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Inner Mongolia Yili Industrial Group 2024 Annual and First Quarter 2025 Results

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About Yili



- **Yili ranks among the Global Dairy Top 5 and has sustained an undisputable position of No. 1 in Asia for eleven consecutive years.** Yili is China's largest dairy producer, offering the largest number of products. Yili has now put into place a network comprising a global resource system, a global innovation system and a global market system in regions where the dairy industry is well developed. These regions include Asia, Europe, the Americas, and Oceania. Yili has over 2,000 partners distributed in 39 countries across six continents. The company owns 15 R&D and innovation centers and 75 production bases. Its liquid milk, milk powder, yogurt, cheese and ice cream are on the market in more than 60 countries and regions.
- With its exceptional product quality, leading service capabilities and comprehensive capacity for sustainable development, Yili is well-respected and received among global event organizers, national and local governments and the public. Yili was selected to serve as the exclusive supplier of dairy products and services at major international events, including the Beijing 2008 Olympic Games, the Expo 2010 Shanghai China, the G20 2016 China, the 2019 7th CISM Military World Games, the Beijing 2022 Winter Olympic Games, and the Hangzhou 2023 Asia Games. Yili has also become a partner of the World Economic Forum, the Boao Forum for Asia, and the World Internet Conference.





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Financial Highlights



RMB (million)	2023	2024	Growth rate	2024 Q1	2025 Q1	Growth rate
Revenue	126,179	115,780	-8.24%	32,577	33,018	1.35%
Revenue from core business	124,461	114,121	-8.31%	32,220	32,742	1.62%
Gross profit ¹	40,726	38,838	-4.64%	11,581	12,350	6.63%
Gross profit margin	32.7%	34.0%	1.31ppts	35.9%	37.7%	1.77ppts
Selling expense ratio	17.9%	19.0%	1.10ppts	18.4%	16.9%	-1.52ppts
G&A expense ratio	4.1%	3.9%	-0.23ppts	4.5%	3.8%	-0.70ppts
Operating profit	11,873	10,182	-14.25%	6,902	5,739	-16.86%
Net profit attributable to shareholders of the company	10,429	8,453	-18.94%	5,923	4,874	-17.71%
Net profit margin	8.3%	7.3%	-0.96ppts	18.2%	14.8%	-3.42ppts
EPS (RMB)	1.64	1.33	-18.90%	0.93	0.77	-17.20%
ROE	20.20%	15.81%	-4.39ppts	10.52%	8.74%	-1.78ppts

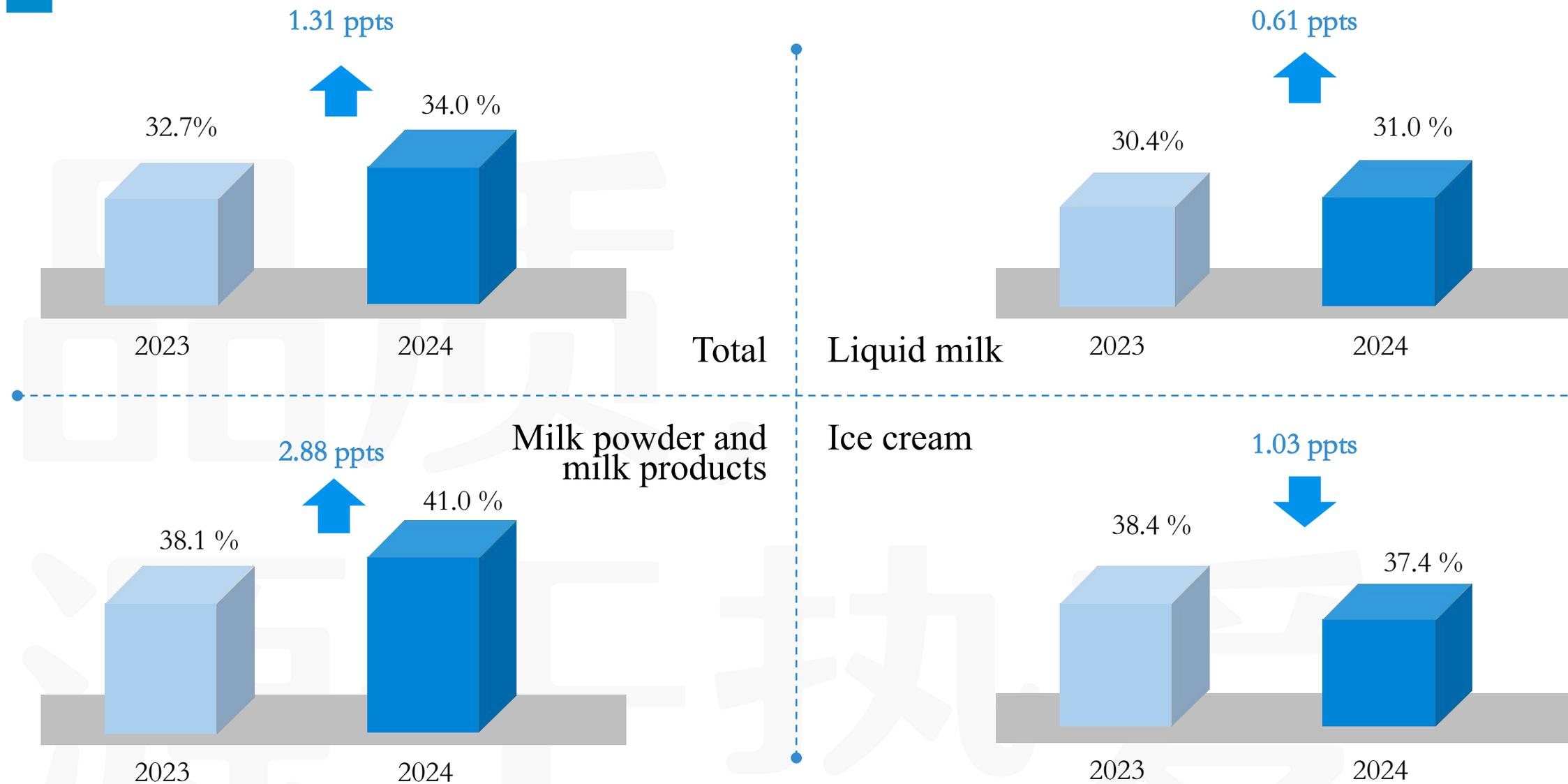
Note 1: Gross profit is calculated from core business revenue

Core Business Revenue Segment Breakdown



RMB (million)	2023		2024			2024Q1		2025Q1		
	Revenue	%	Revenue	%	Growth rate	Revenue	%	Revenue	%	Growth rate
Liquid milk	85,540	68.7%	75,003	65.7%	-12.3%	20,261	62.9%	19,640	60.0%	-3.1%
Milk powder and milk products	27,598	22.2%	29,675	26.0%	7.5%	7,428	23.1%	8,813	26.9%	18.6%
Ice cream	10,688	8.6%	8,721	7.6%	-18.4%	4,333	13.4%	4,105	12.5%	-5.3%
Other products	634	0.5%	722	0.6%	13.7%	198	0.6%	184	0.6%	-7.2%
Total	124,461	100.0%	114,121	100.0%	-8.3%	32,220	100.0%	32,742	100.0%	1.6%

Gross Margin by Segment



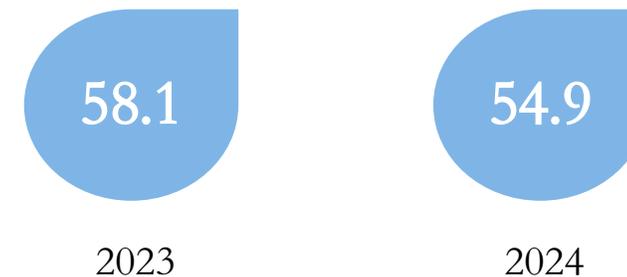
Operating Efficiency



Notes Receivable and Accounts Receivable Turnover (Days)



Inventory Turnover (Days)



Notes Payable and Accounts Payable Turnover (Days)



Cash Turnover (Days)

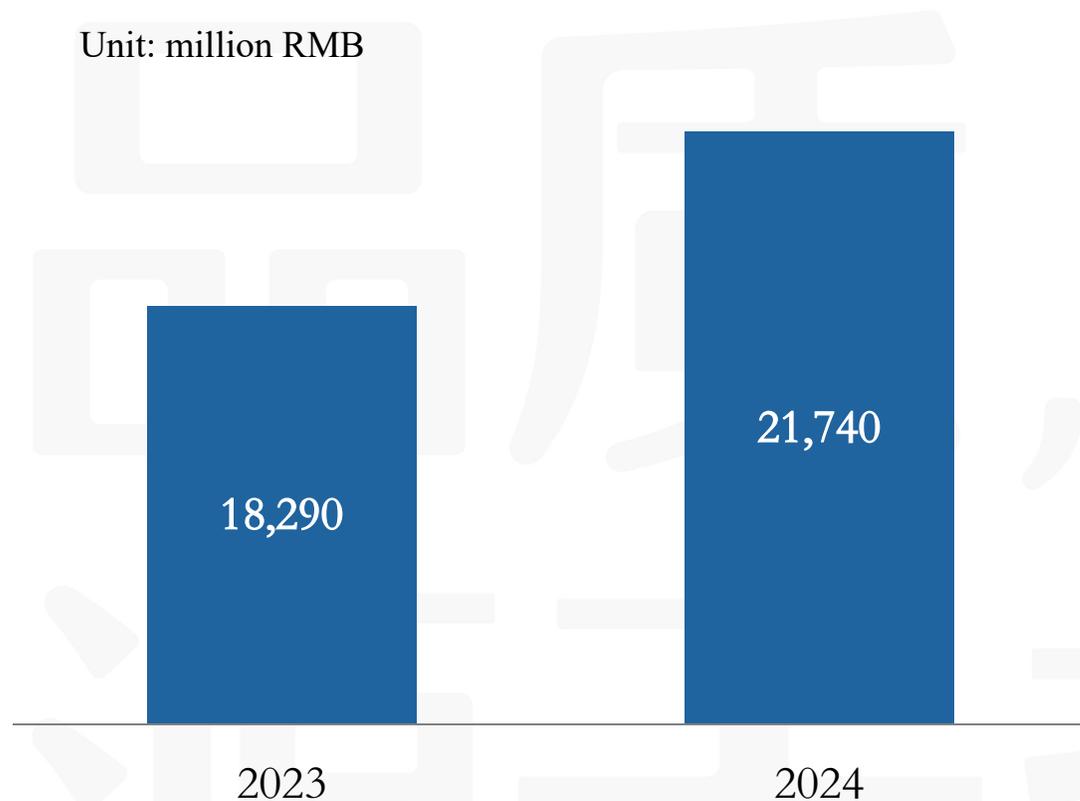


Cash Flow and Capital Expenditure



Net cash flow from operating activities

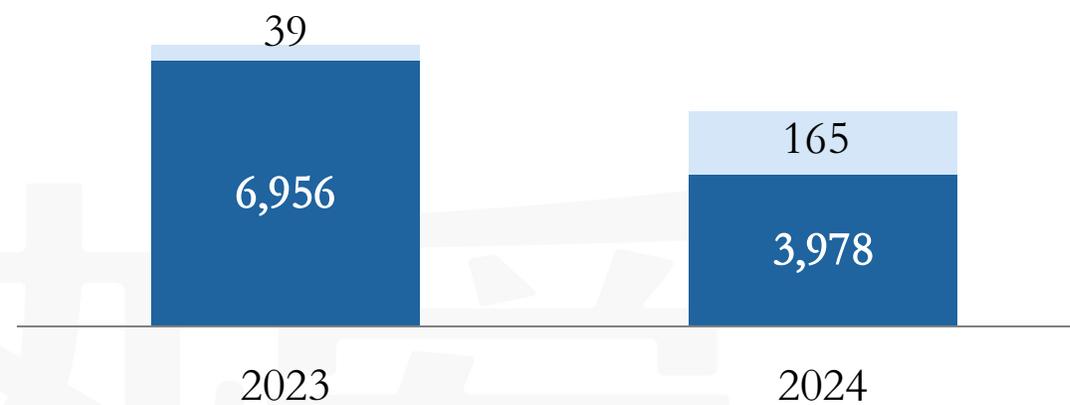
Unit: million RMB



Capital expenditure

Unit: million RMB

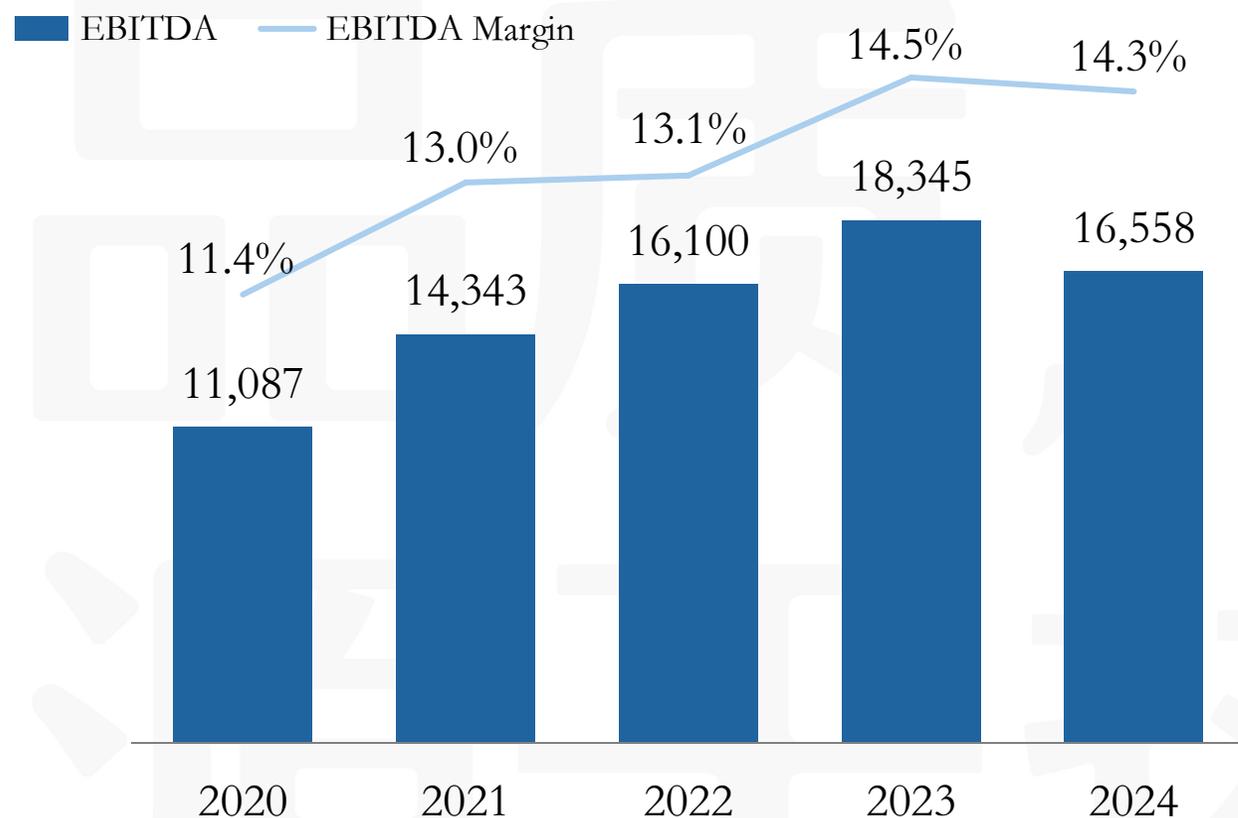
- Cash paid for fixed assets, intangible assets and other long-term assets
- Net cash from the subsidiaries



EBITDA, ROIC and Dividend Rate

EBITDA & EBITDA Margin

Unit: million RMB



ROIC



2024

10.4%

Percentage of total amount of dividends¹⁾ to net profit attributable to ordinary shareholders of parent company



2024

100.4%

Note 1: total amount of dividends is equal to the amount of cash dividends plus amount of shares repurchased by cash included in cash dividend

Data source: Company data



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Continuously communicate with consumers, and ranked top among dairy brands



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Continuously strengthen brand building

Yili continued to enhance brand and consumer interaction. Through diversified media channels, company improved online marketing, and established the emotional connection with consumers. Company also launched numerous customized products centered around Chinese Olympic athletes.

Rank No. 1 brand in the industry

In 2024, on the Kantar BrandZ Most Valuable Global Brands ranking list, "Yili" has topped the global dairy industry for many consecutive years. According to the Kantar Worldpanel, Yili has retained its first place on the "Top Ten Preferred Brands List for Chinese Consumers". The "Top 10 Most Valuable Dairy Brands in the World in 2024" list released by Brand Finance shows that Yili has held the first position for five consecutive years.

Adhere to innovation-driven development to promote the high-quality development of the industry



Enhance deep processing capacity of dairy products

Developing the deep processing capability of dairy products and built the largest cheese curd production line in China, Yili has made new breakthroughs in the bottleneck technologies and enriched the product matrix of high-value-added products such as cream, cheese, and lactoferrin etc.

Actively promote healthy product innovation

Implemented the "clean label" and the actions of "sugar, fat, and salt reduction" for the main products. Through innovation, Yili made breakthroughs in fields such as sugar and fat reduction, natural flavor enhancement, sustainable packaging, and low-carbon products.

Carry out research on consumers' nutritional needs

Yili conducts research on consumers' nutritional needs throughout their life cycles. Yili continuously innovates marketing methods to provide consumers with convenient interactive experiences, and promotes the high-quality development of the industry.



Accelerate digital transformation to provide more agile and efficient innovation and operation



Accelerate product innovation

Yili launched the digital application platform for breast milk research, and utilized AI to improve the efficiency of formula R&D. Create products collaboratively with consumers in an agile manner, and accelerate product iteration.

Precise operation across all domains

Achieve more precise and efficient media placement through digitalization. Implement refined management on omni-channels, provide a more convenient shopping experience.

Accelerate deployment of artificial intelligence

Yili employs full-time AI team, conducts data analysis and targeted modeling for key business scenarios to make business decisions more scientific and rigorous. Yili also created the first large AI model in the dairy industry YILI-GPT, and built YILI-Agent to assist intelligent operation and innovation.

Overseas business steadily develops, and continuously enhances local operation capabilities



Overseas business achieved steady growth.

Yili overseas business focuses on local development and extends the product lines, leading to an increase in the market share in Southeast Asia. In 2024, the revenue of overseas ice cream business grew 13%, and the revenue of the oversea infant milk powder grew 68%. The case of the company's operation in Indonesia won the Award of the "2024 Ram Charan Management Practice Award" of Harvard Business Review.

Enhance overseas operation capabilities

Continuously optimize the overseas end-to-end supply chain management to improve the operation capabilities. By improving the global supply chain network, Yili achieved more efficient linkage between domestic and foreign markets and the production bases in Oceania and Europe. The company's subsidiary in Thailand has won the "Highest Quality Award" in Thailand for the 5th consecutive year due to its leading quality management level.



Steadily develop emerging channels, and create shared value via customized products



Leading market share in emerging channels

According to Nielsen and Syntun Data, in 2024, the company's liquid milk business ranked No.1 in offline channels market share. Yili strengthens the advantages of online and emerging channels. It achieved No.1 in market share of major e-commerce platforms such as JD.com, Tmall, Pinduoduo, and Douyin. Yili also ranked No.1 in market share of emerging channels such as O2O and community group purchase.



Explore channel customization business

Actively expand channel businesses such as e-commerce platforms, snack stores, and membership supermarkets. Yili launches new customized products, and carries out co-creation with channels, accurately grasps consumption trends, and improves the channel management capabilities to create a better experience for consumers.

Liquid Milk: Room-temperature liquid milk meets consumers' diversified and segmented needs



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leading market share across multiple categories and channels



No.1 market share for room-temperature liquid milk



The market share of ambient yogurt has been **No.1 for many years**, and its leading advantage continues to expand



No.1 market share in major e-commerce platforms; **No.1 market share** in emerging channels such as community group purchase and O2O



In Q1 2025, the market share of liquid milk further increased, and **the leading advantage** continues to expand

Different categories of liquid milk to meet the diverse needs of consumers



Upgrade in value for money products: Upgraded basic nutritional products, such as launching flavored milk of Chinese wolfberry and jujube, strawberry milk, and Yili grassland yogurt, etc.



Iteration of strong functional products: Strengthened the functional attributes of ShuHua brand and developed lactose-free dairy products; to meet the demand for health, innovatively launched Ambrosial probiotic ambient yogurt as the industry leader.



Innovation in customized products: Insisted in product innovation by launching customized products that meet segmented consumers, scenarios, and channels; in 2024, launched products such as Satine low carbon milk.

Liquid Milk: Chilled white milk continues to grow, and chilled yogurt leads innovation in multiple categories



Chilled category increased against the trend



The market share of company's chilled liquid milk **continued to increase** in both online and offline channels, with online retail sales increased by over 40% year-on-year



Continuously expanded the high-end chilled milk category, optimized product structure, and achieved a **year-on-year revenue growth of over 30%** for high-end chilled milk in 2024



In 2024, the market share of chilled yogurt **increased by 1.3 percentage points** compared to the previous year, and Changqing ranked **the top brand** in the chilled yogurt category for 9 consecutive years

Innovative flavors and high quality lead industry development



Flavor upgrade: Changqing's new grain pop yogurt series focused on nutrition and deliciousness, driving significant growth in the chilled yogurt business.



Category innovation: Gonglao ranked No.1 in chilled set yogurt category, and its newly launched flavored set yogurt series has received high praise from consumers.



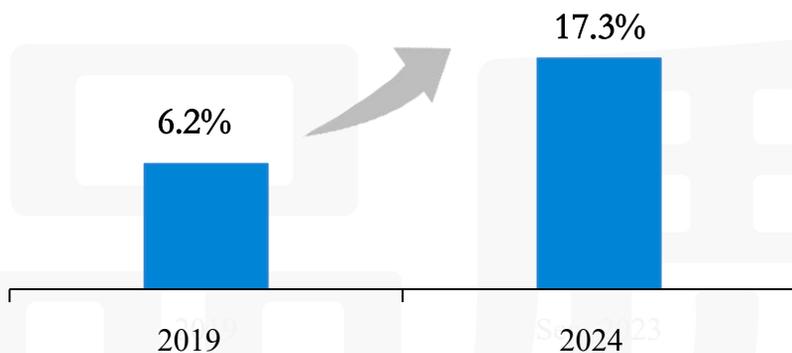
Structure optimization: Continuously expanded the high-end chilled milk category, leading the industry's quality upgrade and driving the market share growth of company's chilled milk.

Milk powder and dairy products: The IMF business continues to grow against the trend



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Company's IMF market share continued to grow



In 2024, Jinlingguan brand **grew 15 percentage points higher than the industry**, and market share **increased 2 percentage points** year on year

In 2024, the growth rate of Jinlingguan's e-commerce channel exceeded 50%, **ranking first in the industry in terms of growth rate**

Revenue of infant goat milk formula grew against the trend, continuously reinforcing its position as the **global leader** in goat milk powder market share

Long-term breast milk research enhanced core competitiveness



Jinlingguan: Flagship product “Zhenhu Bocui” pioneers the ultra-premium market with comprehensive nutrition, covering four major functional areas of breast milk nutrition: digestion and absorption, immune protection, cognitive development, and intestinal health, providing comprehensive and balanced nutrition for infants and young children.



Goat milk formula: Continuously expanding product portfolio, Kabrita and YouziXiaoyang meet consumers' refined feeding needs with differentiated formula advantages.

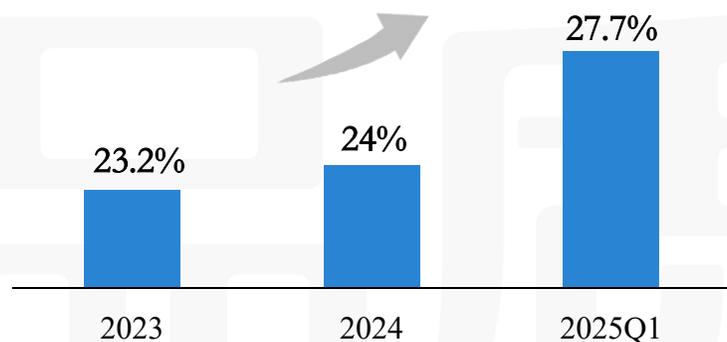


Special Medical Infant Formula: After long-term research on breast milk, the company has launched two special medical infant formula for premature and low birth weight infants, leading the industry into a new stage of high-quality development.

Milk powder and dairy products: Adult nutritional products focus on expanding the boundaries of products with functional features



Adult milk powder continued to increase its market share



▲ **Ranked No.1** in the industry

▲ **Accelerated increase** in market share

▲ Continuous optimization of product categories and structures, with high-end products accounting for **15%**

New products meet consumers' needs for segmented functionality and health



Xinhuo products deeply integrate the concept of the homology of medicine and food to meet the nutritional and functional needs of middle-aged and elderly consumers; the company has also reached a strategic cooperation with Tongrentang Group to jointly explore more nutritional products.



Rare milk products continue to develop, and Beichang goat milk powder has achieved double-digit growth; at the same time, it has laid out goat milk powder products across multiple price ranges to cater to more consumers with segmented functional demands.



Yili family milk powder continues to expand the product boundaries, optimize the formula and functions, enhance product competitiveness, and launch more healthy products suitable for the entire population, leading the development of the category.

Milk powder and dairy products: Cheese business grasps consumer trends, both ToC and ToB businesses achieve steady growth



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Multi-category layout of ToC business, with continuous increase in market share



In 2024, the market share of offline retail sales of cheese ToC business is about **19.1%**, an increase of 1.5 percentage points from the previous year, of which the market share of traditional channel retail sales reached 26.4%.



The company continuously diversified its product matrix, offering products such as children's snacks, adult snacks, dining cheese and other products to meet the needs of consumers of different age groups under various scenarios.



Accelerated expansion of ToB business, achieving over 20% growth

By leveraging the advantages of domestic and international processing scale, the company promotes the implementation of deep milk processing, achieving full utilization of raw milk components to establish a certain cost advantage.

Actively grasp consumer trends, continuously enrich the product matrix of milk fat and cheese, continuously expand the professional customer base, and provide customers with master-level new products and innovative solutions.



Ice cream: Innovation leads the market trend, and new products meet more diverse consumer needs



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Ice cream business continues to lead the market

- ▲ Consistently **ranked No.1** in the industry for 30 consecutive years
- ▲ Both online and offline market share **ranked No.1** in the industry
- ▲ Revenue of newly launched products accounts for **over 20%**
- ▲ Revenue of high-end products accounts for **over 50%**

Continuous innovation in ice cream business to meet diverse needs



Chocliz strengthens the brand's emotional value, consolidates the degree of consumer affection and loyalty; in 2024, it launched six layers of Chocliz ice cream, bringing consumers an ultimate taste experience with multiple flavor collisions.



Gemice satisfies consumers' needs for health and deliciousness; based on high-quality raw milk, it created high-quality cup ice cream, bringing consumers a pleasant experience that combines nutrition and great taste.



Qixuan, as a high-end ice cream brand, launched the "low sugar black chocolate" ice cream and the bite-sized mini ice cream "Xuanlinglong", providing consumers with healthier, more convenient and shareable delicious treats.

Business Outlook

2025 Business Outlook

Total revenue to be
RMB: 119 billion



Profit before tax to be
RMB: 12.6 billion



2025 Business Strategy

- 1 Adhere to the corporate creed of "Yili is Quality" and continuously improve the industry - leading quality management system.
- 2 Adhere to the principle of "consumer - centricity" and continuously enhance consumer satisfaction with products and services.
- 3 Actively carry out marketing innovation, strengthen brand building, and continuously enhance brand strength.
- 4 Continuously promote lean management, reduce costs, and improve supply chain efficiency.
- 5 Continue to accelerate the digital transformation around value chain such as product innovation, marketing, and supply chain.
- 6 Continuously expand overseas markets and steadily promote international business.
- 7 Continuously enhance the group's sustainable development management capabilities and achieve the improvement of social and commercial value.



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Yili achieved remarkable sustainable development results in 2024



上海证券交易所

A

Yili achieved A in information disclosure work evaluate by Shanghai Stock Exchange for 2023-2024

MSCI

AA

2024 Yili MSCI ESG rating upgraded to AA

CDP

森林	气候	水
B	B	B

Yili replied to CDP questionnaire for consecutive 5 years, and got B in "Climate Change", "Forest", and "Water"



Yili's MSCI ESG rating has been further upgraded to AA level, reaching the **highest rated dairy enterprise** in China.



Company has pledged to strive to achieve the "**Deforestation-free procurement**" commitment by 2030, and will continue to promote supply chain traceability and sustainable material procurement.



Yili actively implements concept of "**Green Leadership**", collaborates with members of the "Zero - Carbon Alliance" and the "Global Low Water Footprint Initiative Alliance" to promote carbon reduction and water conservation



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Corporate culture



Belief

“Yili” means the best quality

Vision

Be the most trusted global healthy food provider

Core Values

Excellence Accountability Innovation

Win-win

Respect

The Spirit of Yili

Ownership
mindset

Strong sense of
responsibility

Powerful execution
capability

Long-term Strategic Goals



“Value Leading” Strategic Goal

**Consumer value
leading**

**Social value
leading**

**Employee value
leading**

**Corporate value
leading**

- 1 Continue to focus on the field of healthy food and lead the development of the industry based on the needs of consumers and by relying on the global technology innovation and R&D platform
- 2 Steadily advance in globalization strategy, and improve operation capability as an international brand
- 3 Actively expand the emerging channels, and leverage Internet technology to create new business models
- 4 Elaborate collaborative advantages of global supply chain, and improve overall operation efficiency of the company
- 5 Adhere to the requirements of "striving for excellence, pursuing excellence, and constantly surpassing oneself", and consolidate the cultural foundation of the company
- 6 Continuously promote the implementation of the company's strategies on sustainable development of full value chain , and assist in achieving the "value leading" strategic goal

Long-term Strategies



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Thanks!