



KANZHUN LIMITED Announces Third Quarter 2024 Financial Results

BEIJING, Dec. 11, 2024 (GLOBE NEWSWIRE) -- KANZHUN LIMITED (“BOSS Zhipin” or the “Company”) (Nasdaq: BZ; HKEX: 2076), a leading online recruitment platform in China, today announced its unaudited financial results for the quarter ended September 30, 2024.

Third Quarter 2024 Highlights

- **Total paid enterprise customers¹** in the twelve months ended September 30, 2024 were 6.0 million, an increase of 22.4% from 4.9 million in the twelve months ended September 30, 2023.
- **Average monthly active users (MAU)²** for the third quarter of 2024 were 58.0 million, an increase of 30.0% from 44.6 million for the same quarter of 2023.
- **Revenues** for the third quarter of 2024 were RMB1,911.6 million (US\$272.4 million), an increase of 19.0% from RMB1,606.6 million for the same quarter of 2023.
- **Income from operations** for the third quarter of 2024 was RMB330.2 million (US\$47.1 million), an increase of 26.5% from RMB261.0 million for the same quarter of 2023. **Adjusted income from operations³** for the third quarter of 2024 was RMB605.3 million (US\$86.2 million), an increase of 10.2% from RMB549.4 million for the same quarter of 2023.
- **Net income** for the third quarter of 2024 was RMB463.8 million (US\$66.1 million), an increase of 8.9% from RMB425.7 million for the same quarter of 2023. **Adjusted net income³** for the third quarter of 2024 was RMB738.9 million (US\$105.3 million), an increase of 3.5% from RMB714.1 million for the same quarter of 2023.

Mr. Jonathan Peng Zhao, Founder, Chairman and Chief Executive Officer of the Company, remarked, “While the overall recruitment market environment remained challenging in the third quarter, our strategical emphasis on key growth engines continue to yield positive results. Robust user growth, solid enterprise retention and stable ARPPU (average revenue per paying enterprise user), all attest the resilience of our business model in the face of headwinds and the sustainability of our monetization approach. Our unwavering commitment to shareholder returns, coupled with ongoing share repurchase efforts, underscores the management’s resolute confidence in the Company’s long-term growth trajectory.”

Mr. Phil Yu Zhang, Chief Financial Officer of the Company, elaborated, “We delivered solid sets of financial results in the third quarter with revenues up by 19.0% year-on-year and net income hitting quarterly record high. Our cost structure remained stable, meanwhile achieved a robust 30.0% year-on-year MAU growth, showcasing improved marketing efficiency. As we continue to focus on sustainable cost control, the strong operating leverage inherent in our business model will further enhance our profitability in the coming quarters.”

¹ Paid enterprise customers are defined as enterprise users and company accounts from which we recognize revenues for our online recruitment services.

2 Monthly active users refer to the number of verified user accounts, including both job seekers and enterprise users, that logged on to our mobile application in a given month at least once.

3 It is a non-GAAP financial measure, excluding the impact of share-based compensation expenses. For more information about the non-GAAP financial measures, please see the section of “Non-GAAP Financial Measures.”

Third Quarter 2024 Financial Results

Revenues

Revenues were RMB1,911.6 million (US\$272.4 million) for the third quarter of 2024, representing an increase of 19.0% from RMB1,606.6 million for the same quarter of 2023.

- Revenues from online recruitment services to enterprise customers were RMB1,889.1 million (US\$269.2 million) for the third quarter of 2024, representing an increase of 18.7% from RMB1,591.5 million for the same quarter of 2023. This increase was mainly driven by the paid enterprise user growth.
- Revenues from other services, which mainly comprise paid value-added services offered to job seekers, were RMB22.5 million (US\$3.2 million) for the third quarter of 2024, representing an increase of 49.0% from RMB15.1 million for the same quarter of 2023, mainly benefiting from expanded user base.

Operating cost and expenses

Total operating cost and expenses were RMB1,586.9 million (US\$226.1 million) for the third quarter of 2024, representing an increase of 16.8% from RMB1,358.7 million for the same quarter of 2023. Total share-based compensation expenses were RMB275.1 million (US\$39.2 million) for the third quarter of 2024, representing a decrease of 4.6% from RMB288.4 million for the same quarter of 2023.

- ***Cost of revenues*** was RMB314.0 million (US\$44.7 million) for the third quarter of 2024, representing an increase of 17.4% from RMB267.5 million for the same quarter of 2023, primarily due to increases in server and bandwidth cost, payment processing cost and employee-related expenses.
- ***Sales and marketing expenses*** were RMB522.3 million (US\$74.4 million) for the third quarter of 2024, representing an increase of 14.2% from RMB457.3 million for the same quarter of 2023, primarily due to increased advertising expenses mainly resulting from the marketing campaigns launched during the Paris 2024 Olympic Games and the UEFA Euro 2024.
- ***Research and development expenses*** were RMB464.2 million (US\$66.1 million) for the third quarter of 2024, representing an increase of 12.0% from RMB414.4 million for the same quarter of 2023, primarily due to increased investments in technology.
- ***General and administrative expenses*** were RMB286.4 million (US\$40.8 million) for the third quarter of 2024, representing an increase of 30.5% from RMB219.4 million for the same quarter of 2023, primarily due to increased employee-related expenses.

Income from operations and adjusted income from operations

Income from operations was RMB330.2 million (US\$47.1 million) for the third quarter of 2024, representing an increase of 26.5% from RMB261.0 million for the same quarter of 2023.

Adjusted income from operations was RMB605.3 million (US\$86.2 million) for the third quarter of 2024, representing an increase of 10.2% from RMB549.4 million for the same quarter of 2023.

Net income and adjusted net income

Net income was RMB463.8 million (US\$66.1 million) for the third quarter of 2024, representing an increase of 8.9% from RMB425.7 million for the same quarter of 2023.

Adjusted net income was RMB738.9 million (US\$105.3 million) for the third quarter of 2024, representing an increase of 3.5% from RMB714.1 million for the same quarter of 2023.

Net income per American depositary share (“ADS”) and adjusted net income per ADS

Basic and diluted net income per ADS attributable to ordinary shareholders for the third quarter of 2024 were RMB1.06 (US\$0.15) and RMB1.03 (US\$0.15), respectively, compared to basic and diluted net income per ADS of RMB0.98 and RMB0.95 for the same quarter of 2023.

Adjusted basic and diluted net income per ADS attributable to ordinary shareholders³ for the third quarter of 2024 were RMB1.68 (US\$0.24) and RMB1.64 (US\$0.23), respectively, compared to adjusted basic and diluted net income per ADS of RMB1.64 and RMB1.59 for the same quarter of 2023.

Net cash provided by operating activities

Net cash provided by operating activities was RMB812.3 million (US\$115.8 million) for the third quarter of 2024, relatively stable compared to that of RMB812.6 million for the same quarter of 2023.

Cash position

Balance of cash and cash equivalents, short-term time deposits and short-term investments was RMB14,599.5 million (US\$2,080.4 million) as of September 30, 2024.

Share Repurchase Program

In August 2024, the Company’s board of directors authorized a new share repurchase program effective from August 29, 2024 for a 12-month period, under which the Company may repurchase up to US\$150 million of its shares (including in the form of ADSs). This share repurchase program operates in conjunction with the previous share repurchase program that became effective on March 20, 2024 for a 12-month period, under which the Company may repurchase up to US\$200 million of its shares (including in the form of ADSs).

Outlook

For the fourth quarter of 2024, the Company currently expects its total revenues to be between RMB1.795 billion and RMB1.81 billion, representing a year-on-year increase of 13.6% to 14.6%. This forecast reflects the Company’s current views on the market and operational conditions in China, which are subject to change and cannot be predicted with reasonable accuracy as of the date hereof.

Conference Call Information

The Company will host a conference call at 7:00AM U.S. Eastern Time on Wednesday, December 11, 2024 (8:00PM Beijing Time on Wednesday, December 11, 2024) to discuss the financial results.

Participants are required to pre-register for the conference call at:

<https://register.vevent.com/register/BI637f58180286482692b41611b0e8df0a>

Upon registration, participants will receive an email containing participant dial-in numbers and unique personal PIN. This information will allow you to gain immediate access to the call. Participants may pre-register at any time, including up to and after the call start time.

Additionally, a live and archived webcast of the conference call will be available on the Company's investor relations website at <https://ir.zhipin.com>.

Exchange Rate

This announcement contains translations of certain RMB amounts into U.S. dollar (“US\$”) amounts at specified rates solely for the convenience of the reader. Unless otherwise stated, all translations from RMB to US\$ were made at the exchange rate of RMB7.0176 to US\$1.00 on September 30, 2024 as set forth in the H.10 statistical release of the Federal Reserve Board. The Company makes no representation that the RMB or US\$ amounts referred could be converted into US\$ or RMB, as the case may be, at any particular rate or at all.

Non-GAAP Financial Measures

In evaluating the business, the Company considers and uses non-GAAP financial measures, such as adjusted income from operations, adjusted net income, adjusted net income attributable to ordinary shareholders, adjusted basic and diluted net income per ordinary share attributable to ordinary shareholders and adjusted basic and diluted net income per ADS attributable to ordinary shareholders as supplemental measures to review and assess operating performance. The Company defines these non-GAAP financial measures by excluding the impact of share-based compensation expenses, which are non-cash expenses, from the related GAAP financial measures. The Company believes that these non-GAAP financial measures help identify underlying trends in the business and facilitate investors’ assessment of the Company’s operating performance.

The non-GAAP financial measures are not presented in accordance with U.S. GAAP and may be different from non-GAAP information used by other companies. The non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for most directly comparable GAAP financial measures. The Company encourages investors and others to review its financial information in its entirety and not rely on a single financial measure.

A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures has been provided in the table captioned “Unaudited Reconciliation of GAAP and Non-GAAP Results” at the end of this press release.

Safe Harbor Statement

This press release contains statements that may constitute “forward-looking” statements which are made pursuant to the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “aims,” “future,” “intends,” “plans,” “believes,” “estimates,” “likely to,” and similar statements. The Company may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, in announcements made on the website of The Stock Exchange of Hong Kong Limited, in its interim and annual reports 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 but not limited to statements about the Company’s beliefs, plans, and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. Further information regarding these and other risks is included in the Company’s filings with the U.S. Securities and Exchange Commission and The Stock Exchange of Hong Kong Limited. All information provided in this press release is as of the date of this press release, and the Company does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

About KANZHUN LIMITED

KANZHUN LIMITED operates the leading online recruitment platform BOSS Zhipin in China. The Company connects job seekers and enterprise users in an efficient and seamless manner through its highly interactive mobile app, a transformative product that promotes two-way communication, focuses on intelligent recommendations, and creates new scenarios in the online recruiting process. Benefiting from its large and diverse user base, BOSS Zhipin has developed powerful network effects to deliver higher recruitment efficiency and drive rapid expansion.

For investor and media inquiries, please contact:

KANZHUN LIMITED
Investor Relations
Email: ir@kanzhun.com

PIACENTE FINANCIAL COMMUNICATIONS
Email: kanzhun@tpg-ir.com

KANZHUN LIMITED
Unaudited Condensed Consolidated Statements of Operations
(All amounts in thousands, except share and per share data)

| | For the three months ended | | | For the nine months ended | | |
|---|----------------------------|--------------------|------------------|---------------------------|--------------------|------------------|
| | September 30, | | | September 30, | | |
| | 2023 | 2024 | | 2023 | 2024 | |
| | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Revenues | | | | | | |
| Online recruitment services to enterprise customers | 1,591,500 | 1,889,102 | 269,195 | 4,322,379 | 5,465,912 | 778,886 |
| Others | 15,136 | 22,473 | 3,202 | 49,418 | 66,159 | 9,428 |
| Total revenues | 1,606,636 | 1,911,575 | 272,397 | 4,371,797 | 5,532,071 | 788,314 |
| Operating cost and expenses | | | | | | |
| Cost of revenues ⁽¹⁾ | (267,529) | (314,026) | (44,748) | (785,015) | (925,997) | (131,954) |
| Sales and marketing expenses ⁽¹⁾ | (457,341) | (522,268) | (74,423) | (1,557,772) | (1,646,707) | (234,654) |
| Research and development expenses ⁽¹⁾ | (414,429) | (464,151) | (66,141) | (1,113,404) | (1,375,449) | (196,000) |
| General and administrative expenses ⁽¹⁾ | (219,428) | (286,432) | (40,816) | (587,000) | (818,114) | (116,580) |
| Total operating cost and expenses | (1,358,727) | (1,586,877) | (226,128) | (4,043,191) | (4,766,267) | (679,188) |
| Other operating income, net | 13,078 | 5,485 | 782 | 30,113 | 26,581 | 3,788 |
| Income from operations | 260,987 | 330,183 | 47,051 | 358,719 | 792,385 | 112,914 |
| Interest and investment income, net | 164,677 | 158,948 | 22,650 | 443,348 | 468,818 | 66,806 |
| Foreign exchange (loss)/gain | (517) | (29) | (4) | 2,291 | 64 | 9 |
| Other income, net | 32,444 | 36,948 | 5,265 | 36,973 | 36,425 | 5,191 |
| Income before income tax expenses | 457,591 | 526,050 | 74,962 | 841,331 | 1,297,692 | 184,920 |
| Income tax expenses | (31,874) | (62,223) | (8,867) | (73,354) | (174,891) | (24,922) |
| Net income | 425,717 | 463,827 | 66,095 | 767,977 | 1,122,801 | 159,998 |

| | | | | | | |
|--|----------------|----------------|---------------|----------------|------------------|----------------|
| Net loss attributable to non-controlling interests | - | 4,545 | 648 | - | 12,255 | 1,746 |
| Net income attributable to ordinary shareholders of KANZHUN LIMITED | 425,717 | 468,372 | 66,743 | 767,977 | 1,135,056 | 161,744 |
| Weighted average number of ordinary shares used in computing net income per share | | | | | | |
| — Basic | 870,358,529 | 883,762,119 | 883,762,119 | 868,329,404 | 884,476,469 | 884,476,469 |
| — Diluted | 899,718,677 | 906,841,729 | 906,841,729 | 902,411,551 | 912,733,094 | 912,733,094 |
| Net income per ordinary share attributable to ordinary shareholders | | | | | | |
| — Basic | 0.49 | 0.53 | 0.08 | 0.88 | 1.28 | 0.18 |
| — Diluted | 0.47 | 0.52 | 0.07 | 0.85 | 1.24 | 0.18 |
| Net income per ADS⁽²⁾ attributable to ordinary shareholders | | | | | | |
| — Basic | 0.98 | 1.06 | 0.15 | 1.77 | 2.57 | 0.37 |
| — Diluted | 0.95 | 1.03 | 0.15 | 1.70 | 2.49 | 0.35 |

(1) Include share-based compensation expenses as follows:

| | For the three months ended September 30, | | | For the nine months ended September 30, | | |
|-------------------------------------|---|----------------|---------------|--|----------------|----------------|
| | 2023 | 2024 | | 2023 | 2024 | |
| | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Cost of revenues | 12,016 | 10,836 | 1,544 | 34,978 | 33,252 | 4,738 |
| Sales and marketing expenses | 68,065 | 67,505 | 9,619 | 192,595 | 209,459 | 29,848 |
| Research and development expenses | 108,507 | 102,659 | 14,629 | 304,937 | 315,332 | 44,934 |
| General and administrative expenses | 99,780 | 94,067 | 13,404 | 227,051 | 307,444 | 43,810 |
| Total | 288,368 | 275,067 | 39,196 | 759,561 | 865,487 | 123,330 |

(2) Each ADS represents two Class A ordinary shares.

KANZHUN LIMITED
Unaudited Condensed Consolidated Balance Sheets
(All amounts in thousands)

| | As of | | |
|-----------------------|-------------------|--------------------|------|
| | December 31, 2023 | September 30, 2024 | |
| | RMB | RMB | US\$ |
| ASSETS | | | |
| Current assets | | | |

| | | | |
|---|-------------------|-------------------|------------------|
| Cash and cash equivalents | 2,472,959 | 2,816,158 | 401,299 |
| Short-term time deposits | 6,922,803 | 5,757,701 | 820,466 |
| Short-term investments | 3,513,885 | 6,025,604 | 858,642 |
| Accounts receivable, net | 16,727 | 29,124 | 4,150 |
| Inventories | - | 2,865 | 408 |
| Amounts due from related parties | 3,966 | 9,061 | 1,291 |
| Prepayments and other current assets | 442,697 | 506,602 | 72,190 |
| Total current assets | 13,373,037 | 15,147,115 | 2,158,446 |
| Non-current assets | | | |
| Property, equipment and software, net | 1,793,488 | 1,804,596 | 257,153 |
| Intangible assets, net | 8,093 | 261,677 | 37,289 |
| Goodwill | 5,690 | 6,528 | 930 |
| Right-of-use assets, net | 282,612 | 357,728 | 50,976 |
| Long-term investments | 2,473,128 | 1,235,774 | 176,096 |
| Other non-current assets | 4,000 | - | - |
| Total non-current assets | 4,567,011 | 3,666,303 | 522,444 |
| Total assets | 17,940,048 | 18,813,418 | 2,680,890 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities | | | |
| Accounts payable | 629,216 | 81,438 | 11,605 |
| Deferred revenue | 2,794,075 | 3,071,565 | 437,695 |
| Other payables and accrued liabilities | 779,046 | 644,624 | 91,858 |
| Operating lease liabilities, current | 155,014 | 192,097 | 27,374 |
| Total current liabilities | 4,357,351 | 3,989,724 | 568,532 |
| Non-current liabilities | | | |
| Operating lease liabilities, non-current | 125,079 | 166,451 | 23,719 |
| Deferred tax liabilities | 28,425 | 23,490 | 3,347 |
| Total non-current liabilities | 153,504 | 189,941 | 27,066 |
| Total liabilities | 4,510,855 | 4,179,665 | 595,598 |
| Total shareholders' equity | 13,429,193 | 14,633,753 | 2,085,292 |
| Total liabilities and shareholders' equity | 17,940,048 | 18,813,418 | 2,680,890 |

KANZHUN LIMITED
Unaudited Condensed Consolidated Statements of Cash Flows
(All amounts in thousands)

| | For the three months ended | | | For the nine months ended | | |
|---|----------------------------|-----------|----------|---------------------------|-------------|-----------|
| | September 30, | | | September 30, | | |
| | 2023 | 2024 | US\$ | 2023 | 2024 | US\$ |
| | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Net cash provided by operating activities | 812,554 | 812,290 | 115,750 | 2,120,172 | 2,586,387 | 368,557 |
| Net cash used in investing activities | (1,058,781) | (698,000) | (99,464) | (9,449,149) | (1,293,771) | (184,361) |

| | | | | | | |
|--|------------------|------------------|-----------------|--------------------|------------------|----------------|
| Net cash (used in)/provided by financing activities | (43,826) | (753,763) | (107,410) | 25,129 | (940,188) | (133,976) |
| Effect of exchange rate changes on cash and cash equivalents | (6,096) | (16,759) | (2,389) | (3,356) | (9,229) | (1,315) |
| Net (decrease)/increase in cash and cash equivalents | (296,149) | (656,232) | (93,513) | (7,307,204) | 343,199 | 48,905 |
| Cash and cash equivalents at beginning of the period | 2,740,769 | 3,472,390 | 494,812 | 9,751,824 | 2,472,959 | 352,394 |
| Cash and cash equivalents at end of the period | 2,444,620 | 2,816,158 | 401,299 | 2,444,620 | 2,816,158 | 401,299 |

KANZHUN LIMITED
Unaudited Reconciliation of GAAP and Non-GAAP Results
(All amounts in thousands, except share and per share data)

| | For the three months ended | | | For the nine months ended | | |
|--|----------------------------|----------------|----------------|---------------------------|------------------|----------------|
| | September 30, | | | September 30, | | |
| | 2023 | 2024 | | 2023 | 2024 | |
| | RMB | RMB | US\$ | RMB | RMB | US\$ |
| Income from operations | 260,987 | 330,183 | 47,051 | 358,719 | 792,385 | 112,914 |
| Add: Share-based compensation expenses | 288,368 | 275,067 | 39,196 | 759,561 | 865,487 | 123,330 |
| Adjusted income from operations | 549,355 | 605,250 | 86,247 | 1,118,280 | 1,657,872 | 236,244 |
| Net income | 425,717 | 463,827 | 66,095 | 767,977 | 1,122,801 | 159,998 |
| Add: Share-based compensation expenses | 288,368 | 275,067 | 39,196 | 759,561 | 865,487 | 123,330 |
| Adjusted net income | 714,085 | 738,894 | 105,291 | 1,527,538 | 1,988,288 | 283,328 |
| Net income attributable to ordinary shareholders of KANZHUN LIMITED | 425,717 | 468,372 | 66,743 | 767,977 | 1,135,056 | 161,744 |
| Add: Share-based compensation expenses | 288,368 | 275,067 | 39,196 | 759,561 | 865,487 | 123,330 |
| Adjusted net income attributable to ordinary shareholders of KANZHUN LIMITED | 714,085 | 743,439 | 105,939 | 1,527,538 | 2,000,543 | 285,074 |
| Weighted average number of ordinary shares used in computing adjusted net income per share (Non-GAAP) | | | | | | |
| — Basic | 870,358,529 | 883,762,119 | 883,762,119 | 868,329,404 | 884,476,469 | 884,476,469 |
| — Diluted | 899,718,677 | 906,841,729 | 906,841,729 | 902,411,551 | 912,733,094 | 912,733,094 |

**Adjusted net income per
ordinary share attributable to
ordinary shareholders**

| | | | | | | |
|-----------|------|------|------|------|------|------|
| — Basic | 0.82 | 0.84 | 0.12 | 1.76 | 2.26 | 0.32 |
| — Diluted | 0.79 | 0.82 | 0.12 | 1.69 | 2.19 | 0.31 |

**Adjusted net income per ADS
attributable to ordinary
shareholders**

| | | | | | | |
|-----------|------|------|------|------|------|------|
| — Basic | 1.64 | 1.68 | 0.24 | 3.52 | 4.52 | 0.64 |
| — Diluted | 1.59 | 1.64 | 0.23 | 3.39 | 4.38 | 0.62 |