



Technovator International Limited

同方泰德国际科技有限公司 (1206.hk)

—Leading smart energy saving services provider

August 2022

Disclaimer

The presentation is prepared by Technovator International Limited (“Technovator” or “Company”) and is for the purpose of corporate communication and general reference only. The presentation is not intended as an offer to sell, or to solicit an offer to buy or to form any basis of investment decision for any class of securities of the Company in any jurisdiction. All such information should not be used or relied on without professional advice. The presentation is a brief summary in nature and does not purport to be a complete description of the Company, its business, its current or historical operating results or its future business prospects.

This presentation is provided without any warranty or representation of any kind, either expressed or implied. The Company specifically disclaims all responsibilities in respect of any use or reliance of any information, whether financial or otherwise, contained in this presentation.

Financial highlights

<i>For the 6 months ended 30 June</i>	2022 (RMB mn)	2021 (RMB mn)	Chg
Revenue	625.1	689.3	-9.3%
Gross profit	108.3	154.5	-29.9%
EBITDA	70.4	78.8	-10.7%
Operating profit	14.6	24.3	-39.9%
Profit for the period	9.7	16.2	-40.1%
Profit attributable to equity shareholders	11.7	17.2	-32.0%
Basic EPS (RMB)	0.0149	0.0220	-32.3%

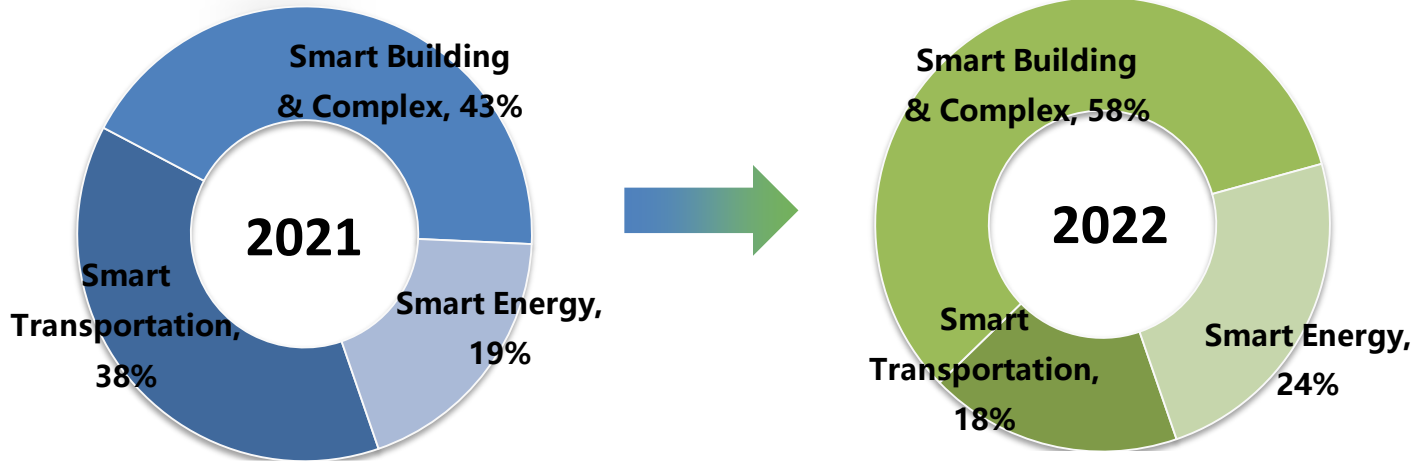
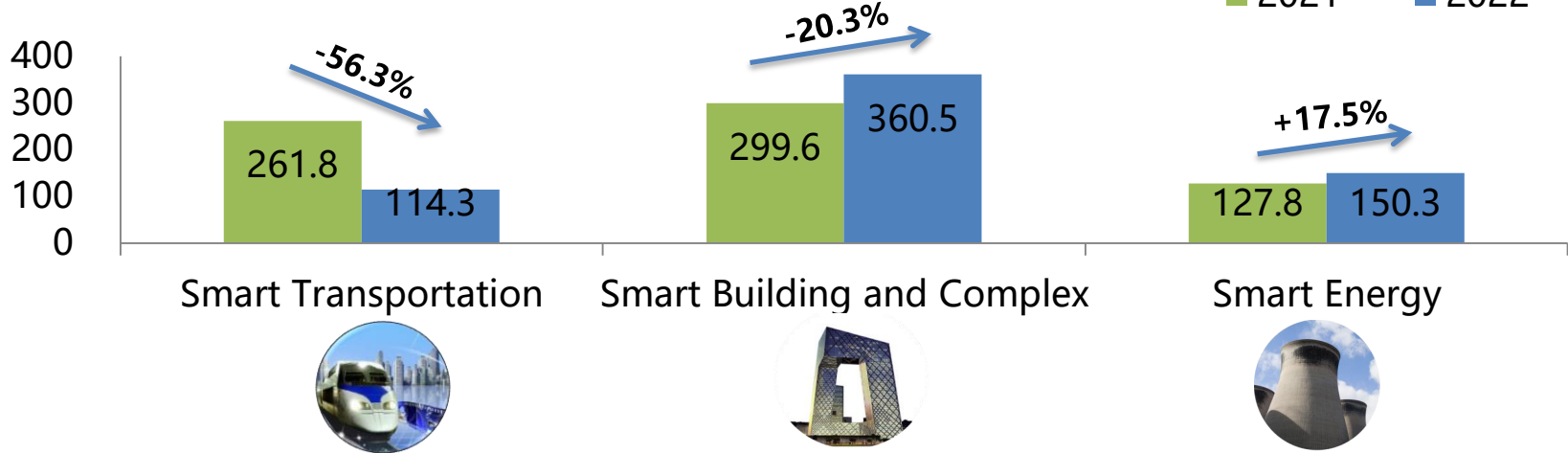
P&L analysis

<i>For the 6 months ended 30 June</i>	2022 (RMB mn)	2021 (RMB mn)	Chg
Revenue	625.1	689.3	-9.3%
COGS	(516.8)	(534.8)	-3.4%
Gross profit	108.3	154.5	-29.9%
Other revenue	17.5	18.0	-2.8%
Other net (loss)/gain	1.0	(2.6)	变动大于100%
Selling and distribution costs	(44.3)	(56.5)	-21.6%
Administrative and other operating expenses	(63.5)	(73.3)	-13.4%
Impairment loss on trade and other receivables and contract assets	(4.4)	(15.3)	-71.1%
Share of loss of associates	(0.1)	(0.3)	-66.7%
Profit from operations	14.6	24.3	-39.9%
Finance costs	(2.4)	(3.7)	-35.1%
Profit before taxation	12.1	20.6	-41.3%
Income tax	(2.4)	(4.4)	-45.5%
Profit for the period	9.7	16.2	-40.1%

Revenue analysis – business segments

Revenue growth

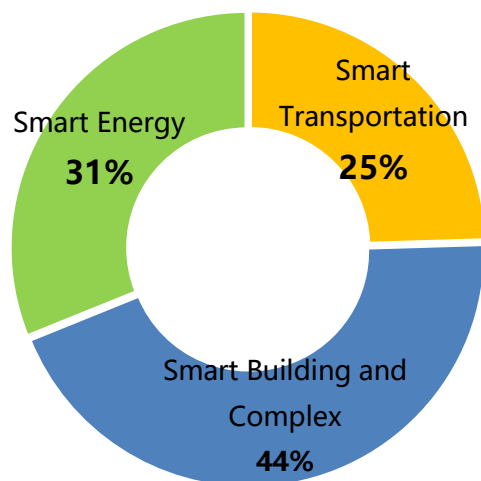
(RMB mn)



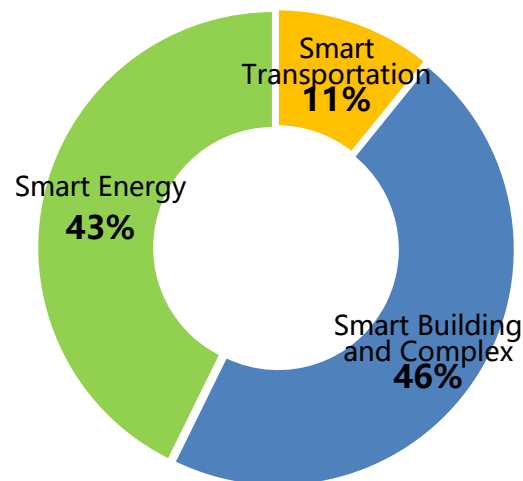
Profit analysis

<i>For the 6 months ended 30 June</i>	2022	2021	Chg
Gross margin(%)	17.3%	22.4%	-5.1%
Smart Transportation	16.7%	22.0%	-5.3%
Smart Building and Complex	19.3%	25.5%	-6.2%
Smart Energy	13.1%	16.0%	-2.9%

EBITDA breakdown – 2021



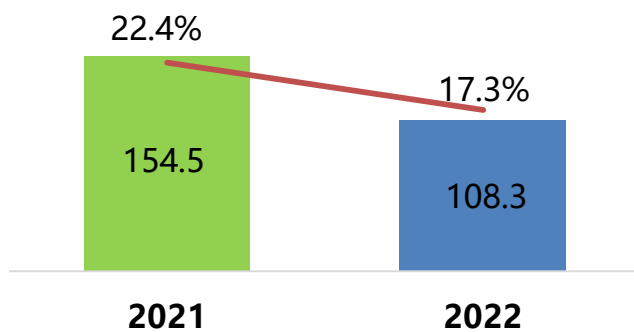
EBITDA breakdown – 2022



Profitability analysis

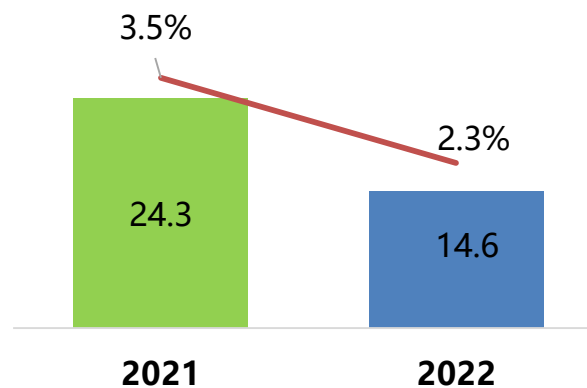
Gross margin

(RMB mn)



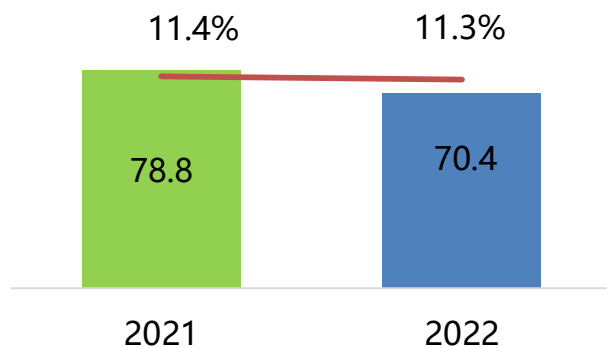
Operating margin

(RMB mn)



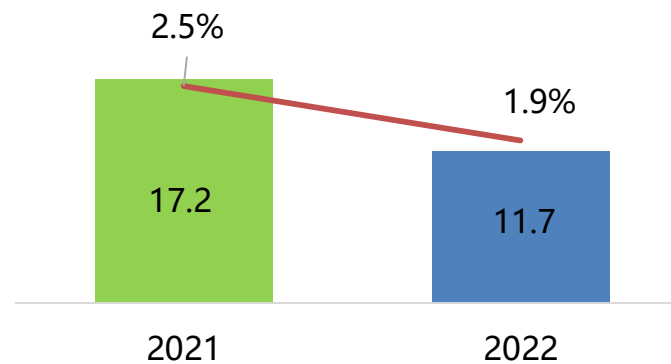
EBITDA margin

(RMB mn)



Net margin

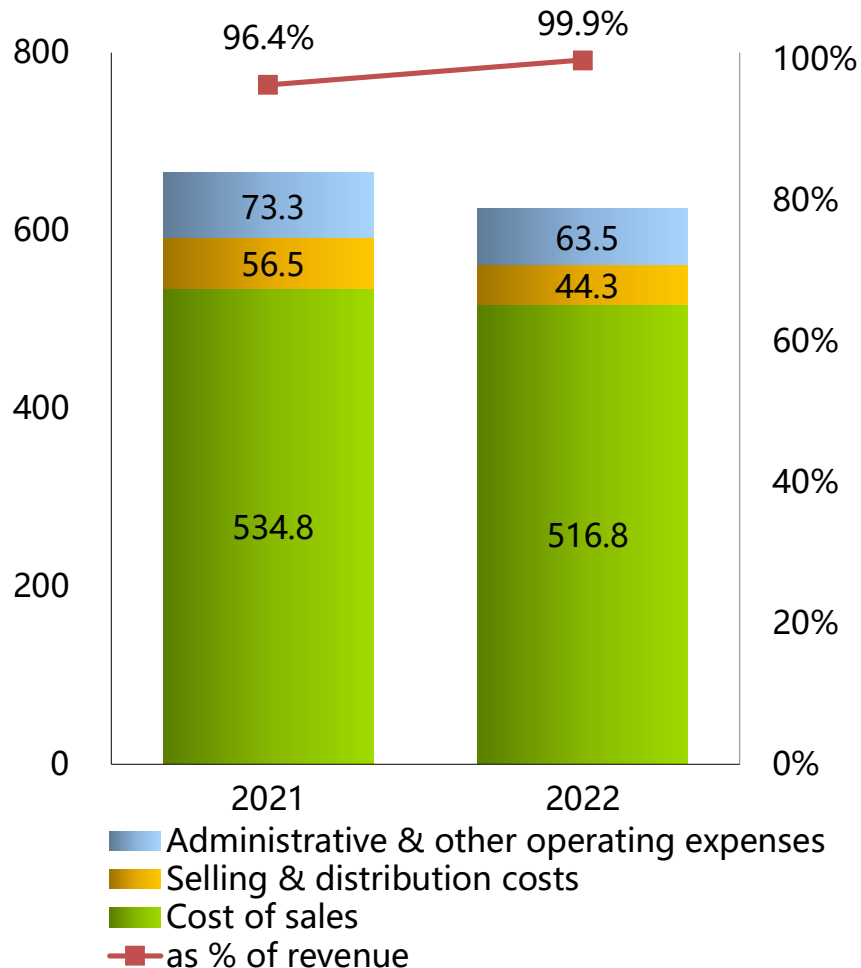
(RMB mn)



Cost structure & R&D expenditure

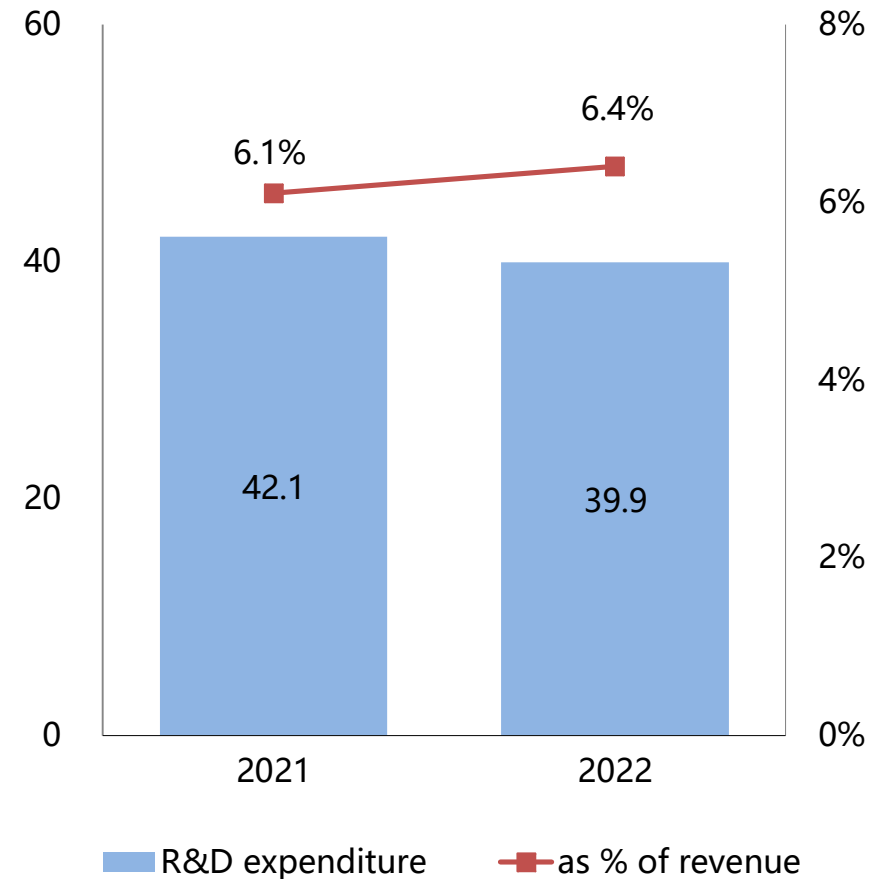
Cost Structure

(RMB mn)



R&D expenditure

(RMB mn)



Other financial figures

	Jun 2022	Dec 2021	Chg
Total assets (RMB mn)	4,844.5	4,799.9	44.6
Net assets (RMB mn)	2,951.8	2,939.6	12.2
Net assets per share (RMB)	3.8	3.8	-
Cash & Cash Equivalents (RMB mn)	183.5	411.7	(228.2)
Loan & Borrowings (RMB mn)	178.1	99.4	78.7
Net Cash/(Net Debt) (RMB mn)	5.4	312.4	(307.0)
Current Ratio (times) (Current Assets divided by Current Liabilities)	2.0	2.0	-
Loan & Borrowings Ratio (%) (Loans and Borrowings divided by Total Assets)	3.7%	2.1%	1.6%

	Jun 2022	Jun 2021
Inventory Turnover (Days)	302	271
Trade Receivables Turnover (Days)	346	302
Trade Payables Turnover (Days)	440	412

Other financial figures

<i>For the 6 months ended 30 June</i>	2022 (RMB mn)
Cash and cash equivalents at 1 January	394.2
Net cash generated from operating activities	(258.9)
Net cash (used in) investing activities	(45.6)
Net cash (used in) financing activities	74.7
Net (decrease) in cash & cash equivalents	(229.8)
Effect of foreign exchange rates changes	1.1
Cash and cash equivalents at 30 June	165.5

<i>For the 6 months ended 30 June</i>	2022 (RMB mn)	2021 (RMB mn)	Chg (RMB mn)
Net cash generated from operating activities	(258.9)	(329.5)	70.6
Net cash (used in) investing activities	(45.6)	(49.3)	3.7
Net cash (used in) financing activities	74.7	(38.7)	113.4
Effect of foreign exchange rates changes	1.1	(0.5)	1.6



Smart
transportation

A decrease in the number of projects executed. The revenue decreased significantly;

Intensifying internal competition and severe restriction caused by the pandemic led to a decrease in profit margin.

- **Business:** Fully pushed forward the progress of the metro integrated supervision and control projects, such as Xian Metro Line 16 (西安地鐵16號綫), the First Phase of Hangzhou Metro Line 10 (杭州地鐵10號綫一期) and the First Phase of Hohhot City Rail Transit Line 2 (呼和浩特軌道交通2號綫一期).
- **R&D:** Continued to make investment in research and development of the technology, in a bid to ride the wave of “New Infrastructure” so as to expand into new business in smart stations and traffic hubs and establish a solid foothold for the future development of the segment.



The segment had sufficient projects during the previous period and recorded a year-on-year increase in revenue;

Rising labor cost and temporary decrease in number of utility Tunnel software projects with high gross profit, the overall profit margin decreased significantly.

- **Business:** The Science and Technology Winter Olympics projects such as “Ice Cube” , “Bird’ s Nest” , the Big Air Shougang Winter Olympics Jumping Platform and the Yanqing Winter Olympic Village undertaken by the Group were completed and came into use as scheduled, which has made contribution to the smooth holding of the 2022 Beijing Winter Olympics. The self-owned Neosys and Techcon series of software and hardware products of the Group continued to be used in hospitals, commercial complexes and research institutes in different regions.

The segment signed a new contract for a smart building project for Phase II of Dongsheng Science and Technology Park of Zhongguancun (中關村東升科技園二期建築智能化項目).

- **R &D:** Riding on the wave of “new infrastructure” , the smart building and complex segment will continue to upgrade technical strength for project implementation with a view to expanding the application of its self-owned core software and hardware technologies such as “swarm intelligence” , the utility tunnel platform and Neosys products, striving to improve the profit margin of the segment through the integration of technical and engineering strengths and fully leveraging the cutting edge advantage in the subsequent wave of new infrastructure construction.

Business review – Smart energy



Smart energy

As the number of newly-signed projects increased, the revenue of the segment improved;

Due to the increase in costs and expenses caused by the pandemic, and decreased settlement of high-margin projects, the profit margin decreased.

- **Business:** The segment continued to promote the intelligence centralized heating projects for companies such as Suihua Zhongmeng, Yangquan Coal Industry, Dezhou High-tech Heating and Chifeng Fulong Heating. Projects for Xinjiang Tianfu, Fushun Mining and other EMC projects continued to be proceeded and made contribution to the revenue of the segment.
- **Outlook:** With the gradual stabilization of the pandemic prevention and control, heating intelligence and EMC projects in various regions gradually began to resume. the Group entered into contracts for a number of intelligent heating projects during the period such as new heating renovation project for the 12th Division in Urumqi (烏魯木齊十二師供熱改造項目), an EMC project for Wuhai Thermal Power Co. Ltd (烏海市熱力公司EMC項目) and an intelligent heating project in Xinxiang City, and the Group has won the bids for a number of projects which will be signed soon.

THANK YOU



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