

# Alibaba profit nearly doubles on robust revenues

August 17 2017

---



Chinese e-commerce giant Alibaba said Thursday its net profit almost doubled in the latest quarter on the back of solid revenue growth in its core shopping business and in cloud computing

Chinese e-commerce giant Alibaba said Thursday its net profit almost doubled in the latest quarter on the back of solid revenue growth in its core shopping business and in cloud computing.

Alibaba, which has made billionaire founder Jack Ma one of China's richest men and a global [e-commerce](#) icon, has seen its New York-listed shares soar 80 percent since last December on perennially robust earnings.

With those shares at all-time highs, the company's market worth has been fast approaching that of industry leader Amazon.

Alibaba said net income in the quarter which ended June 30 was 14.7 billion yuan (\$2.2 billion), a year-on-year increase of 94 percent.

Alibaba thoroughly dominates e-commerce in China mainly through its Taobao platform, and its continued strong earnings performances have underlined the strength of the sector even as the country's broader economic growth has slowed.

Overall revenues in the quarter rose 56 percent to 50.2 billion yuan, beating the \$7.2 billion average of analyst estimates compiled by Bloomberg.

The performance also beat the 45-49 percent increase for the quarter that the company itself forecast back in June.

Revenue from its core commerce offerings grew 58 percent in the quarter to 43.0 billion yuan, while cloud computing [revenue](#) jumped 96 percent to 2.4 billion yuan, it said in an earnings statement.

Alibaba's Taobao platform is estimated to hold more than 90 percent of the consumer-to-consumer market, while its Tmall is believed to handle over half of business-to-consumer transactions.

"Our technology is driving significant growth across our business and strengthening our position beyond core commerce," the statement quoted

Alibaba Group CEO Daniel Zhang as saying.

The company said mobile monthly active users on its China retail marketplaces grew to 529 million in June, an increase of 22 million over March of this year.

With its e-commerce operations unassailable at home, Alibaba has sought to extend its shopping dominance by investing in a string of Chinese bricks-and-mortar retailers.

But the company, based in the eastern Chinese city of Hangzhou, also has poured money into [cloud computing](#), digital media and entertainment as it seeks to build up new revenue streams.

Revenue from digital media and entertainment operations increased 30 percent 4.0 billion.

Alibaba said it also was laying the foundation for long-term growth in its international operations, largely through the Southeast Asian e-commerce platform Lazada. Alibaba raised its stake in Lazada to 83 percent in the quarter.

International revenues reached 2.6 billion yuan in the latest quarter, up 136 percent year-on-year.

© 2017 AFP

Citation: Alibaba profit nearly doubles on robust revenues (2017, August 17) retrieved 27 April 2024 from <https://phys.org/news/2017-08-alibaba-profit-robust-revenues.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.