



NYSE: TUYA / HKEX: 2391.HK

# Presentation

## Fourth Quarter and Full Year 2023



March 2024



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In evaluating the business, the Company considers and uses non-GAAP financial measures, such as non-GAAP operating expenses, non-GAAP loss from operations (including non-GAAP operating margin), non-GAAP net (loss)/profit (including non-GAAP net margin), and non-GAAP basic and diluted net (loss)/profit per ADS, as supplemental measures to review and assess its operating performance. The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The Company defines non-GAAP financial measures by excluding the impact of share-based compensation expenses and credit-related impairment of long-term investments from the respective GAAP financial measures. The Company presents the non-GAAP financial measures because they are used by the management to evaluate its operating performance and formulate business plans. The Company also believes that the use of the non-GAAP financial measures facilitates investors' assessment of its operating performance.

Non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. Non-GAAP financial measures have limitations as analytical tools. One of the key limitations of using the aforementioned non-GAAP financial measures is that they do not reflect all items of expenses that affect the Group's operations. Share-based compensation expenses and credit-related impairment of long-term investments have been and may continue to be incurred in the business and are not reflected in the presentation of non-GAAP measures. Further, the non-GAAP financial measures may differ from the non-GAAP information used by other companies, including peer companies, and therefore their comparability may be limited. The Company compensates for these limitations by reconciling the non-GAAP measures to the most directly comparable U.S. GAAP measures, all of which should be considered when evaluating the Group's performance. The Company encourages you to review its financial information in its entirety and not rely on a single financial measure.

Reconciliations of Tuya's non-GAAP financial measures to the most comparable U.S. GAAP measures are included at the end of this Presentation.

Unless otherwise indicated, all references in this Presentation to "Tuya", "we", "our", "us", or similar terms refer to Tuya Inc. and its subsidiaries and, in the context of describing its operations and consolidated financial information, also include our variable interest entity in the PRC.

# Key Financial Highlights in Q4'23



**+42% Y/Y**

Total Revenue  
(\$64.4 million)

Revenue demonstrated  
the strong recovery  
from downcycle



**\$12.6 Million**

Non-GAAP<sup>1</sup> Net Profits  
(Q4'22: \$-5.2 million)

Achieved continuing  
quarterly profitability  
on a non-GAAP basis



**\$31.8 Million**

Operating Cash Generated  
(Q4'22: \$-0.1 million)

Strong cash position  
and operating cashflows  
assure long-term steady  
development

1. Non-GAAP measures. Please refer to the earning release or financial reports for reconciliations of these non-GAAP measures to their most comparable GAAP equivalents.

Note: Numbers are rounded for presentation purposes.

# Key Financial Highlights in FY23



**+11% Y/Y**

Total Revenue  
(\$230.0 million)

Revenue demonstrated  
the strong recovery  
from downcycle



**\$20.4 Million**

Non-GAAP<sup>1</sup> Net Profits  
(FY22: \$-77.2mm)

First time achieved  
annual profitability  
on a non-GAAP basis



**\$36.4 Million**

Operating Cash Generated  
(FY22: \$-70.7mm)

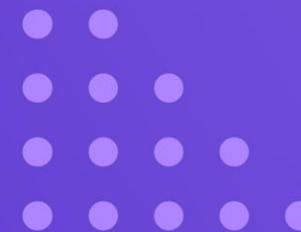
Strong cash position  
and operating cashflows  
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1. Non-GAAP measures. Please refer to the earning release or financial reports for reconciliations of these non-GAAP measures to their most comparable GAAP equivalents.

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- 1 *Company Introduction***
- 2 *Key Topline and Financial Updates***

# Company Introduction





# **Build an IoT Developer Ecosystem Enable Everything to Be Smart**

# #1

The Largest Internet-of-Things (IoT)  
Cloud Development Platform Provider

# 6,100

Global Customers  
Served in 2023

# 933,000

Smart Device SKUs  
as of December 31, 2023

# 993,000

IoT Developers across 200+ Countries  
and Regions as of December 31, 2023

# 1,600+

Intellectual Properties  
including Patents & Copyrights



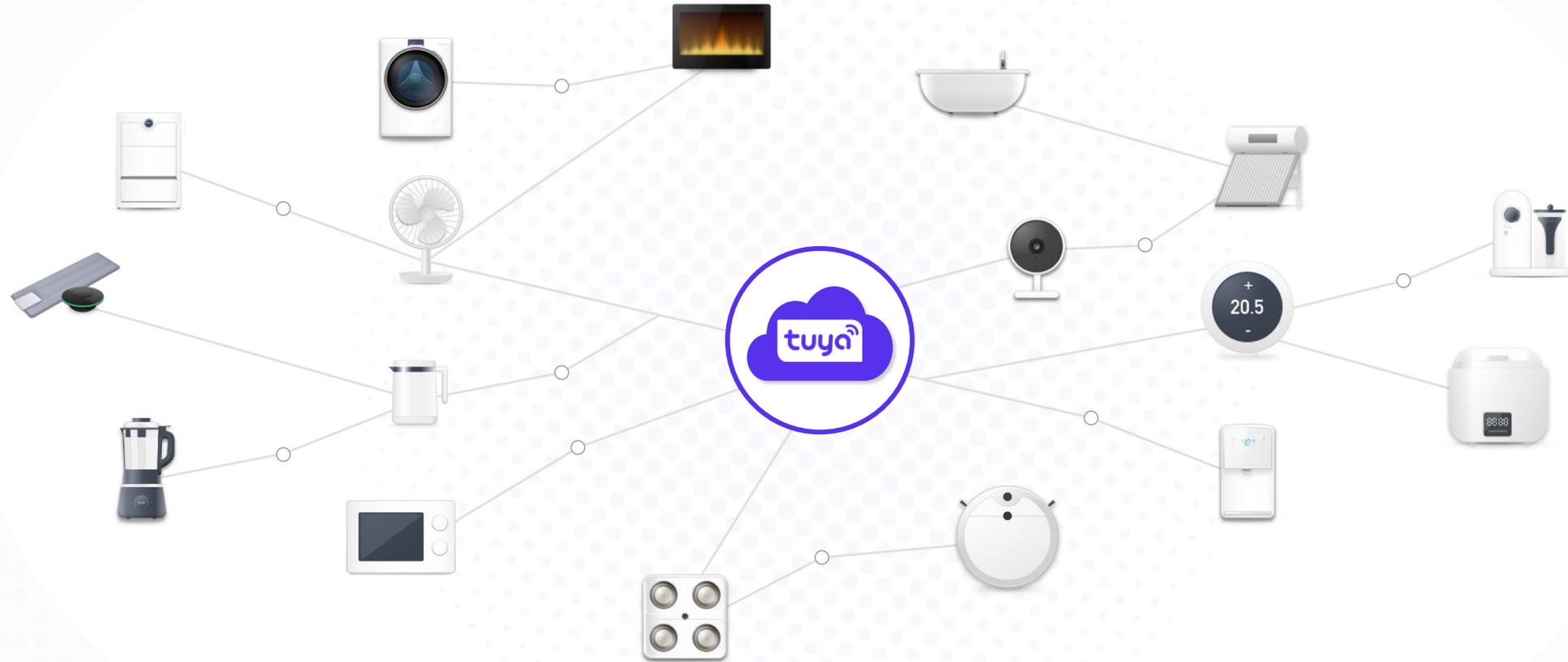
**Smart · Innovative · Tech-Driven · Ecological**  
In IoT Field Worldwide

**Global Business**  
Localized Operations

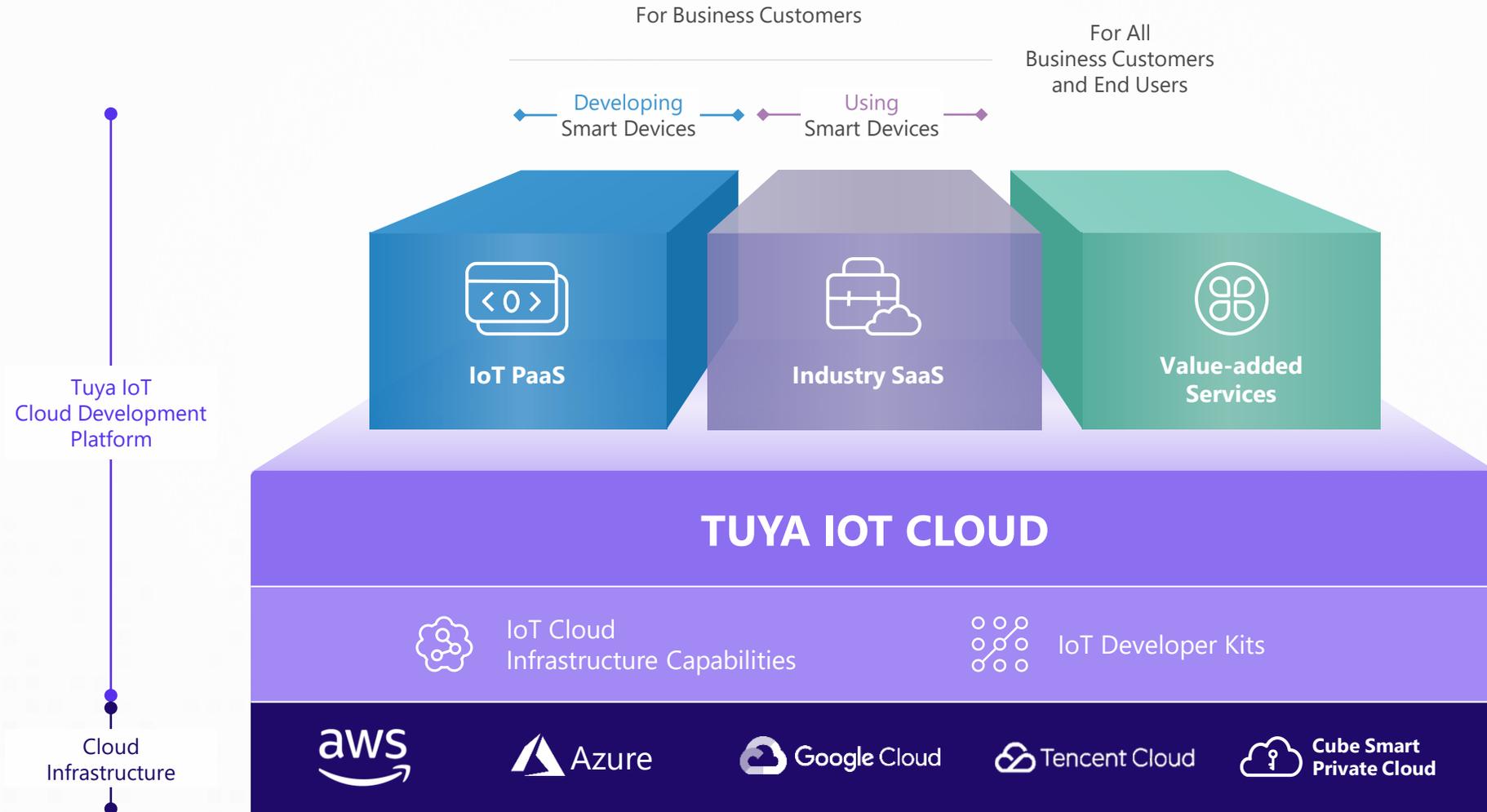
Source: According to CIC. See more details in the Company's Hongkong Prospectus, Form F-3, HKEX and EDGAR filings in 2022 and 2023.

Note: Numbers are rounded for presentation purposes.

# We Deliver a Cloud-Native Software-Enabled Experience to End Users For Everything



# Developer-First, Cloud-Agnostic IoT Cloud Platform



# Our Unique Products

### IoT PaaS

- Cloud-Based Connectivity and Basic IoT Services
- IoT Edge Capabilities
- App Development
- Device Optimization Solutions

Customers  
Brands & OEMs

Revenue Model  
Fee per deployment  
No minimum quantity requirement

### Industry SaaS

- Smart Hotel & Rental
- NetZero Park Solution
- Smart Commercial Lighting
- Cloud APIs

Customers  
System Integrators, Service Providers, and Brands

Revenue Model  
Subscription fee  
Predictable, recurring revenue

### Value-added Services

For Business Customers

- Smart Voice Assistant
- Data Analytics
- Tuya Mall

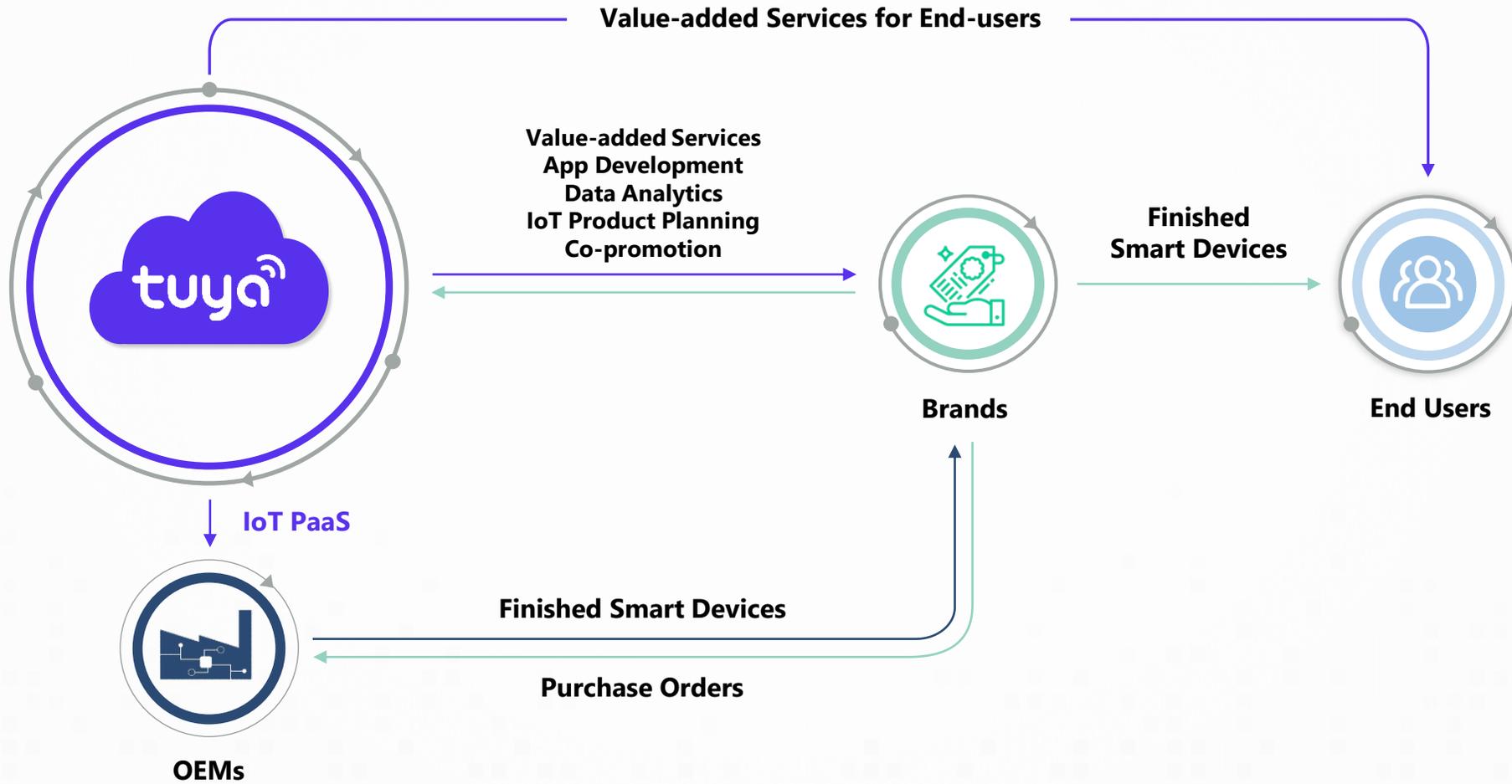
For End Users

- Cloud Storage
- Message Push
- Phone Notification

Customers  
Brands, OEMs & End Users

Revenue Model  
Usage based fee  
Currently certain services are free

# Our Ecosystem Participants



# Endorsed by Global Leading Customers

PHILIPS

Schneider  
Electric

ABB

Honeywell

Möhlenhoff

SHARP  
Be Original.

SoftBank

SIEMENS

Panasonic

SCG

AC Smith.

Whirlpool  
CORPORATION

SFR

Telkom Indonesia  
the world in your hand

orange™

ALDI

SODIMAC

LIDL

Danfoss

GOODYEAR

CHINAGAS  
中國燃氣

Westinghouse

Henkel

CALEX  
HOLLAND

Haier

Midea®

simon

GREE 格力

CANDY

MONSTER

LEROYMERLIN

中海地产  
始创于 1979 · 共创美好生活

NEW HOPE  
新希望服务 SERVICE

vanke

Auchan

Flipkart

# One Platform, All Smart

## Enable Every Thing to Be Smart with ONE connected cloud & App

Across Brands Globally

Across a Variety of Devices

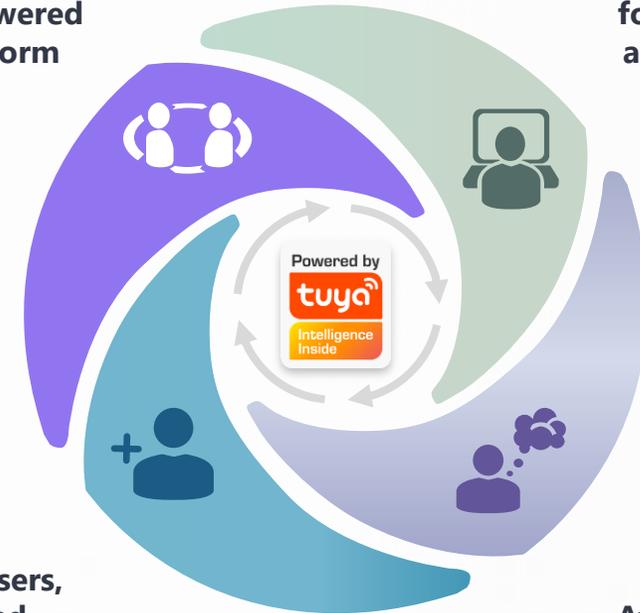
Globalization in  
a Cost-effective Manner

Interconnected and Unified  
User Experiences

End users who own Tuya-powered devices are incentivized to purchase more Tuya-powered devices to take advantage of our interconnected and interactive ecosystem

More Scenarios  
& Devices Powered  
by the Platform

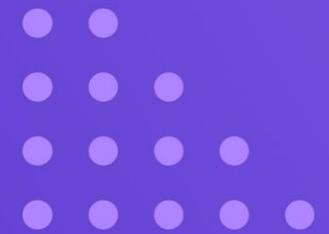
Better Experience  
for Developers  
and End Users



More End Users,  
Brands and  
Developers

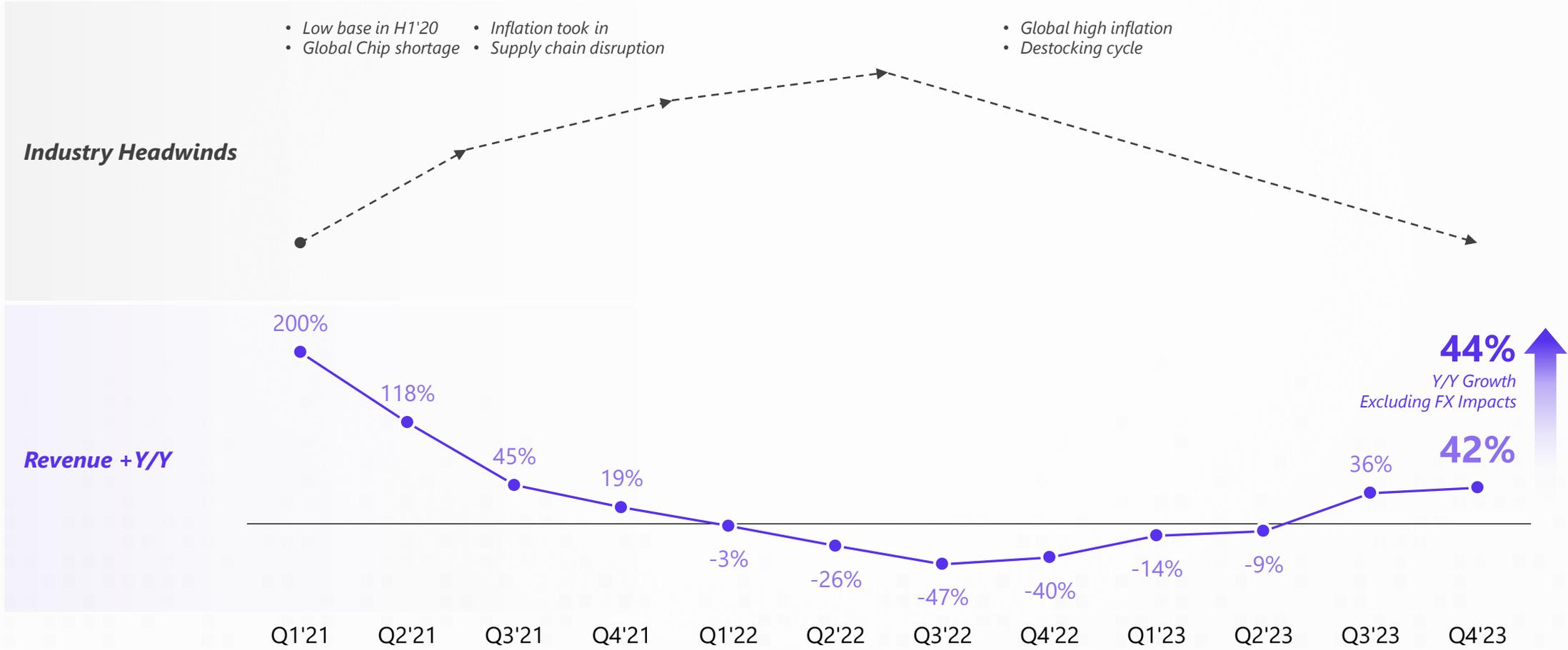
Higher  
Awareness and  
Global Influence

# Key Topline and Financial Updates



# Strong YoY Uplift in Total Revenue

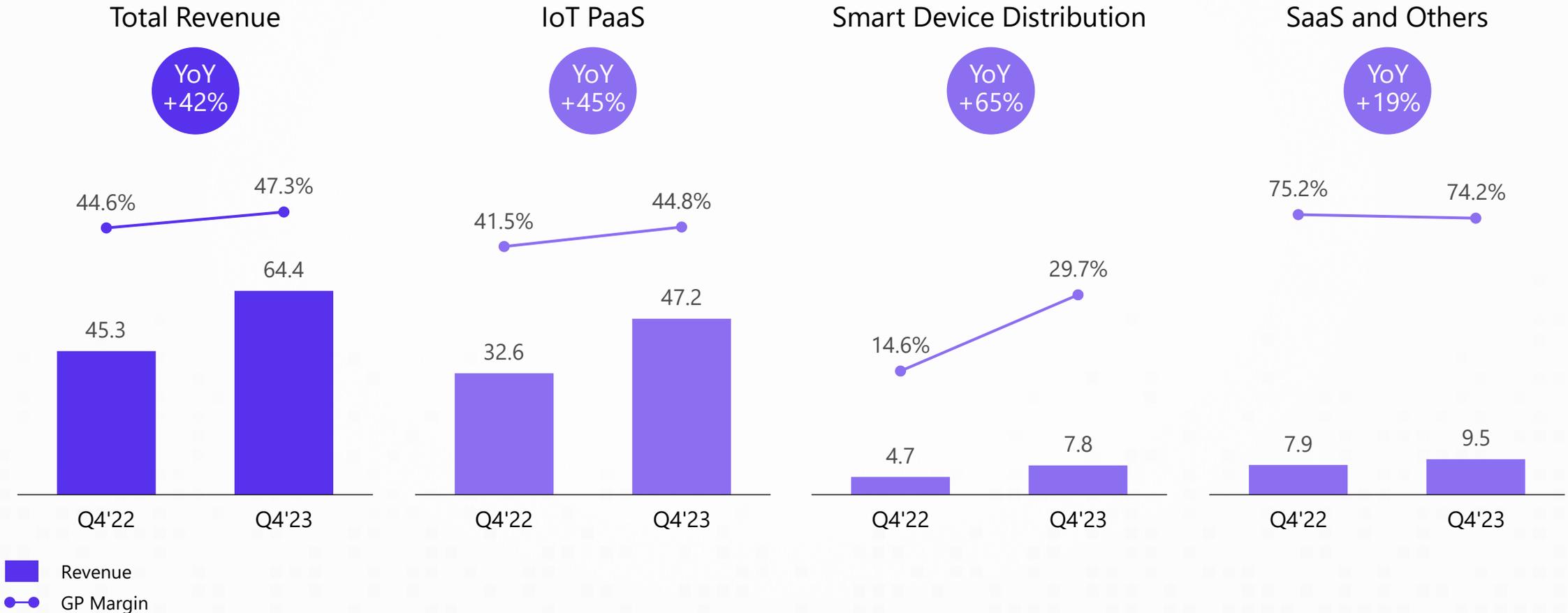
## Total Revenue Y/Y Growth by Quarter (%)



Note: Numbers are rounded for presentation purposes.

# Revenue Update

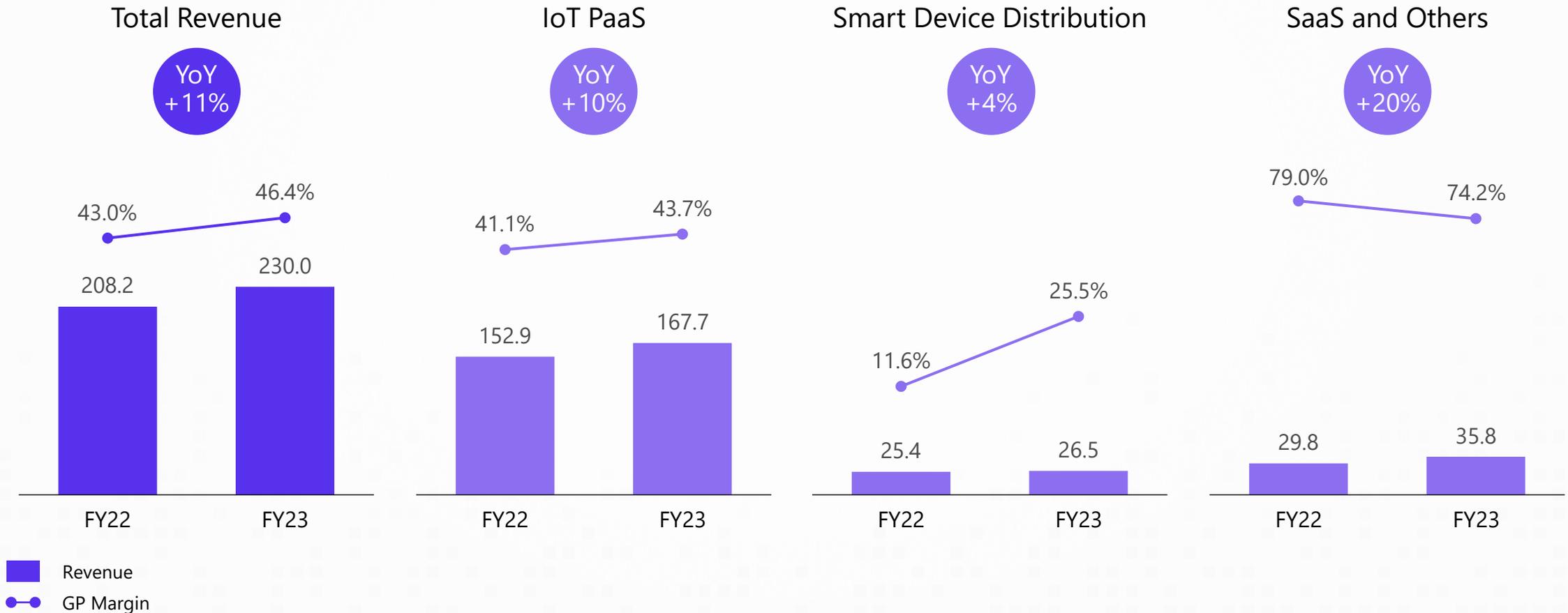
## Revenue Breakdown, The Fourth Quarter (USD'M)



Note: Numbers are rounded for presentation purposes.

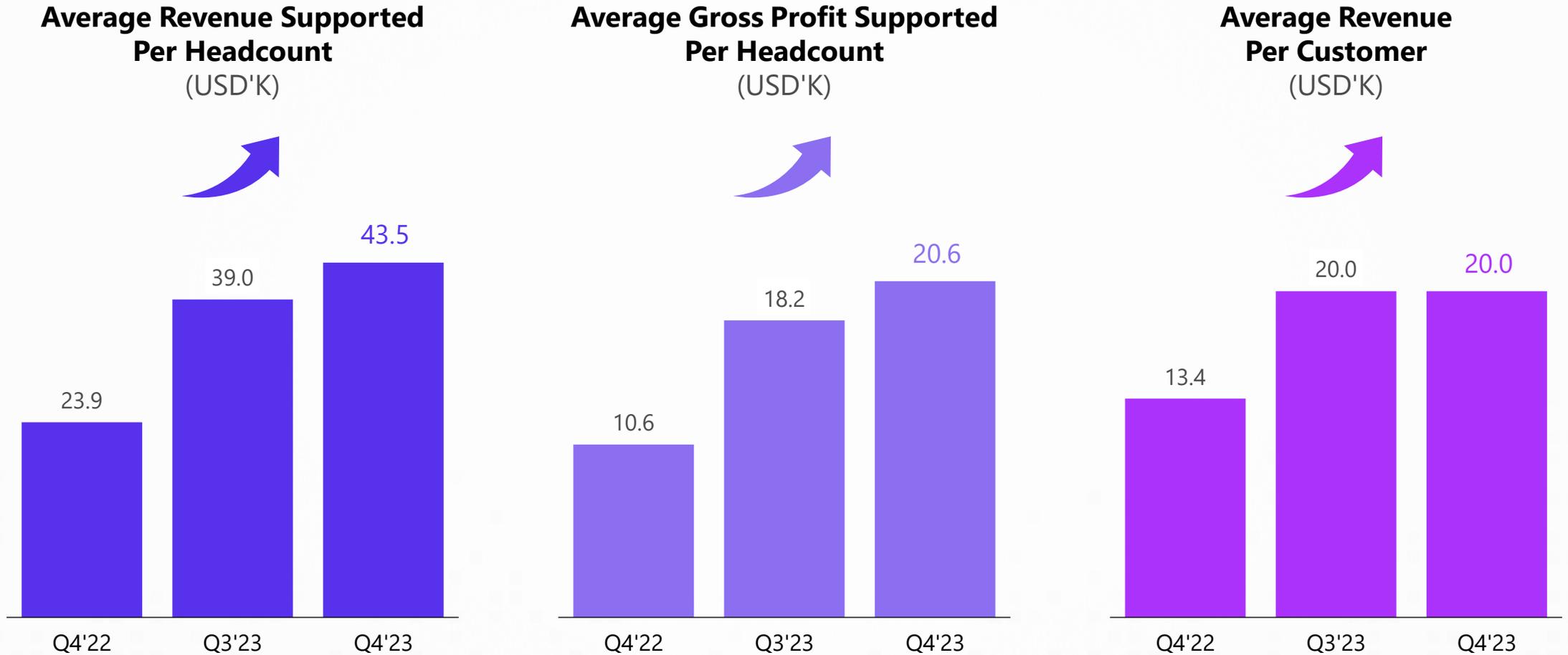
# Revenue Update

## Revenue Breakdown, FY23 (USD'M)



Note: Numbers are rounded for presentation purposes.

# Revenue Efficiency Improved to A Historical High Level in Q4

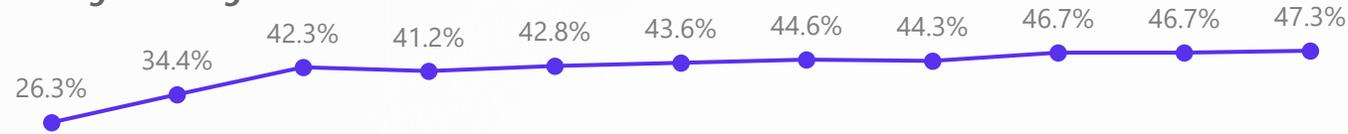


1. "ARPC" refers to average revenue per customer.

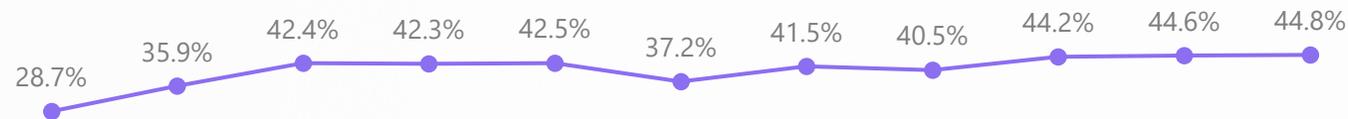
# Stably Increased Gross Margin Secures Long-term Profitability

## Gross Margin

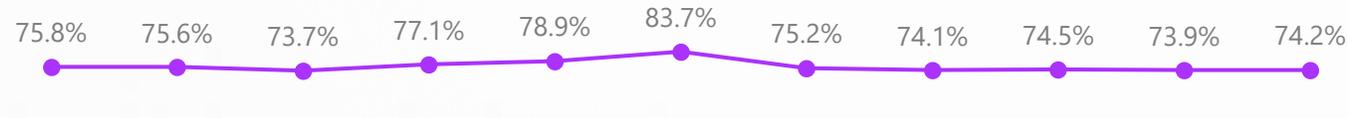
### Overall gross margin



### IoT PaaS gross margin



### SaaS and Others gross margin



### Smart Device Distribution gross margin

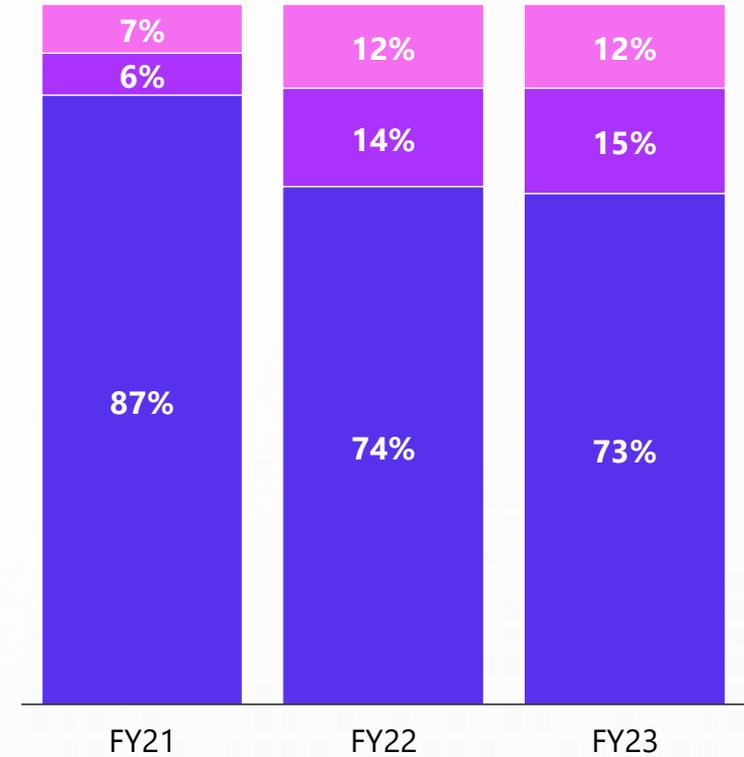


2019 2020 2021 Q1'22 Q2'22 Q3'22 Q4'22 Q1'23 Q2'23 Q3'23 Q4'23

## Revenue Contribution

### by Segments

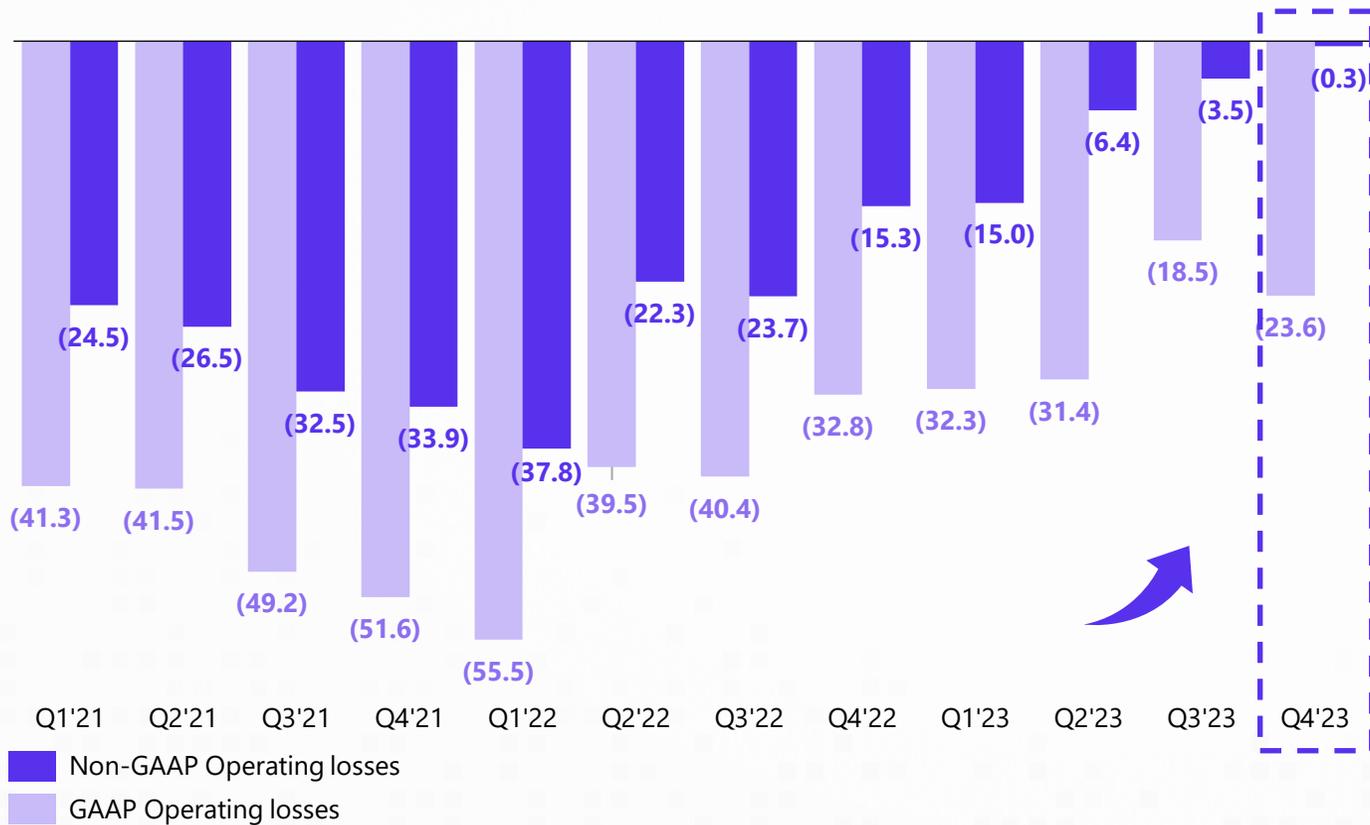
IoT PaaS SaaS and Others Smart Device Distribution



Note: Numbers are rounded for presentation purposes.

# Operating Loss by Quarters

## Operating Loss, GAAP and Non-GAAP<sup>1</sup> (USD'M)



### Operating loss in Q4'23

narrowed by 28.0% Y/Y mainly due to —

- **Gross profit** increased significantly Y/Y;
- **OPEX** decreased significantly Y/Y.

### Non-GAAP operating loss in Q4'23

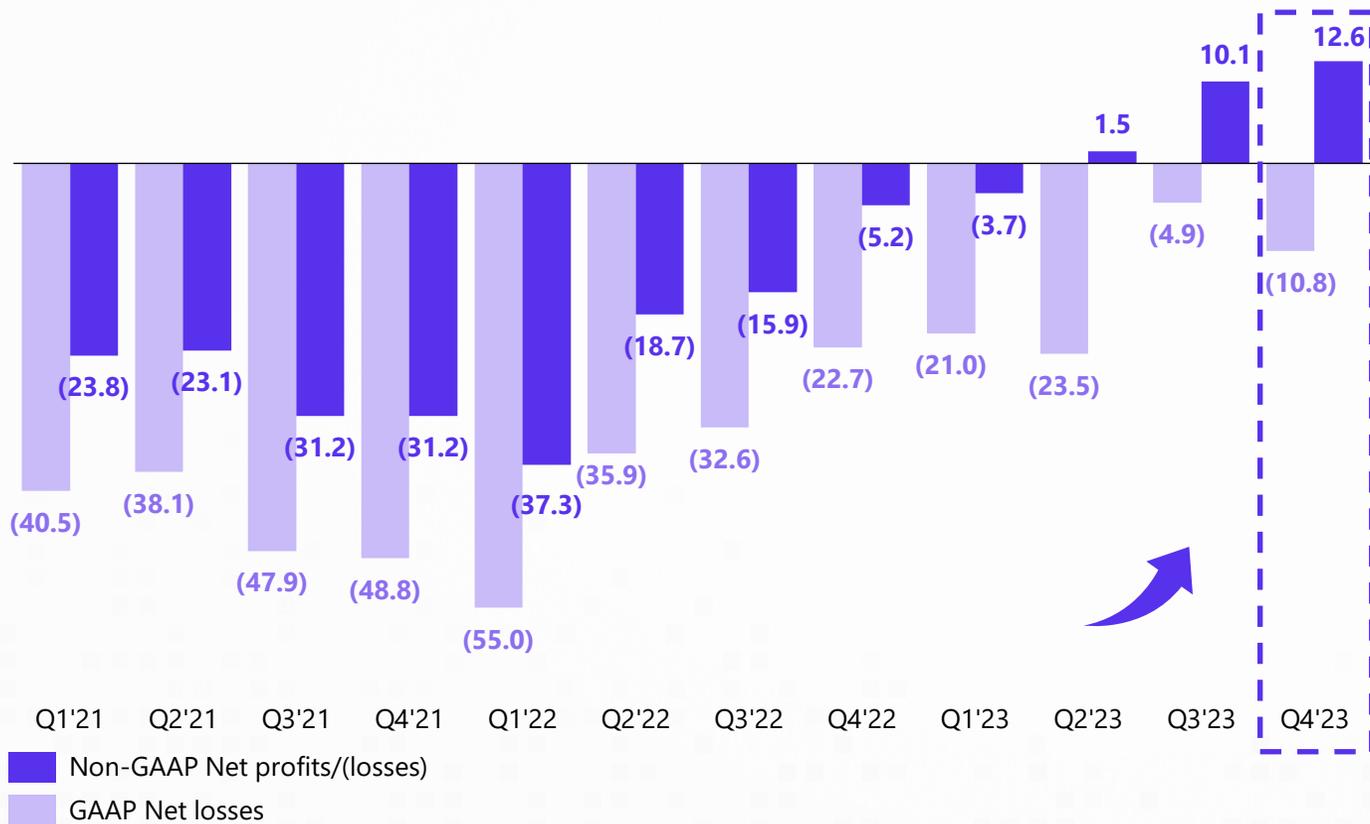
narrowed by 98.3% Y/Y.

1. Non-GAAP measures. Please refer to the earning release or financial reports for reconciliations of these non-GAAP measures to their most comparable GAAP equivalents.

Note: Numbers are rounded for presentation purposes.

# Achievement of Continuing Non-GAAP Quarterly Breakeven

## Net Profit/(Loss), GAAP and Non-GAAP<sup>1</sup> (USD'M)



### Net loss in Q4'23

narrowed by 52.4% Y/Y mainly due to —

- Improvement in **operating loss**;
- US\$13.1 million of interest income achieved in Q4'23 due to treasury management.

### Non-GAAP net profit in Q4'23

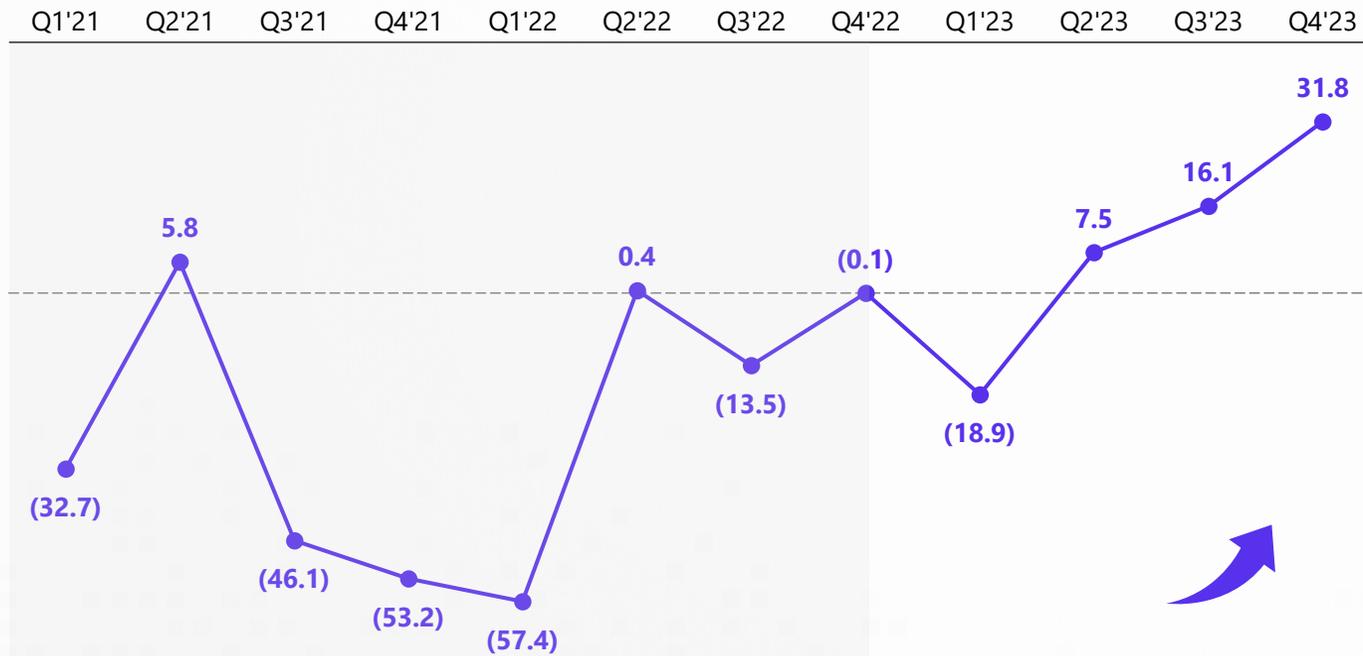
improved to **\$12.6 million**, compared to a loss of \$5.2 million in Q4'22.

1. Non-GAAP measures. Please refer to the earning release or financial reports for reconciliations of these non-GAAP measures to their most comparable GAAP equivalents.

Note: Numbers are rounded for presentation purposes.

# Operating Cash Flow by Quarters

## Net Cash Generated/(Used) in Operating Activities (USD'M)



**US\$984 Million**

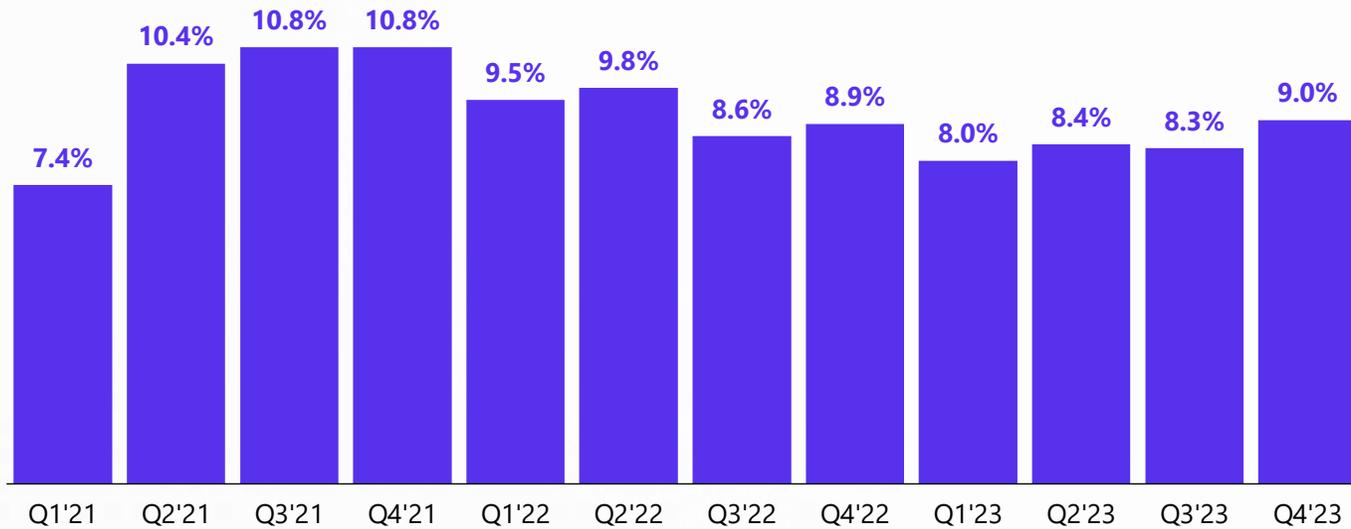
**Net cash<sup>1</sup>  
on December 31, 2023**

1. "Net cash" refers to cash in banks and time deposits/U.S. Treasury Securities recorded as short-term and long-term investments in the balance sheet (as Tuya has no loans or interest-bearing liabilities).  
Note: Numbers are rounded for presentation purposes.

# Strong Balance Sheet Assures Long-term Operation

## Total Liabilities to Assets Ratio

(%)



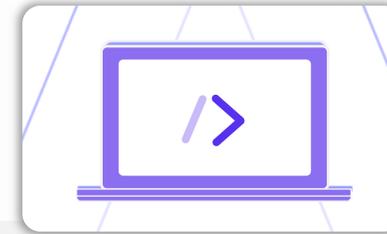
### No debt or capital commitments

Liabilities are mainly operating related, such as account payable, salary payable, advance from customers, etc.

Note: Numbers are rounded for presentation purposes.

# Key Business Growth Strategies

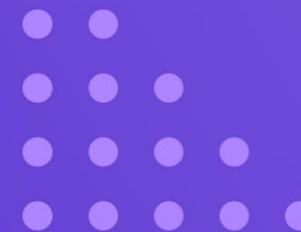
- 1 Further enhancement of product capabilities
- 2 Further expanding high-quality customer base
- 3 Expand into non-consumer electronics sectors
- 4 Continuously strengthen developer platform, creating competencies to efficiently serving highly fragmented IoT Market



**993,000**  
**Developers<sup>1</sup>** | **40.3%**  
**y/y Growth**

1. "Developer" refers to the registered developer, as of December 31, 2023.

# Appendix



## Appendix: Q4'23 Reconciliation of Non-GAAP to GAAP

	For the Three Months Ended December 31, 2022	For the Three Months Ended December 31, 2023
	USD'000	USD'000
<b>Reconciliation of operating expenses to non-GAAP operating expenses</b>		
Research and development expenses	(27,792)	(22,806)
Add: Share-based compensation	4,032	3,446
Adjusted Research and development expenses	(23,760)	(19,360)
Sales and marketing expenses	(11,203)	(10,937)
Add: Share-based compensation	1,611	1,462
Adjusted Sales and marketing expenses	(9,592)	(9,475)
General and administrative expenses	(16,181)	(23,754)
Add: Share-based compensation	11,867	11,028
Add: Credit-related impairment of long-term investments	-	7,435
Adjusted General and administrative expenses	(4,314)	(5,291)
<b>Reconciliation of loss from operations to non-GAAP loss from operations</b>		
Loss from operations	(32,830)	(23,624)
Add: Share-based compensation expenses	17,510	15,936
Add: Credit-related impairment of long-term investments	-	7,435
Non-GAAP Loss from operations	(15,320)	(253)
Non-GAAP operating margin	(33.8%)	(0.4%)
<b>Reconciliation of net loss to non-GAAP net (loss)/profit</b>		
Net loss	(22,730)	(10,816)
Add: Share-based compensation expenses	17,510	15,936
Add: Credit-related impairment of long-term investments	-	7,435
Non-GAAP net (loss)/profit	(5,220)	12,555
Non-GAAP net margin	(11.5%)	19.5%
Weighted average number of ordinary shares used in computing non-GAAP net (loss)/profit per share, basic	554,121,595	557,103,923
Weighted average number of ordinary shares used in computing non-GAAP net (loss)/profit per share, diluted	554,121,595	589,438,606
Non-GAAP net (loss)/profit per share attributable to ordinary shareholders - basic	(0.01)	0.02
Non-GAAP net (loss)/profit per share attributable to ordinary shareholders – diluted	(0.01)	0.02