



# Balfour Capital Group Alibaba Group Holding Ltd.

## Company Overview

**Alibaba Group Holding Ltd. (BABA)** is a **global technology conglomerate** and **China's largest e-commerce and digital services platform**, with a diversified ecosystem spanning online retail, logistics, cloud computing, entertainment, and fintech. The company operates through four core business segments:

1. **China E-Commerce Group (Taobao & Tmall)**: Dominates China's online retail landscape, integrating logistics and payments through Cainiao and Alipay.
2. **Alibaba International Digital Commerce Group (AIDC)**: Oversees Lazada, Trendyol, Daraz, and AliExpress, driving cross-border growth across Southeast Asia and Europe.
3. **Cloud Intelligence Group**: One of the largest cloud providers globally, offering AI infrastructure, big data analytics, and enterprise-grade cloud solutions with 26% YoY growth.
4. **Digital Media & Entertainment**: Includes Youku, Alibaba Pictures, and other media platforms, diversifying the company's consumer engagement channels.

Headquartered in **Hangzhou, China**, Alibaba employs approximately **235,000 people worldwide** and maintains major offices in Singapore, the United States, and Europe.

In Q2 FY2025 (ended June 30, 2025), Alibaba reported **revenue of RMB 247.7 billion (USD 34.5 billion)**, **up 2% year-over-year**, with **net income rising 76% YoY to RMB 42.4 billion (USD 5.9 billion)**, driven by cost discipline and gains in AI-driven cloud revenue.

## 1. Top 5 Competitors

- **Amazon.com Inc. (AMZN)**: Direct global competitor across cloud, retail, and digital commerce.
- **PDD Holdings (Pinduoduo)**: Rising e-commerce disruptor in domestic Chinese retail with strong cost leadership.
- **JD.com Inc. (JD)**: Competes with Alibaba's logistics efficiency and consumer trust in direct sales.
- **Baidu Inc. (BIDU)**: Competes in AI and cloud solutions, particularly in China's enterprise segment.
- **Tencent Holdings Ltd. (TME / WeChat ecosystem)**: Major rival in social commerce, digital payments, and entertainment integration.



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## 2. Largest Institutional Shareholders

Shareholder	Approx. % Ownership	Notes
Vanguard Group Inc.	~7.0%	Leading global ETF and index manager
BlackRock Inc.	~6.5%	Top institutional investor in Asia tech
T. Rowe Price Associates	~5.1%	Long-term growth investor
Norges Bank Investment Management	~3.9%	Sovereign wealth exposure
Capital Group	~3.4%	Large-cap global fund position

Alibaba's **institutional ownership is approximately 22%**, reflecting a blend of U.S., European, and Asian fund managers with long-term exposure to Chinese technology assets.



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## 3. Management Team

- **Joseph C. Tsai** — Chairman of the Board
- **Eddie Yongming Wu** — Chief Executive Officer
- **Toby Xu** — Chief Financial Officer
- **Daniel Zhang** — Chairman, Alibaba Cloud Intelligence (transitioned out mid-2025)
- **Judy Tong** — Chief People Officer
- **Trudy Dai** — CEO, Taobao & Tmall Group

Alibaba's leadership has been restructured to emphasize agility and independent group accountability following its 2023 organizational split.

## 4. Revenue

- **FY2024 Revenue:** RMB 941.2 billion (USD 130.5 billion)
- **FY2025 Revenue (est.):** RMB 996.3 billion (USD 138.0 billion)
- **FY2026 Forecast:** RMB 1.03 trillion (USD 143.6 billion)
- **Net Margin:** 14.8%
- **Return on Equity:** 15.2%
- **Gross Margin:** 40.7%
- **Operating Cash Flow (Q2 2025):** RMB 20.7 billion (USD 2.9 billion)
- **Net Cash Position:** RMB 353.6 billion (USD 49.4 billion)

Revenue growth remains modest at 5.5% YoY, but profitability has sharply improved due to reduced logistics costs and the cloud business's strong momentum.

## 5. Institutions with Buy Recommendations

Recent institutional and analyst Buy ratings include:

- **Goldman Sachs** — Buy, PT USD 205 (Nov 2025)
- **Morgan Stanley** — Overweight, PT USD 210 (Nov 2025)
- **Bank of America** — Buy, PT USD 195 (Oct 2025)
- **Citi Research** — Buy, PT USD 200 (Oct 2025)



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- UBS Group — Buy, PT USD 202 (Sep 2025)
- J.P. Morgan — Overweight, PT USD 190 (Sep 2025)

Consensus reflects renewed investor confidence following solid AI-driven cloud growth, increased share buybacks, and improving domestic consumption trends.

## 6. Analyst Sentiment Summary

- **Consensus Rating:** Buy
- **Analyst Breakdown:** 14 Strong Buy / 24 Buy / 3 Hold / 1 Sell / 0 Strong Sell
- **Average 12-Month Target:** USD 200
- **High Target:** USD 230
- **Low Target:** USD 150
- **Implied Upside:** +19%

### Positive Drivers:

- Strong performance in AI and Cloud segments (26% YoY growth).
- Accelerating GMV and user engagement from Taobao & Tmall integration.
- Aggressive share repurchase program (USD 815M in Q2 2025; USD 19.3B remaining authorization).
- Expanding international digital commerce footprint.

### Risks:

- Macroeconomic volatility and regulatory oversight in China.
  - Geopolitical risks from U.S.–China tensions and export restrictions.
- Slower-than-expected recovery in consumer sentiment and ad spending.

## 7. Insider Buying and Selling (Last 24 Months)

- **Joseph Tsai (Chairman):** Purchased additional ADS shares in 2025 following return to executive chairmanship.
- **Eddie Wu (CEO):** Retained significant equity exposure; no open-market activity disclosed.



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- **Daniel Zhang:** Sold shares during 2024 leadership transition.
- **Institutional insiders (SoftBank):** Fully exited position in 2024.

Overall, insider activity has been neutral to positive, with governance stability and strong executive retention signaling internal confidence.

