

EARNINGS

# Alibaba surpasses estimates with 30pc revenue increase

**E-commerce giant gets boost from strong growth in core operations and cloud computing business**

Jane Zhang and Hu Minghe

E-commerce giant Alibaba Group Holding posted a 30 per cent revenue increase for the quarter to September 30, days after the company's extended Singles' Day campaign this year achieved a strong start.

Alibaba yesterday reported revenue of 155.1 billion yuan (HK\$180 billion) in its second quarter, up from 119 billion yuan a year ago and slightly ahead of the 154.8 billion yuan consensus from a Bloomberg survey of analysts.

The gain came amid strong growth from Alibaba's core commerce operations, led by Tmall and Taobao Marketplace, as well as its cloud computing business.

Net income was down 60 per cent to 28.8 billion yuan from 72.5 billion yuan a year earlier, when Alibaba booked a significant one-time gain on receipt of a 33 per cent equity interest in financial technology unit Ant Group. Its net income was ahead of analysts' consensus estimate of 25 billion yuan.

"We continued to help businesses recover and find new opportunities for growth through digitalisation in the post-pandemic landscape," said Daniel Zhang Yong, chairman and chief executive of Alibaba.

"We remain focused on our three long-term growth engines – domestic consumption, cloud computing and data intelligence, and globalisation – to effectively capture opportunities from the ongoing changes in consumer demand and acceleration of digitalisation of businesses across our digital economy."

The announcement came after Ant's initial public offering, scheduled for yesterday, was halted by China's regulators.

Alipay operator Ant was

projected to raise up to US\$39.7 billion in the world's largest offering in Shanghai and Hong Kong.

Hangzhou-based Alibaba's shares, which have risen 42.2 per cent since the start of the year, closed up 6.3 per cent at HK\$294.60 yesterday before the results were announced.

Annual active consumers on the company's vast China retail marketplaces reached 757 million, an increase of 15 million from the 12 months to June 30.



**We continued to help businesses recover and find opportunities for growth**

DANIEL ZHANG, CHIEF EXECUTIVE, ALIBABA

"Our domestic core commerce business continued to grow steadily during the post-Covid-19 environment in China through higher purchase frequency and consumer spending," said Maggie Wu, Alibaba's chief financial officer.

She also said cloud computing revenue grew 60 per cent year on year.

Alibaba, owner of the *Post*, has extended the campaign period for its annual 11.11 Global Shopping Festival – an event that co-opts the Singles' Day celebration on November 11 – with more than 250,000 domestic and foreign brands taking part in its programme.

A new sales window was added from November 1 to 3 to provide more opportunity for new brands and small businesses, according to Alibaba.