

JD.com, Inc.

Financial and Operational Highlights

November 2016



JD.COM 京东



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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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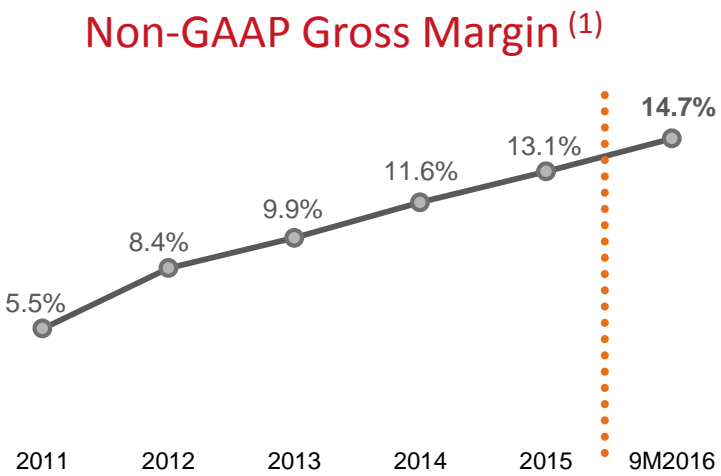
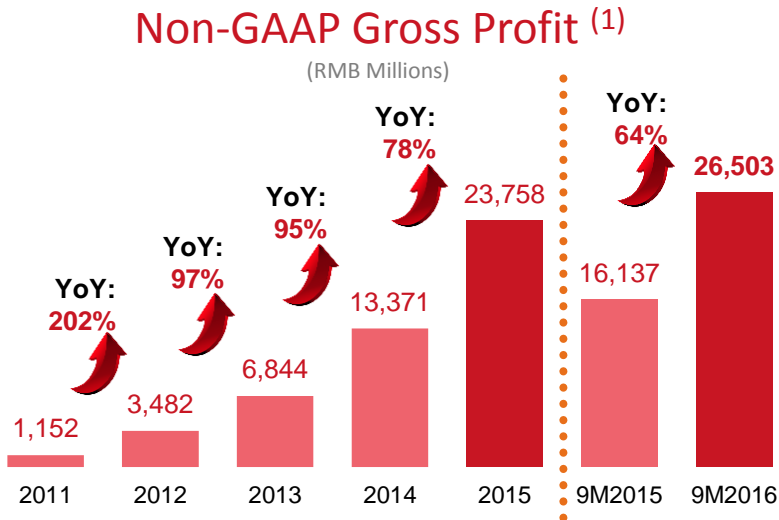
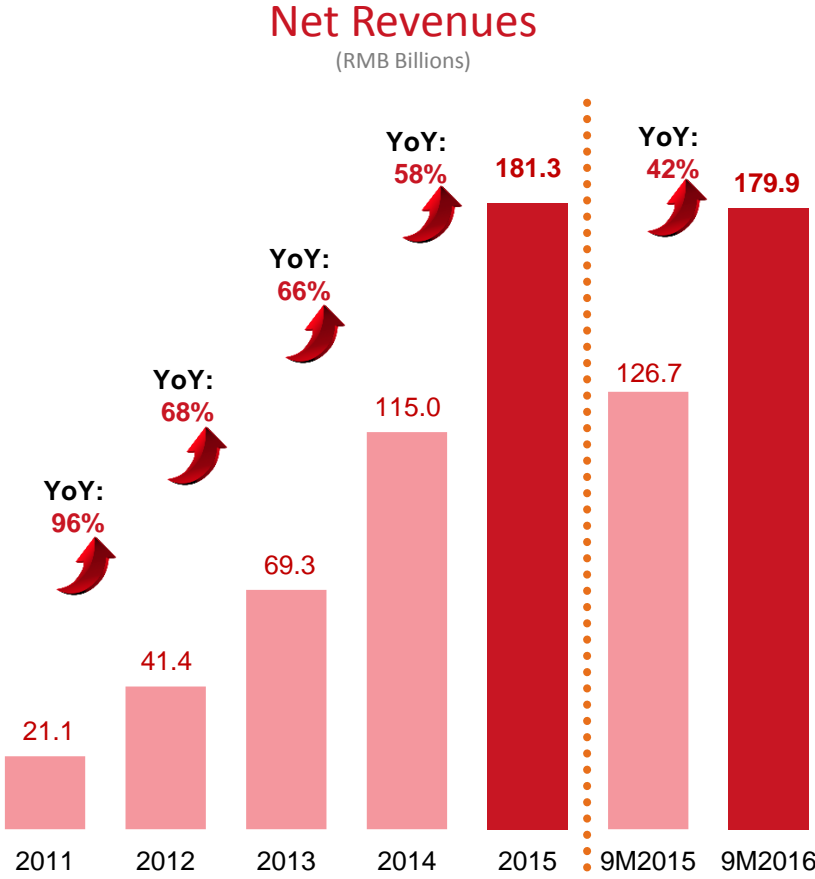
Financial Highlights



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Net Revenues and Gross Profit



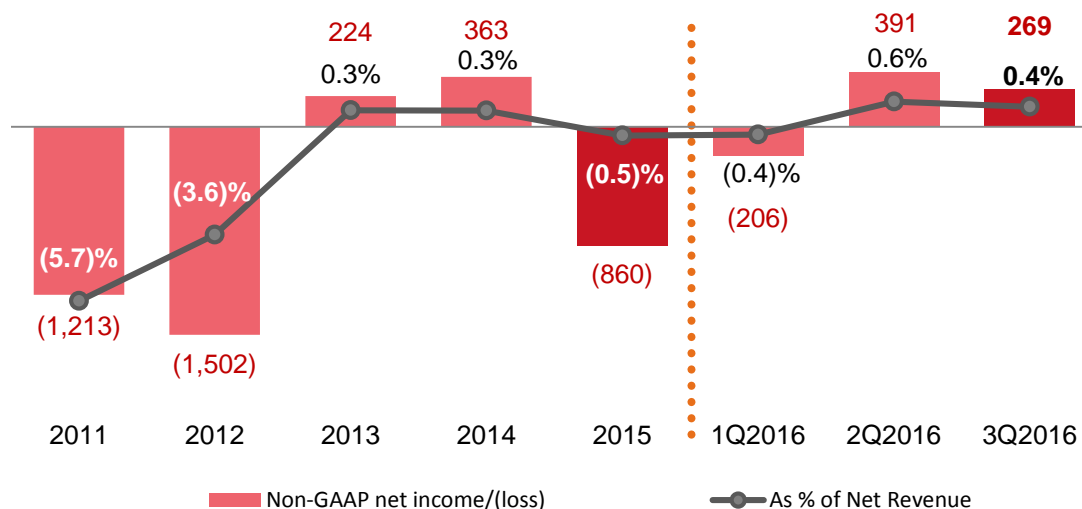
(1) Non-GAAP gross profit is defined as the difference of net revenues and cost of revenue excluding revenue from business cooperation arrangements with equity investees.

Operating and Net Profitability

Non-GAAP Operating Margin ⁽¹⁾	2014	2015	1Q2016	2Q2016	3Q2016
Non-GAAP operating margin of JD.com	(0.4)%	(0.9)%	(0.5)%	0.6%	0.7%
Non-GAAP operating margin of JD Mall			0.5%	1.1%	1.1%

Non-GAAP Net Income/(Loss) ⁽²⁾

(RMB Millions)



(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 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.

(2) 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 investments and business, income from non-complete agreement, reconciling items on the share of equity method investments, impairment of goodwill, intangible assets and investments.

GAAP & Non-GAAP Reconciliations

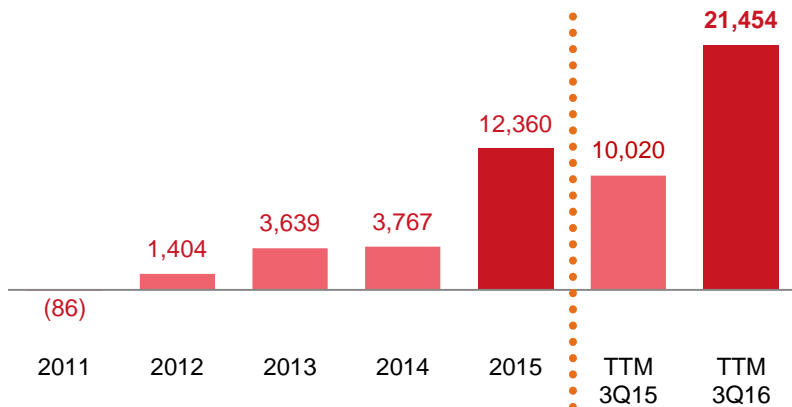
Reconciliations of GAAP & Non-GAAP Net Income/(Loss) (in RMB Millions)	FY2011	FY2012	FY2013	FY2014	FY2015	1Q2016	2Q2016	3Q2016
Net Loss	(1,284)	(1,729)	(50)	(4,996)	(9,388)	(867)	(132)	(808)
Add: Share-based compensation	71	225	261	4,250	1,194	426	579	602
Add: Amortization of intangible assets resulting from assets and business acquisitions	-	2	13	1,109	1,452	353	367	451
Add: Reconciling items on the share of equity method investments ⁽¹⁾	-	-	-	-	174	92	83	157
Add: Impairment of goodwill, intangible assets and investments	-	-	-	-	6,228	-	961	123
Reversal of: Gain on disposals of investments and business	-	-	-	-	-	-	(1,228)	-
Reversal of: Revenue from business cooperation arrangements with equity investees, and income from non- complete agreement	-	-	-	-	(520)	(210)	(239)	(256)
Non-GAAP Net Income / (Loss)	(1,213)	(1,502)	224	363	(860)	(206)	391	269
Non-GAAP Net Margin	(5.7)%	(3.6)%	0.3%	0.3%	(0.5)%	(0.4)%	0.6%	0.4%

(1) Represents reconciliation of JD's share of equity method investees' GAAP & Non-GAAP results, including their share-based compensations, amortization of intangible assets resulting from assets and business acquisitions, share of amortization of their 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

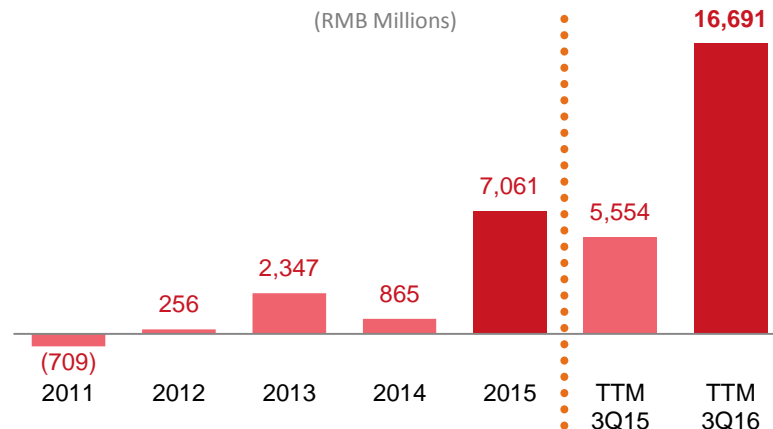
Adjusted Operating Cash Flow ⁽¹⁾

(RMB Millions)



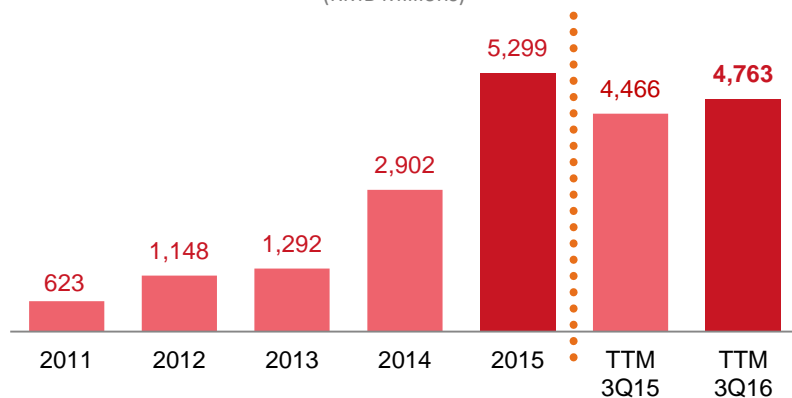
Free Cash Flow ⁽³⁾

(RMB Millions)



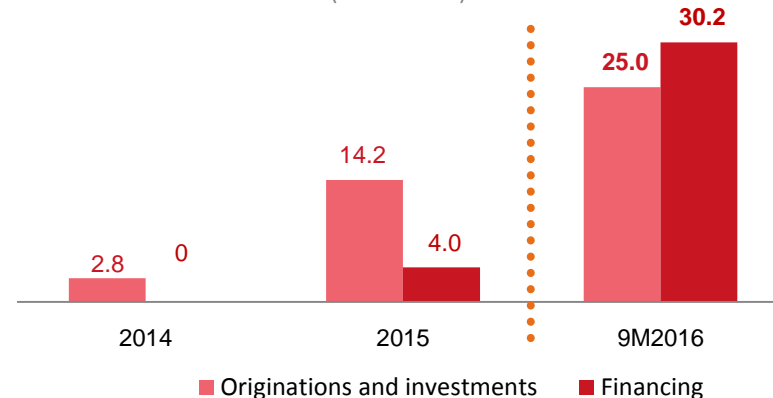
Capital Expenditures ⁽²⁾

(RMB Millions)



JD Finance Originations, Investments and Financing

(RMB Billions)



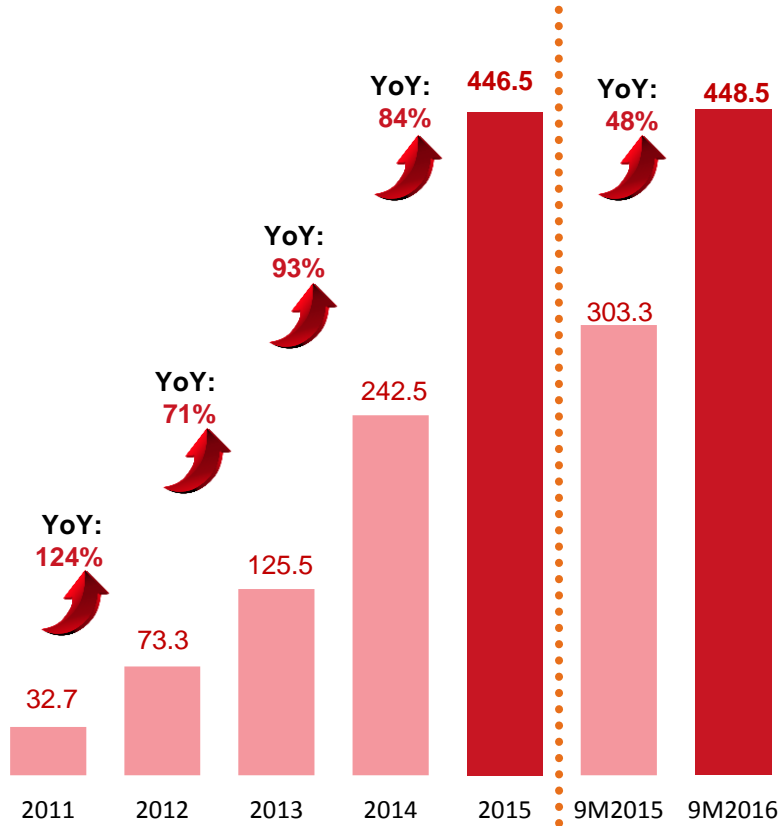
(1) Adjusted operating cash flow is defined as net cash provided by operating activities adding back JD Finance net originations/(repayments) included in operating cash flow.

(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.

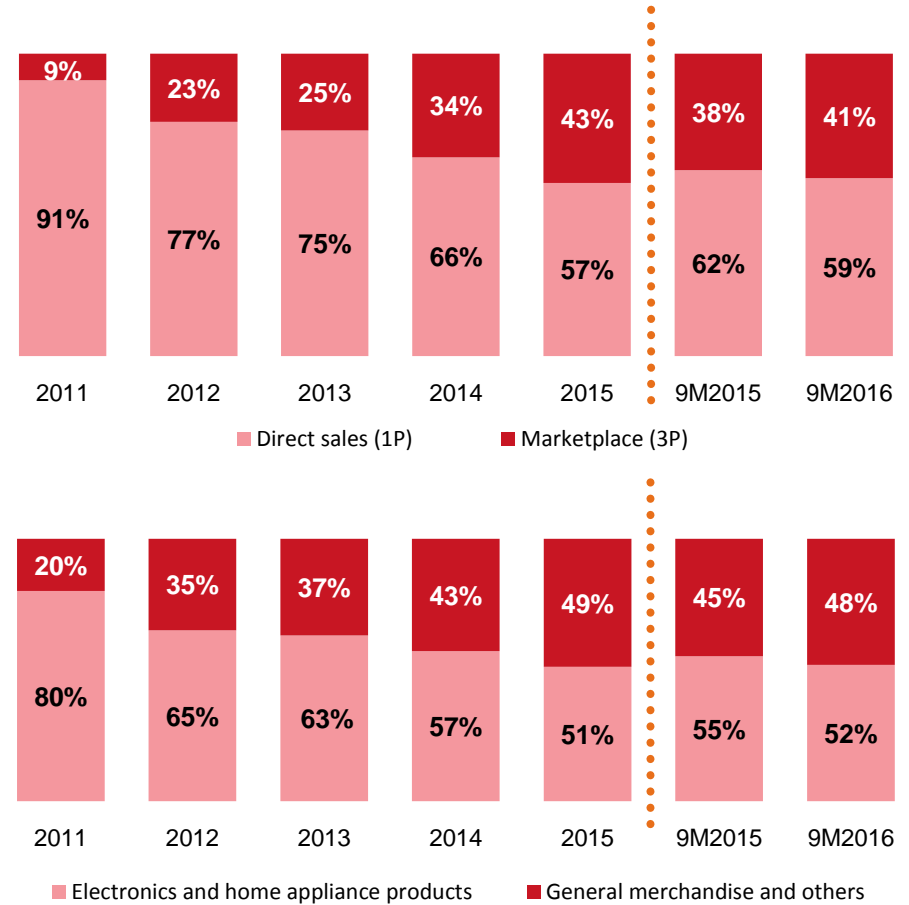
(3) Free cash flow is defined as adjusted operating cash flow less capital expenditures.

Core GMV (1)

(RMB Billions)



Core GMV Mix (1)(2)



(1) Data for all periods represent core business which excludes Paipai.com.

(2) Mix for 9M2015 & 9M2016 represents core GMV excluding virtual items.

Supplemental Financial Information and Business Metrics

Supplemental Information	1Q2015	2Q2015	3Q2015	4Q2015	1Q2016	2Q2016	3Q2016
GMV excluding virtual items ⁽¹⁾⁽²⁾ (in RMB billions)	78.7	103.3	105.5	137.0	125.5	157.1	155.6
Orders fulfilled excluding virtual items ⁽¹⁾⁽²⁾ (in millions)	175.6	240.0	258.1	353.1	313.0	373.4	401.2
Active customer accounts ⁽¹⁾ – TTM (in millions)	97.8	114.0	126.9	155.0	169.1	188.1	198.7
Inventory turnover ⁽³⁾ – TTM	35.3	36.4	36.4	36.9	37.3	38.5	37.7
Accounts payable turnover ⁽³⁾ – TTM	41.9	43.6	44.5	44.6	46.3	49.8	52.1
Accounts receivable turnover ⁽³⁾ – TTM	3.1	3.2	3.2	3.2	3.1	3.1	3.3
Adjusted operating cash flow ⁽⁴⁾ – TTM (in RMB billions)	5.6	10.6	10.0	12.4	12.8	16.1	21.5
Capital Expenditures ⁽⁵⁾ – TTM (in RMB billions)	(3.5)	(4.0)	(4.4)	(5.3)	(5.1)	(5.1)	(4.8)
Free Cash Flow ⁽⁵⁾ – TTM (in RMB billions)	2.1	6.6	5.6	7.1	7.7	11.0	16.7
Cash and cash equivalents, and Short- term investments (in RMB billions)	26.4	23.8	21.6	20.6	31.1	39.7	31.6

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

(2) Virtual items primarily include prepaid phone cards, prepaid game cards, group buying coupons, and online travel products.

(3) 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) 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.

(4) 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.

(5) 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

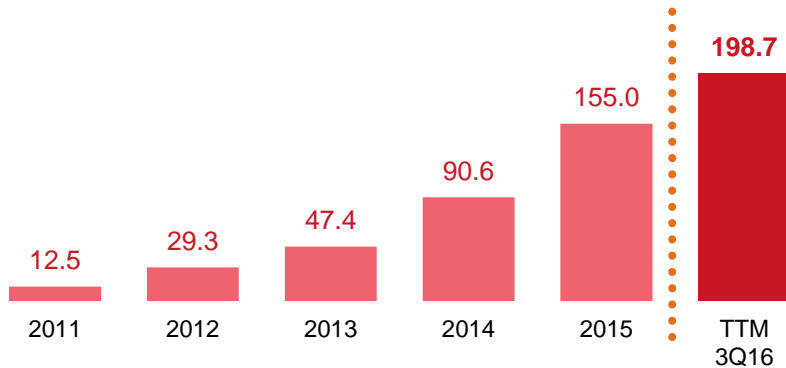


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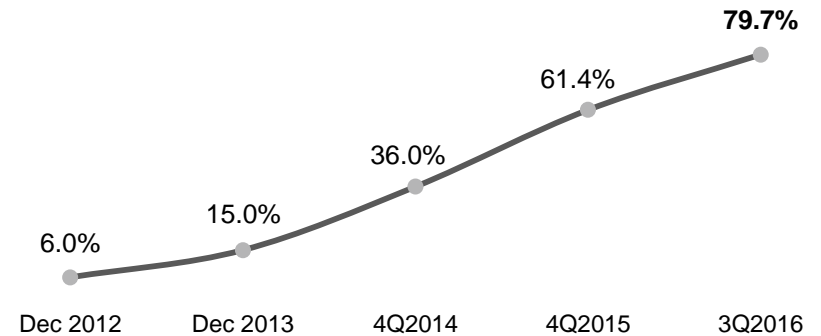


Key Operating Metrics

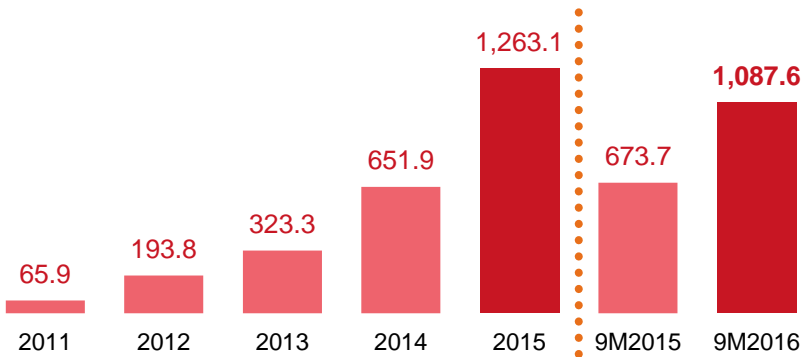
Active Customer Accounts ⁽¹⁾ – TTM
(Millions)



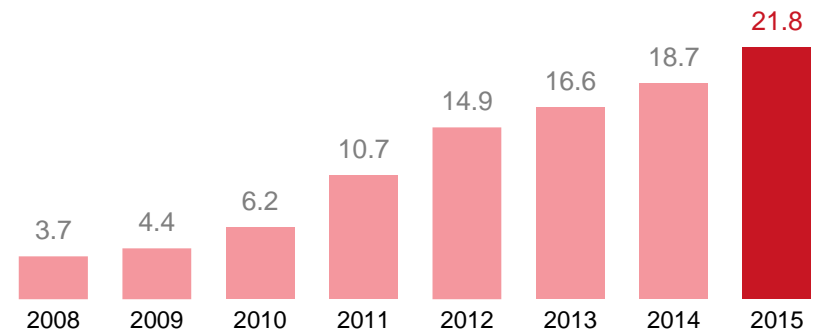
Number of Orders Fulfilled Placed on Mobile
as % of Total ⁽³⁾



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 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; Data for 9M2015 and 9M2016 exclude virtual items.

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

Nationwide Logistics Network



Nationwide Warehouse Network & Last-mile Reach (1)

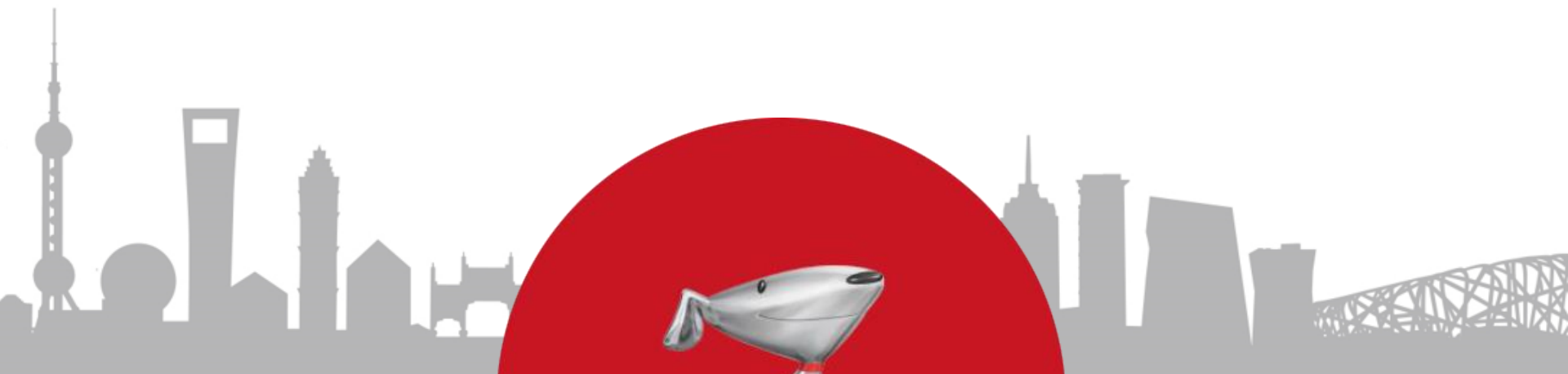


- ★ Cities with fulfillment centers (7)
- Cities with front distribution centers (25)
- ▲ Cities with standalone bulky item warehouses (53)
- Cities with new front distribution centers built after IPO



Fulfillment Capabilities (1)

Fulfillment Centers	7 cities
Front Distribution Centers	25 cities
Warehouses	254 warehouses
GFA	~5.5 million sq.m.
Same-day or Next-day Delivery	>85% of 1P orders Nationwide
Full-time Delivery Employees	over 62,000



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