

GAO TUU Investor Presentation

September 2021

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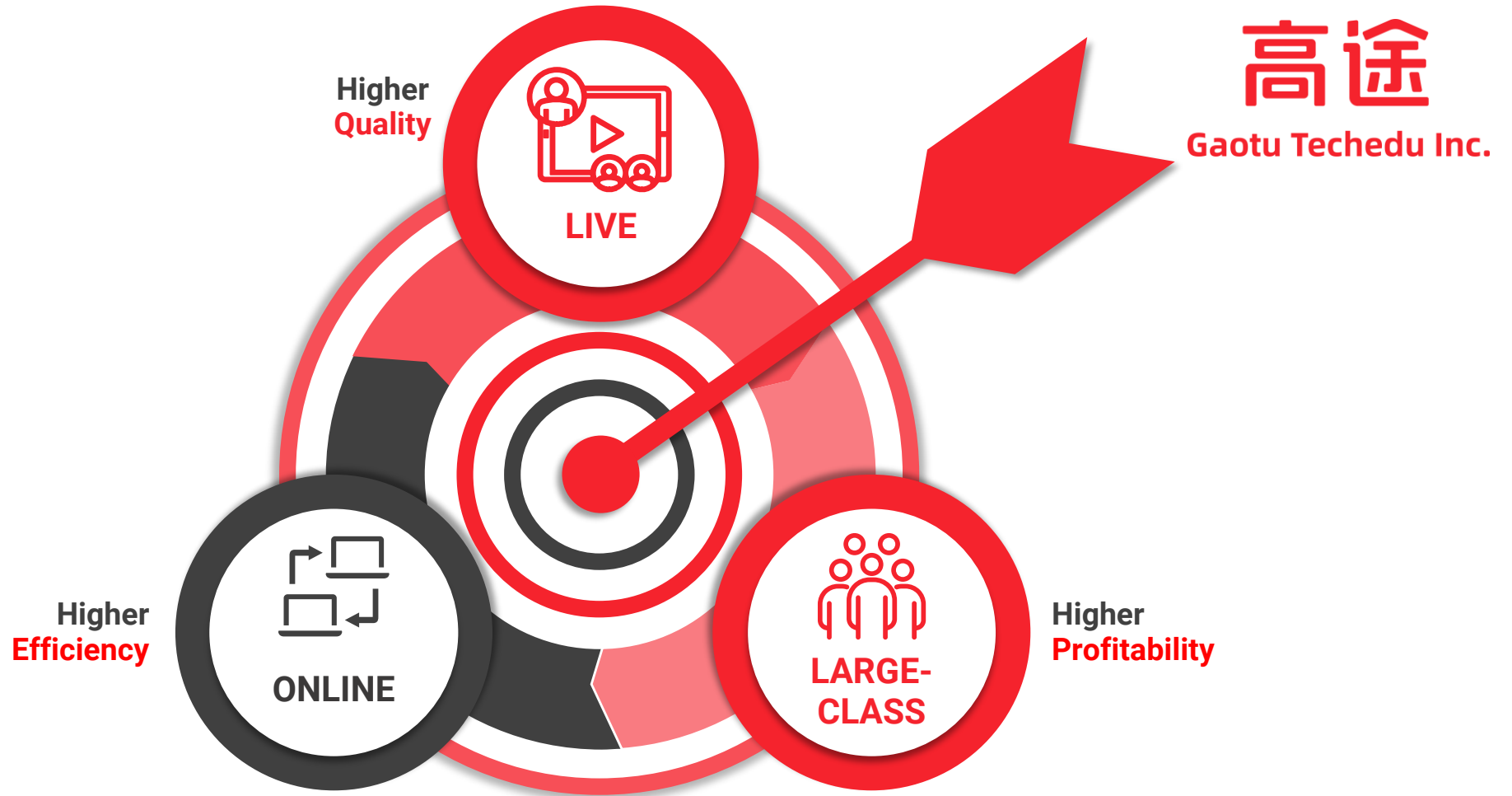
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OUR MISSION

**MAKE EDUCATION BETTER
THROUGH TECHNOLOGY**

Leadership in China's Online Large-class After-school Tutoring Market⁽¹⁾

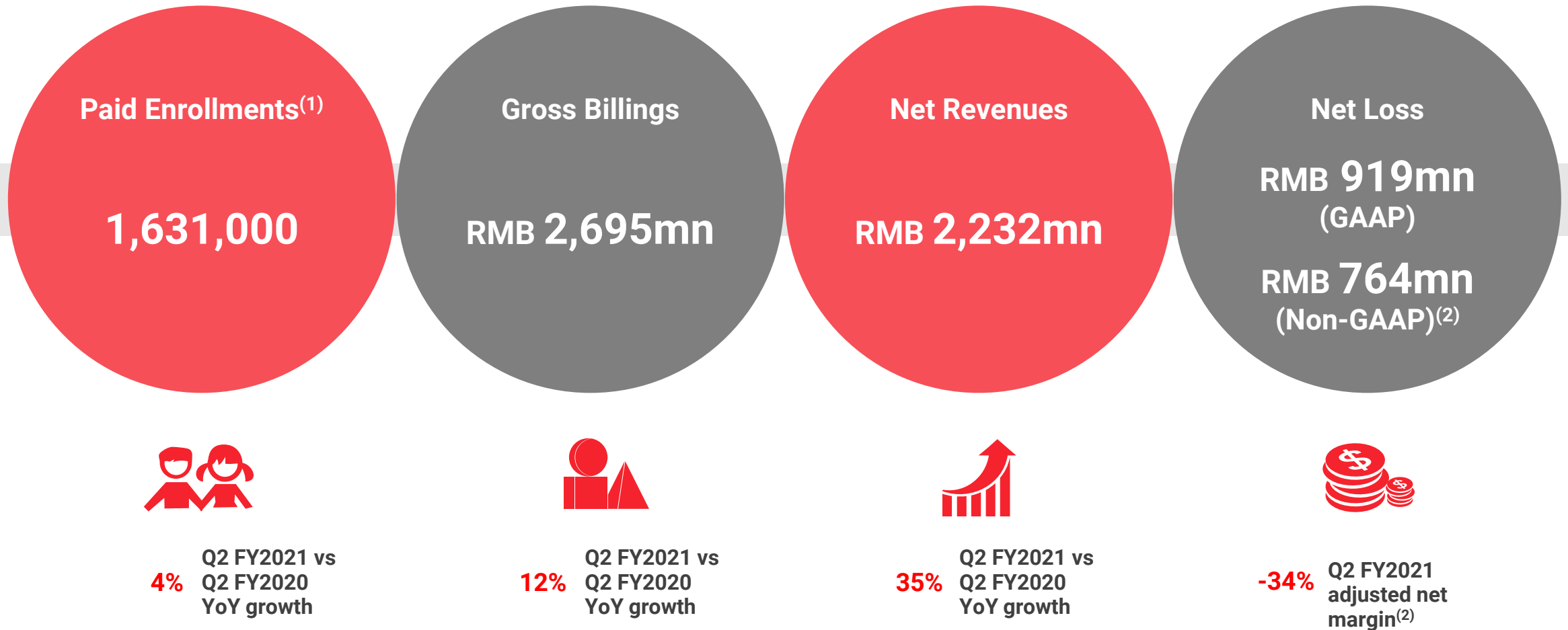


Laser-focused on Online Live Large-class Tutoring

Note:

(1) 3rd largest online K-12 large-class after-school tutoring service provider in China in terms of gross billings in 2018, according to Frost & Sullivan

Gaotu Q2 FY2021 Overview



Notes:

- (1) "Paid enrollments" for a certain period refer to the cumulative number of paid courses (priced at or above RMB99.0) enrolled in and paid for by the students, including multiple paid courses enrolled in and paid for by the same student
- (2) Adjusting for share-based compensation expenses of RMB 155mn

Company Highlights

01

Leadership in China's online large-class after-school tutoring market

02

Superior education quality

03

Robust proprietary technology infrastructure and application

04

Highly scalable business model with exceptional operating efficiency

05

Renowned founder and seasoned management team with a corporate DNA of student service

Our Comprehensive Courses and Service Offerings



Professional education



STEAM education



Digital products



Vocational education

Core expertise in online courses across all primary and secondary grades

	Elementary School						Middle School			High School		
	1	2	3	4	5	6	7	8	9	10	11	12
Mathematics	●	●	●	●	●	●	●	●	●	●	●	●
English	●	●	●	●	●	●	●	●	●	●	●	●
Chinese	●	●	●	●	●	●	●	●	●	●	●	●
Physics							●	●	●	●	●	●
Chemistry									●	●	●	●
Biology										●	●	●
History										●	●	●
Geography											●	●
Political Science												●

● Offered by us

Superior Education Quality

High Quality Instructors and Professional Tutors



High Quality Instructors

Teaching and being role model

 **Graduates from PKU and TSU**
as well as the Ivy League

 **Seasoned academic gurus**
from top education institutions

 **Highest average compensation**
among the online service providers

Disseminate China's scarce high quality teaching resources through specialization and collaboration

Centralized Recruitment System

Professional Tutors

Tutoring and providing emotional support



- Proficient in the relevant subjects
- Responsible
- Able to communicate and learn fast



Fresh and recent graduates of reputable universities in China



33 links of work flow

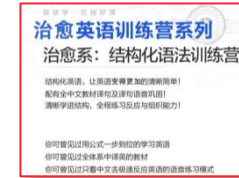
Superior Education Quality

In-house Curriculum Development

Education Content Development Process
Substantially all of our course materials are designed and developed in-house

Involvement of both instructors and course development experts

Closely follow up with the national syllabus



Course outlines

Continuous feedback from education quality assurance team

8

In-House

Education Content Development Team Members

Dedicated content development experts

Instructors directly involved in the development process

Continuous feedback from students

7

Multiple rounds of interview and pilot testing for up to 6-12 months

3

Format and design are further tailor made to cater to online class format

4

6

Deliver hard copies to students

Standardized curriculum

5



Interactive live broadcasting courseware



Textbooks

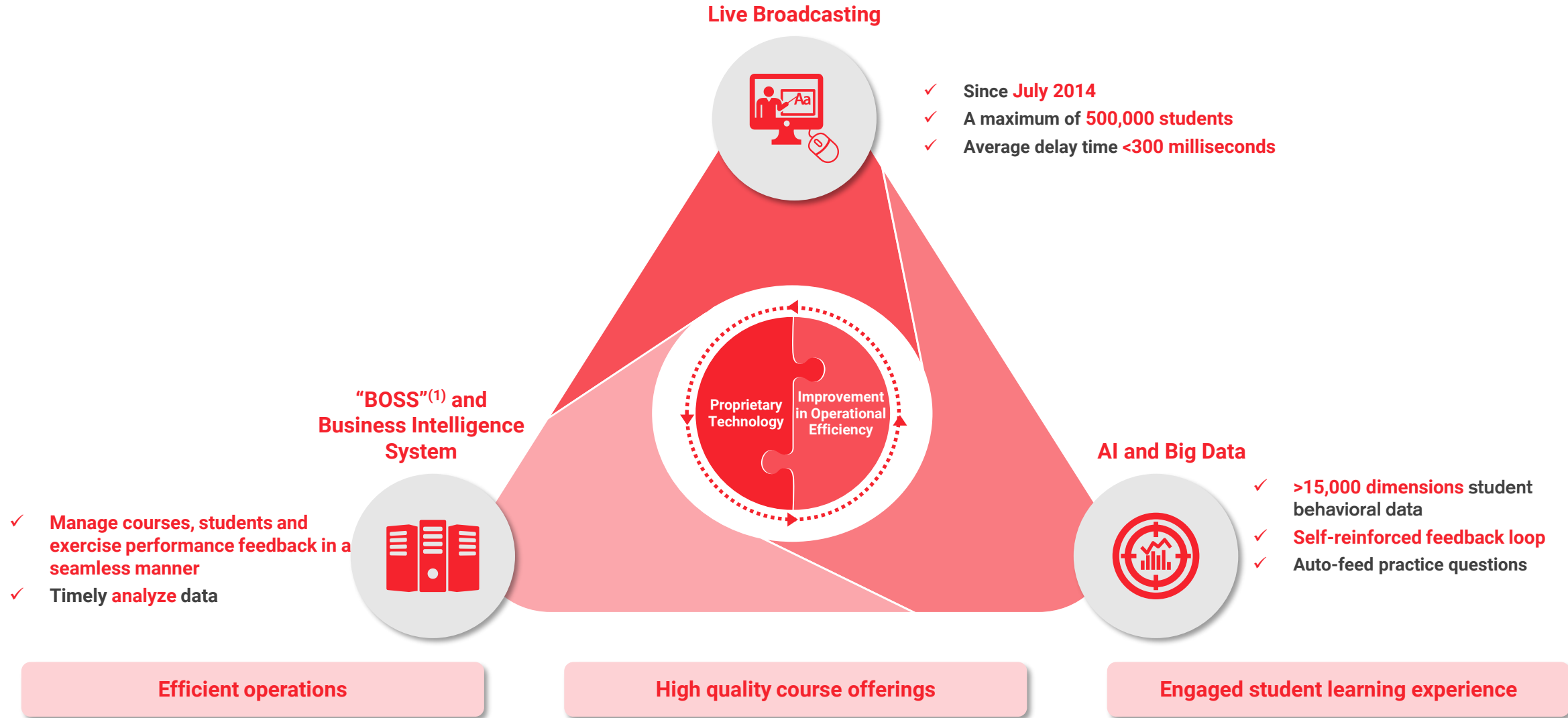


Exercise



Superior Education Quality

Robust Proprietary Technology Infrastructure and Application



Note:
(1) Business Operations Support System

Our Experienced Management Team and Distinguished Board

Larry Xiangdong Chen *Founder, Chairman and CEO*

- Chairman and CEO since our inception
- Visionary and renowned industry leader with more than 30 years of experience in the education industry

Ming Liao *Independent Director*

- Independent director since June 2019
- Founding partner and director of Prospect Avenue Capital since July 2016

Yiming Hu *Independent Director*

- Independent director since June 2019
- Chairman of the board of Dongfang Beidou Technology (Beijing) Co., Ltd since April 2018

Jin Cui *Independent Director*

- Independent director since September 2021
- Previously Partner/Deloitte Touche Tohmatsu Certified Public Accountant LLP Beijing Branch

Xiuping Qi *Vice President*

- Vice president since May 2016
- Previously worked at Qunar and Alibaba

Nan Shen *Chief Financial Officer*

- Chief Financial Officer since December 2018
- Previously worked at China Sinoedu Co., Ltd. and PwC

>60 years of combined industry experience

Strong organizational capability

Corporate DNA of student services

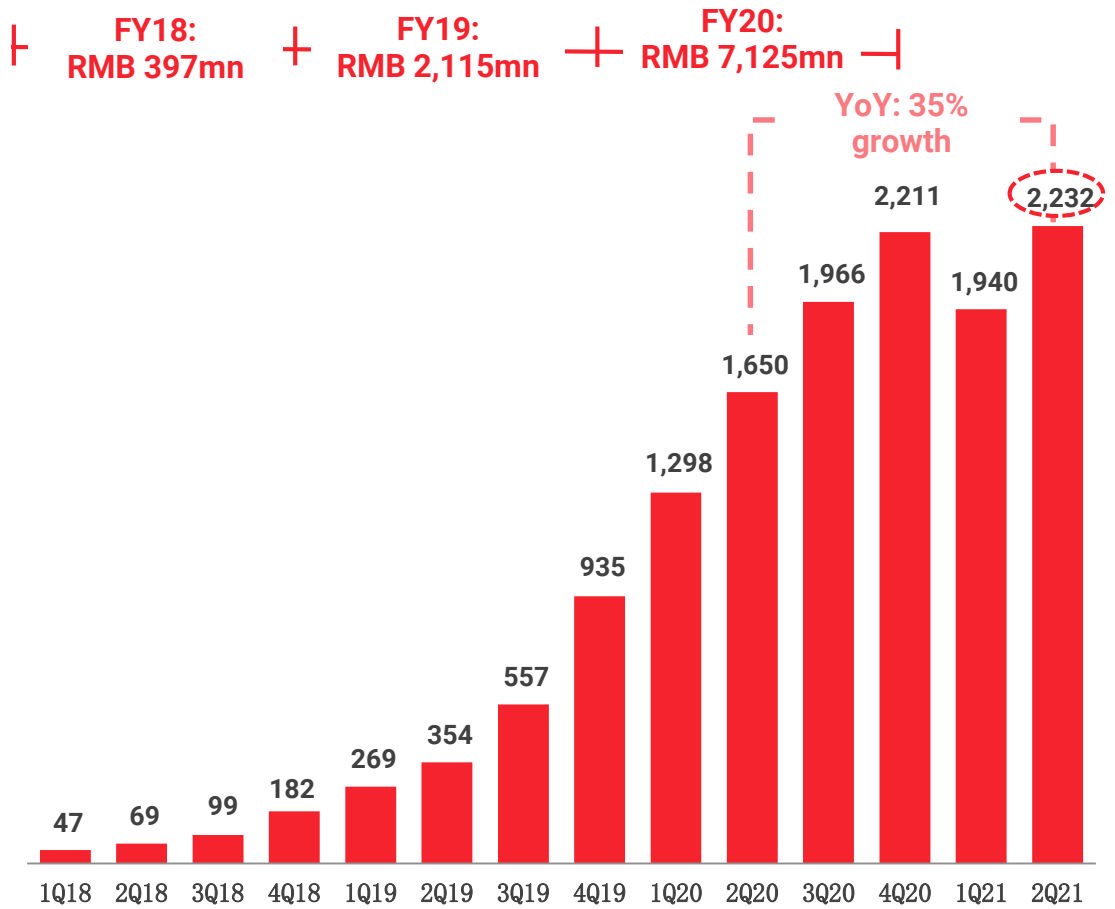
Tech-savvy

Passion for Education

Solid Business Growth

Net Revenues⁽¹⁾

(RMB millions)

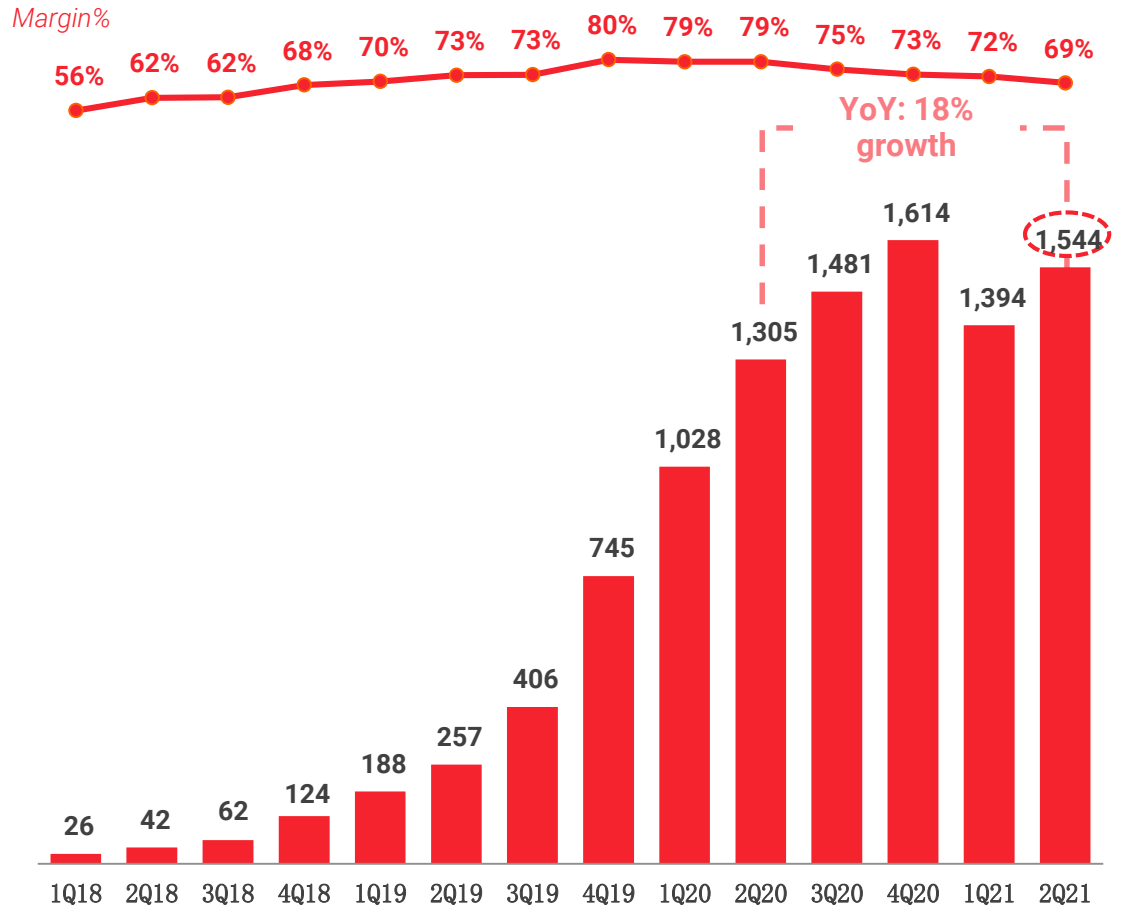


Accelerating YoY Increase:



Adjusted Gross Profit⁽²⁾

(RMB millions)



Notes:

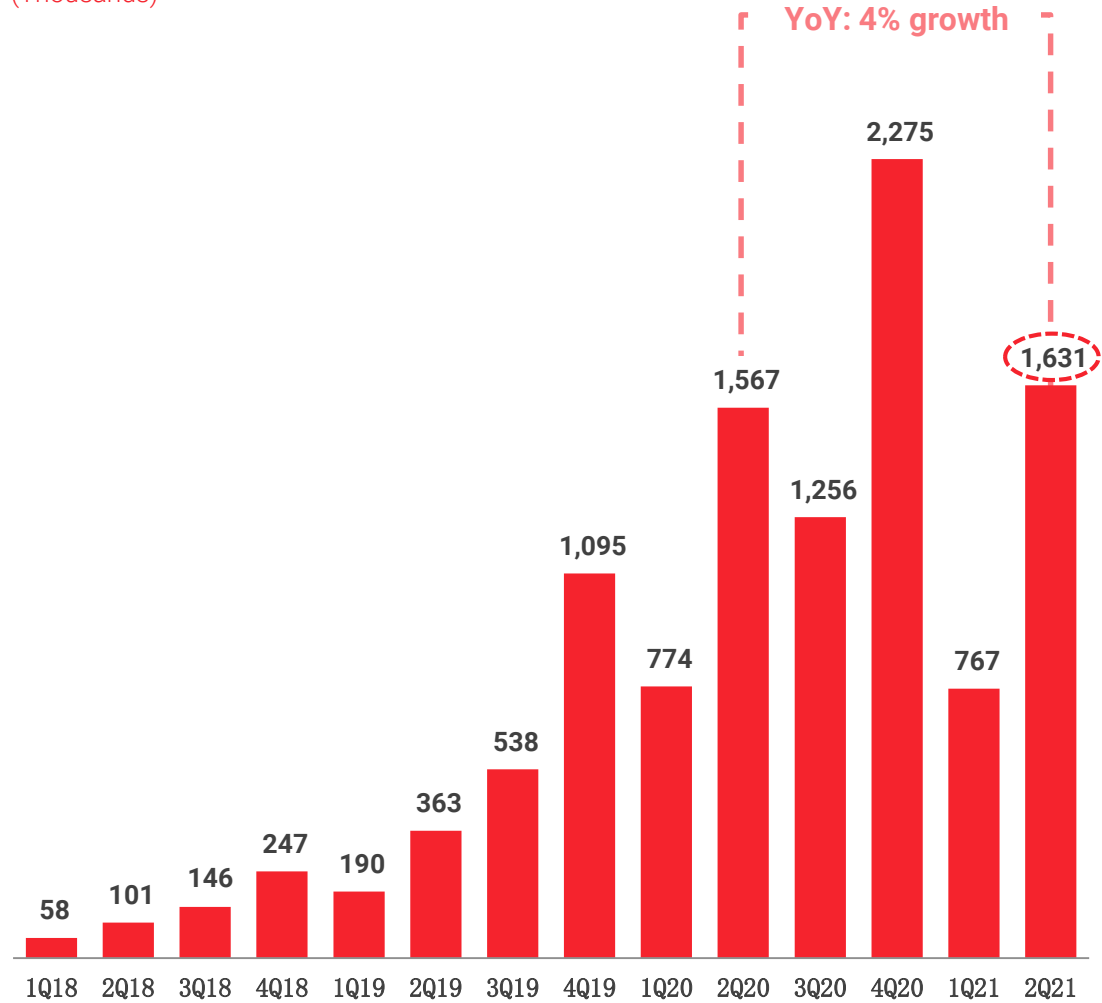
(1) Revenues net of discount, value added tax and related surcharges

(2) Adjusted gross profit has excluded share-based compensation; GAAP gross margin in Q2 FY2021 is 68%

Solid Business Growth (Cont'd)

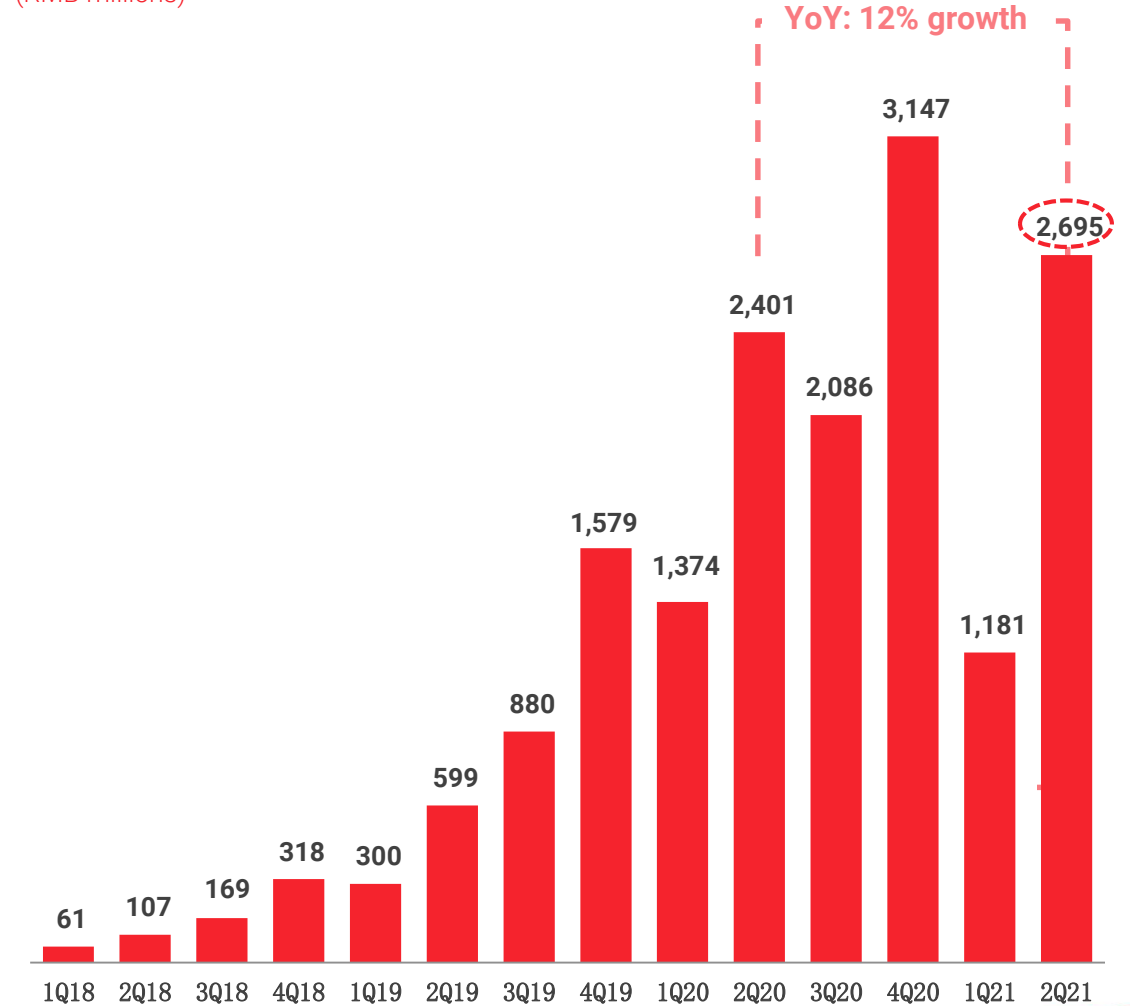
Paid Enrollments⁽¹⁾

(Thousands)



Gross Billings

(RMB millions)



Notes:

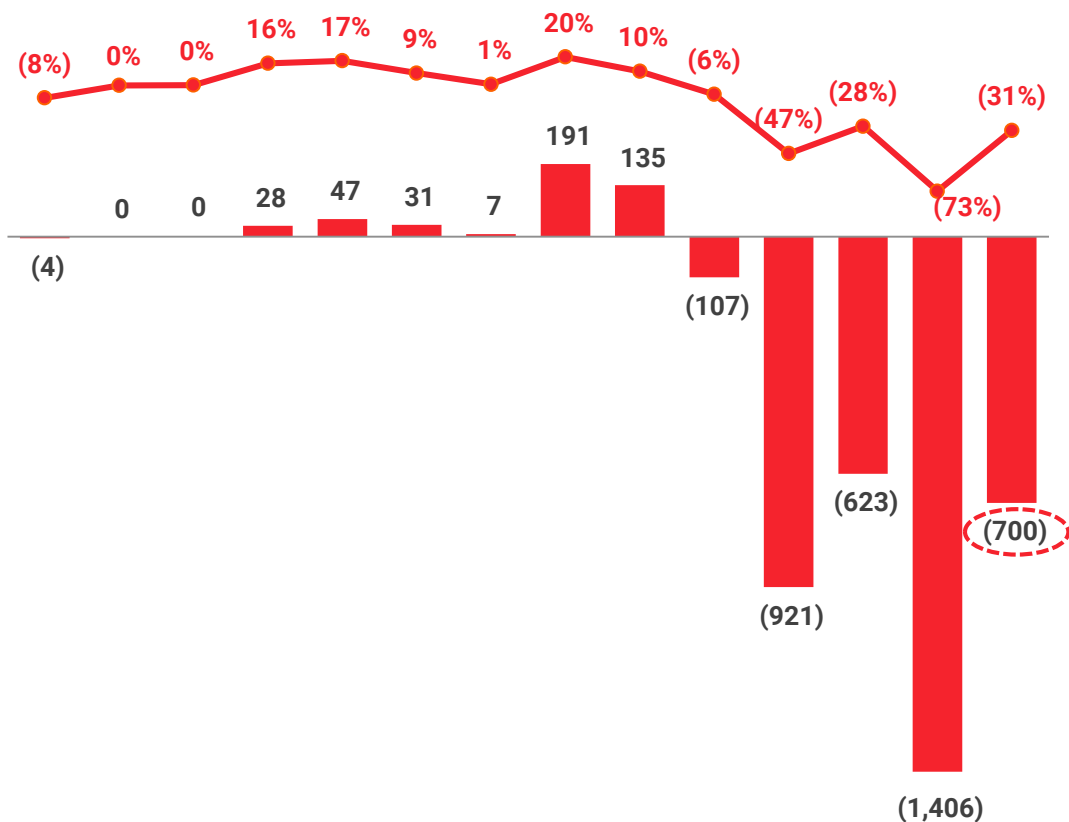
(1) "Paid enrollments" for a certain period refer to the cumulative number of paid courses (priced at or above RMB99.0) enrolled in and paid for by the students, including multiple paid courses enrolled in and paid for by the same student

Effective Growth on LTV basis

Adjusted Operating (Loss) / Profit⁽¹⁾

(RMB millions)

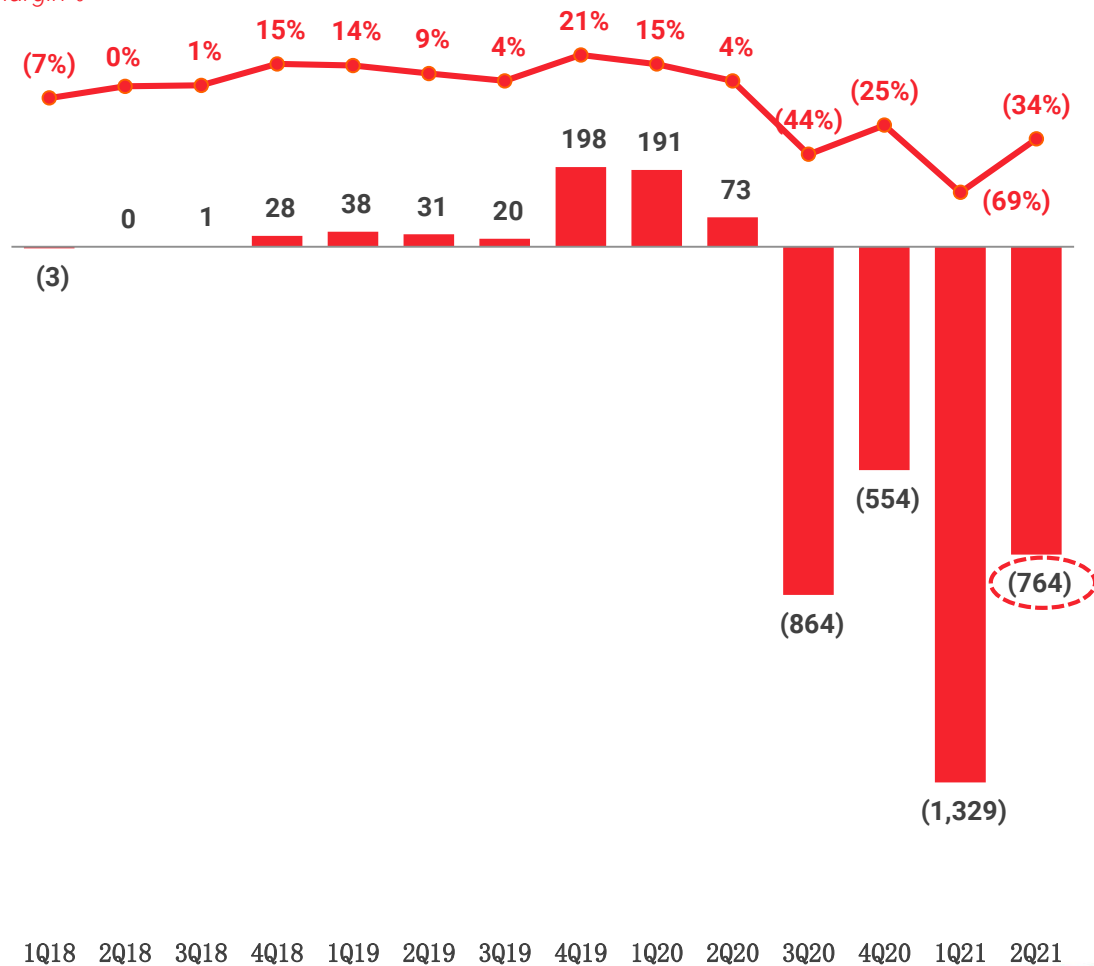
Margin%



Adjusted Net (Loss) / Profit⁽²⁾

(RMB millions)

Margin%



Notes:

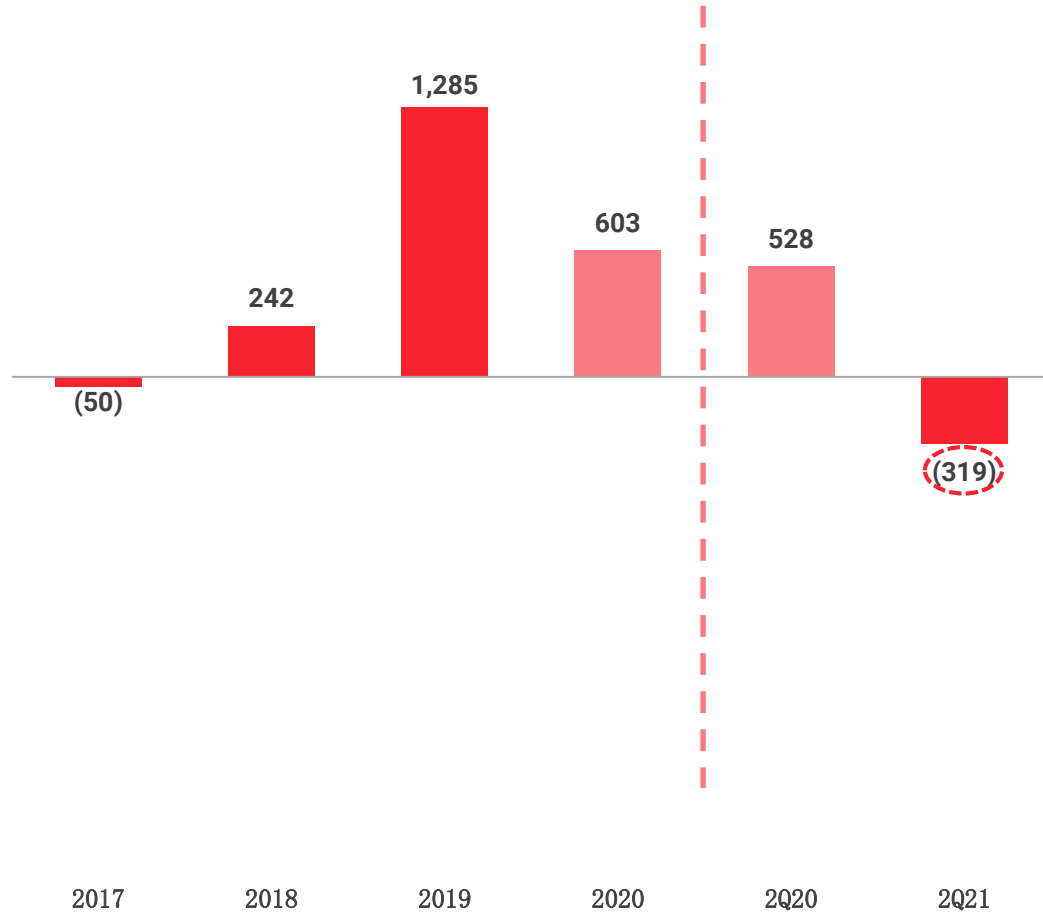
(1) Adjusted operating profit / (losses) has excluded share-based compensation; GAAP operating loss in Q2 FY2021 is RMB855mn

(2) Adjusted net profits / (losses) have excluded share-based compensation; GAAP net loss in Q2 FY2021 is RMB919mn

Robust Balance Sheet

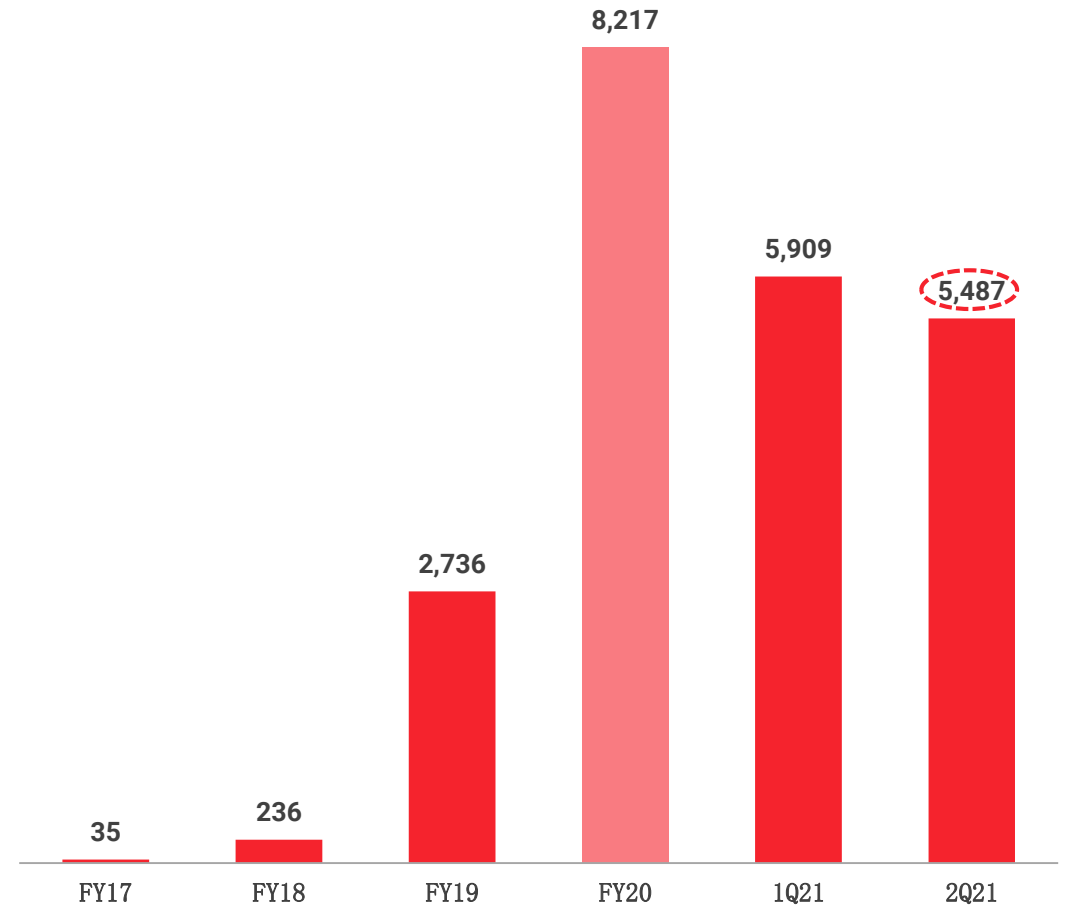
Operating Cash Flows

(RMB millions)



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

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



Our Growth Strategies

1

Continue to enhance the quality of education services and students' learning experience



2

Attract and develop teaching talent



3

Strengthen technologies and data analytics capabilities



4

Expand course offerings



5

Enhance brand recognition



Enhance Student Engagement and Increase Paid Course Enrollment

点燃兴趣

培养习惯

塑造人格

Ignite Interest

Cultivate Habits

Shape Personality