

**Haier Smart Home Co., Ltd**



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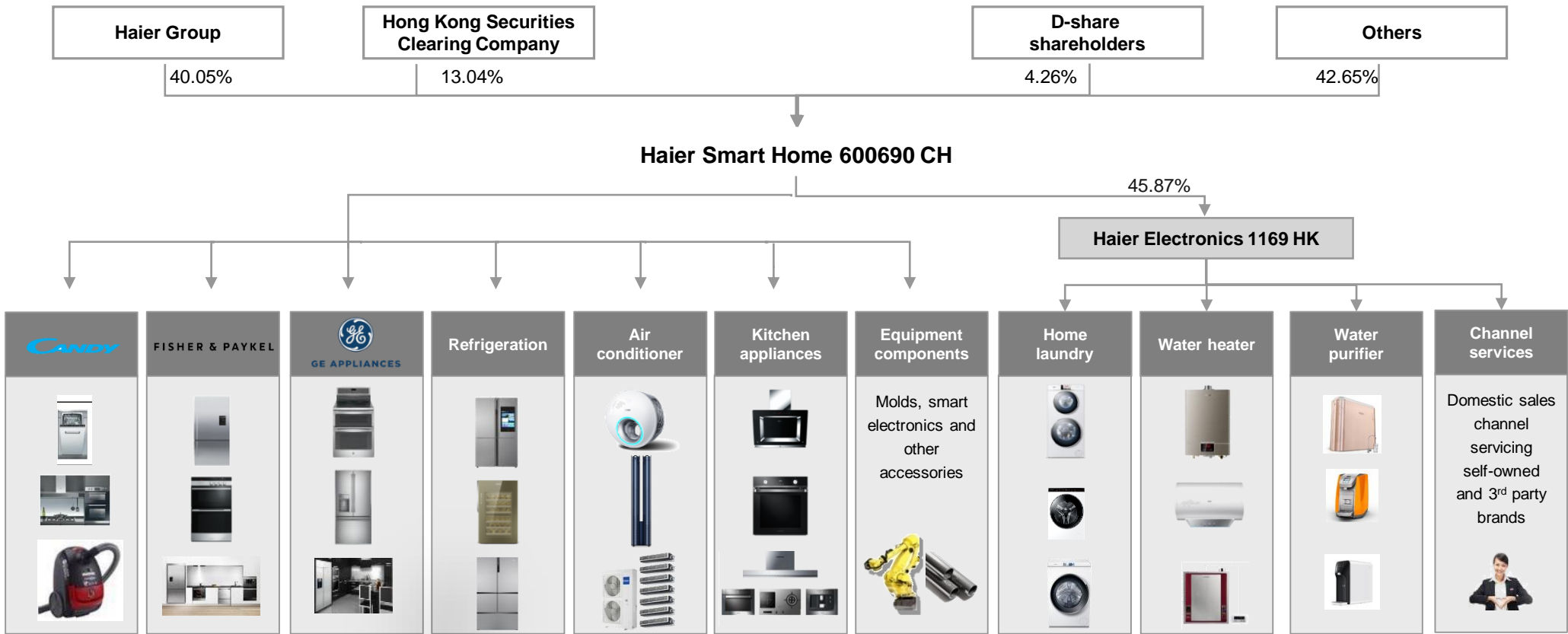
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# Shareholding Structure



As of 31 December 2019



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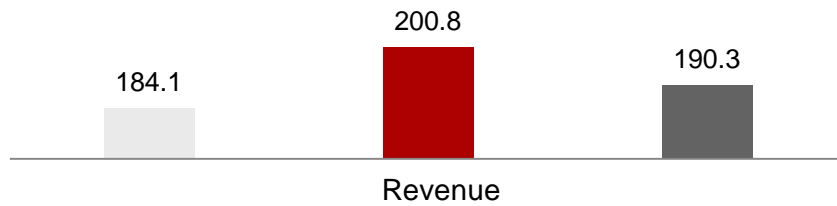


# FY19 Earnings Review

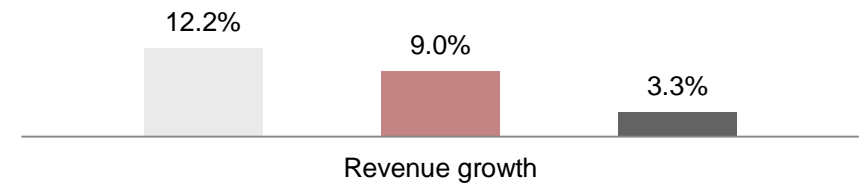
Haier

RMB bn

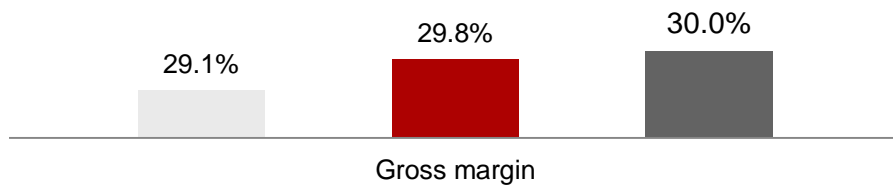
■ FY18 ■ FY19 ■ FY19 ex Candy



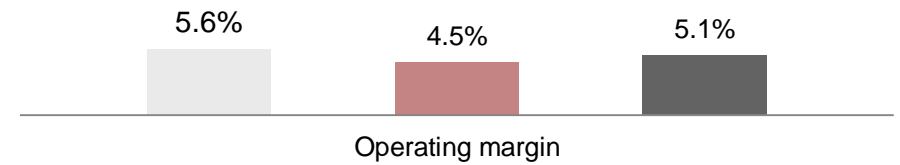
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■ FY18 ■ FY19 ■ FY19 ex Candy

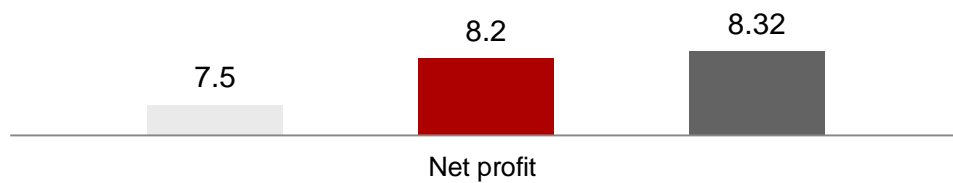


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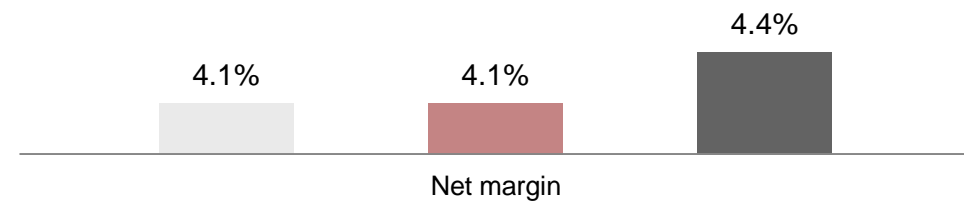


RMB bn

■ FY18 ■ FY19 ■ FY19 ex Candy



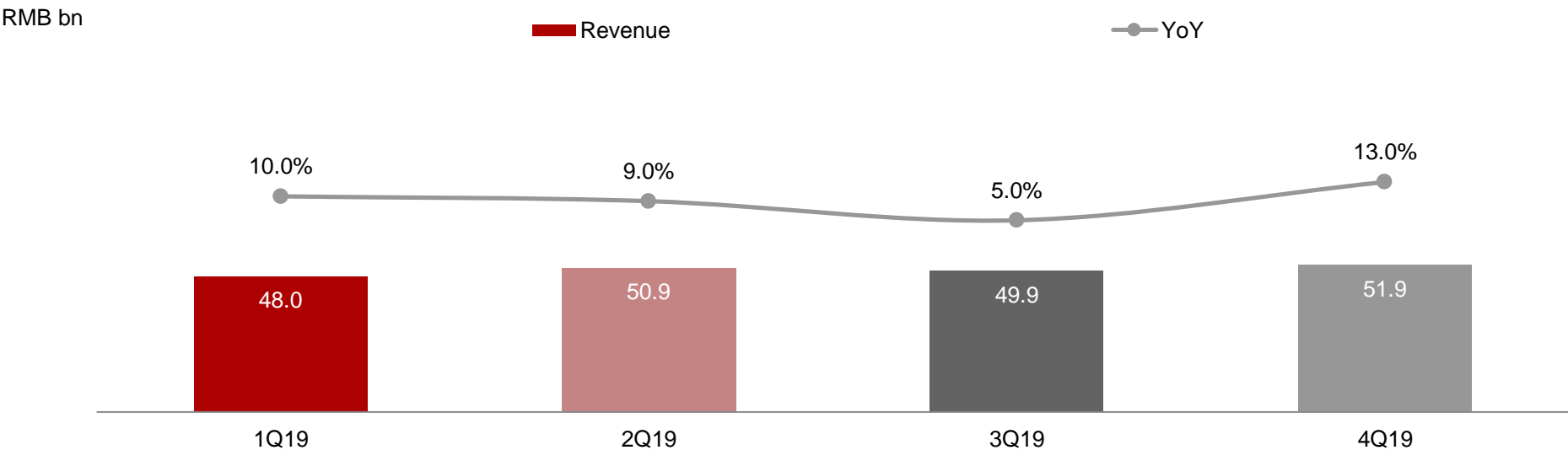
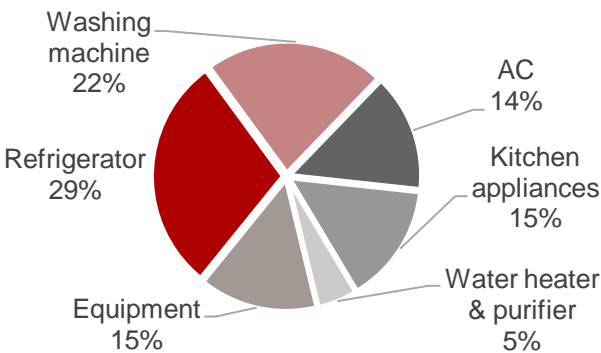
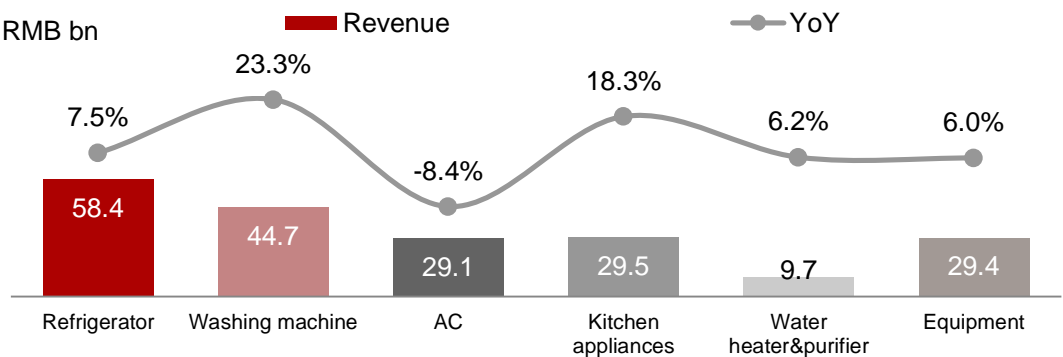
■ FY18 ■ FY19 ■ FY19 ex Candy



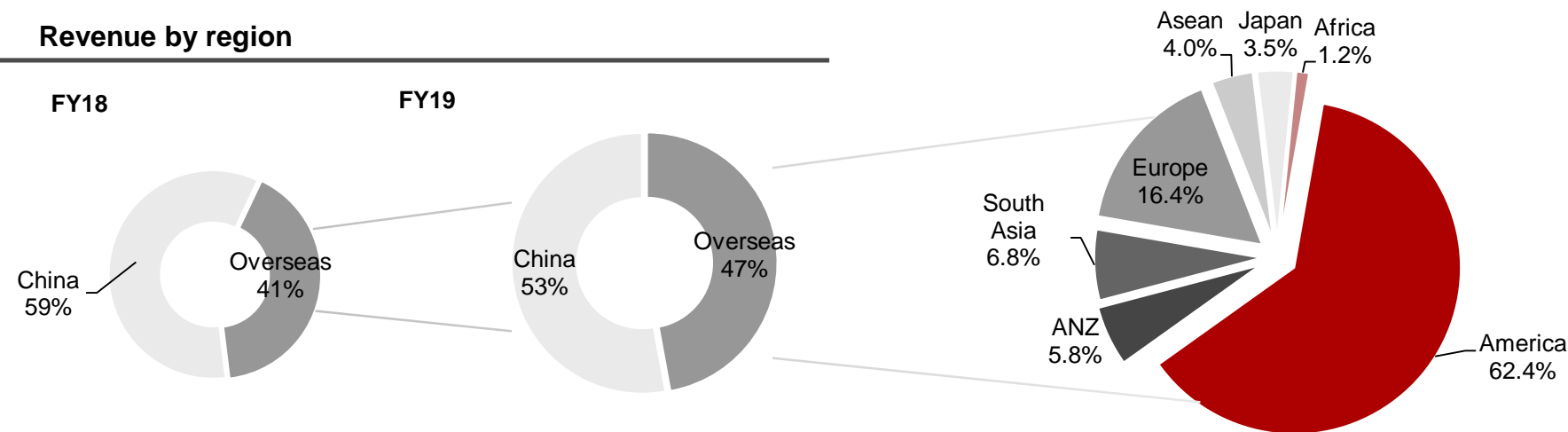
# Global Revenue by Category & by Quarter



Global revenue by segment

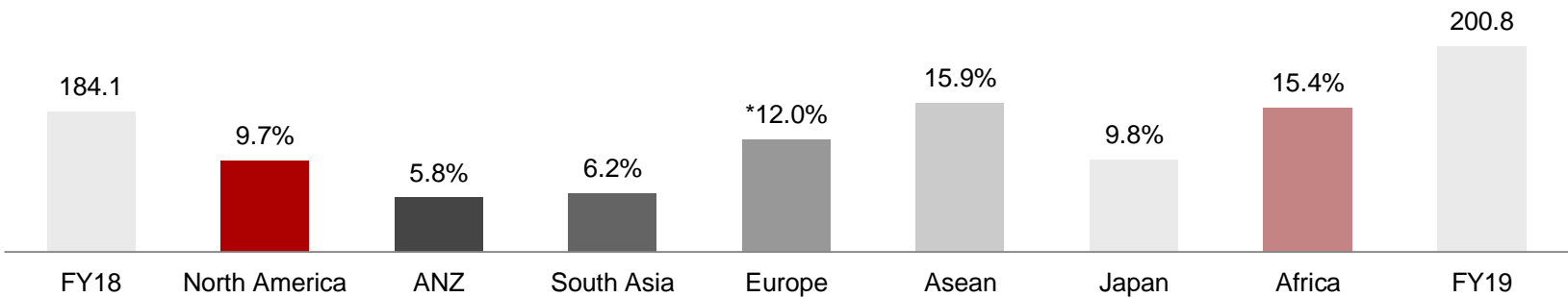


## Revenue by region



## Revenue growth by region

RMB bn



\* Ex Candy

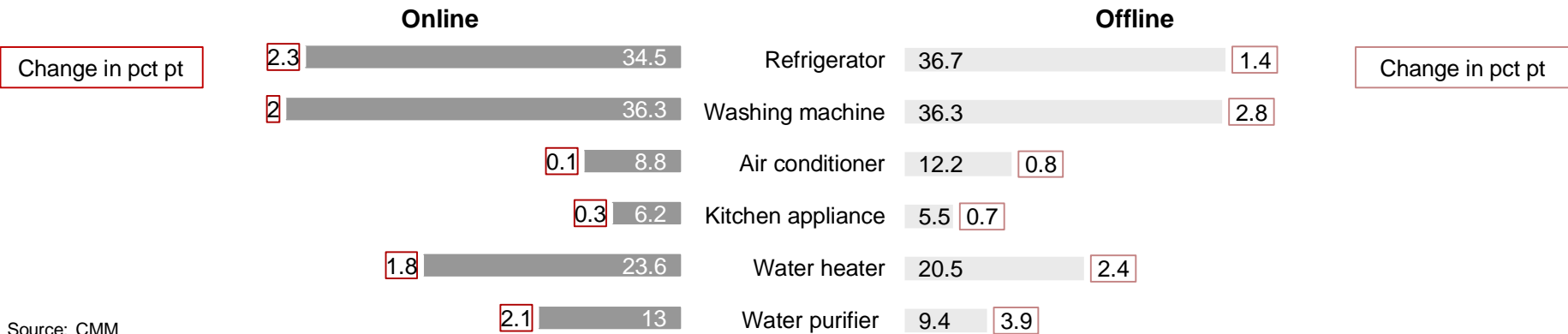
Haier Smart Home FY19 & 1Q20



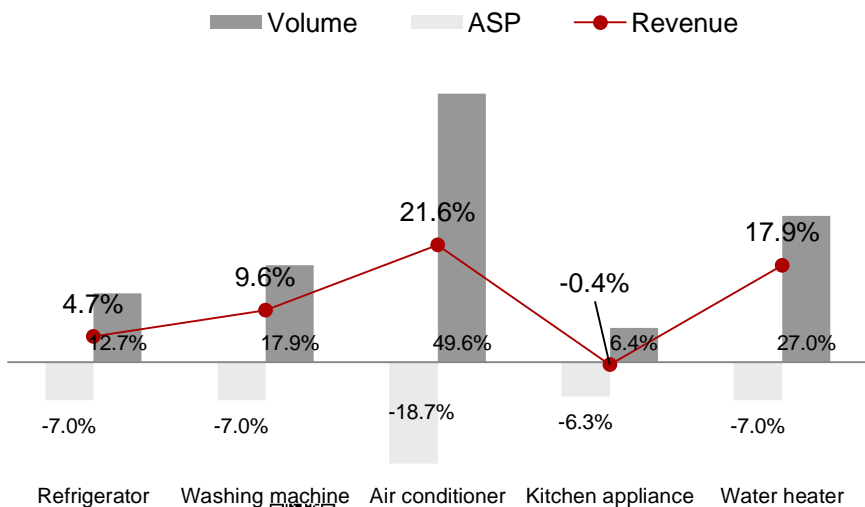
# China Revenue by Category



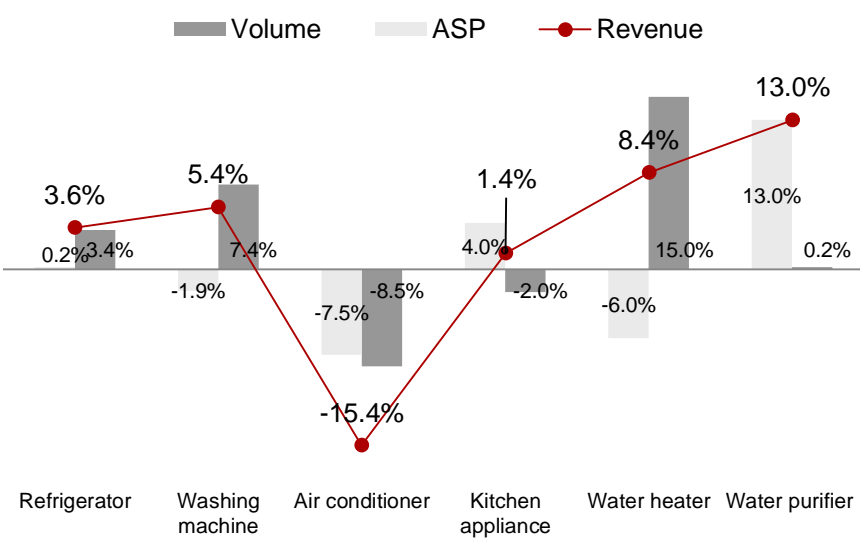
## Market share



## Revenue growth 4Q19

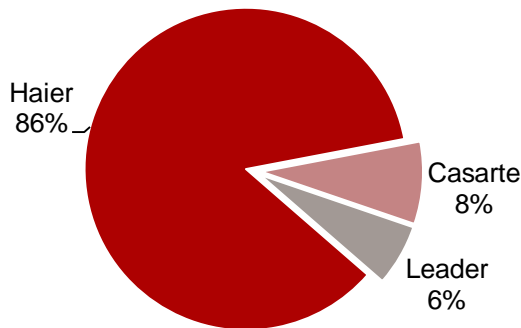


## Revenue growth FY19

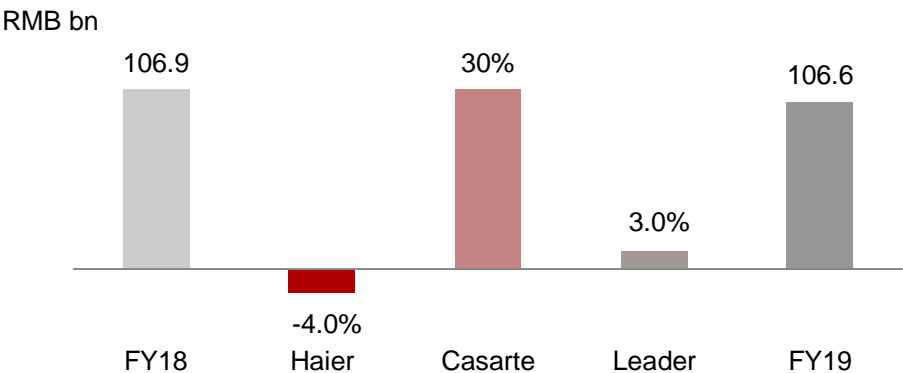




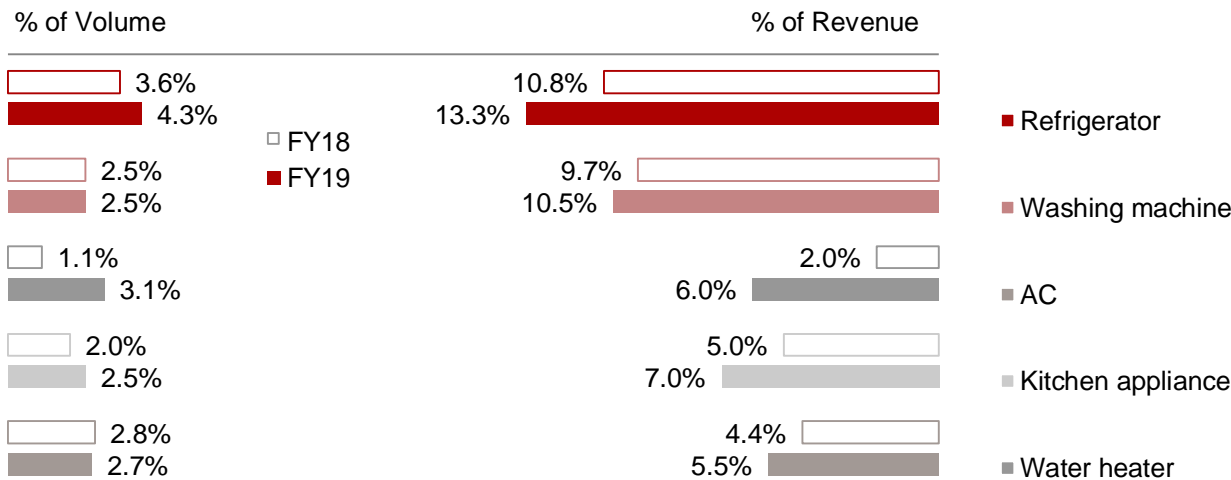
## China revenue by brand



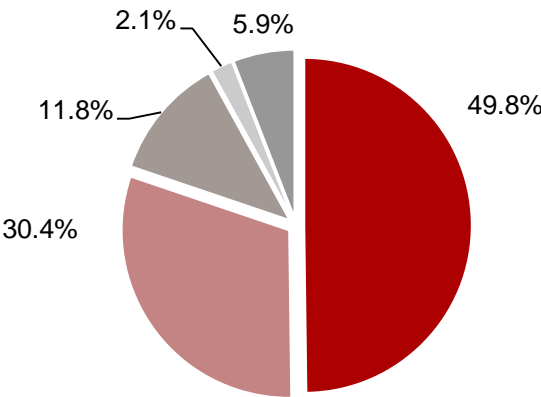
Revenue & Revenue growth



## Casarte revenue by category



Casarte revenue by category

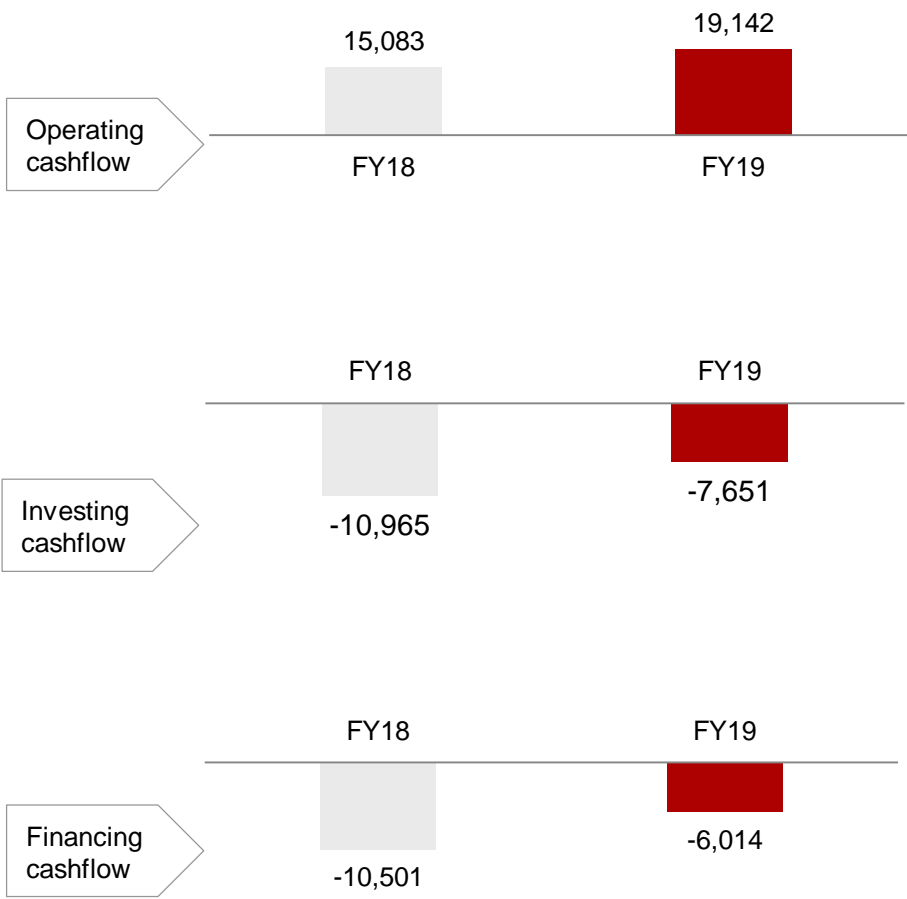


		FY19	Change	
RMB bn	<b>Revenue</b>	<b>200.8</b>	<b>9.0%</b>	
	Gross profit Margin	29.8%	0.7 pct	driven by strong premium brand & deconsolidation of logistics business
	Selling expense ratio	16.7%	1.0 pct	Increase in marketing & promotions GEA new ERP system Increase marketing in West Europe & Southeast Asia
	General & admin expense ratio	5.0%	0.6 pct	
	R&D expense ratio	3.1%	0.5 pct	Higher salary from IoT department New technologies & products for kitchen department
	<b>Operating profit</b>	<b>9.0</b>	<b>-12.8 %</b>	
	Operating profit margin	4.5%	-1.1 pct	



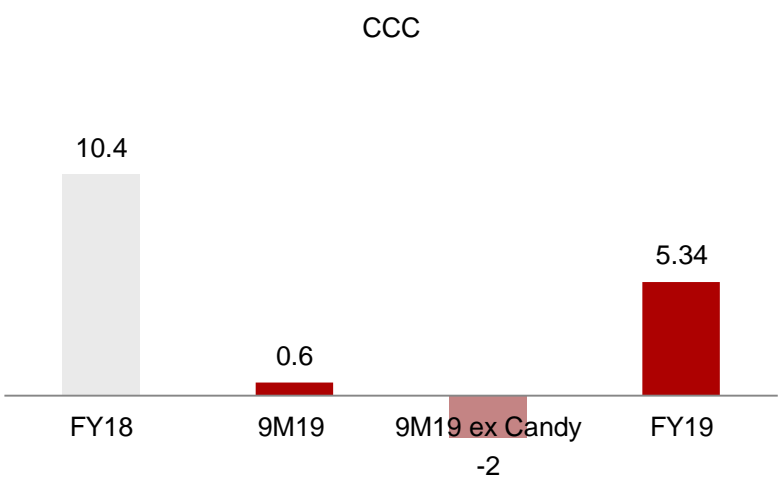
Cash flow

RMB mm



Working capital management

days

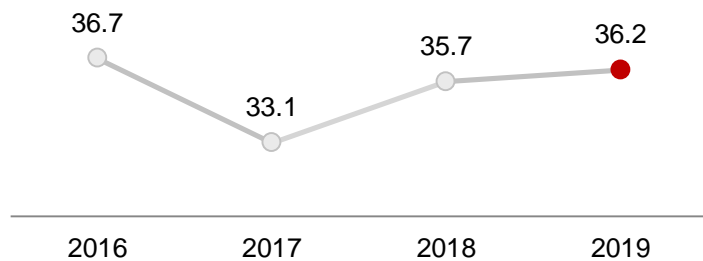


Increase in inventory and payables caused by early Chinese New Year in January

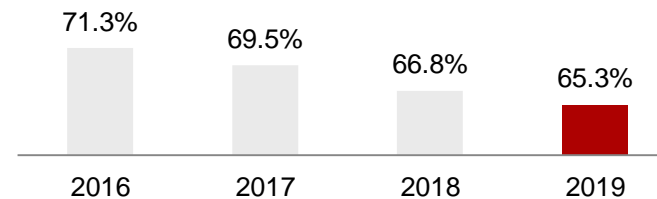


## Borrowing trend

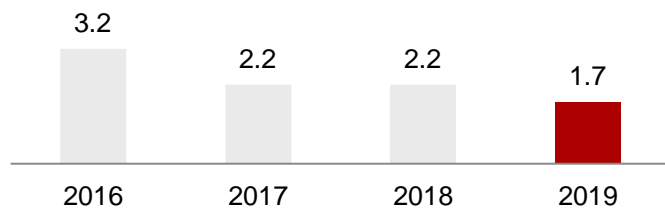
RMB bn



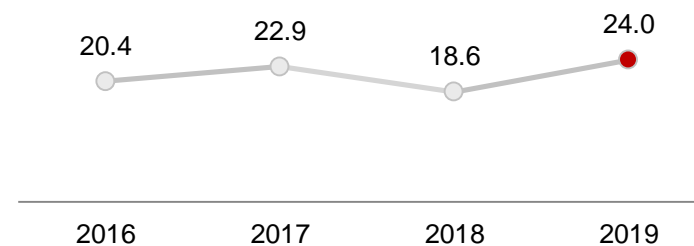
## Debt/Asset



## Debt/EBITDA



## ROE



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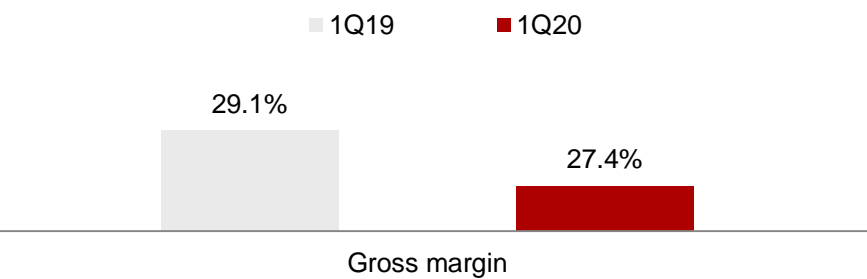
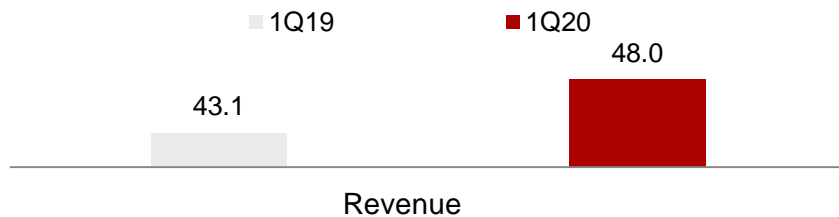
**Appendix**

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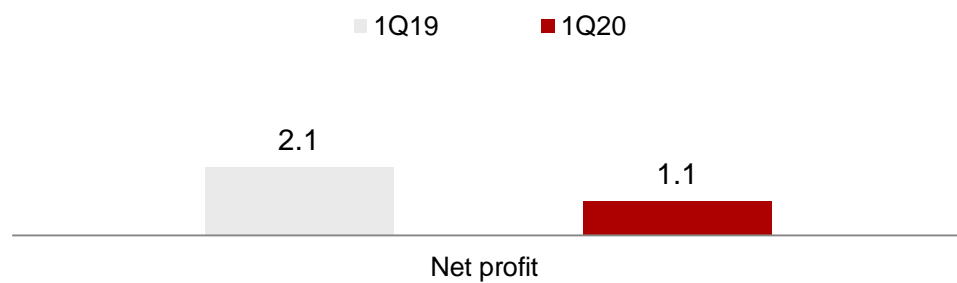


# 1Q20 Earnings Review

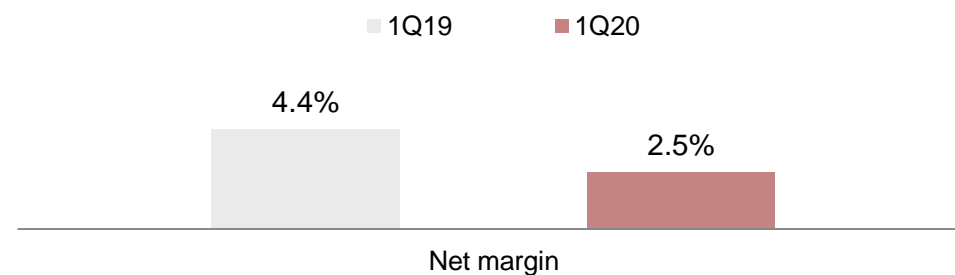
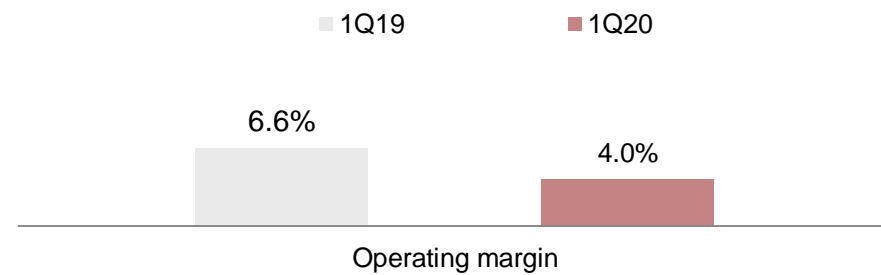
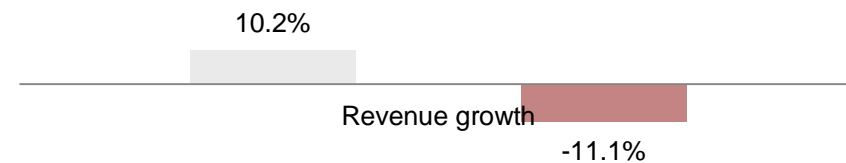
RMB bn



RMB bn



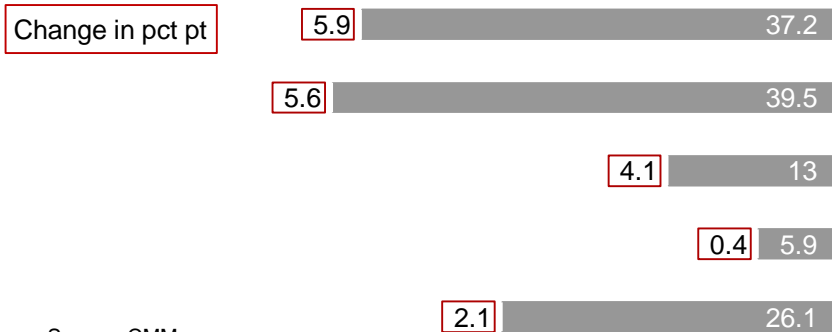
■ 1Q19 ■ 1Q20



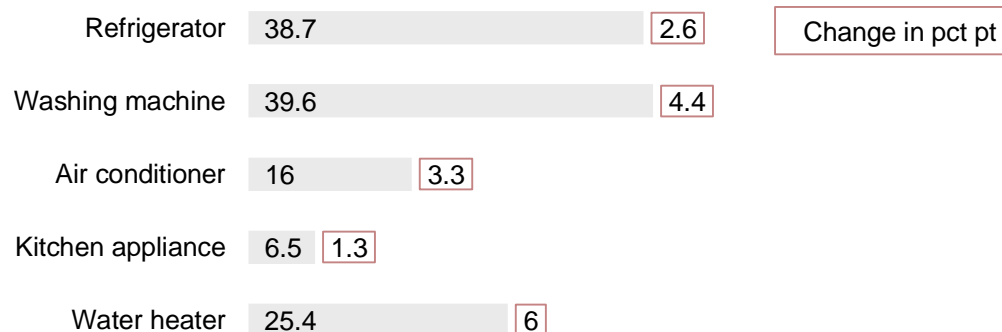
# 1Q20 China Revenue by Category

## Market share

### Online

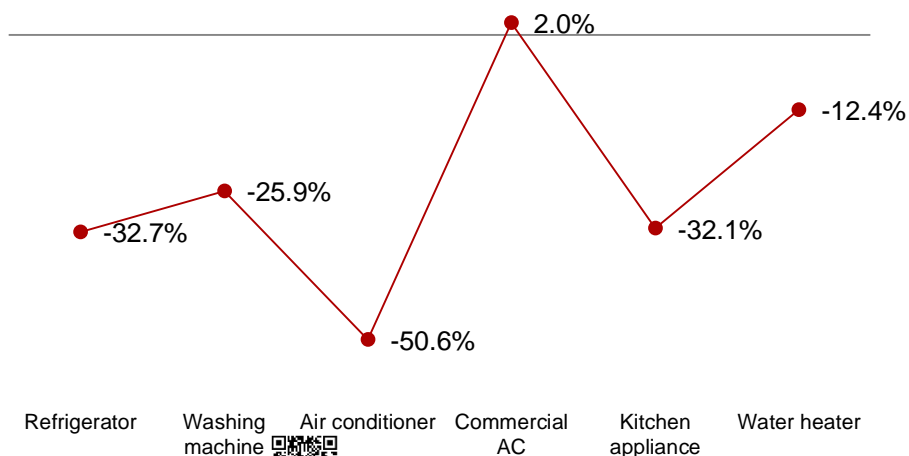


### Offline



Source: CMM

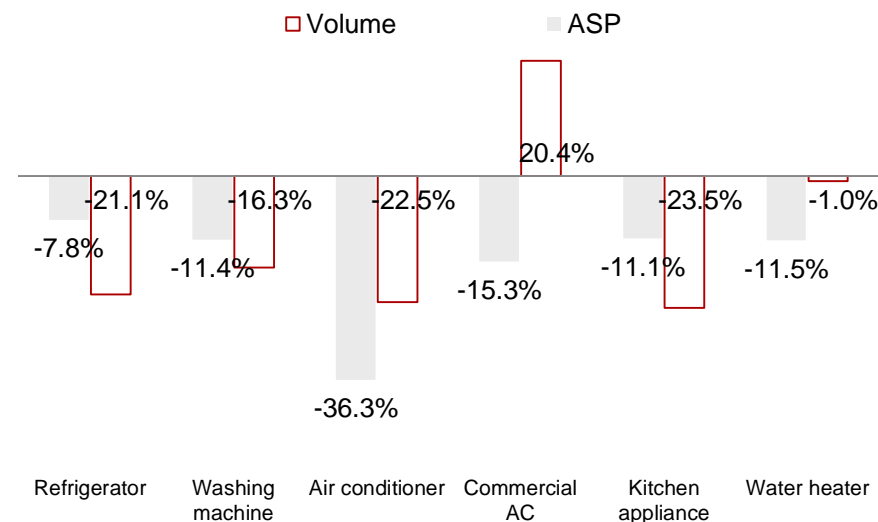
## Revenue growth by category



Haier Smart Home FY19 & 1Q20



## Volume Vs ASP



	1Q20	Change
RMB bn		
<b>Revenue</b>	<b>43.1</b>	<b>-11.1%</b>
Gross profit Margin	27.4%	-1.7 pct
Selling expense ratio	15.0%	0.1 pct
General & admin expense ratio	4.5%	0.6 pct
R&D expense ratio	3.7%	0.5 pct
<b>Operating profit</b>	<b>1.7</b>	<b>-46.7 %</b>
Operating profit margin	4.0%	-2.6 pct







FY19 Performance Review

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**Investment Highlights**

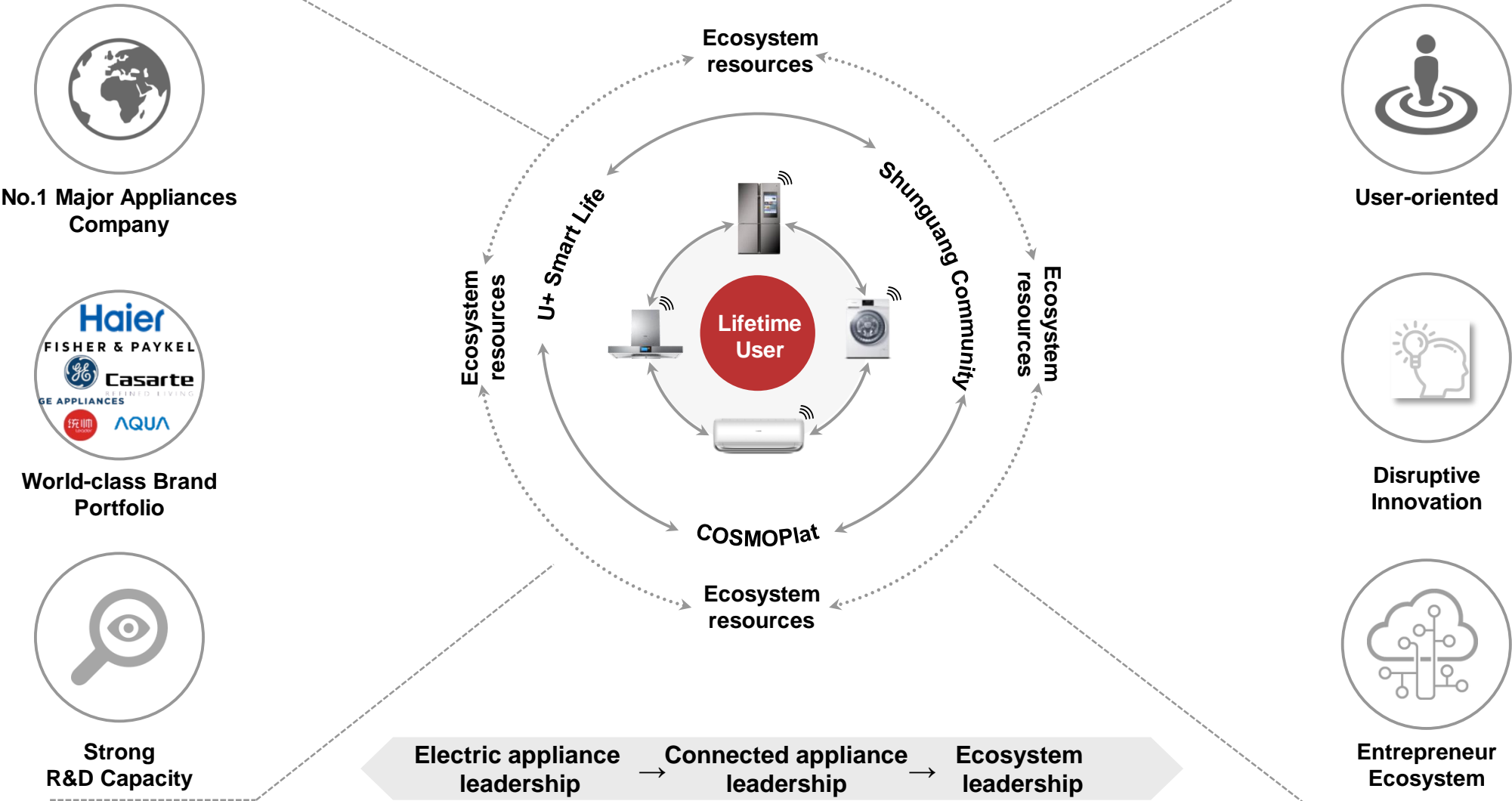
**14**

Appendix

19



To be the leading smart home solutions provider in the era of Internet of Things



1

Integrated household appliances leader with strong market positions globally and growth across all categories

2

Strong portfolio of brands targeting each consumer segment

3

U+ Smart home: a leading interactive smart home solution provider built on a proprietary platform with widely-compatible connectivity

4

COSMOPlat: transformation to mass customisation through proprietary and user-centric manufacturing systems

5

Shunguang: extensive, fully-integrated, online and offline distribution, retail and services network with enhanced user interactions

6

World-class R&D capabilities and open innovation platform lead to innovative products

7

Unique “Rendanheyi” Management Model, experienced and visionary management team



- 1 To continue expanding globally, in Europe in particular
- 2 To enhance Haier brand value through technology innovation and business model evolution
- 3 To develop Shunguang retail and social network to further penetrate the market
- 4 To develop U+ smart-home solutions to provide best user experience
- 5 To promote COSMOPlat & mass customization

Lifetime user

Interactive user

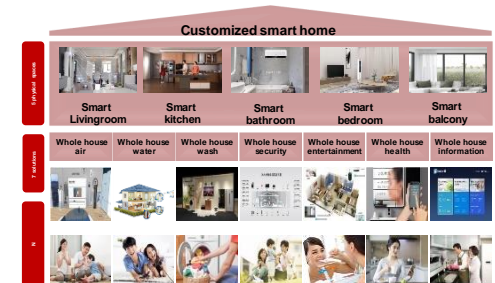
User



Electronic appliance leadership

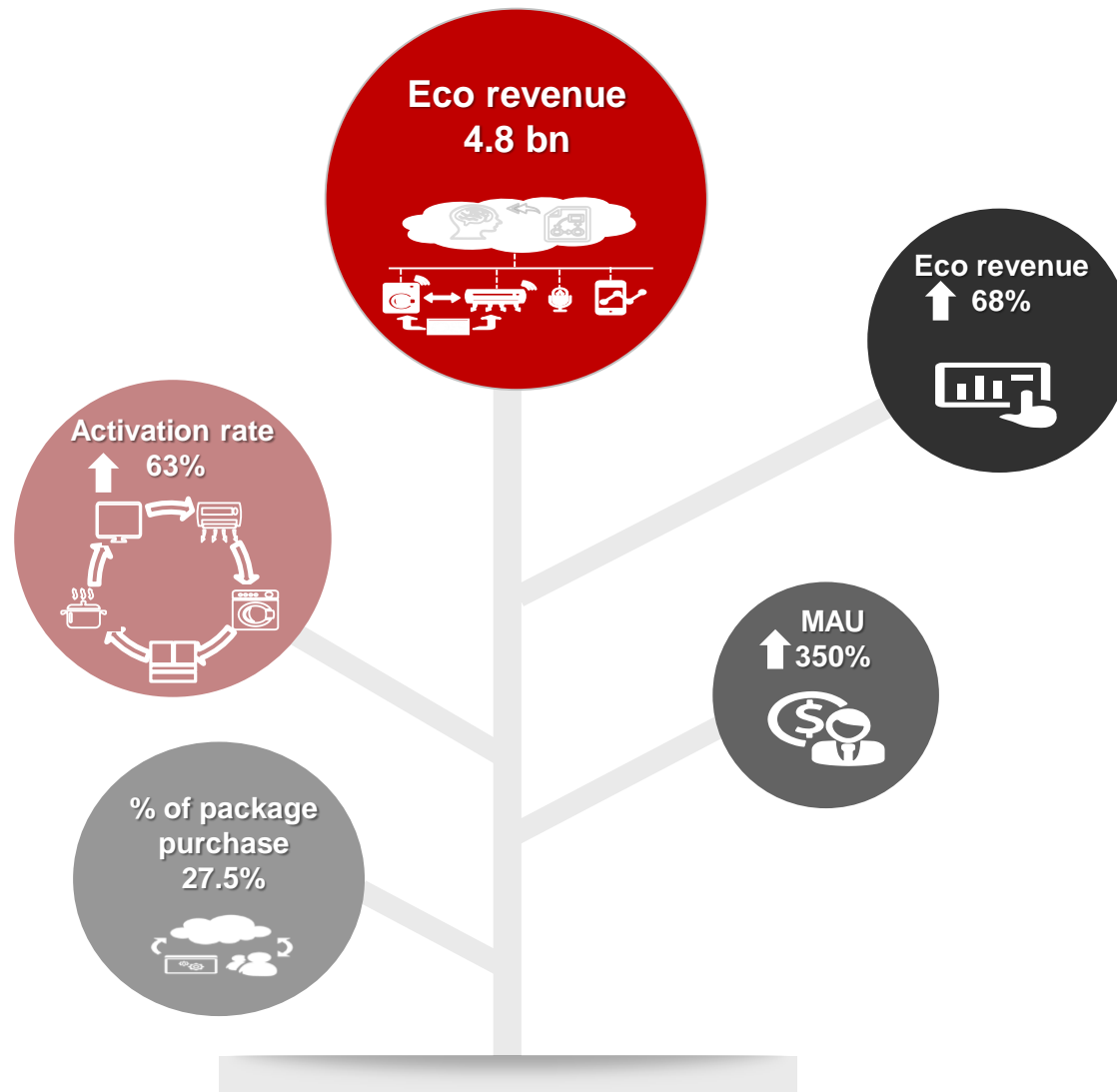


Connected appliance leadership



Ecosystem leadership





**FY19 Performance Review**

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# Consolidated Income Statement

<i>RMB mm</i>	<i>9M19</i>	<i>9M18</i>	<i>2019</i>	<i>2018</i>
<b>Revenue</b>	<b>148,896</b>	<b>138,227</b>	<b>200,762</b>	<b>184,108</b>
Cost of sales	(105,584)	(97,969)	(140,868)	(130,455)
<b>Gross profit</b>	<b>43,312</b>	<b>40,258</b>	<b>59,894</b>	<b>53,653</b>
Business tax and surcharges	(683)	(654)	(802)	(868)
Selling and distribution expenses	(22,783)	(21,533)	(33,682)	(28,923)
Administrative and other expenses	(11,335)	(9,980)	(16,380)	(13,510 )
<b>Operating profit</b>	<b>8,511</b>	<b>8,090</b>	<b>9,029</b>	<b>10,352</b>
Investment income	4,987	1,327	5,480	1,925
Impairment gain/(loss)	(293)	(269)	(1,011)	(862)
Other expenses and losses	17	(1)	1,133	366
<b>Profit before tax</b>	<b>13,222</b>	<b>9,147</b>	<b>14,631</b>	<b>11,781</b>
Income tax expenses	(1,954)	(1,249)	(2,296)	(1,882)
<b>Profit for the year</b>	<b>11,268</b>	<b>7,898</b>	<b>12,334</b>	<b>9,900</b>
<b>Attributable to</b>				
Owners of the Company	7,773	6,161	8,206	7,484
Non-controlling interests	(3,495)	(1,737)	(4,128)	2,416





# Balance Sheet

<i>RMB mm</i>	<i>2019</i>	<i>2018</i>
Current assets		
Cash and cash equivalents	36,179	38,371
Inventories	28,229	22,411
Trade and bills receivables	24,967	24,834
<b>Total current assets</b>	<b>100,547</b>	<b>95,419</b>
Non-current assets		
PP&E	21,180	17,393
Goodwill	23,352	21,239
Intangible assets	10,687	9,246
Other Long Term Assets	31,688	24,795
<b>Total Non-current Assets</b>	<b>86,907</b>	<b>72,673</b>
<b>Total assets</b>	<b>187,454</b>	<b>168,092</b>

<i>RMB mm</i>	<i>2019</i>	<i>2018</i>
Current liabilities		
Accounts payables	53,059	47,938
Short term debt	8,585	6,299
Other Current Liabilities	33,966	28,192
<b>Total Current Liabilities</b>	<b>95,610</b>	<b>82,429</b>
Non-current liabilities		
Non-current debt	13,276	15,541
Other non-current liabilities	13,579	14,313
<b>Total non-current liabilities</b>	<b>26,855</b>	<b>29,854</b>
<b>Total Liabilities</b>	<b>122,464</b>	<b>112,284</b>

<i>RMB mm</i>	<i>2019</i>	<i>2018</i>
Owners equity		
Share capital	6,580	6,368
Retained earnings	32,468	26,957
<b>Total equity attributable to owners of the company</b>	<b>47,888</b>	<b>39,743</b>
Non-controlling interests	17,102	16,065
<b>Total equity</b>	<b>64,990</b>	<b>55,808</b>

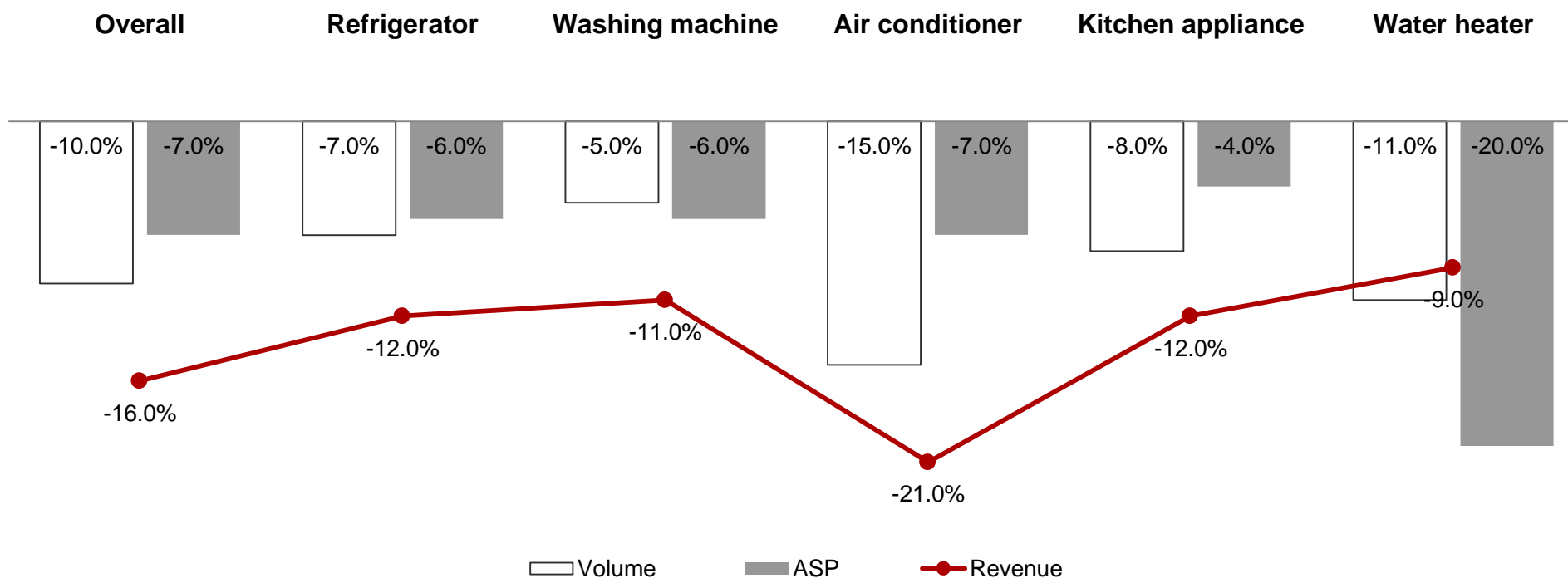


# Cash Flow Statement

<i>For the year ended 31 Dec (RMB mm)</i>	<i>2019</i>	<i>2018</i>
<b>Cash flows from operating activities</b>		
Net profit	8,206	7,483
Minority interest	4,128	2,415
Other	2,749	9,244
<b>Net cash flows from operating activities</b>	<b>15,083</b>	<b>19,142</b>
<b>Cash flows from investing activities</b>		
Capital Expenditure	(6,194)	(6,759)
Other	(4,768)	(890)
<b>Net Cash Used in Investing Activities</b>	<b>(10,962)</b>	<b>(7,649)</b>

<i>For the year ended 31 Dec (RMB mm)</i>	<i>2019</i>	<i>2018</i>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	18,469	15,684
Repayment of borrowings	(19,028)	(22,418)
Other	(5,454)	(3,767)
<b>Net cash generated from/(used in) financing activities</b>	<b>(6,013)</b>	<b>(10,501)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,598)</b>	<b>1,269</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>36,561</b>	<b>35,292</b>
Effect of foreign exchange rate changes	294	277
<b>Cash and cash equivalent at the end of the period</b>	<b>34,963</b>	<b>36,561</b>





Source: AVC





**Thank You**

