

2025 results review: AI-driven growth with continued progress in global business expansion and productivity strategies

Key takeaway

The company's global business expansion and productivity strategies proved effective in 2025. The company actively integrated AI features into its applications, significantly enhancing user experience and product effectiveness, supporting the company's globalization and productivity strategies, and delivering outstanding results. In terms of lifestyle scenarios, Meitu app topped the app charts in 52 regions with its AI features and ranked first in the US category chart for the first time. In terms of productivity, AI agents have become the primary driver of paid revenue for Meitu Design Studio, while Kaipai and Vmake saw significant year-over-year growth in MAUs. Benefiting from this, the paid subscription rate for Meitu products reached 6.1%, while overseas MAU surpassed 100 million.

Looking ahead to 2026, we remain optimistic about the company's continued advancement of its two core strategies in AI development, with potential expansion into South America complementing its existing global footprint.

We estimate the company's adjusted net profit attributable to shareholders for 2025-2027 to be RMB 1.335/1.667/1.941 billion, representing year-over-year growth of 38.24%/24.91%/16.46%. The closing price on April 3, 2026 corresponds to a P/E multiples of 13.06/10.46/8.98x.

Event

Meitu released its 2025 annual financial report. In 2025, the company reported revenue of RMB 3.859 billion, a year-on-year increase of 28.8%; net profit attributable to shareholders was RMB 698 million, a year-on-year decrease of 12.7%; while adjusted net profit attributable to shareholders reached RMB 965 million, reflecting a year-on-year growth of 64.7%.

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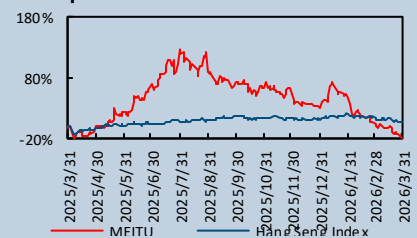
Current Price: HKD 4.29

Key Data

Absolute/relative share performance (%)

	1 month	3 months	12 months
	-24.20/-17.29	-39.15/-35.02	-19.51/-25.32
12-month high/low (HKD)			12.08/4.29
Total share capital (10,000 shares)			458,617.93
Tradable H shares (10,000 shares)			458,617.93
Total market cap (HKD '00mn)			196.75
Tradable market cap (HKD '00mn)			196.23
3-month average daily trading volume (10,000 shares)			6630.12
Main shareholders			
Xinhong Capital Limited			12.44%

Share performance



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21 Oct 2025	[CSC Media] MEITU (1357.HK): Investor Day Highlights AI Strategy, High-Frequency Data Shows Overseas Revenue Reached New High in September
20 Aug 2025	[CSC Media] MEITU (1357.HK): 1H25 Earnings Review: Accelerating Paying Ratio, Bullish on AI-Driven Globalization and Productivity Strategies
24 Jul 2025	[CSC Media] MEITU (1357.HK): 1H25 Earnings Forecast Review: Accelerating Earnings Growth, AI Continues to Drive Globalization and Productivity Strategies

Key Financial Indicators

	2023	2024	2025E	2026E	2027E
Operating Revenue (million RMB)	3,340.76	3,858.74	4,920.91	5,942.82	6,864.04
Growth Rate (%)	23.93	15.50	27.53	20.77	15.50
Adjusted net profit attributable to shareholders (million RMB)	586.17	965.35	1,334.50	1,666.92	1,941.22
Growth Rate (%)	59.16	64.69	38.24	24.91	16.46
Diluted EPS (RMB/share)	0.13	0.21	0.29	0.36	0.42
P/E (Multiple)	29.74	18.06	13.06	10.46	8.98
P/B (Multiple)	3.94	3.50	1.78	1.17	0.86

Source: Wind, China Securities

Quick Take

1. AI enhances globalization and productivity strategies

Globalization and productivity strategies proved effective in 2025. In 2025, the company generated revenue of RMB 3.859 billion, representing a year-on-year increase of 28.8%. The imaging and design product business generated revenue of RMB 2.954 billion, a year-over-year increase of 41.6%, while the advertising business reported revenue of RMB 843 million, a year-over-year decrease of 1.3%. During the year, the company reported a net profit attributable to the parent company of RMB 698 million, a year-on-year decrease of 12.7%; the adjusted net profit attributable to the parent company was RMB 965 million, a year-on-year increase of 64.7%. The main reasons for the year-over-year decrease in net profit attributable to the parent company are: 1) a high base in 2024, when a one-time profit of RMB 640 million from the sale of cryptocurrencies was recognized; 2) a one-time non-cash expense of RMB 512 million recorded in 2025 due to the issuance of convertible bonds to Alibaba. The significant year-over-year growth in revenue and adjusted net profit was primarily driven by the company's proactive integration of AI features and AI agents into its core applications. This strategic enhancement substantially improved product usability and performance, enabling the company to successfully advance its globalization and productivity initiatives while delivering exceptional results.

2. Operational data: Significant achievements in globalization and productivity strategies

In 2025, the company achieved outstanding results in its globalization and productivity strategies.

1) Globalization strategy: Key applications leveraged trending AI features to top app charts in global regions, led by Southeast Asian and European markets. In the first half of 2025, BeautyCam's AI Outfit Change, Meitu's AI Flash, and Wink's AI Ultra HD successively propelled each app to the top of the charts in multiple Southeast Asian countries. In the second half of the year, Meitu once again launched viral AI applications. The 3D Avatar, AI Group Photo, and AI Snowscape features, released from September to November, drove significant traffic

growth for Meitu. According to the annual report, Meitu topped the overall charts in 52 countries and regions, as well as the category charts in over 110 countries and regions. Among them, AI Group Photos drove Meitu's MAU to a record high and attracted over 3 million new active users in Europe, while AI Snowscape helped Meitu top the U.S. category charts for the first time in its history.

2) Productivity strategy: The company integrates AI agents into key applications such as Meitu Design Studio, Kaipai, and Vmake. The agent in Meitu Design Studio has rapidly become the primary driver of paid revenue growth since December 2025. Kaipai simplifies the short video production process with a guided workflow, lowering the barrier to entry. As a result, its MAU nearly doubled by 2025, while paid users tripled. Vmake further strengthened its product positioning in the U.S. fitness and wellness market. As of December 2025, Vmake's MAU in the U.S. showed significant year-over-year growth, with ARR reaching approximately \$3 million.

The outcomes of both strategies are also evident in the operational data.

1) MAU: Overseas MAUs surpassed 100 million. As of December 2025, the product's total MAU reached 276 million, representing a 3.8% year-over-year increase. By region, overseas MAU reached 101 million, a year-over-year increase of 6.3%, with its share further rising to 36.4%; while mainland China's MAU was 175 million, up 2.3% year-over-year. By application scenario, MAU for lifestyle applications increased 3.3% year-over-year to 252 million, while productivity applications grew 9.1% year-over-year to 24 million.

2) Paying ratio: The overall rate reached 6.1%, with significant growth in paying users for productivity tools. As of December 2025, the total number of paying users for the products reached 16.91 million, representing a year-over-year increase of 34.1%, with a paying rate of 6.1%, up 1.4 percentage points year-over-year. By application scenario, paying users for productivity tools increased by 67.4% year-over-year to 2.16 million, with the payment rate increasing by 3.1 percentage points year-over-year to 9.0%; paying users for lifestyle applications increased by 30.3% year-over-year to 14.75 million, with the payment rate increasing by 1.3 percentage points year-over-year to 5.9%.

3) ARPPU: Overseas users drove ARPPU growth. According to our calculations, the overall ARPPU of the products increased slightly, benefiting from the growth of overseas paying users. As of December 2025, the overall product ARPPU reached RMB200/year, approximately RMB16.68/month, representing a 4.2% year-over-year increase.

3. Financial status

Gross profit margin declined year-on-year. In 2025, the company's gross profit margin was 73.6%, a year-over-year decrease of 2.5 percentage points, primarily due to: 1) a decline in the revenue share of the high-margin advertising business; and 2) increased computing power and API costs for the imaging and design business.

The expense ratio was well controlled. In 2025, the company's period expense ratio was 51.7%, a year-on-year decrease of 7.8 percentage points. The selling expense ratio was 15.5%, down 0.4 percentage point year-over-

year, accounting for 15.8% of the combined revenue from imaging and design services and advertising business, down 0.5 percentage point year-over-year. The administrative expense ratio was 11.7%, down 1.5 percentage points year-over-year, while the management expense ratio stood at 24.5%, down 5.9 percentage points year-over-year.

4. Dividend: The Board of Directors proposed an annual dividend of HKD 0.05 per ordinary share, payable in cash. Based on the total share capital at the end of 2025, the total dividend payout is estimated to be HKD 229 million. The annual dividend proposal is still subject to approval by the shareholders' meeting.

Investment recommendations:

The company's global business expansion and productivity strategies proved effective in 2025. The company actively integrated AI features into its applications, significantly enhancing user experience and product effectiveness, supporting the company's globalization and productivity strategies, and delivering outstanding results. In terms of lifestyle scenarios, Meitu app topped the app charts in 52 regions with its AI features and ranked first in the US category chart for the first time. In terms of productivity, AI agents have become the primary driver of paid revenue for Meitu Design Studio, while Kaipai and Vmake saw significant year-over-year growth in MAUs. Benefiting from this, the paid subscription rate for Meitu products reached 6.1%, while overseas MAU surpassed 100 million. Looking ahead to 2026, the company will continue to advance its two core strategies and is expected to expand its operations in South America as part of its existing global footprint.

We estimate the company's adjusted net profit attributable to shareholders for 2025-2027 to be RMB 1.335/1.667/1.941 billion, representing year-on-year growth of 38.24%/24.91%/16.46%. The closing price on April 3, 2026 corresponds to a P/E multiples of 13.06/10.46/8.98x.

Risks

Risks of lower-than-expected growth in user payment rates, declines in MAU and paying users for domestic lifestyle applications, lower-than-expected growth in paying users for overseas productivity tools, lower-than-expected ARPPU growth, risks associated with underperforming globalization strategies, insufficient demand for productivity tools in segments such as e-commerce and marketing, heightened competition in the image and video editing sectors, data security risks, lower-than-expected growth in advertising revenue, ongoing performance drag from supply chain management SaaS, failure to convert R&D investments into new products and improved performance, and risks posed by open-source AI lowering application development barriers while diminishing the company's product competitiveness.

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		Overweight	Increase by 5% - 15% relative to the benchmark index
		Neutral	Increase by -5% to -5% relative to the benchmark index
		Underweight	Decrease by 5%-15% relative to the benchmark index
		Sell	Decrease by more than 15% relative to the benchmark index
	Industry ratings	Outperform	Increase by more than 10% compared to the benchmark index
		Neutral	Increase by -10% to -10% relative to the benchmark index
		Underperform	Decrease by more than 10% compared to the benchmark index

This report is a translation of the original Chinese report [美图公司(1357):25 年业绩点评: AI 驱动业绩, 全球化和生产力战略持续推进], released on [8 April 2026]. If there is any inconsistency or ambiguity between the English version and the Chinese version, the Chinese version shall prevail.

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