NetEase

# 3Q26 Investor Presentation

Investor Relations
November 19, 2026

網易 NetEase

# SAFE HARBOR STATEMENT

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, including policy or rule changes on taxation; 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.

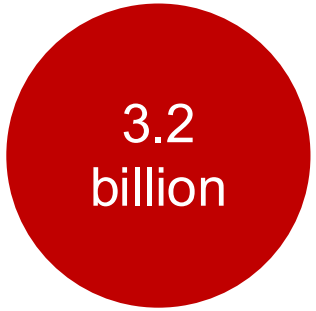
Beyond games, NetEase’s service offerings include its majority-controlled subsidiaries Youdao (NYSE: DAO), an intelligent learning and advertising solutions provider, and NetEase Cloud Music (HKEX: 9899), a well-known online music platform featuring a vibrant content community, as well as Yanxuan, NetEase’s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

# MARKET SNAPSHOT

*In USD*



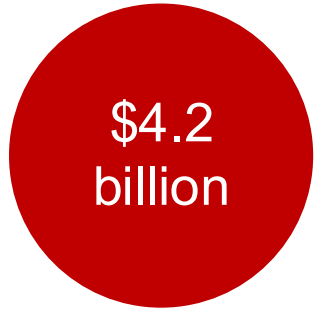

Market Cap [1]
(11/18/26)



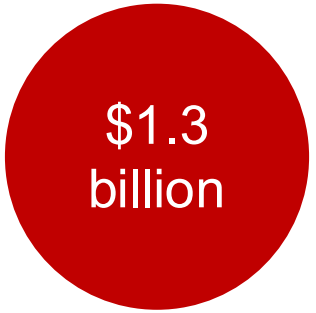

Shares Outstanding,
Diluted (3Q26)



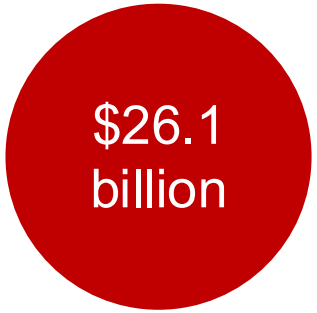

Basic Net Income per ADS
(GAAP) (3Q26)



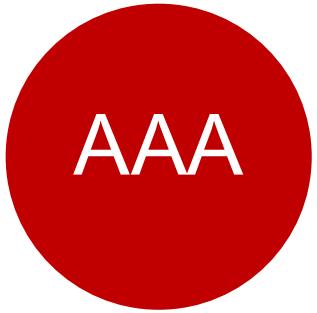

Net Revenues
(3Q26)




Net Income Attributable to the
Company's Shareholders (GAAP)
(3Q26)




Net Cash [2]
(9/30/26)



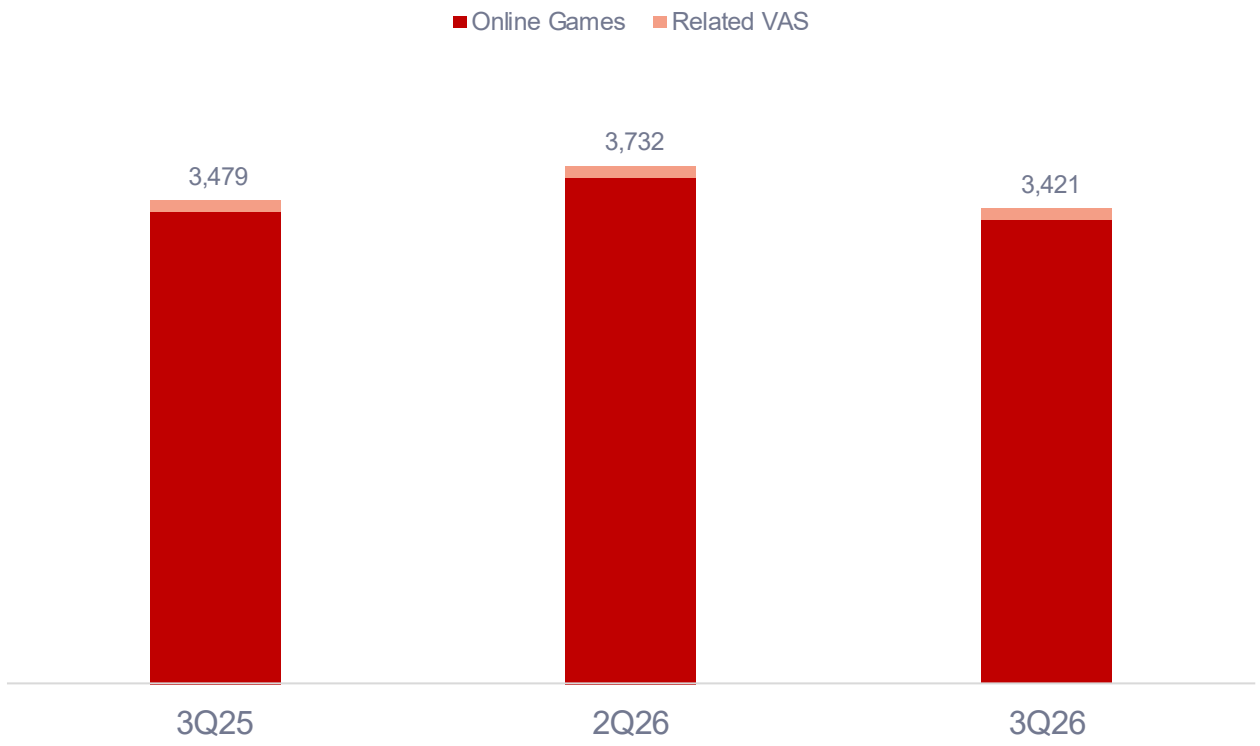

MSCI ESG Rating [3]

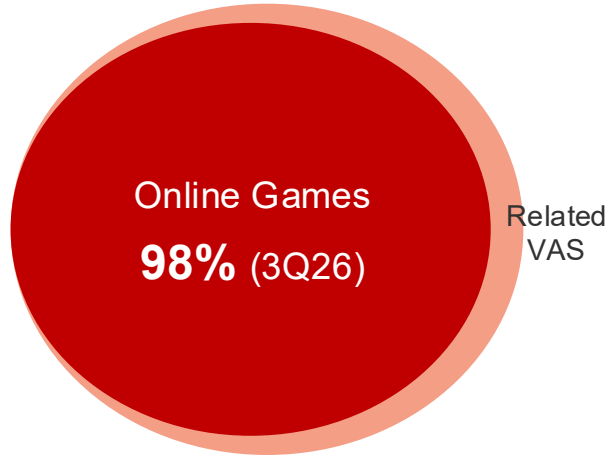
Notes:
1 Market cap is calculated using the closing price on NASDAQ; our market cap is HK$602.8 billion based on the closing price on the Hong Kong Stock Exchange
2 Net cash refers to total cash and cash equivalents, current and non-current time deposits and restricted cash, as well as short-term investments balance, minus loans
3 The result is based on the latest update in March 2026

# GAMES AND RELATED VALUE-ADDED SERVICES

*USD million*[1]

## Games and Related Value-added Services Net Revenues




Note:
1 US$1.00 = RMB6.7045 on September 30, 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



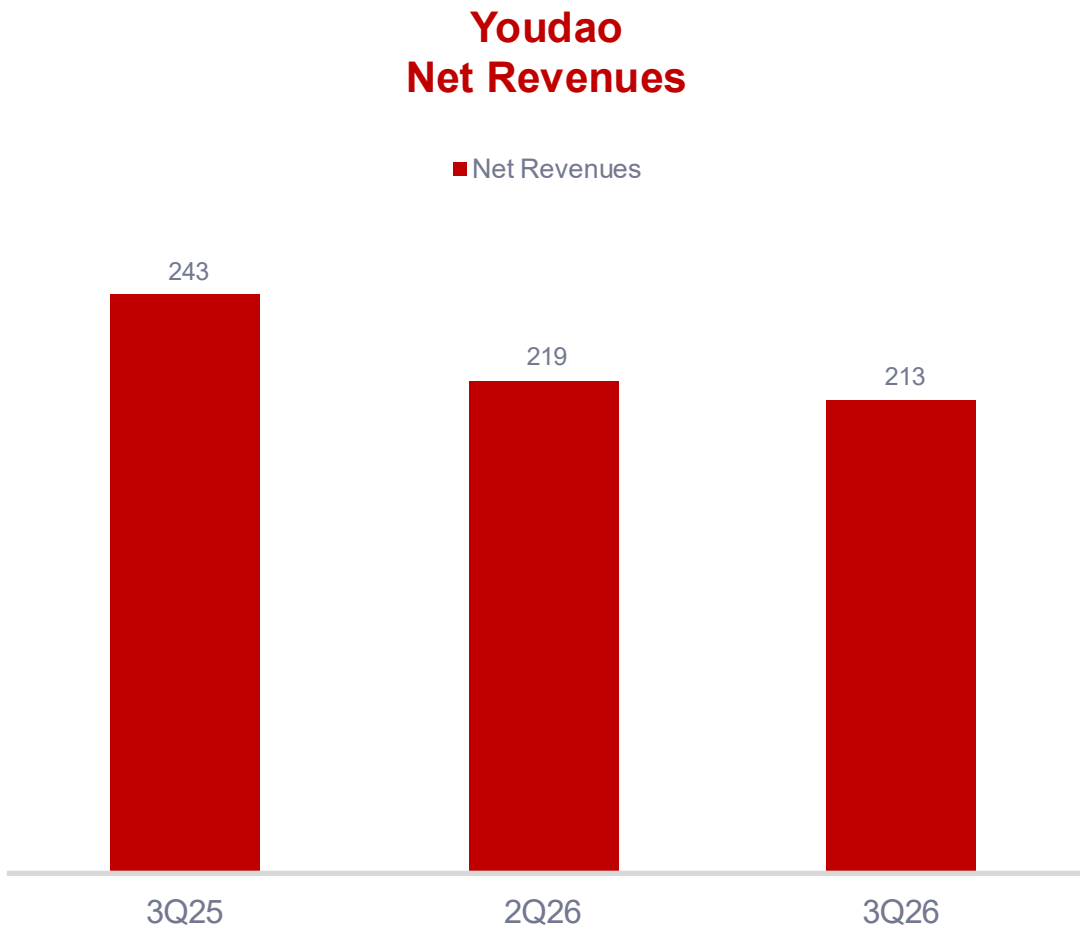
### Licensed Mobile Games From Overseas Developers




- Sustained engagement across established titles, underscoring the lasting appeal of our gaming portfolio. The *Fantasy Westward Journey* franchise, *Identity V*, *Eggy Party*, *Sword of Justice* and *Where Winds Meet* continued to captivate diverse player communities through content updates, gameplay innovation and crossover collaborations.
- Strengthened our global appeal through differentiated gaming experiences and continued content innovation. *Marvel Rivals* deepened engagement with players worldwide through new features and fresh content, while *Where Winds Meet* surpassed 100 million players globally in August 2026, highlighting our growing capabilities in game development and live operations for the global market.
- Advanced our diverse pipeline of games spanning more genres, gameplay experiences and themes. We progressed development and launch preparations for *Ananta*, which is currently scheduled for a multiplatform global launch on January 15, 2027. We also began rolling out player tests for several other titles in development.

# YOUDAO

*USD million*[1]




- Youdao continued to execute its AI-Native Strategy, improving operational efficiency and profitability, achieving its ninth consecutive quarter of operating profit.
- Confucius continued to make technical breakthroughs in real-time voice interaction and multilingual translation in the third quarter.
- Youdao Lingshi launched an AI Exam Paper Analysis feature, giving families an early view of where their child needs help and how Lingshi can tailor the course to those needs.
- In online marketing services, Youdao introduced Yoda, an integrated AI agent for global influencer marketing.
- In smart devices, Youdao proactively optimized SKU mix and launched Youdao AI Tutoring Pen 3 and Youdao Dictionary Pen A7S Pro in recent months.

Note:
1 US$1.00 = RMB6.7045 on September 30, 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 RMB 1.9 billion for the third quarter of 2026, compared with RMB 2 billion each for the preceding quarter and the same quarter of 2025.

**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, 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 RMB 1.5 billion for the third quarter of 2026, compared with RMB 1.6 billion and RMB 1.4 billion for the preceding quarter and the same quarter of 2025, respectively.

**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

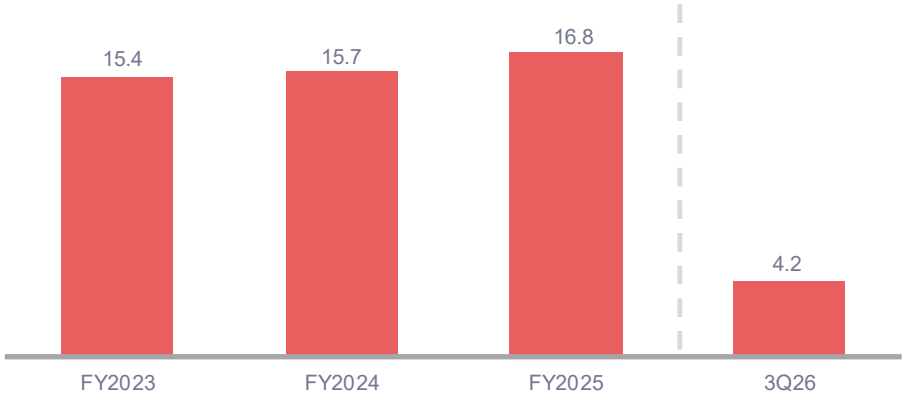
**E-mail Services**

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

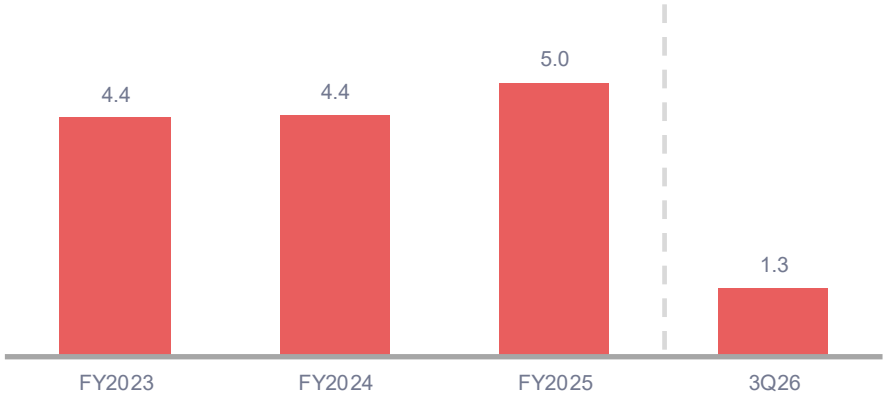
# FINANCIAL HIGHLIGHTS

*USD billion*[1]

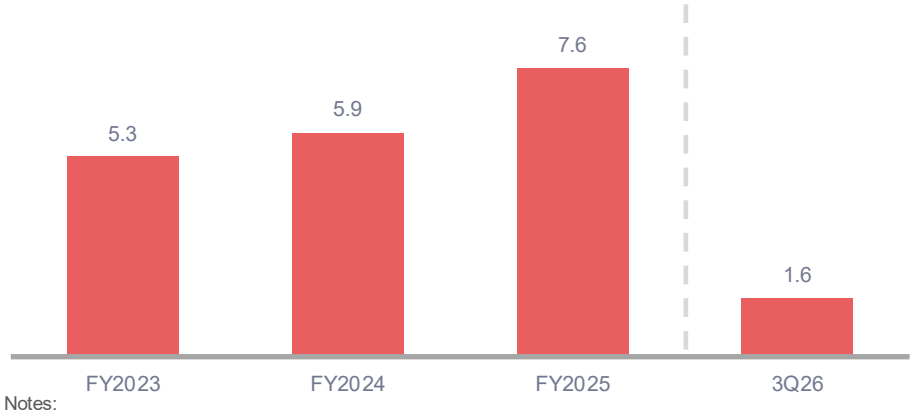
## Net Revenues




## Net Income Attributable to Shareholders (GAAP)




## Operating Cash Flow




## Value Returned to Shareholders

| US$ | FY2023 | FY2024 | FY2025 | 3Q26 |
|---|---|---|---|---|
| **Dividend per ADS (declared)** | $2.56485 | $2.58525 | $2.97500 | $0.585 |
| **Total Dividends (declared)** [2] | $1,649 m | $1,651 m | $1,896 m | $375 m |
| **Share Buyback** | $687 m | $1,230 m | $93 m | $0.36 m |

Notes:
1 US$1.00 = RMB6.7045 on September 30, 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

MSCI

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

Dow Jones Sustainability Indexes

S&P Global

50

Last Updated: January 2026

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

## Sustainalytics Ratings

SUSTAINALYTICS

a Morningstar company

15.0

Last Updated: October 2026

NetEase is rated as a low-risk company

NetEase was included in Sustainalytics' list of ESG Top-Rated Companies in 2023 and recognized as an industry leader in 2026

# BALANCE SHEET SUMMARY

| in millions | 2025<br>Dec 31, RMB | 2026<br>Sep 30, RMB<br>(Unaudited) | 2026<br>Sep 30, USD<br>(Unaudited) |
|---|---|---|---|
| **ASSETS** | | | |
| Current assets: | | | |
| Cash and cash equivalents | 47,168 | 14,333 | 2,138 |
| Time deposits | 92,639 | 100,907 | 15,051 |
| Other current assets | 40,808 | 83,721 | 12,487 |
| Total current assets | 180,615 | 198,961 | 29,676 |
| Property, equipment and software, net | 8,425 | 8,042 | 1,200 |
| Other non-current assets | 32,375 | 32,342 | 4,823 |
| Total assets | 221,415 | 239,345 | 35,699 |
| **LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS & SHAREHOLDERS' EQUITY** | | | |
| Current liabilities: | | | |
| Contract liabilities | 20,515 | 20,213 | 3,015 |
| Other current liabilities | 31,854 | 35,606 | 5,311 |
| Total current liabilities | 52,369 | 55,819 | 8,326 |
| Total liabilities | 56,311 | 61,158 | 9,122 |
| Redeemable noncontrolling interests | 91 | 97 | 14 |
| Total equity | 165,013 | 178,090 | 26,563 |
| Total liabilities, redeemable noncontrolling interests and shareholders' equity | 221,415 | 239,345 | 35,699 |

# UNAUDITED INCOME STATEMENT SUMMARY

| in millions except per ADS data & percentage data | 3Q25 RMB | 2Q26 RMB | 3Q26 RMB | 3Q26 USD | QoQ Change | YoY Change |
|---|---|---|---|---|---|---|
| **Total net revenues:** | 28,359 | 30,107 | 27,852 | 4,154 | -7.5% | -1.8% |
| *Games and related value-added services* | 23,328 | 25,023 | 22,937 | 3,421 | -8.3% | -1.7% |
| *Youdao* | 1,629 | 1,467 | 1,429 | 213 | -2.6% | -12.3% |
| *NetEase Cloud Music* | 1,964 | 1,977 | 1,946 | 290 | -1.6% | -0.9% |
| *Innovative businesses and others* | 1,438 | 1,640 | 1,540 | 230 | -6.1% | 7.1% |
| **Gross profit** | 18,178 | 21,217 | 19,045 | 2,841 | -10.2% | 4.8% |
| **Gross profit margin** | 64.1% | 70.5% | 68.4% | 68.4% | | |
| **Operating profit** | 8,013 | 12,089 | 9,428 | 1,406 | -22.0% | 17.7% |
| **Operating profit margin** | 28.3% | 40.2% | 33.8% | 33.8% | | |
| **Net income attributable to the Company's shareholders** | 8,616 | 6,981 | 8,402 | 1,253 | 20.4% | -2.5% |
| **Diluted net income per ADS** | ¥13.36 | ¥10.83 | ¥13.03 | $1.94 | 20.3% | -2.5% |

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

# THANK YOU

網易 NETEASE