上海电气
SHANGHAI ELECTRIC

Announcement of 2024 Interim Results Shanghai Electric Group Company Limited (Stock Code：601727)

上海电气集团股份有限公司

September 2024

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Chapter 01

2024 Interim Operation Results

Key Business Performance

	First half of 2024	First half of 2023 (restated)	Change
(All amounts are in RMB Million unless otherwise stated)			
Total revenue	49,869	53,078	-6.1%
Gross profit (1)	9,592	9,187	4.4%
Net profit	1,822	1,486	22.6%
Profit attributable to equity owners of the Company	602	590	2.0%
Gross profit margin (1)	19.2%	17.3%	Increased by 1.9 percentage points
Operating profit margin	4.7%	3.5%	Increased by 1.2 percentage points
Net profit margin attributable to equity owners of the Company	1.2%	1.1%	Increased by 0.1 percentage point
Earnings per share (RMB)	0.039	0.038	2.6%
Earnings per share after deducting non-recurring gains or losses (RMB)	0.016	0.016	No change

Notes: (1) Effect of change in accounting policy on the reclassification of provision and charges arising from assurance-type warranty from selling and distribution expenses to cost of sales

Balance Sheet

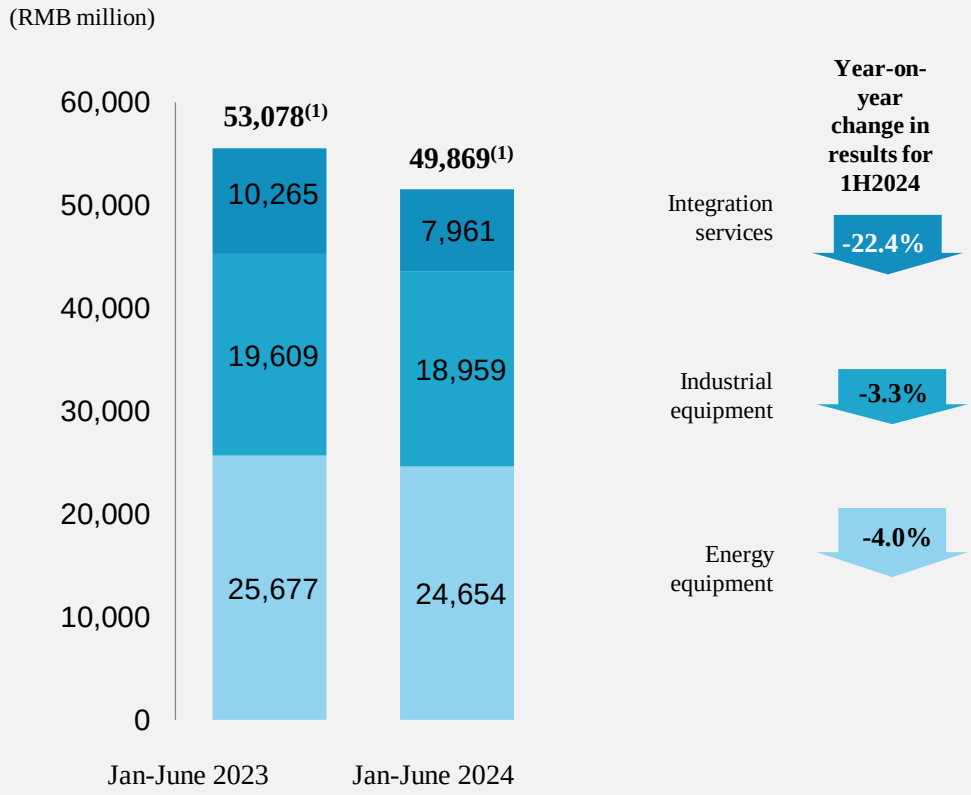
	30 June 2024	31 December 2023	Change
(All amounts are in RMB Million unless otherwise stated)			
Assets	**282,295**	**283,267**	**-0.3%**
Current assets	**189,471**	**191,827**	**-1.2%**
Cash at bank and on hand	34,102	30,165	13.1%
Accounts receivable	37,233	40,478	-8.0%
Prepayments	10,010	9,512	5.2%
Inventories	34,083	32,424	5.1%
Contract assets	22,237	21,913	1.5%
Other current assets	13,183	17,322	-23.9%
Non-current assets	**92,824**	**91,440**	**1.5%**
Liabilities	**204,669**	**206,340**	**-0.8%**
Current liabilities	**166,983**	**167,725**	**-0.4%**
Short-term borrowings	9,392	8,272	13.5%
Accounts payable	57,472	59,610	-3.6%
Contract liabilities	47,988	44,207	8.6%
Other current liabilities	12,953	11,501	12.6%
Non-current liabilities	**37,686**	**38,615**	**-2.4%**
Long-term borrowings	31,211	30,894	1.0%
Owners' equity	**77,626**	**76,927**	**0.9%**
Attributable to equity owners of the Company	53,401	52,798	1.1%
Attributable to minority interests	24,225	24,129	0.4%

Chapter 02

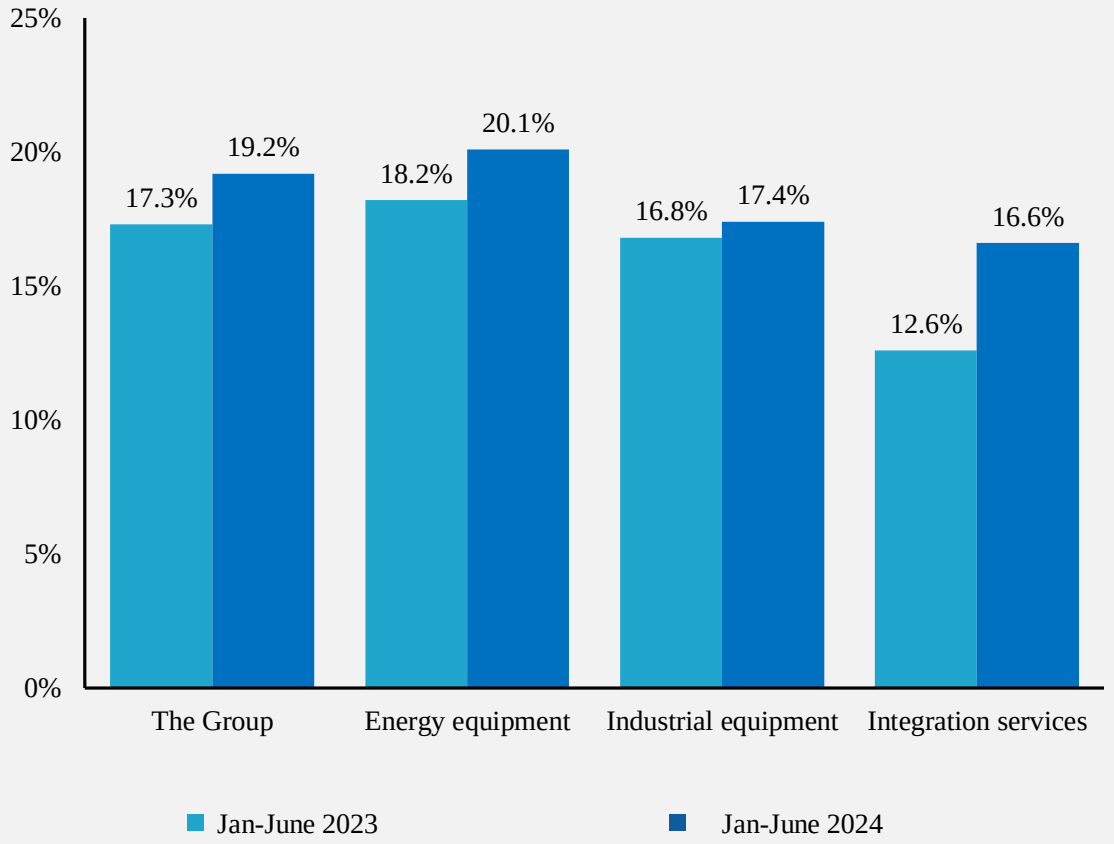
Operation Results of Business Segments

Changes in Revenue and Gross Profit Margin of Business Segments

Total revenue decreased by 6.0%



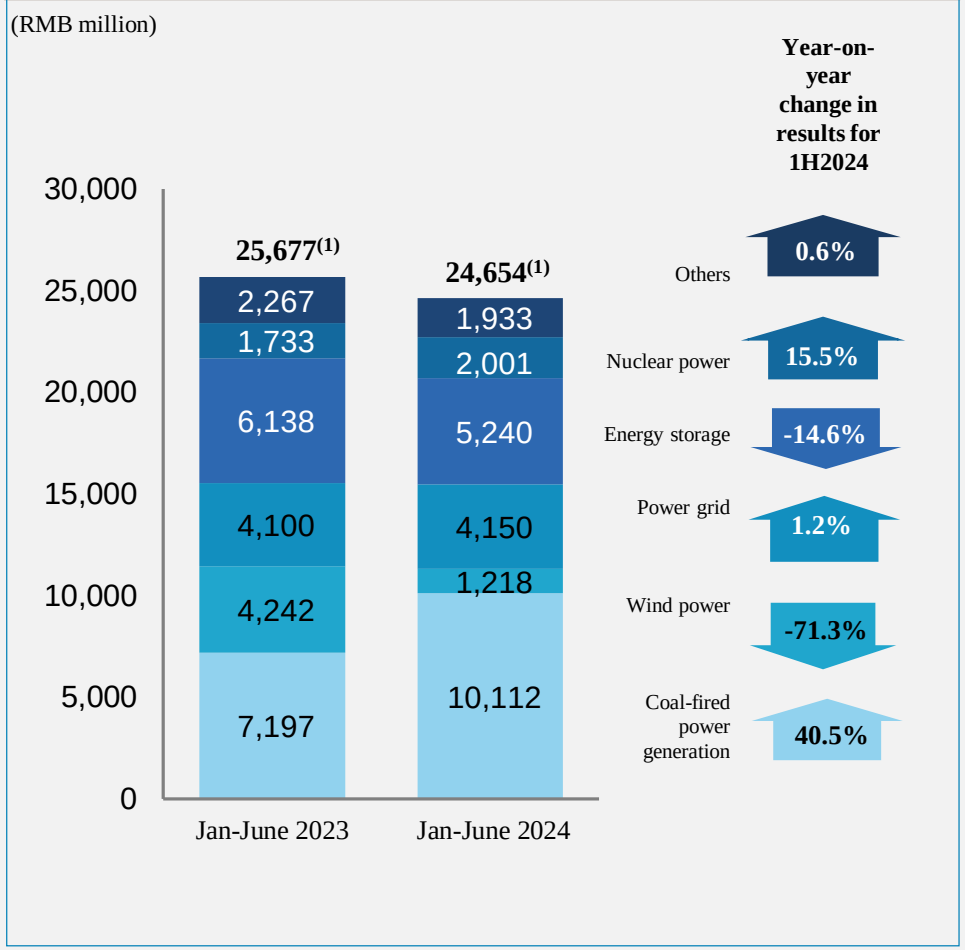
Gross profit margin of each business segment



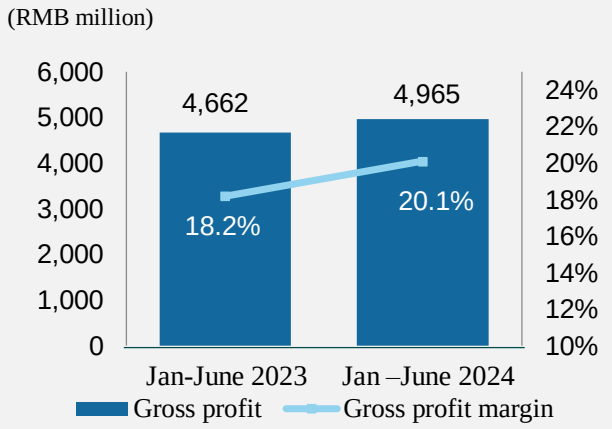
Note: (1) The figure of consolidated revenue of the Group represents the net amount after inter-segment elimination; the revenue figures for each segment have not been adjusted for inter-segment offset but adjusted for intra-segment offset

Energy Equipment

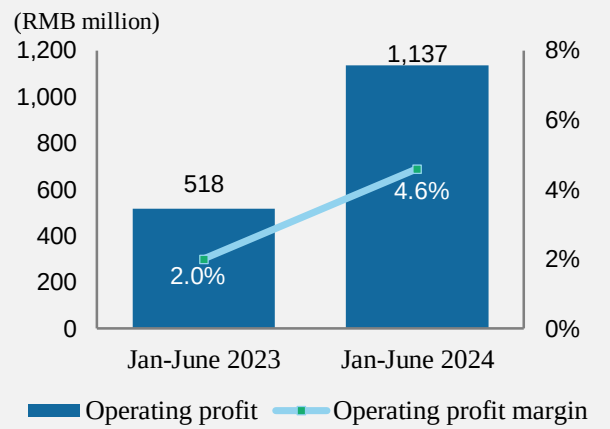
Total revenue decreased by 4.0%



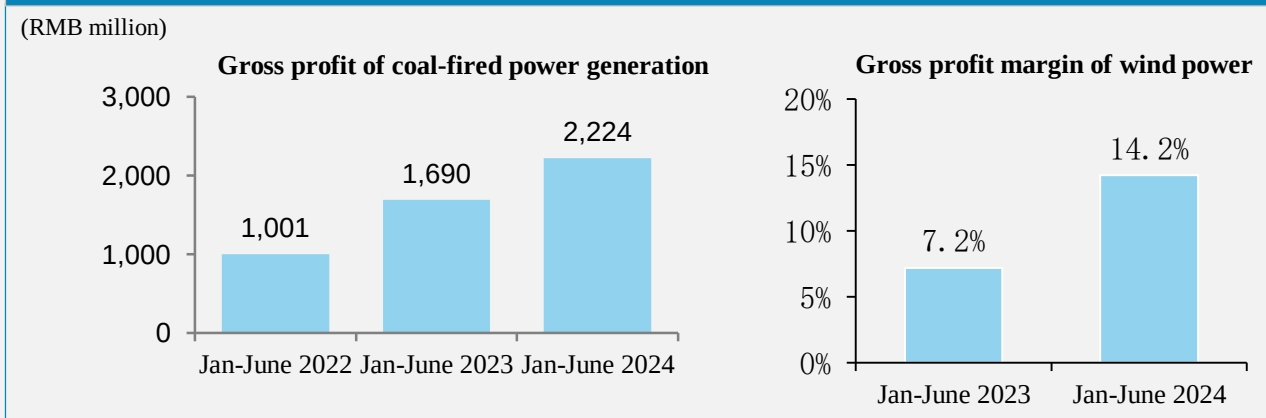
Gross profit and gross profit margin



Operating profit and operating profit margin



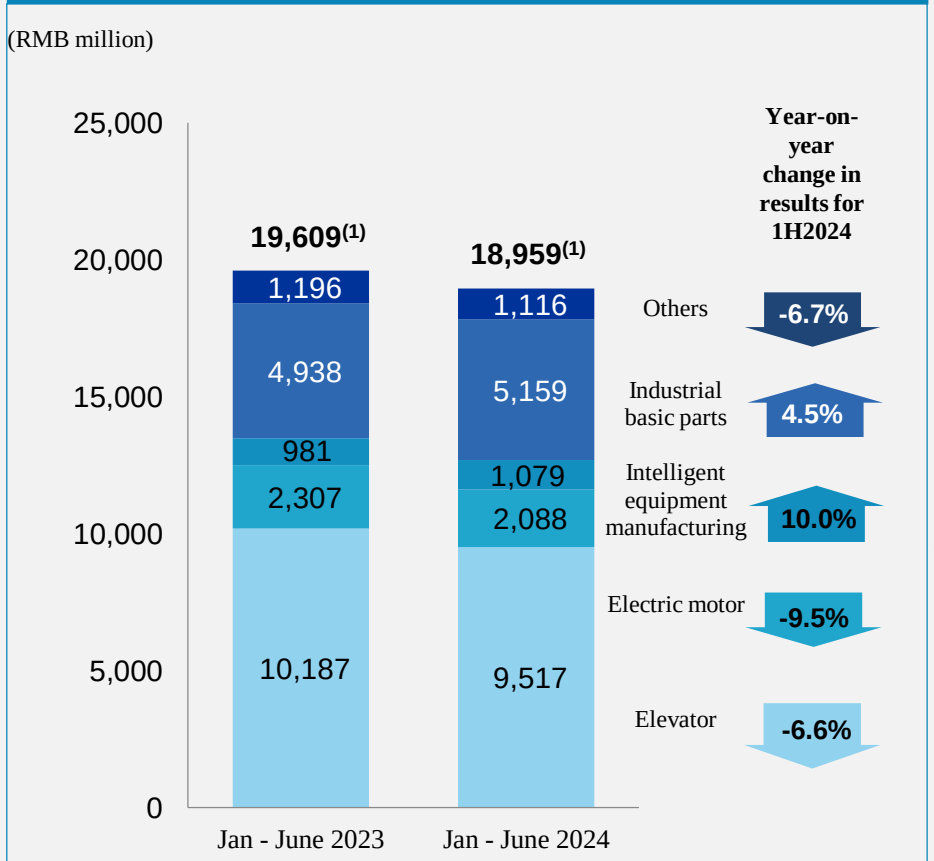
Coal-fired power and wind power



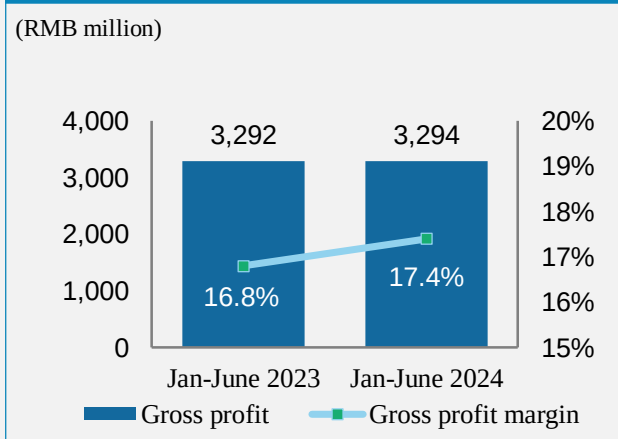
Note: (1) The revenue figures for the segment have not been adjusted for inter-segment offset but adjusted for intra-segment offset

Industrial Equipment

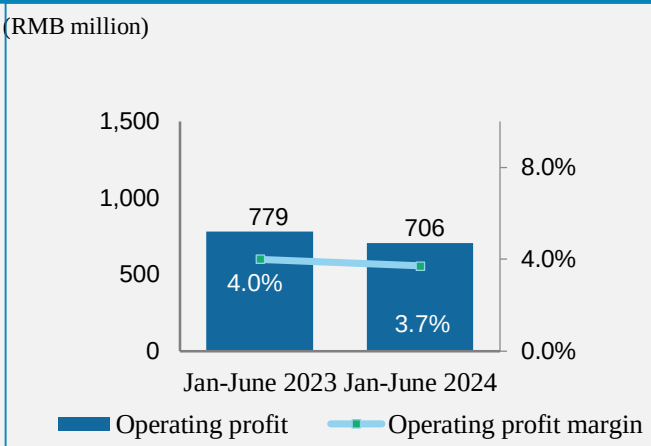
Total revenue decreased by 3.3%



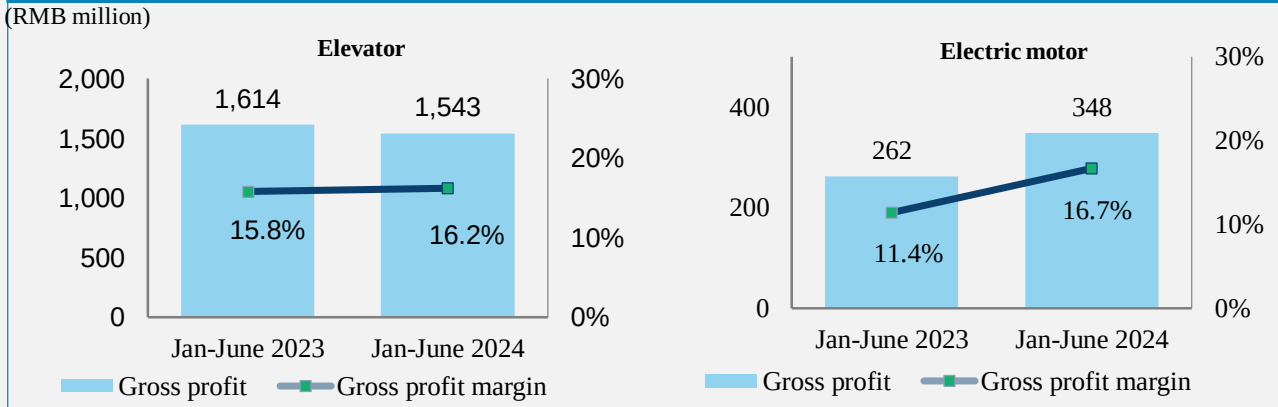
Gross profit and gross profit margin



Operating profit and operating profit margin



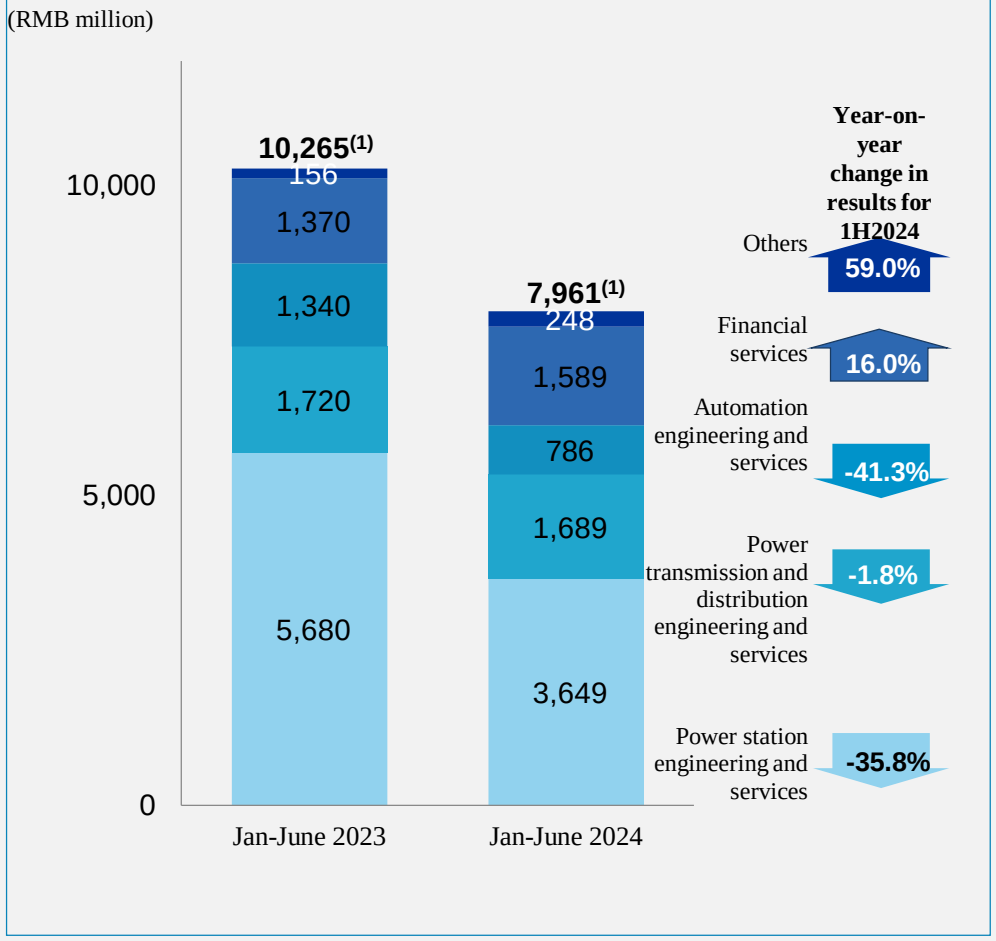
Gross profit and gross profit margin for elevator and electric motor



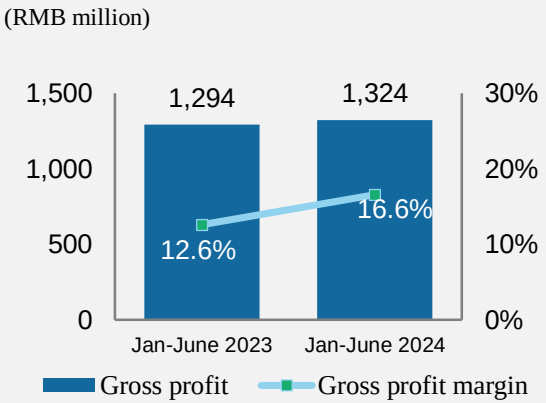
Note: (1) The revenue figures for the segment have not been adjusted for inter-segment offset but adjusted for intra-segment offset

Integration Services

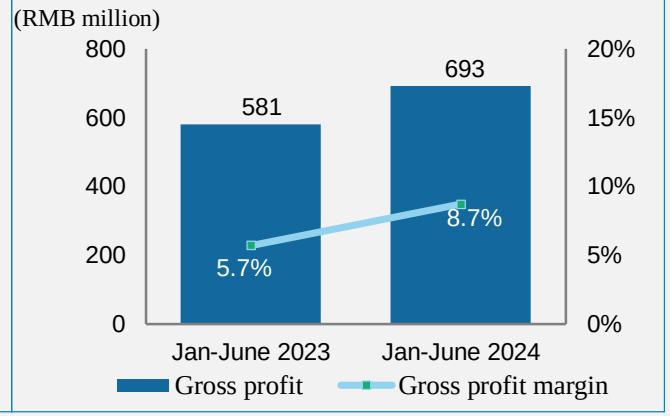
Total revenue decreased by 22.4%



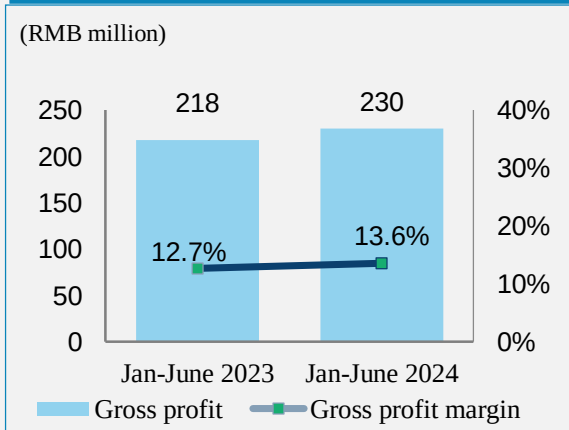
Gross profit and gross profit margin



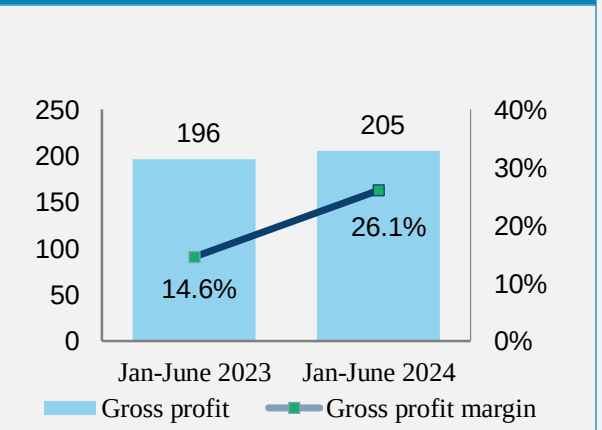
Operating profit and operating profit margin



Gross profit and gross profit margin of power transmission and distribution engineering and services



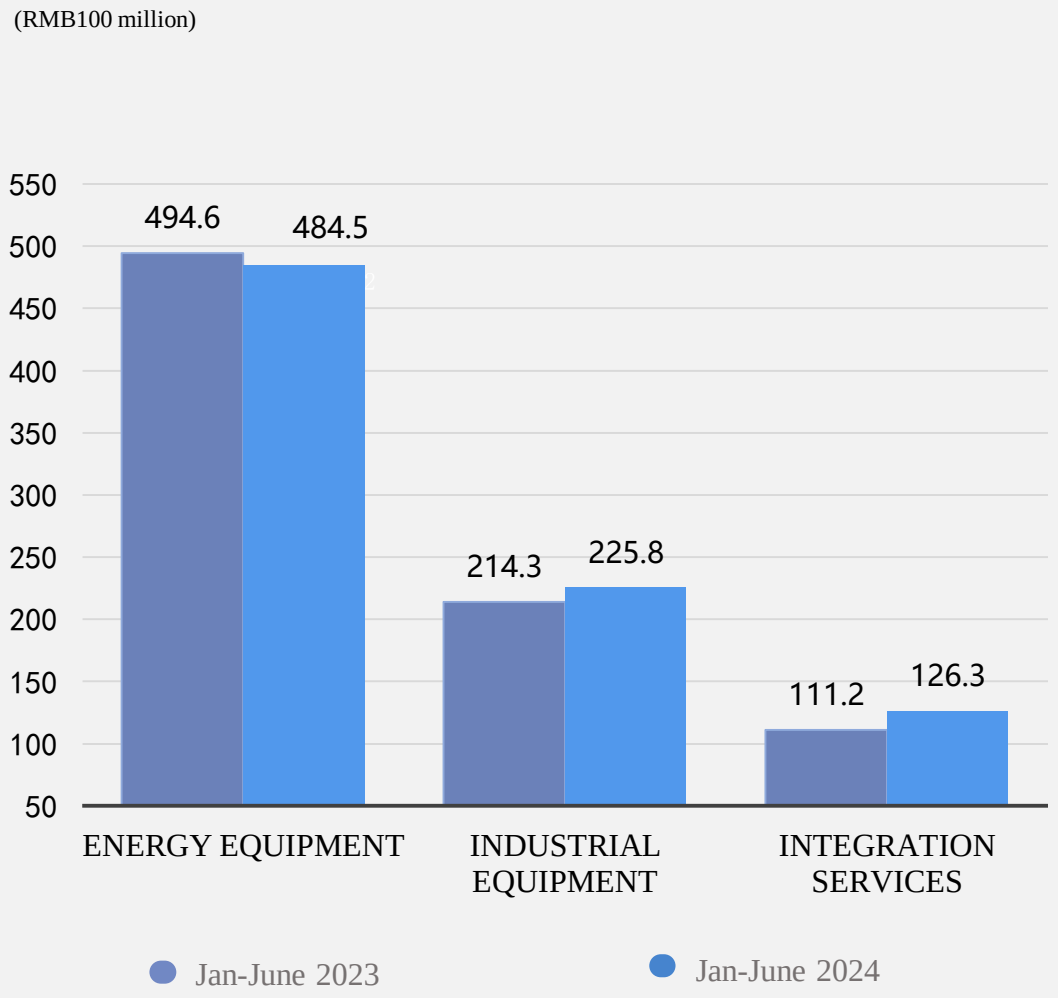
Gross profit and gross profit margin of automation engineering and services



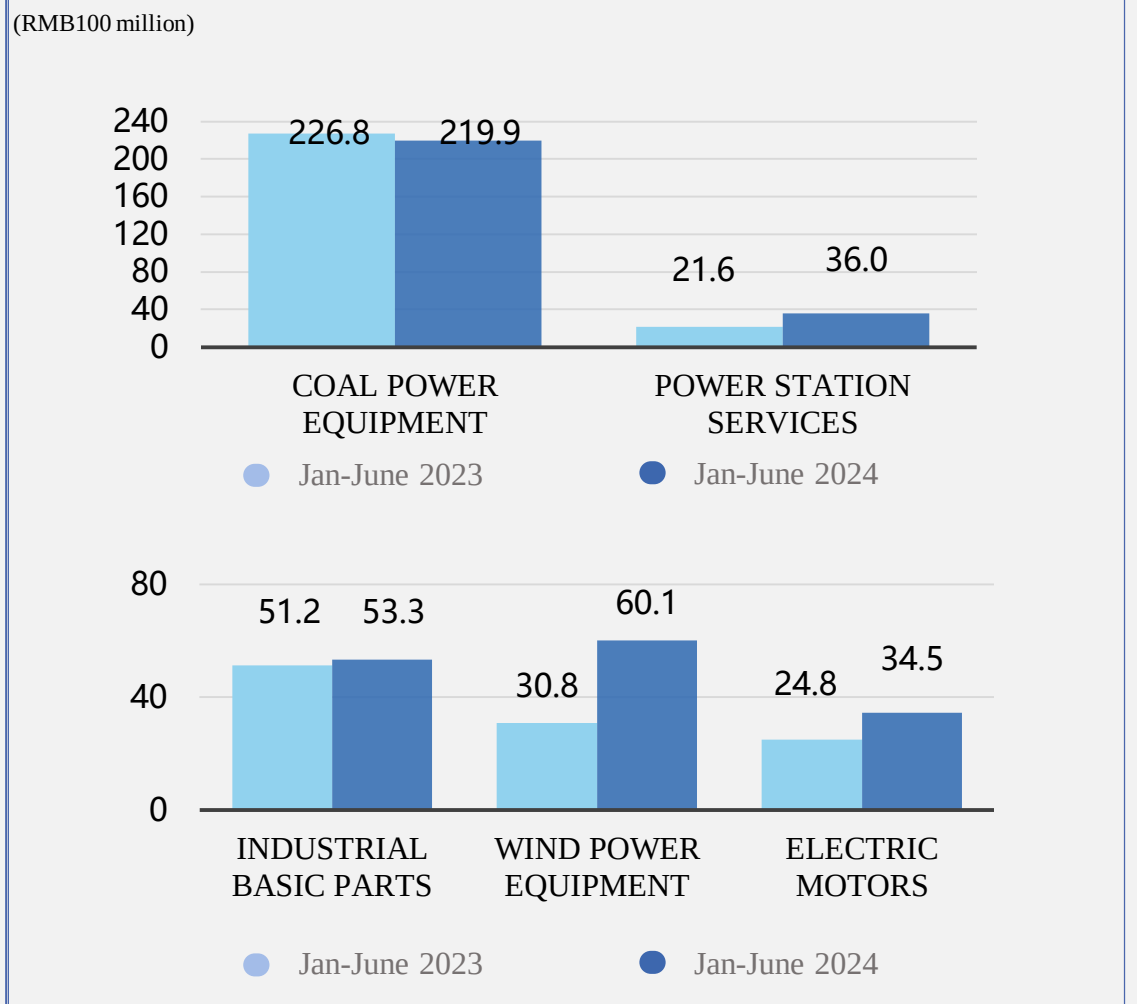
Note: (1) The revenue figures for the segment have not been adjusted for inter-segment offset but adjusted for intra-segment offset

Details of Business Orders

New orders of RMB83.66 billion



Comparative figures of certain business new orders



Chapter 03

Multiple Measures to Promote High-Quality Development

01 Create a High-End Industrial Pattern with Hardcore Technology

02 Accelerate the Layout of New Track Industry Chain Capabilities

03 Deepen the Manufacturing of High-End Equipment, and Continuously Forge Core Competitiveness

04 Actively Align with National Strategies to Build a Dual-Cycle System for Domestic and International Energy and Industry

Create a High-End Industrial Pattern with Hardcore Technology

Nuclear power

The breakthrough of the first set of nuclear fusion and the layout of fourth-generation reactors

- Comprehensive coverage of existing domestic nuclear power technology routes, with the main equipment for nuclear islands maintaining a leading market share in the industry
- As the core supplier of nuclear fusion, we achieved plasma discharge in the world's first all-high-temperature superconducting Tokamak device, the Honghuang 70 (洪荒70)

Gas turbine

Promote independent research and development and domestic substitution of F-class gas turbines

- Participated in the development of 300 MW class F-class heavy-duty gas turbine, and completed the final assembly at Shanghai Turbine Works
- Realized a technological breakthrough in the mass production processing of turbine blades for the F-class G50 heavy-duty gas turbine

Coal-fired power

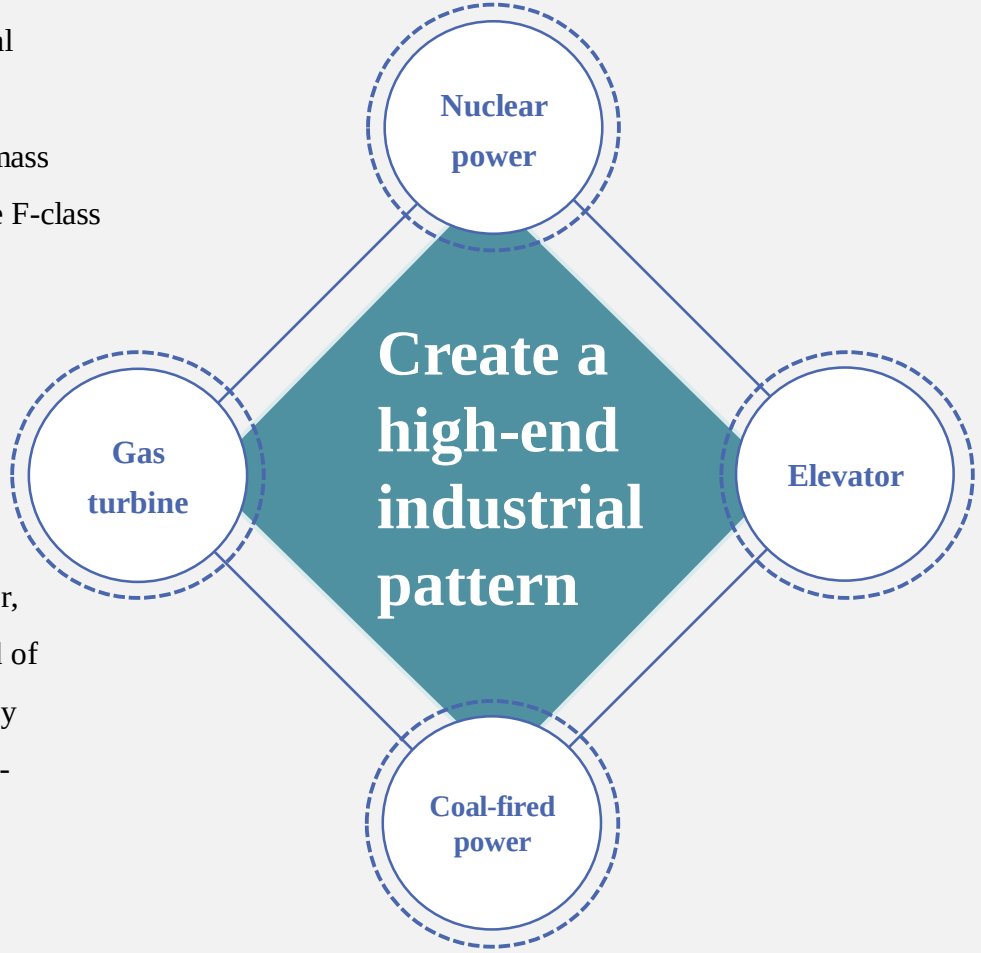
Maintain the record of the lowest coal consumption in the world for coal power units and become a model for upgrading and transformation

- Unit coal consumption was reduced to 248.86 g/kWh
- Recently, six technological achievements from Shanghai Electric have been approved by the Chinese Society of Power Engineering, with the "Technical Conditions for Heat-resistant Steel Castings for Ultra-supercritical Steam Turbines" being identified as internationally leading

Elevator

Release of ultra-high-speed elevator

- Released a 12.5 m/s ultra-high-speed elevator, which set a new record for the running speed of elevators made in China and comprehensively met the current demand for elevators in ultra-high-rise buildings

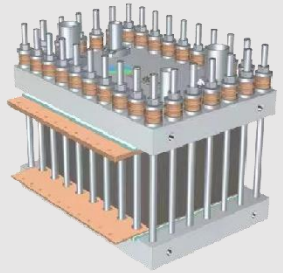


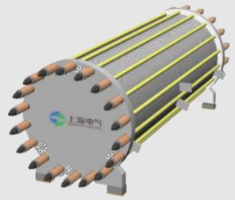
Accelerate the Layout of New Track Industry Chain Capabilities

Integration of “production, storage, transportation and utilization” in hydrogen energy

Provide customers with a system solution of "renewable energy power generation + electrolytic water hydrogen production + green chemical/production, storage and transportation integrated station/hydrogen energy storage"

- Released the new generation Z series alkaline electrolyzer products, with single-cell hydrogen production capacities ranging from 50 to 3000Nm^3/h. The current density of the electrolyzer cells has exceeded ten thousand, achieving a low direct current consumption of 3.77 kWh/standard cubic meter, leading the industry in energy efficiency improvements
- Established a top-tier domestic research and development center along with a comprehensive power alkaline and PEM electrolyzer test validation platform





Joint synergy of “multiple energy storage”

Create a one-stop energy storage system solution provider

- In the field of new energy storage technologies such as vanadium flow energy storage, compressed air energy storage, solar thermal molten salt energy storage, flywheel energy storage, and lithium battery energy storage, a series of product development and manufacturing capabilities have been formed
- In the field of all vanadium flow batteries, the first batch of energy storage products has been successfully exported to the European market, with smooth delivery to Spain. The introduction of the 500kW/2MWh vanadium-iron flow battery represents the largest single-unit capacity vanadium-iron flow battery globally, with a 40% reduction in electrolyte costs
- In the field of compressed air energy storage, we have mastered integrated equipment solutions for compressed air energy storage systems ranging from 10MW to 660MW. The Hubei Yingcheng 300MW compressed air energy storage power plant demonstration project, for which we supplied equipment, has successfully achieved grid connection

Deepen the Manufacturing of High-End Equipment, and Continuously Forge Core Competitiveness

Technological innovation capability

- Have been continuously increasing R&D investment, exceeding RMB20 billion over the past five years
- Released 20 safeguard policies for technological innovation of Shanghai Electric
- Signed comprehensive strategic cooperation agreements with Shanghai Jiao Tong University and Tsinghua University to establish an open "2+X" technological innovation system

Capability in whole industry chain layout

- Mutual support and advancement in technical research and development across all industry segments
- Shared resources among different links in the industry chain to reduce costs
- Whole industry chain layout to provide customers with one-stop solutions, while creating competitive barriers
- Control over key technologies, core equipment manufacturing, and critical resources

Comprehensive solution capability supported by industrial and energy synergies

- Long-term focus on the industrial and energy sectors, achieving synergy between industrial production lines and energy optimization in industry and energy
- Form comprehensive solutions covering industrial, energy design, equipment integration, and construction

Strategic layout and policy response capability

- Actively respond to the national "dual carbon" goals to promote the construction of a new type of power system
- Accelerate its own digitalization and intelligent transformation
- Leverage its strengths around new industrialization and "going global" strategies to serve national interests

Supply chain management and cost control capability

- Utilize a smart supply chain platform to share resources and conduct centralized procurement
- Establish an industrial triangle ecosystem through smart hardware, industrial Internet services, and intelligent supply chain to enhance deep cooperation with suppliers and customers

Outstanding extreme manufacturing capability

- Accumulated unique process technologies in smelting, casting and forging, heat treatment, precision machining, testing, and other processes
- Capable of processing products weighing up to 550 tonnes and machining millimeter-level bearings
- Capable of processing products above 200 degrees and manufacturing below -200 degrees

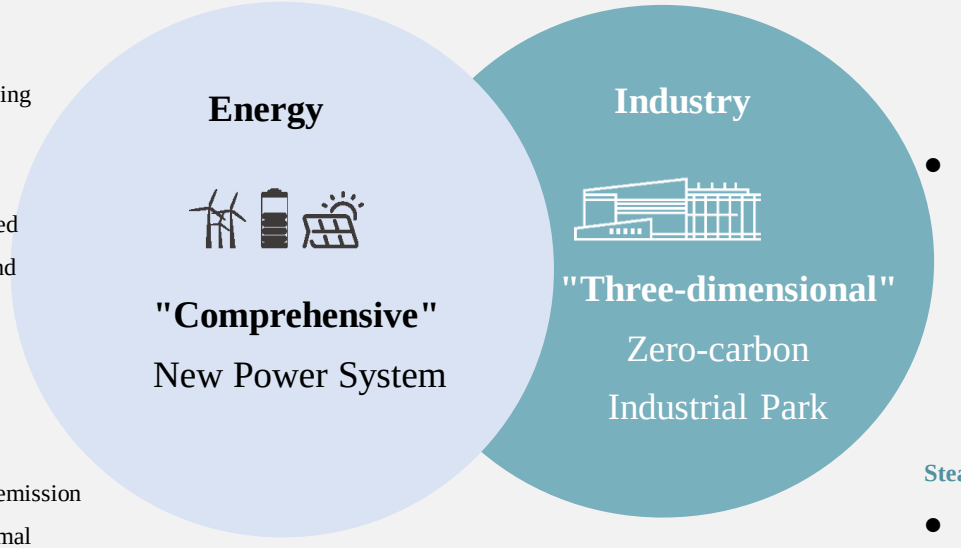
Actively Align with National Strategies to Build a Dual-Cycle System for Domestic and International Energy and Industry

Accelerate the construction of a new energy system

- The National Development and Reform Commission (NDRC) and the National Energy Administration (NEA) have organized the formulation and issuance of the Implementation Plan for Large-scale Equipment Renewal in Key Energy Areas
- The NDRC and the NEA jointly issued a notice on the Action Plan for Low-carbon Transformation and Construction of Coal-fired Power Plants (2024-2027), emphasizing increased efforts in energy conservation and carbon reduction
- The Central Committee of the Communist Party of China and the State Council issued the Opinions on Accelerating Comprehensive Green Transformation of Economic and Social Development, emphasizing the need to strengthen the clean and efficient utilization of fossil energy

Actively expand into overseas markets

- Dubai 950MW solar thermal photovoltaic power generation project, with an annual emission reduction of 1.6 million tonnes of CO2, which is the world's largest single solar thermal photovoltaic project
- Signed a contract for the 5MW photovoltaic hydrogen production station project in Wenberg, France, achieving a breakthrough in overseas sales of hydrogen production equipment
- In the field of all vanadium flow batteries, we successfully exported the first batch of energy storage products in bulk to the European market, with smooth delivery to Spain
- Electric wind power has achieved breakthroughs in overseas orders in Southeast Asia and East Asia markets, such as South Korea, Vietnam, Indonesia, and other regions



Major policies boost industrial new productive forces

- The State Council issued the Action Plan for Promoting Large-scale Equipment Updates and Consumer Goods Trade-ins (Guo Fa [2024] No. 7)
- The Ministry of Industry and Information Technology issued the Guiding Opinions on the Innovation and Development of Humanoid Robots, aiming to establish a preliminary innovative system for humanoid robots by 2025 and accelerate the industrial-scale development of humanoid robots by 2027
- The Ministry of Industry and Information Technology, along with other seventeen departments, jointly issued the Action Plan for the Application of "Robots Plus", aiming to double the density of industrial robots in manufacturing by 2025 compared to 2020

Steady growth of overseas subsidiaries

- Shanghai Electric's wholly-owned overseas subsidiary, Germany Broetje, possesses globally leading core products and technologies, providing comprehensive services to major aircraft manufacturers at home and abroad such as Airbus, Boeing, Gulfstream, AVIC, and COMAC
- In the field of industrial basic parts, Nedfast, a subsidiary of Shanghai Electric, supplies automotive fasteners to BMW, Mercedes-Benz, Volvo, Volkswagen and other automobile manufacturers

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与创造者共创未来

CREATE OUR FUTURE TOGETHER