15 Apr 2026

CMB International Global Markets | Equity Research | Company Update

JD.com (JD US)

1Q26 preview: expecting upbeat results driven by food delivery loss reduction and core JDR

For 1Q26E, we anticipate JD.com (JD) to post total revenue of RMB310.6bn, up 3.2% YoY, in line with Bloomberg consensus, and to report non-GAAP net profit of RMB5.9bn, down 54% YoY due to investments in the food delivery (FD) business and international expansion. However, our forecast on non-GAAP NP is above consensus at RMB5.1bn, driven by better-than-expected QoQ loss reduction in FD and stronger-than-expected performance in the core JD Retail business, aided by operating efficiency improvements. For 1Q26E, we estimate JD Retail OP to increase by 3% YoY to RMB13.2bn, and FD operating loss to narrow to RMB7.0bn (4Q25: CMBI estimates of RMB10.5bn loss). We maintain our 2026E revenue forecast largely unchanged, while raising our non-GAAP net profit forecast by 4% to reflect a better-than-expected loss reduction trajectory for the FD business, driven by easing industry competition. We continue to expect 5% YoY growth in both revenue and OP for the core JDR business in 2026E. Greater visibility on group-level earnings growth, as well as shareholder returns, remain key stock price drivers, in our view. Maintain BUY, with our DCF-based TP unchanged at US$47.5.

- **QoQ recovery in revenue growth in line with our expectation.** Supported by a slight QoQ recovery in consumption sentiment, we forecast total revenue growth of 3.2% YoY (4Q25: 1.5%) for 1Q26E, driven by 18.9% YoY growth in net services revenue, partially offset by a 0.7% YoY decline in net product revenue. In 1Q26E, we expect a slight QoQ acceleration in YoY growth of marketplace and advertising revenue to 15.4% (4Q25: 15.0%), driven by optimization of platform ecosystem. We also anticipate healthy YoY growth of 12.8% in general merchandise revenue (4Q25: 12.1%).
- **Core JDR business to deliver better-than-expected OP growth.** For JDR, despite facing a high base in the electronics and home appliance categories, we forecast revenue growth of 0.6% YoY to RMB265.4bn, supported by solid performance in both general merchandise and marketplace and advertising revenue. We expect OPM of 5.0% in 1Q26E (1Q25: 4.9%), driven by operating efficiency improvements and scale effects. Our OP forecast of RMB13.2bn for JDR is above consensus of RMB12.5bn.
- **FD business loss reduction likely better than expected.** We expect FD operating loss to narrow to RMB7.0bn in 1Q26E, from RMB13.1bn/RMB10.5bn in 3Q25/4Q25 based on our estimate, driven by optimization in user subsidies, improved operating efficiency, better order mix, and increased commission and advertising revenue generation.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	1,158,819	1,309,085	1,403,338	1,498,988	1,574,398
YoY growth (%)	6.8	13.0	7.2	6.8	5.0
Net profit (RMB mn)	41,359.0	19,631.0	25,298.5	36,946.6	43,456.8
Adjusted net profit (RMB mn)	47,827.0	27,032.0	30,350.8	41,928.6	48,587.0
EPS (Adjusted) (RMB)	31.07	17.02	20.38	28.16	32.63
Consensus EPS (RMB)	31.07	17.82	20.41	27.74	32.62
P/E (x)	7.7	15.4	12.0	8.2	7.0

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	**US$47.50**
Up/Downside	**52.0%**
Current Price	**US$31.25**

China Internet

Saiyi HE, CFA
(852) 3916 1739
hesaiyi@cmbi.com.hk

Ye TAO, CFA
(852) 3850 5226
franktao@cmbi.com.hk

Wentao LU, CFA
luwentao@cmbi.com.hk

Shuyin GUO
(852) 3916 3716
guoshuyin@cmbi.com.hk

Stock Data

Mkt Cap (US$ mn)	46,531.3
Avg 3 mths t/o (US$ mn)	217.2
52w High/Low (US$)	37.25/25.40
Total Issued Shares (mn)	1489.0

Source: FactSet

Shareholding Structure

Max Smart Limitied	9.6%
BlackRock	4.7%

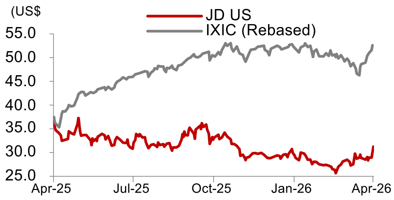
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	10.3%	3.2%
3-mth	6.3%	5.8%
6-mth	-5.7%	-9.6%

Source: FactSet

12-mth Price Performance



Source: FactSet

Revision in financial forecast and valuation

Figure 1: JD: forecast revision

	Current			Previous			Change (%)		
RMB bn	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	1,403.3	1,499.0	1,574.4	1,402.3	1,497.1	1,571.9	0.1%	0.1%	0.2%
Gross profit	225.7	244.1	258.0	224.7	242.5	255.9	0.4%	0.7%	0.8%
Operating profit	15.6	32.9	46.1	14.1	34.6	44.3	10.2%	-4.8%	4.0%
Non-GAAP net profit	30.4	41.9	48.6	29.1	43.3	47.2	4.3%	-3.1%	3.0%
Gross margin	16.1%	16.3%	16.4%	16.0%	16.2%	16.3%	0.1 ppt	0.1 ppt	0.1 ppt
OPM	1.1%	2.2%	2.9%	1.0%	2.3%	2.8%	0.1 ppt	-0.1 ppt	0.1 ppt
- JD Retail	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	0.0 ppt	0.0 ppt	0.0 ppt
Non-GAAP net margin	2.2%	2.8%	3.1%	2.1%	2.9%	3.0%	0.1 ppt	-0.1 ppt	0.1 ppt

Source: CMBIGM estimates

Figure 2: JD: CMBI forecast vs consensus

	Current			Consensus			Diff (%)		
RMB bn	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	1,403.3	1,499.0	1,574.4	1,391.1	1,476.7	1,553.7	0.9%	1.5%	1.3%
Gross profit	225.7	244.1	258.0	225.4	240.4	261.3	0.1%	1.5%	-1.3%
Operating profit	15.6	32.9	46.1	14.6	27.3	38.0	6.9%	20.4%	21.1%
Non-GAAP net profit	30.4	41.9	48.6	29.9	40.5	48.3	1.4%	3.7%	0.5%
Gross margin	16.1%	16.3%	16.4%	16.2%	16.3%	16.8%	-0.1 ppt	0.0 ppt	-0.4 ppt
Non-GAAP net margin	2.2%	2.8%	3.1%	2.2%	2.7%	3.1%	0.0 ppt	0.1 ppt	0.0 ppt

Source: Bloomberg, CMBIGM estimates

DCF-based target price of US$47.5

Our target price of US$47.5 is derived from the DCF valuation methodology (WACC of 11.8% and terminal growth of 1.0%; both unchanged), translating into 16x/12x 2026/2027E.

Figure 3: JD: DCF valuation (WACC of 11.8% and terminal growth of 1.0%)

(RMBbn)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Total revenue	1,403	1,499	1,574	1,636	1,687	1,729	1,763	1,791	1,813
NPV of FCF	174								
Discounted terminal value	188								
Total equity valuation	495								
No. of ADS (diluted, mn)	1,489								
Valuation per ADS (US$)	47.5								
TP per share (US$)	47.5								

Source: Bloomberg, CMBIGM estimates

Risks

1) Consumption recovery takes longer than we expect; 2) more intensified-than-expected business competition.

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**1,084,662**	**1,158,819**	**1,309,085**	**1,403,338**	**1,498,988**	**1,574,398**
Cost of goods sold	(924,958)	(974,951)	(1,099,057)	(1,177,686)	(1,254,903)	(1,316,439)
Gross profit	**159,704**	**183,868**	**210,028**	**225,651**	**244,085**	**257,959**
Operating expenses	**(132,663)**	**(143,570)**	**(207,641)**	**(210,064)**	**(211,191)**	**(211,897)**
Selling expense	(40,133)	(47,953)	(83,953)	(79,289)	(73,450)	(69,274)
Admin expense	(9,710)	(8,888)	(11,980)	(12,702)	(13,418)	(13,936)
R&D expense	(16,393)	(17,031)	(22,229)	(23,549)	(24,854)	(25,790)
Others	(66,427)	(69,698)	(89,479)	(94,525)	(99,468)	(102,898)
Operating profit	**27,041**	**40,298**	**2,387**	**15,587**	**32,894**	**46,063**
Other gains/(losses)	7,496	13,371	17,327	12,129	9,703	7,762
Share of (losses)/profits of associates/JV	1,010	2,327	8,025	8,025	8,025	8,025
EBIT	**35,547**	**55,996**	**27,739**	**35,741**	**50,622**	**61,850**
Interest income	(2,881)	(2,896)	(2,803)	(2,803)	(2,803)	(2,803)
Others	(1,016)	(1,562)	387	0	0	0
Pre-tax profit	**31,650**	**51,538**	**25,323**	**32,938**	**47,819**	**59,047**
Income tax	8,393	6,878	2,181	5,040	8,273	12,990
After tax profit	**23,257**	**44,660**	**23,142**	**27,899**	**39,547**	**46,057**
Minority interest	(910)	3,301	3,511	2,600	2,600	2,600
Discontinued operations	0	0	0	0	0	0
Others	0	0	0	0	0	0
Net profit	**24,167**	**41,359**	**19,631**	**25,299**	**36,947**	**43,457**
Adjusted net profit	**35,200**	**47,827**	**27,032**	**30,351**	**41,929**	**48,587**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**307,810**	**386,698**	**374,421**	**420,886**	**473,162**	**528,960**
Cash & equivalents	71,892	108,350	137,488	151,344	193,040	240,404
Restricted cash	7,506	7,366	12,137	12,137	12,137	12,137
Account receivables	20,302	25,596	27,333	30,758	32,855	34,507
Inventories	68,058	89,326	95,428	121,963	129,960	136,333
Prepayment	15,639	15,951	17,898	17,898	17,898	17,898
Other current assets	124,413	140,109	84,137	86,786	87,273	87,681
Non-current assets	**321,148**	**311,536**	**320,780**	**332,701**	**342,181**	**352,349**
PP&E	70,035	82,737	91,349	103,270	112,750	122,918
Right-of-use assets	20,863	24,532	31,128	31,128	31,128	31,128
Deferred income tax	1,744	2,459	5,237	5,237	5,237	5,237
Investment in JVs & assos	56,746	56,850	51,978	51,978	51,978	51,978
Intangibles	6,935	7,793	7,723	7,723	7,723	7,723
Goodwill	19,980	25,709	26,291	26,291	26,291	26,291
Other non-current assets	144,845	111,456	107,074	107,074	107,074	107,074
Total assets	**628,958**	**698,234**	**695,201**	**753,587**	**815,344**	**881,309**
Current liabilities	**265,650**	**299,521**	**306,072**	**310,199**	**324,846**	**336,609**
Short-term borrowings	5,034	7,581	8,014	8,014	8,014	8,014
Account payables	166,167	192,860	188,379	190,366	202,847	212,794
Tax payable	7,313	9,487	7,008	7,008	7,008	7,008
Other current liabilities	35,848	36,002	43,227	45,368	47,532	49,349
Lease liabilities	7,755	7,606	9,399	9,399	9,399	9,399
Accrued expenses	43,533	45,985	50,045	50,045	50,045	50,045
Non-current liabilities	**66,928**	**85,416**	**95,346**	**117,136**	**120,251**	**123,835**
Long-term borrowings	10,411	24,770	20,798	43,895	47,009	50,593
Deferred income	964	502	0	0	0	0
Other non-current liabilities	55,553	60,144	74,548	73,242	73,242	73,242
Total liabilities	**332,578**	**384,937**	**401,418**	**427,336**	**445,097**	**460,444**
Share capital	0	0	0	0	0	0
Capital surplus	231,858	239,347	225,040	232,210	239,259	246,421
Retained earnings	0	0	0	25,299	62,245	105,702
Other reserves	614	484	0	0	0	0
Total shareholders equity	**232,472**	**239,831**	**225,040**	**257,508**	**301,504**	**352,123**
Minority interest	63,908	73,466	68,743	68,743	68,743	68,743
Total equity and liabilities	**628,958**	**698,234**	**695,201**	**753,587**	**815,344**	**881,309**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**31,650**	**51,538**	**25,323**	**32,938**	**47,819**	**59,047**
Depreciation & amortization	8,292	8,904	9,990	10,313	10,865	11,201
Tax paid	(8,393)	(6,878)	(2,181)	(5,040)	(8,273)	(12,990)
Change in working capital	16,547	5,350	(10,986)	(28,482)	4,066	3,329
Others	11,425	(819)	(3,155)	4,570	4,449	4,562
Net cash from operations	**59,521**	**58,095**	**18,991**	**14,300**	**58,927**	**65,149**
Investing						
Capital expenditure	(15,050)	(16,950)	(20,386)	(20,450)	(20,345)	(21,369)
Acquisition of subsidiaries/ investments	(194,987)	(151,608)	0	0	0	0
Net proceeds from disposal of short-term investments	225,889	168,481	0	0	0	0
Others	(75,395)	(794)	62,218	0	0	0
Net cash from investing	**(59,543)**	**(871)**	**41,832**	**(20,450)**	**(20,345)**	**(21,369)**
Financing						
Net borrowings	1,562	13,113	(3,539)	23,097	3,115	3,583
Proceeds from share issues	(7,370)	(34,117)	0	0	0	0
Others	0	0	(23,189)	0	0	0
Net cash from financing	**(5,808)**	**(21,004)**	**(26,728)**	**23,097**	**3,115**	**3,583**
Net change in cash						
Cash at the beginning of the year	82,013	76,308	112,626	146,535	163,481	205,177
Exchange difference	125	98	(186)	0	0	0
Cash at the end of the year	**76,308**	**112,626**	**146,535**	**163,481**	**205,177**	**252,541**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	3.7%	6.8%	13.0%	7.2%	6.8%	5.0%
Gross profit	8.6%	15.1%	14.2%	7.4%	8.2%	5.7%
Operating profit	37.1%	49.0%	(94.1%)	553.0%	111.0%	40.0%
EBIT	122.5%	57.5%	(50.5%)	28.8%	41.6%	22.2%
Net profit	132.8%	71.1%	(52.5%)	28.9%	46.0%	17.6%
Adj. net profit	24.7%	35.9%	(43.5%)	12.3%	38.1%	15.9%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	14.7%	15.9%	16.0%	16.1%	16.3%	16.4%
Operating margin	2.5%	3.5%	0.2%	1.1%	2.2%	2.9%
Adj. net profit margin	3.2%	4.1%	2.1%	2.2%	2.8%	3.1%
Return on equity (ROE)	10.8%	17.5%	8.4%	10.5%	13.2%	13.3%

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Net debt to equity (x)	(0.2)	(0.3)	(0.5)	(0.4)	(0.5)	(0.5)
Current ratio (x)	1.2	1.3	1.2	1.4	1.5	1.6
Receivable turnover days	6.9	7.2	7.4	7.6	7.7	7.8
Inventory turnover days	(28.8)	(29.5)	(30.7)	(33.7)	(36.6)	(36.9)
Payable turnover days	(64.5)	(67.2)	(63.3)	(58.7)	(57.2)	(57.6)

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	13.9	7.7	15.4	12.0	8.2	7.0
P/E (diluted)	14.0	7.9	16.2	12.5	8.6	7.3
P/B	1.4	1.3	1.3	1.2	1.0	0.9

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

Disclosures & Disclaimers

Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report.
Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

CMBIGM Ratings

BUY	: Stock with potential return of over 15% over next 12 months
HOLD	: Stock with potential return of +15% to -10% over next 12 months
SELL	: Stock with potential loss of over 10% over next 12 months
NOT RATED	: Stock is not rated by CMBIGM
OUTPERFORM	: Industry expected to outperform the relevant broad market benchmark over next 12 months
MARKET-PERFORM	: Industry expected to perform in-line with the relevant broad market benchmark over next 12 months
UNDERPERFORM	: Industry expected to underperform the relevant broad market benchmark over next 12 months

CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)

Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.
This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.
The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.
CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.
Additional information on recommended securities is available upon request.

For recipients of this document in the United Kingdom
This report has been provided only to persons (I)falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time)("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.,) of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States
CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore
This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.