One of Leading European Manufacturers of Products for Home

**Core Business**
Products and services for home (MDA, SDA, HVAC, kitchen furniture)

**Number of Employees**
10,617

**Consolidated Revenue**
EUR 1.225 billion

**Export**
95% of sales

**R&D Competence Centres**
- Slovenia
- Czech Republic
- Sweden
- Netherlands

**Own Production**
- Slovenia
- Serbia
- Czech Republic

**Global Presence**
90 Countries Worldwide, mostly in Europe (92%), also in USA, Australia, Near and Far East

www.gorenjegroup.com
More than 60 Years of Tradition

- 1950: Founded in the village Gorenje
- 1958: Manufacturing of stoves
- 1960: Production in Velenje begins
- 1961: First export (to Western Germany)
- 1964: Production in Velenje, New plant for cooking appliances
- 1961-1970: Production of washing machines and refrigerators
- 1971: First sales subsidiary abroad (Munich)
- 1991: Slovenia becomes independent, loss of the former domestic market
- 1991-1996: Strong expansion abroad
- Setting-up own distribution network in Western Europe
Gorenje, d.d., becomes a public company, listed on the Ljubljana Stock Exchange.

- **1998**

- **2005**
  - Acquisition of the company ATAG, the Netherlands

- **2006**
  - New refrigerator & freezer plant in Valjevo, Serbia

- **2008**
  - Acquisition of the company ATAG, the Netherlands

- **2010**
  - Acquisition of the company ASKO, Sweden

- **2013**
  - Strategic Alliance with Panasonic
  - Listing on WSE

- **2014**
  - Positive effects of restructuring

- **2015**
  - Strengthening Strategic Alliance with Panasonic

  - New Strategy 2020

- **2012**
  - Restructuring of production facilities and sales organization begins, disposal of furniture manufacturing business
Ownership Structure
More than 55% of foreign shareholders

- KAD: 16.37%
- IFC: 11.80%
- Panasonic: 10.74%
- KDPW Fiduciary account: 8.05%
- Other financial investors: 36.91%
- Individuals: 12.38%
- Employees: 3.25%
- Treasury Shares: 0.50%
Strategic Alliance with Panasonic

**LONG-TERM STRATEGIC ALLIANCE**

**BUSINESS ALLIANCE**

- **R&D – joint development projects:** (new washing machines)
- **Production:** Increased production capacity utilization; Exchange of manufacturing know-how
- **Sales:** Possibility of joint sales-distribution channels
- **Strategic cooperation expanded to new business segments:** (a) procurement of materials & components, (b) manufacturing innovation, (c) consumer (aftersales) services, (d) logistics, (e) quality assurance, (f) distribution of major and small domestic appliances on selected markets

**CAPITAL ALLIANCE**

- **Panasonic - a minority shareholder** in Gorenje
- **Standstill agreement** - Panasonic not to increase its stake in share capital above 13% till 2018

**GORENJE BENEFITS FROM THE STRATEGIC ALLIANCE**

- Better absorption of fixed costs
- Improved capital structure
- Accelerated investment and R&D activities
- Better access to new financial sources
- **Additional annual revenues of up to EUR 80 m by 2018**
- Gradual improvement of EBITDA of up to EUR 20 m on a yearly basis by 2018
Business Segments

**CORE BUSINESS**

- Products and services for home
  - MDA (major domestic appliances)
  - SDA (small domestic appliances)
  - HVAC (heating, ventilation, air conditioning)

**PORTFOLIO**

- Investments
  - Ecology
  - Tool making
  - Engineering
  - Hotel and catering
  - Trade

86% 14%
Gorenje Group revenue growth was based on the core segment Home.
R&D Competence Centres

Firm Foundations for Future Development of the Gorenje Group

Cooperation with international institutions, knowledge and excellence centres.
Production Facilities for MDA in 3 Countries

Slovenia
Velenje

Czech Republic
Mariánské údolí

Serbia
Valjevo, Stara Pazova, Zaječar
Most Important Markets:
Germany, Russia and the Netherlands

GERMANY
RUSSIA
THE NETHERLANDS

SERBIA
SLOVENIA
CZECH REPUBLIC
CROATIA
DENMARK

AUSTRALIJA
USA

UKRAINE
BIH
AUSTRIA
POLAND
BELGIUM
HUNGARY
FINLAND
NORWAY
RUMANIA
SLOVAKIA
SWEDEN
BULGARIA
GREAT BRITAIN
FRANCE
MONTENEGRO
Gorenje Group Macro-organization and Locations

Thoughtfully constructed sales network, which will be expanding outside Europe.

<table>
<thead>
<tr>
<th>CURRENT MACRO ORGANIZATION (HOME)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>PARENT COMPANY</td>
</tr>
<tr>
<td>HOLDING COMPANIES</td>
</tr>
<tr>
<td>SALES BUSINESS UNITS</td>
</tr>
<tr>
<td>PRODUCTION COMPANIES</td>
</tr>
</tbody>
</table>

Note:
* Copenhagen is the regional hub for Scandinavia (Gorenje Group Nordic)
** Prague (Gorenje Spol) is the regional hub for the Czech Republic and Slovakia
Implementing a multi-brand strategy with attention on the upper-mid and premium price segment.
Asko appliances represent only 4% of our appliances **produced.** However, because of higher pricing Asko appliances represent **10% in our revenues.**
The difference is built on design and innovation.

Numerous awards for design, innovation, quality and brand recognition:

reddot design award
In more than 60 years, we have always challenged the industry with a daring design approach.
Challenging the washing machine

SIMPLE&LOGICAL
The first washing machine without buttons

1996
Challenging the conventional design of MDA

First co-branded design series in MDA
Challenging the use of black colour

The first black collection in MDA

pininfarina

2005
Challenging the fashion

The first use of creative material (Swarovski crystals) in the industry

2006
Challenging the use of white glass

ora-ïto

The first white glass collection in MDA

2008
Challenging the fashion

NIKA ZUPANC

First induction hob with a soul

2009
Challenging the use of colours

Nr.1 brand for appliances in colours in Germany since 1999
Challenging the light

The use of first mood light in MDA
Challenging the user interface

The first use of touch TFT display in MDA
Challenging the hob

The best performance of sensor cooking
Challenging simplicity

One of the first adaptable MDA collections with 360° simplicity approach
The best designer
in the world

New design line
in 2015
2015
the year of

1. unstable business environment
   • Ukrainian and Russian crisis
   • exchange rates volatility

2. greater financial strength
   • better working capital management
   • lower net debt
   • improved maturity profile

3. enhancing the strategic partnership with Panasonic

4. development of new markets and business cooperation
   • development of the Asko brand
   • development of innovative appliances
   • growth in overseas markets

5. new strategic plan 2016-2020
Business Plan 2016

• First year of the new 2016-2020 strategic period, consistently with the key strategic goals.

• Further growth of sales revenue planned for:
  • Gorenje Group (+4.0%)
  • Home segment (+4.6%)

• Increase in Gorenje Group profitability
  • EBITDA: + 11.6%
  • EBIT: + 14.9%
  • Net profit: EUR 7.6 million

• Improvement projects at all levels of operations.

• Further working capital optimization and positive cash flow.

• Focus on the core activity.

• Relative deleveraging (net financial debt to EBITDA ratio).
Business Plan 2016 (*excluding the companies from the Ecology)

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2015**</th>
<th>Budget* 2016</th>
<th>Index B16/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated revenue</td>
<td>1,154.8</td>
<td>1,201.0</td>
<td>104.0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>76.0</td>
<td>84.9</td>
<td>111.6</td>
</tr>
<tr>
<td>*EBITDA Margin (%)</td>
<td>6.6%</td>
<td>7.1%</td>
<td>/</td>
</tr>
<tr>
<td>EBIT</td>
<td>32.8</td>
<td>37.6</td>
<td>114.9</td>
</tr>
<tr>
<td>*EBIT Margin (%)</td>
<td>2.8%</td>
<td>3.1%</td>
<td>/</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>-4.7</td>
<td>11.2</td>
<td>/</td>
</tr>
<tr>
<td>Profit or loss for the period</td>
<td>-8.6</td>
<td>7.6</td>
<td>/</td>
</tr>
<tr>
<td>*ROS (%)</td>
<td>-0.7%</td>
<td>0.6%</td>
<td>/</td>
</tr>
</tbody>
</table>

**For comparability between the years 2015 and 2016, the 2015 is provided in comparable terms, excluding the companies from the Ecology segment, which are in the process of divestment.
2016-2020
we focus on

Growth
• improved sales structure
• overseas countries
• premium brands

Deleveraging
• improved working capital management

R&D
• new products development & innovation

Risk Management
Two Key Strategic Directions

- Profitable growth
- Global presence
We are responsible to the people, customers, partners, employees, shareholders, society and the environment. We respect the commitment to efficiency and goal orientation.

We operate in a spirit of continuous improvement. Therefore, we support innovation, bringing up new ideas in all fields, open-mindedness and encourage entrepreneurial thinking.

We remain loyal to the key goal of our corporation: creation of value for the shareholders, employees, business partners, and the environment.
Strategic Pillars 2020

**Profitable Growth:**
- Revenue of EUR 1.56 billion with EBITDA margin of 9%

- 92% share of core segment
- ASKO: EUR 206 million
- EUR 196 million outside Europe
- 30% of innovative and premium segments
- Net financial debt / EBITDA < 2.5
- FCF EUR 25 million (in 2019)*

**Digitization**
- Growth in key European markets and outside Europe
- All product categories for Home, with emphasis on innovation and design
- Operational excellence
- Strategic partnerships and synergies, business cooperations

**Employees, culture**

*In 2020, cash flow is planned to be negative due to an investment into a new plant.*
Main markets: USA, Australia, Scandinavia, Russia, Asia (selected markets)

Short-term: extend product portfolio and strengthen position on key markets

Mid-term: expand to new markets
Inspired by Scandinavia

From a wet premium specialist to a premium specialist offering the whole MDA range

Built like professional

Scandinavian design
Asko appliances represent 10% in our revenues in 2015, in 2020 will represent 14.2% in value due to extension of product portfolio and expansion on new markets and strengthening the position on the existing markets.

Doubled sales in innovative and premium segment which will amount to 30% of total sales in 2020.
Vision, Mission, Corporate Values

VISION
We aim to become the most design-driven innovator of home appliances in the world.

MISSION
We create innovative, design-driven and technically excellent products and services for home that simplify user’s life.

CORPORATE VALUES
Responsibility & Innovation & Entrepreneurship
- Open-mindedness
- Team spirit
- Respect
- Efficiency
- Goal-orientation
- Engagement
Thank you for your attention.