

Cheetah Mobile, Inc.

First Quarter 2018 Results
May 21, 2018



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01

- **Overview**
- Quarterly Highlights
- Business Review & Financials
- Business Guidance

Total Revenues Exceeded High-End Guidance Profits and Margins Continued to Improve

(RMB, million)	1Q18	% of Revenue	YoY
Total Revenues	1,145		-4%
Utility Products and Related Services	745	65%	-10%
Mobile Entertainment	392	34%	8%
Content-driven Product	218	19%	-3%
Mobile Game	175	15%	25%
Others	8	1%	N/A
Gross Profit	754	66%	3%
Operating Profit	136	12%	418%

Non-GAAP*

Gross Profit	754	66%	3%
Operating Profit	145	13%	187%

*Non-GAAP = GAAP + share-based compensation expenses

02

- Overview
- **Quarterly Highlights**
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Core Business: Mobile Game Business Continued to Shine In 1Q18

- RMB175 million revenue, up 25% YoY
 - Driven by games that released in early 2017, such as Dancing Line
- Profits continued to grow thanks to operating leverage
- ~100 million monthly active players

Features nice background music and longer lifecycles

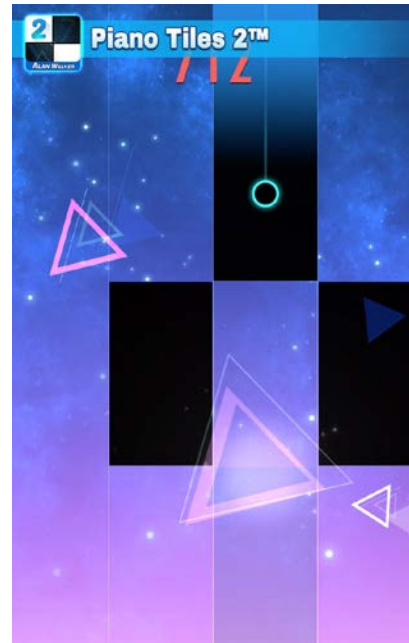
Dancing Line



Rolling Sky

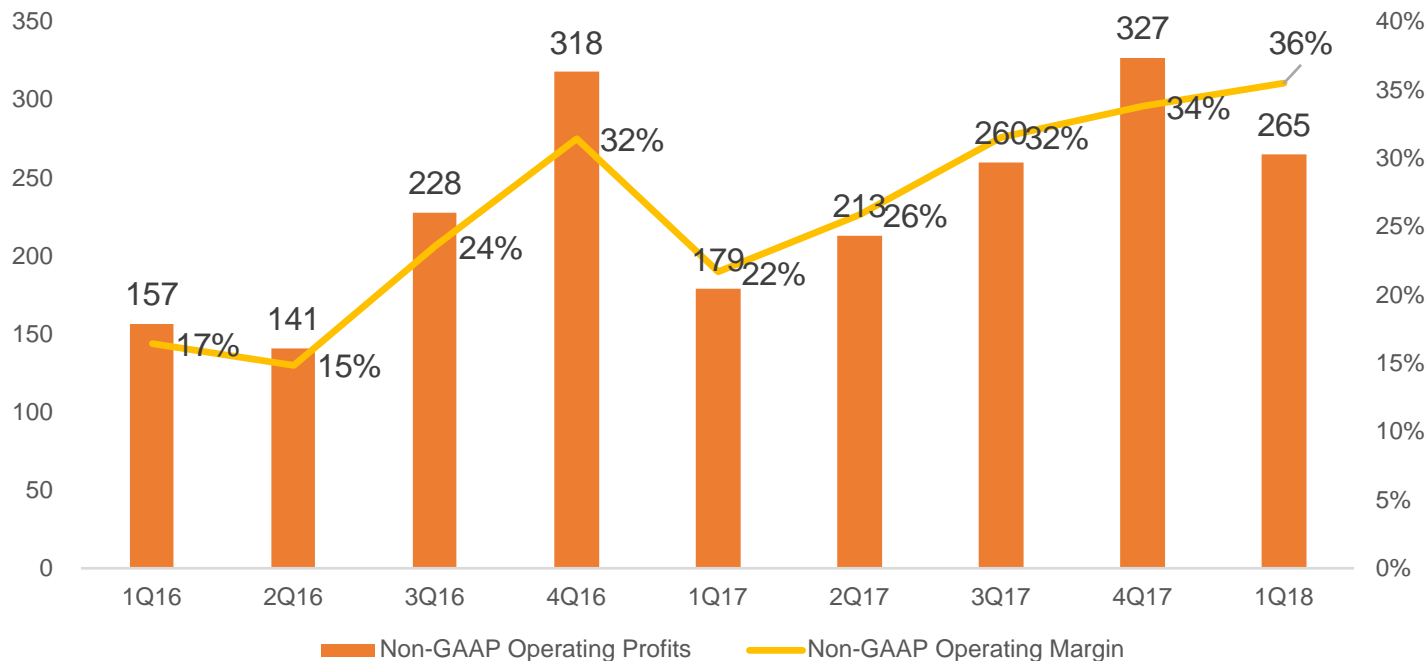


Piano Tiles 2



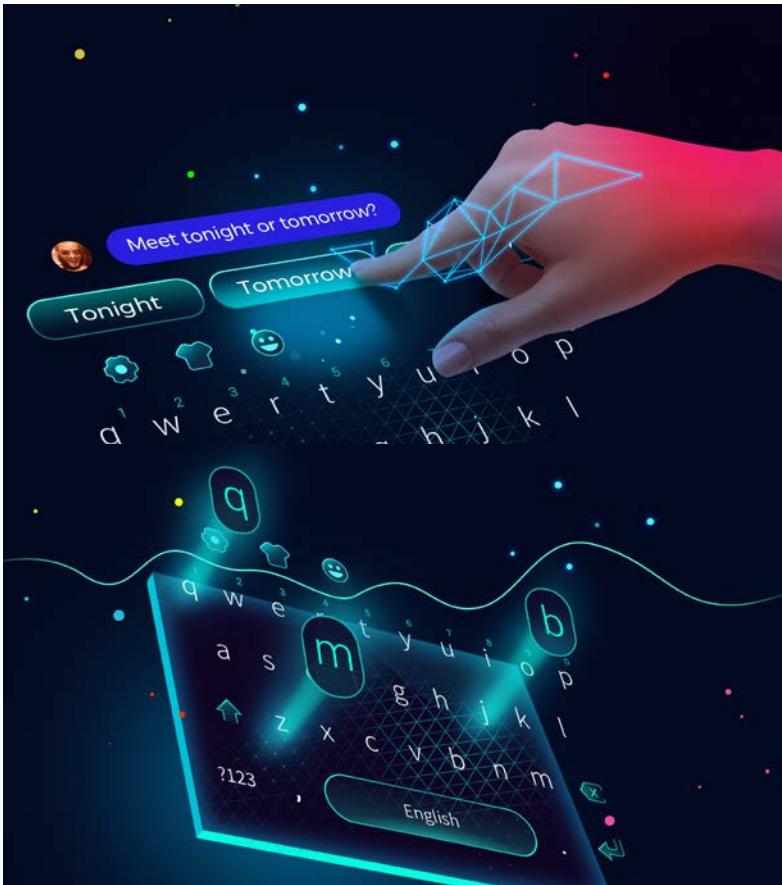
Core Business: Utility Products Business Continued to Earn Strong Profits and Cash Flow

RMB, million



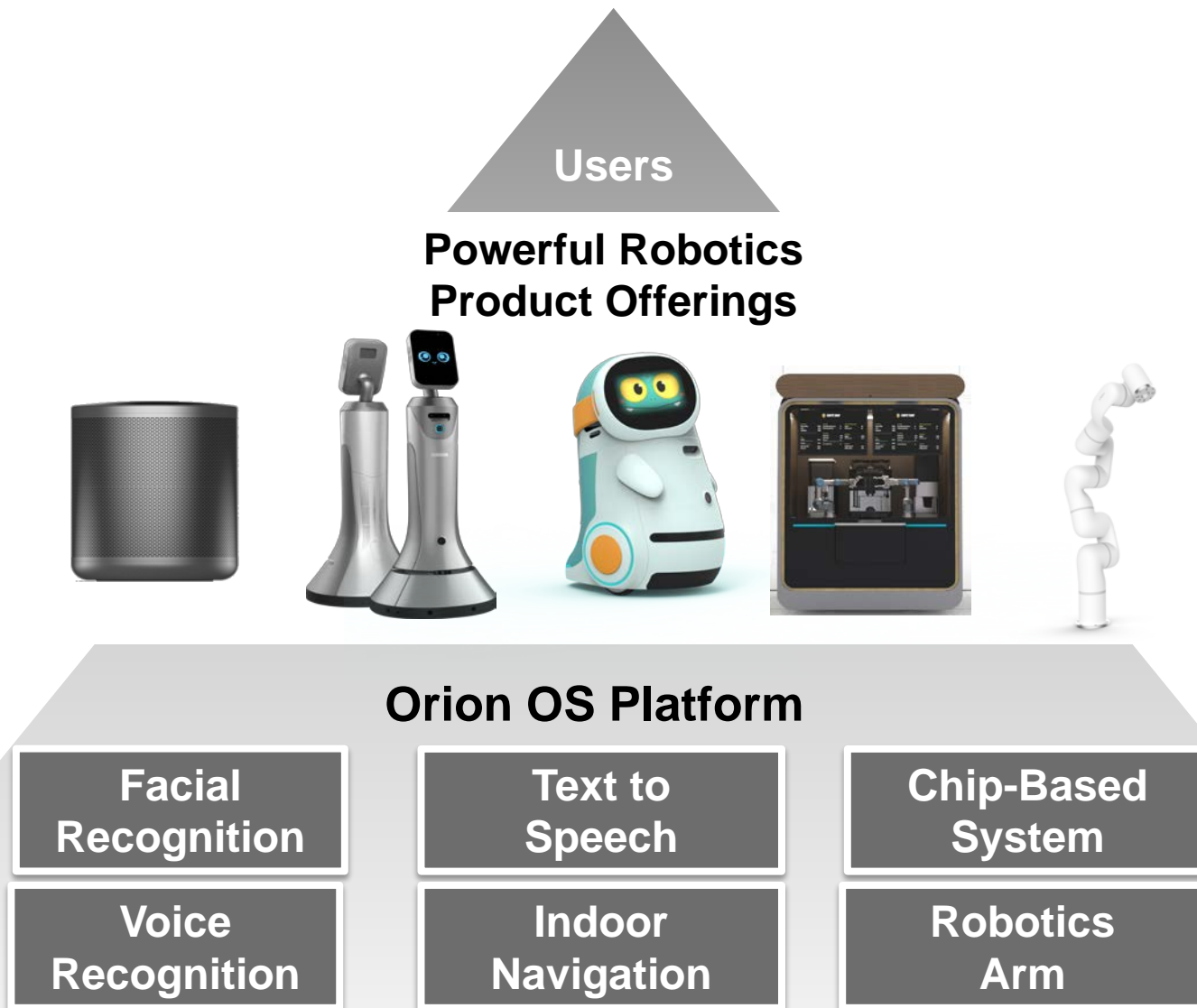
Thanks to our strategy to turn this segment into a cash cow by optimizing its cost and expense structure.

Start to Monetize Cheetah Keyboard



- Cheetah Keyboard features AI-powered smart reply and a collection of 3D keyboard themes.
- Cheetah Keyboard has introduced several music themes, which allow the app to make beautiful sounds when users touch the keys.

Robotics Business: Jointly Launched Robotic Products Powered by Orion OS – An Open Platform Developed by Beijing OrionStar



Cheetah Voicepod is An AI-based Smart Speaker – Developed by Cheetah Mobile



- Started delivering in April.
- Promoted on leading social media platforms such as Douyin and Miaopai.
- Distribution channels:
 - Available on JD.com and Tmall.com
 - Expanding offline distribution channel
- Sound and voice have been the two most favorite features of our users.

Cheetah Voicepod is An AI-based Smart Speaker - Developed by Cheetah Mobile

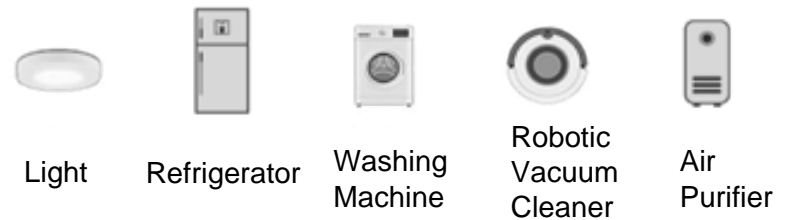
Content Portfolio:



Cheetah Voicepod has skills:



Voice control your home:



Cheetah GreetBot is A Full-Size Receptionst Robot - Developed by OrionStar



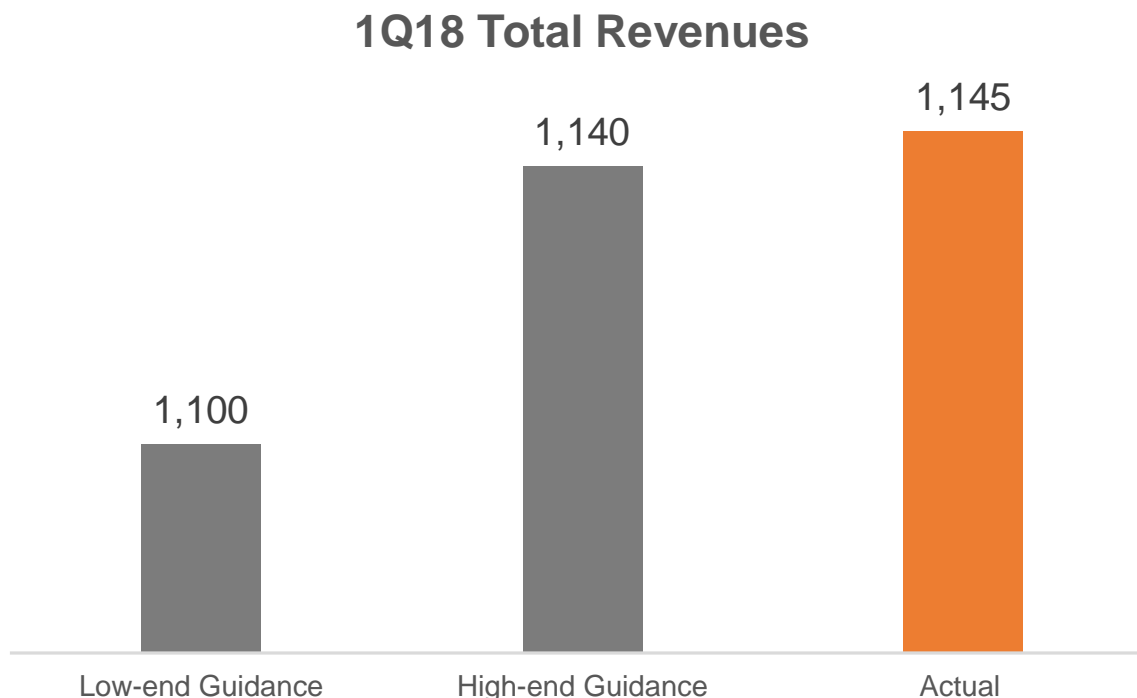
- An reception desk assistant
 - Recognize visitors when they arrive
 - Communicate with visitors
 - Help visitors find their contacts
 - Accompany visitors to meeting rooms
 - Tailor-made skill sets for customers
- Expect to start delivering in 4Q 2018.
- Cheetah Mobile will become the distributor of Cheetah GreetBot so the sales of these robotic products will contribute to our top-line.

03

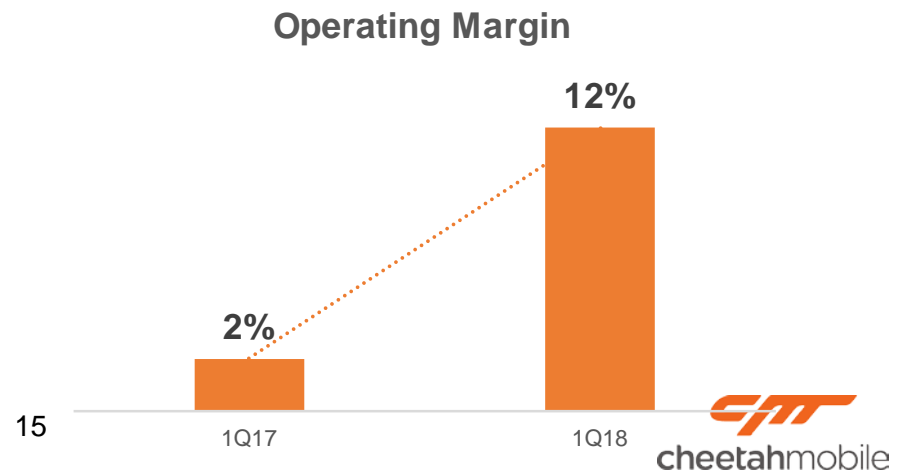
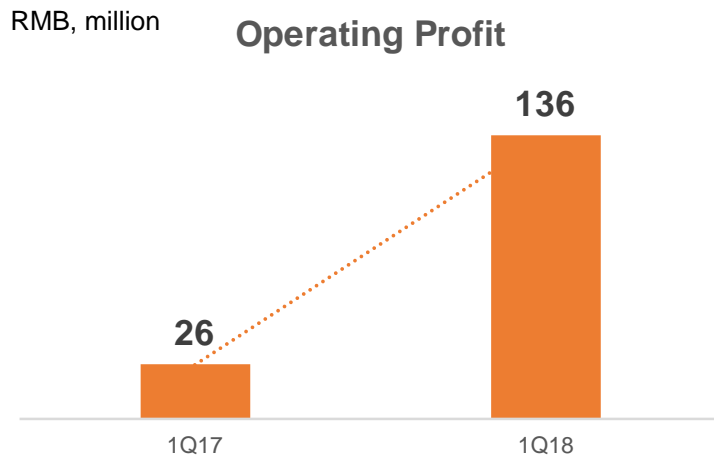
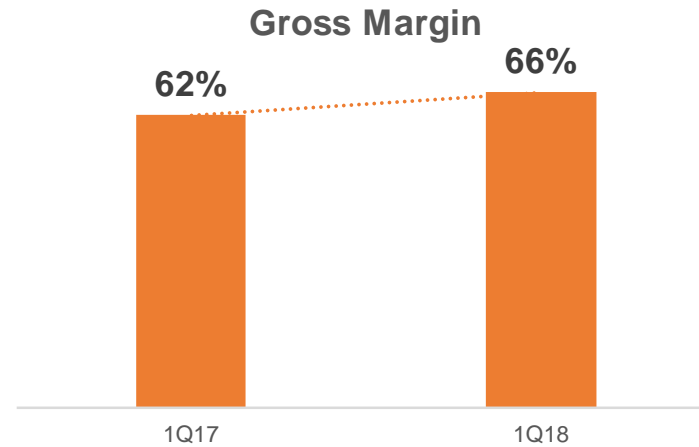
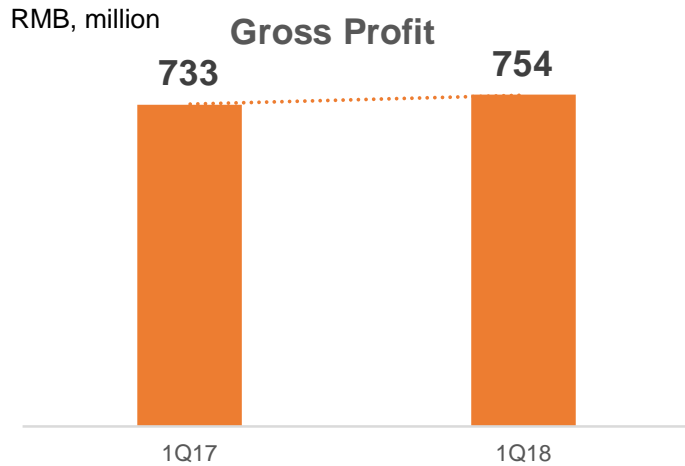
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Quarterly Revenue

1Q18 Total Revenues: RMB1,145 million, exceeding the Company's previous guidance range of RMB1,100 million to RMB 1,140 million.



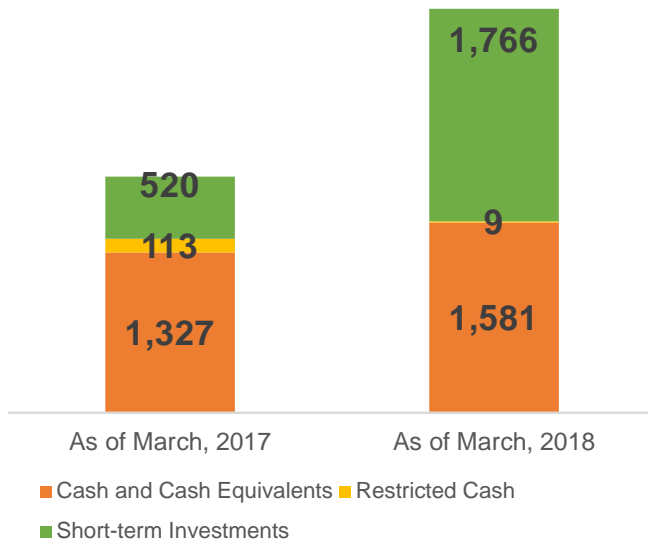
Improving Profitability



Strong Balance Sheet

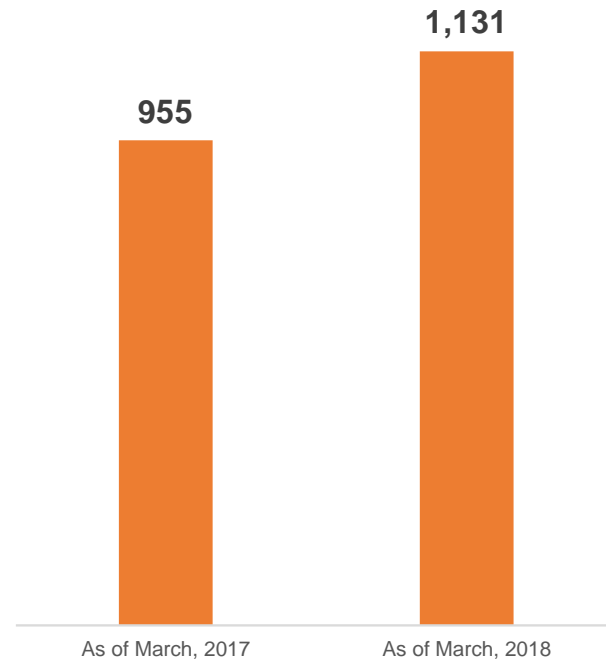
(RMB, million)

Cash, Cash Equivalents, Restricted Cash and Short-term Investments



(RMB, million)

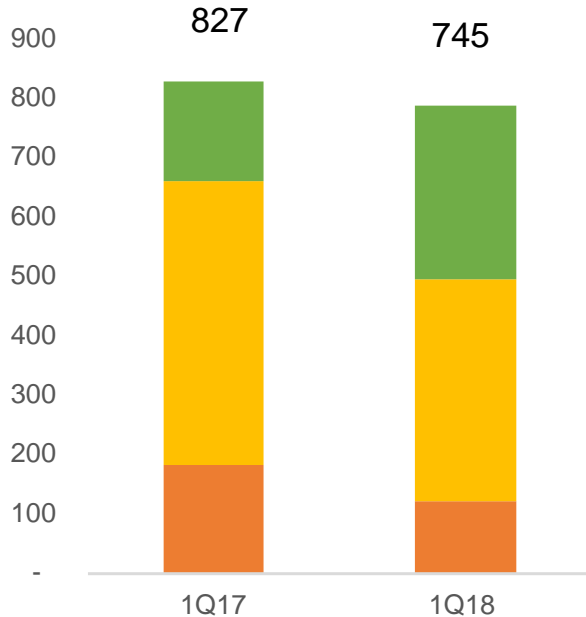
Long-term Investment



Utility Products Business Remained Healthy

Revenues from Utility Product and Related Services

(RMB, million)



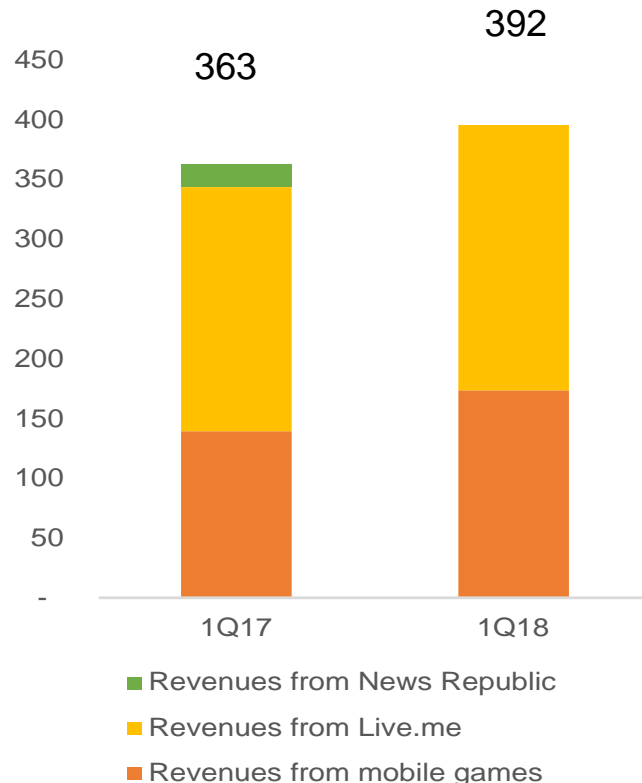
- Revenues from mobile utility products in China
- Revenues from mobile utility products in the overseas markets
- Revenues from PC

- Revenues from the utility products business decreased by 10% year over year to RMB745 million. This decline was due to:
 - (i) a decline in mobile utility products revenues in the overseas markets as Facebook and Google have discontinued the usage of ads on mobile phone lock screens since May 2017 and January 2018, respectively, and,
 - (ii) a decline in PC revenues.
 - (iii) This decrease was largely offset by the robust growth of our mobile utility products in China, driven by increase in both eCPM and impressions

Mobile Game Business – A Key Growth Driver for the Mobile Entertainment Revenue

Revenues from Mobile Entertainment Business

(RMB, million)

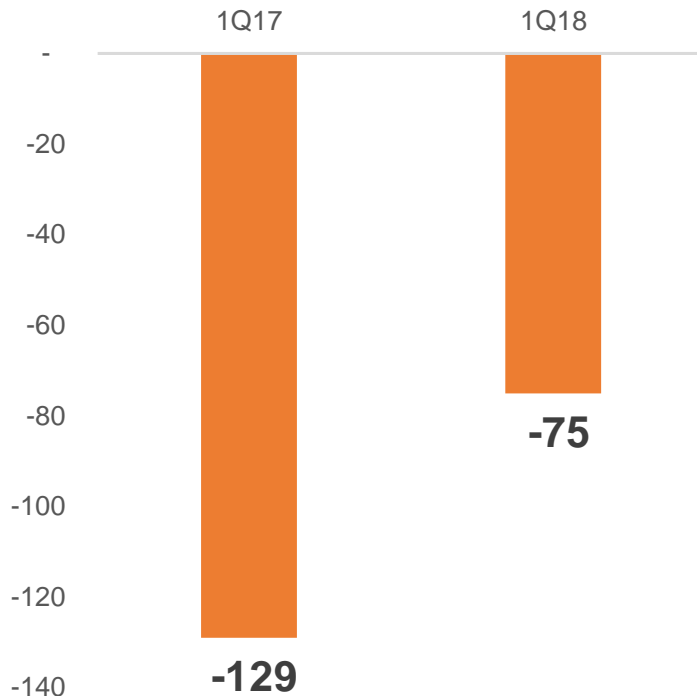


- Revenues from mobile entertainment business grew by 8% year over year to RMB392, driven by:
 - Mobile game business, increased by 25% year over year to RMB175 million.
 - Live.me business, increased by 6% year over year.
 - The growth in mobile game and Live.me businesses were partially offset by a decline in News Republic revenue as we disposed of the operation in 4Q17.

Losses for the Mobile Entertainment Business Reduced

Non-GAAP Operating Profits for the Mobile Entertainment Business

(RMB, million)



- The reduced losses were due to:
 - Revenues from Mobile game and Live.me businesses increased year over year.
 - Reduced cost and expenses for the News Republic business as we disposed of the operation in 4Q17.
 - The reduced losses were partially offset by our increased investments in the Live.me operation.

04

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2018 Q2 Total Revenue Guidance:

RMB**1,020** – **1,080** million (US\$**163** – **172** million)

Thank you!

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