



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

—Leading smart energy saving services provider

August 2021

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Financial highlights

<i>For the 6 months ended 30 June</i>	2021 (RMB mn)	2020 (RMB mn)	Chg
Revenue	689.3	624.8	10.3%
Gross profit	154.5	143.6	7.6%
EBITDA	78.8	66.2	19.0%
Operating profit	24.3	21.5	13.0%
Profit for the period	16.2	11.8	37.3%
Profit attributable to equity shareholders	17.2	12.8	34.4%
Basic EPS (RMB)	0.0220	0.0164	34.1%

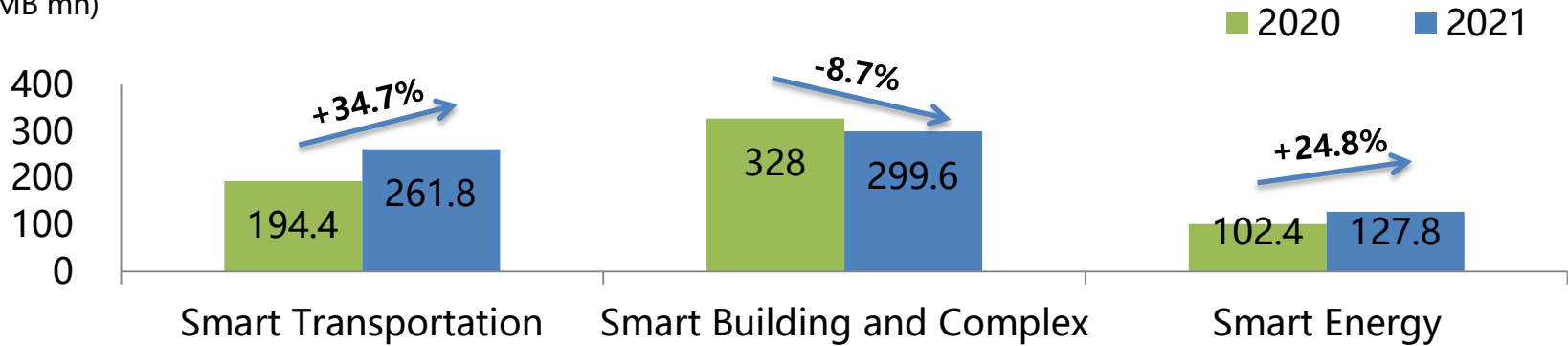
P&L analysis

<i>For the 6 months ended 30 June</i>	2021 (RMB mn)	2020 (RMB mn)	Chg
Revenue	689.3	624.8	10.3%
COGS	(534.8)	(481.2)	11.1%
Gross profit	154.5	143.6	7.6%
Other revenue	18.0	23.8	-24.4%
Other net (loss)/gain	(2.6)	(0.7)	>100%
Selling and distribution costs	(56.5)	(47.8)	18.2%
Administrative and other operating expenses	(73.3)	(60.2)	21.8%
Share of loss of associates	0.3	0.0	>100%
Profit from operations	24.3	21.5	13.0%
Finance costs	(3.7)	(8.1)	-54.3%
Profit before taxation	20.6	13.4	53.7%
Income tax	(4.4)	(1.6)	>100%
Profit for the period	16.2	11.8	37.3%

Revenue analysis – business segments

Revenue growth

(RMB mn)



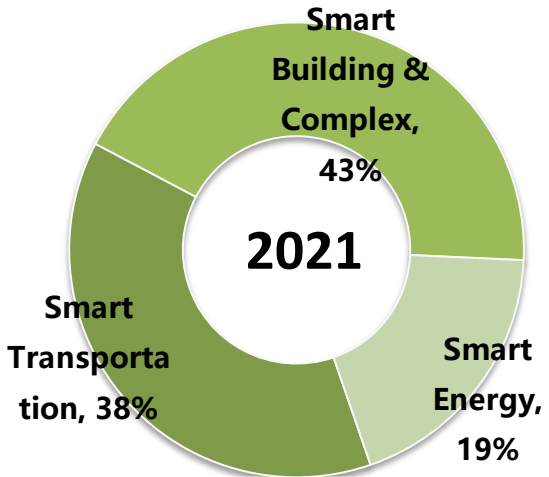
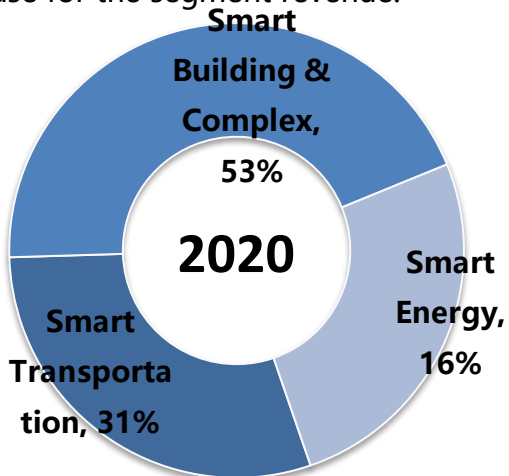
As the prevention and control of COVID-19 became commonplace across the country, the projects implementation progress gradually resumed, resulting in a significant increase for the segment revenue.



Since the construction of the major infrastructure projects previously undertaken were largely completed last year, the revenue contribution decreased for the period.



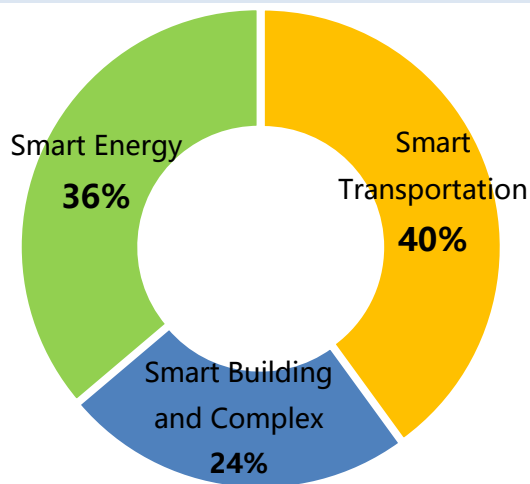
As the negative impact from the pandemic have been gradually mitigated, and the obstacles to the implementation of projects had diminished, the segment revenue rebounded significantly.



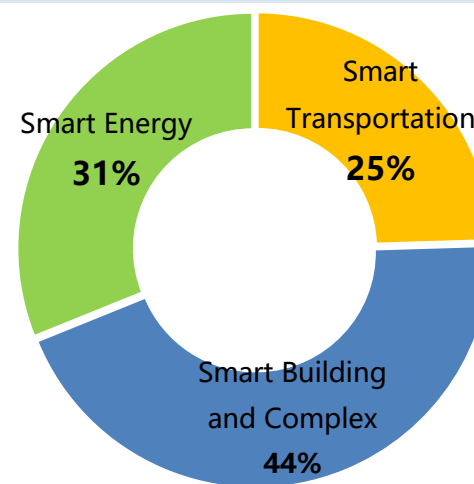
Profit analysis

<i>For the 6 months ended 30 June</i>	2021	2020	Chg
Gross margin(%)	22.4%	23.0%	-0.6%
Smart Transportation	22.0%	28.8%	-6.8%
Smart Building and Complex	25.5%	20.2%	5.3%
Smart Energy	16.0%	20.8%	-4.8%

EBITDA breakdown – 2020



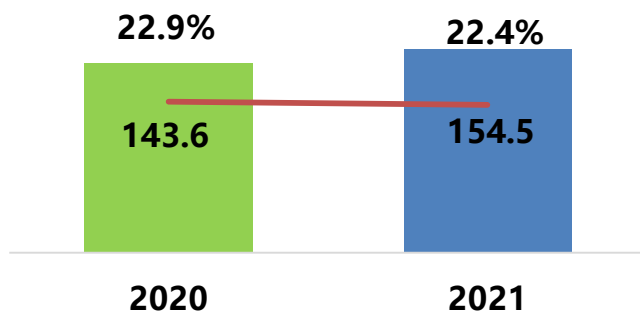
EBITDA breakdown – 2021



Profitability analysis

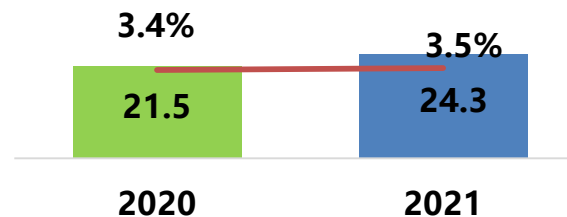
Gross margin

(RMB mn)



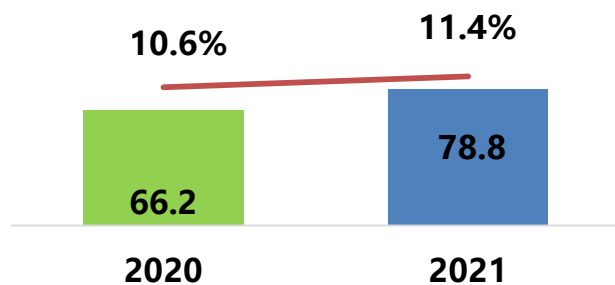
Operating margin

(RMB mn)



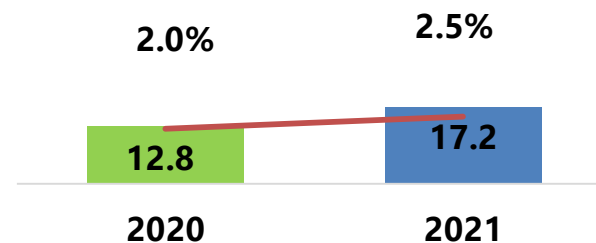
EBITDA margin

(RMB mn)



Net margin

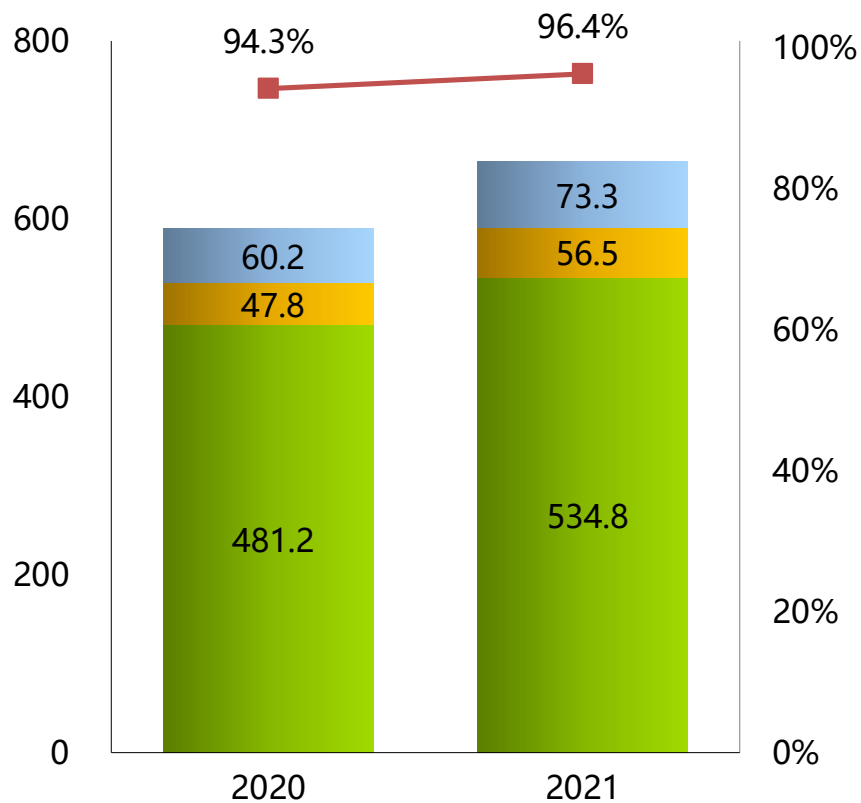
(RMB mn)



Cost structure & R&D expenditure

Cost Structure

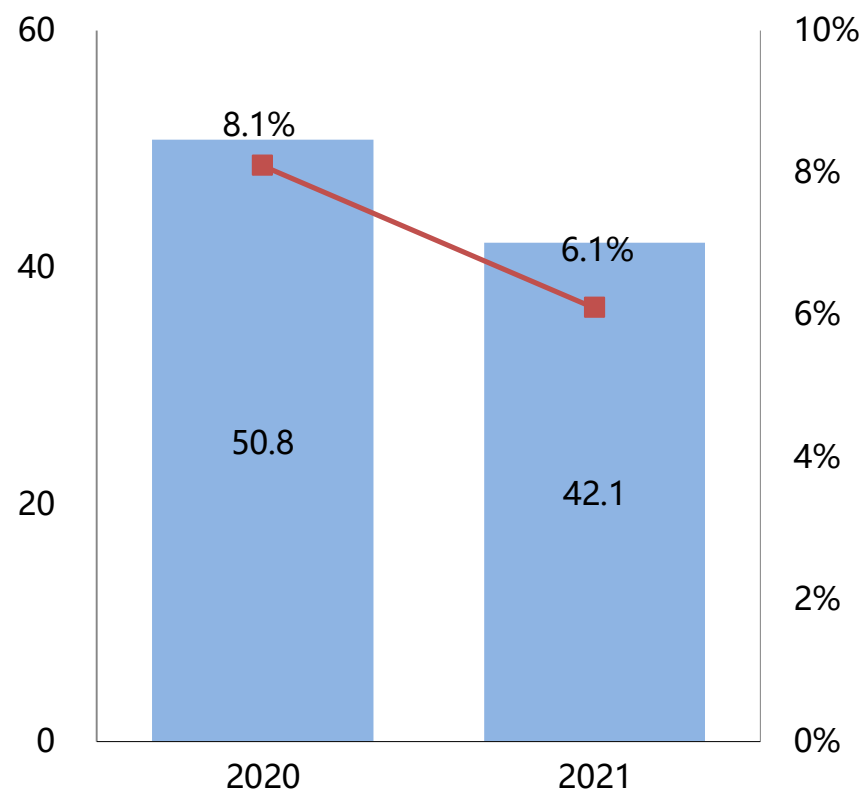
(RMB mn)



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

R&D expenditure

(RMB mn)



- R&D expenditure
- as % of revenue

Other financial figures

	Jun 2021	Dec 2020	Chg
Total assets (RMB mn)	4,672.9	4,879.9	(207.0)
Net assets (RMB mn)	2,910.7	2,895.1	15.6
Net assets per share (RMB)	3.7	3.7	-
Cash & Cash Equivalents (RMB mn)	150.0	587.9	(437.9)
Loan & Borrowings (RMB mn)	160.3	214.2	(53.9)
Net Cash/(Net Debt) (RMB mn)	(10.3)	373.7	(384.0)
Current Ratio (times) (Current Assets divided by Current Liabilities)	2.0	1.9	0.1
Loan & Borrowings Ratio (%) (Loans and Borrowings divided by Total Assets)	3.4%	4.4%	-1.0%

	Jun 2021	Jun 2020
Inventory Turnover (Days)	271	277
Trade Receivables Turnover (Days)	302	312
Trade Payables Turnover (Days)	412	490

Other financial figures

<i>For the 6 months ended 30 June</i>	2021 (RMB mn)
Cash and cash equivalents at 1 January	551.2
Net cash generated from operating activities	(329.5)
Net cash (used in) investing activities	(49.3)
Net cash (used in) financing activities	(38.7)
Net (decrease) in cash & cash equivalents	(417.5)
Effect of foreign exchange rates changes	(0.5)
Cash and cash equivalents at 30 June	133.1

<i>For the 6 months ended 30 June</i>	2021 (RMB mn)	2020 (RMB mn)	Chg (RMB mn)
Net cash generated from operating activities	(329.5)	(247.6)	(81.9)
Net cash (used in) investing activities	(49.3)	(36.6)	(12.7)
Net cash (used in) financing activities	(38.7)	(113.0)	74.3
Effect of foreign exchange rates changes	(0.5)	0.2	(0.7)



Smart
transportation

Accelerated the progress of projects under construction; A significant increase in revenue;

Due to the increase in costs as a result of the pandemic, the profit margin of the segment decreased.

- **Business:** The implementation of key projects such as Zhengzhou Rail Transit Line 6, Wuhan Rail Transit Line 5, Tianjin Metro Line 4 and Hangzhou Metro Line 10 under the segment was vigorously promoted.

The EMC project of Beijing Metro Line 15 completed construction and was put into operation. Suzhou rail transit Network Command Center was also officially launched.

- **R&D:** The energy-saving project of Beijing Metro Line 19 Phase I was signed during the period. As a pilot project of the Beijing Municipal Science and Technology Commission, the project will adopt the self-developed magnetic levitation direct-cooling air-conditioning units and air-conditioning control system based on cluster intelligence technology, combined with Techcon EEC metro expert energy-saving system and EMOD energy management and online diagnosis system, to help the whole line of Line 19 achieve energy-saving operation and create an industry benchmark.

Business review – Smart building and complex



A number of national key projects were in the final stage during the period, resulting in a decrease in revenue;

As a result of high-quality projects and the increased application of proprietary software products, the segment's profitability improved significantly.

- **Business:** National key projects such as the Museum of the Communist Party of China (中國共產黨歷史展覽館), the renovation of the curling arena of the National Swimming Center (國家游泳中心冰壺場館) and the CPC Central Committee's Gift and Cultural Relics Management Center (中央禮品文物管理中心) were successfully completed.

The Group's proprietary Techcon series of software and hardware products continued to be applied in different areas.

- **R & D:** The Group spared no efforts to build a city central system with "Kunlun Platform (昆侖平台)" as the core, which combined new technologies such as big data, artificial intelligence and digital twin and had the ability to process massive amounts of data in parallel. On this platform, the Group developed a series of integrated applications for building parks, data centers, underground spaces, cultural and sports venues, intelligent medical care and other segments, which are constantly iterating and updating to provide users with intelligent management and decision-making services.

Business review – Smart energy



Smart energy

The implementation of a number of projects held back resumed steadily, and the revenue rebounded significantly;

Due to the increase in costs as a result of the pandemic, the profit margin of the segment decreased.

- **Business:** The segment actively promoted the implementation of Taiyuan centralized heating project series (太原市集中供熱系列項目), Henan Zhumadian centralized heating project (河南駐馬店集中供暖項目) and the first station large temperature differential unit project of Tai'an Kaiyuan Heat Supply (泰安市開元供熱首站大溫差機組項目);
EMC projects such as Xinjiang Tianfu (新疆天富) and Fushun Mining (撫順礦業) operated well.
- **R&D:** The segment has taken Taiyuan City as a benchmark and implemented difficult projects such as the Taigu long-distance heating project with substantial temperature differential, and the absorption type large temperature differential intelligent heat exchange unit for all working conditions, while building a “one city, one network” clean and intelligent heat supply system for Taiyuan City.

THANK YOU



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