

NetEase

# 1Q26 Investor Presentation

Investor Relations  
May 21, 2026

# SAFE HARBOR STATEMENT

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This announcement contains statements of a forward-looking nature. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar expressions. In addition, statements that are not historical facts, including statements about NetEase’s strategies and business plans, its expectations regarding the growth of its business and its revenue and the quotations from management in this announcement are or contain forward-looking statements. NetEase may also make forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in announcements made on the website of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. The accuracy of these statements may be impacted by a number of business risks and uncertainties that could cause actual results to differ materially from those projected or anticipated, including risks related to: the risk that the online games market will not continue to grow or that NetEase will not be able to maintain its position in that market in China or globally; risks associated with NetEase’s business and operating strategies and its ability to implement such strategies; NetEase’s ability to develop and manage its operations and business; competition for, among other things, capital, technology and skilled personnel; potential changes in regulatory environment in the markets where NetEase operates; the risk that NetEase may not be able to continuously develop new and creative online services or that NetEase will not be able to set, or follow in a timely manner, trends in the market; risks related to evolving economic cycles and geopolitical tensions, including the direct or indirect impacts of national trade, investment, protectionist, tax or other laws or policies as well as export controls and economic or trade sanctions; risks related to the expansion of NetEase’s businesses and operations internationally; risks associated with cybersecurity threats or incidents; and fluctuations in foreign currency exchange rates that could adversely affect NetEase’s business and financial results. Further information regarding these and other risks is included in NetEase’s filings with the SEC and announcements on the website of the Hong Kong Stock Exchange. NetEase does not undertake any obligation to update this forward-looking information, except as required under applicable law.



# NetEase, Inc.

NetEase, Inc. (NASDAQ: NTES and HKEX: 9999, “NetEase”) is a leading internet and game services provider centered around premium content. With extensive offerings across its expanding gaming ecosystem, the Company develops and operates some of the most popular and longest-running mobile and PC games available in China and globally.

Powered by one of the largest in-house game R&D teams focused on mobile, PC and console, NetEase creates superior gaming experiences, inspires players, and passionately delivers value for its thriving community worldwide. By infusing play with culture, and education with technology, NetEase transforms gaming into a meaningful vehicle to build a more entertaining and enlightened world.

Beyond games, NetEase service offerings include its majority-controlled subsidiaries Youdao (NYSE: DAO), an intelligent learning and advertising solutions provider, and NetEase Cloud Music (HKEX: 9899), a well-known online music platform featuring a vibrant content community, as well as Yanxuan, NetEase’s private-label consumer lifestyle brand. For more information, please visit: <http://ir.netease.com/>.

# MARKET SNAPSHOT

In USD

\$74.5  
billion

Market Cap <sup>1</sup>  
(5/20/26)

3.2  
billion

Shares Outstanding,  
Diluted (1Q26)

\$2.42

Basic Net Income per ADS  
(GAAP) (1Q26)

\$4.4  
billion

Net Revenues  
(1Q26)

\$1.5  
billion

Net Income Attributable to the  
Company's Shareholders (GAAP)  
(1Q26)

\$24.3  
billion

Net Cash <sup>2</sup>  
(3/31/26)

AAA

MSCI ESG Rating <sup>3</sup>

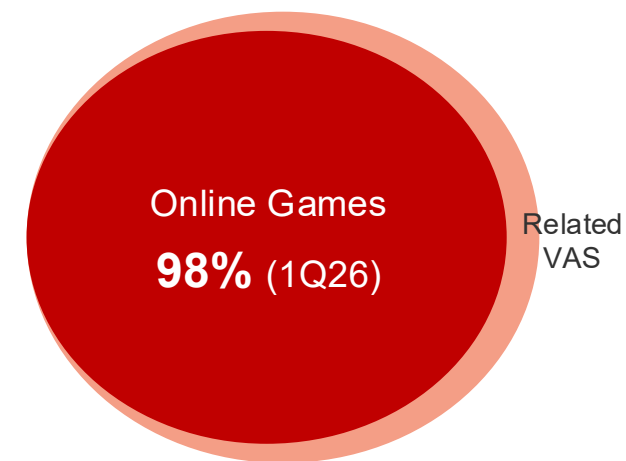
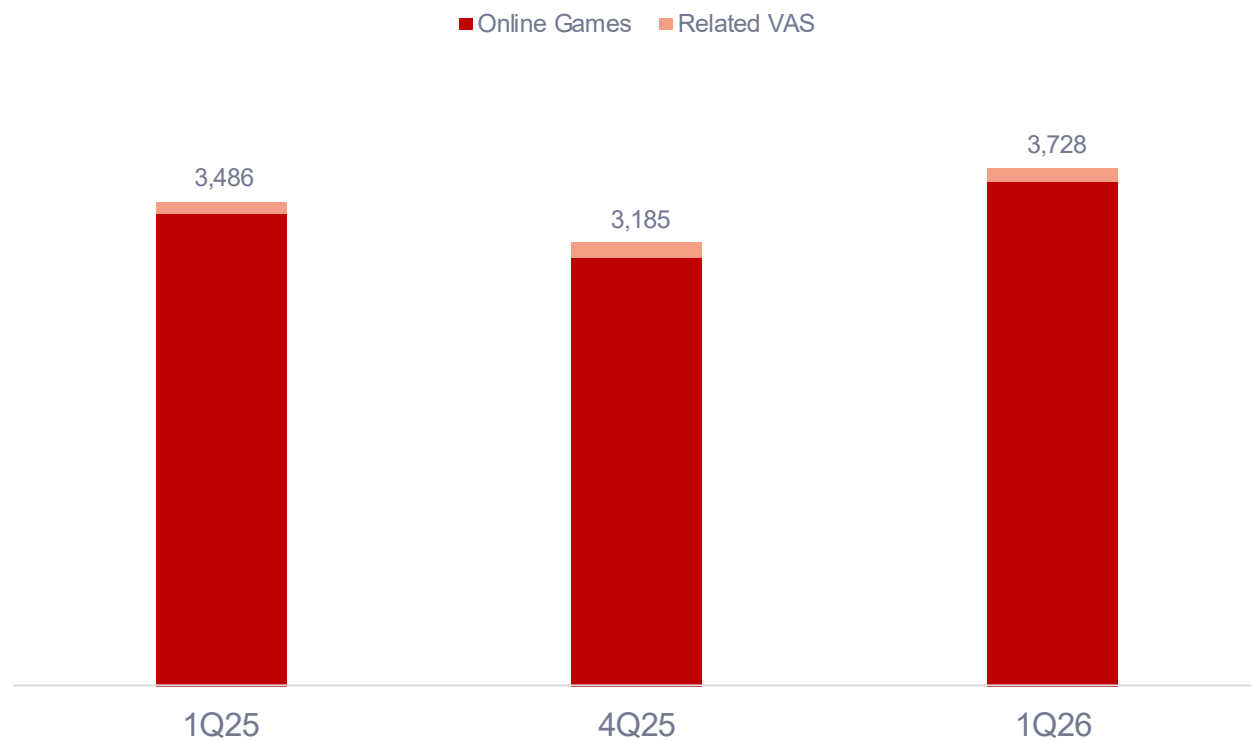
Notes:

- 1 Market Cap is calculated using the closing price on NASDAQ; Our market cap is HK\$575.6 billion based on the closing price on the Hong Kong Stock Exchange
- 2 Net cash refers to total cash and cash equivalents, current and non-current time deposits and restricted cash, as well as short-term investments balance, minus short-term and long-term loans
- 3 The result is based on the latest update in March 2026

# GAMES AND RELATED VALUE-ADDED SERVICES

USD million<sup>1</sup>

## Games and Related Value-added Services Net Revenues



Note:

<sup>1</sup> US\$1.00 = RMB6.8980 on March 31, 2026. Same exchange rate is applied to all years for illustrative purposes

# ONLINE GAMES

## PC & CONSOLE GAMES

### Flagship Self-Developed PC & Console Titles



### Flagship Licensed Titles



## MOBILE GAMES

### Self-Developed Mobile Games



### Mobile Games in Overseas Markets



### Licensed Mobile Games From Overseas Developers

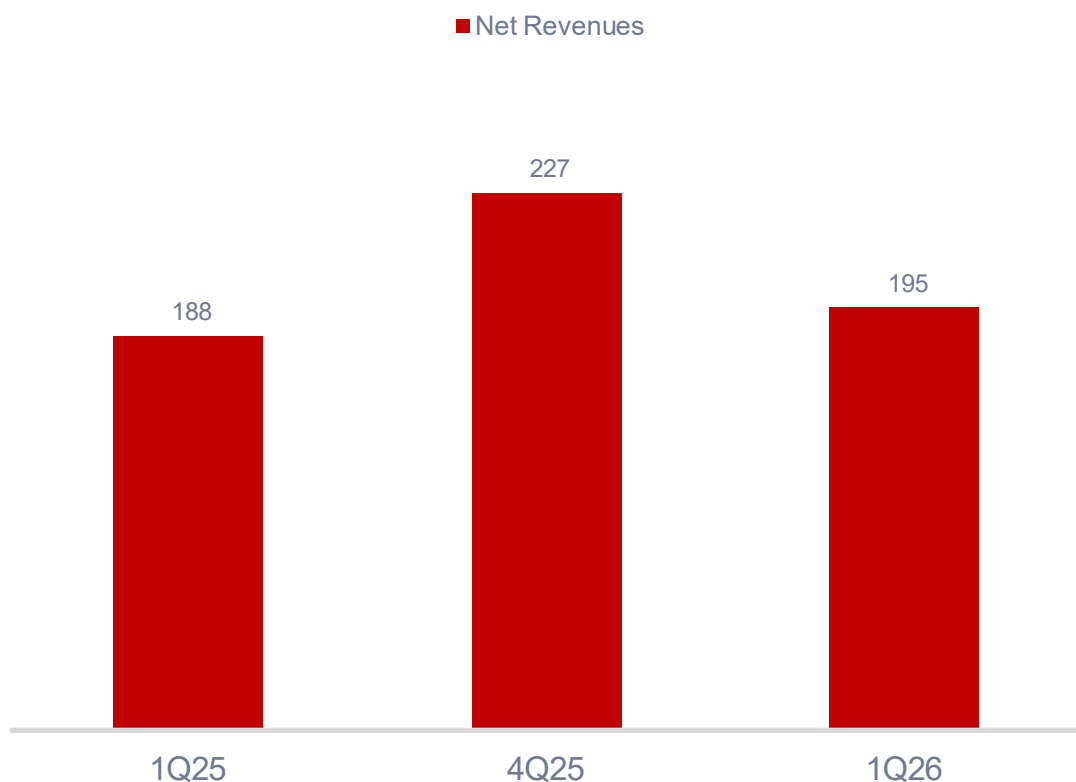


- Sustained strong engagement and revenue performance across established titles, including the *Fantasy Westward Journey* franchise, *Identity V*, *Eggy Party*, *Sword of Justice* and *Where Winds Meet*, supported by high-cadence content updates and gameplay innovation.
- Advanced global expansion through key titles, such as *Where Winds Meet* and *Marvel Rivals*, amplifying their international reach and deepening player engagement.
- Blizzard titles maintained stable operations in China with a steady rollout of localized content.

# YOU DAO

USD million<sup>1</sup>

## Youdao Net Revenues



- Youdao continued to iterate its Confucius large language model and more deeply embed AI throughout its ecosystem.
- Learning services segment made steady progress, supported by strong growth in Youdao Lingshi and AI-driven subscription offerings.
- Online marketing services benefited from increased demand for performance-based advertising, as AI-driven tools enhanced targeting and streamlined content production.
- Smart devices segment maintained its fiscal discipline, prioritizing SKU profitability over volume.

Note:

<sup>1</sup> US\$1.00 = RMB6.8980 on March 31, 2026. Same exchange rate is applied to all years for illustrative purposes

# NETEASE CLOUD MUSIC, INNOVATIVE BUSINESSES AND OTHERS

## NetEase Cloud Music

- Net revenues from NetEase Cloud Music were RMB2.0 billion(US\$287.2 million) for the first quarter of 2026, compared with RMB2.0 billion and RMB1.9 billion for the preceding quarter and the same quarter of 2025, respectively.



### NetEase Cloud Music Business

- One of the leading online music platforms in China, featuring an interactive content community for music enthusiasts in terms of user scale and engagement
- Provide community-centric online music services and social entertainment services
- Leveraging our iconic cornerstone product, *NetEase Cloud Music*, and ancillary, social entertainment products, such as *LOOK Live Streaming*, *Sheng Bo* and *Yin Jie*, we empower music enthusiasts with a wide variety of technology-driven tools to discover, enjoy, share and create diverse music and music-inspired content and to interact with each other

## Innovative Businesses and Others

- Net revenues from innovative businesses and others were RMB1.5 billion (US\$224.6 million) for the first quarter of 2026, compared with RMB2.0 billion and RMB1.6 billion for the preceding quarter and the same quarter of 2025, respectively. The quarter-over-quarter decrease was led by decreased net revenues from e-commerce and advertising businesses.



NetEase  
Yanxuan

- Leading private-label consumer lifestyle brand in China
- Continued to strengthen its brand presence with highly popular products in focused categories
- Maintained leading sales positions on e-commerce platforms for categories like pet products and household cleaning products



Wangyi  
Xinwen

- 163.com Portal & Wangyi Xinwen App: Delivering quality content across news, sports, technology, fashion, and entertainment



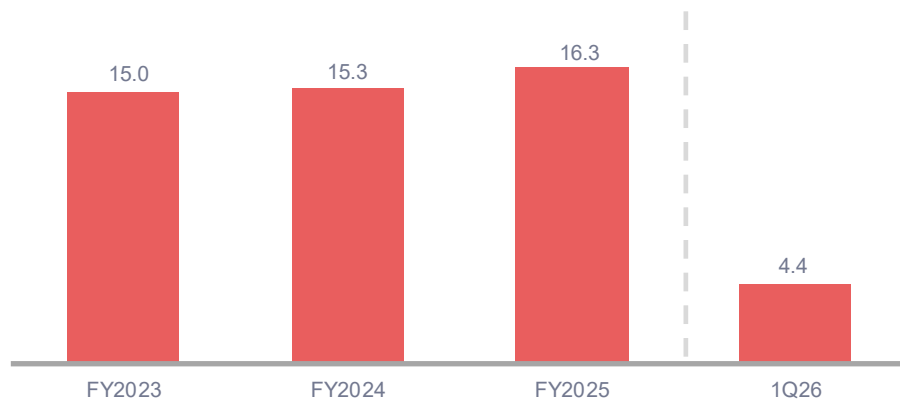
E-mail  
Services

- China's leading e-mail service provider since 1997

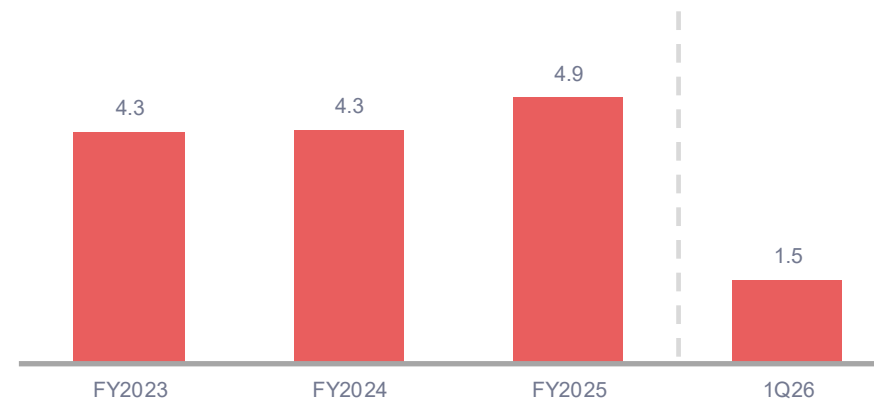
# FINANCIAL HIGHLIGHTS

USD billion<sup>1</sup>

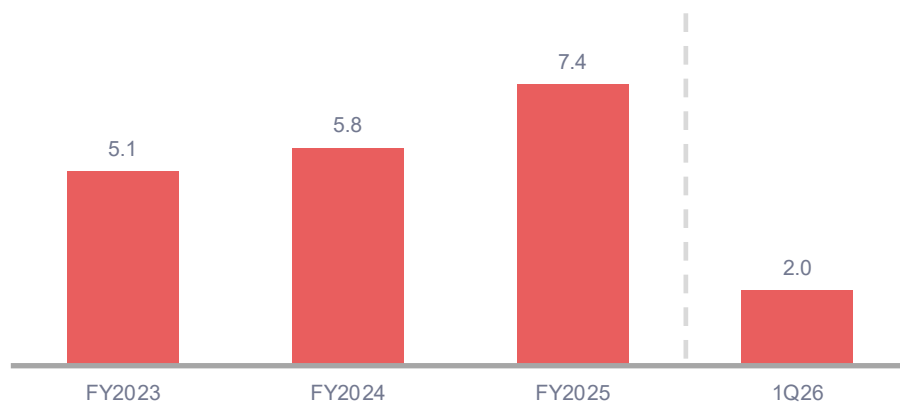
## Net Revenues



## Net Income Attributable to Shareholders (GAAP)



## Operating Cash Flow



## Value Returned to Shareholders

US\$	FY2023	FY2024	FY2025	1Q26
Dividend per ADS (declared)	\$2.56485	\$2.58525	\$2.97500	\$0.720
Total Dividends (declared) <sup>2</sup>	\$1,649 m	\$1,651 m	\$1,896 m	\$461 m
Share Buyback	\$687 m	\$1,230 m	\$93 m	\$127 m

Notes:

1 US\$1.00 = RMB6.8980 on March 31, 2026. Same exchange rate is applied to all years for illustrative purposes

2 Total dividends (declared) equal to dividend per ADS (declared) multiplied by each quarter's corresponding weighted average number of ADS outstanding, basic

# ESG PERFORMANCE

## MSCI Ratings



# AAA

Last Updated: March 2026

According to MSCI's evaluation, NetEase is a leader among over 200 companies in the media & entertainment industry

## S&P Global ESG Score



# 50

Last Updated: January 2026

NetEase has been selected as a member of the 2022 Dow Jones Sustainability World Index and Dow Jones Sustainability Emerging Markets Index. The Company is also included in the S&P Global Sustainability Yearbook 2025 and 2022

## Sustainalytics Ratings



# 14.3

Last Updated: August 2025

NetEase is rated as a low-risk company

NetEase was included in Sustainalytics' list of ESG Top-Rated Companies in 2023

# BALANCE SHEET SUMMARY

in millions	2025	2026	
	Dec 31, RMB	Mar 31, RMB (Unaudited)	Mar 31, USD (Unaudited)
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	47,168	50,815	7,367
Time deposits	92,639	80,110	11,613
Other current assets	40,808	57,734	8,370
Total current assets	180,615	188,659	27,350
Property, equipment and software, net	8,425	8,311	1,205
Other non-current assets	32,375	34,427	4,991
Total assets	221,415	231,397	33,546
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS &amp; SHAREHOLDERS' EQUITY</b>			
Current liabilities:			
Contract liabilities	20,515	21,812	3,162
Other current liabilities	31,854	35,625	5,165
Total current liabilities	52,369	57,437	8,327
Total liabilities	56,311	62,048	8,995
Redeemable noncontrolling interests	91	93	14
Total equity	165,013	169,256	24,537
Total liabilities, redeemable noncontrolling interests and shareholders' equity	221,415	231,397	33,546

# UNAUDITED INCOME STATEMENT SUMMARY

in millions except per ADS data & percentage data	1Q25	4Q25	1Q26	1Q26	QoQ	YoY
	RMB	RMB	RMB	USD	Change	Change
<b>Total net revenues:</b>	28,829	27,547	30,591	4,435	11.1%	6.1%
<i>Games and related value-added services</i>	24,048	21,967	25,713	3,728	17.1%	6.9%
<i>Youdao</i>	1,298	1,565	1,348	195	-13.9%	3.9%
<i>NetEase Cloud Music</i>	1,858	1,968	1,981	287	0.7%	6.6%
<i>Innovative businesses and others</i>	1,625	2,047	1,549	225	-24.3%	-4.7%
<b>Gross profit</b>	18,479	17,692	21,217	3,076	19.9%	14.8%
<b>Gross profit margin</b>	64.1%	64.2%	69.4%	69.4%		
<b>Operating profit</b>	10,441	8,319	12,657	1,835	52.1%	21.2%
<b>Operating profit margin</b>	36.2%	30.2%	41.4%	41.4%		
<b>Net income attributable to the Company's shareholders</b>	10,301	6,242	10,674	1,547	71.0%	3.6%
<b>Diluted net income per ADS</b>	¥16.06	¥9.66	¥16.53	\$2.40	71.1%	2.9%

Note:  
All percentages are calculated based on numbers in millions except per ADS data

THANK YOU

網易 NETEASE