

[Press Release]



## Mengniu 2025 Annual Results: Enhancing Resilience, Poised for Growth

(Hong Kong, 26 March 2026) – **China Mengniu Dairy Company Limited and its subsidiaries (together as "Mengniu", the "Company" or the "Group")** (Stock Code: 2319) announced its annual results for 2025. Amid multiple challenges, including subdued domestic demand growth and significant structural adjustments across the industry, Mengniu pressed ahead with determination, steadfastly advancing its "One Core, Two Wings" strategy. Through continued optimisation of its business structure and markedly enhanced resilience, the Group delivered full-year revenue of RMB82,244.9 million and operating profit of RMB6,564.4 million.

The announcement highlighted that, through a series of refined management initiatives, Mengniu enhanced quality and efficiency, achieving a gross profit margin of 39.9%, operating cash flow of RMB8,750.5 million, and free cash flow of RMB6,297.8 million, each **reaching a record high**. Analysts noted that the Company's fundamentals continue to improve and its core competitiveness has been comprehensively strengthened, providing solid support for capturing opportunities during the industry's cyclical recovery.

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**CHINA MENGNIU DAIRY COMPANY LIMITED**

**中國蒙牛乳業有限公司\***

(在開曼群島註冊成立之有限公司)

(股份代號：2319)

截至二零二五年十二月三十一日止年度  
的全年業績公告

## **Maintaining Strategic Focus, Driving Synergistic Development under the "One Core, Two Wings" Strategy**

In 2025, Mengniu maintained strategic focus and fully advanced its "One Core, Two Wings" strategy, continuously optimising its category structure. On the "One Core" side, liquid milk segment had shown a steady sequential performance, stabilizing and rebounding since the second half of 2025, while fresh milk, cheese, milk powder and domestic ice cream businesses all achieved double-digit growth for the full year and maintained a strong growth momentum. On the "Two Wings" side, innovative businesses made breakthrough in deep processing and functional nutrition, while international business delivered solid performance in both Southeast Asian and the Australia–New Zealand markets.

Mengniu's room-temperature segment carried out a systematic restructuring across product innovation, marketing communications, and channel management, launching products such as "Soft Milk" and functional milks enriched with prebiotics and vitamins. These initiatives continued to expand the consumer base and capture incremental market opportunities, further **reinforcing the liquid milk foundation**. The flagship brand, *Milk Deluxe* launched the premium organic "Shajin Tohoi" milk on its 20th anniversary, further consolidating its leadership in the high-end market. In the chilled segment, Mengniu actively captured the trend towards more diversified consumption scenarios, delivering continuous breakthroughs through product innovation and channel expansion. Profitability continued to improve, and the brand maintained the No.1 market share position **for 21 consecutive years**.

Mengniu's fresh milk segment **delivered double-digit growth**, further increasing its market share. The *Shiny Meadow* brand continued to strengthen its 4.0 core products and entered high-end fresh milk sub-segments with new offerings such as lactose-free dual-protein and A2 $\beta$ -casein milk, achieving high double-digit growth. The ice cream business focused on its dual-brand strategy of "*Suibian + Mood for Green*", continuously optimizing product portfolio and adapting to consumption scenarios adaptation, also achieving double-digit growth with steadily improving profitability. In the milk formula segment, Mengniu targeted functional niche markets and enhanced product strength

through R&D-led innovation, delivering **nearly double-digit growth** for the full year, with accelerated second-half growth reaching high double-digit levels.

Notably, Mengniu's cheese segment recorded **full-year growth exceeding 20%**, demonstrating strong momentum. By further strengthening synergies with Milkground, Mengniu comprehensively empowered its supply chain, market, and channel resources, helping Milkground consolidate its absolute leadership position in the industry.

Building on the continued structural optimisation of its core businesses, Mengniu strategically developed its innovative business and overseas platforms, actively creating a "second growth curve" and accelerating its advancement toward "Greater Health" and international markets.

Mengniu accelerated industrialisation in the deep-processing sector, with products such as lactoferrin, micellar casein, and demineralised whey powder D90 successfully meeting national standards, while mascarpone cheese and natural mozzarella cheese were consecutively launched, breaking through technical bottlenecks and reducing reliance on imports. Mengniu's professional dairy products earned the trust of leading tea beverage, bakery, and restaurant chain brands, significantly increasing market penetration. The sports nutrition brand *M-ACTION* completed nearly RMB100 million in Series A funding, receiving recognition from both consumers and investors.

International expansion progressed steadily. Aice maintained its No.1 market position in Indonesia and expanded into emerging markets including the Philippines, Vietnam, Africa, and Latin America. At the same time, Mengniu strengthened the strategic positioning of Burra Foods for B2B and *Bellamy's Organic* for B2C, leveraging its base in Australia to accelerate further development in China, Southeast Asian, and other key global markets.

### **Evolving Four Core Capabilities to Build Resilience Across the Full Industry Chain**

During the reporting period, amid a complex environment characterised by strong domestic supply but weak demand, diversified consumer needs, and

rapidly changing channel structures, Mengniu proactively embraced changes. Through comprehensive evolution and upgrading of its "Four Core Capabilities", namely brand leadership, technological innovation, digital intelligence transformation, and channel enhancement, the Group has built development resilience capable of withstanding industry cycles.

**Building a Strong Brand Moat with a Long-Term Vision.** At the beginning of the year, Mengniu leveraged its IP collaboration with "NeZha 2", and its entire product line gained widespread traction through a coordinated launch. By year-end, visits from International Olympic Committee President Thomas Bach and brand ambassador Eileen Gu further strengthened Mengniu's connection with consumers around the "Born for Greatness" spirit. Mengniu continued to execute offline brand activities, from leading "Strive for Excellence" marathons across a hundred cities, to participating in eight consecutive editions of the China International Import Expo and openly sharing brand experiences, from helping grassland youth realise their dream of serving as World Cup flag bearers, to supporting seniors in bringing their square dancing to the CCTV stage. Through these diverse, multi-layered initiatives, Mengniu engaged hundreds of millions of consumers, achieving integrated brand and performance impact and further solidifying its brand moat.

**Driving Innovation to Create New-Quality Productivity.** Mengniu's self-developed new HMOs received further approval, while its "Active Fresh-Lock Technology" obtained international advanced certification. Proprietary probiotics LC19 and Hi188 were published in leading international journals, and, through the industry-academia-research "fast lane", these innovations were successfully translated into practical applications, providing systematic solutions for precision nutrition. Leveraging its invention patent for "A Formulated Milk Containing DHA Algal Oil and Its Production Method", Mengniu won the Silver Award at the 25th China Patent Awards and secured three World Dairy Innovation Awards at the 2025 Global Dairy Congress, fully demonstrating its R&D strength and leadership in innovation.

**Achieving Cost Reduction and Efficiency Gains Across the Value Chain Through Digital-Intelligence Transformation.** At the upstream farm, Mengniu

leveraged digital-intelligence foundations such as smart wearables, intelligent milking parlours, and automated feeding to enhance overall competitiveness. On the production side, Mengniu accelerated smart manufacturing. During the year, its Wuhan factory, equipped with world-class digitally intelligent flexible production lines and supply chain systems, was recognised as "the single largest chilled yoghurt factory in the world". Together with the Ningxia Lighthouse Factory, it set a benchmark for digitalised factories in China's dairy industry, representing a "South-North" model. Additionally, through the "Mutual-Win" platform, Mengniu connected millions of endpoints, enabling precise allocation of channel expenditures. On the marketing side, visualised cost-effectiveness enabled deep consumer insights, while the full-traceability system built using "One Product, One QR Code" technology ensures consumers can enjoy safe, high-quality milk.

### **Upgrading Channels to Meet Diverse and Segmented Consumer Needs.**

Mengniu accelerated the upgrade of both traditional and emerging channels, promoting seamless integration of online and offline scenarios to build an "omni-channel ecosystem". Online, the Company deepened collaborations with e-commerce platforms, content-driven e-commerce, live-streaming commerce, and instant retail, driving growth in both online distributors and membership scale. Offline, while consolidating traditional channels, Mengniu responded to customised channel demands and accelerated its presence in new market segments. For example, Mengniu provided tailored products for channels such as Sam's Club and Freshippo, creating bestsellers like "Morning 8 Dun Dun", and continuously meeting segmented consumer needs with precise "product-to-channel alignment."

### **Enhancing Management Quality and Efficiency to Prepare for Cyclical Recovery**

Behind Mengniu's strong resilience lies a deep-rooted management evolution. In 2025, through proactive adjustments and lean management, Mengniu optimised asset quality and improved operational efficiency during the industry downturn. Coupled with a consistent high-dividend and share repurchase policy, the Company continued to reward shareholder confidence, building momentum for the forthcoming industry cyclical recovery.

Together with associates such as China Modern Dairy Holdings Ltd., Mengniu promoted comprehensive upstream and downstream structural upgrades across eight key areas, including herd structure, feeding structure, and breeding structure, helping partner farms enhance their risk resilience. Data show that during the 14th Five-Year Plan, the average milk yield per cow at Mengniu's partner farms increased from 16 kg to 35 kg, while the average cost per kilogram of milk decreased by nearly RMB0.2, delivering overall improvements in quality, cost efficiency, and operational efficiency.

At the same time, Mengniu advanced digitalisation and lean operations across its supply chain, achieving cost reductions and efficiency gains throughout the entire value chain, from procurement and production to logistics and sales. The announcement showed that in 2025 both selling and administrative expenses declined year-on-year, while inventory turnover days and receivables turnover days further improved. Operating cash flow and free cash flow for the year reached RMB8,750.5 million and RMB6,297.8 million, respectively, both at historical highs. In addition, Mengniu proactively optimised asset quality by identifying and resolving legacy risks related to idle facilities and accounts receivable, demonstrating strong management effectiveness and robust risk resilience.

Mengniu also announced its 2025–2027 three-year shareholder return plan, under which the annual dividend per share will be steadily increased. In addition, Mengniu will maintain its share repurchase pace with 2024 and 2025, continuing to enhance shareholder returns through a combination of **dividends and repurchases**. The announcement showed that the 2025 dividend per share was RMB0.520, up from RMB0.509 in 2024. Through concrete actions, Mengniu continues to reward its shareholders, underscoring confidence in its long-term value and a firm commitment to returning value to shareholders.

At the beginning of 2026, as raw milk supply and demand reached balance and prices stabilised, expectations for a cyclical recovery in the industry continued to strengthen. Leveraging a "Winter Olympics marketing + Lunar New Year scenario" strategy, Mengniu successfully drove sales conversion and achieved

a strong start to 2026. Multiple domestic and international institutions, including Goldman Sachs, Citi, and CITIC, subsequently released positive assessments, expressing optimism about the Company's future growth prospects.

Gao Fei, Chief Executive Officer of Mengniu, commented, "In the first year of the 15th Five-Year Plan, the industry is showing a steady recovery and positive growth momentum. Mengniu will actively support the national "15th Five-Year Plan" strategy that prioritises health, steadfastly implement the "One Core, Two Wings" strategy, and accelerate its presence in nutritional segments including basic nutrition, functional nutrition, and medical nutrition. The Company will continue to create nutritional value for consumers through product excellence and contribute new and greater strength to advancing the revitalisation of the dairy industry and the Healthy China Initiative through its own high-quality development."

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### **About China Mengniu Dairy Company Limited**

China Mengniu Dairy Company Limited and its subsidiaries mainly manufacture and distribute quality dairy products in China. It is one of the leading dairy product manufacturers in China, with MENGNIU as its core brand. Mengniu offers diversified products including liquid milk products, ice cream, milk formula and cheese. In March 2014, Mengniu became a Hang Seng Index constituent, making it the first blue-chip Chinese dairy product manufacturer. Mengniu maintained its MSCI ESG Rating of "AA", which is also the highest rating received by comprehensive dairy companies in China. Mengniu is a constituent of the Hang Seng Corporate Sustainability Index, Hang Seng (Mainland and Hong Kong) Corporate Sustainability Index, Hang Seng Corporate Sustainability Benchmark Index and HSI ESG Enhanced Select Index.

For more information, please visit [www.mengniuir.com](http://www.mengniuir.com).

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