



Recent weeks not great for Chinese stocks with rising yields in the US causing a selloff + fears of delistings

HUYA down = DOYU down

Spread still above 40%

Fourth Quarter 2020 Financial and Operational Highlights

[Presentations](#)

- Total net revenues in the fourth quarter of 2020 increased by 10.0% to RMB2,269.2 million (US\$347.8 million) from RMB2,062.9 million in the same period of 2019.
- Gross profit in the fourth quarter of 2020 was RMB182.2 million (US\$27.9 million), compared with RMB375.2 million in the same period of 2019.
- Net loss in the fourth quarter of 2020 was RMB228.7 million (US\$35.0 million), compared with a net income of RMB157.4 million in the same period of 2019.
- Adjusted net loss in the fourth quarter of 2020 was RMB176.9 million (US\$27.1 million), compared with an adjusted net income of RMB186.4 million in the same period of 2019.
- Average MAUs in the fourth quarter of 2020 increased by 5.2% to 174.4 million from 165.8 million in the same period of 2019.
- Average mobile MAUs in the fourth quarter of 2020 increased by 6.9% to 58.2 million from 54.4 million in the same period of 2019.
- Quarterly average paying user count in the fourth quarter of 2020 increased by 4.6% to 7.6 million from 7.3 million in the same period of 2019.

Full Year 2020 Financial Highlights

- Total net revenues for the full year of 2020 increased by 31.8% to RMB9,601.9 million (US\$1,471.6 million) from RMB7,283.2 million in the same period of 2019.
- Gross profit for the full year of 2020 increased by 30.4% to RMB1,560.3 million (US\$239.1 million) from RMB1,196.2 million in the same period of 2019, implying a gross margin of 16.3% in the full year of 2020.
- Net income for the full year of 2020 increased by 1,113.7% to RMB404.7 million (US\$62.0 million) from RMB33.3 million in the same period of 2019, implying a net margin of 4.2% in the full year of 2020.
- Adjusted net income for the full year of 2020 increased by 56.3% to RMB541.6 million (US\$83.0 million) from RMB346.4 million in the same period of 2019, implying an adjusted net margin of 5.6%.

Live streaming revenues in the fourth quarter of 2020 increased by 9.4% to RMB2,070.7 million (US\$317.3 million) from RMB1,892.5 million in the same period of 2019. This increase was primarily attributable to an increase in paying users and ARPPU driven by improved user paying experience, which resulted from the Company's ongoing product refinement efforts, as well as the Company's cultivation of user paying habits through expansion of paying scenarios.

Advertising and other revenues in the fourth quarter of 2020 increased by 16.5% to RMB198.5 million (US\$30.4 million) from RMB170.4 million in the same period of 2019, primarily attributable to the Company's enhanced brand recognition and the corresponding increase in advertising demand for the Company's competitive advertising and promotion solutions.

91% of revenues in 4Q from live streaming

Cost of revenues in the fourth quarter of 2020 increased by 23.7% to RMB2,087.0 million (US\$319.9 million) from RMB1,687.7 million in the same period of 2019, primarily due to the increase in revenue sharing fees and content costs.

Revenue sharing fees and content costs in the fourth quarter of 2020 increased by 25.6% to RMB1,850.2 million (US\$283.6 million) from RMB1,473.3 million in the same period of 2019. This increase was primarily attributable to increased investments in the broadcasting rights for eSports tournaments and the in-house production of proprietary events, increased revenue sharing fees, which was in line with the Company's total revenue growth, and increased investments in quality streamers in the oversea market.

Bandwidth costs in the fourth quarter of 2020 increased by 12.7% to RMB170.7 million (US\$26.2 million) from RMB151.4 million in the same period of 2019, primarily due to the increase in high-quality viewing options, such as 4K high-definition video, offered on the Company's platform, which led to higher user engagement.

	As of December 31		As of December 31	
	2019	2020	2020	
	RMB	RMB	US\$(¹)	
ASSETS				
Current assets				
Cash and cash equivalents	8,091,990	5,279,902	809,180	
Restricted cash	42,903	11,875	1,820	
Short-term bank deposits	-	2,230,229	341,798	
Account receivables, net ⁽²⁾	188,100	199,744	30,612	
Prepayment	50,304	66,257	10,154	
Amounts due from related parties	24,044	9,045	1,386	
Other current assets	204,310	236,704	36,276	
Total current assets	8,601,651	8,033,756	1,231,226	
Property and equipment, net	38,909	37,792	5,792	
Intangible assets, net	198,057	141,672	21,712	
Long-term bank deposits	-	100,000	15,326	
Investments	225,534	500,659	76,729	
Goodwill	30,973	12,933	1,982	
Right-of-use assets, net ⁽³⁾	-	62,141	9,524	
Other non-current assets	8,547	19,004	2,912	
Total non-current assets	502,020	874,201	133,977	
TOTAL ASSETS	9,103,671	8,907,957	1,365,203	
Current liabilities				
Accounts Payable	890,039	986,073	151,122	
Advances from customers	17,135	10,911	1,672	
Deferred revenue	195,983	242,013	37,090	
Accrued expenses and other current liabilities	392,347	384,041	58,857	
Amounts due to related parties	298,733	223,525	34,257	
Lease liabilities due within one year ⁽³⁾	-	36,281	5,560	
Total current liabilities	1,794,237	1,882,844	288,558	
Deferred revenue	46,070	30,779	4,717	
Lease liabilities ⁽³⁾	-	16,952	2,598	
Total non-current liabilities	46,070	47,731	7,315	
TOTAL LIABILITIES	1,840,307	1,930,575	295,873	