



# 2022 Q4 EARNINGS PRESENTATION

March 9, 2023

# Part 1

## 2022 Q4 Business Highlights

# Strategic Partner of WhatsApp in Greater China

 Meta

Business Partner

Aurora Mobile received the Meta Business Partners badge and became a strategic partner of WhatsApp in Greater China



- Aurora Mobile became a strategic partner of WhatsApp in Greater China in December 2022
- This is great testament on our product and service quality. We will have strong and continuous technical support from Meta Platforms (Nasdaq: META)
- WhatsApp is now available in our **EngageLab** helping enterprises reach and connect with **more than two billion global users**

# We Have Integrated AIGC in Our Products and Services

- We utilize ChatGPT technology to enhance our JPush and SendCloud email services
- By integrating ChatGPT:
  1. JPush can quickly generate personalized intelligent push copywriting with high click-through rates and high conversion
  2. SendCloud will generate personalized email content according to the recipient's information and preferences
- Aurora Mobile has also become one of the first ecosystem partners of ERNIE Bot, a generative AI chatbot developed by Baidu





# Part 2

## **2022 Q4 Financial Highlights**

# Group Revenues - Defined

## Developer Services

- Subscription
- Value-Added Services



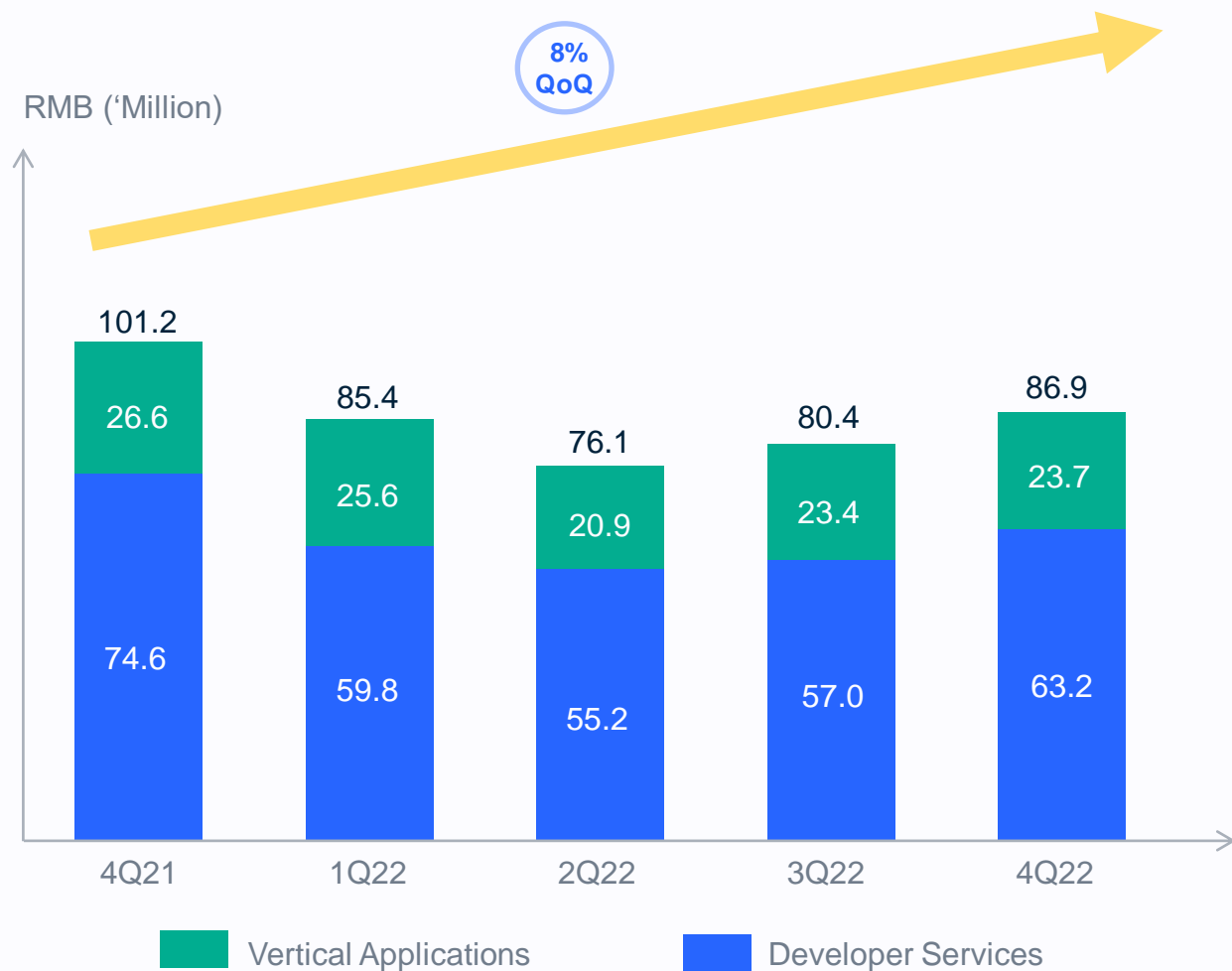
## Vertical Applications

- Market Intelligence
- Financial Risk Management





# Total Group Revenue Increased by 8% QoQ Driven by Economic Recovery



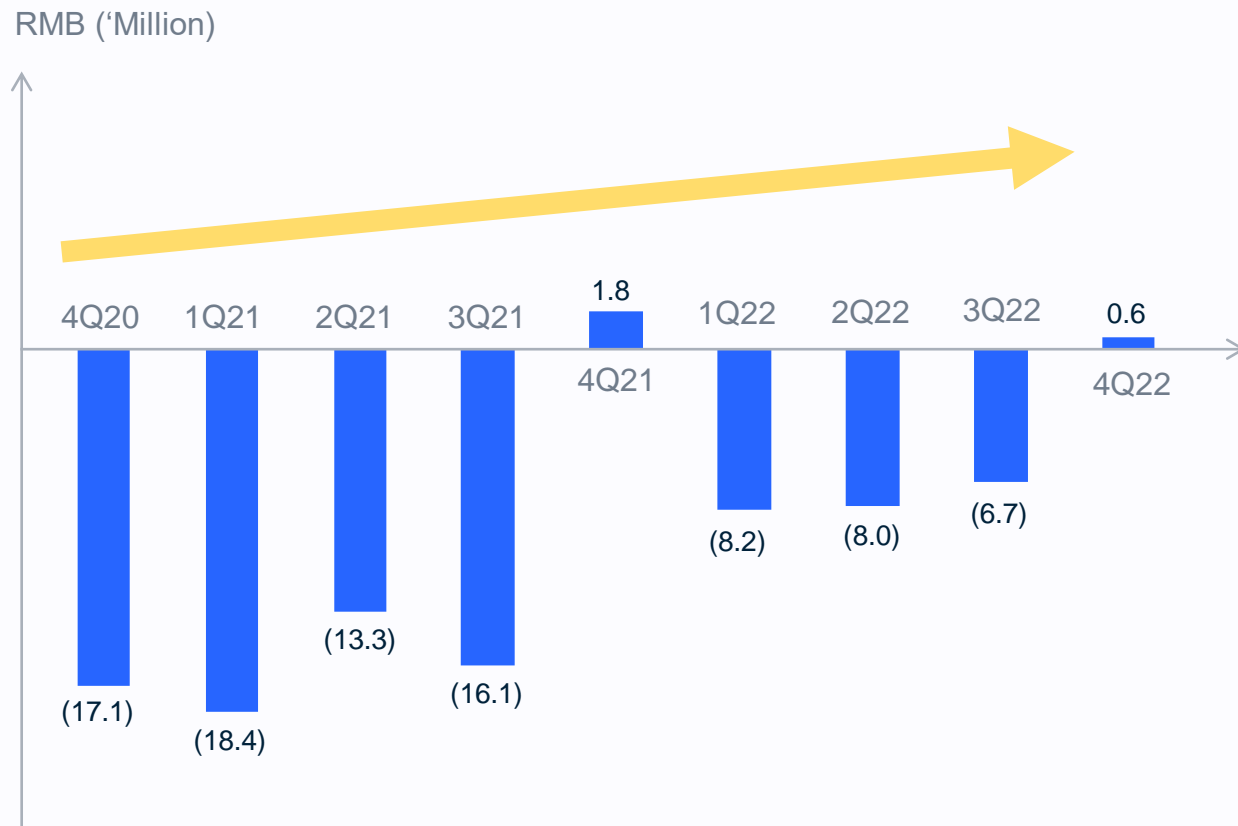
## In Q4'22, we recorded:

- Highest quarterly revenue in 2022
- Sequential revenue growth for all business lines

## Revenue increased by 8% QoQ driven by growth in:

- Developer Services by 11% QoQ
- Vertical Applications by 1% QoQ
- Attributed to the overall economic recovery and improved market conditions

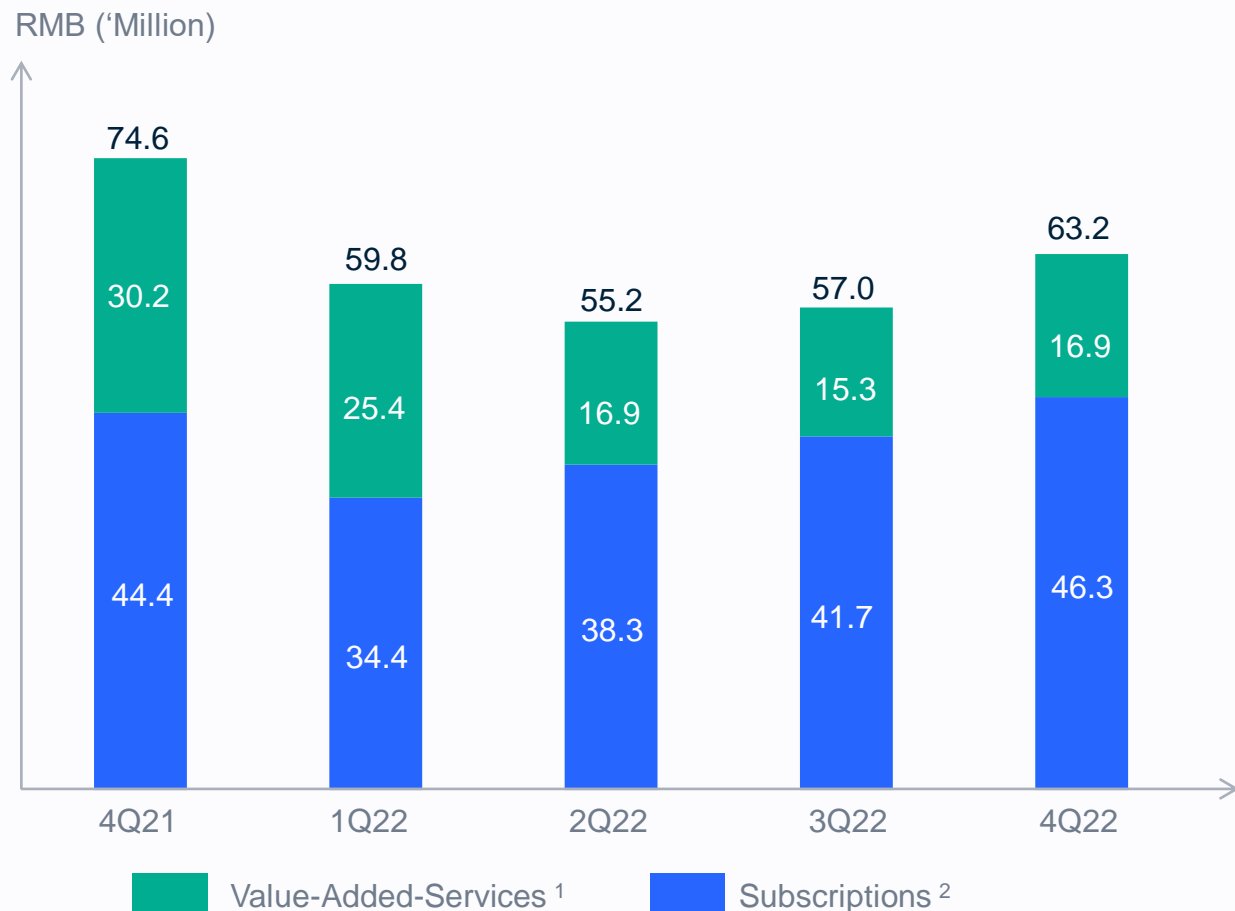
# Adjusted EBITDA In Q4'22 Turned Positive !



- We achieved **positive Adjusted EBIDTA** in Q4'22 despite tough operating environment
- The positive shift in Adjusted EBITDA due to:
  - Revenue increased by a 8% QoQ or RMB6.5M
  - Management continuous and relentless effort to tightly control OPEX



# Developer Service Revenue Recorded 11% QoQ Growth



- **Subscription revenue:**

- Increased by 4% YoY or 11% QoQ mainly driven by an increase in the number of customers

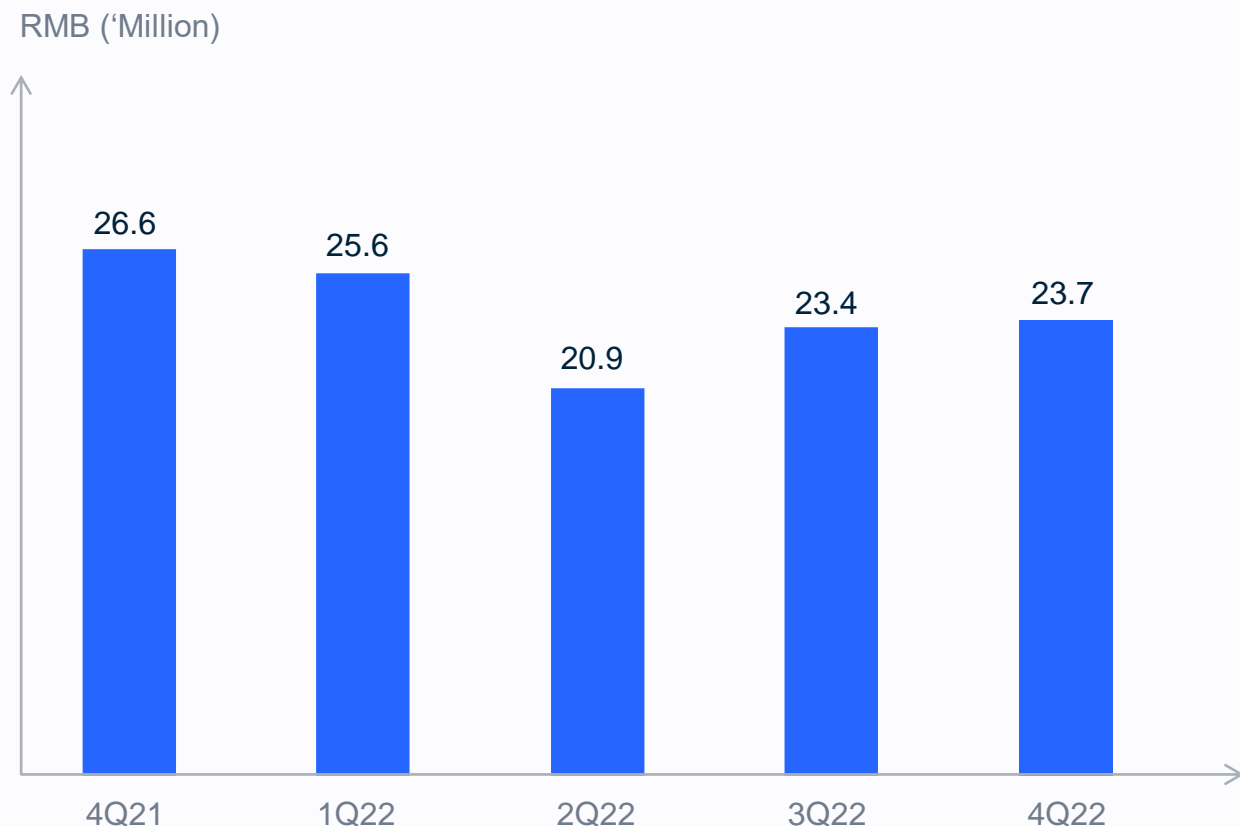
- **Value-Added-Services revenue:**

- Increased by 10% QoQ mainly driven by the recovery of the macroeconomy and the continuous expansion of the company's traffic platform

1. Includes both JG Alliance products, Adpub and Advertisement SaaS

2. Includes push notification, sms, verification, SendCloud email services and other subscription based developer services

# Vertical Application Revenue Recorded Sequential QoQ Growth



- **Include revenues from:**

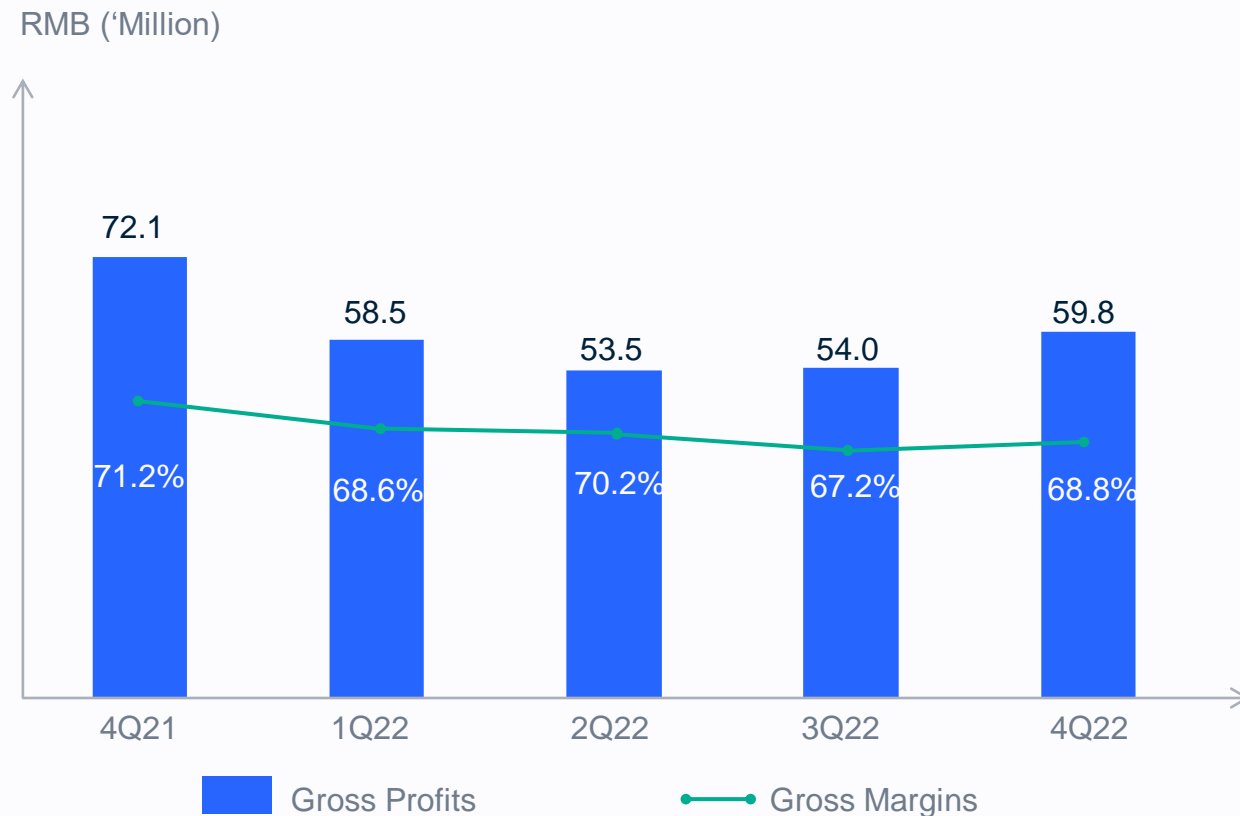
- a) Market Intelligence
- b) Financial Risk Management

- **Revenue increased by 1% QoQ attributable to:**

- Market Intelligence by 16% QoQ
- Financial Risk Management by -14% QoQ

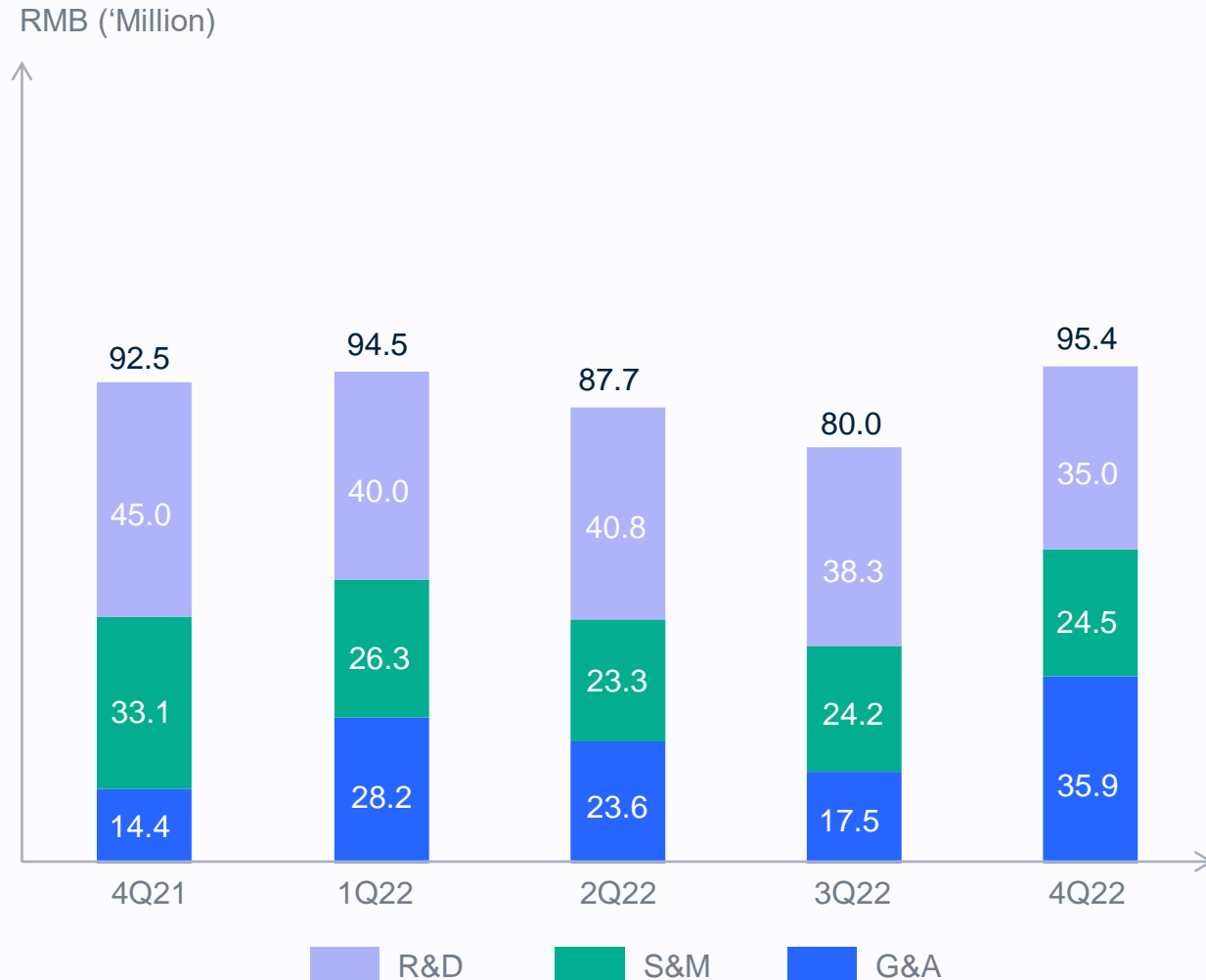
- The increase in Market Intelligence revenue is mainly due to the increase in ARPU

# Gross Profits and Gross Margins Improved !



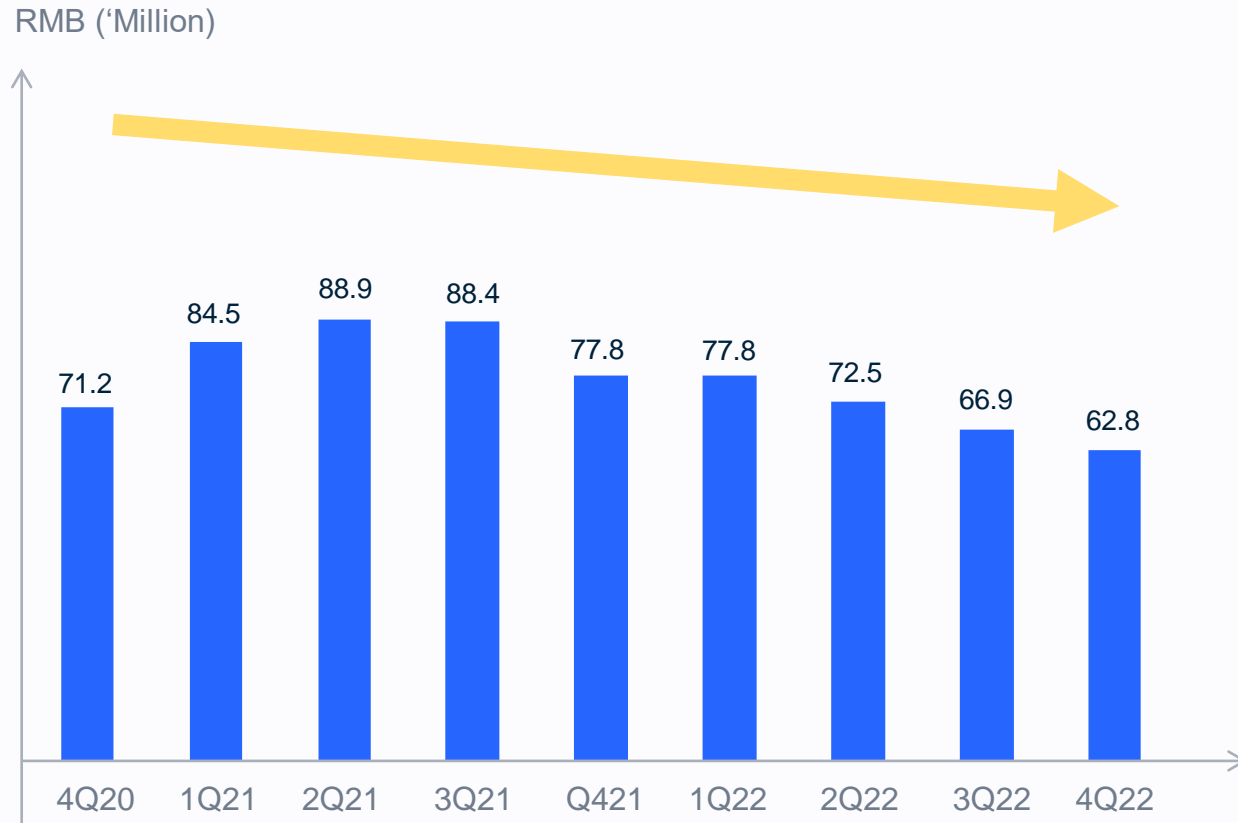
- In Q4'22, we achieved **highest quarterly gross profit** level for FY2022
- Gross profits increased by 11% QoQ to RMB59.8M
- The gross profits and gross margins increased QoQ due to:
  - Total revenue increased by 8% QoQ
  - Continue to improve operational efficiencies and changing / selecting other more cost-efficient suppliers where necessary

# Operating Expenses Staying Below RMB100M



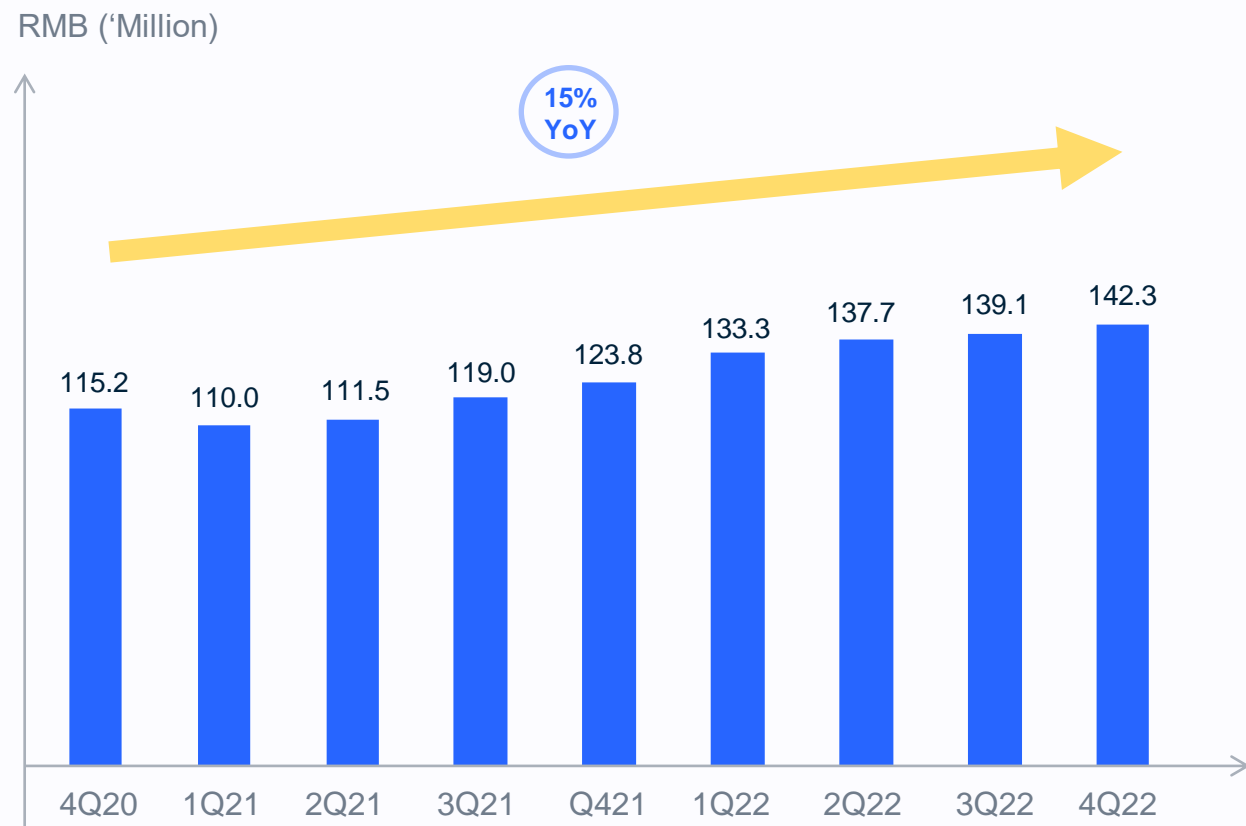
- For the fifth consecutive quarters, our OPEX are below the RMB100M mark
- The increase in OPEX QoQ mainly due to:
  - G&A expenses increased due to an one-time RMB22.4 million non-cash long-lived assets impairment charge in connection with our the “Going-Cloud” project

# Company Achieved Historic Low In Adjusted OPEX!



- **Q4'22 Adjusted OPEX** (which represents the cash component of OPEX) **was at lowest level since IPO**
- The decrease in Adjusted OPEX mainly due to:
  - Investment in process improvements that increases efficiency; and
  - Implementation of group-wide on-going cost-cutting measures

# Deferred Revenue Has Risen To The Highest Level In History



- **Deferred Revenue increased** by 15% YoY or 2% QoQ, and achieved 11<sup>th</sup> **consecutive quarter of > RMB100M**
- This great trend of Deferred Revenue balance demonstrates
  - Our services are well accepted by customers with ongoing, repeat and extended contracts
  - Our revenue pipeline is very strong
  - Majority of our customers are prepaying in advance

# Balance Sheet Remained Strong as of 12/31/2022

01

## Cash and cash equivalents, restricted cash and short-term investments of:

- Healthy level of cash to support business growth

**RMB116M** as of 12/31/2022

02

## Net Cash Inflow from operating activities:

- From negative in Q3'22 to positive in Q4'22

**Turned positive (inflow)** in Q4'22

03

## AR days at a healthy level:

- Lowest level since IPO
- Sign of improved billing processes, increased efficiency in collections, and better management of accounts receivable

**Improved by 6 days**

(to 32 days in Q4'22)



# Use of Non-GAAP Financial Measures

In evaluating the business, Aurora Mobile Limited, (“Aurora”, “The Company”) considers and uses three non-GAAP measures, adjusted net loss, adjusted EBITDA and SAAS Businesses revenue, as a supplemental measure to review and assess its operating performance. In this presentation, these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. The Company defines adjusted net loss as net loss excluding share-based compensation, reduction in force charges, impairment of long-lived assets, impairment of long-term investment and change in fair value of foreign currency swap contract. The Company defines adjusted EBITDA as net loss excluding interest expense, depreciation of property and equipment, amortization of intangible assets, amortization of land use right, income tax expenses, share-based compensation, reduction in force charges, impairment of long-lived assets, impairment of long-term investment and change in fair value of foreign currency swap contract. The Company defines SAAS Businesses revenue as the total Group revenue excluding Targeted Marketing revenue.

The Company believes that adjusted net loss and adjusted EBITDA help identify underlying trends in its business that could otherwise be distorted by the effect of certain expenses that it includes in loss from operations and net loss. The

Company believes that adjusted net loss and adjusted EBITDA provide useful information about its operating results, enhance the overall understanding of its past performance and future prospects and allow for greater visibility with respect to key metrics used by the management in their financial and operational decision-making.

The non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. The non-GAAP financial measures have limitations as analytical tools. One of the key limitations of using adjusted net loss and adjusted EBITDA is that they do not reflect all items of income and expense that affect the Company’s operations. Further, the non-GAAP financial measures may differ from the non-GAAP information used by other companies, including peer companies, and therefore their comparability may be limited.

The Company compensates for these limitations by reconciling the non-GAAP financial measures to the nearest U.S. GAAP performance measure, all of which should be considered when evaluating the Company’s performance. The Company encourages you to review its financial information in its entirety and not rely on a single financial measure.





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# THANKS

