

Alibaba records first quarterly operating loss since IPO

13 May 2021, by Associated Press



Workers past by the logo for Alibaba Group during an Internet Technology Expo in Beijing on Friday, April 30, 2021. Chinese financial regulators have summoned 13 companies engaged in online finance services, including Meituan, Tencent and Bytedance, and told them to strengthen anti-monopoly measures. As part of their crackdown on online financial services, last year authorities abruptly halted a \$34.5 billion initial public offering by Ant Group, which is affiliated with e-commerce giant Alibaba. (AP Photo/Ng Han Guan)

Alibaba had its first quarterly operating loss since it went public in 2014 after Beijing slapped a record \$2.8 billion fine on the nation's largest e-commerce company for abusing its market position.

The loss tied to the anti-monopoly fine was 7.66 billion yuan (\$1,170 million) for the quarter that ended in March, though revenue growth was 64%, reaching 187.4 billion yuan (\$28.6 million).

At the opening bell on the NYSE Thursday, shares tumbled more than 6%.

Authorities launched an investigation into Alibaba last year and abruptly halted the \$37 billion initial public offering of shares from its financial affiliate

Ant Group as Beijing grew increasingly concerned over the growing influence of technology giants in China.

Beijing has fined multiple technology firms over antitrust violations and has since launched a probe into Alibaba rival Meituan over suspected anti-competitive behavior.

"We have stated that we accept the penalty with sincerity and will ensure our compliance with determination," said Alibaba chairman and CEO Daniel Zhang in an earnings call Thursday.

"The penalty decision motivated us to reflect on the relationship between a platform economy and society as well as our social responsibilities and commitments," he said.

The [company](#) said Thursday that it expects revenue in this [fiscal year](#), which ends in March 2022, to grow by more than 30%, reaching over 930 billion yuan (\$144 billion). That is better than most industry analysts are expecting. .

It also reported a total of 811 million annual active users for the quarter ended March.

Alibaba Group Holding's New York-listed stock has fallen 14% since Beijing announced that its investigation into the company.

© 2021 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

APA citation: Alibaba records first quarterly operating loss since IPO (2021, May 13) retrieved 8 December 2021 from <https://techxplore.com/news/2021-05-alibaba-quarterly-loss-ipo.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.