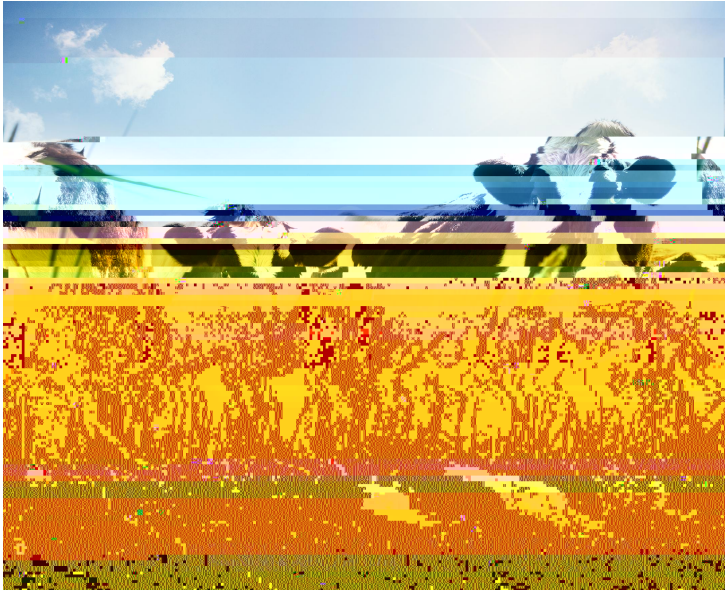
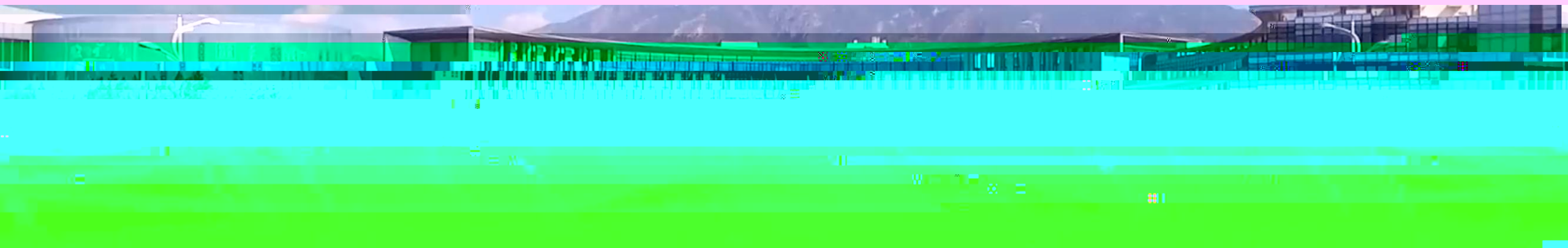






About Yili

Yili ranks am





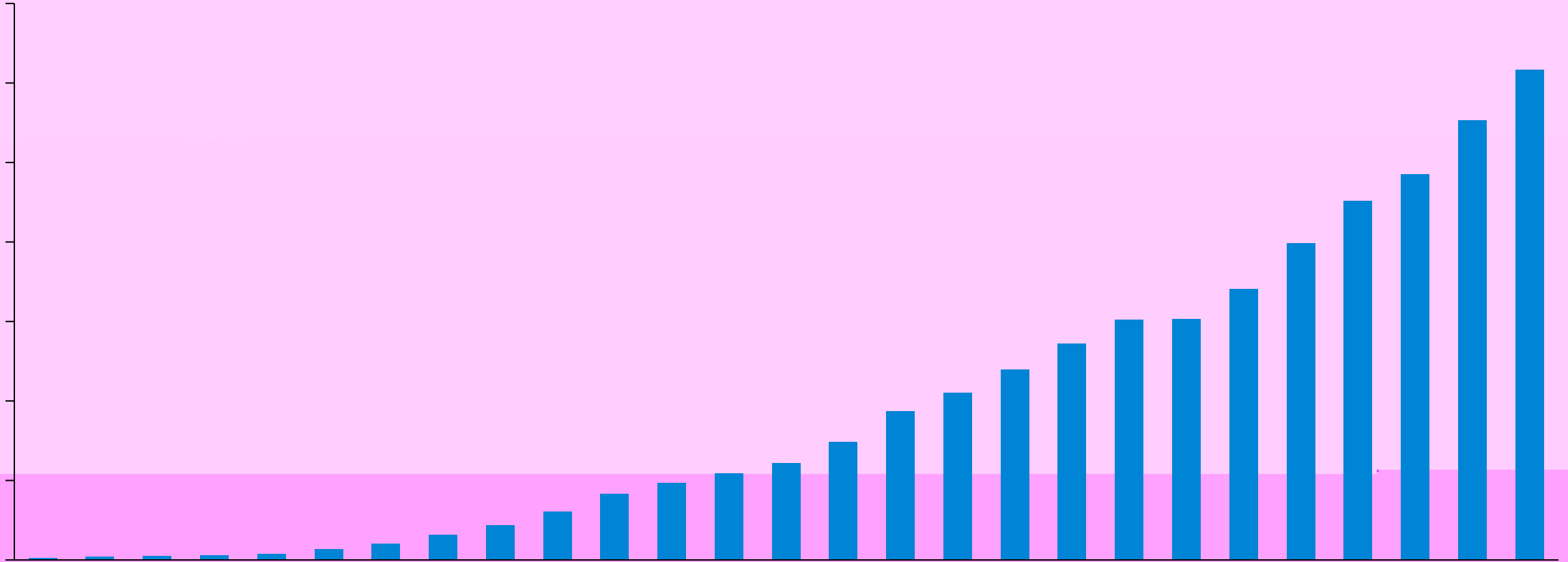
Catalogue

1 About Yili

2 Financial Review

3 Business Review & Outlook

4 Culture and Brand Management





RMB (million)

2022 H1

2021 H1

Growth rate

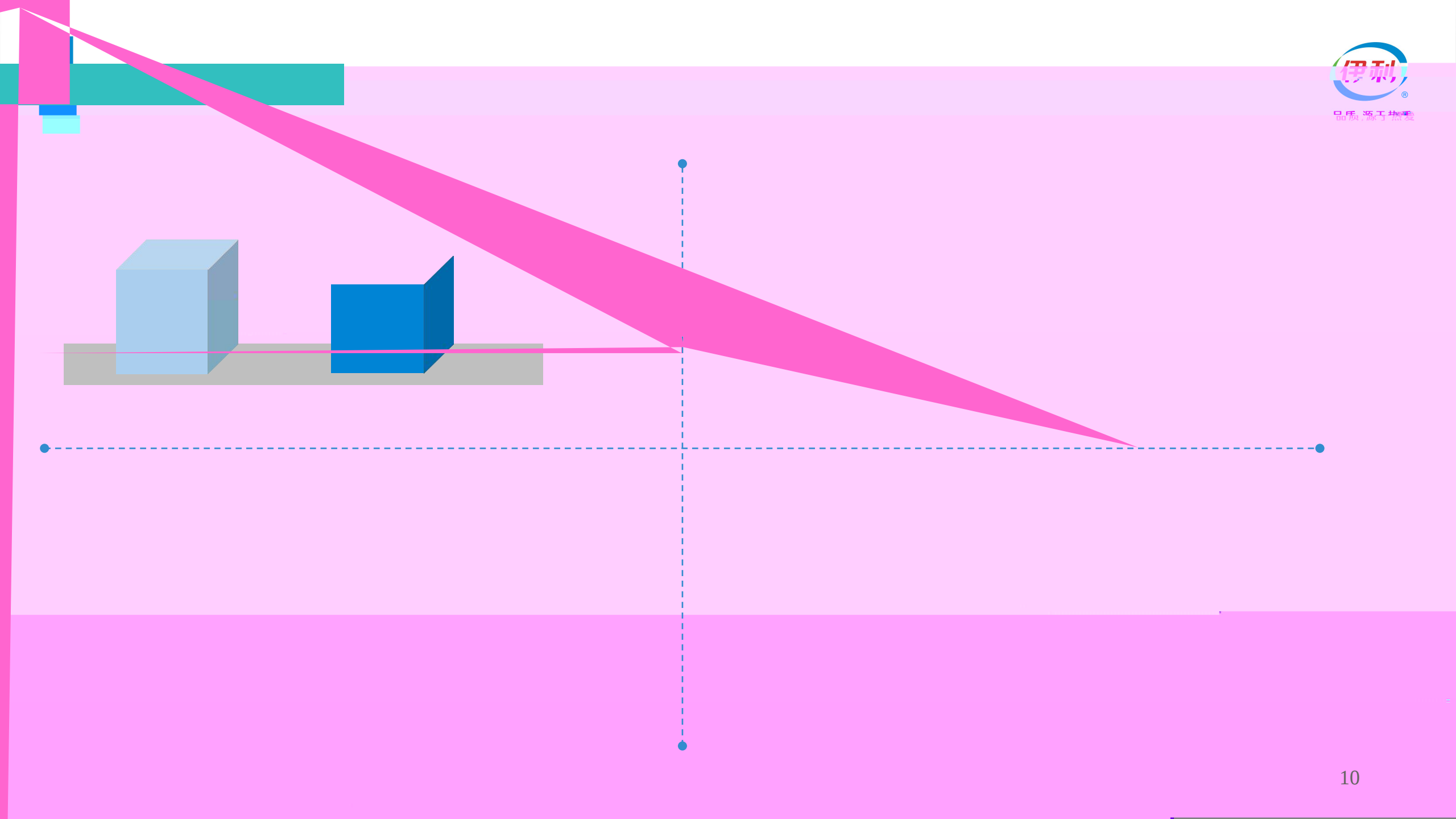
Revenue	63,463	66,197	4.3%
Revenue from core business	62,465	65,197	4.7%
Gross profit ¹	21,032	21,805	3.7%
Gross profit margin	33.67%	33.33%	-0.34 ppts
Selling expense ratio	18.34%	17.55%	-0.79 ppts
G&A expense ratio	3.85%	4.01%	



Core Business Revenue Segment Breakdown



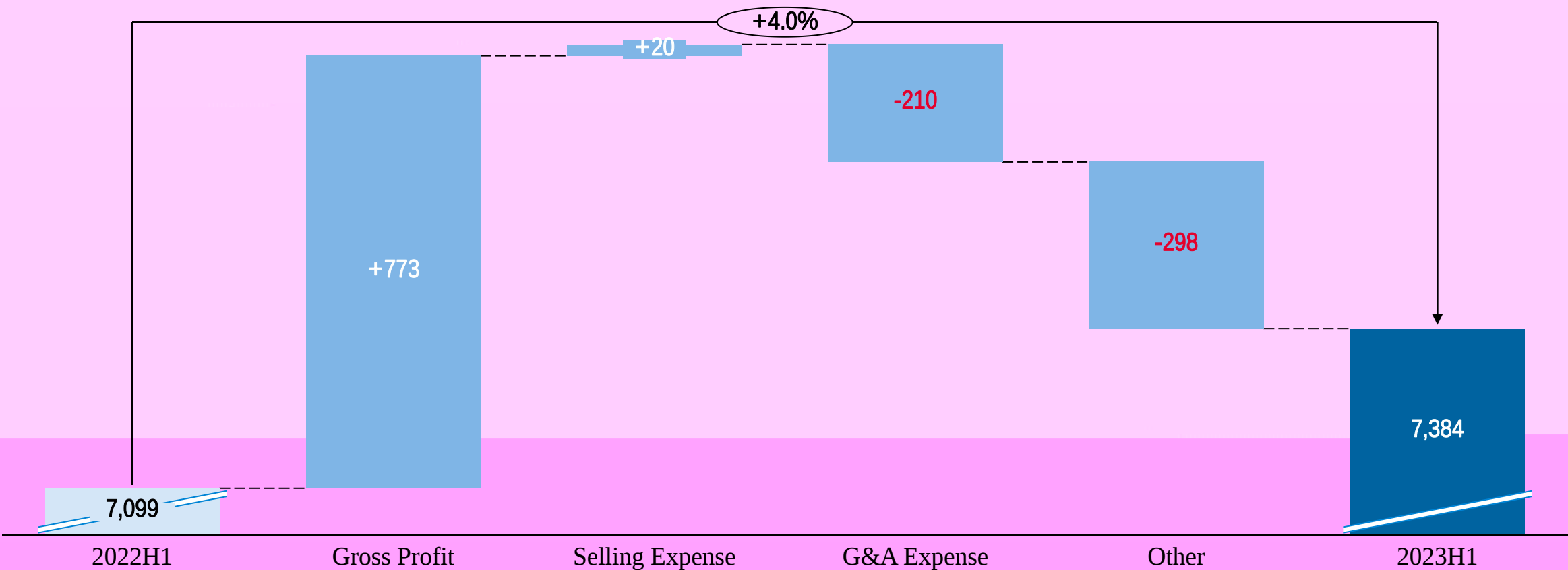
RMB (million)	2022 H1		2023 H1		Growth rate
	Revenue	%	Revenue	%	
Liquid milk	42,892	68.7%	42,423	64.8%	-1.1%
Milk powder and milk products	12,071	19.3%	13,521	20.7%	12.0%
Ice cream	7,295	11.7%	9,158	14.0%	25.5%
Other products	207	0.3%	321	0.5%	55.1%
Total	62,465	100.0%	65,423	100.0%	4.7%





1H2023 Total Profit Growth Attribution

Unit: million RMB



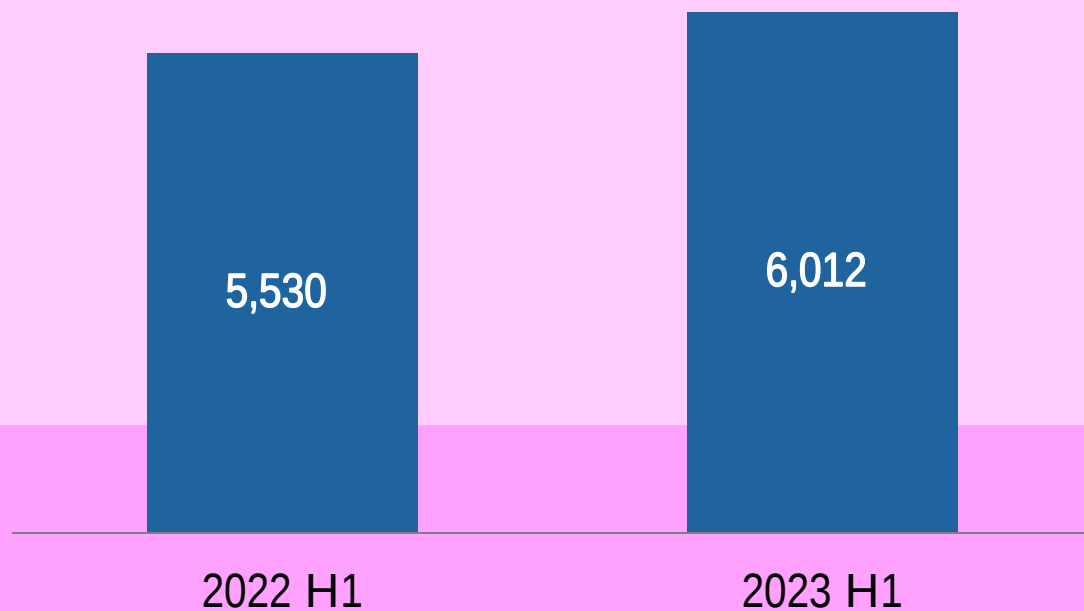


Cash Flow and Capital Expenditure



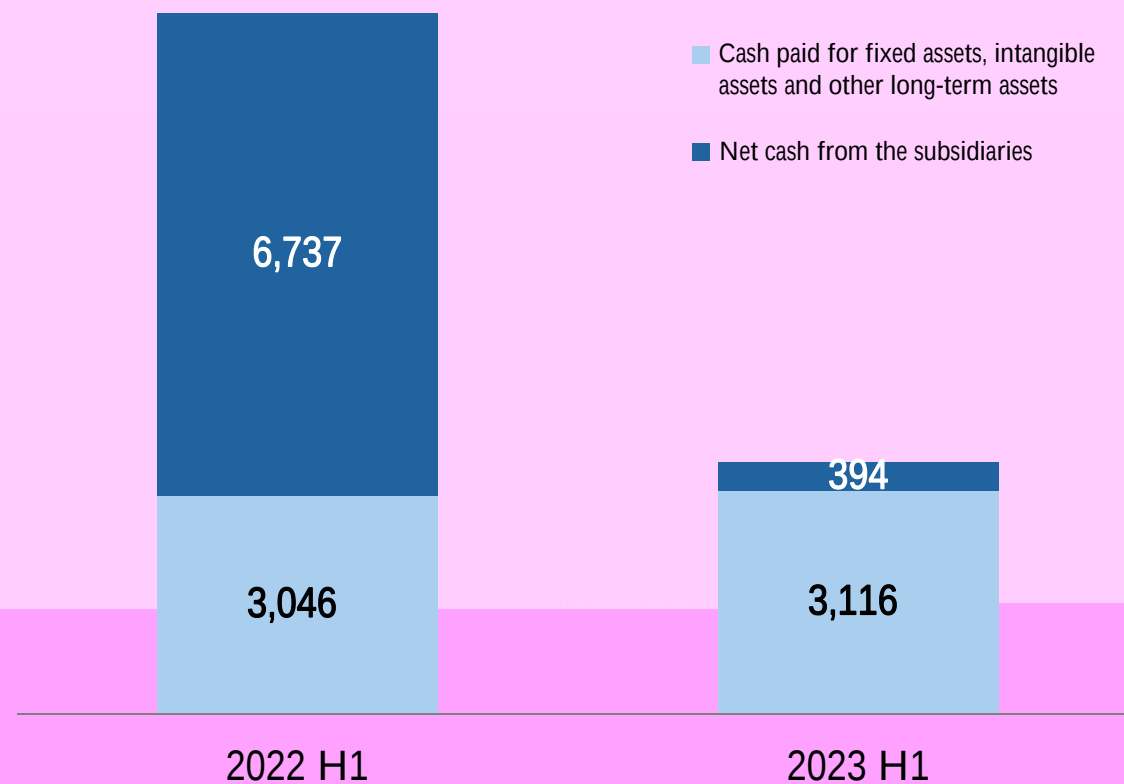
Net cash flow from operating activities

Unit: million RMB



Capital expenditure

Unit: million RMB





Catalogue

1 About Yili

2 Financial Review

3 Business Review & Outlook

4 Culture and Brand Management



Health and Nutrition Development

Consumer demand for high-quality and nutritious dairy products continues to grow, with retail sales in some segments showing an upward trend year-over-year

Plant-based nutrition products

Retail sales

The retail sales of organic white milk increased by 17.1% year-over-year

The number of households purchasing ambient liquid dairy products in county towns and county-level cities has increased by 2.1% compared to the same period last year

The CPC Central Committee and the State Council issued the “Guideline on Expanding Domestic Demand (2022-2035)”

Advocate improving the diet structure of residents, increasing the supply of healthy and nutritious agricultural products and food, and implement a series of measures to expand domestic demand and stimulate economic development

As an important element of balanced diet, dairy products are an essential component of improving physical quality and creating healthy lifestyle; with the recovery of economy, the consumption scale of dairy products will continue to grow, and the developing trend of the industry will gradually improve

Domestic milk supply is relatively sufficient

Affected by the decrease in terminal sales, the price of raw milk showed a downward trend compared with the same period last year

The market price of other main raw and supplementary materials was stable and slightly lower than that of the same period last year

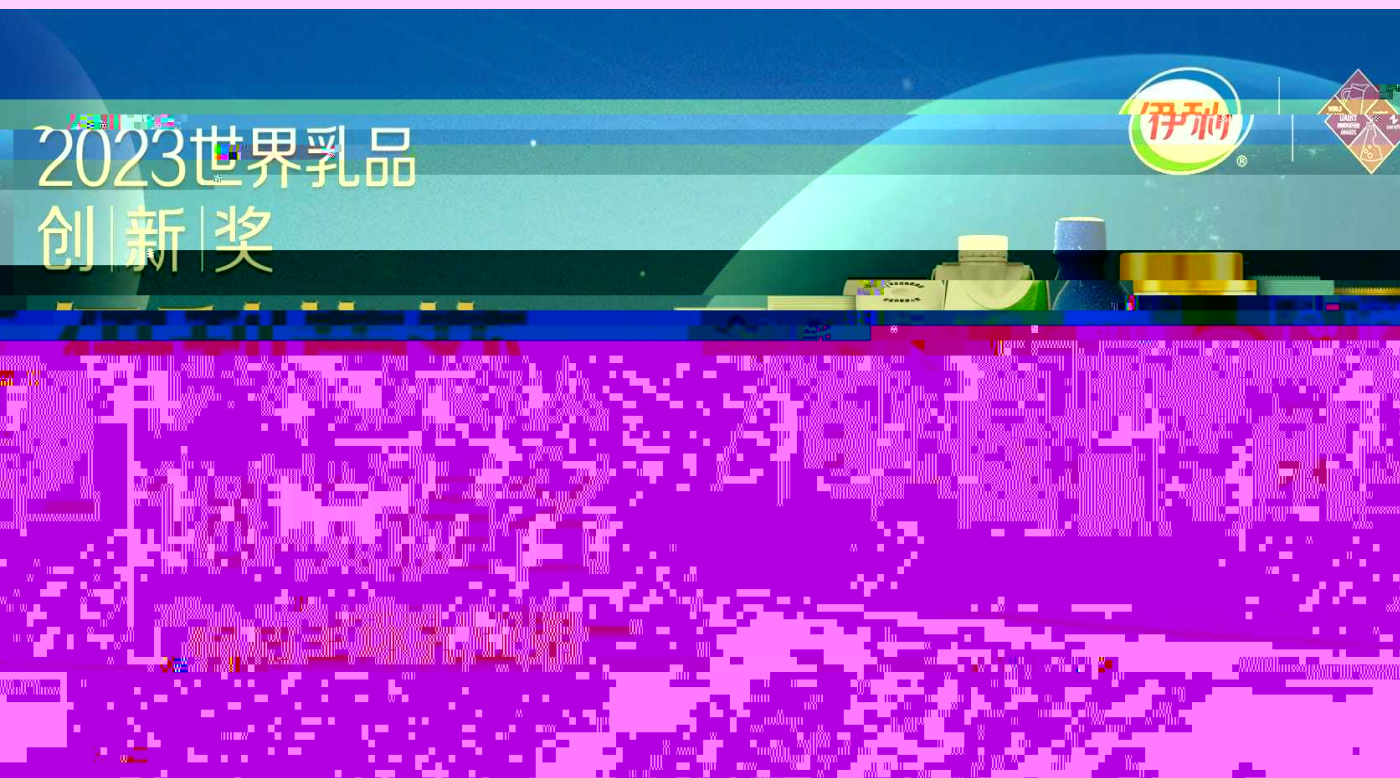
Take quality as the cornerstone, continuously tamp the competitive advantages of the brand

Yili adheres to the corporate belief of “Yili means the best quality”, follows the brand concept of “nourishing life”, and promotes the establishment of a global brand system

Relying on big data , Yili continuously enhances communication and interaction between the brand and consumers; the company takes quality as the cornerstone and continuously tamps the competitive advantages of the brand

Kantar BrandZ Most Valuable Global Brands 2023 was officially announced, **Yili has once again claimed the top spot as the most valuable dairy brand globally**

Guiding by the “Value Leading” Strategic Goal, Yili continuously improves its innovation capabilities



Lactoferrin: Yili is the first to break the technical barriers in the industry regarding the extraction of active lactoferrin, increasing the retention rate of lactoferrin in pure milk at room temperature from 10% to over 90%

Sugar control: Yili launched the world's first sugar control milk, the first low GI (Low Glycemic Index) formula milk powder, and a series of formula food with special medical and nutritional functions

Strains for infants and children: The first strain for infants and young children was independently developed by Ausnutria, which has been approved by the state and has broken the monopoly of overseas institutions on probiotic research in infants and young children

Revenue of new products accounts for 11%



Create omni-channel advantages, and seize opportunities in online, catering and other channels



Online Channels

Rapid growth of e-commerce platforms

On major e-commerce platforms, the sales of liquid milk increased by 29.5% year-on-year, and its market share increased by 3ppts, ranking No.1 in the industry

Promote digital transformation in channels

On one hand, actively explore and expand new channels

On the other hand, through digital empowerment, further strengthen the delicacy management of all channels, improve operation efficiency, and promote sustained business growth



Catering Channels

Channel customization service in liquid milk

The company leverages consumption hotspots in industries such as catering, tourism, and entertainment to vigorously develop customized channel services for liquid milk

product solutions for catering customers in cheese business

The company focuses on the innovation of specialized dairy products, relying on dual core milk source bases in China and New Zealand to build the "Yili Pro" platform, providing high-quality and comprehensive product solutions for dairy products and services to professional customers in the baking, catering, and beverage industries



Continuous



Actively explore overseas markets, and steadily promote international business



Steady growth of business overseas

The company continues to engage in cooperation with global partners, optimize production capacity of overseas bases, actively develop overseas markets, and further expand business overseas

In 1H2023, the company's **oversea revenue increased by 19.9%** compared to the same period last year

Efficient collaboration of the global supply chain

The company continues to improve the mechanism between domestic and foreign markets and production bases, fully leveraging the efficiency and collaborative advantages of the "global supply chain networks"

As of the end of June 2023, the company has 75 production bases worldwide, with products sold to over 60 countries and regions, and a comprehensive production capacity of 16.18 million tons/year



Catalogue

- 1 About Yili
- 2 Financial Review
- 3 Business Review & Outlook
- 4 Culture and Brand Management**

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

