



Wasion Holdings Limited  
威勝控股有限公司



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

**2019 Annual Results**  
**30 March 2020**

# 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.



# Contents

**03 Financial Overview**

**06 Business Overview**

**14 Development Strategies**

**26 Outlook**





## Financial Review

# Financial Overview

- The Group recorded **Turnover** of RMB3,656 million in FY2019 (FY2018: RMB3,340 million), representing an increase of 9% Y-o-Y
- The Group recorded **Net Profit** of RMB281million in FY2019 (FY2018: RMB270 million), representing an increase of 4% Y-o-Y
- **EBITDA** for FY2019 was RMB700 million (FY2018: RMB573 million), representing an increase of 22% Y-o-Y
- **Basic EPS** was RMB0.28 (FY2018: RMB0.27), representing an increase of RMB0.01
- The Board of Directors declared a **final dividend** of HKD0.20 per share



# Financial Overview

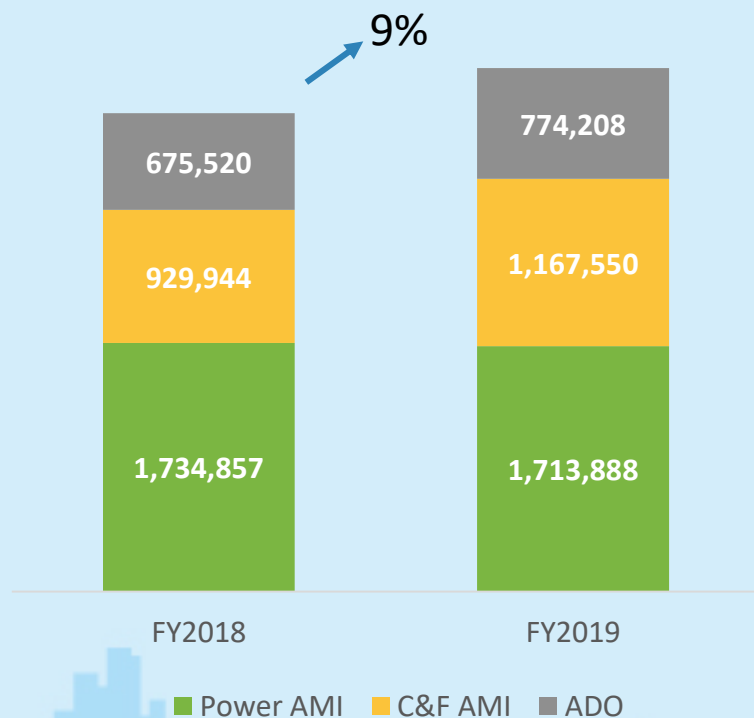
	FY2019	FY2018	Change
Turnover (RMB million)	3,656	3,340	↑9%
Gross Profit (RMB million)	1,148	991	↑16%
EBITDA (RMB million)	700	573	↑22%
Net Profit (RMB million)	281	271	↑4%
Gross Profit Margin	31%	30%	↑1ppt
EBITDA/Sales	19%	17%	↑2ppt
Net Profit Margin	10%	10%	unchanged
Basic EPS (RMB cents)	28cents	27cents	↑1cents
Dividend per share (HKD)	0.20	0.20	unchanged
Shareholders' Equity (RMB million)	4,216	4,187	↑1%
Return On Equity (ROE)	7%	6%	↑1ppt
Operating Expenses/Turnover	21%	21%	unchanged
Effective tax rate	16%	9%	↑7ppt
Cash Investment Cycle	56 days	64 days	↓8days
Bank borrowings/Total Assets	21%	16%	↑5ppt



# Business Review

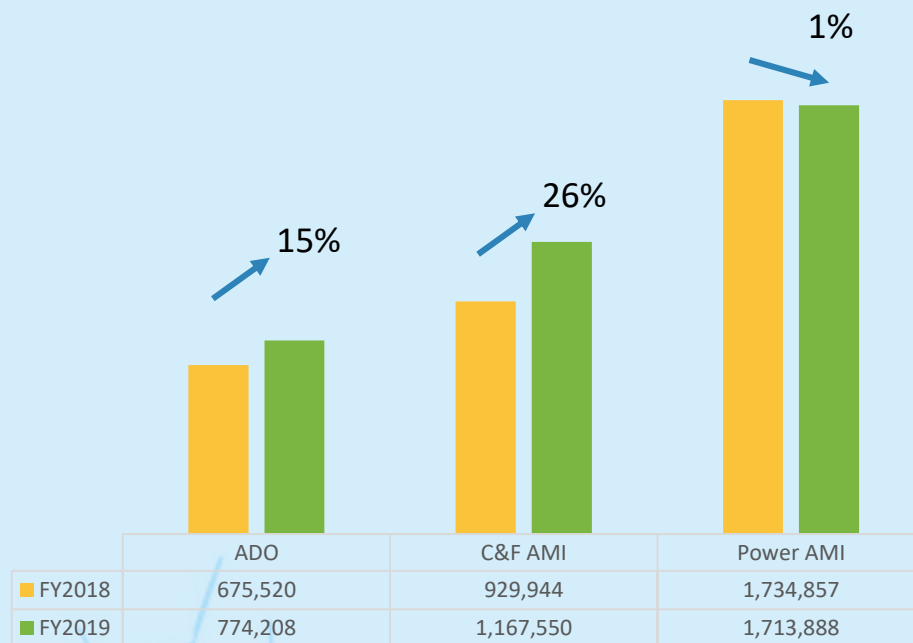
# Key Figures

Turnover (RMB'000)



Segment Performance

(RMB'000)

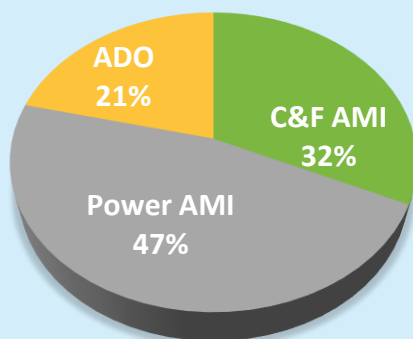


Note: ADO: Advanced Distribution Operations ; Power AMI: Power Advanced Metering Infrastructure ;  
C&F AMI: Communication and Fluid Advanced Metering Infrastructure

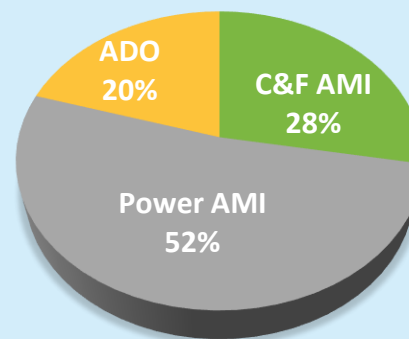
# Key Figures

## Segment Structure

FY2019



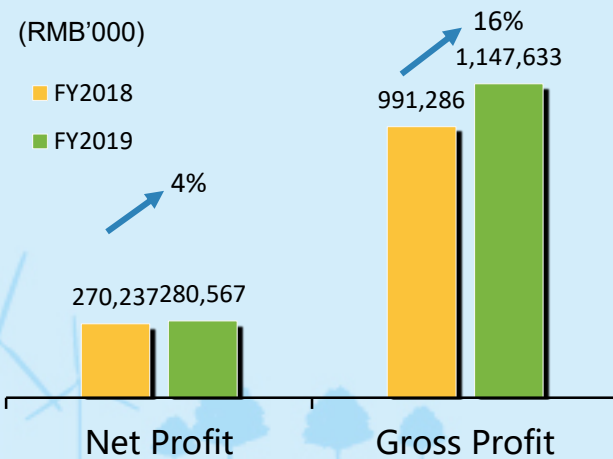
FY2018



## Gross profit margin

	FY2019	FY2018
ADO	30%	31%
Power AMI	28%	28%
C&F AMI	35%	32%
<b>Overall</b>	<b>31%</b>	<b>30%</b>

## Growing Segments

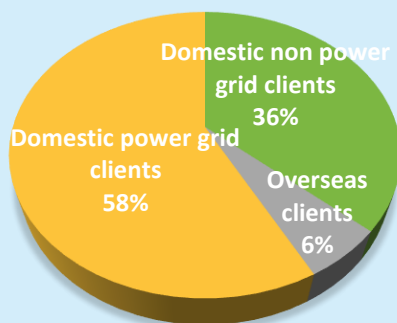


Note: ADO: Advanced Distribution Operations; Power AMI: Power Advanced Metering Infrastructure; C&F AMI: Communication and Fluid Advanced Metering Infrastructure

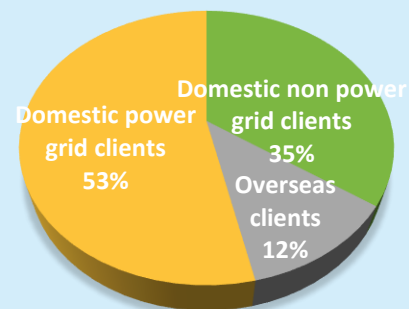
# Customer Mix

## Customer Mix

FY2019



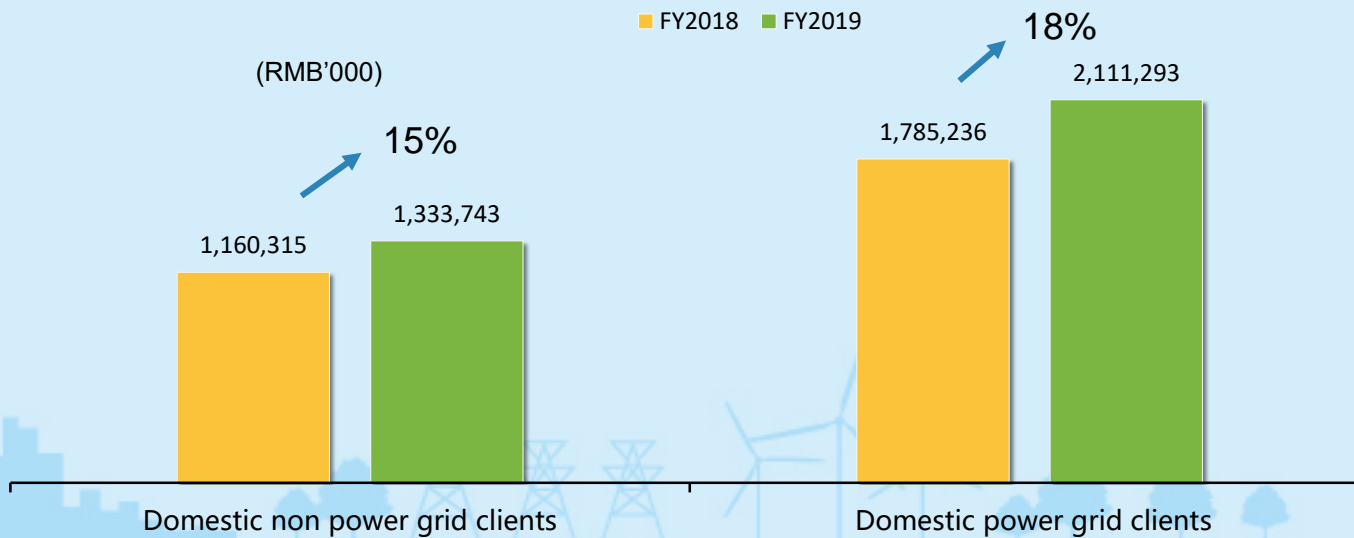
FY2018



## Customer Mix Performance

■ FY2018 ■ FY2019

(RMB'000)



## 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:** The Group won **RMB498 million** worth contract in two centralized tenders



**Southern Grid:** The Group won **RMB249 million** worth contract in two centralized tenders



### Diversified Product



### Intelligent Robot



## Power Advanced Metering Infrastructure (Power AMI)

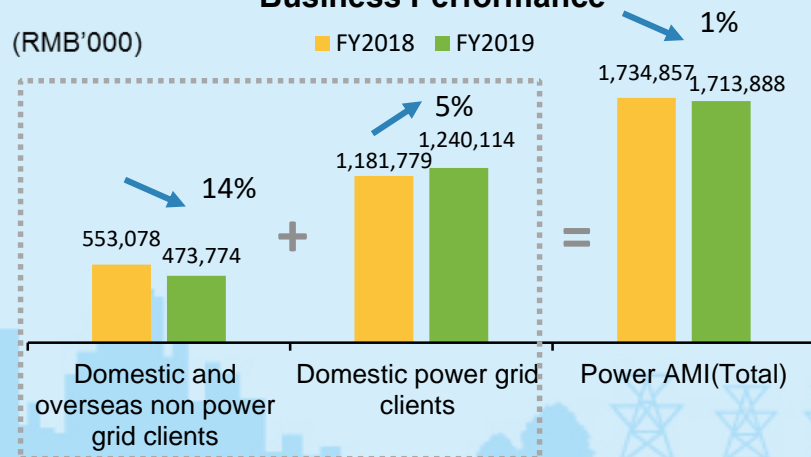
### Smart Electricity



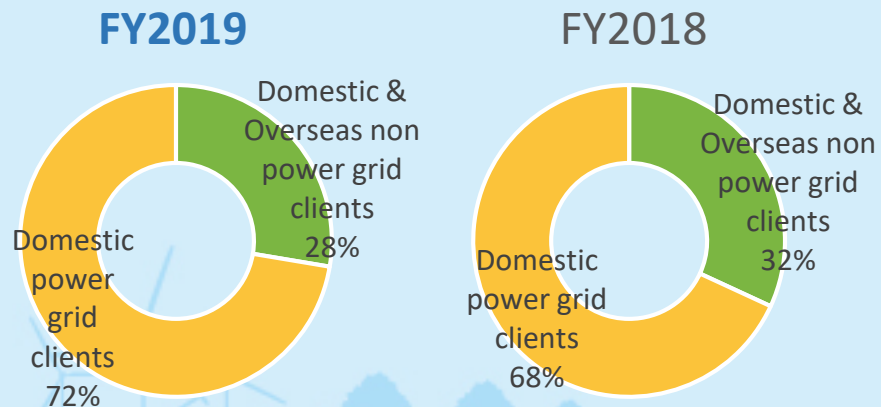
### Quality Management



### Business Performance



### Customer Mix





(RMB'000)

FY2018 FY2019

Category	FY2018 (RMB'000)	FY2019 (RMB'000)	Change (%)
Domestic & Overseas non power grid clients	425,902	536,750	26%
Domestic power grid clients	504,042	630,800	25%
<b>C&amp;F AMI (Total)</b>	<b>929,944</b>	<b>1,167,550</b>	<b>26%</b>

**FY2019**

Client Type	Percentage
Domestic power grid clients	54%
Domestic & overseas non power grid clients	46%

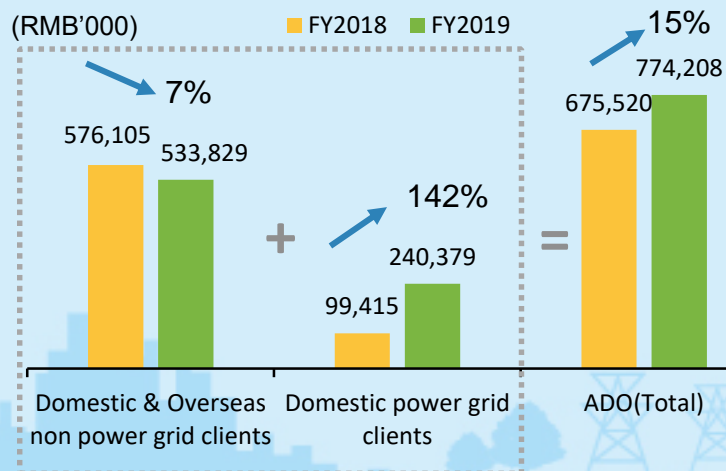
**FY2018**

Client Type	Percentage
Domestic power grid clients	54%
Domestic & overseas non power grid clients	46%

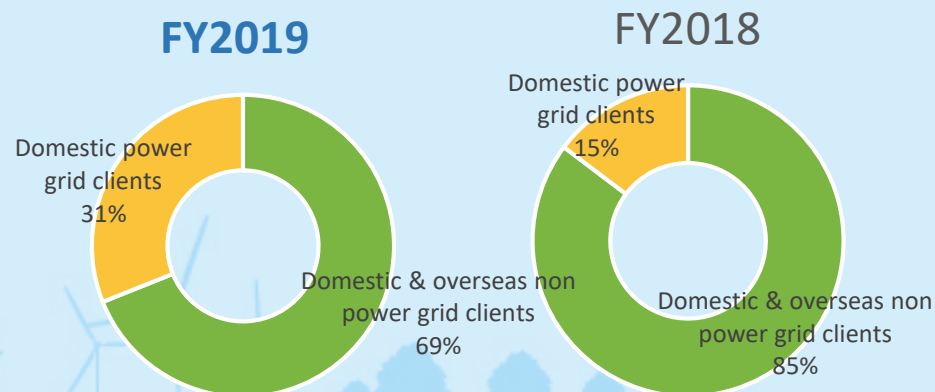
## Advanced Distribution Operations (ADO)



### Business Performance



### Customer Mix





## Development Strategies

# Response to the Epidemic Scientifically and Effectively

The group pays close attention to epidemic situation and has orderly resumed work and production on the basis of ensuring the health of employees. Meanwhile, the Group actively communicates with clients and suppliers, timely adjusts manufacture and operation plans, and minimizes the adverse influence of the Epidemic.



## Smooth resumption of work and production

As of 29 February 2020, the overall work resumption rate of Wasion Science and Technology Park (Changsha) reached 91.5%.

As of 29 February 2020, the overall work resumption rate of Wasion Electric Industrial Park reached 92%.



## Independently developed technology to support epidemic prevention

Uses the thermal imaging temperature measurement technology independently developed by the Group to conduct distant temperature measurement quickly and accurately

“smart park” with face recognition technology to support epidemic prevention



# Strong R&D Capabilities



115 patents in  
2019



75 copyrights  
in 2019



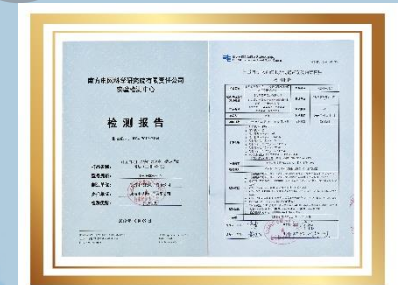
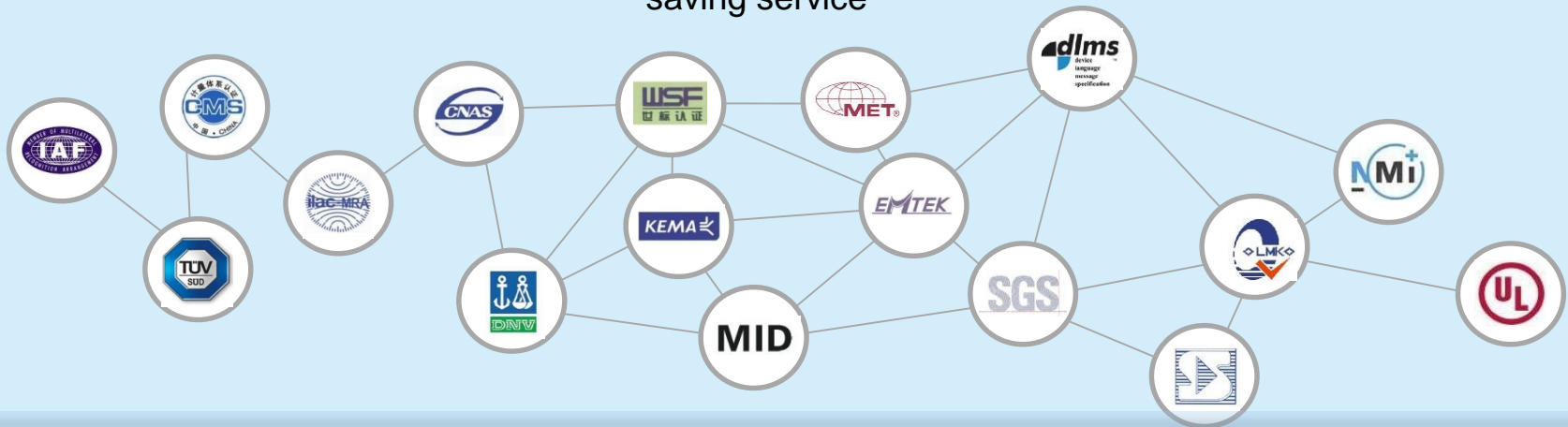
Total 1303 effective  
patents for new  
products and energy  
saving service



Total 1096 effective  
patents for software



R&D investment  
reached 7%  
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 all over China in different provinces

Data Centre

Rail

Water  
Treatment

Medical Care

High-End  
Commercial  
Building

Electronic  
Chips

High-End  
Manufacturing

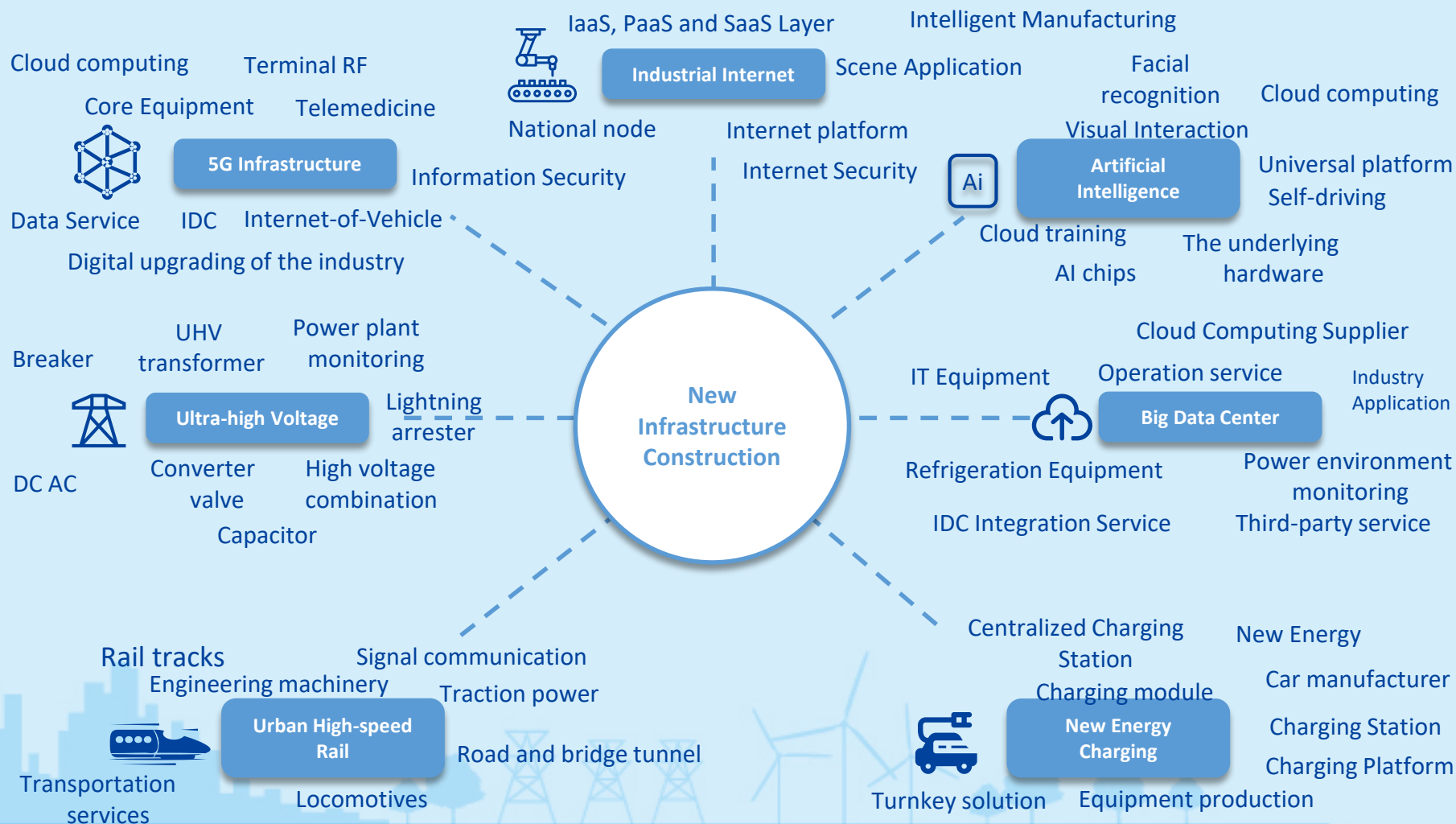
Utility Tunnel

Marine  
System

Pulp and  
paper  
industry



# Growth Opportunities of New Infrastructure Construction



# 10 key tasks of the State Grid in 2020

## 1 Fully implement the major decisions and deployment

1) Epidemic; 2) Fight against poverty; 3) Pollution prevention (**Clean energy utilization, Coal to electricity**); 4) Regional coordinated development (**Xiongan 500 kV Substation, Supporting power grid projects for the 2022 Beijing Winter Olympics, Ngari-Central Tibet Interconnection Project, Sichuan-Tibet Railway**); 5) Optimize the business environment of power market (**to reduce electricity tariff**)

## 2 To ensure the safe and stable operation of power grid

6) Large-Scale Power Grid Security (**Relay protection and Safety regulated voltage**); 7) On-site safety management (**Grid assets ID construction**); 8) Safety infrastructure management

## 3 Fully promote the high-quality development of the power grid

9) Key projects (**UHV, pumped storage**); 10) Construction and transformation of power distribution network (**Power distribution network and power distribution automation**); 11) Improving the quality of power grid construction (**Technical upgrading**)

## 4 Fully promote the high-quality development of the power IoT

12) Top-level design; 13) Infrastructure Support (**State Grid cloud, Data mid-end, Communication network standardization and informatization**); 14) Empower the construction and operation of the Power grid (Business Middle Platform, Smart meter, Marketing 2.0); 15) "Platform" + "Ecology" (**Energy Network, Interaction of power source, power grid, power load and energy storage, Allocation, Online State Grid, Line loss over the same period**)

## 5 Fully Promote further reform in difficult areas

16) Power reform (**National unified power market, spot trading market for electric power, incremental power distribution**)

## 6 Improve quality and efficiency

19) "Quantity, Price and Fee" (**Line loss**); 20) Reduce costs, reduce expenditures, stabilize investment, stabilize growth, improve efficiency (**Stable investment, uninterrupted operation, supply chain, e-commerce platform**); 21) Compliance management;

## 7 Fully Improve the Quality of International Business Development of Industrial Finance

22) High-end equipment and emerging industries (**Chips, Comprehensive energy services, Car networking**); 23) Finance; 24) Service "Belt and Road (**Pakistan's Matiari-Lahore 660kV DC power transmission project, Saudi smart meter project, China-Korea electricity networks, China-Nepal electricity networks**)"

## 8 Fully strengthen technology innovation

25) Core technology breakthroughs (**Energy network, Power chips, UHV bushings, Tap switch, Intelligent sensor, Stability and security of power system**); 26) Innovation system

## 9 Fully deepen the Party management and Party building

27) the Party building; 28) Enforce party integrity and prevent corruption; 29) Leadership building; 30) Create a harmonious and stable environment

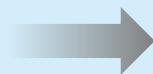
## 10 Fully implement the "14th Five-Year Plan"

31) Formulate the "14<sup>th</sup> Five-Year Plan" for grid development

# 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



## Non-power grid market

Seek opportunities in rail transportation, schools, telecommunications, petroleum and petrochemical industries and strive to get more orders



## Development Strategy

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

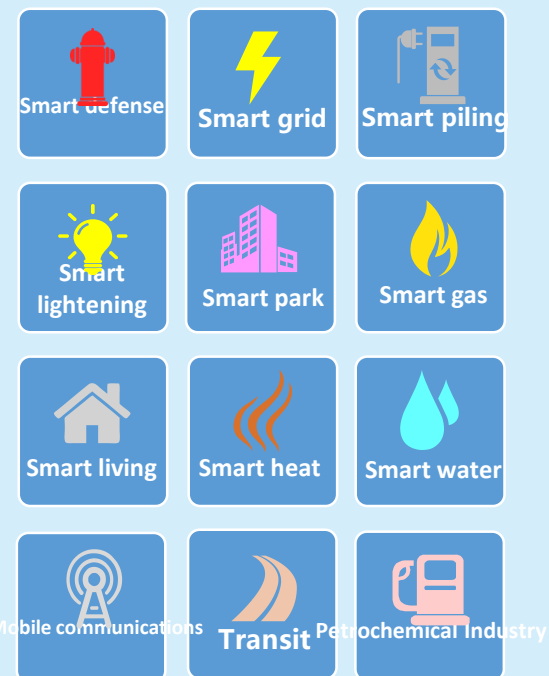
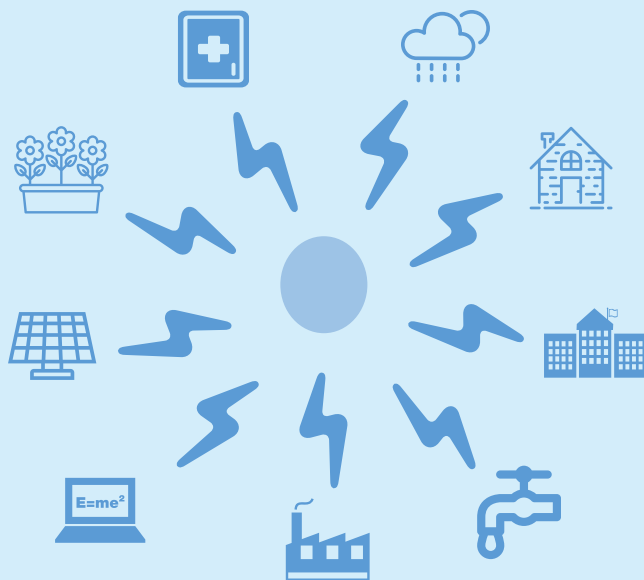


## Marketing Strategy

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

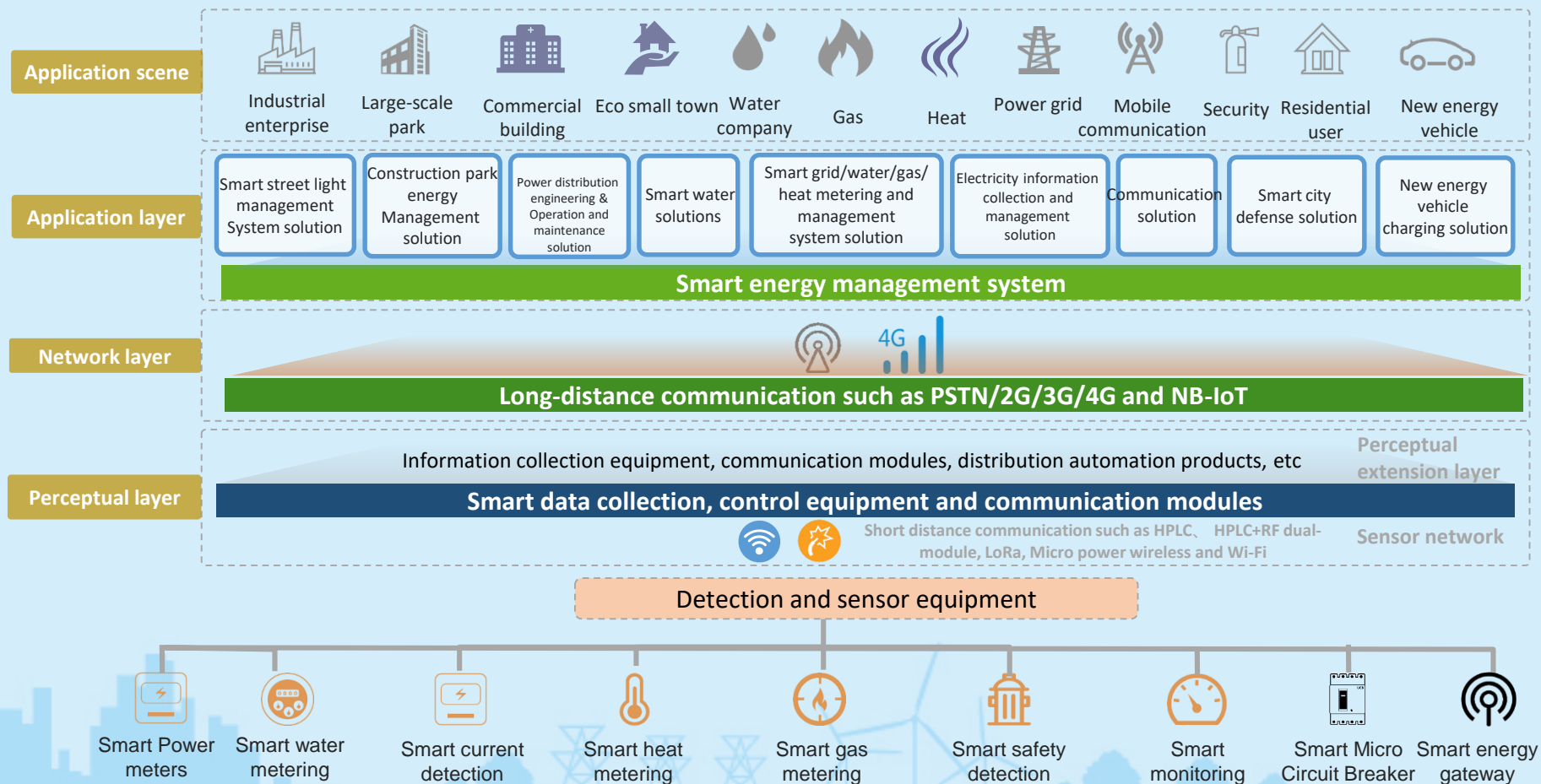


# Internet of Things



- 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



# Strategy in C&F AMI

## 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, covering **14 prefecture-level and county-level cities**.

### Cooperation

Named one of the few national partners of **China Telecom and China Mobile** for IoT water meters  
Cooperated with **Alibaba**



### Acquisition

Successfully acquired a plant in Brazil, further accelerating the localization strategy

### System optimization

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

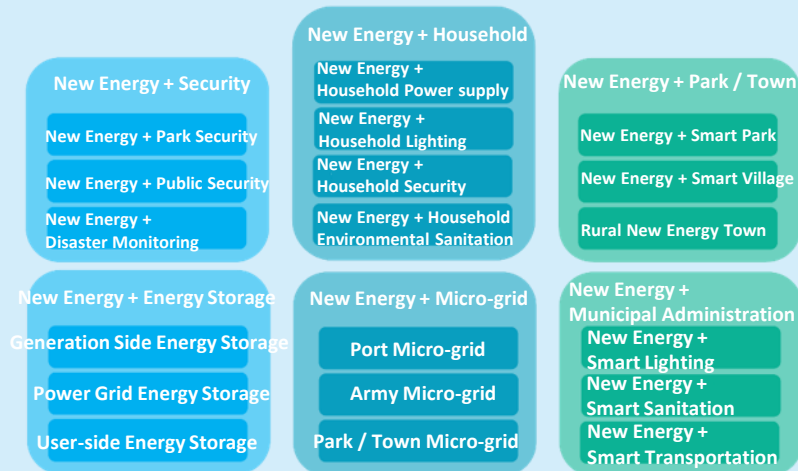
# Strategy in ADO

## Advanced Distribution Operations

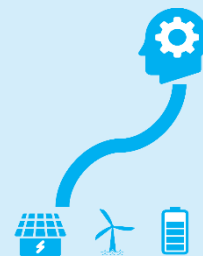
New generation sensing technology + Communication technology + Internet technology



## Smart New Energy Application Solutions



New Energy



Smart

# Strategy of ADO Business



Grid energy storage



Communication base station energy storage



Changsha subway



China Unicom cloud data center




Maanshan Hospital



Copper, lead and zinc industrial base project of China Minmetals

- The significant smart metering business provides valuable and extensive end-user information for ADO customers
- The carefully analyzed data will help Wasion understand potential customers' energy saving needs and develop better customized products and solutions
- The extensive distribution channels that have connected grid companies, industrial users, and residential users for years are the basis of business relationships that other companies may struggle to emulate
- Continue to tap into the needs of customers and commit to the optimization of intelligent power distribution solutions to advance the level of digitalization, intelligence and informatization of power grids and reinforce the overall operating efficiency of the power grid
- Strive to expand market share in rail transit, data center, medical industry and other fields
- Promote the multi-scenario applications of smart energy services "New energy +" in smart factories, smart campuses, smart hospitals, smart cities and other places
- Expand cooperation with global leader companies

# Overseas Market

 36 national service points

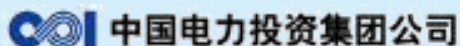
 Overseas market expansion



# Premier Customer Base



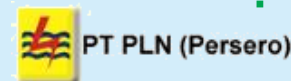
## Power Industry

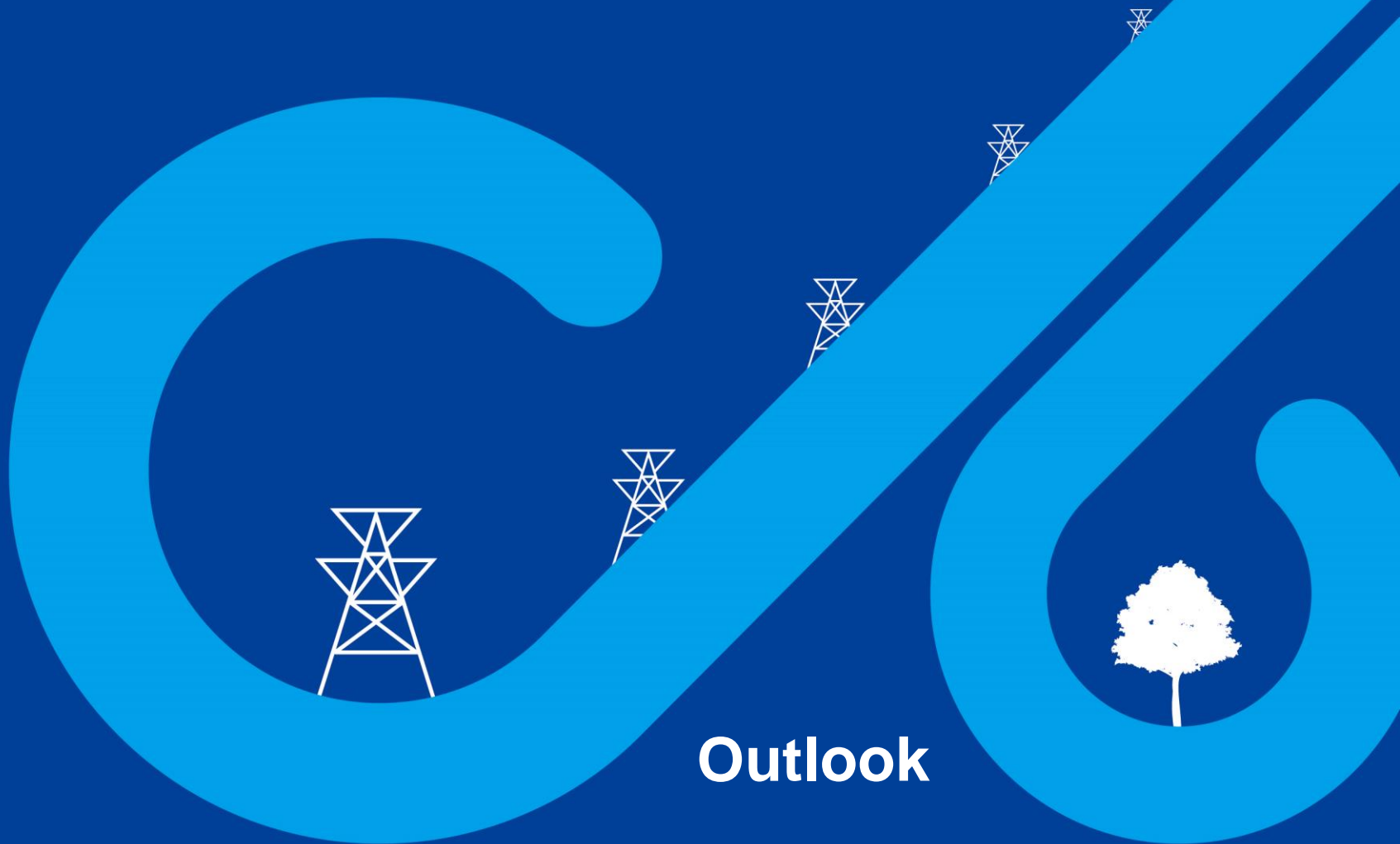


## Non Power Industry



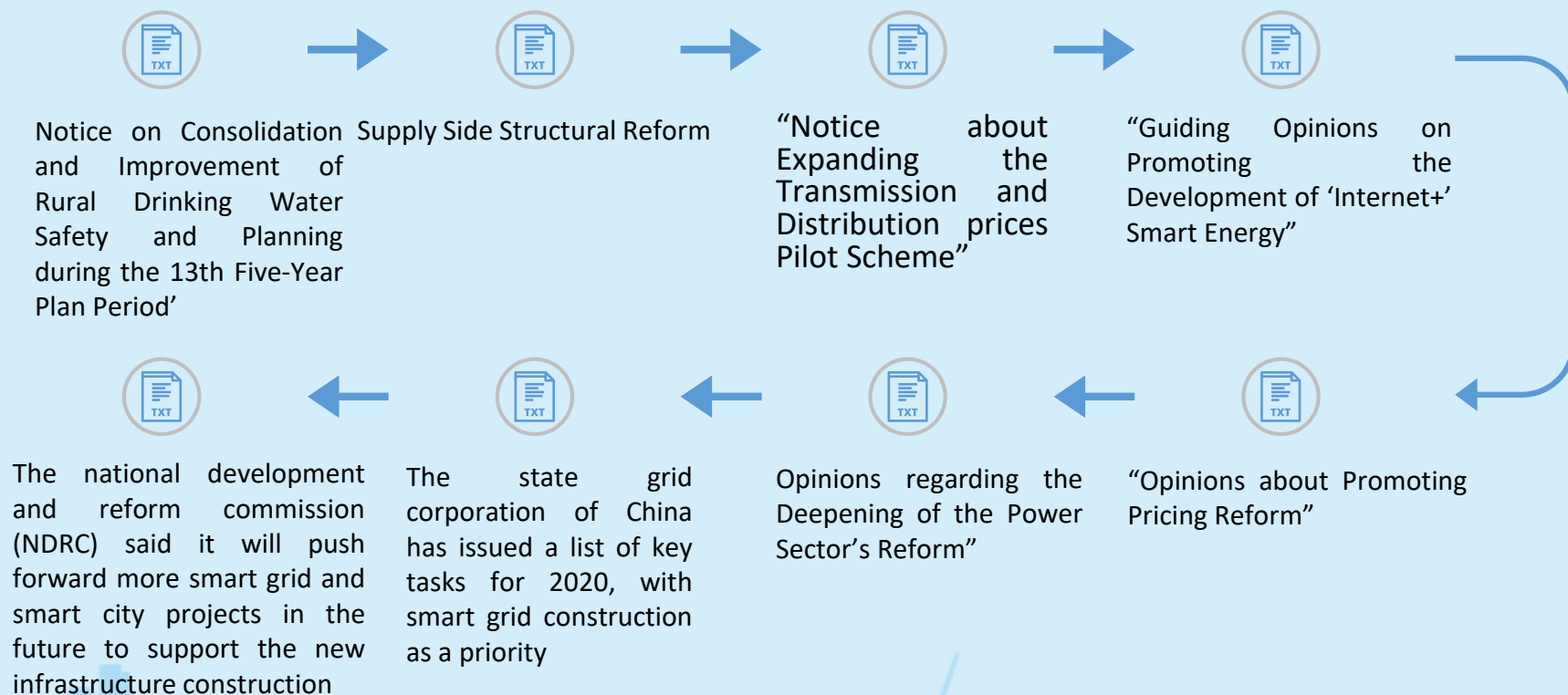
## Overseas





## 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
- Integrate these with the platform capabilities of Alibaba Cloud IoT to jointly build smart brains for cities

### 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
- Promote the multi-scenario applications of smart energy services "New energy +" in smart factories, smart campuses, smart hospitals, smart cities and other places
- To widen cooperation with domestic and foreign leading smart distribution service providers in technology, product and market aspects

### 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

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



# 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.