

# Joyy

# Investor Presentation

September 2020



NASDAQ : YY

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The forward-looking statements in this Presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including, without limitation, the Company's, examination of (i) historical industry, market and / or operating trends, (ii) data contained in the Company's records, and (iii) other data available from third parties. These forward-looking statements and their underlying assumptions are inherently subject to significant uncertainties and contingencies, which are difficult or impossible to predict and are beyond the Company's control and the Company, may not achieve or accomplish these expectations, beliefs or projections. Important factors that could cause actual results to differ materially from those discussed in the forward-looking statements in this Presentation include, among others, (i) the continued development of the Company's businesses, (ii) the funding requirements, strategies, and business development plans of the Company's businesses, (iii) the ability of the Company to adapt to changes in trends in the entertainment industry, and (iv) financial markets risk, operational risks, and other risks and factors. In light of these risks, uncertainties and assumptions, the forward-looking statements contained in this Presentation might not prove to be accurate and you should not place undue reliance upon them. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. The assumptions in the preceding list are not intended to be an exhaustive list of each of the Company's forward-looking statements.

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# Company overview

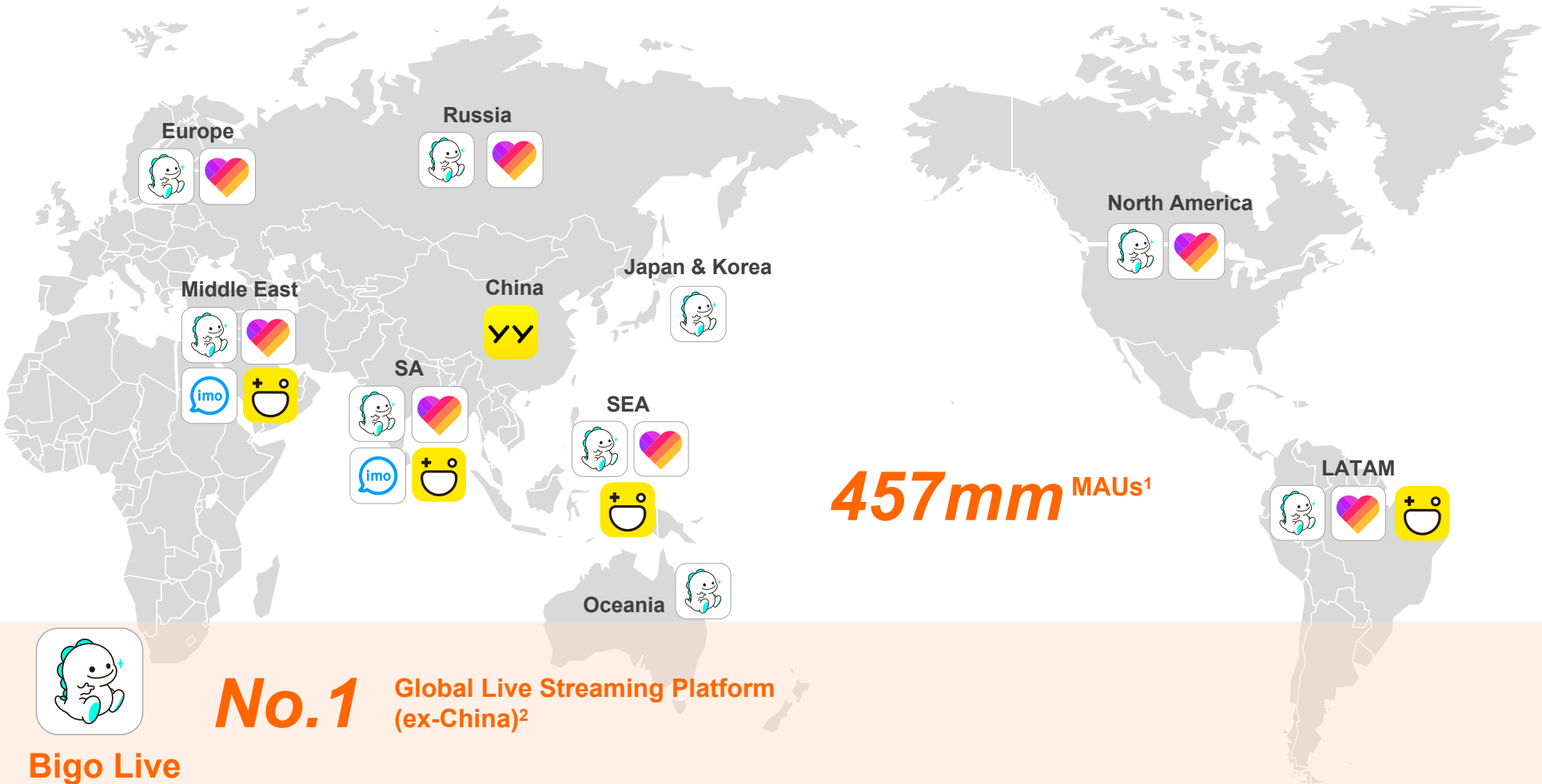
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" Connect People and Enrich Their Lives Through Video "



# The truly global platform



**457mm** MAUs<sup>1</sup>

**#2**  Likee

Global Short-form Video Platform(ex-China)<sup>2</sup>

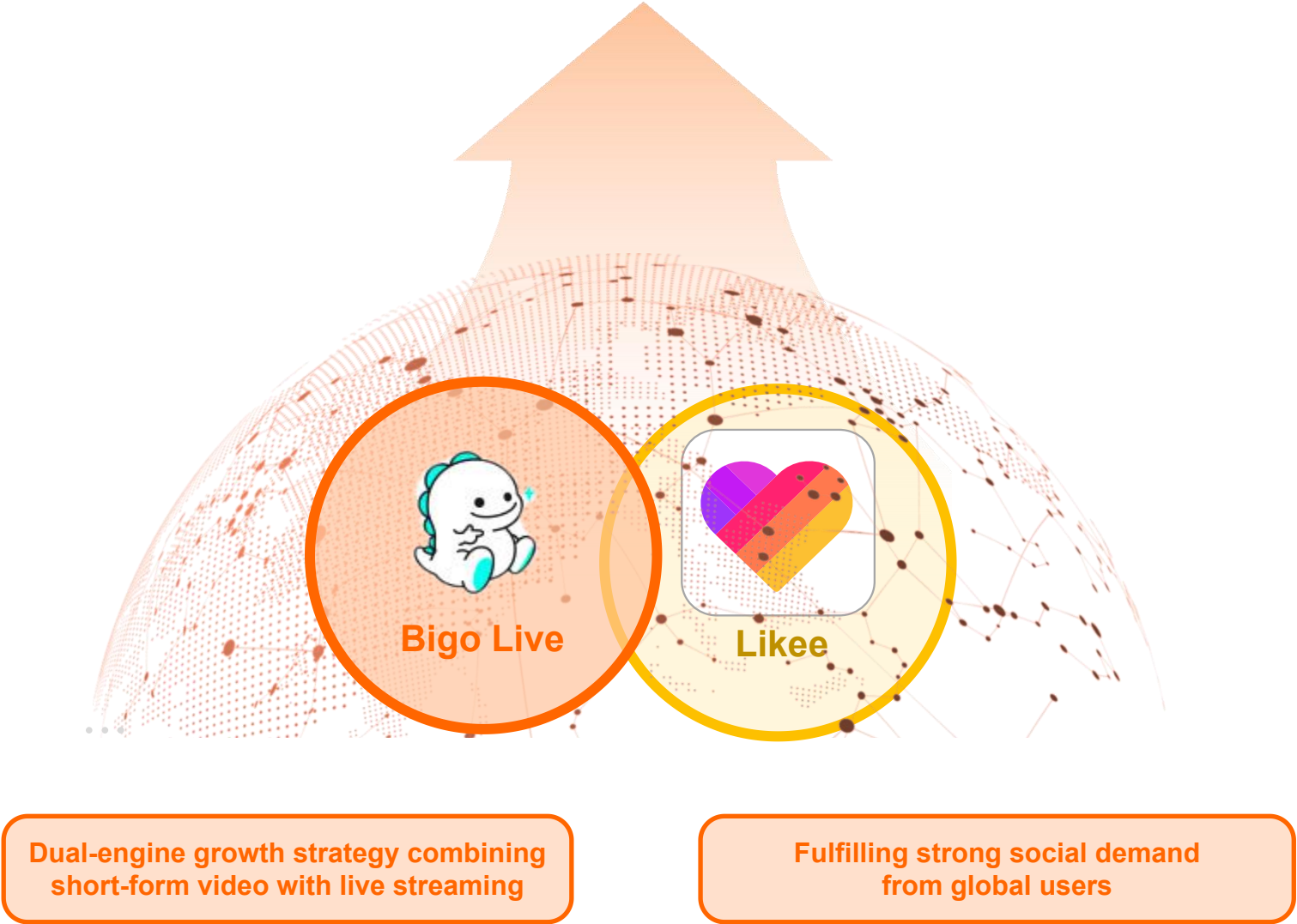
**#1**  YY Live

Entertainment Live Streaming Platform in China<sup>3</sup>

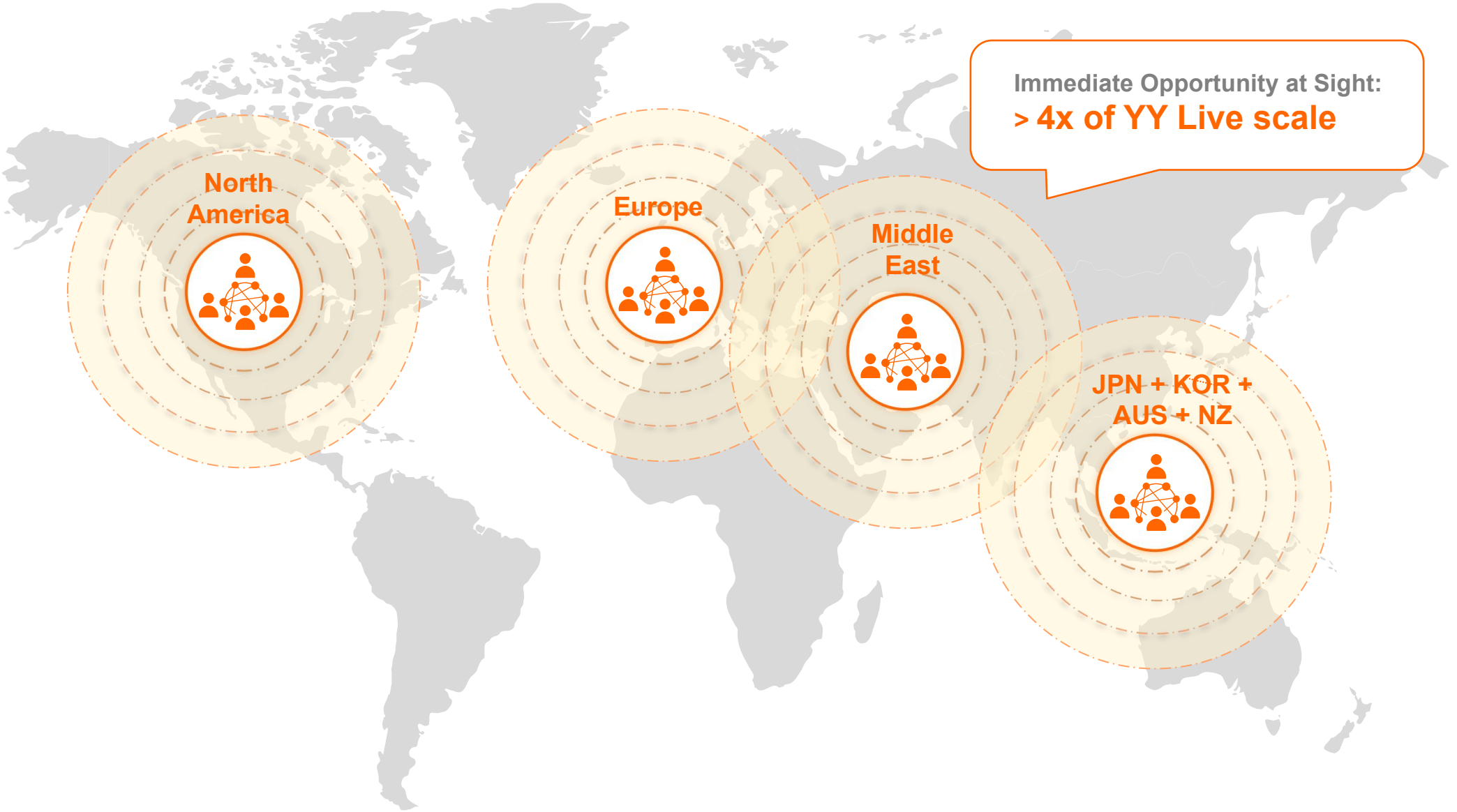
Source: Frost & Sullivan, Questmobile, Company filings

Notes: 1. Refers to the sum of the Company's mobile active users in 2Q20 from company filings and starting from this quarter, the Company deconsolidated Huya's financial and operational results.  
 2. The rankings for Bigo Live/Likee are outside of China and are based on average mobile MAUs from a Frost & Sullivan report dated March 30, 2019  
 3. The ranking for YY Live is based on average mobile MAUs in 2Q20 from Questmobile

# Dual-engine strategy unleashing potential of huge market

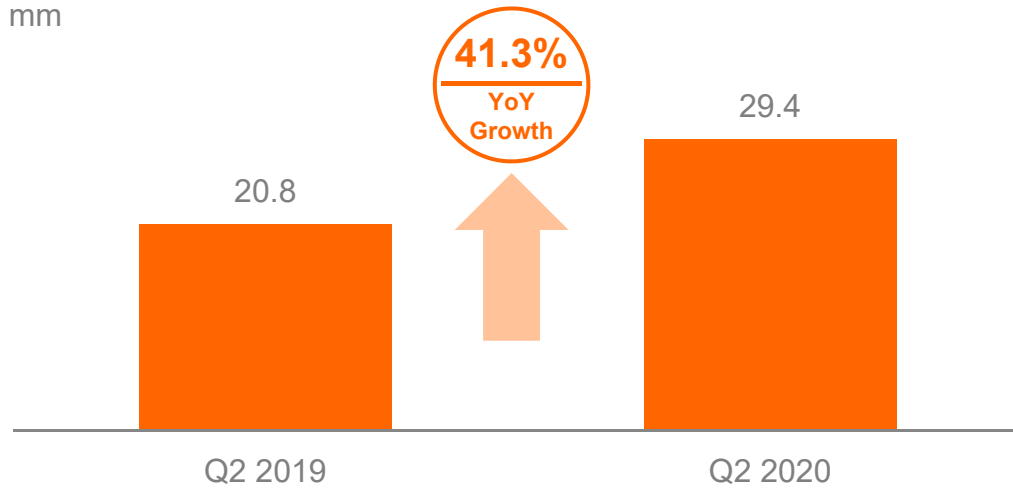


# Bigo Live: the leading global live streaming platform



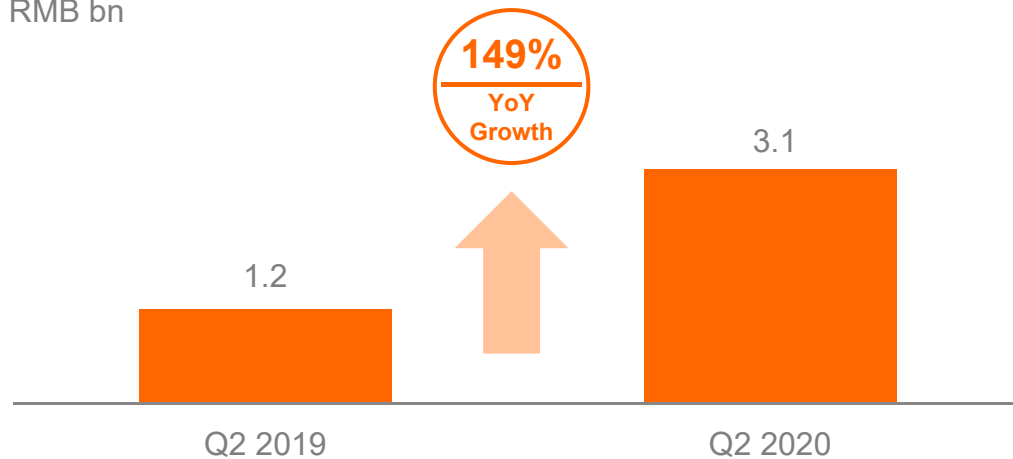
## MAU

mm

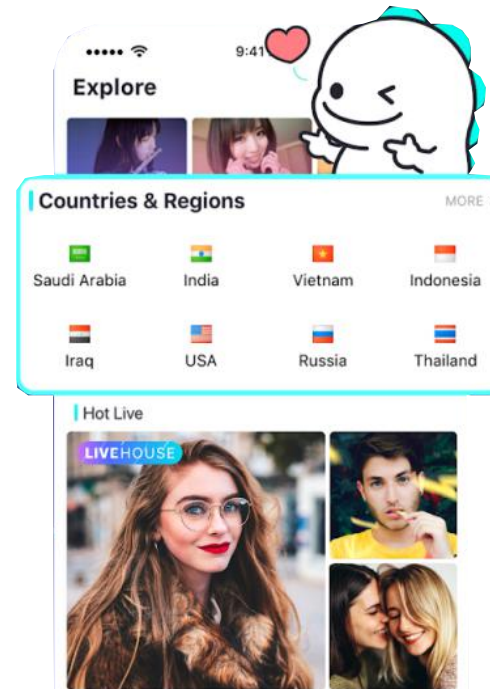


## Revenue<sup>1</sup>

RMB bn



## Key Drivers



30+

Regional operations centers

Extensive global presence

Strong localization capabilities



# Bigo Live: more exciting social features and prevalent user participation

Popular posts recommended for you

Picked for you

Bar

Follow Bar Meetup

wild\_kitty

I send you a Lucky Arrow 🏹 come and give me Heart 🍷

Go now

**> 50%** of users accessed their bar features in 20Q2<sup>1</sup>

**14%** of users hosted live streaming sessions every single day in 20Q2<sup>1</sup>

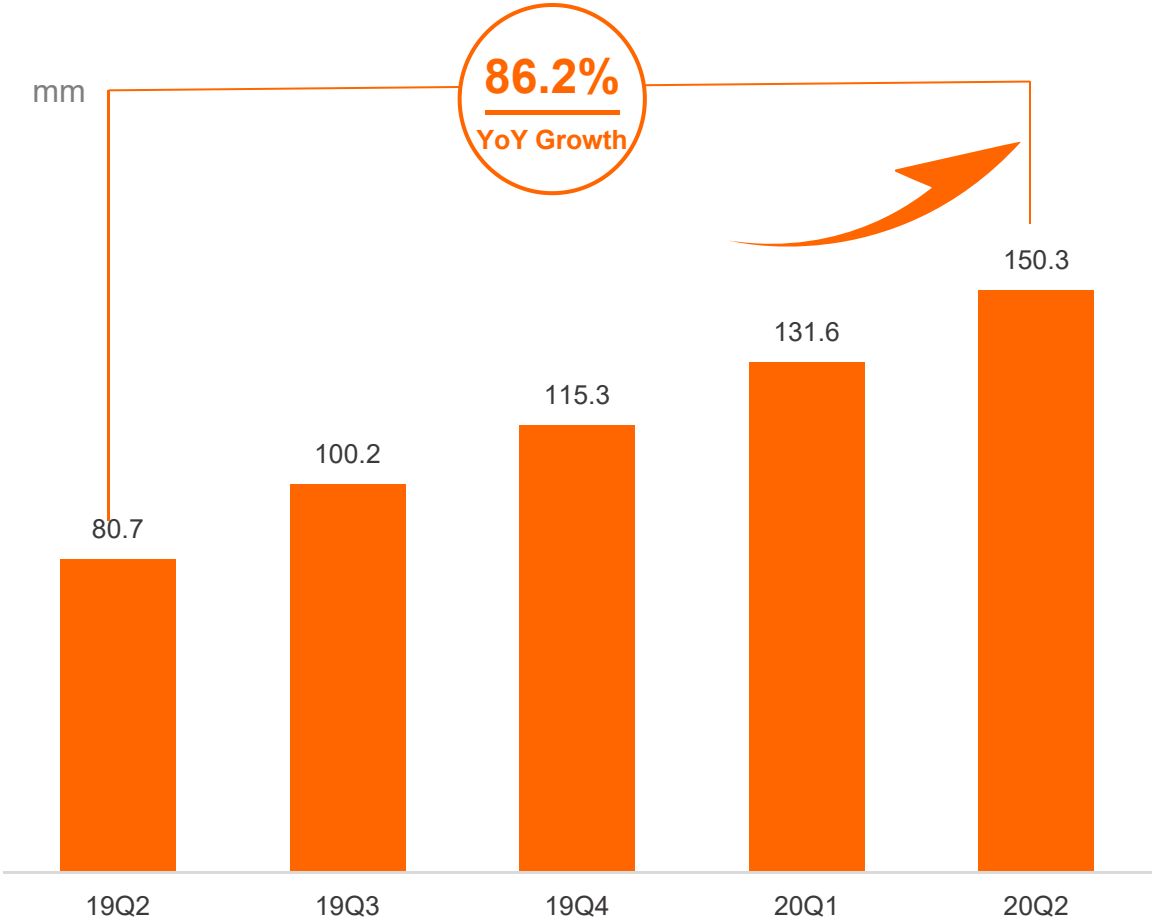


### Massive User Base Growth

MAU

mm

**86.2%**  
YoY Growth



### Monetization



Source: Company filings

# Likee: interactive community empowered by advanced algorithm and driven by enriched UGC

Typical Day



9:00 AM



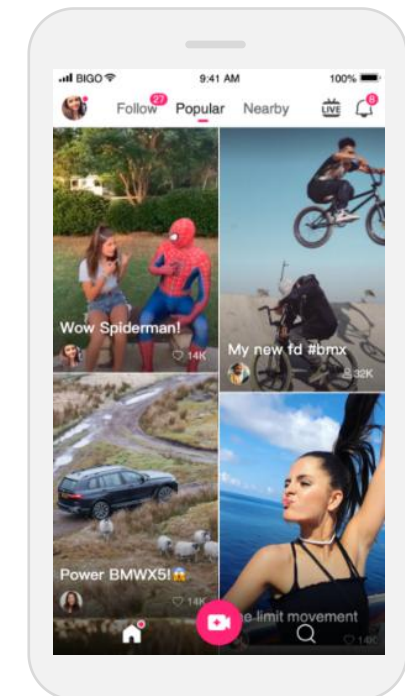
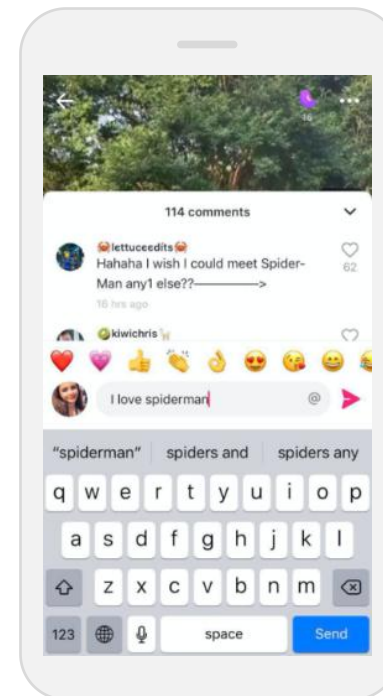
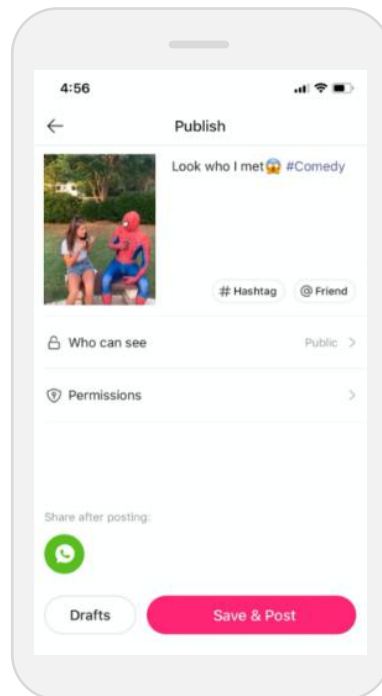
12:00 PM



8:00 PM

**Typical User**

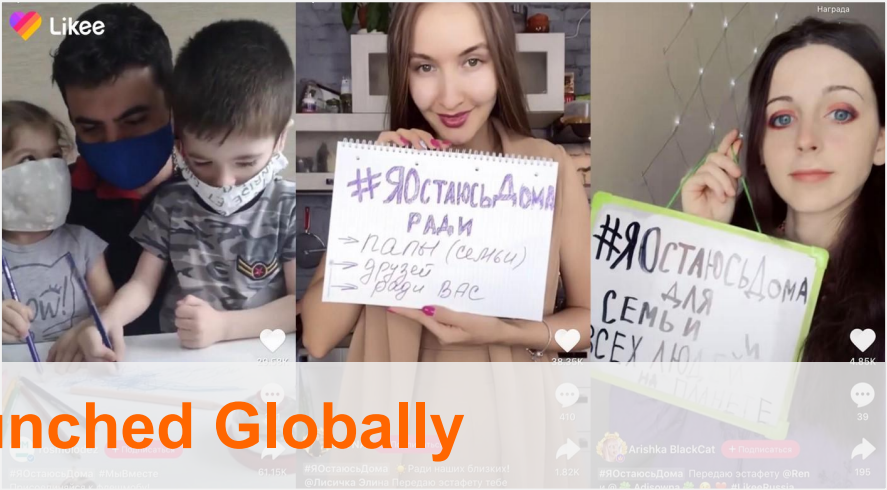
- Gen Z
- Comm. with video
- Sharer & creator
- Self-expression



➤ Upload video and share daily life with online community

➤ Interactions with friends in community

➤ AI-backed technology with personalized recommendations



Campaigns Launched Globally



Annual Ceremony in Indonesia



Stars Festival in Russia



## No.1

Casual-game-oriented social platform in the world<sup>1</sup>



## Rapid expansion

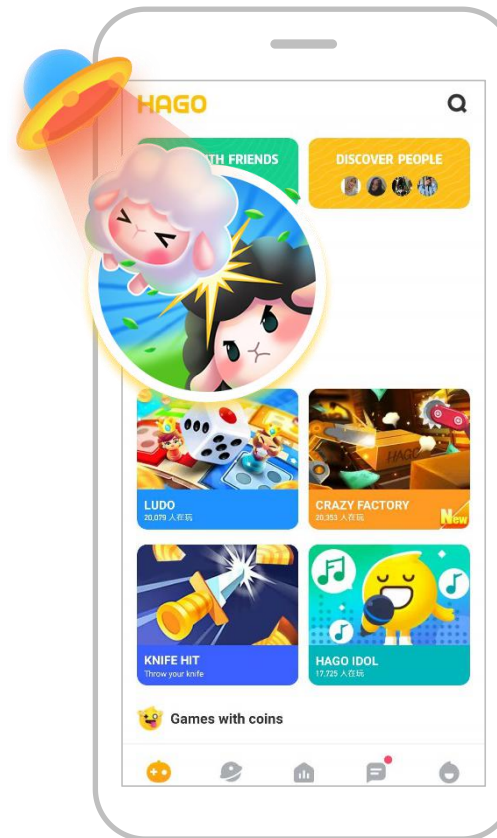
SEA, SA, LA and beyond



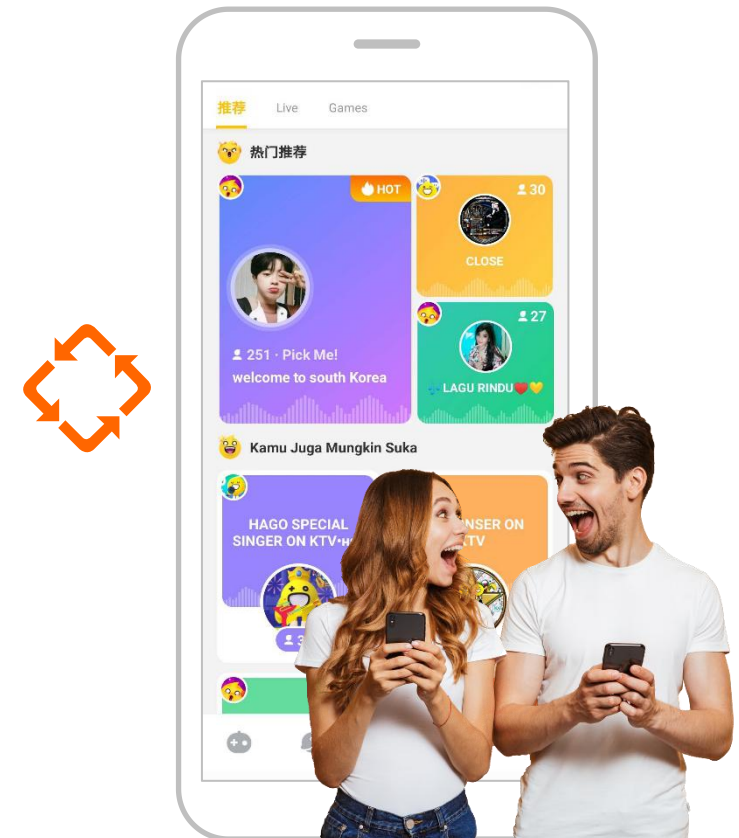
## Ramping up

Monetization and expecting breakeven in key markets in 2020

### Casual-game



### Social features



Source: Frost & Sullivan, Company filings

Notes: 1.The ranking for Hago is outside of China and is based on average mobile MAUs from a Frost & Sullivan report dated March 30, 2019

# YY Live: leader in Chinese live streaming industry

## # No.1



Mobile MAUs<sup>1</sup>



Mobile DAUs<sup>1</sup>

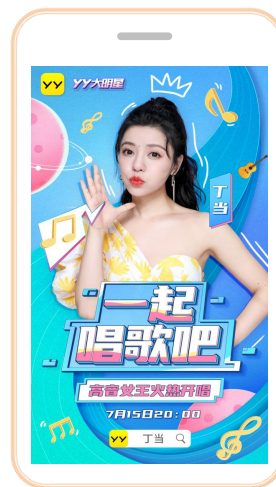
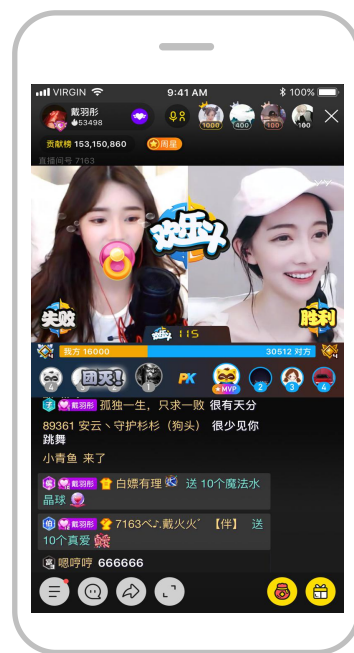


Average daily time spent<sup>1</sup>



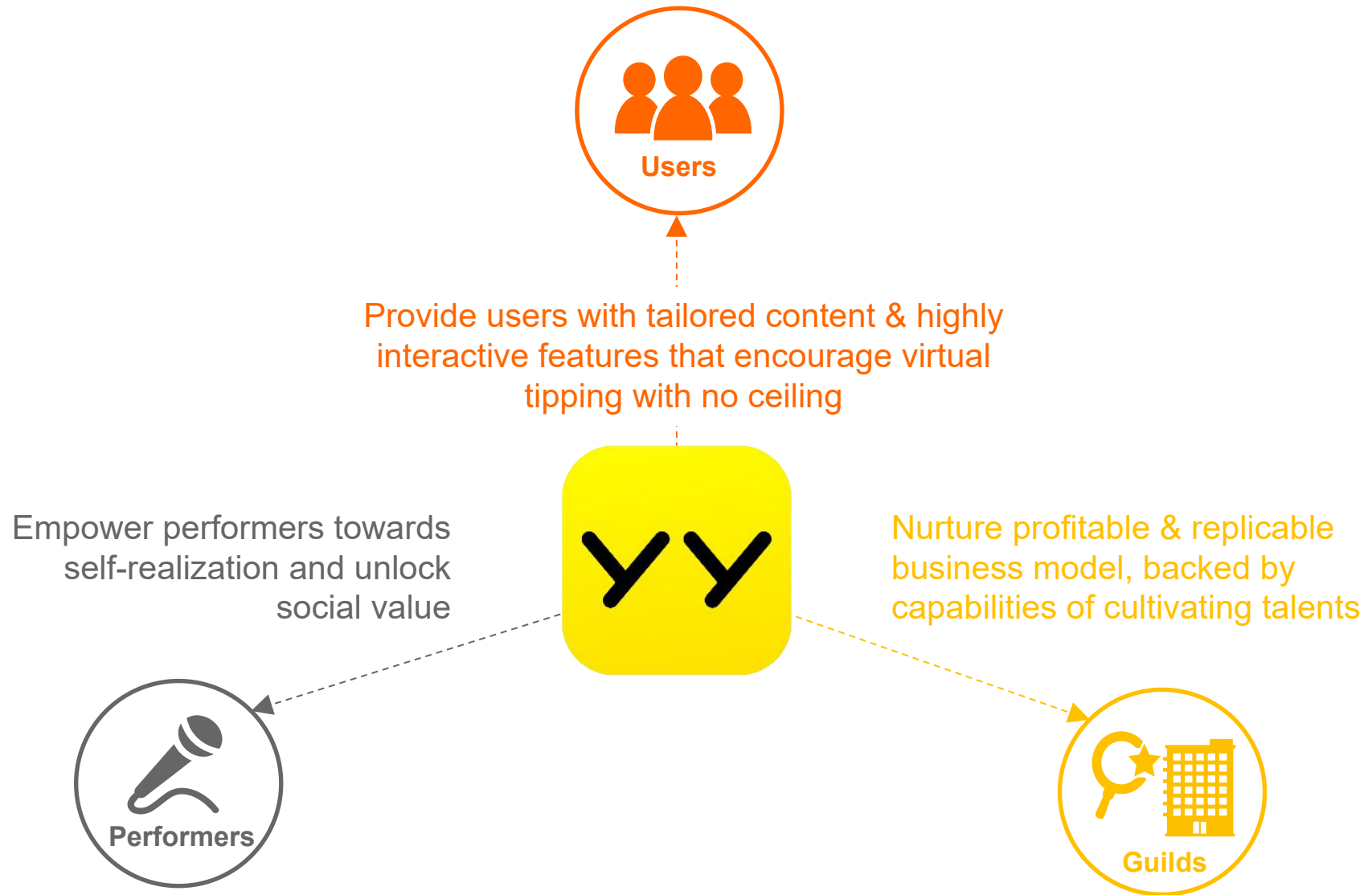
Paying users

## Continuous product innovation and content enrichment



## Cultivating an immersive and sticky community

Source: Quest Mobile



## Content creation & understanding

Applying AI related computer vision and voice technologies to enhance the content creation and understanding.

## Content recommendation

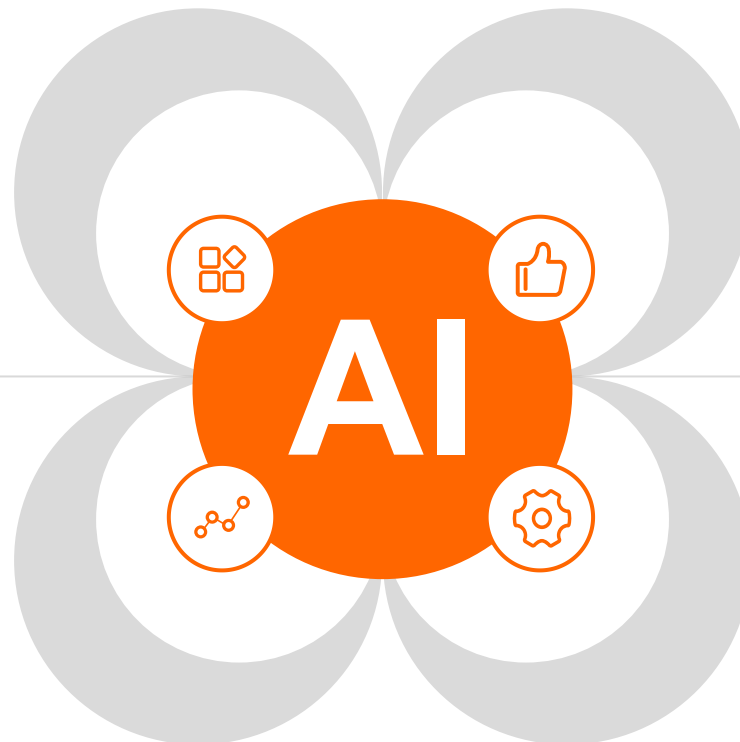
Strengthening machine learning and algorithm capabilities in managing and distributing personalized content.

## Automated product testing

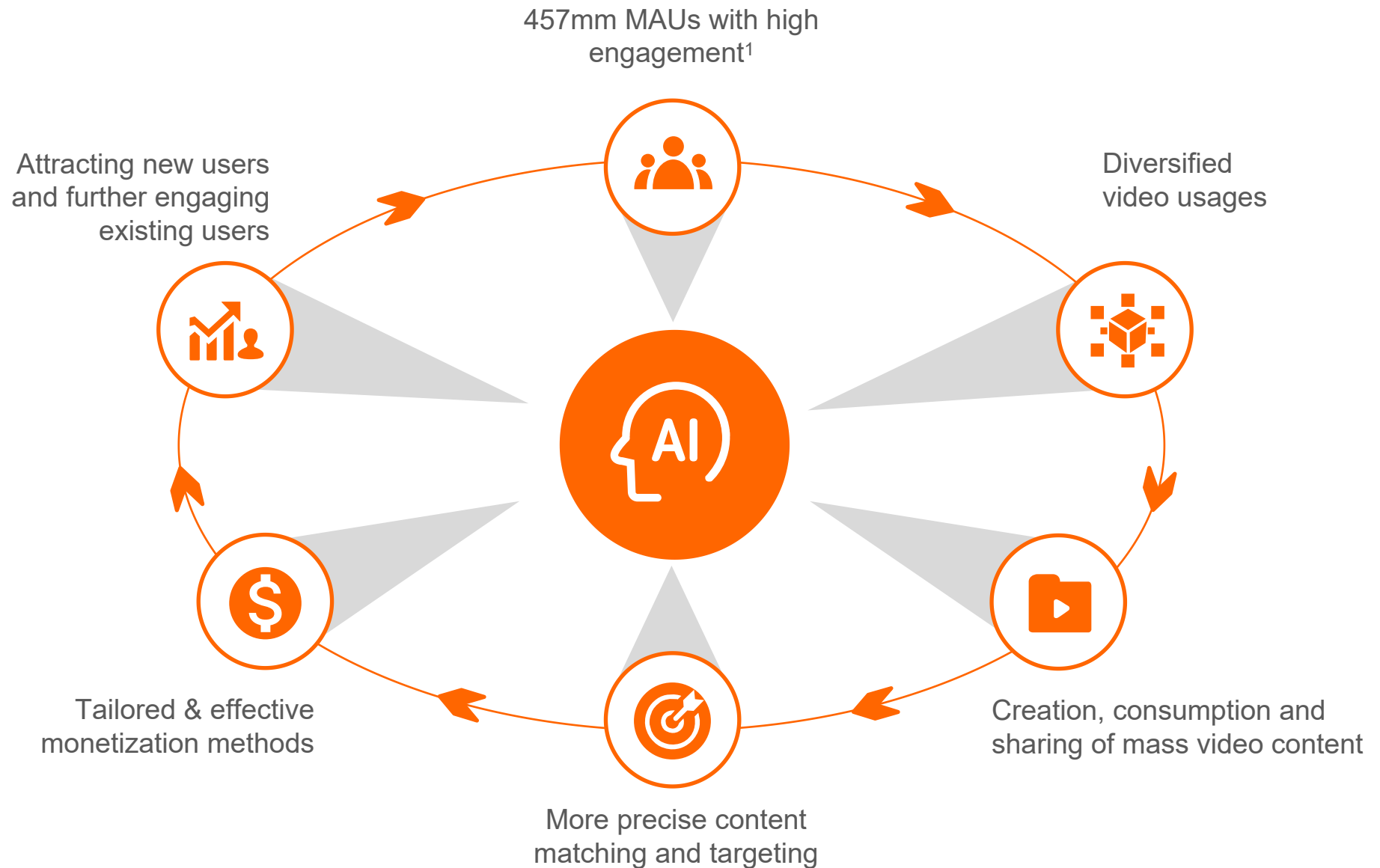
Establishing an AI driven process to review hundreds of different versions of APPs and through AI based A/B testing to achieve the optimization of distribution.

## AI-driven tech team management

Adopting a tech-centric approach where the tech team determines the workflow of each business unit and the labor force allocation.







Source: Company filings

Notes: 1. Refers to the sum of the Company's mobile active users in 2Q20 from company filings.

# Visionary management team with proven track record

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**David Xueling Li**

Co-founder / Chairman  
/ CEO



**Bing Jin**

CFO



**VV Ting Li**

COO



**Jeff Pengjun Lu**

CTO

# Financial highlights

***Joyy***

01



**Massive and Rapidly Growing Revenue**

02



**Healthy Gross Margin**

03



**Strategic S&M and R&D Initiatives to Support Global Expansion**

04

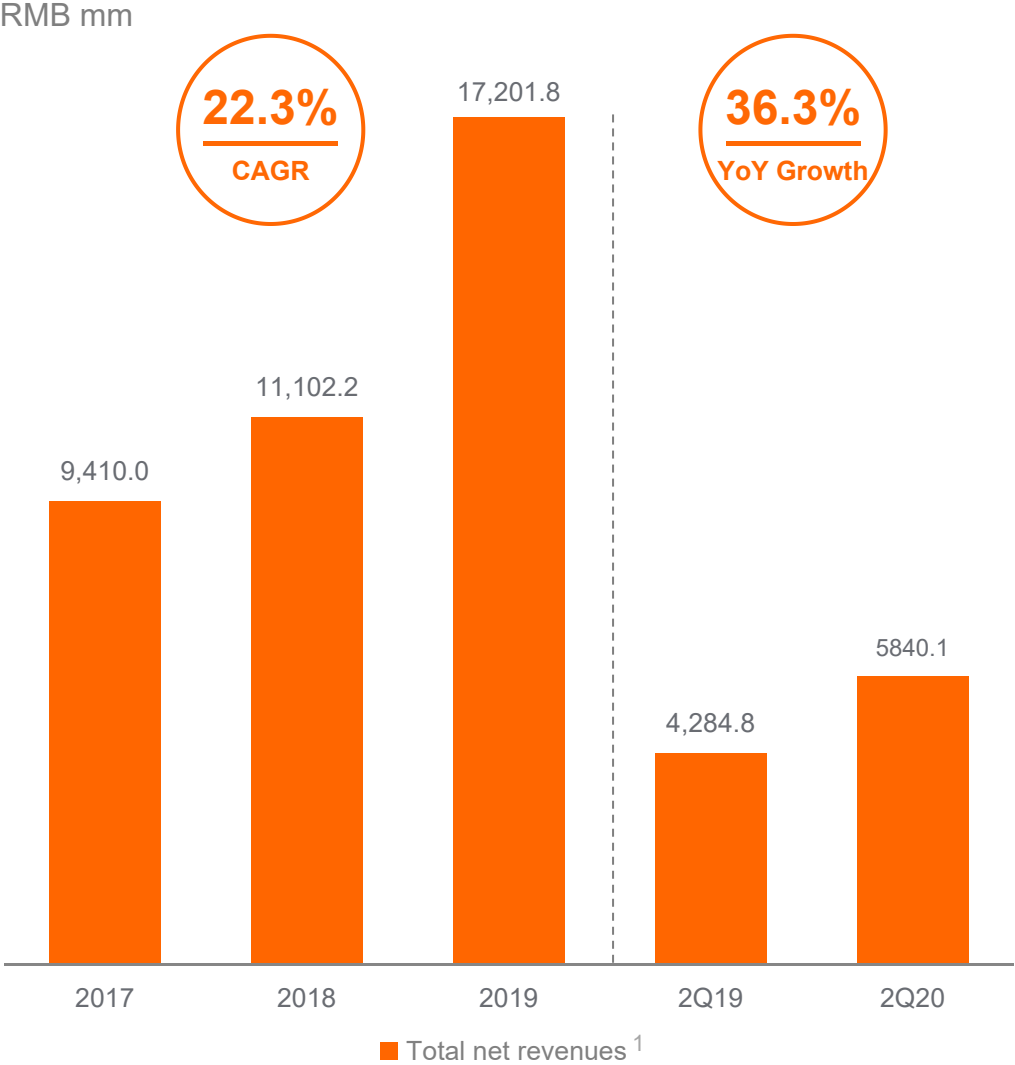


**Proven Profitability & Cash Generation**

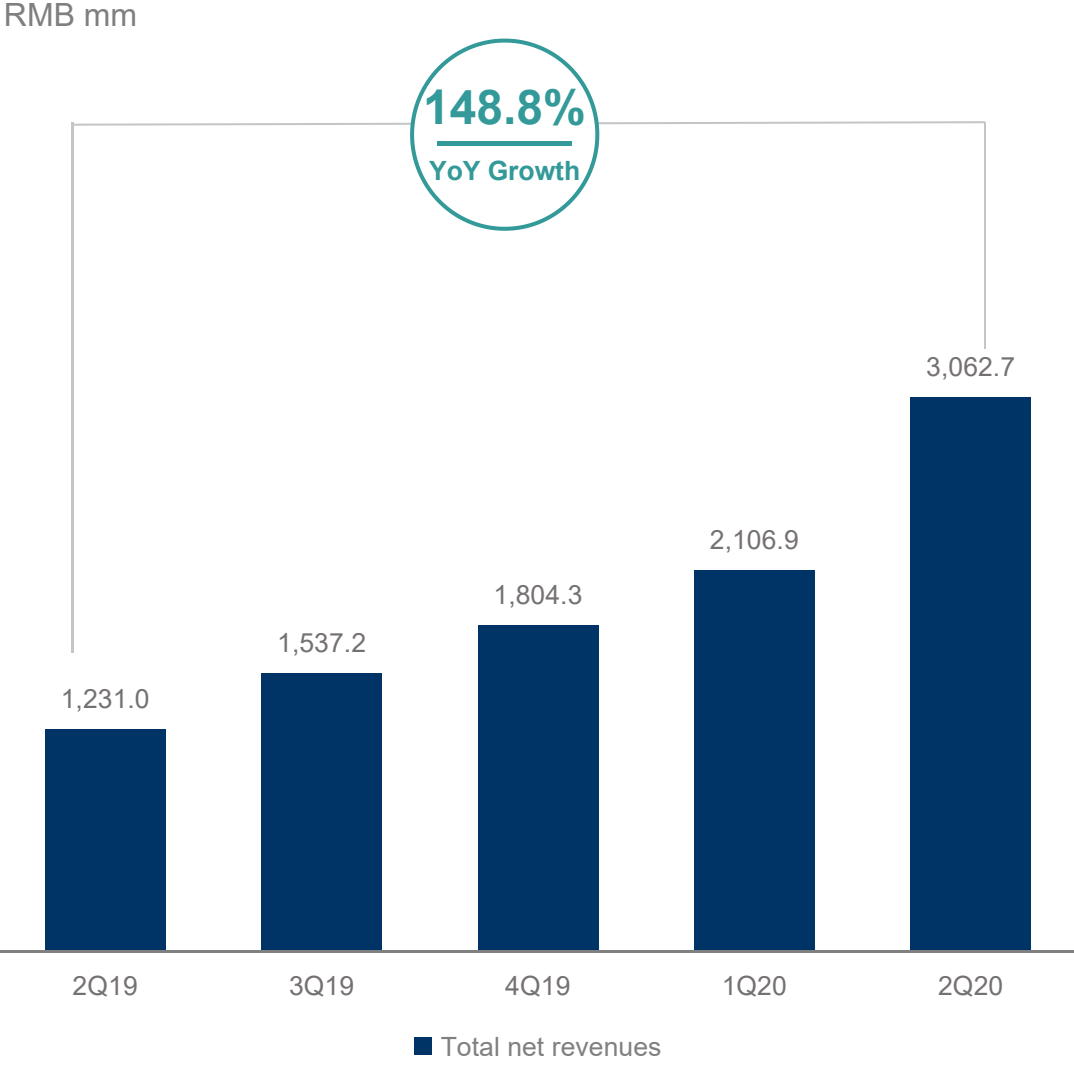
# Massive and rapidly growing revenue



## Strong Top Line Growth Track Record



## Exponential Growth of Bigo



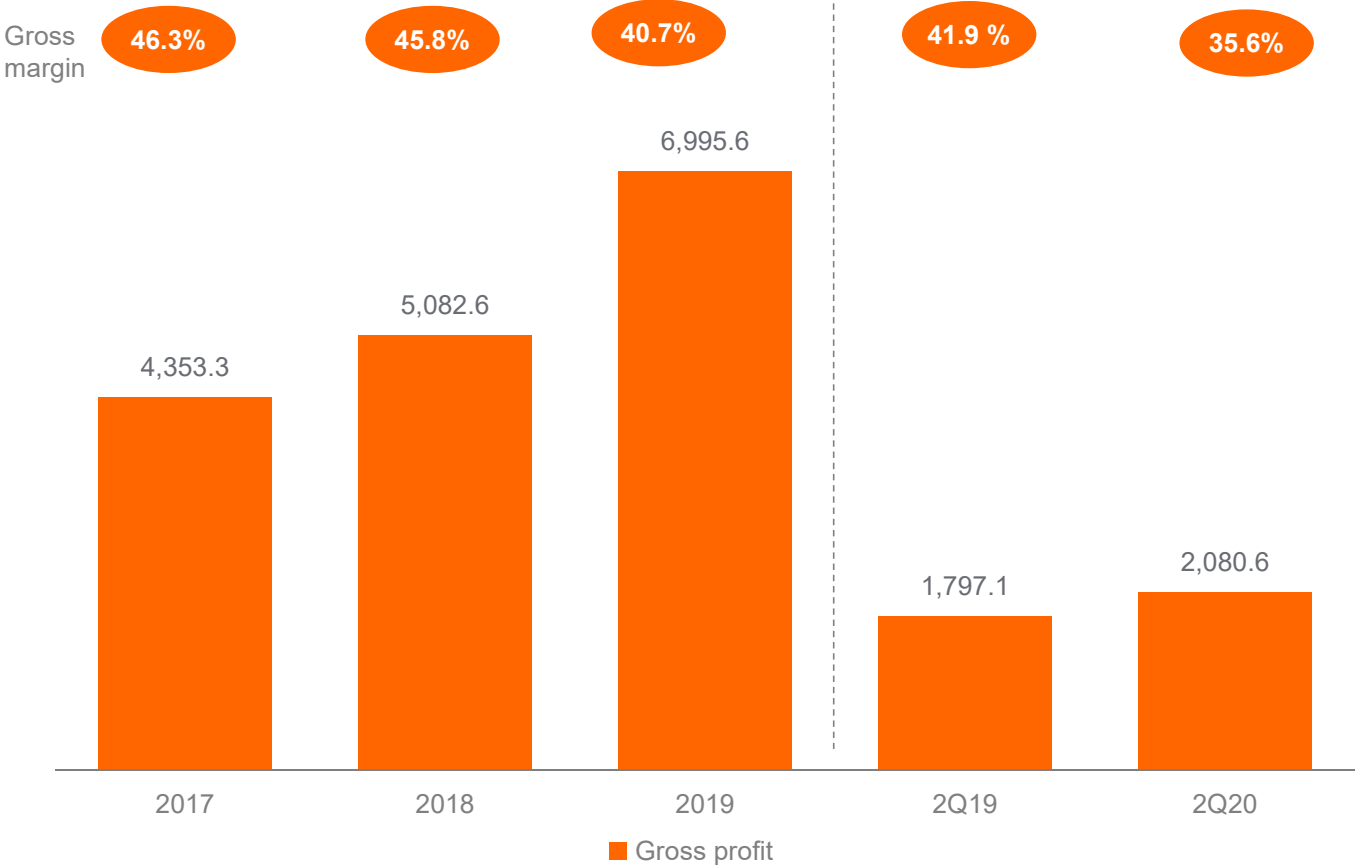
Company filings

Note: 1. Starting from the second quarter of 2020, the Company deconsolidated Huya and Huya's historical financial results are and will be reflected in the Company's consolidated financial statements as discontinued operations accordingly.

## Adjusted Gross Profit<sup>1</sup>

RMB mm

✓ Bigo segments had lower gross margins but contributed significantly greater portions of net revenues in 2Q20

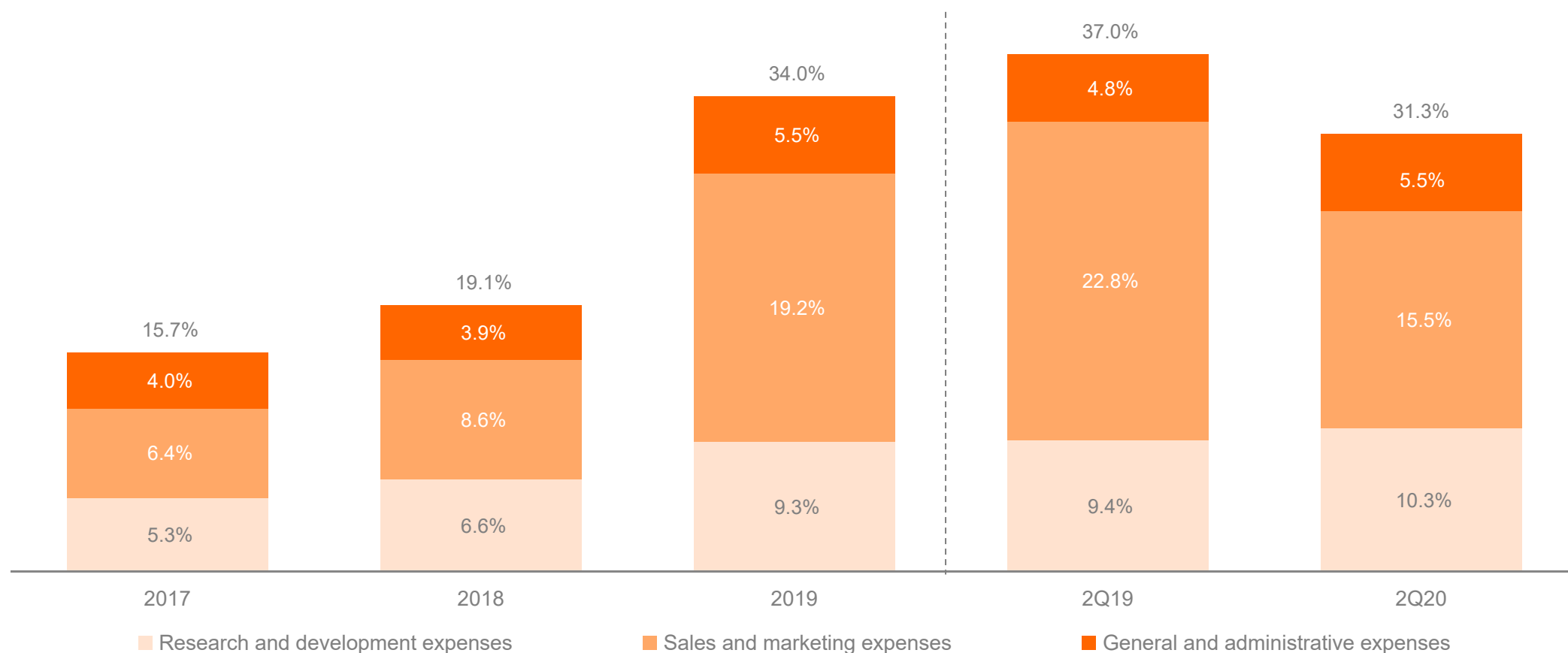


Notes: 1. Starting from the second quarter of 2020, the Company deconsolidated Huya and Huya's historical financial results are and will be reflected in the Company's consolidated financial statements as discontinued operations accordingly. Adjusted metrics exclude SBC.

# Strategic S&M and R&D initiatives to support global expansion

## Adjusted Operating Expenses as % of Total Revenue<sup>1</sup>

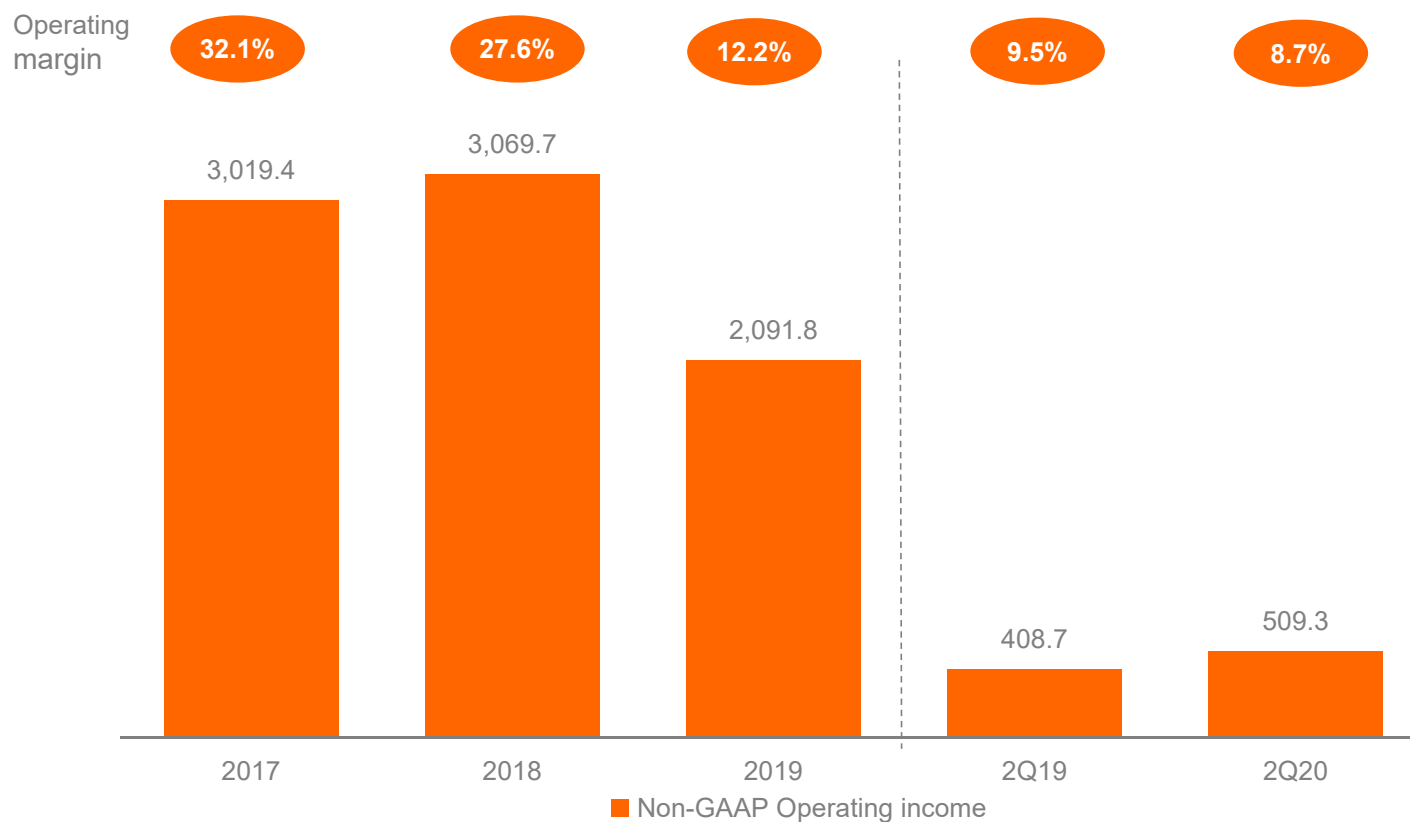
- ✓ Increased investment in S&M, especially for **overseas expansion**; declined in 2Q2020 due to the COVID-19 outbreak.
- ✓ Enhanced **R&D capability**, especially for **AI** technology



Note: 1. Adjusted metrics exclude SBC expenses. The Company has deconsolidated Huya's financial results starting from this quarter.

# Proven profitability

- ✓ Consolidated level margin has been impacted by **mix of business** segments, especially the impact of the consolidation of **Bigo** with the growth of its scale



Note:1. Starting from the second quarter of 2020, the Company deconsolidated Huya and Huya's historical financial results are and will be reflected in the Company's consolidated financial statements as discontinued operations accordingly. Non-GAAP operating income is a non-GAAP financial measure, which is defined as operating income excluding share-based compensation expenses, amortization of intangible assets from business acquisitions, impairment of goodwill and investments and gain on disposal of subsidiaries and business.



# Strong cash generating capabilities

## Key Balance Sheet Items

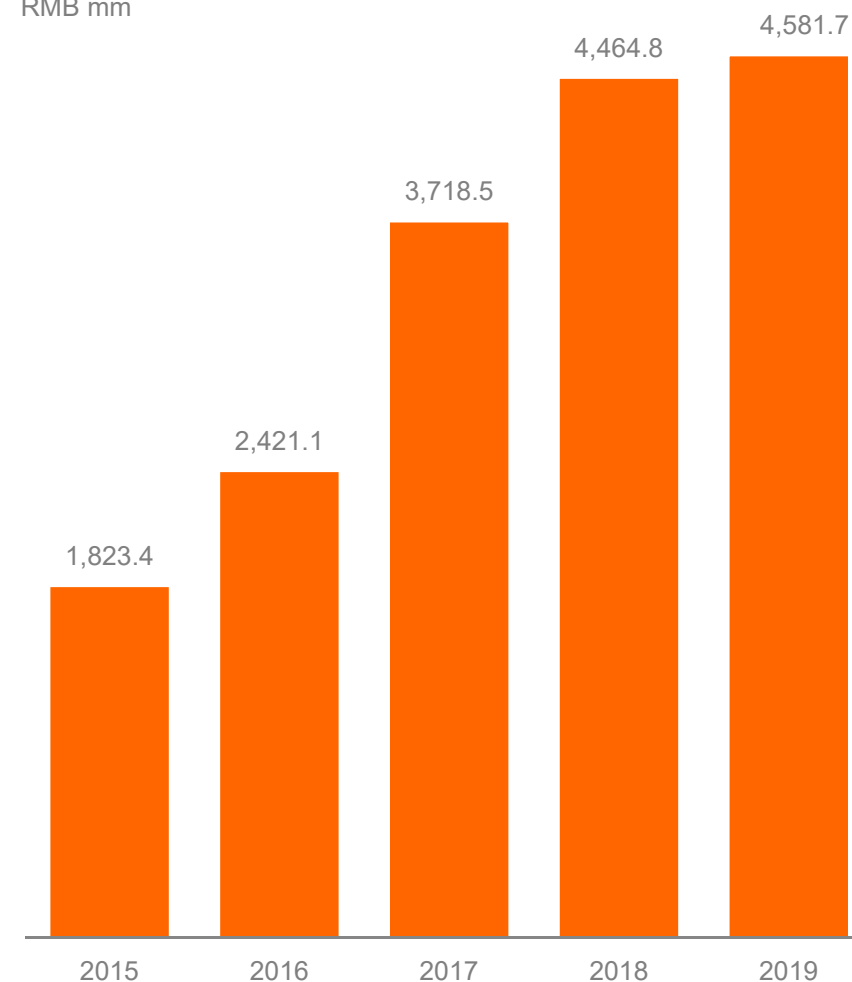
As of June 30, 2020

RMB mm

Cash and cash equivalents	4,756.6
Restricted cash and cash equivalents	3.5
Short-term deposits	10,172.0
Restricted short-term deposits	503.0
Short-term investments	3,925.3
<b>Total cash</b>	<b>19,360.4</b>
Total current assets	20,972.3
<b>Total assets</b>	<b>52,730.7</b>
Total current liabilities	5,708.6
<b>Total liabilities</b>	<b>11,460.2</b>
<b>Total liabilities, mezzanine equity and shareholders' equity</b>	<b>52,730.7</b>

## Operating Cash Flow

RMB mm



Note: The Company has deconsolidated Huya's financial results starting from this quarter and Huya's historical financial results are and will be reflected in the Company's consolidated financial statements as discontinued operations accordingly.

**Thank you!**

***Joyy***