

March 26, 2015

**Neutral**  
**Unchanged**

## 前景展望谨慎

瑞声科技 (2018 HK)

### Market Data: Mar, 25

Closing Price (HK\$)	48.2
Price Target (HK\$)	48.5
HSCEI	11,967
HSCCI	4,525
52-week High/Low (HK\$)	54.85/32.15
Market Cap (USD Mn)	7,630
Market Cap (HK\$ Mn)	59,190
Shares Outstanding (Mn)	1,228
Exchange Rate (RMB-HK\$)	1.26

### Price Performance Chart:



Source: Bloomberg

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### Related Reports

"AAC TECHNOLOGIES HOLDINGS (2018:HK)—Non-acoustic drivers" Sep 17, 2014

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### Financial summary and valuation

	2013	2014	2015E	2016E	2017E
Revenue (RMB million)	8,095.89	8,879.30	10,412.65	12,081.29	13,433.88
YOY (%)	28.86	9.68	17.27	16.03	11.20
Net income (RMB million)	2,577.58	2,317.42	2,745.02	3,172.28	3,503.26
YOY (%)	46.38	(10.16)	18.61	15.59	10.45
EPS (RMB)	2.10	1.89	2.24	2.58	2.85
Diluted EPS (RMB)	2.10	1.89	2.24	2.58	2.85
ROE (%)	32.42	25.13	27.52	25.85	23.76
Debt/asset (%)	26.18	33.66	37.75	34.95	32.35
Dividend Yield (%)	1.57	1.48	1.75	2.02	2.23
P/E (x)	18.26	20.31	17.15	14.84	13.44
P/B (x)	5.93	5.12	4.73	3.84	3.20
EV/EBITDA (x)	16.40	15.28	11.97	9.82	8.43

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.

### 投资要点:

**略低毛利率致四季度净利润低于预期。**四季度，瑞声科技收入达人民币 30.99 亿，同比增长 42% (vs. 我们预期 30.97 亿)，净利润达人民币 7.88 亿，同比增长 30% (vs. 我们预期 8.21 亿)。净利润低于预期主要由于较低的毛利率；四季度毛利率 41.1%，低于我们预期的 42%，主要由于四季度业务器件旺季人工成本上升。

**非声业务表现强劲。**四季度，收益于振动马达强劲出货，非声业务收入环比增长 102% 至 10.85 亿，收入占比提升至 35%。非声业务仍将是 2015 年收入增长动力；我们预计全年占收比将提升至 32.5%。

**2015 年展望偏谨慎。**国内客户升级迁移至扬声器模组将是 15 年传统声学业务增长的主要动力。然而美国大客户产品的价格压力以及升级缓慢将或将抵消公司扬声器模组在中国客户渗透率提升带来的正面效应；预计 15 年声学收入与上年基本持平。公司整体毛利率预计将维持在 41.0%。

**维持中性评级。**将 2015/16 年盈利预测由人民币 2.23/2.45 上调至人民币 2.24/2.58；2017 年盈利预测为人民币 2.85。维持目标价港币 48.5，维持中性评级；目前估值 15 年 17x；当前估值并不便宜，已充分反映强劲非声业务的利好。

**催化剂。**国内客户 Speaker box 业务、非声产品业务拓展快于预期

**风险。**高端手机市场增长放缓；价格压力高于预期

### Investment highlight

**Net profit lower than expectation.** In 4Q14, AAC reported revenue of Rmb3,099m (+42% YoY vs our forecast of Rmb3,097m) and net profit of Rmb788m (+30% YoY vs our estimate of Rmb821m). The lower net profit was primarily due to relatively lower gross margin of 41.1% (vs our expectation of 42%) as a result of higher labour costs through the peak season.

**Solid non-acoustic segment performance.** During the quarter, non-acoustic segment revenue grew by 102% QoQ and accounted for 35% of total revenue, mainly driven by Haptics. We believe it's this non-acoustic segment will continuously drive topline growth, contributing 32.5% to total revenue in 2015.

**Conservative on 2015 outlook.** Chinese customers' migration to speaker box is key to AAC's traditionally core acoustic segment growth in 2015. While, pricing pressure and slow spec migration for its key US customer's speaker box may offset the positive effects from the increasing user penetration. We forecast flat growth for its acoustic segment, while the overall gross margin is likely to remain relatively stable at 41.0%.

**Maintain Hold.** To factor in a better outlook for its non-acoustic business, we revise up our EPS forecasts from Rmb2.23 to Rmb2.24 in 15E (+18.5% YoY), from Rmb2.45 to Rmb2.58 in 16E (+15.6% YoY) and introduce our new forecast of Rmb2.85 in 17E (+10.4% YoY). We maintain our target price of HK\$48.5 given its relatively rich valuation of 17x 15E PE, which may have fully priced in its solid non-acoustic performance. We maintain our Hold recommendation.

**Catalysts.** A quick ramp-up of PRC customers to adopt speaker box; quick uptake of non-acoustic components by domestic clients

**Risks.** Further deceleration of high-end smartphone shipments, fierce pricing pressure and fiercer-than-expected competition to lead to higher-than-expected margin pressure.

## Appendix

**Fig 1: Consolidated income statement**

Rmbm	2013	2014	2015E	2016E	2017E
Revenue	8,096	8,879	10,413	12,081	13,434
Cost of sales	4,637	5,201	6,123	7,128	7,993
Gross profit	3,459	3,678	4,290	4,953	5,441
Other income	470	109	120	126	132
Distribution expenses	182	199	208	242	269
Administrative expenses	901	994	1,125	1,281	1,397
Ebitda	2,786	3,075	3,634	4,210	4,655
Ebit	2,376	2,485	2,957	3,431	3,775
Finance costs	11	14	16	18	20
Profit before tax	2,835	2,580	3,061	3,539	3,887
Income tax expense	263	270	321	372	389
Minority interests	(6)	(7)	(5)	(5)	(5)
Profit for the year	2,578	2,317	2,745	3,172	3,503

Source: Company reports, SWS Research

**Fig 2 : Consolidated cash flow statement**

Rmbm	2013	2014	2015E	2016E	2017E
Profit before taxation	2,835	2,580	3,061	3,539	3,887
Plus: Depr. and amortisation	411	589	677	779	880
Finance cost	11	14	16	18	20
Losses from investments	-	-	-	-	-
Change in working capital	(104)	(898)	(6)	(187)	(323)
Other	464	(8)	1,111	(127)	(360)
CF from operating activities	2,548	2,277	4,858	4,022	4,104
Capex	1,173	1,174	1,154	1,143	1,146
Other CF from investing activities	(318)	(824)	428	124	166
CF from investing activities	(1,491)	(1,998)	(726)	(1,019)	(979)
Equity financing	-	-	-	-	-
Net change in liabilities	0	0	364	100	0
Dividend and interest paid	(617)	(1,031)	(927)	(961)	(1,110)
Other CF from financing activities	0	0	-	-	-
CF from financing activities	(617)	(1,031)	(563)	(861)	(1,110)
Net cash flow	1,040	(752)	3,569	2,143	2,015
FCFF	3,592	3,080	4,460	4,794	5,089
FCFE	3,581	3,066	4,808	4,876	5,069

Source: Company reports, SWS Research

**Fig 3: Consolidated balance sheet**

Rmbm	2013	2014	2015E	2016E	2017E
<b>Current assets</b>	5,802	6,750	10,780	13,397	16,091
Bank balances and cash	2,354	1,603	5,172	7,315	9,330
Trade and other receivables	2,581	3,850	4,527	4,833	5,374
Inventories	832	1,267	1,052	1,220	1,357
Other current assets	17.2	7.5	8.0	8.5	10.0
Long-term investment	384	397	38	38	39
PP&E	3,969	5,285	5,233	5,717	6,111
Intangible and other assets	212	173	217	241	277
<b>Total assets</b>	10,677	13,280	15,994	18,837	21,769
<b>Current liabilities</b>	2,679	4,002	5,954	6,491	6,950
Borrowings	908	1,418	1,500	1,500	1,400
Trade and other payables	1,639	2,437	2,892	3,179	3,535
Other current liabilities	-	-	-	-	-
Long-term liabilities	25	46	31	35	35
<b>Total liabilities</b>	2,745	4,088	6,037	6,584	7,043
Minority interests	56	54	65	65	65
Share capital	100	100	100	100	100
Reserves	1,104	1,216	1,356	1,504	1,654
Equity attributable	6,673	6,673	8,436	10,584	12,907
<b>Total liabilities and equity</b>	10,677	13,280	15,994	18,837	21,769

Source: Company reports, SWS Research

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