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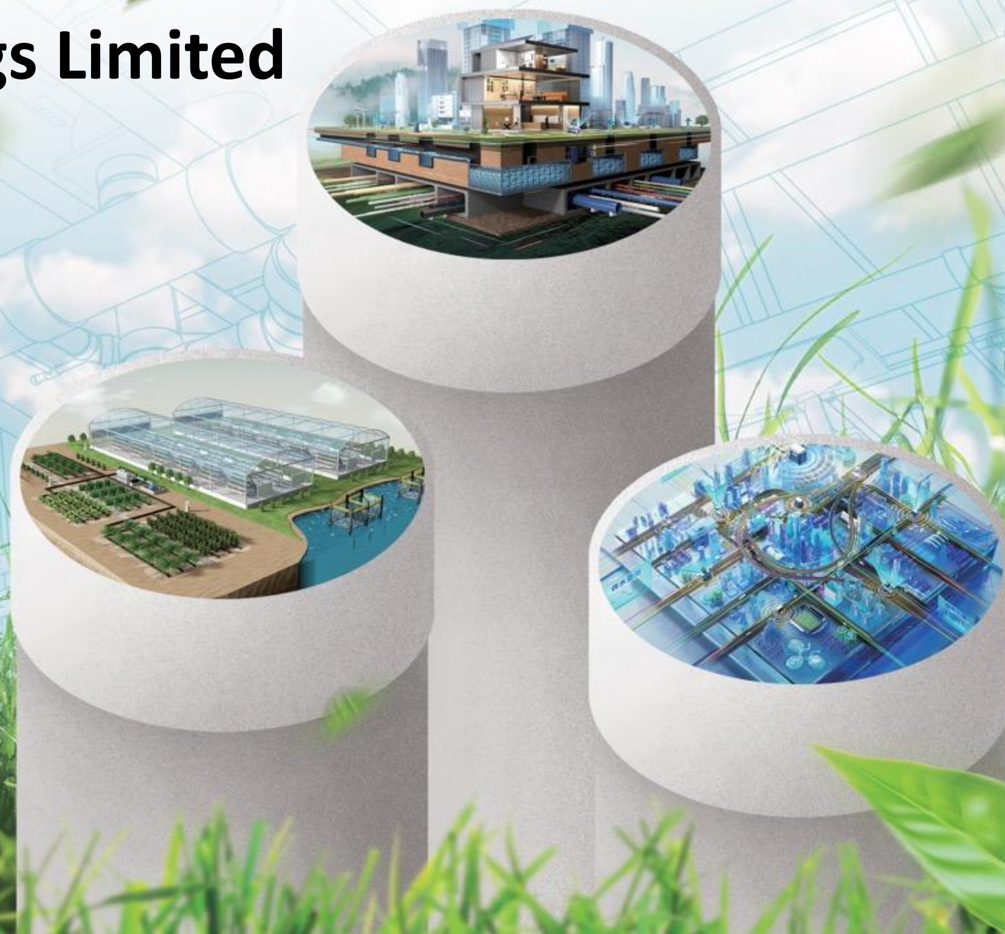
# China Lesso Group Holdings Limited

## 2025 Interim Results
## Corporate Presentation

29 August 2025



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# Results highlight

1 **Focused on developing the core business, maintaining reasonable profitability and sustainable development with strong resilience**

- Revenue: **RMB 124,75 million**
- Gross profit: **RMB 3,514 million**
- Profit attributable to the owners of the Company: **RMB 1,046 million**
- Revenue of plastic piping systems: **RMB 108,56 million**; Sales volume: **1,249,400 tonnes**

2 **Continued to optimise its customer base structure to minimise business risk**

3 **Implemented product diversification strategy, successfully and continuously unleashing potential in the agricultural application market**

4 **Actively expanded overseas markets through an asset-light model to explore new markets and growth points**

5 **Proactive and prudent financial and cash flow management position with cash & bank deposits of approx. RMB 4,936 million**

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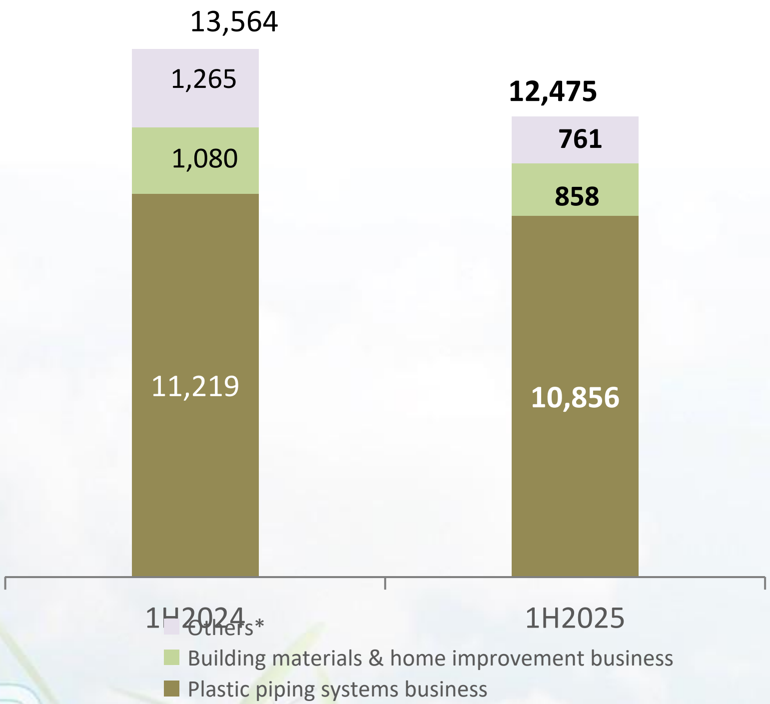
# Total revenue analysis

## Total revenue

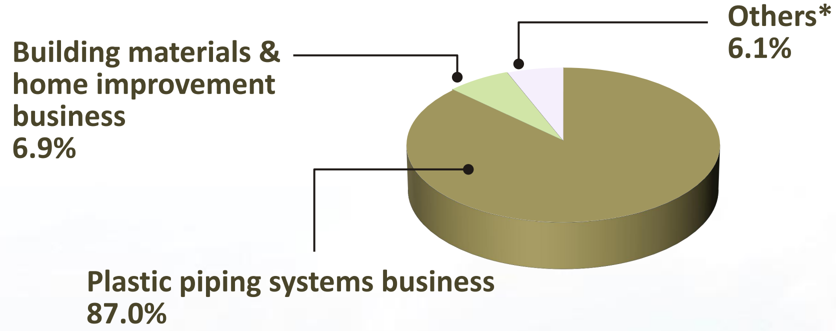
(RMB million)



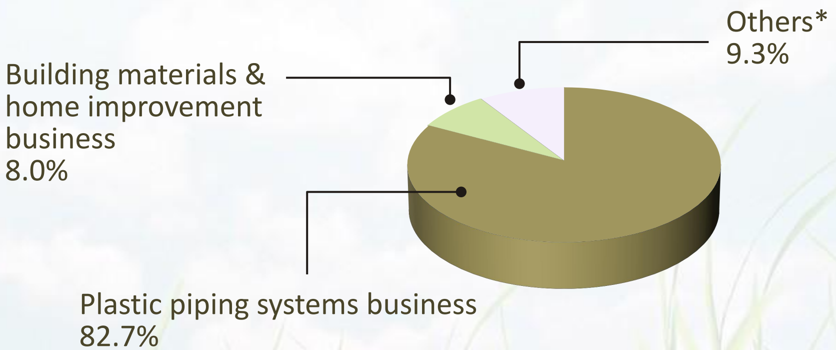

*Remark: Others* including environmental , supply chain service platform, new energy, finance, plastic film, connection materials and other businesses*

## Total revenue (by business segment)

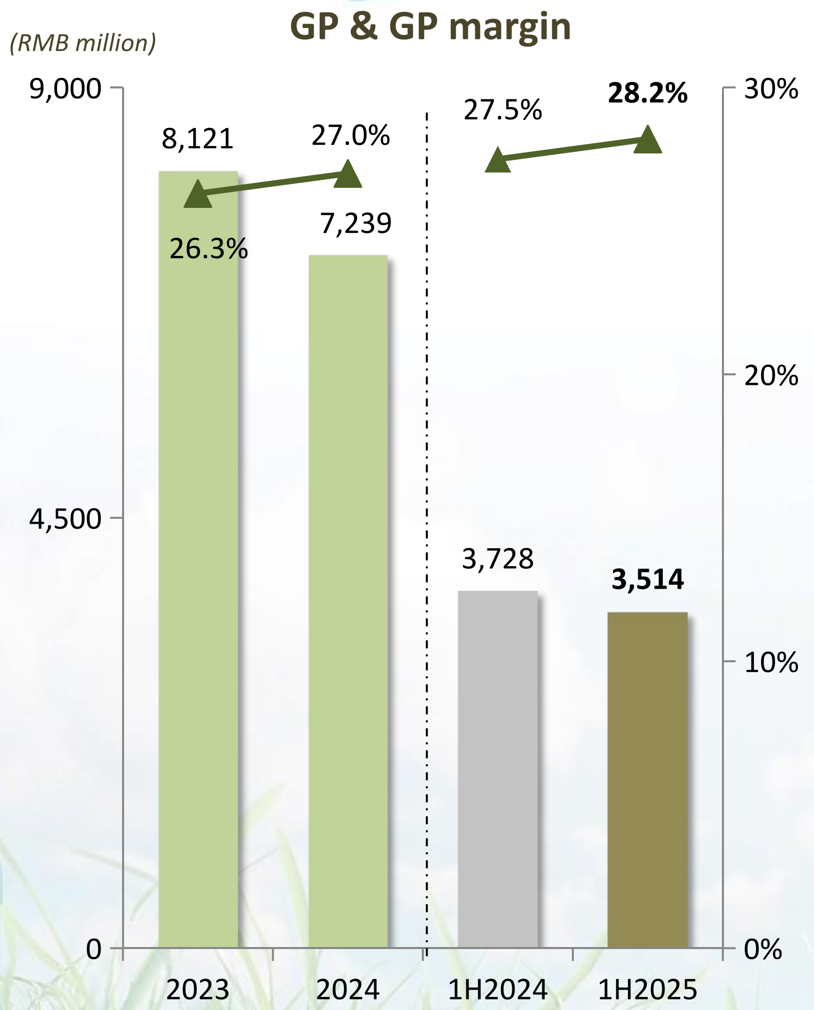
1H2025

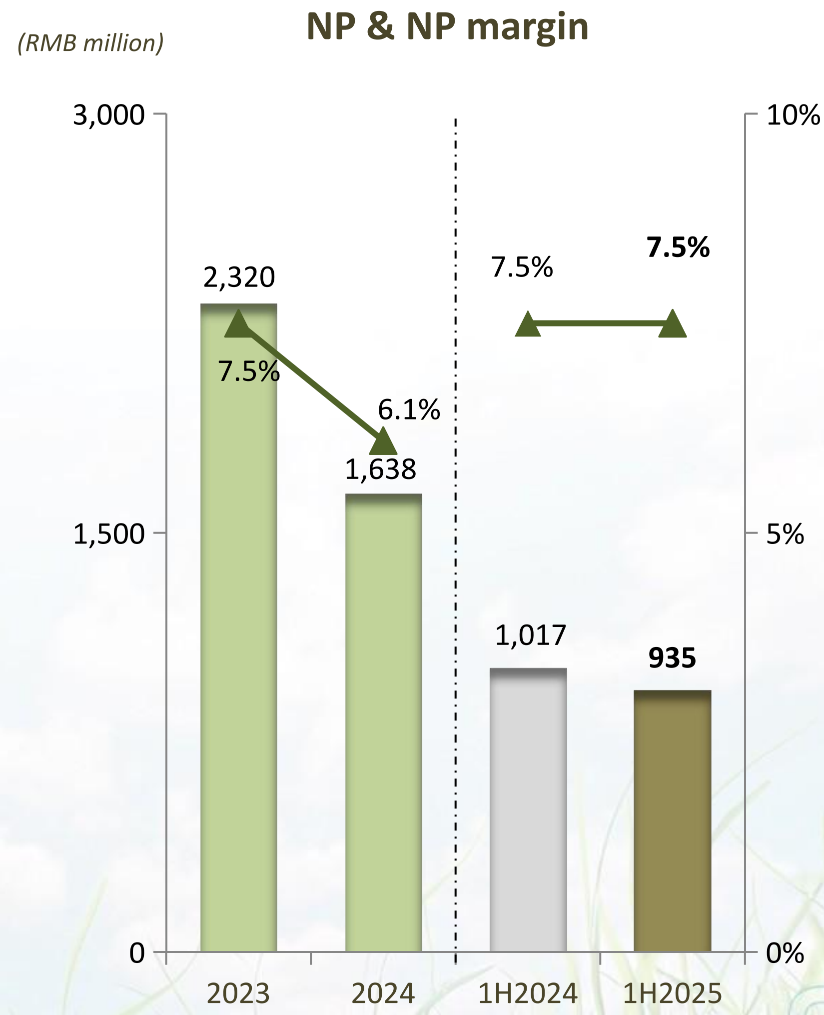



1H2024



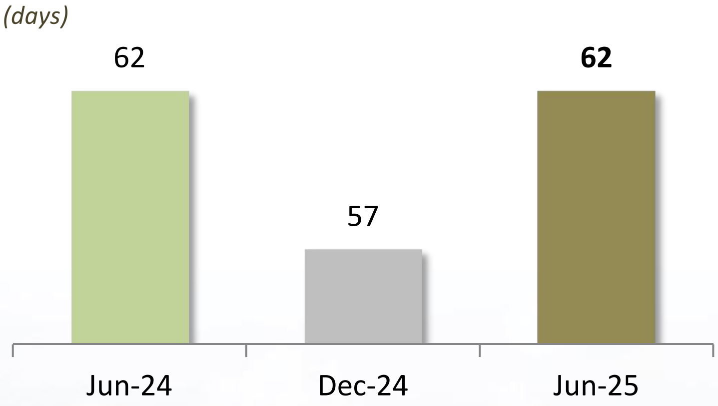
# GP & NP analysis



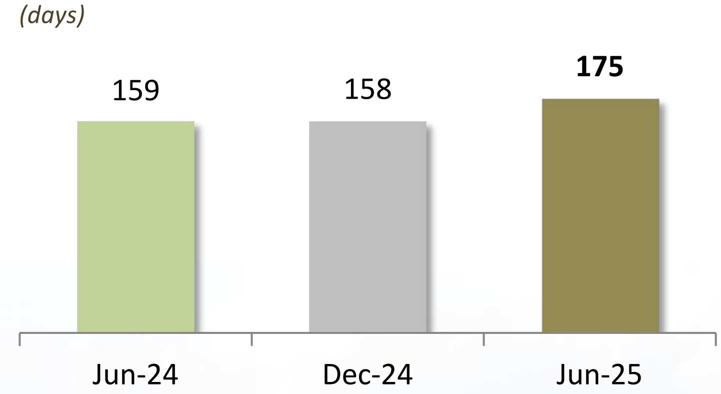



# Key financial performance indicators analysis

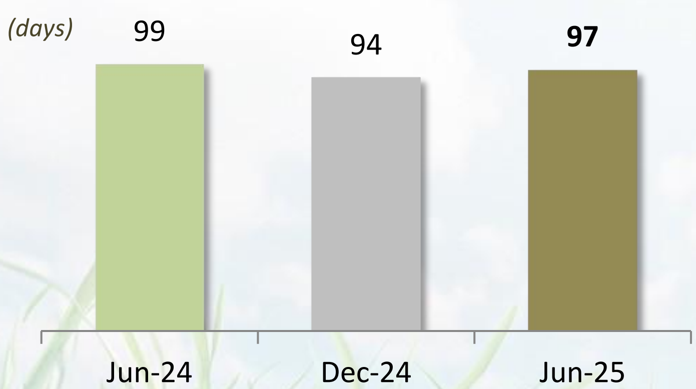
## Trade receivable days




## Trade payable days

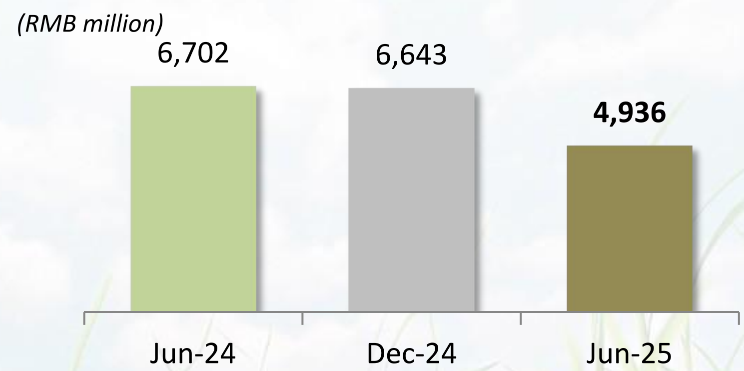



## Inventory turnover days*




** Remark: excluding properties*

## Cash & bank deposits



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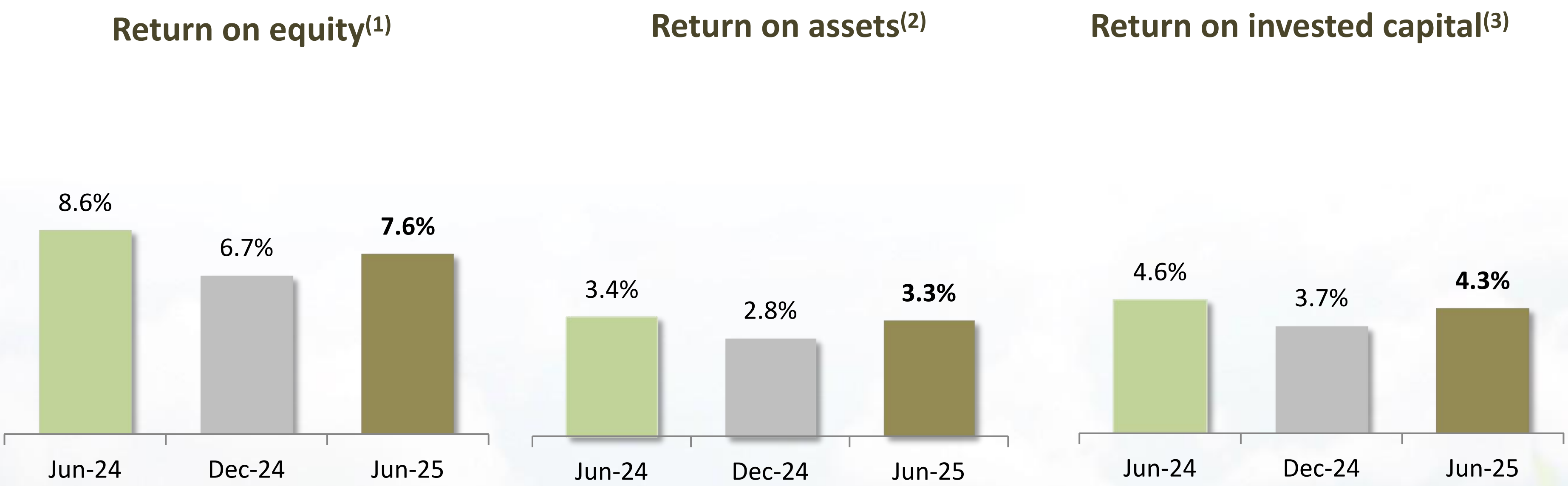
# Return ratios analysis




(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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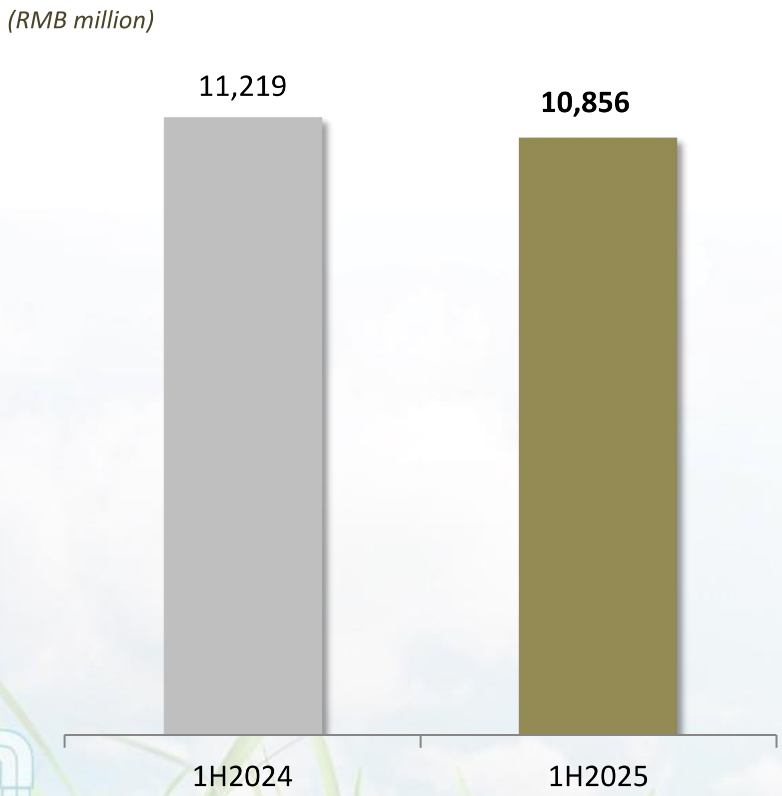
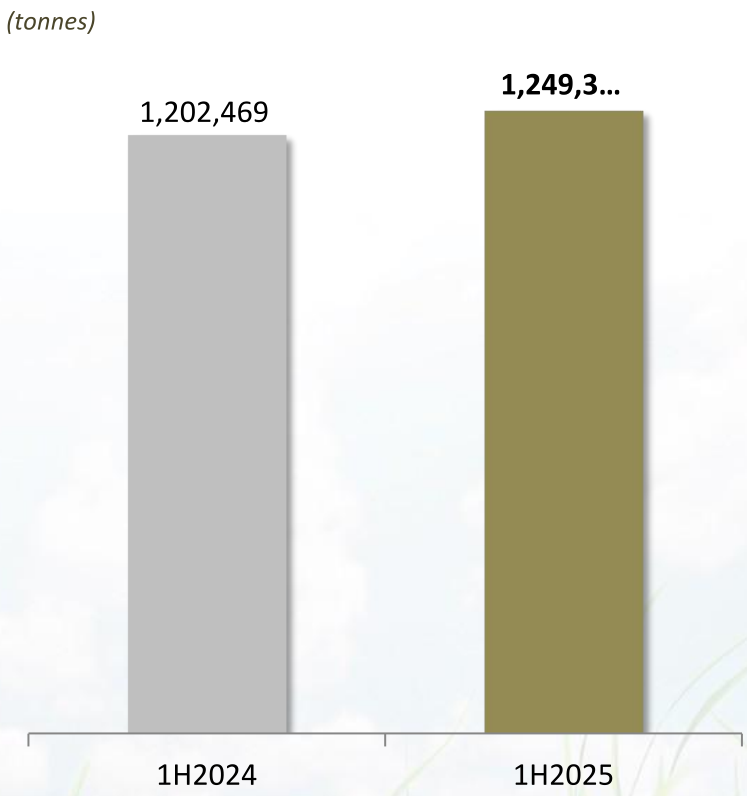
# Plastic piping systems business: revenue & sales volume

## Segment revenue




## Segment sales volume



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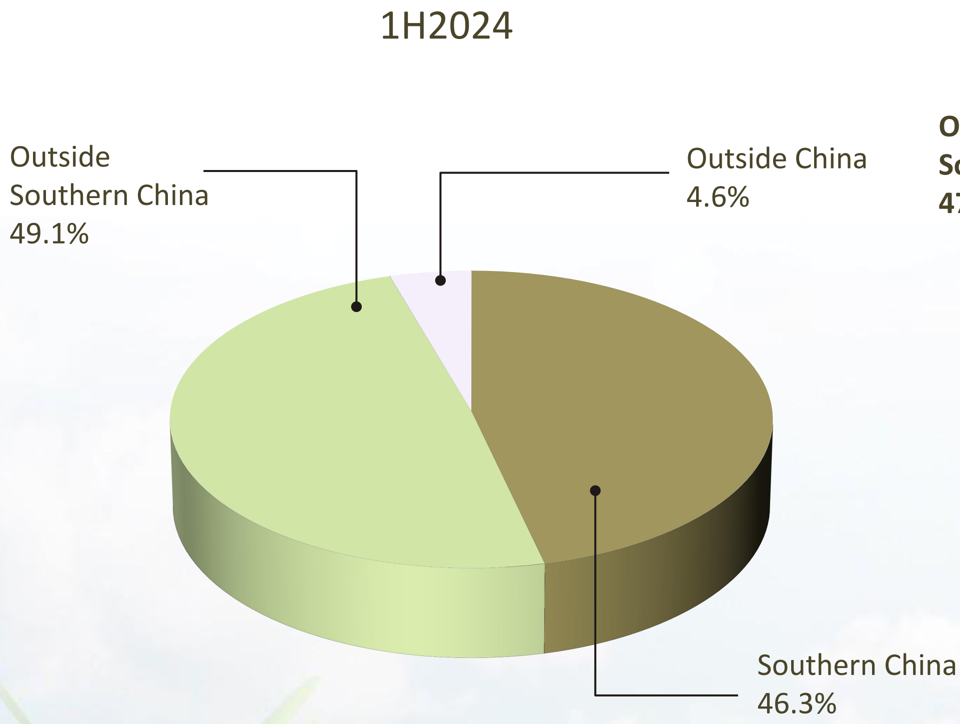
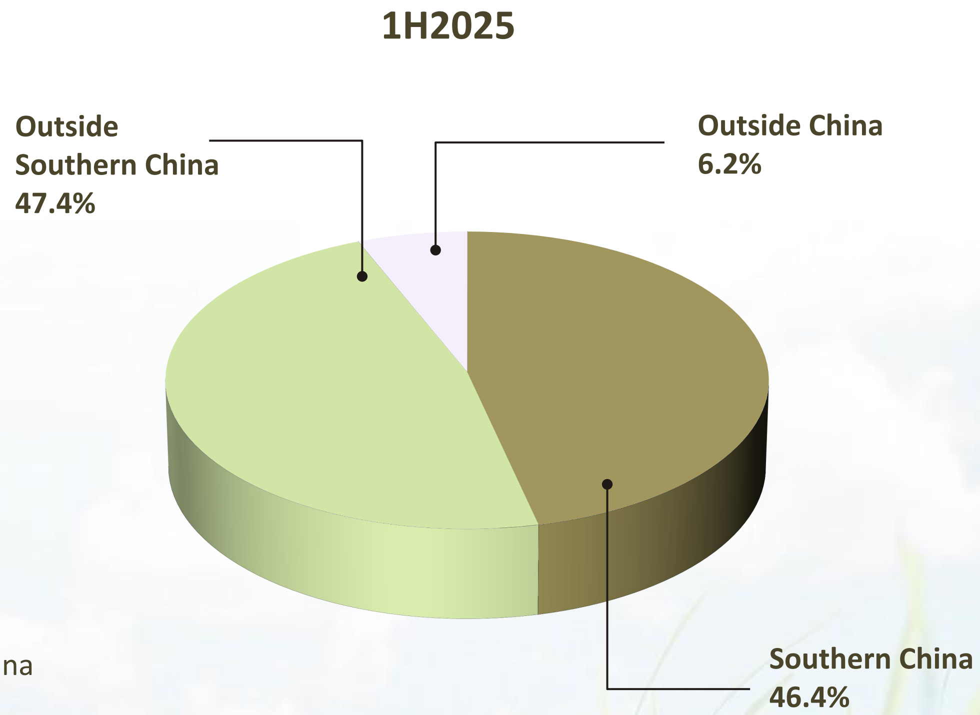
# Plastic piping systems business: revenue breakdown by region

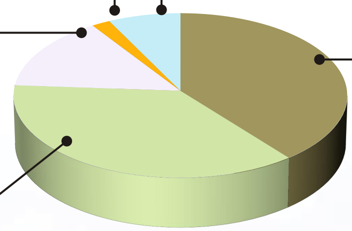


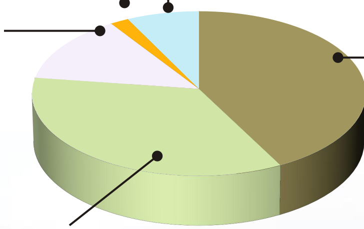
# Plastic piping systems business: revenue analysis

## By product application

### 1H2024

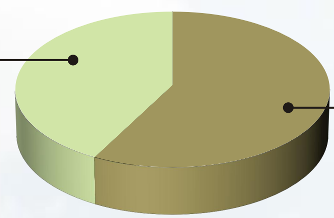



### 1H2025



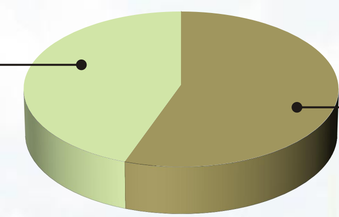

## By product material

### 1H2024




Total pipe products revenue: RMB 11.219 billion

### 1H2025

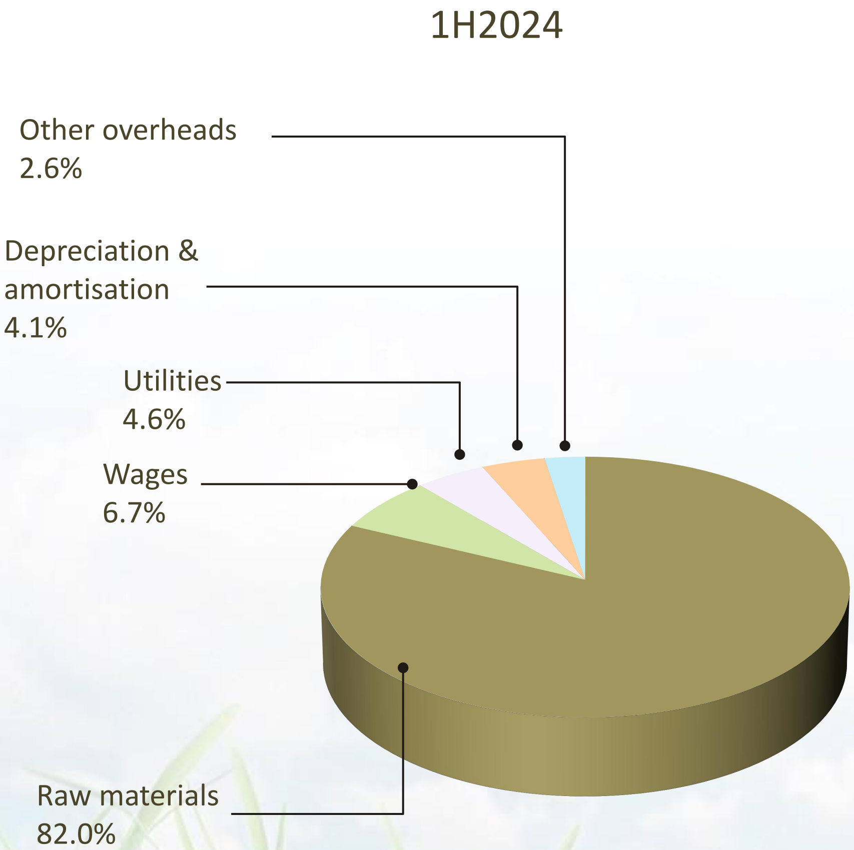


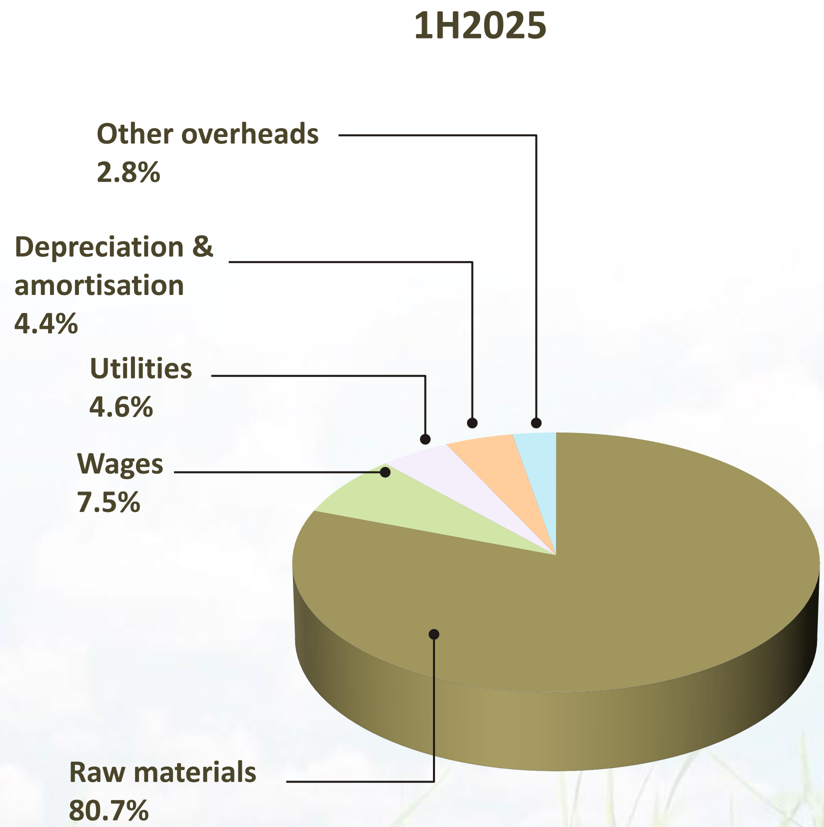

**Total pipe products revenue: RMB 10.856 billion**

(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



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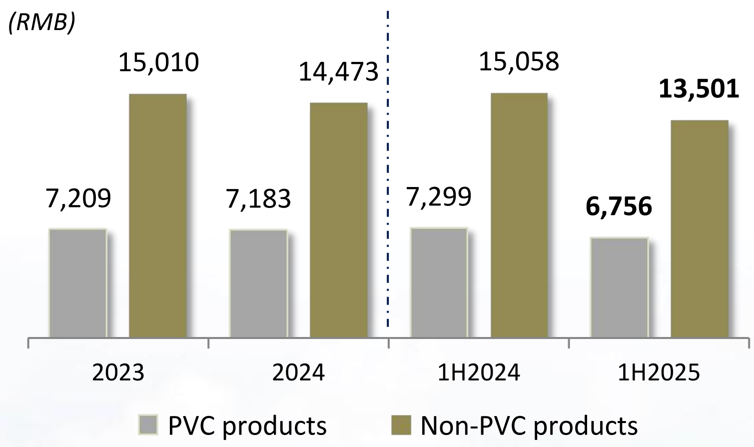
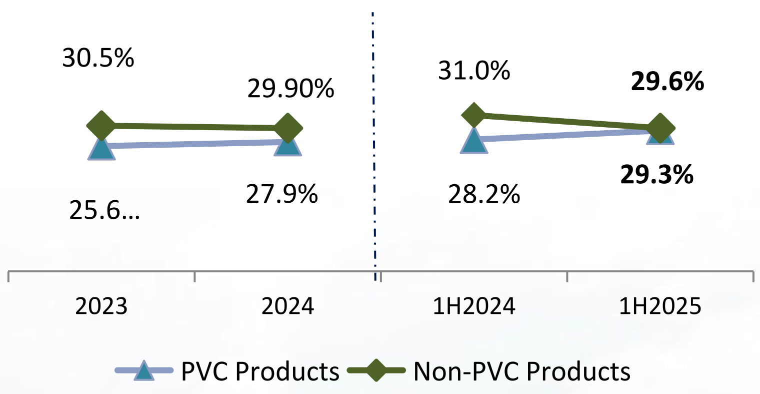
# Plastic piping systems business: ASP & GP margin analysis

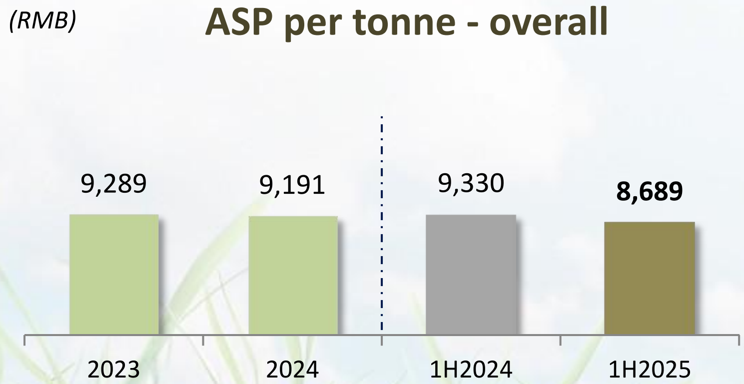
## ASP per tonne – by material



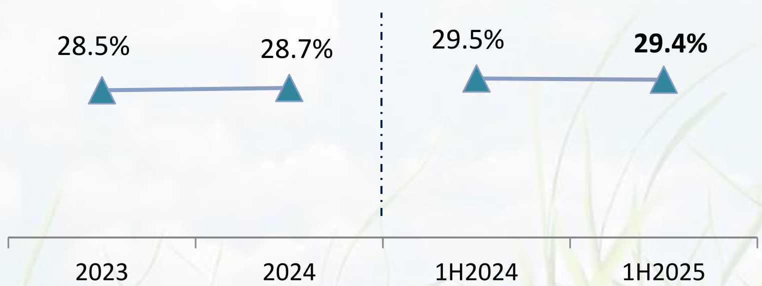

## GP margin – by material




## ASP per tonne - overall

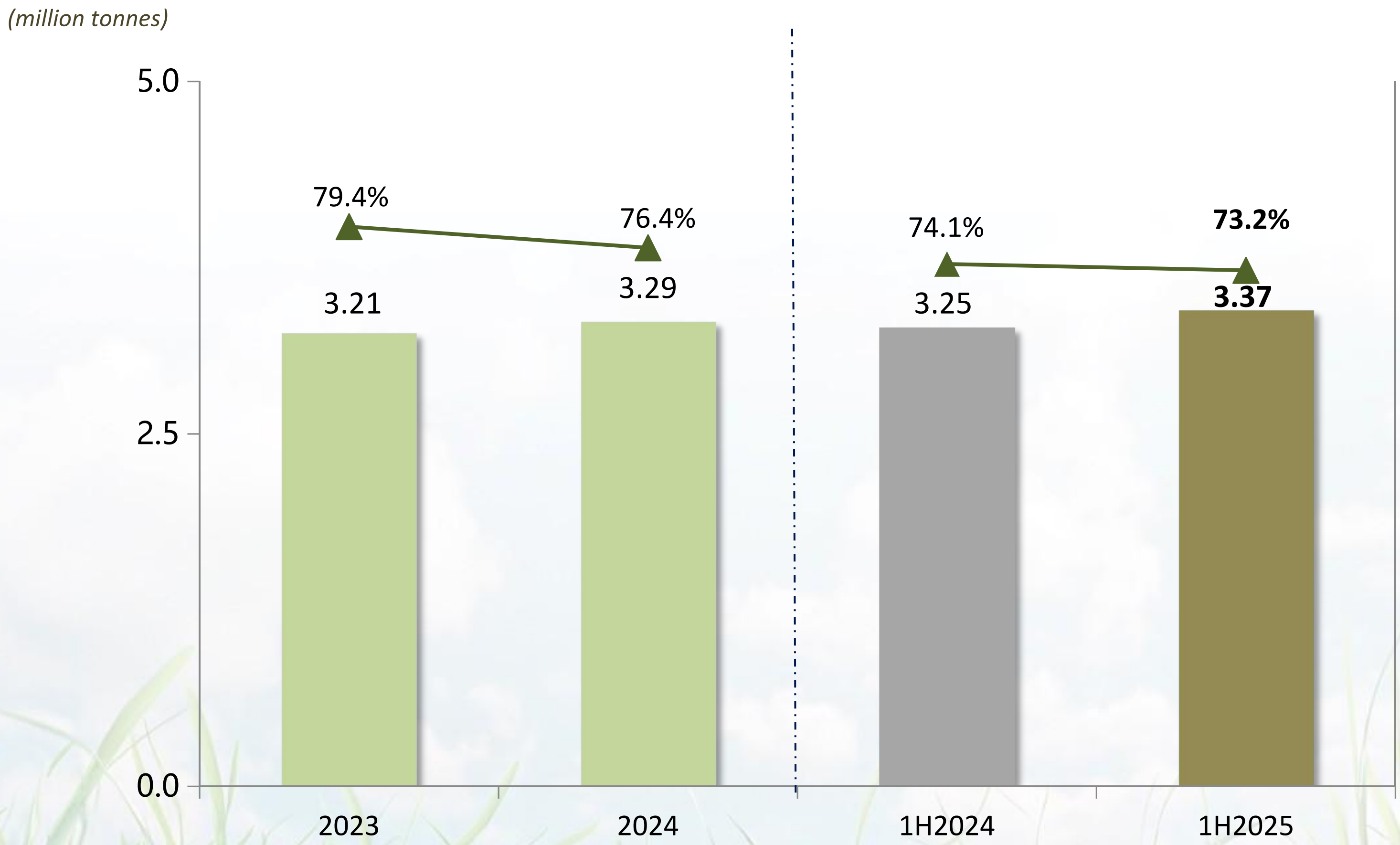



## GP margin - overall



# Plastic piping systems business: production capacity & utilisation rate

## Annual designed production capacity & average utilisation rate



# Plastic piping systems business

| | |
|---|---|
| **Product innovation** | • Focused on promoting the application of green agricultural production models, refined its product strategies to drive product transformation and launched a series of high-quality agricultural piping products |
| **Customer structure** | • Proactively adjusted its customer structure and focused on developing and cultivating new customers with growth potential and financial strength |
| **Smart intelligent manufacturing** | • Upgraded and built smart factories that integrating IoT, smart manufacturing, and automated production |
| **Oversea market** | • Focus on Southeast Asia and North America as key development regions, while also striving to enter the African market<br>• Progress of overseas market expansion is in line with expectations, and the overall business performance is generally good |

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# Building materials and home improvement business and other businesses

## Building material & home improvement business

- Revenue: RMB 858 million
- Shifting more resources towards collaborative projects with government departments, central government-owned and state-owned enterprises, to foster long-term, stable partnerships
- Reducing exposure to mitigating risks from private real estate enterprises
- Focus on developing new clients with strong capital strength and expand sales channels

## Supply chain service platform business

- Revenue: RMB 140 million
- Kept developing the business with a prudent approach
- Actively evaluating overseas assets
- Optimising its financial position, improving cash flow and maximising shareholder value

## Environmental protection business

- Revenue: RMB 159 million
- Actively refining its customer portfolio
- Continuously deepening its engagement in government projects

## New energy business

- Revenue: RMB 166 million
- Closely monitoring market dynamics and supply-demand
- Streamlining its new energy business
- Adjusting its development direction and operational strategies in a timely manner

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# Future prospect

Continue with prudent strategy for development according to the market conditions


Actively driving continuous product innovation and enhancement

Harness its advanced smart intelligent manufacturing capabilities

Accelerate overseas expansion and localisation strategy

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# Q&A

# Appendix: financial summary

**Statement of profit and loss** *(RMB million)*

| | 2023 | 2024 | 1H2024 | **1H2025** |
|---|---|---|---|---|
| Revenue | 30,868 | 27,026 | 13,564 | **12,475** |
| Gross profit | 8,121 | 7,293 | 3,728 | **3,514** |
| EBITDA | 5,613 | 4,732 | 2,644 | **2,467** |
| EBIT | 3,777 | 3,075 | 1,767 | **1,683** |
| Net profit | 2,320 | 1,638 | 1,017 | **935** |

**Statement of financial position** *(RMB million)*

| | 2023 | 2024 | 1H2024 | **1H2025** |
|---|---|---|---|---|
| Cash & bank deposits | 6,553 | 6,643 | 6,702 | 4,936 |
| Total assets | 60,031 | 58,333 | 59,593 | 56,898 |
| Total debts | 20,696 | 19,646 | 21,034 | 19,048 |
| Total equity | 24,311 | 24,415 | 23,889 | 24,793 |

**Ratio analysis**

| **Profit ratio (%)** | 2023 | 2024 | 1H2024 | **1H2025** |
|---|---|---|---|---|
| Gross profit margin | 26.3% | 27.0% | 27.5% | **28.2%** |
| EBITDA margin | 18.2% | 17.5% | 19.5% | **19.8%** |
| EBIT margin | 12.2% | 11.4% | 13.0% | **13.5%** |
| Net profit margin | 7.5% | 6.1% | 7.5% | **7.5%** |
| **Growth rate (%)** | | | | |
| Revenue | 0.3% | -12.4% | -11.3% | **-8.0%** |
| Gross profit | -1.5% | -10.2% | -12.5% | **-5.7%** |
| EBITDA | -3.0% | -15.7% | -15.1% | **-6.7%** |
| EBIT | -2.4% | -18.6% | -20.1% | **-4.8%** |
| Net profit | -7.9% | -29.4% | -29.2% | **-8.0%** |
| **Liability ratio (times)** | | | | |
| EBITDA/ financing costs | 5.04x | 4.97x | 5.46x | **6.59x** |
| Total debts/ (total debts + total equity) | 46.0% | 44.6% | 46.8% | **43.4%** |

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# Appendix: layout of production bases

*With **over 30** advanced production bases in **19** provinces of China and in foreign countries*

# Thank You