



Kingdee International Software Group

2021 Annual Results Announcement

Stock Code: 268.HK

17 March 2022



**Business
Highlights**



**Cloud Market
Update**



**Cloud Strategy
Update**



CFO Report



Appendix



**Business
Highlights**



Cloud Market
Update



Cloud Strategy
Update



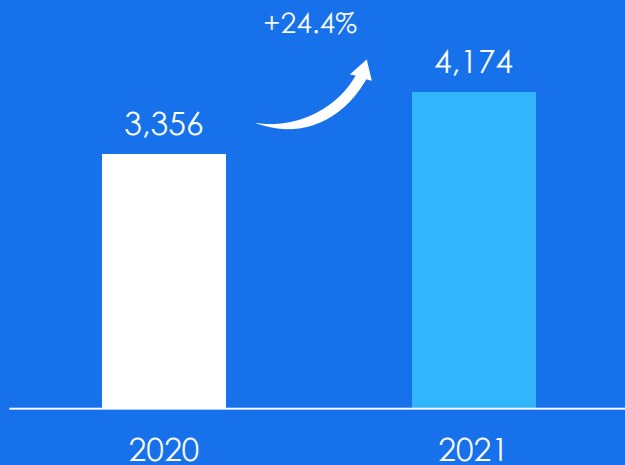
CFO Report



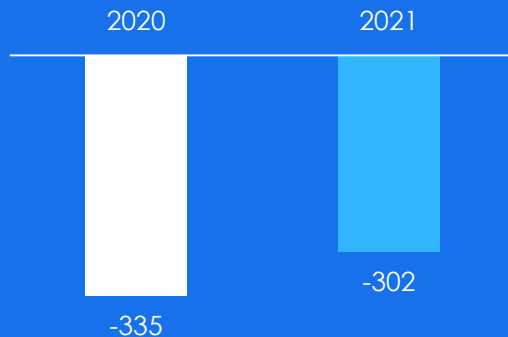
Appendix

Group Revenue

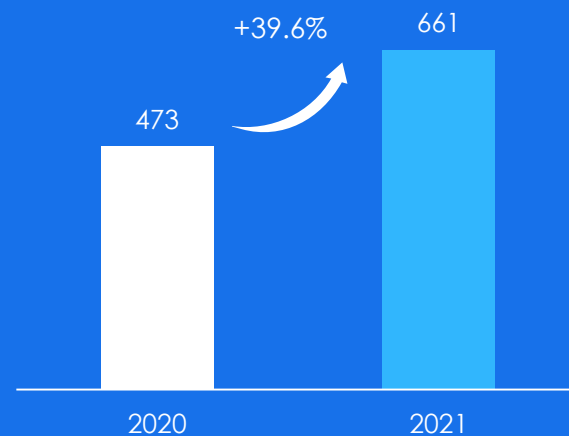
(RMB mn)



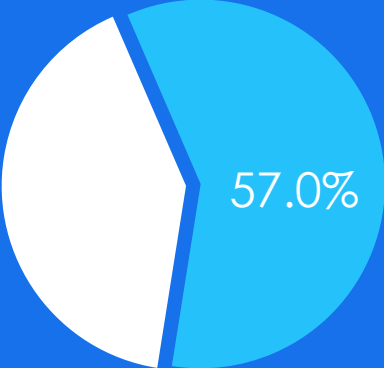
Net Profit Attributable to Shareholders



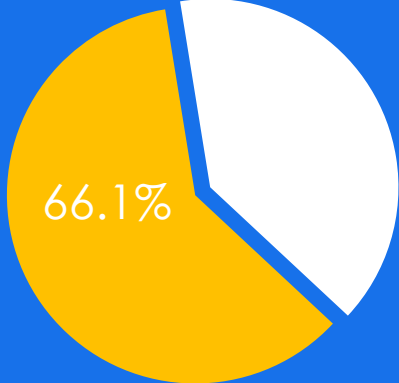
Net Operating Cash Flow



Growth of Cloud Services

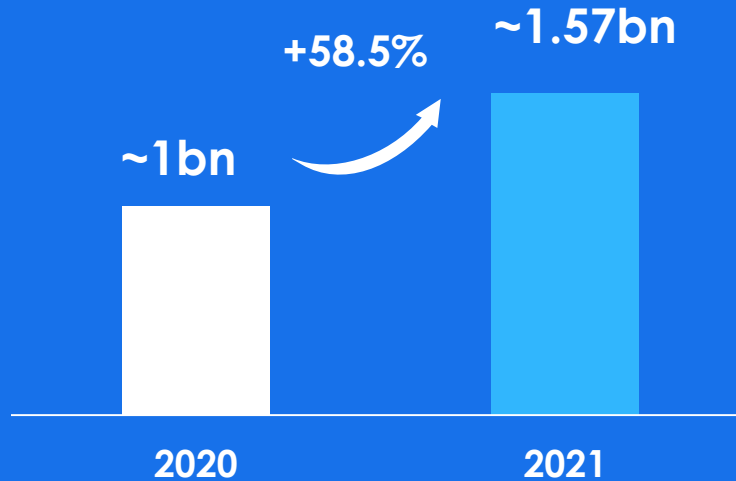


Cloud Services in 2020



Cloud Services in 2021

Subscription ARR



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

Growth of Cloud Contract Liabilities

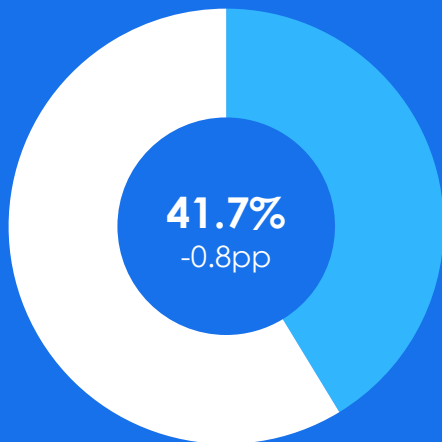


(RMB'000)	2021	2020	Change
<i>Subscription</i>	1,357,853	824,892	64.6%
<i>Others</i>	355,502	171,944	106.8%
Total Cloud Contract Liabilities	1,713,355	996,836	71.9%

Operating Expenses

S&M

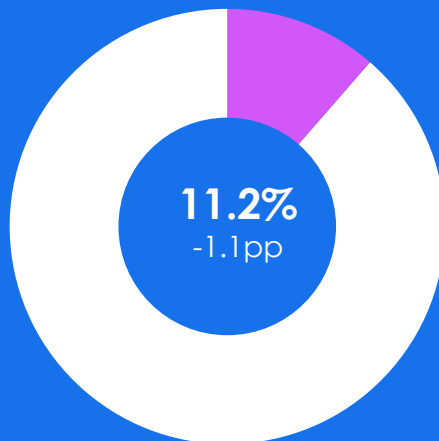
as a % of total revenue



RMB 1,741mn
+22.2% y-y growth

G&A

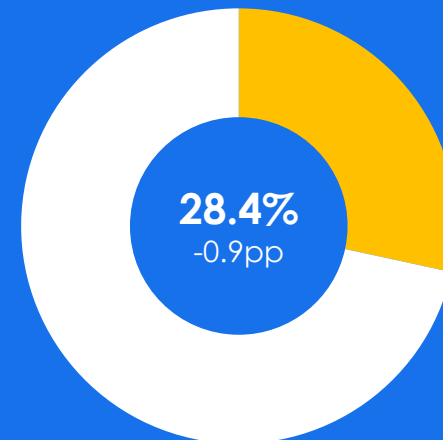
as a % of total revenue



RMB 466mn
+12.6% y-y growth

R&D

as a % of total revenue



RMB 1,185mn
+20.4% y-y growth

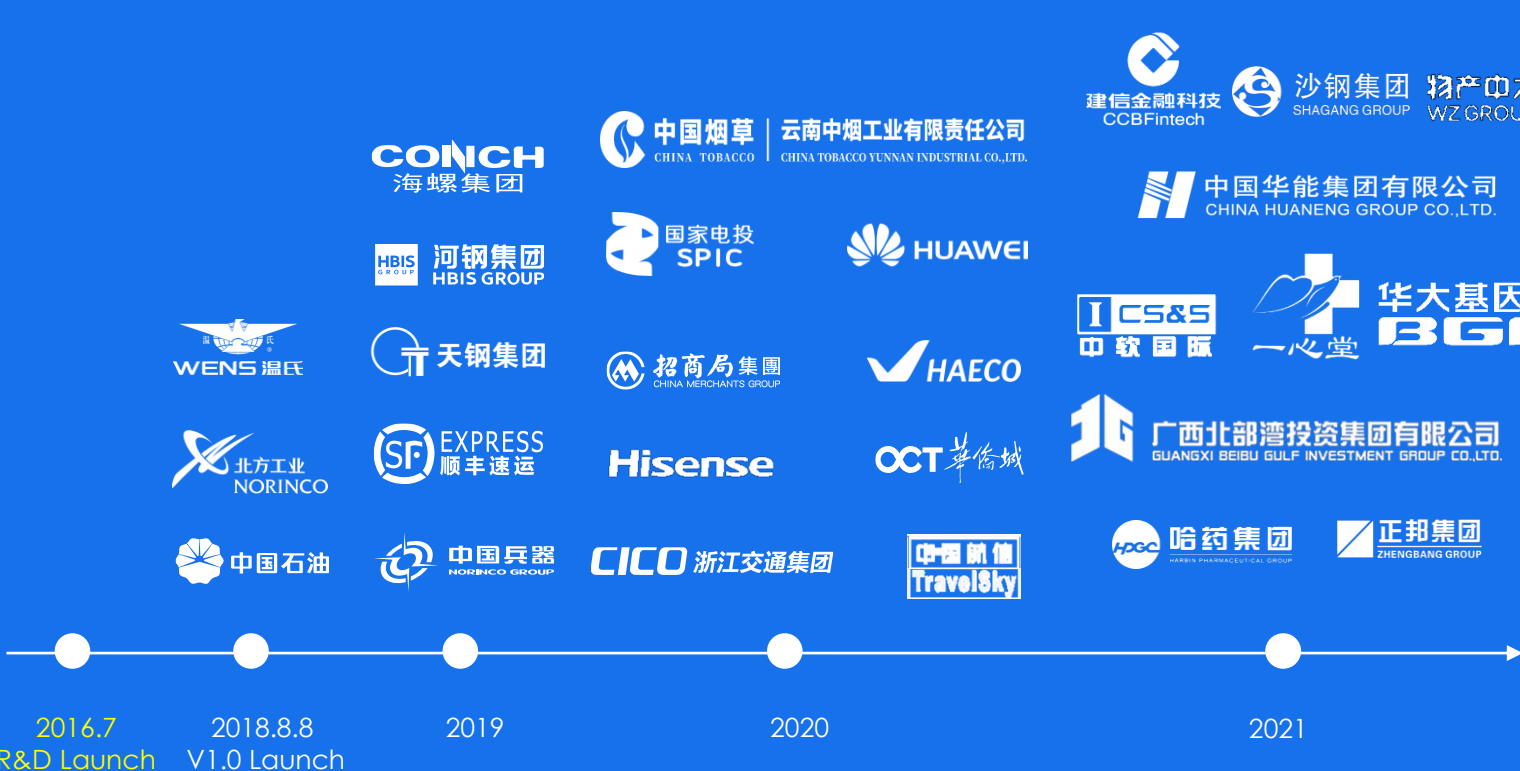


Kingdee Cloud Cosmic



Kingdee Cloud Constellation

Cosmic & Constellation Overview



316
New Customers

235
Upsell Customers

Rmb700mn
Total Contract Value

>120%
Dollar Retention Rate

Cosmic Self-developed Multi-Dimensional Database (MDD), Kingdee for Constellation Enterprise Performance Mgmt (EPM)



Leading-Edge Platform

Cloud native, MDD, Distributed Computing
Engine performance uplifted **10x** vs. traditional product



Multi-Dimensional Model

Multi-system, Multi-Dimensional, Multi-currency, Multi-principles, Multi-structure



Flexible Rules

Configurable rules: Conversion rule, Offset rule, Checking rules
Scripting rules: Customized business logic processing



Highly Efficient & Transparent

One-button consolidation, Data tracking, Logfile lookup



Multi-terminal Applications

Web browser, Mobile, Office, WPS



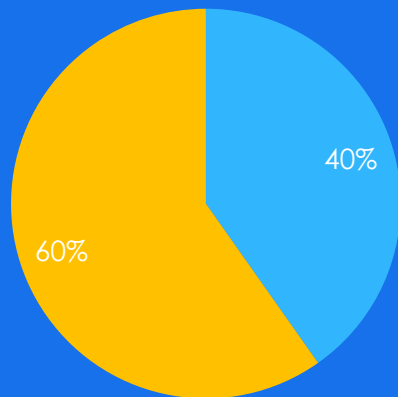
Smart Analytics

Multi-Dimensional Inquiry & Analysis, Ad-hoc Analytics, Thematic Analysis

Cosmic & Constellation Customer Analysis

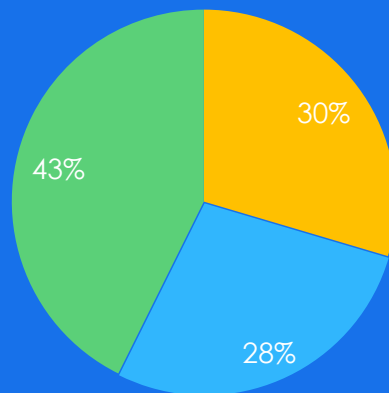


Cloud Technology



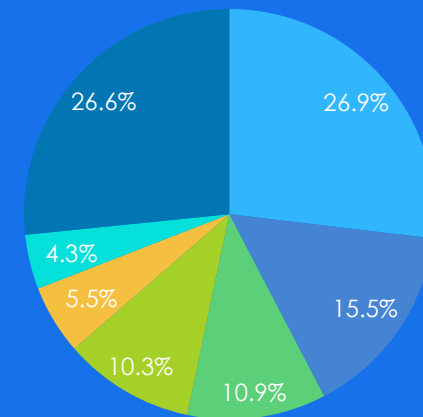
- Public Cloud
- Hybrid Cloud

Customer Origin



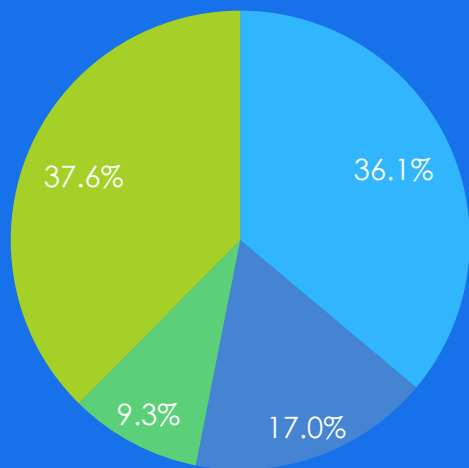
- Kingdee New customer
- Kingdee ERP upgrade
- Cosmic upsell customers

Customer Industry



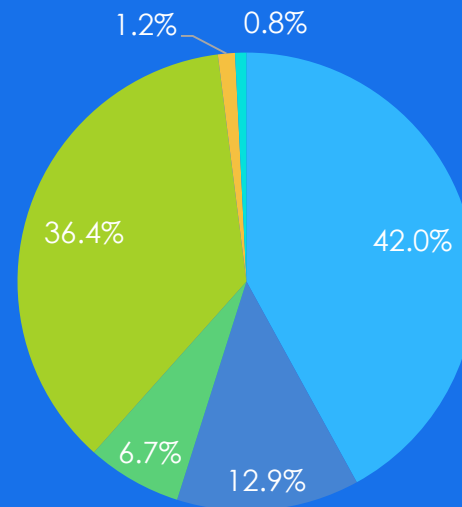
- Public Service
- Manufacturing
- High-Tech
- Retail Wholesale
- Modern Agriculture
- Financial
- Others

Cosmic & Constellation Subscription Distribution



- Finance
- Supply Chain
- Construction & Real Estate
- Cosmic Platform

2020



- Finance
- Supply Chain
- Construction & Real Estate
- Cosmic Platform
- Taxation
- Manufacturing

2021

 **Kingdee** *Cloud Galaxy*

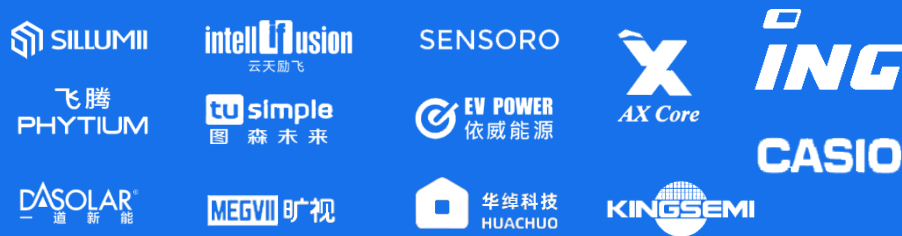
Galaxy Overview



Life Science



High-Tech



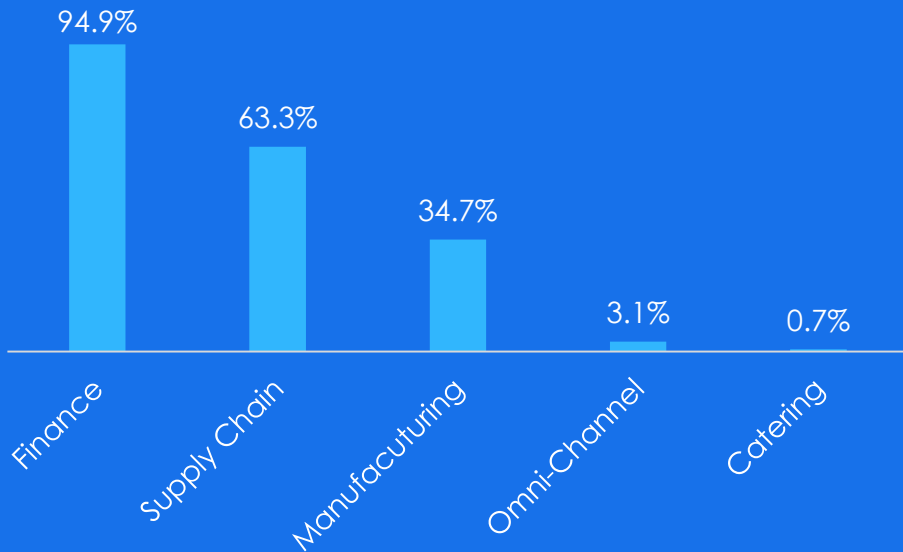
Manufacturing



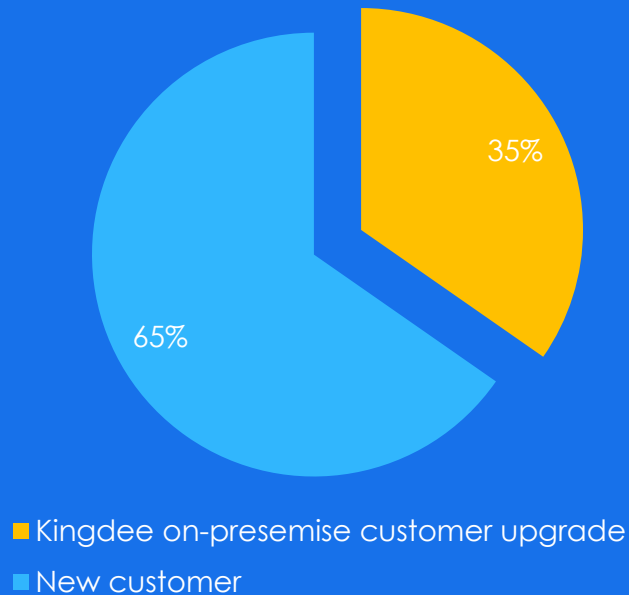
Others



Customer Subscription Distribution



2021 New Customer Mix



 **Kingdee** Cloud Stellar **Kingdee** Cloud Jingdou

Stellar & Jingdou Overview

Kingdee Cloud Stellar

11,000

Customers
Cumulatively

82.0%

Dollar Retention

Kingdee Cloud Jingdou

212,000

Customers
Cumulatively

84.1%

Dollar Retention





Business
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**Cloud Market
Update**



Cloud Strategy
Update



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Appendix

China Platform as a Service Outlook



~RMB23bn TAM for ERP AIMPaaS by 2030



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

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

Market Structure

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

~RMB47.5bn TAM
by 2030

China Human Capital Software/SaaS Outlook



~RMB44bn TAM
by 2030





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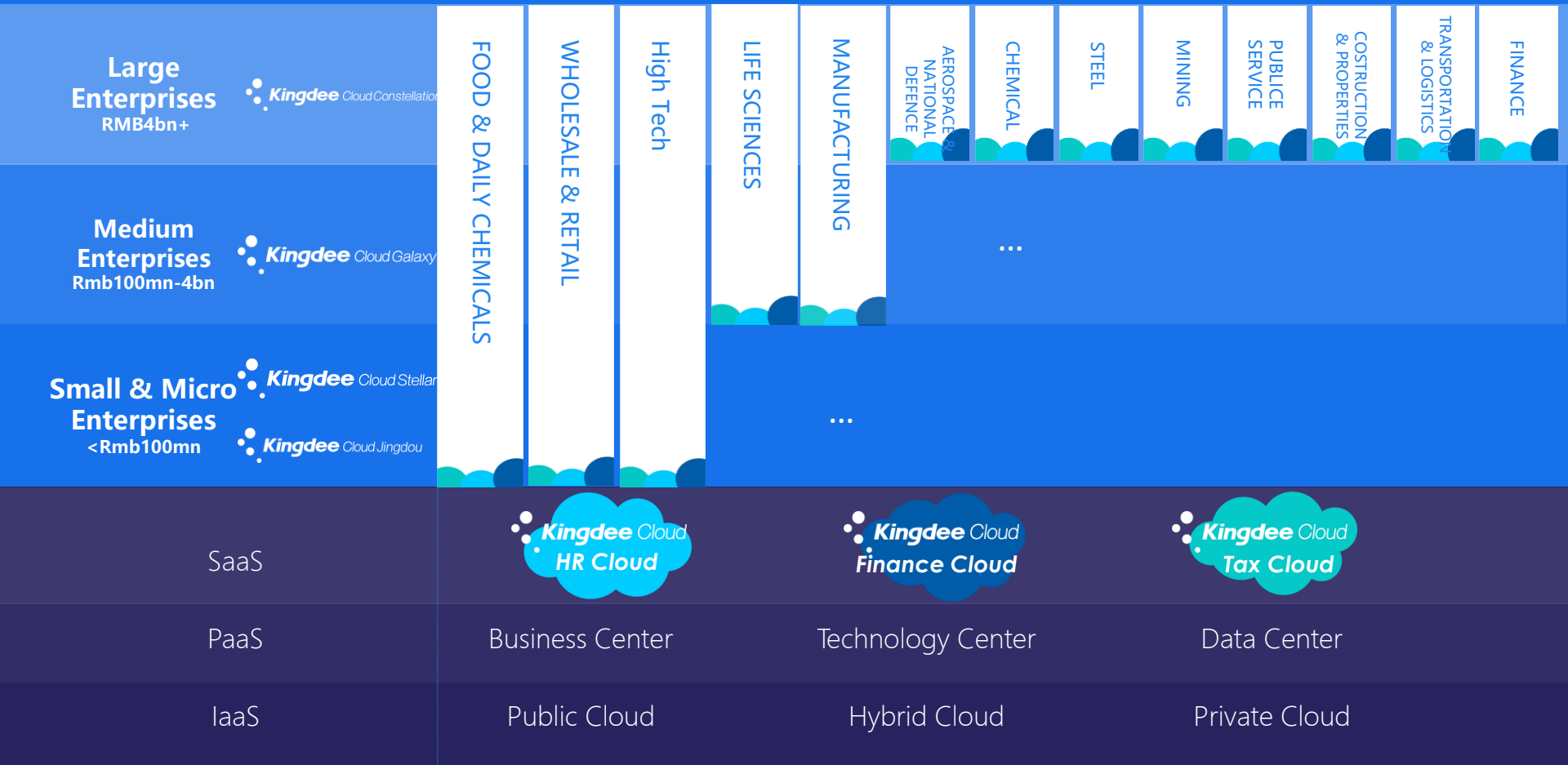


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Core Strategy - Platform + Finance & HR & Tax + Ecosystem





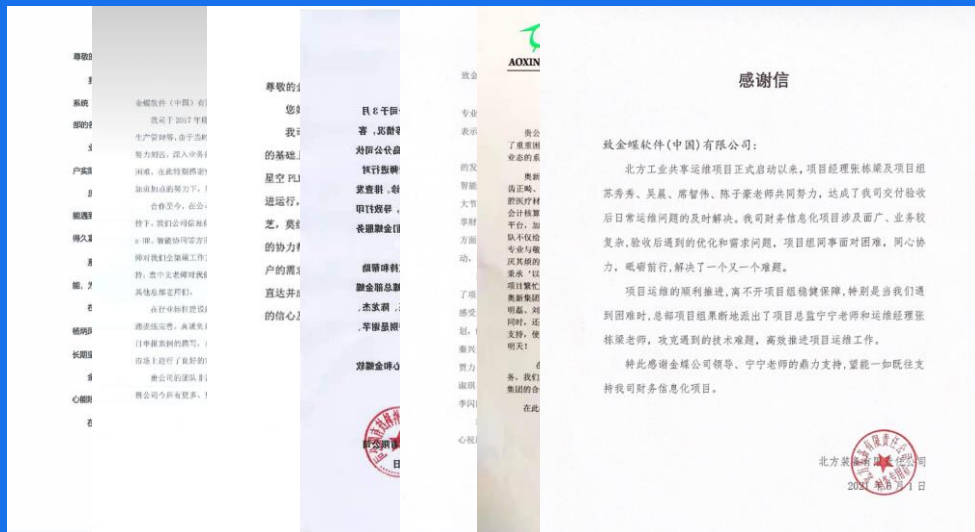
In 2021, received **over 35,000 inquiries**, and Kingdee's **Net Promoter Score (NPS, 净推荐值)** was improved by 16ppt yoy



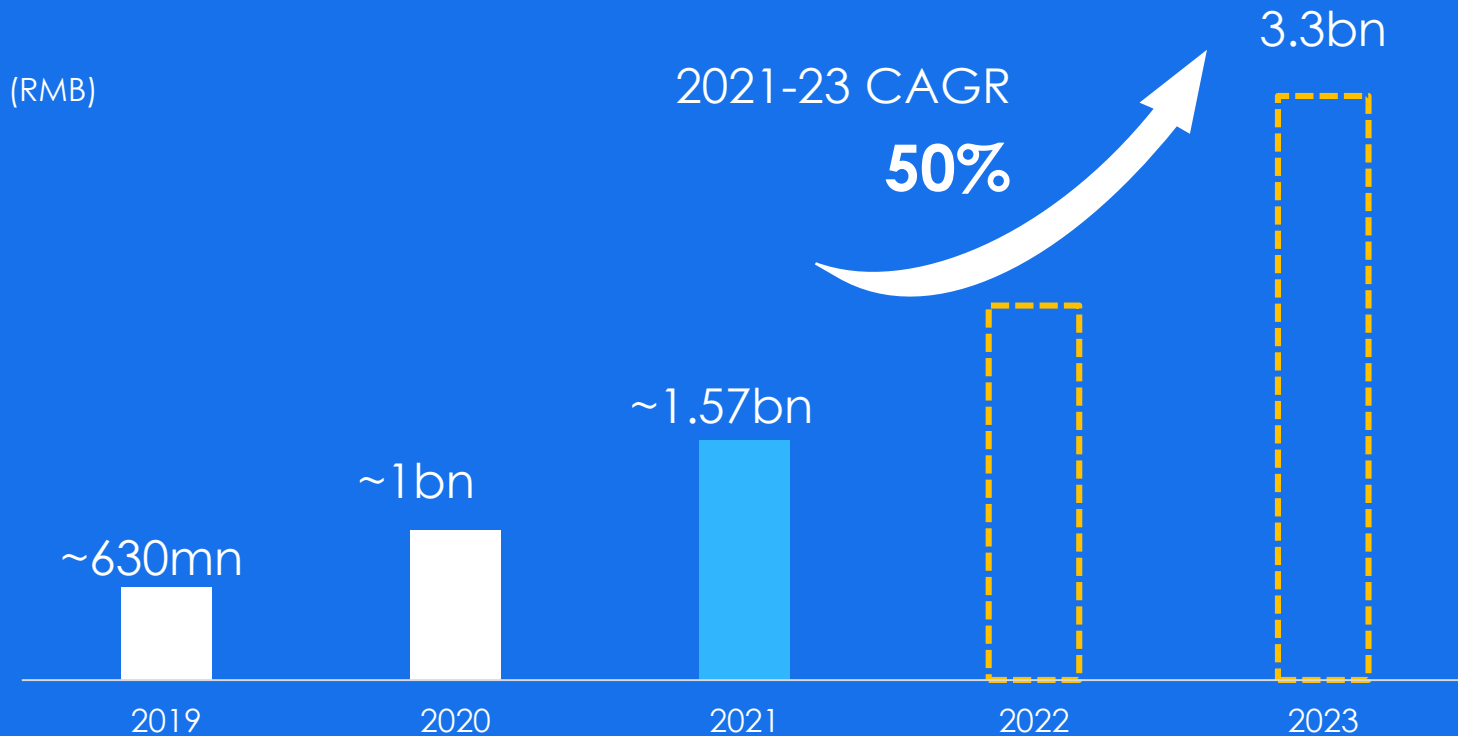
这个数字化转型模型总结得好，可以作为企业数字化转型的程序指引。



徐董，有数字化转型哲学手册模版吗？



Subscription ARR Three-Year Target





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Financial Overview



(RMB'000)	2021	2020	Change
Revenue	4,174,147	3,356,445	+24.4%
Cost of Sales	-1,540,575	-1,147,437	+34.3%
Gross Margin	63.1%	65.8%	-2.7pp
Total Operating Expenses	-3,470,362	-2,892,449	20.0%
Other Income & Gains	369,890	268,088	38.0%
Operating Profit	-466,900	-415,353	N/A
Operating Margin	-11.2%	-12.4%	+1.2pp
Finance Income– net	76,436	35,934	+112.7%
Loss before Income Tax	-382,145	-382,739	N/A
Net Profit – Owner of the company	-302,330	-335,479	N/A
Net Profit Margin	-7.2%	-10.0%	+2.8pp
Diluted EPS(cents)	-9.23	-10.12	N/A



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Total Revenue by Segments



(RMB'000)	2021	% of Total Revenue	2020	% of Total Revenue	Change
Cloud services business	2,758,422	66.1%	1,912,385	57.0%	44.2%
-Enterprise Cloud Service	1,901,575	45.6%	1,356,311	40.4%	40.2%
-Small & Micro Business Finance Cloud Service	527,969	12.6%	288,766	8.6%	82.8%
-Industry Cloud Service	328,878	7.9%	267,308	8.0%	23.0%
Management Software business and Others	1,415,725	33.9%	1,444,060	43.0%	-2.0%
Total	4,174,147	100.0%	3,356,445	100.0%	24.4%

R&D Expenses



(RMB'000)	2021	2020	Change
Salaries and staff welfare	1,184,676	817,340	44.9%
Fixed costs	34,069	32,937	3.4%
Professional service costs	13,176	6,525	101.9%
Travelling costs	12,902	8,382	53.9%
Employee recruitment and training expenses	2,814	3,593	-21.7%
Others	12,432	13,782	-9.8%
Total R&D costs	1,260,069	882,559	42.8%
Less: development costs capitalised	423,913	314,119	35.0%
Capitalization rate	33.6%	35.6%	-2.0pp
Add: amortisation	348,388	415,434	-16.1%
Total R&D expenses	1,184,544	983,874	20.4%
R&D expenses / Revenue	28.4%	29.3%	-0.9pp

Selling & Marketing Expenses



(RMB'000)	2021	2020	Change
Salaries and staff welfare	1,197,641	998,362	20.0%
Sales promotion & marketing	332,916	233,835	42.4%
Fixed costs	86,128	68,660	25.4%
Travelling expenses	56,334	48,592	15.9%
Business advertising expenses	47,155	45,464	3.7%
Project cooperation fee	13,459	22,774	-40.9%
Others	7,721	7,393	4.4%
Total	1,741,354	1,425,080	22.2%
S&M % of Total Revenue	41.7%	42.5%	-0.8pp

Administrative Expenses



(RMB'000)	2021	2020	Change
Salaries and staff welfare	317,268	269,849	17.6%
Fixed costs	88,521	77,102	14.8%
Professional service costs	35,610	21,947	62.3%
Employee recruitment and training expenses	10,425	9,807	6.3%
Travelling costs	9,137	7,407	23.4%
Goodwill impairment	-	22,881	-100.0%
Others	4,765	4,617	3.2%
Total	465,726	413,610	12.6%
Administrative expenses / Revenue	11.2%	12.3%	-1.1pp

Other Gains



(RMB'000)	2021	2020	Change
VAT refund	148,210	135,544	9.3%
Government projects	79,798	60,965	30.9%
Rental income - net	72,016	73,129	-1.5%
Others	65,807	-7,100	N/A
Total	365,831	262,538	39.3%
VAT % of Total Revenue	3.6%	4.0%	

Balance Sheet Overview



(RMB'000)	31 Dec. 2021	31 Dec. 2020	Change
Trade and other receivables	445,122	383,238	16.1%
Cash and equivalents	4,452,711	5,045,176	-11.7%
Total assets	11,087,132	10,722,079	3.4%
Current assets	4,471,187	6,183,414	-27.7%
Borrowings	-	120,000	NA
Trade and other payables	759,248	794,603	-4.4%
Total equity	7,803,139	7,958,477	-2.0%



感謝
ขอบคุณ
terima kasih
ありがとう
Thanks
谢谢