2021 INVESTOR DAY

Cloud Technologies Drive Digital Transformation and Growth

Jeff Zhang, President of Alibaba Cloud Intelligence
Our Vision: A New Digital World Powered by Cloud

Cloud Market: Growth Driven by Digitalization

Alibaba Cloud: Leading Markets with Strong Performance

数字经济驱动云计算发展

阿里云强劲表现持续引领市场

云计算构建数字新世界
## Digital Economy is Fueling Economic Growth

### GDP Growth: US vs. China

<table>
<thead>
<tr>
<th></th>
<th>US</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 GDP</td>
<td>20.9 trillion USD</td>
<td>14.7 trillion USD</td>
</tr>
<tr>
<td>YoY Growth</td>
<td>-3.5%</td>
<td>+2.3%</td>
</tr>
</tbody>
</table>

Digital Economy Scale in 2020:
- USD5.6 Tr

### Digital Economy Growth in China

- 9.6% Digital Economy Growth 2020
- 39% Contribution to GDP 2020
- 61% Other Contributions 2020

### Notes:
1. The World Bank, GDP Data for 2020, released in 2021
Digitalization Drives Cloud Computing Growth

数字经济与实体经济的深度融合为云计算带来更多机会

**US Cloud Market Outlook**

- **2019**: $18Bn
- **2020**: $19Bn
- **2021E**: $21Bn (25% 3-year CAGR)
- **2022E**: $22Bn (21% 5-year CAGR)
- **2023E**: $24Bn
- **2024E**: $26Bn
- **2025E**: $29Bn (23% 5-year CAGR)

**China Cloud Market Outlook**

- **2019**: $12Bn
- **2020**: $15Bn
- **2021E**: $20Bn (42% 3-year CAGR)
- **2022E**: $26Bn (37% 5-year CAGR)
- **2023E**: $33Bn
- **2024E**: $41Bn
- **2025E**: $51Bn (30% 5-year CAGR)

**Notes:**

1. IDC, Worldwide Public Cloud Services Tracker, 1H21, released in 2021

3-year CAGR:
- 2020: 32%
- 2025E: 37%

5-year CAGR:
- 2025E: 154Bn (21%)
- 2025E: 380Bn (21%)
- 2020: 198Bn (16%)

5-year CAGR: 2025: 154Bn

Digitalization Drives Cloud Computing Growth
Digitalization in China Demands Holistic and Agile Solutions across Industries

中国数字化转型寻求更全面、敏捷的解决方案

China IT Spending: Robust Growth in IT Services and Software

China National Strategy for Digital Transformation

Digitalization of Industries

- Digitalization
- Internet of Things
- Artificial Intelligence

Industrialization of Digital Technology

- Cloud-Network Integration
- Secure and Controllable
- Green and Low-carbon

Notes:
$^1$ E refers to estimated values.
1. Gartner, Market Databook 1Q21, released in 2021
2. The State Council of the People’s Republic of China, 14th Five-Year Plan for Economic and Social Development and Long-Range Objectives through the Year 2035, released in 2021
Our Vision: A New Digital World
Powered by Cloud

Cloud Market: Growth Driven by Digitalization
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Alibaba Cloud: Leading Markets with Strong Performance
阿里云强劲表现持续引领市场

Our Vision: A New Digital World
云计算构建数字新世界
Alibaba is a Global Leader in Cloud Markets

*No. 1 in China* (1) (2)  
中国第一

*No. 1 in Asia* (1) (2)  
亚洲第一

*Top 3 Globally* (1) (2)  
世界第三

Notes:
1. IDC, Worldwide Public Cloud Services Tracker 1H21, released in 2021
Alibaba is a Global Leader in Cloud Technology

Top 3 in IaaS+PaaS

IaaS+PaaS能力世界前三

Vendor A Vendor M Alibaba Cloud Vendor O Vendor G
Overall No.1 No.2 No.3 No.4 No.5
Compute No.2 No.5 No.1 No.4 No.3
Storage No.2 No.3 No.1 No.4 No.5
Network No.2 No.4 No.1 No.3 No.4
Security No.1 No.4 No.1 No.5 No.3
Resilience No.2 No.3 No.4 No.5 No.4
Software Infrastructure No.1 No.3 No.2 No.5 No.4
Digital Business Infrastructure No.1 No.2 No.3 No.5 No.4
Operations & Governance No.1 No.2 No.3 No.4 No.4

Leader in Cloud Database

数据库进入领导者象限

Notes:
2. Gartner, Magic Quadrant for Cloud Database Management Systems for 2020, released in 2021
Strong Growth in Revenue, Profitability and Customer Base

### Revenue & Profit

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alibaba Cloud GAAP Revenue</td>
<td>RMB69.2 Bn</td>
</tr>
<tr>
<td>Alibaba Cloud Adjusted EBITA</td>
<td>RMB173 Mn</td>
</tr>
</tbody>
</table>

### Customer Base

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paying Customers</td>
<td>4 Mn+</td>
</tr>
<tr>
<td>3-Year ARPU CAGR</td>
<td>40%+</td>
</tr>
<tr>
<td>Percentage of A-share Listed Companies Using Alibaba Cloud</td>
<td>62% YOY +2pt</td>
</tr>
</tbody>
</table>

Notes:
1. Beginning on April 1, 2021, we reclassified the results of DingTalk business to the cloud computing segment. Unless otherwise indicated, all figures above are for the twelve months ended September 30, 2021.
2. The numbers are for twelve months ended September 30, 2021.
3. Average revenue per user growth has excluded the influence of a top cloud customer and the 3-year compound annual growth rate is from twelve months ended September 30, 2018 to twelve months ended September 30, 2021.
Internet Sector Continues to Drive Solid Business Growth

互联网作为阿里云支柱行业贡献稳定增长

Internet Sector in China

RMB150 Bn+
2021 IT Spending

40%+
Alibaba Cloud Revenue 3-Year CAGR

Notes:
1. Gartner, Market Databook for 1Q21, released in 2021
2. Internet industry revenue has excluded the influence of a top cloud customer and the 3-year compound annual growth rate is from twelve months ended September 30, 2018 to twelve months ended September 30, 2021
Digital Transformation Emerging as New Pillar for Business Growth

Traditional Industries & Organizations in China

RMB700 Bn+
2021 IT Spending

50%+
Alibaba Cloud Revenue 3-Year CAGR

Notes:
1. Gartner, Market Databook 1Q21, released in 2021
2. The 3-year compound annual growth rate are from twelve months ended September 30, 2018 to twelve months ended September 30, 2021
Our Global Footprint and Regional Focus Contribute Diversified Business Growth

全球布局与区域聚焦策略持续贡献多元客户与收入增长

Note:
1. Alibaba Cloud Business Analytics, for twelve months ended September 30, 2021

60%
SEA Market Revenue Growth

Customer Success Stories

- MOCREATIVE
- mynt
- akulaku
- goto
- BC
- BLUPOWER
Our Vision:
A New Digital World
Powered by Cloud

Cloud Market:
Growth Driven by Digitalization

Alibaba Cloud:
Leading Markets with Strong Performance
Evolution to a New Digital World

数字科技在计算、网络、应用的演进中构建数字世界的基石

<table>
<thead>
<tr>
<th>Compute</th>
<th>Network</th>
<th>Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Age Starts</td>
<td>Birth of Internet</td>
<td>Voice</td>
</tr>
<tr>
<td>Mainframes, Mini Computers</td>
<td>1G: Analog</td>
<td>Message</td>
</tr>
<tr>
<td>Servers</td>
<td>2G: Digital</td>
<td>Multimedia Message, Blog, Website</td>
</tr>
<tr>
<td>Cloud 1.0 Cloud Infrastructure</td>
<td>3G: Mobile Internet</td>
<td>E-Commerce, Social Media, Video Streaming</td>
</tr>
<tr>
<td>Cloud-Native Applications</td>
<td>4G: Rich Mobile Internet</td>
<td>Metaverse, Industrial AIoT, Autonomous Vehicles</td>
</tr>
<tr>
<td>Cloud 2.0 Cloud-Native Applications</td>
<td>5G: Internet of Things</td>
<td></td>
</tr>
<tr>
<td>Cloud 3.0 Cloud-Network-Device Convergence</td>
<td></td>
<td></td>
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</tbody>
</table>
Alibaba is Redefining Cloud Computing in China

Cloud Computing as Defined by Alibaba Cloud

Ecosystem & Open Source
- City Brain
- Business Systems
- Marketing Management
- Retail
- Mobile Apps
- Financial Management
- Smart Devices
- Sales Management
- AI/ML
- APP
- Mini Apps

Industry Solutions
- Internet
- Public Services
- New Retail
- New Finance
- Transportation
- Manufacturing

Digitalization
- Data Analytics
  - Database Management
  - Big Data + AI
- Enterprise Digitalization
  - DingTalk Low-code Application Development
- AIoT
  - AIoT Platform

Digitalization
- Data Analytics
  - Database Management
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Infrastructure
- Security
- Database
- DevOps
- CDN
- Big Data
- AI
- Elastic Computing
- Container
- Storage
- Network
- Big Data Engine

DAMO Academy
- Machine Intelligence
- Data Processing
- Fintech
- Robot
- T-head
- Quantum Computing
Alibaba Cloud Infrastructure: Leading in Scale, Performance, and Energy Efficiency

计算规模、网络性能与绿色能效的完美结合

Large-scale Computing Clusters

High-performance Network

Ultra-high Energy Efficiency

Green Energy

- Computing Capacity in Global Top 5
  1.5 EFLOPS (TF32)

- Second-level Failure Recovery Time

- Liquid Cooling System
  Data Center PUE1.09

- Large and Growing Usage of Hydro, Wind, Solar Power
Alibaba’s Proprietary Innovations in Full-stack Cloud-native Hardware

Apsara Cloud OS  Our Intelligent Cloud OS for Public and Hybrid Cloud Solutions

Yitian 710
倚天710

128 Cores
ARM V9 Architecture

Alibaba Cloud Server
磐久服务器

F86/ARM
X86/ARM
Processors

Fangsheng Server
Architecture

Chip & Server

Network

Data Center

Cooling Technology

 Robotics

Solar-RDMA

CO2 Emission Management
Alibaba Cloud Infrastructure Solutions: 
Ultra-high Performance and Reliability in Compute and Storage

极致性能与稳定可靠是云计算的永恒追求

X-Dragon Architecture

神龙计算

World First Hardware Virtualization

Industry First Large-scale RDMA

Redis Scenario-based Performance increased by 130%

Note:
1. The performance is compared with the previous generation architecture
Alibaba’s Cloud-native Data Solutions: One-stop Enterprise Database Management

Data Management Services (DMS)

**RDS**
- 1 trillion anomaly checks/day, 24x7
- SQL processing: over 30Mn lines/sec
- SQL optimization: 20,000 diagnoses/day

**PolarDB + HTAP**
- High availability based on X-Paxos, RPO=0
- Financial-grade reliability
- Cloud-native upgrade + HTAP
- PolarDB-X Integrated Distributed DB

**AnalyticDB**
- Serverless storage
- Elastic resource allocation
- Reduced storage cost
- Supports offline/online hybrid workload

**Lindorm**
- Supports PB-level multi-model data
- Reduced storage cost
- Millisecond-level response time

**Public & Hybrid Cloud:** Hardware-agnostic Deployment

- Full Database Encryption
- End-to-End Data Encryption
- Database Cloud-Native SQL Ability
- Secured Operations
- Data Governance
- Data Convergence

- High availability based on X-Paxos, RPO=0
- Financial-grade reliability
- Cloud-native upgrade + HTAP
- PolarDB-X Integrated Distributed DB
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High availability based on X-Paxos, RPO=0
Financial-grade reliability
Cloud-native upgrade + HTAP
PolarDB-X Integrated Distributed DB
Serverless storage
Elastic resource allocation
Reduced storage cost
Supports offline/online hybrid workload
Supports PB-level multi-model data
Reduced storage cost
Millisecond-level response time
## Alibaba’s Cloud-native Data Solutions: Integrated Big Data + AI

云原生数据处理能力：大数据+AI一体化产品体系

### Value Proposition

<table>
<thead>
<tr>
<th>Scale</th>
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<tbody>
<tr>
<td>大数据、大模型、大应用</td>
</tr>
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<table>
<thead>
<tr>
<th>Speed</th>
</tr>
</thead>
<tbody>
<tr>
<td>极致的运行、开发、运维效率</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Simplicity</th>
</tr>
</thead>
<tbody>
<tr>
<td>标准、像调用函数般易用</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario</th>
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<tbody>
<tr>
<td>向场景而生</td>
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</table>

### Application

<table>
<thead>
<tr>
<th>Intellige Customer Service</th>
<th>City Brain</th>
<th>AI Earth</th>
<th>Digital Identity</th>
<th>Financial Risk Control</th>
</tr>
</thead>
</table>

### Open Services

<table>
<thead>
<tr>
<th>Visual</th>
<th>Voice</th>
<th>Decision-making</th>
<th>NLP</th>
<th>Business Growth Engine</th>
</tr>
</thead>
<tbody>
<tr>
<td>OpenSearch</td>
<td>AIRec</td>
<td></td>
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### Big Data + AI Platform

<table>
<thead>
<tr>
<th>Data Production &amp; Collection</th>
<th>Data Storage &amp; Analysis</th>
<th>ETL &amp; Data Governance</th>
<th>Machine Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Integration</td>
<td>Elasticsearch</td>
<td>Data Modeling</td>
<td></td>
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<tr>
<td>Datahub</td>
<td>Data Migration</td>
<td>Data Development</td>
<td></td>
</tr>
<tr>
<td>Data Annotation</td>
<td>Flink</td>
<td>Data Analysis</td>
<td></td>
</tr>
<tr>
<td>Data Migration</td>
<td>Partner Services</td>
<td>Data Map</td>
<td></td>
</tr>
<tr>
<td>MaxCompute</td>
<td>Hologres</td>
<td>Data Governance</td>
<td></td>
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</tbody>
</table>

### Infrastructure

<table>
<thead>
<tr>
<th>Compute</th>
<th>Storage</th>
<th>Network</th>
</tr>
</thead>
</table>

### Partners

- Databricks
- Cloudera
Alibaba’s Cloud Workspace Solution: Enabling Enterprise Productivity and Flexibility

Already Embraced by 5000+ Enterprise Customers

Note:
1. Alibaba Cloud Business Analytics, for the twelve months ended September 30, 2021
DingTalk: Ongoing Innovation in Our Productivity Platform to Boost Enterprise Digitalization

Key Metrics

92 Mn (1)
Daily Active Users

47% (2)
Percentage of A-share Listed Companies Using DingTalk

Notes:
1. Daily Active User number is the average number of unique users of working days in the month ended September 30, 2021
2. Alibaba Cloud Business Analytics, as of September 30, 2021
DingTalk: Open Platform Empowers Digitalized Organizations

新开发方式塑造数字化企业

Open Platform

Consolidated HR Platform  Low-code Application Development Platform  Application Connection Platform  Business Process Automation Platform

Robotic Process Automation
Low-cost, agile solutions to integrate enterprise applications and automate repetitive tasks and processes

Low-code Application Development
1.0 Mn
Low-code Apps Developed since January 1, 2021

Ding-Da

0.9 Mn+
Developers on DingTalk (1)

Cloud Infrastructure + AI Capability

Windows  MacOS  iOS  Android

Note:
1. Alibaba Cloud Business Analytics, by the end of September 30, 2021
Alibaba Actively Contributing to Open-source Communities

2700+ GitHub Open-source Projects
3000+ Contributors
1.1 Mn+ GitHub Stars

Participating in Open-source Communities
- RISC-V
- Eclipse
- Linux
- OpenAtom Foundation
- Open Container Initiative
- Apache Software
- OpenAnolis

Defining Open-source Standards
- Apache Flink
- Alibaba Dragonwell
- KubeVela
- Apache RocketMQ
- Apache Dubbo
- OpenYurt

Providing Open-source Access to our Proprietary Technology
- PolarDB
- Xuantie
- AnolisOS

Note:
1. Alibaba Cloud Business Analytics
Building a New Digital World Powered by Cloud
To Make It Easy To Do Business Anywhere
让天下没有难做的生意