

# 024 Annual Results

Win-win Situation with Customers Growing Profit by Increasing Sales Volume Value Creation through Diverse Energy Products and Services

27 March 2025

# **Business Highlights**



Core profit reached RMB**6.95 bn**, core profit from domestic businesses increased by **10.2%** yoy to RMB**6.71 bn** 



Retail gas sales volume increased by **4.2%** yoy to **26.20 bn m<sup>3</sup>** with the newly installed designed daily capacity of **15.10 mn m<sup>3</sup>** for C/I customers, and newly developed **1.62 mn** residential household customers



IE sales volume increased by **19.8%** yoy to **41.57 bn kWh**, gross profit including JVs and associates increased by **19.9%** 



Gross profit of value added business increased by **18.0%** yoy to RMB**2.97 bn**, gross profit including JVs and associates increased by **24.1%** 



Free cash flow increased by RMB630 mn yoy to RMB3.73 bn. Dividend for the year of HK\$3 per share with dividend payout ratio of 45%



## All Scenarios Digital Intelligence Safety Infrastructure for Inherent Security

ENN Energy enhances inherent safety through digital intelligent risk management in all scenarios, enabling full-process safety monitoring and early warning. It maintains rigorous staff safety training and hazard identification programmes to ensure secure and efficient operations

**Digital Safety Infrastructure in All Scenarios** 

Implementing Full-Cycle Digital Safety Across Construction and Operations

### Client

#### Indoor Risk Mapping

 Risk prediction, early warning, pre-control, prevention & intelligent emergency response

#### **Strengthening Inherent Security**

 AI-powered residential safety valves & proactive commercial defence systems

#### Safety Training: 426,102 person-times

**100%** Certified & Qualified On-Duty Professionals

### Construction

Live Project Monitoring via IoT Integration

- Real-time oversight of critical processes & high-risk operations
- Al-powered identification & rectification of safety hazards & quality issues

#### Eliminating Deficiencies, Strengthening Foundations, Fulfilling Safety Responsibilities

#### 9,313 times Hazard Investigation

78,518 Hazards Addressed

8,116 Emergency Drills Conducted 178 Inspections by Provincial/Ministerial or higher-level Authorities

**Plants and** 

**Stations** 

Management

**Intelligent Plant & Station** 

• 100% coverage with PTZ

laser gas detectors for

identification & resolution

efficient hazard

#### Pipeline Network

**Intelligent Pipeline Inspection** 

 Deploy bus-mounted & laser inspection vehicles for precision detection

**IoT-Enabled Digital Monitoring** 

• IoT monitoring & digital analysis for operational safety

#### Leading & Participating in Multiple Safety Research Initiatives

- National standard: safety technical standards for gas facility operation, maintenance & emergency repair
- Group standards:
   Technical requirem
- Technical requirements for unattended urban gas stations
   PTZ combustible gas detection devices
- Commercial user gas safety inspection guidelines

## **Customer-Centric, Intelligence-Driven, Service Transformation**

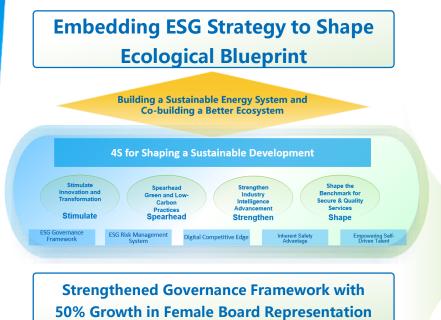
Enhance customer satisfaction through proactive services and in-depth understanding of customers' needs





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# **Deepening ESG Practices to Drive Corporate Sustainability**



ESG Intelligence Platform Upgraded, Pioneering Emission Reduction & Data Security Governance

Launched Decarbonisation Action 2024: Driving Corporate Performance on Emission Reduction

Through Collaboration with Ecological Partners, Continuously Enhancing our Capabilities

### Good Ratings

Rating performance continues to maintain industry leading position

Rating	Score	
MSCI 💮	AA	
S&P Global	64 +1	
	B	
M RNNGSTAR SUSTAINALYTICS	24.7 -2	
他生指數 HANG SENG INDEXES	A+	



## S&P Global

- Selected into the "Sustainability Yearbook (China Edition) 2024" by S&P Global
- Top 5% in the industry
- Best progressive enterprise in the industry



 Green Finance
 Framework Verified by an External
 Authoritative Second
 Party

> ENN Energy Holdings Ltd. Green Finance Framework Oct. 1938 Tester De United States Alignment Walk Principal Constant States Constates Constant States Constant States Con



**Completed the UNGC** 

**Programme of SDG** 

Accelerator

Ambition



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# **Implementing Multiple Measures for Steady Business Growth**

Profit from wholesale of gas (overseas sales) declined due to the decrease in international gas prices and overseas business strategic adjustments. We achieved a 10.2% core profit growth in domestic businesses with intelligent innovation services

ltem	2024	2023	Change
Revenue	109,853	113,858	-3.5%
Gross profit	13,405	14,338	-6.5%
Profit attributable to shareholders	5,987	6,816	-12.2%
Core profit <sup>^</sup>	6,952	7,586	-8.4%
- From domestic businesses	6,712	6,091	10.2%
<i>- From wholesale of gas (overseas sales)</i>	240	1,495	-83.9%
Free cash flow <sup>#</sup>	3,734	3,104	20.3%

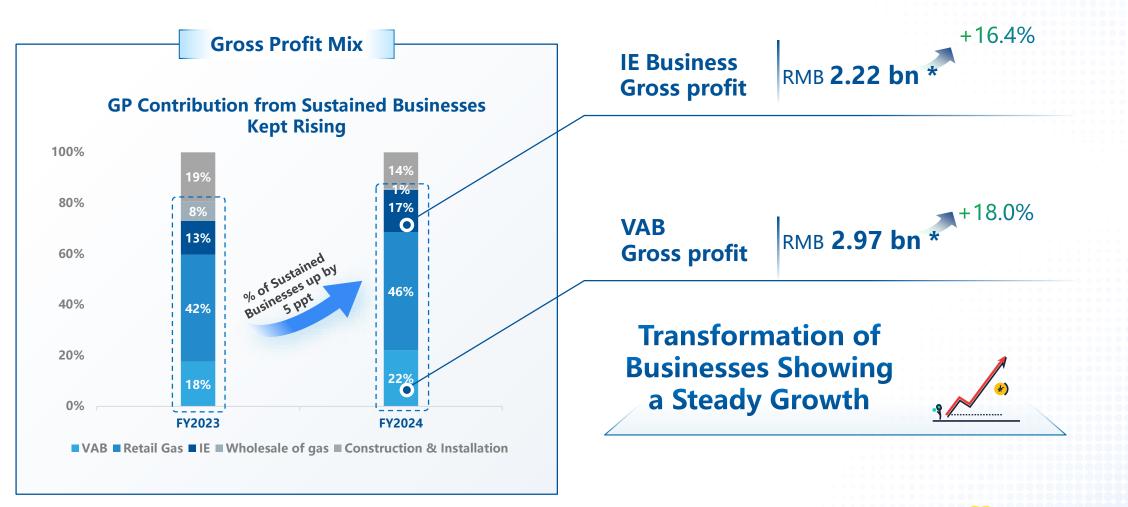
<sup>•</sup> Core profit =Profit attributable to owners of the Company but stripping out other gains and losses (excluding net settlement amount realised from commodity derivative financial instruments, net compensation income and gain on repurchase of senior notes), relevant deferred tax arose from net unrealised (loss) gain of commodity derivative financial instruments and share-based payment expenses

# Free cash flow: including net realized gains on derivative financial instruments



# **Continuously Optimising Profitability, Advancing Business Upgrades**

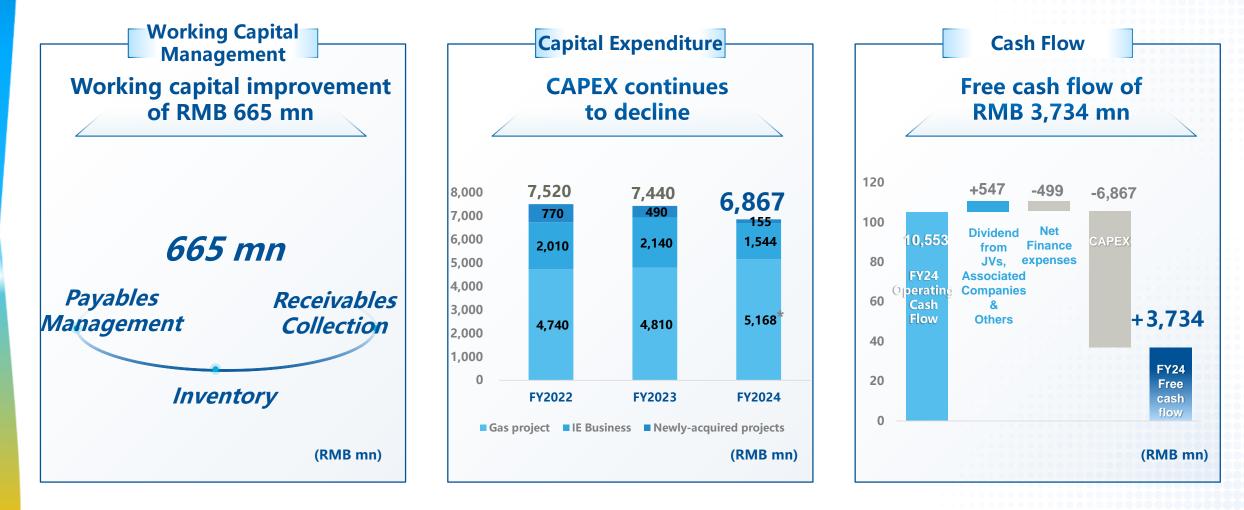
Maintained a steady growth in retail gas, IE, and value added business with increasing contribution from transformation businesses, further improving profit stability and visibility





## **Prudent Investment Strategy and Robust Cash Flow Position**

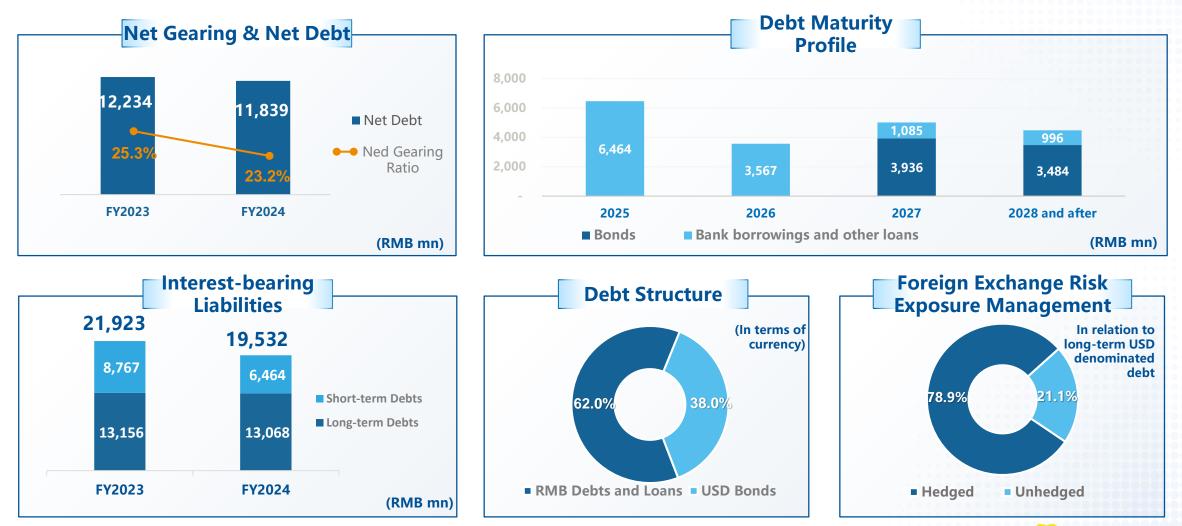
Disciplined investments and agile capital management drive resilient cash flow and sustainable growth





# Healthy Debt Structure, Strong Credit Ratings

With decreasing net gearing ratio and debt level, credit ratings assigned to the company by S&P, Moody's, and Fitch, are BBB+(Stable), Baa1(Stable), BBB+(Stable), respectively



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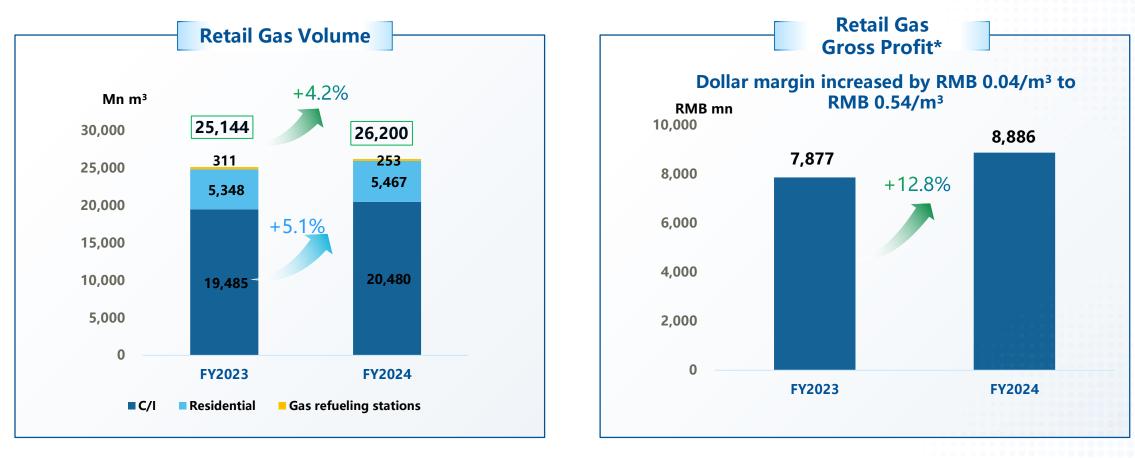
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## **Achieving Scale-Driven Profits Through Demand-driven Approach**

Focus on customer needs and keep expanding gas volume scale to drive profit growth



### **Growing Profit by Increasing Sales Volume**





### Implementing Differentiated Customer Development Strategies to Drive Sustained Growth in Natural Gas Business

In-depth customer insights, leveraging intelligence to accumulate experiences, and utilising resource advantages to tailor strategies for enterprises, enabling sustainable customer exploration

Newly Installed Designed Daily Capacity for C/I Customers

- Guidance: daily capacity of 12-14 mn m<sup>3</sup>
- Installed: daily capacity of 15.10 mn m<sup>3</sup>

- Newly installed capacity for industrials
- 12.17 mn m<sup>3</sup>/day

**Newly installed** 

capacity for

commercials

• 2.93 mn m<sup>3</sup>/day

200 mn m<sup>3</sup>

Estimated annual

gas consumption:

 Estimated annual gas consumption: 900 mn m<sup>3</sup>

#### Industrial customers: delivering customised solutions aligned with client requirements and production processes

- Leveraging production processes: capitalising on incremental opportunities from 'electricity-to-gas' and 'oil-to-gas' policies;
- Flexibly adjusting volume and pricing strategies in response to demand changes, while maximising economies of scale;
- Accumulating\_industry expertise: utilising intelligent models to address customer\_needs;



Commercial customers: leveraging policy support to unlock existing volume and deliver long-tail value

- Safety-first approach: government-enterprise partnership drives 'bottled-to-piped gas' conversion
- Flexible pricing & external partnerships: streamlined delivery process for rapid development

Newly Developed Residential Households

- Guidance: 1.4-1.6 mn
- Achieved: 1.62 mn

 Estimated annual gas consumption: 300 mn m<sup>3</sup>

# Intensively exploring existing residential customers within concession area

Completed residential gas cost pass-through for 101 projects, cumulatively adjusted gas price for 63% of the household customers to market rates.

### **Diversifying Resource Portfolio with Multi-Strategy Approach to Reduce Procurement Costs**

Supported by the long-term and stable supply from the three major oil companies, build a resilient resource portfolio, and deploy financial hedging tools to optimise procurement costs

RMB2.77/m<sup>3</sup> Lowered to RMB2.69/m<sup>3</sup>

(FY2024)

### Changes in Procurement Costs

(FY2023)

- Proactively securing contracts with the three major oil companies to ensure long-term and stable supply
- Consistent access to PetroChina's long-term agreement resources for effectively reducing procurement costs

Steadily Increase Basic Volumes from the Three Major Oil Companies

### 1.16 mn tons/year of overseas long-term contracts

- Consistently reducing third-party supplies by strengthening collaborations with provincial gas supply companies and Kunlun Energy group
- Securing storage capacity, pipeline access, and Sinopec's 'Worry-Free Storage' products to ensure gas supply during extreme weather

Build a Resilient Resource Portfolio

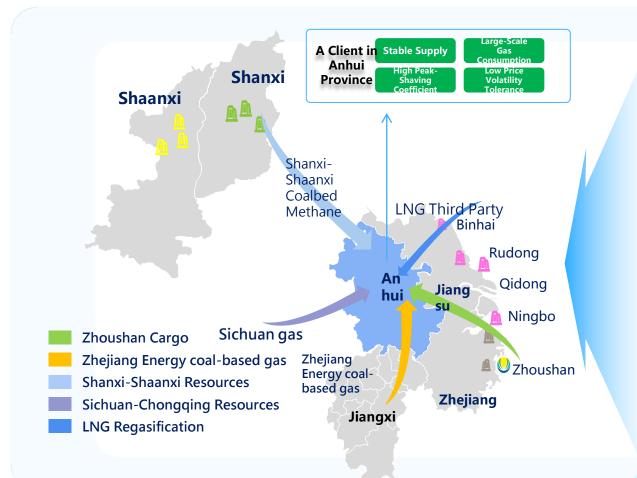
- Securing customers' medium-tolong-term demand
- Rigorously implementing spotfutures integration to enhance resource price stability, and fulfilling customers' needs for long-term price stability

#### Implement Hedging Strategies to Mitigate Price Volatility



# Aggregating Customer Demand and Leveraging Intelligent Facility-Resource Integration to Enable Cross-Regional Matching

Based on customers' needs and leveraging on dynamic allocation of resources and facilities to achieve cross-regional resource matching from three major oil companies, unconventional gas and overseas



- Precisely identifying customers' needs
- Flexibly combining contracted gas, unconventional gas and overseas resources
- Dynamic capacity matching: Zhoushan & national grid terminals



- Optimising resource costs through spotfutures hedging
- National grid AAA shipper qualification with cross-regional pipeline capacity matching capabilities

*Customer base & upstream partnerships, enabling national matching via national pipeline network and proprietary pipelines* 



## **Utilising Intelligence for Efficient and Secure Operations**

Enhancing safety and reducing operational costs through IoT infrastructure and intelligent model

#### **Reducing Operational Costs through Enhancing Operational Efficiency** through Intelligent Model Intelligent Model Upgraded 67 Intelligent Transmission and 7 pilot Plants and Pipeline network load forecasting with Intelligent upgrade for stations **Stations** cases production, transmission and peak-shaving istribution Mode unmanned/minimal staffing planning operations **Reduced losses** Metering risk identification model for **Intergrated intelligent risk Intelligent Metering** by over 20mn **Pipeline** 1.000 km leak detection and loss prevention Identification and inspection Model m<sup>3</sup> Intelligent assessment for **Evaluated 260 Digital intelligence** oltage Regulating Construction Al-powered quality management in enhancing quality predictive maintenance thousand sets Equipment and safety engineering construction ..... .....

- 24/7 intelligent monitoring and inspection: transitioning from scheduled to predictive maintenance for enhanced safety and cost reduction
- Developing intelligent transmission models with systematic operational expertise: implement real-time monitoring and risk identification across construction, operations and dispatchng for quality and efficiency enhancement



Implementing Integrated Energy Concept to Promote the Steady Growth of Integrated Energy Business

■ IE sales volume reached 41.57 bn kWh, a 19.8% y-o-y increase

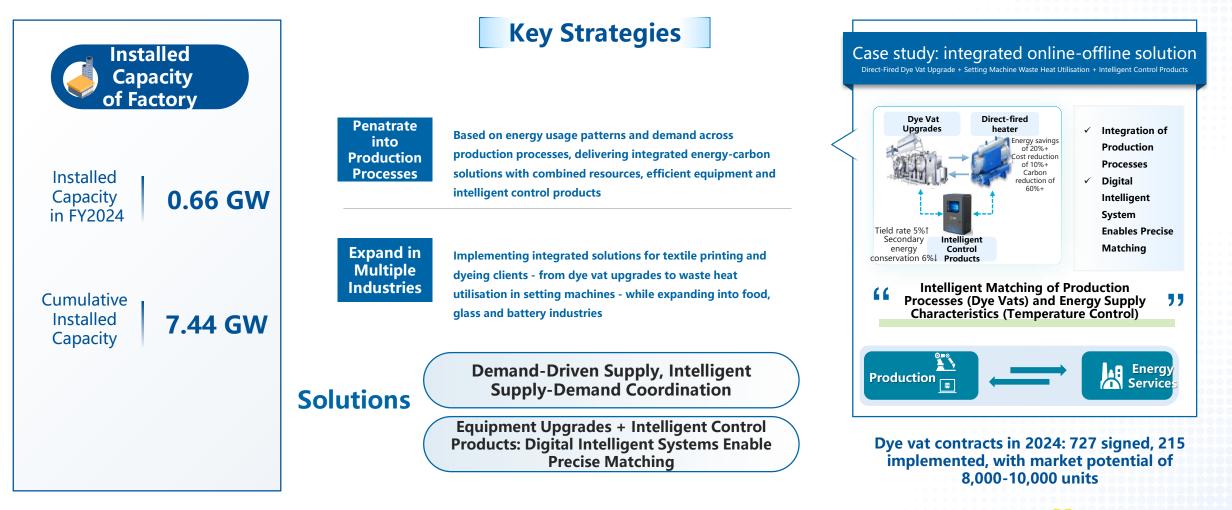


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Natural Gas Business IE Business VA Business

### Penetrating into Industrial Production Processes and Leveraging Integrated Energy Usage & Supply and Intelligent Solutions for Rapid Business Expansion

Based on energy usage patterns and demand across production processes, delivering integrated energy-carbon solutions with combined resources, efficient equipment and intelligent control products

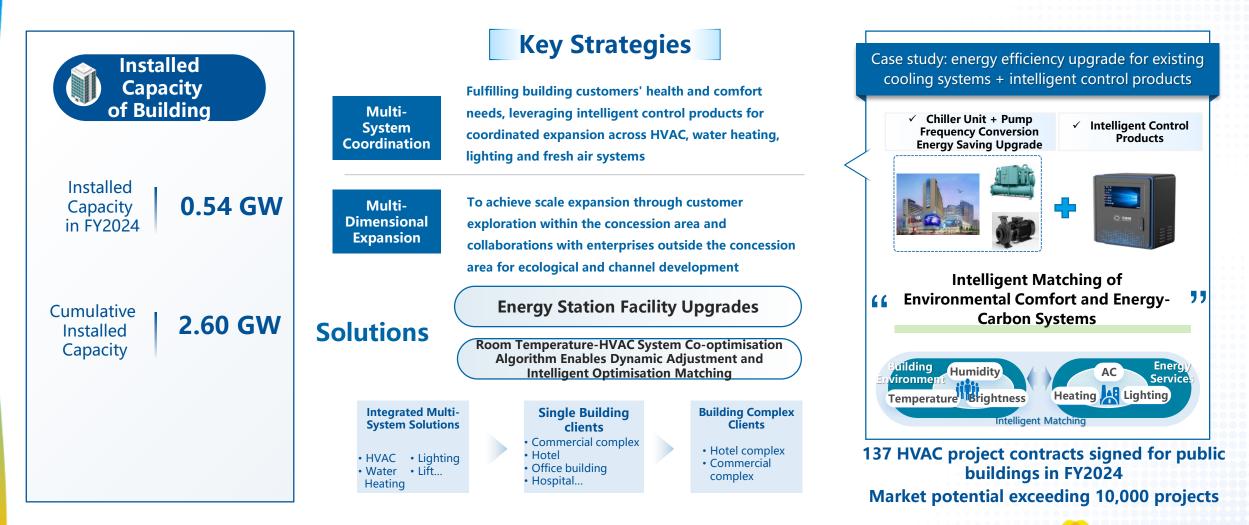




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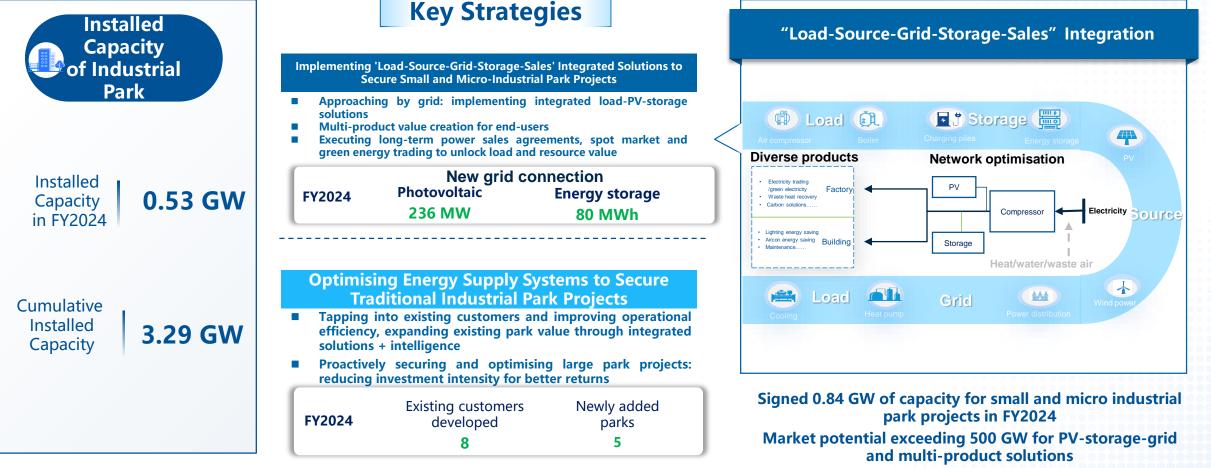
# Fulfilling Building Customers' Quality and Comfort Requirements, Driving Business Growth through Digital Intelligence

Promoting smart HVAC controls and other digital intelligent products, expanding scale through customer exploration within the concession area and collaborations with enterprises outside the concession area



### **Contructing Integrated Capabilities of Load-Source-Grid-Storage-Sales to Secure** Various Industrial Park Projects

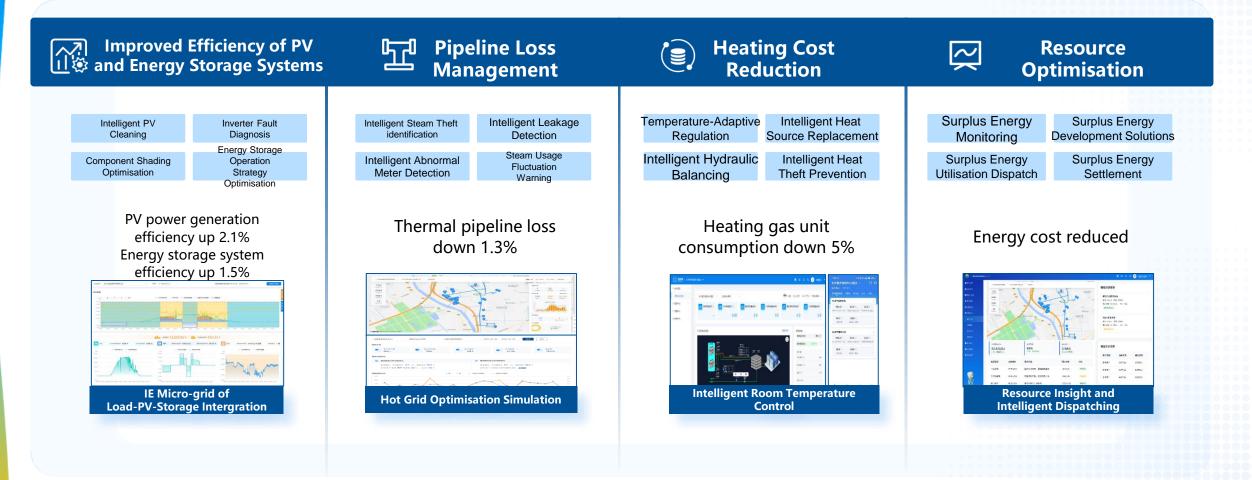
- Integrating energy-resource systems to implement 'load-source-grid-storage-sales' IE micro-grid models, actively securing small and micro industrial park projects
- Tapping into existing customers, improving quality and efficiency, and optimising and supply-demand system matching. Capturing customers through IE micro-grid and driving the acquisition of traditional industrial parks





### **Unlocking Intelligent Value and Continuous Lean Operations**

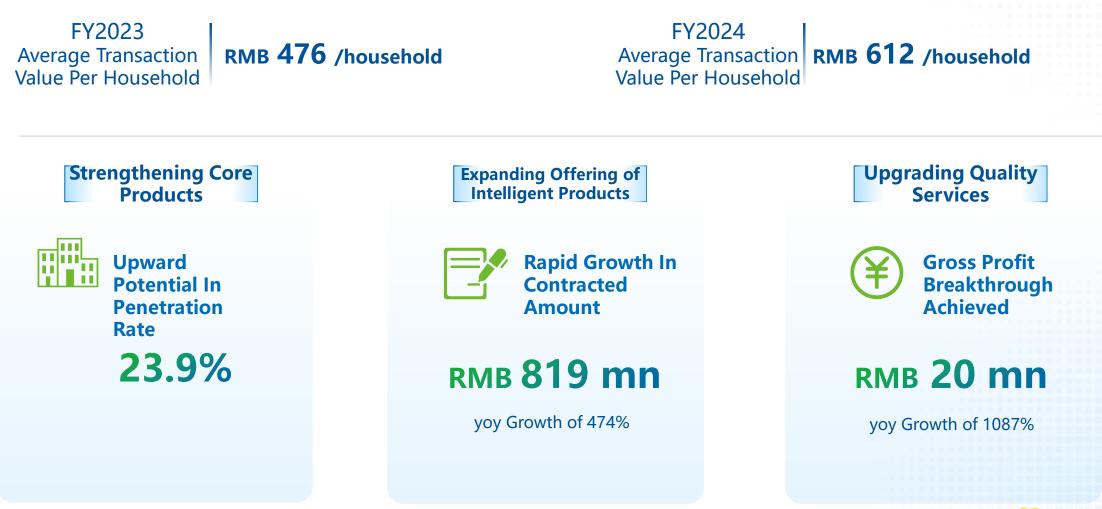
Continuous innovation in intelligent products supports lean operations for cost reduction and efficiency enhancement





Natural Gas Business IE Business VA Business Leverage Intelligence to Tap into Customers' Needs to Achieve Rapid Growth in Value Added Business

Value added business achieves steady growth in average transaction value per customer, with rapid expansion in intelligent products and quality life business





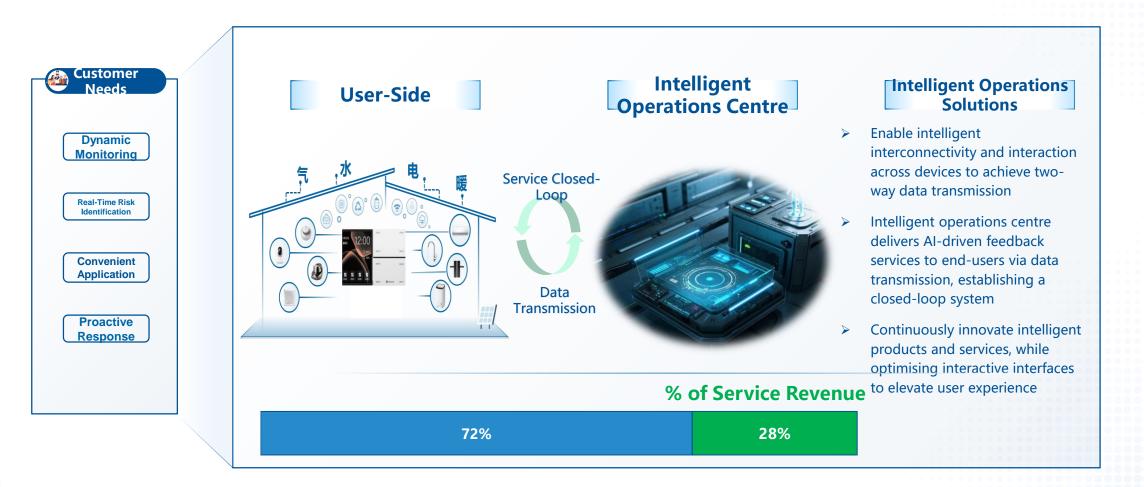
# Stabilising Core Products, Integrating Service & Value Creation, and Boosting Product Sales of Self-owned brand

Analysing evolving needs in household kitchen scenarios, precisely identifying customer needs, and building product ecosystem to meet customers' requirements



### **Rapid Development of Intelligent Products to Achieve Sustained Service Revenue**

Connecting intelligent products with intelligent operations centres to form a portfolio of intelligent products for safety monitoring and proactive response, expanding beyond traditional gas appliances to achieve sustained service revenue





### Understanding Quality Lifestyle Needs, and Leveraging Intelligence to Explore New Value Added Business Models

Exploring quality lifestyle models including kitchen renovation, home services, instant retail, setting up a new landscape for value added business



**Quality Home Living** 

Al-Powered Property Layout Recognition Using photos/property websites to match layouts and determine user kitchen plans	<ul> <li>Al-Generated Intelligent Solutions</li> <li>Provide users with appropriate</li> <li>products and quotations</li> </ul>	Reven RMB70	ue +11869 mn 🖈
<ul> <li>AI-Assisted Decoration Style Confirmation</li> <li>Confirm the user's decoration style through the sample pictures selected by the user</li> <li>Innovative Home Del</li> </ul>	<ul> <li>AI-Enabled Before-After Comparison</li> <li>Provide renderings to facilitate users to compare before and after</li> <li>ivery Services Model</li> </ul>	Water Purification Products	Community
Creating exclusive e-city e-home me service needs Basic benefits include air tickets, gas se	mbership cards to meet diverse home		onvenience Store
Instant Retail Service	s at Service Halls		
Building a new service ecosyster	m: adding product zones to		



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### **Complex Domestic and Global Landscape Coupled with Macroeconomic Uncertainties**

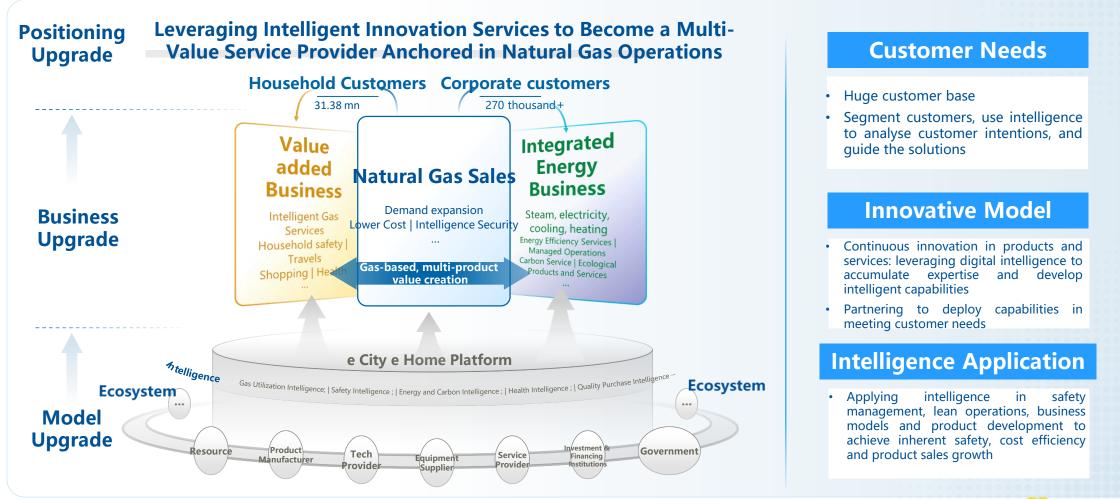
In 2025, the global environment becomes more complex and uncertain, while the cyclical and structural problems in the domestic economy persist





### Committing to Strategic Upgrade: Focus on Customer-Centric Approach and Leverage on Intelligence for Sustained Business Growth

To develop a long-term sustainability with the foundation of 31.38 mn to hundred million residential household customers and 270,000 to million C/I customer, accumulated industry expertise, driven by demand and intelligence-powered innovation





# **2025 Key Initiatives**

Implementing corporate strategy of expanding volume scale and business innovation for steady growth

### Natural Gas Sales

### Integrated Energy

#### Value Added Business

## Understanding Customer Needs for Steady Incremental Growth

- Deepening production process integration to uncover gas volume growth opportunities, accelerating industrial customer expansion through innovative resource models
- Leveraging government's "bottled-to-piped-gas conversion" policy to ensure safe operations while developing commercial & welfare clients at scale

#### **Optimising Cost Structures through Resource-Facility Integration**

- Optimising resource-facility capabilities based on customer needs to maintain competitive cost structures
- Sustaining prudent hedging strategies for dynamic management of volatile resource costs

## Leveraging Intelligent Capabilities for Efficient and Safe Operations

 Enhancing intelligent monitoring and inspection capabilities through IoT infrastructure development, continuously iterating intelligent models to improve operational efficiency

#### Implementing Load-Source-Grid-Storage-Sales Model to Serve Industrial Park Clients

- Continuing to secure small and micro-industrial parks with integrated load-source-grid-storage-sales solutions
- Tapping into opportunities in existing industrial parks to provide low-carbon, high-efficiency energy-carbon services

#### Matching Production Processes to Enhance Factory Energy Efficiency and Product Quality

Deepening production process integration: replicating printing and dyeing textile industry's online-offline model to expand into food, chemical and other sectors

#### Leveraging Intelligence to Deliver Precise Energy-Carbon Services for Public Building Customers

• Leveraging digital intelligence: deepening demand exploration among existing public building customers and expanding beyond the concession areas through collaborations with hotels and commercial complexes

## Precisely Identify Customers' Needs and Expand the Fundamental Business

- In alignment with government and customer requirements for gas safety, facilitate the deployment and refurbishment of essential gas infrastructure
- From a kitchen scenario, to drive sales growth through offerings including kitchen refurbishment, appliance upgrades, smart kitchen connectivity, and bespoke culinary services

#### **Explore Innovative Products to Enhance Quality** Services

- Leverage "safety" to extend AI product portfolios with smart interactions across gas, electricity and water, enriching product lines and enabling business model innovation
- Harness intelligence to interpret customer needs, exploring new services: home service cards, home health, kitchen renovation

#### **Create an Intelligence Entity for Households, Unlock Future Potential**

 Intelligently aggregate household profiles to precisely identify household intentions and enhance professional service capabilities. Role-based intelligence helps households to select the best services, realising a smart living style of households



# THANK YOU 谢谢!

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