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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 2020 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 2020 is appended to this announcement.

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

Hong Kong, 19 November 2020

*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 Mr. TOH David Ka Hock, Dr. PEI Kerwei, Mr. HSIEH Tien-Jen, Mr. LEE Kwok Ming and Mr. PAN Chih-Chiang.*



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Holdings Limited

## Interim Results

Six months ended September 30 2020

November 19 2020



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### NOTE

Unless otherwise stated, this presentation provides the financial information from April 1st 2020 to September 30th 2020 (abbr. 1H 2020FY), and the comparative financial information from April 1st 2019 to September 30th 2019 (abbr. 1H 2019FY).

Readers are reminded to read and construe this presentation in conjunction with the announcement of the Company dated November 19 2020 in relation to this interim results for the six months ended September 30th 2020.

# Financial Highlights

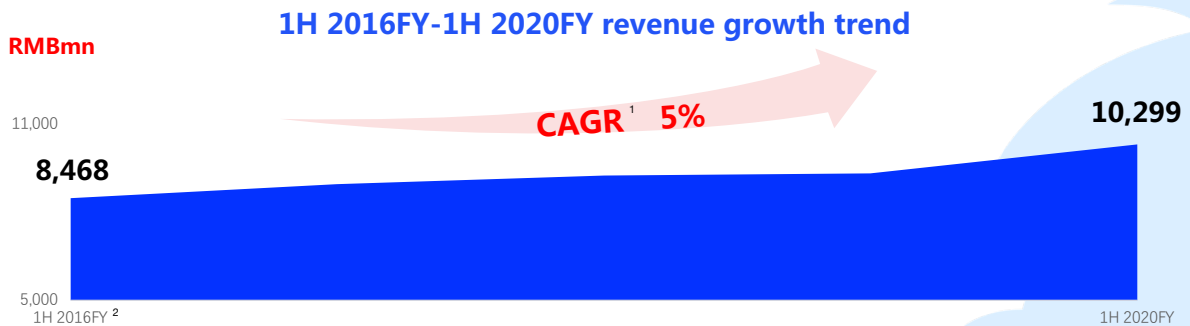
1H 2020FY vs 1H 2019FY



<b>Revenue</b>	RMB 10,299m <b>↑ 10.7%</b>	<ul style="list-style-type: none"> <li>✓ Three key segments <b>↑</b></li> <li>✓ All channels <b>↑</b></li> </ul>
<b>Gross Margin</b>	48.2% <b>↓ 70bps</b>	<ul style="list-style-type: none"> <li>✓ Price fluctuation of certain raw materials</li> </ul>
<b>Operating Profit</b>	RMB 2,535m <b>↑ 23.4%</b> 24.6% <b>↑ 250bps</b>	<ul style="list-style-type: none"> <li>✓ Revenue increased by double-digit <b>↑</b> economies of scale</li> <li>✓ Operating expenses <b>↓</b></li> </ul>
<b>Profit attributable to equity holders</b>	RMB 1,952m <b>↑ 20.9%</b> 19.0% <b>↑ 160bps</b>	

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## Steady Growth Driven by [Channel Diversification + Multi-brand Strategies]



	Channels			Products			
	Traditional Channel	Emerging Channels	Overseas Market	Rice Cracker	Dairy & Beverage	Snack Foods	1H 2016FY-1H 2020FY CAGR
<b>Growth Driver</b>		 OEM					
<b>ASP</b>							2%
<b>Volume</b>							3%
<b>1H 2016FY-1H 2020FY CAGR</b>	3%	67%	6%	4%	5%	5%	*5%

1. CAGR: Compound Annual Growth Rate; 2. 1H 2016FY refers to April to September 2016

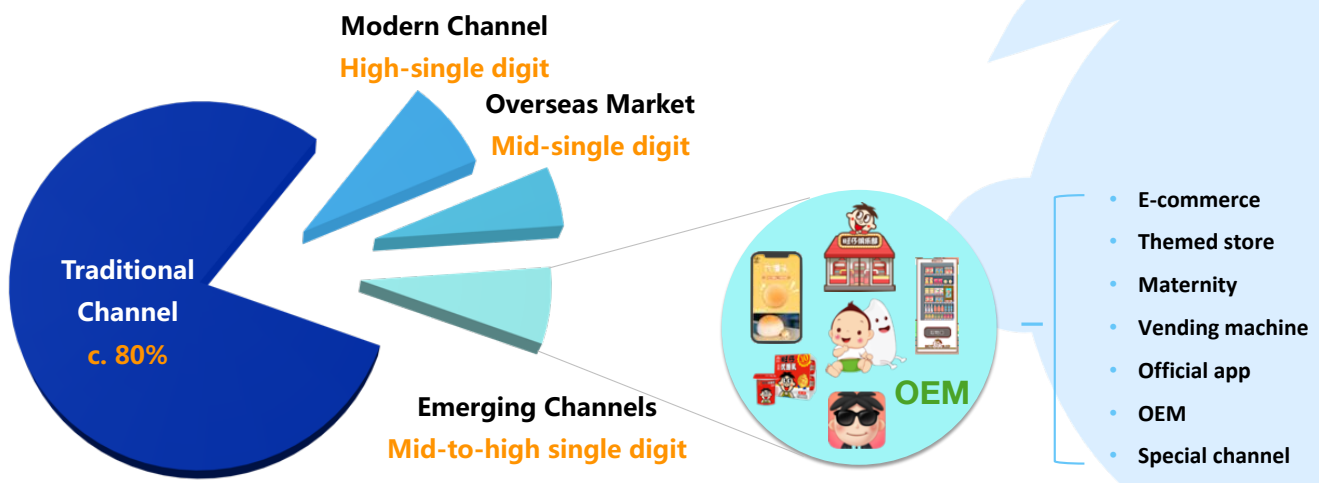
\*2% contributed by new products and upgraded products

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# Channel Diversification is Still a Vital Development Strategy

Emerging channels and overseas market continue to serve as important growth drivers

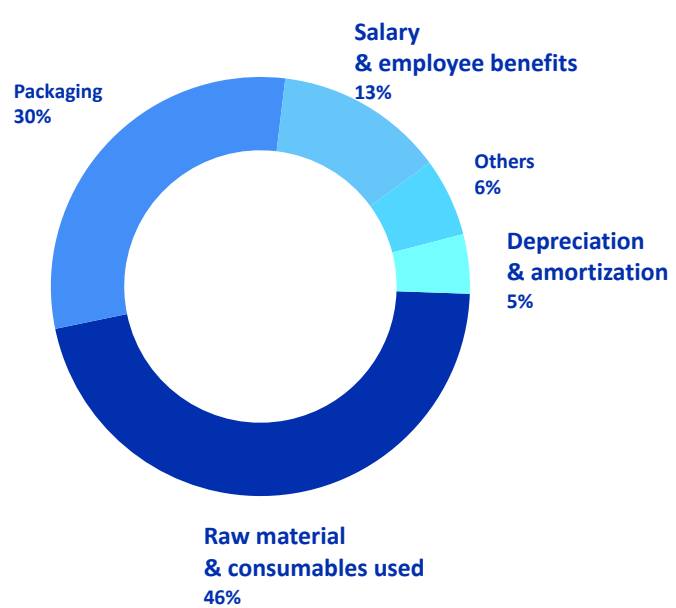


1H 2020FY revenue contribution by channel

## COST STRUCTURE

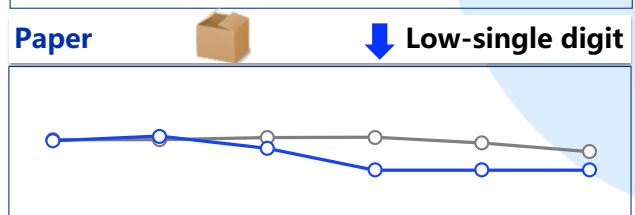
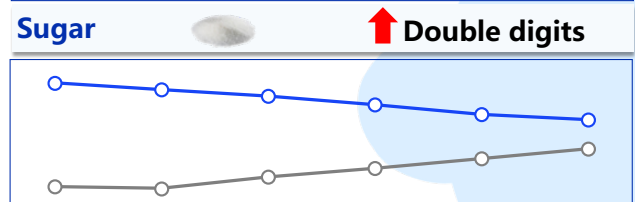
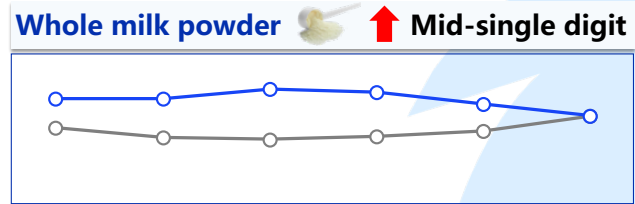


✓ Cost of sales breakdown



✓ Raw material & packaging unit cost trend

1H 2020FY vs 1H 2019FY 1H 2020FY —○— 1H 2019FY —○—

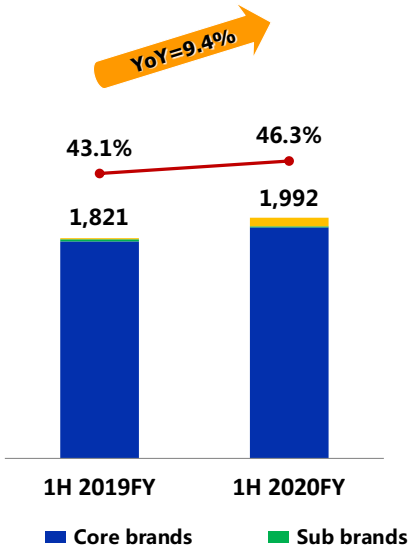




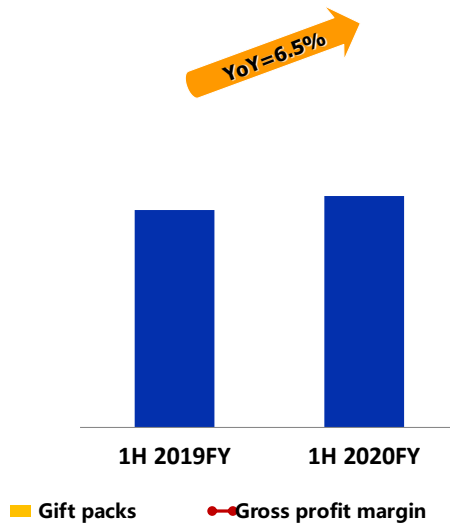
# RICE CRACKER SEGMENT

## Revenue breakdown and gross margin

RMBmn



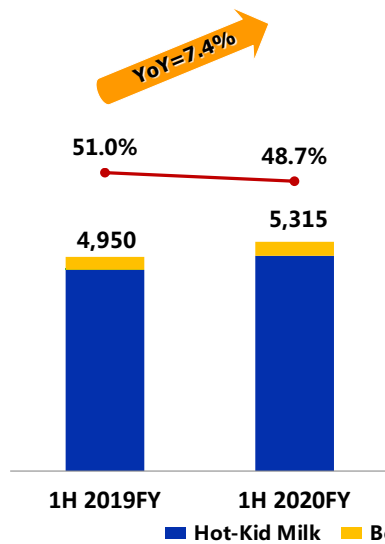
## Revenue of core-brand rice crackers



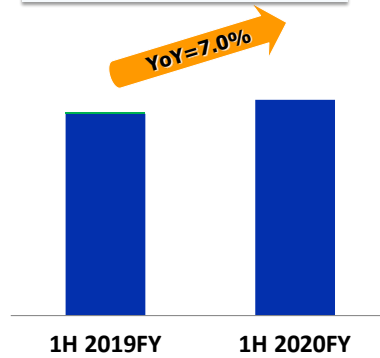
# DAIRY and BEVERAGE SEGMENT

## Revenue breakdown and gross margin

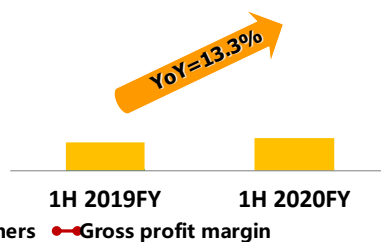
RMBmn



## Revenue of Hot-Kid Milk



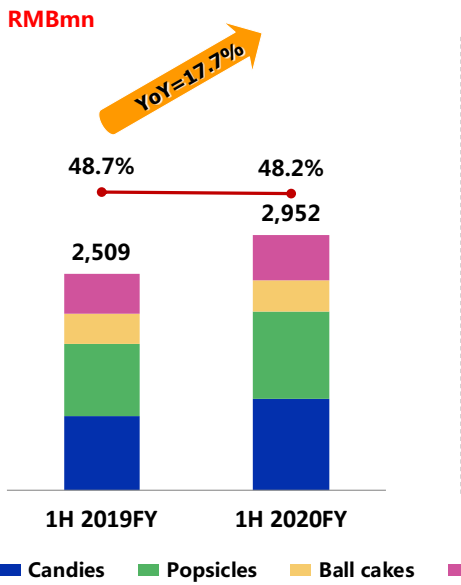
## Revenue of beverages & others



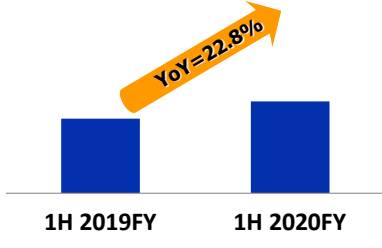


# SNACK FOODS SEGMENT

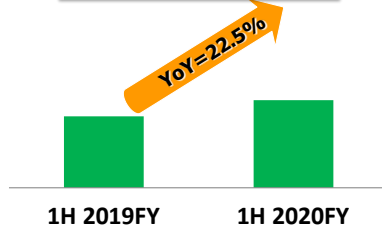
## Revenue breakdown and gross margin



## Revenue of candies

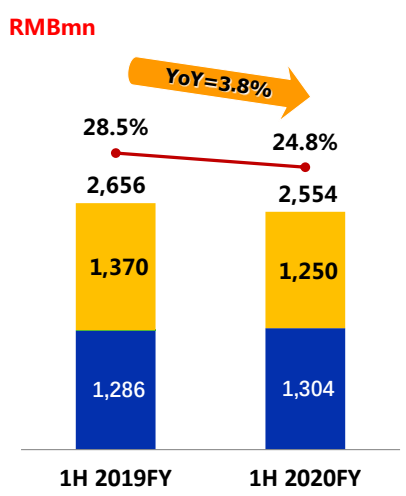


## Revenue of popsicles

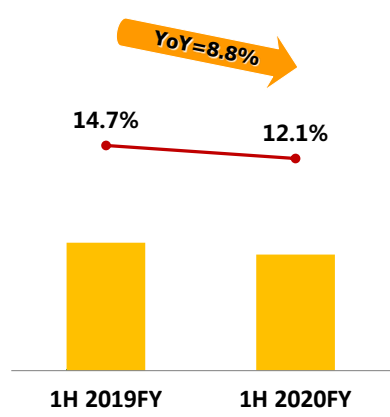


# OPERATING EXPENSES and EXPENSE RATIO

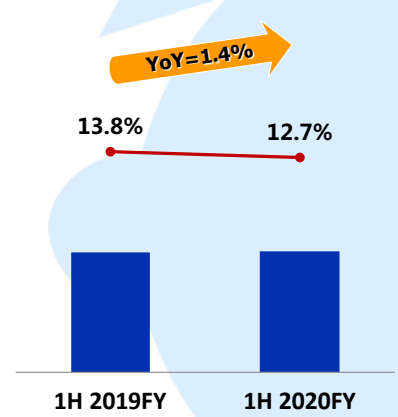
## Operating expenses breakdown



## Distribution costs



## Administrative expenses



■ Administrative expenses    ■ Distribution costs    ● Expense ratio

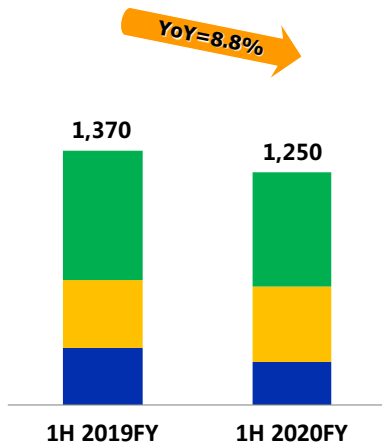




## DISTRIBUTION COSTS

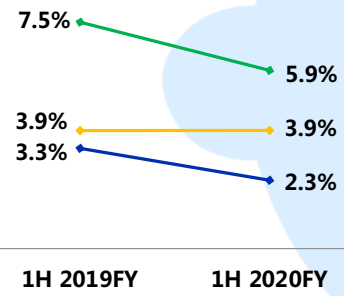
### ✓ Distribution costs breakdown

RMBmn



■ A&P expenses ■ Transportation expenses ■ Others

### ✓ Distribution costs as % of revenue



◆ Others ◆ Transportation expenses ◆ A&P expenses

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## WORKING CAPITAL



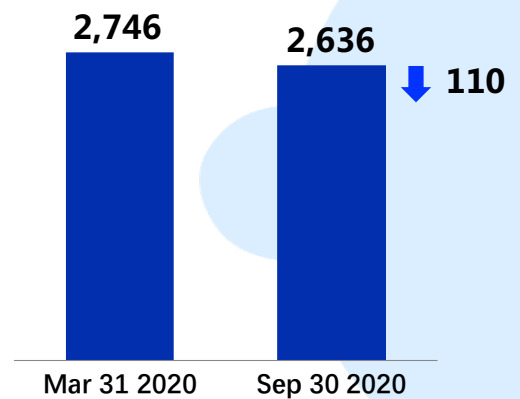
### ✓ Turnover days

Days

Item	Apr 01 2019- Mar 31 2020	Apr 01 2020- Sep 30 2020
Inventory	90	91
Trade receivables	17	16
Trade payables	(37)	(38)
<b>Cash conversion cycle</b>	<b>70</b>	<b>69</b>

### ✓ Inventory

RMBmn



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## CASH and BORROWINGS

RMBmn

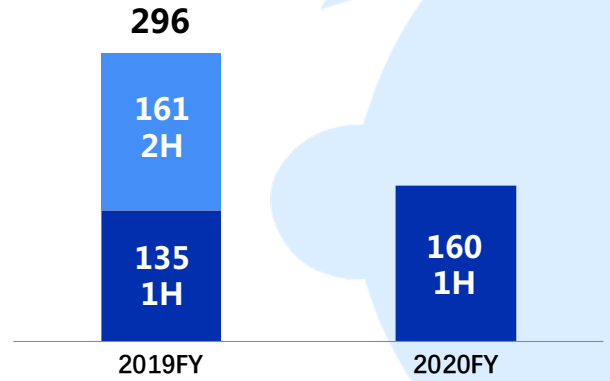
Cash & cash equivalents (Sep 30 2019)	16,636
Cash & cash equivalents (Sep 30 2020)	17,339
Borrowings (Sep 30 2019)	10,336
Borrowings (Sep 30 2020)	10,218

Net cash (Sep 30 2019)	6,301
Net cash (Sep 30 2020)	7,121

↑ 820

## CAPEX

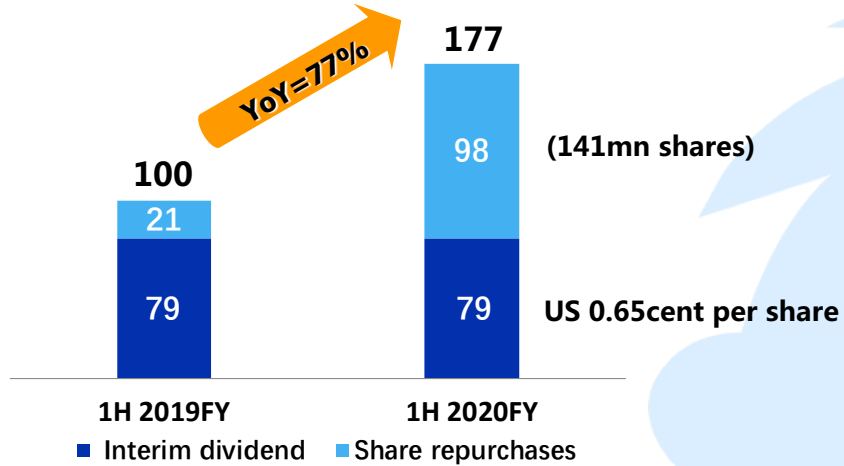
RMBmn



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## Interim Dividends and Share Repurchases

USDmn



✓ Dividends and share repurchases history (2008 - Sep 2020)



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## Marketing Highlights

### 1H 2020FY

## OVERALL SALES TREND

### 1H 2020FY

Management of market order and product inventory

Boost customers' confidence, motivate sales team

Increase product exposure on shelves

Strengthen marketing resources and support for potential products



## Channel Diversification





# RICE CRACKER SEGMENT



Rice cracker segment ↑ 9.4%

New record high for 1H interim results

Digital marketing drives emerging channels ↑

Infant complementary food factory commenced operation



# RICE CRACKER SEGMENT

Wish you a wonderful and Want Want (prosperous) New Year!

On-line & off-line marketing fuels festive atmosphere

Distributor fairs proceed smoothly

Additional on-line live streaming distributor fairs

Bringing New Year best wishes to every household !





## DAIRY and BEVERAGES SEGMENT



Dairy and beverages segment  $\uparrow$  7.4%



Hot-Kid Milk  $\uparrow$  7.0%



Beverages & others  $\uparrow$  13.3%

### Attributable to

Channel development

- Development of traditional channels
- Increase in sales through emerging channels

Digital marketing enhances brand value

2020

2019

2017



[Hot-Kid Milk] occupational cans pay tribute to every occupational group



[Hot-Kid Milk] ethnic group cans



Li Ziming has grown up



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## SNACK FOODS SEGMENT



Snack foods segment  $\uparrow$  17.7%



Popsicles  $\uparrow$  22.5%

New products were well received



Candies  $\uparrow$  22.8%

Creative marketing boosts sales



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# SNACK FOODS SEGMENT



Beans rapid ↑



Increase marketing resources

Customer policy improvement and sales team incentives

Improved product exposure



# PROSPECT



✓ Intensive development and diversification of channels

**Traditional channel**  
Facilitation of distributors



**Modern channel**  
Enrich product items



**Emerging channels**  
Consumers-oriented



Continuous development of the diversified consumer-driven emerging channels

**Overseas market**  
Continuous development



Besides Vietnam, plan to establish sales branches in southeast Asia and Europe

✓ Digitalization driven operation and management

Up and down stream supply chain development with help of cloud notes and loans to small and medium-sized enterprises



Hot-Kid club keeps interaction with consumers



Digital marketing increases emotional exchange with consumers



# Q & A

Contact us:  
[investor@want-want.com](mailto:investor@want-want.com)