



卫龙美味全球控股有限公司

WEILONG Delicious Global Holdings Ltd

股票代码 Stock Code: 9985.HK

2024 Annual Results Presentation

March 2025





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2024 Overview



Innovation • Growth



Product

Brand

Channel

Efficiency

- ✓ **Continue product innovation** by launching multiple new products to meet consumers' diverse and personalized needs;
- ✓ **Enrich the product portfolio** by continuously optimizing flour products, vegetable products, and other products, reinforcing the leading position in the spicy snack food market.

- ✓ Through innovative marketing strategies and brand activities, create a brand image that is **youthful, personalized, and fun**;
- ✓ 2024's marketing campaigns, such as "Durian-flavoured Latiao" and "Eggy Party" attracted more attention from young consumers and enhanced the brand's engagement and influence.

- ✓ Actively promote **the omni-channel development both online and offline**: expanding into emerging offline channels such as specialty snack retailers and warehouse membership stores while accelerating the online presence on content-driven e-commerce platforms like Douyin, Kuaishou and etc.
- ✓ Continuously optimize management of distributors and points of sale ("POS") to enhance offline sales momentum and **further expand market penetration**.

- ✓ **Supply Chain**: Promote the **automation upgrade** of production facilities to improve production efficiency;
- ✓ **Digitalization**: Continuously advance **digital transformation** to empower and enhance the efficiency of all business segments;
- ✓ **Human Resources**: Optimize **talent management** mechanisms, strengthen team building and talent development, and support business growth with talent.



Financial Review











- 1 Key Indicators in Consolidated Statements of Profit or Loss
- 2 Revenue Breakdown by Product Categories
- 3 Revenue Breakdown by Sales Channels / Geographical Locations
- 4 COGS and Gross Profit Margin Analysis
- 5 Expenses Analysis
- 6 Key Indicators in Consolidated Balance Sheet
- 7 Key Financial Metrics





Key Indicators in Consolidated Statements of Profit or Loss

(Unit: RMB million, except per share data and ratios)

	2024	2023	YoY Change		2024	2023	YoY Change
 Revenue	6,266.3	4,871.7	+28.6%	 COGS	3,250.2	2,549.0	+27.5%
 Gross Profit	3,016.1	2,322.7	+29.9%	 Gross Profit Margin	48.1%	47.7%	+0.4p.p
 Net Profit	1,068.1	880.4	+21.3%	 Net Profit Margin	17.0%	18.1%	-1.1p.p
 EBITDA ¹	1,722.6	1,429.2	+20.5%	 EBITDA Margin	27.5%	29.3%	-1.8p.p
 FY Earnings per Share	0.46	0.38	+21.1%	 FY Dividend per Share ²	0.45	0.33	+36.4%

Note:

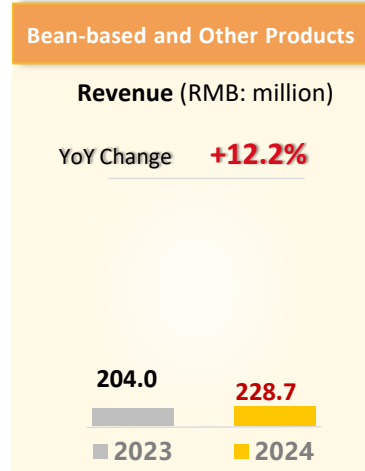
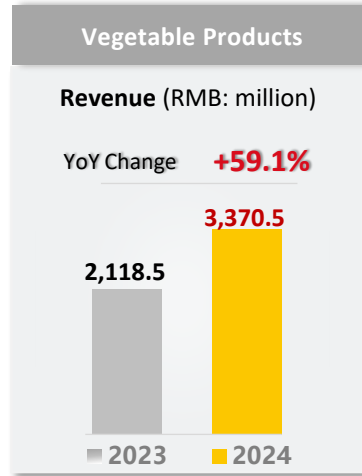
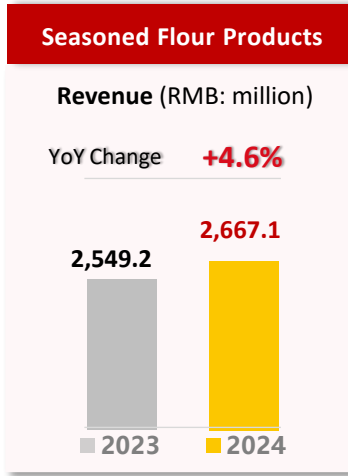
1. Equals net profit plus interest expenses, income tax expenses, and depreciation & amortization expenses.

2. Equals interim dividend of RMB0.16 per share that has been distributed in October 2024 plus proposed final dividend of RMB0.11 per share and special dividend of RMB0.18 per share.

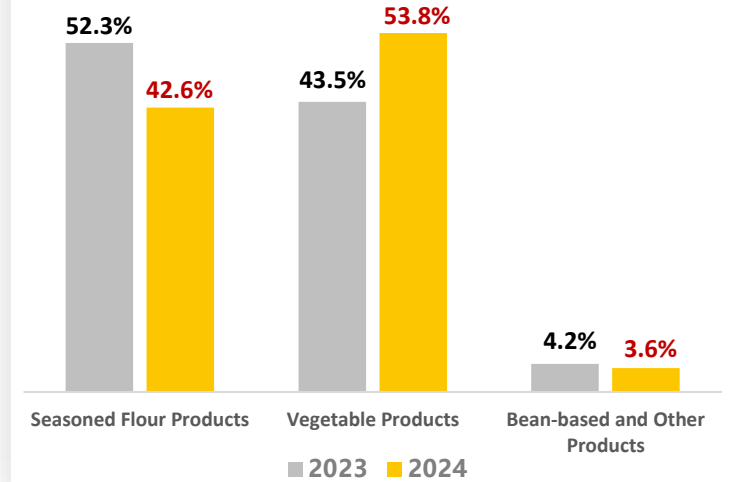


Revenue Breakdown by Product Categories

Revenue by Product Categories:



Revenue by Product Categories as % of Total Revenue



Analysis of Revenue by Product Category:



Seasoned Flour Products

- (i) The advancement of omni-channel development in 2024; (ii) The enrichment of the product portfolio.



Vegetable Products

- (i) In 2024, the Group continued to strengthen omni-channel development and brand building; (ii) The Group continued to expand the production capacity of vegetable products.

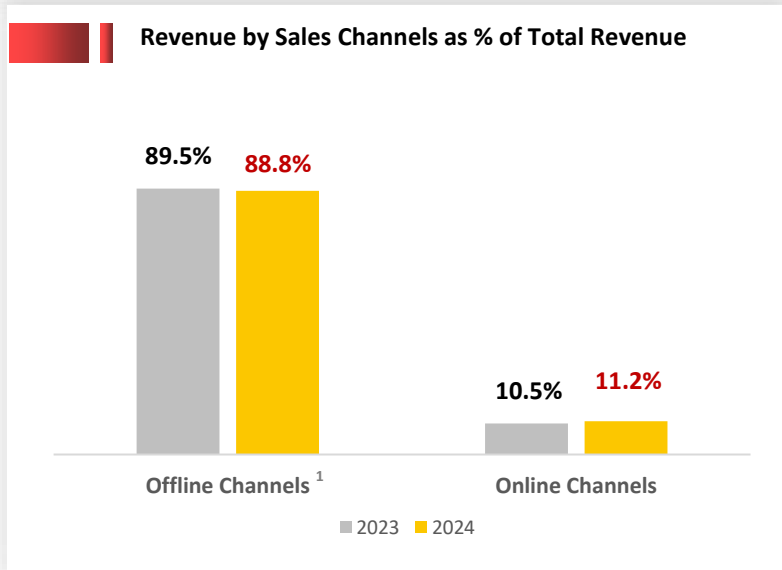
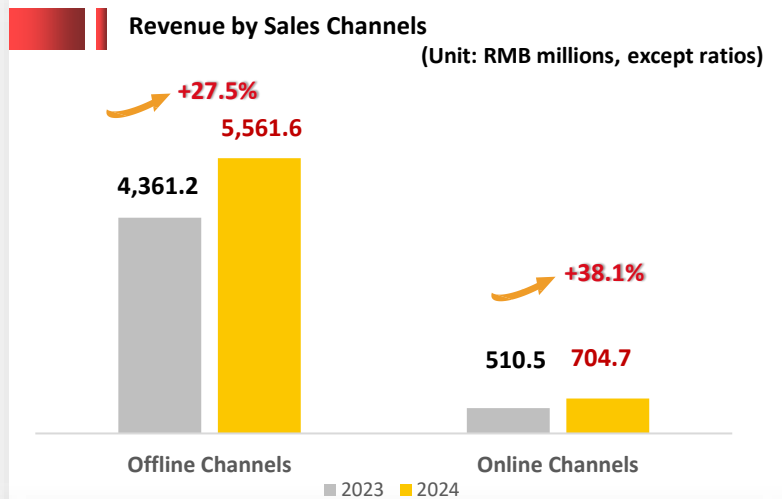


Bean-based and Other Products

- Strategic adjustment of braised egg products in 2024.



Revenue Breakdown by Sales Channels / Geographical Locations



Note: 1. Includes domestic offline revenue and overseas revenue

Analysis of Revenue by Sales Channels



Offline Channels

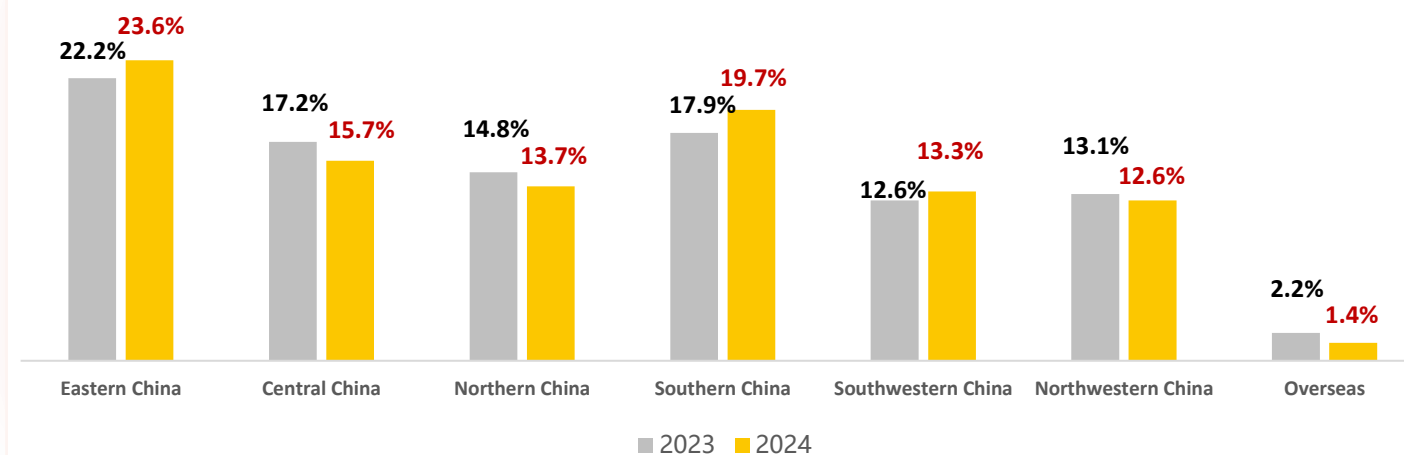
- Continued to advance offline omni-channel development by consolidating traditional channels while actively expanding into emerging channels such as snack specialty stores and warehouse membership clubs;
- Enhanced brand building efforts to boost brand awareness and market influence.



Online Channels

- Accelerated online omni-channel growth by consolidating presence on traditional e-commerce platforms while capturing opportunities from emerging online channels such as Douyin and Kuaishou.

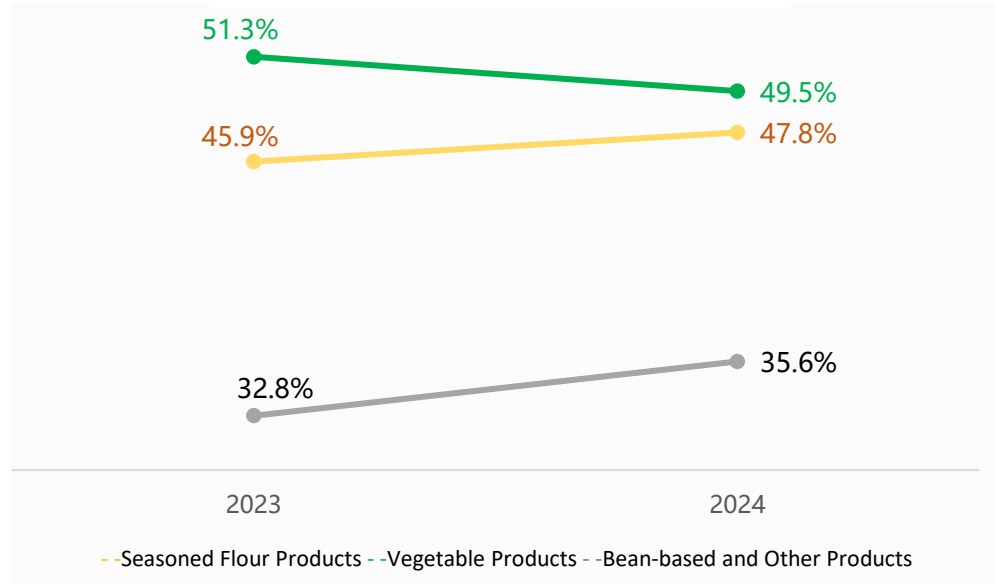
Revenue by Geographical Locations (including Overseas) as % of Offline Revenue





COGS & Gross Profit Margin Analysis

Gross Profit Margin Track Record



Analysis

2024 VS 2023 Gross Profit Margin:



- (i) Improvement in capacity utilization;
- (ii) Price fluctuations of certain raw materials and promotion activities of certain products.

COGS Items as % of Total Revenue

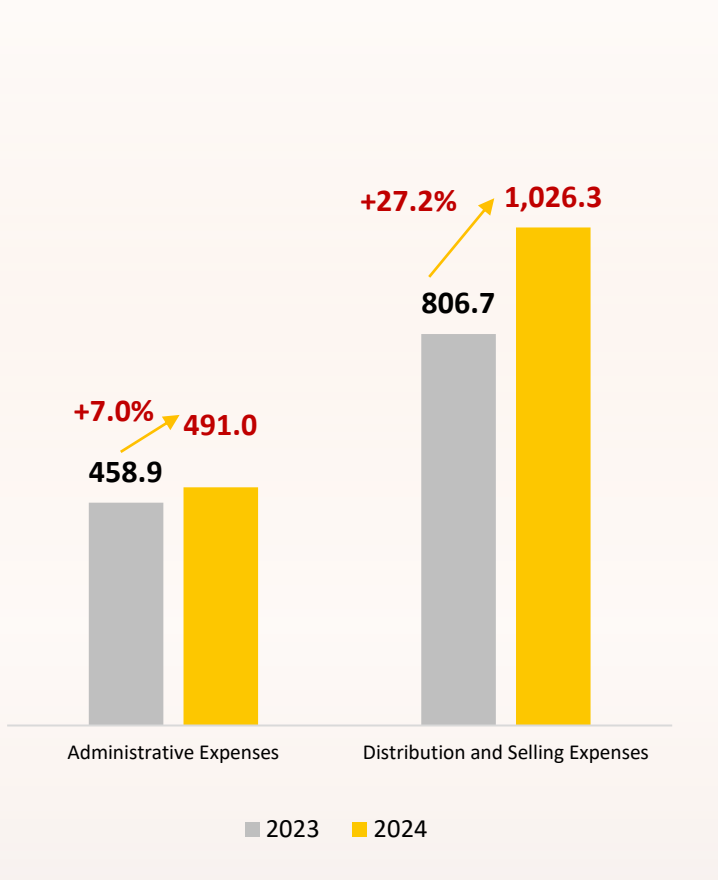
	2022	2023	2024
Raw materials	28.3%	25.3%	25.7%
Packaging materials	11.8%	11.2%	11.2%
Employee benefit expenses	7.0%	6.7%	6.3%
OEM	5.3%	3.8%	3.3%
Manufacturing overheads	4.4%	4.3%	4.7%
Tax surcharges and others	0.9%	1.0%	0.7%
Total cost of sales of goods	57.7%	52.3%	51.9%
Gross profit margin	42.3%	47.7%	48.1%



Expenses Analysis

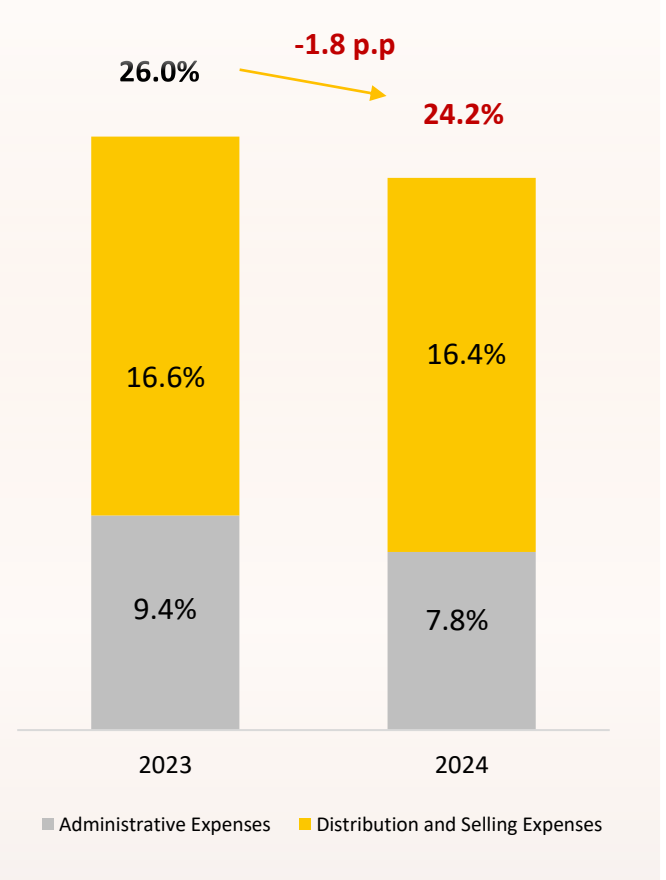
Major Expenses Items

(Unit: RMB million, except ratios)



Proportion

As % of Revenue



Explanation

1. Increase in Distribution and Selling Expenses :



- Increase in promotion and advertising expenses;
- Increase in employee benefit expenses;
- Increase in transportation expenses.

2. Increase in Administrative Expenses:



- Primarily due to an increase in cash compensation for employees.

3. Changes in Expenses ratio:



- Due to the Group's revenue growth, although total expenses increased, the **overall expense ratio declined year-on-year.**



Key Indicators in Consolidated Balance Sheet

(Unit: RMB million)

	As at 2024/12/31	As at 2023/12/31	YoY Change
Current assets	3,519.7	2,874.7	+22.4%
Non-current assets	4,662.7	4,178.9	+11.6%
Total assets	8,182.4	7,053.6	+16.0%
Current liabilities	1,700.0	908.0	+87.2%
Non-current liabilities	476.0	439.7	+8.3%
Total liabilities	2,176.0	1,347.7	+61.5%
Net assets	6,006.4	5,705.9	+5.3%
Working capital	1,819.7	1,966.7	-7.5%



Key Financial Metrics

	2024	2023	YoY Change
Gross profit margin	48.1%	47.7%	+ 0.4 p.p
EBITDA margin ¹	27.5%	29.3%	- 1.8 p.p
Net profit margin ²	17.0%	18.1%	- 1.1 p.p
Return on assets ³	14.0%	12.6%	+ 1.4 p.p
Return on equity ⁴	18.2%	15.7%	+ 2.5 p.p
Inventory turnover days	72.9 days	73.0 days	- 0.1 day
Trade receivables turnover days	3.0 days	4.4 days	- 1.4 days
Trade payables turnover days	21.2 days	25.2 days	-4.0 days
Liability-to-asset ratio ⁵	6.5%	3.2%	+ 3.3 p.p
Gearing ratio ⁶	26.6%	19.1%	+ 7.5 p.p
Cash flow ratio of operating activities ⁷	1.2	1.3	- 0.1

Note:

1. Equals annual net profit plus depreciation & amortization expenses, interest expenses, and income tax expenses, divided by revenue, then multiplied by 100%
2. Equals annual net profit divided by revenue, then multiplied by 100%
3. Equals annual net profit divided by the average of total assets at the beginning and end of the period, then multiplied by 100%
4. Equals annual net profit divided by the average of total equity at the beginning and end of the period, then multiplied by 100%

5. Equals total interest-bearing borrowings divided by total equity, then multiplied by 100%
6. Equals total liabilities divided by total assets, then multiplied by 100%
7. Equals cash generated from operating activities divided by annual net profit



Business Review

- 1 Industry: Gain deep insights into consumer needs and seize structural opportunities brought by emerging channels and new consumption trends
- 2 Product: Adhere to the “multiple categories” strategy, continuously upgrade and innovate to build a diverse product portfolio
- 3 Brand: Transcend brand boundaries through innovative marketing, consistently building a youth-favored snack brand
- 4 Channel: Build an effective omni-channel sales network to reach consumers, continuously enhancing POS execution and market penetration
- 5 Supply Chain: Build a comprehensive food safety and quality assurance system across the entire product lifecycle, along with a responsive and agile supply chain system
- 6 Digitalization & Organizational Development: Empower the business and improve the efficiency of business operations
- 7 ESG: Focusing on the long-term sustainable development

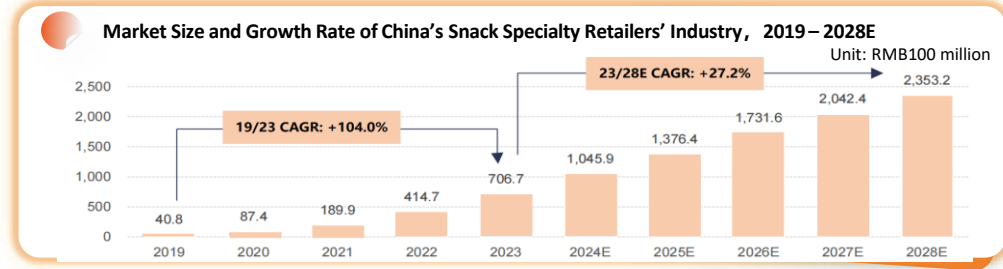




Industry: Gain deep insights into consumer needs and seize structural opportunities brought by emerging channels and new consumption trends

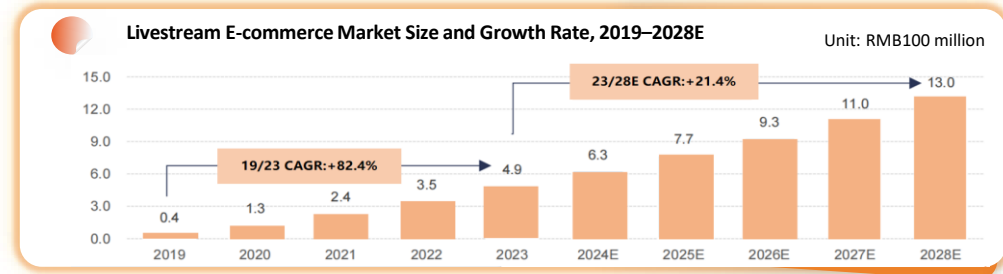
The rise of casual gatherings among young people has fueled the rapid growth of **snack specialty retailers**

- China's snack specialty retail industry is expected to maintain rapid growth in the coming years, with a **projected CAGR of 27.2% from 2023 to 2028**. The main growth drivers are the vast potential for store expansion and the shift of snack consumers from other channels. (1)



Content-driven e-commerce has become a new channel for brands to reach consumers

- Content e-commerce rapidly reaches consumers through short videos and live streaming, creating new consumption scenarios, enabling brand expansion and category education, and driving coordinated supply and demand development in the food and beverage market. **The projected CAGR from 2019 to 2028 is 21.4%** (2).



Source: (1) LeadLeo Research Institute (头豹研究院); (2) Ministry of Commerce (商务部), Frost & Sullivan (弗若斯特沙利文); (3) Liandanlu (炼丹炉).

Product Flavor tops the list of purchase drivers for snack shoppers in the snack industry

- Consumers are no longer satisfied with traditional, single-type snacks — different demographic groups are showing increasingly **diverse and personalized flavor preferences**.
- Generation Z, in particular, embraces a wide variety of flavors and has a high acceptance of **new flavors**. (3)
- Consumers are showing growing interest in **novel, fun**, and regional snacks. For example, our launch of Konjac snacks in Spicy Crayfish and Stir-Fried Chili Pork flavors uses two innovative flavors to meet the demand for exciting and fresh experiences.





Product: Adhere to the "multiple categories" strategy, continuously upgrade and innovate to build a diverse product portfolio

"Maximizing the intrinsic value of nature with an industrialized approach"

Existing products: Continue to optimize and upgrade



【Big Latiao】 【Mini Latiao】 【Spicy Hot Stick】 【Mini Hot Stick】 【Kiss Burn】 【Mala Mala】



【Konjac Shuang】 【Fengchi Kelp】 【XIAO MO NV】



Innovative Products: Continuously enrich the product portfolio



【Big Latiao】
【Finger-Licking Barbecue-flavored】

-Carefully selected Xinjiang cumin, Wudu Dahongpao Sichuan pepper, and traditional Chinese spices such as cinnamon and licorice create a sizzling meaty aroma and an irresistibly satisfying taste in every bite



【Mala Mala】
【Explosively Spicy Flavor】

-Carefully selected new-generation Chaotian chili peppers and premium Wudu Sichuan peppercorns, combined in a multi-chili blend for a rich, aromatic, and intensely numbing and spicy flavor experience



【Konjac Shuang】
【Explosively Spicy Vegetarian Tripe】

-A multi-chili blend that satisfies consumers' dual demand for new flavors and healthy food



【Vegetarian Tripe】
【Hot and Sour Hotpot-flavored】

-Large-slice design, crispy and chewy texture, low in calories, can indulge freely



【Konjac vegetarian tendon】
【Spicy Barbecue-flavored】

-Authentic barbecue flavor, rich in chewiness, crisp and refreshing texture, high in dietary fiber — delicious and healthy



【Fengchi Kelp】
【Extra Spicy Braised Flavor】

-Carefully selected premium ingredients from natural sea regions, using only the finest 25% mid-section cuts. Crafted with a secret braising sauce recipe for an authentic Chinese braised flavor



Brand: Transcend brand boundaries with innovative marketing, consistently building a youth-favored snack brand

Rejuvenate the Brand with Youth-centric Vitality

Focusing on Brand Innovation: Integrated brand marketing with continuous delivery of brand Value

Focus on major media, high-profile dramas and variety shows, with celebrity endorsements driving massive exposure

Increase investment in offline events and PR communication to maintain continuous interaction with consumers, gradually deepen the brand into consumer mind.



- Hurun China Top 100 Domestic Brands List
- 2024 Food & Beverage Sector Innovation Power List - Top 10 Brands Favoured by Generation Z
- 2024 Most Promising Growth Companies in the Consumer Sector
- the Monde Selection of Food Quality Award "Gold Award"
- 2023–2024 Innovative Product in the Convenient Food Industry

【Brand Marketing – Category Innovation and Marketing Innovation】

Brand innovation continuously fuels topic engagement into brand communication

● Weilong Latiao Brand Commercial



Comprehensive online and offline coverage

Launched a new TVC, "Weilong is not just one kind of spicy" to showcase fiery youth attitudes, engage young consumers, and cover 33 core cities.

● Product Innovation / Marketing Crossover



Launch campaigns for trending topic products

"Surprisingly Tasty Durian-flavored Latiao Launched" with 200 million exposures; "Konjac Shuang: Now on the Menu" with nearly 100 million exposures

● Celebrity Collaboration



【Media Platforms Communication – Year-round Drama Coverage, Variety Show Scenarios and Offline Exposure】

Platforms like Tencent, iQIYI, Youku, and Focus Media joined forces, achieving 30 billion exposures throughout the year



Top variety shows
Sponsorship and top-tier variety show placements



Hit drama series
Year-round integration with trending drama-series



Dominated Advertisement
Strong Offline Advertising Coverage

【Offline Marketing Campaigns – Creative Interactions to Boost Offline Exposure and Drive Purchases】

Online buzz and offline coverage — Weilong full product categories achieved multi-channel coverage and executed product sample distribution



Back-to-school Campus Campaign
Focused on young consumers and accelerating campus channel expansion



Weilong Latiao Festival
Sustained brand momentum with 6 city-exclusive flavors



Limited Pop-ups
Themed pop-up events in core business districts of Shanghai and Changsha

【Brand Content – Diversified Content to Enhance Brand Image and Preference】

Brand content closely aligns with social hot topics, building a high-quality brand image while focusing on public welfare to demonstrate social responsibility



High-quality short dramas featuring viral Latiao catchphrases



"Cat-inspired human Snacks" naturally generated buzz



Weilong' creative DIY trends inspired imitation



Quality Traceability Initiative: Kelp Documentary Feature



Social Responsibility: Pingjiang Disaster Relief & Panda Birthday Celebration



Channel: Build an effective omni-channel sales network to reach consumers, continuously enhancing POS execution and market penetration

88.8%
Of Revenue

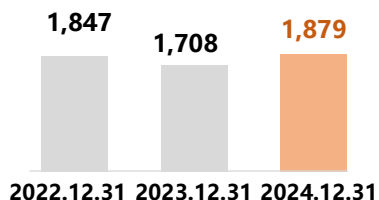
Further penetration in Offline distribution network



The number of distributors is stable, laying the foundation for omni-channel construction

As of December 31, 2024, we have **1,879** offline distributors.

Customer First, **servicing and empowering distributors well** is the key to promote our omni-channel strategy advancement.



Emerging channels

We are actively embracing **the snack specialty retailers' channel** and we have established partnerships with all major snack specialty retailers in 2024, covering almost all stores of major snack specialty retailers with our major product categories.

We continue to expand our presence in **warehouse membership stores** and other emerging channels, laying a solid foundation to seize new growth opportunities.



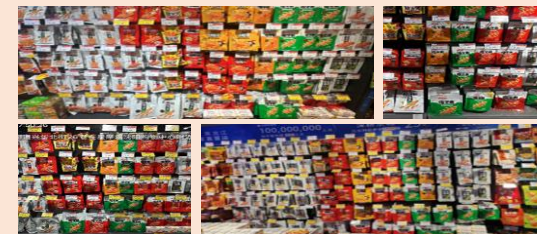
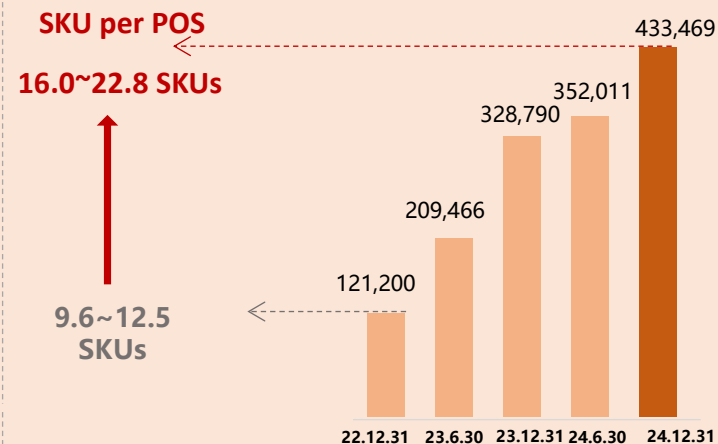
Traditional channels

Continue to strengthen cooperation with distributors by empowering them to enhance service capabilities in key POS, while also expanding coverage of POS such as chain supermarkets, convenience stores and others, continuously increasing product market penetration.

Continuously enhance the sales team's execution capabilities in serving POS by optimizing store management and execution strategies, thereby improving product placement and sales potential at each POS.

No. of POS covered*

(Unit: piece)



Note: *As of December 31, 2024, the number of POS was based on those with sales personnel visit records within the past six months in the company's sales management system, excluding POS from certain distribution channels such as wholesale distribution that the company were unable to track.



Channel: Deepen online omni-channel development to create strategic synergy with offline channels

11.2%
Of Revenue

Comprehensive Coverage of the Online Marketing Network



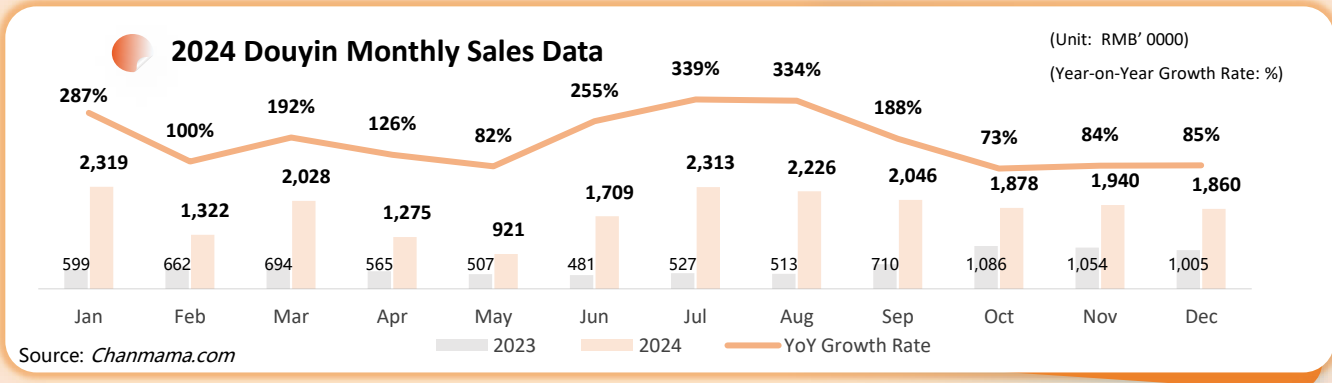
Deepen optimized operations on traditional mainstream e-commerce platforms and implement differentiated strategies based on the user characteristics of each platform



- ◆ **Customer engagement:** accurately position customer segments on different platforms by gaining deep insights into their characteristics, needs, and behaviours; optimize the shopping experience and provide high-quality after-sales service;
- ◆ **Brand Building and Marketing Promotion:** strengthen brand image by enhancing online store design, launching customized product bundles, and offering exclusive promotional campaigns;
- ◆ **Data Utilization:** Leverage digital tools and data analytics to optimize product display, increase visibility, and improve conversion rates online.



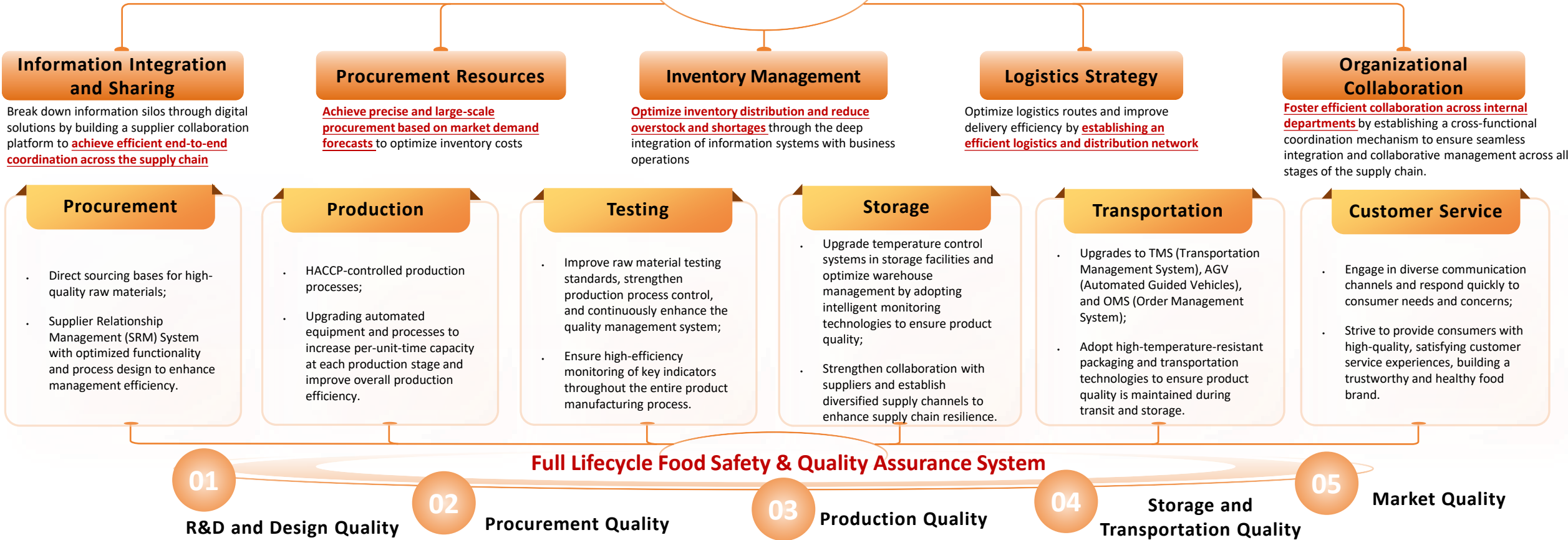
Attract young consumers through short videos and live streaming, enhance brand engagement, and boost market influence





Supply Chain: Build a comprehensive food safety and quality assurance system across the entire product lifecycle, along with a responsive and agile supply chain system

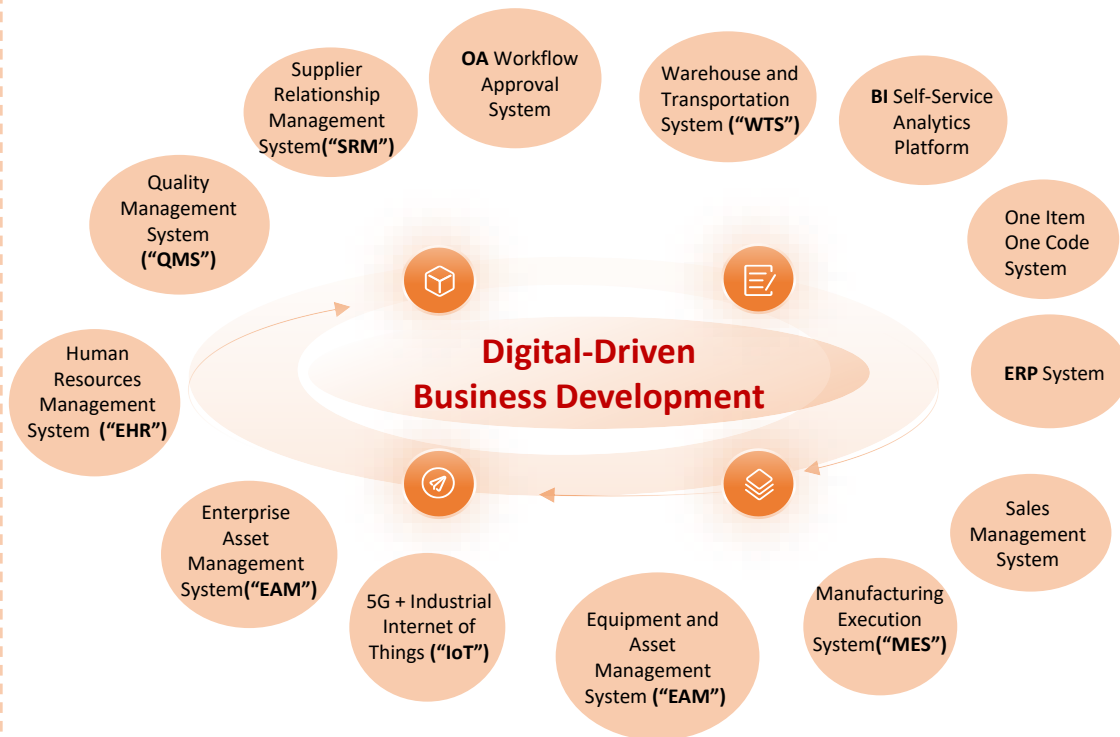
“Core Competencies” for Enhancing Enterprise Supply Chain Efficiency in the Omni-channel Era





Digitalization & Organizational Development: Empower the business and improve the efficiency of business operations

Accelerate digitalization to drive the processes across all business segments, comprehensively enhancing operational efficiency



Employee-oriented, build an open, innovative, efficient, and collaborative talent team

Talent Development

- We gain deep understanding into employees' training needs and development goals, offering diversified training methods and personalized training programs for junior, mid-level, and senior management.
- We place great emphasis on employee development, we have established a systematic talent development framework. Through clear, fair, and transparent promotion standards and processes, we provide employees with diverse career advancement opportunities.



Talent Selection and Team Echelon Development

- In talent selection, we not only assess employees' professional skills and work experience but also focus on their overall competencies and alignment with corporate values. We emphasize performance evaluation by setting clear performance goals, conducting regular assessments, and providing timely feedback and improvements to enhance organizational effectiveness.
- Through a combination of internal promotions and external recruitment, we build a multi-tiered talent echelon, providing stable talent support for the company's long-term development.



Organization Development & High-Efficiency Collaboration

- We closely follow changes in the market environment and company strategy, promptly adjusting organizational structure and optimizing resource allocation to enhance organizational flexibility and adaptability.
- We foster a culture of teamwork by encouraging collaboration through project-based work and cross-departmental communication meetings, strengthening team cohesion and improving operational efficiency.





ESG: Emphasize on long term sustainable development



Environmental

Benchmark project construction

The TPM management system was introduced to improve the production capacity per unit time of the production process point and achieve a significant reduction in product water, electricity and steam consumption.

Photovoltaic power generation project

We continued to deploy and build photovoltaic power stations, reduce the use of purchased power, and optimize the energy consumption structure.

Biogas boiler project

Promote the application of biogas boiler projects, use the biogas generated by the sewage anaerobic system for workshop use, reduce the consumption of outsourced steam, and improve energy efficiency.



Social

R&D Innovation

Focusing on consumer needs, paying attention to nutrition and health, and through actions such as practicing "three reductions and one control" and developing food preservation systems, we will bring safer and more diversified products to consumers.

Employee Growth

Create a training system covering four major areas: management skills training, knowledge and skills training in each center, Century-old Weilong people, and Weilong Lecture Hall, to promote the common growth of employees and the company.

Social Values

Actively provide more employment opportunities and generate greater tax contributions for society. By participating in public welfare initiatives such as rural revitalization, educational support, and disaster relief, continuously fulfils the social responsibilities, enhances community well-being, and sets an example of corporate responsibility.



Governance

Comprehensive risk control

A sound risk prevention and management system is the cornerstone of the company's steady development. By analyzing and assessing operational risks, we established a comprehensive internal control and risk management framework. We continuously optimize internal control mechanisms to provide management with accurate risk control insights and decision-making support.

Business Ethics Management

Take a firm stance against corruption to safeguard the interests of the company and its shareholders. By establishing strict regulations, comprehensive education, a robust whistleblower mechanism, and enhanced information protection, we are building a comprehensive integrity management system to elevate the Group's governance standards.

Sound corporate governance

Continuously strengthen the optimization of internal management systems, improve the governance level of the board of directors, and protect the rights and interests of shareholders and stakeholders. We value the opinions of our stakeholders and continue to maintain close communication and contact with them.



Outlook

Mission

To Let the World Fall in Love with Chinese Flavors

Vision

Make authentic Chinese gourmet more entertaining, casual, convenient, affordable, data-enabled and automated, ultimately build a great business that brings joy and happiness to people for 123 years

Core value

Integrity, Innovation, Customers First, Employee Oriented

- Continue to deepen the **multi-categories strategy** by accurately capturing consumer trends, developing innovative products, and driving iterations of existing products to enrich the product portfolio and meet diverse needs;
- Increase investment in the supply chain, upgrade the quality control system, strictly ensure product quality, and optimize the user experience.

Product Innovation

- Continue to **innovate** by accurately identifying industry trends and young consumers' preferences, **enhancing brand reputation and awareness**, and boosting brand vitality;
- Strengthen communication with consumers to build deeper connections, enhance brand value, fulfil social responsibilities, and inspire brand influence.

Brand Building

- Strengthen offline omni-channel development** by expanding emerging channels, increasing market penetration, and enhancing execution at points of sale;
- Deepen optimized operations and seize growth opportunities in content e-commerce and social e-commerce and **enhance the integration of online and offline channels** to improve the overall consumer experience.

Omni-channel Development

- Enhance **supply chain** automation to ensure product quality and operational efficiency;
- Advance **digital transformation** to comprehensively boost operational performance and drive business innovation;
- Optimize organizational structure, strengthen team building** and talent development to provide solid support for business growth.

Efficiency Improvement



THANK YOU

Contact us:



<https://www.weilongshipin.com/>



ir@wlsjpt.com



TB-East Building, MIXC Park, No. 6, Lane 206, Haojing Road, Minhang District, Shanghai, PRC

Southwest Corner Intersection of Dongfanghong Road and Zhongshan Road,
Shaoling District, Luohe, Henan, PRC
Phase II Industrial Park of Weilong Delicious

