

Alibaba says annual net profit up 47% in 2017/2018

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Chinese e-commerce giant Friday announced a massive 47 percent leap

in net profit for the fiscal year 2017/2018, helped by a rise in smartphone and tablet transactions on its shopping platform.

Profit climbed to 63.985 billion yuan (\$10.2 billion), boosted by a 60 percent rise in revenue from its core business, the online retailer said.

The New York-listed firm added 98 million active consumers over the year ended March 31, to a total of 552 million using its e-commerce marketplaces.

Overall revenue climbed 58 percent year-on-year to 250.27 billion yuan, with revenue from cloud computing up 101 percent and digital media and entertainment up 33 percent.

For the fourth quarter, the company saw revenue soar a better than expected 61 percent year-on-year to 62 billion yuan.

"Alibaba Group had an excellent quarter and fiscal year, driven by robust growth in our core commerce business and investments we have made over the past several years in longer-term growth initiatives," group CEO Daniel Zhang said in a statement.

Chief financial officer Maggie Wu said they forecast similar results in the year ahead.

"Looking ahead to fiscal 2019, we expect overall revenue growth above 60 percent, reflecting our confidence in our core business as well as positive momentum in new businesses," she said.

Alibaba, which has made billionaire founder Jack Ma one of China's richest men and a global e-commerce icon, has been on a roll, regularly beating revenue estimates.

While the group has been diversifying its business, the overwhelming majority of [revenue](#) still comes from its online trading platforms, which continued to attract new customers in China where trends and shopping preferences can shift quickly.

With Taobao, Alibaba dominates 90 percent of the Chinese consumer-to-consumer market, and its Tmall platform controls half of the online transactions between professionals and individuals.

However, Alibaba plans to develop close links with traditional bricks-and-mortar retailers, notably the Hema supermarket chain, and investments in distribution chains in a "new retail" strategy.

The move echoes US online giant Amazon which has opened physical shops and last year acquired US chain Whole Foods Market.

"During the past year we also doubled down on technology development, cloud computing, logistics, digital entertainment and local services so that we are in a position to capture consumption growth in China and other emerging markets," Zhang said.

In January Alibaba announced it would take a 33 percent stake in affiliated [business](#) Ant Financial, which operates the massively popular Alipay mobile payment application and credit scoring unit Sesame Credit, among other financial services businesses.

Controlled by Ma, the firm had been held as a separate company but part of the Alibaba Group.

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