

0000950103-24-0166396-K Sunlands Technology Group 2024112220241122060231060232060232 0 0000950103-24-016639 6-K 3 20241122 20241122 20241122 Sunlands Technology Group 0001723935 8200 000000000 E9 1231 6-K 34 001-38423 241486269 BUILDING 4-6, CHAOLAI SCIENCE PARK NO. 36 CHUANGYUAN RD, CHAOYANG DISTRICT BEIJING F4 100012 86 10 52413738 BUILDING 4-6, CHAOLAI SCIENCE PARK NO. 36 CHUANGYUAN RD, CHAOYANG DISTRICT BEIJING F4 100012 Sunlands Online Education Group 20171129 6-K 1 dp221052_6k.htm FORM 6-K Â Â Â UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 Â Â Â FORM 6-K Â REPORT OF FOREIGN ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934 Â For the month of November 2024 Â Commission file number: 001-38423 Â Â Â SUNLANDS TECHNOLOGY GROUP (Exact Name of Registrant as Specified in Its Charter) Â Â BuildingÂ 6,Â ChaolaiÂ ScienceÂ Park,Â No.Â 36 Chuangyuan Road, Chaoyang District Beijing, 100012, the Peopleâ€™s Republic of China +86-10-52413738 (Address of Principal Executive Offices) Â Â Â Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.Â Â Â Â Form 20-FÂ Â Â ~Â Â Â Â Â Â Form 40-FÂ Â Â ~Â Â Â Â Â Â EXHIBIT INDEX Â Exhibit No. Â Description Â Â Â 99.1 Â Press Release Â Â Â Signature Â Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. Â Â Â Sunlands Technology Group Â Â Â Â Â Date: November 22, 2024 Â By: /s/ Tongbo Liu Â Â Â Â Name:Â Â Tongbo Liu Â Â Â Â Title: Chief Executive Officer Â Â Â EX-99.1 2 dp221052_ex9901.htm EXHIBIT 99.1 Exhibit 99.1 Â Â Â Â Sunlands Technology Group Announces UnauditedÂ Third Quarter 2024 Financial Results Â BEIJING, November 22, 2024Â -- Sunlands Technology Group (NYSE: STG) (â€œSunlandsâ€ or the â€œCompanyâ€), a leader in Chinaâ€™s adult online education market and Chinaâ€™s adult personal interest learning market, today announced its unaudited financial results for the third quarter ended September 30, 2024. Â Third Quarter 2024 Financial and Operational Snapshots Â Â Net revenues were RMB491.3 million (US\$70.0 million), compared to RMB524.6 million in the third quarter of 2023. Â Â Gross billings (non-GAAP) were RMB360.3 million (US\$51.3 million), compared to RMB390.0 million in the third quarter of 2023. Â Â Gross profit was RMB409.2 million (US\$58.3 million), compared to RMB460.5 million in the third quarter of 2023. Â Â Net income was RMB89.3 million (US\$12.7 million), compared to RMB131.6 million in the third quarter of 2023. Â Â Net income margin¹ was 18.2% in the third quarter of 2024, compared to 25.1% in the third quarter of 2023. Â Â New student enrollments² were 158,395, compared to 154,299 in the third quarter of 2023. Â Â As of September 30, 2024, the Companyâ€™s deferred revenue balance was RMB920.6 million (US\$131.2 million), compared to RMB1,113.9 million as of December 31, 2023. Â Â Â 1 Net income margin is defined as net income as a percentage of net revenues. Â 2 New student enrollments for a given period refer to the total number of orders placed by students that newly enroll in at least one course during that period, including those students that enroll and then terminate their enrollment with us, excluding orders of our low-price courses, such as â€œmini coursesâ€ and â€œRMB1 coursesâ€, which we offer in the form of recorded videos or short live streaming, to strengthen our competitiveness and improve customer experience. Â 1Â Â â€œAs we review our performance for the third quarter of 2024, our business has continued to demonstrate resilience in a challenging market environment. Our total revenues for the quarter reached RMB491.3 million, while net profit rose to RMB89.3 million, marking an 8.6% sequential increase. This growth underscores the success of our strategic realignment towards high-return areas. Â Looking ahead, the company will continue to strengthen its brand presence, enhance the user experience, and delve deeper into the learning needs of users across different age groups. Through continuous innovation, we aim to provide learners with more diverse and high-quality educational products and services. At the same time, the company will further optimize its cost structure, focusing resources on the most promising opportunities. We believe these actions will drive sustainable profitability growth and position the company to lead the adult online education sector in the long term,â€ said Mr. Tongbo Liu, Chief Executive Officer of Sunlands. Â Mr. Hangyu Li, Finance Director of Sunlands, shared his thoughts on the quarter, stating, "This quarter, we have maintained strong cash flow with five consecutive quarters of positive cash flow from operating activities. The healthy cash position not only strengthens our ability to withstand uncertainty, but also provides stable financial support for future innovation and growth. Although net revenues slightly decreased year-over-year due to changes in offerings structure, we have successfully achieved a profit of RMB89.3 million for the quarter. This achievement underscores the resilience and adaptability of our business model. Looking ahead, our focus remains on maintaining profitability and enhancing operational efficiency to ensure that we continue to create value for our stakeholders while pursuing new growth avenues." Â 2Â Â Â Financial Results for the third quarter of 2024 Â Net Revenues Â In the third quarter of 2024, net revenues decreased by 6.4% to RMB491.3 million (US\$70.0 million) from RMB524.6 million in the third quarter of 2023. The decrease was primarily driven by the decline in gross billings from post-secondary courses over the recent quarters, resulting in a year-over-year decrease of RMB66.7 million in net revenues from post-secondary courses, partially offset by the year-over-year growth in revenues from sales of goods such as books and learning materials in an amount of RMB36.0 million. Â Cost of Revenues Â Cost of revenues increased by 28.0% to RMB82.1 million (US\$11.7 million) in the third quarter of 2024 from RMB64.1 million in the third quarter of 2023. The increase was primarily due to an increase in the cost of revenues from sales of goods such as books and learning materials. Â Gross Profit Â Gross profit decreased by 11.1% to RMB409.2 million (US\$58.3 million) in the third quarter of 2024 from RMB460.5 million in the third quarter of 2023. The decrease was due to the lower gross profit from sales of goods. Â Operating Expenses Â In the third quarter of 2024, operating expenses were RMB343.4 million (US\$48.9 million), representing a 1.4% increase from RMB338.5 million in the third quarter of 2023. Â Sales and marketing expenses increased by 2.7% to RMB303.0 million (US\$43.2 million) in the third quarter of 2024 from RMB295.0 million in the third quarter of 2023. The increase was mainly due to a growth in the headcount of our sales and marketing personnel. Â General and administrative expenses decreased by 1.8% to RMB34.5 million (US\$4.9 million) in the third quarter of 2024 from RMB35.1 million in the third quarter of 2023. Â Product development expenses decreased by 30.5% to RMB5.8 million (US\$0.8 million) in the third quarter of 2024 from RMB8.4 million in the third quarter of 2023. The decrease was mainly due to declined compensation expenses related to headcount reduction of our product development personnel. Â 3Â Â Â Net Income Â Net income for the third quarter of 2024 was RMB89.3 million (US\$12.7 million), as compared to RMB131.6 million in the third quarter of 2023. Â Basic and Diluted Net Income Per Share Â Basic and diluted net income per share was RMB13.08 (US\$1.86) in the third quarter of 2024. Â Cash, Cash Equivalents, Restricted Cash and Short-term Investments Â As of September 30, 2024, the Company had RMB535.9 million (US\$76.4 million) of cash, cash equivalents and restricted cash and RMB257.9 million (US\$36.8 million) of short-term investments, as compared to RMB766.4 million of cash, cash equivalents and restricted cash and RMB142.1 million of short-term investments as of December 31, 2023. Â Deferred Revenue Â As of September 30, 2024, the

Company had a deferred revenue balance of RMB920.6 million (US\$131.2 million), as compared to RMB1,113.9 million as of December 31, 2023.

Share Repurchase On December 6, 2021, the Company's board of directors authorized a share repurchase program, under which the Company may repurchase up to US\$15.0 million of Class A ordinary shares in the form of ADSs over the next 24 months. On December 1, 2023, the Company's board of directors authorized to extend its share repurchase program over the next twenty-four months. As of November 20, 2024, the Company had repurchased an aggregate of 689,935 ADSs for approximately US\$3.9 million under the share repurchase program.

4A Financial Results for the First Nine Months of 2024

Net Revenues In the first nine months of 2024, net revenues decreased by 6.9% to RMB1,506.7 million (US\$214.7 million) from RMB1,617.9 million in the first nine months of 2023.

Cost of Revenues Cost of revenues increased by 23.0% to RMB235.9 million (US\$33.6 million) in the first nine months of 2024 from RMB191.8 million in the first nine months of 2023. The increase was primarily due to an increase in the cost of revenues from sales of goods such as books and learning materials.

Gross Profit Gross profit decreased by 10.9% to RMB1,270.8 million (US\$181.1 million) from RMB1,426.1 million in the first nine months of 2023. The decrease was due to the lower gross profit from sales of goods.

Operating Expenses In the first nine months of 2024, operating expenses were RMB1,023.4 million (US\$145.8 million), representing a 5.5% increase from RMB970.3 million in the first nine months of 2023.

Sales and marketing expenses increased by 7.9% to RMB902.1 million (US\$128.5 million) in the first nine months of 2024 from RMB836.4 million in the first nine months of 2023.

General and administrative expenses decreased by 6.5% to RMB100.9 million (US\$14.4 million) in the first nine months of 2024 from RMB107.8 million in the first nine months of 2023.

Product development expenses decreased by 21.4% to RMB20.5 million (US\$2.9 million) in the first nine months of 2024 from RMB26.1 million in the first nine months of 2023. The decrease was mainly due to declined compensation expenses related to headcount reduction of our product development personnel.

5A Net Income Net income for the first nine months of 2024 was RMB284.3 million (US\$40.5 million), compared with RMB485.6 million in the first nine months of 2023.

Basic and Diluted Net Income Per Share Basic and diluted net income per share was RMB41.52 (US\$5.92) in the first nine months of 2024, compared with RMB70.29 in the first nine months of 2023.

Outlook For the fourth quarter of 2024, Sunlands currently expects net revenues to be between RMB450 million to RMB470 million, which would represent a decrease of 13.2% to 16.9% year-over-year. The above outlook is based on the current market conditions and reflects the Company's current and preliminary estimates of market and operating conditions and customer demand, which are all subject to substantial uncertainty.

Exchange Rate The Company's business is primarily conducted in China and all revenues are denominated in Renminbi (¥RMB¥). This announcement contains currency conversions of RMB amounts into U.S. dollars (¥US\$¥) solely for the convenience of the reader. Unless otherwise noted, all translations from RMB to US\$ are made at a rate of RMB7.0176 to US\$1.00, the effective noon buying rate for September 30, 2024 as set forth in the H.10 statistical release of the Federal Reserve Board. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US\$ at that rate on September 30, 2024, or at any other rate.

6A Conference Call and Webcast Sunlands' management team will host a conference call at 5:30 AM U.S. Eastern Time, (6:30 PM Beijing/Hong Kong time) on November 22, 2024, following the quarterly results announcement. For participants who wish to join the call, please access the link provided below to complete online registration 15 minutes prior to the scheduled call start time. Upon registration, participants will receive details for the conference call, including dial-in numbers, a personal PIN and an e-mail with detailed instructions to join the conference call.

Registration Link: <https://register.vevent.com/register/BI723ccaebdbf44e96857bedb8c2c0c81e>

Additionally, a live webcast and archive of the conference call will be available on the Investor Relations section of Sunlands' website at <https://ir.sunlands.com/>.

7A About Sunlands Sunlands Technology Group (NYSE: STG) (¥Sunlands¥ or the ¥Company¥), formerly known as Sunlands Online Education Group, is a leader in China's adult online education market and China's adult personal interest learning market. With a one to many live streaming platform, Sunlands offers various degree- or diploma-oriented post-secondary courses as well as professional certification preparation, professional skills and interest courses. Students can access the Company's services either through PC or mobile applications. The Company's online platform cultivates a personalized, interactive learning environment by featuring a virtual learning community and a vast library of educational content offerings that adapt to the learning habits of its students. Sunlands offers a unique approach to education research and development that organizes subject content into Learning Outcome Trees, the Company's proprietary knowledge management system. Sunlands has a deep understanding of the educational needs of its prospective students and offers solutions that help them achieve their goals.

About Non-GAAP Financial Measures We use gross billings, EBITDA, non-GAAP operating cost and expenses, non-GAAP income from operations and Non-GAAP net income per share, each a non-GAAP financial measure, in evaluating our operating results and for financial and operational decision-making purposes.

We define gross billings for a specific period as the total amount of cash received for the sale of course packages, net of the total amount of refunds paid in such period. Our management uses gross billings as a performance measurement because we generally bill our students for the entire course tuition at the time of sale of our course packages and recognize revenue proportionally over a period. EBITDA is defined as net income excluding depreciation and amortization, interest expense, interest income, and income tax expenses. We believe that gross billings and EBITDA provide valuable insight into the sales of our course packages and the performance of our business.

These non-GAAP financial measures should not be considered in isolation from, or as a substitute for, their most directly comparable financial measure prepared in accordance with GAAP. A reconciliation of the historical non-GAAP financial measures to their respective most directly comparable GAAP measure has been provided in the tables included below. Investors are encouraged to review the reconciliation of the historical non-GAAP financial measures to their respective most directly comparable GAAP financial measures. As gross billings, EBITDA, operating cost and expenses excluding share-based compensation expenses, general and administrative expenses excluding share-based compensation expenses, sales and marketing expenses excluding share-based compensation expenses, product development expenses excluding share-based compensation expenses, non-GAAP net income exclude share-based compensation expenses, and basic and diluted net income per share excluding share-based compensation expenses have material limitations as an analytical metric and may not be calculated in the same manner by all companies, it may not be comparable to other similarly titled measures used by other companies. In light of the foregoing limitations, you should not consider gross billings and EBITDA as a substitute for, or superior to, their respective most directly comparable financial measures prepared in accordance with GAAP. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

8A Safe Harbor Statement This press release contains forward-looking statements made under the "safe harbor" provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and the

U.S. Private Securities Litigation Reform Act of 1995.Â These forward-looking statements can be identified by terminology such as "we expect," "we anticipate," "we intend," "we plan," "we believe," "we estimate," "we confidentially" and similar statements. Sunlands may also make written or oral forward-looking statements in its reports filed with or furnished to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Any statements that are not historical facts, including statements about Sunlands' beliefs and expectations, are forward-looking statements that involve factors, risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such factors and risks include, but not limited to the following: Sunlands' goals and strategies; its expectations regarding demand for and market acceptance of its brand and services; its ability to retain and increase student enrollments; its ability to offer new courses and educational content; its ability to improve teaching quality and students' learning results; its ability to improve sales and marketing efficiency and effectiveness; its ability to engage, train and retain new faculty members; its future business development, results of operations and financial condition; its ability to maintain and improve technology infrastructure necessary to operate its business; competition in the online education industry in China; relevant government policies and regulations relating to Sunlands' corporate structure, business and industry; and general economic and business condition in China Further information regarding these and other risks, uncertainties or factors is included in the Sunlands' filings with the U.S. Securities and Exchange Commission. All information provided in this press release is current as of the date of the press release, and Sunlands does not undertake any obligation to update such information, except as required under applicable law. Â For investor and media enquiries, please contact: Sunlands Technology Group Investor Relations Email: sl-ir@sunlands.com Â SOURCE: Sunlands Technology Group Â 9Â Â SUNLANDS TECHNOLOGY GROUPÂ UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETSÂ (Amounts in thousands, except for share and per share data, or otherwise noted) Â Â Â Â As of December 31,Â As of September 30, Â Â 2023Â 2024Â 2024 Â Â RMBÂ RMBÂ US\$ ASSETSÂ Â Â Â Â Current assetsÂ Â Â Â Â Cash and cash equivalentsÂ Â 763,800Â Â Â 535,887Â Â Â 76,363Â Restricted cashÂ Â 2,578Â Â Â 16Â Â Â 2Â Short-term investmentsÂ Â 142,084Â Â Â 257,939Â Â Â 36,756Â Prepaid expenses and other current assetsÂ Â 109,018Â Â Â 106,462Â Â Â 15,171Â Deferred costs, currentÂ Â 14,274Â Â Â 4,798Â Â Â 684Â Total current assetsÂ Â 1,031,754Â Â Â 905,102Â Â Â 128,976Â Â Â Â Â Â Â Â Non-current assetsÂ Â Â Â Â Property and equipment, netÂ Â 786,670Â Â Â 765,366Â Â Â 109,064Â Intangible assets, netÂ Â 975Â Â Â 854Â Â Â 122Â Right-of-use assetsÂ Â 135,820Â Â Â 111,787Â Â Â 15,930Â Deferred costs, non-currentÂ Â 68,773Â Â Â 61,091Â Â Â 8,705Â Long-term investmentsÂ Â 61,354Â Â Â 48,944Â Â Â 6,974Â Deferred tax assetsÂ Â -Â Â Â 23,397Â Â Â 3,334Â Other non-current assetsÂ Â 33,160Â Â Â 237,427Â Â Â 33,833Â Total non-current assetsÂ Â 1,086,752Â Â Â 1,248,866Â Â Â 177,962Â TOTAL ASSETSÂ Â 2,118,506Â Â Â 2,153,968Â Â Â 306,938Â Â 10Â Â SUNLANDS TECHNOLOGY GROUPÂ UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETSÂ (Amounts in thousands, except for share and per share data, or otherwise noted) Â Â Â Â As of December 31,Â As of September 30, Â Â 2023Â 2024Â 2024 Â Â RMBÂ RMBÂ US\$ LIABILITIES AND SHAREHOLDERS' EQUITYÂ Â Â Â Â Â Â Â Â Â Â Â Â Â Â LIABILITIESÂ Â Â Â Â Current liabilitiesÂ Â Â Â Â Accrued expenses and other current liabilitiesÂ Â 409,691Â Â Â 420,751Â Â Â 59,957Â Deferred revenue, currentÂ Â 553,812Â Â Â 359,900Â Â Â 51,285Â Lease liabilities, current portionÂ Â 8,019Â Â Â 8,355Â Â Â 1,191Â Long-term debt, current portionÂ Â 38,654Â Â Â 38,654Â Â Â 5,508Â Total current liabilitiesÂ Â 1,010,176Â Â Â 827,660Â Â Â 117,941Â Â Â Â Â Â Â Â Non-current liabilitiesÂ Â Â Â Â Deferred revenue, non-currentÂ Â 560,111Â Â Â 560,693Â Â Â 79,898Â Lease liabilities, non-current portionÂ Â 157,269Â Â Â 134,811Â Â Â 19,210Â Deferred tax liabilitiesÂ Â 3,742Â Â Â 2,678Â Â Â 382Â Other non-current liabilitiesÂ Â 6,994Â Â Â 7,937Â Â Â 1,131Â Long-term debtÂ Â 104,665Â Â Â 75,674Â Â Â 10,783Â Total non-current liabilitiesÂ Â 832,781Â Â Â 781,793Â Â Â 111,404Â TOTAL LIABILITIESÂ Â 1,842,957Â Â Â 1,609,453Â Â Â 229,345Â Â Â Â Â Â Â Â Â Â Â Â Â Â SHAREHOLDERS' EQUITYÂ Â Â Â Â Â Â Â Â Â Â Â Â Â Â Class A ordinary shares (par value of US\$0.00005, 796,062,195 sharesÂ Â Â Â Â Â Â Â Â Â authorized; 3,131,807 and 3,131,807 shares issued as of December 31, 2023Â Â Â Â Â Â Â Â Â Â and September 30, 2024, respectively; 2,702,523 and 2,625,41 sharesÂ Â Â Â Â Â Â Â Â Â outstanding as of December 31, 2023 and September 30, 2024, respectively)Â Â 1Â Â Â 1Â Â Â -Â Class B ordinary shares (par value of US\$0.00005, 826,389 sharesÂ Â Â Â Â Â Â Â Â Â authorized; 826,389 and 826,389 shares issued and outstandingÂ Â Â Â Â Â Â Â Â Â as of December 31, 2023 and September 30, 2024, respectively)Â Â -Â Â Â -Â Â Â -Â Class C ordinary shares (par value of US\$0.00005, 203,111,416 sharesÂ Â Â Â Â Â Â Â Â Â authorized; 3,332,062 and 3,332,062 shares issued and outstandingÂ Â Â Â Â Â Â Â Â Â as of December 31, 2023 and September 30, 2024, respectively)Â Â 1Â Â Â 1Â Â Â -Â Treasury stockÂ Â -Â Â Â -Â Â Â -Â Accumulated deficitÂ Â (2,171,284)Â Â (1,887,008)Â Â (268,896) Additional paid-in capitalÂ Â 2,305,042Â Â Â 2,297,007Â Â Â 327,321Â Accumulated other comprehensive incomeÂ Â 143,276Â Â Â 136,001Â Â Â 19,380Â Total Sunlands Technology Group shareholders' equityÂ Â 277,036Â Â Â 546,002Â Â Â 77,805Â Non-controlling interestÂ Â (1,487)Â Â (1,487)Â Â (212) TOTAL SHAREHOLDERS' EQUITYÂ Â 275,549Â Â Â 544,515Â Â Â 77,593Â TOTAL LIABILITIES AND SHAREHOLDERS' EQUITYÂ Â 2,118,506Â Â Â 2,153,968Â Â Â 306,938Â Â 11Â Â SUNLANDS TECHNOLOGY GROUPÂ UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONSÂ (Amounts in thousands, except for share and per share data, or otherwise noted) Â Â Â Â For the Three Months Ended September 30, Â Â 2023Â 2024Â 2024 Â Â RMBÂ RMBÂ US\$ Net revenuesÂ Â 524,631Â Â Â 491,264Â Â Â 70,005Â Cost of revenuesÂ Â (64,131)Â Â (82,093)Â Â (11,698) Gross profitÂ Â 460,500Â Â Â 409,171Â Â Â 58,307Â Â Â Â Â Â Â Â Operating expensesÂ Â Â Â Â Sales and marketing expensesÂ Â (294,969)Â Â (303,047)Â Â (43,184) Product development expensesÂ Â (8,415)Â Â (5,849)Â Â (833) General and administrative expensesÂ Â (35,092)Â Â (34,472)Â Â (4,912) Total operating expensesÂ Â (338,476)Â Â (343,368)Â Â (48,929) Income from operationsÂ Â 122,024Â Â Â 65,803Â Â Â 9,378Â Interest incomeÂ Â 7,625Â Â Â 7,810Â Â Â 1,113Â Interest expenseÂ Â (1,877)Â Â (1,415)Â Â (202) Other income, netÂ Â 8,601Â Â Â 10,443Â Â Â 1,488Â Impairment loss on long-term investmentsÂ Â (61)Â Â -Â Â -Â Loss on disposal of subsidiariesÂ Â -Â Â (588)Â Â (84) Income before income tax benefitÂ Â Â Â Â and (loss)/gain from equity method investmentsÂ Â 136,312Â Â Â 82,053Â Â Â 11,693Â Income tax benefitÂ Â 1,119Â Â Â 6,506Â Â Â 927Â (Loss)/gain from equity method investmentsÂ Â (5,791)Â Â 730Â Â 104Â Net incomeÂ Â 131,640Â Â Â 89,289Â Â Â 12,724Â Â Â Â Â Â Â Â Less: net income attributable to non-controlling interestÂ Â -Â Â -Â Â -Â Net income attributable to Sunlands Technology GroupÂ Â 131,640Â Â Â 89,289Â Â Â 12,724Â Net income per share attributable to ordinary shareholders ofÂ Â Â Â Â Â Â Â Â Â Sunlands Technology Group:Â Â Â Â Â Â Â Â Â Â Basic and dilutedÂ Â 19.13Â Â

Â 13.08Â Â Â 1.86Â Weighted average shares used in calculating net incomeÂ Â Â Â Â Â Â Â Â Â per ordinary share:Â Â Â Â Â Â Â Â Â Â Basic and dilutedÂ Â 6,880,188Â Â Â 6,828,784Â Â Â 6,828,784Â Â 12Â Â SUNLANDS TECHNOLOGY GROUP UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Amounts in thousands) Â Â Â For the Three Months Ended September 30, Â Â 2023Â 2024 2024 Â Â RMBÂ RMBÂ US\$ Net incomeÂ Â 131,640Â Â Â 89,289Â Â Â 12,724Â Other comprehensive income/(loss), net of tax effect of nil:Â Â Â Â Â Â Â Â Â Â Change in cumulative foreign currency translation adjustmentsÂ Â 3,358Â Â Â (20,526)Â Â (2,925) Total comprehensive incomeÂ Â 134,998Â Â Â 68,763Â Â Â 9,799Â Less: comprehensive income attributable to non-controlling interestÂ Â -Â Â Â -Â Â Â -Â Comprehensive income attributable to Sunlands Technology GroupÂ Â 134,998Â Â Â 68,763Â Â Â 9,799Â Â 13Â Â SUNLANDS TECHNOLOGY GROUP RECONCILIATION OF GAAP AND NON-GAAP RESULTS (Amounts in thousands) Â Â Â Â For the Three Months Ended September 30, Â Â 2023Â 2024 Â Â RMBÂ RMB Net revenuesÂ Â 524,631Â Â Â 491,264Â Less: other revenuesÂ Â (43,808)Â Â (84,838) Add: tax and surchargesÂ Â 16,921Â Â Â 23,931Â Add: ending deferred revenueÂ Â 1,277,040Â Â Â 920,593Â Add: deferred revenue in connection with disposal of subsidiariesÂ Â -Â Â Â -Â Â Â -Â Add: ending refund liabilityÂ Â 101,591Â Â Â 119,618Â Less: beginning deferred revenueÂ Â (1,379,073)Â Â (986,938) Less: beginning refund liabilityÂ Â (107,319)Â Â (126,797) Gross billings (non-GAAP)Â Â 389,983Â Â Â 360,256Â Â Â Â Â Â Â Â Net incomeÂ Â 131,640Â Â Â 89,289Â Add: income tax benefitÂ Â (1,119)Â Â (6,506) Add: depreciation and amortizationÂ Â 7,664Â Â Â 7,355Â Add: interest expenseÂ Â 1,877Â Â Â 1,415Â Less: interest incomeÂ Â (7,625)Â Â (7,810) EBITDA (non-GAAP)Â Â 132,437Â Â Â 83,743Â Â 14Â Â SUNLANDS TECHNOLOGY GROUP UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Amounts in thousands, except for share and per share data, or otherwise noted) Â Â Â Â For the Nine Months Ended September 30, Â Â 2023Â 2024 2024 Â Â RMBÂ RMBÂ US\$ Net revenuesÂ Â 1,617,860Â Â Â 1,506,727Â Â Â 214,707Â Cost of revenuesÂ Â (191,777)Â Â (235,883)Â Â (33,613) Gross profitÂ Â 1,426,083Â Â Â 1,270,844Â Â Â 181,094Â Â Â Â Â Â Â Â Â Â Operating expensesÂ Â Â Â Â Â Â Â Â Sales and marketing expensesÂ Â (836,352)Â Â (902,065)Â Â (128,543) Product development expensesÂ Â (26,087)Â Â (20,516)Â Â (2,924) General and administrative expensesÂ Â (107,817)Â Â (100,853)Â Â (14,371) Total operating expensesÂ Â (970,256)Â Â (1,023,434)Â Â (145,838) Income from operationsÂ Â 455,827Â Â Â 247,410Â Â Â 35,256Â Interest incomeÂ Â 21,747Â Â Â 27,675Â Â Â 3,944Â Interest expenseÂ Â (6,047)Â Â (4,535)Â Â (646) Other income, netÂ Â 25,570Â Â Â 19,238Â Â Â 2,741Â Impairment loss on long-term investmentsÂ Â (61)Â Â -Â Â -Â Gain/(loss) on disposal of subsidiariesÂ Â 247Â Â Â (838)Â Â (119) Income before income tax (expenses)/benefitÂ Â Â Â Â Â Â Â Â and loss from equity method investmentsÂ Â 497,283Â Â Â 288,950Â Â Â 41,176Â Income tax (expenses)/benefitÂ Â (5,208)Â Â 6,975Â Â Â 994Â Loss from equity method investmentsÂ Â (6,445)Â Â (11,649)Â Â (1,660) Net incomeÂ Â 485,630Â Â Â 284,276Â Â Â 40,510Â Â Â Â Â Â Â Â Â Less: net income attributable to non-controlling interestÂ Â 1Â Â Â -Â Â Â -Â Net income attributable to Sunlands Technology GroupÂ Â 485,629Â Â Â 284,276Â Â Â 40,510Â Net income per share attributable to ordinary shareholders ofÂ Â Â Â Â Â Â Â Sunlands Technology Group:Â Â Â Â Â Â Â Â Â Basic and dilutedÂ Â 70.29Â Â Â 41.52Â Â Â 5.92Â Weighted average shares used in calculating net incomeÂ Â Â Â Â Â Â Â Â Â per ordinary share:Â Â Â Â Â Â Â Â Â Â Basic and dilutedÂ Â 6,909,141Â Â Â 6,846,146Â Â Â 6,846,146Â Â 15Â Â SUNLANDS TECHNOLOGY GROUP UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Amounts in thousands) Â Â Â Â For the Nine Months Ended September 30, Â Â 2023Â 2024 2024 Â Â RMBÂ RMBÂ US\$ Net incomeÂ Â 485,630Â Â Â 284,276Â Â Â 40,510Â Other comprehensive income/(loss), net of tax effect of nil:Â Â Â Â Â Â Â Â Â Â Change in cumulative foreign currency translation adjustmentsÂ Â 30,634Â Â Â (7,275)Â Â (1,037) Total comprehensive incomeÂ Â 516,264Â Â Â 277,001Â Â Â 39,473Â Less: comprehensive income attributable to non-controlling interestÂ Â 1Â Â Â -Â Â Â -Â Comprehensive income attributable to Sunlands Technology GroupÂ Â 516,263Â Â Â 277,001Â Â Â 39,473Â Â 16Â Â SUNLANDS TECHNOLOGY GROUP RECONCILIATION OF GAAP AND NON-GAAP RESULTS (Amounts in thousands) Â Â Â Â For the Nine Months Ended September 30, Â Â 2023Â 2024 Â Â RMBÂ RMB Net revenuesÂ Â 1,617,860Â Â Â 1,506,727Â Less: other revenuesÂ Â (128,032)Â Â (205,806) Add: tax and surchargesÂ Â 44,695Â Â Â 56,040Â Add: ending deferred revenueÂ Â 1,277,040Â Â Â 920,593Â Add: deferred revenue in connection with disposal of subsidiariesÂ Â -Â Â Â -Â Â Â -Â Add: ending refund liabilityÂ Â 101,591Â Â Â 119,618Â Less: beginning deferred revenueÂ Â (1,690,946)Â Â (1,113,923) Less: beginning refund liabilityÂ Â (133,066)Â Â (143,744) Gross billings (non-GAAP)Â Â 1,089,142Â Â Â 1,142,928Â Â Â Â Â Â Â Â Â Net incomeÂ Â 485,630Â Â Â 284,276Â Add: income tax expenses/(benefit)Â Â 5,208Â Â Â (6,975) Add: depreciation and amortizationÂ Â 22,931Â Â Â 22,148Â Add: interest expenseÂ Â 6,047Â Â Â 4,535Â Less: interest incomeÂ Â (21,747)Â Â (27,675) EBITDA (non-GAAP)Â Â 498,069Â Â Â 276,309Â Â 17Â Â GRAPHIC 3 image_013.jpg GRAPHIC begin 644 image_013.jpg M_JC_X 02D9)1@ ! 0\$ 8 !@ #_VP!# @&!@<&!0@'!P<)"0@*#!0-# L+ M#!D2\$P\4'1H?'AT:'!P@)"XG(" (L(QP<*#7J#A(6&AXB)BI*3E)66EYB9FJ*CI*6FIZBJJK*SM+6VM[BYNL+#Q,7& MQC)RM+3U-76UJC9VN'BX^3EYN? HZ>KQ\O/T]?;W^/GZ \0 'P\$ P\$! 0\$! M 0\$! 0 \$" P0%!@<("0H+ \0 M1\$ @\$"! 0#! <%! 0 0)W \$" M Q\$\$!2\$Q!A)!40=A<1,B,H\$(%\$*1H;'!''2,S4O 58G+1"A8D-.\$E\1<8&1HF M)R@I*C4V-S@Y.D-\$149'2\$E*4U155E=865IC9&5F9VAI:G-T=79W>'EZ@H.\$ MA8:'B(F*DI.4E9:7F)F:HJ.DI::GJ*FJLK.TM;:WN+XZPL/Q<;'R,G*TM/4 MU=;7V-G:XN/DY>;GZ.GJ\O/T]?;W^/GZ_JH # ,! (1 Q\$ /P#W^BBB@ HH MHH **:S!+*H!DUS=EXUL;V!;A+>X6VDNEM892O^L8MMSCJ\F@#IJ*YC_A.M M*%R+=ZM\1[?1M/ACT^QN[L8 M\N.XN/D5B.^?XOTKAF^?)7B@W32B\0*QSY?EC:OTJUC/\$0CHSOP^48FNG**LO M,)]KG?*\$C32/#<,"YG\VY AMXN6/U/JKQF ^{(GB74,JVH&%.A6%0N?ZUS+S M/*YDE=G=CRS\$DFLYXG3W4>AA6G9? YG:ZK\4=?OKD-;NMG"K95(NOXG MO6[H'QGAP"!ZD=,5YC!;2W4@6-& /5F& *U+B..RTR1(N^ M6[L:ZLOPE7\$RYVVH)?/R7]:>IAGN,P6"IK#P@G4>R[>;:U]N):GTE;W\$=U M!'/'X>.10RL#U!J6O,OAQXFV)%I%U)\CC-NQ['NO^'XUZ9FNFO1=&;BSYG#U ME6AS(0##\$Y.2!QGBG445@;A1110 5 JY;1W4=J]Q\$MQ*~T<3. S@=2!U.*G- M>1^.+RZUKQS+HXELK"#0X(=46 E+!T.[!7(_A.<&@#TBV\1Z1=I>R1:A!Y=E M(8KEV;L;#L2>.[79[RWMK*2\FE1;::,R*3\H4#.< 2O\$K?2I-8>[TR/7-! 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