

26 March 2015

终止覆盖

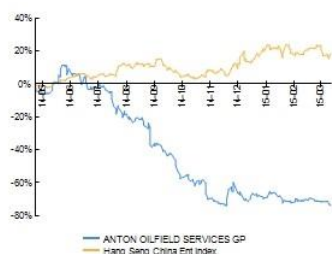
是时候说再见

安东油服 (3337:HK)

Market Data: Mar,25

Closing Price (HK\$)	1.30
Price Target (HK\$)	N/A
HSCEI	11,969
HSCCI	4,525
52-week High/Low (HK\$)	6.09/1.39
Market Cap (USD Mn)	414
Market Cap (HK\$ Mn)	3,211
Shares Outstanding (Mn)	2,215
Exchange Rate (RMB-HK\$)	1.26

Price Performance Chart:



Source: Bloomberg

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Related Reports

"ANTON OILFIELD SERVICES GROUP
(3337 HK): Surprising net loss" Jan
20,2015

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Financial summary and valuation

	2012	2013	2014	2015E	2016E
Revenue (Rmbm)	2,004.58	2,533.54	2,071.21	1,876.00	1,930.00
YOY (%)	59.22	26.39	(18.25)	(2.29)	2.88
Net income (Rmbm)	302.71	382.57	(198.21)	(42.00)	2.51
YOY (%)	291.21	26.38	(151.81)	(72.86)	(105.97)
EPS (Rmb)	0.14	0.18	(0.09)	(0.02)	-
Diluted EPS (Rmb)	0.14	0.17	(0.09)	(0.02)	-
ROE (%)	14.54	15.01	(6.91)	(1.92)	0.11
Debt/asset (%)	42.08	41.96	43.28	57.13	59.49
Dividend Yield (%)	1.27	1.37	-	(0.13)	0.01
P/E (x)	7.24	5.82	(11.51)	(53.70)	900.26
P/B (x)	1.05	0.94	1.03	1.16	1.22
EV/EBITDA (x)	5.82	4.52	18.76	11.52	10.87

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

业绩再次令人失望。 安东昨晚公布了 2014 年的财务结果，公司在 2014 年录得净亏损人民币 1.98 亿元，每股亏损人民币 0.09 元（同比下降 152%），比盈利预警时公司指引给出的同比下降 140%还要低。虽然一年下修了多次盈利指引，但公司 2014 年最终业绩依旧令人失望。

流动性风险。 2014 年净资产净负债比率由 13 年的 32%，14 年上半年的 63%上升至 97%。2014 年应收账款周转天数增加了 95 天至 258 天。我们认为这是由于公司激进的资本开支计划以及行业环境急剧下滑所致。在一个潜在的长于预期的市场低谷大环境下，从 2015 年开始我们更加担心公司的流动性风险。

令人费解的资本开支。 安东公布了其 2014 年投资现金流为人民币 5.75 亿元（2013 年为人民币 8.09 亿元）。2014 年资本开支为人民币 11.1 亿元（2013 年为人民币 7.94 亿元），其中 2014 年钻井，完井，井下和管材资本开支分别为人民币 4.69/0.07/3.63/2.19 亿元，而 13 年资本开支则分别为人民币 1.43/1.12/3.76/1.64 亿元。我们认为对于一个亏损的公司在行业快速下滑的大环境下还进行巨大的投资，这非常令人惊讶。因此我们对公司治理更加担心。

终止覆盖。 我们决定终止覆盖安东，原因有三：1）我们认为公司在一两年内很难扭亏为盈，2）我们对公司治理更加担心，3）我们并未发现该公司有任何被收购价值，由于从安东招聘有经验的工程师成本更低。

Investment Highlights:

Earning miss once again. Anton reported a net loss for 2014 of -Rmb198m and basic EPS of -Rmb0.09 (-152% YoY after a profit warning that its bottom line would decline more than 140% YoY). The results follow several rounds of downward revisions to 2014 earnings guidance.

Liquidity risks. Net gearing jumped 34ppts HoH and 65ppts YoY to 97% in 2014 (vs 32% in 2013, 63% in 1H14). Days in receivables increased by 94 days YoY to 258 days in 2014. We think this is as a result of the combination of aggressive Capex plans and deterioration in the business environment for private sector oilfield services firms. In a potentially longer than expected market trough, we are concerned that the company faces significant liquidity risk from 2015-on.

Confusing Capex. Anton reported -Rm575m in cash flow from investment activities in 2014 (vs -Rmb809m in 2013). Its 2014 Capex reached Rmb1.11b (vs Rmb794m in 2013), including Rmb469m for drilling (vs Rmb143m in 2013), Rmb71m for well completion (vs Rmb112m in 2013), Rmb363m on downhole services (Rmb376m in 2013) and Rmb219m on pipeline businesses (vs Rmb164m in 2013). We have serious reservations about the strategic wisdom for a loss-making company to invest heavily in a collapsing industry environment. We are increasingly concerned over the corporate governance of this company.

Termination of coverage. We terminate coverage of Anton, as we believe that, given the prevailing conditions in the industry for private oilfield services companies (as laid out in our previous reports), Anton is unlikely to turn profitable in the next one- to two years, and we have become increasingly concerned over the corporate governance issues at the company. In addition, we see no acquisition value in the company, since it is cheaper to hire experienced engineers from Anton.

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