MideaGroup

humanizing technology

2021 ANNUAL & 2022 Q1

RESULTS IN A SNAPSHOT

Built to Grow

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

2021 Business Performance

Continued growth in revenue and profit, cash flow remains strong

Total Revenue (BN)

+20.2%

343.4

Net Profit Attributable to Shareholders of Company (BN)

+5.0%

28.6

Net Profit Attributable to Shareholders of the Company before Non-recurring Gains and Losses (BN)

+5.3%

25.9

ROE 24.1

EPS 4.17

Domestic Revenue (BN)

+24.8%

203.6

Overseas Revenue (BN)

+13.7%

137.7

Own Funds (BN)

+5.2%

131.5

Operating Cash Flow (BN)

+18.7%

35.1

Consistent Dividend Payouts Active Share Repurchase

Cash Dividend per 10 Shares

17

Total Cash Dividends as % of Net Profit

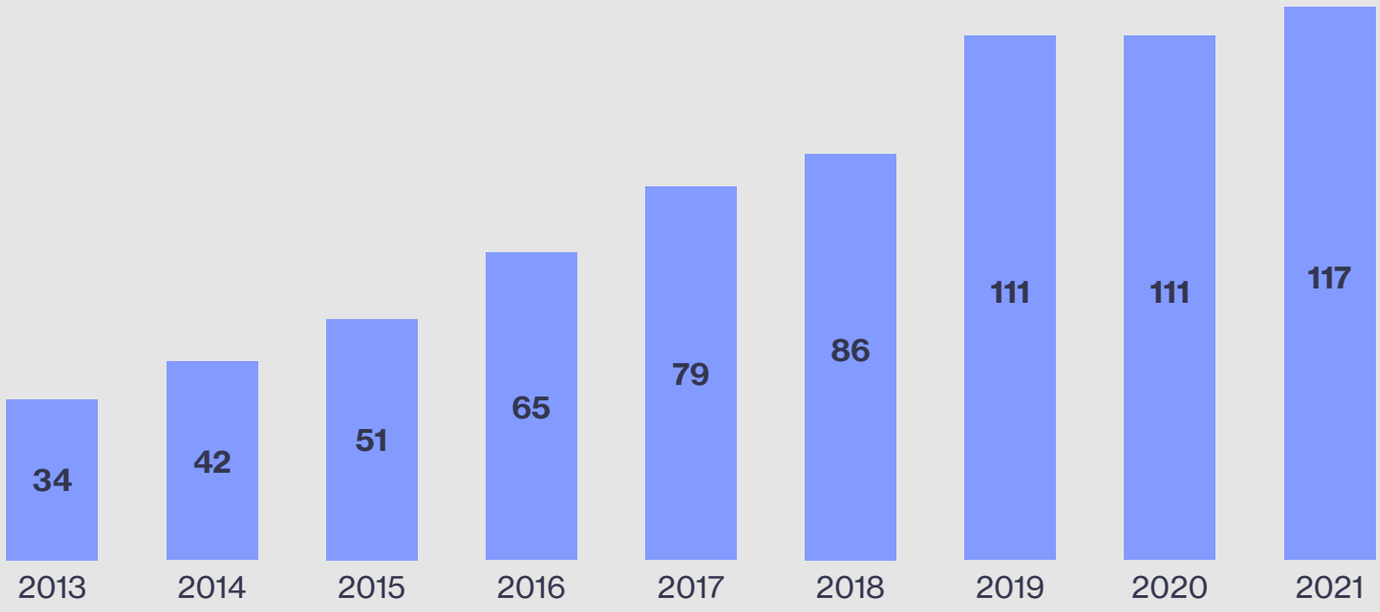
Attributable to Shareholders of the Company

40.9%

Total Cash Dividends

11.7 billion

Accumulative Distributed Cash Dividends



Cumulative cash dividend payouts to be **69.5 BN** (that of 2021 included) since group listing

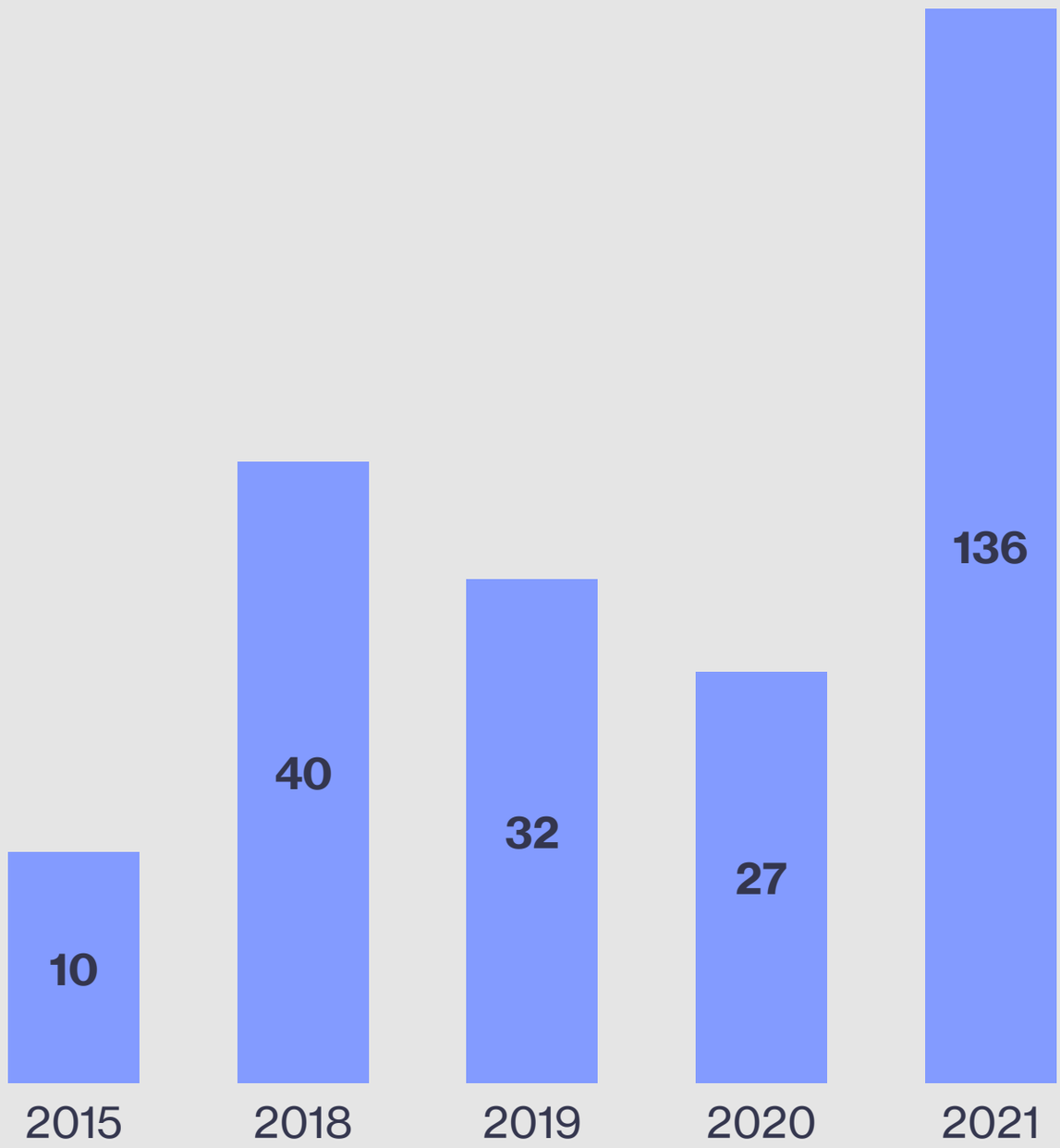
Share Repurchase

>13.6 billion

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

88.7%

Accumulative Share Repurchased



Cumulative share repurchase: **24.5 BN** since group listing
(more than **13.6 BN** worth of share was repurchased in 2021)

Balanced Development in ToB & ToC Business

Smart Home (BN)

+12.6% 234.9

Industrial Technology (BN)

+43.5% 20.1

Building Technologies (BN)

+54.8% 19.7

Robotic & Automation (BN)

+22.8% 25.3

Digital Innovation Business (BN)

+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[1] and remained to be the first in the globe

[1] Data Source: Industrial Online 2021

Industrial Automation

Launched BDHDE rotating servo system, linear drive CDLB servo solution and other new products and applications

Green Energy

Provides customers with one-stop energy solutions based on its industry-leading high-voltage variable frequency drive products jointed with intelligent micro-grid, energy storage, SVG and other products and services

Intelligent Transportation

The three major product lines of drive system, thermal management system and auxiliary/ automatic driving 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 “Bird‘s Nest” of Beijing Winter Olympics and Paralympics, the Dubai World Expo, etc.

Produced more than 1,000 centrifuges 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 the Electromechanical Information of Commercial Air Conditioner 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 core 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 LINVOL with the positioning of the “expert in full life cycle management of elevators”

Robotic & Automation

Overseas Business

Launched new operating system iiQKA.OS, smart simulation software KUKA.Sim 4.0, IIoT platform KUKA iiQoT and other new software products to accelerate business layout in digitalization

For the electronics, food, medical and other non-automotive industries, KUKA released new products such as KR DELTA, KMP 600-S diffDrive to embrace diversification

Domestic Business

Revenue of 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

	Online	Offline
Air-Con	34.6%	36.0%
Washing Machine	33.7%	27.4%
Refrigerator	18.2%	14.5%
Other[1]	20.8%	16.3%

[1] Other home appliances refer to all other common home appliances than air-con, washing machine and refrigerator. Source: AVC (by Value)

Continuous Breakthrough in Premiumisation

Air-Con
Unit Price>15.5K

Online	Offline
12.3%	20.2%
3.3%↑ YoY	0.5%↑

Washing Machine
Unit Price>20K

Online	Offline
9.4%	9.6%
4.5%↑ YoY	3.6%↑

Refrigerator
Unit Price>18K

Online	Offline
4.8%	4.8%
3.0%↑ YoY	2.0%↑

COLMO

2021

Retail Revenue (BN)	YoY
>4.0	>300%

2022 Q1 Business

Performance

Total Revenue (BN)

+9.5%

90.9

Net Profit Attributable to Shareholders of Company (BN)

+11.0%

7.2

Strategic Focus

Technology Leadership

Valid patents held by Midea (inclusive of TLSC) 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

international standards

514

national standards

41

local and group standards

515

industry standards

277

RMB 12.01BN R&D Investment in 2021:

18.7% YoY↑

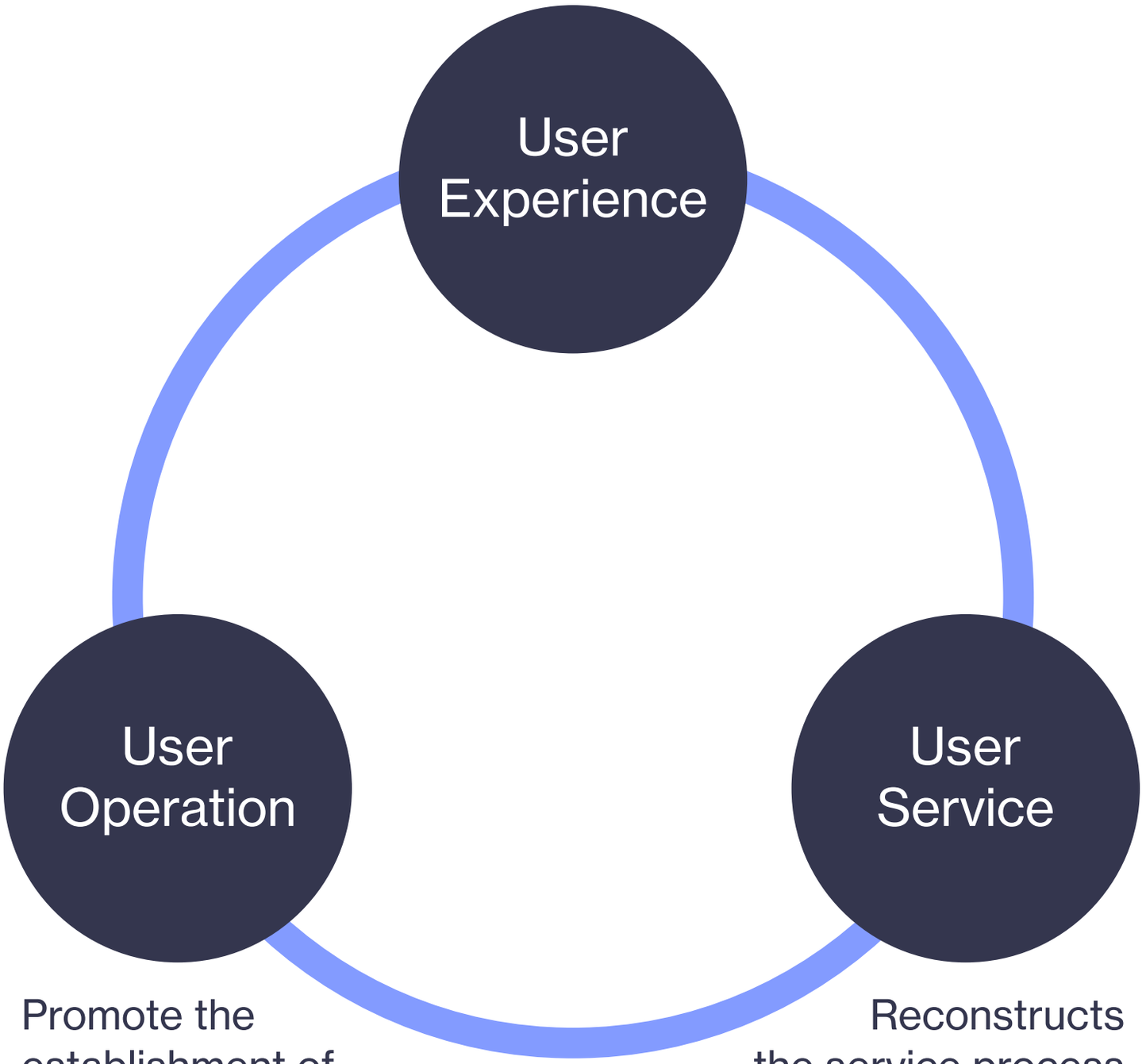
18,105 R&D personnel:

18.6% YoY↑

Midea boasts **10** corporate technology centers/industrial design centers/post-doctoral research centers at the state level, **19** academicians with long-term cooperation 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