

# JD.com (09618.HK)

Revenue rebounded to double-digit growth with untapped potential in profit growth

China | E-commerce | TMT

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## Financial performance

In Q4 2024, the company's revenue rebounded to double-digit growth, rising 13.4% YoY to CNY 347 billion, driven mainly by strong product revenue growth. Product sales (1P) increased 14.0% YoY to CNY 281.0 billion, while service revenue (3P) grew 10.8% to CNY 66.0 billion. By segment, JD Retail revenue climbed 14.7% to CNY 307.1 billion, JD Logistics revenue rose 10.4% to CNY 52.1 billion, and New Business revenue declined 31.0% to CNY 4.7 billion. Operating profit surged 319.3% YoY to CNY 8.5 billion, with a 2.4% margin, while Non-GAAP net profit attributable to shareholders jumped 34.2% to CNY 11.3 billion.

For full-year 2024, total revenue reached CNY 1,158.8 billion (+6.8% YoY), operating profit grew 48.8% to CNY 38.7 billion (3.3% margin), and Non-GAAP net profit rose 35.9% to CNY 47.8 billion. The company enhanced shareholder returns, raising dividends to 1.5 billion and 3.6 billion in shares, achieving a record 7.6% total shareholder return ratio.

## Performance summary

### JD Retail

In Q4 2024, JD Retail (including JD Health, JD Industry, and other components) reported revenue of CNY 307.1 billion, up 14.7% YoY, with an operating profit of CNY 10.0 billion and an operating profit margin (excluding unallocated items) of 3.3%, an increase of 2.6 percentage points YoY. Product revenue rose 14.0% YoY to CNY 281.0 billion, with both electronics & home appliances and general merchandise categories achieving double-digit growth. Electronics and home appliance sales reached CNY 174.1 billion (+15.8% YoY), while daily necessities revenue grew 11.1%. Service revenue increased 10.8% to CNY 66.0 billion, with platform and advertising service revenue up 12.7%.

On the product revenue (1P) side, according to China's National Bureau of Statistics, total retail sales of consumer goods in 2024 reached CNY 48.8 trillion (+3.5% YoY), while online retail sales grew 7.2% to CNY 15.5 trillion. Within this, online sales of physical goods rose 6.5% to CNY 13.08 trillion, accounting for 26.8% of total retail sales—outpacing overall consumption growth and reflecting steady recovery.

For service revenue (3P), JD continued to enhance its third-party merchant ecosystem and strengthen user engagement, with both quarterly active users and purchase frequency maintaining double-digit YoY growth in Q4 2024. The company also expanded its 3P ecosystem—in January 2025, JD announced a major upgrade to its PLUS membership program, introducing a "Lifestyle Services Package" (allowing members to redeem seven premium services with points), a new "180-Day No-Questions-Asked Replacement" policy (covering appliances and 3C products), and an expanded "Unlimited Free Shipping" benefit (now including instant-delivery services).

On the user experience front, JD has revamped its search and recommendation systems using AI, improving search satisfaction and traffic distribution efficiency. For consumers, the company introduced an AI shopping assistant and AI digital avatars to provide comprehensive product information and professional advice, reducing the time and effort required to find and select products. For merchants, JD rolled out a suite of AI-powered tools covering product listings, order management, after-sales service, customer support, and data analytics to enhance operational efficiency and reduce costs.

Given that JD Retail's business adjustments have shown initial success and continue to benefit from China's "trade-in" policy, but factoring in the high base effect in the second half of 2024, we estimate JD Retail's segment valuation at CNY 444.0 billion based on a 12.0x forward 2025 P/E ratio.

## Buy

CMP HKD 160.8

(Closing price as of 31 Mar)

Target HKD 200.3 (+24.6%)

### COMPANY DATA

O/S SHARES (MN) :	3,183.434
MARKET CAP (HKD MN) :	4,668.020
52 - WK HI/LO (HKD):	192.30/94.65

### SHARE HOLDING PATTERN, %

Max Smart Limited	9.60%
Walmart	4.55%

### PRICE VS. HSI



Source: Phillip Securities (HK) Research

### KEY FINANCIALS

CNY mn	FY23	FY24	FY25E	FY26E
Revenue	1,084,662	1,158,819	1,233,976	1,317,141
Net profit	24,167	41,359	44,155	48,515
Diluted EPS	7.6	13.0	13.9	15.2
P/E ratio, x	19.6	11.5	10.7	9.8
Dividend Yield, %	2.6%	2.9%	2.6%	2.8%

Source: Company reports, Phillip Securities Est.

### Research Analyst

Megan Tao

megantao@phillip.com.hk

### JD Logistics

In 2024, JD Logistics reported revenue of CNY 182.8 billion, up 9.7% YoY. Revenue from external clients reached CNY 127.8 billion (+9.6% YoY), accounting for nearly 70% of total revenue, with over 80,000 external integrated supply chain customers served. Thanks to continuous operational refinement, JD Logistics achieved an adjusted net profit of CNY 7.9 billion, surging 186.8% YoY.

### JD Health

JD Health's 2024 revenue grew 8.6% YoY to CNY 58.2 billion, with gross profit up 12.2% to CNY 13.3 billion. Operating profit jumped 132.9% YoY to CNY 1.47 billion, while adjusted operating profit rose 4.9% to CNY 2.6 billion.

### New Business

In Q4 2024, revenue from new businesses declined 31.0% YoY, mainly due to JD Xi's transition from a self-operated to a semi-hosted model. Dada's net revenue fell 11.6% YoY to CNY 2.4 billion, with JD Instant Delivery revenue plunging 52.4% to CNY 700 million. However, Dada Now's revenue surged 40.8% to CNY 1.7 billion, driven by increased orders from chain merchants for intra-city delivery services. The segment reported a net loss of CNY 1.2 billion, slightly narrower than the previous year.

### Company valuation

In 2025, JD.com will further enhance supply chain efficiency across its core product categories to unlock additional profit growth potential. Based on the industry-average 12.0x forward 2025 P/E ratio, we have raised our revenue forecasts to CNY 1,234bn/1,317.1bn/1,411.2bn for 2025-2027, with projected net profits of CNY 44.2bn/48.5bn/51.9bn and corresponding EPS of CNY 13.9/15.2/16.3, implying current P/E multiples of 10.7x/9.8x/9.1x. Our sum-of-the-parts valuation, incorporating a 30% holding discount to JD's subsidiaries and investments, yields a target market cap of CNY 585.1bn for JD Group in 2025, equivalent to a target price of CNY 183.8 (HKD200.3) per share, and we maintain our "Buy" rating on the stock.

RMB, mn	Latest valuation	Ownership	Discount	Contribution to JD
JD Retail	443,976	100%		443,976
JD Health (6618.HK)	103,407	67%	30%	48,498
JD Logistics (2618.HK)	84,771	63%	30%	37,384
Dada (DADA.US)	3,528	53%	30%	1,309
ATRenew (RERE.US)	5,350	34%	30%	1,273
Tianju Dihe (2479.HK)	3,619	15%	30%	377
JD Intelligent	49,892	75%	30%	26,193
JD Industrials	48,441	77%	30%	26,110
Total valuation				585,121
Target price, RMB				183.80
Target price, HKD				200.34

Exchange rate: USD/RMB = 7.23, RMB/HKD = 1.08

### Risk factors

1) The monetization capabilities of the platform ecosystem may not meet expectations; 2) increased competition in the retail and logistics industries; 3) consumer demand may recover weaker than expected.

### Financials

**Consolidated Statement of Profit or Loss**

Dec Y/E, RMB mn	FY23	FY24	FY25E	FY26E	FY27E
Electronics and home appliance revenues	538,799	564,982	598,881	634,814	672,903
General merchandise revenues	332,425	363,025	384,807	404,047	428,290
Net product revenues	871,224	928,007	983,687	1,038,861	1,101,192
Marketplace and marketing revenues	84,726	90,111	95,518	100,294	105,308
Logistics and other service revenues	128,712	140,701	154,771	177,987	204,685
Net service revenues	213,438	230,812	250,289	278,280	309,993
<b>Total net revenues</b>	<b>1,084,662</b>	<b>1,158,819</b>	<b>1,233,976</b>	<b>1,317,141</b>	<b>1,411,185</b>
Cost of revenues	-924,958	-974,951	-1,038,183	-1,108,152	-1,187,275
<b>Gross profit</b>	<b>159,704</b>	<b>183,868</b>	<b>195,793</b>	<b>208,989</b>	<b>223,911</b>
Fulfillment	-64,558	-70,426	-76,764	-82,905	-89,538
Marketing	-40,133	-47,953	-54,187	-61,231	-68,579
Research and development	-16,393	-17,031	-17,372	-17,719	-17,719
General and administrative	-9,710	-8,888	-9,066	-9,338	-9,618
Income from operations	26,025	38,736	43,716	49,297	53,625
Other income	5,625	12,802	12,802	12,802	12,802
Income/(loss) before tax	31,650	51,538	56,518	62,099	66,427
Income tax expense	-8,393	-6,878	-14,130	-15,525	-16,607
Net income/(loss)	23,257	44,660	42,389	46,574	49,820
<b>Net income/(loss) attributable to owners of the parent</b>	<b>24,167</b>	<b>41,359</b>	<b>44,155</b>	<b>48,515</b>	<b>51,896</b>

**Consolidated Statement of Financial Position**

Dec Y/E, RMB mn	FY23	FY24	FY25E	FY26E	FY27E
Cash and cash equivalents	71,892	108,350	147,313	186,580	232,872
Other short-term investments	118,254	125,645	133,184	139,843	142,640
Accounts receivable and notes	20,302	25,596	26,108	26,630	27,163
Other receivables	20,506	28,375	28,943	29,521	30,112
Inventory	68,058	89,326	93,792	97,544	99,495
Other current assets	8,798	9,406	9,406	9,406	9,406
<b>Total current assets</b>	<b>307,810</b>	<b>386,698</b>	<b>438,745</b>	<b>489,524</b>	<b>541,687</b>
Net fixed assets	79,955	88,901	78,233	68,845	60,584
Equity investments	56,746	56,850	58,556	60,312	62,122
Other long-term investments	80,840	59,370	59,370	59,370	59,370
Goodwill and intangible assets	26,915	33,502	30,152	27,137	27,137
Land use rights	39,563	36,833	36,833	36,833	36,833
Other non-current assets	37,129	36,080	36,080	36,080	36,080
<b>Total non-current assets</b>	<b>321,148</b>	<b>311,536</b>	<b>299,223</b>	<b>288,577</b>	<b>282,125</b>
<b>Total assets</b>	<b>628,958</b>	<b>698,234</b>	<b>737,968</b>	<b>778,101</b>	<b>823,812</b>
Accounts payable and notes	166,167	192,860	202,503	216,678	227,512
Taxes payable	7,313	9,487	9,487	9,487	9,487
Current portion of short-term and long-term loans	5,034	7,581	7,733	7,887	8,045
Other current liabilities	87,136	89,593	89,593	89,593	89,593
<b>Total current liabilities</b>	<b>265,650</b>	<b>299,521</b>	<b>309,316</b>	<b>323,645</b>	<b>334,637</b>
Long-term loans	41,966	56,475	67,770	77,936	89,626
Other non-current liabilities	24,962	28,941	31,835	35,019	38,520
<b>Total non-current liabilities</b>	<b>66,928</b>	<b>85,416</b>	<b>99,605</b>	<b>112,954</b>	<b>128,146</b>
<b>Total liabilities</b>	<b>332,578</b>	<b>384,937</b>	<b>408,921</b>	<b>436,600</b>	<b>462,783</b>
Total common stock equity	232,472	239,831	255,581	268,035	287,562
Equity attributable to parent company shareholders	232,472	239,831	255,581	268,035	287,562
Minority interest	63,908	73,466	73,466	73,466	73,466
<b>Total shareholders' equity</b>	<b>296,380</b>	<b>313,297</b>	<b>329,047</b>	<b>341,501</b>	<b>361,028</b>
<b>Total liabilities and shareholders' equity</b>	<b>628,958</b>	<b>698,234</b>	<b>737,968</b>	<b>778,101</b>	<b>823,812</b>

**Consolidated Statement of Cash Flow**

Dec Y/E, RMB mn	FY23	FY24	FY25E	FY26E	FY27E
<b>Adjusting net profit to operating cash flows:</b>					
Net profit	24,167	41,359	42,389	46,574	49,820
Plus: Depreciation and amortization	8,304	9,009	9,910	10,901	11,991
Other non-cash adjustments	27,050	7,727	8,701	6,575	5,441
<b>Net cash flows from operating activities</b>	<b>59,521</b>	<b>58,095</b>	<b>61,000</b>	<b>64,050</b>	<b>67,252</b>
<b>Investing activities:</b>					
Minus: Capital expenditures	(20,015)	(14,000)	(12,600)	(11,340)	(10,206)
Net cash flows from other investing activities	(39,528)	13,129	-	-	-
<b>Net cash flows from investing activities</b>	<b>(59,543)</b>	<b>(871)</b>	<b>(12,600)</b>	<b>(11,340)</b>	<b>(10,206)</b>
<b>Financing activities:</b>					
<b>Net cash flows from financing activities</b>	<b>(5,808)</b>	<b>(21,004)</b>	<b>(16,803)</b>	<b>(13,443)</b>	<b>(10,754)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(5,717)</b>	<b>(5,717)</b>	<b>9,136</b>	<b>7,854</b>	<b>10,714</b>
Cash and cash equivalents at the beginning of the period	85,115	79,398	115,716	147,313	186,580
Cash and cash equivalents at the end of the period	79,398	115,716	147,313	186,580	232,872

**Key Financial Data**

Dec Y/E, RMB	FY23	FY24	FY25E	FY26E	FY27E
<b>Valuation Ratio</b>					
P/E, x	19.6	11.5	10.7	9.8	9.1
Dividend Yield, %	2.6%	2.9%	2.6%	2.8%	3.0%
<b>Per Share</b>					
EPS	7.61	12.99	13.87	15.24	16.30
BVPS	73.20	75.34	80.28	84.20	90.33
<b>Growth&amp;Margin</b>					
<b>Growth</b>					
Revenue	3.7%	4.9%	6.0%	6.0%	6.0%
Gross Profit	8.6%	15.1%	6.5%	6.7%	7.1%
Net Profit	140.0%	71.1%	6.8%	9.9%	7.0%
<b>Margin</b>					
Gross Profit Margin	14.7%	15.9%	15.9%	15.9%	15.9%
Net Profit Margin	2.1%	3.6%	3.6%	3.7%	3.7%
<b>Key Ratios</b>					
ROE	10.8%	13.2%	13.4%	14.2%	14.4%
ROA	3.9%	5.9%	6.0%	6.2%	6.3%

Current Price as of: Mar 31

Source: PSHK Est.

**PHILLIP RESEARCH STOCK SELECTION SYSTEMS**

Total Return	Recommendation	Rating	Remarks
>+20%	Buy	1	>20% upside from the current price
+5% to +20%	Accumulate	2	+5% to +20% upside from the current price
-5% to +5%	Neutral	3	Trade within $\pm$ 5% from the current price
-5% to -20%	Reduce	4	-5% to -20% downside from the current price
<-20%	Sell	5	>20% downside from the current price

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

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**Contact Information (Regional Member Companies)**

**SINGAPORE**

**Phillip Securities Pte Ltd**

250 North Bridge Road, #06-00 Raffles City Tower,  
Singapore 179101

Tel : (65) 6533 6001 Fax: (65) 6535 3834

[www.phillip.com.sg](http://www.phillip.com.sg)

**INDONESIA**

**PT Phillip Securities Indonesia**

ANZ Tower Level 23B, Jl Jend Sudirman Kav 33A,  
Jakarta 10220, Indonesia

Tel (62) 21 5790 0800 Fax: (62) 21 5790 0809

[www.phillip.co.id](http://www.phillip.co.id)

**THAILAND**

**Phillip Securities (Thailand) Public Co. Ltd.**

15th Floor, Vorawat Building, 849 Silom Road,  
Silom, Bangrak, Bangkok 10500 Thailand

Tel (66) 2 2268 0999 Fax: (66) 2 2268 0921

[www.phillip.co.th](http://www.phillip.co.th)

**UNITED STATES**

**Phillip Futures Inc.**

141 W Jackson Blvd Ste 3050  
The Chicago Board of Trade Building  
Chicago, IL 60604 USA

Tel (1) 312 356 9000 Fax: (1) 312 356 9005

**MALAYSIA**

**Phillip Capital Management Sdn Bhd**

B-3-6 Block B Level 3, Megan Avenue II,  
No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur

Tel (60) 3 2162 8841 Fax (60) 3 2166 5099

[www.poems.com.my](http://www.poems.com.my)

**CHINA**

**Phillip Financial Advisory (Shanghai) Co. Ltd.**

No 436 Heng Feng Road, Green Tech Tower Unit 604  
Shanghai 200 070

Tel (86) 21 5169 9400 Fax: (86) 21 6091 1155

[www.phillip.com.cn](http://www.phillip.com.cn)

**FRANCE**

**King & Shaxson Capital Ltd.**

3rd Floor, 35 Rue de la Bienfaisance  
75008 Paris France

Tel (33) 1 4563 3100 Fax : (33) 1 4563 6017

[www.kingandshaxson.com](http://www.kingandshaxson.com)

**AUSTRALIA**

**PhillipCapital Australia**

L Level 10, 330 Collins Street  
Melbourne VIC 3000 Australia

Tel: (61) 3 9618 8238 Fax: (61) 3 9200 2277

[www.phillipcapital.com.au](http://www.phillipcapital.com.au)

**HONG KONG**

**Phillip Securities (HK) Ltd**

11/F United Centre 95 Queensway Hong Kong

Tel (852) 2277 6600 Fax: (852) 2868 5307

[www.phillip.com.hk](http://www.phillip.com.hk)

**JAPAN**

**Phillip Securities Japan, Ltd**

4-2 Nihonbashi Kabutocho, Chuo-ku  
Tokyo 103-0026

Tel: (81) 3 3666 2101 Fax: (81) 3 3664 0141

[www.phillip.co.jp](http://www.phillip.co.jp)

**INDIA**

**PhillipCapital (India) Private Limited**

No. 1, 18th Floor, Urmi Estate, 95 Ganpatrao Kadam Marg,  
Lower Parel West, Mumbai 400013

Tel: (9122) 2300 2999 Fax: (9122) 6667 9955

[www.phillipcapital.in](http://www.phillipcapital.in)

**UNITED KINGDOM**

**King & Shaxson Ltd.**

6th Floor, Candlewick House, 120 Cannon Street  
London, EC4N 6AS

Tel (44) 20 7929 5300 Fax: (44) 20 7283 6835

[www.kingandshaxson.com](http://www.kingandshaxson.com)

**SRI LANKA**

**Asha Phillip Securities Limited**

Level 4, Millennium House, 46/58 Navam Mawatha,  
Colombo 2, Sri Lanka

Tel: (94) 11 2429 100 Fax: (94) 11 2429 199

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