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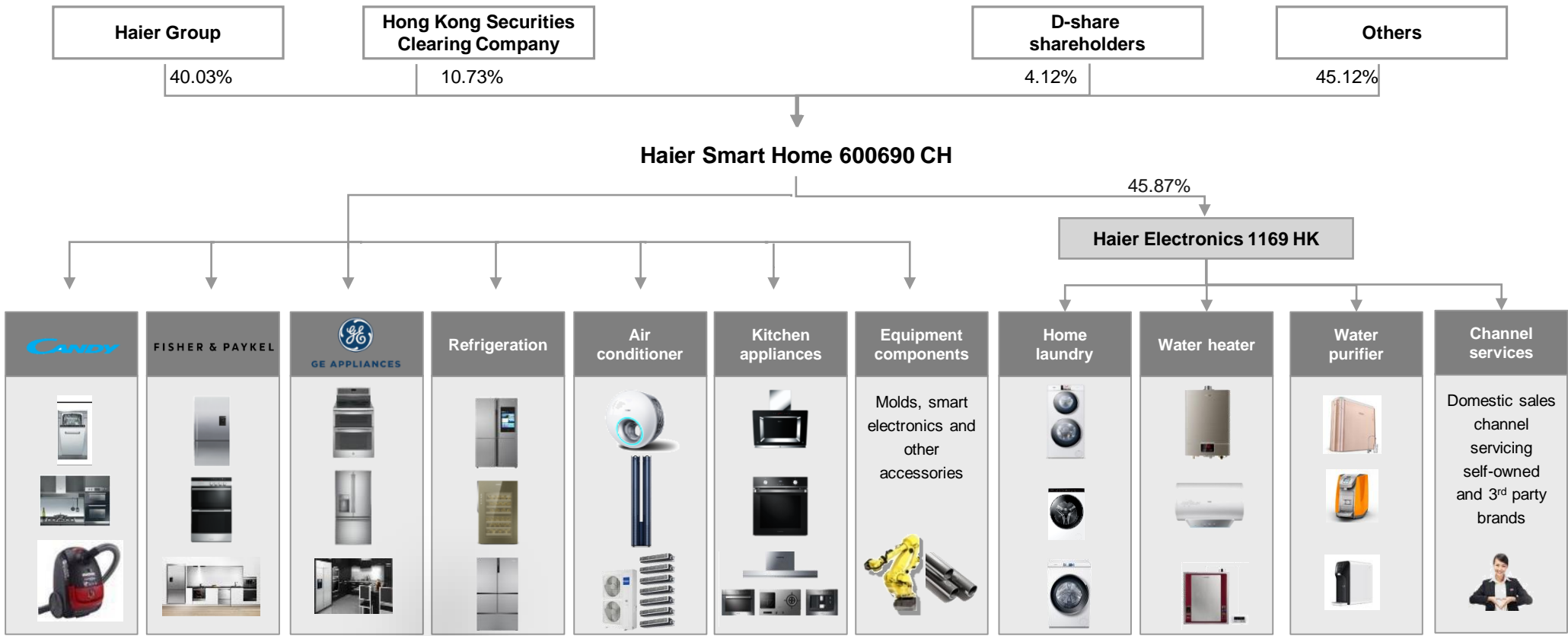
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Shareholding Structure



As of 30 June 2020

9M20 Performance Review

1

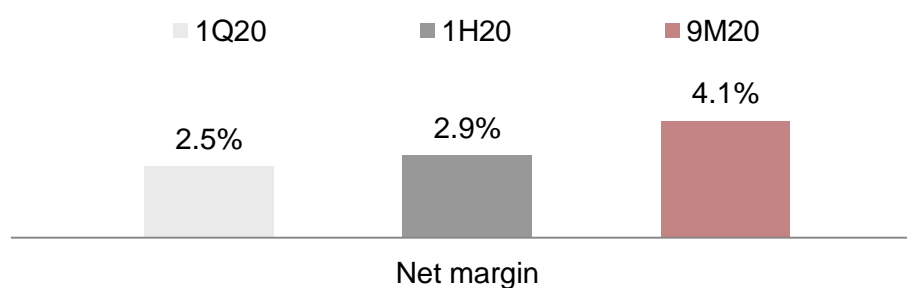
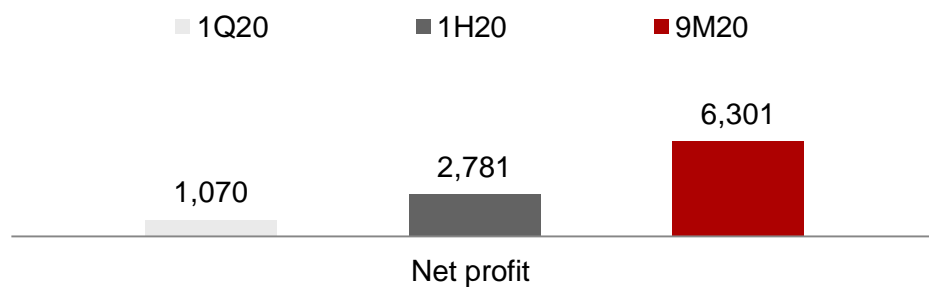
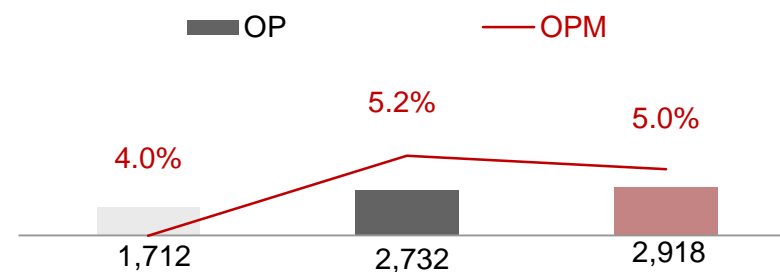
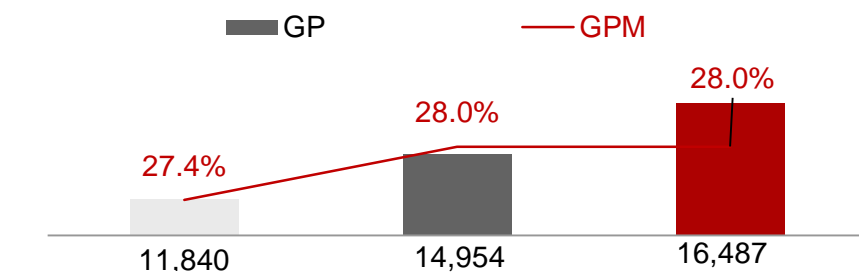
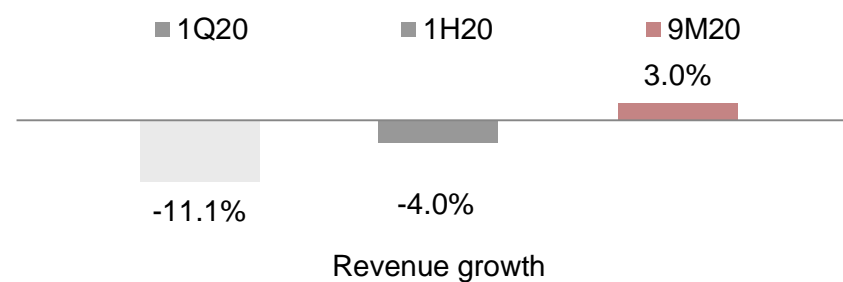
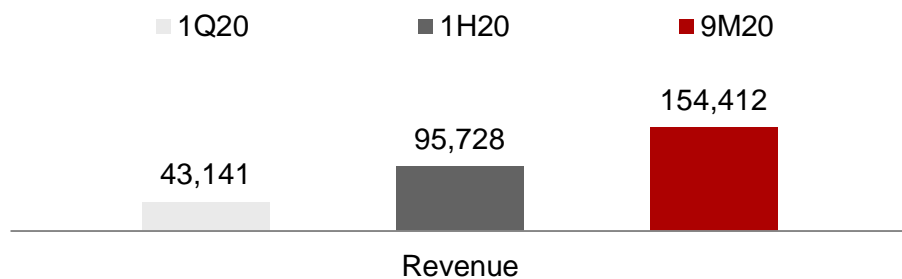
Investment Highlights

9

9M20 Earnings Review

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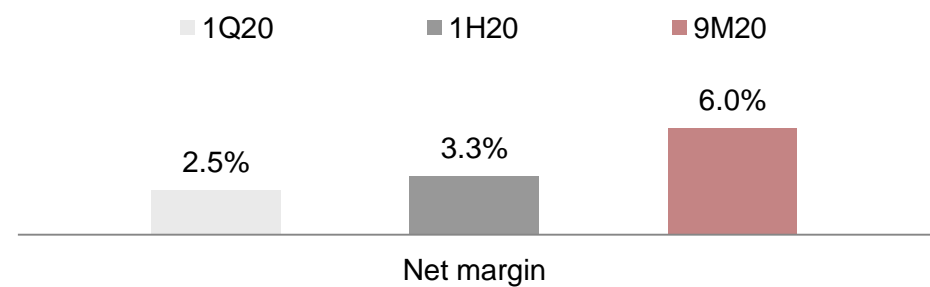
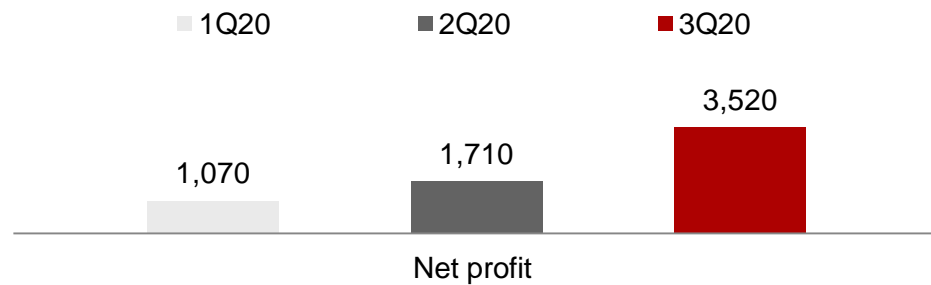
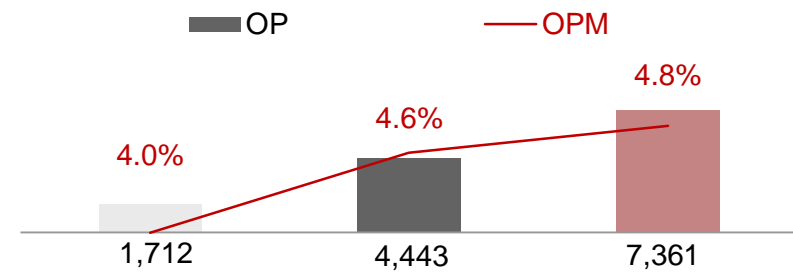
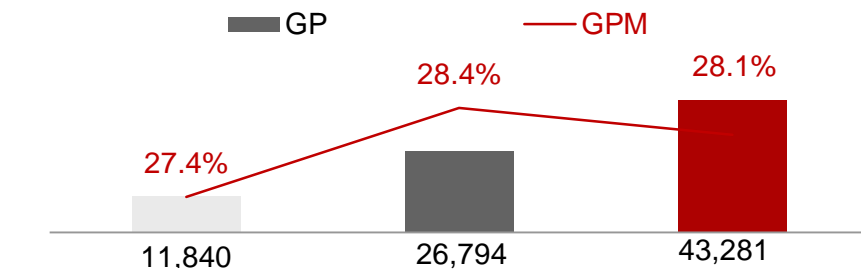
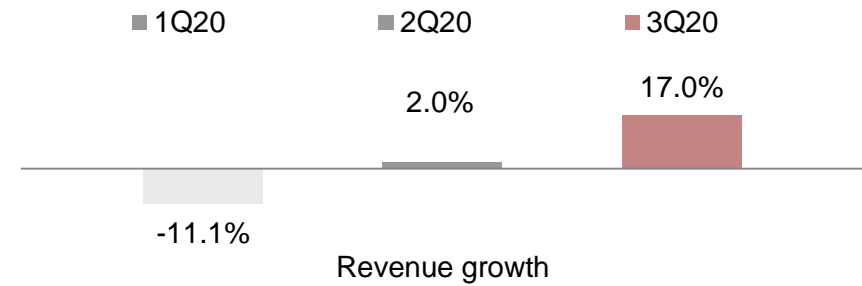
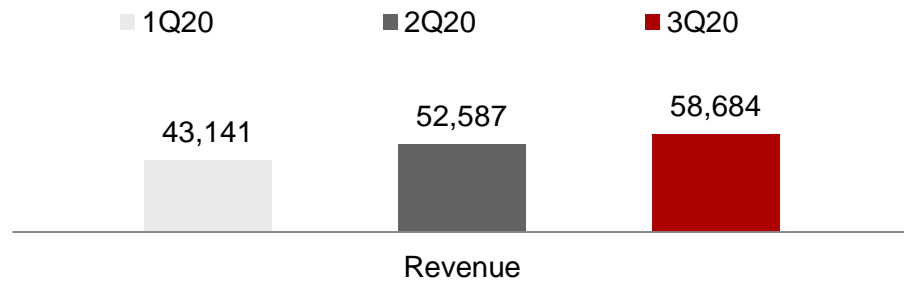
RMB mn



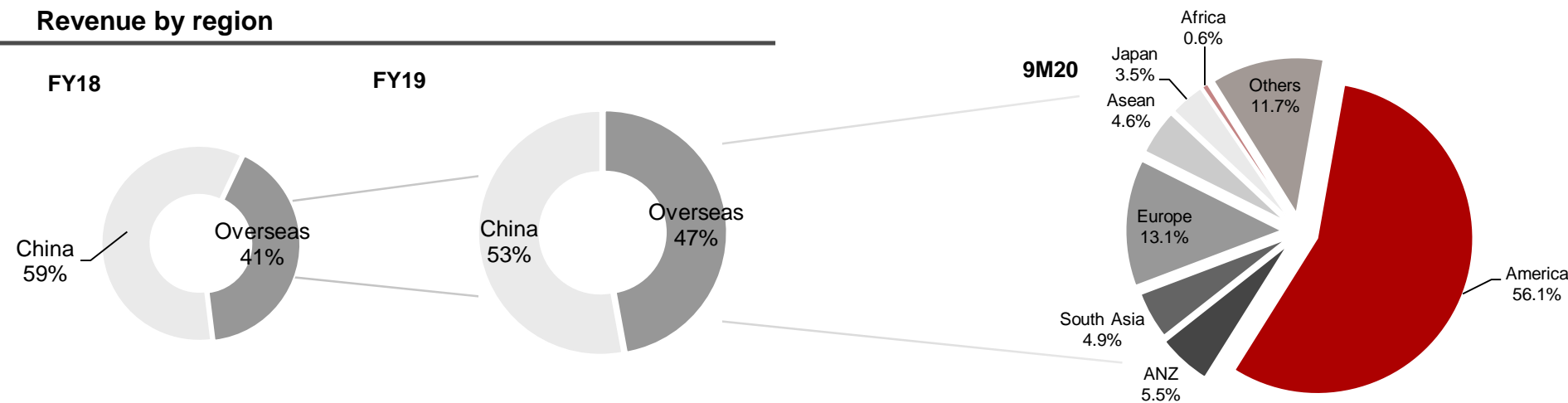
Quarterly Earnings Review

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RMB mn

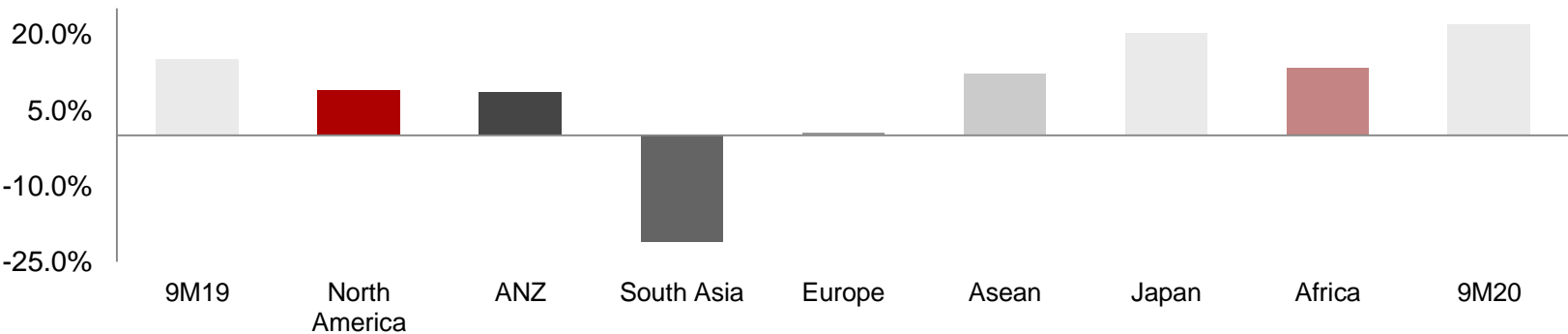


Revenue by region

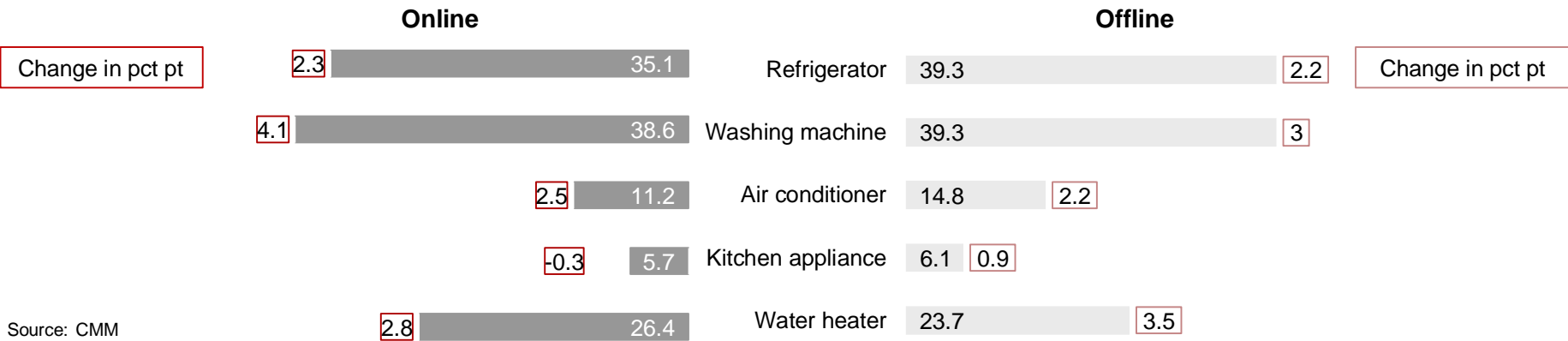


Revenue growth by region

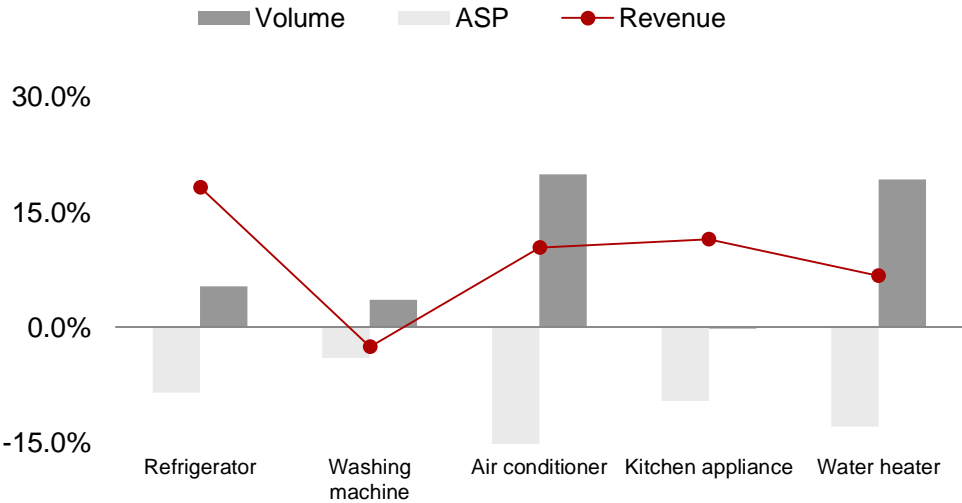
RMB bn



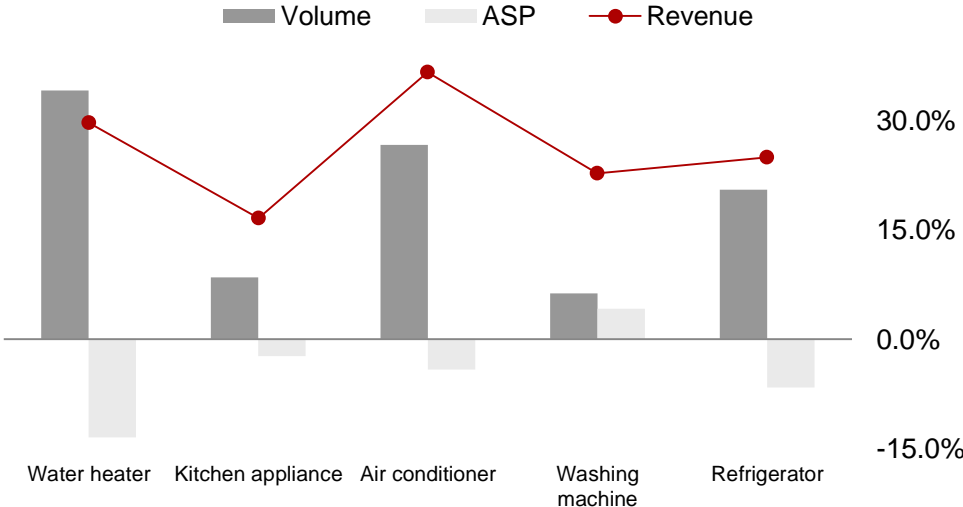
Market share



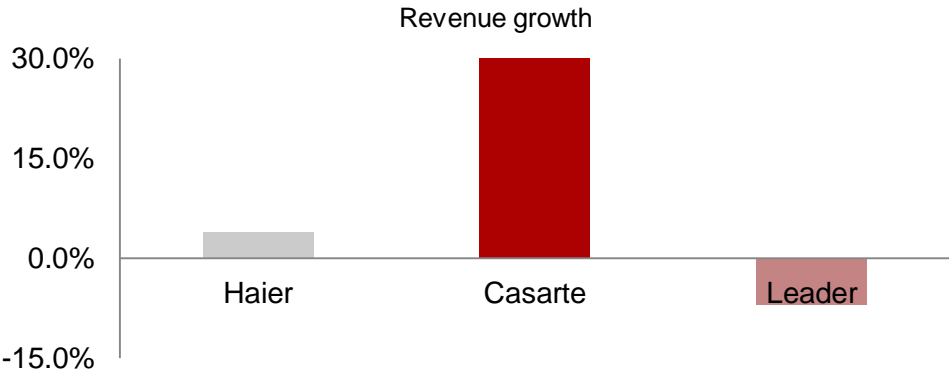
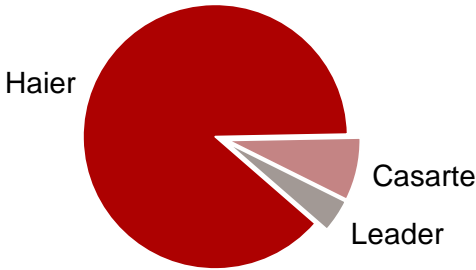
Revenue growth 9M20



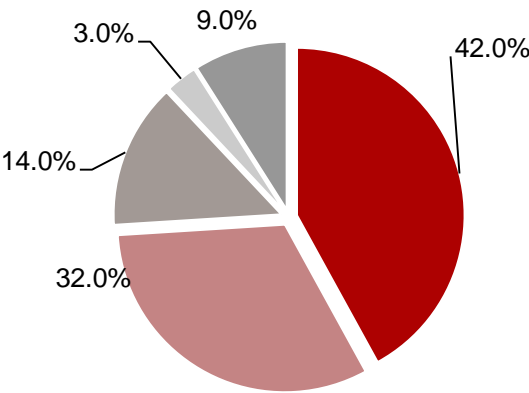
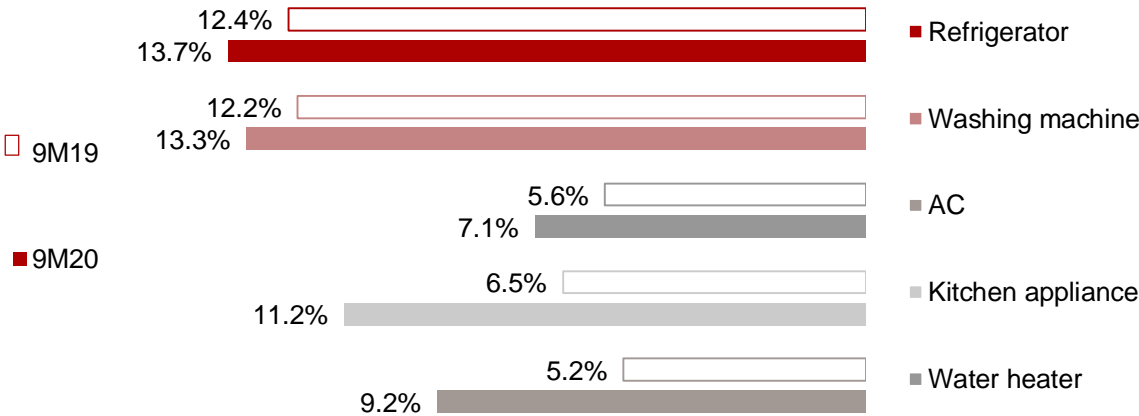
Revenue growth 3Q20



China revenue by brand



Casarte revenue by category



		9M20	Change	3Q20	Change
RMB mn	Revenue	154,412	3.0%	58,684	17%
	Gross profit Margin	28.0%	-0.8 ppt	28.1%	-0.3 ppt
	Selling expense ratio	15.1%	-0.1ppt	15.1%	-1 ppt
	General & admin expense ratio	7.8%	0.2 ppt	7.8%	-0.3 ppt
	R&D expense ratio	3.2%	0.3 ppt	3.5	0.2 ppt
	Operating profit	7,361	-12%	2,918	57%
	Operating profit margin	4.8	-0.8 ppt	5.0%	1.3%

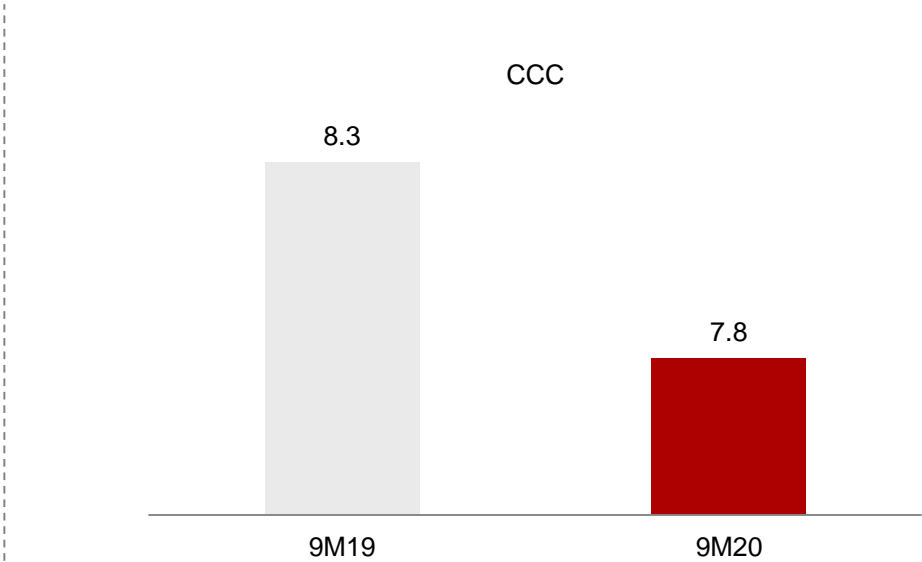
Cash flow

RMB mm



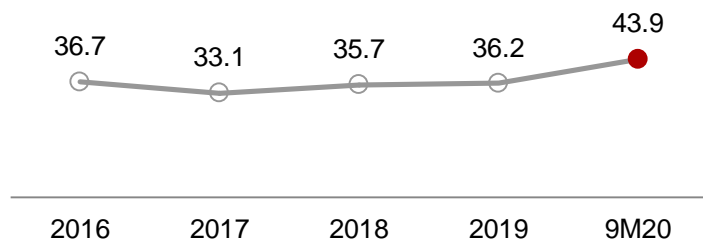
Working capital management

days

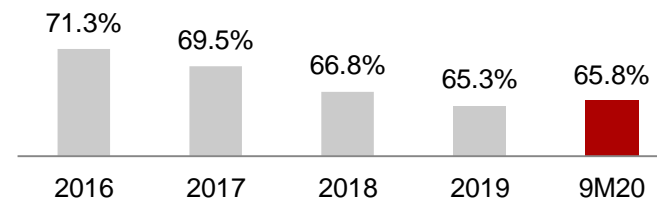


Borrowing

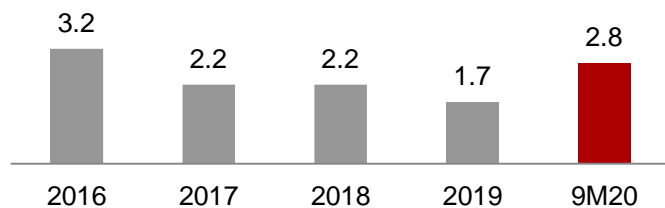
RMB bn



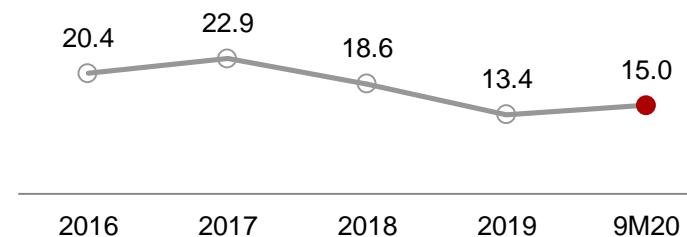
Debt/Asset



Debt/EBITDA



ROE



9M20 Performance Review

1

Investment Highlights

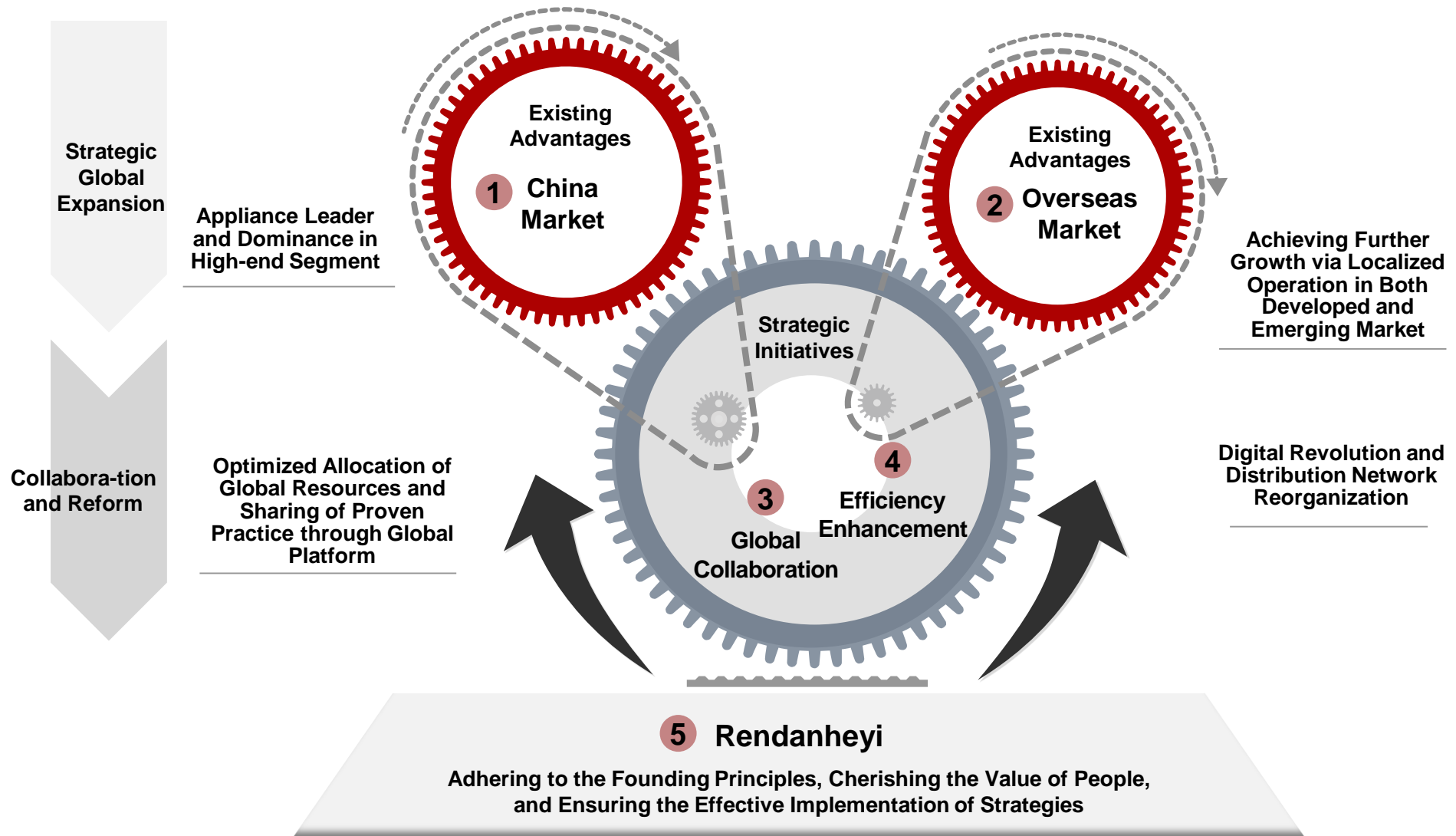
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Appendix

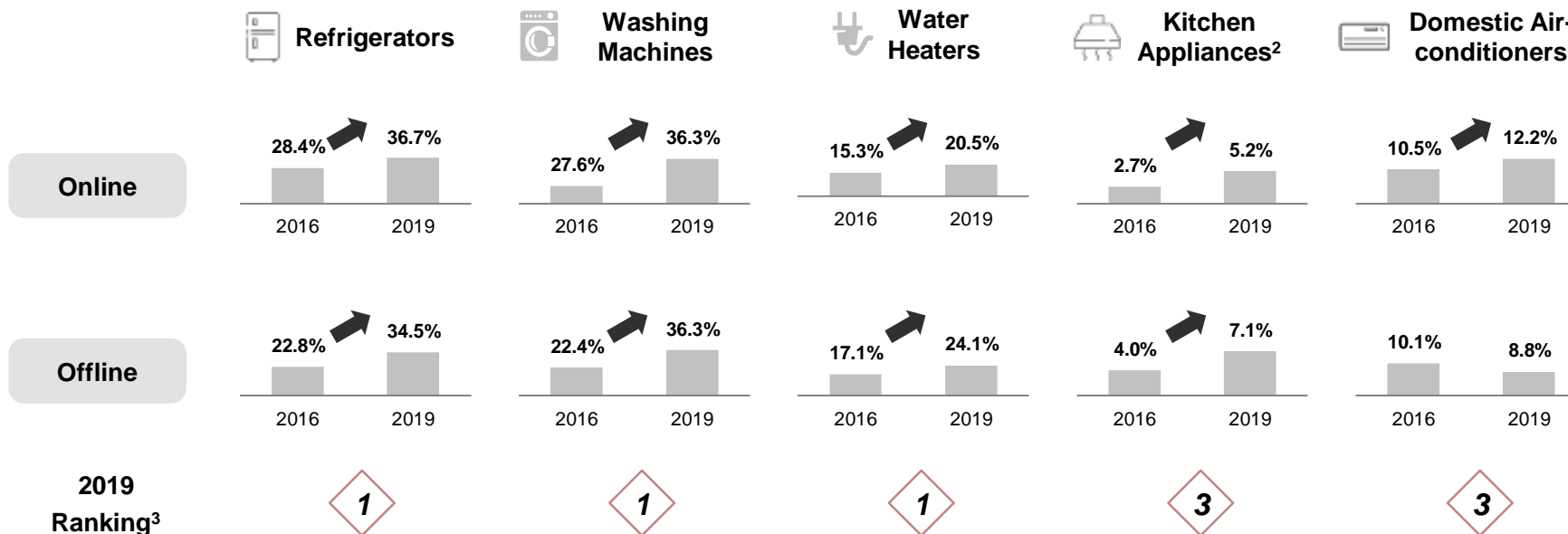
19

Well-positioned Globally to Sustain Leadership in the Future

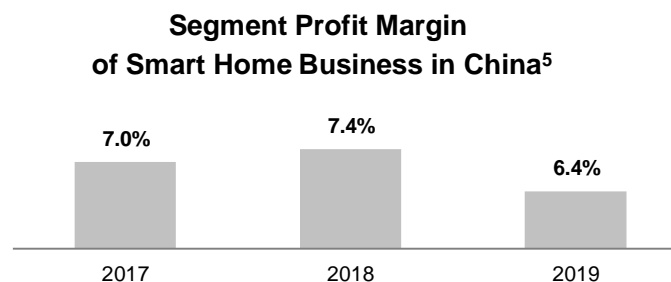
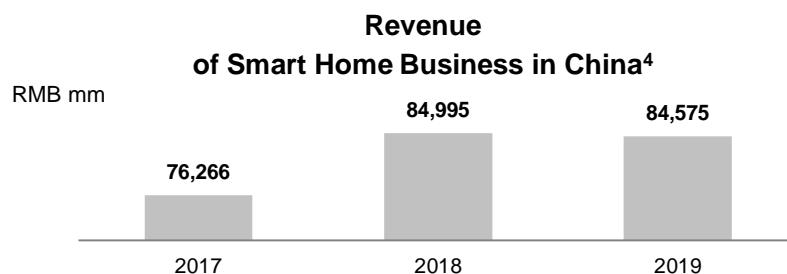
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Steady Market Share Expansion and Performance

Increasing Market Share¹

Solid Performance



Note 1: CMM 2020. In terms of retail value. Offline market share is monthly retail monitoring (12 months cumulative), and online market share is weekly retail monitoring (52 weeks cumulative)

Note 2: Refers to range hoods' market share

Note 3: Euromonitor 2020. Ranking of refrigeration appliances, home laundry appliances, water heaters, large kitchen appliances and air-conditioners in terms of retail volume

Note 4: Audited financial figures of HSH for FY2017-2019

Note 5: Calculated based on audited financial figures of HSH for FY2017-2019

Casarte — Leader in High-end Market

Leader in High-end Market

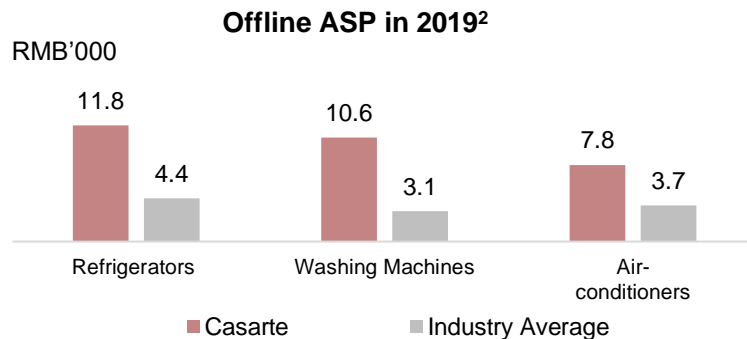


Rapid Growth



Well-recognized Premium Brand

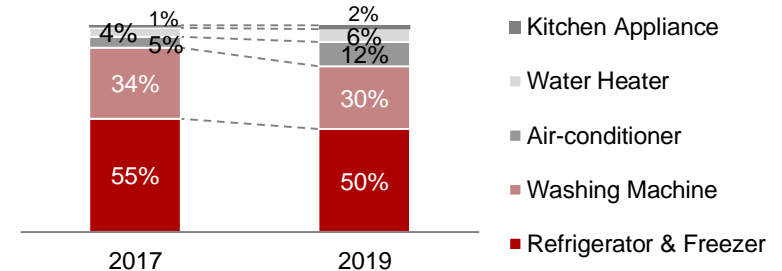
- ☒ Offline ASP in major categories > 2x industry average



From products to smart Home Solutions

- ☒ Growth driven by diversified products with increasing air-conditioner, water heater and kitchen appliance contribution

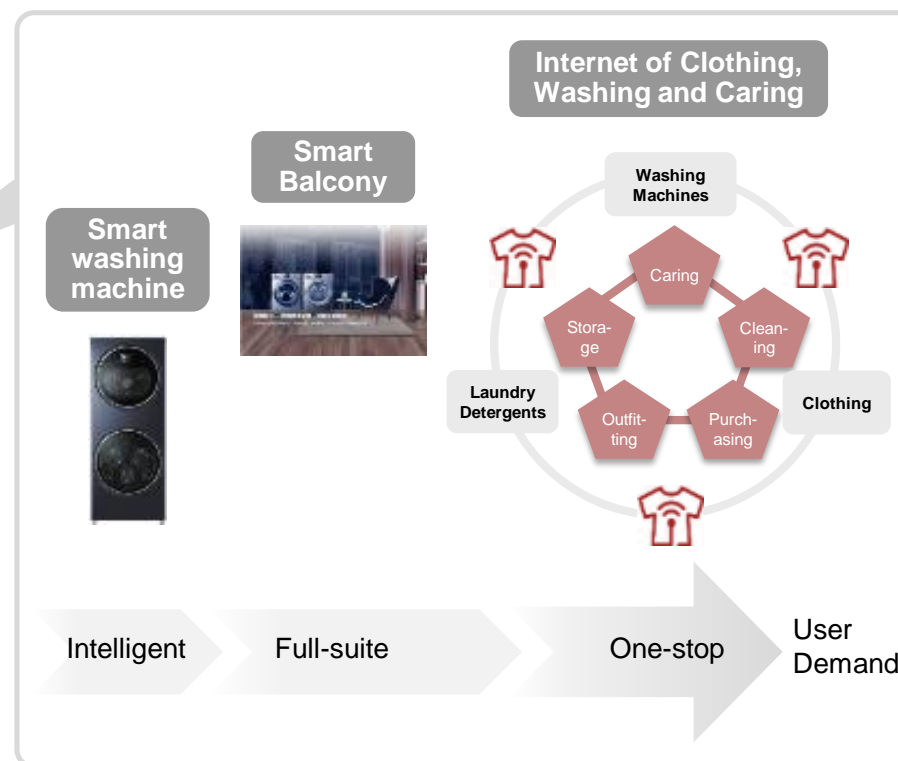
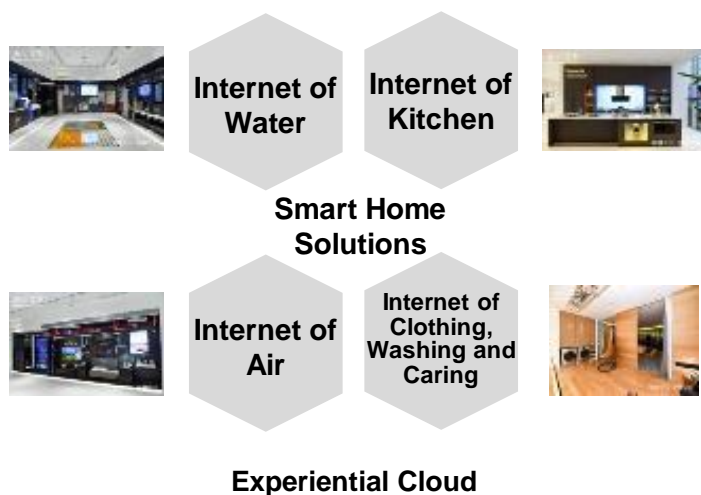
Casarte Revenue by Segment³



Note 1: CMM 2020. In terms of retail value. ASP represents for average selling price
 Note 2: CMM 2020
 Note 3: HSH's information. Unaudited financial figures.

Continuous Upgrade of Smart Home Solutions

- ✓ Leveraging on our competitive advantage in innovative and diversified products, HSH designs, implements and provides solutions of full-suite smart home products
- ✓ With integrated packages of appliances and interior design, HSH's business expands from individual appliance, to scenario applications, ultimately creating greater value with comprehensive one-stop smart home solutions



27%

Bundled Appliances as
a % of Total Revenue
2019¹

>RMB8.0bn

Whole-house Solutions
Revenue 2019²

4.29mm

Monthly Active
Users of Smart
Home APP³

68%

Increase in Activation
of Smart Appliances
2019⁴

Note 1: HSH's information. Unaudited financial figures. Revenue of bundled appliances refers to retail value from purchase of two products at a time

Note 2: HSH's information. Unaudited financial figures. Refers to retail value of scenario-based products purchased in smart home stores

Note 3: HSH's information. For the month ended June 30, 2020

Note 4: HSH's information

Revitalizing Air-conditioner Business

Expand Presence

- 1) Increase distribution competitiveness through further penetration in villages
- 2) Break through e-commerce and lower tier markets with product differentiation
- 3) Strengthen corporation in property developers' channel

Increasing air-conditioner market share

Offline Market Share
Growth of HSH's Domestic
Air-conditioners in January
– May 2020¹

+2.0 pct

Online Market Share
Growth of HSH's Domestic
Air-conditioners in January
– May 2020¹

+2.4 pct

**Market
Share**

**Profit-
ability**

**Premium-
ization**

Enhance Efficiency

- 1) Streamline SKUs and identify best sellers
- 2) Reduce cost by commodities hedging and encouraging suppliers' participation in product development
- 3) Enhance end to end efficiency with direct shipment and designated production lines

Successfully reduced SKUs

SKU in 2019²
reduced by

15%

Adjust Market Positioning

- 1) Break through in high-end market via structural adjustment ; 2) Capture market share with multi-brand portfolio;
- 3) Increase R&D investment and enhance user recognition with iterative experience upgrade (from technology leadership to experience leadership)

Increasing investment in multi-brand collaboration and R&D

Optimize user experience with
healthy air solution



Haier 56 degree C
sterilization self-cleaning
air conditioner



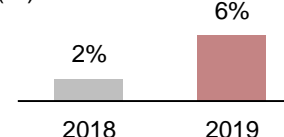
Casarte Tianjing air
conditioner with deep
ultraviolet sterilization

Differentiate in medium and high-end
market with Casarte to quickly
promote product sales

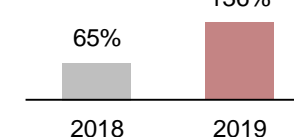
Casarte

Outstanding performance in high-end product³

Revenue Contribution of
Casarte Air-conditioners
(%)



Revenue Growth of
Casarte Air-conditioners
(%)



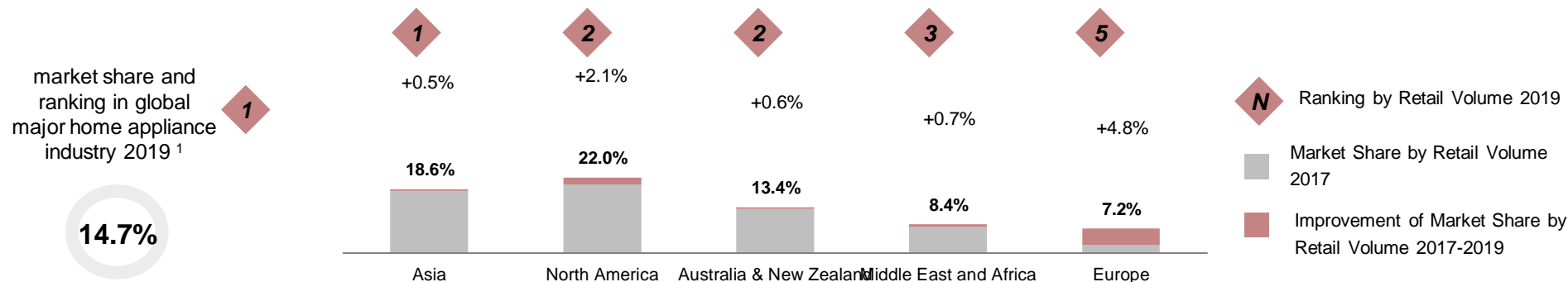
Note 1: CMM 2020. Latest available data. Growth of market share in terms of retail value in January – May 2020, compared with January – May 2019

Note 2: HSH's information. Compared with 2018. As of Dec 31, 2019

Note 3: HSH's information. Unaudited financial figures

Market Share Expansion and Growth in Profitability Overseas

Market Share¹



Revenue and Profit¹

✓ Organic growth and M&A

- Overseas contributes **47%** of total revenue in 2019

✓ Steady profit growth



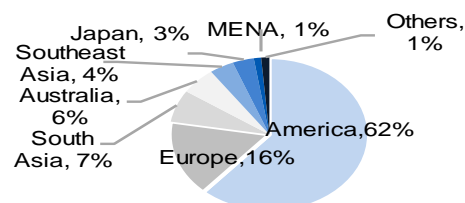
CAGR of Overseas Revenue 2017-2019³

14.6%

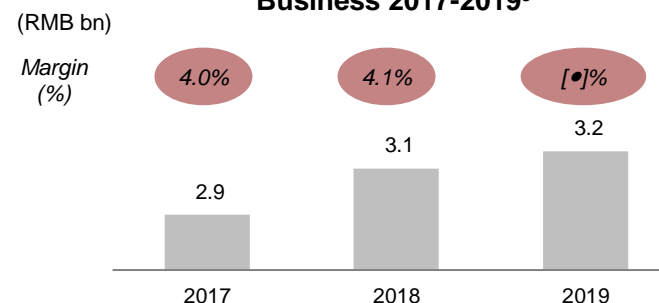
CAGR of Retail Revenue of Global Major Home Appliance Industry 2017-2019⁴

3.4%

Overseas Revenue Breakdown 2019²



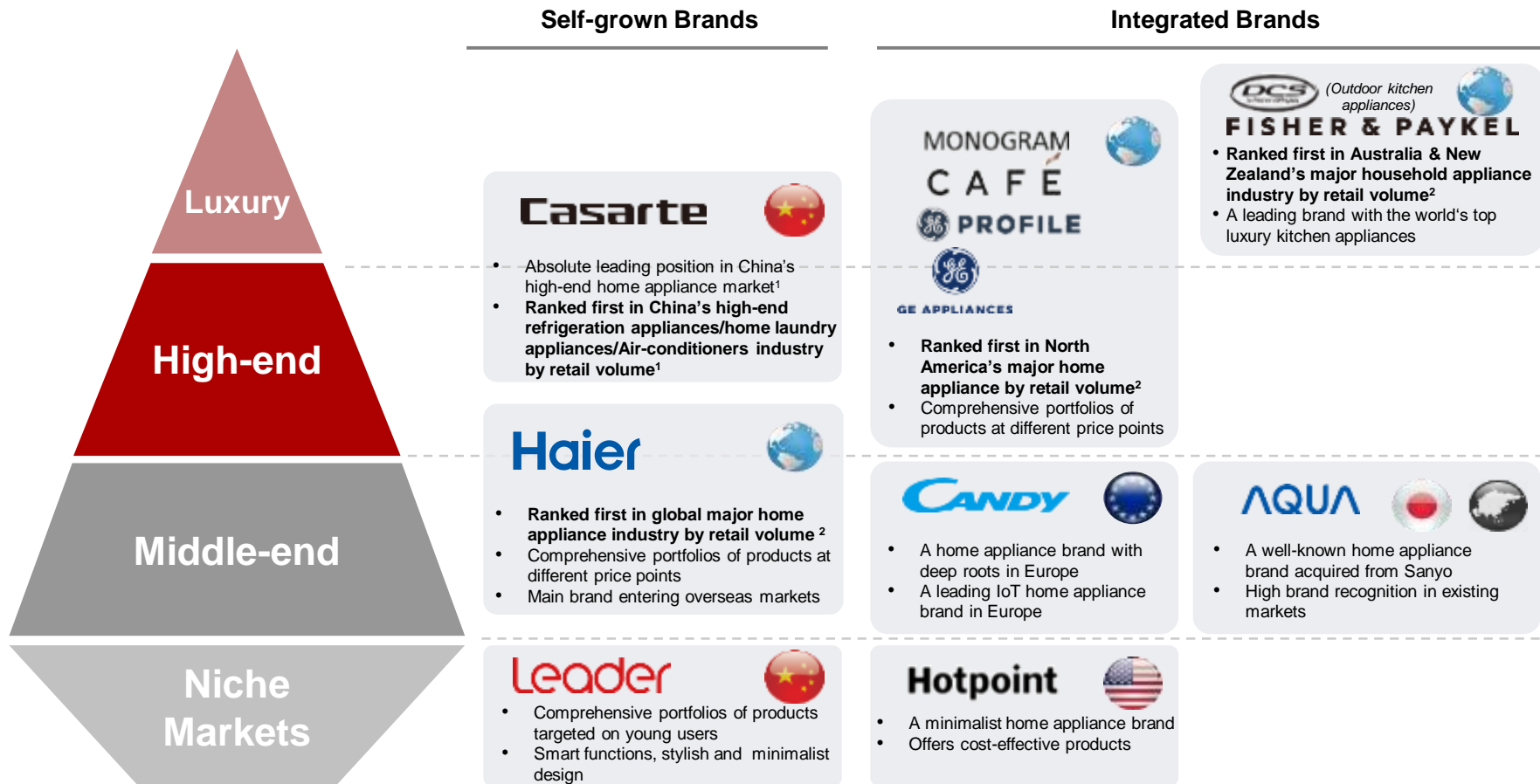
Segment Profit of Overseas Smart Home Business 2017-2019³



Note 1: Euromonitor 2020. In terms of retail volume. Note 2: Calculated based on audited financial figures of HSH for FY2019 under PRC GAAP standards. Overseas revenue breakdown shows as % of total overseas revenue. Segment revenue has been consolidated and offset. Note 3: Calculated based on audited financial figures of HSH for FY2017-2019 under IFRS standards. Segment profit from segment report in the audited financial statements of HSH prepared under IFRS. [•]% represents profit margin excluding Candy. Profit margin of overseas segment including Candy which is still under integration is [•]%. Note 4: Euromonitor 2020. In terms of retail revenue

Well-recognized Brand Portfolio Serving Diversified Users

- ☒ Overseas strategy of proprietary brands
- ☒ Global brand portfolio with comprehensive coverage



Note 1: CMM 2020. All data are 2019 data
 Note 2: Euromonitor 2020. All data are 2019 data

Successful M&A and Integration

A Series of Success



Acquired Sanyo's white goods business in 2011, GEA in 2016, FPA in 2018, and Candy in 2019

Promote Integration

1

Rendanheyi model injects vitality

2

Global platform supports growth

Thriving GEA

Initiatives

R&D

Technology Sharing and Joint Development

Co-development of GEA's four-door refrigerators and large front-load washing machines

Procurement Supplier Resource Sharing

Incorporate GEA in global procurement system

Management

Adopt *Rendanheyi*

Align compensation with performance



Product

Leveraging on Each Other's Competitive Strength

Support GEA to resume the production of water heaters

Production

Agile Utilization of Global Production Capacity

GEA's four-door refrigerators and large front-load washing machines are produced by HSH in Qingdao

Performance¹

10.3%

CAGR of Revenue
2015-2019

17.9%

CAGR of Net Profit
2015-2019

Year-on-Year Increase of Market Share²

15.7%

2017

16.5%

2018

17.4%

2019

Ranked **1st** among major home appliance brands in North America by retail volume in 2019²

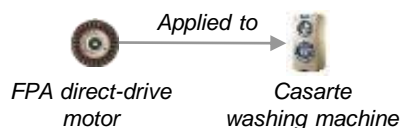
Note 1: HSH's information. Unaudited financial figures. Revenue and net profit of HSH in 2015 are under the PRC GAAP standards and those in 2019 are under the IFRS standards

Note 2: Euromonitor 2020. In terms of retail volume

Resource and Experience Sharing on a Unified Platform

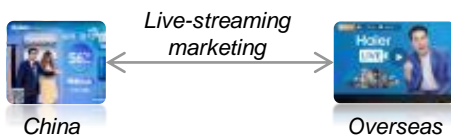
R&D

- Co-develop high-end products
- R&D Collaboration in universal modules and technology
- Share of Patents



Marketing

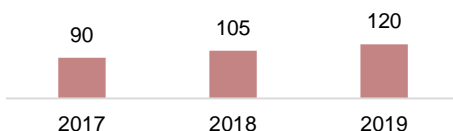
- Distribution network sharing with enhanced bargaining power
- Worldwide marketing campaign



Procurement

- Alternate between regional and global procurement
- Global procurement platform
- Adopt large-scale and digital procurement

Number of Shared Suppliers Keep Increasing¹



Note 1: HSH's information. As of Dec 31, 2019



✓ Global Resource

One of the few major home appliance companies with leadership in China, US and Europe

✓ Unified Platform

Global platform for R&D, procurement, supply chain, quality & service, strategy & branding

✓ Proven Practice

Strengthen "High-end" products leadership and accelerate "smart" scenario implementation

Product Development

- Leveraging on each other's competitive strength
- Regional collaboration among products



Branding

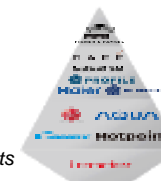
- Multi-class brand portfolio
- Differentiated multi-brand strategy globally
- Premiumization strategy

Luxury

High-end

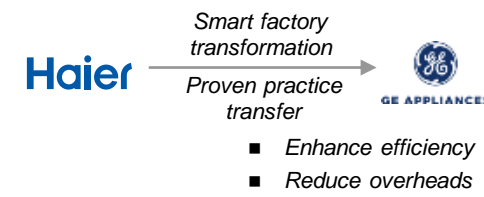
Middle-end

Niche Markets

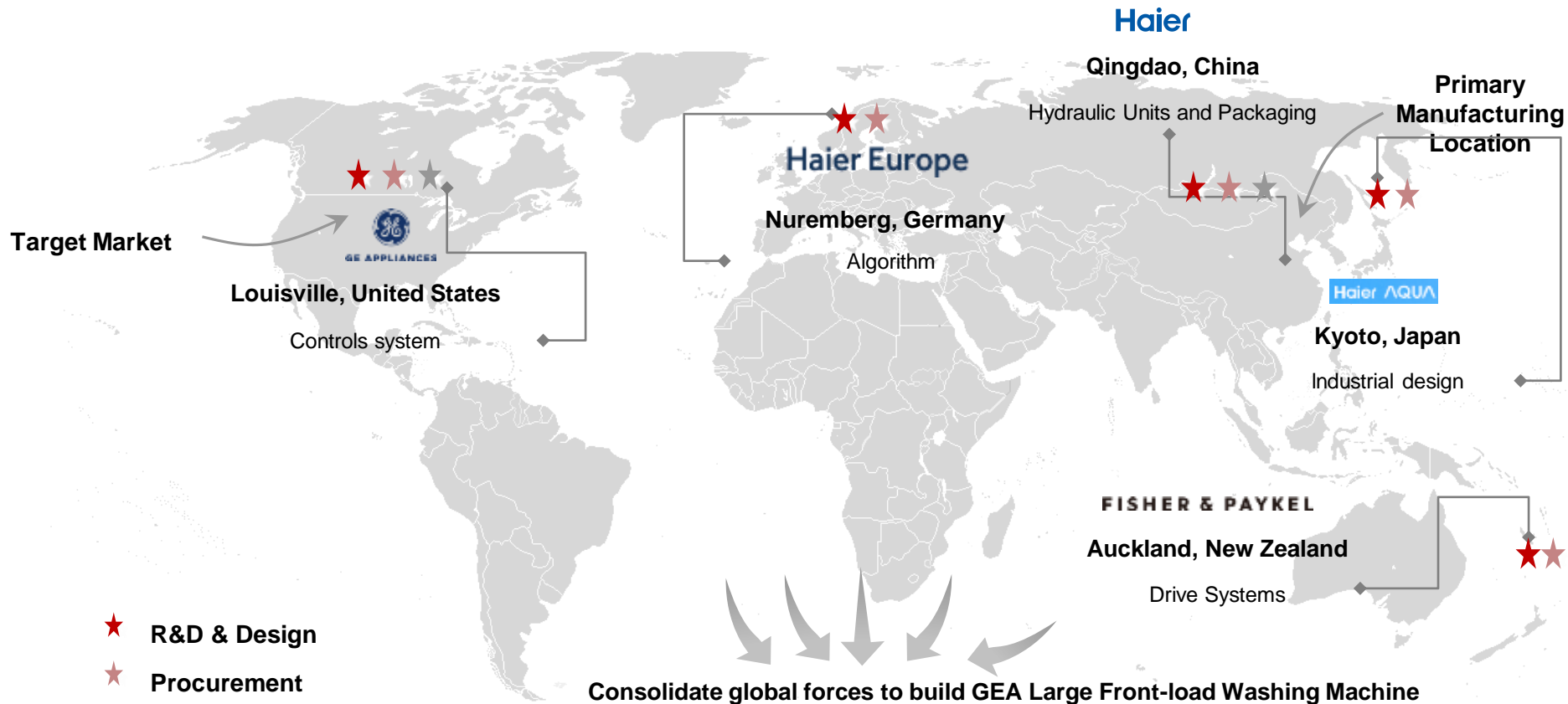


Supply Chain Management

- Flexible deployment of global production capacity
- Visualization and digitalisation of supply chain
- Share smart manufacturing technologies and know-how



GEA's Case — Capture Market Share with Successful Launch of New Front-loader



- ★ R&D & Design
- ★ Procurement
- ★ Manufacture
- ★ Sales



- ☑ The sterilization and disinfection function is well received by market during epidemic
- ✓ Kitchen and Bath Industry Show: Best of KBIS – Bath Gold
- ✓ Good Housekeeping : Best Overall Washing Machine of the 8 Best-performing Washing Machine in 2020 in US
- ✓ Family Handyman : One of the Best Smart Washers for 2020

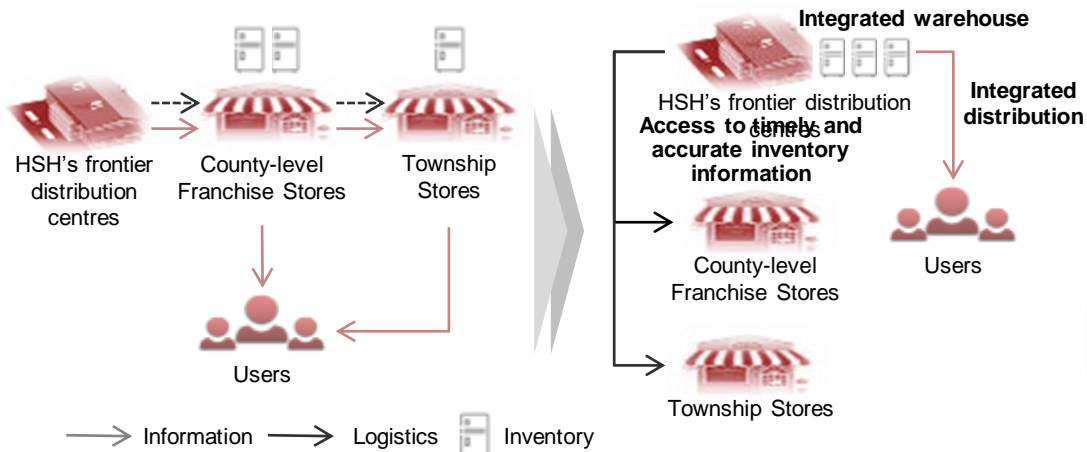
User-oriented Global Distribution Network

Direct interaction with Users

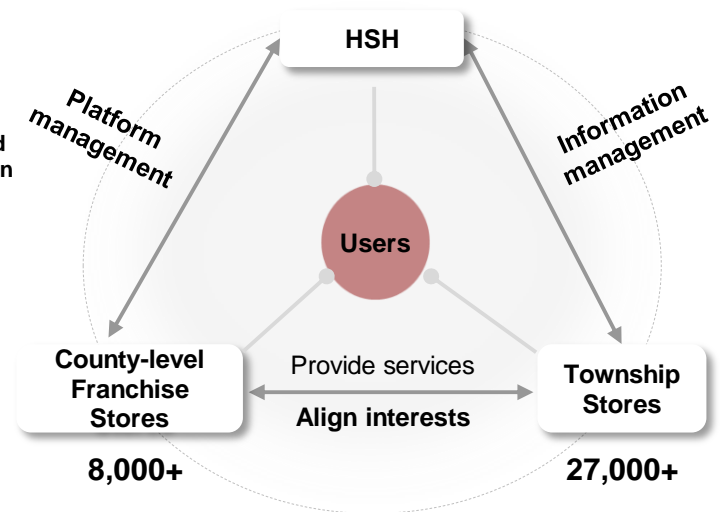
China market: continuous efficiency reform

- ✓ Constantly promoting channel integration and efficiency enhancement

“Integrated warehouse and distribution” Transformation



- ✓ Digital distribution network with extensive town level coverage



Overseas market: self-managed distribution network

- ✓ Proprietary distribution network
- ✓ Efficient retailer cooperation
- ✓ Expanding presence online

160+
Countries and
Regions

66
Offices



In-house sales team
connecting users directly



Scenario-based
experiential sales format



Inspired Live global
marketing campaign



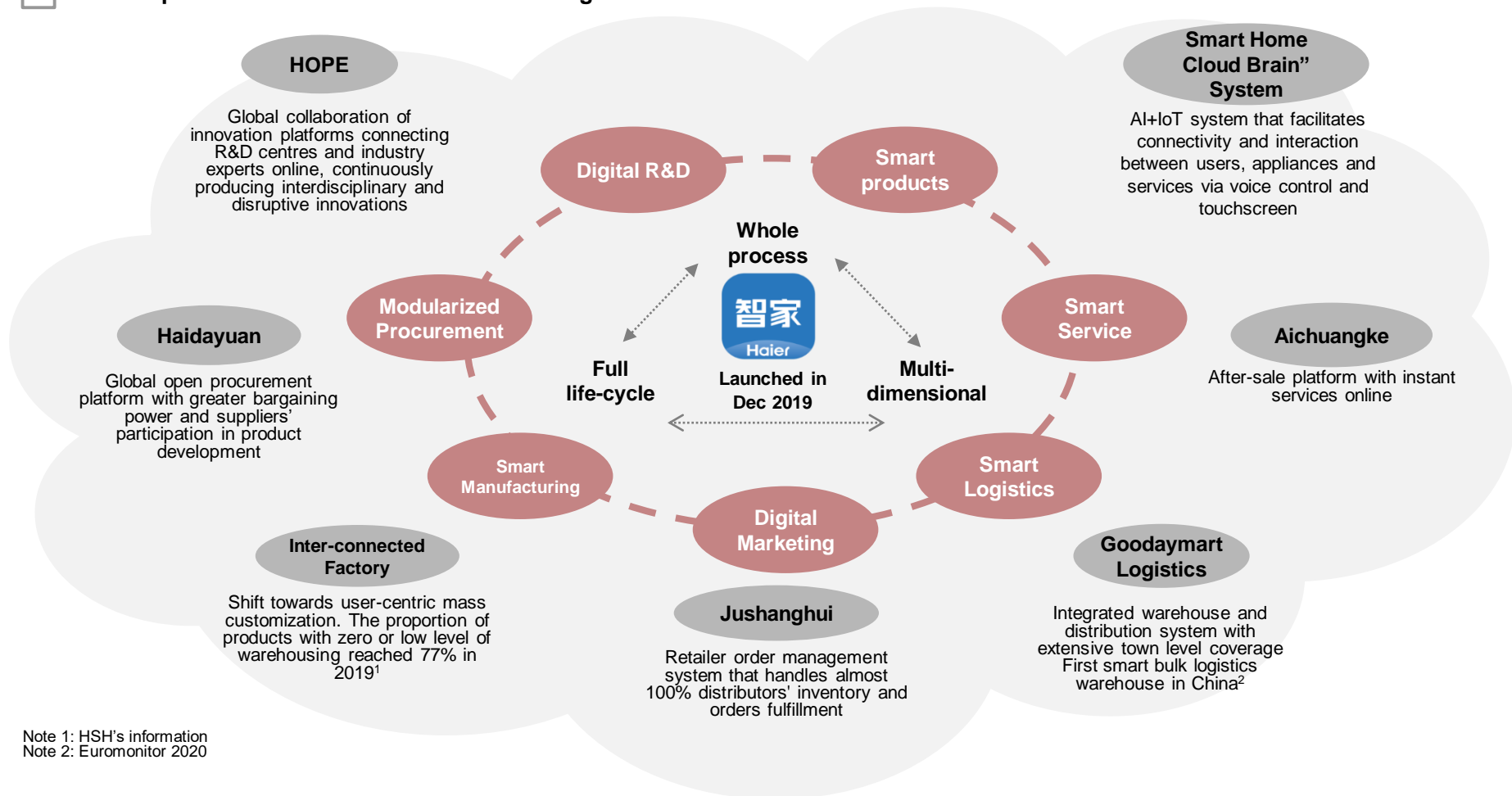
Streaming overseas

Source: HSH's information. As of June 30, 2020

Embark upon the digital transformation

Building A Digitalised Enterprise of technologies

- ☒ From operation control to full value chain vitalization
- ☒ From process automation to business intelligence



Note 1: HSH's information
Note 2: Euromonitor 2020



Thank You

