



JD.com, Inc.

Financial and Operational Highlights

Nov 2021

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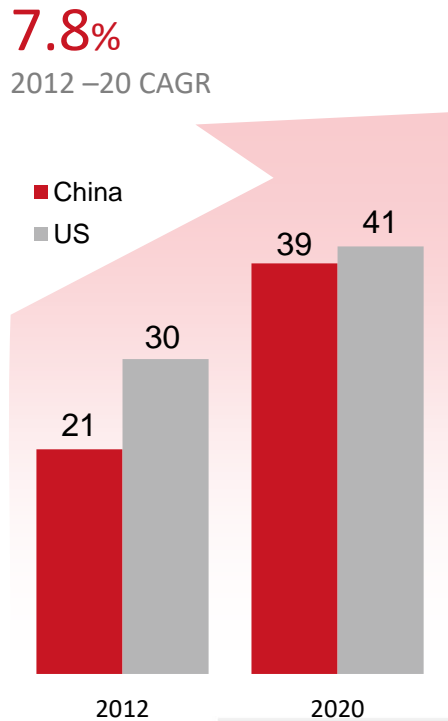
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Fragmented Retail Market & Rapid Shift to Online



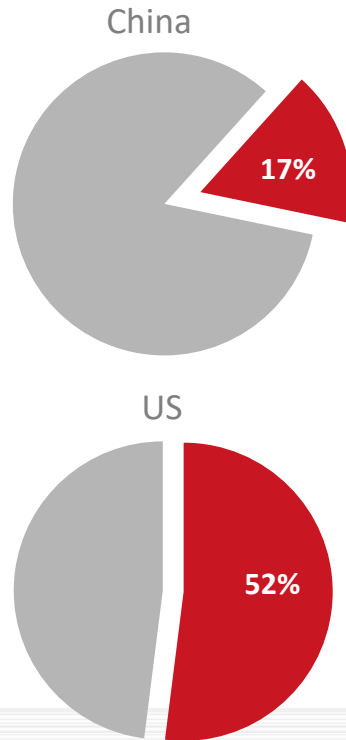
Robust Growth
in China Retail ...

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



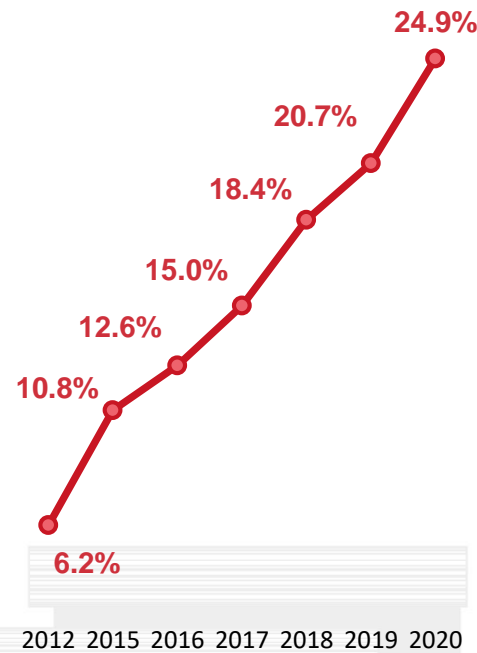
... Yet Highly
Fragmented ...

Top 20 Retailers'
Market Concentration in 2020 ⁽²⁾



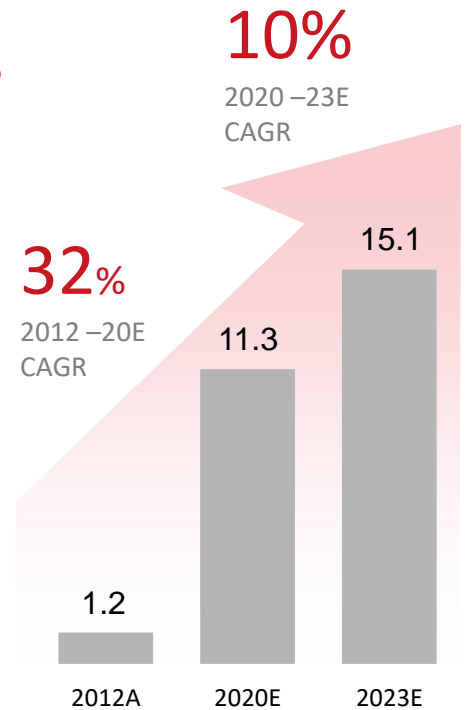
... With Increasing
Online Penetration ...

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)

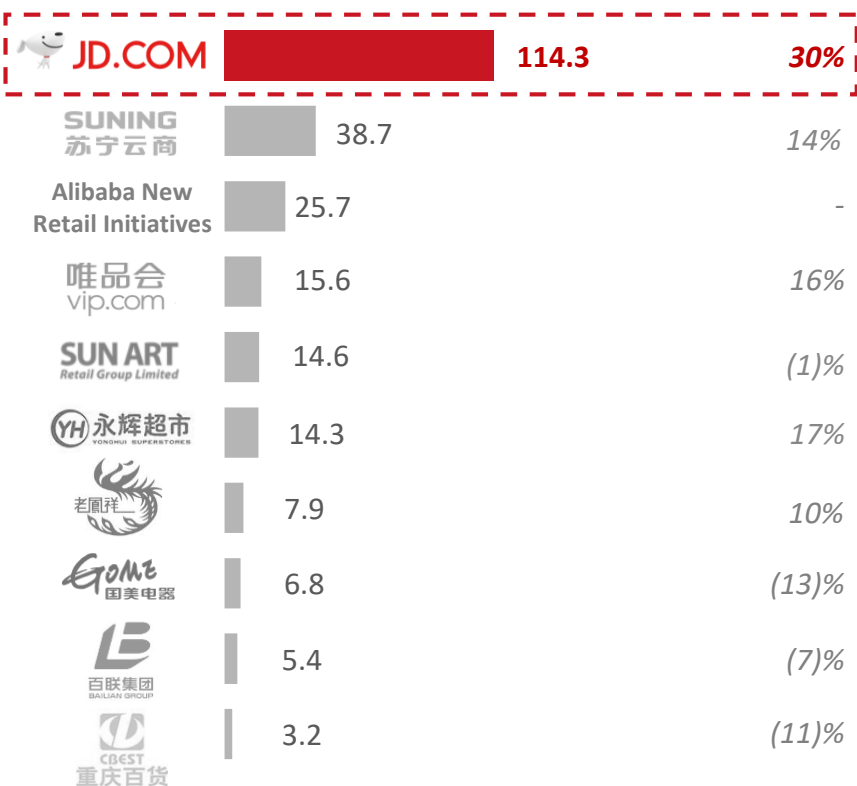


Top 10 Listed Retailers in China ⁽¹⁾



(Net Revenue in US\$ bn)

CAGR
2016-2020

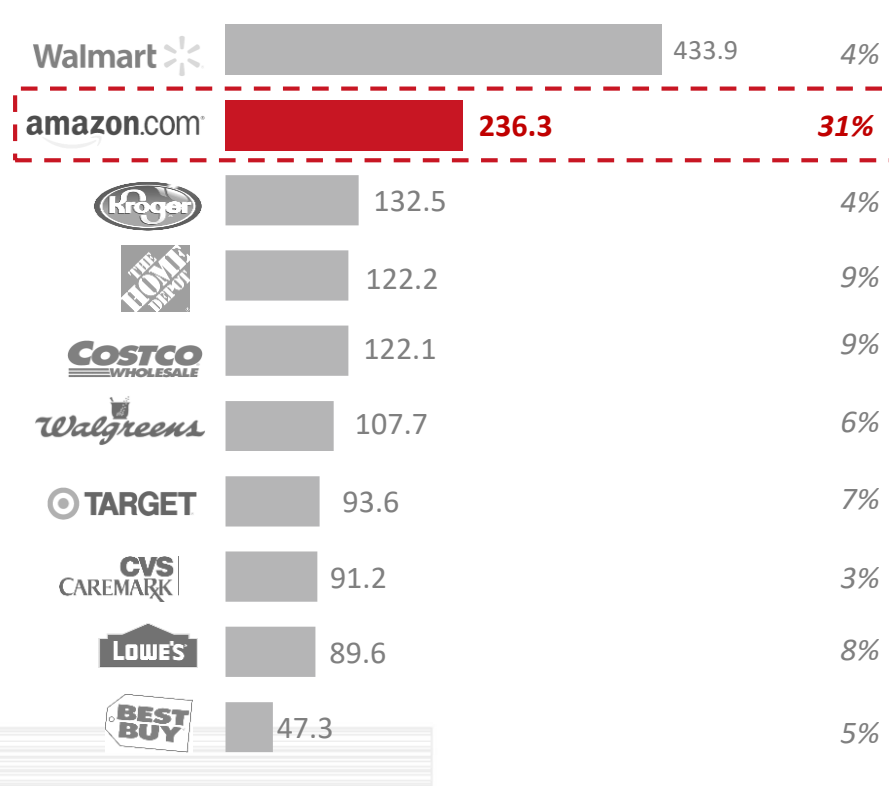


Top 10 Listed Retailers in US ⁽²⁾



(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

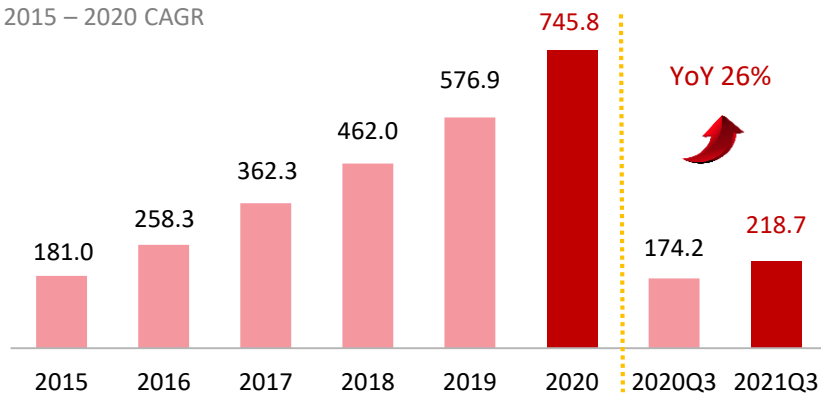


Net Revenues

(RMB Billions)

33%

2015 – 2020 CAGR



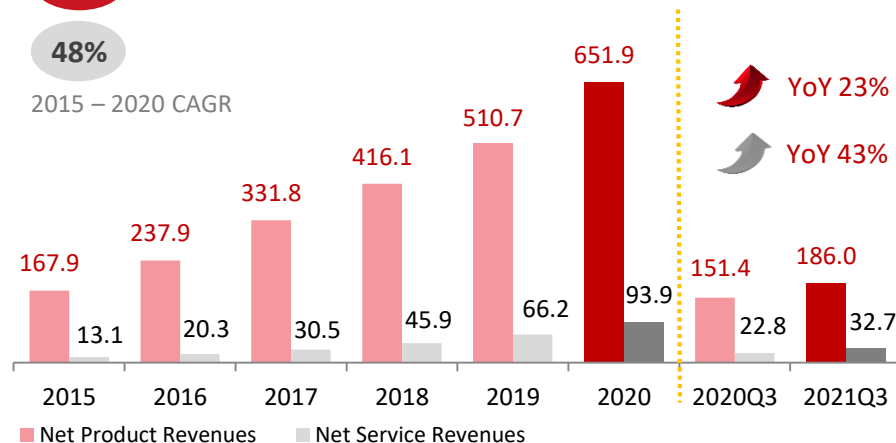
Net Revenues Breakdown

(RMB Billions)

31%

48%

2015 – 2020 CAGR



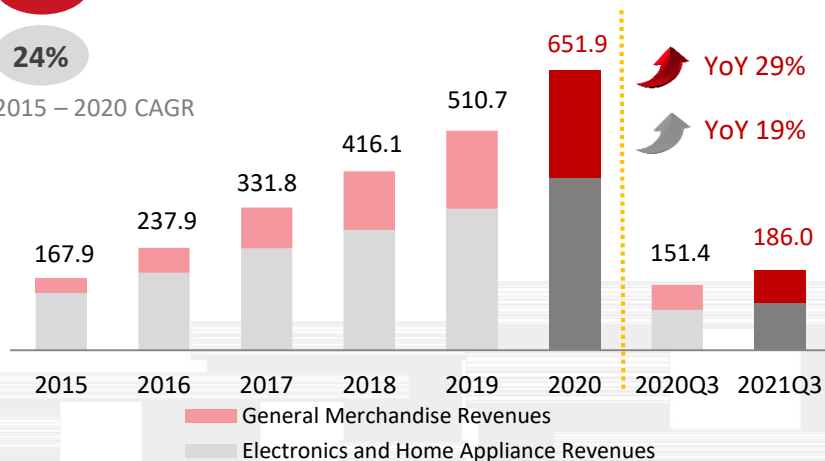
Net Product Revenues Breakdown

(RMB Billions)

50%

24%

2015 – 2020 CAGR



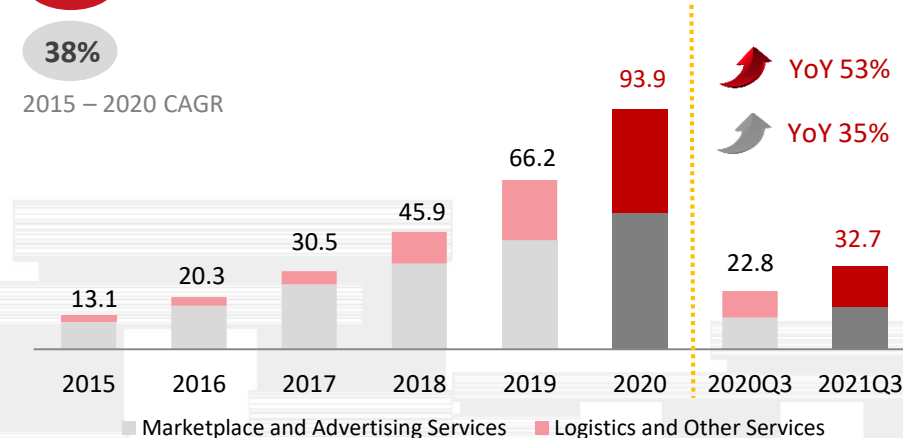
Net Service Revenues Breakdown

(RMB Billions)

76%

38%

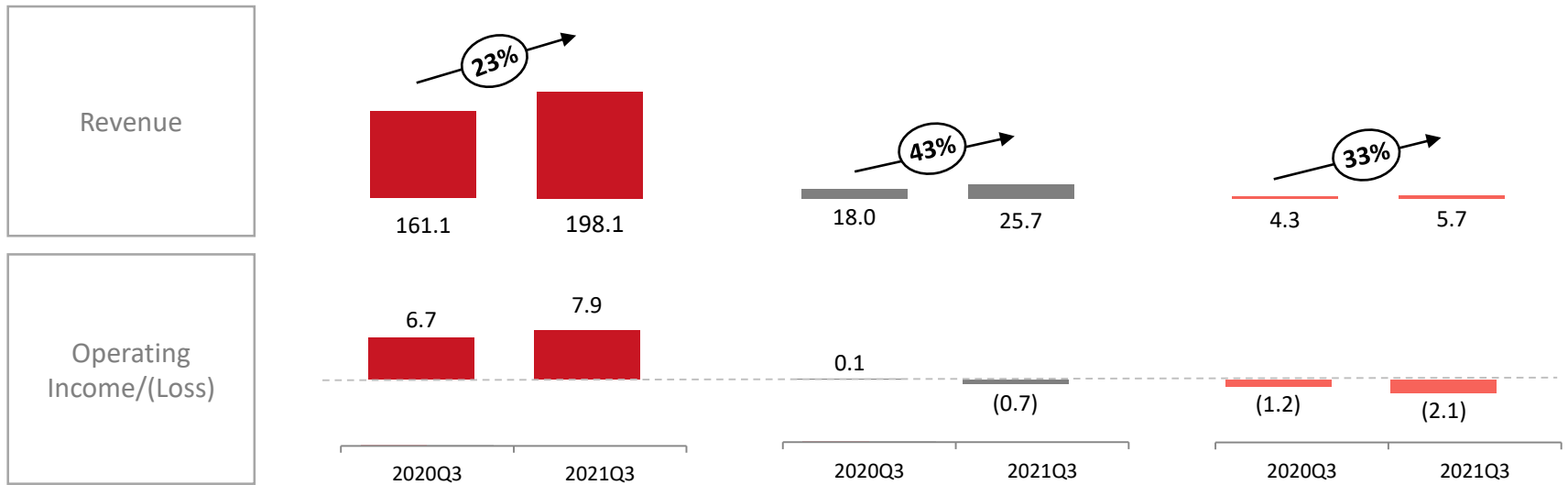
2015 – 2020 CAGR



Diversified Businesses in a Wide Spectrum of Sectors



(RMB Billions)



Resilient growth with stable margin

Continued growth momentum for market share gain

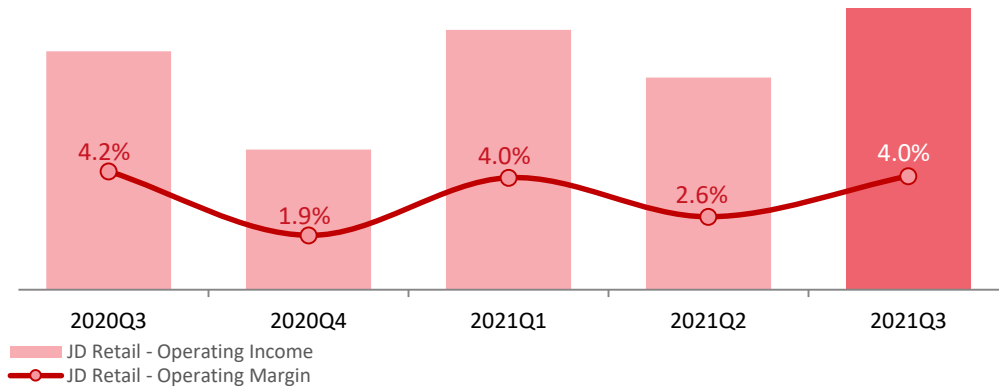
Investment for long-term sustainable business

(1) The company reports three segments, JD Retail, JD Logistics and New businesses. JD Retail mainly consists of online retail, online marketplace and marketing services in China. JD Logistics includes both internal and external logistics businesses. New businesses mainly include JD Property, Jingxi, overseas businesses and technology initiatives.

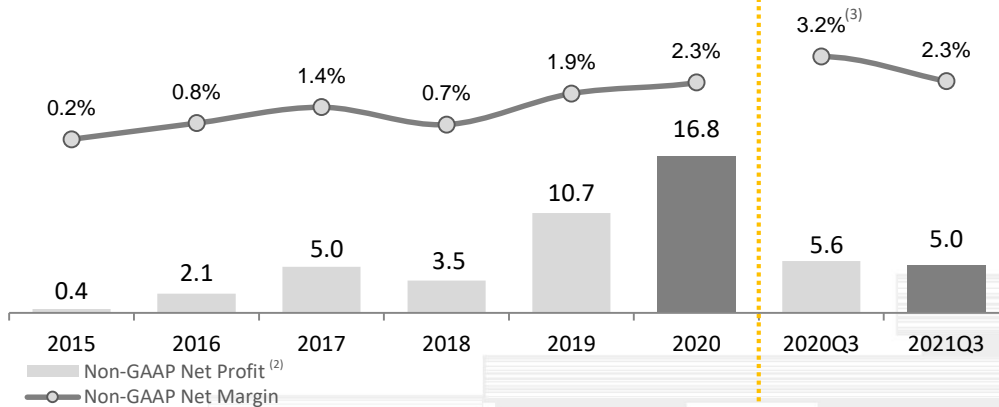
Resilient Core Profitability with the Benefits of Scale



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) Non-GAAP net income attributable to ordinary shareholders; refer to the company's quarterly results for Non-GAAP adjustments.

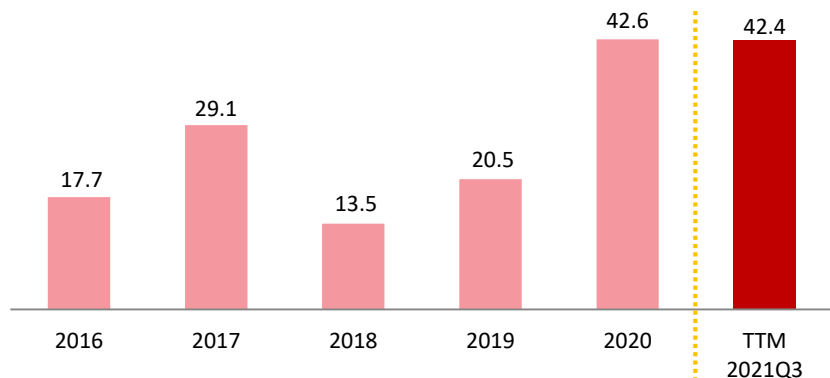
(3) One-off relief of social security benefit due to Covid-19 resulted in an one-off jump in Non-GAAP net margin in 2020 Q3.

Robust Cash Flow Generation



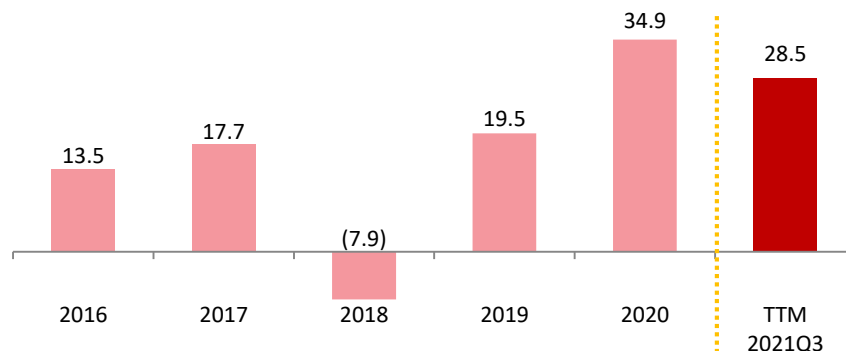
Adjusted Operating Cash Flow

(RMB Billions)



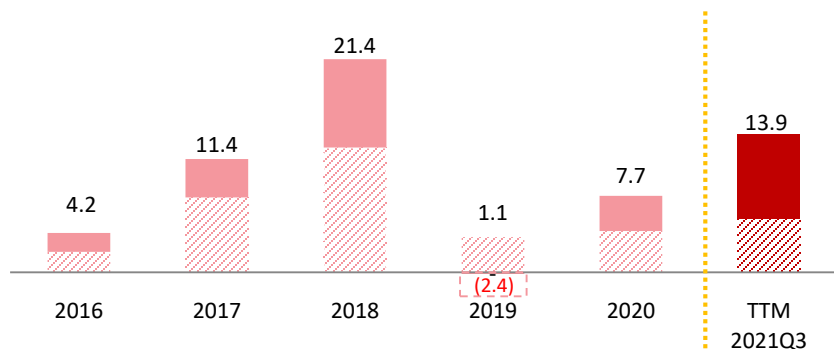
Free Cash Flow

(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 (RMB Thousands)	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3
Q3 Net revenues	174,214,464	224,328,155	203,176,169	253,800,470	218,708,358
Non-GAAP Operating expenses					
Cost of revenues	(147,388,326)	(193,153,285)	(174,032,595)	(222,056,020)	(187,583,339)
Fulfillment	(11,386,816)	(14,404,249)	(13,580,343)	(14,422,986)	(13,954,483)
Marketing	(5,185,533)	(10,075,694)	(6,670,086)	(10,271,637)	(7,388,791)
Research and development	(3,697,639)	(4,013,809)	(4,078,756)	(3,214,586)	(3,505,322)
General and administrative	(1,123,766)	(1,328,165)	(1,176,361)	(1,173,423)	(1,563,490)
Non-GAAP Income from operations ⁽¹⁾	5,273,886	1,213,526	3,502,273	2,522,488	4,563,479
Non-GAAP net income attributable to ordinary shareholders ⁽¹⁾	5,558,054	2,386,233	3,967,537	4,626,621	5,047,992
Non-GAAP operating margin ⁽¹⁾	3.0%	0.5%	1.7%	1.0%	2.1%
GAAP operating margin	2.5%	0.3%	0.8%	0.1%	1.2%
Non-GAAP net margin ⁽¹⁾	3.2%	1.1%	2.0%	1.8%	2.3%
GAAP net margin	4.3%	10.8%	1.8%	0.3%	-1.3%

Supplemental Financial Information and Business Metrics

Supplemental Information	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3
Annual active customer accounts (RMB Millions)	441.6	471.9	499.8	531.9	552.2
Inventory turnover days ⁽¹⁾ – TTM	34.3	33.3	31.2	31.0	30.1
Accounts payable turnover days ⁽¹⁾ – TTM	49.2	47.1	44.2	45.8	45.5
Accounts receivable turnover days ⁽¹⁾ – TTM	2.8	2.7	2.6	2.7	2.8
Free Cash Flow ⁽²⁾ – TTM (RMB Billions)	30.2	34.9	28.2	31.9	28.5

(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 **~1,300** warehouses

GFA⁽²⁾ **23+** million sq.m.

Delivery personnel **~200,000** ppl

Asia No. 1 smart mega warehouses **41** projects in **31** cities

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

■ Cities with Asia No. 1 smart mega warehouses

Provide best-in-class customer experience

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

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

