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China Lesso Group Holdings Limited

2026 Interim Results
Corporate Presentation

August 2026

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Results highlight

1 **Steadily expand the core business while maintaining sound profitability and sustainable growth through strong resilience**

Revenue RMB 11,912 million	Gross profit RMB 3,426 million	Profit attributable to the owners of the Company RMB 727 million	Revenue of plastic piping systems 10,284 million Sales volume 1,209,613 tons

2 **Continued to optimise its customer portfolio and product mix to minimise business risk and strengthen product development advantages**

3 **Advanced product diversification strategy, successfully expanding into key segments including municipal, agricultural, commercial and industrial markets, thereby continuing to unlock market potential**

4 **Leveraged an asset-light business model to expand overseas markets, strengthen the global network, and cultivate new markets and growth drivers**

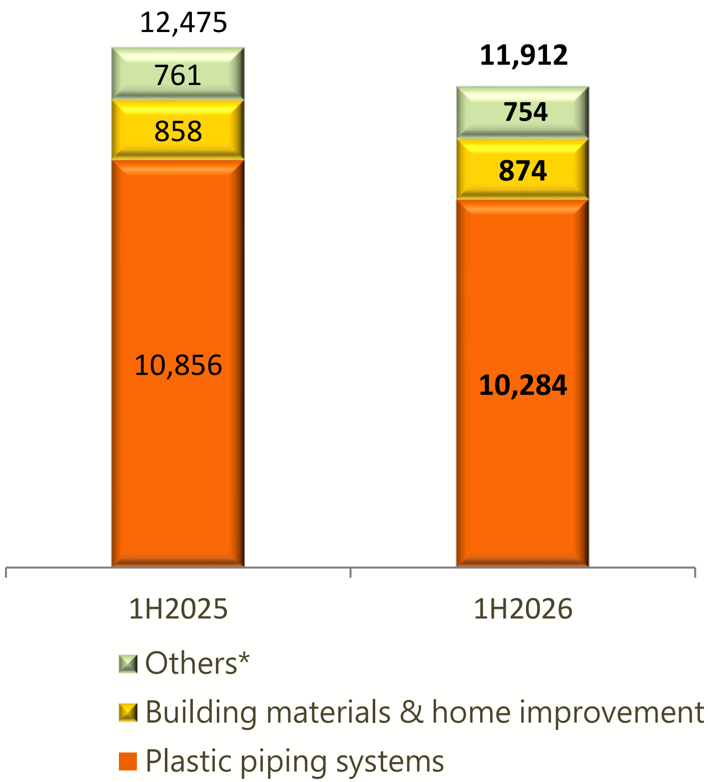
5 **Adopted proactive and prudent financial and cash flow management, with cash and bank deposits of approximately RMB 4,569 million**

Contents

Total revenue analysis

(RMB million)

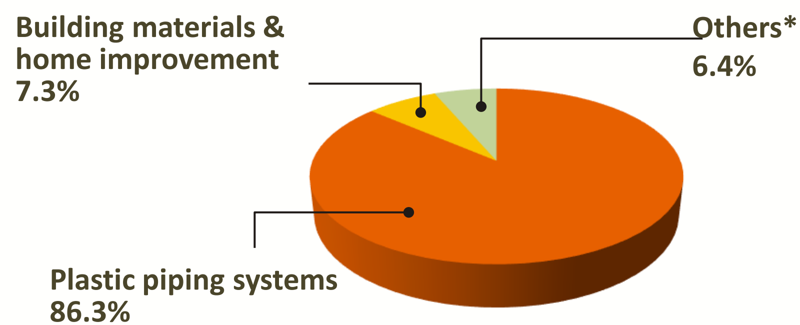
Total revenue



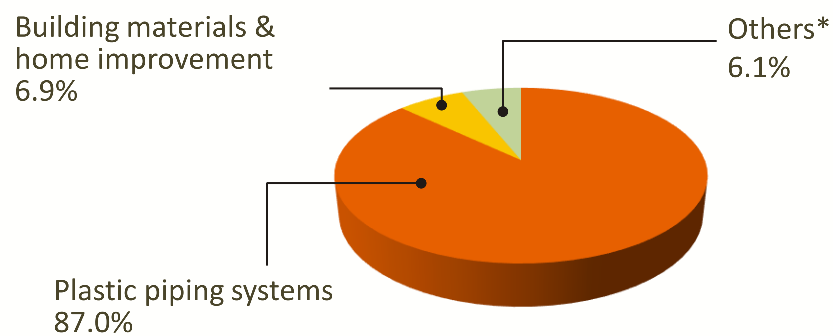
Remark: Others including environmental , supply chain service platform and new energy businesses*

Total revenue (by business segment)

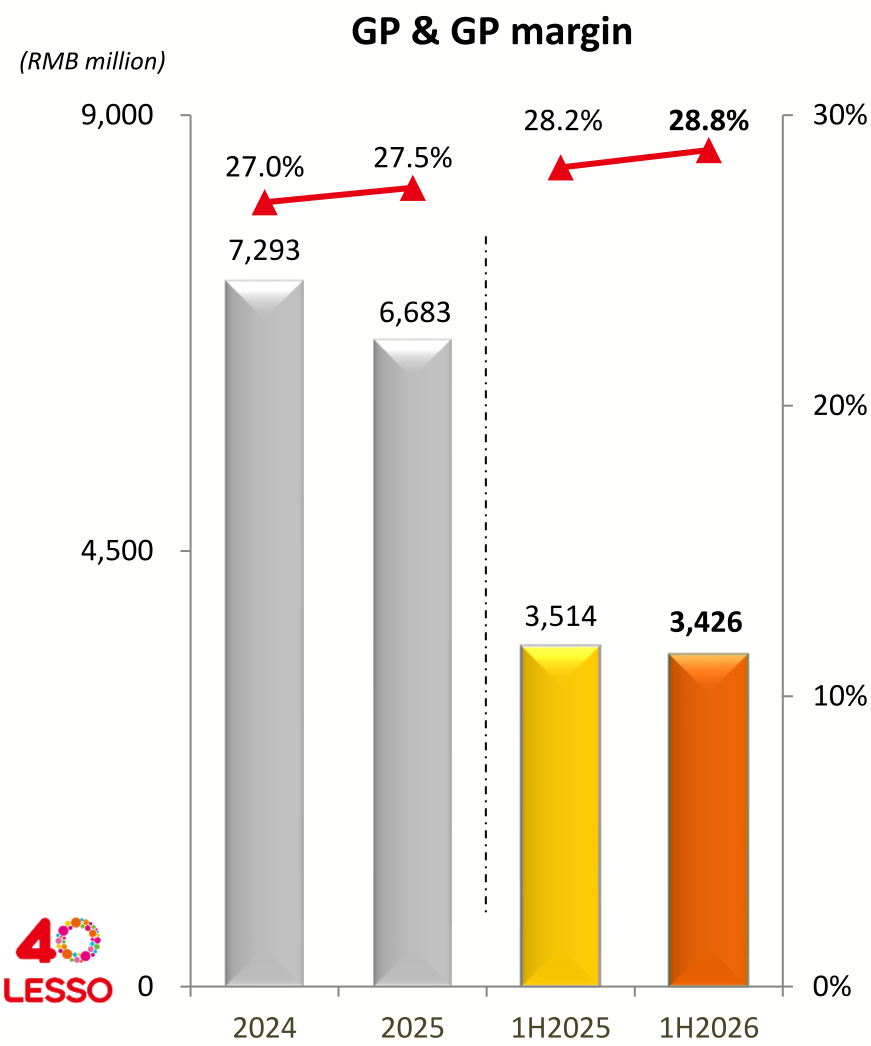
<u>**1H2026**</u>

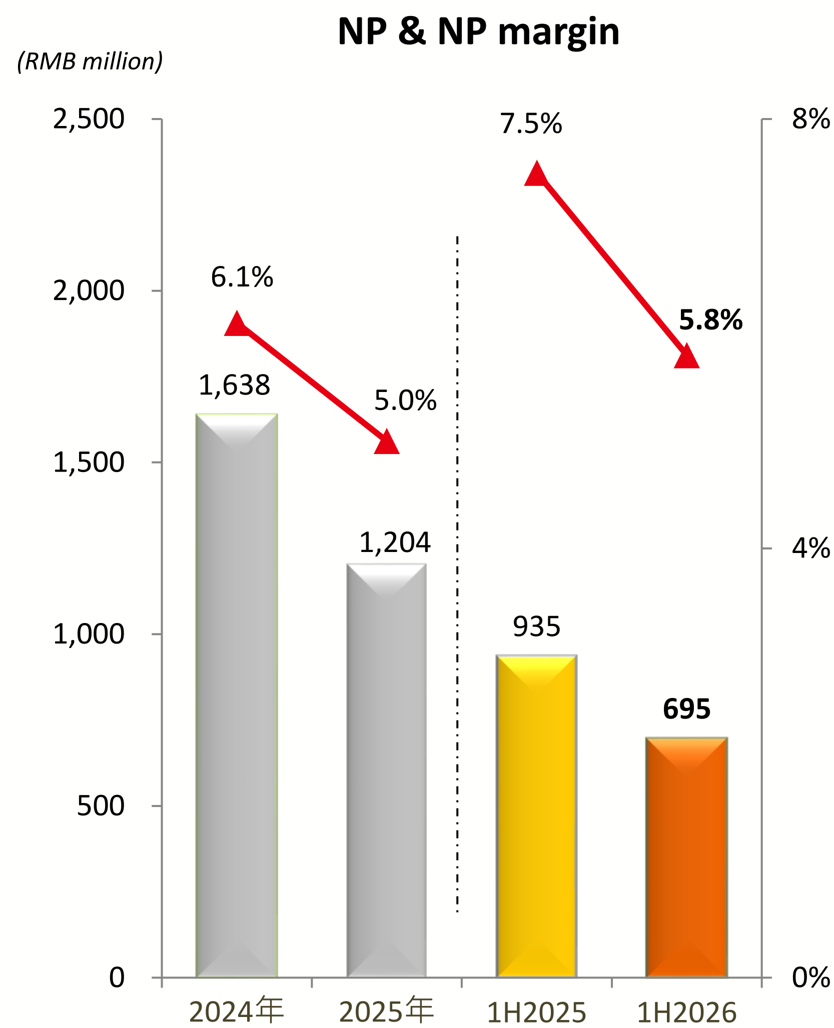


<u>1H2025</u>



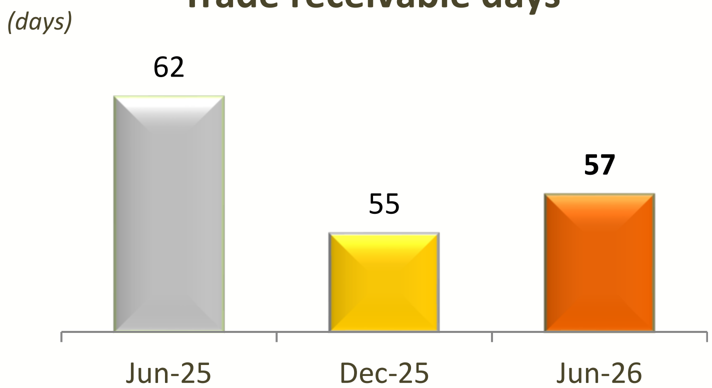
GP & NP analysis



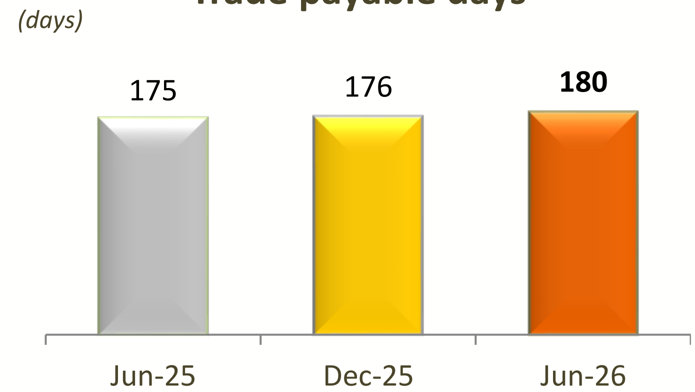


Key financial performance indicators analysis

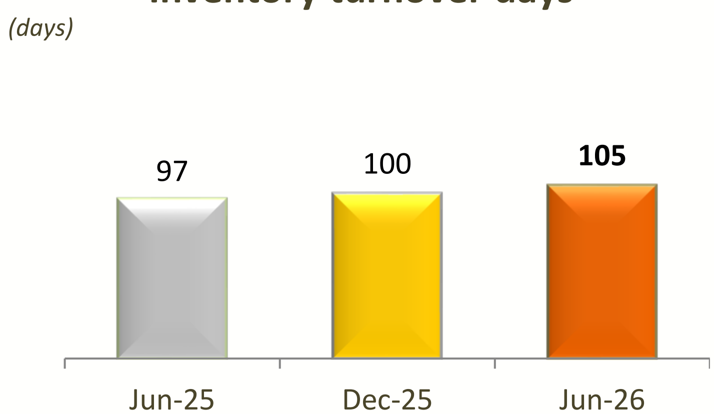
Trade receivable days



Trade payable days

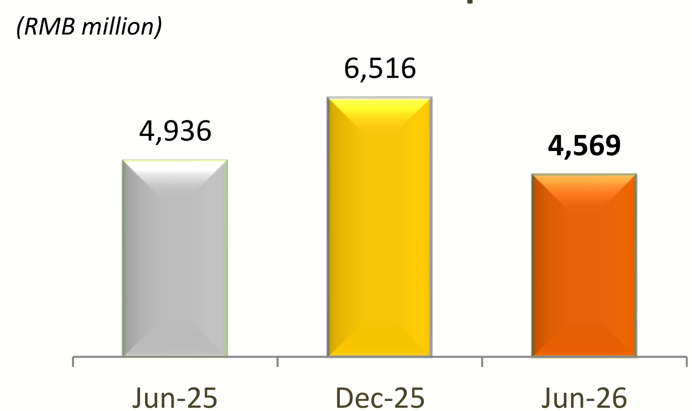


Inventory turnover days*



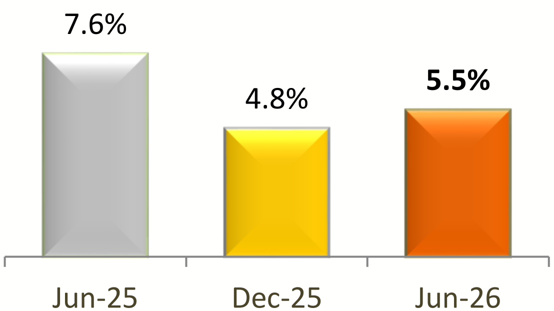
* Remark: excluding properties

Cash & bank deposits

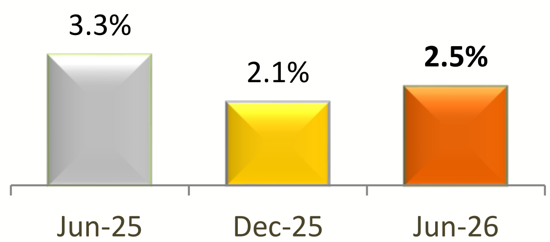


Return ratios analysis

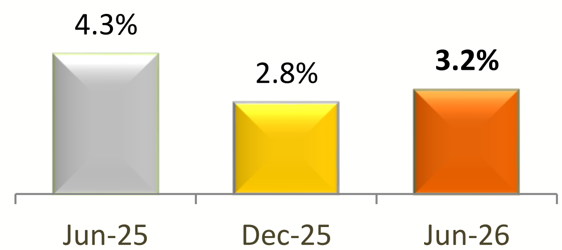
Return on equity(1)



Return on assets(2)



Return on invested capital(3)



(1) Net profit divided by total equity at the end of the period

(2) Net profit divided by total asset at the end of the period

(3) Net profit divided by (total debt + total equity)

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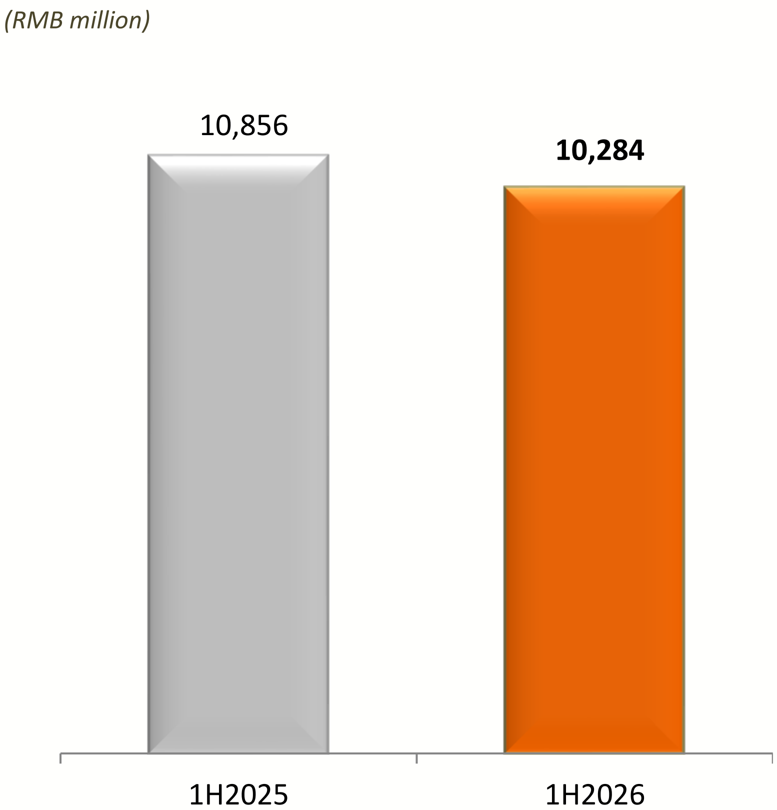
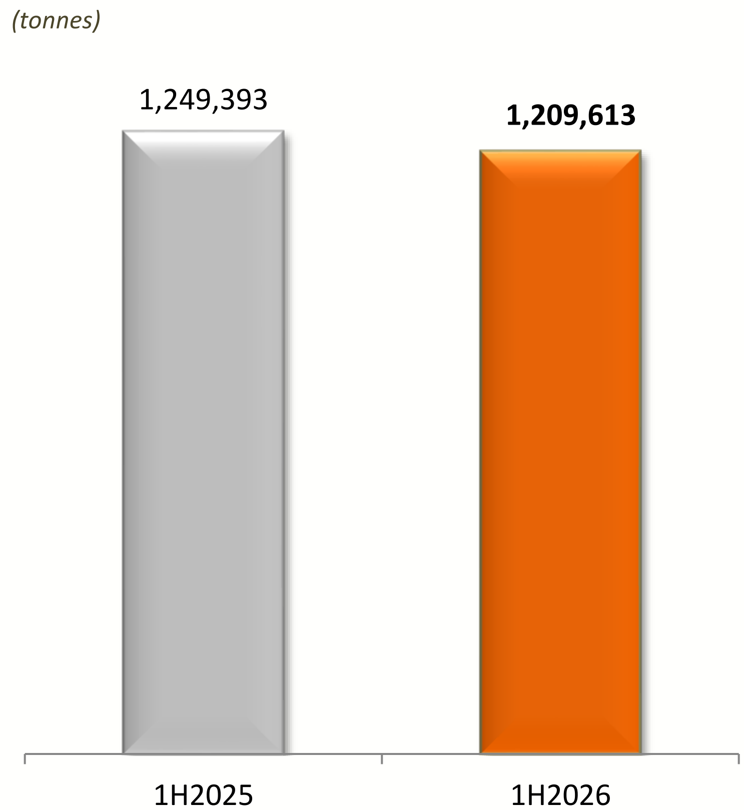
Plastic piping systems business: revenue & sales volume

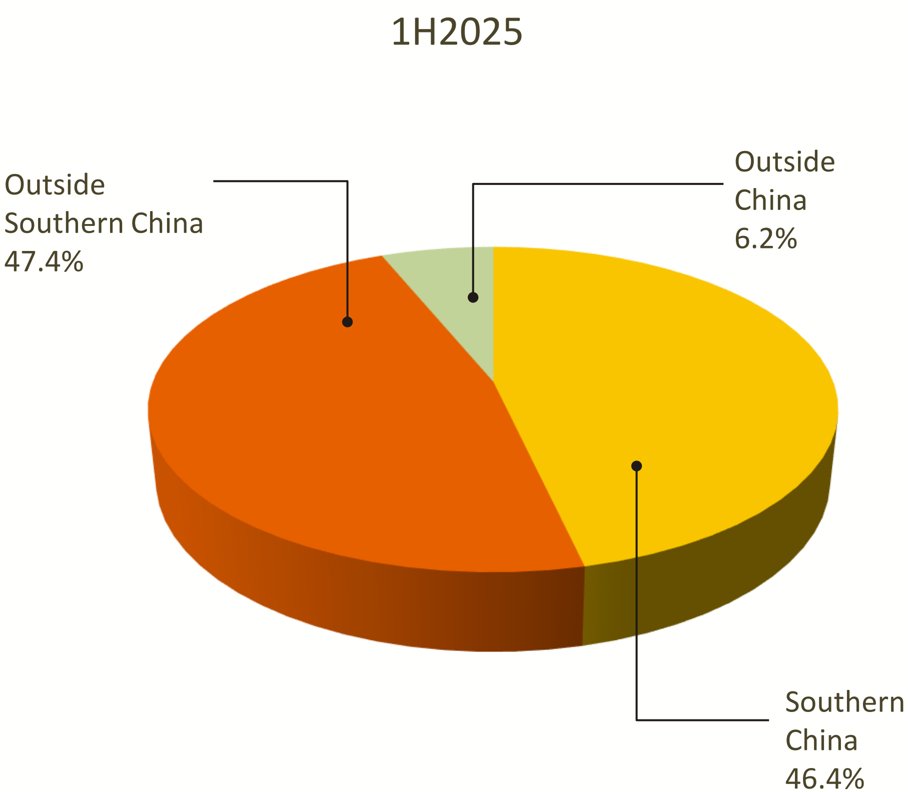
Segment revenue

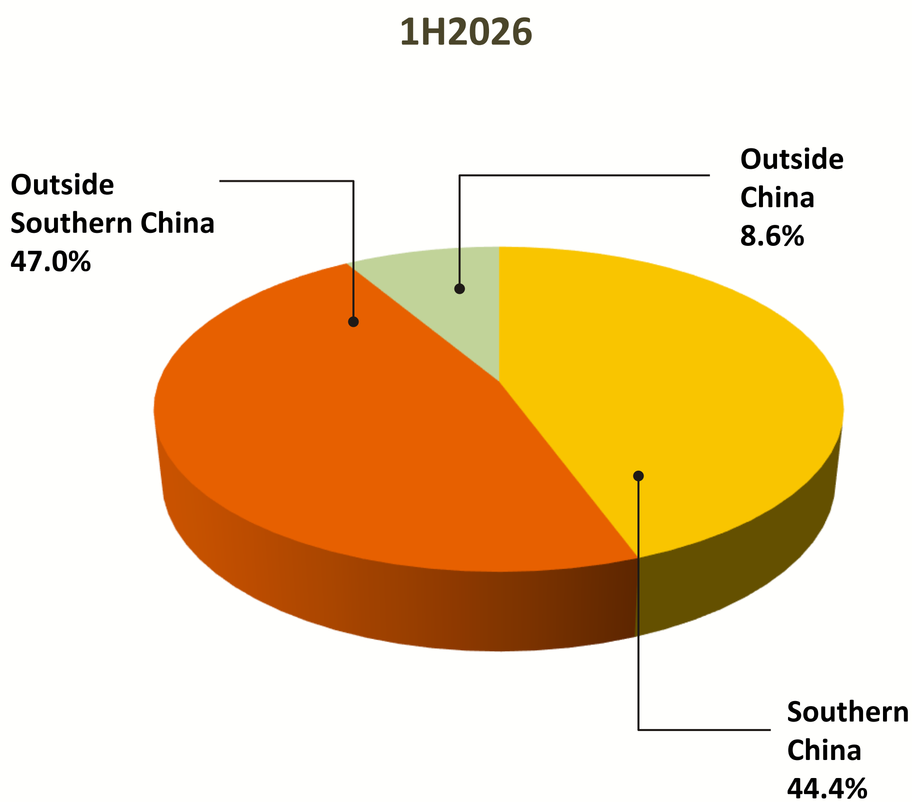


Segment sales volume



Plastic piping systems business: revenue breakdown by region

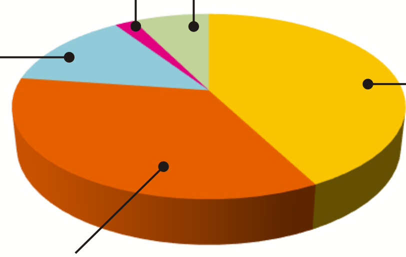




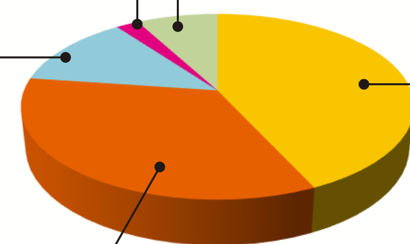
Plastic piping systems business: revenue analysis

By product application

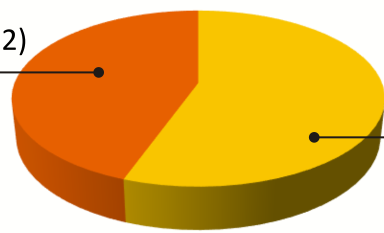
1H2025

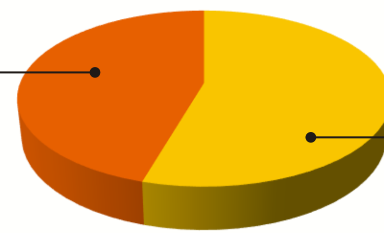


1H2026



By product material





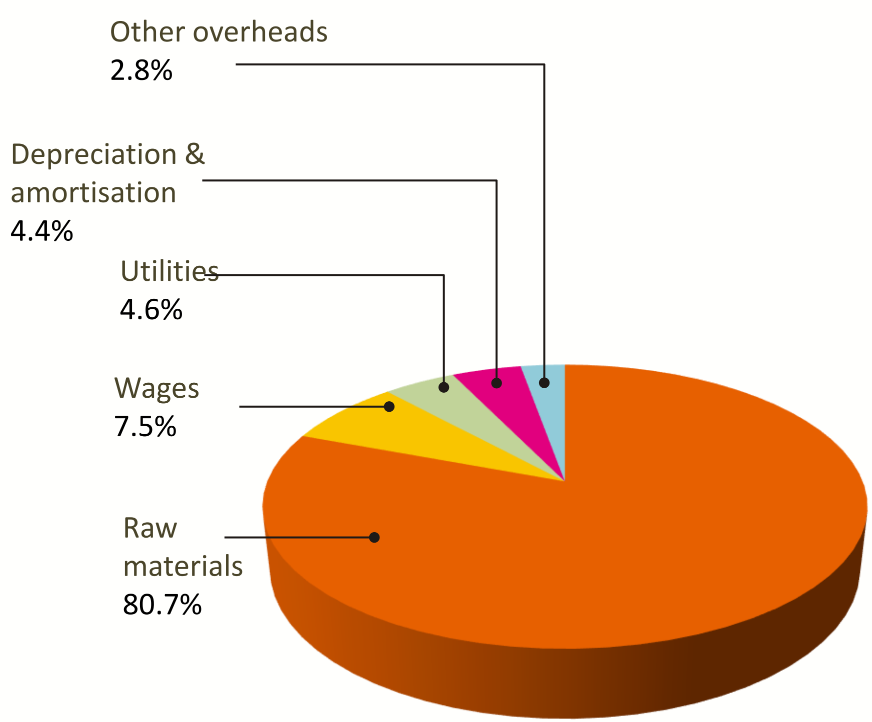
Total pipe products revenue:
RMB 10.856 billion

**Total pipe products revenue:
RMB 10.284 billion**

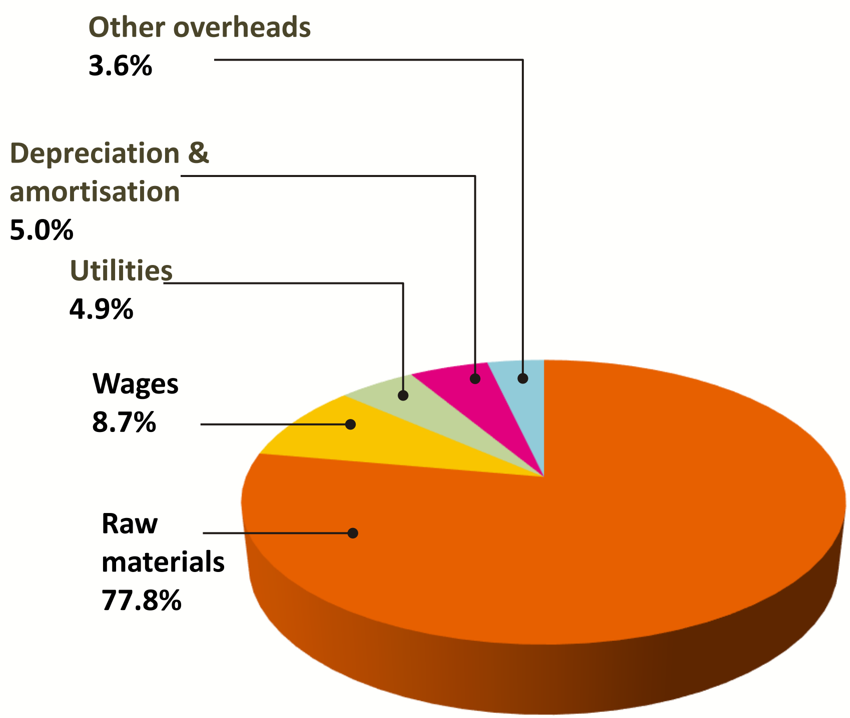
(1) Others include agricultural applications, floor heating and fire services
(2) Non-PVC includes PE, PP-R. etc

Plastic piping systems business: overall cost structure

1H2025

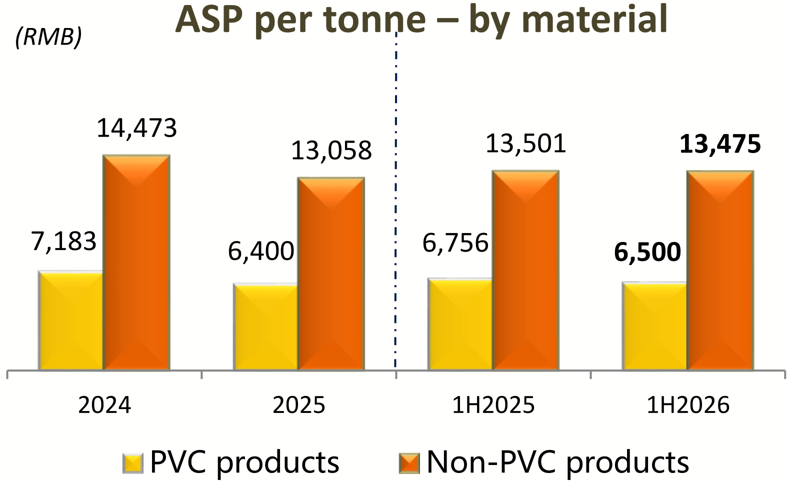


1H2026

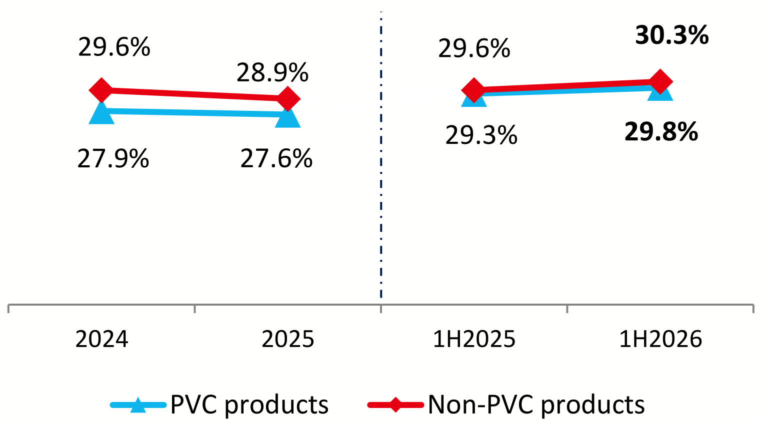


Plastic piping systems business: ASP & GP margin analysis

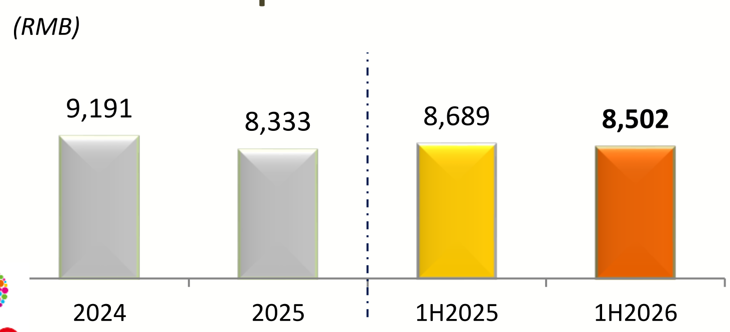
ASP per tonne – by material



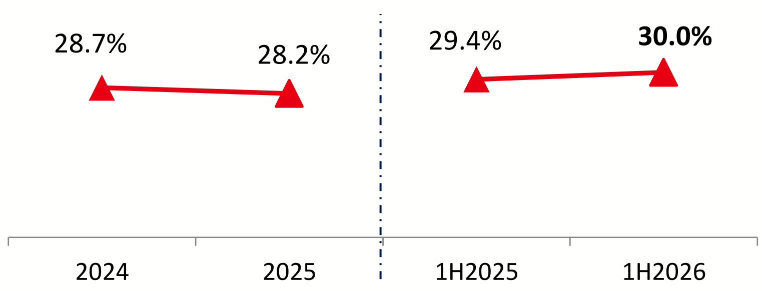
GP margin – by material



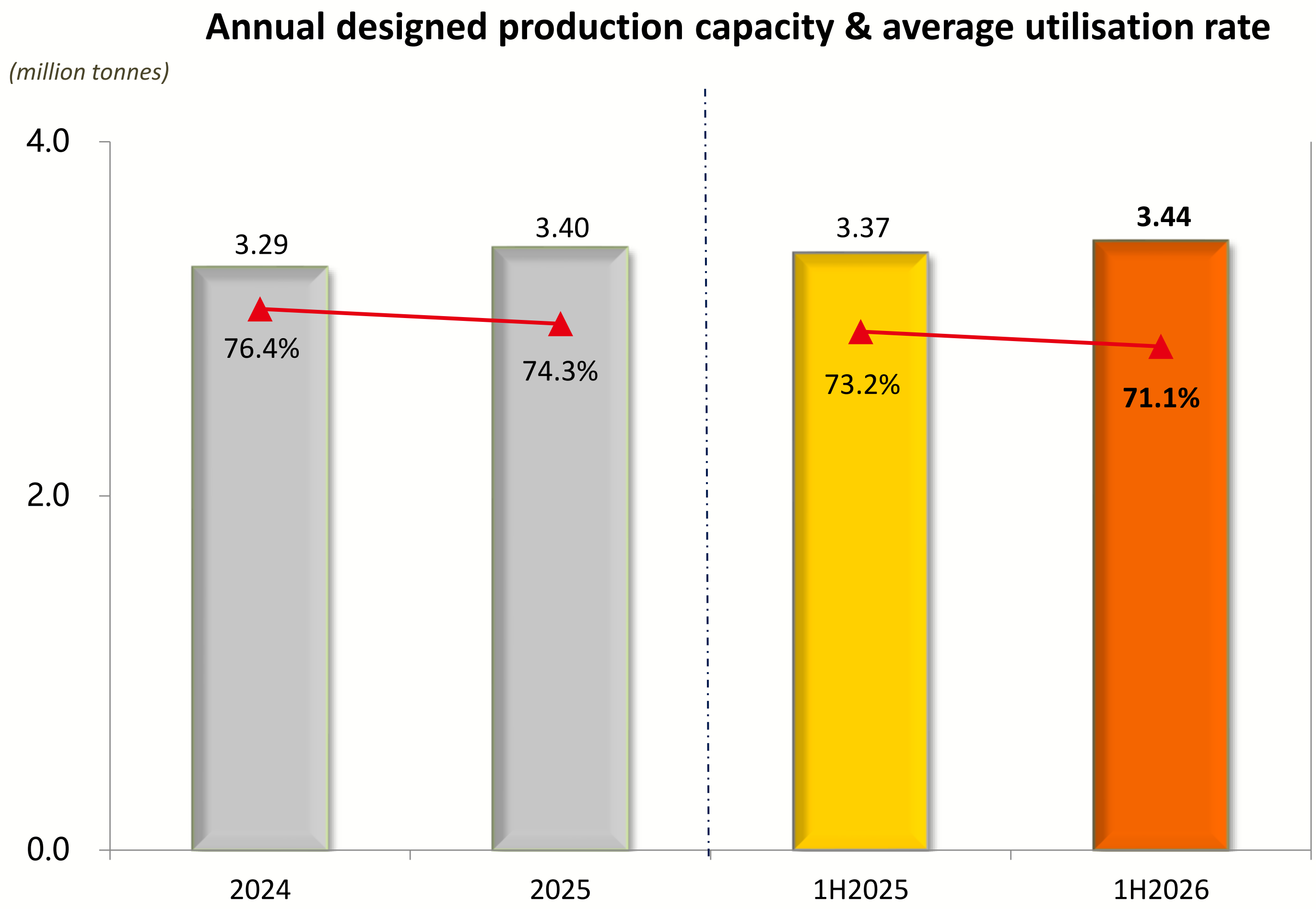
ASP per tonne - overall



GP margin - overall



Plastic piping systems business: production capacity & utilisation rate



Plastic piping systems business

Enhance core product competitiveness

Core piping technologies, i.e. "Research and Development of Key Technologies for the Manufacture of Large-Diameter Steel Wire Mesh-Reinforced Polyethylene Composite Piping" and "Research and Development of Key Technologies for the Manufacture of High-Performance Polyvinylidene Fluoride (PVDF) Piping", passed the appraisal of scientific and technological achievements organised by China National Light Industry Council and were recognized as reaching an internationally advanced level

Continuously optimize the product portfolio and customer mix

Further expand product diversification and drive growth in sales of high value-added products, such as specialized industrial piping, high-end environmental protection piping and specialised agricultural piping

Optimize the customer portfolio and strengthen strategic partnerships to enhance competitiveness

Strengthen the overseas sales network

Gain a deeper understanding of the specific needs of different markets, and continuously enhance the suitability, functionality and market competitiveness of its productsdrive high-quality and sustainable growth in its overseas businesses

Upgrade smart manufacturing and operational management

Upgrade smart factories to achieve production automation and digitalized operations management

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Have confident in the long-term prospects and will continue to bring stable business performance and profit contribution

Building materials and home improvement business and other businesses

Building material & home improvement business

Revenue: RMB874 million

- strategically streamlined and suspended certain property-related projects
- adjusted customer structure and shifted focus to state-owned and central government-owned enterprises and government customers
- strengthened control over sales outstanding and exercising prudence in business sales

Environmental protection business

Revenue: RMB153 million

- promoted the restructuring of its environmental protection business and the optimisation of resources, focusing on core businesses and high-quality projects with competitiveness and profitability
- Driving the environmental protection sector towards a model characterised by light assets, market orientation and specialisation

Supply chain service platform business

Renvenue: RMB185 million

- optimised the overall financial structure and improve cash flow
- will gradually sell or convert overseas assets to leasing operation based on actual market conditions

New energy business

Revenue: RMB205 million

- gradually shifting the focus of business layout towards overseas markets
- reviewing and cutting non-core external investment projects, flexibly adjusting the operational strategies and development pathways

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Future prospect

Q&A

Appendix: financial summary

Statement of profit and loss *(RMB million)*

	2024	2025	1H2025	**1H2026**
Revenue	27,026	24,315	12,475	**11,912**
Gross profit	7,293	6,683	3,514	**3,426**
EBITDA	4,732	3,948	2,467	**2,048**
EBIT	3,075	2,370	1,683	**1,250**
Net profit	1,638	1,204	935	**695**

Statement of financial position *(RMB million)*

	2024	2025	1H2025	**1H2026**
Cash & bank deposits	6,643	6,516	4,936	**4,569**
Total assets	58,329	57,347	56,898	**56,157**
Total debts	19,646	18,088	19,048	**17,985**
Total equity	24,415	25,160	24,793	**25,433**

Ratio analysis

Profit ratio (%)	2024	2025	1H2025	**1H2026**
Gross profit margin	27.0%	27.5%	28.2%	**28.8%**
EBITDA margin	17.5%	16.2%	19.8%	**17.2%**
EBIT margin	11.4%	9.7%	13.5%	**10.5%**
Net profit margin	6.1%	5.0%	7.5%	**5.8%**
Growth rate (%)				
Revenue	-12.4%	-10.0%	-8.0%	**-4.5%**
Gross profit	-10.2%	-8.4%	-5.7%	**-2.5%**
EBITDA	-15.7%	-16.6%	-6.7%	**-17.0%**
EBIT	-18.6%	-22.9%	-4.8%	**-25.7%**
Net profit	-29.4%	-26.5%	-8.0%	**-25.6%**
Liability ratio (times)				
EBITDA/ financing costs	4.97x	5.76x	6.59x	**6.83x**
Total debts/ (total debts + total equity)	44.6%	41.8%	43.4%	**41.4%**

Appendix: layout of production bases

*Established **over 50** advanced production bases across China and overseas markets*

Thank You!