

Company Overview:

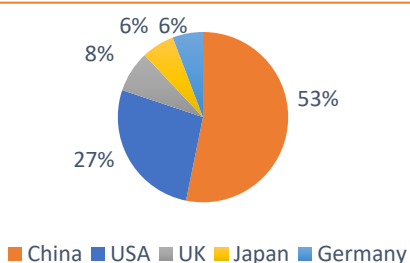
Alibaba Group Holding Limited is a \$600 billion USD holding company that possesses industry-leading entities which operate in the cloud computing, retail and commerce, entertainment, and innovation sectors. Some of these businesses are digital retail kings AliExpress, Taobao and Tmall, China's YouTube – Youku, cloud computing giant – Aliyun, and a variety of other businesses that focus on services such as payments, travel advisory, and delivery.

Recommendation:

I recommend buying Alibaba at \$222.36 with a target price of \$369.84 – \$371.83 and a potential upside of 66.3% – 67.2% that will result from the company's growth prospects. Originating from one of the world's largest ecommerce markets as well as being equipped with a growing international presence – it is clear that there is still plenty of room for the company to evolve. The recent drop in the share price due to Chinese regulators launching an official investigation provides an excellent opportunity for investors to own a piece of the technology titan at a discount.

Industry Outlook

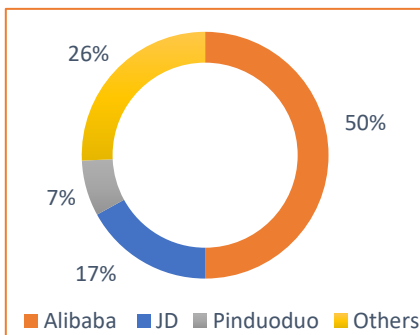
Alibaba operates within a region and industry that is at the forefront of growth and evolution. In the company's home – China, resides the largest e-commerce market with a volume of \$1.8 trillion USD and is expected to grow at over 20% annually.



Alibaba currently occupies about 50% of the ecommerce market in China with its competitor, Jingdong (JD) lagging far behind – occupying only 17% of the market and Pinduoduo taking up 7.3% of the market. With digital retail titans such as AliExpress, Taobao, and Tmall, Alibaba has fortified its position in the Chinese ecommerce market. Additionally, they are able to capitalize on

the growing online shopping industry in China which is set to increase at an annualized rate of 17.1% from 2020 to 2025 to \$3.9 trillion USD. Zooming out, China's consumer market is expected to expand by 12% every year to an approximate \$8.4 trillion by 2022 and the economy as a whole is expected to expand by 8.2% in 2021. With 84% of Alibaba's revenue coming from its core commerce operations, they are sure to reap a prosperous future in line with the behaviour of China's economy.

Their service is accessible from anywhere at anytime. As brick-and-mortars crumble in the wake of the novel COVID-19, digital platforms continue to thrive – with more demand than ever. Global digital sales grew over 45% YOY this year and sales in the USA grew 36% YOY. As Alibaba's virtual platform allows accessibility from

**Pricing:**

Target Price: \$369.84 – \$371.83

Price at Writing: \$222.36

Implied Upside: 66.3% – 67.2%

Financial Summary:

Equity Value: \$601.63B

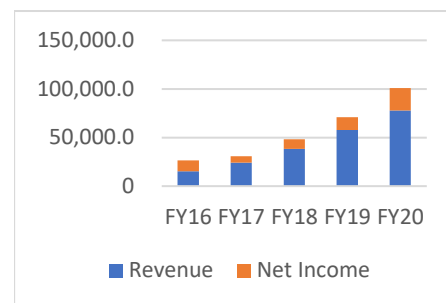
Enterprise Value: \$579.37B

Total Debt: \$22,030.1MM

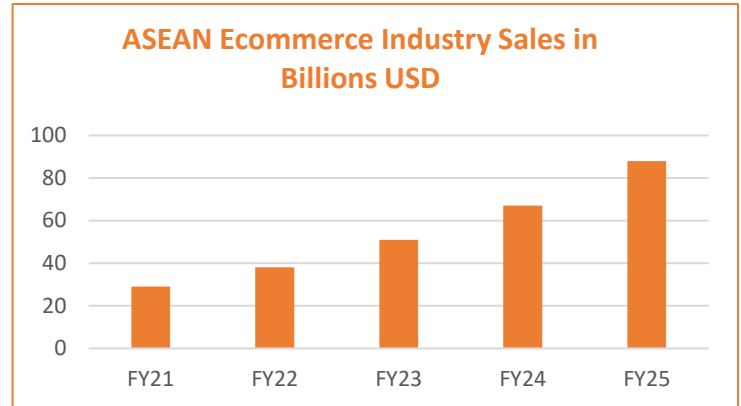
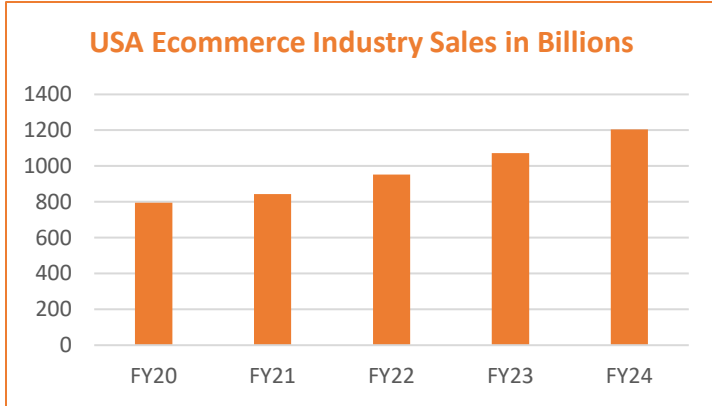
Market Data:

52 Week Range: \$169.95 – \$319.32

Shares Outstanding: 2,705.6MM

Financial Performance:**Price Performance (1YR):**

anywhere, their operations are able to seamlessly cross borders. Alibaba has started to expand beyond the breadth of China with the acquisition of digital retail giant Lazada. Through Lazada, Alibaba is able to capture the audience of the ASEAN region. Furthermore, Alibaba is starting to gain traction in America as well with revenues in that region increasing YOY by 17% in the fiscal year of 2020. The company's prospects in America also look promising as ecommerce sales in Q3 2020 jump 37.1% from Q3 2019 and annual ecommerce sales are expected to increase from \$795 billion USD to around \$1.2 trillion USD by 2024.



Cloud computing is a rising industry. Currently, the industry is worth \$371.4 billion USD, however, it has the potential to reach \$832.1 billion USD by 2025 at a CAGR of 17.5%. Furthermore, the APAC region is expected to experience the most growth with China leading this advancement. As Alibaba's Aliyun is the largest cloud computing and IaaS provider in the APAC region and the third largest in the world, it will be at the front of China's accelerating growth.

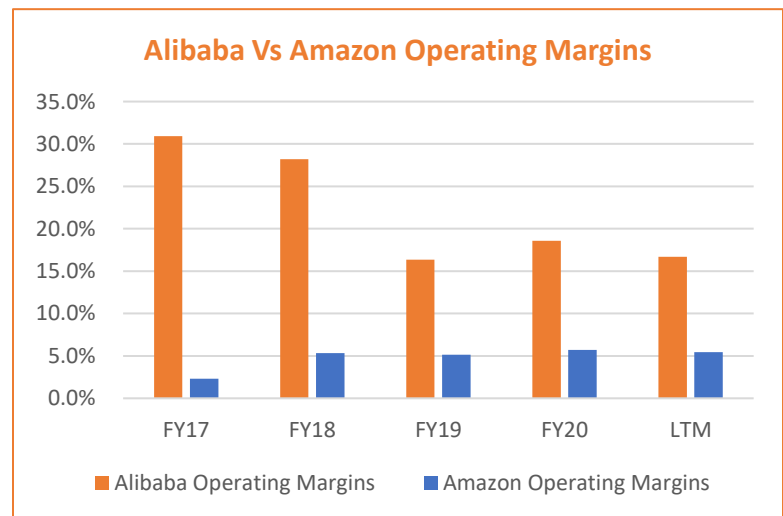
Investment Thesis

A unique and efficient business model paired with a wide breadth of services. Alibaba's dominant size makes

itself the be-all and end-all of digital innovation. Aside from its leading size, the company offers a variety of services. Retail and wholesale commerce, logistics, delivery, video streaming and live streaming, digital infrastructure, navigation, payments, and communication platforms – Alibaba is either a leader or an emerging threat. Unlike its American counterparts, Alibaba operates in a cost-efficient manner that fosters entrepreneurship from its customers. The company is light on inventory and PPE, and acts as a mere facilitator of transactions between merchants and consumers. This allows them to save on heavy investing activities as well as provide an opportunity for entrepreneurship through their massive ecommerce platform.

Alibaba is in the vanguard of China's economic

development. China's rapid evolution of digitization paired with optimistic demographics and urbanization put Alibaba in a favourable position. Alibaba leverages the immense amount of data from its users to enhance the digital experience that it provides through predictive algorithms and augmented reality platforms. Furthermore, Alibaba can capitalize on the emergence of 5G technologies and offer new and improved solutions for businesses. Alibaba's Tmall – which sells brands such as Nike to luxury brands such as Burberry will also benefit from rapid urbanization as the middle-class population in China reaches 300 million – almost the entire U.S. population. There is also a collection of smaller cities in China, where 500 million people contribute \$2.3

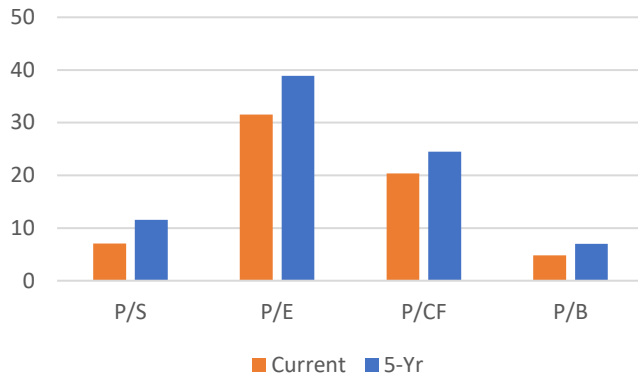


Alibaba's operating efficiency is consistently greater than Amazon's. Alibaba's FY18-FY19 operating fell due to an increase in cost of revenues but nonetheless stays above Amazon's.

trillion in consumption to the economy. In the next 10 years, these smaller cities are forecasted to triple their consumption to almost \$7 trillion, with a CAGR of more than 10% in the long-term.

Recent sell-off puts the company in a valuable position. Currently Alibaba is under investigation by the Chinese government for anti-competitive practices. The fine attached to this investigation could be billions as antimonopoly laws allows the government to fine up to 10% of a company's previous year's sales. It is expected that this fine would be the maximum amount of damage that the company would suffer from. Any further punishment would not only result in damage to the company but would also have a detrimental effect on their employees and the digital ecosystem that they facilitate. Furthermore, the company's robust balance sheet with a consistently low debt/equity ratio and a cash balance of \$44 billion USD shows that they can weather the storm. Looking at the company's valuation metrics, the sell-off put the P/E, P/B, P/S, and P/CF in attractive positions below their 5-year average. All in all, the price crash presents an excellent buying opportunity for Alibaba even when considering the potential consequences that the government may impose.

Alibaba's Valuation Metrics



Risks

Alibaba faces constant regulatory risk. China's controlling government poses an imminent threat to many of the country's successful businesses because they want to maintain political control and decrease the influence these companies have on China. Being an industry leader, Alibaba is a company that the Chinese government watches closely. Should the company operate in a way that increases its monopolistic stance or disobey any of the nation's limiting laws – the government is sure to act and implement consequences. The current investigation is a perfect example of the government exercising their power due to Alibaba engaging in anti-competitive practices where they are asking merchants to only choose 1 platform to sell on – deterring merchants from selling through competing ecommerce companies.

Market Saturation and Tencent. China is the most populous country in the world – with almost 1.4 billion people, there is an enormous market. Regardless, Alibaba is running out of room to expand. In the past year, the ecommerce giant already impacted over 750 million people – essentially more than half of the country's entire population. At their pace of growth, they must start to focus on developing their business outside of China as the Chinese market is becoming more and more saturated. Alibaba is also not a monopoly in every aspect – technology giant Tencent is starting to develop businesses in the cloud and fintech sector – directly competing with Alibaba's Aliyun and AliPay. Alibaba's cloud business is still larger than Tencent's however, Tencent's cloud business is growing at a quicker rate. WeChat Pay is also neck-and-neck with AliPay – if WeChat Pay is able to gain an advantage, Alibaba's position in the market may become less dominant.

Conclusion

Alibaba – a goliath at home and an emerging threat outside. The recent price crash presents an excellent opportunity for investors looking to pick the company up at an attractive price. With a balance sheet that protects them from the heaviest of fines, an efficient business model, and their leadership in an evolving market, it is highly unlikely that the current investigation would have much impact on the company in the long term. As a company that is able to combine the entire ecosystem of digital commerce into one platform and impact almost a billion people annually, they are truly a one-of-a-kind business that is destined for greatness. To buy at \$222.36 would cast a wide margin of safety as well as provide incredible returns in the future.

Disclaimer

The contents of this report are written with careful research and sound estimates; however, it is only for informative purposes. None of the recommendations, information or numbers should be taken as financial advice or instructions on whether to invest. The author makes no promises in terms of any results gained from reading this report. In general, investments should not be derived based off only one source or without the aid of a financial advisor or without one's own research. The author of this report does not claim any liability for any of the results that are achieved from the use of this report. The reader may use the information in this report at their own risk.

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Appendices

Discounted Cash Flow Analysis

Alibaba Group Holding Limited - FCF Projections:		Historical			Projected									
	Units:	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Operating Income (EBIT):	\$ M	10,817.7	9,438.4	14,502.4	17,923.4	26,289.4	36,538.0	45,701.2	54,705.2	61,941.4	68,296.7	73,565.5	77,962.3	82,179.1
Net Operating Profit After Taxes (NOPAT):	\$ M	8,908.4	7,772.5	11,942.7	14,759.9	21,649.3	30,089.1	37,635.0	45,049.8	51,008.8	56,242.4	60,581.2	64,202.0	67,674.5
Adjustments for Non-Cash Charges:														
(+) Depreciation & Amortization:	\$ M	3,488.6	5,503.3	5,990.8	7,873.9	9,928.2	12,098.7	13,938.5	15,566.5	16,415.6	16,233.0	17,115.5	17,762.8	18,343.6
% Revenue:	%	9.1%	9.5%	7.7%	7.6%	7.3%	7.0%	6.6%	6.3%	6.0%	5.5%	5.5%	5.5%	5.5%
(+/-) Deferred Income Taxes:	\$ M	149.4	(336.3)	(527.0)	260.0	381.3	530.0	662.9	793.5	898.4	990.6	1,067.1	1,130.8	1,192.0
% Income Statement Taxes:	%	(5.4%)	13.3%	16.7%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%
Net Change in Working Capital:	\$ M	3,380.1	4,936.5	3,278.5	5,594.1	7,149.8	8,202.2	8,616.3	8,137.4	6,061.0	4,971.7	3,733.2	2,761.7	2,499.3
% Change in Revenue:	%	24.0%	25.5%	16.1%	21.9%	22.1%	22.3%	22.5%	22.7%	22.9%	23.1%	23.3%	23.5%	23.7%
% Revenue:	%	8.8%	8.6%	4.2%	5.4%	5.3%	4.7%	4.1%	3.3%	2.2%	1.7%	1.2%	0.9%	0.7%
(-) Capital Expenditures:	\$ M	(3,128.8)	(5,286.7)	(4,596.2)	(8,288.3)	(10,472.2)	(12,790.0)	(14,783.2)	(16,802.0)	(17,783.5)	(17,708.8)	(18,671.4)	(19,377.5)	(20,011.1)
% Revenue:	%	8.2%	9.2%	5.9%	8.0%	7.7%	7.4%	7.0%	6.8%	6.5%	6.0%	6.0%	6.0%	6.0%
Unlevered Free Cash Flow:	\$ M	\$ 12,797.7	\$ 12,589.3	\$ 16,088.8	\$ 20,199.5	\$ 28,636.5	\$ 38,129.9	\$ 46,069.4	\$ 52,745.2	\$ 56,600.3	\$ 60,729.0	\$ 63,825.5	\$ 66,479.7	\$ 69,698.2
Growth Rate:	%	N/A	(1.6%)	27.8%	25.6%	41.8%	33.2%	20.8%	14.5%	7.3%	7.3%	5.1%	4.2%	4.8%
Discount Period:	#				1	2	3	4	5	6	7	8	9	10
Discount Rate (WACC):	%				9.62%	9.62%	9.62%	9.62%	9.62%	9.62%	9.62%	9.62%	9.62%	9.62%
Cumulative Discount Factor:	#				0.912	0.832	0.759	0.692	0.632	0.576	0.526	0.479	0.437	0.399
PV of Unlevered FCF:	\$ M				\$ 18,426.1	\$ 23,828.8	\$ 28,942.7	\$ 31,898.9	\$ 33,314.8	\$ 32,611.0	\$ 31,917.7	\$ 30,600.0	\$ 29,074.2	\$ 27,805.5
EBITDA:	\$ M	\$ 14,306.3	\$ 14,941.7	\$ 20,493.2	\$ 25,797.2	\$ 36,217.7	\$ 48,636.7	\$ 59,639.7	\$ 70,271.8	\$ 78,357.0	\$ 84,529.8	\$ 90,681.0	\$ 95,725.1	\$ 100,522.7
Growth Rate:	%	N/A	4.4%	37.2%	25.9%	40.4%	34.3%	22.6%	17.8%	11.5%	7.9%	7.3%	5.6%	5.0%

Terminal Value - Multiples Method:	
Discount Rate (WACC):	9.62%
Median EV / EBITDA of Comps:	18.1 x
Baseline Terminal EBITDA Multiple:	17.6 x
Baseline Terminal Value:	\$ 1,769,198.8
Implied Terminal FCF Growth Rate:	5.5%
(+) PV of Terminal Value:	705,806.1
(+) Sum of PV of Free Cash Flows:	288,419.6
Implied Enterprise Value:	\$ 994,225.7
Implied Equity Value:	1,000,649.8
Diluted Shares Outstanding:	2,705.600
Implied Share Price from DCF:	\$ 369.84
Premium / (Discount) to Current:	66.3%

Median EV/EBITDA is the median FY22 EV/EBITDA on the Comparable Companies Analysis below.

Terminal Value - Perpetuity Growth Method:	
Discount Rate (WACC):	9.62%
Expected Long-Term GDP Growth:	6.0%
Baseline Terminal FCF Growth Rate:	5.5%
Baseline Terminal Value:	\$ 1,782,636.2
Implied Terminal EBITDA Multiple:	17.7 x
(+) PV of Terminal Value:	711,166.8
(+) Sum of PV of Free Cash Flows:	288,419.6
Implied Enterprise Value:	\$ 999,586.4
Implied Equity Value:	1,006,009.9
Diluted Shares Outstanding:	2,705.600
Implied Share Price from DCF:	\$ 371.83
Premium / (Discount) to Current:	67.2%

China's average GDP growth from 2011 to 2025 was 6.6%, I rounded it down to 6%

Precedent Transactions

Acquirer Name		Target Name	Announcement Date	Transaction Enterprise Value	LTM Revenue	LTM EBITDA	Valuation Multiples EV / LTM	
							Revenue	EBITDA
Tencent Holdings Limited		DouYu International Holdings Limited	2020-10-12	\$ 2,415.2	\$ 1,050.0	\$ 89.1	2.3 x	27.1 x
Tencent Holdings Limited		HUYA Inc.	2020-08-10	3,113.3	1,004.3	56.7	3.1 x	54.9 x
Tencent Holdings Limited		Sogou Inc.	2020-07-27	2,125.0	1,011.9	69.9	2.1 x	30.4 x
Alibaba Group Holding Limited		HQG, Inc.	2019-09-05	2,000.0		N/A	N/A	N/A
Walmart Inc.		Flipkart Private Limited	2018-05-09	20,800.0	423.2	(62.7)	49.2 x	NM
Amazon.com, Inc.		Whole Foods Market, Inc.	2017-06-16	\$ 13,700.0	16,000.0	1,225.0	0.9 x	11.2 x
Walmart Inc.		Jet.com, Inc.	2016-08-08	3,300.0	1,000.0	N/A	3.3 x	N/A
		Maximum		\$ 20,800.0	\$ 16,000.0	\$ 1,225.0	49.2	\$ 54.9
		75th Percentile		8,500.0	1,040.5	89.1	3.3	36.5
		Median		\$ 3,113.3	\$ 1,008.1	\$ 69.9	2.7	\$ 28.8
		25th Percentile		2,270.1	1,001.1	56.7	2.2	23.1
		Minimum		2,000.0	423.2	(62.7)	0.9	11.2

WACC

Comparable Companies - Unlevered Beta Calculation:

Name	Ticker	Levered Beta	Debt	% Debt	Preferred Stock	% Preferred	Equity Value	% Equity	Tax Rate	Unlevered Beta
JD.com, Inc.	JD	0.91	\$ 5,204.1	4.0%	\$ -	-	\$ 126,487.3	96.0%	13.2%	0.88
Tencent Holdings Limited	SEHK:700	0.63	41,532.1	6.1%	-	-	637,329.0	93.9%	12.9%	0.60
Pinduoduo Inc.	PDD	1.55	1,356.0	0.8%	-	-	176,341.9	99.2%	-	1.54
Amazon.com, Inc.	AMZN	1.20	96,814.0	5.5%	-	-	1,647,891.1	94.5%	16.9%	1.14
Baidu, Inc.	BIDU	1.09	11858.8	15.3%	-	-	65,859.6	84.7%	16.5%	0.95
Meituan	SEHK:3690	1.16	1513.1	0.8%	-	-	197,349.4	99.2%	13.7%	1.15
NetEase, Inc.	NTES	0.59	3408.4	5.1%	-	-	62,970.8	94.9%	22.7%	0.57

Median:		1.09	5,204.10	0.05	-	-	176,341.94	0.95	0.14	0.95
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Alibaba Group Holding Limited	BABA	1.03	\$ 22,030							
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Alibaba Group Holding Limited - Levered Beta & WACC Calculation:

	Ticker	Unlevered Beta	Debt	% Debt	Preferred Stock	% Preferred	Equity Value	% Equity	Tax Rate	Levered Beta
Current Capital Structure:	BABA	0.95	\$ 22,030.1	3.5%	\$ -	-	\$ 601,617.2	96.5%	17.7%	0.97
"Optimal" Capital Structure:	BABA	0.95	32,022.7	5.1%	-	-	591,624.7	94.9%	17.7%	0.99

Cost of Equity Based on Comparables, Current Capital Structure:

9.70%

Cost of Equity Based on Comparables, "Optimal" Capital Structure:

9.82%

Cost of Equity Based on Historical Beta:

10.20%

WACC = Cost of Equity * % Equity + Cost of Debt * (1 - Tax Rate) * % Debt + Cost of Preferred Stock * % Preferred Stock

WACC, Current Capital Structure:

9.46%

WACC, "Optimal" Capital Structure:

9.47%

WACC, Current Capital Structure and Historical Cost of Equity:

9.94%

Average WACC Produced by All Methods:

9.62%

Calculated with a risk-free rate of 0.93%, equity risk premium of 9%, and a pre-tax cost of debt of 3.6%

Sensitivity Analyses

		Weighted Average Cost of Capital (WACC):											
		8.00%	8.25%	8.50%	8.75%	9.00%	9.62%	9.87%	10.12%	10.37%	10.62%	10.87%	
Terminal EV /	19.50 x	\$ 454.16	\$ 444.94	\$ 435.93	\$ 427.15	\$ 418.57	\$ 398.16	\$ 390.27	\$ 382.56	\$ 375.04	\$ 367.69	\$ 360.51	
EBITDA	19.00 x	445.56	436.53	427.72	419.12	410.72	390.75	383.02	375.48	368.11	360.92	353.89	
Multiple	18.50 x	436.95	428.12	419.50	411.09	402.87	383.33	375.78	368.39	361.19	354.15	347.27	
(Terminal	18.00 x	428.35	419.71	411.29	403.06	395.03	375.92	368.53	361.31	354.26	347.38	340.65	
Value	17.60 x	421.46	412.99	404.71	396.64	388.75	369.99	362.73	355.64	348.72	341.96	335.36	
Calculated	17.10 x	412.86	404.58	396.50	388.61	380.90	362.57	355.48	348.56	341.80	335.19	328.74	
Using the	16.60 x	404.26	396.17	388.28	380.58	373.06	355.16	348.24	341.47	334.87	328.42	322.12	
Multiples	16.10 x	395.65	387.76	380.06	372.55	365.21	347.74	340.99	334.39	327.94	321.65	315.50	
Method:	15.60 x	387.05	379.36	371.85	364.52	357.36	340.33	333.74	327.30	321.02	314.88	308.88	

		Weighted Average Cost of Capital (WACC):											
		8.00%	8.25%	8.50%	8.75%	9.00%	9.62%	9.87%	10.12%	10.37%	10.62%	10.87%	
Terminal FCF	7.50%	\$ 2,684.00	\$ 1,788.22	\$ 1,340.31	\$ 1,071.56	\$ 892.38	\$ 630.36	\$ 563.48	\$ 509.36	\$ 464.67	\$ 427.13	\$ 395.17	
Growth Rate	7.00%	1,395.33	1,115.08	928.24	794.79	694.70	528.90	482.31	443.19	409.87	381.15	356.15	
(Terminal	6.50%	965.77	826.59	722.21	641.03	576.09	459.96	425.23	395.29	369.23	346.33	326.06	
Value	6.00%	750.99	666.32	598.59	543.18	497.02	410.07	382.89	359.03	337.89	319.05	302.15	
Calculated	5.50%	622.12	564.33	516.18	475.44	440.54	372.28	350.25	330.61	312.99	297.10	282.69	
Using the	5.00%	536.21	493.72	457.31	425.77	398.18	342.67	324.31	307.74	292.72	279.05	266.55	
Gordon	4.50%	474.84	441.94	413.16	387.78	365.23	318.85	303.20	288.94	275.91	263.95	252.94	
Growth	4.00%	428.82	402.34	378.82	357.79	338.87	299.27	285.68	273.22	261.74	251.13	241.31	
Method):	3.50%	393.02	371.08	351.35	333.51	317.31	282.88	270.92	259.86	249.63	240.12	231.26	

Comparable Companies

Operating Statistics:		Capitalization				EBITDA				Net Income		Projected Revenue	Projected EBITDA	Source: Company Filings EBITDA Margin					
Company Name		Equity Value	LTM	FY21	FY22	LTM	FY21	FY22	Growth	Growth	LTM	FY21	FY22						
JD.com, Inc.	\$	126,487.3	\$	2,561.7	\$	4,161.8	\$	6,491.6	\$	4,399.1	\$	3,678.8	\$	5,163.1	26.2%	56.0%	2.4%	3.2%	3.9%
Tencent Holdings Limited		637,329.0		25,121.5		31,167.6		40,495.1		18,710.5		24,240.8		29,273.9	27.1%	29.9%	36.1%	36.3%	37.1%
Pinduoduo Inc.		176,341.9		(1,336.6)		312.6		2,609.8		(1,157.5)		579.9		2,394.7	53.1%	735.0%	(19.9%)	2.9%	15.7%
Amazon.com, Inc.		1,647,891.1		43,708.0		64,035.3		88,367.9		17,377.0		23,442.8		33,309.4	23.1%	38.0%	12.6%	14.9%	16.7%
Baidu, Inc.		65,859.6		3,494.0		4,494.3		6,030.0		3,622.0		3,576.0		4,328.5	14.7%	34.2%	21.6%	24.9%	29.1%
Meituan		197,349.4		687.8		2,424.5		5,407.5		1,288.6		2,250.9		4,341.6	40.5%	123.0%	4.3%	9.4%	15.0%
NetEase, Inc.		62,970.8		2,710.8		2,815.8		3,630.0		2,166.4		2,948.6		3,381.3	24.9%	28.9%	25.4%	23.4%	24.2%
Maximum	\$	1,647,891.1	\$	43,708.0	\$	64,035.3	\$	88,367.9	\$	18,710.5	\$	24,240.8	\$	33,309.4	53.1%	735.0%	36.1%	36.3%	37.1%
75th Percentile		417,339.2		14,307.8		17,831.0		23,493.3		10,888.1		13,560.8		17,218.5	33.8%	89.5%	23.5%	24.2%	26.7%
Median	\$	176,341.9	\$	2,710.8	\$	4,161.8	\$	6,030.0	\$	3,622.0	\$	3,576.0	\$	4,341.6	26.2%	38.0%	12.6%	14.9%	16.7%
25th Percentile		96,173.5		1,624.8		2,620.1		4,518.7		1,727.5		2,599.7		3,854.9	24.0%	32.0%	3.4%	6.3%	15.3%
Minimum		62,970.8		(1,336.6)		312.6		2,609.8		(1,157.5)		579.9		2,394.7	14.7%	28.9%	(19.9%)	2.9%	3.9%
Alibaba Group Holding Limited	\$	601,617.2	\$	20,493.2	\$	36,217.7	\$	48,636.7	\$	19,821.0	\$	28,492.4	\$	35,097.9	31.3%	34.3%	26.3%	35.0%	35.8%

Valuation Statistics:	Capitalization		Enterprise Value / Revenue			Enterprise Value / EBITDA			P / E Multiple		
Company Name	Equity Value	Enterprise Value	LTM	FY21	FY22	LTM	EBITDA FY21	FY22	LTM	FY21	FY22
JD.com, Inc.	\$ 126,487.3	\$ 117,204.0	1.1 x	0.9 x	0.7 x	45.8 x	28.2 x	18.1 x	28.8 x	34.4 x	24.5 x
Tencent Holdings Limited	637,329.0	652,997.9	9.4 x	7.6 x	6.0 x	26.0 x	21.0 x	16.1 x	34.1 x	26.3 x	21.8 x
Pinduoduo Inc.	176,341.9	170,937.8	25.5 x	15.7 x	10.3 x	NM	NM	65.5 x	NM	NM	73.6 x
Amazon.com, Inc.	1,647,891.1	1,676,142.8	4.8 x	3.9 x	3.2 x	38.3 x	26.2 x	19.0 x	94.8 x	70.3 x	49.5 x
Baidu, Inc.	65,859.6	56,942.1	3.5 x	3.2 x	2.8 x	16.3 x	12.7 x	9.4 x	18.2 x	18.4 x	15.2 x
Meituan	197,349.4	190,914.2	12.0 x	7.4 x	5.3 x	NM	78.7 x	35.3 x	NM	87.7 x	45.5 x
NetEase, Inc.	62,970.8	53,453.5	5.0 x	4.4 x	3.6 x	19.7 x	19.0 x	14.7 x	29.1 x	21.4 x	18.6 x
Maximum	\$ 1,647,891.1	\$ 1,676,142.8	25.5 x	15.7 x	10.3 x	45.8 x	78.7 x	65.5 x	94.8 x	87.7 x	73.6 x
75th Percentile	417,339.2	421,956.1	10.7 x	7.5 x	5.6 x	38.3 x	27.7 x	27.1 x	34.1 x	61.3 x	47.5 x
Median	\$ 176,341.9	\$ 170,937.8	5.0 x	4.4 x	3.6 x	26.0 x	23.6 x	18.1 x	29.1 x	30.3 x	24.5 x
25th Percentile	96,173.5	87,073.1	4.2 x	3.5 x	3.0 x	19.7 x	19.5 x	15.4 x	28.8 x	22.6 x	20.2 x
Minimum	62,970.8	53,453.5	1.1 x	0.9 x	0.7 x	16.3 x	12.7 x	9.4 x	18.2 x	18.4 x	15.2 x
Alibaba Group Holding Limited	\$ 601,617	\$ 595,194	7.6 x	5.7 x	4.4 x	29.0 x	16.4 x	12.2 x	30.4 x	21.1 x	17.1 x

Revenue and Operating Margin Projections

Revenue and Expense Projections:		Units:	Historical			Projected																					
			FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30												
Revenue By Segment																											
Core Commerce	\$ M	\$	32,760.0	\$	49,502.8	\$	66,754.4	\$	88,115.9	\$	114,550.6	\$	143,188.3	\$	171,825.9	\$	197,599.8	\$	217,359.8	\$	233,661.8	\$	245,344.9	\$	253,931.9	\$	261,549.9
Cloud Computing	\$ M	\$	2,049.6	\$	3,781.1	\$	6,125.2		9,800.4		15,190.6		22,785.9		31,900.3		41,470.4		47,690.9		52,460.0		56,394.5		59,214.3		61,878.9
Digital Media & Entertainment	\$ M		2,994.7		3,685.5		4,124.9		4,578.7		5,059.4		5,565.4		6,066.3		6,551.6		7,010.2		7,430.8		7,802.3		8,114.4		8,357.8
Innovation Initiatives & Other	\$ M		503.9		714.1		1,016.8		1,108.4		1,202.6		1,298.8		1,396.2		1,466.0		1,532.0		1,593.2		1,649.0		1,698.5		1,732.4
Total Revenue:	\$ M	\$	38,308.2	\$	57,683.5	\$	78,021.5	\$	103,603.3	\$	136,003.2	\$	172,838.4	\$	211,188.7	\$	247,087.8	\$	273,592.9	\$	295,145.8	\$	311,190.7	\$	322,959.1	\$	333,519.1
Annual Growth Rate:	%		58.1%		50.6%		35.3%		32.8%		31.3%		27.1%		22.2%		17.0%		10.7%		7.9%		5.4%		3.8%		3.3%
Revenue Segment Growth Rates:																											
Core Commerce	%		59.9%		51.1%		34.8%		32.0%		30.0%		25.0%		20.0%		15.0%		10.0%		7.5%		5.0%		3.5%		3.0%
Cloud Computing			101.0%		84.5%		62.0%		60.0%		55.0%		50.0%		40.0%		30.0%		15.0%		10.0%		7.5%		5.0%		4.5%
Digital Media & Entertainment	%		32.8%		23.1%		11.9%		11.0%		10.5%		10.0%		9.0%		8.0%		7.0%		6.0%		5.0%		4.0%		3.0%
Innovation Initiatives & Other	%		9.8%		41.7%		42.4%		9.0%		8.5%		8.0%		7.5%		5.0%		4.5%		4.0%		3.5%		3.0%		2.0%
Operating Income																											
Total	\$ M		10,817.7		9,438.4		14,502.4		17,923.4		26,289.4		36,538.0		45,701.2		54,705.2		61,941.4		68,296.7		73,565.5		77,962.3		82,179.1
Operating Margin																											
Total	%		28.2%		16.4%		18.6%		17.3%		19.3%		21.1%		21.6%		22.1%		22.6%		23.1%		23.6%		24.1%		24.6%