

JD.com, Inc.

Financial and Operational Highlights

August 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>.

This document speaks as of June 30, 2017. Neither the delivery of this document nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since that date.

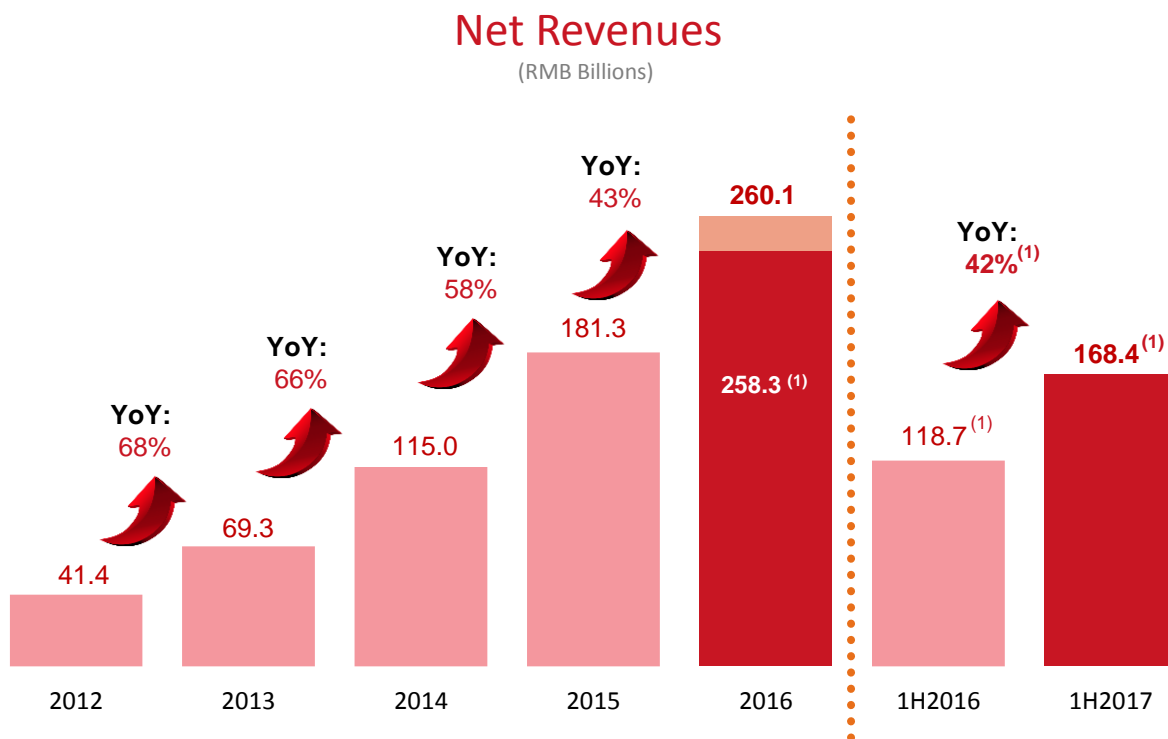
Financial Highlights



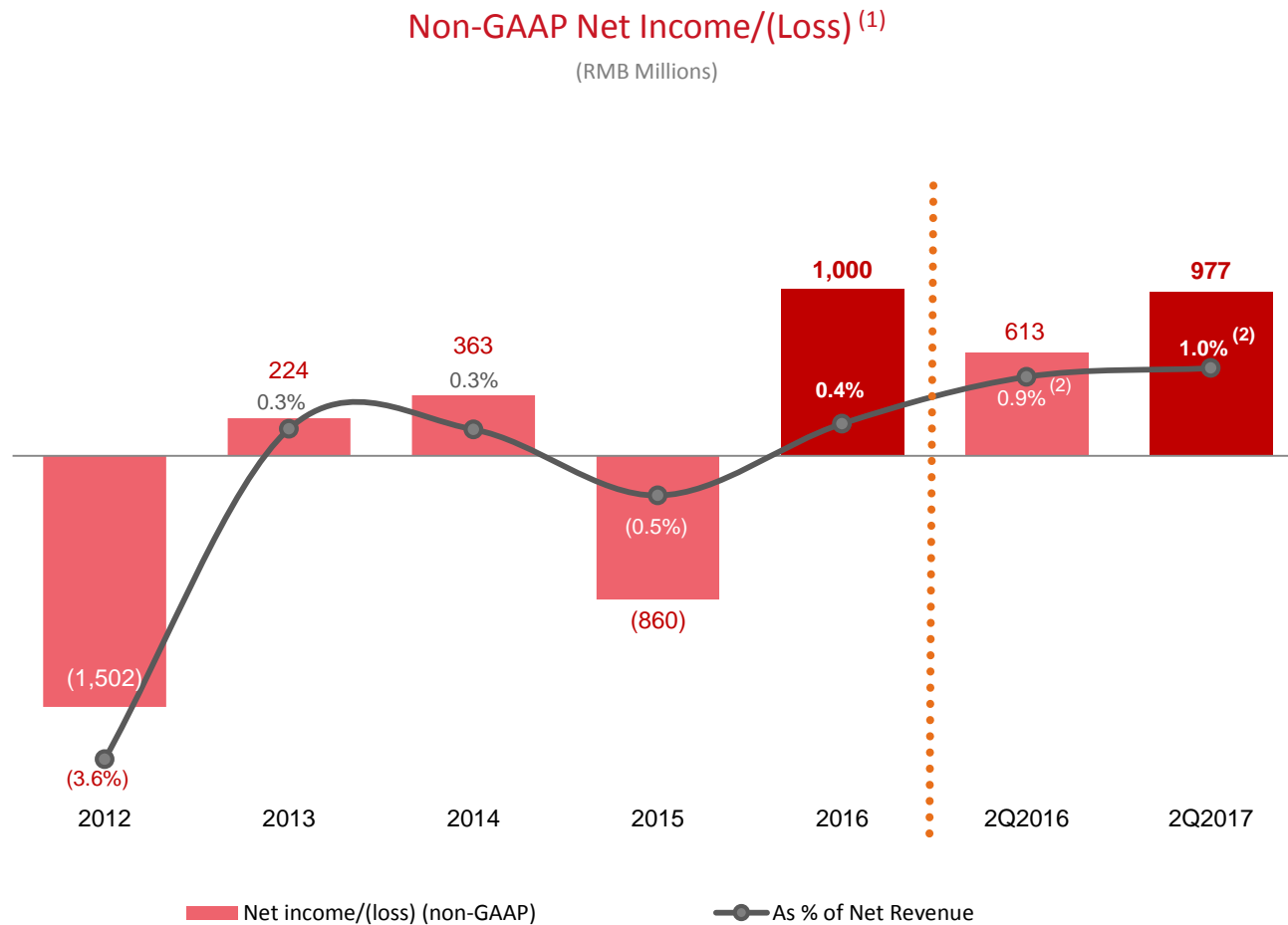
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Net Revenues



Profitability



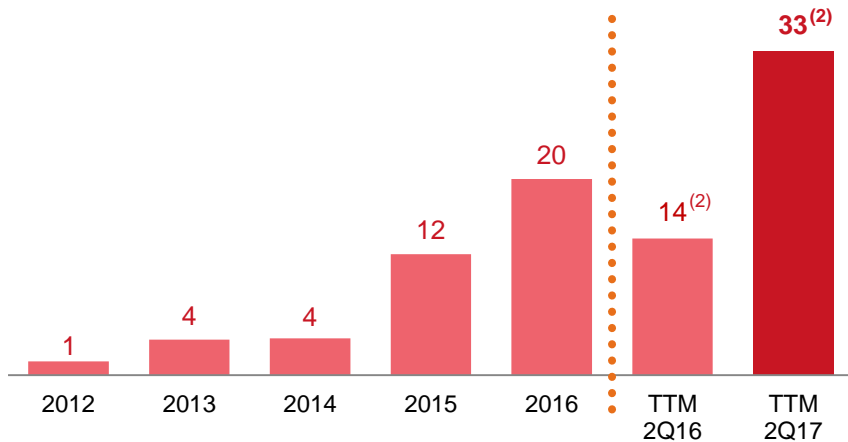
(1) Non-GAAP net income/(loss) is defined as net income/(loss) excluding share-based compensation, amortization of intangible assets resulting from assets and business acquisitions, revenue from business cooperation arrangements with equity investees, gain on disposals of business, income from non-compete agreement, reconciling items on the share of equity method investments, impairment of goodwill, intangible assets and investments.

(2) Data for 2Q2016 and 2Q2017 represent non-GAAP net income from continuing operations attributable to ordinary shareholders.

Cash Flow Position

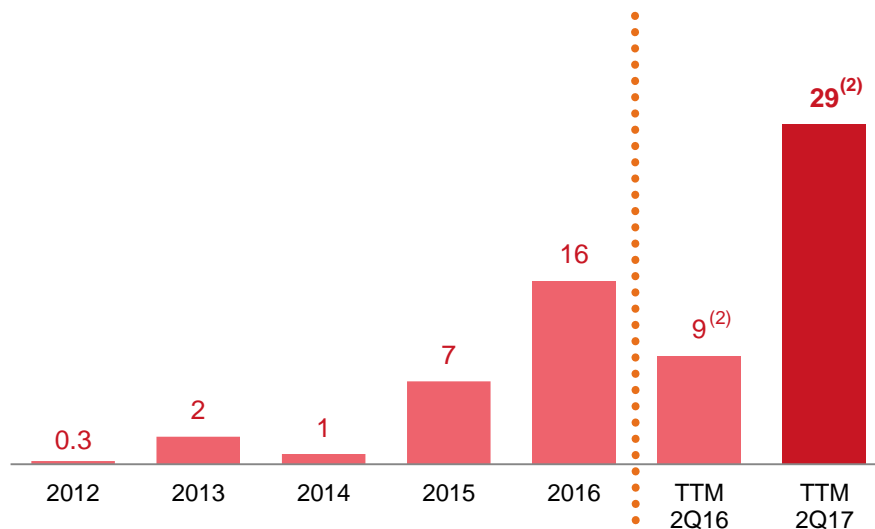
Adjusted Operating Cash Flow ⁽¹⁾

(RMB Millions)



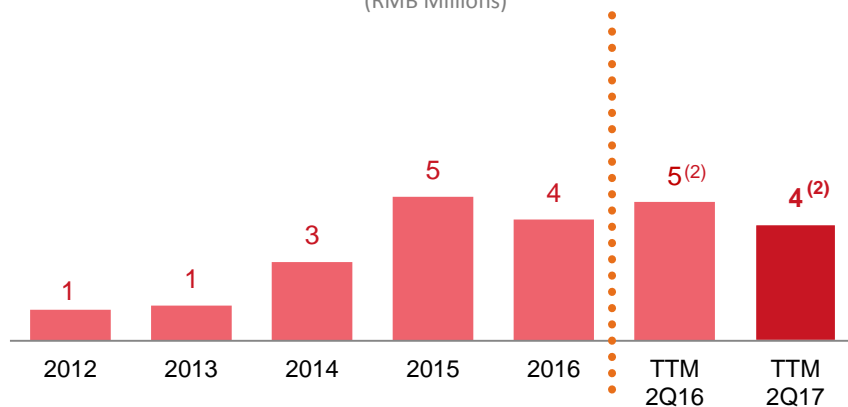
Free Cash Flow ⁽⁴⁾

(RMB Millions)



Capital Expenditures ⁽³⁾

(RMB Millions)



(1) Adjusted operating cash flow is defined as net cash provided by operating activities adding back Impact from JD Baitiao included in the operating cash flow.

(2) Data for TTM 2Q16 and 2Q17 are from continuing operations.

(3) 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.

(4) Free cash flow is defined as operating cash flow adding back the impact from JD Baitiao included in the operating cash flow and less capital expenditures.

Unaudited Selected Financial Data of Continuing Operations

Unaudited Selected Financial Data of Continuing Operations ⁽¹⁾ (in RMB Thousands)	1Q2016	2Q2016	3Q2016	4Q2016	1Q2017	2Q2017
Net revenues	53,808,159	64,896,935	60,173,725	79,411,128	75,218,187	93,201,975
Operating expenses						
Cost of revenues	(46,774,319)	(56,052,282)	(51,537,518)	(68,570,518)	(64,393,726)	(80,554,156)
Fulfillment	(3,949,853)	(4,605,842)	(4,540,077)	(5,463,919)	(5,150,584)	(6,380,658)
Marketing	(2,016,454)	(2,494,969)	(2,132,554)	(3,514,709)	(2,799,531)	(4,075,143)
Technology and content	(928,497)	(1,114,115)	(1,229,353)	(1,180,743)	(1,289,061)	(1,546,390)
General and administrative	(660,107)	(787,409)	(968,645)	(1,019,717)	(923,962)	(1,048,612)
Income/(Loss) from operations	(521,071)	(157,682)	(234,422)	(338,478)	661,323	(402,984)
Non-GAAP gross margin ⁽²⁾	12.7%	13.3%	14.0%	13.4%	14.1%	13.4%
Non-GAAP operating margin ⁽³⁾	(0.04)%	0.8%	0.9%	0.7%	1.9%	0.6%

(1) Presented to reflect the results of continuing operations after JD Finance deconsolidation and JD Logistics cost reclassification.

(2) Non-GAAP gross margin is calculated by dividing non-GAAP gross profit by net revenues. Non-GAAP gross profit is defined as gross profit excluding share-based compensation and revenue from business cooperation arrangements with equity investees.

(3) 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 as income/(loss) from operations excluding share-based compensation, amortization of intangible assets resulting from assets and business acquisitions, revenue from business cooperation arrangements with equity investees and impairment of goodwill and intangible assets.

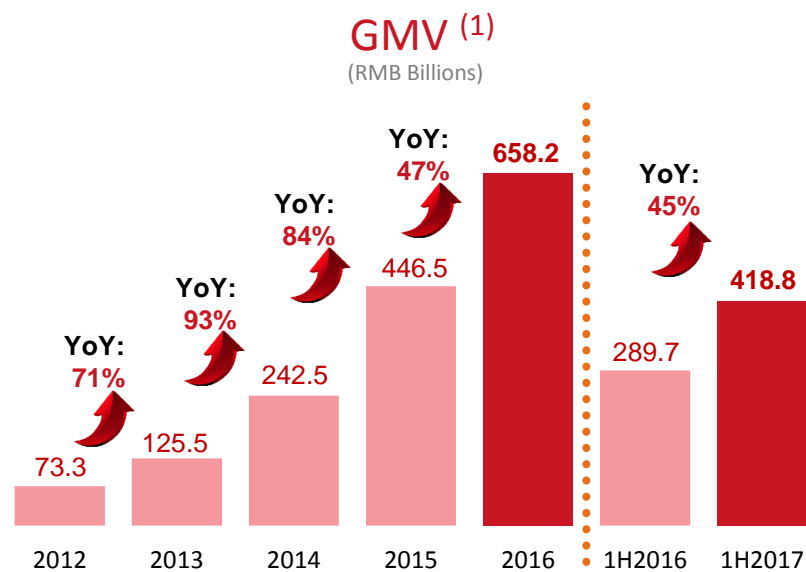
Supplemental Financial Information and Business Metrics

Supplemental Information	1Q2016	2Q2016	3Q2016	4Q2016	1Q2017	2Q2017
GMV ⁽¹⁾ (in RMB billions)	129.3	160.4	158.8	209.7	184.1	234.8
Orders fulfilled ⁽¹⁾ (in millions)	342.1	418.9	456.2	558.2	477.1	591.2
Annual active customer accounts ⁽¹⁾ (in millions)	169.1	188.1	198.7	226.6	236.5	258.3
Inventory turnover days ⁽²⁾ – TTM	36.8	38.0	37.3	37.6	36.7	36.3
Accounts payable turnover days ⁽²⁾ – TTM	45.7	49.2	51.5	52.0	52.3	56.2
Accounts receivable turnover days ⁽²⁾ – TTM	1.3	1.3	1.2	1.3	1.2	1.2
Free Cash Flow ⁽³⁾ – TTM (in RMB billions)	4.4	9.2	15.0	13.5	17.3	28.9

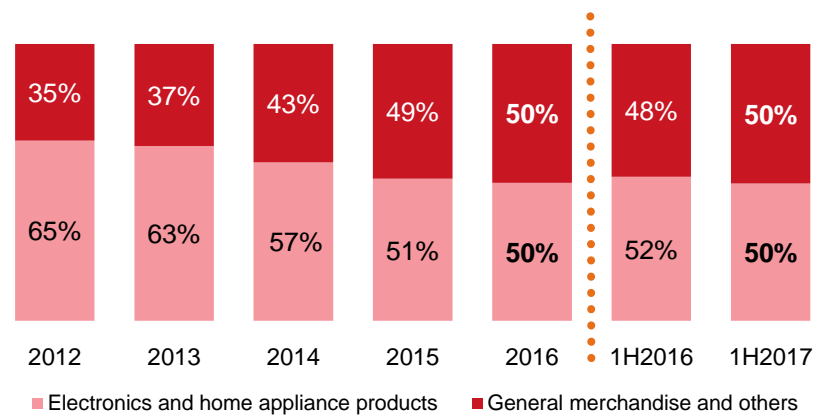
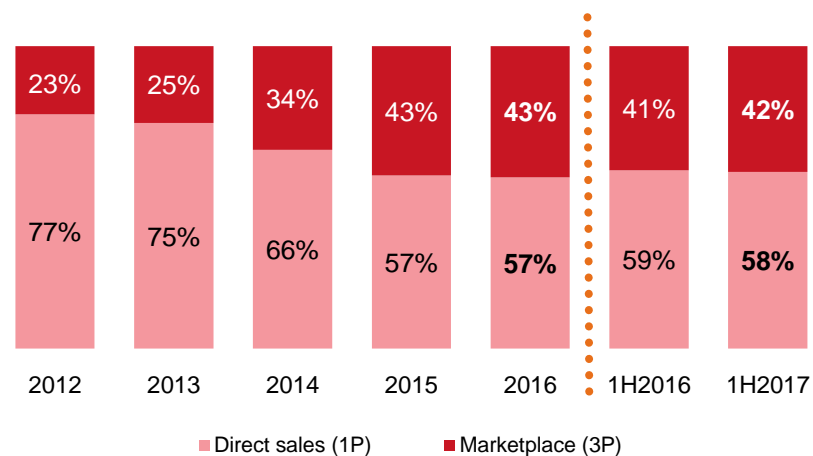
(1) Selected operating data for all presented periods exclude Paipai.com.

(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; AR turnover days exclude the impact from JD Baitiao.

(3) Free cash flow is defined as operating cash flow adding back the impact from JD Baitiao included in the operating cash flow and 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.



GMV Mix (1)



Operating Metrics



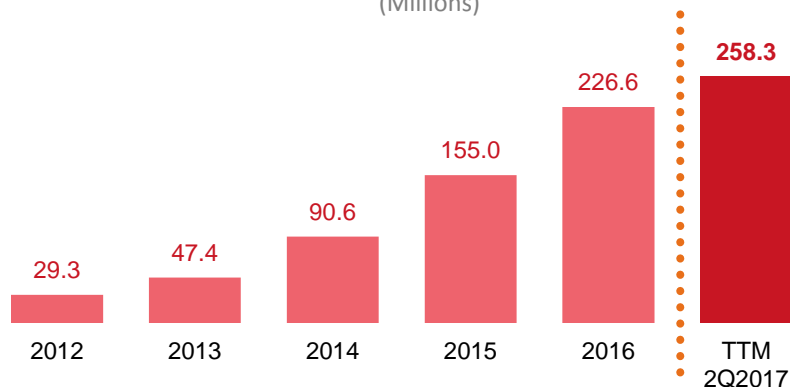
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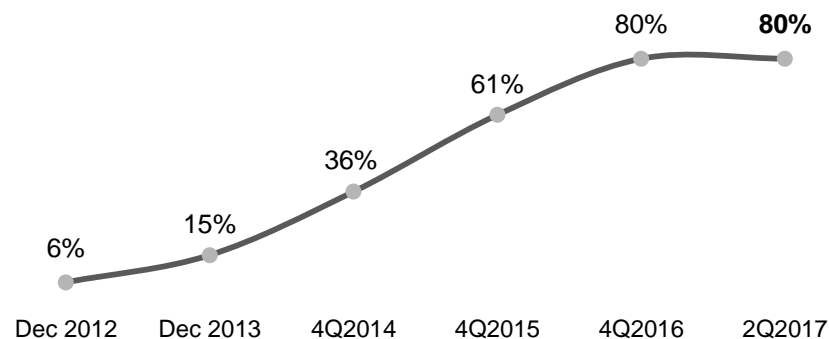
Key Operating Metrics

Active Customer Accounts ⁽¹⁾

(Millions)

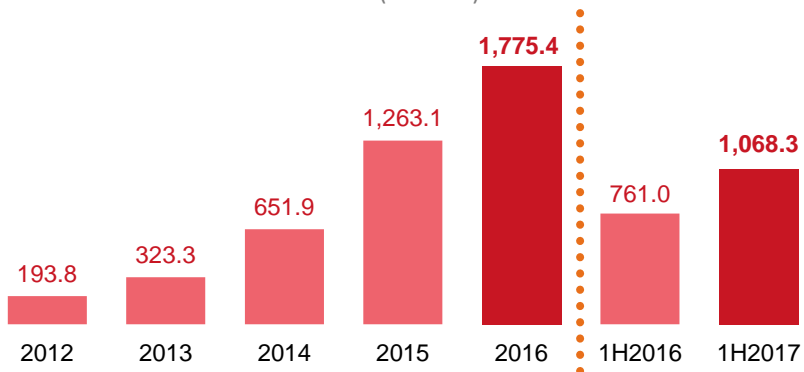


Number of Orders Fulfilled Placed on Mobile as % of Total Orders Fulfilled ⁽³⁾

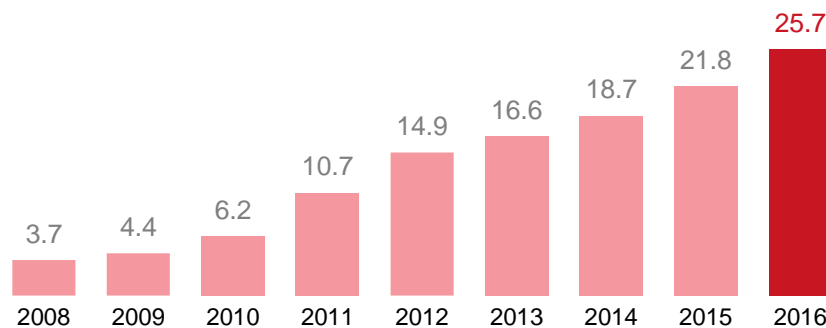


Orders Fulfilled ⁽²⁾

(Millions)



Average Number of Purchases by Active Customer Accounts in 2008



(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 exclude 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 exclude Paipai.com.

10 (3) Data for all periods exclude Paipai.com.

Nationwide Logistics Network



Nationwide Warehouse Network & Last-mile Reach ⁽¹⁾

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



Fulfillment Centers

7 cities

Front Distribution Centers

27 cities

Warehouses

335 warehouses

GFA

~7.1 million sq.m.

Self-built Mega Warehouses

9 projects in **6** cities

Geographic Coverage

2,691 counties & districts

Provides best-in-class customer experience.



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