Baidu.com Inc. (BIDU)

3Q26 preview: Cloud re-acceleration with improving margin; Advertising weakness weighs on near-term profit; Not Rated

BIDU	Price Target: --	Price: **$78.82**	Upside: --
9888.HK	Price Target: --	Price: **HK$77.70**	Upside: --

We preview Baidu's 3Q26 results, with Baidu Core revenue expected to return positive growth at **+1% yoy** to Rmb24.8bn, thanks to **Cloud re-acceleration driven by AI Cloud Infra** which is partially offset by persistent weakness in advertising. Specifically, we expect Cloud revenue (cloud infra + AI applications) to reaccelerate to +57% yoy in 3Q26E mainly propelled by strong AI Cloud Infra. In contrast, we forecast advertising revenue will decline -22% yoy, reflecting a challenging macro backdrop and Baidu's continued prioritization of AI-search user experience over near-term monetization. Despite a recovering yoy growth in revenue, we expect Baidu Core **non-GAAP OP** of Rmb1.7bn (**-24% yoy**) and Baidu Core **non-GAAP NP** of Rmb2.1bn (**-46% yoy**) in 3Q26E, dragged by advertising weakness and incremental AI investment related compute/server costs.

Into the print, we believe **investor focus** will be primarily on: **1)** sustainability of AI Cloud revenue growth, margin expansion and improving ROI; **2)** AI capex plan into 2027, cadence of investment in model training and management's thoughts on Baidu's positioning in AI model arms race; **3)** the trajectory and inflection point of advertising and AI-search monetization; **4)** updates on dividends and progress on Baidu's announced spin-off of the Kunlunxin division; **5)** whether 3Q26 could mark a trough in group-level profitability.

What's changed: We finetune our 2026E-28E revenue estimates by -1%~+1% on a combination of weaker-than-expected advertising recovery and stronger-than-expected Cloud business, while cut our 2026E-28E net profit estimates by -9%~-12% to reflect continued margin pressure on advertising business and increased AI-search related compute/server cost. We are **Not Rated** on BIDU/9888.HK.

Key focus:

NOT RATED

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Key Data

Market cap: $27.6bn
Enterprise value: $11.2bn
3m ADTV: $241.4mn
China
China Games, Entertainment & Healthcare Tech
Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (Rmb mn) New	**129,079.0**	**127,114.3**	**134,336.7**	**146,375.3**
Revenue (Rmb mn) Old	129,079.0	125,796.0	133,478.4	147,978.1
EBITDA (Rmb mn)	21,494.0	23,997.0	30,803.5	37,723.5
EPS (Rmb) New	**55.29**	**33.34**	**45.62**	**50.83**
EPS (Rmb) Old	55.29	37.86	50.98	55.98
P/E (X)	13.0	15.8	11.5	10.4
P/B (X)	0.9	0.6	0.6	0.5
Dividend yield (%)	0.0	0.0	0.0	0.0
CROCI (%)	10.7	9.1	10.8	11.7

	3/26	6/26	9/26E	12/26E
EPS (Rmb)	12.54	7.47	5.50	7.49

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

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Baidu.com Inc. (BIDU)

Rating since Feb 6, 2026

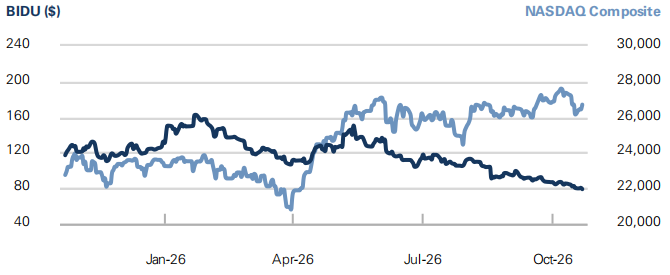
Ratios & Valuation

	12/25	12/26E	12/27E	12/28E
P/E (X)	13.0	15.8	11.5	10.4
P/B (X)	0.9	0.6	0.6	0.5
FCF yield (%)	(5.9)	(13.1)	(7.8)	(5.1)
EV/EBITDAR (X)	4.8	3.4	3.5	3.3
EV/EBITDA (excl. leases) (X)	4.8	3.4	3.5	3.3
CROCI (%)	10.7	9.1	10.8	11.7
ROE (%)	6.9	4.0	5.1	5.4
Net debt/equity (%)	(50.1)	(39.6)	(32.6)	(27.7)
Net debt/equity (excl. leases) (%)	(50.1)	(39.6)	(32.6)	(27.7)
Interest cover (X)	–	–	–	–
Days inventory outst, sales	–	–	–	–
Receivable days	32.6	38.5	41.6	45.3
Days payable outstanding	202.9	176.5	165.0	152.3
DuPont ROE (%)	6.5	3.8	4.8	5.0
Turnover (X)	0.3	0.3	0.3	0.3
Leverage (X)	1.6	1.5	1.5	1.5
Gross cash invested (ex cash) (Rmb)	347,609.0	374,068.9	398,997.6	425,259.0
Average capital employed (Rmb)	329,976.0	361,495.1	382,170.6	398,761.8
BVPS (Rmb)	815.82	857.86	914.37	977.65

Growth & Margins (%)

	12/25	12/26E	12/27E	12/28E
Total revenue growth	(3.0)	(1.5)	5.7	9.0
EBITDA growth	(34.1)	11.6	28.4	22.5
EPS growth	(28.4)	(39.7)	36.8	11.4
DPS growth	NM	NM	NM	NM
EBIT margin	10.7	8.7	10.0	10.8
EBITDA margin	16.7	18.9	22.9	25.8
Net income margin	14.7	8.9	11.5	11.7

Price Performance



	3m	6m	12m
Absolute	(27.2)%	(36.2)%	(33.8)%
Rel. to the NASDAQ Composite	(29.5)%	(42.0)%	(43.1)%

Source: FactSet. Price as of 21 Oct 2026 close.

Income Statement (Rmb mn)

	12/25	12/26E	12/27E	12/28E
Total revenue	129,079.0	127,114.3	134,336.7	146,375.3
Cost of goods sold	(72,271.0)	(79,822.3)	(84,134.5)	(91,126.8)
SG&A	(24,662.0)	(18,220.9)	(18,148.9)	(19,370.7)
R&D	(18,398.0)	(17,963.2)	(18,594.9)	(20,016.6)
Other operating inc./(exp.)	–	–	–	–
EBITDA	**21,494.0**	**23,997.0**	**30,803.5**	**37,723.5**
Depreciation & amortization	(7,746.0)	(12,889.1)	(17,345.0)	(21,862.3)
EBIT	**13,748.0**	**11,107.9**	**13,458.5**	**15,861.2**
Net interest inc./(exp.)	5,818.0	4,728.8	3,934.6	3,897.8
Income/(loss) from associates	3,196.0	1,972.4	1,966.0	1,966.0
Pre-tax profit	**6,812.1**	**13,822.0**	**19,577.9**	**21,944.1**
Provision for taxes	(1,259.0)	(2,626.2)	(3,719.8)	(4,169.4)
Minority interest	(6,795.0)	386.2	(167.3)	(402.7)
Preferred dividends	–	–	–	–
Net inc. (pre-exceptionals)	**18,941.0**	**11,363.6**	**15,472.1**	**17,153.0**
Post-tax exceptionals	(13,484.0)	(3,481.8)	(3,003.9)	(2,926.6)
Net inc. (post-exceptionals)	**5,457.0**	**7,881.8**	**12,468.2**	**14,226.4**
EPS (basic, pre-except) (Rmb)	**55.58**	**33.51**	**45.86**	**51.10**
EPS (diluted, pre-except) (Rmb)	**55.29**	**33.34**	**45.62**	**50.83**
EPS (basic, post-except) (Rmb)	**16.01**	**23.24**	**36.96**	**42.38**
EPS (diluted, post-except) (Rmb)	**16.31**	**24.25**	**36.27**	**40.96**
DPS (Rmb)	–	–	–	–
Div. payout ratio (%)	0.0	0.0	0.0	0.0

Balance Sheet (Rmb mn)

	12/25	12/26E	12/27E	12/28E
Cash & cash equivalents	24,831.0	14,466.0	14,115.3	18,793.3
Accounts receivable	12,972.0	13,819.3	16,812.8	19,522.6
Inventory	–	–	–	–
Other current assets	114,167.0	104,541.0	92,213.3	81,143.7
Total current assets	**151,970.0**	**132,826.3**	**123,141.4**	**119,459.5**
Net PP&E	26,281.0	47,196.3	63,655.7	77,288.0
Net intangibles	36,783.0	36,783.0	36,783.0	36,783.0
Total investments	168,780.0	168,780.0	168,780.0	168,780.0
Other long-term assets	65,343.0	75,068.4	85,539.5	96,267.8
Total assets	**449,157.0**	**460,653.9**	**477,899.6**	**498,578.4**
Accounts payable	38,891.0	38,299.1	37,788.4	38,247.3
Short-term debt	23,850.0	23,850.0	23,850.0	23,850.0
Short-term lease liabilities	–	–	–	–
Other current liabilities	23,587.0	22,744.7	22,796.9	23,211.3
Total current liabilities	**86,328.0**	**84,893.8**	**84,435.3**	**85,308.6**
Long-term debt	61,102.0	61,102.0	61,102.0	61,102.0
Long-term lease liabilities	–	–	–	–
Other long-term liabilities	12,001.0	12,001.0	12,001.0	12,001.0
Total long-term liabilities	**73,103.0**	**73,103.0**	**73,103.0**	**73,103.0**
Total liabilities	**159,431.0**	**157,996.8**	**157,538.3**	**158,411.6**
Preferred shares	–	–	–	–
Total common equity	279,496.0	292,427.2	310,131.3	329,936.8
Minority interest	**10,230.0**	**10,230.0**	**10,230.0**	**10,230.0**
Total liabilities & equity	**449,157.0**	**460,653.9**	**477,899.6**	**498,578.4**
Net debt, adjusted	(30,540.0)	(5,175.0)	10,175.7	20,497.7

Cash Flow (Rmb mn)

	12/25	12/26E	12/27E	12/28E
Net income	5,457.0	7,881.8	12,468.2	14,226.4
D&A add-back	7,746.0	12,889.1	17,345.0	21,862.3
Minority interest add-back	–	–	–	–
Net (inc)/dec working capital	(42,048.0)	(27,374.6)	(25,532.4)	(25,376.9)
Other operating cash flow	25,832.0	15,678.7	14,844.6	15,192.8
Cash flow from operations	**(3,013.0)**	**9,075.0**	**19,125.4**	**25,904.5**
Capital expenditures	(12,073.0)	(33,804.4)	(33,804.4)	(35,494.6)
Acquisitions	(1,834.0)	0.0	0.0	–
Divestitures	–	–	–	–
Others	(11,980.0)	14,364.4	14,328.3	14,268.1
Cash flow from investing	**(25,887.0)**	**(19,440.0)**	**(19,476.1)**	**(21,226.5)**
Repayment of lease liabilities	–	–		
Dividends paid (common & pref)	–	–		
Inc/(dec) in debt	–	–		
Other financing cash flows	17,142.0	0.0		
Cash flow from financing	**17,142.0**	**0.0**		
Total cash flow	**(11,758.0)**	**(10,365.0)**		
Free cash flow	(15,086.0)	(24,729.4		

Source: Company data, Goldman S

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1. Cloud revenue to reaccelerate to +57% yoy in 3Q26E mainly propelled by AI Cloud Infra, and OP margin likely trending higher

We expect Cloud to reaccelerate in 3Q26E, mainly fueled by **AI Cloud Infra** (**GSe: +92% yoy** in 3Q26E), materially outpacing peers. This is driven by **strong domestic GPU Cloud demand** across Internet, technology, embodied AI and autonomous-driving customers, while Cloud margin continues to improve sequentially, and we expect the momentum to sustain in the next few quarters with its yoy growth rate continuing outpacing industry peers.

Beyond revenue growth, we see improving Cloud economics driven by **1)** better utilization of existing computing resources, instead of purely relying on incremental procurement; **2)** operating leverage and a higher-value business mix, including MaaS to contribute additional revenue; and **3)** improving customer payment terms, with more GPU Cloud customers paying upfront deposits and committing to longer-term contracts.

We expect **3Q Capex to be sequentially lower than 2Q level**, as Baidu increasingly monetizes existing computing resources while controlling incremental cash investment.

Separately on AI applications, Baidu DuMate's cross-device MAU reached 9.77mn in Sep, up 15X+ qoq in 3Q26, the fastest growth and ranking No.2 among China's major office productivity agents according to Questmobile.

2. Advertising remains weak amid soft macro and disciplined AI-search monetization

We expect advertising revenue to decline **-22% yoy** in 3Q26E, reflecting continued macro weakness and Baidu's strategic focus on improving AI-search user experience rather than near-term monetization. AI-generated search results are becoming richer in content and more prevalent but remain conservatively monetized, while increasing interactions with the Baidu App AI assistant also bring incremental computing/server costs that flow through the P&L.

While the current strategy remains a drag on profitability, we believe advertising margin itself has already fallen to a very low level, likely similar or even lower than Baidu group level now.

3. Near-term group profit and margin under pressure dragged by weak advertising despite Cloud margin expansion

We expect Baidu Core **non-GAAP OP of Rmb1.7bn** and **non-GAAP NP of Rmb2.1bn** in 3Q26E. Near-term profitability remains pressured by advertising weakness, incremental AI investments related compute/server costs, AI applications and moderately higher investment in model training, despite continued Cloud margin expansion.

That said, we see improving earnings composition as **Cloud contributes an increasing share of group profit**, with its growing profit pool increasingly able to absorb Robotaxi and foundation-model training losses. The company remains disciplined on investment in model training, targeting a return to tier-1 status among domestic LLMs over the next 1-2 quarters without meaningful incremental costs, while Robotaxi remains focused on scaling without increasing aggregate losses.

We therefore view **3Q26E as a potential near-term margin trough**, as downside from

advertising profitability appears limited, while Cloud revenue and margin continue to expand, contributing to much higher proportion of profits now.

Key highlights

Exhibit 1: Baidu: revenue by new segmentation

Revenue by segment (Rmb bn)	2024	2025	2026E	2027E	2028E	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E
Baidu AI powered business	**27.0**	**40.0**	**54.2**	**69.4**	**86.7**	**9.6**	**11.3**	**13.6**	**12.5**	**13.3**	**14.8**
AI cloud infra	14.8	19.8	33.5	47.2	62.2	4.2	5.8	8.8	7.3	8.1	9.4
AI applications	9.8	10.2	10.3	10.9	11.4	2.6	2.7	2.5	2.5	2.6	2.8
AI native marketing	2.4	9.8	10.1	10.4	10.7	2.8	2.7	2.3	2.6	2.6	2.6
Robotaxi		0.2	0.2	1.0	2.4	0.1	0.1	0.1	0.0	0.1	0.1
As % of total	*26%*	*39%*	*53%*	*64%*	*72%*	*39%*	*43%*	*52%*	*50%*	*54%*	*57%*
Legacy & Others	**77.7**	**62.5**	**48.0**	**39.2**	**33.0**	**15.1**	**14.8**	**12.4**	**12.7**	**11.5**	**11.4**
As % of total	*74%*	*61%*	*47%*	*36%*	*28%*	*61%*	*57%*	*48%*	*50%*	*46%*	*43%*
Legacy business	**70.4**	**52.7**	**39.1**	**30.9**	**25.4**	**12.6**	**12.3**	**10.2**	**10.4**	**9.4**	**9.2**
As % of total	*67%*	*51%*	*38%*	*28%*	*21%*	*51%*	*47%*	*39%*	*41%*	*38%*	*35%*
Others	**7.3**	**9.7**	**8.9**	**8.2**	**7.7**	**2.5**	**2.5**	**2.2**	**2.3**	**2.1**	**2.2**
As % of total	*7%*	*10%*	*9%*	*8%*	*6%*	*10%*	*9%*	*8%*	*9%*	*9%*	*8%*
Baidu General business	**104.7**	**102.5**	**102.2**	**108.5**	**119.7**	**24.7**	**26.1**	**26.0**	**25.2**	**24.8**	**26.2**
YoY growth											
Baidu AI powered business		**48%**	**35%**	**28%**	**25%**	**51%**	**21%**	**49%**	**25%**	**39%**	**31%**
AI cloud infra		34%	69%	41%	32%	33%	7%	78%	50%	92%	62%
AI applications		4%	1%	5%	5%	6%	1%	3%	0%	1%	2%
AI native marketing		300%	3%	3%	3%			31%	0%	-5%	-4%
Legacy		-25%	-26%	-21%	-18%	-30%	-26%	-28%	-24%	-26%	-26%
Others		34%	-9%	-7%	-7%			5%	-15%	-14%	-10%
Baidu General business		**-2%**	**0%**	**6%**	**10%**	**-7%**	**-6%**	**2%**	**-4%**	**1%**	**0%**
QoQ growth											
Baidu AI powered business							18%	20%	-8%	7%	11%
AI cloud infra							38%	51%	-17%	10%	17%
AI applications							4%	-9%	2%	5%	5%
AI native marketing							-2%	-15%	13%	0%	0%
Baidu General business							6%	0%	-3%	-1%	6%

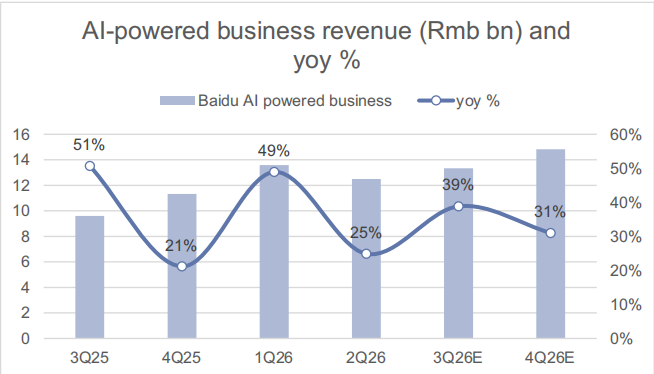
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 2: Baidu: revenue by old segmentation

Revenue by segment (Rmb bn, old)	2024	2025	2026E	2027E	2028E	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E
Advertising	**72.8**	**62.5**	**49.2**	**41.3**	**36.1**	**15.3**	**15.0**	**12.6**	**13.1**	**12.0**	**11.8**
% yoy	*-3%*	*-14%*	*-21%*	*-16%*	*-13%*	-18%	-16%	-21%	-19%	-22%	-22%
Cloud	**24.6**	**30.0**	**43.9**	**58.0**	**73.6**	**6.8**	**8.5**	**11.2**	**9.8**	**10.7**	**12.2**
% yoy		*22%*	*46%*	*32%*	*27%*	21%	5%	54%	33%	57%	43%
Others	**7.3**	**9.9**	**9.0**	**9.2**	**10.0**	**2.5**	**2.6**	**2.3**	**2.3**	**2.2**	**2.3**
% yoy		*37%*	*-9%*	*2%*	*9%*	18%	49%	4%	-13%	-14%	-12%
Total	**104.7**	**102.5**	**102**	**109**	**120**	**24.7**	**26.1**	**26.0**	**25.2**	**24.8**	**26.2**
% yoy		*-2%*	*0%*	*6%*	*10%*	-7%	-6%	2%	-4%	1%	0%

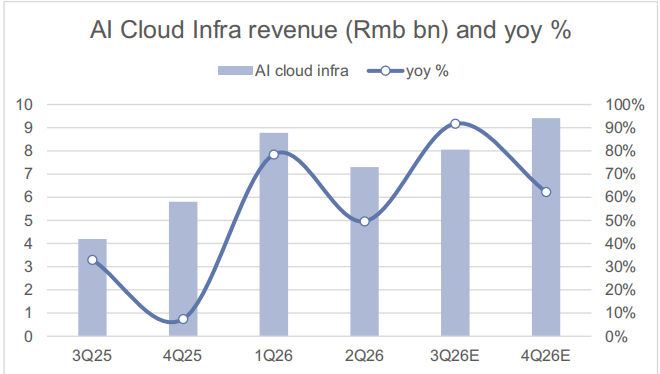
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 3: Baidu: Core AI-powered business quarterly revenue and yoy %



Source: Company data, Goldman Sachs Global Investment Research

Exhibit 4: Baidu: AI Cloud Infra quarterly revenue and yoy %



Source: Company data, Goldman Sachs Global Investment Research

Financials

Exhibit 5: Our forecast revisions for Baidu

Baidu Group Rmb mn	New 2026E	Chg %	New 2027E	Chg %	New 2028E	Chg %
Total net revenue	127,114	1%	134,337	1%	146,375	-1%
Net profit, non-GAAP	11,364	-12%	15,472	-11%	17,153	-9%
EPADS, non-GAAP (Rmb)	**33**	**-12%**	**46**	**-11%**	**51**	**-9%**

Source: Goldman Sachs Global Investment Research

Exhibit 6: Baidu: Summary of annual and quarterly estimates

Baidu (Rmb mn)	2022	2023	2024	2025	2026E	2027E	2028E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E
Total net revenue	**123,675**	**134,598**	**133,125**	**129,079**	**127,114**	**134,337**	**146,375**	**32,452**	**32,713**	**31,174**	**32,740**	**32,075**	**31,325**	**30,950**	**32,764**
% yoy	*-1%*	*9%*	*-1%*	*-3%*	*-2%*	*6%*	*9%*	*3%*	*-4%*	*-7%*	*-4%*	*-1%*	*-4%*	*-1%*	*0%*
Baidu Core (General business)	**95,431**	**103,465**	**104,712**	**102,484**	**102,163**	**108,550**	**119,734**	**25,463**	**26,251**	**24,659**	**26,112**	**26,001**	**25,183**	**24,825**	**26,222**
% yoy	*0%*	*8%*	*1%*	*-2%*	*0%*	*6%*	*10%*	*7%*	*-2%*	*-7%*	*-6%*	*2%*	*-4%*	*1%*	*0%*
% qoq								*-8%*	*3%*	*-6%*	*6%*	*0%*	*-3%*	*-1%*	*6%*
Ads (legacy+AI marketing)	69,379	74,979	72,849	62,546	49,238	41,322	36,068	15,978	16,213	15,325	15,030	12,600	13,100	11,960	11,578
% yoy	*-6%*	*8%*	*-3%*	*-14%*	*-21%*	*-16%*	*-13%*	*-6%*	*-15%*	*-18%*	*-16%*	*-21%*	*-19%*	*-22%*	*-23%*
% qoq								*-11%*	*1%*	*-5%*	*-2%*	*-16%*	*4%*	*-9%*	*-3%*
Cloud (AI infra+applications)			24,600	30,000	43,888	58,016	73,622	7,320	7,380	6,800	8,500	11,240	9,800	10,679	12,168
% yoy				*22%*	*46%*	*32%*	*27%*					*54%*	*33%*	*57%*	*43%*
Others (Robotaxi, Xiaodu etc)	8,303	9,738	7,263	9,938	9,038	9,212	10,044	2,164	2,658	2,533	2,582	2,161	2,283	2,186	2,477
% yoy	*19%*	*17%*	*-25%*	*37%*	*-9%*	*2%*	*9%*	*1%*	*11%*	*19%*	*1%*	*0%*	*-14%*	*-14%*	*-4%*
iQIYI	**28,998**	**31,873**	**29,225**	**27,291**	**24,951**	**25,787**	**26,641**	**7,186**	**6,628**	**6,682**	**6,794**	**6,226**	**6,287**	**6,125**	**6,313**
% yoy	*-5%*	*10%*	*-8%*	*-7%*	*-9%*	*3%*	*3%*	*-9%*	*-11%*	*-8%*	*3%*	*-13%*	*-5%*	*-8%*	*-7%*
% qoq								9%	-8%	1%	2%	-8%	1%	-3%	3%
Baidu Gross profit, non-GAAP	**60,149**	**70,157**	**67,484**	**57,032**	**47,292**	**50,202**	**55,249**	**15,042**	**14,476**	**12,972**	**14,542**	**12,568**	**12,318**	**10,939**	**11,467**
% yoy		*17%*	*-4%*	*-15%*	*-17%*	*6%*	*10%*	*-8%*	*-18%*	*-25%*	*-10%*	*-16%*	*-15%*	*-16%*	*-21%*
% GP margin, non-GAAP	48.6%	52.1%	50.7%	44.2%	37.2%	37.4%	37.7%	46.4%	44.3%	41.6%	44.4%	39.2%	39.3%	35.3%	35.0%
Baidu total OP, non-GAAP	**23,186**	**28,430**	**26,233**	**14,948**	**11,326**	**13,677**	**16,080**	**5,333**	**4,445**	**2,205**	**2,967**	**3,807**	**3,785**	**1,709**	**2,026**
% yoy	*22%*	*23%*	*-8%*	*-43%*	*-24%*	*21%*	*18%*	*-20%*	*-41%*	*-69%*	*-41%*	*-29%*	*-15%*	*-22%*	*-32%*
% OP margin, non-GAAP	18.7%	21.1%	19.7%	11.6%	8.9%	10.2%	11.0%	16.4%	13.6%	7.1%	9.1%	11.9%	12.1%	5.5%	6.2%
Baidu core OP, non-GAAP	**20,947**	**24,748**	**23,890**	**14,317**	**11,433**	**12,684**	**14,952**	**4,872**	**4,385**	**2,224**	**2,836**	**3,950**	**3,817**	**1,695**	**1,970**
% yoy	*-6%*	*18%*	*-3%*	*-40%*	*-20%*	*11%*	*18%*	*-13%*	*-37%*	*-67%*	*-39%*	*-19%*	*-13%*	*-24%*	*-31%*
% OP margin, non-GAAP	**21.9%**	**23.9%**	**22.8%**	**14.0%**	**11.2%**	**11.7%**	**12.5%**	**19.1%**	**16.7%**	**9.0%**	**10.9%**	**15.2%**	**15.2%**	**6.8%**	**7.5%**
iQIYI core OP, non-GAAP	**2,173**	**3,641**	**2,362**	**639**	**(99)**	**1,002**	**1,137**	**459**	**59**	**(22)**	**144**	**(149)**	**(30)**	**14**	**67**
% OP margin, non-GAAP	7.5%	11.4%	8.1%	2.3%	-0.4%	3.9%	4.3%	6.4%	0.9%	-0.3%	2.1%	-2.4%	-0.5%	0.2%	1.1%
Baidu total NP, non-GAAP	**20,680**	**28,747**	**27,002**	**18,941**	**11,364**	**15,472**	**17,153**	**6,469**	**4,795**	**3,770**	**3,907**	**4,332**	**2,573**	**1,889**	**2,570**
% yoy	*10%*	*39%*	*-6%*	*-30%*	*-40%*	*36%*	*11%*	*-8%*	*-35%*	*-36%*	*-42%*	*-33%*	*-46%*	*-50%*	*-34%*
% NP margin, non-GAAP	16.7%	21.4%	20.3%	14.7%	8.9%	11.5%	11.7%	19.9%	14.7%	12.1%	11.9%	13.5%	8.2%	6.1%	7.8%
Baidu core NP, non-GAAP	**19,935**	**27,418**	**26,335**	**18,827**	**12,158**	**14,873**	**15,990**	**6,330**	**4,792**	**3,836**	**3,869**	**4,433**	**2,672**	**2,080**	**2,973**
% yoy	*-6%*	*38%*	*-4%*	*-29%*	*-35%*	*22%*	*8%*	*-4%*	*-34%*	*-32%*	*-43%*	*-30%*	*-44%*	*-46%*	*-23%*
% NP margin, non-GAAP	20.9%	26.5%	25.1%	18.4%	11.9%	13.7%	13.4%	24.9%	18.3%	15.6%	14.8%	17.0%	10.6%	8.4%	11.3%
iQIYI core NP, non-GAAP	**1,284**	**2,838**	**1,512**	**281**	**(672)**	**722**	**1,294**	**304**	**15**	**(148)**	**110**	**(234)**	**(210)**	**(111)**	**(116)**
% NP margin, non-GAAP	4.4%	8.9%	5.2%	1.0%	-2.7%	2.8%	4.9%	4.2%	0.2%	-2.2%	1.6%	-3.8%	-3.3%	-1.8%	-1.8%

Source: Company data, Goldman Sachs Global Investment Research

Price Target Risks and Methodology - Baidu Inc.

We are Not Rated on BIDU/9888.HK.