EDISON

YXT.com

H126 results

AI drives revenue and efficiency gains

Software and comp services

17 August 2026

YXT.com reported revenue growth of 6% y-o-y and a reduced operating loss in H126. Subscriber growth turned positive, gross margin expanded and the operating cost base was significantly reduced. The company is making progress with its strategy to evolve its enterprise digital learning technology into a wider AI-enabled enterprise productivity suite and is seeing a growing proportion of AI-related business. We have revised our forecasts to reflect a lower cost base; we continue to forecast the company achieving positive EBITDA and operating profit in FY28.

Year end	Revenue (CNYm)	EBITDA (CNYm)	EPADS (CNY)	EV/sales (x)	EV/EBITDA (x)
12/24	331.2	(167.9)	(61.1)	0.7	N/A
12/25	340.2	(118.0)	(24.2)	0.6	N/A
12/26e	356.5	(15.4)	(5.5)	0.6	N/A
12/27e	384.6	(2.8)	(2.2)	0.6	N/A
12/28e	417.3	23.1	1.6	0.5	9.6

Note: EBITDA and earnings per American depositary share (EPADS) are normalised, excluding exceptional items and share-based payments.

H126 operating loss reduced significantly

YXT.com reported revenue growth of 6.0% y-o-y. Gross margin improved by 5pp y-o-y, and the operating loss was reduced from RMB64.4m in H125 to RMB8.0m in H126. After a period of subscriber declines linked to the company's focus on larger enterprise customers, subscriber numbers grew for the first time in several years, with subscriber growth of 1.4% y-o-y and 3.9% h-o-h. AI-related solutions are growing as a percentage of subscription revenue as customers adopt the company's newer AI-enabled product suite.

Upgrading forecasts to reflect lower cost base

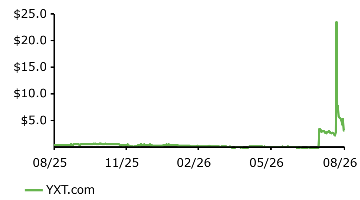
The use of AI internally is helping to improve operational efficiency, resulting in a lower operating cost base. We have revised our forecasts to reflect slightly higher R&D costs, reflecting continued investment in AI product capabilities, more than offset by lower G&A costs. We have also factored in the two recent ADS placings. We continue to forecast the company reaching positive EBITDA and operating profit in FY28, with positive full year operating cash flow from FY27.

Valuation: Operational progress supports upside

Our discounted cash flow analysis, which uses a weighted average cost of capital of 11.5% and a long-term growth rate of 2%, generates a base case valuation of $13.14 per ADS (down from $14.00, adjusted for the recent ADS consolidation). This uses our forecasts to FY28, revenue growth trending down to the long-term growth rate by FY35 and EBITDA margin expansion to 18% by FY35. This equates to EV/sales multiples of 1.6x FY26e and 1.5x FY27e, above Hong Kong-listed software peers and at a significant discount to Shanghai STAR-listed software peers. Key triggers to reduce the discount include continued growth in subscriber numbers, growing net revenue retention and substantial cost reductions in FY26, supporting progress towards cash break-even.

Price	**$3.57**
Market cap	**$22m**
	RMB6.75:$1
Net cash/(debt) excluding lease liabilities at end H126	CNY(75.6)m
ADS in issue (1 ADS = 30 Class A shares)	6.0m
Free float	24.2%
Code	YXT
Primary exchange	NASDAQ
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(4.0)	(25.7)	(57.5)
52-week high/low		$32.1	$2.6

Business description

YXT.com is a provider of AI-enabled enterprise productivity solutions, operating under the brand Radnova.

Next events

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Review of H126 results

YXT.com reported H126 revenue of RMB162.1m, up 6.0% y-o-y. Total Corporate Learning Solution revenue increased 3.8% y-o-y, with Subscription revenue up 4.8% y-o-y and Non-subscription revenue down 16.8% y-o-y (this reflected reduced sales of offline solutions). Other revenue increased by 733.1% as the company undertook some bespoke software development for certain customers.

The number of subscribers increased by 1.4% y-o-y and by 3.9% h-o-h to 2,391. The company noted that the number of new subscribers signed in H126 doubled compared to H125. We estimate that revenue per average subscriber increased 6.4% y-o-y. Net revenue retention of 102.6% improved compared to the 101.4% reported for FY25 and 100.3% for H125.

The company saw increasing demand for its AI solutions, with monthly recurring revenue from AI-related products at RMB4.4m in June 2026 compared to RMB0.5m in June 2025 and RMB1.1m in December 2025. Sales of the new SaleSmart solution contributed revenue of more than RMB5m in H126 (3% of subscription revenue).

The company reported a gross margin of 70.1%, up from 65.1% in H125 and slightly down from 71.0% in H225. The margin improved due to a better revenue mix and the efficiencies from using AI internally. In total, operating costs declined 25.8% y-o-y. Sales & marketing expenses declined 3.0% y-o-y, R&D expenses were up 9.8% y-o-y and general & administrative (G&A) expenses declined 78.0% y-o-y. The large G&A decline was from the combination of lower professional service fees, the reversal of litigation accruals and lower share-based payment charges. This resulted in an operating loss of RMB8.0m, down from RMB64.4m in H125 and RMB76.6m in H225. Adding back share-based payments of RMB4.2m, the company generated a normalised operating loss of RMB5.8m. After net finance costs of RMB1.2m, revaluation of long-term investments and fx losses totalling RMB5.2m, the company reported a net loss of RMB14.4m (normalised RMB12.2m) and a loss per share of RMB0.08. The company closed H126 with cash of RMB31.4m and a net debt position of RMB75.6m (excluding lease liabilities).

Exhibit 1: H126 results highlights

RMB m	H125	H126	y-o-y
No. subscribers	2,358	2,391	1.4%
Net revenue retention	100.3%	102.6%	2.3pp
Revenue			
Corporate Learning Solution	152.4	158.2	3.8%
Subscription	144.7	151.8	4.8%
Non-subscription	7.7	6.4	-16.6%
Others	0.5	4.0	733.1%
Total revenue	152.9	162.1	6.0%
Gross profit	99.5	113.6	14.2%
Sales & marketing	(83.0)	(68.9)	-17.0%
R&D	(63.1)	(50.6)	-19.8%
General & administrative	(67.7)	(49.0)	-27.6%
Other income	4.2	0.5	-87.2%
Operating profit	(64.4)	(8.0)	-87.7%
Normalised operating profit	(54.6)	(5.8)	-89.4%
Depreciation & amortisation	(5.5)	(4.2)	-24.1%
EBITDA	(49.1)	(1.6)	-96.7%
Reported net income	(73.9)	(14.4)	-80.5%
Normalised net income	(64.0)	(12.2)	-80.9%
Reported basic & diluted EPS	(0.41)	(0.08)	-80.7%
Gross margin	*65.1%*	*70.1%*	*5.0pp*
Operating margin	*-42.2%*	*-4.9%*	*37.2pp*
Normalised operating margin	*-35.7%*	*-3.6%*	*32.1pp*
EBITDA margin	*-32.1%*	*-1.0%*	*31.1pp*
Operating cashflow	(94.9)	(30.3)	-68.1%
Net (cash)/debt	(81.6)	94.9	N/A
Net (cash)/debt excluding leases	(108.2)	75.6	N/A

Source: YXT.com

Business update

Over the last two months, the company has provided a series of insights into the adoption of its technology and the upgrade of its enterprise digital learning capabilities into a wider AI-enabled enterprise productivity suite. As a reminder, YXT.com's product suite includes three solutions, underpinned by AI Box, its agent platform:

1. TalentNova: an AI-native talent management system,
2. NeoLearning: AI-enhanced training and knowledge services, and
3. SaleSmart: developed as a specific training application for the sales industry.

TalentNova

TalentNova is YXT.com's main business line. In H126, the company won more than 120 new customers for this solution, up 48% y-o-y. Examples of customers using TalentNova include:

- **A leading global optical manufacturer:** partnered with YXT.com to upgrade its new employee development and workforce capability system through digital tools and AI-enabled practice coaching. The company hires more than 1,200 university graduates each year as part of its long-term technical and management talent pipeline. As these new employees are assigned to different sites, production lines and roles, the company's traditional training model began to face several challenges: inconsistent standards across locations, different mentoring approaches, difficulty tracking each employee's development progress and difficulty replicating strong practices across the organisation. In the project, YXT.com helped the company bring employee development processes across 11 subsidiaries and multiple manufacturing sites into one unified system. The system covers key areas such as cultural onboarding, role-based development paths, job rotation, skills certification and mentor guidance. After the project was launched, the company reported a 68% improvement in management productivity, first-year attrition falling to 8.9% and a 95% role competency rate.
- **JinkoSolar, a global leader in solar technology:** partnered with YXT.com to explore new ways of strengthening management and organisational capabilities through AI. The project is built around real management scenarios, focusing on common challenges faced by newly appointed managers, including conflict resolution, task delegation, performance feedback and team communication. Through YXT.com's AI scenario-based role-play system, real management problems are digitised and turned into practical training scenarios. Managers can practice repeatedly with AI in an environment close to real work and receive immediate feedback. Project data showed a learning completion rate of 93.35%, a learner satisfaction score of 9.42 and more than 80% of participants willing to recommend the programme.
- **A rural commercial bank** with more than 400 branches: YXT.com helped the customer build an intelligent talent development system covering learning, practice, coaching and assessment. After implementation, the average time for new employees to work independently was shortened from about one month to approximately three weeks. Customer complaints in the first month decreased by 30%, the probation pass rate improved by approximately 15% and more than 10 outstanding practice cases based on real business scenarios were developed. Beyond the improvement in individual metrics, the project also helped the bank build organisational capabilities that can accumulate over time. In the past, the departure of experienced employees could lead to the loss of valuable know-how. Now, that experience can be continuously refined, captured and reused, gradually forming the bank's own knowledge system and capability system.

NeoLearning

During H126, the company signed engagements for NeoLearning with a total contract value of RMB32.7m. This was 26.8% higher than in H125. The majority of the increase came from AI-related products such as AI-Augmented Blended Learning (AABL), AI-orchestrated practice and AI-curated courses. Examples of companies using NeoLearning include:

- **Chinese pharmaceutical company, Mayinglong:** partnered with YXT.com to launch an AABL project. Compared with a conventional training programme, AI was introduced into areas closer to real enterprise operations, including management training, scenario simulation, behavioural feedback and capability assessment. In this project, YXT.com used AI role play and structured feedback to help managers repeatedly practice real management behaviours in simulated scenarios. For example, in a cross-functional collaboration scenario, participants were required to work with an AI-simulated development engineer to complete a project. If a participant simply applied pressure, the AI would push back based on technical risks and resource constraints. When the participant began aligning goals, understanding concerns, breaking down requirements and negotiating priorities, the AI would gradually shift into a collaborative mode. According to project materials, the AI role-play completion rate reached 97.62%, while the practical assignment completion rate reached 100%.

- **A leading Chinese automaker:** YXT.com helped the company build a live-streaming system within 72 hours and reach more than 1,200 stores within one week. The project supported rapid business knowledge delivery and improved coordination across a large frontline network.
- **A new energy vehicle company:** YXT.com's platform expanded from covering 3,000 employees to 20,000 employees. The platform developed into a knowledge operations system covering R&D, supply chain, marketing and service functions. The platform also supported global knowledge synchronisation and cross-regional collaboration.
- **An international luxury automaker:** YXT.com helped build a digital learning ecosystem for the company's manufacturing system. The platform brought multiple business units, including factory and engine-related operations, into a unified operating environment.

SaleSmart

SaleSmart is an AI-native sales enablement and productivity solution. The company won more than 20 new clients in H126 with a total signed contract value of RMB5.3m. Examples of customers using SaleSmart include:

- **A publicly listed home renovation services company in China:** partnered with YXT.com to optimise its sales execution and sales management. After adopting SaleSmart, the company increased its first-time customer store-visit conversion rate by more than 20%, improved sales management efficiency and saved more than RMB100,000 annually by shortening the ramp-up cycle for new sales reps and reducing lead conversion inefficiencies.
- **iFLYTEK, a leading AI company in China:** through the partnership, YXT.com has provided iFLYTEK's sales and marketing team with an intelligent talent development platform, along with AI sales script training, AI course creation and AI-powered sales simulation capabilities. The collaboration highlights that, even for companies with strong AI capabilities, enterprise AI adoption is not only about models. It also requires an understanding of business scenarios, organisational processes and workforce capability development.
- **A leading fresh-food supply-chain company:** the company, which has operations across nine provinces and a network of hundreds of thousands of retail stores, upgraded its sales execution system with AI-powered capabilities, helping shift sales management from individual experience-driven practices to a more structured, repeatable and continuously improving organisational capability. SaleSmart supports four core sales scenarios: first-order customer acquisition, package sales, key account management and customer recovery. Following implementation, key action execution increased by 90%, customer feedback collection reached 100%, customer touchpoint efficiency improved by 30% and high-performing sales experience was digitally captured.

Outlook and changes to forecasts

Post period end, the company undertook a 10:1 share consolidation, with each ADS now representing 30 Class A shares, up from the previous ratio of three Class A shares per ADS. After a period of ADS-price volatility, which saw the ADS price increasing from $2.60 on 4 August to $23.43 on 5 August, on 6 August the company took the opportunity to place 150,000 ADS at a price of $7.00 with institutional investors. This raised gross proceeds of $1.05m/RMB7.1m and net proceeds of $0.6m/RMB4.1m. On 14 August, the company announced that it had placed an additional 500,000 ADS at a price of $3.00 with institutional investors. This raised gross proceeds of $1.5m/RMB10.1m; net proceeds have not been disclosed so we have assumed net proceeds of $1.3m/RMB8.78m in our model.

We have updated our forecasts to reflect the H126 results and the recent fund raises. Our revenue forecasts are broadly unchanged. We have reduced our G&A cost assumptions and slightly increased R&D costs, resulting in improved adjusted EBITDA and operating profit forecasts for FY26–28. The net cash outflow was higher than we expected during H126. Without a full cash flow statement, we estimate that this was due to higher working capital outflows, and we have increased our assumptions for working capital requirements in FY26. This results in a higher net debt position in all three years.

Exhibit 2: Changes to forecasts

RMB m	FY26e	FY26e			FY27e	FY27e			FY28e	FY28e		
	Old	New	Change	y-o-y	Old	New	Change	y-o-y	Old	New	Change	y-o-y
Revenues	355.3	356.5	0.3%	4.8%	384.4	384.6	0.1%	7.9%	417.3	417.3	0.0%	8.5%
Gross profit	259.4	259.8	0.1%	11.7%	284.1	284.3	0.1%	9.4%	316.2	316.1	0.0%	11.2%
Gross margin	73.0%	72.9%	-0.1pp	4.5pp	73.9%	73.9%	0.0pp	1.0pp	75.8%	75.8%	0.0pp	1.8pp
EBITDA	(42.5)	(29.7)	-30.0%	-78.9%	(20.7)	(10.2)	-50.6%	-65.7%	5.3	15.7	198.0%	-254.3%
EBITDA margin	-12.0%	-8.3%	3.6pp	33.1pp	-5.4%	-2.7%	2.7pp	5.7pp	1.3%	3.8%	2.5pp	6.4pp
Normalised operating profit	(32.5)	(25.4)	-22.0%	-80.3%	(10.7)	(5.8)	-45.4%	-77.1%	15.3	20.1	31.7%	-445.7%
Normalised operating margin	-9.1%	-7.1%	2.0pp	30.7pp	-2.8%	-1.5%	1.3pp	5.6pp	3.7%	4.8%	1.2pp	6.3pp
Reported operating profit	(42.5)	(29.7)	-30.0%	-78.9%	(20.7)	(10.2)	-50.6%	-65.7%	5.3	15.7	198.0%	-254.3%
Reported operating margin	-12.0%	-8.3%	3.6pp	33.1pp	-5.4%	-2.7%	2.7pp	5.7pp	1.3%	3.8%	2.5pp	6.4pp
Normalised PBT	(40.6)	(34.8)	-14.2%	-76.3%	(19.4)	(14.6)	-24.9%	-58.1%	6.0	10.9	80.4%	-174.7%
Reported PBT	(50.6)	(39.2)	-22.5%	-75.3%	(29.4)	(18.9)	-35.6%	-51.6%	(4.0)	6.5	-263.6%	-134.3%
Normalised net income	(40.6)	(34.8)	-14.2%	-76.3%	(19.4)	(14.6)	-24.9%	-58.1%	6.0	10.9	80.4%	-174.7%
Reported net income	(50.6)	(39.2)	-22.5%	-75.3%	(29.4)	(18.9)	-35.6%	-51.6%	(4.0)	6.5	-263.6%	-134.3%
Normalised basic EPS (RMB)	(0.23)	(0.18)	-18.7%	-77.1%	(0.11)	(0.07)	-32.3%	-60.2%	0.03	0.05	62.6%	-174.7%
Normalised diluted EPS (RMB)	(0.23)	(0.18)	-18.7%	-77.1%	(0.11)	(0.07)	-32.3%	-60.2%	0.03	0.05	62.7%	-174.3%
Reported basic EPS (RMB)	(0.28)	(0.21)	-26.5%	-76.2%	(0.16)	(0.10)	-41.9%	-54.0%	(0.02)	0.03	-247.5%	-134.3%
Net debt/(cash)	44.8	64.6	44.3%	80.9%	41.8	52.9	26.5%	-18.1%	16.9	24.1	42.6%	-54.4%

Source: Edison Investment Research

Exhibit 3: Financial summary

RMB'm	2022	2023	2024	2025	2026e	2027e	2028e
Year end 31 December	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP
INCOME STATEMENT							
Revenue	430.6	424.0	331.2	340.2	356.5	384.6	417.3
EBITDA	(517.6)	(249.5)	(167.9)	(118.0)	(15.4)	(2.8)	23.1
Normalised operating profit	(549.0)	(280.8)	(181.2)	(128.7)	(25.4)	(5.8)	20.1
Amortisation of acquired intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	(21.7)	0.0	0.0	0.0	0.0	0.0
Share-based payments	(71.8)	(26.1)	(5.9)	(12.3)	(4.4)	(4.4)	(4.4)
Reported operating profit	**(620.8)**	**(328.6)**	**(187.1)**	**(141.0)**	**(29.7)**	**(10.2)**	**15.7**
Net Interest	5.2	(0.0)	(4.2)	(3.0)	(3.1)	(3.7)	(4.2)
Joint ventures & associates (post tax)	2.2	(13.5)	(13.9)	(14.9)	(6.4)	(5.0)	(5.0)
Exceptionals	(32.2)	102.4	113.1	0.0	0.0	0.0	0.0
Profit Before Tax (norm)	(541.7)	(294.3)	(199.3)	(146.6)	(34.8)	(14.6)	10.9
Profit Before Tax (reported)	(645.7)	(239.7)	(92.1)	(158.9)	(39.2)	(18.9)	6.5
Reported tax	5.4	9.9	0.0	0.0	0.0	0.0	0.0
Profit After Tax (norm)	**(536.3)**	**(284.5)**	**(199.3)**	**(146.6)**	**(34.8)**	**(14.6)**	**10.9**
Profit After Tax (reported)	**(640.3)**	**(229.8)**	**(92.1)**	**(158.9)**	**(39.2)**	**(18.9)**	**6.5**
Minority interests	25.5	9.4	0.3	0.0	0.0	0.0	0.0
Net income (normalised)	**(510.8)**	**(275.1)**	**(199.0)**	**(146.6)**	**(34.8)**	**(14.6)**	**10.9**
Net income (reported)	**(614.8)**	**(220.5)**	**(91.8)**	**(158.9)**	**(39.2)**	**(18.9)**	**6.5**
Basic average number of shares outstanding (m)	47	49	98	182	188	198	198
EPS - basic normalised (RMB)	(10.80)	(5.64)	(2.04)	(0.81)	(0.18)	(0.07)	0.05
EPS - normalised fully diluted (RMB)	(10.80)	(5.64)	(2.04)	(0.81)	(0.18)	(0.07)	0.05
EPS - basic reported (RMB)	(21.38)	(4.71)	2.90	(0.87)	(0.21)	(0.10)	0.03
EPADS - basic normalised (RMB)	(323.85)	(169.18)	(61.05)	(24.19)	(5.55)	(2.21)	1.65
Dividend (RMB)	0	0	0	0	0	0	0
Revenue growth (%)		(1.5)	(21.9)	2.7	4.8	7.9	8.5
EBITDA Margin (%)	(120.2)	(58.8)	(50.7)	(34.7)	(4.3)	(0.7)	5.5
Normalised Operating Margin (%)	(127.5)	(66.2)	(54.7)	(37.8)	(7.1)	(1.5)	4.8
BALANCE SHEET							
Fixed Assets		501.4	346.5	328.1	309.3	303.3	297.3
Intangible Assets		176.8	170.9	167.2	163.8	163.8	163.8
Tangible Assets		58.4	40.8	31.9	27.3	26.3	25.3
Investments & other		266.2	134.8	129.0	118.1	113.1	108.1
Current Assets		423.4	475.4	179.0	139.6	142.9	173.4
Short-term investments		58.1	0.0	19.7	0.0	0.0	0.0
Debtors		32.8	21.4	22.5	19.5	21.1	22.9
Cash & cash equivalents		320.5	418.2	115.0	88.3	100.0	128.8
Other		12.0	35.8	21.8	31.8	21.8	21.8
Current Liabilities		(473.9)	(394.0)	(361.9)	(332.4)	(340.1)	(349.0)
Creditors		(107.8)	(81.9)	(100.9)	(81.9)	(82.1)	(82.2)
Tax and social security		0.0	0.0	0.0	0.0	0.0	0.0
Short-term borrowings		(62.6)	(172.0)	(149.4)	(139.9)	(139.9)	(139.9)
Other		(303.5)	(140.2)	(111.5)	(110.6)	(118.1)	(126.9)
Long-Term Liabilities		(298.2)	(200.7)	(70.5)	(65.0)	(69.1)	(73.9)
Long-term borrowings		(239.3)	(143.0)	(21.0)	(13.0)	(13.0)	(13.0)
Other long-term liabilities		(59.0)	(57.7)	(49.5)	(52.0)	(56.1)	(60.9)
Net Assets		152.7	227.2	74.6	51.5	36.9	47.8
Minority interests		(34.9)	0.0	0.0	0.0	0.0	0.0
Shareholders' equity		117.8	227.2	74.6	51.5	36.9	47.8
CASH FLOW							
Op Cash Flow before WC and tax	(608.8)	(198.5)	(78.7)	(148.2)	(29.2)	(15.9)	9.5
Working capital	51.9	(7.0)	(39.8)	(24.4)	(8.4)	20.2	11.9
Exceptional & other	105.5	(41.7)	(93.1)	27.1	19.9	9.4	9.4
Tax	(5.4)	(9.9)	0.0	0.0	4.8	0.0	0.0
Net operating cash flow	(456.8)	(257.0)	(211.7)	(145.5)	(13.0)	13.7	30.8
Capex	(18.7)	(5.6)	(1.7)	(2.2)	(2.0)	(2.0)	(2.0)
Acquisitions/disposals	(36.8)	(19.6)	0.0	(3.0)	(8.8)	0.0	0.0
Net interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity financing	(2.4)	(3.9)	151.0	(5.2)	12.8	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	(32.8)	17.5	(16.1)	0.0	0.0
Net Cash Flow	(514.7)	(286.1)	(95.1)	(138.5)	(27.0)	11.7	28.8
Opening net debt/(cash)	0.0	(479.3)	(194.3)	(103.3)	35.7	64.6	52.9
FX	0.0	1.1	(6.4)	(5.8)	(2.0)	0.0	0.0
Other non-cash movements	0.0	0.0	10.5	5.2	0.1	0.0	0.0
Closing net debt/(cash)		(194.3)	(103.3)	35.7	64.6	52.9	24.1
Closing net debt/(cash) excluding leases		(172.3)	(129.7)	12.8	41.7	30.0	1.2

Source: YXT.com, Edison Investment Research

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