NAVIGATING CHINA INTERNET: ECOMMERCE TRACKER

June industry online retail GMV +4%; 2Q eCommerce expectations

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June national online retail goods GMV grew +4% yoy vs. +3% in May, with sequential stabilization/improvement in home appliances (-9%, vs. -16% in May) and communication devices (+17%, vs. +1% in May) on favorable base effects/trade-in subsidies in key regions. **Overall retail sales growth increased by +1.0% yoy** in June which came above consensus expectations (vs. GSe: -0.1% yoy; BBG consensus: -0.1% yoy), vs. -0.6% in May, driven by improving food/cosmetics/communication devices growth, at +8%/+13%/+17% respectively. 2Q online retail goods GMV concluded at +2% yoy (vs. 1Q at +8% yoy, implying 6ppts sequential deceleration). We now expect 3QE online GMV and parcel volume growth of 4%/5% and fine-tune our 2026E industry online GMV and parcel volume growth forecasts to 5%/5% yoy respectively (largely unchanged). **Our 2Q eCommerce expectations**: We now estimate Alibaba June-quarter CMR at -8% yoy (or +1% apples-to-apples vs. +8% in Mar-quarter, before merchant rebate policy changes), JD Retail revenue of -5% yoy (vs. +2% in 1Q) and PDD marketing service revenue at -3% yoy (vs. +2% in 1Q), with slight decline in underlying eCommerce profits (GSe: Taobao-Tmall ex. Quick Commerce EBITA at -3% yoy/JD Retail EBIT at -4% yoy/PDD domestic EBIT of -10% yoy), and overall Alibaba group NP at -37% yoy/JD group NP at +14% yoy/PDD group NP -10% yoy on narrower-than-expected quick commerce losses but continued AI investments (at Alibaba) and PDD's ongoing investments into Temu supply chain.

Other highlights for June by category/segment:

- **Express delivery: Industry parcel volume growth came in at 4% yoy in June** (vs. 6% in May), suggesting stable AOV per parcel yoy, narrowed MoM from 3ppt in May. Our weekly parcel tracker suggests July-to-date parcel volume growth rate at c.6% yoy, compared to Jun 4%/May 6%/Apr 3%, tracking at c.559mn average daily parcels (under the MoT definition) in the first 12 days of July.
- **Improving Temu US's GMV trends in June:** BBG's second measure tracker suggests strong growth in US GMV at +57% yoy in June (vs. +54%/+6%/-12% yoy in May/April/March) on an easier base, concluding 2Q26 at +34% yoy (vs. -8%

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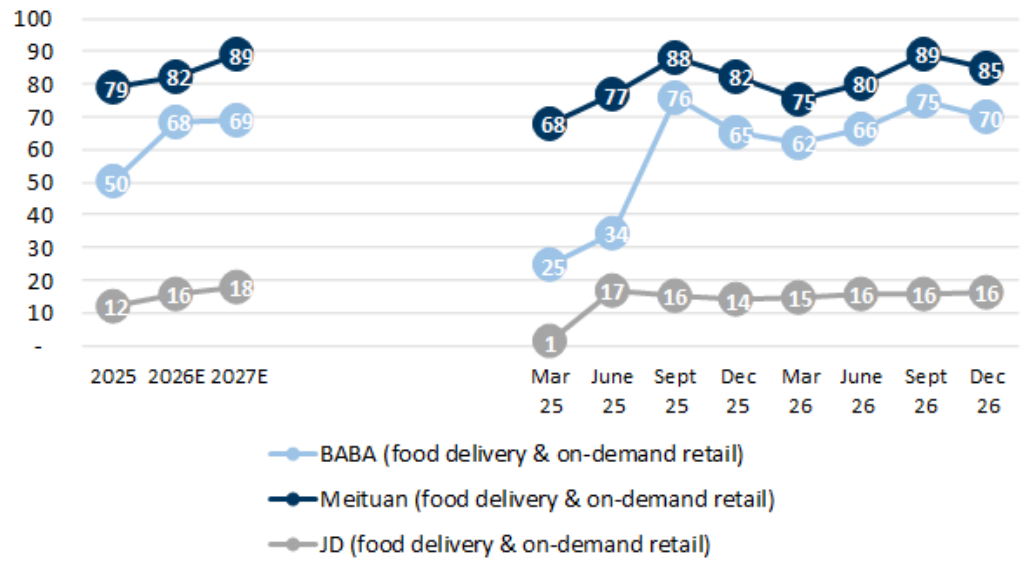
yoy in 1Q26). On the merchant side, the number of Temu merchants decreased by -1% mom (vs. +1% mom in May) as per QuestMobile. We view commencement of its first-party brand ("Xin Pin Mu") investment cycle for the next three years (targeting to rebuild Pinduoduo) as a multi-year growth driver for Temu + Pinduoduo.

- **Narrower food delivery/quick commerce losses/improving UE:** We continue to see the ongoing anti-trust investigations into the food delivery industry and Alibaba's further pivot into AI/cloud to drive stabilization in quick commerce market shares between the Top 3 food delivery players (with more rational subsidies), which could drive large P&L improvement swings for the transaction platforms over the rest of 2026. For June quarter, we now estimate BABA/JD food delivery EBIT of -Rmb10.4bn/-Rmb6.3bn (sequentially narrowing from -Rmb17.8bn/-Rmb7.1bn in the Mar quarter).

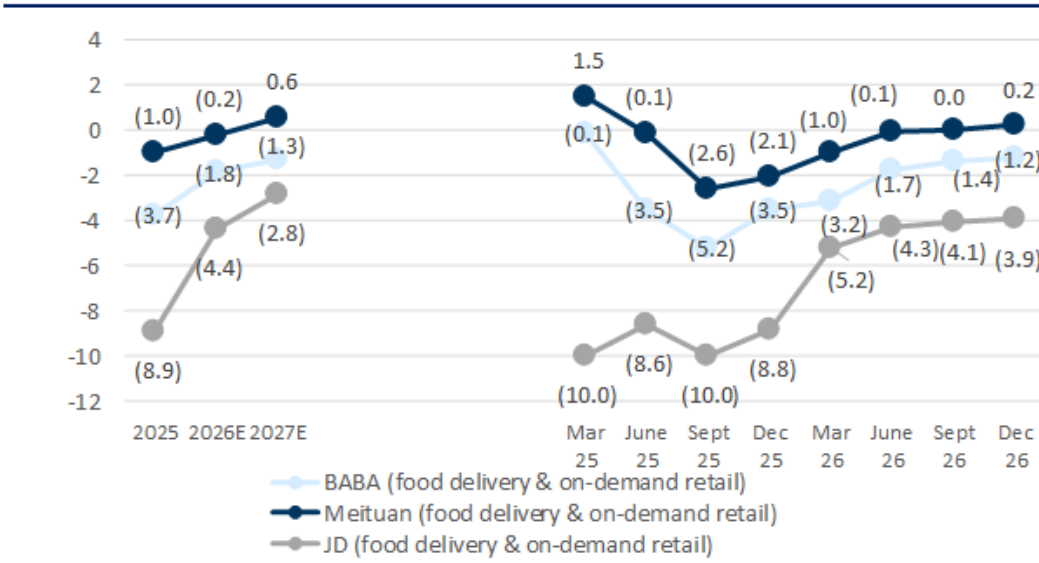
As highlighted in our earlier What to do from here report, the Cloud & Data Center sub-sector continues to be our top preference into 2H26 (#1) (with key ideas: Buy GDS, VNET, Alibaba and Kingsoft Cloud) on proliferation of AI token demand from agentic AI with improving cloud pricing/margin upside and hyperscalers' further capex ramp up into 2H26. Games & Entertainment is at #2 (key ideas: Buy Tencent and NetEase) on attractive trough-cycle valuations/new games launches, followed by eCommerce & Mobility (#3, with key idea: Buy JD) on its profit yoy recovery (from 2Q26) and re-acceleration of top-line from 3Q26. In Logistics, we are Buy rated on respective logistics segment leaders SF-H share (time-definite express), JD Logistics (supply chain), and ZTO (ground/eCommerce express), Neutral on J&T, STO, Yunda, Kerry Logistics, SF-A share, and Sell rated on YTO & Sinotrans.

Exhibit 1: Food delivery + instant shopping comparisons between Meituan, Alibaba and JD (GS estimates)

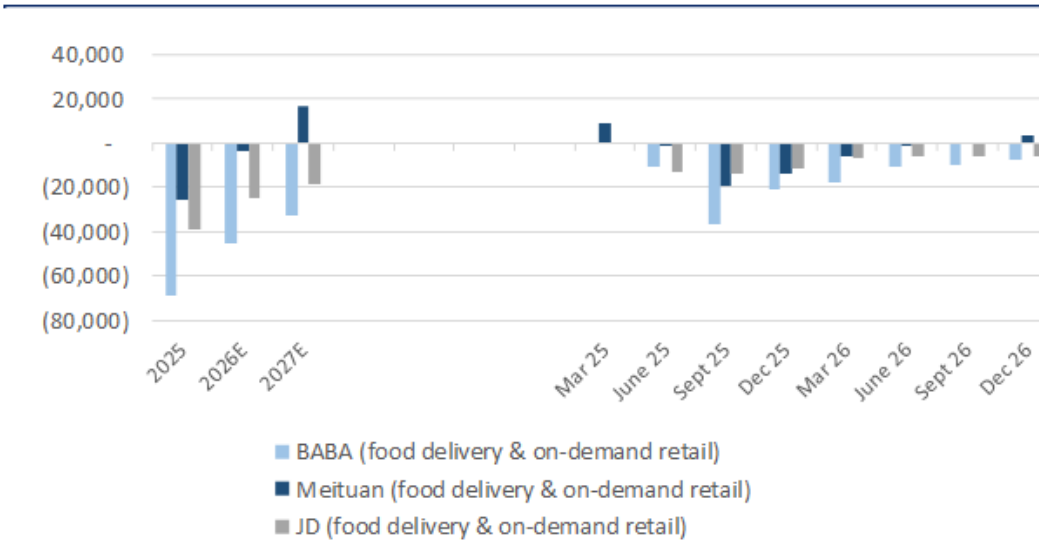
Average daily order volume by platform (on-demand retail + food delivery, mn)



UE by platform (on-demand retail + food delivery, Rmb)



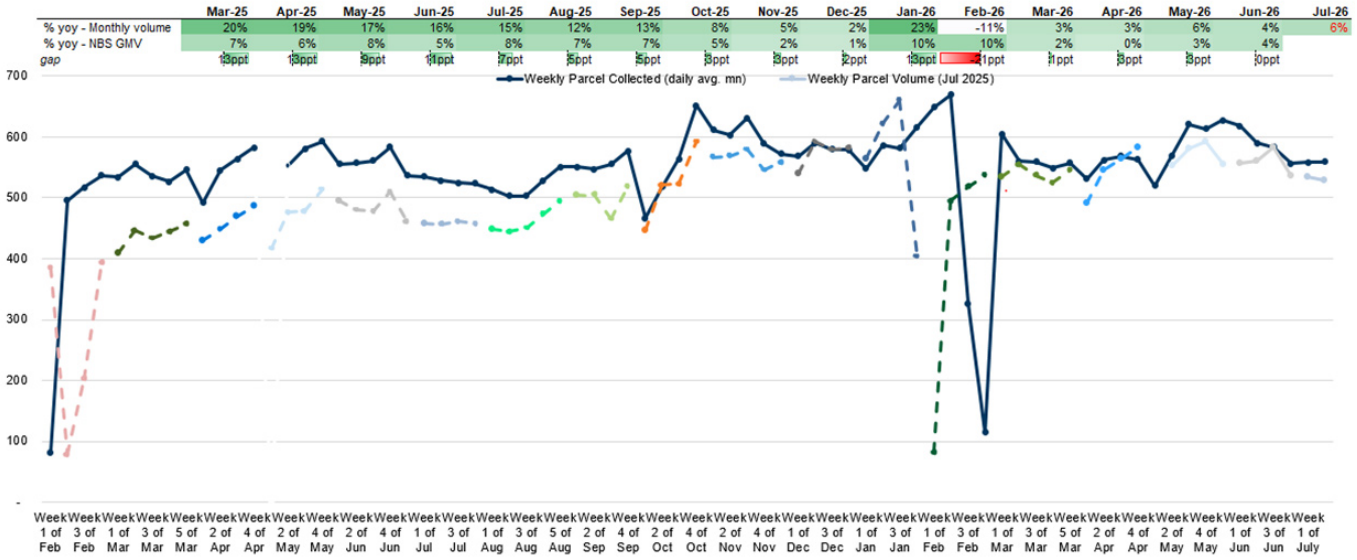
Adj. operating profit/loss of on-demand retail + food delivery by platform (Rmb mn)



Source: Goldman Sachs Global Investment Research

Exhibit 2: We estimate per our industry weekly parcel volume tracker, parcel collection volume growth of c.6% yoy in the first 12 days of July

Weekly parcel volume tracker



Source: MoT, SPB

Exhibit 3: Potential drivers behind the gap between online retail growth and parcel volume growth

	Monthly parcel volume (reported-yoy)	NBS online goods (yoy)	Gap between NBS online goods yoy and parcel yoy	Events
1/1/2025 & 2/2025	22%	5%	-17%	(+) trade-in program
3/2025	20%	7%	-13%	(+) trade-in program
4/2025	19%	6%	-13%	(+) trade-in program
5/2025	17%	8%	-9%	(+) trade-in program
6/2025	16%	5%	-11%	(+) trade-in program; (-) 6.18 Shopping Festival frontloaded sales into May
7/2025	15%	8%	-7%	(+) trade-in program
8/2025	12%	7%	-5%	(+) trade-in program; (+/-) sequentially higher delivery fees in Guangdong and Zhejiang
9/2025	13%	7%	-5%	(+) trade-in program; (-) higher base for certain categories; (+/-) sequentially higher delivery fees
10/2025	8%	5%	-3%	(+) 11.11 Shopping Festival frontloaded sales into October; (-) higher base for certain categories; (+/-) sequentially higher delivery fees
11/2025	5%	2%	-3%	(-) Sales recorded in October; (-) higher base for certain categories; (+/-) sequentially higher delivery fees; (+/-) eCommerce-related taxes
12/2025	2%	1%	-2%	(-) higher base for certain categories; (+/-) sequentially higher delivery fees; (+/-) eCommerce-related taxes
1/2026 & 2/2026	7%	10%	3%	(-) higher base for certain categories; (+/-) sequentially higher delivery fees; (+/-) eCommerce-related taxes
3/2026	3%	3%	-1%	(-) higher base for certain categories; (+/-) sequentially higher delivery fees; (+/-) eCommerce-related taxes
4/2026	3%	0%	-3%	(-) higher base for certain categories; (+/-) sequentially higher delivery fees; (+/-) eCommerce-related taxes
5/2026	6%	3%	-3%	(-) higher base for certain categories; (+/-) sequentially higher delivery fees; (+/-) eCommerce-related taxes
6/2026	4%	4%	0%	(-) higher base for certain categories; (+/-) sequentially higher delivery fees; (+/-) soft 618 performance

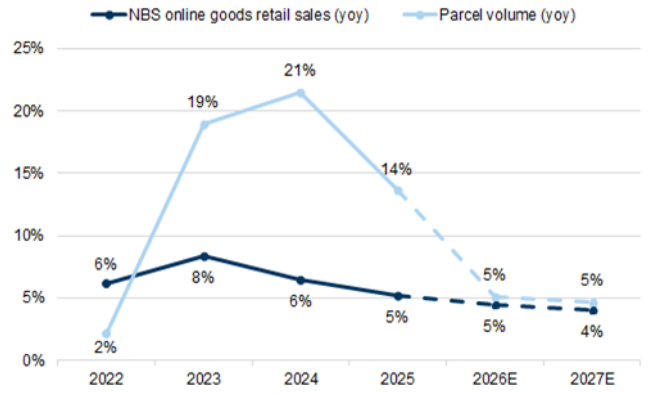
Source: NBS, SPB, Goldman Sachs Global Investment Research

Exhibit 4: Comparison of online goods GMV yoy growth and parcel volume growth

	SPB parcel volume yoy growth	NBS online goods GMV yoy growth	yoy growth pap	SPB parcel volume 2-year CAGR	NBS online goods GMV 2-year CAGR	SPB parcel volume 3-year CAGR	NBS online goods GMV 3-year CAGR
Jan-Feb 25	22%	5%	17%	25%	10%	22%	8%
Mar-25	20%	7%	13%	20%	7%	25%	8%
Apr-25	19%	6%	13%	21%	8%	30%	12%
May-25	17%	8%	9%	20%	10%	23%	13%
Jun-25	16%	5%	11%	17%	1%	18%	3%
Jul-25	15%	8%	7%	19%	8%	19%	7%
Aug-25	12%	7%	5%	16%	6%	20%	6%
Sep-25	13%	7%	5%	16%	7%	20%	6%
Oct-25	8%	5%	3%	16%	8%	21%	7%
Nov-25	5%	2%	3%	10%	-1%	20%	2%
Dec-25	2%	1%	2%	12%	2%	21%	5%
Jan-Feb 26	7%	10%	-3%	15%	8%	19%	10%
Mar-26	3%	3%	1%	12%	5%	14%	5%
Apr-26	3%	0%	3%	11%	3%	15%	5%
May-26	6%	3%	3%	11%	5%	15%	8%
Jun-26	4%	4%	0%	10%	4%	12%	2%

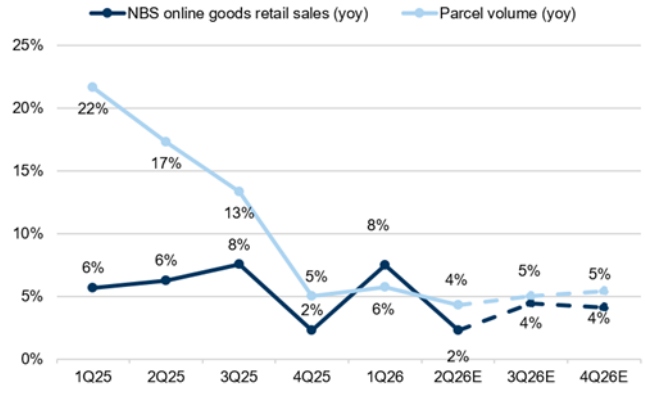
Source: NBS, SPB, Goldman Sachs Global Investment Research

Exhibit 5: Our estimates for online GMV and parcel volume growth (annual)



Source: NBS, SPB, Goldman Sachs Global Investment Research

Exhibit 6: Our estimates for parcel volume growth (quarterly)



Source: NBS, SPB, Goldman Sachs Global Investment Research

Key numbers for June

Online

- **Overall online retail (goods + services): +2.0% yoy in June** (+3.4%/+2.3%/+5.8% yoy in May/Apr/Mar)
- **Online retail goods sales: +3.9% yoy in June**(+2.6%/+0.2%/+2.5% yoy in May/Apr/Mar)
- **Online service sales: -1.5% yoy in June** (+5.0%/+6.1%/+11.9% yoy in May/Apr/Mar)

Overall online+offline

- **Overall retail sales (goods + services): +1.0% yoy in June** (-0.6%/+0.2%/+1.7% yoy in May/Apr/Mar)
- **Overall retail goods sales: +0.9% yoy in June** (-0.7%/-0.1%/+1.5% yoy in May/Apr/Mar)

- **Overall restaurant dining sales: +1.2% yoy in June** (+0.6%/+2.2%/+2.9% yoy in May/Apr/Mar)

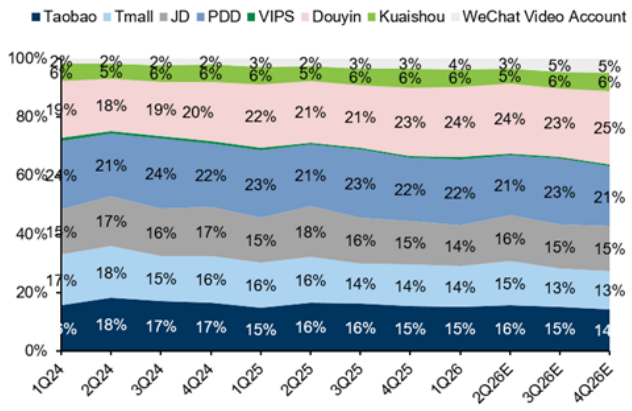
Exhibit 7: eCommerce GMV growth comparison across players

GMV growth %	2021	2022	2023	2024	2025	2026E	2027E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E
Alibaba	8%	-4%	1%	6%	3%	2%	2%	5%	5%	6%	-2%	5%	0%	2%	2%
Gap vs. industry (ppts)	*-4%*	*-11%*	*-8%*	*-1%*	*-2%*	*-3%*	*-2%*	*-1%*	*-1%*	*-2%*	*-4%*	*-3%*	*-2%*	*-3%*	*-2%*
JD	26%	6%	5%	8%	9%	3%	5%	13%	20%	10%	-2%	2%	-6%	4%	12%
Gap vs. industry (ppts)	*14%*	*-1%*	*-4%*	*1%*	*4%*	*-2%*	*1%*	*8%*	*13%*	*2%*	*-5%*	*-6%*	*-8%*	*0%*	*8%*
-Amongst which JD direct sales (1P)	25%	6%	1%	7%	10%	1%	5%	16%	21%	10%	-3%	1%	-6%	3%	7%
Gap vs. industry (ppts)	*13%*	*0%*	*-8%*	*0%*	*5%*	*-3%*	*1%*	*11%*	*14%*	*3%*	*-5%*	*-6%*	*-8%*	*-1%*	*2%*
Pinduoduo	46%	22%	30%	20%	11%	5%	5%	13%	15%	11%	7%	6%	3%	5%	5%
Gap vs. industry (ppts)	*34%*	*16%*	*21%*	*33%*	*6%*	*0%*	*1%*	*7%*	*9%*	*3%*	*5%*	*-1%*	*1%*	*1%*	*1%*
Douyin	73%	92%	55%	28%	30%	19%	11%	28%	38%	30%	26%	21%	19%	19%	18%
Gap vs. industry (ppts)	*61%*	*85%*	*47%*	*21%*	*25%*	*15%*	*7%*	*22%*	*32%*	*22%*	*23%*	*14%*	*17%*	*14%*	*14%*
Kuaishou	78%	33%	31%	17%	15%	7%	8%	15%	18%	15%	13%	9%	6%	5%	7%
Gap vs. industry (ppts)	*66%*	*26%*	*23%*	*11%*	*10%*	*2%*	*4%*	*10%*	*11%*	*8%*	*11%*	*2%*	*4%*	*0%*	*2%*
WeChat Video Account			290%	192%	83%	50%	30%	88%	70%	75%	96%	47%	41%	52%	56%
Gap vs. industry (ppts)				*186%*	*77%*	*46%*	*26%*	*82%*	*64%*	*67%*	*93%*	*39%*	*39%*	*48%*	*51%*
Vipshop	16%	-8%	19%	1%	2%	4%	3%	0%	2%	7%	1%	9%	1%	3%	4%
Gap vs. industry (ppts)	*4%*	*-15%*	*10%*	*-6%*	*-3%*	*0%*	*-1%*	*-6%*	*-5%*	*0%*	*-2%*	*1%*	*-1%*	*-2%*	*0%*
NBS Industry online goods GMV	12%	6%	8%	6%	5%	5%	4%	6%	6%	8%	2%	8%	2%	4%	4%
Parcel volume yoy	30%	2%	19%	21%	14%	5%	5%	22%	17%	13%	5%	6%	4%	5%	5%

We calculate Bytedance/Douyin's (Not Covered) relevant operating metrics by analyzing the industry and companies that we cover, and then extrapolating them to Bytedance/Douyin.

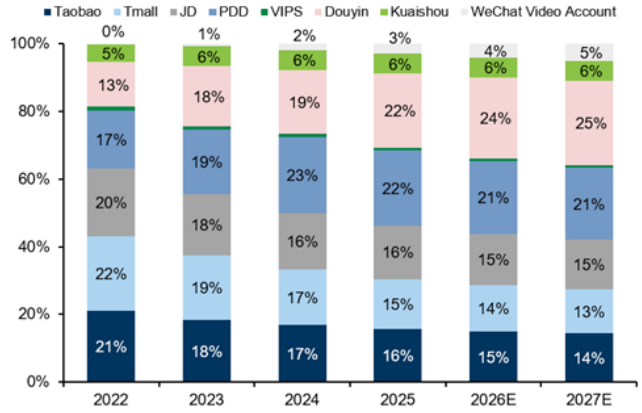
Source: NBS, SPB, Company data, Goldman Sachs Global Investment Research

Exhibit 8: China eCommerce: Gross GMV share % by platform (quarterly)



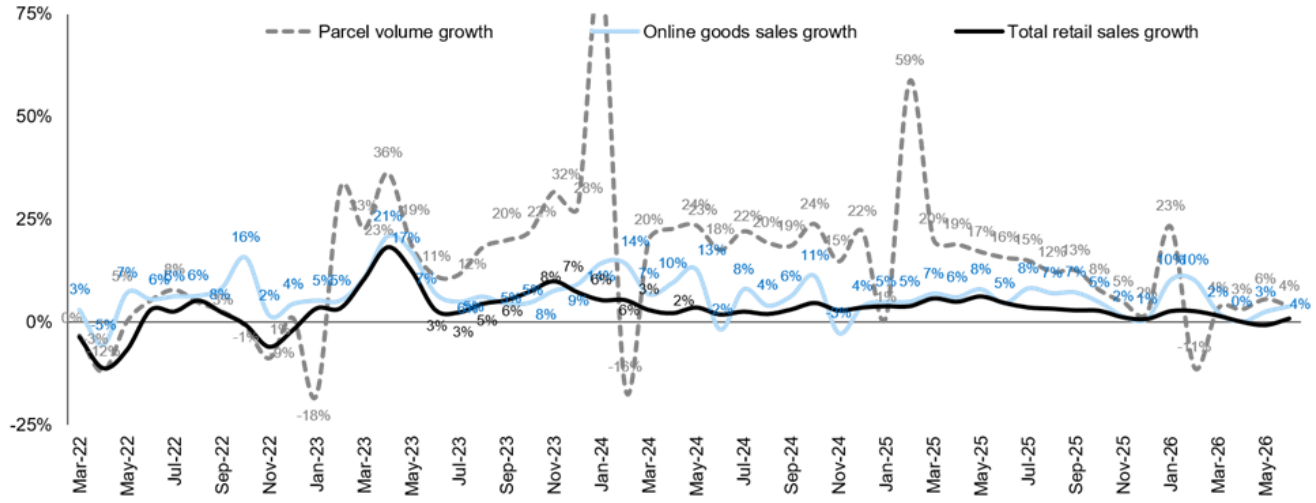
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 9: China eCommerce: Gross GMV share % by platform (yearly)



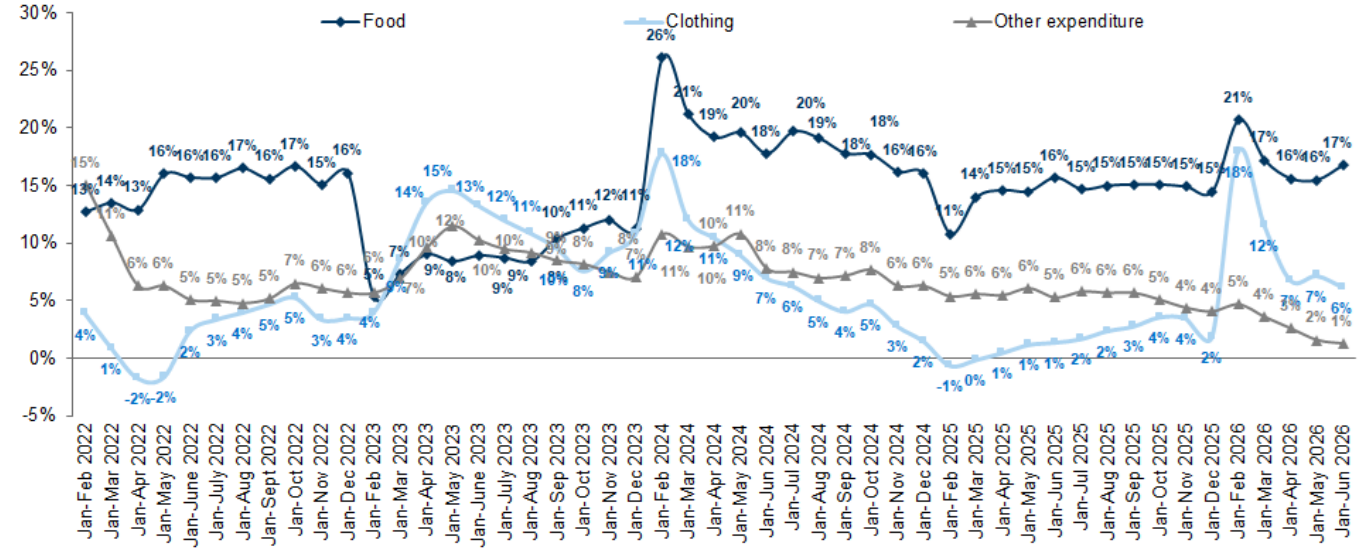
Source: Company data, Goldman Sachs Global Investment Research

Exhibit 10: Online retail goods sales growth accelerated to +3.9% in Jun vs. + 2.6% in May
Total retail sales, online retail goods sales & express parcel volumes



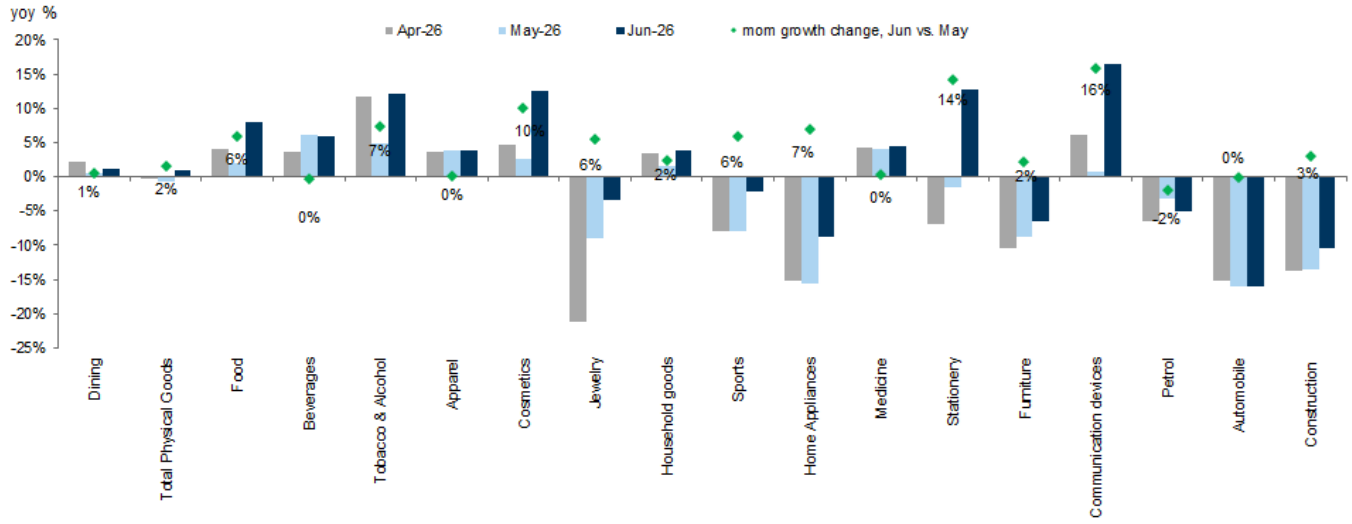
Source: National Bureau of Statistics

Exhibit 11: Spending on food and clothing +17% and +6% yoy for Jan-Jun
Online retail sales by spending purpose



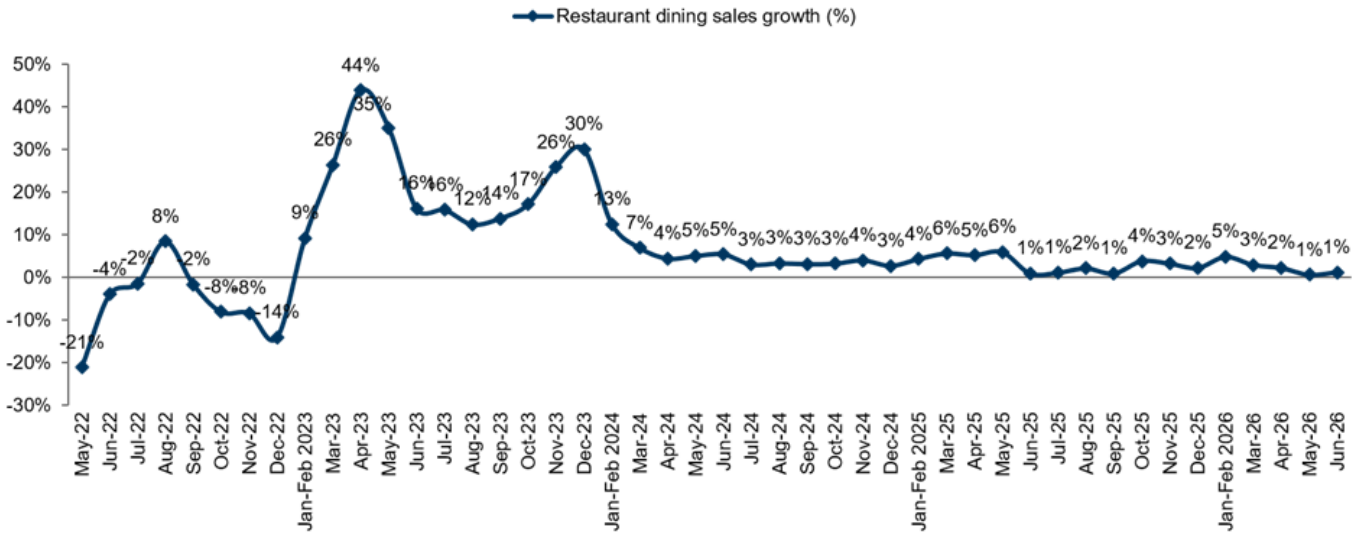
Source: National Bureau of Statistics

Exhibit 12: Total retail sales by category



Source: National Bureau of Statistics

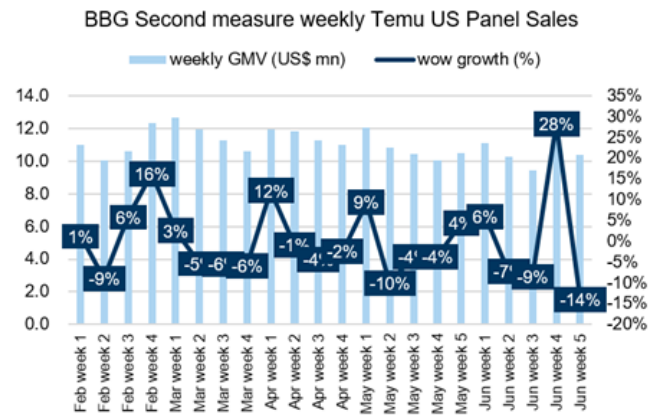
Exhibit 13: Restaurant dining sales at +1% yoy in June (vs. +1% yoy in May)



Source: National Bureau of Statistics

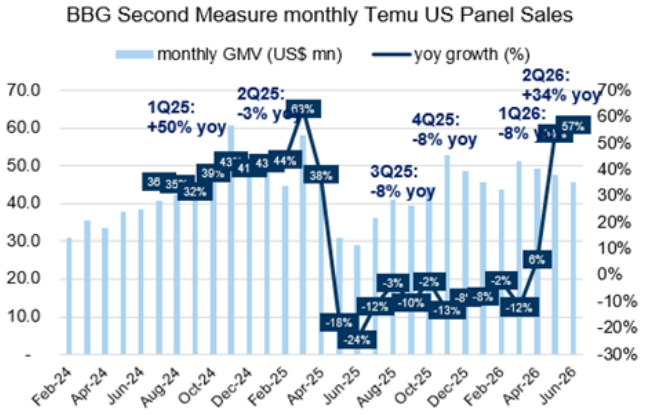
Temu GMV & engagement data

Exhibit 14: Bloomberg Second measure weekly Temu US Panel Sales



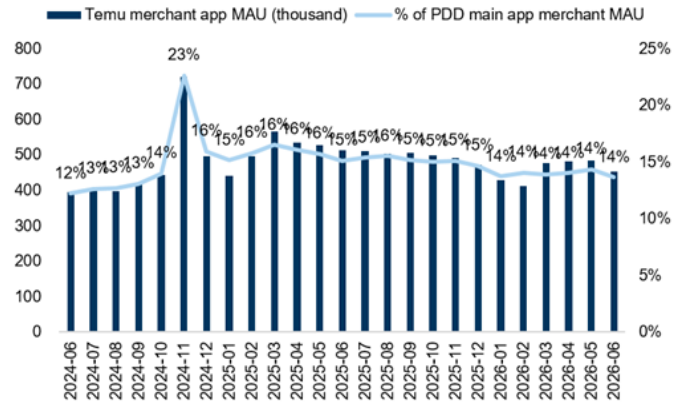
Source: Bloomberg

Exhibit 15: Bloomberg Second Measure monthly Temu US Panel Sales



Source: Bloomberg

Exhibit 16: Temu merchants decreased -1% mom in June



Source: QuestMobile

Express delivery

Exhibit 17: Parcel volume/ASP trend for key express couriers in China

ZTO Express

Month	Daily vol. (mn)	Vol. share	Vol. yoy	Per parcel ASP (Rmb)	ASP yoy
Jan-25					
Feb-25	94.9	18.9%	19%	1.25	-8%
Jan-Feb 2025					
Mar-25					
Apr-25					
May-25	108.2	19.2%	17%	1.18	-5%
Jun-25					
Jul-25					
Aug-25	104.1	19.4%	10%	1.22	2%
Sep-25					
Oct-25					
Nov-25	114.8	19.8%	9%	1.35	3%
Dec-25					
Jan-26					
Feb-26	107.4	20.3%	13%	1.36	8%
Jan-Feb 2026					
Mar-26					

Yunda Express

Month	Daily vol. (mn)	Vol. share	Vol. yoy	Per parcel ASP (Rmb)	ASP yoy
Jan-25	64.9	13.5%	3%	2.02	-11%
Feb-25	64.6	13.3%	70%	1.95	-14%
Jan-Feb 2025	64.8	13.4%	27%	1.99	-13%
Mar-25	72.7	13.5%	17%	1.96	-6%
Apr-25	72.5	13.3%	13%	1.91	-7%
May-25	74.3	13.3%	13%	1.92	-5%
Jun-25	72.4	12.9%	7%	1.91	-4%
Jul-25	69.7	13.2%	8%	1.91	-4%
Aug-25	69.2	13.3%	9%	1.92	-3%
Sep-25	70.3	12.5%	4%	2.02	0%
Oct-25	68.9	12.1%	-5%	2.11	4%
Nov-25	72.5	12.0%	-4%	2.16	7%
Dec-25	69.3	11.8%	-7%	2.15	6%
Jan-26	72.0	12.1%	11%	2.15	6%
Feb-26	43.1	11.0%	-26%	2.25	15%
Jan-Feb 2026	60.5	11.7%	-7%	2.19	10%
Mar-26	69.1	12.4%	-5%	2.14	9%
Apr-26	69.5	12.4%	-4%	2.11	11%
May-26	76.4	12.5%	-1%	2.06	7%

YTO Express

Month	Daily vol. (mn)	Vol. share	Vol. yoy	Per parcel ASP (Rmb)	ASP yoy
Jan-25	73.2	15.2%	5%	2.35	-4%
Feb-25	65.9	13.6%	49%	2.32	-8%
Jan-Feb 2025	69.7	14.4%	21%	2.34	-6%
Mar-25	86.0	16.0%	22%	2.18	-7%
Apr-25	89.8	16.5%	25%	2.14	-7%
May-25	89.2	16.0%	21%	2.12	-5%
Jun-25	87.6	15.6%	19%	2.10	-7%
Jul-25	83.3	15.8%	21%	2.08	-7%
Aug-25	81.0	15.5%	11%	2.15	-1%
Sep-25	87.6	15.6%	14%	2.21	1%
Oct-25	90.0	15.9%	13%	2.23	-3%
Nov-25	96.2	16.0%	14%	2.24	-2%
Dec-25	93.0	15.8%	9%	2.25	-1%
Jan-26	94.9	16.0%	30%	2.25	-5%
Feb-26	59.9	15.3%	1%	2.40	3%
Jan-Feb 2026	81.4	15.7%	17%	2.31	-2%
Mar-26	91.7	16.5%	7%	2.14	-2%
Apr-26	90.9	16.2%	1%	2.23	4%
May-26	101.9	16.7%	11%	2.04	-4%

S.F.

Month	Daily vol. (mn)	Vol. share	Vol. yoy	Per parcel ASP (Rmb)	ASP yoy
Jan-25	42.9	8.9%	16%	15.61	-8%
Feb-25	32.7	6.7%	18%	14.35	-12%
Jan-Feb 2025	38.1	7.9%	17%	15.10	-10%
Mar-25	41.8	7.8%	25%	13.82	-12%
Apr-25	44.5	8.2%	30%	13.49	-14%
May-25	47.6	8.5%	32%	13.12	-14%
Jun-25	48.7	8.7%	32%	13.67	-13%
Jul-25	44.4	8.4%	34%	13.55	-14%
Aug-25	45.4	8.7%	35%	13.27	-15%
Sep-25	50.1	8.9%	32%	13.87	-13%
Oct-25	49.2	8.7%	26%	13.18	-10%
Nov-25	51.1	8.5%	20%	13.47	-9%
Dec-25	47.6	8.1%	9%	13.81	-5%
Jan-26	44.7	7.5%	4%	14.72	-6%
Feb-26	34.6	8.9%	17%	15.32	7%
Jan-Feb 2026	41.7	8.1%	9%	14.98	-1%
Mar-26	40.4	7.3%	-3%	14.40	4%
Apr-26	43.2	7.7%	-3%	14.20	5%
May-26	47.2	7.7%	-4%	13.75	5%

STO Express

Month	Daily vol. (mn)	Vol. share	Vol. yoy	Per parcel ASP (Rmb)	ASP yoy
Jan-25	65.3	13.6%	12%	2.06	-6%
Feb-25	60.7	12.5%	63%	2.04	-9%
Jan-Feb 2025	63.1	13.1%	31%	2.05	-7%
Mar-25	67.3	12.5%	20%	2.01	-4%
Apr-25	69.7	12.8%	21%	1.97	-4%
May-25	73.0	13.1%	16%	1.95	-3%
Jun-25	72.8	12.9%	11%	1.99	-1%
Jul-25	70.4	13.3%	12%	1.97	-2%
Aug-25	69.3	13.3%	11%	2.07	3%
Sep-25	72.9	13.0%	9%	2.12	5%
Oct-25	73.3	12.9%	4%	2.18	8%
Nov-25	83.4	13.9%	15%	2.41	16%
Dec-25	80.7	13.7%	11%	2.33	15%
Jan-26	81.9	13.8%	26%	2.35	14%
Feb-26	51.6	13.2%	-6%	2.44	20%
Jan-Feb 2026	70.2	13.6%	11%	2.39	16%
Mar-26	80.7	14.5%	20%	2.24	11%
Apr-26	79.3	14.1%	14%	2.26	15%
May-26	89.6	14.7%	19%	2.14	10%

J&T

Month	Daily vol. (mn)	Vol. share	Vol. yoy	Per parcel ASP (Rmb)	ASP yoy
Jan-25					
Feb-25	55.4	11.0%	28%		
Jan-Feb 2025					
Mar-25				2.13	-13%
Apr-25					
May-25	61.7	11.1%	15%		
Jun-25					
Jul-25					
Aug-25	60.6	11.3%	10%		
Sep-25				2.20	-1%
Oct-25					
Nov-25	64.0	10.9%	0%		
Dec-25					
Jan-26					
Feb-26	60.0	11.3%	8%		
Mar-26					
Apr-26					
May-26	68.2	11.9%	11%		
Jun-26					

Source: Company data

Estimate changes for Alibaba, JD Group, and JD Logistics

Alibaba

We revise our FY27E-FY29E adj. net profit by +16%/+1%/-2% mainly on our expectations of faster-than-expected narrowing of quick commerce loss, international eCommerce profit turnaround, and higher cloud growth/margins, and maintain our SOTP-based 12-month target prices at US$186/HK$180 (where we lower our China eCom multiple to 8X from 9X on slower CMR growth). We expect Alibaba to deliver a solid EPS recovery of +53%/+34% yoy for FY27E/FY28E, to be driven by continued leadership in its AI + Cloud business in China with further acceleration in cloud growth and a recovery in China eCommerce profits with narrowing quick commerce loss over the next few quarters.

Key risks: **(1)** Lower-than-expected GMV growth due to macro/competition; **(2)** Slower-than-expected monetization in China retail; **(3)** Weaker-than-expected execution in key strategic investments; and **(4)** Cloud revenue growth deceleration.

Exhibit 18: Alibaba by segment performance and our estimates

By segment (Rmb mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27E	2QFY27E	3QFY27E	4QFY27E
Group revenue	941,168	996,347	1,023,670	1,123,968	1,225,115	1,365,724	247,652	247,795	284,843	243,380	268,999	272,480	310,158	272,331
yoy %	*8%*	*6%*	*3%*	*10%*	*9%*	*11%*	*2%*	*5%*	*2%*	*3%*	*9%*	*10%*	*9%*	*12%*
Group EBITA	165,028	173,065	76,416	108,720	145,660	187,666	38,844	9,073	23,397	5,102	26,058	23,683	34,216	24,763
EBITA margin %	18%	17%	7%	10%	12%	14%	16%	4%	8%	2%	10%	9%	11%	9%
yoy %	***12%***	***5%***	***-56%***	***42%***	***34%***	***29%***	***-14%***	***-78%***	***-57%***	***-84%***	***-33%***	***161%***	***46%***	***385%***
Adj. net profit attributable to shareholders	158,359	157,940	64,359	95,700	125,803	178,769	35,291	10,450	17,112	1,506	22,160	21,122	29,743	22,675
Adj. net margin %	17%	16%	6%	9%	10%	13%	14%	4%	6%	1%	8%	8%	10%	8%
yoy %	***10%***	***0%***	***-59%***	***49%***	***31%***	***42%***	***-12%***	***-71%***	***-67%***	***-95%***	***-37%***	***102%***	***74%***	***1406%***
Non-gaap EPS (Rmb)	62.35	65.81	27.36	41.73	55.98	80.76	14.75	4.36	7.09	0.62	9.55	9.04	12.61	10.51
yoy %	***14%***	***6%***	***-58%***	***53%***	***34%***	***44%***	***-10%***	***-71%***	***-67%***	***-95%***	***-35%***	***107%***	***78%***	***1585%***
By Business group														
China E-commerce business group														
GMV (GSe)	7,699	8,073	8,317	8,434	8,586	8,672	2,208	1,946	2,390	1,772	2,217	1,981	2,433	1,802
yoy %	*4%*	*5%*	*3%*	*1%*	*2%*	*1%*	*5%*	*6%*	*-2%*	*5%*	*0%*	*2%*	*2%*	*2%*
China e-commerce business group revenue		508,380	554,217	561,153	583,364	603,987	140,072	132,578	159,347	122,220	141,771	132,543	159,694	127,146
yoy %*			9%	1%	4%	4%	10%	16%	6%	6%	1%	0%	0%	4%
Customer management revenue (CMR)	304,009	326,769	343,867	329,190	336,026	344,146	89,252	78,927	102,664	73,024	81,976	75,297	97,675	74,242
yoy %	*5%*	*7%*	*5%*	*-4%*	*2%*	*2%*	*10%*	*10%*	*1%*	*1%*	*-8%*	*-5%*	*-5%*	*2%*
China e-commerce business group EBITA		193,223	107,509	155,762	165,675	181,196	38,389	10,497	34,613	24,010	37,427	35,786	46,311	36,237
EBITA margin %		38.0%	19.4%	27.8%	28.4%	30.0%	27.4%	7.9%	21.7%	19.6%	26.4%	27.0%	29.0%	28.5%
yoy %			*-44%*	*45%*	*6%*	*9%*	*-21%*	*-76%*	*-43%*	*-40%*	*-3%*	*241%*	*34%*	*51%*
China e-commerce EBITA excl. Quick Commerce		194,164	193,507	188,748	182,447	180,073	49,324	46,855	55,543	41,784	47,810	45,446	54,031	41,461
yoy %			*0%*	*-2%*	*-3%*	*-1%*	*1%*	*5%*	*-9%*	*0%*	*-3%*	*-3%*	*-3%*	*-1%*
Quick Commerce EBITA (losses)		(941)	(85,998)	(32,987)	(16,772)	1,123	(10,935)	(36,358)	(20,930)	(17,774)	(10,382)	(9,660)	(7,720)	(5,225)
Cloud Intelligence Group														
Revenue	106,374	118,028	158,132	230,493	318,189	424,493	33,398	39,824	43,284	41,626	48,408	58,102	63,090	60,893
yoy %	*3%*	*11%*	*34%*	*46%*	*38%*	*33%*	*26%*	*34%*	*36%*	*38%*	*45%*	*46%*	*46%*	*46%*
External revenue yoy%			*33%*	*50%*	*42%*	*39%*	*26%*	*29%*	*35%*	*40%*	*49%*	*50%*	*50%*	*50%*
EBITA	6,121	10,556	14,265	26,686	38,183	52,637	2,954	3,604	3,911	3,796	5,373	6,624	7,382	7,307
EBITA margin %	5.8%	8.9%	9.0%	11.6%	12.0%	12.4%	8.8%	9.0%	9.0%	9.1%	11.1%	11.4%	11.7%	12.0%
Alibaba International Digital Commerce Group														
Revenue	102,598	132,300	144,170	152,697	159,696	165,530	34,741	34,799	39,201	35,429	36,793	36,895	41,579	37,430
yoy %	*48%*	*29%*	*9%*	*6%*	*5%*	*4%*	*19%*	*10%*	*4%*	*6%*	*6%*	*6%*	*6%*	*6%*
EBITA	(8,035)	(15,137)	(2,051)	948	1,597	1,986	(59)	162	(2,016)	(138)	736	553	(416)	75
EBITA margin %	-7.8%	-11.4%	-1.4%	0.6%	1.0%	1.2%	-0.2%	0.5%	-5.1%	-0.4%	2.0%	1.5%	-1.0%	0.2%
All others (incl. Qwen AI model/application)														
Revenue		338,347	254,367	272,173	293,947	317,462	58,599	62,969	67,340	65,459	64,150	67,357	71,399	69,267
yoy %			*-25%*	*7%*	*8%*	*8%*	*-28%*	*-25%*	*-25%*	*-21%*	*9%*	*7%*	*6%*	*6%*
EBITA		(9,499)	(35,737)	(67,178)	(49,971)	(38,095)	(1,415)	(3,370)	(9,792)	(21,160)	(16,936)	(16,839)	(16,779)	(16,624)
EBITA margin %		-2.8%	-14.0%	-24.7%	-17.0%	-12.0%	-2.4%	-5.4%	-14.5%	-32.3%	-26.4%	-25.0%	-23.5%	-24.0%
Share of profit (loss) in investees	(7,735)	5,966	2,785	5,880	6,733	8,354	1,013	2,241	216	(685)	810	1,640	1,692	1,737
Ant Financial (33%. 1qr lag pick up)	7,860	12,648	5,048	6,971	7,778	8,740	1,547	2,733	393	375	1,083	1,913	1,965	2,010
Others	(2,154)	(2,276)	1,624	1,000	1,000	1,000	455	671	696	(198)	250	250	250	250

Source: Company data, Goldman Sachs Global Investment Research



Exhibit 19: Our estimate changes at a glance

By segment (Rmb mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Group revenue	941,168	996,347	1,023,670	1,123,968	1,225,115	1,365,724	0%	-2%	-2%
yoy %	8%	6%	3%	10%	9%	11%			
Group EBITA	165,028	173,065	76,416	108,720	145,660	187,666	18%	1%	-2%
EBITA margin %	18%	17%	7%	10%	12%	14%			
yoy %	12%	5%	-56%	42%	34%	29%			
Adj. net profit attributable to shareholders	158,359	157,940	64,359	95,700	125,803	178,769	16%	1%	-2%
Adj. net margin %	17%	16%	6%	9%	10%	13%			
yoy %	10%	0%	-59%	49%	31%	42%			
Non-gaap EPS (Rmb)	62.35	65.81	27.36	41.73	55.98	80.76	16%	1%	-2%
yoy %	14%	6%	-58%	53%	34%	44%			

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 20: Our 12-month SOTP-based target prices for BABA/9988.HK at US$186/HK$180 (unchanged) per ADS/share

SOTP, FY27	Description	EV/Rev	PE (X)	Value (US$ mn)	To BABA	to BABA (US$ mn)	US$/sh	% of NAV	Comment
A. CORE									
1 China E-commerce Group		2.3	11	181,994	100.0%	181,994	77.4	41.6%	11x PE
China E-commerce excl. Quick Commerce		2.5	8	163,913	100.0%	163,913	69.7	37.5%	8x PE, on slower Taobao-Tmall/CMR growth (from9X)
Quick commerce	O2O	1.5	15	18,080	100.0%	18,080	7.7	4.1%	Assuming 81mn daily orders in CY28E and Rmb0.4 per order non-GAAP EBIT (long-term), 15% tax rate, 15x PE referencing Meituan on-demand delivery valuation, discounted back at 12% WACC
2 International commerce		1.3		27,786	89.3%	24,818	10.6	5.7%	
3 Cloud Computing	AliCloud	5.1	63	164,134	100.0%	164,134	69.8	37.5%	At 4.4X sales on FY27E revenue (or 6X on FY27E external revenue)
Domestic		4.0		137,697	100.0%	137,697	58.5	31.5%	4X sales on FY28E domestic AliCloud revenue, discounted back at 12% WACC
International		8.5	20	26,437	100.0%	26,437	11.2	6.0%	20X EV/EBIT implied on FY28E AliCloud international revenue (external only) on normalized 25% EBIT margin, discounted back at 12% WACC
4 All others		1.0		36,755	100.0%	36,755	15.6		1x sales
Total Core		2.3	22			407,700	173.3	93.2%	
B. Associate/investments									
Total associate/investments				848,357		63,248	26.9	14.5%	
						470,948			
C. Net cash						45,802	19.5	10%	Latest as of 4QFY26
Total						516,750	219.7	118%	
D. Less holdco discount					15%	(79,579)	(33.8)	-18%	
NAV : BABA US, in US$			51.6			437,170	186.0	100%	
NAV : 9988.HK, in HK$			51.6			3,393,357	180.0	100%	
Fully diluted # of shares							2,352		

Source: Company data, Goldman Sachs Global Investment Research

JD

We fine-tune our revenue estimates for JD by -1%, with our expectations of slightly better-than-expected electronics growth that part offset moderation in general merchandise growth over 2Q on last year's high base from food delivery traffic cross-sell/managing of inventory risks for selective high-ticket size general merchandise categories, yet we believe supermarket remained healthy at near/around double-digit growth. Our group adj. net profit estimates change by 0~1% for FY26-28E on higher JD Retail profits. We maintain Buy on **JD/9618.HK** with 12-month SOTP-based price targets of **US$43/HK$169** (unchanged), given its leading retailer scale with a unique 1P online direct sales + marketplace model supplemented with its in-house warehousing and supply chain capabilities. Meanwhile, we believe its recent food delivery progress should create sticky user traffic + increased frequency to drive JD's sustainable growth (and group profit acceleration in 2026), with international retail growth from Joy Buy being a key bright spot.

Key risks: Tougher-than-expected competition in China's eCommerce markets; Online GMV slowdown and general merchandise/JD supermarket execution; Fluctuations in JD Retail margin.

Exhibit 21: JD Group - Estimate changes by segment

Rmb mn	2026E New	2026E Old	Chg (%)	YoY (%)	2027E New	2027E Old	Chg (%)	YoY (%)	2028E New	2028E Old	Chg (%)	YoY (%)
Total net revenues	1,359,229	1,374,739	-1%	4%	1,464,853	1,473,034	-1%	8%	1,556,179	1,565,997	-1%	6%
Consolidated Gross profit	219,868	226,104	-3%	5%	242,222	244,267	-1%	10%	265,243	267,698	-1%	10%
Operating profit, non-GAAP	20,543	19,887	3%	113%	38,099	37,949	0%	85%	63,703	63,276	1%	67%
Net profit, non-GAAP	29,833	29,740	0%	10%	40,552	40,427	0%	36%	65,265	64,908	1%	61%
Margins	**2026E New**	**2026E Old**	**Chg (bp)**	**YoY (bp)**	**2027E New**	**2027E Old**	**Chg (bp)**	**YoY (bp)**	**2028E New**	**2028E Old**	**Chg (bp)**	**YoY (bp)**
Operating margin, non-GAAP	1.5%	1.4%	6	77	2.6%	2.6%	2	109	4.1%	4.0%	5	149
Net margin, non-GAAP	2.2%	2.2%	3	13	2.8%	2.7%	2	57	4.2%	4.1%	5	143
By segment	**2026E New**	**2026E Old**	**Chg (%)**	**YoY (%)**	**2027E New**	**2027E Old**	**Chg (%)**	**YoY (%)**	**2028E New**	**2028E Old**	**Chg (%)**	**YoY (%)**
Revenue												
JD Retail	1,152,311	1,161,624	-1%	2%	1,226,530	1,226,530	0%	6%	1,289,506	1,289,506	0%	5%
JD Logistics	266,936	266,936	0%	23%	287,260	287,260	0%	8%	305,056	305,056	0%	6%
Total	**1,359,229**	**1,374,739**	**-1%**	**4%**	**1,464,853**	**1,473,034**	**-1%**	**8%**	**1,556,179**	**1,565,997**	**-1%**	**6%**
Adj. operating profit												
JD Retail	54,133	53,786	1%	5%	57,960	57,521	1%	7%	61,919	61,367	1%	7%
JD Logistics	8,273	8,273	0%	57%	8,992	8,992	0%	9%	9,952	9,952	0%	11%
New business	(41,134)	(41,444)	1%	12%	(28,807)	(28,518)	-1%	30%	(8,171)	(8,047)	-2%	72%
Total	**20,543**	**19,887**	**3%**	**113%**	**38,099**	**37,949**	**0%**	**85%**	**63,703**	**63,276**	**1%**	**67%**
By segment	**2026E New**	**2026E Old**	**Chg (bp)**	**YoY (bp)**	**2027E New**	**2027E Old**	**Chg (bp)**	**YoY (bp)**	**2028E New**	**2028E Old**	**Chg (bp)**	**YoY (bp)**
Adj. operating margin												
JD Retail	4.7%	4.6%	7	13	4.7%	4.7%	4	3	4.8%	4.8%	4	8
JD Logistics	3.1%	3.1%	-	67	3.1%	3.1%	-	3	3.3%	3.3%	-	13
Group adj. operating margin	**1.5%**	**1.4%**	**6**	**77**	**2.6%**	**2.6%**	**2**	**109**	**4.1%**	**4.0%**	**5**	**149**
Group adj. net margin	**2.2%**	**2.2%**	**3**	**13**	**2.8%**	**2.7%**	**2**	**57**	**4.2%**	**4.1%**	**5**	**143**

Source: Goldman Sachs Global Investment Research

Exhibit 22: Our yearly and quarterly estimates for JD

JD.com	2023	2024	2025	2026E	2027E	2028E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E
Rmb mn														
Online direct sales	**871,224**	**928,007**	**1,023,802**	**1,034,165**	**1,090,180**	**1,140,098**	**242,309**	**282,414**	**226,092**	**272,987**	**244,819**	**265,676**	**232,837**	**290,833**
yoy%	*1%*	*7%*	*10%*	*1%*	*5%*	*5%*	*16%*	*21%*	*10%*	*-3%*	*1%*	*-6%*	*3%*	*7%*
Electronics and home appliances pr	538,799	564,982	605,131	580,381	597,793	614,830	144,295	178,982	128,587	153,267	132,171	155,714	129,230	163,266
yoy%	*4%*	*5%*	*7%*	*-4%*	*3%*	*3%*	*17%*	*23%*	*5%*	*-12%*	*-8%*	*-13%*	*0%*	*7%*
General merchandise and others rev	332,425	363,025	418,671	453,784	492,388	525,268	98,014	103,432	97,505	119,720	112,648	109,962	103,607	127,567
yoy%	*-5%*	*9%*	*15%*	*8%*	*9%*	*7%*	*15%*	*16%*	*19%*	*12%*	*15%*	*6%*	*6%*	*7%*
Services and others	**213,438**	**230,812**	**285,283**	**325,064**	**374,673**	**416,081**	**58,773**	**74,246**	**72,967**	**79,297**	**70,875**	**80,282**	**83,276**	**90,631**
yoy%	*18%*	*8%*	*24%*	*14%*	*15%*	*11%*	*14%*	*29%*	*31%*	*20%*	*21%*	*8%*	*14%*	*14%*
Total revenue	**1,084,662**	**1,158,819**	**1,309,085**	**1,359,229**	**1,464,853**	**1,556,179**	**301,082**	**356,660**	**299,059**	**352,284**	**315,694**	**345,959**	**316,112**	**381,463**
yoy%	*4%*	*7%*	*13%*	*4%*	*8%*	*6%*	*16%*	*22%*	*15%*	*2%*	*5%*	*-3%*	*6%*	*8%*
COGS	(924,958)	(974,951)	(1,099,057)	(1,139,155)	(1,222,408)	(1,290,762)	(253,234)	(300,020)	(248,585)	(297,218)	(262,667)	(290,210)	(263,635)	(322,643)
Gross profit	**159,704**	**183,868**	**210,028**	**220,073**	**242,445**	**265,417**	**47,848**	**56,640**	**50,474**	**55,066**	**53,027**	**55,749**	**52,477**	**58,821**
Gross profit margin %	*15%*	*16%*	*16%*	*16%*	*17%*	*17%*	*16%*	*16%*	*17%*	*16%*	*17%*	*16%*	*17%*	*15%*
Gross profit yoy %	*9%*	*15%*	*14%*	*5%*	*10%*	*9%*	*20%*	*23%*	*12%*	*4%*	*11%*	*-2%*	*4%*	*7%*
Fulfillment, non-GAAP	(63,447)	(69,714)	(87,506)	(84,937)	(88,618)	(91,021)	(19,617)	(22,020)	(21,796)	(24,073)	(23,228)	(21,449)	(21,812)	(18,448)
Marketing, non-GAAP	(38,827)	(46,777)	(82,754)	(78,020)	(81,592)	(79,365)	(10,202)	(26,728)	(20,776)	(25,048)	(15,112)	(23,075)	(18,714)	(21,118)
Technology and content, non-GAAP	(15,229)	(16,227)	(20,941)	(21,748)	(27,832)	(27,233)	(4,368)	(4,967)	(5,303)	(6,303)	(6,594)	(4,843)	(6,322)	(3,988)
General & administrative, non-GAAP	(6,893)	(7,201)	(9,271)	(9,515)	(10,254)	(10,738)	(2,004)	(2,054)	(2,410)	(2,803)	(3,120)	(2,076)	(2,434)	(1,885)
SBC	(4,804)	(2,999)	(4,726)	(4,771)	(4,995)	(5,307)	(767)	(1,657)	(1,158)	(1,144)	(913)	(1,038)	(948)	(1,872)
Total operating expenses	**(133,679)**	**(145,132)**	**(207,254)**	**(199,865)**	**(214,297)**	**(214,812)**	**(37,315)**	**(57,499)**	**(51,525)**	**(60,915)**	**(49,220)**	**(52,614)**	**(50,360)**	**(47,671)**
Operating profit, non-GAAP	**35,441**	**44,029**	**9,643**	**20,749**	**38,322**	**63,877**	**11,664**	**896**	**211**	**(3,128)**	**5,628**	**6,156**	**7,363**	**2,237**
yoy%	*28%*	*24%*	*-78%*	*115%*	*85%*	*67%*	*31%*	*-92%*	*-98%*	*-130%*	*-52%*	*587%*	*3390%*	*172%*
Operating profit, non-GAAP margin %	*3.3%*	*3.8%*	*0.7%*	*1.5%*	*2.6%*	*4.1%*	*3.9%*	*0.3%*	*0.1%*	*-0.9%*	*1.8%*	*1.8%*	*2.3%*	*0.6%*
JD Retail	35,925	41,077	51,402	54,133	58,046	62,004	12,846	13,939	14,828	9,789	14,960	13,487	15,375	10,311
yoy%	*3%*	*14%*	*25%*	*5%*	*7%*	*7%*	*38%*	*38%*	*28%*	*-2%*	*16%*	*-3%*	*4%*	*5%*
JD Logistics	1,005	6,317	5,269	8,399	9,129	10,041	145	1,958	1,282	1,884	1,020	2,468	2,030	2,881
New Business	(850)	(2,116)	(46,641)	(41,134)	(28,807)	(8,171)	(1,327)	(14,777)	(15,736)	(14,801)	(10,352)	(9,731)	(10,041)	(11,009)
Pre-tax profit, non-GAAP	**39,698**	**57,674**	**33,124**	**36,297**	**50,784**	**79,993**	**15,549**	**8,562**	**8,149**	**864**	**8,307**	**10,668**	**10,682**	**6,640**
Income tax	(8,393)	(6,878)	(2,181)	(5,916)	(9,141)	(13,599)	(2,063)	10	(252)	124	(1,260)	(2,027)	(1,602)	(1,027)
Net income, GAAP	**23,257**	**44,660**	**23,142**	**24,228**	**35,163**	**59,454**	**11,279**	**6,709**	**6,381**	**(1,227)**	**5,830**	**7,330**	**7,859**	**3,210**
Net income, non-GAAP	**35,200**	**47,827**	**27,032**	**30,005**	**40,735**	**65,409**	**12,758**	**7,394**	**5,796**	**1,084**	**7,379**	**8,493**	**8,941**	**5,192**
yoy%	*25%*	*36%*	*-43%*	*11%*	*36%*	*61%*	*43%*	*-49%*	*-56%*	*-90%*	*-42%*	*15%*	*54%*	*379%*
Gross margin	14.7%	15.9%	16.0%	16.2%	16.6%	17.1%	15.9%	15.9%	16.9%	15.6%	16.8%	16.1%	16.6%	15.4%
Fulfilled gross margin	8.9%	9.9%	9.4%	9.9%	10.5%	11.2%	9.4%	9.7%	9.6%	8.8%	9.4%	9.9%	9.7%	10.6%
Operating margin, non-GAAP	**3.3%**	**3.8%**	**0.7%**	**1.5%**	**2.6%**	**4.1%**	**3.9%**	**0.3%**	**0.1%**	**-0.9%**	**1.8%**	**1.8%**	**2.3%**	**0.6%**
JD Retail Operating margin, non-GA	**3.8%**	**4.0%**	**4.6%**	**4.7%**	**4.7%**	**4.8%**	**4.9%**	**4.5%**	**5.9%**	**3.2%**	**5.6%**	**4.6%**	**5.9%**	**3.2%**
Net margin, non-GAAP	**3.2%**	**4.1%**	**2.1%**	**2.2%**	**2.8%**	**4.2%**	**4.2%**	**2.1%**	**1.9%**	**0.3%**	**2.3%**	**2.5%**	**2.8%**	**1.4%**
Industry standard GMV (Rmb mn)	**3,648,415**	**3,938,245**	**4,296,089**	**4,424,972**	**4,648,876**	**4,874,625**	**851,492**	**1,212,239**	**1,015,937**	**1,216,421**	**864,449**	**1,140,900**	**1,059,260**	**1,360,363**
yoy%	*5%*	*8%*	*9%*	*3%*	*5%*	*5%*	*13%*	*20%*	*10%*	*-2%*	*2%*	*-6%*	*4%*	*12%*
JD Retail revenue (Rmb mn)	**945,343**	**1,015,948**	**1,126,399**	**1,152,311**	**1,226,530**	**1,289,506**	**263,845**	**310,075**	**250,577**	**301,902**	**268,588**	**295,939**	**261,231**	**326,552**
yoy%	*2%*	*7%*	*11%*	*2%*	*6%*	*5%*	*16%*	*21%*	*11%*	*-2%*	*2%*	*-5%*	*4%*	*8%*

Source: Company data, Goldman Sachs Global Investment Research

JD Logistics

We fine tune JD Logistics' net profit by 1% over FY26-28E, considering the better integrated supply chain business momentum, above peers growth trajectory of express business, and ongoing restructure of Deppon. Our 12-m EV/EBITDA-based target price

of JDL is unchanged at HK$18.7. We remain Buy-rated on its leading position in the China supply-chain industry with proven model and technological know-how.

Key risks: Significant revenue contribution from JD Group; concentration in a few industries/sectors; relatively high-end positioning amid macro softness.

Exhibit 23: Our estimate changes for JD Logistics at a glance

JD Logistics Income Statement (Rmb mn unless stated otherwise)	2026E	2026E Old	Chg (%)	YoY (%)	2027E	2027E Old	Chg (%)	YoY (%)	2028E	2028E Old	Chg (%)	YoY (%)
Revenue from integrated supply chain customers	133,619	133,619	0%	15%	141,204	141,204	0%	6%	149,044	149,044	0%	6%
Internal (JD 1P)	93,003	93,003	0%	16%	98,464	98,464	0%	6%	103,806	103,806	0%	5%
External	40,616	40,616	0%	13%	42,740	42,740	0%	5%	45,238	45,238	0%	6%
Revenue from other customers (Express, LTL, others)	134,307	134,307	0%	33%	147,136	147,136	0%	10%	157,092	157,092	0%	7%
Total revenues	**267,926**	**267,926**	**0%**	**23%**	**288,340**	**288,340**	**0%**	**8%**	**306,136**	**306,136**	**0%**	**6%**
Employee benefit expenses	(99,360)	(99,360)	0%	24%	(105,178)	(105,178)	0%	6%	(111,126)	(111,126)	0%	6%
Outsourcing cost	(93,224)	(93,224)	0%	26%	(100,985)	(100,985)	0%	8%	(108,573)	(108,573)	0%	8%
Rental cost	(14,013)	(14,013)	0%	9%	(14,566)	(14,566)	0%	4%	(15,008)	(15,008)	0%	3%
Depreciation and amortization	(6,304)	(6,304)	0%	34%	(7,375)	(7,375)	0%	17%	(8,320)	(8,320)	0%	13%
Others	(29,075)	(29,209)	0%	11%	(32,300)	(32,444)	0%	11%	(33,375)	(33,528)	0%	3%
Total cost of revenues	**(241,976)**	**(242,110)**	**0%**	**23%**	**(260,403)**	**(260,547)**	**0%**	**8%**	**(276,402)**	**(276,555)**	**0%**	**6%**
Gross profit	**25,950**	**25,816**	**1%**	**31%**	**27,937**	**27,793**	**1%**	**8%**	**29,733**	**29,580**	**1%**	**6%**
Operating profit, non-IFRS	**8,647**	**8,514**	**2%**	**51%**	**9,395**	**9,251**	**2%**	**9%**	**10,324**	**10,171**	**2%**	**10%**
EBITDA, non-IFRS	**25,347**	**25,216**	**1%**	**23%**	**27,450**	**27,314**	**0%**	**8%**	**29,510**	**29,369**	**0%**	**8%**
Other income/expense	**1,291**	**1,291**	0%	-34%	**1,549**	**1,549**	0%	20%	**1,769**	**1,769**	0%	14%
Income before income tax expenses	**9,456**	**9,322**	**1%**	**29%**	**10,425**	**10,280**	**1%**	**10%**	**11,542**	**11,389**	**1%**	**11%**
Net loss/income, IFRS	**8,700**	**8,577**	**1%**	**26%**	**9,174**	**9,047**	**1%**	**5%**	**9,811**	**9,681**	**1%**	**7%**
Net income, non-IFRS	**9,638**	**9,515**	**1%**	**25%**	**10,193**	**10,066**	**1%**	**6%**	**10,862**	**10,732**	**1%**	**7%**

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 24: Our yearly and quarterly estimates for JD Logistics
Rmb mn

	2022	2023	2024	2025	2026E	2027E	2028E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E
Integrated supply chain	**77,436**	**81,470**	**87,355**	**116,223**	**133,619**	**141,204**	**149,044**	**23,201**	**26,906**	**30,135**	**35,981**	**29,220**	**32,412**	**33,352**	**38,635**
yoy growth %	*9%*	*5%*	*7%*	*33%*	*15%*	*6%*	*6%*	13%	26%	46%	45%	26%	20%	11%	7%
Internal (JD 1P)	48,261	50,063	55,062	80,314	93,003	98,464	103,806	14,699	17,761	21,201	26,653	19,400	22,170	23,436	27,999
yoy growth %	*6%*	*4%*	*10%*	*46%*	*16%*	*6%*	*5%*	14%	31%	66%	68%	32%	25%	11%	5%
External	29,175	31,407	32,294	35,909	40,616	42,740	45,238	8,501	9,145	8,934	9,328	9,820	10,243	9,917	10,636
yoy growth %	*15%*	*8%*	*3%*	*11%*	*13%*	*5%*	*6%*	12%	18%	13%	3%	16%	12%	11%	14%
Other revenue (food delivery, express, LT	**59,966**	**85,154**	**95,482**	**100,924**	**134,307**	**147,136**	**157,092**	**23,766**	**24,658**	**24,950**	**27,550**	**31,361**	**31,258**	**33,942**	**37,747**
yoy growth %	*78%*	*42%*	*12%*	*6%*	*33%*	*10%*	*7%*	10%	8%	5%	1%	32%	27%	36%	37%
Total Revenue	**137,402**	**166,625**	**182,838**	**217,147**	**267,926**	**288,340**	**306,136**	**46,967**	**51,565**	**55,084**	**63,531**	**60,581**	**63,670**	**67,294**	**76,381**
yoy growth %	*31%*	*21%*	*10%*	*19%*	*23%*	*8%*	*6%*	11%	17%	24%	22%	29%	23%	22%	20%
Employee benefit expenses	(50,827)	(55,300)	(61,600)	(79,900)	(99,360)	(105,178)	(111,126)	(16,800)	(18,200)	(21,800)	(23,100)	(22,500)	(22,285)	(25,908)	(28,667)
Outsourcing cost	(51,555)	(60,200)	(63,200)	(73,700)	(93,224)	(100,985)	(108,573)	(17,100)	(16,900)	(17,000)	(22,700)	(22,400)	(21,970)	(22,100)	(26,754)
Rental cost	(6,466)	(12,800)	(12,800)	(12,800)	(14,013)	(14,566)	(15,008)	(3,000)	(3,300)	(3,200)	(3,300)	(3,300)	(3,438)	(3,365)	(3,910)
Depreciation and amortization	(3,064)	(3,900)	(4,300)	(4,700)	(6,304)	(7,375)	(8,320)	(1,100)	(1,100)	(1,200)	(1,300)	(1,300)	(1,337)	(1,413)	(2,253)
Others	(15,390)	(21,742)	(22,239)	(26,279)	(29,075)	(32,300)	(33,375)	(5,580)	(6,586)	(6,877)	(7,236)	(6,251)	(7,895)	(7,894)	(7,035)
Gross Profit	**10,100**	**12,683**	**18,698**	**19,768**	**25,950**	**27,937**	**29,733**	**3,387**	**5,479**	**5,007**	**5,894**	**4,830**	**6,745**	**6,614**	**7,761**
Gross margin %	*7.4%*	*7.6%*	*10.2%*	*9.1%*	*9.7%*	*9.7%*	*9.7%*	7.2%	10.6%	9.1%	9.3%	8.0%	10.6%	9.8%	10.2%
yoy growth %	*75%*	*26%*	*47%*	*6%*	*31%*	*8%*	*6%*	5%	4%	-4%	17%	43%	23%	32%	32%
Research and development expenses	(3,123)	(3,571)	(3,571)	(4,136)	(5,225)	(5,623)	(5,817)	(893)	(1,006)	(1,058)	(1,180)	(1,141)	(1,273)	(1,346)	(1,464)
Sales and marketing expenses	(4,062)	(4,999)	(5,686)	(6,359)	(7,872)	(8,393)	(8,786)	(1,416)	(1,577)	(1,580)	(1,786)	(1,663)	(1,910)	(2,019)	(2,280)
General and administrative expenses	(3,157)	(3,353)	(3,335)	(3,898)	(4,689)	(5,046)	(5,357)	(876)	(930)	(1,058)	(1,035)	(1,063)	(1,146)	(1,279)	(1,201)
Operating profit, non-IFRS	**1,000**	**1,547**	**6,351**	**5,734**	**8,647**	**9,395**	**10,324**	**225**	**2,084**	**1,411**	**2,014**	**1,071**	**2,530**	**2,092**	**2,954**
Operating margin %, non-IFRS	*0.7%*	*0.9%*	*3.5%*	*2.6%*	*3.2%*	*3%*	*3%*	0%	4%	3%	3%	2%	4%	3%	4%
yoy growth %	*-275%*	*55%*	*311%*	*-10%*	*51%*	*9%*	*10%*	-6%	-6%	-34%	13%	375%	21%	48%	47%
Net income, non-IFRS	**866**	**2,761**	**7,917**	**7,711**	**9,638**	**10,193**	**10,862**	**751**	**2,588**	**2,020**	**2,352**	**1,052**	**2,604**	**2,804**	**3,177**
Net margin %, non-IFRS	*0.6%*	*1.7%*	*4.3%*	*3.6%*	*3.6%*	*3.5%*	*3.5%*	1.6%	5.0%	3.7%	3.7%	1.7%	4.1%	4.2%	4.2%
yoy growth %	*-171%*	*219%*	*187%*	*-3%*	*25%*	*6%*	*7%*	13%	5%	-21%	6%	40%	1%	39%	35%

Source: Company data, Goldman Sachs Global Investment Research

Price Target Risks and Methodology - Alibaba Group

Valuation methodology: We are Buy rated on BABA/9988.HK, with SOTP-based 12-month target prices of US$186/HK$180 per ADS/share (FY27E-based).

Key risks: (1) Lower-than-expected GMV growth due to macro/competition; (2) Slower-than-expected monetization in China retail; (3) Weaker-than-expected execution in key strategic investments; and (4) Cloud revenue growth deceleration.

Price Target Risks and Methodology - JD.com Inc.
Valuation: We are Buy rated on JD.com with 12-m SOTP-based target prices of US$43/HK$169.

Key risks: Tougher-than-expected competition in China's eCommerce/food delivery markets; Online GMV slowdown and electronics & appliance facing tougher comps starting Sept-2025, general merchandise/JD supermarket execution: there would be downside risks to our forecasts if JD cannot deliver the expected growth; Fluctuations in JD Retail margin, as JD continues to invest into price competitiveness/user experience/3P ecosystem.

Price Target Risks and Methodology - JD Logistics
Valuation: We are Buy rated on JD Logistics with a 12-m EV/EBITDA-based target price of HK$18.70.

Key risks: Significant revenue contribution from JD Group; Concentration in a few industries/sectors: reliance on a few industries/sectors whereby business operations and profitability could be negatively impacted should there be industry/economic downturns; Relatively high-end positioning: might face growth pressure in the near-term under macro softness as customers, especially if SMEs focus on the near-term rather than mid-/long-term cost savings/efficiency gains.