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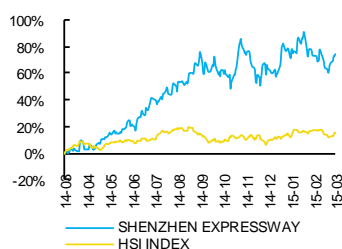
分流引发通行费增速下行

深高速 (548:HK)

Market Data: Mar,20

Closing Price (HK\$)	5.65
Price Target (HK\$)	5.80
HSCEI	12,156
HSCCI	4,457
52-week High/Low (HK\$)	6.19/3.34
Market Cap (US\$)	1,660
Market Cap (HK\$m)	13,071
Shares Outstanding (m)	2,181
Exchange Rate (Rmb-HK\$)	1.26

Price Performance Chart:



Source: Bloomberg

Analyst

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Related Reports

"SHENZHENWXPRESSWAY CO-H
(548:HK): High dividend yield to be
expected" Mar21,2014

Financial summary and valuation

	2013	2014	2015E	2016E	2017E
Revenue (Rmbm)	3,279.28	3,620.36	3,284.93	3,353.24	3,470.09
YoY (%)	4.61	10.40	-9.27	2.08	3.48
Net income (Rmbm)	750.95	2,271.47	880.01	939.74	976.16
YoY (%)	3.35	202.48	-61.26	6.79	3.88
EPS (Rmb)	0.33	1.00	0.39	0.41	0.42
Diluted EPS (Rmb)	0.33	1.00	0.39	0.41	0.42
ROE (%)	6.68	17.31	6.72	7.15	7.40
Debt/asset (%)	49.78	42.24	43.06	42.36	42.49
Dividend yield (%)	0.00	3.57	10.04	3.44	3.67
PE (x)	13.59	4.31	11.11	10.41	10.02
PB (x)	0.87	0.75	0.75	0.74	0.74
EV/Ebitda (x)	4.57	4.02	4.64	4.62	4.59

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

投资要点:

业绩符合预期,慷慨分享红利。深圳高速公路 2014 年收入同比上涨 10.4%达人民币 36.08 亿元,营业利润同比上涨 26.5%达人民币 14.59 亿元。归属于公司所有者的净利润同比上涨 203.86%达人民币 21.87 亿元。梅观高速(梅林至观澜段)被政府回购并于 2014 年 4 月 1 日期免费通行。如果扣除梅观高速出售带来的一次性收益,归属于公司所有者的净利润为人民币 9.64 亿元,同比上涨 16.26%,基本符合市场预期。董事会已建议派发 2014 年度末期现金股息每股 0.45 元,占每股收益的 45%。其中,因梅观资产处置收益而派发的特别股息为每股 0.255 元,占处置收益的 50%。对应市价的股息收益率约为 10%。

清连高速通行费收入 2015 年持续下滑。作为京港澳高速粤境段复线的广乐高速(广东广州至乐昌)于 2014 年 9 月底通车运营,对清连高速产生一定分流。清连高速 2014 年四季度的通行费收入同比下滑 6.9%,远低于前三个季度 15.3%的增幅。我们预期清连高速通行费收入 2015 年下滑 20%,2016 年和 2017 年将分别增长 6%和 7%。

未来可能还会有进一步的分流。2015 年 2 月起,盐田坳隧道将免费通行,这将分流部分深圳高速旗下机荷高速的车流量。2016 年坂澜大道与机荷东高速互通立交建成通车,该互通立交的建成通车将分流一部分原机荷高速经清湖立交转梅观高速流量,但同时坂澜大道沿线居民区、工业区密集,交通需求旺盛,为机荷高速流量增长形成正面影响。综合考虑清连高速通行费的下滑和未来机荷,梅观高速的通行费的变化,我们预期深圳高速通行费收入 2015 年将下滑 6.31%,2016 年增长 4.52%,2017 年增长 4.50%。通行费收入的增长将低于 2013 年的 6.31%和 2014 扣除梅观路费收入贡献后的 9.65%。

或将受益于未来国企改革。深圳高速是深圳市属的国有企业。随着国有企业改革更多政策的推出,例如股权激励等。深圳高速将受益于国企改革。

稍事休息,下调评级至中性。为了反映临近路段分流给公司带来的不利影响,我们下调公司 2015 和 2016 年的盈利预测,并推出公司 2017 年的盈利预测。由于过去一年高速公路板块的平均估值水平有所提升,我们上调了公司的目标价至 5.80 港币,对应 12 倍 2015 年市盈率和 3%的上升空间,下调评级至“中性”。自我们 2013 年 12 月首次覆盖并给于“买入”以来,公司股价上涨 55%,战胜 HSCEI 48%。我们建议投资者等待更好的买入时机。

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Investment Highlights :

Results in lines and generous dividend payout. Shenzhen Expressway (SZE 548.HK)'s 2014 revenue grew by 10.4% YoY to Rmb3.62b, operation profit grew by 26.5% to Rmb1.46b. Profit attributable to shareholders grew by 203.86% to Rmb2.19b. Meiguan Expressway (Meilin-Guanlan section) was repurchased Shenzhen Government and became free to public from April 1 2014. After deducting Meiguan expressway's disposal gains, the company's profit attributable grew by 16.26% YoY to Rmb963.94m, broadly in line with market consensus. The company announced to pay dividend of Rmb0.45 per share including special dividend of Rmb0.255 per share on disposal gains of Meiguan Expressway, implying payout ratio of 45% and dividend yield of 10%.

Qinglian Expressway's toll income decline may continue in 2015. Qinglian expressway's toll income YoY growth declined from 15.3% in Q1-3 to -6.9% in Q4 with the opening of Guangle expressway in Sep 2014. We expect Qinglian expressway's toll income will grow by -20% in 15E, 6% in 16E and 7% in 17E.

More diversion ahead. Yantianao tunnel (盐田坳隧道) became free from Feb 1 2015 and it may attract traffics from Jihe Expressway of SZE. The interchange between Banlan road and Jihe Expressway opening in 2016 will cut Meiguan Expressway (Guanlan to Liming section)'s traffic and increase Jihe Expressway's traffic. We expect the SZE's toll income in revenue to grow by -6.31%, 4.52% and 4.50% in 2015E-2017E. The toll income growth will be lower than 6.31% in 2013 and 9.65% in 2014 (after deducting Meiguan Expressway (Meilin-Guanlan section, 13.8 KM)'s toll income contribution).

Benefit from possible SOE reform. As a SOE owned ultimately by Shenzhen SASAC, SZI may benefit from possible SOE reform policies, such as stock price related incentive plan for senior management.

Downgrade from Buy to Hold. We cut SZE's 15E EPS forecast from Rmb0.41 to Rmb0.38 and 16E EPS forecast from Rmb0.47 to Rmb0.41 to factor in traffic diversion and introduce 17E EPS forecast of 0.43. We raise the target price of HK\$4.86 to HK\$5.80 due to sector average PE ratio rise. The new target price implies 12x 2015PE and 3% upside potential, downgrade to Hold. The company's stock price has risen by 55% and outperformed HSCEI by 48% since our initiation with Buy on Dec 10, 2013.

Figure 1: Toll income breakdown and forecast value

RMB mn	2010	2011	2012	2013	2014	2015E	2016E	2017E
<i>Meiguan Expressway</i>	347	344	320	293	151	85	86	88
<i>Jihe East</i>	516	514	454	485	589	595	607	613
<i>Jihe West</i>	427	449	395	383	463	469	477	481
<i>Yanba Expressway</i>	122	135	142	162	180	191	206	223
<i>Yanpai Expressway</i>	156	169	188	197	213	217	226	235
<i>Nanguang Expressway</i>	191	215	230	287	306	331	357	386
<i>Qinglian Project</i>	392	471	537	711	780	624	661	708
<i>Wuhang Expressway</i>	-	418	460	380	325	306	324	343
Toll revenue	2,153	2,716	2,726	2,898	3,008	2,818	2,945	3,078
Entrusted management services revenue	91	149	294	267	503	352	282	254
Other revenue (including Advertising services revenue)	798	87	114	114	109	115	126	139
Revenue	3,042	2,952	3,135	3,279	3,620	3,285	3,353	3,470

Source: Company data, SWS Research

Figure 2: Toll income breakdown and forecast on a YoY basis

YoY	2010	2011	2012	2013	2014E	2015E	2016E	2017E
<i>Meiguan Expressway</i>		-0.86%	-6.92%	-8.53%	-48.50%	-43.96%	2%	2%
<i>Jihe East</i>		-0.53%	-11.65%	6.88%	21.51%	1%	2%	1%
<i>Jihe West</i>		5.19%	-11.96%	-3.19%	20.92%	1%	2%	1%
<i>Yanba Expressway</i>		10.12%	5.18%	14.29%	11.10%	6%	8%	8%
<i>Yanpai Expressway</i>		8.21%	11.12%	4.97%	7.98%	2%	4%	4%
<i>Nanguang Expressway</i>		12.50%	7.04%	24.86%	6.67%	8%	8%	8%
<i>Qinglian Project</i>		20.16%	13.98%	32.35%	9.68%	-20%	6%	7%
<i>Wuhang Expressway</i>		0.00%	9.88%	-17.39%	-14.36%	-6%	6%	6%
Toll revenue		26.16%	0.40%	6.31%	3.77%	-6.31%	4.52%	4.50%
Entrusted management services revenue		64.26%	97.15%	-9.45%	88.80%	-30%	-20%	-10%
Other revenue (including Advertising services revenue)		-89.14%	31.26%	0.48%	-4.41%	5%	10%	10%
Revenue		-2.97%	6.20%	4.61%	10.40%	-9.27%	2.08%	3.48%

Source: Company data, SWS Research

APPENDIX

Table 1: Consolidated Income Statement

million yuan	2013	2014	2015E	2016E	2017E
Revenue	3,279	3,620	3,285	3,353	3,470
Cost of Sales	1,526	1,705	1,820	1,858	1,948
Gross Profit	1,753	1,915	1,465	1,495	1,522
Other Income	6	1,511	3	4	4
SGA Expenses	88	93	98	102	106
EBITDA	2,113	2,439	2,987	3,067	3,115
EBIT	1,153	1,459	1,172	1,252	1,300
Finance Costs	582	419	383	336	317
Profit Before Tax	1,153	1,459	1,172	1,252	1,300
Income Tax Expense	163	695	293	313	325
Minority Interests	31	85	40	43	50
Profit for the Year	751	2,271	880	940	976

Source: SWS Research

Table 2: Consolidated Balance Sheet

million yuan	2013	2014	2015E	2016E	2017E
Current Assets	2,238	4,027	3,851	4,811	5,830
Bank Balances And Cash	1,095	1,634	1,938	3,271	4,239
Trade And Other Receivables	663	821	821	838	868
Inventories	345	535	455	465	487
Other Current Assets	0	800	400	0	0
Long Term Investment	1,614	3,024	3,021	3,021	3,021
PPE	1,149	1,058	1,064	1,072	1,081
Intangible And Other Assets	17,756	16,155	16,033	15,146	14,258
Total Assets	22,840	24,329	24,036	24,116	24,256
Current Liabilities	2,234	2,935	2,861	2,899	2,988
Borrowings	450	24	0	0	0
Trade And Other Payables	1,145	1,871	1,820	1,858	1,948
Other Current Liabilities	620	1,022	1,022	1,022	1,022
Long Term Liabilities	8,553	7,501	7,299	7,299	7,299
Total Liabilities	11,601	11,209	10,933	10,971	11,061
Minority Interests	1,265	1,323	1,305	1,347	1,397
Shareholder Equity	9,974	11,798	11,798	11,798	11,798
Share Capital	2,181	2,181	2,181	2,181	2,181
Reserves	7,794	9,617	9,617	9,617	9,617
Equity Attributable	9,974	11,798	11,798	11,798	11,798
Total Liabilities And Equity	22,840	24,329	24,036	24,116	24,256

Source: SWS Research

Table 3: Consolidated Cash Flow Statement

million yuan	2013	2014	2015E	2016E	2017E
ProfitBeforeTaxation	751	2,271	1,173	1,253	1,302
DeprAndAmortisation	962	984	1,001	1,026	1,034
FinanceCost	582	419	383	336	317
LossesFromInvestments	0	0	0	0	0
ChangeInWorkingCapital	(478)	(221)	29	11	38
Others	(56)	(1,660)	(1,334)	(1,017)	(1,426)
CFFFromOperatingActivities	1,761	1,794	1,253	1,610	1,264
CAPEX	(603)	414	(140)	(147)	(154)
OtherCFFFromInvestingActivities	98	81	196	206	217
CFFFromInvestingActivities	(505)	495	56	59	62
EquityFinancing	0	0	0	0	0
NetChangeInLiabilities	(1,175)	(1,258)	(24)	0	0
DividendAndInterestPaid	(944)	(892)	(981)	(336)	(359)
OtherCFFFromFinancingActivities	(3)	27	0	0	0
CFFFromFinancingActivities	(2,121)	(2,123)	(1,005)	(336)	(359)
NetCashFlow	(865)	165	304	1,333	967
FCFF	870	1,940	1,769	1,829	1,892
FCFE	(887)	262	1,362	1,493	1,576

Source: SWS Research

Table 4: Key Financial Ratios

	2013	2014	2015E	2016E	2017E
Ratios per share (HKD)					
Earnings per share	0.33	1.00	0.39	0.41	0.42
Operating CF PerShare	0.81	0.82	0.57	0.74	0.58
Dividend Per Share	0.00	0.16	0.45	0.15	0.16
Net Assets Per Share	5.15	6.02	6.01	6.03	6.05
Key Operating Ratios(%)					
ROIC	12.12	9.22	9.10	9.40	10.04
ROE	6.68	17.31	6.72	7.15	7.40
Gross Profit Margin	53.46	52.90	44.59	44.59	43.87
EBITDA Margin	103.24	94.24	89.72	88.25	85.84
EBIT Margin	73.89	67.06	59.24	57.65	56.05
Growth Rate Of Revenue	4.61	10.40	(9.27)	2.08	3.48
Growth Rate Of Profit	3.35	202.48	(61.26)	6.79	3.88
Debt To Asset Ratio	49.78	42.24	43.06	42.36	42.49
Turnover Rate Of Net Assets	0.29	0.28	0.25	0.26	0.26
Turnover Rate Of Total Assets	0.15	0.15	0.14	0.14	0.14
Effective Tax Rate	14.17	0.00	0.00	0.00	0.00
Dividend Yield	0.00	3.57	10.04	3.44	3.67

Source: SWS Research

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