



JD.com, Inc.
Financial and Operational Highlights

Aug 2021

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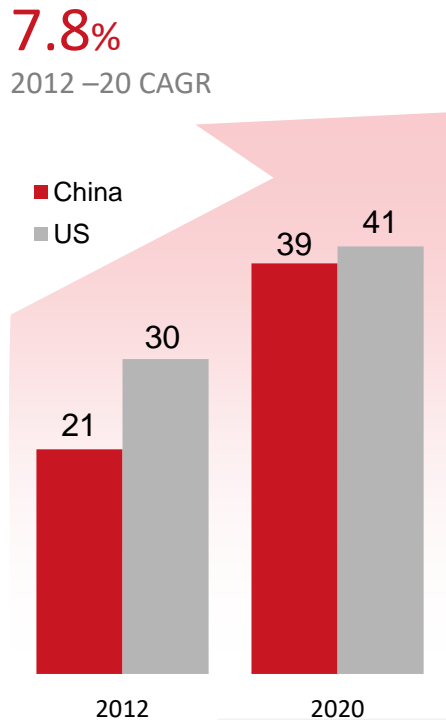
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Fragmented Retail Market & Rapid Shift to Online



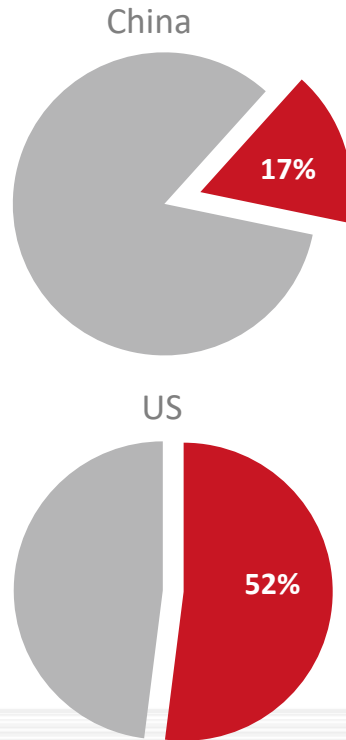
Robust Growth in China Retail ...

China Total Retail
Market Size ⁽¹⁾
(RMB Trillions)



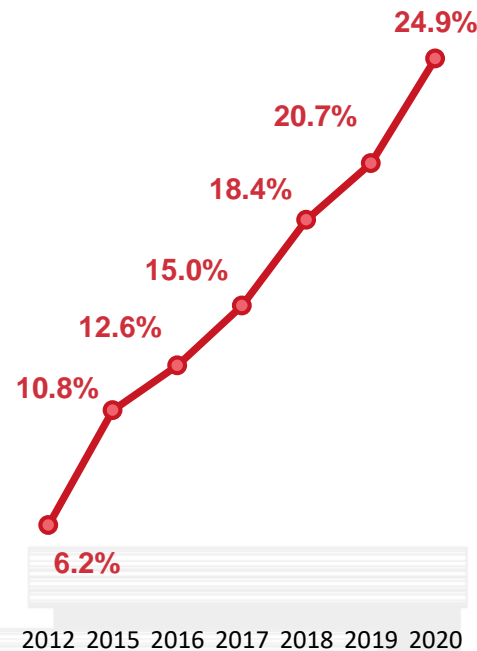
... Yet Highly Fragmented ...

Top 20 Retailers'
Market Concentration in 2020 ⁽²⁾



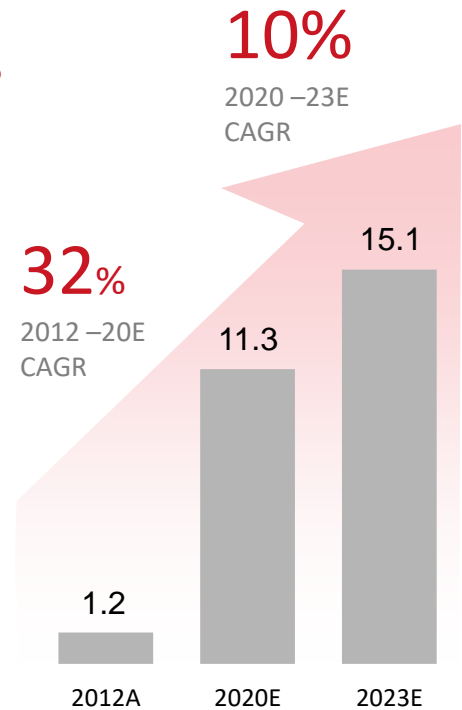
... With Increasing Online Penetration ...

China Online Retail
Penetration ⁽³⁾



... Leading to Significant Online Growth

China Online Retail
Market Size ⁽⁴⁾
(RMB Trillions)



(1) Source: National Bureau of Statistics of China, and U.S. Census Bureau. Total retail consumption includes food services. US consumption is translated into RMB using the year-end foreign exchange rates, which were 6.2301 for 2012, and 6.5250 for 2020, respectively.

(2) Source: Euromonitor 2020. Concentration for China retail market excludes pure platform operators.

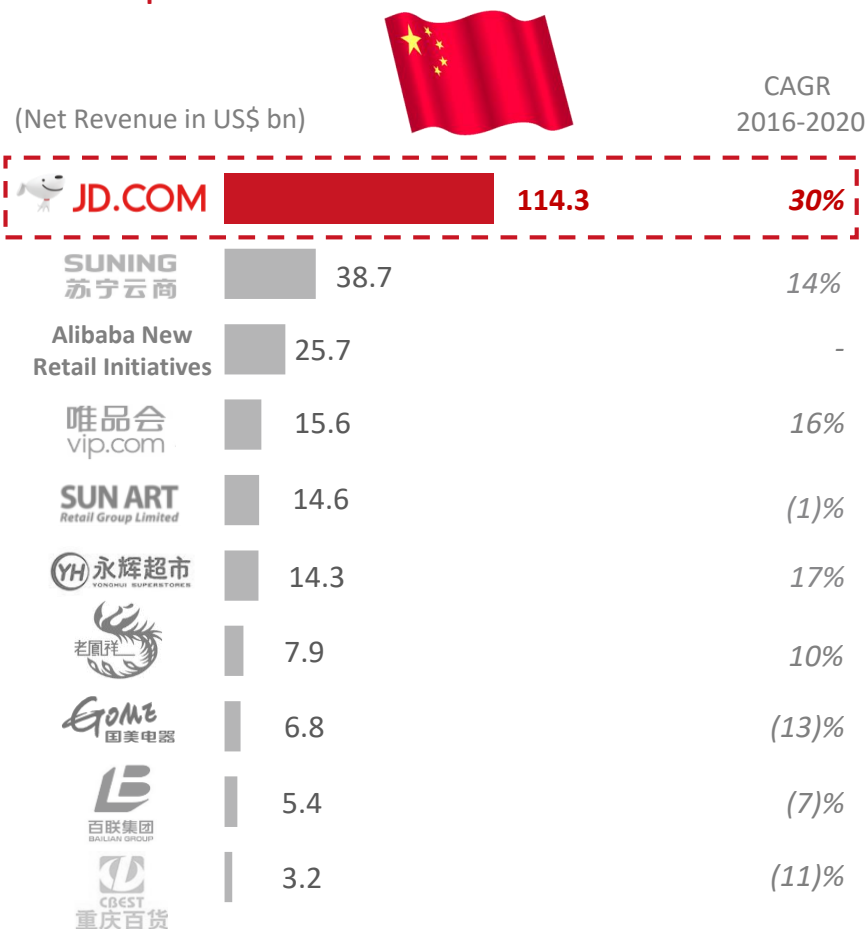
(3) Source: National Bureau of Statistics of China. Online retail penetration is calculated as online physical goods consumption divided by total retail consumption.

(4) Source: iResearch, 2019. Market size in terms of GMV.

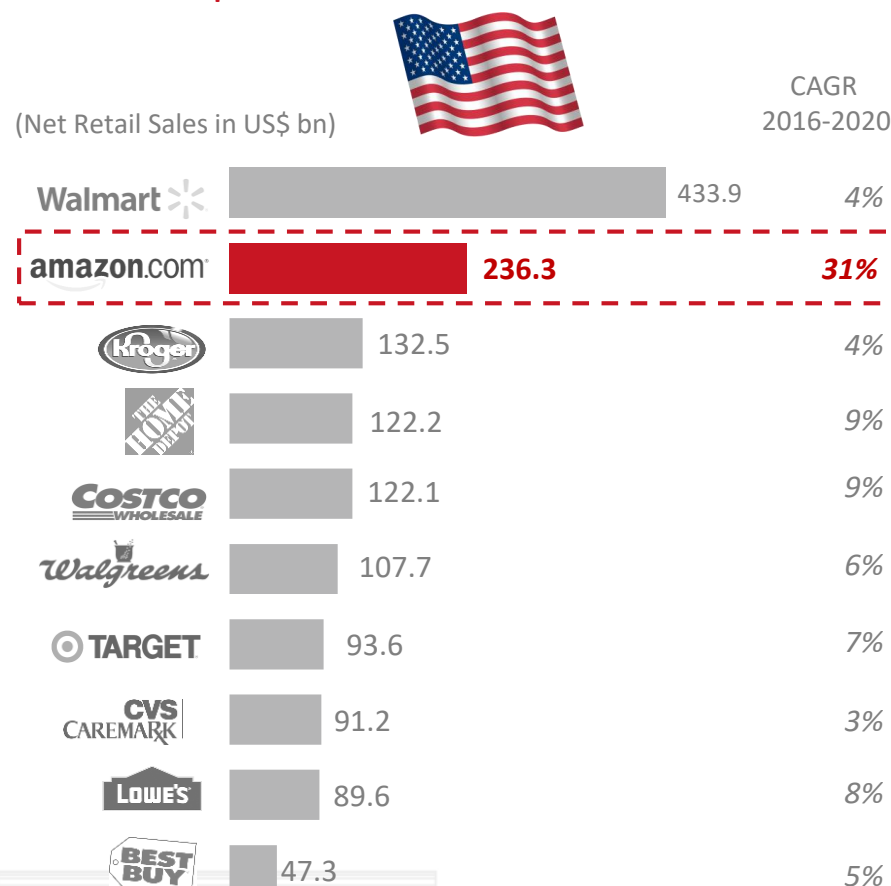
Larger Growth Potential and Smaller Competitors (vs. US Market)



Top 10 Listed Retailers in China ⁽¹⁾



Top 10 Listed Retailers in US ⁽²⁾



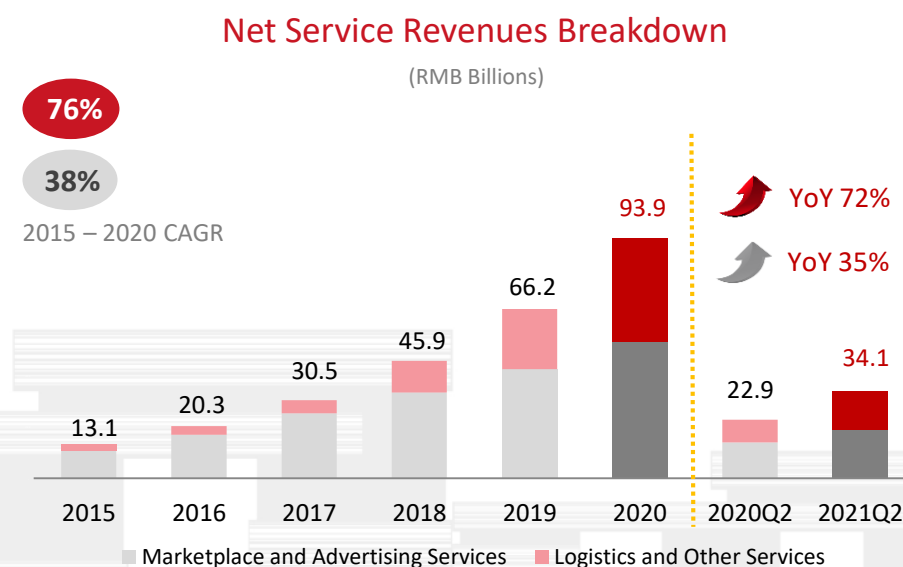
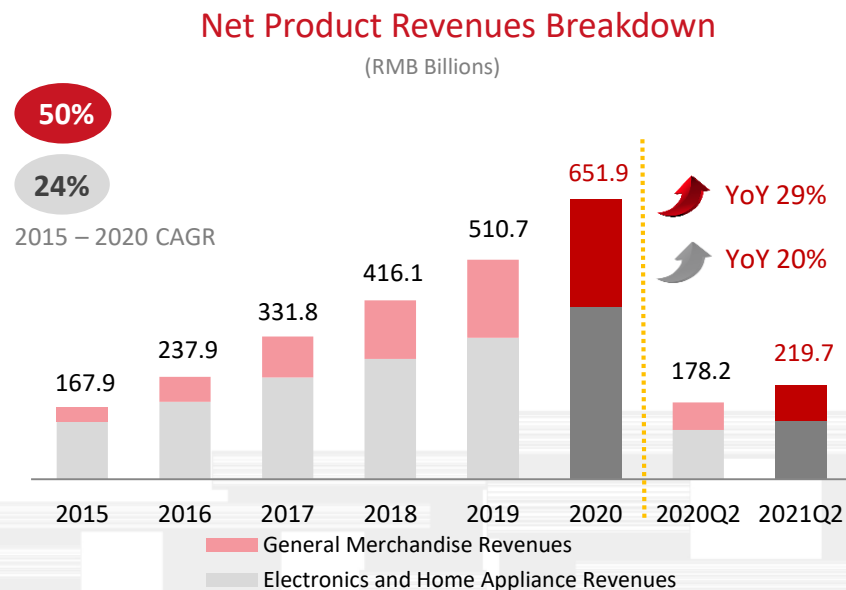
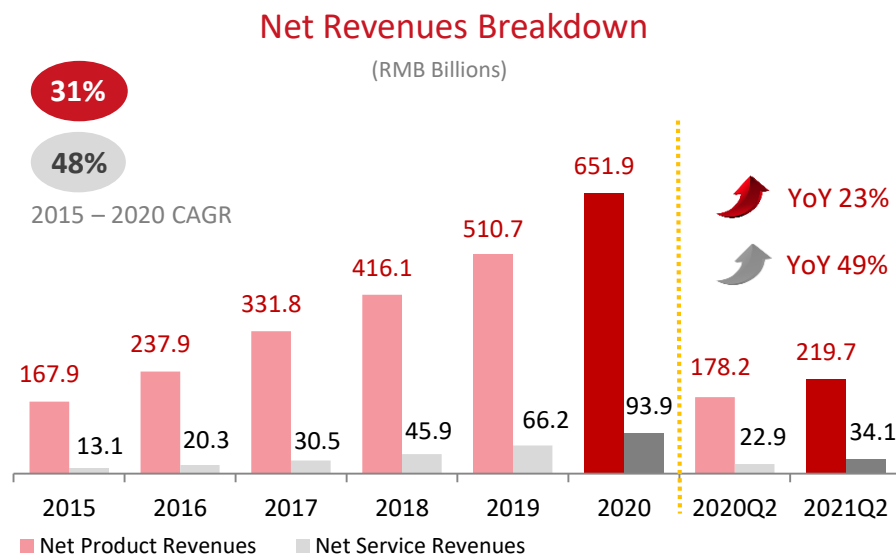
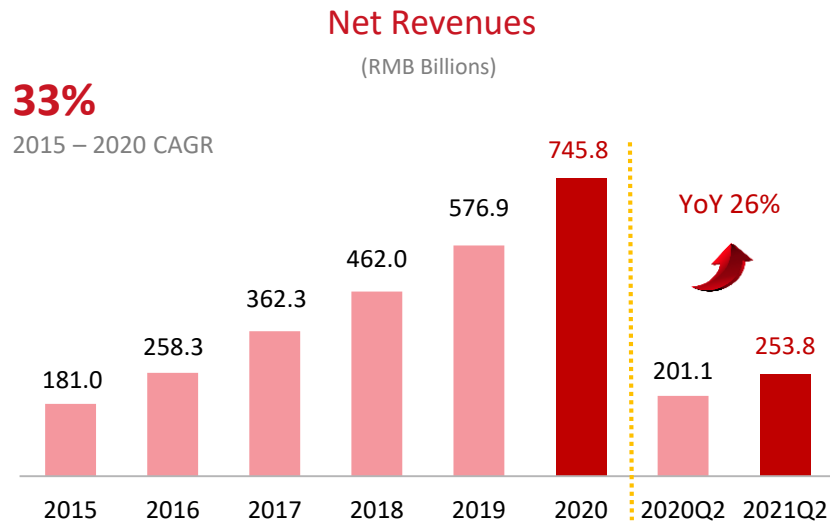
Market leadership and operating efficiency allow everyday low price and tremendous margin potential, driven by economies of scale in procurement and cost advantage as an online retailer.

(1) Source: company filings. Based on total net revenues for top 10 listed Chinese retailers in Jan – Dec 2020 (Alibaba's number is updated as of FY21). Alibaba New Retail Initiatives primarily include Intime, Tmall Imports, Sun Art and Hema. The conversion of RMB into US\$ is based on the year-end exchange rate which was 0.1533. The CAGR growth rates were calculated based on revenues in RMB.

(2) Source: company filings. Based on retail sales in the United States segments of top 10 listed US retailers, for fiscal year ended Jan 31, 2021 for Walmart and Lowe's, Dec 31, 2020 for Amazon and CVS Caremark, Sept 1, 2020 for Costco, Aug 31, 2020 for Walgreens, Feb 1, 2021 for Kroger, best buy and Target, and Feb 2, 2021 for Home Depot.

Financial and Operational Highlights

Strong Growth Momentum



Diversified Businesses in a Wide Spectrum of Sectors



 **JD.COM** ⁽¹⁾

JD Retail

JD Logistics ⁽²⁾

New Businesses ⁽³⁾



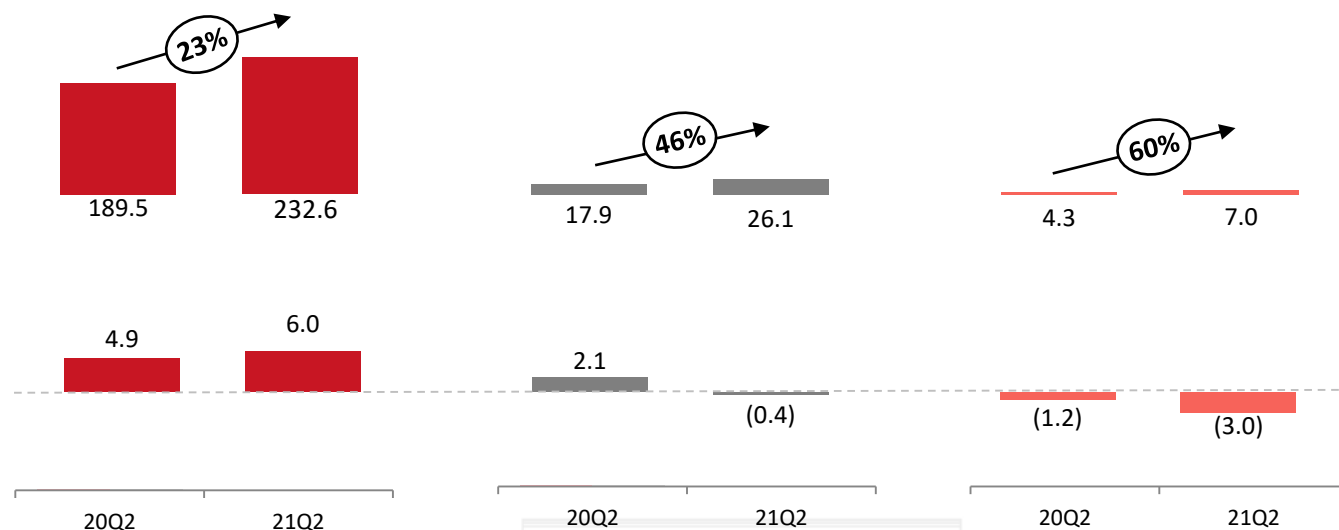
JDL 京东物流



(RMB billions)

Revenue

Operating
Income / Loss



**Increasing JD Retail
operating leverage**

**Investment for business
growth and market share gain**

**Investment for incremental
opportunities**

(1) The company now reports three segments, JD Retail, JD Logistics and New businesses. These changes have no impact on the company's previously reported consolidated balance sheets, statements of operations, or statements of cash flows.

(2) The results of JD Logistics are now reported as a new standalone segment. JD Logistics was listed on the Main Board of the Hong Kong Stock Exchange on May 28, 2021.

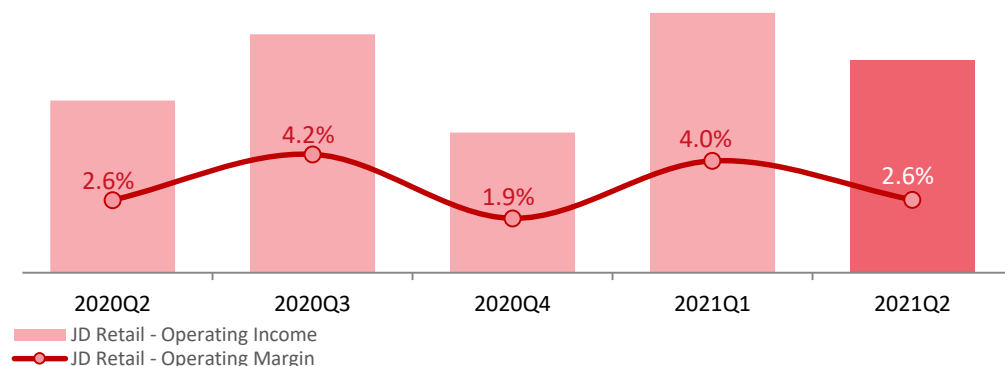
(3) New businesses mainly include Jingxi, JD Property, overseas businesses and technology initiatives. Compared with the previous segment reporting, the results of Jingxi and the internal business of JD Property were moved from JD Retail to New businesses. JD Cloud & AI businesses were deconsolidated from March 31, 2021 and were not included in the new businesses segment.

Resilient Core Profitability with the Benefits of Scale



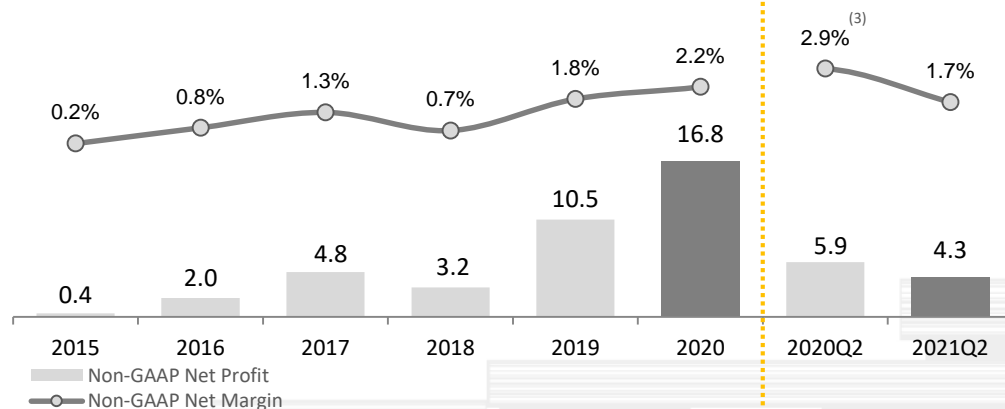
JD Retail Operating Income⁽¹⁾

(RMB Billions)



Non-GAAP Net Profit⁽²⁾

(RMB Billions)



Drivers of Profitability



Increasing economies of scale from 1P business over the long term



Fast growth from advertising service business



Investment in logistics and low-tier market initiatives for incremental opportunities

(1) JD Logistics and other subsidiaries within JD Group (including JD Retail) will, on an annual basis, engage an industry consultant or conduct researches on comparable companies to determine the applicable market rates for the services provided under the Supply Chain Solutions and Logistics Services Framework Agreement.

(2) Refer to the company's quarterly results for Non-GAAP adjustments.

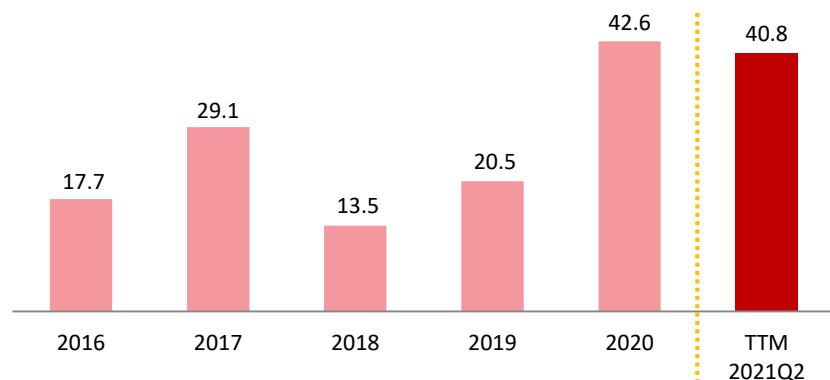
(3) One-off relief of social security benefit due to Covid-19 resulted in an one-off jump in Non-GAAP net margin in 2020 Q2.

Robust Cash Flow Generation



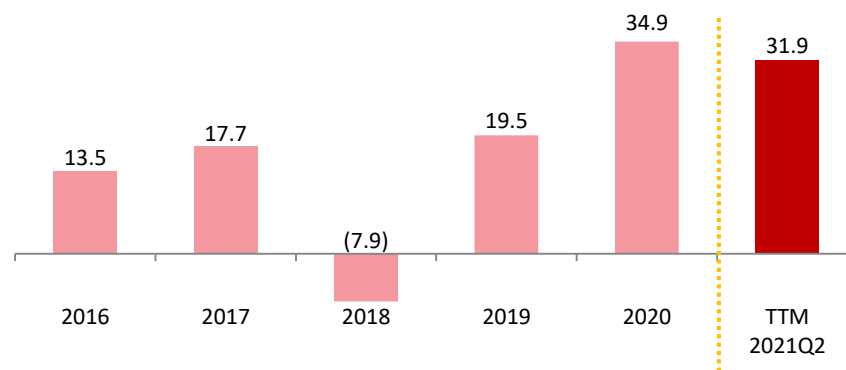
Adjusted Operating Cash Flow

(RMB Billions)



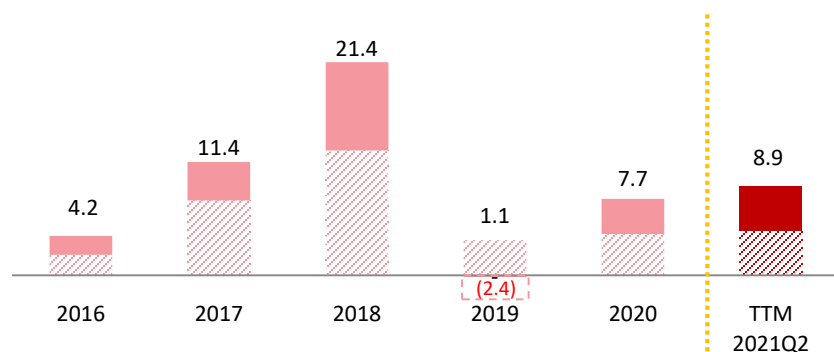
Free Cash Flow

(RMB Billions)



Capital Expenditures

(RMB Billions)



Capital expenditures for development properties, net of related sales proceeds

Other Capex

Free Cash Flow Characteristics



Negative working capital results in operating cash flow greater than net profit



Development properties as a long-term cash flow positive business

Unaudited Selected Financial Data



Unaudited Selected Financial Data (in RMB Thousands)	2Q2020	3Q2020	4Q2020	1Q2021	2Q2021
Net revenues	201,054,058	174,214,464	224,328,155	203,176,169	253,800,470
Non-GAAP Operating expenses					
Cost of revenues	(172,404,933)	(147,388,326)	(193,153,285)	(174,032,595)	(222,056,020)
Fulfillment	(11,843,536)	(11,386,816)	(14,404,249)	(13,580,343)	(14,422,986)
Marketing	(6,603,027)	(5,185,533)	(10,075,694)	(6,670,086)	(10,271,637)
Research and development	(3,388,773)	(3,697,639)	(4,013,809)	(4,078,756)	(3,214,586)
General and administrative	(1,035,154)	(1,123,766)	(1,328,165)	(1,176,361)	(1,173,423)
Non-GAAP Income from operations ⁽¹⁾	5,593,590	5,273,886	1,213,526	3,502,273	2,522,488
Non-GAAP net income attributable to ordinary shareholders ⁽¹⁾	5,911,148	5,558,054	2,386,233	3,967,537	4,626,621
Non-GAAP operating margin ⁽¹⁾	2.8%	3.0%	0.5%	1.7%	1.0%
GAAP operating margin	2.5%	2.5%	0.3%	0.8%	0.1%
Non-GAAP net margin ⁽¹⁾	2.9%	3.2%	1.1%	2.0%	1.8%
GAAP net margin	8.2%	4.3%	10.8%	1.8%	0.3%

Supplemental Financial Information and Business Metrics 京东

Supplemental Information	2Q2020	3Q2020	4Q2020	1Q2021	2Q2021
Annual active customer accounts (in millions)	417.4	441.6	471.9	499.8	531.9
Inventory turnover days ⁽¹⁾ – TTM	34.8	34.3	33.3	31.2	31.0
Accounts payable turnover days ⁽¹⁾ – TTM	50.8	49.2	47.1	44.2	45.8
Accounts receivable turnover days ⁽¹⁾ – TTM	2.9	2.8	2.7	2.6	2.7
Free Cash Flow ⁽²⁾ – TTM (RMB billions)	22.7	30.2	34.9	28.2	31.9

(1) Refer to public disclosures for definitions of turnover days.

(2) Free cash flow is defined as operating cash flow adding back or subtracting the impact JD Technology related credit products included in the operating cash flow, and less capital expenditures, net of proceeds from disposals of long-lived assets.

Superior Services through Nationwide Logistics Network



Nationwide Warehouse Network & Last-mile Reach



■ Cities with Asia No. 1 smart mega warehouses

Rapid Expansion & Best-in-Class Fulfillment Capabilities

Warehouses **1,200+** warehouses

GFA⁽²⁾ **23+** million sq.m.

Delivery personnel **~200,000** ppl

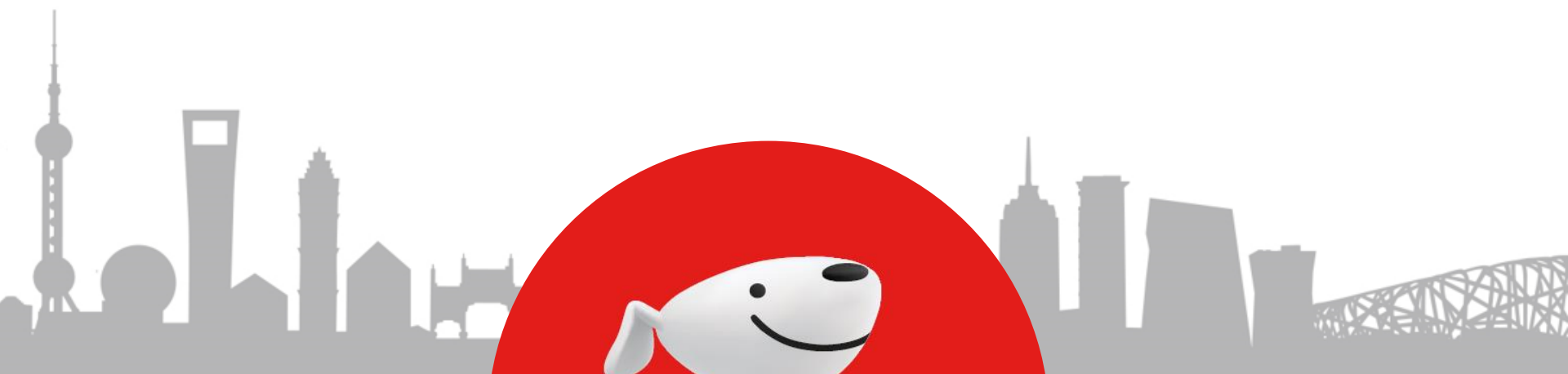
Asia No. 1 smart mega warehouses **38** projects in **28** cities

Geographic Coverage **Almost all** counties & districts in China

Provide best-in-class customer experience

(1) Map and data as of Jun 30, 2021.

11 (2) Including floor area managed under JDL Open Warehouse Platform.



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