

Analysis: Dalekovod has skimmed the milk on the new constructor growth wave

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Although the construction wave has still been roaring on the domestic capital market and the increase of the sector market capitalization has already day after day positioned construction companies as established winners in daily reports, new growth waves backed up by more or less justified impulses do not stop surprising us by their power.

Following Ingra, Dalekovod has become a front runner of the sector who has been absorbing to the maximum extent the positive effects of the glittering future of the construction sector.

Today, ATH result has been exceeded by price increase higher than 15 % which has resulted in price increase of Dalekovod's share from the very beginning of the month by around 40 %. This new growth wave has been initiated by informal information that the Consortium Glencore Interantional, FEAL and Dalekovod have submitted the most favourable bid for purchase of the Mostar Aluminium Plant. As the deadline for release of the decision of the Government of the Republic of Bosnia and Herzegovina about the selection of the tender award winner for privatization of the Aluminium Plant is approaching, the market has obviously decided in advance to anticipate the above decision and hastily incorporate the positive financial results from the above purchase in the share price.

Recently intensified improvement in market communication of that company that has culminated in establishing of a Corporate Management Code has certainly exerted a large influence on the presented share price growth, especially due to today's strong impression that price increase has been generated by small shareholders who have used the overpaid funds from HT.

Still the strongest long-term impulse to Dalekovod share is provided by its expansion to foreign markets, with the fan of these markets being significantly expanded this year. References, as e.g. construction of infrastructure projects under very difficult conditions in Scandinavia are of incalculable value for further capturing of the market. Behind the scene, although not covered by the media, is the incorporation of Dalekovod into the program for a certified partner (subcontractor) of the German giant RWE, which shall bring significant additional value to the company.

After looking at the figures, it can be concluded that investor's sector multiples rank Dalekovod somewhere in the middle of the sector according to attractiveness; however the market has moved to the forefront so far a large potential and anticipation of optimistic figures in the quarter report.

The author is not an owner of Dalekovod shares. This text does not present an invitation to purchase or sell the analyzed shares.