



北京2022年冬奥会官方合作伙伴

<http://www.yili.com>

# YILI 2017 Annual Results



# 目录

CONTENTS

01 /

02 /

03 /

04 /

/

/



About Yili



## About Yili



Yili is the NO.1 in Asia and global top 8 Chinese dairy company.

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

“ ”

Yili is the unique enterprise in China who conforms to 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.



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# Shareholder Return

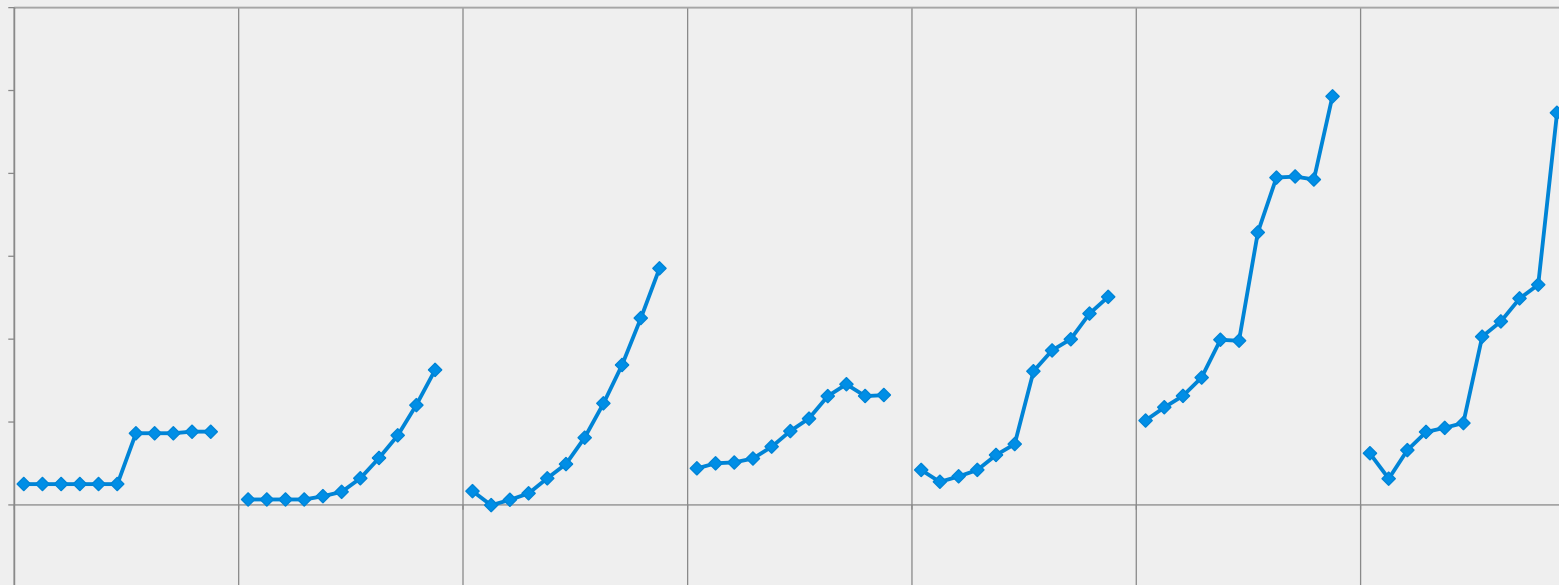
Fixed Assets

Net Assets

Total Assets

Market Cap

Right Axis





## Introduction of Our Leader

Pan Gang, the Chairman and CEO of Yili Group

By 2002, he was the youngest president among the 520 key industrial enterprises

He has been holding the position of Chairman and President of Yili Group since June 2005

### Social Positions

Member of the 19th national congress of CPC

Member of the national committee of CPPCC

Vice President of the Federation of China

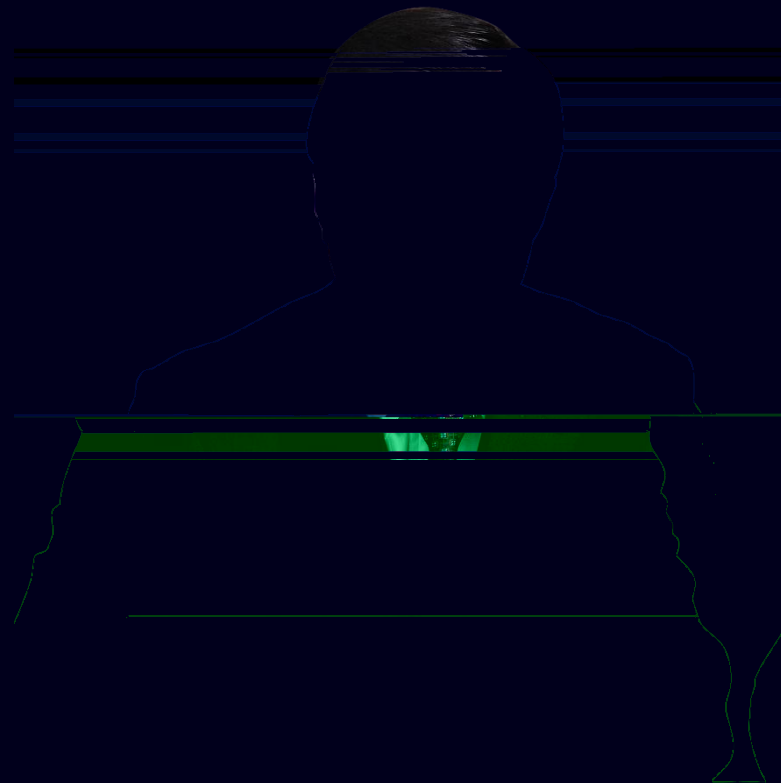
Vice President of Chinese Entrepreneur Association

Vice chairman of the All-China Youth Federation

Chairman of Chinese Young Entrepreneurs' Association

Vice chairman of Dairy Association of China

Vice chairman of China - EU Association





## Major Recognition

CEO Pan enjoys the special allowance of the State Council.

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

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## Management Thinking



" & "

"-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/CEO of Yili Group

The Yili logo, featuring the Chinese characters "伊利" in red and green.

## 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

### 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)  |             |
| ROE  |             |

Note : gross profit is calculated from core business revenues

Data source: Company Data



## Core Business Revenues Breakdown by Segment

### Revenues Breakdown by Segment

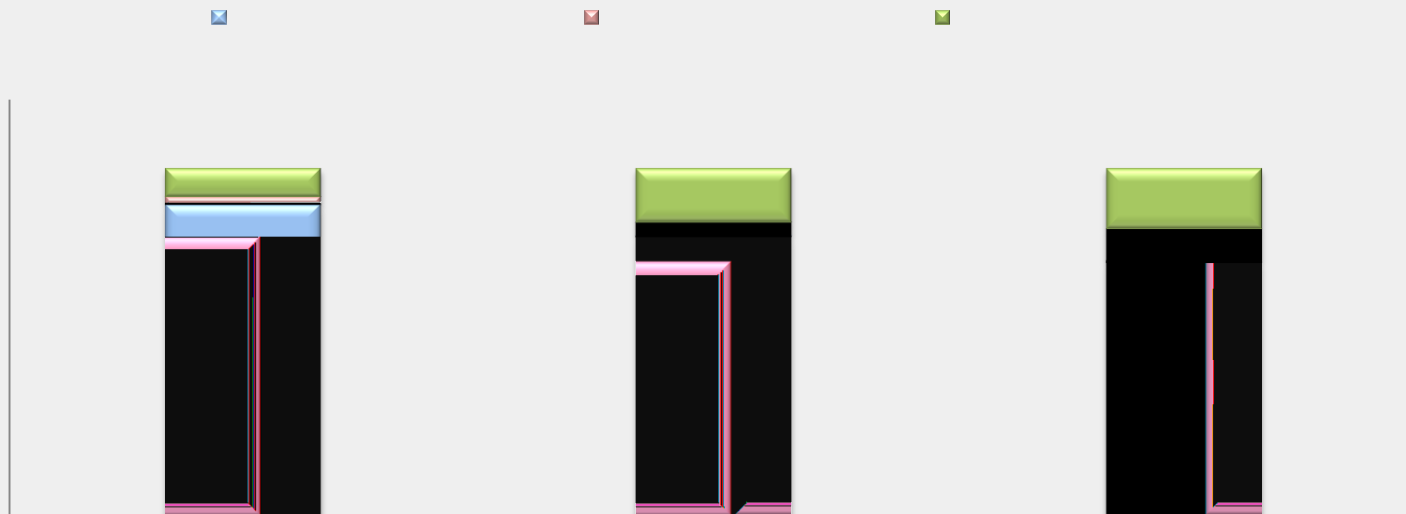
| RMB (million)                   | Revenues | % | Revenues | % | Growth Rate |
|---------------------------------|----------|---|----------|---|-------------|
| Liquid Milk                     |          |   |          |   |             |
| Ice Cream                       |          |   |          |   |             |
| Milk Powder and Milk Products   |          |   |          |   |             |
| Mixed Feeding Stuffs and Others |          |   |          |   |             |
| Total                           |          |   |          |   |             |





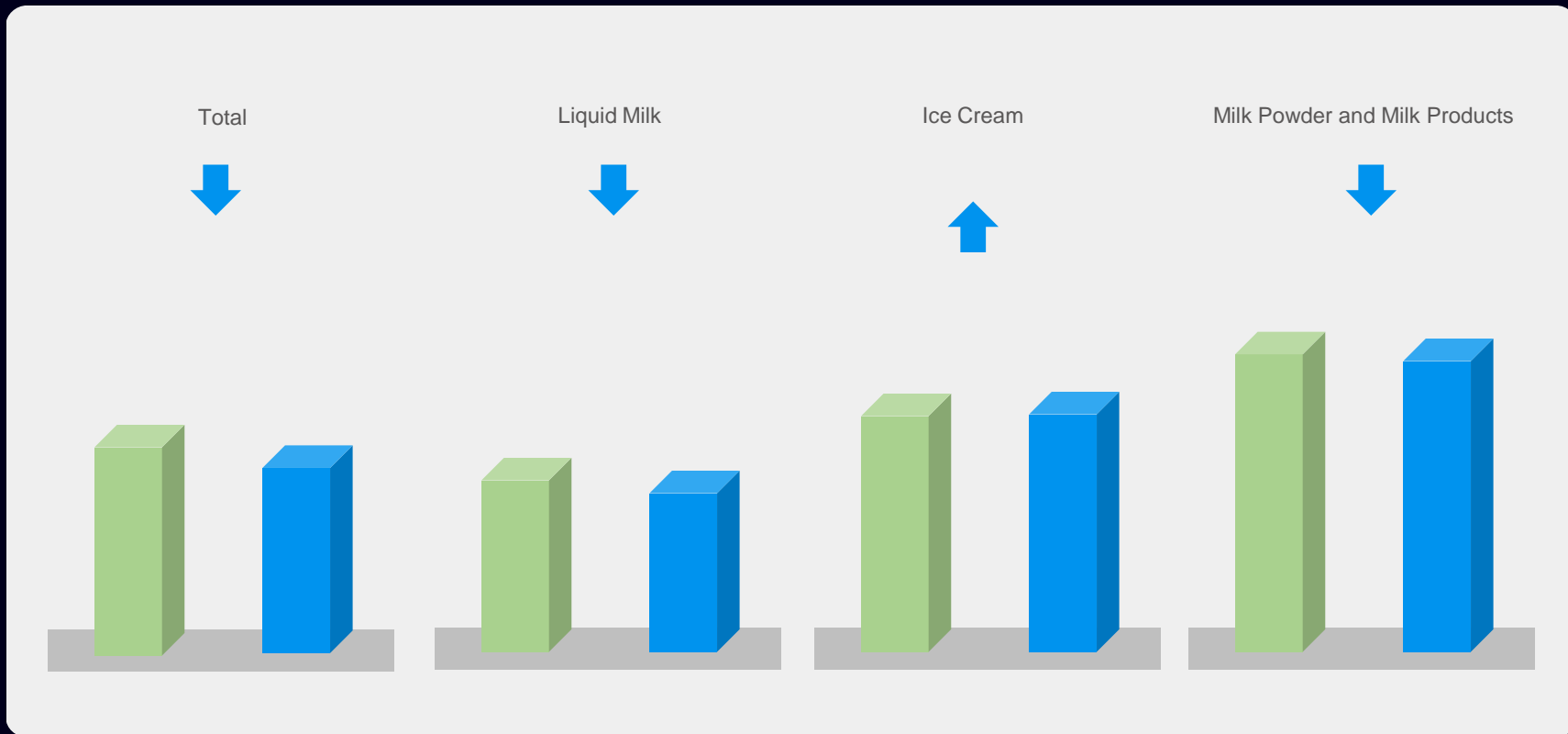
## Cost by Segment

Cost by Segment



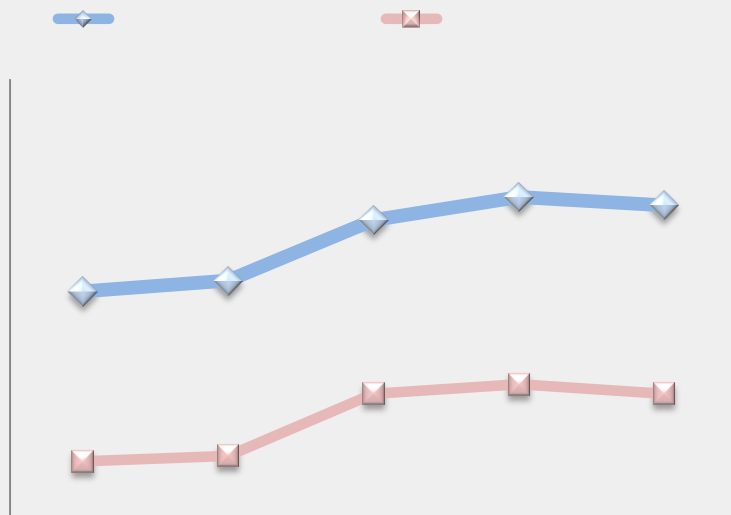


## Gross Margin by Segment

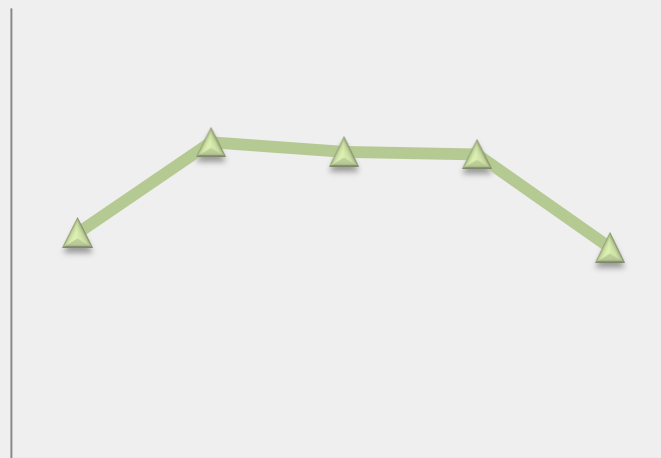


## SG&A Expense Ratio

Selling Expense Ratio

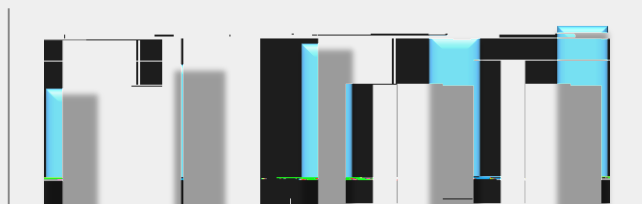


G&A Expense Ratio





### Accounts Receivable Turnover (Days)

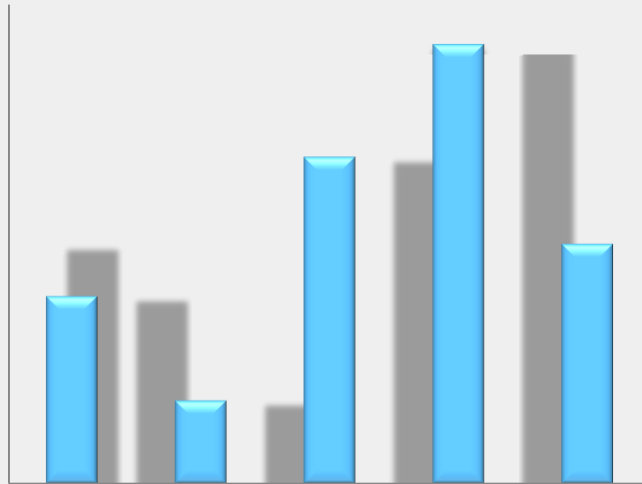




## Cash Flow and Capital Expenditure

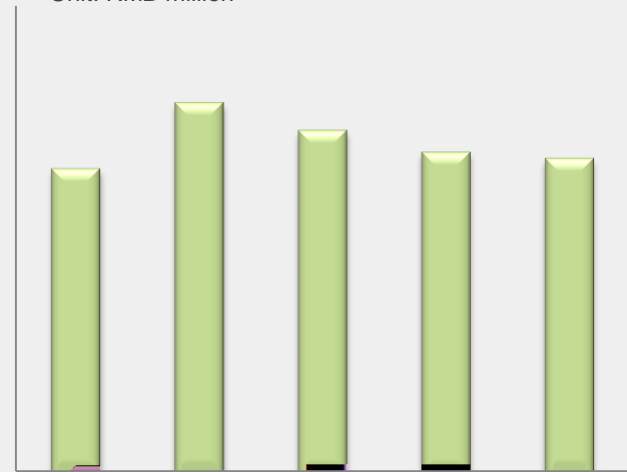
Net Cash Flow from Operating Activities

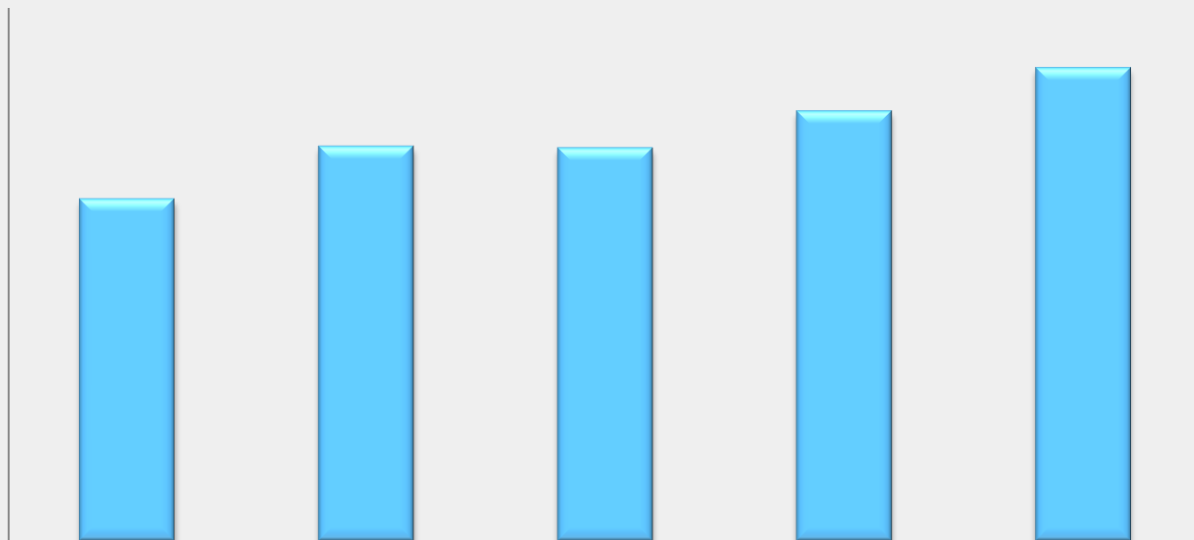
Unit: RMB million



Capital Expenditure

Unit: RMB million







## Business Review

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北京2022年冬奥会官方合作伙伴  
Official Partner of the Olympic Winter Games Beijing 2022

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# Brand



| RANK |      | BRAND  | BRAND STRENGTH |      |
|------|------|--------|----------------|------|
| 2017 | 2016 |        | 2017           | 2016 |
| 1    | 2    | 伊利     | 80.2           | 79.5 |
| 2    | 4    | Amul   | 79.7           | 76.7 |
| 3    | 1    | DANONE | 79.4           | 81.5 |



1

" published by Rabobank, Yili has steadily ranked among the top 8 in the global dairy industry and continued to lead the Asian dairy industry.

2

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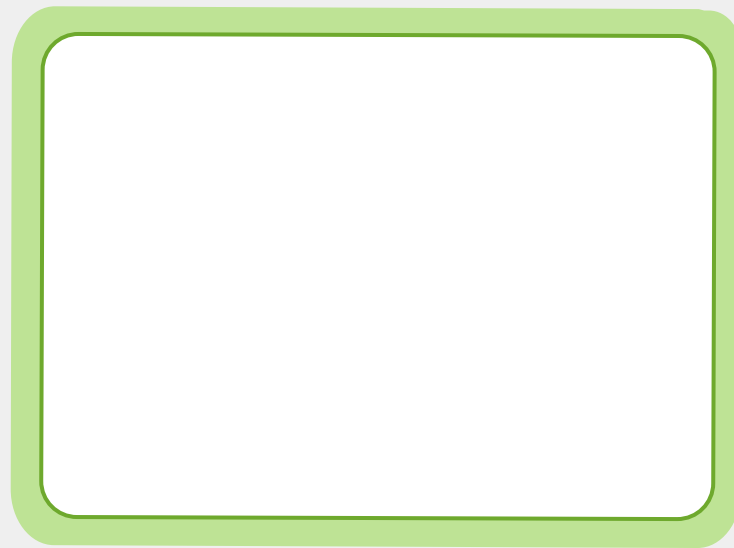
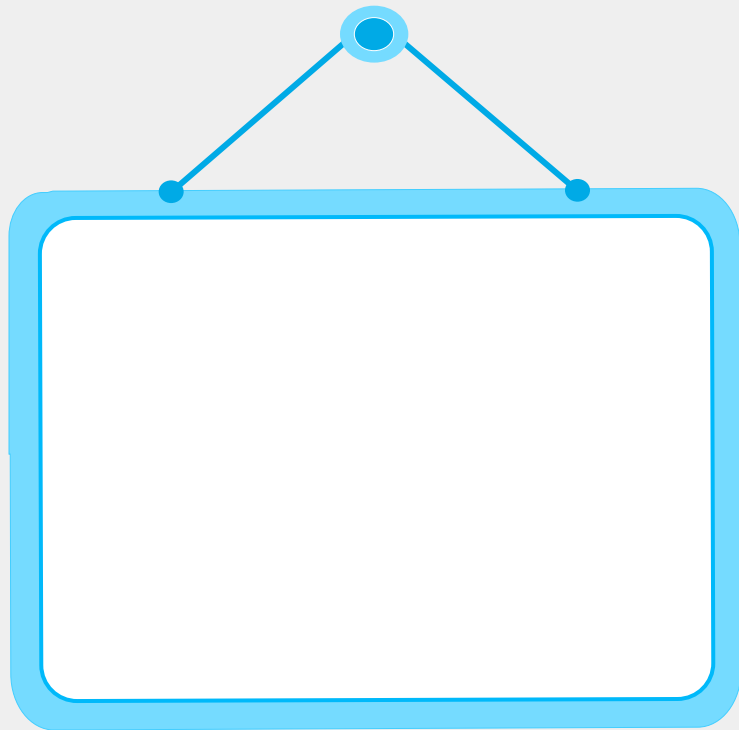
# Brand



Yili becomes the only official dairy partner of the Beijing 2022 Winter Olympics



## Innovation





## Key Products



Satine



Ambrosial



Chang Qing



Changyi  
100%



Chocliz

Key products accounted for 45.7% of total revenues



Pro-Kido



Zhenxi

## New Products



Pro-Kido Ruihu Infant  
Formula



Ambrosial Series  
New Products

New products accounted for about 9.2% of total revenues.



Joy Day

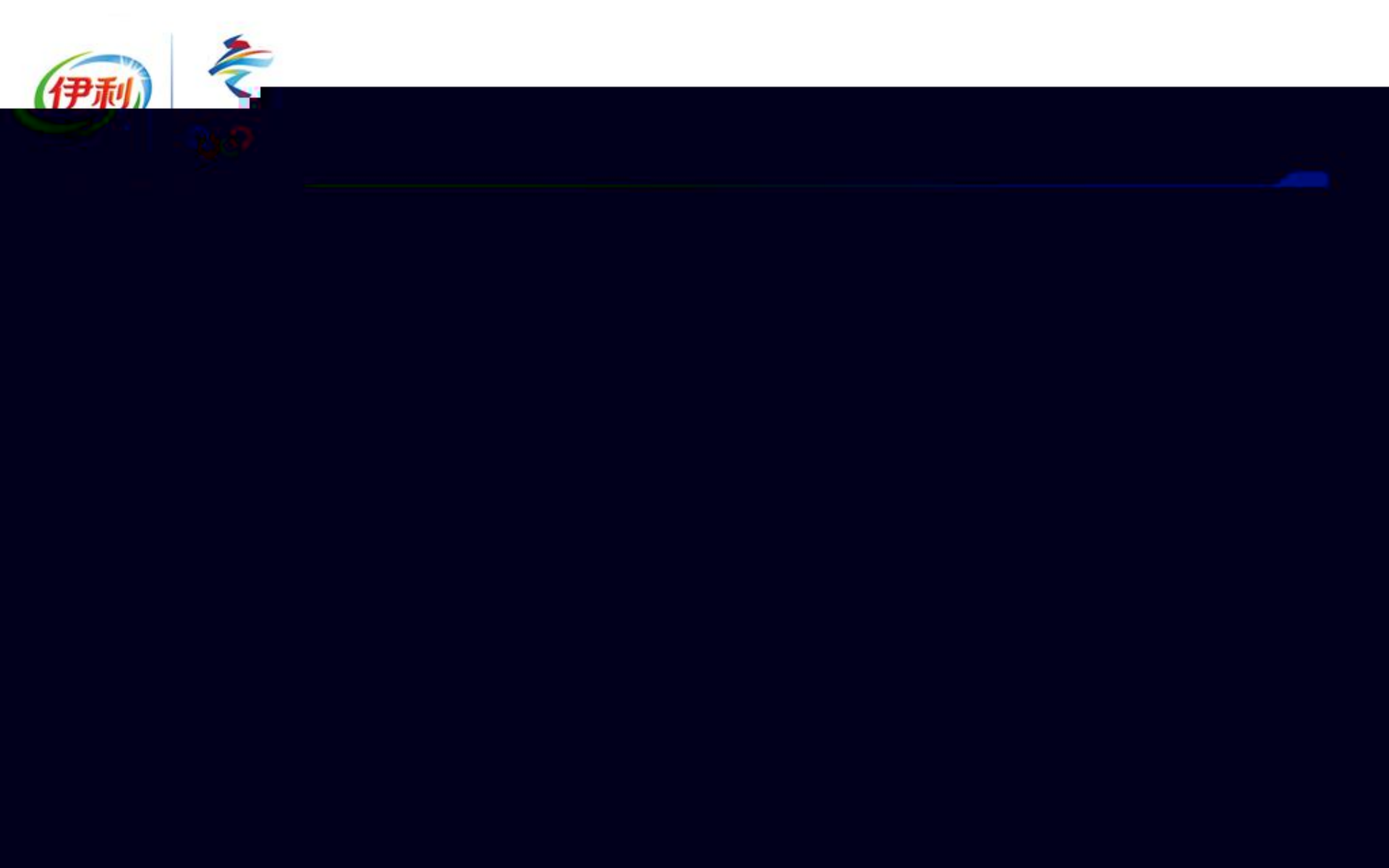


Choliz Qixuan Chocolate  
Crispy Ice Cream



Pureday





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## Guarantee of global dairy resources

Yili continued to deeply integrate its procurement business, and optimize in areas such as cost optimization, quality control throughout the entire process, supplier cooperation, and efficiency improvement of purchase order.

## Strategic synergies of global industrial chain layout

" " " "





## Current Situation of China's Dairy Industry





## Current Situation of China's Dairy Industry



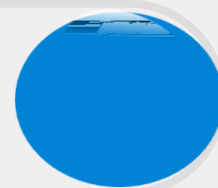
Product Innovation

Channel Diversification

Rapid development in lower tier cities and rural areas

Raw material prices under pressure

Domestic dairy companies face both opportunities and challenges going forward



Great potential in dairy consumption market





## Business Outlook



### Total revenues to be

RMB 77 billion

### Total profit before tax to be

RMB 7.5 billion



" " We will system and efficient risk control system.

-chain end-to-end self-control quality



Following the market development trend, we will lead the industry through continuous innovation and will proactively expand the international business to achieve sustainable and healthy growth of our business.



" "

business ability.



We built an resources sharing platform to serve for our business development in the new era.



We will strengthen the practice and inheritance of Yili culture to enhance the cultural foundation of our company.



## Culture and Brand Concept



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## Our Culture



### Vision

Becoming the most trusted healthy food provider around the world.

1W: 1

Excellence

Accountability

Innovation

Win-Win





## 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,  
over-innovative

Be self-disciplined and  
self-reflective, fostering  
a virtuous atmosphere

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## Brand Essence

Nourish for Life

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



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“ ”



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BEIJING 2022

