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RETAIL

Alibaba sees 34pc quarterly sales growth

August 3, 2021



The ecommerce conglomerate saw decent growth, and plans to continue investing profits in strategic growth areas. Image credit: Alibaba Group

By LUXURY DAILY NEWS SERVICE

Ecommerce giant Alibaba Holdings Ltd. has recorded a revenue of 205.74 billion yuan, or \$31.83 billion at current exchange, in the quarter ending June 30, 2021.



Annual active global consumers of the Alibaba ecosystem reached nearly 1.18 billion, an increase of 45 million from the 12 months ending March 31, 2021. The group stated it will invest the excess profits and additional capital to support its merchants, and invest in strategic areas to better serve customers and tap into new markets.

"Over more than 20 years of growth, we have developed a company that spans across both consumer and industrial Internet, with multiple engines driving our long-term growth," said Daniel Zhang, chairman/CEO of Alibaba Group, in a statement. "We believe in the growth of the Chinese economy and long-term value creation of Alibaba, and we will continue to strengthen our technology advantage in improving the consumer experience and helping our enterprise customers to accomplish successful digital transformations."

Growth in Asia

Revenue from operations reached 30.85 billion yuan, or \$4.78 billion at current exchange, an 11 percent decrease year-over-year.

Adjusted EBITDA decreased 5 percent year-over-year to 48.63 billion yuan, or \$7.53 billion at the current exchange rate.



The group recorded \$109.5 billion in revenue for fiscal year 2021. Image credit: Shutterstock

The year-over-year decreases were primarily due to investments in strategic areas to capture incremental opportunities, such as community marketplaces, Taobao deals, local consumer services and Lazada, as well as increased spending on growth initiatives within China retail marketplaces, such as Idle Fish and Taobao Live.

Net income attributable to ordinary shareholders was 45.14 billion yuan, or \$6.99 billion at current exchange, and net income reached 42.84 billion yuan, or \$6.63 billion at current exchange.

Net cash provided by operating activities was 33.6 billion yuan, or \$5.2 billion at current exchange.

NonGAAP free cash flow was 20.68 billion yuan, or \$3.2 billion at the current exchange rate, a decrease due to the partial settlement of the 18,228 million yuan fine levied earlier this year by China's State Administration for Market Regulation pursuant to China's Anti-monopoly Law.

As Chinese government officials crackdown on big tech, regulators have increased pressure on Alibaba to divest its media assets.

Over the past year, the central government in Beijing has gradually tightened its leash on major tech players due to concerns over their expansive growth. In an address on March 15, Chinese President Xi Jinping called for an acceleration of strict rules and regulations on "platform" companies (see story).

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