1. Business and Financials

2. High Quality Revenue Growth Model

3. Tech for Good
Digital Ecosystem Fulfilling Needs of Customers and Enterprises

1. Since 4Q19; 2. In 2022; 3. In 1Q24

- **1 billion+**
  - daily average commercial payment transactions on **Weixin Pay** (1)

- **Several Trillions RMB**
  - GMV facilitated by **Weixin Mini Programs** (2)

- **260 million**
  - total fee-based VAS subscriptions (3)

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- **WeCom**
- **Tencent Video**
- **Weixin Video Accounts**
- **Tencent Health**
- **Tencent Games**
- **QQ Music**
- **WeSing**
- **Kugou Music**
- **Kuwo Music**
- **QQWeixin**
- **Qidian**
- **Weilidai**
- **LiCaiTong**
- **WeSure**
- **Mini Programs**
- **Weixin Video Accounts Shop**
- **Weilidai**
- **WeSure**

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1. Since 4Q19; 2. In 2022; 3. In 1Q24
Resilient Business Model with Diversified Revenue Streams

Revenues by Business Segment (1)(2)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>FinTech and Business Services</td>
<td>618.5</td>
<td>609.0</td>
<td>554.6</td>
<td>560.1</td>
<td>482.1</td>
<td>312.7</td>
</tr>
<tr>
<td>Online Advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAS: International Games (2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAS: Domestic Games (2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAS: Social Networks</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

1. "Others" segment revenues is marked in grey. "Others" segment revenues included the financials of investment in, production of and distribution of, films and television programmes for third parties, copyrights licensing, merchandise sales and various other activities.
2. Starting 3Q21, we disclose revenue from Domestic Games and International Games as new sub-segments under VAS, reflecting the increasing scale of our International Games business. For the purpose of preparing financial and operating information, Domestic Games refers to our games business in the PRC, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan.
3. 2018-2023 CAGR
4. Last twelve months ended Mar 31, 2024
Adjusted EBITDA (1) and Free Cash Flow (FCF) (2)

(In billion RMB)

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA</th>
<th>FCF</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>118.3</td>
<td>87.8</td>
</tr>
<tr>
<td>2019</td>
<td>147.4</td>
<td>88.7</td>
</tr>
<tr>
<td>2020</td>
<td>183.3</td>
<td>123.5</td>
</tr>
<tr>
<td>2021</td>
<td>194.8</td>
<td>108.1</td>
</tr>
<tr>
<td>2022</td>
<td>189.0</td>
<td>88.4</td>
</tr>
<tr>
<td>2023</td>
<td>235.5</td>
<td>167.0</td>
</tr>
<tr>
<td>LTM Mar 2024</td>
<td>246.9</td>
<td></td>
</tr>
</tbody>
</table>

Key Metrics

- **Adjusted EBITDA CAGR (3):** 15%
- **Adjusted EBITDA Margin (4):** 39%
- **FCF Conversion (5):** 71%

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1. Adjusted EBITDA consists of EBITDA plus equity-settled share-based compensation expenses
2. Starting from 2020, free cash flow was adjusted by subtracting payments for media contents and lease liabilities, in addition to subtracting payments for capital expenditure from operating cash flow
3. 2018–2023 CAGR
4. Adjusted EBITDA as % of Revenues; In 2023
5. FCF Conversion = FCF / Adjusted EBITDA; In 2023
High Shareholder Return Supported by Financial Strength

Robust free cash flow (LTM Mar 31, 2024)

- OCF: 32.5
- CAPEX & Others: (9.2)
- FCF: 23.3

Sizeable cash and investment portfolio (1)

- Gross cash: 63
- Investments: 120

1. As at Mar 31, 2024; USD1 to RMB7.0950 as at Mar 31, 2024
2. Investment portfolio consists of: a) our shareholdings (including those held via special purpose vehicles on an attributable basis) in listed investee companies (excluding subsidiaries) (defined as "Listed Investees"); and b) unlisted investees companies (defined as "Unlisted Investees")
3. Based on closing share price on dispatch date(s) for JD.com (Mar 25, 2022) and Meituan (Mar 24, 2023)
1. Total debt consists of borrowings and notes payable; Adjusted EBITDA consists of EBITDA plus equity-settled share-based compensation expenses
2. Capital expenditure paid includes purchase of property, plant and equipment, constructions in progress and investment properties, payments for land use rights and payments for intangible assets (excluding media contents, game licences and other contents)
3. Total capitalisation consists of total debt plus total equity (book value)
1. Business and Financials

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Resilient Growth through Economic Cycles (2004-2023)

What we have achieved since our listing in 2004...

533x
Revenue Growth

493x
Adjusted EBITDA Growth

399x
Share Price Appreciation

Notes:
5. YoY growth from 2007 to 2008 for financial crisis; YoY growth from 2017 to 2018 for game approval suspension; YoY growth from 2019 to 2020 for the COVID-19 pandemic; YoY growth from 2020 to 2021 for tightened antitrust regulations and game approval suspension.

Sources: Company disclosure, Bloomberg
High Quality Revenue Growth Model Powers Sustainable Value Creation

Gross Profit Growth Structurally Outpacing Revenue Growth

- Reignited healthy revenue growth since 1Q23, by adding high quality revenue streams, while reducing low quality streams
- Structural outperformance of gross profit growth vs. revenue growth given margins of incremental revenue much higher than company average; value-added revenue on platforms whose costs already paid for
- Gross profit growth is a key proxy for organic growth

Operating Profit Growth Exceeds Gross Profit Growth

- Additional operating leverage consists of:
  - streamlined operations and cut back in overly aggressive marketing spending, which is more one-time
  - our commitment to cost discipline, which will have ongoing effect

1. Starting 4Q23, we present investment-related gains/(losses), donations and others (previously within “Other gains/(losses), net”) and interest income below operating profit line to better reflect results of day-to-day operations

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### High Quality Revenue Growth Model Powers Sustainable Value Creation

<table>
<thead>
<tr>
<th>Revenue YoY (%)</th>
<th>Non-IFRS Gross Profit YoY (%)</th>
<th>Non-IFRS Operating Profit YoY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q23</td>
<td>30%</td>
<td>18%</td>
</tr>
<tr>
<td>2Q23</td>
<td>36%</td>
<td>21%</td>
</tr>
<tr>
<td>3Q23</td>
<td>35%</td>
<td>10%</td>
</tr>
<tr>
<td>4Q23</td>
<td>35%</td>
<td>7%</td>
</tr>
<tr>
<td>1Q24</td>
<td>30%</td>
<td>6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue YoY (%)</th>
<th>Non-IFRS Gross Profit YoY (%)</th>
<th>Non-IFRS Operating Profit YoY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>33%</td>
<td>28%</td>
</tr>
<tr>
<td>FY21</td>
<td>33%</td>
<td>16%</td>
</tr>
<tr>
<td>FY22</td>
<td>-1%</td>
<td>12%</td>
</tr>
<tr>
<td>FY23</td>
<td>-2%</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>34%</td>
<td></td>
</tr>
</tbody>
</table>

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11% 11% 10% 7% 6% 18% 21% 23% 25% 6% 33% 12% 7% -1% 2% 6% 10% 22% 34%
Weixin – Platform Continuously Enhancing Value to Users

1. Messaging – most indispensable and highest daily user frequency service
   • Weixin’s DAU and daily time spent per user have shown a consistent upward trend, benefitting from:
     ─ Perpetual demand to communicate and interact among friends, family members, and colleagues
     ─ Weixin chat meeting social networking needs through group functionalities and Moments
     ─ Weixin chat enabling new forms of connections, such as with customer support services

2. Open platform – extending connectivity with external services
   • Official Accounts: enable creators to share insights under their own accounts with interested followers
   • Mini Programs: facilitate merchants and content providers to engage user base, online and offline
     ─ Several hundred million users interact with over 1 million unique Mini Programs on daily basis
     ─ Mini Programs enable seamless conversion of user interactions into transactions and drive repeat sales, facilitated over RMB 1.5 trillion GMV(1)
     ─ Dynamic community of merchants and service providers develop and update their own Mini Programs, providing ecosystem growth and innovation
   • Mini Games: representing the largest casual game platform in China, engaging over 500 million MAU(2)

3. Video Accounts – boosting engagement and incremental revenue
   • Short video complementary to our messaging, group chat, and social networking services; does not cannibalise their user time spent
   • Substantial monetisation opportunities in advertising and eCommerce

1. In 3Q23; 2. In 1Q24
**Weixin – New Services Fuel Platform and Gross Profit Growth**

- Video Accounts, Mini Games and Weixin Search enhance user value by creating seamless connections with products, services and content while presenting exciting revenue opportunities
- Generating high margin revenue streams from own traffic, with platform costs already paid for

- Total user time spent more than doubled in 2023, propelled by strong growth in DAU and time spent per DAU
- Surge in ad revenue fuelled by significant increase in organic traffic, affluent users and high conversion, while keeping ad load much lower than industry peers
- Gross receipts increased over 50% in 2023, driven by DAU and ARPU
- Retention rate and average time spent per DAU significantly outperform peers’, due to our highly sticky platform, well-developed ecosystem, and advanced technological infrastructure for games
- Big user base of over 100 million DAU growing at over 20% YoY in 2023
- Content QV grew over 30% YoY in 2023 by leveraging our platform’s distinctive content, features, and services
- Revenue grew multiple times YoY in 2023, as we just started to ramp up monetisation
Games – Investing for Long Term Growth

Brewing Future Growth via Rejuvenating Top Two Games and Emerging Franchises

• Flagship evergreen franchises, HoK and Peacekeeper Elite, have maintained leading positions in terms of DAU, and are undergoing revamped monetisation strategies to rejuvenate the games performance.

• Number of major hits in China increased from 6 in 2022 to 8 in 2023 (defined as games surpassing average quarterly DAU of 5m for mobile / 2m for PC, and annual gross receipts of RMB4 billion). For example, Fight of the Golden Spatula and LoL Wild Rift.

Investing to expand into content-driven and casual games

• Content-driven games: proven success in operating games, such as Naruto Mobile, Lost Ark, NIKKE, bolsters our confidence to continue to invest for bigger hits.

• Casual games: operating the largest casual game platform via Mini Games; app-based Dream Stars leverages industry-leading development to enrich party game experience with diversified competitive game play, such as shooting and racing.

Future games to watch include:

Expansion of our own IPs
HoK World
VALORANT Mobile
Delta Force: Hawk Ops

Bringing new IPs to mobile
DnF Mobile
Assassin's Creed
One Piece
Squad Busters
Need For Speed
Last Sentinel

New titles in high potential genres
HoK World
VALORANT Mobile
Delta Force: Hawk Ops
DnF Mobile
Assassin's Creed
One Piece
Squad Busters
Need For Speed
Last Sentinel
FinTech – Value-added Services Grow Gross Profit with Comprehensive Risk Management

• Completed self-inspection and corresponding rectification for Tenpay, with upgraded operational compliance for our payment business
• Fortified our payment ecosystem by amplifying user security, upgrading *Mini Program*-based transactions and SME tools
• Deepened cooperations with licensed financial institutions to expand our wealth management and consumer loans services with an unwavering focus on risk management

Wealth Management

• Robust YoY increase in aggregated customer assets, driven by growth in users and average fund investment per user
• Focused on providing high quality products and convenience in user experience
• Key offerings on our platform are money market funds and low risk fixed income mutual funds

Consumer Loans

• Work closely with WeBank to offer cash loans at scale while maintaining low default rates
• Achieved early success in our installment payment services with rapid growth in originated loan balances and low default rates
• Generating high margins on low user acquisition costs and strong control on credit risks
SaaS – Leading Communication and Collaboration Tools

Well-positioned for market opportunities
• Rapid growth in SaaS adoption in China
• Our productivity SaaS solutions, WeCom, Tencent Meeting and Tencent Docs, achieved strong user growth and deepened penetration into key verticals

Strengthening competitive edge
• Integration with Tencent Meeting and Tencent Docs empowers WeCom as the core platform for enhanced collaboration and productivity
• Deepening connection with Weixin enables differentiated CRM functions in WeCom

Unlocking monetisation potential
• Proven business models for critical enterprise SaaS internationally
• Monetisation potential validated by market size and growth rate of PaaS spending in China
• Leveraging our proven success in monetising freemium ToC products

Consumers
Upstream and downstream partners
Technology – Making Long-Term Investment in Growth Multiplier

**Upgraded Foundation Model**
- Top-tier performance in Chinese, based on comprehensive benchmark, particularly in numerical reasoning, logical inference, and multi-turn conversations
- Achieved trillion-parameter model scale through Mixture of Experts (MoE) architecture, delivering enhanced performance
- Developing multi-modal models to bolster our text-to-picture and text-to-video services

**Launched Use Cases**
- **Tencent Meeting**: deployed new AI Assistant to interpret meeting content in real-time
- **Tencent Docs**: implemented AI features to foster prompt-based document creation and multifaceted data processing

**Enhancing Content Production Efficiency through New GenAI Solutions**

**Leveraging AI Technologies**

**Significant Boost to Advertising Business**
- Our upgraded ad-targeting model is driving significant revenue growth
- Substantial future potential:
  - Continued improvement in targeting technology through AI
  - Expanding ad inventory via traffic growth and increase in ad load from low base
  - Empowerment through Tencent Hunyuan

**Advancing Cloud Business through New Offerings**
- Tailored Industry Solutions: provide industry-specific LLMs to supercharge efficiency in AI-backed tools
- Vector Database: industry-leading database solution for AI applications
1. Business and Financials
2. High Quality Revenue Growth Model
3. Tech for Good
Harnessing our technology and platform to create social value

Established Sustainable Social Value Org (SSV) in Apr 2021, to deploy social value initiatives in a professional and entrepreneurial way

Contributed to common prosperity with new commitment in Aug 2021

Pursue long-term social value leveraging our technology and products:

- Facilitate philanthropic digitalisation by providing capital, technology and resources
- Fund basic scientific research with a commitment of RMB10 billion over 10 years via New Cornerstone Investigator Programme
- Building a public AED emergency response platform leveraging IoT solutions and Weixin Mini Programs
- Support rural revitalisation by nurturing administrative and business talents in rural areas
- Leverage digital tools and user reach to help preserve cultural heritage

* Food, Energy and Water
Our ESG Commitment and Approach

Integrate social responsibility into products and services

<table>
<thead>
<tr>
<th>Environment</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Committed to achieving <strong>Carbon Neutrality</strong> in our own operations and supply chain, and shifting to 100% renewable energy <strong>by 2030</strong>&lt;br&gt;- Set absolute greenhouse gas emission reduction targets, which are validated by SBTi&lt;br&gt;- Published our <strong>Biodiversity Statement</strong>, outlining our commitment to developing businesses in an eco-friendly way</td>
<td>- Encourage more <strong>philanthropic participation</strong> and helped raise public donations of over RMB3.8 billion in our 99 Giving Day series of charitable events, up 15% YoY&lt;sup&gt;(1)&lt;/sup&gt;&lt;br&gt;- Published our <strong>Diversity, Equity, and Inclusion statement</strong> (“DEI”)&lt;br&gt;- <strong>Assist SMEs</strong> to reduce operating costs and enhance efficiency</td>
<td>- Enhanced board independence and diversity with 63% INED and 25% female representation&lt;br&gt;- <strong>Uphold corporate integrity</strong> through implementation of Sunshine Code of Conduct and anti-fraud policy&lt;br&gt;- <strong>Strengthened anti-money laundering and sanctions compliance</strong> to closely follow domestic and global best practices</td>
</tr>
</tbody>
</table>

**Sustainability Commitment**
- Joined the **United Nations Global Compact** as signatory in Aug 2023

**Industry Recognition**
- **1st in Best ESG**<sup>(2)</sup> for 3 consecutive years and **1st in Best Company Board**<sup>(2)</sup><br>- Included in the **2023 S&P Global Sustainability Yearbook** and recognised as the **industry mover**

**MSCI ESG Rating: BB | Sustainalytics ESG risk score: 19.5 – Low Risk**<sup>(3)</sup> | **S&P Global ESG Score: 49**<sup>(4)</sup>

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1. During 99 Giving Day series of charitable events in 2023; 2. By Institutional Investor in 2023, in Asia (ex-Japan) Internet sector, combined votes from sell-side and buy-side; 3. Out of 100, the lower the better; 4. Out of 100, the higher the better, ranking within top 3% in the industry
Tencent Holdings Limited

Corporate Overview

Thank you!

https://www.tencent.com/ir