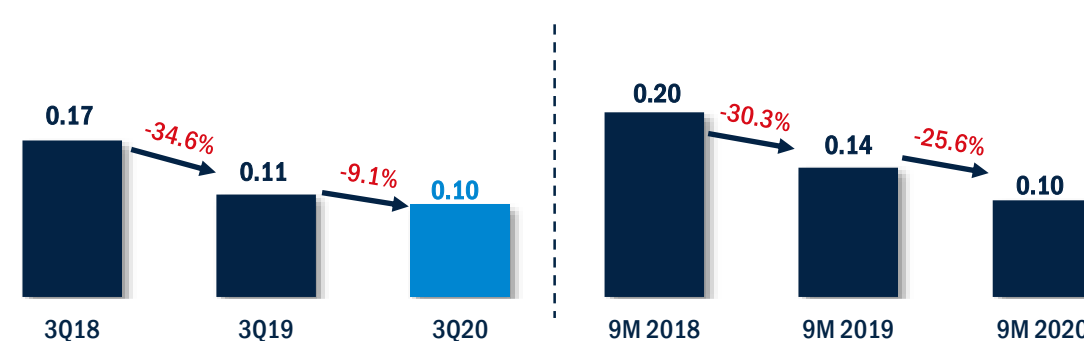
Lease Cost per Parcel

RMB



Other Costs per Parcel

RMB



Asset-light business utilizing our network, franchisee partners and 3rd party transportation service providers to provide LTL and FTL delivery



3Q20 Recap

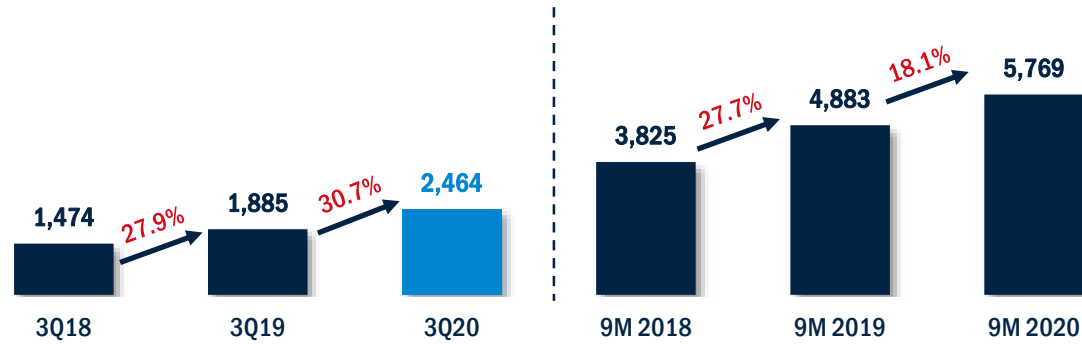
- Achieved a growth rate higher than the industry average, with Freight volume increased by 30.7% YoY to 2.46 million tonnes
- Average cost per tonne decreased by 12.6% YoY, while ASP decreased by 17.3% YOY
- Covered 96% of districts and counties across China, self operated 93 hubs and sortation centers, managed 2,255 line hauls and 17,271 franchisee operated service stations

Strategies

- Continued e-commerce focus: increase the percentage of e-commerce related transactions to improve product mix and profit margin
- Dynamic routing integration with Express: centralize dynamic route planning to further reduce transportation costs
- Customer experience and service quality enhancement: continue to increase number of last-mile service outlets and provide value-added services to customers

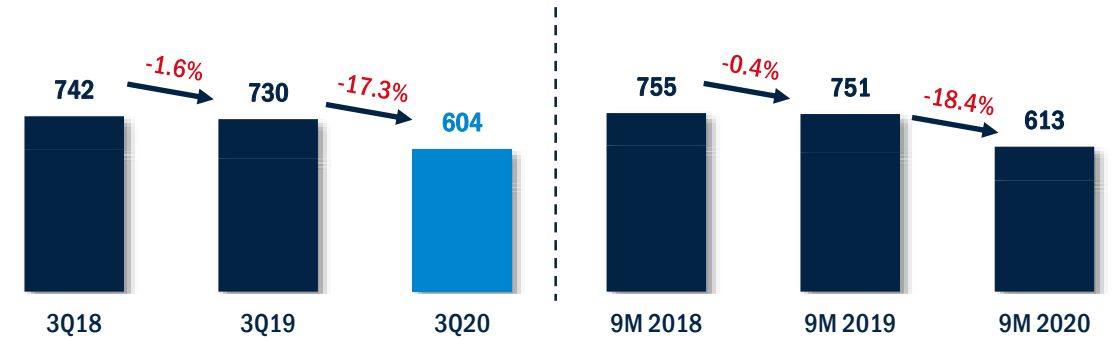
Freight Volume

000's tonnes



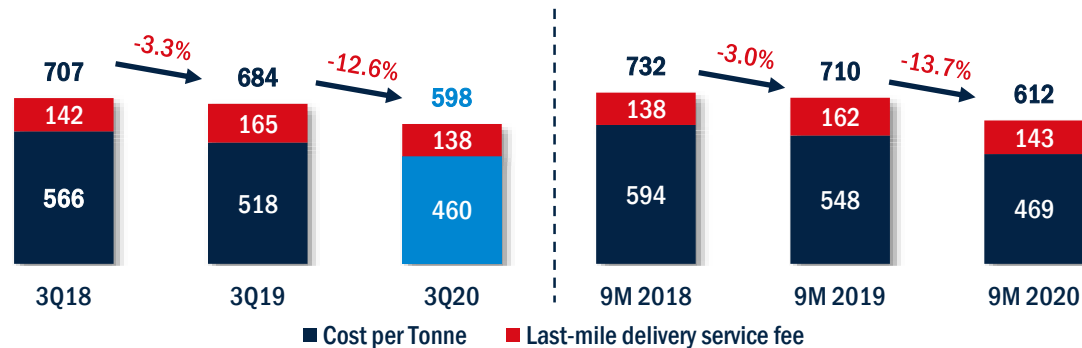
Revenue per Tonne ¹

RMB



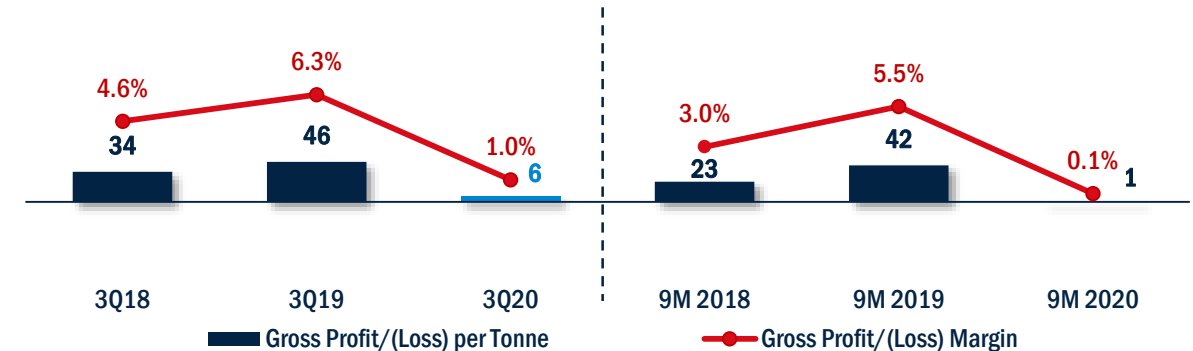
Cost of Revenue per Tonne

RMB



Gross Profit/(Loss) per Tonne

RMB

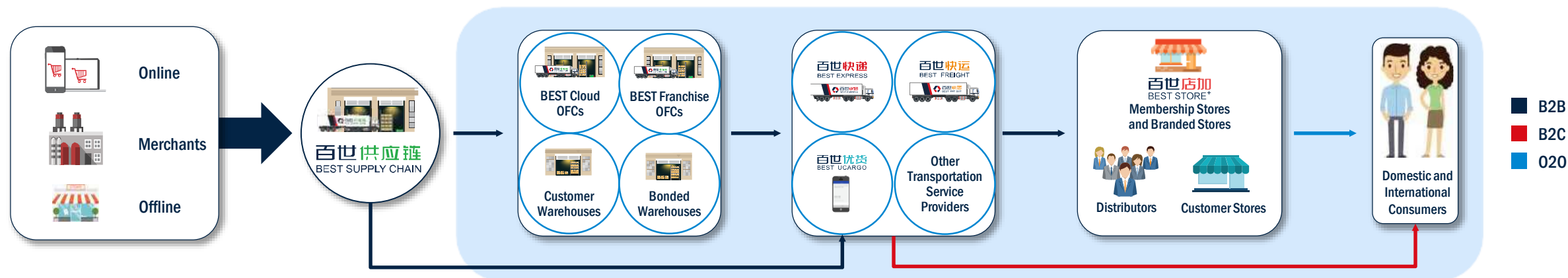


Notes:

All numbers presented have been rounded to the nearest integer, tenth, or hundredth and may not add up. Year-over-year comparisons are based on figures before rounding.

1. Revenue per Tonne includes last-mile delivery service fees

Integrated supply chain solutions including warehouse and inventory planning, online and offline fulfillment and transportation solutions, intra-city same-day delivery, and SaaS platform for merchants



3Q20 Recap

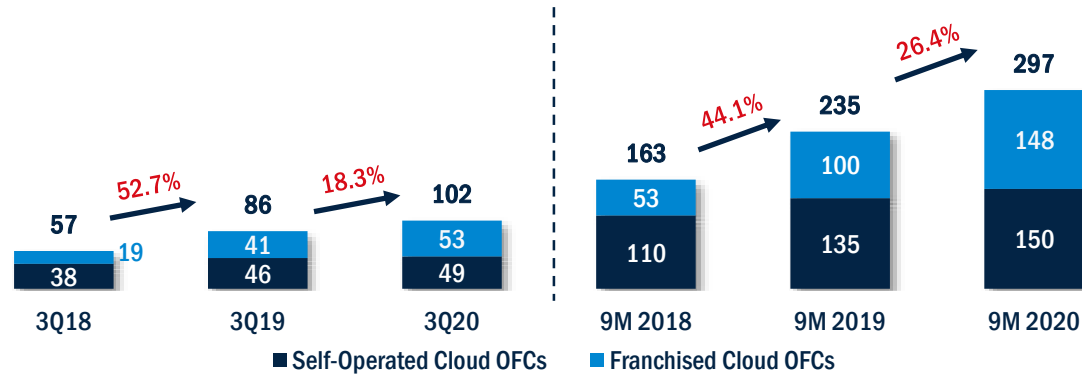
- Focused on expanding franchised cloud OFC business while targeting projects with higher margins and clients with strong credit profiles, aiming for quality growth and profitability
- Gross margin decreased by 4.0 ppts YoY to 4.4%, primarily due to high cost structures associated with legacy key account customers, which are in the process of being terminated
- Number of orders fulfilled increased by 18.3% YoY to 102.2million, of which the total number of orders fulfilled by franchised Cloud OFCs increased by 32.0% YoY to 53.5 million
- Continued to expand nationwide network, increasing the total number of self-operated and franchised Cloud Order Fulfilment Centers by 13.2% YoY to 436, with GFA of 3.6 million square meters

Strategies

- One-stop solution: accelerate integration with other business units to offer integrated supply chain solutions to more customers and drive 2C order growth
- Grow franchised cloud OFC business with higher profit margins to improve profitability
- Focus on Fashion & Apparel and FMCG segments: continue to expand market leading position in these two segments
- New products and services offering: provide SaaS platform to merchants to digitize their supply chain; build out intra-city delivery network in major cities; develop fresh produce supply chain to enable rural villages to sell fresh produce directly to consumers

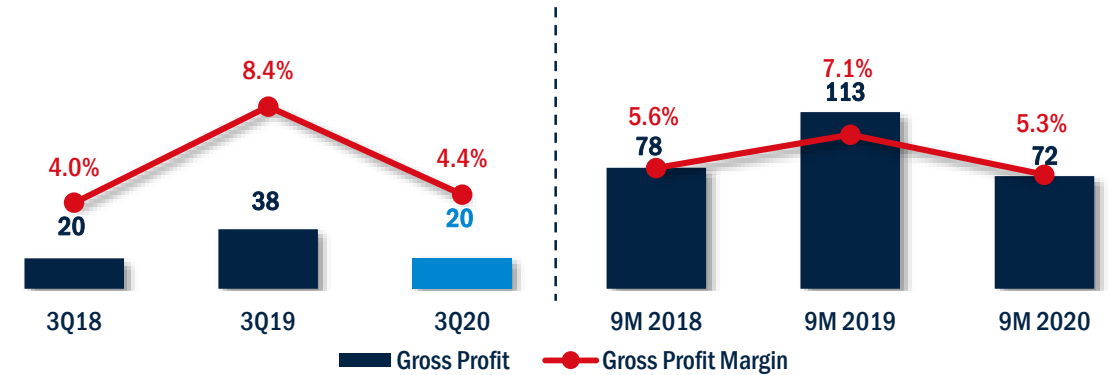
Number of Orders Fulfilled

mm



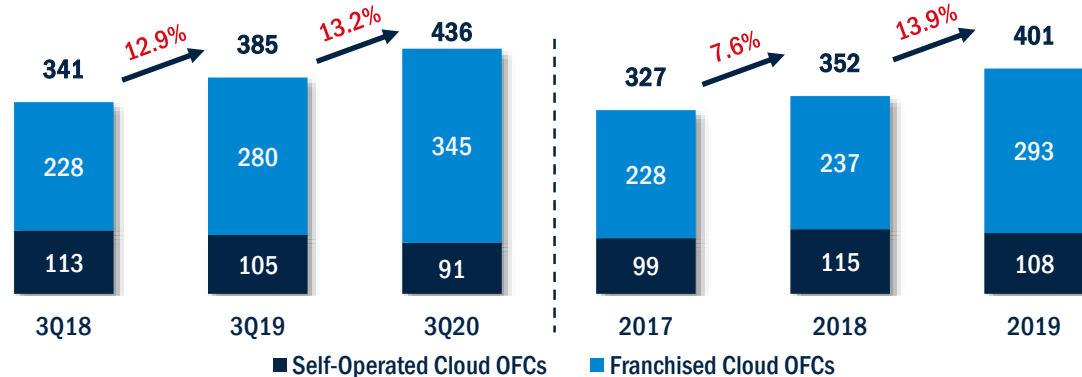
Gross Profit/(Loss)

RMB mm



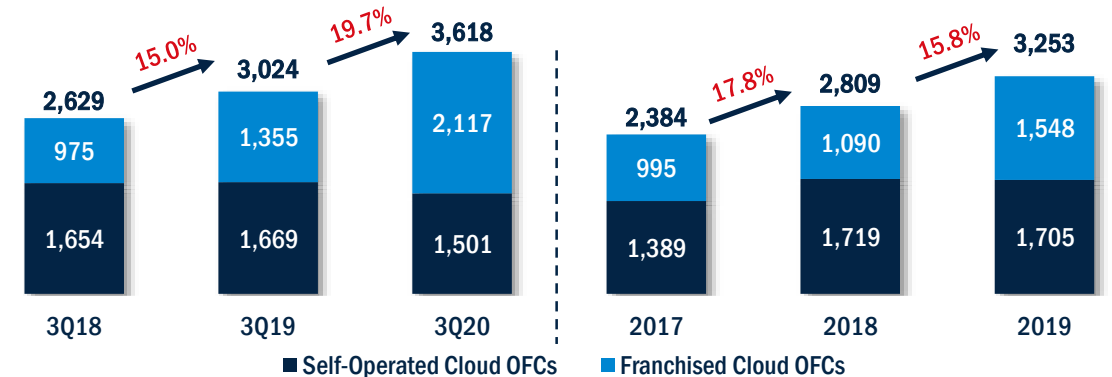
Number of Cloud OFCs

End of Period



Total Warehouse GFA

000's sqm (End of Period)



Real-Time Truckload Capacity Bidding Platform with Value-Added Services



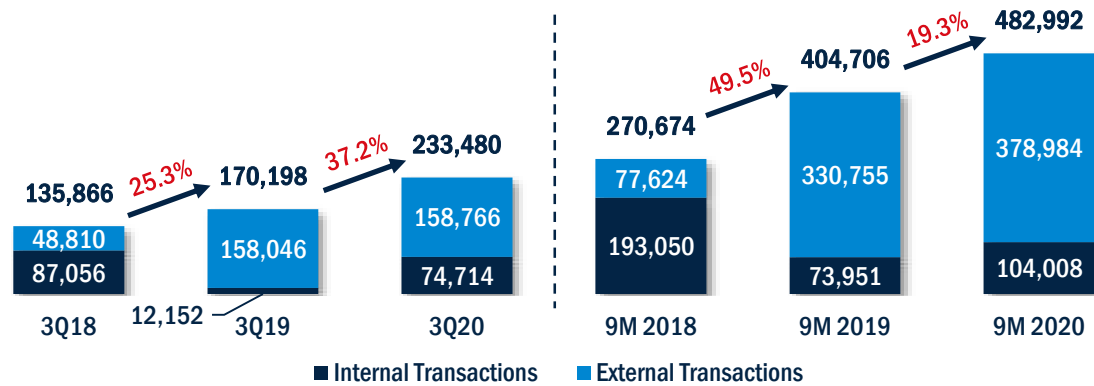
3Q20 Recap

- Number of registered drivers on the UCargo mobile app increased by 84.5% YoY to 288,322
- Number of transactions increased by 37.2% YoY to 233,480
- Discontinued several key account customers to minimize credit exposure

Strategies

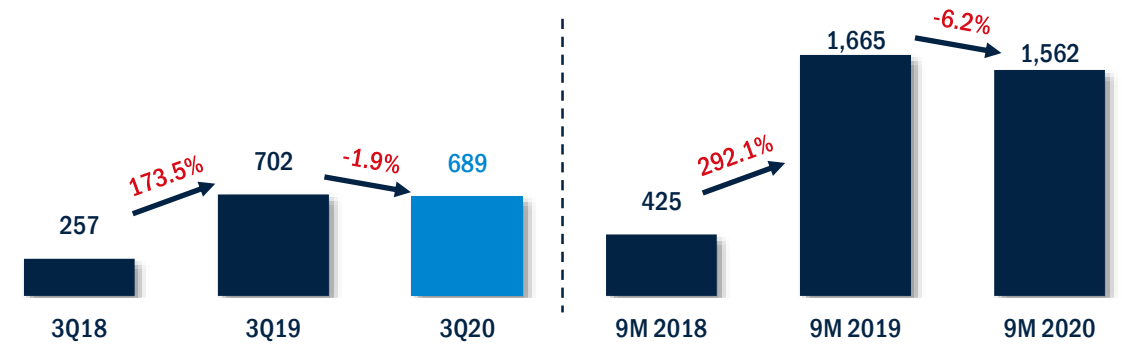
- Strategic focus on brokerage business: bring more SMEs and drivers directly onto the UCargo app and transact on the platform
- Service Innovation: Continue to roll out new solutions such as multimodal, LTL and clean energy vehicles
- Deepen Value-Added Services: Provide after-market services such as bulk purchases, insurance, maintenance and repairs to drive revenue growth and margin

UCargo - Number of Transactions



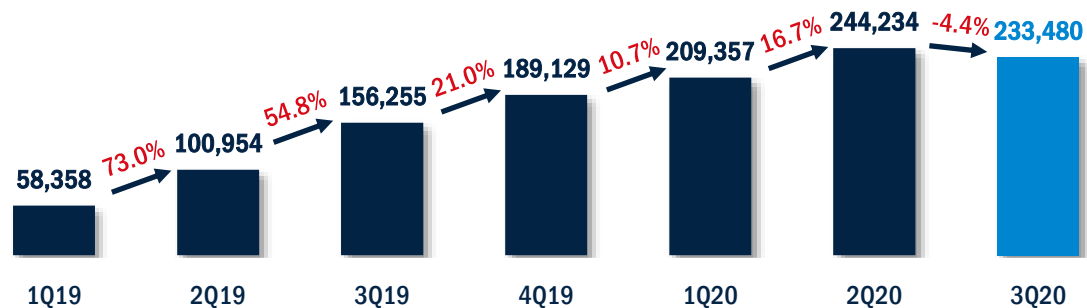
UCargo – Revenue from External Transactions

RMB mm



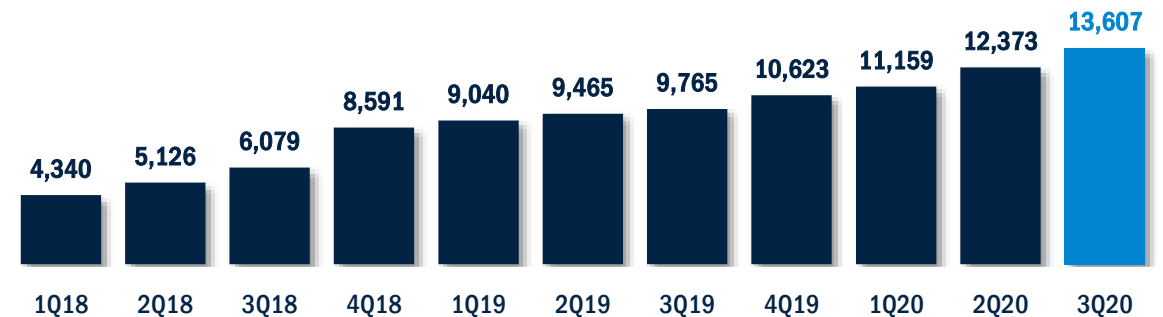
UCargo - Registered Drivers on the UCargo Platform

End of Period



Capital - Trucks Financed

End of Period



Smart supply chain for merchants and convenience stores and last-mile services for consumers



3Q20 Recap

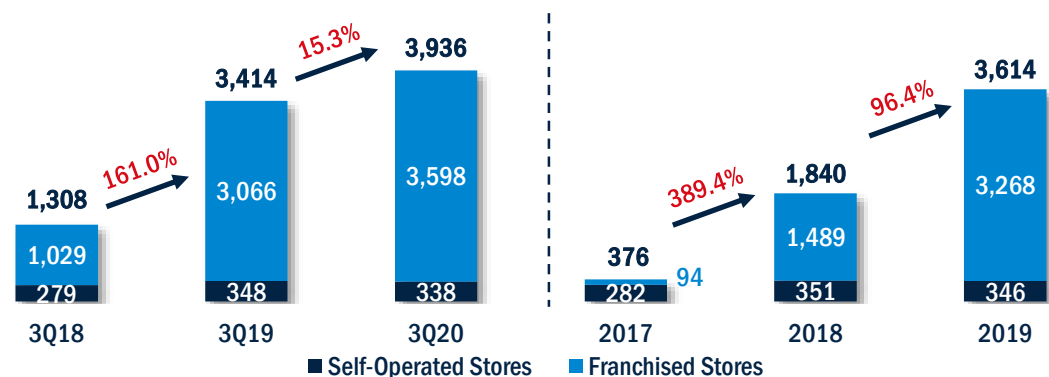
- Continued to execute its strategic partnership model. Gross margin improved 2.9 ppts YoY to 13.4%, Adjusted EBITDA margin improved by 1.8 ppts YoY to negative 9.5%
- Number of orders fulfilled decreased by 9.2% YoY to 819,934
- Number of membership stores and number of branded stores reached 463,745 and 3,598, respectively

Strategies

- Partnership Model: work with partners for customers acquisition, sales/marketing, fulfilment and delivery, in order to scale the business and improve profitability
- Membership store quality enhancement: improve margins and reduce fulfilment costs further by enhancing the quality of membership stores and their orders
- Technology application: deploy data analytics to deepen cooperation with brands and stores to optimize merchandise procurement, improve operating efficiency, and roll out new services

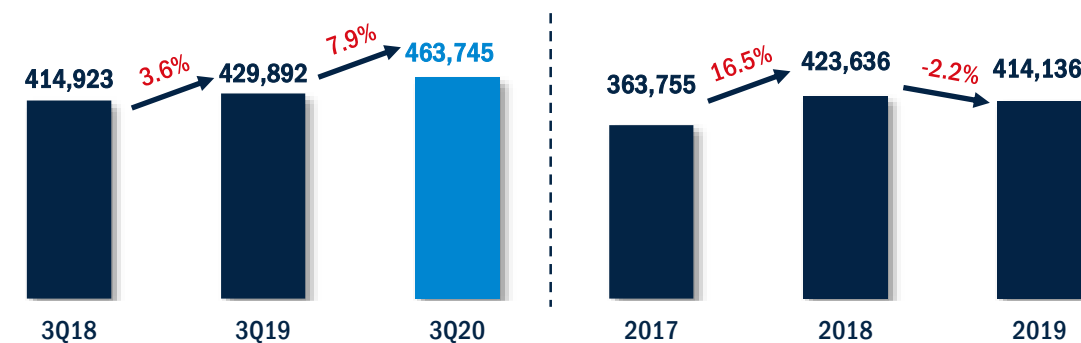
Number of Branded Stores

End of Period

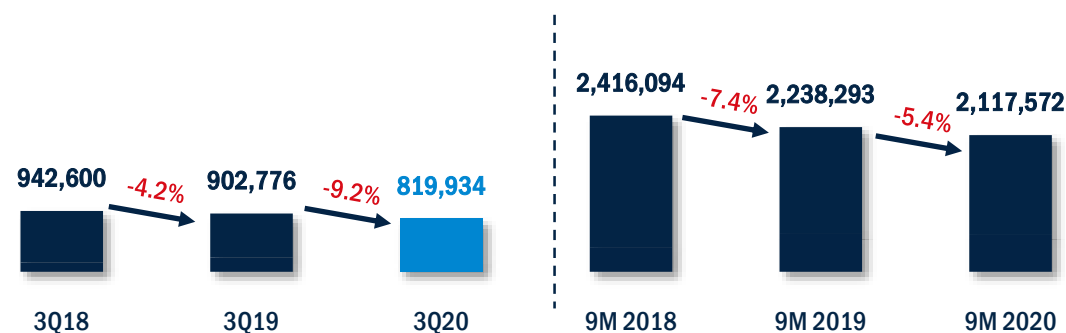


Number of Membership Stores

End of Period

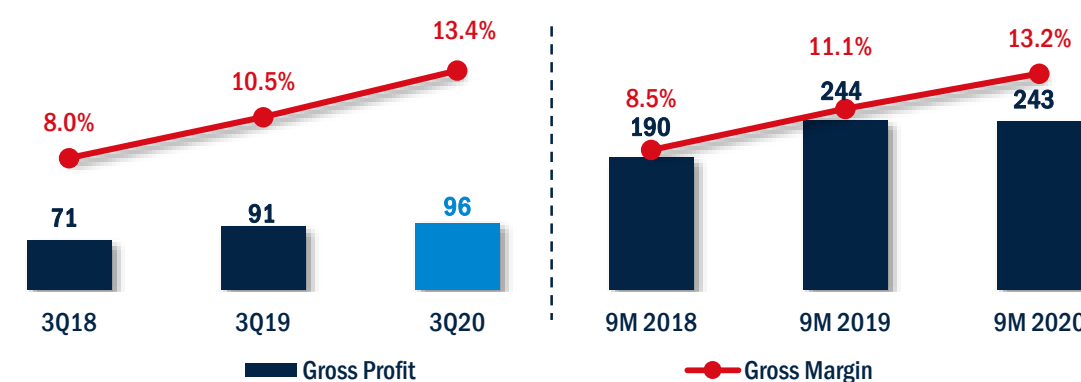


Number of Orders Fulfilled



Gross Profit & Gross Margin

RMB mm



* Decrease in store orders was due to ongoing efforts to improve the quality of orders from membership stores

International Express, Fulfillment, and Cross-Border E-Commerce Logistics



● Cross Border E-Commerce Logistics

■ Countries and Regions with Physical Network

3Q20 Recap

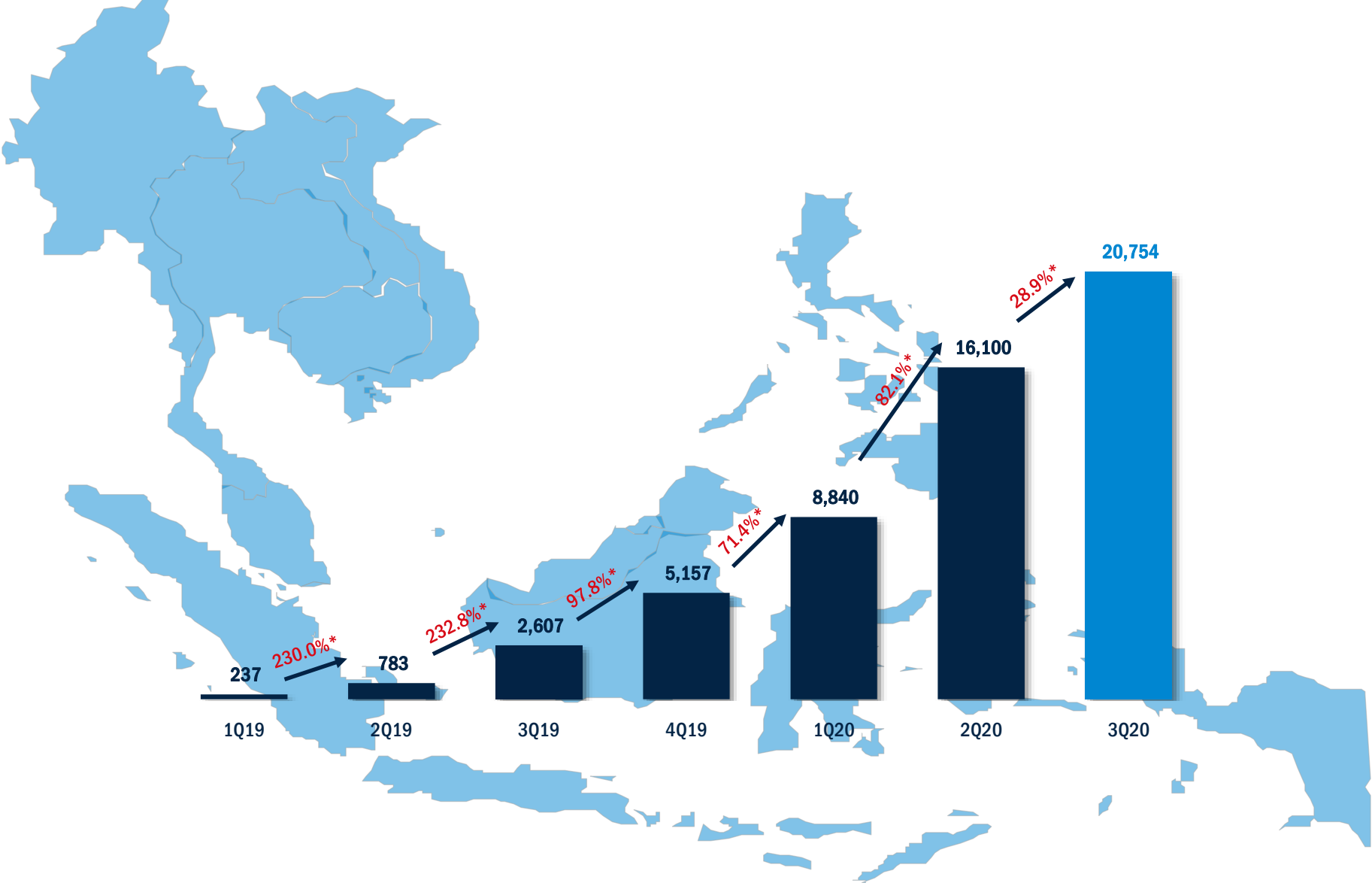
- Continued strong growth momentum in Southeast Asia
 - Robust parcel volume growth in Thailand of 513.5% YoY to approximately 10 million parcels, and 932.4% Vietnam to 10.3 million
 - Delivery networks in Malaysia, Cambodia and Singapore continued expansion, contributing to overall parcel volume growth

Strategies

- Capture enormous growth opportunities in Southeast Asia; continue to expand networks in Thailand, Vietnam, Malaysia, Cambodia and Singapore
- Develop more cross-border services and solutions

Parcel Volume in Southeast Asia

'000 Parcels



- Company remains confident in the strength of demand driven by e-commerce for integrated smart supply chain solutions and logistics services
- Committed to make major adjustments to its businesses. Focus on core logistics and supply chain businesses in Express, Freight and Supply Chain Management
- Evaluating strategic options available for non-core businesses to eliminate or significantly reduce their capital requirements and operating losses
- Emphasizing on developing more balanced networks, optimizing product and pricing structure, improving service quality, enhancing operating efficiency and putting the Company back on a path to profitability



百世
BEST Inc.

Empower Business Enrich Life

Thank you!