



NYSE: BEKE

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# Investor Presentation

Nov. 2023



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# COMPANY OVERVIEW

# Leading Integrated Online and Offline Platform for Housing Transactions and Services



## Start to find your dream home

Existing homes

New homes

Home rentals

Home renovation and furnishing

Please enter the area or community name to start looking for a home



RMB 655.2 Billion  
(US\$89.8 Billion)  
Total GTV in 23Q3



49.2 Million  
Monthly Active Mobile  
Users <sup>(2)</sup>



275 Million  
Homes in  
Housing Dictionary <sup>(1)</sup>



43,013  
Stores <sup>(1)</sup>



40,903  
Active Stores <sup>(3)</sup>



429,352  
Agents <sup>(1)</sup>



399,048  
Active Agents <sup>(3)</sup>

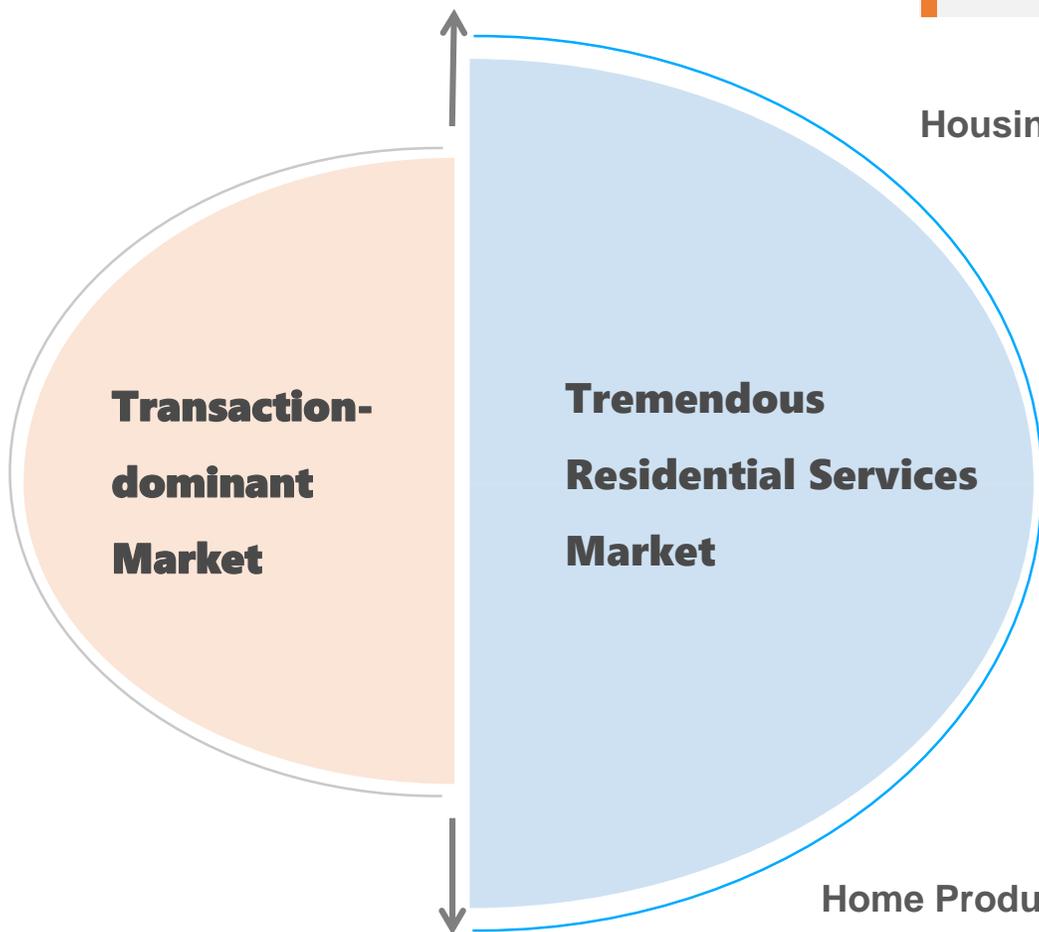
Source: Company Data;

(1) As of September 30, 2023. (2) Average monthly active mobile users in the three months ending September 30, 2023. (3) Based on our accumulated operational experience, we have introduced the numbers of active agents and active stores on our platform in our operating metrics to better reflect their operational activeness.



# One-stop Platform of Residential Services for "Better Living"

## "One Body, Three Wings" to Unlock Massive Potential



### Housing Transaction Services



贝壳找房

### Home Renovation and Furnishing



贝壳家装

### Rental Property Management Services



贝壳租房

Home Products Supply for an All-new Residential Experience

### Beike Uniquely Positioned



Industry Insights



Powerful Infrastructure ACN



Online Datasets & Traffic Networks



Store & Agent Networks

# Execution of Growth Strategy with Upbeat Performance



## “One Body, Three Wings” Pushes for Solid Growth

### • Resilient Topline:

- Total revenues **RMB17.8 bn, +1.2% YoY.**
  - Housing transaction service revenue tops forecasts.
  - Home renovation and furnishing revenue **+72% YoY.**

### • Upbeat Profitability:

- **Contribution margin:**
  - Existing home **48.7%**
  - New home **25.1%**
  - Home renovation and furnishing **29.1%**
- Gross margin **27.4%**, vs 27% in 22Q3.
- **GAAP net income RMB1,170 mn, +63.4% YoY.**
- **Non-GAAP net income RMB2,159 mn, +14.4% YoY.**
- **Non-GAAP net margin 12.1%**, vs 10.7% in 22Q3.

### • Robust balance sheet:

- **Net operating cash inflow** excl. customer deposits payable **RMB2,658 mn.**
- **Total cash liquidity** excl. customer deposits payable **RMB79.8 bn, +440 mn QoQ.**

## Commitment on Shareholder Returns

### • Share Repurchase:

- Q3 buybacks at **US\$162 mn** in total.
- **Overall buybacks worth of US\$800+ mn** since Sept. 2022; representing **4.4%** of total shares.

### • Special Cash Dividend:

- **US\$200 mn issued**, funded by surplus cash on the balance sheet.



# Growth & Efficiency Enhancement for “One Body” Business

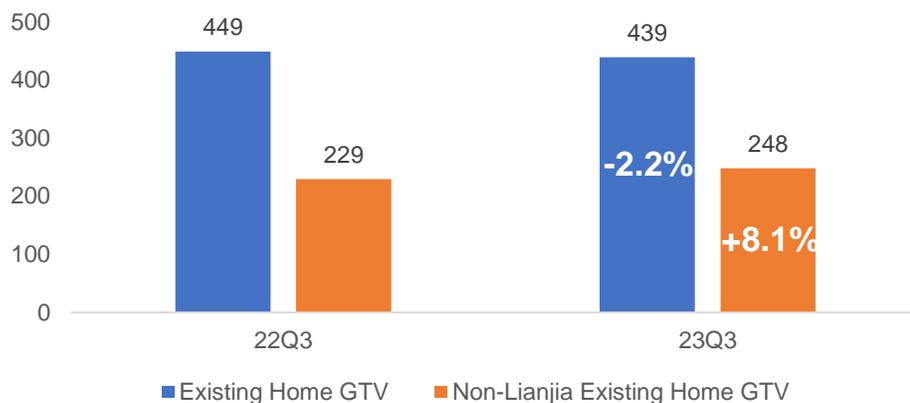


## Better-than-Expected GTV Generation



- **Beike Existing Home GTV:**
- **Tier-1 cities lead marginal improvement on policy expectations in July-Sept., MoM sales up 9%, 16%, 30+%, respectively.** Tier-1 cities GTV down YoY on high base 22Q3.
- **Key tier-2 cities up 25+% MoM in Sept.,** after home buying restriction relaxations.
- **Beike New Home GTV: up 5% MoM in Sept. Leading indicator of new home subscriptions up 40% MoM in Sept.,** continuing to deliver outperformance vs market.

### Existing Home GTV (RMB bn)



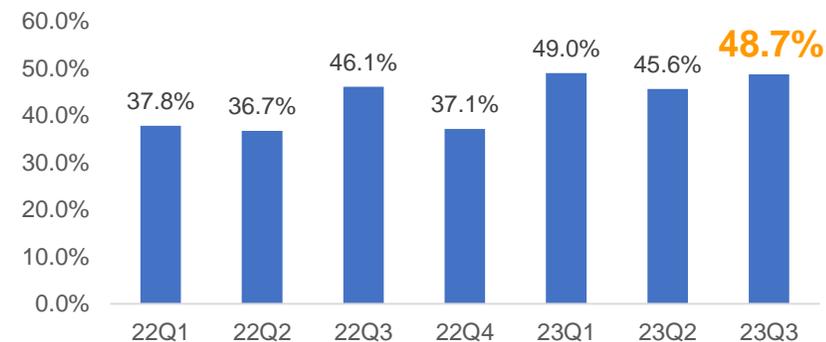
## Broader Network Connection, Harmonious Ecosystem



**40,903** active stores, **+3%** YoY  
**399,048** active agents, **+7.1%** YoY

- **~1,300 newly connected stores** nationwide in Sept., excl. Beijing and Shanghai. <sup>1</sup>
- Improve agents' capability to offer **one-stop residential services.**
- Maintain **synergistic relationships** with all partners.
- Optimize **infrastructure** to support efficient operations.

### Existing Home Contribution Margin



<sup>1</sup> Number of newly connected stores is on gross basis, rather than net increase of stores.

# New Home: Target Market Expansion & Robust Risk Management



**25.1%**

New home contribution margin at robust level despite revenue YoY decline

**1.21**

New home cash collection to income ratio up to 1.21, staying positive for 9 quarters in a row.

**52 days**

2023 YTD new home DSO at **52 days**.  
Q3 new home DSO at **60 days**.

**54%**

“Commission in Advance” from developers contributed 54% of the total, remaining at high level

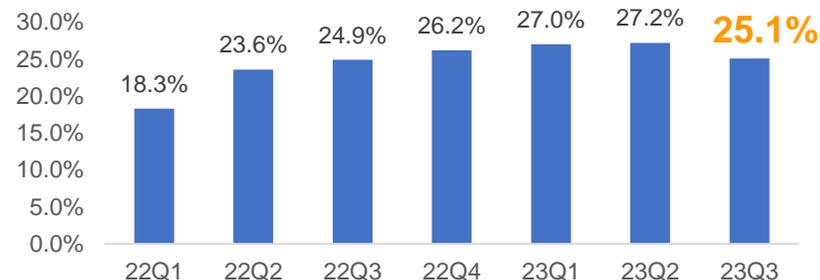
**46%**

SOE developers accounted for 46% of new home revenues in Q3, remaining at high level

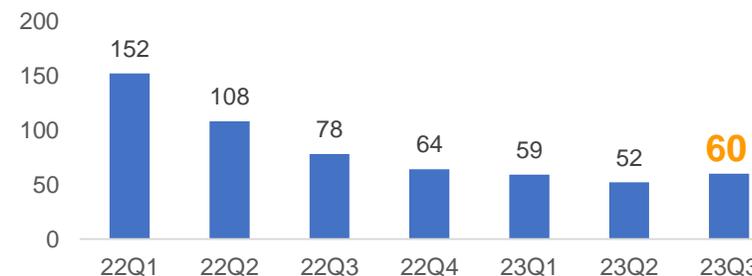
## New Partnership with Developers

Mutual beneficial partnership with developers based on our insights and data analysis.  
Enjoy a **higher penetration rate for channel sales**.

### New Home Contribution Margin



### DSO (days)



# Home Renovation and Furnishing a Bigger Contributor

## Notable Revenue & Gross Profit Contributor

**3.3 bn**

Q3 contracted sales RMB3.3 bn, +66% YoY:

- 45% of contracted sales are from customer referrals by “One Body” business;
- Furniture and home furnishing sales +93% YoY, with a proportion of 28%.

YTD contracted sales RMB9.4 bn, +91% YoY on pro-forma basis.



**3.2 bn**

Q3 revenue RMB3.2 bn, +72% YoY;

YTD revenue RMB7.2 bn,  
+75% YoY on pro-forma basis.

## City-level Revenue & Profit Virtuous Cycle

- Shanghai monthly revenue tops RMB100 mn, following Beijing and Hangzhou.
- Wuhan, Chengdu, and Guangzhou etc. QoQ revenue growth 50%+.
- 10 cities realized **positive city-level operating profits in Q2 & Q3**.
- Proposed acquisition of iKongjian to boost synergy.





# Beike Rental: Scale & Efficiency Improvement

**160,000+**

Units under “Carefree Rent”,  
decentralized rental property  
management services

**95.9%**

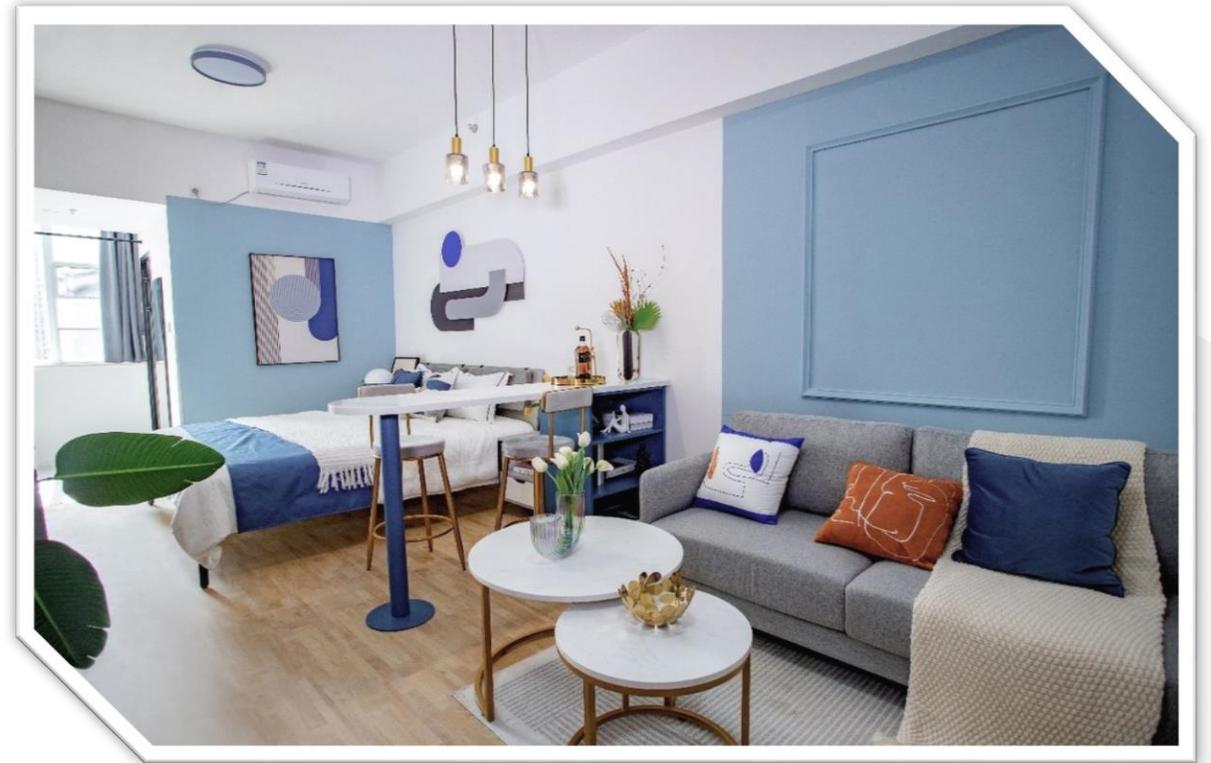
Carefree Rent occupancy rate up to  
95.9%

**Apartments**

Long-term rental project “Hey. Young  
Apartments” launched in Chengdu,  
occupancy rate over 92%

**Asset Mgmt Capability**

Strengthen asset management  
capability for property owners, offer  
standardized service for better rental  
experience





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# FINANCIAL HIGHLIGHTS

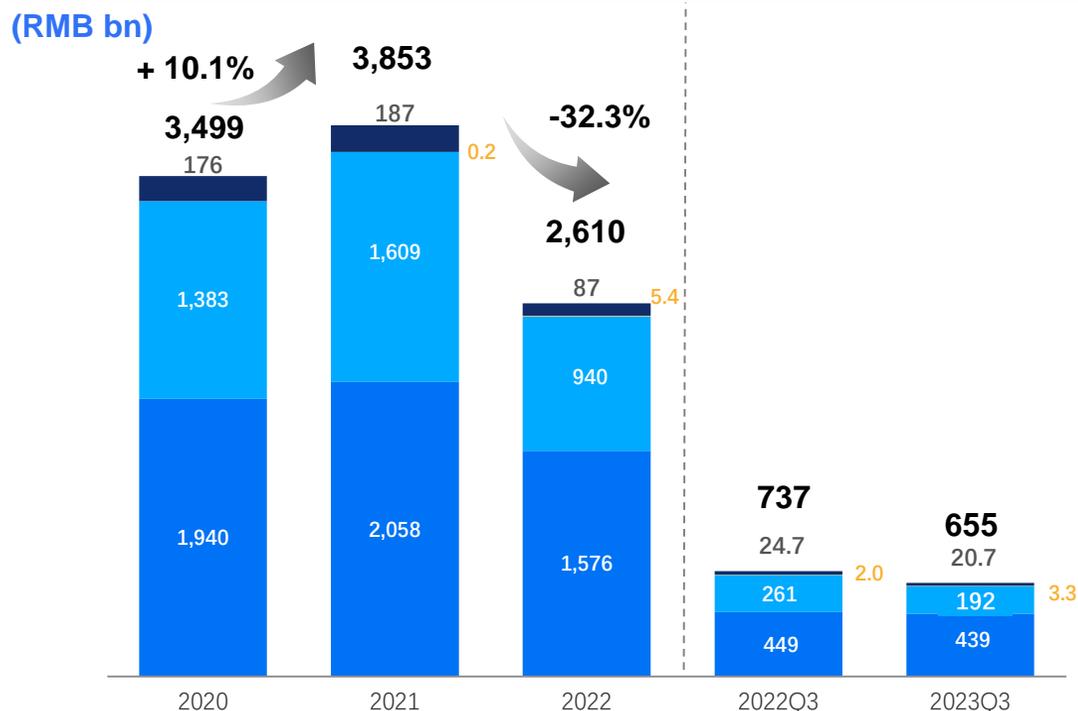
# Financial Highlights



# Massive Scale with Diversified Business Structure

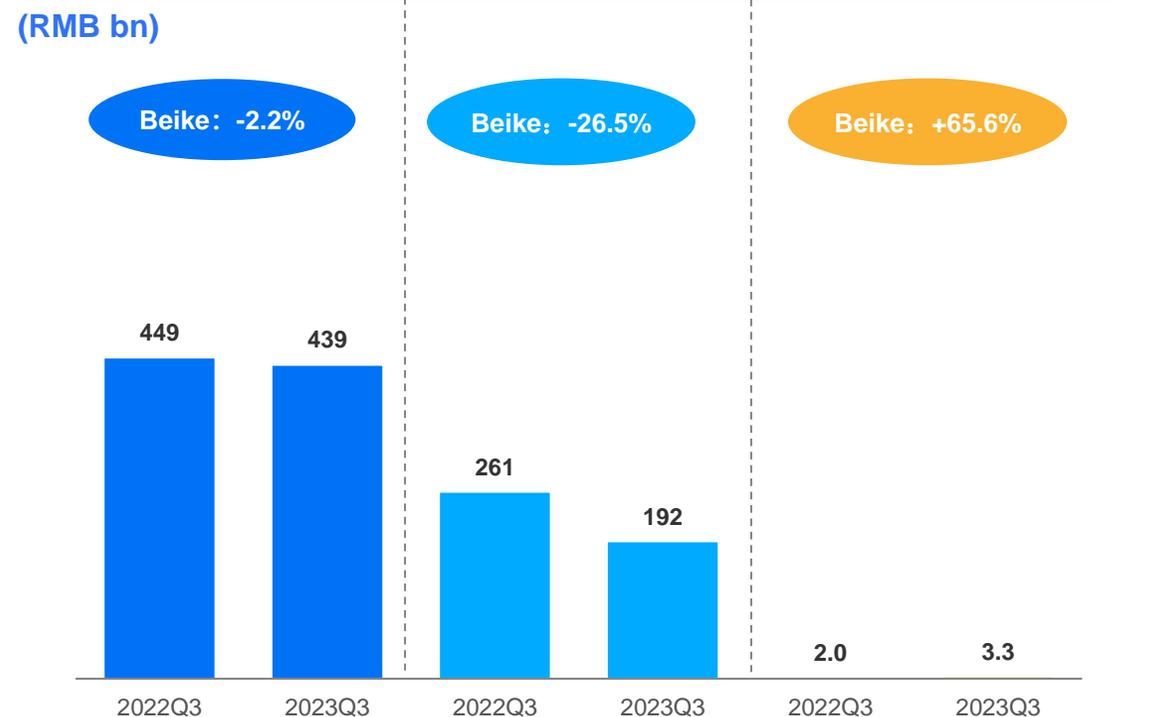


## GTV<sup>1</sup>



■ Existing Home Transaction Services ■ New Home Transaction Services  
 ■ Home Renovation and Furnishing ■ Emerging and Other Services

## GTV of Existing Home, New Home, Home Renovation and Furnishing



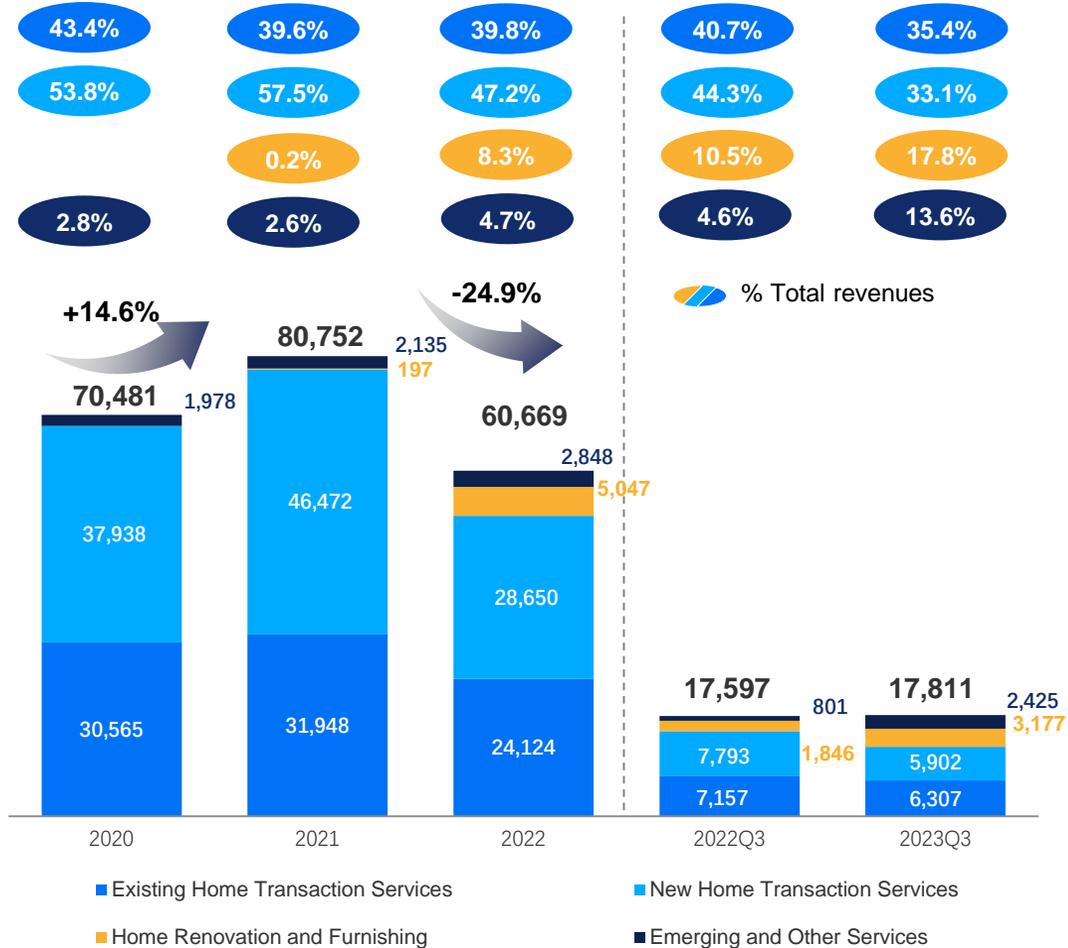
■ Existing Home Transactions ■ New Home Transactions ■ Home Renovation and Furnishing  
 ● YoY growth of GTV of existing home transactions ● YoY growth of GTV of new home transactions ● YoY growth of GTV of home renovation and furnishing

<sup>1</sup> GTV is defined as gross transaction value, which is calculated as the total value of all transactions facilitated on the platform and evidenced by signed contracts, including the value of the existing home transactions, new home transactions, home renovation and furnishing and emerging and other services, regardless of whether the transactions are actually closed.

# Multiple Monetization Avenues with Healthy Contribution Margin

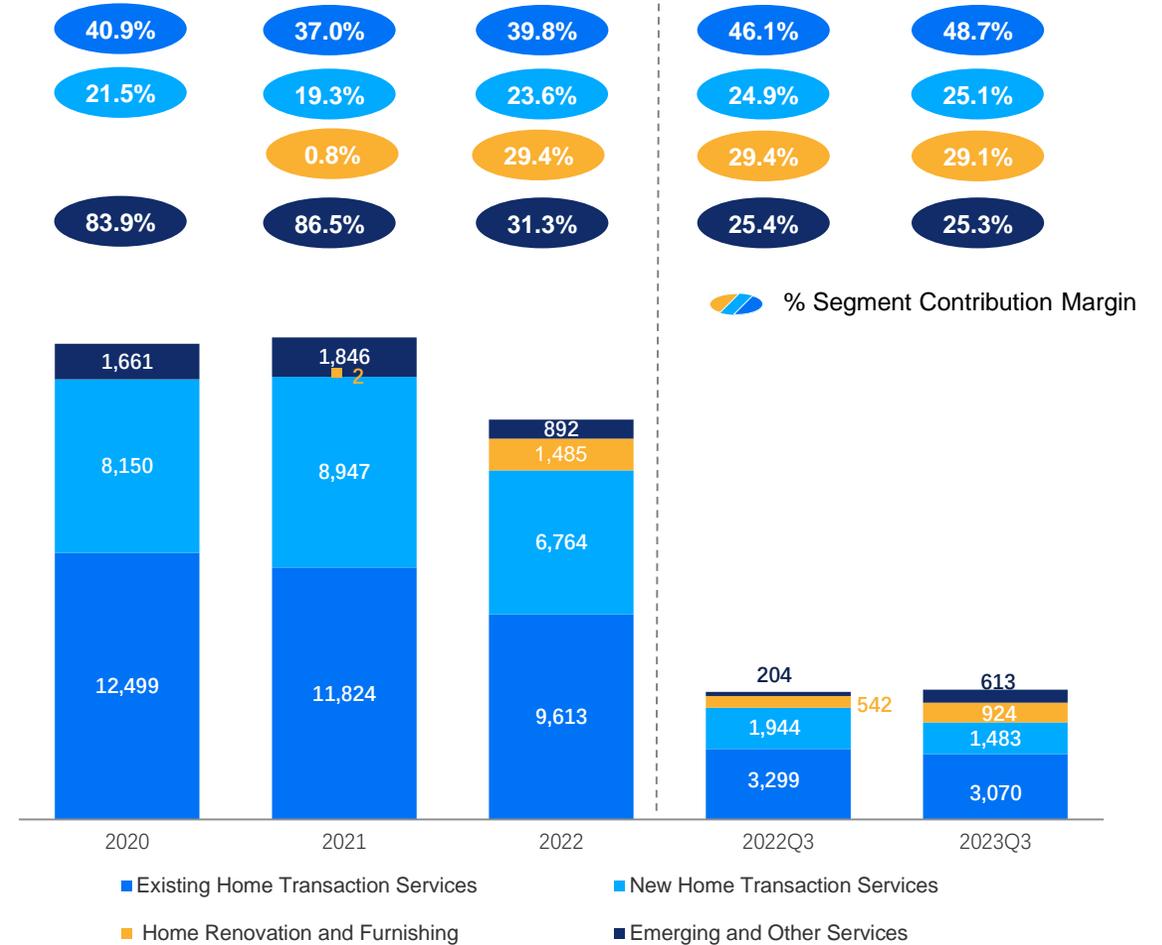
## Revenue Breakdown<sup>1</sup>

(RMB mn)



## Segment Contribution Analysis<sup>1</sup>

(RMB mn)



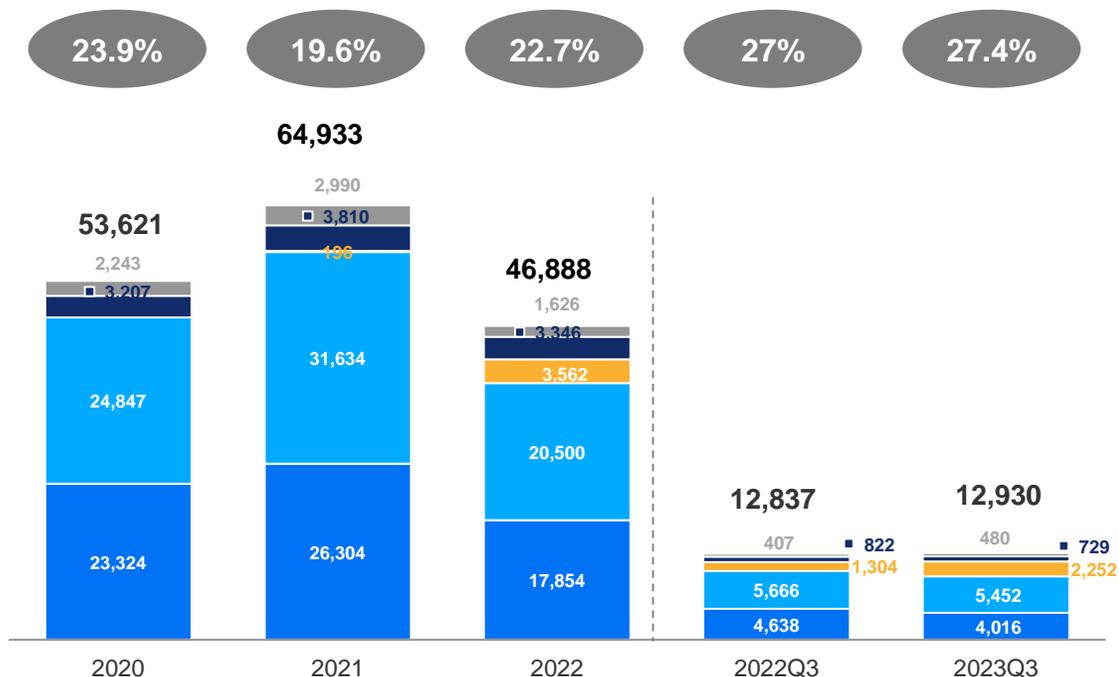
<sup>1</sup> Company updated segment reporting from Q2, 2022 as a result of the acquisition of Shengdu which was closed in late April. Company consequently updated its business structure, resulting in four lines of businesses, which were existing home transaction services, new home transaction services, home renovation and furnishing, and emerging and other services, and updated financial measures accordingly.

# Sustained Improvement in Cost and Expense Structure



## Cost of Revenue

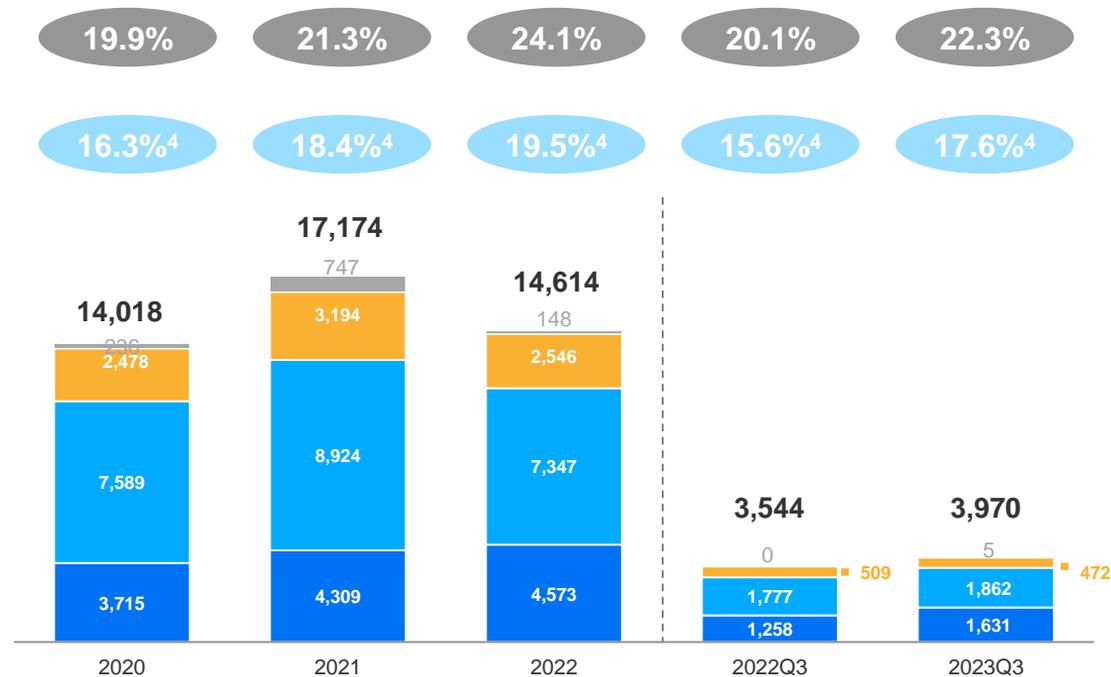
(RMB mn)



- Commission and Compensation — Internal<sup>1</sup>
  - Commission — Split<sup>2</sup>
  - Home Renovation and Furnishing
  - Cost Related to Stores<sup>3</sup>
  - Others
- % Gross Margin

## Operating Expenses

(RMB mn)



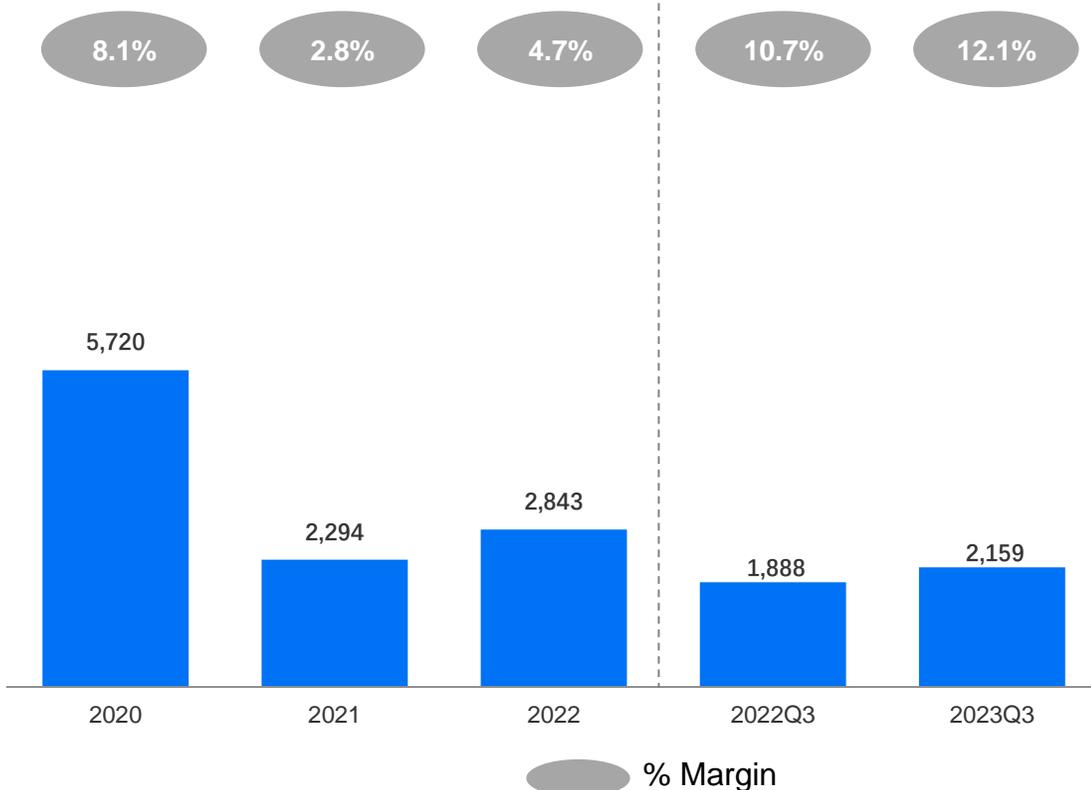
- Sales and Marketing Expenses
  - Research and Development Expenses
  - General and Administrative Expenses
  - Impairment of Goodwill and Intangible Assets
- % of Total Revenues    ● % of Total Revenue after Adjustments

<sup>1</sup> Defined as the compensation paid to the internal agents and other sales professionals, including fixed salaries and variable commissions based on the transactions they assist in closing. <sup>2</sup> Defined as the commissions paid to connected agents and other sales channels for their services to assist in completing new home and existing home transactions. <sup>3</sup> Mainly including rent, decoration, and utility bills for real estate brokerage stores under Lianjia brand. <sup>4</sup> Adjusted operating expense is defined as operating expense, excluding the effects of (i) share based compensations; (ii) amortization of intangible assets resulting from acquisitions and business cooperation agreements; (iii) impairment of goodwill and intangible assets.

# Outperformed Profitability

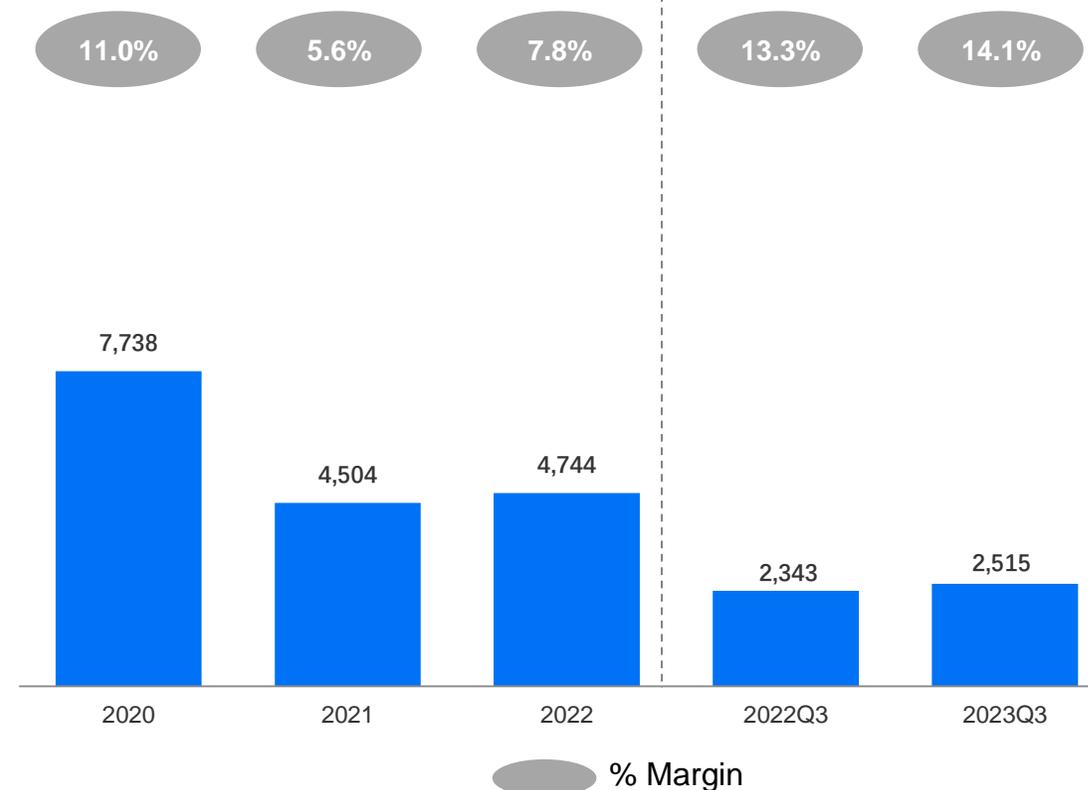
## Adjusted Net Income<sup>1</sup>

(RMB mn)



## Adjusted EBITDA<sup>2</sup>

(RMB mn)



<sup>1</sup> Adjusted net income (loss) is defined as net income (loss), excluding (i) share-based compensation expenses, (ii) amortization of intangible assets resulting from acquisitions and business cooperation agreement, (iii) changes in fair value from long term investments, loan receivables measured at fair value and contingent consideration, (iv) Impairment of goodwill and intangible assets, (v) Impairment of investments and (vi) the tax effects of the above adjustments. <sup>2</sup> Adjusted EBITDA is defined as net income (loss), excluding (i) income tax expense (benefit), (ii) share-based compensation expenses, (iii) amortization of intangible assets, (iv) depreciation of property and equipment, (v) interest income, net, (vi) changes in fair value from long term investments, loan receivables measured at fair value and contingent consideration, (vii) impairment of goodwill, intangible assets and other long-lived assets, and (viii) impairment of investments.

# Robust Balance Sheet with Strong Liquidity



## Key Balance Sheet Items

(RMB mn)

	As of December 31,		As of September 30,
	2021	2022	2023
Cash and Cash Equivalents	20,446	19,413	15,839
Restricted Cash	6,286	6,181	6,157
Short term Investment	29,403	35,486	38,408
<b>Total Liquidity</b>	<b>56,135</b>	<b>61,080</b>	<b>60,404</b>
Total Current Asset	69,926	70,425	69,174
<b>Total Asset</b>	<b>100,319</b>	<b>109,347</b>	<b>118,385</b>
Total Current Liabilities	28,936	33,341	37,974
<b>Total Liabilities</b>	<b>33,263</b>	<b>40,293</b>	<b>46,418</b>
<b>Total Liabilities and Shareholder Equity</b>	<b>100,319</b>	<b>109,347</b>	<b>118,385</b>



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APPENDIX

# GAAP to Adjusted / Non-GAAP Measures Reconciliation



(RMB mm)	For the Three Months Ended Sept. 30,			For the Nine Months Ended Sept. 30,		
	2022	2023	% YoY	2022	2023	% YoY
<b>Net income (Loss)</b>	<b>716</b>	<b>1,170</b>	<b>63%</b>	<b>(1,769)</b>	<b>5,220</b>	<b>n/a</b>
Add:						
Share-based compensation expenses	743	814	10%	1,700	2,397	41%
Amortization of intangible assets resulting from acquisitions and Business Cooperation Agreement	150	155	3%	412	458	11%
Changes in Fair value from long term investments, loan receivable measured at fair value and contingent consideration	45	12	(73%)	397	(27)	n/a
Impairment of goodwill and intangible assets	0	5	n/a	76	38	(50%)
Impairment of investments	241	9	(96%)	492	18	(96%)
Adjusted for tax effects on non-GAAP adjustments	-7	-7	n/a	(12)	(20)	n/a
<b>Adjusted net profit (RMB mm)</b>	<b>1,888</b>	<b>2,159</b>	<b>14%</b>	<b>1,296</b>	<b>8,085</b>	<b>524%</b>
(RMB mm)	For the Three Months Ended Sept. 30,			For the Nine Months Ended Sept. 30,		
	2022	2023	% YoY	2022	2023	% YoY
<b>Net income (Loss)</b>	<b>716</b>	<b>1,170</b>	<b>63%</b>	<b>(1,769)</b>	<b>5,220</b>	<b>n/a</b>
Add:						
Income tax expenses	440	501	14%	1,059	1,903	80%
Share-based compensation expenses	743	814	10%	1,700	2,397	41%
Amortization of intangible assets	154	159	3%	426	469	10%
Depreciation of property and equipment	219	194	(11%)	687	579	(16%)
Interest income, net	(215)	(349)	n/a	(488)	(951)	n/a
Changes in Fair value from long term investments, loan receivable measured at fair value and contingent consideration	45	12	(73%)	397	(27)	n/a
Impairment of goodwill and intangible assets	0	5	n/a	76	38	(50%)
Impairment of investments	241	9	(96%)	492	18	(96%)
<b>Adjusted EBITDA</b>	<b>2,343</b>	<b>2,515</b>	<b>7%</b>	<b>2,580</b>	<b>9,645</b>	<b>274%</b>



THANK YOU

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