

4Q25 EARNINGS UPDATE

Bilibili Inc.

Solid Ad Growth Amid Higher AI Investments, and Monitoring on Future Gaming Pipelines

KEY POINTS

Slightly beating market expectations. Revenue for the fourth quarter of fiscal year 2025 reached RMB8.32 billion (consensus: RMB8.19 billion), modestly ahead of market expectations and representing 13% year-over-year growth. Advertising remained the key driver, generating RMB3.04 billion and emerging as the company's primary engine of incremental revenue. Quarterly non-GAAP net profit attributable to shareholders was RMB880 million (consensus: RMB820 million), up 94% year-over-year and slightly above expectations. Non-GAAP net margin expanded to 10.5%, supporting the view that Bilibili's operating leverage is increasingly materializing as scale improves. On the user side, daily active users (DAU) reached 112 million, with average daily usage of 108 minutes. Monthly paying users stood at 34 million, and the average user age of 26 highlights the platform's strong community engagement and the rising consumption potential of its core demographic.

Advertising: engagement growth and monetization efficiency continue to reinforce the flywheel. Advertising momentum reflects both improving user engagement and steady gains in monetization efficiency. Bilibili's ecosystem—anchored by high-quality content and a highly interactive community—continues to reinforce a virtuous cycle of creator supply and user demand. The platform is successfully capturing rising advertising budgets from sectors including gaming, 3C and home appliances, and internet services (notably AI-related advertisers). Management indicated that the company's recommendation and ad-delivery algorithms have improved significantly over the past two to three years and are now approaching the industry's mid- to high-tier level, with further room for optimization. Meanwhile, Bilibili's young user base is entering a stage of rapidly increasing purchasing power and broader consumption categories, strengthening the platform's long-term commercial value to advertisers.

Games segment shows early signs of recovery with a focus on long-term operation. In 4Q25, deferred revenue reached RMB4.7 billion, up 23% year-over-year and representing a solid performance despite the traditional seasonal slowdown. Management continues to emphasize that Bilibili's ability to stay close to young gaming communities and its strong content development capabilities remain core advantages. The company currently plans to launch the new title N-Card in mid-2026 (approximately one quarter later than previously planned) and expects to release Lumi Master globally within 2026. Meanwhile, evergreen titles such as Fate/Grand Order (FGO) and Azur Lane continue to deliver stable and predictable revenue streams. The newly released title Escape from Duckov, launched in October 2025, sold more than 3 million copies within its first three weeks and went on to become the best-selling domestic single-player game of the year, now ranking among the top three best-selling titles of all time in the category.

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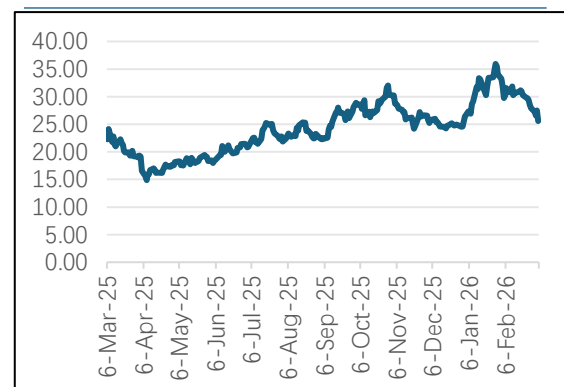
KEY DATA

Exchange: NASDAQ, HKEX
Ticker: BILI, HK9626
Current Price: \$25.55
52-Week Range: \$14.47-\$36.40
Average Volume (3M): 2.34M
Shares Outstanding (MM): 415
Market Capitalization (\$MM): \$10,596
Fiscal Year-End: December

FINANCIALS

In RMB Million	FY24A	FY25	FY26E	FY27E
Revenue	26,832	30,348	33,481	35,620
Gross Profit	8,774	11,114	12,717	14,426
EBIT	-1,344	1,124	2,441	3,598
Non GAAP	-22	2,590	3,771	4,986
Net Income				

PRICE PERFORMANCE



AI investment to focus on productivity and monetization efficiency. Artificial intelligence is increasingly enhancing the productivity of high-quality content creators—still a scarce resource within the content ecosystem—while also improving advertising matching and delivery efficiency. In 2026, Bilibili plans to increase AI investment with a focus on two areas: (1) strengthening content understanding to improve recommendation and advertising matching accuracy; and (2) developing creator tools capable of translating video speech and synchronizing lip movements automatically. During the earnings call, management estimated that AI-related initiatives could contribute approximately RMB0.5–1.0 billion to revenue in FY2026. This remains below broader market expectations of roughly RMB3.5 billion, suggesting that monetization from AI may ramp gradually.

Long-term profitability trajectory remains intact. Bilibili's shares are currently trading at approximately US\$25.55 per ADS, implying an enterprise value of about US\$9.2 billion. Consensus forecasts project EBITDA of US\$675 million in CY2026 and US\$829 million in CY2027, corresponding to EV/EBITDA multiples of roughly 14x and 11x, respectively. This compares with peer averages of approximately 12x and 10x over the same period. Over the next three years, the company's net income is expected to grow at a CAGR of around 25–30%. More recently, heightened geopolitical tensions and broader systemic risks have triggered a pullback across Chinese equities. Should market sentiment stabilize, particularly around 2Q26 when Bilibili's upcoming game pipeline begins to launch, investor interest in the stock could improve.

Figure 1: BILI's Financials 2024 – 2027E.

Unit: Million RMB	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26E	2Q26E	3Q26E	4Q26E	2026E	2027E
Net revenues	26,832	7,003	7,338	7,685	8,321	30,348	8,220	7,939	8,294	9,029	33,481	35,620
Cost of revenues	-18,058	-4,464	-4,662	-4,868	-5,240	-19,234	-5,121	-4,930	-5,134	-5,580	-20,765	-21,194
Gross (loss)/profit	8,774	2,539	2,676	2,818	3,081	11,114	3,099	3,009	3,160	3,449	12,717	14,426
Operating expenses:												
Sales and marketing expenses	-4,402	-1,167	-1,048	-1,051	-1,128	-4,394	-1,307	-1,032	-1,145	-1,246	-4,730	-4,916
General and administrative expenses	-2,031	-516	-510	-509	-528	-2,062	-518	-492	-514	-560	-2,084	-2,137
Research and development expenses	-3,685	-841	-866	-905	-921	-3,533	-871	-842	-838	-912	-3,462	-3,776
Total operating expenses	-10,118	-2,524	-2,424	-2,464	-2,577	-9,990	-2,696	-2,366	-2,496	-2,718	-10,276	-10,829
Profit (Loss) from operations	-1,344	15	252	354	504	1,124	403	643	663	731	2,441	3,598
Other income/(expenses):												
Investment income, net	-470	-62	-57	-70	-53	-242	-82	-79	-83	-90	-335	-356
Interest income	435	94	102	123	114	432	107	103	108	117	435	463
Interest expense	-89	-33	-36	-42	-40	-151	-33	-32	-33	-36	-134	-142
Exchange (losses)/gains	-69	-12	-12	-22	-35	-80	-21	-20	-21	-23	-84	-89
Debt extinguishment gain	-39	0	0	0	0	0	0	0	0	0	0	0
Others, net	175	-2	-5	112	19	125	-6	-13	83	190	253	268
Profit (Loss) before tax	-1,400	1	245	455	508	1,208	368	602	717	889	2,577	3,741
Income tax	37	-12	-26	15	6	-17	-11	-18	-22	-27	-77	-112
Net Profit (Loss)	-1,364	-11	218	469	514	1,191	357	584	696	863	2,499	3,629
Non-GAAP net loss attributable to the Bilibili Inc.'s shareholders	-22	363	562	787	878	2,590	707	894	971	1,199	3,771	4,986

Source: GLH Research; Company filings.

Figure 2: Peer Valuation Analysis.

Company	Ticker	EV	EBITDA			EV/EBITDA			Category
			2025A	2026E	2027E	2025A	2026E	2027E	
Netflix Inc	NFLX.O	424,472	13,660	17,022	20,338	31	25	21	U.S. Entertainment Companies
Meta Platforms Inc	META.O	1,692,549	101,892	141,896	141,896	17	12	12	U.S. Entertainment Companies
Spotify Technology SA	SPOT.K	104,229	2,647	3,611	4,581	39	29	23	U.S. Entertainment Companies
iQIYI Inc	IQ.OQ	2,882	34	1,787	2,013	86	2	1	Chinese Video Companies
Kuaishou Technology	1024.HK	27,172	4,246	5,002	5,902	6	5	5	Chinese Video Companies
Mango Excellent Media Co Ltd	300413.SZ	5,392	1,057	1,047	1,225	5	5	4	Chinese Video Companies
Tencent Holdings Ltd	0700.HK	581,980	46,911	54,275	61,280	12	11	9	Chinese Gaming Companies
NetEase Inc	9999.HK	51,010	5,445	6,210	6,961	9	8	7	Chinese Gaming Companies
						Median	15x	9x	8x
						Mean	26x	12x	10x
Bilibili Inc	BILI.O	9,176	493	675	829	19x	14x	11x	

Notes:

1. Data as of 3/6/2026.
2. EVs and EBITDAs are in US\$ Million.
3. EVs and EBITDAs are in calendar year and estimates are provided by analyst consensus on Capital IQ.

Source: GLH Research; Company filings; Capital IQ.

ABOUT THE ANALYSTS

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Chujie (Jack) Sun is a Senior Research Analyst at Gelonghui Research. Since 2017, Jack has served as the Investment Analyst in China Alpha Fund Management (Hong Kong) Limited, TMT Analyst in First Shanghai Group, and TMT Analyst at Gelonghui Research. Focusing on TMT sector, Chinese companies listed in the US, Hong Kong, and etc., and he specializes in both buy-side and sell-side equity research. Jack holds a B.A. in Economics from Ohio State University (Columbus) and an M.S. in Finance from City University of Hong Kong.

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