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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 ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2021**

A presentation in relation to the annual results of Want Want China Holdings Limited and its subsidiaries for the year ended 31 March 2021 is appended to this announcement.

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

Hong Kong, 22 June 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 Mr. TOH David Ka Hock, Dr. PEI Kerwei, Mr. HSIEH Tien-Jen, Mr. LEE Kwok Ming and Mr. PAN Chih-Chiang.



中國旺旺

控股有限公司
WANT WANT CHINA
Holdings Limited

2020FY Results

Year ended March 31 2021

June 22 2021



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NOTE

Unless otherwise stated, this presentation provides the financial information from 1st April 2020 to 31st March 2021 (abbr. 2020FY), and the comparative financial information from 1st April 2019 to 31st March 2020 (abbr. 2019FY).

Readers are reminded to read and construe this presentation in conjunction with the announcement of the Company dated 22nd June 2021 in relation to its annual results for the year ended 31st March 2021.

Financial Highlights

2020FY vs 2019FY



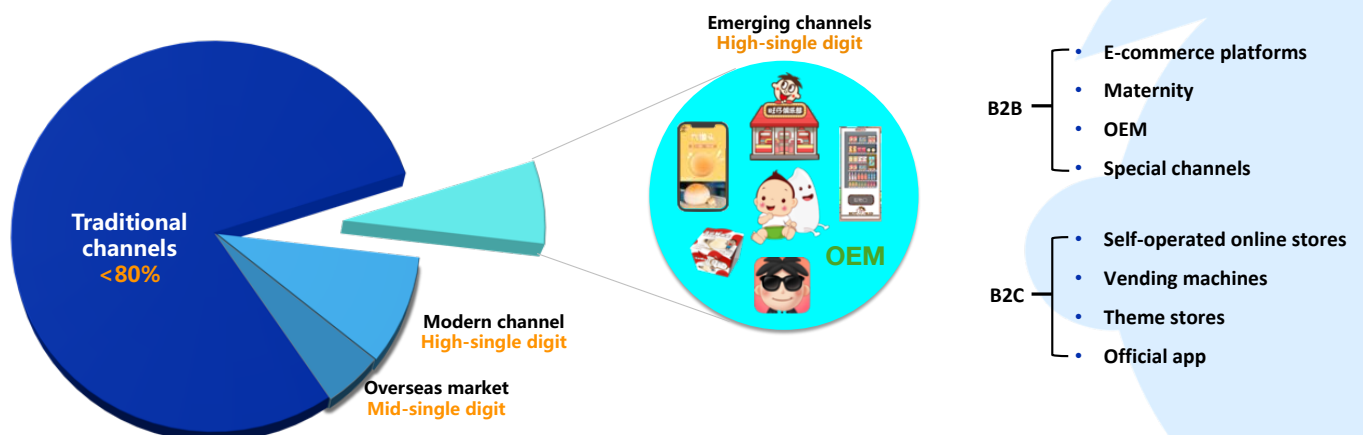
Revenue	RMB 21,998m ↑ 9.5%	✓ Dairy & beverages segment, snack foods segment double digit ↑ ✓ All channels in the Chinese mainland ↑
Gross Margin	48.2% ↑ 20bps	✓ Sustained GPM supported by diversified raw materials and packaging materials
Operating Profit	RMB 5,736m ↑ 19.4% 26.1% ↑ 220bps	✓ Operating leverage ↑
Profit Attributable to Equity Holders	RMB 4,158m ↑ 13.9% 18.9% ↑ 70bps	✓ Income tax rate 30.8%

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Balanced Development of Product Segments Driven by Channel Diversification

Emerging channels maintained rapid growth

2020FY revenue contribution by channel

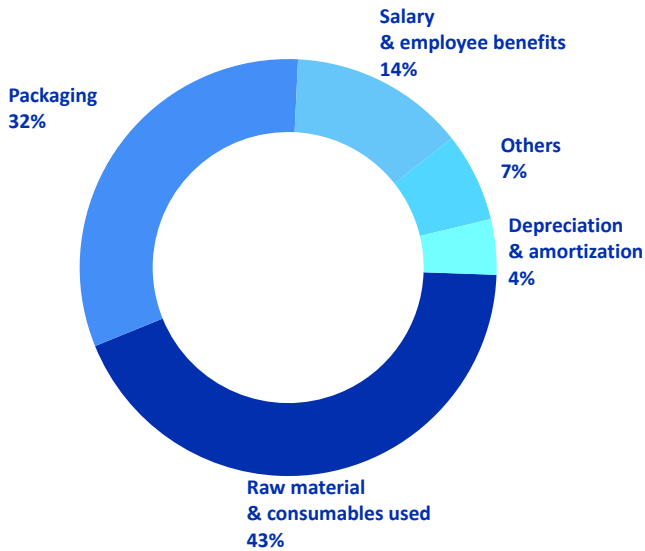


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COST STRUCTURE Upward pressure for raw material/packaging cost in 2021FY

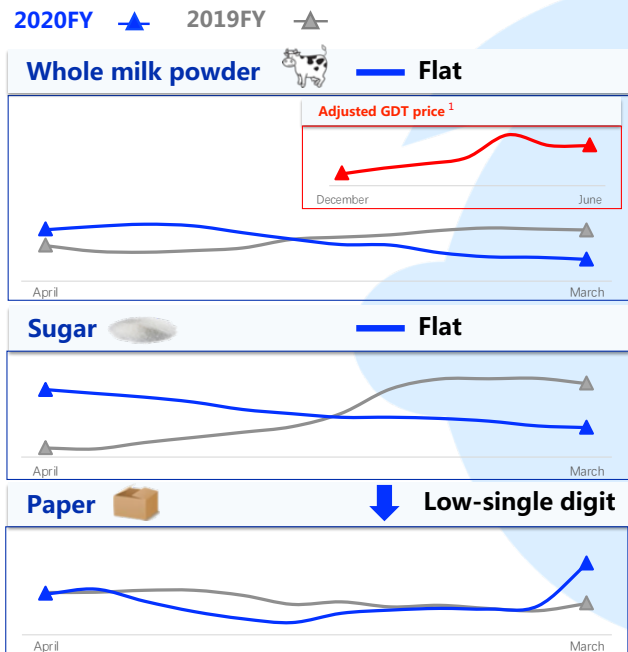


✓ Cost of sales breakdown



1: Based on GDT whole milk powder price (Dec 2020 to June 2021) converted from USD to RMB plus import tariff and freight cost

✓ Raw material & packaging unit cost trend



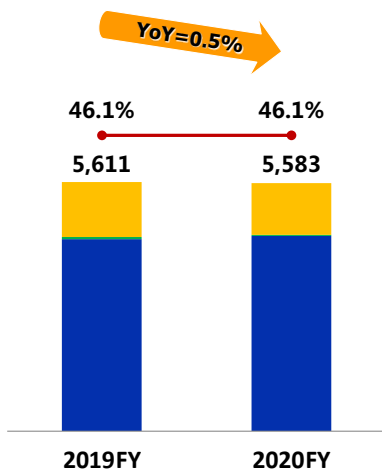
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RICE CRACKERS SEGMENT



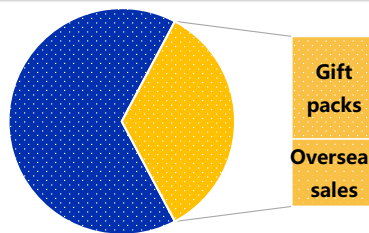
✓ Revenue breakdown and gross margin

RMBmn



■ Core brands ■ Sub brands ■ Gift packs ● Gross profit margin

✓ 2020FY revenue contribution of rice crackers segment

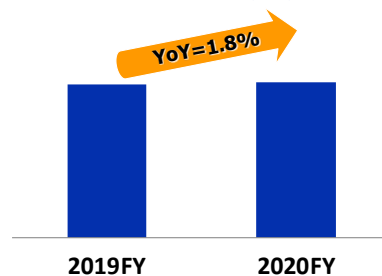


Total accounted for ~35% in rice crackers segment

Mid-to-high single digit

✓ Revenue of core-brand rice crackers

Penetration in emerging channels ↑



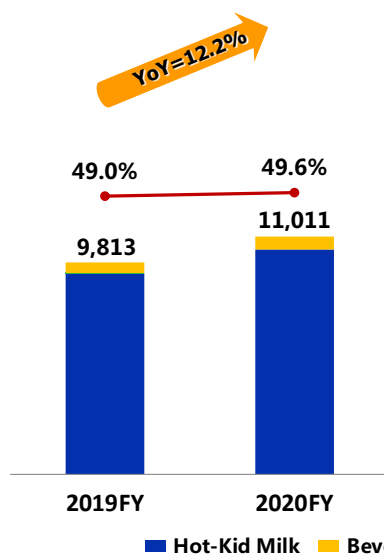
6



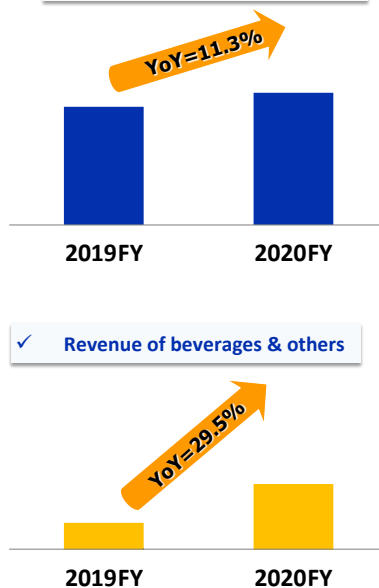
DAIRY and BEVERAGES SEGMENT

✓ Revenue breakdown and gross margin

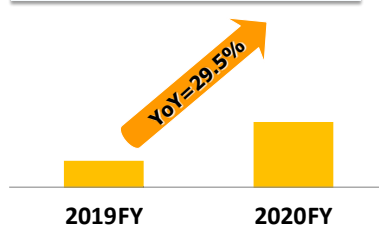
RMBmn



✓ Revenue of Hot-Kid Milk



✓ Revenue of beverages & others

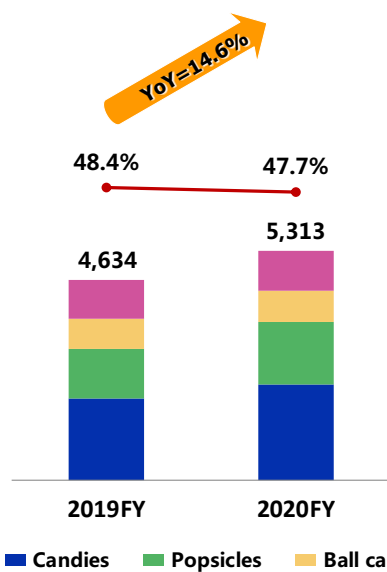


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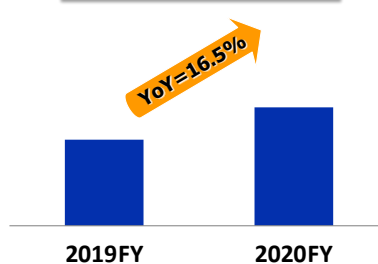
SNACK FOODS SEGMENT

✓ Revenue breakdown and gross margin

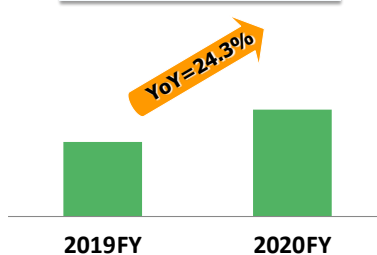
RMBmn



✓ Revenue of candies



✓ Revenue of popsicles



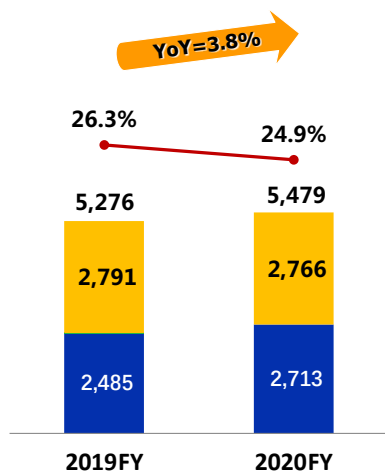
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OPERATING EXPENSES and EXPENSE RATIO

✓ Operating expenses breakdown

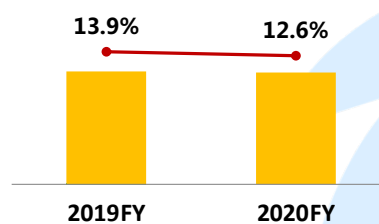
RMBmn



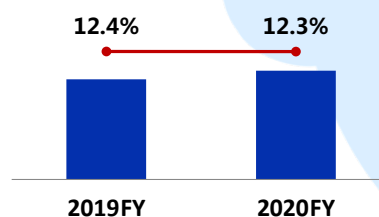
■ Administrative expenses

■ Distribution costs

✓ Distribution costs



✓ Administrative expenses



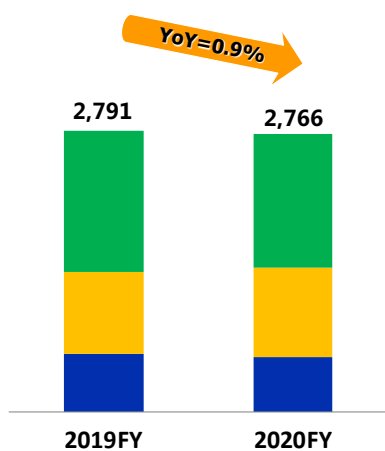
● Expense ratio

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DISTRIBUTION COSTS

✓ Distribution costs breakdown

RMBmn

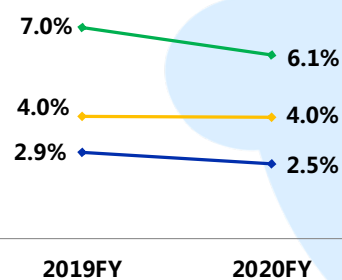


■ A&P expenses

■ Transportation expenses

■ Others (mainly staff costs)

✓ Distribution costs as % of revenue



● Others (mainly staff costs)

● Transportation expenses

● A&P expenses

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WORKING CAPITAL

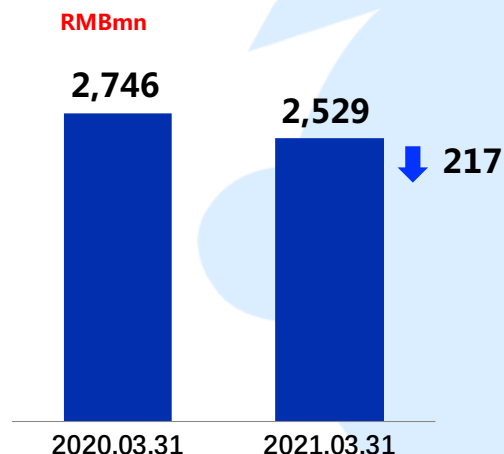


✓ Turnover days

Days

Item	2019FY	2020FY
Inventory	90	85
Trade receivables	17	15
Trade payables	(37)	(33)
Cash conversion cycle	70	67

✓ Inventory



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ROBUST CASH FLOW



RMBmn	2020FY	2019FY	YOY
Net cash generated from operating activities	5,416	4,845	↑ 571
Net cash outflow for financing activities	(3,634)	(4,490)	856
Share repurchases	(1,601)	(185)	↑ (1,416)
Dividend payments	(3,511)	(3,101)	
Net cash outflow for investing activities	(2,914)	(292)	(2,622)
CAPEX	(317)	(296)	↑ (21)
Cash and equivalents ending balance	16,081	17,257	
+ Long-term bank time deposits	2,850	-	
Cash and equivalents ending balance + Long-term bank time deposits	18,931	17,257	↑ 1,674

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CASH and BORROWINGS



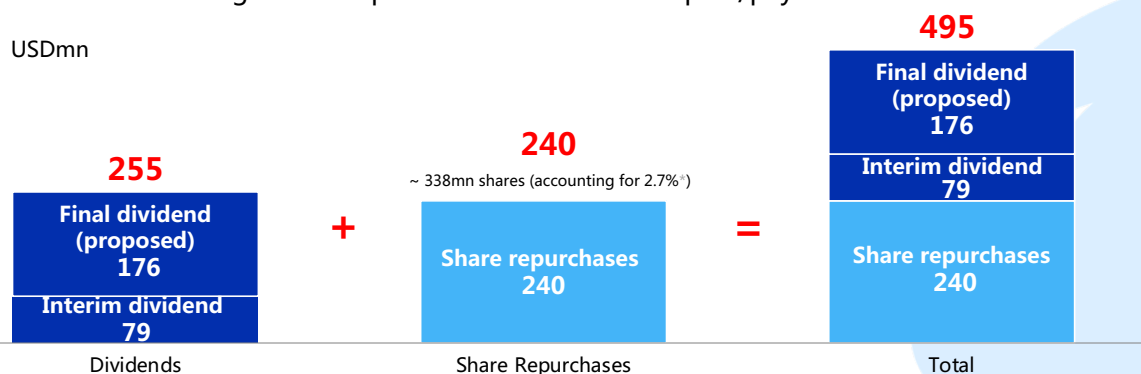
RMBmn	31st March 2021	31st March 2020	YOY
<i>Cash & equivalents</i>	16,081	17,257	
+ <i>Long-term bank time deposits</i>	2,850	-	
Cash & equivalents + Long-term bank time deposits	18,931	17,257	↑ 1,674
Borrowings	9,833	8,881	952
Net cash	9,098	8,376	↑ 722

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Dividends and Share Repurchases



USD **495mn** (~ RMB **3,311mn**) to shareholders
through share repurchases and dividends paid/payable in 2020FY



*Calculated based on the total number of 12,415,184,135 shares in issue as at the date of 2020 Annual General Meeting

✓ Dividends and share repurchases history (2008-2021.03)



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RICE CRACKERS SEGMENT



Rice crackers revenue slightly ↓

Gift packs and overseas sales impacted by pandemic



Penetration in emerging channels ↑



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DAIRY and BEVERAGES SEGMENT



Dairy and beverages revenue ↑ 12.2%



Hot-Kid Milk ↑ 11.3%



Beverages & others ↑ 29.5%

All channels in the Chinese mainland ↑ double-digit



Traditional channels :

Distributor profitability ↑ , market order supervision



Emerging channels :

Product coverage of end points of sales ↑

✓ Revenue of Hot-Kid Milk

High-single digit

Mid-teen



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



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SNACK FOODS SEGMENT



Snack foods revenue ↑ 14.6%



Popsicles ↑ 24.3%



Over 100mn pieces of Dongchi sold



New flavors were well received



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SNACK FOODS SEGMENT



Candies ↑ 16.5%



Product upgrades ,
launch of new products
with special features



Beans, jellies & others ↑ 9.1%



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CHANNEL DIVERSIFICATION



Traditional channels ↑ **high-single digit**

Hot-Kid Milk, beverages, popsicles and candies, each ↑ **double-digit**

Attributable to : empowerment of distributors, lean business management



Emerging channels **rapid growth** ↑

One of the key drivers for revenue growth in mid-to-long term

Complement offline end points of sales,
enhance communication with consumers,
fuel balanced product development

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PROSPECT

✓ Intensive development and diversification of channels

Traditional channels
Empowerment of distributors



Emerging channels
↑ point of sales coverage



Overseas market
Continuous development



Remain optimistic about the medium to long-term growth potential of overseas markets.
Vietnam production base is expected to commence operations in 2021FY

✓ Extensive digital marketing

Extensive and creative digital marketing



Hot-Kid club keeps interacting with consumers



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Q & A

Contact us:
investor@want-want.com