

OSK maintains 'buy' on Century Logistics

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OSK Research is maintaining Century Logistics Holdings Berhad's earnings forecast for now and recommended a "buy" call with a fair value unchanged at RM2.43.

The research firm was optimistic Century Logistics would continue to do well and that this segment would remain a key growth business in future.

The company forecast a turnover of RM338.2 million for the current financial year ending Dec 31, 2011 and RM405.6 million for the 2012 financial year.

Pre-tax profit for the current financial year was estimated at RM38.7 million and RM43.8 million for next year. "Apart from its strong and steady growth in its oil logistics, we expect the contract logistics business to grow credibly and to secure more contracts from multinational companies, such as food and beverages players and some large electrical and electronic companies," said OSK.

The company's pre-tax profit for the first quarter ended March 31, 2011, increased 5.1 per cent to RM8 million, from RM7.6 million, registered in the same quarter last year.

Revenue rose to RM66.8 million versus RM59.8 million chalked up previously. - Bernama