



CHINA MENGNIU DAIRY COMPANY LIMITED (2319.HK)

2025 Annual Results



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Management Team



Gao Fei Chief Executive Officer & Executive Director

Shen Xinwen Chief Financial Officer & Executive Director

Chen Yiyi Vice President

Li Pengcheng Vice President

Chris Kwok Company Secretary



Financial Overview

Financial Highlights



RMB Million	2024	2025	YoY
Revenue	88,675	82,245	-7.3%
Gross Profit	35,090	32,808	-6.5%
Gross Margin	39.6%	39.9%	+0.3ppt
Operating Profit(1)	7,257	6,564	-9.5%
Operating Margin	8.2%	8.0%	-0.2ppt
EBITDA	4,462	6,362	42.6%
EBITDA Margin	5.0%	7.7%	+2.7ppt
Profit Attributable to Owners of the Company	105	1,545	1378.9%
Adjusted Profit Attributable to Owners of the Company	4,435 ⁽²⁾	3,960 ⁽³⁾	-10.7%

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

(2) For 2024, figures are presented excluding the RMB3,981 million impairment related to Bellamy's and the RMB349 million impact on associates arising from China Modern Dairy Holdings Ltd.'s goodwill impairment.

(3) For 2025, figures are presented excluding RMB2,320 million of non-recurring impairments and the RMB95 million impact on associates arising from China Shengmu Organic Milk Limited's land impairment.

Revenue Breakdown by Segment



RMB Million	2024	2025	YoY	2025 % of Revenue	YoY
Liquid Milk	73,066	64,939	-11.1%	79.0%	-3.4ppt
Ice Cream	5,175	5,393	4.2%	6.5%	+0.7ppt
Cheese	4,320	5,266	21.9%	6.4%	+1.5ppt
Milk Formula and Other Dairy Products ⁽¹⁾	6,114	6,647	8.7%	8.1%	+1.2ppt
Total	88,675	82,245	-7.3%	100.0%	/

(1) Milk Formula and Other Dairy Products comprises the milk formula business, the manufacture of raw materials for dairy products, and the trading business.

SG&A Expenses



Selling & Distribution Expenses

RMB Million

26.0% ← → 26.3%

23,093

21,612

2024

2025

Administrative Expenses

RMB Million

4.8% ← → 5.0%

4,229

4,150

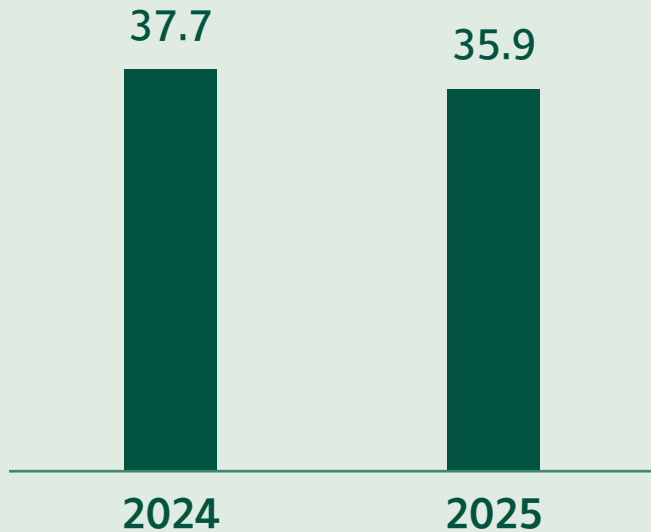
2024

2025

Operational Efficiency



Inventory Turnover (Days)



Receivables Turnover (Days)⁽¹⁾



Payables Turnover (Days)⁽²⁾



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

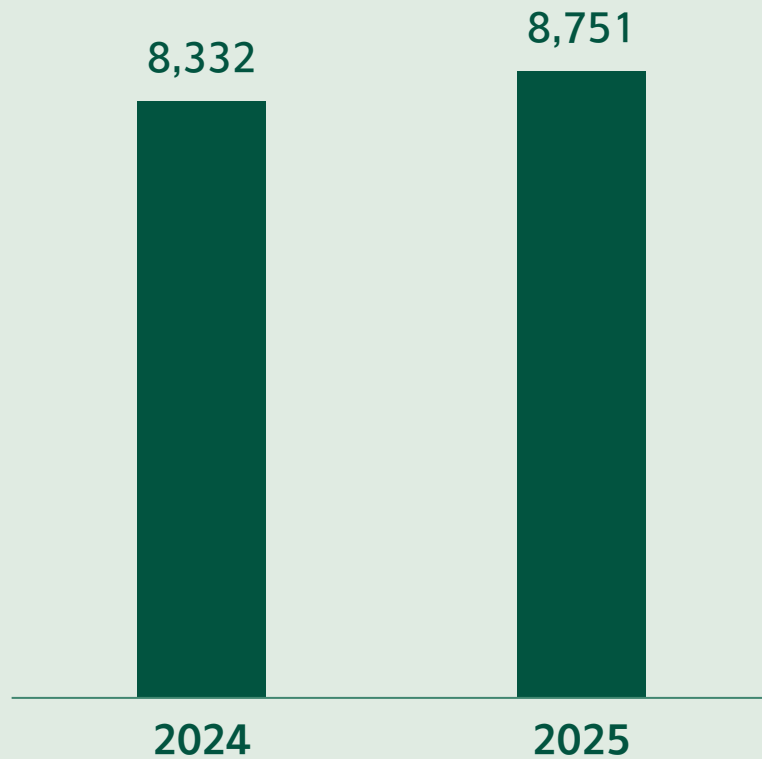
(2) Payables Turnover = (Average Balance of Trade and Bills Payables / Cost of Sales) x Number of Days

Cash Flow and CAPEX



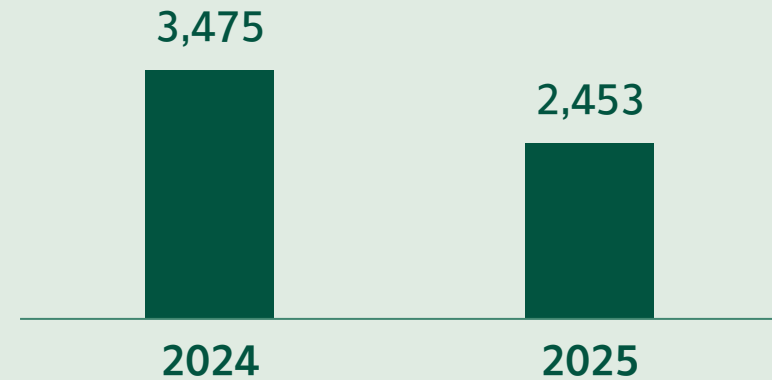
Net Cash Inflows from Operating Activities

RMB Million



Capital Expenditure - Property, Plant & Equipment ⁽¹⁾

RMB Million



(1) Capital expenditure - Property, Plant & Equipment is reported on a cash outflow basis.

Enhancing Shareholder Return



2025-2027 Three-Year Shareholder Return Plan

Dividend
Payout

Target a steady increase in dividend per share

Share
Repurchase

Maintain the 2024-2025 share repurchase pace

2025 Dividend Payout

Dividend per Share

~RMB **0.520**

Total Cash Dividend

~RMB **2.02 billion**





Business Review

Strengthening “One Core”: Enhancing the Six Core Dairy Businesses

Room temperature business: Systematically restructure product innovation, marketing and channel operations to stabilize the core business

- Room temperature liquid milk has faced price competition and channel fragmentation
- Accelerate portfolio optimization, launch new products and strengthen product-channel alignment
- Milk Deluxe: Created uniquely differentiated premium milk with a full-industry-chain mindset; launched the Desert Organic Shajin Tohoi series; launched the “200-cap functional series”
- Mengniu Pure Milk: Strengthened the basic, segmentation and functional nutrition; launched lactose-free, prebiotic and vitamin-enriched milk products
- Fruit Milk Drink underwent a premiumization upgrade, with new launches including the “Exploding Granules” series and the “Dream Cap” fresh coconut milk beverage
- Launched Mengniu Calcium Electrolyte Beverage in March 2026, the first in the industry to combine calcium and electrolyte replenishment
- RTM Channel Upgrade: Refined traditional and modern channels while embracing emerging channels



Chilled business: Leading in emerging channels; ranked No.1 in market share for 21 consecutive years

- Built a world-class 5A yoghurt portfolio with clean formulations and a zero-sugar product series; upgraded the fruit-blend series to 12mm; enhance brand engagement through IP collaborations
- Champion: Deepened functional positioning and strengthen product-channel alignment. The Jianzihao series achieved exponential growth. Launched the “Super Vitality Jar” yoghurt integrating “Product + Emotion + Function”. YO! FINE DIARY launched Greek yoghurt, expanding into blueberry and chia-seed flavours and family buckets
- Yoyi C: Increased probiotic viability to 99.9% in basic products; launched Jianzihao and “fast-burn” new products to capture segmented functional markets
- Pioneered expansion into incremental channels such as membership stores, instant retail, snack specialty stores and fresh food retailers. Strengthened omni-channel capabilities and provided exclusive products for premium channels such as Sam's Club and Hema, achieving leading shares in multiple key channels

Strengthening “One Core”: Enhancing the Six Core Dairy Businesses



Fresh milk business: Driven by brand leadership and R&D innovation, delivering double-digit revenue growth ahead of the industry

- Shiny Meadow: Delivered high double-digit growth, with 4.0, A2 and Lactose-free Double-Protein lines becoming bestsellers, continuously strengthening the competitiveness of customized products
- Leading omni-channel advantages: Ranked No.1 in supermarkets, O2O, JD.com, Tmall and Pinduoduo; continued to expand into membership stores, snack specialty stores and leading tea and coffee channels
- The Hong Kong and Macau markets achieved rapid sales growth, successfully launched multiple products, including Shiny Meadow 4.0 Fresh Milk and gable-top Fresh Milk; terminal stores coverage exceeded 1,000

Ice cream business: Focus on new product innovation and expansion across all channels and consumption scenarios, driving revenue and profit growth in parallel

- Dual-brand strategy for Suibian and Mood for Green; Suibian Random Spin, Red Bean Double-Skin Milk Ice Cream and Black Sesame Ice Cream became blockbuster products
- Developed a comprehensive product matrix covering daily indulgence, family sharing, outdoor refreshment and festive occasions
- Consolidated traditional channels while accelerating expansion into modern channels such as snack specialty stores and membership stores
- Deluxe made its official debut in the Hong Kong market



Strengthening “One Core”: Enhancing the Six Core Dairy Businesses

Milk formula business: Adhere to an R&D-driven, brand-led, and channel-focused strategy, achieved high double-digit growth in the second half of the year

- Reeborne: Launched the first infant formula with Sn-2 DHA & ARA; achieved robust growth through the Ne Zha 2 IP collaboration and the "Million Babies Universal Health Action" initiative
- Yourui: Continued to focus on tailored nutrition for middle-aged and elderly consumers; captured high-growth channels such as interest-based e-commerce; achieving strong online growth and No.1 online share with multiple functional products
- Bellamy's Organic: Accelerated expansion of the premium "Platinum Organic A2" product line in Southeast Asia, including Vietnam, with revenue growth exceeding 20%



Cheese business: Revenue grew by over 20% in 2025, with Milkground securing an absolute leadership in the industry

- Milkground: Captured growth momentum across both B-end and C-end markets; stepped up product innovation and marketing initiatives
- Remained consumer-oriented and continuously optimized its cheese product portfolio, with all product lines achieving accelerated growth
- Optimized cost management strategy: Enhanced efficiency across R&D, procurement and manufacturing; strengthened its cost advantage through end-to-end synergies
- Strengthened synergies across raw milk sourcing, supply chain, marketing and channels, accelerating market development for both B-end and C-end

Expanding "Two Wings": Accelerating Towards "Greater Health" and International Markets



Innovation Segment

- **Core Raw-Material Business: Move Up to High-Value Products**
 - **Deep Processing:** Expanded its raw material business covering lactoferrin, micellar casein, demineralised whey powder D90 and other products; launched mascarpone and natural mozzarella cheese during the year
 - **Dairy Professionals:** Launched over 10 new specialized dairy products; accelerated partnerships in tea, bakery, and foodservice sectors
 - **Synaura Biotechnology:** The first domestic company with approvals for three self-developed HMOs—2'-FL, LNnT, and 3'-SL, leading the era of precision nutrition
- **Value-Added Formula Business: Drive Rapid Growth**
 - **M-ACTION:** Innovatively launched a portfolio covering energy, electrolyte and sports-recovery products; secured nearly RMB100 million in Series A funding
 - **FSMP** achieved a major milestone and is expected to be commercialized within the year

Overseas Segment

- **International Business: Delivering Rapid Growth Alongside Strong Returns**
 - **Southeast Asia Market:** Expanded and deepened its presence from Aice to dairy products and cheese
 - **Australia and New Zealand Market:** Strengthened and expanded its footprint in ANZ; built a B2B and B2C platform serving local, Chinese and other Asian markets, diversifying revenue streams and enriching its product portfolio



Continuously Strengthening ESG Capabilities to Create Social Value Through Industrial Value



“GREEN” Sustainability Strategy Progressing Steadily



可持续的公司治理
Governance-Sustainability



共同富裕的乳业责任
Responsibility-Common Prosperity



环境友好的绿色生产
Environment-Carbon Net-Zero



负责任的产业生态圈
Ecosystem-Collaborative & Accountable



营养普惠的卓越产品
Nutrition-Supreme & Inclusive

Dual-carbon Initiative

- Developed a Scope 3 carbon emission calculation model for the first time, enhancing full-chain carbon management

Green Packaging

- Phased out PVC and EPS materials from product packaging across self-operated factories
- Developed and adopted PHA marine-degradable straws, which were shortlisted for the IDF Dairy Innovation Award

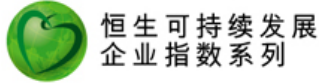
Water Management

- Advanced the implementation of the 3U water-saving strategy, achieving water savings of around 381,100 tonnes during the year

Zero Deforestation

- Collaborated with multiple parties to issue the *Initiative on Building a Sustainable Supply Chain for the Global Dairy Industry*, demonstrating Chinese enterprises' commitment to a green value chain internationally

ESG Achievements Leading the Industry



For Five Consecutive Years
a Constituent of the Hang Seng Corporate Sustainability Index
Ranked in the
Top 10% of Hang Seng ESG Ratings
(among 528 Candidate Companies)



MSCI ESG Rating **AA**



Selected as the Only Comprehensive Dairy Company in China for the S&P Global **Sustainability Yearbook (Global Edition)**
Ranked in the **Top 15%** of the Global Food Industry



Successfully Issued the **First Overseas Sustainable Dim Sum Bond** in 2025



Outlook

Policy Backing Supports Industry Stability



Policy Dividends Released, Boosting Industry Confidence

- China's No. 1 Central Document :
Calls for “taking multiple measures to promote dairy consumption”
- The Minister of Agriculture and Rural Affairs encourages the public to “increase milk consumption” :
China's per capita dairy consumption is only one-third of the global average, indicating significant untapped consumption potential

Industry Stabilisation and Upgrading Dairy Consumption Structure

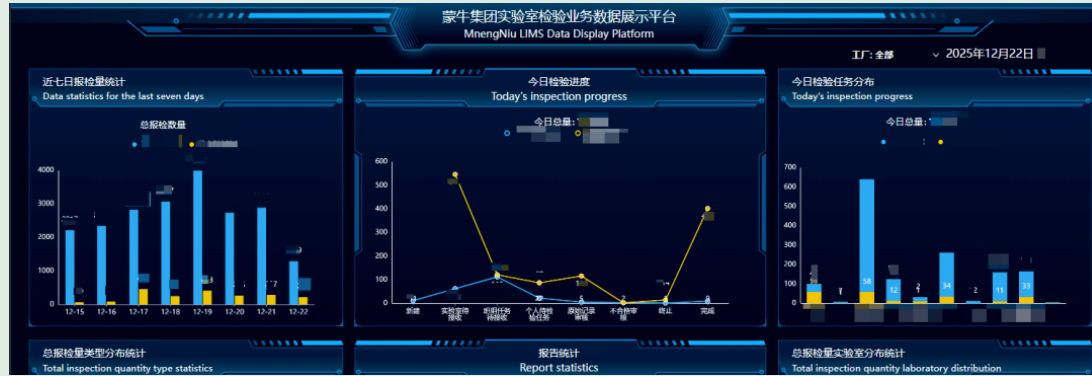
- Since H2 2025, raw milk prices have stabilised month-on-month, with retail prices gradually levelling off
- Consumption is exhibiting a diversified trend, with functional dairy and solid dairy products experiencing rapid growth
- Channels are becoming more diversified and instantaneous, with emerging high-momentum channels on the rise



Digital Intelligence Evolution: Creating Tangible Value Through Digital Insights



Full-Chain Digital Intelligence Empowerment: From Source to End Consumer



Supply Chain

Quality Management

Marketing

Channel

- Implemented a "One product, One QR code" full-chain solution to ensure complete product traceability from raw materials to consumers
- Launched an intelligent quality management platform integrating full-lifecycle quality data
- Visualized cost efficiency, consolidated market intelligence assets, and empowered in-depth consumer insights and product innovation
- Managed millions of terminals online through the "Mutual-Win" platform

North-South Twin Benchmark Digital-Intelligence Factories

Ningxia Factory

The World's First "Lighthouse" Liquid Milk Plant

- 100 People, 1 Million Tons Annual Capacity
- 10 Billion RMB Annual Output – Highest Global Labor Efficiency
- 5G+ Integration Enabling Multi-Dimensional, Benefit-Driven, High-Efficiency, and Intelligent Capabilities

Wuhan Factory

The World's Largest Single Chilled Yoghurt Plant

- Forbes Certified
- Focused on "Digital Intelligence + Flexibility + Innovation + Sustainability"
- Intelligent, Flexible Production Lines with Full-Chain Transparency and Traceability



Product-Innovation Evolution: Creating Nutrition Value Through Product Value



Anchored in Fundamental National Nutritional Needs, Supporting Consumers to
“Drink More” , “Drink Good” , and “Drink Right”



Room Temperature Products



Chilled Products



Fresh Milk



Ice Cream



Milk Formula



Cheese

- Multiple HMO Products
- Yoyi C Health-Certified Probiotic Drink
- LC19 Sugar-Control Probiotics
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Channel-Operations Evolution: From Intensive Distribution to Value Deepening



01

Optimizing Traditional and Modern Channels while Enhancing Digital Empowerment

02

Deepening Partnerships with Emerging Channels, Including Membership Stores, Snack Discount Retailers, Content E-Commerce and Instant Retail to Capture Growth in High-Momentum Segments

03

Strengthening Product-Channel Alignment and Accelerating Responses to Channel-Specific Needs

04

Deepening Penetration in Lower-Tier Markets



Brand Marketing Evolution: Dual Engines of IP Empowerment and Value Deepening to Unlock New Growth Momentum



Starting the Lunar New Year strong
Kicking off a winning season



Elevating Brand Value via Milan Olympics
Topping the Digital Brand Ranking



Activating World Cup Home Advantage
Driving Full-Year Growth



Deeply Connecting with All-Scenario Consumer Demand
Integrating Brand, Efficiency and Sales
Driving Business Growth and Elevating Brand Awareness



Positioned for Growth