



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

**——Leading smart energy saving services provider**

**March 2021**

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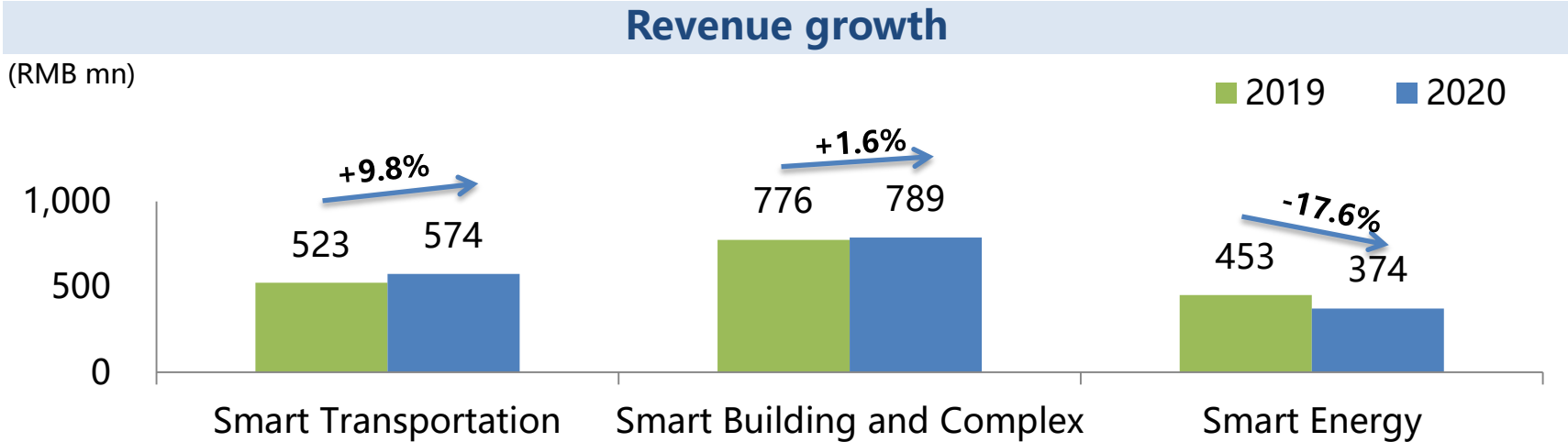
# Financial highlights

<i>For the 12 months ended 31 Dec</i>	<b>2020</b> <b>(RMB mn)</b>	2019 (RMB mn)	Chg
<b>Revenue</b>	<b>1,736.7</b>	<b>1,752.8</b>	<b>-0.9%</b>
<b>Gross profit</b>	<b>362.7</b>	<b>351.1</b>	<b>3.3%</b>
<b>EBITDA</b>	<b>262.1</b>	<b>243.9</b>	<b>7.5%</b>
<b>Operating profit</b>	<b>166.6</b>	<b>140.3</b>	<b>18.7%</b>
<b>Profit for the year</b>	<b>132.5</b>	<b>113.4</b>	<b>16.8%</b>
<b>Profit attributable to equity shareholders</b>	<b>130.6</b>	<b>112.9</b>	<b>15.7%</b>
<b>Basic EPS (RMB)</b>	<b>0.1670</b>	<b>0.1443</b>	<b>15.7%</b>

# P&L analysis

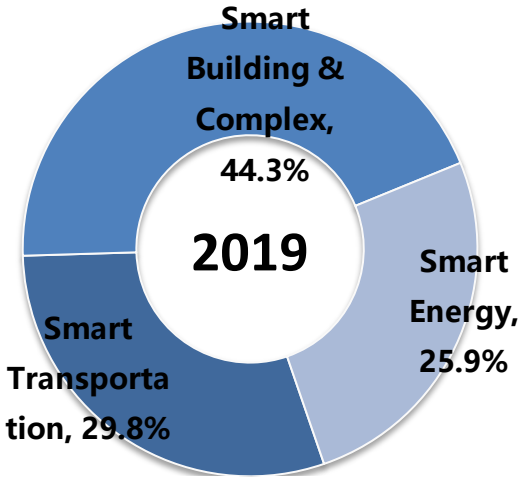
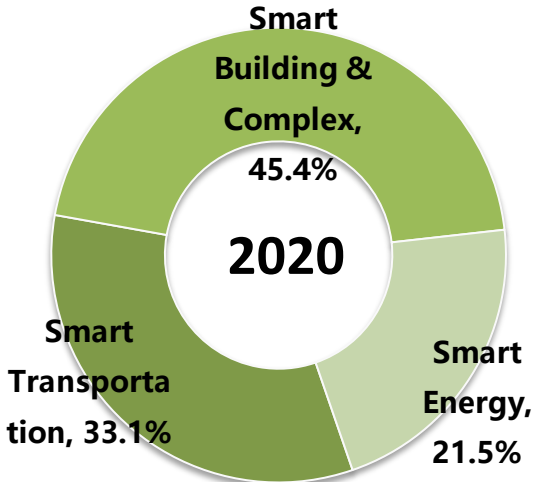
<i>For the 12 months ended 31 Dec</i>	<b>2020 (RMB mn)</b>	2019 (RMB mn)	Chg
<b>Revenue</b>	<b>1,736.7</b>	<b>1,752.8</b>	<b>-0.9%</b>
<b>COGS</b>	<b>(1,374.0)</b>	<b>(1,401.7)</b>	<b>-2.0%</b>
<b>Gross profit</b>	<b>362.7</b>	<b>351.1</b>	<b>3.3%</b>
<b>Other revenue</b>	<b>48.2</b>	<b>56.5</b>	<b>-14.7%</b>
<b>Other net gain</b>	<b>(1.2)</b>	<b>(10.4)</b>	<b>-88.5%</b>
<b>Selling and distribution costs</b>	<b>(90.0)</b>	<b>(94.4)</b>	<b>-4.7%</b>
<b>Administrative and other operating expenses</b>	<b>(153.2)</b>	<b>(163.4)</b>	<b>-6.2%</b>
<b>Share of profits/(losses) of associates</b>	<b>0.2</b>	<b>0.9</b>	<b>-77.8%</b>
<b>Profit from operations</b>	<b>166.6</b>	<b>140.3</b>	<b>18.7%</b>
<b>Finance costs</b>	<b>(12.2)</b>	<b>(11.8)</b>	<b>3.4%</b>
<b>Profit before taxation</b>	<b>154.4</b>	<b>128.5</b>	<b>20.2%</b>
<b>Income tax</b>	<b>(21.9)</b>	<b>(15.1)</b>	<b>45.0%</b>
<b>Profit for the year</b>	<b>132.5</b>	<b>113.4</b>	<b>16.8%</b>

# Revenue analysis – business segments



### Revenue breakdown – 2020

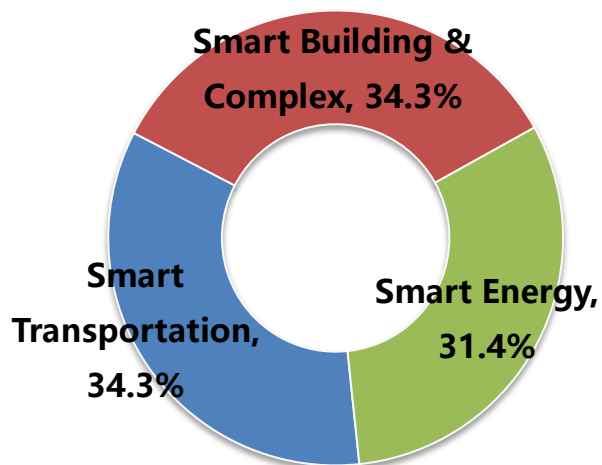
### Revenue breakdown – 2019



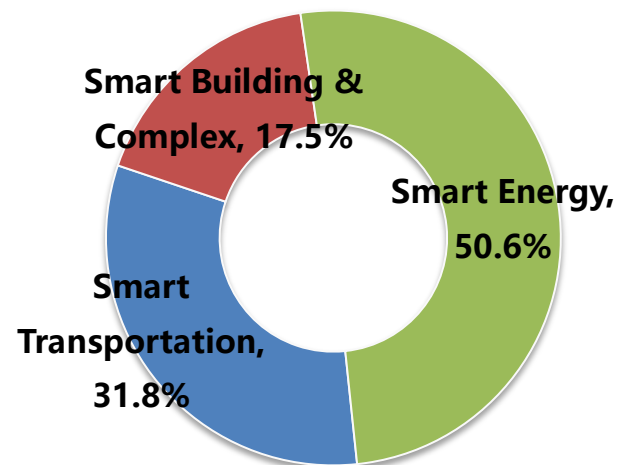
# Profit analysis

<i>For the 12 months ended 31 Dec</i>	2020	2019	Chg
<b>Gross margin(%)</b>	<b>20.9%</b>	<b>20.0%</b>	<b>0.9%</b>
Smart Transportation	<b>24.1%</b>	<b>23.8%</b>	<b>0.3%</b>
Smart Building and Complex	<b>19.0%</b>	<b>13.5%</b>	<b>5.5%</b>
Smart Energy	<b>20.2%</b>	<b>26.8%</b>	<b>-6.6%</b>

## EBITDA breakdown – 2020



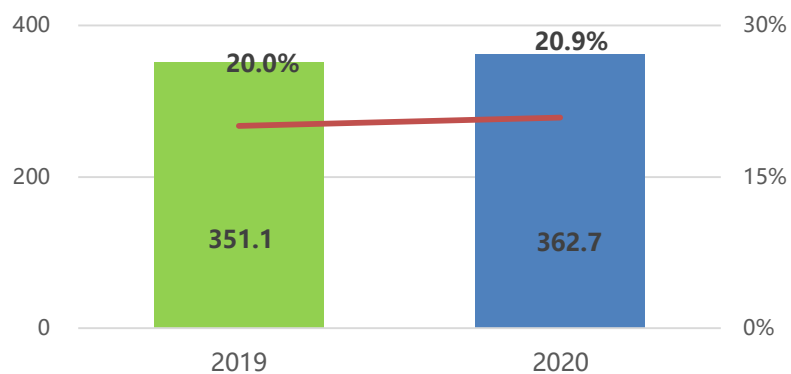
## EBITDA breakdown – 2019



# Profitability analysis

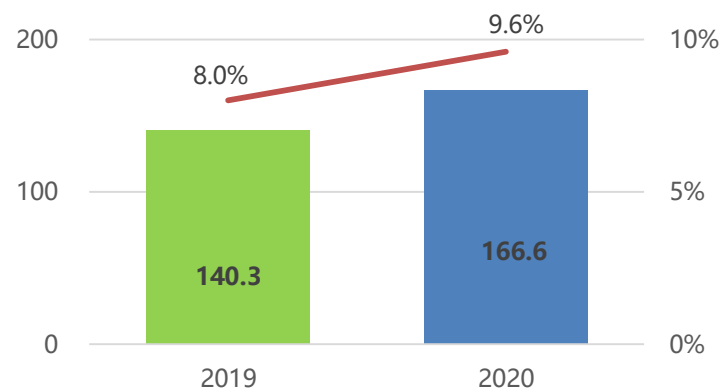
## Gross margin

(RMB mn)



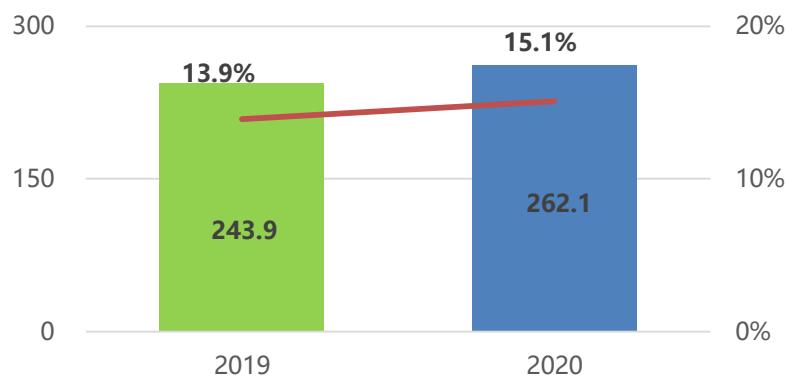
## Operating margin

(RMB mn)



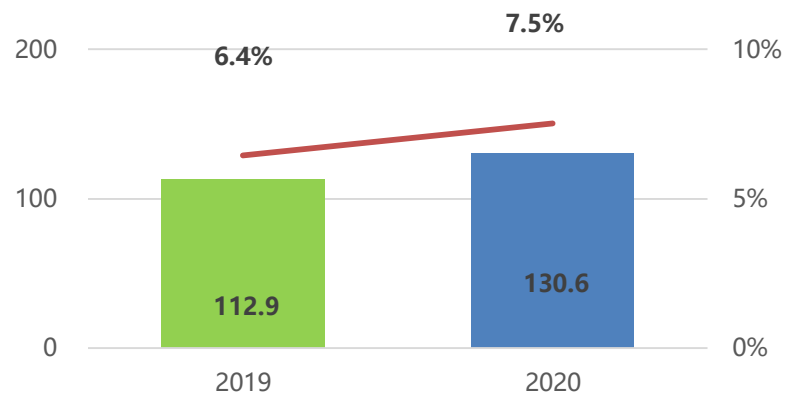
## EBITDA margin

(RMB mn)



## Net margin

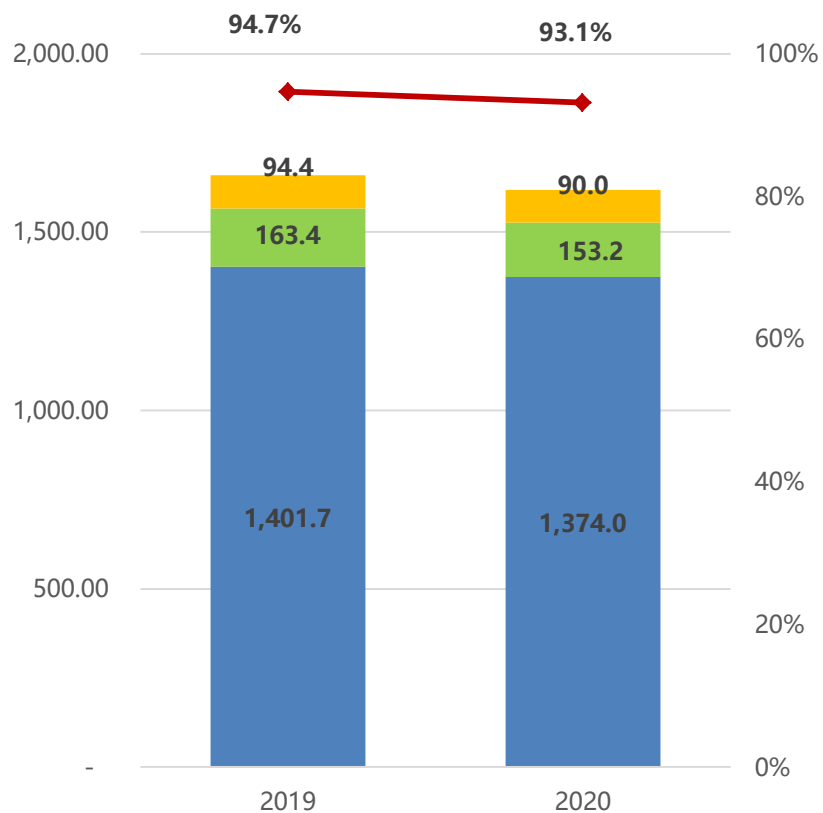
(RMB mn)



# Cost structure & R&D expenditure

## Cost Structure

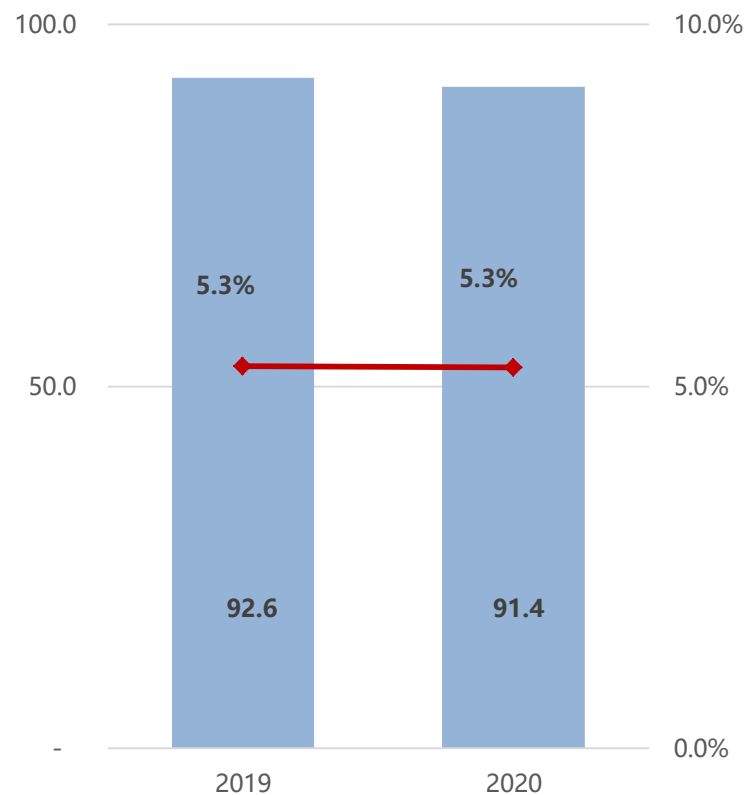
(RMB mn)



- Selling & distribution costs
- Administrative & other operating expenses
- Cost of sales
- ◆ as % of revenue

## R&D expenditure

(RMB mn)



- R & D expenditure
- ◆ as % of revenue



# Other financial figures

*For the 12 months ended 31 Dec*

	2020	2019	Chg
<b>Total assets (RMB mn)</b>	<b>4,879.9</b>	<b>4927.5</b>	<b>(47.6)</b>
<b>Net assets (RMB mn)</b>	<b>2,895.1</b>	<b>2772.5</b>	<b>122.6</b>
<b>Net assets per share (RMB)</b>	<b>3.7</b>	<b>3.5</b>	<b>0.2</b>
<b>Cash &amp; Cash Equivalents (RMB mn)</b>	<b>587.9</b>	<b>657.8</b>	<b>(69.9)</b>
<b>Loan &amp; Borrowings (RMB mn)</b>	<b>214.2</b>	<b>257.1</b>	<b>(42.9)</b>
<b>Net Cash/(Net Debt) (RMB mn)</b>	<b>373.7</b>	<b>400.7</b>	<b>(27.0)</b>
<b>Current Ratio (times)</b> (Current Assets divided by Current Liabilities)	<b>1.9</b>	<b>1.8</b>	<b>0.1</b>
<b>Loan &amp; Borrowings Ratio (%)</b> (Loans and Borrowings divided by Total Assets)	<b>4.4%</b>	<b>5.2%</b>	<b>-0.8%</b>
<b>Inventory Turnover (Days)</b>	<b>200</b>	<b>174</b>	<b>26</b>
<b>Trade Receivables Turnover (Days)</b>	<b>231</b>	<b>218</b>	<b>13</b>
<b>Trade Payables Turnover (Days)</b>	<b>353</b>	<b>338</b>	<b>15</b>

*For the 12 months ended 31 Dec*

	2020 (RMB mn)	2019 (RMB mn)	Chg (RMB mn)
<b>Net cash generated from operating activities</b>	<b>88.7</b>	<b>42.8</b>	<b>45.9</b>
<b>Net cash (used in) investing activities</b>	<b>(91.5)</b>	<b>(74.4)</b>	<b>(17.1)</b>
<b>Net cash (used in) financing activities</b>	<b>(51.9)</b>	<b>(31.0)</b>	<b>(20.9)</b>
<b>Net (decrease) in cash &amp; cash equivalents</b>	<b>(54.7)</b>	<b>(62.6)</b>	<b>7.9</b>
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>551.2</b>	<b>610.1</b>	<b>(58.9)</b>

# Business review – Smart transportation



Smart  
transportation

*Technology innovation capability and project application promoted;  
Segment revenue and profit margins bucked up*

- **R&D:** The segment launched smart station integrated operation and management platform (ezISCS-SOM), which built up three-dimensional station model with BIM and 3DGIS technology. This platform has been successfully applied to Xi' an Subway Line 5, branch line of Chongqing Subway Line 6 and other projects ;
- **Business:** Projects such as Hangzhou Subway Line 5 and 7, Jinan R2 Line, Xi' an Subway Line 5 Phase I and II, Wuhan Line 11 Phase III and Orange Line in Lahore, Pakistan have overcome unfavorable factors caused by the pandemic and were completed and put into operation as scheduled during the year;

Newly signed projects: Jinhua Jinyidong Urban Rail Transit (金華市金義東市域軌道交通) in Zhejiang Province; oversized platform screen doors project for Zhengzhou Urban Rail Transit Line 6 Phase I; EMC project for the ventilation and air conditioning system of Beijing Subway Line 15.

# Business review – Smart building and complex



Smart building  
and complex

*Strived to safeguard the smooth implementation of existing projects, and tightly grasped the opportunities brought about by the trend of “New Infrastructure” ;*

*Segment revenue grew steadily; profit margin increased significantly*

- **R&D:** The proprietary smart utility tunnel software platform has upgraded significantly; The segment rapidly developed and completed two groups of new products which were applicable to platform screen doors of urban transit, urban heating network of IoT based on the self-owned Techcon Neosys hardware platform during the period, and applied them in key projects;
- **Business:** Each division of national key projects such as Hengqin Port Project in Zhuhai, the NUO hotel ancillary facilities of Universal Studio Beijing and Shaanxi Broadcasting Network Industry Base Data Center (陝西廣電網絡產業基地數據中心) had overcome adverse impact caused by the pandemic and realized early resumption of work; Self- owned Techcon series software and hardware products continued to be applied in various projects in different regions; Newly signed EMC Project for Public Buildings of Hebei Agricultural University, Entrusted Energy Operation and Maintenance Project of PKU Resources Pioneer Park, etc.

# Business review – Smart energy



Smart energy

***The segment was severely affected due to the pandemic;  
A significant decline in revenue and profit margin***

- **R&D:** Successfully developed and completed the “Qihui” (啟慧) smart heating software platform. The platform fits for large energy system and is a tailor-made three-level index system. Picture of energy consumption and planned energy-saving pattern of comprehensive analysis system became the benchmarking products of smart heating and have been successfully applied in real projects;
- **Business:** The Taiyuan Absorption Heat Exchange Unit Project (太原熱力吸收式換熱機組項目), the Shaanxi Shenmu Smart Heat Network Project and the heat supply improvement project of “Three Supplies and Estate Management” (三供一業) in Taiyuan and Baoding have been orderly carried forward ;

The Smart Heating Project of Ningxia Power Investment Corporation (寧夏電投智慧供熱項目) was newly signed;

Also signed the projects such as the “Three Supplies and Estate Management” (三供一業) Project of PetroChina Xi’an Changqing Xinglongyuan Community, and the heating project of Dezhou Heating Group (德州市熱力集團).

# THANK YOU



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