

Qingdao Haier Completes the Acquisition of Candy to Strengthen Global Leadership in Smart Home Appliances

DGAP-News: Qingdao Haier Co.,Ltd. / Key word(s): Acquisition

08.01.2019 / 16:16

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Qingdao, China/Brugherio, Italy - January 8, 2019 - Qingdao Haier Co., Ltd. (Shanghai 600690, Frankfurt ISIN CNE1000031C1, "Qingdao Haier", "Haier" or the "Company") has completed the acquisition of Candy S.p.A ("Candy"). Candy is now a wholly-owned subsidiary of Qingdao Haier.

The celebration at Candy's premises in Brugherio, led by Qingdao Haier Chairman, Haishan Liang, and Haier Europe CEO, Yannick Fierling, together with Beppe and Aldo Fumagalli, marks the importance of Candy's integration into Haier as Haier's operations platform for the European market and headquarters of Haier Europe. From today, Yannick Fierling, in his role of CEO of Haier Europe, will also lead the operations of the former Candy Hoover Group.

The aggregated volumes of Haier and Candy groups in 2018 represent a global market share of 15.1% on major appliances, 22.7% on freestanding refrigeration appliances and 19.8% in home laundry appliances (according to Euromonitor data). Combined revenue ranks fifth in Western Europe and aims to enter the top three by 2022.

The acquisition perfectly fits into Haier's strategy to attain a leading position in all regions across the world. The acquisition will benefit from the high complementarity of Haier and Candy's brand portfolios and product platforms in covering all market segments in terms of pricing and product offering, and in providing sustainable home-living solutions to European and global customers. Candy's brands, including Candy, Hoover and Rosières, as well as Haier, GE Appliances and Fisher & Paykel, will be the key international brands in their respective segments and in their respective leadership geographies and aim to become top-of-mind for global consumers.

Haier's vision is to become the global leader in IoT for smart home appliances. The shared innovation and know-how synergies between the two companies in smart home appliances will contribute to Haier's expansion in this segment in Europe as well as globally.

Yannick Fierling said, "Candy represents a major acquisition and is a terrific asset for the growth of our combined group, bringing great value to our employees, customers, business partners and shareholders. Europe is one of the key markets in Haier's global brand strategy and this combination will accelerate Haier's positioning in the region. I look forward to working closely with Candy's experienced management team as we share the commitment to innovate and to provide customized solutions to introduce the experience of the smart universe into our customers' lives."

Haier will continue to invest in Europe to enhance its competitiveness in the region and worldwide. Candy's management team, employees, regional infrastructure, including R&D centers, business network and manufacturing facilities, as well as Candy's unique design and Italian style will be great foundations for our future growth globally. Beppe and Aldo Fumagalli will be non-executive Directors of Haier Europe.

Beppe and Aldo Fumagalli concluded, "We are very excited for Candy to become an important asset of Haier's global network. Combining further investment from Haier with Candy's innovation capabilities and Italian design, technology and style, we are confident that the company will further grow to become the leader in smart home appliances with a high level of competitiveness. Together, we will better meet the increasing demands for more individualized products and make people's lives better and easier."

The acquisition of Candy was in part funded by the successful listing of Qingdao Haier's D-Shares on the CEINEX D-Share Market through admission on the Regulated Market of the Frankfurt Stock Exchange, which was completed on October 24, 2018.

Advisors

J.P. Morgan acted as exclusive international financial advisor to Qingdao Haier and were engaged offshore. Orrick acted as international legal advisor to Qingdao Haier.

PwC acted as advisor for financial, tax, HR and IT due diligence to Qingdao Haier. King & Wood Mallesons acted as legal advisor to Qingdao Haier in China.

Goldman Sachs acted as exclusive financial advisor to Candy. Cleary Gottlieb acted as exclusive legal advisor to Candy. Malguzzi & Associati acted as exclusive tax advisor to Candy.

About Qingdao Haier

Qingdao Haier was established on April 28, 1989. The company listed on the Shanghai Stock Exchange (SHA:600690) on November 19, 1993. On October 24, 2018, Qingdao Haier was the first issuer to list on the CEINEX D-Share Market through admission to trading on the regulated market of the Frankfurt Stock Exchange (ISIN: CNE1000031C1).

Since founded, Qingdao Haier has grown by meeting customer needs with its innovative systems, becoming one of the world's largest manufacturers of home appliance goods. Qingdao Haier has overcome and adapted to changes through its commitment to innovation in relation to its strategic development, branding, R&D, and intelligent manufacture, as well as domestic and international expansion. Qingdao Haier has created and adopted a "Three In One" system of developing, manufacturing and marketing for international markets that consistently caters to local customer needs.

In the Internet of Things era, Qingdao Haier consistently implemented its strategic transformation into a win-win IoT community ecology. By integrating its U+ Smart Life Platform, its COSMOPlat industrial Internet cloud platform and its Shunguang e-commerce platform, the company provides customers with smart home solutions, creates intelligent life experiences, and meets customers' needs for customized better lives.

About Candy Group

Candy Group is one of Europe's leading companies in the market of small and major home appliances, both freestanding and built-in, with high-performance products both in terms of performance and respect for the environment. Candy Group products are marketed through two international brands, Candy and Hoover, and through national brands such as Rosières (France) and Jinling (China) with differentiated markets and different market targets. Candy Group, employs approximately 5,000 employees, has seven manufacturing facilities in Europe, Turkey and China, and 45 subsidiaries and representative offices around the world. The Group Headquarters, design centre, central facility and R&D are located in Brugherio (MB), Italy.

Disclaimers

This press release, as Qingdao Haier's introduction of this transaction, does not constitute any supplement, amendment or adjustment to any public announcement made by Qingdao Haier with respect to this transaction; for any information relating to Qingdao Haier and this transaction, please refer to the public announcements made by Qingdao Haier on the Shanghai Stock Exchange. This press release does not constitute any representation, warranty, business performance commitment or guarantee of Qingdao Haier in respect of the target assets of this transaction, nor does it constitute any recommendation, offer or invitation, express or implied, for any individual or entity to purchase any securities of Qingdao Haier. Any forward-looking statement contained in this press release, which may involve the company's development strategy, finance, business performance and operation plan, is based on certain hypothesis and is subject to certain risks and uncertainties, many of which are beyond the company's control and are difficult to predict. Investors are advised to pay attention to investment risks. Therefore, actual outcomes and results may be materially different from or even opposite to what is expressed or forecasted in such forward-looking statement. Such forward-looking statement does not constitute any commitment or binding obligation of Qingdao Haier, including any obligation to update any statement contained in this press release.