



Technovator International Limited 同方泰德国际科技有限公司 (1206.hk)

—Leading smart energy saving services provider

- Innovation Transformation

March 2018

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Financial highlights

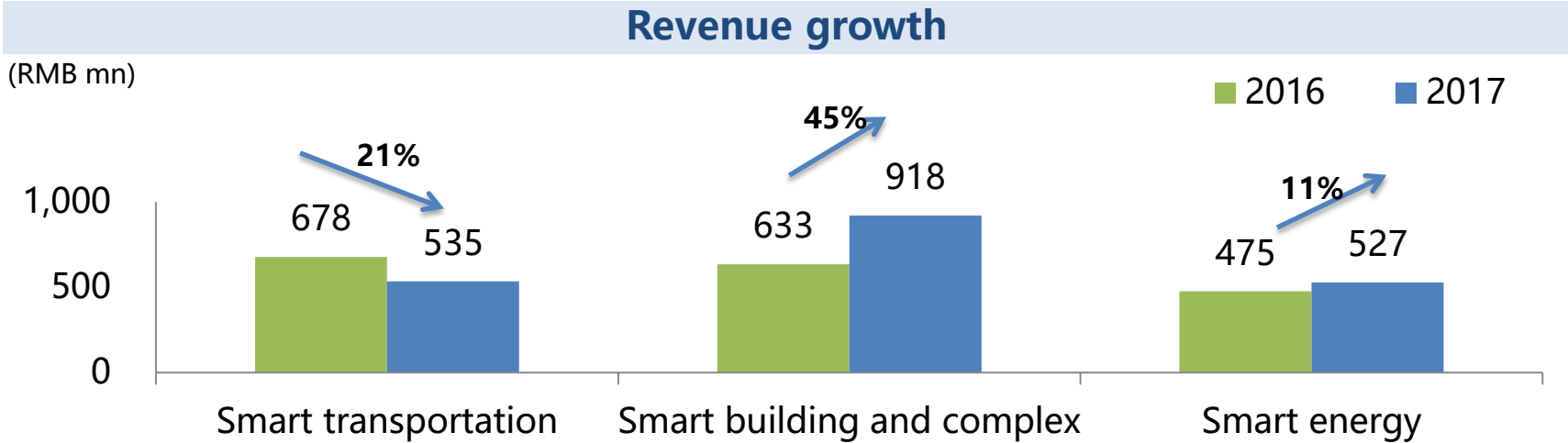
<i>For the 12 months ended 31 Dec</i>	2017 (RMB mn)	2016 (RMB mn)	Chg
Revenue	1,980.0	1,786.3	10.8%
Gross profit	494.1	428.6	15.3%
EBITDA	417.0	350.1 *	19.1% *
Operating profit	319.9	270.5 *	18.3% *
Profit for the year	262.9	203.3 *	29.3% *
Profit attributable to equity shareholders	259.4	205.7 *	26.1% *
Basic EPS (RMB)	0.3269	0.2935	11.4%
Basic EPS (HKD equivalent)	0.3779	0.3424	10.4%
Net assets per share (RMB)	3.0533	2.7370	11.6%
Net assets per share (HKD equivalent)	3.6527	3.0598	19.4%

* if excluding the one-off exchange gain realized from holding Canadian dollars by the Group in 2016

P&L analysis

<i>For the 12 months ended 31 Dec</i>	2017 (RMB mn)	2016 (RMB mn)	Chg
Revenue	1,980.0	1,786.3	10.8%
COGS	(1,485.9)	(1,357.7)	9.4%
Gross profit	494.1	428.6	15.3%
Other revenue	38.3	40.2	-4.6%
Other net gain	2.8	28.0	-89.9%
Selling and distribution costs	(81.9)	(66.2)	23.8%
Administrative and other operating expenses	(133.4)	(131.6)	1.4%
Profit from operations	319.9	298.9	7.0%
EBITDA	417.0	378.5	10.2%
Finance costs	(13.5)	(30.9)	-56.3%
Profit before taxation	306.4	268.0	14.3%
Income tax	(43.5)	(36.3)	19.8%
Profit for the year	262.9	231.7	13.4%
Attributable to minority	3.5	(2.4)	-247.1%
Attributable to equity shareholders	259.4	234.1	10.8%

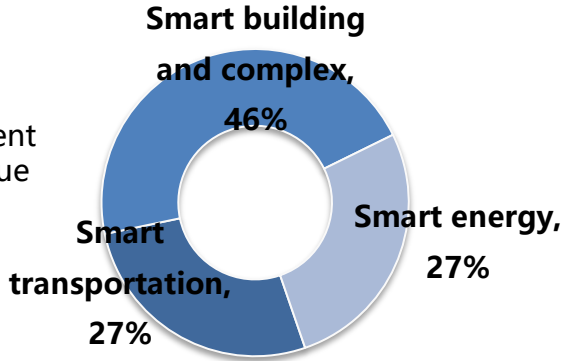
Revenue analysis – business segments



Effectively improved segment revenue structure, successfully signed high end projects and drove the segment revenue growth significantly



Recorded a downward adjustment in segment revenue in FY2017 due to the temporary contraction of market scale in FY2016.

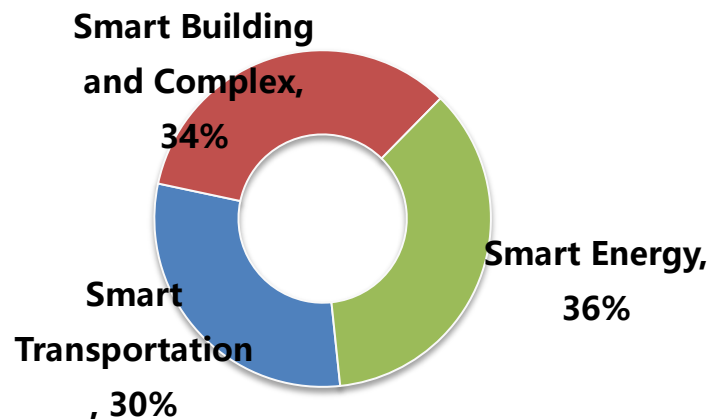


Benefitted from energy-saving industry development and with strong comprehensive strength, the Company undertook various EMC projects

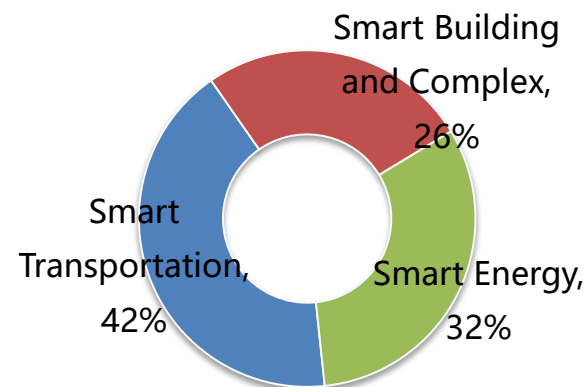
Gross margin analysis

<i>For the 12 months ended 31 Dec</i>	2017	2016	Chg
Gross margin(%)	25.0%	24.0%	1.0%
Smart Transportation	28.1%	26.5%	1.6%
Smart Building and Complex	18.3%	17.8%	0.5%
Smart Energy	33.5%	28.7%	4.8%

Gross profit breakdown – 2017

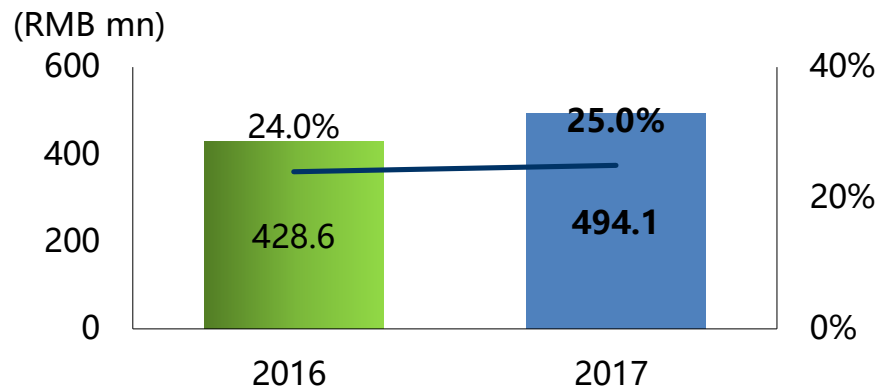


Gross profit breakdown – 2016

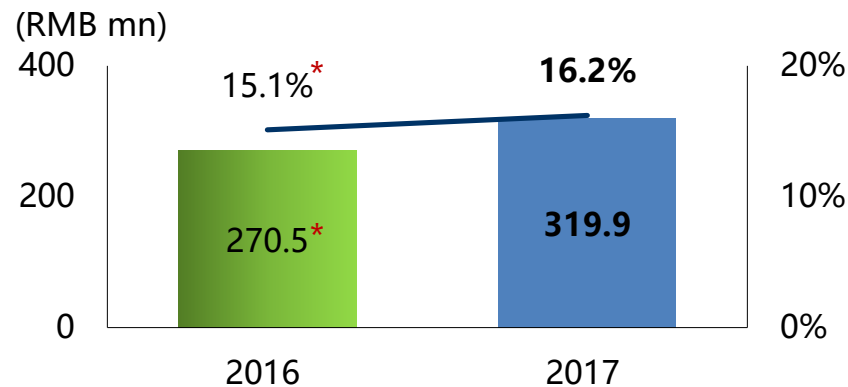


Profitability analysis

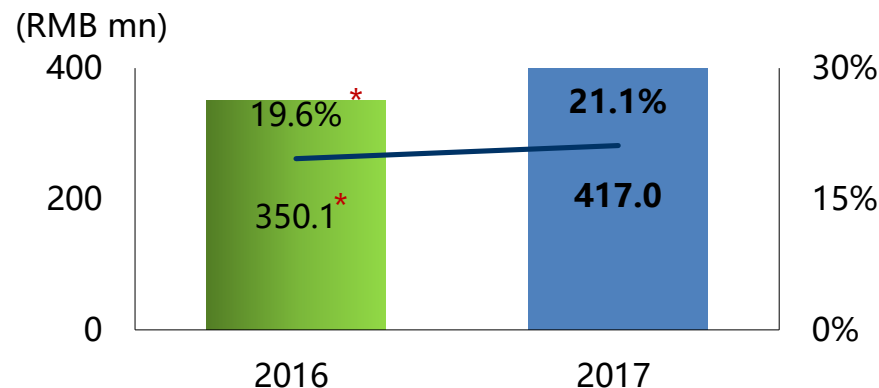
Gross margin



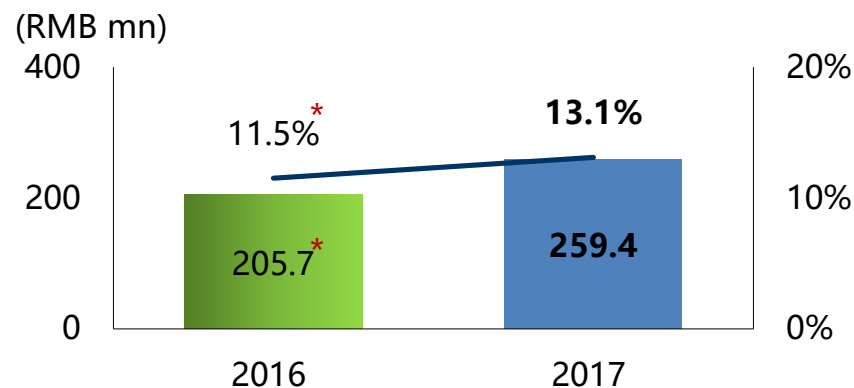
Operating margin



EBITDA margin



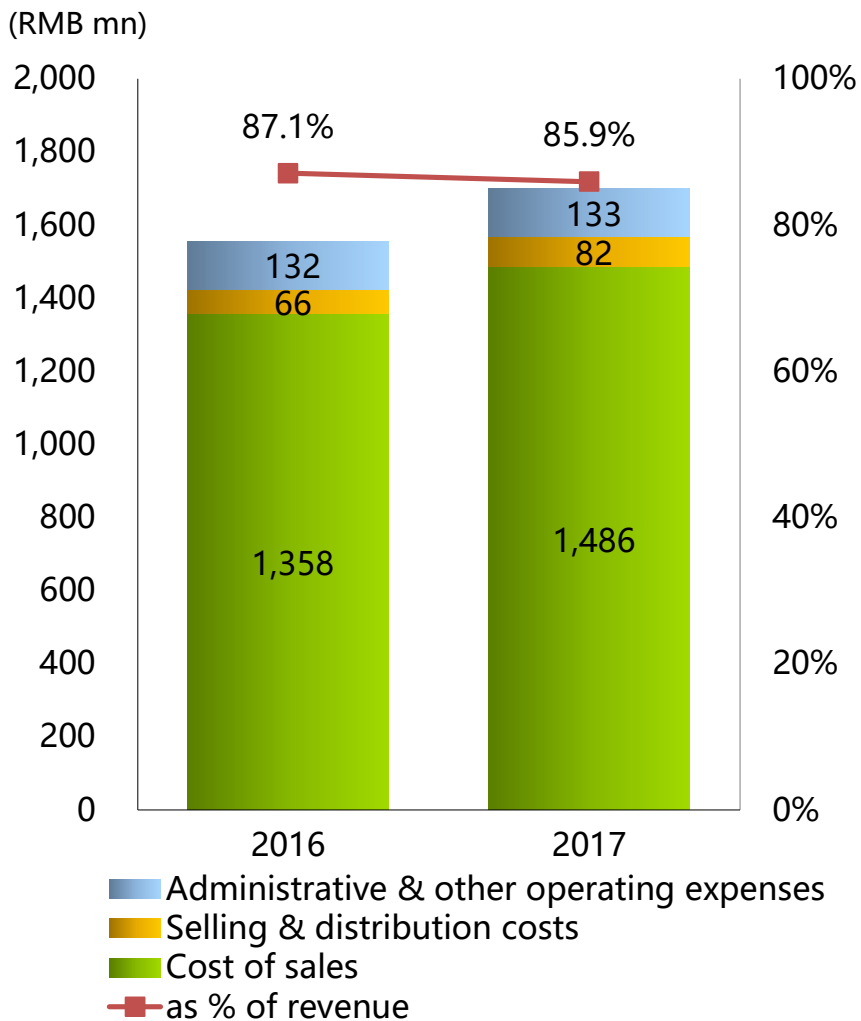
Net margin



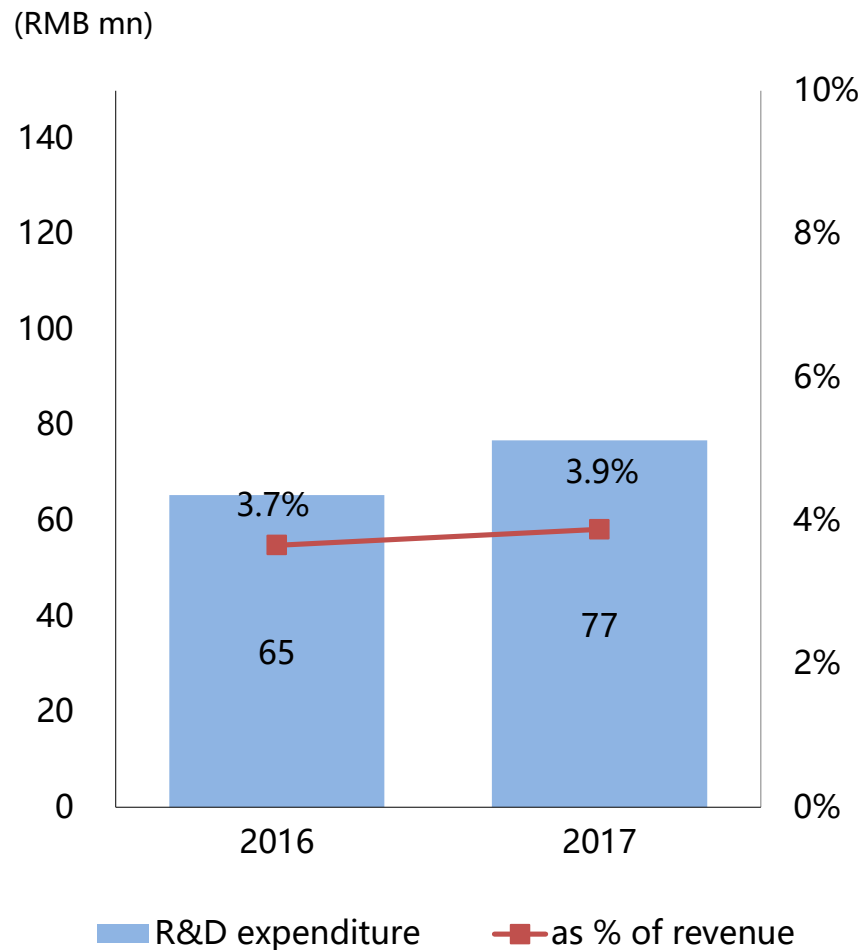
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Cost structure & R&D expenditure

Cost Structure



R&D expenditure



Other financial figures

	2017	2016
Net assets (RMB mn)	2,390.3	2,194.1
Total assets (RMB mn)	4,225.7	3,829.6
Cash & Cash Equivalents (RMB mn)	521.3	665.8
Loan & Borrowings – short term (RMB mn)	242.3	290.4
Loan & Borrowings – long term(RMB mn)	-	-
Net Cash/(Net Debt) (RMB mn)	279.0	375.5
Current Ratio (times) (Current Assets divided by Current Liabilities)	1.8	1.9
Loan & Borrowings Ratio (%) (Loans and Borrowings divided by Total Assets)	5.7%	7.6%
Inventory Turnover (Days)	62	59
Trade Receivables Turnover (Days)	212	208
Trade Payables Turnover (Days)	266	226

<i>For the 12 months ended 31 Dec</i>	2017 (RMB mn)	2016 (RMB mn)
Net cash generated from operating activities	105.6	100.3
Net cash (used in) investing activities	(124.5)	(509.5)
Net cash (used in) financing activities	(116.7)	(243.0)
Net (decrease) in cash & cash equivalents	(135.4)	(652.2)
Net cash generated from operating activities	520.9	661.4

Business review – Smart transportation



Smart
transportation

Business Transformation and Upgrade; Being the Leading Player in the Industry

- **Core technology was integrated and upgraded in all aspects:** rolled out **M+ urban rail transit solutions**; successfully developed a **cloud platform for the integrated monitoring and control of rail transit system**; **energy consumption big data analysis platform** steps into post-development stage; participated in the drafting of the national standard of “The Technical Code for Engineering of Integrated Supervision System of Urban Rail Transit”
- **With the tenders awarded and orders contracted increased significantly, the optimistic momentum continued:** successfully won **Xi’ an and Qingdao network command center projects**; continued to implement **subway integrated supervision and control projects such as in Pakistan, Qingdao, Xi’ an and Shenzhen**, while successfully contracted for various subway lines such as **in Wuhan, Harbin, Shenyang and Jinan**.
- **Breakthrough in subway station energy saving transformation business:** continued to achieve significant progress in **Beijing**, and successfully tapped into **Ningbo**



Smart building
and complex

Targeting at High-End Projects and Expanding Business Areas and Models

- **Focused on solutions integration and proprietary products upgrades and application:** Launched “E+ energy saving building” solution system; comprehensively upgraded the IBS 4.0 smart information integration system
- **Great breakthrough in terms of the scale of individual projects, service area and business model.:**
 - certain intelligent buildings project for a Northern China first-tier city as the single largest project to date; continued to focus on high-end;
 - continued to cooperate with Wanda, Jinmao and Evergrande groups by starting from energy monitoring and management;
 - successfully signed the entrusted energy operation project of Zhichun Plaza in Beijing, smoothly implemented Hengqin Integrated Smart Energy Station and won the bid for the Chongqing Xiantao Data Valley Regional Energy Station project



Smart energy

Seizing the Energy Saving Opportunity and Arranging the Layout of Application at Municipal Level

- **Various breakthroughs in technological research and development has been used in the industry:** successfully developed the smart heating information service platform; cooperates with Tsinghua University in the research and development of heating exchange units through huge temperature difference absorption (吸收式大溫差換熱機組) and put into operation
- **Fully benefited from the development of China’ s urbanization, the “Separation and transfer of water, power and gas supply and property management business” reform policy of state-owned enterprises and the technological revolution of the segment:** entered into agreements with Karamay and with Anshan to develop the regional cooperation: successfully launched smart heating information service platform in Taiyuan and Shihezi
- **Smooth progress in the development of EMC and entrusted operation:** various new EMC projects signed in Fushun, Shihezi, Heze and Linyi; continued to actively explore the business model of heating supply entrusted management and operations

THANK YOU Q&A



For further information & enquiries,
please contact our IR Department
Ms. Janet Lai / Ms. Hannah Zhang
Email: ir_technovator@thtf.com.cn
Website: www.technovator.com.sg
www.technovator.com.cn