



Speakers

Mr. Kevin Ma, Chairman and CEO
Ms. Amy Tung, CFO

FY 2017 FOURTH QUARTER AND YEAR-END
EARNINGS CALL

June 1, 2017



SAFE HARBOR

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Note: All U.S. dollar amounts in this presentation, relating to financial results for the Company's fiscal fourth quarter and year ended March 31, 2017, are converted from RMB using an exchange rate of 6.8832 RMB:1 USD. All historical conversions are accurate as of the time reported, unless otherwise noted. The Company reports its financial results under U.S. GAAP in RMB, and all percentages calculated in the presentation are based on RMB unless otherwise noted.

OVERVIEW

ATA is China's market leader in advanced testing technologies and related services.

Since 1999, has provided large-scale, computer-based exam services for professional licensure/certification and skills assessment in China

Provides technologies for learning institutes/recruiters to improve overall learning/hiring efficiency and effectiveness

ATA estimates approx. 200 million exams are delivered annually in China's testing market.

ATA At-A-Glance

Ticker	NASDAQ: ATAI
IPO	January 2008 (Underwriters: Merrill Lynch, Piper Jaffray)
Auditor	KPMG (since IPO)
Fiscal Year End	March 31
Recent Stock Price	\$3.55 (as of 5/31/2017)
Market Cap	\$81 million (as of 5/31/2017)
ADSs Outstanding	22.9 million
Book Value Per ADS	\$2.78

All information as of 3/31/2017 unless otherwise noted.



Operating and Financial Highlights

Amy Tung, Chief Financial Officer

KEY OPERATING HIGHLIGHTS

Delivered record 12.1 million billable tests in FY 2017, up 17.5% from 10.3 million FY 2016

Delivered record 2.2 million exams across China, Hong Kong and Macau SARs for fifth consecutive computer-based CPA exam in October 2016

Signed several new government and private sector clients throughout FY 2017

Declared approximately US\$10 million cash dividend to shareholders

Simultaneous, Large-scale Test Delivery

Nationwide network of 3,147 test centers (as of 3/31/2017), covers every province in mainland China



KEY FINANCIAL HIGHLIGHTS

Record net revenues of RMB472.4 million in FY 2017:

- Met previously raised FY net revenue guidance range
- 13.2% YoY increase as a result of increased revenue contributions from testing services and online education services businesses

Gross margin for FY 2017 of 49.2%, compared to 50.1% in FY 2016

Net revenues of RMB36.9 million exceeded guidance range for Fourth Quarter 2017

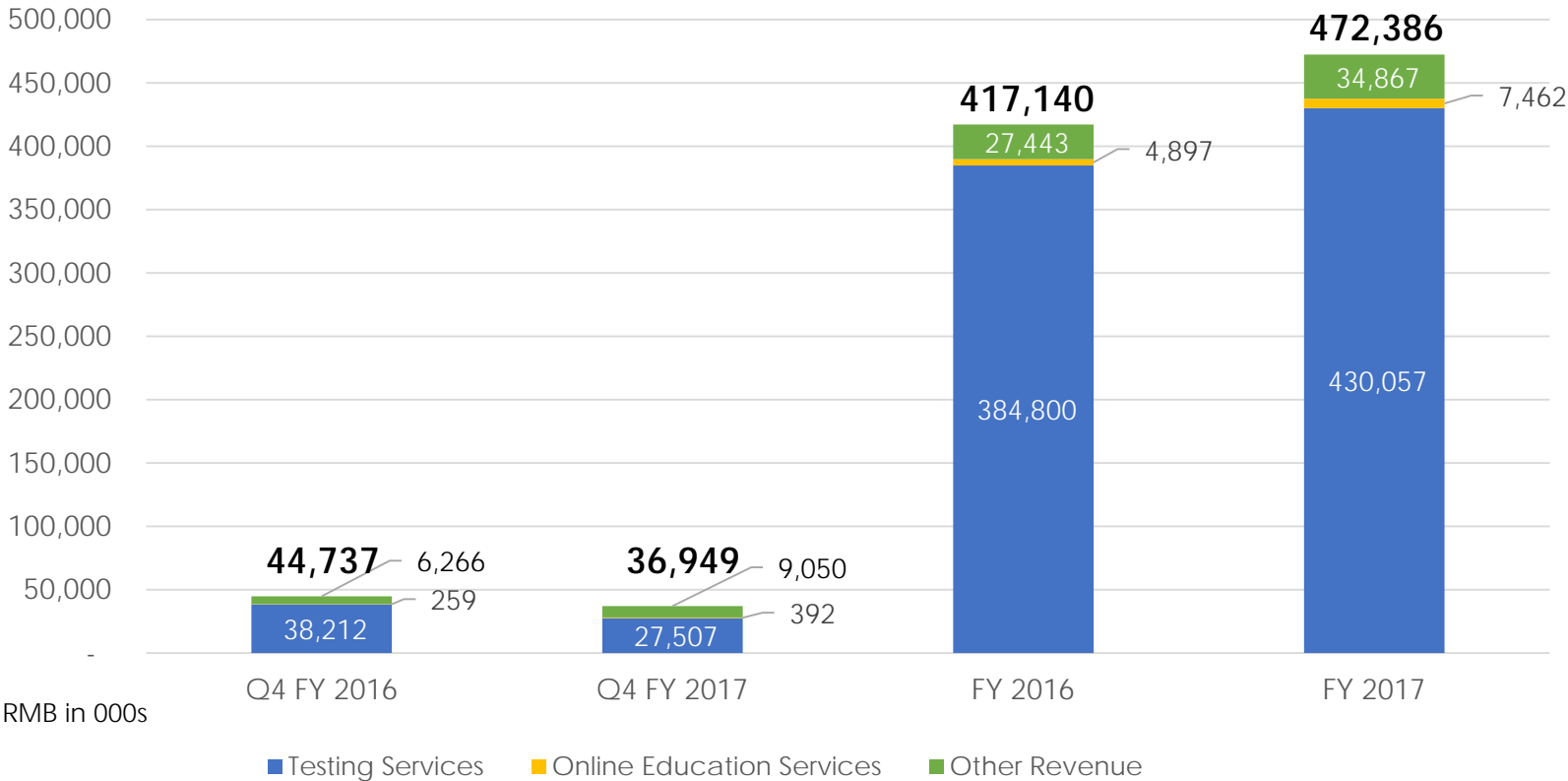
Met previously raised net revenue guidance for FY 2017*

*As reported in the Company's fiscal 2017 third quarter financial results press release on 2/20/2017



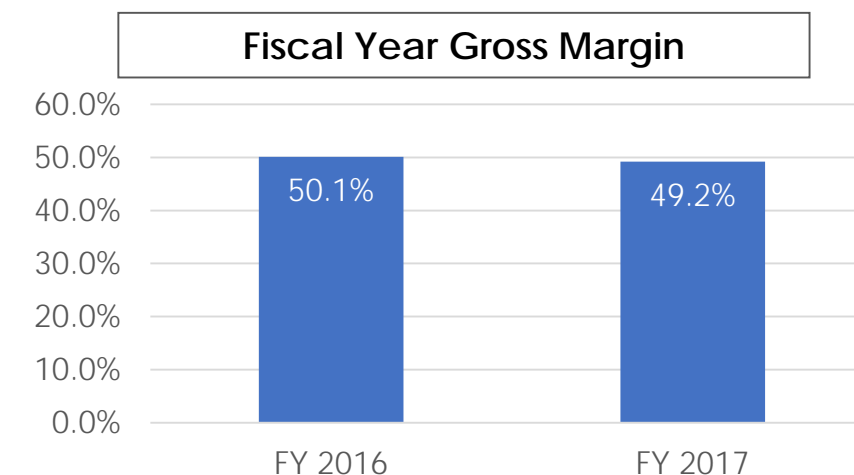
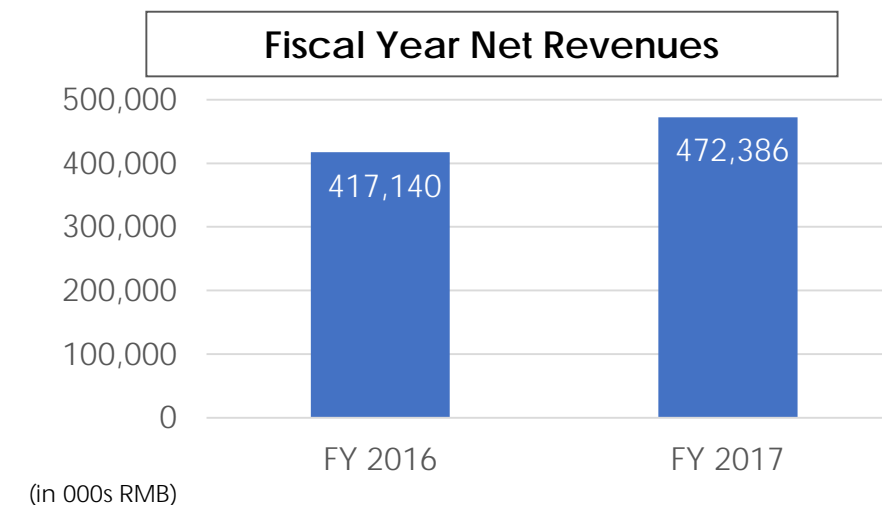
REVENUE BREAKDOWN

- **Testing Services** is ATA's core business offering large-scale, computer-based testing across China, ~74.4% of revenues in Q4 FY 2017.
- **Online Education Services** for continued professional development



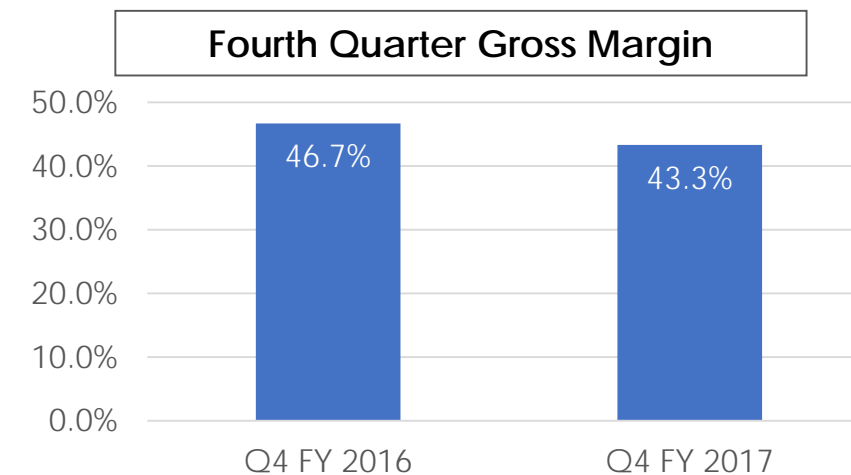
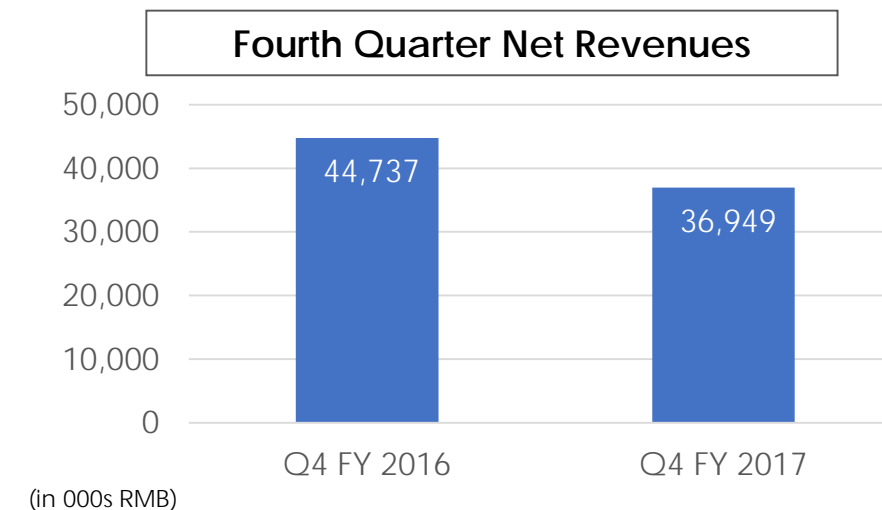
SUMMARY FINANCIAL RESULTS – FISCAL YEAR

In 000s except margin and per share data	FY 2016	FY 2017	FY 2016	FY 2017
	RMB		USD	
Net Revenues	417,140	472,386	\$61,155	\$68,629
Cost of Revenue	208,017	239,852	\$30,496	\$34,846
Gross Profit	209,123	232,533	\$30,658	\$33,783
Gross Margin	50.1%	49.2%	50.1%	49.2%
Operating Expenses	157,388	160,726	\$23,074	\$23,350
Income from Operations	51,735	71,807	\$7,584	\$10,432
Net Income (Loss) Attributable to ATA Inc.	26,051	(9,716)	\$3,819	(\$1,412)
Diluted Earnings (Losses) Per ADS Attributable to ATA Inc.	1.14	(0.42)	\$0.18	(\$0.06)



SUMMARY FINANCIAL RESULTS – FOURTH QUARTER

In 000s except margin and per share data	Q4 FY 2016	Q4 FY 2017	Q4 FY 2016	Q4 FY 2017
	RMB		USD	
Net Revenues	44,737	36,949	\$6,938	\$5,368
Cost of Revenue	23,850	20,967	\$3,699	\$3,046
Gross Profit	20,887	15,982	\$3,239	\$2,322
Gross Margin	46.7%	43.3%	46.7%	43.3%
Operating Expenses	35,676	39,884	\$5,533	\$5,794
Loss from Operations	(14,789)	(23,902)	(\$2,294)	(\$3,472)
Net Loss Attributable to ATA Inc.	(15,371)	(53,694)	(\$2,384)	(\$7,801)
Diluted Losses per ADS Attributable to ATA Inc.	(0.68)	(2.34)	(\$0.10)	(\$0.34)



FINANCIAL ANALYSIS – NON-GAAP

RMB in 000s except EPS	FY 2015					FY 2016					FY 2017				
	Q1	Q2	Q3	Q4	FY 2015	Q1	Q2	Q3	Q4	FY 2016	Q1	Q2	Q3	Q4	FY 2017
Net Revenues	84,317	102,478	123,048	40,315	350,158	97,529	53,436	221,438	44,737	417,140	96,844	65,132	273,461	36,949	472,386
Net Income (Loss) Attributable to ATA Inc.															
GAAP	4,606	8,831	24,618	(14,998)	23,056	6,138	(14,069)	49,353	(15,371)	26,051	4,143	(35,578)	75,412	(53,694)	(9,716)
Adjustment															
Share-based Compensation Expense	3,158	2,539	(3,258)	4,671	7,111	3,814	1,942	2,001	1,408	9,165	1,039	1,009	1,032	3,878	6,958
Foreign Currency Exchange (Gain) Loss	972	(349)	405	39	1,067	59	1,431	12	4	1,506	31	15	30	(3)	73
Non-GAAP	8,736	11,021	21,765	(10,289)	31,234	10,011	(10,697)	51,366	(13,959)	36,722	5,214	(34,554)	76,474	(49,819)	(2,685)
Diluted Earnings (Losses) Per ADS attributable to ATA Inc.															
GAAP	\$0.09	\$0.06	\$0.18	(\$0.10)	\$0.16	\$0.04	(\$0.10)	\$0.34	(\$0.10)	\$0.18	\$0.02	(\$0.24)	\$0.48	(\$0.34)	(\$0.06)
Non-GAAP	\$0.18	\$0.08	\$0.16	(\$0.08)	\$0.22	\$0.08	(\$0.08)	\$0.34	(\$0.10)	\$0.24	\$0.04	(\$0.22)	\$0.48	(\$0.32)	(\$0.02)

BALANCE SHEET

Balance Sheet Highlights

	3/31/2016	3/31/2017	3/31/2016	3/31/2017
In 000s	RMB		USD	
Cash and Cash Equivalents	247,668	222,448	\$38,410	\$32,318
Total Current Assets	320,152	295,945	\$49,651	\$42,995
Total Assets	470,461	519,840	\$72,962	\$75,523
Total Current Liabilities	74,352	103,030	\$11,531	\$14,968
Total Liabilities	76,231	127,383	\$11,822	\$18,506
Shareholders' Equity	394,231	392,457	\$61,140	\$57,017
Total Liabilities & Shareholders' Equity	470,461	519,840	\$72,962	\$75,523

\$32.3 million in cash and cash equivalents at 3/31/2017

PROJECTIONS

RMB millions	Guidance for Quarter Ending 6/30/2017		Actual for Quarter Ended 6/30/2016
	Low	High	
Net Revenue	91.0	96.0	96.8

RMB millions	Guidance for Nine Months Ending 12/31/2017		Actual for Nine Months Ended 12/31/2016
	Low	High	
Net Revenue	490.0	510.0	435.4



Outlook for Nine-month Transition Period 2017

Kevin Ma, Chairman and CEO

GROWTH STRATEGY

- Strengthen ATA's leadership position in China's testing and assessment market
 - Expand into and build presence in various education markets
 - Explore ways to accelerate growth of core testing business
- Leverage test data, provide increased value to clients
- Establish new business partnerships
- Expand existing client relationships



At ATA Inc.

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