

高途

# Gaotu 2024Q2 Investor Presentation

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# Online Live Large-class Tutoring Service Provider in China



**高途**  
Gaotu Techedu Inc.

# Gaotu Q2 2024 Business Overview

**Learning services**



Educational services for college students and adults, overseas study-related services, non-academic tutoring services, and other traditional learning services.

**Educational content  
& digitalized learning  
products**



Smart learning tools that serve as supplements to learning services, such as smart textbooks and learning apps.

# Gaotu Q2 2024 Overview – Financial Highlights

**Net Revenues**

**RMB 1.0 bn**



**43.6% (YoY)** ↑

**Robust topline growth**

**Gross Billings**

**RMB 1.7 bn**



**87.4% (YoY)** ↑  
**67.7% (YoY for H1 2024)**

**Accelerated growth momentum in leading revenue indicator**

**Net Operating Cash Inflow**

**RMB 386.2 mn**



**Sizable Positive OCF**

**Strong testament to the ongoing improvement of operational efficiency**

**Cash Reserves<sup>(1)</sup>**

**RMB 4.1 bn**



**Approx. 361 mn higher than at Jun. 30 2023** ↑

**Ample resources for continued business development**

**Share Repurchased<sup>(2)</sup>**

**Approx. 7.9 mn ADSs**  
**(As of Aug. 26, 2024)**



**Enhanced shareholder value**

**Demonstrates management's strong confidence in the Company's long-term prospects**

Notes:

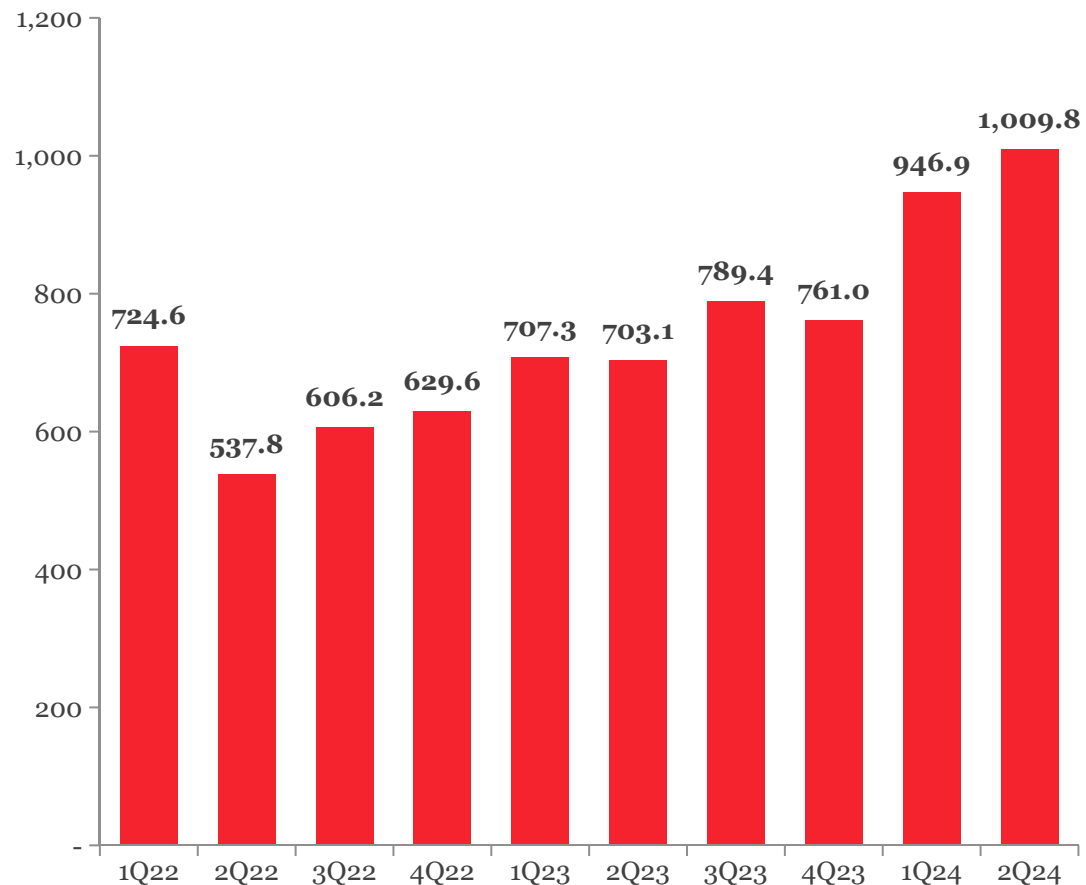
(1) Cash Reserves include cash and cash equivalents, restricted cash, short-term and long-term investments as of June 30, 2024.

(2) In Nov. 2022, the Company's board of directors authorized a three-year share repurchase program, and in Nov. 2023, our board of directors authorized the upsizing of the existing share repurchase program from USD 30 mn to USD 80 mn worth of ADSs.

# Solid Business Growth

## Net Revenues<sup>(1)</sup>

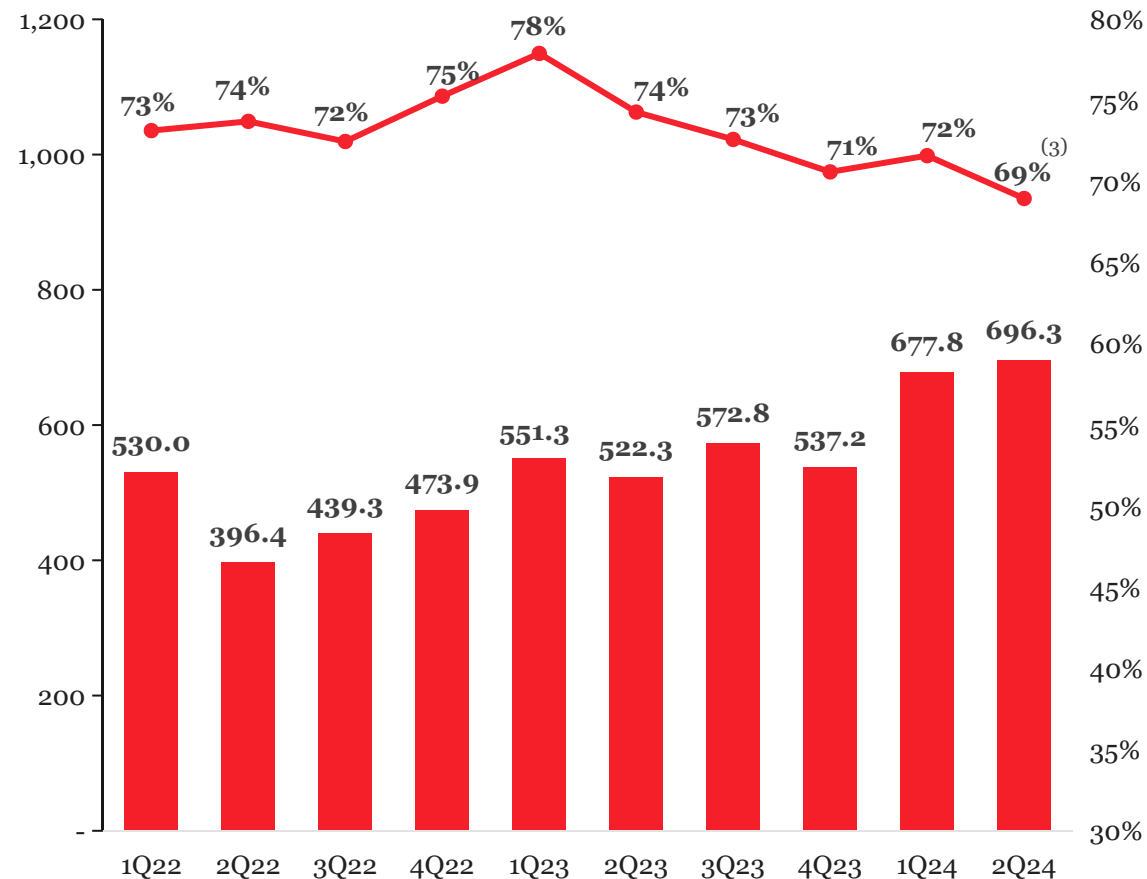
(RMB millions)



## Adjusted Gross Profit & GPM<sup>(2)</sup>

(RMB millions)

Margin%



Notes:

(1) Revenues net of discount, value added tax and related surcharges.

(2) Adjusted gross profit excludes share-based compensation.

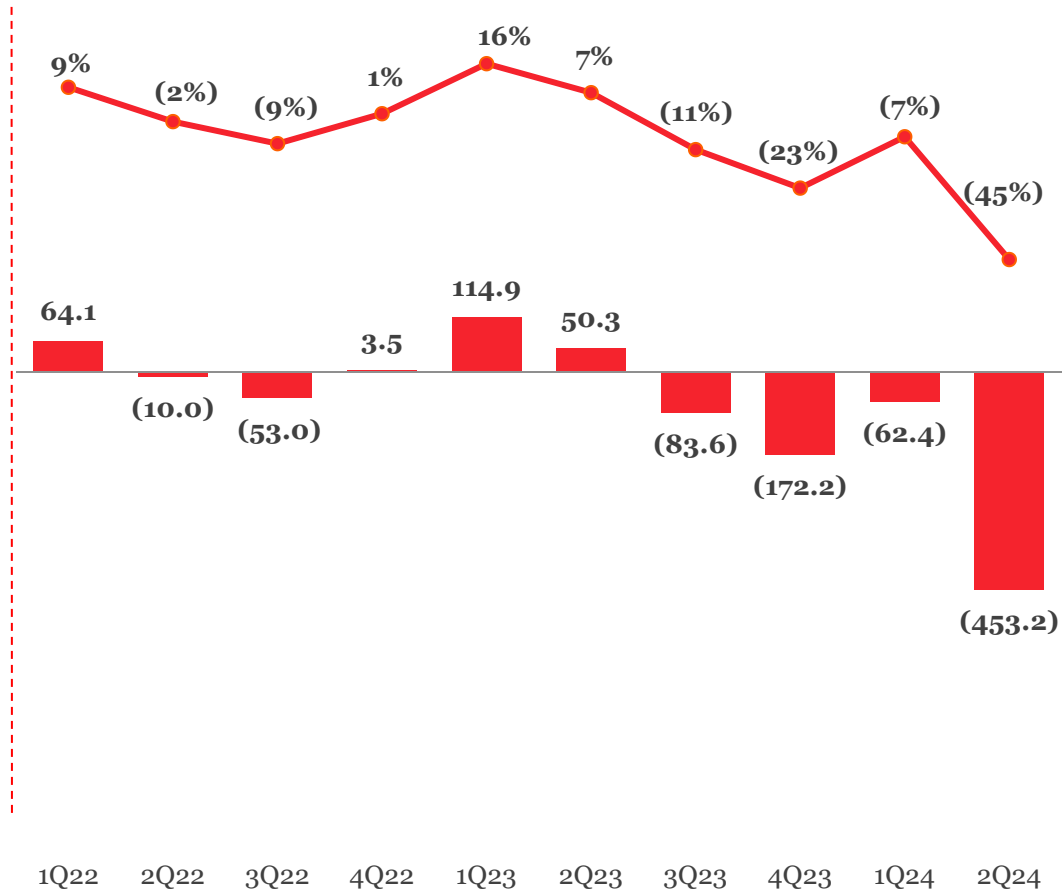
(3) The decrease in gross margin was predominantly a result of change to our product mix (e.g., SKU expansion of one-on-one tutoring and offline expansion).

# Effective Growth with Focus on Unit Economics

## Adjusted Operating (Loss) / Profit<sup>(1)</sup>

(RMB millions)

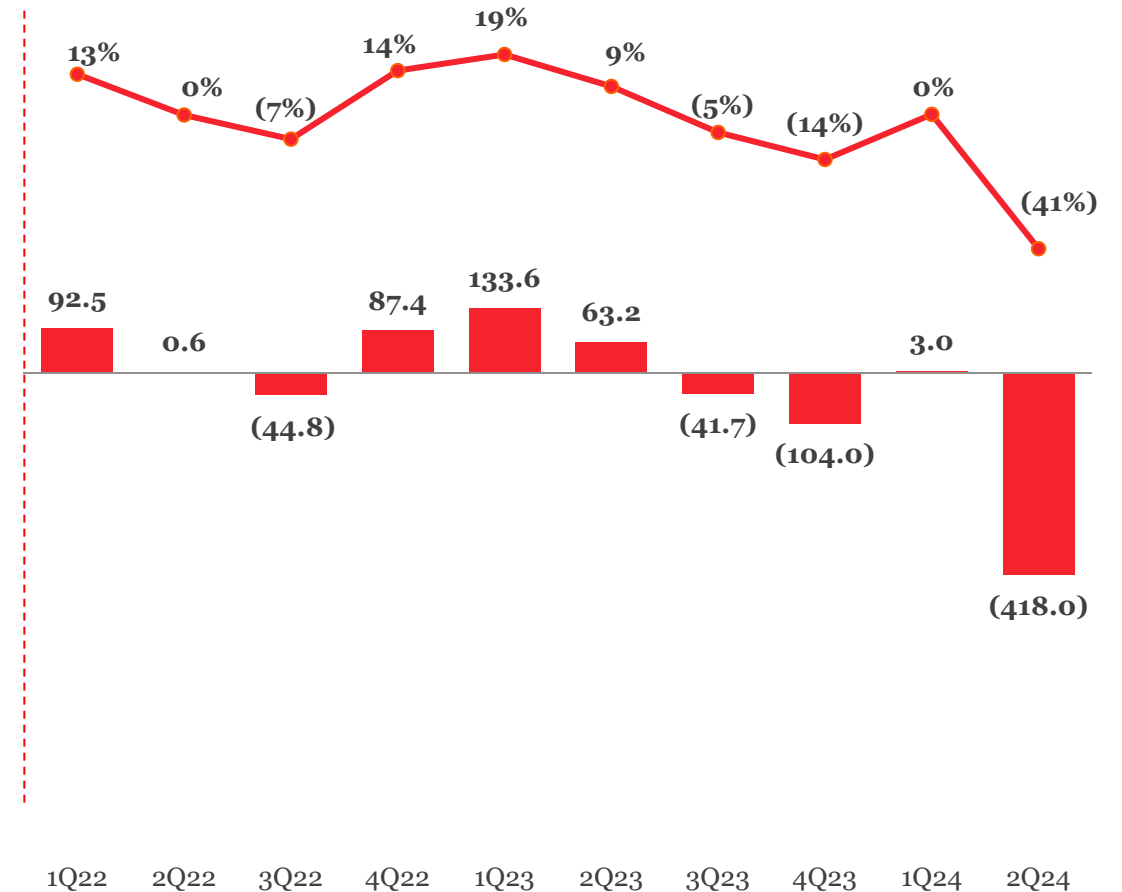
Margin%



## Adjusted Net (Loss) / Profit<sup>(2)</sup>

(RMB millions)

Margin%



Notes:

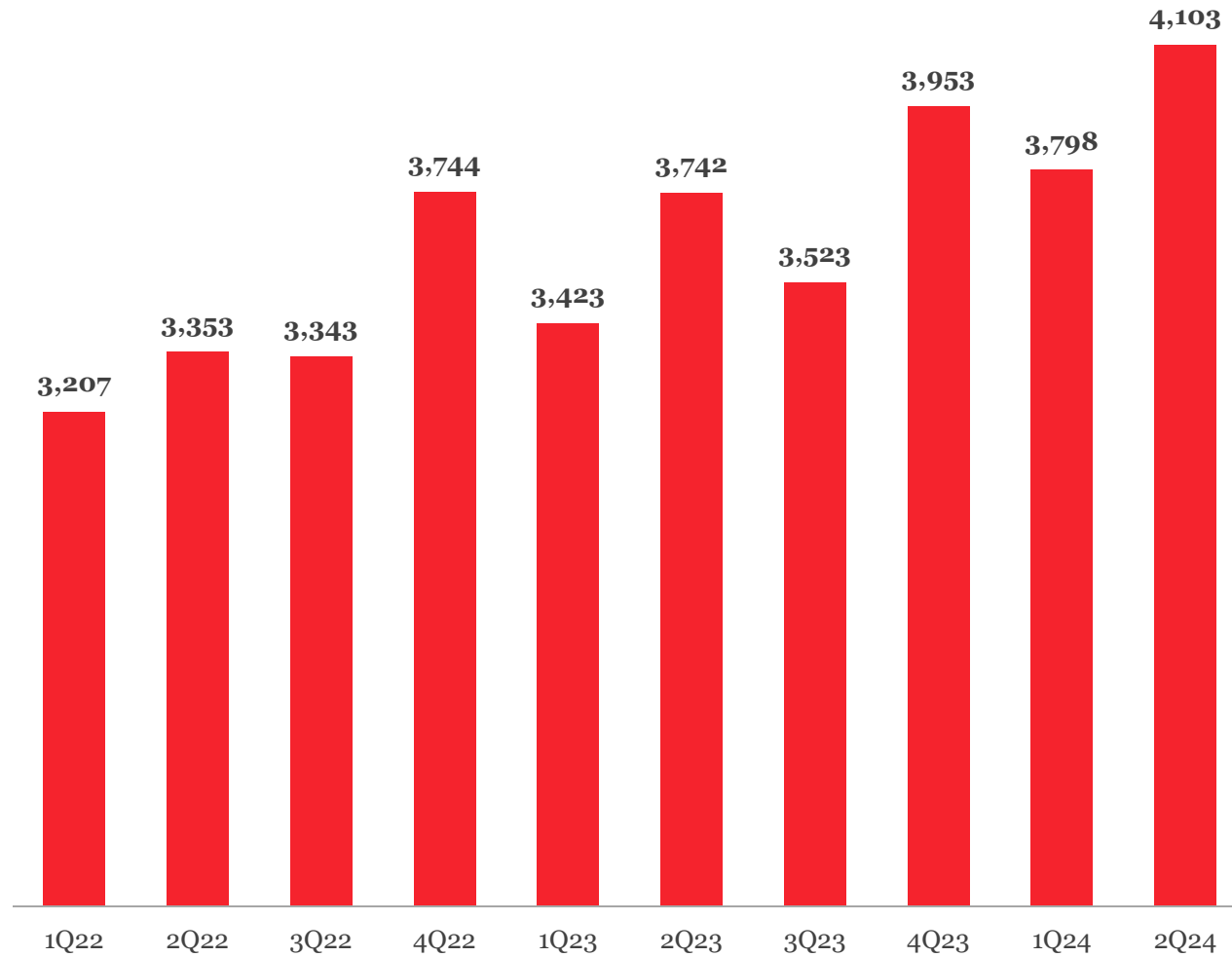
(1) Adjusted operating profit (loss) excludes share-based compensation.

(2) Adjusted net profit (loss) excludes share-based compensation.

# Strong Cash Position

## Cash and Cash Equivalents, Restricted Cash, Short-term and Long-term Investments

(RMB millions, as of the end of each period)





# Consolidated Statements of Operations

## Summary of key financials

(RMB in thousands)

|                                      | 2023 Q2          | 2023 Q3          | 2023 Q4          | 2023 FY            | 2024 Q1          | 2024 Q2            | YoY %           |
|--------------------------------------|------------------|------------------|------------------|--------------------|------------------|--------------------|-----------------|
| <b>Gross Billings</b>                | <b>882,325</b>   | <b>639,342</b>   | <b>1,278,132</b> | <b>3,338,750</b>   | <b>729,360</b>   | <b>1,653,692</b>   | <b>87.4%</b>    |
| <b>Net Revenues</b>                  | <b>703,094</b>   | <b>789,413</b>   | <b>761,014</b>   | <b>2,960,813</b>   | <b>946,885</b>   | <b>1,009,797</b>   | <b>43.6%</b>    |
| Cost of revenues                     | (184,380)        | (218,126)        | (227,719)        | (790,207)          | (271,414)        | (313,433)          | 70.0%           |
| <b>Gross profit</b>                  | <b>518,714</b>   | <b>571,287</b>   | <b>533,295</b>   | <b>2,170,606</b>   | <b>675,471</b>   | <b>696,364</b>     | <b>34.3%</b>    |
| <b>Operating expenses:</b>           |                  |                  |                  |                    |                  |                    |                 |
| Selling expenses                     | (324,065)        | (434,428)        | (465,686)        | (1,501,200)        | (506,381)        | (835,397)          | 157.8%          |
| Research and development expenses    | (98,402)         | (130,618)        | (136,046)        | (462,043)          | (151,607)        | (162,101)          | 64.7%           |
| General and administrative expenses  | (52,936)         | (105,782)        | (119,478)        | (356,369)          | (95,185)         | (163,616)          | 209.3%          |
| <b>Total operating expenses</b>      | <b>(475,403)</b> | <b>(670,828)</b> | <b>(721,210)</b> | <b>(2,319,612)</b> | <b>(753,173)</b> | <b>(1,161,114)</b> | <b>144.2%</b>   |
| <b>(Loss) Income from operations</b> | <b>43,311</b>    | <b>(99,541)</b>  | <b>(187,915)</b> | <b>(149,006)</b>   | <b>(77,702)</b>  | <b>(464,750)</b>   | <b>-1173.1%</b> |
| <b>Net (loss) income</b>             | <b>56,161</b>    | <b>(57,663)</b>  | <b>(119,649)</b> | <b>(7,298)</b>     | <b>(12,297)</b>  | <b>(429,550)</b>   | <b>-864.9%</b>  |
| <b>Non-GAAP net (loss) income</b>    | <b>63,159</b>    | <b>(41,729)</b>  | <b>(103,970)</b> | <b>51,055</b>      | <b>3,039</b>     | <b>(418,040)</b>   | <b>-761.9%</b>  |



**Mission : Make Learning Better**

**Values: Customer First, Integrity, Ownership, Collaboration, Innovation**