Sunlands Technology Group Announces Unaudited Third Quarter 2026 Financial Results

November 19, 2026

BEIJING, Nov. 19, 2026 (GLOBE NEWSWIRE) -- **Sunlands Technology Group** (NYSE: STG) ("Sunlands" or the "Company"), a leader in China's adult online education market and China's adult personal interest learning market, today announced its unaudited financial results for the third quarter ended September 30, 2026.

Third Quarter 2026 Financial and Operational Snapshots

- Net revenues were RMB331.6 million (US$49.5 million), compared to RMB523.0 million in the third quarter of 2025.
- Gross billings (non-GAAP) were RMB239.0 million (US$35.6 million), compared to RMB349.2 million in the third quarter of 2025.
- Gross profit was RMB273.4 million (US$40.8 million), compared to RMB462.7 million in the third quarter of 2025.
- Net income was RMB35.2 million (US$5.2 million), compared to RMB125.4 million in the third quarter of 2025.
- Net income margin[1] was 10.6%, compared to 24.0% in the third quarter of 2025.
- New student enrollments[2] were 84,879, compared to 137,493 in the third quarter of 2025.
- As of September 30, 2026, the Company's deferred revenue balance was RMB382.5 million (US$57.1 million), compared to RMB585.3 million as of December 31, 2025.

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[1] Net income margin is defined as net income as a percentage of net revenues.

[2] New student enrollments for a given period refer to the total number of orders placed by students that newly enroll in at least one course during that period, including those students that enroll and then terminate their enrollment with us, excluding orders of our low-price courses, such as "mini courses" and "RMB1 courses", which we offer in the form of recorded videos or short live streaming, to strengthen our competitiveness and improve customer experience.

Mr. Tongbo Liu, Chief Executive Officer of Sunlands, commented, "During the third quarter of 2026, we remained focused on our core business, refining our course offerings and teaching services to better address evolving learner needs. As demand for lifelong learning among middle-aged and senior learners continues to diversify, we are placing greater emphasis on course quality, personalized learning experiences, and long-term learner engagement. Looking ahead, we will continue to build on our experience in adult education, further integrate technology into teaching and services, and strengthen our core business to support sustainable development."

Mr. Hangyu Li, Finance Director of Sunlands, added, "In the third quarter of 2026, net revenues were RMB331.6 million and net income was RMB35.2 million, representing net income margin of 10.6%. Against a lower revenue base, we reduced operating expenses by 25.3% year-over-year and remained profitable for the 22nd consecutive quarter. We remain focused on aligning costs and resource allocation with our operating needs, preserving liquidity, and allocating capital prudently to support our core business and long-term development."

Financial Results for the Third Quarter of 2026

Net Revenues

In the third quarter of 2026, net revenues decreased by 36.6% to RMB331.6 million (US$49.5 million) from RMB523.0 million in the third quarter of 2025. The decrease was primarily due to the year-over-year decline in gross billings.

Cost of Revenues

Cost of revenues decreased by 3.6% to RMB58.1 million (US$8.7 million) in the third quarter of 2026 from RMB60.3 million in the third quarter of 2025. The decrease was mainly due to declined service fees paid to educational institutions.

Gross Profit

Gross profit decreased by 40.9% to RMB273.4 million (US$40.8 million) in the third quarter of 2026 from RMB462.7 million in the third quarter of 2025.

Operating Expenses

In the third quarter of 2026, operating expenses were RMB242.2 million (US$36.1 million), representing a 25.3% decrease from RMB324.4 million in the third quarter of 2025.

Sales and marketing expenses decreased by 26.4% to RMB206.0 million (US$30.7 million) in the third quarter of 2026 from RMB279.7 million in the third quarter of 2025. The decrease was mainly due to the decreases of compensation for sales personnel and the spending on branding and marketing activities focused on interest courses offerings.

General and administrative expenses decreased by 18.7% to RMB29.2 million (US$4.4 million) in the third quarter of 2026 from RMB36.0 million in the third quarter of 2025.

Product development expenses decreased by 18.9% to RMB7.0 million (US$1.0 million) in the third quarter of 2026 from RMB8.7 million in the third

quarter of 2025. The decrease was mainly due to declined compensation expenses related to the Company's product development personnel.

Net Income

Net income for the third quarter of 2026 was RMB35.2 million (US$5.2 million), as compared to RMB125.4 million in the third quarter of 2025.

Basic and Diluted Net Income Per Share

Basic and diluted net income per share was RMB5.53 (US$0.83) in the third quarter of 2026, as compared to RMB18.64 in the third quarter of 2025.

Cash, Cash Equivalents, Restricted Cash and Short-term Investments

As of September 30, 2026, the Company had RMB502.0 million (US$74.9 million) of cash, cash equivalents and restricted cash and RMB281.4 million (US$42.0 million) of short-term investments, as compared to RMB576.8 million of cash, cash equivalents and restricted cash and RMB235.9 million of short-term investments as of December 31, 2025.

Deferred Revenue

As of September 30, 2026, the Company had a deferred revenue balance of RMB382.5 million (US$57.1 million), as compared to RMB585.3 million as of December 31, 2025.

Share Repurchase

On May 29, 2026, the Company's board of directors authorized a share repurchase program, under which the Company may repurchase up to US$50.0 million of Class A ordinary shares in the form of ADSs over the next 36 months. As of November 17, 2026, the Company had repurchased an aggregate of 716,479 ADSs for approximately US$2.4 million under the share repurchase program.

Financial Results for the First Nine Months of 2026

Net Revenues

In the first nine months of 2026, net revenues decreased by 23.9% to RMB1,178.6 million (US$175.8 million) from RMB1,549.7 million in the first nine months of 2025. The decrease was primarily due to the year-over-year decline in gross billings.

Cost of Revenues

Cost of revenues decreased by 13.6% to RMB174.9 million (US$26.1 million) in the first nine months of 2026 from RMB202.3 million in the first nine months of 2025. The decrease was mainly due to declined cost of revenues from sales of goods such as learning materials and books and decreased service fees paid to educational institutions.

Gross Profit

Gross profit decreased by 25.5% to RMB1,003.7 million (US$149.7 million) in the first nine months of 2026 from RMB1,347.4 million in the first nine months of 2025.

Operating Expenses

In the first nine months of 2026, operating expenses were RMB792.2 million (US$118.2 million), representing a 21.4% decrease from RMB1,008.1 million in the first nine months of 2025.

Sales and marketing expenses decreased by 23.4% to RMB676.2 million (US$100.9 million) in the first nine months of 2026 from RMB882.7 million in the first nine months of 2025. The decrease was mainly due to the decreases of compensation for sales personnel and the spending on branding and marketing activities focused on interest courses offerings.

General and administrative expenses decreased by 6.4% to RMB96.9 million (US$14.5 million) in the first nine months of 2026 from RMB103.6 million in the first nine months of 2025.

Product development expenses decreased by 12.5% to RMB19.1 million (US$2.9 million) in the first nine months of 2026 from RMB21.9 million in the first nine months of 2025.

Net Income

Net income for the first nine months of 2026 was RMB195.5 million (US$29.2 million), compared with RMB327.3 million in the first nine months of 2025.

Basic and Diluted Net Income Per Share

Basic and diluted net income per share was RMB29.79 (US$4.44) in the first nine months of 2026, compared with RMB48.50 in the first nine months of 2025.

Outlook

For the fourth quarter of 2026, Sunlands currently expects net revenues to be between RMB220 million to RMB240 million, which would represent a decrease of between 49.0% to 53.2% year-over-year. The above outlook is based on the current market conditions and reflects the Company's current and preliminary estimates of market and operating conditions and customer demand, which are all subject to substantial uncertainty.

Exchange Rate

The Company's business is primarily conducted in China and all revenues are denominated in Renminbi ("RMB"). This announcement contains

currency conversions of RMB amounts into U.S. dollars ("US$") solely for the convenience of the reader. Unless otherwise noted, all translations from RMB to US$ are made at a rate of RMB6.7045 to US$1.00, the effective noon buying rate for September 30, 2026 as set forth in the H.10 statistical release of the Federal Reserve Board. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate on September 30, 2026, or at any other rate.

About Sunlands

Sunlands Technology Group (NYSE: STG) ("Sunlands" or the "Company"), formerly known as Sunlands Online Education Group, is a leader in China's adult online education market and China's adult personal interest learning market. With a one to many live streaming platform, Sunlands offers various degree- or diploma-oriented post-secondary courses as well as professional certification preparation, professional skills and interest courses. Students can access the Company's services either through PC or mobile applications. The Company's online platform cultivates a personalized, interactive learning environment by featuring a virtual learning community and a vast library of educational content offerings that adapt to the learning habits of its students. Sunlands offers a unique approach to education research and development that organizes subject content into Learning Outcome Trees, the Company's proprietary knowledge management system. Sunlands has a deep understanding of the educational needs of its prospective students and offers solutions that help them achieve their goals.

About Non-GAAP Financial Measures

We use gross billings, EBITDA, adjusted EBITDA, non-GAAP operating cost and expenses, non-GAAP income from operations and non-GAAP net income per share, each a non-GAAP financial measure, in evaluating our operating results and for financial and operational decision-making purposes.

We define gross billings for a specific period as the total amount of cash received for the sale of course packages, net of the total amount of refunds paid in such period. Our management uses gross billings as a performance measurement because we generally bill our students for the entire course tuition at the time of sale of our course packages and recognize revenue proportionally over a period. EBITDA is defined as net income excluding depreciation and amortization, interest expense, interest income, and income tax expenses. Adjusted EBITDA is defined as net income excluding depreciation and amortization, interest expense, interest income, income tax expenses and impairment loss on long-lived assets. We believe that gross billings, EBITDA and adjusted EBITDA provide valuable insight into the sales of our course packages and the performance of our business.

These non-GAAP financial measures should not be considered in isolation from, or as a substitute for, their most directly comparable financial measures prepared in accordance with GAAP. A reconciliation of the historical non-GAAP financial measures to their respective most directly comparable GAAP measure has been provided in the tables included below. Investors are encouraged to review the reconciliation of the historical non-GAAP financial measures to their respective most directly comparable GAAP financial measures. As gross billings, EBITDA, adjusted EBITDA, operating cost and expenses excluding share-based compensation expenses, general and administrative expenses excluding share-based compensation expenses, sales and marketing expenses excluding share-based compensation expenses, product development expenses excluding share-based compensation expenses, income from operations excluding share-based compensation expenses, and basic and diluted net income per share excluding share-based compensation expenses have material limitations as an analytical metric and may not be calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies. In light of the foregoing limitations, you should not consider gross billings, EBITDA and adjusted EBITDA as a substitute for, or superior to, their respective most directly comparable financial measures prepared in accordance with GAAP. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

Safe Harbor Statement

This press release contains forward-looking statements made under the "safe harbor" provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "confident" and similar statements. Sunlands may also make written or oral forward-looking statements in its reports filed with or furnished to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Any statements that are not historical facts, including statements about Sunlands' beliefs and expectations, are forward-looking statements that involve factors, risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such factors and risks include, but are not limited to the following: Sunlands' goals and strategies; its expectations regarding demand for and market acceptance of its brand and services; its ability to retain and increase student enrollments; its ability to offer new courses and educational content; its ability to improve teaching quality and students' learning results; its ability to improve sales and marketing efficiency and effectiveness; its ability to engage, train and retain new faculty members; its future business development, results of operations and financial condition; its ability to maintain and improve technology infrastructure necessary to operate its business; competition in the online education industry in China; relevant government policies and regulations relating to Sunlands' corporate structure, business and industry; and general economic and business condition in China. Further information regarding these and other risks, uncertainties or factors is included in Sunlands' filings with the U.S. Securities and Exchange Commission. All information provided in this press release is current as of the date of the press release, and Sunlands does not undertake any obligation to update such information, except as required under applicable law.

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SUNLANDS TECHNOLOGY GROUP
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except for share and per share data, or otherwise noted)

	As of December 31,	As of September 30,	
	2025	2026	
	RMB	RMB	US$
ASSETS			
Current assets			
Cash and cash equivalents	575,740	500,751	74,689
Restricted cash	1,023	1,264	189
Short-term investments	235,937	281,416	41,974
Prepaid expenses and other current assets	82,566	87,487	13,049
Deferred costs, current	22,125	10,734	1,601
Total current assets	917,391	881,652	131,502
Non-current assets			
Property and equipment, net	662,178	523,444	78,074
Intangible assets, net	250	60	9
Right-of-use assets	99,111	86,891	12,960
Deferred costs, non-current	10,643	4,733	706
Long-term investments	318,791	368,747	55,000
Deferred tax assets	19,104	13,681	2,041
Other non-current assets	19,750	18,087	2,698
Total non-current assets	1,129,827	1,015,643	151,488
TOTAL ASSETS	2,047,218	1,897,295	282,990
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Current liabilities			
Accrued expenses and other current liabilities	366,011	295,768	44,117
Deferred revenue, current portion	384,334	224,786	33,528
Lease liabilities, current portion	9,104	9,830	1,466
Total current liabilities	759,449	530,384	79,111

SUNLANDS TECHNOLOGY GROUP
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS-continued
(Amounts in thousands, except for share and per share data, or otherwise noted)

	As of December 31,	As of September 30,	
	2025	2026	
	RMB	RMB	US$
Non-current liabilities			
Deferred revenue, non-current portion	200,960	157,753	23,529
Lease liabilities, non-current portion	129,564	116,729	17,411
Deferred tax liabilities	5,786	8,330	1,242
Other non-current liabilities	7,392	6,650	992
Total non-current liabilities	343,702	289,462	43,174
TOTAL LIABILITIES	1,103,151	819,846	122,285
SHAREHOLDERS' EQUITY			
Class A ordinary shares (par value of US$0.00005, 796,062,195 shares authorized; 3,131,807 and 3,131,807 shares issued as of December 31, 2025 and September 30, 2026, respectively; 2,538,047 and 2,179,808 shares outstanding as of December 31, 2025 and September 30, 2026, respectively)	1	1	-
Class B ordinary shares (par value of US$0.00005, 826,389 shares authorized; 826,389 and 826,389 shares issued and outstanding as of December 31, 2025 and September 30, 2026, respectively)	-	-	-
Class C ordinary shares (par value of US$0.00005, 203,111,416 shares authorized; 3,332,062 and 3,332,062 shares issued and outstanding as of December 31, 2025 and September 30, 2026, respectively)	1	1	-

Treasury stock	-	-	-
Statutory reserves	22,440	22,440	3,347
Accumulated deficit	(1,486,011)	(1,290,534)	(192,488)
Additional paid-in capital	2,287,553	2,271,348	338,780
Accumulated other comprehensive income	121,570	75,680	11,288
Total Sunlands Technology Group shareholders' equity	945,554	1,078,936	160,927
Non-controlling interest	(1,487)	(1,487)	(222)
TOTAL SHAREHOLDERS' EQUITY	944,067	1,077,449	160,705
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,047,218	1,897,295	282,990

SUNLANDS TECHNOLOGY GROUP
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except for share and per share data, or otherwise noted)

	For the Three Months Ended September 30,		
	2025	2026	
	RMB	RMB	US$
Net revenues	523,049	331,561	49,454
Cost of revenues	(60,314)	(58,138)	(8,671)
Gross profit	462,735	273,423	40,783
Operating expenses			
Sales and marketing expenses	(279,725)	(205,963)	(30,720)
Product development expenses	(8,671)	(7,032)	(1,049)
General and administrative expenses	(35,956)	(29,236)	(4,361)
Total operating expenses	(324,352)	(242,231)	(36,130)
Income from operations	138,383	31,192	4,653
Interest income	6,462	4,740	707
Interest expense	(114)	-	-
Other income, net	8,323	1,706	254
Gain on disposal of subsidiaries	-	-	-
Income before income tax expenses and loss from equity method investments	153,054	37,638	5,614
Income tax expenses	(24,360)	(1,512)	(226)
Loss from equity method investments	(3,258)	(956)	(143)
Net income	125,436	35,170	5,245
Less: Net loss attributable to non-controlling interest	-	-	-
Net income attributable to Sunlands Technology Group	125,436	35,170	5,245
Net income per share attributable to ordinary shareholders of Sunlands Technology Group:			
Basic and diluted	18.64	5.53	0.83
Weighted average shares used in calculating net income per ordinary share:			
Basic and diluted	6,728,503	6,356,015	6,356,015

SUNLANDS TECHNOLOGY GROUP
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in thousands)

	For the Three Months Ended September 30,		
	2025	2026	
	RMB	RMB	US$
Net income	125,436	35,170	5,245
Other comprehensive (loss)/gain, net of tax effect of nil:			
Change in cumulative foreign currency translation adjustments	(3,671)	(7,974)	(1,189)
Unrealized gain/(loss) on available-for-sale investments, net of tax effect of nil	8,592	(16,786)	(2,504)

Total comprehensive income	130,357	10,410	1,552
Less: comprehensive income attributable to non-controlling interest	-	-	-
Comprehensive income attributable to Sunlands Technology Group	130,357	10,410	1,552

SUNLANDS TECHNOLOGY GROUP
RECONCILIATION OF GAAP AND NON-GAAP RESULTS
(Amounts in thousands)

	For the Three Months Ended September 30,	
	2025	2026
	RMB	RMB
Net revenues	523,049	331,561
Less: other revenues	(61,277)	(47,318)
Add: tax and surcharges	16,310	10,517
Add: ending deferred revenue	695,459	382,539
Add: ending refund liability	67,828	38,525
Less: beginning deferred revenue	(814,277)	(433,454)
Less: beginning refund liability	(77,942)	(43,368)
Gross billings (non-GAAP)	349,150	239,002

Net income	125,436	35,170
Add: income tax expenses	24,360	1,512
Add: depreciation and amortization	7,199	4,888
Add: interest expense	114	-
Less: interest income	(6,462)	(4,740)
EBITDA (non-GAAP)	150,647	36,830
Add: Impairment loss on long-lived assets	-	-
Adjusted EBITDA (non-GAAP)	150,647	36,830

SUNLANDS TECHNOLOGY GROUP
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except for share and per share data, or otherwise noted)

	For the Nine Months Ended September 30,		
	2025	2026	
	RMB	RMB	US$
Net revenues	1,549,689	1,178,588	175,791
Cost of revenues	(202,291)	(174,878)	(26,084)
Gross profit	1,347,398	1,003,710	149,707
Operating expenses			
Sales and marketing expenses	(882,696)	(676,201)	(100,858)
Product development expenses	(21,859)	(19,124)	(2,852)
General and administrative expenses	(103,565)	(96,916)	(14,455)
Total operating expenses	(1,008,120)	(792,241)	(118,165)
Income from operations	339,278	211,469	31,542
Interest income	18,603	15,713	2,344
Interest expense	(794)	-	-
Other income, net	22,180	14,661	2,187
Gain on disposal of subsidiaries	-	661	99
Income before income tax expenses and loss from equity method investments	379,267	242,504	36,172
Income tax expenses	(47,684)	(44,475)	(6,634)
Loss from equity method investments	(4,326)	(2,552)	(381)

Net income	327,257	195,477	29,157
Less: Net loss attributable to non-controlling interest	-	-	-
Net income attributable to Sunlands Technology Group	327,257	195,477	29,157
Net income per share attributable to ordinary shareholders of Sunlands Technology Group:			
Basic and diluted	48.50	29.79	4.44
Weighted average shares used in calculating net income per ordinary share:			
Basic and diluted	6,747,844	6,560,800	6,560,800

SUNLANDS TECHNOLOGY GROUP
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in thousands)

	For the Nine Months Ended September 30,		
	2025	2026	
	RMB	RMB	US$
Net income	327,257	195,477	29,157
Other comprehensive (loss)/gain, net of tax effect of nil:			
Change in cumulative foreign currency translation adjustments	(15,152)	(29,639)	(4,421)
Unrealized gain/(loss) on available-for-sale investments, net of tax effect of nil	8,644	(16,251)	(2,424)
Total comprehensive income	320,749	149,587	22,312
Less: comprehensive income attributable to non-controlling interest	-	-	-
Comprehensive income attributable to Sunlands Technology Group	320,749	149,587	22,312

SUNLANDS TECHNOLOGY GROUP
RECONCILIATION OF GAAP AND NON-GAAP RESULTS
(Amounts in thousands)

	For the Nine Months Ended September 30,	
	2025	2026
	RMB	RMB
Net revenues	1,549,689	1,178,588
Less: other revenues	(180,763)	(159,673)
Add: tax and surcharges	58,361	39,668
Add: ending deferred revenue	695,459	382,539
Add: ending refund liability	67,828	38,525
Less: beginning deferred revenue	(916,510)	(585,294)
Less: beginning refund liability	(112,342)	(64,393)
Gross billings (non-GAAP)	1,161,722	829,960

Net income	327,257	195,477
Add: income tax expenses	47,684	44,475
Add: depreciation and amortization	21,622	16,841
Add: interest expense	794	-
Less: interest income	(18,603)	(15,713)
EBITDA (non-GAAP)	378,754	241,080
Add: Impairment loss on long-lived assets	-	-
Adjusted EBITDA (non-GAAP)	378,754	241,080