

The logo for ATA, featuring the lowercase letters 'ata' in a bold, red, sans-serif font. The letters are enclosed within a red square frame that has a slightly irregular, hand-drawn appearance.

## 2019 SECOND QUARTER EARNINGS CALL

August 14, 2019

### Speakers

Mr. Kevin Ma, Chairman and CEO

Mr. Jun Zhang, President

Ms. Amy Tung, CFO

# SAFE HARBOR

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Note: All U.S. dollar amounts in this presentation, relating to the financial results for the second quarter ended June 30, 2019, are converted from RMB using an exchange rate of 6.8650 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 focused on offering a fully integrated educational experience for students throughout China and abroad. ATA aims to offer online, on-campus, and other education programs through a network of global education partners.

Nearly 20 years of experience in testing technologies and delivery services, unrivaled knowledge of China's assessment/education market

Possesses industry relationships with educational institutions and enterprises all over China

Established reputation in learning technologies, committed to providing students with quality educational opportunities

## ATA At-A-Glance

Ticker	NASDAQ: ATAI
IPO	January 2008 (Underwriters: Merrill Lynch, Piper Jaffray)
Auditor	KPMG (since IPO)
Fiscal Year End	December 31
Recent Stock Price	\$2.23 (as of 8/12/2019)
Market Cap	\$52.7 million (as of 8/12/2019)
ADSs Outstanding	23.6 million
Book Value Per ADS	\$1.54

All information as of 6/30/2019 unless otherwise noted.



# **2019 SECOND QUARTER HIGHLIGHTS**

Amy Tung, Chief Financial Officer

# KEY FINANCIAL HIGHLIGHTS

Total net revenues increased to RMB1.4 million from nil as a result of ATA's development of K-12 education quality monitoring services.

Net loss from continuing operations attributable to ATA Inc. was RMB18.2 million, compared to a net loss of RMB16.4 million in the prior-year period, due to decreased net rental income and increased legal and consulting fees related to the acquisition activities of new business.

RMB131.6 million in cash and cash equivalents



# BALANCE SHEET

## Balance Sheet Highlights

	12/31/2018	6/30/2019	12/31/2018	6/30/2019
In 000s	RMB		USD	
Cash and Cash Equivalents	190,586	131,630	\$27,720	\$19,174
Total Current Assets	213,395	180,274	\$31,037	\$26,260
Total Assets	335,139	310,057	\$48,744	\$45,165
Total Current Liabilities	19,746	19,291	\$2,872	\$2,810
Total Liabilities	19,746	20,270	\$2,872	\$2,953
Mezzanine Equity	39,209	40,734	\$5,703	\$5,933
Shareholders' Equity	276,184	249,053	\$40,169	\$36,279
Total Liabilities, Mezzanine Equity & Shareholders' Equity	335,139	310,057	\$48,744	\$45,165

**USD\$19.2 million in cash and cash equivalents as of 6/30/2019**



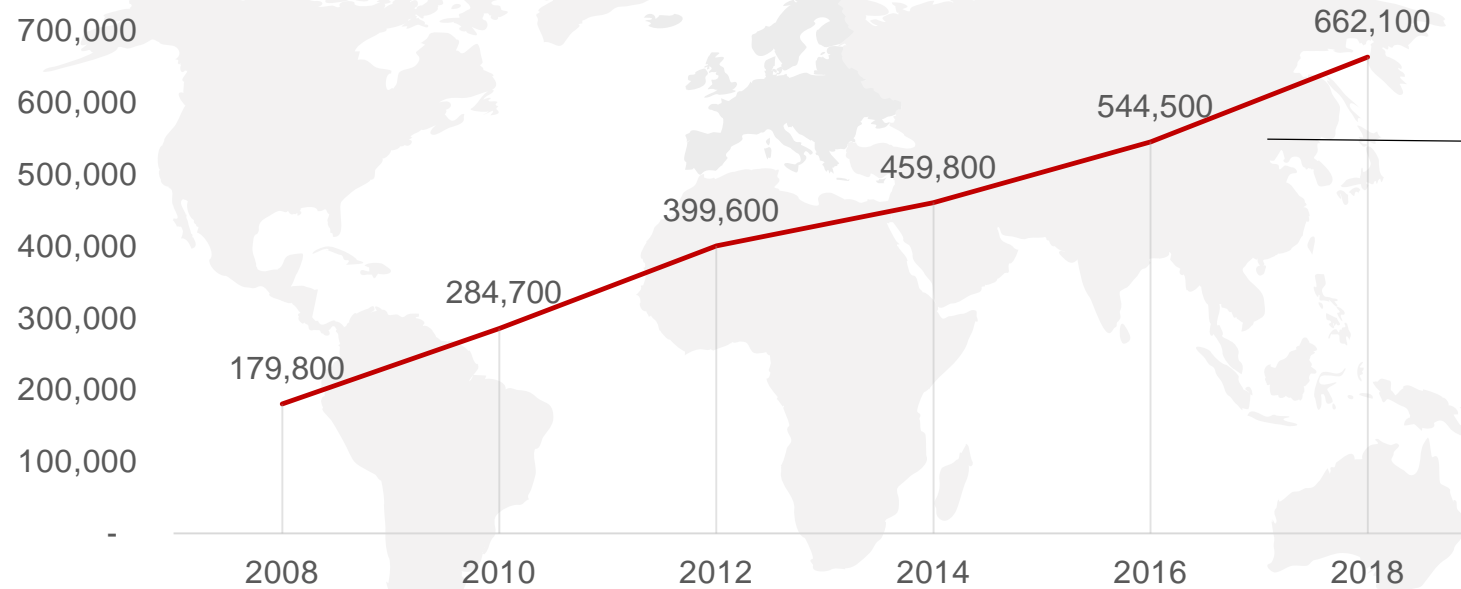
# **OUTLOOK & GROWTH STRATEGY**

Kevin Ma, Chairman and CEO

Jun Zhang, President

# STRATEGIC VISION: IMMERSIVE INTERNATIONAL STUDY

Growing # of Students from China Studying Overseas



Source: Ministry of Education of the People's Republic of China



International education continues to be a growing market as more and more students seek study abroad experiences.



# ACG ACQUISITION

- First major step forward in ATA's long-term objective of becoming a leading international education service provider
- Special focus on rapidly expanding art education market
- ACG's global growth initiatives include:
  - Geographic expansion
  - Product expansion
  - Business model expansion
  - Investment growth



# ACG BACKGROUND

- [www.acgorg.net](http://www.acgorg.net)
- ACG is a leading provider of educational services for students in China interested in applying for overseas art study
- Commenced business in international art education in 2006
- Acquired entity established in 2012
- 23 campus locations covering 21 cities throughout China
- Offers diverse and customizable art and music study abroad programming
- ACG has expanded its careers to more than 60 sub-divisions such as art, design, architecture, film and television, and music



# GROWTH STRATEGY

ATA plans to leverage its expertise in assessment/education technologies and services, as well as extensive industry relationships, to scale the growth of well-established education enterprises to expand its presence in China and beyond.

- Increase outreach to support a growing population of students seeking learning experiences outside the classroom
- Continue exploring M&A opportunities within the education sector





**At ATA Inc.**

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