

Tencent 腾讯

CORPORATE OVERVIEW

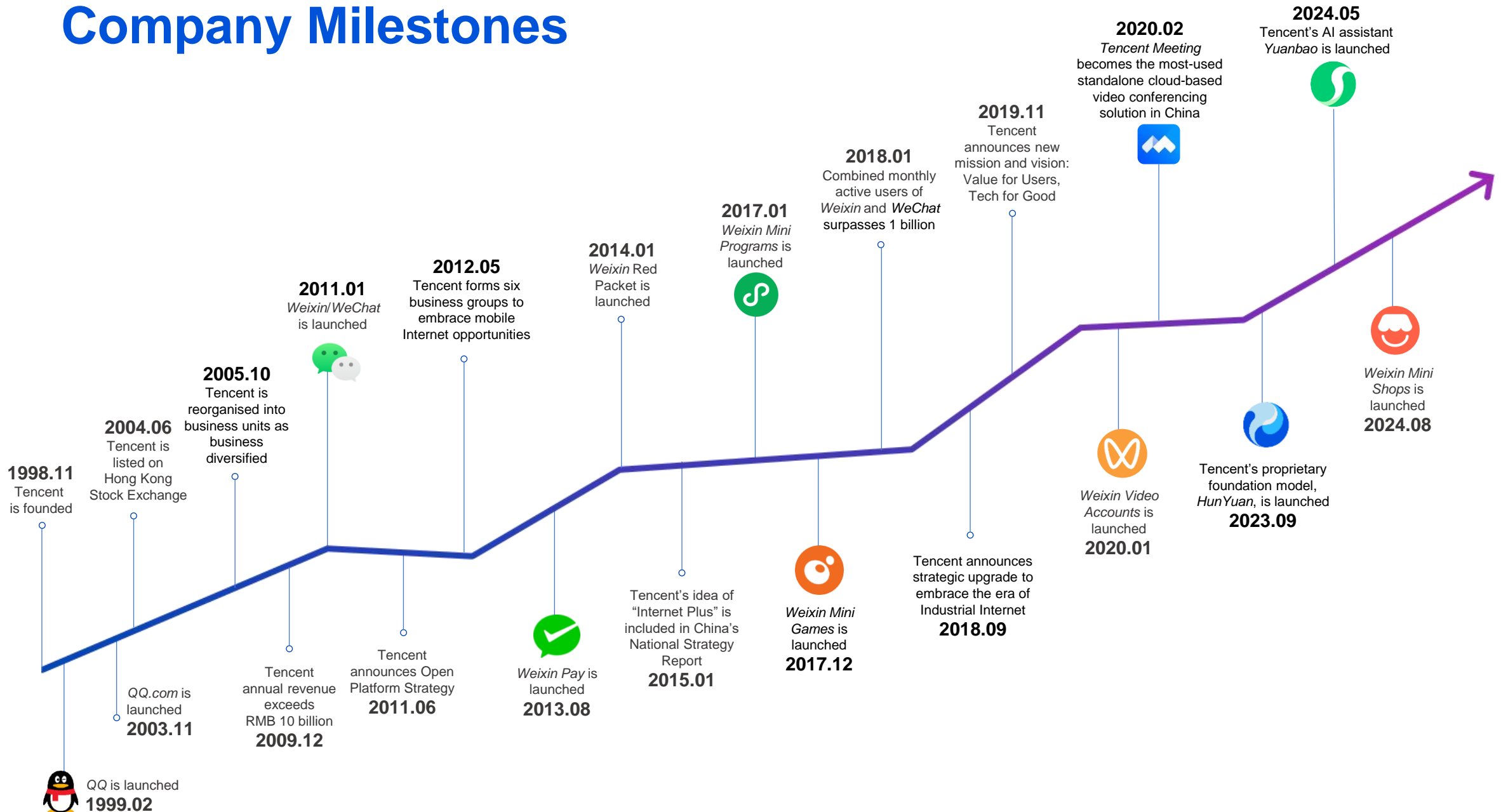
Third Quarter of 2025

1. Business Overview

2. Financials

3. Tech for Good

Company Milestones



Digital Ecosystem Fulfilling Needs of Customers and Enterprises

1 billion+

Daily average commercial payment transactions on Weixin Pay ⁽¹⁾

8 Trillion RMB

GMV facilitated by Weixin Mini Programs ⁽²⁾

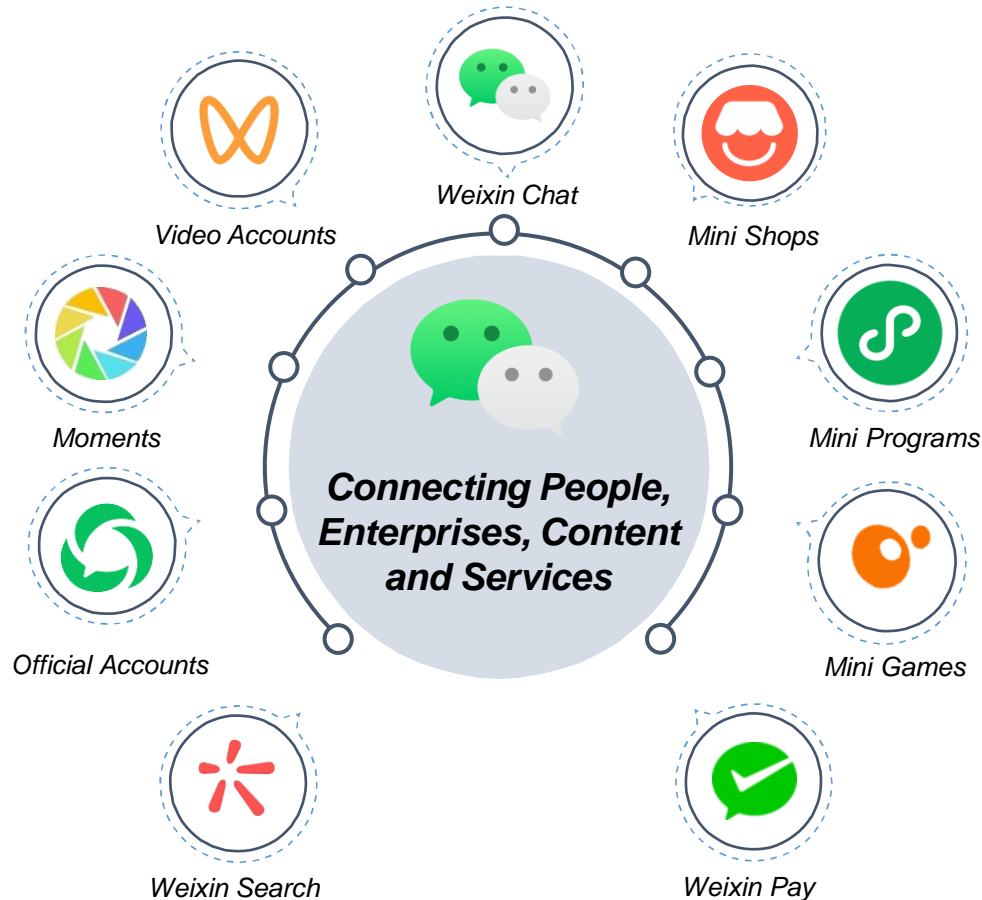
265 million

Fee-based VAS subscriptions ⁽³⁾



1. Since 4Q19; 2. In 2024; 3. In 3Q25

Weixin Connects Users, Content and Services



Chat and Moments

- *Weixin Chat* is the most indispensable and highest daily user frequency service
- *Moments* provide asynchronous photo, video and audio sharing

Official Accounts

- Allow individuals, media and businesses to share original content and engage with audience

Weixin Pay

- Easy and secured online/offline transactions
- Exceeded 1 billion average commercial transactions per day ⁽¹⁾

Mini Programs

- Enable conversions of user interactions into transactions, facilitated over 8 trillion GMV ⁽²⁾
- *Mini Games* is the largest casual game platform in China, engaging over 500 million MAU ⁽³⁾

Weixin Search

- Comprehensive search feature enabling users to seamlessly access content and services within the *Weixin* Ecosystem, and across the web

Video Accounts

- A leading short-form video and live streaming platform in China
- Promoting original content through enhanced recommendation algorithms and traffic support

Mini Shops

- A platform for indexed and standardised merchandise, where merchants can operate store fronts, while leveraging *Weixin* social interactions, content services, and payment capabilities

Largest communications and social network platform with over 1.4 billion MAU ⁽⁴⁾

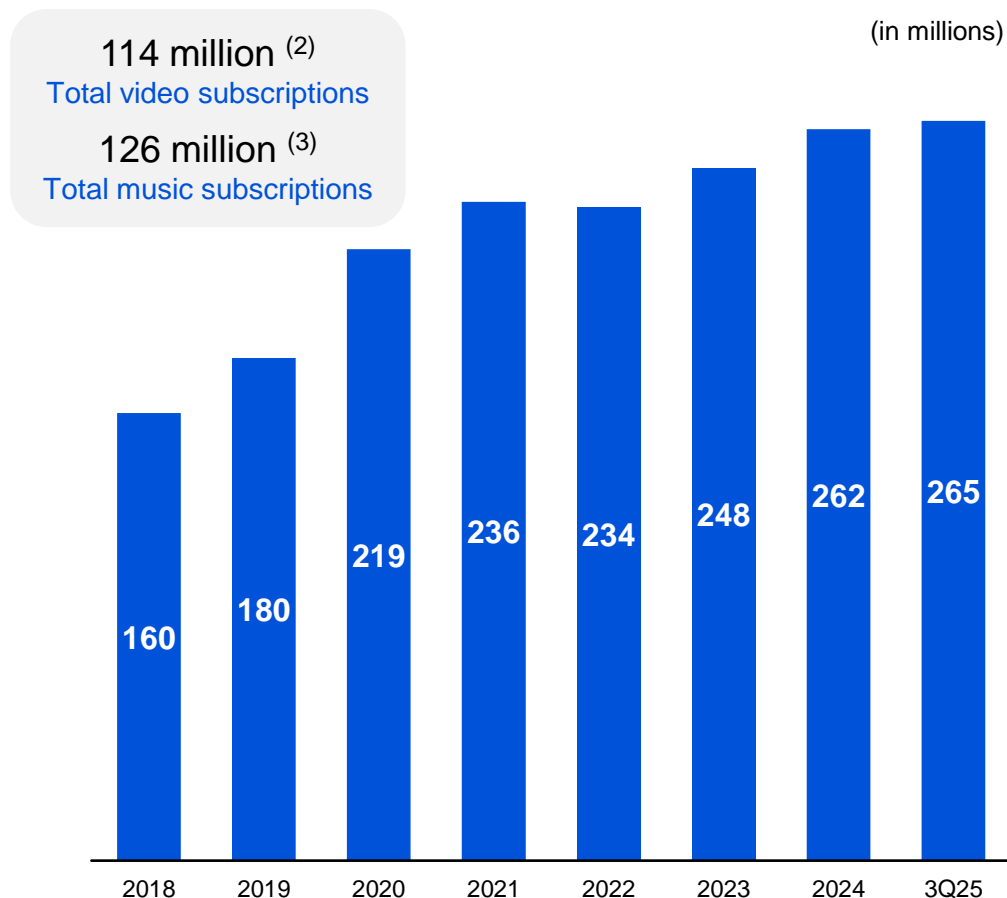
Digital Content Services

- ▶ Leading digital content platforms (including web novels, comics and games) nurture high quality IPs
- ▶ Expertise in creating high production value content and extending IP influence across various media forms and high-DAU properties
- ▶ Strategic partner of choice for major content producers and owners globally

Premium Content



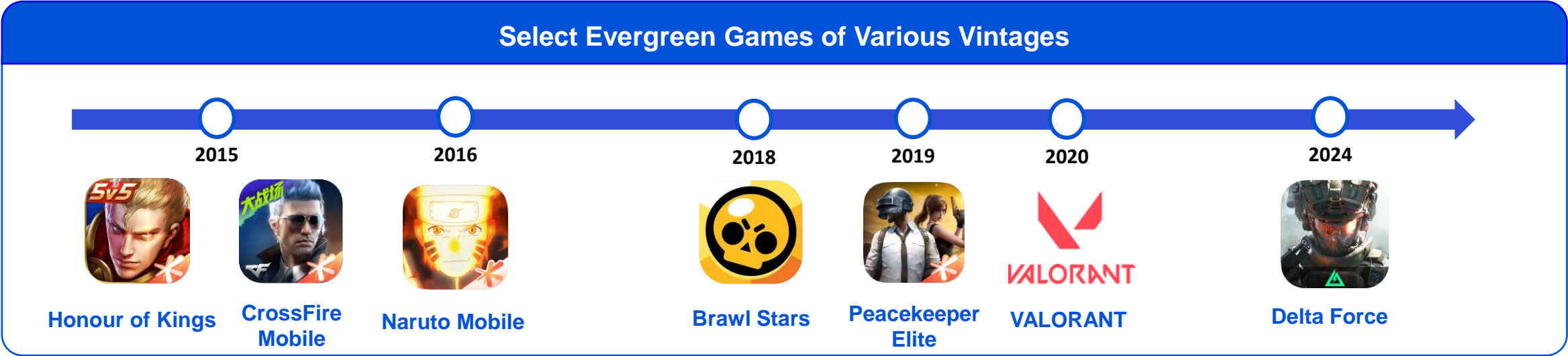
Fee-based VAS Subscriptions ⁽¹⁾



1. Starting 1Q24, we changed fee-based VAS paying subscriptions from “total subscriptions as of the last day of the period” to “the average daily number of total subscriptions during the period”, historical annual figures have not been restated; 2. The average daily number of subscriptions for 3Q25; 3. The average number of subscriptions as of the last day of each month during 3Q25

Games

- ▶ Expanded our evergreen games portfolio ⁽¹⁾ from 12 games in 2023 to 14 in 2024, while nurturing new games with evergreen potential
- ▶ Strong development, publishing and operation capabilities of in-house studios
- ▶ Partner of choices for emerging studios and IP owners



Owned Studios

Logos of owned studios: TIMi, LIGHTSPEED STUDIOS, Morefun, AURORA STUDIO, RIOT GAMES, SUPERC ELL, MINICLIP, and Techland.

Invested External Studios

Logos of invested external studios: EPIC GAMES, FROM SOFTWARE, 游戏科学 GAME SCIENCE, KRAFTON, SHIFT UP, and UBISOFT.

External Partners

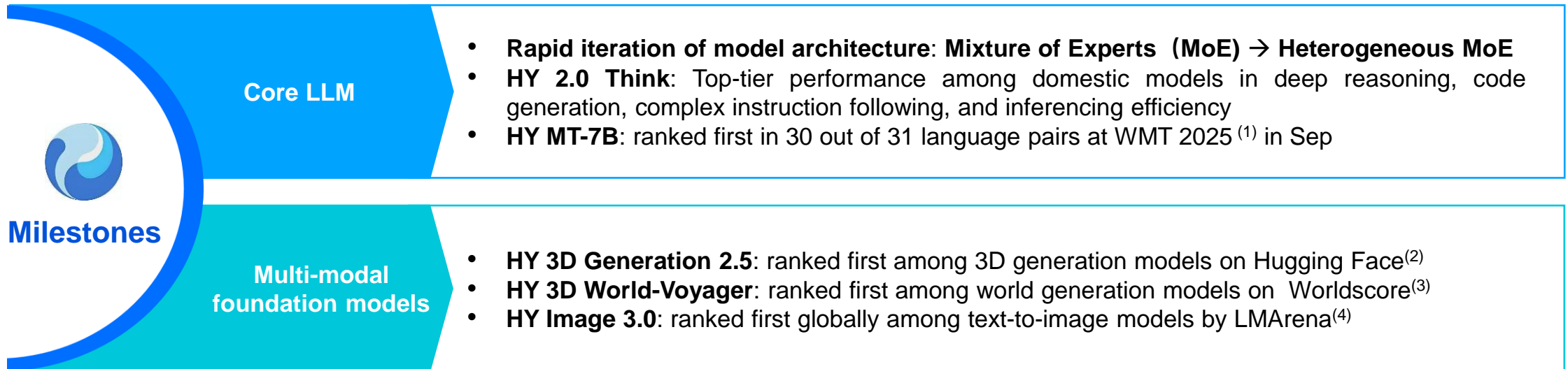
Logos of external partners: CAPCOM, EA, Microsoft, NEXON, SQUARE ENIX, and T2 TAKE-TWO INTERACTIVE.

1. Evergreen games portfolio includes domestic and international games. Evergreen games refer to games surpassing average quarterly DAU of 5 million for mobile or 2 million for PC, and generating over RMB4 billion annual gross receipts

Building HY Foundation Model: Significant Investment and Progress

Thesis






- ▶ Established AI lab in 2016. Since 2023, investing heavily in our proprietary HY Foundation Model
- ▶ Investment in HY allows us to: 1) develop end-to-end foundation model capabilities in terms of infrastructure, algorithm, training, alignment, and data management; 2) fulfill customised internal and external needs



- Open-sourced multiple HY models, such as HY 3D Generation, HY 3D World, HY Video Generation, HY Image, HY Large

1. Ranking of WMT25 General Machine Translation Systems
2. Published on <https://huggingface.co/spaces/3DTopia/3DGen-Leaderboard>, as of 20 Nov 2025
3. Published on https://huggingface.co/spaces/Howieeeee/WorldScore_Leaderboard, as of 20 Nov 2025
4. Published on <https://lmarena.ai/leaderboard/text-to-image>, as of 20 Nov 2025

Adopting Multi-Model Strategy

-  Seek to provide **best user experience** leveraging all available models
-  Different AI models optimised for different capabilities, performance metrics and user cases – **combination of various models can handle complex tasks** better than a single model
-  Our experience in software businesses (such as online games) demonstrates **synergies in being a developer and an operator**
-  **Investing in our own foundation models** allows us to fully leverage our proprietary data, meet highly customised internal and customer needs
-  **Making use of external models** allows us to benefit from innovations across the industry

Breakout AI Native Application Yuanbao



Users can select among **multiple models** (CoT reasoning models, fast thinking models)



Provides access to **proprietary high-quality content** from Tencent ecosystem



Processes prompts in **image, voice and document formats**



Ensures **stable and uncapped access** to leading models



#3 among AIGC apps ⁽¹⁾ by DAU



Enriching AI Features in Weixin



Weixin Chat



Integrated **Yuanbao** as a Weixin contact to provide AI interaction such as automated text summaries for **Video Accounts** content



Weixin Search



Weixin Search provided structured results for more use cases, such as sports event leaderboards



Video Accounts



Provided @Yuanbao feature in **Video Accounts** and **Official Accounts** comment boxes, to generate content summaries and encourage users' follow-up questions



Tencent News



Enriched **Tencent News feed** in Weixin with **Yuanbao**-generated content, facilitated user exploration of relevant topics via direct link to **Yuanbao** app



Mini Programs

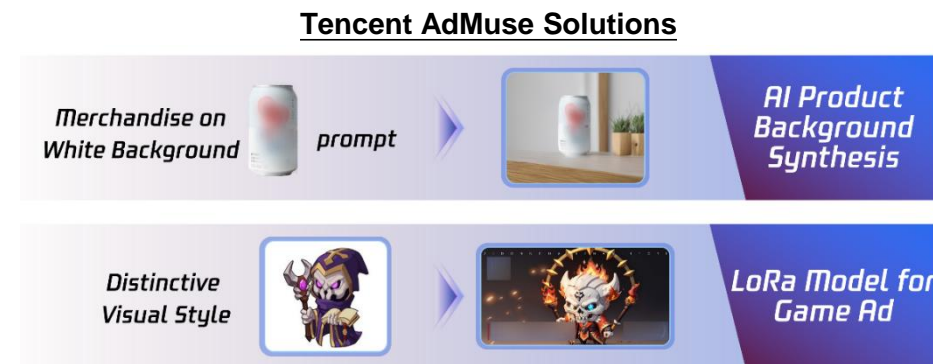
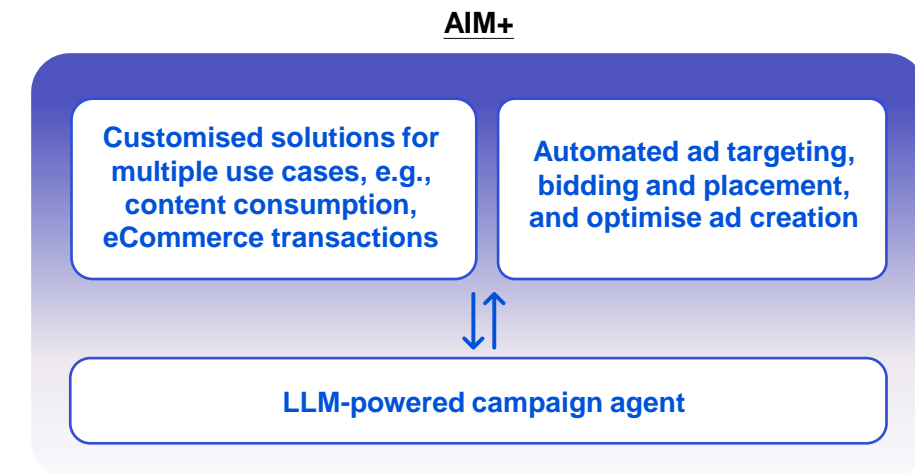
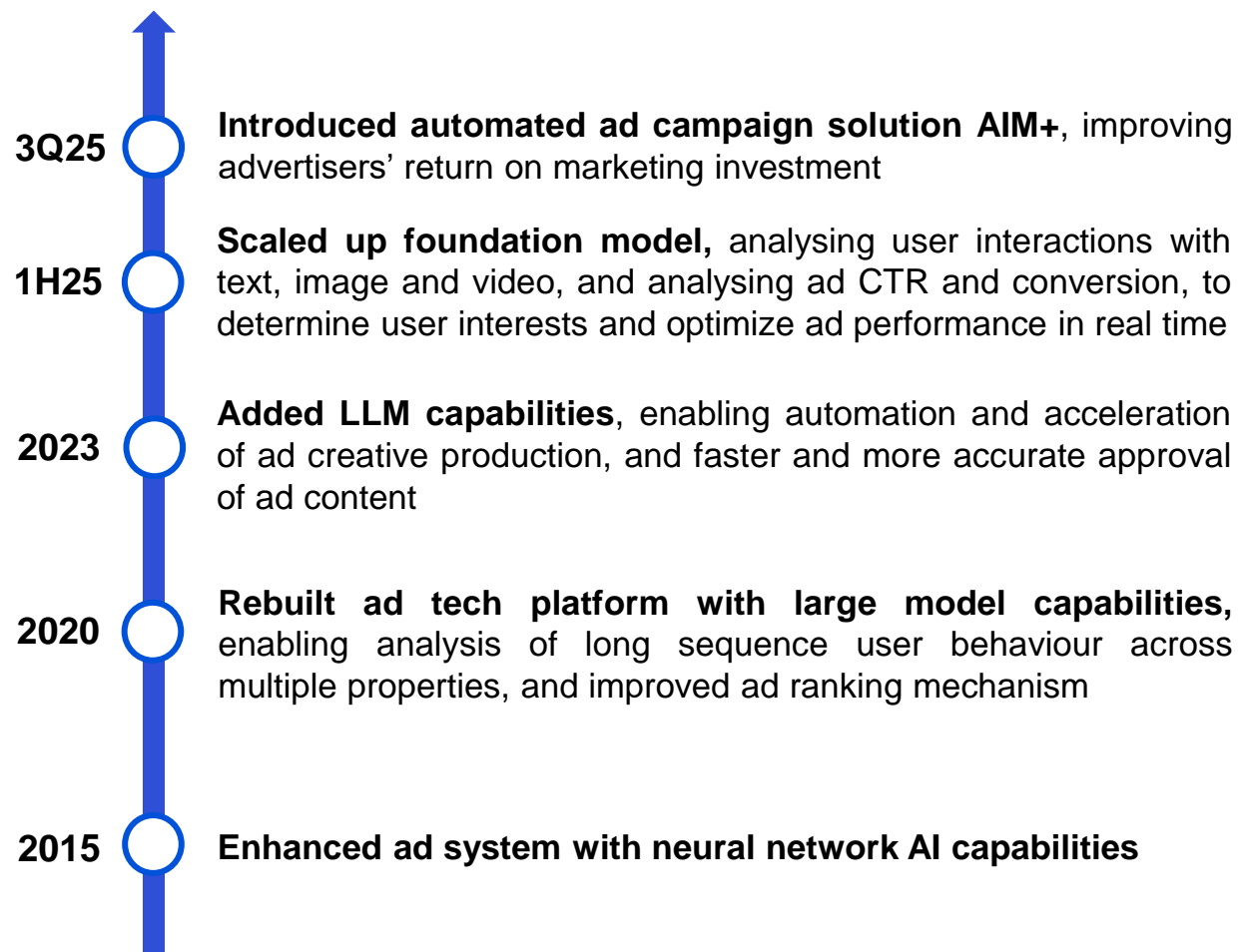
Reduced **Mini Programs** development time via AI coding assistant that supports natural language prompts and image inputs



Mini Shops

Enhanced merchandise recommendation with foundation model capabilities to deepen understanding of user interests, driving higher sales conversions in **Mini Shops**

AI-empowered Ad Upgrades Benefitting Ad Efficiency and Revenue



AI Enhances Content Production and Experience

Games

Accelerate content production speed and scale with proprietary tools including *Goskinning*



Enable virtual teammates in PvP games such as *Peacekeeper Elite*, and **more realistic NPCs** ⁽¹⁾ in PvE games



Enhance marketing for player acquisition and engagement, such as AI bot distributing limited *Valorant Mobile* beta invites to targeted users



Video and Music

- Improve production efficiency with automated frame generation in anime, and aging and de-aging visual effects for drama series characters
- Provide intelligent recommendation and efficient user discovery of short videos, music, and long-form videos
- Provide AI tools that empower users to create songs and remix favourite tracks with diverse vocal styles and instruments

1. Non-player character

Accelerating AI Integration into Cloud Offerings

IaaS

- **Hyper Computing Cluster (HCC)** enables enterprises to run high-performance AI training and inference with low latency and elastic scalability
- **Hyper Application Inventor (HAI)** provides “one click” deployment of mainstream foundation models for developers through visual interfaces

PaaS

- **TI Platform** for fine-tuning and running inference on AI models
- **Tencent Cloud Agent Development Platform** solution helps enterprises build customer support and coding assistants tuned with their own proprietary data
- **Tencent CloudBase** enables developers to generate mini programs and mobile applications through natural language prompts and uploading design mockups

SaaS

- **Tencent Meeting** AI Delegate can attend multiple meetings simultaneously on behalf of users and generate summaries
- **WeCom** AI summarisation feature generates project recaps and provide advice based on users’ emails and conversations, enhancing collaboration efficiency
- **Tencent Docs** boosted documentation productivity in content generation and processing

1. *Business Overview*

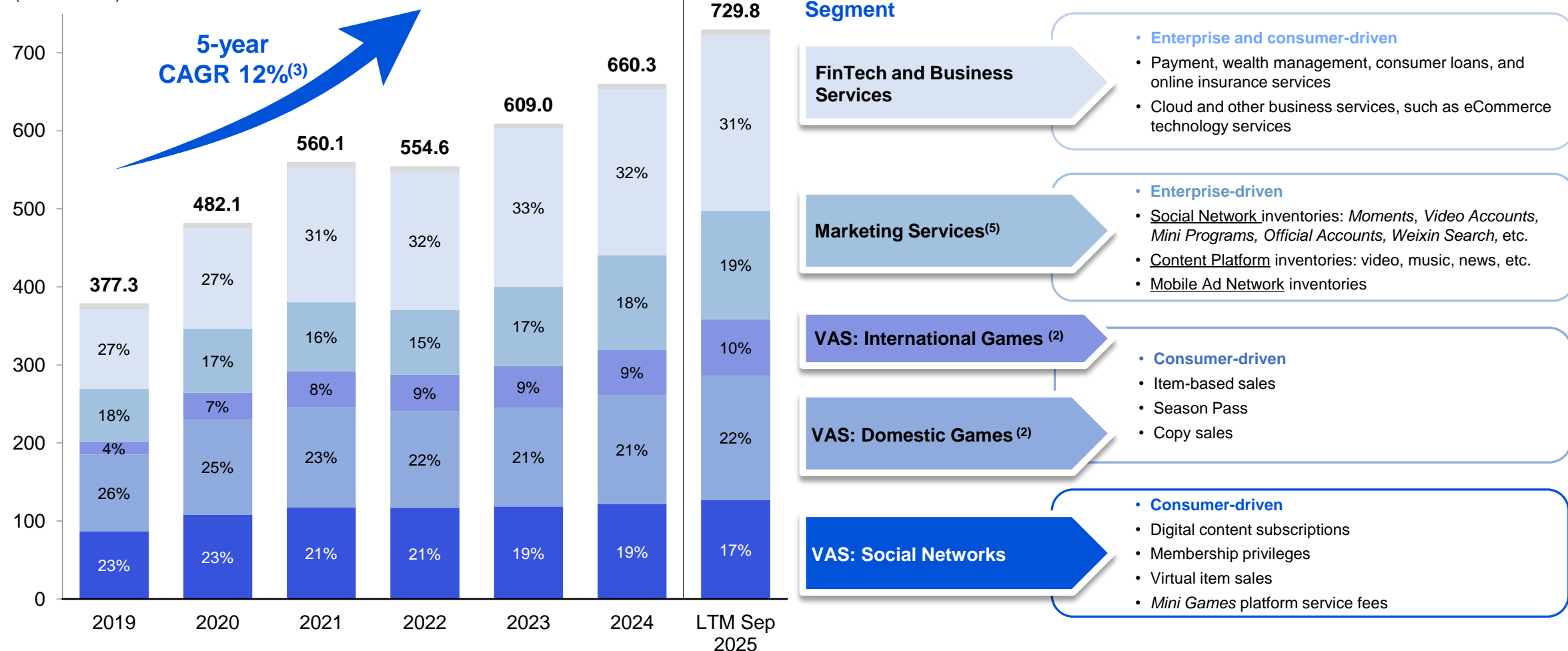
2. *Financials*

3. *Tech for Good*

Resilient Business Model with Diversified Revenue Streams

Revenues by Business Segment ⁽¹⁾⁽²⁾

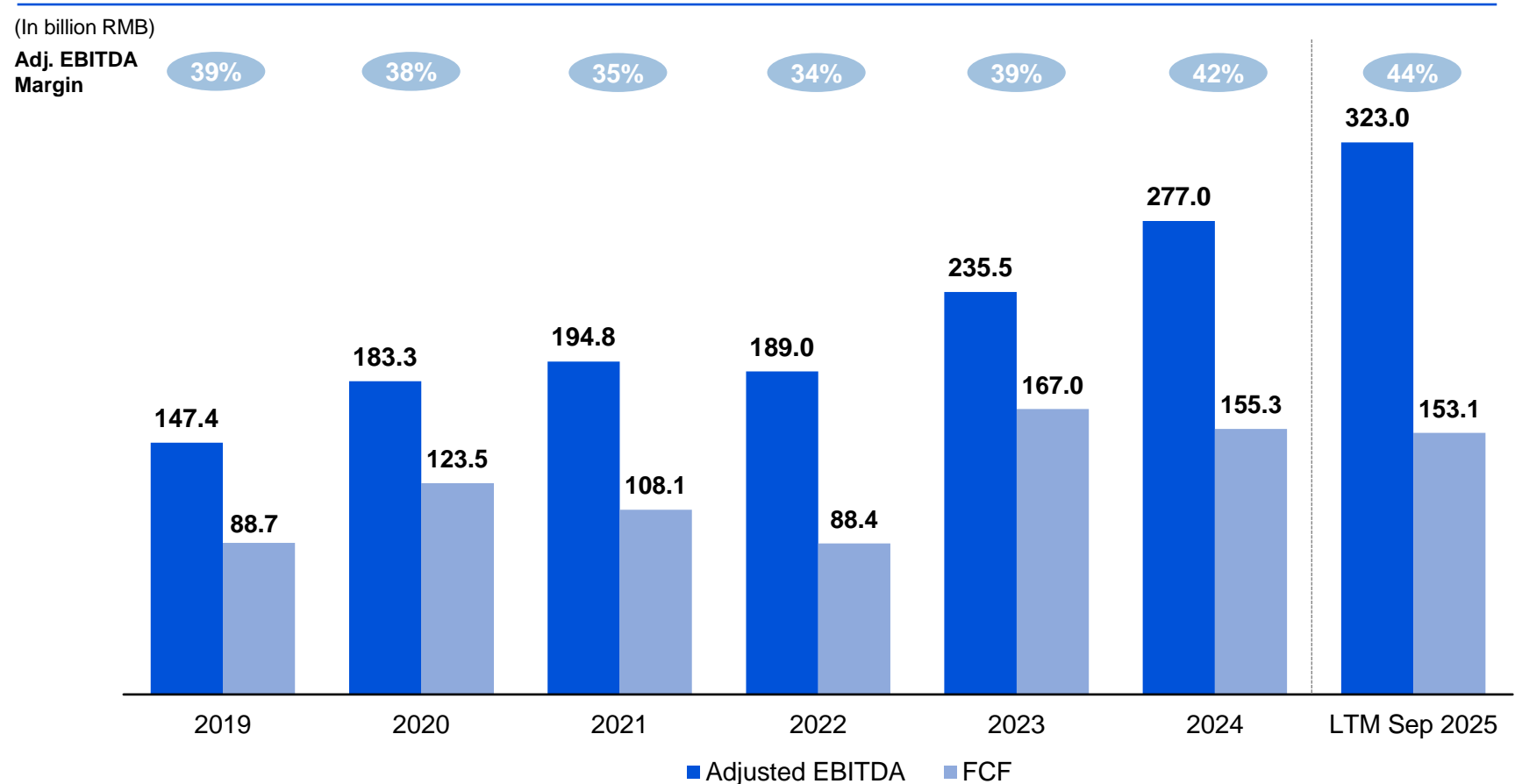
(In billion RMB)



- "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.
- 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.
- 2019-2024 CAGR
- Starting 3Q24, we rename this revenue segment from 'Online Advertising' to 'Marketing Services' to better represent the breadth of our marketing solutions and accompanying technology services across our online marketing properties

High-Quality Cash-Generative Business Model

Adjusted EBITDA ⁽¹⁾ and Free Cash Flow (FCF) ⁽²⁾



Key Metrics

13%
Adj. EBITDA CAGR ⁽³⁾

42%
Adj. EBITDA Margin ⁽⁴⁾

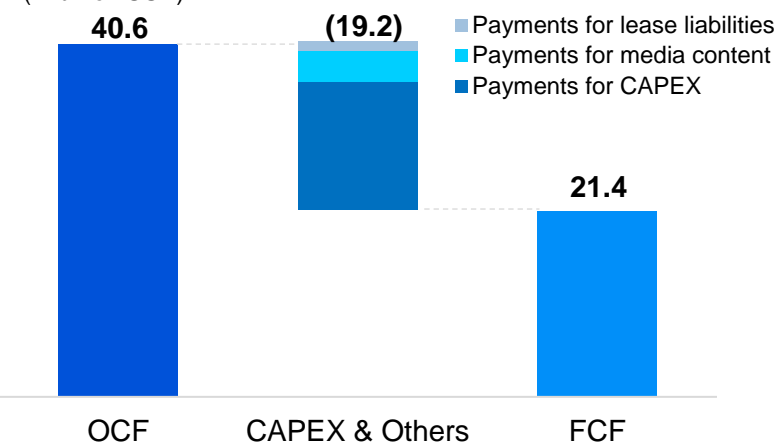
56%
FCF Conversion ⁽⁵⁾

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. 2019–2024 CAGR
4. Adjusted EBITDA as % of Revenues ; In 2024
5. FCF Conversion = FCF / Adjusted EBITDA; In 2024

Sustainable Shareholder Return Supported by Financial Strength

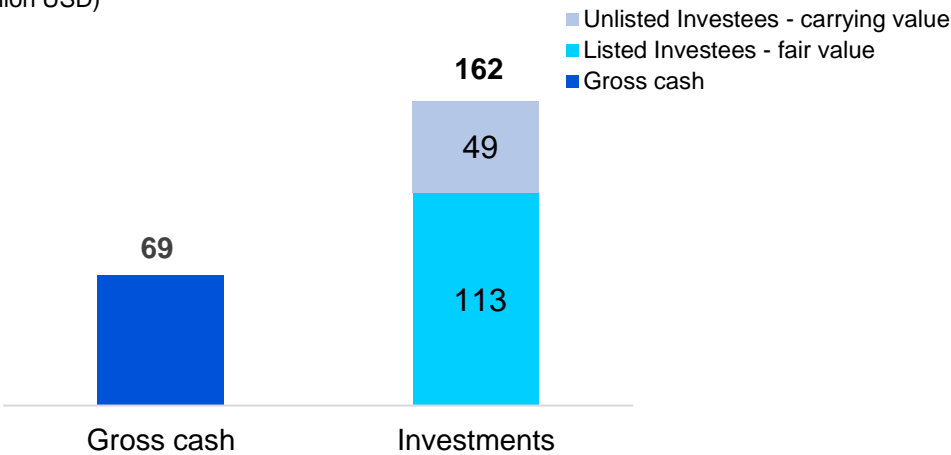
Robust free cash flow (LTM Sep 30, 2025) ⁽¹⁾

(In billion USD)



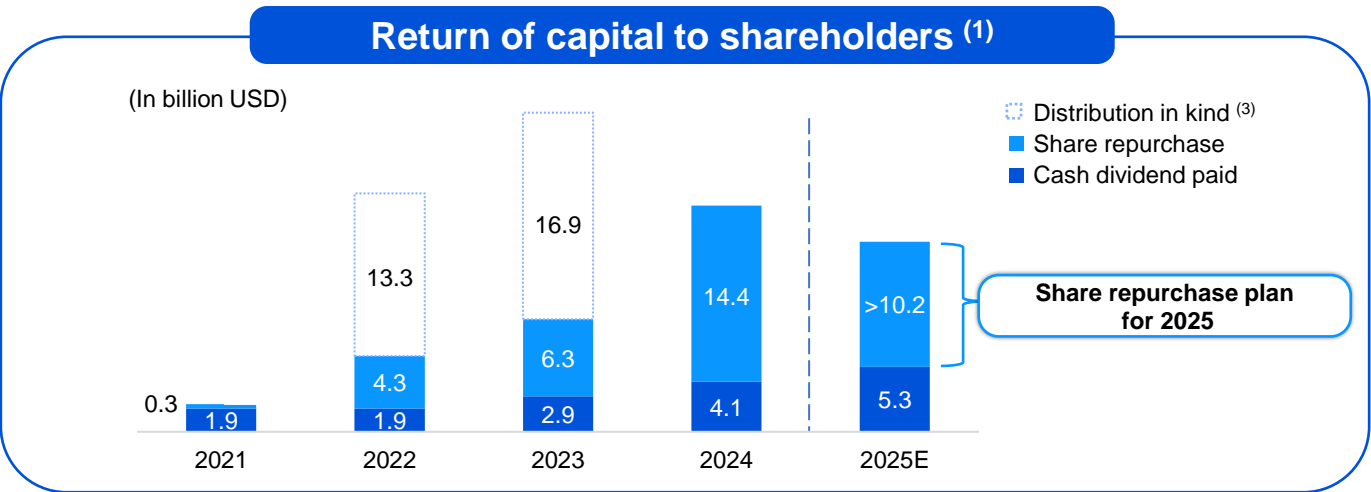
Sizeable cash and investment portfolio ^(1,2)

(In billion USD)



Return of capital to shareholders ⁽¹⁾

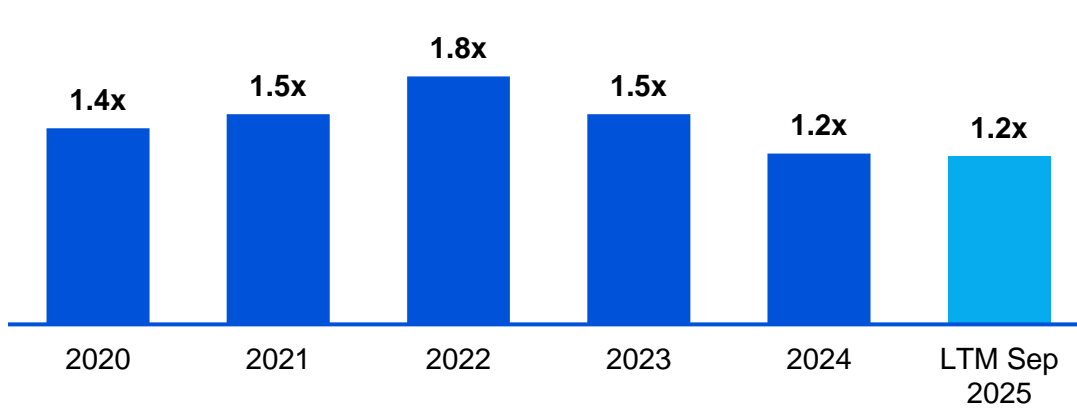
(In billion USD)



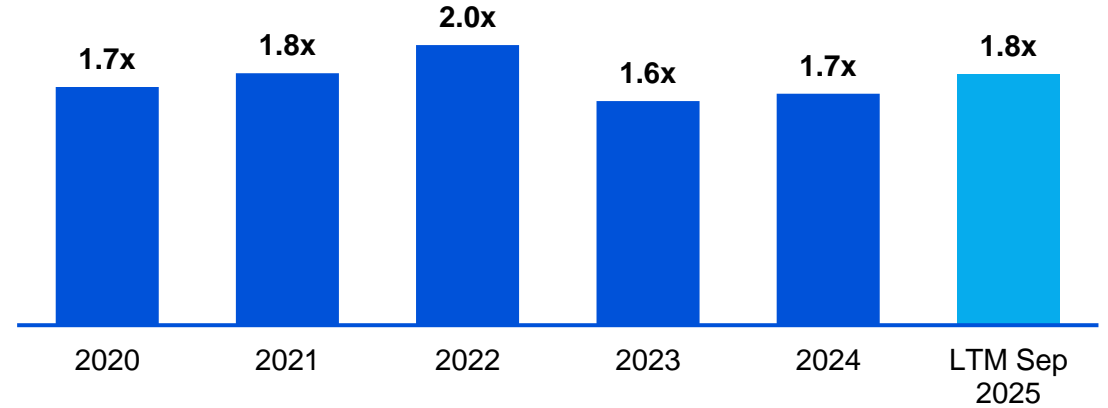
1. As at Sep 30, 2025, USD1 to RMB7.1055, USD1 to HKD7.7828
2. Investment portfolio consists of: a) our shareholdings (including those held via special purpose vehicles, fair value on an attribute basis) in listed investee companies (excluding subsidiaries) (defined as "Listed Investees"); and b) our shareholdings in unlisted investees companies (excluding subsidiaries) (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)

Prudent Capital Management and Robust Credit Metrics

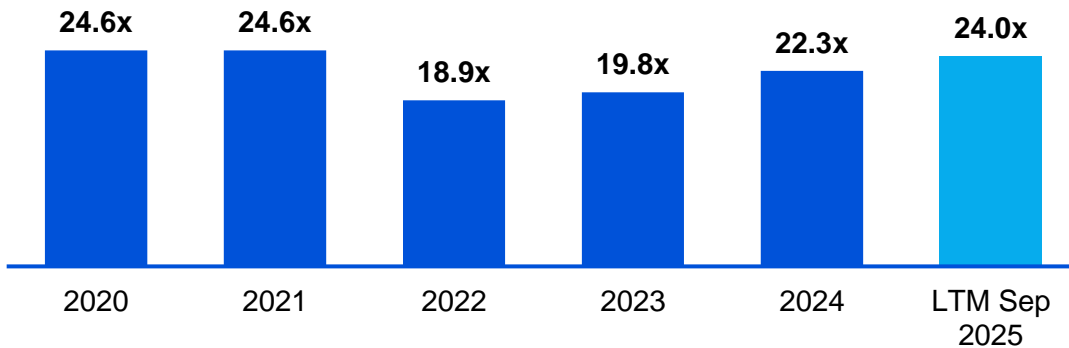
Total debt / Adjusted EBITDA ⁽¹⁾



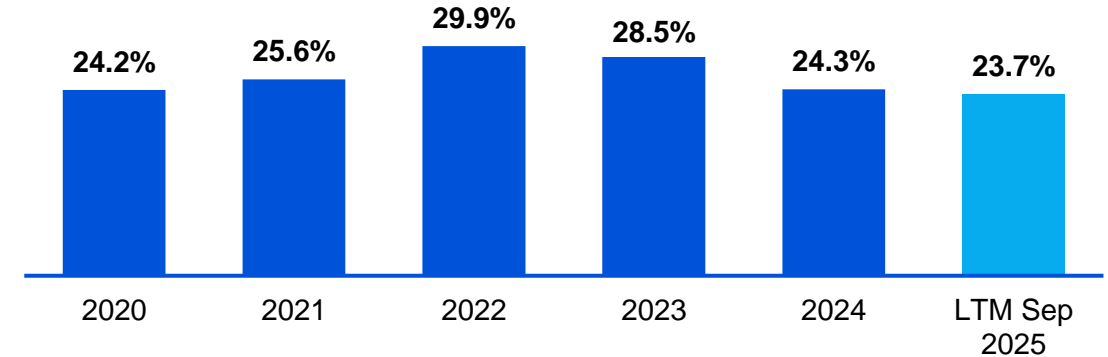
Total debt / (Adjusted EBITDA – CAPEX paid) ⁽²⁾



Adjusted EBITDA / Interest expense



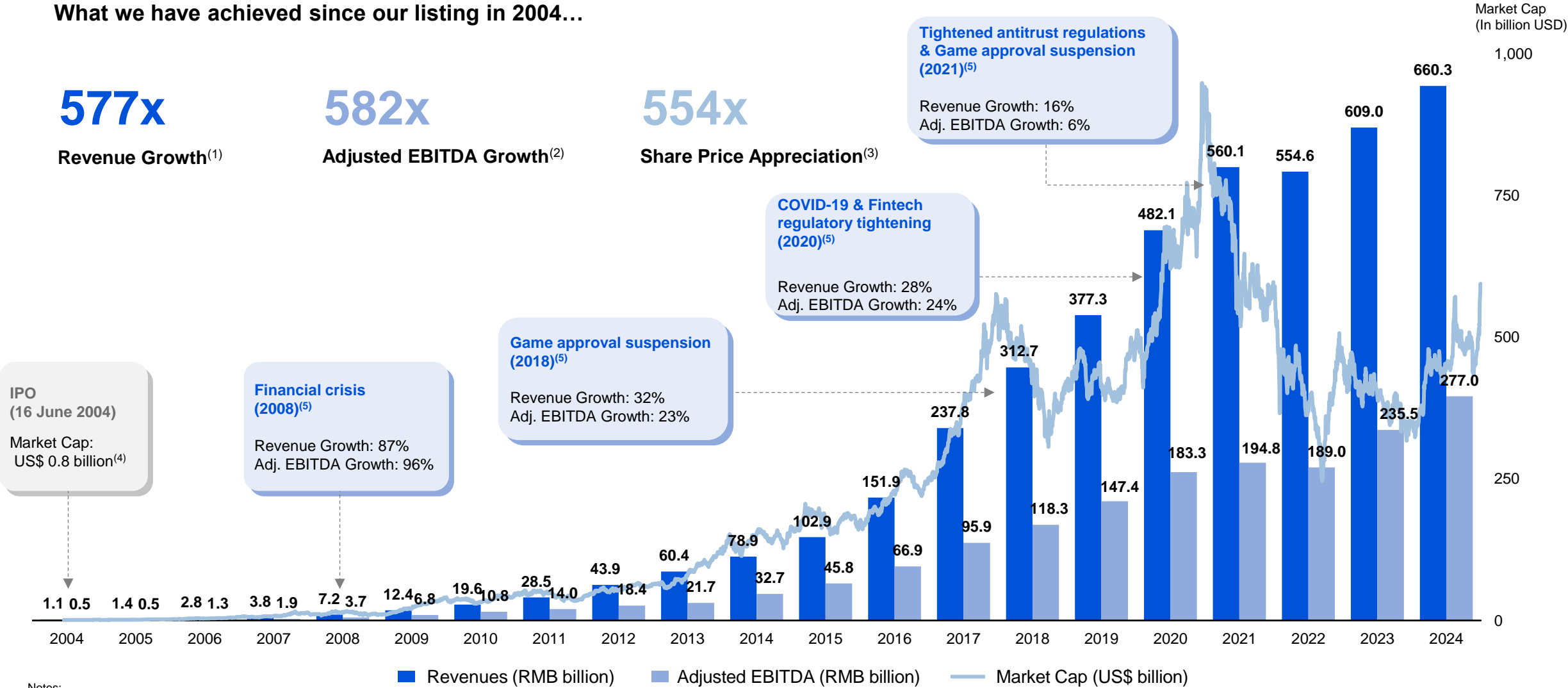
Total debt / Total capitalisation ⁽³⁾



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)

Resilient Growth through Economic Cycles (2004-2024)

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



Notes:

- Growth of 2024 revenues over 2004 revenues.
- Growth of 2024 Adjusted EBITDA over 2004 Adjusted EBITDA. Adjusted EBITDA consists of EBITDA plus equity-settled share-based compensation expenses.
- Growth of market capitalisation on Dec 31, 2024 over market capitalisation at IPO on Jun 16, 2004.
- Based on market capitalisation at IPO on Jun 16, 2004.
- 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

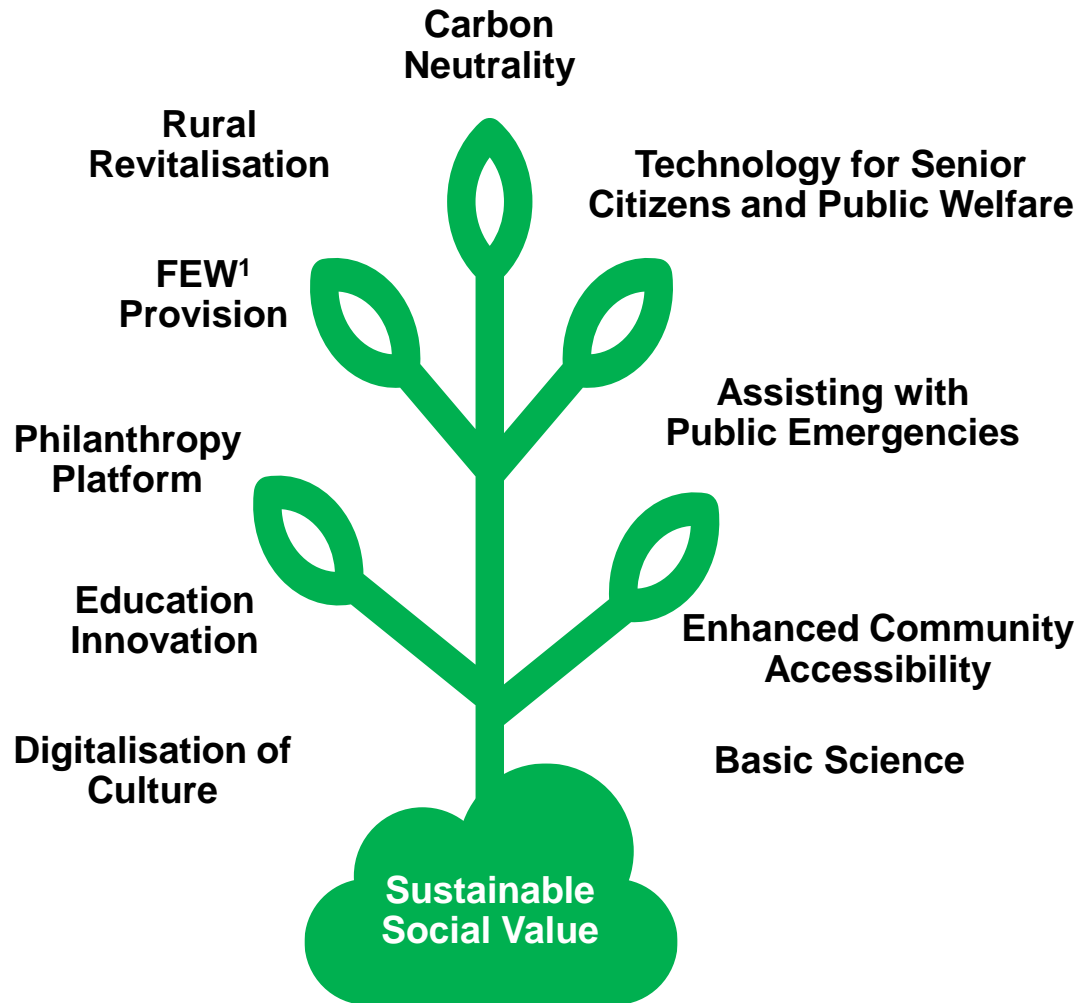
Sources: Company disclosure, Bloomberg

1. *Business Overview*

2. *Financials*

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** e.g., assisting the successful inclusion of Beijing Central Axis into UNESCO World Heritage List

Our ESG Commitment and Approach

Integrate social responsibility into products and services

Environment

- Committed to achieving **Carbon Neutrality** in our own operations and supply chain, and shifting to 100% renewable energy **by 2030**
- Net-zero target by 2050 and absolute greenhouse gas emission reduction targets are validated by SBTi
- Published our **Biodiversity Statement**, outlining our commitment to developing businesses in an eco-friendly way

Social

- Celebrated the **10th anniversary** of our annual public philanthropic event, **Giving for Good**, which connected with over 280 million users, over 2,200 charitable organisations, and over 20,000 enterprises in 2024
- Signed up to the **Women's Empowerment Principles**
- Signed **AI Safety Commitment** to demonstrate commitment to AI risk management and governance

Governance

- **Enhanced board independence and diversity** with 63% INED and 25% female representation
- **Uphold corporate integrity** through implementation of Sunshine Code of Conduct and anti-fraud policy
- Joined the **United Nations Global Compact** as signatory in Aug 2023

Industry Recognition



1st in Best ESG ⁽¹⁾ for 5 consecutive years and 1st in Best Company Board ⁽¹⁾

MSCI ESG Rating: A | Sustainalytics ESG risk score: 17.2 – Medium Risk ⁽²⁾ | S&P Global ESG Score: 61 ⁽³⁾

Tencent Holdings Limited

Corporate Overview

Thank you!



<https://www.tencent.com/ir>