

2015 年 4 月 9 日

买入  
上调

## 预计资产注入临近

中广核美亚 (1811:HK)

### Market Data: Apr,8

Closing Price (HK\$)	2.89
Price Target (HK\$)	3.7
HSCEI	13396
HSCCI	5068
52-week High/Low (HK\$)	2.94/1.84
Market Cap (USD Mn)	1600
Market Cap (HK\$ Mn)	12400
Shares Outstanding (Mn)	4,291
Exchange Rate (HK\$-US\$)	7.75

### Price Performance Chart:



Source: Bloomberg

### Analyst

Vincent Yu  
A0230513070005  
BAM599  
yuwj@swsresearch.com

### Contact

Mae Huang  
A0230114120003  
(8621)23297818x7317

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"CGN MEIYA POWER HOLDINGS (1811:HK)—Projects under pressure" Mar 19, 2015

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### Financial summary and valuation

	2013	2014	2015E	2016E	2017E
Revenue (US\$m)	1,055	1,380	1,592	1,850	2,117
YoY (%)	11.2	30.8	15.4	16.2	14.4
Net income (US\$m)	55.8	202.2	91.5	116.1	143.3
YoY (%)	176.9	262.3	(54.7)	26.8	23.4
EPS (US\$)	0.018	0.051	0.021	0.024	0.027
Diluted EPS (US\$)	0.018	0.051	0.021	0.024	0.027
ROE (%)	7.2	28.5	10.0	9.8	9.7
Debt/asset (%)	68.3	67.2	74.7	79.0	80.8
Dividend Yield (%)	2.9	-	9.0	1.0	1.1
PE (x)	20.7	7.4	17.5	15.6	14.0
PB (x)	1.5	2.1	1.7	1.5	1.4
EV/Ebitda (x)	15.1	12.5	17.9	16.6	14.0

Note: Diluted EPS is calculated as if all outstanding convertible securities, such as convertible preferred shares, convertible debentures, stock options and warrants, were exercised. P/E is calculated as closing price divided by each year's EPS.

中广核集团优质清洁能源资产注入。美亚计划未来四年收购中广核集团旗下 3GW 到 5GW 的清洁能源资产。我们预计美亚将在 2015 年年中开始收购 1GW 控股资产 (700 兆瓦风电, 250MW 水电, 50MW 光伏)。2016 年继续收购 1.55 GW 控股资产 (1200MW 风电, 250MW 水电, 100MW 光伏)。股权从 93%到 95%不等。中广核风电资产优质, 团队专业, 2013 达 4.9GW 装机容量和 12%的内部收益率。风电资产将成为美亚非核清洁能源核心资产之一, 并支持其发展成为亚洲领先的多元化可再生资源的平台。

高增长预期。我们预计公司 14 年权益装机可达 4.6GW (约 3.8GW 控股装机), 其中清洁能源将占比 74%, 包括燃气 (34%), 燃煤 (26%), 风电 (16%), 燃油 (11%), 水 (8%), 热电联产 (2%) 和太阳能发电 (1%)。随着中广核集团的注入, 装机预计将在未来三年年增长 30%左右。(见图 1)。公司的利润结构在未来三年将从以燃气为主导 (2014 年占比约 44%) 转移到以风电为主导 (17 年风电占比约 32%)。(见图 2)

上调评级至买入。我们维持 15 年预测 EPS 为 0.021 美元 (同比增长 7.7%), 16 年 EPS 在 0.024 美元 (同比增长 12%), 和 17 年预测的 0.027 美元 (同比增长 12%)。鉴于优质资产的注入预期, 我们将目标价由 2.06 港元上调到 16 年的 20x PE 3.7 港元, 目标价相当于 22.37x15E PE 和 2.23x PB 15E。股价有 28%的上涨空间, 我们将评级从中性上调至买入。

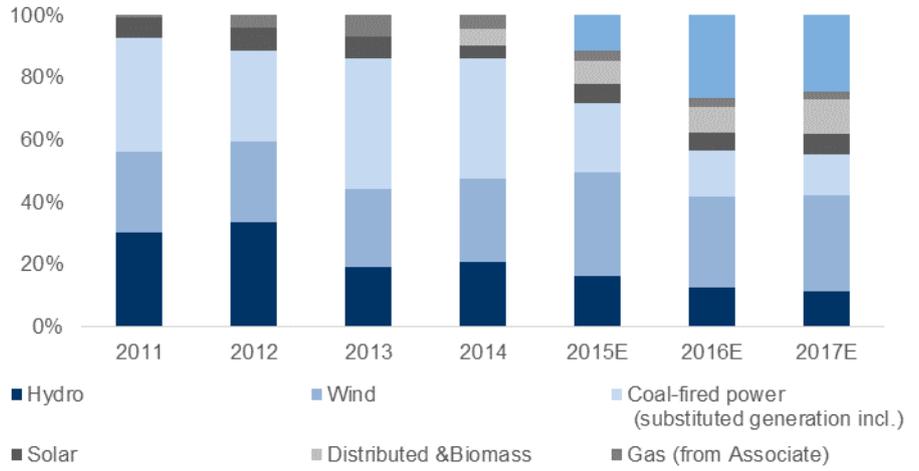
### Investment Highlights :

**High-quality clean energy assets to be injected from CGN Group.** CGN Meiya Power plans to acquire projects from CGN Group via non-complete undertakings of 3GW to 5GW from 2015-18. We expect this to begin in mid-2015. In addition, we expect 1GW worth of consolidated capacity (700MW from wind power, 250MW from hydro power and 50MW from solar power) to be injected from CGN Group by end-2015 and 1.55GW (1200MW from wind power, 250MW from hydro power and 100MW from solar power) worth of consolidated capacity to be injected by 3Q16 (with equity interest ranging from 93-95%). CGN Wind Energy operates high quality wind projects, with an average IRR of 12% and installed capacity of 4.9GW in 2013. Wind power will play an essential role in Meiya's non-nuclear clean energy portfolio and will support its development strategy as a diversified non-nuclear clean and renewable energy platform in Asia.

**High growth expectation.** We expect 4.6GW attributable capacity (3.8GW consolidated) for Meiya in 15E, comprised of 74% clean energy sources, including gas-fired (34%), coal-fired (26%), wind (16%), oil-fired (11%), hydro (8%), cogen (2%) and solar (1%). Attributable capacity is expected to rise c.30% in the following three years with gradual injection from CGN Group. (See figure 1). The company's profit mix will divert from gas- (c.46% in 2014) to wind-lead profit (c.32% in 17E) over the next three years. (See figure 2)

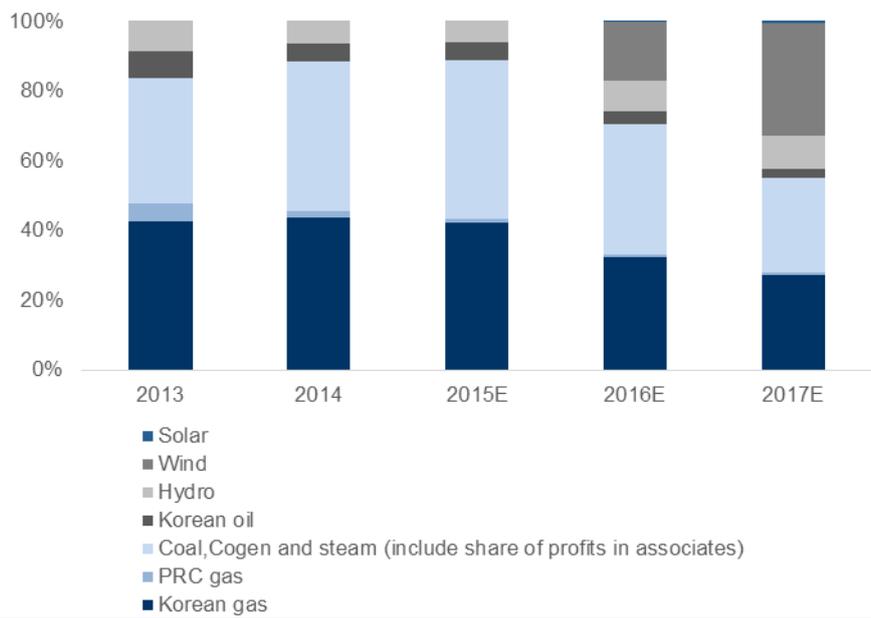
**Upgrade to BUY.** We maintain our EPS forecasts of US\$0.021 in 15E (+7.7% YoY), US\$0.024 in 16E (+12% YoY) and US\$0.027 in 17E (+12% YoY). With ample quality assets set to be acquired and improve market sentiment, we raise our target price from HK\$2.06 to HK\$3.7 based on 20x PE 16E, representing 22.37x 15E PE, 2.23x 15E PB. With 28% upside, we upgrade our recommendation from Hold to BUY.

Figure 1: Attributable capacity breakdown by segments, renewable leads



Source: Company, SWS Research

Figure 2: Profit attributable breakdown by segments, renewable leads



Source: Company, SWS Research

## Appendix

### Consolidated Income Statement

US\$m	2013	2014	2015E	2016E	2017E
<b>Revenue</b>	1,055	1,380	1,592	1,850	2,117
<b>Cost of Sales</b>	743	997	1,219	1,279	1,273
<b>Gross Profit</b>	312	383	373	572	844
<b>Other Income</b>	13	13	13	13	13
Repair and maintenance expense	23	24	23	27	34
Staff costs	46	60	46	60	76
<b>EBITDA</b>	188	245	250	410	639
<b>EBIT</b>	117	150	153	254	378
<b>Finance Costs</b>	52	63	81	145	234
<b>Profit before tax</b>	117	257	146	184	219
Income tax expense	47	40	48	59	64
Minority interests	14	16	7	9	11
<b>Profit for the year</b>	56	202	92	116	143

Source: SWS Research

### Consolidated Cash Flow Statement

US\$m	2013	2014	2015E	2016E	2017E
<b>Profit before taxation</b>	117	257	146	184	219
Plus: Depr. and amortisation	71	95	97	156	261
Finance cost	52	63	81	145	234
Losses from investments	-48	-66	-64	-65	-64
Change in working capital	24	-21	-11	-23	-35
Others	-27	-34	-48	-59	-64
<b>CF from operating activities</b>	189	294	202	338	550
CAPEX	-305	-100	-697	-964	-964
Other CF from investing activities	20	499	317	-51	-52
<b>CF from investing activities</b>	-285	399	-380	-1,015	-1,016
Equity financing	0	262	0	169	169
Net change in liabilities	316	-106	190	597	597
Dividend and interest paid	-117	-67	-225	-163	-255
Other CF from financing activities	-3	0	0	0	0
<b>CF from financing activities</b>	197	90	-35	603	510
<b>Net cash flow</b>	101	783	-214	-74	44

Source: SWS Research

### Consolidated Balance Sheet

US\$m	2013	2014	2015E	2016E	2017E
<b>Current Assets</b>	501	787	581	549	637
Bank balances and cash	209	285	70	(3)	40
Trade and other receivables	118	167	191	222	254
Inventories	29	31	35	46	58
Other current assets	146	305	284	284	284
Long-term investment	724	168	279	332	384
PP&E	1,681	1,483	3,243	5,502	7,657
Intangible and other assets	51	48	74	118	165
<b>Total Assets</b>	2,958	2,487	4,177	6,501	8,843
<b>Current Liabilities</b>	254	445	337	485	626
Borrowings	34	203	72	191	310
Trade and other payables	173	219	242	271	293
Other current liabilities	47	24	23	23	23
Long-term liabilities	1,766	1,225	2,785	4,652	6,519
<b>Total Liabilities</b>	2,020	1,671	3,122	5,137	7,145
Minority Interests	159	107	136	177	221
<b>Shareholder Equity</b>	779	709	919	1,186	1,477
Share Capital	0	0	262	431	600
Reserves	779	709	657	755	877
Equity attributable	779	709	919	1,186	1,477
<b>Total Liabilities and equity</b>	2,958	2,487	4,177	6,501	8,843

Source: SWS Research

### Key Financial Ratios

	2013	2014	2015E	2016E	2017E
<b>Ratios per share (US\$)</b>					
Earnings per share	0.02	0.05	0.02	0.02	0.03
Diluted earnings per share	0.02	0.05	0.02	0.02	0.03
Operating CF per share	0.06	0.07	0.05	0.07	0.10
Dividend per share	0.01	special	0.03	0.00	0.00
Net assets per share	0.25	0.18	0.21	0.24	0.27
<b>Key Operating Ratios (%)</b>					
ROIC	2.8	4.2	3.2	3.4	3.6
ROE	7.2	28.5	10.0	9.8	9.7
Gross profit margin	29.5	27.8	23.4	30.9	39.9
Ebitda margin	17.9	17.7	15.7	22.1	30.2
Ebit margin	11.1	10.9	9.6	13.7	17.9
Growth rate of Revenue(YoY)	11.2	30.8	15.4	16.2	14.4
Growth rate of Profit(YoY)	176.9	262.3	(54.7)	26.8	23.4
Debt-to-asset ratio	68.3	67.2	74.7	79.0	80.8
Turnover rate of net assets	1.1	1.7	1.5	1.4	1.2
Turnover rate of total assets	0.4	0.6	0.4	0.3	0.2
Effective tax rate (%)	40.5	26.9	32.5	32.0	29.4
Dividend yield (%)	2.9	-	9.0	1.0	1.1
<b>Valuation Ratios (x)</b>					
P/E	20.7	7.4	17.5	15.6	14.0
P/B	1.5	2.1	1.7	1.5	1.4
EV/Sale	2.7	2.2	2.8	3.7	4.2
EV/Ebitda	15.1	12.5	17.9	16.6	14.0

Source: SWS Research

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Outperform: Share price performance is expected to generate between 10-20% upside over a 12-month period.

Hold: Share price performance is expected to generate between 10% downside to 10% upside over a 12-month period.

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