



品质, 源于热爱

Inner Mongolia Yili Industrial Group Third Quarter 2023 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 10 consecutive years.** Yili is China's largest dairy producer, offering the largest number of products. Additionally, Yili is an international enterprise that has achieved industrial layout in Asia, Europe, the Americas, and Oceania.
- 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, and the Beijing 2022 Winter Olympic Games. Yili has also become a partner of the World Economic Forum, the Boao Forum for Asia, and the World Internet Conference.
- Standing at the new starting point of the global dairy top 5, Yili has officially released its strategic goal of "becoming No.1 among the global dairy enterprises and advancing to the global top 5 healthy food enterprise".



Introduction of our Leader



PAN, Gang (The Chairman and CEO of Yili Group)

By 2002, he was the youngest CEO among the 520 key industrial enterprises.

Mr. Pan has been holding the position of Chairman and CEO of Yili Group since June 2005.

Management Thinking

- The "global networking" and the "along-the-supply-chain innovation" strategy
- The "quality management" and the "precise management" management ideas
- Solid results matter more than time taken; Industrial prosperity outranks personal glory; Social value takes precedence over business fortune; That's the value that we hold in every step of our growth.





Catalogue

1 About Yili

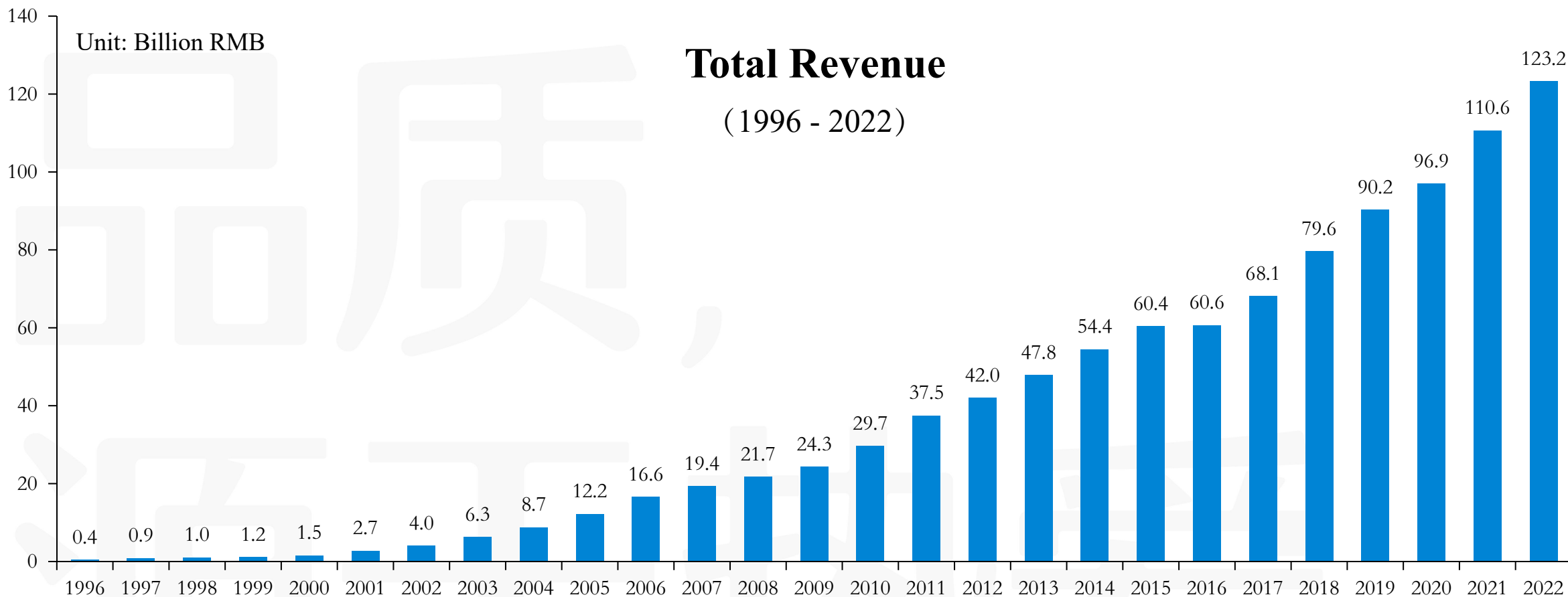
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Financial Review



Total revenue in 2022 was RMB **123.17** billion, and net profit attributable to shareholders of the company was RMB **9.43** billion. Both revenue and net profit maintained growth as compared with last year and continued to rank No.1 in the dairy industry in Asia.



Financial Highlights



RMB (million)	2022 Q3	2023 Q3	Growth rate	2022 1-3Q	2023 1-3Q	Growth rate
Revenue	30,398	31,207	2.7%	93,861	97,404	3.8%
Revenue from core business	29,877	30,786	3.0%	92,342	96,209	4.2%
Gross profit ¹	9,243	10,044	8.7%	30,276	31,849	5.2%
Gross profit margin	30.9%	32.6%	1.7 ppts	32.8%	33.1%	0.3 ppts
Selling expense ratio	18.8%	17.9%	-0.9 ppts	18.5%	17.7%	-0.8 ppts
G&A expense ratio	4.6%	3.9%	-0.7 ppts	4.1%	4.0%	-0.1 ppts
Operating profit	2,228	3,809	70.9%	9,553	11,136	16.6%
Net profit attributable to shareholders of the company	1,929	3,075	59.4%	8,061	9,380	16.4%
Net profit margin	6.3%	9.9%	3.5 ppts	8.6%	9.6%	1.0 ppt
EPS (RMB)	0.30	0.49	63.3%	1.26	1.47	16.7%
ROE				16.6%	18.0%	1.5 ppts

Note 1: Gross profit is calculated from core business revenue

Core Business Revenue Segment Breakdown



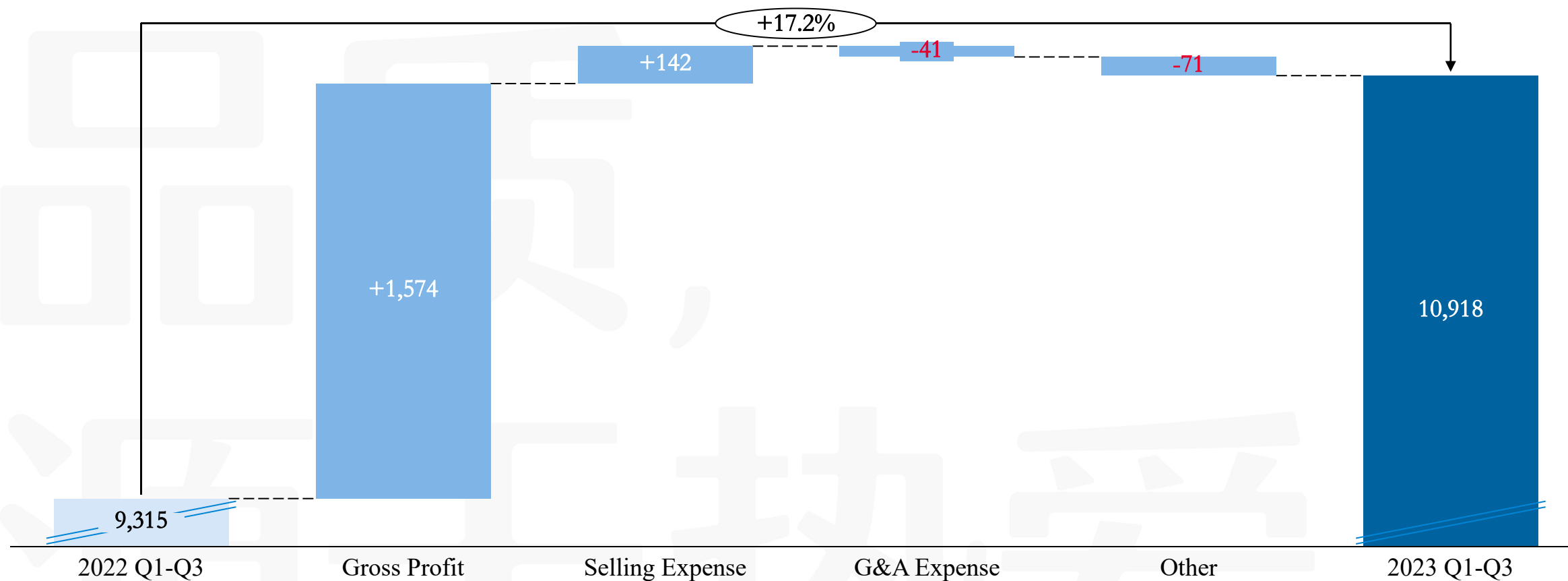
RMB (million)	2022 1-3Q		2023 1-3Q		
	Revenue	%	Revenue	%	Growth Rate
Liquid milk	64,102	69.4%	65,432	68.0%	2.1%
Milk powder and milk products	18,728	20.3%	19,922	20.7%	6.4%
Ice cream	9,200	10.0%	10,383	10.8%	12.9%
Other products	311	0.3%	472	0.5%	51.5%
Total	92,342	100.0%	96,209	100.0%	4.2%

Analysis of Profit Growth



2023 Q1-Q3 Total Profit Growth Attribution

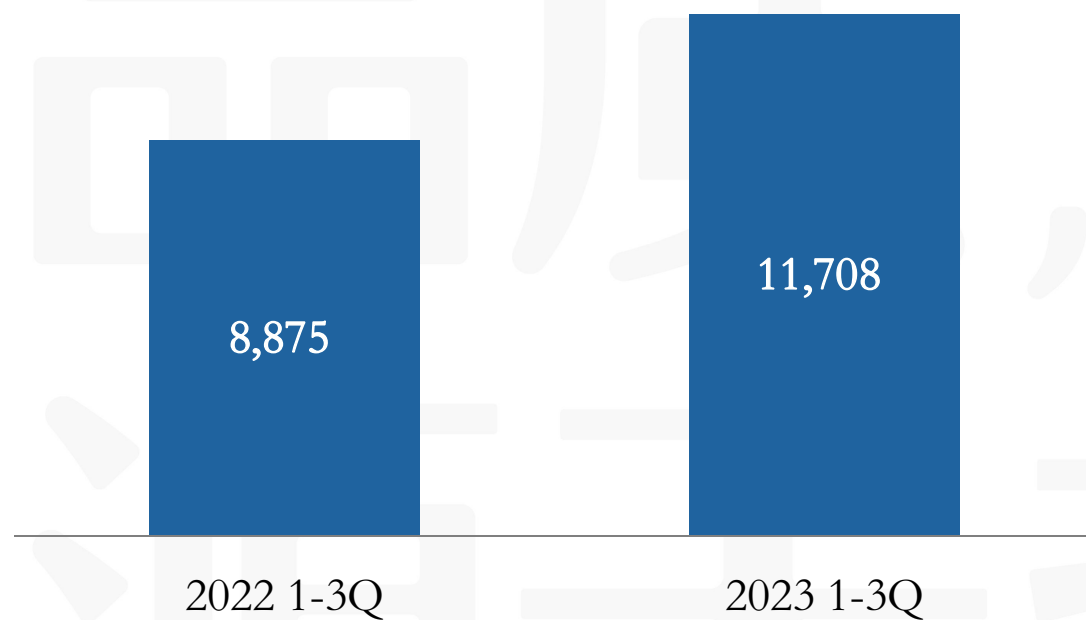
Unit: million RMB



Cash Flow and Capital Expenditure

Net cash flow from operating activities

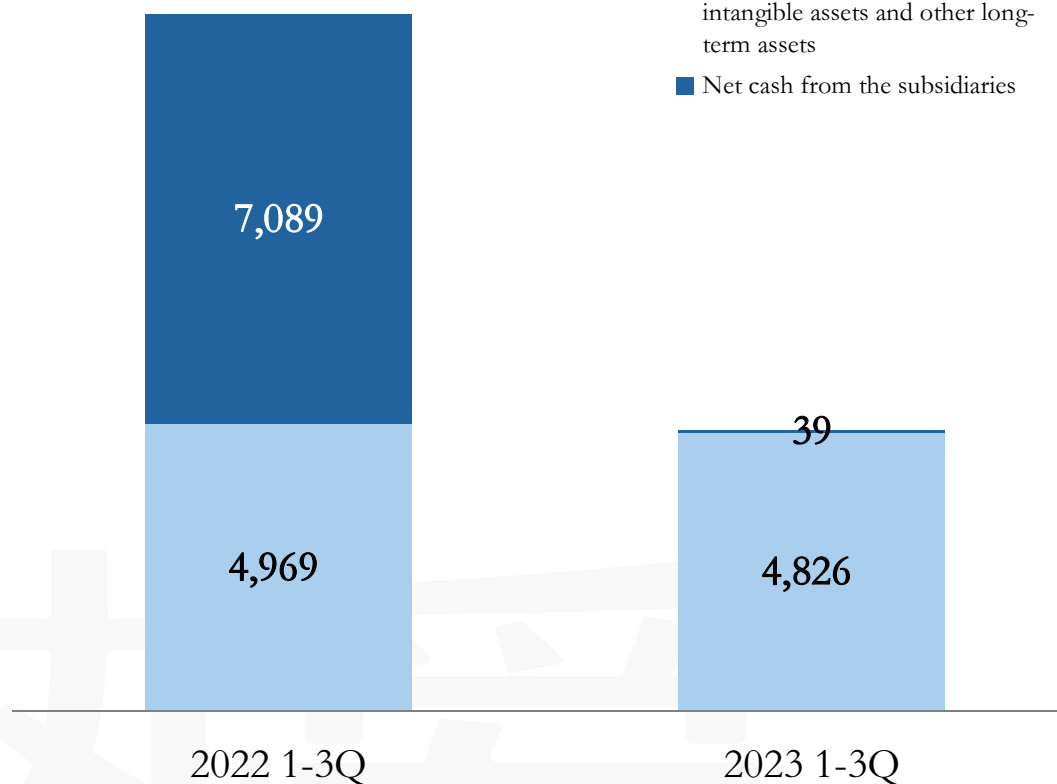
Unit: million RMB



Capital expenditure

Unit: million RMB

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





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Culture & Brand Essence



Belief

“Yili” means the best quality

Core Values

Excellence Accountability Innovation

Win-win Respect

Vision

Be the most trusted global healthy food provider

The Spirit of Yili

Ownership
mindset

Strong sense of
responsibility

Powerful execution
capability



Brand Essence

Nourish for life

the provider of healthy food and the advocator of healthy lifestyle



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Thank you!