



CHINA MENGNIU DAIRY COMPANY LIMITED (2319.HK)

# 2025 Interim Results







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# Management Team



**Gao Fei** / Chief Executive Officer & Executive Director

**Zhang Ping** / Chief Financial Officer

**Shen Xinwen** / Chief Financial Officer & Executive Director (Incoming)

**Chen Yiyi** / Vice President

**Li Pengcheng** / Vice President

**Chris Kwok** / Company Secretary





# Financial Review



# Financial Highlights



RMB Million	1H2024	1H2025	YoY
Revenue	44,671	41,567	-6.9%
Gross Profit	17,985	17,352	-3.5%
Gross Margin	40.3%	41.7%	+1.4ppt
Operating Profit <sup>(1)</sup>	3,119	3,538	13.4%
Operating Margin	7.0%	8.5%	+1.5ppt
EBITDA	4,791	4,597	-4.1%
EBITDA Margin	10.7%	11.1%	+0.4ppt
Profit Attributable to Owners of the Company	2,446	2,046	-16.4%
Profit Margin Attributable to Owners of the Company	5.5%	4.9%	-0.6ppt
Basic EPS (RMB)	0.623	0.523	-16.1%

(1) Operating profit = Gross profit - Selling and distribution expenses, Administrative expenses, Educational surcharges, City construction tax, and other taxes.



# Revenue Breakdown by Segment



RMB Million	1H2024	1H2025	YoY	1H2025 % of Revenue	YoY
Liquid Milk	36,262	32,192	-11.2%	77.4%	-3.8ppt
Ice Cream	3,371	3,879	15.0%	9.3%	+1.8ppt
Milk Formula	1,635	1,676	2.5%	4.0%	+0.3ppt
Cheese	2,114	2,374	12.3%	5.7%	+1.0ppt
Others	1,288	1,447	12.4%	3.5%	+0.6ppt
Total	44,671	41,567	-6.9%	100.0%	/

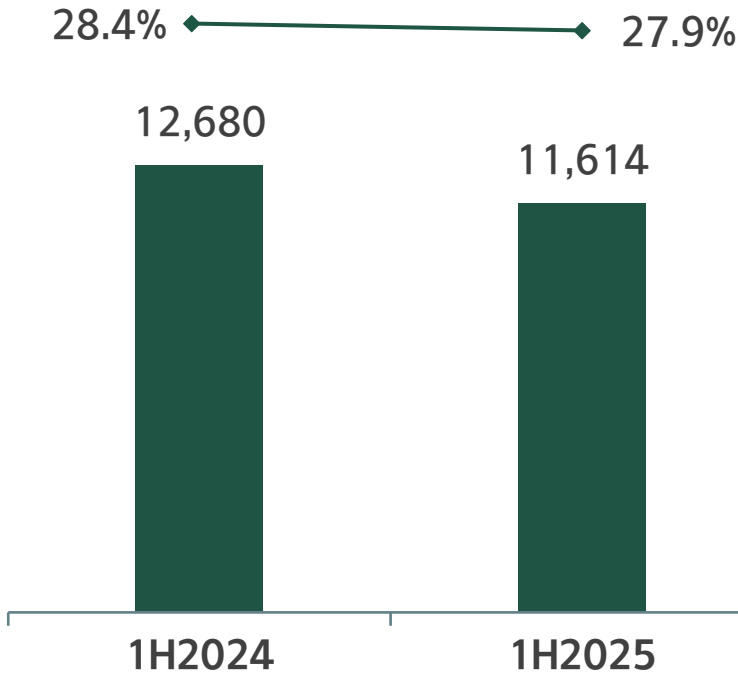


# SG&A Expenses



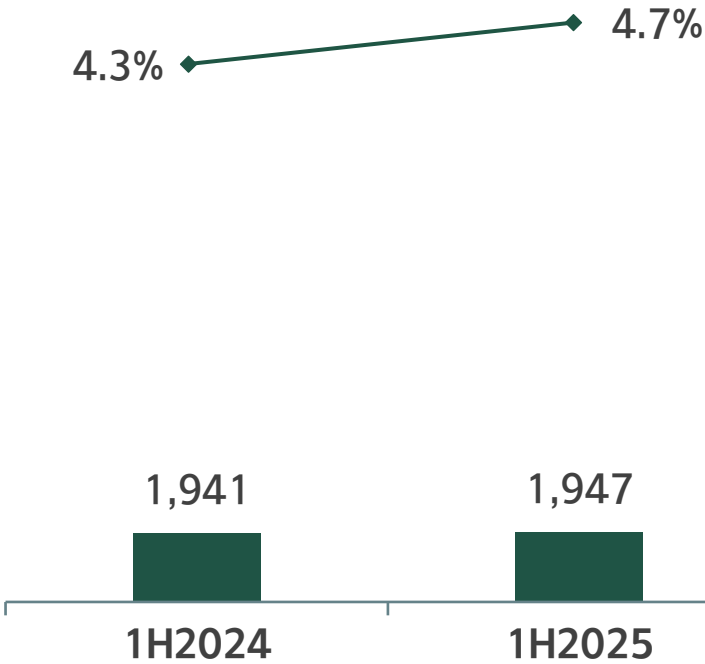
## Selling & Distribution Expenses

RMB Million



## Administrative Expenses

RMB Million





# Operational Efficiency



## Inventory Turnover (Days)

40.3

36.0

2024H1

2025H1

## Receivables Turnover (Days)<sup>(1)</sup>

14.5

14.2

2024H1

2025H1

## Payables Turnover (Days)<sup>(2)</sup>

63.7

62.8

2024H1

2025H1

(1) Receivables Turnover = (Average Balance of Trade and Bills Receivables / Revenue) x Number of Days

(2) Payables Turnover = (Average Balance of Trade and Bills Payables / Cost of Sales) x Number of Days

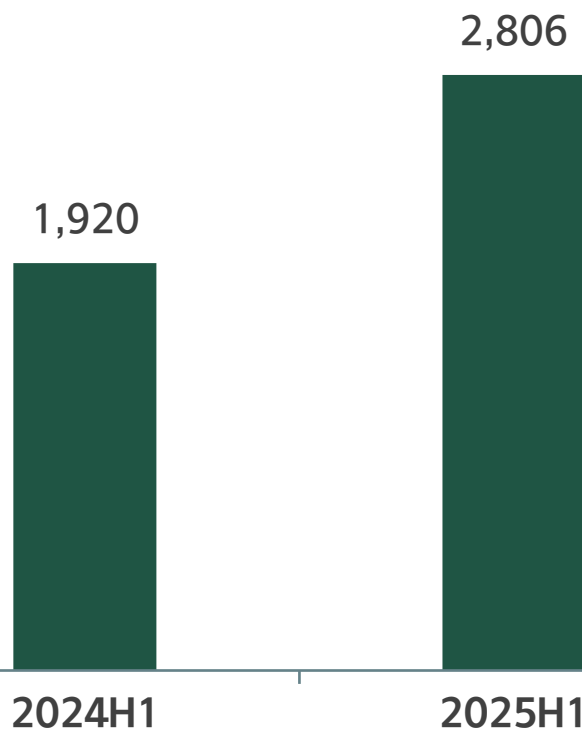


# Cash Flow and CAPEX



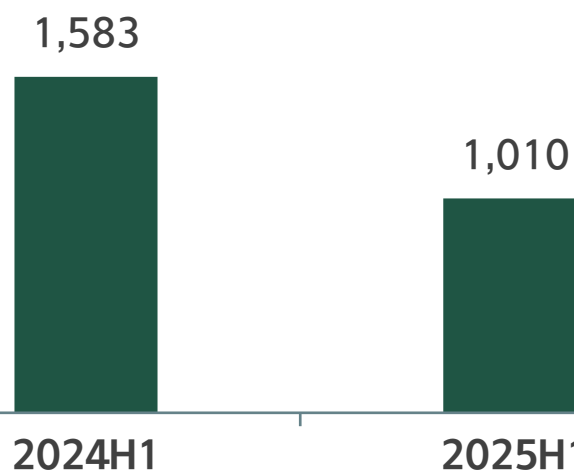
## Net Cash Inflows from Operating Activities

RMB Million



## Capital Expenditure -Property, Plant & Equipment <sup>(1)</sup>

RMB Million



(1) Capital Expenditure -Property, Plant & Equipment is reported on a cash flow basis



# Enhancing Shareholder Returns



## Dividend Payout

- Total Dividend for FY2024

**~RMB2.0 billion**

- Dividend per Share

**~RMB0.509 per share**

**~HKD500 million**

- repurchased from September 2024 to July 2025
- New repurchase program

**Share Repurchase**

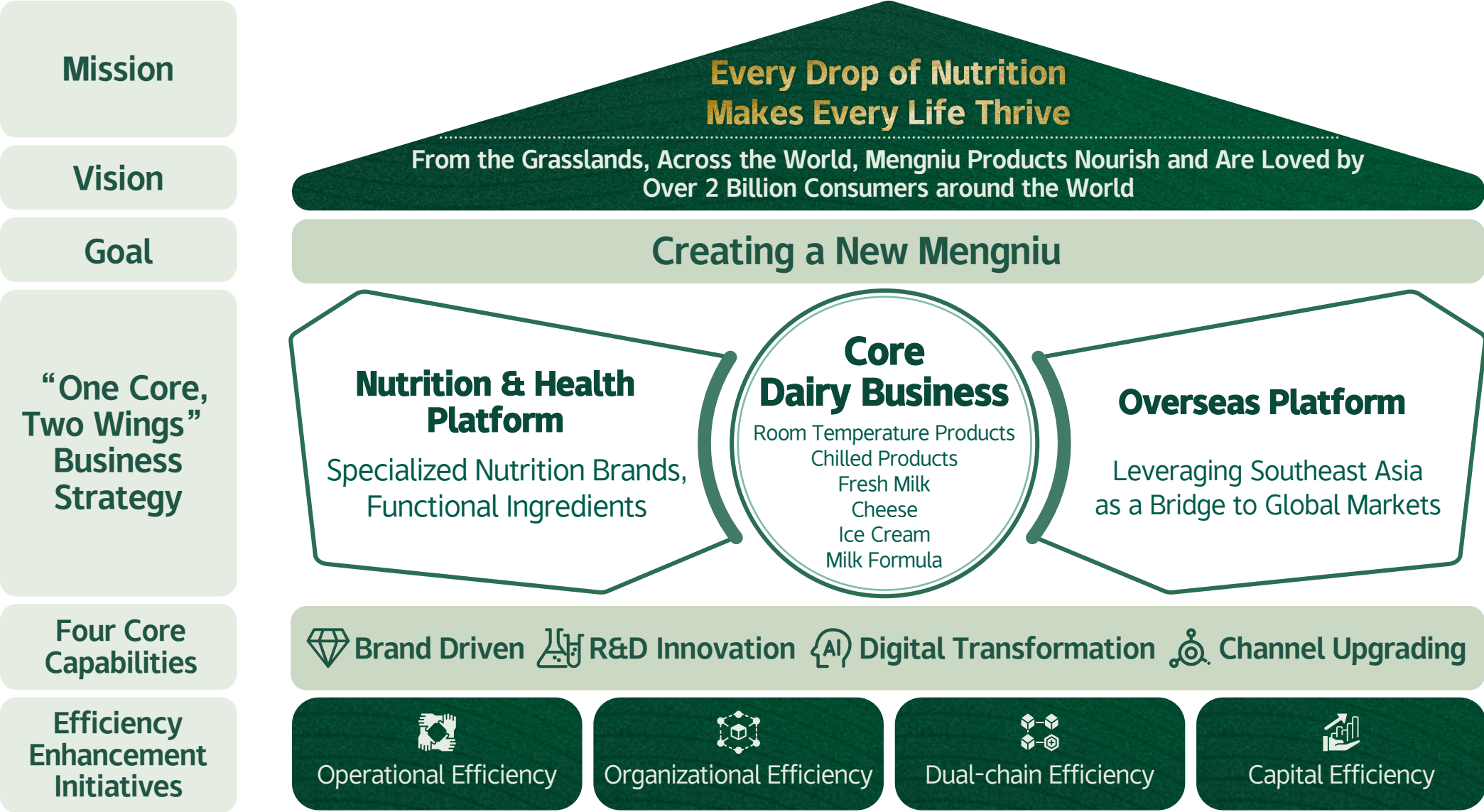




# Business Review



# Steadfast “One Core, Two Wings” Strategy







# Strengthening “One Core” and Expanding “Two Wings”



## Room temperature business: Proactively embracing market changes, focusing on product innovation and RTM optimization

- In 2025, the room temperature liquid milk business continued to face challenges such as supply-demand imbalance and channel shifts.
- Milk Deluxe adhered to a full-industry-chain mindset to build differentiated premium milk, enhancing its organic portfolio, by launching Shajin Tohoi, and upgrading the slim-pack desert organic milk source.
- Mengniu Pure Milk enhanced its offerings in basic nutrition, segmented nutrition, and functional nutrition, by launching new products such as Lactose-Free Soft Milk, Prebiotic Milk, and Vitamin Milk, ensuring consumers can “Drink More” and “Drink Right.”
- Just Yoghurt continued to consolidate its “delicious” positioning, and upgraded its brand portfolio with new flavors such as Strawberry-Guava and Pineapple. Fruit Milk Drink further deepened its category moat in the fruit-granule beverage segment, introducing innovative flavors such as Peony-Lychee.
- Upgraded RTM channels: refined and optimized strategies for both traditional and modern channels, addressed channel demand for customized products, and accelerated penetration in emerging channels such as membership stores and snack chain stores.



## Chilled business: Leveraging industry-leading fundamentals to capture growth opportunities from segmented categories and evolving channels

- Continued to optimize category structure, driving YoY margin improvement, while maintaining No.1 market share for 21 consecutive years.
- YOIFINE DIARY sustained product innovation and iteration, launching sucrose-free thick cheese chilled yogurt and expanding into family consumption scenarios.
- Champion further consolidated its probiotic functional yogurt positioning with strengthened competitive advantages in the immunity-enhancing segment.
- Capitalized on channel transformation by pioneering expansion into incremental channels such as membership stores and fresh food retailers, thereby building a comprehensive omnichannel advantage.





## Fresh milk business: Accelerating product innovation, upgrading channels, and delivering growth significantly outpacing the industry

- Shiny Meadow continued to build around its core 4.0 series, upgrading brand recognition under the theme of “Creating a Higher Standard for Premium Fresh Milk, A Tangible Sense of Happiness in Every Sip.” The lactose-free dual-protein milk and HMO children’s care nutrition milk further expanded consumer reach. Xiaoxianyu introduced melon-flavored milk to capture emerging opportunities in the high-growth flavored milk segment.
- Reinforced leadership in both online and offline channels. It achieved the No.1 market share in offline channels such as supermarkets and membership stores, while maintaining a leading position in online channels including O2O and e-commerce platforms.
- Continuously expanded partnerships with membership stores and snack chain stores, while also deepening collaborations with leading coffee and tea beverage brands.

## Ice cream business: Focused on blockbuster innovation and omnichannel expansion, driving revenue and profit growth in tandem

- Concentrated on the dual-core brand strategy, with blockbuster launches such as Suibian Random Spin and Suibian Mini Milk Chocolate Ice Cream becoming standout hits of the year. Mood for Green upgraded its product value proposition by launching innovative bean-based dessert-style offerings, while driving product value upgrades and breakthrough marketing with expanded consumer reach.
- Seized opportunities from channel transformation, consolidating its stronghold in traditional retail channels while accelerating the optimization of new retail channels. Expanded into modern retail channels such as snack stores and membership stores, unlocking incremental growth opportunities and boosting channel efficiency.
- Deluxe made its official debut in the Hong Kong market.





## Milk formula business: Driving steady growth with brand leadership, channel optimization, and R&D-driven innovation

- Reeborne continued to strengthen its patented affinity formula R&D capabilities, launching the industry's first infant formula featuring Sn-2 DHA. Through the NeZha 2 IP collaboration and the "Million Babies Worry-Free Nurturing Initiative," the brand further enhanced brand equity and achieved robust growth.
- Bellamy's concentrated on its premium product line Bellamy's Platinum Organic A2, while accelerating expansion in Southeast Asian markets such as Vietnam, delivering revenue growth of over 20%.
- Yourui focuses on the "nutrition tailored for middle-aged and elderly consumers", advancing precision functional product development and consumer education. By actively capturing high-growth opportunities in interest-based e-commerce channels, Yourui drove rapid growth of multiple innovations in niche categories.



## Cheese business: Strengthening leadership across B-end and C-end markets

- Cheese category showed signs of recovery with rising penetration. Milkground maintained its No.1 market share in the industry, achieving simultaneous improvements in revenue and profitability.
- Continuously refined and expanded cheese product portfolio, with all three core cheese product series sustaining steady growth.
- Successfully expanded beyond traditional consumer groups and occasions, reinforcing its positioning as a "cheese brand for all." Through collaborations with ten major IPs, Milkground further enhanced brand equity across multiple dimensions.
- Fully leveraged the dual-brand advantage, deepened cultivation of modern retail channels, vigorously developed high-potential channels, and actively broadened B-end catering applications.
- Comprehensively launched the "Optimal Cost Management" strategy, driving efficiency upgrades across R&D, procurement, and manufacturing to strengthen our cost moat through end-to-end synergies.



# Expanding “Two Wings” : Accelerating Towards “Greater Health” and the World



## Nutrition & Health Platform

- **Mengniu Dairy Professionals and deep processing of dairy products:** Accelerated production capacity construction and partnerships with leading milk tea, bakery, and restaurant chains, significantly increasing market penetration.
- **Sports nutrition:** M-ACTION has developed a professional product lineup consisting of liquid protein, sports function, and daily vitality, expanding influence among sports people of marathon, trail running and triathlon. Recorded strong revenue growth in 2025.
- **Functional nutrition ingredients:** The only Chinese company to receive dual certification for HMO 2' -Fucosyllactose (2' -FL) and LNNt. Expanded application scenarios of proprietary HMOs, driving the transformation of precision nutrition in dairy industry with the launching of full product matrix.
- Diversified financing channels to catalyze the development of new businesses.



## Overseas Platform

- **Accelerated overseas expansion of Aice:** Aice extended its lead in Indonesia, ranked second in the ready-to-eat ice cream market of the Philippines, became the second-largest player in market share in Vietnam, and continued to actively explore and expand into emerging overseas markets across Southeast Asia, Africa and Latin America.
- **Continued optimization of both B2B and B2C assets,** including Burra Foods and Bellamy' s in Australia and New Zealand. Rooted in Australia, Bellamy' s further expedited its expansion into Southeast Asian markets including Vietnam.





- **Continuously promoted the building of sustainable supply chain, empowering B2B partners to co-create ESG value**
- Established the world's first "Lighthouse Factory" and 37 national-level green factories







# Outlook



# Navigating Cycles, Embracing challenges, Creating New Opportunities – Adapting to Evolving Market Conditions with Confidence



## Industry Trough + 3x Pain Points of China's Dairy Industry

- Imbalance of Supply and Demand
- Lack of Product Category Diversification
- Lack of Industry Supply Chain Resilience

## Creating New Opportunities

- Restarting with the Fundamental Value of Milk
- Consumer-centric Approach
- Vast Potential of the Dairy Industry

## Forging New Paths Driven by Inner Strength

- Continuous Efficiency Optimization via Lean Management
- R&D-driven Product Innovation and Category Upgrades
- Accelerated Expansion & Diversification: More Value-added Professional Nutrition Products



# Drink More: From Necessity to Indispensable Demands, Significant Opportunities to Arise

## Accessible & Affordable



## Drinkable for Everybody



## Indispensable & Essential





# Drink Good: Milk Deluxe, Delivering Better Nutrition Today for a Better Life Tomorrow



“Better” for the Mind

Better

“Better” for the Body

For 20 years, Milk Deluxe has pursued its vision  
as a “Nurturer of the Era,” supporting every pursuit of “Better”

2005

2016

2018

2019

2021

2025

## Better Brand Building



Pioneering the Era of  
High-end Milk



“Better” as Evolving with  
the Times



“Better” as Mastering  
Our Own Potential



“Better” as Discovering  
Personal Value



“Better” as Embracing  
Our Unique Rhythm



“Better” is Rooted in  
the Patience of Time

## Better Product Development



3.3g Pure Milk



3.6g Upgraded Pure Milk



3.8g Global Launch of  
“Dream Cap”



3.8g Pioneer in Segmented  
Nutrition Category



4.0g Launch of Milk  
Deluxe Desert Organic



4.3g Leading with Shajin  
Tohoi



# Drink Good: A Future of Enjoying Milk in Both Drinkable and Edible Forms



Develop Products with an Integrated Supply Chain Approach



Drive the Expansion and Upgrading of Product Categories



Implement Green and Low-Carbon Practices Throughout the Entire Value Chain





# Drink Right: Targeting High Potential Segments, Building on First-Mover Advantages



## Enhance Precise Nutrition Supply



## Develop Functional Products for Silver Economy and Sports Nutrition



## Expand Value-added Processing to Fuel Structural Upgrade of the Dairy Industry Value Chain







**Nourishing a World of Excellence**