

Kingdee International Software Group

2022 Annual Results Announcement

Stock Code: 268.HK
16 March 2023

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Kingdee at a Glance

2022 Annual Review

Group Revenue

Rmb 4,866mn +16.6% YoY

Subscription ARR

Rmb 2.14bn +36.3% YoY

Cloud Service Revenue

Rmb 3,714mn +34.6% YoY

Net loss attributable to shareholders

Rmb 389mn

Cash reserves

Rmb 4,315mn



Enterprise Business Capability

Platform + Finance & HR & Tax + Ecosystem

Committed to be the most trustworthy enterprise service platform



Global leading, China No.1 enterprise management cloud SaaS

- No.1 in China Enterprise SaaS ERM in 2022H1 by IDC
- Only Chinese vendor ranked Top 10 in Gartner High Productivity aPaaS platform for two consecutive years and the No.1 in China
- Only SaaS service vendor recognized as a leader in both industry empowerment value and technology service capability by CAICT
- No.1 vendor in market share of China growth enterprise application software for 18 consecutive years, according to IDC



Serving over 51% of China Top 500 Companies

New choice for China Top 500 Companies



Serving 41% of the "Specialized & Innovative" Companies

Major driver for China's new economy and smart manufacturing



12,036

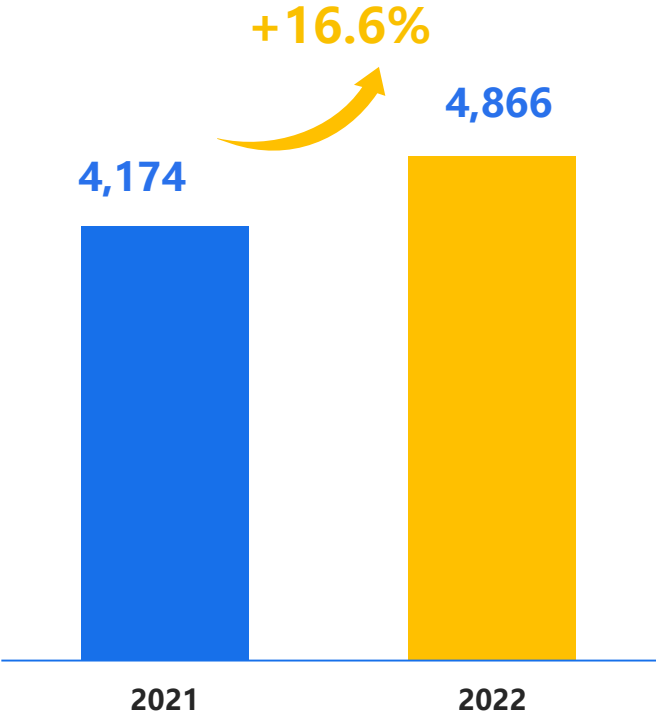
Total Company Headcount

01

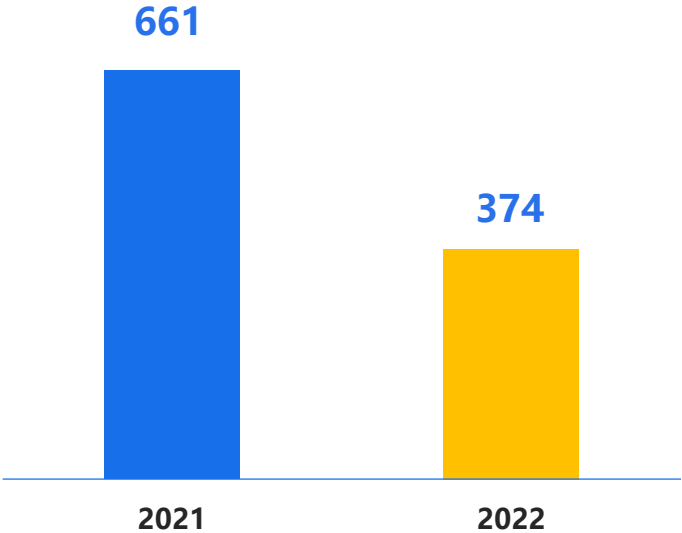
Financial Overview

Financial Summary

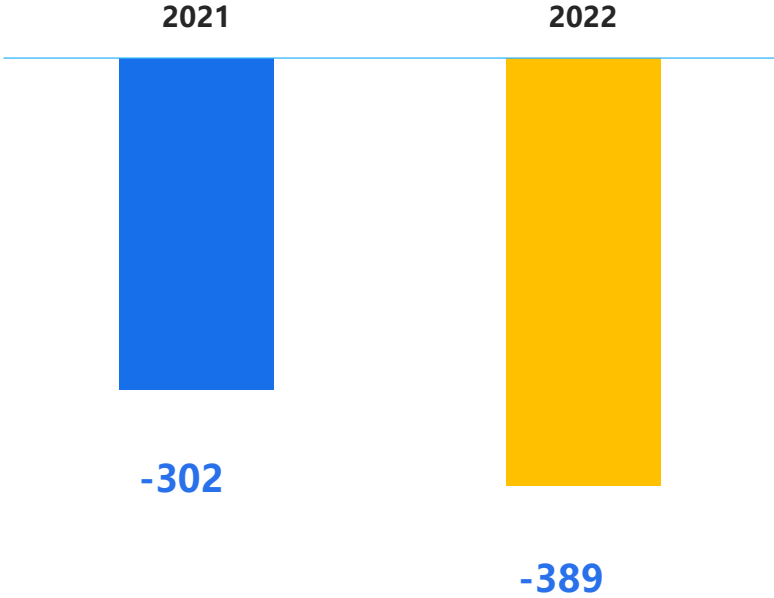
(RMB mn)



Group Revenue



Net Operating Cash Flow

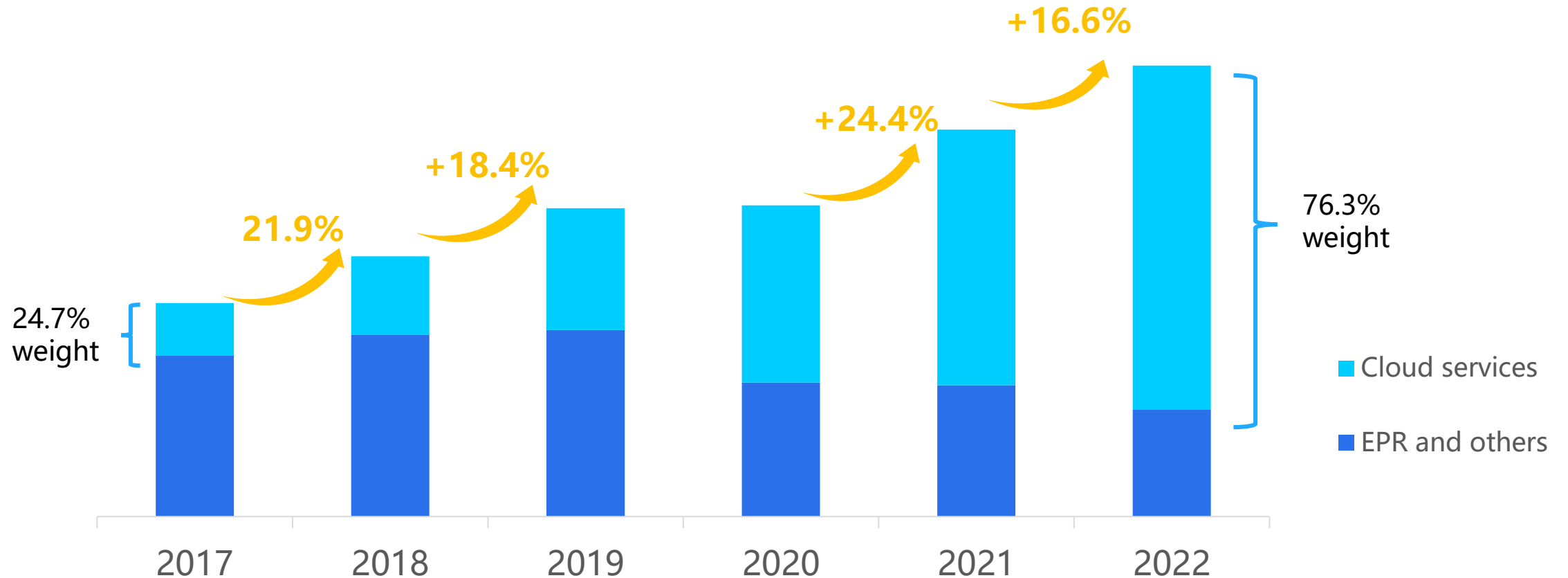


Net profit attributable to shareholders

Growth of Cloud Services



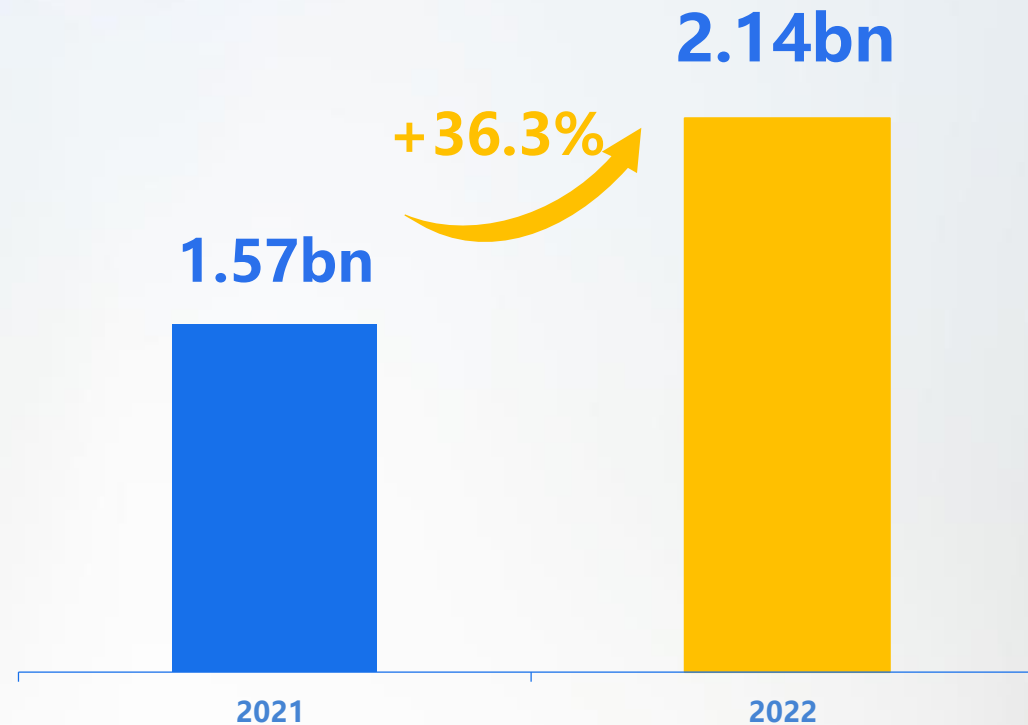
Since 2017, Kingdee maintained steady revenue growth trend



In 2020, Kingdee continued to deepen cloud transition, focusing on the development and promotion of cloud subscription products, and gradually reducing the sales of traditional ERP licenses.

Growth of Cloud Subscription

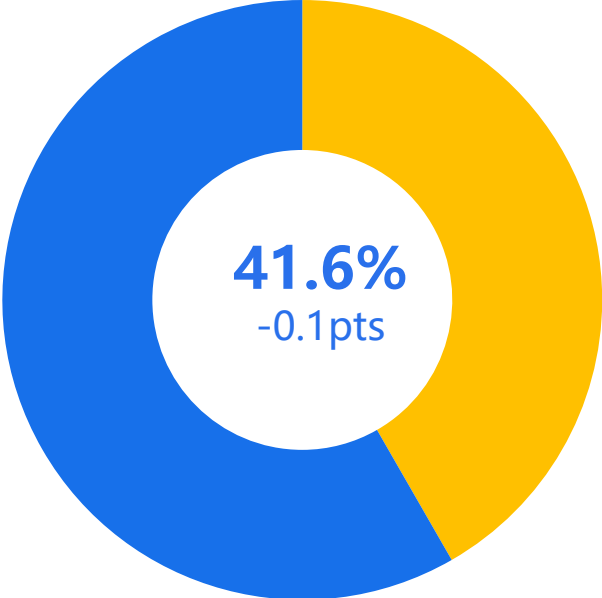
Subscription ARR



Subscription ARR reflects approximate annualized recurring revenue from Kingdee Cloud subscription services. From 2023, subscription operating metrics will be disclosed on quarterly basis.

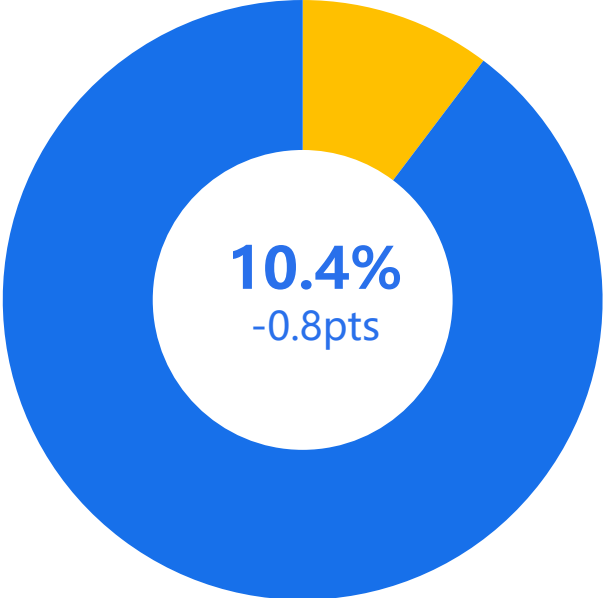
Operating Expenses

RMB 2,027mn
+16.4% y-y growth



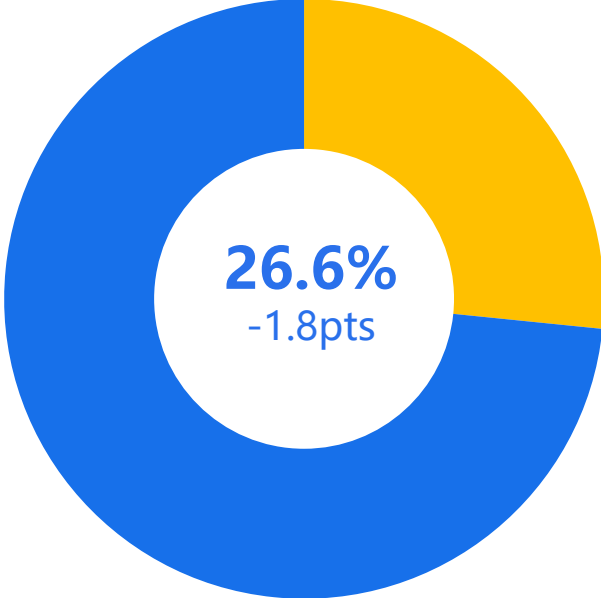
S&M
as a % of total revenue

RMB 504mn
+8.2% y-y growth



G&A
as a % of total revenue

RMB 1,295mn
+9.4% y-y growth



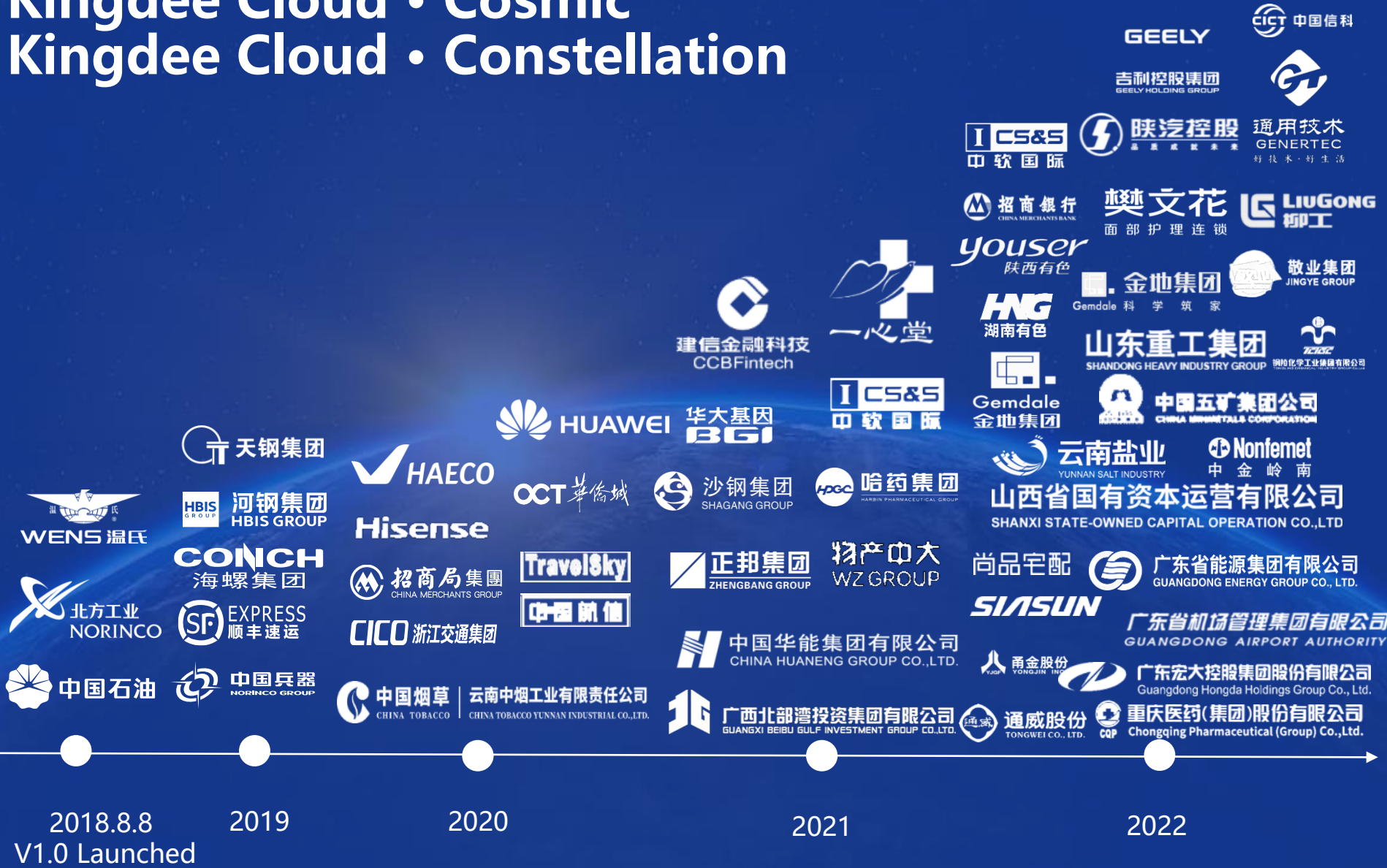
R&D
as a % of total revenue

R&D cost: RMB1,458mn, +15.7% yoy
Capitalisation rate: 33.0%, -0.6pts yoy

02

Kingdee Cloud

Kingdee Cloud • Cosmic Kingdee Cloud • Constellation



 **Total Contract Value**
RMB1.03bn

 **New Customers**
478

 **Dollar Retention Ratio**
110%+

Kingdee Cloud • Cosmic

More Reliable, More Agile, More Intelligent, More Open



No.1
金蝶云·苍穹蝉联
高生产力aPaaS
中国市场排名第一
亚太区排名最靠前的中国云服务厂商

Gartner 全球数据显示:
基线数据:2020, 2021年生产与aPaaS中国市场排名第一, 2021年同比增长384%, 超越国际厂商, 在亚太区保持领先, 唯一进入前五的中国厂商。

Vendor	MarketShare
Kingdee	23.64%
Zoho	18.91%
Yonyou	15.70%
Alibaba Group	8.93%
Salesforce	6.60%

Gartner: No. 1
aPaaS platform
provider in China



IDC
金蝶云·苍穹 PaaS
在应用云平台公有云市场
排名第一

2021上半年中国ERP应用平台化
云服务公有市场占有率

Rank	Company	Market Share
NO.1	金蝶	21.93%
NO.2		
NO.3		
NO.4		
NO.5		

IDC: Market Insight
No.1 in public
cloud market of
SaaS platform

More Reliable (500+ features)

- **A state capital operation company:** 60,000+ daily users, 1mn roster data export performance 10x better than global peers
- **A leader in pharmacy chain:** 500mn/day data integration volume, data capacity expanding by 1T/month
- **A leading fashion new retailer:** Data size 33T, sales & inventory data 5.5bn
- **A leading logistics vendor:** Multidimensional data volume of consolidated statements: 1.5bn, 200+ organizations, 260+ reports/organizations

More Agile (300+ features)

- **A large agriculture & live stock food group:** after 2 weeks of training on Cosmic development PaaS, 3 staff developers finished procurement system development in 1.5 months
- **A world-class electronics manufacturing group:** Developed 230 report statements using lite reporting module, develop efficiency improved by 8 times

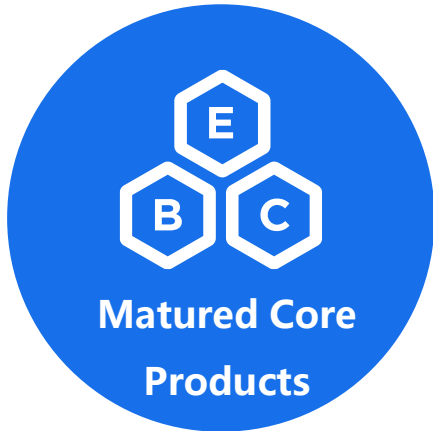
More Intelligent (150+ features)

- **A large central SOE:** OCR recognition of 30 pages/minute, saving 50% of labor cost
- **A leading company in daily supplies:** E-commerce platform's receipts fully handled by RPA, efficiency improved by 24 times and labor cost decreased by 20%

More Open (100+ features)

- **A world-leading company of household appliance brand:** Integrated 17 systems, managed 200+ portals and monthly data synchronization volume 50mn+
- **A Fortune 500 conglomerate:** Integrated 20+ systems, 30mn lines per month; API calls 47mn+

Matured core products, breakthrough in major lighthouse customers



Finance, Supply Chain & Manufacturing

- Matured core products in **finance, supply chain and SRM**
- Built first batch of lighthouse customers in manufacturing

HR Cloud

- Based on industry benchmark and best practice, launched a complete suite of **CoreHR** modules

Scalable implementation

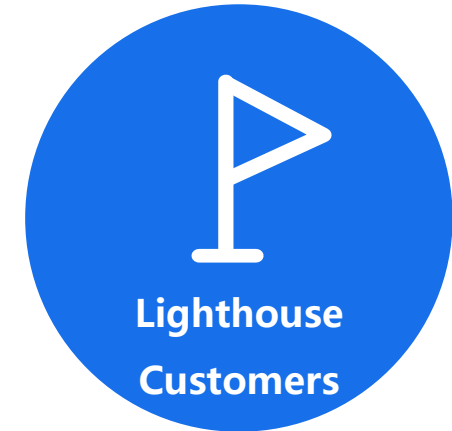


Finance & Taxation

- Clear leadership in **Financial Middle Platform**
- World-class products in **EPM, Treasury management, Tax management and Financial Consolidation**
- Debuted first **digital employee** module

HR Cloud

- CoreHR module fully capable of substituting global peers' products



New customer count increased by **51%** in 2022

- Including **Shandong Heavy Industry, Genertec, China Minmetals Nonferrous Metals, Nonfemet, Hunan Nonferrous Metals, Shaanxi Automobile, Tongwei, Guangdong Travel Holdings, Shanxi State-owned Capital Operation, Geely Holding**
- Completed domestic substitution for **154** customers

Constellation HR Cloud: High-end Premium Brand



Core HR Staff Information Staff Assignment Labor Contact	Attendance Intelligent Scheduling Leave Quota Attendance Management	Tax and Social Security Individual Income Tax Social Security General Tax	Compensation & Welfare Salary Welfare Budget
Organization Development Design Headcount Control Labor Demand Position Analysis Headcount Budget Labor Allocation 			
HR Basic Service Platform			
HR Main Data Organization, Position, Staff...	Common Services Coordination, Computation, Privacy...	HR Common Models Document, Basic Information, History	Initialization Tools Initialization, Integration Tools...



Constellation HR Cloud Core HR released with full domestic substitution capabilities

Winning bid and Signed a series of mega-size industry leaders, building more "Huawei" success stories

Exploring embedded AI applications and AIGC usage scenarios

Kingdee constantly explores and develops advanced technologies, and actively collaborates with domestic and foreign technology leaders on in-depth partnerships. Recently, Kingdee has become the first batch of **Baidu Wenxin Yiyan** partners for beta testing, and has begun exploring usage scenario with **Microsoft OpenAI**.

Intelligent live chat based on business scenarios



The screenshot shows a chat window titled "文档信息提取" (Document Information Extraction). On the left, a document titled "文档差异分析demo-1 (1).pdf" is loaded. The chat content includes:

你好! 我是你的PDF文件, 编号为B**-HT-2020-001。我很高兴能够帮助你了解中国环宇集团有限公司差旅出行服务平台建设项目的合同条款, 以下是三个你可能会问到的问题:

1. 这个项目的完成时间是什么时候?
2. 甲方和乙方各自有哪些权利和义务?
3. 这个合同的金额构成是什么?

甲方有什么权力

甲方有行使项目建设管理必需的各项权利, 以及为确保本项目有效推进和圆满完成所需的其他权利。(Page 3)

乙方呢

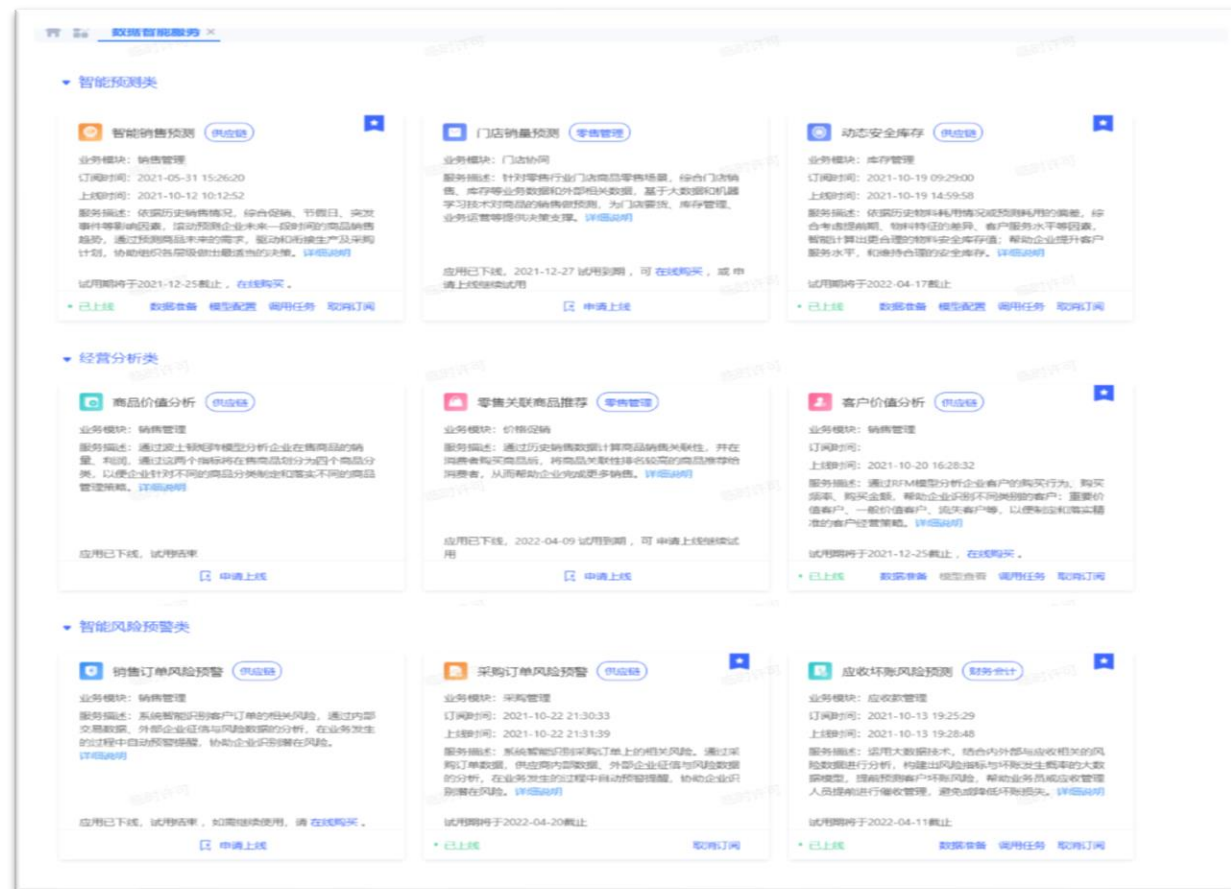
乙方的权利包括有权要求甲方协调项目单位的关系, 有权要求甲方按合同约定付款。乙方的义务是应尽一切努力, 高效和经济地履行本合同。(Page 3)

双方联系人是谁? 联系方式有吗

甲方的联系人是张大山, 联系电话是010-66668888。乙方的联系人是刘建国, 联系电话是(0755) 86072078。(Page 2)

合同

Sales & Inventory forecast, Operation analysis, Risk alert

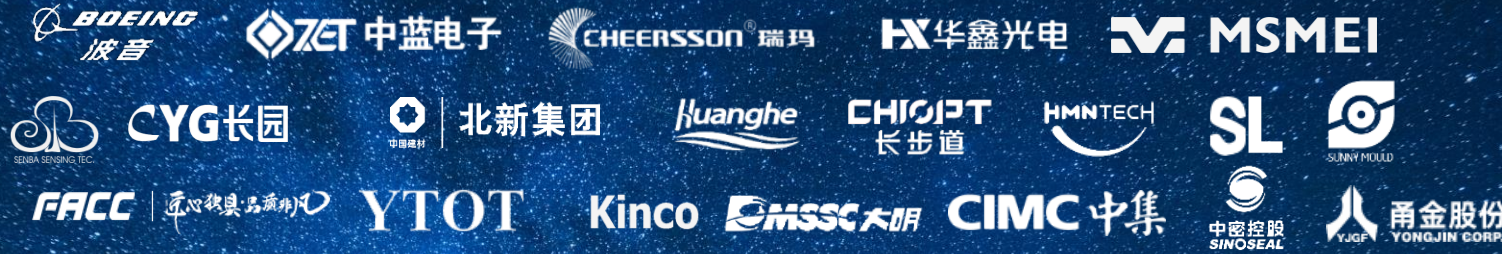


The screenshot displays a dashboard with several AI-powered analytics cards:

- 智能预测类 (Smart Forecasting):**
 - 智能销售预测 (Smart Sales Forecast):** 业务模块: 销售管理。服务描述: 针对零售行业门店商品零售场景, 综合门店销售、库存等业务数据和外部相关数据, 基于大数据和机器学习技术对商品的销售趋势, 为门店营销、库存管理、业务运营等提供决策支持。
 - 门店销售预测 (Store Sales Forecast):** 业务模块: 门店协同。服务描述: 针对零售行业门店商品零售场景, 综合门店销售、库存等业务数据和外部相关数据, 基于大数据和机器学习技术对商品的销售趋势, 为门店营销、库存管理、业务运营等提供决策支持。
 - 动态安全库存 (Dynamic Safety Stock):** 业务模块: 库存管理。服务描述: 依据历史物料消耗情况或预测物料的需求, 综合考虑提前期、物料特征的季节、客户服务水平等因素, 智能计算出合理的物料安全库存值; 帮助企业提升客户服务水平, 和维持合理的安全库存。
- 经营分析类 (Business Analysis):**
 - 商品价值分析 (Product Value Analysis):** 业务模块: 销售管理。服务描述: 通过关联分析模型分析企业在售商品的销量、利润, 通过这两个指标将在售商品划分为四个商品分类, 以便企业针对不同的商品分类制定和实施不同的商品管理策略。
 - 零售关联商品推荐 (Retail Related Product Recommendation):** 业务模块: 价格促销。服务描述: 通过历史销售数据计算商品销售关联性, 并在商品购买商品后, 对商品关联性排名较高的商品推荐给消费者, 从而帮助企业增加更多销售。
 - 客户价值分析 (Customer Value Analysis):** 业务模块: 销售管理。服务描述: 通过RFM模型分析企业客户的购买行为、购买频率、购买金额, 帮助企业识别出不同类型的客户: 重要价值客户、一般价值客户、流失客户等, 以便制定和实施精准的客户运营策略。
- 智能风险预警类 (Smart Risk Alert):**
 - 销售订单风险预警 (Sales Order Risk Alert):** 业务模块: 销售管理。服务描述: 系统智能识别客户订单的违约风险, 通过内部交易数据, 外部企业征信与风险数据的分析, 在业务发生的过程中自动预警提醒, 协助企业识别潜在风险。
 - 采购订单风险预警 (Purchase Order Risk Alert):** 业务模块: 采购管理。服务描述: 系统智能识别采购订单上的相关风险, 通过采购订单数据, 供应商内部数据, 外部企业征信与风险数据的分析, 在业务发生的过程中自动预警提醒, 协助企业识别潜在风险。
 - 应收账款风险预警 (Accounts Receivable Risk Alert):** 业务模块: 应收账款管理。服务描述: 运用大数据技术, 结合内外部与企业相关的风险数据进行分析, 构建出风险指标与坏账发生率的大数据模型, 提前识别客户坏账风险, 帮助企业提高应收账款管理, 提升坏账率降低坏账损失。

Kingdee Cloud • Galaxy

先进制造



高科技



生命科学



消费零售



Customer base
31,100



Dollar Retention
Ratio
97.2%



Subscription
ARR Growth
+31.2% yoy



OPM
20%+

Kingdee Cloud • Stellar

Kingdee Cloud • Jingdou

吉野家
YOSHINOYA

寶樹行
BAOSHUHANG

汇能
HUI NENG

安琪

成碗热干面

百味

味华香

订呀
DINGYAO

醒电
CHARGE SPOT

D nurse 糖护士
科技改变糖尿病

The One
啊一柠檬茶
THE ONE Lemon Tea

深圳 锦绣中华 · 深圳 民俗文化村

JMD 精美达科技
JMTECH TECHNOLOGY

8848
TITANIUM

大宋官窑
SONG DYNASTY ROYAL KILN

巴黎贝甜

客家婆

shengwei 胜为

香港有机认证品牌

芳瑞 武夷
FANGRUANG

美珍香
BEE CHENG HIANG

张翠丰
—好味道百年缔造—

CHIC BUS
奇客巴士

金蝶云 星辰



Active customer base
28,000



Dollar Retention Ratio
77.3%

金蝶精斗云



Active customer base
251,000



Dollar Retention Ratio
74.1%

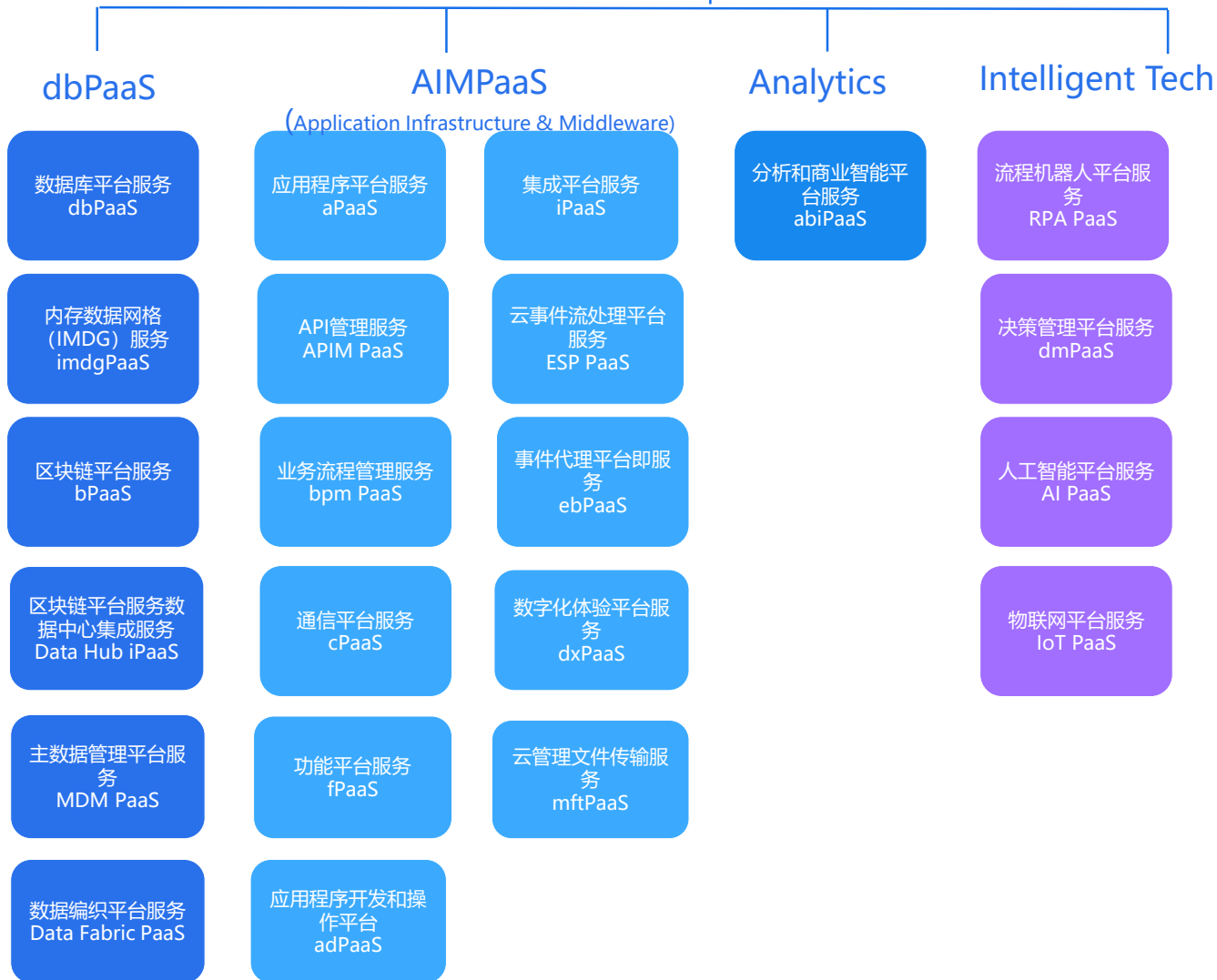
03

China Enterprise SaaS Market Outlook

China Platform-as-a-Service Outlook

PaaS

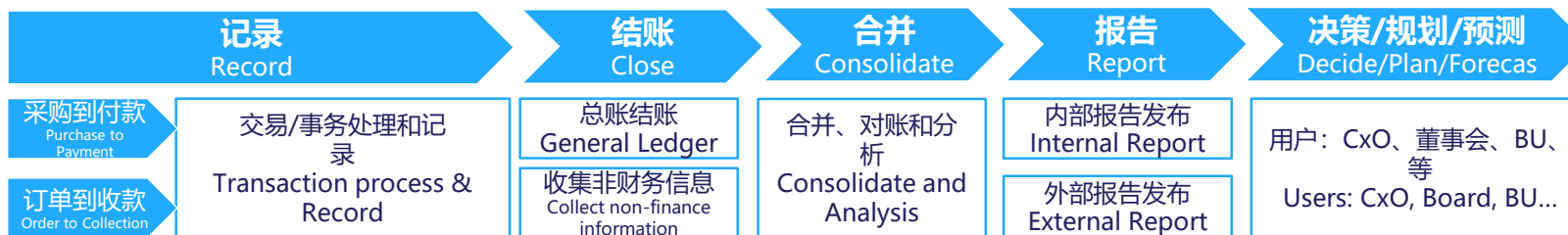
Market Structure
市场结构



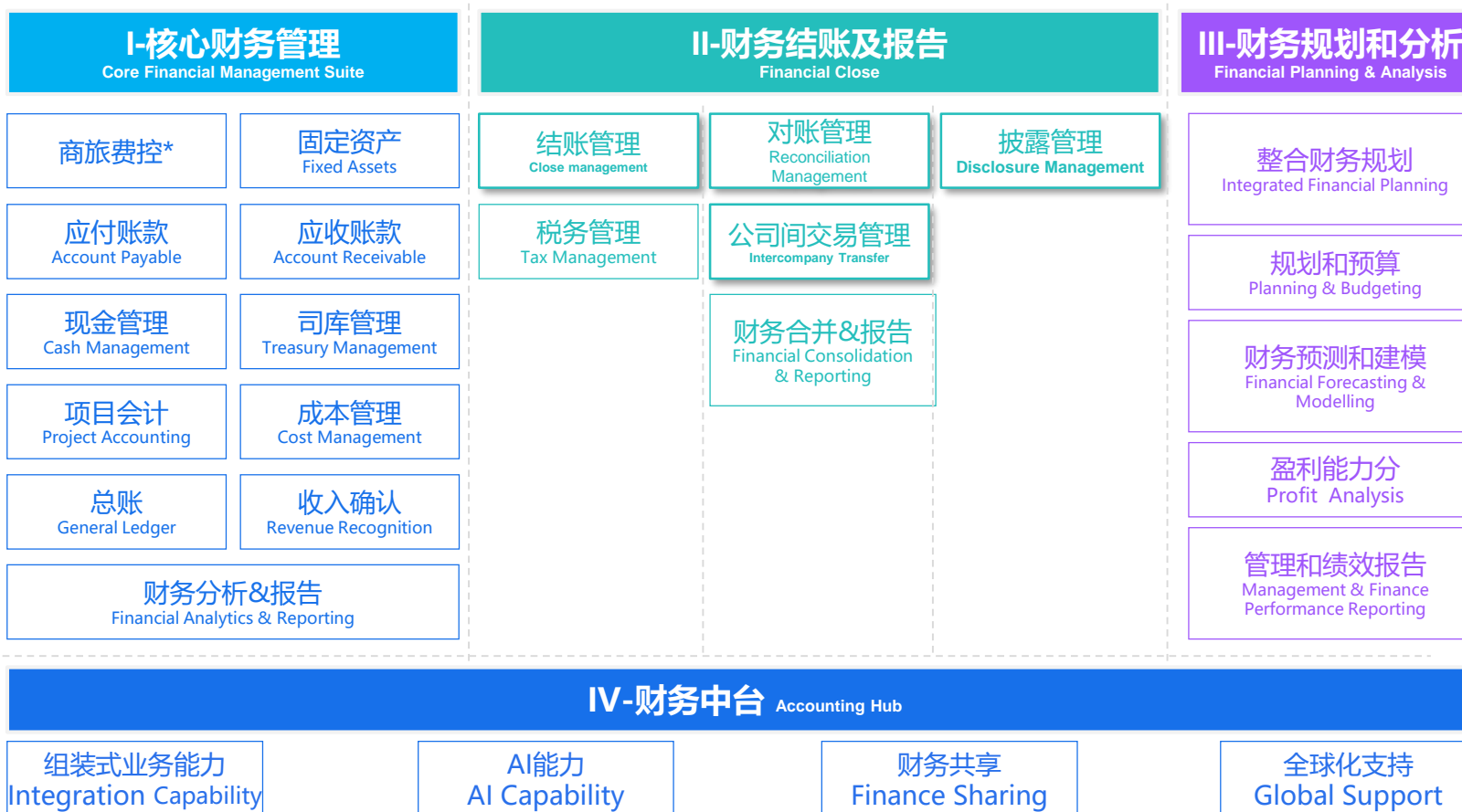
~RMB23bn
Product TAM for
ERP AIMPaaS by 2030

China Financial Software SaaS Market Outlook

Key Process 关键流程



Market Structure 财务市场结构图



~RMB47.5bn
Product TAM for China Financial Software SaaS by 2030

China Human Capital Software/SaaS Overview

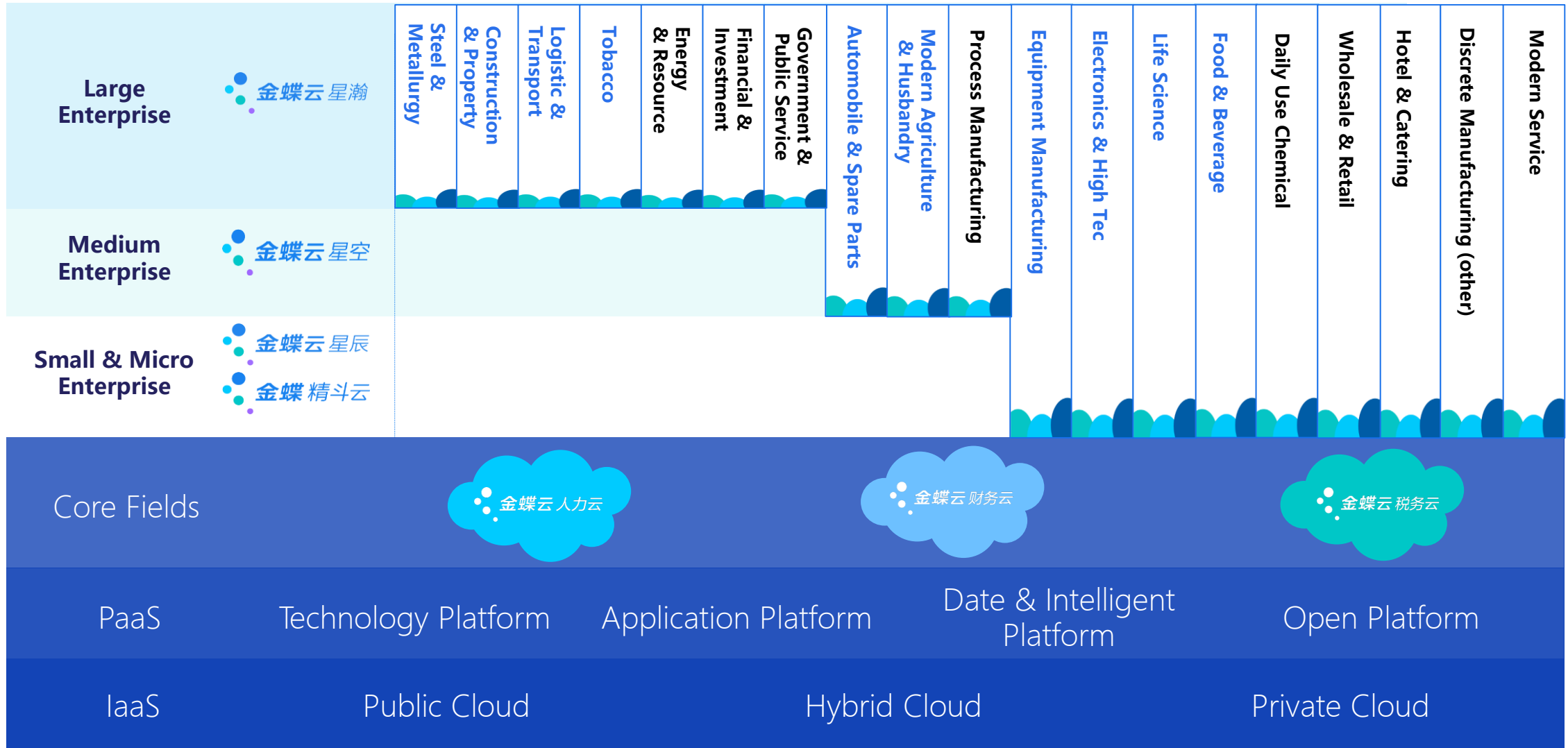


~RMB44bn

Product TAM for China Human Capital Software SaaS by 2030

Core Strategy - Platform + Finance HR Tax + Ecosystem

■ Strategy Industry



Building a win-win Kingdee Partner Ecosystem



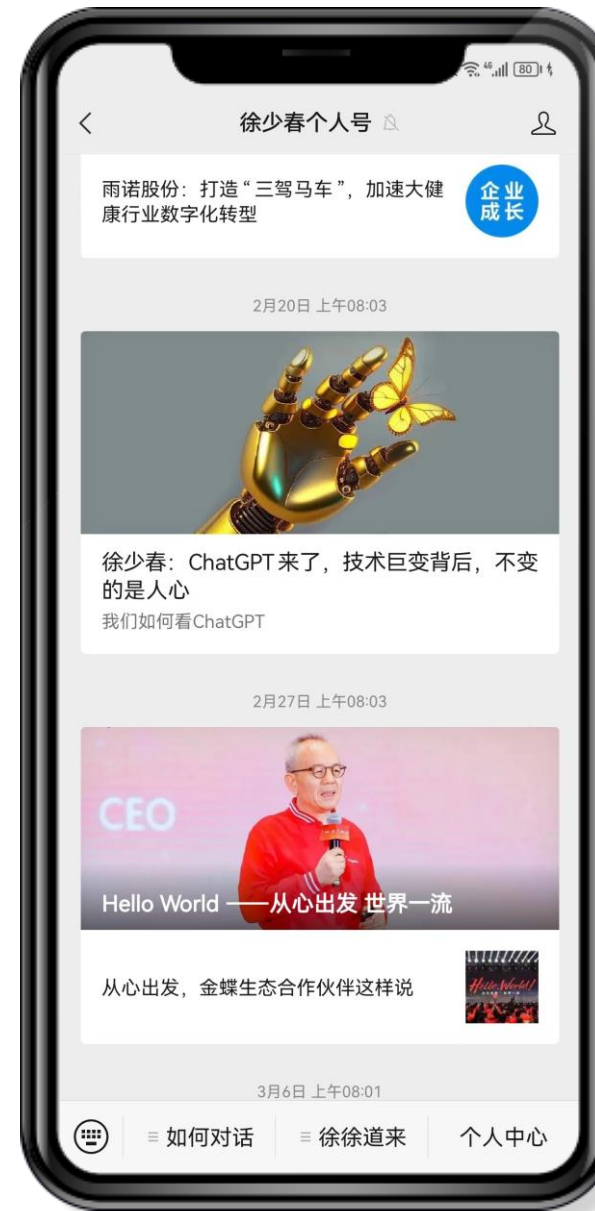
Xu Shaochun Public Account to Enhance Customer Lifecycle Experience

460
Customer Appreciation Letters

2.5 times
Customer Response Efficiency

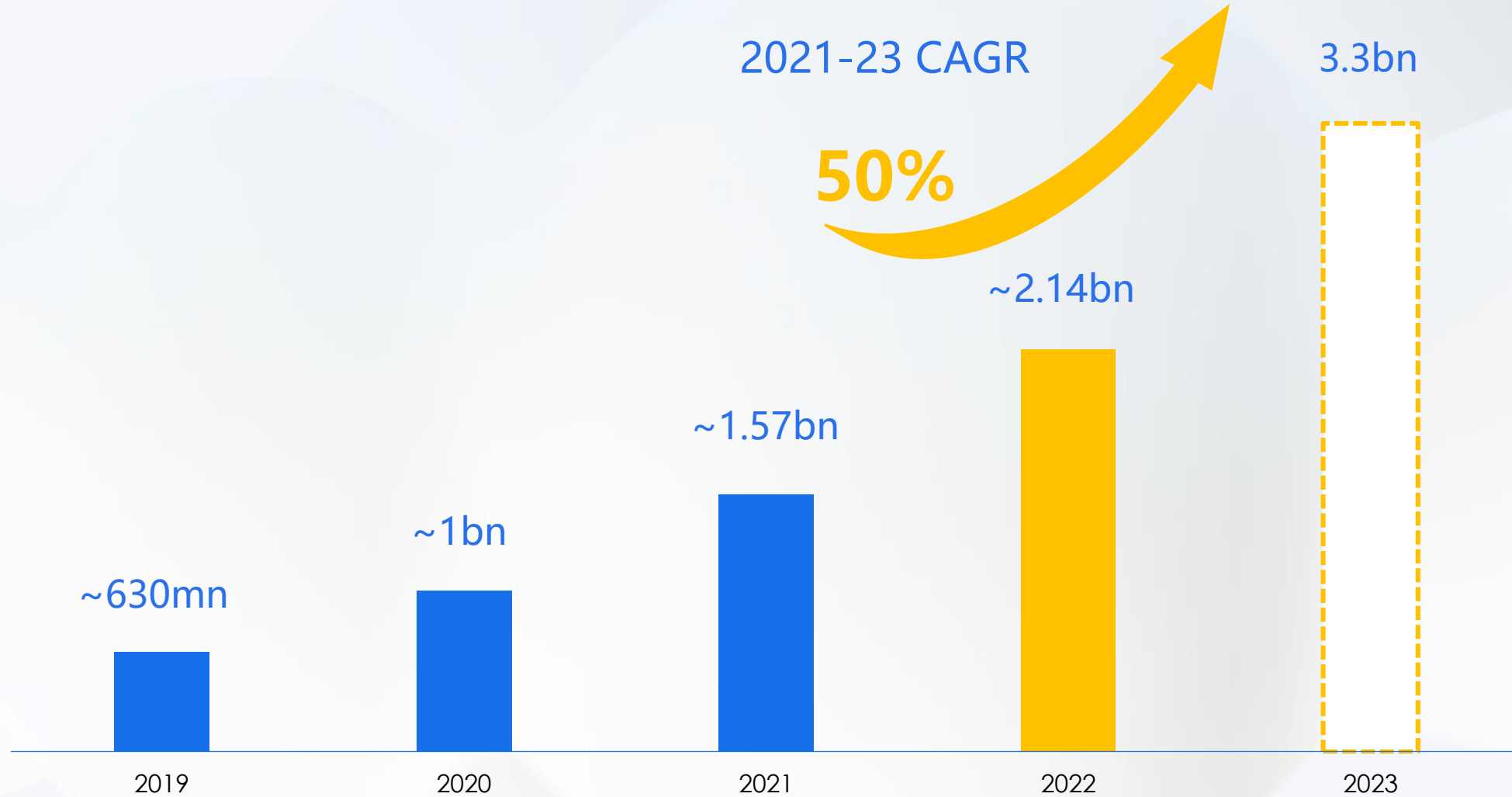
91%
Customer Satisfaction Rate

66% ↓
Service Complaints



Subscription ARR 2021-2023 Three-Year Target

(RMB)



04



Appendix

Income Statement

(RMB '000)	2022	2021	Change
Revenue	4,865,769	4,174,147	16.6%
Cost of Sales	-1,868,136	-1,540,575	21.3%
Gross Profit	2,997,633	2,633,572	13.8%
Gross Margin	61.60%	63.10%	-1.5pts
Operating Expenses	-3,918,378	-3,470,362	12.9%
Other Incomes & Gains-Net	333,401	369,890	-9.9%
Operating Profit	-587,344	-466,900	N/A
Operating Profit Margin	-12.1%	-11.2%	-0.9pts
Finance Income– net	100,276	76,436	31.2%
Loss before Income Tax	-474,218	-382,145	N/A
Net Profit – Owner of the company	-389,158	-302,330	N/A
Net Profit Margin	-8.0%	-7.2%	-0.8pts
Diluted EPS(cents)	-11.31	-9.23	N/A

Total Revenue by Segments

(RMB '000)	2022	% of Total Revenue	2021	% of Total Revenue	Change
Cloud services business	3,714,093	76.3%	2,758,422	66.1%	34.6%
-Enterprise Cloud Services	2,576,130	52.9%	1,901,575	45.6%	35.5%
-Small & Micro Business Finance Cloud Services	861,046	17.7%	527,969	12.6%	63.1%
-Industry Cloud Services	276,917	5.7%	328,878	7.9%	-15.8%
Management Software business and Others	1,151,676	23.7%	1,415,725	33.9%	-18.7%
Total	4,865,769	100.0%	4,174,147	100.0%	16.6%

R&D Expenses

(RMB '000)	2022	2021	Change
Salaries and staff welfare	1,387,971	1,184,676	17.2%
Fixed costs	35,349	34,069	3.8%
Professional service costs	15,858	13,176	20.4%
Travelling costs	7,218	12,902	-44.1%
Employee recruitment and training expenses	1,046	2,814	-62.8%
Others	10,804	12,432	-13.1%
Total R&D costs	1,458,246	1,260,069	15.7%
Less: development costs capitalised	480,508	423,913	13.4%
Capitalization rate	33.0%	33.6%	-0.6pts
Add: amortisation	317,738	348,388	-8.8%
Total R&D expenses	1,295,476	1,184,544	9.4%
R&D expenses / Revenue	26.6%	28.4%	-1.8pts

Selling & Marketing Expenses

(RMB '000)	2022	2021	Change
Salaries and staff welfare	1,330,957	1,197,641	11.1%
Sales promotion & marketing	486,241	332,916	46.1%
Fixed costs	83,971	86,128	-2.5%
Travelling expenses	57,018	56,334	1.2%
Business advertising expenses	47,288	47,155	0.3%
Project cooperation fee	12,906	13,459	-4.1%
Others	8,203	7,721	6.3%
Total	2,026,584	1,741,354	16.4%
S&M % of Total Revenue	41.6%	41.7%	-0.1pts

Administrative Expenses

(RMB '000)	2022	2021	Change
Salaries and staff welfare	350,951	317,268	10.6%
Fixed costs	92,368	88,521	4.3%
Professional service costs	39,072	35,610	9.7%
Employee recruitment and training expenses	9,891	10,425	-5.1%
Travelling costs	6,555	9,137	-28.3%
Others	5,020	4,765	5.4%
Total	503,857	465,726	8.2%
Administrative expenses / Revenue	10.4%	11.2%	-0.8pts

Other Income and Gains -Net

(RMB '000)	2022	2021	Change
VAT refund	115,570	148,210	-22.0%
Government projects	94,268	79,798	18.1%
Rental income - net	70,187	72,016	-2.5%
Net foreign exchange losses and fair value movement in currency forward	1,305	2,450	-46.7%
Others	67,658	63,357	6.8%
Total	348,988	365,831	-4.6%
VAT % of Total Revenue	2.4%	3.6%	-1.2pts

Cloud Contract Liabilities

(RMB' 000)	2022	2021	Change
Total Cloud Contract Liabilities	2,239,473	1,713,355	30.7%
<i>Subscription related</i>	<i>1,878,001</i>	<i>1,357,853</i>	<i>38.3%</i>
Others	<i>361,472</i>	<i>355,502</i>	<i>1.7%</i>

Balance Sheet Overview

(RMB' 000)	31 Dec 2022	31 Dec 2021
Trade and other receivables	397,081	445,122
Cash reserves	4,315,305	4,452,711
Total assets	11,731,437	11,087,132
Current assets	3,983,946	4,471,187
Borrowings	470,000	-
Trade and other payables	899,496	759,248
Net assets	7,407,583	7,803,139

ありがとう
感谢 Thanks
ขอบคุณ
Terima kasih 谢谢

Claim of Confidentiality



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