

ANTON 安東



2021 Interim Results Update

27 August, 2021

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Agenda



**1H21 Performance
Overview**



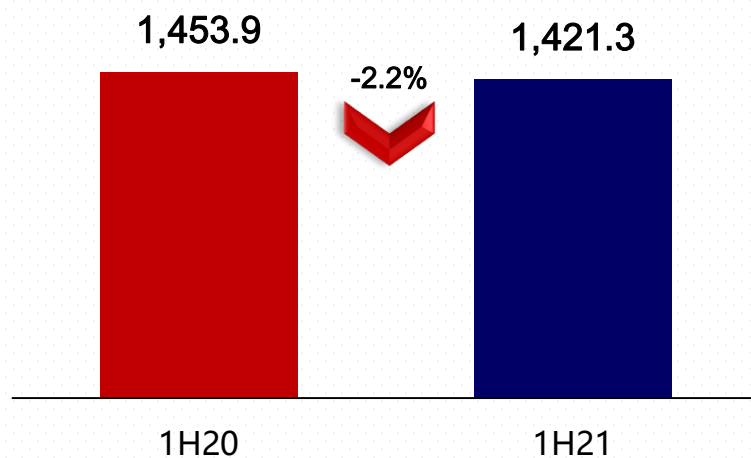
2H21 Outlook



Q&A

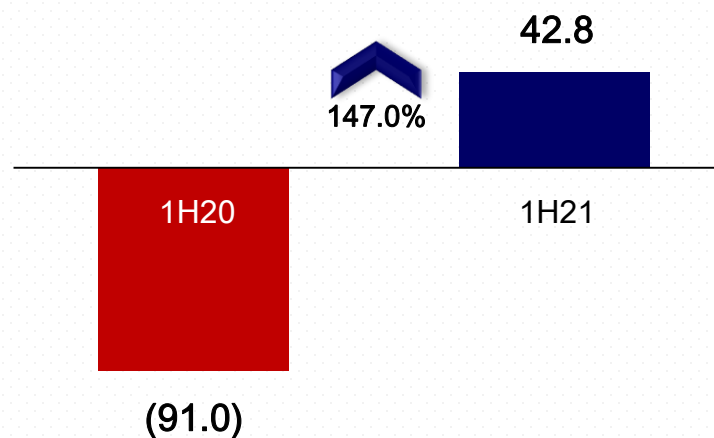
Revenue

(RMB MN)



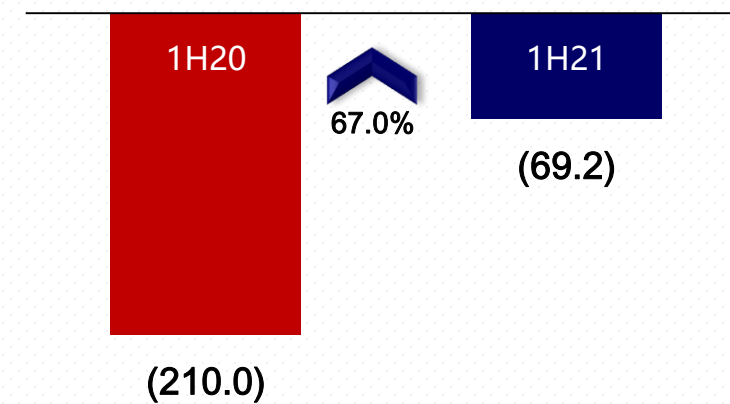
Profit attributable to owners of the Company

(RMB Mn)



Free cash flow

(RMB Mn)



01

The industry is showing signs of bottoming out and some markets are growing against the trend

02

Further accelerated the asset-light transformation, improved project return, inspection services showed a strong growing signs

03

Oilfield management project delivered outstanding performance, the IFMs contract in Iraqi Majnoon oilfield successfully renewed

04

Comprehensively strengthen the core construction, the cost control effect is prominent, and the shareholder return improved

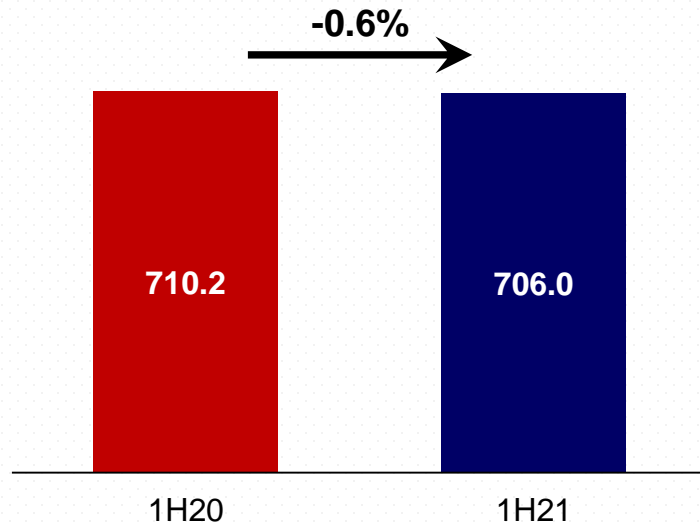
06

Cash flow improved significantly, debt structure optimized

Further accelerated the asset-light transformation, improved project return, inspection services showed a strong growing signs

Domestic revenue stood stable

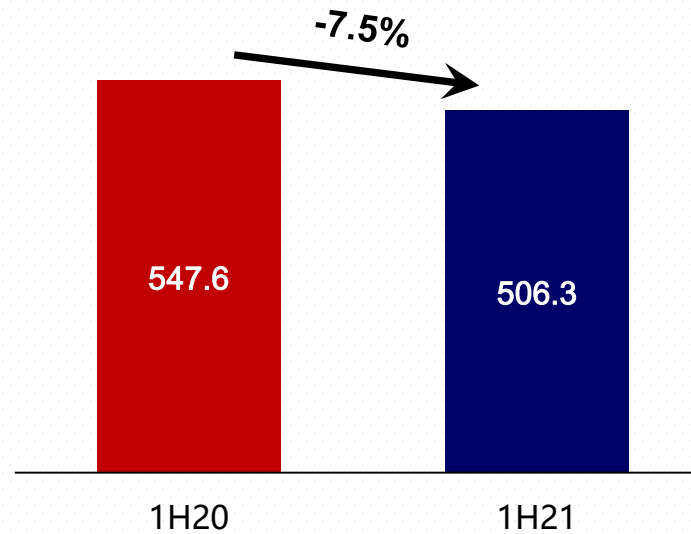
(RMB million)



- Further enlarge market share in tight gas and CBM market.
- Revenue distribution from heavy asset business and oil-related business decreased

Iraqi revenue gradually recovered

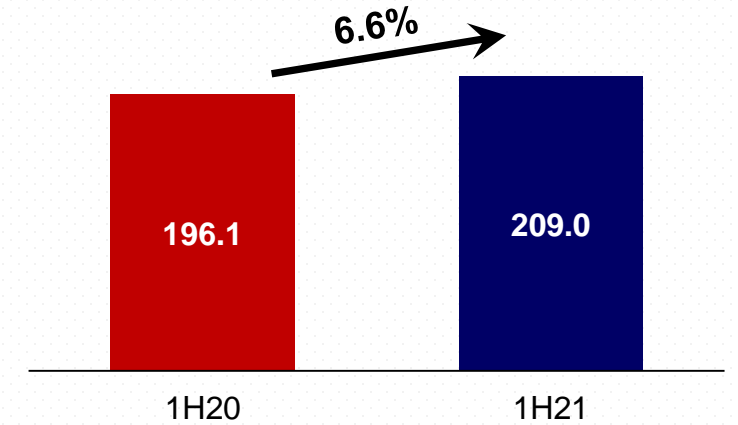
(RMB million)



- Many projects in Iraq market resumed work, slightly decreased year on year, but improved sequentially
- Successfully penetrated into Northern Iraqi market

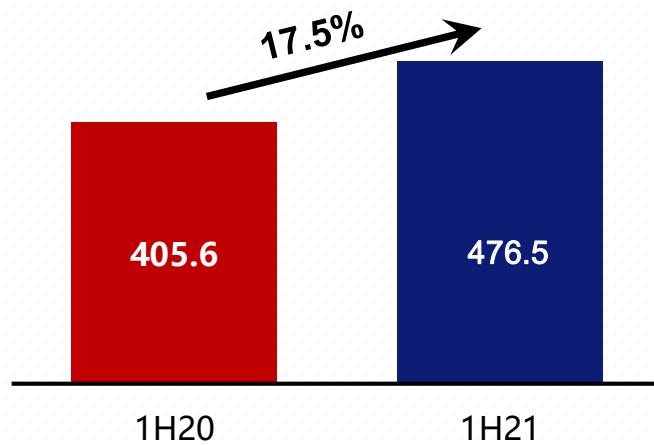
Breakthrough in other overseas markets

(RMB million)



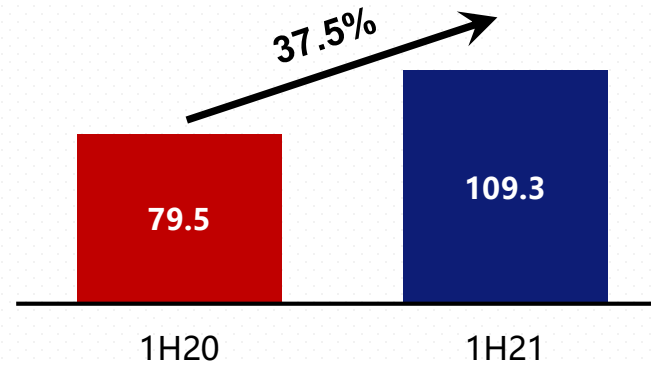
- The Chad market led the recovery
- Penetrated into the Niger and Australian markets and began to obtain orders.

Oil production management revenue (RMB million)



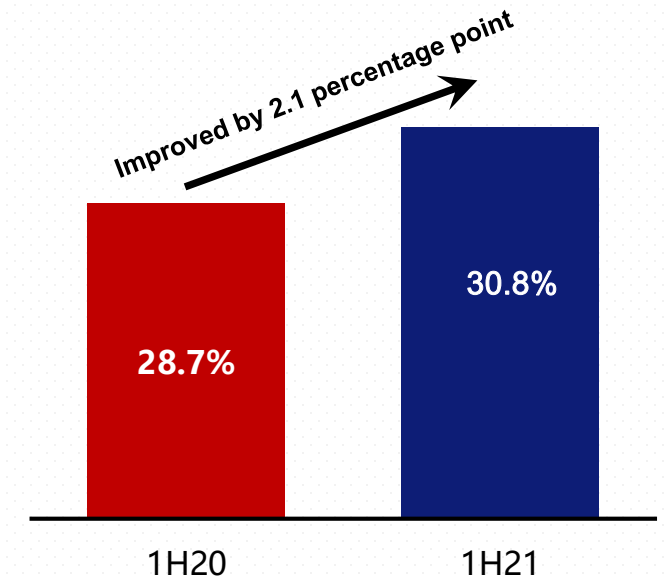
- An increase in Revenue from Asset-light product lines such as oilfield maintenance and inspection services.

Inspection services revenue (RMB million)



- Service price of inspection services rebounded in the first half, the revenue showed a strong growing trend, and has exceeded the pre-COVID level

Gross margin



- Overall gross margin improved

Oilfield management project delivered outstanding performance, the IFMs contract in Iraqi Majnoon oilfield successfully renewed

2018



Won the project and took over the oilfield

2019



Celebrated one-year take-over anniversary

2020



Complete the one-year extension ahead of schedule

2021



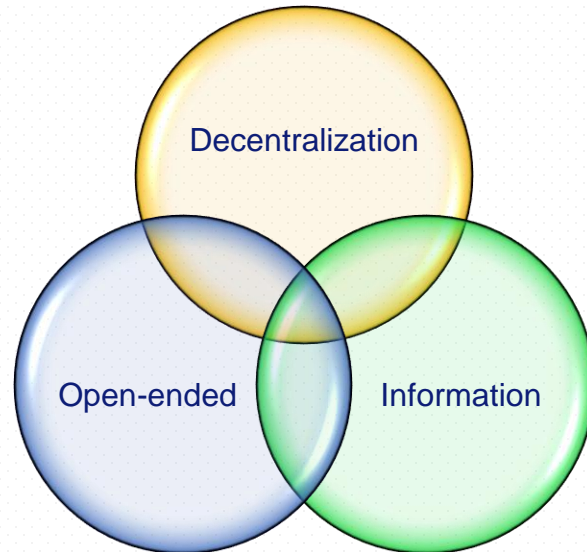
Successfully renewed the contract



Delivered an HSE performance of 20 million LTI free man-hours

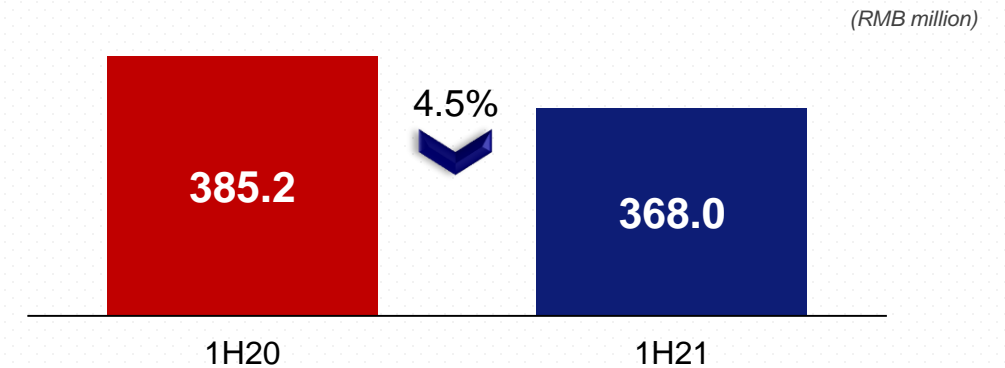


Do everything to improve operational efficiency and reduce costs

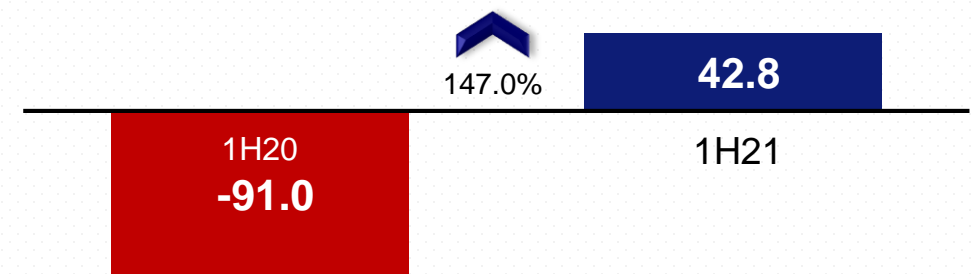


- Extremely flat organization
- Flexible and mobile office, asynchronous communication
- A functional sharing system, response rapidly
- Open-ended meetings, straightly reach site employees

Staff costs reduced



Net profit improved



Free cash flow (FCF) continued to improve

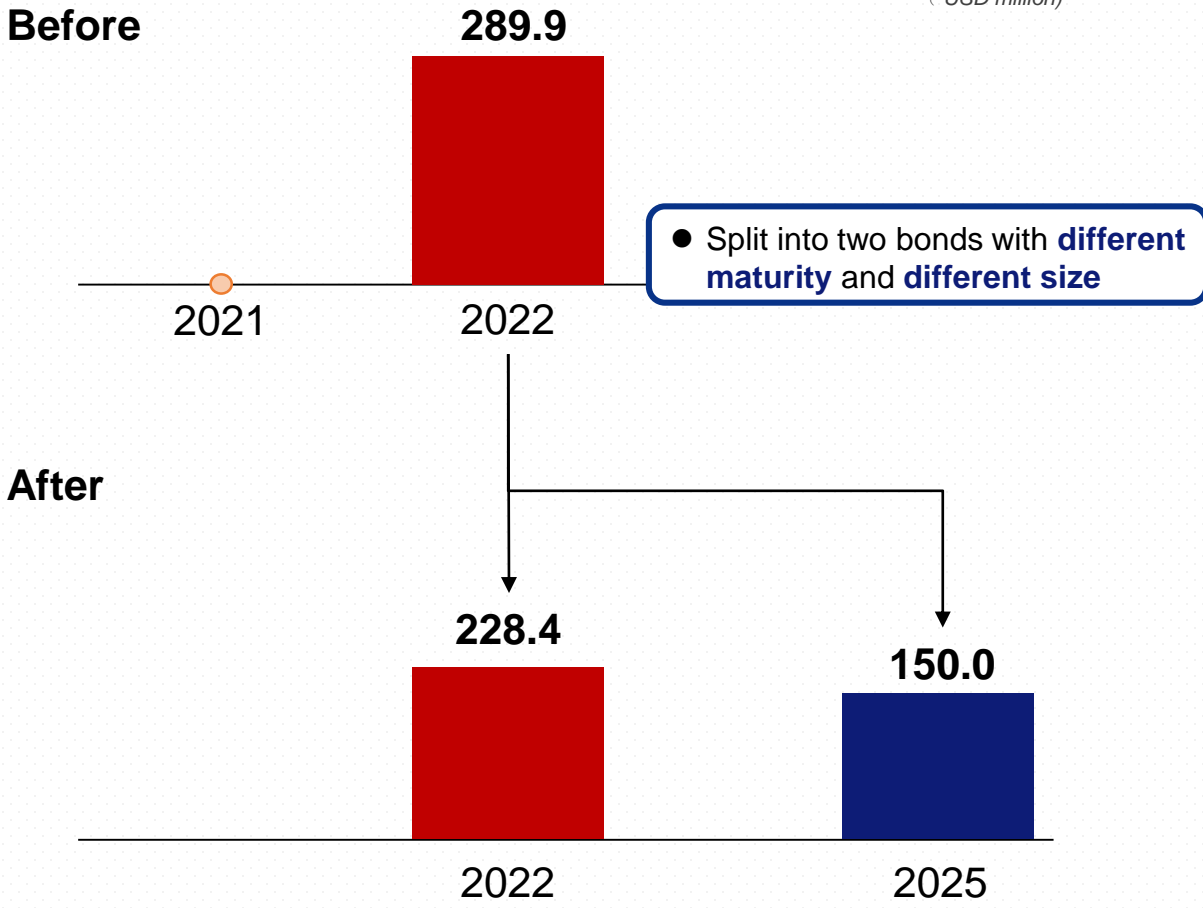
(RMB million)

	1H20	1H21
Operating cash flow	95.4	93.2
Interest paid	182.5	101.2
Capital expenditure	122.9	61.2
Free cash flow	-210.0	-69.2

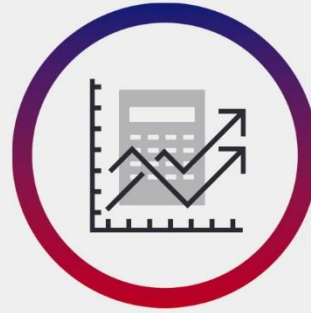
- Strictly control cash flow in the full process, generated operating net cash flow in the four consecutive years
- Interest decreased, finance cost reduced significantly
- Strictly controlled Capex within the budget.

Improved debt structure and reduced risks

(USD million)



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**1H21 Performance
Overview**

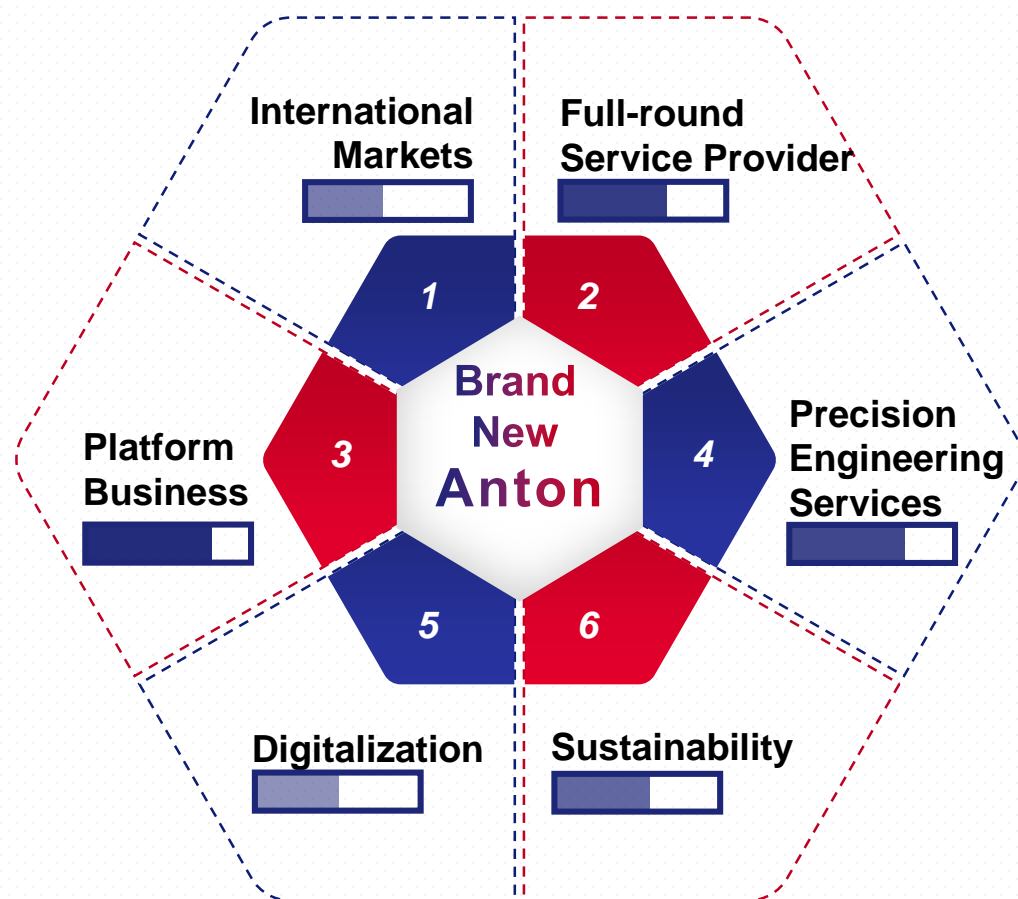


2H21 Outlook



Q&A

- 01 Further pursue upgrade and transformation for a brand-new Anton
- 02 Create an ecological platform and a multi-subject business layout
- 03 Build a service model that integrates all businesses and transform traditional services by integrating new technologies
- 04 Deepen the three core-competitiveness construction measures, improve management efficiency
- 05 Promote sustainable development in an all-around way, upgrade ESG rating, become an industry model



International markets

Being Competitive in global oil and gas emerging markets, will continue to cultivate mature market customers, and seize market share

Full-round service provider

Is now a full-round services provider, and will continue to build a service model that integrates the entire industry

Platform business

An ecological development platform has been formed, will continue to build an ecological enterprise, and operate with multiple entities

precision engineering services

Has introduced sweet-spot technology services that combining geological engineering, and will continued to improve geotechnical capabilities

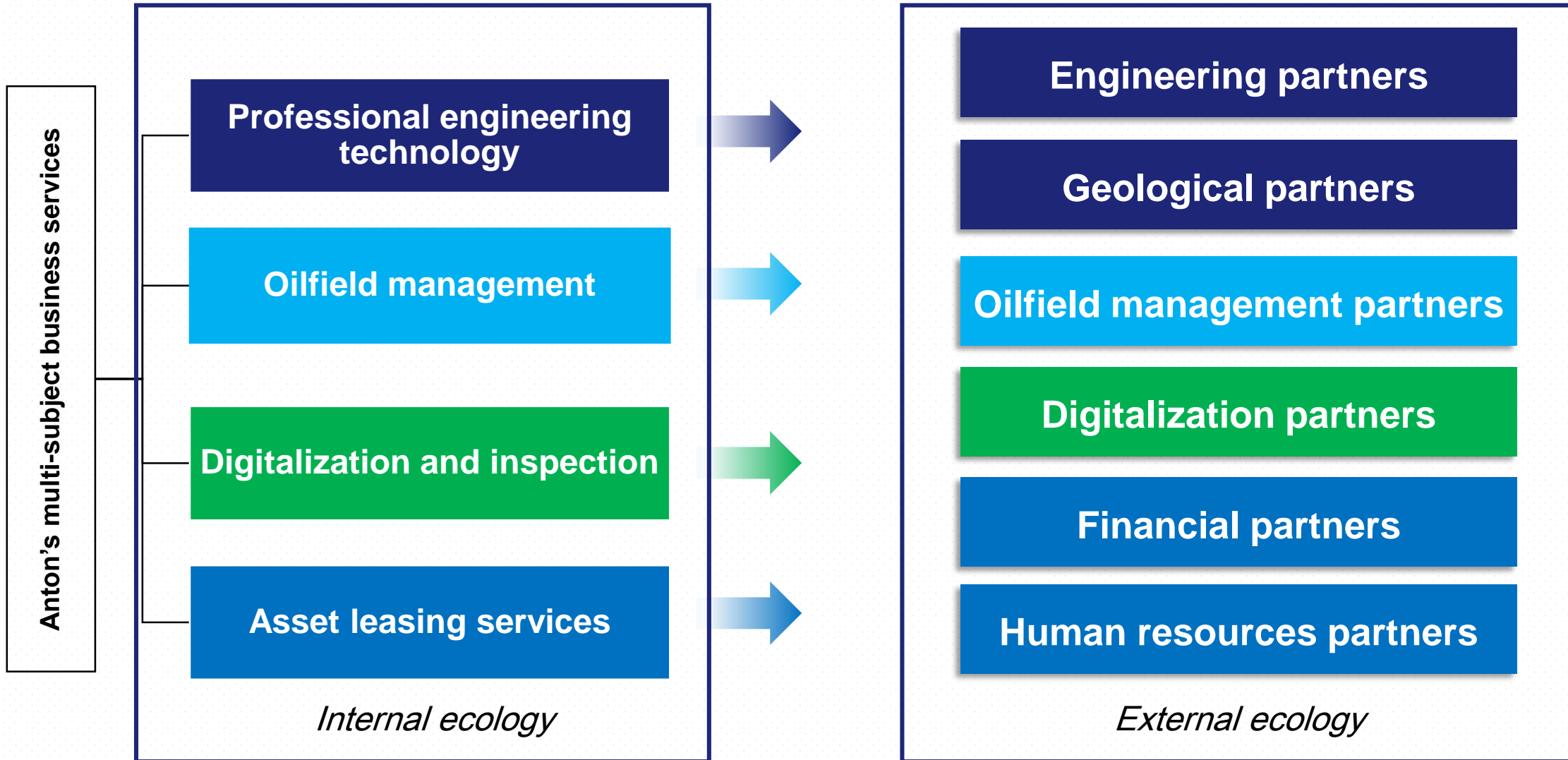
digitalization

Has achieved an initial digitalization of business and management, and will continue to strengthen digital transformation

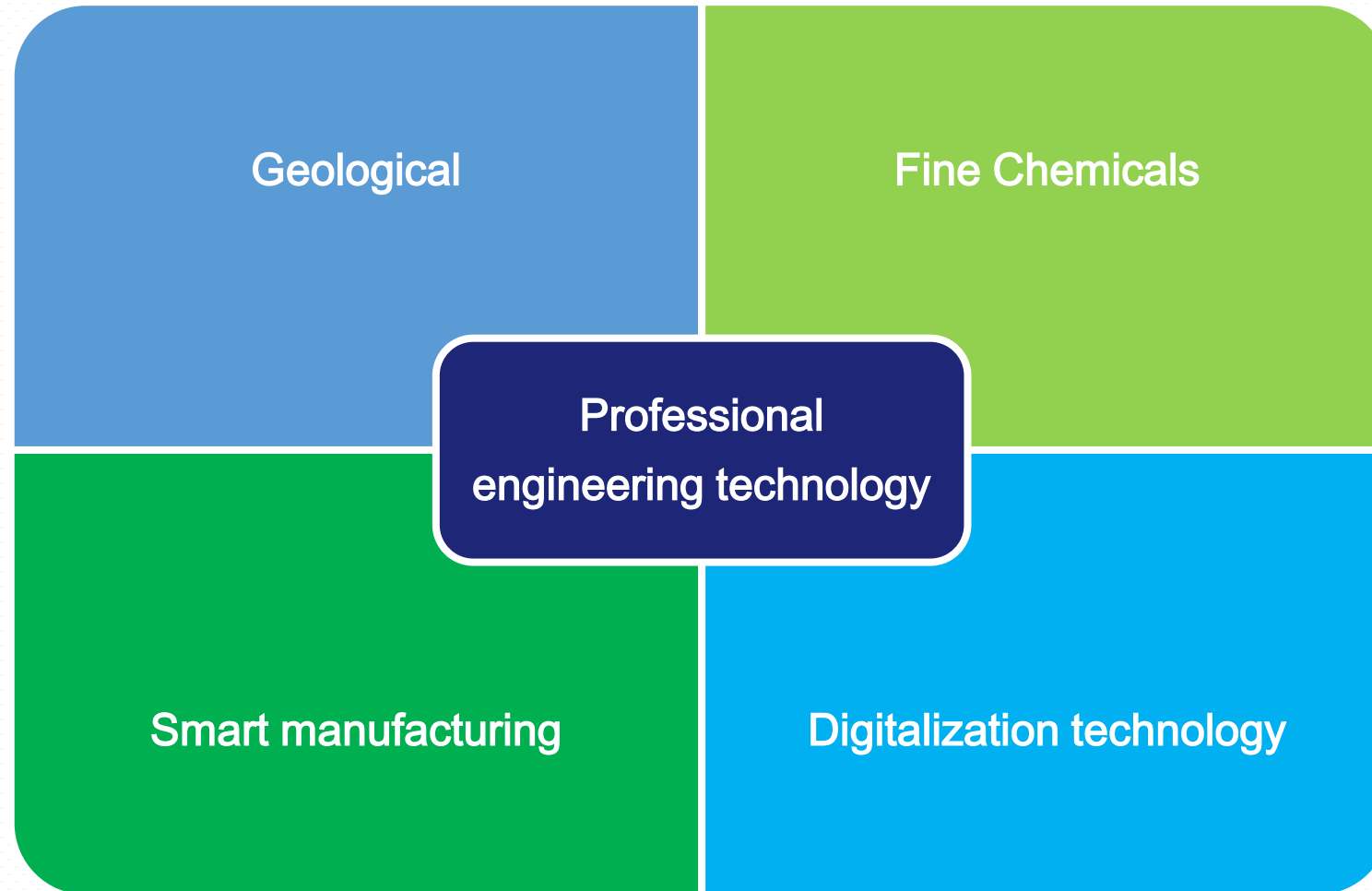
sustainability

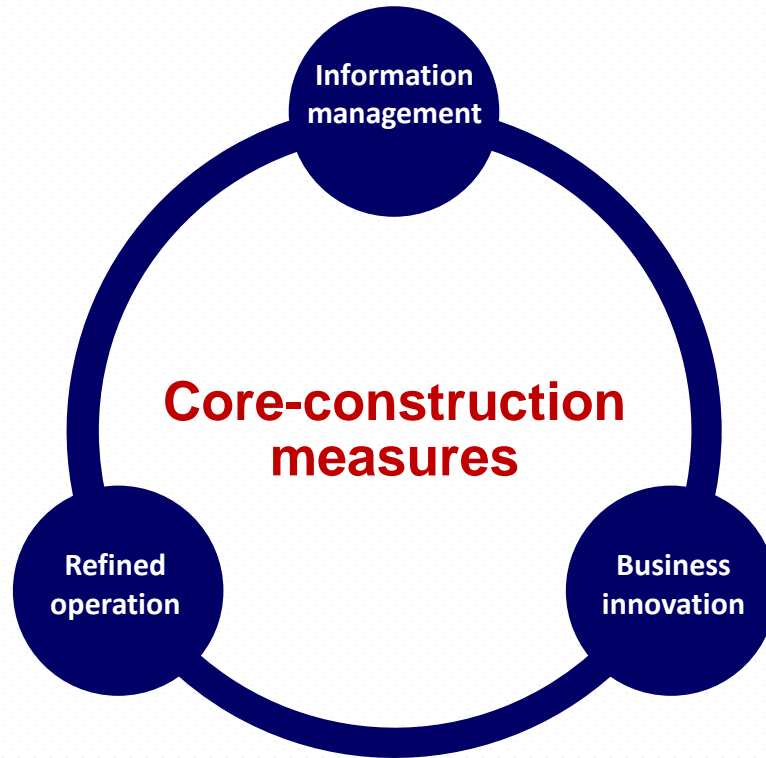
Has established an ESG management system with full participation from the top down, will continued to promote sustainable development

Create an ecological platform and a multi-subject business layout



Build a service model that integrates all businesses and transform traditional services by integrating new technologies





◆ Information management:

Further improve the information management capabilities and reduce costs.

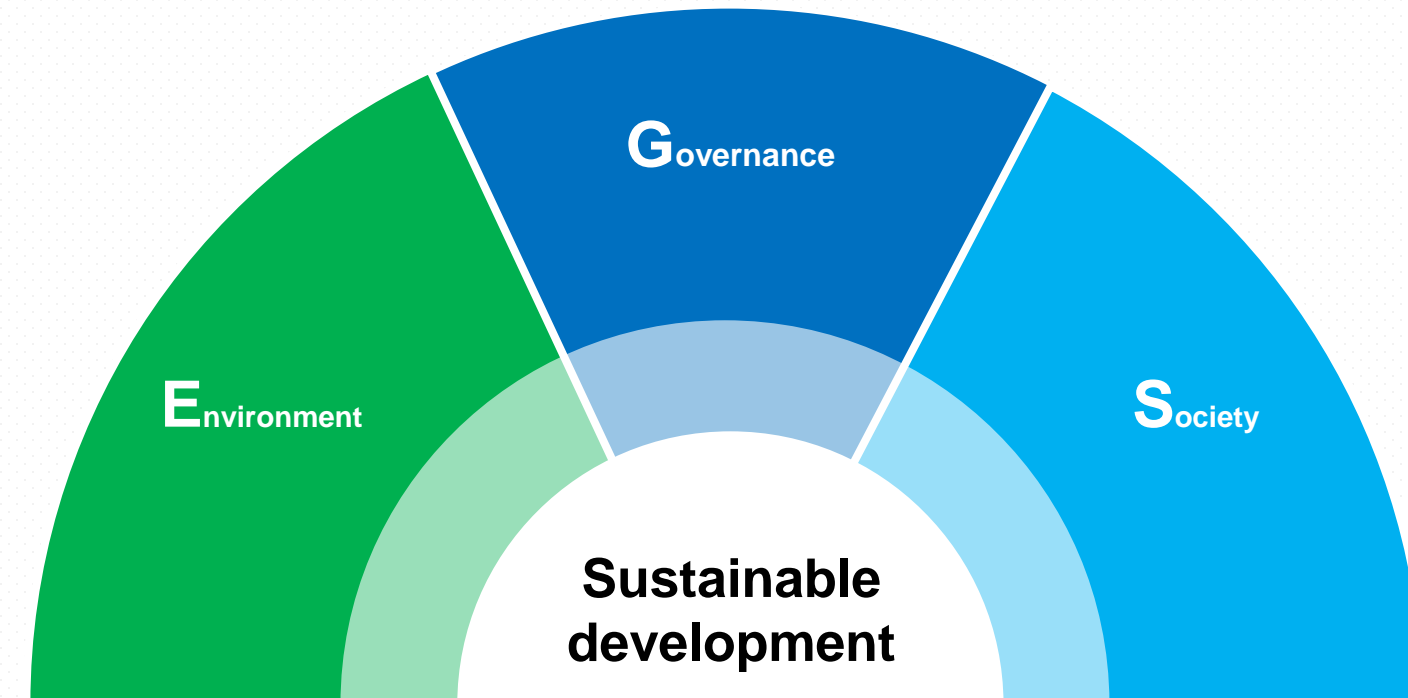
◆ Refined Operation:

Continue to strengthen and promote refined management, continuously improve and increase shareholder returns.

◆ Comprehensively innovate business

Implement comprehensive business innovation in the meantime, and continue to promote normalized business innovation.

Promote sustainable development in an all-around way, upgrade ESG rating, become an industry model



- Continue to strengthen the implementation of ESG requirements at various management levels



- Promote the development of low-carbon solutions
- Reduce carbon emissions



- Fulfill social responsibilities and become an industry model

- We are expecting effective controlling over COVID-19 and rising oil prices in the second half, on the basis of that, the industry will recover soon.
- We stay committed to the core operating targets of cash flow and return on equity to achieve high-quality and robust growth!
- We will further upgrade and build a brand-new Anton to realize long-term sustainable development!

Agenda



**1H21 Performance
Overview**



2H21 Outlook



Q&A

Appendices



As at 30 June (RMB million)	2021	2020
Revenue	1,421.3	1,453.9
Cost of sales	(982.9)	(1,036.5)
Gross profit	438.4	417.5
Other gains	13.1	8.0
Selling expenses	(71.0)	(96.5)
Administrative expenses	(91.2)	(87.5)
Research and development expenses	(19.9)	(18.9)
Sales tax and surcharges	(6.5)	(6.6)
Operating profit	222.4	177.8
Finance costs, net	(109.2)	(211.3)
Share of profit of a joint venture	(0.4)	0.1
Profit before income tax	112.7	(33.4)
Income tax expense	(69.3)	(54.5)
Profit for the year	43.4	(87.8)
Profit attributable to owners of the Company	42.8	(91.0)
Non-controlling interests	0.6	3.2

RMB million	June 30, 2021	June 30, 2020
Property, plant and equipment	1,993.0	2,099.4
Right of using assets	119.1	138.0
Goodwill	242.0	242.0
Intangible assets	261.0	273.7
Interest in a joint venture	3.5	3.9
Interest in an associate	2.0	2.0
Prepayment and other receivables	58.1	66.4
Deferred income tax assets	14.3	22.0
Inventories	923.2	930.6
Trade and notes receivable	2,107.8	2,133.8
Contract assets	24.1	30.6
Prepayments and other receivables	693.6	605.5
Restricted bank deposits	429.0	454.2
Cash and cash equivalents	651.6	879.1
Total assets	7,522.2	7,881.1
Equity attributable to owners of the Company	2,636.2	2,626.1
Non-controlling interests	138.2	137.6
Total equity	2,774.4	2,763.7
Non-current liabilities	1,919.3	2,028.8
Current liabilities	2,828.5	3,088.6
Total liabilities	4,747.8	5,117.4
Total equity and liabilities	7,522.2	7,881.1

As at 30 June(RMB million)	2021	2020
Net cash used in operating activities	93.2	95.4
Net cash used in investing activities	(61.2)	(122.9)
Net cash received/(used) in financing activities	(256.0)	(991.5)
Net decrease in cash and cash equivalents	(224.0)	(1,019.0)
Cash and cash equivalents at beginning of the year	879.1	2,422.9
Exchange gain on cash and cash equivalents	(3.5)	8.4
Cash and cash equivalents at end of the year	651.7	1,412.3