Goldman Sachs Research

Equity Research

21 August 2026 | 1:53AM HKT

Alibaba Group (BABA)

1QFY27 review: Cloud acceleration with high AI capex ROIC visibility; EPS inflection; Buy

BABA	12m Price Target: **$186.00**	Price: **$128.90**	Upside: **44.3%**
9988.HK	12m Price Target: **HK$180.00**	Price: **HK$126.20**	Upside: **42.6%**

We summarize Alibaba's 1QFY27 results (our first take, broadly in-line) around a few key themes: **1) AI capex ROIC visibility prompts elevated spending, despite near-term FCF outflow:** where management highlighted AI capex spend payback is currently within three years or shorter on ROIC metrics. While June quarter capex came in above-expectations (at Rmb68bn vs. Tencent at Rmb53bn) partly on quarterly fluctuations in payment/procurement cycles, we lift FY27E/28E capex estimates to Rmb210bn/240bn (prior: Rmb178bn/194bn) on strong AI demand/favorable ROIC that prompts elevated spending, **2) Alibaba Cloud growth to further accelerate** from 45% in the June quarter (that came in-line, with triple-digit growth of AI-related revenues for the twelfth quarter), where we estimate 50%/52% growth for Sep/Dec quarters (GSe prior: 46%/46%) with margin upside on expanding gross margins from AI revenues (MaaS reached US$2.4bn ARR by Aug 2026), **3) Improving efficiencies at its AI Labs & Applications** (new segmental disclosure, with segment losses to peak in June quarter) on the back of narrower Qwen app losses; while Qwen models & QwenWork investments will continue; and **4) Steady profit outlook for its traditional eCommerce business** (sequential slightly better CMR growth for Sep quarter vs. June quarter) and improving unit economics of quick commerce to drive group profit inflection and provide stable cashflow in supporting the group's AI investments. We lift our FY27E-FY29E adj. EPS by 1-8% on higher cloud profits/increased investment discipline (Qwen app) and keep our SOTP-based 12-month target prices at US$186/HK$180 unchanged.

We believe Alibaba's results have delivered (vs. our what to expect report) upon positive developments around cloud growth being a bright spot, higher certainty on ROIC despite capex uplift, inflection in EPS growth (from Sep-quarter) with improving quick commerce UE (with halving of losses for FY27E/28E and profit turnaround by

BUY

Ronald Keung, CFA
+852-2978-0856 | ronald.keung@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.

Key Data

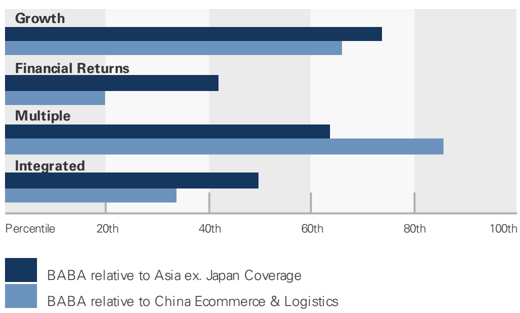
Market cap: $309.4bn
Enterprise value: $316.2bn
3m ADTV: $1.3bn
China
China Ecommerce & Logistics
M&A Rank: 3
Leases incl. in net debt & EV?: No

GS Forecast

	3/26	3/27E	3/28E	3/29E
Revenue (Rmb mn) New	**1,023,670.0**	**1,116,372.5**	**1,235,411.8**	**1,374,081.8**
Revenue (Rmb mn) Old	1,023,670.0	1,123,967.8	1,225,114.5	1,365,724.2
EBITDA (Rmb mn)	113,483.0	166,137.7	248,260.9	321,796.7
EPS (Rmb) New	**27.36**	**44.99**	**59.86**	**81.48**
EPS (Rmb) Old	27.36	41.73	55.98	80.76
P/E (X)	36.5	19.3	14.5	10.7
P/B (X)	2.2	1.8	1.7	1.5
Dividend yield (%)	1.4	1.8	2.0	2.2
CROCI (%)	3.2	9.6	13.4	15.9

	6/26	9/26E	12/26E	3/27E
EPS (Rmb)	8.52	10.65	14.96	10.85

GS Factor Profile



Source: Company data, Goldman Sachs Research estimates. See disclosures for details.

BUY

Alibaba Group (BABA)

Rating since May 8, 2015

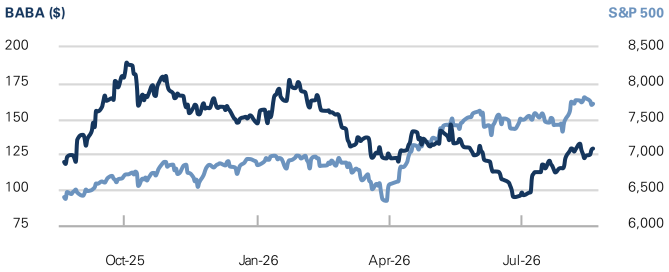
Ratios & Valuation

	3/26	3/27E	3/28E	3/29E
P/E (X)	36.5	19.3	14.5	10.7
P/B (X)	2.2	1.8	1.7	1.5
FCF yield (%)	(2.3)	(5.3)	(1.9)	2.4
EV/EBITDAR (X)	19.6	12.0	8.0	6.0
EV/EBITDA (excl. leases) (X)	19.6	12.0	8.0	6.0
CROCI (%)	3.2	9.6	13.4	15.9
ROE (%)	5.9	9.7	11.8	13.8
Net debt/equity (%)	(12.1)	(2.0)	1.5	(1.4)
Net debt/equity (excl. leases) (%)	(12.1)	(2.0)	1.5	(1.4)
Interest cover (X)	7.3	10.6	14.8	35.3
Days inventory outst, sales	0.0	0.0	0.0	0.0
Receivable days	–	–	–	–
Days payable outstanding	212.4	199.6	175.6	169.7
DuPont ROE (%)	5.4	8.9	10.8	12.6
Turnover (X)	0.5	0.6	0.6	0.6
Leverage (X)	1.7	1.6	1.6	1.6
Gross cash invested (ex cash) (Rmb)	1,413,256.0	1,629,615.6	1,843,061.5	2,049,718.3
Average capital employed (Rmb)	1,120,784.0	1,228,455.6	1,375,477.5	1,485,115.2
BVPS (Rmb)	451.04	473.14	520.21	587.63

Growth & Margins (%)

	3/26	3/27E	3/28E	3/29E
Total revenue growth	2.7	9.1	10.7	11.2
EBITDA growth	(43.9)	46.4	49.4	29.6
EPS growth	(58.4)	64.4	33.1	36.1
DPS growth	NM	NM	NM	NM
EBIT margin	7.0	10.0	12.6	14.2
EBITDA margin	11.1	14.9	20.1	23.4
Net income margin	5.9	9.4	11.1	12.7

Price Performance



	3m	6m	12m
Absolute	(5.0)%	(16.4)%	7.4%
Rel. to the S&P 500	(9.3)%	(25.6)%	(10.6)%

Source: FactSet. Price as of 19 Aug 2026 close.

Income Statement (Rmb mn)

	3/26	3/27E	3/28E	3/29E
Total revenue	1,023,670.0	1,116,372.5	1,235,411.8	1,374,081.8
Cost of goods sold	(614,113.0)	(653,077.9)	(730,128.4)	(809,334.2)
SG&A	(271,323.0)	(263,276.8)	(283,267.6)	(304,699.3)
R&D	(60,517.0)	(77,620.3)	(59,219.4)	(63,676.1)
Other operating inc./(exp.)	35,766.0	43,740.2	85,464.4	125,424.5
EBITDA	**113,483.0**	**166,137.7**	**248,260.9**	**321,796.7**
Depreciation & amortization	(42,146.0)	(54,787.7)	(92,295.0)	(126,272.4)
EBIT	**71,337.0**	**111,350.0**	**155,965.8**	**195,524.3**
Net interest inc./(exp.)	77,719.0	5,891.8	(6,566.4)	938.7
Income/(loss) from associates	–	–	–	–
Pre-tax profit	**89,238.0**	**136,161.1**	**163,218.4**	**207,725.6**
Provision for taxes	(30,045.0)	(32,186.9)	(27,846.2)	(42,321.5)
Minority interest	1,465.0	1,214.8	1,576.5	9,618.5
Preferred dividends	–	–	–	–
Net inc. (pre-exceptionals)	**60,658.0**	**105,189.0**	**136,948.7**	**175,022.6**
Post-tax exceptionals	42,934.0	(23,915.3)	(17,254.7)	(7,001.5)
Net inc. (post-exceptionals)	**103,592.0**	**81,273.7**	**119,694.0**	**168,021.1**
EPS (basic, pre-except) (Rmb)	**26.44**	**47.02**	**62.46**	**81.05**
EPS (diluted, pre-except) (Rmb)	**25.79**	**44.68**	**59.35**	**77.40**
EPS (basic, post-except) (Rmb)	**45.15**	**36.33**	**54.59**	**77.80**
EPS (diluted, post-except) (Rmb)	**44.04**	**34.52**	**51.88**	**74.31**
DPS (Rmb)	–	–	–	–
Div. payout ratio (%)	0.0	0.0	0.0	0.0

Balance Sheet (Rmb mn)

	3/26	3/27E	3/28E	3/29E
Cash & cash equivalents	173,568.0	68,781.2	34,761.0	74,628.9
Accounts receivable	–	–	–	–
Inventory	1.0	1.0	1.0	1.0
Other current assets	437,200.0	453,178.8	484,775.9	517,256.8
Total current assets	**610,769.0**	**521,961.0**	**519,537.8**	**591,886.7**
Net PP&E	282,699.0	399,861.2	506,435.4	589,530.7
Net intangibles	264,361.0	260,319.0	256,305.2	254,863.0
Total investments	656,745.0	660,468.0	664,191.0	667,914.0
Other long-term assets	94,996.0	98,613.2	106,317.0	116,353.4
Total assets	**1,909,570.0**	**1,941,222.4**	**2,052,786.5**	**2,220,547.8**
Accounts payable	370,523.0	343,841.9	358,668.5	394,018.6
Short-term debt	28,224.0	25,500.1	28,116.1	28,678.4
Short-term lease liabilities	–	–	–	–
Other current liabilities	77,651.0	75,582.3	77,485.2	79,607.7
Total current liabilities	**476,398.0**	**444,924.2**	**464,269.8**	**502,304.6**
Long-term debt	164,935.0	174,982.2	180,880.7	182,148.5
Long-term lease liabilities	–	–	–	–
Other long-term liabilities	141,967.0	141,967.0	141,967.0	141,967.0
Total long-term liabilities	**306,902.0**	**316,949.2**	**322,847.7**	**324,115.5**
Total liabilities	**783,300.0**	**761,873.4**	**787,117.5**	**826,420.2**
Preferred shares	–	–	–	–
Total common equity	1,060,886.0	1,113,965.0	1,200,285.0	1,328,743.6
Minority interest	**65,384.0**	**65,384.0**	**65,384.0**	**65,384.0**
Total liabilities & equity	**1,909,570.0**	**1,941,222.4**	**2,052,786.5**	**2,220,547.8**
Net debt, adjusted	(135,719.0)	(23,608.9)	18,925.8	(19,112.0)

Cash Flow (Rmb mn)

	3/26	3/27E	3/28E	3/29E
Net income	103,592.0	81,273.7	119,694.0	168,021.1
D&A add-back	47,118.0	54,787.7	92,295.0	126,272.4
Minority interest add-back	(1,465.0)	(1,214.8)	(1,576.5)	(9,618.5)
Net (inc)/dec working capital	(22,547.0)	(48,345.9)	(22,571.3)	(5,044.8)
Other operating cash flow	(54,489.0)	16,261.6	16,992.3	25,390.7
Cash flow from operations	**72,209.0**	**102,762.4**	**204,833.6**	**305,020.8**
Capital expenditures	(126,063.0)	(208,761.7)	(242,140.7)	(258,327.4)
Acquisitions	(3,723.0)	(3,723.0)	(3,723.0)	(3,723.0)
Divestitures	5,627.0	–	–	–
Others	57,697.0	–	–	–
Cash flow from investing	**(67,336.0)**	**(171,631.0)**	**(198,578.4)**	**(211,648.4)**
Repayment of lease liabilities	–	–	–	–
Dividends paid (common & pref)	349.0	–	–	–
Inc/(dec) in debt	5,770.0	7,323.3	8,514.5	1,830.1
Other financing cash flows	(26,692.0)	(43,241.5)	(48,789.8)	(55,334.6)
Cash flow from financing	**(20,573.0)**	**(35,918.2)**	**(40,275.3)**	**(53,504.5)**
Total cash flow	**(15,700.0)**	**(104,786.8)**	**(34,020.2)**	**39,867.9**
Free cash flow	(53,854.0)	(105,999.3)	(37,307.1)	46,693.4

Source: Company data, Goldman Sachs Research estimates.

FY29E being on track) and with increased disclosures that we expect to drive higher appreciation of Alibaba's SOTP framework around Cloud + T-Head and AI models/applications. We continue to expect Alibaba to deliver a solid EPS recovery of +64%/+33% yoy for FY27E/FY28E (with strong inflection from Sep quarter), to be driven by continued leadership in its AI + Cloud business in China with further acceleration in cloud growth and a recovery in overall eCommerce profits with narrowing quick commerce losses. Maintain Buy.

We highlight key investor focuses and our thoughts around:

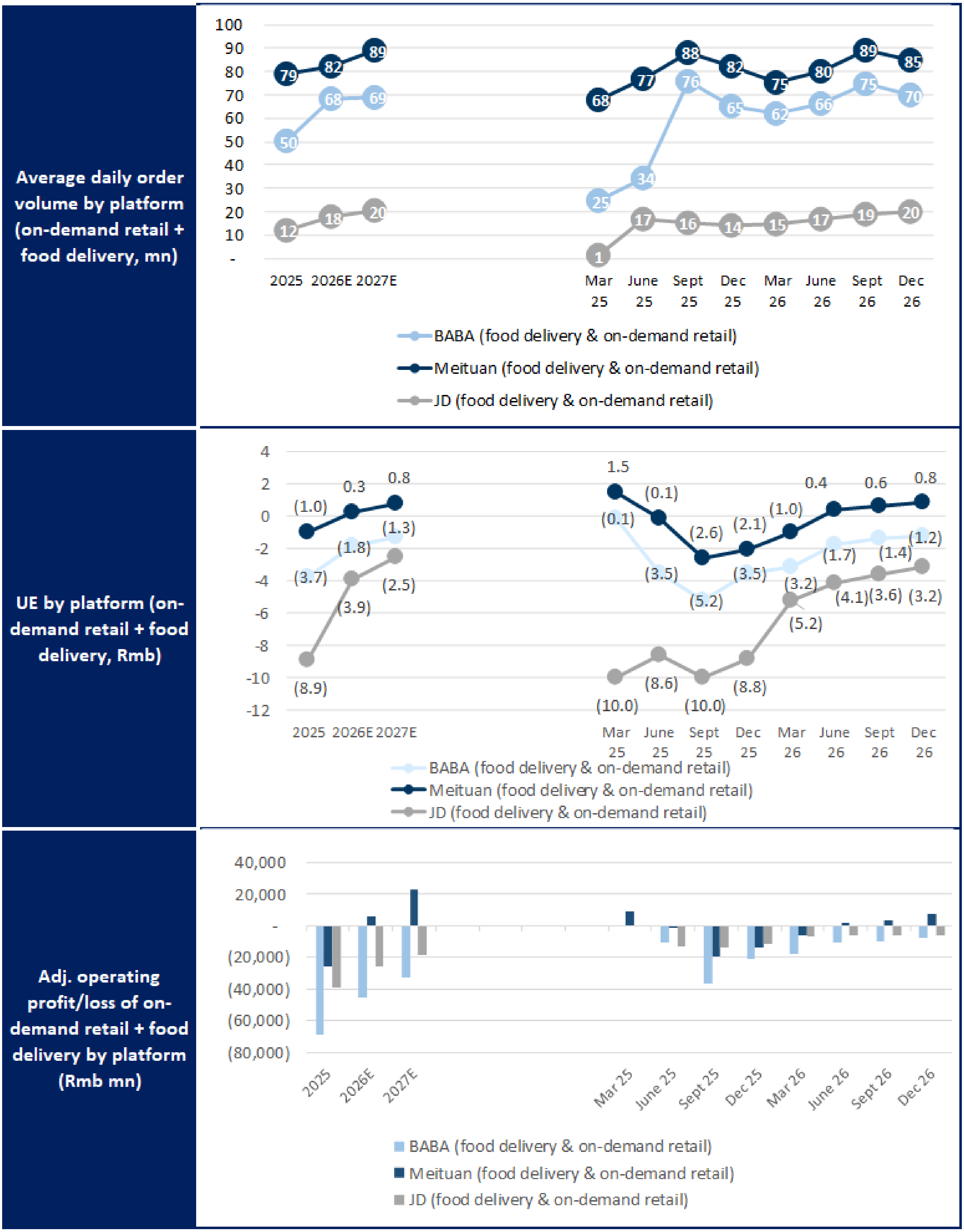
1) AI capex payback vs. elevated capex/funding: While quarterly capex increased to Rmb68bn (vs. Rmb26.9bn in Mar quarter), management attributed the higher capex to procurement timing, higher CPU investments amid rising agent demand and component cost inflation, while noted FY27 capex should not be linearly annualized given the front-loaded nature of AI infrastructure investments/procurement cycle/payment terms etc. Based on current AI product economics, the company sees a favorable 3 year payback period (with potential improvement toward 2-2.5 years through higher AI gross margins/utilization/self-developed T-Head chip adoption), and highlighted attractive long-term ROIC potential and that it could sustain 40%+ cloud revenue growth rates to reach its 5-year US$100bn AI + Cloud revenue targets. We lift our capex estimates to Rmb210bn/240bn in FY27E/FY28E (prior: 178bn/194bn), with capex to be partly funded by improving core business cash flow generation, cloud profits and net cash on-hand.

2) Drivers of further cloud growth acceleration/pace of margin ramp-up towards medium-term 20%: Management remained confident in further cloud growth acceleration (with Sep qtr growth expected to exceed 50%) and continued EBITA margin expansion over the coming quarters, driven by rising AI-related revenue contribution (35% of external cloud revenue in Jun qtr; targeting 50% by FY27E), rapid MaaS monetization (MaaS ARR exceeding Rmb16bn as of Aug and on track for >Rmb30bn by year-end) and improving pricing dynamics under a tight compute environment. The company also sees a thriving open-source/open weight model ecosystem as positive for Alibaba Cloud's Bailian MaaS platform, where gross margins are similar between housing open-source and Qwen models. Longer term, management remains confident in achieving cloud EBITA margins at/above 20% (potentially ahead of its original timeline), where it viewed T-Head as a key growth/margin driver (with 1st gen AI chips already commercialized via M890 super-node offerings and 2nd gen products expected to support large scale foundation model training). We continue to see Alibaba's full-stack AI cloud infrastructure platform as well positioned to capture value across compute/infra/model/application layers. We expect overall cloud revenue to accelerate to 50%/50% and cloud margin to improve to 12.2%/12.6% in Sep quarter/FY27E vs. the company's long-term target of 20% margin.

3) Improving efficiencies at its AI Labs & Applications (new segmental disclosure, with segment losses to peak in Jun quarter), where current revenue growth (at +16% yoy, slower than independent AI labs) remains primarily driven by traditional products such as Quark and DingTalk, while continued investments into Qwen models and QwenWork (which differentiates in leveraging cloud infra/DingTalk distribution channel & enterprise customer base) are expected to bring higher revenue contribution from AI-native products over time. On the profitability side, management expected quarterly loss to trend lower on improving training efficiency, more disciplined Qwen App spending and growing monetization into personal/enterprise productivity applications. We expect further accelerating AI labs & applications revenue growth of +22%/+24% in Sep qrt/FY27E, and adj. EBITA loss of Rmb-12.3bn/-51bn.

4) Improving profit outlook for its combined E-commerce Group, where management expected sequential improvement in both CMR growth and eCommerce EBITA into the Sep qrt (vs. +1% comparable CMR growth and stable traditional eCommerce EBITA in Jun qtr), amid still challenging macro backdrop. Quick commerce continued to deliver improving UE through higher AOV and fulfillment efficiency while maintaining solid order growth, with Sep qtr losses expected to remain stable or narrow sequentially despite weather-related fulfillment pressure and FY29 profitability target unchanged. We also note deeper integration of Freshippo and Taobao Instant Commerce, with non-food categories and front-warehouse expansion emerging as incremental growth drivers. We expect CMR growth of -5%/-5% in 2QFY27E/FY27E, on the back of the macro consumption backdrop and merchant rebate policy. We estimate quick commerce loss to narrow further to Rmb-9.7bn in the Sep quarter, driven by both operating efficiency improvement and AOV increase.

Exhibit 1: Food delivery + instant shopping comparisons between Meituan, Alibaba and JD (GS estimates)



Source: Goldman Sachs Global Investment Research

Exhibit 2: Alibaba by segment performance and our estimates

By segment (Rmb mn)	FY27E	FY28E	FY29E	1QFY26	1QFY27	2QFY27E	3QFY27E	4QFY27E
Group revenue	1,116,372	1,235,412	1,374,082	247,652	268,953	269,679	309,629	268,112
yoy %	*9%*	*11%*	*11%*	*2%*	*9%*	*9%*	*9%*	*10%*
Group EBITA	123,995	159,381	196,372	38,844	27,329	27,356	40,081	29,230
EBITA margin %	11%	13%	14%	16%	10%	10%	13%	11%
yoy %	***62%***	***29%***	***23%***	***-14%***	***-30%***	***202%***	***71%***	***473%***
Adj. net profit attributable to shareholders	105,917	138,115	184,231	35,291	20,583	24,887	35,282	25,048
Adj. net margin %	9%	11%	13%	14%	8%	9%	11%	9%
yoy %	***65%***	***30%***	***33%***	***-12%***	***-42%***	***138%***	***106%***	***1563%***
Non-gaap EPS (Rmb)	44.99	59.86	81.48	14.75	8.52	10.65	14.96	10.85
yoy %	***64%***	***33%***	***36%***	***-10%***	***-42%***	***144%***	***111%***	***1640%***
By Business group								
E-commerce group								
Domestic GMV (GSe)	8,434	8,586	8,672	2,208	2,217	1,981	2,433	1,802
yoy %	*1%*	*2%*	*1%*	*5%*	*0%*	*2%*	*2%*	*2%*
E-commerce business group revenue	845,279	877,468	909,940	198,812	205,862	203,935	238,428	197,053
yoy %*	1%	4%	4%		4%	0%	1%	1%
Customer management revenue (CMR)	325,284	332,067	340,105	89,199	82,547	75,203	97,100	70,434
yoy %	*-5%*	*2%*	*2%*	*10%*	*-7%*	*-5%*	*-5%*	*-4%*
E-commerce business group EBITA	162,748	177,248	194,727	39,988	39,749	37,116	48,639	37,243
EBITA margin %	19.3%	20.2%	21.4%	20.1%	19.3%	18.2%	20.4%	18.9%
yoy %	*45%*	*9%*	*10%*		*-1%*	*239%*	*35%*	*49%*
E-commerce EBITA excl. Quick Commerce	195,734	194,021	193,604	50,923	50,131	46,776	56,359	42,468
yoy %	*-1%*	*-1%*	*0%*		*-2%*	*-1%*	*-1%*	*-1%*
Quick Commerce EBITA (losses)	(32,987)	(16,772)	1,123	(10,935)	(10,382)	(9,660)	(7,720)	(5,225)
AI Cloud and compute services								
Revenue	237,460	327,064	434,858	33,418	48,437	59,669	65,872	63,481
yoy %	*50%*	*38%*	*33%*		*45%*	*50%*	*52%*	*52%*
External revenue yoy%	*51%*	*42%*	*39%*	*26%*	*45%*	*50%*	*53%*	*53%*
EBITA	30,039	45,789	65,229	2,419	5,628	7,280	8,497	8,633
EBITA margin %	12.6%	14.0%	15.0%	7.2%	11.6%	12.2%	12.9%	13.6%
AI labs and applications								
Revenue	14,801	19,241	26,168	2,882	3,338	3,579	3,815	4,069
yoy %	*24%*	*30%*	*36%*		*16%*	*22%*	*26%*	*30%*
EBITA	(50,959)	(49,065)	(49,720)	(3,224)	(13,861)	(12,276)	(12,207)	(12,614)
EBITA margin %	-344%	-255%	-190%	-112%	-415%	-343%	-320%	-310%
All others								
Revenue	91,544	92,460	93,384	28,629	28,803	20,031	21,772	20,938
yoy %	*1%*	*1%*	*1%*		*1%*	*1%*	*1%*	*1%*
EBITA	(12,869)	(10,171)	(9,338)	687	(3,343)	(3,205)	(3,222)	(3,099)
EBITA margin %	-14.1%	-11.0%	-10.0%	2.4%	-11.6%	-16.0%	-14.8%	-14.8%
Share of profit (loss) in investees	4,956	6,733	8,354	1,013	934	1,409	1,461	1,152
Ant Financial (33%. 1qr lag pick up)	6,971	7,778	8,740	1,547	1,563	1,913	1,965	1,530
Others	1,000	1,000	1,000	455	605	250	250	(105)

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 3: Our estimate changes at a glance

By segment (Rmb mn)	FY27E	FY28E	FY29E	Old FY27E	Old FY28E	Old FY29E
Group revenue	1,116,372	1,235,412	1,374,082	-1%	1%	1%
yoy %	*9%*	*11%*	*11%*			
Group EBITA	123,995	159,381	196,372	14%	9%	5%
EBITA margin %	11%	13%	14%			
yoy %	***62%***	***29%***	***23%***			
Adj. net profit attributable to shareholders	105,917	138,115	184,231	11%	10%	3%
Adj. net margin %	9%	11%	13%			
yoy %	***65%***	***30%***	***33%***			
Non-gaap EPS (Rmb)	44.99	59.86	81.48	8%	7%	1%
yoy %	***64%***	***33%***	***36%***			

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 4: Our 12-month SOTP-based target prices for BABA/9988.HK are US$186/HK$180 per ADS/share

SOTP, FY27	EV/Rev	PE (X)	Value (US$ mn)	To BABA	to BABA (US$ mn)	US$/sh	% of NAV	Comment
A. CORE								
1 E-commerce Group	1.6	11	193,087	100.0%	193,087	82.0	44.1%	11x P/E
1a Traditional eCommerce	2.0	8	174,314	100.0%	174,314	74.0	39.8%	8x P/E, on slower Taobao-Tmall/CMR growth
1b Quick commerce	0.5	15	18,773	100.0%	18,773	8.0	4.3%	Assuming 81mn daily orders in CY28E and Rmb0.4 per order non-GAAP EBIT (long-term), 15% tax rate, 15x P/E referencing Meituan on-demand delivery valuation, discounted back at 12% WACC.
2 AI cloud and compute services	5.1	63	175,024	100.0%	175,024	74.3	40.0%	At 5X sales on FY27E revenue
Domestic	4.0		147,574	100.0%	147,574	62.7	33.7%	4X sales on FY28E domestic AliCloud revenue, discounted back at 12% WACC
International	8.5	20	27,450	100.0%	27,450	11.7	6.3%	20X EV/EBIT implied on FY28E AliCloud international revenue (external only) on normalized 25% EBIT margin, discounted back at 12% WACC.
3 All others (incl. AI labs & applications)	1.5		19,532	100.0%	19,532	8.3		1.5x sales
Total Core					387,643	164.6	88.5%	
B. Associate/investments								
Total associate/investments			685,454		85,138	36.2	19.4%	
C. Net cash					39,502	16.8	9%	Latest as of 1QFY27
Total					512,283	217.6	117%	
D. Less holdco discount				15%	(75,306)	(32.0)	-17%	
NAV: BABA US, in US$		28.6			436,978	186.0	100%	
NAV: 9988.HK, in HK$		28.6			3,399,686	180.0	100%	

Valuation methodology unchanged.

Source: Company data, Goldman Sachs Global Investment Research

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 per ADS/sh (FY27E-based).

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.

Disclosure Appendix

Reg AC

We, Ronald Keung, CFA, Timothy Zhao, Steve Qiu, 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., 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

The rating(s) for Alibaba Group (ADR) and Alibaba Group (H) 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 not required to be aggregated under US securities law) as of the month end preceding this report: Alibaba Group (ADR) ($128.90) and Alibaba Group (H) (HK$126.20)

Goldman Sachs has received compensation for investment banking services in the past 12 months: Alibaba Group (ADR) ($128.90) and Alibaba Group (H) (HK$126.20)

Goldman Sachs expects to receive or intends to seek compensation for investment banking services in the next 3 months: Alibaba Group (ADR) ($128.90) and Alibaba Group (H) (HK$126.20)

Goldman Sachs has received compensation for non-investment banking services during the past 12 months: Alibaba Group (ADR) ($128.90) and Alibaba Group (H) (HK$126.20)

Goldman Sachs had an investment banking services client relationship during the past 12 months with: Alibaba Group (ADR) ($128.90) and Alibaba Group (H) (HK$126.20)

Goldman Sachs had a non-investment banking securities-related services client relationship during the past 12 months with: Alibaba Group (ADR) ($128.90) and Alibaba Group (H) (HK$126.20)

Goldman Sachs had a non-securities services client relationship during the past 12 months with: Alibaba Group (ADR) ($128.90) and Alibaba Group (H) (HK$126.20)

Goldman Sachs is a registered market maker in the securities or derivatives thereof: Alibaba Group (ADR) ($128.90) and Alibaba Group (H) (HK$126.20)

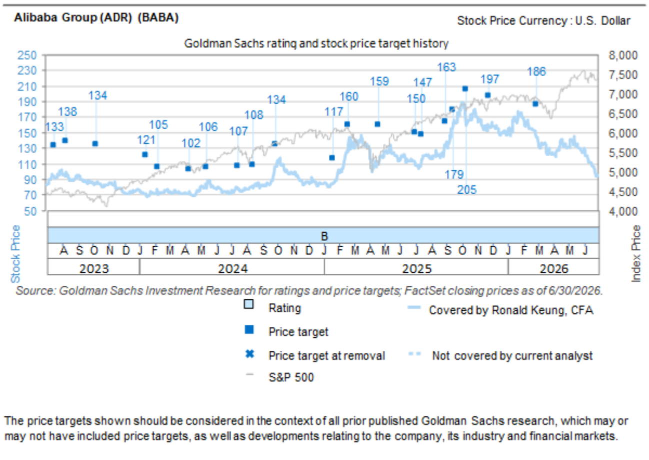
Distribution of ratings/investment banking relationships

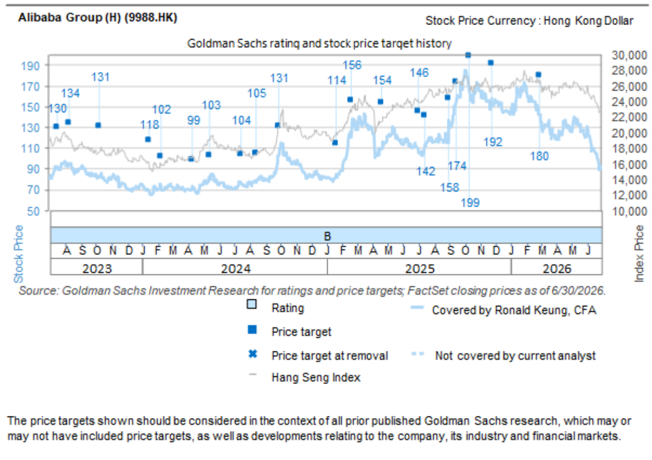
Goldman Sachs Investment Research global Equity coverage universe

	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)





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

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
07-Feb-24	102.00	74.90
15-Jan-24	118.00	70.00
09-Oct-23	131.00	82.10

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; registered market maker. 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, make a market or act as liquidity provider in, and buy or sell, any securities, derivatives, or other financial instruments referred to in this research (including any financial instruments issued by the companies referred to herein), 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.,