Kuaishou Technology Announces Second Quarter and Interim 2024 Unaudited Financial Results

2024.08.20

HONG KONG, Aug. 20, 2024 /PRNewswire/ -- Kuaishou Technology ("Kuaishou" or the "Company"; HKD Counter Stock Code: 01024 / RMB Counter Stock Code: 81024), a leading content community and social platform, today announced its unaudited consolidated results for the three months and six months ended June 30, 2024.

Second Quarter 2024 Key Highlights

- **Average DAUs on Kuaishou APP** were 395.3 million, representing an increase of 5.1% from 376.0 million for the same period of 2023.
- **Average MAUs on Kuaishou APP** were 691.8 million, representing an increase of 2.7% from 673.3 million for the same period of 2023.
- **Total e-commerce GMV[(1)]** was RMB305.3 billion, representing an increase of 15.0% from RMB265.5 billion for the same period of 2023.
- **Total revenue** increased by 11.6% to RMB31.0 billion from RMB27.7 billion for the same period of 2023. Online marketing services and live streaming contributed 56.5% and 30.0%, respectively, to the total revenue. The other 13.5% came from other services.
- **Gross profit** increased by 23.0% to RMB17.1 billion from RMB13.9 billion for the same period of 2023. Gross profit margin in the second quarter of 2024 was 55.3%, improving from 50.2% for the same period of 2023.
- **Profit for the period** was RMB4.0 billion, compared to RMB1.5 billion for the same period of 2023. **Adjusted net profit[(2)]** increased to RMB4.7 billion from RMB2.7 billion for the same period of 2023.
- **Operating profit from the domestic segment[(3)]** increased to RMB4.5 billion from RMB3.0 billion for the same period of 2023. **Operating loss from the overseas segment[(3)]** decreased to RMB277 million by 64.5% year-over-year.

First Half 2024 Key Highlights

- **Average DAUs on Kuaishou APP** were 394.6 million, representing an increase of 5.2% from 375.1 million for the same period of 2023.
- **Average MAUs on Kuaishou APP** were 694.6 million, representing an increase of 4.6% from 663.9 million for the same period of 2023.
- **Total e-commerce GMV[(1)]** was RMB593.3 billion, representing an increase of 21.0% from RMB490.2 billion for the same period of 2023.
- **Total revenue** increased by 14.0% to RMB60.4 billion from RMB53.0 billion for the same period of 2023. Online marketing services and live streaming contributed 56.6% and 29.6%, respectively, to the total revenue. The other 13.8% came from other services.
- **Gross profit** increased by 29.7% to RMB33.3 billion from RMB25.6 billion for the same period of 2023. Gross profit margin in the first half of 2024 was 55.1%, improving from 48.4% for the same period of 2023.
- **Profit for the period** was RMB8.1 billion, compared to RMB605 million for the same period of 2023. **Adjusted net profit[(2)]** increased to RMB9.1 billion from RMB2.7 billion for the same period of 2023.
- **Operating profit from the domestic segment[(3)]** increased to RMB8.5 billion from RMB4.0 billion for the same period of 2023. **Operating loss from the overseas segment[(3)]** decreased to RMB545 million by 66.0% year-over-year.

Mr. Cheng Yixiao, Co-founder, Chairman, and Chief Executive Officer of Kuaishou, said, "In the second quarter of 2024, we actively advanced our strategic initiatives within our user and commercial ecosystems. Employing clear and efficient operating strategies, we focused on enhancing user experiences in line with our revenue-generating activities, which led to high-quality and accelerated growth in user traffic. Additionally, we substantially enhanced our financial results. With a gross margin exceeding 55% and an adjusted net profit of RMB 4.7 billion, our adjusted net margin expanded to 15.1%, all record highs that tangibly reflect our growth and efficiency. In terms of technological innovation, we have achieved industry-leading breakthroughs in AI research and development and integrated these technologies into various business scenarios across our platform, enhancing the quality of content creation and improving commercial monetization efficiency. Notably, our large video generation model, Kling AI, has gained widespread acceptance among both domestic and global users. Looking ahead, we remain committed to leveraging our deep technological expertise to explore how AI can further empower our existing businesses and create new business opportunities, driving the Company forward with efficiency and stability."

Second Quarter 2024 Financial Review

Revenue from our online marketing services increased by 22.1% to RMB17.5 billion for the second quarter of 2024, from RMB14.3 billion for the same period of 2023, primarily attributable to the increased consumption from marketing clients driven by optimized smart marketing solution and advanced algorithms.

Revenue from our live streaming business decreased by 6.7% to RMB9.3 billion for the second quarter of 2024 from RMB10.0 billion for the same

period of 2023, as a result of our continuous efforts in building a healthy live streaming ecosystem.

Revenue from our other services increased by 21.3% to RMB4.2 billion for the second quarter of 2024, from RMB3.4 billion for the same period of 2023, primarily due to the growth of our e-commerce business, represented by the growth in our e-commerce GMV. The growth in e-commerce GMV was driven by increases in the number of active e-commerce paying users and active merchants as a result of our diversified omni-domain operations.

Other Key Financial Information for the Second Quarter of 2024

Operating profit was RMB3.9 billion, increasing from RMB1.3 billion for the same period of 2023.

Adjusted EBITDA(4) was RMB6.3 billion, increasing from RMB4.3 billion for the same period of 2023.

Total available funds(5) reached RMB77.7 billion as of June 30, 2024.

Notes:

(1) Placed on or directed to our partners through our platform.

(2) We define "adjusted net profit" as profit for the period adjusted by share-based compensation expenses and net fair value changes on investments.

(3) Unallocated items, which consist of share-based compensation expenses, other income, and other gains/(losses), net, are not included.

(4) We define "adjusted EBITDA" as adjusted net profit for the period adjusted by income tax (benefits)/expenses, depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets, and finance income, net.

(5) Total available funds which we considered in cash management included but not limited to cash and cash equivalents, time deposits, financial assets and restricted cash. Financial assets mainly included wealth management products and others.

Business Review

In the second quarter of 2024, we continued to grow our revenues and profits amid a highly competitive landscape, making advancements across industry-leading AI technology, robust content and commercial ecosystems as well as efficient organization collaboration that set the stage for our platform to thrive in a dynamic market. Our total revenue increased by 11.6% year-over-year to RMB31.0 billion in the second quarter of 2024. In terms of profitability, our gross margin climbed to over 55% in the second quarter of 2024, and our adjusted net profit reached RMB4.7 billion, making our adjusted net profit margin 15.1%.

As an AI-driven technology company, we have constructed advanced infrastructure to support the trainings and inference of large models with trillions of parameters. Based on this, we developed industry-leading AI matrix including ***KwaiYii Large Language Models (快意大語言模型)***, large visual generation models and recommendation models. In the second quarter of 2024, we made considerable strides in large visual generation models. We launched full beta testing for our large video generation model ***Kling AI (可靈AI)*** and rolled out a membership program to global users, bringing further upgraded features. Our advanced text-to-image AI generation model ***Kolors (可圖)*** has been officially open-sourced to encourage a collaborative, robust ecosystem. Our AI matrix is now seamlessly embedded across various business scenarios, supporting content creation, content understanding and recommendations, and user interactions. This powerful combination significantly enhances our commercial competitiveness by providing merchants and marketing clients with more effective and efficient tools. In the first half of 2024, nearly 20,000 merchants utilized our AI matrix to optimize their operations on the Kuaishou platform, and marketing clients' daily spending with AIGC marketing materials peaked at RMB20 million in the second quarter of 2024.

User and content ecosystem

In the second quarter of 2024, the average DAUs and MAUs on the Kuaishou App reached 395 million and 692 million, representing year-over-year increases of 5.1% and 2.7%, respectively. The average daily time spent per DAU on the Kuaishou App was 122 minutes. We achieved accelerated growth in user traffic, with total user time spent on Kuaishou App increasing by 9.5% year-over-year.

We deepened our strategy of high-quality growth. By improving our traffic allocation mechanism and building scenarios for user demand insight, we successfully enhanced user experience in synergy with our revenue-generating businesses. By optimizing measures such as hot comments ranking, we fostered a vibrant community atmosphere and improved user long-term retention rate, achieving high-quality growth in DAUs. Additionally, we improved the ROI of user retention costs through refined operational strategies.

We are dedicated to cultivating a healthy and vibrant content creation ecosystem and supporting high quality content creators with algorithm optimization. We continued to bring users premium content that showcases the unique characteristics of our platform across differentiated operating strategies in vertical industries. For example, we focus on creating native sports content that the public enjoys in our sports vertical. Riding on the booming interest for sports content before the start of the Olympic Games Paris 2024, we launched ***Kuaishou Village Olympics (快手村奧會)***, which attracted a live crowd of over 135,000 spectators and captivated more than 520 million viewers online, amassing more than 6.4 billion impressions. As a pioneer and leader in the short play industry, we leveraged our cutting-edge ***Kling AI*** to launch ***Legendary Mirrors of Mountains and Seas (山海奇鏡)***, the first-ever original AIGC fantasy short play in China. Within two weeks after its release, it had attracted over 50 million views, demonstrating the significant appeal of our advanced large models' capabilities to craft content with depth.

For our search business, in the second quarter of 2024, we continued to optimize our "search after watching" feature and introduced single column format in displaying search results. This enhanced user experience and unlocked the commercialization potentials. Our search user penetration rate was further improved with MAUs for Kuaishou search reached nearly 500 million in the second quarter of 2024 while daily searches increased by over 20% year-over-year.

Online marketing services

In the second quarter of 2024, revenue from online marketing services increased by 22.1% year-over-year to RMB17.5 billion, despite the overall softer consumer sentiment. Our revenue growth was fueled by enhanced smart marketing solutions and deeper sales funnel conversion paths for our marketing clients, which led to higher bids. Additionally, our advanced algorithms greatly supported the exploration of demographic interests and

improvements in matching efficiency, significantly boosting the number of effective users with online marketing potentials.

Revenue from our external marketing services grew notably in the second quarter of 2024, with the year-over-year growth rate surpassing that of the first quarter of 2024, particularly in the media information, e-commerce platforms, and local services industries. For paid short plays under the media information industry, we continued to improve user experience by refining native sales funnels and increase the scale of paying users through smart subsidies. This drove rapid growth in paid short plays marketing placement, with average daily marketing spending on paid short plays increasing by more than twofold year-over-year. Regarding smart placement, in the second quarter of 2024, the penetration rate of our external marketing product, ***Universal Auto X (UAX)***, continued to increase across multiple industries, with total marketing spending through ***UAX*** accounting for over 30% of overall external marketing spending.

Revenue growth from our enclosed loop marketing services remained robust in the second quarter of 2024. The growth was driven by the ongoing optimization of our smart placement product strategies and capabilities, which led to total marketing spending by merchants using our omni-platform marketing solution or smart hosting products accounting for 40% of overall enclosed-loop marketing spending. For small- and medium-sized merchants, we leveraged major promotional events to boost marketing placement. We also offered simplified, automated marketing solutions through composite products that enhanced the stability and efficiency of their automated marketing placements, driving a 60% year-over-year surge in these merchants' spending in the second quarter of 2024. In our brand marketing efforts, we launched a unique marketing initiative in collaboration with fashion media. By blending Eastern esthetics with trendy culture, intangible cultural heritage, and avant-garde art, the initiative attracted numerous leading brands across cosmetics, food and beverage, apparel and 3C products. Furthermore, major brands, including Tmall, renewed their sponsorships for our ***Kuaishou Astral Short Plays (快手星芒短劇)***, resulting in an over 20-fold revenue growth year-over-year from marketing sponsorship of ***Kuaishou Astral Short Plays*** in the second quarter of 2024.

E-commerce

Despite the consumer demand challenges faced by domestic e-commerce businesses, rapidly evolving consumption trend and e-commerce infrastructure are driving e-commerce's growth. Amid the new trends, lower-tier markets are emerging as mainstream markets with the largest population and the greatest potential for growth. We aim to help consumers discover affordable quality products that fit their needs through trustworthy streamers and content on Kuaishou. We are committed to fostering a sustainable, healthy KOL ecosystem while propelling multi-faceted, omni-domain operations for brands and merchants in self-operated live streaming, pan shelf-based e-commerce and short video e-commerce.

In the second quarter of 2024, our e-commerce GMV grew by 15% year-over-year to RMB305.3 billion. On the demand side, the number of e-commerce monthly active paying users increased by 14.1% year-over-year to 131 million in the second quarter of 2024, and our MAU penetration rate reached a new high of 18.9%. We are committed to our user-centric strategy, coupled with a focused approach to tapping specific industries, which empowers us to swiftly capture and respond to fast-evolving consumer preferences. Specifically, we remain focused on iterating initiatives for acquiring new users as well as growing active users, expanding our user reach through product and subsidy strategies that encourage repeat purchases.

On the supply side, the number of average monthly active merchants in the second quarter of 2024 grew by more than 50% year-over-year, primarily due to our concerted efforts in new merchants' cold-starts, growth and sustained operations, in addition to empowering existing merchants to tap into omni-domain operations. Designed especially for small and medium-sized merchants, our ***Set Sail Initiative (啟航計劃)*** provides new merchants with up to 100 billion traffic resources throughout the year, coupled with our ***Uplift Initiative (扶搖計劃)*** that helps new merchants rapidly scale their businesses after a cold start. Additionally, we enhanced merchants' overall omni-domain operating capabilities by building follower-base growth initiatives, as well as by integrating short video and live-streaming content. Regarding KOL strategies, we recommended high-quality merchandise to KOLs internally while helping medium-tier KOLs select merchandise via external facilitator, particularly with targeted recommendations based on the follower profiles of medium-tier KOLs. At the same time, we leveraged AI technology, marketing tools and follower operation tools to enrich marketing strategies for KOL. We lowered the barriers for KOLs to conduct e-commerce live streaming, encouraged live-streaming user interactions, and comprehensively enhanced our platform's capabilities in matching KOLs with products. For brand merchants, we prioritized our ***Trade-in, Trade-up (以舊換新)*** program, membership operations, and ***Big Brand, Big Subsidy (大牌大補)*** channel to attract a wider variety of brand merchandise offerings on our platform. During the 618 Shopping Festival, GMV from consumer electronics brands and household items grew by over 83% year-over-year, a testament to increased mindshare for affordable branded products.

In terms of e-commerce scenarios, pan shelf-based e-commerce GMV in the second quarter of 2024 continued to outpace the overall platform, accounting for over 25% of total GMV. The number of pan shelf-based e-commerce orders during the 618 Shopping Festival grew by 65% year-over-year, a key growth driver of our e-commerce business. In terms of our shopping mall, in the second quarter of 2024, the number of average daily active merchants and average daily paying users grew by over 50% and 70%, respectively on a year-over-year basis. On the user front, both the average number of product cards viewed per user and the volume of product searches in our shopping mall surged year-over-year, highlighting consumers' growing mindshare for browsing and searching for products in the Kuaishou shopping mall. The introduction of our large models has also improved our ability to identify user purchasing intentions, driving a more than 80% year-over-year increase in search-induced e-commerce GMV in the second quarter of 2024. In addition, we launched sales hosting services for Kuaishou shopping mall that integrates our platform's omni-domain traffic, aiming to lower merchants' operational barriers, providing merchants with predictable sales channels. Additionally, our short video e-commerce GMV continued its rapid growth in the second quarter of 2024, with a year-over-year increase of nearly 70%. Merchants leverage short videos to attract potential users before live streaming and extend the sales cycle of blockbuster products afterwards. This approach has further strengthened the integration between short videos and live streaming scenarios.

Live streaming

In the second quarter of 2024, revenue from our live-streaming business decreased by 6.7% year-over-year to RMB9.3 billion. We continued to iterate our refined operating approach to bolster a healthy and positive live-streaming ecosystem. On the supply side, we established regional teams dedicated to attracting high-quality talent agencies through targeted industry promotions and impactful offline presentations. This strategy led to a nearly 50% increase in the number of partnering talent agencies and a 60% growth in the number of talent agency-managed streamers by the end of the second quarter of 2024, both on a year-over-year basis. Meanwhile, we continued to promote emerging streaming features, such as multi-host live streaming and the "Grand Stage", which attracted significantly more talent agencies and streamers, driving core growth in our live streaming business.

We are dedicated to attracting mid-tier streamers, enhancing interactive live-streaming features, and encouraging streamers to produce high-quality content, all of which provide more reasons for users to engage with our platform. Additionally, as the official short video partner for ***CrossFire (穿越火***

線) and ***King Pro League (王者榮耀職業聯賽)***, we effectively helped generate greater attention to broader audience by leveraging our "short video + live streaming + community" ecosystem.

As an example of "live streaming+" services empowering traditional industries, in the second quarter of 2024, the daily average number of resume submissions on ***Kwai Hire (快聘)*** increased by more than 130%, and matching rate grew by over 150%, both on a year-over-year basis. Meanwhile, daily lead generation on our ***Ideal Housing (理想家)*** expanded by nine-fold compared to the same period last year.

Overseas

We continued to deepen our local operations in key overseas markets during the second quarter of 2024 through advanced content offering, operation capabilities, and marketing initiatives. Under our ROI-driven growth strategies, we have been refining operations in traditional marketing channels and exploring new growth avenues. These initiatives drove steady growth in average DAUs in key overseas markets such as Brazil and Indonesia. Notably, DAUs in Brazil rose by 15.4% year-over-year and also improved quarter-over-quarter. Regarding content operations overseas, we continued to engage high-quality content creators, enriching our content offering and enhancing the vibrancy of our community-based ecosystem. Meanwhile, our optimized algorithm, enhanced traffic mechanisms and diverse monetization initiatives have gradually strengthened the positive flywheel effect of content production, consumption and monetization for creators. Average daily time spent per DAU in key overseas markets increased by 5% year-over-year to nearly 80 minutes in the second quarter of 2024.

In terms of monetization capabilities, our overseas revenues increased by 141.4% year-over-year to RMB1.1 billion in the second quarter of 2024. Our overseas online marketing team actively expanded the client base across multiple industries by optimizing product capabilities and upgrading clients' experiences. As a result, online marketing revenue from our overseas business increased by over 200% year-over-year and continued to grow quarter-over-quarter. With improvements in our overseas monetization efficiency, we gained further operating leverage, leading to a reduction in the operating loss from our overseas business by 64.5% year-over-year to RMB277 million in the second quarter of 2024.

Business Outlook

The strong technological foundation we built with our AI matrix paves the way for innovations and our next stage of growth across our thriving content and commercial ecosystem. In the second half of 2024, we will continue our trajectory of high-quality growth, with a strong emphasis on technological innovation, leveraging our integrated AI matrix to explore the vast content and commercial potentials. We are confident that these strategic efforts will enable Kuaishou to sustain leading position in a competitive market environment, achieve long-term growth and deliver increased value and opportunities for our users, creators and partners.

About Kuaishou

Kuaishou is a leading content community and social platform with its mission to be the most customer-obsessed company in the world. Kuaishou has relentlessly been focusing on serving its customers and creating value for them through the continual innovation and optimization of its products and services. At Kuaishou, any user can chronicle and share their life experiences through short videos and live streams and showcase their talents. Working closely with content creators and businesses together, Kuaishou provides product and service offerings that address various user needs that arise naturally, including entertainment, online marketing services, e-commerce, online games, online knowledge-sharing, and more.

Forward-Looking Statements

Certain statements included in this press release, other than statements of historical fact, are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "might", "can", "could", "will", "would", "anticipate", "believe", "continue", "estimate", "expect", "forecast", "intend", "plan", "seek", or "timetable". These forward-looking statements, which are subject to risks, uncertainties, and assumptions, may include our business outlook, estimates of financial performance, forecast business plans, growth strategies and projections of anticipated trends in our industry. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this press release. They are based on certain expectations, assumptions and premises, many of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realized in the future. Underlying these forward-looking statements are a large number of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this press release should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements. Except as required by law, we are not obligated, and we undertake no obligation, to release publicly any revisions to these forward-looking statements that might reflect events or circumstances occurring after the date of this press release or those that might reflect the occurrence of unanticipated events.

For investor and media inquiries, please contact

Kuaishou Technology
Investor Relations
Email: ir@kuaishou.com

CONDENSED CONSOLIDATED INCOME STATEMENT

	Unaudited			**Unaudited**	
	Three Months Ended			**Six Months Ended**	
	June 30, 2024	March 31, 2024	June 30, 2023	**June 30, 2024**	**June 30, 2023**
	RMB'Million	*RMB'Million*	*RMB'Million*	***RMB'Million***	*RMB'Million*

Revenues	**30,975**	29,408	27,744	**60,383**	52,961
Cost of revenues	**(13,840)**	(13,288)	(13,810)	**(27,128)**	(27,315)
Gross profit	**17,135**	16,120	13,934	**33,255**	25,646
Selling and marketing expenses	**(10,040)**	(9,384)	(8,636)	**(19,424)**	(17,359)
Administrative expenses	**(792)**	(462)	(945)	**(1,254)**	(1,864)
Research and development expenses	**(2,805)**	(2,843)	(3,155)	**(5,648)**	(6,075)
Other income	**34**	118	113	**152**	165
Other gains/(losses), net	**374**	445	(15)	**819**	85
Operating profit	**3,906**	3,994	1,296	**7,900**	598
Finance income, net	**66**	114	158	**180**	269
Share of losses of investments accounted for using the equity method	**(19)**	(3)	(18)	**(22)**	(32)
Profit before income tax	**3,953**	4,105	1,436	**8,058**	835
Income tax benefits/(expenses)	**27**	15	45	**42**	(230)
Profit for the period	**3,980**	4,120	1,481	**8,100**	605
Attributable to:					
— Equity holders of the Company	**3,979**	4,119	1,480	**8,098**	607
— Non-controlling interests	**1**	1	1	**2**	(2)
	3,980	4,120	1,481	**8,100**	605

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited	Audited
	As of June 30, 2024	As of December 31, 2023
	RMB'Million	*RMB'Million*
ASSETS		
Non-current assets		
Property and equipment	**11,871**	12,356
Right-of-use assets	**8,908**	10,399
Intangible assets	**1,032**	1,073
Investments accounted for using the equity method	**179**	214
Financial assets at fair value through profit or loss	**13,695**	5,245
Other financial assets at amortized cost	**143**	283
Deferred tax assets	**5,854**	6,108
Long-term time deposits	**13,580**	9,765
Other non-current assets	**536**	492
	55,798	45,935
Current assets		
Trade receivables	**6,526**	6,457
Prepayments, other receivables and other current assets	**4,346**	4,919
Financial assets at fair value through profit or loss	**31,180**	25,128
Other financial assets at amortized cost	**845**	950
Short-term time deposits	**9,578**	9,874
Restricted cash	**89**	128
Cash and cash equivalents	**11,437**	12,905
	64,001	60,361
Total assets	**119,799**	106,296

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As of June 30, 2024 RMB'Million	Audited As of December 31, 2023 RMB'Million
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	**-**	-
Share premium	**271,804**	273,459
Treasury shares	**(284)**	(88)
Other reserves	**34,298**	33,183
Accumulated losses	**(249,393)**	(257,491)
	56,425	49,063
Non-controlling interests	**13**	11
Total equity	**56,438**	49,074
LIABILITIES		
Non-current liabilities		
Borrowings	**4,500**	-
Lease liabilities	**6,985**	8,405
Deferred tax liabilities	**16**	18
Other non-current liabilities	**21**	21
	11,522	8,444
Current liabilities		
Accounts payables	**24,897**	23,601
Other payables and accruals	**19,192**	16,592
Advances from customers	**4,124**	4,036
Income tax liabilities	**269**	1,222
Lease liabilities	**3,357**	3,327
	51,839	48,778
Total liabilities	**63,361**	57,222
Total equity and liabilities	**119,799**	106,296

Financial Information by Segment

	Unaudited Three Months Ended								
	June 30, 2024			March 31, 2024			June 30, 2023		
	Domestic	**Overseas**	**Unallocated items** **Total**	Domestic	Overseas	Unallocated items Total	Domestic	Overseas	Unallocated items Total
	RMB'Million			*RMB'Million*			*RMB'Million*		
Revenues	**29,896**	**1,079**	**- 30,975**	28,417	991	- 29,408	27,297	447	- 27,744
Operating profit/(loss)	**4,498**	**(277)**	**(315) 3,906**	3,991	(268)	271 3,994	3,034	(780)	(958) 1,296

	Unaudited Six Months Ended					
	June 30, 2024			June 30, 2023		
	Domestic	**Overseas**	**Unallocated items** **Total**	Domestic	Overseas	Unallocated items Total
	RMB'Million			*RMB'Million*		
Revenues	**58,313**	**2,070**	**- 60,383**	52,176	785	- 52,961
Operating profit/(loss)	**8,489**	**(545)**	**(44) 7,900**	3,997	(1,603)	(1,796) 598

Reconciliation of Non-IFRS Accounting Standards Measures to the Nearest IFRS Accounting Standards Measures

	Unaudited Three Months Ended			Unaudited Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
	RMB'Million	*RMB'Million*	*RMB'Million*	***RMB'Million***	*RMB'Million*
Profit for the period	**3,980**	4,120	1,481	**8,100**	605
Add:					
Share-based compensation expenses	**723**	292	1,056	**1,015**	2,046
Net fair value changes on investments[(1)]	**(24)**	(24)	157	**(48)**	85
Adjusted net profit	**4,679**	4,388	2,694	**9,067**	2,736
Adjusted net profit	**4,679**	4,388	2,694	**9,067**	2,736
Add:					
Income tax (benefits)/expenses	**(27)**	(15)	(45)	**(42)**	230
Depreciation of property and equipment	**997**	977	978	**1,974**	1,942
Depreciation of right-of-use assets	**735**	716	808	**1,451**	1,596
Amortization of intangible assets	**26**	27	39	**53**	77
Finance income, net	**(66)**	(114)	(158)	**(180)**	(269)
Adjusted EBITDA	**6,344**	5,979	4,316	**12,323**	6,312

Note:

(1) Net fair value changes on investments represents net fair value (gains)/losses on financial assets at fair value through profit or loss of our investments in listed and unlisted entities, net (gains)/losses on deemed disposals of investments and impairment provision for investments, which is unrelated to our core business and operating performance and subject to market fluctuations, and exclusion of which provides investors with more relevant and useful information to evaluate our performance.

View original content:https://www.prnewswire.com/news-releases/kuaishou-technology-announces-second-quarter-and-interim-2024-unaudited-financial-results-302226254.html

SOURCE Kuaishou Technology