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This presentation contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “may,” “will,” “expect,” “anticipate,” “future,” “aim,” “estimate,” “intend,” “seek,” “plan,” “believe,” “potential,” “continue,” “ongoing,” “target,” “guidance,” “is/are likely to” and similar statements. In addition, statements that are not historical facts, including statements about Alibaba Group’s new organizational and governance structure, Alibaba’s strategies and business plans, Alibaba’s beliefs, expectations and guidance regarding the growth of its business, revenue and return on investment, the business outlook and quotations from management in this presentation, as well as Alibaba’s strategic and operational plans, are or contain forward-looking statements. Alibaba may also make forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in announcements made on the website of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement. These factors include but are not limited to the following: Alibaba’s corporate structure, including the VIE structure it uses to operate certain businesses in the PRC; the implementation of Alibaba Group’s new organizational and governance structure and the execution of spin-off or capital raising plans of its subsidiaries; Alibaba’s ability to maintain the trusted status of its ecosystem; Alibaba’s ability to compete, innovate and maintain or grow its revenue or business, including expanding its international and cross-border businesses and operations and managing a large and complex organization; risks associated with sustained investments in Alibaba’s businesses; fluctuations in general economic and business conditions in China and globally; uncertainties arising from competition among countries and geopolitical tensions, including protectionist or national security policies and export control, economic or trade sanctions; risks associated with Alibaba’s acquisitions, investments and alliances; uncertainties and risks associated with a broad range of complex laws and regulations (including in the areas of data security and privacy protection, anti-monopoly and anti-unfair competition, content regulation, consumer protection and regulation of Internet platforms) in the PRC and globally; cybersecurity risks; impact of the COVID-19 pandemic; and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in Alibaba’s filings with the SEC and announcements on the website of the Hong Kong Stock Exchange. All information provided in this presentation is as of the date of this presentation and are based on assumptions that we believe to be reasonable as of this date, and Alibaba does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

Financial Highlights

<i>(in RMB Mn, except per share data and percentages)</i>	Three months ended Sep 30,			Six months ended Sep 30,		
	2022	2023	YoY%	2022	2023	YoY%
Taobao and Tmall Group	93,735	97,654	4%	196,252	212,607	8%
Alibaba International Digital Commerce Group	16,046	24,511	53%	31,767	46,634	47%
Local Services Group	13,381	15,564	16%	24,512	30,014	22%
Cainiao Smart Logistics Network Limited	18,282	22,823	25%	35,574	45,987	29%
Cloud Intelligence Group ⁽¹⁾	27,035	27,648	2%	51,391	52,713	3%
Digital Media and Entertainment Group	5,228	5,779	11%	9,194	11,160	21%
All others ⁽¹⁾⁽²⁾	48,142	48,052	(0)%	93,478	93,850	0%
Total segment revenue	221,849	242,031	9%	442,168	492,965	11%
Unallocated	216	277		409	526	
Inter-segment elimination	(14,889)	(17,518)		(29,846)	(34,545)	
Consolidated revenue	207,176	224,790	9%	412,731	458,946	11%
Income from operations	25,137	33,584	34%	50,080	76,074	52%
Share-based compensation expense	7,787	6,830		14,512	5,201	
Amortization of intangible assets	2,729	2,431		5,480	4,910	
Impairment of goodwill	-	-		-	2,031	
Equity-settled donation expense	511	-		511	-	
Diluted (loss) earnings per share⁽³⁾⁽⁴⁾	(0.97)	1.35	N/A	0.10	3.01	2910%
Diluted (loss) earnings per ADS⁽³⁾⁽⁴⁾	(7.77)	10.77	N/A	0.82	24.08	2837%
Non-GAAP Measures						
Adjusted EBITA	36,164	42,845	18%	70,583	88,216	25%
Non-GAAP diluted earnings per share⁽³⁾⁽⁵⁾	1.61	1.95	21%	3.08	4.13	34%
Non-GAAP diluted earnings per ADS⁽³⁾⁽⁵⁾	12.92	15.63	21%	24.64	33.00	34%

Notes: Starting from the quarter ended June 30, 2023, we have implemented a new organizational structure which includes six major business groups and various other businesses (the "Reorganization"). Our segment reporting has been updated to reflect our Reorganization. Our chief operating decision maker ("CODM") started to review information under a new reporting structure, and segment reporting has been updated to conform to this change. Comparative figures were reclassified to conform to this presentation.

- (1) Starting from the quarter ended September 30, 2023, we reclassified 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. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.
- (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.
- (3) Each ADS represents eight ordinary shares.
- (4) Diluted (loss) earnings per share is derived from dividing net (loss) income attributable to ordinary shareholders by the weighted average number of outstanding ordinary shares, on a diluted basis. Diluted (loss) earnings per ADS is derived from the diluted (loss) earnings per share after adjusting for the ordinary share-to-ADS ratio.
- (5) 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.

Cost of Revenue and Operating Expenses

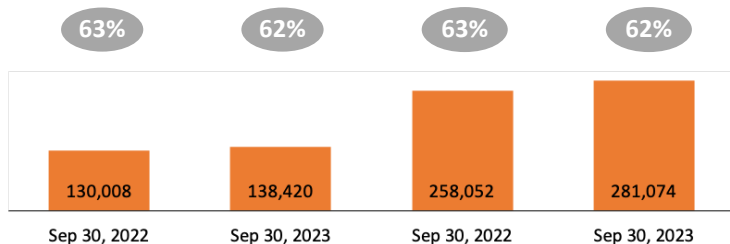
Cost of Revenue (excluding SBC)

(RMB Mn)

Three months ended

Six months ended

% of Revenue



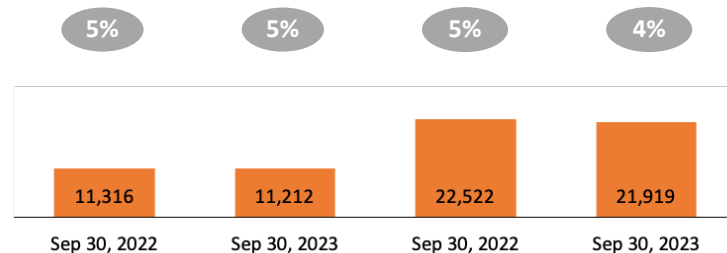
Product Development Expenses (excluding SBC)

(RMB Mn)

Three months ended

Six months ended

% of Revenue



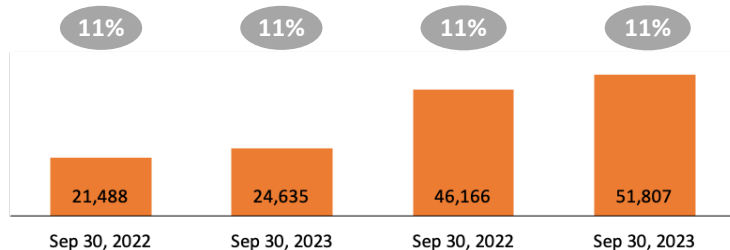
Sales & Marketing Expenses (excluding SBC)

(RMB Mn)

Three months ended

Six months ended

% of Revenue



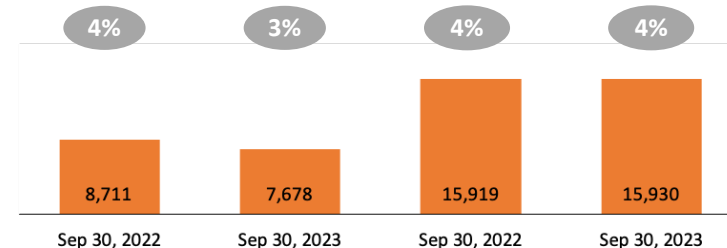
General & Administrative Expenses (excluding SBC)

(RMB Mn)

Three months ended

Six months ended

% of Revenue



Income Statement: Selected Financials



<i>(in RMB Mn, except percentages)</i>	Three months ended Sep 30,				Six months ended Sep 30,			
	2022	2023	YoY%	Change YoY	2022	2023	YoY%	Change YoY
Income from operations	25,137	33,584	34%	8,447	50,080	76,074	52%	25,994
Interest and investment income, net	(42,452)	5,136	N/A	47,588	(37,083)	(762)	(98)%	36,321
Interest expense	(1,388)	(1,854)	34%	(466)	(2,632)	(3,638)	38%	(1,006)
Other income, net	2,944	1,391	(53)%	(1,553)	3,053	2,755	(10)%	(298)
(Loss) Income before income tax and share of results of equity method investees	(15,759)	38,257	N/A	54,016	13,418	74,429	455%	61,011
Income tax expenses	(2,572)	(5,797)	125%	(3,225)	(7,971)	(11,819)	48%	(3,848)
Share of results of equity method investees	(4,136)	(5,764)	39%	(1,628)	(7,616)	(2,914)	(62)%	4,702
Net (loss) income	(22,467)	26,696	N/A	49,163	(2,169)	59,696	NA	61,865
Net (loss) income attributable to ordinary shareholders	(20,561)	27,706	N/A	48,267	2,178	62,038	2748%	59,860
Adjustments to reconcile net (loss) income to non-GAAP net income:								
Share-based compensation expense	7,787	6,830	(12)%	(957)	14,512	5,201	(64)%	(9,311)
Amortization of intangible assets	2,729	2,431	(11)%	(298)	5,480	4,910	(10)%	(570)
Impairment of goodwill and investments	10,020	7,604	(24)%	(2,416)	13,134	11,873	(10)%	(1,261)
Loss (Gain) on deemed disposals/disposals/revaluation of investments and others	38,560	(1,731)	N/A	(40,291)	36,848	7,307	(80)%	(29,541)
Equity-settled donation expense	511	-	N/A	(511)	511	-	N/A	(511)
Tax effects ⁽¹⁾	(3,320)	(1,642)	(51)%	1,678	(4,244)	(3,877)	(9)%	367
Non-GAAP net income	33,820	40,188	19%	6,368	64,072	85,110	33%	21,038
Non-GAAP net income attributable to ordinary shareholders	34,348	40,184	17%	5,836	65,703	84,987	29%	19,284

Note:

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

Cash Flow & Balance Sheet: Selected Financials

	Three months ended Sep 30,			Six months ended Sep 30,		
	2022	2023		2022	2023	
<i>Cash Flow</i>	RMB Mn	RMB Mn	USD Mn	RMB Mn	RMB Mn	USD Mn
Net cash provided by operating activities	47,112	49,231	6,748	80,981	94,537	12,957
Less:						
Purchase of property and equipment (excluding land use rights and construction in progress relating to office campuses)	(10,957)	(4,112)	(564)	(22,067)	(10,119)	(1,386)
Purchase of intangible assets (excluding those acquired through acquisitions)	-	-	-	(22)	-	-
Changes in the buyer protection fund deposits	(446)	101	14	(1,010)	(109)	(15)
Free cash flow	35,709	45,220	6,198	57,882	84,309	11,556
Capital Expenditure	(12,112)	(5,150)	(706)	(23,955)	(12,077)	(1,655)
Net cash (outflow) inflow from investment and acquisition activities⁽¹⁾	(2,372)	2,133	292	(4,208)	4,789	656
Share Repurchase	(13,800)	(11,874)	(1,627)	(37,680)	(34,025)	(4,664)

	As of Mar 31,	As of Sep 30,	
	2023	2023	
<i>Balance Sheet</i>	RMB Mn	RMB Mn	USD Mn
Cash and cash equivalents	193,086	243,716	33,404
Short-term investments	326,492	296,793	40,679
Other treasury investments	40,736	83,992	11,512
Cash balance	560,314	624,501	85,595
Less:			
Current and non-current bank borrowings	(59,489)	(63,303)	(8,676)
Current and non-current unsecured senior notes	(101,865)	(103,441)	(14,178)
Net cash position	398,960	457,757	62,741

Note:

(1) Net cash (outflow) inflow from investment and acquisition activities represent cash outflow for investment and acquisition activities, net of cash inflow from disposal of investments.

Segment Results: Quarter ended September 30

Three months ended Sep 30, 2023

<i>(in RMB Mn, except percentages)</i>	Alibaba		Local Services Group	Cainiao Smart Logistics Network Limited	Cloud Intelligence Group ⁽¹⁾	Digital Media and Entertainment Group	All Others ⁽¹⁾⁽²⁾	Total segments	Unallocated ⁽³⁾	Inter-segment elimination	Consolidated
	Taobao and Tmall Group	International Digital Commerce Group									
Revenue	97,654	24,511	15,564	22,823	27,648	5,779	48,052	242,031	277	(17,518)	224,790
Revenue YoY%	4%	53%	16%	25%	2%	11%	(0)%	9%			9%
Adjusted EBITA	47,077	(384)	(2,564)	906	1,409	(201)	(1,437)	44,806	(1,019)	(942)	42,845
Adjusted EBITA YoY Change	1,442	364	764	781	428	161	1,447	5,387	1,686	(392)	6,681
Adjusted EBITA YoY% ⁽⁴⁾	3%	49%	23%	625%	44%	44%	50%	14%			18%

Three months ended Sep 30, 2022

<i>(in RMB Mn)</i>	Alibaba		Local Services Group	Cainiao Smart Logistics Network Limited	Cloud Intelligence Group ⁽¹⁾	Digital Media and Entertainment Group	All Others ⁽¹⁾⁽²⁾	Total segments	Unallocated ⁽³⁾	Inter-segment elimination	Consolidated
	Taobao and Tmall Group	International Digital Commerce Group									
Revenue	93,735	16,046	13,381	18,282	27,035	5,228	48,142	221,849	216	(14,889)	207,176
Adjusted EBITA	45,635	(748)	(3,328)	125	981	(362)	(2,884)	39,419	(2,705)	(550)	36,164

Notes: Starting from the quarter ended June 30, 2023, our segment reporting has been updated to reflect our Reorganization. Our CODM started to review information under a new reporting structure, and segment reporting has been updated to conform to this change. Comparative figures were reclassified to conform to this presentation.

(1) Starting from the quarter ended September 30, 2023, we reclassified the result 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. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.

(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.

(3) Unallocated primarily relate to certain costs incurred by corporate functions and other miscellaneous items that are not allocated to individual segments.

(4) 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: Six Months ended September 30

Six months ended Sep 30, 2023											
<i>(in RMB Mn, except percentages)</i>	Alibaba International		Local Services Group	Cainiao Smart Logistics Network Limited	Cloud Intelligence Group ⁽¹⁾	Digital Media and Entertainment Group	All Others ⁽¹⁾⁽²⁾	Total segments	Unallocated ⁽³⁾	Inter-segment elimination	Consolidated
	Taobao and Tmall Group	Digital Commerce Group									
Revenue	212,607	46,634	30,014	45,987	52,713	11,160	93,850	492,965	526	(34,545)	458,946
Revenue YoY%	8%	47%	22%	29%	3%	21%	0%	11%			11%
Adjusted EBITA	96,396	(804)	(4,546)	1,783	2,325	(138)	(3,170)	91,846	(2,482)	(1,148)	88,216
Adjusted EBITA YoY Change	5,542	1,324	1,616	1,843	480	1,131	2,665	14,601	3,124	(92)	17,633
Adjusted EBITA YoY% ⁽⁴⁾	6%	62%	26%	N/A	26%	89%	46%	19%			25%

Six months ended Sep 30, 2022											
<i>(in RMB Mn)</i>	Alibaba International		Local Services Group	Cainiao Smart Logistics Network Limited	Cloud Intelligence Group ⁽¹⁾	Digital Media and Entertainment Group	All Others ⁽¹⁾⁽²⁾	Total segments	Unallocated ⁽³⁾	Inter-segment elimination	Consolidated
	Taobao and Tmall Group	Digital Commerce Group									
Revenue	196,252	31,767	24,512	35,574	51,391	9,194	93,478	442,168	409	(29,846)	412,731
Adjusted EBITA	90,854	(2,128)	(6,162)	(60)	1,845	(1,269)	(5,835)	77,245	(5,606)	(1,056)	70,583

Notes: Starting from the quarter ended June 30, 2023, our segment reporting has been updated to reflect our Reorganization. Our CODM started to review information under a new reporting structure, and segment reporting has been updated to conform to this change. Comparative figures were reclassified to conform to this presentation.

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- (3) Unallocated primarily relate to certain costs incurred by corporate functions and other miscellaneous items that are not allocated to individual segments.
- (4) 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

- We continue to improve the value proposition of Taobao app by (i) increasing content to encourage user engagement, (ii) enhancing price-competitive product supply by onboarding more merchants and targeting more effectively, and (iii) introducing AI applications and tools to improve user experience and seller efficiency.
- For the month ended September 30, 2023, we achieved healthy year-over-year organic growth of Taobao app users as a result of our content and price-competitive strategy.
- Taobao and Tmall Group successfully concluded its 15th annual 11.11 Global Shopping Festival, which recorded positive year-over-year growth in participating merchants, transacting buyers and order volume compared to the same period last year.
- Taobao and Tmall Group continues to expand AI products and services for its merchant operation platform and monetization platform (Alimama). It now offers AI tools that simplify and automate online store operations, such as new store design, product photo and description generation, customer service and financial and order management, all of which improve merchants' operating efficiency.

(in RMB Mn, except percentages)	Three months ended Sep 30,			Six months ended Sep 30,		
	2022	2023	YoY %	2022	2023	YoY %
Customer management	66,877	68,661	3%	139,302	148,322	6%
Direct sales and others	22,559	23,899	6%	47,557	54,066	14%
China commerce wholesale	4,299	5,094	18%	9,393	10,219	9%
Revenue	93,735	97,654	4%	196,252	212,607	8%
Adj. EBITA	45,635	47,077	3%	90,854	96,396	6%

China Commerce Retail Revenue

- Revenue from our China commerce retail business** in the quarter ended September 30, 2023 was **RMB92,560 million** (US\$12,687 million), an increase of **3%** compared to RMB89,436 million in the same quarter of 2022.
- Customer management revenue** increased by **3%** year-over-year, primarily due to the increase in merchant's willingness to invest in advertising, partly offset by the modest decline in online GMV generated on Taobao and Tmall, excluding unpaid order.
- Direct sales and others revenue** under China commerce retail business in the quarter ended September 30, 2023 was **RMB23,899 million** (US\$3,276 million), an increase of **6%** compared to RMB22,559 million in the same quarter of 2022, primarily due to strong sales driven by the consumer electronics and appliances.

China Commerce Wholesale Revenue

- Revenue from our China commerce wholesale business** in the quarter ended September 30, 2023 was **RMB5,094 million** (US\$698 million), an increase of **18%** compared to RMB4,299 million in the same quarter of 2022, primarily due to an increase in revenue from value-added services provided to paying members.

Segment Adjusted EBITA

- Taobao and Tmall Group adjusted EBITA** increased by **3%** to **RMB47,077 million** (US\$6,453 million) in the quarter ended September 30, 2023, compared to RMB45,635 million in the same quarter of 2022. The increase was primarily due to narrowing losses in certain businesses and increase in profit from customer management service, partly offset by the increase in investment in user acquisition and retention as well as in content of Taobao app.

Business Highlights

- AliExpress is executing its growth strategy under multiple business models – the established marketplace business, which saw double-digit growth year-over-year in the number of orders during this quarter, and *Choice* which works closely with Cainiao to improve consumer experience, recently rolling out a 5-day delivery guarantee program in selected European countries. As a result the order volume of *Choice* ramped up rapidly during the quarter.
- Lazada recorded double-digit order growth year-over-year during the quarter. Lazada continues to focus on improving monetization. As a result, losses per order narrowed quarter-over-quarter and year-over-year.
- Trendyol delivered robust order growth while investing in its expansion outside Türkiye. By leveraging its product sourcing capabilities and supply chain advantages, Trendyol further expanded its footprint in the region.

(in RMB Mn, except percentages)	Three months ended Sep 30,			Six months ended Sep 30,		
	2022	2023	YoY %	2022	2023	YoY %
International commerce retail	10,990	18,978	73%	21,732	36,116	66%
International commerce wholesale	5,056	5,533	9%	10,035	10,518	5%
Revenue	16,046	24,511	53%	31,767	46,634	47%
Adj. EBITA	(748)	(384)	49%	(2,128)	(804)	62%

International Commerce Retail Revenue

- **Revenue from our International commerce retail business** in the quarter ended September 30, 2023 was **RMB18,978 million** (US\$2,602 million), an increase of **73%** compared to RMB10,990 million in the same quarter of 2022. The increase in revenue was primarily due to strong combined order growth of AIDC’s retail businesses driven by the solid performance of all major retail platforms, the revenue contribution from AliExpress’ *Choice*, a new model launched in early 2023, and improvements in monetization. Because certain of our international businesses generate revenue in local currencies while our reporting currency is Renminbi, AIDC’s revenue is affected by exchange rate fluctuations.

International Commerce Wholesale Revenue

- **Revenue from our International commerce wholesale business** in the quarter ended September 30, 2023 was **RMB5,533 million** (US\$758 million), an increase of **9%** compared to RMB5,056 million in the same quarter of 2022. 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 RMB384 million** (US\$53 million) in the quarter ended September 30, 2023, compared to a loss of RMB748 million in the same quarter of 2022.
- Losses significantly narrowed year-over-year primarily because of improved margins of Lazada and Trendyol, partly offset by the increase in investment in new business, such as Miravia, and AliExpress’ *Choice*. Lazada reduced loss mainly due to improvement in monetization. Trendyol continued to be profitable during the quarter, mainly due to improvements in monetization and operating efficiency.

Business Highlights

- Cainiao continues to execute its strategy of building a global smart logistics network, reinforcing comprehensive end-to-end capabilities in cross-border logistics solutions.
- During the quarter, Cainiao rolled out its premium 5-day delivery service for consumers in eight countries and regions. The project leverages Cainiao’s comprehensive capabilities in full-chain operational optimization across first-mile pick-up, line haul, customs clearance, sortation, and last-mile delivery.
- Cainiao leverages technology to remain competitive. To support AliExpress’ *Choice* expansion, Cainiao provided parcel bundling and direct shipping capabilities through data analytics and algorithms that reduce delivery time and improve efficiency.

Segment Revenue

- **Revenue from Cainiao Smart Logistics Network Limited** was **RMB22,823 million** (US\$3,128 million) in the quarter ended September 30, 2023, an increase of **25%** compared to RMB18,282 million in the same quarter of 2022, primarily contributed by the increase in revenue from cross-border fulfillment solutions.

Segment Adjusted EBITA

- **Cainiao Smart Logistics Network Limited adjusted EBITA** was **RMB906 million** (US\$124 million) in the quarter ended September 30, 2023, compared to RMB125 million in the same quarter of 2022. The year-over-year increase was primarily because of improved operating results from cross-border fulfillment solutions, technology and other services, as well as domestic logistics services.

<i>(in RMB Mn, except percentages)</i>	Three months ended Sep 30,			Six months ended Sep 30,		
	2022	2023	YoY %	2022	2023	YoY %
Revenue	18,282	22,823	25%	35,574	45,987	29%
Adj. EBITA	125	906	625%	(60)	1,783	N/A

Business Highlights

- During this quarter, order growth of Local Services Group was nearly 20% year-over-year. Annual active consumers of Local Services Group for the twelve months ended September 30, 2023 continued to grow quarter-over-quarter due to improved acquisition and retention of consumers as well as increasing user demand. For this quarter, its losses continued to narrow driven by improving overall business scale and efficiency.
- **To-Home:** For the quarter ended September 30, 2023, Ele.me’s overall order volume, consisting of both restaurant and non-restaurant orders, grew year-over-year and quarter-over-quarter driven by increasing number of transacting users and higher purchase frequency per user.
- **To-Destination:** For the quarter ended September 30, 2023, order growth of Amap increased rapidly year-over-year, due to its strengthening position as a comprehensive “To-Destination” service platform as well as strong travel demand during this summer season.

Segment Revenue

- **Revenue from Local Services Group** was **RMB15,564 million** (US\$2,133 million) in the quarter ended September 30, 2023, an increase of **16%** compared to RMB13,381 million in the same quarter of 2022, primarily due to strong growth in both Ele.me and Amap businesses.

Segment Adjusted EBITA

- **Local Services Group adjusted EBITA** was **a loss of RMB2,564 million** (US\$351 million) in the quarter ended September 30, 2023, compared to a loss of RMB3,328 million in the same quarter of 2022, primarily due to the continued narrowing of loss from our “To-Home” business driven by Ele.me’s improved unit economics per order and increasing scale.

<i>(in RMB Mn, except percentages)</i>	Three months ended Sep 30,			Six months ended Sep 30,		
	2022	2023	YoY %	2022	2023	YoY %
Revenue	13,381	15,564	16%	24,512	30,014	22%
Adj. EBITA	(3,328)	(2,564)	23%	(6,162)	(4,546)	26%

Business Highlights

From October 31 to November 2, we held our 15th annual cloud computing developer summit and exhibition, the Apsara Conference 2023, during which Alibaba Cloud Intelligence Group unveiled new technologies that had been under development. Highlights of our proprietary technologies include:

- **Generative AI Models:** Alibaba's proprietary large language model (LLM) Tongyi Qianwen (通义千问) launched an upgraded 2.0 version, with strong capabilities in understanding complex instructions, reasoning, memorizing and reducing hallucination. We also rolled out eight vertical models for specific industries including finance and gaming, as well as business enhancement capabilities such as code generation and customer support.
- **Ecosystem:** We have built one of the largest open-source AI developer communities in China. Our developer community ModelScope has gathered over 2,300 AI models, attracting 2.8 million AI developers and over 100 million cumulative model downloads since the launch of this community.
- **Alibaba Cloud Bailian (阿里云百炼):** It simplifies the large model training process and allows developers to focus on model application innovation. In addition, it provides a secure environment for customer data protection during the training process.

Alibaba Cloud supported the first "Asian Games on the Cloud," to facilitate more intelligent, sustainable, sophisticated and efficient Asian Games. Using cloud-native technology running on Alibaba Cloud's container services, we enabled more agile, scalable and efficient operations of the event.

Segment Revenue

- **Revenue from Cloud Intelligence Group** was **RMB27,648 million** (US\$3,789 million) in the quarter ended September 30, 2023, an increase of **2%** compared to RMB27,035 million in the same quarter of 2022. Year-over-year revenue growth was mainly driven by Alibaba-consolidated businesses.
- Revenue excluding Alibaba-consolidated businesses slightly decreased year-over-year, primarily due to our continued effort to improve revenue quality by reducing the revenue from project-based contracts that are of low margins, and such decrease was mostly offset by the increase in revenue from our public cloud products and services.

Segment Adjusted EBITA

- **Cloud Intelligence Group adjusted EBITA** increased by **44%** to **RMB1,409 million** (US\$193 million) in the quarter ended September 30, 2023, compared to RMB981 million in the same quarter of 2022, primarily due to improving product mix and operating efficiency.

<i>(in RMB Mn, except percentages)</i>	Three months ended Sep 30,			Six months ended Sep 30,		
	2022	2023	YoY %	2022	2023	YoY %
Revenue	27,035	27,648	2%	51,391	52,713	3%
Adj. EBITA	981	1,409	44%	1,845	2,325	26%

Business Highlights

- Benefiting from the recovery of offline entertainment market and strong demand in the summer, Damai maintained its industry-leading position with triple-digit GMV growth and improving profitability year-over-year during the quarter.
- In August, Damai and Youku jointly sold tickets of TFBoys' 10th anniversary concert, for offline performance and online broadcasting, respectively. The exclusive online broadcasting attracted more than 1.68 million viewers and achieved more than 100 million times of interaction, which broke the record for online paid performances on Youku.
- China's box office during the summer movie season hit record high this year. No More Bets (孤注一掷) and Lost in the Stars (消失的她), both co-produced by Alibaba Pictures, were the top two performers in terms of box office in China during summer vacation. Chang'an (长安三万里), an animation for which Alibaba Pictures was the co-producer, leading promoter and distributor, was the best performing animation movie in terms of box office so far in 2023.

Segment Revenue

- Revenue from Digital Media and Entertainment Group** was **RMB5,779 million** (US\$792 million) in the quarter ended September 30, 2023, an increase of 11% compared to RMB5,228 million in the same quarter of 2022, primarily driven by the strong revenue growth of offline entertainment businesses of Damai and Alibaba Pictures, as well as the increase in Youku's subscription revenue, partly offset by the decrease in Youku's advertising revenue.

Segment Adjusted EBITA

- Digital Media and Entertainment Group adjusted EBITA** in the quarter ended September 30, 2023 was **a loss of RMB201 million** (US\$28 million), compared to a loss of RMB362 million in the same quarter of 2022. The improved adjusted EBITA was mainly due to the increase in profitability of Damai and Alibaba Pictures.

<i>(in RMB Mn, except percentages)</i>	Three months ended Sep 30,			Six months ended Sep 30,		
	2022	2023	YoY %	2022	2023	YoY %
Revenue	5,228	5,779	11%	9,194	11,160	21%
Adj. EBITA	(362)	(201)	44%	(1,269)	(138)	89%

Business Highlights

- **DingTalk:** As of September 30, 2023, 17 product lines of DingTalk had been fully integrated with large models. DingTalk also opened up its intelligent AI PaaS platform to customers and ecosystem partners, which will help participants in the ecosystem reinvent their products.
- **Intelligent Information Platform:** During the month ended September 30, 2023, Quark continued to grow strongly with DAUs up over 35% year-over-year. Quark provides young users with a one-stop platform for information search, storage and consumption. It offers tools and services, such as smart search, Quark cloud drive, AI camera, Quark learning and Quark documents, to help users better acquire and utilize a variety of digital content and information for learning and work purposes.
- **Fliggy:** During the quarter ended September 30, 2023, Fliggy's GMV increased rapidly year-over-year driven by strong recovery in both domestic and international travel demands.

Segment Revenue

- **Revenue from All others segment**, which was **RMB48,052 million** (US\$6,586 million) in the quarter ended September 30, 2023, **remained stable** compared to RMB48,142 million in the same quarter of 2022, primarily due to the revenue growth contributed by Freshippo, Fliggy, Alibaba Health and Intelligent Information Platform, partly offset by the decrease in revenue from Sun Art due to decrease in ticket size resulting from the decrease in consumer stockpiling behavior compared to the same quarter last year.

Segment Adjusted EBITA

- **Adjusted EBITA from All others segment** in the quarter ended September 30, 2023 was **a loss of RMB1,437 million** (US\$197 million), compared to a loss of RMB2,884 million in the same quarter of 2022, primarily due to improved operating results from Freshippo, DingTalk and Fliggy.

<i>(in RMB Mn, except percentages)</i>	Three months ended Sep 30,			Six months ended Sep 30,		
	2022	2023	YoY %	2022	2023	YoY %
Revenue	48,142	48,052	(0)%	93,478	93,850	0%
Adj. EBITA	(2,884)	(1,437)	50%	(5,835)	(3,170)	46%



Appendix

Revenue Breakdown

<i>(in RMB Mn, except percentages)</i>	Three months ended Sep 30,			Six months ended Sep 30,		
	2022	2023	YoY%	2022	2023	YoY%
Taobao and Tmall Group	93,735	97,654	4%	196,252	212,607	8%
China commerce retail	89,436	92,560	3%	186,859	202,388	8%
- Customer management	66,877	68,661	3%	139,302	148,322	6%
- Direct sales and others ⁽¹⁾	22,559	23,899	6%	47,557	54,066	14%
China commerce wholesale	4,299	5,094	18%	9,393	10,219	9%
Alibaba International Digital Commerce Group	16,046	24,511	53%	31,767	46,634	47%
International commerce retail	10,990	18,978	73%	21,732	36,116	66%
International commerce wholesale	5,056	5,533	9%	10,035	10,518	5%
Local Services Group	13,381	15,564	16%	24,512	30,014	22%
Cainiao Smart Logistics Network Limited	18,282	22,823	25%	35,574	45,987	29%
Cloud Intelligence Group⁽²⁾	27,035	27,648	2%	51,391	52,713	3%
Digital Media and Entertainment Group	5,228	5,779	11%	9,194	11,160	21%
All others⁽²⁾⁽³⁾	48,142	48,052	(0%)	93,478	93,850	0%
Total segment revenue	221,849	242,031	9%	442,168	492,965	11%
Unallocated	216	277		409	526	
Inter-segment elimination	(14,889)	(17,518)		(29,846)	(34,545)	
Consolidated revenue	207,176	224,790	9%	412,731	458,946	11%

Notes: Starting from the quarter ended June 30, 2023, our segment reporting has been updated to reflect our Reorganization. Our CODM started to review information under a new reporting structure, and segment reporting has been updated to conform to this change. Comparative figures were reclassified to conform to this presentation.

- (1) Direct sales and others revenue under Taobao and Tmall Group primarily represents our direct sales businesses, including Tmall Supermarket, Tmall Global and other direct sales businesses, where revenue and cost of inventory are recorded on a gross basis.
- (2) Starting from the quarter ended September 30, 2023, we reclassified 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. This reclassification conforms to the way that we manage and monitor segment performance. Comparative figures were reclassified to conform to this presentation.
- (3) 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 Sep 30,			Six months ended Sep 30,		
	2022	2023		2022	2023	
	RMB Mn	RMN Mn	USD Mn	RMB Mn	RMN Mn	USD Mn
Adjusted EBITA and Adjusted EBITDA						
Income from operations	25,137	33,584	4,603	50,080	76,074	10,427
Share-based compensation expense	7,787	6,830	936	14,512	5,201	713
Amortization of intangible assets	2,729	2,431	333	5,480	4,910	673
Impairment of goodwill	-	-	-	-	2,031	278
Equity-settled donation expense	511	-	-	511	-	-
Adjusted EBITA	36,164	42,845	5,872	70,583	88,216	12,091
Depreciation and impairment of property and equipment, and operating lease cost relating to land use rights	7,147	6,392	876	13,842	13,073	1,792
Adjusted EBITDA	43,311	49,237	6,748	84,425	101,289	13,883
Non-GAAP net income						
Net (loss) income	(22,467)	26,696	3,659	(2,169)	59,696	8,182
Adjustments to reconcile net (loss) income to non-GAAP net income:						
Share-based compensation expense	7,787	6,830	936	14,512	5,201	713
Amortization of intangible assets	2,729	2,431	333	5,480	4,910	673
Impairment of goodwill and investments	10,020	7,604	1,042	13,134	11,873	1,627
Loss (Gain) on deemed disposals/disposals/revaluation of investments and others	38,560	(1,731)	(237)	36,848	7,307	1,001
Equity-settled donation expense	511	-	-	511	-	-
Tax effects ⁽¹⁾	(3,320)	(1,642)	(225)	(4,244)	(3,877)	(531)
Non-GAAP net income	33,820	40,188	5,508	64,072	85,110	11,665
Non-GAAP Free cash flow						
Net cash provided by operating activities	47,112	49,231	6,748	80,981	94,537	12,957
Less:						
Purchase of property and equipment (excluding land use rights and construction in progress relating to office campuses)	(10,957)	(4,112)	(564)	(22,067)	(10,119)	(1,386)
Purchase of intangible assets (excluding those acquired through acquisitions)	-	-	-	(22)	-	-
Changes in the buyer protection fund deposits	(446)	101	14	(1,010)	(109)	(15)
Free cash flow	35,709	45,220	6,198	57,882	84,309	11,556

Note:

(1) Tax effects primarily comprise tax effects relating to share-based compensation expense, amortization 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 Sep 30,			Six months ended Sep 30,		
	2022	2023		2022	2023	
	RMB	RMB	USD	RMB	RMB	USD
Net (loss) income attributable to ordinary shareholders – basic	(20,561)	27,706	3,797	2,178	62,038	8,503
Dilution effect on earnings arising from share-based awards operated by equity method investees and subsidiaries	(1)	(66)	(9)	(1)	(134)	(18)
Net (loss) income attributable to ordinary shareholders – diluted	(20,562)	27,640	3,788	2,177	61,904	8,485
Non-GAAP adjustments to net income attributable to ordinary shareholders ⁽¹⁾	54,909	12,478	1,711	63,525	22,949	3,145
Non-GAAP net income attributable to ordinary shareholders for computing non-GAAP diluted earnings per share/ADS	34,347	40,118	5,499	65,702	84,853	11,630
Weighted average number of shares on a diluted basis for computing non-GAAP diluted earnings per share/ADS (million shares)⁽²⁾	21,276	20,526		21,329	20,567	
Diluted (loss) earnings per share⁽²⁾⁽³⁾	(0.97)	1.35	0.19	0.10	3.01	0.41
Non-GAAP diluted earnings per share⁽²⁾⁽⁴⁾	1.61	1.95	0.27	3.08	4.13	0.57
Diluted (loss) earnings per ADS⁽²⁾⁽³⁾	(7.77)	10.77	1.48	0.82	24.08	3.30
Non-GAAP diluted earnings per ADS⁽²⁾⁽⁴⁾	12.92	15.63	2.14	24.64	33.00	4.52

Notes:

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

Alibaba

