GREE ELECTRIC 000651.SZ

RECENT PRICE	P/E RATIO	P/FCF* RATIO	FY25 DIV. YLD*	BOOK VALUE
39.49	7.6x	4.9x	7.6%	26.13

NIANBAO QIYU

HOW IT EARNS CASH | BUSINESS CHAIN

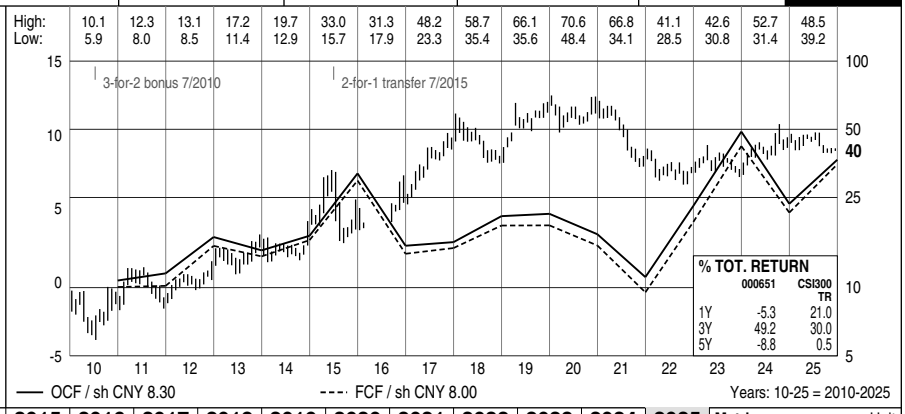
Cooling and appliances: design, manufacture, sell and service; compressors and controls support integration. Domestic dealers, retail/e-commerce and commercial projects; exports via own brands and OEM partners. Receipts less materials, labor, selling costs, tax and working capital -> OCF; less cash capex* -> FCF*.

BUSINESS MIX | FY25

Revenue	M	Mix	YoY	3Y CAGR
Consumer elec.	133055	78.1%	-10.4%	--
Ind. + energy	17381	10.2%	.8%	--
Smart equip.	680.79	.4%	60.5%	--
Other main	2665.3	1.6%	-23.5%	--
Other business	16665	9.8%	-14.3%	--
Total	**170447**	**100.0%**	**-9.9%**	**--**

FY25 GM: consumer 35.3%; industrial 15.5%.

New FY25 categories; 3Y not comparable.



VALUE CREATION	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Metric	Unit
DEMAND Cooling demand, replacement and efficient systems. Consumer GM35.3%. Own brands:70% of exports (company).	60432	83155	99316	118628	137750	97745	108303	148286	198123	198153	168199	187869	188988	203979	189164	170447	Revenue	M
	42.3%	37.6%	19.4%	19.4%	16.1%	-29.0%	10.8%	36.9%	33.6%	.02%	-15.1%	11.7%	.6%	7.9%	-7.3%	-9.9%	Rev. YoY	%
	21.5%	18.1%	26.3%	32.2%	36.1%	32.5%	32.7%	32.9%	30.2%	27.6%	26.1%	24.3%	26.0%	29.4%	29.4%	29.8%	Gross Margin	%
	2746.8	4542.3	8026.3	12262	16089	13516	17504	26126	30997	29605	26044	26677	27284	32865	36988	34681	Op. Income	M
	4.5%	5.5%	8.1%	10.3%	11.7%	13.8%	16.2%	17.6%	15.6%	14.9%	15.5%	14.2%	14.4%	16.1%	19.6%	20.3%	Op. Margin	%
	4275.7	5236.9	7379.7	10870	14155	12532	15464	22400	26203	24697	22175	23064	24507	29017	32185	29003	Net Income	M
	7.1%	6.3%	7.4%	9.2%	10.3%	12.8%	14.3%	15.1%	13.2%	12.5%	13.2%	12.3%	13.0%	14.2%	17.0%	17.0%	Net Margin	%
↓ **REVENUE**	616.00	3356.2	18409	12970	18939	44378	14860	16338	26941	27894	19239	1894.4	28668	56398	29369	46383	OCF	M
	1.0%	4.0%	18.5%	10.9%	13.7%	45.4%	13.7%	11.0%	13.6%	14.1%	11.4%	1.0%	15.2%	27.6%	15.5%	27.2%	OCF Margin	%
Domestic Main 126.41B; dealers, retail, projects.	.1x	.6x	2.5x	1.2x	1.3x	3.5x	1.0x	.7x	1.0x	1.1x	.9x	.1x	1.2x	1.9x	.9x	1.6x	OCF / Net Inc.	x
	2482.2	4777.7	3602.4	2461.5	1777.3	2884.5	3276.9	2424.8	3837.5	4713.2	4528.6	5727.1	6036.1	5425.7	3299.8	1717.3	Cash Capex*	M
	403.0%	142.4%	19.6%	19.0%	9.4%	6.5%	22.1%	14.8%	14.2%	16.9%	23.5%	302.3%	21.1%	9.6%	11.2%	3.7%	Capex / OCF	%
Export Main 27.37B; own brands/OEM.	-1866.2	-1421.6	14806	10508	17162	41494	11583	13913	23103	23181	14710	-3832.7	22632	50973	26069	44666	Reported FCF*	M
	-3.1%	-1.7%	14.9%	8.9%	12.5%	42.5%	10.7%	9.4%	11.7%	11.7%	8.7%	-2.0%	12.0%	25.0%	13.8%	26.2%	FCF Margin	%
Industrial Components, energy, equipment.	--	--	--	--	--	--	--	--	1029.7	774.18	425.88	1747.3	2031.4	239.34	209.44	--	Acq. & Other*	M
	--	--	--	--	--	--	--	--	3.8%	2.8%	2.2%	92.2%	7.1%	.4%	.7%	--	Acq. / OCF*	%
	--	--	--	--	--	--	--	--	--	--	--	31.00	370.23	1413.2	340.62	1459.7	SBC Expense	M
	--	--	--	--	--	--	--	--	--	--	--	1.6%	1.3%	2.5%	1.2%	3.1%	SBC / OCF	%
↓ **CASH** Collect sales; fund costs, rebates and working capital. OCF 46.38B; deposit release 15.67B. Rebates 48.57B; advances 15.21B.	--	--	--	--	--	--	--	--	--	--	5182.3	21820	--	3000.2	--	--	Repurchases	M
	--	--	--	--	--	--	--	--	--	--	26.9%	1151.8%	--	5.3%	--	--	Repurchases / OCF	%
	939.30	845.37	1503.9	3007.9	4511.8	9023.6	9023.6	10828	--	12633	13140	16753	16610	11228	13142	16755	Dividends	M
	152.5%	25.2%	8.2%	23.2%	23.8%	20.3%	60.7%	66.3%	--	45.3%	68.3%	884.3%	57.9%	19.9%	44.7%	36.1%	Dividends / OCF	%
	NM*	69.4%	98.3%	326.0%	NM*	NM*	NM*	NM*	NM*	NM*	NM*	178.5%	97.2%	54.7%	37.1%	26.7%	Base ROIC*	%
	36.7%	33.9%	33.3%	35.5%	36.0%	27.3%	30.5%	37.5%	33.4%	24.5%	19.7%	21.1%	24.5%	27.2%	25.3%	20.5%	ROE*	%
	7.3%	7.0%	7.7%	9.1%	9.8%	7.9%	9.0%	11.3%	11.3%	9.3%	7.9%	7.6%	6.8%	7.7%	8.8%	7.6%	ROA*	%
↓ **REINVEST** R&D 6.46B expensed; capex* 1.72B; FCF* 44.67B.	5635.8	5635.8	6015.7	6015.7	6015.7	6015.7	6015.7	6015.7	6015.7	6015.7	5921.5	5536.7	5536.7	5521.9	5521.9	5585.1	Shares Out.	M sh
	10.72	14.75	16.51	19.72	22.90	16.25	18.00	24.65	32.93	32.94	28.40	33.93	34.13	36.94	34.26	30.52	Revenue / Sh.	CNY/sh
	.76	.93	1.24	1.81	2.35	2.08	2.57	3.72	4.36	4.11	3.71	4.04	4.43	5.22	5.83	5.20	Diluted EPS	CNY/sh
	.11	.60	3.06	2.16	3.15	7.38	2.47	2.72	4.48	4.64	3.25	.34	5.18	10.21	5.32	8.30	OCF / Sh.	CNY/sh
	.44	.85	.60	.41	.30	.48	.54	.40	.64	.78	.76	1.03	1.09	.98	.60	.31	Capex / Sh.*	CNY/sh
RETURN TEST Sustain margins, cash quality and returns on new capital.	-.33	-.25	2.46	1.75	2.85	6.90	1.93	2.31	3.84	3.85	2.48	-.69	4.09	9.23	4.72	8.00	FCF / Sh.*	CNY/sh
	.15	.25	.50	.75	1.50	1.50	1.80	--	2.10	1.20	4.00	3.00	2.00	2.38	3.00	3.00	Dividend / Sh.	CNY/sh
	10.5x	11.0x	8.6x	7.6x	6.3x	10.6x	8.6x	9.7x	10.2x	13.0x	15.9x	12.3x	7.5x	6.8x	6.9x	8.4x	Avg. P/E	x
	-3.7%	-2.9%	19.3%	10.7%	15.4%	30.9%	7.8%	5.3%	10.8%	5.9%	4.0%	-1.9%	12.6%	28.7%	10.4%	19.9%	FCF Yield	%
	1.7%	2.9%	3.9%	4.6%	8.1%	6.7%	7.3%	--	5.9%	1.8%	6.5%	8.1%	6.2%	7.4%	6.6%	7.5%	Dividend Yield	%

CORE KPI TRACKER

Metric	FY21	FY22	FY23	FY24	FY25
R&D / sales	3.4%	3.3%	3.3%	3.6%	**3.8%**
Inv. / sales*	22.8%	20.3%	16.0%	14.8%	**16.5%**
Trade AR/sales*	7.4%	7.8%	7.9%	8.9%	**9.4%**
Advances/sales*	8.3%	7.9%	6.7%	6.6%	**8.9%**
Rebates/sales*	28.0%	27.8%	24.9%	25.9%	**28.5%**
CCE / cash*	25.6%	20.2%	24.9%	18.6%	**24.9%**

COMPOUND ANNUAL GROWTH RATE

	1Y	3Y	5Y	10Y	15Y
Revenue	-9.9%	-3.4%	.3%	5.7%	7.2%
Op. income	-6.2%	8.3%	5.9%	9.9%	18.4%
Net income	-9.9%	5.8%	5.5%	8.8%	13.6%
OCF	57.9%	17.4%	19.2%	.4%	33.4%
FCF	71.3%	25.4%	24.9%	.7%	--
EPS	-10.8%	5.5%	7.0%	9.6%	13.7%
FCF / sh	69.4%	25.1%	26.3%	1.5%	--

FINANCIAL POSITION | B

	FY21	FY22	FY23	FY24	FY25
Tot. assets	320	355	368	368	391
Tot. liabilities	212	253	247	227	242
Net assets	108	102	121	142	150
Mkt cap*	205	179	178	251	225
Cash-like*	117	157	124	114	111
Liab./assets	66.2%	71.3%	67.2%	61.5%	61.7%

CAPITAL RETURNS: FY11-25: OCF 366.04B - cash capex* 56.49B = **FCF* 309.55B.** Buybacks 30.00B (9.7%); cash dividends 139.01B (44.9%). **Payout 54.6%.** Residual 140.54B precedes M&A, investments and debt repayment; it is not idle cash.

NET SHARES: FY10-25 economic shares 5635.8M -> 5585.1M (**-.9%).** FY25 legal shares flat; ESOP transfer 63.20M shares lifted economic shares 1.1%; no cash buyback. **FY25 dividends/FCF* 37.5%.** Broad debt 86.43B. H126 report: buyback budget 5B-10B; >=70% for cancellation.

Cooling economics. FY25 consumer appliances generate 78.1% of sales at 35.3% gross margin. Integration, service and own brands support the franchise; group volumes and dealer inventories are undisclosed.

Cash quality. FY25 OCF 46.38B includes restricted-fund release 15.67B. Deposit-only sensitivity: +1.3% vs reported +57.9%; other finance flows remain.

Capital discipline. FY25 R&D expense: 6.46B. Titanium abandoned projects: 995.97M construction impairment. Its goodwill 612.78M was already fully impaired. Returns on new capital matter.

Interim signals. H126 sales fell 8.2%; other business drove 71.8% of the drop. Domestic main sales +1.9%, GM 31.94% (-2.62pp); exports -22.0%, GM 19.80% (+1.74pp). Revenue and pricing are separate tests.

Cash claims. FY25 funds 110.55B: CCE 27.57B, term deposits/interest 72.41B, restricted 10.58B. Interest-bearing debt 86.43B. Gross cash is not surplus.

Compounding test. Rebates 48.57B and advances 15.21B are claims. H126 OCF fell 33.6%; deposit/loan flows matter. Test margins, receivables and new investment returns.

Header: Oct 16, 2026 close x FY25 data; yield = FY DPS / current price. M35: FY DPS / FYE price. History/TR: Dec 31, 2025; H126 unaudited.
* Capex: cash PP&E/intangibles/other long-term assets; FCF = OCF - capex. Group OCF includes finance activities; not owner cash.
* KPIs: FYE group stocks/sales; R&D expense. Inventory includes property; advances include housing. CCE/cash is classification.
ROIC*: frozen monetary-funds netting; nonpositive/tiny capital -> NM*. Not incremental manufacturing ROIC.
Mkt cap*: FY-end close x FY-end economic shares; FY25 uses Dec 31, 2025. Cash/share: FYE economic shares, not Basic WA.
Cash-like*: monetary funds incl. term/restricted balances. DPS: FY-attributed; dividends: paid-year. --: zero/missing; 15Y FCF CAGR: negative base.
Sources: FY25 PDF24-25,89,169,173,177-180,196,204; H126 PDF7,24,146,150-153,178; FY21/23. Share-only prices; gross reinvested returns/CSI300 TR.

Financial Strength	--
Stock Price Stability	--
Price Growth Persistence	--
Cash Generation Stability	--

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