

# EHang Holdings Limited Q4 2019 Earnings Highlights

March 24, 2020



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# EHANG

THE COMPANY





# Our Mission



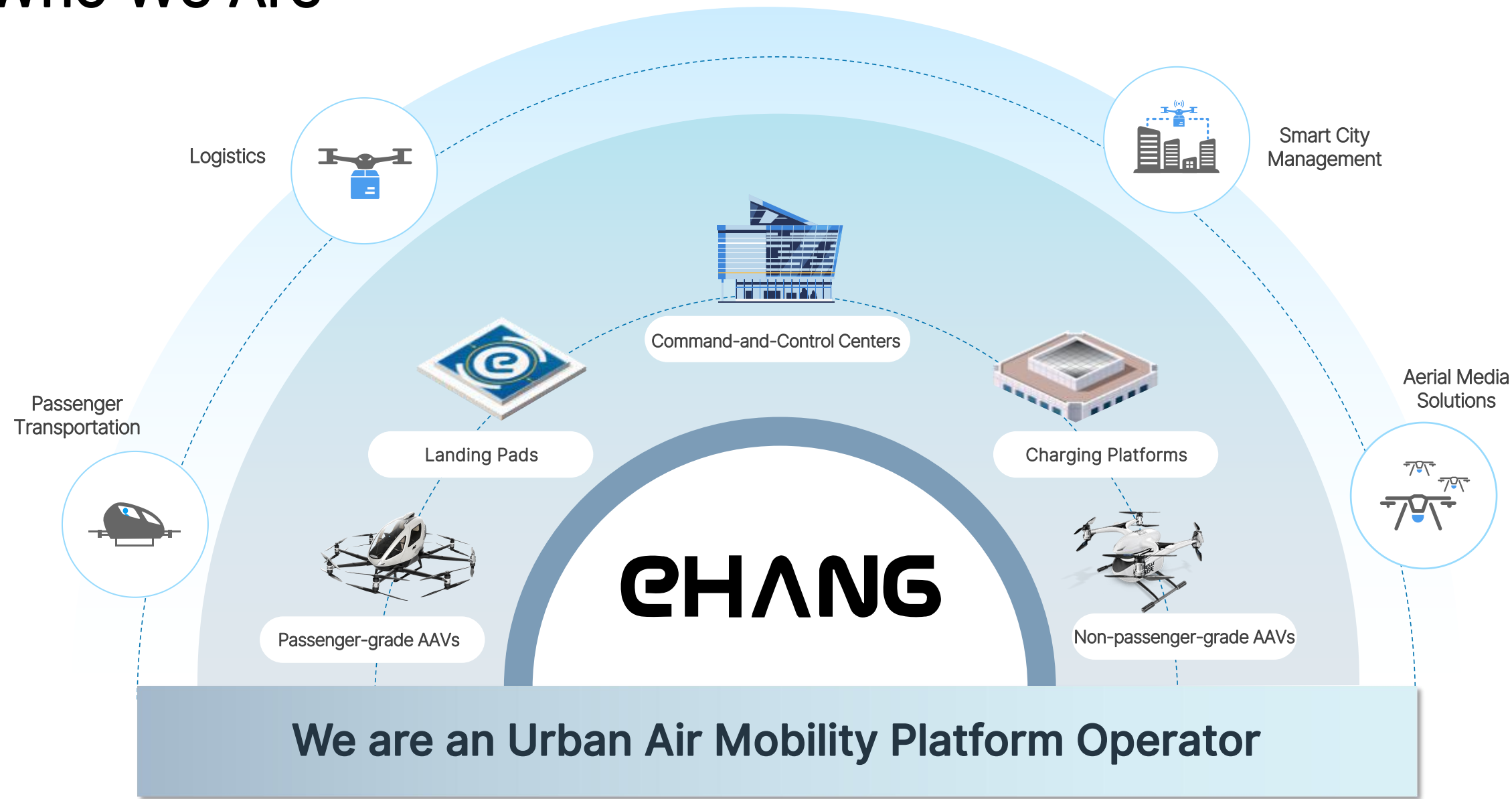
*Enable **safe, autonomous** and eco-friendly  
**air mobility for everyone***

**US\$1.5Tn TAM by 2040\***

*If you're bullish on autonomous cars,  
it's time to start looking at autonomous aircraft*

- Autonomous Urban Air Mobility TAM from Morgan Stanley Research titled "Flying Cars: Investment Implications of Autonomous Urban Air Mobility" dated December 2, 2018.
- TAM represents Total Addressable Market.

# Who We Are



Note: AAV represents Autonomous Aerial Vehicle.

# Our Technology Platform

## AAVs

Comprehensive portfolio of high-performing AAVs for a multitude of applications

### Passenger-grade AAVs



EHang 216  
(Two seats)



EHang 116  
(One seat)

### Non-passenger-grade AAVs



Falcon B



GD 2.0X



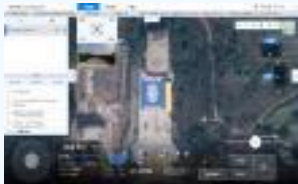
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EHANG

## AAV OPERATING PLATFORM

Operating systems and extended infrastructure that facilitate management and operations of AAVs at scale

AAV Operating Systems



+

Command-and-control  
Centers



+

Landing Pads and Charging  
Systems





# What is A Passenger-grade AAV

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Safe and Reliable



Autonomous and Intelligent



Cluster Management Capable

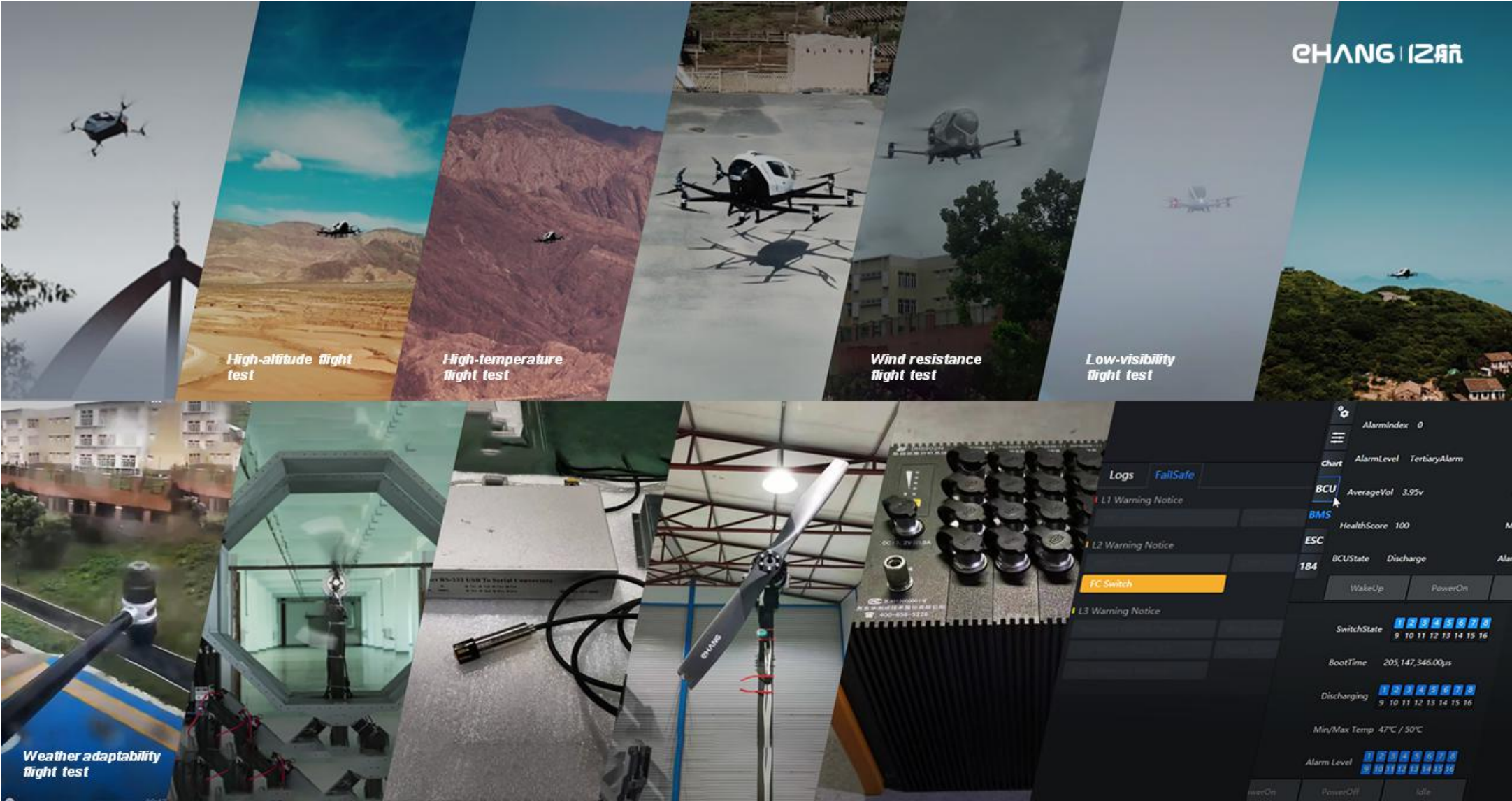


Connected



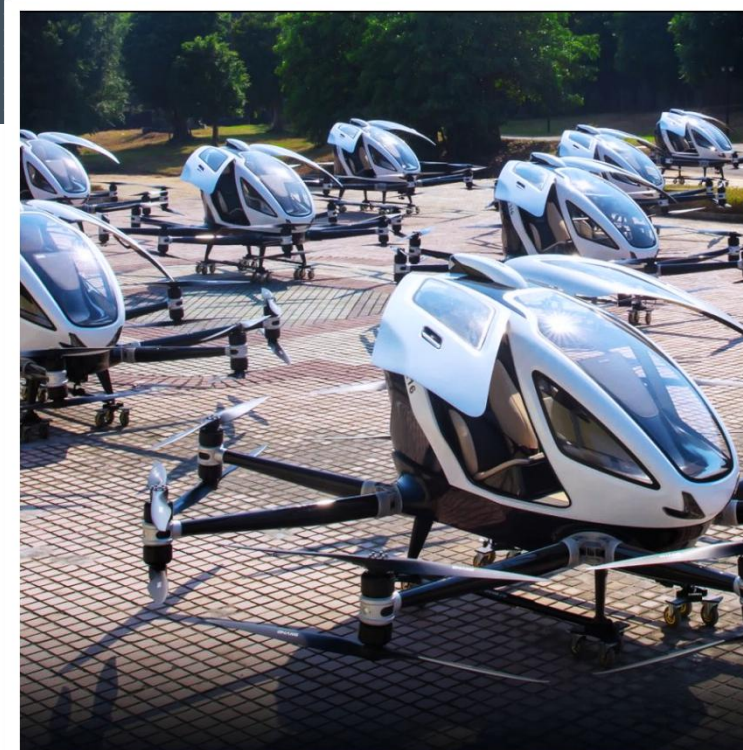
Eco-friendly

# A Variety of Flight Tests of Passenger-grade AAVs EHANG | 亿航





# Commercial Delivery of Passenger-grade AAVs



# World Flight Tour Footprint





# Innovative AAV Commercial Solutions

## Air Mobility



Passenger Transportation

- Short- to medium-distance air transportation solutions and services employing passenger-grade AAVs



Logistics

- Provision of logistics solutions and services, with a focus on urban air deliveries enabled by AAVs, both passenger-grade and non-passenger-grade

## Smart City Management



- Encompass traffic management, public safety, emergency response, disaster relief, and forest fire inspection using integrated AAV solutions on a centralized command-and-control platform

## Aerial Media



- Manage and choreograph a fleet of small AAVs into a series of moving images



# Global and China Target Market Sizes

## Commercial UAV

2023E market size: US\$103.7bn  
2018-2023E CAGR: 94.5%

### Urban air mobility



Passenger  
transportation



Logistics



Smart city  
management



Aerial media



Other  
applications

2023E Market size:	US\$3.0bn	US\$46.1bn	US\$27.7bn	US\$0.3bn	US\$26.6bn
China share of global market:	33%	45%	61%	68%	41%
2018-2023E Overall CAGR:	531%	740%	90%	79%	59%

# Air Mobility - Case Study

## Passenger Transportation

1



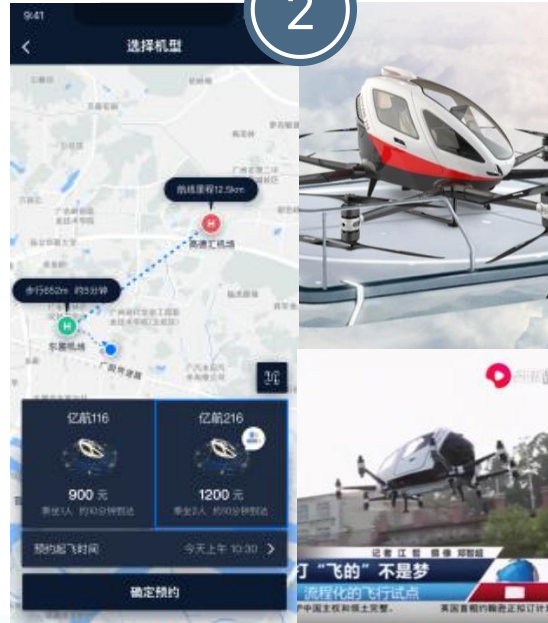
### Customer

- A PRC AAV distributor in the tourism industry

### Use Cases

- Tourism
- Aerial sightseeing

2



### Guangzhou, China

- Announced first urban air mobility pilot city program in partnership with Guangzhou Government
- Showcased first in-city demo flight for sightseeing operation of flying taxis

### Use Case

- Air taxi service

3



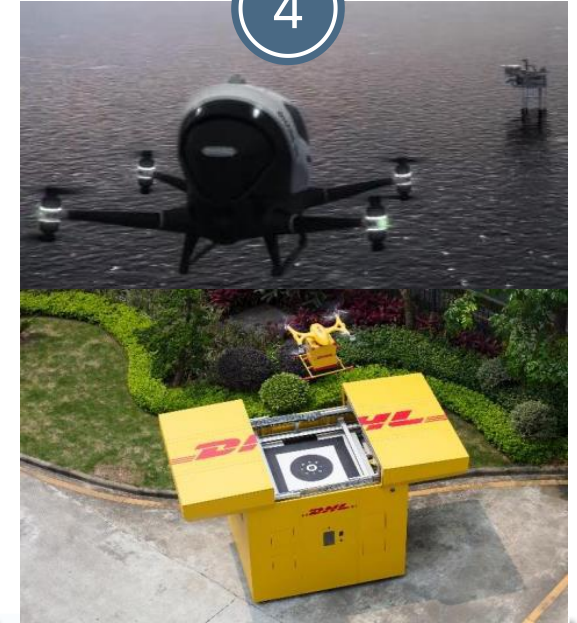
### Customer

- A Nasdaq-listed U.S. biotechnology company and pioneer in organ transplant biotechnology

### Use Case

- Medical emergency transport

4



### Customers

- A Norwegian electric vehicle and electric aerial vehicle distributor
- DHL-Sinotrans, DHL China JV operations

### Use Cases

- Logistics support to offshore oil platforms
- Urban air delivery



# Smart City Management

## Our Command-and-Control Center Network in China

We are the **first** company to successfully build integrated command-and-control centers that centralize and coordinate a wide range of AAV applications simultaneously



## Use Cases

- Traffic management
- Public safety
- Emergency response
- Disaster relief
- Forest fire inspection
- Other industrial applications, i.e. aerial mapping, news reporting, etc.

## Smart City Management Use Cases



Shaoguan Command-and-control Center



Lianyungang Command-and-control Center



Power Inspection



Emergency Response



Environmental Inspection



Traffic Management

➤ In October 2019, we also entered into an agreement to establish a command-and-control center in the **international airport of Baku, the capital of Azerbaijan.**



# Aerial Media

AAV formations, synchronized movement and accurate display of two-dimensional and three-dimensional configurations, brand logos or messages

## Reinventing the Aerial Landscape

Large-scale outdoor aerial formations choreographed into light-based images against the backdrop of the night sky

### Global Leading Technology

Simultaneous control of more than 1,000 of AAVs by a command-and-control system with highly precise positioning powered by real-time kinematic satellite-based navigation technology

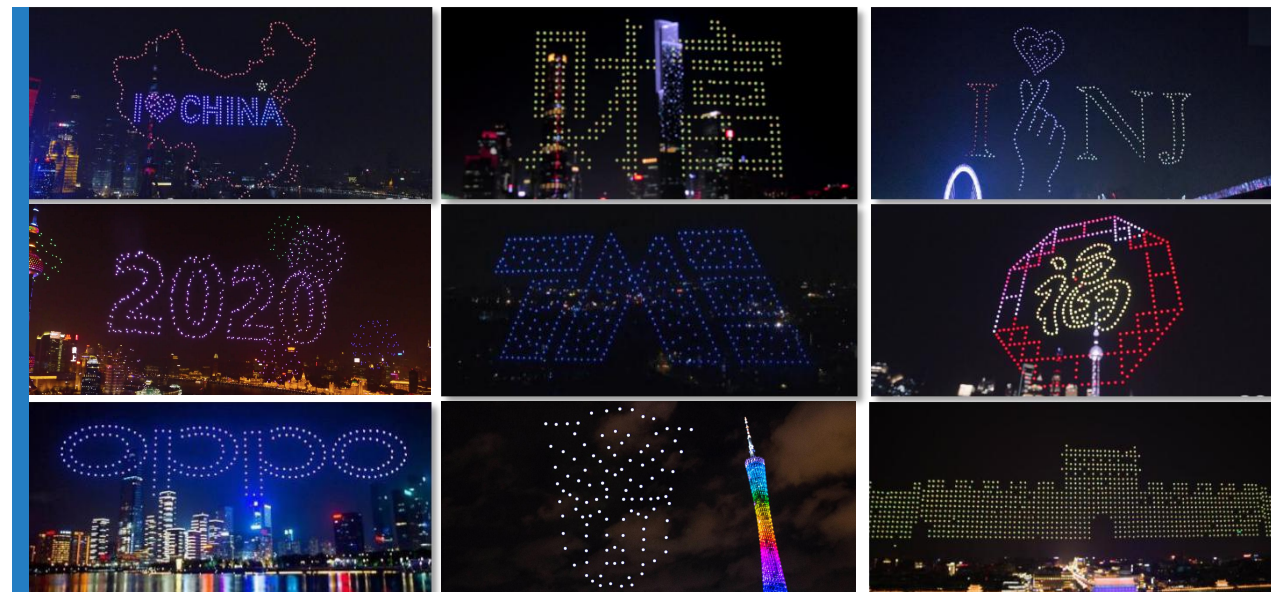
### World Record Breaking

Guinness World Record in April 2018 for the most AAVs in a drone performance show with over 1,300 AAVs

### Entertaining and Viral

Unique means of advertising and entertainment that is highly dynamic, impactful and eco-friendly

### Aerial Media Customer Cases



# Our Path Forward

EHANG 亿航



Extend our **technological leadership**

Expand development and **manufacturing capabilities**

Expand our **AAV portfolio** and strengthen our platform

Continue **commercialization** and promote adoption, e.g. air taxi services

Explore new **monetization opportunities**

Pursue **strategic partnerships** in production and technology

# Business Highlights – Q4 and Full Year 2019



## PIONEER



## COMMERCIALIZATION



## PARTNERSHIPS



### IPO

(Nasdaq: EH)

- Successfully completed IPO on Nasdaq on December 12, 2019
- Became the world's first publicly traded Urban Air Mobility (UAM) company

### World Flight Tour

- Trial / demo flights in 15 cities across China & Europe in 2019, as a leader in the UAM industry

### Breakthroughs in Regulations & Certifications

- A member of the CAAC Special Expert Taskforce
- The first AAV company to achieve Certificate of Unmanned Aircraft System (UAS) Safety Level II

### World's First Commercial Deliveries

- 61 units\* of passenger-grade AAVs in '19
- 26 units of EHang 216 in Q4 '19

\* Note: including 60 units of EHang 216, the two-seat model and 1 unit of EHang 116, the one-seat model.

### 2 UAM Pilot Cities

- Guangzhou, China
- Linz, Austria

### Partnerships for UAM Ecosystem



- an Azerbaijani Co.



# EHANG

## FINANCIAL OVERVIEW



# Q4 2019 Financial Highlights

(RMB '000)	4Q18	3Q19	4Q19	YoY	QoQ
Total revenues	10,487	34,745	54,684	421.4%	57.4%
Gross profit	5,887	19,071	33,196	463.9%	74.1%
Gross profit margin	56.1%	54.9%	60.7%	+4.6 pp	+5.8 pp
Adjusted operating expenses	25,841	26,845	31,357	21.3%	16.8%
Adjusted operating profit / (loss)	(17,793)	(7,377)	3,777	N/A	N/A
Adjusted net income / (loss)	(25,576)	(6,997)	2,860	N/A	N/A

Notes:

1) Adjusted operating expenses is defined as operating expenses excluding share-based compensation expenses.

2) Adjusted operating profit / (loss) is defined as operating profit / (loss) excluding share-based compensation expenses.

3) Adjusted net income/ (loss) is defined as net income / (loss) excluding share-based compensation expenses and a one-time non-operational item.

4) Pp represents percentage points.

# Full Year 2019 Financial Highlights

(RMB '000)	2018	2019	YoY
Total revenues	66,487	121,814	83.2%
Gross profit	33,747	71,218	111.0%
Gross profit margin	50.8%	58.5%	+7.7 pp
Adjusted operating expenses	94,796	106,588	12.4%
Adjusted operating loss	(52,049)	(31,598)	-39.3%
Adjusted net loss	(58,163)	(31,863)	-45.2%

Notes:

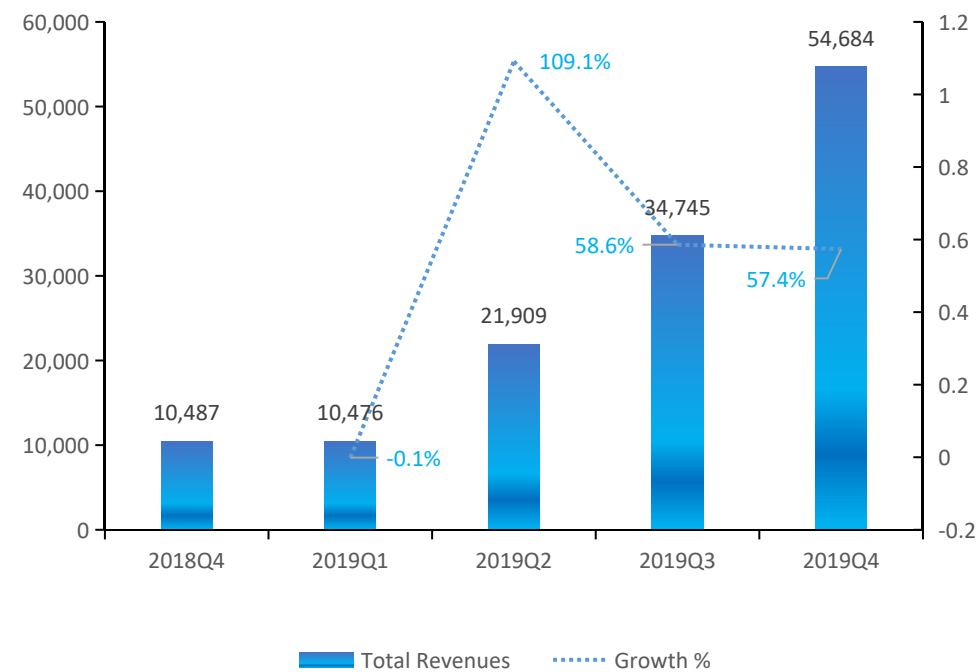
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# Q4 2019 Financial Performance

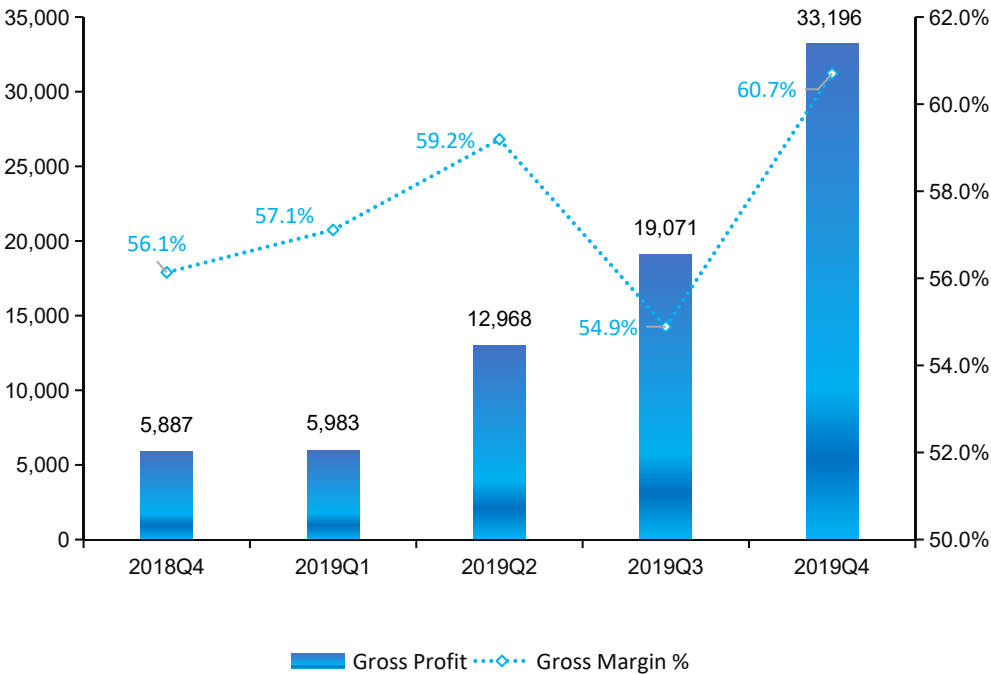
## Total Revenues

RMB'000



## Gross Profit

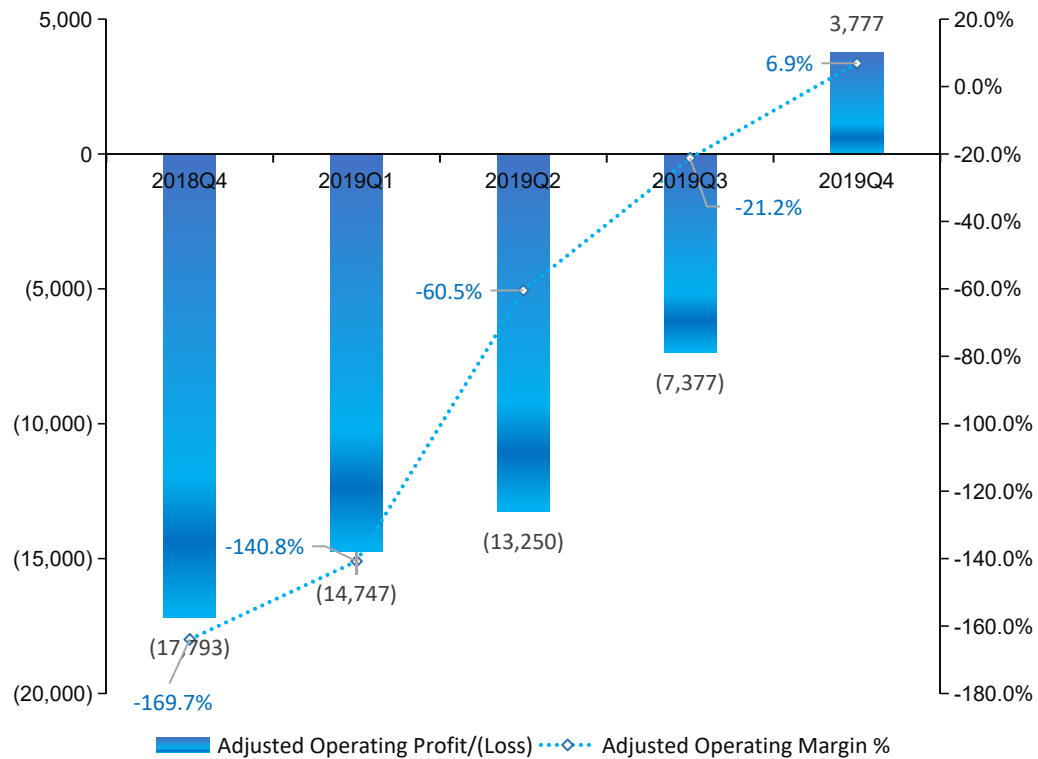
RMB'000



# Q4 2019 Financial Performance

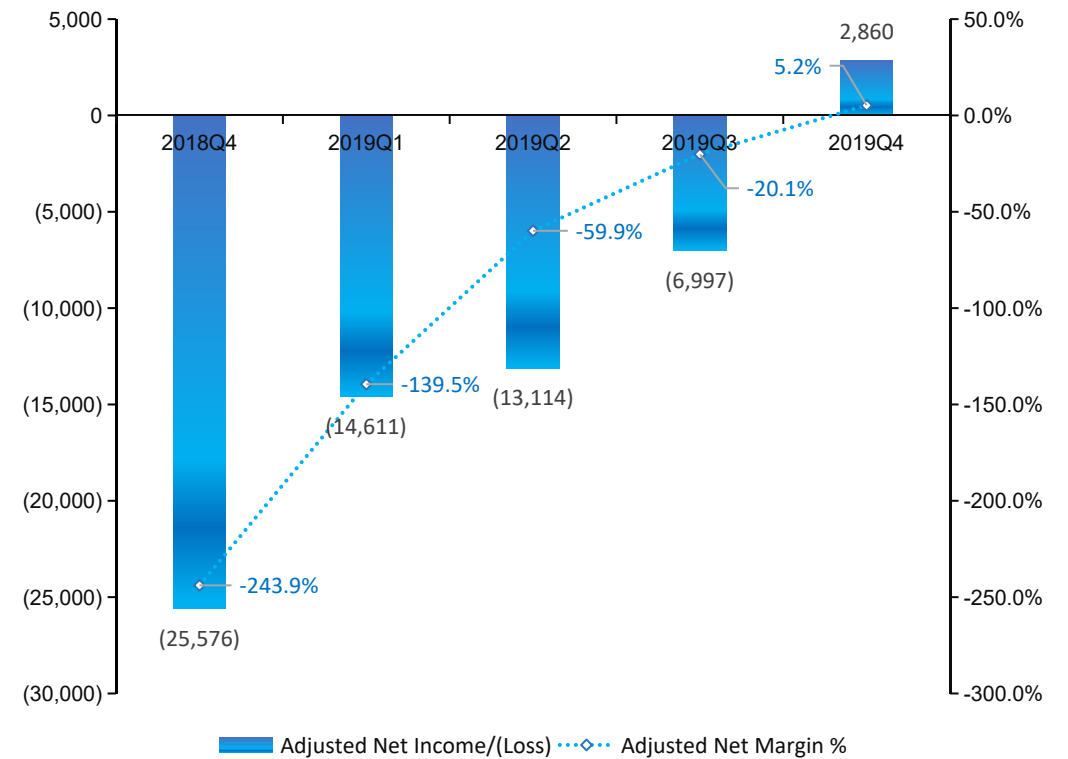
## Adjusted Operating Profit / (Loss)

RMB'000



## Adjusted Net Income / (Loss)

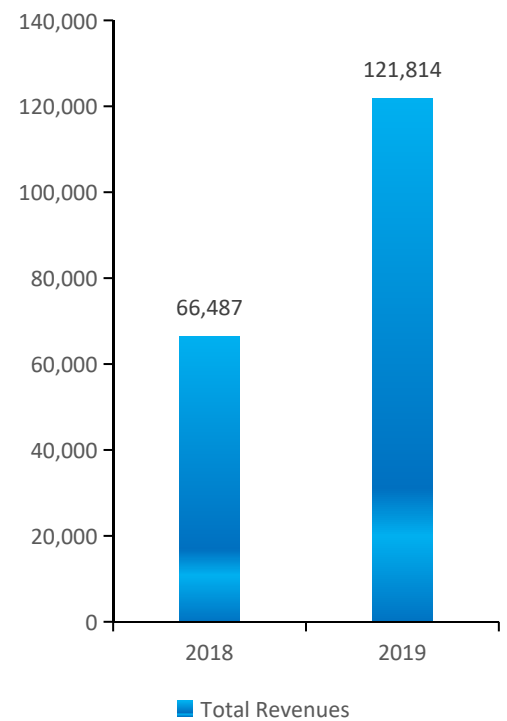
RMB'000



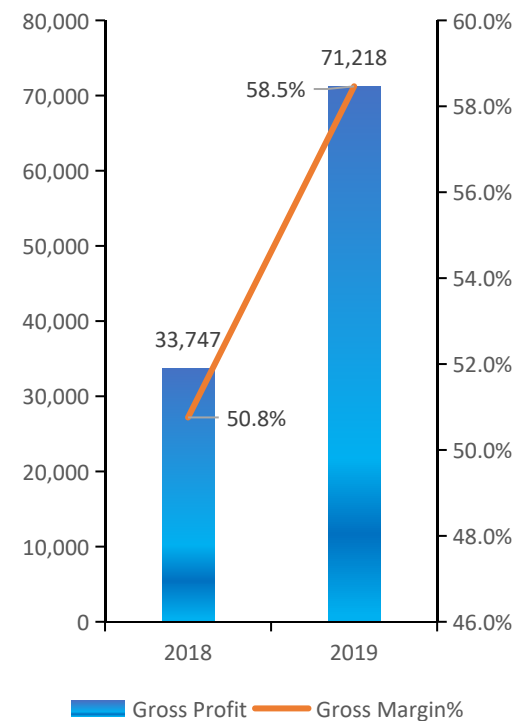
# 2019 Financial Performance

RMB'000

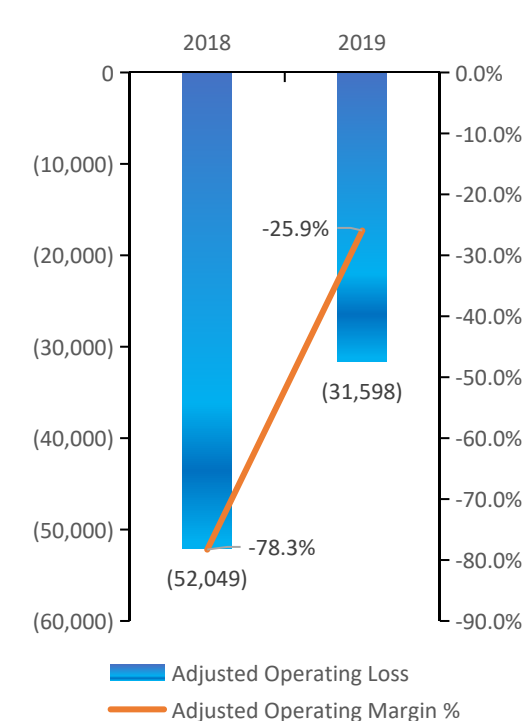
Total Revenues



Gross Profit



Adjusted Operating Loss





# Condensed consolidated statements of comprehensive loss

(RMB '000)	2018 Q4	2019 Q3	2019 Q4	2018	2019
Total revenues	10,487	34,745	54,684	66,487	121,814
Costs of revenues	(4,600)	(15,674)	(21,488)	(32,740)	(50,596)
Gross profit	5,887	19,071	33,196	33,747	71,218
Operating expenses:					
Sales and marketing expenses	(5,292)	(6,162)	(8,157)	(20,174)	(26,855)
General and administrative expenses	(12,206)	(9,692)	(9,364)	(35,939)	(36,948)
Research and development expenses	(13,264)	(14,123)	(15,468)	(60,276)	(57,167)
Total operating expenses	(30,762)	(29,977)	(32,989)	(116,389)	(120,970)
Other operating income	1,987	326	1,938	8,293	3,407
Operating (loss)/profit	(22,888)	(10,580)	2,145	(74,349)	(46,345)
Other income/(expense):					
Interest income	194	150	237	1,057	883
Interest expenses	(189)	(110)	(428)	(564)	(837)
Foreign exchange (loss)/gain	(28)	360	(287)	70	109
Other (expense)/income	(8,013)	88	(1,191)	(6,439)	(976)
Total other (expense)/income	(8,036)	488	(1,669)	(5,876)	(821)
(Loss)/Income before income tax and share of net loss from an equity	(30,924)	(10,092)	476	(80,225)	(47,166)
Income tax expenses	290	(49)	(627)	(76)	(754)
Loss before share of net loss from an equity investee	(30,634)	(10,141)	(151)	(80,301)	(47,920)
Share of net loss from an equity investee	(37)	(59)	(5)	(162)	(74)
Net loss	(30,671)	(10,200)	(156)	(80,463)	(47,994)
Net (income)/loss attributable to non-controlling interests	3,544	(192)	(1,777)	1,350	(551)
Net loss attributable to EHang Holdings Limited	(27,127)	(10,392)	(1,933)	(79,113)	(48,545)
Accretion to redemption value of redeemable convertible preferred shares	-	(10,660)	(13,554)	-	(27,248)
Net loss attributable to ordinary shareholders	(27,127)	(21,052)	(15,487)	(79,113)	(75,793)

# Condensed consolidated balance sheets

(RMB '000)	As of December 31, 2018	As of December 31, 2019
Current assets:		
Cash and cash equivalents	61,519	321,662
Accounts receivable	2,538	41,103
Cost and estimated earnings in excess of billings	18,411	14,212
Inventories	3,917	18,490
Prepayments and other current assets	15,369	20,565
Others, net	-	12,481
<b>Total current assets</b>	<b>101,754</b>	<b>428,513</b>
Non-current assets:		
Property, plant and equipment, net	19,058	16,272
Long-term investments	3,057	2,983
Others, net	802	1,645
<b>Total non-current assets</b>	<b>22,917</b>	<b>20,900</b>
<b>Total assets</b>	<b>124,671</b>	<b>449,413</b>
Current liabilities		
Accounts payable	14,659	27,285
Contract liabilities	5,907	9,918
Accrued expenses and other liabilities	31,197	53,310
Others, net	5,080	5,085
<b>Total current liabilities</b>	<b>56,843</b>	<b>95,598</b>
<b>Total non-current liabilities</b>	<b>5,404</b>	<b>38,460</b>
<b>Total liabilities</b>	<b>62,247</b>	<b>134,058</b>
<b>Total mezzanine equity</b>	<b>604,741</b>	<b>-</b>
<b>Total shareholders' (deficit)/equity</b>	<b>(542,317)</b>	<b>315,355</b>
<b>Total liabilities, mezzanine equity and shareholders' equity</b>	<b>124,671</b>	<b>449,413</b>

# Condensed consolidated statements of cash flows

(RMB '000)	2018	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	(80,463)	(47,994)
Adjustments to reconcile net loss to net cash (used in)/provided by operating activities:		
Share-based compensation	22,300	14,747
Others, net	14,018	6,345
Changes in operating assets and liabilities:		
Cost and estimated earnings in excess of billings	(18,411)	4,199
Accounts payable	917	10,358
Others, net	18,654	(42,748)
<b>Net cash used in operating activities</b>	<b>(42,985)</b>	<b>(55,093)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from maturity of short-term investments	149,510	105,730
Purchase of short-term investments	(110,510)	(113,404)
Others, net	(13,674)	(3,739)
<b>Net Cash flow from/(used in) investing activities</b>	<b>25,326</b>	<b>(11,413)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from a short-term bank loan	5,000	5,000
Repayment of short-term bank borrowing	-	(5,000)
Proceeds from loans from a third party	10,000	30,000
Repayment of loans to third parties	(3,000)	(5,000)
Proceeds from issuance of a subsidiary's equity to a non-controlling interest holder	4,000	-
Shares issued upon vesting of restricted share units	-	5
Proceeds from initial public offering, net of issuance costs	-	252,861
Proceeds from issuance of Series C redeemable convertible preferred shares	-	47,436
<b>Net cash provided by financing activities</b>	<b>16,000</b>	<b>325,302</b>
Effect of exchange rate changes on cash and cash equivalents	1,723	1,347
Net increase in cash and cash equivalents	64	260,143
Cash and cash equivalents at the beginning of the year	61,455	61,519
<b>Cash and cash equivalents at the end of the year</b>	<b>61,519</b>	<b>321,662</b>



# *THANK YOU*

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