

GRIDSUM 国双

Empower your e-Performance

Investor Presentation

March 2017

SAFE HARBOR

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USE OF NON-GAAP FINANCIAL MEASURES

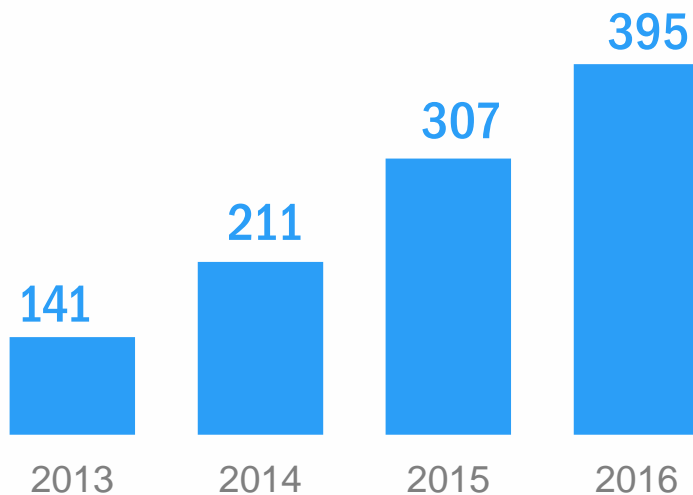
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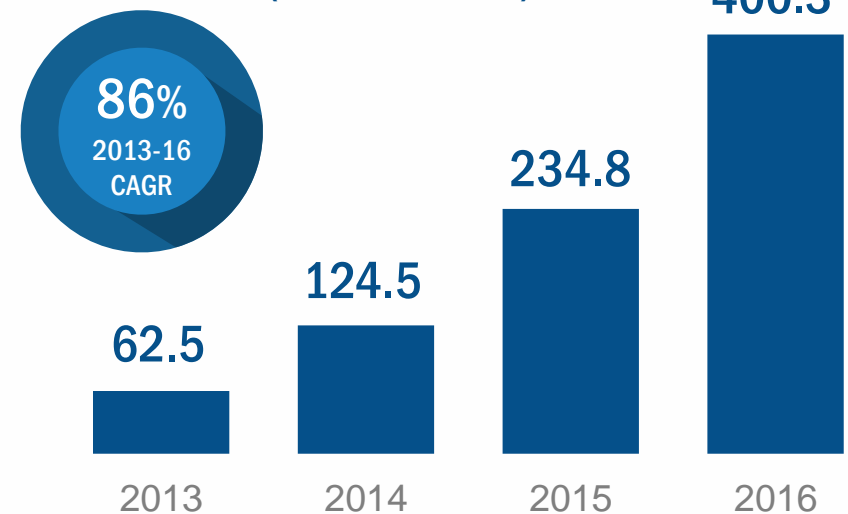
Providing cloud-based solutions to help our customers make data driven decisions.

Rapidly Growing Customer Base



Exceptional Net Revenue Growth

(RMB in millions)



CHINA WILL LEAP-FROG DIRECTLY TO BIG DATA

pencil & paper



everything is **connected**

subjective decisions



data driven decisions

“low hanging fruit”



focus on **operational efficiency**

foreign software vendors



“made in china”

then ...

... & **NOW**

SUBSTANTIAL POTENTIAL FOR ENTERPRISE SOFTWARE GROWTH



19.2 million total registered companies in China¹

230,000 of them are large enterprises¹

0.9 million of them are medium enterprises¹

US\$18 billion 2015 software spending (0.2% of GDP)²



only **103,900** companies in the US with over 100 employees³

however, **US\$240 billion** is spent on software (1.3% of GDP)⁴

1. Source: SAIC 2015 data, released in March 2016. Large and Medium enterprises defined as companies with registered capital in excess of RMB100 million (representing 1.2% of total registered companies), and between RMB20 and RMB100 million (representing 4.6% of total registered companies), respectively.

2. Represents total software spending by governments and businesses in China in 2015, according to Forrester Research, divided by US\$10.9 trillion China 2015 GDP, according to World Bank.

3. US Census Bureau cites 18,636 large enterprises, defined as companies with more than 500 employees.

4. Represents total software spending by governments and businesses in US in 2015, according to Forrester Research, divided by US\$17.9 trillion US 2015 GDP, according to World Bank.

ADDRESSING DATA CHALLENGES FACED BY COMPANIES IN CHINA

— MASSIVE VOLUME of DATA —

China data consumption growing to

8,060 exabytes by 2020¹

717mm internet users²

thousands of different phone models

— TRADITIONAL TOOLS —

manual labor

EXCEL FILES

bootleg applications

binders of paper

legacy software

often not optimized for Chinese language or conventions

GRIDSUM 国双

fully integrated product suites

one-stop end-to-end solution

easy and rapid deployment

made in China for China

Chinese NLP capabilities

fast multi-dimensional drill-down

real time analytics

1. EMC Corporation / International Data Corporation "The Digital Universe of Opportunities", April 2014

2. Forrester Research, "Implement New Digital Tech to Drive Customer Success in China," March 2016

INVESTMENT HIGHLIGHTS

cloud & big data pioneer in China

developing distributed,
scalable platform since 2005

powerful cumulative data assets

analyzing more data longer
creates platform intelligence

addressing a substantial market opportunity

disrupting an US\$18 billion
China software market¹

diversified customer base

395 blue chip customers
across industries²

market leading intellectual property

>60 granted **1,500** pending
>600 big data & AI

scalable business model

87% gross margin³
recurring SaaS revenue

1. Represents total software spending by governments and business in China in 2015, according to Forrester Research: "Implement New Digital Tech to Drive Customer Success in China", August 2016.

2. Number of customers in 2016.

3. For the full year of 2016.

PIONEER IN STRUCTURED & UNSTRUCTURED DATA ANALYTICS

GRID
distributed computing

+

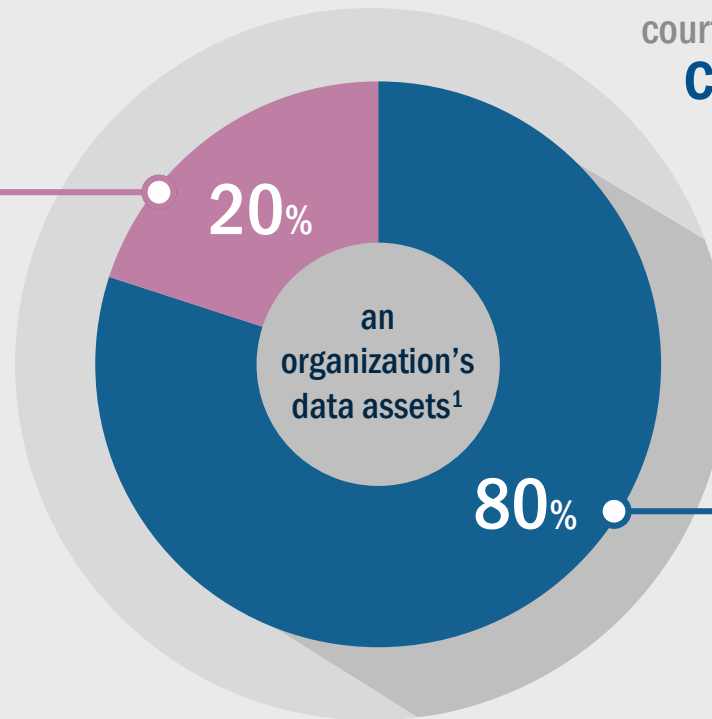
SUM
analytics

STRUCTURED



- > transaction data
- > purchase price
- > number of viewers

anything **organized** in
rows and **columns**



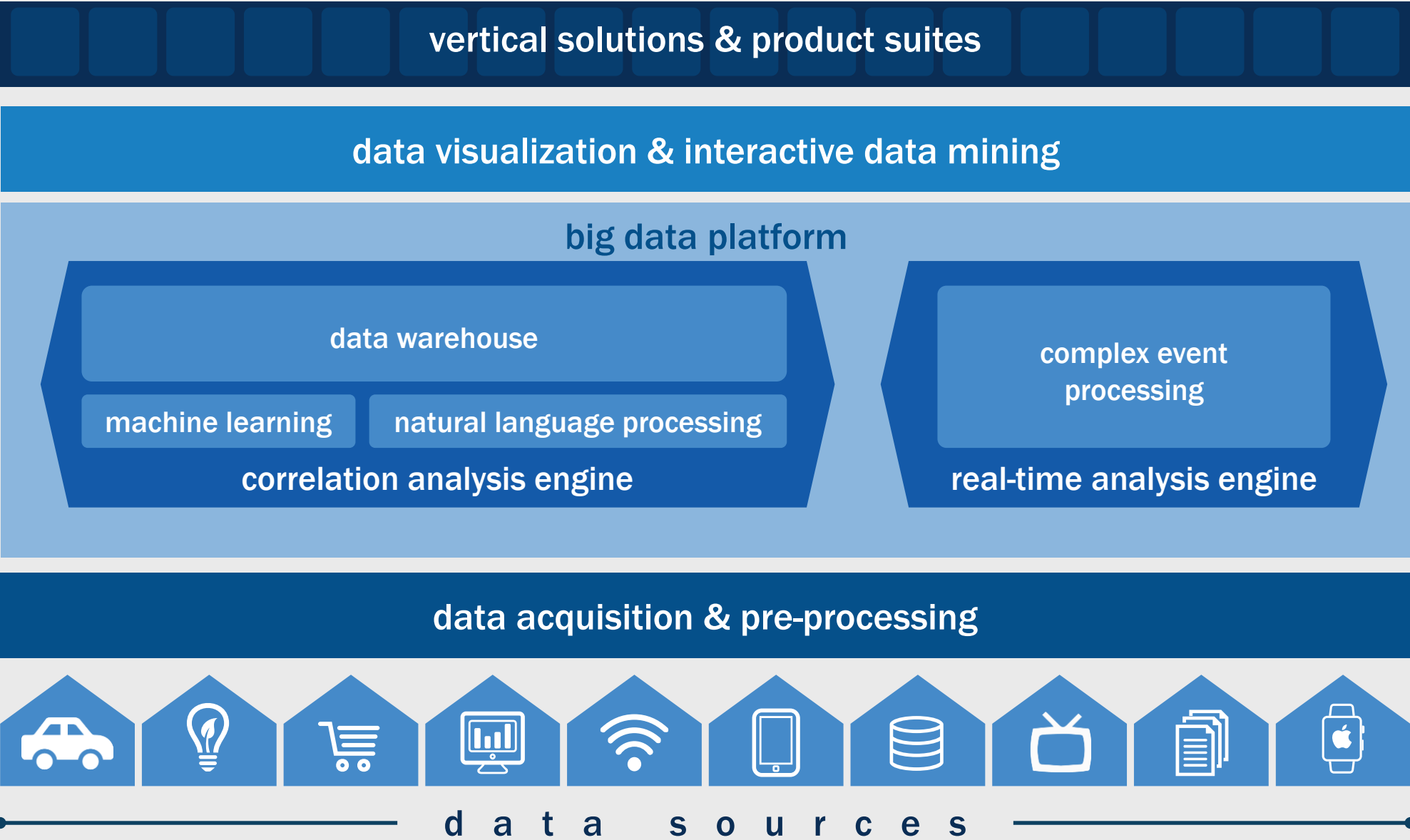
court room verdict
case background
ecommerce
buyer comments
contextual
search query



UNSTRUCTURED

1. Gartner "Big Content: The Unstructured Side of Big Data", May 2013.

OUR PROPRIETARY FULLY-INTEGRATED SOFTWARE STACK

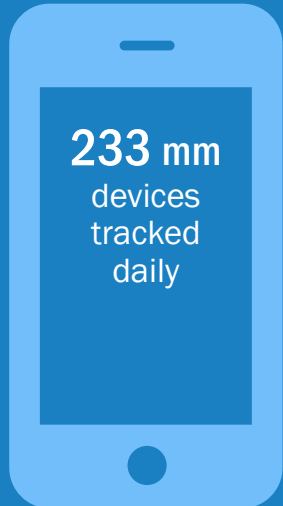


ARCHITECTURE OPTIMIZED TO ENABLE MACHINE LEARNING

Infinite dimension data drilldown

Automation with machine learning

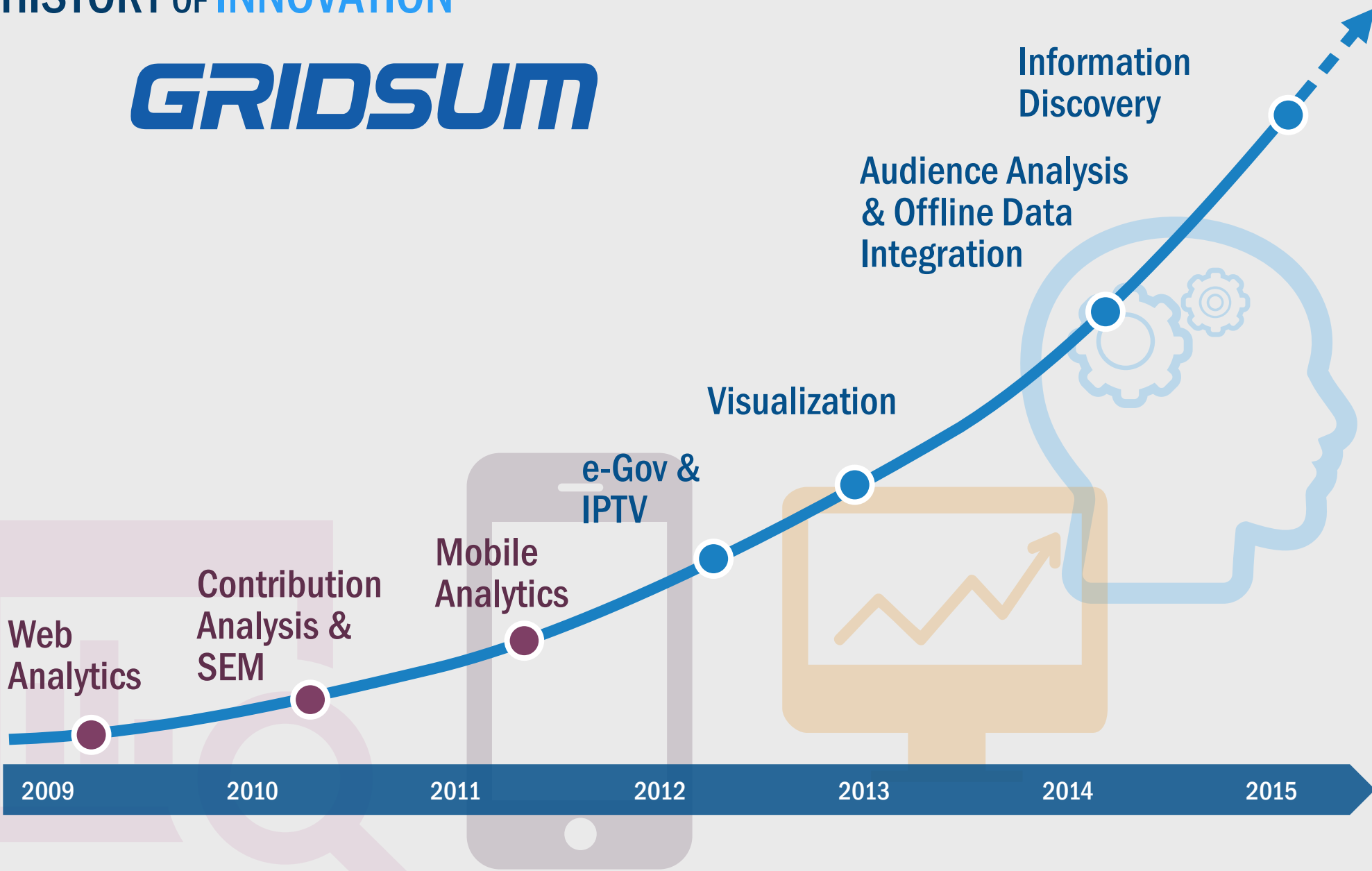
Connections remain active



collecting & analyzing more data over more years
creates REAL INTELLIGENCE

HISTORY OF INNOVATION

GRIDSUM



STRONG COMPETITIVE POSITION

fully integrated

software stack



cross-device functionality



lower

cost of ownership



easy to use



unique
government access




better

localization




WHAT WE SELL TODAY: INTEGRATED APPLICATION SUITES




Web Dissector




Recommendation Engine




Mobile Dissector




Audience Dissector




SEO Dissector



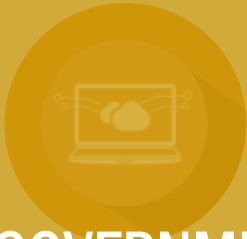
Contribution Dissector




SEM Dissector




Ad Dissector




Gov't Integrated Rights Platform



Gov't Web Dissector




TV Dissector




Streaming Dissector



Video Dissector




Rating Dissector




Media Dissector




Information Dissector



Law Dissector



Social Report Center



Gridsum Dashboard

MARKETING
AUTOMATION
SUITE

e-GOVERNMENT
SUITE

NEW MEDIA
SUITE

GRIDSUM
BIG DATA PLATFORM

INFORMATION
DISCOVERY SUITE

VISUALIZATION
SUITE

WE DRIVE VALUE FOR OUR CUSTOMERS BY CROSS SELLING



Exceptional ARPU growth from:

- > increasing spend on digital marketing
- > cross-selling beyond CMO budgets to CIO budgets

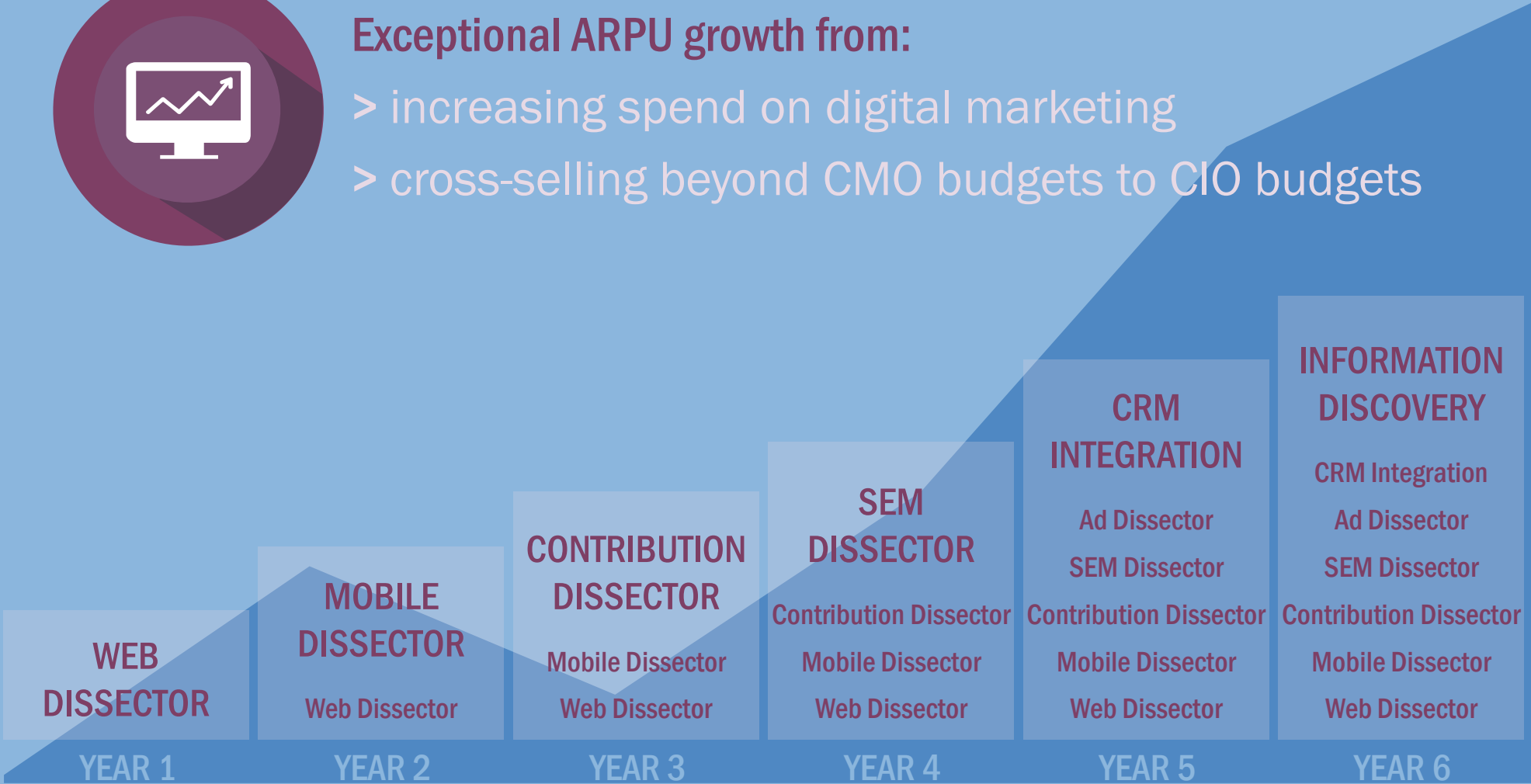


Chart represents ARPU growth for an illustrative customer.

OUR CUSTOMERS

global brands & China leaders

across a wide range of industries & the public sector



financial



travel & hotels



new media



consumer
products



automotive



Internet &
e-commerce



electronics &
appliances



OUR FUTURE NEW APPLICATIONS & NEW VERTICALS



vertical solutions & product suites

salesforce

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data visualization & interactive data mining

+++ + a b | e a u[®]
S O F T W A R E

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Empower your e-Performance

big data platform

ORACLE[®]

GRIDSUM 国双
Empower your e-Performance

data acquisition & pre-processing

splunk[®]

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huge potential for data solution providers in China

THE RIGHT TEAM TO ADDRESS A GROWING OPPORTUNITY



Guosheng Qi
chief executive officer



John Liu
chief technology officer



Aaron Li
co-president



Michael Zhang
chief financial officer



Guofa Yu
chief operating officer



Ravi Sarathy
chief strategy officer



FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS



✓ Exceptional revenue growth

✓ High gross margin

✓ Predictable & recurring revenue

✓ Strong operating leverage

FINANCIAL HIGHLIGHTS (CONTINUED)



✓ **67% Y-o-Y Revenue Growth**

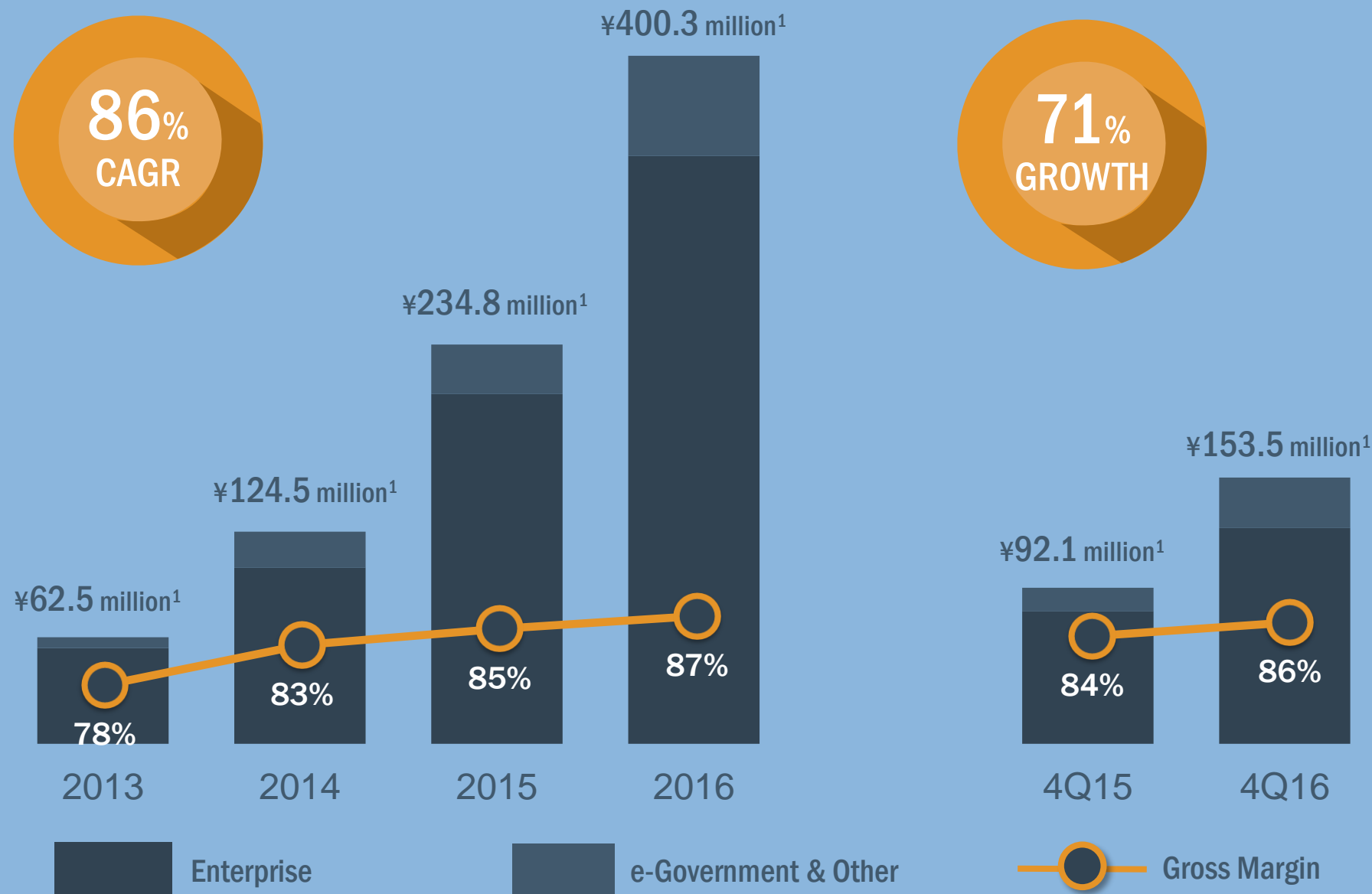
✓ **86% Gross Margin** (166 bps improvement)⁽¹⁾

✓ **New Customers**

✓ **133% Y-o-Y Operation Income Growth**

1. Q4 2016 compared to Q4 2015

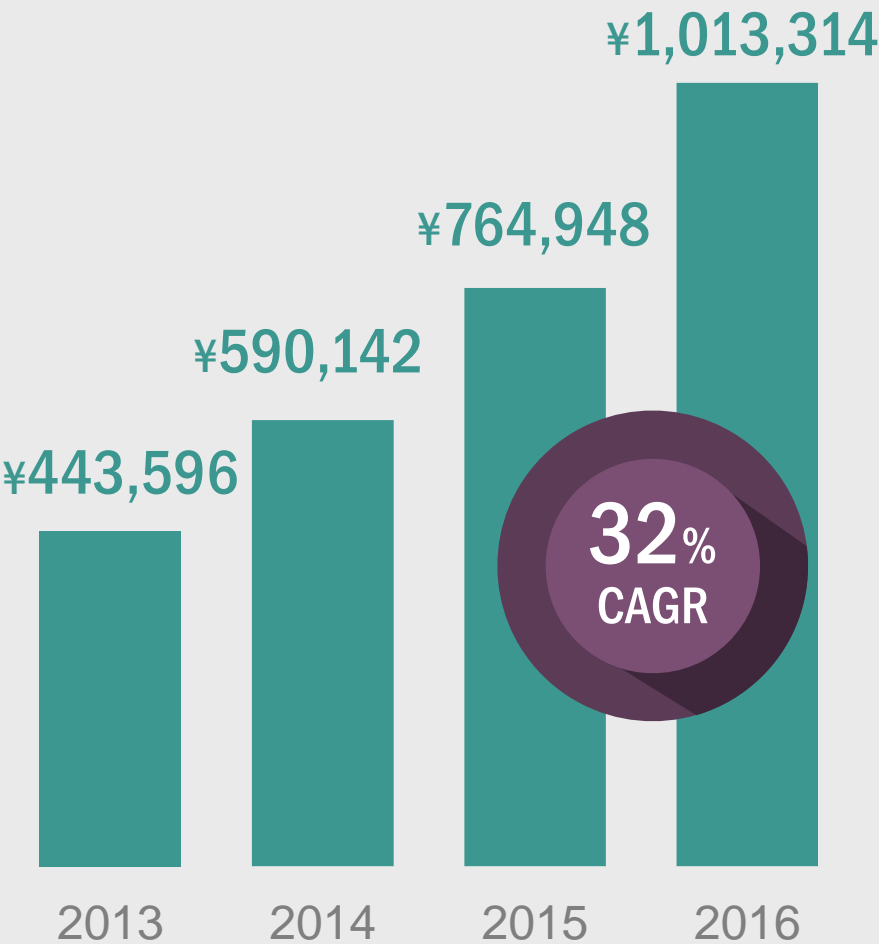
EXCEPTIONAL REVENUE GROWTH & GROSS MARGIN



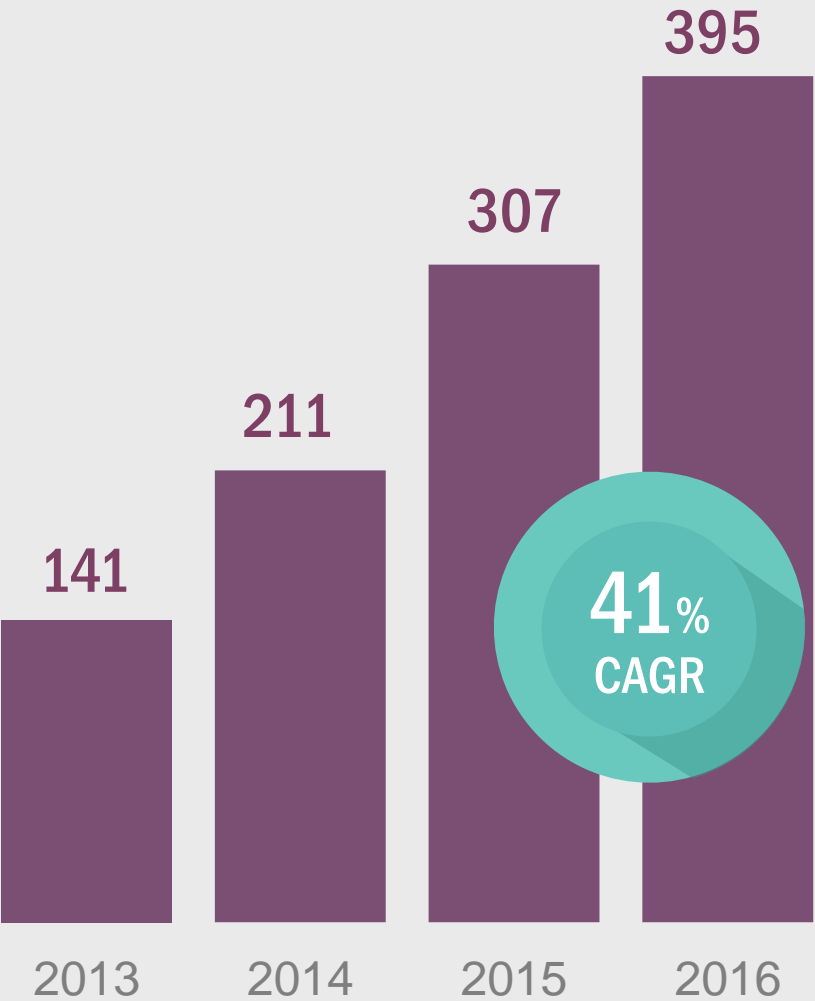
1. Net revenues, after subtracting business tax and surcharges (not shown)

CUSTOMER ANALYSIS

increasing revenue per customer
(revenue per customer in RMB)¹



consistent customer expansion



1. Total net revenues from customers in a period, divided by total number of customers in the same period.

STRONG OPERATING LEVERAGE

% of Net Revenue	Actual				Target Model
	2013	2014	2015	2016	
Gross Profit	78%	83%	85%	87%	↔
Sales & Marketing	46%	38%	36%	36%	↓
Research & Development	33%	31%	43%	39%	↓
General & Administrative	48%	44%	26%	21%	↓
Operating Income	(49%)	(29%)	(19%)	(9%)	↑

Thank you.

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