

Midea






Corporate Snapshot

Worldwide outstanding business summary

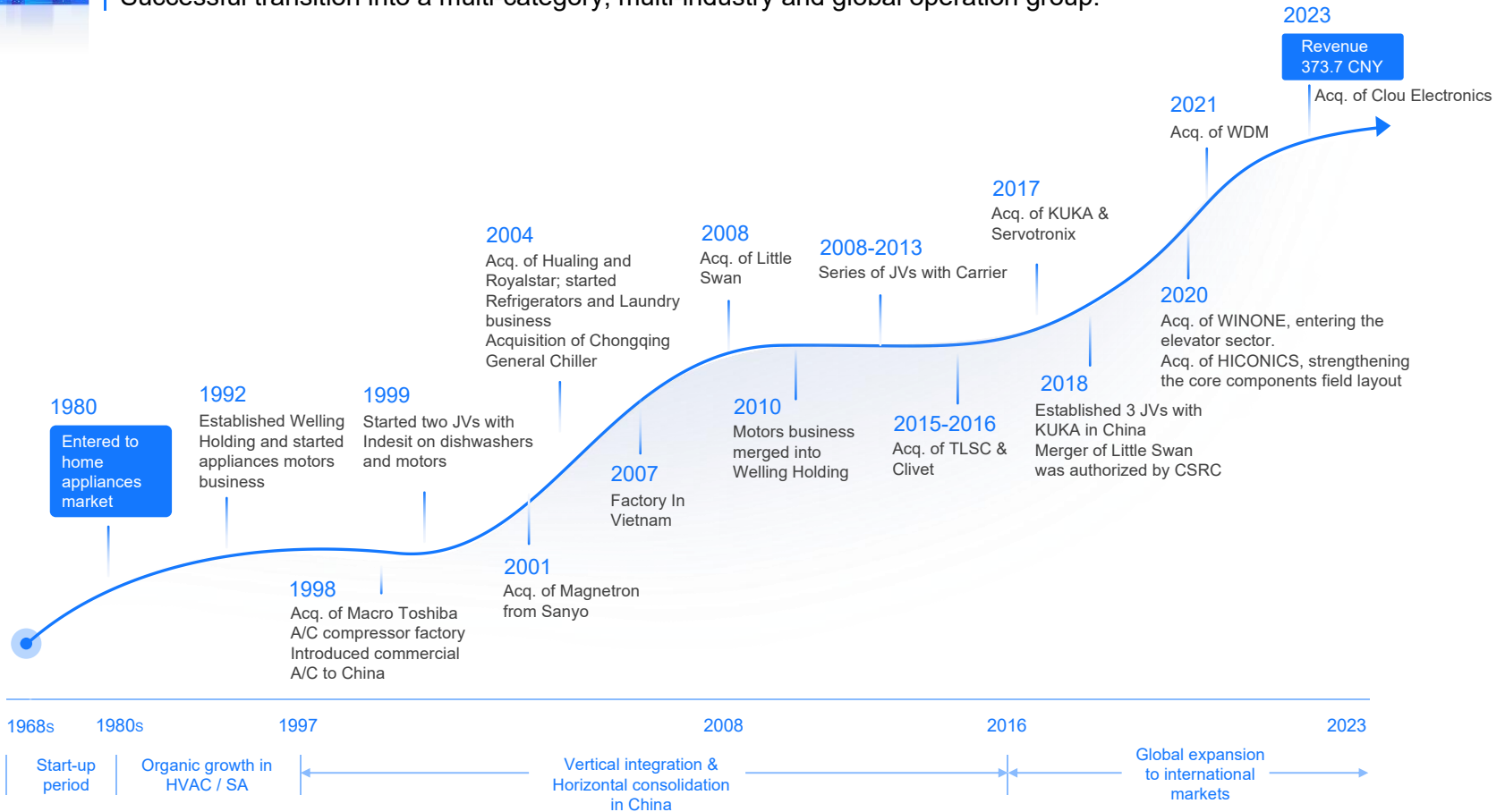


<p>2023</p> <p>373.7 B RMB</p> <p>Total Revenue</p>	<p>2023</p> <p>33.7 B RMB</p> <p>Net Profit</p>	<p>CY 2023</p> <p>190k</p> <p>Number of Employees</p>	<p>Credit Ratings</p> <p>A/A3/A</p> <p>S&P/Moody's/Fitch</p>
 <p># 278</p> <p>2023 Fortune Global 500</p>	<p>Forbes GLOBAL 2000 2023</p> <p># 199</p> <p>2023 Forbes Global 2000</p>	<p>Global 500 Brand Finance 2023</p> <p># 198</p> <p>Brand Finance 2023 Top 500 Most Valuable Brands</p>	<p>Brand Finance Tech100 2023</p> <p># 36</p> <p>Brand Finance 2023 Top 100 Most Valuable Tech Brands</p>



Milestones

Successful transition into a multi-category, multi-industry and global operation group.





Vision, Mission, Value

Carried on traditional culture and embrace future



Mission

Integrate with the world,
to inspire your future

+



Vision

Bring great innovations to life

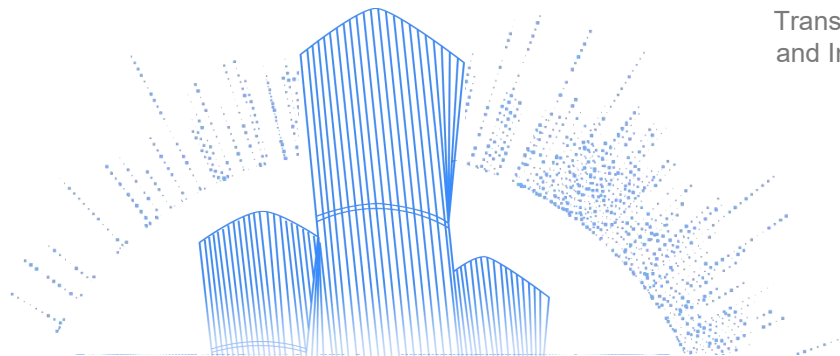
+



Value

Embrace what's next

- Aiming High
- Customer first
- Transformation and Innovation
- Tolerance and partnership
- Dedication and commitment



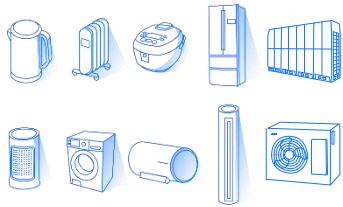


Business Segments

ToC and ToB businesses are advancing together, and innovative businesses growing rapidly. A "1+3+N" business structure has taken shape.



Smart Home



providing fully smart home and services with optimal experiences

COLMO Midea WAHIN

TOSHIBA LittleSwan eureka

CUCHEN 酷晨 MK Master Kitchen comfee

Industrial Technology



Industrial Technology provide Green Energy and Core Industrial Components with green and efficient products and technical solutions.

GMCC Welling HICONICS 德业

SERVOTRONIX SUNYE MR SEHI TOSHIBA

Building Technology



providing comprehensive solutions and services for buildings

Midea CLIVET M/J 鯤禹 KWING

LINVOL WINONE iBUILDING 智慧建筑系统

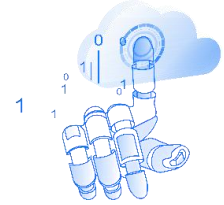
Robotics & Automation



the cornerstone of smart manufacturing robot-based automation solutions

KUKA SWISELOG swisslog healthcare

Innovative Businesses



New businesses incubated amidst digital transformation

Midea Cloud 美云智数

安得 ANNTO

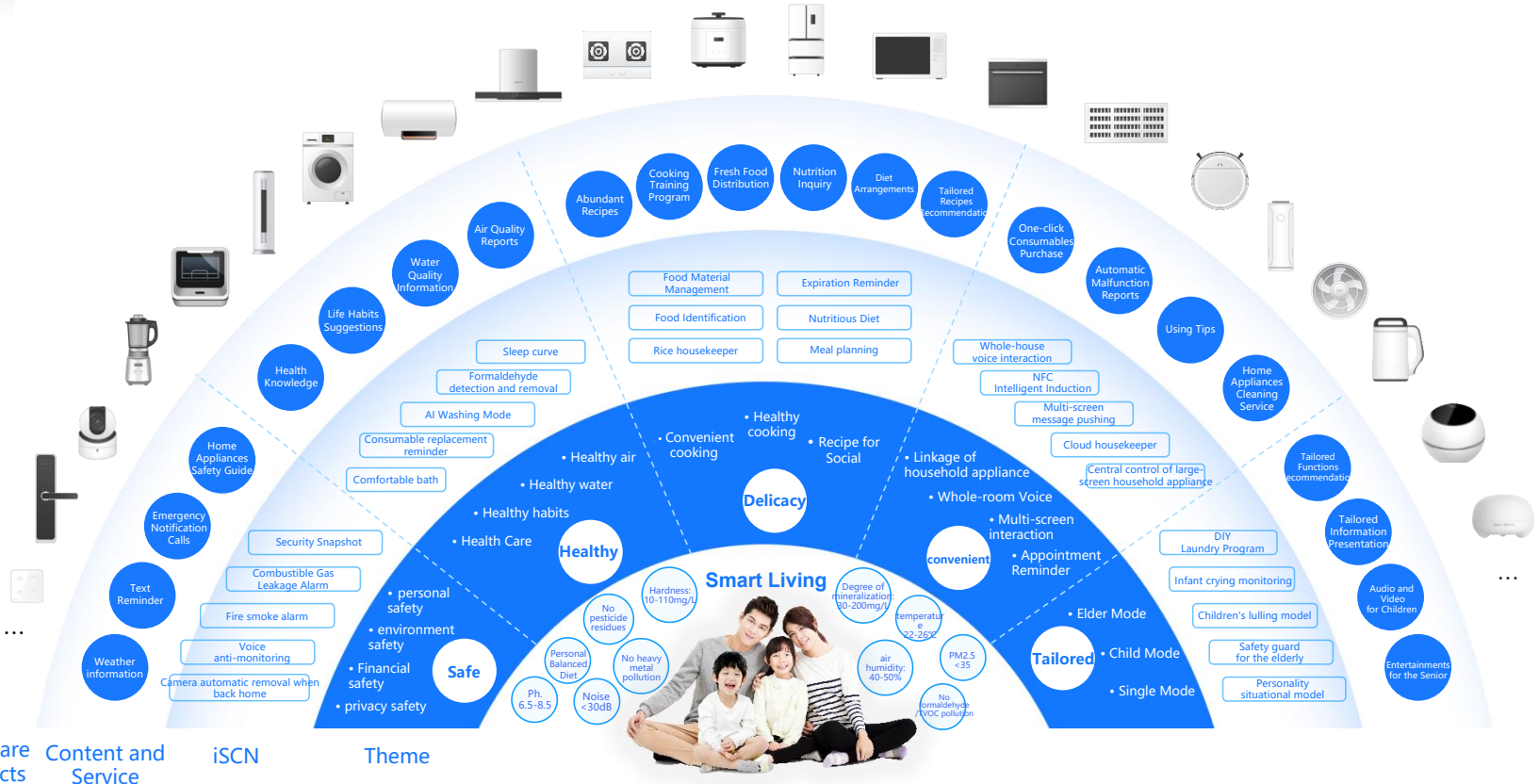
Midea 美智光电

WDM 万东



Business Segment – Smart Home Business

Provide customers with the best experience of full home automation service.










Midea Industrial Tech.

Green Energy + Core Industrial Components











Green Energy

Energy Supply	Distributed PV 
Energy Distribution	Distribution equipment 
Energy Regulation	Large-scale Energy Storage Household Energy Storage 
Energy Consumption	Thermal management Electric drive Chassis execution 
Energy Management	Smart Measurement 



Core Industrial Components

Consumer Appliance	Compressor+ 	Motor+ 	IC 	Cooling Parts 
Industry Automation	Controller 	Driver 	Reducer 	HV&LV Converters 





Business Segment – Building Technologies

Smart in one — Focus on Related Products & Services of Buildings



Building Ecology

Platform Establishment



Green & Low Carbon

Low-carbon practitioners



Intelligent User Experience

The builder of intelligent space

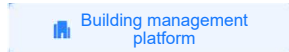
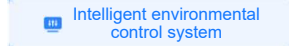
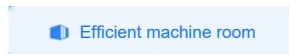
Jointly build a sustainable smart space



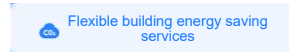
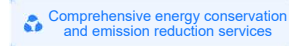
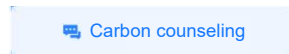
Equipment



System



Low Carbon



Intelligence





Business Segment – Robotics & Automation

The cornerstone of intelligent manufacturing. Automation solutions based on robots.

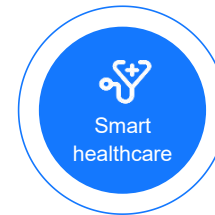
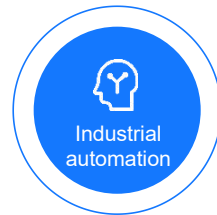
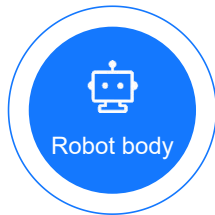


KUKA

SWISSLOG



4 Development Areas





Business Segment – Innovation Business



Adhere to market-oriented independent development, and keep exploring new models and new opportunities

MILC



Technology Company
providing Intelligent Front
Loading Total Solution

ANNTO



Provide link-wide integrated
solution covering warehouse,
trunk, delivery, and assembly

Midea Cloud



We provide software and
cloud service for intelligent
manufacturing and industrial
interconnection

WDM



Leading Enterprise of Medical X-ray
Machine Industry and Medical
Imaging Equipment Industry in China



Adhere to market-oriented independent development



Four Strategy Focus

Establish core competitiveness in the new period





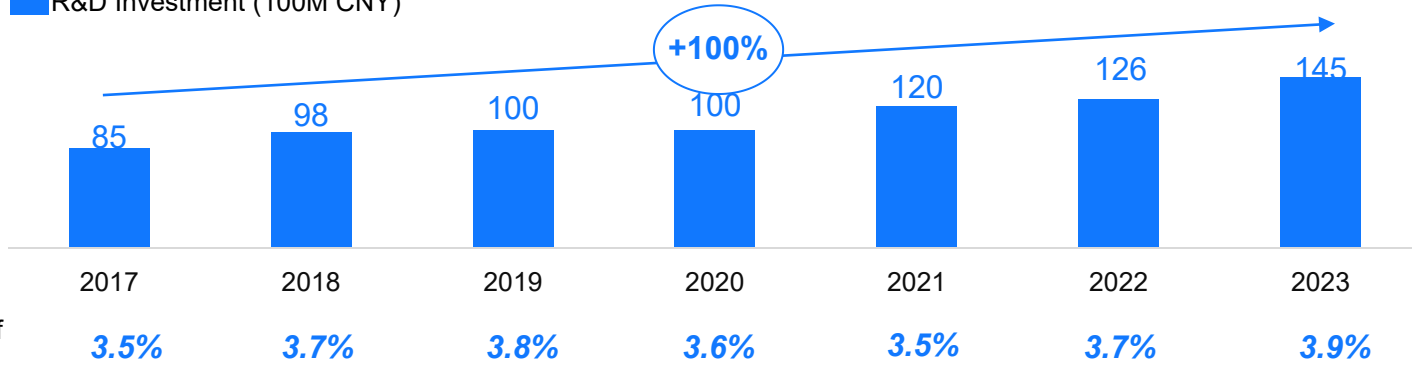
Strategy Focus - Technology Leadership

Streamline and scale up R&D advantages



R&D Investment: Nearly 60B CNY across 5 years

R&D Investment (100M CNY)



Percentage of revenue

R&D personnel

>23,000 people
Over 40% in 2023

Patent info

100,000+ patent applications
80,000+ Patents granted
Patent family holdings 8th in the world, 2st among Chinese enterprises(US IFI 2023 Ranking)

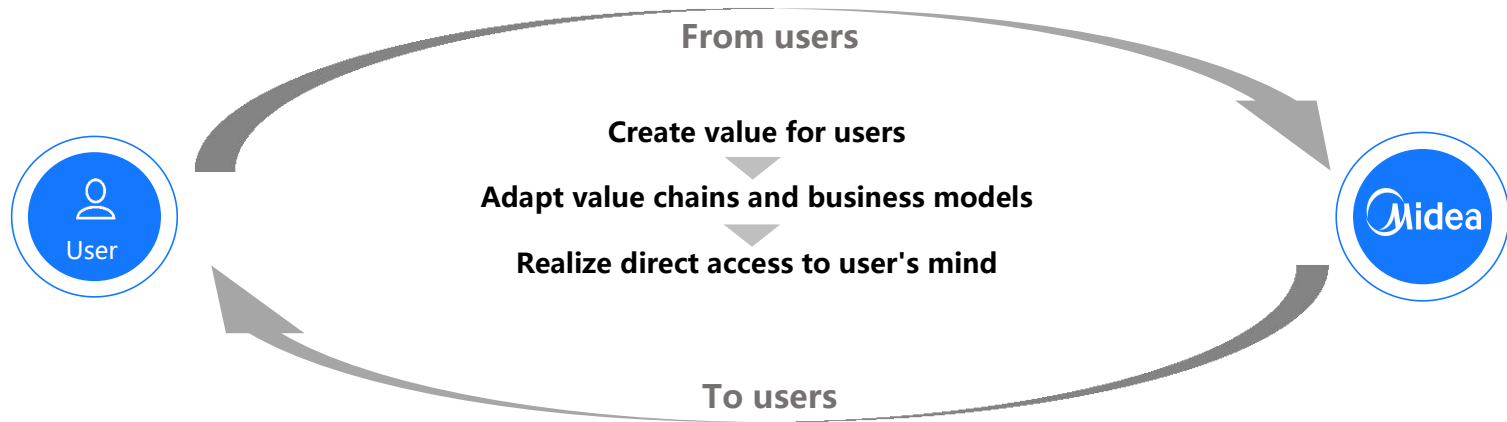


Strategy Focus - Direct to Clients (DTC)

Adapt existing value chains and business models, to realize direct access to user's mind, making Midea's products and services user's first choice.



User-centric product planning and operation



Transformation of sales, service and production model





Strategy Focus - Digitization & Intelligence Driven

Digitalization & Intelligence promotes business model innovation



Work Mode Changes

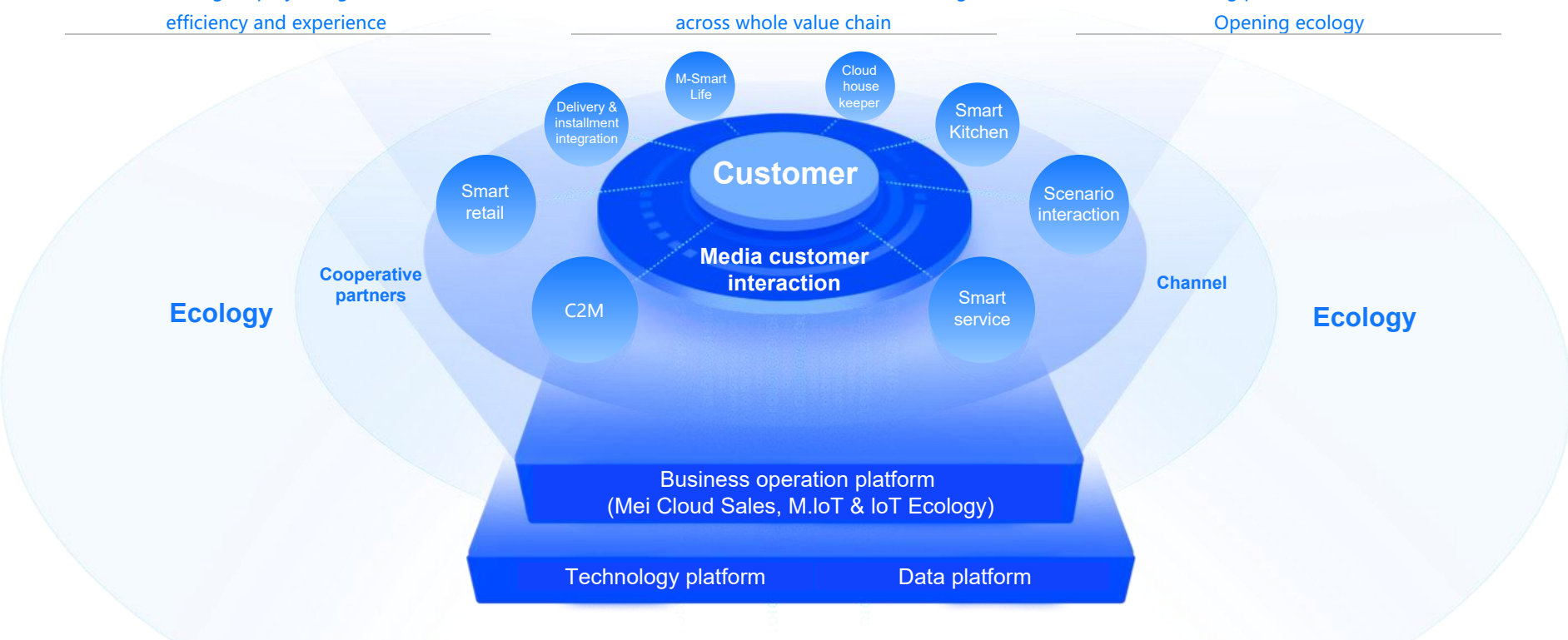
Enhancing employee digitization
efficiency and experience

Business Model Changes

Data-driven collaborative decision making
across whole value chain

Business Model Innovation

Innovating products and services
Opening ecology



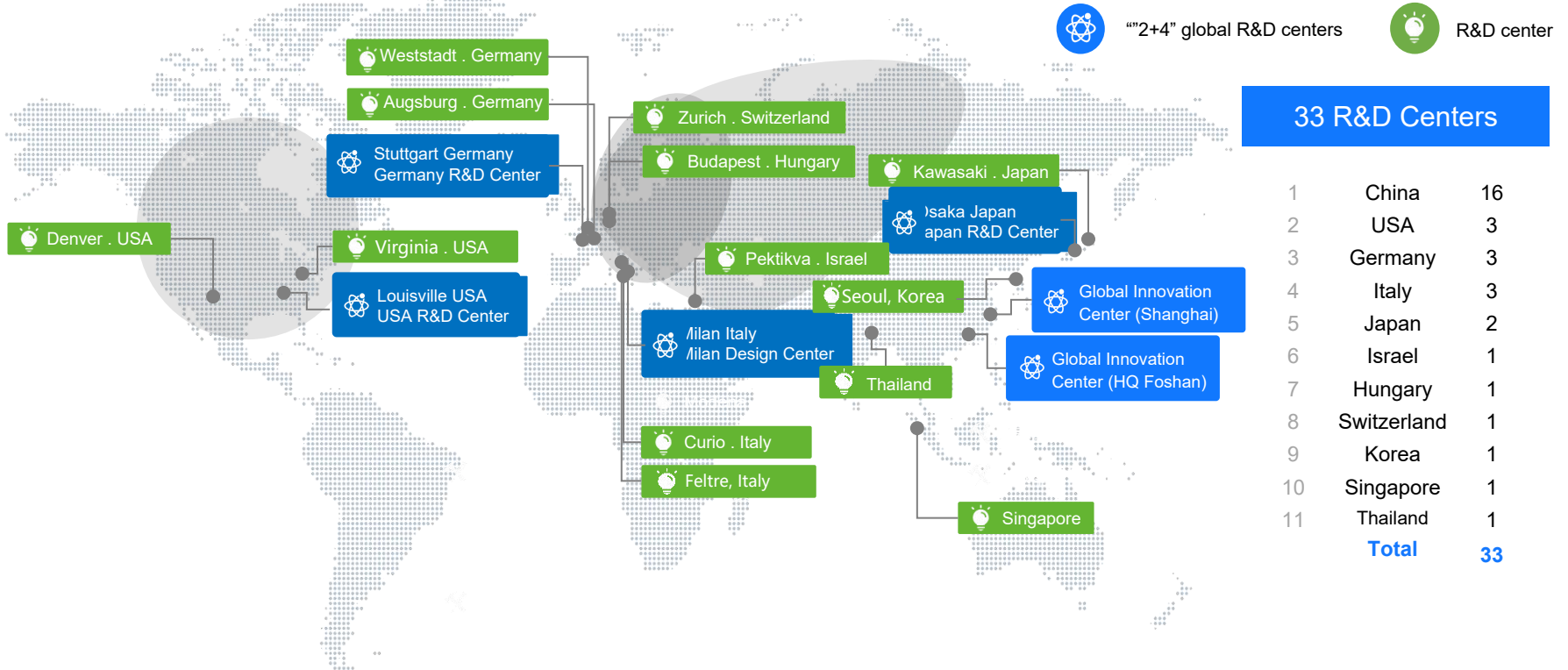


Strategy Focus - Global Impact

Building “2+4+N” globalized R&D networks to exert Midea R&D scale advantage.



The “2+4+N” layout of global R&D network





Strategy Focus - Global Impact

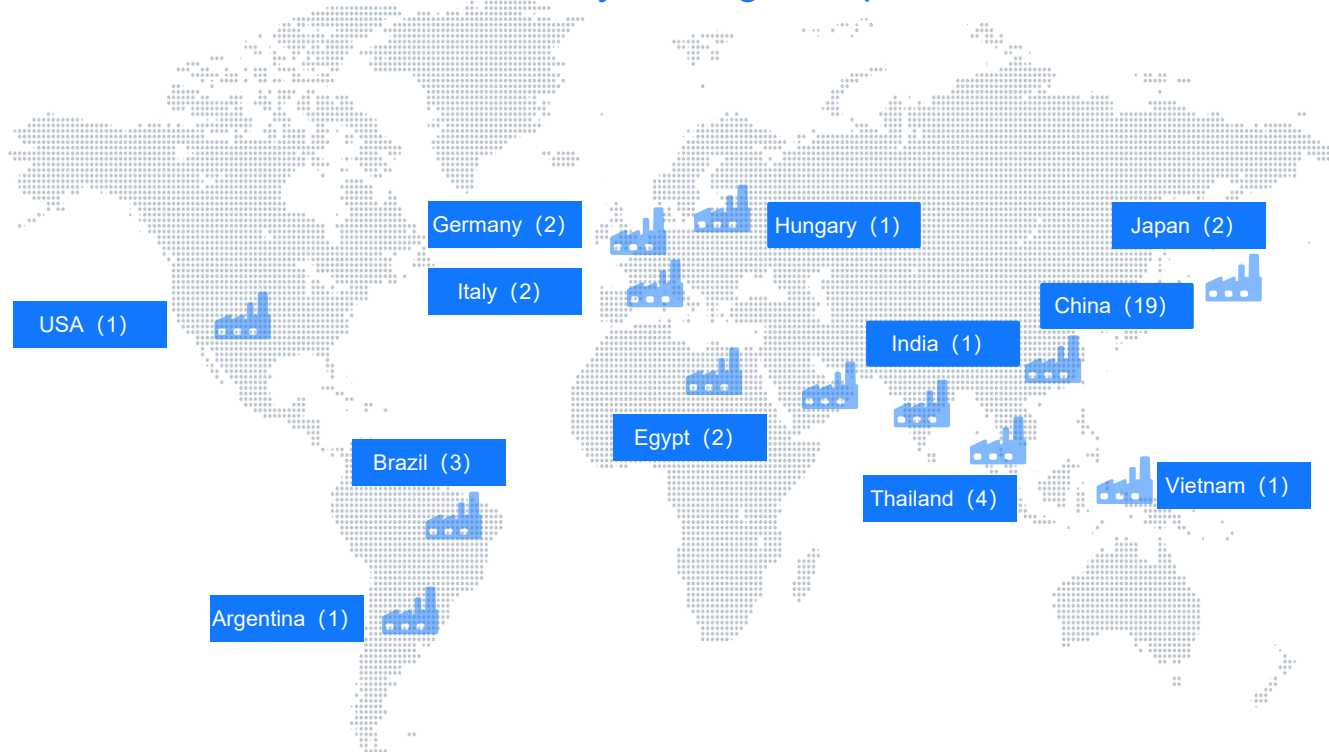
Complementary domestic and international production capacity, global industrial supply chain optimization.



The layout of global production



Production center

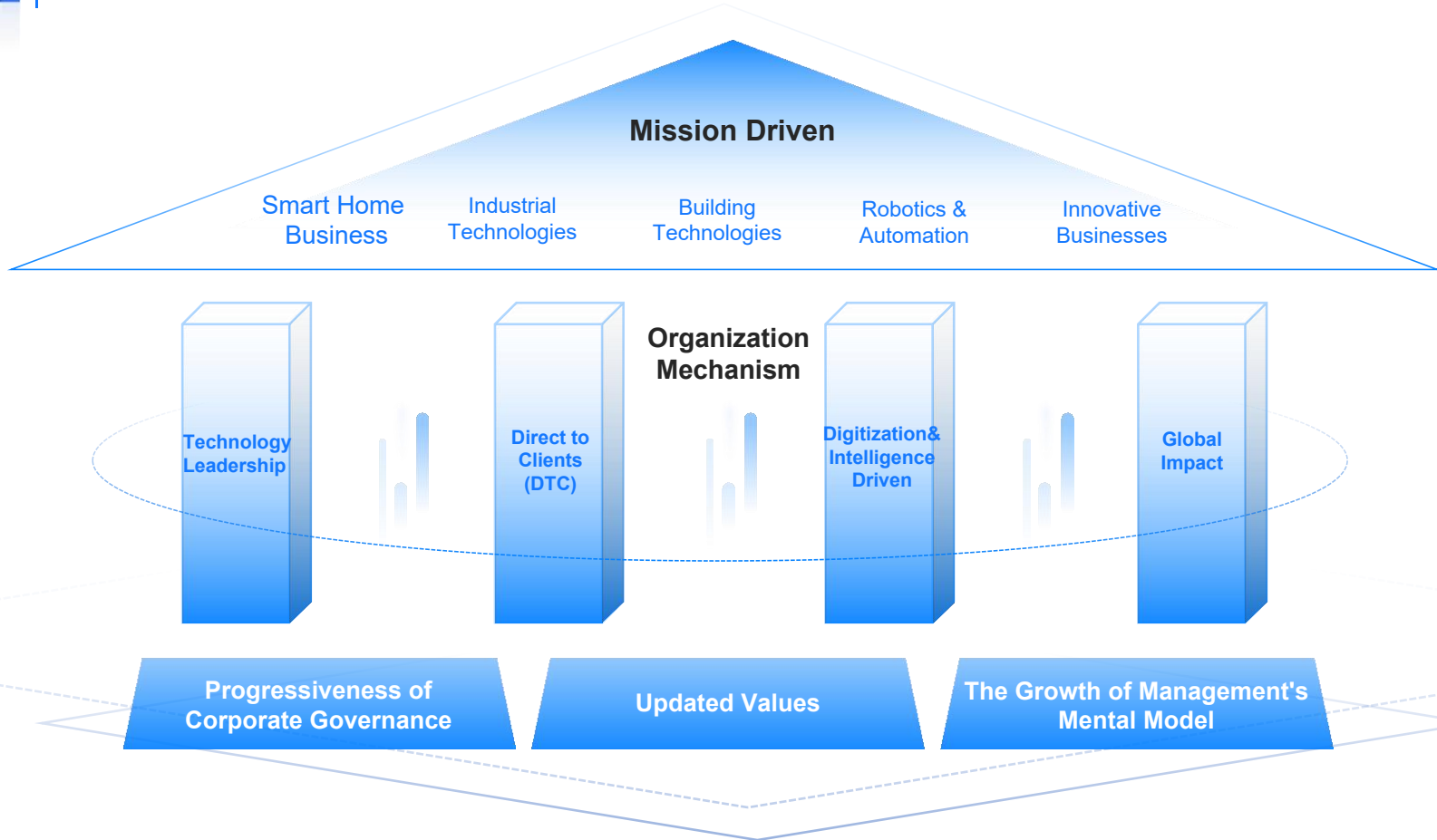


40 Production Centers

1	China	19
2	Thailand	4
3	Brazil	3
4	Egypt	2
5	Germany	2
6	Italy	2
7	Japan	2
8	Hungary	1
9	India	1
10	Vietnam	1
11	USA	1
12	Argentina	1
	Total	40



Sustaining Competitive Advantage





Aided pages

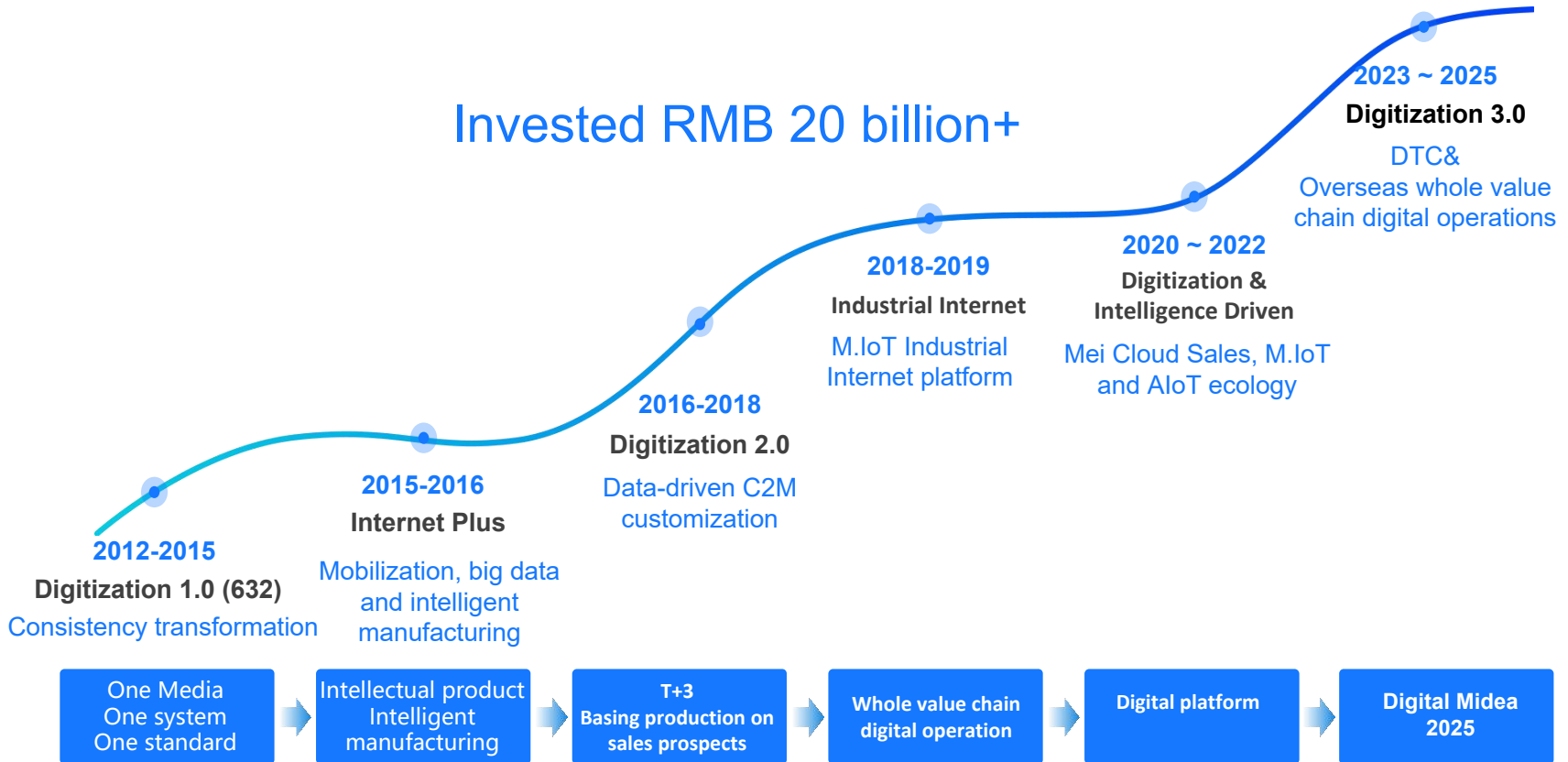
The following are aided pages. You can choose to use according to your needs.





The Digital Transformation of Midea

Invested RMB 20 billion+



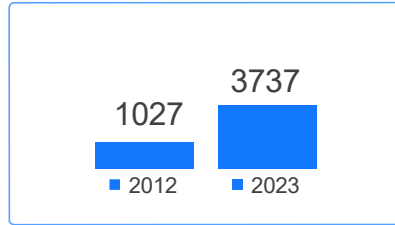


Phased achievements of digital transformation of Midea (2012 vs 2023)

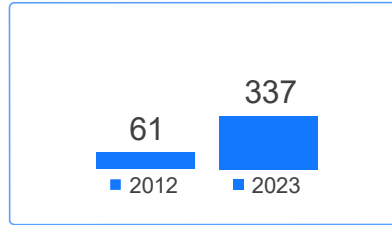


Revenue steadily improved, and operating efficiency, self-owned capital and asset status significantly improved

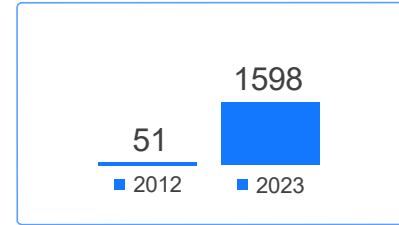
Operating revenue (100 million) **+264%**



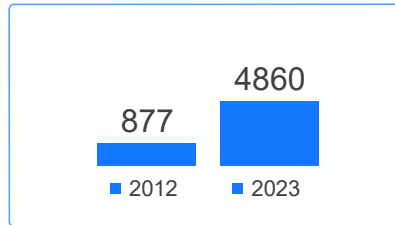
Net profit (100 million) **+453%**



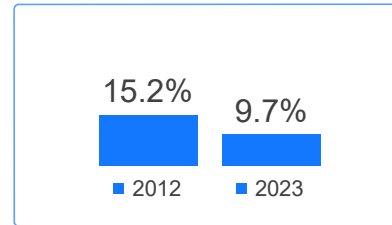
Owned capital (100 million) **+3034%**



Total assets (100 million) **+454%**



Inventory proportion **-5.5%**



Days of capital turnover **-25.1days**





Digital Midea 2025

Business Digitalization

DTC Digital Platform, 100%
Digital Operation in Whole
Value Chain

Data Business

Driving Business with User
Perspective
Reaching High-tech Industry
Standards

Technology Leadership

Building Core Technology
Barriers
Maintaining Industry
Leadership

AIoT

First Choice in Global Smart
Home Industry

Digital Innovation

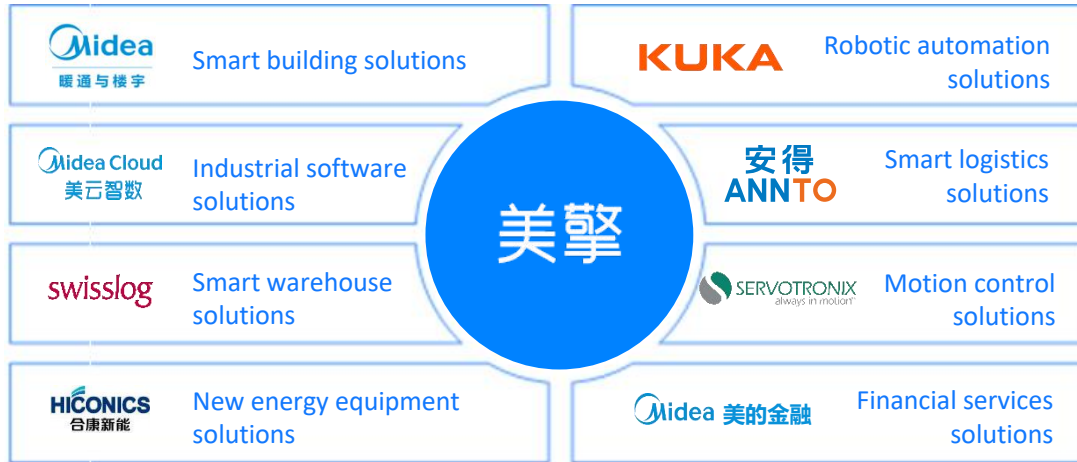
Integrating Digital
Technology into Business
Development to Innovate
Business Model



Capacity building of Meiqing Industry Internet of Midea Group

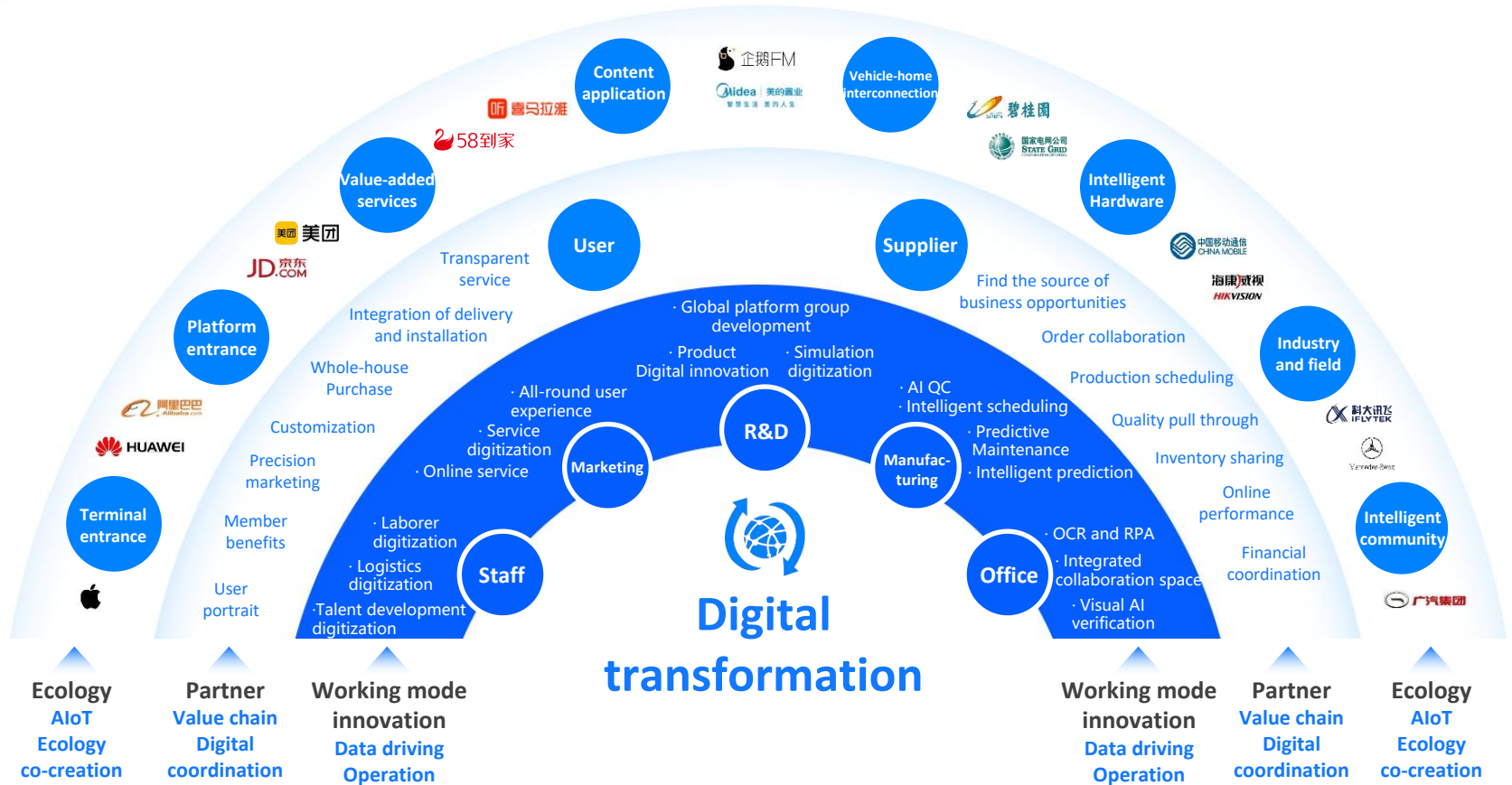


Comprehensive independent R&D of industrial software for external output, enabling enterprises





Digital Transformation of Midea Group promoting business model innovation





Green Strategy



Vision

**Build a green global supply chain,
provide green products and services, and build a green homeland.**

Mission

Promote "3060" strategy to achieve carbon peak by 2030 and carbon neutrality by 2060

**Six
Pillar**

Green Design

- 1. Green technology
- 2. Green products
- 3. Green standard

Green Procurement

- 1. Fulfil social responsibility
- 2. Purchase green material
- 3. Green supply integration
- 4. Global green procurement

Green Manufacturing

- 1. Land integration
- 2. Harmless raw material
- 3. Clean production environment material
- 4. Waste recycling
- 5. Energy low carbonization

Green Logistics

- 1. Green energy utilization
- 2. Intelligent logistics
- 3. Green packaging
- 4. Green cooperation

Green Recycling

- 1. Reliable replacement
- 2. Convenient recycling channel
- 3. Green disassembly and scrap traceable

Green Service

- 1. Smart Building solution
- 2. Energy integration solution

System

Energy saving; Water saving; Material saving; Land saving; LC; Environmental protection; New energy; Recycling; Ecology; Health; Security; Sustainable

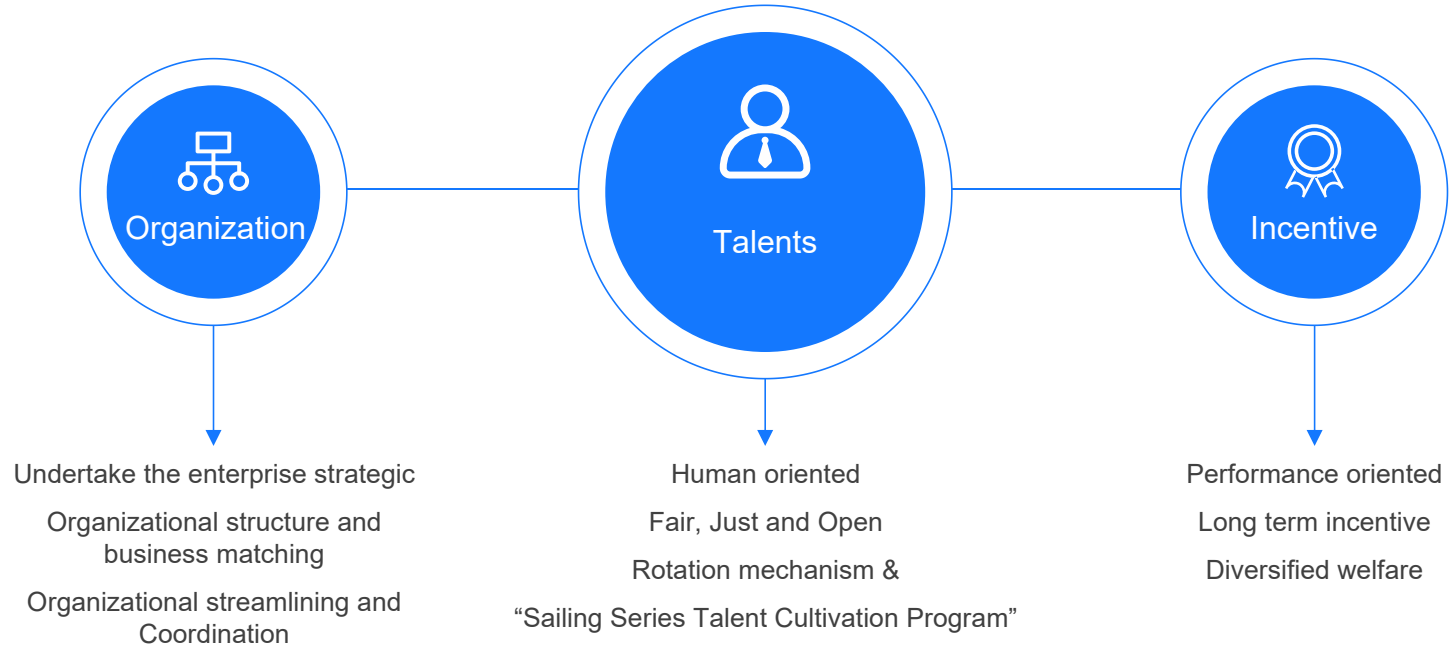
**Founda
tion**

Construct enterprise green technology standard system and operation management



Organizational Talent Concept

Center on employee experience, promote employee efficiency and enhance organizational culture inclusiveness.





Management Handover

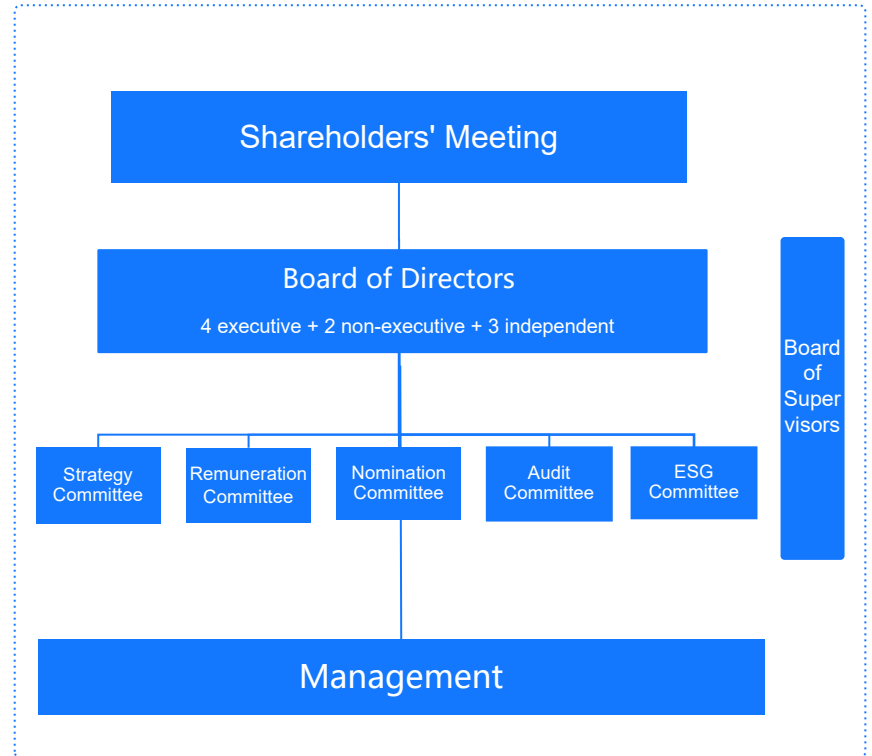
A professional management system based on modern enterprise system



In 2012, professional manager team came on board



Corporate Governance Structure





Corporate Governance

Optimize the right distribution of enterprise stakeholders and build a modern enterprise governance mechanism.



Diversified ownership structure

Reasonable and suitable ownership structure;
The company's interests are the first priority

Manager team

Professional manager management based
on modern enterprise system

Highly authorized management mechanism

High authorization, high performance and high return
Decentralization vitalizes the organization



Entrepreneurship

“ The determination to change ”

Decision-making Mechanism of Board of Directors / Executive Committee

Build an open, transparent collective
deliberation and decision-making mechanism

Incentive mechanism

Performance-oriented and long-term incentives to
ensure the interests of shareholders and executives
are consistent

Open employment mechanism

Human-oriented, incentivize talents by mechanism
and safeguard talents by systems



Organization Structure

Establish a user-centered organization horizontally and vertically



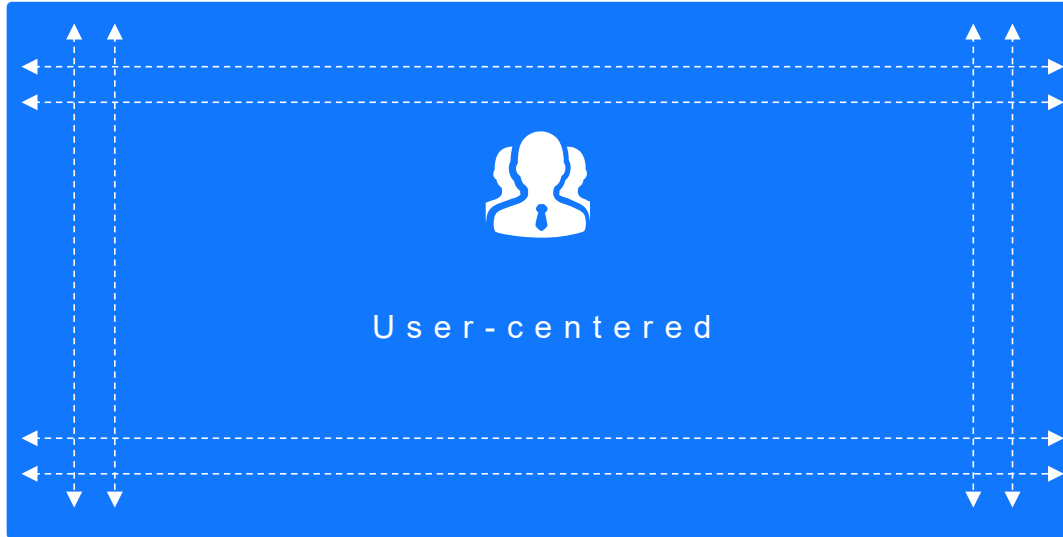
Midea Group

Business Unit

It mainly builds core capabilities and carries out technological innovation around users and products, undertakes specific operations of corresponding product lines or user groups, and achieves sustainable development and profit maximization of the enterprise.

Collaboration Platform

It mainly serves business units, cultivates and builds future-oriented professional abilities.



Functional Department

Positioned as the management subject of each professional field, it is responsible for the formulation, improvement and implementation consistency of the processes, systems and rules of corresponding professional field. Meanwhile, it is responsible for the capacity building, risk control, collaborative work promotion and staff professional competence improvement in the field.



Business Indicators

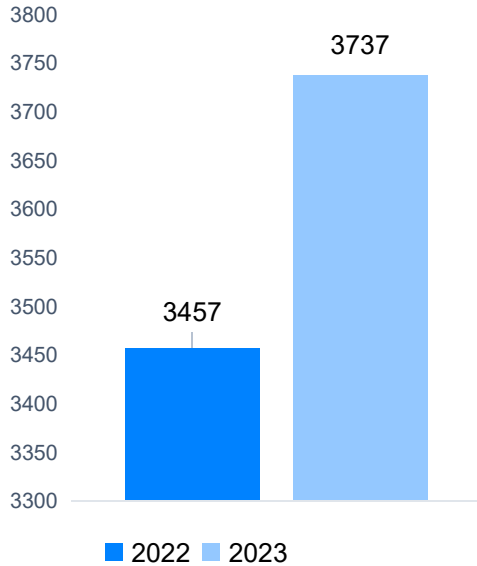
Net profit attributable to the listed company's shareholders



Own Funds

↑ +8.1%

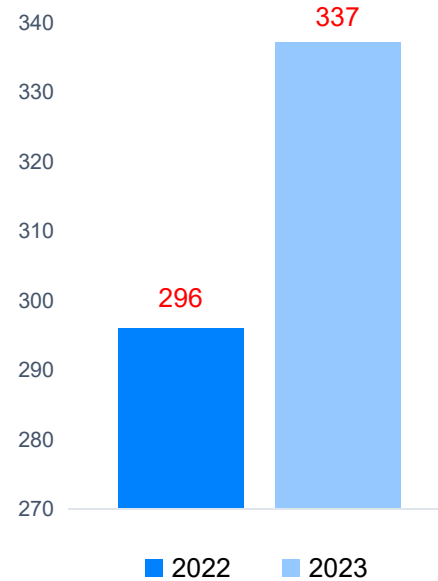
Unit/Currency:
B/RMB



Net profit attributable to the listed company's shareholders

↑ +14.1%

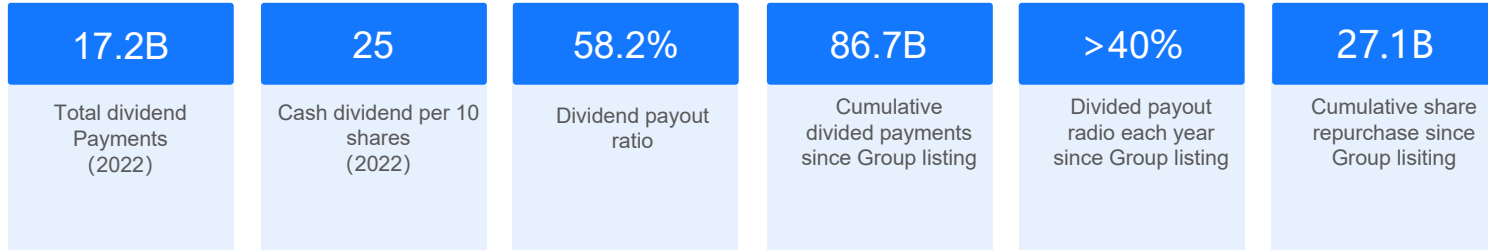
Unit/Currency:
B/RMB



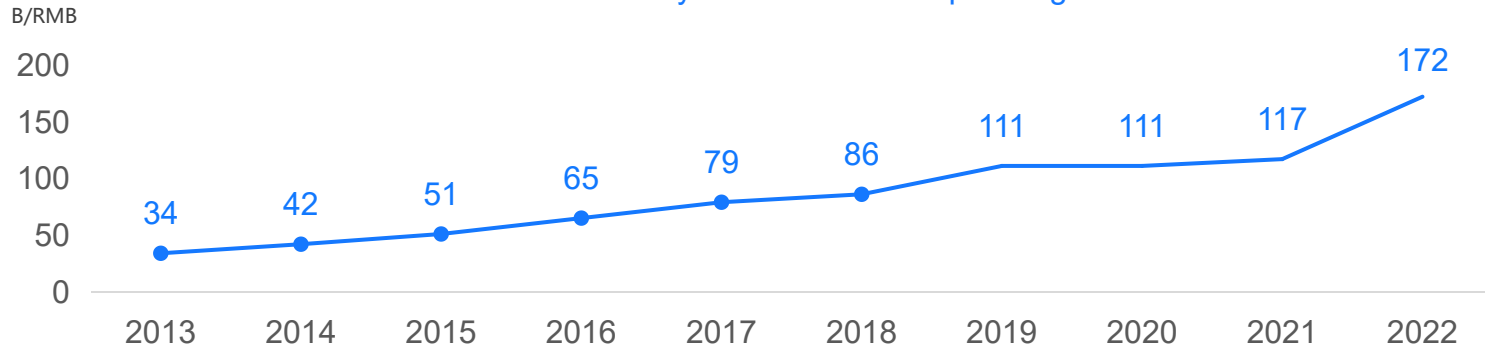


Return to Shareholders

Consistently high dividend returns to shareholders



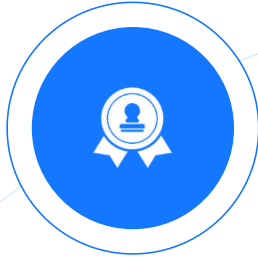
Total Dividend Payments Since Group Listing





Incentive Schemes

Long-term incentives to ensure consistent shareholder and management interests



Stock Option Incentive Scheme

- Eight terms of Stock Option Incentive Schemes for about 12500 employees
- Mainly management in R&D and manufacturing



Restricted Share Incentive Scheme

- Five terms of Restricted Share Incentive Schemes for around 1800 employees
- Mainly senior management in the business units



Partner Scheme

- Eight terms of Global Partner Schemes
- Five terms of Business Partner Schemes
- For core management personnel
- From “professional manager” to “business partner”

Combination of motivations and restraints: three levels of appraisal (corporate, departmental and individual) with “red lines”

Thanks

