

中国铁建 - H [1186.HK]

盈利增长前景清晰；评级维持「买入」

我们更新了2018-2019E的中国铁建盈利预测。随着公司在PPP市场的份额增加，中国铁建在18年首九个月的盈利同比增长20.1%，是同业中最高。公司18年首九个月的总收入同比仅增长6.4%，但收入组合改善所带来的利润率扩张推动了期内的盈利增长。由于基础设施固定资产投资加速，我们预计公司将在2019年维持其快速的盈利增长。由于货币和财政政策给予更多支持，基础设施固定资产投资的增长在10月回升，尤其是铁路分部。作为国内铁路建设市场的市场领导者，中国铁建应会在2019 - 2020年受益于铁路固定资产投资的增长。我们还预计，随着公司增加PPP投资，公司的利润率将进一步扩大，并会实现快速的盈利增长。我们微调了公司2018-2019年盈利预测。我们维持对中国铁建的买入评级。目标价从10.90港元上调至11.90港元。目标EV/ EBITDA从4.0倍提升至4.5倍，并使用了我们对2019年EBITDA和净负债的预测。尽管盈利增长前景良好，但中国铁建的估值仍同业折让10%。凭借其清晰的盈利增长可见度，我们预计股份会获重新估值。

投资亮点

- 18年首三季的盈利增长强劲：**18年首三季的总收入同比增长6.4%，对比上半年的收入同比增长6.9%。所有业务的收入均有增长。18年首三季的净利润同比增长20.1%，这大致符合市场预期。基础设施固定资产投资增长在10月才回升。因此，18年首三季的盈利增长并无受惠于整体建筑市场的增长；这主要是受益于市场份额的增加以及PPP投资增加而推动的利润率扩张。其毛利率从17年首九个月的8.3%扩大至18年首九个月的9.5%。但销售及行政开支占收入的百分比从17年首三季的4.9%上升至18年首三季的5.1%。随着公司取得PPP项目导致杠杆率上升，净融资成本在18年首三季同比上升45.7%。总体而言，18年首三季的净利润率同比增长0.5个百分点。
- 基建投资加快的主要受益者，尤其是2019 - 2020年的铁路投资：**从7月中旬开始，中央政府向市场释放出推进宽松措施以加快基建投资的信息。基建投资增长在2018年四季度开始回升。中央国有建筑企业将为主要受益者，并有望在2019年保持较快的新签合同速度和盈利增长。铁路行业的投资增长早于其他基础设施分部，因为铁路投资主要由中央政府或中铁总推动。18年首九个月铁路投资同比增长4.9%，扭转了18年首七个月同比下降1.4%的趋势。我们预计，2018年的铁路固定资产投资将达到人民币8,000亿元，比最初的铁路固定资产投资目标高出9.3%。因新增线增加和项目开工数量增加，我们预计2019 - 2020年铁路投资将超过人民币8,000亿元。中国铁建和中国中铁（390.HK）在铁路建设市场占有约45%份额，相信最能受惠于2019 - 2020年铁路投资的增长。
- PPP投资的进一步增加将有助提高利润率，并助公司维持2019年双位数盈利增长：**由于中国铁建将更易获得银行贷款，公司应能在PPP项目市场中获得市场份额。在18年首三季，中央政府批准的PPP项目数量和这些项目的总投资继续增加。最近几个月的项目落地率也回升至约50%（2017年：约40%）。PPP项目在18年首九个月中占公司总收入的10%左右，其毛利率比其传统EPC业务的高出5个百分点。我们预计其PPP相关建筑收入的增速将高于平均收入增长，将导致利润率进一步扩大，并使盈利在2019年维持快速增长。
- 评级维持买入：我们将目标价从10.90港元上调至11.90港元。**我们使用EV/EBITDA估值得出我们的目标价。我们将目标EV/EBITDA从4.0倍提高到4.5倍（图6）。我们使用2019年EBITDA和净负债预测得出我们的目标价。

Y/E Dec 31	2015	2016	2017	2018E	2019E
收入(百万人民币)	600,539	629,327	680,981	735,607	796,602
经常性净利润(百万人民币)	12,645	14,000	16,057	19,327	22,226
净利润率(%)	2.1%	2.2%	2.4%	2.6%	2.8%
经常性每股盈利(人民币)	0.98	1.01	1.09	1.31	1.51
百分比变动	3.4%	3.7%	7.9%	20.4%	15.0%
市盈率	9.0	8.8	8.2	6.8	5.9
市净率	1.1	0.9	0.8	0.7	0.7
EV/EBITDA(倍)	4.7	4.4	3.7	3.8	4.0

来源：公司，中国银河国际证券研究部

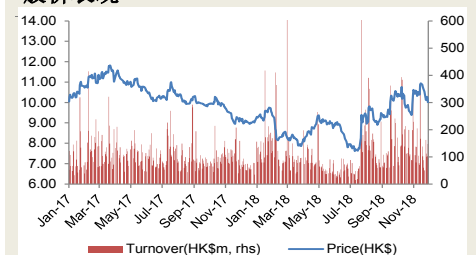
中国建筑行业

买入

收盘价：10.02港元（2018年11月30日）

目标价：HK\$11.90港元（+18.8%）

股价表现



市值	208.26亿美元
发行在外股数	135.80亿股
核数师	Ernst & Young
自由流通量	44.3%
52周交易区间	7.53-11.02港元
三个月日均成交量	1,900万美元
主要股东	中国铁道建筑总公司

来源：公司，彭博

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China Railway Construction Corporation – H [1186.HK]

High earnings growth visibility; maintain BUY

We have updated our earnings forecast for CRCC for 2018-2019E. With market share gains in the PPP market, CRCC delivered 20.1% YoY earnings growth in 9M18, the highest among its peers. Total revenue in 9M18 rose only 6.4% YoY, but margin expansion from an improving revenue mix helped boost its earnings growth in 9M18. We expect CRCC to sustain its fast earnings growth in 2019E thanks to accelerating infrastructure FAI. With more favourable monetary and fiscal policies, infrastructure FAI growth picked up in October 2018, especially in the railway segment. As the market leader in the domestic railway construction market, CRCC should benefit the most from rising railway FAI in 2019-2020E. We also expect it to enjoy further margin expansion and deliver fast earnings growth from its increasing exposure to PPP investment. We fine-tuned our earnings forecast for CRCC for 2018-2019E. We maintain our BUY rating on CRCC. We lift our target price (TP) from HK\$10.90 to HK\$11.90. We raise our target EV/EBITDA multiple from 4.0x to 4.5x (Fig 6) and use our 2019E EBITDA and net debt forecast. Despite its superior earnings growth outlook, CRCC still trades at a >10% discount to its peers. With its high earnings growth visibility, we expect its share price re-rating to continue in the coming quarters.

Investment Highlights

- Strong earnings growth in 9M18:** Total revenue in 9M18 grew 6.4% YoY vs. revenue growth of 6.9% YoY in 1H18. The revenue growth came from all the business segments. Net profit rose 20.1% YoY in 9M18, which was largely in line with market expectations. Infrastructure FAI growth picked up only in October. So earnings growth in 9M18 was not helped by overall construction market growth; it came mainly from market share gains and margin expansion from increasing its exposure to PPP investment. Its gross profit margin expanded from 8.3% in 9M17 to 9.5% in 9M18. But SG&A as a percentage of sales rose from 4.9% in 9M17 to 5.1% in 9M18. With rising leverage for taking PPP projects, net financing costs rose 45.7% YoY in 9M18. Overall, its net profit margin expanded by 0.5ppt YoY in 9M18.
- Key beneficiary of accelerating infrastructure FAI, especially from railway FAI in 2019-2020E:** Starting in mid-July, the central government sent out messages about easing measures to accelerate infrastructure FAI. Infrastructure FAI growth started to pick up in Q4 2018. Central SOE construction companies, as key beneficiaries, should maintain fast new contract wins and earnings growth in 2019E. The railway segment saw investment growth pick up earlier than other infrastructure segments, since railway investment is driven mostly by the central government, or China Railway Corporation (CRC). Railway FAI in 9M18 rose 4.9% YoY, a reversal of the 1.4% YoY decline in 7M18. We expect railway FAI in 2018E to reach RMB800bn, 9.3% above the initial railway FAI target. We expect railway FAI in 2019-2020E to exceed RMB800bn, given rising new line additions and an increasing number of project starts. CRCC and CRG (390.HK), each with around a 45% share of the railway construction market, should benefit the most from rising railway FAI in 2019-2020E.
- Further increase in exposure to PPP investment to lift margins and sustain CRCC's double-digit earnings growth in 2019E:** With easier access to bank lending, CRCC should be able to gain market share in the PPP project market. The number of PPP projects approved by the central government and the total investment in these projects continued to rise in 9M18. The implementation ratio also picked up in recent months to c50% (2017: c40%). PPP projects contributed around 10% of CRCC's total revenue in 9M18, with a gross profit margin 5ppt above the margin of its traditional EPC business. We expect its PPP-related construction revenue to grow faster than its average revenue growth, leading to further margin expansion and sustaining its fast earnings growth in 2019E.
- Maintain BUY:** We raise our TP from HK\$10.90 to HK\$11.90. We derived our TP using the target EV/EBITDA approach. We raise our target EV/EBITDA multiple from 4.0x to 4.5x (Fig 6). We used our 2019E EBITDA and net debt forecast to derive our TP.

Y/E Dec 31	2015	2016	2017	2018E	2019E
Turnover (RMB m)	600,539	629,327	680,981	735,607	796,602
Recurring net profit (RMB m)	12,645	14,000	16,057	19,327	22,226
Net margin (%)	2.1%	2.2%	2.4%	2.6%	2.8%
Recurring EPS (RMB)	0.98	1.01	1.09	1.31	1.51
% change	3.4%	3.7%	7.9%	20.4%	15.0%
PER(x)	9.0	8.8	8.2	6.8	5.9
PBR(x)	1.1	0.9	0.8	0.7	0.7
EV/EBITDA(x)	4.7	4.4	3.7	3.8	4.0

Source: Company data, CGIS Research

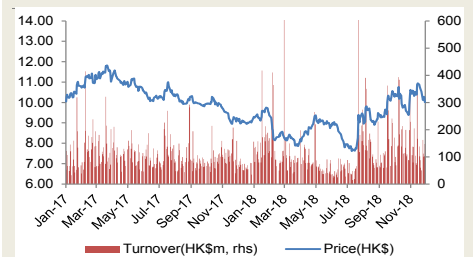
China construction sector

BUY

Close: HK\$10.02 (Nov 30, 2018)

Target Price: HK\$11.90 (+18.8%)

Price Performance



Market Cap	US\$20,826m
Shares Outstanding	13,580m
Auditor	Ernst & Young
Free Float	44.3%
52W range	HK\$7.53-11.02
3M average daily T/O	US\$19m
Major Shareholding	CRCCG (55.7%)

Sources: Company data, Bloomberg

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Key financials

CRCC (1186 HK)
 P&L statement
 (RMB m, except for per share amount)

FY ended 31 Dec	1H16	2H16	1H17	2H17	1H18	2H18E
Sales Revenue	266,727	362,600	288,961	392,020	308,981	426,626
COGS	-239,399	-331,978	-263,410	-354,649	-279,025	-385,402
Gross profit	27,328	30,622	25,551	37,371	29,956	41,224
Sales tax	-4,397	-3,747	-1,595	-3,355	-1,462	-3,688
Selling and distribution costs	-1,796	-2,382	-1,860	-2,671	-1,987	-2,908
Administrative expenses	-10,931	-13,159	-12,132	-13,926	-13,342	-15,347
Other gains and losses	-435	628	122	-3,653	187	-1,687
Total EBIT	9,769	11,962	10,085	13,766	13,352	17,595
Depreciation & Amortisation	6,059	6,140	5,816	6,604	6,043	6,482
EBITDA	15,828	18,102	15,901	20,370	19,396	24,077
Net finance costs	-2,034	-698	-1,329	-1,547	-2,093	-2,467
Profits from associates and JCEs	31	-61	9	272	124	170
Pre-Tax Profit	7,766	11,204	8,765	12,491	11,383	15,299
Tax Expense	-1,567	-2,552	-1,845	-2,492	-2,490	-2,954
Net Profit After Tax	6,199	8,652	6,920	10,000	8,894	12,345
Minority Interest	-377	-474	-397	-465	-885	-1,026
Reported Earnings (attributable)	5,822	8,177	6,523	9,534	8,009	11,318
Adjusted Earnings	5,822	8,177	6,523	9,534	8,009	11,318
EPS (rep)	0.43	0.60	0.47	0.69	0.56	0.81
EPS (adjusted)	0.42	0.59	0.45	0.62	0.53	0.78
DPS	0.00	0.16	0.00	0.18	0.00	0.20
% YoY growth						
Revenue	1.5%	7.4%	8.3%	8.1%	6.9%	8.8%
Gross profit	-5.1%	-23.4%	-6.5%	22.0%	17.2%	10.3%
EBIT	2.7%	0.6%	3.2%	15.1%	32.4%	27.8%
Net profit	9.2%	11.8%	12.0%	16.6%	22.8%	18.7%
Margins and ratios						
Gross profit margin	8.6%	7.4%	8.3%	8.7%	9.2%	8.8%
EBITDA Margin	5.9%	5.0%	5.5%	5.2%	6.3%	5.6%
EBIT Margin	3.7%	3.3%	3.5%	3.5%	4.3%	4.1%
Net Profit Margin	2.2%	2.3%	2.3%	2.4%	2.6%	2.7%

P&L	2015	2016	2017	2018E	2019E
Sales Revenue	600,539	629,327	680,981	735,607	796,602
COGS	-531,756	-571,378	-618,059	-664,427	-717,901
Gross profit	68,782	57,950	62,922	71,180	78,701
Sales tax	-18,016	-8,144	-4,950	-5,149	-5,576
Selling and distribution costs	-3,704	-4,178	-4,531	-4,894	-5,300
Administrative expenses	-22,836	-24,090	-26,058	-28,689	-31,067
Other gains and losses	-2,825	193	-3,531	-1,500	-1,500
Total EBIT	21,402	21,731	23,851	30,948	35,257
Depreciation & Amortisation	11,117	12,200	12,420	12,525	12,982
EBITDA	32,519	33,930	36,271	43,473	48,239
Net finance costs	-4,385	-2,732	-2,876	-4,560	-4,882
Profits from associates and JCEs	96	-29	281	295	309
Pre-Tax Profit	17,113	18,970	21,256	26,682	30,685
Tax Expense	-3,739	-4,119	-4,337	-5,444	-6,260
Net Profit After Tax	13,374	14,851	16,919	21,239	24,424
Minority Interest	-729	-851	-862	-1,911	-2,198
Reported Earnings (attributable)	12,645	14,000	16,057	19,327	22,226
Adjusted Earnings	12,645	14,000	16,057	19,327	22,226
EPS (rep)	0.98	1.02	1.16	1.37	1.58
EPS (diluted)	0.98	1.01	1.09	1.31	1.51
DPS	0.15	0.16	0.18	0.20	0.23
% YoY growth					
Revenue	1.2%	4.8%	8.2%	8.0%	8.3%
Gross profit	5.9%	-15.7%	8.6%	13.1%	10.6%
EBIT	7.5%	1.5%	9.8%	29.8%	13.9%
Net profit	7.8%	10.7%	14.7%	20.4%	15.0%
Margins and ratios					
Gross profit margin	8.5%	7.9%	8.5%	9.0%	9.2%
EBITDA Margin	5.4%	5.4%	5.3%	5.9%	6.1%
EBIT Margin	3.6%	3.5%	3.5%	4.2%	4.4%
Net Profit Margin	2.1%	2.2%	2.4%	2.6%	2.8%

Source: Company data, CGIS Research

Revenue breakdown (Rmb m)	2015	2016	2017	2018E	2019E
Construction operations	519,313	540,135	584,128	613,334	662,401
Survey, design and consultancy	10,080	12,257	14,539	16,719	19,227
Manufacturing	14,688	14,341	14,235	16,371	18,826
Real estate	28,671	38,320	42,587	46,846	49,188
Other business	46,930	47,302	59,170	65,087	71,596
Elimination	-19,143	-23,027	-33,678	-22,751	-24,637
Total	600,539	629,327	680,981	735,607	796,602

% of total	2015	2016	2017	2018E	2019E
Construction operations	86%	86%	86%	83%	83%
Survey, design and consultancy	2%	2%	2%	2%	2%
Manufacturing	2%	2%	2%	2%	2%
Real estate	5%	6%	6%	6%	6%
Other business	8%	8%	9%	9%	9%
Elimination	-3%	-4%	-5%	-3%	-3%
Total	100%	100%	100%	100%	100%

% YoY chg	2015	2016	2017	2018E	2019E
Construction operations	1.4%	4.0%	8.1%	5.0%	8.0%
Survey, design and consultancy	11.9%	21.6%	18.6%	15.0%	15.0%
Manufacturing	23.4%	-2.4%	-0.7%	15.0%	15.0%
Real estate	15.0%	33.7%	11.1%	10.0%	5.0%
Other business	-15.0%	0.8%	25.1%	10.0%	10.0%
Elimination	-4.8%	20.3%	46.3%	-32.4%	8.3%
Total	1.2%	4.8%	8.2%	8.0%	8.3%

Source: Company data, CGIS Research

Key financials

CRCC (1186 HK)

Balance sheet, cash flow statements and ratios

(RMB m., except for per share amount)

Balance sheet	2015	2016	2017	2018E	2019E
Inventories	245,591	265,781	266,604	127,424	137,680
Cash	121,934	128,702	141,206	132,284	123,189
Trade and other receivables	130,522	137,778	153,529	171,306	196,422
Advances to suppliers	23,194	19,956	18,784	19,861	21,508
Other receivables	40,572	45,921	55,279	66,205	71,694
Current portion of non-current assets	11,916	9,618	8,592	8,592	8,592
Other current assets	1,518	3,544	8,904	12,800	12,800
Total current assets	575,248	611,300	652,898	538,472	571,885
Long-term equity investment	4,158	7,936	17,870	25,164	32,474
Investment properties	0	3,340	3,647	3,757	3,863
PPE, net	45,004	45,235	49,845	58,079	65,966
Other intangible assets	35,865	45,680	40,156	47,527	54,793
Goodwill	103	195	201	201	201
Deferred tax assets	2,374	2,811	3,577	3,577	3,577
Trade and other receivables	24,886	29,613	40,662	44,136	51,779
Available-for sale financial assets	6,546	6,555	8,382	8,382	8,382
Other non-current assets	1,912	6,680	4,650	5,506	5,506
Total non-current assets	120,848	148,045	168,989	196,329	226,539
Total assets	696,096	759,345	821,887	734,801	798,424
Trade and other payables	252,255	289,977	323,492	347,760	375,748
Amounts due to contract customers	75,981	88,332	85,683	91,215	98,779
Short-term loans	75,805	43,001	59,701	68,685	76,089
Other payables and accruals	46,903	50,625	49,798	55,171	59,745
Defined benefit obligations	8,596	9,069	10,160	10,160	10,160
Tax payable	9,500	5,578	5,964	3,000	3,000
Other current liabilities	14,838	4,417	8,859	8,859	8,859
Total current liabilities	483,879	490,999	543,655	584,850	632,380
Long-term loans	78,457	113,934	94,505	108,728	120,447
Deferred tax liabilities	430	276	289	289	289
Provision	0	0	0	0	0
Trade and other payables	2,209	1,843	1,963	2,200	2,200
Defined benefit obligations	1,416	969	604	604	604
Other non-current liabilities	885	2,607	2,223	1,619	1,619
Total non-current liabilities	83,398	119,630	99,584	113,440	125,160
Total liabilities	567,277	610,629	643,239	698,290	757,540
Shareholders Fund	111,665	131,187	149,412	165,977	185,027
Minority Interest	17,154	17,529	29,237	31,148	33,347
Total S/H Equity	128,819	148,716	178,649	197,126	218,374
Total Liab & S/H Fund	696,096	759,345	821,887	895,416	975,913

Cash flow statement	2015	2016	2017	2018E	2019E
EBITDA	32,519	33,930	36,271	43,473	48,239
Net Interest Paid	-4,202	-2,564	-2,898	-5,440	-4,882
Tax Paid	-3,838	-8,632	-4,703	-8,408	-6,260
Change in Working Cap	18,908	7,451	-13,951	-20,465	-26,899
Others	2,786	4,389	7,787	0	0
Operating Cash Flow	46,173	34,574	22,506	9,160	10,197
Acquisitions	1,063	-2,572	-8,837	-9,310	-7,000
Capex	-27,144	-29,816	-30,231	-28,240	-28,240
Asset Sales	2,465	2,965	1,781	0	0
Others	-720	3,150	600	-818	0
Investing Cashflow	-24,336	-26,273	-36,688	-38,369	-35,240
Dividend (ordinary)	-1,851	-2,037	-2,173	-2,921	-3,176
Equity Raised	10,275	10,610	5,000	0	0
Debt Movements	-2,025	-1,913	19,820	23,208	19,123
Others	-4,644	-6,208	4,026	0	0
Financing Cashflow	1,755	453	26,673	20,287	15,947
Exchange difference	121	310	-633	0	0
Net Chg in Cash/debt	23,713	9,063	11,859	-8,922	-9,096
FCF	21,837	8,301	-14,181	-29,209	-25,043
	2015	2016	2017	2018E	2019E
Valuation					
PE(x)	9.0	8.8	8.2	6.8	5.9
EPS growth (%)	3.4	3.7	13.8	17.9	15.6
Yield(%)	1.7	1.8	2.0	2.3	2.6
PEG(%)	2.6	2.4	0.6	0.4	0.4
EV/EBITDA(x)	4.7	4.4	3.7	3.8	4.0
PB(x)	1.1	0.9	0.8	0.7	0.7
Operational					
Revenue growth(%)	1.2	4.8	8.2	8.0	8.3
EBIT margin(%)	3.6	3.5	3.5	4.2	4.4
Net profit margin(%)	2.1	2.2	2.4	2.6	2.8
Days receivables	114	115	115	120	125
Days payables	242	256	261	261	261
Days inventories	163	163	157	108	67
Current ratio(x)	1.2	1.2	1.2	1.2	1.2
Quick ratio(x)	0.7	0.7	0.7	1.0	1.0
Asset/equity(x)	5.4	5.1	4.6	4.5	4.5
Net debt/equity(%)	25.1%	19.0%	7.3%	22.9%	33.6%
EBITDA interest coverage(x)	5.4	6.9	6.2	6.7	6.6
ROE(%)	11.3	10.7	10.7	11.6	12.0

Source: Company data, CGIS Research

Figure 4: CRCC 9M18 results overview

Rmb m	9M18	9M17	% YoY	3Q18	3Q17	% YoY
Revenue	489,871	460,385	6.4%	180,890	171,424	5.5%
COGS	-443,153	-422,150	5.0%	-162,666	-157,145	3.5%
GP	46,718	38,235	22.2%	18,223	14,279	27.6%
GPM	9.5%	8.3%	1.2%	10.1%	8.3%	1.7%
SG&A	-25,191	-22,685	11.0%	-9,862	-8,693	13.5%
Other gains and losses	-493	576	na	-680	455	na
OP	21,033	16,126	30.4%	7,681	6,041	27.2%
OPM	4.3%	3.5%	0.8%	4.2%	3.5%	0.7%
Financing cost	-3,413	-2,343	45.7%	-1,320	-1,014	30.2%
Profit contribution from associates	90	10	837.7%	-34	1	na
PBT	17,711	13,792	28.4%	6,327	5,028	25.8%
Tax	-3,556	-2,669	33.2%	-1,067	-824	29.4%
Effective tax rate	20.1%	19.4%	0.7%	16.9%	16.4%	0.5%
PAT	14,154	11,123	27.3%	5,260	4,203	25.1%
NPM	2.9%	2.4%	0.5%	2.9%	2.5%	0.5%
Minority interest	-1,508	-594	153.7%	-623	-198	215.0%
Profit to common shareholder	12,646	10,529	20.1%	4,637	4,006	15.8%

Source: Company data, CGIS Research

Figure 5: Earnings estimates: CGIS new vs. old and consensus estimates (RMB m, except for EPS)

2018E	Sales	EBIT	EBITDA	Net profit	EPS Adj	EPS GAAP
CGIS old	746,939	31,192	43,717	19,502	1.32	1.38
CGIS new	735,607	30,948	43,473	19,327	1.31	1.37
Consensus	740,907	29,373	42,497	18,867	1.36	1.37
Diff %						
CGIS new vs. consensus	-0.7%	5.4%	2.3%	2.4%	-3.7%	-0.4%
CGIS new vs. old	-1.5%	-0.8%	-0.6%	-0.9%	-0.9%	-0.9%
2019E	Sales	EBIT	EBITDA	Net profit	EPS Adj	EPS GAAP
CGIS old	817,175	35,404	48,385	22,309	1.51	1.51
CGIS new	796,602	35,257	48,239	22,226	1.51	1.51
Consensus	806,093	33,025	46,917	21,351	1.52	1.55
Diff %						
CGIS new vs. consensus	-1.2%	6.8%	2.8%	4.1%	-1.0%	-2.7%
CGIS new vs. old	-2.5%	-0.4%	-0.3%	-0.4%	-0.4%	-0.4%

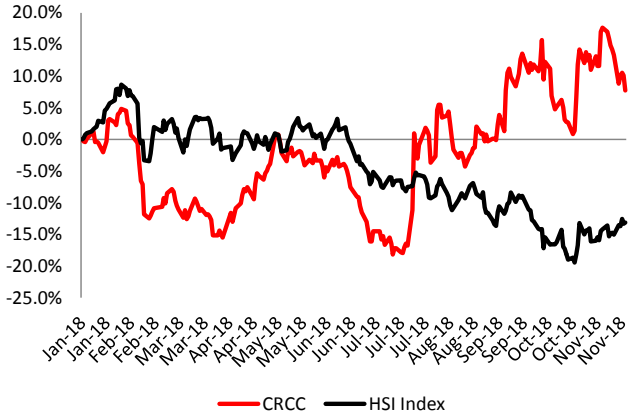
Source: Bloomberg, CGIS Research

Figure 6: Target price EV/EBITDA multiple calculation

Assumption	
Forward EBITDA (Rmb m)	48,239
Target EV/EBITDA multiple	4.5x
EV (Rmb m)	217,073
Net debt (Rmb m)	73,348
Target fair value (Rmb m)	143,726
FX	0.89
No of shares (mn)	13,580
Target price (HK\$/share)	11.90
% upside to current price	18.8%

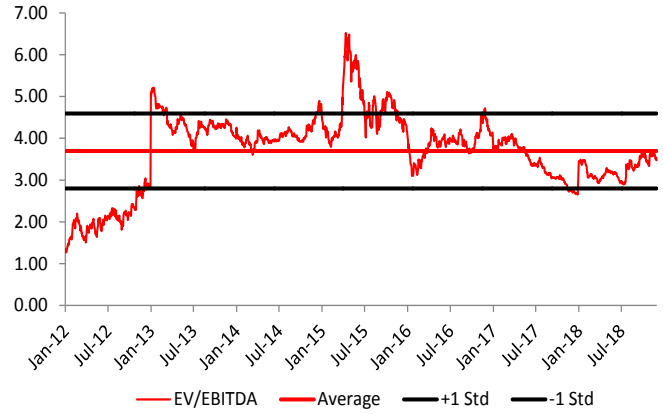
Source: CGIS Research

Figure 7: CRCC-H share performance CYTD



Source: Bloomberg, CGIS Research

Figure 8: CRCC-H 12-mth forward EV/EBITDA band



Source: Bloomberg, Company data, CGIS Research

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