Morgan Stanley | RESEARCH

IDEA

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Alibaba Group Holding | Asia Pacific

Path to 13-20% ROIC

We see a clear path to 13-20% ROIC for IaaS and MaaS – below 25-50% in the US (but comparable for the high end, MaaS) but more visible vs. peers with similar capex. With 2- to 3-year payback, higher capex should fuel better medium-term returns despite near-term earnings/FCF pressure. OW; Top Pick.

Key Takeaways

- After Tencent's capex hike (annualized Rmb200bn+), we see upside risk to Alibaba's capex – but with better visibility on ROIC, given focus on IaaS and MaaS.
- Despite lower ROIC (13-20%) vs. the US (25-50%), cash returns are at only ~30% discount, with MaaS (high end) comparable given higher token throughput.
- Higher capex should lift AliCloud's external revenue and EBITA margins nearer long-term targets of US$100bn and 20% (~50% upside to our estimate).

Following the framework laid out by our US Internet team, we introduced a similar three-part bottom-up framework to assess the potential economics of AI computing in China based on top-performing GPUs, for which demand is also strongest. **Our per-server-based analysis shows ROIC reaching 13-20% and average payback of three years across various scenarios.**

(1) Self-built GPU IaaS: This can reach ~44% operating margins, 13% ROIC, and 3.1-year cash payback based on an upfront investment of RMB8mn+ per server in our base case. This is below our US team's ~67% EBIT margin/~31% ROIC owing to much higher server prices, but partially offset by much lower IDC and energy costs.

(2) Renting capacity from neocloud providers: This generates lower margins, but effectively immediate capital return because the CSP does not fund the underlying server capex. In our base case, a monthly customer rental price of RMB250k against RMB200k monthly computing rental cost produces ~20% operating margin, without the upfront investments.

(3) MaaS offers the largest potential profit pool and margin upside: In our base case, Alibaba reaches 76% GPM, 53% operating margin and ~19% ROIC, with 2.5 years cash payback. This hinges on token throughput and level of inference. We believe Qwen and other AI labs are now below our low-end analysis because a much higher share of computing is allocated to training than inference.

Implications for Alibaba: We see attractive ROIC and margins across three scenarios to validate the heavily front-loaded capex – by virtue of Alibaba having the largest scale in AI infrastructure, high-quality cloud and proven Qwen model capability, which supports its price premium. With an increasing shift towards MaaS, we expect further margin upside from current cloud margins of 11-12%, via rising token throughput and a gradually higher level of inference in the mix with greater model efficiency and software/hardware optimization.

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Alibaba Group Holding (BABA.N, BABA UN)
Top Pick

China Internet and Other Services | China

Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	US$180.00
Up/downside to price target (%)	45
Shr price, close (Aug 14, 2026)	US$123.81
52-Week Range	US$192.67-92.87
Sh out, dil, curr (mn)	2,475
Mkt cap, curr (mn)	US$306,446
EV, curr (mn)	US$211,648
Avg daily trading value (mn)	US$291

Fiscal Year Ending	03/26	03/27e	03/28e	03/29e
EPS (Rmb)**	44.00	30.27	45.34	63.20
Prior EPS (Rmb)**	-	-	-	-
Revenue, net (Rmb bn)	1,024	1,125	1,239	1,367
Net income (Rmb bn)**	106	75	112	157
P/E**	19.7	27.6	18.4	13.2
EV/EBITDA	16.1	10.1	6.5	4.6
EV/revenue*	1.9	1.7	1.6	1.4
P/BV	2.0	1.8	1.7	1.5

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
* = GAAP or approximated based on GAAP

e = Morgan Stanley Research estimates

1. Self-owned GPU IaaS: A potential path towards 44% OP margin, 13% ROIC, and three-year payback

The first part of our framework examines the unit economics of a CSP owning and renting out an 8-GPU AI server, which points to a big part of AliCloud's current IAAS offering.

The two most important drivers here are server rental pricing (revenue) and upfront server cost: The higher pricing directly lifts revenue, while lower hardware cost both reduces depreciation and lowers capex, creating meaningful operating and ROIC leverage.

In our base case, we assume monthly rental fees of Rmb250k/server/month (for long-term rental) or US$8.5 per GPU hour with 75% utilization (for short-term rental, which also yields Rmb250k per month) and RMB8mn per server capex. Key costs flowing through are server depreciation, IDC depreciation, energy costs, and other opex (labor, maintenance, etc.), which generates 44% operating margin, 13% ROIC, and three-year cash payback.

Our base case for China is below the US team's 67% incremental EBIT margin/31% ROIC for GB300 GPU IaaS, mainly reflecting much higher server costs (close to 3x) but partly offset by much lower IDC and energy costs. The direction of our analysis is similar to that of the US – the return curve is highly convex as hardware costs decline and monetization improves. Our analysis on a three-year payback period also echoes Amazon's recent comment that "it takes a little less than three years to break even" on servers and networking equipment in its 2Q results call.

Upside to existing AliCloud margins: While we believe CSPs could show incremental 44-60% operating margins, Alibaba's existing cloud margin is still much lower at 11-12% mainly owing to incorporation of lower margin legacy/traditional cloud workloads, earlier-generation infrastructure, ramping utilization, and broader R&D/headcount expenses that are not captured in our server-level framework.

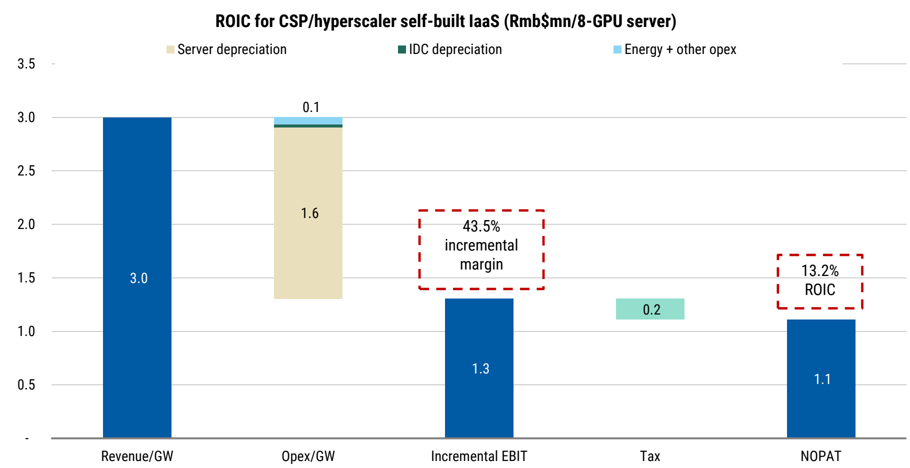
If AI computing demand remains strong and Alibaba sustains high utilization/pricing on advanced computing, we see a credible path toward materially higher incremental margins and double-digit ROIC, with upside well above our base case.

Exhibit 1: China – unit economics of self-owned GPU IaaS per server

ROIC for CSP / hyperscalers self-built IaaS (Rmb)					
Monthly server rental fee (Rmb)	350,000	300,000	250,000	200,000	150,000
Revenue	**4,200,000**	**3,600,000**	**3,000,000**	**2,400,000**	**1,800,000**
Server depreciation	2,400,000	2,000,000	1,600,000	1,200,000	800,000
IDC depreciation	26,667	26,667	26,667	26,667	26,667
Energy cost	67,392	67,392	67,392	67,392	67,392
Total opex	**2,494,059**	**2,094,059**	**1,694,059**	**1,294,059**	**894,059**
OP / EBIT	**1,705,941**	**1,505,941**	**1,305,941**	**1,105,941**	**905,941**
% margin	40.6%	41.8%	43.5%	46.1%	50.3%
Tax rate	15.0%	15.0%	15.0%	15.0%	15.0%
NOPAT	**1,450,050**	**1,280,050**	**1,110,050**	**940,050**	**770,050**
Server	12,000,000	10,000,000	8,000,000	6,000,000	4,000,000
IDC	400,000	400,000	400,000	400,000	400,000
Total capex	**12,400,000**	**10,400,000**	**8,400,000**	**6,400,000**	**4,400,000**
ROIC (NOPAT / Capex)	**11.7%**	**12.3%**	**13.2%**	**14.7%**	**17.5%**
EBITDA	4,132,608	3,532,608	2,932,608	2,332,608	1,732,608
Tax	(255,891)	(225,891)	(195,891)	(165,891)	(135,891)
Operating cash flow	3,876,717	3,306,717	2,736,717	2,166,717	1,596,717
Cash payback (yrs)	**3.20**	**3.15**	**3.07**	**2.95**	**2.76**

Source: Company data, Morgan Stanley Research estimates

Exhibit 2: CSP self-built IAAS generating 44% incremental margins and 13% ROIC



Source: Company data, Morgan Stanley Research estimates

2. Rented/neocloud IaaS: Lower margin, but no upfront capex and immediate cash generation

The second part of our framework considers a different way for Alibaba to address incremental AI computing demand: by renting the underlying servers from a neocloud/ third-party provider and re-renting that capacity to customers.

Because AliCloud does not own the server or the computing asset, there is effectively no upfront capex in this part of the framework.

The economics therefore become a spread business between the rental price charged to the end customers (revenue) and the price paid to neocloud providers for compute (cost).

In our base case, RMB250k/month customer pricing against RMB200k/month computing rental cost generates ~20% operating margin.

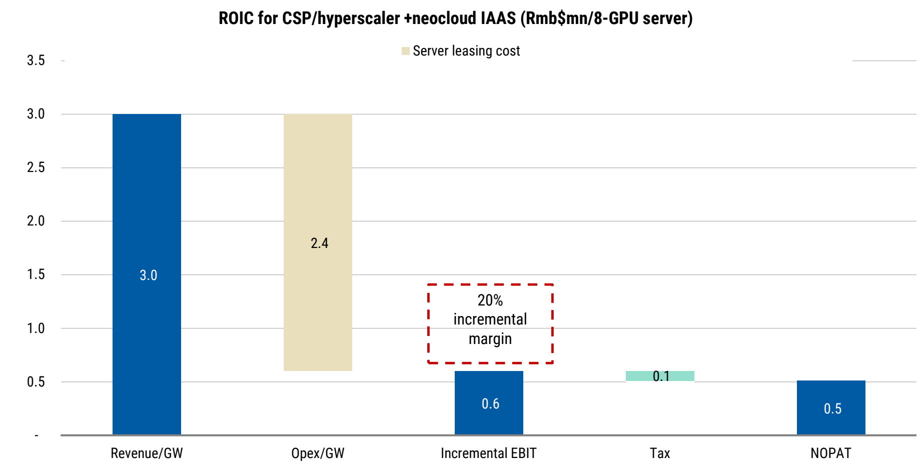
Rented capacity generates lower operating margins because the economics accrue in part to the neocloud provider. However, it offers immediate positive cash contribution once the rental spread turns positive, given no upfront server capex to recover.

Exhibit 3: Unit economic of rented/neocloud IaaS per server

ROIC for CSP / hyperscalers +neocloud IaaS (Rmb)					
Monthly server rental fee (Rmb)	200,000	225,000	250,000	275,000	300,000
Revenue	**2,400,000**	**2,700,000**	**3,000,000**	**3,300,000**	**3,600,000**
Monthly server rental cost	200,000	200,000	200,000	200,000	200,000
Server leasing cost	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Total opex	**2,400,000**	**2,400,000**	**2,400,000**	**2,400,000**	**2,400,000**
OP / EBIT	**-**	**300,000**	**600,000**	**900,000**	**1,200,000**
% margin	0.0%	11.1%	20.0%	27.3%	33.3%
Tax rate	15.0%	15.0%	15.0%	15.0%	15.0%
NOPAT	**-**	**255,000**	**510,000**	**765,000**	**1,020,000**
Server	-	-	-	-	-
IDC	-	-	-	-	-
Total capex	**-**	**-**	**-**	**-**	**-**
ROIC (NOPAT / Capex)					
EBITDA	200,000	500,000	800,000	1,100,000	1,400,000
Tax	-	(45,000)	(90,000)	(135,000)	(180,000)
Operating cash flow	200,000	455,000	710,000	965,000	1,220,000
Cash payback (yrs)	**-**	**-**	**-**	**-**	**-**

Source: Company data, Morgan Stanley Research estimates

Exhibit 4: CSP Rented/neocloud IaaS generates 20% EBIT margin with no upfront costs



Source: Company data, Morgan Stanley Research estimates

3. Self-built MaaS: The highest margin potential—and the greatest sensitivity to inference mix, throughput and pricing

The third part of our framework moves one layer higher in the AI stack, with CSPs/model providers monetizing owned computing infrastructure and generatinge revenue through model APIs/MaaS.

The key drivers are (1) token throughput per GPU, (2) inference vs. training workload mix, and (3) token pricing.

In our base case, we assume 4,000 tokens/sec/GPU, 50% inference in the mix, and Rmb9.5/mn blended token pricing.

These drivers compound – higher throughput and inference mix increase monetizable token volume, while higher token pricing increases revenue per token. Training generates no direct revenue but remains essential for model improvement.

Our base case generates 76%+ gross margin, 53% operating margin, 19% ROIC and 2.5-year payback—the highest margin potential across the three parts of our framework. However, outcomes vary widely: training-heavy, low-throughput workloads can remain loss-making, while improving proportion of inference and model efficiency can drive significant operating leverage from the same investment base.

Implications for Alibaba Cloud/Qwen: We believe Alibaba and many AI labs remain closer to the low end of this framework today, given substantial computing allocation towards training to improve model intelligence. While higher model intelligence results in better token pricing (revenue), greater model efficiency results in higher token throughput (volume). However, it is difficult to achieve the best of both worlds.

Token pricing is increasingly dynamic, as illustrated by recent price increases from Zhipu, Kimi, and DeepSeek, although pricing alone is less important than revenue per unit of computing: a lower-priced model with materially higher throughput and usage can generate better economics than a premium-priced but computing-intensive model.

Alibaba's increasing shift towards MaaS: Alibaba expects AI to reach ~50% of crevenue within this year, with MaaS becoming an increasingly important monetization driver. Management targets RMB10bn+ MaaS ARR by end-June and Rmb30bn+ by year-end. We expect cloud margins to benefit from the increase of MaaS in the revenue mix, while the established Alibaba Token Hub in March continues to support its MaaS focus.

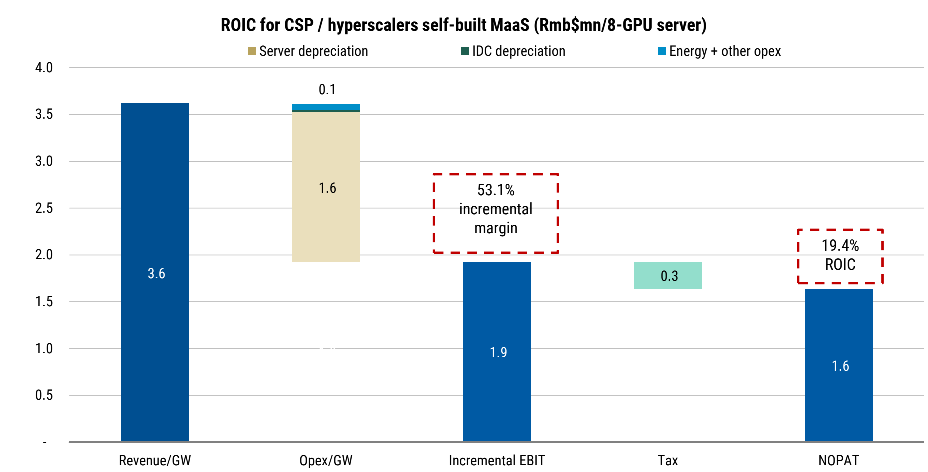
If Alibaba achieves its RMB30bn+ MaaS ARR target while increasing token throughput and shifting more computing from training toward inference, we see a credible path toward our 53% operating margin/19% ROIC base case—potentially the largest delta between Alibaba Cloud's current profitability and the longer-term earnings power of its AI infrastructure.

Exhibit 5: Unit economics of a self-built MaaS in China per server

ROIC for CSP / hyperscalers self-built MaaS (Rmb)					
Token throughput (token / second / GPU)	2,000	3,000	4,000	4,500	5,000
Inference vs training workload	30.0%	40.0%	50.0%	60.0%	70.0%
Utilization rate	75.0%	75.0%	75.0%	75.0%	75.0%
Revenue generating tokens (mn)	**113,530**	**227,059**	**378,432**	**510,883**	**662,256**
Input	4.00	5.50	7.00	8.50	10.00
Input (KV Cache)	0.40	0.55	0.70	0.85	1.00
Output	12.00	16.50	21.00	25.50	30.00
Blended (Rmb/mn)	**5.46**	**7.51**	**9.56**	**11.60**	**13.65**
Blended (US$/mn)	**0.81**	**1.11**	**1.42**	**1.72**	**2.02**
Revenue	**619,872**	**1,704,647**	**3,615,918**	**5,927,522**	**9,039,794**
Server depreciation	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
IDC depreciation	26,667	26,667	26,667	26,667	26,667
Energy cost	67,392	67,392	67,392	67,392	67,392
Total cost and opex	**1,694,059**	**1,694,059**	**1,694,059**	**1,694,059**	**1,694,059**
Inference cost	508,218	677,623	847,029	1,016,435	1,185,841
Gross profit	**111,654**	**1,027,023**	**2,768,888**	**4,911,087**	**7,853,953**
% margin	18.0%	60.2%	76.6%	82.9%	86.9%
Training cost	1,185,841	1,016,435	847,029	677,623	508,218
OP / EBIT	**(1,074,187)**	**10,588**	**1,921,859**	**4,233,464**	**7,345,736**
% margin	-173.3%	0.6%	53.1%	71.4%	81.3%
Tax rate	15.0%	15.0%	15.0%	15.0%	15.0%
NOPAT	**(913,059)**	**9,000**	**1,633,580**	**3,598,444**	**6,243,875**
Server	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
IDC	400,000	400,000	400,000	400,000	400,000
Total capex	**8,400,000**	**8,400,000**	**8,400,000**	**8,400,000**	**8,400,000**
ROIC (NOPAT / Capex)	**-10.9%**	**0.1%**	**19.4%**	**42.8%**	**74.3%**
EBITDA	552,480	1,637,255	3,548,526	5,860,130	8,972,402
Tax	161,128	(1,588)	(288,279)	(635,020)	(1,101,860)
Operating cash flow	713,608	1,635,667	3,260,247	5,225,111	7,870,542
Cash payback (yrs)	**11.77**	**5.14**	**2.58**	**1.61**	**1.07**

Source: Company data, Morgan Stanley Research estimates

Exhibit 6: In China, a CSP's self-built MaaS generates 53% EBIT margin and 19% ROIC…



Source: Company data, Morgan Stanley Research estimates

China vs. US: Higher hardware cost remains the key ROIC gap

1. Self-built IaaS

Similar revenue/GW, but China's margins and ROIC are constrained by higher computing/server costs.

Our base case for China generates revenue/GW broadly similar to the US.

However, China's per server NOPAT of US8.4bn is lower than the US's RMb12.1bn: This primarily reflecting much higher capex, server depreciation costs, partly offset by China's lower IDC and energy costs.

- **Consequently, China's ROIC of 13% is much lower than the US's 31%...**
- **...owing to much greater-front loaded capex...**
- **...and a slightly longer payback period of 3.1 years vs. 2.2 years in the US.**

Exhibit 7: China vs US: ROIC for CSP/hyperscaler self-built IAAS

ROIC for CSP/hyperscaler self-built IaaS	China	US
	US$ mn per GW per year	US$ mn per GW per year
Rental pricing	22,792	30,548
Revenue	**22,792**	**22,911**
Server depreciation	12,156	4,600
IDC depreciation	200	1,067
Energy cost	519	1,900
Total opex	**12,875**	**7,567**
OP / EBIT	**9,917**	**15,344**
% margin	43.5%	67.0%
Tax rate	15.0%	21.0%
NOPAT	**8,430**	**12,122**
Server	60,779	23,000
IDC	3,000	16,000
Total capex	**63,779**	**39,000**
ROIC (NOPAT / Capex)	**13.2%**	**31.1%**
EBITDA	22,273	21,011
Tax	(1,488)	(3,222)
Operating cash flow	20,785	17,788
Cash payback (yrs)	**3.1**	**2.2**

Source: Company data, Morgan Stanley Research estimates

2. Self-built Maas

China has higher token throughput, but lower level of inference in the mix and

higher server costs drive a wider ROIC gap.

China's revenue/GW is lower: This reflects a lower level of inference in the mix at 50% vs. the US at 65% (with the US having a higher adoption rate), though we estimate that China has a higher token throughput of 3,000 TPS/GPU vs. the US's 2,750 (with China having smaller models, more extensive use of MoE/attention mechanism, higher KV cache, et.c).

China's effective token pricing is also lower given generally smaller models and a competitive pricing environment.

The more significant difference remains the cost base: Similar to self-built IAAS, with China incurring much higher capex and depreciation costs.

The results are:

- **incremental NOPAT in China of US$12.4bn vs. the US's NOPAT US18bn, reaching 70% of the US;**
- **China's ROIC at 19.5% vs. the US's 46.2%; and**
- **Cash payback in China of 2.6 years vs. the US's 1.6 years.**

For China, we see lower computing hardware cost, more efficient model iteration, and a greater shift from training toward revenue-generating inference closing the unit economics gap.

Exhibit 8: China vs. US: ROIC for CSP/hyperscaler MaaS (1P)

ROIC for CSP/hyperscaler MaaS (1P)	China	US
	US$ mn per GW per year	US$ mn per GW per year
Token throughput (token / second / GPU)	4,000	2,750
Inference vs training workload	50.0%	65.0%
Utilization rate	75.0%	75.0%
Revenue generating tokens (tn)	**19,407**	**17,345**
Effective pricing (US$/ Mn token)	1.42	1.75
Revenue	**27,471**	**30,353**
Server depreciation	12,156	4,600
IDC depreciation	200	1,067
Energy cost	519	1,900
Total opex	**12,875**	**7,567**
OP / EBIT	**14,596**	**22,787**
% margin	53.1%	75.1%
Tax rate	15.0%	21.0%
NOPAT	**12,407**	**18,001**
Server	60,779	23,000
IDC	3,000	16,000
Total capex	**63,779**	**39,000**
ROIC (NOPAT / Capex)	**19.5%**	**46.2%**
EBITDA	26,952	28,453
Tax	(2,189)	(4,785)
Operating cash flow	24,763	23,668
Cash payback (yrs)	**2.6**	**1.6**

Source: Company data, Morgan Stanley Research estimates

Valuation Methodology and Risks

Alibaba Group Holding (BABA.N)

Base case, discounted cash flow model. Key assumptions include a 10% WACC and 3% terminal growth rate, in line with our Chinese Internet coverage range.

Risks to Upside

- Better core e-commerce monetization, driving earnings growth upside
- Faster enterprise digitalization, re-accelerating cloud revenue growth
- Stronger AI demand to drive cloud revenue

Risks to Downside

- More intense competition
- Higher-than-expected reinvestment costs
- Weaker consumption amid a slower post-Covid recovery
- Slower pace of enterprise digitalization pace
- Regulation - additional scrutiny of Internet platforms

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Within the last 12 months, Morgan Stanley has received compensation for investment banking services from **Alibaba Group Holding**, Bilibili Inc, Meituan, Tencent Holdings Ltd..

In the next 3 months, Morgan Stanley expects to receive or intends to seek compensation for investment banking services from **Alibaba Group Holding**, Autohome Inc, Baidu Inc, Bilibili Inc, Full Truck Alliance Co. Ltd, IQIYI Inc, JD.com, Inc., JOYY Inc., Kanzhun Ltd, KE Holdings Inc, Kuaishou Technology, Meituan, NetEase, Inc, PDD Holdings Inc, Tencent Holdings Ltd., Tongcheng Travel Holdings, Trip.com Group Ltd, Vipshop Holdings Ltd, Weibo Corp.

Within the last 12 months, Morgan Stanley has received compensation for products and services other than investment banking services from **Alibaba Group Holding**, Baidu Inc, Bilibili Inc, Full Truck Alliance Co. Ltd, HUYA Inc, JOYY Inc., Kanzhun Ltd, KE Holdings Inc, Meituan, NetEase, Inc, Tencent Holdings Ltd., Tongcheng Travel Holdings, Trip.com Group Ltd, Vipshop Holdings Ltd, Weibo Corp.

Within the last 12 months, Morgan Stanley has provided or is providing investment banking services to, or has an investment banking client relationship with, the following company: **Alibaba Group Holding**, Autohome Inc, Baidu Inc, Bilibili Inc, Full Truck Alliance Co. Ltd, IQIYI Inc, JD.com, Inc., JOYY Inc., Kanzhun Ltd, KE Holdings Inc, Kuaishou Technology, Meituan, NetEase, Inc, PDD Holdings Inc, Tencent Holdings Ltd., Tongcheng Travel Holdings, Trip.com Group Ltd, Vipshop Holdings Ltd, Weibo Corp.

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Morgan Stanley & Co. LLC makes a market in the securities of Autohome Inc, IQIYI Inc, JOYY Inc., NetEase, Inc, Weibo Corp.

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Global Stock Ratings Distribution

(as of July 31, 2026)

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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1529	42%	442	47%	29%	750	43%
Equal-weight/Hold	1582	43%	396	42%	25%	773	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	560	15%	97	10%	17%	217	12%
Total	3,674		936			1741	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

Analyst Stock Ratings

Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

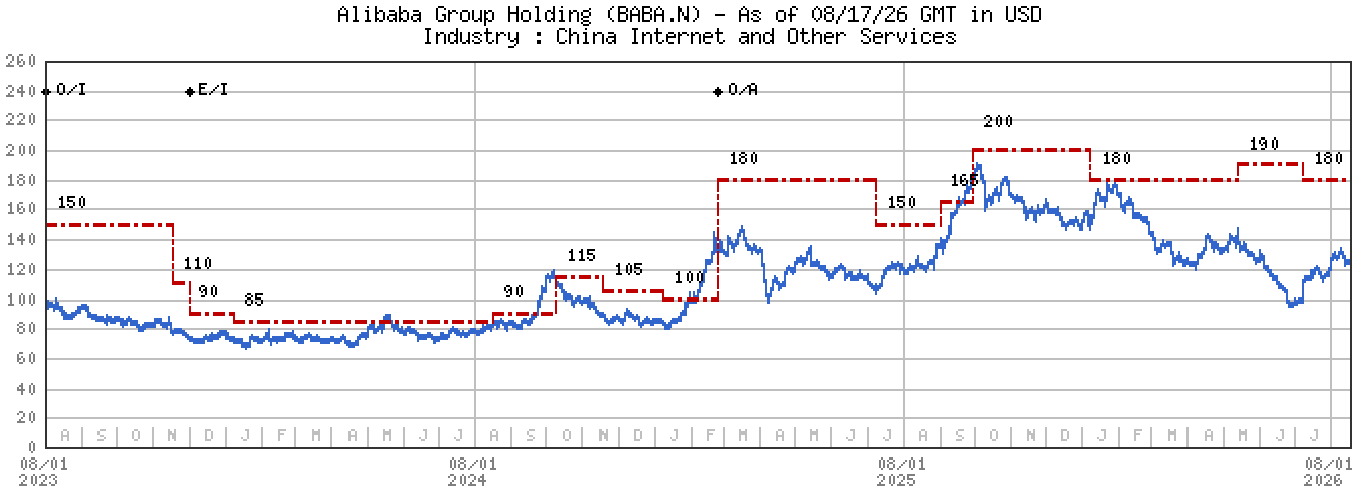
Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 8/1/21 : O/A; 9/20/21 : O/I; 12/1/23 : E/I; 2/24/25 : O/A

Price Target History: 7/6/21 : 270; 9/20/21 : 220; 11/19/21 : 180; 1/8/22 : 165; 2/25/22 : 145; 3/21/22 : 140; 9/29/22 : 110; 10/28/22 : 90; 11/18/22 : 100; 1/9/23 : 150; 11/17/23 : 110; 12/1/23 : 90; 1/8/24 : 85; 8/16/24 : 90; 10/9/24 : 115; 11/18/24 : 105; 1/9/25 : 100; 2/24/25 : 180; 7/9/25 : 150; 9/1/25 : 165; 9/29/25 : 200; 1/8/26 : 180; 5/14/26 : 190; 7/8/26 : 180

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

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INDUSTRY COVERAGE: China Internet and Other Services

COMPANY (TICKER)	RATING (AS OF)	PRICE* (08/14/2026)
Eddy Wang, CFA		
Autohome Inc (ATHM.N)	E (02/09/2023)	US$22.67
Full Truck Alliance Co. Ltd (YMM.N)	O (07/05/2023)	US$8.81
JD.com, Inc. (JD.O)	U (11/10/2025)	US$29.06
Kanzhun Ltd (BZ.O)	O (08/04/2021)	US$15.51
KE Holdings Inc (BEKE.N)	O (03/16/2022)	US$17.01
PDD Holdings Inc (PDD.O)	O (03/02/2023)	US$84.79
Vipshop Holdings Ltd (VIPS.N)	E (02/24/2022)	US$14.18
Gary Yu		
Alibaba Group Holding (BABA.N)	O (02/24/2025)	US$123.81
Baidu Inc (BIDU.O)	E (05/17/2024)	US$103.67
Meituan (3690.HK)	O (08/29/2024)	HK$87.65
Tencent Holdings Ltd. (0700.HK)	O (03/19/2020)	HK$446.40
Rebecca Xu		
HUYA Inc (HUYA.N)	E (05/16/2024)	US$2.30
IQIYI Inc (IQ.O)	E (01/19/2023)	US$1.35
JOYY Inc. (JOYY.O)	E (06/02/2022)	US$73.02
Weibo Corp (WB.O)	U (05/17/2024)	US$7.67
Yang Liu		
Bilibili Inc (BILI.O)	O (04/13/2026)	US$17.44
Kuaishou Technology (1024.HK)	O (05/26/2026)	HK$40.08
NetEase, Inc (NTES.O)	O (01/08/2025)	US$125.12
Tongcheng Travel Holdings (0780.HK)	O (01/04/2019)	HK$13.50
Trip.com Group Ltd (TCOM.O)	O (05/17/2021)	US$44.98

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* Historical prices are not split adjusted.