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Alibaba Group Holding | Asia Pacific

2QF27 Preview: Accelerating Cloud + Resilient E-comm = Earnings Upgrade

External cloud rev est. +55% YoY, with further acceleration in the coming quarters, while margins improve to 13.5% (15% in Dec Q). E-comm remains resilient with CMR -5% YoY (+1% LFL), EBITA (ex-QC) +LSD %, and QoQ QC loss reduction. We raise F27-28 EBITA 7-10%. Reiterate OW (Top Pick).

Key Takeaways

- Total group rev Rmb268bn (+8% YoY); adj EBITA Rmb30bn (+231% YoY).
- External cloud +55% YoY (vs. 45% in 1Q), EBITA margin 13.5% (vs. 11.6% in 1Q). Mgmt: Cloud further accelerates in coming quarters and sustains at 50%+ in F28.
- CMR -5% YoY (+1% LFL), e-comm (ex-QC) EBITA +LSD% (China flat); QC loss -Rmb9.5bn (vs. MSe -Rmb10.5bn in 1Q).
- AI labs & app loss -Rmb10.5bn (vs. -Rm13.9bn in 1Q). Mgmt: Cloud EBITA (MSe Rmb10bn, implying 15% margin) to cover AI lab & app loss in Dec Q.

External cloud rev growth to accelerate to 55% YoY: We expect cloud revenue to accelerate to 50%+ YoY (55% for external cloud), driven by both IaaS and MaaS. The latest MaaS ARR exceeded Rmb20bn in late-Aug, vs Rmb16bn mid-Aug. We also expect cloud EBITA margin to expand QoQ to 13.5%, driven by solid ROIC (payback period <3 years) and a growing MaaS revenue mix. Management expects cloud revenue growth to accelerate further in the coming quarters and remain at 50%+ in F28. Management also expects cloud EBITA to offset losses in AI Labs & Apps loss in the Dec Q, implying cloud EBITA of Rmb10bn+ and margin of ~15%.

CMR -5% YoY (+1% on a LFL basis): As China consumption remains weak, we expect CMR to grow in line with the industry. We estimate China e-commerce core EBITA (ex-QC) improved QoQ and was largely flat YoY, while QC continued to narrow losses QoQ. (est. 2Q Rmb9.5bn QC loss vs Rmb10.5bn loss in 1Q), supported by improving unit economics despite the peak season. We estimate total e-commerce EBITA at Rmb37.5bn, +LSD% YoY (vs flat YoY in 1Q).

Half of 20GW capacity self-built; no equity financing for the rest of F27: Management expects roughly half of the 20GW capacity by 2032 to be self-built, with the remainder leased or managed. We maintain our capex forecasts of Rmb250bn for F27 and Rmb260bn for F28.

Reiterate OW (Top Pick); PT remains US$180: We raise our EBITA estimates for F27-28 by 7-10%, reflecting improving profitability, which should offset the dilution impact from recent share placement. We see valuation as attractive at 13x F28 P/E.

MORGAN STANLEY ASIA LIMITED+

Gary Yu
Equity Analyst
Gary.Yu@morganstanley.com +852 2848-6918

Joanne Lau
Research Associate
Joanne.CY.Lau@morganstanley.com +852 3963-1592

Eddy Wang, CFA
Equity Analyst
Eddy.Wang@morganstanley.com +852 2239-7339

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 (%)	68
Shr price, close (Oct 7, 2026)	US$107.00
52-Week Range	US$188.62-92.87
Sh out, dil, curr (mn)	2,564
Mkt cap, curr (mn)	US$274,335
EV, curr (mn)	US$179,018
Avg daily trading value (mn)	US$263

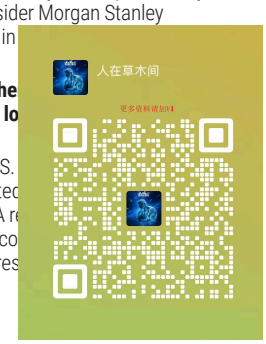
Fiscal Year Ending	03/26	03/27e	03/28e	03/29e
EPS (Rmb)**	44.00	31.55	47.00	65.94
Prior EPS (Rmb)**	-	28.76	44.61	63.66
Revenue, net (Rmb bn)	1,024	1,112	1,237	1,368
Net income (Rmb bn)**	106	81	121	169
P/E**	19.7	22.7	15.3	10.9
EV/EBITDA	16.1	7.4	4.6	3.3
EV/revenue*	1.9	1.5	1.4	1.3
P/BV	2.0	1.5	1.4	1.2

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

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AlphaSignals Earnings Preview

Focus KPI	Focus KPI Surprise	Likely impact to consensus EPS*
Alibaba Group Holding BABA.N		
Cloud growth	↑ Very likely upside surprise	↑ Modest revision higher

• External cloud +55% YoY (vs. 45% in 1Q), EBITA margin 13.5% (vs. 11.6% in 1Q). Mgmt: Cloud to further accelerate in the coming quarters and sustain at 50%+ in F28.

*Likely impact to consensus EPS is for the next 12 months
Source: Company data, Morgan Stanley Research

2QF27 Earnings Forecasts

Exhibit 1: Summary of 2QF27 forecasts

Alibaba Group YE Mar RMB mn	Sep-25 2Q26 Actual	Jun-26 1Q27 Actual	Sep-26 2Q27e Mse	YoY %	2Q27e Consensus	Diff %
Revenue	247,795	268,953	267,662	8.0%	**270,597**	**-1.1%**
Income from operations	5,365	15,161	26,465	393.3%	20,714	27.8%
Adjusted EBITA	9,073	27,329	30,009	230.8%	**26,781**	**12.1%**
Non-GAAP net profit	10,352	20,715	27,291	163.6%	**25,114**	**8.7%**
Adj. EBITA margin	3.7%	10.2%	11.2%	7.6 ppts	9.9%	**1.3 ppts**
Non-GAAP net profit margin	4.2%	7.7%	10.2%	6.0 ppts	9.3%	0.9 ppts
By Segment	**2Q26**	**1Q27**	**2Q27e**	**YoY**	**2Q27e**	**Diff**
Revenue						
Total Alibaba E-commerce Group	192,051	205,862	194,489	1.3%		
Alibaba China E-commerce Group	104,810	110,900	100,866	-3.8%		
Customer management (CMR)	78,880	82,547	74,936	-5.0%	74,700	0.3%
Quick commerce	45,940	53,295	52,832	15.0%		
International E-commerce	27,853	27,761	26,738	-4.0%		
AI Cloud and Compute Services	39,845	48,437	60,962	53.0%	59,057	3.2%
AI Labs and Applications	2,963	3,338	3,408	15.0%		
All others	29,434	28,803	28,551	-3.0%		
Unallocated	577	783	606	5.0%		
Inter-segment elimination	(17,075)	(18,270)	(20,354)			
Consolidated revenue	**247,795**	**268,953**	**267,662**	**8.0%**	**270,597**	**-1.1%**
Adjusted EBITA						
Alibaba E-commerce Group	10,659	39,749	37,536	252.2%		
AI Cloud and Compute Services	3,604	5,628	8,230	128.4%	7,235	13.8%
AI Labs and Applications	(3,370)	(13,861)	(10,500)			
All others	-	(3,343)	(3,300)			
Unallocated	(1,221)	(163)	(1,343)		(788)	
Inter-segment elimination	(599)	(681)	(614)		(1,017)	
Consolidated adjusted EBITA	**9,073**	**27,329**	**30,009**	**230.8%**	**26,781**	**12.1%**
Adjusted EBITA margin						
Alibaba E-commerce Group	10.2%	35.8%	37.2%	27.0 ppts		
AI Cloud and Compute Services	12.9%	20.3%	30.8%	17.8 ppts	12.3%	18.5 ppts
AI Labs and Applications	-8.5%	-28.6%	-17.2%			
All others	0.0%	-11.6%	-11.6%	-11.6 ppts		
Consolidated adjusted EBITA margin	**3.7%**	**10.2%**	**11.2%**	**7.6 ppts**	**9.9%**	**1.3 ppts**

Source: Company data, VisibleAlpha consensus, Morgan Stanley Research (E) estimates.

Estimate Changes

Exhibit 2: Estimate changes

Years Ending December 31	New			Old			Change		
Rmb mn	2027E	2028E	2029E	2027E	2028E	2029E	2027E	2028E	2029E
Revenue	1,111,981	1,236,780	1,367,747	1,112,674	1,227,102	1,353,539	-0.1%	0.8%	1.0%
Net income attributable to Alibaba Group Holding	81,035	120,613	169,166	73,193	110,520	157,671	10.7%	9.1%	7.3%
Adjusted EBITA	115,137	153,890	210,277	105,091	143,241	198,024	9.6%	7.4%	6.2%
Adjusted EBITDA	183,680	276,926	369,761	173,635	266,319	356,999	5.8%	4.0%	3.6%
Adjusted Net Profit	100,419	132,874	181,689	92,584	122,696	170,075	8.5%	8.3%	6.8%
Adjusted NP to Ordinary shareholders	103,439	134,950	183,800	95,604	124,761	172,170	8.2%	8.2%	6.8%
GAAP EPS for consensus (Rmb)	31.55	47.00	65.94	28.76	44.61	63.66	9.7%	5.4%	3.6%
Non-GAAP Diluted EPS (Rmb)	40.50	52.60	71.65	37.82	50.37	69.52	7.1%	4.4%	3.1%
yoy %									
Revenue	8.6%	11.2%	10.6%	8.7%	10.3%	10.3%	-0.1 ppts	0.9 ppts	0.3 ppts
Adjusted EBITA	4.9%	9.2%	16.8%	2.5%	8.7%	16.7%	2.4 ppts	0.6 ppts	0.1 ppts
Adjusted NP to Ordinary shareholders	60.3%	30.5%	36.2%	48.1%	30.5%	38.0%	12.1 ppts	-0.0 ppts	-1.8 ppts

Source: Morgan Stanley Research estimates.

Valuation Methodology

Our DCF-derived PT is unchanged at US$180 despite the 4-10% change to our F27-29 EBITA estimates as the benefit from higher earnings is largely offset by the dilution impact of the recent share placement.

DCF is our primary valuation methodology. We think this is a prudent approach to capture the company's long-term earnings and overall cash flow outlook. Our key DCF assumptions – WACC of 10% and terminal growth rate of 3% – are unchanged.

Exhibit 3: DCF matrix – unlevered free cash flow

Years Ending March 31 Rmb mn	2024	2025	2026E Scenario	2027E 0	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
DCF													
Adjusted EBITA (non-GAAP; incl. SBC)	146,482	159,095	65,236	103,174	141,139	196,789	236,832	271,514	295,228	319,043	343,048	367,464	392,482
D&A	22,912	36,123	42,039	75,106	129,599	166,108	196,969	222,502	242,115	257,513	270,127	281,590	292,250
Capex	(32,929)	(85,972)	(126,937)	(250,196)	(259,724)	(273,549)	(283,235)	(285,563)	(288,622)	(293,020)	(300,890)	(308,971)	(317,310)
Taxes	(23,680)	(31,306)	(22,804)	(22,698)	(28,228)	(35,422)	(42,630)	(48,872)	(53,141)	(57,428)	(61,749)	(66,144)	(70,647)
Licensed copyrights	(9,054)	(5,912)	(6,403)	(6,403)	(6,563)	(6,694)	(6,795)	(6,863)	(6,931)	(7,001)	(7,071)	(7,141)	(7,213)
Non-controlling interests	8,409	3,494	3,777	400	400	400	400	400	400	400	400	400	400
Working capital	(4,695)	(18,076)	(16,144)	(22,914)	(17,346)	(22,463)	(15,408)	(12,813)	(10,101)	(10,378)	(10,715)	(11,128)	(11,636)
Unlevered FCF (FCFF)	**107,445**	**57,446**	**(61,236)**	**(123,531)**	**(40,722)**	**25,169**	**86,133**	**140,304**	**178,948**	**209,131**	**233,150**	**256,070**	**278,327**
% YoY	-11.3%	-46.5%	-206.6%	101.7%	-67.0%	-161.8%	242.2%	62.9%	27.5%	16.9%	11.5%	9.8%	8.7%
% of revenue	11.4%	5.8%	-6.0%	-11.1%	-3.3%	1.8%	5.8%	8.8%	10.7%	11.8%	12.4%	12.8%	13.2%
WACC				**10.0%**									
TGR				**3.0%**									

Source: Company data, Morgan Stanley Research (E) estimates.

Financial Summary

Exhibit 4: Financial summary

INCOME STATEMENT

Years Ending December 31 Rmb mn	2024	2025	2026	2027E	2028E	2029E
Total revenue	**941,168**	**996,347**	**1,023,670**	**1,111,981**	**1,236,780**	**1,367,747**
Cost of revenue	586,323	598,285	616,136	683,886	769,101	821,378
Gross profit	**354,845**	**398,062**	**407,534**	**428,095**	**467,679**	**546,369**
S&M expenses	115,141	144,021	245,023	201,518	186,968	193,019
R&D expenses	52,256	57,151	66,533	86,028	97,880	110,674
G&A expenses	40,966	38,556	32,590	37,665	41,692	45,887
Total Operating expenses	**241,495**	**257,918**	**359,232**	**336,431**	**328,684**	**351,295**
Income/(loss) from operations (GA	**191,668**	**202,325**	**113,483**	**183,680**	**276,926**	**369,761**
Adjusted EBITA	**165,028**	**173,065**	**76,416**	**115,137**	**153,890**	**210,277**
Adjusted EBITDA	**191,668**	**202,325**	**113,483**	**183,680**	**276,926**	**369,761**
Non-operating items	(11,754)	14,550	79,237	14,072	7,377	5,843
Profit before tax	101,596	155,455	129,387	106,025	146,373	200,916
Net Profit (GAAP)	**79,741**	**129,470**	**105,904**	**81,035**	**120,613**	**169,166**
Net Profit (non-GAAP)	**158,587**	**158,005**	**64,539**	**103,439**	**134,950**	**183,800**
GAAP EPS for consensus (Rmb)	**31.24**	**53.59**	**44.00**	**31.55**	**47.00**	**65.94**
Diluted EPS (Rmb)	**62.23**	**65.41**	**26.80**	**40.50**	**52.60**	**71.65**
Diluted EPS (US$)	**8.76**	**9.16**	**3.78**	**5.98**	**7.94**	**10.86**

KPI & FINANCIAL RATIOS

Years Ending December 31	2024	2025	2026	2027E	2028E	2029E
China GMV (Rmb bn)	7,626	7,984	8,160	8,241	8,406	8,658
% Growth	4.5%	4.7%	2.2%	1.0%	2.0%	3.0%
Customer Management Revenue (R	304,009	326,769	343,867	-	-	-
% Growth	4.3%	7.5%	5.2%	-100.0%	#DIV/0!	#DIV/0!
Monetization rate	**3.99%**	**4.09%**	**4.21%**	**4.00%**	**4.05%**	**4.10%**
Net Cash (Rmb mn)	366,429	260,828	203,920	160,065	178,843	249,889
Dividend yield	1.6%	1.9%	0.9%	1.1%	1.3%	1.8%
FCF yield	**8.5%**	**4.0%**	**-2.5%**	**-5.6%**	**-1.0%**	**2.6%**
P/B	166.8%	170.4%	164.3%	145.7%	133.8%	120.0%
ROE (non-GAAP)	14.3%	14.5%	5.9%	8.7%	10.2%	12.7%
ROIC	**10.9%**	**10.8%**	**3.7%**	**6.2%**	**7.8%**	**10.1%**

BALANCE SHEET

Years Ending December 31 Rmb mn	2024	2025	2026	2027E	2028E	2029E
Cash and cash equivalents	248,125	145,487	131,530	124,622	80,767	99,545
Restricted cash and escow receivables	38,299	43,781	42,038	42,038	42,038	42,038
Short-term investments	262,955	228,826	155,310	105,310	105,310	105,310
Equity securities and other investments	59,949	53,780	30,054	30,054	30,054	30,054
Prepayments, receivables and other assets	143,536	202,175	251,837	281,770	321,228	362,349
Current assets	**752,864**	**674,049**	**610,769**	**583,793**	**579,397**	**639,295**
PP&E	185,161	203,348	282,699	463,113	600,304	716,163
Intangible assets	26,950	20,911	16,983	14,144	12,000	10,355
Goodwill	259,679	255,501	247,378	242,920	242,920	242,920
Equity securities and other investments	220,942	356,818	449,942	449,942	449,942	449,942
Investments in equity method investees	203,131	210,169	206,803	210,108	213,968	218,439
Prepayments, receivables and other assets	116,102	83,431	94,996	104,429	115,646	126,098
Non-current assets	**1,011,965**	**1,130,178**	**1,298,801**	**1,484,656**	**1,634,780**	**1,763,917**
Total assets	**1,764,829**	**1,804,227**	**1,909,570**	**2,068,449**	**2,214,177**	**2,403,212**
Short-term debts	29,001	22,562	28,224	28,224	28,224	28,224
Accrued expenses, accounts payables and other liabilities	297,883	332,537	359,893	366,763	388,348	406,792
Other current liabilities	94,623	80,247	88,281	94,980	104,447	114,381
Current liabilities	**421,507**	**435,346**	**476,398**	**489,967**	**521,019**	**549,397**
Long-term debts	141,775	208,141	231,772	231,772	231,772	231,772
Other liabilities	88,948	70,634	75,130	76,775	79,556	82,082
Non-current liabilities	**230,723**	**278,775**	**306,902**	**308,547**	**311,328**	**313,854**
Total liabilities	**652,230**	**714,121**	**783,300**	**798,514**	**832,347**	**863,251**
Non-controlling interests	115,327	68,535	57,539	56,839	56,139	55,439
Additional paid-in capital	397,999	381,379	385,086	453,477	453,477	453,477
Accumulated other comprehensive income/(loss)	3,598	3,393	(13,070)	(1,107)	11,643	25,131
Retained earnings	597,897	645,478	708,382	772,094	871,638	1,016,682
Total shareholders' equity	986,544	1,009,858	1,060,886	1,204,951	1,317,246	1,475,777
Total equity	**1,101,871**	**1,078,393**	**1,118,425**	**1,261,790**	**1,373,385**	**1,531,216**
Total liabilities, mezzanine equity and equity	**1,764,829**	**1,804,227**	**1,909,570**	**2,068,449**	**2,214,177**	**2,403,212**

CASH FLOW STATEMENT

Years Ending December 31 Rmb mn	2024	2025	2026	2027E	2028E	2029E
Net income	71,332	125,976	102,127	80,635	120,213	168,766
Depreciation (PP&E) and operating lease (land use rights)	26,640	29,260	37,067	68,544	123,037	159,484
Amortization (intangible assets and licensed copyrights)	17,864	13,199	10,051	9,242	8,707	8,339
Other non-cash adjustments	80,506	19,062	(50,485)	13,116	8,891	9,017
Changes in working capital	(13,749)	(23,988)	(22,547)	(29,317)	(23,909)	(29,157)
Operating cash flow	**182,593**	**163,509**	**76,213**	**142,220**	**236,938**	**316,449**
Acquisition of PP&E and land use rights	(32,087)	(85,972)	(126,063)	(250,196)	(259,724)	(273,549)
Investing cash flow	**(21,824)**	**(185,415)**	**(67,336)**	**(200,196)**	**(259,724)**	**(273,549)**
Issuance/repurchase of ordinary shares	(87,902)	(86,652)	(17,968)	68,391	-	-
Dividends paid	(17,946)	(29,077)	(33,732)	(17,323)	(21,069)	(24,123)
Financing cash flow	**(108,244)**	**(76,215)**	**(20,573)**	**51,067**	**(21,069)**	**(24,123)**
Net change in cash	**56,914**	**(97,156)**	**(15,700)**	**(6,908)**	**(43,854)**	**18,777**
Beginning cash balance	229,510	286,424	189,268	173,568	166,660	122,805
Ending cash balance	286,424	189,268	173,568	166,660	122,805	141,583

Source: Company data, Morgan Stanley Research (E) estimates.

Risk Reward – Alibaba Group Holding (BABA.N) Top Pick

Core business reacceleration and cloud growth driven by GenAI adoption; OW

PRICE TARGET US$180.00

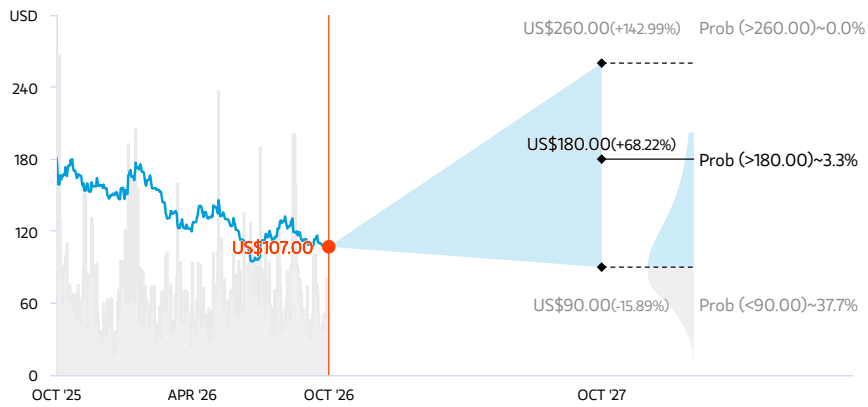
Base case, discounted cash flow model. Key assumptions include a 10% WACC and 3% terminal growth rate, in line with our Chinese Internet coverage range.

Consensus Price Target Distribution US$95.00 — US$183.64 — MS PT — US$220.10

Source: Refinitiv, Morgan Stanley Research

◆ Mean ◆ Morgan Stanley Estimates

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 7 Oct 2026. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology here

OVERWEIGHT THESIS

- We expect Alibaba, having the largest cloud infrastructure in China, to win share in the current evolutionary AI cycle in China.
- We see fundamental business reacceleration with improvement in monetization.
- The online regulatory environment appears to be easing; we view Alibaba as a key beneficiary as a China proxy.
- The potential spinoff of the proprietary chip business, T-Head, could unlock value.
- Our price target implies a target F28e non-GAAP P/E of 21x.
- Strong cash flow-generating capabilities, dividends, and continued share buybacks could provide downside support.

Consensus Rating Distribution

93%	Overweight
5%	Equal-weight
2%	Underweight

● MS Rating

Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Secular Growth:	*Positive*
Self-help:	*Positive*
Technology Diffusion:	*Positive*

View descriptions of Risk Rewards Themes here

BULL CASE US$260.00

26x bull case non-GAAP F2028e EPS

Total revenue CAGR of 11% over F26-31e

Total adjusted EBITA CAGR of 39% over F26-31e

20% discount on net cash

BASE CASE US$180.00

21x base case non-GAAP F2028e EPS

Total revenue CAGR of 9% over F26-31e

Total adjusted EBITA CAGR of 30% over F26-31e

30% discount on net cash

BEAR CASE US$90.00

18x bear case non-GAAP F2028e EPS

Total revenue CAGR of 6% over F26-31e

Total adjusted EBITA CAGR of 16% over F26-31e

50% discount on net cash

Risk Reward – Alibaba Group Holding (BABA.N)

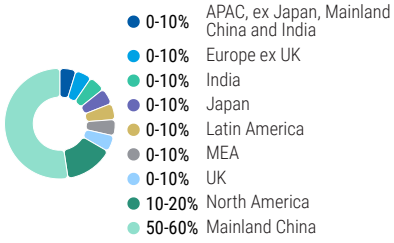
KEY EARNINGS INPUTS

Drivers	Mar 2026	Mar 2027e	Mar 2028e	Mar 2029e
China retail marketplaces GMV (Rmb, mn)	8,160	8,241	8,406	8,658
Take rate (%)	4.2	4.0	4.0	4.1

INVESTMENT DRIVERS

- Revenue growth, especially in core e-commerce in China
- Monetization rate (i.e., Alibaba's Chinese retail marketplace revenue/GMV)
- Non-GAAP EBITA margins

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

RISKS TO PT/RATING

RISKS TO UPSIDE

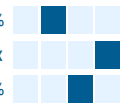
- Better core e-commerce monetization, driving earnings growth upside
- Faster enterprise digitalization, re-accelerating cloud revenue growth
- Stronger AI demand to drive cloud revenue

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

OWNERSHIP POSITIONING

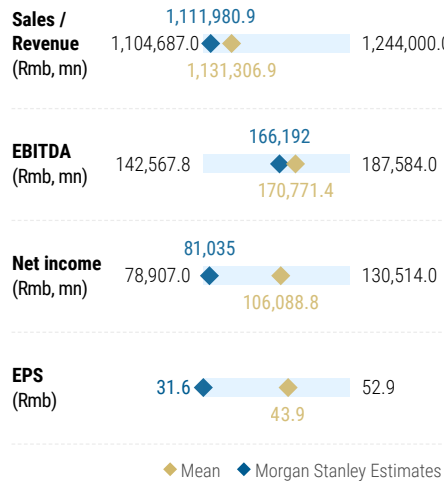
Inst. Owners, % Active	77.5%
HF Sector Long/Short Ratio	1.8x
HF Sector Net Exposure	11.3%



Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure – Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Mar 2027e



Source: Refinitiv, Morgan Stanley Research

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

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(as of September 30, 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	1599	43%	455	48%	28%	783	44%
Equal-weight/Hold	1563	42%	394	42%	25%	763	43%
Not-Rated/Hold	2	0%	1	0%	50%	1	0%
Underweight/Sell	570	15%	96	10%	17%	227	13%
Total	3,734		946			1774	

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.

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

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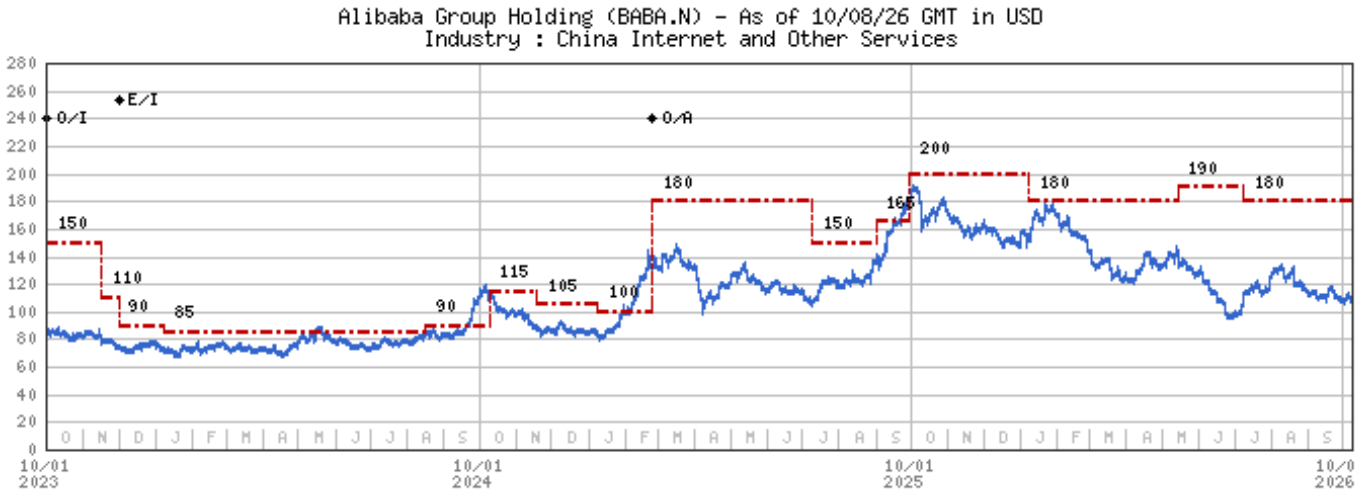
Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

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



Stock Rating History: 10/1/21 : O/I; 12/1/23 : E/I; 2/24/25 : O/A

Price Target History: 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)

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INDUSTRY COVERAGE: China Internet and Other Services

COMPANY (TICKER)	RATING (AS OF)	PRICE* (10/07/2026)
Eddy Wang, CFA		
Autohome Inc (ATHM.N)	E (02/09/2023)	US$20.66
Full Truck Alliance Co. Ltd (YMM.N)	O (07/05/2023)	US$8.35
JD.com, Inc. (JD.O)	U (11/10/2025)	US$27.03
Kanzhun Ltd (BZ.O)	O (08/04/2021)	US$15.05
KE Holdings Inc (BEKE.N)	O (03/16/2022)	US$16.92
PDD Holdings Inc (PDD.O)	O (03/02/2023)	US$78.50
Vipshop Holdings Ltd (VIPS.N)	E (02/24/2022)	US$12.77
Gary Yu		
Alibaba Group Holding (BABA.N)	O (02/24/2025)	US$107.00
Baidu Inc (BIDU.O)	U (08/19/2026)	US$85.30
Meituan (3690.HK)	O (08/29/2024)	HK$70.15
Tencent Holdings Ltd. (0700.HK)	O (03/19/2020)	HK$420.60
Rebecca Xu		
HUYA Inc (HUYA.N)	E (05/16/2024)	US$2.29
IQIYI Inc (IQ.O)	E (01/19/2023)	US$1.02
JOYY Inc. (JOYY.O)	E (06/02/2022)	US$81.33
Weibo Corp (WB.O)	U (05/17/2024)	US$6.48
Yang Liu		
Bilibili Inc (BILI.O)	++	US$14.92
Kuaishou Technology (1024.HK)	E (08/20/2026)	HK$29.70
NetEase, Inc (NTES.O)	O (01/08/2025)	US$120.61
Tongcheng Travel Holdings (0780.HK)	O (01/04/2019)	HK$9.77

Trip.com Group Ltd (TCOM.O)	O (05/17/2021)	US$38.09

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* Historical prices are not split adjusted.

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