



# 2023 Interim Results Presentation

Tian Lun Gas Holdings Limited

(01600. HK)

August 2023





Operating income increased by 5.9% compared with the same period last year, of which gas sales revenue increased by **13.0%**



Retail gas sales volume increased by **4.5%** YoY to 872 million m<sup>3</sup>



1H2023 ,dollar margin is 0.41 RMB/m<sup>3</sup> ,an increase of 0.05 RMB/ m<sup>3</sup>



Engineering construction services of city gas residential added to 138,000 households, an increase of **4.4%**



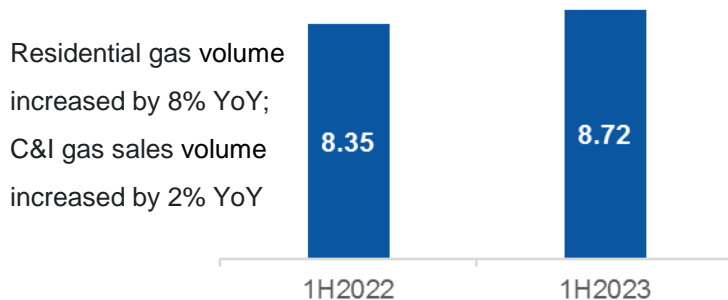
The Board of Directors declared an interim dividend of RMB6.82 cents per share, corresponding to a payout ratio of 30.0% of core earnings

- The Group's city gas industry maintained steady growth, retail gas sales volume increased by 5%, and city gas residential users increased by 4%
- The Group's profitability continued to improve, and EBITDA increased by 4% YoY

## Steady Growth in Retail Gas Volume

Unit: 100 million m<sup>3</sup>

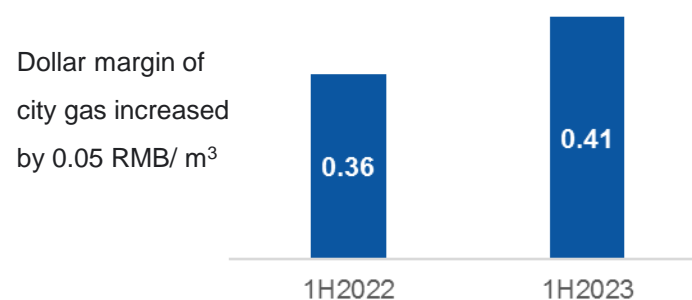
5% YoY growth



## Dollar Margin (ex-VAT) Rebound

Unit: RMB/ m<sup>3</sup>

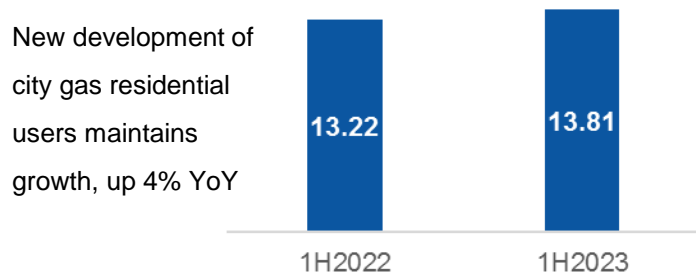
+0.05 RMB/ m<sup>3</sup>



## Steady Growth of City Gas Residential Users

Unit: ten thousand household

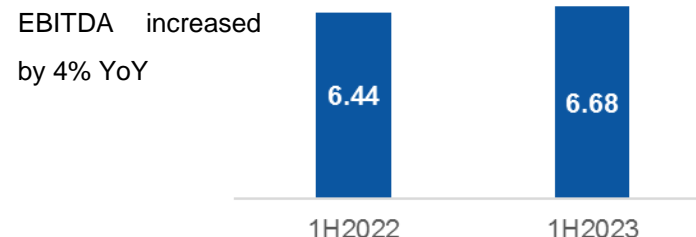
4% YoY growth



## EBITDA Growth Stable

Unit: RMB100 million

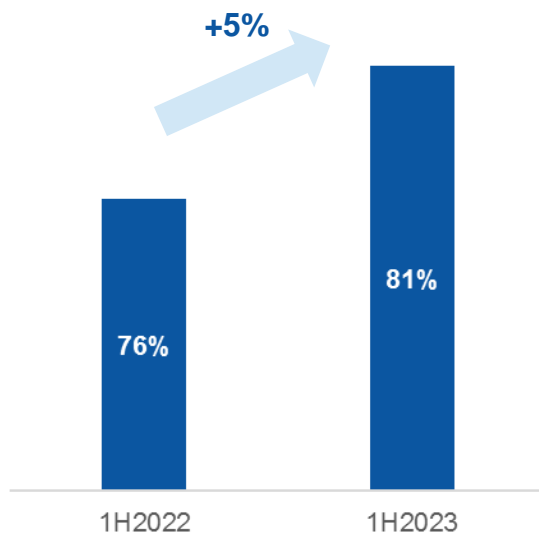
4% YoY growth



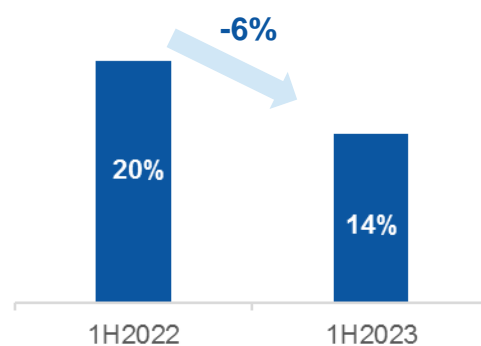
- Revenue structure continued to be optimized, and the proportion of revenue from the gas sales business continued to increase
- The proportion of engineering construction services revenue decreased by 6% YoY

## Optimization of Revenue Structure

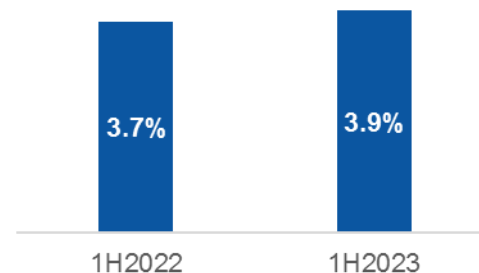
The proportion of total gas sales revenue further increased to **81%**, with retail gas volume increasing by 5% YoY



The proportion of engineering construction revenue decreased



The proportion of value-added revenue remained stable



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- In the 1H2023, total gas sales volume increased by 11.8% YoY, retail gas volume increased by 4.5% YoY
- In the retail gas sales, residential gas sales volume increased by 7.9%, and C&I gas sales volume increased by 2.3%

Unit: Million m <sup>3</sup>	1H2023	1H2022	YoY
Gas Sales -Retail	872	835	4.5%
Residential	267	247	7.9%
C&I	559	546	2.3%
Transportation	46	41	13.4%
Gas Sales-Wholesale	210	133	57.7%
<b>Total Gas Sales Volume</b>	<b>1,082</b>	<b>968</b>	<b>11.8%</b>
Long-haul Pipeline Transmission	339	343	-1.3%

- Average selling price of gas is 2.96 RMB/m<sup>3</sup> in the 1H2023
- In the 1H2023, the company take the initiative to cost pass-through, dollar margin is 0.41 RMB/m<sup>3</sup>, an increase of 0.05 RMB /m<sup>3</sup>

Average Selling Price and Dollar Margin (RMB/m <sup>3</sup> )	1H2023	1H2022
Residential	2.32	2.31
C&I	3.19	3.07
Transportation	3.86	4.21
<b>Average selling price</b>	<b>2.96</b>	<b>2.90</b>
<b>Dollar margin (ex VAT)</b>	<b>0.41</b>	<b>0.36</b>

- Cumulatively managed 5.44 million users, of which the cumulative number of city gas users has reached 3.49 million
- Added 138,000 households city gas connection users, 4.4% YoY growth

	1H2023	1H2022
Number of Customers (Household)	<b>3,491,184</b>	<b>3,197,895</b>
--Residential Customers (Household)	3,447,405	3,158,950
--C&I Customers (Household)	43,779	38,945
New Residential Customers (Household)	138,094	132,240
New C&I Customers (Household)	1,467	1,569



Value-added business income has increased YoY, continuously optimized in business structure, gradually formed a self-owned brand service system

## Reduce Costs and Increase Income, Broaden Business Channels

### ★ Promote offline agency business

- Focus on promoting the regional agency model in which all employees develop their own brands
- Organize customers to experience stores for product promotion meetings and order meetings



Offline experience store service

### ★ Create an online self-operated brand store



online retail business

- Improve the construction of online stores (Jingdong, Douyin, etc.), and provide price support for offline sales
- Organize activities such as online flash sales to open up retail sales channels

## Continue to Optimize the "Product + Service" System

### ★ Promoting independent research and enhance technology upgrades

- Combining the latest technology, development production service and promoting the construction of self-owned brand



Customized production



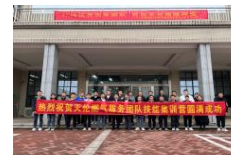
Custom development

### ★ Optimize the service policy and improve the quality of after-sales service

- Improve the timeliness of maintenance and increase the number of return visits in a targeted manner
- Strengthen the awareness of teamwork, improve the effect of employee training, and improve service quality



Regular visit



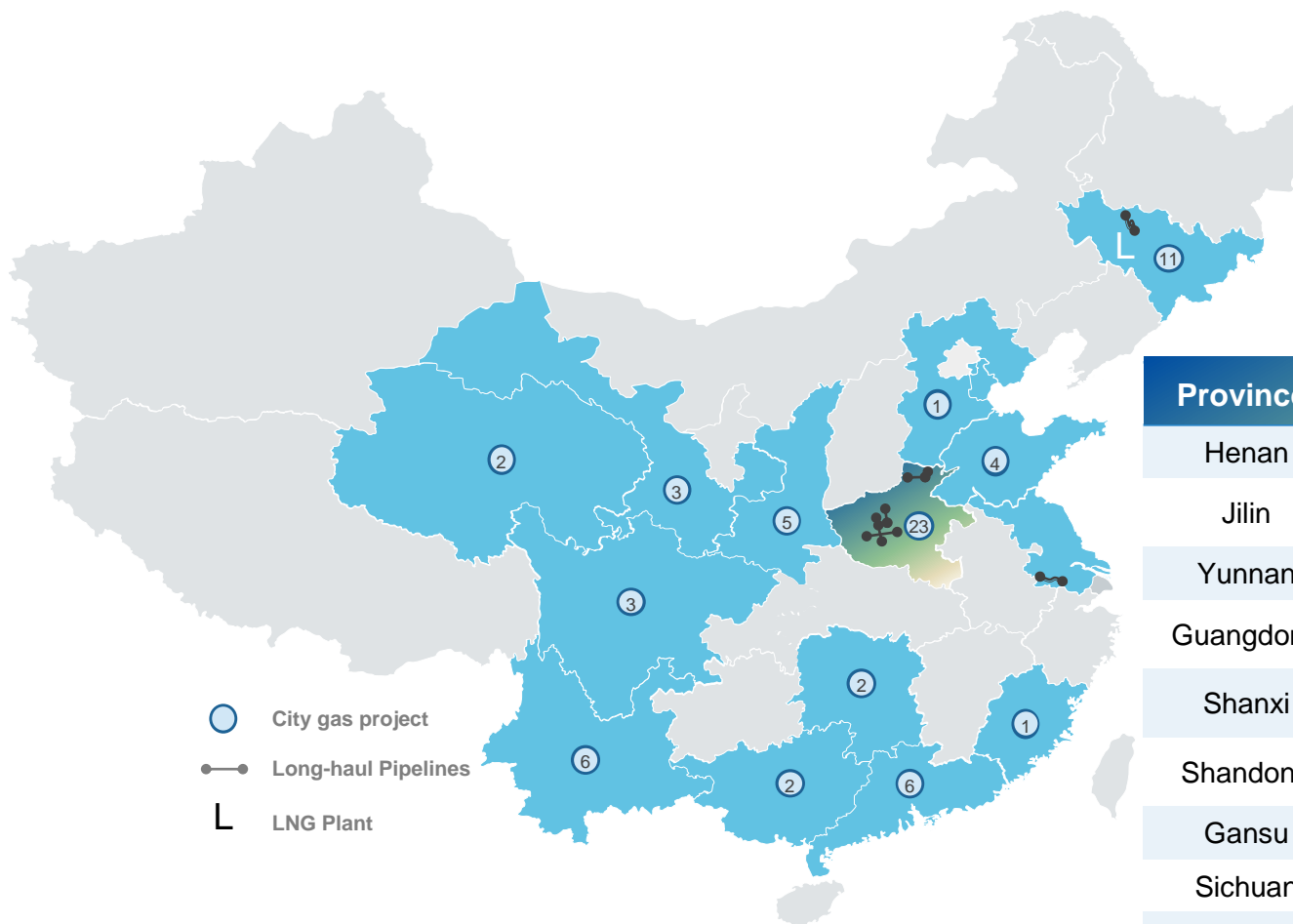
Employee training



Team offline seminar

## Gross Profit of Value-added Increased

Unit:RMB thousand	1H2023	1H2022	YoY
Revenue	152,979	137,485	11.3%
Gross Profit	75,614	60,630	24.7%
Gross Profit Margin	49.4%	44.1%	5.3PPT



**69** City gas projects






**1** LNG plant



**6** Long-haul transmission pipelines



**51** Gas refilling stations

-  City gas project
-  Long-haul Pipelines
-  LNG Plant

Province	City gas projects
Henan	23 in Hebi City, Xuchang City, Shangjie District, etc
Jilin	11 cities including Dunhua City, Panshi City, Da'an City, etc
Yunnan	Gejiu City, Huize County, Guangnan County, etc
Guangdong	Some towns in Chaozhou City, some districts in Shantou City, and Lechang City
Shanxi	Qian County, Liqian County, Zizhou County, etc
Shandong	Cao County, Shan County, Heze High tech Zone, Dongming County
Gansu	Baiyin City, Jingyuan County, Gulang County
Sichuan	Xindu District, Jintang County, Mianzhu City
Guangxi	Luzhai County, Guanyang County
Hunan	Dongkou County, Fenghuang County
Qinghai	Datong County, Huzhu County
Hebei	Yuhua District, Shijiazhuang City
Fujian	Sanming City

**16**

Provinces of layout

**9,003 km**

Total length of medium and high-pressure pipelines

01 Business Review

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03 Outlook



- In the 1H2023, Group's total revenue was RMB3.97 billion, an increase of 5.9% YoY
- Core profit was RMB223 million in the 1H2023, decreased by 8.0% YoY. Excluding of the rural gasification business factors, the core profit was RMB221 million, increase by 24.2% YoY
- Dividend was RMB6.82 cents per share in 1H2023, dividend payout ratio was 30.0%.

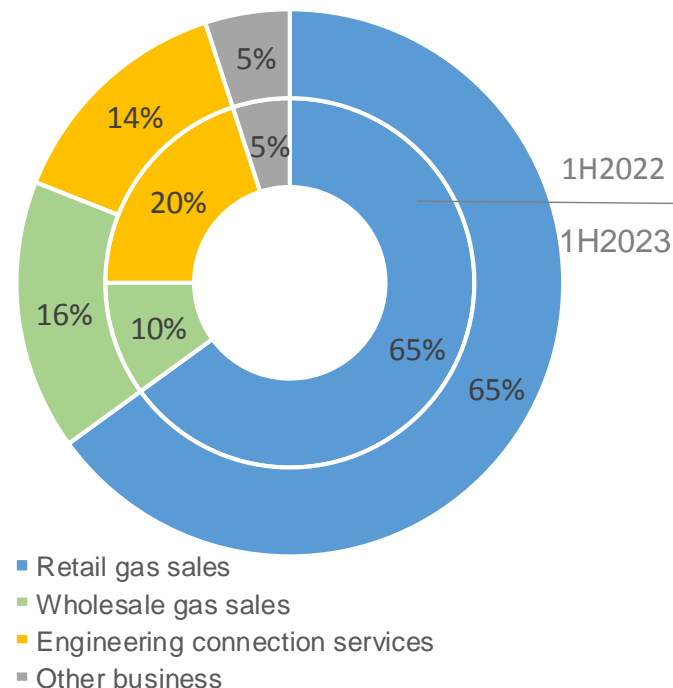
	1H2023	1H2022
Operating income (RMB thousand)	3,966,651	3,744,711
Gross profit ( RMB thousand )	622,106	605,712
EBITDA ( RMB thousand )	668,161	643,650
Core Profit* ( RMB thousand )	223,227	242,531
Dividend per share (cents)	6.82	7.35

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

- In the 1H2023, the proportion of the group's gas sales business revenue rose to 81%, and the revenue structure continued to optimize
- Gas business revenue increased by 13% YoY, of which retail gas sales revenue increased by 7% YoY
- Revenue from engineering and construction services decreased by 22.9% YoY. Of which city gas engineering construction services revenue increased by 5.2%YoY

Unit:RMB thousand	1H2023	1H2022	YoY
<b>Total Revenue</b>	<b>3,966,651</b>	<b>3,744,711</b>	<b>5.9%</b>
Retail Gas Sales	2,581,431	2,419,892	6.7%
Wholesale Gas Sales	620,902	412,863	50.4%
Engineering and Construction Services	566,072	734,123	-22.9%
--City gas	400,839	381,103	5.2%
--Rural gasification and other business	165,233	353,020	-53.2%
Other Businesses	198,246	177,833	11.5%

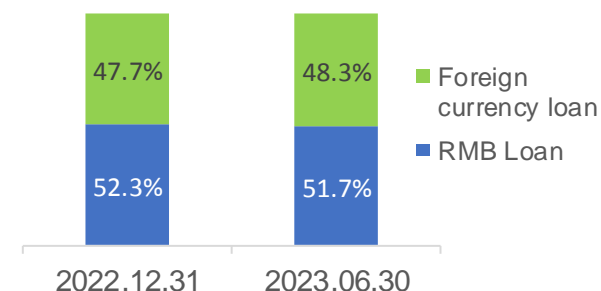
## Revenue Structure



- The Group's asset-liability ratio remained stable, reaching 62.8% in the 1H2023 , which was basically the same as corresponding period of last year
- Capital expenditure of RMB139 million, good control of free cash flow, and prudent development of M&A business
- The comprehensive capital cost ratio was 5.4%, slightly higher than the 4.9% at the end of 2022 due to the increase in overseas financing costs

Unit: RMB million	2023.06.30	2022.12.31
Total Assets	<b>16,145</b>	15,959
Total Liability	10,134	10,136
Total Equity	6,011	5,823
Equity Attributable to Owners of the Company	5,691	5,508
Cash and Cash Equivalents	1,253	1,340
Assets and Liabilities	62.8%	63.5%

Loan	2023.06.30	2022.12.31	Change
Total Loan (100 million)	75	72	4.0%



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Guidance	FY2023
Retail Gas Sales Volume	Increase by 6%-8%
Dollar Margin	0.48-0.50 RMB/m <sup>3</sup>
New City Residential Users	280-300 thousand households
Value-added Business Income	Increase by more than 15%
Annual Dividend Payout Ratio	Maintain stable





## Contact

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