Kingdee International Software Group

2022 Interim Results Announcement

Stock Code: 268.HK
19 August 2022

Kingdee at a Glance

2022 1H Review

Group Revenue
Rmb2,197mn +17.3% YoY

Subscription ARR
Rmb1.86bn +46.5% YoY

Cloud Service Revenue
Rmb1,677mn +35.5% YoY

Net loss attributable to shareholders
Rmb356mn

Cash reserves
Rmb3,874mn

Enterprise Business Capability
Platform + Finance HR Tax + Ecosystem
Strives to provide clients with the most trusted enterprise service platform

Leader in China Enterprise SaaS
No.1 in China Enterprise SaaS ERM for consecutive 4 years
Gartner Cloud ERP Market Guide
Top 10 in Gartner 2021 aPaaS Platform Provider

Serving over 51.2% of the China Top 500 Companies
New choice for China Top 500 Companies

Serving 53% of the "Specialized & Innovative" Companies
Stimulates China economy and intelligent manufacturing

11,708
Total Company Headcount

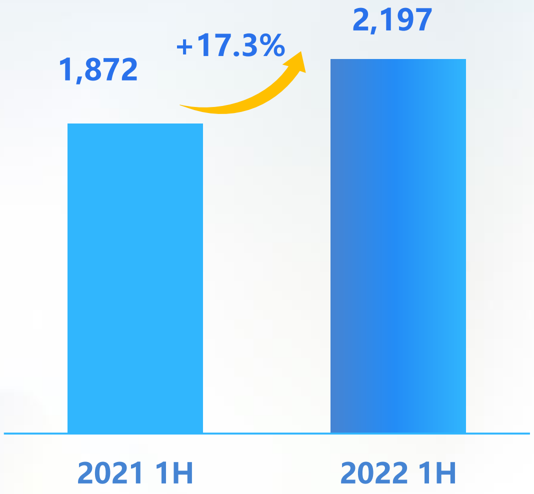
01

Financial Overview

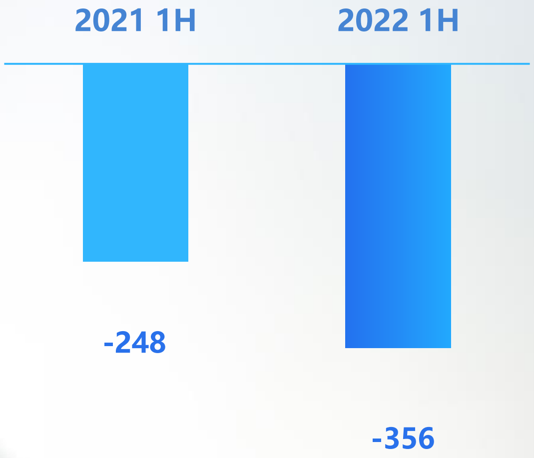
Financial Summary

Group Revenue

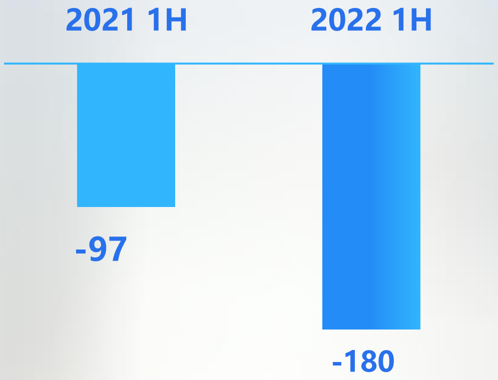
(RMB mn)



Net profit attributable to shareholders



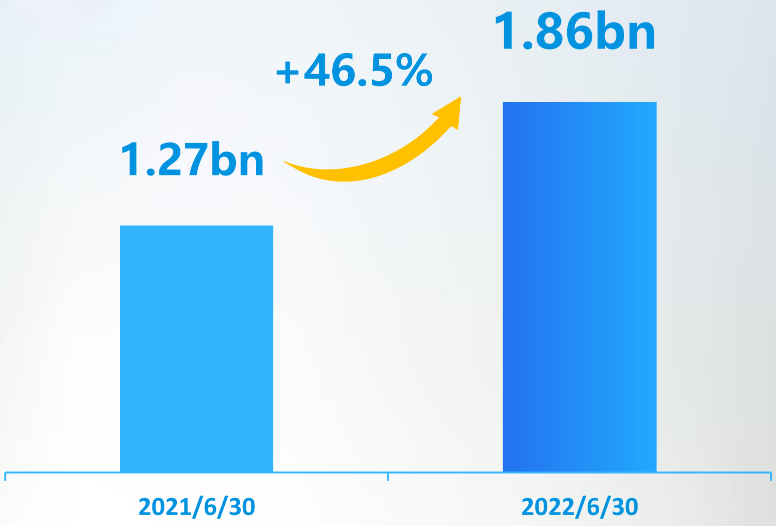
Net Operating Cash Flow



Growth of Cloud Services

Growth of Cloud Subscription

Subscription ARR



Subscription ARR reflects approximate annualized recurring revenue from Kingdee Cloud subscription services.

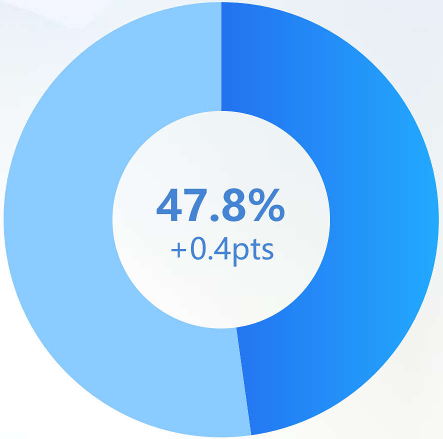
Growth of Cloud Contract Liabilities

Kingdee

(RMB' 000)	2022 1H	2021 1H	Change
Total Cloud Contract Liabilities	1,964,690	1,244,036	57.9%
Subscription	*1,572,126*	*1,007,563*	*56.0%*
Others	*392,564*	*236,473*	*66.0%*

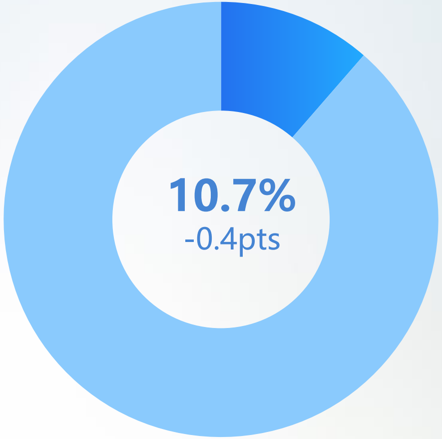
Operating Expenses

S&M
as a % of total revenue



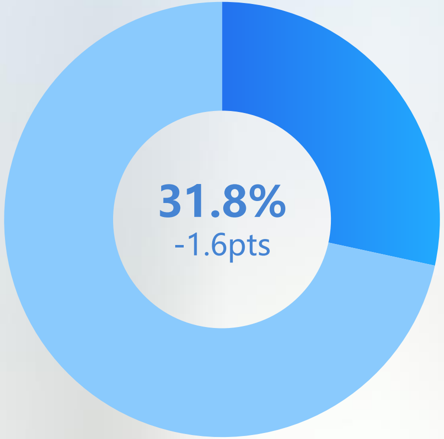
RMB 1,050mn
+18.3% y-y growth

G&A
as a % of total revenue



RMB 234mn
+12.7% y-y growth

R&D
as a % of total revenue



RMB 698mn
+11.7% y-y growth

R&D investments: RMB795mn, +19.0%
Capitalisation rate:31.3%， -2.9pts

02

Kingdee Cloud

Kingdee Cloud • Cosmic
Kingdee Cloud • Constellation

2018.8.8
V1.0 Launch

2019

2020

2021

2022 1H

Kingdee

Total Contract Value
RMB330mn

New Customers
194

Dollar Retention Ratio
100%

Kingdee Cloud • Galaxy

Manufacturing

High-Tech

Life Science

Retail

Kingdee

Customers Base
28,300

Dollar Retention Ratio
89%

Subscription ARR Growth
+53% yoy

OPM
20%+

Kingdee Cloud • Stellar，Jingdou

Kingdee

金蝶云星辰

Customer Base

20,000

Dollar Retention Ratio

72%

金蝶精斗云

Customer Base

231,000

Dollar Retention Ratio

69%

03

China Enterprise SaaS Market Outlook

China Platform-as-a-Service Overview

PaaS

Market Structure

dbPaaS	AIMPaaS (Application Infrastructure & Middleware)				baPaaS	adPaaS
数据库平台服务 dbPaaS	应用程序平台服务 aPaaS	集成平台服务 iPaaS	API管理服务 apimPaaS	人工智能平台与API服务 AI PaaS	分析和商业智能平台服务 abiPaaS	应用程序开发和操作（DevOps）服务 adPaaS
内存数据网格（IMDG）服务 imdgPaaS	业务流程管理服务 bpmPaaS	业务规则和决策管理平台服务 brPaaS、dmPaaS	通信平台服务 cPaaS	内容服务平台即服务 csPaaS	主数据管理（MDM）服务	
区块链平台服务 bPaaS	数字化体验平台（DXP）服务 dxpPaaS	事件流处理服务 espPaaS	功能平台服务 fPaaS	物联网平台服务 IoT PaaS		
	托管文件传输（MFT）服务 mftPaaS	消息及事件代理服务	移动后端平台服务 mbPaaS	机器人过程自动化（RPA）服务 rpaPaaS		

TAM for ERP AIMPaaS by 2030

~RMB23bn

Source： Gartner, Kingdee

China Finance SaaS Market Overview

Kingdee

Record-to-Report 记录到报告

Key Process

- 记录 Record
- 结算 Close
- 合并 Consolidate
- 报告 Report
- 规划/预测/决策 Plan/Forecast/Decide

Market Structure

核心财务管理套件 Core Finance

- 总账 General Ledger
- 应收账款（包括周期性付款管理和收入确认）AR
- 应付账款（包括基础的发票申请）AP
- 司库和现金管理 Cash Management
- 固定资产 Fixed Assets
- 财务会计中心 Financial Center
- 项目会计 Project Accounting
- 财务分析&报告 Financial Analysis &Report

财务结算 Financial Settlement

- 税务及发票 Tax Management
- 结算管理 Close Management
- 对账管理（内外部）Reconciliation Management
- 公司间转账 Intercompany Transfer
- 财务合并&报告 Financial Consolidation & Reporting
- 披露管理 Disclosure Management

财务规划和分析 Financial Planning and Analysis

- 整合财务规划 Integrated Financial Planning
- 规划和预算 Planning & Budgeting
- 财务预测和建模 Financial Forecasting & Modelling
- 管理和绩效报告 Mgt & Perf Reporting

TAM for China Finance Software & SaaS by 2030

~RMB47.5bn

Source: Gartner, Kingdee

China Human Capital Software/SaaS Overview

Kingdee

strategy

战略人才分析与规划 (STA&P)

- 战略与情景模拟 Strategy & Scenario
- 市场人才竞争分析 Market Talent Competition Analysis
- 能力缺口分析 Capability Gap Analysis
- 人才获取与财务预算 Recruitment & Budget
- 人力量化分析基准 HR Analysis Standard
- 风险与绩效评估 Risk & KPI

Operation

现场劳动力管理 (WFM)

- 时间和出勤+缺勤管理 Attendance management
- 劳动力调度 Labor Allocation
- 劳动者职业健康与卫生管理 Health Management
- 任务+活动管理 Task + Activity
- 劳动力预测 Labor Forecast
- 疲劳管理 Fatigue Management

Empower

人才发展与管理 (TDM)

- 招聘 Recruitment
- 绩效+目标管理 KPI +MBO
- 学习 Learning
- 入职 Induction
- 职业+继任规划 Career Planning
- 薪酬管理+奖励与表彰 Compensation+ Reward

Support

行政HR (AHR)

- 核心人力数据管理 Core HR Data
- 职位+组织管理 Position & Organization
- 福利管理 Welfare
- 生命周期事务 Life Cycle Affairs
- 工资管理 Salary
- 健康、安全与环境 Health, Safe & Environment

IT for HR

综合HR服务管理 (IHRSM)

- 案例管理 Case
- 申诉+纪律管理 Appeal & Discipline
- 员工过渡管理 Employee Transition
- HR知识库 HK Knowledge

员工门户 Employee Portal

- 员工和管理者自助服务 iService
- 虚拟助手 Virtual Assistant
- HR联络中心 HR Contact Center
- 员工之声 VoE

TAM for China Human Capital Software/SaaS by 2030

~RMB44bn

Source: Gartner, Kingdee

Kingdee Strategy – Platform + Finance HR Tax + Ecosystem

金蝶

Large Enterprise
>Rmb4bn
金蝶云星瀚

Consumer, Retail & Wholesale, High-Tech, Life Science, Equipment Manufacturing, Tobacco, Aerospace, Chemicals, Steel & Metallurgy, Mining, Public Service, Construction & Property, Logistic & Transport, Financial & Conglomerate, …

Medium Enterprise
Rmb100mn-1bn
金蝶云星空

Consumer, Retail & Wholesale, High-Tech, Life Science, Equipment Manufacturing, Catering, …

Small & Micro Enterprise
<Rmb100mn
金蝶云星辰
金蝶精斗云

Consumer, Retail & Wholesale, High-Tech, …

Core fields	金蝶云人力云	金蝶云财务云	金蝶云税务云
PaaS	Business Platform	Technology Platform	Data Platform
IaaS	Public Cloud	Hybrid Cloud	Private Cloud

Building a Win-Win Kingdee Partner Ecosystem

Kingdee

University Alliance

深圳大学
深圳职业技术学院
同济大学
东南大学
南方科技大学
重庆大学
湖北经济学院
武汉工程大学

Business Alliance

深商总会
中企联合
CASME 中国中小企业协会
中国上市公司协会
知室
CCID 赛迪
SNAI 上国会
CEIBS

Technology Platform Partner

阿里云
腾讯云
intel.
华为云
亚马逊云科技
UnionTech Software
Cloud Native
达梦数据库
飞腾 PHYTIUM
Kunpeng

Kingdee Cloud Cosmic

Trust
Open
Win-Win

Sales Service Partner

成普科技
诚恒科技 CHAMHOO TECHNOLOGY
南昌金创
TONWELL 广东腾威
深圳金纳维
深圳诺飞
赢凝信息
ipoodee 北京金普蝶
金友商
青岛未来互联

Professional Service Partner

EY 安永
Deloitte.
KPMG
iSOFTSTONE 软通动力
CS&S 中软国际
SiE 赛意

ISV

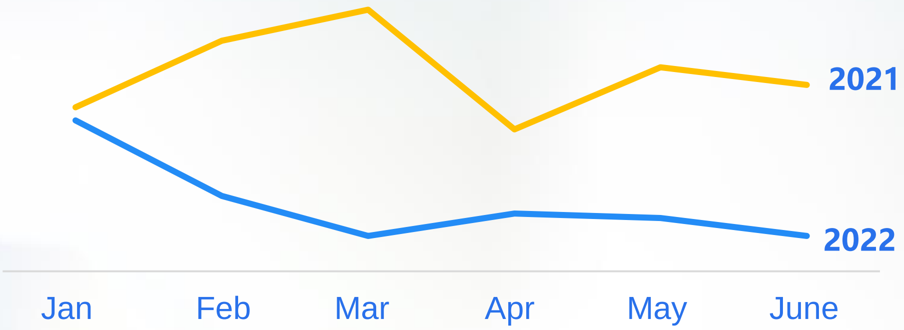
宏景动力
EpicHust 艾普工华
深圳无边界 Unbounded Technology
Romens 雨诺
金润轩 KING RAINS
TROD天勤
迈威科技
MOYA 莫亚科技

Xu Shaochun Public Account to Enhance Customer Success

徐少春个人号
hi，我是徐少春

Average Customer Response Time

Improved by 2.6 times yoy



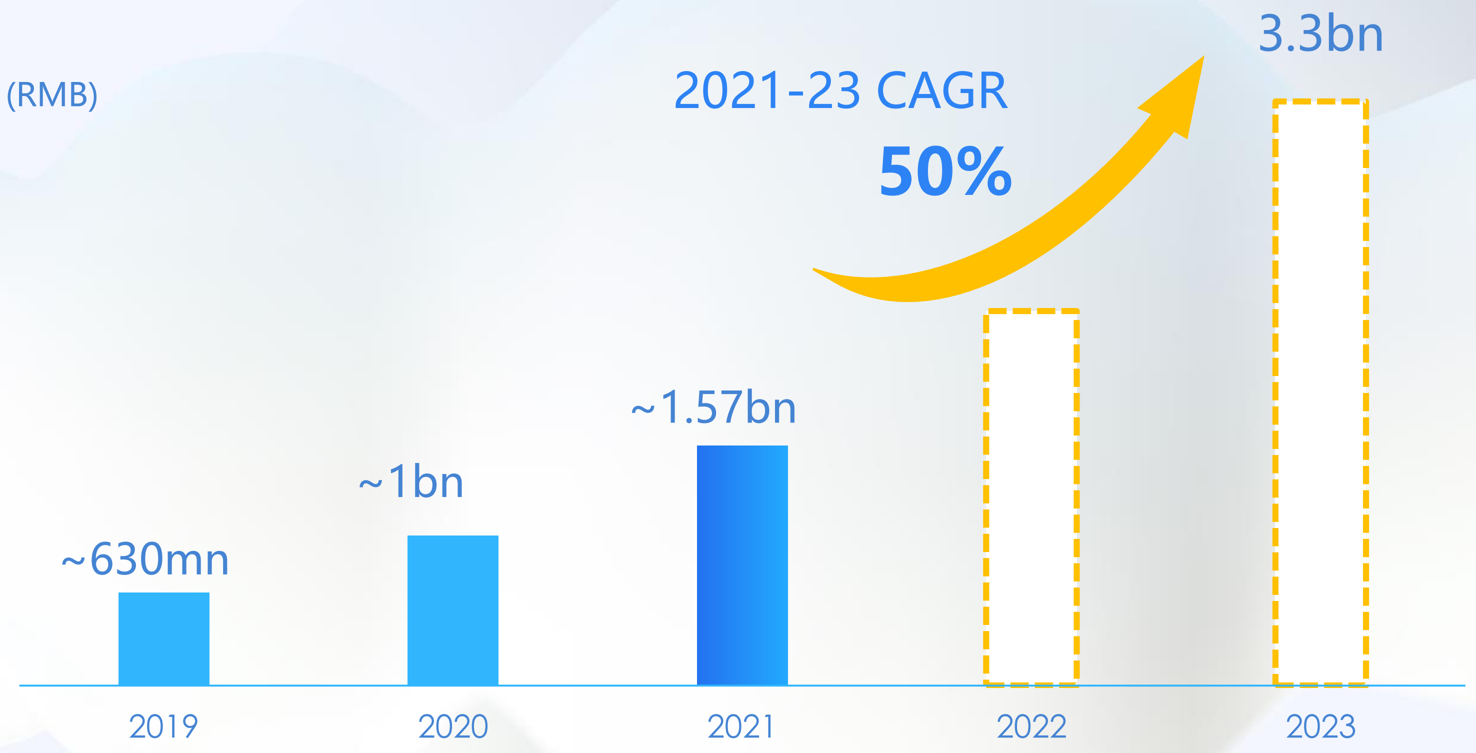
Customer response time over the past two years

Customer Letters of Recommendation

+ 35% yoy

Customer letter of recommendation trend over the past five years

Subscription ARR Three-Year Target



04

Appendix

Income Statement

(RMB '000)	2022 1H	2021 1H	Change
Revenue	2,196,656	1,872,399	17.3%
Cost of Sales	-865,848	-698,266	24.0%
Gross Profit	1,330,808	1,174,133	13.3%
Gross Margin	60.6%	62.7%	
Operating Expenses	-1,981,950	-1,720,142	15.2%
Other Incomes & Gains-Net	232,049	219,127	5.9%
Operating Profit	-453,567	-354,584	27.9%
Operating Profit Margin	-20.6%	-18.9%	
Finance Income– net	47,755	21,975	
Loss before Income Tax	-402,267	-325,136	23.7%
Net Profit – Owner of the company	-356,441	-248,108	43.7%
Net Profit Margin	-16.2%	-13.3%	
Diluted EPS(cents)	-10.38	-7.25	

Total Revenue by Segments

(RMB '000)	2022 1H	% of Total Revenue	2021 1H	% of Total Revenue	Change
Cloud services business	1,677,482	76.4%	1,238,258	66.1%	35.5%
-Enterprise Cloud Services	1,161,330	52.9%	868,670	46.4%	33.7%
-Small & Micro Business Finance Cloud Services	380,235	17.3%	218,403	11.6%	74.1%
-Industry Cloud Services	135,917	6.2%	151,185	8.1%	-10.1%
Management Software business and Others	519,174	23.6%	634,141	33.9%	-18.1%
Total	2,196,656	100.0%	1,872,399	100.0%	17.3%

R&D Expenses

Kingdee

(RMB ‘000)	2022 1H	2021 1H	Change
Salaries and staff welfare	769,464	638,756	20.5%
Fixed costs	13,334	12,442	7.2%
Professional service costs	8,097	8,930	-9.3%
Travelling costs	2,253	5,810	-61.2%
Employee recruitment and training expenses	383	1,456	-73.7%
Others	1,275	517	146.8%
Total R&D costs	**794,806**	**667,911**	**19.0%**
Less: development costs capitalised	249,063	228,722	8.9%
Capitalization rate	**31.3%**	**34.2%**	**-2.9pts**
Add: amortisation	152,323	185,554	-17.9%
Total R&D expenses	**698,066**	**624,743**	**11.7%**
R&D expenses / Revenue	31.8%	33.4%	-1.6pts

Selling & Marketing Expenses

(RMB '000)	2022 1H	2021 1H	Change
Salaries and staff welfare	696,927	573,398	21.5%
Sales promotion & marketing	240,996	204,484	17.9%
Fixed costs	44,512	41,930	6.2%
Travelling expenses	27,229	31,138	-12.6%
Business advertising expenses	18,847	15,409	22.3%
Project cooperation fee	9,507	9,987	-4.8%
Others	11,914	11,500	3.6%
Total	**1,049,932**	**887,846**	**18.3%**
S&M % of Total Revenue	47.8%	47.4%	0.4pts

Administrative Expenses

(RMB '000)	2022 1H	2021 1H	Change
Salaries and staff welfare	187,610	159,205	17.8%
Fixed costs	21,689	21,298	1.8%
Professional service costs	15,000	16,974	-11.6%
Employee recruitment and training expenses	3,810	4,254	-10.4%
Travelling costs	2,049	2,269	-9.7%
Others	3,794	3,553	6.8%
Total	**233,952**	**207,553**	**12.7%**
Administrative expenses / Revenue	10.7%	11.1%	-0.4pts

Other Income and Gains -Net

Kingdee

(RMB ‘000)	2022 1H	2021 1H	Change
VAT refund	56,449	69,655	-19.0%
Government projects	56,425	22,761	147.9%
Rental income - net	33,644	35,915	-6.3%
Net foreign exchange losses and fair value movement in currency forward	566	-8,240	N/A
Others	84,965	99,036	-14.2%
Total	**232,049**	**219,127**	**5.9%**
VAT % of Total Revenue	2.6%	3.7%	-1.1pts

Balance Sheet Overview

(RMB'000)	30 Jun 2022	31 Dec 2021
Trade and other receivables	459,400	445,122
Cash reserves	3,873,983	4,452,711
Total assets	10,806,915	11,087,132
Current assets	3,372,822	4,471,187
Borrowings	50,000	-
Trade and other payables	674,883	759,248
Net assets	7,339,051	7,803,139

ありがとう

感谢

Thanks

ขอบคุณ

Terima kasih

谢谢