

# JD.com, Inc.

## *Financial and Operational Highlights*

May 2017



JD.COM 京东



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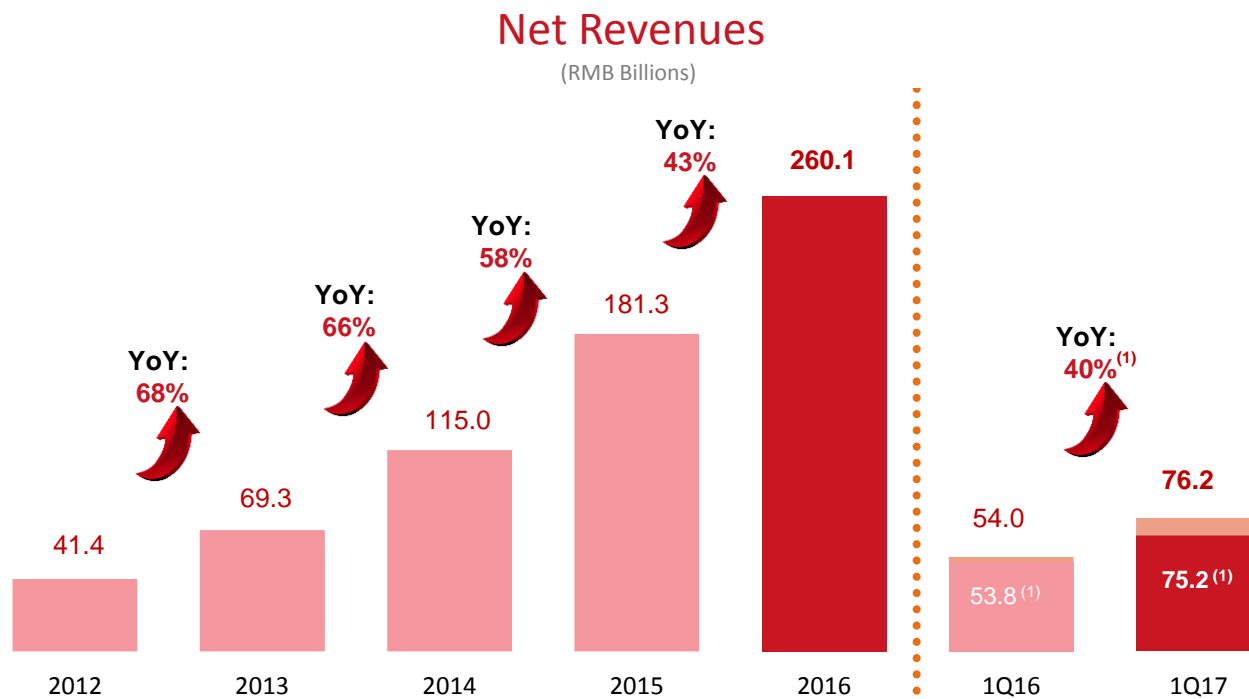
This document contains certain statements that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1953, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to the Company’s future financial or business performance, strategies or expectations. These statements typically contain words such as “expects” and “anticipates” and words of similar import. Any statement in this document that is not a statement of historical fact is a forward-looking statement and involves known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. There can be no assurance that the results and events contemplated by the forward looking statements contained herein will in fact occur. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the document. The Company also cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time and which may be beyond the Company’s control. The Company assumes no duty to and does not undertake to update any forward-looking statements to reflect actual results, changes in assumptions or changes in factors affecting these statements.

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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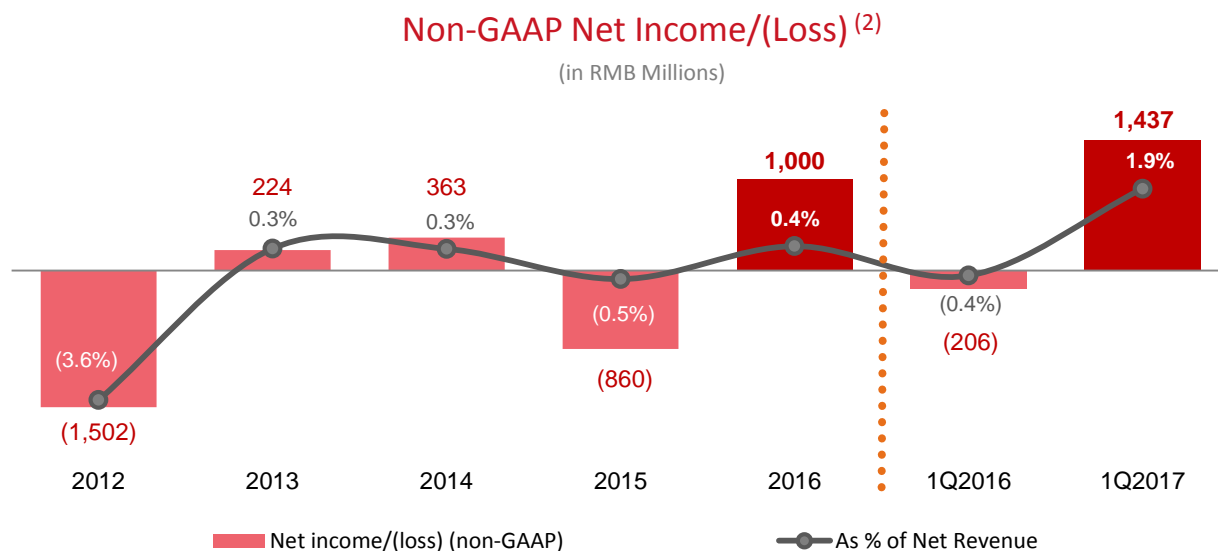
# Net Revenues



(1) Net revenues excluding JD Finance represent the net revenues on a pro forma basis as if the JD Finance reorganization had been closed at the beginning of the periods presented.

# Operating and Net Profitability

Non-GAAP Operating Margin <sup>(1)</sup>	2013	2014	2015	2016	1Q2017
Non-GAAP operating margin of JD.com	(0.4)%	(0.4)%	(0.9)%	0.4%	2.2%



(1) Non-GAAP operating margin is calculated by dividing non-GAAP income/(loss) from operations by net revenues. Non-GAAP income/(loss) from operations is defined to exclude share-based compensation, amortization of intangible assets resulting from acquisitions, and certain other non-cash gain or loss items from income/(loss) from operations.

(2) Non-GAAP net income/(loss) is defined to exclude share-based compensation, amortization of intangible assets resulting from acquisitions, and certain other non-cash gain or loss items from net income/(loss), and non-GAAP net margin is calculated by dividing non-GAAP net income/(loss) by net revenues.

# GAAP & Non-GAAP Reconciliations

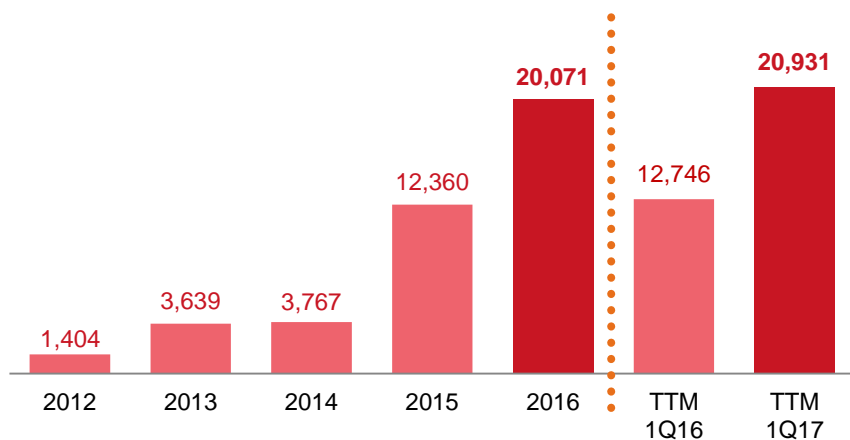
Reconciliations of GAAP & Non-GAAP Net Income/(Loss) (in RMB Millions)	2013	2014	2015	2016	1Q2017
<b>Net Income/(Loss)</b>	<b>(50)</b>	<b>(4,996)</b>	<b>(9,118)</b>	<b>(3,414)</b>	<b>356</b>
Add: Share-based compensation	261	4,250	1,194	2,344	613
Add: Amortization of intangible assets resulting from assets and business acquisitions	13	1,109	1,452	1,621	443
Add: Reconciling items on the share of equity method investments <sup>(1)</sup>	-	-	174	539	222
Add: Impairment of goodwill, intangible assets and investments	-	-	5,947	2,055	56
Reversal of: Gain on disposal of business	-	-	-	(1,228)	-
Reversal of: Revenue from business cooperation arrangements with equity investees, and income from non-compete agreement	-	-	(509)	(917)	(253)
<b>Non-GAAP Net Income/(Loss)</b>	<b>224</b>	<b>363</b>	<b>(860)</b>	<b>1,000</b>	<b>1,437</b>
<b>Non-GAAP Net Margin</b>	<b>0.3%</b>	<b>0.3%</b>	<b>(0.5)%</b>	<b>0.4%</b>	<b>1.9%</b>

(1) Represents the impact of share-based compensation, amortization of intangible assets resulting from assets and business acquisitions, share of amortization of equity investments' intangibles not on their books, and net income attributable to mezzanine equity holder. Earning from equity method investments in publicly listed companies and certain privately held companies is recorded one quarter in arrears.

# Cash Flow Position

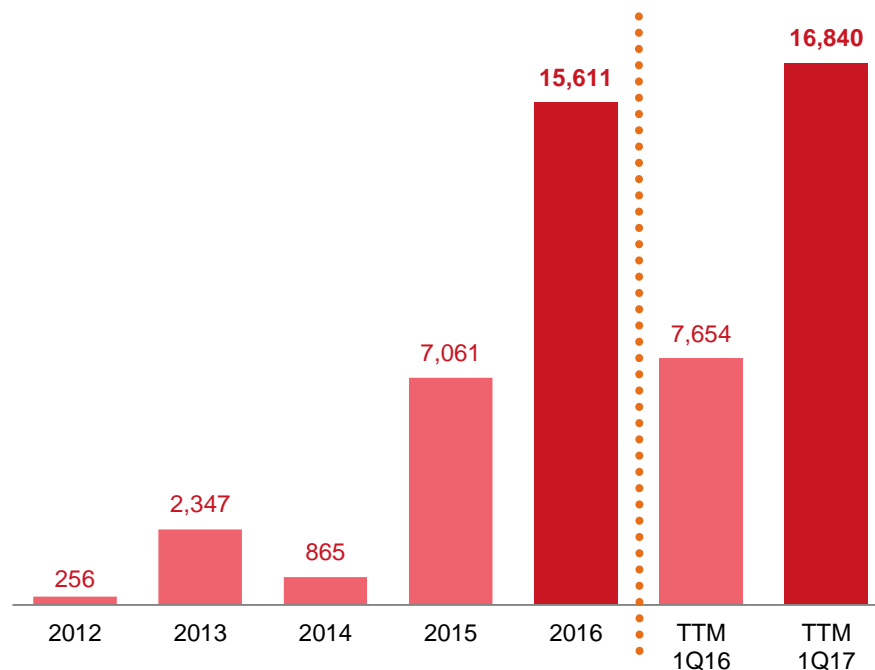
## Adjusted Operating Cash Flow <sup>(1)</sup>

(RMB Millions)



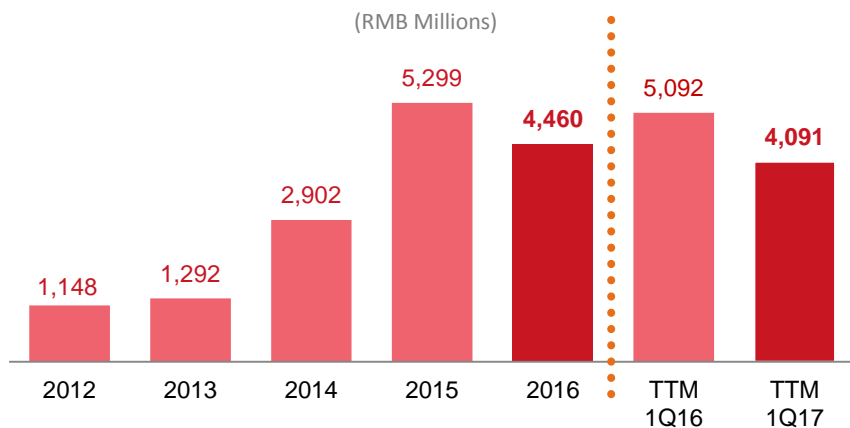
## Free Cash Flow <sup>(3)</sup>

(RMB Millions)



## Capital Expenditures <sup>(2)</sup>

(RMB Millions)



(1) Adjusted operating cash flow is defined as net cash provided by operating activities adding back JD Finance net originations/(repayments) included in operating cash flow.

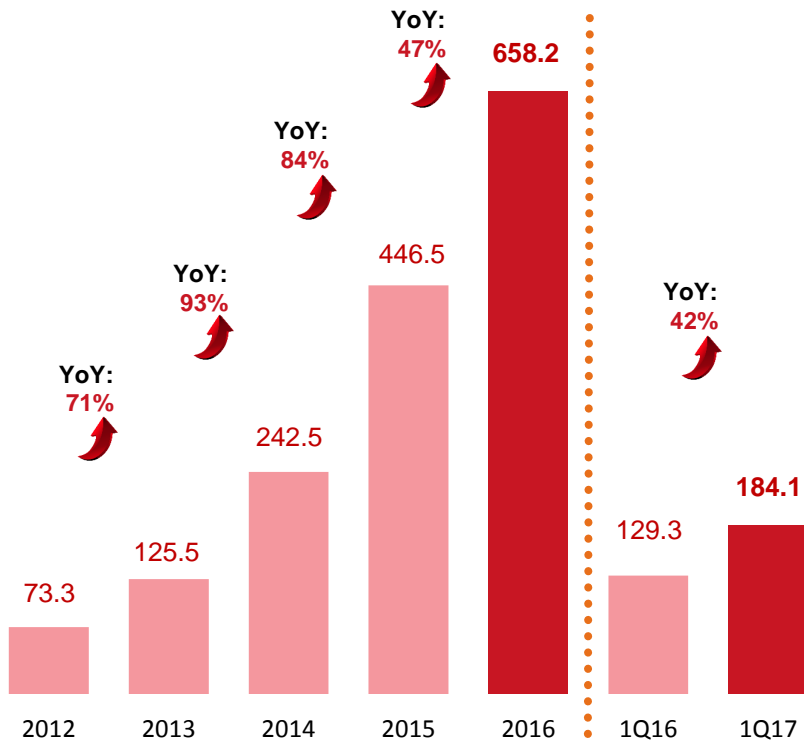
(2) Capital expenditures include purchase of property, equipment and software, cash paid for construction in progress, purchase of office building, intangible assets and land use rights.

(3) Free cash flow is defined as adjusted operating cash flow less capital expenditures.

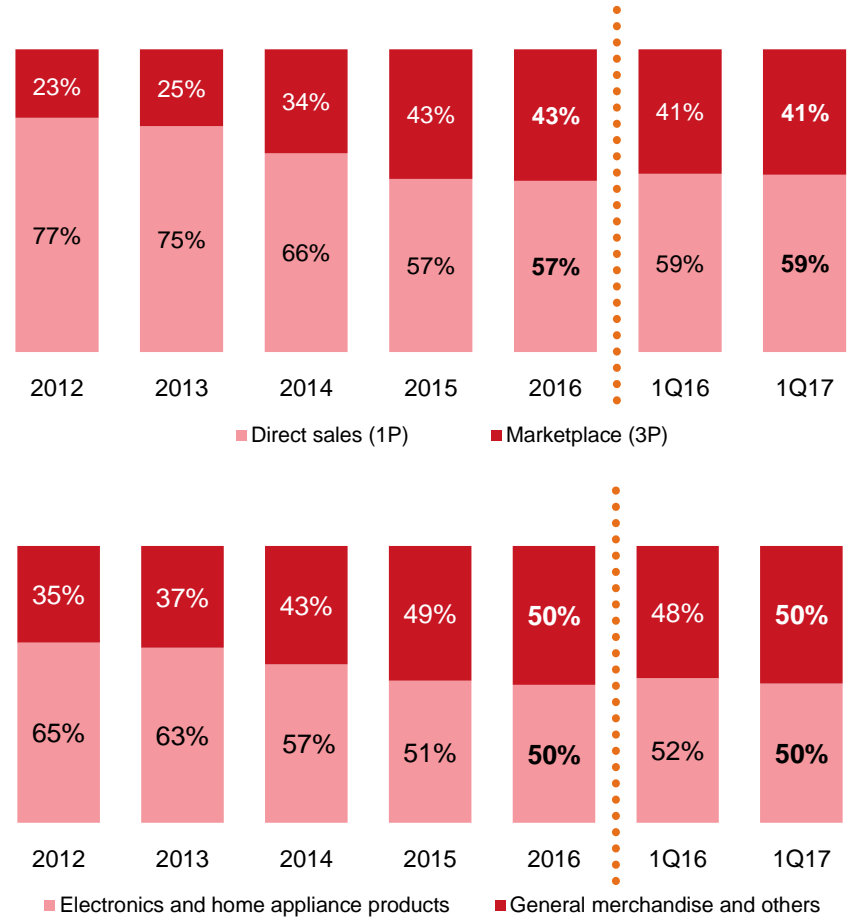
# Core GMV

## Core GMV (1)

(RMB Billions)



## Core GMV Mix (1)





# Segment Revenues

	For the year ended			For the three months ended		
	December 31, 2015	December 31, 2016	Year-over-year Growth	March 31, 2016	March 31, 2017	Year-over-year Growth
	RMB (In thousands)					
Net Revenues:						
JD Mall <sup>(1)</sup>	180,951,872	258,131,979	43%	53,820,060	75,079,876	40%
New Business <sup>(1)</sup>	2,014,242	4,572,335	127%	725,726	1,932,126	166%
Inter-segment <sup>(2)</sup>	(1,690,689)	(2,582,669)		(576,123)	(786,342)	
<b>Total consolidated net revenues</b>	<b>181,275,425</b>	<b>260,121,645</b>	<b>43%</b>	<b>53,969,663</b>	<b>76,225,660</b>	<b>41%</b>

(1) JD Mall represents the company's traditional e-commerce business. New businesses of the company include JD Finance, O2O (deconsolidated since its merger with Dada Nexus to form New Dada on April 26, 2016), insurance, technology initiatives as well as overseas business.

(2) The inter-segment eliminations mainly consist of revenues related to payment processing and financing services provided by JD Finance to JD Mall, and promotion and advertising services provided by JD Mall to New Businesses.

# Supplemental Financial Information and Business Metrics

Supplemental Information	1Q2016	2Q2016	3Q2016	4Q2016	1Q2017
GMV <sup>(1)</sup> (in RMB billions)	129.3	160.4	158.8	209.7	184.1
Orders fulfilled <sup>(1)</sup> (in millions)	342.1	418.9	456.2	558.2	477.1
Active customer accounts <sup>(1)</sup> – TTM (in millions)	169.1	188.1	198.7	226.6	236.5
Inventory turnover days <sup>(2)</sup> – TTM	37.3	38.5	37.7	38.0	37.1
Accounts payable turnover days <sup>(2)</sup> – TTM	46.3	49.8	52.1	52.6	52.7
Accounts receivable turnover days <sup>(2)</sup> – TTM	3.1	3.1	3.3	3.3	3.5
Adjusted operating cash flow <sup>(3)</sup> – TTM (in RMB billions)	12.8	16.1	21.5	20.1	20.9
Capital Expenditures <sup>(4)</sup> – TTM (in RMB billions)	(5.1)	(5.1)	(4.8)	(4.5)	(4.1)
Free Cash Flow <sup>(4)</sup> – TTM (in RMB billions)	7.7	11.0	16.7	15.6	16.8
Cash and cash equivalents, and Short-term investments (in RMB billions)	31.1	39.7	31.6	26.9	28.8

(1) Selected operating data for all presented periods exclude the impact of Paipai.com.

(2) Turnover days on a trailing twelve months basis are the quotient of average inventory, accounts payable, and accounts receivable over five consecutive quarter ends to total cost of revenues (and total net revenues for AR turnover days) for the last twelve months, and then multiplied by 360 days; AP turnover days are for online direct sales business, excluding the impact from supplier financing; AR turnover days exclude the impact from consumer financing.

(3) Adjusted operating cash flow is defined as net cash provided by operating activities adding back JD Finance net originations/(repayments) included in operating cash flow.

(4) Free cash flow is defined as adjusted operating cash flow less capital expenditures, which include purchase of property, equipment and software, cash paid for construction in progress, purchase of office building, intangible assets and land use rights.

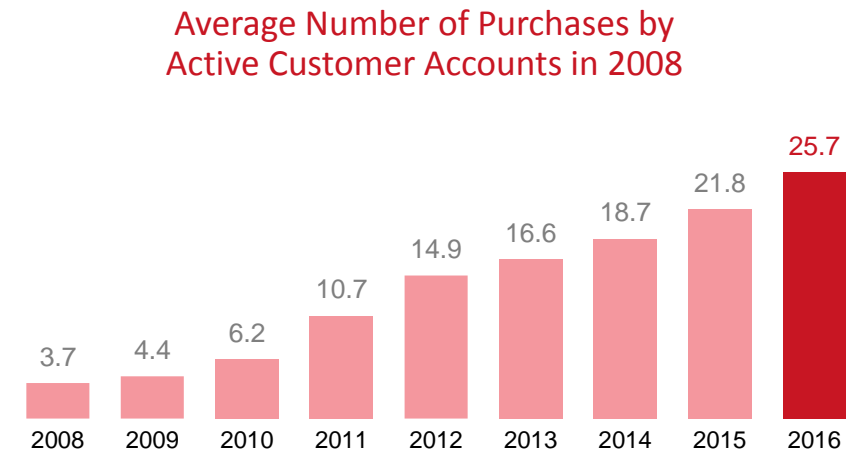
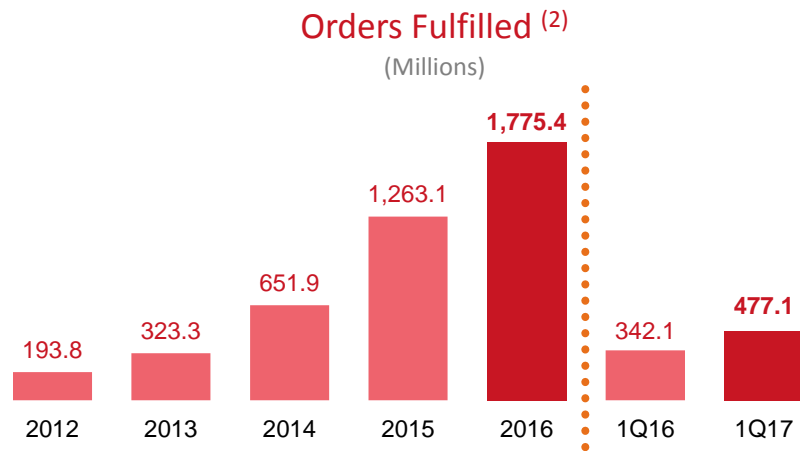
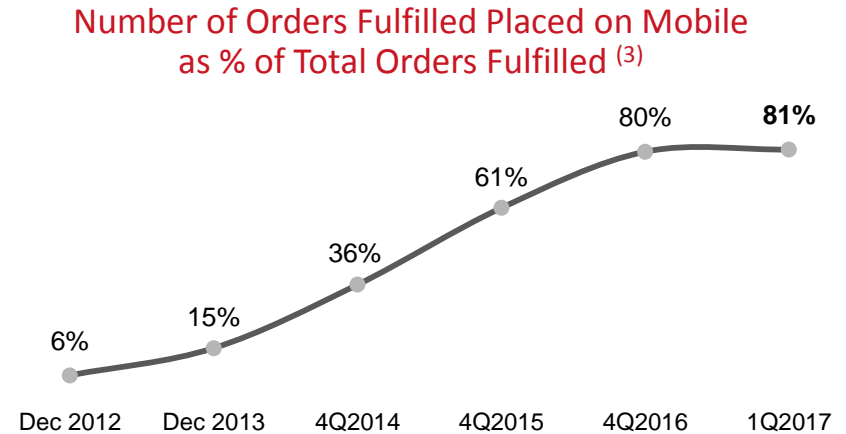
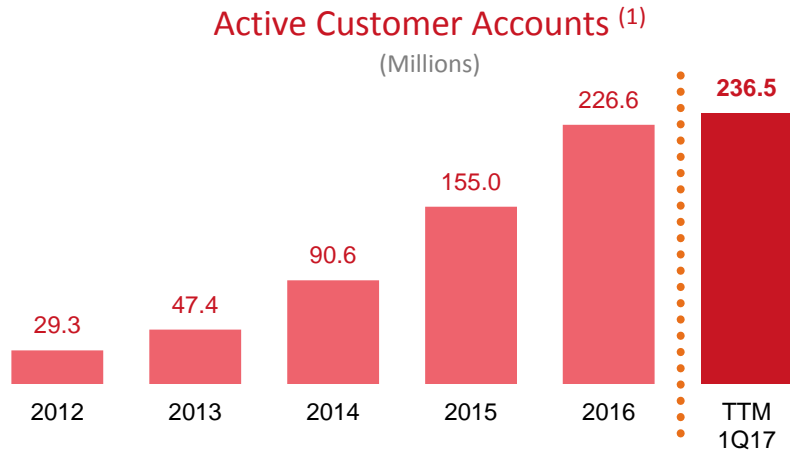
# Operating Metrics



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# Key Operating Metrics



(1) Defined as customer accounts that made at least one purchase during the twelve months ended on the respective periods, whether through online direct sales or online marketplaces. Data for all periods are for core business which excludes Paipai.com unique customers.

(2) Defined as the total number of orders delivered, including the orders for products and services sold in the online direct sales business and on the online marketplaces, net of orders returned; Data for all periods are for core business which excludes Paipai.com.

11 (3) Data for all periods are for core business which excludes Paipai.com.

# Nationwide Logistics Network



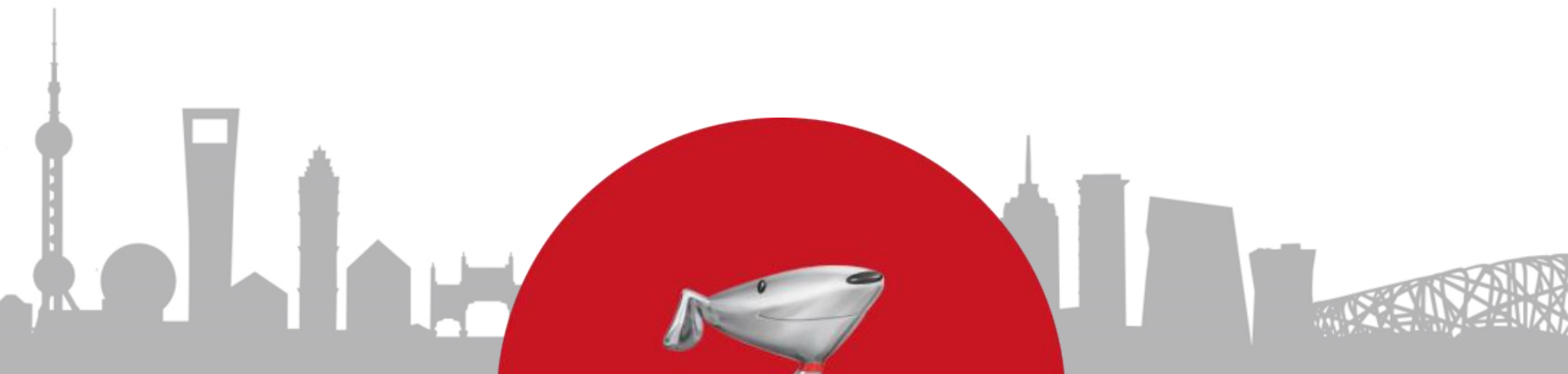
Nationwide Warehouse Network & Last-mile Reach (1)

Rapid Expansion & Best-in-Class Fulfillment Capabilities (1)



Fulfilment Centers	7 cities
Front Distribution Centers	25 cities
Warehouses	263 warehouses
GFA	~5.8 million sq.m.
Self-built Mega Warehouses	7 projects in 6 cities
Full-time Delivery Employees	over 67,000

*Provides best-in-class customer experience.*



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