http://www.yili.com

2018

YILI 2018 Interim Results

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About Yili

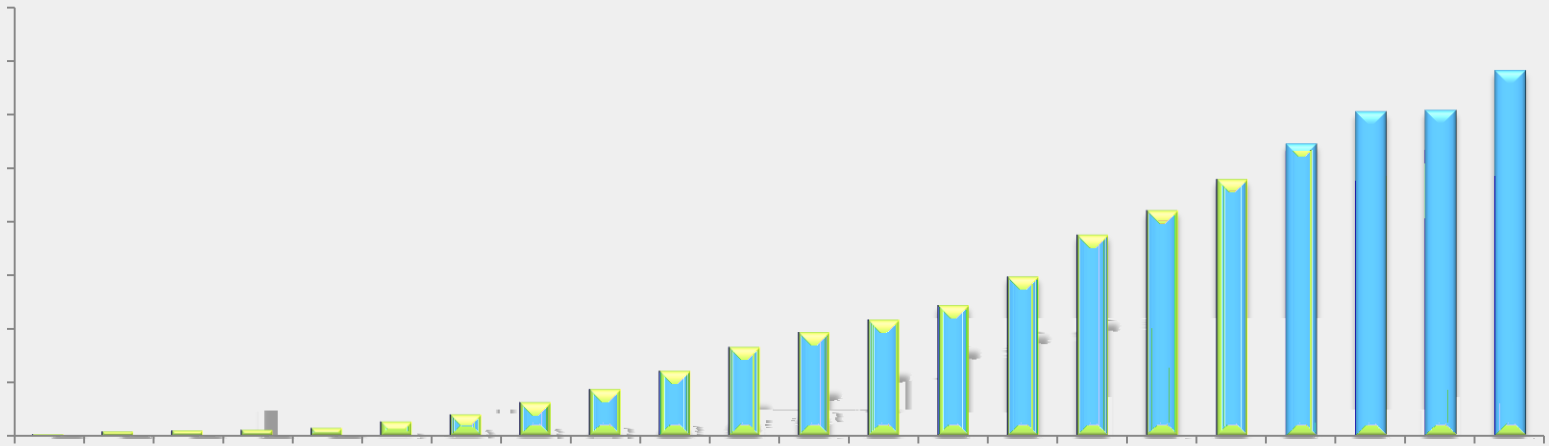
About Yili

Yili is the NO.1 dairy enterprise in Asia.

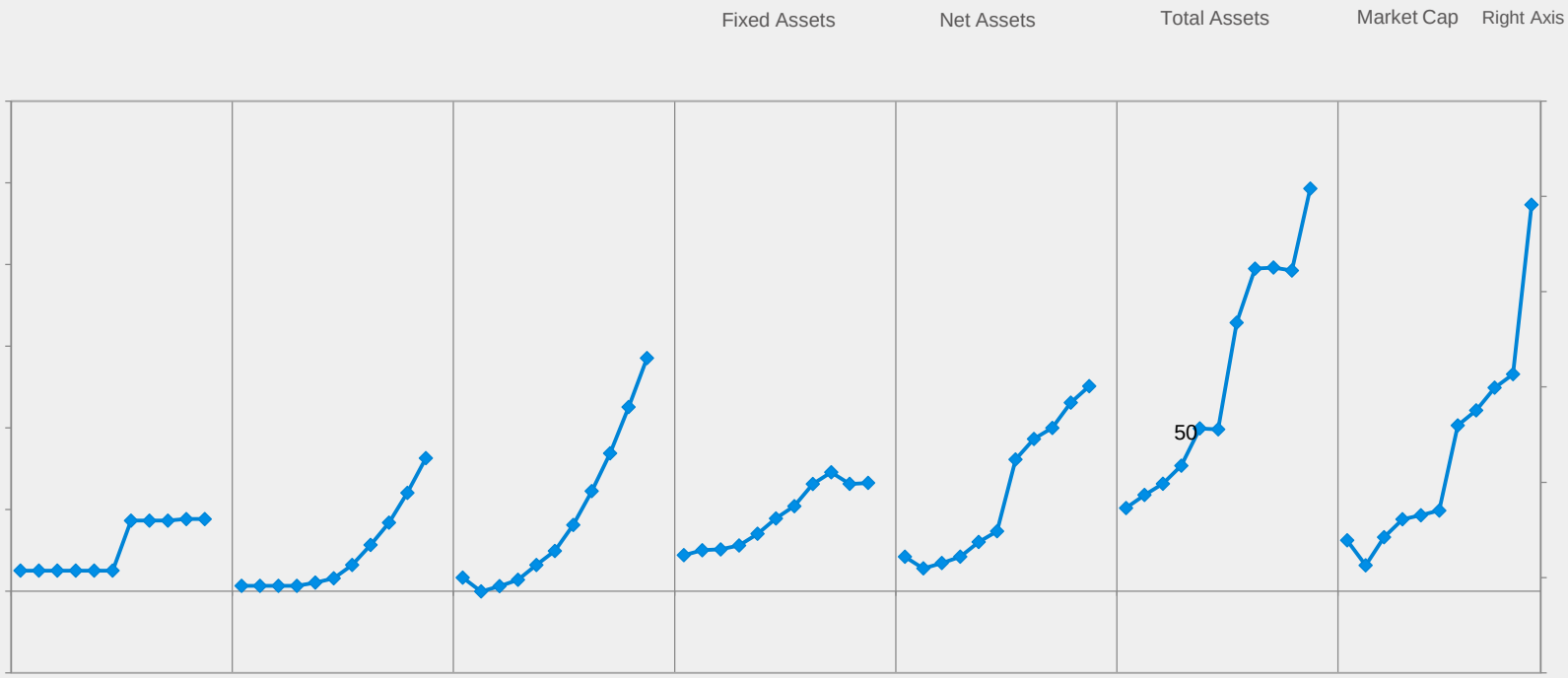
Yili owns the largest scale and the most complete product line in China dairy industry.

Yili is the sole enterprise in China who conforms to both Olympic Standard and World Expo Standard, providing dairy products for both Beijing 2008 Olympic Games and 2010 Shanghai World Expo. In 2017, Yili became the Official Dairy Products Partner of the Olympic and Paralympic Winter Games Beijing 2022, which made Yili the only sponsor for both Summer and Winter Olympics games.

Total revenues of Yili in 2017 were RMB68.058 billion, and net profit attributable to shareholders of the company was RMB6.001 billion. Both revenues and net profit maintained growth as compared with last year and continued to rank NO.1 in Asia dairy industry.



Shareholder Return



Data source: Company Annual Report 50

Pan Gang, the Chairman and president of Yili Group

Introduction of Our Leader

Major Recognition

President Pan enjoys the special allowance of the State Council.

2011, Outstanding leadership award of Green economy in Asia & Pacific area

2010, Outstanding business leader in Asia & Pacific area

2010, Business leader in Power of Changing China Awards

2009, Top 10 Chinese economics leader

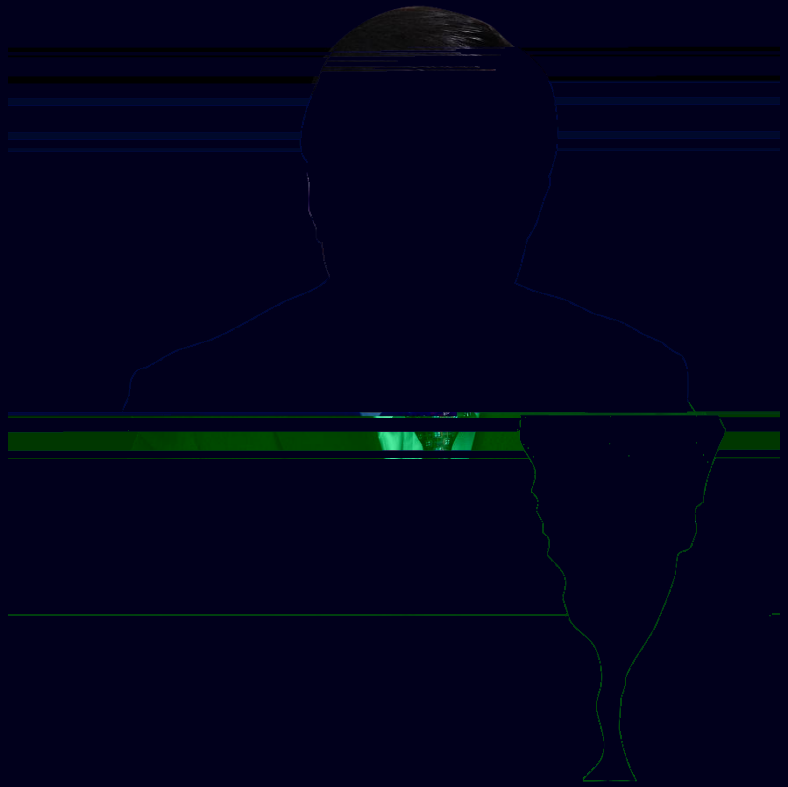
2007, The best leader of Russia-China friendship

2006, Davos Youth Global Leader

2006, National May-1st Labor Medal

2005, CCTV China Annual Economic Figure

2004, China Youth May-fourth Medal



-the-supply-chain innovation" strategy

management " and the "precise management" management ideas

The strategic partner of the Olympic Games and the World Expo

Solid results matter more than time taken; Industrial prosperity outranks

value that we hold in every step of our growth.

Pan Gang , Chairman

About Yili

In my opinions, there are two kinds of people: the ones who drink milk and the ones who do not. My goal is to combine the two kinds of people into one, the ones who drink milk and enjoy the nutritional and healthy lifestyle by drinking milk.

Pan Gang

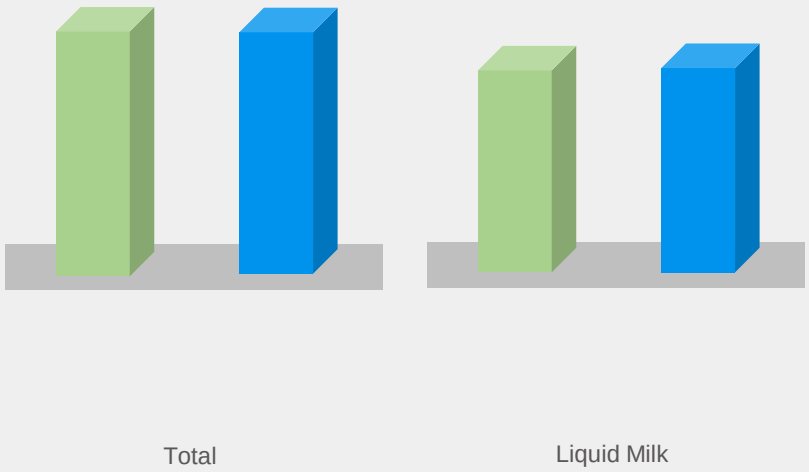
Financial Highlights

RMB (million)	Growth Rate
Total Revenues	
Core Business Revenues	
Gross Profit	
Gross Profit Margin	
Operating Profit	
Net Profit Attributable to Shareholders of the Company	
Net Profit Margin	
EPS (RMB)	

Core Business Revenues Breakdown by Segment

RMB (million)	Revenues	%	Revenues	%	Growth Rate
Liquid Milk					

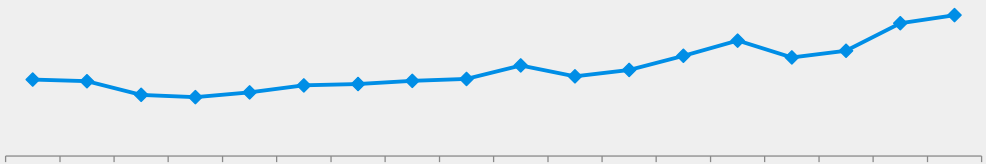
Gross Margin by Segment



Market Share of Yili

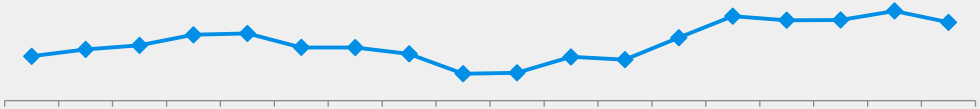
Ambient Products

The market share of our ambient products was 35.8% in 1H 2018, up 2.38 ppts YoY.



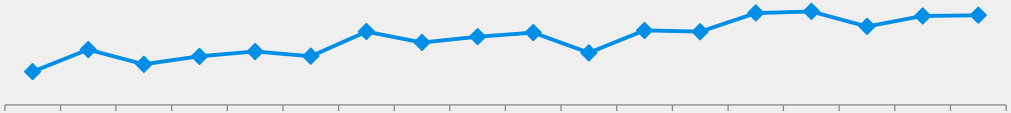
Chilled Products

The market share of our chilled products was 17.5% in 1H 2018, up 1.01 ppts YoY.

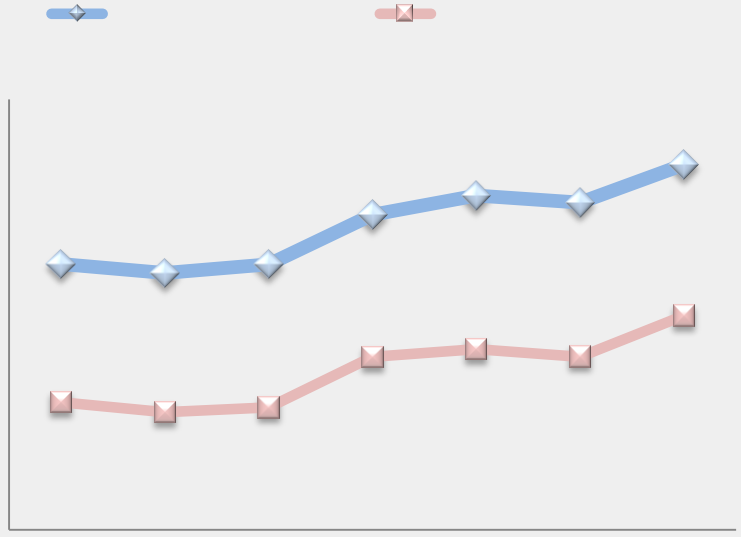


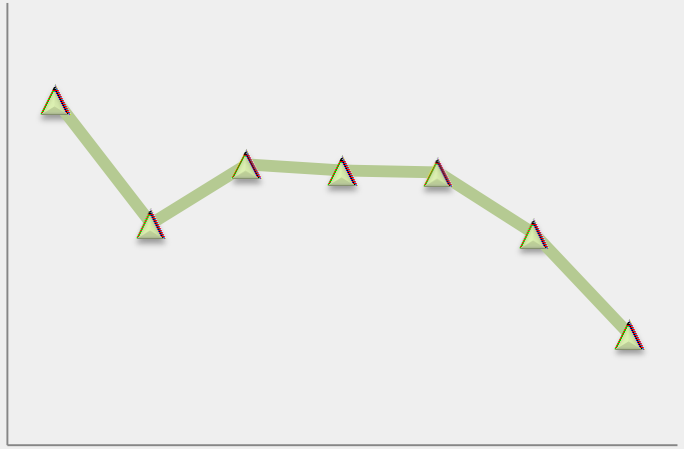
Infant Milk Formula

The market share of our infant milk formula was 5.8% in 1H 2018, up 0.81 ppt YoY.



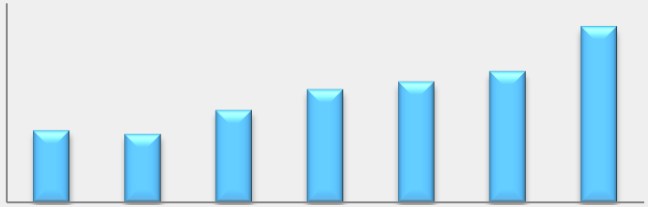
Data source: Neilsen



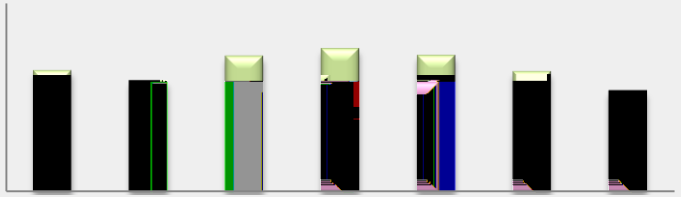


Operating Efficiency

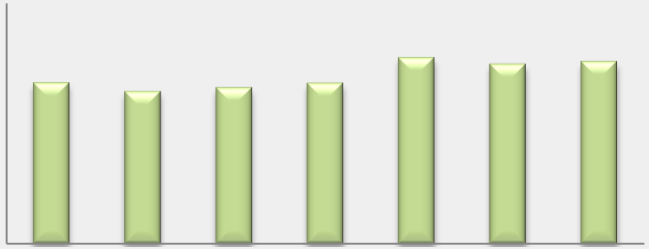
Accounts Receivable Turnover (Days)



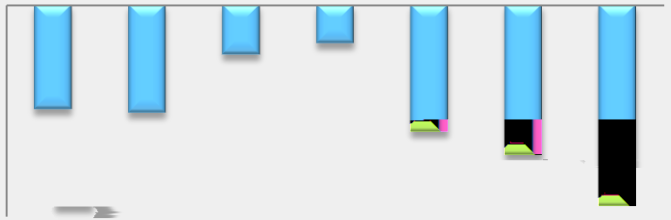
Inventory Turnover (Days)



Accounts Payable Turnover (Days)



Cash Turnover (Days)

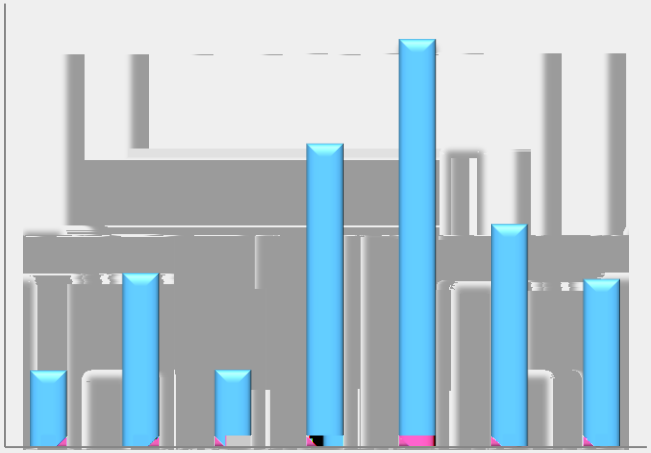


Data source: Company Data

Cash Flow and Capital Expenditure

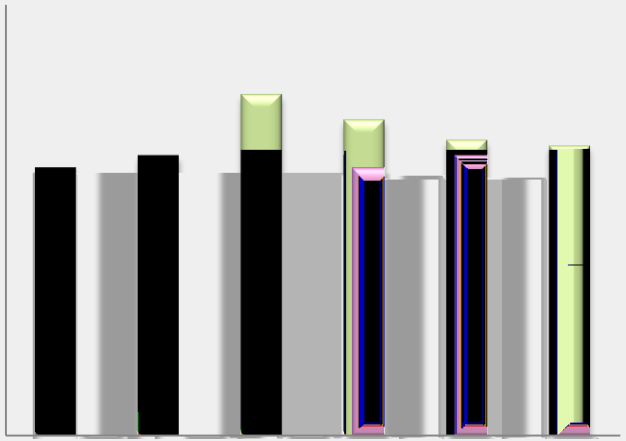
Net Cash Flow from Operating Activities

Unit: RMB million



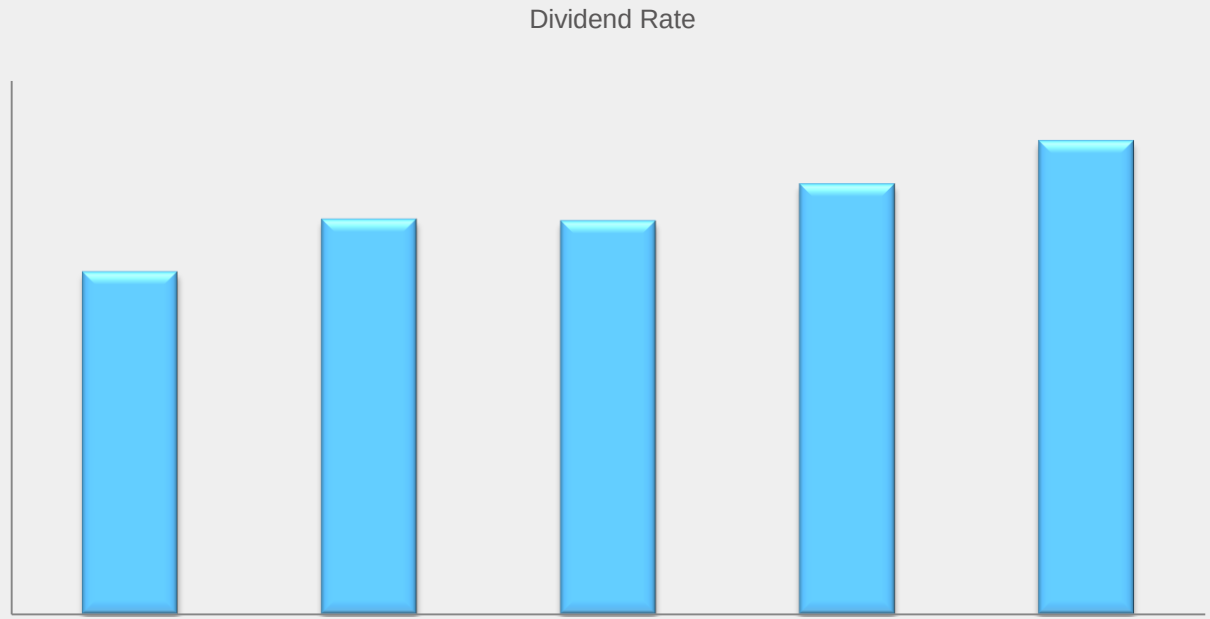
Capital Expenditure

Unit: RMB million



Data source: Company Data

Dividend Rate Steadily Improved



Data source: Company Data

Business Review

Product

Channel

Brand

Globalization

Satine

Products Innovation

The company has maintained and propelled its innovation strategies and has

Huanxingyuan

Youyue -end yogurt

Plant Selected Soymilk

Huanxingyuan

Youyue

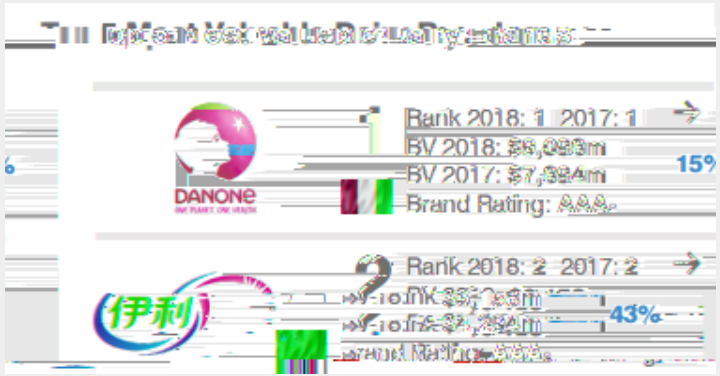
Fruit Smoothie

Chang Qing (PET)

Brand

21.4	Nestlé	Switzerland	24.2
17.7	Lactalis	France	19.9
15.5	Danone	France	17.6
ra	New Zealand	13.7	12.1 Fonter
	Netherlands 13.6	12.0	FrieslandCampina
	Denmark/Sweden 11.7	10.2	Arla Foods
uto	Canasa	10.8	9.6 Sati
	China	9.9	8.8 Yili
ngniu	China	8.8	7.8 Mer

Yili Group maintained the undisputable position of No. 1 in Asia and stayed firmly in the first dairy camp in the world .



released by Brand Finance, Yili ranked No.1 in the global dairy brand potential and maintained No. 2 in the global dairy brand value. The brand value of our company increased by 43% compared with 2017.

Globalization

The New Zealand imported milk Satine and Perfectlands, which are produced in our Oceania production base, have been launched in domestic market

Industry Current Situation

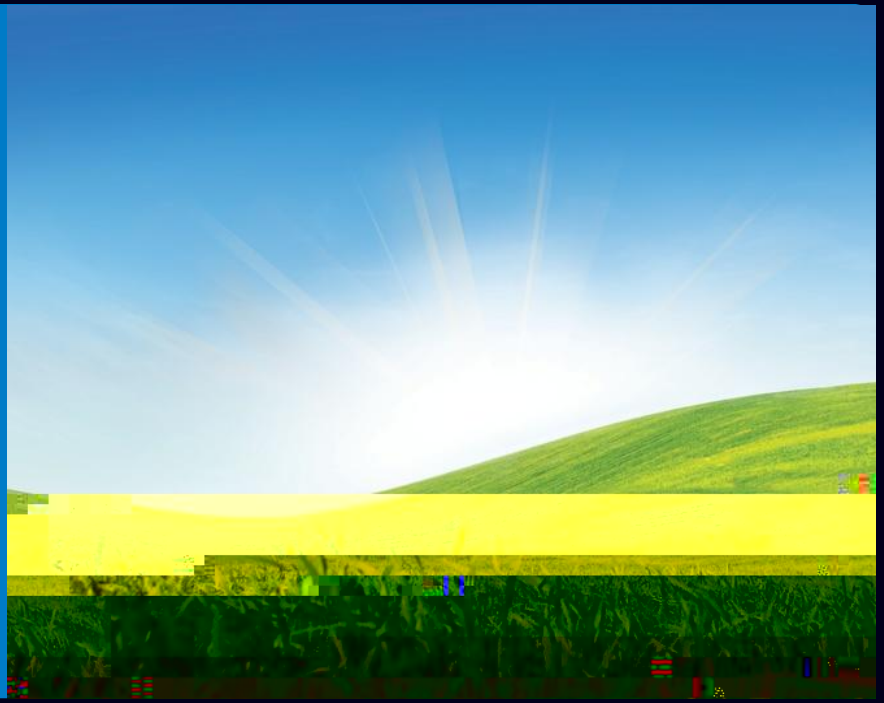
Rapid development in different segments	According to Nielsen , the retail sales of milk powder, chilled pure milk and ambient yogurt at the physical retail terminals increased by 14.8%,16.1% and18.6% YoY, respectively. According to Syntun , the transaction scale of diary products in online retail channels continued to expand and the online retail sales increased by 36.8% YoY.
Rapid development in lower tier cities and rural areas	
Raw material prices under pressure	

Corporate Culture and Brand Concept

Our Culture

Belief

Yili Means Quality



Our Culture

Vision

Becoming the most trusted healthy food provider around the world.

Our Culture

The Spirit of Yili

Be loyal, trustworthy, grateful, and value emotions

Be courageous in meeting challenges, diligent in overcoming them

Be extremely disciplined, highly efficient in execution

Be vigilant,

Brand Essence

Nourish for Life

It is the provider of healthy food and also the advocator of healthy lifestyle

DISCLAIMER

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