



Pinduoduo 4Q 2020 Results

Mar 2021



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This document also contains non-GAAP financial measures, the presentation 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 the earnings press release.

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4Q 2020 Highlights



LTM⁽¹⁾ GMV⁽²⁾

RMB1,667.6bn

66% YoY Growth



Revenues

RMB26,547.7mn

146% YoY Growth



LTM⁽¹⁾ Active Buyers⁽³⁾

788.4mn

35% YoY Growth



Average MAUs⁽⁴⁾

719.9mn

50% YoY Growth

Notes:

- (1) "LTM", Last Twelve Months, references to the twelve-month period that ends on the last day of the month or quarter indicated.
- (2) "GMV" refers to the total value of all orders for products and services placed on the Pinduoduo mobile platform, regardless of whether the products and services are actually sold, delivered or returned. Buyers on the platform are not charged for shipping fees in addition to the listed price of merchandise. Hence, merchants may embed the shipping fees in the listed price. If embedded, then the shipping fees are included in GMV. As a prudential matter aimed at eliminating any influence on Pinduoduo's GMV of irregular transactions, the Company excludes from its calculation of GMV transactions in certain product categories over certain amounts and transactions by buyers in certain product categories over a certain amount per day.
- (3) "Active buyers" in a given period references to the number of user accounts that placed one or more orders (i) on the Pinduoduo mobile app, and (ii) through social networks and access points in that period, regardless of whether the products and services are actually sold, delivered or returned.
- (4) "MAUs", Monthly Active Users, refers to the number of user accounts that visited the Pinduoduo mobile app during a given month, which does not include those that accessed the platform through social networks and access points.

Fiscal Year 2020 Highlights



LTM⁽¹⁾ GMV⁽²⁾

RMB1,667.6bn

66% YoY Growth



Revenues

RMB59,491.9mn

97% YoY Growth



LTM⁽¹⁾ Active Buyers⁽³⁾

788.4mn

35% YoY Growth



Total Orders⁽⁴⁾

38.3bn

94% YoY Growth

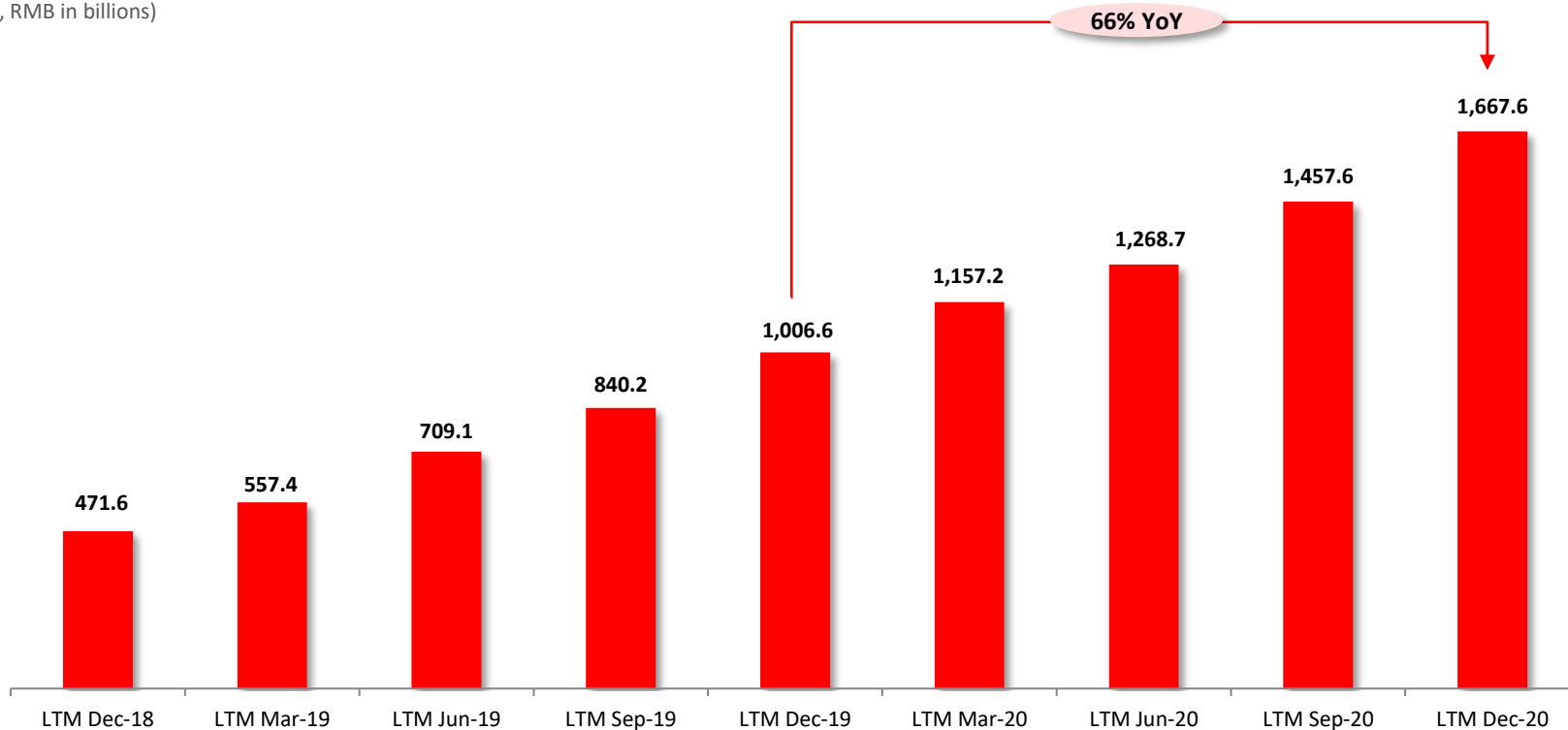
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- (4) "Total orders" are to the total number of orders for products and services placed on our Pinduoduo mobile platform, regardless of whether the products and services are actually sold, delivered or returned.

Strong GMV Growth of 66% YoY ...

GMV

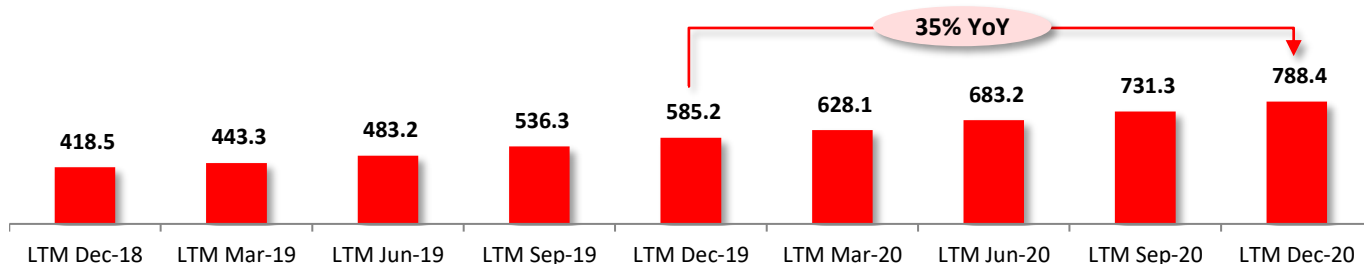
(LTM, RMB in billions)



... Driven by Rapidly Expanding User Base and Spending per Active Buyer

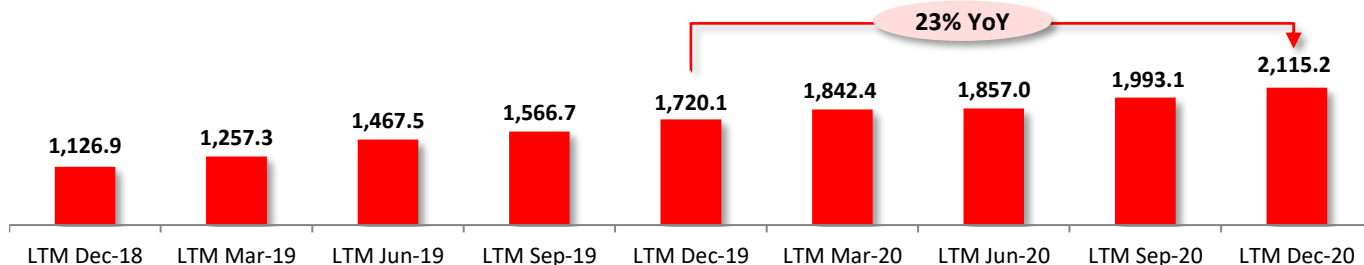
Active Buyers

(LTM, in millions)



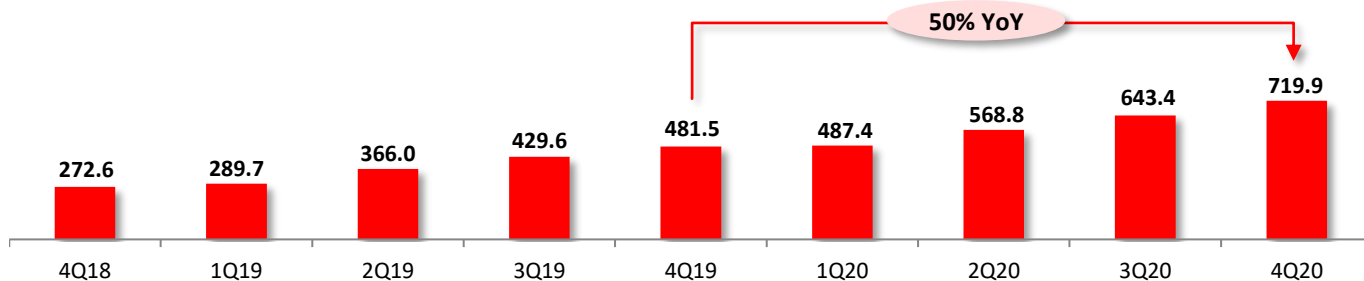
Annual Spending Per Active Buyer⁽¹⁾

(LTM, RMB)



MAUs

(Average, in millions)



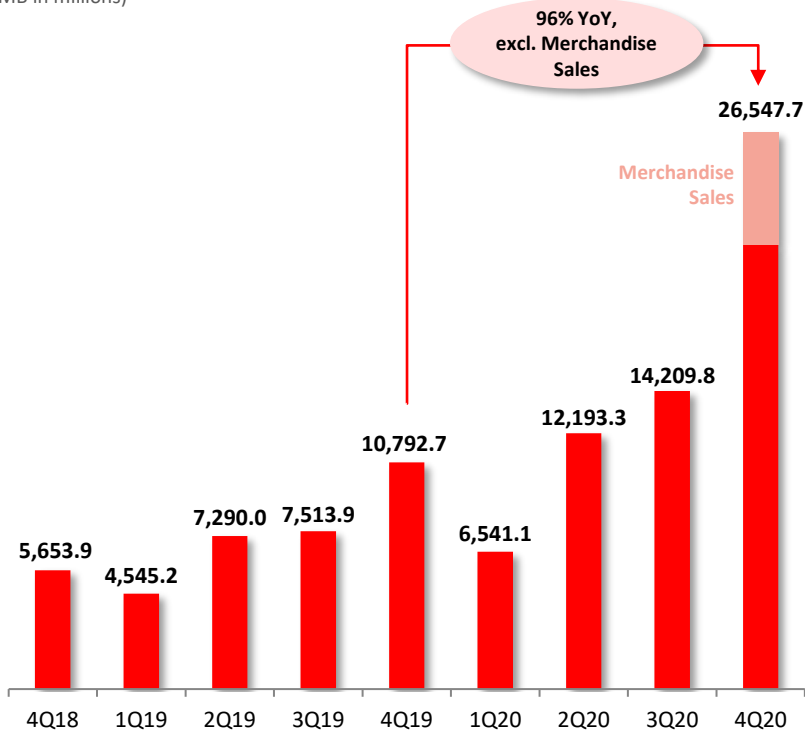
Notes:

(1) "Annual spending per active buyer" in a given period refers to the quotient of total GMV in that period divided by the number of active buyers in the same period.

Revenues and Monetization Rate

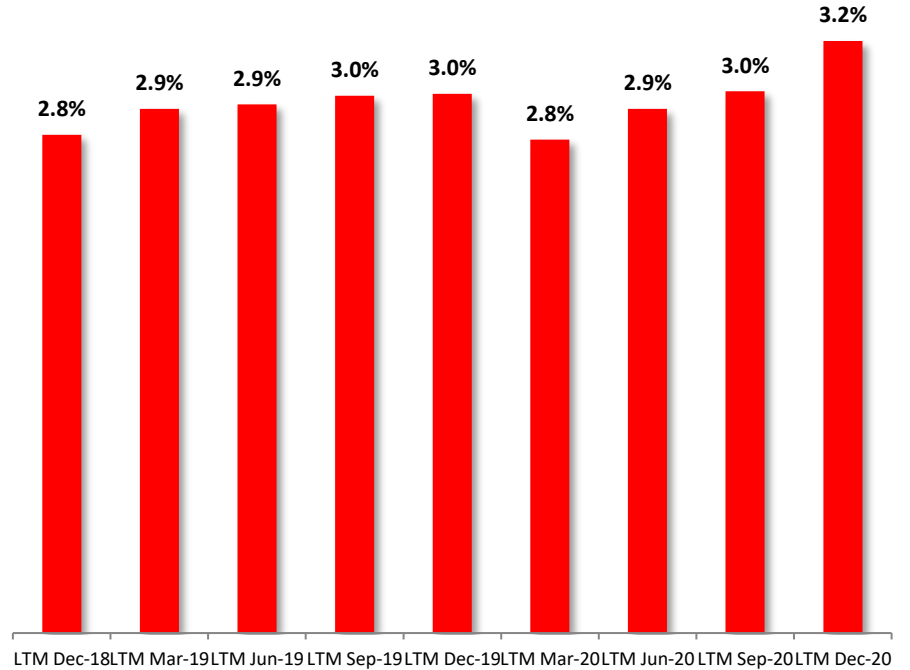
Revenues

(RMB in millions)



Revenues (excl. Merchandise Sales) as % of GMV

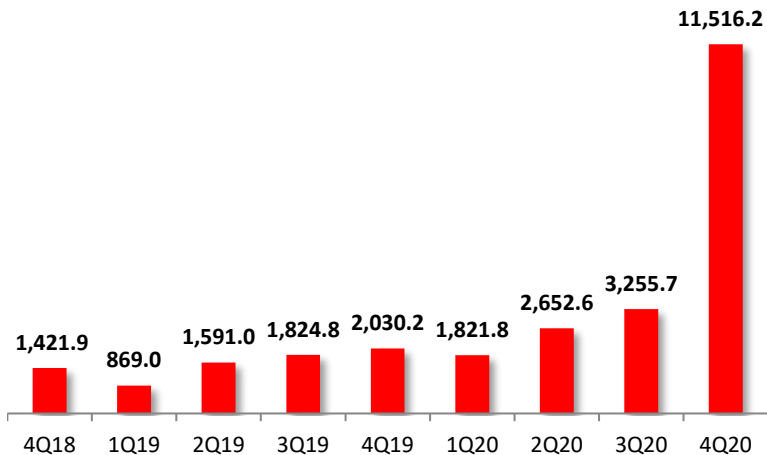
(%, LTM)



Cost Structure

Non-GAAP⁽¹⁾ Cost of Revenues

(RMB in millions)



Non-GAAP⁽¹⁾ Sales & Marketing Expenses

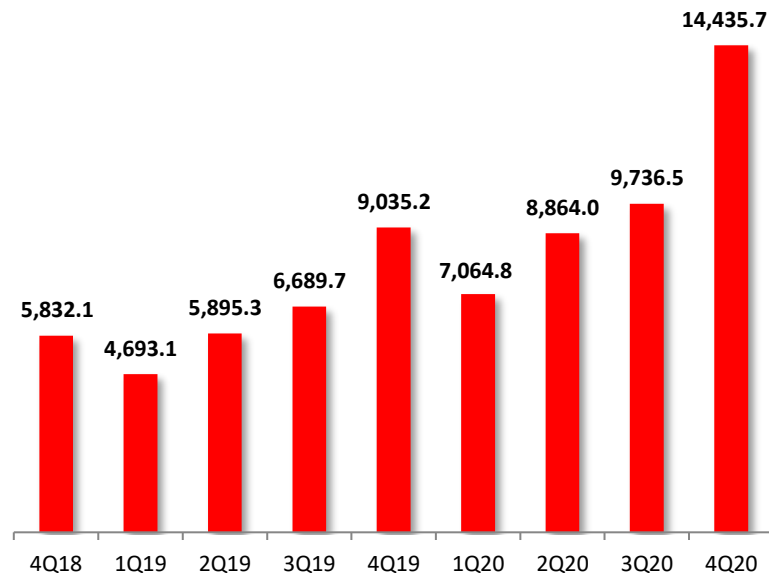
(RMB in millions)



% of Rev. excl.

Merchandise Sales

68%



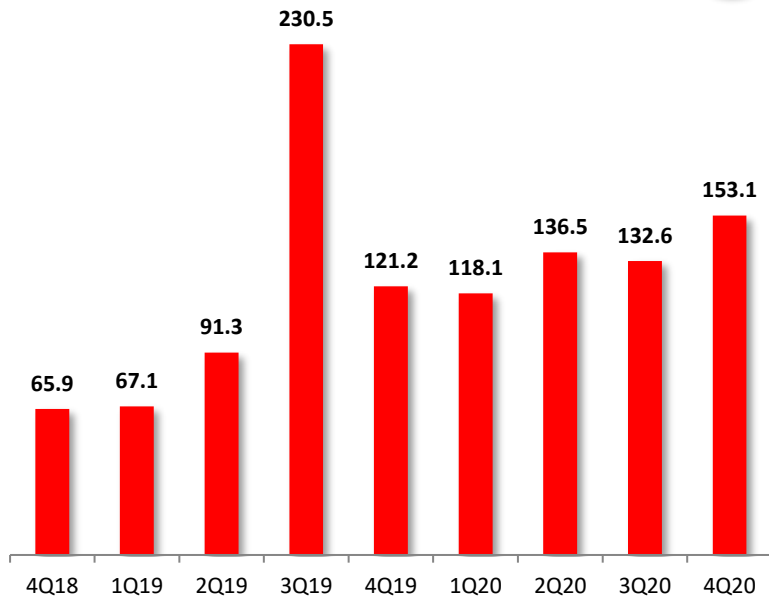
Notes:

(1) Our Non-GAAP financial measures exclude share-based compensation expenses, fair value change of long-term investments, and interest expenses related to the convertible bonds' amortization to face value and gain on extinguishment. Please refer to our earnings press release for more details.

Cost Structure (Cont'd)

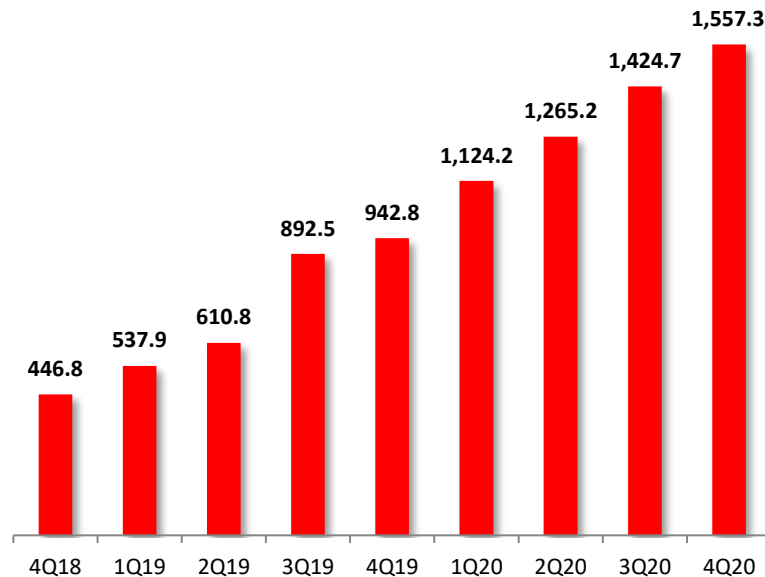
Non-GAAP⁽¹⁾ General & Administrative Expenses

(RMB in millions)



Non-GAAP⁽¹⁾ Research & Development Expenses

(RMB in millions)



Notes:

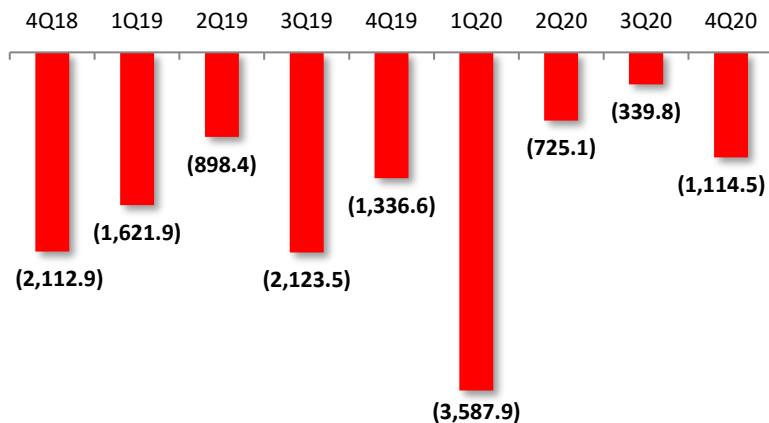
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Profitability

Non-GAAP⁽¹⁾ Operating Loss

(RMB in millions)

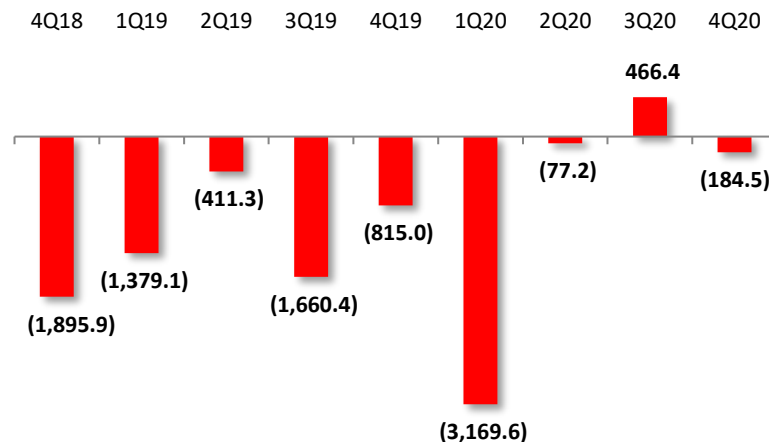
% of Total Revenues -37% -36% -12% -28% -12% -55% -6% -2% -4%



Non-GAAP⁽¹⁾ Net (Loss)/Gain Attributable to Ordinary Shareholders

(RMB in millions)

% of Total Revenues -34% -30% -6% -22% -8% -48% -1% 3% -1%



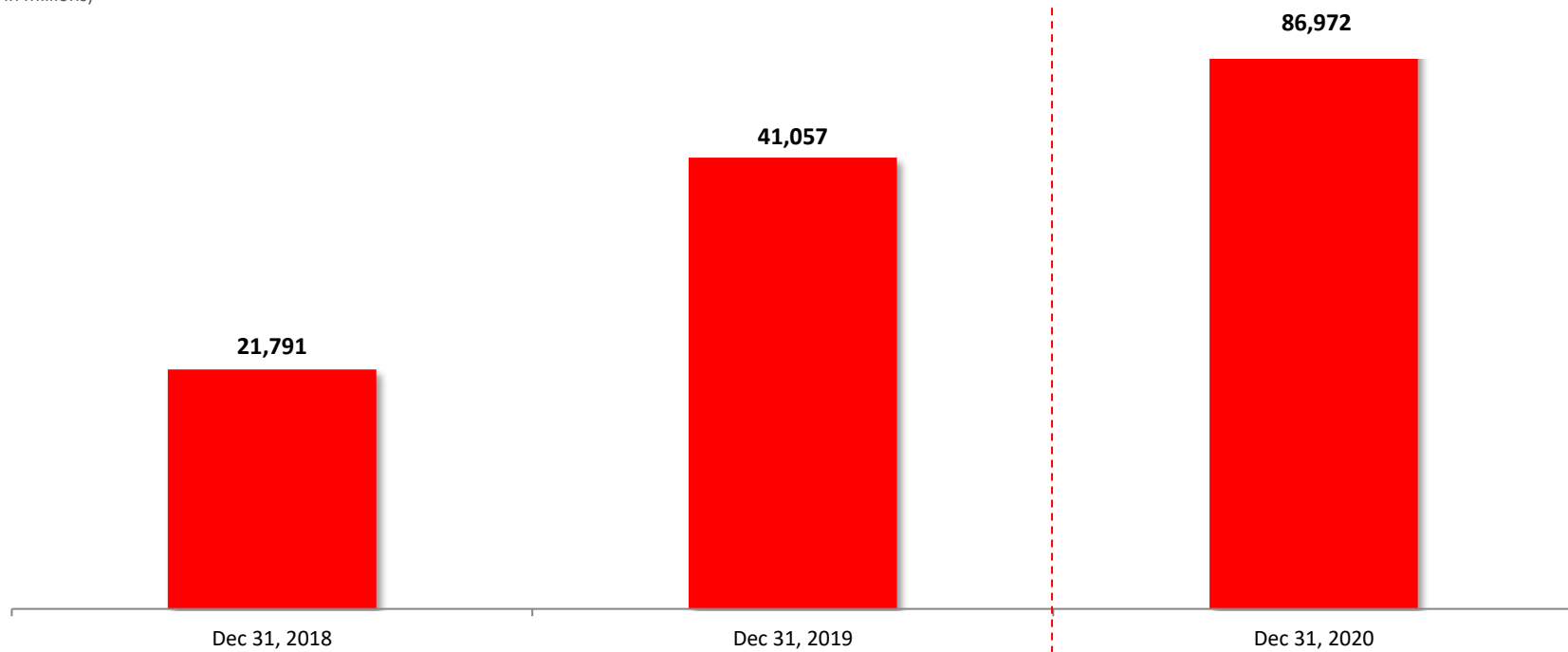
Notes:

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Balance Sheet

Ending Cash, Cash Equivalents and Short-term Investments⁽¹⁾

(RMB in millions)



Notes

- (1) All highly liquid investments with original maturities of greater than three months but less than twelve months, are classified as short-term investments. Investments that are expected to be realized in cash during the next twelve months are also included in short-term investments.



Pinduoduo Inc.

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More Savings
More Fun