

網易 NETEASE 有道 youdao

1Q26

Investor Presentation



SAFE HARBOR STATEMENT

This presentation contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. Statements that are not historical facts, including statements about the Company’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, and a number of factors could cause actual results to differ materially from those contained in any forward-looking statement. In some cases, forward-looking statements can be identified by words or phrases such as “may,” “will,” “expect,” “anticipate,” “target,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions. The Company 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 reports to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Further information regarding such risks, uncertainties or factors is included in the Company’s filings with the SEC. All information provided in this press release is as of the date of this press release, and the Company does not undertake any duty to update such information, except as required under applicable law.



An AI solutions provider

specializing in learning and advertising

AI-Native Strategy

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Learning



Youdao Premium Courses



Youdao Lingshi



Youdao Dictionary



Youdao Desktop Translation



Hi Echo



Mr. P AI Tutor



Advertising



有道智选
网易品质推广



InfunEase



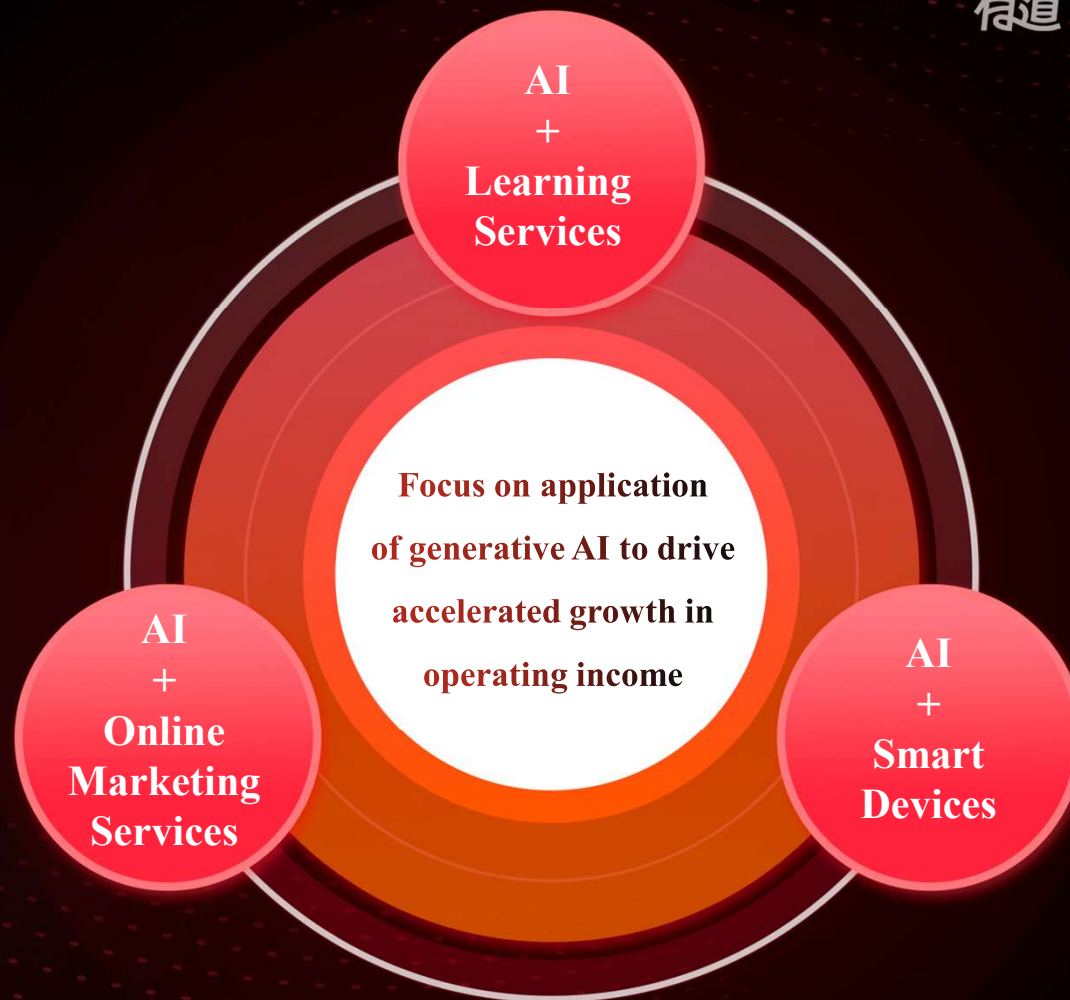
iMagicBox

Operating Strategy of 2026

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AI

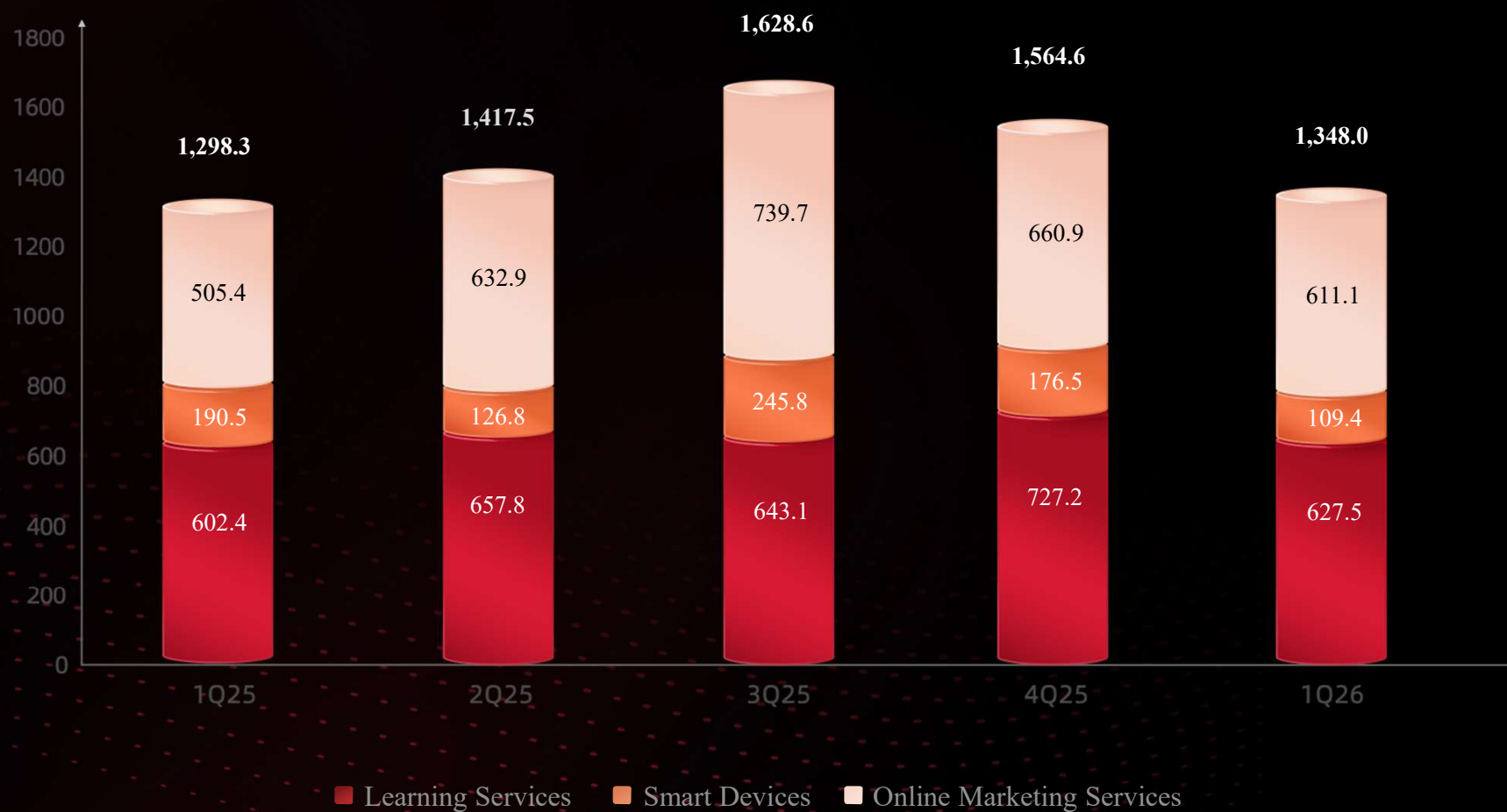
Driving force behind
development of three
businesses



Net Revenues: 3.8% Year-Over-Year Growth in 1Q26

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RMB Millions



Income from Operations: Profitable for Seven Consecutive Quarters

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RMB Millions



Operating Cash Flow: Narrowing by 63.6% year-over-year in 1Q26

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RMB Millions



Digital Content Services: Youdao Lingshi

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Products & Services



Highlights for Youdao Lingshi

Launched English AI Essay Grading in 1Q26



- Deliver personalized, high-quality feedback reports in approximately one minute powered by our proprietary large language model, Confucius
- Improve student learning outcomes and operational efficiency for teaching assistants
- Encouraging early adoption with approximately 10,000 essays graded by AI to date

AI-driven Subscription

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Total sales: over RMB100 million in 1Q26, over 70% year-over-year growth



Youdao
Dictionary



Youdao Desktop
Translation



Hi Echo



Mr. P AI Tutor



U-Dictionary



iRecord



LectMate



iArch



Baby Genius



One Translate
Translator



Youdao AI Podcast
Assistant



Youdao
Anydub



LobsterAI



Youdao
Baoku

AI-driven Subscription: New Agents

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有道龙虾 Lobster AI

一个7x24小时帮你干活的全场景个人助理 Agent

- 直接交付结果: 从“想法”到“落地行动”，根据你的指令，自主规划并交付多维度复杂结果
- 支持定时任务 / Skills / 多模型: 内置主流 Skills，覆盖工作、学习、创作等多场景
- 本地沙盒运行，数据安全: 数据留在本地，工具调用审批，操作可回滚

安装简单，轻松易用 | 手机远程操控 | 具备长时记忆能力 | 支持定时任务和 Skills | 可自定义选择多模型 | 本地沙盒运行，数据安全

有道宝库

让你成为任何领域的专家

- 人在路上，电脑帮你远程干活
- 30分钟，学完整个学期的知识
- 20个项目文档，秒变全年总结复盘PPT



Position of Lobster AI

A personal AI desktop assistant designed for productivity and secure deployment



Target Users

Enterprises & individual users



Core Benefit

Deploy powerful, customized agents AI and maintain data privacy



Influence

Open-source release with 5,000+ stars on GitHub



Position of Youdao Baoku

An AI-native knowledge base for complex knowledge synthesis



Core Technology

Dynamic reasoning architecture



Key Feature

Transform large volumes of materials into structured, multi-modal outputs



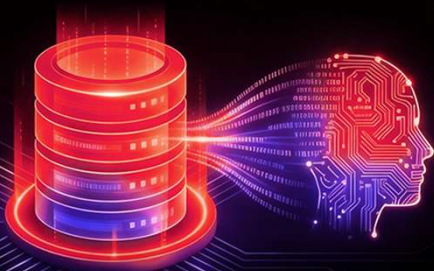
Value

Improve knowledge work productivity for users

AI-Powered Advertising

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Data Management Platform



Youdao DMP

Programmatic Ad Attribution & Optimization



Youdao Smart Ads Platform

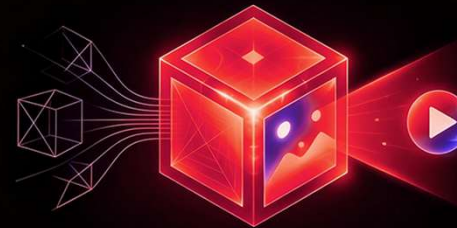
AI Ad Placement Optimizer

KOL Marketing Platform



InfunEase

Ad Creative Production Platform



iMagicBox

AI Ad Placement Optimizer 2.0

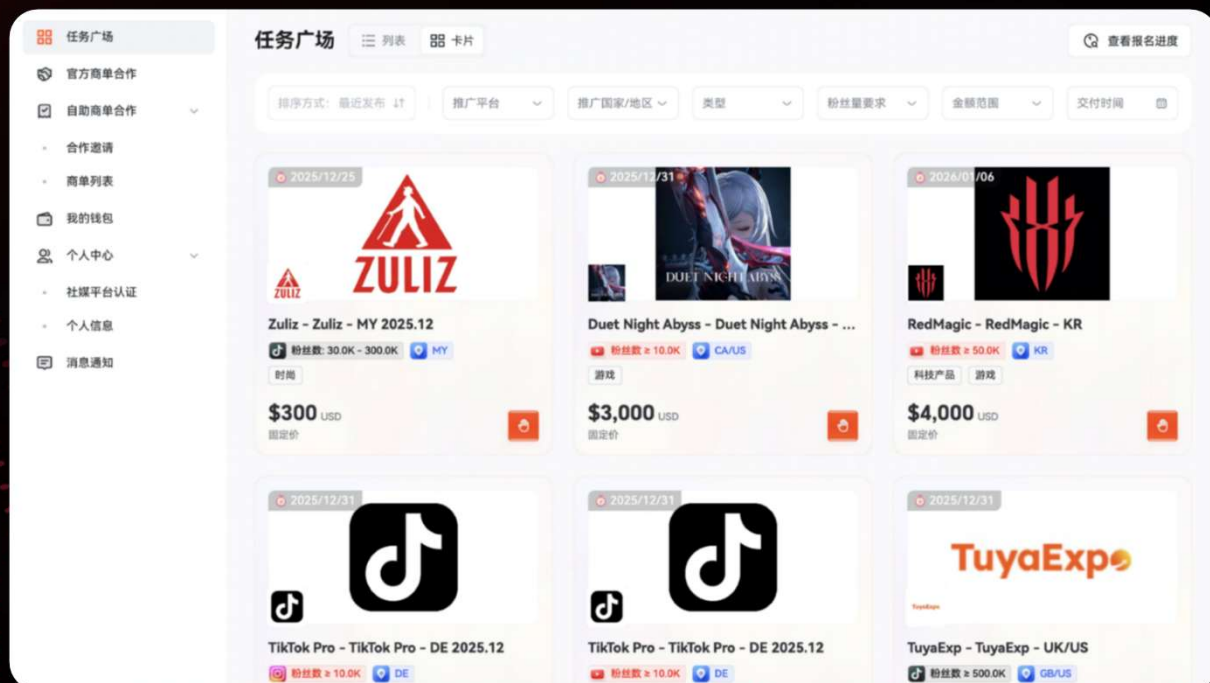
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InfunEase Upgraded in 1Q26

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InfunEase : our one-stop AI platform for KOL marketing



Workflow Synergy

Enable brands to manage the full collaboration lifecycle, from top-tier influencers to KOCs, through a streamlined online workflow that significantly shortens collaboration cycles

AI-powered Self-service

Automate influencer recommendations and content creation, lowering entry barriers while improving execution efficiency

Solid Advertising Client Base in Gaming Industry

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FUNPLUS



State of Survival



King of Avalon



Guns of Glory: Lost Island



Project Entropy

NetEase Games



燕云十六声
Where Winds Meet



漫威争锋
Marvel Rivals



蛋仔派对
EGGY PARTY



明日之后
Life After



哈利波特·魔法觉醒
Harry Potter
Magic Awakened



率土之滨
Infinite Borders



巅峰极速
Racing Master

miHoYo



原神
Genshin



崩坏：星穹铁道
Honkai:Star Rail



崩坏3
Honkai Impact 3

lilith GAMES



万国觉醒
Rise of Kingdoms



众神派对
Dislyte



战火勋章
Warpath



万龙觉醒
Call of Dragons

CMGE
中手游

IGG
I GOT GAMES

MOONTON

XD



WORLD OF TANKS
坦克世界
World of Tanks

WARSHIPS
战舰世界
World of Warships

雷霆游戏
Leiting Games

金山世游
KINGAME

点点互动
CENTURY GAMES

TIME2

Captured Emerging Opportunities in Fast-growing Sectors in 1Q26

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Advertising for
AI Application



> 50% ↑

Advertising for
Short-form Drama



> 50% ↑

Revenue growth: over 50% year-over-year for both industries

Smart Devices: Strong External Recognition

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有道AI答疑笔

荣获2026美国教育科技Cool Tool Awards

最佳教育硬件方案奖



华尔街见闻 × Smart Future

华尔街见闻·2025
SMART FUTURE

AI应用标杆

卓越人工智能产品

千问

钉钉

百度文库

百度网盘

豆包

飞书

蚂蚁阿福

可灵AI

有道AI答疑笔Space X

Condensed Consolidated Balance Sheets

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Summary of Key Financial Information (in RMB'000)

Key balance sheet items	March 31, 2026	December 31, 2025
Cash Assets*	511,995	740,011
Accounts Receivable, Net	326,381	381,243
Inventories	116,763	140,776
Total Current Assets	1,420,018	1,722,506
Total Assets	1,672,983	1,975,045
Contract Liabilities	666,968	847,707
Short-term Loan from NetEase Group	878,000	878,000
Total Current Liabilities	2,713,936	2,934,912
Long-term Loans from NetEase Group	814,866	926,588
Total Liabilities	3,574,649	3,909,142

*Cash assets include cash and cash equivalents, restricted cash and short-term investments.

Condensed Consolidated Income Statements

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Summary of Key Financial Information (in RMB'000, except for percentages)

Key Income Statement Items	1Q26	4Q25	1Q25
Net Revenues	1,348,022	1,564,692	1,298,262
Learning Services	627,477	727,233	602,414
Smart Devices	109,405	176,545	190,498
Online Marketing Services	611,140	660,914	505,350
Cost of Revenues	(745,729)	(859,314)	(684,035)
Gross Profit	602,293	705,378	614,227
Gross Margin	44.7%	45.1%	47.3%
Operating Expenses	(544,792)	(645,175)	(510,186)
Income from Operations	57,501	60,203	104,041
Net Income	43,813	35,954	77,599
Net Income Attributable to Ordinary Shareholders of the Company	38,577	48,246	76,743

THANK YOU



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