



康達國際環保有限公司

Kangda International Environmental Company Limited

(于开曼群岛注册成立的有限公司 股份代号: 6136.HK)

2020 Annual Results Announcement

25 March 2021

1

Business Review

2

Financial Performance

3

Key Events

4

Development Strategies



1

Business Review

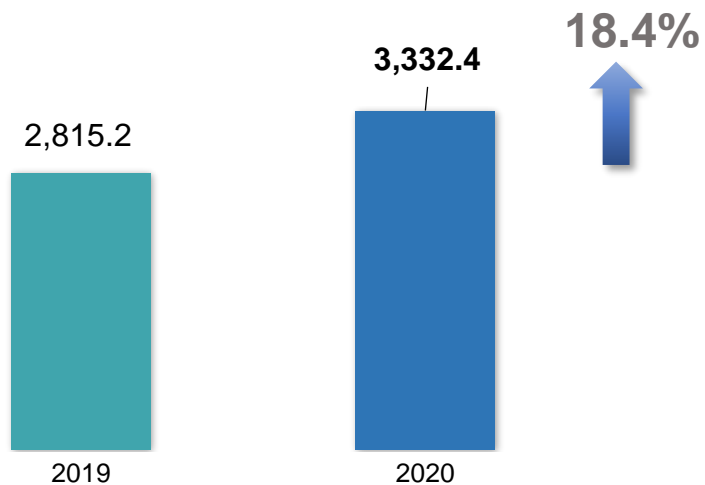


Annual Results Highlights



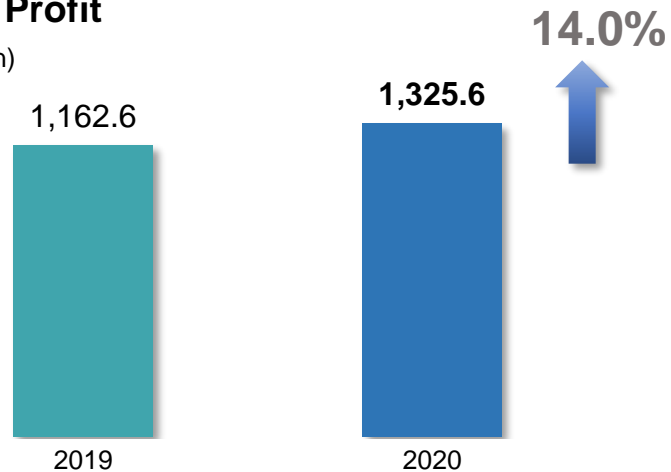
Income

(RMB mn)



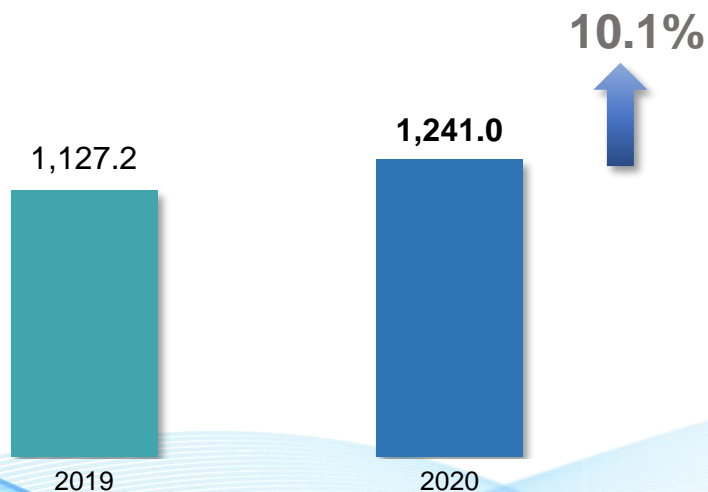
Gross Profit

(RMB mn)



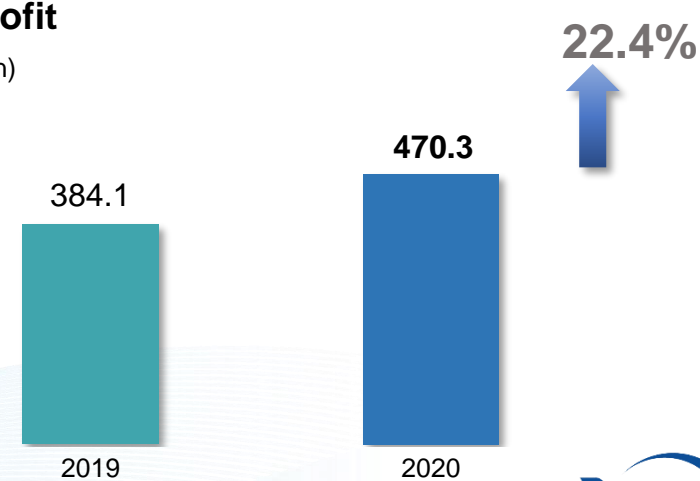
EBITDA

(RMB mn)



Net Profit

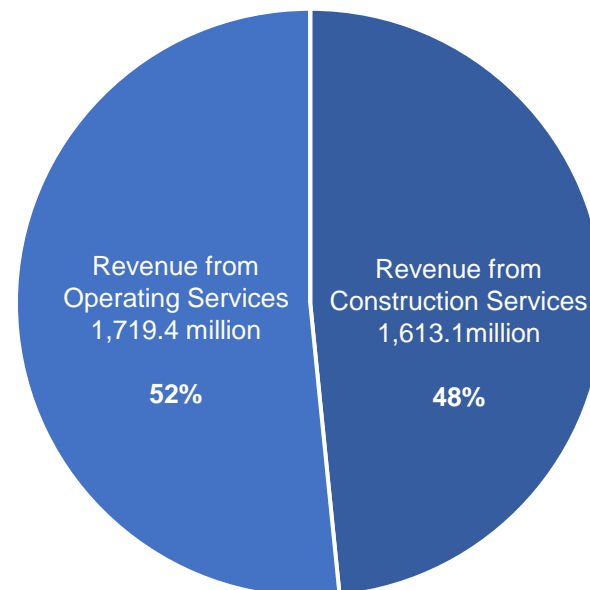
(RMB mn)



Total Revenue Reached New Heights



(RMB mn)	2020	% Change
Total Revenue	3,332.4	+ 18%
- Revenue from Construction Services	1,613.1	+ 23%
- Revenue from Operating Services	1,719.4	+ 14%



Double-digit growth recorded in revenue from both construction services and operating services with outstanding performance.

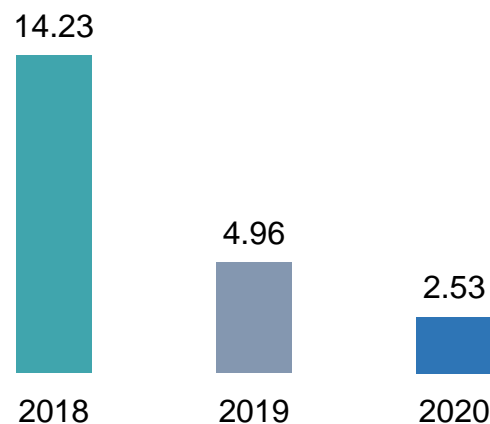


A Sustained Fall in Expense and Tax Rate with Steady Profit Margin Growth



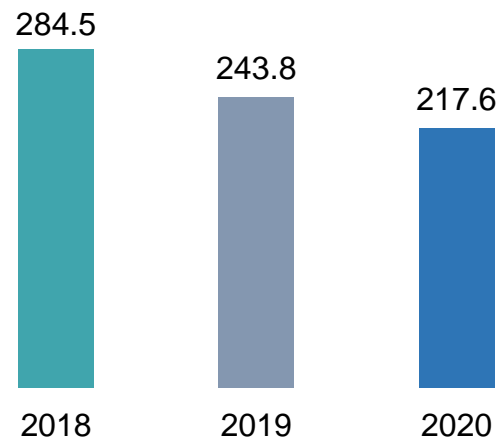
Selling and distribution expenses

(RMB mn)

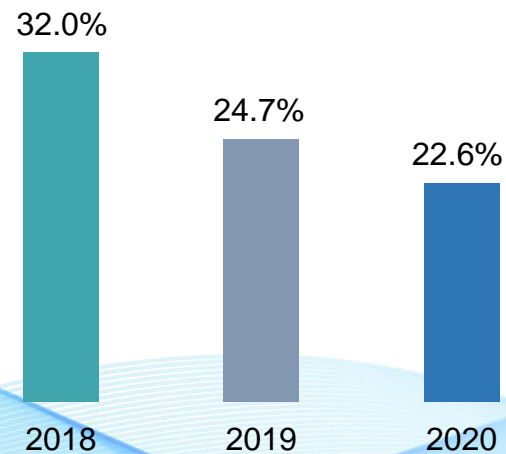


Administration expenses

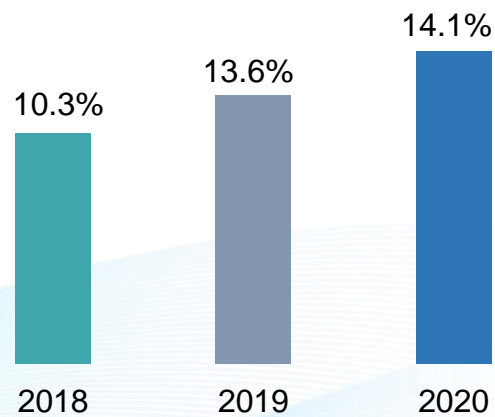
(RMB mn)



Actual tax rate



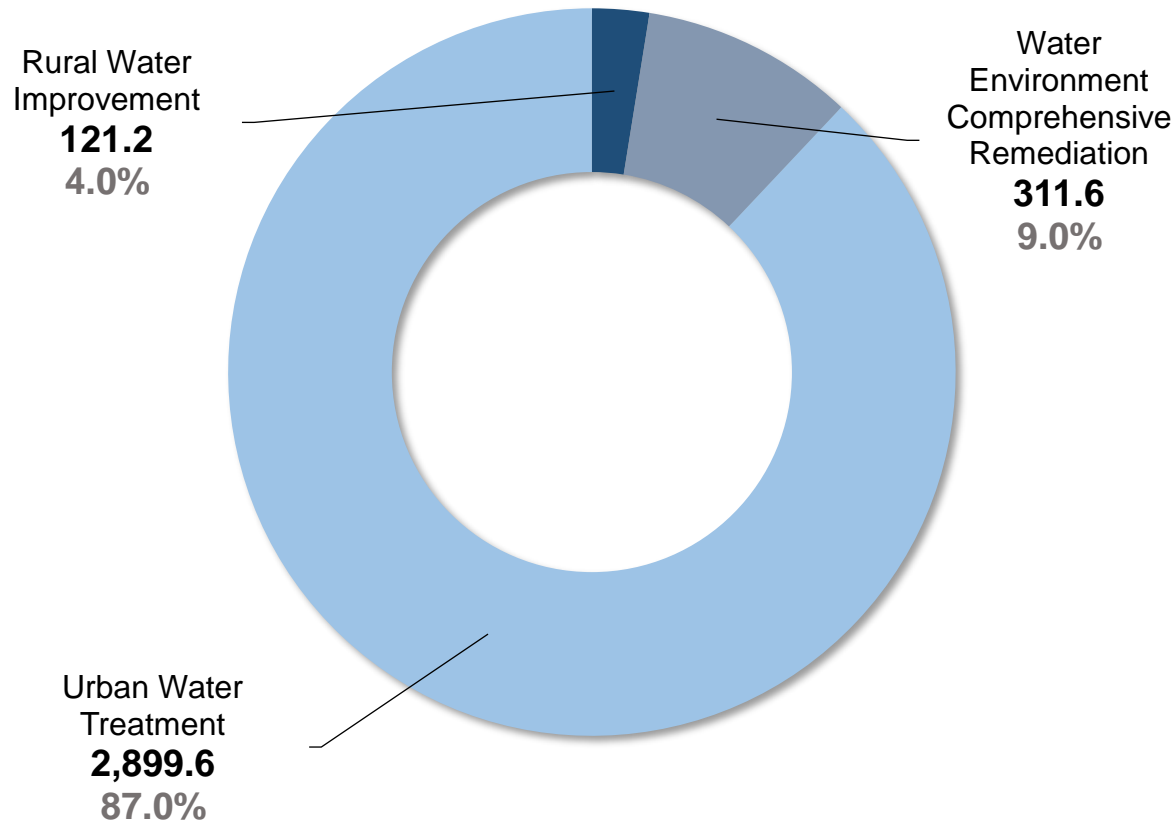
Net Profit margin



Revenue by Operating Segment



(RMB mn)



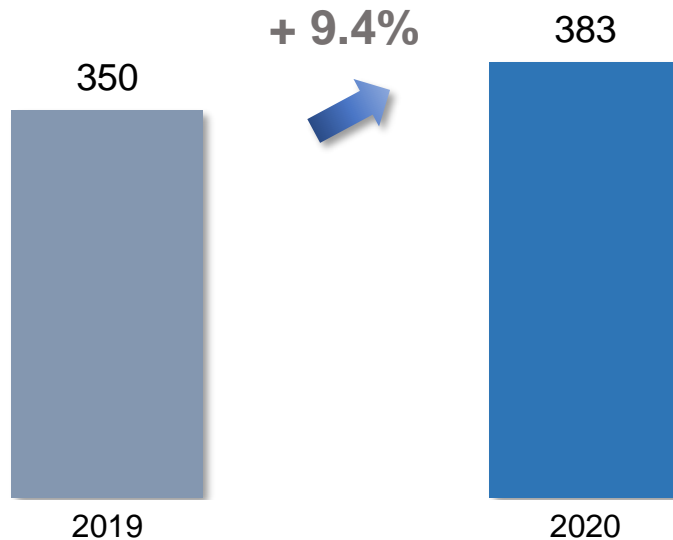
Focus on the core business with advantage :
Urban Water Treatment



Water Treatment Capacity in Stable Growth



(Tonnes/Day)



8 Projects Commenced Operation In the Year

- Wastewater Treatment Project at Yongwen River, Longkou City
- Qitaihe Wastewater Treatment Plant I Expansion
- Qitaihe Wastewater Treatment Plant I Expansion (Reclaimed Water)
- Guangdong Huizhou Huiyang Wastewater Plant (Phase 1)
- Linying Upgrade and Expansion Project
- Ma'an Domestic Wastewater Treatment Plant (Phase I)
- Weiyuan County Wastewater Treatment Plant II
- Dandong New District Wastewater Treatment Plant (Phase I)

Actual treatment capacity in operation increased by 330,000 tons per day



Orderly Adjustment of Tariff



Beijing Caiyu Wastewater Treatment Plant

(RMB/ per ton)

Adjusted Tariff

3.24

Original Tariff

1.32

Wastewater Treatment Plant in Weiyuan, Sichuan Province

Adjusted Tariff

3.20

Original Tariff

2.31

Wastewater Treatment Plant in Linyi, Henan

Adjusted Tariff

2.27

Original Tariff

1.26

Linying Upgrade and Expansion of Plant

Adjusted Tariff

2.27

Original Tariff

1.52

Qitaihe Wastewater Treatment Plant I

Adjusted Tariff

1.19

Original Tariff

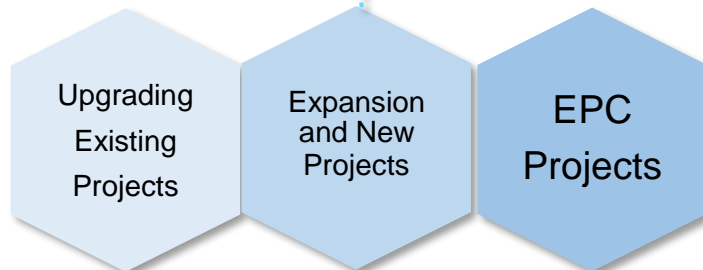
0.92



New Projects in the Pipeline



9 expansion and new projects
with a total designed capacity of
515,000 tons / day



25 projects with a total
designed capacity of 709,500
tons / day to be upgraded

EPC projects worth
approximately RMB1.59
billion under construction

When existing projects (to be upgraded and expanded), as well as newly developed projects come on stream, the Group's operating revenue will have substantial growth.



Number of Urban Water Treatment projects



As of 31 December 2020

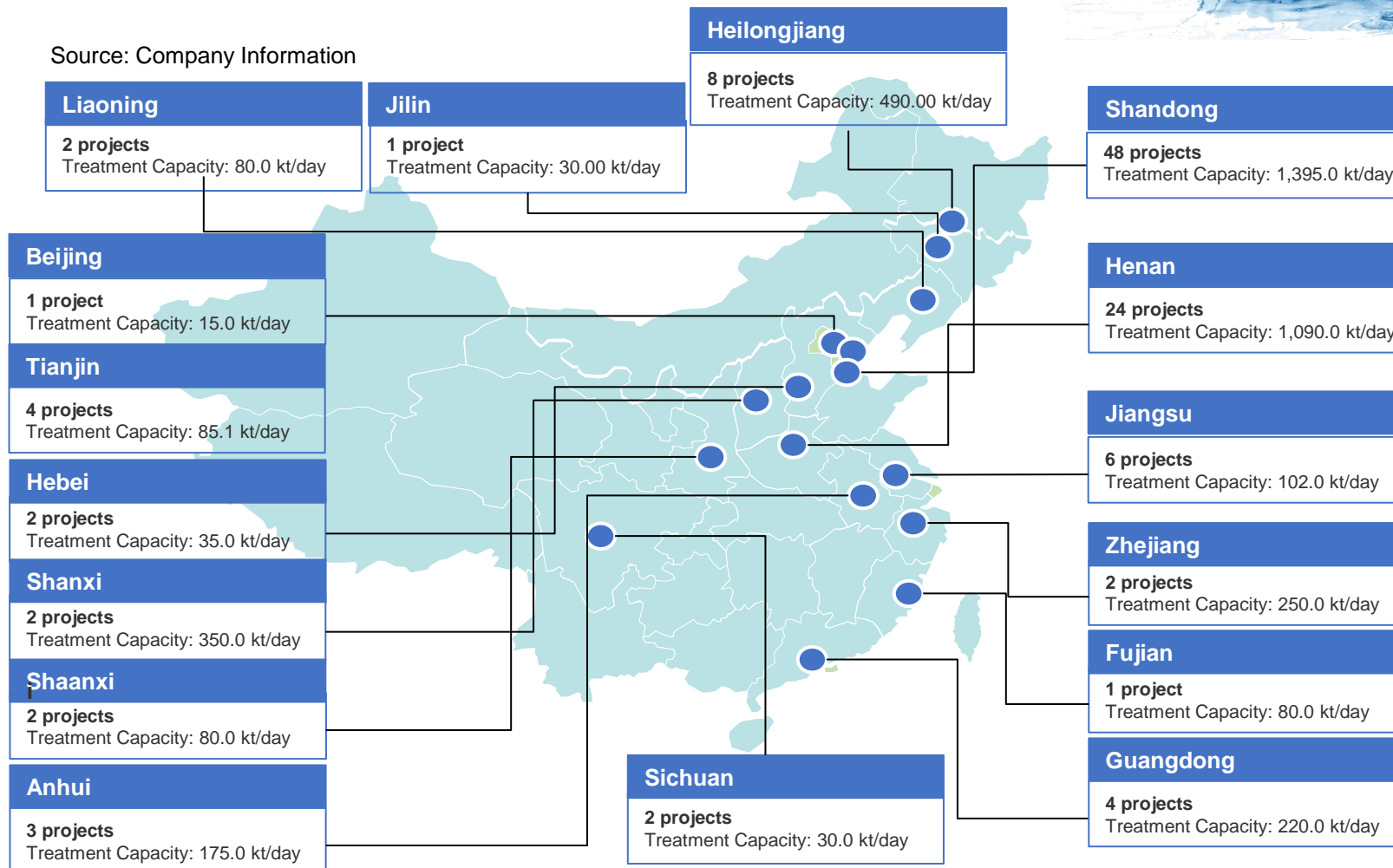
(number of projects)	Wastewater Treatment	Water Distribution	Reclaimed Water	Sludge Disposal	Total
In operation	93	-	2	3	98
Not commence Operation / Not delivered	12	2	-	-	14
Total	105	2	2	3	112



High-quality Asset Portfolio and Franchise-based Business Model Bring Continuous Operating Cash Flow



Source: Company Information



112 projects in hand: 99 wholly-owned subsidiaries and 13 projects holding companies, which is beneficial to management sharing.



2

Financial Performance



Financial Review - Income and Profitability at New Peak



(RMB mn)	2016	2017	2018	2019	2020
Revenue	1,926.5	2,523.9	3,021.3	2,815.2	3,332.4
Gross profit	823.3	953.3	1,093.2	1,162.6	1,325.6
Net profit	346.0	427.6	309.9	384.1	470.3
EBITDA	715.0	917.9	1,008.0	1,127.2	1,241.0

Optimized management, significantly increased profits and strengthened core competitiveness.

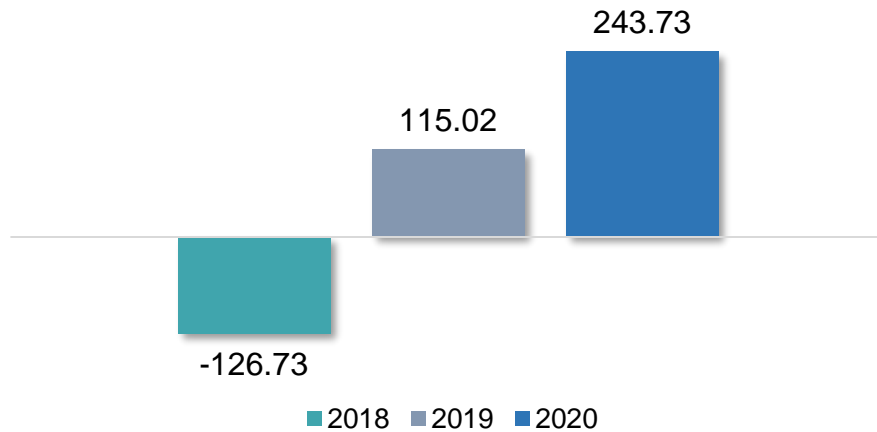


Financial Review

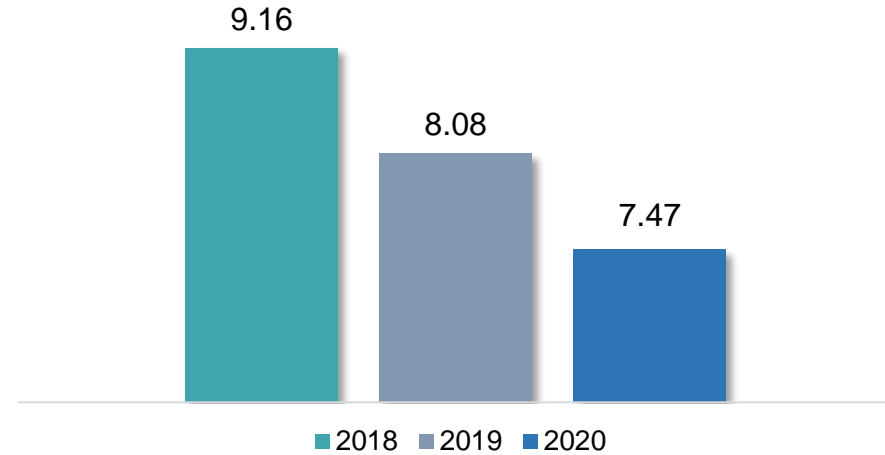


Net cash flows from operating activities

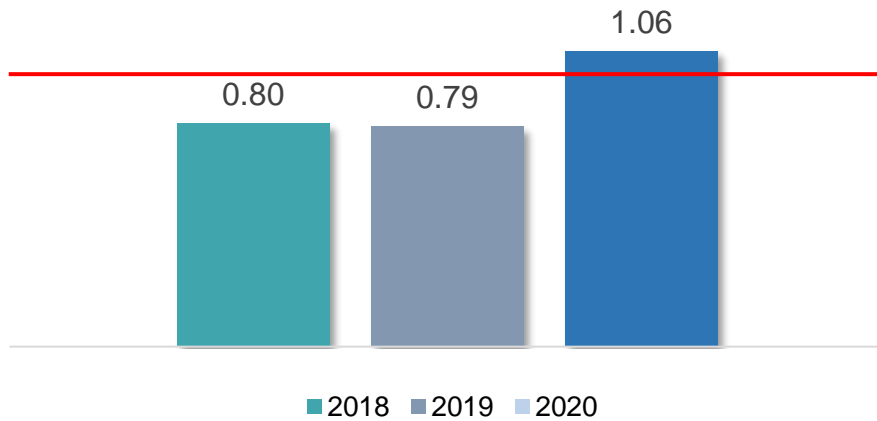
(RMN mn)



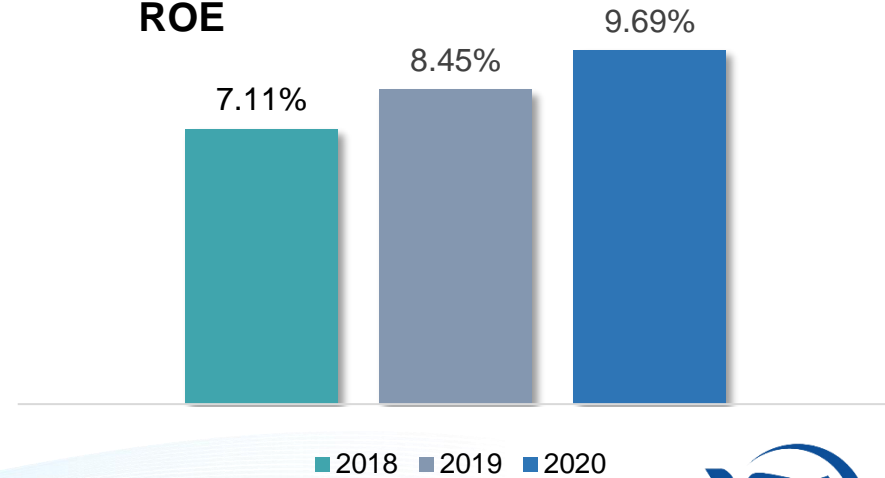
Interest-bearing debts/ EBITDA



Current ratio



ROE



Key indicators continued to improve. Current ratio restored to above 1.

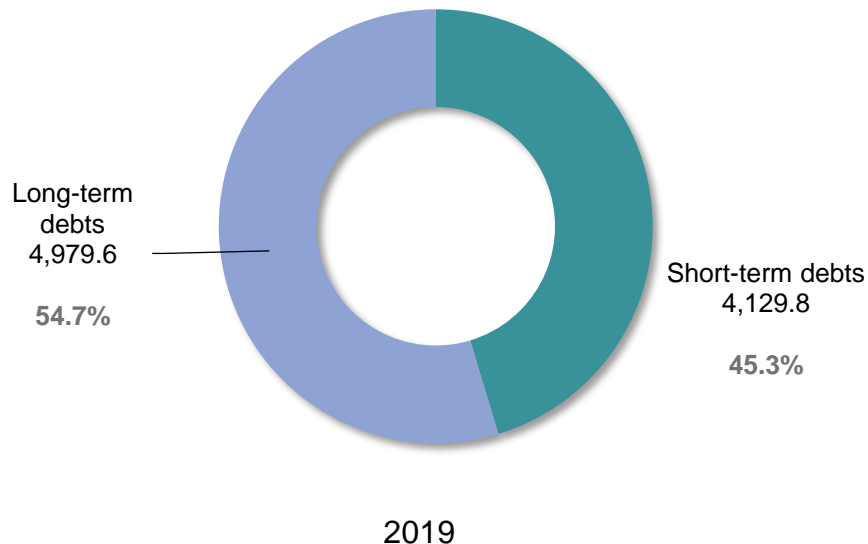


Optimize the Debt Structures to Ease Financial Pressure

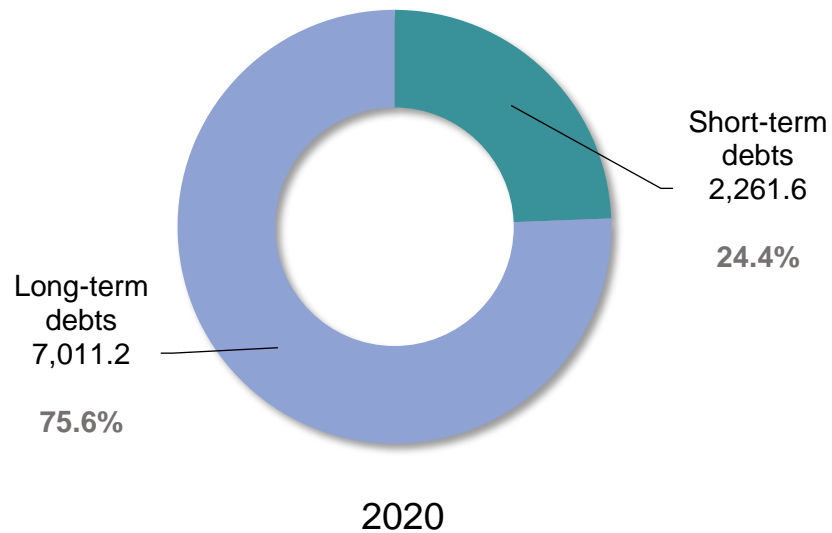


Interest-bearing debts

(RMB mn)



Total amount: RMB 9,109.4 million



Total amount: RMB 9,272.8 million

- Early redemption of RMB 900 million corporate bonds
- Acquired a USD\$ 55 million syndicated loan under the lead of the ANZ Group

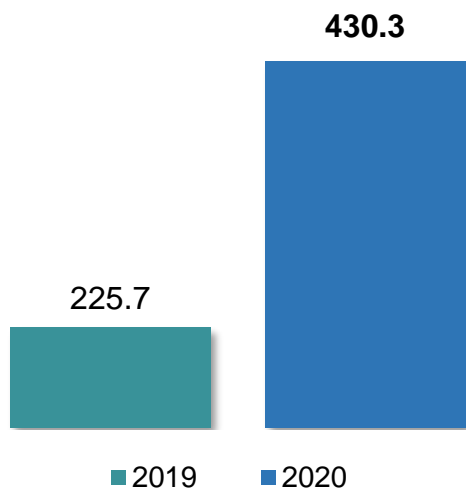


An Optimized Balance Sheet



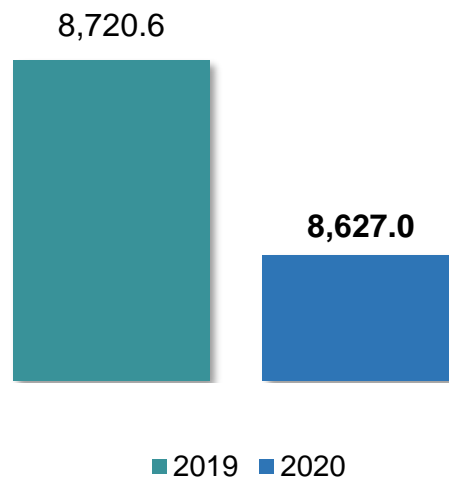
Cash and cash equivalents

(RMB mn)

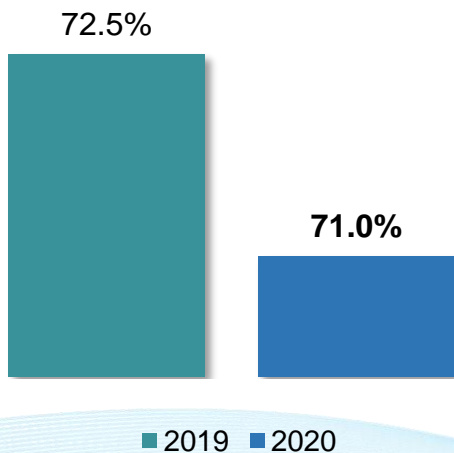


Net debt

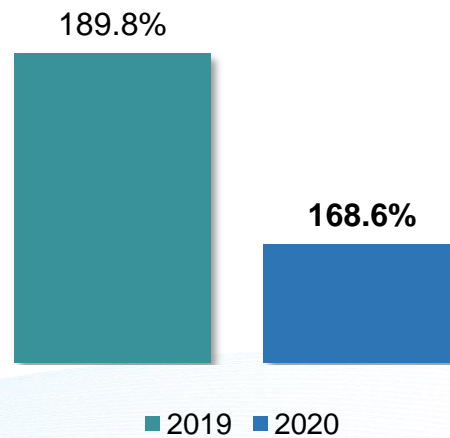
(RMB mn)



Debt asset ratio



Net debt to equity ratio



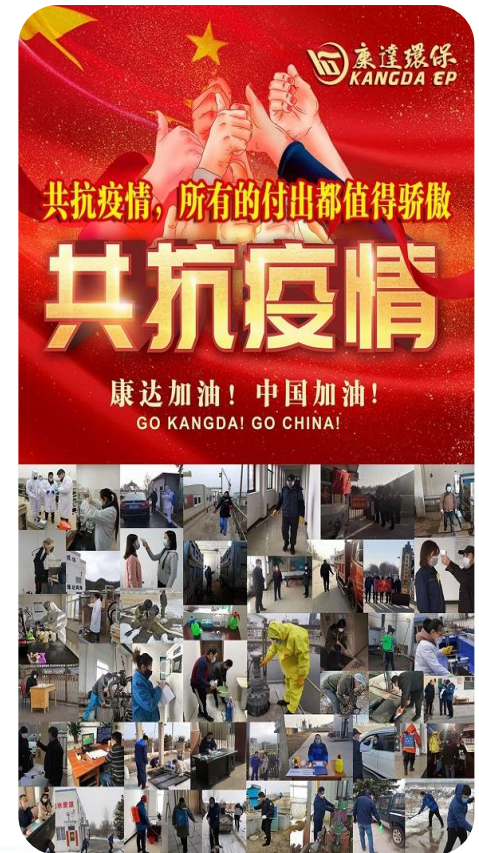
3

Key Events



Away from the Epidemic and Seized New Opportunities

- All water plants were in stable operation and no infection case in employees or their family members
- Strengthened the management of projects under construction, completed the projects as planned
- The government valued more on "irreplaceable" basic services, issued the " Implementation Plan for Strengthening and Weaknesses in the Implementation of Urban Domestic Sewage Treatment ", "Guiding Opinions on Promoting the Utilization of Sewage Resources" and other policy documents, proposed long-term goals
- Explore "Green" financing opportunities



Successful Exercise of Share Option Plan



- 107,350,000 shares were issued under a Share Option Plan
- Received option premium amounted to approx. HK\$81.59 mn

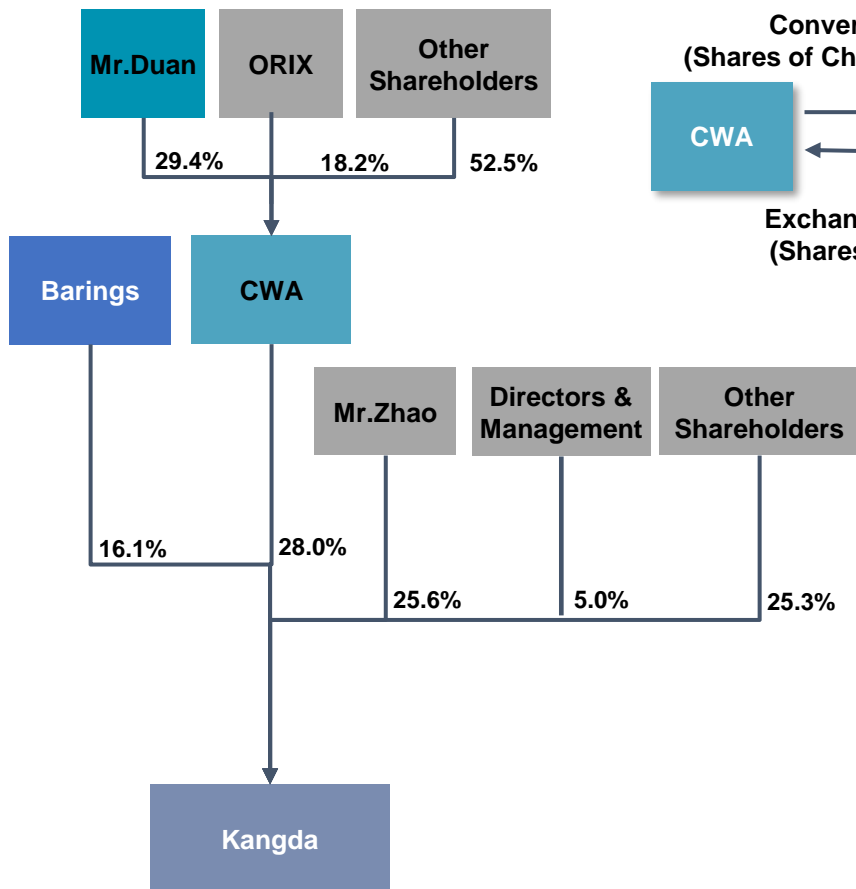
The first raise in capital since the IPO,
sharing the common interests of the stakeholders.



CWA & BPEA Completed the EB/CB Structure Arrangement



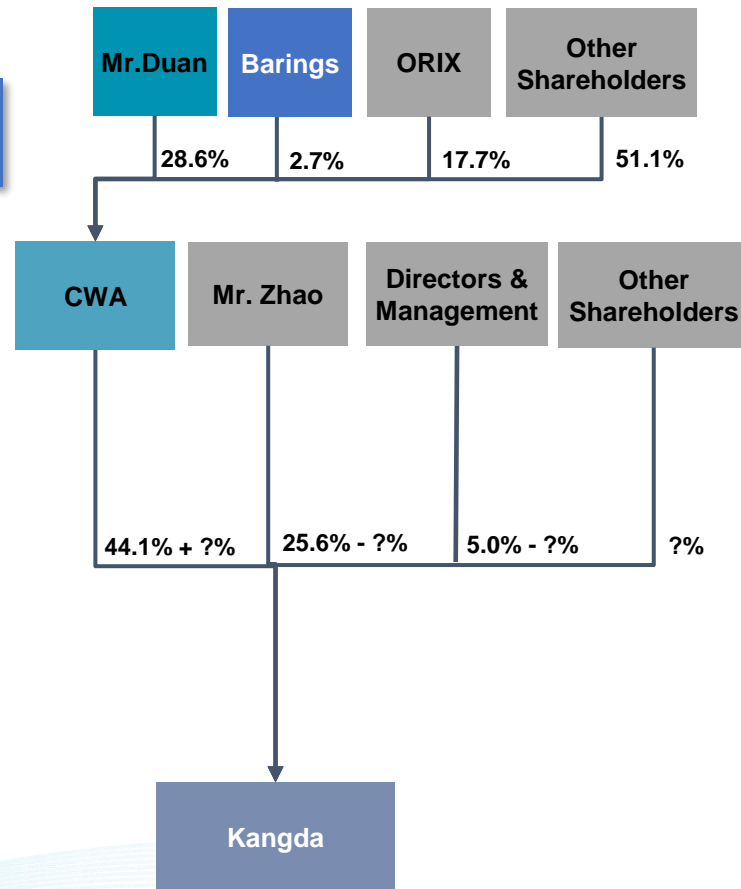
Before the Transaction



Convertible Bond
(Shares of China Water Affairs)



After the Exercising of EB/CB



The deal reflected full confidence of the two major shareholders in the future development of Kangda.



4

Development Strategies



Development Strategies

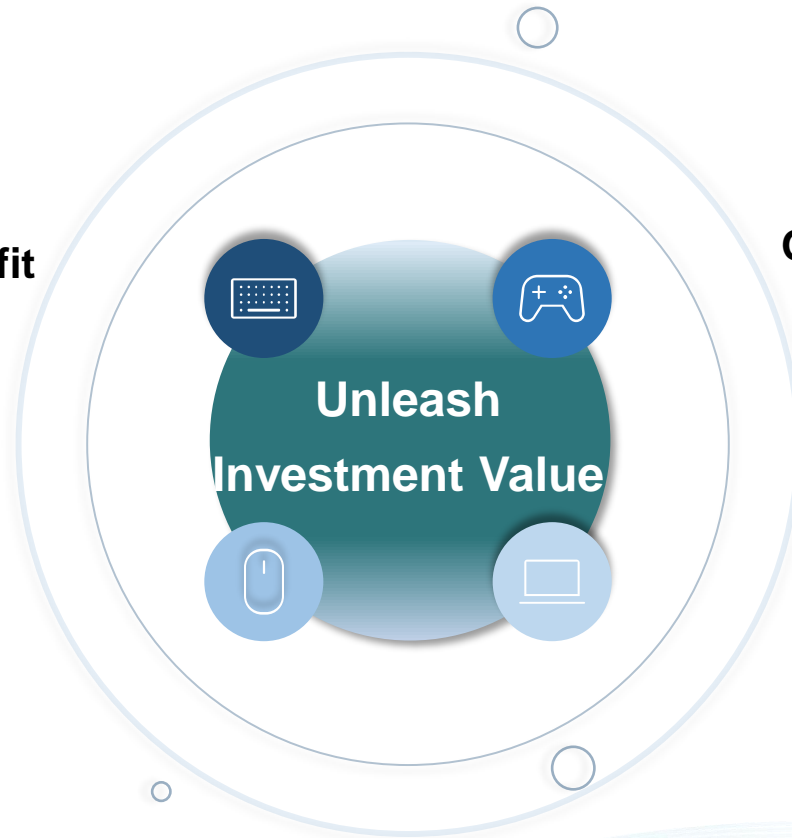


Boost Revenue and Profit

Optimize Financing

Reduce Costs

Extend Value Chain



Disclaimer



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Thank You

