



Wasion Holdings Limited  
**威勝控股有限公司**

Ticker: 3393.HK  
[ir.wasion.com](http://ir.wasion.com)

## 2019 Interim Results

### 28 August 2019

ENERGY  
**METERING** &  
ENERGY **SAVING** EXPERT

# Disclaimer

- The presentation is prepared by Wasion Holdings Limited (the “Group” or the “Company” or “Wasion”) 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 Group, 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 Group specifically disclaims all responsibilities in respect of any use or reliance of any information, whether financial or otherwise, contained in this presentation.

---

## Table of Contents

---

03

Financial Overview

06

Business Overview

14

Development Strategies

26

Outlook



# Financial Review

# Financial Overview

- The Group recorded **turnover** of RMB 1,924 million in 1H2019 (1H2018: RMB1,655 million), representing an increase of 16% Y-o-Y
- **Net profit** was RMB170 million (1H2018: RMB137 million), representing an increase of 24% Y-o-Y
- **EBITDA** was RMB364 million (1H2018: RMB286 million), representing an increase of 27% Y-o-Y
- **Basic EPS** was RMB0.17 (1H2018: RMB0.14), representing an increase of RMB0.03
- The Board of Directors declared an **interim dividend** of HKD0.06 per share

# Financial Overview

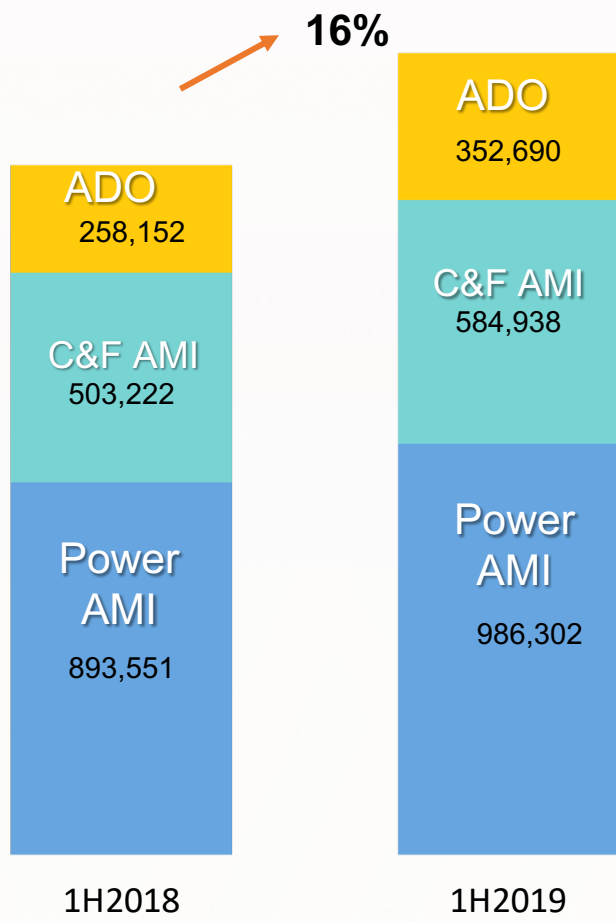
|                                    | 1H2019          | 1H2018   | Change    |
|------------------------------------|-----------------|----------|-----------|
| Turnover (RMB million)             | <b>1,923.93</b> | 1,654.93 | ↑16%      |
| Gross Profit (RMB million)         | <b>581.27</b>   | 496.06   | ↑17%      |
| EBITDA (RMB million)               | <b>363.70</b>   | 286.40   | ↑27%      |
| Net Profit (RMB million)           | <b>170.29</b>   | 137.41   | ↑24%      |
| Gross Profit Margin                | <b>30%</b>      | 30%      | Unchanged |
| EBITDA/Sales                       | <b>19%</b>      | 17 %     | ↑2 ppt    |
| Net Profit Margin                  | <b>9%</b>       | 8%       | ↑1 ppt    |
| Basic EPS (RMB cents)              | <b>17.0</b>     | 14.0     | ↑3 cents  |
| Shareholders' Equity (RMB million) | <b>4,175.21</b> | 4,083.02 | ↑2%       |
| Return On Equity (ROE)             | <b>10%</b>      | 8%       | ↑2 ppt    |
| Operating Expenses/Turnover        | <b>18%</b>      | 20%      | ↓2 ppt    |
| Effective tax rate                 | <b>14%</b>      | 8%       | ↑6 ppt    |
| Cash Investment Cycle              | <b>84 days</b>  | 70 days  | ↑14 days  |
| Bank borrowings/Total Assets       | <b>20%</b>      | 17%      | ↑3 ppt    |



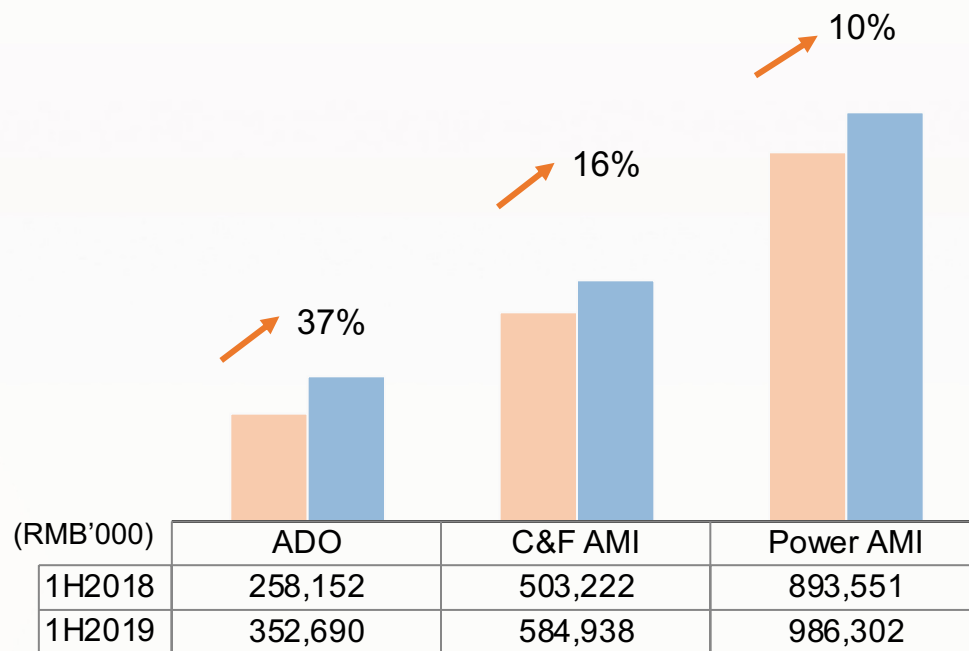
# Business Review

# Key Figures

## Turnover (RMB' 000)



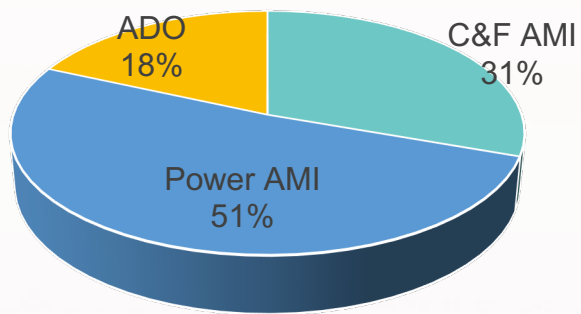
## Segment Performance



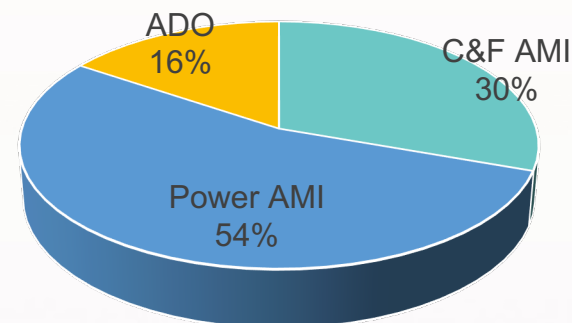
Note: ADO: Advanced Distribution Operations ; Power AMI: Power Advanced Metering Infrastructure ; C&F AMI: Communication and Fluid Advanced Metering Infrastructure

# Key Figures

## Segment Structure



1H2019

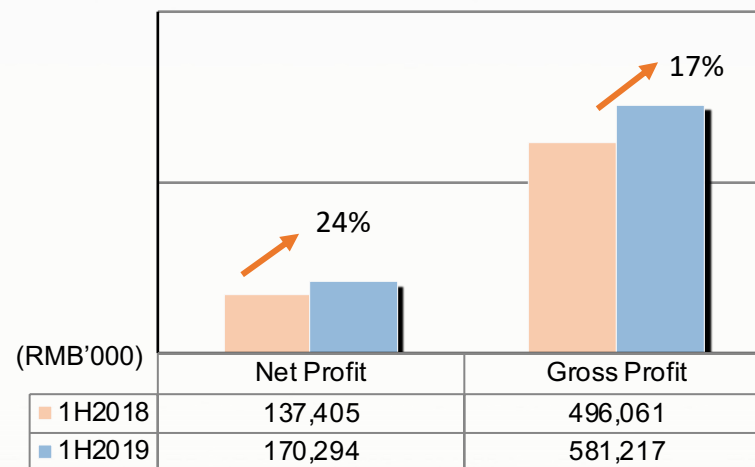


1H2018

## Gross profit margin

|           | 1H2019 | 1H2018 |
|-----------|--------|--------|
| ADO       | 30%    | 30%    |
| Power AMI | 28%    | 28%    |
| C&F AMI   | 35%    | 33%    |
| Overall   | 30%    | 30%    |

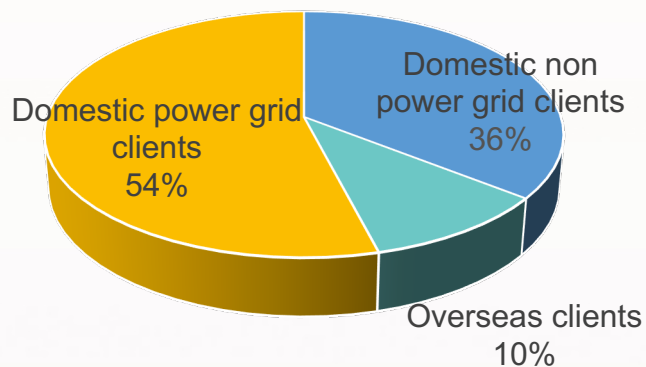
## Growing Segments



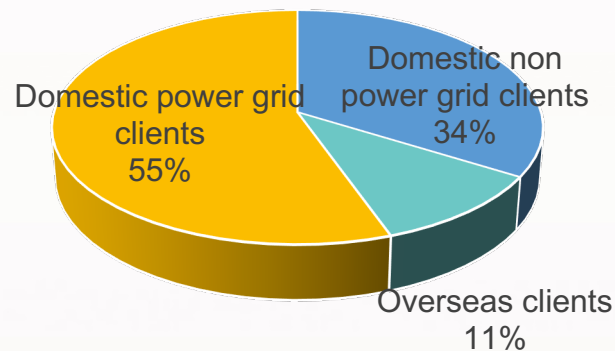
Note: ADO: Advanced Distribution Operations; Power AMI: Power Advanced Metering Infrastructure; C&F AMI: Communication and Fluid Advanced Metering Infrastructure

# Customer Mix

## Customer Mix

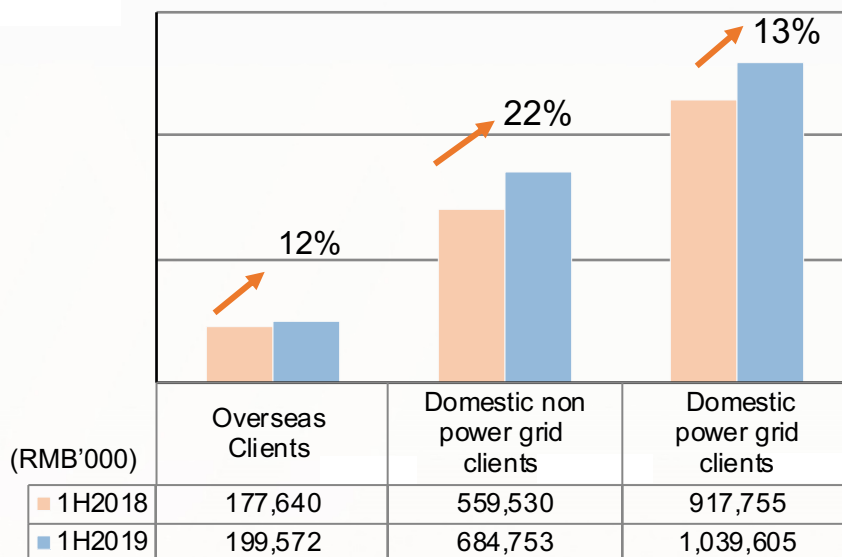


1H2019



1H2018

## Customer Mix Performance



# Power Advanced Metering Infrastructure (Power AMI)



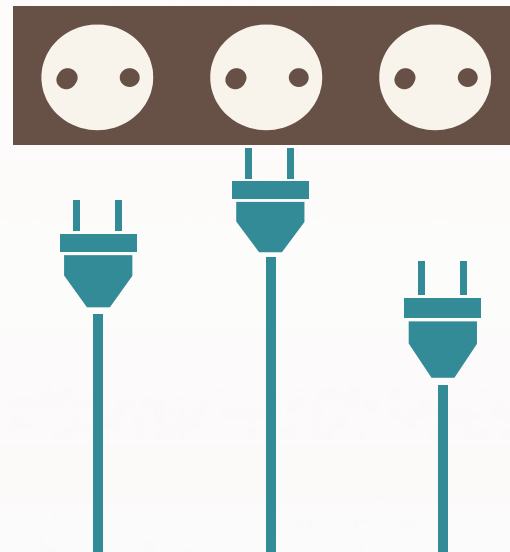
Superior comprehensive strengths in different aspects such as brand name, technology, market share, quality, business scale and management



**State Grid:** One tender organized, and the Group won **RMB 250 million** worth of contract



**Southern Grid:** Individual tender from different provinces; The Group won **RMB 109 million** worth contract



Diversified Product



SMT Production Workshop

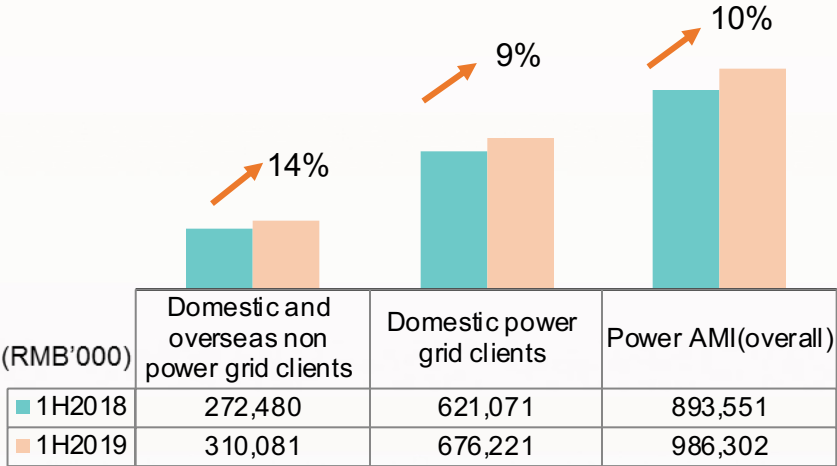


# Power Advanced Metering Infrastructure (Power AMI)

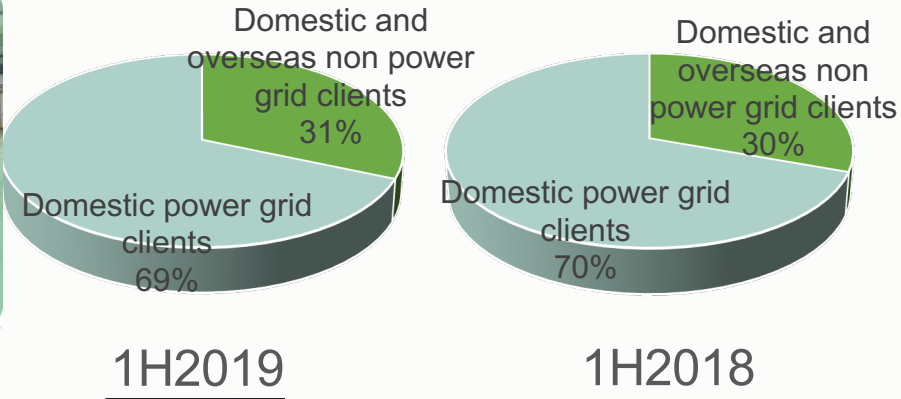


Smart Electricity

## Business Performance



## Customer Mix



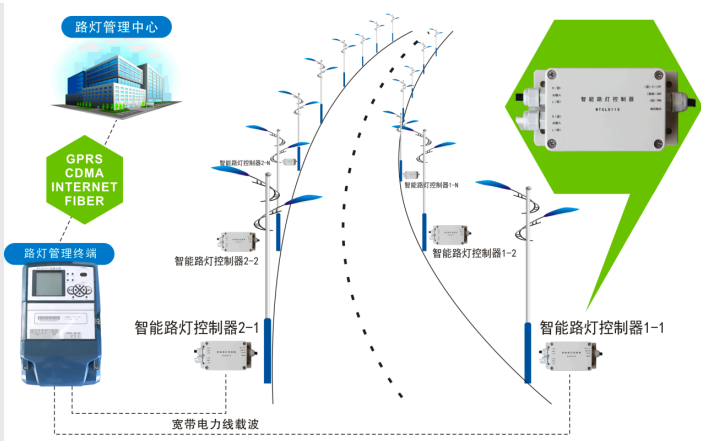
## Quality Management



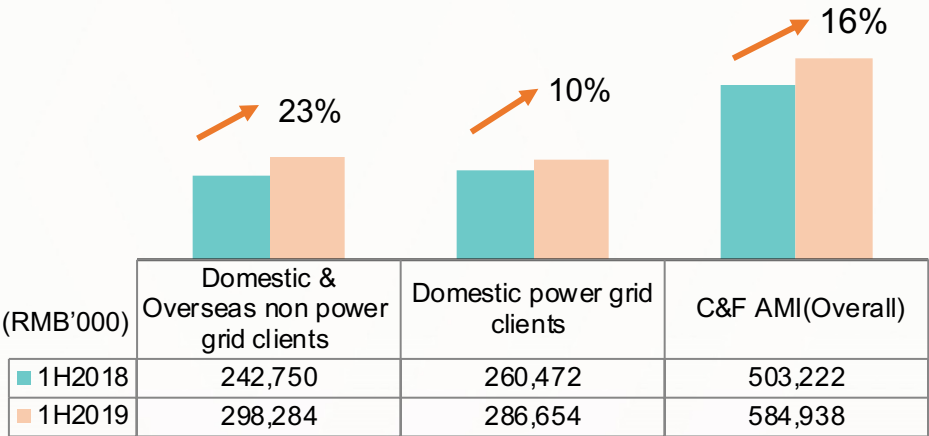
# Communication and Fluid AMI (C&F AMI)



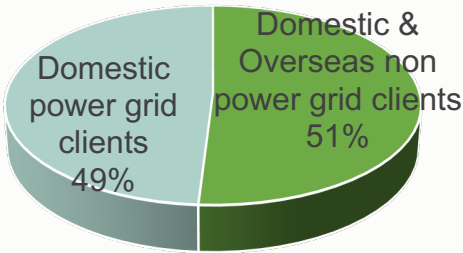
Smart Safety Alarm System



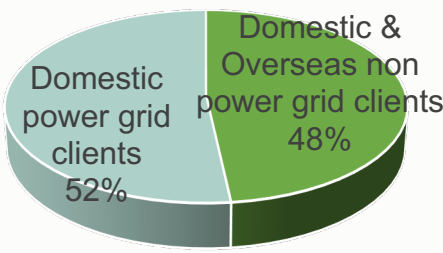
Business Performance



Customer Mix



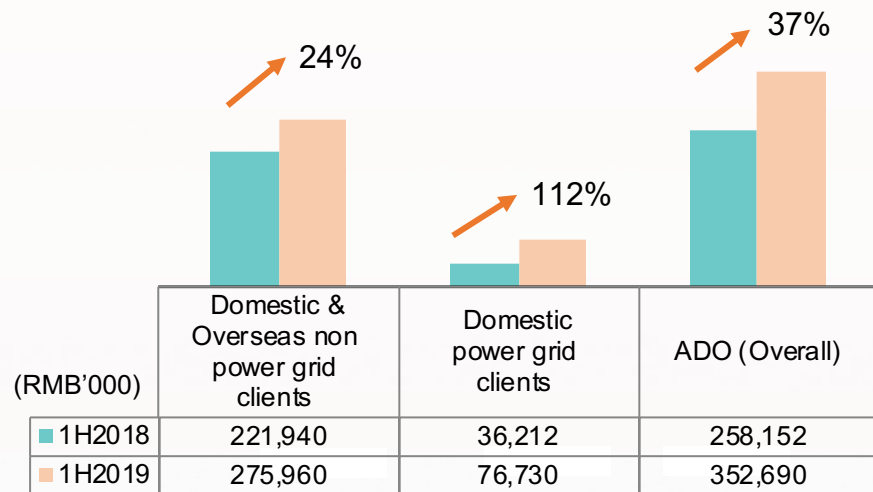
1H2019



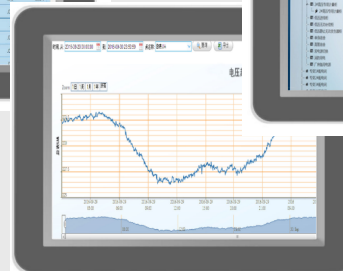
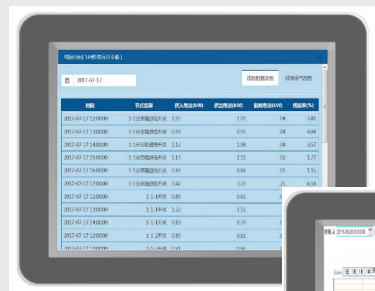
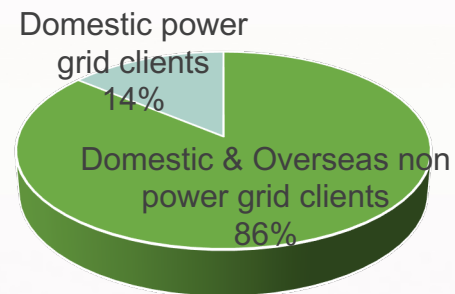
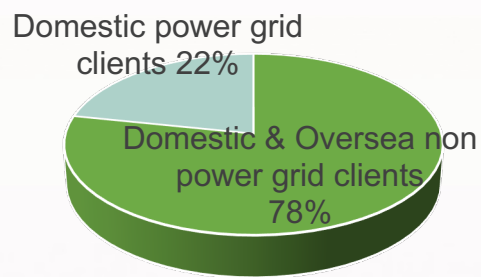
1H2018

# Advanced Distribution Operations (ADO)

## Business Performance



## Customer Mix



Equipment Maintenance & Management



# Development Strategies

# Strong R&D Capabilities



76 patents in the first of 2019



40 copyrights in the first of 2019



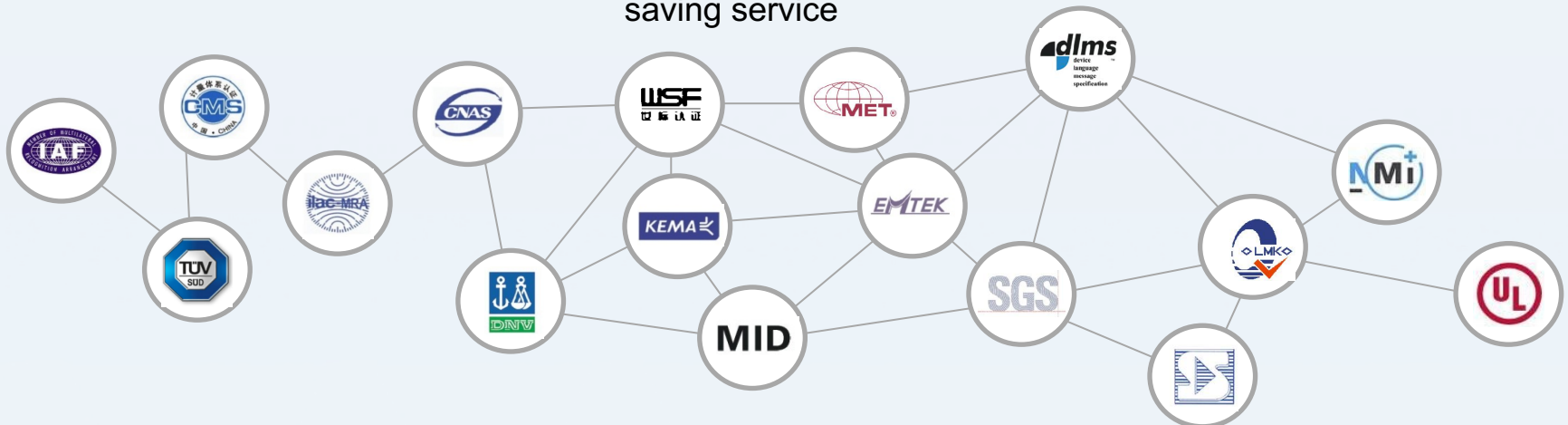
Total 1,286 effective patents for new products and energy saving service



Total 1,062 effective patents for software



R&D investment reached 6% of total revenue



# Products and Services Used in a Wide Range of End Markets

Our products are used by more than 30 million families and over 4,500 enterprises in all provinces of China

Data Centre

Railway

Engineering

Medical Care

Commercial  
Building

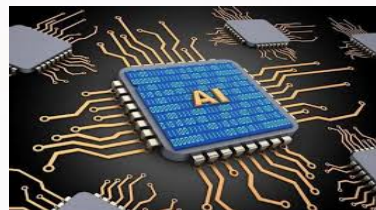
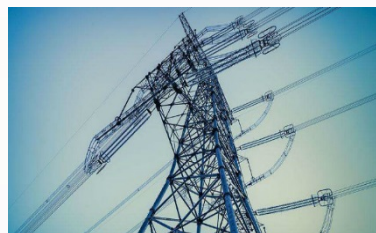
New Energy

Industrial Park

Water

Electric Chip

Pulp and  
paper  
industry



# To Build Energy Internet



**Energy Internet** = Enhanced Smart Grid + Ubiquitous Electric Power IoT



To build “Three Types  
and Two Networks”  
enterprise



Comprehensive Energy Service

External  
businesses



Big Data Resources Implementation for Commercial  
Operation



Energy Finance



Virtual Power Plant



Power Grid Operations

Internal  
businesses



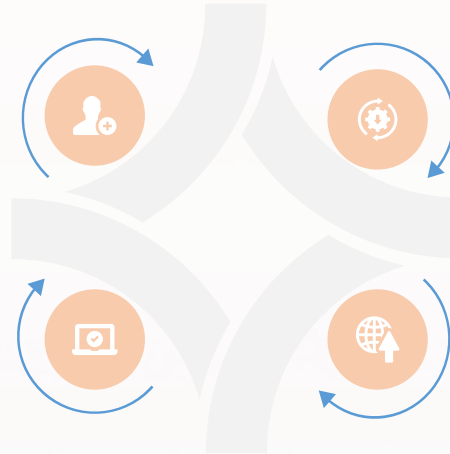
Customer Service



# Strategy in Power AMI

Power grid market: Collaboration with State Grid, Southern Grid and IPP at the area of setting up new standard and technologies

Stay close to the development of State Grid and Southern Grid to maintain its market share by high standard products

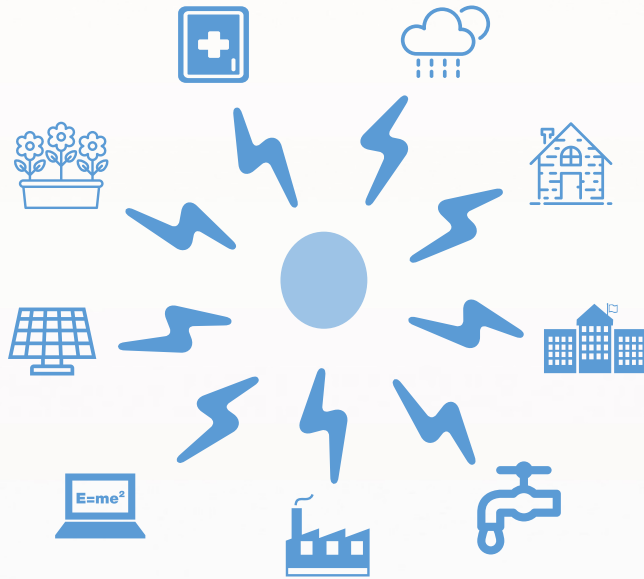


Non-power grid market: Seek opportunities in rail transportation, schools, telecommunications, petroleum and petrochemical industries, and further explore more industry sectors

Leverage the Group's leading position and comprehensive strengths in different aspects such as brand name, technology, market share, business scale and management etc.



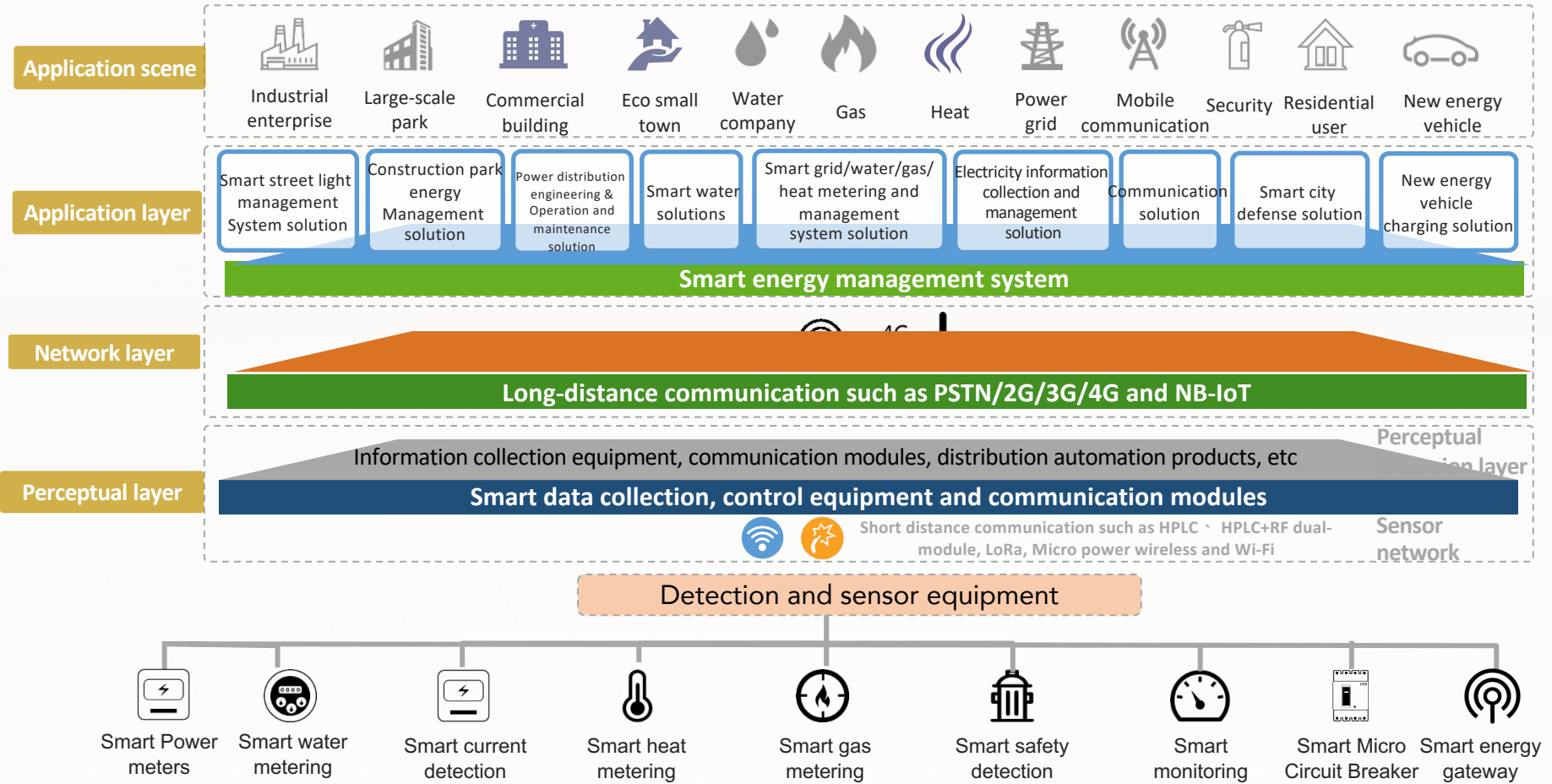
# Internet of Things



- The Internet Of Things, or “IoT” connects all items through the network to realize intelligent identification, information exchange and management of anyone at any time in anywhere, to realize the specific functions of the Internet of Things, and provide industry solutions for specific customers. ;
- The core of IoT is the connection between people, and people and objects
- Its application includes: smart cities, smart traffic, smart logistics, smart environment protection, smart living, transit, and mobile communications, etc.

# Solutions in Communications

## – Internet of Things



## Multi-business platform



Chinese government is accelerating the coverage of Communications and Fluid AMI;

We have leading position and comprehensive strengths in different aspects such as brand name, technology, market share, management and business scale

### Water business

Entered more water companies in cities such as **Taiyuan, Lanzhou, Luzhou, Hengyang, Linfen and Chenzhou**, etc

### Cooperation

With **China Unicom** and **Alibaba**



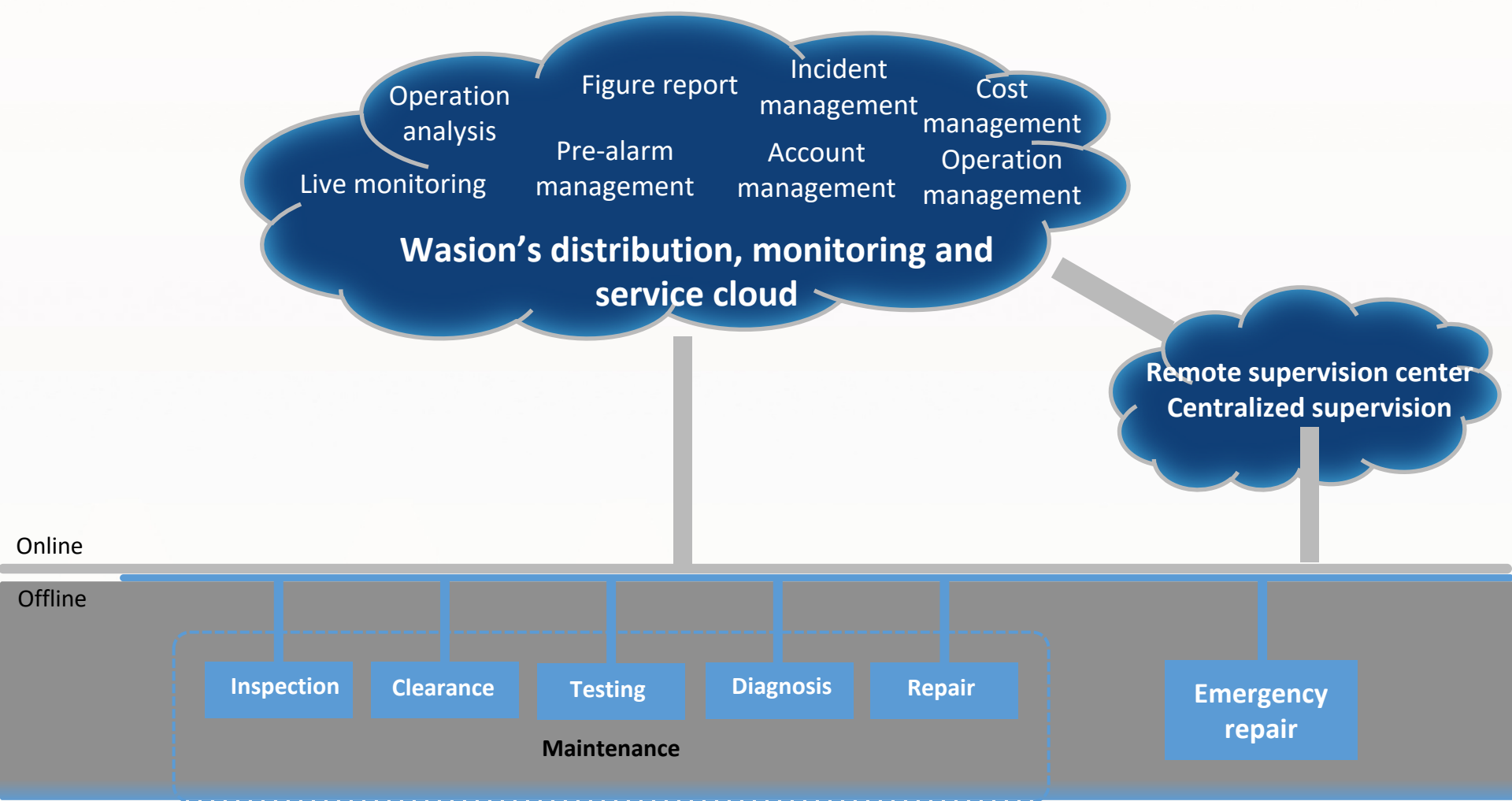
### Acquisition

Zhuhai Zhonghui Microelectronics Holdings Co. Ltd

### System optimization

Energy production, transmission, distribution and the use of data in automatic way

# Strategy in ADO



# Strategy in ADO



- Strong AMI business provides valuable and extensive end-user information for ADO
- The data, being carefully analyzed, gives Wasion advantage in understanding its clients' energy-saving demand and developing better customized products and solutions
- An extensive sales channel connecting grid operators, industrial users, and residential users for years



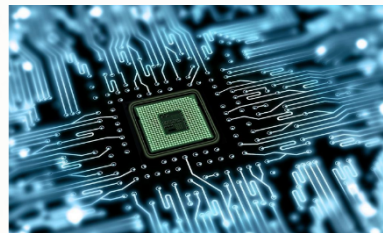
**Railway transit**



**Underground Pipe Gallery project**



**Railway transit**



**Electric chip industry**

- Established Wasion Electric Industry Park, the most professional technology park in the ADO industry in Central China with the most leading technology, largest operation scale, most comprehensive systems and product series and most advanced equipment upon its completion
- Design and contracting qualifications in both power distribution and new energy generation
- Expanded into full partnership with worldwide leading corporations

# Overseas Market

- 36 national service points
- Overseas market expansion



# Premier Customer Base



## Power Industry



## Non Power Industry



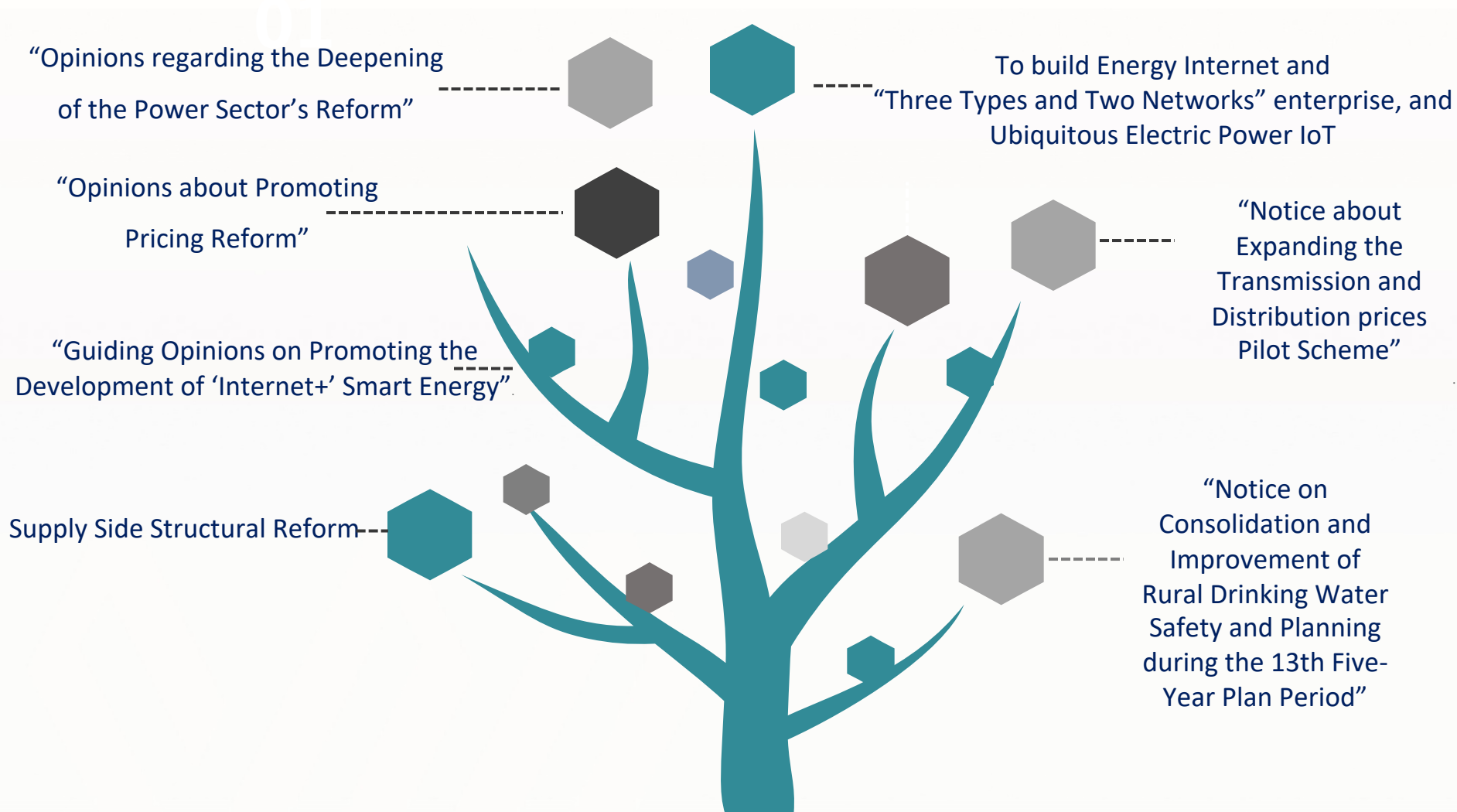
## Overseas





## Outlook

# Outlook



# Outlook

## Mid-to-long run target market scale and growth potentials

### Power AMI

- Seize the opportunities driven by State Grid's new policy
- Key target markets will be smart power grid and public utilities automation
- Play a leading role in increasing demand for AMI technology and products, expanding AMI operation and maintenance services, and continuously improving the revenue scale and profitability of power markets
- Leveraging current client base, continuously increase power grid market revenue scale and profit capability

### C&F AMI

- Grasp the opportunities in IoT and smart city and invest heavily in R&D
- Maintain our leadership in AMI in water, gas and heat supply, gradually enhancing revenue scale, market share and industry influence
- The gas and heat market will undergo a rapid growth in future under the support of gas escalating pricing policy and heat metering reform respectively

### ADO

- To target smart distribution and energy efficiency management for customers in high-end industries, such as railway transportation, data centers, smart manufacturing, large public construction and renewable energy power generation
- To widen cooperation with domestic and foreign leading smart distribution service providers in technology, product and market aspects
- To make a breakthrough in key industries based on new ADO solutions

### Overseas

- To seize the expansion opportunity brought by "Belt-and-Road" Initiatives, Guangdong-Hong Kong-Macau Greater Bay Area, and emerging markets
- Asia and Africa : To develop self brands, build channels and expand the market coverage based on the existing customer base
- European and American markets : To proactively participate in AMI restructuring of each EU member on the back of our strategic partnership with Siemens, Huawei and so forth

### M&A

- Look for acquisition opportunities with market leading providers that enhance our business segments and improve our market structure in terms of region and end markets

# 未来

让每一座城市，  
每一个社区，每一家企业，每一户家庭  
都因享用威胜的产品、技术和服务而持久受益。

Each city,  
each community, each enterprise and each household  
will enjoy the lasting benefits from  
utilizing Wasion's products, technologies and services.