UKSA Company Visits

As can be seen on the last page of this issue, the winter programme of company presentations –where UKSA members meet top managements - is in full bloom again. Casting my eye down the list is like contemplating a Christmas stocking bulging with good things - come to think of it there are a couple of Christmas lunches as well that I wouldn't mind attending either.

Two particular items caught my interest.

Premier Farnell is of course a distributor of technology products, electronic system design, maintenance and repair in Europe, the Americas and Asia Pacific. The Company operates in four segments: the Marketing and Distribution Division (MDD), comprising the Americas, Europe and Asia Pacific, and Other Distribution Businesses, and the Industrial Products Division (IPD). The Marketing and Distribution Division predominantly operates in the electronic components distribution market. The Industrial Products Division is engaged in the manufacturing and sale of fire-fighting and emergency response equipment.

Premier Farnell - 6-month share price

The North-East Region has caught the company at a very special time. The former Chief Executive has just left the company and I can't help noticing that his valedictory tribute was rather more blunt than is normally the case when horse and rider of prominent companies part company. At the time of writing his successor has yet to be appointed. Of course the company's operations by the very nature apparently engender a high degree of stability and this no doubt both creates the need and provides the circumstances for the substantial borrowings which it requires in respect of its trading profile. So it is then that the presentation should be replete with greater than normal interest I think. It is due to take place on Wednesday 11th November at two o'clock. If the normal timetable is followed, the interim figures should be posted by then and I urge anyone planning to attend to have a good look at them. This company in its present form was the outcome of a very bold initiative and although it has not been a very easy investment case to call in recent years it has tremendous strength in depth.

Wolseley

Wolseley - 6-month share price

Wolseley is located in Switzerland and is of course a well-known specialist trade distributor of plumbing and heating products and building materials in North America, the United Kingdom and Continental Europe.

Most notably in recent years the fundamental factor influencing the fortunes of the company have been the state of the North American housing market.

Wolseley appears to be hitting its stride again - the most recent figures to hand indicate that on a like-for-like year-on-year revenue expansion of circa 10% the earnings per share are accelerating to a figure somewhat near 20%. Of some note was the comment that UK conditions were 'challenging'.

David Lowe

The Continental European activities are, as you would expect, subject to the general dullness of the region in the wake of the wallowing Euro.

The world in general but one wonders if Wolseley in particular awaits to see what the Americans are going to do about interest rates. Nobody can know of course and nobody can do much about it but one wonders how a giant company like this one (it is capitalised at £10 billion) plans its strategy given the immense effect which it has on a business which - surely - has high fixed costs. There might be some mileage too in asking if the lively programme of bolt-on acquisitions taken in aggregate points in the direction of some strategic planning here too.

Members interested in attending should contact David Lowe on 0208 398 4058 djmlowe@btinternet.com