



**JD.com, Inc.**

***Financial and Operational Highlights***

**May 2021**

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This document also contains non-GAAP financial measures, the presentation of which is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with accounting principles generally accepted in the United States of America. In addition, the Company’s calculation of these non-GAAP financial measures may be different from the calculation used by other companies, and therefore comparability may be limited. The reconciliation of those measures to the most comparable GAAP measures is contained within this document or available at our website <http://ir.jd.com>.

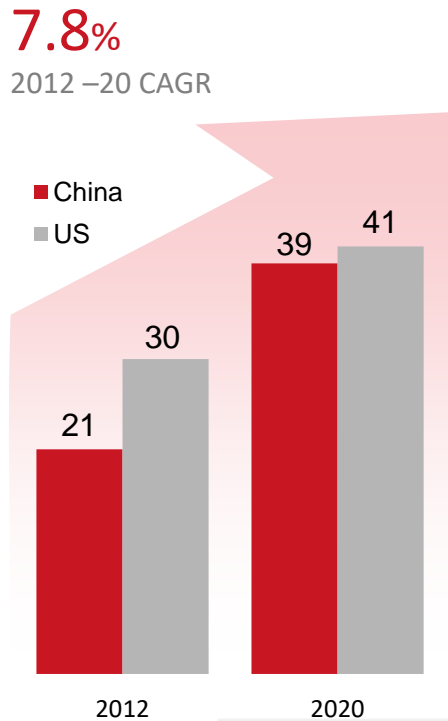
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# Fragmented Retail Market & Rapid Shift to Online



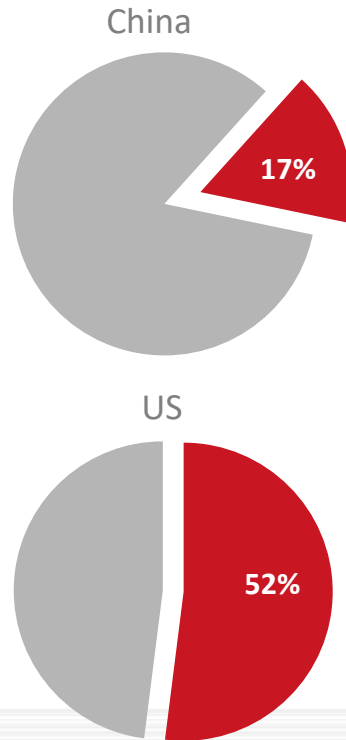
Robust Growth  
in China Retail ...

China Total Retail  
Market Size <sup>(1)</sup>  
(RMB Trillions)



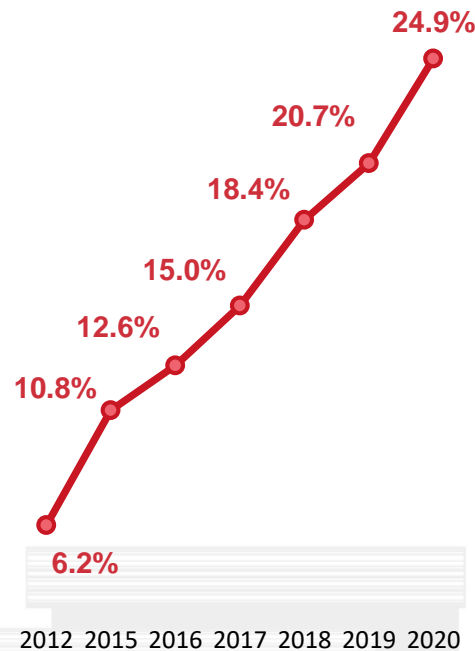
... Yet Highly  
Fragmented ...

Top 20 Retailers'  
Market Concentration in 2020 <sup>(2)</sup>



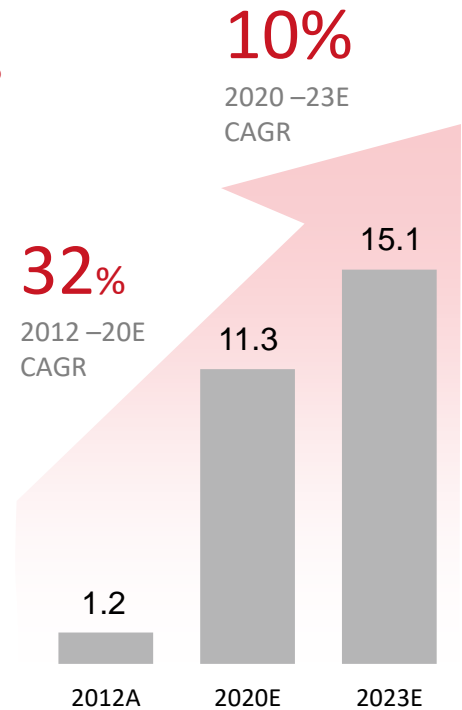
... With Increasing  
Online Penetration ...

China Online Retail  
Penetration <sup>(3)</sup>



... Leading to Significant  
Online Growth

China Online Retail  
Market Size <sup>(4)</sup>  
(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)

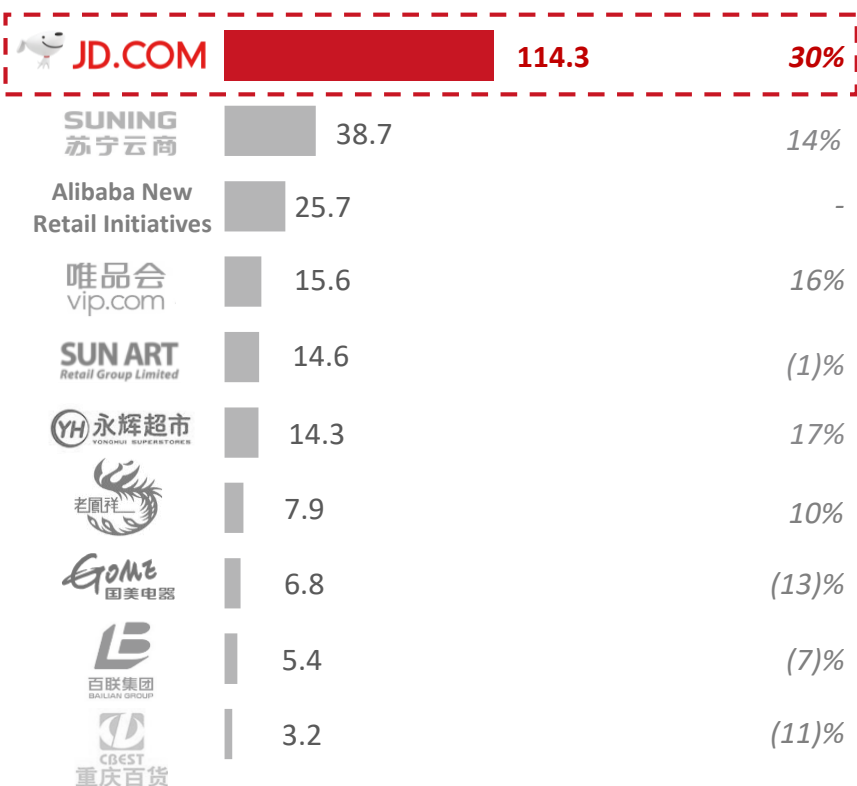


## Top 10 Listed Retailers in China <sup>(1)</sup>



(Net Revenue in US\$ bn)

CAGR  
2016-2020

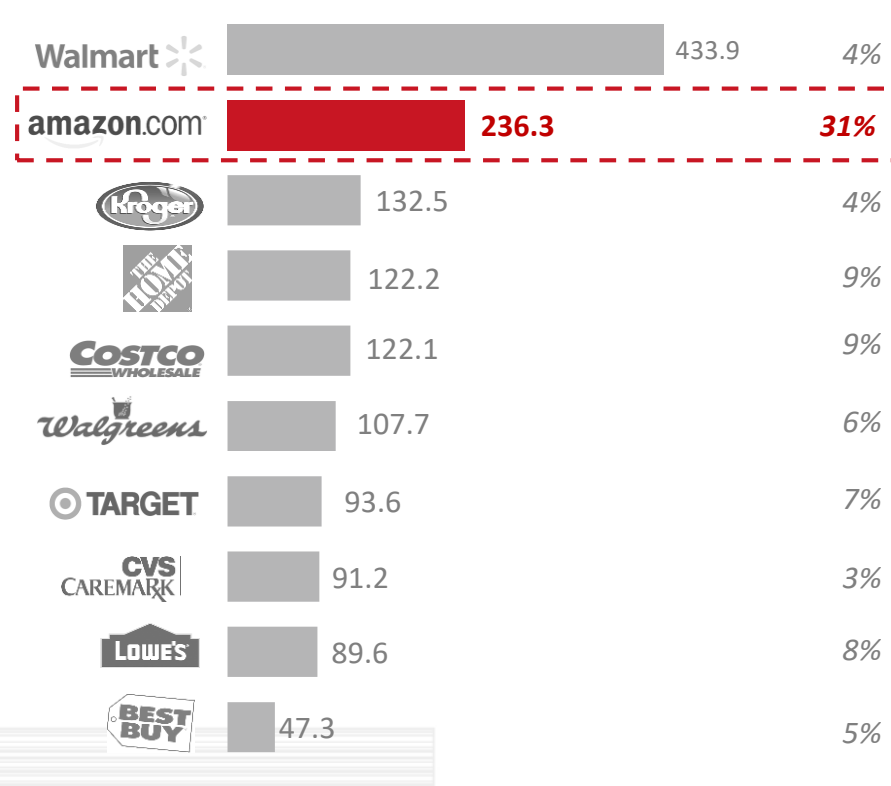


## Top 10 Listed Retailers in US <sup>(2)</sup>



(Net Retail Sales in US\$ bn)

CAGR  
2016-2020



**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

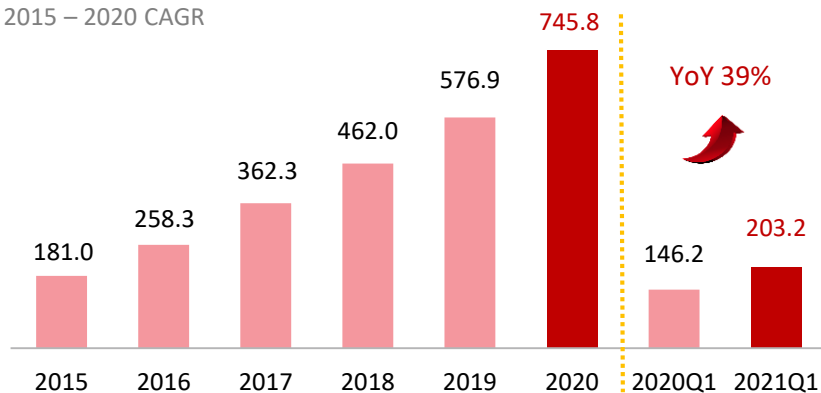


## Net Revenues

(RMB Billions)

**33%**

2015 – 2020 CAGR



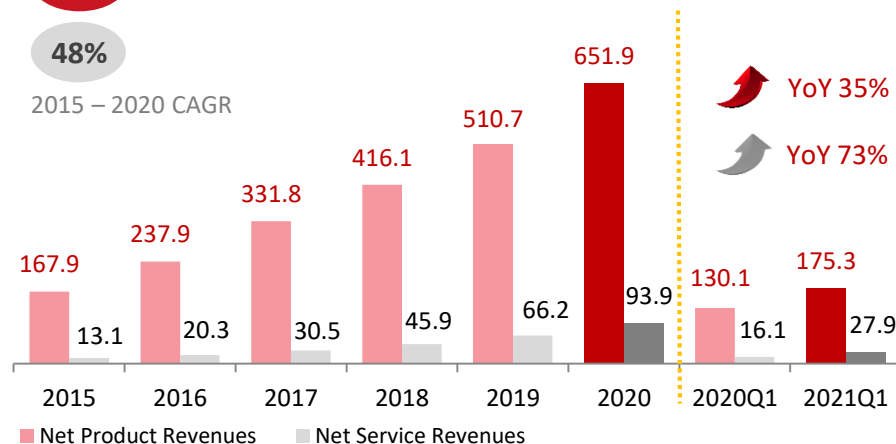
## Net Revenues Breakdown

(RMB Billions)

**31%**

**48%**

2015 – 2020 CAGR



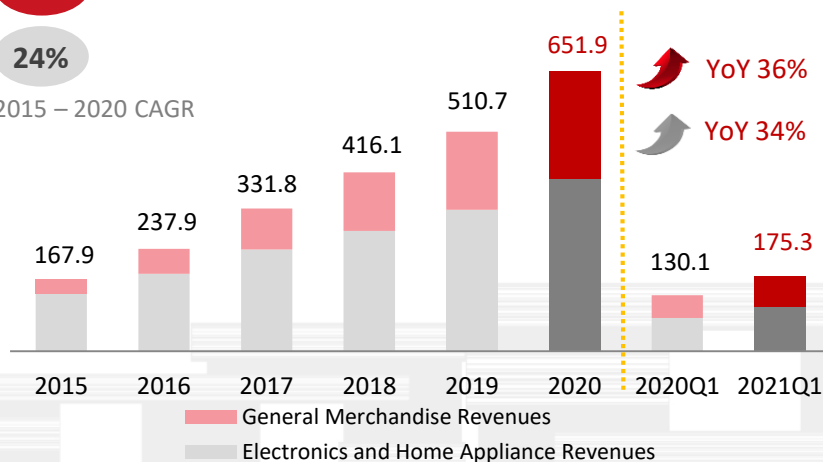
## Net Product Revenues Breakdown

(RMB Billions)

**50%**

**24%**

2015 – 2020 CAGR



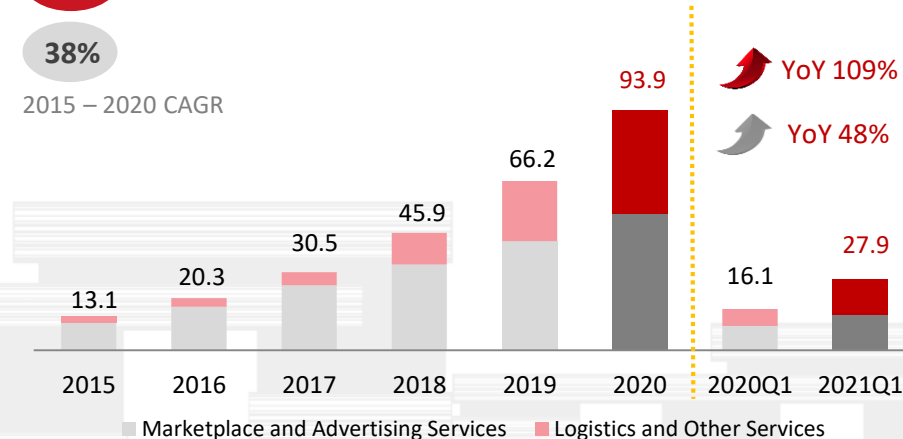
## Net Service Revenues Breakdown

(RMB Billions)

**76%**

**38%**

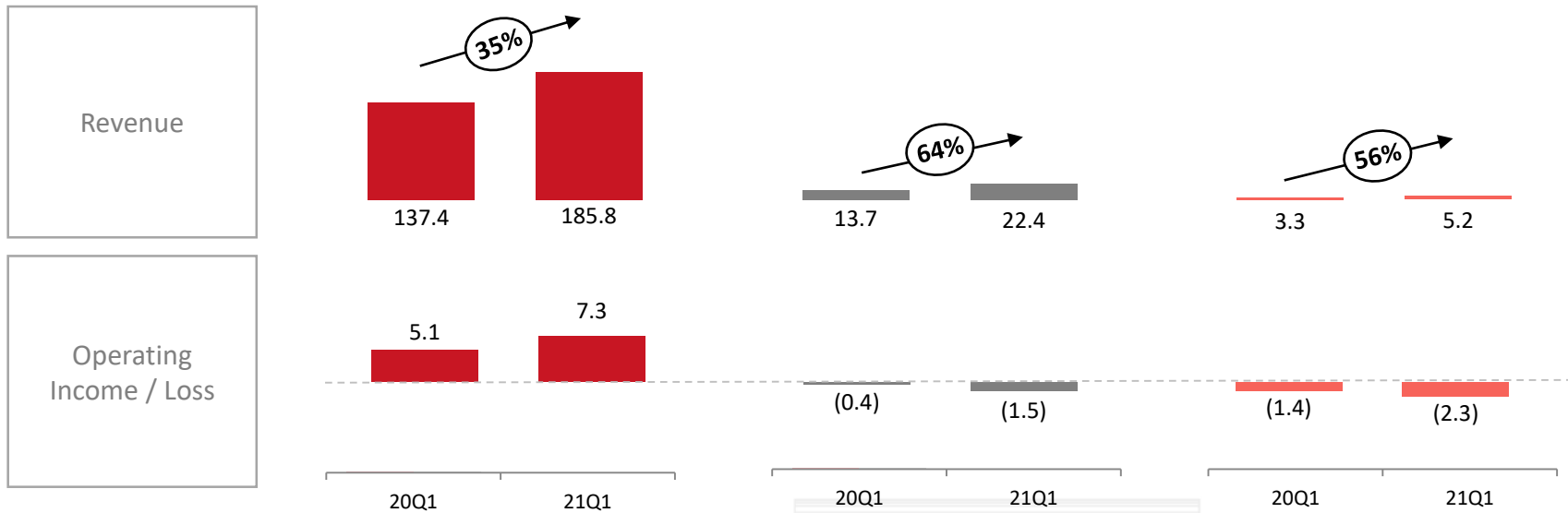
2015 – 2020 CAGR



# Diversified Businesses in a Wide Spectrum of Sectors



(RMB billions)



**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 published its prospectus in Hong Kong on May 17, 2021 and expects to list on the Main Board of the Hong Kong Stock Exchange on May 28, 2021. There is no assurance that the listing of JD Logistics will take place or as to when it may take place.

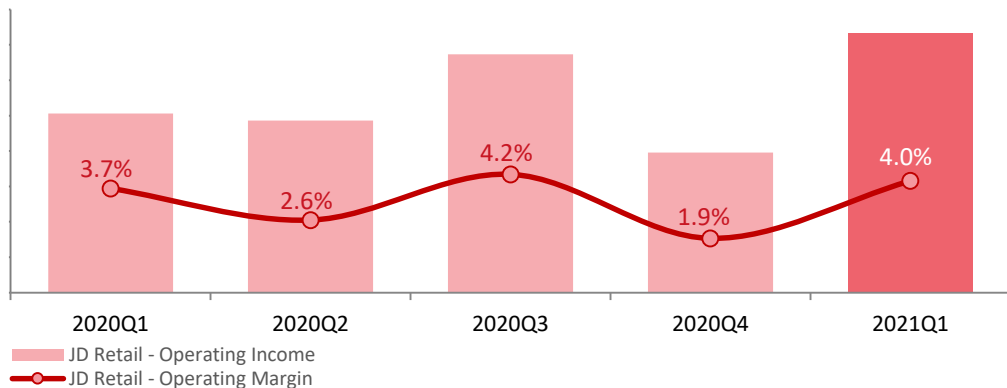
(3) New businesses mainly include JD Property, Jingxi, overseas businesses and technology initiatives. Compared with the previous segment reporting, the results of Jingxi and the internal business of JD Property were moved from JD Retail to New businesses.

# Long-term Profitability Improving with Scale



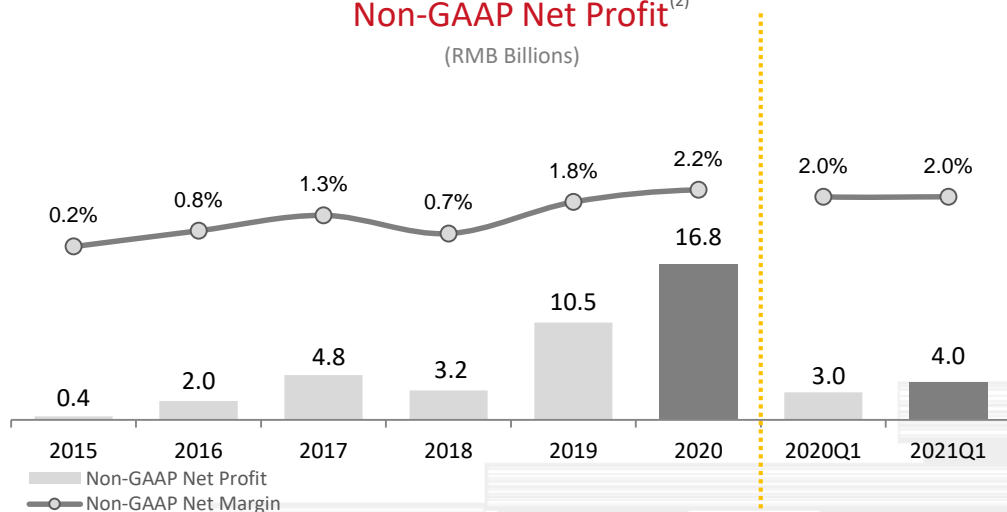
## JD Retail Operating Income<sup>(1)</sup>

(RMB Billions)



## Non-GAAP Net Profit<sup>(2)</sup>

(RMB Billions)



### Drivers of Profitability



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



Fast growth from advertising service business

(1) JD Logistics and other associates 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 adjustment.

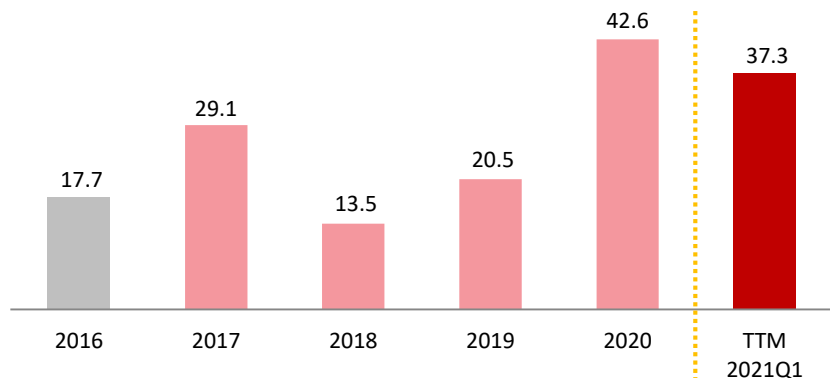


# Robust Cash Flow Generation



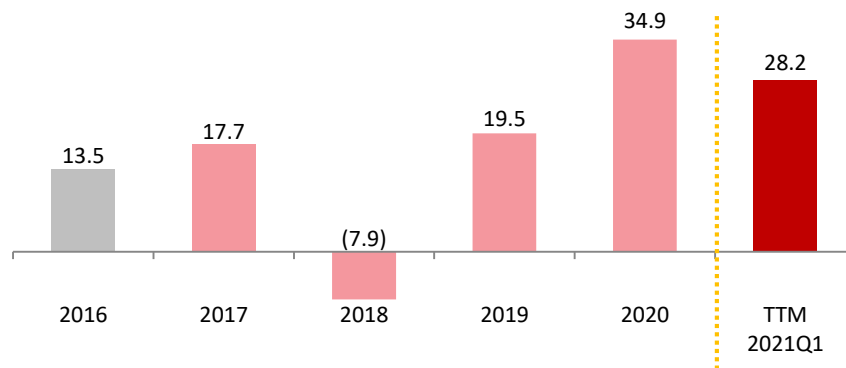
## Adjusted Operating Cash Flow

(RMB Billions)



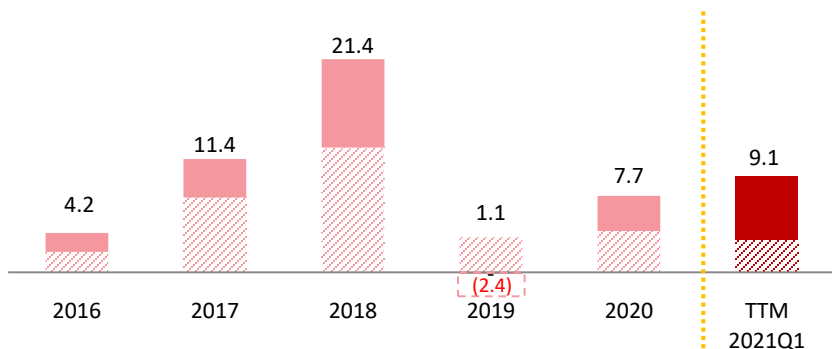
## Free Cash Flow

(RMB Billions)



## Capital Expenditures

(RMB Billions)



■ Capital expenditures for development properties, net of related sales proceeds  
■ Total Capex

▨ 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 of Continuing Operations <sup>(1)</sup> (in RMB Thousands)	1Q2020	2Q2020	3Q2020	4Q2020	1Q2021
<b>Net revenues</b>	<b>146,205,209</b>	<b>201,054,058</b>	<b>174,214,464</b>	<b>224,328,155</b>	<b>203,176,169</b>
<b>Non-GAAP Operating expenses</b>					
Cost of revenues	(123,648,839)	(172,404,933)	(147,388,326)	(193,153,285)	(174,032,595)
Fulfillment	(10,226,479)	(11,843,536)	(11,386,816)	(14,404,249)	(13,580,343)
Marketing	(4,252,295)	(6,603,027)	(5,185,533)	(10,075,694)	(6,670,086)
Research and development	(3,549,860)	(3,388,773)	(3,697,639)	(4,013,809)	(4,078,756)
General and administrative	(948,871)	(1,035,154)	(1,123,766)	(1,328,165)	(1,176,361)
<b>Non-GAAP Income from operations <sup>(2)</sup></b>	<b>3,255,883</b>	<b>5,593,590</b>	<b>5,273,886</b>	<b>1,213,526</b>	<b>3,502,273</b>
<b>Non-GAAP net income attributable to ordinary shareholders <sup>(2)</sup></b>	<b>2,972,206</b>	<b>5,911,148</b>	<b>5,558,054</b>	<b>2,386,233</b>	<b>3,967,537</b>
<b>Non-GAAP operating margin <sup>(2)</sup></b>	<b>2.2%</b>	<b>2.8%</b>	<b>3.0%</b>	<b>0.5%</b>	<b>1.7%</b>
<b>GAAP operating margin</b>	<b>1.6%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>0.3%</b>	<b>0.8%</b>
<b>Non-GAAP net margin <sup>(2)</sup></b>	<b>2.0%</b>	<b>2.9%</b>	<b>3.2%</b>	<b>1.1%</b>	<b>2.0%</b>
<b>GAAP net margin</b>	<b>0.7%</b>	<b>8.2%</b>	<b>4.3%</b>	<b>10.8%</b>	<b>1.8%</b>

(1) All periods are presented to reflect the results of continuing operations after JD Technology (formerly known as JD Digits) deconsolidation and JD Logistics cost reclassification.

(2) Non-GAAP adjustment items include share-based compensation, amortization of intangible assets resulting from assets and business acquisitions, effects of business cooperation arrangements and non-compete agreements, gain/(loss) on disposals/deemed disposals of investments, reconciling items on the share of equity method investments, loss/(gain) from fair value change of long-term investments, impairment of goodwill, intangible assets and investments, gain and foreign exchange impact in relation to sale of development properties and tax effects on non-GAAP adjustments.

# Supplemental Financial Information and Business Metrics

Supplemental Information	1Q2020	2Q2020	3Q2020	4Q2020	1Q2021
Annual active customer accounts (in millions)	387.4	417.4	441.6	471.9	499.8
Inventory turnover days <sup>(1)</sup> – TTM	35.4	34.8	34.3	33.3	31.2
Accounts payable turnover days <sup>(1)</sup> – TTM	51.7	50.8	49.2	47.1	44.2
Accounts receivable turnover days <sup>(1)</sup> – TTM	3.1	2.9	2.8	2.7	2.6
Free Cash Flow <sup>(2)</sup> – TTM (RMB billions)	15.2	22.7	30.2	34.9	28.2

(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

Rapid Expansion & Best-in-Class Fulfillment Capabilities



Warehouses **1,000+** warehouses

GFA<sup>(2)</sup> **21+** million sq.m.

Delivery personnel **~ 200,000** ppl

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

- ★ Cities with major fulfillment centers
- ▲ Cities with bulky item warehouses
- ⊖ Cities with distribution centers built after IPO

*Provide best-in-class customer experience*

(1) Map and data as of Mar 31, 2021.

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

