

ZhongDe Waste Technology AG



# Annual Results 2013

Conference Call – April 29, 2014

→ Modern Waste Disposal Solutions...for Generations to Come

# Agenda



**1 Update on current projects**

**2 Financial results 2013**

**3 Strategy & Outlook**

**Appendix**





# Expected completion of energy-from-waste projects

| <b>BOT</b>        | <b>As of 31 Dec 2013<br/>Percentage of Completion</b> | <b>Expected<br/>completion time</b> |
|-------------------|-------------------------------------------------------|-------------------------------------|
| Feicheng (200T)   | Running with full capacity                            | Completed                           |
| Zhoukou (500T)    | 88.9%                                                 | 2014                                |
| Kunming (700T)    | 74.2%                                                 | 2015                                |
| Xianning (600T)   | 91.2%                                                 | 2014                                |
| Lanzhou (2,000 T) | 0.2%                                                  | 2018                                |

| <b>EPC</b>      | <b>As of 31 Dec 2013<br/>Percentage of Completion</b> | <b>Expected<br/>completion time</b> |
|-----------------|-------------------------------------------------------|-------------------------------------|
| Dingzhou (600T) | 20.3%                                                 | 2015                                |
| Zhucheng (500T) | 63.8%                                                 | 2015                                |
| Wuhai (1,000T)  | Preliminary preparation stage                         | 2017                                |

# Projects under construction (Xianning BOT)



# Projects under construction (Zhoukou BOT)



# Projects under construction (Kunming BOT)



# Projects under construction (Zhucheng EPC)



# Datong project serves as “Green Plant Model”



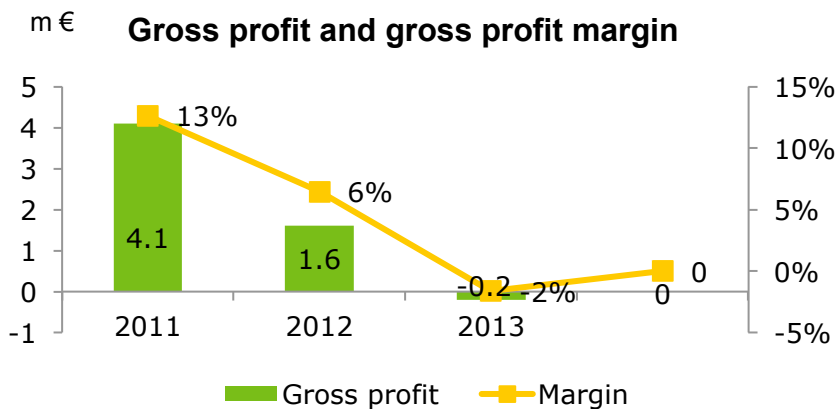
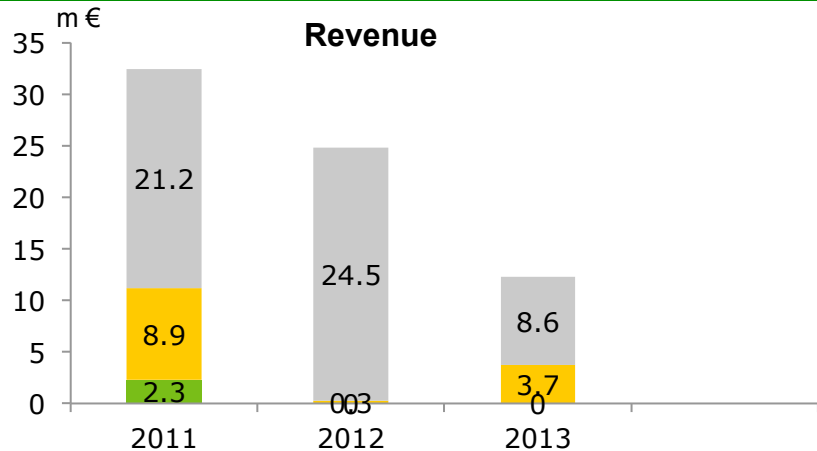
## Key data:

- EPC project, reference example
- Start of operation: November 2009
- Annual waste disposal capacity: 360,000 tons
- Annual generation of electricity: 220 million KWh



# Delay of BOT and EPC projects affected 2013 results

## Revenue and Gross profit



■ Incinerators 
 ■ EPC 
 ■ BOT

## Comments

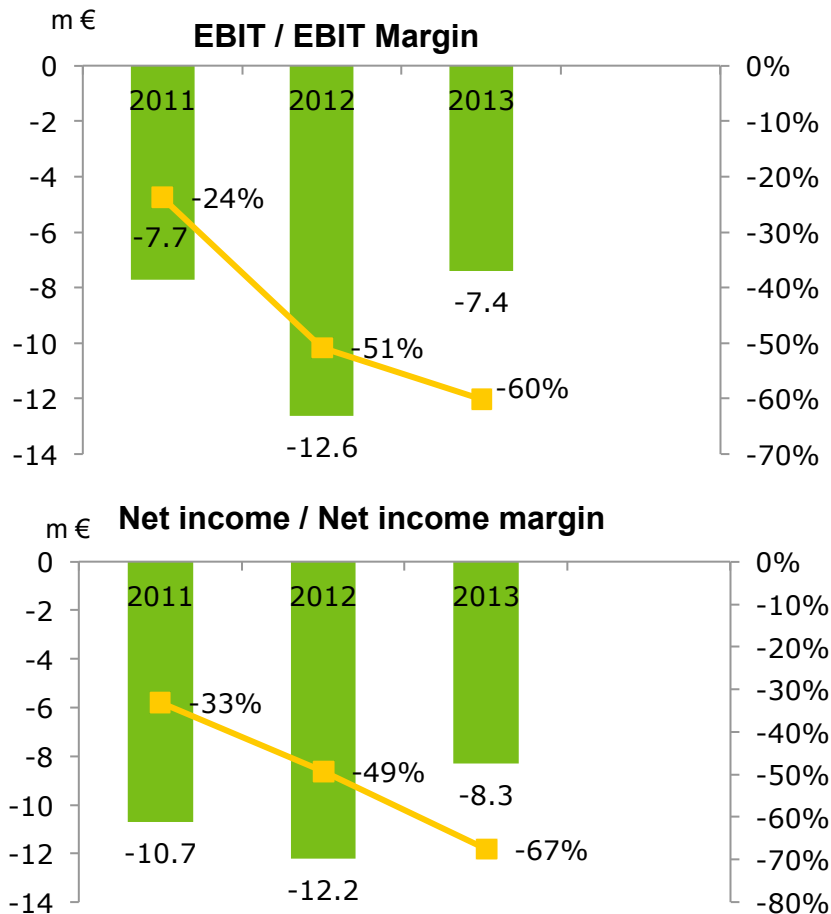
- In 2013, overall revenues decreased by 50% to € 12.3 million
- Thereof € 8.6 million were generated by BOT projects (70% of revenue)
- EPC projects accounted for 30% of total revenues in 2013 with € 3.7 million
- Weak development due to slow completion progress of the current BOT projects Kunming and Xianning and the suspension of the two EPC projects in Zhucheng and Dingzhou
- Moreover the application of a new accounting method for BOT projects (zero-profit-method) had a negative impact
- Gross profit decreased to € -0.2 million (2012: € 1.6 million)

# Slightly improved earnings situation



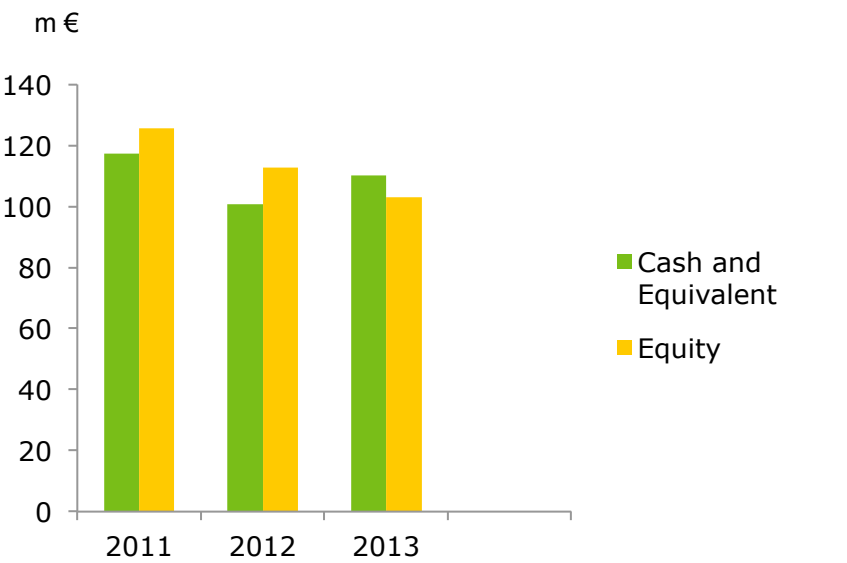
## EBIT / Net income

## Comments



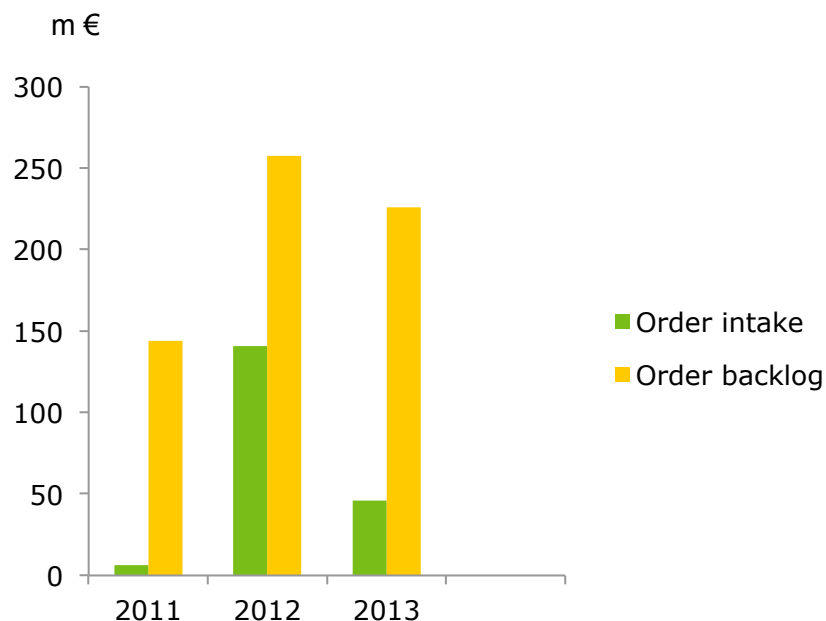
- EBIT improved by € 5.1 million to € -7,4 million in 2013 (2012: € -12,6 million)
- Net income of € -8.3 million in 2013 (2012: € -12,2 million)
- The weak net result mainly results from the slow construction progress of the EPC and BOT projects, the application of the zero-profit accounting method and adjustment of the estimated total costs for BOT projects in Kunming and Xianning

# Strong cash position ensures flexibility

| Cash and Equity                                                                                                                                                                                                                                                                                                                                                                                                           | Comments            |                     |        |      |     |     |      |     |     |      |       |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|--------|------|-----|-----|------|-----|-----|------|-------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <table border="1"> <caption>Cash and Equity (m €)</caption> <thead> <tr> <th>Year</th> <th>Cash and Equivalent</th> <th>Equity</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>118</td> <td>126</td> </tr> <tr> <td>2012</td> <td>101</td> <td>113</td> </tr> <tr> <td>2013</td> <td>110.1</td> <td>103</td> </tr> </tbody> </table> | Year                | Cash and Equivalent | Equity | 2011 | 118 | 126 | 2012 | 101 | 113 | 2013 | 110.1 | 103 | <ul style="list-style-type: none"> <li>■ As of 31 December 2013, cash and cash equivalents increased to € 110.1 million (9.7%)</li> <li>■ Net cash amounted to € 37.1 million (after deducting € 73 million of loan volume)</li> <li>■ Strong cash position ensures flexibility for BOT investments and bank loan negotiations</li> <li>■ Shareholders' equity decreased to € 103 million (-8.7%)</li> <li>■ € 8.5 cash per share (€ 2.9 net cash per share)</li> </ul> |
| Year                                                                                                                                                                                                                                                                                                                                                                                                                      | Cash and Equivalent | Equity              |        |      |     |     |      |     |     |      |       |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2011                                                                                                                                                                                                                                                                                                                                                                                                                      | 118                 | 126                 |        |      |     |     |      |     |     |      |       |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2012                                                                                                                                                                                                                                                                                                                                                                                                                      | 101                 | 113                 |        |      |     |     |      |     |     |      |       |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2013                                                                                                                                                                                                                                                                                                                                                                                                                      | 110.1               | 103                 |        |      |     |     |      |     |     |      |       |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

# Strong order position for future growth

## Order intake & Order backlog



## Comments

- Order intake decreased by 67% to € 45.8 million in 2013, only through orders in EPC
- Order backlog decreased by 12% to € 226.1 million. Order backlog is mainly consisted of the new contracts for the Wuhai EPC-project and the Lanzhou BOT-project
- Reduction of order backlog including the projects Zhaodong (€ 25.7 million) and Shouguang (€ 27.7 million)
- The proportion of small-size incinerators accounted for 2%, EPC projects accounted for 35%, and BOT projects 63% of total order backlog in 2013

# ZhongDe share price remains on strong level in Q1

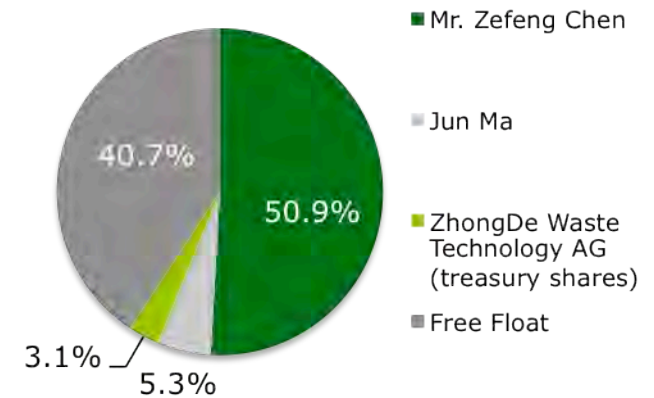


## Performance (Jan 1, 2013 – Mar 31, 2014)



ZDWT  
SDAX  
DAX

## Shareholder structure\*



\* as of March 30, 2014

## Outlook – 2014 remains a transition period

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- Continuous favorable economic and political environment for eco-friendly waste-disposal solutions in China
- Growing demand for energy-from-waste plants in China and throughout Asia due to increasing industrialization and urbanization
- Completion of two BOT projects (Zhoukou, Xianning) in 2014, and completion of one BOT projects (Kunming) and two EPC projects (Dingzhou and Zhucheng) in 2015
- Start construction phase of both projects, Lanzhou BOT and Wuhai EPC, in 2014
- Sale of Feicheng project in the mid-term
- Although 2014 will continue be a transition period for ZhongDe, a growth in revenues, improved operating results and stabilized cash position are expected by management in 2014



**Thank you very much for your attention,  
we look forward to your questions!**



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