

Quhuo Reported the Unaudited Financial Results for the First Half of 2023 with Promising Results in the Second Growth Engine

- Net loss and adjusted net loss decreased by 78.6% and 87.0% year-over-year respectively.
- Quhuo International has signed service contracts for 1,720 units of vehicles under its vehicle export solutions, of which 200 units have been shipped.

BEIJING, Aug. 31, 2023 /PRNewswire/ -- Quhuo Limited (NASDAQ: QH) ("Quhuo" or the "Company"), a leading gig economy platform focusing on local life services in China, today released its unaudited financial results for the six months ended June 30, 2023, revealing the Company's sustained profitability enhancement and robust growth in international operations.

Continuing the Business Strategy and Achieving an Enhancement in Profitability

Following the "increasing revenue first and improving profitability later" strategy in 2022, Quhuo continued to enhance profitability and optimize costs in the first half year of 2023. Meanwhile, based on our mobility service solutions, we have embarked on the creation of a second growth trajectory for our business, which has yielded significant achievements.

During the first half of 2023, Quhuo achieved a year-on-year decrease of 78.6% in net losses and an 87.0% decrease in adjusted net losses, which were RMB5.7 million and RMB1.8 million, respectively. Additionally, adjusted EBITDA increased by 2.8% year-on-year, reaching RMB11.1 million.

Cost and expense control also played a significant role in driving the Company's increased profitability in the first half of 2023. Through technological optimization, Quhuo's overall operating costs decreased by 5.7% year-on-year in the first half of 2023. Specifically, general and administrative expenses decreased by 18% to RMB81.6 million, and research and development expenses decreased by 7.2% to RMB6.6 million. Considering the current economic condition in the domestic market, Quhuo had also strategically managed its asset-liability allocation. This approach led to a growth in interest income from RMB191,000 in the first half of 2022 to RMB742,000 in the first half of 2023. Concurrently, interest expenses decreased by 38.6% from RMB3.8 million in the first half of 2022 to RMB2.3 million in the first half of 2023.

Quhuo International Became the Company's Second Growth Engine

During the first half of 2023, Quhuo embarked on its second growth engine, which has shown promising results. Leveraging the Company's over-five-year experience and resources in the mobility service solutions, Quhuo officially introduced Quhuo International in February 2023, which formally launched its vehicle export solutions in May.

In the first half of 2023, the results of vehicle export solutions have been remarkable. The Company has signed service contracts for 1,720 units of vehicles, of which 200 units have been shipped. In May alone, Quhuo International generated revenue of RMB12.0 million and achieved profitability. The remaining signed but unshipped service contracts are anticipated to continue contributing financial returns to the company in the second half of the year.

Quhuo holds unique advantages in vehicle export solutions. On the one hand, Quhuo is a significant partner of Didi, the largest ride-hailing platform in China, and the business team of Quhuo's mobility service solutions has accumulated over two decades of resources and experience in the automotive export sector, which enables Quhuo's mobility team to access a diverse range of channels for selling used cars, including various medium to large-sized automobile manufacturers, dealerships, and the second-hand car market. On the other hand, Quhuo collaborates closely with overseas dealers, establishing strong communication and collaboration ties. This robust partnership network lays a solid foundation for Quhuo International's overseas operations.

Establish and Collaborate with Repairment Center to Facilitate Vehicle Export Solutions

In order to better solidify its advantage in vehicle export solutions, Quhuo will make full use of its second-hand car repair capabilities for streamlined operations. While continuously providing ride-hailing solutions to clients, Quhuo has accumulated significant vehicle maintenance and repairment resources, forming a unique vehicle repairment resource network.

In the future, Quhuo will establish and collaborate with repairment centers near vehicle sources nationwide through the vehicle repairment resource network to, complete used car repairs and condition grading, which can standardize the used car repairment process, improve efficiency, establish international used car certification standards, and optimize the environment for international used car transactions.

With innovative approaches, Quhuo International will create a new growth path, expanding its reach beyond the Company's initial trajectory. The Company expects to improve its revenue, profitability, and collaboration opportunities across the industry with the new approaches. The Company believes that this initiative will not only contribute to the global automotive trade but also extend the benefits of the electric vehicle boom to other countries and regions, while fulfilling corporate social responsibility in energy conservation and emissions reduction.

ABOUT QUHUO LIMITED

Quhuo Limited (NASDAQ: QH) ("Quhuo" or the "Company") is a leading gig economy platform focusing on local life services in China. Leveraging Quhuo+, its proprietary technology infrastructure, Quhuo is dedicated to empowering and linking workers and local life service providers and providing end-to-end operation solutions for the life service market. The Company currently provides multiple industry-tailored operational solutions, primarily including on-demand delivery solutions, mobility service solutions, housekeeping and accommodation solutions, and other services, meeting the living needs of hundreds of millions of families in the communities.

With the vision of promoting employment, stabilizing income and empowering entrepreneurship, Quhuo explores multiple scenarios to promote employment of workers, provides, among others, safety and security and vocational training to protect workers, and helps workers plan their career development paths to realize their self-worth.

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