

2015 年 4 月 1 日

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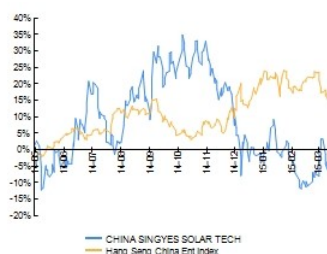
指引强劲

兴业太阳能 (750:HK)

Market Data: Mar,31

Closing Price (HK\$)	10.6
Price Target (HK\$)	12.19
HSCEI	12,346
HSCCI	4,650
52-week High/Low (HK\$)	15.28/9.41
Market Cap (USD Mn)	966
Market Cap (HK\$ Mn)	7,491
Shares Outstanding (Mn)	696
Exchange Rate (RMB-HK\$)	1.26

Price Performance Chart:



Source: Bloomberg

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Related Reports

"CHINA SINGYES SOLAR TECH (750:HK)—Order impact" Dec 2,2014

Financial summary and valuation

	2013	2014	2015E	2016E	2017E
Revenue (Rmbm)	4151	5011	7542	8633	9858
YoY (%)	34	21	50	14	14
Net income (Rmbm)	491	585	785	914	1017
YoY (%)	50	19	34	17	11
EPS (Rmb)	0.75	0.84	1.13	1.32	1.46
Diluted EPS (Rmb)	0.74	0.69	1.06	1.24	1.38
ROE (%)	22	20	22	21	19
Debt/asset (%)	59	62	53	52	50
Dividend yield (%)	0.5	0.5	0.8	0.9	1.0
PE (x)	13.2	11.8	8.8	7.5	6.8
PB (x)	2.5	2.2	1.7	1.4	1.2
EV/Ebitda (x)	9.7	8.4	6.2	5.6	5.1

Note: Diluted EPS is calculated as if all outstanding convertible securities, such as convertible preferred shares, convertible debentures, stock options and warrants, were exercised.

利润超预期，但一次性收益占比过多。兴业太阳能 2014 年实现收入 50.11 亿人民币，同比增长 20.7%。利润为 5.84 亿人民币，同比增长 19%，比我们保守预期 5.44 亿人民币高出 7%。然而，2014 年盈利中包含过多的一次性收益，其中有 1.16 亿人民币来自于可转换债券的公允价值变动。兴业 14 年摊薄每股收益为 0.69，同比下降 6.8%。毛利水平从 2013 年的 23.8% 降至 2014 年的 20.9%。

EPC 业务指引强劲。管理层预计 2015 年将有 600MW 的 EPC 业务，毛利率将超过 30%，而 14 年仅有 480MW EPC 业务，毛利为 26.7%。国家能源局宣布 17.8GW 的新增太阳能装机目标后，管理层有信心在分布式太阳能项目取得突破性进展。此外，管理层预计 300MW 的 BOT 项目将在 2015 年完成。

传统业务保持稳定，绿色建筑业务潜在惊喜。幕墙及绿色建筑 2014 年贡献收入 16.70 亿人民币（同比增长 22%），其中 10.77 亿来自工商（同比增长 20%），3.36 亿来自公共工程（同比下降 12%），还有增速最快的来自高档住宅的业务 2.58m 亿人民币（同比增长 290%）。幕墙及绿色建筑业务毛利率为 15.3%，较往年的 16.06% 略有下降，我们预计 15 年毛利水平将稳定在 15% 左右。

下调目标价，维持增持评级。鉴于市场对 EPC 业务竞争越来越激烈而引起的毛利水平下滑的担忧，我们将目标价从 13.19 港币下调至 12.19 港币，相当于 15E 9.3x 市盈率和 1.75x 市净率。我们将 15 年摊薄每股收益从 1.04 升至 1.06 人民币（同比增长 55%），16 年从 1.32 降至 1.24 人民币（同比增长 17%），并引入 17 年预测为 1.38 人民币（同比增长 11%）。股价有 15% 的上涨空间，我们维持增持评级。

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Investment Highlights :

Bottom line beats our forecast on one-off gain. Singyes reported 2014 revenue of Rmb5.01bn, up 20.7% YoY, and net profit of Rmb584m, up 19% YoY and beating our forecast of Rmb544m by 7%. However, much of the company's bottom line was due to one-off items, with a gain of Rmb116m from fair value change on convertible bonds. Diluted EPS for the year was Rmb0.69, down 6.8% YoY.

Strong guidance for solar EPC business. Company management guided 600MW installations in its engineering, procurement and contracting (EPC) business for 2015, saying it expected the unit to record a 30%-plus gross margin. This compares with 480MW installations in 2014 at a gross margin of 26.7%. In part this stems from improved confidence on the part of management after the National Energy Administration (NEA) announced a nationwide 2015 solar installation target of 17.8GW. The company also anticipates completing 300MW of solar build-operate-transfer (BOT) projects in 2015,

Conventional business stable, green building business holds potential upside. Revenue from curtain wall and green building projects amounted to Rmb1.67bn (+22% YoY) in 2014, of which the majority, or Rmb1.08bn (+20% YoY) was from commercial and industrial projects but rapid growth was seen in high-end residential buildings orders at Rmb258m (+290% YoY). Public works accounted for Rmb335.7m, down 12% YoY. Gross margin for the segment also fell from 16.06% in 2013 to 15.3% in 2014; we expect margins to remain stable at c.15% in the year ahead.

Maintain Outperform. We raise our forecast EPS from Rmb1.04 to Rmb1.06 in 15E, and from Rmb1.32 to Rmb1.24 in 16E and forecast EPS of Rmb1.38 in 17E. We expect the market to react somewhat negatively to the lower gross margin in 2014, due to an increase in competition in the solar EPC business. We lower our target price from HK\$13.19 to HK\$12.19, representing 9.3x 15E PE and 1.75x 15E PB. With 15% upside, we maintain our Outperform rating for the company.

APPENDIX

Consolidated Income Statement

Rmbm	2013	2014	2015E	2016E	2017E
Revenue	4,151	5,011	7,542	8,633	9,858
Cost of Sales	3,162	3,962	5,718	6,589	7,572
Gross Profit	988	1,049	1,824	2,044	2,286
Other Income	44	132	30	30	30
Repairs and maintenance	76	89	151	173	197
Administrative expenses	219	271	498	570	651
EBITDA	802	934	1,332	1,483	1,644
EBIT	737	821	1,206	1,332	1,468
Finance Costs	111	238	225	189	196
Profit before tax	627	699	981	1,143	1,272
Income tax expense	136	114	196	229	254
Minority interests	0.0	0.6	0.8	0.8	0.8
Profit for the year	491	585	785	914	1,017

Source: SWS Research

Consolidated Cash Flow Statement

Rmbm	2013	2014	2015E	2016E	2017E
Profit before taxation	627	699	981	1,143	1,272
Plus: Depr. and amortization	64	113	126	152	177
Finance cost	111	238	225	189	196
Losses from investments	29	0	0	0	0
Change in working capital	76	(666)	110	(323)	(192)
Others	223	248	(21)	(54)	(79)
CF from operating activities	1,129	631	1,421	1,107	1,373
CAPEX	(1,332)	(661)	(661)	(661)	(661)
CF from investing activities	(105)	0	0	0	0
Equity financing	(1,437)	(661)	(661)	(661)	(661)
Net change in liabilities	256	0	0	0	0
Dividend and interest paid	246	(616)	(819)	(352)	(362)
Other CF from financing activities	(136)	(49)	(78)	(91)	(102)
CF from financing activities	140	0	0	0	0
Net cash flow	507	(665)	(897)	(443)	(464)

Source: SWS Research

Consolidated Balance Sheet

Rmbm	2013	2014	2015E	2016E	2017E
Current Assets	3467	4417	4245	5256	6203
Bank balances and cash	895	901	65	68	317
Trade and other receivables	2031	2616	3290	4152	4724
Inventories	77	115	194	246	283
Other current assets	464	785	696	790	878
Long-term investment	29	12	2	2	2
PP&E	2680	3455	3762	4271	4755
Intangible and other assets	125	325	354	386	422
Total Assets	6301	8209	8363	9916	11381
Current Liabilities	2378	2791	3380	4064	4565
Borrowings	870	988	1037	1089	1143
Trade and other payables	1476	1599	2323	2954	3399
Other current liabilities	33	205	19	21	23
Long-term liabilities	1323	2277	1051	1072	1097
Total Liabilities	3702	5068	4430	5135	5662
Minority Interests	0	1	58	71	85
Shareholder Equity	2599	3140	3874	4710	5635
Share Capital	46	46	46	46	46
Reserves	2504	3044	3750	4572	5487
Equity attributable	49	49	78	91	102
Total Liabilities and equity	6301	8209	8363	9916	11381

Source: SWS Research

Key Financial Ratios

	2013	2014	2015E	2016E	2017E
Ratios per share (HK\$)					
Earnings per share	0.75	0.84	1.13	1.32	1.46
Diluted EPS	0.74	0.69	1.06	1.24	1.38
Operating CF per share	1.73	0.91	2.05	1.59	1.98
Dividend per share	0.07	0.07	0.11	0.13	0.15
Net assets per share	3.98	4.52	5.66	6.89	8.24
Key Operating Ratios(%)					
ROIC	26.0	18.2	19.9	18.6	17.4
ROE	22.0	20.4	22.2	21.0	19.4
Gross profit margin	23.8	20.9	24.2	23.7	23.2
EBITDA Margin	19.3	18.6	17.7	17.2	16.7
EBIT Margin	15.1	13.9	13.0	13.2	12.9
Growth rate of Revenue(YoY)	34.0	20.7	50.5	14.5	14.2
Growth rate of Profit(YoY)	50.0	19.2	34.2	16.5	11.3
Debt-to-asset ratio	58.7	61.7	53.0	51.8	49.7
Turnover rate of net assets	1.60	1.60	1.92	1.81	1.72
Turnover rate of total assets	0.66	0.61	0.90	0.87	0.87
Effective tax rate (%)	21.7	16.3	20.0	20.0	20.0
Dividend yield (%)	0.5	0.5	0.8	0.9	1.0
Valuation Ratios (X)					
P/E	13.2	11.8	8.8	7.5	6.8
P/B	2.5	2.2	1.7	1.4	1.2
EV/Sale	1.9	1.6	1.1	1.0	0.9
EV/EBITDA	9.7	8.4	6.2	5.6	5.1

Source: SWS Research

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

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