

March Quarter 2024 Results

May 14, 2024

 Alibaba



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Financial Highlights

<i>(in RMB Mn, except per share data and percentages)</i>	Three months ended Mar 31,			Twelve months ended Mar 31,		
	2023	2024	YoY%	2023	2024	YoY%
Taobao and Tmall Group	89,889	93,216	4%	413,206	434,893	5%
Cloud Intelligence Group	24,742	25,595	3%	103,497	106,374	3%
Alibaba International Digital Commerce Group	18,915	27,448	45%	70,506	102,598	46%
Cainiao Smart Logistics Network Limited	18,915	24,557	30%	77,512	99,020	28%
Local Services Group	12,340	14,628	19%	50,249	59,802	19%
Digital Media and Entertainment Group	4,989	4,945	(1)%	18,444	21,145	15%
All others ⁽¹⁾	53,303	51,458	(3)%	197,115	192,331	(2)%
Total segment revenue	223,093	241,847	8%	930,529	1,016,163	9%
Unallocated	232	397		866	1,297	
Inter-segment elimination	(15,125)	(20,370)		(62,708)	(76,292)	
Consolidated revenue	208,200	221,874	7%	868,687	941,168	8%
Income from operations	15,240	14,765	(3)%	100,351	113,350	13%
Share-based compensation expense	7,546	7,123		30,831	18,546	
Amortization and impairment of intangible assets	2,494	2,081		13,504	21,592	
Impairment of goodwill, and others	-	-		3,225	11,540	
Net income	21,996	919	(96)%	65,573	71,332	9%
Diluted earnings per share⁽²⁾⁽³⁾	1.12	0.16	(86)%	3.43	3.91	14%
Diluted earnings per ADS⁽²⁾⁽³⁾	9.00	1.30	(86)%	27.46	31.24	14%
Non-GAAP Measures						
Adjusted EBITA	25,280	23,969	(5)%	147,911	165,028	12%
Non-GAAP net income	27,375	24,418	(11)%	141,379	157,479	11%
Non-GAAP diluted earnings per share⁽²⁾⁽⁴⁾	1.34	1.27	(5)%	6.82	7.78	14%
Non-GAAP diluted earnings per ADS⁽²⁾⁽⁴⁾	10.71	10.14	(5)%	54.56	62.23	14%

Notes: During fiscal year 2024, our segment reporting has been updated to reflect our Reorganization and the reclassification of the revenue of our DingTalk business, which was previously reported under Cloud Intelligence Group, to All others, the purpose of which was to provide DingTalk with greater autonomy to promote innovation and enhance competitiveness. Our CODM started to review information under this new reporting structure and segment reporting has been updated to conform to this change as well as the way we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

- (1) All others include Sun Art, Freshippo, Alibaba Health, Lingxi Games, Intime, Intelligent Information Platform (which mainly consists of UCWeb and Quark businesses), Fliggy, DingTalk (previously reported under Cloud Intelligence Group segment) and other businesses. The majority of revenue within All others consist of direct sales revenue, which is recorded on a gross basis.
- (2) Each ADS represents eight ordinary shares.
- (3) Diluted earnings per share is derived from dividing net income attributable to ordinary shareholders by the weighted average number of outstanding ordinary shares, on a diluted basis. Diluted earnings per ADS is derived from the diluted earnings per share after adjusting for the ordinary share-to-ADS ratio.
- (4) Non-GAAP diluted earnings per share is derived from dividing non-GAAP net income attributable to ordinary shareholders by the weighted average number of outstanding ordinary shares for computing non-GAAP diluted earnings per share, on a diluted basis. Non-GAAP diluted earnings per ADS is derived from the non-GAAP diluted earnings per share after adjusting for the ordinary share-to-ADS ratio.

Share Repurchase

- During the quarter ended March 31, 2024, we repurchased a total of 524 million ordinary shares (equivalent of 65 million ADSs) for a total of US\$4.8 billion. These purchases were made in both the U.S. and Hong Kong markets under our share repurchase program. For the fiscal year ended March 31, 2024, we repurchased a total of 1,249 million ordinary shares (equivalent of 156 million ADSs) for a total of US\$12.5 billion.
- As of March 31, 2024, we had 19,469 million ordinary shares (equivalent of 2,434 million ADSs) outstanding, a net decrease of 520 million ordinary shares during the quarter, or a 2.6% net reduction in our outstanding shares after accounting for shares issued under our equity incentive plan. For the full fiscal year ended March 31, 2024, our share repurchase program resulted in a net decrease of 1,057 million ordinary shares, or a 5.1% net reduction in our outstanding shares after accounting for shares issued under our equity incentive plan.

	Three months ended				Twelve months ended	Three months ended				Twelve months ended
	Jun. 30, 2022	Sep. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Mar. 31, 2023	Jun. 30, 2023	Sep. 30, 2023	Dec. 31, 2023	Mar. 31, 2024	Mar. 31, 2024
Repurchase amount (US\$Bn)	3.5	2.1	3.3	1.9	10.9	3.1	1.7	2.9	4.8	12.5
Shares repurchased (Mn ADSs)	39	24	45	22	130	36	19	37	65	156
Outstanding shares (Mn ADSs)	2,648	2,626	2,585	2,566	2,566	2,549	2,531	2,499	2,434	2,434
Net reduction % in total shares outstanding ⁽¹⁾					3.9% ⁽²⁾					5.1%

Dividends

- Our board of directors has approved a two-part dividend comprised of (i) an annual regular cash dividend for fiscal year 2024 in the amount of US\$0.125 per ordinary share or US\$1.00 per ADS, and (ii) a one-time extraordinary cash dividend as a distribution of proceeds from disposition of certain financial investments in the amount of US\$0.0825 per ordinary share or US\$0.66 per ADS, in each case payable in U.S. dollars, to holders of ordinary shares and holders of ADSs, as of the close of business on June 13, 2024, Hong Kong Time and New York Time, respectively. The aggregate amount of the dividend will be approximately US\$4.0 billion.

Notes:

- (1) Net reduction % in total shares outstanding is calculated by comparing the outstanding number of shares at the end of the fiscal year to the outstanding number of shares at the end of the prior fiscal year.
- (2) As of March 31, 2022, we had 21,357 million ordinary shares (equivalent of 2,670 million ADSs) outstanding.

Income Statement: Selected Financials



<i>(in RMB Mn, except percentages)</i>	Three months ended Mar 31,				Twelve months ended Mar 31,			
	2023	2024	YoY%	Change YoY	2023	2024	YoY%	Change YoY
Income from operations	15,240	14,765	(3)%	(475)	100,351	113,350	13%	12,999
Interest and investment income, net	10,496	(5,702)	N/A	(16,198)	(11,071)	(9,964)	(10)%	1,107
Interest expense	(1,736)	(2,177)	25%	(441)	(5,918)	(7,947)	34%	(2,029)
Other income, net	1,308	2,963	127%	1,655	5,823	6,157	6%	334
Income before income tax and share of results of equity method investees	25,308	9,849	(61)%	(15,459)	89,185	101,596	14%	12,411
Income tax expenses	(3,758)	(5,722)	52%	(1,964)	(15,549)	(22,529)	45%	(6,980)
Share of results of equity method investees	446	(3,208)	N/A	(3,654)	(8,063)	(7,735)	(4)%	328
Net income	21,996	919	(96)%	(21,077)	65,573	71,332	9%	5,759
Net income attributable to ordinary shareholders	23,516	3,270	(86)%	(20,246)	72,509	79,741	10%	7,232
Adjustments to reconcile net income to non-GAAP net income:								
Share-based compensation expense	7,546	7,123	(6)%	(423)	30,831	18,546	(40)%	(12,285)
Amortization and impairment of intangible assets	2,494	2,081	(17)%	(413)	13,504	21,592	60%	8,088
(Gain) Loss on deemed disposals/disposals/revaluation of investments	(11,804)	4,994	N/A	16,798	13,857	21,659	56%	7,802
Impairment of goodwill and investments, and others	7,290	10,657	46%	3,367	24,862	33,679	35%	8,817
Tax effects ⁽¹⁾	(147)	(1,356)	822%	(1,209)	(7,248)	(9,329)	29%	(2,081)
Non-GAAP net income	27,375	24,418	(11)%	(2,957)	141,379	157,479	11%	16,100
Non-GAAP net income attributable to ordinary shareholders	27,985	25,343	(9)%	(2,642)	144,029	158,587	10%	14,558

Note:

(1) Tax effects primarily comprise tax effects relating to share-based compensation expense, amortization and impairment of intangible assets and certain gains and losses from investments, and others.

Cost of Revenue and Operating Expenses

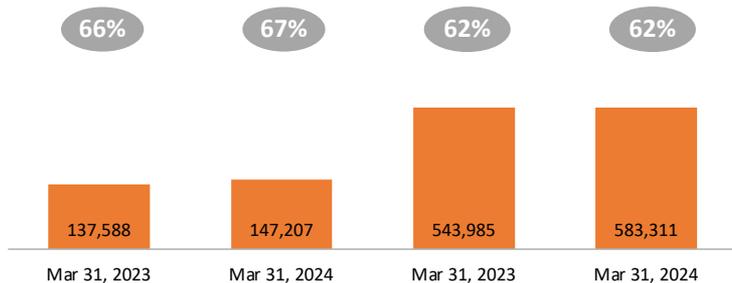
Cost of Revenue (excluding SBC)

(RMB Mn)

Three months ended

Twelve months ended

% of Revenue



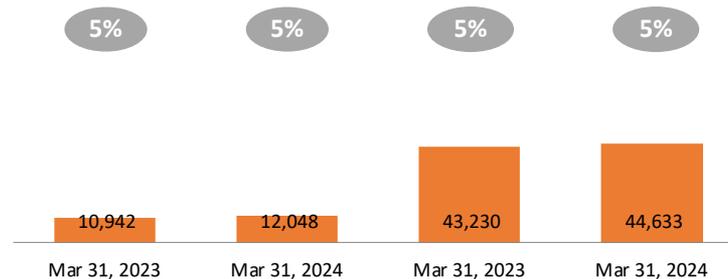
Product Development Expenses (excluding SBC)

(RMB Mn)

Three months ended

Twelve months ended

% of Revenue



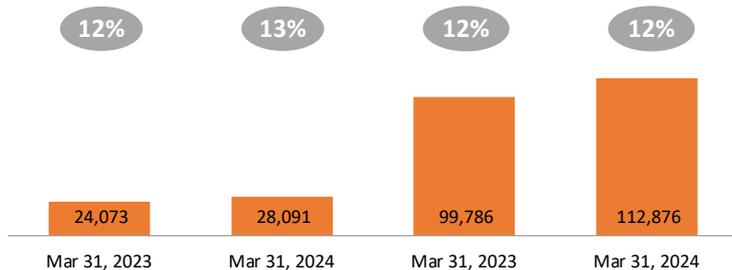
Sales & Marketing Expenses (excluding SBC)

(RMB Mn)

Three months ended

Twelve months ended

% of Revenue



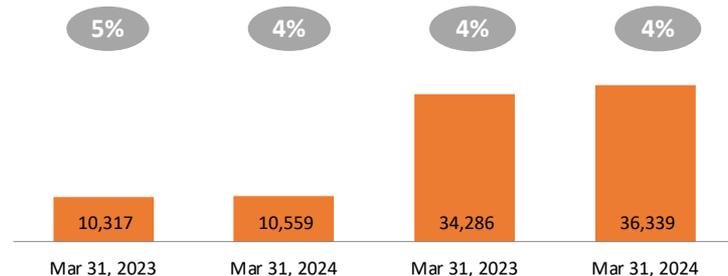
General & Administrative Expenses (excluding SBC)

(RMB Mn)

Three months ended

Twelve months ended

% of Revenue



Segment Results: Quarter ended March 31

Three months ended Mar 31, 2024												
<i>(in RMB Mn, except percentages)</i>	Alibaba							All Others ⁽¹⁾	Total segments	Unallocated ⁽²⁾	Inter-segment elimination	Consolidated
	Taobao and Tmall Group	Cloud Intelligence Group	International Digital Commerce Group	Cainiao Smart Logistics Network Limited	Local Services Group	Digital Media and Entertainment Group	Digital Commerce Group					
Revenue	93,216	25,595	27,448	24,557	14,628	4,945	51,458	241,847	397	(20,370)	221,874	
Revenue YoY%	4%	3%	45%	30%	19%	(1)%	(3)%	8%			7%	
Adjusted EBITA	38,501	1,432	(4,085)	(1,342)	(3,198)	(884)	(2,818)	27,606	(2,900)	(737)	23,969	
Adjusted EBITA YoY Change	(540)	445	(1,914)	(1,023)	865	245	(963)	(2,885)	1,464	110	(1,311)	
Adjusted EBITA YoY% ⁽³⁾	(1)%	45%	(88)%	(321)%	21%	22%	(52)%	(9)%			(5)%	

Three months ended Mar 31, 2023												
<i>(in RMB Mn)</i>	Alibaba							All Others ⁽¹⁾	Total segments	Unallocated ⁽²⁾	Inter-segment elimination	Consolidated
	Taobao and Tmall Group	Cloud Intelligence Group	International Digital Commerce Group	Cainiao Smart Logistics Network Limited	Local Services Group	Digital Media and Entertainment Group	Digital Commerce Group					
Revenue	89,889	24,742	18,915	18,915	12,340	4,989	53,303	223,093	232	(15,125)	208,200	
Adjusted EBITA	39,041	987	(2,171)	(319)	(4,063)	(1,129)	(1,855)	30,491	(4,364)	(847)	25,280	

Notes: During fiscal year 2024, our segment reporting has been updated to reflect our Reorganization and the reclassification of the results of our DingTalk business, which was previously reported under Cloud Intelligence Group, to All others, the purpose of which was to provide DingTalk with greater autonomy to promote innovation and enhance competitiveness. Our CODM started to review information under this new reporting structure and segment reporting has been updated to conform to this change as well as the way we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

- (1) All others include Sun Art, Freshippo, Alibaba Health, Lingxi Games, Intime, Intelligent Information Platform (which mainly consists of UCWeb and Quark businesses), Fliggy, DingTalk (previously reported under Cloud Intelligence Group segment) and other businesses.
- (2) Unallocated primarily relates to certain costs incurred by corporate functions and other miscellaneous items that are not allocated to individual segments.
- (3) For a more intuitive presentation, widening of loss in YoY% is shown in terms of negative growth rate, and narrowing of loss in YoY% is shown in terms of positive growth rate.

Segment Results: Twelve months ended March 31

Twelve months ended Mar 31, 2024											
<i>(in RMB Mn, except percentages)</i>	Taobao and Tmall Group	Cloud Intelligence Group	Alibaba International	Cainiao Smart	Digital Media and		All Others ⁽¹⁾	Total segments	Unallocated ⁽²⁾	Inter-segment elimination	Consolidated
			Digital Commerce Group	Logistics Network Limited	Local Services Group	Entertainment Group					
Revenue	434,893	106,374	102,598	99,020	59,802	21,145	192,331	1,016,163	1,297	(76,292)	941,168
Revenue YoY%	5%	3%	46%	28%	19%	15%	(2)%	9%			8%
Adjusted EBITA	194,827	6,121	(8,035)	1,402	(9,812)	(1,539)	(9,160)	173,804	(6,190)	(2,586)	165,028
Adjusted EBITA YoY Change	5,687	2,020	(3,091)	1,793	3,336	1,250	228	11,223	5,953	(59)	17,117
Adjusted EBITA YoY% ⁽³⁾	3%	49%	(63)%	N/A	25%	45%	2%	7%			12%

Twelve months ended Mar 31, 2023											
<i>(in RMB Mn)</i>	Taobao and Tmall Group	Cloud Intelligence Group	Alibaba International	Cainiao Smart	Digital Media and		All Others ⁽¹⁾	Total segments	Unallocated ⁽²⁾	Inter-segment elimination	Consolidated
			Digital Commerce Group	Logistics Network Limited	Local Services Group	Entertainment Group					
Revenue	413,206	103,497	70,506	77,512	50,249	18,444	197,115	930,529	866	(62,708)	868,687
Adjusted EBITA	189,140	4,101	(4,944)	(391)	(13,148)	(2,789)	(9,388)	162,581	(12,143)	(2,527)	147,911

Notes: During fiscal year 2024, our segment reporting has been updated to reflect our Reorganization and the reclassification of the results of our DingTalk business, which was previously reported under Cloud Intelligence Group, to All others, the purpose of which was to provide DingTalk with greater autonomy to promote innovation and enhance competitiveness. Our CODM started to review information under this new reporting structure and segment reporting has been updated to conform to this change as well as the way we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

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- (3) For a more intuitive presentation, widening of loss in YoY% is shown in terms of negative growth rate, and narrowing of loss in YoY% is shown in terms of positive growth rate.

Business Highlights

- Under our strategy to put users first and develop systems for brands, merchants and industrial belt manufacturers to operate with high efficiency on our platform, we aim to provide a shopping experience that satisfies all aspects of consumption needs with quality products and services at attractive prices. We are increasing strategic investment in areas such as price competitive product supplies, customer service, membership program benefits and technology, aiming to enhance user experience, which resulted in improved consumer retention and higher purchase frequency.
- Our strategy of price-competitiveness and focus on user experience is yielding results. During the quarter, we achieved double-digit online GMV and order growth year-over-year, driven by strong increase in the number of purchasers and purchase frequency.
- Importantly, the number of 88VIP members increased by double digits year-over-year, surpassing 35 million during the quarter. We will continue to increase the subscription of 88VIP membership among our premium shoppers by improving customer service and enhancing program benefits.

(in RMB Mn, except percentages)	Three months ended Mar 31,			Twelve months ended Mar 31,		
	2023	2024	YoY %	2023	2024	YoY %
Customer management	60,545	63,574	5%	291,541	304,009	4%
Direct sales and others	25,212	24,690	(2)%	103,811	110,405	6%
China commerce wholesale	4,132	4,952	20%	17,854	20,479	15%
Revenue	89,889	93,216	4%	413,206	434,893	5%
Adj. EBITA	39,041	38,501	(1)%	189,140	194,827	3%

China Commerce Retail Revenue

- Revenue from our China commerce retail business** in the quarter ended March 31, 2024 was **RMB88,264 million** (US\$12,224 million), an increase of **3%** compared to RMB85,757 million in the same quarter of 2023.
- Customer management revenue** increased by **5%** year-over-year, primarily due to a double-digit year-over-year growth in online GMV, excluding unpaid orders, partly offset by a decline in overall take rate. The overall take rate decreased year-over-year primarily due to the increase in online GMV mainly coming from Taobao merchants and the introduction of new models that currently have low monetization rates.
- Direct sales and others revenue** under China commerce retail business in the quarter ended March 31, 2024 was **RMB24,690 million** (US\$3,419 million), a decrease of 2% compared to RMB25,212 million in the same quarter of 2023.

China Commerce Wholesale Revenue

- Revenue from our China commerce wholesale business** in the quarter ended March 31, 2024 was **RMB4,952 million** (US\$686 million), an increase of **20%** compared to RMB4,132 million in the same quarter of 2023, primarily due to an increase in revenue from value-added services provided to paying members.

Segment Adjusted EBITA

- Taobao and Tmall Group adjusted EBITA** was **RMB38,501 million** (US\$5,332 million) in the quarter ended March 31, 2024, compared to RMB39,041 million in the same quarter of 2023, primarily due to the increase in investment in user experience (which resulted in improved consumer retention and higher purchase frequency) and technology infrastructure, partly offset by the increase in revenue from customer management service.

Business Highlights

- We are committed to our strategy of focusing on high quality revenues from increasing public cloud adoption while reducing low-margin project-based contracts. During the quarter, our core public cloud offerings, which include products such as elastic compute, database and AI products, recorded double-digit year-over-year growth in revenue. Overall revenue excluding Alibaba-consolidated subsidiaries decreased slightly year-over-year as we transition away from low-margin project-based revenues. We expect the strong revenue growth in public cloud and AI-related products will offset the impact of the roll-off of project-based revenues.
- The cost benefits from our infrastructure scale and advanced technologies enabled us to reduce prices across more than 100 public cloud products this quarter. Our goal is to enhance cost efficiency for our customers and boost public cloud adoption in China. In April 2024, we extended these price reductions to our overseas public cloud offerings, further improving our competitiveness in global markets.
- During this quarter, AI-related revenue experienced accelerated growth and continued to record triple-digit growth year-over-year. AI-related revenue was generated from various sectors including foundational model companies, Internet companies, as well as customers from industries such as financial services and automotive.

Segment Revenue

- Revenue from Cloud Intelligence Group** was **RMB25,595 million** (US\$3,545 million) in the quarter ended March 31, 2024, an increase of **3%** compared to RMB24,742 million in the same quarter of 2023.

Segment Adjusted EBITA

- Cloud Intelligence Group adjusted EBITA** increased by **45%** to **RMB1,432 million** (US\$198 million) in the quarter ended March 31, 2024, compared to RMB987 million in the same quarter of 2023, primarily due to improving product mix through our focus on public cloud and operating efficiency.

<i>(in RMB Mn, except percentages)</i>	Three months ended Mar 31,			Twelve months ended Mar 31,		
	2023	2024	YoY %	2023	2024	YoY %
Revenue	24,742	25,595	3%	103,497	106,374	3%
Adj. EBITA	987	1,432	45%	4,101	6,121	49%

Business Highlights

- For the quarter ended March 31, 2024, revenue from AIDC grew 45% year-over-year to RMB27,448 million (US\$3,802 million), and the combined orders of AIDC’s marketplaces grew 20% year-over-year. The strong performance was driven by growth of AIDC’s cross-border businesses, in particular growth contributed by the *Choice* business on AliExpress. We are committing more resources to cross-border e-commerce because of the clear customer value proposition of price competitiveness and timely delivery to consumers around the world. To further expand our geographic footprint and deliver differentiated services to a broader customer base, we increased investments in our cross-border initiatives this quarter.
- During the quarter, AliExpress continued to deliver robust year-over-year order growth, driven by *Choice*, which provides price competitiveness and high delivery speed to customers. Synergies between AliExpress and the cross-border logistics operations of Cainiao have further strengthened AliExpress’ competitiveness with both the 5-day and 10-day delivery completion rates doubling year-over-year. We increased our investment in key markets to enhance customer experience, expand consumer base and strengthen our market position. *Choice* represented around 70% of AliExpress’ total orders in April 2024.
- During the quarter, Trendyol continued its double-digit order growth. While maintaining its leading e-commerce position in Türkiye, Trendyol has further expanded its cross-border business in the Gulf region. Since the launch of Trendyol’s cross-border initiatives, we increased our investment in customer experience by expanding merchandise categories as well as providing speedy and reliable delivery. As a result, Trendyol has become one of the most downloaded e-commerce apps in the Gulf region during the quarter.
- Lazada continued to focus on improving its operating efficiency. With further increased monetization and optimized operations, Lazada’s loss per order narrowed significantly year-over-year during the quarter.

International Commerce Retail Revenue

- Revenue from our International commerce retail business** in the quarter ended March 31, 2024 was **RMB22,278 million** (US\$3,086 million), an increase of **56%** compared to RMB14,247 million in the same quarter of 2023. The increase in revenue was primarily due to the solid combined order growth of AIDC’s retail businesses, revenue contribution from AliExpress’ *Choice*, as well as improvements in monetization.

International Commerce Wholesale Revenue

- Revenue from our International commerce wholesale business** in the quarter ended March 31, 2024 was **RMB5,170 million** (US\$716 million), an increase of **11%** compared to RMB4,668 million in the same quarter of 2023. The increase was primarily due to an increase in revenue generated by cross-border related value-added services.

Segment Adjusted EBITA

- Alibaba International Digital Commerce Group adjusted EBITA** was **a loss of RMB4,085 million** (US\$566 million) in the quarter ended March 31, 2024, compared to a loss of RMB2,171 million in the same quarter of 2023. Loss increased year-over-year primarily because of increased investment in businesses including AliExpress’ *Choice* and Trendyol’s cross-border business, partly offset by improvements in monetization.

	Three months ended Mar 31,			Twelve months ended Mar 31,		
	2023	2024	YoY %	2023	2024	YoY %
(in RMB Mn, except percentages)						
International commerce retail	14,247	22,278	56%	50,933	81,654	60%
International commerce wholesale	4,668	5,170	11%	19,573	20,944	7%
Revenue	18,915	27,448	45%	70,506	102,598	46%
Adj. EBITA	(2,171)	(4,085)	(88)%	(4,944)	(8,035)	(63)%

Business Highlights

- For the quarter ended March 31, 2024, revenue from Cainiao grew 30% year-over-year to RMB24,557 million (US\$3,401 million), primarily driven by revenue from cross-border fulfillment services supporting AliExpress.
- In March, Cainiao withdrew its initial public offering on the Hong Kong Stock Exchange in order to align its business to better realize strategic synergies with our e-commerce businesses. This will enable Cainiao to work more closely with AliExpress to strengthen its comprehensive end-to-end cross-border delivery capabilities. During the quarter, Cainiao extended its premium delivery (i.e., five to ten-day delivery) to four additional countries, bringing the total coverage to 14 countries.
- Cainiao will continue to execute its strategy of building a global smart logistics network, leveraging its e-commerce insights and proprietary technology to optimize efficiency in first-mile pick-up, line haul, customs clearance, sortation, and last-mile delivery.

Segment Revenue

- Revenue from Cainiao Smart Logistics Network Limited** was **RMB24,557 million** (US\$3,401 million) in the quarter ended March 31, 2024, an increase of **30%** compared to RMB18,915 million in the same quarter of 2023, primarily contributed by the increase in revenue from cross-border fulfillment services.

Segment Adjusted EBITA

- Cainiao Smart Logistics Network Limited adjusted EBITA** was **a loss of RMB1,342 million** (US\$186 million) in the quarter ended March 31, 2024, compared to a loss of RMB319 million in the same quarter of 2023, primarily due to retention incentives granted to Cainiao employees in connection with the withdrawal of its initial public offering.

<i>(in RMB Mn, except percentages)</i>	Three months ended Mar 31,			Twelve months ended Mar 31,		
	2023	2024	YoY %	2023	2024	YoY %
Revenue	18,915	24,557	30%	77,512	99,020	28%
Adj. EBITA	(319)	(1,342)	(321)%	(391)	1,402	N/A

Business Highlights

- For the quarter ended March 31, 2024, revenue from Local Services Group grew by 19% year-over-year to RMB14,628 million (US\$2,026 million), driven by both Ele.me and Amap. During this quarter, the number of Ele.me orders grew strongly year-over-year, resulting from increasing transacting users and purchase frequency. Amap's business grew rapidly during this quarter, benefiting from mobility services and "To-Destination" services. For this quarter, Local Services Group's losses continued to narrow year-over-year due to improving business scale and efficiency.

Segment Revenue

- Revenue from Local Services Group** was **RMB14,628 million** (US\$2,026 million) in the quarter ended March 31, 2024, an increase of **19%** compared to RMB12,340 million in the same quarter of 2023, primarily due to the order growth of Ele.me and Amap.

Segment Adjusted EBITA

- Local Services Group adjusted EBITA** was **a loss of RMB3,198 million** (US\$443 million) in the quarter ended March 31, 2024, compared to a loss of RMB4,063 million in the same quarter of 2023, primarily due to the continued narrowing of loss from our "To-Home" business driven by Ele.me's improved unit economics and increasing business scale.

<i>(in RMB Mn, except percentages)</i>	Three months ended Mar 31,			Twelve months ended Mar 31,		
	2023	2024	YoY %	2023	2024	YoY %
Revenue	12,340	14,628	19%	50,249	59,802	19%
Adj. EBITA	(4,063)	(3,198)	21%	(13,148)	(9,812)	25%

Business Highlights

- During the quarter ended March 31, 2024, revenue of Digital Media and Entertainment Group was RMB4,945 million (US\$685 million), a decrease of 1% year-over-year due to a modest decline in Youku's revenue. Alibaba Pictures' movie business revenue grew, while revenue of its online ticketing platform for live events, Damai, grew rapidly year-over-year.

Segment Revenue

- Revenue from Digital Media and Entertainment Group was **RMB4,945 million** (US\$685 million) in the quarter ended March 31, 2024, a decrease of **1%** compared to RMB4,989 million in the same quarter of 2023.

Segment Adjusted EBITA

- Digital Media and Entertainment Group adjusted EBITA in the quarter ended March 31, 2024 was **a loss of RMB884 million** (US\$122 million), compared to a loss of RMB1,129 million in the same quarter of 2023. Loss reduced year-over-year primarily due to the reduced loss of Youku.

<i>(in RMB Mn, except percentages)</i>	Three months ended Mar 31,			Twelve months ended Mar 31,		
	2023	2024	YoY %	2023	2024	YoY %
Revenue	4,989	4,945	(1)%	18,444	21,145	15%
Adj. EBITA	(1,129)	(884)	22%	(2,789)	(1,539)	45%

Segment Revenue

- Revenue from All others segment was **RMB51,458 million** (US\$7,126 million) in the quarter ended March 31, 2024, a decrease of **3%** compared to RMB53,303 million in the same quarter of 2023, mainly due to the decrease in revenue from Sun Art and Alibaba Health, partly offset by the increase in revenue from Freshippo. The decrease in revenue from Sun Art was mainly driven by the scale-down of supply chain business and decrease in basket size.

Segment Adjusted EBITA

- Adjusted EBITA from All others segment in the quarter ended March 31, 2024 was **a loss of RMB2,818 million** (US\$390 million), compared to a loss of RMB1,855 million in the same quarter of 2023, primarily due to the increased loss from Freshippo and the decrease in profitability of Lingxi Games.

(in RMB Mn, except percentages)	Three months ended Mar 31,			Twelve months ended Mar 31,		
	2023	2024	YoY %	2023	2024	YoY %
Revenue	53,303	51,458	(3)%	197,115	192,331	(2)%
Adj. EBITA	(1,855)	(2,818)	(52)%	(9,388)	(9,160)	2%



Appendix

Revenue Breakdown

<i>(in RMB Mn, except percentages)</i>	Three months ended Mar 31,			Twelve months ended Mar 31,		
	2023	2024	YoY%	2023	2024	YoY%
Taobao and Tmall Group	89,889	93,216	4%	413,206	434,893	5%
China commerce retail	85,757	88,264	3%	395,352	414,414	5%
- Customer management	60,545	63,574	5%	291,541	304,009	4%
- Direct sales and others ⁽¹⁾	25,212	24,690	(2)%	103,811	110,405	6%
China commerce wholesale	4,132	4,952	20%	17,854	20,479	15%
Cloud Intelligence Group	24,742	25,595	3%	103,497	106,374	3%
Alibaba International Digital Commerce Group	18,915	27,448	45%	70,506	102,598	46%
International commerce retail	14,247	22,278	56%	50,933	81,654	60%
International commerce wholesale	4,668	5,170	11%	19,573	20,944	7%
Cainiao Smart Logistics Network Limited	18,915	24,557	30%	77,512	99,020	28%
Local Services Group	12,340	14,628	19%	50,249	59,802	19%
Digital Media and Entertainment Group	4,989	4,945	(1)%	18,444	21,145	15%
All others⁽²⁾	53,303	51,458	(3)%	197,115	192,331	(2)%
Total segment revenue	223,093	241,847	8%	930,529	1,016,163	9%
Unallocated	232	397		866	1,297	
Inter-segment elimination	(15,125)	(20,370)		(62,708)	(76,292)	
Consolidated revenue	208,200	221,874	7%	868,687	941,168	8%

Notes: During fiscal year 2024, our segment reporting has been updated to reflect our Reorganization and the reclassification of the revenue of our DingTalk business, which was previously reported under Cloud Intelligence Group, to All others, the purpose of which was to provide DingTalk with greater autonomy to promote innovation and enhance competitiveness. Our CODM started to review information under this new reporting structure and segment reporting has been updated to conform to this change as well as the way we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

(1) Direct sales and others revenue under Taobao and Tmall Group primarily represents Tmall Supermarket, Tmall Global and other direct sales businesses, where revenue and cost of inventory are recorded on a gross basis.

(2) All others include Sun Art, Freshippo, Alibaba Health, Lingxi Games, Intime, Intelligent Information Platform (which mainly consists of UCWeb and Quark businesses), Fliggy, DingTalk (previously reported under Cloud Intelligence Group segment) and other businesses. The majority of revenue within All others consist of direct sales revenue, which is recorded on a gross basis.

GAAP to Non-GAAP Measures Reconciliation

	Three months ended Mar 31,			Twelve months ended Mar 31,		
	2023	2024		2023	2024	
	RMB Mn	RMN Mn	USD Mn	RMB Mn	RMB Mn	USD Mn
Adjusted EBITA and Adjusted EBITDA						
Income from operations	15,240	14,765	2,045	100,351	113,350	15,699
Share-based compensation expense	7,546	7,123	987	30,831	18,546	2,569
Amortization and impairment of intangible assets	2,494	2,081	288	13,504	21,592	2,990
Impairment of goodwill, and others	-	-	-	3,225	11,540	1,598
Adjusted EBITA	25,280	23,969	3,320	147,911	165,028	22,856
Depreciation and impairment of property and equipment, and operating lease cost relating to land use rights	6,843	6,838	947	27,799	26,640	3,690
Adjusted EBITDA	32,123	30,807	4,267	175,710	191,668	26,546
Non-GAAP net income						
Net income	21,996	919	127	65,573	71,332	9,879
Adjustments to reconcile net income to non-GAAP net income:						
Share-based compensation expense	7,546	7,123	987	30,831	18,546	2,569
Amortization and impairment of intangible assets	2,494	2,081	288	13,504	21,592	2,990
(Gain) Loss on deemed disposals/disposals/revaluation of investments	(11,804)	4,994	692	13,857	21,659	3,000
Impairment of goodwill and investments, and others	7,290	10,657	1,476	24,862	33,679	4,664
Tax effects ⁽¹⁾	(147)	(1,356)	(188)	(7,248)	(9,329)	(1,291)
Non-GAAP net income	27,375	24,418	3,382	141,379	157,479	21,811
Non-GAAP Free cash flow						
Net cash provided by operating activities	31,401	23,340	3,233	199,752	182,593	25,289
Less:						
Purchase of property and equipment (excluding land use rights and construction in progress relating to office campuses)	(2,513)	(10,174)	(1,410)	(30,373)	(27,579)	(3,820)
Purchase of intangible assets (excluding those acquired through acquisitions)	-	-	-	(22)	(842)	(116)
Changes in the buyer protection fund deposits	3,379	2,195	304	2,306	2,038	282
Free cash flow	32,267	15,361	2,127	171,663	156,210	21,635

Note:

(1) Tax effects primarily comprise tax effects relating to share-based compensation expense, amortization and impairment of intangible assets and certain gains and losses from investments, and others.

GAAP to Non-GAAP Net Income Attributable to Ordinary Shareholders



<i>(in Mn, except per share data)</i>	Three months ended Mar 31,			Twelve months ended Mar 31,		
	2023	2024		2023	2024	
	RMB	RMB	USD	RMB	RMB	USD
Net income attributable to ordinary shareholders – basic	23,516	3,270	453	72,509	79,741	11,044
Dilution effect on earnings arising from share-based awards operated by equity method investees and subsidiaries	(29)	(15)	(2)	(38)	(228)	(32)
Net income attributable to ordinary shareholders – diluted	23,487	3,255	451	72,471	79,513	11,012
Non-GAAP adjustments to net income attributable to ordinary shareholders ⁽¹⁾	4,469	22,073	3,057	71,520	78,846	10,920
Non-GAAP net income attributable to ordinary shareholders for computing non-GAAP diluted earnings per share/ADS	27,956	25,328	3,508	143,991	158,359	21,932
Weighted average number of shares on a diluted basis for computing non-GAAP diluted earnings per share/ADS (million shares)⁽²⁾	20,882	19,980		21,114	20,359	
Diluted earnings per share⁽²⁾⁽³⁾	1.12	0.16	0.02	3.43	3.91	0.54
Non-GAAP diluted earnings per share⁽²⁾⁽⁴⁾	1.34	1.27	0.18	6.82	7.78	1.08
Diluted earnings per ADS⁽²⁾⁽³⁾	9.00	1.30	0.18	27.46	31.24	4.33
Non-GAAP diluted earnings per ADS⁽²⁾⁽⁴⁾	10.71	10.14	1.40	54.56	62.23	8.62

Notes:

- (1) See the table above for the reconciliation of net income to non-GAAP net income for more information of these non-GAAP adjustments.
- (2) Each ADS represents eight ordinary shares.
- (3) Diluted earnings per share is derived from dividing net income attributable to ordinary shareholders by the weighted average number of outstanding ordinary shares, on a diluted basis. Diluted earnings per ADS is derived from the diluted earnings per share after adjusting for the ordinary share-to-ADS ratio.
- (4) Non-GAAP diluted earnings per share is derived from dividing non-GAAP net income attributable to ordinary shareholders by the weighted average number of outstanding ordinary shares for computing non-GAAP diluted earnings per share, on a diluted basis. Non-GAAP diluted earnings per ADS is derived from the non-GAAP diluted earnings per share after adjusting for the ordinary share-to-ADS ratio.

