



上海电气
SHANGHAI ELECTRIC

stock code 02727 HK

2019 Interim Results Presentation

Shanghai Electric Group Company Limited



September 2019

Disclaimer

We have included in this statement forward-looking statements. Forward-looking statements are not statement of historical fact. They contain statements on our opinions and expectations. Any statements herein that state our intentions, opinions, expectations or forecasts (and the assumptions supporting them) are forward-looking statements. These statements are based on plans, estimates and forecasts currently available to the management of Shanghai Electric. Therefore, forward-looking statements speak only as of the date they are made and we are under no obligation to publicly update any such statements based on new information or in future time.

In nature, forward-looking statements involve risks and uncertainties. Therefore, a number of important factors may cause actual results to differ materially from those contained in any forward-looking statements.



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Chapter 01

2019 Interim Operating Results

Key Operating Results

	The first half of 2019	The first half of 2018	Change
(All amounts in RMB million unless otherwise stated)			
Revenue	52,956	51,274	3.3%
Gross profit	9,587	8,781	9.2%
Operating profit	3,961	3,074	28.8%
EBITDA	5,791	4,708	23.0%
Net profit attributable to owners of the Company	1,843	1,764	4.5%
Gross profit margin	18.1%	17.1%	1.0 percentage point
Operating profit margin	7.5%	6.0%	1.5 percentage points
EBITDA margin	10.9%	9.2%	1.7 percentage points
Net profit margin attributable to owners of the Company	3.5%	3.4%	0.1 percentage point
Return on net assets ⁽¹⁾	3.1%	3.1%	-
Earnings per share (RMB cent)	12.35	11.98	3.1%

Note: (1) Return on net assets refers to the weighted average return on net assets.

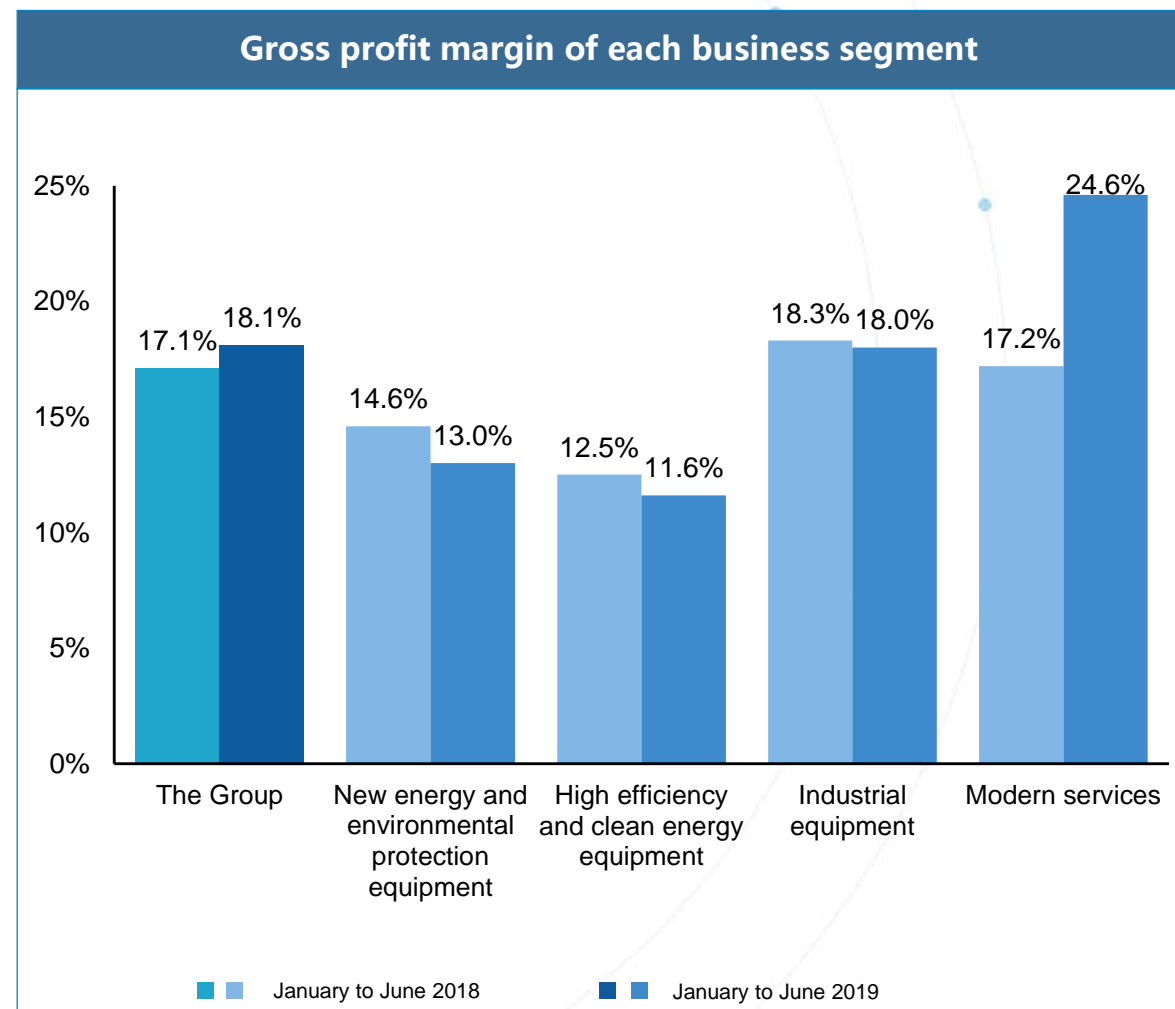
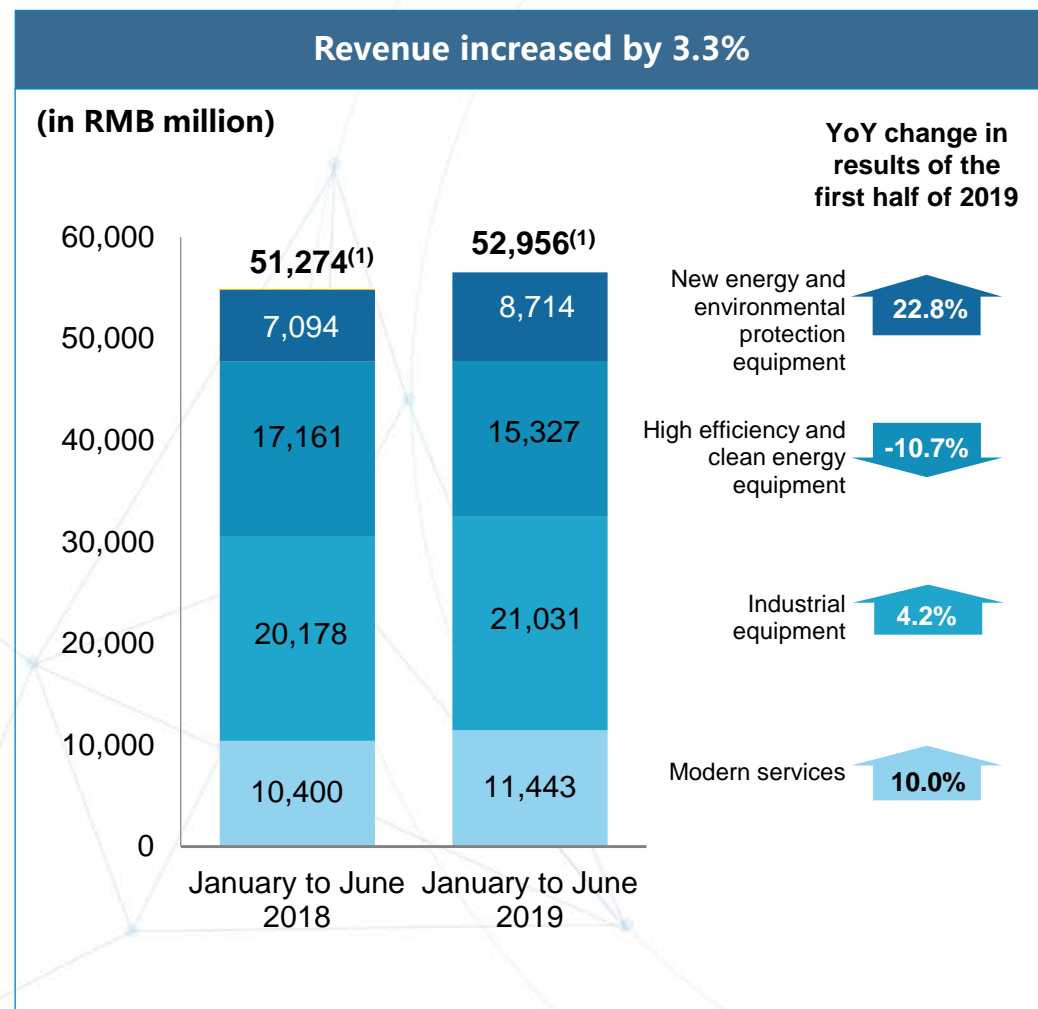
Summary of Balance Sheet Items

	30 June 2019	31 December 2018	Change
(All amounts in RMB million unless otherwise stated)	a	b	c=(a-b)/b
Assets	254,694	218,522	16.6%
Current assets	180,198	151,728	18.8%
Cash and cash equivalents	26,564	31,842	-16.6%
Prepayments, deposits and other receivables	22,706	18,033	25.9%
Trade receivables	30,883	18,841	63.9%
Inventories	30,889	27,929	10.6%
Contract assets	24,435	12,230	99.8%
Long-term assets	74,496	66,794	11.5%
Liabilities	166,591	144,885	15.0%
Current liabilities	145,861	119,623	21.9%
Interest-bearing bank and other borrowings	16,122	10,351	56.5%
Trade payables	47,996	38,881	23.4%
Contract liabilities	39,828	36,566	8.9%
Other payables and accruals	21,356	17,166	24.4%
Long-term liabilities	20,730	25,262	-17.9%
Interest-bearing bank and other borrowings	8,187	9,589	-14.6%
Bonds	6,846	12,749	-46.3%
Equity	88,103	73,637	19.6%
Attributable to owners of the Company	61,313	57,290	7.0%
Attributable to non-controlling interests	26,790	16,347	63.9%

Chapter 2

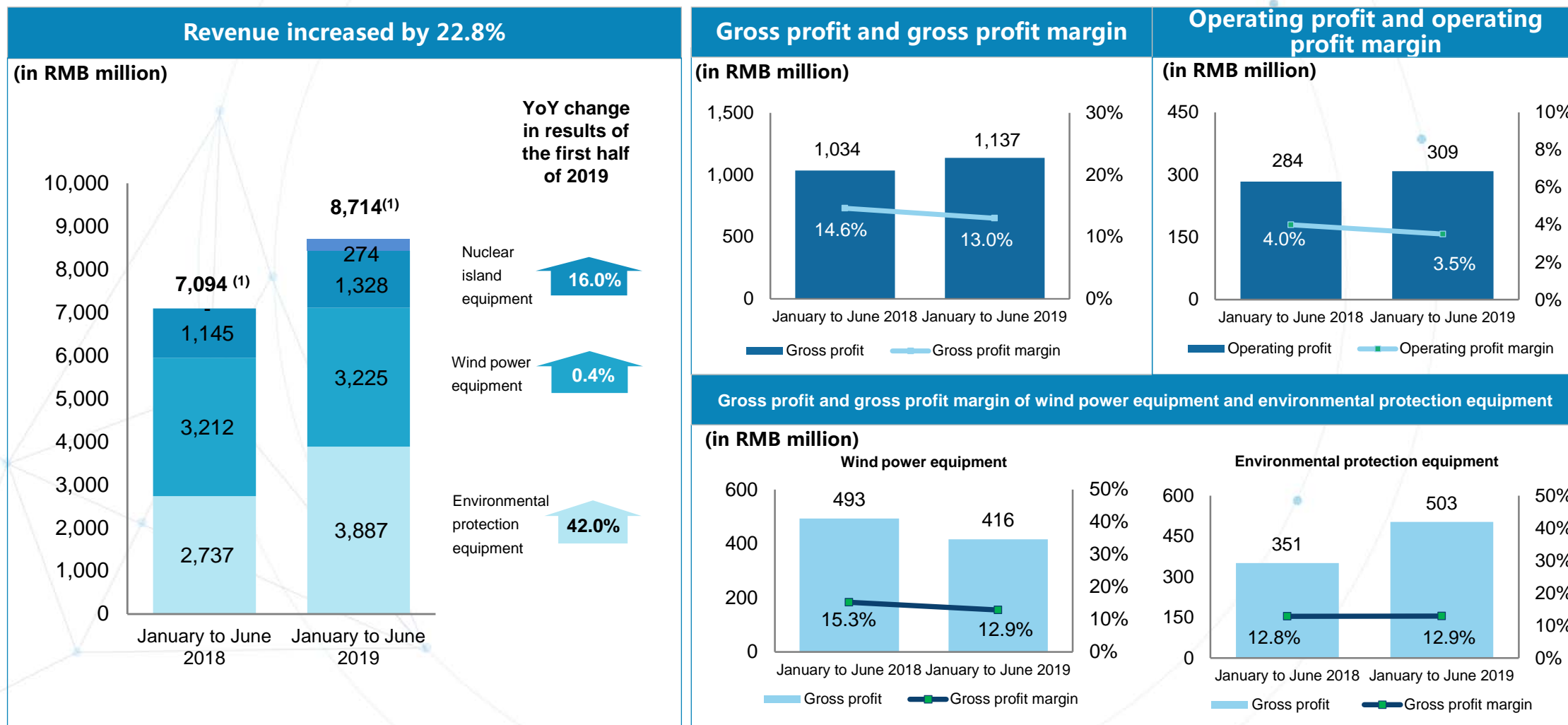
Operating Results of Business Segment

Changes in revenue and gross profit margin of the business segments



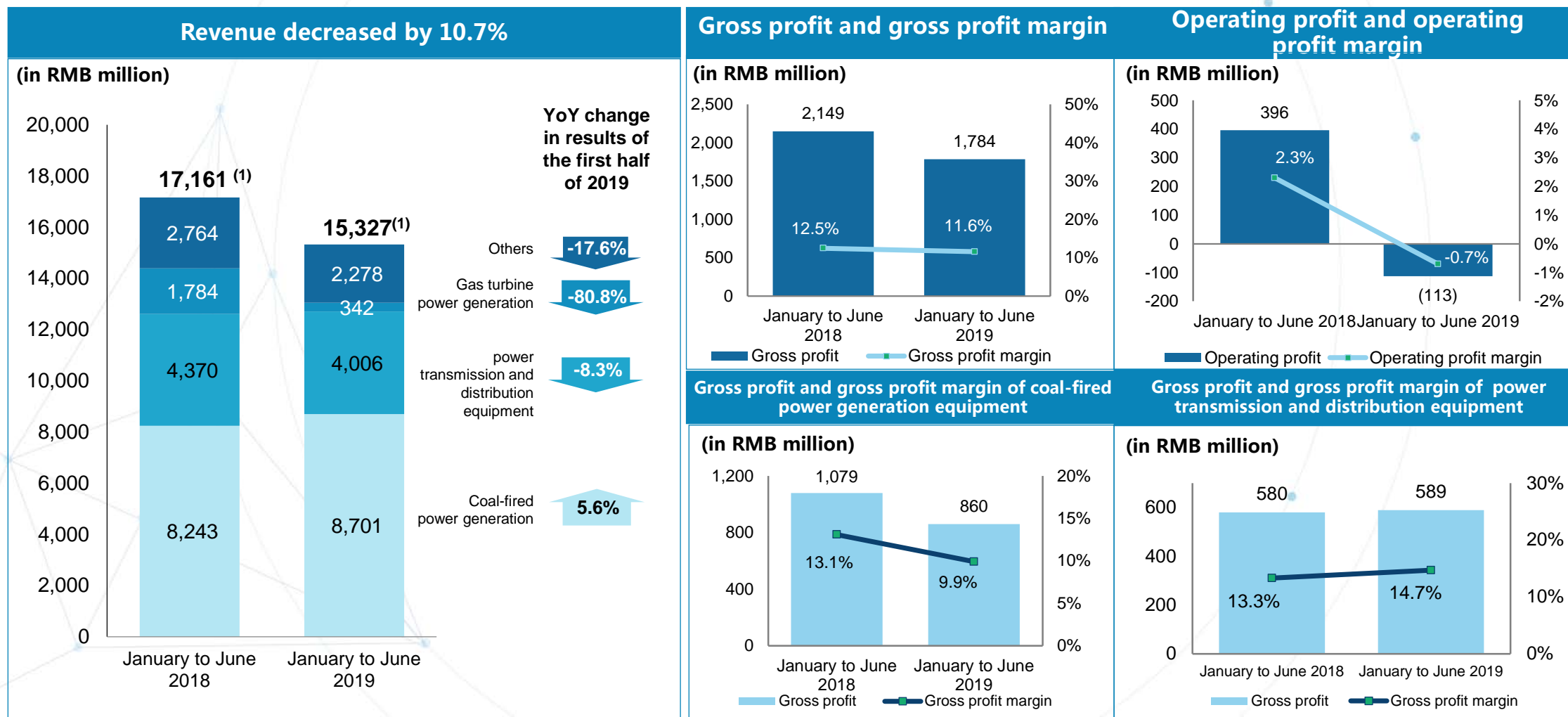
Note: (1) The consolidated amount of revenue of the Group is the net amount after the inter-segment elimination adjustments, the revenue for each segment is the data before inter-segment elimination adjustments, but after elimination adjustments in each segment.

New Energy and Environmental Protection Equipment



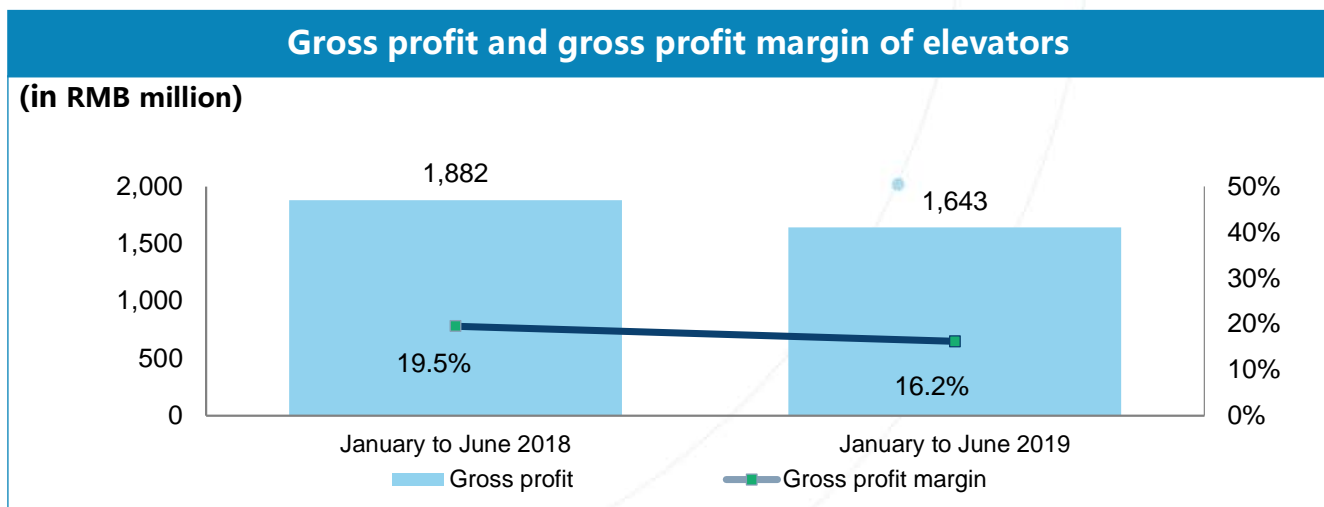
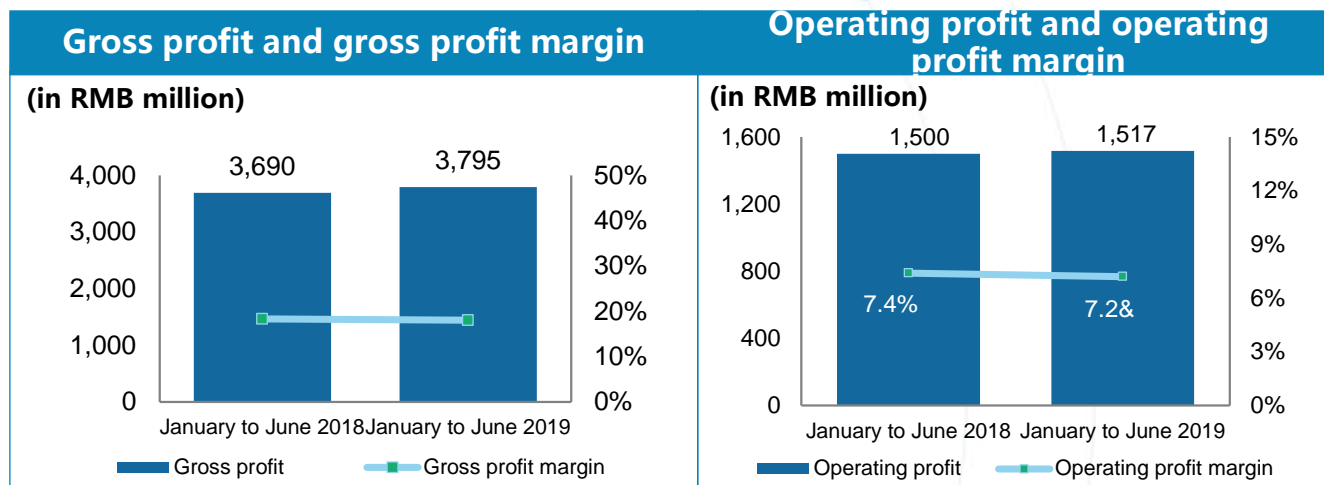
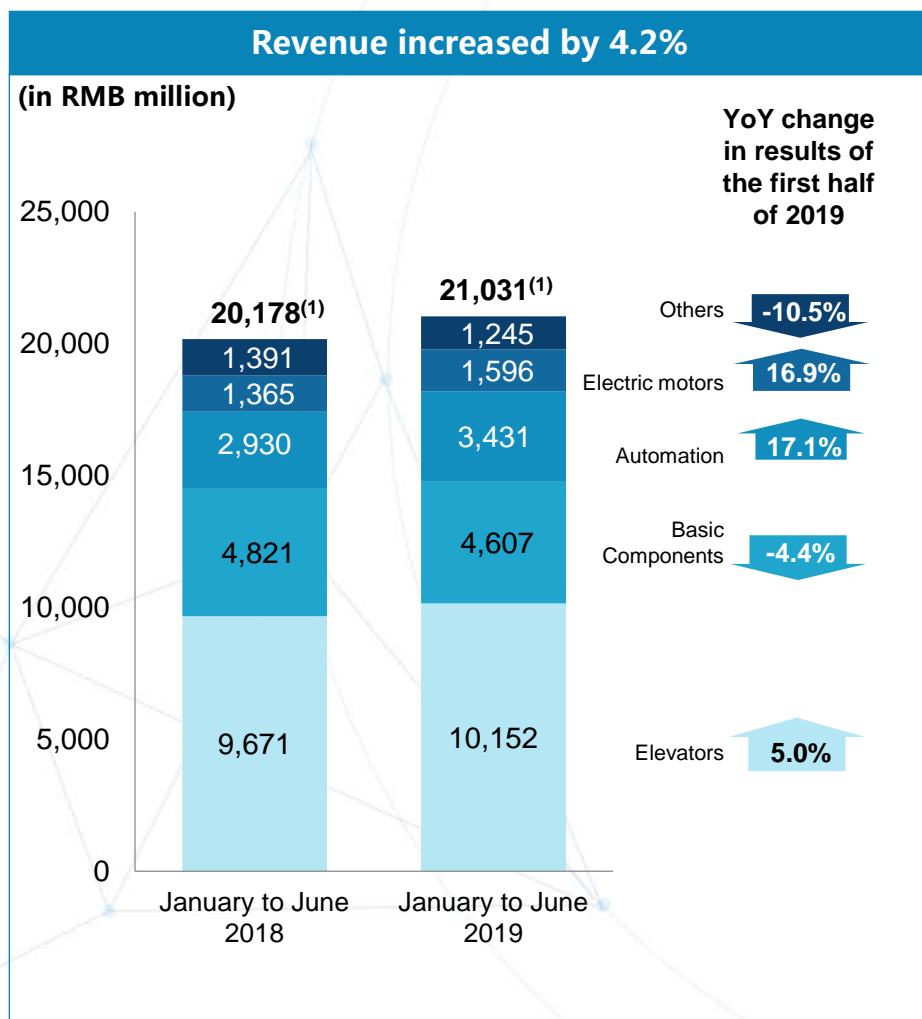
Note: (1) The revenue for each segment is the data before inter-segment elimination adjustments, but after elimination adjustments in each segment.

High Efficiency and Clean Energy Equipment



Note: (1) The revenue for each segment is the data before inter-segment elimination adjustments, but after elimination adjustments in each segment.

Industrial Equipment

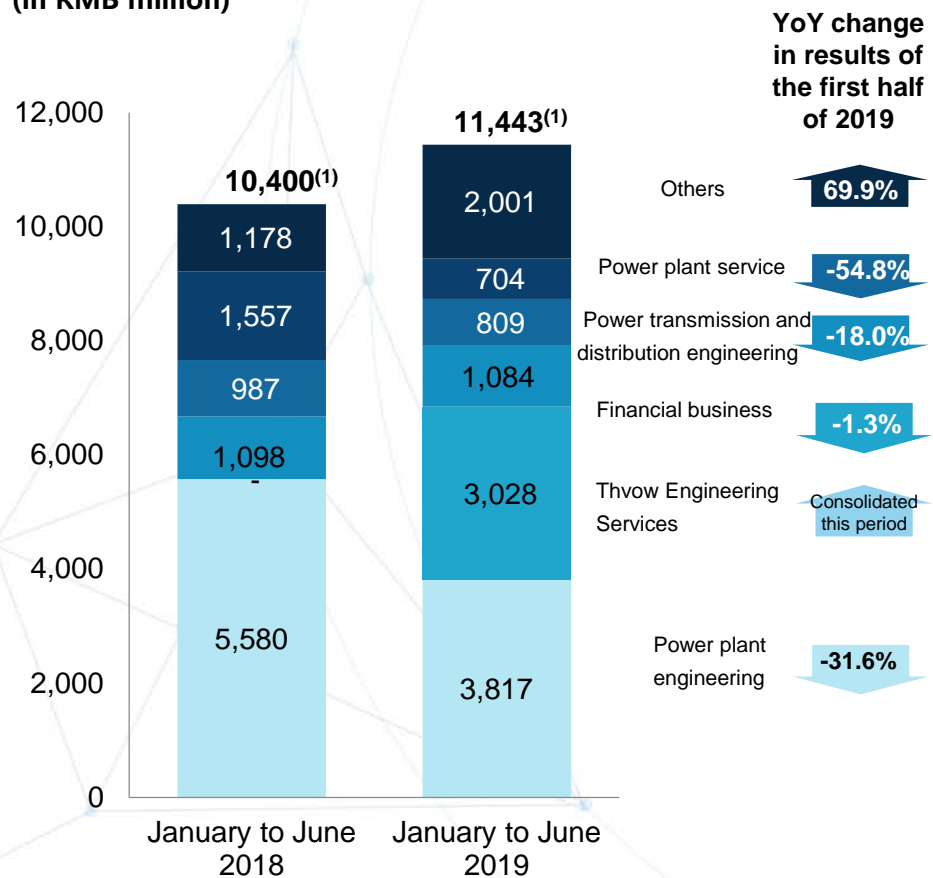


Note: (1) The revenue for each segment is the data before inter-segment elimination adjustments, but after elimination adjustments in each segment.

Modern Services

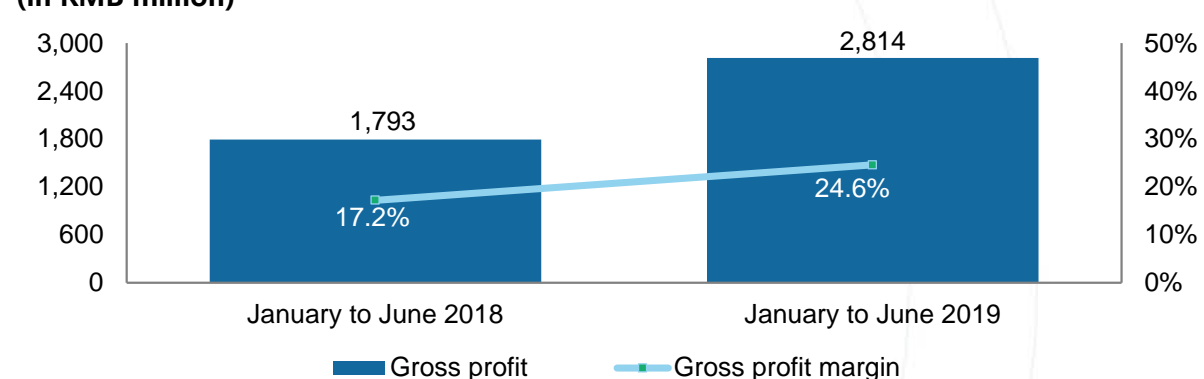
Revenue increased by 10.0%

(in RMB million)



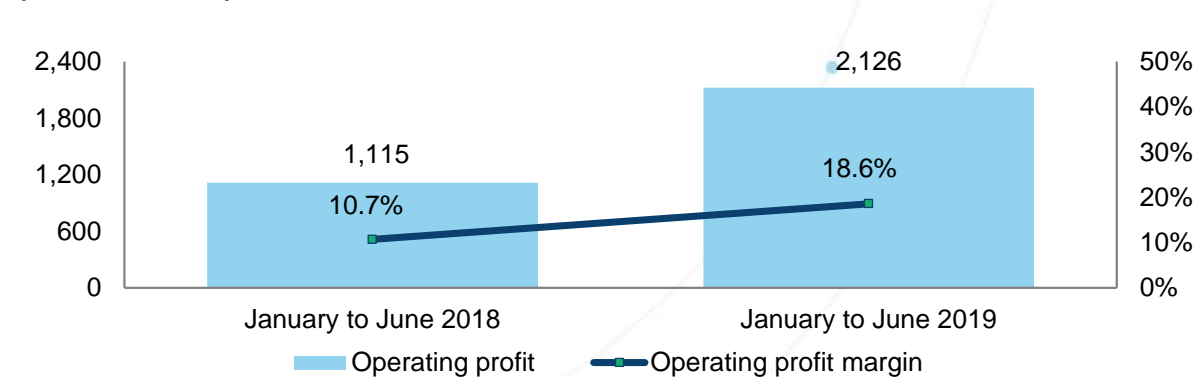
Gross profit and gross profit margin

(in RMB million)



Operating profit and operating profit margin

(in RMB million)



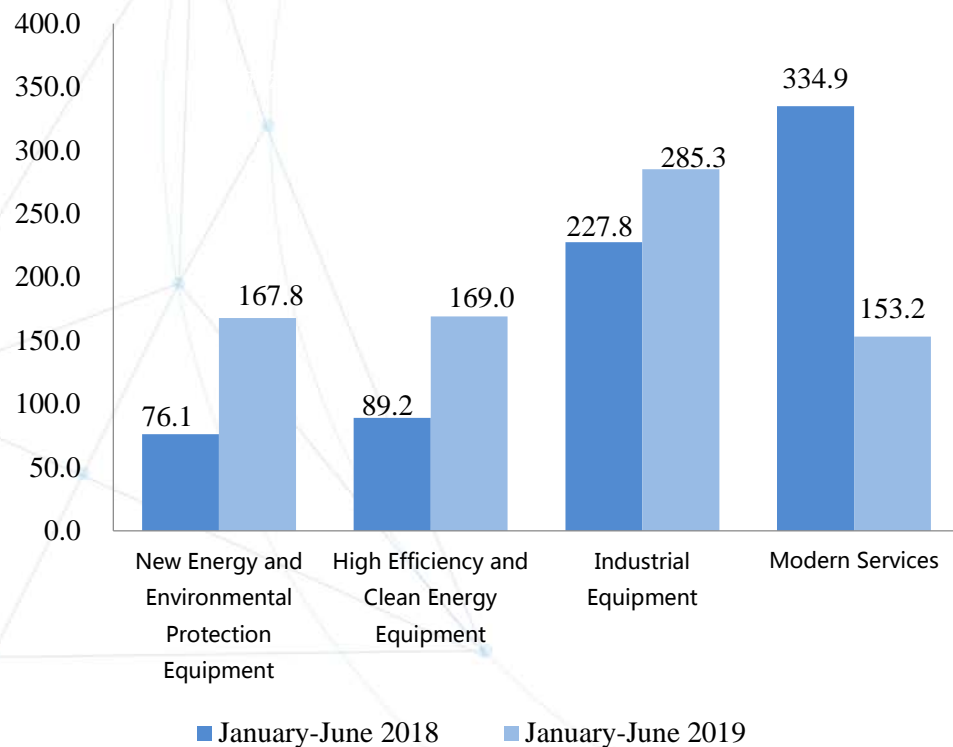
Note: (1) The revenue for each segment is the data before inter-segment elimination adjustments, but after elimination adjustments in each segment.

Business Orders

New orders of RMB77.54 billion

(RMB 100 million)

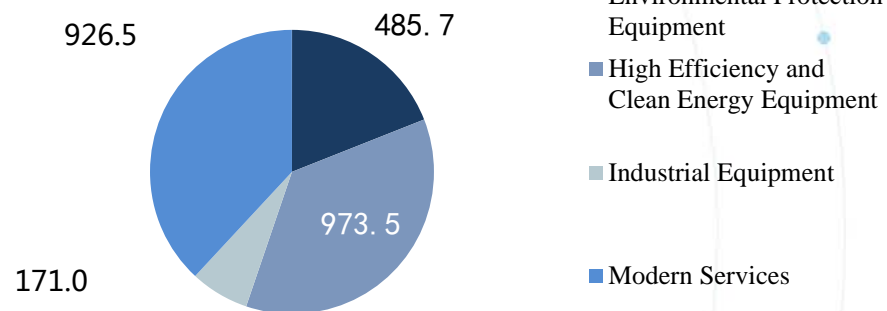
Comparison of new orders



Note: New orders of modern services from January to June 2018 include thermo-solar project in Dubai of RMB18.77 billion

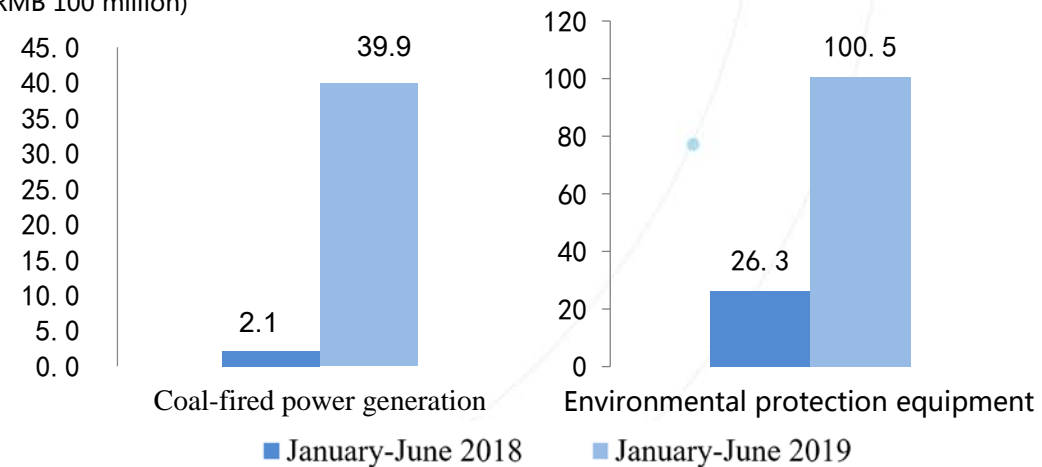
Orders on hand of RMB255.66 billion (with orders in the aggregate amount of RMB73.13 billion not yet coming into effect)

(RMB 100 million)



Comparison of new orders for some businesses

(RMB 100 million)



Chapter 03

Operation Highlights

Green Development

Solar power generation

- Shanghai Electric has undertaken the world's largest thermo-solar power project in Dubai
- Shanghai Electric has undertaken the construction of the largest monomer photovoltaic project in Australia

Wind power

- China has become an offshore wind power market with the fastest growth and greatest potential in the world
- Shanghai Electric ranked the first among domestic manufacturer of offshore wind turbines

Nuclear power

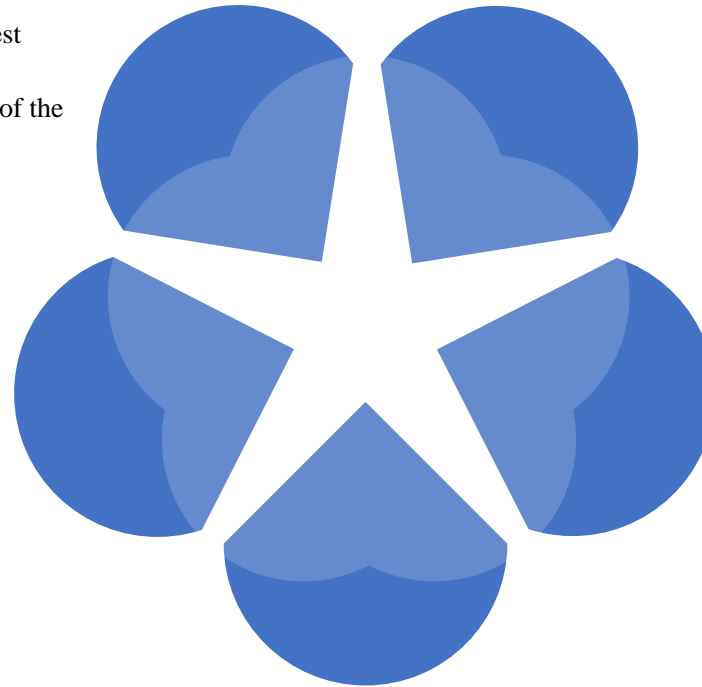
- 3G nuclear power generation technology well established in China
- All verification tests for CAP1400 wet winding motor pump prototype (濕繞組電機泵樣機) were completed, solving the “bottleneck” problems related to the key equipment of the CAP1400 demonstration project

Environmental protection industry

- Shanghai Electric occupies the leading position in municipal and industrial wastewater treatment in the industry
- Shanghai Electric is one of the first companies which engaged in the general contracting of solid waste treatment projects
- The emission index of Hai An hazardous waste incineration project designed and constructed by Shanghai Electric using proprietary technology has reached the EU 2000 standard

Hydrogen fuel cell

- Hydrogen energy has been written into the government work report for the first time
- Shanghai Electric has successfully developed the first generation of fuel cell engine system - HEnV-30

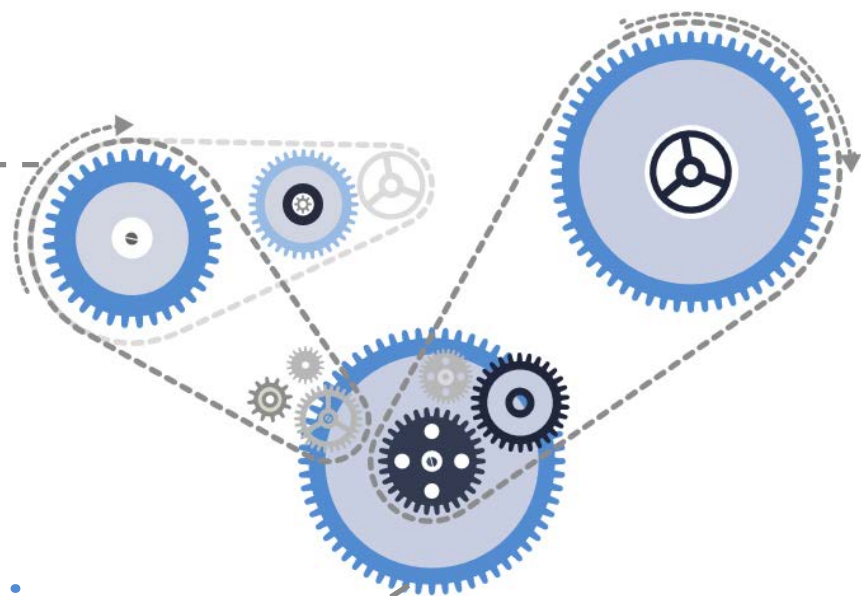


Intelligentization Development

Demonstration-driven application

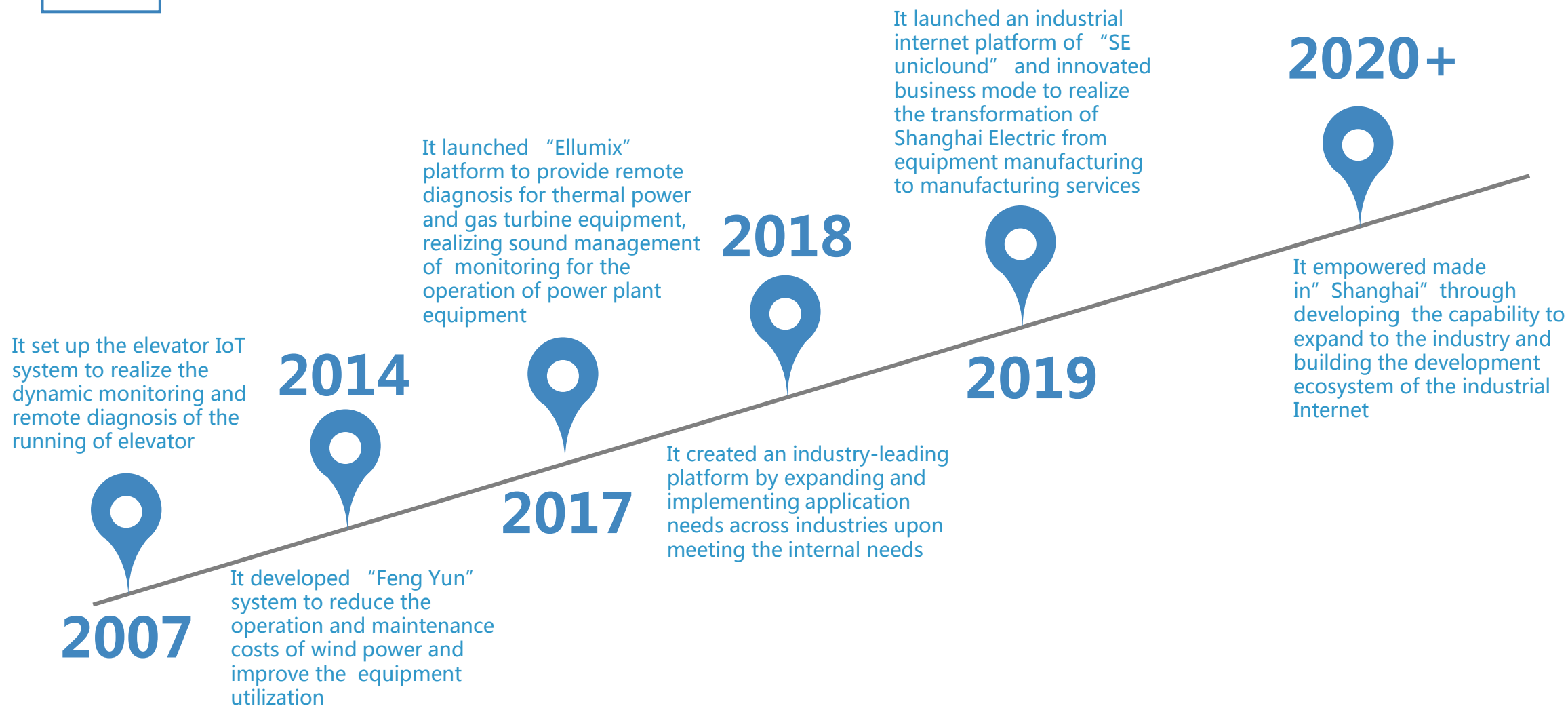
Integration-driven equipment

Application-driven integration

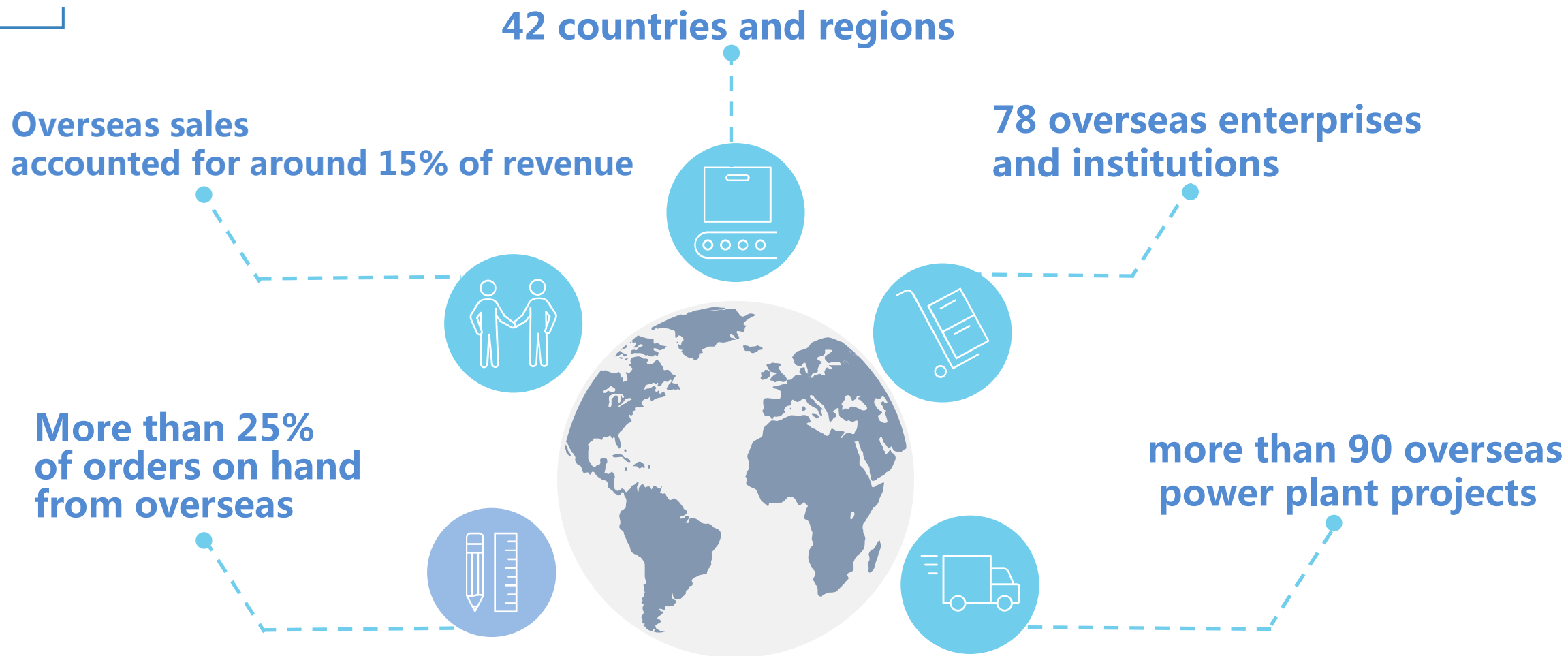


Focus on : intelligent plant, intelligent operation and maintenance, and industrial internet

AI+ Industrial Internet



International Development



Yangtze River Delta Integration

R&D

Shanghai Electric has established the central research institute in Nantong



New energy

Shanghai Electric has established offshore wind power R&D and training center in Jiangsu Province



Turbine blades

Shanghai Electric has deployed the process development and manufacturing of power plant turbine blades and aviation blade forgings in Wuxi, Jiangsu



Environmental protection

Shanghai Electric has carried out businesses such as sewage treatment, waste incineration, hazardous waste treatment in Suzhou, Nantong and other places



Energy storage

Shanghai Electric has established an energy storage system base in Nantong, Jiangsu to develop energy storage cell business



Lingang New Area

With a floor area of 2 square kilometers, the Shanghai Electric's Production Base in Lingang Area has formed an industrial cluster integrated with 1000MW-class thermal power, nuclear power, large-scale wind power, large-scale marine crankshaft equipment, seawater desalination and other manufacturing capacity



Leading Science and Technology Enterprise

Cultivated technologies to be focused on





能动全球工业

智创美好生活

THANK YOU

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