潍柴动力 A (000338.SZ)：重卡需求疲弱、发动机份额流失，下调评级至卖出

投资机会

我们将潍柴动力 A 的评级从中性下调至卖出，原因在于 2015 年重卡市场前景疲弱（受国内经济增长放缓以及排放达标成本上升的影响）且发动机市场份额流失。相应地，我们将基于市净率-净资产回报率的 12 个月目标价格从人民币 21.05 元下调至 20.99 元，对应 16%的下行空间。我们调整投资观点的原因在于：

1) 我们预计 2015 年重卡和轮式装载机需求将缩水 7%，原因有二：

   a. 整体经济放缓：我们的全球宏观研究团队预计中国 GDP 增速将从 2013/2014 年的 7.7%/7.4%放缓至 2015-17 年的 7.1%/6.7%/6.5%。

   b. 排放达标成本上升：我们估算由于 2015 年 1 月起卡车排放标准从欧 III 升级至欧 IV，发动机成本/价格将上涨 20%左右，这可能会对需求产生抑制作用。

2) 在主要客户（如福田和柳工）与一家竞争者成立合资公司并计划增加发动机的自主生产后，潍柴的市场份额流失。

3) 每股盈利增速疲软，因为 2014 年非营业收入高达人民币 17 亿元（主要来自凯傲一次性投资重估收益）造成比较基数较高。

推动因素

整体卡车市场疲弱；2015 年发动机市场份额持续流失。

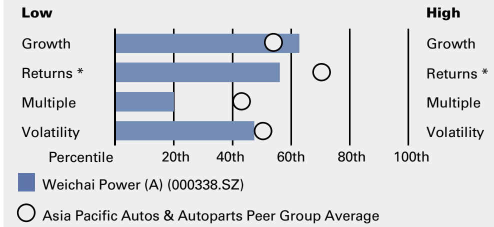
估值

我们将潍柴动力 A/H 股 2014-17 年每股盈利预测调整了-12%/-7%/-7%/-3%以反映以上变化。根据最新的 A 股估值比率（历史中值）和调整后的预测，我们将 A/H 股基于市净率-净资产回报率的 12 个月目标价格从人民币 21.05 元/20.76 港元调整至人民币 20.99 元/20.74 港元。我们因估值偏高而将潍柴 A 评级从中性下调至卖出。该股当前股价对应 13.1 倍的 2015 年预期市盈率，而 H 股行业均值（不含比亚迪）为 9.4 倍。

主要风险

汽车市场竞争激烈导致价格下滑；新车型销量低于预期。

Investment Profile

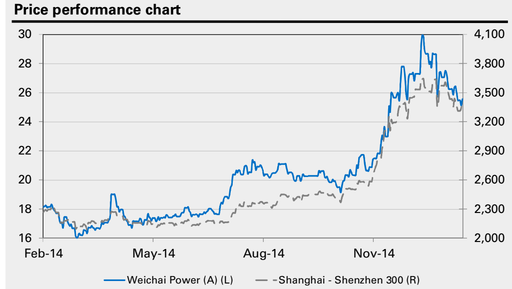


* Returns = Return on Capital For a complete description of the investment profile measures please refer to the disclosure section of this document.

Key data	Current
Price (Rmb)	25.11
12 month price target (Rmb)	20.99
Market cap (Rmb mn / US$ mn)	50,202.7 / 8,036.0
Foreign ownership (%)	--

	12/13	12/14E	12/15E	12/16E
EPS (Rmb)	1.79	2.44	1.92	2.30
EPS growth (%)	19.4	36.5	(21.3)	19.7
EPS (diluted) (Rmb)	1.79	2.44	1.92	2.30
EPS (basic pre-ex) (Rmb)	1.79	2.44	1.92	2.30
P/E (X)	11.7	10.3	13.1	10.9
P/B (X)	1.5	1.6	1.5	1.3
EV/EBITDA (X)	6.8	7.2	5.6	5.2
Dividend yield (%)	0.7	2.4	1.9	2.3
ROE (%)	13.6	16.5	11.7	12.8
CROCI (%)	17.9	27.8	17.0	17.7

Price performance chart



Share price performance (%)	3 month	6 month	12 month
Absolute	23.6	22.3	42.4
Rel. to Shanghai - Shenzhen 300	(7.6)	(14.8)	(5.8)

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 2/09/2015 close.

潍柴动力 A (000338.SZ)：财务概要

Profit model (Rmb mn)	12/13	12/14E	12/15E	12/16E
Total revenue	**58,311.7**	**80,220.7**	**99,048.5**	**113,020.9**
Cost of goods sold	(44,600.0)	(60,409.0)	(73,007.5)	(83,317.4)
SG&A	(7,009.1)	(10,811.2)	(14,984.7)	(17,121.8)
R&D	--	--	--	--
Other operating profit/(expense)	0.0	0.0	0.0	0.0
EBITDA	**6,702.6**	**9,000.5**	**11,056.3**	**12,581.8**
Depreciation & amortization	(1,960.2)	(3,394.1)	(4,408.1)	(4,378.6)
EBIT	**4,742.4**	**5,606.4**	**6,648.2**	**8,203.2**
Interest income	398.6	366.9	673.3	733.2
Interest expense	(615.3)	(1,130.5)	(1,780.7)	(1,681.5)
Income/(loss) from uncons. subs.	5.2	101.4	(6.2)	18.8
Others	77.8	1,663.3	1,523.8	1,768.6
Pretax profits	**4,608.7**	**6,607.4**	**7,058.3**	**9,042.3**
Income tax	(791.1)	(842.2)	(1,512.9)	(1,994.4)
Minorities	(246.8)	(891.7)	(1,709.7)	(2,458.4)
Net income pre-preferred dividends	**3,570.8**	**4,873.5**	**3,835.6**	**4,589.6**
Preferred dividends	0.0	0.0	0.0	0.0
Net income (pre-exceptionals)	**3,570.8**	**4,873.5**	**3,835.6**	**4,589.6**
Post-tax exceptionals	0.0	0.0	0.0	0.0
Net income	**3,570.8**	**4,873.5**	**3,835.6**	**4,589.6**
EPS (basic, pre-except) (Rmb)	1.79	2.44	1.92	2.30
EPS (basic, post-except) (Rmb)	1.79	2.44	1.92	2.30
EPS (diluted, post-except) (Rmb)	1.79	2.44	1.92	2.30
DPS (Rmb)	0.15	0.61	0.48	0.57
Dividend payout ratio (%)	8.4	25.0	25.0	25.0
Free cash flow yield (%)	8.9	7.9	10.4	9.3

Growth & margins (%)	12/13	12/14E	12/15E	12/16E
Sales growth	21.1	37.6	23.5	14.1
EBITDA growth	33.6	34.3	22.8	13.8
EBIT growth	34.1	18.2	18.6	23.4
Net income growth	19.4	36.5	(21.3)	19.7
EPS growth	19.4	36.5	(21.3)	19.7
Gross margin	23.5	24.7	26.3	26.3
EBITDA margin	11.5	11.2	11.2	11.1
EBIT margin	8.1	7.0	6.7	7.3

Cash flow statement (Rmb mn)	12/13	12/14E	12/15E	12/16E
Net income pre-preferred dividends	3,570.8	4,873.5	3,835.6	4,589.6
D&A add-back	1,960.2	3,394.1	4,408.1	4,378.6
Minorities interests add-back	246.8	891.7	1,709.7	2,458.4
Net (inc)/dec working capital	(977.5)	(6,325.4)	(323.8)	(2,042.4)
Other operating cash flow	968.1	4,437.7	(122.1)	(154.2)
Cash flow from operations	**5,768.4**	**7,271.6**	**9,507.7**	**9,229.9**
Capital expenditures	(1,468.4)	(2,020.1)	(2,494.2)	(2,846.0)
Acquisitions	0.0	0.0	0.0	0.0
Divestitures	4.0	0.0	0.0	0.0
Others	(2,525.4)	2,750.5	(312.5)	(312.5)
Cash flow from investments	**(3,989.8)**	**730.4**	**(2,806.7)**	**(3,158.5)**
Dividends paid (common & pref)	(459.8)	(299.9)	(1,218.4)	(958.9)
Inc/(dec) in debt	1,962.5	100.0	(100.0)	(100.0)
Common stock issuance (repurchase)	0.0	0.0	0.0	0.0
Other financing cash flows	(810.6)	(893.1)	(3,210.7)	(3,615.2)
Cash flow from financing	**692.0**	**(1,093.0)**	**(4,529.1)**	**(4,674.1)**
Total cash flow	**2,470.7**	**6,909.0**	**2,171.9**	**1,397.2**

Balance sheet (Rmb mn)	12/13	12/14E	12/15E	12/16E
Cash & equivalents	16,565.5	23,474.4	25,646.4	27,043.6
Accounts receivable	18,953.0	26,368.9	26,848.1	30,403.3
Inventory	8,573.3	13,159.8	13,487.6	14,444.2
Other current assets	3,958.5	3,958.5	3,958.5	3,958.5
Total current assets	**48,050.2**	**66,961.6**	**69,940.5**	**75,849.6**
Net PP&E	16,433.3	25,313.4	24,888.7	24,640.3
Net intangibles	3,704.3	21,756.8	21,119.5	24,463.3
Total investments	8,631.2	11,078.7	11,524.8	12,256.4
Other long-term assets	1,702.8	1,743.0	1,745.0	1,819.4
Total assets	**78,521.8**	**126,853.6**	**129,218.5**	**139,028.9**
Accounts payable	21,371.1	27,048.1	27,531.2	30,000.7
Short-term debt	1,245.6	3,053.4	2,906.3	2,783.6
Other current liabilities	6,681.7	23,477.7	22,858.5	22,952.4
Total current liabilities	**29,298.3**	**53,579.2**	**53,296.1**	**55,736.6**
Long-term debt	12,639.9	19,843.0	18,914.2	21,708.3
Other long-term liabilities	2,256.3	6,835.6	6,709.3	6,648.3
Total long-term liabilities	14,896.2	26,678.6	25,623.5	28,356.6
Total liabilities	**44,194.5**	**80,257.9**	**78,919.6**	**84,093.2**
Preferred shares	**0.0**	**0.0**	**0.0**	**0.0**
Total common equity	**27,723.2**	**31,378.3**	**34,256.0**	**37,698.2**
Minority interest	6,604.1	15,217.5	16,042.8	17,237.5
Total liabilities & equity	**78,521.8**	**126,853.6**	**129,218.5**	**139,028.9**
BVPS (Rmb)	**13.87**	**15.69**	**17.13**	**18.86**

Ratios	12/13	12/14E	12/15E	12/16E
CROCI (%)	17.9	27.8	17.0	17.7
ROE (%)	13.6	16.5	11.7	12.8
ROA (%)	4.9	4.7	3.0	3.4
ROACE (%)	13.2	16.6	13.9	15.8
Inventory days	65.8	65.7	66.6	61.2
Receivables days	102.9	103.1	98.1	92.4
Payable days	153.2	146.3	136.4	126.0
Net debt/equity (%)	(7.8)	(1.2)	(7.6)	(4.6)
Interest cover - EBIT (X)	21.9	7.3	6.0	8.7

Valuation	12/13	12/14E	12/15E	12/16E
P/E (analyst) (X)	11.7	10.5	13.3	11.1
P/B (X)	1.5	1.6	1.5	1.4
EV/EBITDA (X)	6.8	7.3	5.7	5.2
EV/GCI (X)	1.1	1.1	1.0	0.9
Dividend yield (%)	0.7	2.4	1.9	2.2

Note: Last actual year may include reported and estimated data.

Source: Company data, Goldman Sachs Research estimates.