

2015 年 3 月 20 日

买入  
维持

## 业绩符合预期

中广核电力 (1816:HK)

### Market Data: Mar, 18

Closing Price (HK\$)	3.21
Price Target (HK\$)	3.81
HSCEI	12122
HSCCI	4,471
52-week High/Low (HK\$)	3.66/3.00
Market Cap (HK\$m)	145,900
Market Cap (Rmbm)	117,661
Shares Outstanding (m)	45,449
Exchange Rate (Rmb-HK\$)	1.24

### Price Performance Chart:



Source: Bloomberg

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### Related Reports

"CGN Power (1816:HK)—Counting downtime" Jan 29, 2015

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### Financial summary and valuation

	2013	2014	2015E	2016E	2017E
Revenue (Rmbm)	17,365	20,793	21,237	30,092	35,515
YoY (%)	(1.2)	19.7	2.1	41.7	18.0
Net income (Rmbm)	4194.5	5712.6	6213.6	7166.2	8591.1
YoY (%)	1.2	36.2	8.8	15.3	19.9
EPS (Rmb)	0.15	0.17	0.14	0.16	0.19
Diluted EPS (Rmb)	0.15	0.17	0.14	0.16	0.19
ROE (%)	18.2	15.1	10.5	11.3	13.0
Debt/asset (%)	75.2	62.1	67.9	67.4	65.0
Dividend Yield (%)	1.1	0.1	1.8	2.1	2.5
PE (x)	16.5	14.8	18.5	16.1	13.4
PB (x)	2.2	1.4	1.5	1.4	1.3
EV/Ebitda (x)	13.4	11.7	17.9	12.7	11.0

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.

**业绩略超预期。**中广核电力 2014 年实现收入 207.9 亿人民币 ( 同比上升 19.7% , 比我们预测的 201.8 亿人民币高 3% ) 。股东应占利润归属于业主的利润是 57.12 亿人民币 ( 同比上升 36.2% , 比我们预测的 55.12 亿高出 3.6% ) 。差异主要来自高于预期的服务收入。

**宁德和红沿河利用小时低于预期, 其他基本一致。**2014 年 11 个运营的核电机组中, 2 个机组进行了 10 年大修, 另外 2 个机组进行了第一年大修, 其中大亚湾 2 号机组的 10 年大修将持续到 2015 年。除宁德 1 号机组和红沿河 1 号机组 ( 2 个进行第一年大修的机组 ) , 其他机组的利用小时数和我们的预期基本一致。2014 年由服务收入带来的高毛利冲销了部分宁德和红沿河利用小时低于预期的影响。大亚湾 1 号机组的 10 年大修还未进行, 我们预期在 2015 年。宁德 2 号机组和红沿河 2 号机组 2015 年预计会经历第一年大修。我们预期辽宁和福建省的利用小时现状维持, 至今无任何负面信息会进一步降低利用小时数。

**台山核电站进展如期。**2014 的业绩发布会上, 管理层陈述了对台山核电站如期投产的信心和计划。85% 的设备已经完成安装, 95% 的设备已经达到工地。2 号机组和 1 号机设备间隔 10 个月。台山电价由国家单独制定, 投产的初期可以确定下来。三代的电价尚未有确切标杆, 国家还在研究阶段, 会定一个保证核电站合理收益的水平。

**维持买入评级。**我们维持 2015 年 EPS 预测为 0.14 人民币 ( 同比下降 21% ) , 16 年为 0.16 元 ( 同比上升 15% ) , 17 年为 0.19 元 ( 同比上升 20% ) 。目标价 3.81 港元不变, 相当于 22x 15E 市盈率 水平或 1.8x 15E 市净率水平。股价有 18% 的上涨空间, 我们维持买入评级。

### Investment Highlights :

**Results beat.** CGN Power reported 2014 revenue of Rmb20.8bn (+19.7% YoY, 3% higher than our forecast of Rmb20.2bn) and net profit of Rmb5.7bn (+36.2% YoY, 3.6% higher than our forecast of Rmb5.5bn). We believe the higher-than-expected results derived from accelerating service revenue.

**Lower-than-expected utilisation hours for Ningde and Hongyanhe.** Of the 11 operating units in 2014, two underwent 10-year outages and two for first outages. Among which, 10-year outages for Daya Bay Unit 2 will be completed in 2015. Excluding Ningde Unit 1 and Hongyanhe Unit 1 (the two units for first outages), utilisation hours in 2014 were in line with our expectations. The impact of lower-than-expected utilisation hours for Ningde and Hongyanhe were partially offset by high margins on the back of greater service revenue in 2014. In 2015, we expect a potential 10-year outage for Daya Bay Unit 1 and first outage for Ningde Unit 2 and Hongyanhe Unit 2. Overcapacity in Liaoning and Fujian serves as an overhang, however, we do not see any signals of this worsening in the near-future.

**Confident schedule.** At the annual conference, management indicated confidence towards its on-schedule commercial operating date for its Taishan nuclear power plant. With 95% worth of equipment already transported to the site, 85% of the installation is complete. Unit 2 will commence operation 10 months later once Unit 1 connects to the grid. The plants financials will be consolidated into CGN Power's statements at the end of the month. However, tariff for third-generation nuclear power plants remain unknown, related government departments will research pricing to ensure a reasonable benefit-cost trade-off.

**Maintain BUY.** Our EPS forecast stays at Rmb0.14 in 15E (-21% YoY), Rmb0.16 in 16E (+16% YoY) and Rmb0.19 in 17E (+20% YoY). We maintain our target price of HK\$3.81, representing 22x 15E PE or 1.8x 15E PB. With 18% upside, we maintain our BUY rating for CGN Power.

# APPENDIX

**Table 1: Consolidated Income Statement**

Rmbm	2013	2014	2015E	2016E	2017E
<b>Revenue</b>	17,365	20,793	21,237	30,092	35,515
<b>Cost of Sales</b>	8,961	10,399	10,811	14,675	17,325
<b>Gross Profit</b>	8,148	10,090	10,128	14,995	17,693
<b>Other Income</b>	1,506	1,788	1,948	3,070	3,683
Distribution expenses	4	4	4	6	8
Administrative expenses	1,027	1,465	1,579	2,293	2,777
<b>EBITDA</b>	11,363	13,681	14,475	21,285	25,019
EBIT	8,873	11,004	11,327	16,862	19,767
Finance Costs	2,804	3,204	2,788	6,721	7,003
<b>Profit before tax</b>	6,070	7,800	8,539	10,141	12,764
Income tax expense	998	925	1,437	1,207	1,496
Minority interests	877	1,162	889	1,768	2,677
<b>Profit for equity holders</b>	4,195	5,713	6,214	7,166	8,591

Source: SWS Research

**Table 2: Consolidated Cash Flow Statement**

Rmbm	2013	2014	2015E	2016E	2017E
<b>Profit before taxation</b>	6,070	7,800	8,539	10,141	12,764
Plus: Depr. and amortisation	2,490	2,677	3,148	4,423	5,252
Finance cost	2,804	3,204	2,788	6,721	7,003
Losses from investments	-914	-800	-1,326	-1,686	-1,839
Change in working capital	-1,168	-6,293	-1,801	-4,195	-3,141
Others	793	794	761	938	1,189
<b>CF from operating activities</b>	9,493	6,346	10,672	15,134	19,731
CAPEX	-12,429	-11,546	-28,450	-17,739	-10,960
Other CF from investing activities	7,947	-5,053	1,940	1,514	401
<b>CF from investing activities</b>	-4,482	-16,599	-26,510	-16,225	-10,558
Equity financing	2,708	22,337	0	0	0
Net change in liabilities	428	15,726	9,118	6,713	-3,481
Dividend and interest paid	-1,655	-3,802	-2,051	-2,365	-2,835
Other CF from financing activities	-5,417	-3,115	-2,705	-6,645	-6,933
<b>CF from financing activities</b>	-3,937	32,100	4,362	-2,296	-13,249
<b>Net cash flow</b>	1,075	21,847	-11,476	-3,387	-4,076

Source: SWS Research

**Table 3: Consolidated Balance Sheet**

Rmbm	2013	2014	2015E	2016E	2017E
Current Assets	21,761	42,150	35,798	38,428	38,339
Bank balances and cash	6,640	26,712	19,326	15,938	11,863
Trade and other receivables	3,059	3,750	4,054	5,523	6,422
Inventories	8,384	9,337	10,068	14,617	17,703
Other current assets	3,678	2,350	2,350	2,350	2,350
Long-term investment	11,093	11,893	16,230	19,475	22,874
PP&E	87,042	93,983	175,911	186,012	189,626
Intangible and other assets	7,779	8,900	9,249	9,391	9,523
<b>Total Assets</b>	<b>127,675</b>	<b>156,926</b>	<b>237,188</b>	<b>253,306</b>	<b>260,362</b>
Current Liabilities	26,462	23,559	36,132	39,439	41,535
Borrowings	2,401	3,837	4,931	5,241	5,265
Trade and other payables	12,175	11,341	11,824	14,828	16,866
Other current liabilities	11,887	8,381	19,376	19,370	19,404
Long-term liabilities	69,521	73,950	124,995	131,237	127,764
<b>Total Liabilities</b>	<b>95,983</b>	<b>97,510</b>	<b>161,127</b>	<b>170,676</b>	<b>169,299</b>
Minority Interests	8,640	8,628	21,109	22,877	25,554
Shareholder Equity	23,052	50,789	54,952	59,753	65,509
Share Capital	19,768	45,449	45,449	45,449	45,449
Reserves	3,284	5,340	9,503	14,304	20,060
Equity attributable	23,052	50,789	54,952	59,753	65,509
<b>Total Liabilities and equity</b>	<b>127,675</b>	<b>156,926</b>	<b>237,188</b>	<b>253,306</b>	<b>260,362</b>

Source: SWS Research

**Table 4: Key Financial Ratios**

	2013	2014	2015E	2016E	2017E
<b>Ratios per share (Rmb)</b>					
Earnings per share	0.15	0.17	0.14	0.16	0.19
Diluted earnings per share	0.15	0.17	0.14	0.16	0.19
Operating CF per share	0.16	0.50	0.58	0.36	0.23
Dividend per share	0.03	0.00	0.05	0.05	0.06
Net assets per share	1.16	1.78	1.67	1.82	2.00
<b>Key Operating Ratios(%)</b>					
ROIC	6.8	6.9	5.1	6.6	7.5
ROE	18.2	15.1	10.5	11.3	13.0
Gross profit margin	46.9	48.5	47.7	49.8	49.8
EBITDA Margin	65.4	65.8	68.2	70.7	70.4
EBIT Margin	51.1	52.9	53.3	56.0	55.7
Growth rate of Revenue(YoY)	(1.2)	19.7	2.1	41.7	18.0
Growth rate of Profit(YoY)	1.2	36.2	8.8	15.3	19.9
Debt-to-asset ratio	75.2	62.1	67.9	67.4	65.0
Turnover rate of net assets	0.5	0.3	0.3	0.4	0.4
Turnover rate of total assets	0.1	0.1	0.1	0.1	0.1
Effective tax rate (%)	16.7	16.8	16.8	11.9	11.7
Dividend yield (%)	1.1	0.1	1.8	2.1	2.5
<b>Valuation Ratios (X)</b>					
P/E	16.5	14.8	18.5	16.1	13.4
P/B	2.2	1.4	1.5	1.4	1.3
EV/Sale	8.8	7.7	12.2	9.0	7.7
EV/EBITDA	13.4	11.7	17.9	12.7	11.0

Source: SWS Research

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