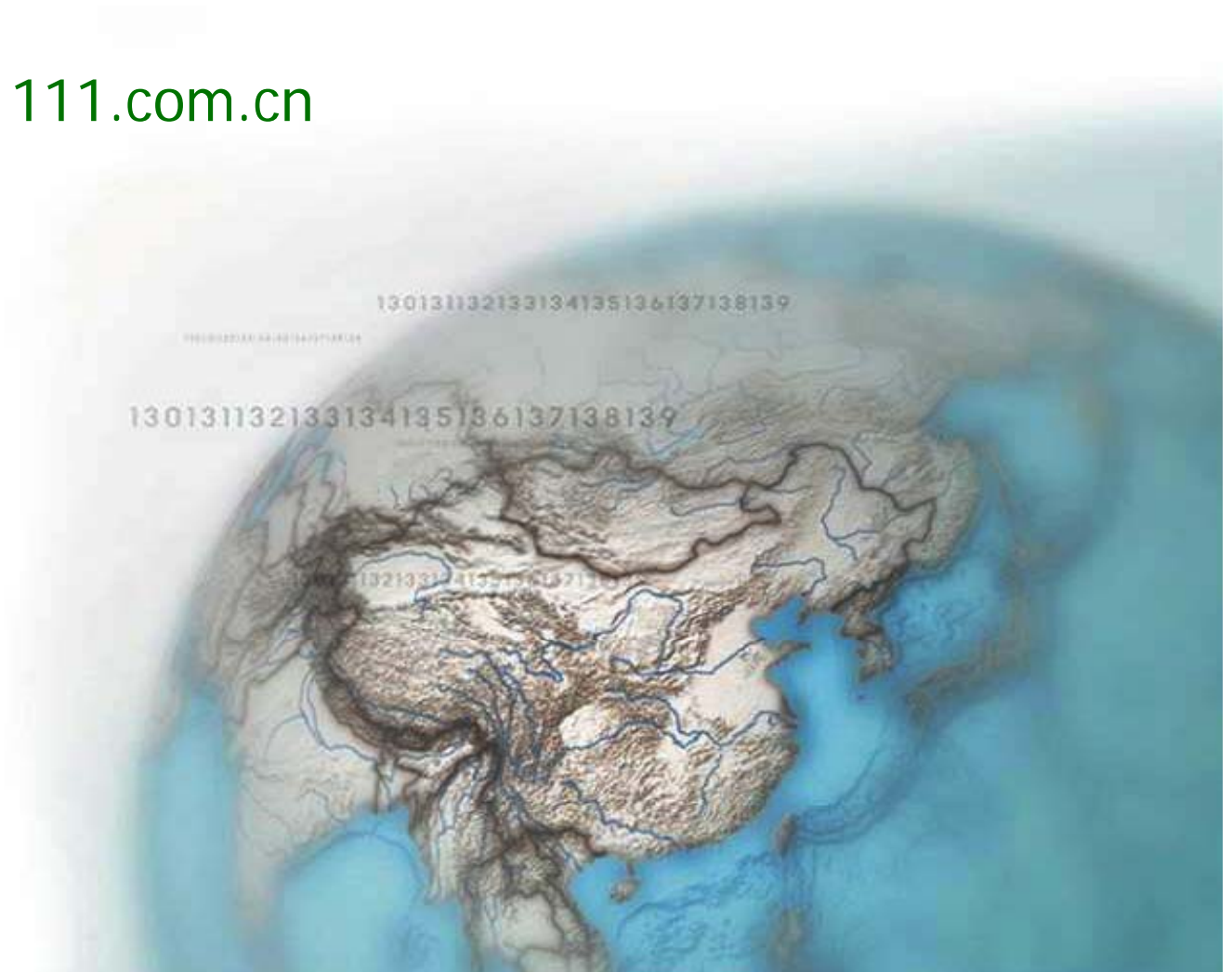


# bda

## Interim DD Report on 111.com.cn

Nov 4<sup>th</sup>, 2014  
For Tiger Global Only

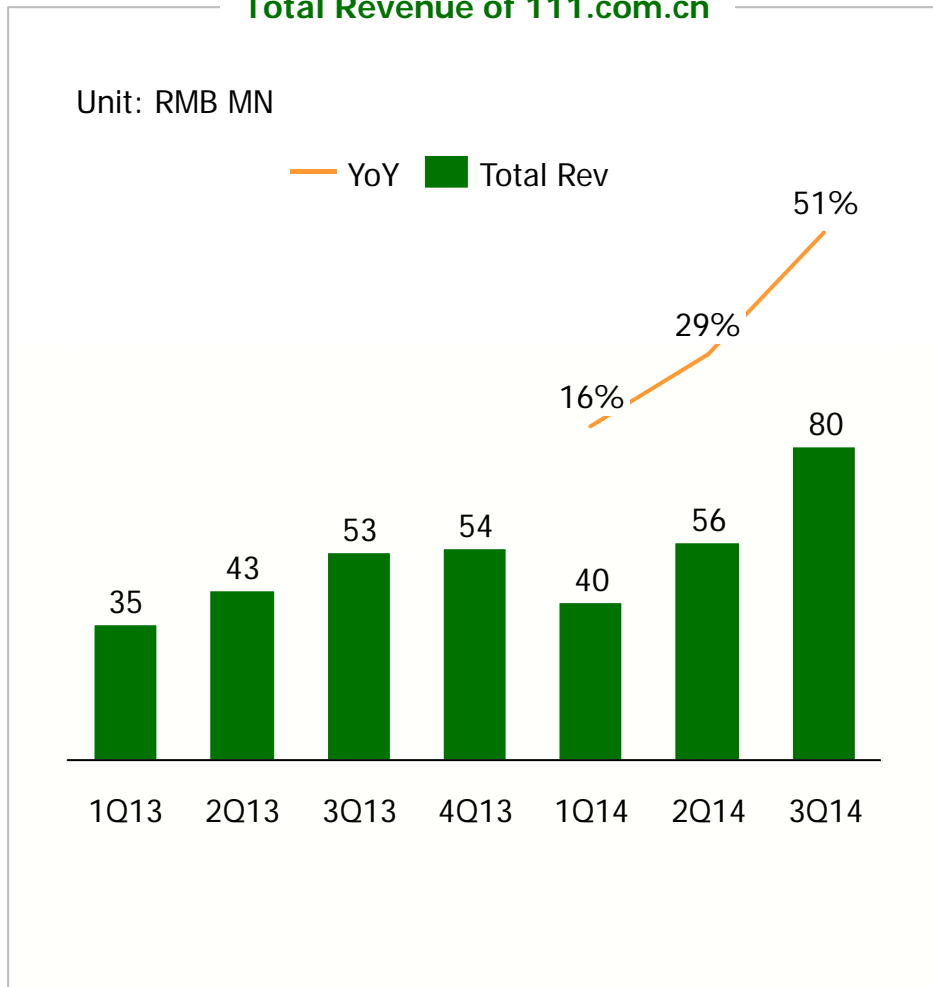
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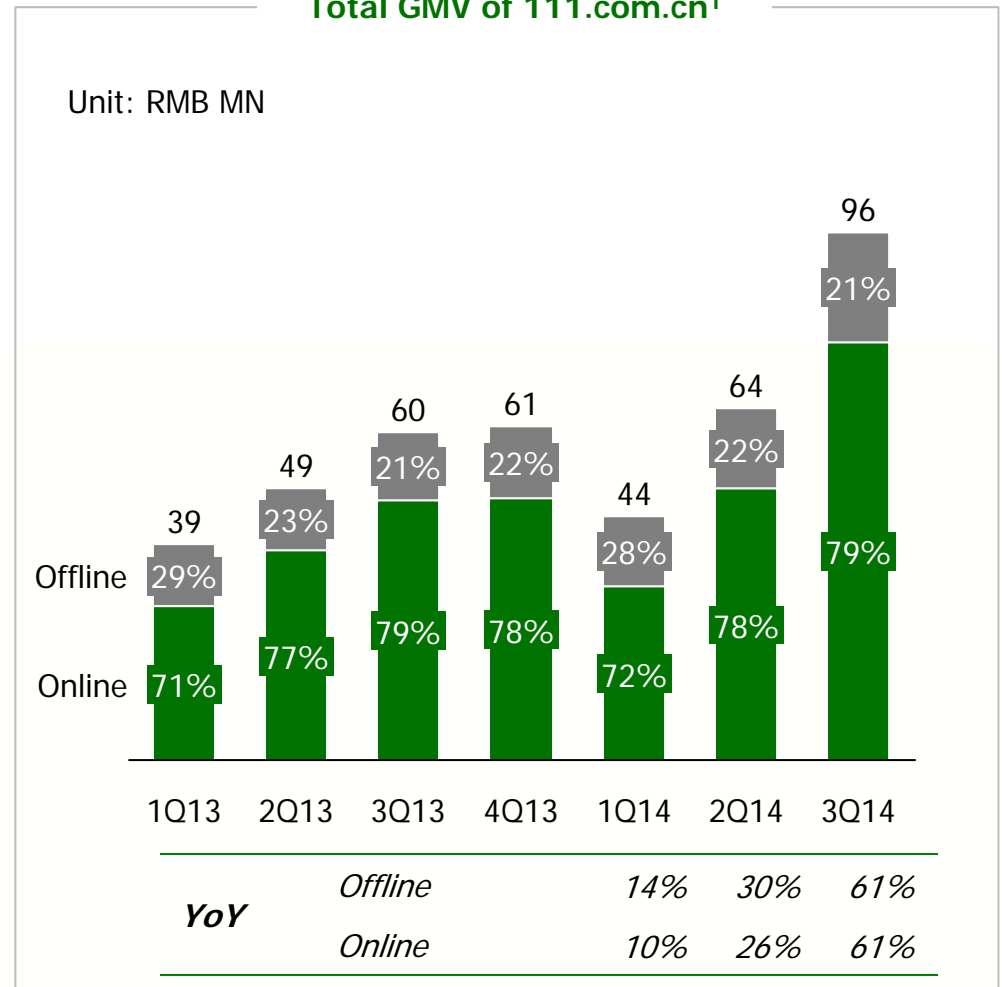
- Operating Metrics of 111.com.cn
  - Revenue and Margin
- Preliminary Assessment of Online Pharmacy Market

Revenue of 111.com.cn started ramping up since 1Q14; the majority of its GMV came from its online channel, taking up about 80% of the total volume

Total Revenue of 111.com.cn



Total GMV of 111.com.cn<sup>1</sup>

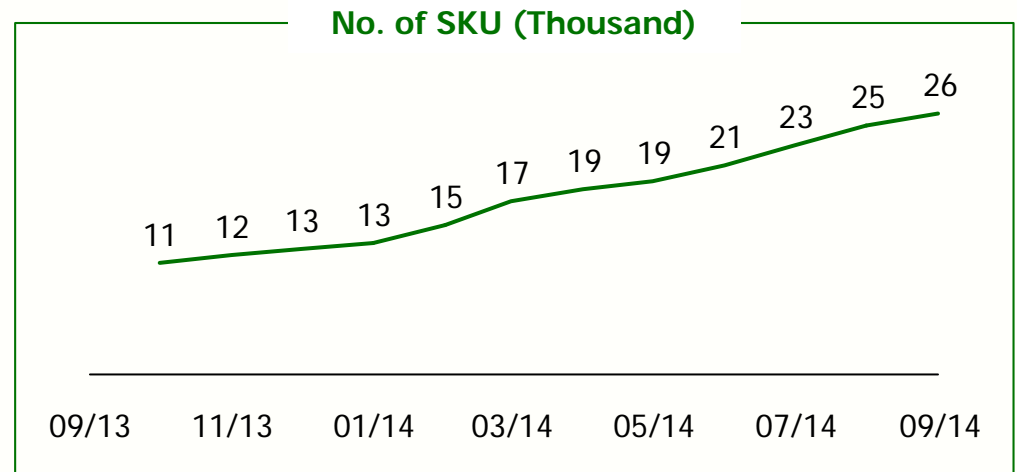
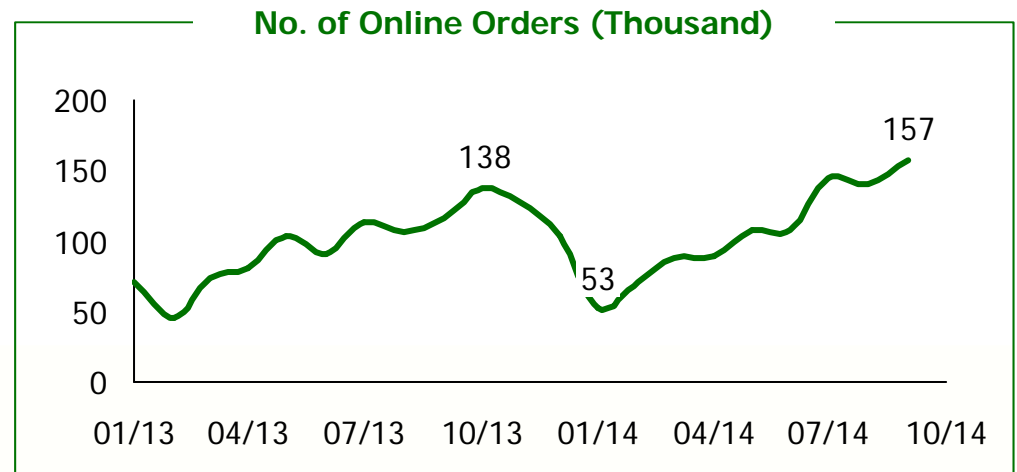
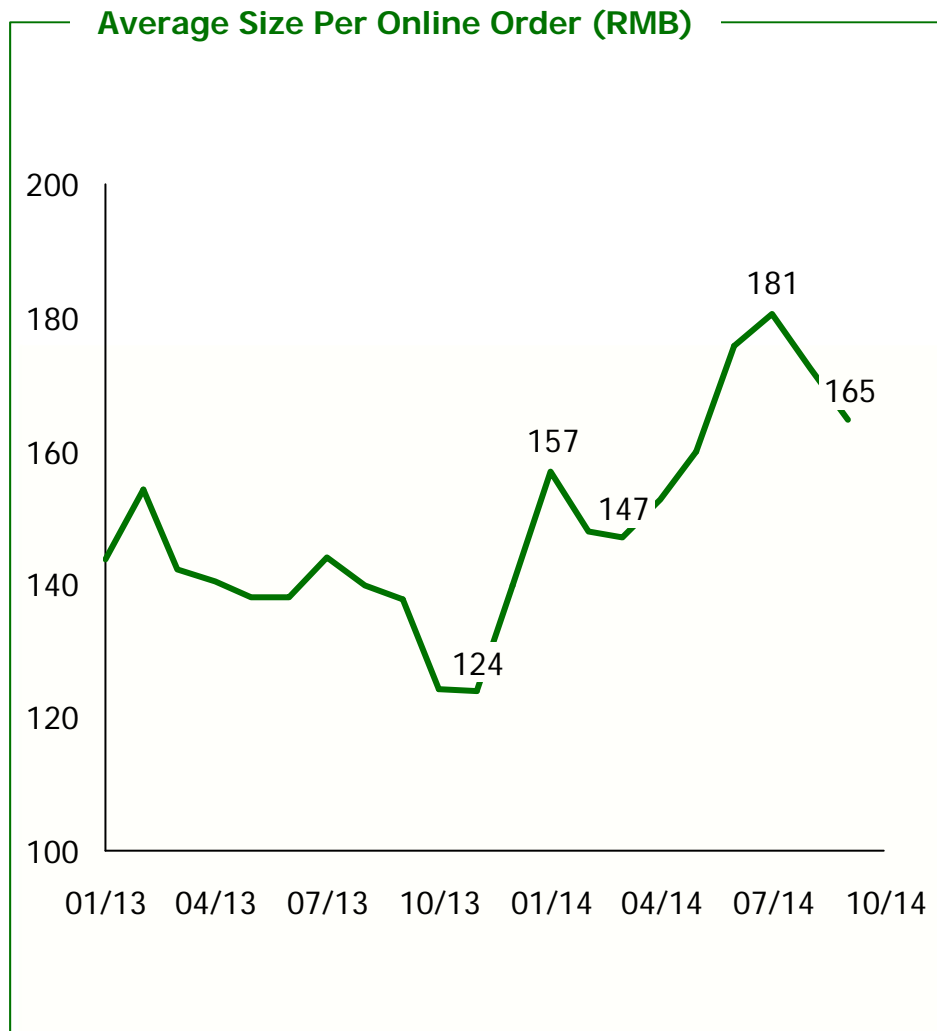


Note: 1. Difference between revenue and GMV is mainly due to accounting method and tax related issue.

With attempt to boost its GMV from 2Q 14, 111.com.cn's gross margin saw a declining trend, and the operating loss has been widening

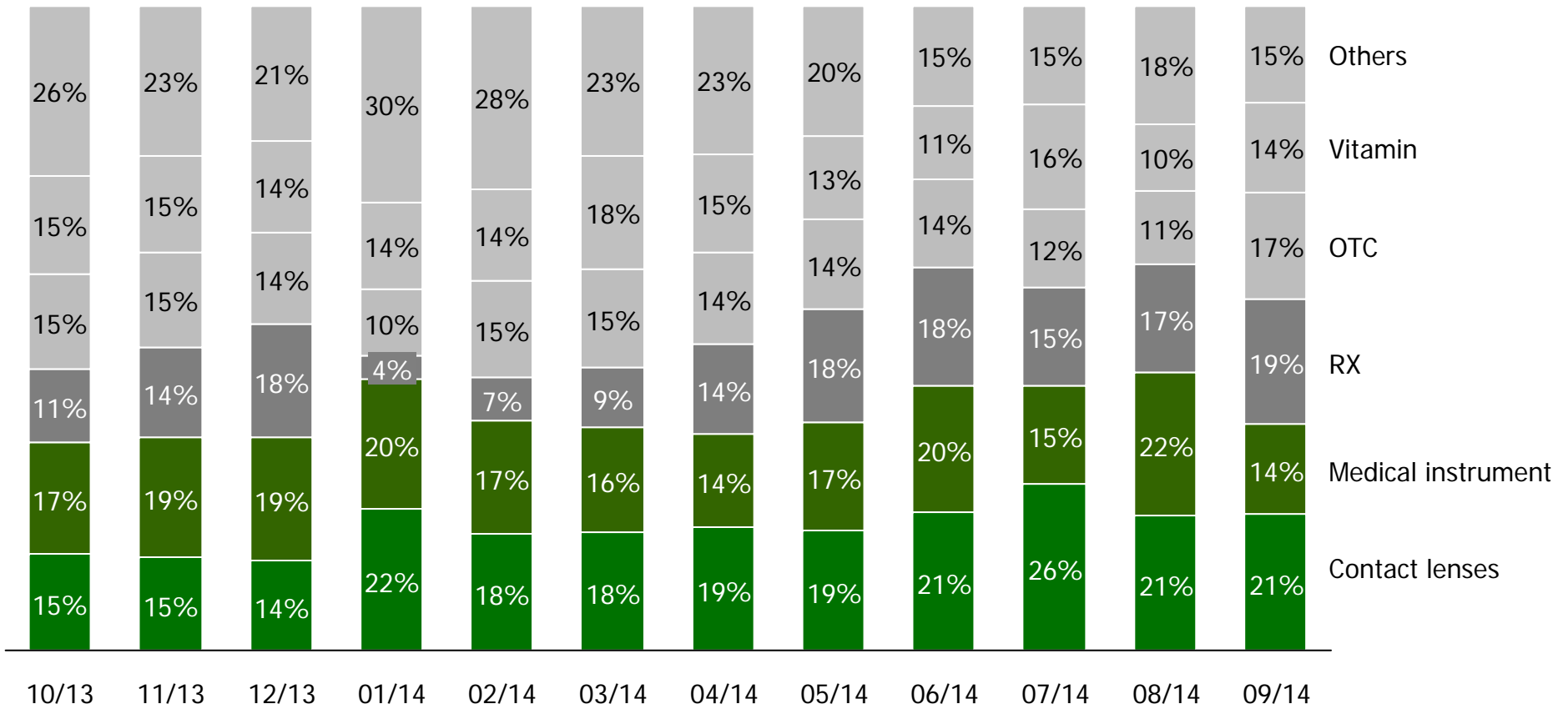
	Unit	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	FY11	FY12	FY13	YTD14
Revenue Growth - Total	%					16%	29%	51%		142%	79%	34%
Revenue Growth - Online	%					19%	34%	62%				42%
Online Revenue / Total	%	71%	77%	79%		73%	80%	85%				81%
Gross Margin	%	22%	18%	18%	19%	24%	20%	16%	30%	24%	20%	19%
Operating, Sales and Marketing %	%	25%	26%	28%	28%	29%	25%	26%			27%	26%
G&A %	%	3%	3%	7%	12%	12%	11%	10%			7%	11%
Financing Cost %	%	0%	0%	0%	0%	0%	0%	0%			0%	0%
OP Margin	%	-5%	-11%	-16%	-21%	-17%	-16%	-20%				
Net Margin	%	-5%	-11%	-16%	14%	-14%	-16%	-20%				

Average order size contributes more GMV growth than order growth; it's estimated order size growth results from category (SKU) expansion, which is not sustainable in the long run



RX and OTC jointly contribute 36% of total GMV by the end of 3Q14, while other non-pharmacy categories, including contact lenses, instrument and vitamin, make up the remaining

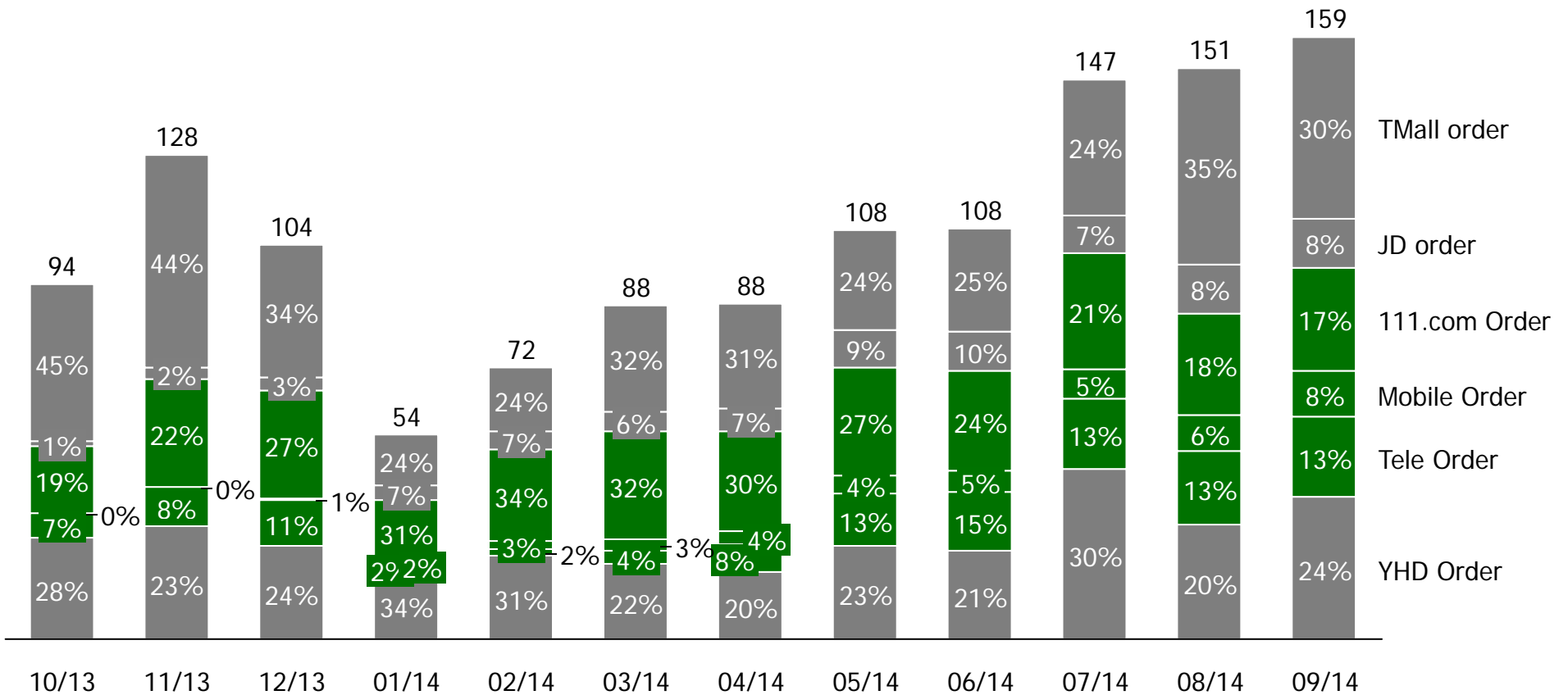
Online Revenue Breakdown by Product Category



111.com's business is highly dependent on 3<sup>rd</sup> party platforms; Constantly over the past 12 months, 60-70% of orders came from YHD, Tmall and JD

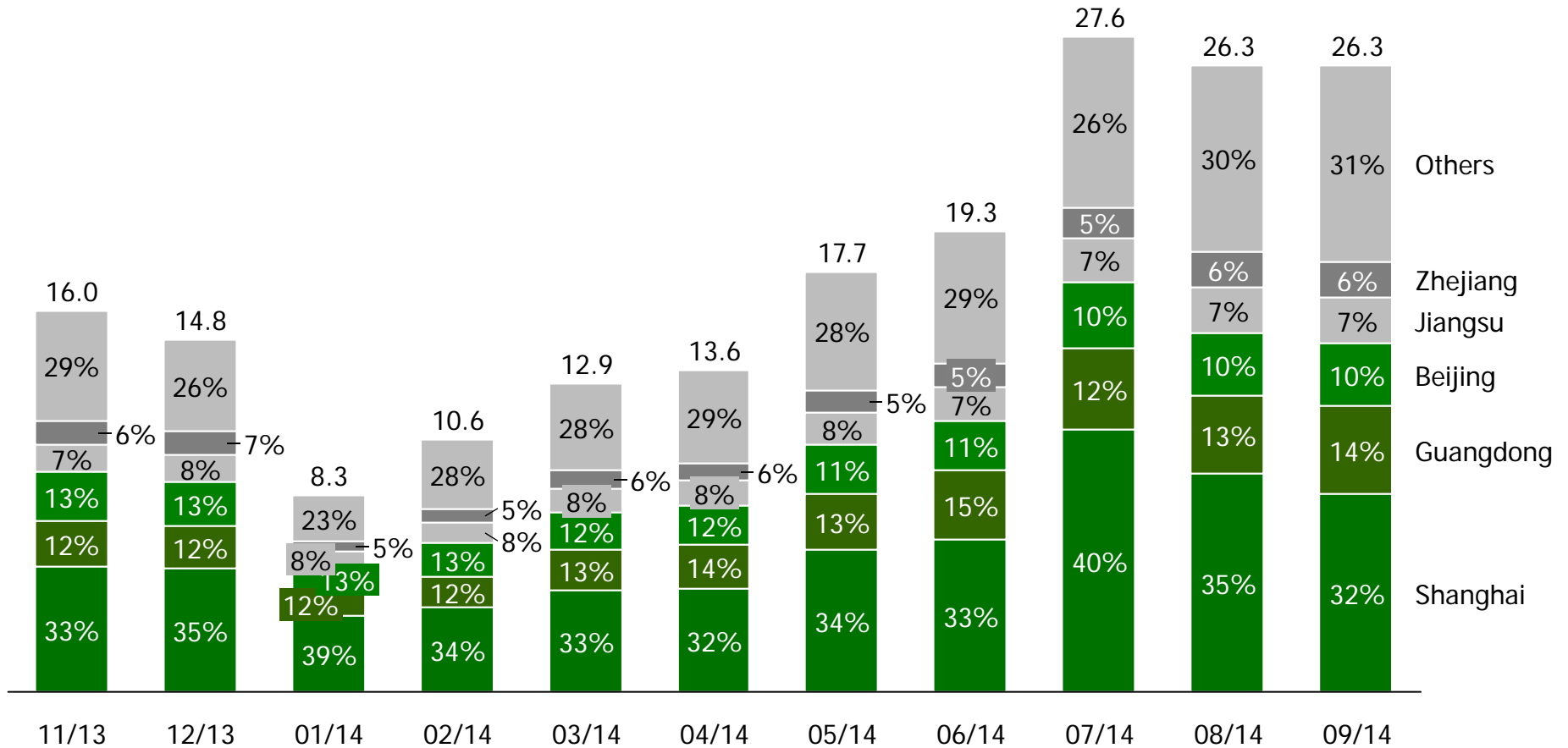
Online Orders Breakdown by Channel

Unit: K



Online Rev. Breakdown by Geography

Unit: RMB MN

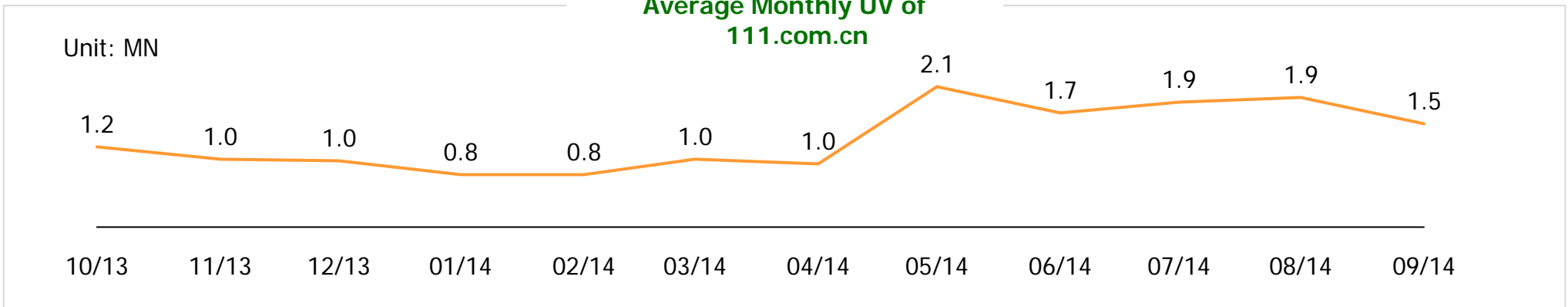




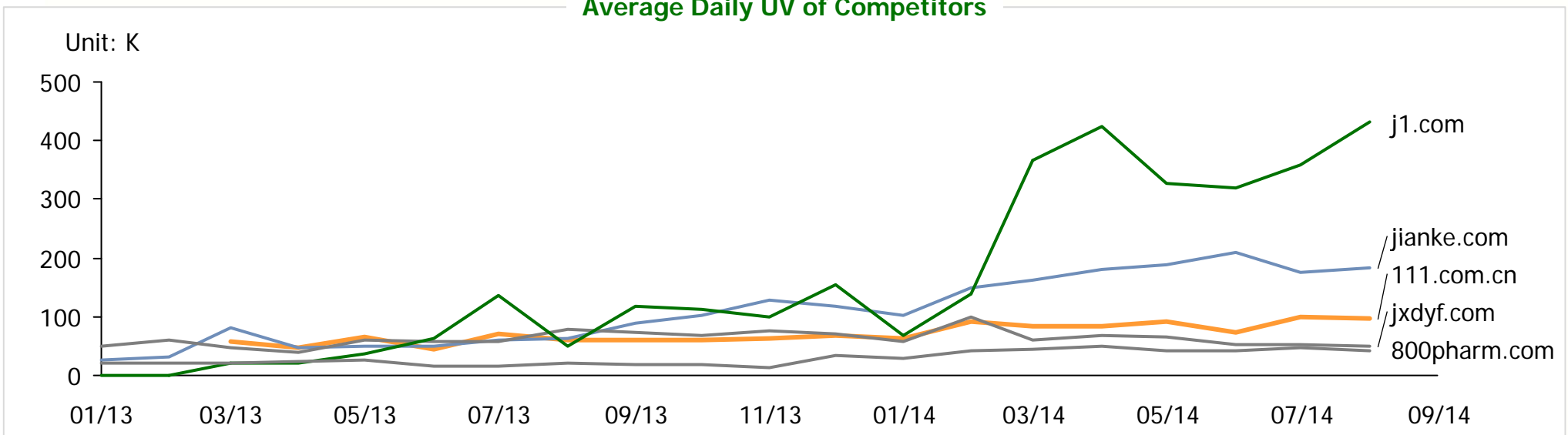
- Operating Metrics of 111.com.cn
  - Traffic
- Preliminary Assessment of Online Pharmacy Market

MUV of 111.com.cn shows downward trend since May 2014; and we don't see clear advantage compared with other competitors, e.g. J1.com and jianke.com

Average Monthly UV of 111.com.cn

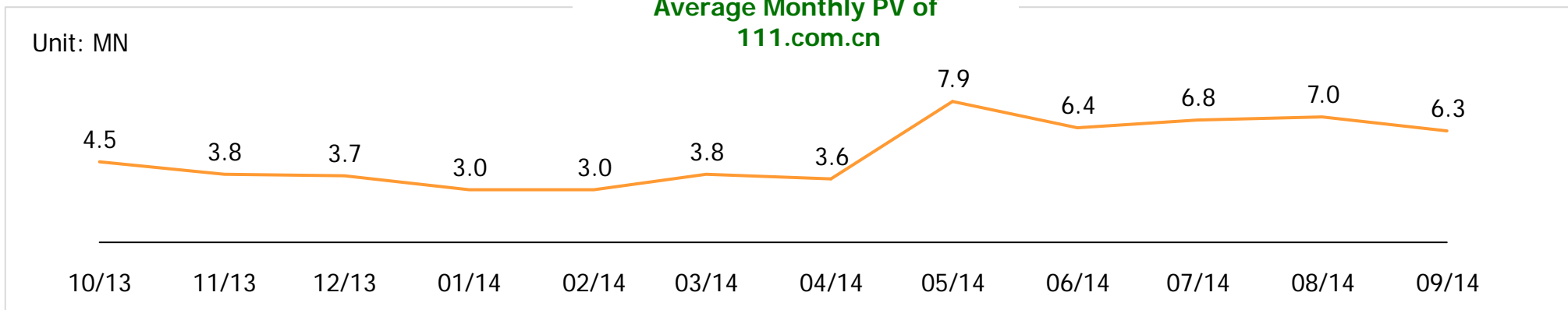


Average Daily UV of Competitors

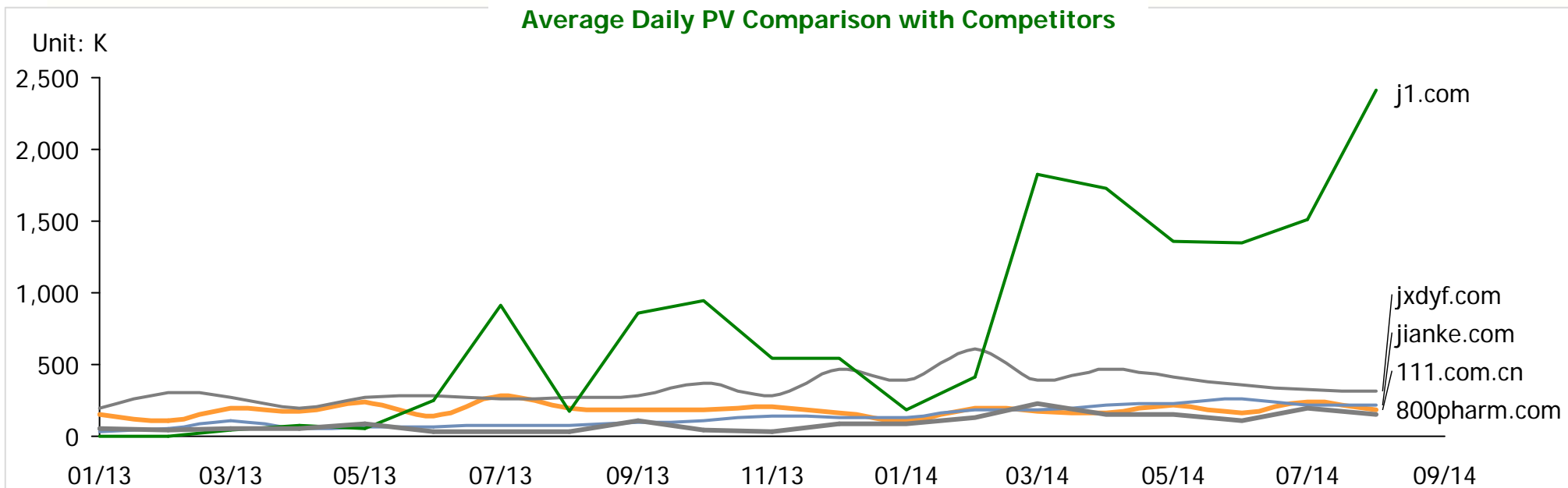


PV shows the similar trend of UV and the number of PV per UV has been stable around 3-4 over the last 12 months

Average Monthly PV of 111.com.cn



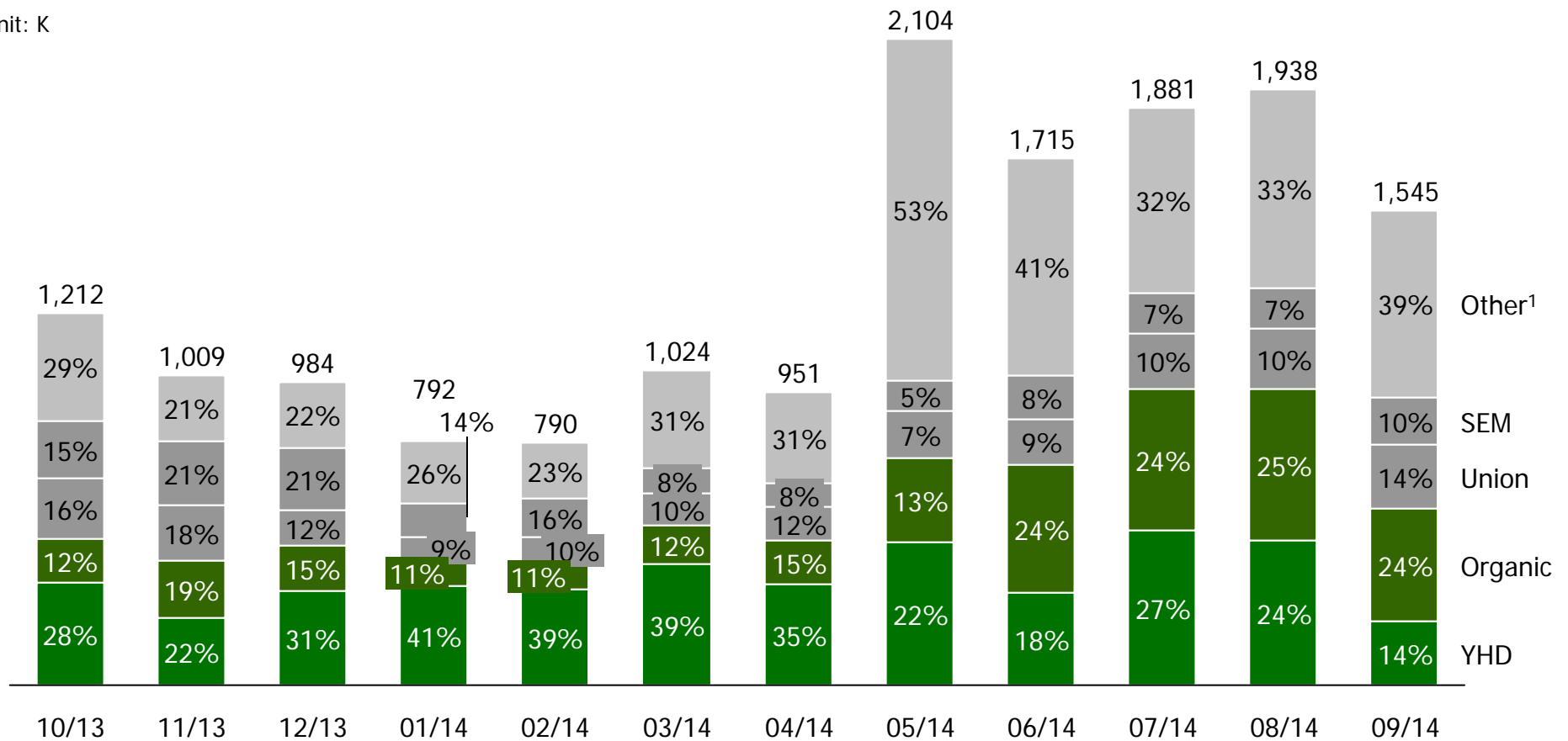
Average Daily PV Comparison with Competitors



Regarding website traffic, YHD's importance to 111.com.cn starts decreasing since May; the organic traffic contribution increases, taking up one fourth of PC UV in 3Q

UV Breakdown by Traffic Source- PC

Unit: K



Note: 1. based on the company info, other traffic source takes lion share since May 2014, BDA will double check with the company to understand the detailed breakdown.

- Operating Metrics of 111.com.cn
  - User Base and Activeness
- Preliminary Assessment of Online Pharmacy Market

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