

20240611 爱回收 2023 年 4 季度业绩.mp3

raphael xue 00:00:00

Good morning and good evening. Ladies and gentlemen, thank you for standing by, and welcome to eighty renew inks fourth quarter and full year twenty twenty three earnings conference call. At this time, our participants are in a listen only mode.

raphael xue 00:00:17

We will be hosting a question and answer session after management prepared reMarks. Please note today's event is being recorded. I will now turn the call over to your to the first speaker today, mister Jimmy g, director of corporate development and investor relations of the company. Please go ahead, sir.

raphael xue 00:00:39

Thank you. Hello, everyone, I welcome to eighty renews fourth quarter and full year twenty twenty three earnings conference school speaking first day is kericho an founder, chairman and CEOO. He'll be followed by direction our c fo.

raphael xue 00:00:54

After that, we open the call to questions from analysts. The fourth quarter and full year twenty twenty three financial results were released early today. The earnings release and investors lies accompanying this call are available at our air website.

raphael xue 00:01:10

I have thought eighty renew 点 cocom。 It will also be a transcript following this call for your convenience. On today's agenda, Carry will share his thoughts of our quarterly performance

and business strategy, followed by rex, who will address the financial highlights.

raphael xue 00:01:26

Those Carry and eggs will join the too many sessions, and you cover the the same power of statements. Some of the information you hear during our discussion today will consist the follow looking statements, and I referred you to our city harbour statements in the earnings press release. Any for looking statement that management makes on this call are based on the functions I know and that eighty renew does not take any obligations to upgrade our assumptions on this statement.

raphael xue 00:01:57

Also, this call includes discussion of certain non gap financial measures. Please refer to our early press saris, which contains a recognition of non gap measures to get measures. Finally, please know that unless otherwise stated, all figures mentioned during this conference call are in R, N, B, and all comparisons are on a year over year business. I now like to turn the call over to Carry for business and strategy updates.

raphael xue 00:02:27

各位投资者和分析师大家好。欢迎各位参加万物新生集团 2023 年第四季度及全年的业绩电话会。

raphael xue 00:02:37

Hello everyone, and welcomes to eighty renews fourth quarter and full year twenty twenty three earnings conference call.

raphael xue 00:02:44

2023 年是万物新生集团收入和利润再创新高，二手供应链能力不断夯实、品牌心智持续提

升的一年，收入方面，全年的收入达成近 130 亿元的总收入，同比增长 31.4%，显著超过了二手行业和消费大盘的增速。在此感谢一线同事和部门的拼搏和付出。从交易量上看，2023 年集团整体交易 3230 万台二手产品。我们坚持自营的战略，将业务重心倾向到服务和用户体验更好的自营业务上，因此全年一批的自营业务交易量同比增长 50%。

raphael xue 00:03:41

平台业务方面，我们积极调整发展策略，更好的发展商家生态和服务能力。全年 3P 平台收费率显著提升的 92 个基点至 5.39%，开辟堂注册商家数达到 59.6 万家，相比前一年增长 46.2%，为未来发展打下坚实的基础。在保持高速增长的同时，2023 年也是效率之年，万物新生，扎根二手供应链能力，提供更有价值的平台服务，在扩张节奏和创新业务上更有纪律性。在利润层面，取得了 2.5 2 亿元的 non gap 的经营利润，1.9%的 long gap 经营利润率，显著超出了去年年初的内部预期。

raphael xue 00:04:43

In twenty twenty three, eight tyrAnnies achieved record breaking remnants and profits. With a continuously strengthens rayon supply chain capability and an ongoing increase in brand recognition, our total of reviews raised thirteen billion MMV, representing a year over year increase of thirty one point four percent, significantly outpacing the growth rates of the second hand industry and consumer sector as a whole.

raphael xue 00:05:08

I want to express my gratitude to our colleagues on the front line and in all departments for their hard works. Our total transaction volume in chinese on this rate was thirty two points, three million units. We adhere to the strategy of for orientated himself Operated business that provides Better services and user experience.

raphael xue 00:05:28

The focus has headed significant results with over one key transaction volume increasing by fifty percent year on year in twenty thousand and three. Regarding toward party platform businesses, we basically adjusted our developmental strategy and made efforts to develop merchant ecosystem and service capabilities. The overall platform take rate increased by ninety two basis points to five point thirty nine percent in two thousand and one hundred three.

raphael xue 00:05:56

The number of registered merchants on P, J, T, market place raised far hundred and ninety six thousand, a strong growth of forty six point two percent compared to the previous year, which laid solid foundations for future development. Twenty twenty youth ray was also a year of consolidation and efficiency. We further solidified our second hands supply chain capabilities, providing more valuable services on our platform. At the same time, we were also more disciplined at the pace of our extension and investment in new initiative. At a profit level, we achieve a solid landed Operating profit of two hundred and fifty two million RMB with a strong Operating profit margin of one point nine percent, exceeding all what target for the year.

raphael xue 00:06:46

这些成绩的基础是我们的战略定力的体现，即，一、坚持精准的回收获客场景。2、坚持以供应链能力为根基。3、坚持以科技驱动效率提升。4、保持对新流量、新机会的关注和消费者需求的捕捉。

raphael xue 00:07:14

Those achievements are firmly grounded in our strategic focus. Firstly, we appeared to effective customer customer acquisitions in arrows on the respective front. A second, strengthening robots supplied ing capabilities as the foundation. Thirdly, driving efficiency improvement through technology. And fourth, y asia in seizing new traffic opportunities and helping new new used demand demand.

raphael xue 00:07:43

第一点，在回收端场景的覆盖方面。2023 年年底我们通过 1819 间爱回收门店覆盖了 268 座城市，持续加强优质商圈和社区的回收服务覆盖，通过线下门店和线上平台结合的方式加强了用户渗透。过去一年，爱惠州品牌在消费者中的知名度和信任度不断提升，特别是在一二线城市的回收渗透率提升了，取得了进一步的提升。通过爱回收门店以及我们服务的优质品牌和零售场景，我们精准锁定了用户的主流回收场景，以具有竞争力的价格和更高的效率获得了优质的一手货源，巩固了集团大盘二手手机 3C 业务的供应链能力。

raphael xue 00:08:46

Now I will walk you through these four tragic perspectives. First, on the way cycling front, we continue to successfully execute our customer acquisition strategy by leveraging our precise resettling scenario body and those twenty twenty three, we have presence in two hundred and fifty eight cities in china, reaching consumers through one thousand eight hundred hundred and ninety HS. Stores softline.

raphael xue 00:09:12

We have constantly enhances our service successively in high quality within six tricks and communities. We further penetrated in the market by combining offline stores with online platforms. Over the past year, consumer awareness and trust in our age as recycled brand

have steadily increased, especially in big cities where where cycling rates are improving by leveraging our physical stores, premium service reputation and retail partners. Since we precisely target use of mainstream with circular scenarios with competitive Prices and higher efficiency, we obtain high quality sources of raw materials for the factory, flying the group supply chain capability in the main business lines.

raphael xue 00:09:56

2023 年 6 月，我们欣然宣布与苹果达成了中国区的回收和以旧换新 apple 推荐的官方合作。这项战略合作旨在满足用户对于便捷的回收和更低成本的更换新款苹果产品的需求。现在这项服务已经覆盖了苹果官网和旗下旗舰店。在销售相对平缓的第四季度，苹果官方回收为爱回收贡献了超过 3 亿元的收入。另外，在电商的合作方面，我们继续巩固了与京东手机 3C0 售部门的能力，协作提供了一站式的以旧换新、多件折抵换新等服务，以满足广大京东用户对更省钱的购买换新方式和更好的回收服务品质的需求。全年来看，京东以旧换新业务同比增长达 100%以上。

raphael xue 00:11:09

In June, twenty counties rates, we were pleased to announce the official collaboration with apple for its resulting in trading services in made in china. All our partnership is designed to meet user demand for convenient recycling and low cost upgrade to brand new iphone products. The service is now available at the brands official website and offline sexual stores, mostly during the fourth quarter.

raphael xue 00:11:34

Despite that out phone cells, this colleran contributed three hundred million R, M, B to our revenues. Additionally, in terms of big commerce funny, we have solidified our collaboration

with with jade mobile and electronics trade tail departments offering one stopped single device and motor device trading services. Its the scatters to jade cross user base who seek more cost effective shopping options and Better recycling experiences when Operating their getting. Overall, the group's the second volume value of trading business on JD channels doubled in twenty twenty three.

raphael xue 00:12:10

通过发力多品类的回收业务，我们进一步夯实了回收场景的用户吸引力。我们将爱回收的 slogan 升级为爱回收，为你回收更多。不仅专注于手机 3C 的回收，还拓展到奢侈品、黄金、老酒等高价值商品的回收服务，以满足用户多样化的回收和变现需求。未来我们还将拓展低价值商品的回收服务，促进更多闲置商品的二次流通。我们主要通过门店体验和 it 系统升级，由平台与专业服务商共建履约能力，构建多品类的回收能力。通过商品价值采用差异化的到店或到家的履约路径，让用户喜爱更多的喜用户喜爱的更多品类和品牌的产
品可以实现回收。

raphael xue 00:13:14

By extending our multi catcher refections efforts, we have further strengthened the appeal of our respond scenarios for users. The updated organ, an apple show show reseca more for you, reflects our commitment to expanding into additional market grades. Beyond our core focus on consumer electronics, we are dedicated to fulfilling the growing demand for resulting and cash for high value catch back for high value cat rates such as luxury, good gold and vintage wine.

raphael xue 00:13:43

Looking ahead, we aim to expand to lower value item recycling, promoting the the recycle

and reuse of idle group building motivator were were suckling capabilities family involved upgrade primarily involves upgrading storing experiences and it systems while code establishing for filming capabilities with professional service providers. Our fulfilment strategies vary with the research of value of goods within a store, drop off and store that pick up options. Users could circulate more use products with ease.

raphael xue 00:14:20

截止 2023 年年末，共有 252 家爱回收门店开通了多品类的回收服务，2023 年全年的多品类回收 gm 超过了 10 亿元人民币。同时，我们将爱回收品牌走进社区，更贴近用户的日常生活，加强交叉覆盖到了社区和商圈，伴随具有多品类能力的门店密度提升，我们促进用户在不同品类之间进行交叉回收的复购。

raphael xue 00:14:57

By the end of twenty twenty three, we have introduced multiple head ward success services into two hundred and fifty two age has stores during the year, the gm v for nine electronic products at the recycling front exceeded one billion RMB. At the same time, we bring ahs recycle brand closer to communities and user daily life. Our expanded presence in communities and commercial areas, coupled with an increasing density of multiple atch ray section stores, encourage his customers to reuse our services more often.

raphael xue 00:15:30

第二点，在供应链的处置端，我们通过高效率的供应链管理，确保已回收的货源以更低成本进行质检，并且实现更精准的定级和定价。从而持续的稳定的向需求端提供产品全国大仓的收发能力与空间利用效率进一步提升。各主要的仓位还增加了合规翻新的运营能力。全年自营的翻新业务收入达到 8.1 亿元人民币，在主营回收收入的 9.4%的业务贡献占比。

其中在 2023 年第四季度维修翻合规的维修翻新业务环比提升 41.5%，毛利率环比提升 1.6%，主要得益于智慧供应链系统，它更加准确的筛选出了适合翻新的机器。

raphael xue 00:16:35

Moving on to our supply chain processing capability. Our highly efficient supply chain management insurer recycled goods are inspected at a lower post while achieving accurate rating and pricing results. This allows the confidence and stable supply of goods. We have also improved overall prison centers, chicken and resuming capacity and the half that there are spaced utilization efficiency. Furthermore, our main Operation centres are equipped with compliance with furbishing capabilities.

raphael xue 00:17:04

The any revenue from our self Operator and find refurbished and business waged eight hundred and one and ten million R, MB, accounting of four, nine, nine, four percent of the core one year or settling business segment revenue noted in the fourth quarter of twenty twenty three. Revenue from the refurbish men's increased by forty one point five percent compared with the previous year, while the growth profit margin was one point six percentage point higher. This is maybe a tribute vote to our intelligence supply chain system, which enables more accurate identification of the rises beautiful for gry furnishment, resulting in a higher number of devices in various conditions being selected it for the process.

raphael xue 00:17:47

我们依托供应链优势的积累，积极参与标准的开发与制定，促进了产业的繁荣。2023 年在深圳电子行业协会发起的电子产品翻新产业专业委员会中，万物新生作为主要的起草单位，

参与了电子产品的翻新通用要求、标志及信息披露、质量管理、技术规范等各个方面的团体标准的制定，为品牌厂商提供了知识产权保护、产品信息安全、质量用户权利保护等方面的行业参考。

raphael xue 00:18:33

We absolutely participated in the formulation of industrial standards while leveraging our supply chain advantages to drive industry prosperity. In twenty twenty three, as a major drafting party, it to renew played a europe in establishing the electronic product refurbishment industry committee initiated by the shining electronics industry association. We contributed to the various group.

raphael xue 00:18:58

Standards include building general requirements, refurbishment, labeling and information disclosure, quality management and technically specifications. These standard serve as industry references for intellectual property protection. Product data has security quality as far as user rights protection.

raphael xue 00:19:18

在供应链的销售端，万物新生 B2C 与 B2B 相结合的优势进一步扩大，全年集团主营 to c 零售的 JMV 达到 28.8 亿元人民币。依托供应链的优势，我们的拍拍 B2C 业务进一步加强了 EP to c 的零售能力，满足了 C 端用户对高品质二手商品的需求。全年一批的 to c 合规翻新的产品创造了 5.6 亿元的收入，并为消费者提供了售后质保服务。

raphael xue 00:20:00

On distribution over advantage ges of an integrated B2C plus b to CB platform were further magnified in twenty twenty three. GMV of the core self Operates retail business total two

point eighty eight billion arm b, leveraging our supply chains dressers, hiphip has strengthen its one tey to consumer retail capabilities, meeting consumer demand for high quality pro own products to highlight one peace to consumer complaint. With furrier products, sales contributed five hundred and sixty million arm venial revenue.

raphael xue 00:20:35

2023 年的年内，我们针对二手行业商家分散 to c 的电商店铺运营难度大小，商家经营困难的问题，推出了新一代的寄卖模式。通过拍机堂平台打通行业中小商家供货到拍拍的店铺，商家只需要发布货品和确认价格，店铺运营、销售、客服、售后等服务环节由他他 B2C 平台平台这样这一举措可以大幅降低 B2C 商家的参与门槛，丰富了 B2C 平台的货源供给，并保障了用户的购买体验。全年 B2C 平台寄卖业务的 GMV 已经达到了 7000 万的人民币。

raphael xue 00:21:29

In twenty twenty three, we introduced a new confinement model to adapt the chAllenges face by second handy industry merchants, difficulties in Operating to consumer e commerce stores and the struggle of small business.

raphael xue 00:21:43

So in pigey marketplace, we effectively connect higher stores with small and medium size merchants that removing barriers that previously hindered small merchants from integrating their supply into our factor m merchants now only need to leave their quark up and confirm pricing while the platform takes care of the store Operations, sales, customer services and after sales support. These initiatives significantly lowers the entry barriers for B2C merchants in reaches the platform supply sources and ensures is the similar purchasing experience for users. Germany, for the confinement distance, summed up seven, seventy million arm being

into a new new rate.

raphael xue 00:22:27

2023 年四季度，拍机堂的 B2B 平台业务整体出现反弹，主要来自交易活动的回暖，交易商家数量同比增长 35.3%。此外，我们还对历史上收费率较低的备欠备件库业务进行了调整，进一步的降低了成本，改善了 B2B 平台的综合收费率。因此，拍机堂 B2B 平台四季度的收入同比增长达 14.9%，整体收费率同比提升了 69 个基点至 6.02%，全年的整体收费率达到了 6.17%，较 2022 年的水平显著提升了 189 个基点。因此我们可以很自豪的说，拍机堂 B2B 平台的商业模式已经得到了完全验证，它是二手行业不可或缺的基础设施。

raphael xue 00:23:31

In the fourth quarter of when you can be grave. So overall business of hyp JT marketplace place rebounded primarily due to a recovery in trading activities and the thirty five point three percent year over the increase in the number of active merchant users. Additionally, we took the strategic decision to restructure the low commission rate spare stock business, and this reduced our cups and optimize the overall take rate of B2B to platform.

raphael xue 00:24:00

As a result, in the fourth quarter or twenty twenty three surveys, revenues from P, J, T Marks in place increased by fourteen point nine percent year on year, and the overall take rates rose by sixty nine basis points to six point zero two percent on an annual basis. Is all all all take great wage, six point eighth seventeen percent, a significant improvement of one hundred and eighty nine basis points compared to the twenty twenty two level. We are proud of the proven business model of DJT mark I pace as is an in dispensable infrastructure of the industry.

raphael xue 00:24:35

未来我们将进一步的开放供应链的优势的能力，成为行业的优质的二手货源的供应方。同时我们会提供适合 to c 零售的型号，并稳定的供给线上的货架电商直播间，线下的手机零售店以及服务店渠道。在消费的增消费增速放缓，消费者支出更加谨慎的大环境下，万物新生将通过有价格竞争力和质量保证的二手产品的供给，与合作伙伴共同成功。

raphael xue 00:25:17

Looking ahead, we will further open up our supply chain advantages and become a high quality supplier for pre own products in the industry. At the same time, we will provide models suitable for B2C retails and that it supply through online e commerce platform, live screen channels as well as offline mobile phone retail networks and several stations in the environment where consumers are more cautious with their expenses. Its renee ends to leverage is competitive pricing and quality assurance of prey on products to Foster mutual success with our partnership.

raphael xue 00:25:53

第三点，在技术和效率方面，我们持续推动自动化技术的应用。首先我们持续提升质检准确率，以 matrix 3.0 为代表的自动化质检系统，将全年由于质检失误导致的损失降低了 19%。从其次提高集中质疑能力，华南和华东两个自动化的大仓的产能利用率得到进一步的提升。第三点，通过供应链的全局的优化管理，各地的收发货降低了分散化导致的物流成本。以上的优化带来的结果是 2023 年内 In gap 的履约费用率持续下降至 8.5%相较于 2022 年全年 10.9%的水平实现了显著的优化，进一步凸显了万物新生集团的规模化效率。

raphael xue 00:27:04

Thirdly, in terms of technology, technology and efficiency, we continue to promote the

application of automation technology. Firstly, we have enhanced the accuracy of quality inspection. The automated quality inspections system we presented by matrix three point zero has reduced losses caused by quality inspector errors by ninety percent throughout the year.

raphael xue 00:27:26

Secondly, we all focus on one paper is we improve capacity of utilization in our automated Operation center in south and east china. Third, thirdly, through optimizing supply chain management, receiving and delivering goods in different locations, we reduced to logistic costs. As a result of this initiative, our non gas fulfillment as the percentage of total revenue has continued, it is downwards, the trend reaching eight point five percent for the full year twenty twenty three significant can lead down from ten point nine percent in twenty twenty two. And this under scores our dedication to achieving further cost reduction at scale.

raphael xue 00:28:07

此外我们非常的高兴的看到，海外市场对于二手手机 3C 的自动化技术表现出了浓厚的兴趣。除了内地市场，香港和日本也开始应用我们自主研发的质检技术。在 2023 年的十月，我们进一步的探索海外与欧洲伙伴达成了合作，在瑞典市场推广了我们的自助回收机。这个方案满足了国际伙伴们在 C2B 的二手电子产品回收业务上的需求。未来我们将继续保持探索节奏，致力于全球范围内的二手电子产品的价值流转。

raphael xue 00:28:48

In the overseas market, we are delighted to see strong interest in our automated technology for creating on consumer electronics beyond mainland china market. Our

quality struction technology has been successful before, before in hong khan in japan in november twenty twenty three, exclusively in october twenty twenty, we expanded our global footprint by collaborating with a european partner to bring our one step, one stop settling cell solution to the freedom while while stop solution effectively addresses the international demand for C2B with suckling services. Moving forward, we remain committed to our growth trajectory and will continue to explore the global circulation of Green ones product.

raphael xue 00:29:35

展望 2024 年一季度及全年，我们认为万物新生所处的循环经济行业将随时间推移而稳定增长并且持续，它不太受经济波动和技术变化的影响。我们看到在回收端，居民对于或方便高价信任的回收的需求是确定的。在购买端，用户更多的考虑支出的预算，对物超所值的商品的需求是在加强的。在你交易履约端，二手商家对省心对于省心做生意，高效达成交易的需求是不变的。

raphael xue 00:30:19

今年的二月下旬，中央财经委第四次的会议上，总书记强调推动新一轮的大规模的设备更新和消费品以旧换新。作为该领域的领先企业，万物新生有机会从这一趋势趋势中受益，更好的服务京东和品牌的以旧换新项目。并且再一次证明了回收换新受到国家政策鼓励，是一个长期稳健、确定性高、政策风险低的赛道。我们将基于长期的核心战略，打造坚实的业务大盘，提升爱回收的品牌用户心智，解决用户最本质的痛点，并与行业伙伴共同探索优品二手商品的业务能力提升。我们将长期有耐心过程当中逐步实现利润和实现稳步的增长。

raphael xue 00:31:23

Looking ahead to the first quarter and full year of twenty twenty four, we least that eighty renew Operates in a sustained circular economy that is impervious to economic fluctuations and technological changes. We identify several key trends in the sector. On the suckling front, we see a definitely demand for convenient, high Price and trustworthy or cycling services on the purchasing.

raphael xue 00:31:48

And we see a stronger demand for weather for money goods from savage consumers on the fulfillment. And we see an unchanging need from second hand merchants for efficient and has a free create logistic or logistic solutions. In late february this year, presidency emphasize the promotion of a new round of large scale equipment upgrading and consumer goods trading in as a leading company in this field, we are strategically positioned to capitalize on this upward trend and Better facilitate JD.

raphael xue 00:32:19

And bread owners trading program. Once again, it demonstrates that root cycling and trading are encouraged by by national policy is as the long term stable industry with high certainty and low policy risks going forward, we will appear to all the long term court tragedy and fortify our business foundations while enhancing brand awareness for h as recycled, we end to address user fundamental pain points and collaborate with in the partners to explore the attack potential of high quality second hand products. We will maintain patients in the long run while a steadily releasing profits and achieving growth.

raphael xue 00:32:58

最后补充一项国际荣誉，2023 年 11 月，万物新生荣获了路透社 2023 年全球商业责任奖的

认可，在循环过渡奖评选中获得了评委会高度的赞扬。这是万物新生集团首次在国际舞台上与甲骨文、施耐德电器、百世等一众世界知名企业共同入围的评选中并脱颖而出，也是路透社与专专业评委对万物新生在创新、技术发展等方面的重要肯定。我们会继续深耕循环经济赛道，以技术创新驱动产业的可持续发展。

raphael xue 00:33:48

Finally, I am delighted to announce an international ecology in november twenty twenty three, eight, eight. Renew was honored as highly commended by the judging panel at the writers global business responsibility. It was in the circular transition category.

raphael xue 00:34:03

This Marks the milestones for eighty erano as it is the first time we have to shoulder to shoulder with global multi national companies such as oracle, schneider electric and passical. The recognition from writers and the expert panel is a testament to our innovation and our technological achievements. Moving forward, we will continue to deepen our commitment to the certain of economy, driving sustainable industry development through technological innovation.

raphael xue 00:34:33

下面请公司的 CFO，rex 介绍一下财务情况。

raphael xue 00:34:38

Now I like to turn the call over to our chef o rex for financial updates.

raphael xue 00:34:43

okay. Hello, everyone. I'm pleased to reports of ten. Twenty three was a year of significant achievements for our company, both revenue and the Operating incomes of Better sync

expected results. Total net running in increased by thirty one point four percent to thirty, a digested Operating income of twenty twenty three total of two hundred and fifty one point seven million, a remarkable thirty six point five times the number of ten twenty two cash info from Operational activities was healthy.

raphael xue 00:35:13

Totally truths hundred thirty six minutes as kerry said, said ten twenty three was on a year of consolidation, 团队和学习。Moving onto the fourth quarter twenty twenty three. We are pleased to to announce another profitable quarter as we recorded another new record and get Operating income on revenues that was again exceeded to the top end of our guidance.

raphael xue 00:35:36

Now let's take a detailed look at the financials. This note that all amounts are UMB and all comparisons. Uh you over year basis in this otherwise stated in the fourth quarter, total revenues increased by twenty nine, twenty nine percent to three thousand eight hundred seventy three point six years, driven by the strongly in net god's revenues and are rebounding service to revenues. Net product revenues increased by a wonderful one percent to a three sound of five hundred twenty two point five million, while next service revenues was three hundred fifty, went on the one million, representing in the increase of nineteen twenty seven percent.

raphael xue 00:36:14

Growth in that product reviews were primarily driven in by an increase in the sales of prowed consumer electronics through both P, J, T and the pipeline market places as well as all friend channels, of which sales of webster to furbished devices total the two hundred

seventy eight point two million, which increase the by what he went on, the five percent sequentially. The increasing service revenues was a primary due to the recovery of paypal and the PJ. T.

raphael xue 00:36:42

Market Prices. With efficient to online and all Frank customer acquisition and a Better execution or what taken it off our marked places went up fifty six basic points from the fourth quarter two thousand twenty two to five hundred and thirty six cent in the fourth quarter twenty thousand. The three now let's discuss our Operating expenses to provide the greater clarity on the change in our actual Operating basic expenses.

raphael xue 00:37:08

We will also discuss our and then get Operating expenses, which Better reflect our management needs, our results of Operations. The reconciliations of gap in and and gap p results are available in our earnings release under the corresponding ding from six k finished with the S, E, C. What is that? Costs increased by by thirty two point percent to three thousand and one hundred hundred fifty eight million.

raphael xue 00:37:30

The increase was in line with the growing product sales growth. Marching at the group level was eighteen plus seven percent in the forth quarter. Growth market for our wp business was ten by six percent in the fourth quarter.

raphael xue 00:37:43

Ages recycle provided its official trading services for apple with the release of the iphone fifteen services, we implemented a proactive approach to attract customers with aggressive

pricing strategies, causing growth margin compression. We believe that as our market share was in these channels, growth, the growth profit will gradually return to Normal levels. For humanity expenses increased by nine, nine hundred and five cent to hundred and one hundred of wind meeting, excluding sherpas.

raphael xue 00:38:13

The compensation expenses we will, which we will refer to as SPC from K, R. The gap for humanity expenses increased by fourteen percent to two hundred ninety five point six million. And then then get the measures.

raphael xue 00:38:26

The increase with the primary due to an increase in personnel and the logistic costs as we conducted the motor of cycling and transaction. So activities Young yet and get the future of pension is a percentage of total revenues decreased the two, seven, five, six percent from a point seven percent. So overall, decreasing the grade of a huge expenses of references of impact of economies of skill and efficiency improvements through automated Operations specifically is a number of once the others grow.

raphael xue 00:38:57

So average for women to cause him to use was reduced. Selling and the marketing expenses decreased by forty six six, six, six percent to three hundred and seventeen meeting, excluding S, P, C expenses and ammonium ation and the impact, the loss of goodwill and the intended visit and gap setting. And the marketing expenses increased by eleven point eleven seven percent to two hundred and forty six six six years, primarily due to to an increase the expenses related to marketing activities and get setting, and the marketing

expenses as a percentage of total revenues decreased to six point four percent from seven hundred and five percent.

raphael xue 00:39:35

General administration of expenses decreased by eighteen point eight percent to six two point two million, excluding ABC expenses and gave a ja expenses decreased by seventeen hundred and four percent to forty five point two meeting, primarily due to a decrease in headquarter of office expenses and fees related to professional services and get the gna expenses as a percentage of total lunes decreased to one point two percent from one point eight percent. Technology and the content expensive increased by seventeen one a one cent to a sixth sleeps on the eight million, excluding ABC expenses and that amount zz and and the impact of the loss of goods and intending assets and get technology in the content expenses increase of five fifty plus six percent to fifty eight percent three million. The increase was primarily due to an increasing personal costs in connection with it, upgrade of the company's Operation center in the systems and get technology and content expenses as a percentage of total lawyers, increase it a one one point of five cent from one pounds, three, three percent as a result, I will then get Operating income was eighty one hundred or six million in the fourth quarter of a antony three, representing a significantly increase of one hundred thirty five hundred eight percent Young year.

raphael xue 00:40:54

Then get our Operating profit to margin was two pound of one percent compared to one point two percent in four queue, two thousand and two to provide some content regarding our baLance sheet. Our inventory are mounted to wood billion at at the end of the fourth

quarter and twenty three, representing us the Quentin increase of three hundred forty four and eight million compared to with the end of the third quarter of twenty twenty three. This increase was the primary due to a search in the cycling volume generated from apple official trading program.

raphael xue 00:41:25

However, it had a limited impact on our Operating cash for since we have a payment term of forty five days and effective tivvy manager relevant pebbles through bank guarantees as of december thirty first. The tank free cash in the cash in equivalence, restricted cash shelter of investments and the funds are received from sort of party payment service providers total the two point nine nine eight divided I was struck cash position safeguards are sustainable. Gross outlook during the fourth quarter of the military, we, we, we, we purchase the four point five million A, D, S, S.

raphael xue 00:42:02

In the open market for a total consideration of eight point one million. Your stories by december thirty first, panton street, which had a purchased a total of eighteen point four million ADSS for fifty six point of five million years dollars under our sharing purchase programs. Today, we are delighted to announce a new new share by back program so that allow us to repair chase up to twenty million new stories. Was of our shares over the next twelve months based on our confidence in our value creation, business growth momentum and strong cash. For now, turning to the business outwork.

raphael xue 00:42:38

For the first quarter of twenty twenty four, we want to space total revenues to be between

three sounds five hundred fifty million and three sound of six hundred thirty million, representing an an increase of twenty three twenty percent percent to twenty seven point a one percent year over year prison notes that this forecast will reflects our current and pretty minor reviews are the market and Operational al conditions, which are the projective to change. This concludes I will prepare the reMarks. Operator, we are not ready to take questions.

raphael xue 00:43:11

We will now begin the question and answer session to ask your question. You may press star than one on your telephone keypad. If you are using a speakerphone, please pick up your handset before pressing the keys.

raphael xue 00:43:27

If at any time your question has been addressed and you would like to withdraw your question, please press start than two. When asking the question, please state your question in chinese first, then repeat your question in english for the convenience of everyone in the call. At this time, we will pause momentarily to assemble Ir roster. The first question come from joyce due with bank of america. Please go ahead.

raphael xue 00:44:01

感谢管理层接受提问，也恭喜公司取得十分有突破性的业绩。我想请教一下，管理层怎么看待今年 24 年的增长指引，我们的多品类业务又有怎么样的增长目标，我自己翻译一下我的问题好了。Thank you for taking my question。

raphael xue 00:44:20

Uh, congratulations on the very solid about this quarter. Um I would like to ask about your

overall growth a guidance for twenty twenty four. Uh, additionally, I also want to have some colors on what is the growth target for the a motka degree recycling business. Thanks a lot.

raphael xue 00:44:44

非常感谢提问。我们在 2022 年和 2023 年看到了用户消费习惯从热衷于品质升级到追求性价比的转变。同时我们也看到了用不回收变现的意愿和以旧换新的需求持续增长。这体现在我们 2023 年全年自营的收入达到了 3% 13 点 34 点 4 的同比增长。京东渠道的以旧换新超过了 100%的同比增长。我们将继续推动自营回收的主增长飞轮，通过更大的业务规模，更延伸的产业链条，更高的效率，实现更多的运营利润，并且坚定的投入到爱回收的品牌建设中，从而实现流量增长和规模效应的进一步释放。

raphael xue 00:45:41

在平台业务方面，我们将继续加强拍机堂与拍拍的协同，以升级的 B2C 拍拍寄卖服务赋能中小商家，拓展 to c 商品的供给，更大程度上满足消费者的购买需求，让二手优品的购买选项更充足。我们将在 2024 年进一步的狠抓体验，服务好京东回收，加大力度推广以旧换新，服务好苹果的官方回收。我们相信中央对于新一轮的大规模耐用消费品以及以旧换新的支持，将有利于我们合作的京东品牌与厂商品牌的发展。我们将与他们一起共同提升以旧换新的消费者心智，培养以旧换新作为更主流的消费选项。我们有信心在一批的自营业务方面继续实现 30%以上的同比增长。

raphael xue 00:46:53

Thank you for your question. During twenty twenty two and twenty twenty three, we store a shift in consumer behavior. Our users focus transition from consumption upgrade to an emphasize on value for money. During this transformation, we noticed the shaped rise, sweet rise in user demand for treats and resulting in exchange for cash.

raphael xue 00:47:14

As we mentioned, or one europe news, thirty four four four four percent year over a year in twenty twenty three was trading ced through trade more than dumping compare to the previous year. We will continue to drive the corn growth fly will of of one of secrecy business. And so it can our industry value chain through the economy, the economy of scale.

raphael xue 00:47:35

We aim to extend our Operating profit margins further by bringing our Operationally efficiency to the next level. We are sad fast in investing in the brand of ages to recycles, to unlock growth of traffic and economy of fell further in terms of our platform business distance with strength of synergy between TJ, J, multiple place and pipeline multiplication that and provided more merchants with upgraded consignment services. This helped us build up a more robust to sea supply and meant we could offer a more diverse selection of high quality second hand products for our users.

raphael xue 00:48:13

Looking ahead to twenty, twenty and we played ed you, the experience, as I would talk, priority while providing the utmost support to the recycling and trading offerings of JD dot m and apple s official trading program, we believe that the support from the central government for large scale trading policies on consumer goods will benefit all collieries with JD and brand partner. Together, we educate consumer awareness of trading and culture. Late is as we may drink consumption choice. Because of this, we're confident in achieving a thirty percent over a year romney growth over over ninety business.

raphael xue 00:48:50

关于多品类回收，2023 年多品类的交易规模已经超过了 10 亿元人民币。处于高速增长阶段。2024 年通过更多品类的服务覆盖更多的爱回收门店。我们将进一步加强用户对二回收国民第一回收品牌的认知，坚持用户体验提升，提升价格竞争力，促进更多用户使用多品类回收，并且提升对于一批的手机 3C 回收的转化。

raphael xue 00:49:28

In two thousand and three, jane for our multiple ats were with second visit support for one billion army. This business has grown rapidly in scale. We set a mild pick rate for the distance segments in twenty twenty three, three.

raphael xue 00:49:40

We trust there is ample growth potential in the tape rate in twenty twenty four. Our focus is enhancing user awareness of the ahs recycle as a leading national recycling brand. Of course, trust dy is to fail to build and even Better user experience. To achieve this, we will provide more structured product data all platform and improve our pricing cdib's ties. This will done more respond transactions across the weather range of categories.

raphael xue 00:50:14

Ok, 谢谢。

raphael xue 00:50:16

Thank you for the question.

raphael xue 00:50:19

The next question comes from jane jane chin with C, I, C, C. Please go ahead.

raphael xue 00:50:32

Thanks for the connections and congratulations on the good result. Um I have two

questions.

raphael xue 00:50:38

Um first, could you provide more color on the higher than expected the profitability this year? And what's your profitability target for twenty twenty four? Uh and for the medium to launch a second in late twenty twenty three and only twenty twenty four, the iphone fifteen series and play some challenges from 华为。How does management you the challenging conversation landscape among are the mobile for manufacturers? And how did your apple tree in this perform in AQ four? Trying to me three.

raphael xue 00:51:11

嗯。And what are you a scale and profit target for twenty twenty four? Thank you.

raphael xue 00:51:16

我再用中文说一下，感谢管理层接受我的提问，恭喜恭喜这个季度又取得了超级的业绩。那我有两个问题，第一个问题是能不能请管理层具体拆解一下二三年利润超预期的原因，并且分享一下 24 年以及中长期公司利润率的指引和实现的一个路径。第二个问题是关于 iphone，我们知道 iphone 的 15 系列在国内的这个出货量，在二三年底及 24 年初都面临竞争对手，比如华为的一个压力。那请问管理层如何去看待品牌厂商之间的格局的变化，苹果的这个官方也就会换新的业务，在二三年四季度这个表现怎么样，以及在 24 年我们会有怎样的一个规模和利润目标呢？谢谢。

raphael xue 00:52:06

Okay, thank you. So I will take your first question and Carry I was you will take your second question. okay.

raphael xue 00:52:13

So the first question, uh, in twenty twenty, we went again, achieved the brick through in terms of callback capacities. And then then get the measures for humor, selling and marketing, jane, and administrative and and technology. And the content specifies the percentage of revenues for eight point five percent.

raphael xue 00:52:32

Five pints, three percent of one point five percent, and the one plus three percent perspectives. Ly, these figures correspond to year, year, year, year decrease of two pound of four percent, one point six percent, zero point of one percent and the zero point six percent perspective. Ly, in terms of performance, we achieved our remarkable efficiency improvement and we efficient system of regional Operation centres and centralized sell Operative Operation stations has further you pull our inspection and it and cost controls.

raphael xue 00:53:01

The skill effect created by the use of automation technology at top of the centres had also had a positive impact. Why not seeing lower cost related to sorting quality, special and a warehousing when compared to our previous approach job using decentralized joint to the Operated stations? We have also leveraged the big data to optimize the item delivery with low cost of shipping. This has given dancing under receiving costs. However, our breast center expenses in the logistics costs decrease by nine percent and the percent respectably during planning street.

raphael xue 00:53:38

This is resulted in england and capable of women to expense of one hundred and one billion a year over year, increase up already two percent, I was told them, and get standing

in the marketing expenses in two thousand and three, when nine hundred fourteen million, this was a year over year increase of seven point percent, a lot of lower than our revenue growth rate or are the same share. This was mainly driven by H1. Efficiency improvements from decline and advanced the digital CIN tools of the b two b sales.

raphael xue 00:54:06

The results was a nineteen percent caused a reduction compared to the previous year two thousand three and get a general and administrative expenses when one hundred ninety million a year over yet increase of twenty one point percent. This was mainly due to office grant and various other other miscellaneous items, including employee travel training and the benefits all the gap technology and content expenses were were hundreds seventy million in two thousand and nine street thanks to the gradual mature region of our platform technology. So official launch of our source china automation upgrade center, we did not see significant in the cost growth in this category.

raphael xue 00:54:49

Yeah, this is a cloud migration initiative we launched in two and twenty two was completed in two thousand twenty three. This contributed to an overall decrease in technology and the content expense as a percentage of revenue, representing an improvement in scale effect. The breaks break down above highlights the enhancement satellite to the increasing of the gap Operating property in two thousand and three, for path to profitability growth, our primary focus on our website growth, margin and Operating efficiently.

raphael xue 00:55:20

Our long term goes to improve our and then gap Operating process margin by one percent

every year. In terms of our wind bonus, we prioritize the ability to control our first hand supply while also enhanced use the awareness of our C2B brand air chester recycle. We saw the first hand surprise with his competitive with a cycling Price is meanwhile, we continue to allege ourselves Operated and refresh ment appearances.

raphael xue 00:55:47

Well, we diversify the standard of supply to pie pie. We expect a lot of proportion of two c cells as we seek a higher profit margin of olympia revenue. I'd like also like to add more color on our collaboration with with apple.

raphael xue 00:56:03

In fourth quarter, our apple business achieve the sales of three hundred years. However, at this business is relatively new and is still being refined, its gross profit margins below an ideal level. Going ford, we plan to optimize our pricing mechanism to strike up baLances between profitability and the growth in terms of Operating efficiency.

raphael xue 00:56:25

While constantly optimize our forecast of two learning religious, our automation capabilities will continue to improve our fulfillment efficiency. So expression cost for device 或者 diode due to an increase in ASP。 In terms of setting in the marketing, we tried to maximize the effective yourself of our b2b sales team.

raphael xue 00:56:47

At the same time, we plan to strategically leverage to social media traffic to attract customers. The algorithms and the location bay, the service capabilities of short video platforms such as you, will help us target potential users with great accuracy. This approach

has the media benefit to further us training our southern commoditization and the market position. We recognize that the key to building a successful second hand of innis autozone in our ability to acquire supply through brand of part, as such, our HER recycle brand is a vital for our long term development. Pass at this at at this stage, we believe strategically allocating appropriate put it resources to social media traffic will sort iffy our along term competitive position in this dynamic market.

raphael xue 00:57:42

Ok 好，第二个问题我来回答。苹果的中国线上官网与线下的 47 家官方旗舰店的回收和以旧换新业务已经有序的铺开。随着第四季度新基的规模化的出货，以及我们颇受用户喜爱的回收报价，我们在社交媒体获得了用户自发的大量好评，认为回收报价和客户服务有了质的提升，同时让我们掌握了大量的一手优质货源。该业务在四季度贡献了 3 亿元人民币的产品销售收入，环比三季度该业务刚上线时增长了九倍。事实上我们的回收量远比销售量更大，这证明了用户对于苹果以旧换新的接受度正在上升，以旧换新的渗透率还有很大的提升空间。利润上，我们会根据市场的反馈，保持价格策略的灵活调整，让我们的毛利率得到持续优化。值得强调的是，由于我们不需要对苹果官方业务做前端的履约和营销，所以即便这业务板块的毛利率并不高，但是它可以贡献较高的经营利润。

raphael xue 00:59:10

I will answer the second question. We have systematically rolled out of respecting and trading services on apple sophy al website and add forty seven flash shape store. The service and pricing was highly commended by users on social media functioned ely.

raphael xue 00:59:26

In terms of scale, we have secured a significant amount of first hand supply a leveraging the

substantial volume of new iPhone shipments in the fourth quarter. And by maintaining competitive with second prizes, the business contributed three hundred million arm being in product sales revenue during the fourth quarter. This was not this was a knife of increase compared to the third quarter.

raphael xue 00:59:50

Our requesting volume is greater than our field volume. This proves that users acceptance of Apple trading or new product is praising, and there is still much room for improvement in the penetration rate of trading products. We will maintain flexible adjustment to our pricing strategy based on market feedback to optimize our growth profit margin. Importantly, we do not handle from tankful humans and marketing for the Apple pieces. As a result, even though this, this this segment has been narrowed profit margin, it has the potential to contribute a relatively higher Operating profit margin.

raphael xue 01:00:31

Ok, 谢谢。

raphael xue 01:00:35

Thank you for the 关心。

raphael xue 01:00:38

Due to the time limit on the call, I'd like to hand the conference back to management for closing remarks.

raphael xue 01:00:46

Thank you. Thank you again for Johnny us today. A reply with today's call will be available our airwaves as shortly follow by a transcript. If you have any additional questions, please

feel free to email us at our at eight renewed cocom. Have a nice day.

raphael xue 01:01:04

The comfort has now concluded decay for attending today's presentation. You may now disconnect.