

HwangDBS Maintains Hold On Lafarge Malaysia
Bernama
7 March, 2014

KUALA LUMPUR, March 7 (Bernama) -- HwangDBS Vickers Research has maintained a "hold" call on Lafarge Malaysia Bhd due to exclusive supply contracts for the Manjung and Tanjung Bin power stations.

"We expect cement demand to grow by four per cent this year, supported by infrastructure projects, residential and commercial property construction activity," the research house said in a note Friday.

Another favourable factor is the setting up of a construction laboratory in Selangor in mid-2014 to apply Lafarge's research and development solutions to Malaysian construction processes, HwangDBS said.

Lafarge will also continue to leverage on differentiated cement products to lift revenue and profitability which account for a cumulative 30 per cent of its total concrete revenues.

The research house has set a target price of RM8.55 for the company, which it says needs to raise its average selling price to mitigate rising costs and move further into differentiated products to lift revenues and margins.

-- BERNAMA

Copyright © 2014 BERNAMA

Source: <http://www.bernama.com/bernama/v7/newsindex.php?id=1019958>