

# Haier Smart Home Co., Ltd

Roadshow Presentation



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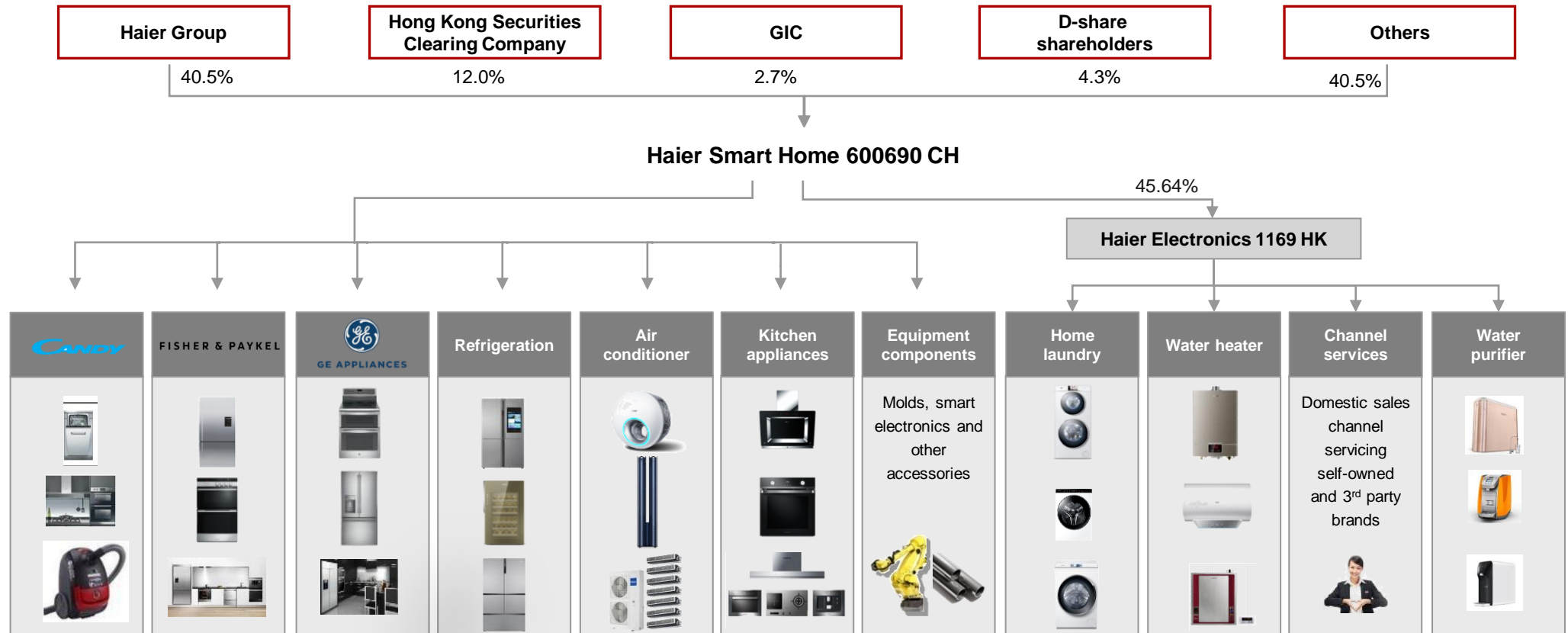
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# Shareholding Structure

Haier



**9M19 Performance Review**

1

**Investment Highlights**

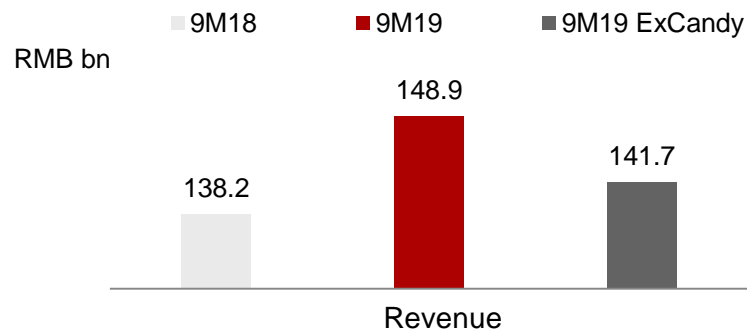
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**Appendix**

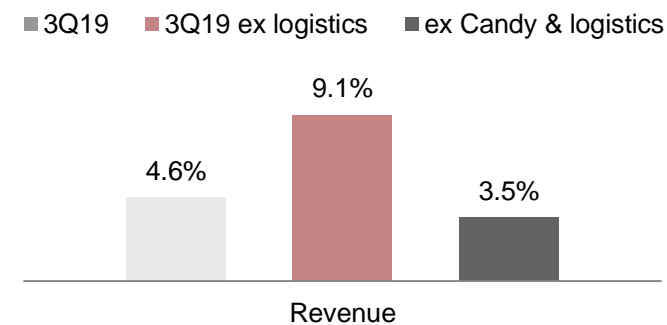
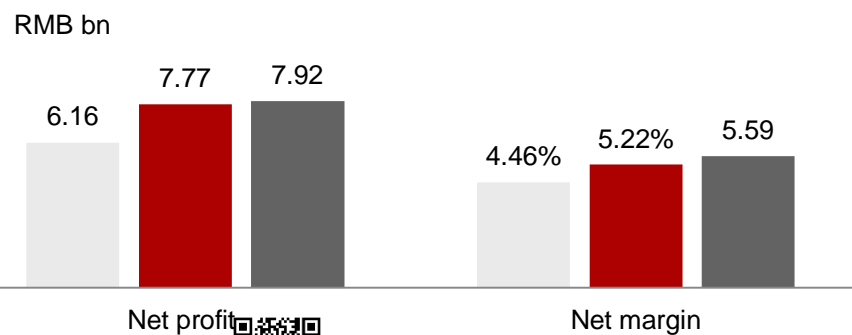
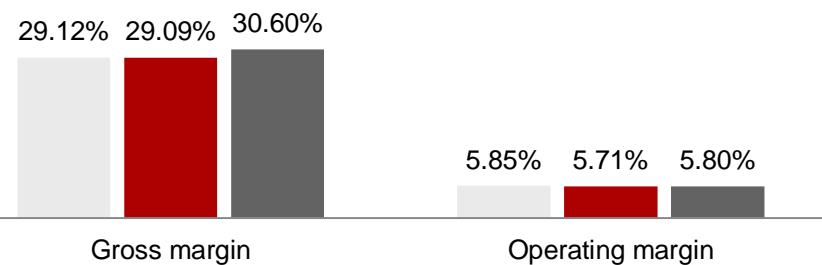
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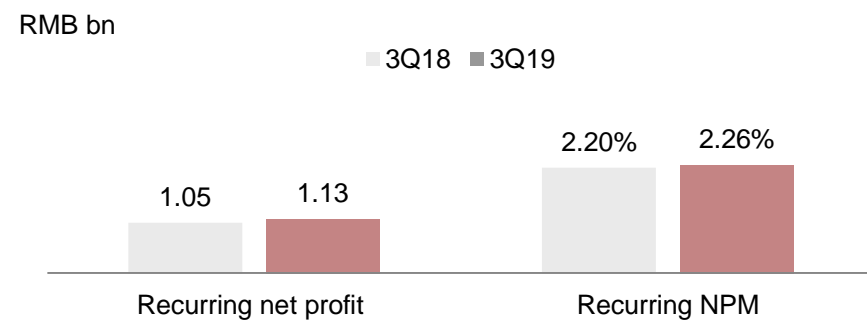
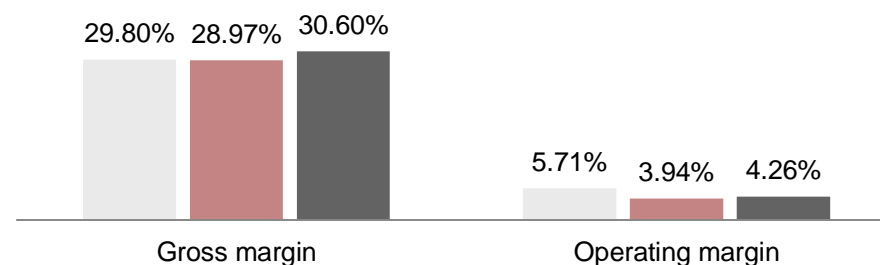
# 9M19 Earnings Review



■ 9M18 ■ 9M19 ■ 9M19 ex Candy



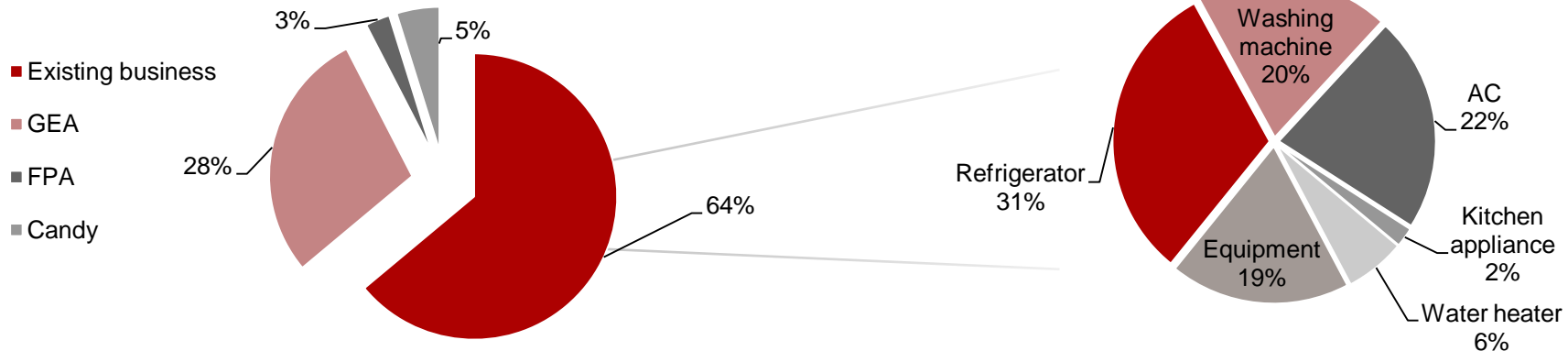
■ 3Q18 ■ 3Q19 ■ 3Q19 ex Candy



\* Ex Candy & one off gain

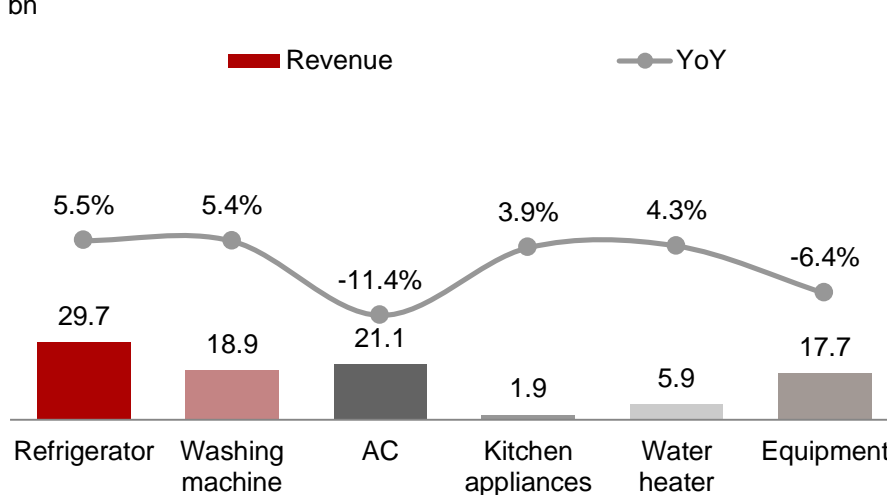


## Global revenue by segment

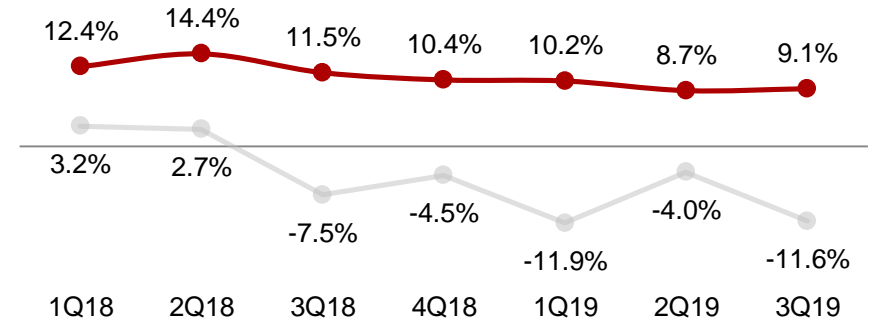


## China revenue & growth by category

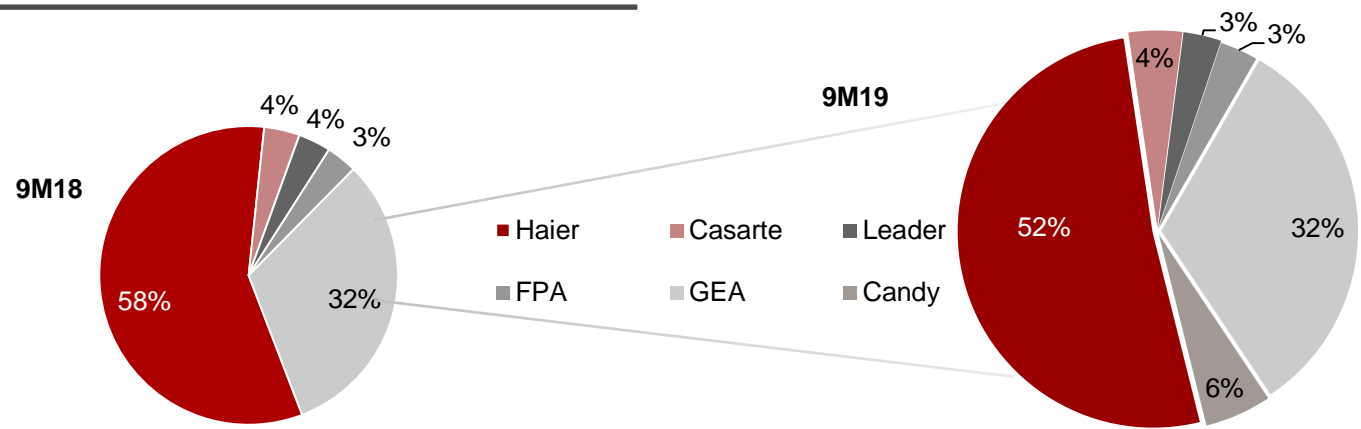
RMB bn



● Haier revenue growth  
● Appliances industry growth in China

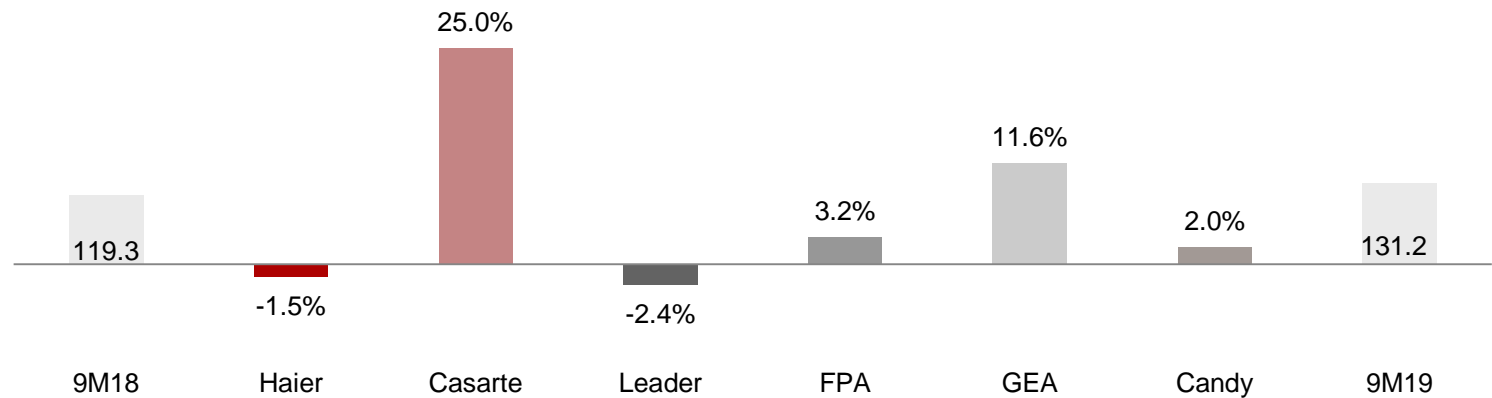


Revenue by brand

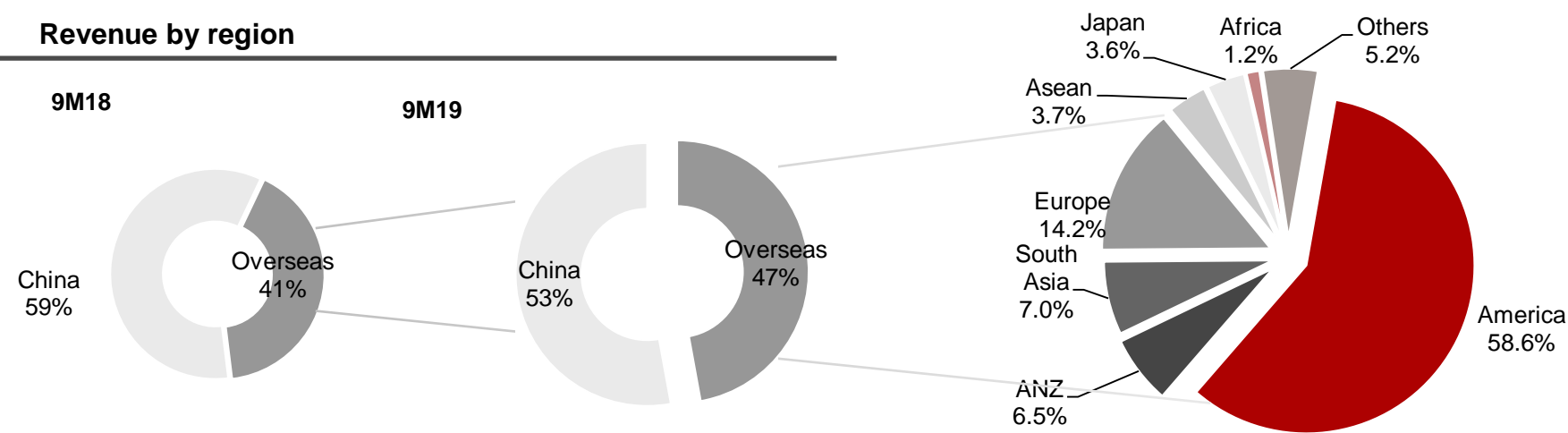


Revenue growth by brand

RMB bn

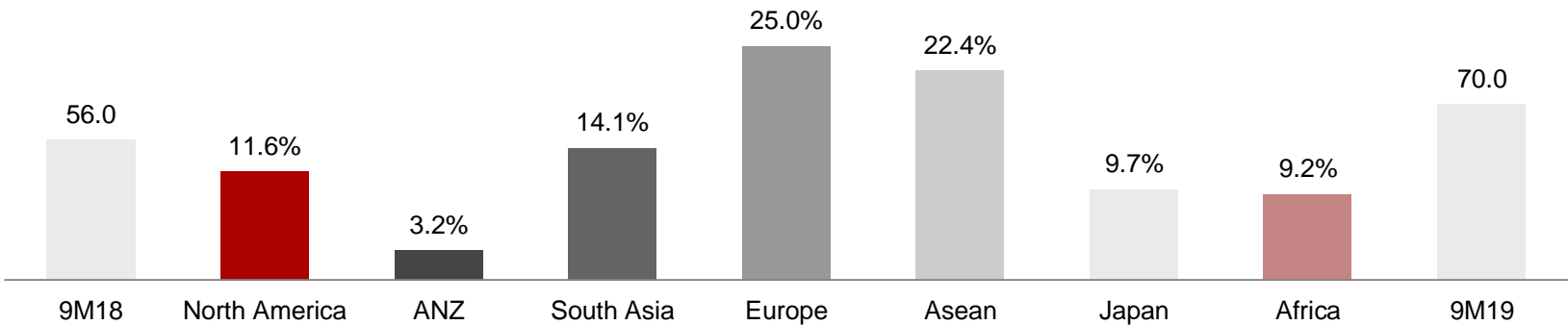


## Revenue by region



## Revenue growth by region

RMB bn



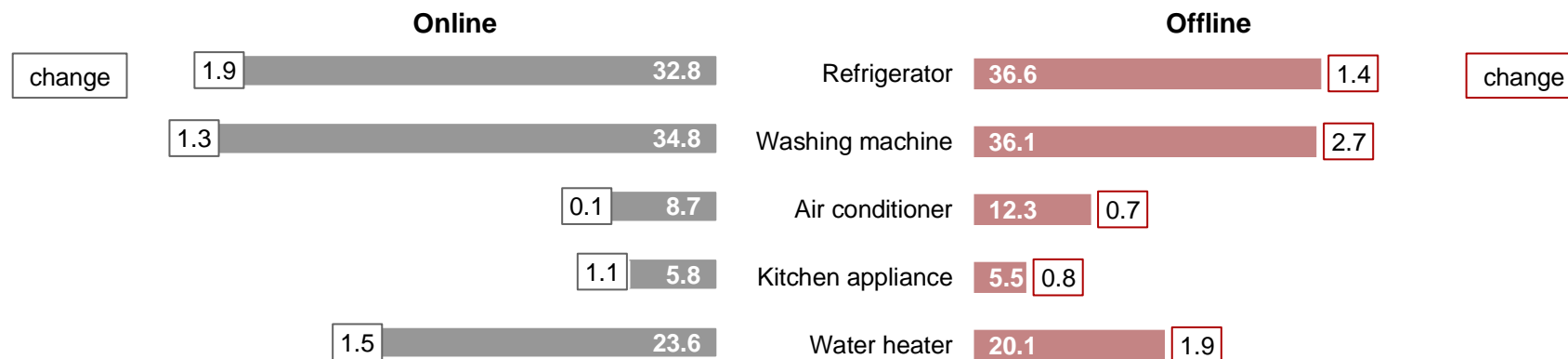
\* Ex Candy  
Haier Smart Home 9M19



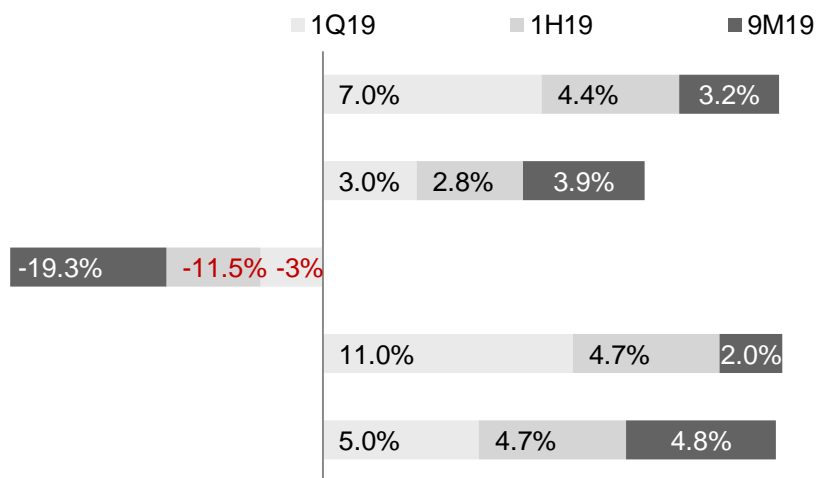


# China Revenue by Category

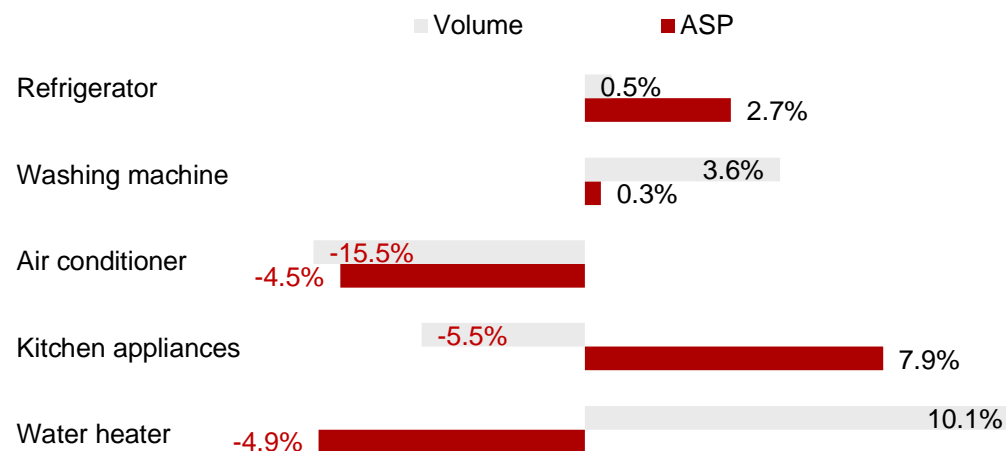
## Market share



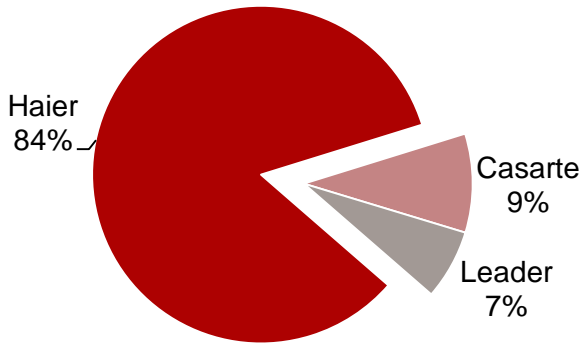
## Revenue growth by quarter



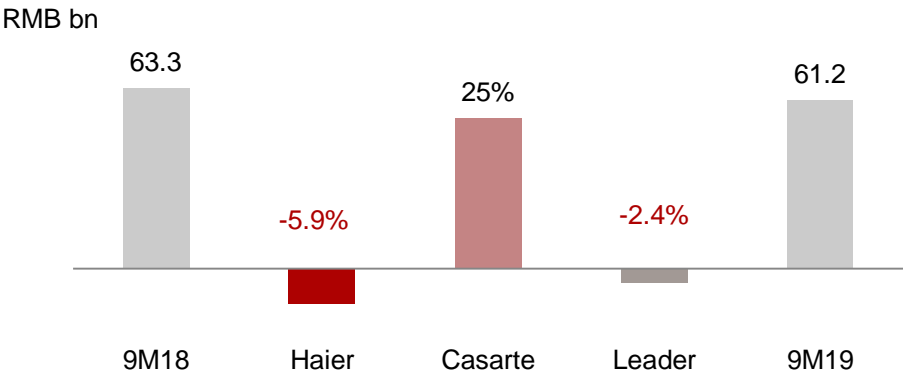
## Revenue growth driver



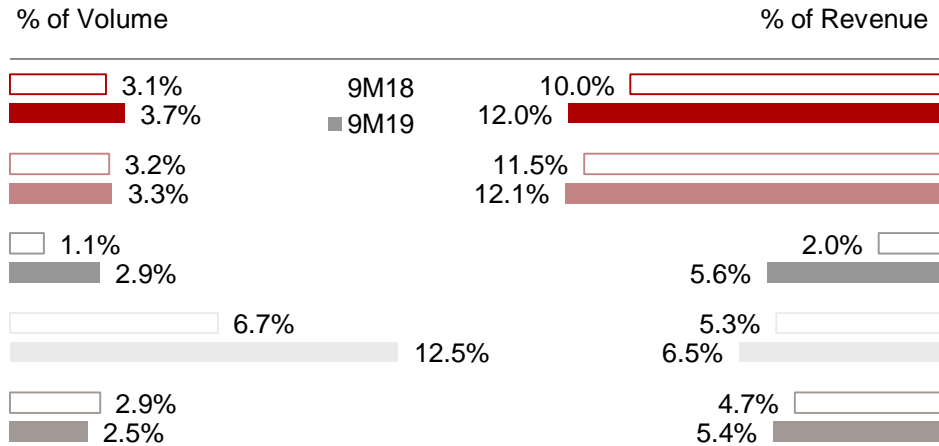
## China revenue by brand



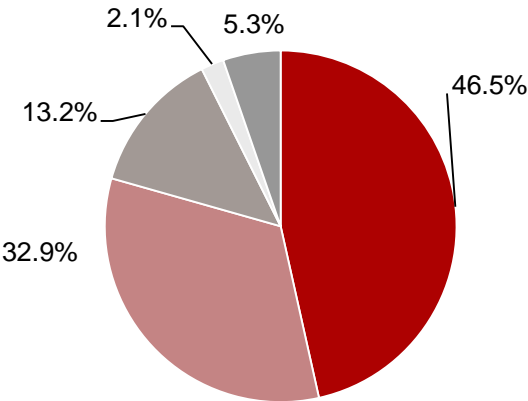
Revenue growth



## Casarte revenue by category



Casarte revenue by category

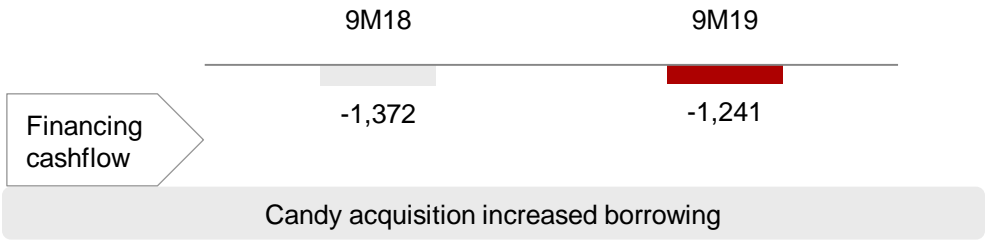
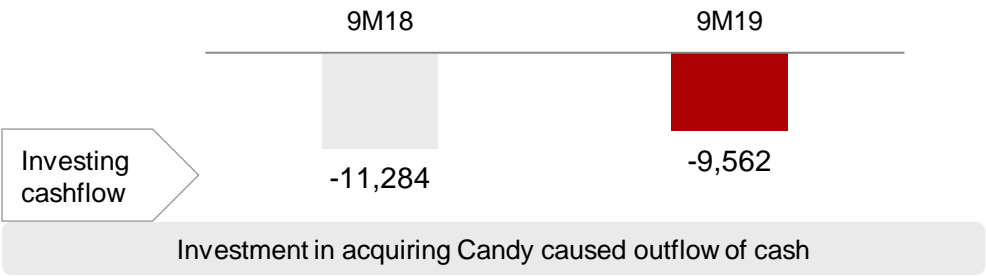
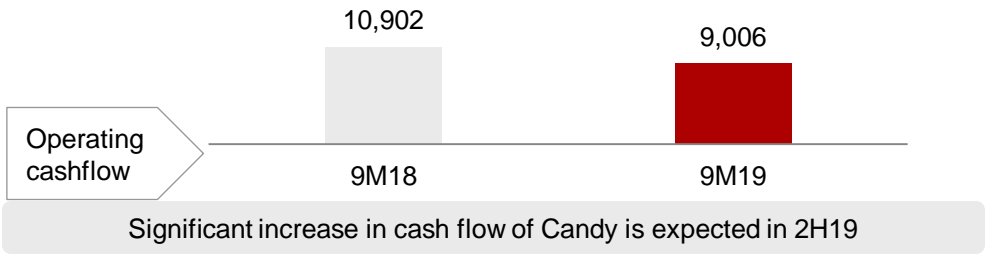


		9M19	Change	Reason
RMB bn				
	<b>Revenue</b>	<b>148.9</b>	<b>7.7%</b>	
	Gross profit Margin	29.1%	-0.03pct	Ex Candy GM up 0.6 pct 3Q GM up 0.8 pct
	Selling expense ratio	15.3%	-0.2pct	
	General & admin expense ratio	4.6%	+0.38pct	
	R&D expense ratio	3.0%	+0.3pct	Consolidation of Candy with higher admin expense ratio
	<b>Operating profit</b>	<b>8.5</b>	<b>5.2%</b>	
	Operating profit margin	5.7%	-0.1pct	Ex Candy, op margin would be 5.74%



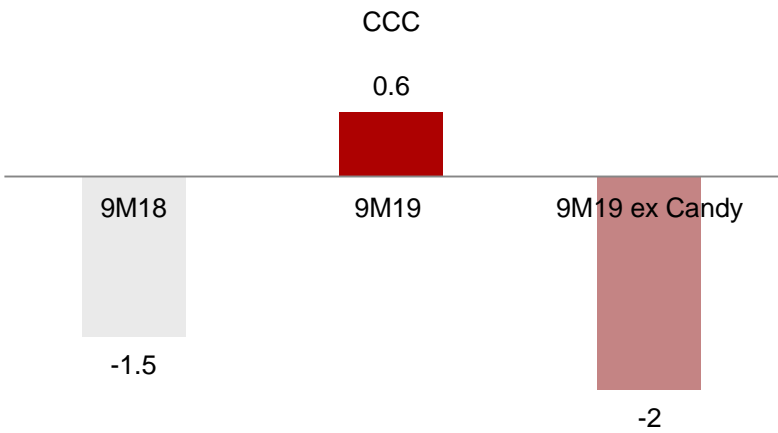
## Cash flow

RMB mm



## Working capital management

days

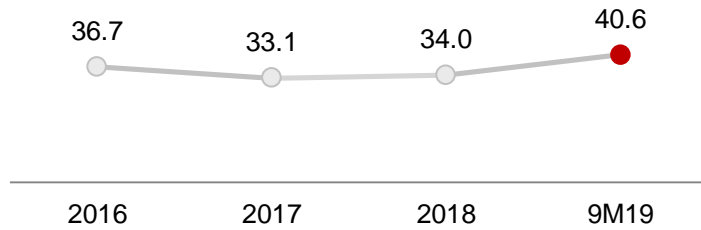


Cash conversion cycle reduced ex Candy

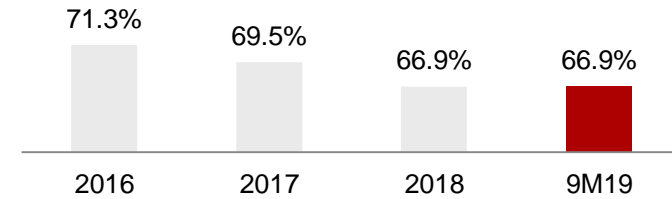


## Borrowing trend

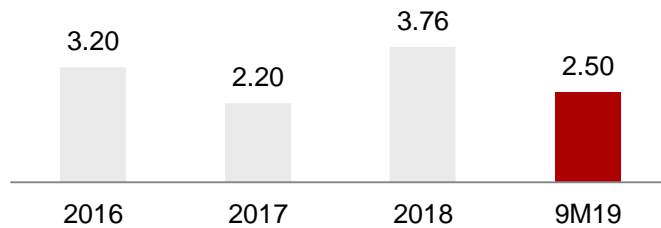
RMB bn



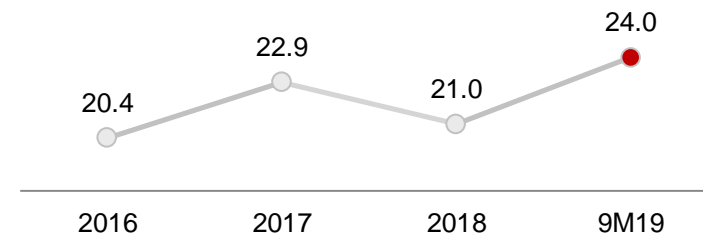
## Total liability ratio



## Leverage ratio



## ROE



9M19 Performance Review

1

Investment Highlights

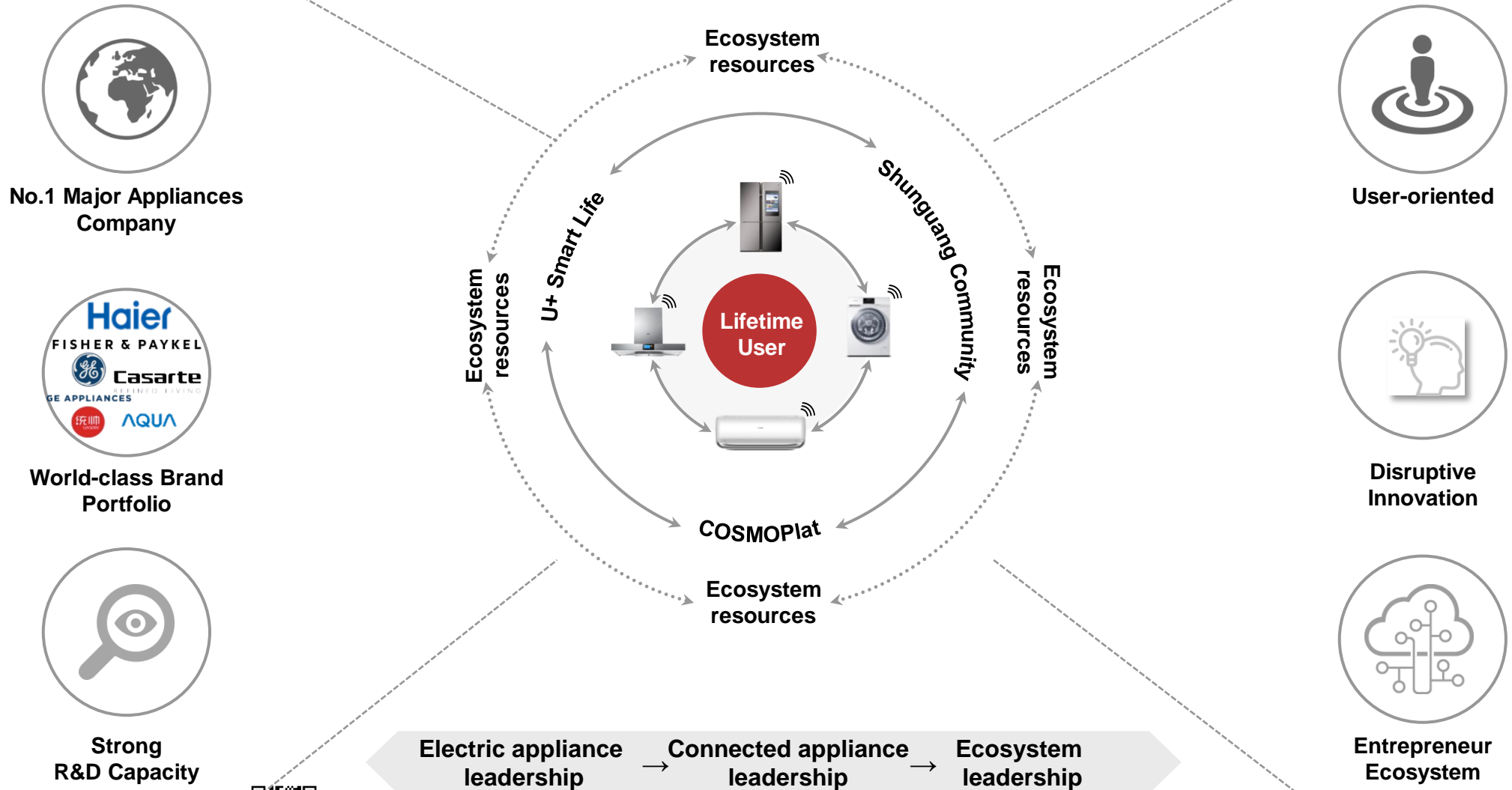
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Appendix

17



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

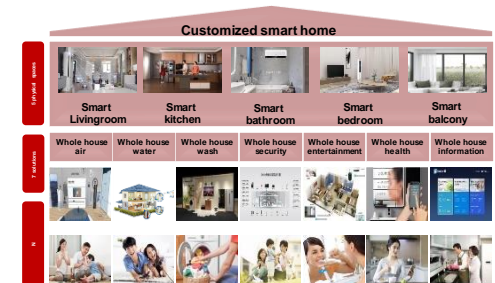
User



Electronic appliance leadership

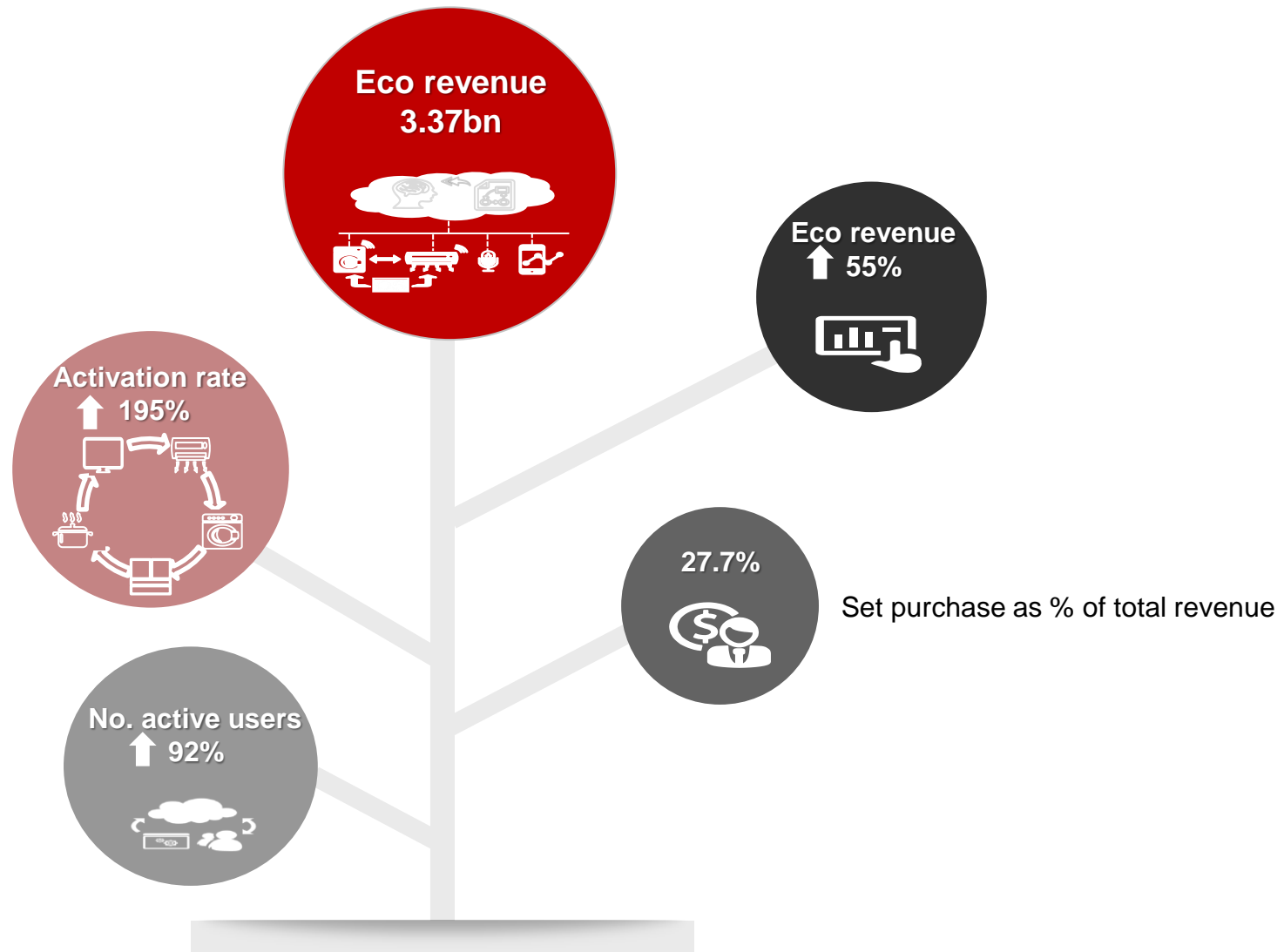


Connected appliance leadership



Ecosystem leadership





**9M19 Performance Review**

**1**

**Investment Highlights**

**13**

**Appendix**

**17**



# Consolidated Income Statement

<i>RMB mm</i>	<i>9M19</i>	<i>9M18</i>	<i>1H19</i>	<i>1H18</i>
<b>Revenue</b>	148,896	138,227	98,979	90,488
Cost of sales	(105,584)	(97,969)	(70,174)	(64,057)
<b>Gross profit</b>	43,312	40,258	28,805	26,430
Business tax and surcharges	(683)	(654)	(400)	(407)
Selling and distribution expenses	(22,783)	(21,533)	(14,596)	(13,522)
Administrative and other expenses	(6,875)	(6,171)	(4,525)	(4,033)
<b>Operating profit</b>	8,509	8,090	6,540	6,216
Investment income	4,987	1,327	756	867
Impairment gain/(loss)	(293)	(269)	(219)	(195)
Other expenses and losses	19	(1)	696	431
<b>Profit before taxation</b>	13,222	9,147	7,265	6,834
Income tax expenses	(1,954)	(1,249)	(1,034)	966
<b>Profit for the year</b>	11,268	7,898	<b>6,230</b>	5,867
<b>Attributable to</b>				
Owners of the Company	7,773	6,161	5,150	4,787
Non-controlling interests	(3,495)	(1,737)	(1,080)	(1,079)



# Balance Sheet

<i>RMB mm</i>	<i>As of 30<sup>th</sup> Sep</i>	<i>As of 31<sup>st</sup> Dec</i>
Current assets		
Cash and cash equivalents	35,856	38,158
Inventories	25,080	22,404
Trade and bills receivables	27,854	24,716
<b>Total current assets</b>	<b>97,353</b>	<b>95,059</b>
Non-current assets		
PP&E	19,036	17,321
Goodwill	23,572	21,238
Intangible assets	10,648	9,245
Other Long Term Assets	33,664	24,760
<b>Total Non-current Assets</b>	<b>86,920</b>	<b>72,564</b>
<b>Total assets</b>	<b>184,273</b>	<b>167,623</b>

<i>RMB mm</i>	<i>As of 30<sup>th</sup> Sep</i>	<i>As of 31<sup>st</sup> Dec</i>
Current liabilities		
Accounts payables	48,167	47,385
Short term debt	9,055	6,298
Other Current Liabilities	35,532	26,884
<b>Total Current Liabilities</b>	<b>92,754</b>	<b>80,567</b>
Non-current liabilities		
Non-current debt	12,259	15,541
Other non-current liabilities	18,327	15,953
<b>Total non-current liabilities</b>	<b>30,586</b>	<b>31,494</b>
<b>Total Liabilities</b>	<b>123,340</b>	<b>112,062</b>

<i>RMB mm</i>	<i>As of 30<sup>th</sup> Sep</i>	<i>As of 31<sup>st</sup> Dec</i>
Owners equity		
Share capital	6,368	6,368
Retained earnings	32,336	26,938
<b>Total equity attributable to owners of the company</b>	<b>44,881</b>	<b>39,527</b>
Non-controlling interests	16,052	16,034
<b>Total equity</b>	<b>60,933</b>	<b>55,561</b>



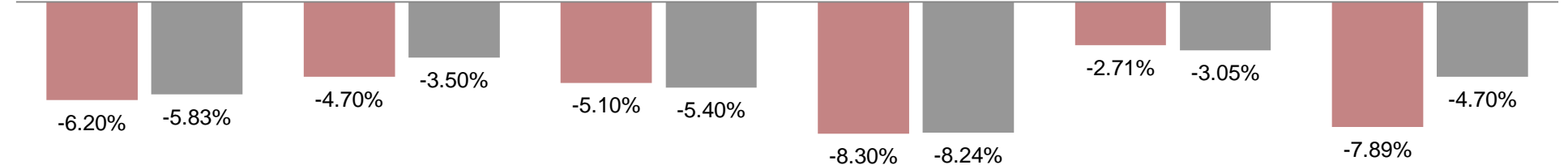
# Cash Flow Statement

<i>For the year ended 30 Sep (RMB mm)</i>	<i>2019</i>	<i>2018</i>
<b>Cash flows from operating activities</b>		
Net profit	7,772	4,787
Minority interest	3,494	1,079
Other	590	18
<b>Net cash flows from operating activities</b>	<b>9,006</b>	<b>10,902</b>
<b>Cash flows from investing activities</b>		
Capital Expenditure	(4,579)	(4,448)
Other	(4,983)	(6,836)
<b>Net Cash Used in Investing Activities</b>	<b>(9,562)</b>	<b>(11,284)</b>

<i>For the year ended 30 Sep (RMB mm)</i>	<i>2019</i>	<i>2018</i>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	12,084	12,010
Repayment of borrowings	(9,252)	(10,654)
Other	(4,073)	(2,728)
<b>Net cash generated from/(used in) financing activities</b>	<b>(1,241)</b>	<b>(1,372)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,097)</b>	<b>(2,037)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>36,044</b>	<b>35,094</b>
Effect of foreign exchange rate changes	(1,210)	(1,381)
<b>Cash and cash equivalent at the end of the period</b>	<b>34,834</b>	<b>33,712</b>



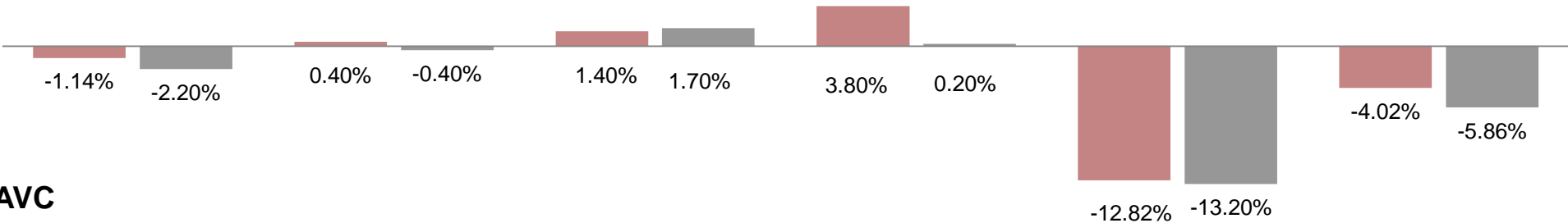
# 2H & FY19 Appliances Industry Revenue Growth in China



CMM

■ 2H19      ■ FY19

Overall      Refrigerator      Washing machine      Air conditioner      Kitchen appliance      Water heater



AVC

■ 2H19      ■ FY19





**Thank You**

