

27 March 2015

**Hold**  
**Downgrade**

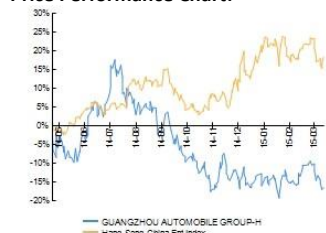
## 业绩无惊喜，下调评级至持有

### 广汽集团 (2238 HK)

#### Market Data: Mar, 26

Closing Price (HK\$)	7.10
Price Target (HK\$)	7.67
HSCEI	11,920
HSCCI	4,515
52-week High/Low (HK\$)	9.87/6.58
Market Cap (US\$m)	5,895
Market Cap (HK\$m)	45,689
Shares Outstanding (m)	6,435
Exchange Rate (Rmb-HK\$)	1.26

#### Price Performance Chart:



Source: Bloomberg

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#### Related Reports

"GEELY AUTOMOBILE HOLDINGS (175:HK) - Sales heat up" Feb 26,2015

#### Financial summary and valuation

	2013	2014	2015E	2016E	2017E
Revenue (Rmbm)	18,824	22,376	25,688	28,821	31,934
YoY (%)	45.21	18.87	14.80	12.20	10.80
Net income (Rmbm)	2,529	2,926	3,114	3,549	3,898
YoY (%)	133.94	20.07	6.40	13.98	9.83
EPS (Rmb)	0.41	0.49	0.53	0.60	0.66
Diluted EPS (Rmb)	0.41	0.49	0.53	0.60	0.66
ROE (%)	7.78	8.81	8.62	9.08	9.23
Debt/asset (%)	41.02	42.01	43.37	44.69	45.89
Dividend Yield (%)	2.84	2.84	2.99	3.41	3.74
PE (x)	13.67	11.39	10.70	9.39	8.55
PB (x)	1.06	1.00	0.92	0.85	0.79
EV/Ebitda (x)	7.61	6.70	6.28	5.55	5.03

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

**业绩超预期，但分红派息不及预期。** 广汽集团 2014 年收入约人民币 224 亿元（同比增长 18.9%），净利润约人民币 29 亿元（同比增长 15.7%）。归属公司的净利润约人民币 32 亿元（同比增长 20.1%），全年每股净利润为人民币 0.49，超过我们预测的人民币 0.44 元。我们认为，公司自主乘用车品牌传祺的快速发展带动了收入和盈利端的增长。2014 年每股分红为人民币 0.16 元，股息支付率从 2013 年的 39% 下滑至 2014 年的 33%，低于我们的预期。

**毛利率上升，净利率持平。** 由于传祺 GS5 较高的毛利率贡献，广汽集团的整体毛利率从 2013 年的 10.6% 上升至 2014 年的 11.4%。2014 年，合资公司的收益贡献同比增长 4% 至人民币 42 亿元。尽管销售和营销费用同比增长 72%；但由于公司完成了人民币约 1.6 亿元的一次性收购收益以及约人民币 1.1 亿元的投资收益，其他收益或损失项从 2013 年的净损失约 4.3 亿元提升至 2014 年的净收益约 3.5 亿元。受此影响，净利率在 2014 年稳定在 13% 左右。杠杆率从 2013 年的 29.4% 下滑至 2014 年的 28.4%；ROE 与去年相比增长 1% 至 9.3%。

**疲软的销量增长势头预计将持续。** 尽管广汽吉奥销量出现强劲反弹（销量同比增速从 2014 年的 -29.3% 提高至 2015 年 1-2 月的 130.1%），但广汽的整体销售增速却从 2014 年的 16.7% 下滑至 2015 年 1-2 月的 8.9%。我们认为销量的下滑，主要是受几大品牌销量表现不佳的影响；其中包括广汽菲亚特（销量同比增速从 2014 年的 40.8% 下滑至 2015 年 1-2 月的 -29.3%），广汽丰田（销量同比增速从 2014 年的 23.4% 下滑至 2015 年 1-2 月的 0.7%），广汽自主乘用车品牌（销量同比增速从 2014 年的 23.6% 下滑至 2015 年 1-2 月的 8.4%）以及广汽三菱（销量同比增速从 2014 年的 46.9% 下滑至 2015 年 1-2 月的 33.6%）。广汽本田销量保持稳定，2015 年 1-2 月销量增速为 12%（2014 年销量增速为 10%）。我们认为，由于缺乏具有竞争性的 SUV 车型，公司疲软的销量增长势头预计将会持续。我们预计在 2015 年，广汽集团的总销量增速将会放缓至 10% 左右。

**下调至持有。** 我们维持 2015 年的每股盈利预测人民币 0.53 元（同比增长 6%），2016 年的每股盈利预测人民币 0.60 元（同比增长 14%），并预测 2017 年的每股盈利预测为人民币 0.66 元（同比增长 10%）。我们维持目标价港币 7.67 元。当前股价对应 10.7/9.4/8.6 倍 2015/16/17 年市盈率。鉴于 8% 的上涨空间，我们把评级从增持下调至持有。

### Investment Highlights

**Results beat but dividend missed.** Guangzhou Automobile Group (GAC) reported 2014 revenue of Rmb22.4bn (+18.9% YoY) and net profit of Rmb2.9bn (+15.7% YoY), driven by the rapid development of its independent passenger car brand *Trumpchi*. Net profit attributable to shareholders reached Rmb3.2bn (+20.1% YoY) and full-year EPS arrived at Rmb0.49, exceeding our expectation of Rmb0.44. Annual dividend of Rmb0.16/share was announced in 2014, leading to a 33% dividend payout ratio (vs 39% in 2013).

**Mixed margin performance.** GAC's total gross margin increased from 10.6% in 2013 to 11.4% in 2014, thanks to its improving product mix towards higher-margin Trumpchi GS5. Share of profits of JVs and associates grew by 4% YoY to Rmb4.2bn in 2014. Other gains or losses increased from -Rmb433mn in 2013 to Rmb345mn 2014, primarily due to a one-off gain on acquisition of Shengyang-Hino of Rmb157mn and larger investment income on financial assets of Rmb107mn, which offset a huge increase in selling and marketing expenses (+72% YoY) and resulted in a relatively flat net margin of 13% in 2014. The company reported a healthier balance sheet, with leverage ratio edging down from 29.4% in 2013 to 28.4% in 2014 and ROE increasing by 1% to 9.3% in 2014.

**Weak sales likely to continue.** Tough GAC-Gonow witnessed a strong sales rebound (+130.1% YoY in Jan-Feb 2015 vs -29.3% YoY in 2014), GAC's overall sales growth decelerated from +16.7% YoY in 2014 to +8.9% YoY in Jan-Feb 2015, dragged down by sluggish sales in GAC-Fiat (-29.3% YoY in Jan-Feb 2015 vs +40.8% YoY in 2014), GAC-Toyota (+0.7% YoY in Jan-Feb 2015 vs +23.4% YoY in 2014), GAC-local brands (+8.4% YoY in Jan-Feb 2015 vs +23.6% YoY in 2014) and GAC-Mitsubishi (+33.6% YoY in Jan-Feb 2015 vs +46.9% in 2014). Sales growth for GAC-Honda remained stable, up 12% YoY in Jan-Feb (vs +10% in 2014). We believe the company's weak sales growth momentum will likely continue, mainly due to lack of competing SUV models. We expect GAC's total sales growth to moderate to c.10% in 15E.

**Downgrade to Hold.** We maintain our EPS forecasts of Rmb0.53 in 15E (+6% YoY), Rmb0.60 in 16E (+14% YoY), and forecast EPS of Rmb0.66 in 17E (+10% YoY). We maintain our target price of HK\$7.67. The current share price implies 10.7x 14E PE, 9.4x 15E PE and 8.6x 16E PE. With 8% upside, we downgrade our rating from Outperform to Hold.

# APPENDIX

**Table 1: Consolidated Income Statement**

Rmbm	2013	2014	2015E	2016E	2017E
<b>Revenue</b>	18,824	22,376	25,688	28,821	31,934
<b>Cost of Sales</b>	(16,830)	(19,829)	(22,708)	(25,421)	(28,070)
<b>Gross Profit</b>	1,994	2,547	2,980	3,401	3,864
<b>Other Income</b>	(433)	345	257	288	319
Distribution expenses	(1,071)	(1,841)	(2,183)	(2,450)	(2,714)
Administrative expenses	(1,713)	(1,874)	(1,644)	(1,787)	(1,948)
<b>EBITDA</b>	102	505	779	891	1,028
<b>EBIT</b>	(848)	(504)	(310)	(261)	(190)
Share of results of associates	3,100	3,213	3,448	3,951	4,361
Jointly controlled entities	920	968	773	812	852
<b>Finance Costs</b>	(169)	(307)	(384)	(514)	(670)
<b>Profit before tax</b>	2,629	3,053	3,247	3,701	4,065
Income tax expense	(101)	(126)	(133)	(152)	(167)
<b>Profit for the year</b>	2,529	2,926	3,114	3,549	3,898
Minority interests	(124)	(259)	(275)	(314)	(345)
<b>Equity holders of the parent</b>	2,653	3,185	3,389	3,863	4,243

Source: SWS Research

**Table 2: Consolidated Cash Flow Statement**

Rmbm	2013	2014	2015E	2016E	2017E
<b>Profit before taxation</b>	2,529	2,926	3,114	3,549	3,898
Plus : Depr. and amortisation	951	1,009	1,089	1,152	1,217
Share of results of JCEs	(4,020)	(3,213)	(3,448)	(3,951)	(4,361)
Share of results of Associates	-	(968)	(773)	(812)	(852)
Finance cost	645	745	805	928	1,073
Change in working capital	566	210	573	318	286
Others	(255)	(554)	(658)	(793)	(951)
<b>CF from operating activities</b>	548	348	414	129	74
CAPEX	(1,904)	(1,850)	(1,760)	(2,035)	(2,221)
Other CF from investing activities	2,612	(1,402)	675	594	520
<b>CF from investing activities</b>	708	(3,252)	(1,085)	(1,441)	(1,702)
Net change in liabilities	4,041	138	2,147	2,540	3,011
Dividend and interest paid	(538)	(1,030)	(1,085)	(1,236)	(1,358)
Other CF from financing activities	9	-	-	-	-
<b>CF from financing activities</b>	3,512	(909)	1,062	1,304	1,653
<b>Net cash flow</b>	4,767	(3,813)	391	(8)	25

Source : SWS Research

Table 3: Consolidated Balance Sheet

Rmbm	2013	2014	2015E	2016E	2017E
Current Assets	26,514	26,974	27,762	28,413	29,129
Bank balances and cash	19,040	18,365	18,081	17,479	16,984
Trade and other receivables	4,725	5,515	6,248	7,086	7,898
Inventories	2,036	2,661	2,978	3,369	3,744
Other current assets	3	-	-	-	-
Long-term investment	18,425	18,693	25,505	30,707	36,372
PP&E	8,517	10,037	10,369	11,692	13,131
Intangible and other assets	4,388	6,667	5,809	6,073	6,367
<b>Total Assets</b>	<b>57,843</b>	<b>62,372</b>	<b>69,446</b>	<b>76,884</b>	<b>85,001</b>
Current Liabilities	18,059	20,222	23,824	27,740	32,047
Borrowings	9,397	9,541	11,449	13,738	16,486
Trade and other payables	8,637	10,645	12,336	13,957	15,512
Other current liabilities	25	37	40	44	49
Long-term liabilities	5,668	5,981	6,292	6,619	6,963
<b>Total Liabilities</b>	<b>23,727</b>	<b>26,203</b>	<b>30,116</b>	<b>34,359</b>	<b>39,010</b>
Share Capital	6,435	6,435	6,435	6,435	6,435
Reserves	26,876	28,938	32,124	35,257	38,653
Minority interests	805	796	771	834	902
<b>Total Liabilities and equity</b>	<b>57,843</b>	<b>62,372</b>	<b>69,446</b>	<b>76,884</b>	<b>85,001</b>

Source: SWS Research

Table 4: Key Financial Ratios

	2013	2014	2015E	2016E	2017E
<b>Ratios per share (Rmb)</b>					
Earnings per share	0.41	0.49	0.53	0.60	0.66
Operating CF per share	0.09	0.05	0.06	0.02	0.01
Dividend per share	0.16	0.16	0.17	0.19	0.21
Net assets per share	5.30	5.62	6.11	6.61	7.15
<b>Key Operating Ratios (%)</b>					
ROE	7.78	8.81	8.62	9.08	9.23
Gross profit margin	10.60	11.38	11.60	11.80	12.10
EBITDA Margin	0.54	2.26	3.03	3.09	3.22
EBIT Margin	(4.51)	(2.25)	(1.21)	(0.90)	(0.59)
Growth rate of Revenue (YoY)	45.21	18.87	14.80	12.20	10.80
Growth rate of Profit (YoY)	133.94	20.07	6.40	13.98	9.83
Debt-to-asset ratio	41.02	42.01	43.37	44.69	45.89
Turnover rate of net assets	0.55	0.62	0.65	0.68	0.69
Turnover rate of total assets	0.33	0.36	0.37	0.37	0.38
Effective tax rate (%)	3.83	4.13	4.10	4.10	4.10
Dividend yield (%)	2.84	2.84	2.99	3.41	3.74

Source: SWS Research

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