

13 August 2019

增持  
维持

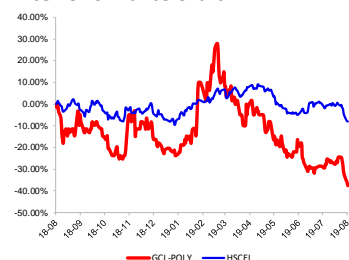
## 至暗时刻

### GCL-POLY ENERGY HOLDINGS (03800.HK)

#### Market Data: 7 August 2019

Closing Price (HK\$)	0.38
Price Target (HK\$)	0.45
HSCEI	9,993
HSCCI	4,083
52-week High/Low (HK\$)	0.790/0.370
Market Cap (Rmbm)	6,614
Market Cap (HK\$m)	7,540
Shares Outstanding (m)	19,841
Exchange Rate (Rmb-HK\$)	1.14

#### Price Performance Chart:



Source: Bloomberg

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#### Related Reports

GCL-POLY ENERGY HOLDINGS LTD  
(03800.HK) "Easing the Burden"  
2 July 2019

The clients shall have a comprehensive understanding of the disclosure and disclaimer upon the last page.

#### Financial summary and valuation

	2017	2018	2019E	2020E	2021E
Revenue (Rmbm)	23,794	20,565	24,708	26,876	28,909
YoY (%)	8.0	-13.6	20.1	8.8	7.6
Net income (Rmbm)	1,974	(693)	128	614	1,179
YoY (%)	-2.7	-135.1	-118.5	378.8	92.1
EPS (Rmb)	0.11	(0.04)	0.01	0.03	0.06
Diluted EPS (Rmb)	0.10	(0.04)	0.01	0.03	0.06
ROE (%)	8.97	(1.69)	0.54	2.63	4.87
Debt/asset (%)	74.55	76.15	79.69	82.98	85.90
Dividend Yield (%)	0.00	0.00	0.00	0.00	0.00
PE (x)	3.1	(8.7)	51.6	10.8	5.6
PB (x)	0.3	0.3	0.3	0.3	0.3
EV/Ebitda (x)	5.9	7.3	6.0	5.8	5.1

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

保利协鑫公布 19 年中期业绩：营收 100.0 亿人民币，同比-9.3%，公司拥有应占期内利润亏损 9.98 亿元，同比-361.1%。考虑到公司相对前期有所改善的经营性现金流、近期资本运作以及强劲的市场需求，我们维持 19 年 EPS 0.01 元不变，下调 20 年 EPS 至 0.03 元，预测 21 年 EPS 为 0.06 元。我们将目标价由 0.5 港元下调至 0.45 港元，对应 0.4 倍 19 年 PB，维持增持评级。

**分部业绩。**公司 19 年上半年实现营收 100.0 亿人民币，同比-9.3%，其中光伏材料业务营收 65.8 亿元，同比-18.4%（18 年同期 80.6 亿元），光伏电站业务营收 2.5 亿元，同比-5.3%（18 年同期 2.6 亿元），新能源业务（协鑫新能源运营）营收 31.7 亿元，同比+17.3%（18 年同期 27.0 亿元）。公司期内录得亏损 9.98 亿人民币，同比-361.1%，其中光伏材料业务亏损 13.1 亿元（18 年同期盈利 2.6 亿元）。光伏电站业务利润 0.64 亿元，与去年同期持平。新能源业务利润 5.5 亿元，同比+18.9%，主要由于售电量增长 22%以及新增装机增长。

**光伏材料板块。**19 年上半年，公司生产 36,592 公吨多晶硅（同比+3.4%，去年同期 35,374 公吨）和 14,658 MW 硅片（同比+10.7%，去年同期 13,239 MW）。公司出售 20,731 公吨多晶硅和 14,737 MW 硅片，同比分别增长 295.9%和 21.8%，去年同期分别售出 5,237 公吨多晶硅和 12,098 MW 硅片。光伏材料板块毛利率仅为 0.9%，主要由于 19 年上半年硅片价格下降较大。19 年上半年多晶硅和硅片平均不含税售价分别为 60.9 元/kg 和 0.42 元/W，18 年同期为 99.0 元/kg 和 0.70 元/W。随着国内竞价项目在 7 月中旬落地，国内需求有望在下半年启动。叠加强劲的海外需求，我们预计下半年硅料和硅片价格将有所反弹，利好公司。

**经营现金流有所改善。**公司 19 年上半年经营活动现金净流入 42 亿元（18 年同期 18 亿元）。净现金流出 5 亿元，18 年同期净流出 27 亿元，相比之下有所改善。公司贷款总额达 640 亿元，其中 252 亿元在一年内到期。据管理层披露，公司目前获得公司债、中期票据、银行借款融资额度公司 78 亿，在手现金 119 亿，出售各类资产获得现金 42 亿，当前现金资源及融资额度共计 239 亿元。考虑到铸锭单晶产品逐渐获得下游厂商接受，我们认为公司将逐步走出财务困境。

**维持增持。**我们维持 19 年 EPS 0.01 元不变，下调 20 年 EPS 至 0.03 元，预测 21 年 EPS 为 0.06 元。我们将目标价由 0.5 港元下调至 0.45 港元，对应 0.4 倍 19 年 PB，维持增持评级。

GCL-Poly Energy reported 1H19 revenue of Rmb10.0bn (-9.3% YoY) and a net loss of Rmb997.5m (-361.1% YoY). Considering its improving operating cash flow, recent capital activities and strong market demand, we maintain our EPS forecasts of Rmb0.01 in 19E (vs -Rmb0.04 in 18A), revise down our 20E forecast from Rmb0.04 to Rmb0.03 (+200% YoY), and forecast Rmb0.06 in 21E (+100% YoY). We slightly cut our target price from HK\$0.50 to HK\$0.45, representing 0.4x 19E PB. With 18.4% upside, we maintain our Outperform rating.

**Business segment results.** The company reported 1H19 revenue of Rmb10.0bn (-9.3% YoY), with the solar material business resulting revenue of Rmb6.6bn (vs Rmb8.1bn in 1H18, -18.4% YoY), solar farm business generating revenue of Rmb249m (vs Rmb263m in 1H18, -5.3% YoY) and new energy business (GNE operations) contributing Rmb3.2bn (vs Rmb2.7bn in 1H18, +17.3% YoY). The company recorded a net loss of Rmb997.5m (-361.1% YoY), with solar material business resulting a loss of Rmb1.3bn (vs Rmb2.6bn in 1H18). The solar farm business reported net profit of Rmb64m, roughly in line with 1H18. The new energy business reported net profit of Rmb554m (+18.9% YoY), mainly attributable to a 22% increase in sales of electricity and newly-added capacity.

**Solar material operating results.** In 1H19, the company produced c.36,592 MT of polysilicon (vs 35,374MT in 1H18, +3.4% YoY), and c. 14,658MW of wafers (vs 13,239 MW in 1H18, +10.7% YoY). The company sold 20,731 MT of polysilicon and 14,737 MW of wafers, representing an increase of 295.9% and 21.8% respectively, as compared with 5,237 MT of polysilicon and 12,098 MW of wafer for 1H18. The solar material business recorded a gross margin of 0.9%, however, mainly due to the wafer price slump over 1H19. The average selling price (tax exclusive) of polysilicon and wafer were c.Rmb60.9/kg and Rmb0.42/W for 1H19, respectively, vs Rmb99.0/kg and Rmb0.70/W in 1H18. As bidding projects were finalised in mid-July, domestic PV demand will accelerate rapidly in 2H19. Together with a strong overseas demand, we expect a rebound in poly-silicon and wafer prices.

**Improving operating cash flow.** Operating cash flow amounted to Rmb4.2bn in 1H19 (vs Rmb1.8bn in 1H18). Net cash outflow reached Rmb0.5bn, representing a promising improvement, compared to an outflow of Rmb2.7bn in 1H18. Total borrowings amounted to Rmb64.0bn, with approximately Rmb25.2bn due within one year. According to the management, the company currently has obtained c.Rmb7.8bn of financing facilities, maintained Rmb11.9bn cash on hand and would bring Rmb4.2bn cash inflows from disposals of assets from non-principal operations, totaling to Rmb23.9bn. With the potential of G3 Quasi-mono, we believe the company would return to a reasonable and safe financial situation.

**Maintain Outperform.** We maintain our EPS forecasts of Rmb0.01 in 19E (vs -Rmb0.04 in 18A), revise down our 20E forecast from Rmb0.04 to Rmb0.03 (+200% YoY), and forecast Rmb0.06 in 21E (+100% YoY). We slightly cut our target price from HK\$0.50 to HK\$0.45, representing 0.4x 19E PB. With 18.4% upside, we maintain our Outperform rating.

### Consolidated Income Statement

Rmbm	2017	2018	2019E	2020E	2021E
Revenue	23,794	20,565	24,708	26,876	28,909
Cost of Sales	-15,596	-15,533	-20,090	-19,776	-20,263
Gross Profit	8,199	5,033	4,618	7,100	8,646
Other Income	843	891	1,000	1,000	1,000
Distribution and marketing costs	-119	-113	-136	-148	-159
Administrative expenses	-2,188	-2,020	-2,426	-2,639	-2,839
EBITDA	9,206	8,148	9,243	10,182	12,181
EBIT	5,453	2,908	3,601	4,309	5,575
Finance Costs	-2,541	-3,419	-3,419	-3,419	-4,200
Profit before tax	2,912	-511	182	890	1,375
Income tax expense	-638	52	-40	-208	-65
Minority interests	377	235	14	68	131
Profit attributable	1,974	-693	128	614	1,179

Source: Company data, SWS Research

### Consolidated Cash Flow Statement

Rmbm	2017	2018	2019E	2020E	2021E
<b>Profit before taxation</b>	2,912	-511	182	890	1,375
Plus: Depr. and amortisation	3,753	5,240	5,642	5,873	6,606
Finance cost	2,541	3,419	3,419	3,419	4,200
Losses from investments	284	-250	0	0	0
Change in working capital	197	1,862	4,550	-1,742	-619
Others	-732	-159	-40	-208	-65
<b>CF from operating activities</b>	8,955	9,601	13,754	8,232	11,497
Capex	-18,278	-10,000	-10,000	-10,000	-10,000
Other CF from investing activities	-497	1,085	0	0	0
<b>CF from investing activities</b>	-18,775	-8,915	-10,000	-10,000	-10,000
Equity financing	0	0	0	0	0
Net change in liabilities	12,607	2,689	12,243	29,462	39,122
Dividend and interest paid	-2,986	-3,419	-3,419	-3,419	-4,200
Other CF from financing activities	2,077	-1,333	0	0	0
<b>CF from financing activities</b>	11,698	-2,063	8,824	26,043	34,922
<b>Net cash flow</b>	1,878	-1,378	12,578	24,275	36,418

Source: Company data, SWS Research

### Consolidated Balance Sheet

Rmbm	2017	2018	2019E	2020E	2021E
Current Assets	31,111	26,875	46,271	70,528	108,281
Bank balances and cash	10,673	4,076	21,874	46,148	82,567
Trade and other receivables	14,537	13,309	15,095	16,420	17,662
Inventories	991	992	1,276	1,256	1,287
Other current assets	4,909	8,498	8,026	6,703	6,765
Long-term investment	2,424	3,075	2,984	2,984	2,984
PP&E	63,780	71,000	69,358	73,485	76,879

Intangible and other assets	9,965	11,545	7,308	7,308	7,308
<b>Total Assets</b>	<b>107,280</b>	<b>112,494</b>	<b>125,921</b>	<b>154,305</b>	<b>195,452</b>
Current Liabilities	43,424	49,933	49,865	57,922	70,381
Borrowings	20,817	26,550	21,179	29,608	41,352
Trade and other payables	19,592	20,959	27,108	26,685	27,342
Other current liabilities	3,015	2,423	1,577	1,629	1,687
Long-term liabilities	36,549	35,729	50,481	70,126	97,504
<b>Total Liabilities</b>	<b>79,972</b>	<b>85,661</b>	<b>100,346</b>	<b>128,049</b>	<b>167,885</b>
Minority Interests	4,532	4,967	4,981	5,049	5,180
Shareholder Equity	22,775	21,866	20,594	21,207	22,386
Share Capital	1,632	1,610	1,984	1,984	1,984
Reserves	21,143	20,256	18,610	19,223	20,402
Total Equity	22,775	21,866	20,594	21,207	22,386
<b>Total Liabilities and equity</b>	<b>107,280</b>	<b>112,494</b>	<b>125,921</b>	<b>154,305</b>	<b>195,452</b>

Source: Company data, SWS Research

### Key Financial Ratios

	2017	2018	2019E	2020E	2021E
<b>Ratios per share (Rmb)</b>					
Earnings per share	0.11	-0.04	0.01	0.03	0.06
Diluted earnings per share	0.10	-0.04	0.01	0.03	0.06
Operating CF per share	0.49	0.53	0.69	0.41	0.58
Dividend per share	0.00	0.00	0.00	0.00	0.00
Net assets per share	1.23	1.20	1.04	1.07	1.13
<b>Key Operating Ratios(%)</b>					
ROIC	5.68	2.74	3.98	3.89	3.84
ROE	8.97	-1.69	0.54	2.63	4.87
Gross profit margin	34.46	24.47	18.69	26.42	29.91
EBITDA Margin	38.69	39.62	37.41	37.88	42.14
EBIT Margin	22.92	14.14	14.58	16.03	19.28
Growth rate of Revenue(YoY)	8.04	-13.57	20.14	8.77	7.56
Growth rate of Profit(YoY)	-2.71	-135.12	-118.48	378.75	92.10
Debt-to-asset ratio	74.55	76.15	79.69	82.98	85.90
Turnover rate of net assets	0.94	0.76	0.94	1.04	1.07
Turnover rate of total assets	0.24	0.19	0.21	0.19	0.17
Effective tax rate (%)	-21.91	-10.25	-21.91	-20.81	-19.77
Dividend yield (%)	0.00	0.00	0.00	0.00	0.00
<b>Valuation Ratios (X)</b>					
P/E	3.12	-8.74	51.61	10.78	5.61
P/B	0.27	0.28	0.32	0.31	0.30
EV/Sale	2.27	2.91	2.25	2.21	2.15
EV/EBITDA	5.86	7.34	6.01	5.83	5.09

Source: Company data, SWS Research

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BUY: Share price performance is expected to generate more than 20% upside over a 12-month period.

Outperform: Share price performance is expected to generate between 10-20% upside over a 12-month period.

Hold: Share price performance is expected to generate between 10% downside to 10% upside over a 12-month period.

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