



Stock Code:01600.HK

Tian Lun Gas Holdings Limited



2022 Annual Results Investor Presentation

2023. 03



Operating revenue was basically equal to the 2021, in which 12.0% revenue growth in gas sales and 24.1% revenue growth in value-added business



Retail gas sales volume increased by 4.8% YoY to 1.67 billion m³



2H2022, dollar margin is restored to 0.47 RMB/ m³



Full year core profit of RMB 610 million



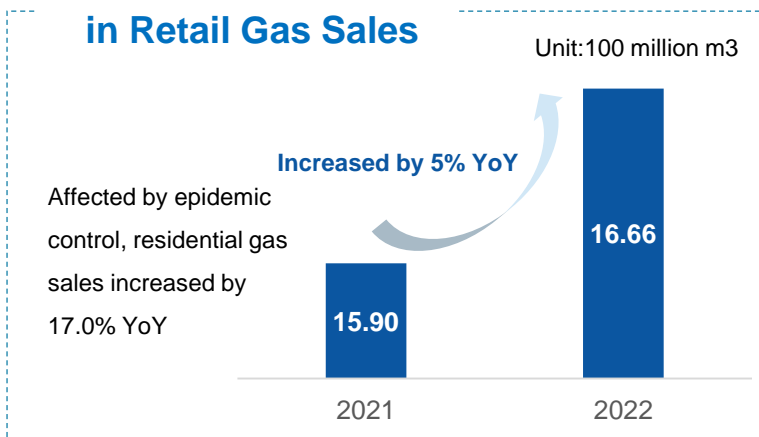
Total engineering installations and service subscribers grew 7.2% to approximately 5.3 million



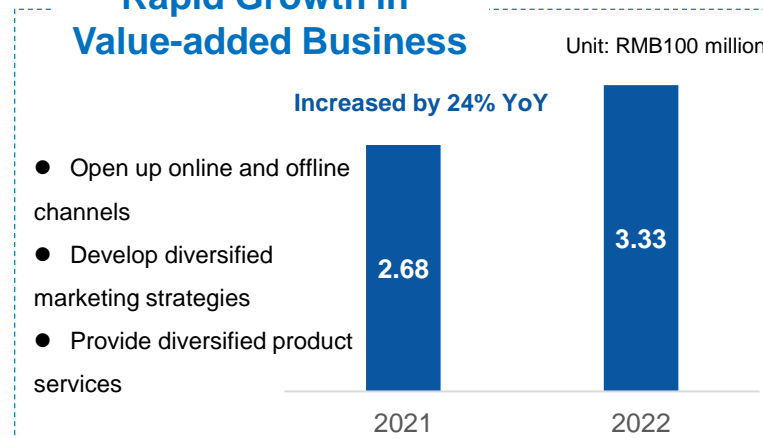
Final dividend of 11.00 cents per share, maintain a stable dividend payout ratio, corresponding to 30.0% of core profit

- Urban gas industry maintained steady growth, laying a foundation for the improvement of retail gas sales
- Rapid growth in value-added business, 24.1% revenue growth in value-added business in 2022
- Cash flow from operating activities increased 70% year-on-year

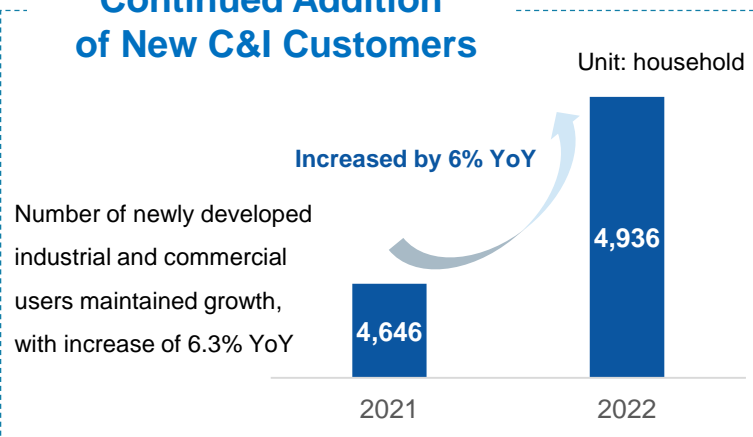
Stable Growth in Retail Gas Sales



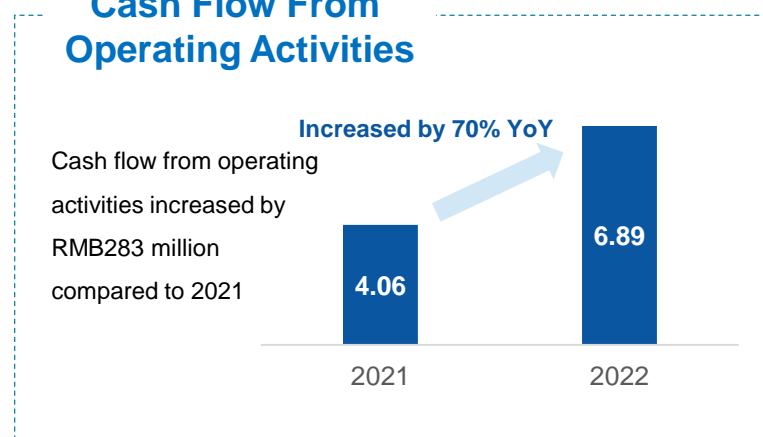
Rapid Growth in Value-added Business



Continued Addition of New C&I Customers



Cash Flow From Operating Activities

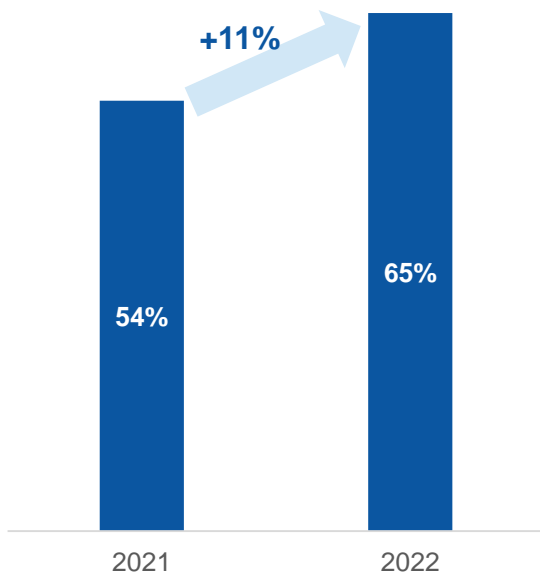


- The business structure has been continuously optimized, volume of retail gas sales and proportion of value-added have continuously increased
- The proportion of rural coal-to-gas installation decreased by 10% compared to 2021

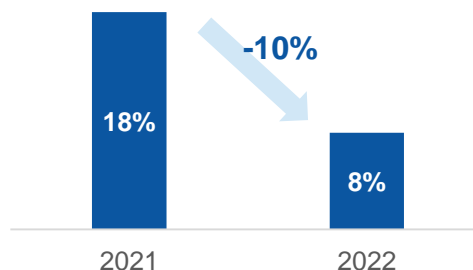
Continuous Optimization of Revenue Structure

Further increase in proportion of retail gas sales revenue to

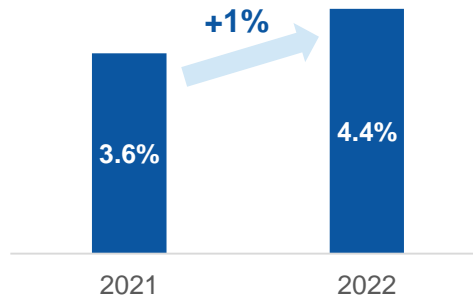
65%, adopt differentiated sales marketing strategy and continue to expand the scale of retail gas volume



Rural coal-to-gas installation revenue accounted for a lower percentage



Further increase in the proportion of value-added business revenue



Significant Improvement in Business Performance

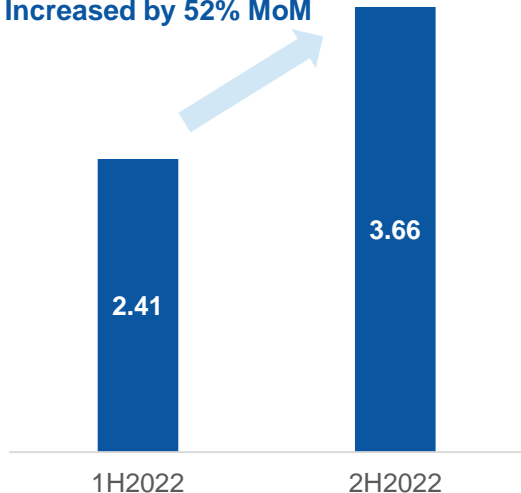
- Rapid recovery in group profitability in 2H2022, with core profit up 52% compared to 1H2022
- Dollar margin increased significantly by RMB0.11 compared to 1H2022, has returned to the same level in 2021

Core Profit

Unit: RMB100 million

Core profit increased by **52%** compared to the 1H2022

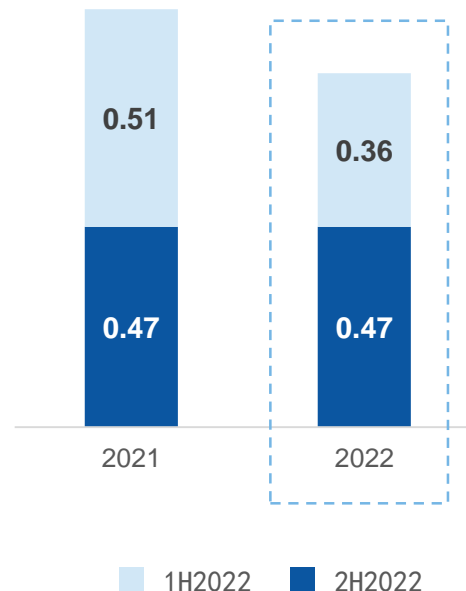
Increased by 52% MoM



Dollar Margin (ex VAT)

unit: RMB/m³

Dollar margin has returned to the same level as in 2021



Focus on Corporate Governance Establishment of ESG Safety Committee

The board of directors of Tian Lun Gas announces that establishment of ESG committee and appointment to ESG Committee in 31 May 2022



ESG Rating Performance



In the same score group as the top companies



Capital Market Honors and Awards

Jinge Award: In December 2022, in the 7th "Gelonghui Global Investment Carnival 2023" Jinge Award selection, Tian Lun Gas founder Zhang Yingcen won the "Outstanding Leader of the Year" award

Jin Ganggu: In December 2022, Tianlun Gas won the "Best ESG Award" at the "2022 Global Investment Trends Forum and the 6th Jin Ganggu Award Ceremony"





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- Total gas sales in 2022 are essentially the same as in 2021, with increase of 4.8% YoY in retail gas volume
- Residential gas sales increased by 17.0%, while C&I gas sales increased by 1.2%
- Considering the gas supply situation and the epidemic impact ,Company adjusted the gas sales strategy and gas sales-wholesale decreased by 30.6%YoY

Unit: Million m3	2022	2021	YoY
Gas Sales -Retail	1, 666	1, 590	4. 8%
Residential	524	448	17. 0%
C&I	1, 063	1, 050	1. 2%
Transportation	79	92	-14. 1%
Gas Sales-Wholesale	245	353	-30. 6%
Total Gas Sales Volume	1, 912	1, 942	-1. 5%
Long-haul Pipeline Transmission	759	813	-6. 6%

- The average gas selling price in 2022 is RMB2.96 /m³, an increase of 13.4% compared to 2021
- Dollar margin reached to RMB0.47/m³ in 2H2022, Increased by RMB0.11 / m³ compared to 1H2022, and has recovered to the same level in 2021

Average Selling Price and Dollar Margin (RMB/m ³)	2022	2021
Average selling price	2.96	2.61
Dollar margin (ex VAT)	0.42	0.49

Dollar Margin (RMB/m ³)	2H2022	2H2021
Dollar margin (ex VAT)	0.47	0.47

- Number of urban gas customers has reached 3.35 million, rural gas customers is 1.94 million
- Overcoming the epidemic impact and real estate slowdown ,282,000 new city connection in 2022
- First phase of the "coal to gas" has been reached, rural gas customers added 68,000 households in 2022

	2022	2021
Number of Customers (household)	3,351,623	3,064,086
-- Urban Gas Residential Customers (households)	3,309,311	3,026,710
--C&I Customers (household)	42,312	37,376
New Urban Gas Residential Customers (household)	282,601	291,514
New C&I Customers (household)	4,936	4,646

	2022	2021
Number of Rural Customers (household)	1,942,692	1,874,556
New Rural Customers (household)	68,136	347,199

Value-added business achieved integrated development of "brand + service + channel" advantage, and the performance contribution of value-added business grew rapidly year by year

Create Tian Lun value-added business brand system



Start Smart Manufacturing –
Build your own product system



Acquired Huayi to build its own brand registered **Tian Lun Jinan** trademark



Certified Smart Manufacturing Patent 7 Gas / PV / Security / Metering / Smart Home



Self-branded product standards management system

Brand building ← Product R&D → System Construction



Smart service platform - providing safe life services

- Around safety/health/service main scenario
- Create V+ Tian Lun value-added service platform
- Deepen understanding of customer needs and precise perception



Smart Service System



In-home modification service



Community Services



Agricultural Product Channel Services

Diversified business channels to open up the market



Multi-platform online sales - One-stop online service



Tian Lun Mall



Zhengzhou Tian Lun House



Short Video Promotion



Live lead generation



In-store traffic conversion



Advertising

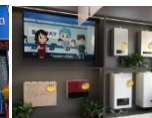


Offline sales channels - being a convenient station in life

Ensure the safety of gas appliances, replacement of unqualified products



Drain offline with large-scale linkage activities

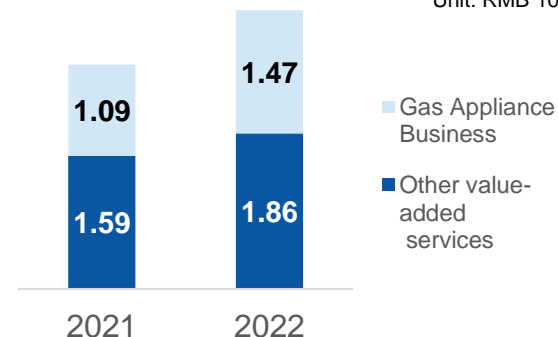


New Convenient Mode Serving Local Life

Increase in value-added service revenue

Unit: RMB 100 million

High growth of value-added service industry



Leveraging state capital Cooperation and Operational Experience in the Energy Sector Insisting on Asset-light
Operation and Well-performed as a Township Energy Operator

Contribute to the sustainable development of clean energy in rural areas of the central plains

Leveraging state capital
Rely on user resources
cooperation and synergy

中國電力國際發展有限公司
CHINA POWER INTERNATIONAL DEVELOPMENT LIMITED

国家电力投资集团公司
STATE POWER INVESTMENT CORPORATION

中国电建
POWERCHINA

SYZ 中原豫资投资控股集团
Zhongyuan Yuzi Investment Holding Group

中国节能
CECEP

国家电网
STATE GRID

Corporate minority
shareholders

+

Asset Operator



Market Development

+

EPC
Construction

+

O&M

Tian Lun Gas

Role

Rural Energy
Operators

Broad market space

104 counties & county-level cities
4,429,000 rural dwellers, densely
distributed

Development Advantages

Large customer resources
2 million rural users

Localized O&M team

10 km service radius 100%
user coverage

Positioning

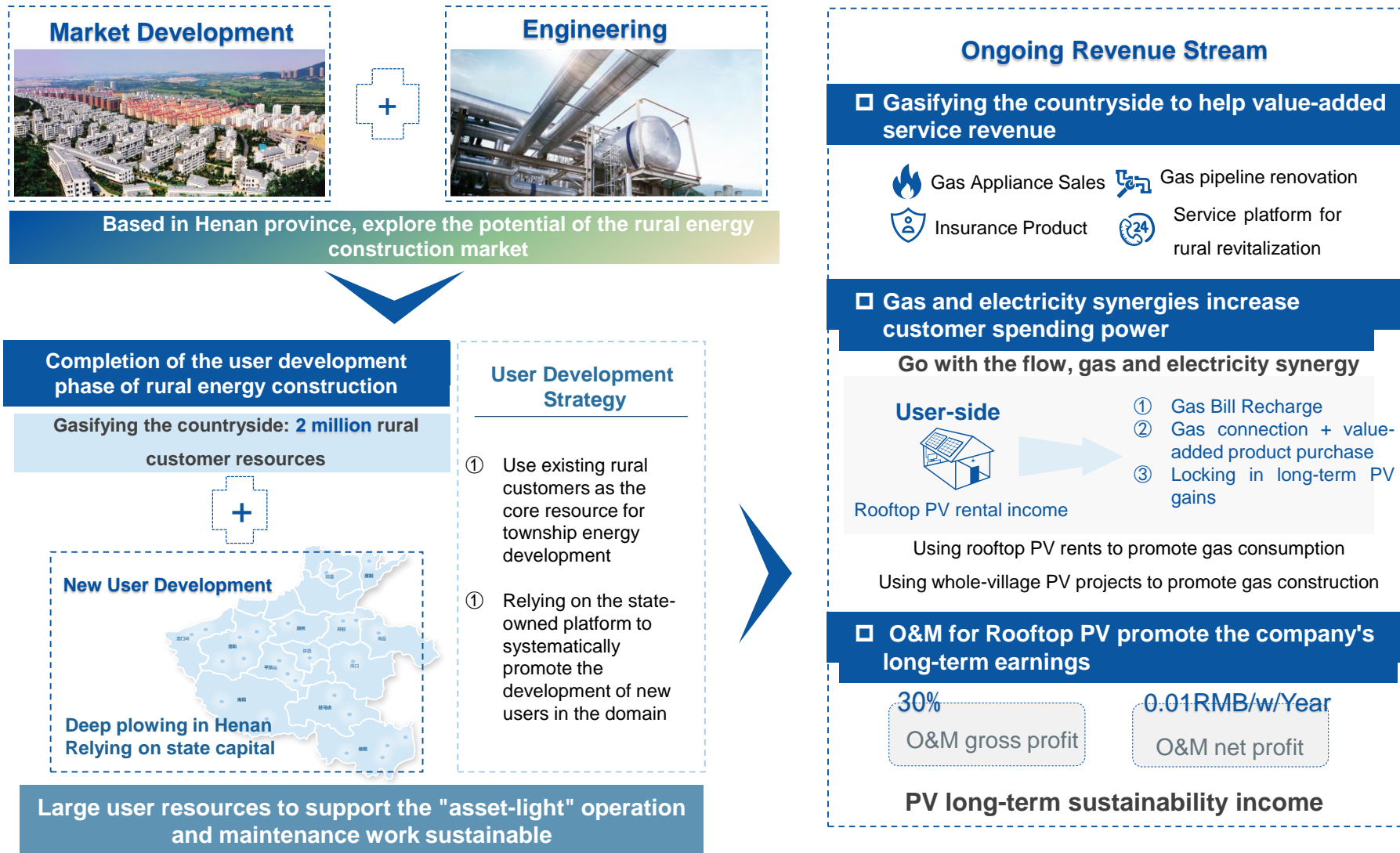
Insist on
Asset-light
Operation

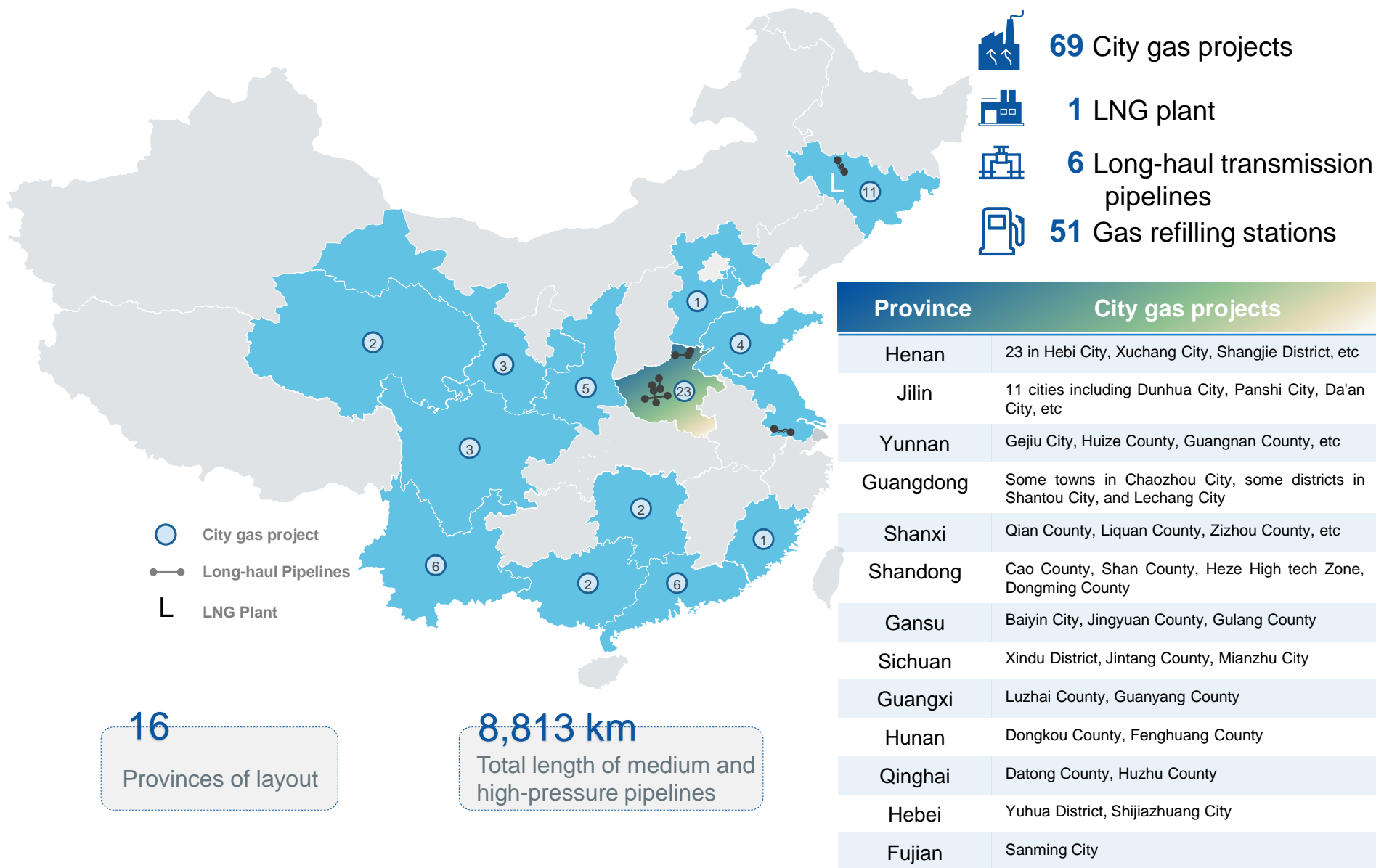
Development
Strategy

- ① Establishment of state-owned capital joint ventures to cooperate in the development of various types of township clean energy projects
- ② Cooperative and synergistic development with "asset-light" operation mode

Rural Energy Development Brings Sustainable Income

Develop gas-electricity synergy based on the gasification village business to form a complementary and sustainable revenue model







01

Business Review



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Outlook

- In 2022, the Group's total revenue was RMB7.54 billion , which was basically the same as in 2021
- The annual Dividend payout of core profit in 2022 is 30%, with a cumulative dividend payout 18.35 cents per share

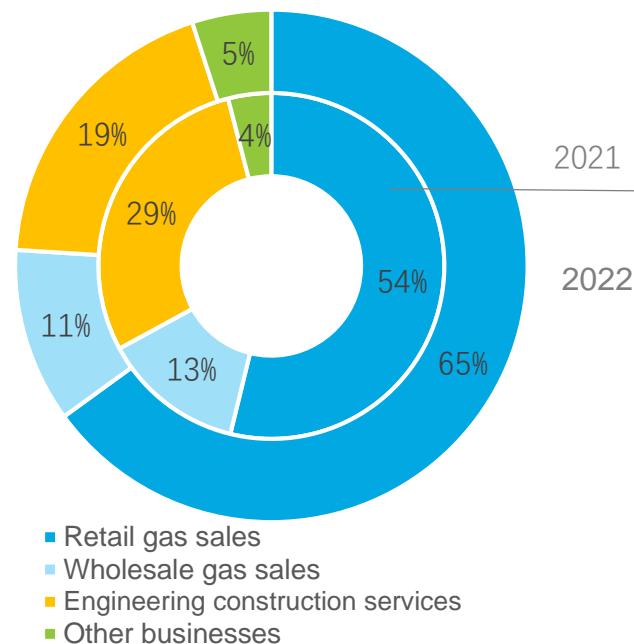
	2022	2021
Operating income (RMB thousand)	7,542,859	7,650,345
Gross profit (RMB thousand)	1,392,909	1,779,119
EBITDA (RMB thousand)	1,467,872	1,821,956
Core Profit* (RMB thousand)	607,377	933,841
Dividend per share (cents)	18.35	28.00

*Core profit = Profit attributable to the parent company - Other gains and losses (including exchange gains and losses)

- In 2022, the proportion of gas sales business increased to 76%, of which the proportion of retail gas sales business increased to 65%, an increase of 11 percentage points compared to 2021, and the revenue structure continued to be optimized.
- Revenue from gas sales business increased by 12% YoY, with retail gas sales increasing by 18% YoY.
- Revenue from value-added services continued to grow, increasing by 24% YoY in 2022.
- The decrease in revenue from engineering installation services is mainly due to the decrease in the proportion of township connection revenue in Henan Province.

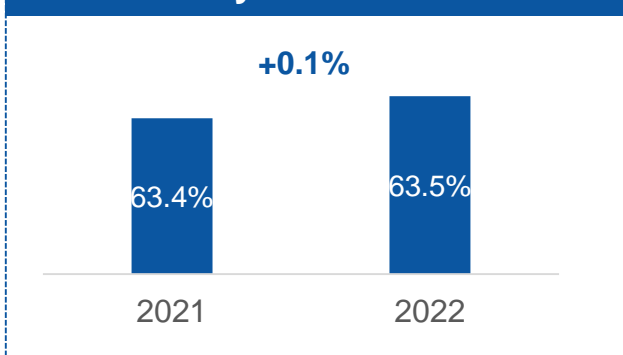
Unit: 10,000 RMB	2022	2021	YoY
Total Revenue	754,286	765,035	-1.4%
Retail Gas Sales	490,518	414,634	18.3%
Wholesale Gas Sales	82,591	97,060	-14.9%
Engineering Construction Services	140,886	222,151	-36.6%
Other Businesses	40,291	31,189	29.2%

Revenue Structure

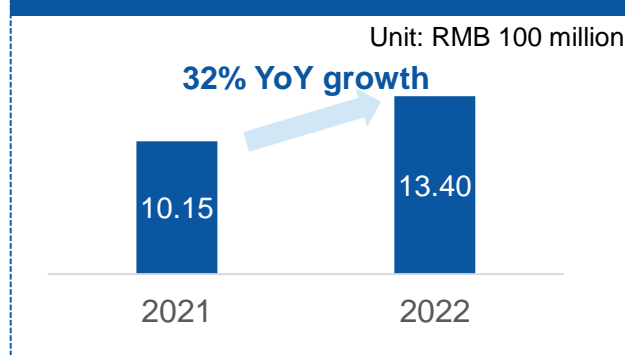


- The Group's asset-liability ratio remained stable, at 63.5% in 2022, basically unchanged from 2021.
- Cash and cash equivalents at the end of 2022 increased by 32.0% compared to the same period in 2021.
- In 2022, capital expenditure was RMB 514 million, free cash flow was well controlled, and mergers and acquisitions were conducted prudently.
- The average financing cost of the group is 4.9%, the average debt maturity is 4 years, and the bank credit increases by 15% YoY.

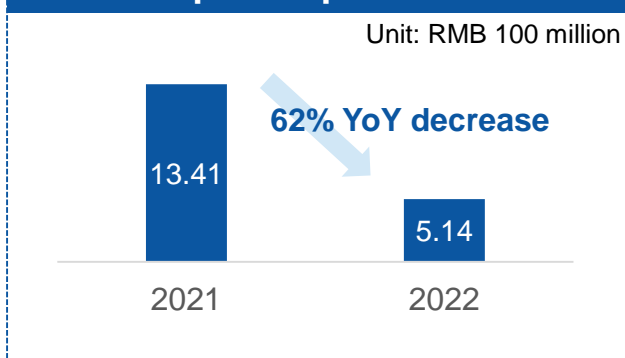
Asset liability ratio remains stable



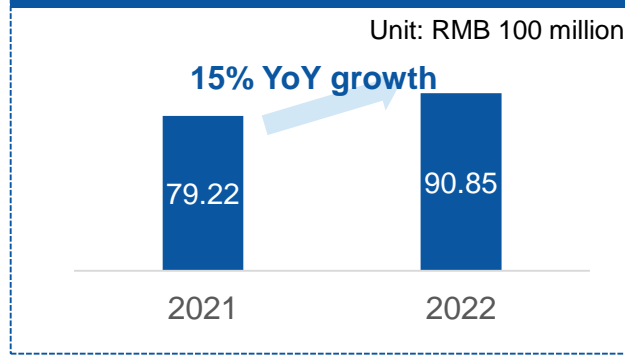
Cash and cash equivalents



Capital expenditure



Bank credit





01

Business Review

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➔ Outlook

Variables	2023 Guidance
Retail Gas Sales Volume	Increase by 12-15%
Dollar Margin	0.48-0.50 RMB/m ³
New City Residential Customers	2.8-3.0 million households
Value-added Business Income	Increase by more than 20%
Annual Dividend Payout Ratio	Maintain stable



Stock Code:01600.HK

Tian Lun Gas Holdings Limited



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