



Kingdee International Software Group Co., Ltd.
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 0268.HK)

Kingdee International Releases 2021 Annual Results Cloud Subscription ARR Achieved 58.5% YoY Growth

(16 March 2022, Hong Kong) Kingdee International Software Group Co., Ltd. (“Kingdee International”, “Kingdee” or the “Company”, together with its subsidiaries collectively referred to as the “Group”; Stock Code: 0268.HK) today announced its annual results for the 12 months ended 31 December 2021 (the “Reporting Period”). Focusing on the strategy of “Platform + Finance & HR & Tax + Ecosystem”, the Group continued to develop and promoted the high-quality growth of cloud subscription services. During the Reporting Period, the revenue from cloud services was increased by 44.2% year over year (yoy) to about RMB2,758 million, accounting for about 66.1% of total revenue. Subscription Annual Recurring Revenue (ARR) of Kingdee Cloud was approximately RMB1.57 billion, an increase of 58.5% yoy. Meanwhile, cloud subscription related contract liabilities achieved growth of 64.6% yoy, operating cash flow of the group was increased by 39.6% to approximately RMB661 million.

During the Reporting Period, the Group recorded total revenue of approximately RMB4,174 million, representing an increase of approximately 24.4% as compared to the same period in 2020. Revenue from the ERP business and Others decreased 2.0% yoy. The loss attributable to owners of the Company for the period was approximately RMB302 million, mainly due to the continuous investment in product research and development of Kingdee Cloud Cosmic and Kingdee Cloud Constellation.

According to IDC, Kingdee ranked as No.1 in the SaaS ERM (Enterprise Resource Management Cloud Service) for Large, Medium and SME enterprises in China, maintaining the No.1 in the market share in terms of SaaS EA (Enterprise Application Software Cloud Services) and Finance Cloud. Meanwhile, Kingdee has become the only Enterprise SaaS vendor in China that has entered into the top five of Gartner's application platform software in 2020, as well as the only Chinese vendor to be selected in IDC's Asia-pacific manufacturing ERP SaaS MarketScape, as a Contender. In addition, Kingdee Cloud was selected in “The State of Low-Code Platforms of Forrester”, having the most case studies among all enterprise PaaS+SaaS platforms. Kingdee has attached great importance to user privacy and data security, and obtained the “grand slam” of security and privacy certifications, including ISO27001,

ISO27701, Grade III Protection of Information Security, Cloud Security Alliance CSA-STAR.

Large enterprise market leading in domestic substitution

As the new generation of self-innovative enterprise-class PaaS platform, Kingdee Cloud Cosmic has applied 213 patents in total. Kingdee introduced the industry leading Multi-Dimensional Database, which would further enhance its technological edge in the finance and taxation fields. This technology has been highly recognized by major customers for its high performance as well as reliability. Kingdee also actively participated in the Xinchuang (信创) ecosystem and innovation and the implementation of industry standard. In addition, Cosmic's ISV partners in the ecosystem market place has reached over 1,200.

Kingdee Cloud Constellation has built up core competence and domestic substitution capabilities in finance, group taxation, global human resource, group production and procurement management fields, with its world-class applications including finance middle platform, enterprise performance management (EPM), global treasury management. During the period, Constellation EPM, based on self-developed multi-dimensional database, has been successfully deployed in various Fortune Global 500 companies including State Power Investment Corporation and Zhejiang Communications Investment Group. Constellation Global Treasury Management system has helped Xiamen ITG Group to significantly improve operating efficiencies. Constellation Supply Chain and Manufacturing was selected by manufacturing industry customers as the core system for their next generation digital systems. Constellation also proved its high performance with consistency in processing by over hundreds of billion rows of transaction data, supporting various enterprises break through the "bottleneck" problem of system performance.

During the Reporting Period, Kingdee Cloud Cosmic and Kingdee Cloud Constellation recorded RMB385 million in revenue, an increase of 102.9% yoy. In addition, Cosmic and Constellation's dollar retention ratio exceeded 120%. Total number of signed customers reached 551, of which 316 were new customers, including CCB Fintech, WZ Group, Shagang Group, Yixintang, BGI, Chinasoft International, Fenghua Advanced Technology. Over the past two years, Kingdee advanced domestic substitution with 102 large enterprise customers.

Medium Enterprise Cloud Subscription ARR Delivered 60.3% YoY Growth

Kingdee Cloud Galaxy has covered more than half of technologically advanced enterprises (专精特新) and unicorn companies, and established 800 industry digitalization models within 18 major industry verticals. During the Reporting Period, Kingdee Cloud Galaxy released a variety of intelligent data applications for business operation warning, forecast and recommendation, to support the healthy operation and precise decision making for medium enterprises. Meanwhile, Kingdee Cloud Galaxy continued to explore in-depth industry solutions, focusing on the demand of technologically advanced enterprises, and strengthened the research and development for 6 verticals, mainly high-tech, manufacturing, life science, food beverage and daily chemicals, wholesale and retail service, innovative catering.

During the period, Kingdee Cloud Galaxy continued to maintain steady growth and realized revenue of approximately RMB1,418million, an increase of 24.3% year on year. Cumulative customers reached 25,400 by end of the Period. Galaxy’s subscription ARR expanded by 60.3% yoy. Dollar retention rate hit a record high of 98.6%. New customers included INNO Laser, Casio Electronics Technology, Weigao Holding, Zero Carbon Technology, Ritar Power, C-MER, Holy Ram Electronics, Jianghua Microelectronics and Qirun Tire.

SME Cloud Service Revenue Increased 82.8% YoY

During the Reporting Period, SME cloud service revenue achieved 82.8% yoy growth, and overall dollar retention rate improved to approximately 85%. Kingdee Cloud Stellar accumulated 11,000 customers by 2021. During the Reporting Period, based on the rising demand from SMEs for the digital transformation of bank-enterprise direct link, Stellar, China Merchants Bank and Ping An Bank jointly established a partnership to support SMEs achieving the integration and management of cash flow and business flow.

Strengthening the Ecosystem Strategy, to Win Together with Partners

Kingdee actively deepened partnership and explored cooperation with service partners including KPMG, iSoftStone, Chinasoft International, etc. Kingdee also worked closely with major players including Huawei, Alibaba, Tencent, AWS and Meituan to co-build industry solutions. Meanwhile, Kingdee Cloud products including Cosmic are fully compatible with 23 domestic Xinchuang (信创) partners including CEC Cloud, Huawei openEuler OS, Huawei Gauss DB (for open Gauss), Alibaba Cloud Compute Nest, Tencent Cloud TCS and 360 Browser, etc.

Xu Shaochun WeChat Public Account as the Starting Point to Promote Reform in Customer Journey Experiences

Being the pioneer of enterprise service with the Xu Shaochun WeChat Public Account (徐少春个人号), Kingdee has established the culture of “wholeheartedly serving the enterprise customers” through the entire user journey. In 2021, the Public Account received over 35,000 inquires and consultations, and the NPS (net promoter score) was improved by 16ppt yoy. In the future, based on the Xu Shaochun Public Account, Kingdee will be consistently optimizing the Customer Success System involving end-to-end customer journey.

Mr. Xu Shaochun, Chairman and CEO of Kingdee Group, said, “Kingdee will remain committed to the cloud subscription transformation, and will fully implement the strategy of ‘Platform + Finance & HR & Tax + Ecosystem’. Kingdee aims to persistently improve product and service experience, and strives for the goal of ‘creating another Kingdee with the cloud subscription model’. By committing to the Kingdee Philosophy of ‘Customer Foremost, Long-term Adherence to Professionalism; Strivers Oriented, Long-term Adherence to Pure and Calm Mind’, the Group will be on the same road with every customer, using the new generation packagable EBC digital platform to enable enterprise digital transformation and fuel high quality growth, and embracing challenges and unlocking resilient growth in all circumstances.

About Kingdee International Software Group Company Limited

Kingdee International Software Group Company Limited (“Kingdee International” or “Kingdee”) was established in 1993. It is listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0268.HK) and headquartered in Shenzhen, China. Adhering to the core values of “Acting in all Conscience, with Integrity and Righteousness”, the Company is committed to helping businesses achieve their growth targets through dedicated services. It strives to provide clients with the most trusted enterprise service platform.

Many cloud service products of Kingdee have won the favour of benchmark enterprises, including Kingdee Cloud Cosmic (new-generation PaaS Platform for enterprises), Kingdee Cloud Constellation (SaaS solution for large enterprises), Kingdee Cloud Galaxy (SaaS solution for medium-sized enterprises), Kingdee Cloud Stellar (SaaS solution for micro and small enterprises). Kingdee has provided software management and cloud services for more than 6.8 million enterprises, governments and organizations across the world.

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