
Alibaba leads \$1.4bn stake deal in Chinese delivery group ZTO

2018/05/29 16:02 στην κατηγορία INTERNATIONAL

China's Alibaba is doubling down on logistics by taking a stake in courier firm ZTO Express.

The ecommerce giant, together with its logistics arm Cainiao Network is paying \$1.38bn for a stake of approximately 10% in ZTO, the companies said Tuesday.

Alibaba last September ramped up its holding in Cainiao, from 47% to a controlling 51%, at a cost of \$807m.

Couriers, which control the final leg of packages' delivery, have grown on the back of China's booming ecommerce sector – often turning their founders into billionaires.

But shareholders have been less fortunate: ZTO is barely above the \$19.50 price at which it listed in October 2016. Alibaba said the ZTO investment would enable Cainiao and ZTO to deepen their collaboration transforming China's logistics industry to meet the needs of New Retail, its blending of online and bricks and mortar retail.

Daniel Zhang, CEO of Alibaba Group and Chairman of Cainiao Network, said: "ZTO has been an important partner to Alibaba Group and Cainiao Network in the development of the new digital economy. The continuing expansion of New Retail is catalyzing new opportunities and demands in logistics.

This strategic investment will strengthen synergies across our mutual businesses to create new value and improved experience for merchants and consumers."

(Financial Times)