



NYSE: BEKE

HKEX: 2423

Investor Presentation

2024 Q2



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01

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



RMB 839.0 Billion
(US\$115.5 Billion)
Total GTV in 24Q2



RMB 23.4 Billion
(US\$3.2 Billion)
Net Revenues in 24Q2



49.7 Million
Monthly Active Mobile
Users ⁽²⁾



45,948
Stores ⁽¹⁾



44,423
Active Stores ⁽³⁾



458,690
Agents ⁽¹⁾



411,478
Active Agents ⁽³⁾

Source: Company Data;

(1) As of June 30, 2024. (2) Average mobile monthly active users in the three months ending June 30, 2024. (3) Based on our accumulated operational experience, we have introduced the operating metrics of number of active stores and number of active agents on our platform, which can better reflect the operational activeness of stores and agents on our platform.

"Active stores" as of a given date is defined as stores on our platform excluding the stores which (i) have not facilitated any housing transaction during the preceding 60 days, (ii) do not have any agent who has engaged in any critical steps in housing transactions (including but not limited to introducing new properties, attracting new customers and conducting property showings) during the preceding seven days, or (iii) have not been visited by any agent during the preceding 14 days. "Active agents" as of a given date is defined as agents on our platform excluding the agents who (i) delivered notice to leave but have not yet completed the exit procedures, (ii) have not engaged in any critical steps in housing transactions (including but not limited to introducing new properties, attracting new customers and conducting property showings) during the preceding 30 days, or (iii) have not participated in facilitating any housing transaction during the preceding three months.

Outpace the Broader Market, Strong Alpha Delivered



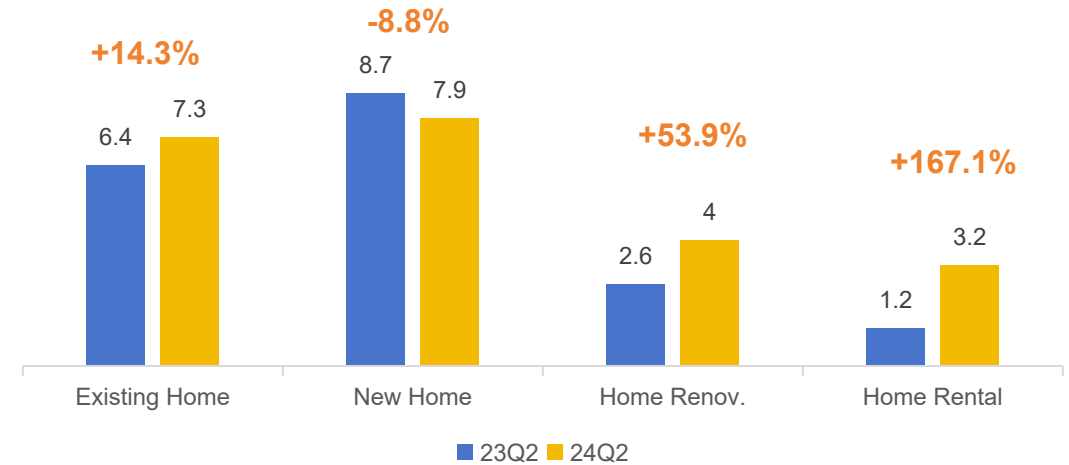
24Q2 Financial Highlights

- GTV RMB839.0 bn, +7.5 YoY; Net revenues RMB23.4 bn, +19.9% YoY, **at a historical high level.**
- Gross margin 27.9%, +0.5 pp. YoY.
- GAAP net income RMB1,900 mn, +46.2% YoY.
- Non-GAAP net income RMB2,693 mn, +13.9% YoY.
- **“New businesses” become bigger engine:**
Non-housing transaction services represent 35% of total net revenues in Q2.

Robust Balance Sheet

- **Total cash liquidity** excl. customer deposits payable **RMB75.5 bn.**
- Q2 operating cash inflow RMB 4.77 bn.
- Q2 new home DSO at a historically low level of **45 days, vs 69 days in Q1.**

Revenues of Each Business Line (RMB bn)



Strong Commitment on Shareholder Returns

- From Jan. 1 to Aug. 12, total share repurchase worth **~US\$480 mn**, reducing by around **2.75%** of total shares by end-2023.
- Since Sept. 2022, total share repurchase worth **US\$1.39 bn**, reducing by around **7.51%** of total shares prior to the launch of the program.
- **Upsize existing share repurchase program from US\$2 bn to US\$3 bn**, extended until Aug. 31, 2025.

Existing Home Transaction Services



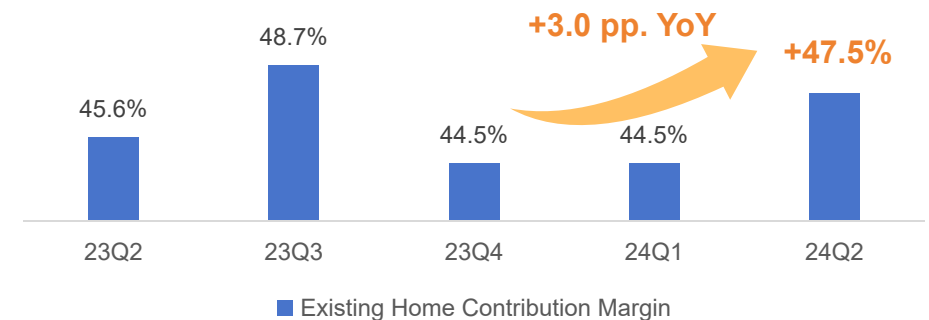
Outperformance vs. Industry

- Q2 existing housing market **improved due to policy support and fading of high-base effect.**
- **Q2 Beike existing home GTV +25% YoY, revenue +14.3% YoY, outpacing the industry.**
- **Broader connection with quality store & agents, with positive ROI:**
 - **44,423** active stores, **+8.1% YoY**
 - **411,478** active agents, **+0.6% YoY**
- **Agent productivity** in new stores connected since Sept. is **over 80%** of that in existing stores on the platform. New stores' 6-month **retention rate at 93%.**
- **Refine operation to improve efficiency**, eg. focusing on quality home listing, AI home selector, smart home listing maintenance assistant.
- **Ecosystem optimization:**
 - Continue with **high-risk store management** to reduce violations, improve agents' sense of security.
 - Expand coverage of regional **co-governance councils**, to promote healthy competition.
 - **Store owner satisfaction improved.**

Lianjia Pioneers with Innovative Store Model

- Pilot **Large Store Model** to enhance agent income competitiveness.
 - 51% Lianjia stores with 18+ agents in H1, vs 45% in 2023. Attrition rate decreased to below 4%.
- **Community-based gateway for one-stop residential services:**
 - **Community Convenience Service Stations** to increase touchpoints density.
 - **Combined with more scenarios of “home”**, staffed with agents as “renovation experts” and home designers, complemented by displays of renovation techniques, forging closer ties with communities.
- **Nurture well-rounded talent and professional store managers** for greater growth of residential services.

Strong Existing Home Profitability Sustained



New Home Transaction Services



Remarkable Alpha

- Q2 China new home market saw YoY contraction narrowed by each month, due to seasonal factors. CRIC Top 100 developers' sales -35% YoY in Q2, -22% in June.
- Q2 Beike new home GTV -20% YoY, June contract transaction value +12% YoY, **significantly exceeded market**.
- Q2 Beike new home revenue -8.8% YoY, a much smaller drop than GTV, showcasing **strong monetization capability**.
- Revenues from **SOE developers** accounted for **55%**, vs 49% in Q1.

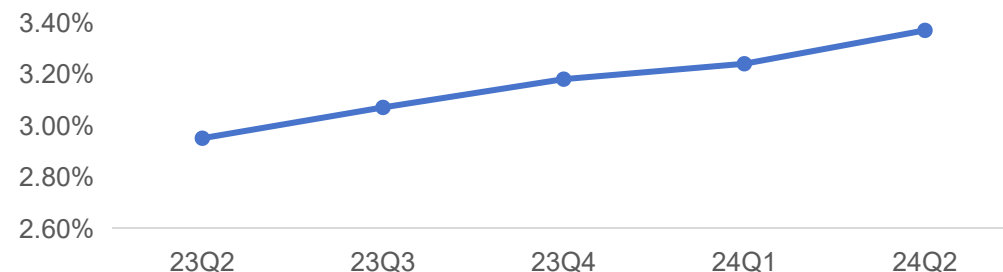
Robust Risk Control

- Q2 new Home DSO at 45 days, a historically low level, vs 69 days in Q1.
- Revenues from “**Commission in Advance from Developers**” model accounted for **49%** of the total, remaining at low level.

Wider Project Coverage & Efficient Sales

- **Wider and deeper partnership with quality developers:**
 - No. of developers with strategic cooperation doubled YoY.
 - Q2 new home cooperation project coverage ratio¹ was 62%, vs. 49% in 23Q2.
- **Efficient sell-through:**
 - **More new home manpower, and agents incentivized by more competitive commission rates.**
 - **Innovative solutions that leverage our one-stop residential services**, including “Exchange of old homes to new ones,” “Worry-Free Renovation,” and home rental services.
 - Tech tools to identify potential new home customers, accelerating new home transaction efficiency

New Home Monetization Capability **+3.37%**

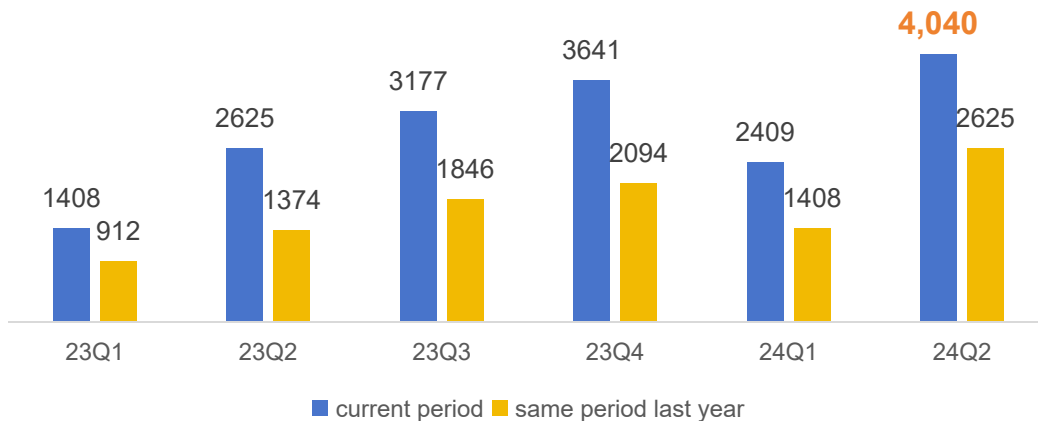


¹ The rate refers to the percentage of our new home project coverage by our brokerage services in cities where we operated, excluding Beijing and Shanghai.

Robust Scale Growth & Profitability

- Q2 GTV RMB4.2 bn, +22% YoY.
- Revenue RMB4.0 bn, +54% YoY.
- Contribution margin at 31.3%, +1.7 pp. YoY, +0.7 pp. QoQ, buoyed by better margin of retail sales.
- GTV of furniture and home furnishing retail accounted for 29% of total GTV, up 3.5 pp. from 23Q2.

Home Renovation and Furnishing Revenues (RMB mn)



Reinforce Foundational Capabilities

- Ramp up **one-stop, full-service solutions** and building corresponding system infrastructure.
- **Home SaaS updated to 2.5V**, which incorporated iterated know-how and rules in Beijing. Home SaaS 2.5 mainly upgrades the **BIM SSC and the integrated material fulfillment module**, to improve standardization and reliability of service delivery.
- **Stronger delivery capability:**
 - Timeline of basic construction and installation of main materials shortened by 11 days YoY to around 100 days in Q2.
 - Success rate of one-time installation of customized furniture improved notably to around 80%.
- **Community-based model** with closer touchpoints to customers to forge targeted service processes and products.

Stable Growth

- Q2 home rental services revenue +167.1% YoY.
 - **Home units managed by Carefree Rent at 300,000+;** units under centralized long-term apartments reached 14,000+ by end-Q2.
- **Contribution margin at 5.8%**, vs 5.5% in Q1.

Improved UE for Carefree Rent

- **Better service to address tenants' core issues**, leading to lower customer complaints.
- **Continue iterating product models**, to better resist rental volatility and reduce vacancy risks.
- **Enhance occupancy efficiency and reduce vacancy costs:**
 - Build up **rapid leasing capability** through dedicated positions and improved productivity.
 - **The success rate of first-time rentals increased from 82.2% in Q1 to 86.6% in Q2**, and the amortized compensation cost per unit also decreased.
 - Focus on **re-renting capability** within multi-year property management contract:
Refined operational efforts to **bring down the vacancy period of re-renting by 23%** in Q2 from Q1.
- **Beijing achieved breakeven in H1** by managerial accounting on the city-level.





02

FINANCIAL HIGHLIGHTS

Financial Highlights

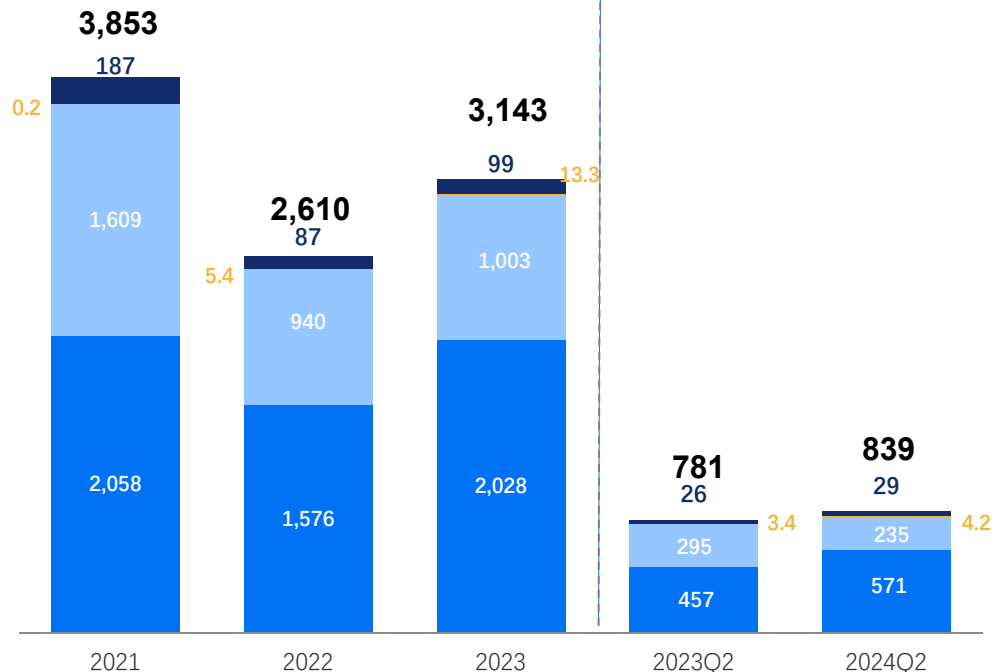


Massive Scale with Diversified Business Structure



GTV¹

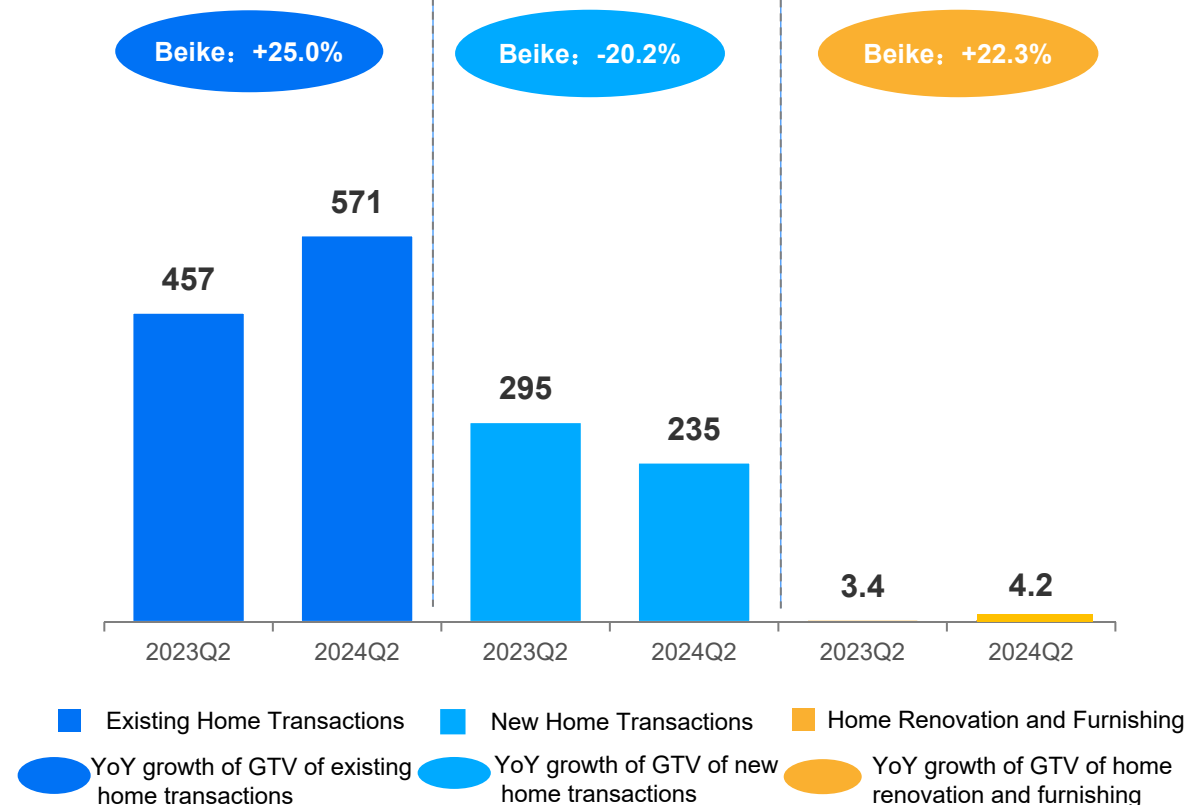
(RMB bn)



■ 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

(RMB bn)



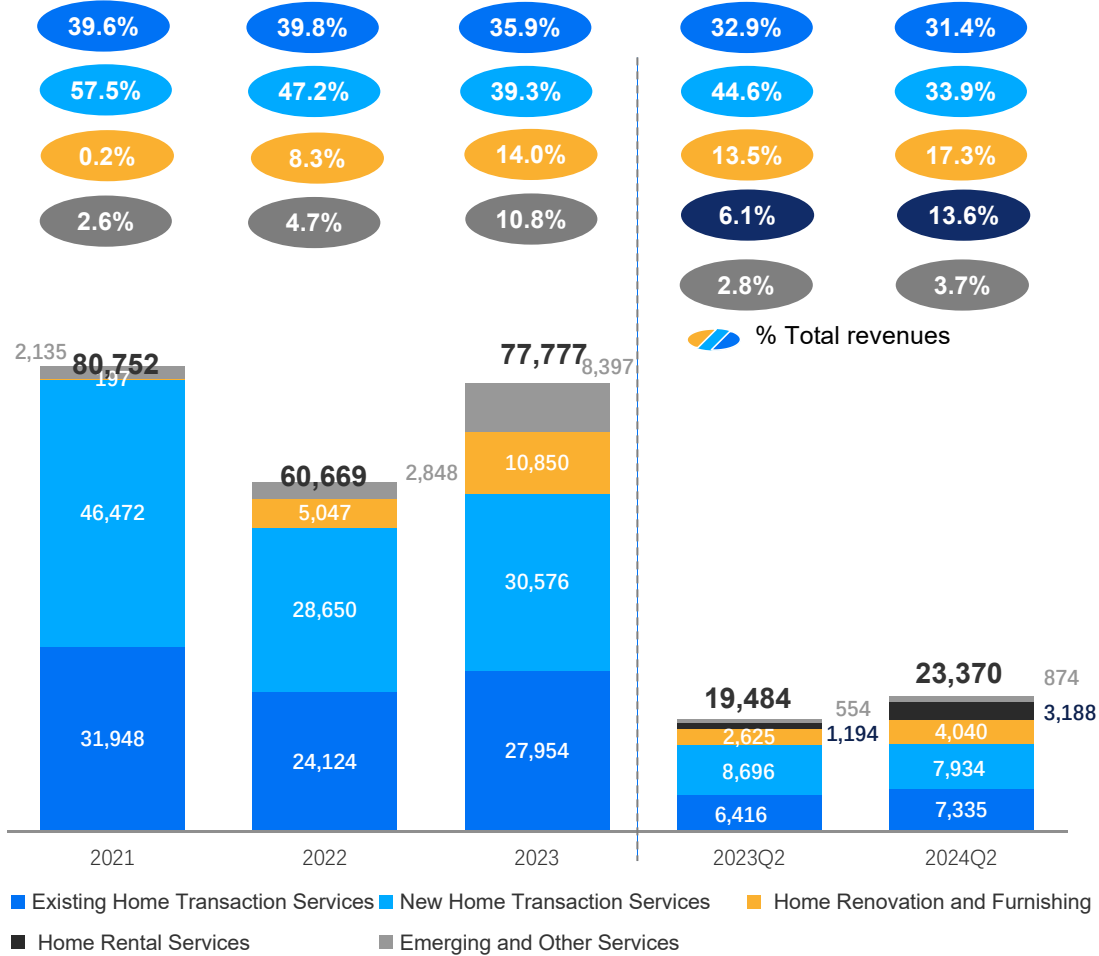
■ Existing Home Transactions ■ New Home Transactions ■ Home Renovation and Furnishing
 ● YoY growth of GTV of existing home transactions ● YoY growth of GTV of new home transactions ● YoY growth of GTV of home renovation and furnishing

¹ 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

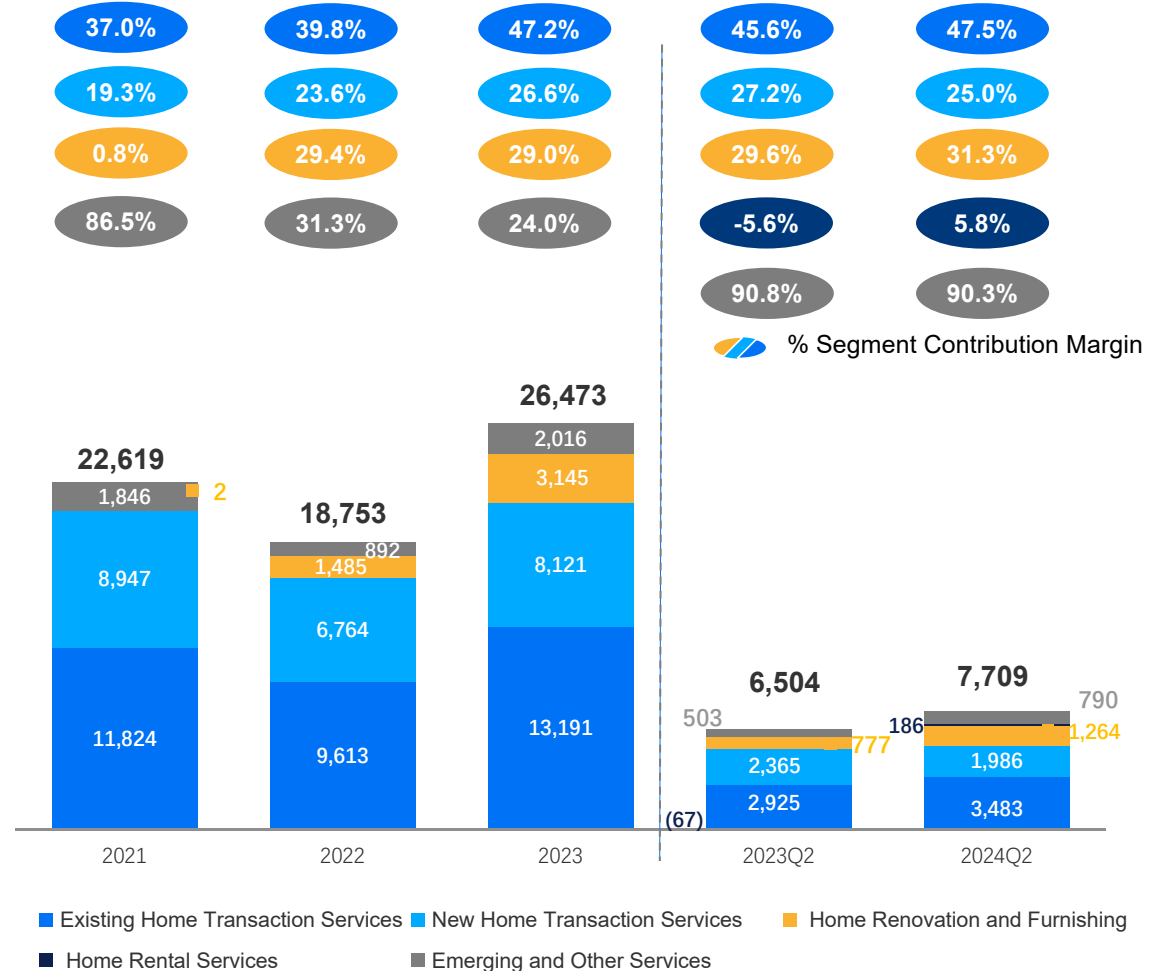
Revenue Breakdown¹

(RMB mn)



Segment Contribution Analysis¹

(RMB mn)



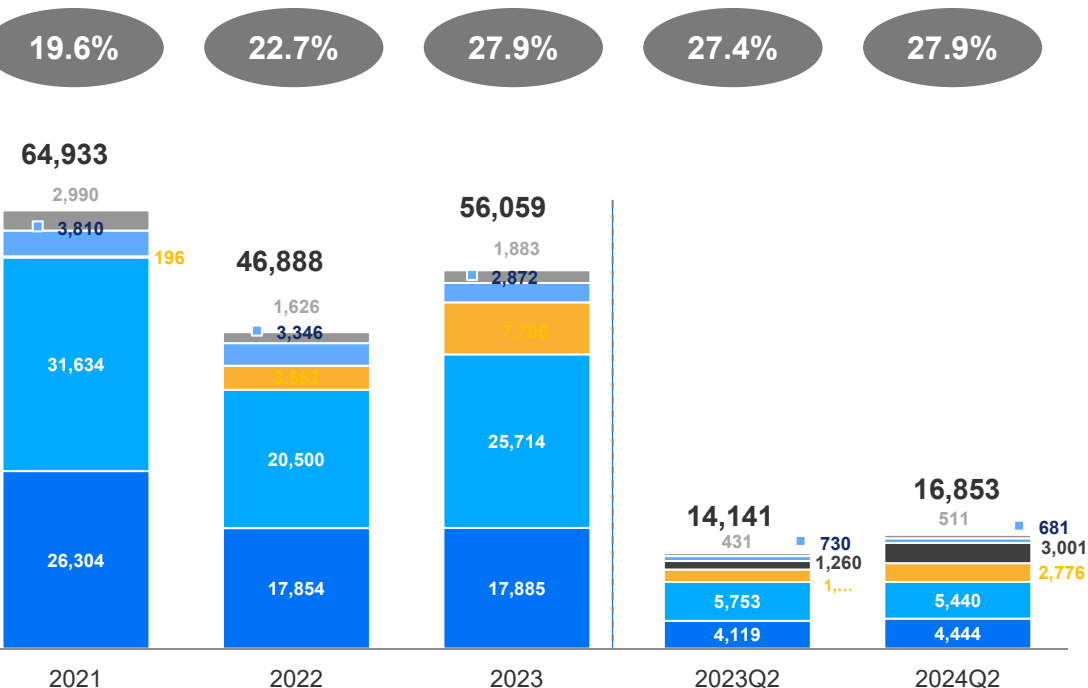
¹ Company updated segment reporting from Q2, 2022 as a result of the acquisition of Shengdu which was closed in late April. Company consequently updated its business structure, resulting in four lines of businesses, which were existing home transaction services, new home transaction services, home renovation and furnishing, and emerging and other services, and updated financial measures accordingly. In view of the increased scale and business importance of the Company's home rental services, the Company has decided to separately report the financials of home rental services, to help investors better understand the Company's revenue structure and margin trends, from the first quarter of 2024 onwards, which is also in accordance with the way report to the Company's chief operating decision maker. Prior period results have been recast to conform to this updated presentation for the current year.

Efficient Cost and Expense Structure



Cost of Revenue

(RMB mn)

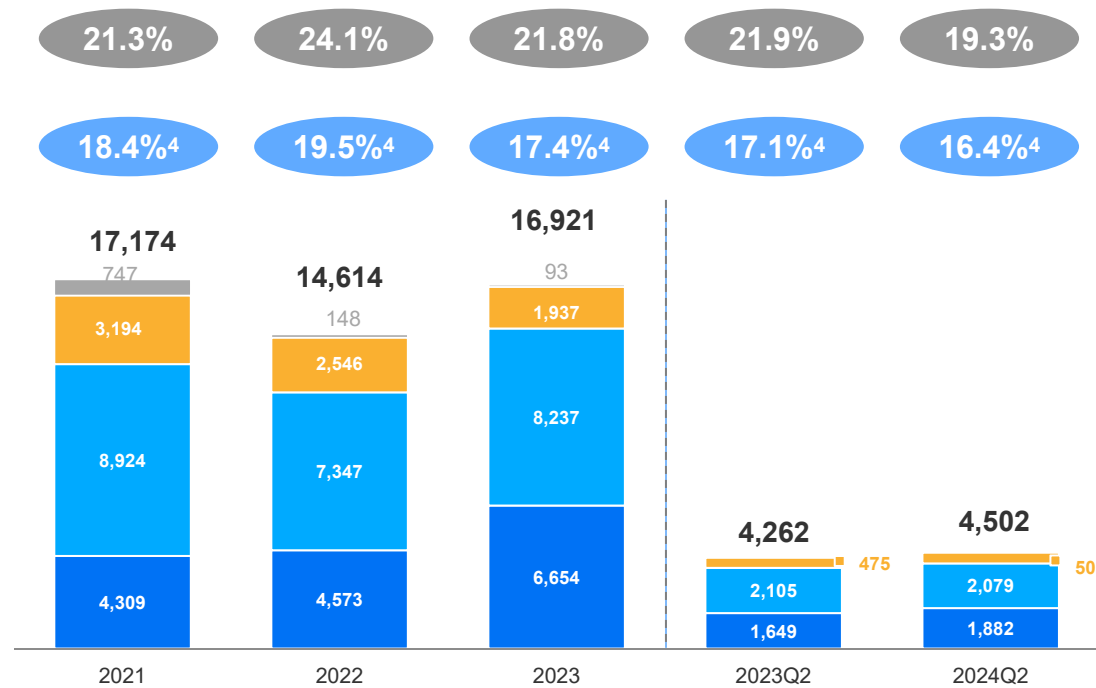


- Commission and Compensation — Internal¹
- Home Renovation and Furnishing
- Cost Related to Stores³
- Commission — Split²
- Home Rental Services
- Others

● % Gross Margin

Operating Expenses

(RMB mn)



- Sales and Marketing Expenses
- General and Administrative Expenses
- Research and Development Expenses
- Impairment of Goodwill and Intangible Assets and other long-lived assets

● % of Total Revenues

● % of Total Revenue after Adjustments

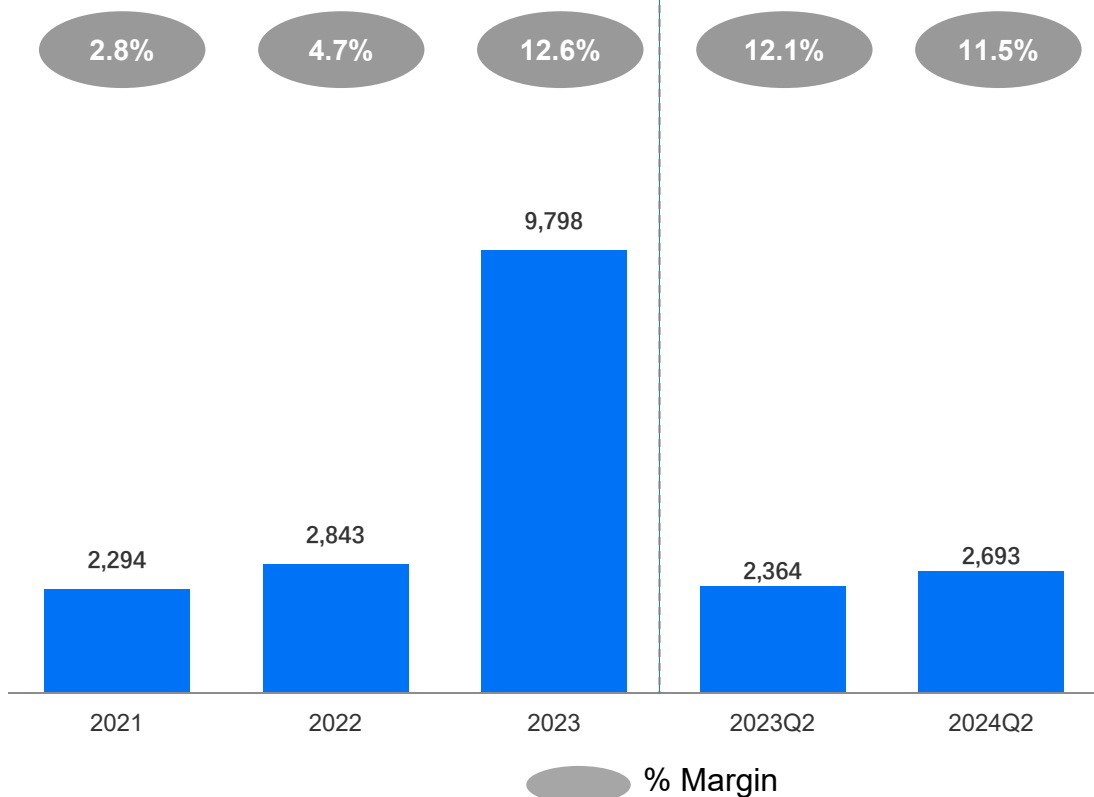
¹ Defined as the compensation paid to the internal agents and other sales professionals, including fixed salaries and variable commissions based on the transactions they assist in closing. ² Defined as the commissions paid to connected agents and other sales channels for their services to assist in completing new home and existing home transactions. ³ Mainly including rent, decoration, and utility bills for real estate brokerage stores under Lianjia brand. ⁴ 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.

Resilient Profitability



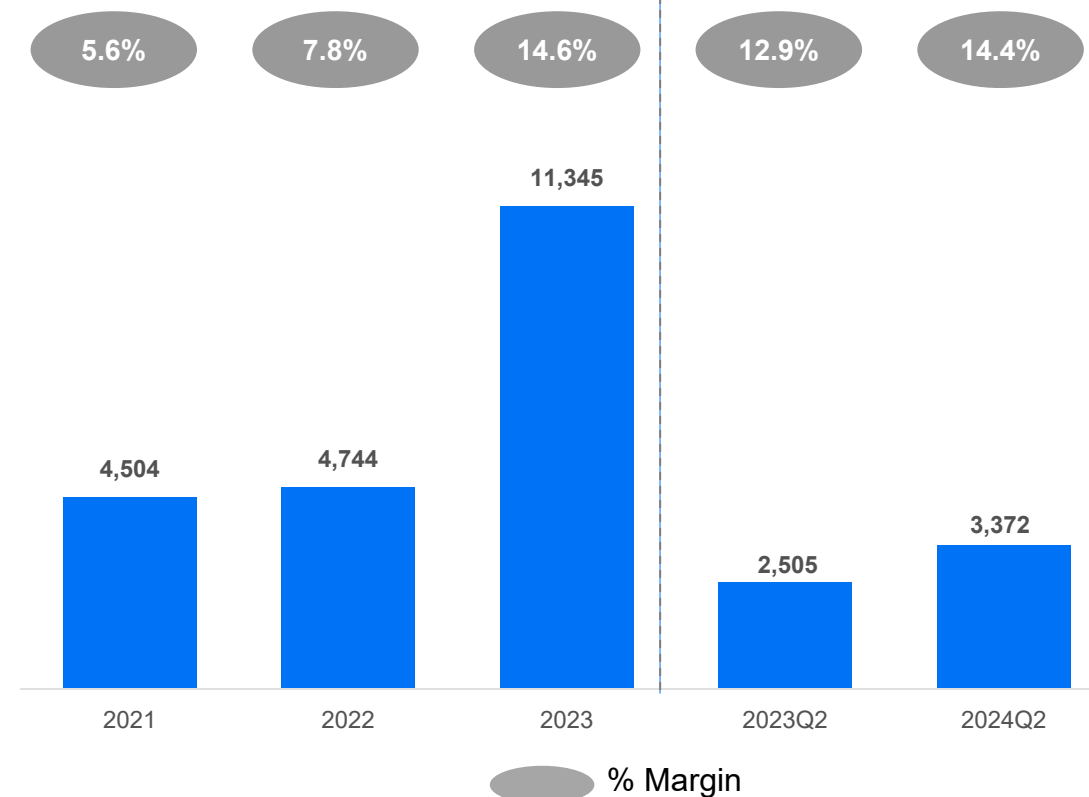
Adjusted Net Income¹

(RMB mn)



Adjusted EBITDA²

(RMB mn)



¹ 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. ² 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 June 30,	As of June 30,	As of June 30,
	2022	2023	2024
Cash and Cash Equivalents	12,379	31,750	9,409
Restricted Cash	7,001	6,062	8,118
Short term Investment	30,639	22,952	42,223
Total Liquidity	50,019	60,764	59,749
Total Current Asset	60,415	70,173	70,657
Total Asset	104,366	117,415	122,498
Total Current Liabilities	32,299	36,857	43,376
Total Liabilities	37,711	44,629	51,795
Total Liabilities and Shareholder Equity	104,366	117,415	122,498

03

APPENDIX

GAAP to Adjusted / Non-GAAP Measures Reconciliation



(RMB mm)	For the Three Months Ended Jun. 30,			For the Six Months Ended,		
	2023	2024	% YoY	2023	2024	% YoY
Net income	1,300	1,900	46%	4,049	2,333	(42%)
Add:						
Share-based compensation expenses	881	731	(17%)	1,583	1,524	(4%)
Amortization of intangible assets resulting from acquisitions and business cooperation agreement	153	30	(80%)	303	184	(39%)
Changes in fair value from long term investments, loan receivable measured at fair value and contingent consideration	(3)	0	n/a	(39)	13	n/a
Impairment of goodwill, intangible assets and other long-lived assets	33	36	11%	33	36	11%
Impairment of investments	7	2	(74%)	9	8	(14%)
Tax effects on non-GAAP adjustments	(7)	(6)	(1%)	(13)	(13)	2%
Adjusted net income	2,364	2,693	14%	5,925	4,086	(31%)

(RMB mm)	For the Three Months Ended Jun. 30,			For the Six Months Ended,		
	2023	2024	% YoY	2023	2024	% YoY
Net income	1,300	1,900	46%	4,049	2,333	(42%)
Add:						
Income tax expenses	273	849	211%	1,402	1,256	(10%)
Share-based compensation expenses	881	731	(17%)	1,583	1,524	(4%)
Amortization of intangible assets	157	36	(77%)	310	195	(37%)
Depreciation of property, plant and equipment	195	174	(11%)	385	339	(12%)
Interest income, net	(339)	(357)	5%	(602)	(666)	11%
Changes in Fair value from long term investments, loan receivables measured at fair value and contingent consideration	(3)	0	n/a	(39)	13	n/a
Impairment of goodwill, intangible assets and other long-lived assets	33	36	11%	33	36	11%
Impairment of investments	7	2	(74%)	9	8	(14%)
Adjusted EBITDA	2,505	3,372	35%	7,130	5,038	(29%)

