

1st February 2016

Construction & Building Materials

LafargeHolcim

Price CHF42.92

Current Chairman about to leave, according to the Press

Fair Value CHF60 (+40%)

SELL

Bloomberg	HOLN VX
Reuters	HOLZn.VX
12-month High / Low (CHF)	72.9 / 40.7
Market Cap (CHFm)	26,049
Avg. 6m daily volume (000)	1,810

	1 M	3 M	6 M	31/12/15
Absolute perf.	-14.4%	-22.5%	-33.3%	-14.7%
Cons & Mat	-3.7%	-1.8%	-4.5%	-3.4%
DJ Stoxx 600	-7.4%	-8.9%	-13.1%	-6.4%

	2014	2015e	2016e	2017e
P/E	20.8x	20.8x	13.1x	9.4x
Div yield (%)	3.0%	3.0%	3.0%	3.0%

ANALYSIS

- According to Street account, "Chairman Wolfgang Reitzle is aiming to leave his post and replace the head of Linde's supervisory board. (SonntagsZeitung reported)".
- Wolfgang Reitzle became Chairman of Holcim in 2014, approximately at the same moment the merger with Lafarge was announced. He was then co-chairman of LafargeHolcim. He was elected to the Board of Directors in 2012.
- This need to be confirmed, but it would be not a positive piece of news for LafargeHolcim. After all, CEO has been changed last year too, as well as the CFO.
- On the other hand, it will simplify the governance of LafargeHolcim, as Bruno Lafont, who was the other co-chairman, might become the only chairman (although a vice-chairman remains too).

VALUATION

- CHF60 derived from the application of historical multiples to our 2017 estimates, discounted back

NEXT CATALYSTS

- 2015 FY results on 17 March 2016

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Distribution of stock ratings

BUY ratings 72%

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