



Kingdee International Software Group

2024 Annual Results Announcement

Stock Code: 268.HK

18 March 2025

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01



Financial Review

2024 Overview



Group Revenue
RMB6,256 million

10.2% 



Subscription ARR
RMB3.43 billion

20.0% 




Net Loss Attributable to Shareholders
RMB142 million

32.3% 



Operating Cash Flow
RMB934 million

42.9% 



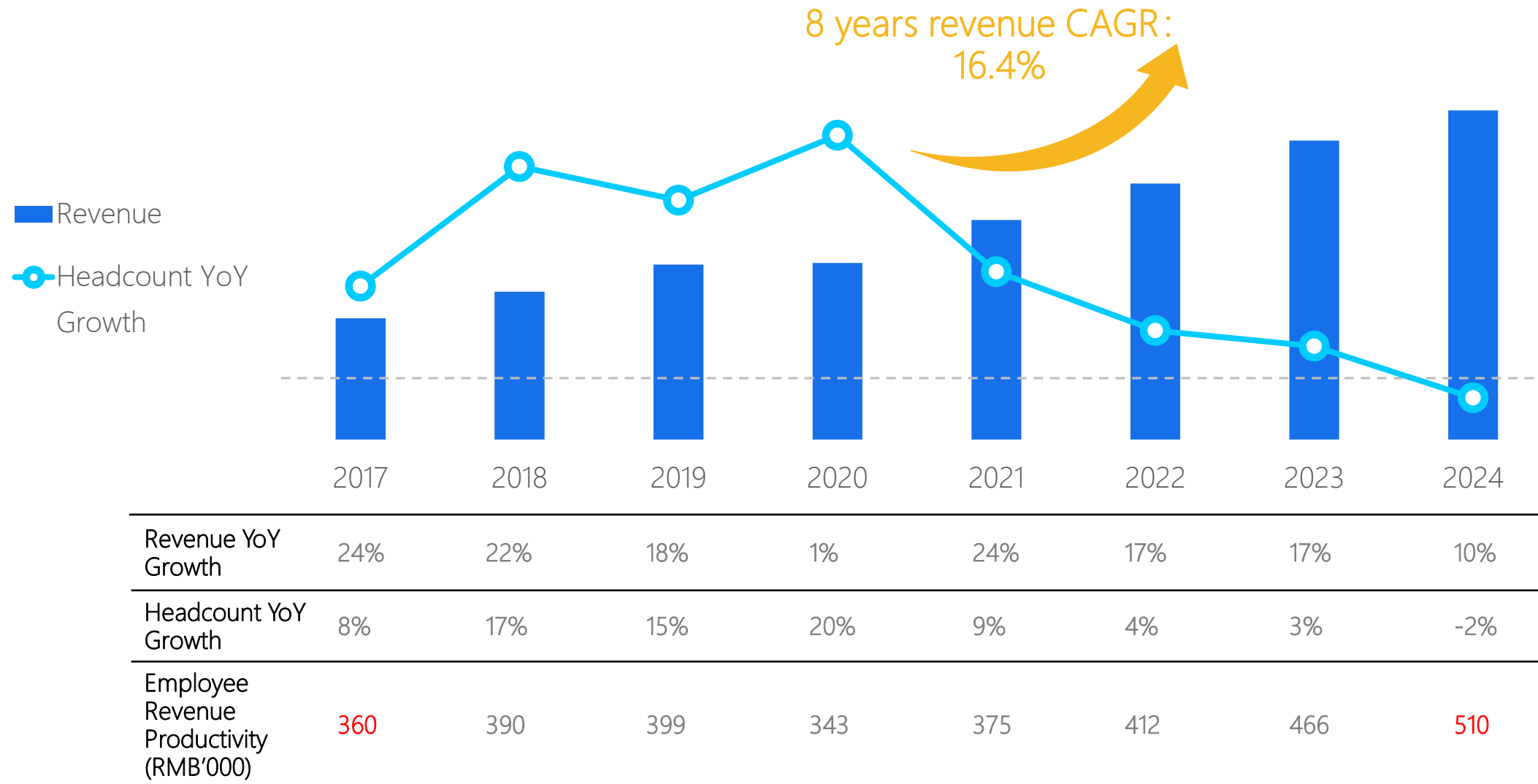
Share Repurchase
HKD840 million

*by the end of annual report blackout period



Cash & Cash Equivalents
RMB4.65 billion

Resilient Revenue Growth along with Significant Employee Revenue Productivity Uplift

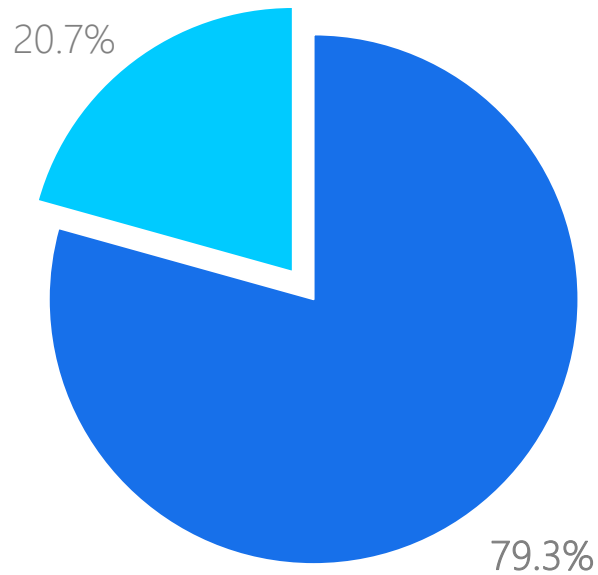


In 2020, the Group continued to deepen its cloud transformation, focusing on the development and promotion of cloud subscription products, and actively and gradually reducing the sales of ERP licenses.

Group Revenue Mix Shift to Cloud Services

Kingdee Cloud revenue contribution reached 81.6% in 2024

ERP and Others

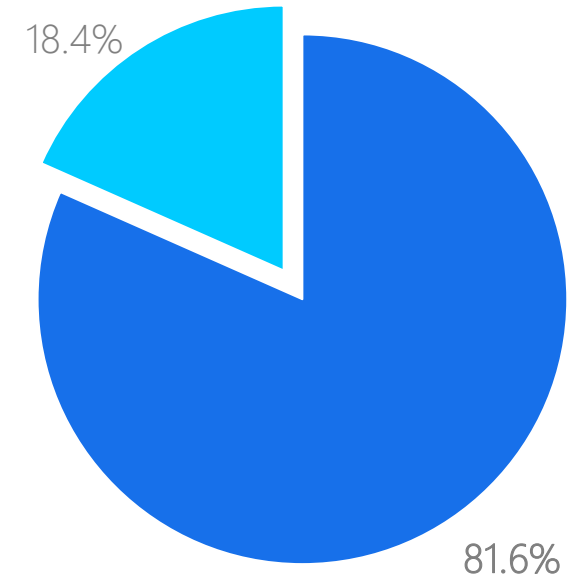


Cloud services business

Cloud Services Revenue
+13.4 YoY



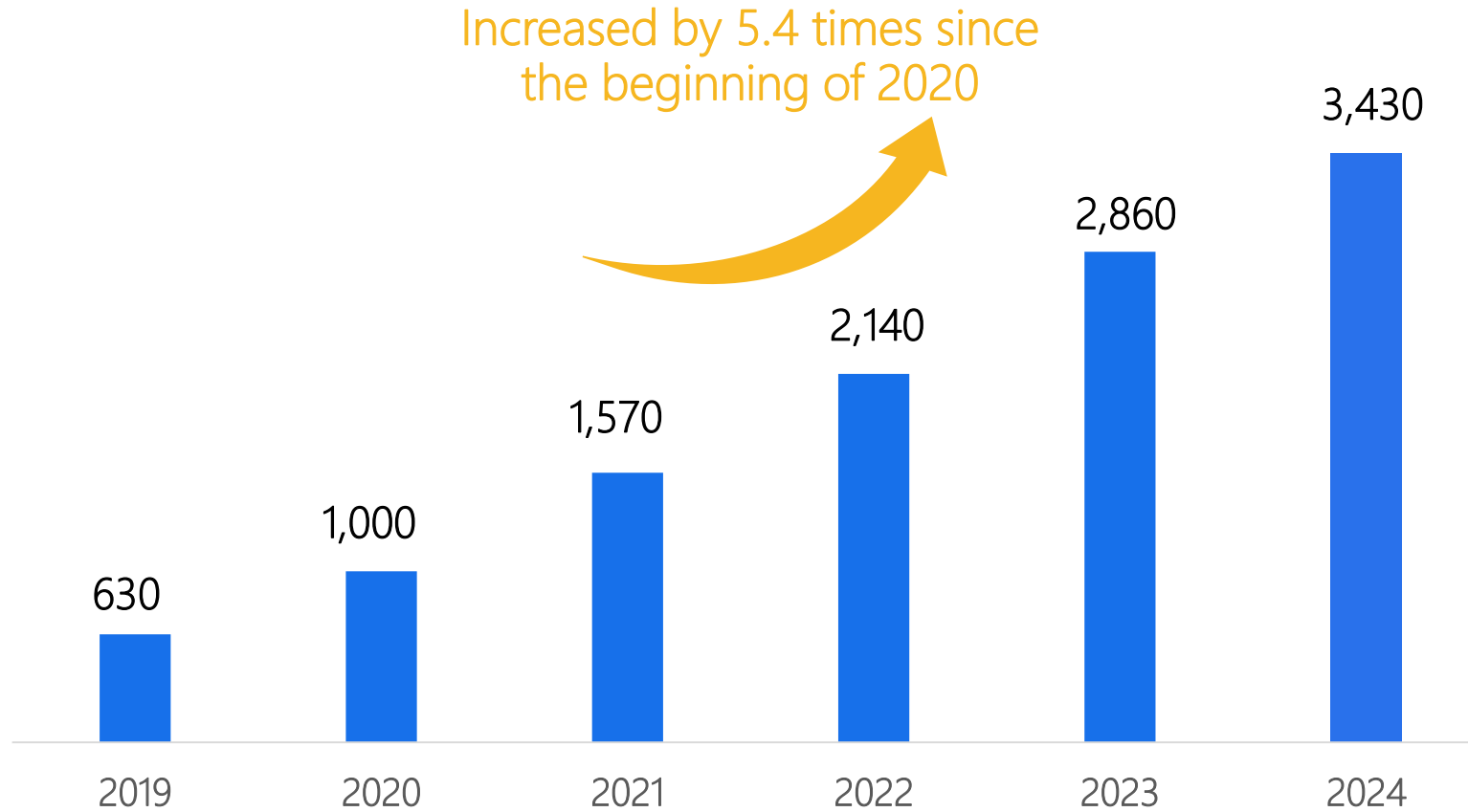
ERP and Others



Cloud services business

Industry Leading Subscription ARR

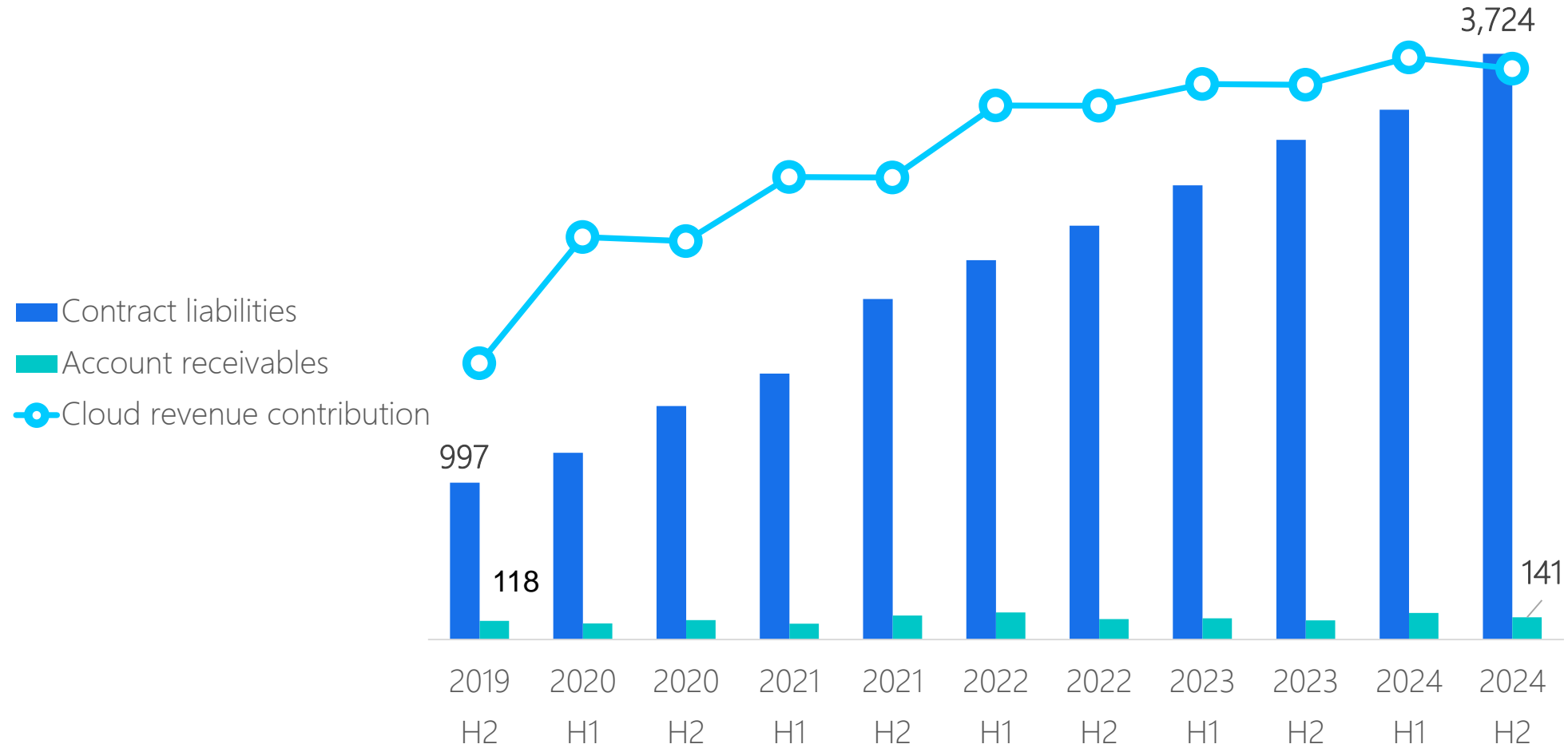
(RMB million)



Subscription ARR represents annual recurring revenue from Kingdee Cloud subscription services

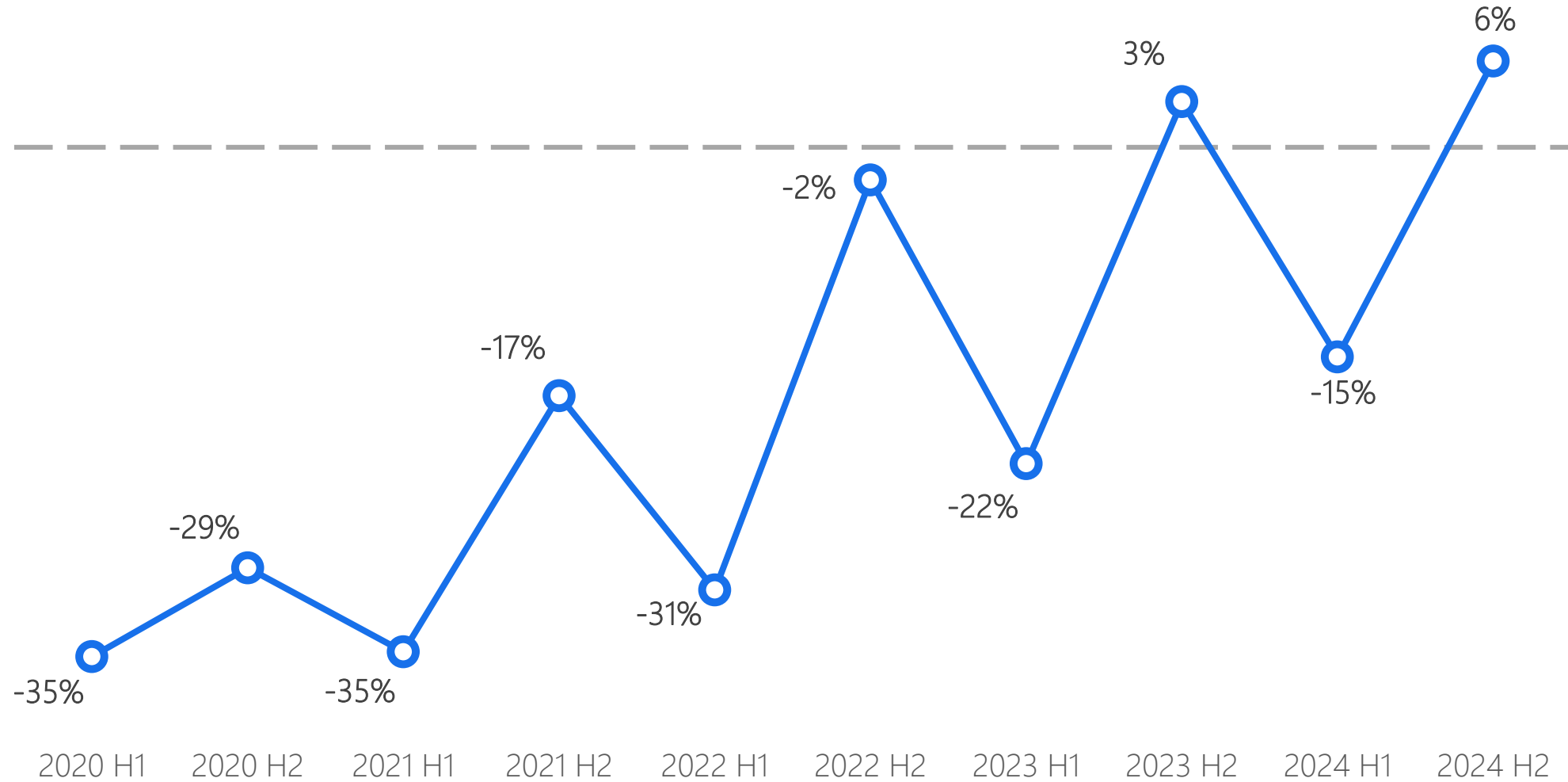
Improving B/S with Rising Cloud Services Mix

(RMB million)



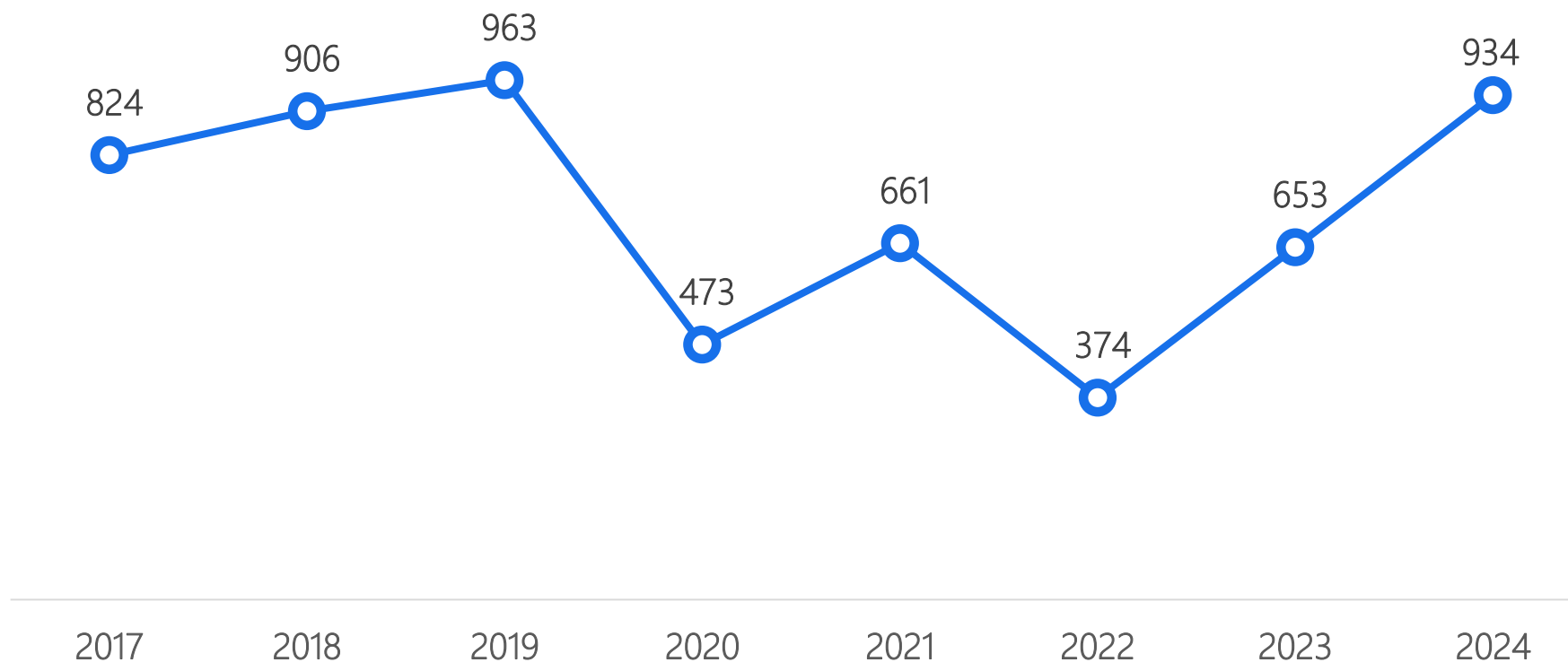
Cloud Services OPM on Improving Trend

OPM of Kingdee Cloud services



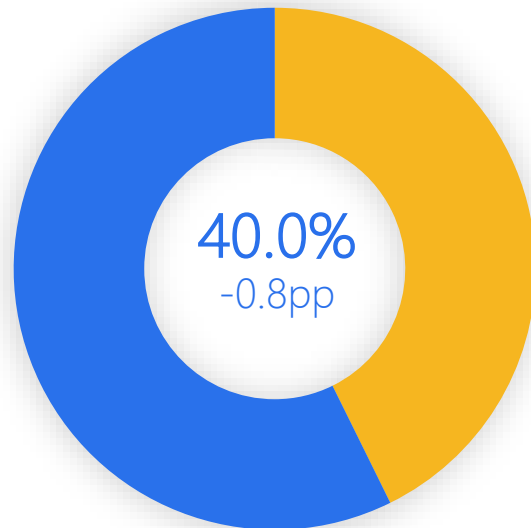
OCF Returning to Historical High

(RMB million)



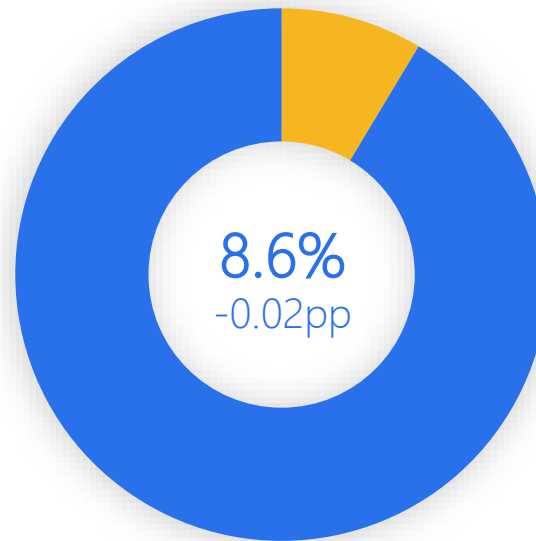
Operating Expenses

RMB2,503 million
+7.9% yoy growth



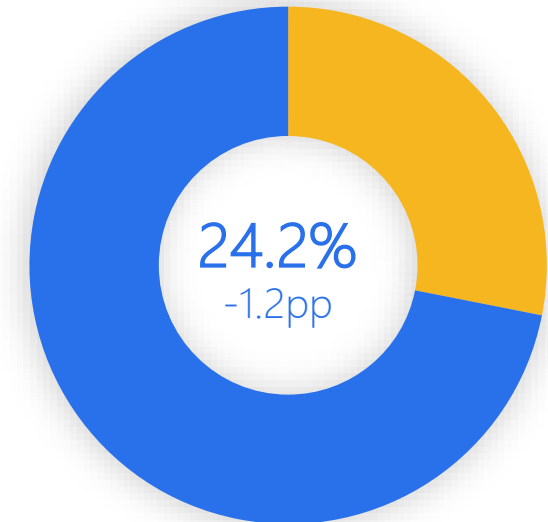
S&M
as a % of total revenue

RMB539 million
+9.9% yoy growth



G&A
as a % of total revenue

RMB1,514 million
+5.2% yoy growth



R&D
as a % of total revenue

R&D investments: RMB1,516mn, +0.4% yoy
R&D Capitalization rate: 31.9%

02



Kingdee Cloud Business Update

Kingdee Cloud Cosmic

Kingdee Cloud Constellation



Contract Value

¥2.1bn +52%

RMB10mn and above
contracts value +100%



New Customers

652



ARR Growth

+30%



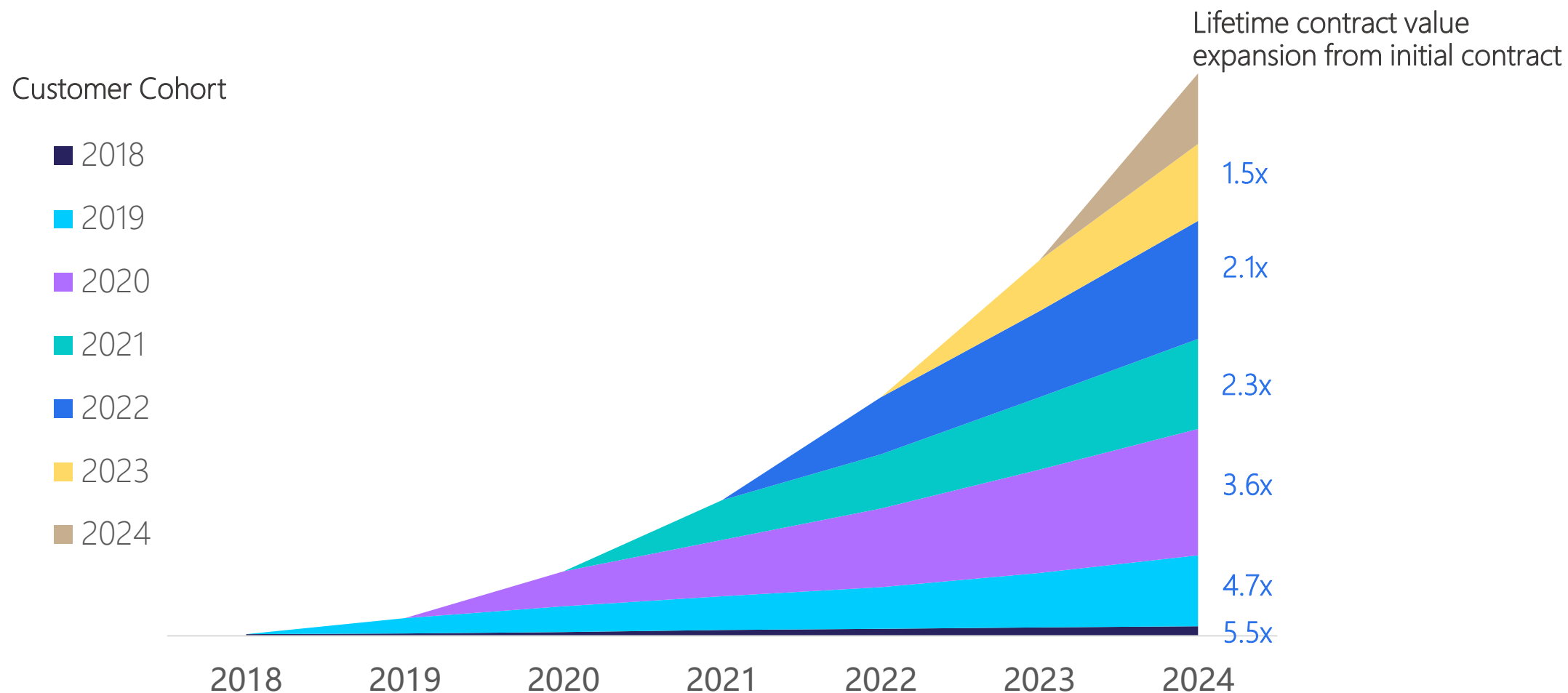
Net Dollar Retention
(NDR)

108%

Cohort Analysis for Large Enterprise Contracts



Customer lifetime contract value contribution



As illustrated above, 2020 customer cohort started from initial contract value of [RMB0.42 billion](#), and their lifetime contract value reached [RMB1.53 billion](#) by the end of 2024.

Product Value of Kingdee Cloud Constellation



AI-Driven Process Excellence

Intelligent data insights: Wuchan Zhongda
Smart contract risk control: CSSC Jiujiang
HR digital assistant: Tongwei Group

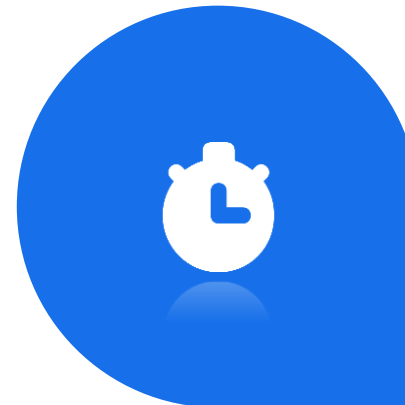


Global Business Operations

Global unified governance: China Merchants Group
Localization Hub: Sailun Tire ASEAN factory tax & finance operations
Cloud deployment: Germany/Singapore GDPR compliance

Industry-Specific Precision

Manufacturing: Weichai Lovol's Per-vehicle profit transparency
Consumer: ITOCHU Huatang's Smart Sales Forecasting and Restocking System
Real Estate: Xiamen C&D Real Estate's unit level cost control



Composable Business Agility

Configurable business apps: demand-based business orchestration
Composable system: End-to-end digitalization
Multi-tenant architecture: Group control and BU operation flexibilities



Kingdee Cloud Galaxy



AI



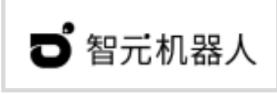
Autonomous Driving



Advanced Manufacturing



Robotics



Auto Parts



Life Sciences





Net customer base

44,000



Market share in National-level Niche-and-Specialized Little Giants

46%



ARR Growth

+19%



Net Dollar Retention (NDR)

95%

Product Value of Kingdee Cloud Galaxy



AI-Powered Management Transformation

Boost efficiency: Houde Food AI accounting

Enable smart decisions: YTOT five intelligent dashboards

AI-powered risk management: Huaxin Insulator risk indicator platform

Live SaaS Advantages

50% TCO reduction via cloud-native architecture

Zero-downtime upgrades with backward compatible customization

Enterprise-grade security, auto-patched vulnerabilities and GSP compliance



Global Expansion Excellence

Global operations: NISCO cross-border R&D-production-supply collaboration

Digital supply chain control: Ritar Intl global supply chain orchestration

Local compliance: Taoyuan Singapore package

Industry Leadership

Integrated solutions: End-to-End R&D-Production-Supply-Sales-Finance-Tax workflows

Industry-specific package: Aotecar's global EDI platform, Yintao Pharma full-chain GSP compliance

Listed company benchmarking

Kingdee Cloud Stellar

Kingdee Jingdou Cloud



Net customer base

75,000



Net Dollar Retention (NDR)

93%



Net customer base

360,000



Net Dollar Retention (NDR)

88%

03



Outlook

The Next Decade: AI + Management



- The AI Era: Transforming Business Operations and Reshaping Models
- AI is Redefining Business Operations and Core Competitiveness
- The Future: Every Company is a Smart Decision Factory

—Harvard Business Review Press, *Competing in the Age of AI*



By 2027, 80% of enterprises in China will leverage multi-model generative AI strategies for diverse functionalities, local deployment, and cost efficiency.

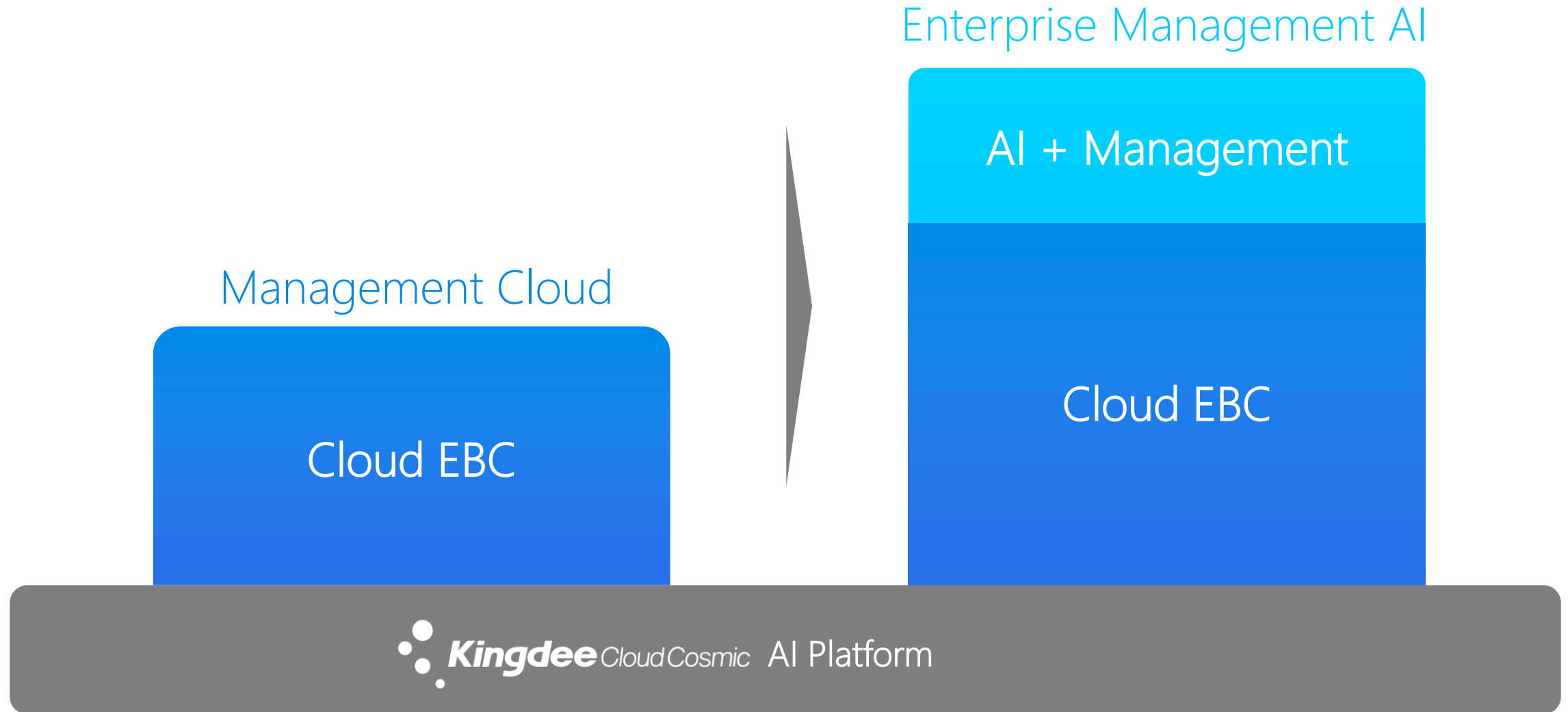
By 2029, 60% of enterprises in China will embed AI in their core offerings, making AI a key revenue growth driver.



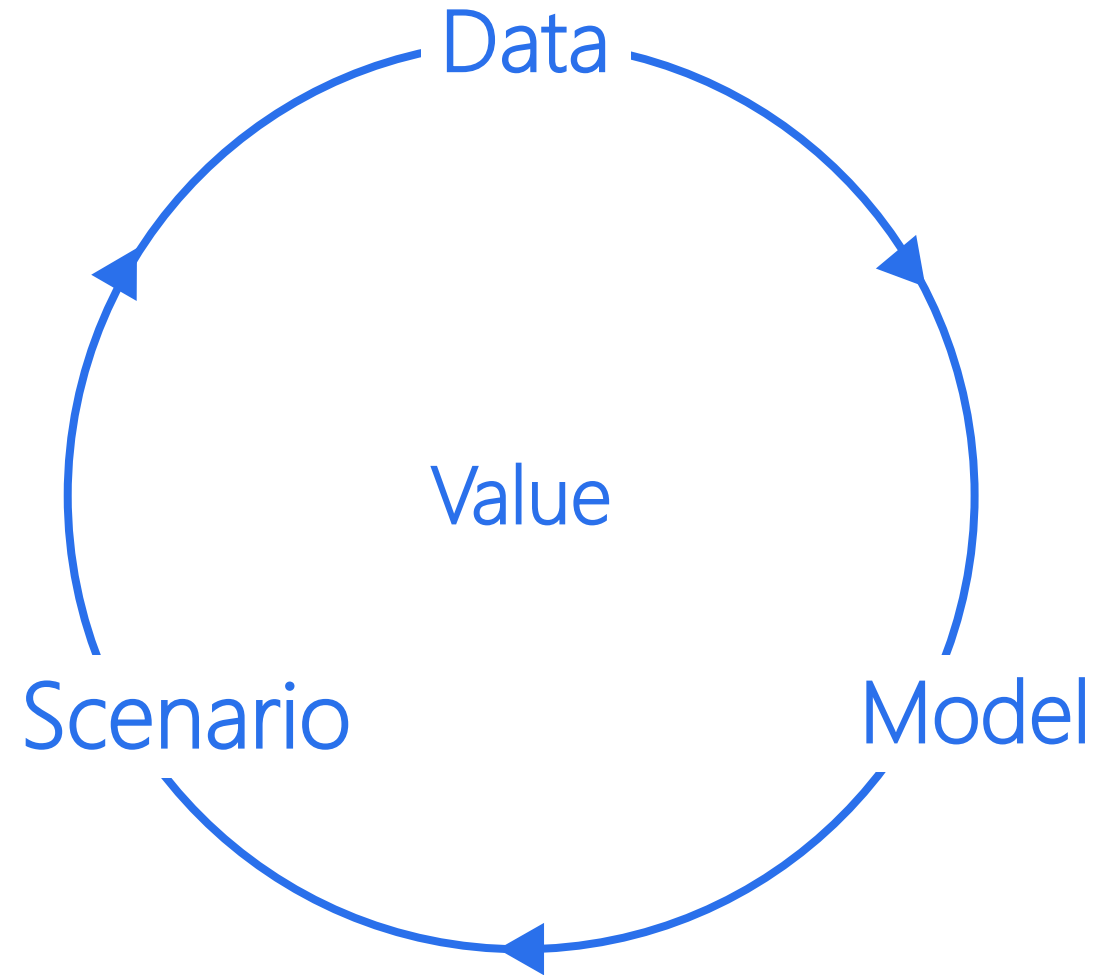
By 2027, global AI IT investment will hit \$512.42 billion.

By 2027, 45% of enterprises will leverage generative AI for digital co-development, doubling their revenue growth over competitors.

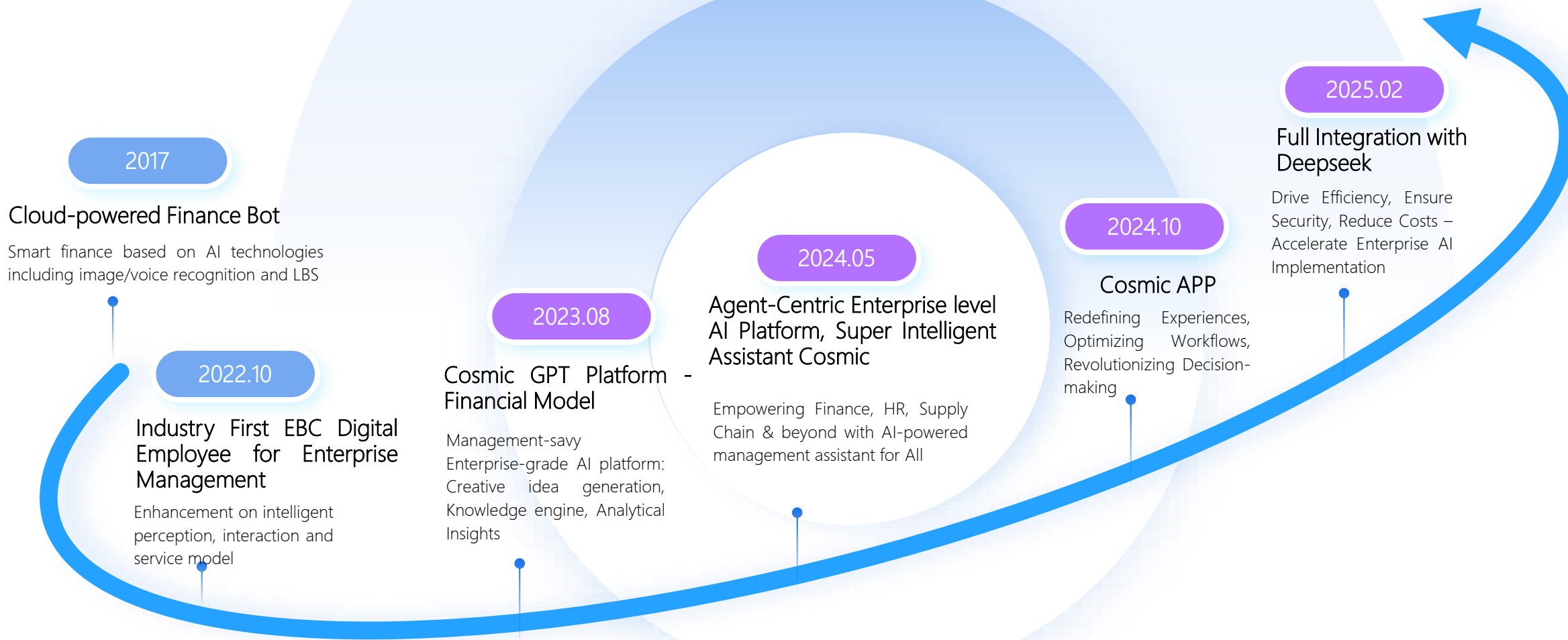
Global Leading Enterprise Management AI Company by 2030



Enterprise Management AI Growth Flywheel



Kingdee's AI Journey



Kingdee Cloud "AI + Management" Solutions



AI + Knowledge

Smart Knowledge Q&A
Intelligent Business Search
Automated Document Compliance
AI-powered Business Assistant
...

AI + Finance

Expense Policy Q&A
Multi-Modal Intelligent Auditing
Fraudulent Trade Screening
Smart Financial Metrics Analysis
...

AI + HR

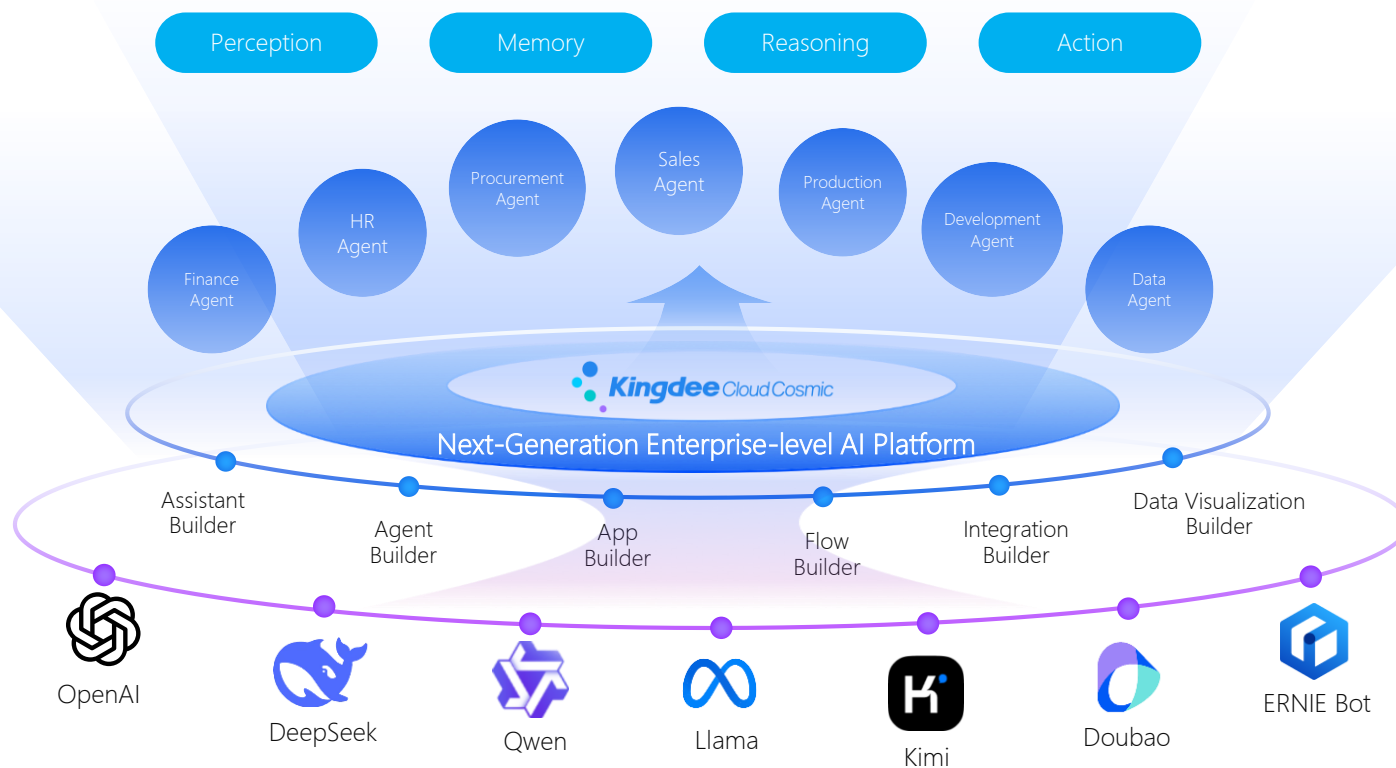
HR Policy Q&A
Intelligent Internal Recruitment
Smart Qualification Assessment
Talent Analytics
...

AI + Operations

Smart Customer Service
Intelligent Contracts
Content Generation
Smart Replenishment
...

AI + Decision-Making

BOSS Assistant
Indicator Dashboard
Intelligent Decision Dashboard
Smart Attribution Analysis
...



04



Appendix

Income Statement



(RMB '000)	2024	2023	YoY change
Revenue	6,255,684	5,679,073	10.2%
Cost of Sales	-2,185,012	-2,035,084	7.4%
Gross Profit	4,070,672	3,643,989	11.7%
<i>Gross Margin</i>	65.1%	64.2%	+0.9pp
Operating Expenses	-4,596,862	-4,320,335	NA
Other Incomes & Gains-Net	190,928	256,399	-25.5%
Operating Profit	-335,262	-419,947	NA
<i>Operating Profit Margin</i>	-5.4%	-7.4%	+2.0pp
Finance Income– net	93,789	90,315	3.8%
Loss before Income Tax	-229,728	-301,126	NA
Net Profit – Owner of the company	-142,068	-209,890	NA
<i>Net Profit Margin</i>	-2.3%	-3.7%	+1.4pp
Basic EPS(cents)	-4.01	-6.07	NA

Revenue by Segments

(RMB '000)	2024	% of Total Revenue	2023	% of Total Revenue	Change
Cloud services business	5,106,725	81.6%	4,504,983	79.3%	13.4%
-Enterprise Cloud Services	3,623,654	57.9%	3,127,280	55.1%	15.9%
-Small & Micro Business Finance Cloud Services	1,228,680	19.6%	1,080,010	19.0%	13.8%
-Industry Cloud Services	254,391	4.1%	297,693	5.2%	-14.5%
Management Software business and Others	1,148,959	18.4%	1,174,090	20.7%	-2.1%
Total	6,255,684	100.0%	5,679,073	100.0%	10.2%

R&D Expenses



(RMB '000)	2024	2023	Change
Salaries and staff welfare	1,435,609	1,439,657	-0.3%
Fixed costs	35,808	35,439	1.0%
Professional service costs	22,625	13,008	73.9%
Travelling costs	10,597	9,802	8.1%
Others	11,284	12,013	-6.1%
Total R&D costs	1,515,923	1,509,919	0.4%
Less: development costs capitalised	484,284	478,349	1.2%
Capitalization rate	31.9%	31.7%	
Add: amortisation	482,794	408,101	18.3%
Total R&D expenses	1,514,433	1,439,671	5.2%
R&D expenses / Revenue	24.2%	25.4%	-1.2pp

Selling & Marketing Expenses



(RMB '000)	2024	2023	Change
Salaries and staff welfare	1,447,746	1,403,510	3.2%
Sales promotion & marketing	874,793	734,546	19.1%
Fixed costs	85,451	84,364	1.3%
Travelling expenses	75,692	74,661	1.4%
Project cooperation fee	10,864	13,798	-21.3%
Others	8,306	8,766	-5.2%
Total	2,502,852	2,319,645	7.9%
S&M % of Total Revenue	40.0%	40.8%	-0.8pp

Administrative Expenses



(RMB '000)	2024	2023	Change
Salaries and staff welfare	370,130	331,105	11.8%
Fixed costs	101,008	91,845	10.0%
Professional service costs	49,336	49,457	-0.2%
Employee recruitment and training expenses	5,456	5,014	8.8%
Travelling costs	7,746	7,792	-0.6%
Others	5,011	4,751	5.5%
Total	538,687	489,964	9.9%
Administrative expenses / Revenue	8.61%	8.63%	-0.02 pp

Other Income and Gains -Net



(RMB '000)	2024	2023	Change
VAT refund and VAT input tax surplus deduction	139,850	129,125	8.3%
Government projects	90,931	100,910	-9.9%
Rental income - net	58,995	66,087	-10.7%
Others	-43,678	-10,865	NA
Total	246,098	285,257	-13.7%

Cloud Contract Liabilities



(RMB '000)	2024	2023	Change
Total Cloud Contract Liabilities	3,462,546	2,867,294	20.8%
- Subscription related	3,126,470	2,433,629	28.5%
- Others	336,076	433,665	-22.5%



ありがとう
感谢 Thanks
ขอบคุณ
Terima kasih 谢谢