



2023 Annual Result Investor Presentation

March 2024



Operating revenue increased slightly by **2.4%** YoY, of which gas sales revenue increased by **7.3%** and value-added business revenue an increase of **11.5%**



Retail gas sales volume increased by **4.5%** YoY to **1,741** million m³



Dollar margin is **0.48** RMB/m³ in 2023



Profit attributable to owners of the company increased by **7.9%** to RMB **480** million, with full-year core profit of **RMB577** million, down **4.9%** YoY



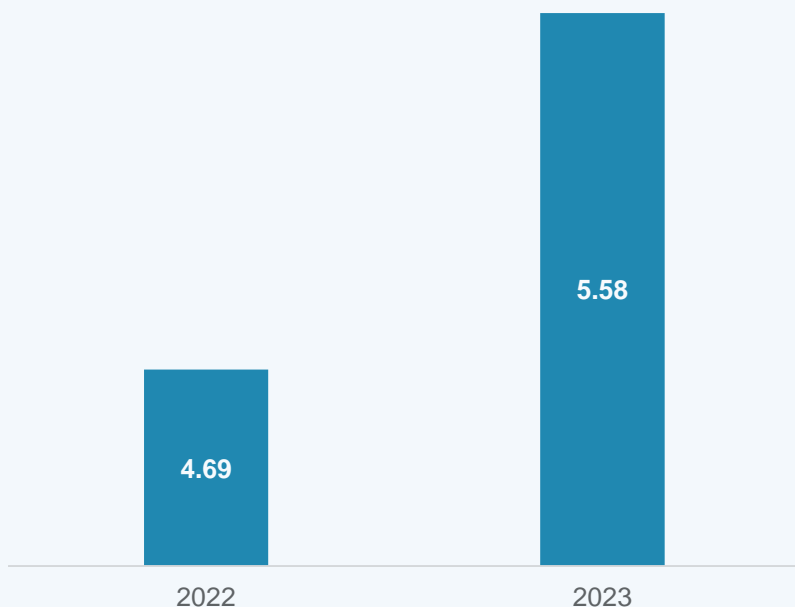
Over **280,000** new residential users were added



Proposed final dividend of RMB**10.82** cents, maintain dividend stability

Core Profit of City Gas

Unit: RMB100 million



YoY



19%

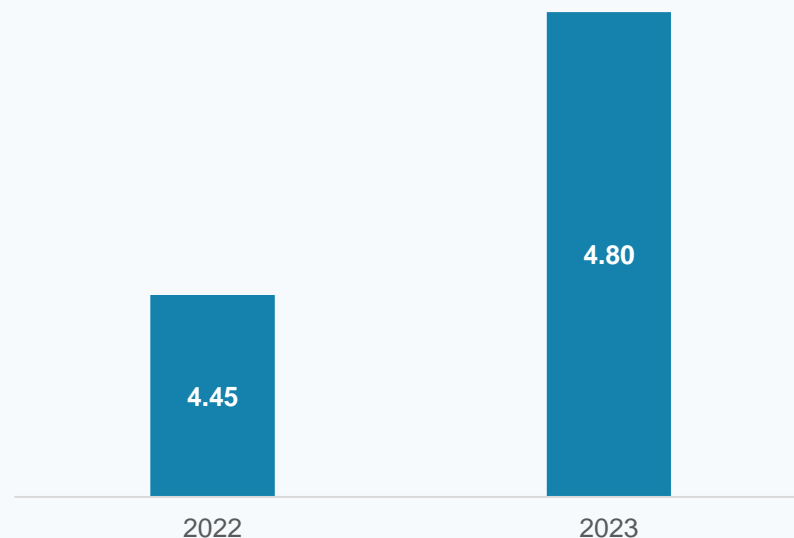
Absolute Value



89 million

Profit Attributable to Owners of the Company

Unit: RMB100 million



YoY



8%

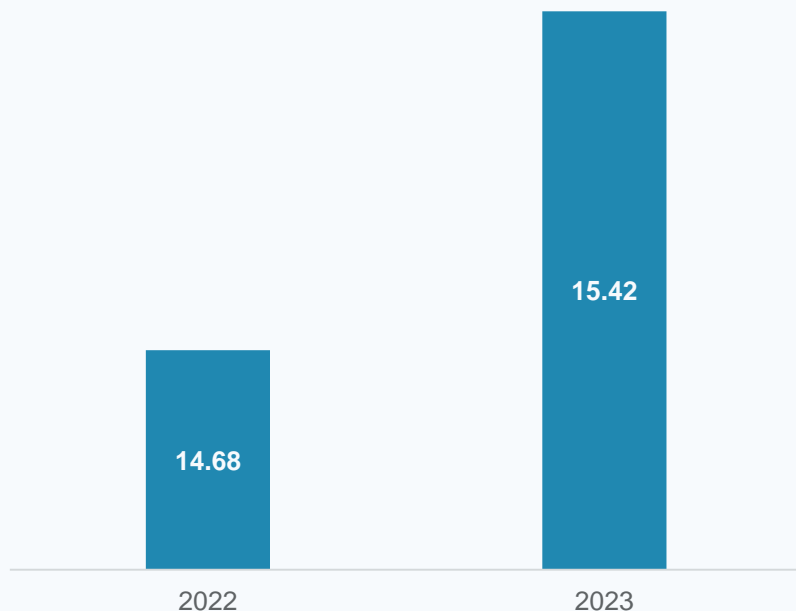
Absolute Value



35 million

EBITDA

Unit: RMB100 million



YoY



5%

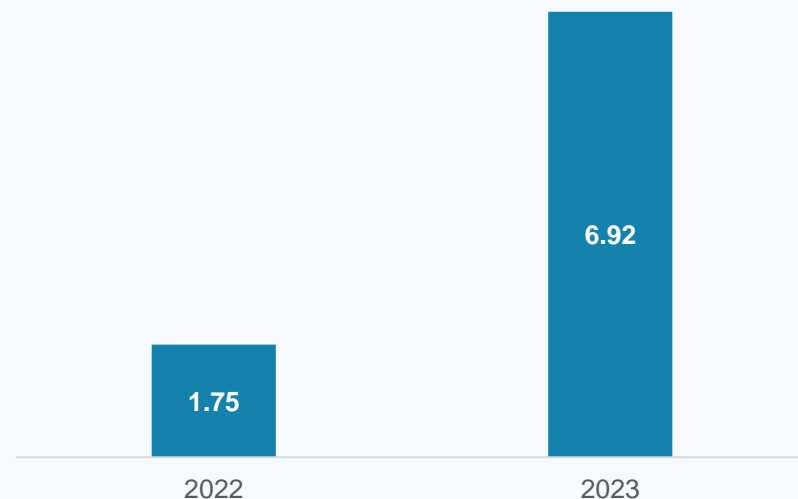
Absolute Value



74 million

Free Cash Flow

Unit: RMB100 million



YoY



295%

Absolute Value



517 million



01

Business Review

02

Financial Review

03

Outlook

- Total gas sales in 2023 increased by 9.1% YoY, with retail gas volumes increasing by 4.5% YoY
- In the retail business, the volume of residential gas sales increased by 5.5%, while the volume of C&I gas sales increased by 3.0%

Unit: Million m ³	2023	2022	YoY
Gas Sales -Retail	1, 741	1, 666	4. 5%
Residential	553	524	5. 5%
C&I	1, 095	1, 063	3. 0%
Transportation	93	79	17. 4%
Gas Sales-Wholesale	344	245	40. 2%
Total Gas Sales Volume	2, 085	1, 912	9. 1%
Long-haul Pipeline transmission	716	759	-5. 7%

- Average gas sales price of 2.95 RMB/m³ in 2023
- Dollar margin reached 0.48 RMB/m³, an increase of 0.06 RMB/m³ compared to 2022

Average Selling Price and Dollar Margin (RMB/m ³)	2023	2022
Average selling price	2.95	2.96
Dollar margin (ex VAT)	0.48	0.42

- The cumulative number of city gas residential users has reached 3.64 million
- More than 280,000 new residential users were added in 2023 ,remaining stable

	2023	2022
Number of users (Household)	3,640,716	3,351,623
--Residential users (Household)	3,593,886	3,309,311
--C&I users (Household)	46,830	42,312
New residential users (Household)	284,575	282,601
New C&I users (Household)	4,518	4,936

Value-added business revenue has grown steadily, the proportion of private brands has increased, and technological innovation has boosted business diversification

Build Production Bases Promote Mutual Benefit

Improvement of Product Management Depth Strengthening of Cost Control

- ❖ build own brand production base, forming a win-win model with vendors
- ❖ Mastering the purchasing cost of key components to reduce cost and increase efficiency

多场景组合应用, 降本增效



Standardized IoT modules



Private brand production base



Customization of key parts

Optimize Product System Create Diversified Sales Channels

- ❖ Developed and launched 42 gas appliance products, including stoves, water heaters, wall-mounted boilers, etc.



Diversification of gas products

Promote the coordinated development of online and offline

- ❖ Promote online insurance sales
- ❖ Complete the NFC card promotion model, expand pilots, and promote business implementation



Online insurance sales



Offline pilot promotion

Enhancement of after-sales capabilities for long-term development

Gradually improve the network service system



- ❖ There are a total of 71 service outlets, with a coverage rate of 97%
- ❖ Open up the supply chain, after-sales service and customer service system

Improve service quality and service rate



- ❖ Product failure repair rate is only 6.7%
- ❖ Telephone return visit customer satisfaction is as high as 99%

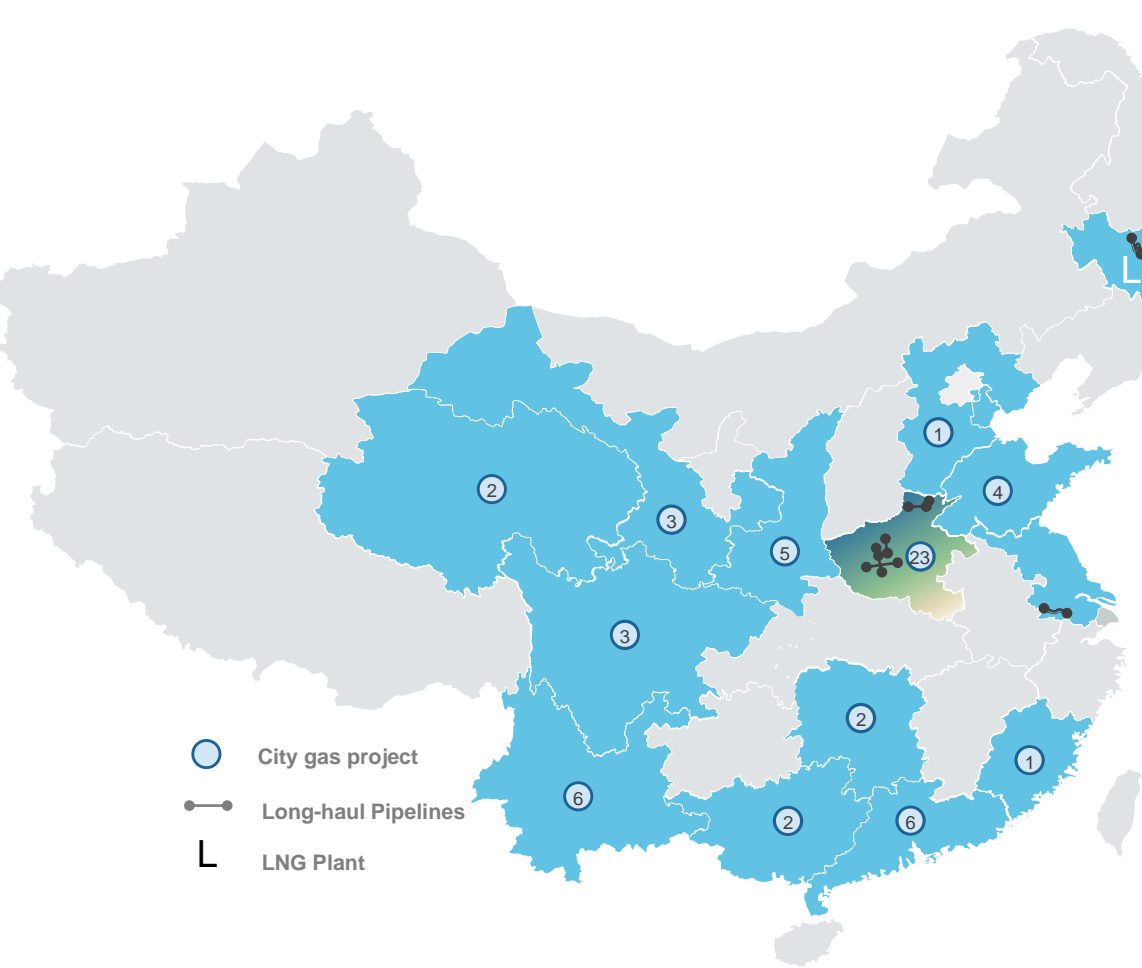
Regular training and expansion of external cooperation



- ❖ 81 on-site training sessions, with dozens of people trained
- ❖ Signed a contract with Macro to create "Tianlun products + services + Macro quality system"

Gross Profit of Value-added Business Increased

Unit:RMB thousand	2023	2022	YoY
Revenue	371,256	332,929	11.5%
Gross Profit	179,740	161,020	11.6%



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

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Subsidiary member companies deploy in provinces

9,173Km

Total length of medium and high-pressure pipelines



69 City gas projects



1 LNG plant



6 Long-haul transmission pipelines



51 Gas refilling stations

Province	City gas projects
Henan	23 cities including in Hebi City, Xuchang City, Shangjie District, etc
Jilin	11 cities including Dunhua City, Panshi City, Da'an City, etc
Yunnan	6 cities including Gejiu City, Huize County, Guangnan County, etc
Guangdong	Some towns in Chaozhou City, some districts in Shantou City, and Lechang City
Shaanxi	5 cities including Qian County, Liquan 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



- The group's total revenue in 2023 will be RMB7,725 million, a slight increase of 2.4% from 2022
- Cumulative Dividend 17.64 cents/share in 2023

	2023	2022
Operating Income (RMB thousand)	7, 725, 448	7, 542, 859
Gross Profit (RMB thousand)	1, 452, 847	1, 392, 909
EBITDA (RMB thousand)	1, 542, 142	1, 467, 872
Core Profit* (RMB thousand)	577, 467	607, 377
Dividend Per Share (cents)	17. 64	18. 35

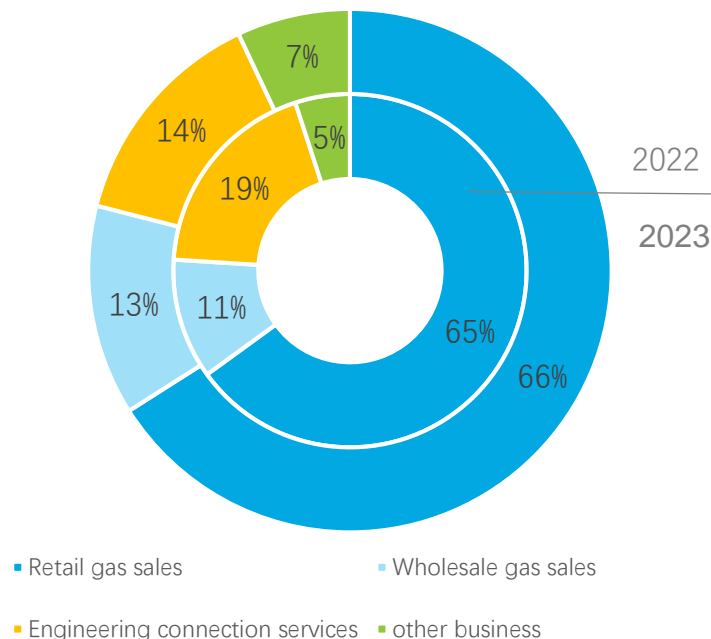
*The core profit for the year was RMB 577 million, the core profit of the city gas business increased by 18.9% to RMB 558 million.

Optimization of Operating Revenue Structure

- In 2023, the proportion of the group's gas sales business increased to 79.6%, of which the proportion of retail gas sales business increased to 66.3%, and the revenue structure continued to be optimized.
- Revenue from gas sales business increased by 7.3%YoY, of which retail gas sales revenue increased by 4.4%YoY
- Value-added business revenue continues to grow, with a year-on-year increase of 11.5% in 2023
- Revenue from city gas engineering and construction services increased by 1.9%。 Due to the decline in the proportion of coal-to gas revenue in rural areas of Henan, overall engineering installation and service revenue decreased

Unit: RMB ten thousand	2023	2022	YoY
Total Revenue	772, 545	754, 286	2. 4%
Retail Gas Sales	512, 000	490, 518	4. 4%
Wholesale Gas Sales	102, 865	82, 591	24. 5%
Engineering and Construction Services	104, 491	140, 886	-25. 8%
Other Businesses	53, 189	40, 291	32. 0%

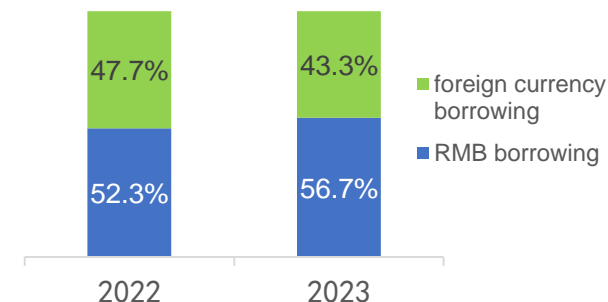
Revenue Structure



- The group's asset-liability ratio remains stable, reaching 61.0% in 2023, a YoY decrease of 2.5%
- The group's average financing cost was 5.4%, a slight increase from the same period last year due to the increase in overseas financing costs

Unit: RMB million	2023	2022
Total Assets	15,690.5	15,958.7
Total Liability	9,578.7	10,136.1
Total Equity	6,111.8	5,822.7
Equity Attributable to Owners of the Company	5,799.7	5,507.9
Cash and Cash Equivalents	964.3	1,340.1
Asset-liability Ratio	61.0%	63.5%

Loan	2023	2022	YoY
Total Loan (100 million)	68.0	72.0	-5.6%





Guidance	FY2024
Retail Gas Sales Volume	Increase by 5%-6%
Dollar Margin	0.48-0.52RMB/m ³
New City Residential Users	250,000-280,000 users
Value-added Business Revenue	Increased by 10%-12%
Full-year core dividend payout ratio	Maintain stable



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