

## 2Q25 EARNINGS UPDATE

JD.com, Inc.

### Retail Resilience Amid Heavy Food Delivery Investment and New Business Losses

#### KEY POINTS

**Better-Than-Expected Results.** In 2Q25, JD.com reported revenue of RMB356.7 billion, up 22.4% YoY and 6% above Bloomberg consensus, driven by stronger-than-expected JD Retail growth and incremental logistics revenue from its food delivery business. Non-GAAP net profit came in at RMB7.4 billion, down 49% YoY due to higher investments in food delivery, but still 38% above consensus. Operating losses from new businesses widened to RMB14.8 billion versus our prior forecast of RMB10.6 billion, reflecting more aggressive investment in food delivery.

**National Subsidy Fuels 21% Retail Growth.** Retail revenue reached RMB310 billion, rising 20.8% YoY (vs. 17.5% consensus, a 3.3 ppt beat), primarily driven by the national subsidy program. General merchandise benefited from stronger supermarket and apparel sales as well as higher online traffic. The general merchandise growth rate accelerated by 1.5 ppt to 16.4% from 1Q25. Advertising and commission revenue grew 21.7%, up 6.0 ppt from last quarter, supported by rapid GMV expansion. Strong top-line momentum and improved gross margins lifted retail operating margin to 4.5% (+56 bps), with operating profit of RMB13.9 billion outpacing revenue growth.

**Food Delivery: Traffic Expansion and Engagement.** JD launched food delivery in April 2025 with stronger-than-expected order momentum. Single-day order volume climbed from 5 million on April 15 to 25 million on June 1, averaging an estimated 15 million orders per day in 2Q25. Unit economics indicate a loss of roughly RMB5.6 per order. While near-term investments led to RMB14.4 billion in new business operating losses, food delivery and quick commerce are enhancing user engagement, driving new user acquisition, and supporting cross-sell into higher-margin, lower-frequency e-commerce categories. Platform-wide shopping frequency rose over 40% YoY in 2Q25, with JD PLUS member frequency up more than 50%.

**M&A Strengthens Globalization Strategy.** JD just announced close of its acquisition of Hong Kong Jiabao Food Supermarket for HK\$4 billion and has announced a voluntary public takeover offer for European consumer electronics retailer CECONOMY at €4.60 per share, alongside a strategic investment partnership. The deal, expected to close in 1H26, will result in CECONOMY going private by June 26, 2026, while maintaining operational independence. Unlike typical cross-border e-commerce platforms, JD leverages its supply chain strengths to help Chinese premium brands expand overseas and to provide cost-effective products to global consumers. JD is also committed to localization—building local teams, sourcing locally, and establishing long-term partnerships in target markets—while focusing on high-quality, branded products.

August 15, 2025

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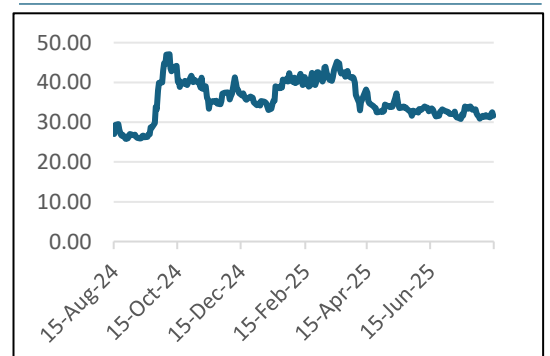
#### KEY DATA

Exchange: NASDAQ, HKEX  
Ticker: JD, 9618  
Current Price: \$31.58  
52-Week Range: \$25.24-\$47.82  
Average Volume (3M): 10.18M  
Shares Outstanding (MM): 1,442M  
Market Capitalization (\$MM): \$44,780  
Fiscal Year-End: December

#### FINANCIALS

In US\$M	FY23A	FY24A	FY25E	FY26E
Revenue	148,599	155,313	162,210	183,952
Gross Profit	21,879	24,348	25,954	29,616
EBIT	3,565	4,600	5,272	7,319
Non GAAP Net Income	4,822	6,552	6,294	8,043

#### PRICE PERFORMANCE



**Valuation: Discount to Peers.** E-commerce valuations are often benchmarked using EV/EBITDA multiples. JD trades at \$31.58 per ADS, with an enterprise value of \$40.96 billion. Consensus projects CY2025 EBITDA at \$3.43 billion (11.9x EV/EBITDA) and CY2026 EBITDA at \$7.29 billion (5.6x). This represents a substantial discount to peers, which trade at 16x and 21x EV/EBITDA for CY2025 and CY2026, respectively.

## FINANCIALS AND VALUATION UPDATES

**Figure 1: JD's Financials 2023 – 2026E.**

Unit: Million USD	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25E	4Q25E	2025E	2026E
Total net revenues	148,588	35,624	39,918	35,670	47,534	158,747	41,245	48,859	38,792	49,969	178,866	183,952
Cost of revenues	-126,710	-30,176	-33,625	-29,500	-40,257	-133,559	-34,691	-41,100	-32,081	-42,274	-150,146	-154,336
Gross Profit	21,878	5,448	6,293	6,170	7,276	25,188	6,555	7,759	6,711	7,695	28,720	29,616
Fulfillment	-8,844	-2,302	-2,359	-2,230	-2,756	-9,648	-2,704	-3,034	-2,677	-3,048	-11,462	-11,626
Marketing	-5,498	-1,268	-1,626	-1,370	-2,306	-6,569	-1,444	-3,701	-1,513	-2,189	-8,846	-6,788
Research and development	-2,246	-553	-578	-602	-601	-2,333	-633	-726	-656	-655	-2,669	-2,559
General and administrative	-1,330	-271	-292	-319	-336	-1,218	-331	-447	-357	-355	-1,490	-1,324
Impairment of goodwill and intangible assets	-431	0	0	0	-109	-109	0	0	0	0	0	0
Impairment of long-lived assets	-277	0	0	0	-214	-214	0	0	0	0	0	0
Gain on sale of development properties	313	0	0	0	209	209	0	31	0	0	0	0
Income from operations	3,565	1,055	1,439	1,650	1,163	5,306	1,443	-118	1,509	1,449	4,283	7,319
Other income/(expenses)												
Share of results of equity investees	138	-100	156	186	76	319	182	284	194	50	710	294
Interest expense	-395	-82	-94	-93	-127	-397	-82	-88	-101	-110	-381	-441
Others, net	1,027	369	639	345	479	1,832	285	840	698	475	2,297	2,097
Income before tax	4,336	1,242	2,139	2,088	1,591	7,060	1,828	918	2,300	1,864	6,910	9,269
Income tax expenses	-1,150	-233	-277	-330	-103	-942	-283	1	-313	-296	-890	-1,390
Net income	3,186	1,009	1,862	1,759	1,488	6,118	1,545	919	1,988	1,568	6,019	7,879
Net income attributable to non-controlling interests shareholders	-125	32	130	152	138	452	53	73	124	50	300	368
Net income attributable to the Company's ordinary shareholders	3,311	977	1,732	1,607	1,350	5,666	1,492	846	1,863	1,518	5,719	7,511
Non-GAAP Adjustment Items	1,511	2,841	5,411	10,451	20,214	38,916	256	167	47	106	575	532
Non-GAAP net income attributable to the Company's ordinary shareholders	4,822	1,219	1,981	1,805	1,547	6,552	1,748	1,013	1,910	1,623	6,294	8,043

Source: GLH Research; Company filings.

**Figure 2: Peer Valuation Analysis.**

Company	Ticker	EV	EBITDA			EV/EBITDA			Category
			2024A	2025E	2026E	2024A	2025E	2026E	
Amazon.com Inc	AMZN.O	2,461,303	120,468	166,356	199,519	20.4x	14.8x	12.3x	U.S. E-Commerce Companies
eBay Inc	EBAY.O	49,464	2,578	3,357	3,575	19.2x	14.7x	13.8x	U.S. E-Commerce Companies
Shopify Inc	SHOP.K	189,554	1,283	1,882	2,538	-	-	74.7x	U.S. E-Commerce Companies
Meta Platforms Inc	META.O	1,962,160	83,717	119,522	137,442	23.4x	16.4x	14.3x	U.S. Internet Companies
Alphabet Inc	GOOGL.O	2,394,834	129,497	176,310	203,353	18.5x	13.6x	11.8x	U.S. Internet Companies
Microsoft Corp	MSFT.O	3,887,177	129,433	156,528	189,854	30.0x	24.8x	20.5x	U.S. Internet Companies
PDD Holdings Inc.	PDD.O	115,070	14,951	13,223	17,577	7.7x	8.7x	6.5x	Asia E-Commerce Companies
Alibaba Group Holding Ltd	BABA.N	266,375	25,375	26,755	28,849	10.5x	10.0x	9.2x	Asia E-Commerce Companies
Sea Ltd	SE.N	98,291	1,052	3,453	4,469	-	28.5x	22.0x	Asia E-Commerce Companies
						Median	19.2x	14.8x	13.8x
						Mean	18.5x	16.4x	20.6x
JD.Com Inc	JD.O	40,956	6,641	3,434	7,291	6.2x	11.9x	5.6x	

Notes:

1. Data as of 08/15/2025.
2. EVs and EBITDAs are in US\$ Million.
3. EBITDAs are in calendar year and estimates are provided by analyst consensus on Capital IQ.

Source: GLH Research; Company filings; Capital IQ.

## ABOUT THE ANALYSTS

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### **Chujie (Jack) Sun, CFA**

Senior Research Analyst

Chujie (Jack) Sun is a Senior Research Analyst at Gelonghui Research. Since 2017, Jack has served as the Investment Analyst in China Alpha Fund Management (Hong Kong) Limited, TMT Analyst in First Shanghai Group, and TMT Analyst at Gelonghui Research. Focusing on TMT sector, Chinese companies listed in the US, Hong Kong, and etc., and he specializes in both buy-side and sell-side equity research. Jack holds a B.A. in Economics from Ohio State University (Columbus) and an M.S. in Finance from City University of Hong Kong.

### **Yuecong (Marco) Zhang**

Senior Research Analyst

Yuecong (Marco) Zhang is a Senior Research Analyst at Gelonghui Research. Marco previously held the position of Senior Research Analyst at Watertower Research, Executive Director at Valuable Capital Group's Investment Banking Department, Vice President at Guosen Securities (HK), and Senior Associate at Roth Capital Partners, where he completed more than 35 transactions, including IPOs, follow-on offerings, and M&A, with a total transaction value of more than US\$3.5 Billion+ for mid-cap companies from China and the US. During his time at Roth, he led six NASDAQ and NYSE IPOs for Chinese clients, with a total transaction value of more than US\$260 Million. Marco holds a B.S. in Financial Management from North China Electric Power University and an M.S. in Applied Finance from Pepperdine University.

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