

2021 Interim Results

9 August 2021



Management

Mr Tong Jilu

Executive Director and Chairman

Mr Gu Xiaomin

Executive Director and General Manager

Mr Gao Chunlei

Chief Accountant

Mr Liu Guofeng

Deputy General Manager

Mr Zhang Quan

Deputy General Manager

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02

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03

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Performance**

01

Overall Performance

*Mr Tong Jilu
Executive Director and Chairman*

Steady Growth in Operating Performance

Operating Revenue	EBITDA	Operating Cash Flow
RMB42,673 mn	RMB31,184 mn	RMB13,878 mn
▲ 7.2%	▲ 7.2%	▲ 8.6%
Net Profit¹	EPS	Tower Tenancy Ratio
RMB3,457 mn	RMB0.0198 yuan	1.68 tenants/sites
▲ 16.1%	▲ 16.5%	▲ 2.4%

Note 1: Net profit is the profit attributable to owners of the company, the same applies hereafter.

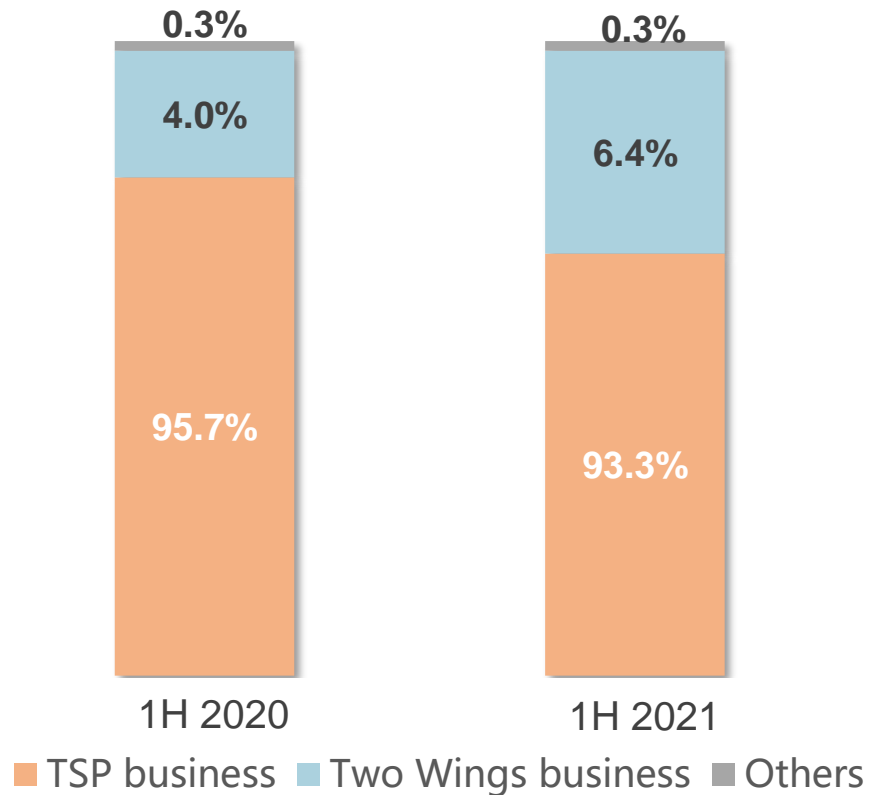
Deepened “One Core and Two Wings” Strategy

Furthered sharing within the telecommunications industry

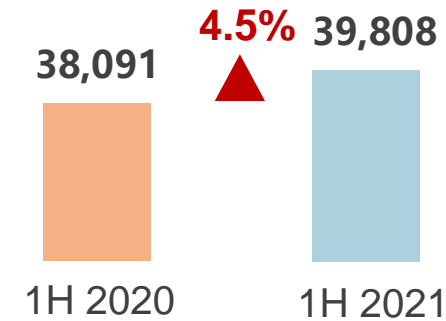
—*Extending sharing philosophy*—

Explored sharing in other industries

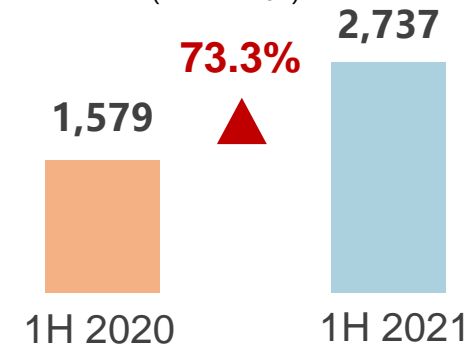
Operating revenue structure



Steady growth in TSP business
(RMB million)



Rapid development in Two Wings business
(RMB million)



Supported 5G Network Deployment Cost-effectively

Completed 5G construction effectively by sharing existing resources

Innovative 5G construction and service model to allocate resources precisely

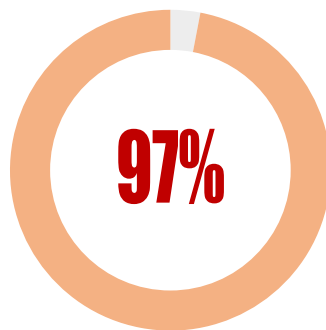
Supported scale development of 5G networks to increase revenue contribution from 5G

Completed **256,000** 5G projects



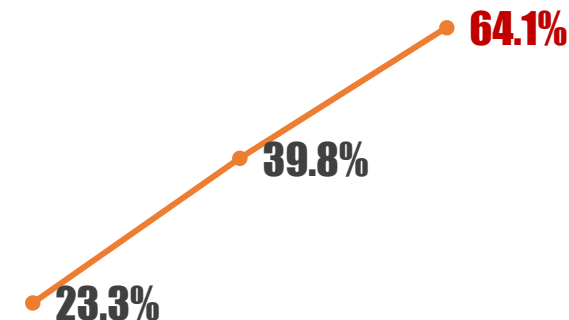
1H 2021

Proportion of 5G projects satisfied by sharing of existing sites



1H 2021

Incremental revenue to TSP business contributed by 5G¹



1H 2020

2H 2020

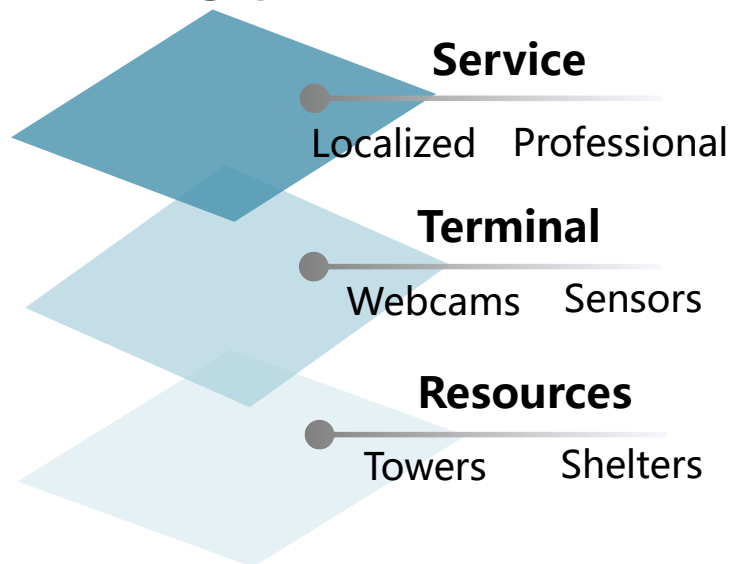
1H 2021

Note 1: Incremental revenue to TSP business contributed by 5G = incremental 5G revenue/incremental TSP business revenue

Fostered "Digital Tower" to Support Digital Economy

To become a leading digital information service provider

Utilizing mid- and high-point mounting space and other resources



Unleashed capability potential by fully coordinating resources

Operating on a unified platform with standardized service and products



Tower Monitoring



Standardized surveillance and monitoring products as foundation

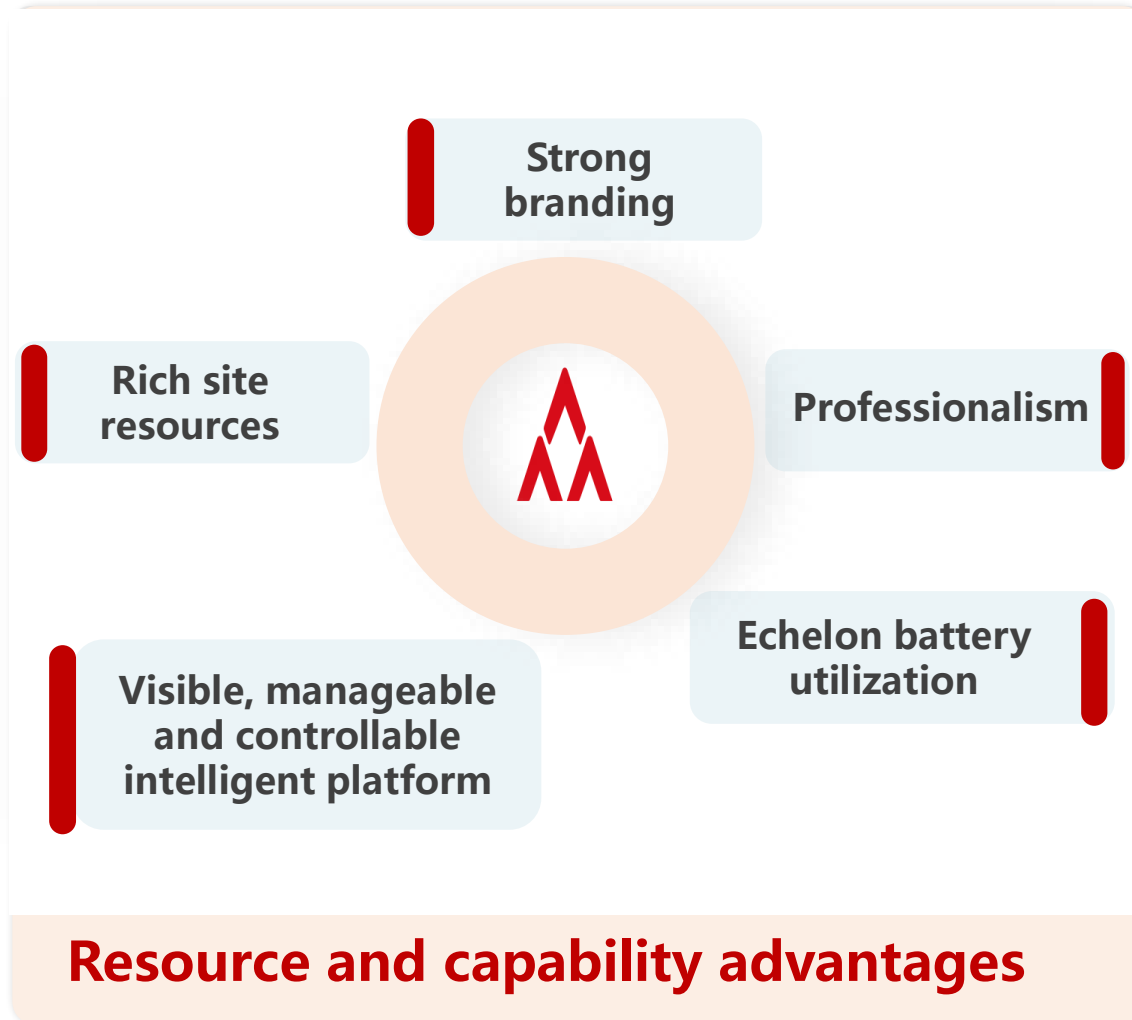
Building a cross-regional information service system



Becoming an information application service provider with core competencies

Explored New Energy Applications to Serve the Society

To become an *energy application service provider* with core competencies



Strive to Seize Development Opportunities

Further **“One Core and Two Wings”** strategy and develop the Company into a **growth and value creation enterprise**

5G new infrastructure to support the national strategy of **“Cyberpower”**

- Promote highly effective 5G construction; strengthen the foundation and momentum of TSP business for better and more sustainable development

Digital transformation are penetrating into all sectors in the construction of **“Digital China”**

- Seize opportunities arising from digitization; promote and scale up **“Tower Monitoring”** for rapid development of TSSAI business

Development of the new energy industry usher in ample room for the **applications of smart energy**

- Develop innovative smart energy applications; accelerate business deployment in key sectors for a high-quality growth of energy business

Stimulate Vitality Through Innovation

01

Innovation in application of technologies

- Integrated service solution for TSP business
- Data and information applications
- Smart energy applications
-

02

Operational and management innovation

- Intensive and efficient operation and optimized management model
- Promoted digitization and intelligentization to empower asset and operation management
- Vigorously implemented the platform strategy and enhanced unified support capabilities
-

03

Innovation in both systems and mechanisms

- Promoted the tenure system and contract management of executive level
- Explored the mixed ownership reform in subsidiary level
- Optimized incentive and remuneration mechanism
-

Promote High-quality and Sustainable Growth

Steady revenue growth

- Steady and sustainable growth of One Core business
- Rapid growth of Two Wings business

Healthy cash flow

- Effective CAPEX control
- Cash flow continue to improve

Enhanced profitability

- Gradual increase in operating profit
- Sustained net profit growth

Creating greater value for shareholders

02

Operational Performance

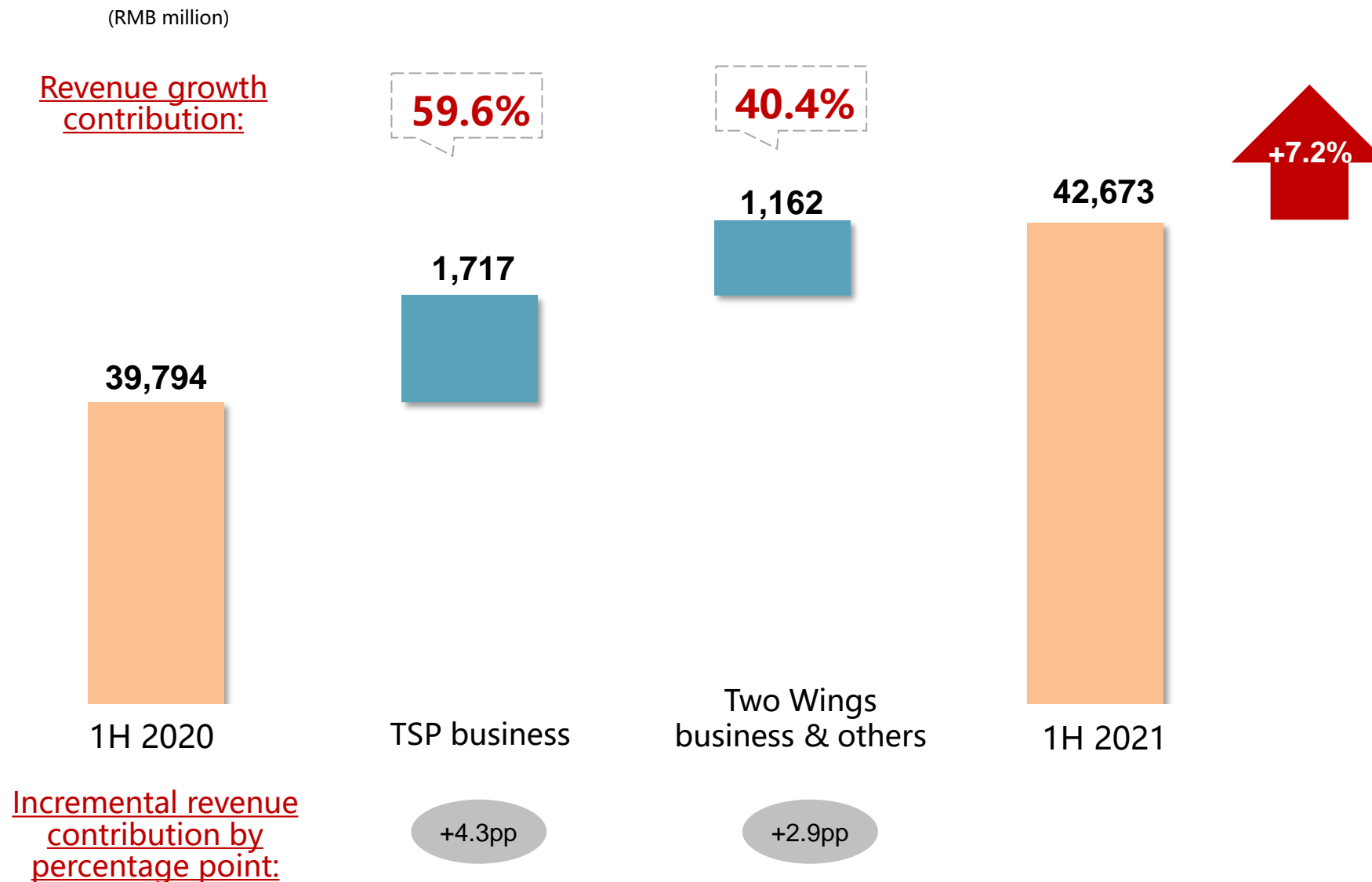
Mr Gu Xiaomin

Executive Director and General Manager

Key Operational Indicators

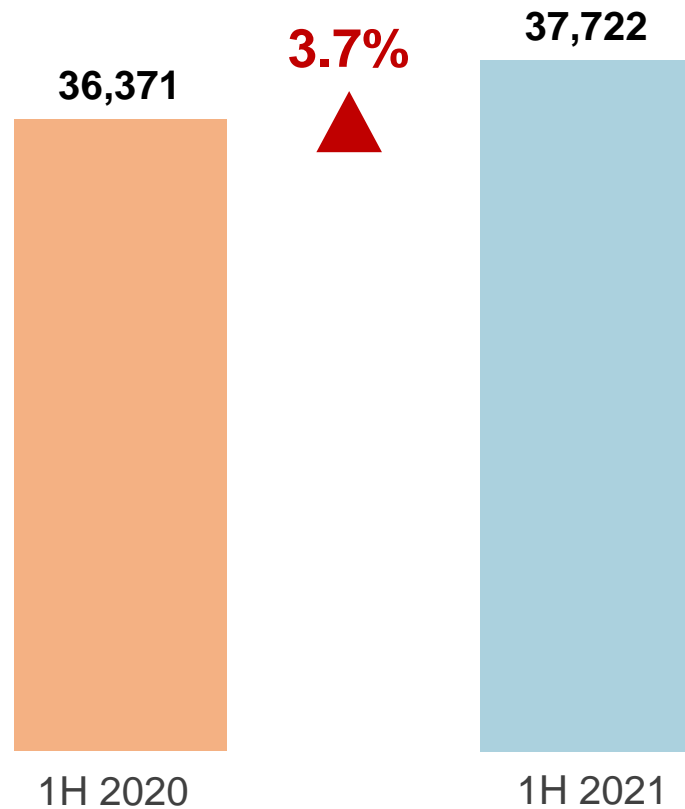
Indicators	1H 2020	1H 2021	Change
Operating revenue (RMB million)	39,794	42,673	7.2%
TSP business	38,091	39,808	4.5%
TSSAI business	1,264	1,853	46.6%
Energy business	315	884	180.6%
Number of tower tenants (thousand)	3,313	3,423	3.3%
TSP tenants	3,124	3,228	3.3%
TSSAI tenants	189	195	3.2%
Number of tower sites (thousand)	2,015	2,035	1.0%
Tower tenancy ratio (tower tenants / tower sites)	1.64	1.68	2.4%
Average revenue per tower site (RMB Yuan)	18,775	19,505	3.9%

Healthy Growth in Operating Revenue

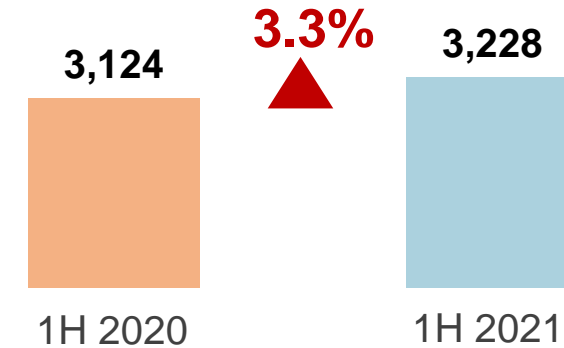


Furthered Resource Sharing to Promote Stable Development of Tower Business

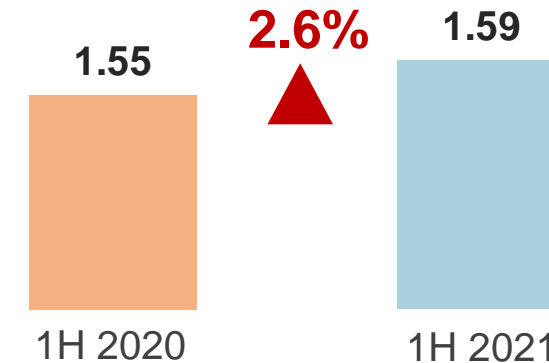
Operating revenue of tower business
(RMB million)



TSP tenants
(thousand)



TSP tenants per tower site
(tenants/sites)



Implemented Multiple Measures to Facilitate Large-scale 5G Network Construction

Exerted advantage in resource coordination

- Actively harnessed the implementation of 5G supporting policies
- Coordinated site entry in key scenarios

Improved resource utilization efficiency

- Fully utilized resources including existing towers and ancillary facilities for shelters
- Made full use of social resources

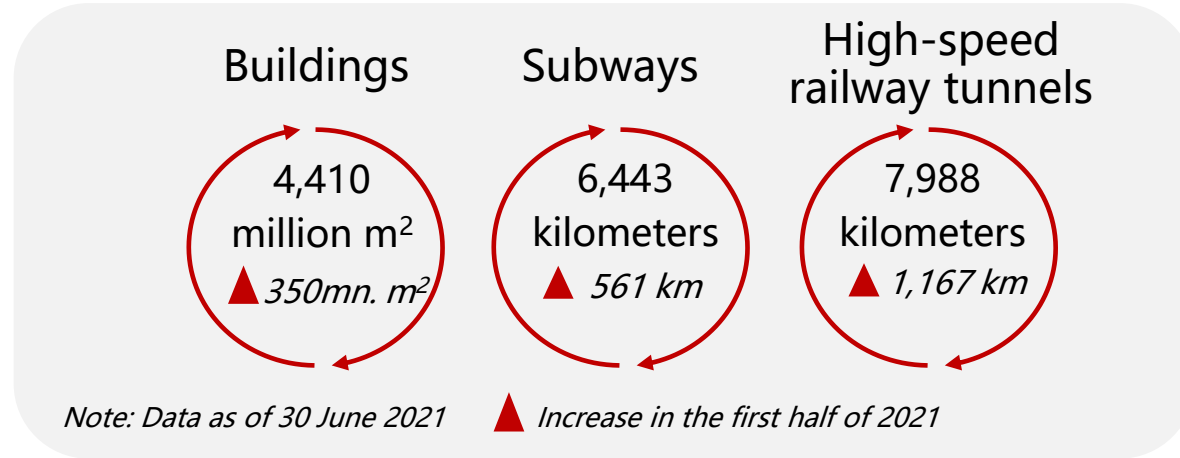
Reinforced leadership in technological innovation

- Enhanced the application of innovative products including low-cost tower and ancillary facilities for power supply
- Promoted the sharing solutions of 5G passive DAS at low costs with access to all frequency bands



DAS Business Maintained Healthy Growth Momentum

Expanding DAS coverage



01 Focused on 5G DAS in key scenarios

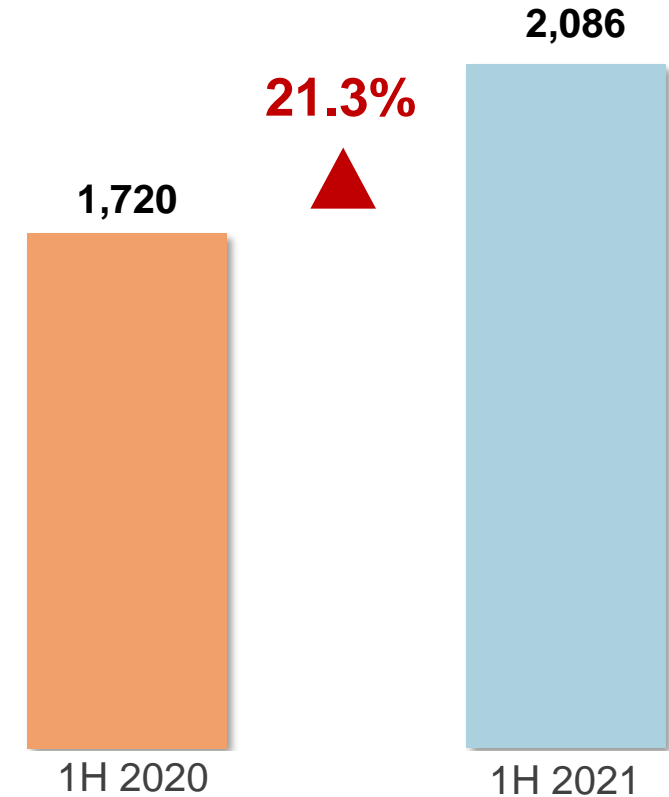
02 Leveraged advantages in coordinating site entry

03 Promoted the augmentation for DAS sharing

04 Innovated diversified solutions for different scenarios combining active and passive DAS

Growing DAS revenue

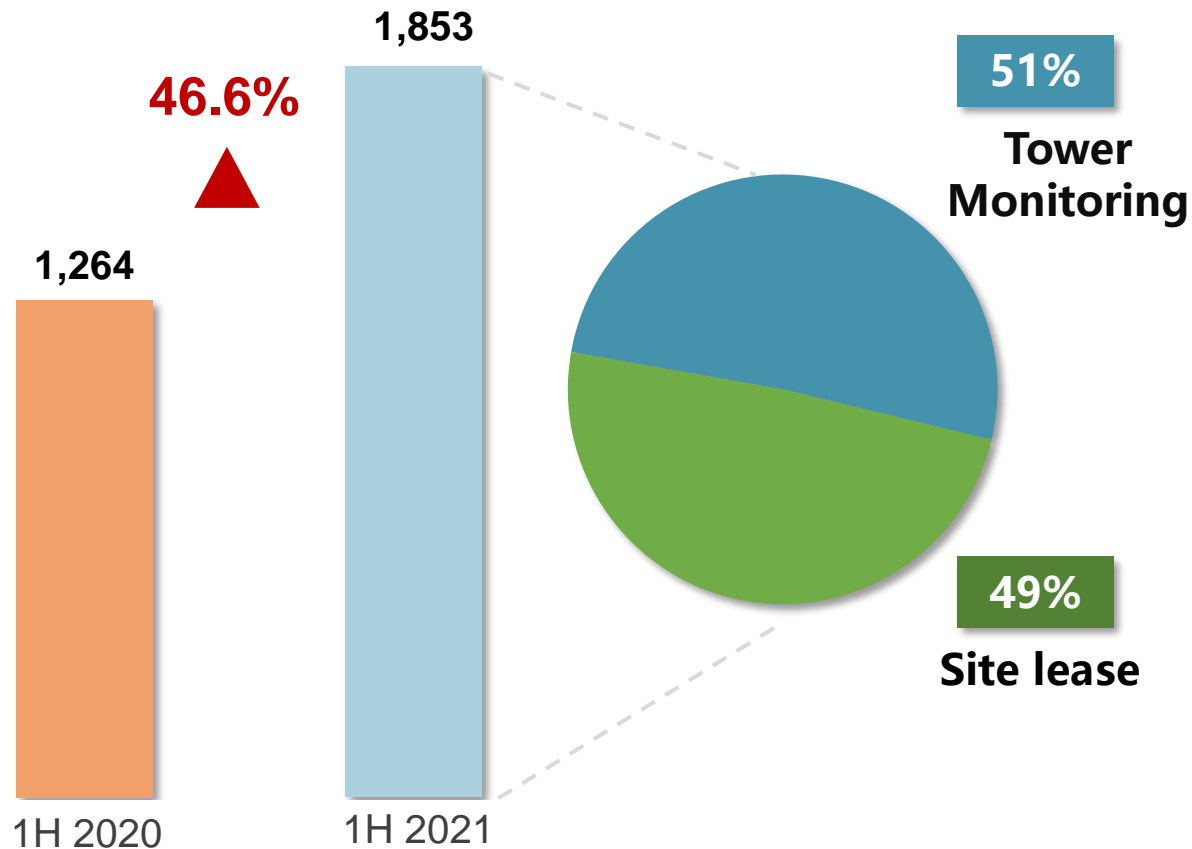
(RMB million)



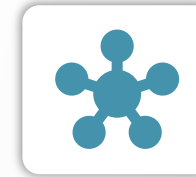
Focused on Key Sectors and Boosted Scaled Growth of TSSAI Business

Operating revenue and structure of TSSAI business

(RMB million)



Tower Monitoring



10+
Industries

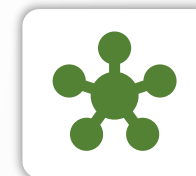


5,000+
Customers



48,000+
Monitoring devices

Site lease



40+
Industries



11,000+
Customers



148,000+
Sites leased

Developed Innovative Business Model and Expanded the Application of Digital Information Services

Created multi-functional video surveillance products on the national unified platform based on the ubiquitous communication towers

Tower Monitoring

12 base functions

Video surveillance

Alarm and locating

Statistics and analysis

.....

100+ available functions

Environmental remediation

Resource protection

Ecological Conservation

Village governance

.....



10096 customer service hotline

"Countrywide response upon request"



Application



Installation



Ready for service



Access to service



Repair and maintenance experience over 25M equipment
80,000 professional personnel

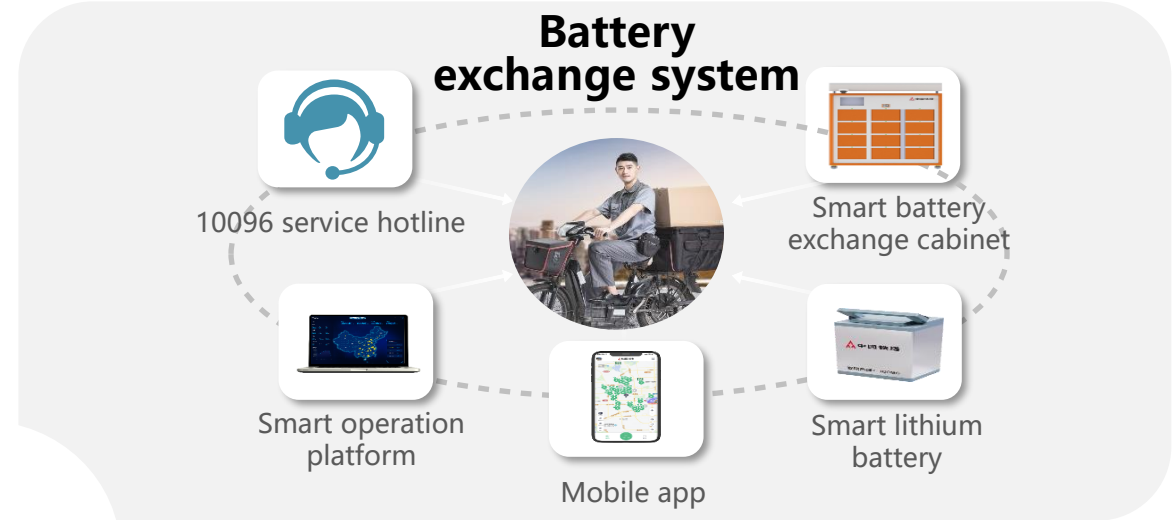
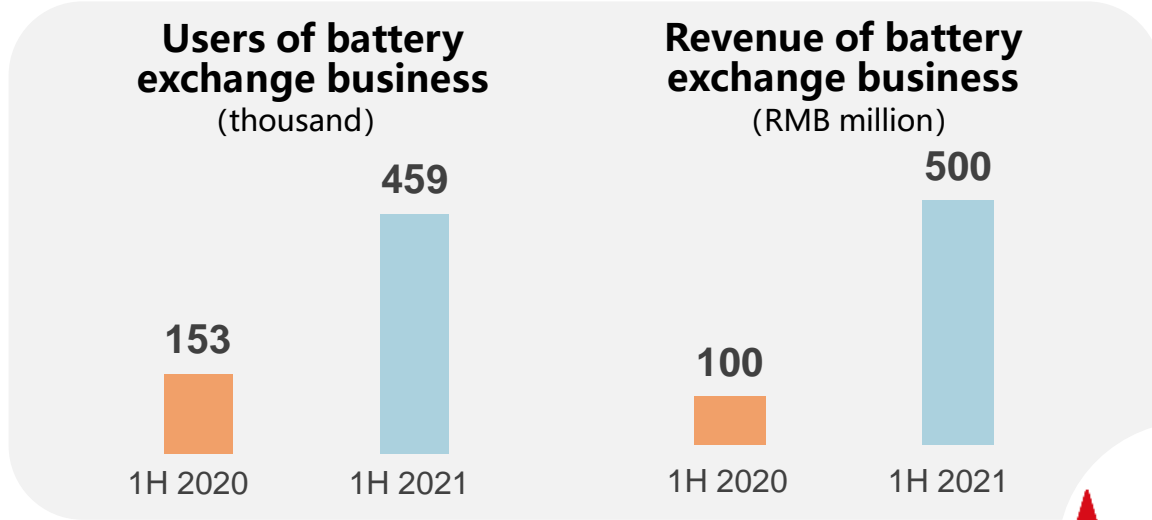
Unified technology standards

Unified platform support


Unified service specifications


Unified operation management


Enhanced Platform Support and Promoted Effective Development of Battery Exchange Business



Distinct leading-edge

- 

260+ cities
No. 1 coverage in city
- 

35,000 battery exchange sites
No. 1 in scale of sites
- 

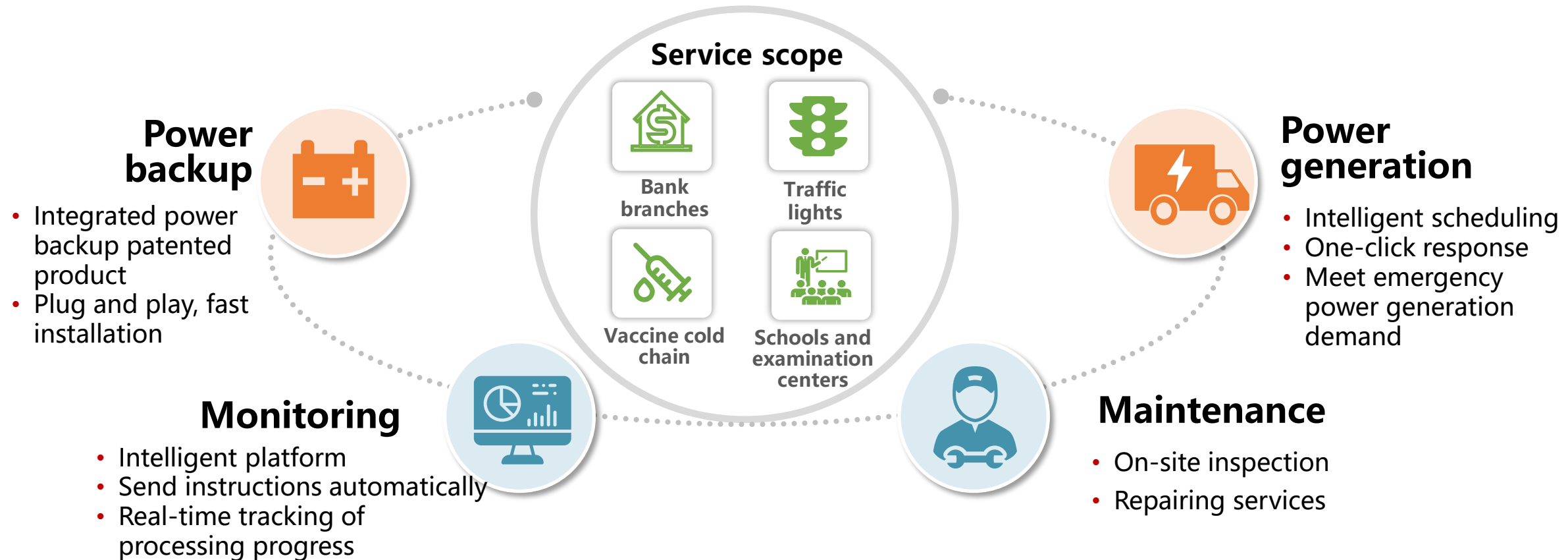
459,000+ users
No. 1 in number of users

Large customer base

- 美团配送 (Meituan Delivery)
- 顺丰速运 (SF Express)
- 中国邮政 (China Post)
- 韵达 (Yunda Express)
- 饿了么 (Ele.me)
- 朴朴 (Pupu)

Promoted Rapid Growth of Power Backup Business Leveraging Advantages in Resources and Capabilities

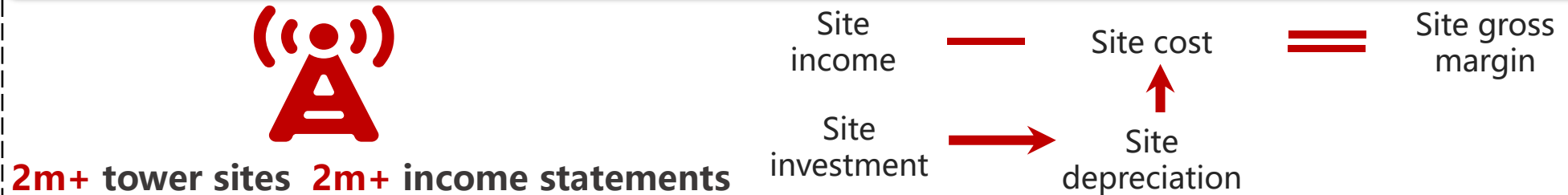
Provided **integrated power solutions including power backup, power generation, monitoring and maintenance**



Provides power backup services to sectors including finance, healthcare, transportation, education and government affairs, **with ~20,000 power backup sites.**

Empowered by Digitization and Enhanced Operating Efficiency of Assets

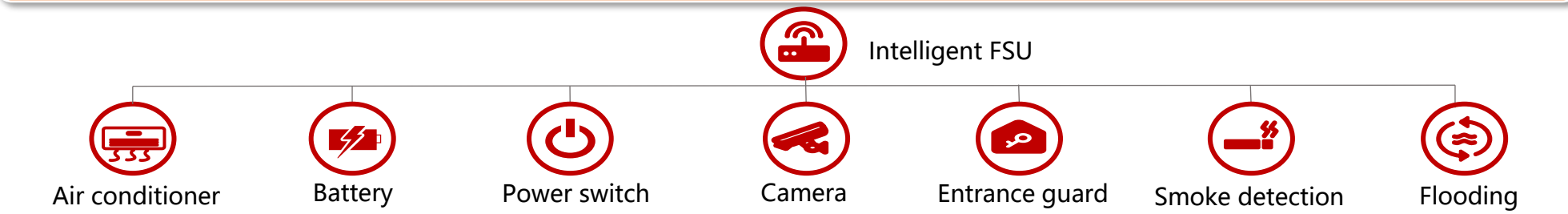
Focused on profitability of individual site and strengthened the effective allocation of resources




Promoted digital dynamic management of assets and improved operating efficiency of assets



Reinforced accurate and intelligent monitoring and increased operational and maintenance efficiency



Key Tasks in the Second Half of 2021

- 
- Deepen sharing and collaborative development to promote steady revenue growth of TSP business
 - Promote Tower Monitoring to boost scaled development of TSSAI business
 - Accelerate the development in key sectors to establish leadership in energy business
 - Enhance asset operation capability to improve efficiency and effectiveness of resource utilization
 - Encourage innovation in both systems and mechanisms to enrich corporate vitality

03

Financial Performance

*Mr Gao Chunlei
Chief Accountant*

Key Financial Indicators

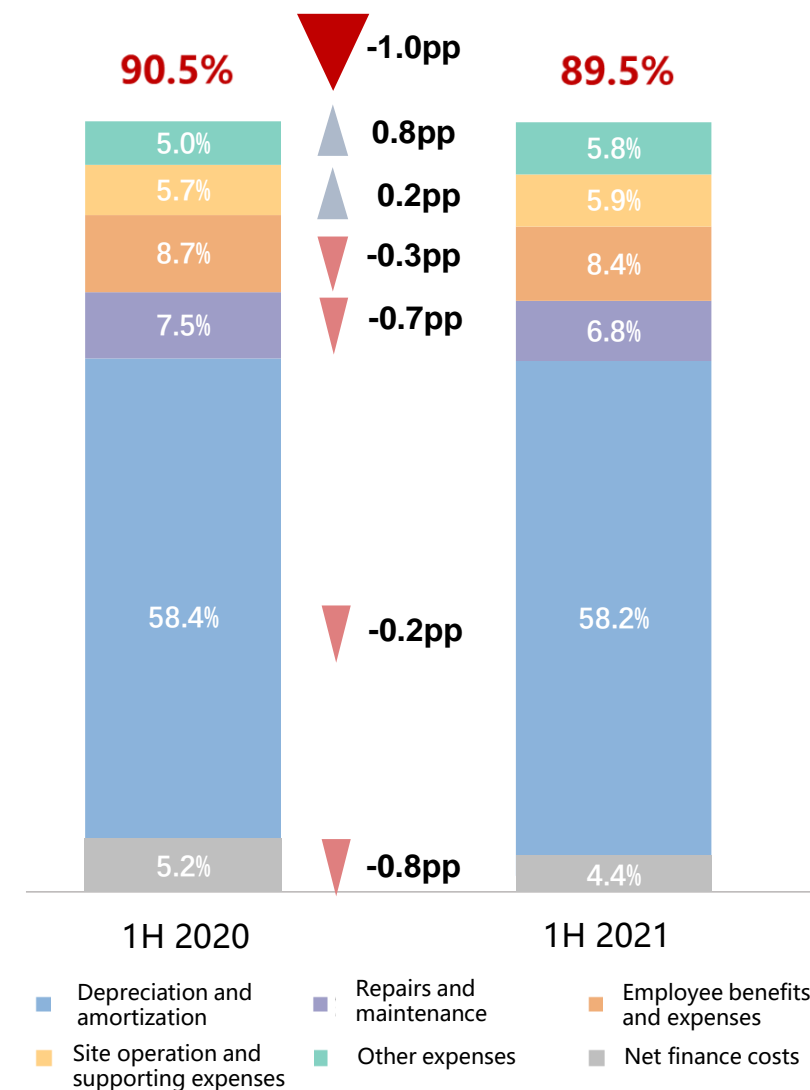
(RMB million)	1H 2020	1H 2021	Change
Operating revenue	39,794	42,673	7.2%
Operating expenses	33,953	36,319	7.0%
Operating profit	5,841	6,354	8.8%
EBITDA	29,100	31,184	7.2%
Net profit	2,978	3,457	16.1%
Free cash flow	12,781	13,878	8.6%
Gearing ratio	37.5%	37.0%	-0.5pp

Strengthened Cost Management

(RMB million) 1H 2020 1H 2021 Change Illustration

Operating expenses	33,953	36,319	7.0%	
Depreciation and amortization	23,259	24,830	6.8%	
Repairs and maintenance	3,001	2,894	-3.6%	The Company improved its hierarchical and delicate maintenance system to allocate maintenance resources precisely
Employee benefits and expenses	3,469	3,574	3.0%	
Other operating expenses	4,224	5,021	18.9%	Mainly due to increase in 1) operation expenses including short-term site lease charges recognized in accordance with the accounting standard on leases;
Of which: Site operation and supporting expenses	2,249	2,502	11.2%	2) supporting and development expenses on IT services, planning and design, etc.,
Other expenses	1,975	2,519	27.5 %	Supporting and development expenses increased due to the rapid growth of Two Wings business
Net finance costs	2,064	1,865	-9.6%	

Operating expenses-to-revenue ratio decreased



Enhanced Profitability

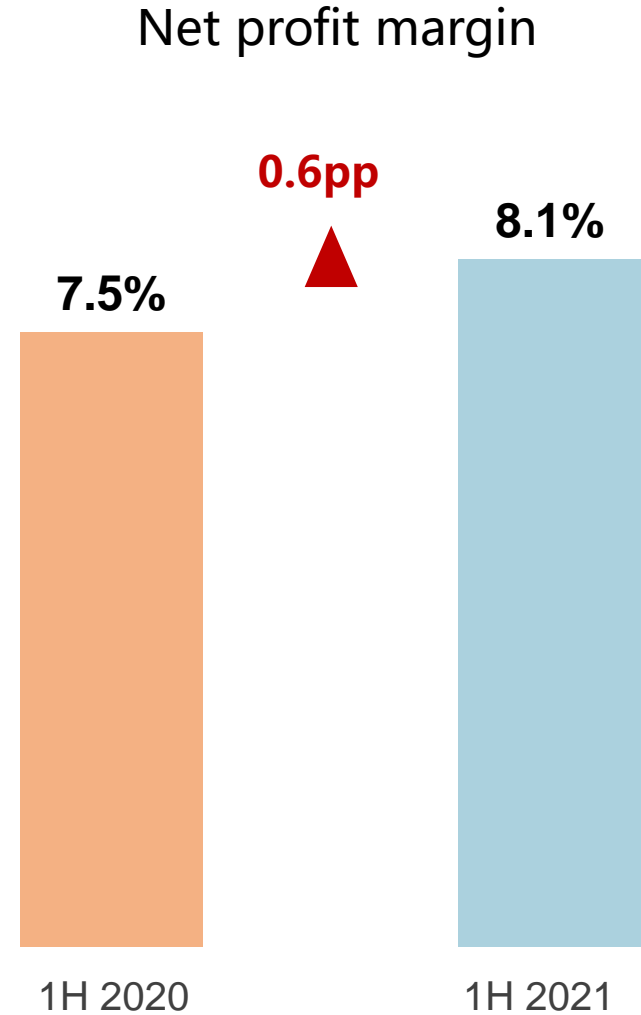
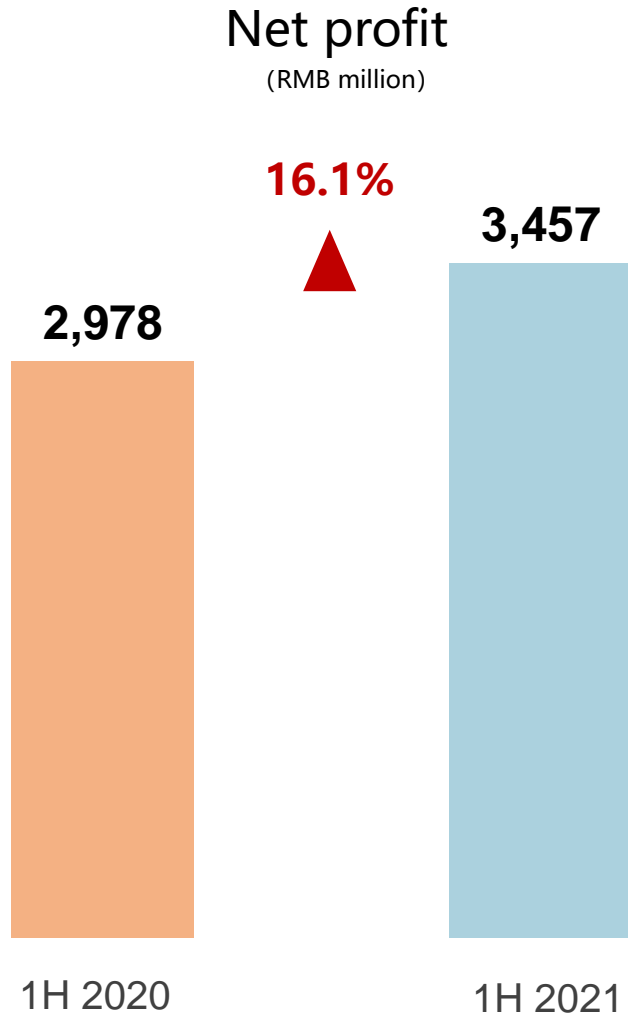
Operating profit
(RMB million)



EBITDA
(RMB million)



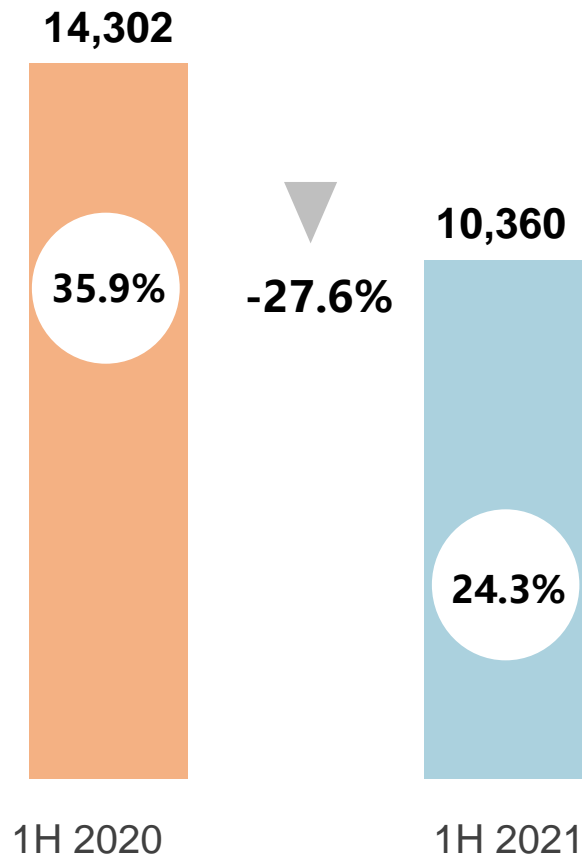
Enhanced Profitability (Cont)



Effective CAPEX Control

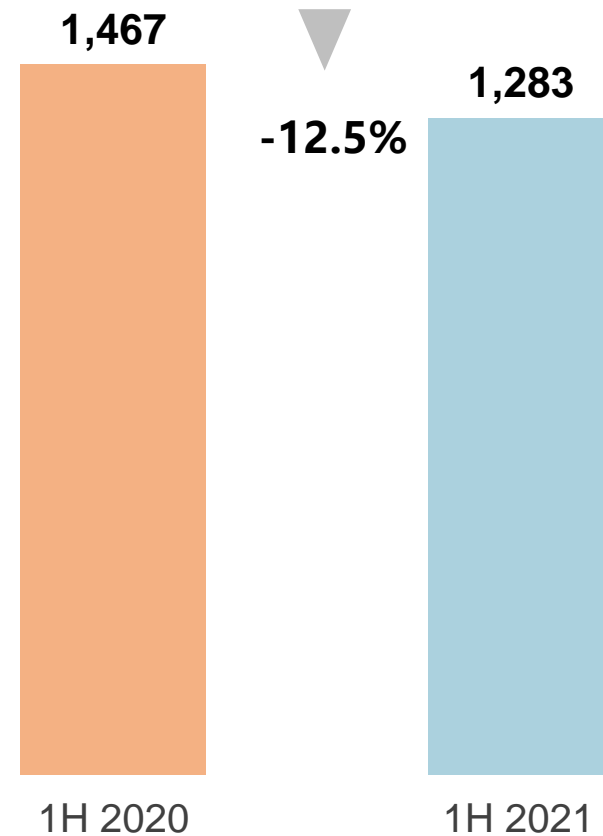
CAPEX and CAPEX to operating revenue

(RMB million)



Maintenance CAPEX

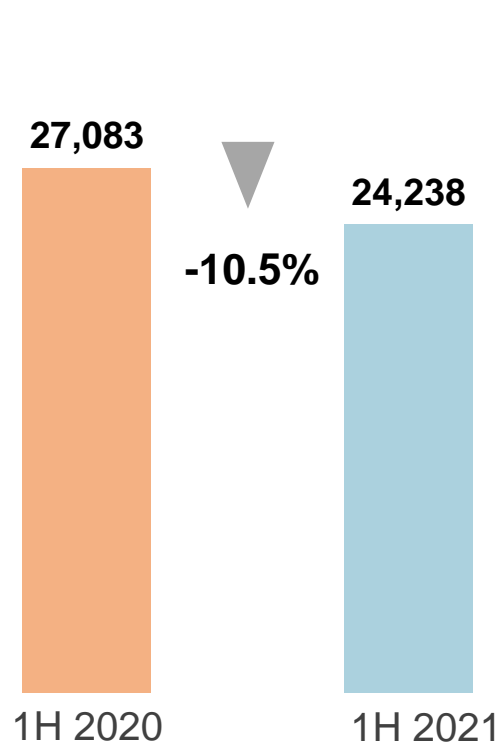
(RMB million)



Healthy and Sustainable Cash Flow

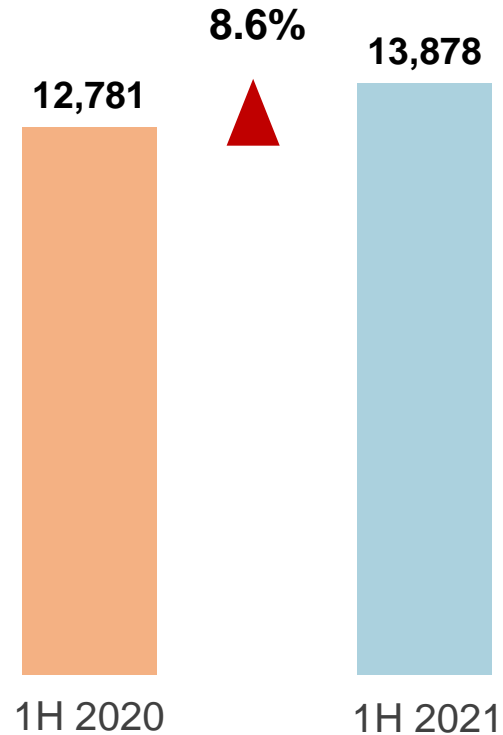
Operating cash flow

(RMB million)



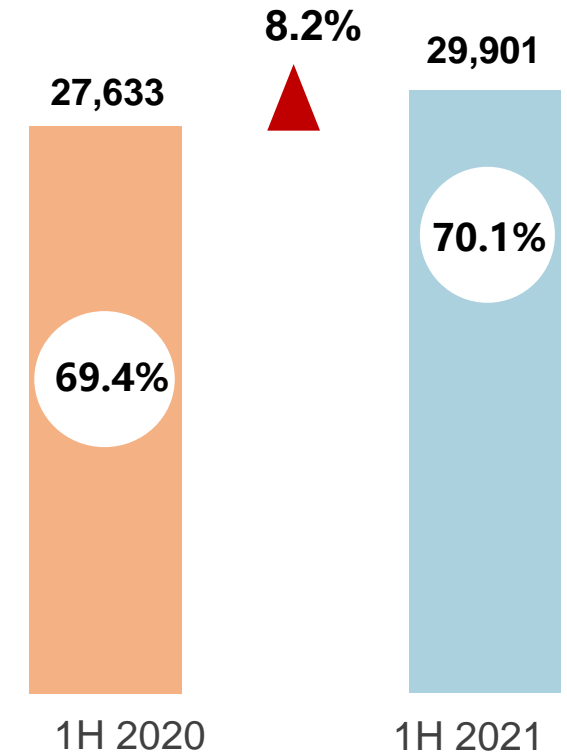
Free cash flow

(RMB million)



(EBITDA–Maintenance CAPEX) and the percentage to operating revenue

(RMB million)

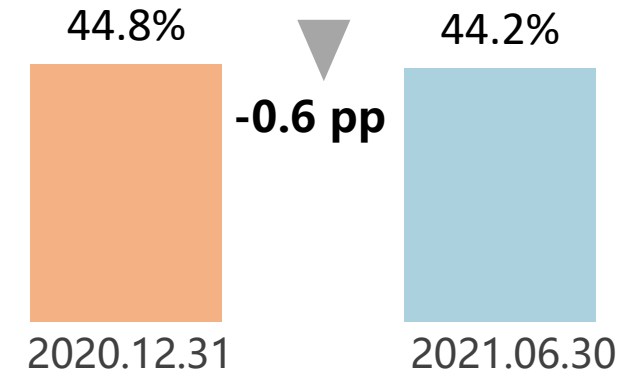


Solid Capital Structure

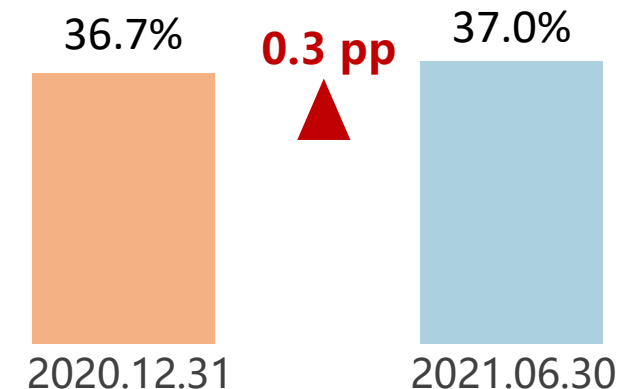
(RMB million) 2021.06.30

Assets	333,195
Cash and cash equivalents	4,958
Liabilities	147,341
Interest-bearing debt	114,191
Total equity	185,854

Liability-to-asset ratio



Gearing ratio



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中国铁塔股份有限公司



Q&A

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Appendix: Extracted from Unaudited Interim Condensed Consolidated Balance Sheet as at 30 June 2021

(RMB million)	2020.12.31	2021.06.30
Total Assets	337,380	333,195
Current assets	43,204	51,950
Non-current assets	294,176	281,245
<i>Property, plant and equipment</i>	231,684	227,945
<i>Construction in progress</i>	20,185	13,768
Total Liabilities	151,134	147,341
Current liabilities	106,635	95,339
<i>Borrowings</i>	61,999	55,856
<i>Accounts payable</i>	31,460	26,402
Non-current liabilities	44,499	52,002
Total Equity	186,246	185,854

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