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## **WANT WANT CHINA HOLDINGS LIMITED**

**中國旺旺控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 0151)**

### **PRESENTATION ON 2021 INTERIM RESULTS**

A presentation in relation to the results of Want Want China Holdings Limited and its subsidiaries for the six months ended 30 September 2021 is appended to this announcement.

By order of the Board  
**Want Want China Holdings Limited**  
**LAI Hong Yee**  
*Director*

Hong Kong, 30 November 2021

*As at the date of this announcement, the executive directors of the Company are Mr. TSAI Eng-Meng, Mr. TSAI Shao-Chung, Mr. TSAI Wang-Chia, Mr. HUANG Yung-Sung, Mr. CHU Chi-Wen, Mr. TSAI Ming-Hui and Ms. LAI Hong Yee; the non-executive directors are Mr. LIAO Ching-Tsun, Mr. MAKI Haruo and Mr. CHENG Wen-Hsien; and the independent non-executive directors are Dr. PEI Kerwei, Mr. HSIEH Tien-Jen, Mr. LEE Kwok Ming, Mr. PAN Chih-Chiang and Mrs. KONG HO Pui King, Stella.*



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控股有限公司

WANT WANT CHINA  
Holdings Limited

## Interim Results

Six months ended September 30 2021

November 30 2021



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### NOTE

Unless otherwise stated, this presentation provides the financial information from 1st April 2021 to 30th September 2021 (abbr. 1H FY21), and the comparative financial information from 1st April 2020 to 30th September 2020 (abbr. 1H FY20).

Readers are reminded to read and construe this presentation in conjunction with the announcement of the Company dated 30th November 2021 in relation to its interim results for the six months ended 30th September 2021.



# Financial Highlights

## 1H FY21 vs 1H FY20

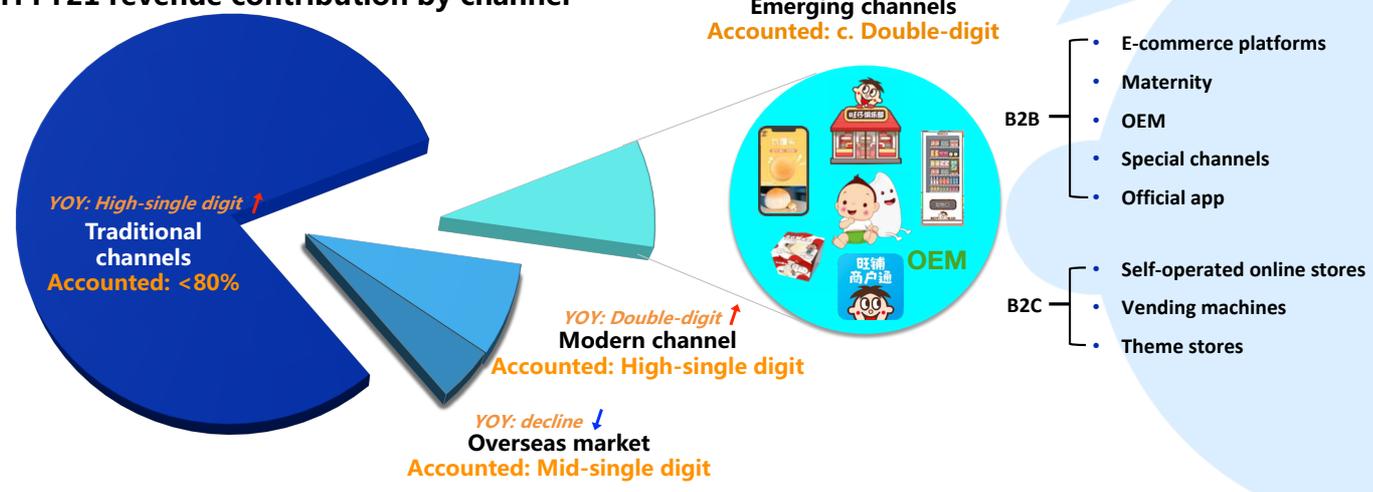
<b>Revenue</b>	RMB 11,383m	↑ 10.5%	<ul style="list-style-type: none"> <li>✓ All channels in the Chinese mainland ↑</li> <li>✓ Revenue of dairy products &amp; beverages segment ↑ 23.5%</li> </ul>
<b>Gross Margin</b>	46.8%	↓ 140bps	<ul style="list-style-type: none"> <li>✓ Price of certain raw material and packaging ↑</li> </ul>
<b>Operating Profit</b>	RMB 2,781m	↑ 9.7%	
	24.4%	↓ 20bps	
<b>Profit Attributable to Equity Holders</b>	RMB 2,090m	↑ 7.1%	<ul style="list-style-type: none"> <li>✓ Income tax rate 27.7%</li> </ul>
	18.4%	↓ 60bps	

# Balanced Development of Product Segments Driven by Channel Diversification



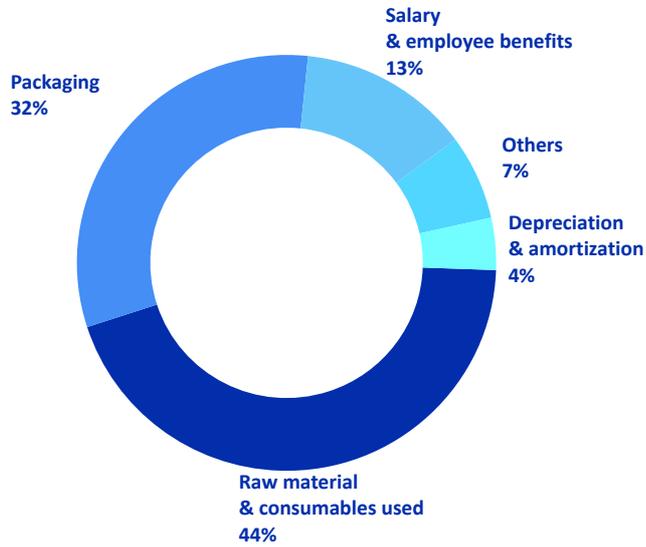
- ✓ Traditional channels maintained healthy ↑, fueled by refined channel management
- ✓ Emerging channels maintained rapid ↑, and become one of the key revenue growth drivers
- ✓ Modern channel double digit ↑ supported by penetration in CVs + new products

1H FY21 revenue contribution by channel



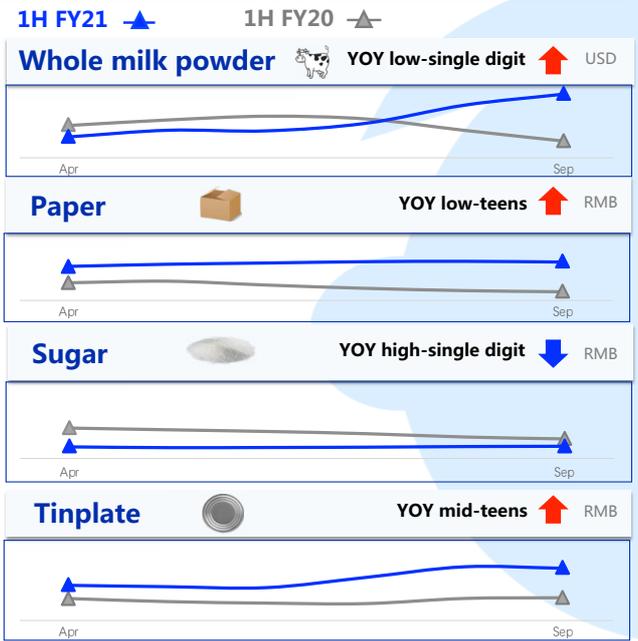
# COST STRUCTURE

## ✓ Cost of sales breakdown



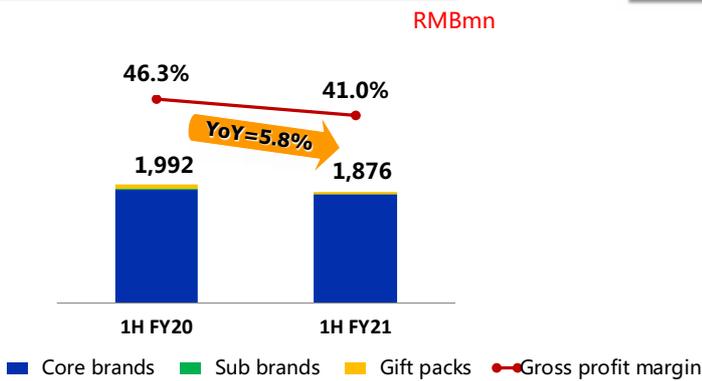
## Price of certain raw material and packaging ↑

### ✓ Raw material & packaging unit cost trend

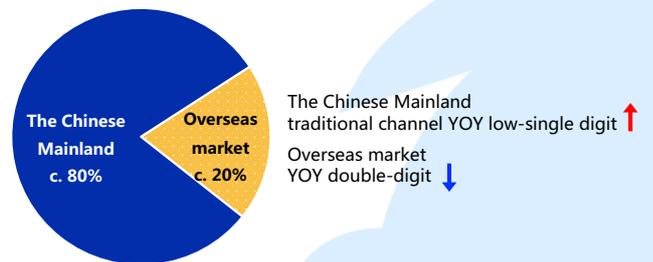


# RICE CRACKERS SEGMENT

## ✓ Revenue breakdown and gross margin



## ✓ 1H FY21 revenue contribution of rice crackers segment



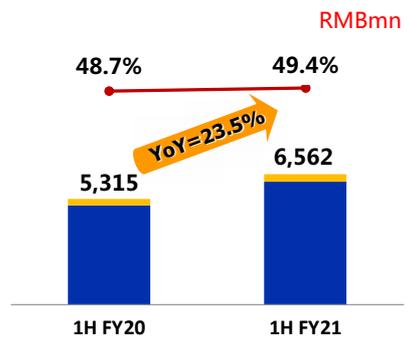
## ✓ FY16 - FY20 Revenue CAGR of rice cracker segment



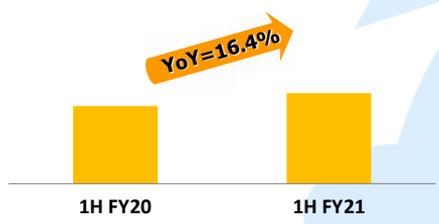


# DAIRY PRODUCTS and BEVERAGES SEGMENT

✓ Revenue breakdown and gross margin



✓ Revenue of beverages & others



■ Hot-Kid Milk ■ Beverages & others ● Gross profit margin

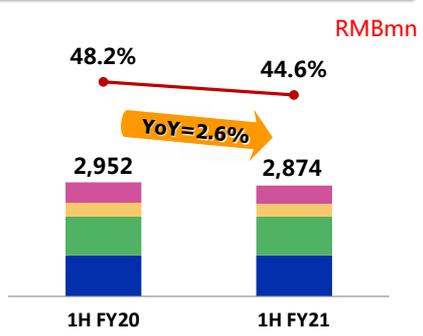
✓ FY16 - FY20 Revenue CAGR of dairy products and beverages segment



# SNACK FOODS SEGMENT



✓ Revenue breakdown and gross margin



✓ Revenue of popsicles



■ Candies ■ Popsicles ■ Ball cakes ■ Beans, jellies & others ● Gross profit margin

✓ FY16 - FY20 Revenue CAGR of snack foods segment

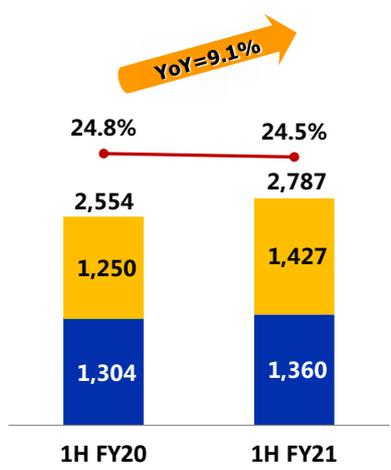




# OPERATING EXPENSES and EXPENSE RATIO

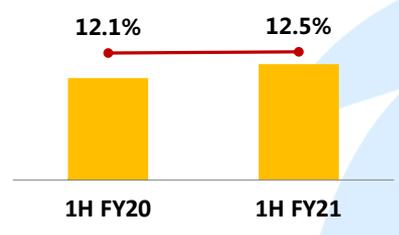
## Operating expenses breakdown

RMBmn



■ Administrative expenses      ■ Distribution costs

## Distribution costs



## Administrative expenses



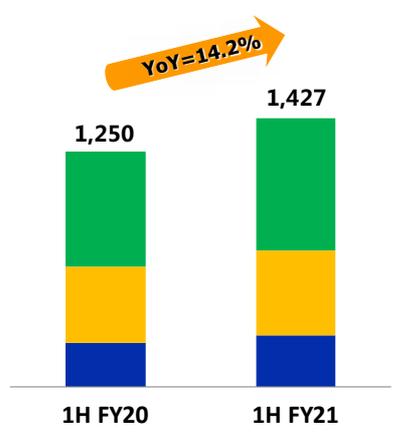
● Expense ratio

# DISTRIBUTION COSTS



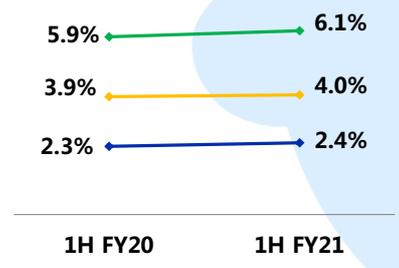
## Distribution costs breakdown

RMBmn



■ A&P expenses    ■ Transportation expenses    ■ Others (mainly staff costs)

## Distribution costs as % of revenue



◆ Others (mainly staff costs)    ◆ Transportation expenses    ◆ A&P expenses

## WORKING CAPITAL



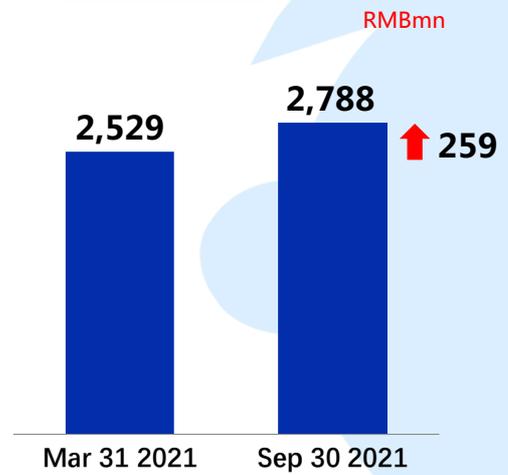
### ✓ Turnover days

Item	Mar 31 2021	Sep 30 2021
Inventory	85	79*
Trade receivables	15	15
Trade payables	(33)	(33)
<b>Cash conversion cycle</b>	<b>67</b>	<b>61</b>

↓ 6 days

\* Decrease in inventory turnover days mainly due to efficiency improvement of capital.

### ✓ Inventory

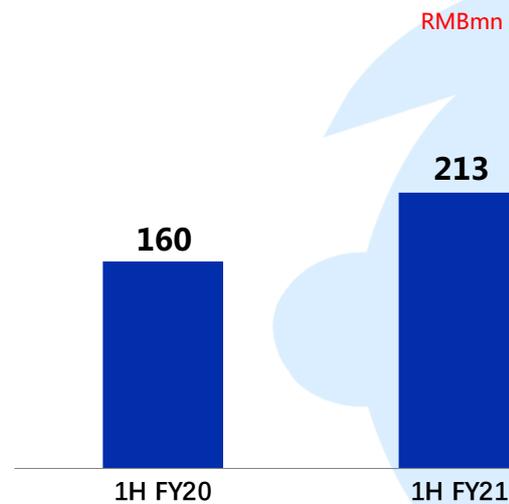


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## CASH and BORROWINGS

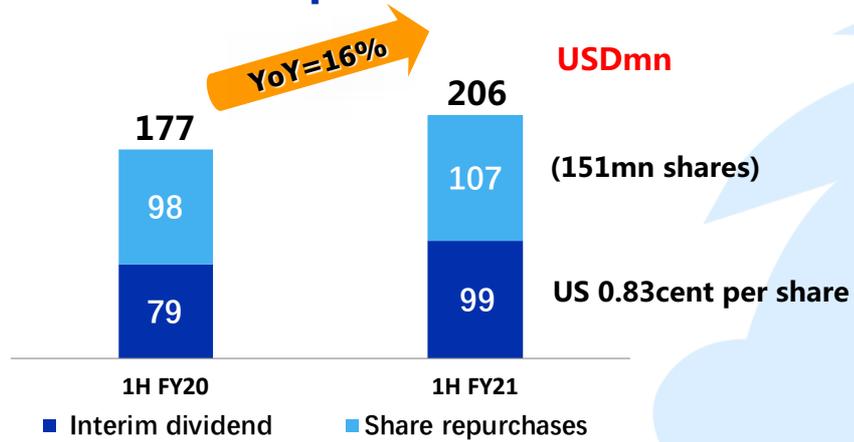
	RMBmn
Cash & bank deposit + long-term bank deposit (Sep 30 2020)	17,339
Cash & bank deposit + long-term bank deposit (Sep 30 2021)	17,396
Borrowings (Sep 30 2020)	10,218
Borrowings (Sep 30 2021)	8,235
	↓ 1,983
Net cash (Sep 30 2020)	7,121
Net cash (Sep 30 2021)	9,161
	↑ 2,040

## CAPEX

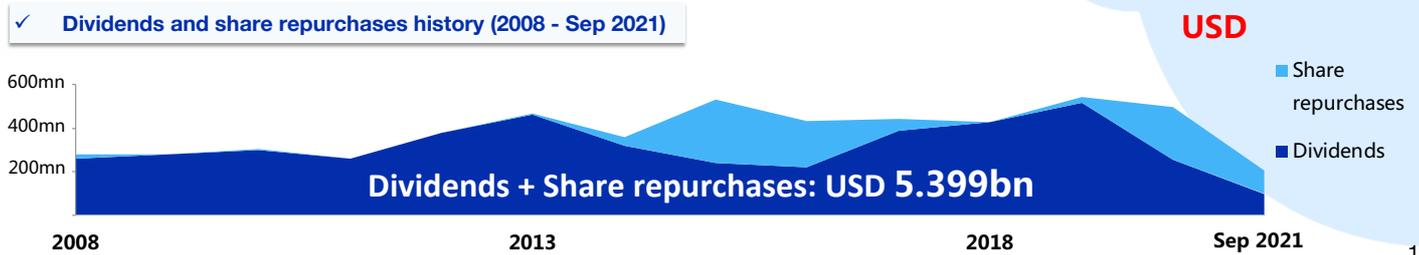


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# Interim Dividends and Share Repurchases



✓ Dividends and share repurchases history (2008 - Sep 2021)



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Marketing Highlights  
 1H FY21



# OPERATING STRATEGIES

## All Channels in the Chinese Mainland rapidly ↑



Channel Diversification

- Intensive development and diversification of channels
- Multi-brand and product differentiation strategies
- Innovative and diversified digital marketing



Multi-brand, diversified product strategies

# RICE CRACKERS SEGMENT



Rice crackers revenue ↓ 5.8%

Overseas market : impacted by pandemic and international supply chain ↓

Traditional channels : **low-single digit** ↑

Second quarter of the fiscal year resumed **double digit** ↑





# SNACK FOODS SEGMENT



Snack foods revenue ↓ 2.6%



Popsicles low-single digit ↓

Timing difference of distributor order placing

Jan-Sep mid-single digit ↑

Dongchi sales exceeded RMB200mn



# SNACK FOODS SEGMENT



Candies low-single digit ↑



Milk Chewy rapid ↑



Jellies high-single digit ↑





# DAIRY PRODUCTS and BEVERAGES SEGMENT



Dairy products and beverages revenue ↑ 23.5%

All channels in the Chinese mainland **double-digit** ↑



Hot-Kid milk **rapid** ↑

Dairy product revenue achieved new record high in the first half of fiscal year



Beverages and others **rapid** ↑

O bubble, Fruit Juice Drink Beverage **rapid** ↑

✓ Revenue of Hot-Kid Milk

YOY Maintained rapid growth



1H FY20



1H FY21

2Q  
1Q

✓ Various digital marketing campaign



# CHANNEL DIVERSIFICATION



Traditional channels **high-single digit** ↑

Intensive development of channel, increased exposures on retailers' shelves  
Balanced development of different product segments



Overseas market ↓

Continue to push on with the expansion of overseas sales network  
Vietnam factory expected to commence production in 2022



Modern channel **double-digit** ↑

Optimized product selection and display  
Expansion of sales in convenient stores



Emerging channels **rapid** ↑

Contributed nearly 10% to the revenue of the Group  
One of the key revenue growth drivers of the Group

Revenue of new products that were launched by the Group in 2018 and thereafter, in aggregate, accounted for nearly 10% of 1H FY21 total revenue.



# PROSPECT

- ✓ Sales prior to Chinese New Year proceeds smoothly
- ✓ Multi-brand and channel diversification strategy
- ✓ Creative and interesting digital marketing
- ✓ Maintain healthy profitability



# Q & A



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