MideaGroup
Powering Smart Technology

# 2021 & 2022 ANNUAL & Q1 RESULTS PRESENTATION SNAPSHOT

# Built to Grow

**The 2021 Annual & 2022 Q1 Results of Midea Group in a Snapshot**

## 2021 Business Performance

Consumer appliances, robots and green and prefab, cash flow remains strong

**Total Revenue (RN)**
**+20.2%** 343.4

**Net Profit Attributable to Shareholders of Company (RN)**
**+5.0%** 28.6

**Net Profit Attributable to Shareholders of the Company Less Non-recurring Profit and Losses (RN)**
**+5.3%** 25.9

**Operating Cash Flow (RN)**
**+18.7%** 35.1

| | ROE 24.1 | EPS 4.17 |
|---|---|---|
| **Domestic Revenue (RN)** | | 203.6 |
| **Overseas Revenue (RN)** | | 137.7 |
| **Own Funds (RN)** | | 131.5 |
| **Total Assets (RN)** | | 1,121.1 |

## Consistent Dividend Payouts Active Share Repurchase

**Cash Dividend per 10 Shares**
**17**

**Total Cash Dividends as % of Net Profit Attributable to Shareholders of the Company**
**40.9%**

**Total Cash Dividends**
**11.7 billion**

## Accumulative Distributed Cash Dividends

Dividends are distributed quarterly in 2022 with the first payment in June 2022

## Accumulative Share Repurchased

**Share Repurchase**
**>13.6 billion**

**Cash Dividends + Share Repurchase as % Of Net Profit Attributable to Shareholders of the Company**
**88.7%**

Share repurchase in 2022 is from the beginning of January to the end of March

## Balanced Development in ToB & ToC Business

| | |
|---|---|
| **Smart Home (RN)** +12.6% | 234.9 |
| **Industrial technology (RN)** +43.5% | 20.1 |
| **Building Technologies (RN)** +54.8% | 18.7 |
| **Robotic & Automation (RN)** +22.6% | 25.3 |
| **Digital Innovation Business (RN)** +51.4% | 8.3 |

## Industrial Technologies

### Core Component for Consumer Appliances

The unit sales of residential air conditioner compressors surpassed 100 million units, up 20% year-on-year, accounted for 42% of the global sales<sup>1</sup> and remained to be the first in the globe

[1]Data Source: Industrial Online 2021

### Industrial Automation

Launched MDHE-series servo system, linear drive CDLB servo solution and other new products and applications

### Green Energy

Provides customers with one-stop energy solutions based on industry leading high-voltage variable frequency drive products, strong PV inverter products and energy storage, SVG and other products and services

### Intelligent Transportation

The three major product lines of drive system, thermal management system and auxiliary/ ordinary drive system were put into operation, and the five auto parts were officially released

## Building Technology

### HVAC

*Commercial Air Conditioner has continued to rank first with respect to domestic market share[1], provided industry-specific integrated solutions for the opening and closing ceremony stadium "Birds Nest" of Beijing Winter Olympics and Paralympics, the Dubai World Expo, etc.*

*Revenue from overseas hit 1,000 centralizes in 2021, marking the core technological capabilities of Midea and that domestic centrifuges have broken through the foreign technical barriers*

[1]Data Source: Industry Online and Annual Report of Chinese Enterprises in Central HVAC Market 2021

### Building Control

MeiKong has released the new brand "KONG", Building a Brand-new LIFE: China Building Automation White Paper, the strategy of KONG C3 SI, and other new products, which injected burgeoning power into China's building automation industry

### Elevator

Released the digital elevator strategy, starting the digital and intelligent era of elevators in all aspects. Meanwhile, launched the new elevator brand LINKOL with the positioning of the "expert in full life cycle management of elevators"

## Robotic & Automation

### Overseas Business

*Launched new cleaning system IQKA OS, smart simulation software KUKA Sim 4.0, IoT platform KUKA X.Ops[1], and other new software products to accelerate business layout in digitalization*

*For the electronics, food, medical and other new energy industries, KUKA has released new products such as KR DELTA, KMP 600-S difficult to embrace specification*

### Domestic Business

*Revenue in KUKA China increased by 48.4% year-on-year, 24 new products and applications were launched*

*Domestic automobile customers increased by more than 100% year-on-year*

*Revenue in electric vehicles, engineering machinery, new energy and consumer electronics accounted for a higher proportion of total revenue than revenue in the traditional auto industry*

## Leading Market Share

| | | | |
|---|---|---|---|
| **Air-Con** Unit Price/USE | | **Washing Machine** Unit Price/USE | |
| Online | Offline | Online | Offline |
| >3.6% | >6.0% | >3.1% | >7.4% |
| **Refrigerator** Unit Price/USE | | **Water Heater** Unit Price/USE | |
| Online | Offline | >20.8% | 16.3% |
| 18.2% | 14.5% | | |

*[1]Other home appliances refer to all other consumer home appliances than air-con, washing machine and refrigerator, Source: NPC, By Chase*

## Continuous Breakthrough in Premiumisation

| | | | |
|---|---|---|---|
| **Air-Con** Unit Price/USE | | **Washing Machine** Unit Price/USE | |
| Online | Offline | Online | Offline |
| 12.3% | 20.2% | 9.4% | 9.6% |
| 3.3% | >3.0% | >6.0% | >2.6% |
| **Refrigerator** Unit Price/USE | | | |
| Online | Offline | | |
| 4.8% | 4.8% | | |
| 3.0% | >2.0% | | |

## COLMO

2021

| | |
|---|---|
| Retail Sales Value | Total |
| >4.0 | >300% |

## 2022 Q1 Business Performance

**Total Revenue (RN)**
**+9.5%** 90.9

**Net Profit Attributable to Shareholders of Company (RN)**
**+11.0%** 7.2

## Strategic Focus

### Technology Leadership

Valid patents held by Midea (inclusive of 11,262 over

**70,000**

Global patents filed over

**10,000**

Invention patents granted over

**3,000**

Overseas invention patent granted over

**1,000**

Took part in the formulation/revision of 1,347 technological standards

**1,347**

national standards

**41**

local and group standards

**515**

industry standards

**277**

**RMB 12.01BN** R&D Investment in 2021:

**18.7%** YoY

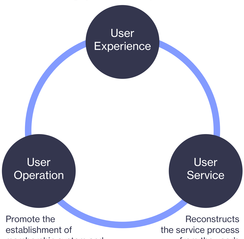
**18.5%** R&D percent

**18.6%** YoY

Midea boasts **10** corporate technology centers/industrial design centers/post-doctoral research centers at the state-level, **2** national-level R&D institutions/demonstration and **8** academician workstations/workshops, in addition to **more than 60** corporate technology centers/engineering centers/ industrial design centers/key labs at the ministerial or provincial levels

## Direct to Users

Improves the user experience of the whole value chain under the guidance of the Net Promoter Score (NPS), with the NPS increasing by over 25% compared to 2020




Promote the establishment of membership system and private domain traffic, the cumulative number of registered members exceeded 110 million

Reconstructs the service process from the user's perspective, and redesigns the service blueprint by covering 18 core scenarios and solving 214 service pain points

## Deepen and Promote the Business Model Change and the Digital and Intelligent Transformation of the User Service System

Be the first to launch the "text + video + voice" customer interactive service prior to peers with satisfaction rate of **98%**

Roll out a cloud platform for digital operations and services, solving problems over 500,000 with the average response time of 120 seconds

Fully realized the replacement of smart small home appliances with after-sales services, replacing nearly **410,000** products in 2021 with shortened replacement cycle of **3 days**

## Digitization & Intelligence Driven

Midea won the China Quality Award at the fourth such event with its **"5 All 5 Digitalization" intelligent quality management model**

Up to early 2022, **four factories of Midea** have been included in the "Global Lighthouse Network" initiated by the World Economic Forum, covering **air conditioners, microwave ovens, refrigerators and laundry appliances**

The MSmartLife App has launched accumulated over **300** smart scenes, whose execution exceeded **280 million** times cumulatively in 2021. The number of connected Midea smart devices has increased by over **96%** year-on-year, with **20%** of families connected to multiple devices

With more than **230** types or **25** categories of HarmonyOS-based household appliances, Midea has made a leap from SKU cooperation to whole-house intelligence.

## M-Smart's Industry-Leading Level of Data Security

Obtained the first **"IT Product Information Security Certification (EAL4+)"** certificate in the industry

Accredited with the first international standard certificate for **Compliance Management in Relation to Antitrust and Data Protection ISO37301:2021 issued by the BSI**

## Global Impact

In 2021, Midea made headway towards the Global Impact strategy that has focused on the **United States, Brazil, Germany, Japan and ASEAN**

**Continuous improvement of overseas channel distribution**

Established more than **43,000** overseas own brand sales outlets, with a cumulative total of over **150,000**

Achieved **65%** year-on-year growth in overseas e-commerce sales, plugged into local e-commerce platforms in more than **10** European and American countries

More than **40** Best Seller products were available on the e-commerce platforms in the various countries[1], with **8** sub-categories ranking as the top three sales on Amazon in the United States.

[1]The United States, the United Kingdom, Germany, Italy and Brazil

## Accelerate the Model of "China-Based Supply for the World + Local Supply"

A new production base for refrigerators, washing machines and water heaters in Egypt has put into operation

A new manufacturing base was launched in Brazil

A new production base for air conditioners in Thailand has completed test run

## Brand Honors

**No. 288** on the 2021 Fortune Global 500

**No. 183** on the 2021 Forbes Global 2000

**No. 33** on the 2021 BrandZ™ Top 100 Most Valuable Chinese Brands

# Sustainability

## Environment

Waste reduced compared to 2020 **4,350,532 tons**

Total water consumption reduced compared to 2020 **3,623,980 tons**

Ratio of renewable energy consumption increased to **10.1%**

Total installed capacity of photovoltaic (PV) power projects exceeded **160MW**

## Social

Quality and safety-related certifications obtained so far **11,710**

Invested to support rural revitalization through more than 200 projects **Nearly RMB 30 million**

Expenses as medical expenditures for employees and their immediate family members on critical diseases or accidents through "May I Support Funds" from 2016 to 2021 **RMB 50 million**