

21st July 2016

Construction & Building Materials

LafargeHolcim

Price CHF43.30

The approval to restructure India entities has been received

Fair Value CHF50 (+15%)

BUY

Bloomberg	LHN VX
Reuters	LHN.VX
12-month High / Low (CHF)	69.9 / 34.1
Market Cap (CHFm)	26,279
Avg. 6m daily volume (000)	2,268

	1 M	3 M	6 M	31/12/15
Absolute perf.	2.1%	-14.2%	6.3%	-13.9%
Cons & Mat	0.3%	-2.7%	9.9%	-1.5%
DJ Stoxx 600	0.9%	-2.8%	5.7%	-6.8%

	2015	2016e	2017e	2018e
P/E	33.3x	18.1x	11.9x	10.1x
Div yield (%)	3.5%	3.8%	4.2%	4.5%

ANALYSIS

- LHN “has received the approval of the Cabinet Committee On Economic Affairs for the streamlining” of its operations in India. However, LafargeHolcim has still to wait for the Foreign Investment Promotion Board before to close the transaction.
- With the closing, LafargeHolcim will increase its stake in its subsidiary Ambuja from 50% to 61%, while Ambuja will acquire 50% of ACC, the second entity of LHN in India.
- Once finalized, this operation means that ACC and Ambuja will be managed as single economic entity, which should be translated in synergies.

VALUATION

- CHF50 FV derived from the application of historical ratios to our 2017 estimates, discounted back

NEXT CATALYSTS

- Q2 2016 to be released on 5th August 2016

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BUY ratings 72%

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