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.

Youdao's Position

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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

AI

Advertising



youdao Ads

有道智选 网易品质推广

InfunEase

iMagicBox

Operating Strategy of 2026

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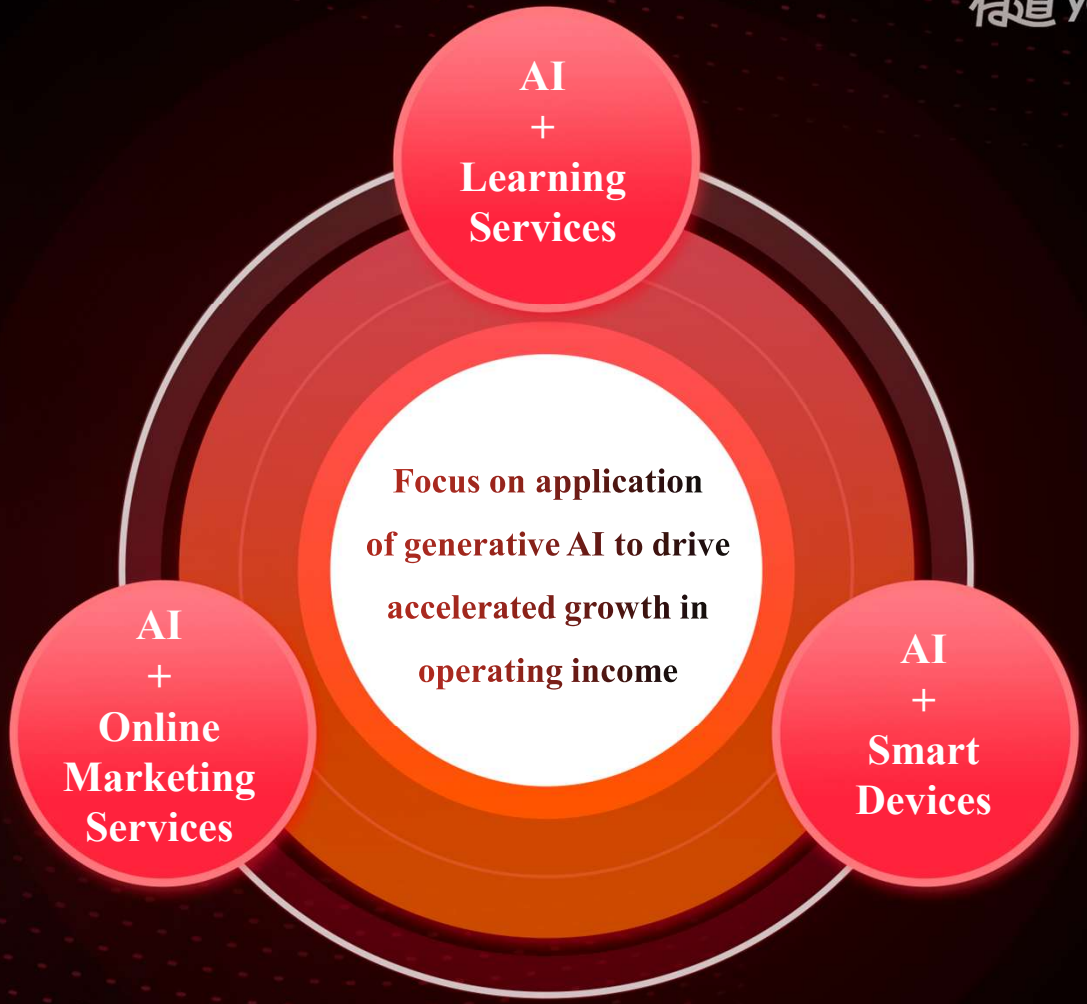
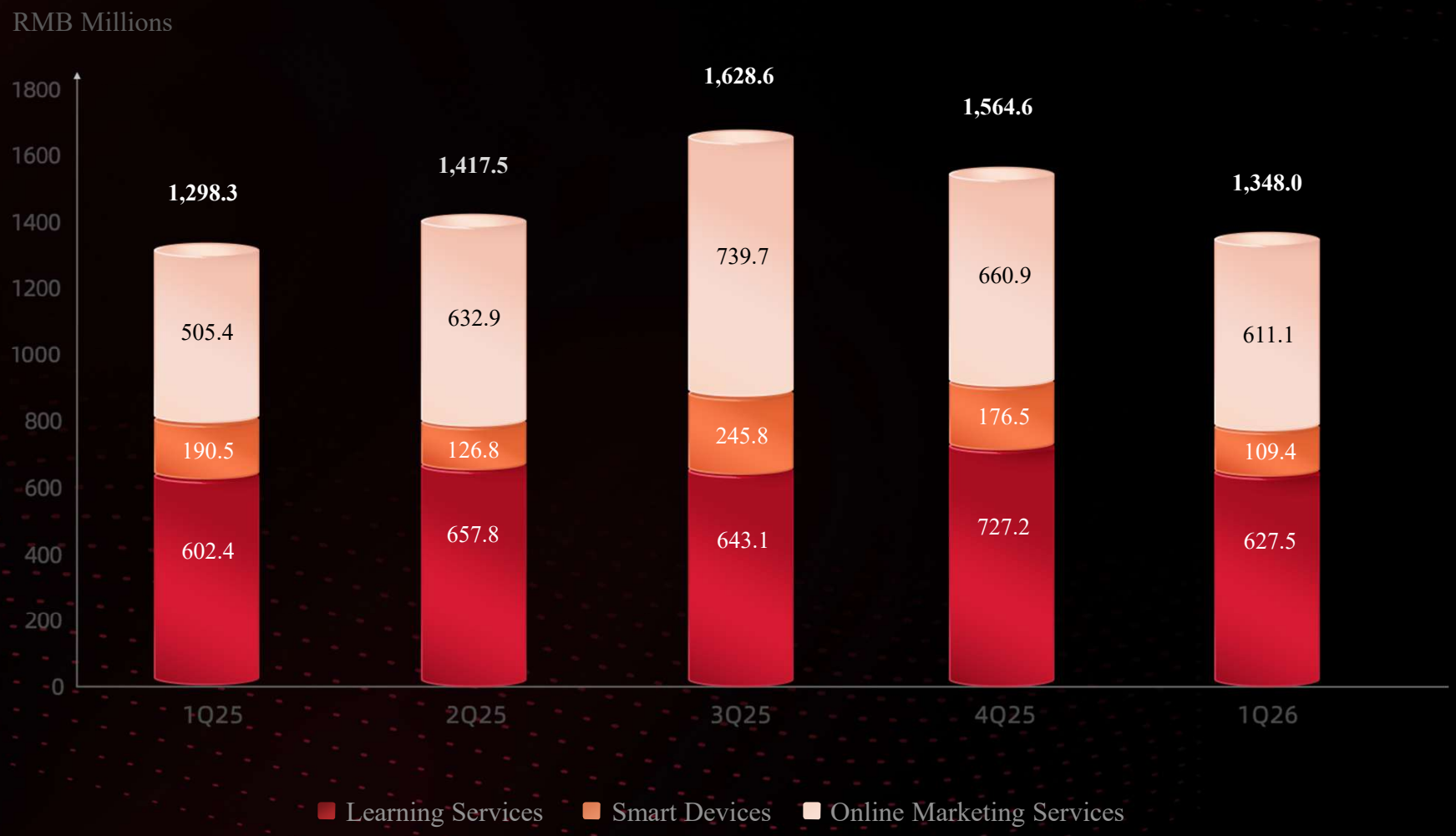
AI

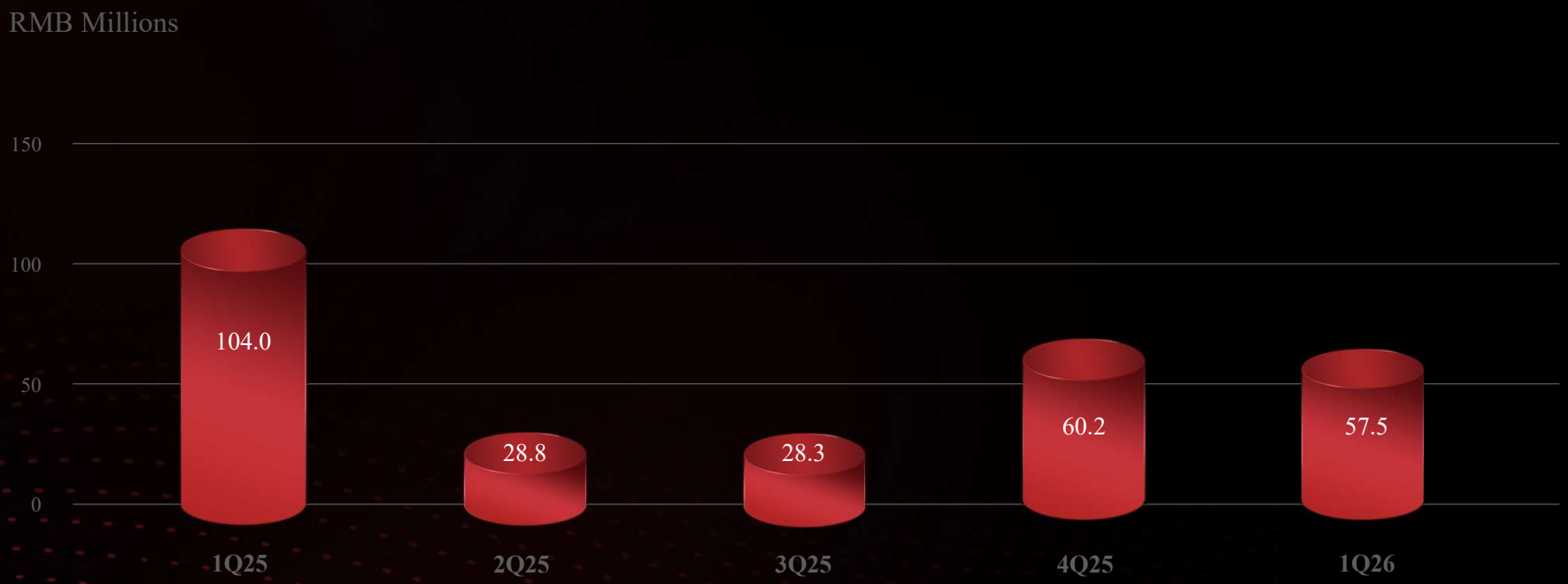
Driving force behind development of three businesses



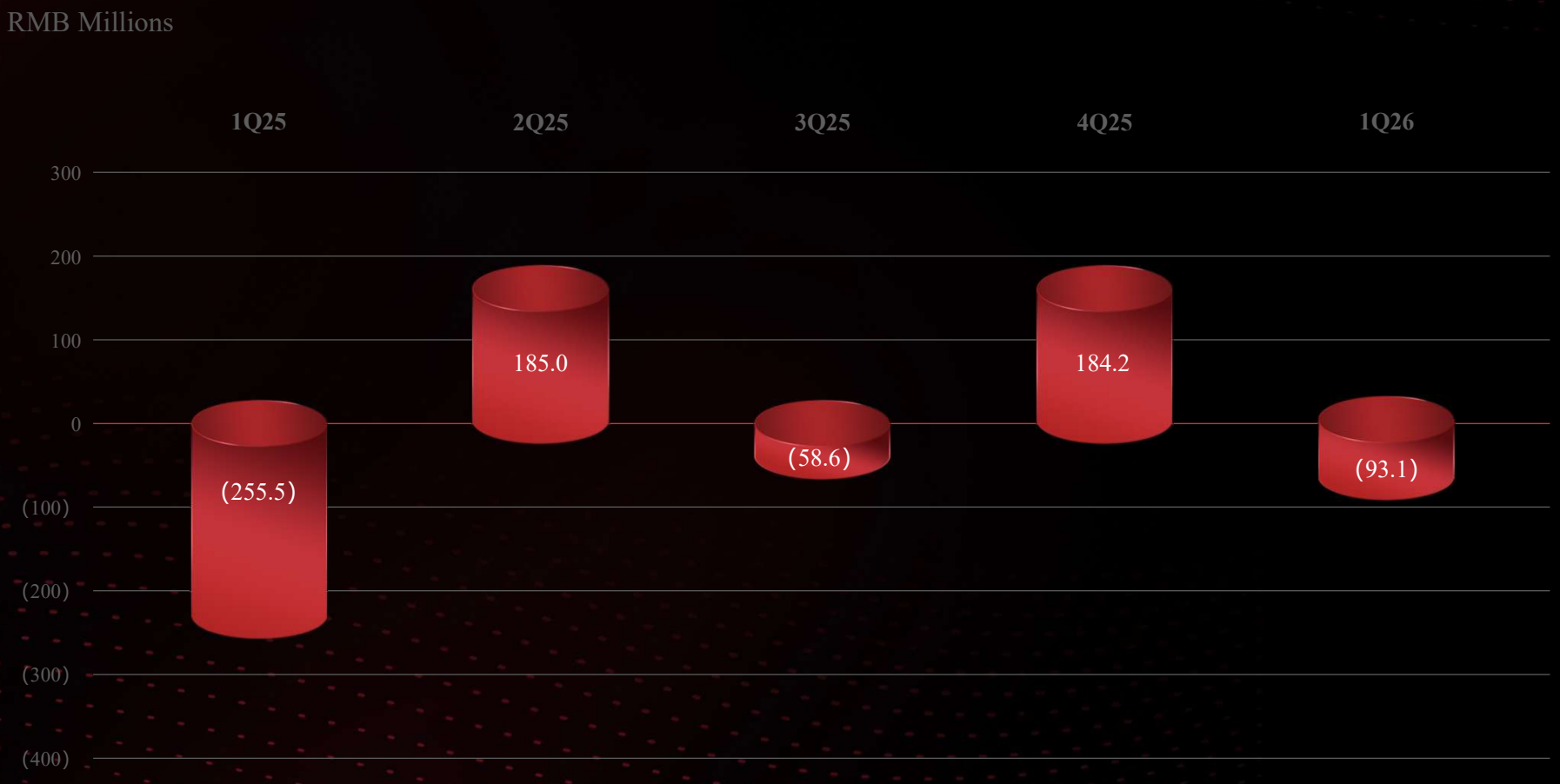
Net Revenues: 3.8% Year-Over-Year Growth in 1Q26



Income from Operations: Profitable for Seven Consecutive Quarters



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



Digital Content Services: Youdao Lingshi

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Products & Services



Learning diagnosis

Personalized learning path recommendation

Tiered instructional videos

AI quiz recommendation

Small-class study experience

AI Essay Grading

Live streaming counseling service

AI-based college admission advisers

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

AI-driven Subscription

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-Powered Advertising

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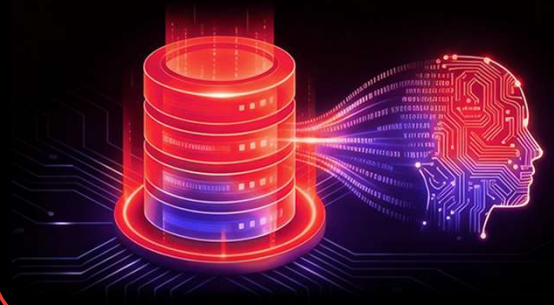
Data Management Platform



Youdao DMP

Programmatic Ad Attribution & Optimization



Youdao Smart Ads Platform

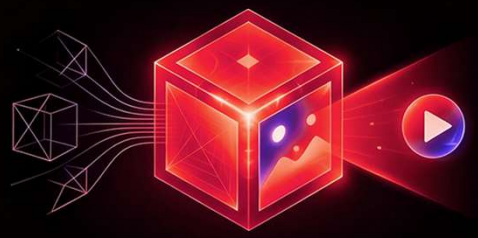
AI Ad Placement Optimizer

KOL Marketing Platform



InfunEase

Ad Creative Production Platform



iMagicBox

AI Ad Placement Optimizer 2.0

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01

AI-Powered Q&A

Real-Time Ad
Placement Consultant

03

Ad Creatives

AIGC-Enhanced
Creativity & Efficiency

05

Attribution Analysis

Auto-Generated
Placement Reports

02

Audience Targeting

AI-Driven Precised Audience
Discovery

04

Data Iteration

Deepening Customer Insight
Through Continued Use

InfunEase Upgraded in 1Q26

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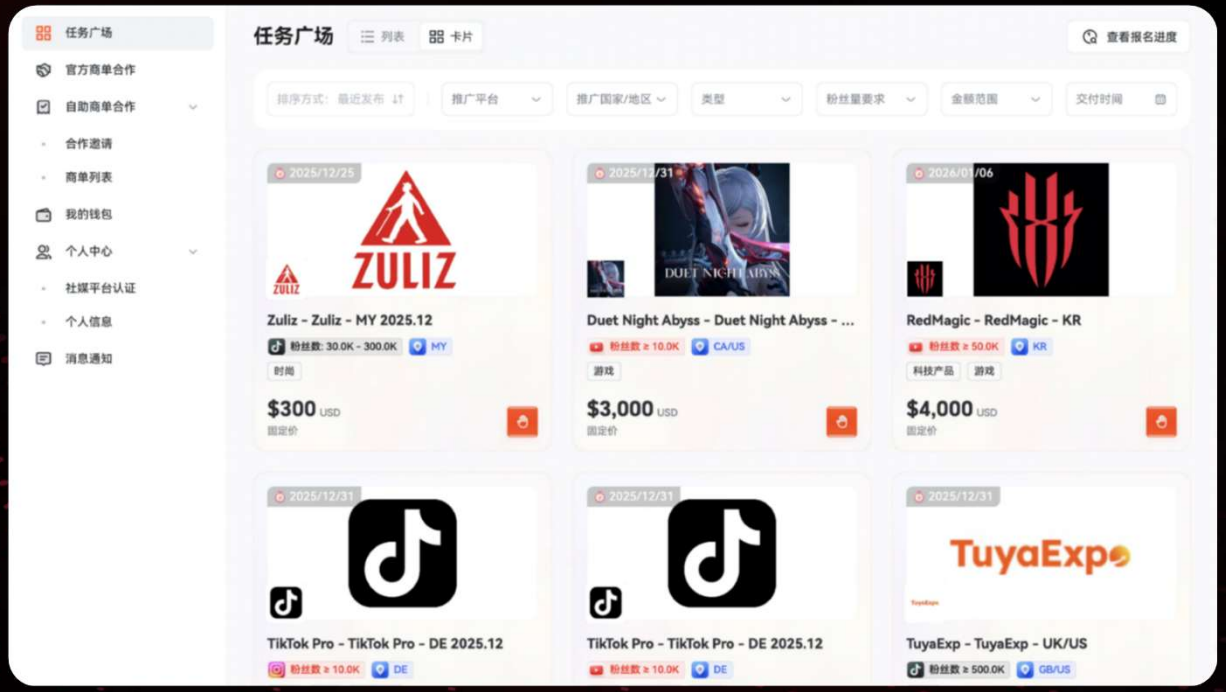
InfunEase : our one-stop AI platform for KOL marketing



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



巅峰急速
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





坦克世界
World of Tanks



战舰世界
World of Warships

雷霆游戏 Leiting Games

金山世游 KINGAME

点点互动 CENTURY GAMES

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

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

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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