Agora, Inc. Reports Third Quarter 2026 Financial Results

November 16, 2026

SANTA CLARA, Calif., Nov. 16, 2026 (GLOBE NEWSWIRE) -- Agora, Inc. (NASDAQ: API) (the “Company”), a pioneer and leader in conversational AI and real-time engagement technology, today announced its unaudited financial results for the third quarter ended September 30, 2026.

“We are pleased to report our third consecutive quarter of accelerating revenue growth, driven by strength across both our real-time engagement and conversational AI businesses, and our eighth consecutive quarter of GAAP profitability,” said Tony Zhao, Founder, Chairman, and CEO of Agora, Inc. “Adoption of our conversational AI products is expanding rapidly across industries and use cases, and we are now serving more than one million agent calls per day. We also continue to push the boundaries of technology. At our Intelligent Real-Time Engagement Conference last month, we announced the Agora Conversational Agent System, built on our global real-time network. The system can perceive, recognize intent, reason, and respond in a continuous, full-duplex manner, and includes capabilities such as memory, evaluation, and self-improvement. As we continue to enhance its performance, we believe the system will enable us to address a broader range of use cases and workflows, while further differentiating us from the competition.”

Third Quarter 2026 Highlights

- **Total revenues** for the quarter were $42.1 million, an increase of 19.0% from $35.4 million in the third quarter of 2025.
- **Active Customers** as of September 30, 2026 were 4,024, compared to 3,944 as of September 30, 2025.
- **Dollar-Based Net Retention Rate** for the quarter was 110%, compared to 97% in the third quarter of 2025.
- **Net income** for the quarter was $3.0 million, compared to $2.7 million in the third quarter of 2025.
- **Total cash, cash equivalents, bank deposits and financial products issued by banks** as of September 30, 2026 was $363.0 million.
- **Net cash provided by operating activities** for the quarter was $2.2 million, compared to $0.7 million in the third quarter of 2025.

Third Quarter 2026 Financial Results

Revenues

Total revenues were $42.1 million in the third quarter of 2026, an increase of 19.0% from $35.4 million in the same period last year, primarily due to the continued expansion of our real-time engagement service in sectors such as live shopping and social live streaming and rapid adoption of our conversational AI products.

Cost of Revenues

Cost of revenues was $15.4 million in the third quarter of 2026, an increase of 27.9% from $12.0 million in the same period last year, primarily due to increases in bandwidth and server costs and costs related to conversational AI products.

Gross Profit and Gross Margin

Gross profit was $26.7 million in the third quarter of 2026, an increase of 14.4% from $23.3 million in the same period last year. Gross margin was 63.4% in the third quarter of 2026, compared to 66.0% in the same period last year, mainly due to product mix changes, including conversational AI products remaining at a sub-scale stage.

Operating Expenses

Operating expenses were $28.3 million in the third quarter of 2026, an increase of 11.9% from $25.3 million in the same period last year.

- **Research and development** expenses were $15.8 million in the third quarter of 2026, an increase of 14.6% from $13.8 million in the same period last year, primarily due to increased investment in conversational AI products.
- **Sales and marketing** expenses were $6.7 million in the third quarter of 2026, an increase of 3.2% from $6.5 million in the same period last year, primarily due to an increase in advertising expenses.
- **General and administrative** expenses were $5.8 million in the third quarter of 2026, an increase of 15.9% from $5.0 million in the same period last year, primarily due to an increase in share-based compensation from $0.3 million in the third quarter of 2025 to $0.6 million in the third quarter of 2026, and an increase in allowance for current expected credit losses, mainly as a result of business expansion.

Loss from Operations

Loss from operations was $1.5 million in the third quarter of 2026, compared to $1.6 million in the same period last year.

Interest Income

Interest income was $3.6 million in the third quarter of 2026, a decrease of 6.9% from $3.9 million in the same period last year, primarily due to the decrease in the average principal amount.

Investment Income (Loss)
Investment income was $1.3 million in the third quarter of 2026, compared to investment loss of $0.3 million in the same period last year, primarily due to fair value changes in equity investments.

Net Income per American Depositary Share Attributable to Ordinary Shareholders
Basic and diluted net income per American Depositary Share ("ADS") attributable to ordinary shareholders were $0.04 and $0.03, respectively, in the third quarter of 2026, compared to $0.03 and $0.03, respectively, in the same period last year.[1]

Share Repurchase Program

During the three months ended September 30, 2026, the Company repurchased approximately 1.8 million of its Class A ordinary shares (equivalent to approximately 0.5 million ADSs) for approximately US$1.9 million.

As of September 30, 2026, the Company had repurchased approximately 180.3 million of its Class A ordinary shares (equivalent to approximately 45.1 million ADSs) for approximately US$161.8 million under the current share repurchase program.

As of September 30, 2026, the Company had 333.4 million ordinary shares (equivalent to approximately 83.4 million ADSs) outstanding, compared to 449.8 million ordinary shares (equivalent to approximately 112.4 million ADSs) as of the inception of the program.

The current share repurchase program will expire at the end of February 2027.

Financial Outlook

Based on currently available information, the Company expects total revenues for the fourth quarter of 2026 to be between $44.0 million and $45.0 million, representing year-over-year growth of 15.3% to 17.9%. This outlook reflects the Company's current and preliminary views on the market and operational conditions, which are subject to change.

Earnings Call

The Company will host a conference call to discuss the financial results at 5 p.m. Pacific Time / 8 p.m. Eastern Time on November 16, 2026. Details for the conference call are as follows:
Event title: Agora, Inc. 3Q 2026 Financial Results
The call will be available at https://edge.media-server.com/mmc/p/4pifrqgi
Investors who want to hear the call should log on at least 15 minutes prior to the broadcast. Participants may register for the call with the link below.
https://register-conf.media-server.com/register/BIfebe9ffd3d0944c6bf7684208a0a0f9a
Please visit the Company's investor relations website at https://investor.agora.io on November 16, 2026 to view the earnings release and accompanying slides prior to the conference call.

Operating Metrics

The Company also uses other operating metrics included in this press release and defined below to assess the performance of its business.

Active Customers

An active customer at the end of any period is defined as an organization or individual developer from which the Company generated more than $100 of revenue during the preceding 12 months, excluding customers from Easemob. Customers are counted based on unique customer account identifiers. Generally, one software application uses the same customer account identifier throughout its life cycle while one account may be used for multiple applications.

Dollar-Based Net Retention Rate

Dollar-Based Net Retention Rate is calculated by comparing the quarterly revenue from paying customers, excluding revenue from certain end-of-sale products, in the quarter four quarters prior to the most recent quarter to the quarterly revenue from the same set of customers in the most recent quarter. The Company believes Dollar-Based Net Retention Rate facilitates operating performance comparisons on a period-to-period basis.

Safe Harbor Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical or current fact included in this press release are forward-looking statements, including but not limited to statements regarding the Company's financial outlook, beliefs, and expectations. Forward-looking statements include statements containing words such as "expect," "anticipate," "believe," "project," "will," and similar expressions intended to identify forward-looking statements. Among other things, the Financial Outlook in this announcement contains forward-looking statements. These forward-looking statements are based on the Company's current expectations and involve risks and uncertainties. The Company's actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, risks related to the growth of the RTE-PaaS market; the Company's ability to manage its growth and expand its operations; the Company's ability to attract new developers and convert them into customers; the Company's ability to retain existing customers and expand their usage of its platform and products; the Company's ability to drive popularity of existing use cases and enable new use cases, including through quality enhancements and introduction of new products, features, and functionalities; the Company's fluctuating operating results; competition; the effect of broader technological and market trends on the Company's business and prospects; general economic conditions and their impact on customer and end-user demand; and other risks and uncertainties included elsewhere in the Company's filings with the Securities and Exchange Commission ("SEC"), including, without limitation, the Company's annual report on Form 20-F for the year ended December 31, 2025 and other filings with the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this

cautionary statement, and the Company undertakes no obligation to revise or update any forward-looking statements to reflect events or circumstances after the date hereof.

About Agora, Inc.

Agora, Inc. is the holding company of two independent divisions, under the Agora brand and the Shengwang brand, respectively.

Headquartered in Santa Clara, California, Agora is a pioneer and global leader in conversational AI and Real-Time Engagement Platform-as-a-Service (PaaS), providing developers with simple, flexible, and powerful application programming interfaces, or APIs, to embed real-time conversational AI, video, voice, chat, and interactive streaming into their applications.

Headquartered in Shanghai, China, Shengwang is a pioneer and leading conversational AI and Real-Time Engagement PaaS provider in the China market.

For more information on Agora, please visit: *www.agora.io*
For more information on Shengwang, please visit: *www.shengwang.cn*

Agora, Inc.
Consolidated Balance Sheets
(Unaudited, in US$ thousands)

	As of September 30, 2026	As of December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	53,817	75,446
Short-term bank deposits	252,214	84,460
Short-term financial products issued by banks	20,000	55,000
Short-term investments	4,413	4,583
Restricted cash	80	200
Accounts receivable, net	30,077	24,867
Prepayments and other current assets	23,045	14,590
Contract assets	128	123
Held-for-sale assets	600	831
Total current assets	384,374	260,100
Property and equipment, net	3,313	3,947
Construction in progress in relation to the headquarters project	122,597	84,239
Operating lease right-of-use assets	1,066	2,145
Intangible assets	16	96
Long-term bank deposits	37,000	160,001
Long-term investments	29,266	29,182
Land use right, net	165,922	161,591
Other non-current assets	8,654	19,798
Total assets	752,208	721,099
Liabilities and shareholders' equity		
Current liabilities:		
Short-term borrowings	2,087	-
Accounts payable	11,349	9,638
Advances from customers	9,996	7,906
Taxes payable	700	696
Current operating lease liabilities	625	1,521
Payables for construction costs	27,255	16,607
Advance in relation to the headquarters project	21,532	-
Accrued expenses and other current liabilities	14,674	20,417
Total current liabilities	88,218	56,785
Long-term payable	1	3
Long-term operating lease liabilities	87	399
Deferred tax liabilities	-	12
Long-term borrowings in relation to the headquarters project	103,111	80,420
Advance in relation to the headquarters project	-	20,632
Total liabilities	191,417	158,251
Shareholders' equity:		
Class A ordinary shares	28	39
Class B ordinary shares	8	8
Additional paid-in-capital	1,052,715	1,145,126

Treasury shares, at cost	(17,473)	(95,238)
Accumulated other comprehensive loss	(3,719)	(9,987)
Accumulated deficit	(470,768)	(477,100)
Total shareholders' equity	560,791	562,848
Total liabilities and shareholders' equity	752,208	721,099

Agora, Inc.
Consolidated Statements of Comprehensive Income
(Unaudited, in US$ thousands, except share and per share data)

	Three Month Ended September 30,		Nine Month Ended September 30,	
	2026	2025	2026	2025
Real-time engagement service revenues	41,333	34,783	117,973	101,172
Real-time engagement on-premise solution and other revenues	764	591	2,289	1,730
Total revenues	42,097	35,374	120,262	102,902
Cost of revenues	15,401	12,042	43,900	34,066
Gross profit	26,696	23,332	76,362	68,836
Operating expenses:				
Research and development	15,833	13,817	45,650	41,811
Sales and marketing	6,681	6,473	19,039	19,229
General and administrative	5,830	5,029	17,320	17,306
Total operating expenses	28,344	25,319	82,009	78,346
Other operating income	184	377	1,582	1,079
Loss from operations	(1,464)	(1,610)	(4,065)	(8,431)
Exchange gain	75	576	453	731
Interest income	3,586	3,852	10,427	11,193
Interest expense	(27)	(16)	(56)	(22)
Investment income (loss)	1,260	(348)	(4)	1,138
Income before income taxes	3,430	2,454	6,755	4,609
Income taxes	(390)	(107)	(573)	(191)
(Loss) income from equity in affiliates	(15)	394	150	192
Net income	3,025	2,741	6,332	4,610
Net income attributable to ordinary shareholders	3,025	2,741	6,332	4,610
Other comprehensive income:				
Foreign currency translation adjustments	1,678	1,615	6,268	1,290
Total comprehensive income attributable to ordinary shareholders	4,703	4,356	12,600	5,900
Net income per share attributable to ordinary shareholders				
Basic	0.009	0.007	0.019	0.012
Diluted	0.008	0.007	0.017	0.011
Net income per ADS attributable to ordinary shareholders				
Basic	0.04	0.03	0.07	0.05
Diluted	0.03	0.03	0.07	0.05
Weighted average ordinary shares outstanding				
Basic	337,527,171	365,742,857	341,580,148	371,041,046
Diluted	368,766,031	395,328,829	372,189,689	407,699,601
Weighted average ADS outstanding				
Basic	84,381,793	91,435,714	85,395,037	92,760,262
Diluted	92,191,508	98,832,207	93,047,422	101,924,900
Share-based compensation expenses included in:				
Cost of revenues	2	15	6	91
Research and development expenses	617	744	1,729	3,081
Sales and marketing expenses	137	227	400	651
General and administrative expenses	562	288	1,687	929

Agora, Inc.
Consolidated Statements of Cash Flows
(Unaudited, in US$ thousands)

	Three Month Ended September 30,		Nine Month Ended September 30,	
	2026	2025	2026	2025
Cash flows from operating activities:				
Net income	3,025	2,741	6,332	4,610
Adjustments to reconcile net income to net cash provided by operating activities:				
Share-based compensation expenses	1,318	1,274	3,822	4,752
Allowance for current expected credit losses	1,002	851	2,565	3,867
Depreciation of property and equipment	381	477	1,131	1,593
Amortization of intangible assets	1	130	81	389
Amortization of land use right	899	855	2,667	2,552
Deferred tax expense	-	(20)	(12)	(61)
Amortization of right-of-use asset and interest on lease liabilities	455	527	1,387	1,605
Investment (income) loss	(1,260)	348	4	(1,138)
Loss (income) from equity in affiliates	15	(394)	(150)	(192)
(Gain) loss on disposal of property and equipment	(4)	2	(3)	4
Changes in assets and liabilities, net of effect of acquisition:				
Accounts receivable	(2,671)	886	(7,196)	2,413
Contract assets	-	-	-	978
Prepayments and other current assets	(261)	(4,951)	(1,355)	10,340
Other non-current assets	(264)	(905)	(603)	(4,329)
Accounts payable	(172)	(1,255)	1,491	(2,065)
Advances from customers	795	(468)	1,784	(1,113)
Taxes payable	(104)	(48)	(13)	(1,039)
Operating lease liabilities	(451)	(340)	(1,570)	(1,499)
Deferred income	106	63	106	175
Accrued expenses and other liabilities	(657)	958	(4,763)	(3,887)
Net cash provided by operating activities	2,153	731	5,705	17,955
Cash flows from investing activities:				
Purchase of property and equipment	(101)	(413)	(378)	(1,285)
Purchase of short-term bank deposits	(31,226)	(15,422)	(84,178)	(50,928)
Purchase of short-term financial products issued by banks	-	(50,000)	-	(65,348)
Proceeds from maturity of short-term bank deposits	6,000	20,854	66,428	199,256
Proceeds from maturity of short-term financial products issued by banks	32,086	98,353	35,353	134,795
Proceeds from sales of short-term investments	-	240	2	240
Proceeds from dividends of short-term investments	100	110	100	110
Purchase of long-term bank deposits	(27,000)	(11,000)	(27,000)	(174,001)
Purchase of construction in progress for the headquarters project	(3,037)	(12,295)	(18,106)	(26,048)
Disposal of property and equipment	24	3	37	34
Cash received from disposal of an equity investment, net of cash paid	10	-	10	-
Refundable deposit received in relation to disposal of subsidiaries	-	-	-	4,410
Net cash (used in) provided by investing activities	(23,144)	30,430	(27,732)	21,235
Cash flows from financing activities:				
Proceeds from short-term borrowings	737	-	2,061	-
Proceeds from long-term borrowings	2,991	12,369	18,764	26,503
Proceeds from exercise of employees' share options	36	58	139	535
Payment of financing cost	(37)	-	(2,289)	-
Repurchase of Class A ordinary shares	(1,892)	(4,746)	(18,926)	(16,850)
Net cash provided by (used in) financing activities	1,835	7,681	(251)	10,188
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	186	612	529	(225)
Net (decrease) increase in cash, cash equivalents and restricted cash	(18,970)	39,454	(21,749)	49,153
Cash, cash equivalents and restricted cash at beginning of period *	72,867	40,527	75,646	30,828
Cash, cash equivalents and restricted cash at end of period **	53,897	79,981	53,897	79,981
Supplemental disclosure of cash flow information:				
Income taxes paid	69	102	108	175
Cash payments included in the measurement of operating lease liabilities	451	340	1,570	1,499
Right-of-use assets obtained in exchange for operating lease obligations	-	3	-	90
Non-cash financing and investing activities:				
Proceeds receivable from exercise of employees' share options	3	35	3	35
Proceeds receivable from sales of short-term investments	-	35	-	35
Proceeds receivable for disposal	-	-	-	2,909

Payables for financing cost	16	-	388	-
Payables for property and equipment	24	11	24	11
Payables for construction in progress in relation to the headquarters project	11,847	9,839	25,308	13,283
Payables for treasury shares, at cost	8	115	8	115
* includes restricted cash balance	200	200	200	3,745
** includes restricted cash balance	80	200	80	200

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[1] One ADS represents four Class A ordinary shares.

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