



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

August 2019

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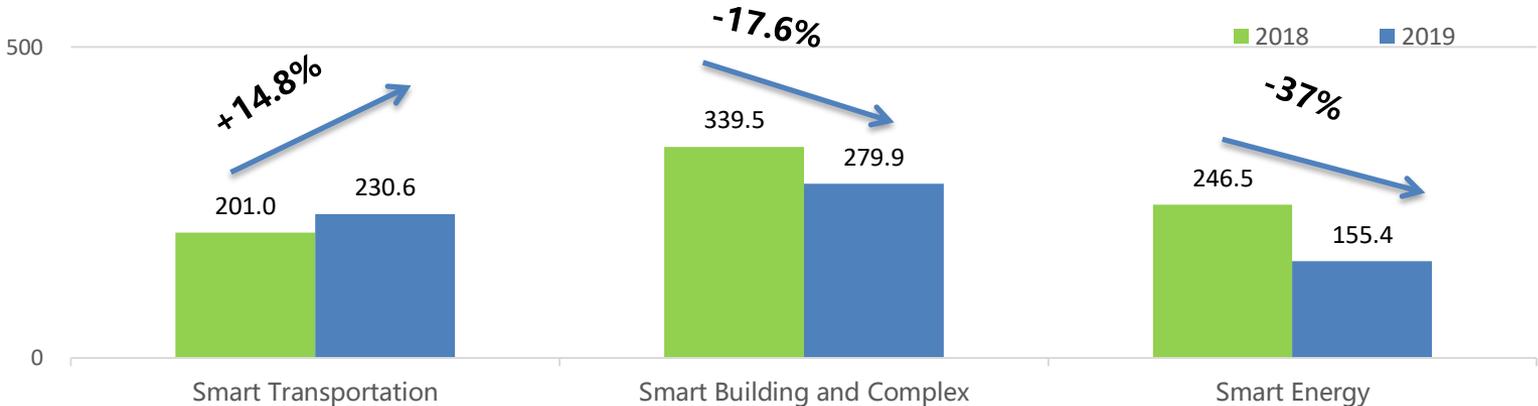
Financial highlights

<i>For the 6 months ended 30 June</i>	2019 (RMB mn)	2018 (RMB mn)	Chg
Revenue	665.9	786.9	-15.4%
Gross profit	152.2	181.4	-16.1%
Operating profit	47.3	89.5	-47.1%
Profit before taxation	40.5	84.4	-52.0%
Profit for the period	38.1	69.9	-45.5%
Profit attributable to equity shareholders	38.7	72.5	-46.6%
Basic EPS (RMB)	0.0495	0.0927	-46.6%
Basic EPS (HKD equivalent)	0.0563	0.1100	-48.8%

Revenue analysis – business segments

Revenue growth

(RMB mn)



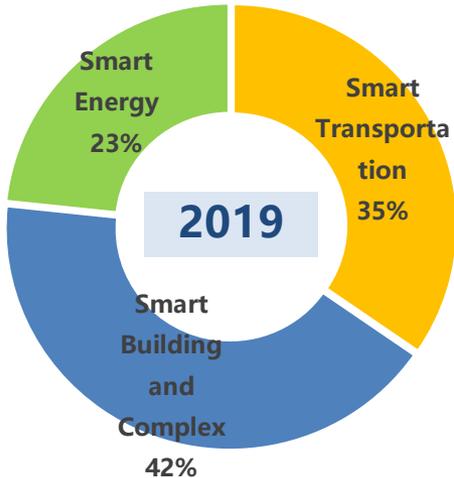
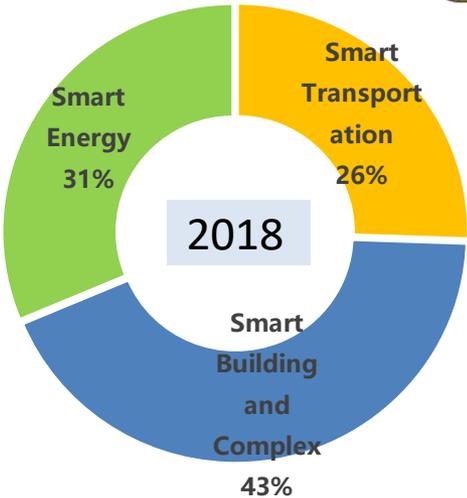
Actively promoted the existing business and expanded new business.



The dual impact of the macro and micro factors has resulted in a decline in revenue.



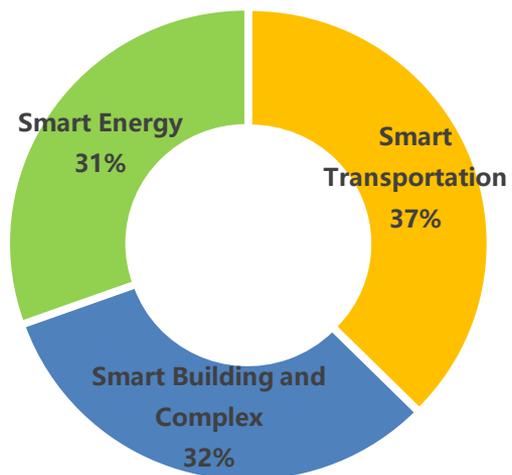
Mainly impacted by the postponement of certain EMC project won in 2018.



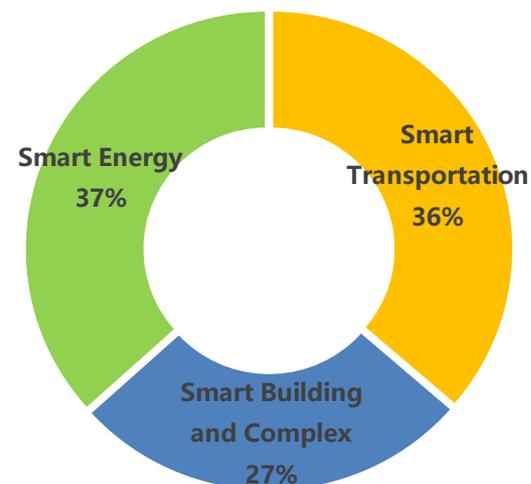
Gross margin analysis

<i>For the 6 months ended 30 June</i>	2019	2018	Chg
Gross margin(%)	22.9%	23.0%	-0.1%
Smart Transportation	24.7%	32.9%	-8.2%
Smart Building and Complex	17.5%	14.2%	3.3%
Smart Energy	29.9%	27.2%	2.7%

Gross profit breakdown – 2019



Gross profit breakdown – 2018



P&L analysis

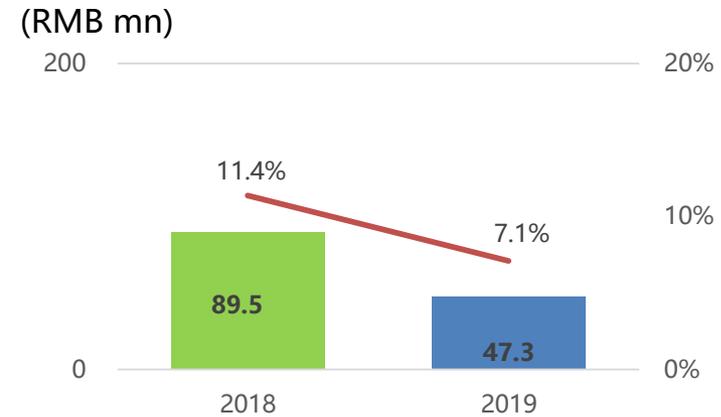
<i>For the 6 months ended 30 June</i>	2019 (RMB mn)	2018 (RMB mn)	Chg
Revenue	665.9	786.9	-15.4%
COGS	(513.6)	(605.6)	-15.2%
Gross profit	152.2	181.4	-16.1%
Other revenue	27.2	25.3	7.5%
Other net gain	1.0	(1.2)	--
Selling and distribution costs	(46.6)	(40.4)	15.3%
Administrative and other operating expenses	(87.4)	(75.1)	16.4%
Profit from operations	47.3	89.5	-47.2%
Finance costs	(6.9)	(5.2)	32.7%
Profit before taxation	40.5	84.4	-52.0%
Income tax	(2.4)	(14.5)	-83.4%
Profit for the period	38.1	69.9	-45.5%
Attributable to minority	(0.6)	(2.6)	--
Attributable to equity shareholders	38.7	72.5	-46.6%

Profitability analysis

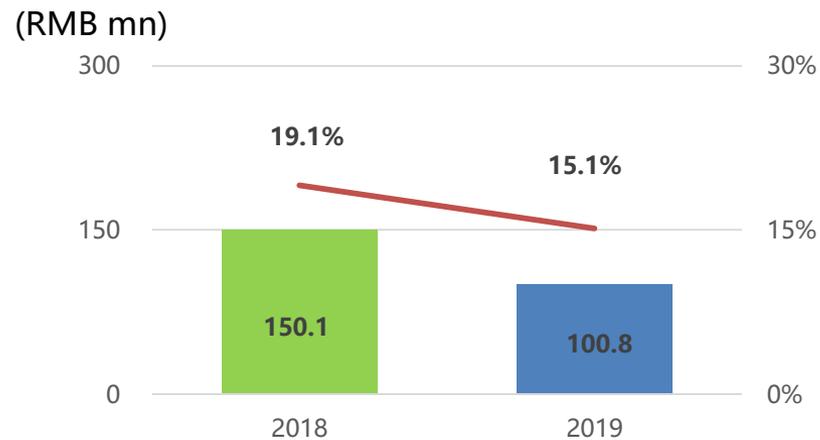
Gross margin



Operating margin



EBITDA margin

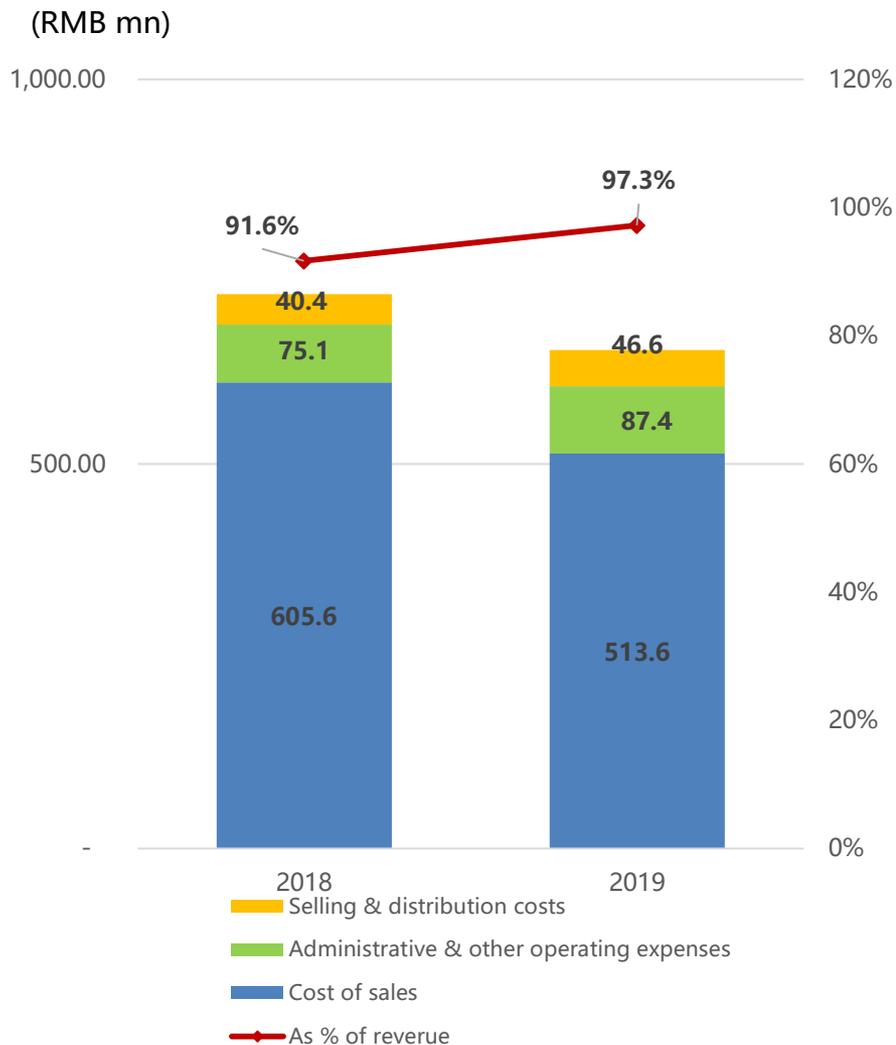


Net margin

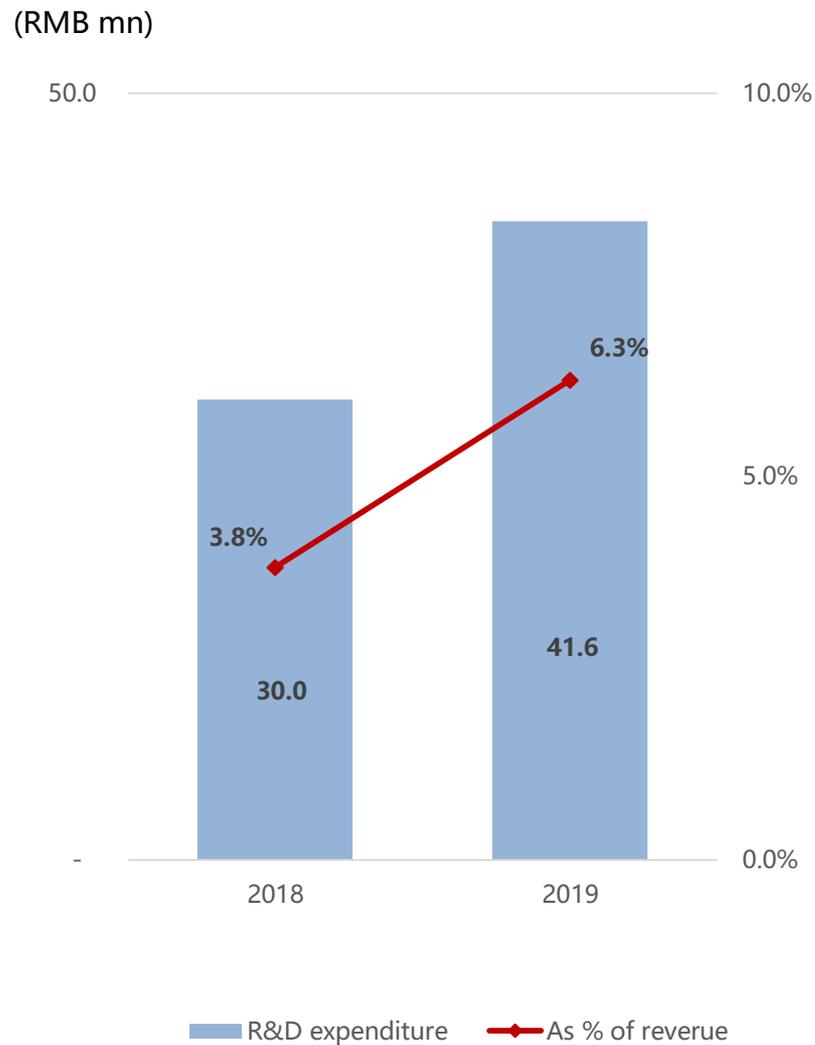


Cost structure & R&D expenditure

Cost Structure



R&D expenditure



Other financial figures

	Jun 2019	Dec 2018	Chg
Net assets (RMB mn)	2,695.7	2,657.4	38.3
Total assets (RMB mn)	4,591.9	4,611.0	(19.0)
Cash & Cash Equivalents (RMB mn)	266.8	689.0	(422.2)
Loan & Borrowings (RMB mn)	280.4	239.8	40.6
Net Cash/(Net Debt) (RMB mn)	(13.6)	449.2	(462.8)
Current Ratio (times) (Current Assets divided by Current Liabilities)	1.8	1.8	-
Loan & Borrowings Ratio (%) (Loans and Borrowings divided by Total Assets)	6.1%	5.2%	0.9%

	Jun 2019	Dec 2018	Jun 2018
Inventory Turnover (Days)	229	145	205
Trade Receivables Turnover (Days)	295	195	263
Trade Payables Turnover (Days)	415	279	360

Other financial figures

<i>For the 6 months ended 30 June</i>	2019 (RMB mn)	2018 (RMB mn)
Net cash generated from operating activities	(408.1)	(294.3)
Net cash (used in) investing activities	(45.6)	4.3
Net cash (used in) financing activities	39.0	(16.3)
Net (decrease) in cash & cash equivalents	(414.8)	(306.3)
Cash and cash equivalents at the end of the period	256.8	218.0

Business review – Smart transportation



Smart
transportation

A major increase in revenue;
The number of new orders increased;
Being the leading player in the industry

- **R&D:** The “Rail Transportation Command Center Software Platform ezNCC2.0” was officially launched;
The software platform was certified with the Safety Integrity Level SIL II by SGS.
- **Business:** Successfully carried out the implementation of subway intelligence projects such as Shenyang Subway Line 10 and Shijiazhuang Line 1;
Entered into a number of large projects, including Hohhot Line 2, Wuhan Line 5, Hangzhou Line 7, and Jinan Line R2;
Wuhan Subway Line 5 is the first fully automatic and unmanned line of Wuhan Subway.



Smart building
and complex

A decrease in segment revenue (by slowing growth rate of the industry and the revenue settlement progress of a large project);

A steady profit margin

- **R&D:** The “Intelligent Utility Tunnel Management platform UTM 3.0 System” was officially launched;

Developing and constructing a new universal control system under a private cloud platform, and a new room controller using swarm intelligence technology.
- **Business:** Successfully signed the headquarters intelligent project of Asian Infrastructure Investment Bank, contributing to “One Belt, One Road” initiative;

Signed Hengqin port project, expanding in the Guangzhou-Hong Kong-Macao Greater Bay Area;

Signed Beijing new airport’ s integrated pipeline project;

Techcon series building control products sustained its wide application in many places.



Smart energy

A decrease in segment revenue by the postponement of EMC projects;
Will start to recover in this year

- **R&D:** The “Smart Heating Network Software Platform ezIHM3.0” was officially launched;
The “absorption heat pumps for substantial temperature differentials with full operating conditions” was officially launched;
The “Magnetic suspension direct-expansion air-conditioning unit” achieved “All in One” central air-conditioning system.
- **Business:** Projects expanded in Taiyuan, Baoding, and Xinxiang;
Began cooperation with Shanghai Volkswagen;
Successfully signed the EMC project of the Shanxi Shenmu Heat Network.

THANK YOU



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