

Alibaba posts loss, slower revenue amid lower consumption

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A woman wearing a face mask walks by the offices of Chinese e-commerce firm Alibaba in Beijing on Dec. 13, 2021. Alibaba Group on Thursday, Nov. 17, 2022, posted net losses and missed market expectations for revenue in its quarter ended September amid a slowing economy and depressed consumer sentiment.

Credit: AP Photo/Andy Wong, File

Chinese e-commerce company Alibaba Group on Thursday posted net losses and missed market expectations for revenue in its quarter ended September amid a slowing economy and depressed consumer sentiment.

The company reported net losses of 20.6 billion yuan (\$2.87 billion) that it said was due to falling market prices of its equity investments in listed companies.

Revenue grew 3% compared to the same time last year to 207.2 billion yuan (\$29 billion), as the company saw decreased consumer spending as China continued its strict COVID-19 policies with lockdowns and mass-testing.

"Consumer appetite was weak and we saw a drop in purchasing frequency," said Alibaba chairman and CEO, Daniel Zhang on an investor call, adding that there was a drop in demand for categories such as [consumer electronics](#) and apparel.

The company also said that it would extend a share repurchase program to its 2025 [fiscal year](#) and will buy an additional \$15 billion shares on top of an existing \$25 billion share buyback program aimed at shoring up investor confidence. Zhang described the expansion of the buyback program as "tangible action towards enhancing shareholder return."

Alibaba said it has so far bought back about \$18 billion of its U.S.-listed shares.

The Hangzhou-based company reported its third-quarter [financial results](#) just days after the conclusion of its annual Singles' Day online shopping festival, the world's largest in terms of sales.

However, for the first time since it pioneered the festival in 2009, Alibaba did not disclose the final sales results for the shopping festival,

suggesting a lower-than-expected result. Rival JD.com also did not release sales numbers this year.

Alibaba's NYSE-listed stock was down about 2.8% in premarket trading.

Alibaba's U.S.-listed stock has plunged over 70% since a regulatory crackdown on the [technology industry](#) in November 2020 that saw regulators halt the initial public offering of its financial arm Ant Group and crack down on anticompetitive practices across the technology industry.

The e-commerce firm is also facing increased competition from short-video platforms such as Douyin and Kuaishou which also offer e-commerce services on their platforms.

Alibaba is preparing for a primary listing in Hong Kong, making its shares more accessible to Chinese investors. The [company](#) said Thursday that the primary listing will not be completed by the end of 2022 as initially planned, and that it will keep investors updated in due course.

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