NAVIGATING CHINA INTERNET

What to expect into mega-caps 2Q prints

For the upcoming China internet mega-cap 2Q earnings, we anticipate key themes to center around **1) cloud growth as a key bright spot:** sequentially slower ad growth on soft macro, yet with further cloud growth acceleration as a bright spot (GSe: Alibaba Cloud growth of 45% vs. 38% in March qtr), **2) full-year capex uplift:** where we expect AI capex spending to step up, with the quarterly capex run-rate increasing to Rmb40-50bn into 3QE/4QE from Rmb20-30bn (in 1Q26) on domestic chip supply ramp-up and agentic AI-driven token proliferation, **3) inflecting group profit growth for transaction platforms**, on faster quick commerce/food delivery unit economics improvement ahead, with our estimation of faster Meituan food delivery profit per order recovery (Rmb0.4/0.7/0.8 for 3Q26E/4Q26E/FY27E vs. prior Rmb-0.1/0.0/0.6) and debates on where Meituan food delivery's medium-term UE will settle at (where we lift our medium-term EBIT per order to Rmb1.1 from Rmb1.0, with our revised SOTP-based 12-m TP of HK$123 from HK$116), and **4) increased focus on SOTP valuations**, as we expect more disclosures around mega-caps' AI models/harness agents, and/or cloud+chips businesses in the upcoming results given their rising scales/synergies, alongside more investor attention in fast-growing overseas eCommerce businesses. We forecast aggregate China internet profits to decline -12% yoy for the June quarter (vs. -35%/-31% for the Dec/Mar quarters), with Alibaba adjusted EBITA declines of -33% yoy on AI-related investments (yet we expect inflection of the EPS revision cycle, with stable combined China Commerce+Quick Commerce+overseas Commerce profits yoy, and group EBITA growth to rebound from Sep quarter), Tencent/PDD adj. EBIT at +9% yoy/-4% yoy, respectively, while we expect JD and Meituan to deliver significant adj. EBIT growth (+587%/+56% yoy) helped by food delivery UE improvement year-on-year.

- **Tencent (reporting on Aug 12; GSe: games revenue +11%/ad revenue +18%/adj. group OP +9% yoy):** We anticipate key points of focus to be around: 1) AI Capex/resource allocation priorities; 2) Hunyuan model strategy; 3) WorkBuddy/Weixin Agent metrics; 4) games pipeline and anticipations; and 5) advertising AI upside.
- **Alibaba (reporting on Aug 20; GSe: CMR -8%/cloud growth +45%/adj. group EBITA -33% yoy):** We anticipate bottoming of the EPS revision cycle and key points of focus to be around: 1) AI capex funding; 2) Cloud + T-Head (we see potential for creation of a new business segment for clearer disclosures)

Ronald Keung, CFA
+852-2978-0856 | ronald.keung@gs.com
Goldman Sachs (Asia) L.L.C.

Lincoln Kong, CFA
+852-2978-6603 | lincoln.kong@gs.com
Goldman Sachs (Asia) L.L.C.

Timothy Zhao
+852-2978-2673 | timothy.zhao@gs.com
Goldman Sachs (Asia) L.L.C.

Steve Qiu
+852-2978-2672 | steve.qiu@gs.com
Goldman Sachs (Asia) L.L.C.

Damian Xie
+852-2978-1398 | damian.xie@gs.com
Goldman Sachs (Asia) L.L.C.

Iris Xiao
+852-2978-0202 | iris.xiao@gs.com
Goldman Sachs (Asia) L.L.C.

economics/margin upside; 3) Qwen segment's overall strategy; 4) eCommerce cash flow (we expect combined China Commerce+Quick Commerce+overseas Commerce profits to be broadly stable yoy), 5) talent retention as independent AI labs/chips peers that have seen strong valuation upswings.

Read-across from US hyperscalers 2Q results: While US hyperscalers' share price reactions have been strong post solid 2Q cloud growth (37-82% growth yoy, see link and Exhibit 5) and we expect Alibaba Cloud growth (GSe: 45%) to be a bright spot, key differences for China players are the lower AI cloud margins (10-15% vs. AWS latest quarter of 39%), lower valuations of China internet stocks (that often results in business and funding separation to capture higher valuations, e.g. Kuaishou/Kling) and softer core businesses growth in China due to macro factors/competition. The different internal vs. external compute allocation will also result in different ROI profiles for AI capex, faster revenue/profit recognition from GPU-as-a-Service (& Cloud or MaaS businesses) vs. longer-term duration for internal models (Alibaba Qwen/Tencent Hy) and agentic/harness product investments (QwenWork/Qoder and Tencent Weixin Agent/WorkBuddy).

Key points of investor focus/questions that we anticipate on results calls:

(+/-) AI capex & funding sources, on how China internet hyperscalers will fund their AI capex investments (as capex outpaces OpCF, noting equity funding in the case of US hyperscalers), against the backdrop of ByteDance's reported potential Rmb400-500bn capex for 2026, which is more than double our respective estimates of Alibaba/Tencent's 2026E capex scale. Higher near-term conversion of capex-to-cloud revenue ratios at Chinese hyperscalers (vs. US peers) mainly due to less aggressive capex spend over the past 1-2 quarters, pending domestic chip capacity ramp-up from 2H26 (Exhibit 7);

(+) Cloud margin upside potential; and any shifts to long-term contract terms: whether AI/MaaS can lift cloud growth/margins further given the tight compute environment, and whether Chinese hyperscalers will be able to lock in more longer-duration contract terms at favorable ROI on investments (e.g. in the US, Amazon AWS mentioned strong AI demand has driven customers to sign long-term contracts at 5 years or more to lock in data center capacity, report link from US internet team);

(+/-) AI model strategy, harness/workspace agents, on how Alibaba's Qwen segment/Tencent's new AI products investments are translating into token share/harness user scale and/or pricing power and overall ARR metrics (any changes to Alibaba management's MaaS US$4.4bn by year-end 2026 target, and vs. our estimate for Zhipu API channel of US$2.5bn ARR/MiniMax group of 1bn ARR by year-end). Key debates would include how Qwen/Hunyuan can differentiate on model intelligence/token usage/efficiency in inference cost; any positive readacross from DeepSeek's announced upcoming material price hike (which indicates more rational model layer competition on rapid token demand) and whether harness/agent products such as QwenWork and WorkBuddy can show engagement, task-completion and Qwen app/Weixin Agent transaction conversion.

(+) Stabilizing core commerce and local services landscape: Whether shifts to AI investments will drive further stabilization in eCommerce and local services landscape over 2H26-2027 amongst mega-caps, with signs of healthier margins across eCommerce, food delivery and local services with more disciplined S&M spend;

(+) UE gap between Meituan/#2-3 food delivery players, and long-term EBIT per order for Meituan food delivery, where we estimate c.Rmb2 profit per order gap between Meituan and Alibaba for 2Q (narrowed from Rmb3 in 1Q26), and where Meituan's long-term food delivery profit per order will recover to (where we now assume Rmb1.1 by 2028E from previously Rmb1.0);

(+/-) Other non-AI investments: The market will focus on other investment areas outside of AI capex/models/applications, in terms of quantifying PDD's Temu Xinpinmu initiative, Keeta's international expansion, and how JD's Joybuy expansion investment scales into 2H 2026 and 2027.

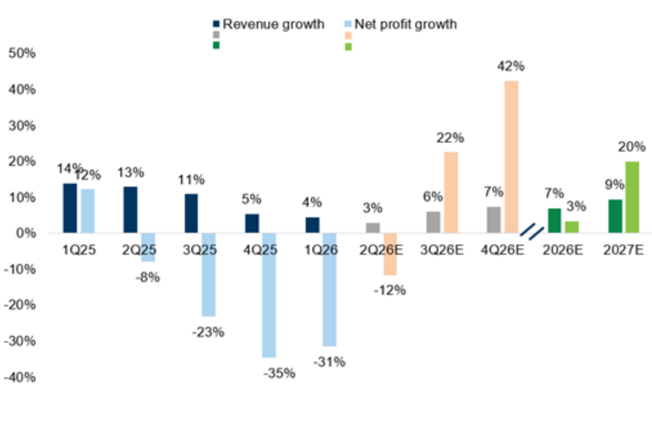
We include details on what to watch out for Tencent, Alibaba, PDD, Meituan and JD results by company within, and share our expectations vs. the Street (based on Visible Alpha Consensus Data) for key mega-caps 2Q earnings. Looking into the rest of the year, we see a favorable setup given re-acceleration of profit growth amongst transaction platforms and with positive read-across from US hyperscalers' recent share price recovery on growing multi-year backlogs + cloud margin upside. Our sub-sector preference remains with Cloud & Data Centers at the top (GDS, VNET, Alibaba and Kingsoft Cloud), followed by Games & Entertainment (#2, given counter-cyclical nature of games), eCommerce & Mobility (#3), and AI models (#4, MiniMax on upside skewed risk-reward).

Related research

Navigating China Internet/AI models: Focuses on harness & model performance vs. price; multi-modal highlights; top AI/apps tracker, Aug 3, 2026

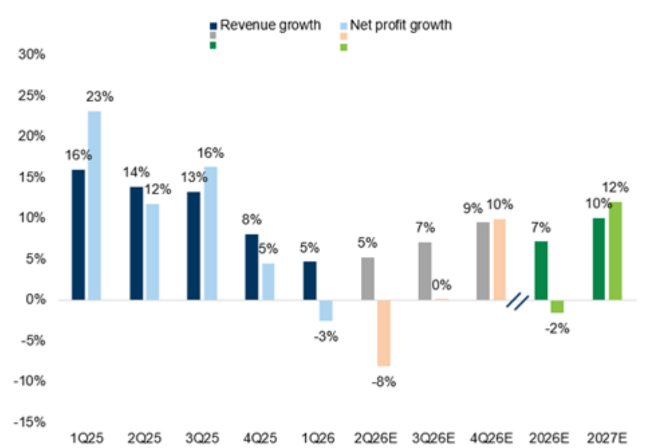
Navigating China AI models: LLM primer: Critical point of intelligence for global proliferation, 10 July, 2026

Exhibit 1: Internet sector revenue and net profit growth trend



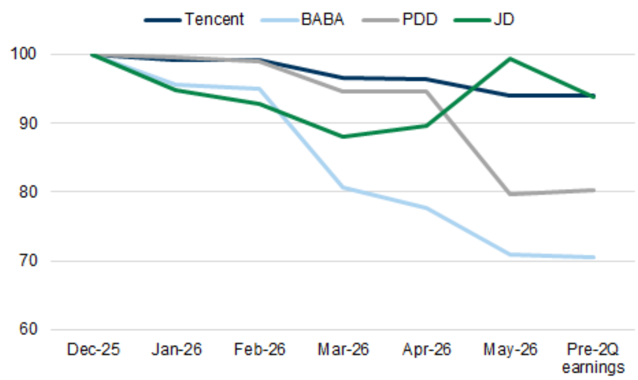
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 2: Internet sector (excl. Alibaba, JD, PDD, Meituan) revenue and net profit growth trend



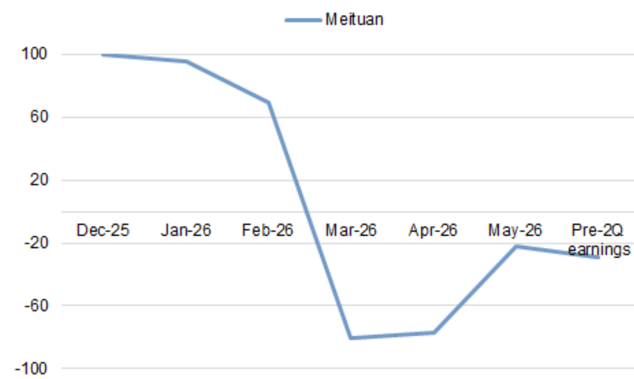
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 3: 2026 earnings revision trend across key mega/large-cap internet companies



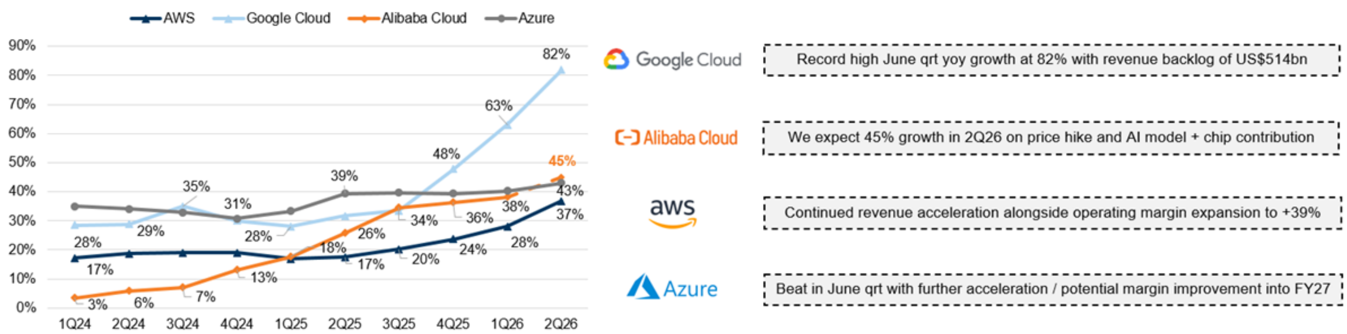
Source: Visible Alpha Consensus Data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 4: 2026 earnings revision trend of Meituan



Source: Visible Alpha Consensus Data, Data compiled by Goldman Sachs Global Investment Research

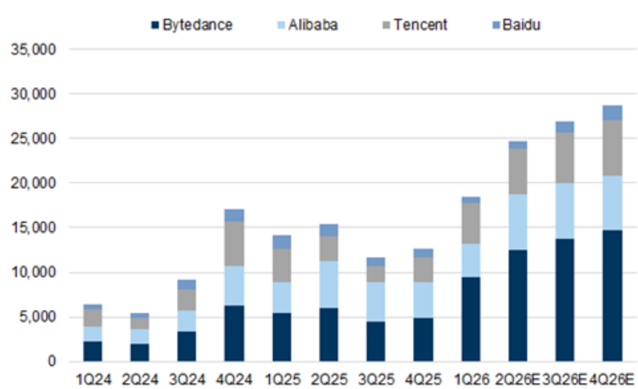
Exhibit 5: Cloud revenue yoy growth trajectory of Amazon, Google, Alibaba and Microsoft



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 6: China CSP's capex quarterly forecasts

US$mn

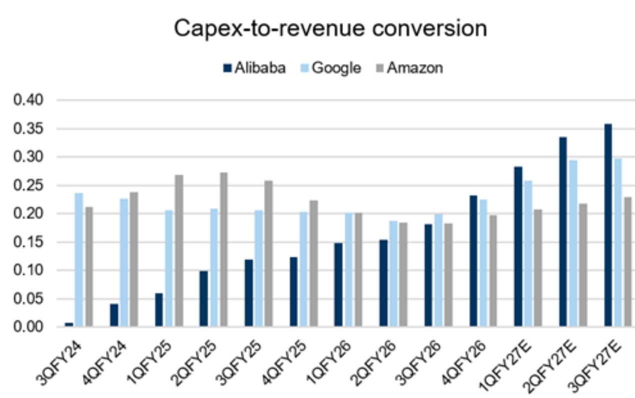


For ByteDance (Not Covered), we impute capex based on industry trends.

Source: Company data, Goldman Sachs Global Investment Research, Bloomberg

Exhibit 7: Alibaba capex-to-revenue conversion ratio vs. Amazon and Google

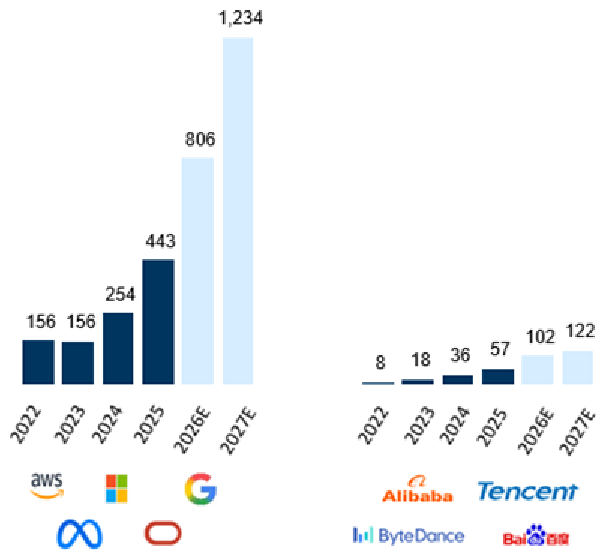
Rolling 12m incremental cloud revenue/rolling 12m capex (lagged by 1 quarter)



We benchmark Alibaba external cloud revenue growth to Google and Amazon Cloud (lagged c.2 years)

Source: Company data, Goldman Sachs Global Investment Research

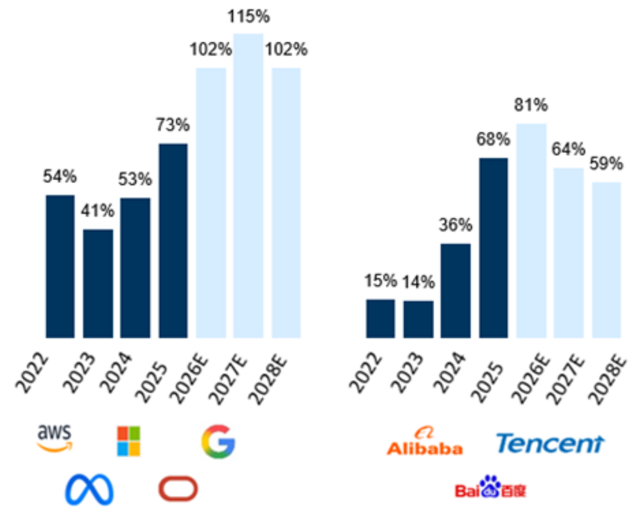
Exhibit 8: Historical and projected capex for major US & China cloud service providers
US$bn



We calculate Bytedance's (Not Covered) relevant operating metrics by analyzing the industry and companies that we cover, and then extrapolating them to Bytedance.

Source: Company data, Goldman Sachs Global Investment Research

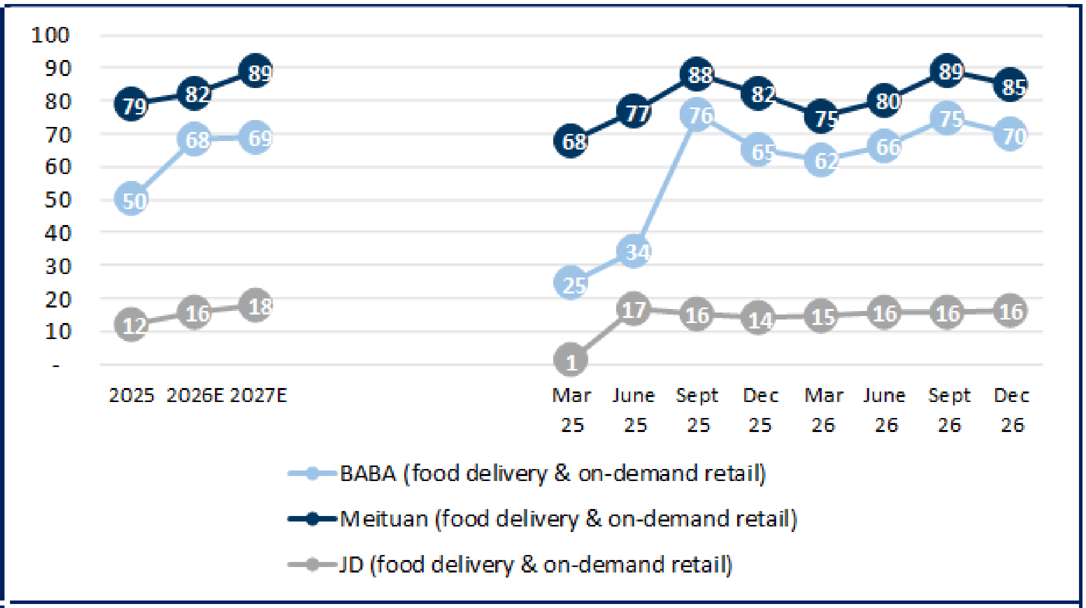
Exhibit 9: Capex to operating cash flow ratio is still healthy for China hyperscalers



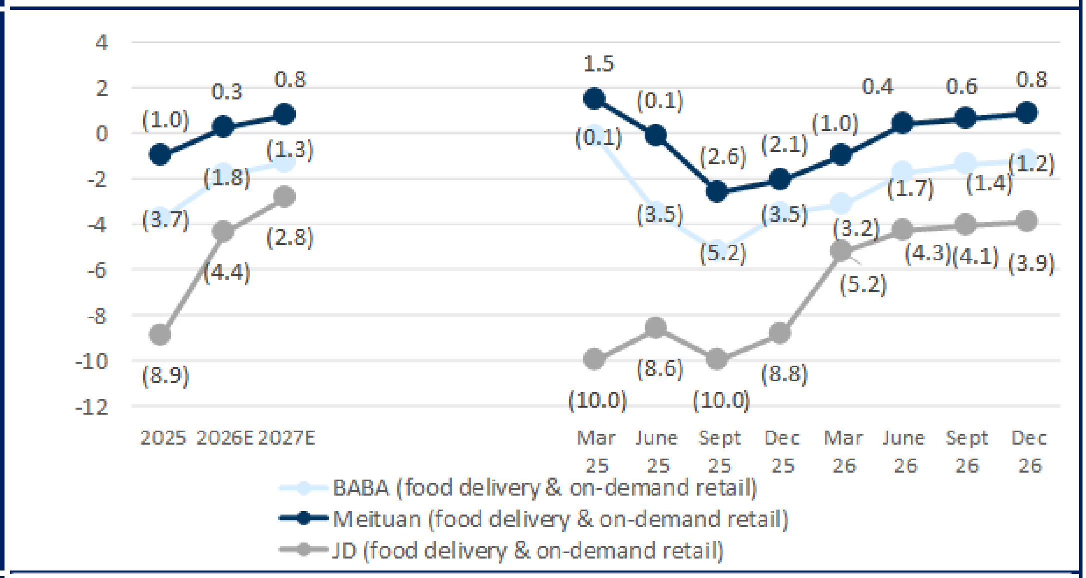
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 10: Food delivery + on-demand retail daily order volume (mn), UE (Rmb) and operating profit/loss by platform

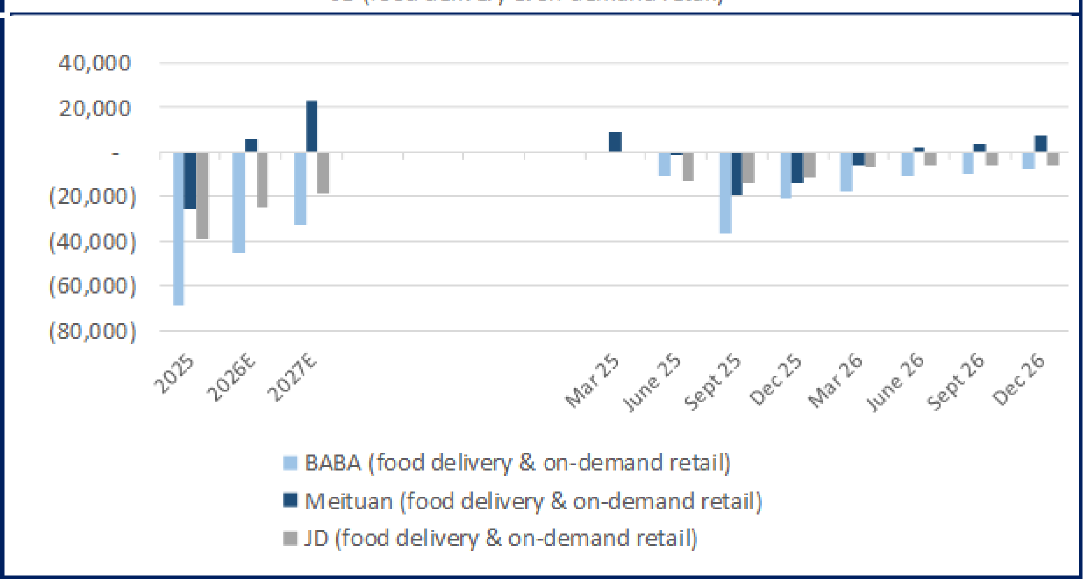
Average daily order volume by platform (on-demand retail + food delivery, mn)



UE by platform (on-demand retail + food delivery, Rmb)



Adj. operating profit/loss of on-demand retail + food delivery by platform (Rmb mn)



Source: Company data, Goldman Sachs Global Investment Research

Tencent

For Tencent (GSe: 2Q revenue +9% yoy/adj. EBIT +9% yoy to Rmb75.2bn): reporting on Aug 12, Buy, share price -21% year-to-date; +7% since last results, vs. KWEB of -6%

- **Numbers that matter most:** 2Q revenue +9% yoy/adj. EBIT +9% yoy. We expect healthy games/marketing service revenue growth of +11%/+18%, and +8% Fintech and Business Services (FBS) revenue growth on the back of accelerating cloud revenue growth while partially offset by soft Fintech growth. We expect OPM to be largely flattish (32.6%) on step-up in AI-related costs.
- **Key focuses/debates into the print: 1) Compute resources allocation and ways to balance/offset the step-up in depreciation,** as Tencent enters a heightened capex cycle from 2H with priorities for compute on Weixin Agent, Hunyuan, and WorkBuddy; **2) Hunyuan's differentiation/model strategy with Hy3's good progress amongst 200bn-class models,** timeline for multimodal/world model updates, and/or ecosystem-specific focuses vs. the WeLM team; **3) WorkBuddy: key metrics that mgmt. is most focused on** (e.g. DAU/WAU, task completion, Hy vs. third-party model usage, repeat workflows, etc.), the path to scale for leadership, and ways to leverage harness data flywheel and the eventual unit economics; **4) Weixin Agent: key functionalities/steps to expand agents' access/context window to further lift user adoption/stickiness,** Mini-Program activation/conversion into transactions, and initial forms of advertising revenue streams for the agentic era; **5) 2H26 games growth trends** with third-party grossing trends soft and AI coding models lowering barriers to game supply, and drivers (e.g. evergreen monetization, new game launches, overseas mix or AI-led efficiency, etc.) that can offset a potential rise in competition; **6) Advertising AI upside,** as Meta's 2Q ad growth remained strong but moderated, and Tencent's incremental AI upside (e.g. better conversion and pricing, ad load, agentic-led commerce, etc.).

Exhibit 11: Tencent GSe vs. Visible Alpha Consensus Data

Rmb mn	GSe		V.A. Consensus		Gse vs. V.A.		GSe		V.A. Consensus		Gse vs. V.A.	
Tencent	2026E	2027E	2026E	2027E	2026E	2027E	2Q26E	3Q26E	2Q26E	3Q26E	2Q26E	3Q26E
Group revenue	**823,183**	**895,421**	**826,058**	**903,438**			**201,343**	**211,274**	**202,802**	**211,836**		
yoy %	*9%*	*9%*	*10%*	*9%*	-0.4ppt	-0.6ppt	*9%*	*10%*	*10%*	*10%*	-0.8ppt	-0.3ppt
Gaming revenue	265,177	289,318	265,205	288,139			65,488	69,963	65,374	69,804		
yoy %	*10%*	*9%*	*10%*	*9%*	0.0ppt	0.5ppt	*11%*	*10%*	*10%*	*10%*	0.2ppt	0.2ppt
Advertising revenue	170,409	190,354	171,237	197,212			42,042	42,424	42,379	42,801		
yoy %	*18%*	*12%*	*18%*	*15%*	-0.6ppt	-3.5ppt	*18%*	*17%*	*19%*	*18%*	-0.9ppt	-1.0ppt
Business service revenue (Cloud + Video Acc	64,042	78,929	58,690	73,382			13,933	17,259	13,741	15,102		
yoy %	*28%*	*23%*	*24%*	*25%*	4.2ppt	-1.8ppt	*24%*	*30%*	*23%*	*14%*	1.7ppt	16.3ppt
Fintech revenue	188,102	197,188	191,482	201,342			46,105	46,705	46,207	48,461		
yoy %	*5%*	*5%*	*7%*	*5%*	-1.9ppt	-0.3ppt	*4%*	*4%*	*4%*	*8%*	-0.2ppt	-3.9ppt
Group gross profit	**467,271**	**511,974**	**469,185**	**517,470**			**115,311**	**119,965**	**115,776**	**120,000**		
GPM	56.8%	57.2%	56.8%	57.3%	0.0ppt	-0.1ppt	57.3%	56.8%	57.1%	56.6%	0.2ppt	0.1ppt
Group adj. EBIT	**302,375**	**328,769**	**302,881**	**329,217**			**75,212**	**77,627**	**74,999**	**76,421**		
Group adj. EBIT margin	36.7%	36.7%	36.7%	36.4%	0.1ppt	0.3ppt	37.4%	36.7%	37.0%	36.1%	0.4ppt	0.7ppt
yoy %	*8%*	*9%*	*8%*	*9%*	-0.2ppt	0.0ppt	*9%*	*7%*	*8%*	*5%*	0.3ppt	1.7ppt
Net profit	**277,467**	**299,761**	**280,685**	**302,422**			**67,901**	**74,823**	**68,243**	**70,434**		
yoy %	*7%*	*8%*	*8%*	*8%*	-1.2ppt	0.3ppt	*8%*	*6%*	*8%*	*0%*	-0.5ppt	6.2ppt

Source: Goldman Sachs Global Investment Research, Visible Alpha Consensus Data

Alibaba

For Alibaba (GSe: 1QFY27E revenue +9% yoy/adj. EBITA -33% yoy to Rmb26bn): reporting on Aug 20, Buy, share price -18% year-to-date, -12% since last results, vs. KWEB of -6%

- **Numbers that matter most:** 1QFY27E revenue +9% yoy/adj. EBITA -33% yoy. We expect Customer Management Revenue -8% yoy (or +1% apples-to-apples vs. +8% in Mar-quarter, before merchant rebate policy changes). We also expect acceleration in cloud growth to 45% (with cloud margins improving to 11.1%). We estimate Rmb10bn investment into Quick Commerce for the Jun quarter (where we estimate -3% yoy China eCommerce business group EBITA ex. QC loss), with improving food delivery UE to Rmb-1.7 per order in the Jun quarter from Rmb-3.2 in the Mar quarter.
- **Key focuses/debates into the print: 1) The company's sustainable funding plan to maintain #1 AI cloud scale**, as AI capex outpaces group OpCF resembling US peers; **2) AI cloud/GPUaaS margin upside over the next few quarters** (vs. the significantly higher US hyperscalers margin level), with the new cloud + T-Head segment and tight compute; **3) Qwen's overall strategy beyond defending the frontier (Qwen3.8 Max) and to also compete in the lowest-cost agentic segment (vs. DeepSeek Flash),** given in-house cloud/T-Head and rationale behind new reorganization in harness products; **4) eCommerce cash flow:** ways to balance the importance of sustaining China eCommerce/Quick Commerce market share, vs. latest focus to maximize core cash flow to fund AI investments; **5) Talent retention strategy,** and/or staff incentives for the restructured Cloud + T-Head and Qwen segments, especially as independent AI labs/chip peers that have seen strong valuation upswings.

Exhibit 12: Alibaba GSe vs. Visible Alpha Consensus Data

Rmb mn	GSe		V.A. Consensus		Gse vs. V.A.		GSe		V.A. Consensus		GSe vs. V.A.	
Alibaba (fiscal year end March)	**FY2027E**	**FY2028E**	**FY2027E**	**FY2028E**	**FY2027E**	**FY2028E**	**1QFY27E**	**2QFY27E**	**1QFY27E**	**2QFY27E**	**1QFY27E**	**2QFY27E**
Platform GMV (Rmb bn)	8,434	8,586	8,809	9,169			2,217	1,981	2,296	2,005		
yoy %	*1%*	*2%*	*6%*	*4%*	-4.5ppt	-2.3ppt	*0%*	*2%*	*4%*	*3%*	-3.5ppt	-1.2ppt
Alibaba group revenue	**1,123,968**	**1,225,115**	**1,125,881**	**1,264,872**			**268,999**	**272,480**	**268,992**	**271,871**		
yoy %	*10%*	*9%*	*10%*	*12%*	-0.2ppt	-3.3ppt	*9%*	*10%*	*9%*	*10%*	0.0ppt	0.2ppt
CMR revenue	**329,190**	**336,026**	**342,050**	**355,148**			**81,976**	**75,297**	**85,896**	**77,436**		
yoy %	*-4%*	*2%*	*-1%*	*4%*	-3.7ppt	-1.8ppt	*-8%*	*-5%*	*-4%*	*-2%*	-4.4ppt	-2.7ppt
Amongst which:												
Taobao-Tmall Group EBITA	188,748	182,447	196,247	198,743	-4%	-8%	47,810	45,446	48,251	44,997	-1%	1%
yoy %	*-2%*	*-3%*	*1%*	*1%*	-3.9ppt	-4.6ppt	*-3%*	*-3%*	*-2%*	*-4%*	-0.9ppt	1.0ppt
Implied Quick Commerce EBITA	*(32,987)*	*(16,772)*	*(47,819)*	*(27,767)*	31%	40%	*(10,382)*	*(9,660)*	*(12,106)*	*(11,403)*	14%	15%
AliCloud revenue	230,493	318,189	227,189	318,504			48,408	58,102	47,786	57,241		
yoy %	*46%*	*38%*	*44%*	*40%*	2.1ppt	-2.1ppt	*45%*	*46%*	*43%*	*44%*	1.9ppt	2.2ppt
AliCloud EBITA	26,686	38,183	26,306	40,919			*5,373*	*6,624*	5,298	6,596		
AliCloud EBITA margin	*11.6%*	*12.0%*	*11.6%*	*12.8%*	0.0ppt	-0.8ppt	*11%*	*11%*	*11.1%*	*11.5%*	0.0ppt	-0.1ppt
yoy %	*87%*	*43%*	*84%*	*56%*	2.7ppt	-12.5ppt	*82%*	*84%*	*79%*	*83%*	2.5ppt	0.8ppt
Group EBITA	**108,888**	**145,773**	**109,368**	**158,329**			**26,101**	**23,725**	**25,649**	**22,656**		
Group EBITA margin	**9.7%**	**11.9%**	**9.7%**	**12.5%**	0.0ppt	-0.6ppt	**9.7%**	**8.7%**	**9.5%**	**8.3%**	0.2ppt	0.4ppt
yoy %	*42%*	*34%*	*43%*	*45%*	-0.6ppt	-10.9ppt	*-33%*	*161%*	*-34%*	*150%*	1.2ppt	11.8ppt
Group net profit	94,626	124,767	107,291	144,426			22,001	20,964	25,491	23,858		
Group net margin	8.4%	10.2%	9.5%	11.4%	-1.1ppt	-1.2ppt	8.2%	7.7%	9.5%	8.8%	-1.3ppt	-1.1ppt

Source: Goldman Sachs Global Investment Research, Visible Alpha Consensus Data

PDD

For PDD (GSe: 2Q revenue +8%/adj. EBIT -4% yoy to Rmb26.7bn): reporting in late-Aug, Buy, share price -21% year-to-date; +5% since last results, vs. KWEB of +7%

- **Numbers that matter most:** 2Q revenue +8%/adj. EBIT -4% yoy. We estimate 2Q online marketing revenue of Rmb54.1bn (-3% yoy)/transaction commission revenue of Rmb58.5bn (+21% yoy)/group adj. net profit of Rmb29.6bn (-10% yoy).
- **Key focuses/debates into the print: 1) Temu's GMV and profitability outlook** on the ongoing changes in business model to local warehouse/local merchants in the context of the evolving de-minimis/tariff policies, and the company's prioritization across supply chain build-out, local warehouses, and new market expansion given the Xinpinmu investment scale; **2) Pinduoduo's GMV growth drivers and OMS (online marketing services) outlook**, considering softer YTD consumption, recent supermarket initiatives, aggressive competition from Douyin, and the impact of tighter tax compliance on SME merchant economics/advertising budgets; **3) Grocery strategy and positioning,** as Meituan/Alibaba/JD shift focus from food to 1P grocery; **4) Application of AI adtech/AI agents** and the potential threat from agent-to-agent shopping behaviors in the longer term; **5) Any reassessment of shareholder return policies** given its strong FCF generation, and how management weigh between Xinpinmu/supply chain investments and potential shareholder returns.

Exhibit 13: PDD GSe vs. Visible Alpha Consensus Data

Rmb mn	GSe		V.A. Consensus		Gse vs. V.A.		GSe		V.A. Consensus		Gse vs. V.A.	
PDD	2026E	2027E	2026E	2027E	2026E	2026E	2Q26E	3Q26E	2Q26E	3Q26E	2Q26E	3Q26E
Gross GMV	**6,286,145**	**6,600,452**	**6,186,089**	**6,737,166**			**1,489,928**	**1,590,246**	**1,464,982**	**1,583,279**		
yoy %	*5%*	*5%*	*3%*	*9%*	1.7ppt	-3.9ppt	*3%*	*5%*	*1%*	*5%*	1.7ppt	0.5ppt
GMV excl DDG	**5,920,145**	**6,197,852**	**5,959,492**	**6,491,483**			**1,411,928**	**1,502,246**	**1,433,908**	**1,355,335**		
	4%	*5%*	*5%*	*9%*	-0.7ppt	-4.2ppt	*2%*	*5%*	*3%*	*-6%*	-1.6ppt	10.2ppt
Temu GMV (US$ mn)	**119,920**	**150,000**	**96,440**	**114,730**	24%	31%	**24,840**	**34,580**	**23,088**	**25,502**	8%	36%
	89%	*25%*	*52%*	*19%*								
Online marketing revenue	219,792	226,459	227,255	245,871			54,182	54,312	56,646	56,259		
yoy %	*1%*	*3%*	*4%*	*8%*	-3.4ppt	-5.2ppt	*-3%*	*2%*	*2%*	*5%*	-4.4ppt	-3.7ppt
Transaction commission revenue	257,608	297,645	250,108	285,566			58,497	66,583	58,666	63,686		
yoy %	*20%*	*16%*	*17%*	*14%*	3.5ppt	1.4ppt	*21%*	*21%*	*22%*	*16%*	-0.3ppt	5.3ppt
Amongst which: Temu revenue	186,760	219,863	192,403	225,603	-3%	-3%	42,856	49,595	43,242	46,866	-1%	6%
yoy %	*15%*	*18%*	*18%*	*17%*			*19%*		*20%*			
Total revenue	**477,400**	**524,104**	**477,784**	**531,007**			**112,679**	**120,895**	**115,254**	**119,832**		
yoy %	*11%*	*10%*	*11%*	*11%*	-0.1ppt	-1.4ppt	*8%*	*12%*	*11%*	*11%*	-2.5ppt	1.0ppt
Sales & Marketing Expense	129,109	124,051	135,033	144,367			30,800	32,178	30,376	33,209		
yoy %	*3%*	*-4%*	*8%*	*7%*	-4.7ppt	-10.8ppt	*13%*	*6%*	*12%*	*10%*	1.6ppt	-3.4ppt
% of revenue	*27%*	*24%*	*28%*	*27%*	-1.2ppt	-3.5ppt	*27%*	*27%*	*26%*	*28%*	1.0ppt	-1.1ppt
Group adj. EBIT	**105,709**	**122,166**	**112,863**	**131,467**			**26,726**	**25,073**	**28,924**	**28,482**		
yoy %	*10%*	*16%*	*17%*	*16%*	-7.4ppt	-0.9ppt	*-4%*	*-7%*	*4%*	*5%*	-7.9ppt	-12.6ppt
Group adj. EBIT margin	*22.1%*	*23.3%*	*23.6%*	*24.8%*	-1.5ppt	-1.4ppt	*23.7%*	*20.7%*	*25.1%*	*23.8%*	-1.4ppt	-3.0ppt
Temu adj. EBIT	(9,351)	2,681	(7,342)	6,960			(2,645)	2,455	(2,817)	(1,547)		
Temu adj. EBIT margin	*-5.0%*	*1.2%*	*-3.8%*	*3.1%*	-1.2ppt	-1.9ppt	*-6.2%*	*5.0%*	*-6.5%*	*-3.3%*	0.3ppt	8.3ppt
Group adj. net profit	**105,348**	**126,318**	**101,747**	**121,399**	4%	4%	**29,581**	**28,482**	**27,767**	**27,237**	7%	5%
Group adj. net margin	22.1%	24.1%	21.3%	22.9%	0.8ppt	1.2ppt	26.3%	23.6%	24.1%	22.7%	2.2ppt	0.8ppt

Source: Goldman Sachs Global Investment Research, Visible Alpha Consensus Data

Meituan

For Meituan (GSe: 2Q revenue +10%/adj. EBIT 56% yoy to Rmb5.8bn): reporting in late-Aug, Buy, share price -11% year-to-date; +9% since last results vs. KWEB of +6%

We update our 2026-28E adj. net profit to Rmb8.3bn/30.1bn/43.4bn (prior: Rmb-0.1bn/24.5bn/42.3bn) on the back of lower competitive intensity inood delivery, where we now expectood delivery UE to improve to Rmb0.26/0.80/1.13 over 2026-28E (prior: Rmb-0.18/Rmb0.56/Rmb1.00). Accordingly, we raise our 12-month TP by 6% to HK$123.

- **Numbers that matter most:** 2Q revenue +10% yoy and adj. EBIT loss of Rmb1.1bn. We expect moderatingood delivery/instashopping volumes (+5% yoyor 2Q26E) on a high base. We expect core local commerce EBIT of Rmb5.8bnor 2Q26E, and we estimate 2Q IHT (in-store, hotel & travel) EBIT of Rmb4.4bn (25% margin).
- **Keyocuses/debates into the print: 1) EBIT per orderor 2H26 and 2027 outlook,** as #2 player continues to strive towards narrower losses and eventual breakeven in the next 12-18 months, and the drivers behind sustainable #1 player UE gap advantage; **2) Potentialor recovery of IHT segment profits growth and margin level in the next 1-2 years,** with Doushengsheng moderation in competitive intensity and Trip.com's removal of exclusive high end hotel partnerships, and ways to strengthen IHT positioning and offerings to sustain/defend leadership in core categories; **3) Daily order volume potential of instashopping + 1P businesses** (vs. ood delivery scale), and the pace of investment/profit turnaround timelineor overall on-demand shopping, as Alibaba/JD shifts-ocus fromood to 1P grocery on-demand; **4) Keeta: priorities from here across grocery, new markets like Brazil, local discovery/IHT potential and/or M&A opportunities,** and the investment scaleor overseas markets over 2H26 and next 1-2 years; **5) AI strategy and differentiation of LongCat on the perormance/cost metric,** with LongCat having pursued 100% domestic chipsor training while the contest in AI models continues to segment towards frontier coding and/or lowest costor inference.

Exhibit 14: Estimate changes at a glance

Income Statement (Yearly) (Rmb mn)	New 2026E	Old 2026E	Chg (%)	YoY (%)	New 2027E	Old 2027E	Chg (%)	YoY (%)	New 2028E	Old 2028E	Chg (%)	YoY (%)
Total revenues	**395,486**	**395,936**	**0%**	**8%**	**439,150**	**439,681**	**0%**	**11%**	**483,402**	**484,012**	**0%**	**10%**
Cost of revenue	**(266,532)**	**(266,876)**	**0%**	**5%**	**(297,333)**	**(297,731)**	**0%**	**12%**	**(320,433)**	**(320,889)**	**0%**	**8%**
Gross profit	**128,954**	**129,060**	**0%**	**15%**	**141,817**	**141,950**	**0%**	**10%**	**162,969**	**163,122**	**0%**	**15%**
Total operating profit, adjusted	**3,445**	**(4,922)**	**170%**	**115%**	**26,992**	**20,703**	**30%**	**683%**	**40,398**	**39,229**	**3%**	**50%**
Net profit, adjusted	**8,267**	**(100)**	**8345%**	**145%**	**30,122**	**24,461**	**23%**	**264%**	**43,351**	**42,299**	**2%**	**44%**
Core local commerce												
Revenue	**272,656**	**273,105**	**0%**	**4%**	**299,620**	**300,150**	**0%**	**10%**	**330,689**	**331,299**	**0%**	**10%**
Operating profit, adjusted	**20,506**	**10,962**	**87%**	**-397%**	**41,526**	**36,486**	**14%**	**103%**	**53,772**	**52,195**	**3%**	**29%**
Food delivery												
Revenue	162,757	162,757	0%	0%	174,097	174,097	0%	7%	188,947	188,947	0%	9%
Operating profit, adjusted	6,472	(4,447)	246%	127%	20,833	14,461	44%	222%	30,811	27,370	13%	48%
GTV (Rmb bn)	1,087	1,087	0%	1%	1,164	1,164	0%	7%	1,234	1,234	0%	6%
Average daily order volume (mn)	67	67	0%	1%	71	71	0%	6%	75	75	0%	5%
Average order value (Rmb)	44	44	0%	0%	45	45	0%	1%	45	45	0%	1%
In-store, hotel & travel												
GTV (Rmb bn)	1,236	1,236	0%	8%	1,339	1,339	0%	8%	1,442	1,442	0%	8%
Revenue	69,919	69,919	0%	7%	75,770	75,770	0%	8%	81,559	81,559	0%	8%
Operating profit, adjusted	17,545	17,545	0%	-8%	18,368	18,368	0%	5%	18,967	18,967	0%	3%
Instashopping												
Revenue	39,979	40,429	-1%	20%	49,752	50,283	-1%	24%	60,183	60,793	-1%	21%
Operating profit, adjusted	(3,511)	(2,136)	-64%	71%	2,325	3,657	-36%	166%	3,994	5,858	-32%	72%
GTV (Rmb bn)	437	437	0%	21%	516	516	0%	18%	594	594	0%	15%
Average daily order volume (mn)	15.1	15.1	0%	21%	17.8	17.8	0%	18%	20.5	20.5	0%	15%
Average order value (Rmb)	80	80	0%	0%	80	80	0%	0%	80	80	0%	0%
New initiatives and others												
Revenue	**122,831**	**122,831**	**0%**	**18%**	**139,530**	**139,530**	**0%**	**14%**	**152,713**	**152,713**	**0%**	**9%**
Operating profit, adjusted	**(8,844)**	**(8,844)**	**0%**	**12%**	**(6,977)**	**(6,977)**	**0%**	**21%**	**(5,803)**	**(5,803)**	**0%**	**17%**
Margins%	**2026E**	**2026E**	**Chg (pp)**	**YoY (pp)**	**2027E**	**2027E**	**Chg (pp)**	**YoY (pp)**	**2028E**	**2028E**	**Chg (pp)**	**YoY (pp)**
Group gross margin	32.6%	32.6%	0.0pp	2.0pp	32.3%	32.3%	0.0pp	-0.3pp	33.7%	33.7%	0.0pp	1.4pp
Operating margin, adjusted	0.9%	-1.2%	2.1pp	7.3pp	6.1%	4.7%	1.4pp	5.3pp	8.4%	8.1%	0.3pp	2.2pp
Core local commerce, adjusted	7.5%	4.0%	3.5pp	10.2pp	13.9%	12.2%	1.7pp	6.3pp	16.3%	15.8%	0.5pp	2.4pp
Food delivery	4.0%	-2.7%	6.7pp	18.6pp	12.0%	8.3%	3.7pp	8.0pp	16.3%	14.5%	1.8pp	4.3pp
In-store, hotel & travel	25.1%	25.1%	0.0pp	-4.2pp	24.2%	24.2%	0.0pp	-0.9pp	23.3%	23.3%	0.0pp	-1.0pp
New initiatives and others	-7.2%	-7.2%	0.0pp	2.5pp	-5.0%	-5.0%	0.0pp	2.2pp	-3.8%	-3.8%	0.0pp	1.2pp
Net margin, adjusted	2.1%	0.0%	2.1pp	7.1pp	6.9%	5.6%	1.3pp	4.8pp	9.0%	8.7%	0.2pp	2.1pp

Source: Goldman Sachs Global Investment Research

Exhibit 15: Meituan GSe vs. Visible Alpha Consensus Data

Rmb mn	GSe		V.A. Consensus		GSe vs. V.A.		GSe		V.A. Consensus		GSe vs. V.A.	
Meituan	2026E	2027E	2026E	2027E	2026E	2026E	2Q26E	3Q26E	2Q26E	3Q26E	2Q26E	3Q26E
Meituan group revenue	**395,486**	**439,150**	**403,932**	**457,013**			**101,092**	**104,098**	**100,939**	**107,239**		
yoy %	***8%***	***11%***	***10%***	***13%***	-2.3ppt	-2.1ppt	***10%***	***9%***	***10%***	***12%***	0.2ppt	-3.3ppt
Core local commerce - number of orders	30,037	32,500	30,754	33,226			7,310	8,191	7,482	8,414		
yoy %	*4%*	*8%*	*7%*	*8%*	-2.5ppt	0.2ppt	*5%*	*1%*	*7%*	*1%*	-2.5ppt	0.4ppt
Core local commerce revenue	272,656	299,620	278,132	308,375			68,552	71,325	68,486	73,507		
yoy %	*4%*	*10%*	*6%*	*11%*	-2.1ppt	-1.0ppt	*5%*	*6%*	*5%*	*9%*	0.1ppt	-3.2ppt
Core local commerce EBIT	20,506	41,526	10,341	35,787			5,800	8,205	3,236	3,947		
yoy %	*397%*	*103%*	*250%*	*246%*	147.2ppt	-143.6ppt	*56%*	*158%*	*-13%*	*128%*	68.9ppt	30.3ppt
Core local commerce margin %	8%	14%	4%	12%	3.8ppt	2.3ppt	8%	12%	5%	5%	3.7ppt	6.1ppt
New initiatives revenue	122,831	139,530	125,768	149,208			32,540	32,774	32,329	33,926		
yoy %	*18%*	*14%*	*21%*	*19%*	-2.8ppt	-5.0ppt	*23%*	*17%*	*22%*	*21%*	0.8ppt	-4.1ppt
New initiatives EBIT	(8,844)	(6,977)	(8,975)	(6,435)			(2,440)	(2,294)	(2,408)	(2,317)		
New iniatives margin %	-7.2%	-5.0%	-7.1%	-4.3%	-0.1ppt	-0.7ppt	-7.5%	-7.0%	-7.4%	-6.8%	-0.1ppt	-0.2ppt
Core local commerce segment breakdown												
Food delivery revenue	**162,757**	**174,097**	**164,604**	**177,573**			**43,170**	**41,123**	**41,450**	**42,970**		
yoy %	*0%*	*7%*	*1%*	*8%*	-1.1ppt	-0.9ppt	*1%*	*2%*	*-3%*	*6%*	4.0ppt	-4.6ppt
Order volume (mn)	24,536	26,008	25,234	26,650			6,032	6,712	6,188	6,896		
yoy %	*1%*	*6%*	*4%*	*6%*	-2.9ppt	0.4ppt	*2%*	*-2%*	*5%*	*0%*	-2.6ppt	-2.7ppt
Food delivery EBIT	6,472	20,833	(6,217)	13,384			2,404	4,351	233	(195)		
yoy %	*127%*	*222%*	*74%*	*315%*	53.0ppt	-93.4ppt	*413%*	*124%*	*130%*	*99%*	282.4ppt	25.4ppt
EBIT per order	**0.26**	**0.80**	**(0.25)**	**0.50**			**0.40**	**0.65**	**0.04**	**(0.03)**		
Food delivery margin %	4.0%	12.0%	-3.8%	7.5%	7.8ppt	4.4ppt	5.6%	10.6%	0.6%	-0.5%	5.0ppt	11.0ppt
In-store, hotel & travel revenue	69,919	75,770	71,412	79,257			17,111	19,286	17,386	19,463		
yoy %	*7%*	*8%*	*10%*	*11%*	-2.3ppt	-2.6ppt	*8%*	*7%*	*10%*	*8%*	-1.7ppt	-1.0ppt
IHT EBIT	17,545	18,368	18,398	20,988			4,353	4,834	4,356	4,959		
yoy %	*-8%*	*5%*	*-4%*	*14%*	-4.5ppt	-9.4ppt	*-10%*	*-6%*	*-10%*	*-4%*	-0.1ppt	-2.4ppt
IHT margin %	25.1%	24.2%	25.8%	26.5%	-0.7ppt	-2.2ppt	25.4%	25.1%	25.1%	25.5%	0.4ppt	-0.4ppt
Meituan group EBIT	**3,445**	**26,992**	**1,346**	**29,418**			**1,091**	**3,865**	**830**	**1,628**		
yoy %	*115%*	*683%*	*106%*	*2085%*	9.0ppt	-1402.0ppt	*174%*	*122%*	*108%*	*109%*	65.5ppt	12.8ppt
Meituan group EBIT margin %	**0.9%**	**6.1%**	**0.3%**	**6.4%**	0.5ppt	-0.3ppt	**1.1%**	**3.7%**	**0.8%**	**1.5%**	0.3ppt	2.2ppt
Meituan group net profit	**8,267**	**30,122**	**(2,374)**	**24,334**			**2,297**	**5,071**	**272**	**1,418**		
Meituan group net margin %	**2.1%**	**6.9%**	**-0.6%**	**5.3%**	2.7ppt	1.5ppt	**2.3%**	**4.9%**	**0.3%**	**1.3%**	2.0ppt	3.5ppt

Source: Goldman Sachs Global Investment Research, Visible Alpha Consensus Data

Exhibit 16: Our estimates (annual & quarterly)

Meituan (Rmb mn)	2024	2025	2026E	2027E	2028E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E
Group revenue	337,592	365,982	395,486	439,150	483,402	86,206	91,840	95,488	92,096	91,039	101,092	104,098	99,307
yoy%	*22%*	*8%*	*8%*	*11%*	*10%*	*18%*	*12%*	*2%*	*4%*	*6%*	*10%*	*9%*	*8%*
Group gross profit	129,785	112,136	128,954	141,817	162,969	32,063	30,414	25,181	24,127	25,970	35,664	33,359	33,987
margin%	*38.4%*	*30.6%*	*32.6%*	*32.3%*	*33.7%*	*37.2%*	*33.1%*	*26.4%*	*26.2%*	*28.5%*	*35.3%*	*32.0%*	*34.2%*
Segmental EBIT (CLC + New initiatives)	45,142	(16,986)	11,662	34,549	47,968	11,218	1,840	(15,349)	(14,696)	(4,146)	3,360	5,911	6,571
yoy%	*144%*	*-138%*	*169%*	*196%*	*39%*	*62%*	*-87%*	*-213%*	*-237%*	*-137%*	*83%*	*139%*	*145%*
Group adjusted EBIT	40,869	(23,432)	3,445	26,992	40,398	10,118	399	(17,472)	(16,827)	(5,854)	1,091	3,865	4,368
yoy%	*154%*	*-157%*	*115%*	*683%*	*50%*	*62%*	*-97%*	*-241%*	*-281%*	*-158%*	*174%*	*122%*	*126%*
margin%	*12.1%*	*-6.4%*	*0.9%*	*6.1%*	*8.4%*	*11.7%*	*0.4%*	*-18.3%*	*-18.3%*	*-6.4%*	*1.1%*	*3.7%*	*4.4%*
Group adjusted net profit	43,773	(18,297)	8,267	30,122	43,351	10,949	1,493	(16,010)	(15,080)	(4,968)	2,297	5,071	5,893
yoy%	*89%*	*-142%*	*145%*	*264%*	*44%*	*46%*	*-89%*	*-225%*	*-253%*	*-145%*	*54%*	*132%*	*139%*
margin%	*13.0%*	*-5.0%*	*2.1%*	*6.9%*	*9.0%*	*12.7%*	*1.6%*	*-16.8%*	*-16.4%*	*-5.5%*	*2.3%*	*4.9%*	*5.9%*
Food delivery & instashopping average daily order volume (mn)	70	79	82	89	95	68	77	88	82	75	80	89	85
yoy%	*16%*	*13%*	*4%*	*8%*	*7%*	*12%*	*13%*	*14%*	*13%*	*10%*	*5%*	*1%*	*3%*
Core local commerce	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26E**	**3Q26E**	**4Q26E**
Segment revenue	250,248	261,953	272,656	299,620	330,689	63,974	65,347	67,447	64,835	64,063	68,552	71,325	68,766
yoy%	*21%*	*5%*	*4%*	*10%*	*10%*	*17%*	*8%*	*-3%*	*-1%*	*0%*	*5%*	*6%*	*6%*
Segment adjusted EBIT	52,415	(6,904)	20,506	41,526	53,772	13,491	3,721	(14,071)	(10,046)	(2,030)	5,800	8,205	8,564
yoy%	*35%*	*-113%*	*397%*	*103%*	*29%*	*39%*	*-76%*	*-196%*	*-178%*	*-115%*	*56%*	*158%*	*185%*
margin%	*20.9%*	*-2.6%*	*7.5%*	*13.9%*	*16.3%*	*21.1%*	*5.7%*	*-20.9%*	*-15.5%*	*-3.2%*	*8.5%*	*11.5%*	*12.5%*
New initiatives	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26E**	**3Q26E**	**4Q26E**
Segment revenue	87,344	104,029	122,831	139,530	152,713	22,232	26,493	28,041	27,262	26,976	32,540	32,774	30,542
yoy%	*25%*	*19%*	*18%*	*14%*	*9%*	*19%*	*23%*	*16%*	*19%*	*21%*	*23%*	*17%*	*12%*
Segment adjusted EBIT	(7,273)	(10,082)	(8,844)	(6,977)	(5,803)	(2,273)	(1,881)	(1,278)	(4,650)	(2,116)	(2,440)	(2,294)	(1,993)
margin%	*-8%*	*-10%*	*-7%*	*-5%*	*-4%*	*-10%*	*-7%*	*-5%*	*-17%*	*-8%*	*-8%*	*-7%*	*-7%*
Core local commerce segment breakdown modeled by GSe													
Food delivery	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26E**	**3Q26E**	**4Q26E**
GTV (Rmb bn)	1,032	1,074	1,087	1,164	1,234	245	274	284	272	257	276	280	275
yoy%	*11%*	*4%*	*1%*	*7%*	*6%*	*8%*	*10%*	*-2%*	*2%*	*5%*	*1%*	*-1%*	*1%*
Average daily order volume (mn)	60	66	67	71	75	57	65	75	68	61	66	73	68
yoy%	*13%*	*10%*	*1%*	*6%*	*5%*	*9%*	*11%*	*12%*	*10%*	*8%*	*2%*	*-2%*	*-1%*
Revenue	166,971	163,455	162,757	174,097	188,947	41,000	42,593	40,368	39,494	37,909	43,170	41,123	40,581
yoy%	***17%***	***-2%***	***0%***	***7%***	***9%***	***14%***	***5%***	***-14%***	***-10%***	***-8%***	***1%***	***2%***	***3%***
EBIT, adjusted	32,728	(23,939)	6,472	20,833	30,811	7,735	(769)	(17,881)	(13,024)	(5,533)	2,404	4,351	5,276
yoy%	*42%*	*-173%*	*127%*	*222%*	*48%*	*39%*	*-108%*	*-294%*	*-267%*	*-172%*	*413%*	*124%*	*141%*
EBIT margin %, adjusted	***19.6%***	***-14.6%***	***4.0%***	***12.0%***	***16.3%***	***18.9%***	***-1.8%***	***-44.3%***	***-33.0%***	***-14.6%***	***5.6%***	***10.6%***	***13.0%***
EBIT per order, adjusted (Rmb)	1.49	(0.99)	0.26	0.80	1.13	1.51	(0.13)	(2.60)	(2.07)	(1.00)	0.40	0.65	0.84
GTV margin%	*3.2%*	*-2.2%*	*0.6%*	*1.8%*	*2.5%*	*3.2%*	*-0.3%*	*-6.3%*	*-4.8%*	*-2.2%*	*0.9%*	*1.6%*	*1.9%*
Instashopping	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26E**	**3Q26E**	**4Q26E**
GTV (Rmb bn)	278	361	437	516	594	81	85	98	98	99	102	118	118
yoy%	36%	30%	21%	18%	15%	*28%*	*33%*	*30%*	*29%*	*23%*	*20%*	*21%*	*20%*
Average daily order volume (mn)	9.6	12.5	15.1	17.8	20.5	11.1	11.7	13.4	13.8	13.7	14.0	16.2	16.7
yoy%	37%	30%	21%	18%	15%	32%	31%	30%	29%	23%	20%	21%	20%
Revenue	26,341	33,385	39,979	49,752	60,183	8,430	6,892	9,022	9,042	9,919	8,270	10,916	10,873
yoy%	***40%***	***27%***	***20%***	***24%***	***21%***	***34%***	***9%***	***35%***	***29%***	***18%***	***20%***	***21%***	***20%***
EBIT, adjusted	868	(2,054)	(3,511)	2,325	3,994	791	(364)	(1,332)	(1,150)	(613)	(956)	(980)	(961)
EBIT margin %, adjusted	***3%***	***-6%***	***-9%***	***5%***	***7%***	***9.4%***	***-5.3%***	***-14.8%***	***-12.7%***	***-6.2%***	***-11.6%***	***-9.0%***	***-8.8%***
EBIT per order, adjusted (Rmb)	0.25	(0.45)	(0.64)	0.36	0.53	0.79	(0.34)	(1.09)	(0.91)	(0.50)	(0.75)	(0.66)	(0.63)
In-store, hotel, travel, alternative accomodation & ticketing	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26E**	**3Q26E**	**4Q26E**
GTV (Rmb bn)	939	1,145	1,236	1,339	1,442	242	284	338	281	269	309	359	299
yoy%	*33%*	*22%*	*8%*	*8%*	*8%*	*29%*	*25%*	*21%*	*15%*	*11%*	*9%*	*6%*	*6%*
Revenue	56,935	65,113	69,919	75,770	81,559	14,895	15,862	18,057	16,299	16,236	17,111	19,286	17,311
yoy%	*25%*	*14%*	*7%*	*8%*	*8%*	*20%*	*15%*	*13%*	*11%*	*9%*	*8%*	*7%*	*6%*
EBIT, adjusted	18,820	19,089	17,545	18,368	18,967	4,965	4,854	5,142	4,129	4,116	4,353	4,834	4,249
yoy%	*18%*	*1%*	*-8%*	*5%*	*3%*	*28%*	*2%*	*-2%*	*-16%*	*-17%*	*-10%*	*-6%*	*3%*
EBIT margin %, adjusted	***33%***	***29%***	***25%***	***24%***	***23%***	***33%***	***31%***	***28%***	***25%***	***25%***	***25%***	***25%***	***25%***
GTV margin%	*2.0%*	*1.7%*	*1.4%*	*1.4%*	*1.3%*	*2.0%*	*1.7%*	*1.5%*	*1.5%*	*1.5%*	*1.4%*	*1.3%*	*1.4%*

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 17: Our Meituan SOTP valuation with 12m TP of HK$123, where we increase long-term food delivery UE to Rmb1.1 (from Rmb1.0)

SOTP Valuation	2026E Rev. (US$mn)	Implied EV / Rev.	P/E	Valuation to Meituan 2026E (US$mn)	2026E Val. (HK$mn)	2026E Val. Per share (HK$)	Value split	Comment
1. Core Commerce	**38,815**	**1.9x**	**12x**	**72,863**	**566,146**	**91**	**63%**	
1.1 Food Delivery	23,251	1.7x	12x	39,982	310,663	50	34%	Assuming 67mn daily orders in 2026E and Rmb1.1 per order non-GAAP EBIT (from Rmb1.0), 15% tax rate, 12x P/E referencing single-digit revenue growth outlook
1.2 Meituan Instashopping	5,711	2.0x	25x	11,691	90,843	15	10%	Assuming 15 mn daily pieces in 2026E and Rmb0.7 per piece non-GAAP EBIT (2026-30E), 15% tax rate, and 25x P/E referencing 20%+ revenue growth outlook
1.3 In-store, hotel & travel	9,853	2.2x	10x	21,189	164,640	26	18%	
1.3.1 Hotel booking	1,822	2.1x	10x	3,871	30,079	5	3%	2026E non-GAAP NOPAT (25% EBIT margin, 2026E); 10x P/E on slower growth/referencing eCommerce sector
1.3.2 In-store and travel business	8,031	2.2x	10x	17,318	134,561	22	15%	2026E non-GAAP NOPAT (25% EBIT margin, 2026E); 10x P/E on slower growth/referencing eCommerce sector
2. New initiatives	**11,836**	**1.3x**	**NM**	**15,387**	**119,555**	**19**	**13%**	Implied 1.3X EV/Revenue
3. Associates/investments affiliates				**12,339**	**95,878**	**15**	**11%**	2026E
4. Net cash				**15,455**	**120,082**	**19**	**13%**	
NAV				**116,044**	**901,660**	**144**		
Less: holdco discount		15%		17,407	135,249	22		15% NAV discount (in-line with our holdco discount for China Internet)
				98,637	**766,411**	**123**		

Source: Company data, Goldman Sachs Global Investment Research

JD

For JD (GSe: 2Q revenue -3%/adj. EBIT +587% yoy to Rmb6.2bn): reporting on Aug 13, Buy, share price +10% year-to-date; +3% since last results vs. KWEB of -1%

- **Numbers that matter most:** 2Q revenue -3%/adj. EBIT +587% yoy. We estimate JD Retail profit of Rmb13.5bn (-3% yoy/4.6% margin), new business loss of Rmb-9.7bn (vs. Rmb-10.4bn in 1Q26), and group net profit of Rmb8.5bn (+15% yoy/2.5% margin).
- **Key focuses/debates into the print: 1) Pace of JD Retail growth into 2H and medium term**, against the backdrop of moderating 2Q general merchandise growth, and ways to sustain/re-accelerate key categories (e.g. supermarket, health, and apparel) user growth and purchase frequency growth; **2) Shareholder returns policies**, given JD is entering into a much healthier FCF cycle vs. internet mega-caps with capex that is exceeding operating cash flow; **3) International expansion strategy for Joybuy and investment budget for 2H and next year,** including how JD can further differentiate on price competitiveness, user experience and logistics fulfillment, given the fast growth of Joybuy and pending Ceconomy acquisition; **4) Progress of JD Technology across FinTech and Cloud**; **5) AI applications/AI agent developments** with JD's unique expertise in robotics, logistics, health, and industrial tech.

Exhibit 18: JD GSe vs. Visible Alpha Consensus Data

Rmb mn	GSe		V.A. Consensus		Gse vs. V.A.		GSe		V.A. Consensus		GSe vs. V.A.	
JD.com	2026E	2027E	2026E	2027E	2026E	2027E	2Q26E	3Q26E	2Q26E	3Q26E	2Q26E	3Q26E
JD group revenue	**1,359,229**	**1,464,853**	**1,366,073**	**1,455,857**			**345,959**	**316,112**	**345,781**	**316,719**		
yoy %	*4%*	*8%*	*4%*	*7%*	-0.5ppt	1.2ppt	*-3%*	*6%*	*-3%*	*6%*	0.0ppt	-0.2ppt
JD Retail GMV	**4,424,972**	**4,648,876**	**4,533,495**	**4,789,259**			**1,140,900**	**1,059,260**	**1,170,737**	**1,061,616**		
yoy %	*3%*	*5%*	*6%*	*6%*	-2.5ppt	-0.6ppt	*-6%*	*4%*	*-3%*	*4%*	-2.5ppt	-0.2ppt
JD Retail revenue	1,152,311	1,226,530	1,150,316	1,220,305			295,939	261,231	293,445	260,680		
yoy %	*2%*	*6%*	*2%*	*6%*	0.2ppt	0.4ppt	*-5%*	*4%*	*-5%*	*4%*	0.8ppt	0.2ppt
JD Retail EBIT	54,133	58,046	53,914	57,806			13,487	15,375	13,065	14,909		
JD Retail margin %	4.7%	4.7%	4.7%	4.7%	0.0ppt	0.0ppt	4.6%	5.9%	4.5%	5.7%	0.1ppt	0.2ppt
yoy %	*5%*	*7%*	*5%*	*7%*	0.4ppt	0.0ppt	*-3%*	*4%*	*-6%*	*1%*	3.0ppt	3.1ppt
JD Logistics revenue	267,926	288,340	262,841	286,047			63,670	67,294	63,555	65,732		
yoy %	*23%*	*8%*	*21%*	*9%*	2.3ppt	-1.2ppt	*23%*	*22%*	*23%*	*19%*	0.2ppt	2.8ppt
JD Logistics EBIT	8,399	9,129	8,417	9,145			2,468	2,030	2,542	1,980		
JD Logistics margin %	3%	3%	3.2%	3.2%	-0.1ppt	0.0ppt	3.9%	3.0%	4.0%	3.0%	-0.1ppt	0.0ppt
JD new businesses revenue	66,139	85,554	42,328	48,892			16,509	18,976	10,228	11,833		
yoy %	*34%*	*29%*	*-14%*	*16%*	48.3ppt	13.8ppt	*19%*	*22%*	*-26%*	*-24%*	45.3ppt	45.8ppt
JD new businesses EBIT	(41,134)	(28,807)	(35,556)	(21,890)			(9,731)	(10,041)	(9,306)	(8,740)		
JD new businesses margin %	-62.2%	-33.7%	-84%	-45%	21.8ppt	11.1ppt	-59%	-53%	-91%	-74%	32.0ppt	20.9ppt
JD group EBIT	**20,749**	**38,322**	**23,199**	**36,876**			**6,156**	**7,363**	**5,713**	**7,359**		
yoy %	*115%*	*85%*	*141%*	*59%*	-25.4ppt	25.7ppt	*587%*	*3390%*	*538%*	*3388%*	49.4ppt	2.0ppt
JD group EBIT margin %	**1.5%**	**2.6%**	**1.7%**	**2.5%**	-0.2ppt	0.1ppt	**1.8%**	**2.3%**	**1.7%**	**2.3%**	0.1ppt	0.0ppt
JD group net profit	**30,005**	**40,735**	**31,700**	**40,775**			**8,493**	**8,941**	**7,962**	**9,170**		
JD group net margin %	**2.2%**	**2.8%**	**2.3%**	**2.8%**	-0.1ppt	0.0ppt	**2.5%**	**2.8%**	**2.3%**	**2.9%**	0.2ppt	-0.1ppt

Source: Goldman Sachs Global Investment Research, Visible Alpha Consensus Data

Price Target, Risks and Methodology

Price Target Risks and Methodology - Tencent Holdings
Valuation methodology: We are Buy rated on Tencent (0700.HK), with a 12-m SOTP-based TP of **HK$700**.

Key risks: More intense industry competition in performance-based advertising, unexpected delays in game launches/Banhao approvals, slower-than-expected growth in FinTech and Cloud businesses, reinvestment risk.

Price Target Risks and Methodology - Alibaba Group
Valuation methodology: We are Buy rated on BABA/9988.HK, with SOTP-based 12-month target prices of **US$186/HK$180**.

Key risks: (1) Lower-than-expected GMV growth due to macro/competition; (2) Slower-than-expected monetization in China retail; (3) Weaker-than-expected execution in key strategic investments; and (4) Cloud revenue growth deceleration.

Price Target Risks and Methodology - PDD Holdings
Valuation methodology: Our 12-m SOTP-based TP is **US$145**, valued at 12X P/E on 2026E Pinduoduo domestic core profit and 25X P/E on Temu (ex. US full-entrusted). We are Buy rated.

Downside risks: (1) lower-than-expected online marketing revenues on increased eCommerce ROI/sales-based ad inventory and narrower GMV growth gap at Alibaba vs. industry, **(2)** wider-than-expected geopolitical headwinds into Europe and other developed markets with high spending power, **(3)** higher-than-expected competition if Alibaba's new low-price adtech initiatives gain traction/faster-than-expected Douyin shelf-based expansion in low ticket size items at lower take rates (Douyin has been offering commission free initiatives) vs. eCommerce platforms, **(4)** reinvestments to sustain growth that may pose downside risks to core profit margins, **(5)** lack of segmental disclosures of business performance, which leads to difficulty in analyzing/estimating domestic and int'l (Temu) performance and profitability.

Price Target Risks and Methodology - Meituan
We are Buy rated on Meituan with a 12-month 2026E SOTP-based TP of **HK$123.**

Key downside risks: Worse-than-expected competition that may impact growth or pace of profit turnaround; labor cost inflation/efficiencies; food safety concerns/stricter regulations; larger-than-expected investment in Keeta.

Price Target Risks and Methodology - JD
Valuation: We are Buy-rated on JD.com with 12-m SOTP-based target prices of **US$43/HK$169**.

Key risks: Tougher than expected competition in China's eCommerce/food delivery markets; Online GMV slowdown and electronics & appliance facing tougher comps starting Sept-2025, general merchandise/JD supermarket execution: there would be downside risks to our forecasts if JD cannot deliver the expected growth; Fluctuations in JD Retail margin, as JD continues to invest into price competitiveness/user experience/3P ecosystem.

Disclosure Appendix

Reg AC

We, Ronald Keung, CFA, Damian Xie and Iris Xiao, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Unless otherwise stated, the individuals listed on the cover page of this report are analysts in Goldman Sachs' Global Investment Research division.

Contributing Authors: Ronald Keung, CFA Goldman Sachs (Asia) L.L.C., Lincoln Kong, CFA Goldman Sachs (Asia) L.L.C., Timothy Zhao Goldman Sachs (Asia) L.L.C., Steve Qiu Goldman Sachs (Asia) L.L.C., Damian Xie Goldman Sachs (Asia) L.L.C., Iris Xiao Goldman Sachs (Asia) L.L.C..

Unless otherwise stated, the individuals listed in the Contributing Authors disclosure of this report are analysts in Goldman Sachs' Global Investment Research division.

GS Factor Profile

The Goldman Sachs Factor Profile provides investment context for a stock by comparing key attributes to the market (i.e. our universe of rated stocks) and its sector peers. The four key attributes depicted are: Growth, Financial Returns, Multiple (e.g. valuation) and Integrated (a composite of Growth, Financial Returns and Multiple). Growth, Financial Returns and Multiple are calculated by using normalized ranks for specific metrics for each stock. The normalized ranks for the metrics are then averaged and converted into percentiles for the relevant attribute. The precise calculation of each metric may vary depending on the fiscal year, industry and region, but the standard approach is as follows:

Growth is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

Financial Returns and Multiple use the Goldman Sachs analyst forecasts at the fiscal year-end at least three quarters in the future. Growth uses inputs for the fiscal year at least seven quarters in the future compared with the year at least three quarters in the future (on a per-share basis for all metrics).

For a more detailed description of how we calculate the GS Factor Profile, please contact your GS representative.

M&A Rank

Across our global coverage, we examine stocks using an M&A framework, considering both qualitative factors and quantitative factors (which may vary across sectors and regions) to incorporate the potential that certain companies could be acquired. We then assign a M&A rank as a means of scoring companies under our rated coverage from 1 to 3, with 1 representing high (30%-50%) probability of the company becoming an acquisition target, 2 representing medium (15%-30%) probability and 3 representing low (0%-15%) probability. For companies ranked 1 or 2, in line with our standard departmental guidelines we incorporate an M&A component into our target price. M&A rank of 3 is considered immaterial and therefore does not factor into our price target, and may or may not be discussed in research.

Quantum

Quantum is Goldman Sachs' proprietary database providing access to detailed financial statement histories, forecasts and ratios. It can be used for in-depth analysis of a single company, or to make comparisons between companies in different sectors and markets.

Disclosures

Rating and pricing information

GDS Holdings (ADR) (Buy, $31.84), Kingsoft Cloud (Buy, $12.15), MiniMax Group (Buy, HK$297.20) and VNET Group (Buy, $7.01)

Logo disclosure

Third party brands used in this report are the property of their respective owners, and are used here for informational purposes only. The use of such brands should not be viewed as an endorsement, affiliation or sponsorship by or for Goldman Sachs or any of its products/services.

Financial advisory disclosure

Goldman Sachs and/or one of its affiliates is acting as a financial advisor in connection with an announced strategic matter involving the following company or one of its affiliates: JD.com, Inc.

The rating(s) for Alibaba Group (ADR), Alibaba Group (H), JD.com Inc. (ADR), JD.com Inc. (H), Meituan, PDD Holdings and Tencent Holdings is/are relative to the other companies in its/their coverage universe: Alibaba Group (ADR), Alibaba Group (H), DiDi Global Inc., Full Truck Alliance Co., J&T Global Express Ltd., JD Logistics, JD.com Inc. (ADR), JD.com Inc. (H), Jingdong Industrials Inc., KLN Logistics Group, Meituan, MiniMax Group, PDD Holdings, S.F. Holding (A), S.F. Holding (H), STO Express, Sinotrans Ltd. (A), Sinotrans Ltd. (H), Tencent Holdings, Vipshop Holdings, YTO Express Group, Yunda Holding, Z.AI Co., ZTO Express (Cayman) Inc. (ADR), ZTO Express (Cayman) Inc. (H)

Company-specific regulatory disclosures

The following disclosures relate to relationships between The Goldman Sachs Group, Inc. (with its affiliates, "Goldman Sachs") and companies covered by Goldman Sachs Global Investment Research and referred to in this research.

Goldman Sachs beneficially owned 1% or more of common equity (excluding positions managed by affiliates and business units n aggregated under US securities law) as of the second most recent month end: Alibaba Group (ADR) ($128.41), Alibaba Group (H) Inc. (ADR) ($32.97), JD.com Inc. (H) (HK$127.50) and Meituan (HK$92.20)

Goldman Sachs has received compensation for investment banking services in the past 12 months: Alibaba Group (ADR) ($128.41 (HK$123.80), JD.com Inc. (ADR) ($32.97), JD.com Inc. (H) (HK$127.50), Meituan (HK$92.20), PDD Holdings ($91.76) and Tencent

Goldman Sachs expects to receive or intends to seek compensation for investment banking services in the next 3 months: Alibaba ($128.41), Alibaba Group (H) (HK$123.80), JD.com Inc. (ADR) ($32.97), JD.com Inc. (H) (HK$127.50), Meituan (HK$92.20), PDD H

Tencent Holdings (HK$478.80)

Goldman Sachs has received compensation for non-investment banking services during the past 12 months: Alibaba Group (ADR) ($128.41), Alibaba Group (H) (HK$123.80), Meituan (HK$92.20) and Tencent Holdings (HK$478.80)

Goldman Sachs had an investment banking services client relationship during the past 12 months with: Alibaba Group (ADR) ($128.41), Alibaba Group (H) (HK$123.80), JD.com Inc. (ADR) ($32.97), JD.com Inc. (H) (HK$127.50), Meituan (HK$92.20), PDD Holdings ($91.76) and Tencent Holdings (HK$478.80)

Goldman Sachs had a non-investment banking securities-related services client relationship during the past 12 months with: Alibaba Group (ADR) ($128.41), Alibaba Group (H) (HK$123.80), JD.com Inc. (ADR) ($32.97), JD.com Inc. (H) (HK$127.50), Meituan (HK$92.20) and Tencent Holdings (HK$478.80)

Goldman Sachs had a non-securities services client relationship during the past 12 months with: Alibaba Group (ADR) ($128.41), Alibaba Group (H) (HK$123.80), JD.com Inc. (ADR) ($32.97), JD.com Inc. (H) (HK$127.50), Meituan (HK$92.20) and Tencent Holdings (HK$478.80)

Goldman Sachs makes a market in the securities or derivatives thereof: Alibaba Group (ADR) ($128.41), Alibaba Group (H) (HK$123.80), JD.com Inc. (ADR) ($32.97), JD.com Inc. (H) (HK$127.50), Meituan (HK$92.20), PDD Holdings ($91.76) and Tencent Holdings (HK$478.80)

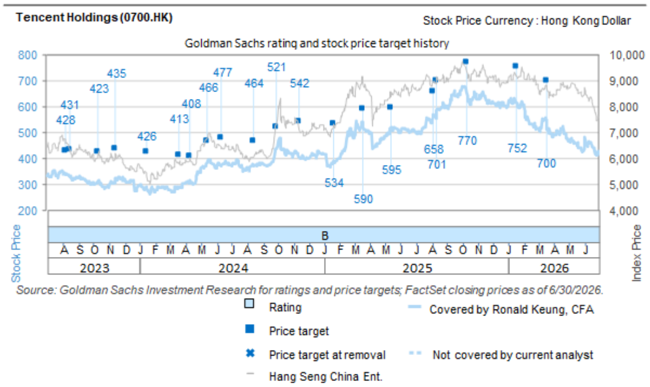
Distribution of ratings/investment banking relationships

Goldman Sachs Investment Research global Equity coverage universe

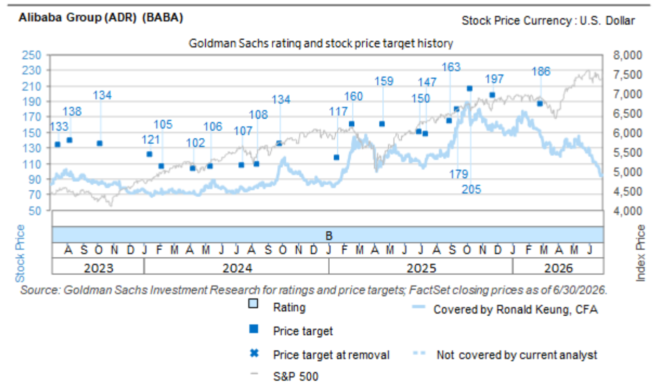
	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	50%	34%	16%	65%	59%	43%

As of July 1, 2026, Goldman Sachs Global Investment Research had investment ratings on 3,104 equity securities. Goldman Sachs assigns stocks as Buys and Sells on various regional Investment Lists; stocks not so assigned are deemed Neutral. Such assignments equate to Buy, Hold and Sell for the purposes of the above disclosure required by the FINRA Rules. See 'Ratings, Coverage universe and related definitions' below. The Investment Banking Relationships chart reflects the percentage of subject companies within each rating category for whom Goldman Sachs has provided investment banking services within the previous twelve months.

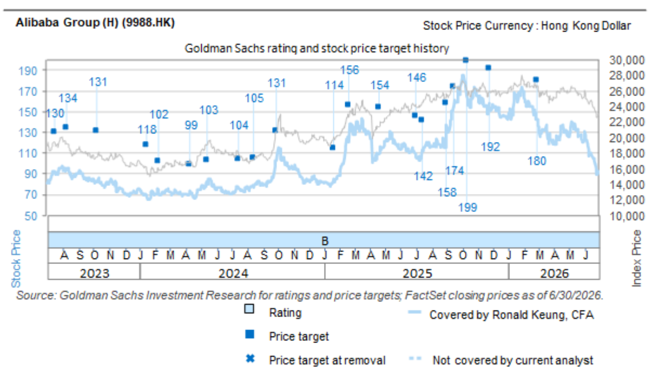
Price target and rating history chart(s)



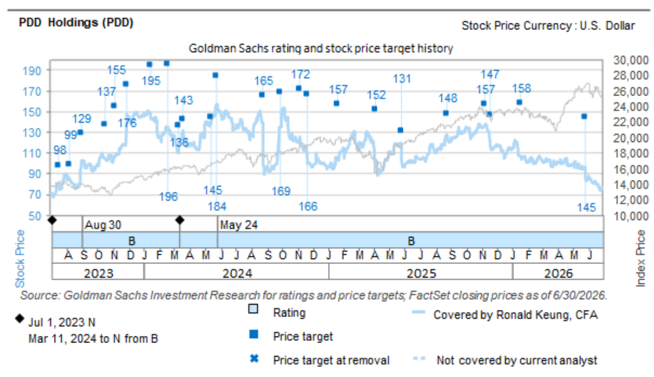
The price targets shown should be considered in the context of all prior published Goldman Sachs research, which may or may not have included price targets, as well as developments relating to the company, its industry and financial markets.



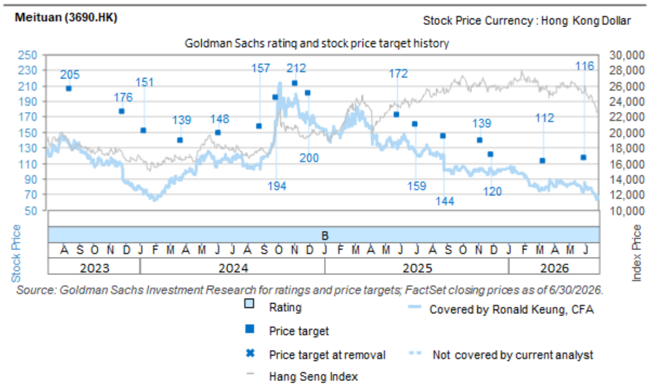
The price targets shown should be considered in the context of all prior published Goldman Sachs research, which may or may not have included price targets, as well as developments relating to the company, its industry and financial markets.



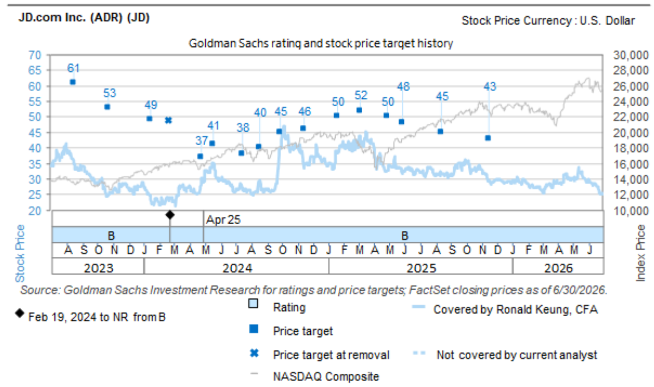
The price targets shown should be considered in the context of all prior published Goldman Sachs research, which may or may not have included price targets, as well as developments relating to the company, its industry and financial markets.



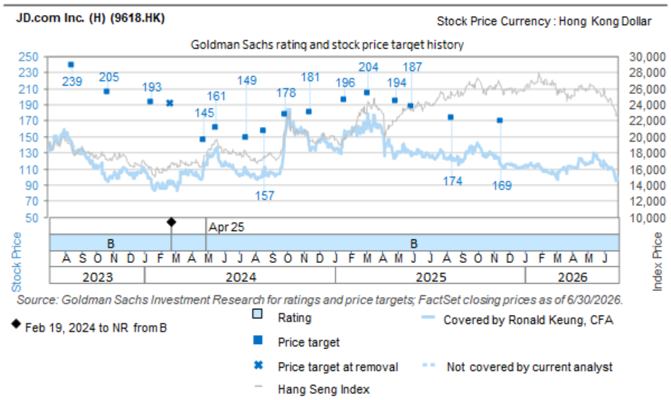
The price targets shown should be considered in the context of all prior published Goldman Sachs research, which may or may not have included price targets, as well as developments relating to the company, its industry and financial markets.



The price targets shown should be considered in the context of all prior published Goldman Sachs research, which may or may not have included price targets, as well as developments relating to the company, its industry and financial markets.



The price targets shown should be considered in the context of all prior published Goldman Sachs research, which may or may not have included price targets, as well as developments relating to the company, its industry and financial markets.



The price targets shown should be considered in the context of all prior published Goldman Sachs research, which may or may not have included price targets, as well as developments relating to the company, its industry and financial markets.

Target price history table(s)

Alibaba Group (ADR) (BABA)

Date of report	Target price ($)	Closing price ($)
27-Feb-26	186.00	144.11
25-Nov-25	197.00	157.01
12-Oct-25	205.00	159.01
16-Sep-25	179.00	162.21
31-Aug-25	163.00	135.00
15-Jul-25	147.00	116.97
02-Jul-25	150.00	110.71
21-Apr-25	159.00	110.15
20-Feb-25	160.00	135.97
20-Jan-25	117.00	85.12
29-Sep-24	134.00	107.33
15-Aug-24	108.00	79.54
16-Jul-24	107.00	78.38
15-May-24	106.00	80.99
11-Apr-24	102.00	74.85
07-Feb-24	105.00	73.64
15-Jan-24	121.00	71.84
09-Oct-23	134.00	84.85
10-Aug-23	138.00	99.21

Tencent Holdings (0700.HK)

Date of report	Target price (HK$)	Closing price (HK$)
18-Mar-26	700.00	550.50
18-Jan-26	752.00	617.50
12-Oct-25	770.00	651.50
13-Aug-25	701.00	586.00
05-Aug-25	658.00	559.00
14-May-25	595.00	521.00
19-Mar-25	590.00	540.00
20-Jan-25	534.00	389.80
13-Nov-24	542.00	403.80
29-Sep-24	521.00	437.80
14-Aug-24	464.00	373.80
12-Jun-24	477.00	370.80
15-May-24	466.00	381.80
11-Apr-24	408.00	315.00
20-Mar-24	413.00	288.80
15-Jan-24	426.00	289.40
15-Nov-23	435.00	322.60
11-Oct-23	423.00	311.00
16-Aug-23	431.00	328.80

Meituan (3690.HK)

Date of report	Target price (HK$)	Closing price (HK$)
01-Jun-26	116.00	78.25

JD.com Inc. (ADR) (JD)

Date of report	Target price ($)	Closing price ($)
16-Nov-25	43.00	29.31

Meituan (3690.HK)

Date of report	Target price (HK$)	Closing price (HK$)
12-Mar-26	112.00	76.70
30-Nov-25	120.00	102.50
09-Nov-25	139.00	102.00
27-Aug-25	144.00	116.30
02-Jul-25	159.00	126.00
26-May-25	172.00	129.40
01-Dec-24	200.00	168.70
07-Nov-24	212.00	199.90
29-Sep-24	194.00	164.60
28-Aug-24	157.00	102.80
06-Jun-24	148.00	112.70
24-Mar-24	139.00	88.25
11-Jan-24	151.00	75.60
28-Nov-23	176.00	103.00
16-Aug-23	205.00	132.40

JD.com Inc. (ADR) (JD)

Date of report	Target price ($)	Closing price ($)
14-Aug-25	45.00	31.58
29-May-25	48.00	32.94
29-Apr-25	50.00	32.88
06-Mar-25	52.00	43.92
20-Jan-25	50.00	39.00
14-Nov-24	46.00	33.35
29-Sep-24	45.00	39.90
18-Aug-24	40.00	29.29
16-Jul-24	38.00	27.20
19-May-24	41.00	35.27
25-Apr-24	37.00	28.59
15-Jan-24	49.00	24.70
24-Oct-23	53.00	25.25
16-Aug-23	61.00	34.88

PDD Holdings (PDD)

Date of report	Target price ($)	Closing price ($)
27-May-26	145.00	86.61
18-Jan-26	158.00	106.76
18-Nov-25	147.00	119.58
09-Nov-25	157.00	135.78
25-Aug-25	148.00	128.21
27-May-25	131.00	102.98
06-Apr-25	152.00	104.21
20-Jan-25	157.00	105.57
21-Nov-24	166.00	104.09
07-Nov-24	172.00	125.87
29-Sep-24	169.00	135.38
26-Aug-24	165.00	100.00
24-May-24	184.00	157.57
16-May-24	145.00	143.38
20-Mar-24	143.00	132.17
11-Mar-24	136.00	111.89
18-Feb-24	196.00	135.26
15-Jan-24	195.00	148.63
28-Nov-23	176.00	139.00
06-Nov-23	155.00	107.13
18-Oct-23	137.00	105.33
30-Aug-23	129.00	98.14

JD.com Inc. (H) (9618.HK)

Date of report	Target price (HK$)	Closing price (HK$)
16-Nov-25	169.00	116.90
14-Aug-25	174.00	125.10
29-May-25	187.00	131.80
29-Apr-25	194.00	128.90
06-Mar-25	204.00	179.00
20-Jan-25	196.00	157.40
14-Nov-24	181.00	135.10
29-Sep-24	178.00	152.00
18-Aug-24	157.00	108.20
16-Jul-24	149.00	104.50
19-May-24	161.00	134.10
25-Apr-24	145.00	111.30
15-Jan-24	193.00	96.65
24-Oct-23	205.00	93.90
16-Aug-23	239.00	140.60

Alibaba Group (H) (9988.HK)

Date of report	Target price (HK$)	Closing price (HK$)
27-Feb-26	180.00	142.90
25-Nov-25	192.00	157.80
12-Oct-25	199.00	165.40
16-Sep-25	174.00	153.50
31-Aug-25	158.00	115.70
15-Jul-25	142.00	113.50
02-Jul-25	146.00	109.40
21-Apr-25	154.00	108.70
20-Feb-25	156.00	120.90
20-Jan-25	114.00	84.55
29-Sep-24	131.00	102.50
15-Aug-24	105.00	76.40
16-Jul-24	104.00	75.50
15-May-24	103.00	82.65
11-Apr-24	99.00	74.20

Date of report	Target price (HK$)	Closing price (HK$)
07-Feb-24	102.00	74.90
15-Jan-24	118.00	70.00
09-Oct-23	131.00	82.10
10-Aug-23	134.00	94.30

Price targets shown in table(s) are unadjusted for corporate actions.

Regulatory disclosures

Disclosures required by United States laws and regulations

See company-specific regulatory disclosures above for any of the following disclosures required as to companies referred to in this report: manager or co-manager in a pending transaction; 1% or other ownership; compensation for certain services; types of client relationships; managed/co-managed public offerings in prior periods; directorships; for equity securities, market making and/or specialist role. Goldman Sachs trades or may trade as a principal in debt securities (or in related derivatives) of issuers discussed in this report.

The following are additional required disclosures: **Ownership and material conflicts of interest:** Goldman Sachs policy prohibits its analysts, professionals reporting to analysts and members of their households from owning securities of any company in the analyst's area of coverage. **Analyst compensation:** Analysts are paid in part based on the profitability of Goldman Sachs, which includes investment banking revenues. **Analyst as officer or director:** Goldman Sachs policy generally prohibits its analysts, persons reporting to analysts or members of their households from serving as an officer, director or advisor of any company in the analyst's area of coverage. **Non-U.S. Analysts:** Non-U.S. analysts may not be associated persons of Goldman Sachs & Co. LLC and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading in securities covered by the analysts.

Additional disclosures required under the laws and regulations of jurisdictions other than the United States

The following disclosures are those required by the jurisdiction indicated, except to the extent already made above pursuant to United States laws and regulations. **Australia:** Goldman Sachs Australia Pty Ltd and its affiliates are not authorised deposit-taking institutions (as that term is defined in the Banking Act 1959 (Cth)) in Australia and do not provide banking services, nor carry on a banking business, in Australia. This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act, unless otherwise agreed by Goldman Sachs. In producing research reports, members of Global Investment Research of Goldman Sachs Australia may attend site visits and other meetings hosted by the companies and other entities which are the subject of its research reports. In some instances the costs of such site visits or meetings may be met in part or in whole by the issuers concerned if Goldman Sachs Australia considers it is appropriate and reasonable in the specific circumstances relating to the site visit or meeting. To the extent that the contents of this document contains any financial product advice, it is general advice only and has been prepared by Goldman Sachs without taking into account a client's objectives, financial situation or needs. A client should, before acting on any such advice, consider the appropriateness of the advice having regard to the client's own objectives, financial situation and needs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests and a copy of Goldman Sachs' Australian Sell-Side Research Independence Policy Statement are available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Brazil:** Disclosure information in relation to CVM Resolution n. 20 is available at https://www.gs.com/worldwide/brazil/area/gir/index.html. Where applicable, the Brazil-registered analyst primarily responsible for the content of this research report, as defined in Article 20 of CVM Resolution n. 20, is the first author named at the beginning of this report, unless indicated otherwise at the end of the text. **Canada:** This information is being provided to you for information purposes only and is not, and under no circumstances should be construed as, an advertisement, offering or solicitation by Goldman Sachs & Co. LLC for purchasers of securities in Canada to trade in any Canadian security. Goldman Sachs & Co. LLC is not registered as a dealer in any jurisdiction in Canada under applicable Canadian securities laws and generally is not permitted to trade in Canadian securities and may be prohibited from selling certain securities and products in certain jurisdictions in Canada. If you wish to trade in any Canadian securities or other products in Canada please contact Goldman Sachs Canada Inc., an affiliate of The Goldman Sachs Group Inc., or another registered Canadian dealer. **Hong Kong:** Further information on the securities of covered companies referred to in this research may be obtained on request from Goldman Sachs (Asia) L.L.C. **India:** Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (India) Securities Private Limited, Research Analyst - SEBI Registration Number INH000001493, 10th Floor, Ascent-Worli, Sudam Kalu Ahire Marg, Worli, Mumbai-400 025, India, Corporate Identity Number U74140MH2006FTC160634, Phone +91 22 6616 9000, Fax +91 22 6616 9001. Goldman Sachs may beneficially own 1% or more of the securities (as such term is defined in clause 2 (h) the Indian Securities Contracts (Regulation) Act, 1956) of the subject company or companies referred to in this research report. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Goldman Sachs (India) Securities Private Limited compliance officer and investor grievance contact details, a copy of the annual compliance audit report and other relevant information and disclosures can be found at this link: https://www.goldmansachs.com/worldwide/india/research-analyst. **Japan:** See below. **Korea:** This research, and any access to it, is intended only for "professional investors" within the meaning of the Financial Services and Capital Markets Act, unless otherwise agreed by Goldman Sachs. Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (Asia) L.L.C., Seoul Branch. **New Zealand:** Goldman Sachs New Zealand Limited and its affiliates are neither "registered banks" nor "deposit takers" (as defined in the Reserve Bank of New Zealand Act 1989) in New Zealand. This research, and any access to it, is intended for "wholesale clients" (as defined in the Financial Advisers Act 2008) unless otherwise agreed by Goldman Sachs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests is available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Russia:** Research reports distributed in the Russian Federation are not advertising as defined in the Russian legislation, but are information and analysis not having product promotion as their main purpose and do not provide appraisal within the meaning of the Russian legislation on appraisal activity. Research reports do not constitute a personalized investment recommendation as defined in Russian laws and regulations, are not addressed to a specific client, and are prepared without analyzing the financial circumstances, investment profiles or risk profiles of clients. Goldman Sachs assumes no responsibility for any investment decisions that may be taken by a client or any other person based on this research report. **Singapore:** Goldman Sachs (Singapore) Pte. (Company Number: 198602165W), which is regulated by the Monetary Authority of Singapore, accepts legal responsibility for this research, and should be contacted with respect to any matters arising from, or in connection with, this research. **Taiwan:** This material is for reference only and must not be reprinted without permission. Investors should carefully consider their own investment risk. Investment results are the responsibility of the individual investor. **United Kingdom:** Persons who would be categorized as retail clients in the United Kingdom, as such term is defined in the rules of the Financial Conduct Authority, should read this research in conjunction with prior Goldman Sachs research on the covered companies referred to herein and should refer to the risk warnings that have been sent to them by Goldman Sachs International. A copy of these risks warnings, and a glossary of certain financial terms used in this report, are available from Goldman Sachs International on request.

European Union and United Kingdom: Disclosure information in relation to Article 6 (2) of the European Commission Delegated Regulation (EU) (2016/958) supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council (including as that Delegated Regulation is implemented into United Kingdom domestic law and regulation following the United Kingdom's departure from the European Union and the European Economic Area) with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest is available at https://www.gs.com/disclosures/europeanpolicy.html which states the European Policy for Managing Conflicts of Interest in Connection with Investment Research.

Japan: Goldman Sachs Japan Co., Ltd. is a Financial Instrument Dealer registered with the Kanto Financial Bureau under registration number Kinsho 69, and a member of Japan Securities Dealers Association, Financial Futures Association of Japan Type II Financial Instruments Firms Association, and Investment Management Association of Japan. Sales and purchase of equities are subject to commission pre-determined with clients plus consumption tax. See company-specific disclosures as to any applicable disclosures required by Japanese stock exchanges, the Japanese Securities Dealers Association or the Japanese Securities Finance Company.

Ratings, coverage universe and related definitions

Buy (B), Neutral (N), Sell (S) Analysts recommend stocks as Buys or Sells for inclusion on various regional Investment Lists. Being assigned a Buy or Sell on an Investment List is determined by a stock's total return potential relative to its coverage universe. Any stock not assigned as a Buy or a Sell on an Investment List with an active rating (i.e., a stock that is not Rating Suspended, Not Rated, Early-Stage Biotech, Coverage Suspended or Not Covered), is deemed Neutral. Each region manages Regional Conviction Lists, which are selected from Buy rated stocks on the respective region's Investment Lists and represent investment recommendations focused on the size of the total return potential and/or the likelihood of the realization of the return across their respective areas of coverage. The addition or removal of stocks from such Conviction Lists are managed by the Investment Review Committee or other designated committee in each respective region and do not represent a change in the analysts' investment rating for such stocks.

Total return potential represents the upside or downside differential between the current share price and the price target, including all paid or anticipated dividends, expected during the time horizon associated with the price target. Price targets are required for all covered stocks. The total return potential, price target and associated time horizon are stated in each report adding or reiterating an Investment List membership.

Coverage Universe: A list of all stocks in each coverage universe is available by primary analyst, stock and coverage universe at https://www.gs.com/research/hedge.html.

Not Rated (NR). The investment rating, target price and earnings estimates (where relevant) are removed pursuant to Goldman Sachs policy when Goldman Sachs is acting in an advisory capacity in a merger or in a strategic transaction involving this company, when there are legal, regulatory or policy constraints due to Goldman Sachs' involvement in a transaction, and in certain other circumstances. **Early-Stage Biotech (ES).** An investment rating and a target price are not assigned pursuant to Goldman Sachs policy when this company has neither a drug, treatment or medical device that has passed a Phase II clinical trial nor a license to distribute a post-Phase II drug, treatment or medical device. **Rating Suspended (RS).** Goldman Sachs Research has suspended the investment rating and price target for this stock, because there is not a sufficient fundamental basis for determining an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock and should not be relied upon. **Coverage Suspended (CS).** Goldman Sachs has suspended coverage of this company. **Not Covered (NC).** Goldman Sachs does not cover this company.

Global product; distributing entities

Goldman Sachs Global Investment Research produces and distributes research products for clients of Goldman Sachs on a global basis. Analysts based in Goldman Sachs offices around the world produce research on industries and companies, and research on macroeconomics, currencies, commodities and portfolio strategy. This research is disseminated in Australia by Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897); in Brazil by Goldman Sachs do Brasil Corretora de Títulos e Valores Mobiliários S.A.; Public Communication Channel Goldman Sachs Brazil: 0800 727 5764 and / or contatogoldmanbrasil@gs.com. Available Weekdays (except holidays), from 9am to 6pm. Canal de Comunicação com o Público Goldman Sachs Brasil: 0800 727 5764 e/ou contatogoldmanbrasil@gs.com. Horário de funcionamento: segunda-feira à sexta-feira (exceto feriados), das 9h às 18h; in Canada by Goldman Sachs & Co. LLC; in Hong Kong by Goldman Sachs (Asia) L.L.C.; in India by Goldman Sachs (India) Securities Private Ltd.; in Japan by Goldman Sachs Japan Co., Ltd.; in the Republic of Korea by Goldman Sachs (Asia) L.L.C., Seoul Branch; in New Zealand by Goldman Sachs New Zealand Limited; in Russia by OOO Goldman Sachs; in Singapore by Goldman Sachs (Singapore) Pte. (Company Number: 198602165W); and in the United States of America by Goldman Sachs & Co. LLC. Goldman Sachs International has approved this research in connection with its distribution in the United Kingdom.

Goldman Sachs International ("GSI"), authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA, has approved this research in connection with its distribution in the United Kingdom.

European Economic Area: Goldman Sachs Bank Europe SE ("GSBE") is a credit institution incorporated in Germany and, within the Single Supervisory Mechanism, subject to direct prudential supervision by the European Central Bank and in other respects supervised by German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank and disseminates research within the European Economic Area.

General disclosures

This research is for our clients only. Other than disclosures relating to Goldman Sachs, this research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The information, opinions, estimates and forecasts contained herein are as of the date hereof and are subject to change without prior notification. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Other than certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate in the analyst's judgment.

Goldman Sachs conducts a global full-service, integrated investment banking, investment management, and brokerage business. We have investment banking and other business relationships with a substantial percentage of the companies covered by Global Investment Research. Goldman Sachs & Co. LLC, the United States broker dealer, is a member of SIPC (https://www.sipc.org).

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and principal trading desks that reflect opinions that are contrary to the opinions expressed in this research. Our asset management area, principal trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

The analysts named in this report may have from time to time discussed with our clients, including Goldman Sachs salespersons and traders, or may discuss in this report, trading strategies that reference catalysts or events that may have a near-term impact on the market price of the equity securities discussed in this report, which impact may be directionally counter to the analyst's published price target expectations for such stocks. Any such trading strategies are distinct from and do not affect the analyst's fundamental equity rating for such stocks, which rating reflects a stock's return potential relative to its coverage universe as described herein.

We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research, unless otherwise prohibited by regulation or Goldman Sachs policy.

The views attributed to third party presenters at Goldman Sachs arranged conferences, including individuals from other parts of Goldman Sachs, do not necessarily reflect those of Global Investment Research and are not an official view of Goldman Sachs.

Any third party referenced herein, including any salespeople, traders and other professionals or members of their household, may have positions in the products mentioned that are inconsistent with the views expressed by analysts named in this report.

This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Investors should review current options and futures disclosure documents which are available from Goldman Sachs sales representatives or at https://www.theocc.com/about/publications/character-risks.jsp and https://www.goldmansachs.com/disclosures/cftc_fcm_disclosures. Transaction costs may be significant in option strategies calling for multiple purchase and sales of options such as spreads. Supporting documentation will be supplied upon request.

Differing Levels of Service provided by Global Investment Research: The level and types of services provided to you by Goldman Sachs Global Investment Research may vary as compared to that provided to internal and other external clients of GS, depending on various factors including your individual preferences as to the frequency and manner of receiving communication, your risk profile and investment focus and perspective (e.g., marketwide, sector specific, long term, short term), the size and scope of your overall client relationship with GS, and legal and regulatory constraints. As an example, certain clients may request to receive notifications when research on specific securities is published, and certain clients may request that specific data underlying analysts' fundamental analysis available on our internal client websites be delivered to them electronically through data feeds or otherwise. No change to an analyst's fundamental research views (e.g., ratings, price targets, or material changes to earnings estimates for equity securities), will be communicated to any client prior to inclusion of such information in a research report broadly disseminated through electronic publication to our internal client websites or through other means, as necessary, to all clients who are entitled to receive such reports.

All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client websites. Not all research content is redistributed to our clients or available to third-party aggregators, nor is Goldman Sachs responsible for the redistribution of our research by third party aggregators. For research, models or other data related to one or more securities, markets or asset classes (including related services) that may be available to you, please contact your GS representative or go to https://research.gs.com.

Disclosure information is also available at https://www.gs.com/research/hedge.html or from Research Compliance, 200 West Street, New York, NY 10282.