

## **Meten EdtechX Q3 2020 results call script**

*(Handover from conference call operator)*

Thank you. Ladies and gentlemen, and welcome to Meten EdtechX's third quarter results presentation. I am Henry Wong, CFO of Meten EdtechX, and I am joined here today by our Chairman of the board, Jason Zhao, CEO, Alan Peng, and Likeshuo CEO, Kevin Zhou. Alan will start today's presentation, After the presentation, we will be happy to take any questions you may have.

(电话会议接线员的交接)

谢谢。女士们，先生们，欢迎光临美联的第三季度业绩发布会。我是美联的首席财务官 Henry Wong，今天我们的董事长 Jason Zhao、首席执行官 Alan Peng 以及立刻说首席执行官 Kevin Zhou 也加入了会议，Alan 将在今天开始演讲。演讲后，我们将很乐意回答您的任何问题。

**Speaker: Alan**

### **Highlights**

Thank you, Henry.

谢谢，Henry

Meten EdtechX delivered a strong performance in the third quarter of 2020 as improvements against the previous quarter continued, securing the Company's COVID-19 recovery.

美联在 2020 年第三季度取得了较上一季度的强劲表现，确保了公司从新冠疫情中复苏。

Building on progress in the second quarter of the year, the management took swift and decisive action to optimise the Company's cost base and rebalance its revenue mix, resulting in solid revenue growth and enhanced profitability. While trading conditions remained challenging for our core ELT adult offline business, we are pleased with steps that have been taken to mitigate the impact of this on the overall business.

在今年第二季度取得进展的基础上，管理层迅速采取了果断行动，优化了公司的成本基础，并重新平衡了收入结构，从而实现了稳定的收入增长和盈利能力的提高。虽然市场环境对我们的核心成人英语线下业务仍然具有挑战性，但我们很高兴地看到，我们已经采取了一些措施来减轻这种情况对整体业务的影响。

Gross billings and revenue continued an upward trajectory, improving by 42.2% and 57.3%, respectively, quarter on quarter. These improvements came as a result of accelerated growth of our online platform - which saw registered users rise to 1.71 million during the period – and the reopening of learning centers, all 123 of which are now fully operational.

本季度收现和收入持续上升，季度环比分别提高了42.2%和57.3%。这些进步来自于我们线上平台的加速增长——在此期间注册用户增加到171万人——以及学习中心的重新开放，所有123个学习中心现已全面运营。

We also observed improving enrolment trends during the quarter, particularly in Junior ELT, in both the offline and online segments. Gross billings for the Junior ELT segment were up 89% on the previous quarter.

我们还观察到，本季度的招生趋势有所改善，尤其是在青少英语教学领域，无论是线下还是线上。青少英语业务的现金收入比上一季度增长了89%。

Our sharp focus on cost controls continued, and significant action was taken to rationalise the cost base. These cost reduction efforts will continue and are expected to result in a leaner cost structure and a more balanced revenue mix between the offline and online and adult and junior segments by the beginning of 2021. We renegotiated 70 lease agreements for the self-operated learning centers, representing almost 40% of our total leases. To optimize the layout of offline centers, we closed 22 offline learning centers and their resources diverted to the Junior ELT and online ELT segments. This supported improvement in gross profit to RMB 126.0 million.

我们继续把重点放在成本控制上，并采取了重大措施，使成本合理化。这些降低成本的努力将会继续下去，预计到2021年初，线下和线上以及成人和青少年业务之间的成本结构将会更加精简，收入结构也会更加平衡。我们重新谈判了70个自主学习中心的租赁协议，占我们总租赁合同的近40%。为优化线下中心布局，我们关闭了22个线下学习中心，它们的资源转移到青少英语教学和线上英语领域，使得毛利润提高到人民币1.26亿元。

### Operational update

Looking at some of the operational developments of Q3 in more details.

详细解读第三季度的一些运营发展情况。

Growth of our online platform, Lishuo, continues at pace, and as at September 30, 2020, the platform had 1.71 million registered users, up 54% year on year, and recorded gross billings of RMB 99.4 million for the quarter, which was up 22% year on year. This growth is largely due to the competitive advantages of our efficient omnichannel platform and rising

brand awareness which give the Company a competitive advantage in terms of customer acquisition.

我们的线上平台立刻说继续保持增长，截至 2020 年 9 月 30 日，该平台的注册用户为 171 万，同比增长 54%，本季度立刻说的现金收入为人民币 9,940 万，同比增长 22%。该增长主要归功于我们高效的全渠道平台的竞争优势和不断提升的品牌知名度，这些优势使公司在赢得客户方面具有竞争优势。

Furthermore, building on the success of JTalk, our online Japanese language teaching service which was launched in the first quarter of 2020, we have invested in the development of several new products across both the online and offline segments, including Spanish, K12 Junior and the “BiGao” exam preparation service for middle schoolers.

此外，在 2020 年第一季度成功推出在线日语教学服务 JTalk 的基础上，我们还投资开发了线上和线下领域的多种新产品，包括西班牙语，K12 青少和为中学生考试服务的“比高”产品。

Turning to gross billings in the period.

谈及此期间我们的现金收入。

Gross billings improved by 42.2% compared with the second quarter as the business benefitted from the gradually normalising trading conditions, but declined 48.7% year-on-year to RMB 228.8 million due to the overall impact of the COVID-19 pandemic on operations throughout the year. For the nine months ended 30 September 2020, gross billings decreased 55.7% year-on-year to RMB 514.2 million.

与第二季度相比，现金收入增长了 42.2%，主要是受益于逐渐正常的市场环境，但由于新冠疫情对全年运营的影响，同比下降了 48.7% 至人民币 2.288 亿元。截至 2020 年 9 月 30 日的 9 个月，现金收入同比下降 55.7% 至人民币 5.142 亿元。

Reducing operating costs has been a core focus since the start of the pandemic. In the third quarter, the operating cost dropped 13.4% year-on-year, which included staff cost, property expenses, depreciation and amortization, etc. In the nine months to 30 September, in addition to lease negotiations and optimization of offline centers layout, we centralized finance, HR, IT and other administrative functions was through the introduction of shared centers, resulting in enhanced operating efficiency and lower administrative expenses. For the nine months ended 30 September 2020, operating expenses decreased 39% year-on-year.

自疫情开始以来，降低运营成本一直是核心关注点。第三季度，我们的营业成本主要包括员工成本，物业支出，折旧和摊销等，同比下降 13.4%。截至 9 月 30 日的 9 个月中，除了租赁谈判和优化线下中心的布局外，我们还通过引入共享中心来集中财务，人力资源，IT 和其他管理职能，从而提高了运营效率并降低了管理费用。2020 年前 9 个月的运营费用同比下降 39%。

I will now hand back to Henry to talk you through our financial performance in more detail.

我现在把时间交给 Henry，他将解读我们的财务业绩。

**Speaker: Henry**

Financial update

Thank you, Alan.

谢谢，Alan。

We were pleased with the recovery in revenue performance during the third quarter. Total revenues amounted to RMB 297.7 million, an increase of 57.3 % quarter-on-quarter. For the nine month period, revenues declined from RMB 1,095.0 million for the corresponding period of 2019, to RMB 668.6 million, primarily as a result of the adverse impact of the COVID-19 pandemic during the period.

我们对第三季度的收入表现恢复感到满意。第三季度总收入为人民币 2.977 亿元，较上一季度增长 57.3%。在九个月期间，收入从 2019 年同期的人民币 10.95 亿下降至人民币 6.686 亿，主要是由于此期间新冠疫情的不利影响所致。

In the third quarter, our cost of revenues - which consists primarily of staff costs, property expenses, depreciation and amortization, etc - decreased by 13.4% year-on-year to RMB 171.8 million, and increased by 26.6% quarter-on-quarter. This was predominantly due to our efforts to optimise costs and drive greater operating efficiencies in response to the COVID-19 pandemic.

在第三季度，我们的营业成本主要包括员工成本，物业支出，折旧和摊销等，同比下降 13.4% 至人民币 1.718 亿元，环比增长 26.6%。这主要归功于我们为应对新冠疫情而努力优化成本并提高运营效率的努力。

Gross profit for the third quarter increased by 134.9% quarter-on-quarter to RMB 126 million as trading conditions continued to improve in line with the post-pandemic recovery. Year on

year, gross profit decreased by 43.9 % (Q3 2019, RMB 224.4 million) and for the nine months to September 2020, gross profit decreased to RMB 216.0 million, primarily due to the negative impact of COVID-19.

随着疫情后的复苏，市场环境持续改善，第三季度的毛利润比上一季度增长 134.9% 至 1.26 亿元人民币。毛利润同比下降 43.9%（2019 年第三季度，人民币 2.244 亿元），而由于新冠疫情的负面影响，截至 2020 年 9 月的 9 个月毛利润下降至人民币 2.16 亿元。

As a result, gross profit margin for the third quarter increased by 49.4% quarter-on-quarter to 42.3%, decreased 11.0% year-on-year; and for the nine-month period, gross profit margin was down 17 percentage points to 32.3%. Again, due to the negative impact of COVID-19 for the majority of the period.

因此，第三季度的毛利率比上一季度增长 49.4%，至 42.3%，同比下降 11.0%；九个月期间的毛利率下降了 17 个百分点至 32.3%。同样，主要是由于新冠疫情的负面影响。

Selling and marketing expenses in the third quarter amounted to RMB 85.4 million, representing a decrease of 13.8% year-on-year, while for the nine-month period, selling and marketing expenses amounted to RMB 224.8 million, a decrease of 30.4% year-on-year.

第三季度销售和营销费用为人民币 8,540 万元，同比减少 13.8%，而在九个月期间，销售及市场推广费用为人民币 2.248 亿元，同比减少 30.4%

Research and development expenses in Q3 2020 decreased by 19.9% year-on-year to RMB 6.3 million, from RMB 7.9 million in Q3 2019. In the first nine months of the year, research and development expenses decreased to RMB 21.5 million, from RMB 25.4 million in 2019. Mainly due to the restrictions of COVID -19, research and development activities in offline businesses have been reduced accordingly.

2020 年第三季度的研发费用为 630 万元人民币，较 2019 年第三季度的 790 万元人民币下降 19.9%。在今年的前 9 个月中，研发费用从 2019 年的人民币 2,540 万元减少到了人民币 2,150 万元。这主要是受新冠疫情限制，线下业务的研发活动也相应减少。

General and administrative expenses in Q3 2020 increased to RMB 94.0 million, from RMB 73.3 million in Q3 2019. The increase in general and administrative expenses was primarily due to our increased provision for impairment of goodwill and accounts receivable from franchisees as these related learning centers were closed. In the nine-month period of 2020, general and administrative expenses decreased 10.6% year-on-year to RMB 224.4 million.

2020年第三季度的管理费用从2019年第三季度的人民币7,330万元增加到9,400万元。管理费用的增加主要是由于我们增加计提了商誉以及应收加盟商的款项的减值，因为这些相关的学习中心已经关闭。在2020年的九个月期间，管理费用同比下降10.6%至人民币2.244亿元。

Gain from fair value change of Short-term investments in the third quarter amounted to RMB 38.9 million, compared with zero in the same period of last year, mainly due to gain from fair value change of the company's investment in financial instruments.

2020年第三季度，短期投资公允价值变动收益为人民币3,890万元，去年同期为零，主要是公司投资金融资产的公允价值变动收益。

In Q3 2020, net loss was RMB 39.7 million, a significant improvement from a net loss of RMB 93.4 million in Q2 2020. For the first nine months of the year, net loss was RMB 234.8 million, compared to a net loss of RMB 59.6 million in the first nine months of 2019. This result reflects the impact of COVID-19 which impacted the business most significantly in the first quarter, before improving towards the end of the second quarter and into the third.

2020年第三季度的净亏损为人民币3,970万元，较2020年第二季度的净亏损人民币9,340万元相比有显著改善。本年度前九个月的净亏损为人民币2.348亿元，而2019年前九个月的净亏损为人民币5,960万元。该结果反映了新冠疫情的影响，该因素在第一季度对业务产生了最大的影响，直到第二季度末和第三季度才有所改善。

With regards to our capital expenditure in the period.

In the third quarter, capital expenditure amounted to RMB 3.6 million, versus RMB 18.1 million in Q3 2019. Mainly due to the COVID-19 outbreak, we have slowed down the expansion of offline centers and optimized the layout of offline centers.

关于我们在此期间的资本支出。第三季度的资本支出为人民币360万元，而2019年第三季度为人民币1,810万元。主要是受新冠疫情的影响，公司减缓了线下中心的扩张，更加优化线下中心的布局。

And finally, as at September 30, 2020, Meten EdtechX had RMB 129.3 million of cash and cash equivalents.

最后，截至2020年9月30日，公司拥有现金和现金等价物为人民币1.293亿元。

I would now like to turn the call over to the CEO of Likeshuo, Kevin, who will elaborate further on the performance of the Likeshuo platform.

现在，我把时间交给立刻说首席执行官 Kevin，他将详细说明我们立刻说平台的表现情况。

**Speaker: Kevin**

Thanks, Henry. Now I'll give you a brief introduction on Likeshuo's Q3 results.

谢谢 Henry，我现在简单介绍一下 2020 年第三季度立刻说的表现情况。

In the third quarter of 2020, Likeshuo gross billings increased by 22% year-on-year to RMB 99.4 million. Meanwhile, for the nine-month period, gross billings of Likeshuo increased by 33% year-on-year to RMB 287.8 million. On the one hand, the COVID-19 has promoted the development of online education, and more consumers are actively choosing online education platforms. On the other hand, the competitive advantages of our efficient omnichannel platform and rising brand awareness also give the Company a competitive advantage in terms of customer acquisition.

2020 年第三季度，立刻说现金收入同比增长 22% 至人民币 9,940 万元。同时，在九个月的时间里，立刻说的现金收入同比增长 33% 至人民币 2.878 亿元。一方面新冠疫情促进了线上教育的发展，更多消费者主动选择在线教育平台，另一方面，我们高效的全渠道平台的竞争优势和不断提升的品牌知名度，也使得公司在赢得客户方面具有竞争优势。

For the nine months ended September 30 2020, Likeshuo's revenue increased by 25% year-on-year to RMB 238.0 million. Net profit for the period was RMB 15.0 million compared to a net loss of RMB 13.3 million in the same period last year. Since 2020, Likeshuo has achieved positive and sustainable growth for three consecutive quarters.

截至 2020 年 9 月 30 日的 9 个月，立刻说的收入同比增长 25% 至人民币 2.38 亿元。实现净利润为人民币 1,500 万元，而去年同期则为净亏损人民币 1,330 万元。自 2020 年以来，立刻说已连续三个季度实现利润为正的良性可持续增长。

It is also worth noting that the gross billings of Japanese products offered on the Likeshuo platform for the third quarter increased by 70.3% quarter-on-quarter, amounted to RMB 2.5 million. Going forward, we will launch products in Spanish and Korean in December.

还有值得注意的是，第三季度立刻说平台上的日语产品现金收入环比增长 70.3%，达到人民币 250 万。接下来，我们将在 12 月陆续推出我们的西班牙语及韩语产品。

I will now turn the call over to our Chairman, Jason, who will provide an update on Meten EdtechX's strategic priorities and outlook.

现在我把时间交给我们的董事会主席 Jason，他将讲解有关战略重点和展望的最新信息

**Speaker: Jason**

Thanks Kevin.

谢谢 Kevin

Based on more than ten years of operation, as well as our system improvement and team expansion, after the pandemic, we have further established ourselves as the absolute leader in the adult ELT industry in China. So far, the total number of schools of similar institutions ranked second and third is only half that of Meten EdtechX, and in most cities where Meten EdtechX is located, Meten EdtechX has become the only choice for local adults to learn English. With this absolute advantage, we will launch VIP courses targeted at high-end people with a unit price of nearly RMB 200,000. It is expected to contribute hundreds of millions of RMB in revenue to Meten EdtechX in the future, while greatly improving our overall profit and profitability.

基于美联十几年的运营积累、系统提升、团队扩大，在经历疫情后，美联进一步确立了中国成人英语培训行业的绝对龙头地位。到目前为止，排名第二及第三的同类机构学校的数量总和只有美联的一半，并且在美联所分布的大部分城市，美联已经是当地成人学英语的唯一选择。借助这一绝对优势，我们将推出针对高端人群，客单价近 20 万元的高端 VIP 课程，有望在未来为美联贡献数以亿记的业绩增长，同时大大提升整体利润及利润率。

During the pandemic, Meten EdtechX's strong system and operational capabilities were highlighted. We used Meten EdtechX's 14-year accumulation of experience in the education and training industry to empower our junior production line. The development figures for the junior training business in the second and third quarters have proved Meten EdtechX's strong R&D, service and operational capabilities in that sector.

疫情期间，美联的强大的系统及运营能力凸显，我们用美联在教培行业 14 年的积累，赋能美联的青少产线，二、三季度的青少产线发展数字已经证明了美联强大的研发、服务及运营能力在美联拓展青少产线上的巨大优势。

Likeshuo, Meten EdtechX's online brand, has been using its powerful system and efficient operations to maintain positive business growth and profit performance during the severe period of the pandemic in the first half of the year and in the third quarter as the pandemic began to ease. Likeshuo would further consolidate and continue to expand its IT system and efficiency advantages in the upcoming Q4 and in 2021, in order to dominate the language and junior English training sector!

美联的线上品牌立刻说，在上半年疫情严峻期间及疫情缓解的三季度，继续借助其强大的系统及高效的运营，保持良好的业绩增长及利润表现，在未来的四季度及 2021 年，立刻说将进一步巩固和扩大其 IT 系统及效率优势，在小语种及青少英语赛道持续发力！

Looking ahead to 2021, we will adhere to our long-term growth strategy and insist on creating value for our shareholders.

展望 2021，我们依然坚持我们的长期增长策略，坚持为我们的股东创造价值。

主持人：今天的业绩解读到此结束。现在，我们进入问答环节。



That concludes our presentation for today. We will now take any questions you may have.

### Question 1:

我们刚收到来自老虎证券的分析师 Eric Chen 提出的问题：请问公司提及未来重点发展青少业务，与市场现有竞争对手相比，美联的优势在哪？

We have just received a question from Tiger Securities, Analyst Eric Chen. The question is: The company mentioned that it will focus on the development of the junior training in the future. Compared with existing competitors in the market, what are Meten's competitive advantages?

### *Speaker: Alan*

We have industry-leading teaching and expansion capabilities, which underpin continuous and efficient acquisition of customers for Meten's youth business.

我们拥有业界领先的教学能力和扩张能力，这是保证美联青少业务能够持续高效获客的双重根基。

In terms of teaching, Meten has strong product development capabilities, a strong delivery system and a high-quality teaching team. We can flexibly adapt the combination of offline content and online teaching to cater to the needs of students. We have also developed K12 independent online courses to better meet the needs of students who are distance-learning and have limited time. We also operate a dual-teacher classroom system, and more than 85% of our teachers have TKT and above certificates. Our market-leading teaching has led to our junior training business achieving a grade increase rate of 90%, a student retention period of 4 years, and a renewal rate of 75%.

教学方面，美联青少拥有强大的产品研发能力，强有力的交付系统及高质量的教学团队。我们可以根据学员的需求灵活切换线下内容线上交付相结合的模式，也开发了K12独立线上课程，更好地去针对性满足距离远、时间有限的学员的需求。同时，我们采用双师课堂系统，85%以上的老师都具备 TKT 及以上证书。在这样领先的教学能力孵化下，我们青少业务的提分率高达 90%，学员留存周期 4 年，续班率达 75%。

Additionally, we have strong students recruiting, talents duplicating and improving information management abilities. Regarding talents, we have sufficient teacher training system and management training program, to make sure the long-term development of talents and talents retaining. We also invested a lot of manpower and material resources to develop the industry-leading students engagement and teacher management systems, to provide students with standardized and intelligent teaching services; we also provide our headquarters and each learning center with information and early warning of various efficiency indicators in real time to improve operational efficiency, and can achieve strong replicability of services.

扩张方面，我们有强大的招生能力、人才复制能力以及完善的信息化管理能力。针对人才，美联有着完善的教师培训体系和管理人员培养计划，能够确保人才的长期成长及留用。同时，公司投入了大量的人力、物力开发出了业内领先的学员管理系统和教学管理系统，为学员提供标准化、智能化的教学服务，实时为总部及各中心提供各效率指标信息及预警，提升经营效率，最终实现强大的可复制能力。

During the Covid-19 pandemic, we reorganized our resource deployment and transformed nine adult English training centers into youth English training centers. At the same time, as of the end of the third quarter of this year, the number of ABC brand's national centers had reached to 24, of which 20 are directly operated centers, mainly located in Beijing, and second-tier and third-tier cities in the north of China. All these show our firm's ability and determination to focus on the development of the Junior education business.

在新冠肺炎疫情期间，我们重新协调了旗下的资源部署，将9家成人英语门店转型至青少中心。同时，截至今年第三季度末，我们ABC品牌的全国门店已经达到24家，其中20家均为直营中心，主要布局在北京及北方二、三线城市。这些都足见我们坚定重点发展青少业务的能力及决心。

Thank you.

Question 2:

另外，我们还收到来自老虎证券分析师 Andrew 的问题：我们看到有一些互联网巨头专攻下沉市场，并且取得了非常大的成就。贵公司下沉市场除了线下开店，还有考虑线上的方式渗透吗？

We have also received another question from Tiger Securities, Analyst Andrew. We have seen that some internet giants specialize in lower-income markets and have gained significant traction here. Apart from opening offline training centers, would Meten consider other methods to take online market share in the lower-income market?

*Speaker: Alan*

The opportunity in the lower-income market is significant, especially in China's third- and fourth-tier cities. As of today, Meten has opened 123 training centers. Such a large sales network throughout the country, covering the first to fourth tier cities, gives us a natural competitive advantage within the lower-income market. However, there is still room to tap into that consumer group; we have been working on online penetration methods and will gradually deepen this activity in the future. Nevertheless, the lower-income market cannot rely solely on online promotion because users are price-sensitive, and may have to experience offline solutions before deciding to buy our courses. Therefore, the combination of our online and offline solutions will be more effective. Specifically, we will mainly rely on the existing adult English training centers, strategically open more Junior English training centers and launch a dual-teacher classroom system in the cities where a shopping mall is located and radiating the surrounding neighborhood. So far, Likeshuo's dual-teacher classroom system pilot operation has been very successful.

Thank you.

*Speaker Kim*

下沉市场前景非常大，特别是中国的三四线市场，消费能力还有继续挖掘的空间。美联目前多达 123 家的线下门店，实际已经在全国构成了一个庞大的销售网络，并且一至四线城市均有覆盖，这使我们在下沉市场的竞争中具备非常好的天然竞争优势。线上的下沉渗透方式，我们一直在做，未来会逐步深化。但很重要的是，下沉市场并不能仅仅靠线上宣传，因为用户是价格敏感型，很可能要线下体验之后才决定购买我们的课程，因此线上线下双轮驱动的解决方式，会更有效果。具体来说，我们主要是依托于现有的成人英语门店，在该门店所在城市以及辐射周边，并且战略性开设青少门店以及双师课堂，将线上线下进行融合，目前我们立刻说的双师课堂试点运营得非常成功。

谢谢！

### Question 3:

下面，有两个来自道格资本的问题。第一个问题是，请问美联立刻说除了在电商上销售课程，还有怎样的获客策略？

Next two questions come from DG Capital. The first question is : for Likeshuo, in addition to selling courses via e-commerce, what other customer acquisition strategies are there?

*Speaker: Kevin*

首先说一下，我们在电商上的销售效果非常好。在今年的天猫双十一购物节，立刻说连续三年获得天猫双十一销售第一。会有这样的效果是因为我们发现了市场上，不少教育产品常常存在信息不对称的情况、价格不透明的情况。我们立刻说的产品采取了明码实价、公开透明的折扣原则。

First of all, our sales via e-commerce are very good. In this year's Tmall 11.11 global shopping festival, Likeshuo achieved the highest sales for three consecutive years. We have found that many educational products in the market often present misleading information and opaque prices. Likeshuo adopted an approach to discounting which has clear and transparency pricing.

除了通过电商销售课程之外，立刻说还会联合我们已经正常运营的 123 个线下学习中心交叉销售。这种获客策略避开了如今激烈的线上获客，因此我们的获客成本要比同行低得多。

In addition to selling courses through e-commerce, Likeshuo also cross-sells with the 123 offline training centers we operate. This customer acquisition strategy avoids today's fierce online customer acquisition competition, so our customer acquisition cost is much lower than our peers.

今年前三季度，立刻说的收入同比增速达到 25%，并且已经实现连续三个季度的盈利。在线上用户方面，我们增长也非常快，第三季度的注册用户环比增加了 54%。可见我们现在这种获客策略是有效的，兼顾了财务的增长和用户的增长。

In the first three quarters of this year, Likeshuo revenue growth rate reached 25% year-on-year and the segment has achieved three consecutive quarters of profit. In terms of online users, we have also grown very fast. Registered users in the third quarter increased by 54% against the previous quarter. It is clear that our current customer acquisition strategy is effective, in terms of financial growth and user growth.

谢谢! Thank you.

#### Question 4: 最后一个问题

来自道格资本的第二个问题：请问贵公司现在中国线下成人英语教育的格局，以及公司在该细分行业的地位。

The second question from DG Capital: What is the current situation of your company's offline adult English education in China, and the company's position in this segment of the industry?

#### *Speaker: Jason*

美联英语已经是中国最大的线下成人英语培训机构，并且在发展的过程中，我们还进行了行业整合。2018年6月收购了ABC外语学校；2019年国内主要竞争者韦博英语出现经营危机而倒闭，我们接收了韦博英语的学员。我们也陆续收购了宁波唐宁街，泰迪教育和留学机构厚德留学等等，这些举动都进一步扩大我们在线下成人英语教育领域的影响力，目前市场上排名第二、三位的英语培训机构的店铺数量加起来也不及美联总体数量的50%。疫情虽然对美联的线下学习中心也有影响，不过美联线下123家学习中心已经正常运营。今年的疫情加速了行业集中度的提升，对于我们来说是个非常好的机会。

谢谢！

#### *Speaker Kim*

Meten EdtechX is already China's largest offline adult English training organization, and in the process of development, we have also carried out industry integration. In June 2018, we acquired the ABC Foreign Language School; in 2019, Web International English, our main domestic competitor, went bankrupt due to a business crisis, as a result, we were able to take over their students. We have also successively acquired Talking Street English, Taidii, and overseas study institutions, such as WholeDe Education. These actions have further expanded our influence in the field of offline adult English training. Currently, the total number of training centers of English training institutions which ranked second and third in the industry have less than 50% of the total training center number of Meten EdtechX. Although the pandemic has affected Meten EdtechX's offline learning centers, the 123 offline learning centers of Meten EdtechX are operating normally. This year's COVID-19 outbreak has accelerated the industry concentration, which is a very good opportunity for us. Thank you.

主持人：That's all for Meten's Q3 2020 financial results conference call. If you have any other questions, please contact our IR team directly. Thank you all for joining us today.

以上是美联三季度业绩电话会议的所有内容，如果您有其他问题，请直接与我们的IR联系，谢谢大家。

请会议秘书结束会议，谢谢。