

ZhongDe Waste Technology AG



# Q1 2013 Conference Call

May 28, 2013

William J. Wang, CFO

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

# Operating and financial highlights Q1 2013

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- Revenues grew by 2.4% to € 1.25 million generated from BOT projects
- EBIT increased by 13.5% to € -1.3 million in the period under review
- Net loss also reduced from € -1.8 million by € 0.3 million to € -1.5 million
- The improved operative financial performance mainly result from the construction progress of the BOT projects in Kunming and Xianning
- Order backlog almost doubled to € 264.5 million due to our new large-size energy-from-waste project in Lanzhou, that was signed in Q4 2012
- Cash position amounting to € 100.0 million ensures future flexibility
- Total assets increased by 3.3% to € 207.4 million
- Shareholders' equity increased by 1.9% to € 114.9 million

# Expected completion of energy-from-waste projects



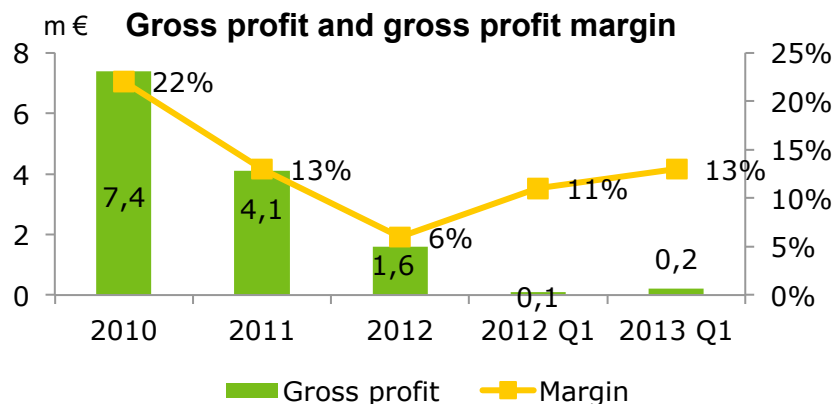
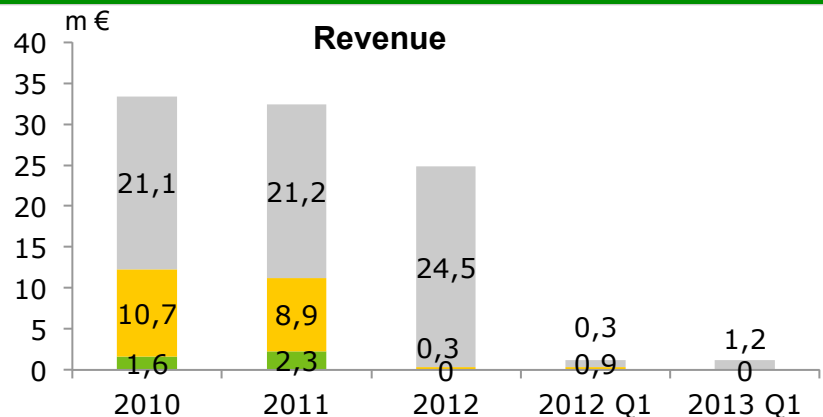
<b>BOT</b>	<b>As of 31 March 2013 Percentage of Completion</b>	<b>Expected completion time</b>
Feicheng	Trial Operation	-
Zhoukou (500T)	87.7%	2013
Kunming (700T)	65.1%	2013
Xianning (500T)	74.7%	2013

<b>EPC</b>	<b>As of 31 March 2013 Percentage of Completion</b>	<b>Expected completion time</b>
Dingzhou (600T)	16.7%	2014
Zhucheng (500T)	59.2%	2013
Zhaodong	Preliminary preparation stage	
Shouguang	Preliminary preparation stage	

# Improved Q1 results due to BOT project progress



## Revenue and Gross Profit



■ Incinerators 
 ■ EPC 
 ■ BOT

## Comments

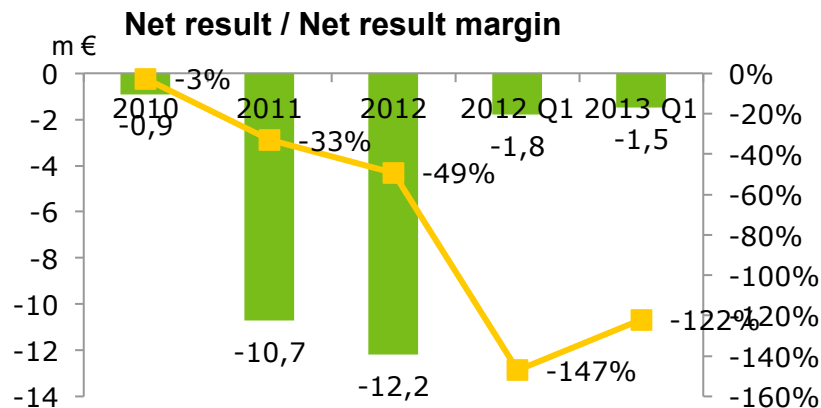
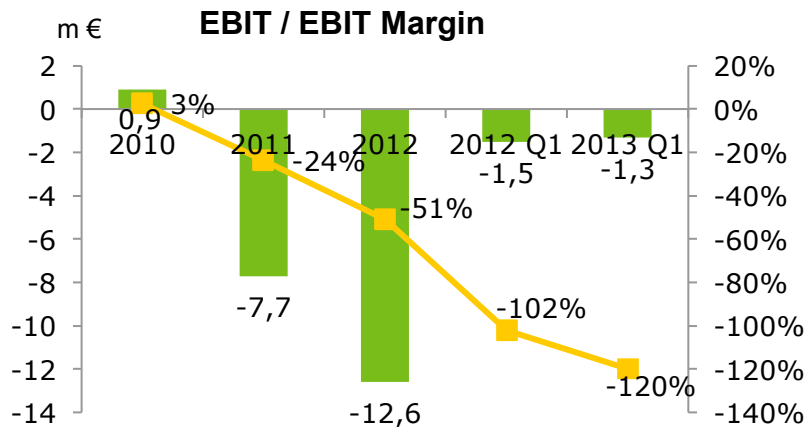
- In Q1 2013, revenues increased by 2.4% to € 1.2 million
- EPC projects accounted for 0% of total revenues in Q1 2013, BOT for 100%
- Gross profit amounted to € 0.2 million, a 14.5% increase year-on-year
- Gross profit margin went up to 13%

# Weak profit margins due to adjusted construction costs



## EBIT / Net result

## Comments



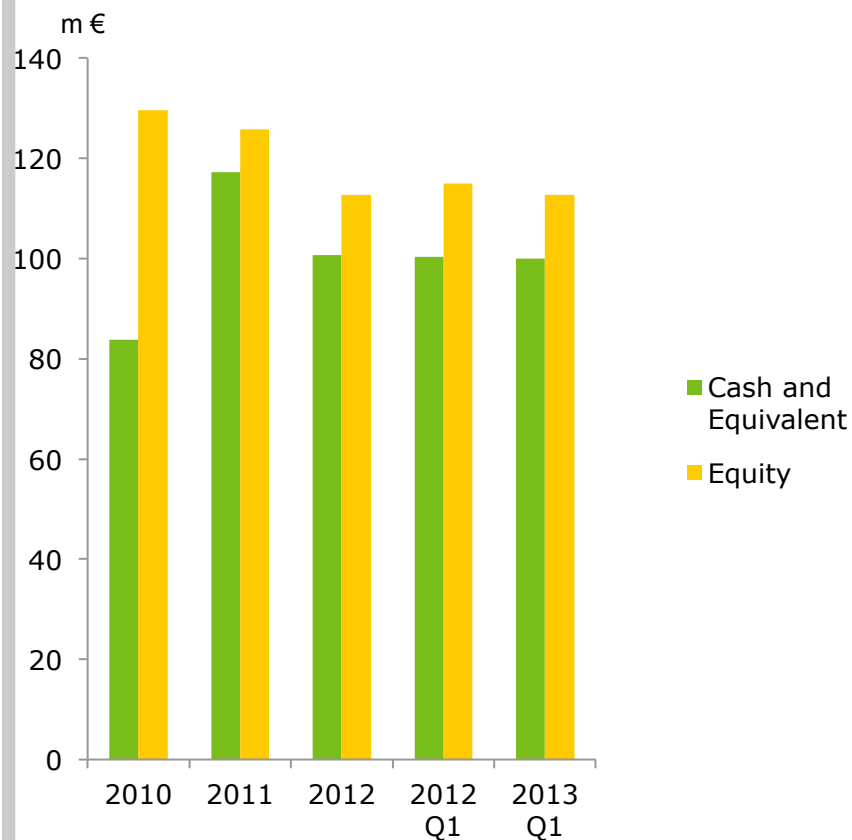
- EBIT increased by € 0.2 million to € -1.3 million in Q1 2013
- EBIT margin up to -102% (Q1 2012: -120%)

- Net result of € -1.5 million in Q1 2013 (Q1 2012: € -1.8 million)
- Net result margin up to -122% (Q1 2012: -147%)

# Strong cash position ensures flexibility



## Cash and Equity



## Comments

- As of 31 March 2013, cash and cash equivalents amounted to € 100.0 million (-0.3%)
- Net cash amounted to € 43.7 million (after deducting € 56.3 million of loan volume)
- Strong cash position ensures flexibility for BOT investments and bank loan negotiations
- Shareholders' equity increased by 1.9% to € 114.9 million
- € 7.7 cash per share (€ 3.4 net cash per share)

# Strong order position for future growth



## Order intake & Order backlog



## Comments

- No new order intake in Q1 2013.
- Order backlog increased by 90.7% to € 264.5 million in Q1 2013, mainly as a result of the new project contract of Lanzhou in Q4 2012
- The proportion of small-size incinerators accounted for 1.6%, EPC projects accounted for 35.2%, and BOT projects 63.2% of total order backlog in Q1 2013

- Favorable economic environment for eco-friendly waste-disposal solutions in China
- Growing demand for energy-from-waste plants in China and throughout Asia due to increasing industrialisation and urbanization
- Completion of three BOT projects(Zhoukou, Xianning and Kunming) in 2013 and further construction progress of Dingzhou and Zhucheng EPC projects until the end of 2013
- Finishing the preparation stage of the Lanzhou project and are planning to start its construction by the end of 2013
- Sale of Feicheng Project
- Besides the new project contract for “Lanzhou” in Oct 2012, the largest energy-from-waste BOT project in China, ZhongDe expects to sign two additional new project contracts in 2013, which will increase order intake and order backlog
- ZhongDe’s financial group results 2013 will be above 2012 results



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