# Q2 2026 Earnings Prepared Remarks

August 13, 2026

## Legal Disclaimer

This document contains forward-looking statements about our future financial performance and other future events and trends, including guidance. These statements are only predictions that are based on what we believe today, and actual results may differ materially. These forward-looking statements are subject to risks, uncertainties, assumptions, and other factors that could affect our financial results and the performance of our business. We will discuss them in detail in our filings with the SEC, including today's earnings press release, and the risk factors and other information contained in the final prospectus relating to our initial public offering. Agora assumes no obligation to update any forward-looking statements we may make on this document.

**Zhao Bin, founder, chairman and CEO**

Thanks operator, and welcome everyone to our earnings call.

Let me begin with a review of our operating results for the quarter.

I am pleased to report another quarter of accelerating top-line growth, as well as our seventh consecutive quarter of GAAP profitability. Total revenues for the second quarter of 2026 reached 40.4 million dollars, an increase of 18 percent year-over-year. This performance reflects both the continued strength of our core real-time engagement business and the growing contributions from our conversational AI products, as more customers move from proof of concept to commercial production. Our GAAP net profit for the quarter was 2.2 million dollars, up 50 percent year-over-year, which demonstrates improved operating leverage and disciplined cost management across the organization.

Our most important progress this quarter occurred in call centers across the globe. We are seeing strong momentum in the adoption of our Voice AI agents. Trained on the best sales and customer service playbooks, these agents deliver consistent, high-quality performance across every conversation. They do not experience fatigue, lose focus, or vary in performance based on workload or time of day. They also maintain calm and steady interactions even during challenging calls. Further, customers are now seeing substantial cost savings from deploying our Voice AI agents.

Indeed, we are beginning to see them match or even surpass human performance in an increasing number of tasks in achieving target business outcomes.

The first example is outbound marketing and buyer interest capture. Our Voice AI agents are now being used to initiate calls, qualify leads, collect information and schedule meetings with prospect customers. At a similar conversion rate with human reps, our Voice AI agents also outperform in two other important areas – the volume of calls they can handle, and the unit economics they deliver.

The second example is market surveying. Our Voice AI agents can conduct in-depth interviews for consumer insights and product feedback, while capturing structured data throughout each conversation. The high concurrency of our solution compresses the time it takes to conduct large-scale surveys that traditionally take days or weeks into just a few hours.

Marketing and surveying are only two examples of how voice AI agents can reshape call centers worldwide. We see similar opportunities in financial services outreach, gaming user acquisition and retention, debt collection, and many other areas. We are already working with customers across these sectors, and we expect several of them to move from proof-of-concept to large scale deployment in the coming quarters.

At the same time, we continued to invest in our developer ecosystem.

This quarter, we launched Agora Skills and the Agora CLI. Agora Skills package our platform knowledge so that AI coding assistants – including Claude Code, Cursor, and Codex – can work with our latest SDKs and best practices when building real-time engagement or conversational AI applications. The Agora CLI complements this with a simple command-line interface for coding agents to do their work. Together, these tools make it easier for both human developers and AI coding agents to build and deploy real-time engagement applications with us.

We are also continuing to strengthen our technology ecosystem through strategic partnerships.

This quarter, we announced a partnership with Gradium, a leading voice AI platform recently founded by the research team behind Moshi and Hibiki, two speech models with strong recognition in the open-source community. Through our partnership, developers can enable Gradium TTS within our Conversational AI Engine through a simple configuration, without introducing additional latency hops.

Looking ahead, we will first remain laser-focused on accelerating the transition of our conversational AI solutions from pilot to production across use cases. Each use case will present its own set of challenges, but each will also help us refine our technology. We believe that continued improvements in our solutions will unlock additional demand and drive the industry shift toward AI-led workflows in call centers.

Second, we will continue to invest in our real-time infrastructure. Our Software-Defined Real-Time Network, or SD-RTN, has long been a foundational advantage for us. As we expand into human-to-AI interactions, the importance of this infrastructure does not diminish.

On the contrary, it becomes more critical, because smooth conversations require ultra-low latency inference and transmission. We are confident that our investment in real-time inference and communication infrastructure will serve as a decisive factor in our ability to compete and succeed in the conversational AI arena.

And third, we will continue to strengthen our partner ecosystem and build up developer mindshare. On October 23rd and 24th, we will host our iconic annual conference, iRTE, or Intelligent Real-Time Engagement, in Beijing. We look forward to bringing together developers, partners, enterprises, and industry leaders to explore the next phase of real-time engagement and conversational AI.

In summary, we believe the center of gravity in the AI industry is increasingly shifting from model capability toward the infrastructure and application layer required to operate voice AI agents reliably at scale. At the intersection of real-time engagement, AI, and global infrastructure, we believe Agora is uniquely positioned to help enterprises make this transition, and create sustainable, long-term value for both our customers and shareholders.

Before I conclude, I would like to thank our customers, developers, partners, and shareholders for their continued trust and support, and our global Agora and Shengwang teams for their dedication and innovation.

With that, let me turn it over to Jingbo, who will review our financial results.

**Jingbo Wang, CFO**

Thank you, Tony. Hello everyone.

Let me start by first reviewing financial results for the second quarter of 2026 and then I will discuss outlook for the third quarter.

Total revenues for the second quarter reached $40.4 million, above the high end of the guidance range, and representing 18.0% year-over-year growth. This marks our third consecutive quarter of accelerating growth, driven by continued expansion of our real-time engagement service across sectors such as e-commerce, as well as growing customer adoption of our conversational AI solutions. Our Dollar-Based Net Retention Rate for the quarter was 104%, compared to 94% in the second quarter of 2025. This represents a meaningful improvement and moves us back above 100%.

Gross profit for the quarter was $25.7 million, representing 12.5% increase year-over-year. Gross margin was 63.7%, compared to 66.8% in the same period last year and 63.4% in the first quarter of 2026. On a year-over-year basis, the decline was primarily due to product mix change, as conversational AI products continued to see growing usage during the quarter but remained at a sub-scale stage. On a sequential basis, the increase was mainly driven by technical optimization.

Turning to expenses, R&D expenses were $15.4 million in Q2, up 10.2% year-over-year. R&D expenses represented 38.1% of total revenues in the quarter, compared to 40.8% in the same period last year. The increase was primarily due to our continued investment in conversational AI products.

Sales and marketing expenses were $6.4 million in Q2, down 1.5% year-over-year. Sales and marketing expenses represented 15.9% of total revenues in the quarter, compared to 19.0% in the same period last year. The decrease was primarily due to disciplined expense management.

General and administrative expenses were $5.5 million in Q2, down 9.5% year-over-year. G&A expenses represented 13.5% of total revenues in the quarter, compared to 17.6% in the same period last year. The decrease was primarily due to a lower allowance for current expected credit losses as customer credit conditions and collection outcomes improved.

Turning to operating results, we recorded GAAP operating loss of $1.0 million in the second quarter, compared to a loss of $3.1 million in the same period last year, thanks to continued improvement in operating leverage. Based on our current business momentum, our goal is to achieve quarterly GAAP operating profitability by the end of this year.

Moving on to the bottom line. We delivered net income of $2.2 million in Q2, up 50.3% year-over-year, and representing a net income margin of 5.4%.

Now turning to cash flow. Operating cash flow was negative $2.1 million in Q2, compared to negative $0.4 million in the second quarter of 2025.

Moving onto balance sheet. We ended Q2 with $361.7 million in cash, cash equivalents, bank deposits and financial products issued by banks. The decrease in our cash balance was mainly due to annual bonus payment, as well as share repurchases during the quarter.

During the quarter, we repurchased approximately 1.0 million ADSs, for approximately US$3.7 million. As of June 30, 2026, we had repurchased approximately 44.6 million ADSs, for approximately US$159.9 million under the current share repurchase program. As of June 30, 2026, we had 83.8 million ADSs outstanding, compared to 87.3 million ADSs at the end of 2025. The current share repurchase program will expire at the end of February 2027.

Now turning to guidance. Based on currently available information, we expect total revenues for the third quarter of 2026 to be between $41 million and $42 million, representing year-over-year growth of 15.8% to 18.6%. This outlook reflects our current and preliminary views on the market and operational conditions, which are subject to change.

In closing, this was another strong quarter for us, both in terms of revenue growth and profitability. At the same time, we are increasingly encouraged by the usage momentum and commercial potential in conversational AI, and we will continue to invest with discipline to support our long-term growth.

Thank you all for joining today's call. Let's open it up for questions.