



NetEase

2Q25 Investor Presentation

Investor Relations
August 14, 2025

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 regulation 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

\$85.4
billion

Market Cap ¹
(8/13/25)

3.2
billion

Shares Outstanding,
Diluted (2Q25)

\$1.88

Basic Net Income per ADS
(GAAP) (2Q25)

\$3.9
billion

Net Revenues
(2Q25)

\$1.2
billion

Net income attributable to the
Company's shareholders (GAAP)
(2Q25)

\$19.8
billion

Net cash ²
(6/30/25)

AA

MSCI ESG Rating ³

Notes:

¹ Market Cap is calculated using the closing price on NASDAQ; Our market cap is HK\$682.0 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 October 2024

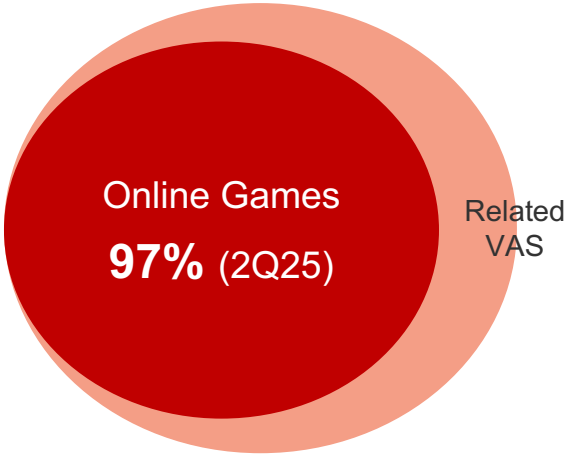
GAMES AND RELATED VALUE-ADDED SERVICES

USD million¹

Games and Related Value-added Services Net Revenues and Gross Margin



Note:
¹ US\$1.00 = RMB7.1636 on June 30, 2025. Same exchange rate is applied to all years for illustrative purposes



ONLINE GAMES

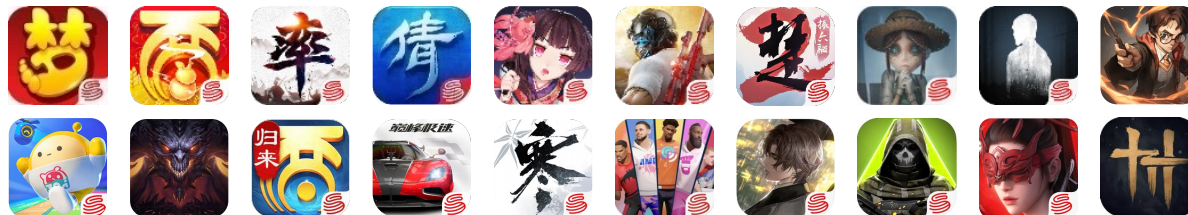
PC & CONSOLE GAMES

Flagship Self-Developed PC & Console Titles



MOBILE GAMES

Self-Developed Mobile Games



Mobile Games in Overseas Markets



Licensed Mobile Games From Overseas Developers

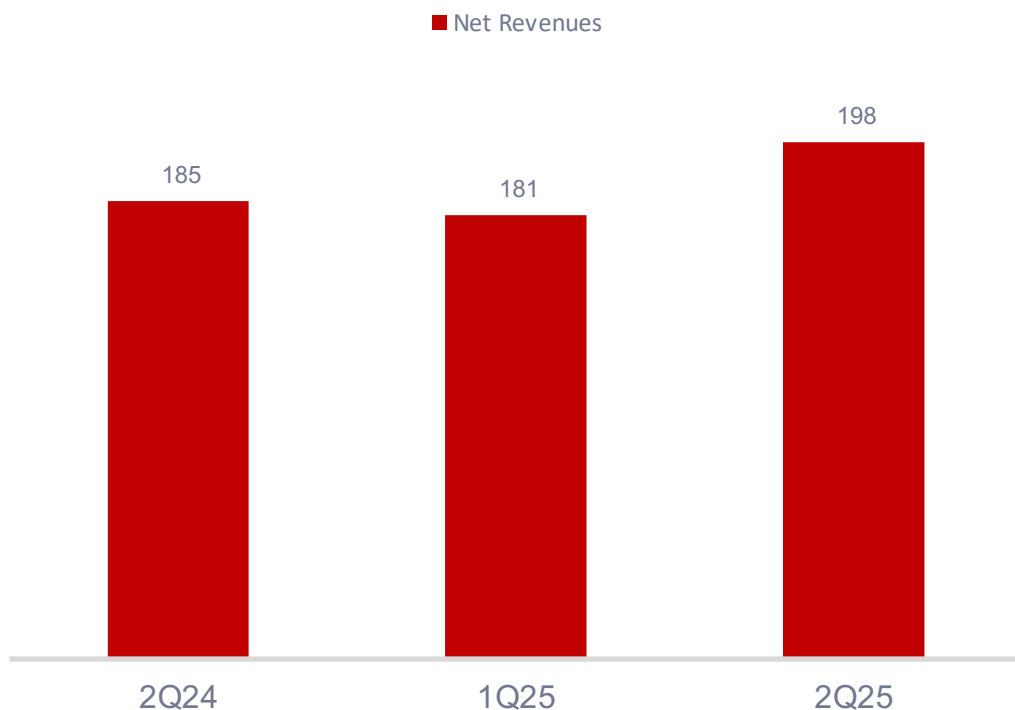


- **FragPunk** ranked No. 2 on PlayStation's North America free-to-play download chart in May, following its April 29 global launch on Xbox Series X|S and PlayStation 5.
- **Dunk City Dynasty** gained substantial momentum with its May 22 global launch, topping iOS download charts in multiple regions and reaching No. 2 in the U.S.
- **MARVEL Mystic Mayhem**'s June 25 launch propelled the game to No. 1 on iOS download charts across multiple regions and No. 2 in the U.S.
- **Sword of Justice** (previously *Justice* mobile game) hit No. 3 on China's iOS top-grossing chart shortly after its second anniversary update on June 30.
- **Once Human** reached No. 4 on Steam's global top sellers chart following its anniversary update on July 3.
- **Identity V** ranked No. 6 on the iOS top-grossing chart in China following its seasonal update on July 10.
- **Naraka: Bladepoint** mobile game celebrated its first anniversary with the launch of a new version on July 10, propelling it to No. 6 on China's iOS top-grossing chart.
- **Eggy Party** reached No. 5 on China's iOS top-grossing chart on July 11 after a series of third-anniversary events.
- **Marvel Rivals** ranked No. 2 on Steam's global top-sellers chart and No. 1 in the U.S with its Summer Party Event unveiled on July 17.
- **Fantasy Westward Journey Online** reached a new all-time high with over 2.93 million peak concurrent players in August.
- Further captivated players in China with Blizzard titles. **Hearthstone** ranked No. 5 on China's iOS top-grossing chart on July 9, fueled by the launch of *The Lost City of Un'Goro* expansion pack, while **World of Warcraft**'s 20th anniversary celebration in China sparked strong community engagement with the announcement of a new China-exclusive server set to launch in November.
- Enriched global pipeline, including **Sea of Remnants** and **Blood Message**, along with plans to bring **Sword of Justice** and **Where Winds Meet** to the global market.

YOU DAO

USD million¹

Youdao Net Revenues and Gross Margin



- Youdao executed its AI Native Strategy effectively across both its learning and advertising businesses, delivering first second-quarter operating profit.
- For learning services, Youdao Lingshi continued to drive product innovation with its proprietary LLM, while it also continued to iterate other AI applications, such as Mr. P AI Tutor.
- For online marketing services, it offers comprehensive AI-empowered advertising services. Notably, its newly launched AI Ad Placement Optimizer now provides an end-to-end AI-driven agentic solution.

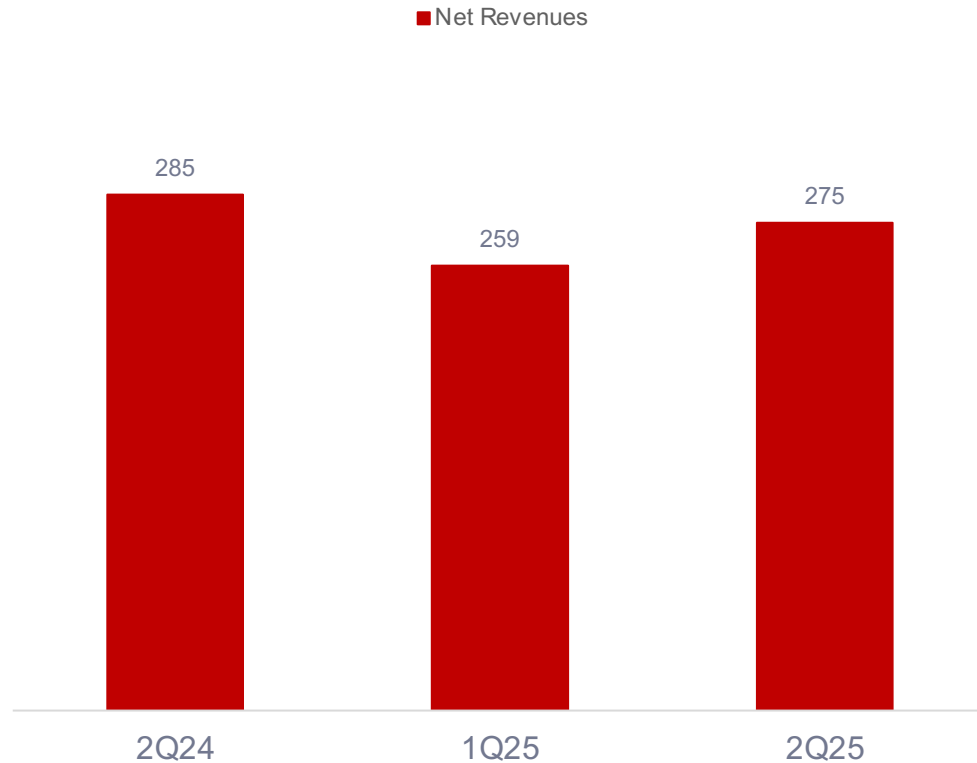
Note:

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NETEASE CLOUD MUSIC

USD million¹

NetEase Cloud Music Net Revenues and Gross Margin



- NetEase Cloud Music remained committed to driving quality development across its core music ecosystem.
- Continued to expand its catalog of copyrighted content while strengthening its original music library.
- Continued to innovate product features and optimize music-centric community to deliver even better music experiences for its users.

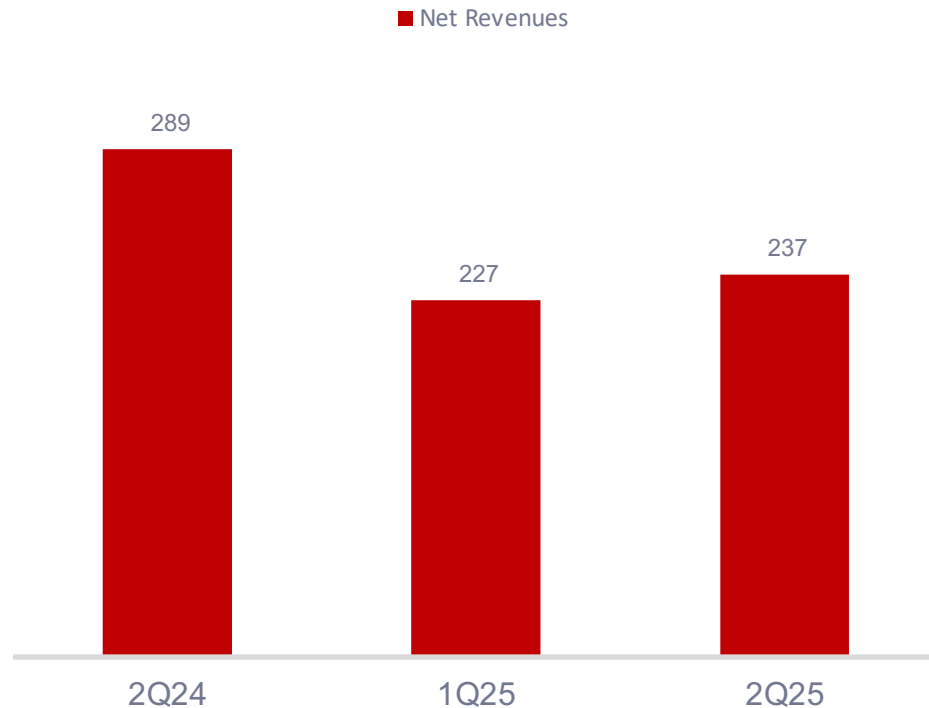
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INNOVATIVE BUSINESSES AND OTHERS

USD million¹

Innovative Businesses and Others Net Revenues and Gross Margin



Note:

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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

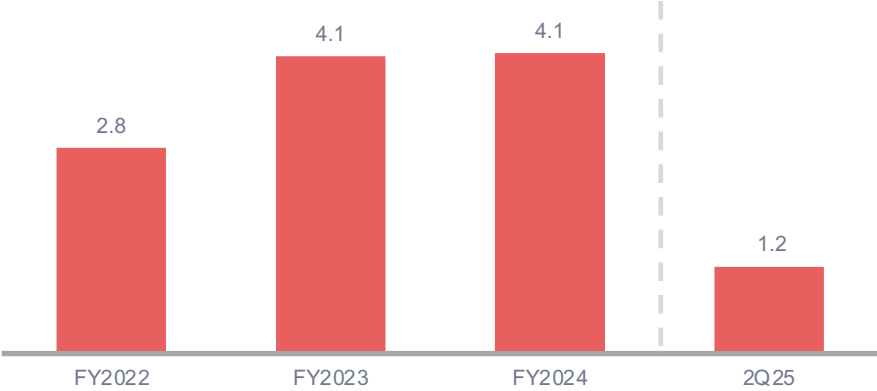
FINANCIAL HIGHLIGHTS

USD billion¹

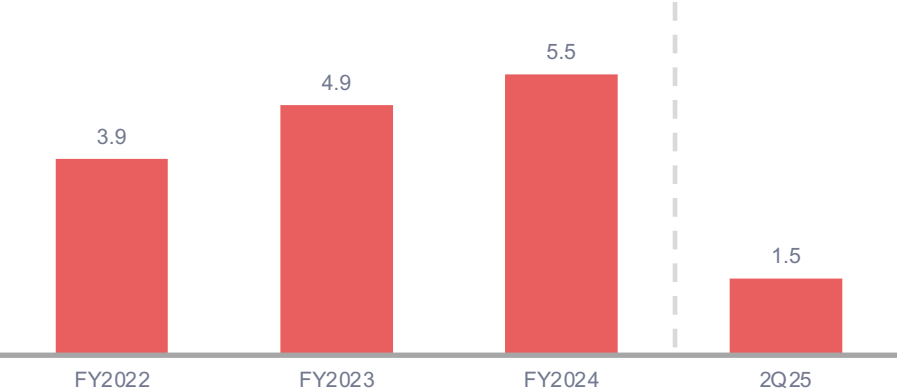
Net Revenues



Net Income Attributable to Shareholders (GAAP)



Operating Cash Flow



Value Returned to Shareholders

US\$	FY2022	FY2023	FY2024	2Q25
Dividend per ADS (declared)	\$1.38700	\$2.56485	\$2.58525	\$0.57000
Total Dividends (declared) ²	\$906 m	\$1,649 m	\$1,651 m	\$364 m
Share Buyback	\$1,187 m	\$687 m	\$1,230 m	\$47 m

Notes:
1 US\$1.00 = RMB7.1636 on June 30, 2025. Same exchange rate is applied to all years for illustrative purposes
2 Total dividends (declared) equals to dividend per ADS (declared) multiplied by each quarter's corresponding weighted average number of ADS outstanding, basic

ESG PERFORMANCE

MSCI Ratings



AA

Last Updated: October 2024

According to MSCI's evaluation, NetEase is a leader among 232 companies in the media & entertainment industry

S&P Global ESG Score



52

Last Updated: September 2024

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 ESG Top-Rated Companies in 2023.

BALANCE SHEET SUMMARY

	2024		2025
in millions	Dec 31, RMB	Jun 30, RMB (Unaudited)	Jun 30, USD (Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	51,383	54,431	7,598
Time deposits	75,441	75,278	10,508
Other current assets	26,501	33,241	4,641
Total current assets	153,325	162,950	22,747
Property, equipment and software, net	8,520	8,447	1,179
Other non-current assets	34,147	37,102	5,179
Total assets	195,992	208,499	29,105
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS & SHAREHOLDERS' EQUITY			
Current liabilities:			
Contract liabilities	15,299	16,967	2,368
Other current liabilities	34,369	33,485	4,675
Total current liabilities	49,668	50,452	7,043
Total liabilities	53,497	54,395	7,593
Redeemable noncontrolling interests	85	88	12
Total equity	142,410	154,016	21,500
Total liabilities, redeemable noncontrolling interests and shareholders' equity	195,992	208,499	29,105

INCOME STATEMENT SUMMARY

	2Q24	1Q25	2Q25	2Q25	QoQ	YoY
in millions except per ADS data & percentage data	RMB	RMB	RMB	USD	Change	Change
			(Unaudited)	(Unaudited)		
Total net revenues:	25,486	28,829	27,892	3,894	-3.2%	9.4%
<i>Games and related value-added services</i>	20,056	24,048	22,806	3,184	-5.2%	13.7%
<i>Youdao</i>	1,322	1,298	1,418	198	9.2%	7.2%
<i>NetEase Cloud Music</i>	2,041	1,858	1,969	275	5.9%	-3.5%
<i>Innovative businesses and others</i>	2,067	1,625	1,699	237	4.6%	-17.8%
Gross profit	16,042	18,479	18,052	2,520	-2.3%	12.5%
Gross profit margin	62.9%	64.1%	64.7%	64.7%		
Operating profit	6,993	10,441	9,061	1,265	-13.2%	29.6%
Operating profit margin	27.4%	36.2%	32.5%	32.5%		
Net income attributable to the Company's shareholders	6,759	10,301	8,601	1,201	-16.5%	27.3%
Diluted net income per ADS	¥10.42	¥16.06	¥13.36	\$1.87	-16.8%	28.2%

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

THANK YOU

網易 NETEASE