



上海电气
SHANGHAI ELECTRIC

Announcement on 2020 Annual Results of Shanghai Electric Group Company Limited

(Stock code: 601727.SH / 02727.HK)



March 2021

Disclaimer



This presentation contains forward-looking statements. As non-factual historical statements, forward-looking statements contain statements regarding our views and expectations. In this presentation, any statement in connection with our intention, view, expectation and forecast (as well as underlying assumptions) constitutes forward-looking statements. Such statements are made based on the plans, estimates and forecast of the management of Shanghai Electric Group Company Limited ("Shanghai Electric" or the "Company"). Therefore, such forward-looking statements only represent the statements as of the date hereof, and we are not responsible for any update on such statements based on additional information or any publicly available information in the future.

In nature, the forward-looking statements contain risks and uncertainties, therefore, there may be various significant factors leading to the actual results materially varying from the anticipated results in such statements

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Chapter 01

2020 Annual Business Performance

Main Business Performance

	2020	2019	Change
(Amount in millions of RMB, unless otherwise stated)			
Total revenue	137,285	127,509	7.7%
Gross profit	23,257	24,152	-3.7%
Operating profit	6,063	6,928	-12.5%
Net profit attributable to owners of the Company	3,758	3,501	7.3%
Gross profit margin	16.9%	18.9%	-2.0pps
Operating profit margin	4.4%	5.4%	-1.0pps
Net profit margin attributable to owners of the Company	2.7%	2.7%	-
Return on net assets ⁽¹⁾	5.79%	5.79%	-
Earnings per share (RMB yuan)	0.25	0.23	8.7%
Proposed dividend per share (RMB cents)	7.178	-	-

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

Balance Sheet Items

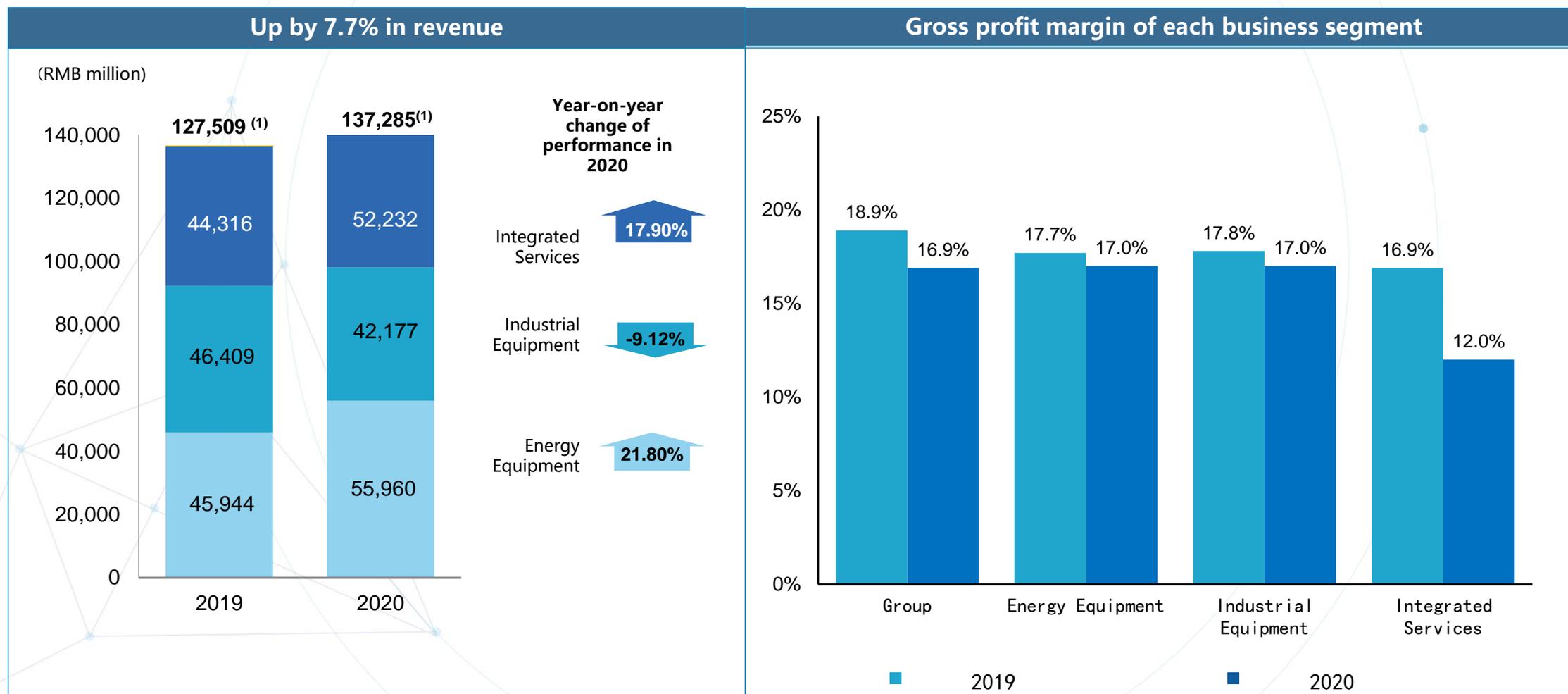
	31 December 2020	31 December 2019	Change
(Amount in millions of RMB, unless otherwise stated)			
Assets	315,403	280,524	12.4%
Current assets	227,946	199,201	14.4%
Cash and bank balance, settlement reserve and placements with banks and other financial institutions ⁽¹⁾	60,869	54,814	11.0%
Trade receivables	32,799	29,337	11.8%
Prepayments	18,057	18,764	-3.8%
Inventories	29,986	27,004	11.0%
Contract assets	29,156	24,985	16.7%
Other current assets	17,477	17,544	-0.4%
Non-current assets	87,457	81,323	7.5%
Liabilities	208,553	188,934	10.4%
Current liabilities	183,492	164,061	11.8%
Short-term borrowings	15,627	16,734	-6.6%
Trade payables	65,853	57,923	13.7%
Advances from customers	622	535	16.3%
Contract liabilities	45,362	38,585	17.6%
Other current liabilities	10,182	8,477	20.1%
Non-current liabilities	25,061	24,873	0.8%
Long-term borrowings	15,408	11,268	36.7%
Bonds payable	2,485	6,918	-64.1%
Shareholders' equity	106,849	91,589	16.7%
Attributable to owners of the Company	66,401	63,346	4.8%
Attributable to minority shareholders	40,449	28,243	43.2%

Note: (1) The settlement reserve and the placements with banks and other financial institutions are new items under the latest PRC Accounting Standards, which involve the amount generated from deposits and placements with banks in the balance sheets of financial enterprises.

Chapter 02

Operating Results of Business Segments

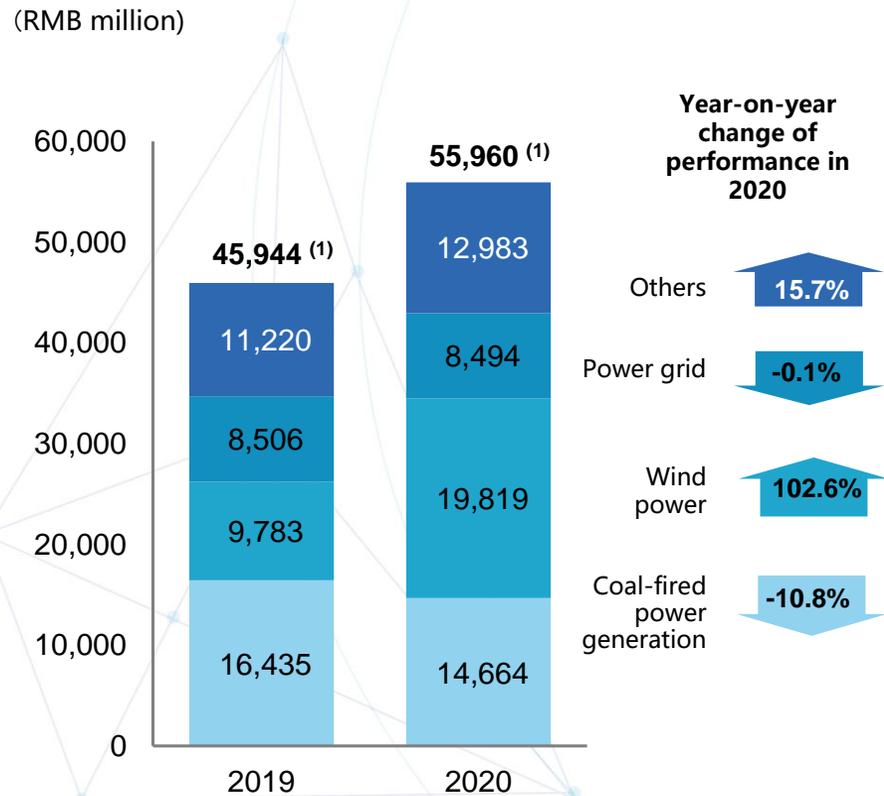
Changes in Revenue and Gross Profit Margin of Business Segments



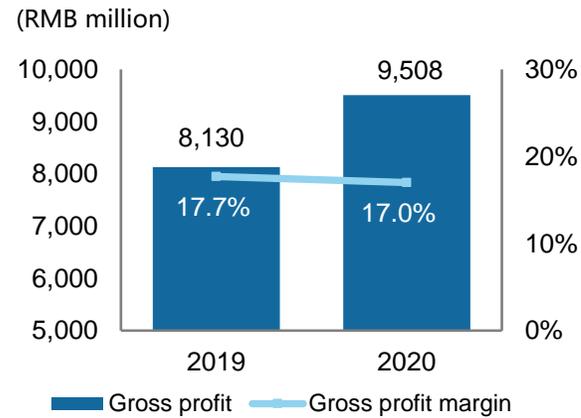
Note: (1) For the revenue from such segment, the inter-segment elimination adjustments have not been made, but the intra-segment elimination adjustments have been made.

Energy Equipment

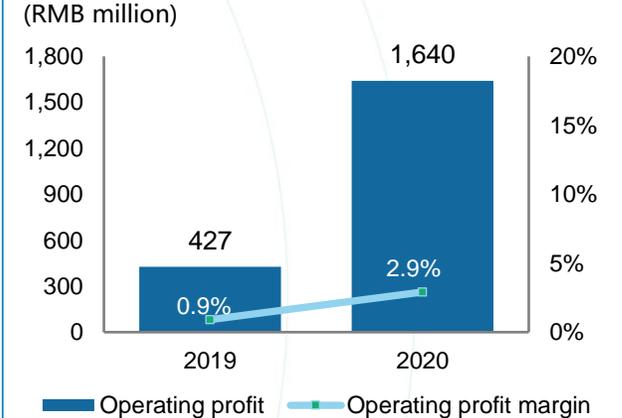
Up by 21.8% in revenue



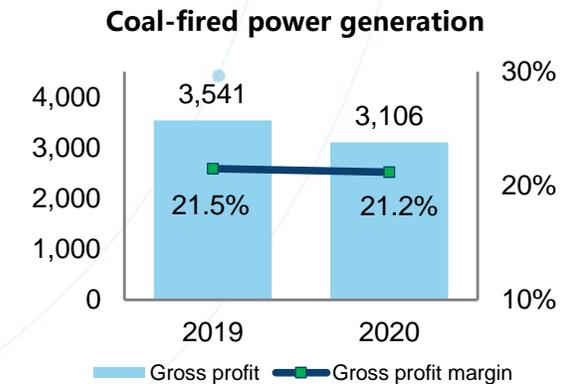
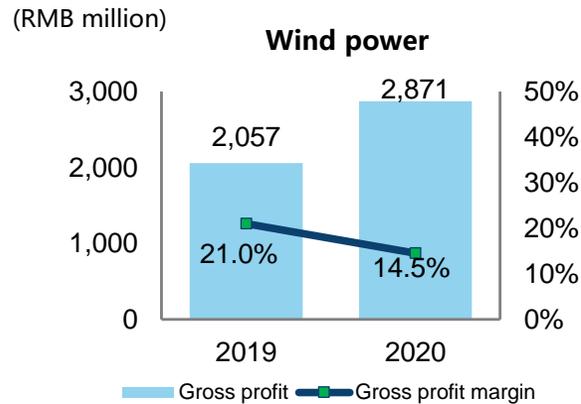
Gross profit and gross profit margin



Operating profit and operating profit margin



Gross profit and gross profit margin of wind power and of coal-fired power generation

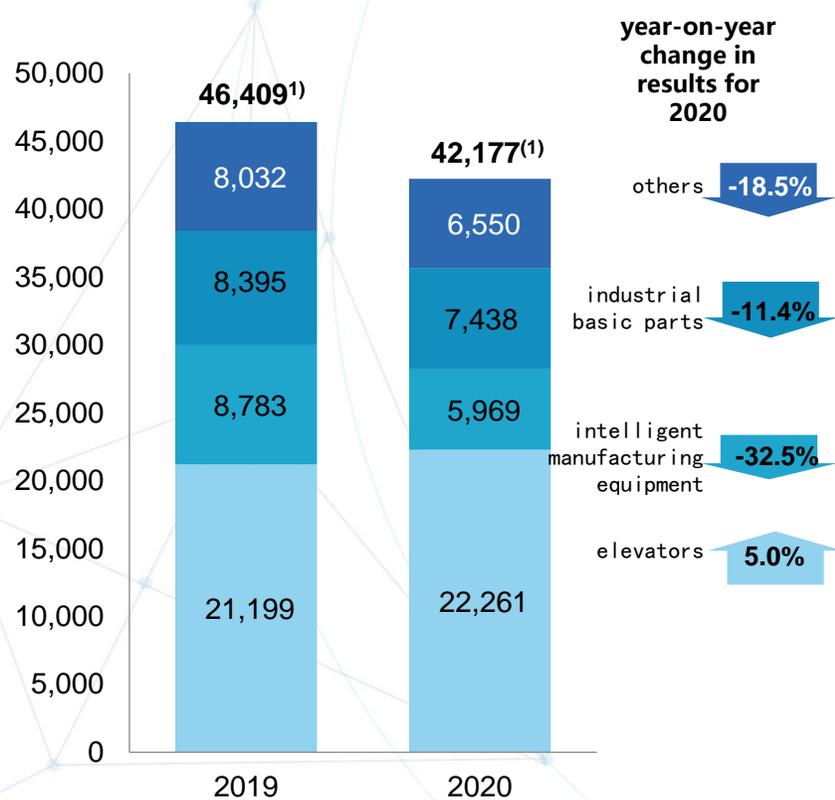


Note: (1) For the revenue from such segment, the inter-segment elimination adjustments have not been made, but the intra-segment elimination adjustments have been made.

Industrial Equipment

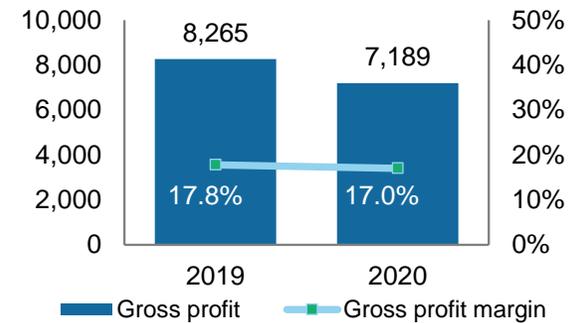
Decrease of 9.1% in revenue

(RMB million)



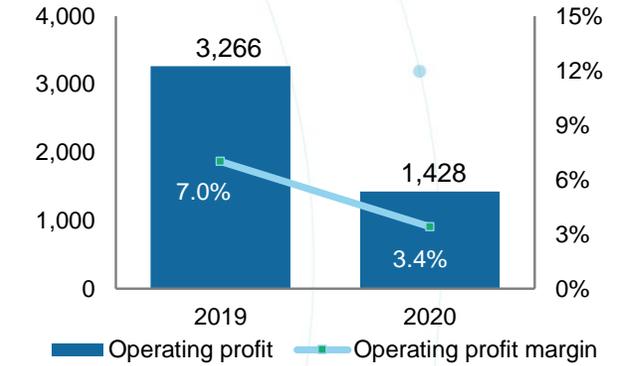
Gross profit and gross profit margin

(RMB million)



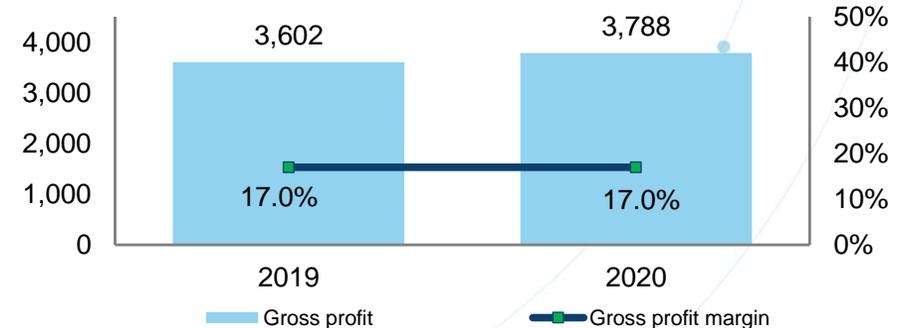
Operating profit and operating profit margin

(RMB million)



Gross profit and gross profit margin of elevators

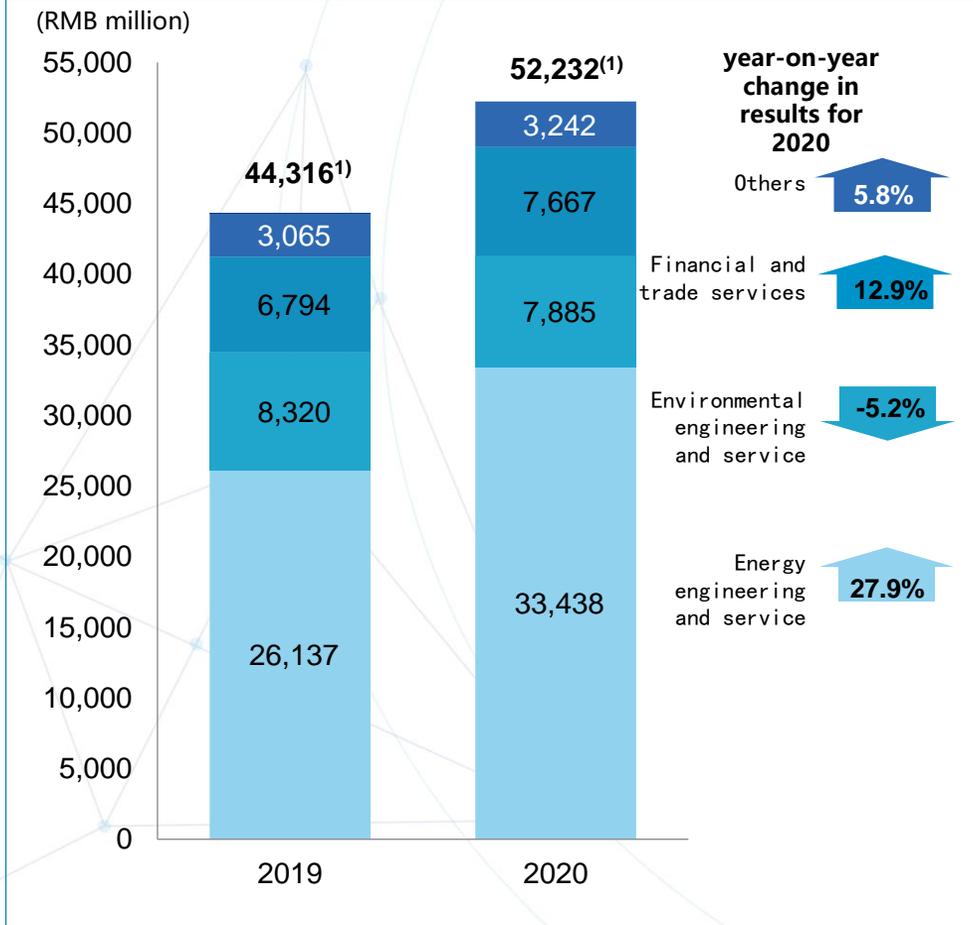
(RMB million)



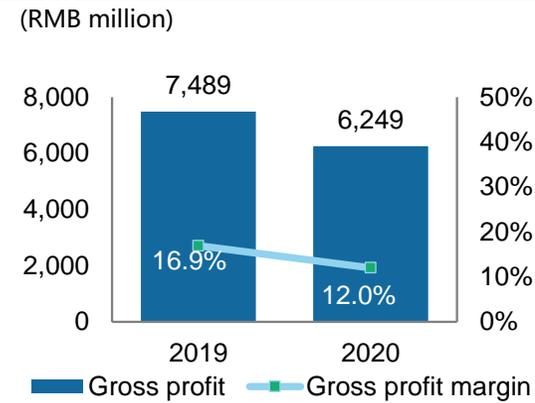
Note: (1) For the revenue from such segment, the inter-segment elimination adjustments have not been made, but the intra-segment elimination adjustments have been made.

Integrated Services

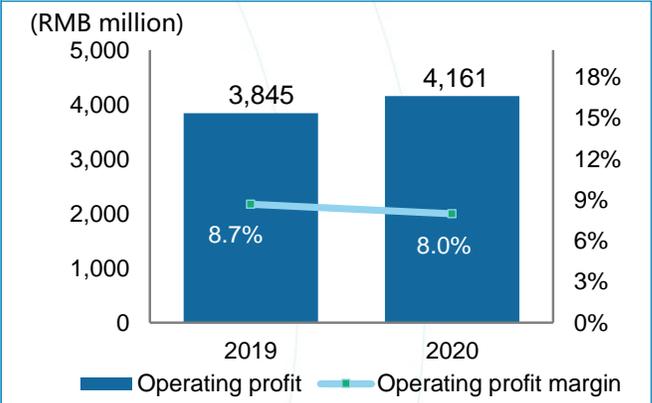
Up by 17.9% in revenue



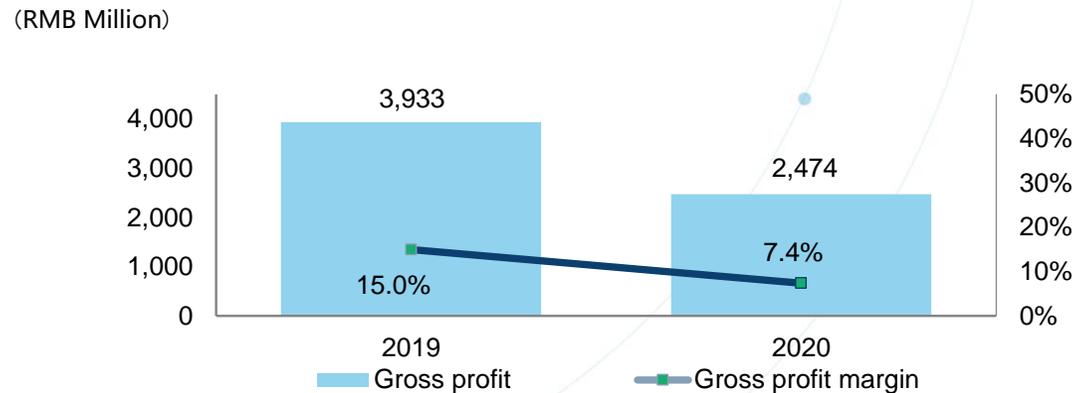
Gross profit and gross profit margin



Operating profit and operating profit margin



Gross profit and gross profit margin of energy engineering and service



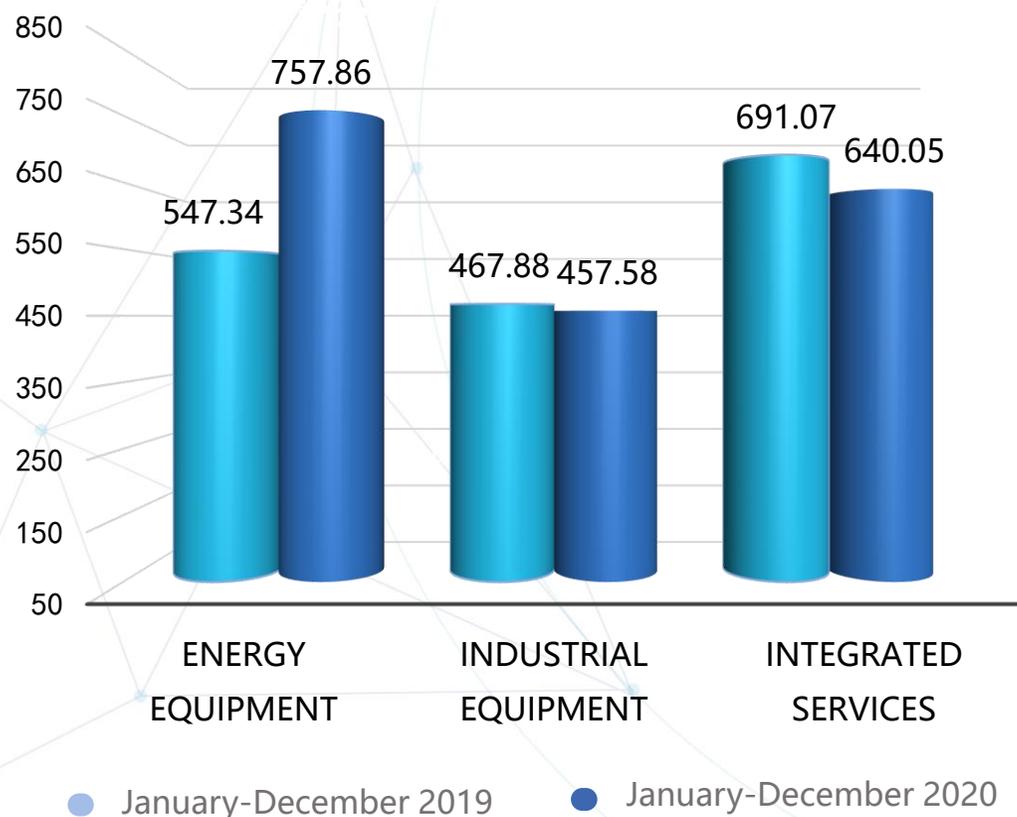
Note: (1) For the revenue from such segment, the inter-segment elimination adjustments have not been made, but the intra-segment elimination adjustments have been made.

Business orders

New orders of RMB185,549 million, up 8.74% YoY

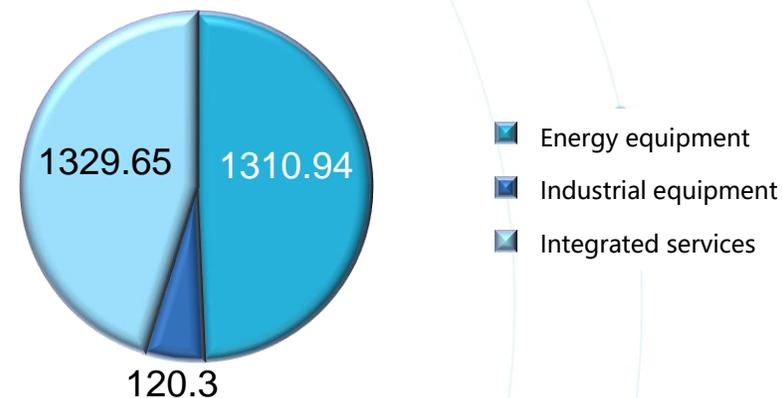
Comparison of new orders

(RMB 100 million)



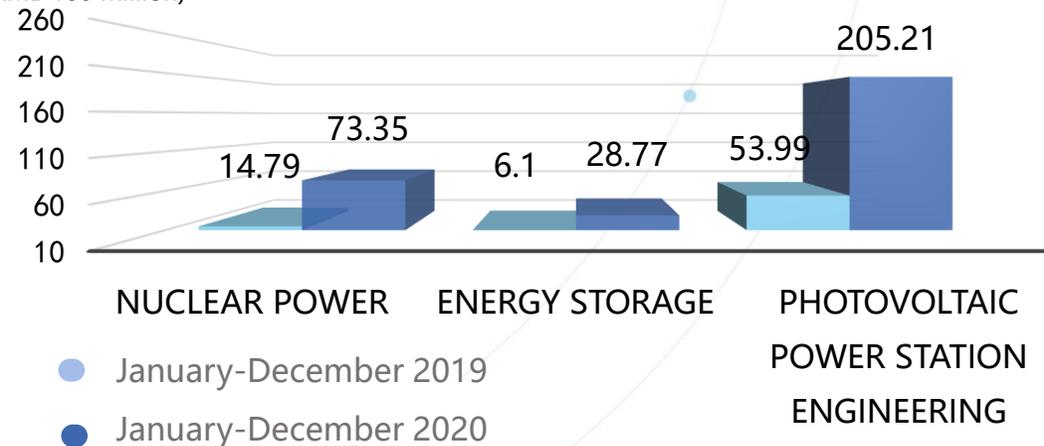
Orders on hand of RMB276,090 million
(of which: RMB82,398 million not yet effective orders)

(RMB 100 million)



Comparison of new orders from nuclear power and new energy related business

(RMB 100 million)



Chapter 03

Business Transformation Focus



3.1

Implementing institutional reform to create new advantages

Increase in reform efforts and bold exploration of market-oriented incentive models



PES Incentive

12 ways for giving incentives

Group

Implemented Restricted A Share Incentive Scheme
Granted **134 million shares** for **2,194** core employees

Secondary

To comprehensively implement contractual management

Third-tier

Shanghai Renmin Electrical Apparatus Works and other three mixed-ownership companies completed employee stock ownership reform on a pilot basis.

The Group: to give full play to the listing resources and enhance reward and punishment incentives

Secondary industrial groups: to update incentive orientation and deepen transformation positioning

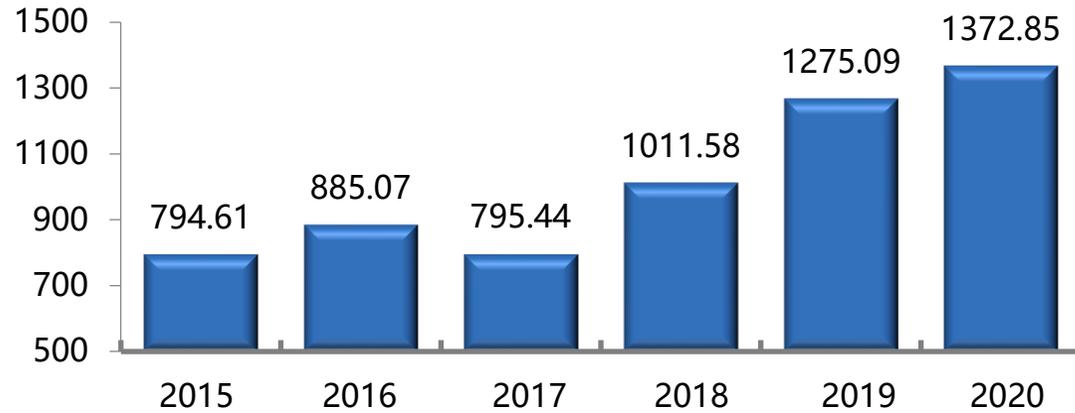
Third-tier enterprises: to continuously improve the coverage rate, and for enterprises with sufficient conditions, to fully promote the incentives

Increase in reform efforts and rapid development for the Company

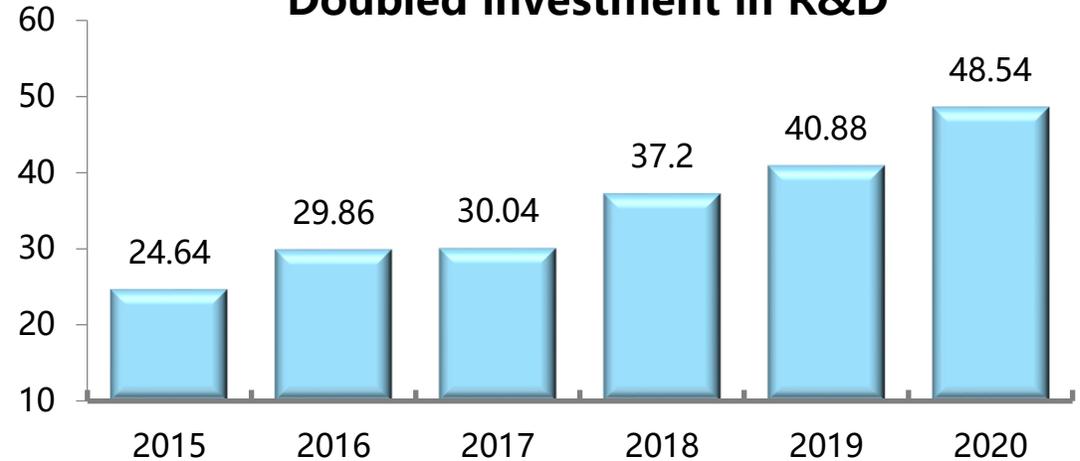


(RMB 100 million)

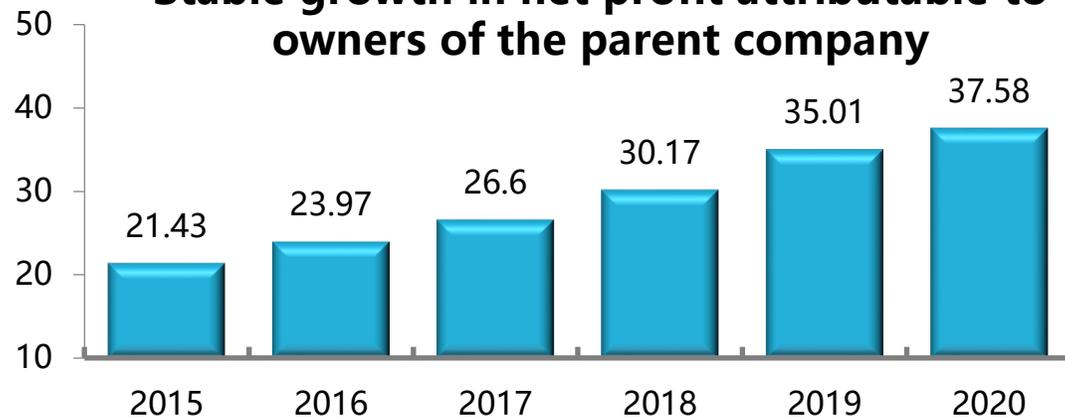
Significant increase in revenue



Doubled investment in R&D



Stable growth in net profit attributable to owners of the parent company



In 2020, the sales scale of the Group's new business exceeded RMB55.9 billion, becoming a new driving force for development



In 2020, new orders from the Group's new business accounted for 49% of the total new orders received by the Group



In 2020, orders on hand from the Group's new business accounted for 40% of the total orders on hand received by the Group

* New industries: new energy (wind-solar energy storage, biomass power), industrial internet, environmental protection, intelligent manufacturing, prefabricated construction



3.2

Upgrading business models into new tracks

Actively exploring business model innovation



Providing comprehensive solutions



Driving equipment sales



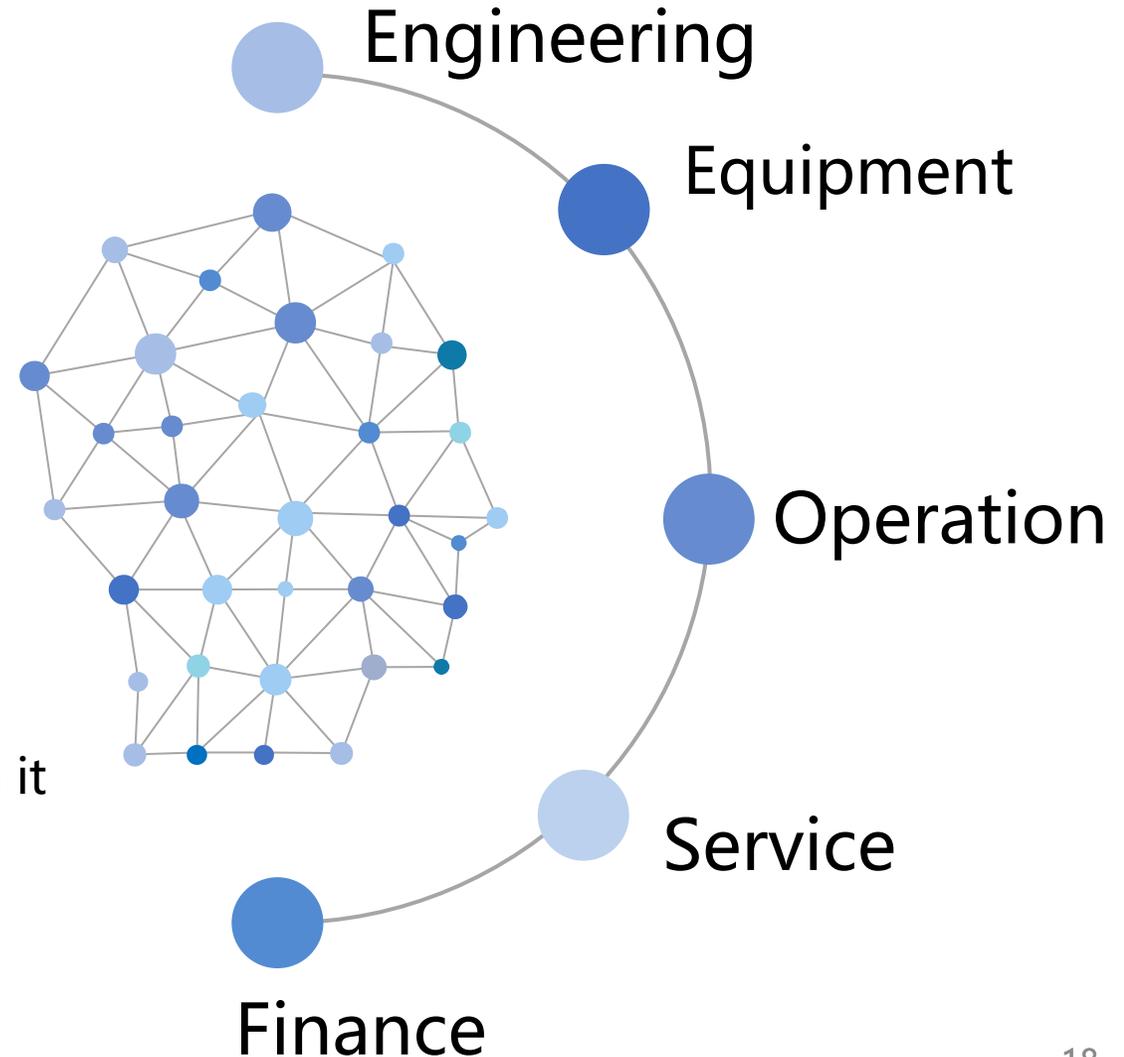
Providing services for project owners



Providing aftersale maintenance of delivered equipment for downstream users



Participating in investment and get a return on it



Integrating industrial advantages to develop smart cities

Xiong' an New Area

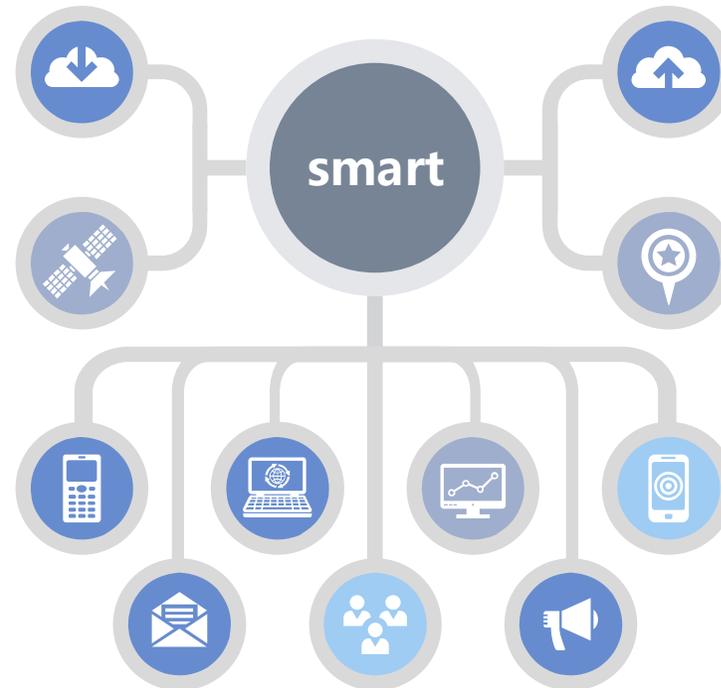
Participating in the "framework system of intelligent infrastructure in Xiong' an New Area"

Yangpu District, Shanghai

Collaborating with Yangpu District to build an "AI+5G" demonstration area

Putuo District, Shanghai

The first comprehensive digital transformation project for urban areas in Shanghai



Xuchang, Henan Province

Building a city of intelligent manufacturing and livability

Baoshan District, Shanghai

Facilitating Baoshan District to become a "District of Intelligent Manufacturing"

Hongkou District, Shanghai

Creating the "World's Reception Room" for Hongkou

Shanghai Rail Transit Line 5 Comprehensive Operation and Maintenance Project

The world's first comprehensive maintenance project integrated with vehicles, traffic signal and power supply in rail transit

New energy + Energy storage Strengthening top-level design and accelerating industry layout



Energy storage

The first shared energy storage power plant in China has also been successfully built and operated in Golmud, Qinghai

Wind power

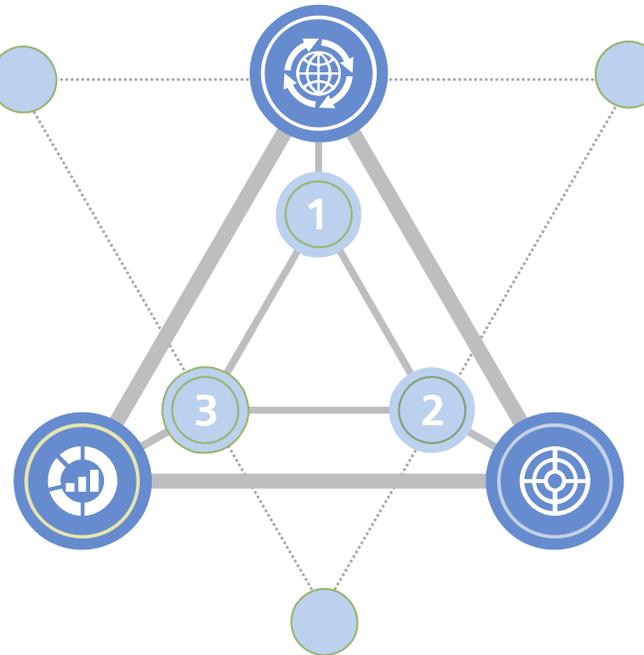
Distributed energy

Hydrogen energy

Solar energy

Integrated development of "power sources-grid-load-storage-hydrogen" and trials and demonstrations of the whole chain of "production-transportation-storage-use" in Inner Mongolia

Explosive growth in photovoltaic business, with approximately 5GW of new orders received for the year



New energy + Energy storage Facilitating transformation of energy industry



Anhui Jinzhai Energy Storage Demonstration Project

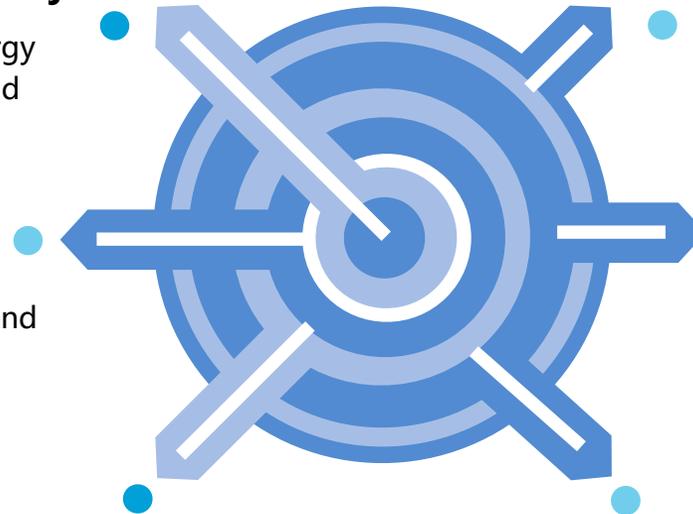
Building the first national renewable energy demonstration county with the State Grid

Smart Energy Demonstration Project of Shanghai Minhang Industrial Park

Becoming a new benchmark for energy conservation and consumption reduction as well as low carbon transformation in industrial parks

Dapu Power Plant Energy Storage and Frequency Modulation Project of Guangdong Yudean

The first energy storage and frequency modulation project of Shanghai Electric



Photovoltaic Energy Storage comprehensive Energy Project of Tibet

It is the comprehensive energy project with the largest installed capacity in Tibet

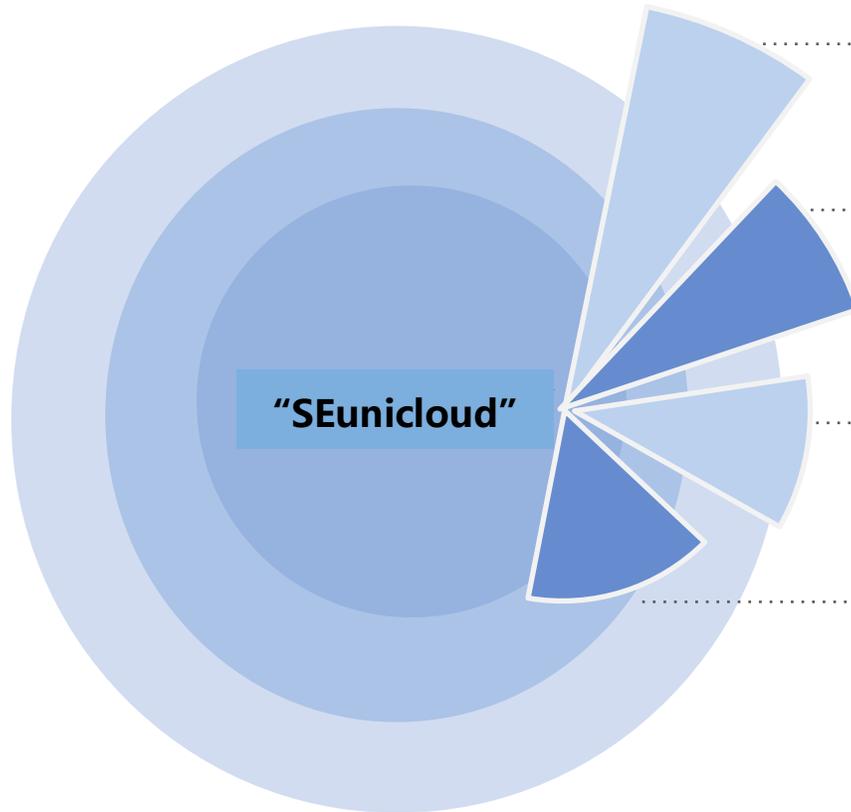
Integrated Demonstration Project for Photovoltaic Energy Storage of Dubai

The first overseas photovoltaic power and storage overall solution and battery energy storage product of Shanghai Electric

Backup power supply for communication 5G base stations

It has become a backup power supplier for ZTE's 5G base stations

Industrial internet empowers industrial transformation



Focusing on the three scenarios of intelligent manufacturing, smart supply chain and intelligent operation and maintenance, we provide platform users with intelligent application solutions of intelligent production, network collaboration, personalized customization and service-oriented extension

15 industry applications have been deployed, forming 8 industry solutions such as energy storage batteries, distributed energy, wind power intelligent operation and maintenance

More than 100,000 sets of intelligent equipment, including various types of power generation equipment, wind turbines, elevators and machine tools, worth RMB140 billion have been connected.

Won the "Zhan Lu Award" of Industrial Engine Award at the 2020 World AI Conference Global Industrial Intelligence Summit

Environmental protection and prefabricated construction business



1 Solid waste treatment

- Domestic waste treatment, organic waste treatment, waste terminal classification and recycling, industrial and medical hazardous waste treatment and disposal, comprehensive utilization of biomass renewable energy, soil remediation
- The first cross-regional shared municipal solid waste power plant in China was invested and constructed by BOT
- In 2020, we undertook the medical waste disposal project in Foshan, marking Shanghai Electric's entry into the field of medical waste disposal

2 Water treatment

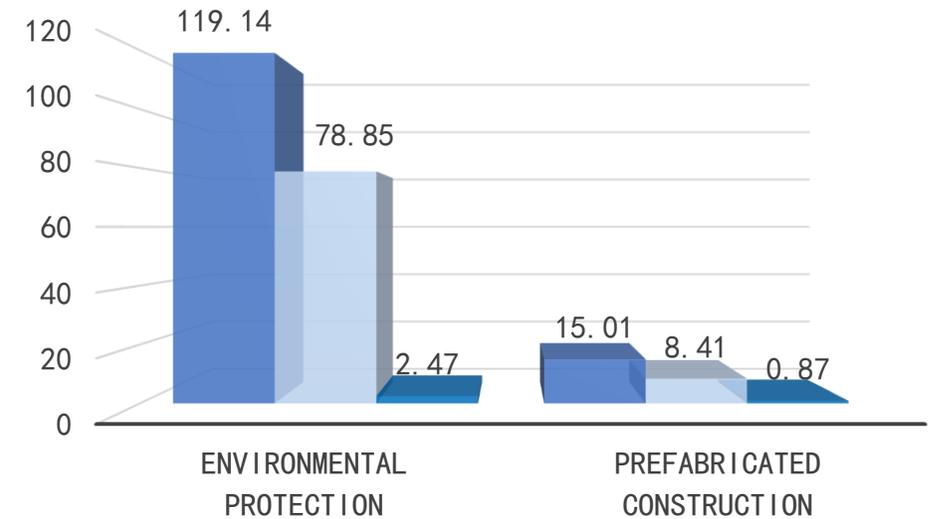
- Focusing on municipal and industrial water supply, municipal and industrial wastewater treatment, rural wastewater treatment, comprehensive ecological management of rivers and lakes, sponge city construction, sludge treatment, ship ballast water treatment
- Chongming Rural Domestic Sewage Treatment Project is a "benchmark" in the field of rural domestic sewage treatment in China
- Container-type rural water treatment equipment rapidly occupied markets in Jiangsu, Anhui, Sichuan, Hainan and Shandong

3 Construction industrialization

- Focusing on the development of prefabricated construction, the research and development of industrial construction equipment, the design and production of prefabricated components, the pre-stressed wind power mixed towers, and the internet platform for the prefabricated construction
- Completed a total of 8 production bases, provided more than 120 PC component production lines and implemented a total construction area of over 12 million square metres
- With favourable policies, we strive to achieve rapid development

Key performance indicators of environmental protection and prefabricated construction in 2020

(RMB100 Million)



	Environmental protection	Prefabricated construction
■ New orders	119.14	15.01
■ Operating revenue	78.85	8.41
■ Profit	2.47	0.87

* The environmental protection business achieved a fourfold increase in operating revenue in 2020 compared to 2016

能动全球工业
Empower global industry



智创美好生活
Make life smarter

THANK YOU
w w w . s h a n g h a i - e l e c t r i c . c o m