



NYSE: BEKE

HKEX: 2423

Investor Presentation

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01

COMPANY OVERVIEW

Strong Margin Delivery Buffers Market Uncertainties

Intact long-term competitiveness reaffirmed

- Q3 results a strong beats;
- Efficiency and profitability improvements in multiple business lines;
- Non-GAAP opex lowest since IPO;
- Contribution margins, gross margin and operating profit margin highest since NYSE IPO;

Strong cash position and operating cash flow

- Cash collection from new home business RMB9.27 bn, surpassing new home revenues for 5 consecutive quarters;
- Balance of cash, cash-like items RMB77.2 bn as of end-Q3.
- DSO lowest since IPO;
- Effective risk management reinforced balance sheet.

Store & agent scale stabilizing, structure improving

Store

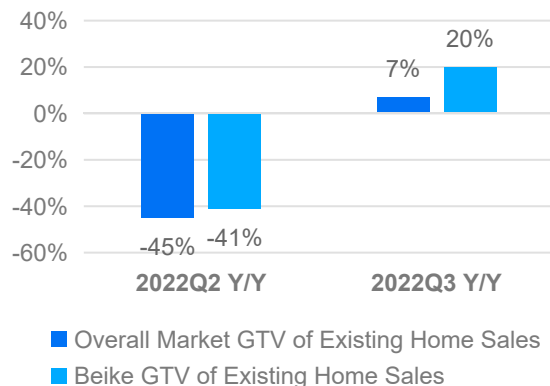
- -3% Q/Q. Nearly 30 cities saw No. of active stores rising Q/Q.
- Per store commission revenue of connected stores +25% Y/Y.

Agent

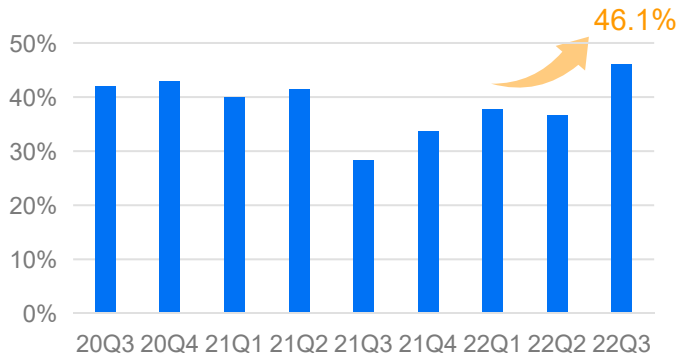
- -2% Q/Q. 40 cities saw No. of active agents rising Q/Q.
- Per agent commission revenue +25% Y/Y.
- **Higher agents quality:** agents with longer track records and better performance took a larger proportion.

Existing Home Transaction Services Significantly Outperform

Q3 Existing Home Sales GTV Change Y/Y¹



Existing Home Contribution Margin



Focus on Existing Home Business Empowerment

- Market shifts to existing home-dominant accelerated;
- Help stores and agents improve service capability through ACN network and multiple business enhancement measures.

¹ Overall existing home sales market data from Beike Research Institute.

New Home Business Beats with Solid Margin Improvement

Stronger Profitability, Lower Risks and Healthier Cash Flow

24.9%

Contribution margin hit highest since IPO in 2020.

1.2X

Q3 new home cash collection 9.27 bn, 1.2 times of new home revenues. Cash collection surpassing revenue income for 5 quarters in a row.

2.98%

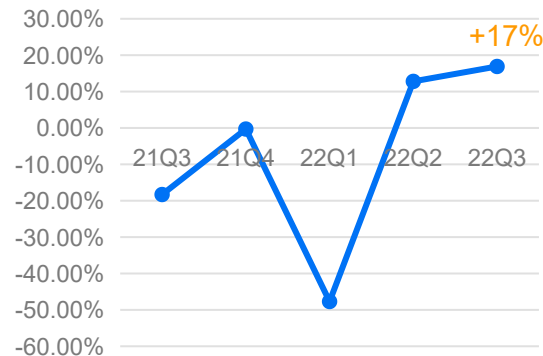
Monetization rate stabilized at 2.98%, beating forecast, as SOE developers' proportion rose by 5 pts.

34%

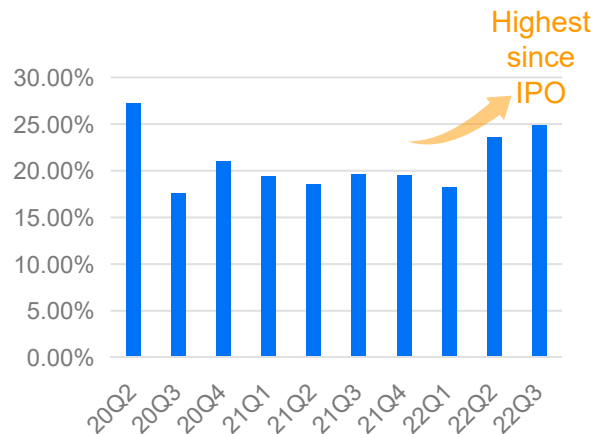
34% of new home sales revenues in Sept. paid by "Commission in Advance" model. Agents focused on selected projects, with developers paying in advance, virtuous cycle formed, benefitting customers, developers and agents.

New Home Business Beats with Solid Margin Improvement

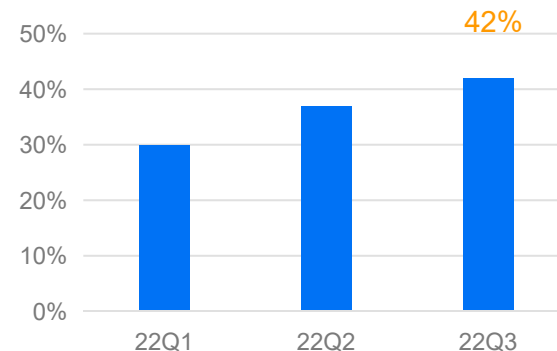
New Home Revenues Change Q/Q



New Home Contribution Margin



Revenues from SOE Developers as % of Beike's New Home Rev.



Home Renovation and Furnishing Extends Fast Growth

Robust Rev. Growth Bucking Industry Trend

20%

Furniture and home furnishing sales accounted for 20% of the total contracted sales in Q3, vs 16% in Q2.

40%

Revenue over RMB1.8bn, +40% Y/Y, +34% Q/Q in Q3 on pro-forma basis.

2 bn

Contracted sales close to RMB2 bn in Q3, +60% Y/Y.

50%+

No. of home renovation contract volume up 50%+ Y/Y.
Average order value up 10%+ Y/Y.

Strong Synergies Delivered

- Agents and store owners' enthusiasm further ignited.

40%+

Referral customers from core business contributed to 40%+ of home renovation and furnishing's contracted sales in Q3.

9,500

Service providers participated in "Xiaobei" training and testing, an AI assistant, as of end-Oct.

Beijing Beiwoo a Proven Example

- Large-scale home renovation delivery management capabilities established.
- More complete supply chain with a greater choice of better-quality products.
- Aim to iterate and manifest capabilities in more cities.

100
mn+

Monthly contracted sales of over RMB100 mn in July, August.

=

Quarterly break-even achieved at city level.

Beike Rental - Quality Growth in Scale and Efficiency



Chengdu Project

- Selected as part of the first group of **affordable rental housing operation service** enterprises in Chengdu – **the only private enterprise among the four selected.**
- Provided high-quality leasing operation services to **1,000+** rental homeowners and tenants in Chengdu as of Nov. 21.

Home Rental Services

- Occupancy rate and average lease-through period improved in Sept. vs Q2.

85,000

Number of contracted rental units managed by Beike rental services exceeded 85,000, +100% Q/Q.

50,000

Over 50,000 units under “Carefree Rent” – home rental management service, +70% Q/Q.





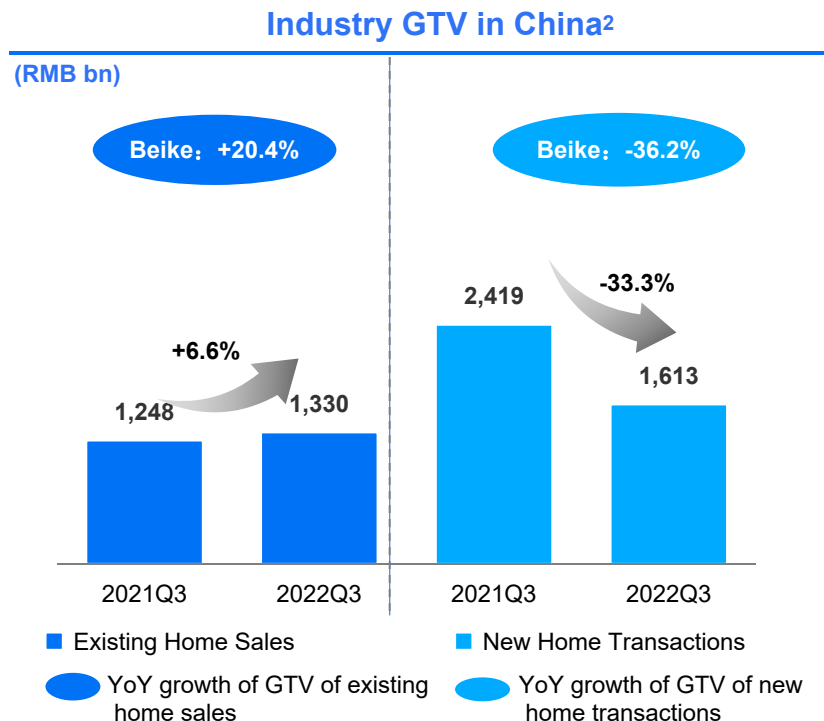
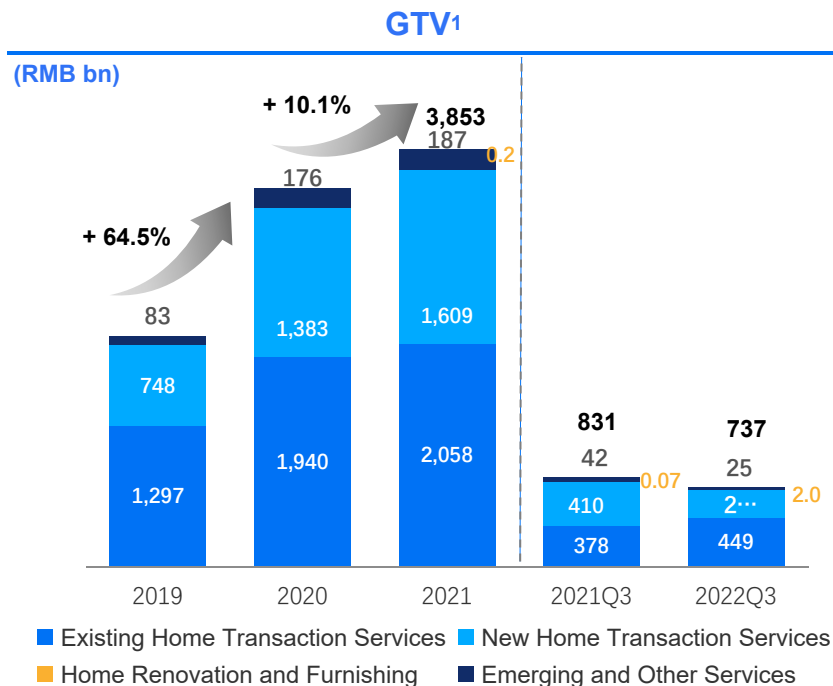
02

FINANCIAL HIGHLIGHTS

Financial Highlights



Massive Scale with Continuous Market Share Gains



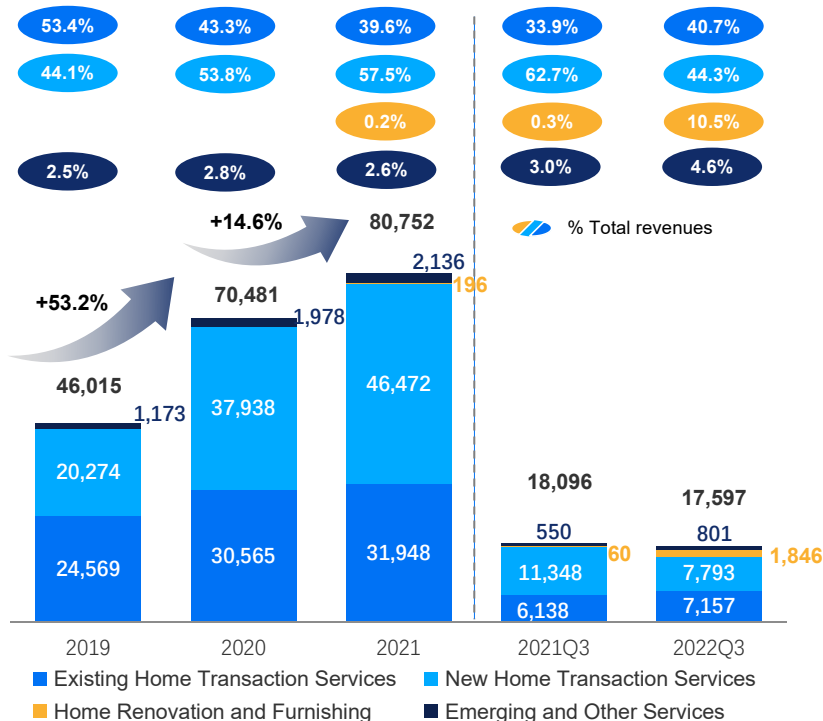
¹ GTV is defined as gross transaction value, which is calculated as the total value of all transactions facilitated on the platform and evidenced by signed contracts, including the value of the existing home transactions, new home transactions, home renovation and furnishing and emerging and other services, regardless of whether the transactions are actually closed. ² Existing home sales GTV in China based on Beike Research Institute's data. New home sales GTV in China based on CRIC Top 100 developers sales data.

Multiple Monetization Avenues with Upbeat Contribution Margin



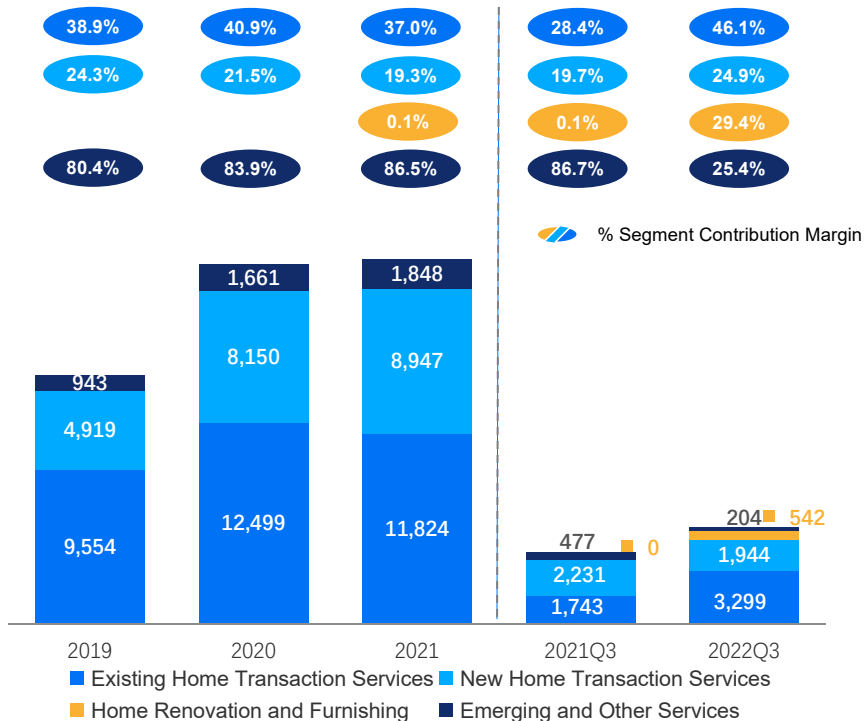
Revenue Breakdown¹

(RMB mn)



Segment Contribution Analysis¹

(RMB mn)

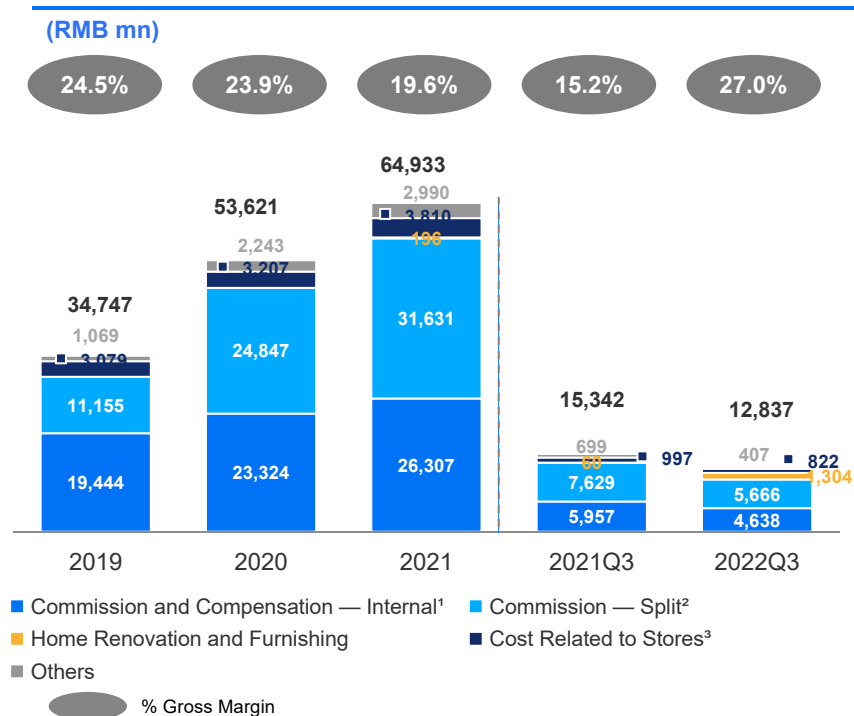


Company updated segment reporting from Q2, 2022 as a result of the acquisition of Shengdu which was closed in late April. Company consequently updated business structure resulting in four lines of businesses, which were existing home transaction services, new home transaction services, home renovation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

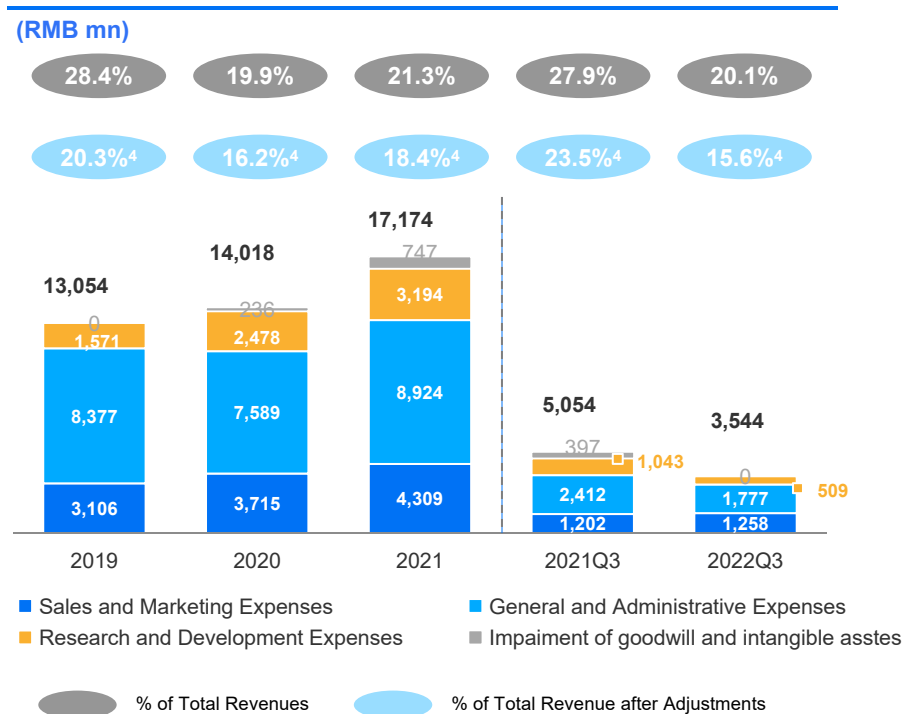
Significant Improvement in Cost and Expense Structure



Cost of Revenue



Operating Expenses

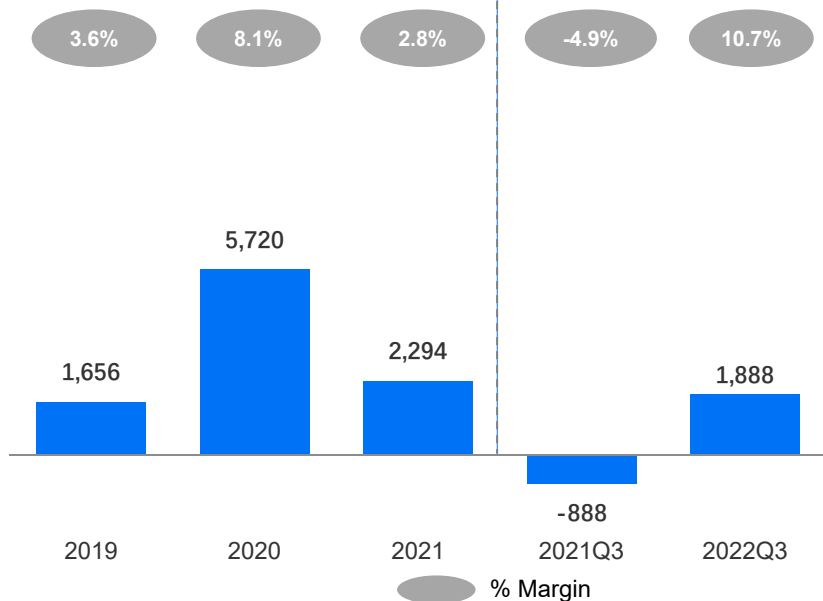


¹ Defined as the compensation paid to the internal agents and other sales professionals, including fixed salaries and variable commissions based on the transactions they assist in closing. ² Defined as the commissions paid to connected agents and other sales channels for their services to assist in completing 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 agreement; (iii) deemed marketing expense related to IFM acquisition of RMB318 million and RMB43 million in 2019; (iv) impairment of goodwill and intangible assets of RMB236 million, RMB747 million, RMB397 million and n/a in 2020, 2021, 2021Q3 and 2022Q3 respectively.

Outperformed Profitability amid Market Uncertainties

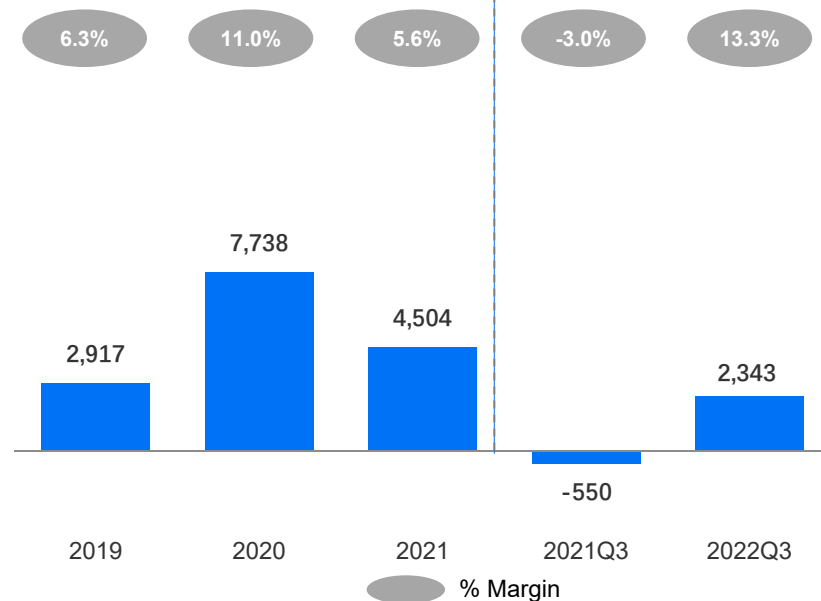
Adjusted Net Income¹

(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 December 31, | | As of Sept. 30, |
|---|--------------------|----------------|-----------------|
| | 2020 | 2021 | 2022 |
| Cash and Cash Equivalents | 40,970 | 20,446 | 18,954 |
| Restricted Cash | 8,567 | 6,286 | 5,850 |
| Short term Investment | 15,688 | 29,403 | 32,714 |
| Total Liquidity | 65,226 | 56,135 | 57,518 |
| Total Current Asset | 87,539 | 69,926 | 67,135 |
| Total Asset | 104,296 | 100,319 | 107,989 |
| Total Current Liabilities | 33,633 | 28,936 | 32,294 |
| Total Liabilities | 37,503 | 33,263 | 38,746 |
| Total Liabilities, Mezzanine Equity and Shareholder Equity | 104,296 | 100,319 | 107,989 |

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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, | | |
|---|--------------------------------------|--------------|------------|-------------------------------------|----------------|--------------|
| | 2021 | 2022 | % YoY | 2021 | 2022 | % YoY |
| Net income (Loss) | (1,766) | 716 | n/a | 408 | (1,769) | n/a |
| Add: | | | | | | |
| Share-based compensation expenses | 350 | 743 | 112% | 1,218 | 1,700 | 40% |
| Amortization of intangible assets resulting from acquisitions and Business Cooperation Agreement | 118 | 150 | 27% | 353 | 412 | 17% |
| Changes in Fair value from long term investments, loan receivable measured at fair value and contingent consideration | 11 | 45 | 303% | (128) | 397 | n/a |
| Impairment of goodwill and intangible assets | 397 | - | n/a | 397 | 76 | (81%) |
| Impairment of investments | - | 241 | n/a | - | 492 | n/a |
| Adjusted for tax effects on non-GAAP adjustments | 2.0 | (7.0) | n/a | 2 | (12) | n/a |
| Adjusted net profit | (888) | 1,888 | n/a | 2,252 | 1,296 | (42%) |

| (RMB mm) | For the Three Months Ended Sept. 30, | | | For the Nine Months Ended Sept. 30, | | |
|---|--------------------------------------|--------------|------------|-------------------------------------|----------------|--------------|
| | 2021 | 2022 | % YoY | 2021 | 2022 | % YoY |
| Net income (Loss) | (1,766) | 716 | n/a | 408 | (1,769) | n/a |
| Add: | | | | | | |
| Income tax expenses | 204 | 440 | 116% | 1,396 | 1,059 | (24%) |
| Share-based compensation expenses | 350 | 743 | 112% | 1,218 | 1,700 | 40% |
| Amortization of intangible assets resulting from acquisitions and Business Cooperation Agreement | 122 | 154 | 27% | 370 | 426 | 15% |
| Depreciation of property and equipment | 224 | 219 | (2%) | 599 | 687 | 15% |
| Interest income, net | (91) | (215) | n/a | (241) | (488) | n/a |
| Changes in Fair value from long term investments, loan receivable measured at fair value and contingent consideration | 11 | 45 | 303% | (128) | 397 | n/a |
| Impairment of goodwill and intangible assets | 397 | - | n/a | 397 | 76 | (81%) |
| Impairment of investments | - | 241 | n/a | - | 492 | n/a |
| Adjusted EBITDA | (550) | 2,343 | n/a | 4,020 | 2,580 | (36%) |



THANK YOU
