



NYSE: TUYA / HKEX: 2391.HK

Presentation

Second Quarter 2024



August 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, credit-related impairment of long-term investments, and litigation costs 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 credit-related impairment of long-term investments, and litigation costs 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.

Continual Growth with Profitability in Q2'24



\$73.3Mn / +29%

Total Revenue / YoY Growth

(Q2'23: \$57.0Mn)



\$20.8Mn / 28%

Non-GAAP¹ Net Profits /
Net Margin

(Q2'23: \$1.5Mn / 2.7%)



\$7.4Mn / 10%

Non-GAAP¹ OP Profits /
OP Margin

(Q2'23: \$-6.4Mn)



\$11.8Mn / \$1Bn

Net OP Cash Generated /
Net Cash Balance²

(Q2'23: \$7.5Mn / \$942.3Mn)

 ***First-time breakeven***

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.

2. "Net cash" refers to cash in banks, time deposits and 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.

- 1 *Company Introduction***
- 2 *Key Toplevel and Financial Updates***
- 3 *Embracing Generative AI Across the Board***

Company Introduction





**Build a Cloud Developer Ecosystem
Enable Everything to Be Smart**

#1

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

3,000

Global Customers
Served in Q2'24

1,000,000

Smart Device SKUs
as of June 30, 2024

1,192,000

IoT Developers across 200+ Countries
and Regions as of June 30, 2024

2,000+

Intellectual Properties
including Patents & Copyrights



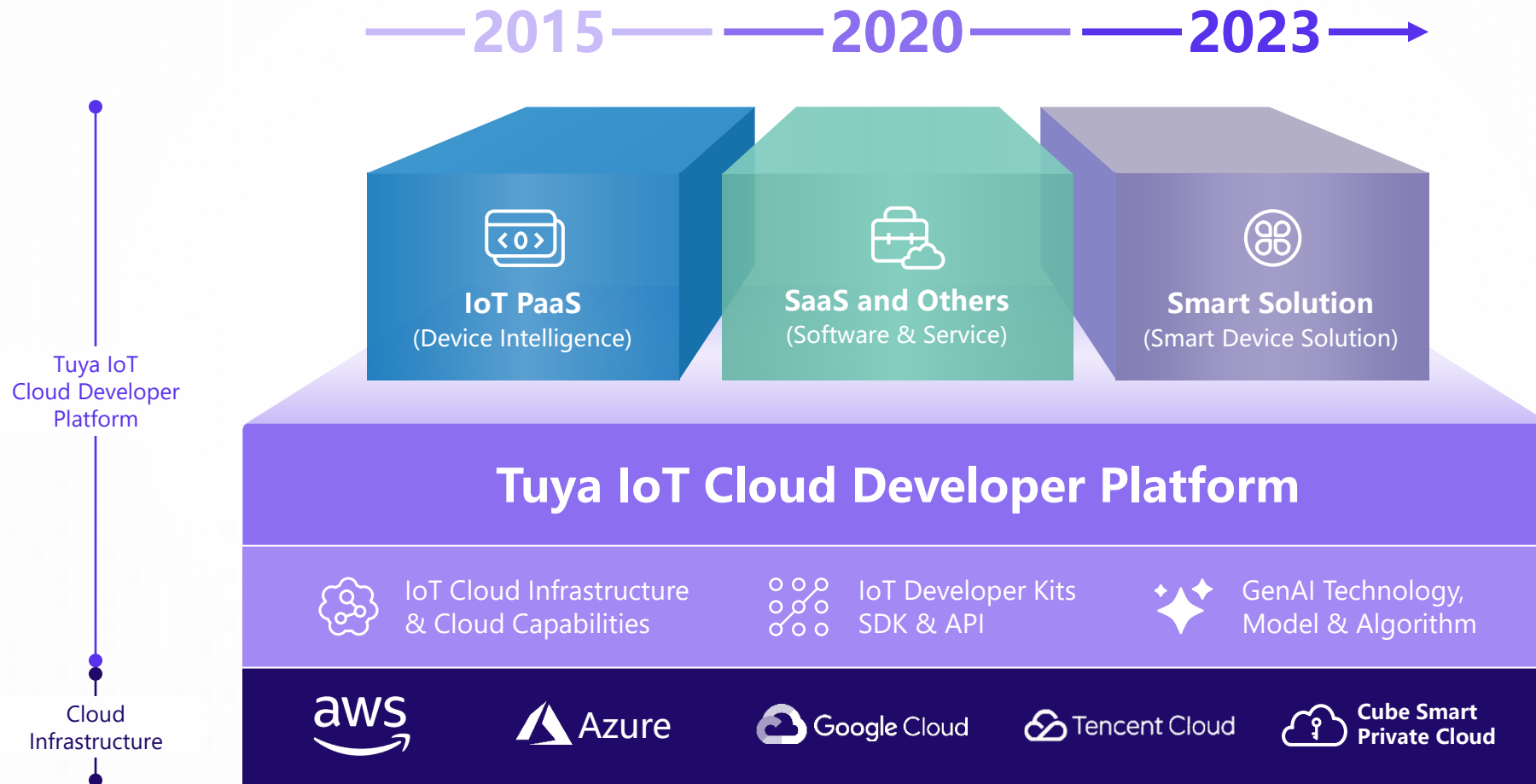
Smart · Innovative · Tech-Driven · Ecological
In IoT Field Worldwide

Global Business
Localized Operations

Source: According to CIC. Ranking among 3rd party platforms, 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.

After a Decade of Evolution, Our Business Has Significantly Expanded



Endorsed by Global Leading Customers

PHILIPS

Schneider
Electric

ABB

Honeywell

Möhlenhoff

SHARP
Be Original.

SoftBank

SIEMENS

Panasonic

SCG

AO 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

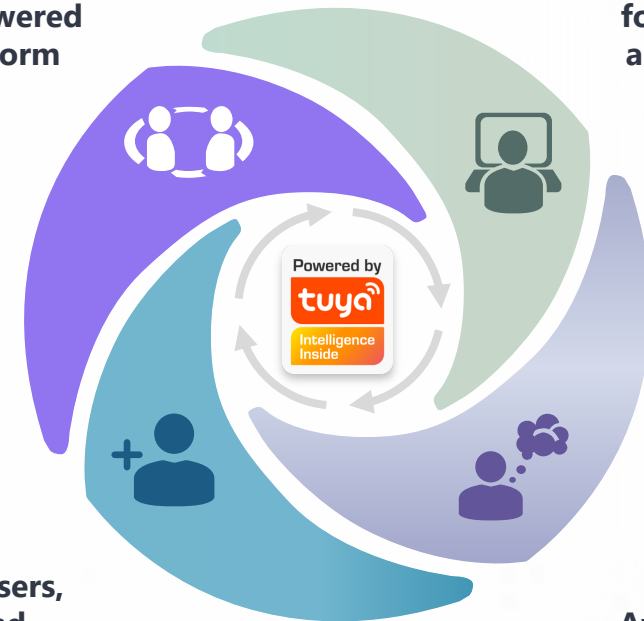
End users who own Tuya-powered devices are incentivized to purchase more Tuya-powered devices to take advantage of our interconnected and interactive ecosystem

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

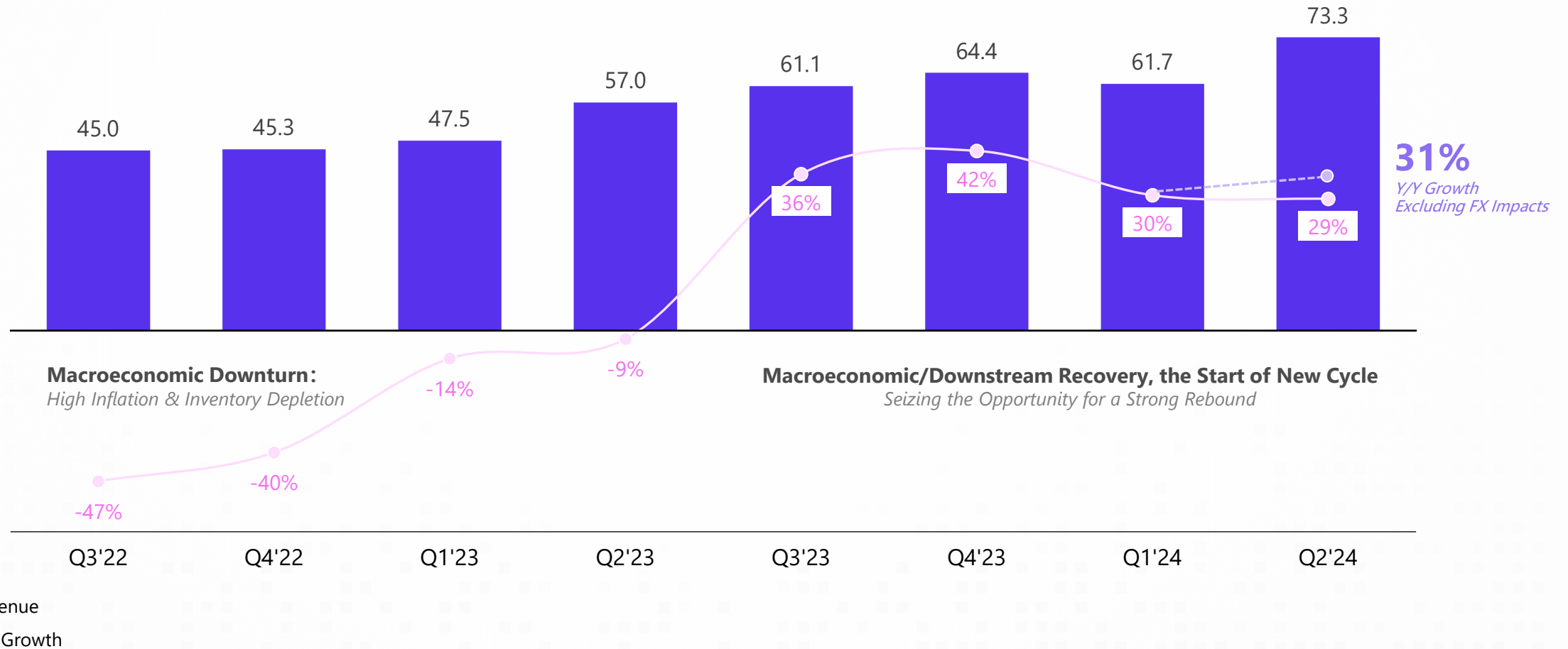


Key Topline and Financial Updates



Consecutive Quarters of YoY Growth Maintaining High Level

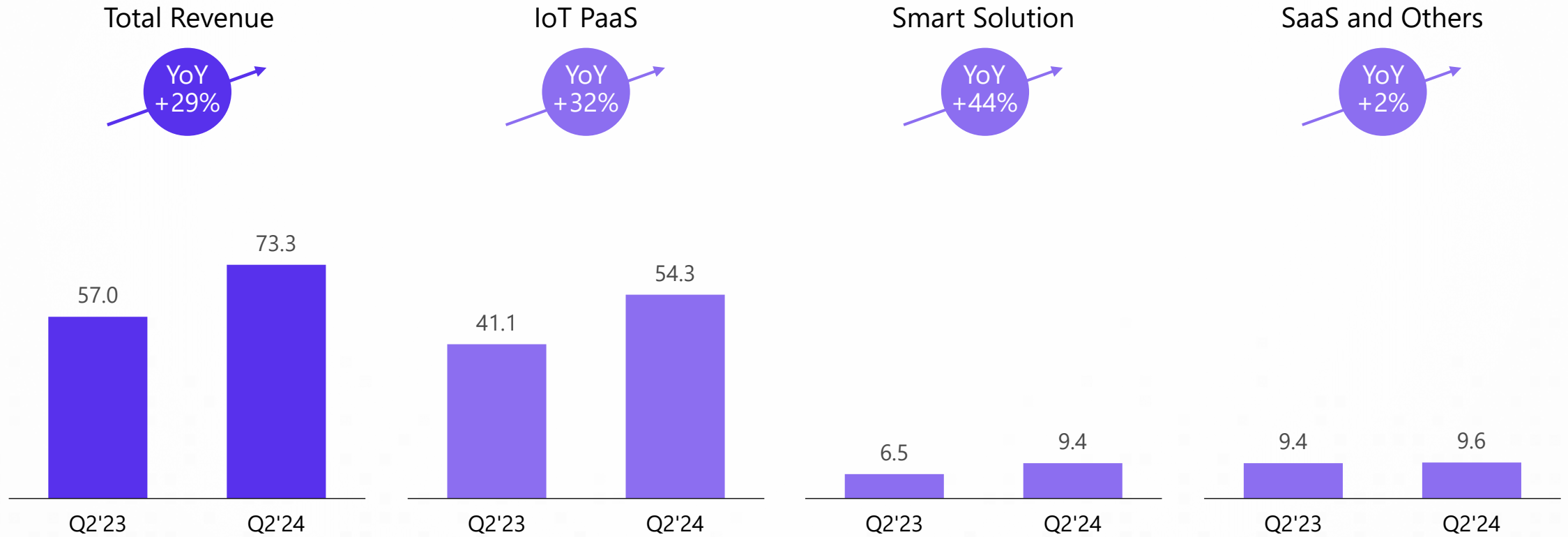
Total Revenue Y/Y Growth by Quarter (%)



Note: Numbers are rounded for presentation purposes.

Revenue Update

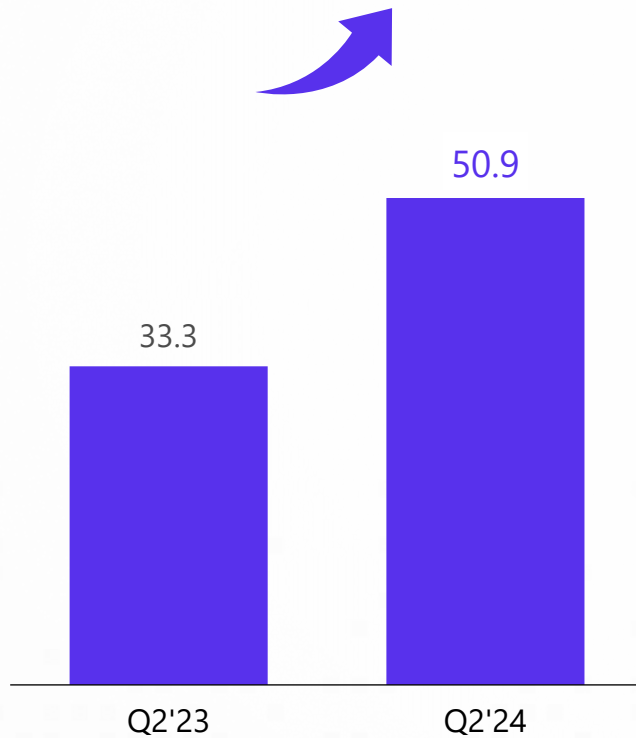
Revenue Breakdown, The Second Quarter (USD'M)



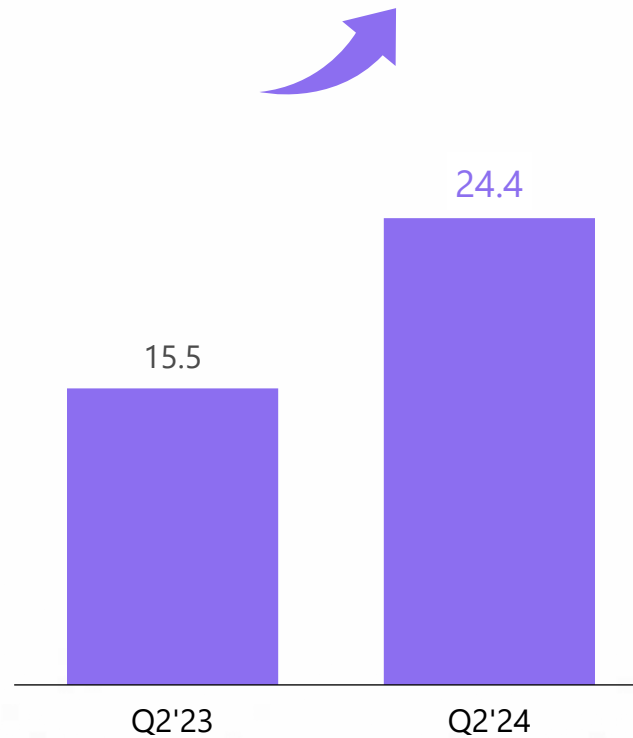
Note: Numbers are rounded for presentation purposes.

Revenue Efficiency Maintained High Level in Q2'24

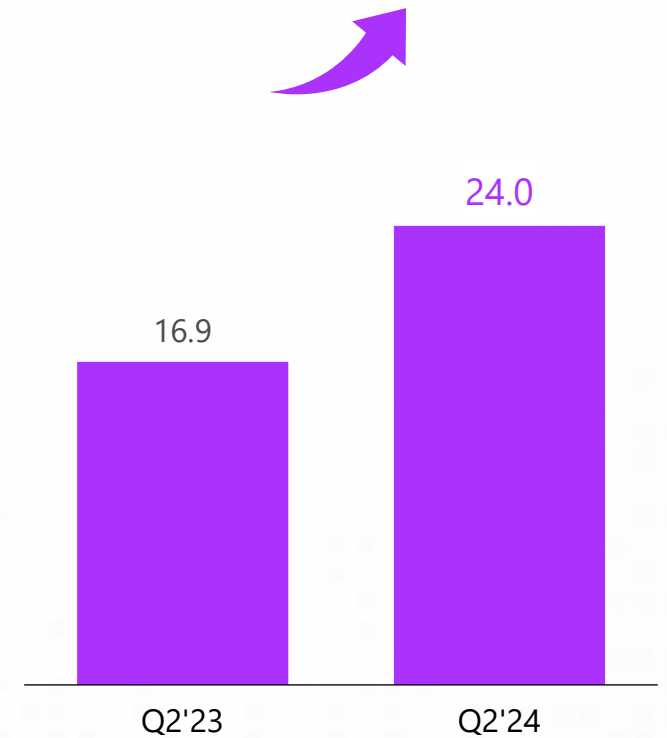
**Average Revenue Supported
Per Headcount**
(USD'K)



**Average Gross Profit Supported
Per Headcount**
(USD'K)



**Average Revenue
Per Customer**
(USD'K)

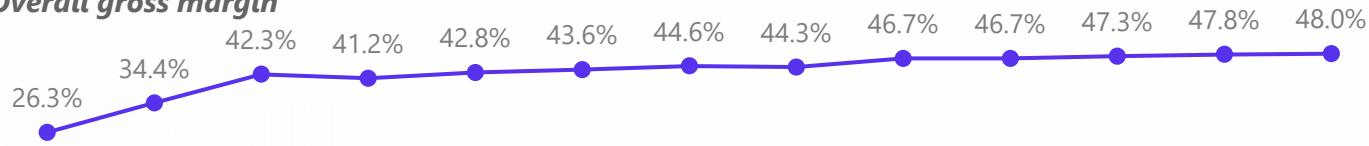


Note: Numbers are rounded for presentation purposes.

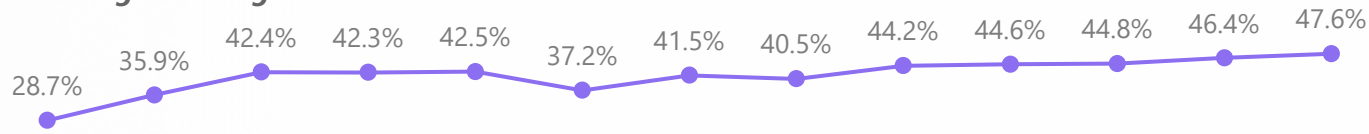
Stably Increased Gross Margin Secures Long-term Profitability

Gross Margin

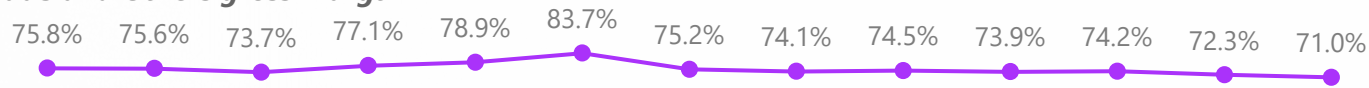
Overall gross margin



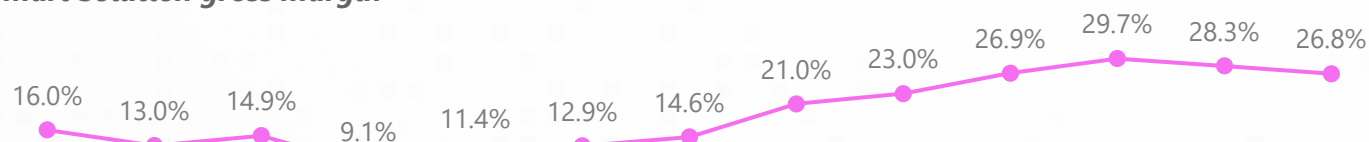
IoT PaaS gross margin



SaaS and Others gross margin



Smart Solution gross margin

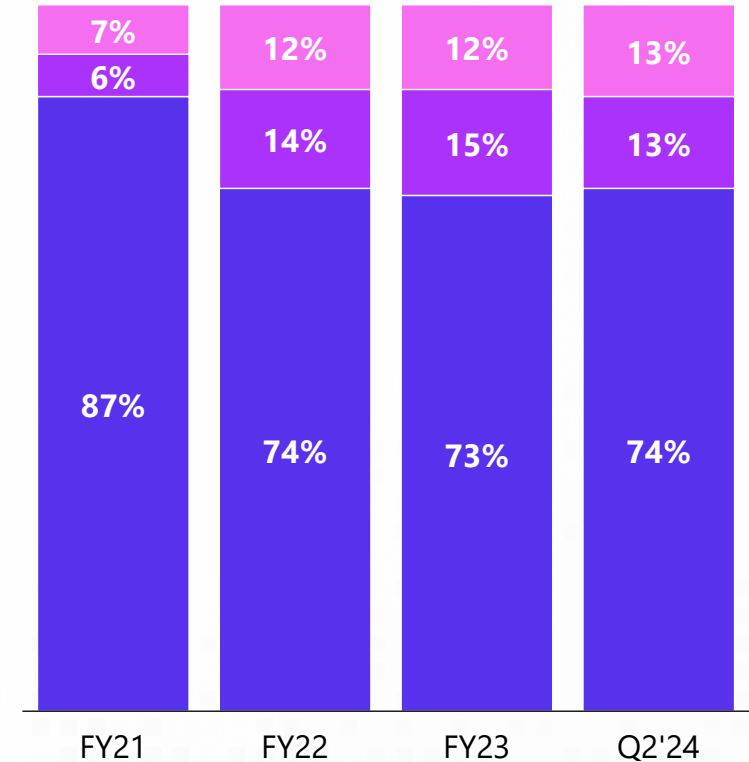


2019 2020 2021 Q1'22 Q2'22 Q3'22 Q4'22 Q1'23 Q2'23 Q3'23 Q4'23 Q1'24 Q2'24

Revenue Contribution

by Segments

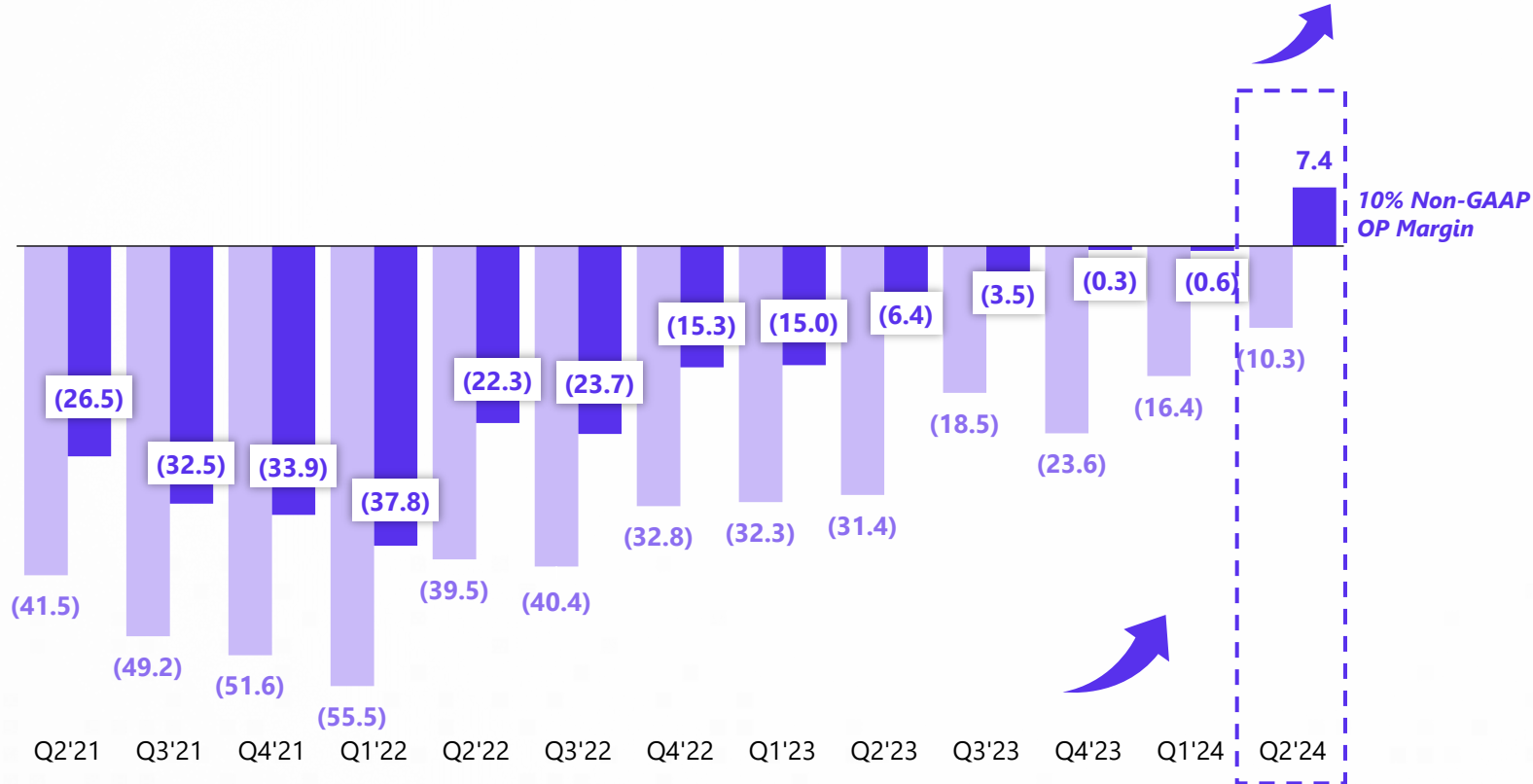
IoT PaaS SaaS and Others Smart Solution



Note: Numbers are rounded for presentation purposes.

First-time Achieved Quarterly Non-GAAP Operating Profit

Operating Profit/(Loss), GAAP and Non-GAAP¹ (USD'M)



- Non-GAAP Operating Profit/(Loss) (Excluding SBC, impairment loss of long-term investment and etc.)
- GAAP Operating Loss

Operating loss in Q2'24

narrowed by 67.1% Y/Y mainly due to —

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

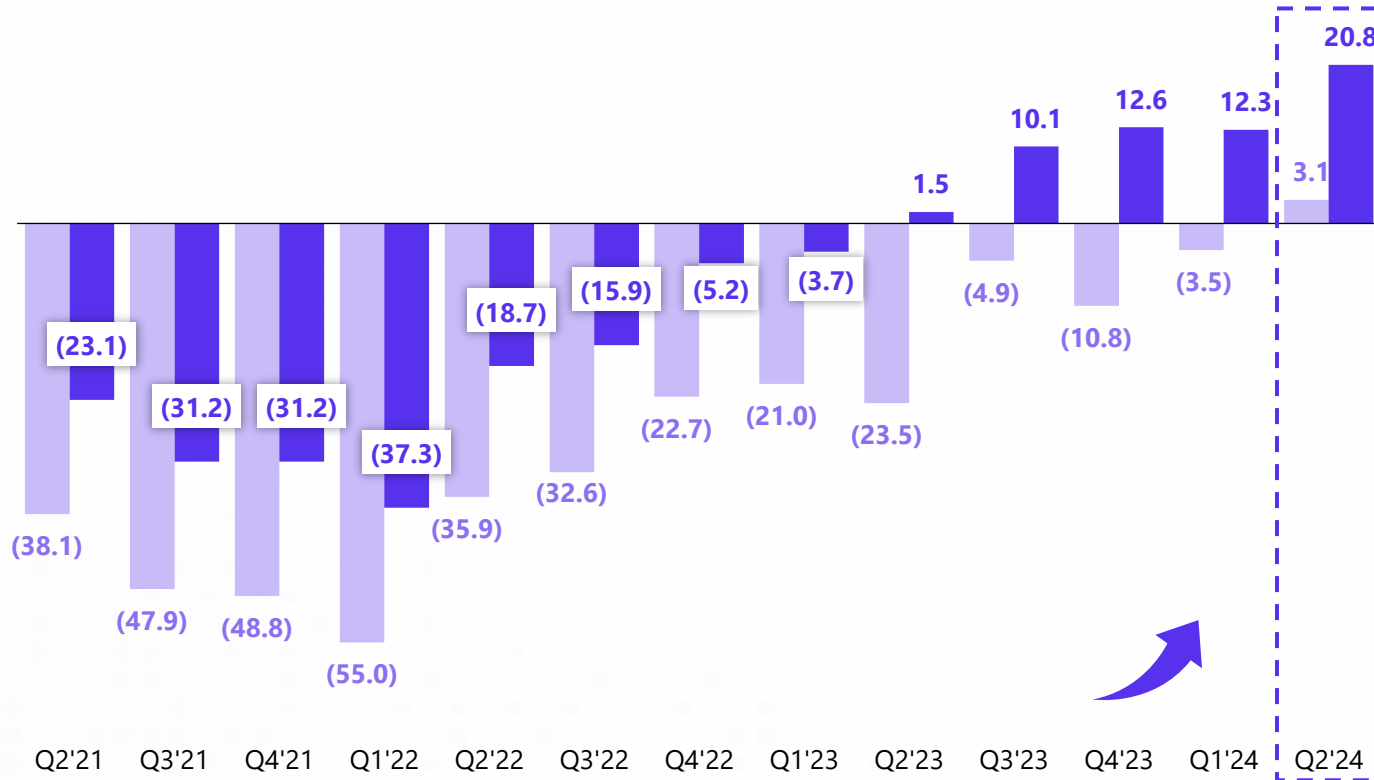
First-time achieved non-GAAP operating profit of \$7.4 million in Q2'24, compared to non-GAAP operating loss of \$6.4 million in Q2'23.

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 Profitability

Net Profit/(Loss), GAAP and Non-GAAP¹ (USD'M)



First-time achieved a net profit of \$3.1 million in Q2'24, mainly due to —

- Improvement in **operating loss**;
- US\$12.5 million of interest income achieved in Q2'24 due to treasury management.

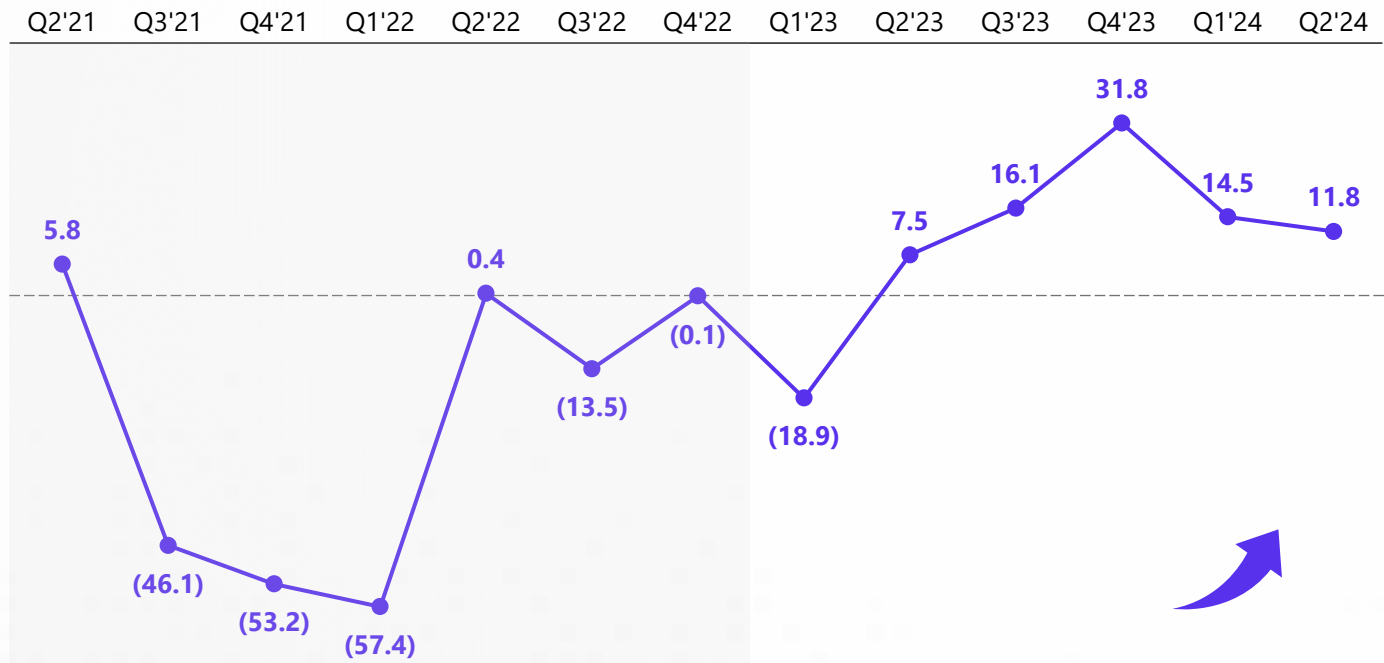
Non-GAAP net profit in Q2'24 improved by 1,276.5% to **\$20.8 million**, compared to \$1.5 million in Q2'23.

■ Non-GAAP Net Profit/(Loss) (Excluding SBC, impairment loss of long-term investment and etc.)
 ■ GAAP Net Profit/(Loss)

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 from/(Used in) Operating Activities (USD'M)



US\$1 Billion

Net cash¹
on June 30, 2024

US\$33 Million

First-time dividend
equivalent to
total non-GAAP net profit in 24H1

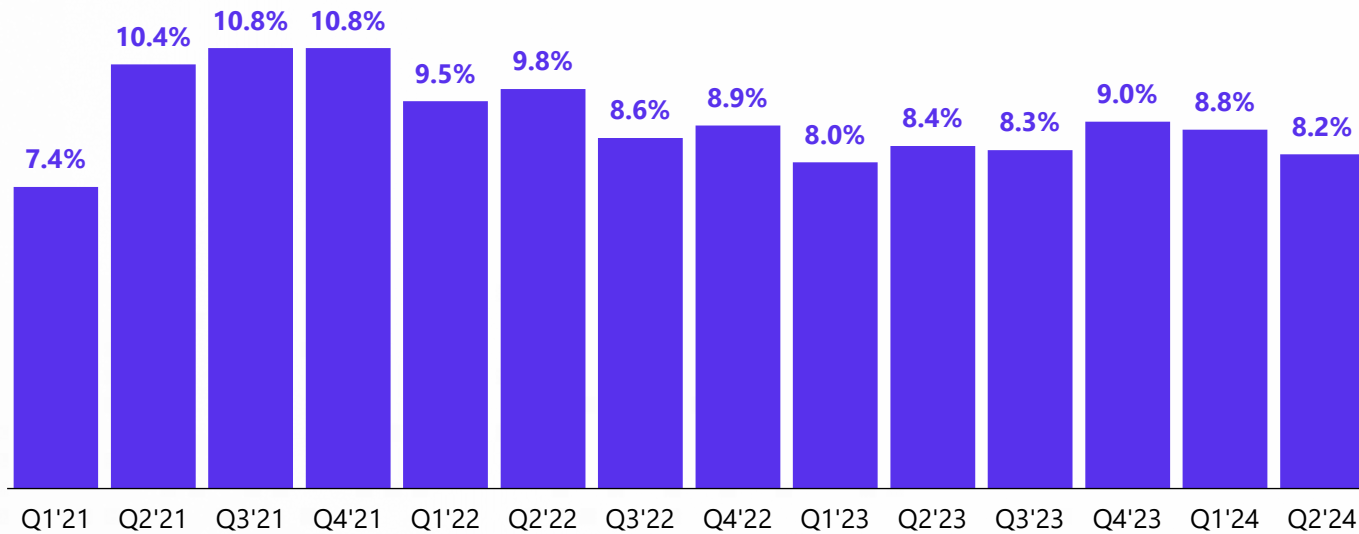


1. "Net cash" refers to cash in banks and time deposits/treasury securities recorded as short-term and long-term investments in the balance sheet (as Tuya has no loans or interest-bearing liabilities).
Note: Numbers are rounded for presentation purposes.

Strong Balance Sheet Assures Long-term Operation

Total Liabilities to Assets Ratio

(%)



No debt or capital commitments

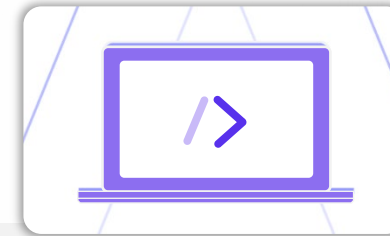
Liabilities are mainly operating related, such as account payable, salary payable, advance from customers, etc.

as of June 30, 2024

Note: Numbers are rounded for presentation purposes.

Key Business Growth Strategies

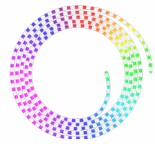
- 1 Further enhancement of product capabilities
- 2 Further expanding high-quality customer base
- 3 Expand into non-consumer electronics sectors
- 4 Continuously strengthen developer platform, creating competencies to efficiently serving highly fragmented IoT Market
- 5 Embracing Generative AI Across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



1,192,000
Developers¹ | **40.8%**
y/y Growth

1. "Developer" refers to the registered developer, as of June 30, 2024.

GenAI is Poised to Significantly Enhance The User Experience in Consumer Electronics



Smart Light Strips

Interpretation With Customizable Colors

Voice Interaction

Simple Conversational Control

Emotion-Infused

Enhanced Semantic Understanding

Tailored Experience

Ideal Ambiance Creation



Smart Pet Camera

Capture & Share Joyful Moment

Auto Recognition

AI-Driven Precision in Capturing Cherished Moments

Smart Editing

Automated Pet Videos with Dynamic Effects

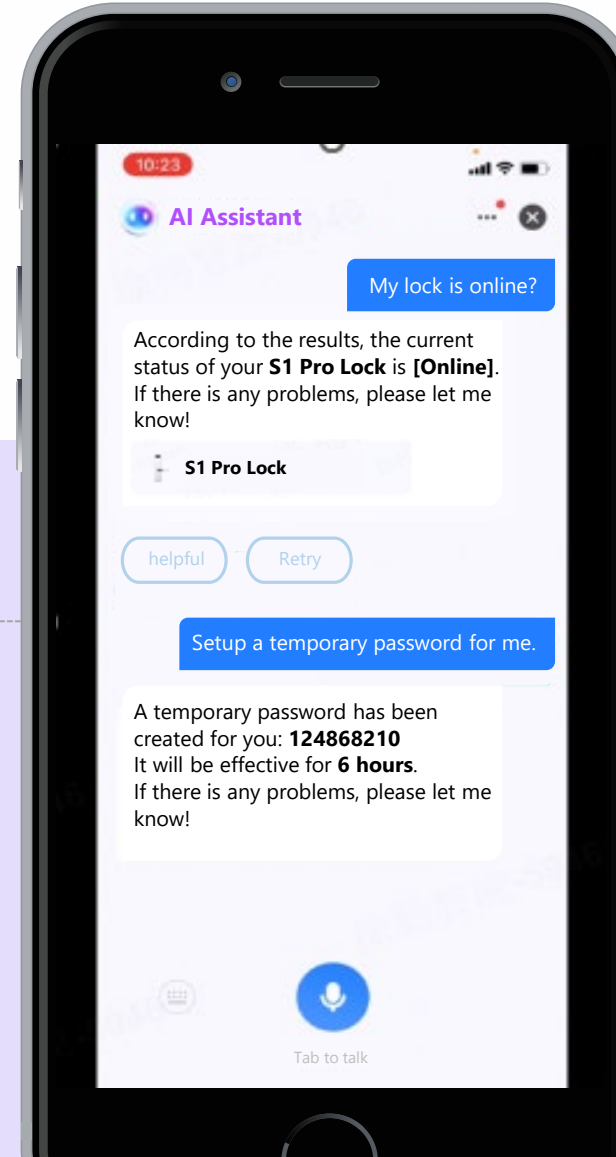
Effortless Sharing

One-Touch Sharing for Effortless Joy

GenAI Will Lower the User Barriers Significantly, Bringing Smart Devices into Every Home

GenAI-Powered Terminal

Elevating Smart Living to a New Level

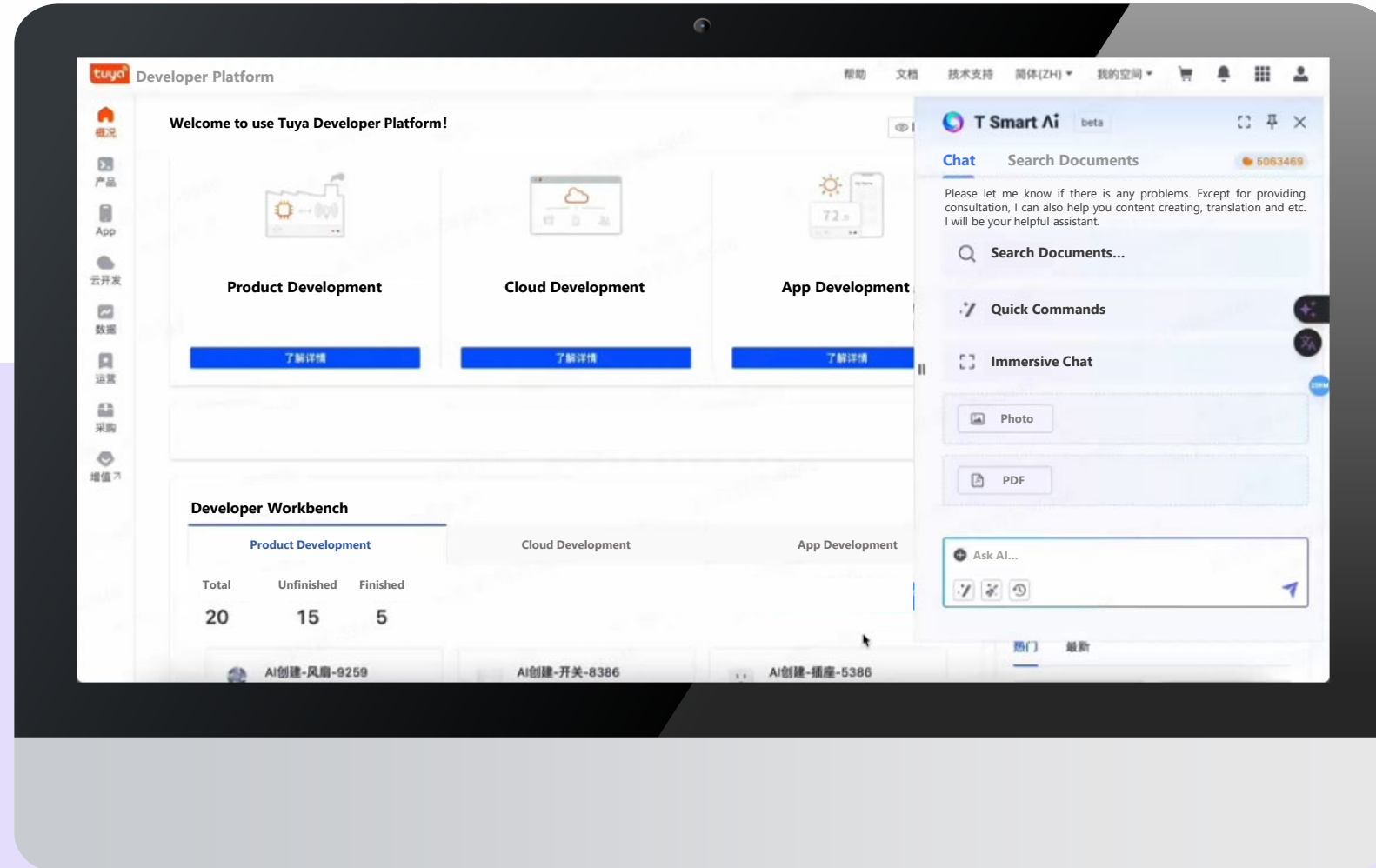


GenAI Will Greatly Boost Developer Efficiency & Deliver Profound Customer Insights

GenAI Integration

Seamlessly Merging Smart Development with Business Insight

An Unmatched Development Experience



Appendix



Appendix: Q2'24 Reconciliation of Non-GAAP to GAAP

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2024
	USD'000	USD'000
Reconciliation of operating expenses to non-GAAP operating expenses		
Research and development expenses	(26,474)	(22,993)
Add: Share-based compensation	4,006	3,376
Adjusted Research and development expenses	(22,468)	(19,617)
Sales and marketing expenses	(9,826)	(9,387)
Add: Share-based compensation	1,620	1,169
Adjusted Sales and marketing expenses	(8,206)	(8,218)
General and administrative expenses	(24,273)	(16,861)
Add: Share-based compensation	11,386	10,864
Add: Credit-related impairment of long-term investments	8,050	189
Add: Litigation costs	-	2,100
Adjusted General and administrative expenses	(4,837)	(3,708)
Reconciliation of loss from operations to non-GAAP (loss)/profit from operations		
Loss from operations	(31,418)	(10,344)
Add: Share-based compensation expenses	17,012	15,409
Add: Credit-related impairment of long-term investments	8,050	189
Add: Litigation costs	-	2,100
Non-GAAP (Loss)/Profit from operations	(6,356)	7,354
Non-GAAP operating margin	(11.2%)	10.0%
Reconciliation of net (loss)/profit to non-GAAP net profit/(loss)		
Net (loss)/profit	(23,549)	3,128
Add: Share-based compensation expenses	17,012	15,409
Add: Credit-related impairment of long-term investments	8,050	189
Add: Litigation costs	-	2,100
Non-GAAP net profit/(loss)	1,513	20,826
Non-GAAP net margin	2.7%	28.4%
Weighted average number of ordinary shares used in computing non-GAAP net profit/(loss) per share, basic	554,945,739	559,710,445
Weighted average number of ordinary shares used in computing non-GAAP net profit/(loss) per share, diluted	586,513,021	592,735,568
Non-GAAP net profit/(loss) per share attributable to ordinary shareholders – basic	0.00	0.04
Non-GAAP net profit/(loss) per share attributable to ordinary shareholders – diluted	0.00	0.04