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Presentation

Operator

Good morning, and good evening, ladies and gentlemen. Thank you for standing by, and welcome to Tuya Inc.'s first quarter 2025 earnings conference call. (Operator Instructions)

I will now turn the call over to the first speaker today, Mr. Reg Chai, Investor Relations Director of Tuya. Please go ahead, Reg.

Reg Chai

Investor Relations Director

Thank you. Hello, everyone. Welcome to our first quarter 2025 earnings call. Joining us today are Founder and CEO of Tuya, Mr. Jerry Wang; our Co-founder and CFO, Mr. Alex Yang.

The first quarter 2025 financial results and webcast of this conference call are available at ir.tuya.com. A replay of this call will also be available on our IR website in a few hours. Before we continue, I refer you to our Safe Harbor statement in our earnings press release, which applies to this call, as we will make forward-looking statements.

With that, I will now turn the call to our Founder and CEO, Mr. Jerry Wang. Jerry will deliver his remarks in Chinese, which will be followed by a corresponding English translation. Jerry, please.

Xueji Wang

Founder, CEO & Director

Hello everyone, thank you for joining Tuya's earnings call for the first quarter of 2025. This quarter, building on a high growth base from Q1 last year, we achieved approximately 21% year-over-year revenue growth while maintaining a solid gross margin. Our stable team structure and organizational management supported strong operating leverage. Coupled with the continued decline in historical share-based compensation expenses, we achieved a record GAAP net profit in what is traditionally an off-season, with a net profit margin of around 15%—a significant improvement.

Since the beginning of the year, the macro environment has been like a roller coaster, from the rapid advancement of AI technology to trade fluctuations under geopolitical pressures. The smart consumer electronics sector and its upstream and downstream supply chains have faced immense challenges. Some of these we can manage through internal adjustments, while others require an industry-wide response. In such a context, it's even more critical for us to stay the course strategically and leverage our unique value to navigate uncertainties and embrace a new landscape.

Following the launch of our Tuya AI Agent development platform last year, we continued to expand our AI capabilities from cloud to device in Q1, covering a wide range of AI Agents and Smart Solutions. On April 23, we hosted our first global developer conference of 2025, unveiling four AIoT development engines and a series of AI hardware solutions to support global developers and partners in commercializing AI-powered products. The conference attracted over 2,700 onsite attendees, including enthusiastic participation from customers across Europe, Latin America, South Africa, and the Asia-Pacific. We firmly believe that Tuya's unique platform model not only facilitates the deep integration of AI and smart hardware but also drives continuous improvement in industry-wide intelligence adoption.

Operationally, we will maintain efficient organizational execution, safeguard a favorable environment for R&D and technology development amid external uncertainties, and remain disciplined in managing costs to maximize operating profits and shareholder returns.

Now, I'll turn it over to Tuya's Co-Founder and CFO, Alex Yang, who will walk you through the financial results and business highlights.

Yi (Alex) Yang

Co-Founder, CFO & Director

Hello everyone, this is Alex. Please note that all the figures I mentioned below are in US dollars and all comparisons are year-over-year based unless stated otherwise.

In Q1 2025, we delivered revenue of approximately USD 74.7 million, representing a year-over-year growth of about 21.1%. PaaS revenue grew by roughly 17.9%, with strong performance across major categories—led by home appliances, followed by security sensing, and then electrical and lighting products. SaaS & Others generated about USD 10.0 million revenue, growing approximately 15.5% year over year, primarily driven by steady growth in device-related SaaS value-added services. Smart Solutions revenue reached approximately USD 11.0 million, a year-over-year increase of about 47.1%, with excellent growth in smart video products, central control, innovative appliances, and professional lighting solutions.

From a regional revenue source perspective, Europe accounted for about one-third of the total revenue, and then come after that is Asia-Pacific (excluding China), and then China, and Latin America, each of them contributing around 15%, and the remaining regions such as the Pacific and the Middle East contributing in a combined of 5%, maintaining a diversified revenue structure in regional basis.

It is worth to mention that since we empower and serve the smart hardware sector, our revenue also reflects the unique patterns and seasonality of the hardware industry, especially on the international manufacturing, representing the results of business actions and strategies from the past several quarters or even longer.

In Q1, blended gross margin stood at about 48.5%, with all three revenue lines maintaining steady margins. Specifically, this quarter's PaaS gross margin rose to 48.4%, primarily due to structural improvements driven by product mix changes. Smart Solution and SaaS had gross margins of 25.7% and 74.4%, continuing to demonstrate the value proposition released through software and technology.

In the meantime, our net operating expenses for this quarter were USD 37.7 million, a nearly 18% decrease from the same period last year, primarily benefiting from a substantial reduction in share-based compensation expenses, a trend that is expected to continue. Excluding equity incentives and other non-operational business factors, our Non-GAAP net operating expenses were USD 29.4 million, down 2% year-over-year. The vast majority of our operating expenses are related to product development and technical teams. Thanks to the groundwork laid during our AI transformation since 2023, we have completed the foundational AI product development and service system, while maintaining a good discipline in ongoing development.

Those structural improvements directly drove the release of operating leverage, enabling us to achieve over USD 11.0 million in GAAP net profit in Q1, more than double that of last year's full year; Non-GAAP net profit reached USD 19.3 million, a nearly 60% year-over-year increase, with a Non-GAAP net profit margin of 25.8%. These metrics provide strong support for the company's future business operations, capital expenditures, and shareholder returns.

That concludes the brief overview of Q1 financial performance. Q1 is typically an off-season for the industry we serve, so we usually focus our efforts on exploring ideas and opportunities across our product lines. Next, I will talk about some key moves we made in our business over the past few months.

As we anticipated at the beginning of this year, 2025 marks a structural transformation year for the entire industry to embrace AI. AI is penetrating various industries at unprecedented speed, and for Tuya and the smart sector, this presents a clear window of strategic opportunity for the future. Although the physical nature of hardware devices means that the commercialization of AI capabilities on devices is a gradual and long-term process, technical and product reserves in software can take the lead—and that is precisely our strategy.

So first, we are committed to foundationalizing and generalizing the AI capabilities needed in the smart era to solve real end-user's problems and issues. This allows developers to select whatever they need based on their commercial goals and product designs, thereby promoting AI adoption.

Focusing on four core areas—model integration, hardware development, edge deployment, and open-source ecosystems—we released our four core engines at the end-April developer conference globally: Tuya AI Agent Development Platform, Tuya.AI, TuyaOpen, and HEDV. The Tuya AI Agent Development Platform significantly reduces the technical threshold for developers to access any mainstream large language model and build various intelligent agent functions such as semantic understanding and image recognition. So that is for the agent development. Tuya.AI is the second one, provides a full-process toolchain from high-performance edge AI modeling to smart cloud deployment, greatly lowering the difficulty and cycle time for AI hardware development. TuyaOpen, as our open-source framework, enables developers to perform differentiated development innovations and integrate into the Tuya ecosystem. The Hedwig platform offers a controllable and secure edge AI computing environment for enterprise customers requiring localized deployment, data platforms and compliance. This entire system forms the technical foundation of our AI platform capabilities and provides a solid support for the large-scale implementation of AI products in the long-term.

At the same time, we are increasing investment in the developer ecosystem around TuyaOS, TuyaOpen, and the T5 AI development board, initially establishing a “content + tools + community” triad framework for developers. Since the developer conference, we have released eight open-source DIY projects—such as open-source desktop pets, AI voice boxes, and AI robots—aimed at building a developer creativity incubation system. Our T5 AI development board has started to be adopted through collaborations with multiple developer platforms and communities, and our AI developer community has grown by more than 10,000 new members.

Next, we are also committed to identifying product-specific opportunities and driving customer product launches through Smart Solution offerings, directly increasing our revenue and gross profits and achieving high-quality commercial conversion.

For example, in the energy domain, we launched the Conow AI Energy Assistant, which features strategy recommendation, power generation forecasting, load identification, and energy consumption diagnostics. Combined with supporting hardware such as all-in-one energy storage systems, circuit breakers, and energy data collectors, it forms a comprehensive integrated hardware-software solution, primarily targeting the European and Southeast Asian markets.

In video-related AI products, we continue to advance the AI capabilities of smart screens and video devices, focusing on models for detecting objectives, vehicles, birds, and flames, combined with sound recognition and anomaly detection, to build integrated hardware-software general protection solutions that cover basic home safety needs and extend to semi-commercial scenarios like hotels and real estate.

In the meantime, we are also actively promoting external ecosystem collaborations to amplify the enabling effect of the AI platform. For example, in Q1 we partnered with Volcano Engine under ByteDance to integrate the “Doubao” large language model into the Tuya AI Agent Development Platform, further enhancing the multimodal understanding and interaction capabilities of our AI Agents. In addition, we are collaborating commercially with leading players in retail and maternal-infant industries to jointly develop smart hardware such as AI wearables and home robots, advancing the application of AI in children and family scenarios. Collaboration with upstream and downstream partners will further enrich our capabilities and ecosystem scope, strengthen Tuya’s strategic depth in the smart hardware sector, and create exemplary projects that global developers and customers can refer to and replicate.

Although the AI hardware ecosystem, community, and product developments are still in their early stages, we believe that explorations in functionality, experience, and business models will open up space for Tuya’s and the industry’s future business expansion, laying the foundation for new engines of long-term growth.

The above is our sharing on Tuya’s Q1 2025 financial performance and recent company developments. Although there has been partial improvement in the external environment recently, uncertainties remain. In response, we will continue to operate diligently and adhere to a long-term approach of technology-driven and platform-enabled development, laying a solid foundation on the AIoT track, continuously capturing industry certainty trends, and creating long-term value for Tuya.

Finally, a piece of good news: MSCI recently updated our 2025 ESG rating from A to AA. Particularly, in the field of security and compliance, Tuya achieved a full score of 10 points thanks to its extensive compliance experience and thorough framework. We believe that whether in business, operations, or emerging areas such as ESG, steadfast progress will bring rewards and recognition.

Thank you all. Operator, we can begin the Q&A session.

Question and Answer

Operator

Thank you. We will now begin the question-and-answer session. (Operator Instructions) We will now take our first question from the line of Yang Liu from Morgan Stanley. Please ask your question, Yang.

Yang Liu

Morgan Stanley, Analyst

Okay, thank you for the opportunity to ask questions. I have two questions here. The first one is regarding the AIoT development, Tuya's development platform. Could management share what kind of AIoT hardware is doing well in terms of the shipment, or is there any signpost that we have observed what kind of AI hardware can outperform relatively fast?

The second question is regarding the customer's behaviour in the past one or two months, given the huge volatility in tariffs. Could management share what the customer is doing in the past two months? Thank you.

Yi (Alex) Yang

Co-Founder, CFO & Director

Yes. So thank you, Liu. So, for the first questions, what we see here for the AI sectors, we find that there will be two major directions that show more interest. The first one is that the audio and the video interacted experiences. So one example is the Bird Feeder. We mentioned that, I think, in the past quarter. So to be able to help people to recognize the wild lives and to interact with it, and that will be one thing.

And the second one -- second typical use cases would be like the toys or any type of use case for kids that use the larger language models and capabilities that you can have a new way to interact with the kids, show as education, as entertainment, and as accompany as well. So that would be the one.

And so, recently, an update about the kids is that in China, we already signed a strategic partnership with Haiziwang, which is a top-tier toy group in China. And we're looking forward to helping them to launch the production to the market pretty soon. And so that'd be one thing. So any type of audio, video, new interactive experience based on larger language model.

And the second is on the data-based dynamic decision making. So one typical use cases will be the energy management system for our core now. And through that, the AI agents based on the new modelling will be able to continue to not only collect and analysis all those data from either the energy generators, but also from the energy consumption devices. But also at the same time, the agent will be able to come out different type of strategy and turn that into the specific actions and continues to re-analyse the new strategy and improve that. So that can help to do a lot to improve the energy efficiency, no matter it's saving the total consumptions, being more greener, or saving the energy bill directly.

So that will be the two very typical trends that we found that to show more interest and have more short-term interactions coming directly from the customers and to the market as well. So that will be the first question.

And the second one, yes, the tariff has become a major topic for the entire market, not only the United States. So in the past four or five weeks right after the new tariff topic raises, I think the very direct reaction from the customers is that every people on the international trading pipeline become more conservative and hesitant because nobody knows what comes out.

So right now people are waiting for some certainty. And even now we have 90 days of certainty between China and the U.S. So people are trying to do some very careful decisions based on the 90 days terms. But I think in the longer-term, we need to wait for the final answers between the national negotiations. That would be one thing.

But I have to mention that for the short time, every people are slowing down or become more conscious about any proactive or aggressive decisions. But the unique business model and the value proposition of Tuya is that the first one, the tariffs are not directly acted on us because what we deliver will be a portion or key component and technology, especially the software of the finished goods. So the tariff is more directly related to my customers, either my brand customers or my manufacturer customers. So that would be one thing. So we are indirectly connected.

And the second one is that, for us, in the past couple of years, what we have been doing is we just follow the flow. If there is the trend that the entire global economy is re-localizing the manufacturing supply chain, we just follow the customers to do that. We do not have to stick to one or some specific manufacturers in specific locations. So right now, the manufacturers are already covered over the countries out there. That would be the second one.

And the third one is that so the tariffs are majorly focused on the finished goods. And the software is only a portion of the cost of that goods. So that would be -- that's one. But for the tariffs, for us, that will pay more attention on the macro impact. So starting from the buying forces demand impact on the U.S. Market, so whether that will bring into the retail price raising and to lower the buying forces for the end-user of the American barrels, and also that whether that kind of single-nation economy impact is going to bring a wider multinational macroeconomy slowing down or recessions. So I think that will be the more long-term.

Yang Liu

Morgan Stanley, Analyst

Got it. Thank you.

Operator

Thank you. (Operator Instructions). We will now take our next question from the line of Timothy Zhao from Goldman Sachs. Please ask your question, Timothy.

Timothy Zhao

Goldman Sachs, Analyst

Thank you for taking my question, and congrats on the very strong quarterly results. Two questions here. The first question is on the AI monetization. Wondering how – in which area that Tuya would like to plan to monetize the opportunities brought by AI? And what is the difference in terms of the pricing model and cost between the new IoT product services versus the traditional IoT path services that you provide?

And secondly, it's on your full year and second quarter outlook on revenue and profitability. Could management share any color? And specifically, on the IoT PaaS segment, we have seen very steady upward trend in gross margin of this segment. Could management provide an outlook for this segment as well? Thank you.

Yi (Alex) Yang

Co-Founder, CFO & Director

Yes, thank you. I think that for the first question, it's a good one. That's all my customers have been asking at the end of last year. So what Tuya is offering for the AI capabilities to the customers, that's we seamlessly integrate the AI capability into my existing three

business models. So I still offer that as a PaaS or as a solution. So for the customers, we'll be very, very friendly. They don't have to be educated for a new type of business model and how to mix that with their existing one. So it's like a seamless transition.

And for the AI income that even I offer as that, maybe it's AI-empowered new PaaS or AI new SaaS that we will consider some of the repricing. Some examples are that, recently, we offered for the audio-interacted AI based on the LLMs. So the PaaS pricing will be different than my regular PaaS in the same category. So that will be one.

So we are looking for that either we use the seamless AI offering to speed up the penetrating of the entire smart devices, penetration in the global market, or we use that to reprice some of the offerings. So that will be one thing.

And so, also that will be very easy to continue to enlarge our partnership with upstream providers because right now the major, like the larger language model are provided through the major cloud guy. So this is the same way like how we cooperate with them on the cloud infrastructures. Right now, we cooperate with them in the same model with the larger language model. So that will be the first answer for the first question.

And on the second one, yes, that's combined with a tariff. Even we don't involve in the international supply chain or trading business directly, but we are very deeply integrated into that part. We are a core part of that. So the tariffs indeed bring the short-term bumping about the demand cycle. So I can describe that very typically in the major weeks of April for all those kind of order shipments to the United States. And a lot of people, most people, put a pause on that and wait and see until the two countries make agreement.

So we're seeing that this tariff topics globally, majorly from China and U.S., but also side impact into the Southeast Asia and Mexico and possibly Europe as well. So that type of tariff topics will bring a bumping ride, and in the short term, maybe in a quarter or two. It depends on how soon that we can make agreement and provide the certainty for the commercial, for the commerce world, right? All the businessmen are waiting to see how -- what type of price they can pay extra and how they can absorb that.

So, for the short-term, there will be a bumping. But it's not the first time we've experienced that. So this kind of new tariff terms challenge is really starting to take place since 2018. But this seems like the harsher bumping point.

So for the short-term, there's still uncertainty for that. And even U.S. market only covers less than 20% of our overall business, but that's still 20%. So that uncertainty. It's the same for us and my customers. We just wait and see. And every people are trying to take more careful actions and decisions every single day or week. So that's what we see. Then challenge exists.

But for the long-term, we believe that in a year or next year, I mean, right after the negotiations being settled and the entire demand and penetrations will put it back into the normal model. And all the buying cycles and GTMs will get into the normal cycle again. So that would be what we see for the short-term.

And for the past margin, I think that the past historical records have already proven that we take the high value propositions of an entire industrial cycle. And we're good with it and we're satisfied with that. So, for us, is that we don't have that strong or we don't think it will be very necessary we have to continue to push the margin into a higher cycle. Because we'll really be in the highest value proposition in the entire one, including my suppliers and my customers. We really take a very high position for that.

So we think that the key part is to maintain the position, but also at the same time, be able to motivate either my suppliers or my customers to continue to invest in these sectors. I think that will be more important for us. Because their activity will ensure that we're continuous to improve the penetrations, continuous to find more innovations, to turn that into reality, and bring that into market. So for the past, we think that it will be fine for us just to maintain at the right range --for us how to do that in past two or three years. So we're satisfied with that. We don't have to ensure pushing to the next level.

Timothy Zhao
Goldman Sachs, Analyst

Thank you. That's very helpful.

Operator

Thank you. (Operator Instructions) We will now take our next question from Kai Xiao from CICC. Please ask your question, Kai.

Kai Xiao

CICC, Analyst

So, thanks, management, and congratulations for the strong quarter. I have two questions. First, could you share the progress of your cooperation with Singapore and Chile? And any similar projects can we expect in the coming quarters?

And second one is, could you share the geography expansion to AI developers? And is there any difference on the development of AI applications between domestic market and overseas market? Thank you.

Yi (Alex) Yang

Co-Founder, CFO & Director

Yes. So, thank you for the questions. So, the first one is talking about the Singapore use cases. I would like to put it into wider coverage. So, Singapore use case will be a typical progress we'd like to take in places for the commercial or industrial AIoT solutions. So, the partnership we had or the contract we signed with the Singapore government is from the HDB. So, it's Singapore Home Development Bureau. And they're managing over 1.4 million Singapore public apartments. So, the majority of Singapore citizens living in the government-provided rental apartments. And it's HDB management.

And what we're offering is that it's a centralized energy management platform that helps them to enable not only censoring the different consumptions in each of the apartments that might contribute a significant consumption of the total Singapore nation powers. But also, we offered them some controllers to help them to identify how each of the households has been using the power, through what type of devices, by what purpose, and then through some AI-enabled modelling and control actions to reduce that.

And through our over one-and-a-half-year POC with HDB, before we signed the contract, there will be significant reductions about total consumption of the powers, which can help the Singapore government to reach if they want to be the pioneer of ESG nation or smart nation. So that will be one.

And the HDB's plan is that we're really finalizing the deployment implementation of the entire platforms, and we're really starting to produce the first shipment of the devices, the energy hub in the home. And so, the first implementation of the software platform and the hardware into the first part of the household will take place around the end of Q3. And their plan is to be able to finish the Phase I entire penetration of the homes in three years. So that will be one stop. And we are very excited about it, because that will be sure that not only providing our DIY devices to penetrate in-homes improvement through those kinds of decentralized devices, but we should be able to provide a centralized solution through the right channels like HDBs to help entire regional end-users to improve their lives. So that will be one.

And also, we found that using Singapore as a perfect use case spot, we'll be able to duplicate that and to influence that the other Southeast Asian countries, like the rental apartments, like what we call spatial management solutions, and really show a good potential of growth in Southeast Asia. So that's one thing. And not only for the apartments management but also will really penetrate quite well in some of the telecoms players in that area, too. So that will be one thing.

And also, at the same time, two weeks later, we will open our new Singapore offices by providing more local resources to support our customers' penetrations, implementations, but also, at the same time, to search for all business opportunities in that area and expand into global market. So that would be the answers for the Singapore parts. And yes, so that's it for that.

And then for the -- So the second one is about the returns, right? The shareholders' returns, right?

Kai Xiao

CICC, Analyst

The expansion of AI developers and the difference between domestic and international.

Yi (Alex) Yang

Co-Founder, CFO & Director

So, yes, so the AI developers, what we hear is that I think it's just started. I think right after the DeepSeek expansion in January. And so the first one is that we find a majority of my customers and developers are reaching out to us asking about all the AI capability offering. Because in the past, on the recognition side is that they know AI is there and a lot of news about AI, but they don't really think that the AI offering will be connected to their existing business. Either it's more expensive, too expensive, unaffordable, or it would be too difficult.

So I think that right after the Deepseek exposure, both in America and the China market, every customer is aware that they can bring AI into the physical use cases. And then I think the first one is that we get so many calls. And then we use that time windows to either launch our new platform, the AI agent development platform, but also to hold our -- to launch that at our developer conference. So that brings up very positive and very active feedback.

And so, right now, the AI developer penetration is that we're starting to educate those customers who call us. And by telling them what capabilities are out there in the platform and how they can develop upon those capabilities to turn that into the real devices use cases. It's more like an educating period. And right now, we see that the demand comes from the global market. So majority of my major or key customers, either from Europe, from America, from Latin America and Southeast Asia. So those customers have very strong retail channels or have very strong brands who can do quite well about the end users' educations and marketing. So those customers will be the major cost on the demanding side.

And on the technical development side, so in two parts. The first part is that those ones who are focused on turn the AI or integrate the AI capability into the device. So it's more following the right penetration on the device development and manufacturing. So maybe a bigger portion come from mainland China, but still we got multiple one from Korea, from Turkey, from Southeast Asia, too. So that's following that perfectly fit the penetration about the hardware manufacturing deployment. That's the first one.

And the second one is about software. So software I'll say that it's more diversified. And either it's through different type of software innovators through the MTP protocols and more come from the mobile internet and developer ecosystem and also the cloud-based developers and who come through the cloud infrastructures into us. Yes, so it's more diversified on the global basis. I think that's for the first quarter or including till now, it's showing the Phase 1. It's about the recognition about capability, education about the developer kit and then -- and a lot of prototypes POC and demonstration deployment.

Operator

All right. Thank you. We will now take our next question from the line of John Roy from Water Tower Research. Please ask your question, John.

John Roy

WaterTower Research, Analyst

Yes. I have a slightly different question. I was wondering if you could give us any insight into how you're using AI internally, internal processes, documents, code development, et cetera. And if that can really possibly increase margins and decrease costs going forward? Thank you.

Yi (Alex) Yang

Co-Founder, CFO & Director

Yes. Thank you, John. So -- and I think every single department within the company is trying to use different type of AI tools. I can take some of the examples, right? Like for marketing team, right now that majority of all the marketing resources we use are generated through AI. So we don't require a lot of labor-based designer to do that and including our operation team to do all those kind of online training webinars. I think the majority -- I think a big portion of the webinar contents are generated with AI too.

And also, we have our TikTok live view to the end-users that AI helps a lot too. And that's the marketing side. And including, the legal and human resources side, we're using AI to help us either to do the research and review on the candidates' resume and with the key words that we identify, and also to help us to double-check with all those standardized contracts that come directly from the customer side to see that whether there's any modifications, et cetera. So use that to improve the efficiency about the internal processing of either the HR and legal process. So that would be one thing. And another use case is about the development, for sure. We're using AI toolkit, different UI kits to do the project management and analysis -- analysing about the progress of the development and the coding, double-checking, debugging, pre-setting, and maintenance of the cloud infrastructure. So what we call the auto-patrolling on the maintenance of the cloud services as well. Yes, so that would be typical things.

We believe that in the future, like we mentioned, not only providing the AI capability to help the customers to build more commercialized or more a higher ROI product, but also in the same time that we continue to use AI internally to improve our operation efficiency. And so, either lowering the cost of the operation, or to increase the income to our customers to enhance our lab operating average. That would be some basic examples.

John Roy

WaterTower Research, Analyst

Excellent. Thank you so much, and congratulations on the quarter.

Yi (Alex) Yang

Co-Founder, CFO & Director

Thank you for that. Excited about the long-term future because this is the only very starting point for the AI penetration for the physical world. Very, very early. We're very excited about that.

Operator

All right, thank you. There are no additional questions at this time. I'll now hand back to the management team for closing remarks.

Reg Chai

Investor Relations Director

Okay. Thank you, everyone. Thank you, operator, and thanks for all of you for participating in first quarter call. So see you next quarter and have a nice day today. Bye.

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