

# Kingdee International Software Group

2022 Annual Results Announcement

Stock Code: 268.HK  
16 March 2023

<b>01</b>	<b>Financial Overview</b>	<b>P 04</b>
<b>02</b>	<b>Kingdee Cloud</b>	<b>P 10</b>
<b>03</b>	<b>China Enterprise SaaS Market Outlook</b>	<b>P 18</b>
<b>04</b>	<b>Appendix</b>	<b>P 26</b>

# 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**

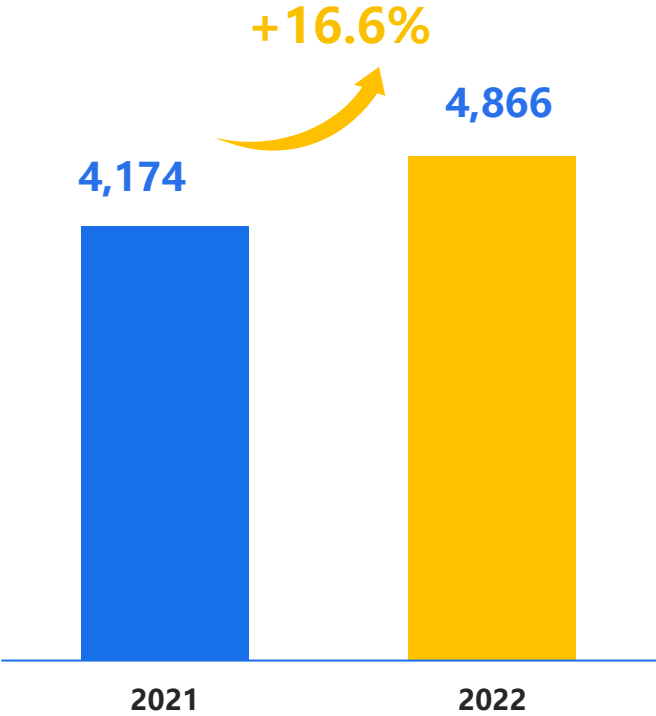
Total Company Headcount

# 01

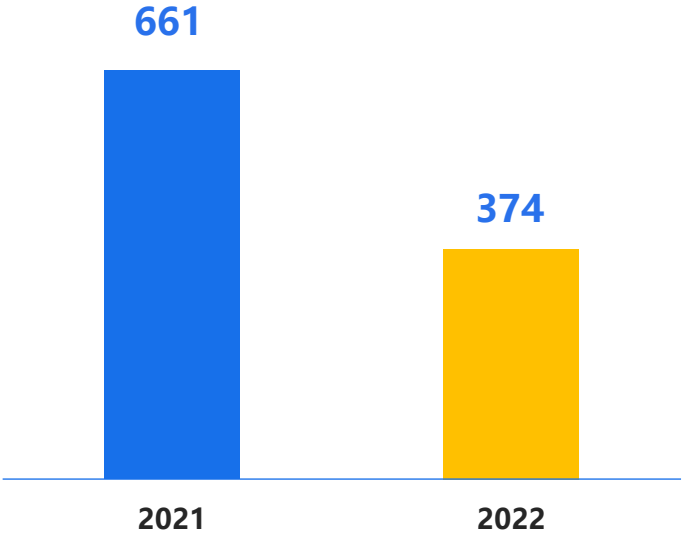
## Financial Overview

# Financial Summary

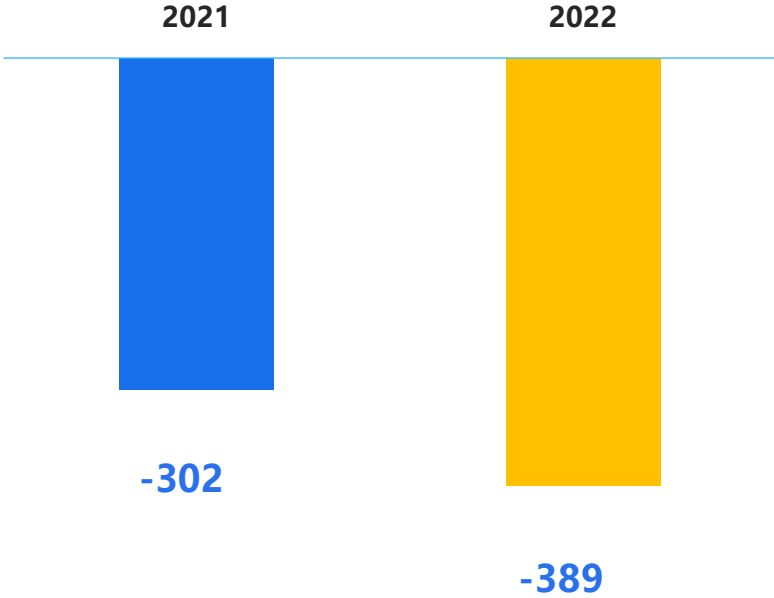
(RMB mn)



Group Revenue



Net Operating Cash Flow

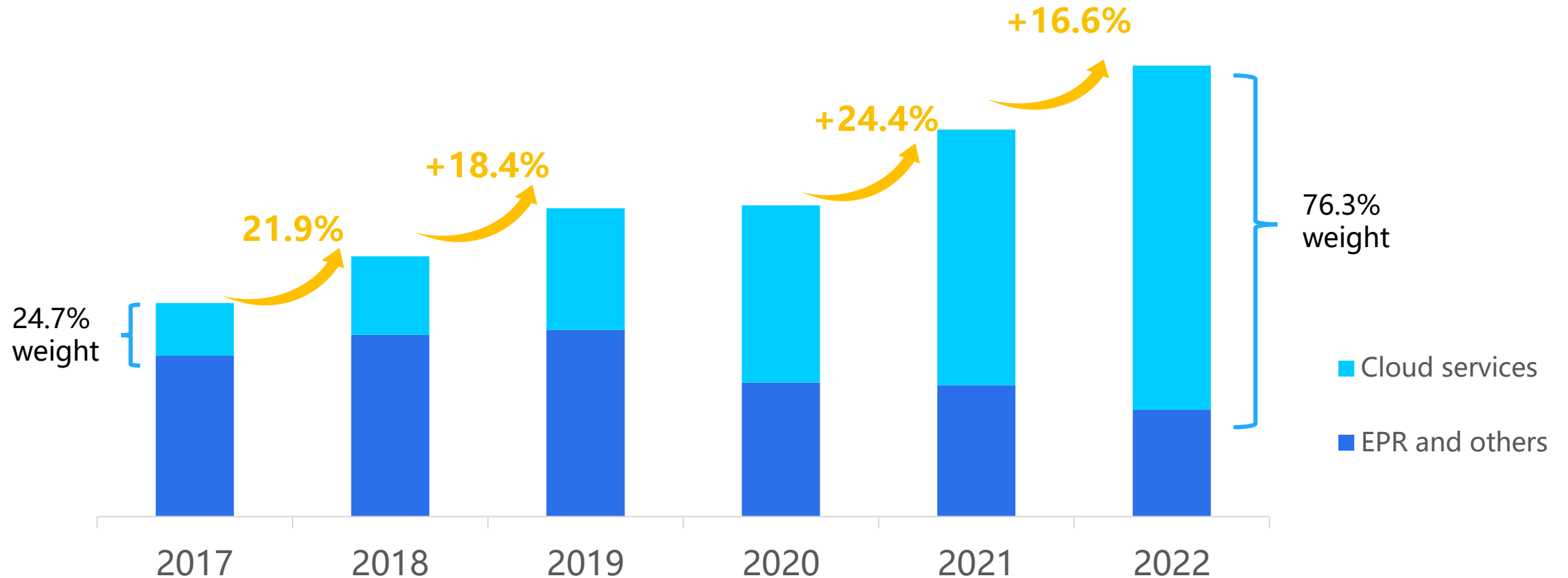


Net profit attributable to shareholders

# Growth of Cloud Services



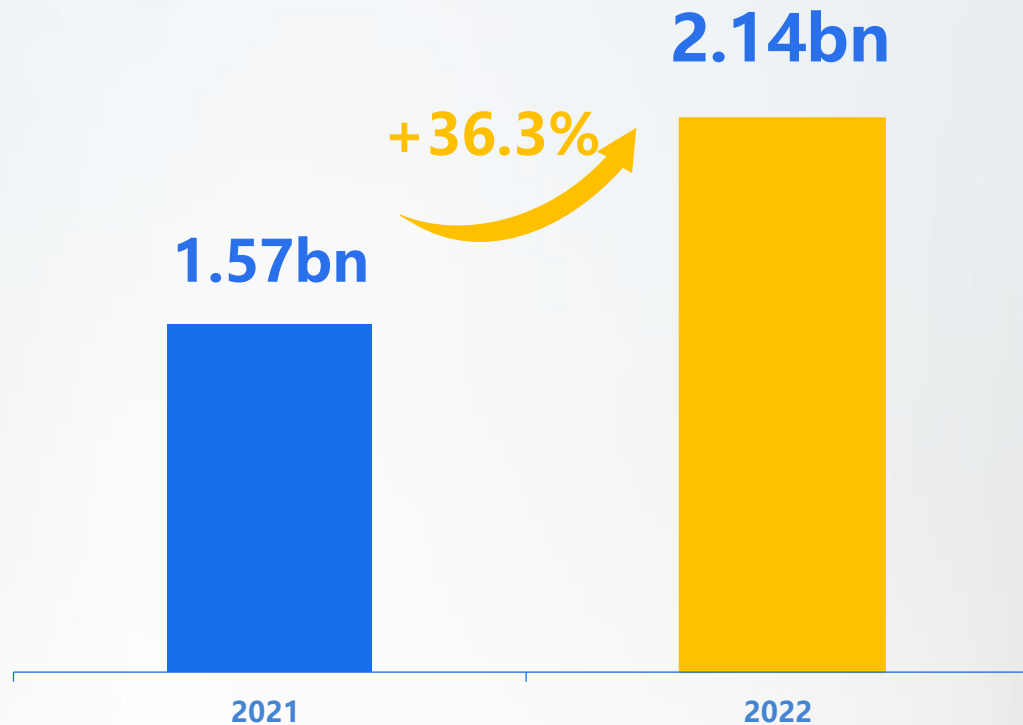
# Since 2017, Kingdee maintained steady revenue growth trend



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

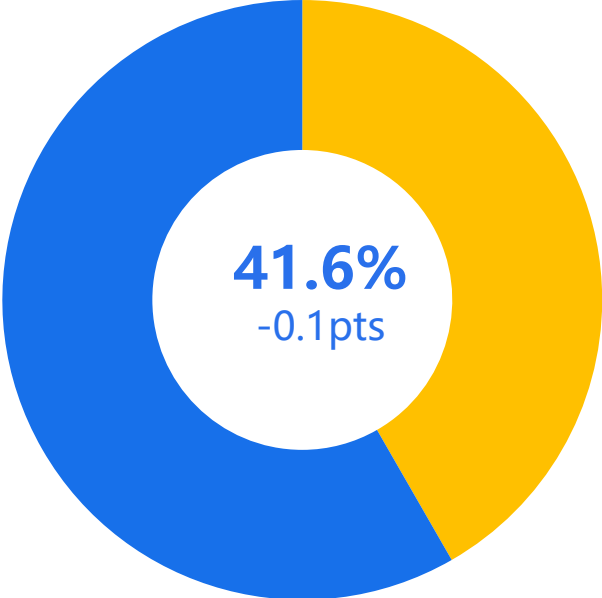


**Subscription ARR** reflects approximate annualized recurring revenue from Kingdee Cloud subscription services. From 2023, subscription operating metrics will be disclosed on quarterly basis.



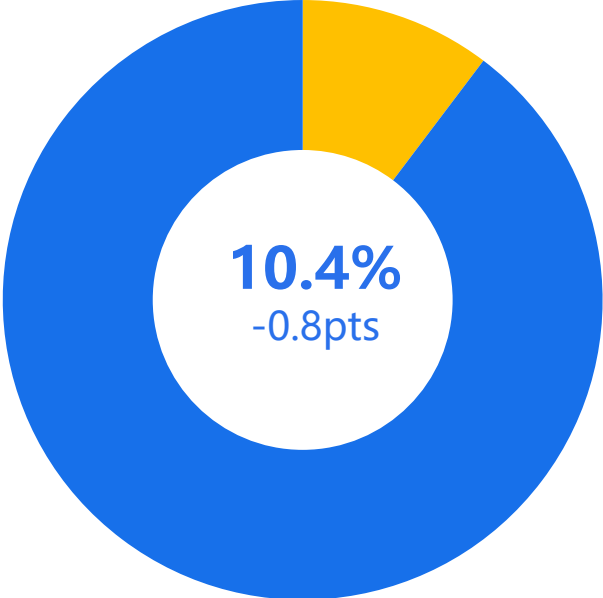
# Operating Expenses

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



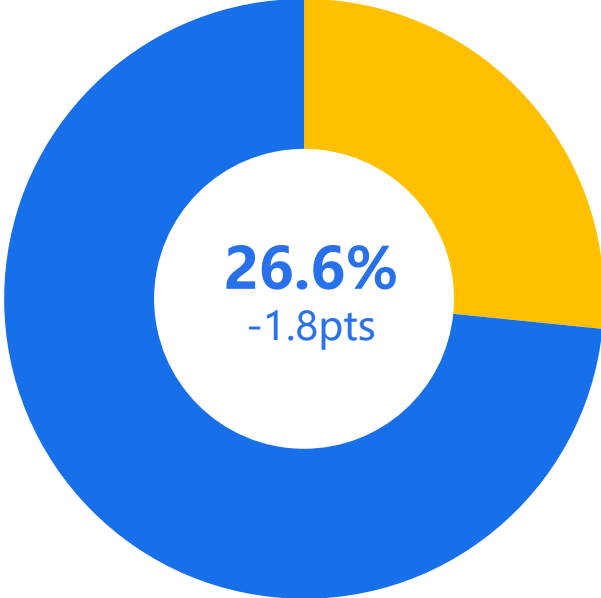
**S&M**  
as a % of total revenue

RMB 504mn  
+8.2% y-y growth



**G&A**  
as a % of total revenue

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



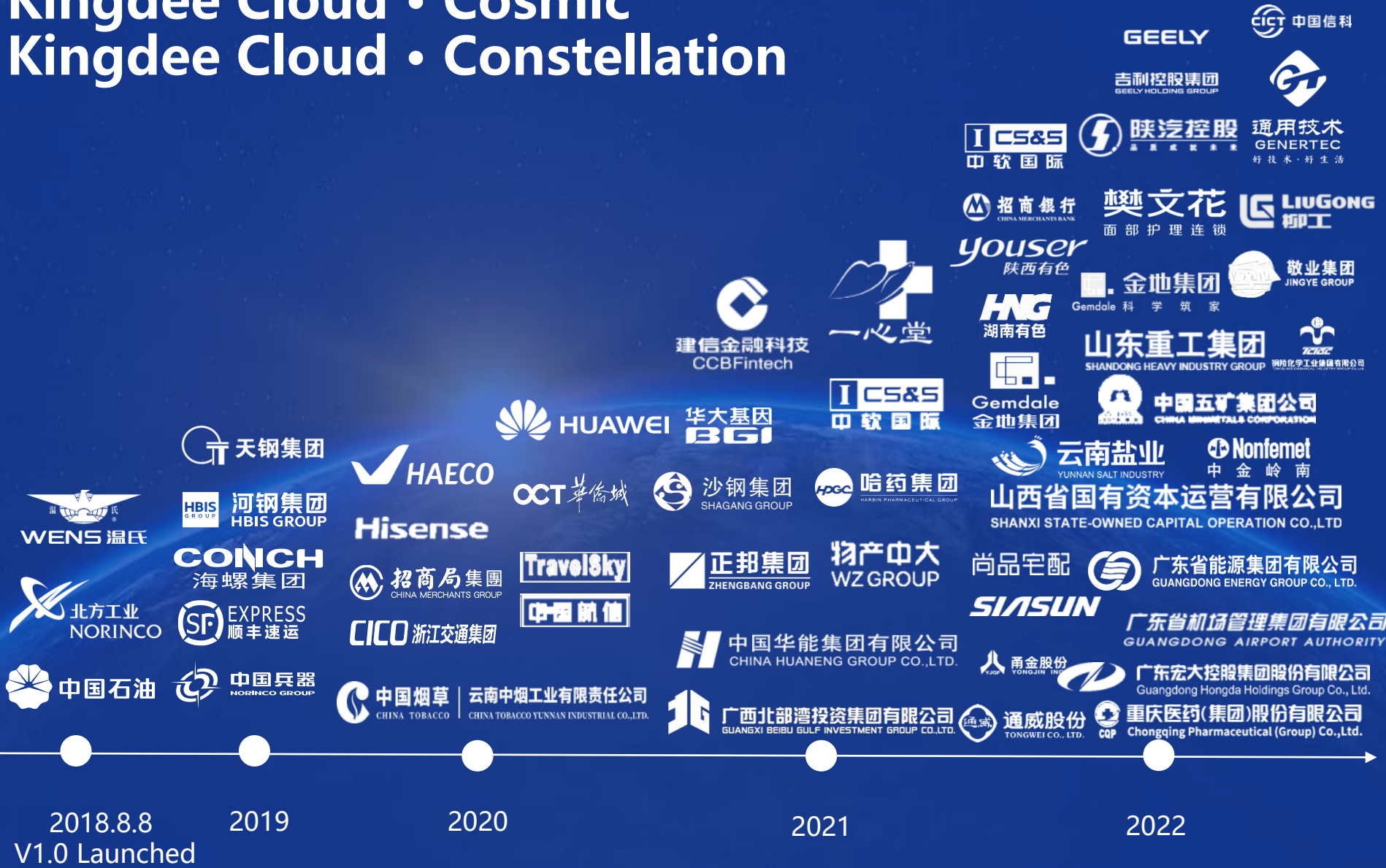
**R&D**  
as a % of total revenue

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



Gartner: No. 1  
aPaaS platform  
provider in China



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

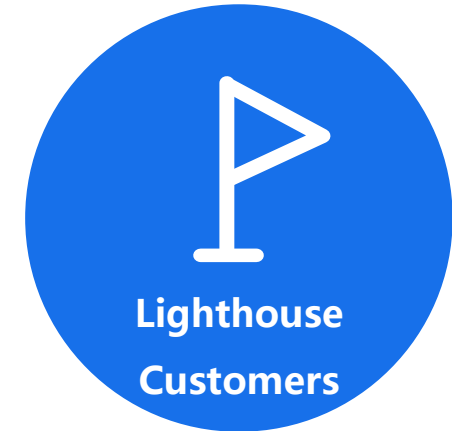


### Finance & Taxation

- 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



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



文档信息提取

50

文档差异分析demo-1 (1).pdf

信息提取详情 文档提取助手

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

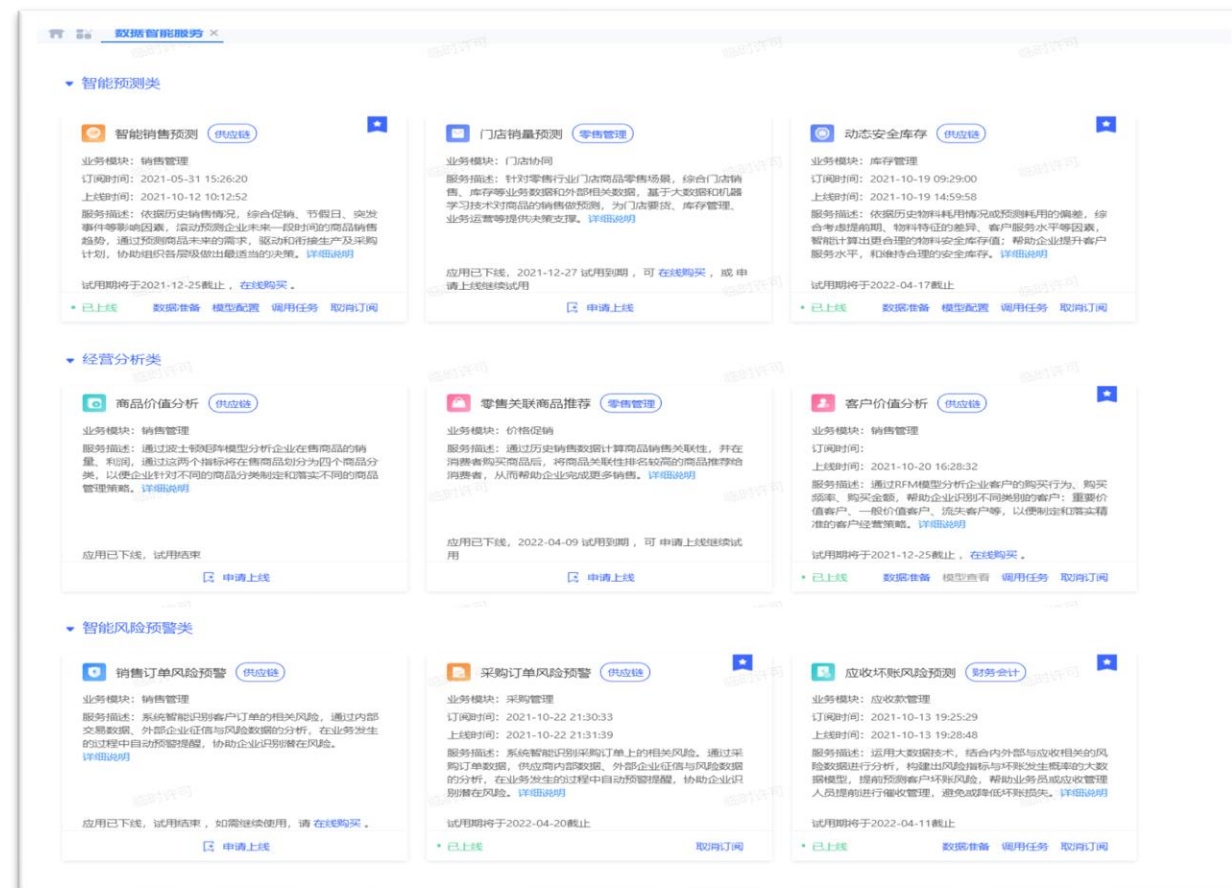
甲方的联系人是张大山, 联系电话是010-66668888。乙方的联系人是刘建国, 联系电话是(0755) 86072078。(Page 2)

合同编号: B\*\*-HT-2020-001

中国环宇集团有限公司  
差旅出行服务平台建设项目

合同

## Sales & Inventory forecast, Operation analysis, Risk alert



数据智能服务

### 智能预测类

- 智能销售预测** (供应链)  
业务模块: 销售管理  
订购时间: 2021-05-31 15:26:20  
上线时间: 2021-10-12 10:12:52  
服务描述: 依据历史销售情况, 综合促销、节假日、突发事件等影响因素, 滚动预测企业未来一段时期的商品销售趋势, 通过预测商品未来的需求, 驱动和衔接生产及采购计划, 协助组织各层级做出最适当的决策。详细说明  
试用期将于2021-12-25截止, 在线购买。  
已上线 数据查看 模型配置 调用任务 取消订阅
- 门店销量预测** (零售管理)  
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做预测, 为门店进货、库存管理、业务运营等提供决策支持。详细说明  
应用已下线, 2021-12-27 试用到期, 可在线购买, 或申请上线继续使用  
申请上线
- 动态安全库存** (供应链)  
业务模块: 库存管理  
订购时间: 2021-10-19 09:29:00  
上线时间: 2021-10-19 14:59:58  
服务描述: 依据历史物料消耗情况完成预测耗用的调整, 综合考虑提前期、物料特征的差异、客户服务水平等因素, 智能计算出最合理的物料安全库存值; 帮助企业提升客户服务水平, 并保持合理的安全库存。详细说明  
试用期将于2022-04-17截止  
已上线 数据查看 模型配置 调用任务 取消订阅

### 经营分析类

- 商品价值分析** (供应链)  
业务模块: 销售管理  
服务描述: 通过波士顿矩阵模型分析企业在售商品的销售量和利润, 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。详细说明  
应用已下线, 试用结束  
申请上线
- 零售关联商品推荐** (零售管理)  
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, 并在消费者购买商品后, 将商品关联性排名较高的商品推荐给消费者, 从而帮助企业完成更多销售。详细说明  
应用已下线, 2022-04-09 试用到期, 可申请上线继续使用  
申请上线
- 客户价值分析** (供应链)  
业务模块: 销售管理  
订购时间: 2021-10-20 16:28:32  
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, 帮助企业识别不同类别的客户: 重要价值客户、一般价值客户、流失客户等, 以便制定和落实精准的客户服务策略。详细说明  
试用期将于2021-12-25截止, 在线购买。  
已上线 数据查看 模型查看 调用任务 取消订阅

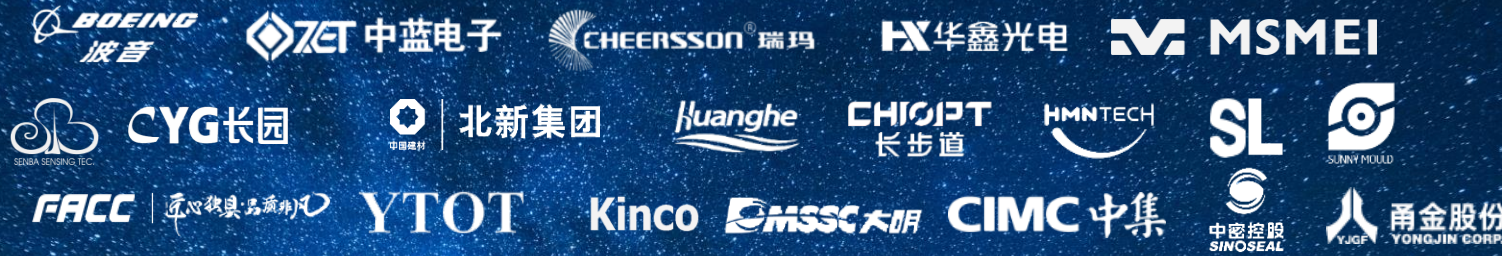
### 智能风险预警类

- 销售订单风险预警** (供应链)  
业务模块: 销售管理  
服务描述: 系统智能识别客户订单的相关风险, 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风险提醒, 协助企业识别潜在风险。详细说明  
应用已下线, 试用结束, 如需继续使用, 请在线购买。  
申请上线
- 采购订单风险预警** (供应链)  
业务模块: 采购管理  
订购时间: 2021-10-22 21:30:33  
上线时间: 2021-10-22 21:31:39  
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风险提醒, 协助企业识别潜在风险。详细说明  
试用期将于2022-04-20截止  
已上线 取消订阅
- 应收坏账风险预测** (财务会计)  
业务模块: 应收款管理  
订购时间: 2021-10-13 19:25:29  
上线时间: 2021-10-13 19:28:48  
服务描述: 运用大数据技术, 结合内外部与应收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, 提前预测客户坏账风险; 帮助业务员或应收管理人员提前进行催收管理, 避免坏账带来的损失。详细说明  
试用期将于2022-04-11截止  
已上线 数据查看 调用任务 取消订阅



# 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

听风  
香港有机认证品牌  
— 安全可靠 品质第一 —

芳瑞 武夷  
— 第一品牌 —  
FANGRUANG WUYI TEA

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



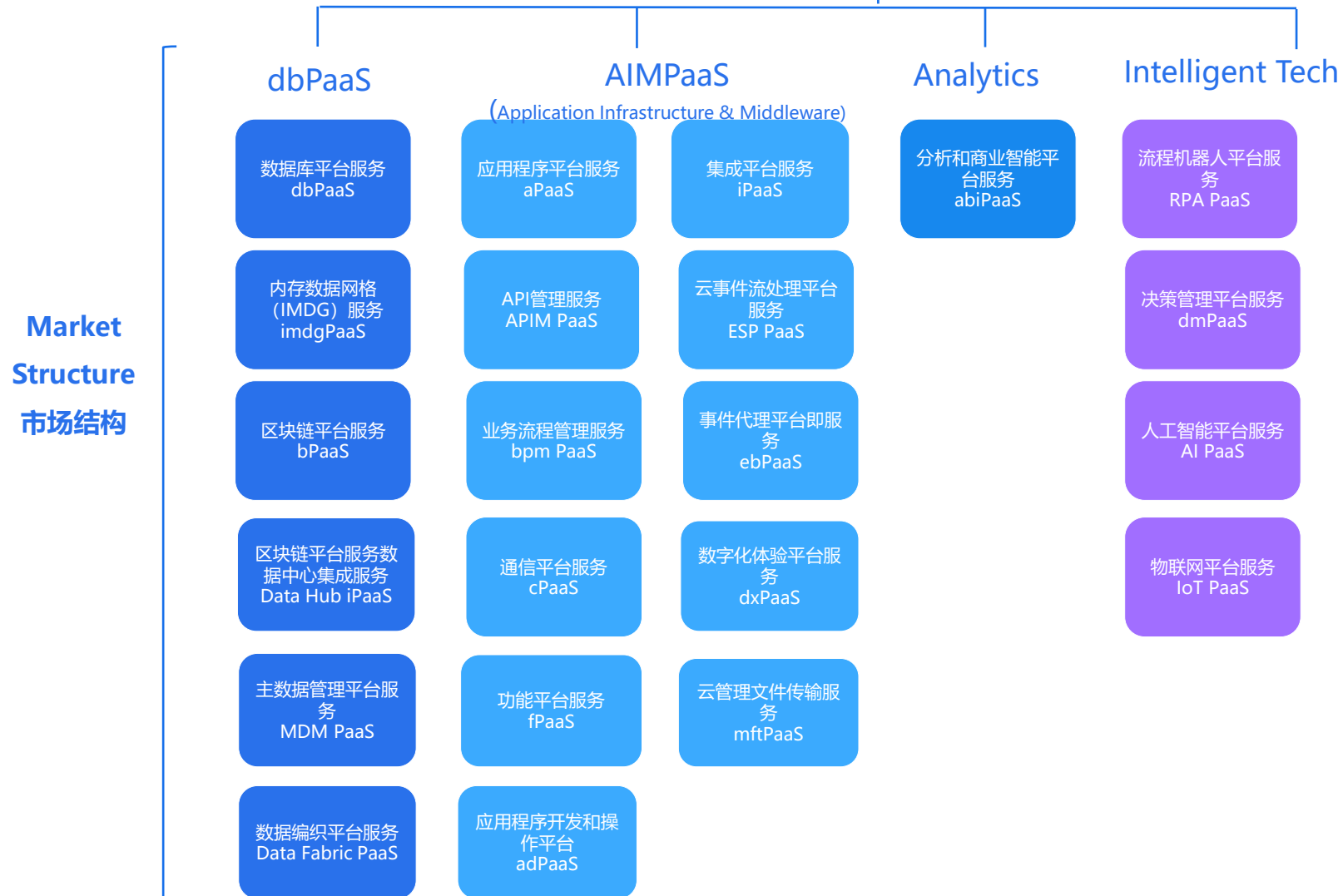
Dollar Retention Ratio  
74.1%

# 03

## China Enterprise SaaS Market Outlook

# China Platform-as-a-Service Outlook

## PaaS

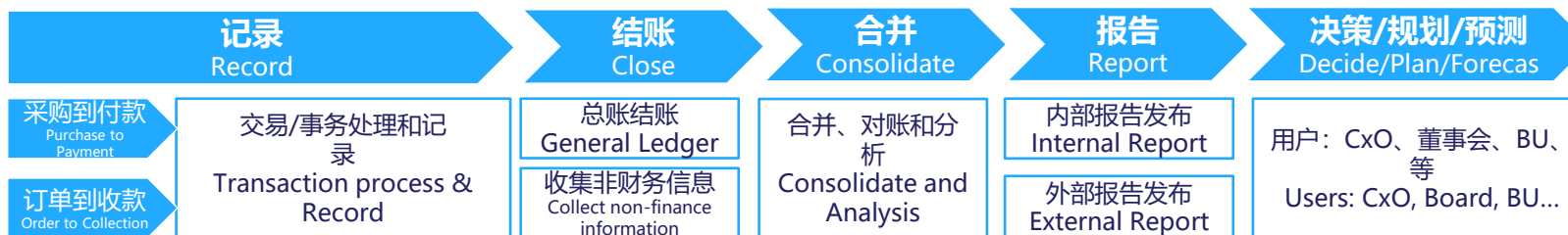


**~RMB23bn**  
Product TAM for  
ERP AIMPaaS by 2030

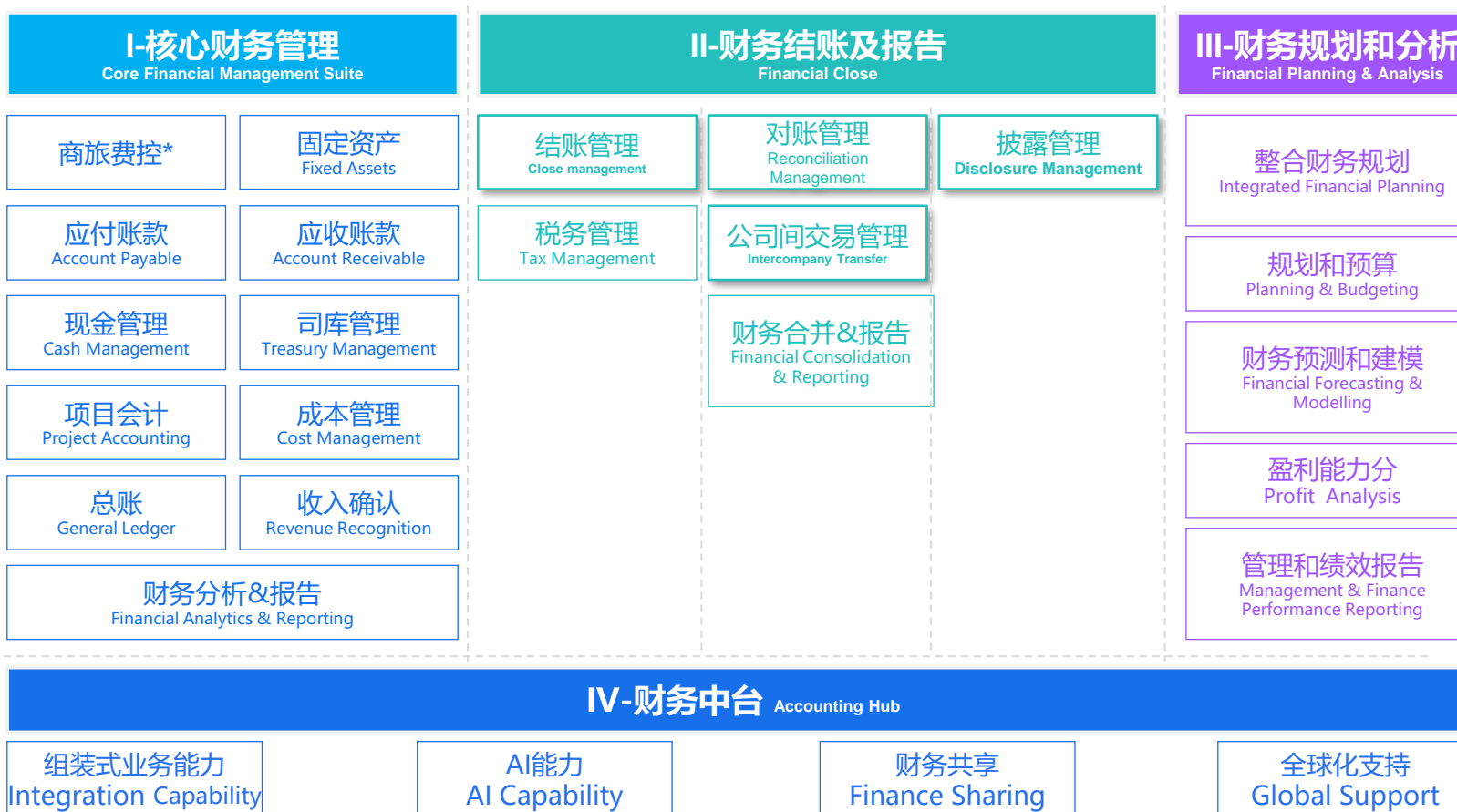


# China Financial Software SaaS Market Outlook

## 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

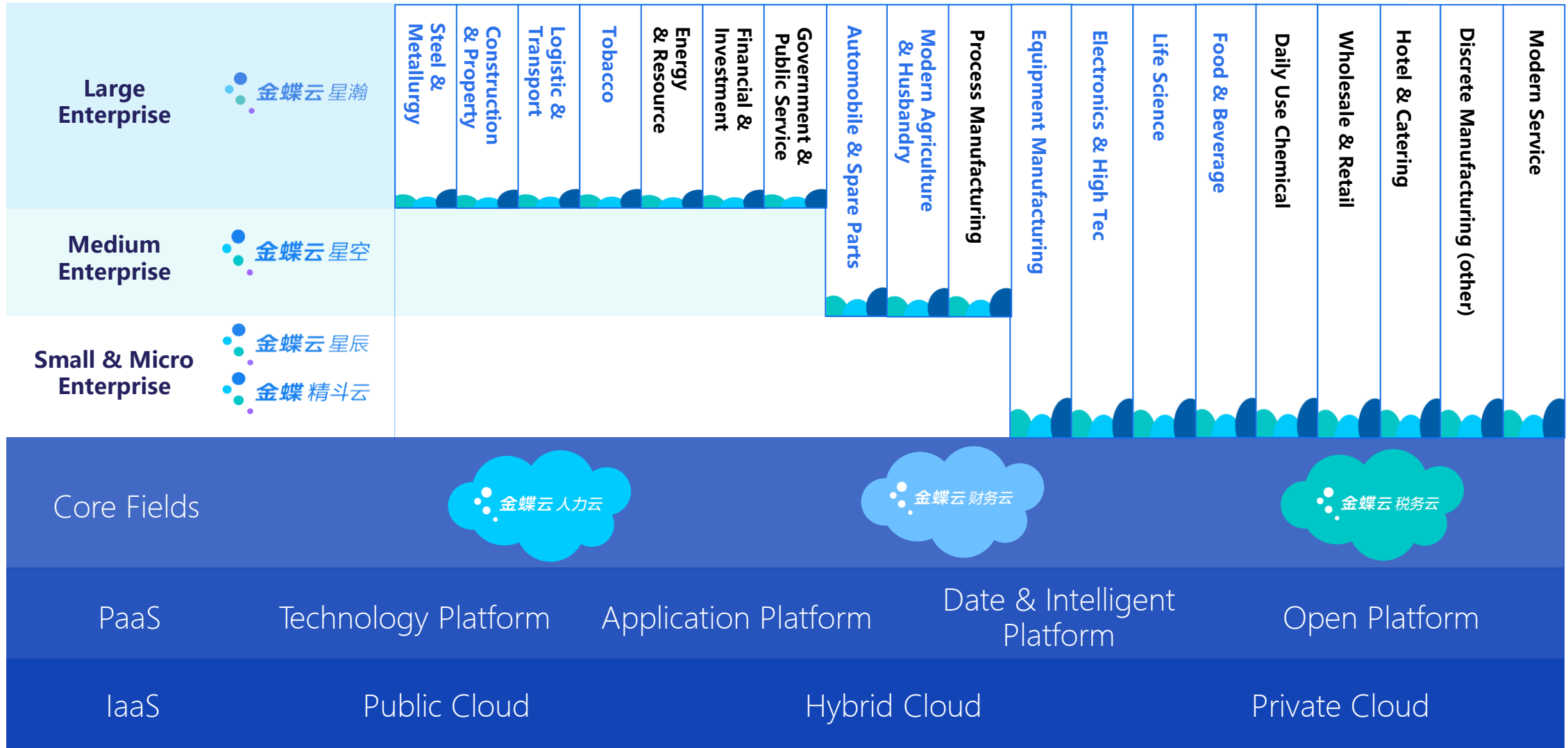


~RMB44bn

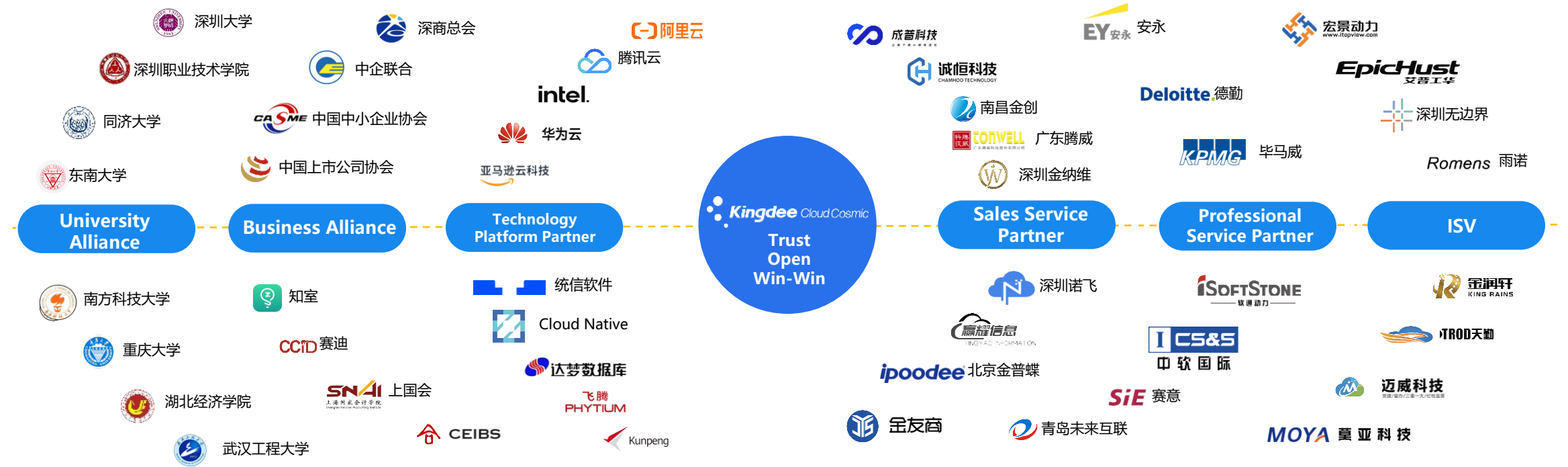
Product TAM for China Human Capital Software SaaS by 2030

# Core Strategy - Platform + Finance HR Tax + Ecosystem

## Strategy Industry



# Building a win-win Kingdee Partner Ecosystem



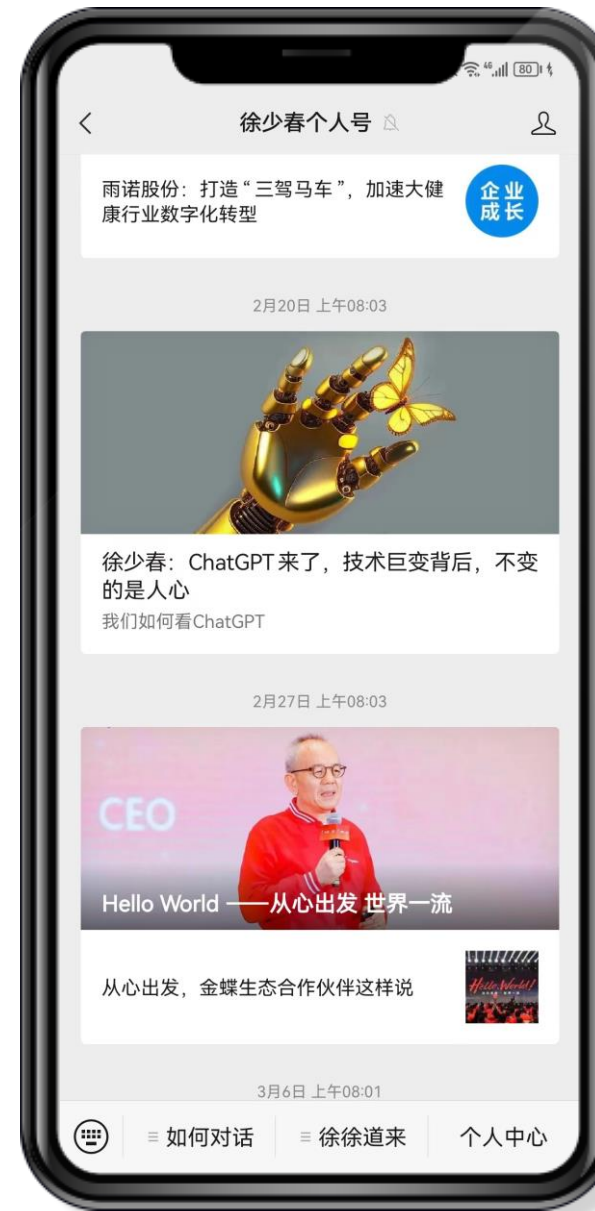
# Xu Shaochun Public Account to Enhance Customer Lifecycle Experience

**460**  
Customer Appreciation Letters

**2.5 times**  
Customer Response Efficiency

**91%**  
Customer Satisfaction Rate

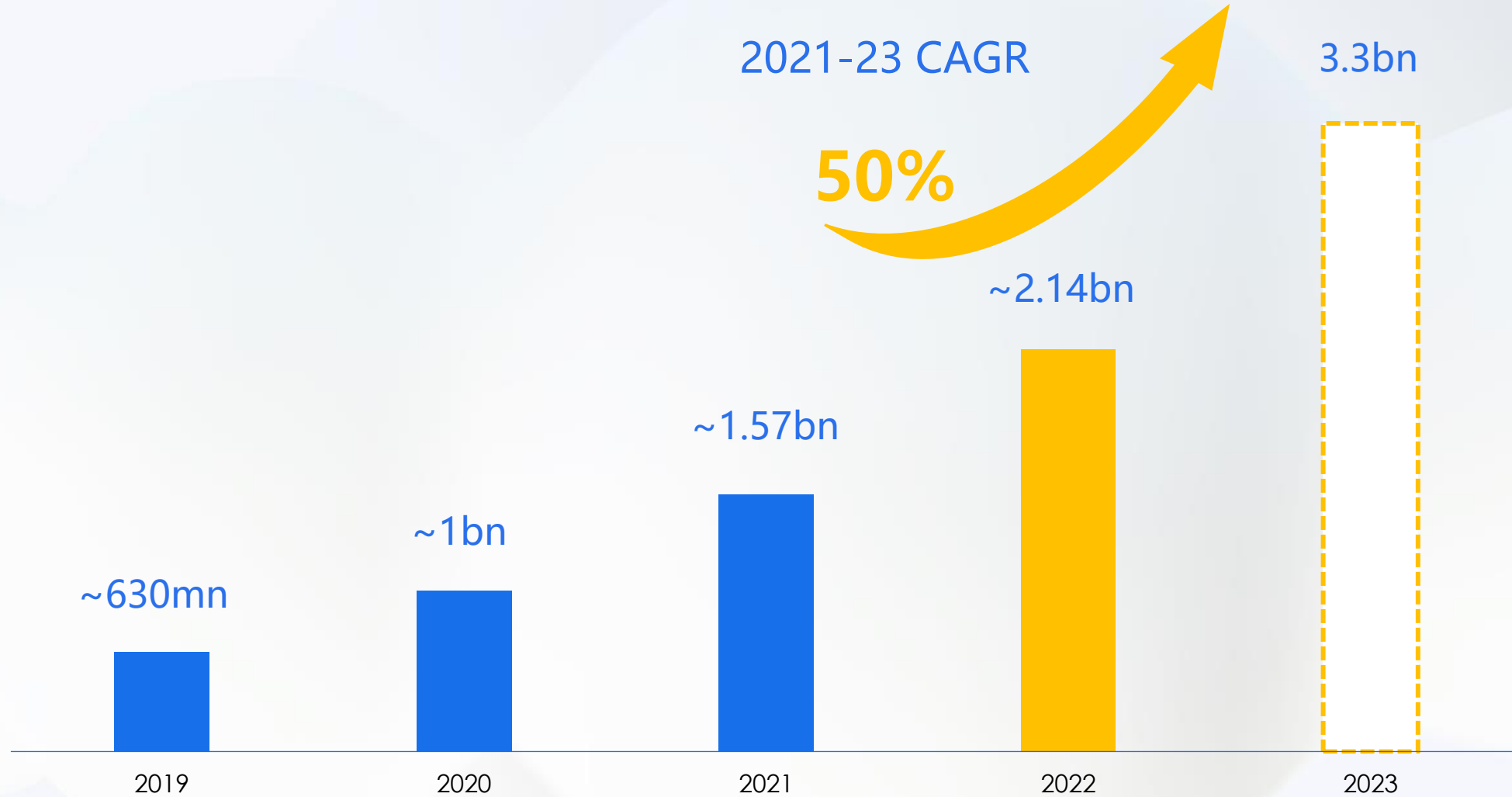
**66%** ↓  
Service Complaints





# 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%
<b>Total</b>	<b>4,865,769</b>	<b>100.0%</b>	<b>4,174,147</b>	<b>100.0%</b>	<b>16.6%</b>

# 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%
<b>Total R&amp;D costs</b>	<b>1,458,246</b>	<b>1,260,069</b>	<b>15.7%</b>
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%
<b>Total R&amp;D expenses</b>	<b>1,295,476</b>	<b>1,184,544</b>	<b>9.4%</b>
<b>R&amp;D expenses / Revenue</b>	<b>26.6%</b>	<b>28.4%</b>	<b>-1.8pts</b>

# 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%
<b>Total</b>	<b>2,026,584</b>	<b>1,741,354</b>	<b>16.4%</b>
<b>S&amp;M % of Total Revenue</b>	<b>41.6%</b>	<b>41.7%</b>	<b>-0.1pts</b>

# 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%
<b>Total</b>	<b>503,857</b>	<b>465,726</b>	<b>8.2%</b>
<b>Administrative expenses / Revenue</b>	<b>10.4%</b>	<b>11.2%</b>	<b>-0.8pts</b>

# 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%
<b>Total</b>	<b>348,988</b>	<b>365,831</b>	<b>-4.6%</b>
VAT % of Total Revenue	2.4%	3.6%	-1.2pts



# Cloud Contract Liabilities

(RMB' 000)	2022	2021	Change
<b>Total Cloud Contract Liabilities</b>	<b>2,239,473</b>	<b>1,713,355</b>	<b>30.7%</b>
<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

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