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Qudian

# Investor Presentation

September 2022

# Disclaimer

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions. Such statements are based upon management’s current expectations and current market and operating conditions, and relate to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond the Company’s control, which may cause the Company’s actual results, performance or achievements to differ materially from those in the forward-looking statements. Further information regarding these and other risks, uncertainties or factors is included in the Company’s filings with the U.S. Securities and Exchange Commission. The Company does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under law.

In addition to U.S. GAAP financials, this presentation includes adjusted net income, a Non-GAAP financial measure. This Non-GAAP financial measure is not defined under U.S. GAAP and is not presented in accordance with U.S. GAAP. The Non-GAAP measure has limitations as an analytical tool and you should not consider it in isolation or as a substitute for an analysis of the Company’s results under U.S. GAAP. There are a number of limitations related to the use of the Non-GAAP financial measure versus its nearest GAAP equivalent. First, adjusted net income is not a substitute for net income or other consolidated statements of operations data prepared in accordance with U.S. GAAP. Second, other companies may calculate such Non-GAAP financial measure differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of the Non-GAAP financial measure as a tool for comparison. Finally, the Non-GAAP financial measure does not reflect the impact of share-based compensation expenses, which have been and may continue to be incurred in the Company’s business. See the Appendix for reconciliation between adjusted net income to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP, which is net income.

## Company Overview



Founded in 2014, Qudian Inc. (“Qudian”) is a consumer-oriented technology company in China. Qudian has been listed on NYSE since 2017 under the symbol (NYSE:QD). Qudian has raised net proceeds of \$800 million, and cumulatively repurchased US\$585 million from the market.

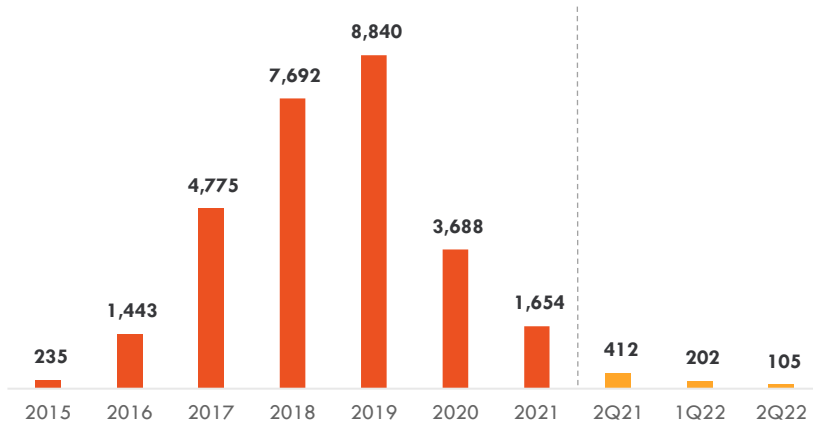
Qudian launched its QD Food business on a trial basis in March 2022. Catering to working-class families, QD Food features ready-to-cook dishes that can be conveniently prepared at home using simple procedures.

Qudian’s total revenues and net loss attributable to Qudian Inc.’s shareholders for the second quarter of 2022 were RMB105 million and RMB61 million.

# Protecting Stakeholder's Value Despite Tough Market Conditions

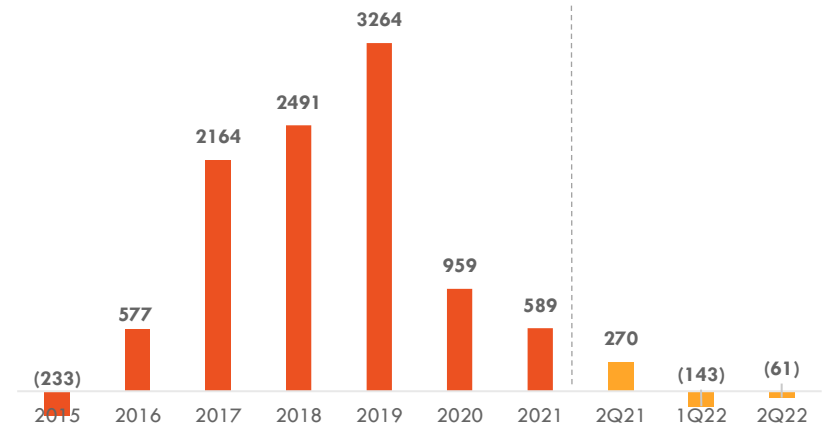
## Total Revenue

(RMB mn)



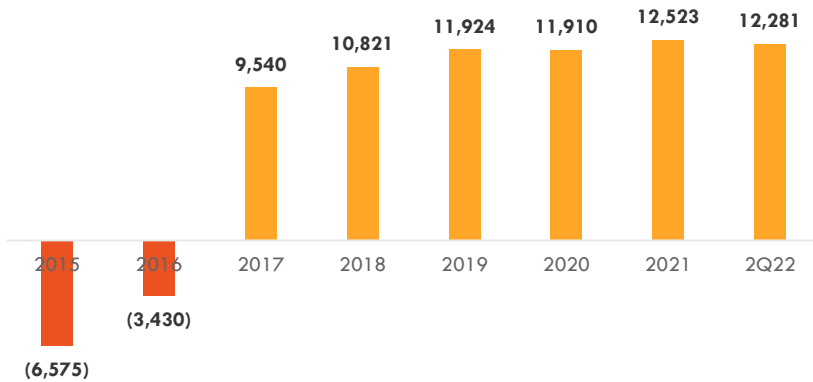
## Net (Loss)/Income Attributable to Shareholders (GAAP)

(RMB mn)



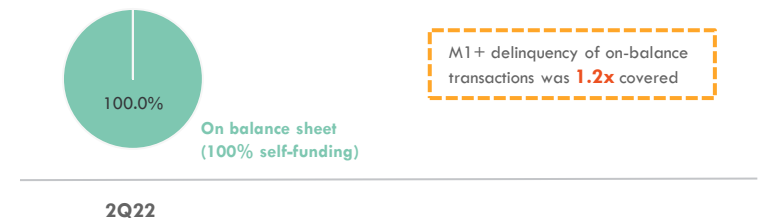
## Net Assets

(RMB mn)



## Composition of outstanding balance<sup>(1)</sup>

(RMB)

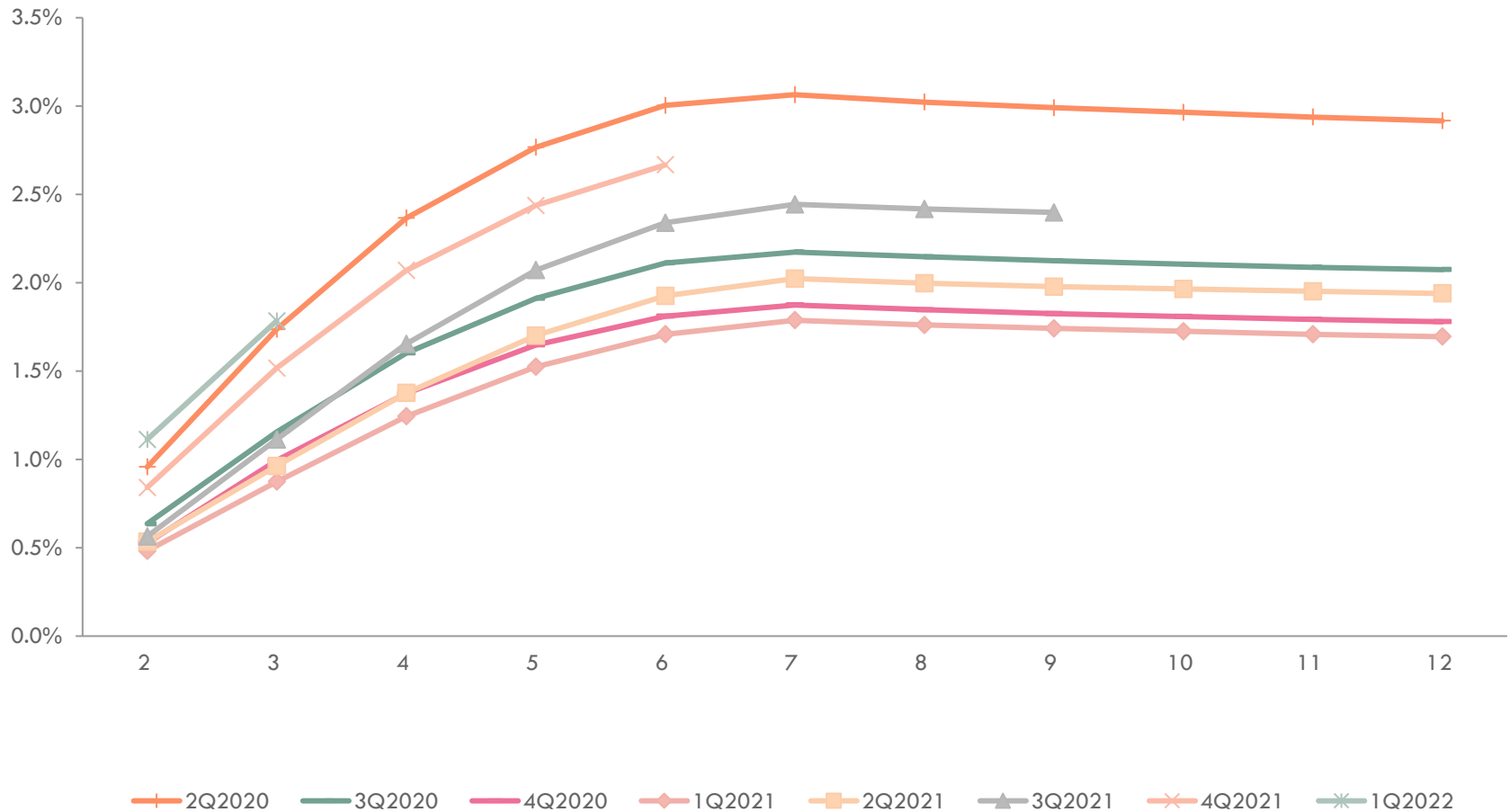


Note:

(1) Outstanding balance of loan book business, includes (i) on balance sheet loans directly or indirectly funded by our institutional funding partners or our own capital, net of cumulative write-offs and (ii) does not include auto loans from Dabai Auto business.

# Credit Performance Managed within Targets

M1+ Delinquency Rate by Vintage<sup>(1)</sup>



Notes:  
(1)

Total potential receivables at risk M1+ delinquency rate by vintage refers to, with respect to on- and off-balance sheet transactions facilitated under the loan book business during a specified time period, the total potential outstanding principal balance of the transactions that are delinquent for more than 30 days up to twelve months after origination, divided by the total initial principal of the transactions facilitated in such vintage. Delinquencies may increase or decrease after such 12-month period

# 2Q22 Segment Highlights

## Small Credit Facilitation



**RMB1.5bn** total amount of transactions

QoQ decreased by 31%

During 2Q22



**2.4mn** outstanding borrowers

QoQ decreased by 7%

As of June 30, 2022



**RMB0.7bn** outstanding loans<sup>(1)</sup>

QoQ decreased by 54%

As of June 30, 2022



**2.0 Months**

weighted average loan tenure

During 2Q22

**RMB 300** loan balance per borrower

As of June 30, 2022

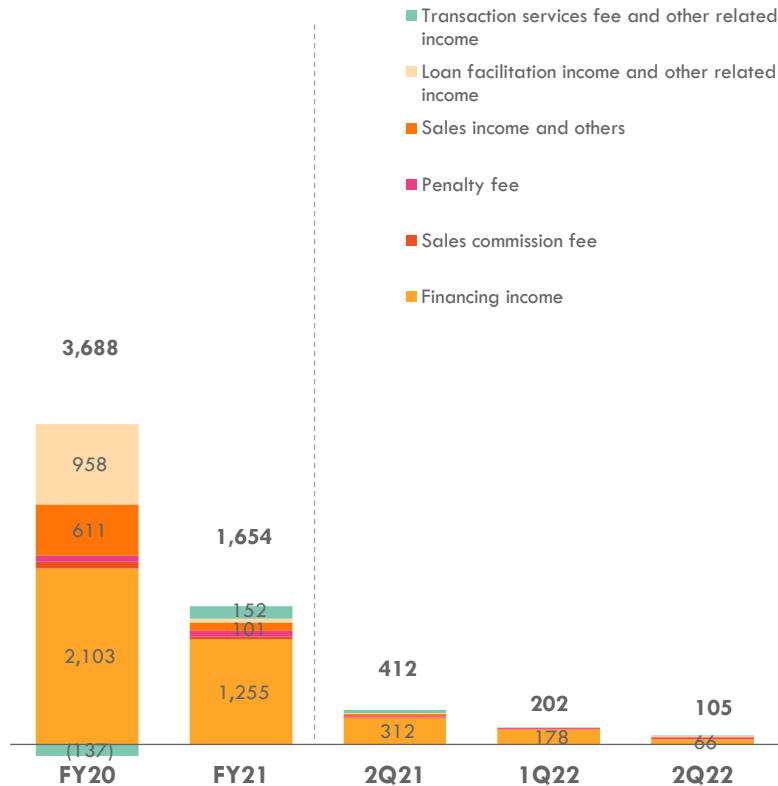
Notes:

(1) Includes off and on balance sheet loans directly or indirectly funded by our institutional funding partners or our own capital, net of cumulative write-offs and it does not include auto loans from Dabai Auto business and loans from transaction services business

# Financial Highlights

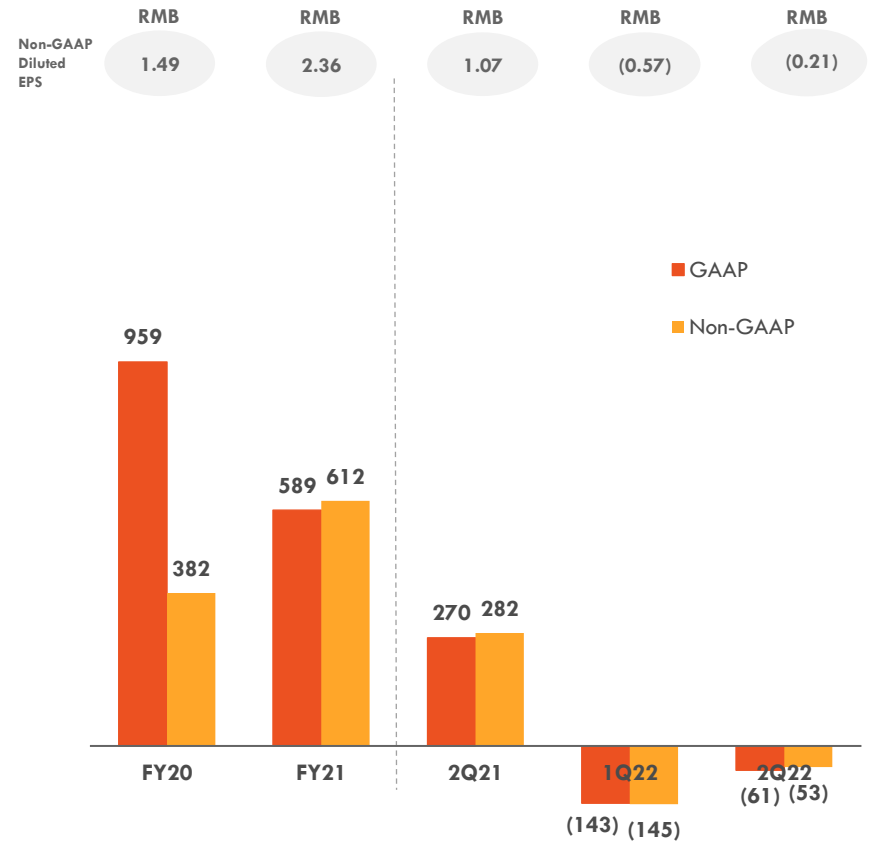
## Total Revenue

(RMB mn)



## GAAP and Non-GAAP Net (Loss)/Income attributable to Qudian Inc's shareholders<sup>(1)</sup>

(RMB mn, except for EPS numbers)



Notes:  
(1)

Non-GAAP net income represents net income before share-based compensation expense, excluding convertible bonds buyback income.

# Financial Highlights (Cont'd)

## Cost of Revenues

(RMB mn)

As % of Revenue

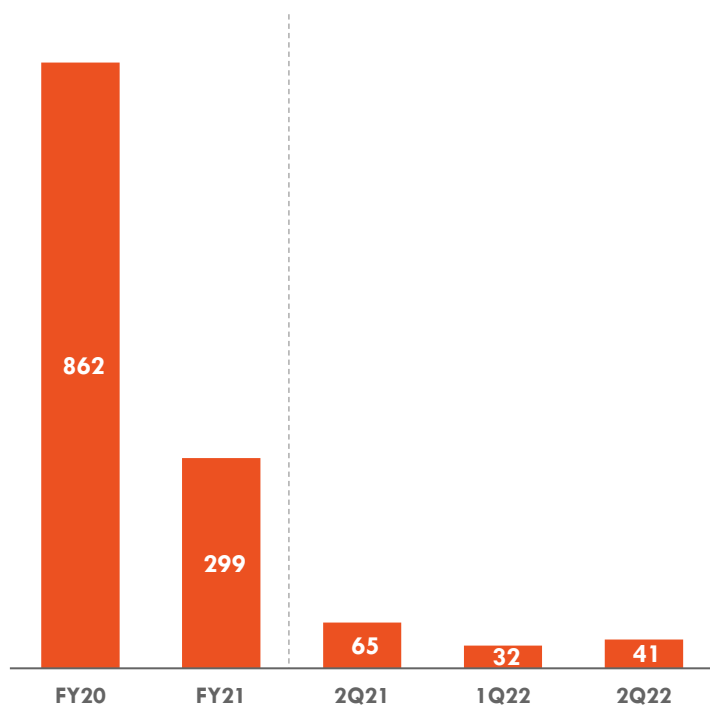
23%

18%

16%

16%

39%



## Operating Expenses

(RMB mn)

As % of Revenue

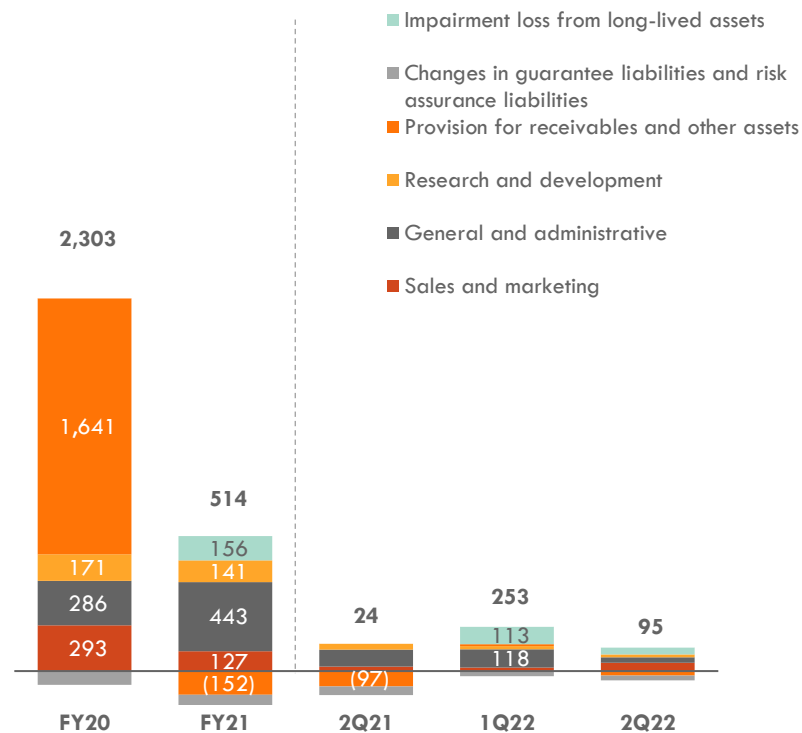
62%

31%

6%

125%

90%

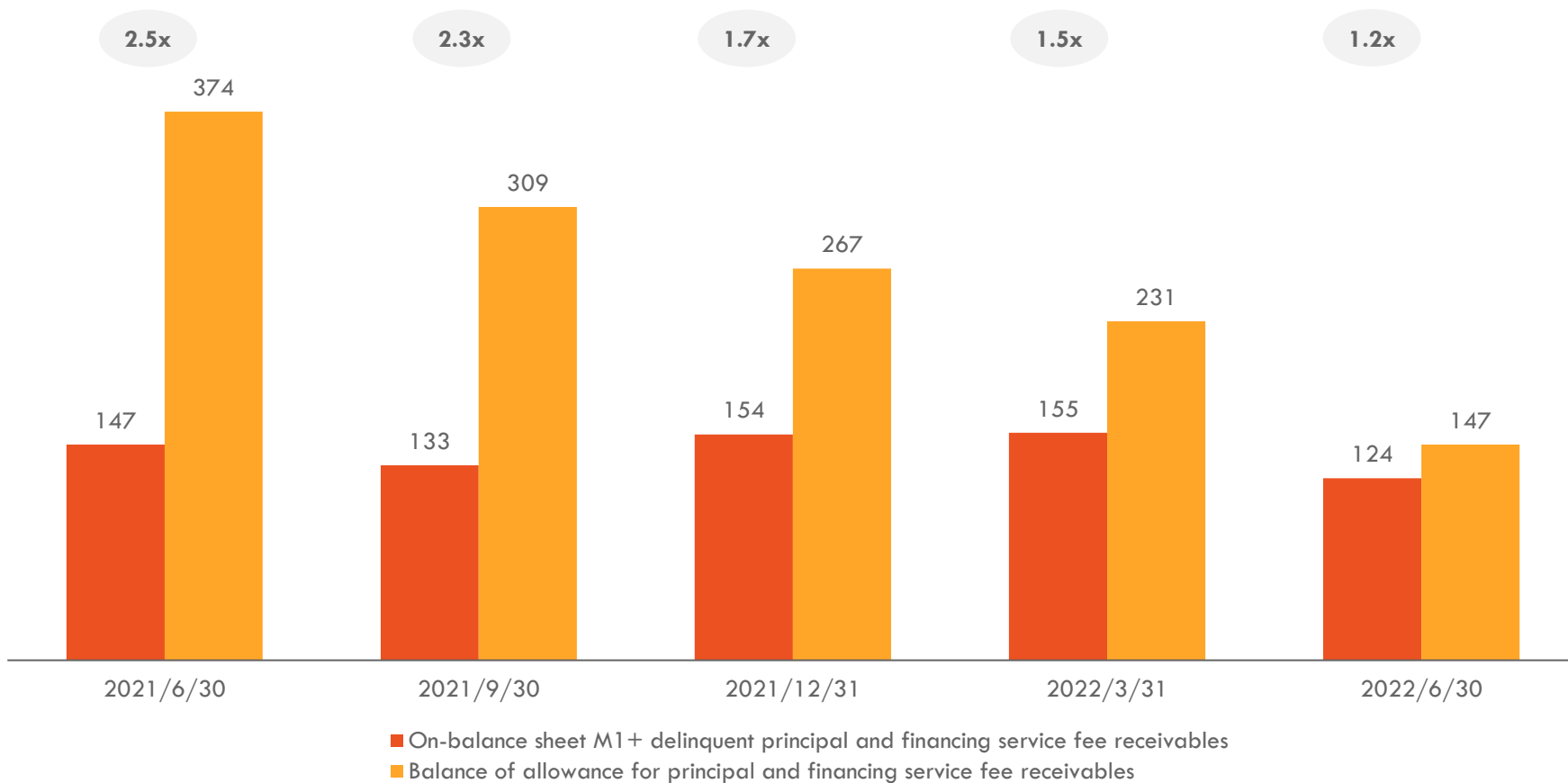




# Financial Highlights (Cont'd)

## M1+ Delinquency Coverage Ratio<sup>(1)(2)</sup>

(RMB mn)



Notes:

(1) Defined as the balance of allowance for principal and financing service fee receivables at the end of a period, divided by the total balance of outstanding principal and financing service fee receivables for on-balance sheet transactions for which any installment payment was more than 30 calendar days past due as of the end of such period, excluding charged-off amounts. The amount charged-off has been fully covered by allowance provided by the Company

(2) Includes on-balance sheet M1+ delinquent principal and financing service fee receivables



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# Appendix

# Income Statements

(in millions, except for EPS numbers)	For the Year Ended		For the Three Months Ended		
	31-Dec-20	31-Dec-21	30-Jun-21	31-Mar-22	30-Jun-22
	Audited	Audited	Unaudited	Unaudited	Unaudited
	RMB	RMB	RMB	RMB	RMB
Financing income	2,103	1,255	312	178	66
Loan facilitation income and other related income	958	43	13	1	7
Transaction services fee and other related income	(137)	152	38	2	6
Sales commission fee	81	36	9	-	-
Sales income and others	611	101	24	4	9
Penalty fees	72	67	16	17	17
<b>Total revenues</b>	<b>3,688</b>	<b>1,654</b>	<b>412</b>	<b>202</b>	<b>105</b>
<b>Operating cost and expenses:</b>					
Cost of revenues	(862)	(299)	(65)	(32)	(41)
Sales and marketing	(293)	(127)	(29)	(23)	(53)
General and administrative	(286)	(443)	(109)	(118)	(35)
Research and development	(171)	(141)	(39)	(20)	(19)
Changes in guarantee liabilities and risk assurance liabilities <sup>(1)</sup>	88	201	56	33	29
Provision for receivables and other assets	(1,641)	152	97	(12)	29
Impairment loss from long-lived assets	-	(156)	-	(113)	(46)
<b>Total operating cost and expenses</b>	<b>(3,165)</b>	<b>(813)</b>	<b>(89)</b>	<b>(285)</b>	<b>(136)</b>
Other operating income	343	82	4	17	2
<b>Income from operations</b>	<b>866</b>	<b>923</b>	<b>327</b>	<b>(66)</b>	<b>(29)</b>
Net (loss)/income before income taxes	1,221	846	345	(49)	(54)
Income tax expenses	(262)	(260)	(75)	(94)	(7)
<b>Net (loss)/income</b>	<b>959</b>	<b>586</b>	<b>269</b>	<b>(143)</b>	<b>(61)</b>
Less: net loss attributable to non-controlling interest shareholders	-	(3)	(1)	-	-
<b>Net (loss)/income attributable to Qudian Inc.' s shareholders</b>	<b>959</b>	<b>589</b>	<b>270</b>	<b>(143)</b>	<b>(61)</b>
Basic EPS	3.78	2.32	1.07	(0.56)	(0.25)
Diluted EPS	3.59	2.27	1.03	(0.56)	(0.25)
Add: Share-based compensation expenses	45	35	12	8	8
Less: Convertible bonds buyback income	622	12	-	9	-
<b>Non-GAAP net (loss)/Income attributable to Qudian Inc.' s shareholders</b>	<b>382</b>	<b>612</b>	<b>282</b>	<b>(145)</b>	<b>(53)</b>
Basic EPS	1.51	2.42	1.11	(0.57)	(0.21)
Diluted EPS	1.49	2.36	1.07	(0.57)	(0.21)

Note:  
(1)

The amount includes the change in fair value of the guarantee liabilities accounted in accordance with ASC 815, "Derivative", and the change in risk assurance liabilities accounted in accordance with ASC 450, "Contingencies" and ASC 460, "Guarantees".

# Balance Sheets

	As of		
	31-Dec-20	31-Dec-21	30-Jun-22
	Audited	Audited	Unaudited
(in millions)	RMB	RMB	RMB
<b>Current Assets:</b>			
Cash and cash equivalents	1,538	2,065	3,099
Restricted cash <sup>(1)</sup>	135	178	258
Derivative instruments-asset	-	17	9
Short-term investments	5,042	5,927	5,070
Short-term loan principal and financing service fee receivables	3,940	2,372	556
Short-term finance lease receivables	180	32	6
Short-term contract assets	93	28	14
Other current assets	762	1,599	2,654
<b>Non-current Assets:</b>			
Long-term finance lease receivables	29	-	-
Operating lease right-of-use assets	211	301	553
Investment in equity method investee	349	86	120
Long-term investments	210	286	249
Property and equipment, net	303	659	696
Intangible assets	8	11	11
Long-term contract assets	23	-	-
Deferred tax assets, net	155	87	36
Other non-current assets	419	443	427
<b>Total Assets</b>	<b>13,398</b>	<b>14,091</b>	<b>13,758</b>

Note:

(1) Restricted cash mainly represents (i) security deposits held in designated bank accounts for the guarantee of on-and-off balance sheet transactions; and (ii) cash held by the consolidated trusts through segregated bank accounts. Such restricted cash is not available to fund the general liquidity needs of the Company

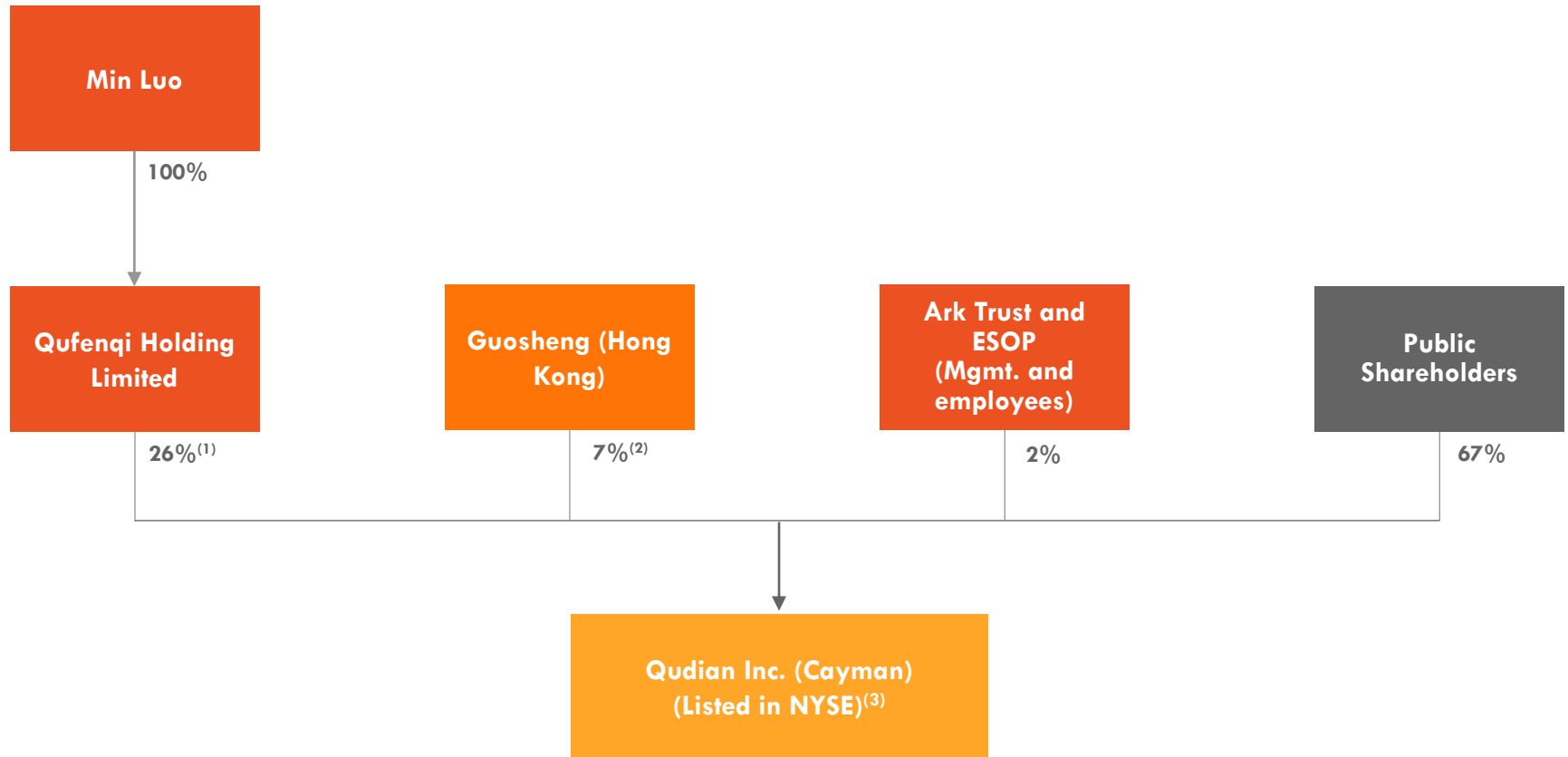
# Balance Sheets

(in millions)	As of		
	31-Dec-20	31-Dec-21	30-Jun-22
	Audited RMB	Audited RMB	Unaudited RMB
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Short-term borrowings and interest payables	-	-	120
Short-term lease liabilities	24	37	66
Convertible senior notes-short term	-	-	134
Derivative instruments	-	-	78
Accrued expenses and other current liabilities	337	378	528
Guarantee liabilities and risk assurance liabilities <sup>(1)</sup>	31	1	-
Income tax payable	81	78	47
<b>Non-current Liabilities:</b>			
Deferred tax liabilities, net	11	69	91
Convertible senior notes	822	681	-
Long-term lease liabilities	80	169	388
Long-term borrowings and interest payables	102	145	25
Other non-current liabilities	-	10	-
<b>Total liabilities</b>	<b>1,488</b>	<b>1,568</b>	<b>1,477</b>
<b>Total shareholders' equity</b>	<b>11,910</b>	<b>12,523</b>	<b>12,281</b>
<b>Total liabilities and shareholders' equity</b>	<b>13,398</b>	<b>14,091</b>	<b>13,758</b>

Note:

(1) The amount includes the balance of the guarantee liabilities accounted in accordance with ASC 815, "Derivative", and the balance of risk assurance liabilities accounted in accordance with ASC 450, "Contingencies" and ASC 460, "Guarantees".

# Shareholding Structure



Notes:

- (1) Including 4,125,698 Class B ordinary shares subject to the Guosheng proxy, providing Guosheng HK the power to exercise the voting rights
- (2) Represents (i) 12,670,000 Class A ordinary shares held by Guosheng HK and (ii) 4,125,698 Class B ordinary shares subject to the Guosheng proxy
- (3) Total number of shares outstanding (unaudited) is 246,981,103 as of June 30, 2022

## Contact us

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An aerial architectural rendering of a modern city. The scene features a large, multi-tiered stadium with a curved roof, situated near a river and a beach. The city is composed of various high-rise buildings and residential blocks, set against a backdrop of rolling hills and mountains under a clear sky. The entire image is overlaid with a semi-transparent orange filter.

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