2020 INVESTOR DEY

Alibaba Cloud Intelligence - Strong Growth Driven by Digital Transformation and Core Technologies

Jeff ZHANG, President of Alibaba Cloud Intelligence
01 Undisputed Market Leader with Great Potential

高速增长的业界第一

02 Redefining Cloud Computing

重新定义中国云计算

03 Building Thriving Ecosystem to Accelerate Cloud Adoption

联合生态加速云化
Expanding Market Leadership

Growing Faster Than **Global** Market

- **Public Cloud (IaaS)**
  - 2018: 7.7%
  - 2019: 9.1%

Largest in **Asia Pacific**

- **Public Cloud (IaaS)**
  - 2018: 26.1%
  - 2019: 28.2%

Largest in **China**

- **Public Cloud Service (IaaS+PaaS)**
  - Dec Qtr 2019: 42%
  - Mar Qtr 2020: 42.4%

**Notes:**
Charts and graphics created by Alibaba Cloud Analytics based on the following sources:
Strengthening of Core Capabilities

**The only** China-based Cloud Service Provider included in Gartner’s Magic Quadrant for 4 consecutive years

**Compute**

A Strong Performer

Container Service is positioned as a Strong Performer in Forrester Wave (2019)

**Network**

NO.1

Alibaba Cloud Server Load Balancer (SLB) leads the world in growth (2020)

**Security**

NO.1

No.1 WAF in Greater China Region (2018)

**Database**

NO.1

No.1 in China (2019)

Notes:
3 Mn+ Paying Customers with Strong Engagement

云计算付费客户规模超300万，产品使用深度持续增长

3 Mn+

Paying customers, for the last twelve months ended Jun 30, 2020

Revenue Distribution of Value-added Services

<table>
<thead>
<tr>
<th>Year</th>
<th>IaaS</th>
<th>VAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>57%</td>
<td>43%</td>
</tr>
<tr>
<td>2018</td>
<td>53%</td>
<td>47%</td>
</tr>
<tr>
<td>2019</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>H1 CY20</td>
<td>45%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Notes:
1. Number of paying customers for the last twelve months ended June 30, 2020 (deduplicated). Source: Alibaba Cloud Customer Database.
2. Source: Alibaba Cloud Business Analytics.
Growing Premium Customer Base with Increased ARPU

Percentage of A-share Companies on Alibaba Cloud

- 57% in 2018 (1)
- 60% in 2020 (2)

Notes:
1. The proportion of A-share companies with spending on Alibaba Cloud compared to the total number of A-share companies (3,559 A-share companies in 2018 and 3,767 A-share companies in 2020 from Shanghai Stock Exchange & Shenzhen Stock Exchange).
2. 12-month rolling number as of December 31, 2018 and June 30, 2020, respectively. Source: Alibaba Cloud Business Analytics.
3. 12-month rolling sum as of June 30, 2018 and June 30, 2020, respectively. Source: Alibaba Cloud Business Analytics.
Strong Focus on Regional Market

聚焦策略驱动海外市场强劲增长

Notes:
Cloud Penetration in China at an Early Stage with Enormous Potential

Notes:
Charts, graphics and calculations produced by Alibaba Cloud Analytics based on the following sources:
China Market Presents Unique Opportunities

中国市场促成了中国云计算的独特机会

### Size of IaaS and PaaS Market

<table>
<thead>
<tr>
<th>2019</th>
<th>2020E</th>
<th>2021E</th>
<th>2022E</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>US</td>
<td>China: 28%</td>
<td>US: 23%</td>
</tr>
</tbody>
</table>

#### 3-year CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>China</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>74.3</td>
<td>30.2</td>
</tr>
<tr>
<td>2020E</td>
<td>29.6</td>
<td>29.1</td>
</tr>
<tr>
<td>2021E</td>
<td>28.5</td>
<td>27.4</td>
</tr>
<tr>
<td>2022E</td>
<td>20.7</td>
<td>16.8</td>
</tr>
</tbody>
</table>

### Impact of COVID-19 on Technology Investment

The pandemic has greatly changed how businesses operate and the technological landscape.

Which ICT fields have seen the most positive impacts?

<table>
<thead>
<tr>
<th>ICT Field</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud Computing</td>
<td>74.3</td>
<td>30.2</td>
<td>29.6</td>
<td>29.1</td>
</tr>
<tr>
<td>AI</td>
<td>28.5</td>
<td>27.4</td>
<td>20.7</td>
<td>16.8</td>
</tr>
<tr>
<td>Robotics</td>
<td>16.2</td>
<td>14.5</td>
<td>14.5</td>
<td>14.5</td>
</tr>
<tr>
<td>Big Data</td>
<td>16.8</td>
<td>14.5</td>
<td>14.5</td>
<td>14.5</td>
</tr>
<tr>
<td>Security</td>
<td>14.5</td>
<td>14.5</td>
<td>14.5</td>
<td>14.5</td>
</tr>
<tr>
<td>IoT</td>
<td>14.5</td>
<td>14.5</td>
<td>14.5</td>
<td>14.5</td>
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<tr>
<td>5G</td>
<td>14.5</td>
<td>14.5</td>
<td>14.5</td>
<td>14.5</td>
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<tr>
<td>AI</td>
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Redefining Cloud Computing in China

Cloud Computing as Defined by Alibaba Cloud

Ecosystem 3,000+ Solutions

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

Middle Office
- Digitalization
  - Data Middle Office
  - Business Middle Office
- Collaboration
  - Collaboration Middle Office
  - DingTalk
  - Teambition
- IoT
  - AIoT Platform

Infrastructure Cloud
- Security
- Database
- Cloud-native
- DevOps
- CDN
- Big Data
- AI
- Elastic Computing
- Middleware
- Storage
- Network
- Big Data Engine

DAMO Academy
- Machine Intelligence
- Data Processing
- Fintech
- Robot
- T-head
- Quantum Computing
Redefining Cloud Computing in China

Cloud Computing as Defined by Alibaba Cloud

Ecosystem

3,000+ Solutions

City Brain
Business Systems
Marketing Management
Retail
Mobile Apps
Financial Management
Smart Devices
Sales Management
AI/ML
Mini Apps
...

Industry Solutions

Internet
Public Services
New Retail
New Finance
Transportation
Manufacturing
...

Middle Office

Digitalization
Data Middle Office
Business Middle Office

Collaboration
Collaboration Middle Office
DingTalk
Teambition

IoT
AiT Platform

Infrastructure Cloud

Security
Database
Cloud-native
DevOps
CDN
Big Data
AI

Elastic Computing
Middleware
Storage
Network
Big Data Engine
...

DAMO Academy

• Machine Intelligence
• Data Processing
• Fintech
• Robot
• T-head
• Quantum Computing
Full-stack, Proprietary Technology with World-leading Capabilities

Notes:
Redefining Cloud Computing in China

Cloud Computing as Defined by Alibaba Cloud

Ecosystem
3,000+ Solutions

City Brain
Business Systems
Marketing Management
Retail
Mobile Apps
Financial Management
Smart Devices
Sales Management
AI/ML
RPP
Mini Apps

Industry Solutions
Internet
Public Services
New Retail
New Finance
Transportation
Manufacturing

Middle Office
Digitalization
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IoT
AIoT Platform

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DAMO Academy

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IoT
AIoT Platform

Security
Database
Cloud-native
DevOps
CDN
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Middleware
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DAMO Academy

Machine Intelligence
Data Processing
Fintech
Robot
T-head
Quantum Computing

Redefining Cloud Computing in China

重新定义云计算市场空间
Redefining How Data Flows: Data Middle Office

One ID

- Consumer Tagging System
- Brand Tagging System
- Store Tagging System

Intelligent Data Development

- Brands
- Merchandise
- Manufacturing
- Logistics
- Channels
- Sales
- Marketing
- Services
- Sales Data
- Marketing Data
- Member Data
- Visitor Data

Middle Office

Data Asset Management

Data Extraction Center

Public Data Center

Vertical Data Center

Break Down Data Silos
Efficient Use of Computing Resources
Implement Finer-grained Operations

During Nov 11 2019 Promotional Period

- 74x customer growth
- 118% of the GMV goal achieved
Redefining How We Work: Cloud+DingTalk

DingTalk-driven Office Collaboration

- Digital Business Flows
- Mobilized Applications
- Industry-tailored Solutions
- Intelligent Analysis Chart

- Instant Communication
- Meeting
- Calendar
- Collaboration
- Digital Workflow

- Enterprise DingTalk
- Industry-tailored DingTalk
- DingTalk-mobilized Platforms

- Data Fusion
- Business Integration

Superior Computing Capability and Elasticity Provided by Alibaba Cloud
Redefining How We Work: Cloud+DingTalk

DingTalk-driven Office Collaboration

- Digital Business Flows
- Mobilized Applications
- Industry-tailored Solutions
- Intelligent Analysis Chart

Instant Communication | Meeting | Calendar | Collaboration | Digital Workflow | ...

Enterprise DingTalk | Industry-tailored DingTalk | DingTalk-mobilized Platforms

Data Fusion | Business Integration

Superior Computing Capability and Elasticity Provided by Alibaba Cloud

100 Mn+
DingTalk’s average daily active users on workdays in Mar 2020

1 Mn+
DingTalk active classroom sessions each workday on average in Mar 2020

Video Conferencing | Online Documentation

Calendar Events | Mobile Approvals | Intelligent Conference
Redefining How Things Connect: Alibaba IoT

IoT Applications
- Smart Cities
- Smart Lifestyle
- Smart Manufacturing
- Agricultural Water Conservation

IoT Platform
- Device management
  - Device Linkage
  - Data Storage
  - Virtual Devices
  - Real-time Monitoring
  - Security Authentication & Permission Policies

Alibaba Cloud Services
- Datahub
- Time Series Database
- Message Service

IoT End-devices can be connected to Tmall Genie as of May 2020

272 Mn

Note:
Redefining Cloud Computing in China

重新定义云计算市场空间
Building Best-in-class Vertical Solutions

持续打造领先的行业解决方案

Industry Solutions: Internet, Public Services, New Retail, New Finance, Transportation, Manufacturing, ...

Leading Industry: Internet, Public Services, Finance & Fintech, New Retail, Manufacturing, ...

Strong Performer Industry: Transportation & Logistics, Media Services, Automotive, Resource, ...

Rapid Growth Industry: Strong Performer Industry, New Opportunities Industry, Education, Digital in Rural, Medical Services, ...

New Opportunities Industry: Medical Services, Digital in Rural, Education, ...

Case Studies, Vertical Solutions, Large-scale Replicability
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Building a Strong Ecosystem with Partners and Developers

Global Strategic Partners

ISV & SI

Resellers & Distribution Partners

Delivery Partners

Partner Ecosystem

Community Ecosystem

3.5 Mn developers

Developers Community

Fostering a thriving developer community to ensure future success

Note:
1. For the last twelve months ended August 12, 2020.
Case Study: Online Education - Full Cloud Adoption

案例：助力在线教育客户全站上云

- Largest cloud migration success story in the education sector
- Millions of teachers and students concurrently participating in virtual classes
- 90% more efficient preparation of classroom materials

Setting the bar for online education, and providing best practices for customer success

Note:
1. Ongoing project. Data provided based on peak performance in 2020.
Case Study: Public Services - Digitalization for Higher Efficiency

Zhejiang Province Public Service

Middle Office & DingTalk
- 352 one-stop services
- Average collaboration processes turnaround reduced from 1-2 months to 2 days (2019)

Traffic Management
- Hangzhou traffic congestion ranking No. 5 -> No. 57

Deployed in numerous cities and provinces such as Shanghai, Hainan and Zhengzhou

Deployed in over 30 cities around the world

Note:
## Case Study: Manufacturing - Intelligent Next Generation O&M Platform through Industrial IoT

### 案例：通过工业物联网打造新一代设备智能运维平台

<table>
<thead>
<tr>
<th>By Industry</th>
<th>Internet</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public Services</td>
</tr>
<tr>
<td></td>
<td>New Retail</td>
</tr>
<tr>
<td></td>
<td>New Finance</td>
</tr>
<tr>
<td></td>
<td>Others</td>
</tr>
<tr>
<td></td>
<td>Industrial Internet</td>
</tr>
<tr>
<td></td>
<td>Open Road Tolling</td>
</tr>
<tr>
<td></td>
<td>Education &amp; Research Cloud</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By Use Case</th>
<th>Collaborative Office Operations &amp; Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Live Streaming Security</td>
</tr>
<tr>
<td></td>
<td>Development &amp; Testing Data Analytics &amp; Operations</td>
</tr>
</tbody>
</table>

### SHOU GANG GROUP

#### Industrial IoT Platform

- **Reduce**: Steel inspection and maintenance cost lowered by 20%
- **Improve**: Personnel work efficiency increased by 20%
- **Trust**: Hardware operational stability improved by 10-20%

**Industrial internet IoT solutions already deployed for 30+ customers**

### Note:

1. Data provided based on the project in 2019-2020.
The New Infrastructure of Digital Economy
2020 INVESTOR DAY
To Make It Easy To Do Business Anywhere
让天下没有难做的生意