Cango InvestorRoom

Cango Inc. Reports Fourth Quarter and Full Year 2020 Unaudited Financial Results

for the fourth quarter and full year of 2020.

Fourth Quarter 2020 Financial and Operational Highlights

Full Year 2020 Financial and Operational Highlights

and 0.40%, respectively, as of December 31, 2019.

• Automotive financing facilitation revenues were RMB398.1 million (US\$61.0 million), a 51.8% increase from RMB262.3 million in the same period of 2019. • The amount of financing transactions the Company facilitated in the fourth quarter of 2020 was RMB10,822.2 million (US\$1,658.6 million). The total outstanding balance of financing transactions the Company facilitated was RMB43,504.8 million (US\$6,667.4 million) as of December 31, 2020. • M1+ and M3+ overdue ratios for all financing transactions that remained outstanding and were facilitated by the Company were 0.98% and 0.42%, respectively, as of December 31, 2020, compared to 1.11% and 0.53%, respectively, as of September 30, 2020. • The number of dealers covered by the Company was 48,487 as of December 31, 2020, compared to 46,248 as of September 30, 2020. The increase was mainly due to the expansion of 4S dealers and quality

SHANGHAI, March 11, 2021 /PRNewswire/ -- Cango Inc. (NYSE: CANG) ("Cango" or the "Company"), a leading automotive transaction service platform in China, today announced its unaudited financial results

• Total revenues were RMB1,097.4 million (US\$168.2 million), a 150.2% increase from RMB438.5 million in the same period of 2019, outperforming the high end of the Company's guidance by 46.3%. The

• Car trading transactions revenues were RMB624.8 million (US\$95.8 million), or 30.4% of total revenues in the full year of 2020. • Automotive financing facilitation revenues were RMB891.8 million (US\$136.7 million), compared to RMB913.8 million in the full year of 2019. This slight decrease was mainly due to the impact of the Covid-19 pandemic, which severely disrupted the domestic automotive industry in the first half of 2020. • After-market services facilitation revenues were RMB241.2 million (US\$37.0 million), compared to RMB206.0 million in the full year of 2019. • The amount of financing transactions the Company facilitated in the full year of 2020 was RMB27,697.7 million (US\$4,244.9 million). • M1+ and M3+ overdue ratios for all financing transactions that remained outstanding and were facilitated by the Company were 0.98% and 0.42%, respectively, as of December 31, 2020, compared to 0.85%

Mr. Jiayuan Lin, Chief Executive Officer of Cango, commented, "It was a remarkable year for Cango despite the challenging environment due to the Covid-19 outbreak. Fueled by our mission to make car

purchases simple and enjoyable, our ongoing efforts to build a one-stop platform that empowers all parties involved in the car transaction value chain has enabled us to navigate challenges and deliver solid results.

fourth quarter of 2020 was 66.0% compared to 35.9% in the same period of 2019, and the change was primarily due to an increase in the amount of car trading transactions. For automotive financing

• Sales and marketing expenses in the fourth quarter of 2020 were RMB65.8 million (US\$10.1 million) compared to RMB55.2 million in the same period of 2019. As a percentage of total revenues, sales and

• General and administrative expenses in the fourth quarter of 2020 were RMB90.1 million (US\$13.8 million) compared to RMB66.1 million in the same period of 2019. As a percentage of total revenues,

• Research and development expenses in the fourth quarter of 2020 were RMB23.0 million (US\$3.5 million) compared to RMB18.6 million in the same period of 2019. As a percentage of total revenues,

• Net gain on risk assurance liabilities in the fourth quarter of 2020 was RMB18.8 million (US\$2.9 million) compared to a net loss of RMB6.5 million in the same period of 2019. Net gain on risk assurance

Fair value change of equity investment in the fourth quarter of 2020 was a gain of RMB1,487.8 million (US\$228.0 million) compared to nil in the same period of 2019. The Company's investee, Li Auto Inc. ("Li

Net income in the fourth quarter of 2020 was RMB1,568.5 million (US\$240.4 million), an increase of 1,432.1% from RMB102.4 million in the same period of 2019. Non-GAAP adjusted net income in the fourth quarter of 2020 was RMB1,588.0 million (US\$243.4 million), an increase of 1,189.2% from RMB123.2 million in the same period of 2019. Non-GAAP adjusted net income excludes the impact of share-based

Basic and diluted net income per American Depositary Share (ADS) in the fourth quarter of 2020 were RMB10.48 (US\$1.61) and RMB10.40 (US\$1.59), respectively. Non-GAAP adjusted basic and diluted net

As of December 31, 2020, the Company had short-term investments of RMB4,342.4 million (US\$665.5 million), compared to RMB1,140.2 million as of September 30, 2020. The increase was mainly due to the

Total revenues in the full year of 2020 increased by 42.5% to RMB2,052.4 million (US\$314.5 million) from RMB1,440.1 million in the full year of 2019. Revenues from car trading transactions in the full year of 2020 were RMB624.8 million (US\$95.8 million). Revenues from automotive financing facilitation and after-market services facilitation in the full year of 2020 were RMB891.8 million (US\$136.7 million) and

Total operating cost and expenses in the full year of 2020 were RMB1,734.1 million (US\$265.8 million) compared to RMB1,116.8 million in the full year of 2019. This was mainly due to the related costs incurred by car trading transactions business. Primarily as a result of the increase in revenues from car trading transactions, sales and marketing expenses, general and administrative expenses and research and development

• Cost of revenue in the full year of 2020 increased to RMB1,098.1 million (US\$168.3 million) from RMB539.3 million in the full year of 2019. As a percentage of total revenues, cost of revenue in the full

• Sales and marketing expenses in the full year of 2020 were RMB195.9 million (US\$30.0 million) compared to RMB192.8 million in the full year of 2019. As a percentage of total revenues, sales and

year of 2020 was 53.5% compared to 37.4% in the full year of 2019, and the change was primarily due to an increase in the amount of car trading transactions. For automotive financing facilitation and after-

• General and administrative expenses in the full year of 2020 were RMB265.7 million (US\$40.7 million) compared to RMB236.6 million in the full year of 2019. As a percentage of total revenues, general and

• Research and development expenses in the full year of 2020 were RMB62.6 million (US\$9.6 million) compared to RMB57.4 million in the full year of 2019. As a percentage of total revenues, research and

Income from operations in the full year of 2020 was RMB318.3 million (US\$48.8 million), compared to RMB323.3 million in the full year of 2019. This slight decrease was mainly due to the impact of the Covid-

Fair value change of equity investment in the full year of 2020 was a gain of RMB3,315.5 million (US\$508.1 million) compared to a gain of RMB41.6 million in the full year of 2019. The Company's investee, Li

Net income in the full year of 2020 was RMB3,373.4 million (US\$517.0 million), an increase of 733.2% from RMB404.9 million in the full year of 2019. Non-GAAP adjusted net income in the full year of 2020 was RMB3,452.2 million (US\$529.1 million), an increase of 608.7% from RMB487.1 million in the full year of 2019. Non-GAAP adjusted net income excludes the impact of share-based compensation expenses.

Basic and diluted net income per ADS in the full year of 2020 were RMB22.43 (US\$3.44) and RMB22.17 (US\$3.40), respectively. Non-GAAP adjusted basic and diluted net income per ADS in the full year of

For the first quarter of 2021, the Company expects total revenues to be between RMB1,000 million and RMB1,050 million. This forecast reflects the Company's current and preliminary views on the market and

The Company's management will hold a conference call on Thursday, March 11, 2021, at 8:00 P.M. Eastern Time or Friday, March 12, 2021, at 9:00 A.M. Beijing Time to discuss the financial results. Listeners may

The Company's investment in Li Auto and the change in fair value of investment due to the price volatility of the stock may have a significant impact on the Company's first quarter of 2021 financial results.

Cango Inc. (NYSE: CANG) is a leading automotive transaction service platform in China connecting dealers, financial institutions, car buyers, and other industry participants. Founded in 2010 by a group of

platform participants while bringing them a premium user experience. Cango's platform model puts it in a unique position to add value for its platform participants and business partners as the automotive and

The Company defines "M1+ overdue ratio" as (i) exposure at risk relating to financing transactions for which any installment payment is 30 to 179 calendar days past due as of a specified date, divided by (ii)

The Company defines "M3+ overdue ratio" as (i) exposure at risk relating to financing transactions for which any installment payment is 90 to 179 calendar days past due as of a specified date, divided by (ii)

In evaluating the business, the Company considers and uses Non-GAAP adjusted net income, a non-GAAP measure, as a supplemental measure to review and assess its operating performance. The presentation of

the non-GAAP financial measure is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. The Company defines Non-

performance and formulate business plans. Non-GAAP adjusted net income enables the management to assess the Company's operating results without considering the impact of share-based compensation

Non-GAAP adjusted net income is not defined under U.S. GAAP and is not presented in accordance with U.S. GAAP. This non-GAAP financial measure has limitations as analytical tools. One of the key

limitations of using Non-GAAP adjusted net income is that it does not reflect all items of expense that affect the Company's operations. Share-based compensation expenses have been and may continue to be

incurred in the business and are not reflected in the presentation of Non-GAAP adjusted net income. Further, the non-GAAP measure may differ from the non-GAAP information used by other companies, including

The Company compensates for these limitations by reconciling the non-GAAP financial measure to the nearest U.S. GAAP performance measure, all of which should be considered when evaluating the Company's

This announcement contains translations of certain RMB amounts into U.S. dollars ("US\$") at specified rates solely for the convenience of the reader. Unless otherwise stated, all translations from RMB to US\$ were made at the rate of RMB6.5250 to US\$1.00, the noon buying rate in effect on December 31, 2020, in the H.10 statistical release of the Federal Reserve Board. The Company makes no representation that the

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "believes," "estimates" and similar statements. Among other things, the "Business Outlook" section and quotations from management in this announcement, contain forward-looking statements. Cango may also make written or oral forward-looking statements in its periodic reports to the SEC, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about Cango's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: Cango's goal and strategies; Cango's expansion plans; Cango's future business development, financial condition and results of

operations; Cango's expectations regarding demand for, and market acceptance of, its solutions and services; Cango's expectations regarding keeping and strengthening its relationships with dealers, financial

institutions, car buyers and other platform participants; general economic and business conditions; and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks

As of December 31,

2020

**RMB** 

1,426,899,576

4,342,356,612

2,035,397,525

141,594,170

20,105,893

364,618,635

558,360,959

878,299,140

145,063,857

10,311,971

44,887,871

281,374,110

170,951,082 1,454,499,864

261,495,158

355,816,940

324,734,202

460,829,299

2,457,296,626

977,791,191

330,765,029

1,313,426,836

3,770,723,462

4,870,616

204,260

(56,419,225)

4,591,455,557

(115,386,427)

3,955,354,972

8,375,209,137

8,375,209,137

12,145,932,599

**December 31, 2020** 

US\$

168,188,373

61,004,644

12,125,298

10,844,916

83,802,373

110,932,521

10,088,669

13,806,073

3,522,778

(2,881,843)

137,776,708

30,411,665

1,857,946

(77,867)

(558,848)

2,349,996

261,954,847

(21,572,818)

240,382,029

240,382,029

149,696,285

150,822,105

(23,409,568)

216,972,461

216,972,461

Decemer 31, 2020

(Unaudited)

US\$

240,382,029

2,986,371

98,896

517,891

153,780

2,215,804

243,368,400

243,368,400

149,696,285

150,822,105

1.63

1.61

1.61

1.59

(36,818)

228,008,773

2,308,510

411,142

87,132,455

1,228,783,730

3,246,883,053

12,145,932,599

8,899,049,546

9,693,008

23,168

US\$

218,681,927

665,495,266

21,700,256

3,081,363

55,880,251

85,572,561

1,363,839,011

134,605,232

22,232,009

1,580,379

6,879,367

43,122,469

26,199,400

222,911,857

40,075,886

497,606,599

54,531,332

49,767,695

70,625,180

13,353,633

376,597,186

149,853,056

50,691,958

201,291,469

577,888,655

746,455

31,304

(8,646,625)

703,671,350

(17,683,744)

606,184,670

1,283,556,955

1,283,556,955

1,861,445,610

For the years ended

**RMB** 

2,052,431,752

891,836,601

286,079,245

241,193,243

624,773,721

1,098,120,749

195,893,662

265,691,411

109,564,631

318,296,924

3,315,475,734

72,806,814

(2,758,629)

(8,848,354)

49,139,337

3,743,273,711

(369,853,650)

3,902,214

22.43

22.17

150,242,378

151,955,546

(234,817,165)

3,138,602,896

3,134,700,682

For the years ended

(Unaudited)

**RMB** 

3,373,420,061

78,754,828

3,075,317

16,003,486

55,590,630

3,452,174,889

3,448,272,675

150,242,378

151,955,546

4,085,395

3,902,214

22.95

22.69

3,373,420,061

3,369,517,847

(838,115)

1,734,134,828

62,596,195

2,268,180

8,548,942

**December 31, 2020** 

US\$

314,548,928

136,679,939

43,843,562

36,964,482

95,750,762

1,310,183

168,294,368

30,022,017

40,718,990

9,593,287

16,791,514

48,781,138

11,158,132

508,118,886

(422,778)

(1,356,070)

7,530,933

573,681,794

(56,682,552)

516,999,242

516,401,202

150,242,378

151,955,546

(35,987,305)

481,011,937

480,413,897

Decemer 31, 2020

(Unaudited)

US\$

516,999,242

12,069,705

2,452,642

8,519,636

529,068,947

528,470,907

150,242,378

151,955,546

626,114

598,040

3.52

3.48

471,313

598,040

3.44

3.40

(128,447)

265,767,790

347,614

**December 31, 2019** 

**RMB** 

1,440,068,825

913,836,623

300,078,043

205,998,075

539,267,417

192,811,348

236,551,077

57,405,921

34,257,754

56,478,959

1,116,772,476

323,296,349

96,004,567

41,581,818

(13,457,818)

5,141,112

41,300,464

(5,121,054)

487,819,233

(82,960,493)

404,858,740

13,944,848

390,913,892

151,208,677

151,641,830

(146,801)

(276,843)

10,401,386

414,836,482

400,891,634

Decemer 31, 2019

(Unaudited)

**RMB** 

404,858,740

82,265,990

3,372,908

17,522,654

57,092,589

487,124,730

13,944,848

473,179,882

151,208,677

151,641,830

3.13

3.12

4,277,839

2.59

2.58

(926,205)

11,414,382

8,741,702

188,319,346

1,861,445,610

3,551

311,938,318

1,485,518

is included in Cango's filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and Cango does not undertake any obligation to update any

GAAP adjusted net income as net income excluding share-based compensation expenses. The Company presents the non-GAAP financial measure because it is used by the management to evaluate the operating

exposure at risk relating to all financing transactions which remain outstanding as of such date, excluding amounts of outstanding principal that are 180 calendar days or more past due.

exposure at risk relating to all financing transactions which remain outstanding as of such date, excluding amounts of outstanding principal that are 180 calendar days or more past due.

expenses, which are non-cash charges. The Company also believes that the use of the non-GAAP measure facilitates investors' assessment of its operating performance.

performance. The Company encourages you to review its financial information in its entirety and not rely on a single financial measure.

RMB or US\$ amounts referred could be converted into US\$ or RMB, as the case may be, at any particular rate or at all.

CANGO INC. UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

(Amounts in Renminbi ("RMB") and US dollar ("US\$"), except for number of shares and per share data)

As of December 31,

2019

**RMB** 

2,002,314,688

970,993,759

597,265,740

148,562,946

13,298,562

9,103,522

20,688,424

117,445,282

873,674,276

547,888,818

145,063,857

14,736,767

44,758,242

11,655,356

100,667,946

8,415,694

1,448,958,373

3,195,819,329

8,736,574,374

1,439,749,760

863,418,789

278,690,234

259,952,473

67,308,814

2,909,120,070

301,667,717

12,329,929

21,796,367

335,794,013

204,260

(20,638,881)

4,526,344,454

119,430,738

852,508,968

13,810,752

**CANGO INC.** UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF **COMPREHENSIVE INCOME** (Amounts in Renminbi ("RMB") and US dollar ("US\$"), except for number of shares and per share data)

For the three months ended

**RMB** 

1,097,429,135

398,055,300

79,117,567

70,763,076

2,682,708

546,810,484

723,834,701

65,828,565

90,084,628

22,986,127

(18,804,024)

15,063,030

898,993,027

198,436,108

12,123,098

(508,084)

(240,239)

(3,646,480)

15,333,721

1,709,255,370

(140,762,635)

1,568,492,735

1,568,492,735

149,696,285

150,822,105

(152,747,428)

1,415,745,307

1,415,745,307

**CANGO INC.** RECONCILIATIONS OF GAAP AND NON-GAAP RESULTS (Amounts in Renminbi ("RMB") and US dollar ("US\$"), except for number of shares and per share data

For the three months ended

(Unaudited)

**RMB** 

1,568,492,735

19,486,068

3,379,241

14,458,117

1,003,414

1,587,978,803

1,587,978,803

149,696,285

150,822,105

10.61

10.53

645,296

10.48

10.40

1,487,757,246

5,477,849,539

5,491,660,291

8,736,574,374

**December 31, 2019** 

**RMB** 

438,533,179

262,295,288

82,418,353

89,629,125

2,166,064

2,024,349

157,220,585

55,183,623

66,050,217

18,630,984

6,537,857

17,205,137

320,828,403

117,704,776

13,305,220

(162,691)

3,053,854

2,402,484

(3,635,688)

132,667,955

(30,295,127)

102,372,828

8,252,659

94,120,169

150,973,390

151,231,854

(32,850,858)

69,521,970

61,269,311

Decemer 31, 2019

(Unaudited)

**RMB** 

102,372,828

20,805,269

853,017

4,431,522

1,081,876

8,252,659

0.76

0.76

14,438,854

123,178,097

114,925,438

150,973,390

151,231,854

http://ir.cangoonline.com/2021-03-11-Cango-Inc-Reports-Fourth-Quarter-and-Full-Year-2020-Unaudited-Financial-Results

0.62

0.62

3,244,914,083

5,540,755,045

1,661,082,122

Reconciliations of Cango's non-GAAP financial measure to the most comparable U.S. GAAP measure are included at the end of this press release.

pioneers in China's automotive finance industry, the Company is headquartered in Shanghai and engages car buyers through a nationwide dealer network. The Company's services primarily consist of automotive financing facilitation, car trading transactions, and after-market services facilitation. By utilizing its competitive advantages in technology, data insights, and cloud-based infrastructure, Cango is able to connect its

income per ADS in the fourth quarter of 2020 were RMB10.61 (US\$1.63) and RMB10.53 (US\$1.61), respectively. Each ADS represents two Class A ordinary shares of the Company.

As of December 31, 2020, the Company had cash and cash equivalents of RMB1,426.9 million (US\$218.7 million), compared to RMB1,423.3 million as of September 30, 2020.

• Net loss on risk assurance liabilities in the full year of 2020 was RMB2.3 million (US\$0.3 million) compared to a net loss of RMB34.3 million in the same period of 2019.

Auto Inc. ("Li Auto"), has been listed on the Nasdaq Global Select Market since July 30, 2020. As of December 31, 2020, Cango held 39,194,413 Class A ordinary shares of Li Auto.

change in fair value of the Company's investment in Li Auto and the Company's reclassification of such investment from long-term investments to short-term investments.

During the fourth quarter, we achieved outstanding performance across the board including our automotive financing facilitation, car trading transactions and after-market services facilitation businesses. Fourth quarter total revenues came in at RMB1,097.4 million, exceeding the high end of our previous guidance by 46.3%. Robust returns from our investment in Li Auto are already contributing to strong growth in our bottom line, and our deep insights into sector trends make us optimistic about the automotive industry's gradual but pervasive evolution toward new energy vehicles.

"The success we achieved in 2020 stems from our industry know-how and the strong platform we have worked so hard to build over the past decade. Benefitting from our strong foothold in the lower-tier markets, we have seen great synergies across our businesses. In particular, revenues from our car trading transactions business contributed approximately 50% of total revenues in the fourth quarter, becoming an important growth driver for us. With our platform, we aim to connect all participants in the automotive transaction value chain through our closed-loop services with customer experience at the core. During the fourth quarter,

we also made significant strides to enhance our service capabilities in terms of traffic generation and operation, supply chain management, as well as technological capabilities. "Looking back over the last 10 years since Cango was founded, we have grown our business with a passion, always looking toward the future and staying true to our original aspirations even as we weathered

facilitation and after-market services facilitation, cost of revenue as a percentage of relevant revenues was around 30% in the fourth quarter of 2020.

Income from operations in the fourth quarter of 2020 was RMB198.4 million (US\$30.4 million), compared to RMB117.7 million in the same period of 2019.

Auto"), has been listed on the Nasdaq Global Select Market since July 30, 2020. As of December 31, 2020, Cango held 39,194,413 Class A ordinary shares of Li Auto.

increase was mainly driven by the increased amounts of both financing transactions the Company facilitated and car trading transactions.

• Car trading transactions revenues were RMB546.8 million (US\$83.8 million), or 49.8% of total revenues in the fourth quarter of 2020.

• Total revenues were RMB2,052.4 million (US\$314.5 million), a 42.5% increase from RMB1,440.1 million in the full year of 2019.

• The number of dealers covered by the Company was 48,487 as of December 31, 2020, compared to 49,238 as of December 31, 2019.

obstacles. Moving into the next decade, we believe our vast dealership network, efficient service platform, competitive technological advantages and industry expertise give us a unique edge which will not only benefit our customers by giving them a premium experience and enhanced, comprehensive offerings, but also help accelerate growth of the auto market in China."

Mr. Yongyi Zhang, Chief Financial Officer of Cango, stated, "Our continuous and steady progress across businesses fueled our top line expansion in the fourth quarter. Total revenues grew to a record level of RMB1.1 billion, up 150.2% year-over-year. As we rolled out more initiatives to effectively optimize overall cost, our operating income maintained its robust growth momentum in the quarter, rising 68.6% yearover-year. With robust returns from our investment in Li Auto, we also expanded our profitability in the fourth quarter, growing net income by over 15 times to RMB1.6 billion. Looking ahead, we remain focused

marketing expenses in the fourth quarter of 2020 was 6.0% compared to 12.6% in the same period of 2019.

liabilities was mainly due to a sequential decrease in default rate since the third quarter of 2020.

compensation expenses. For further information, see "Use of Non-GAAP Financial Measure."

expenses each decreased as a percentage of total revenues in the full year of 2020, compared to the full year of 2019.

marketing expenses in the full year of 2020 was 9.5% compared to 13.4% in the full year of 2019.

administrative expenses in the full year of 2020 was 12.9% compared to 16.4% in the full year of 2019.

development expenses in the full year of 2020 was 3.0% compared to 4.0% in the full year of 2019.

19 pandemic, which severely disrupted the domestic automotive industry in the first half of 2020.

market services facilitation, cost of revenue as a percentage of relevant revenues was around 30% in the full year of 2020.

2020 were RMB22.95 (US\$3.52) and RMB22.69 (US\$3.48), respectively. Each ADS represents two Class A ordinary shares of the Company.

A live and archived webcast of the conference call will also be available at the Company's investor relations website at http://ir.cangoonline.com/.

mobility markets in China continue to grow and evolve. For more information, please visit: www.cangoonline.com.

general and administrative expenses in the fourth quarter of 2020 was 8.2% compared to 15.1% in the same period of 2019.

research and development expenses in the fourth quarter of 2020 was 2.1% compared to 4.2% in the same period of 2019.

dealers in the lower-tier cities following the introduction of the Company's competitive products.

on executing our growth strategy and committed to investing selectively in growth opportunities across all our business lines.

**INCOME FROM OPERATIONS** 

**NET INCOME** 

**NET INCOME PER ADS** 

**Full Year 2020 Financial Results** 

RMB241.2 million (US\$37.0 million), respectively.

**OPERATING COST AND EXPENSES** 

**INCOME FROM OPERATIONS** 

**NET INCOME** 

**Business Outlook** 

International:

Conference ID:

International:

Access Code:

**About Cango Inc.** 

**NET INCOME PER ADS** 

**Conference Call Information** 

United States Toll Free:

United States Toll Free:

**Definition of Overdue Ratios** 

**Exchange Rate Information** 

Safe Harbor Statement

**Investor Relations Contact** 

Tel: +86 21 3183 5088 ext.5581

Email: ir@cangoonline.com

The Piacente Group, Inc. Tel: +86 21 6039 8363

Email: ir@cangoonline.com

Caesar Cao Cango Inc.

Emilie Wu

**ASSETS:** 

**Current assets:** 

Cash and cash equivalents

Restricted cash - current

Accounts receivable, net

Financing receivables, net

Short-term contract asset

**Total current assets** 

Non-current assets:

Long-term investments

Goodwill

Intangible assets

Deferred tax assets

TOTAL ASSETS

**Current liabilities:** 

Income tax payable

Long-term debts

**Total liabilities** 

Ordinary shares

Treasury shares

Retained earnings

Revenues

Others

Leasing income

Cost of revenue

Sales and marketing

After-market services income

**Operating cost and expenses:** 

Automobile trading income

General and administrative

Research and development

Provision for credit losses

**Income from operations** 

Interest expense

Other income, net

Income tax expenses

Other expenses

**Net income** 

shareholders

shareholders:

Basic

Basic

Diluted

Diluted

Net loss (gain) on risk assurance liabilities

**Total operation cost and expense** 

Interest and investment Income, net

Foreign exchange gain (loss), net

Net income before income taxes

Net income attributable to Cango Inc.'s

Earnings per ADS attributable to ordinary

Weighted average ADS used to compute earnings per ADS attributable to ordinary shareholders:

Other comprehensive (loss) income, net of tax Unrealized losses on available-for-sale securities

**Total comprehensive income attributable to Cango** 

Reclassification of losses to net income

Foreign currency translation adjustment

Add: Share-based compensation expenses

**Less: Net income attributable to non-controlling interests** 

Net income attributable to Cango Inc.'s shareholders

Non-GAAP adjusted net income per ADS-basic

Weighted average ADS outstanding—basic

Weighted average ADS outstanding—diluted

Non-GAAP adjusted net income per ADS-diluted

**Total comprehensive income** 

Inc.'s shareholders

**Net income** 

**Cost of revenue** 

SOURCE Cango Inc.

Sales and marketing

**General and administrative** 

**Research and development** 

Non-GAAP adjusted net income

Less: Net income attributable to non-controlling interests

Loss from equity method investments

Fair value change of equity investment

Deferred tax liability

Shareholders' equity

Additional paid-in capital

**Total Cango Inc.'s equity** 

Total shareholders' equity

Non-controlling interests

Accumulated other comprehensive income

Loan facilitation income and other related income

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

Short-term debts

Restricted cash - non-current

Property and equipment, net

Long-term contract asset

Other non-current assets

**Total non-current assets** 

Long-term debts—current

Risk assurance liabilities

**Total current liabilities** 

**Non-current liabilities:** 

Other non-current liabilities

**Total non-current liabilities** 

Finance lease receivables - current, net

Prepayments and other current assets

Finance lease receivables - non-current, net

LIABILITIES AND SHAREHOLDERS' EQUITY

Accrued expenses and other current liabilities

Short-term consumer financing receivables, net

Short-term investments

**Use of Non-GAAP Financial Measure** 

peer companies, and therefore their comparability may be limited.

forward-looking statement, except as required under applicable law.

Mainland China Toll Free:

Hong Kong, China Toll Free:

FAIR VALUE CHANGE OF EQUITY INVESTMENT

operational conditions, which are subject to change.

access the call by dialing the following numbers:

For further information, see "Use of Non-GAAP Financial Measure."

+1-412-902-4272

+1-888-346-8982

+1-412-317-0088

+1-877-344-7529

The replay will be accessible through March 18, 2021, by dialing the following numbers:

4001-201-203 800-905-945

Cango Inc.

10153000

**BALANCE SHEET** 

**REVENUES** 

FAIR VALUE CHANGE OF EQUITY INVESTMENT

**Fourth Quarter 2020 Financial Results** 

**REVENUES** 

Total revenues in the fourth quarter of 2020 increased by 150.2% to RMB1,097.4 million (US\$168.2 million) from RMB438.5 million in the same period of 2019. Revenues from car trading transactions in the fourth quarter of 2020 were RMB546.8 million (US\$83.8 million), becoming an important revenue contributor. Revenues from automotive financing facilitation and after-market services facilitation in the fourth quarter of 2020 were RMB398.1 million (US\$61.0 million) and RMB70.8 million (US\$10.8 million), respectively. **OPERATING COST AND EXPENSES** 

Total operating cost and expenses in the fourth quarter of 2020 were RMB899.0 million (US\$137.8 million) compared to RMB320.8 million in the same period of 2019. This was mainly due to the related costs incurred by car trading transactions business. Primarily as a result of the increase in revenues from car trading transactions, sales and marketing expenses, general and administrative expenses and research and development expenses each decreased as a percentage of total revenues in the fourth quarter of 2020, compared to the same period of 2019. • Cost of revenue in the fourth quarter of 2020 increased to RMB723.8 million (US\$110.9 million) from RMB157.2 million in the same period of 2019. As a percentage of total revenues, cost of revenue in the