

SJ Sec rates VisDynamics 'overweight'

SJ SECURITIES Sdn Bhd has initiated coverage of VisDynamics Holdings Bhd (VHB) with an "overweight" rating and target price of 41 sen, citing the company's unique business, diversified customer base and favourable semiconductor outlook.

It said VHB has a stable and experienced management team with strong background in the research and development, production and marketing of semi-conductor automated test/backend equipment.

"They are also proficient in mechatronics, control software and vision inspection of automated test equipment, as well as the operational aspects of the semiconductor manufacturing processes," SJ Securities said in a December 14 report.

VHB's customers comprise multinational corporations around the globe, and it intends to diversify its customer base to include other integrated device manufacturers and semiconductor contract manufacturers.

"The group has hedged their position by making sure that they have anchored customers in respective important sub-sectors to overwhelm the cyclicity of the sales factor," it added.

VHB is working on expanding its capacity, and has acquired a piece of land near the Malacca International Trade Centre. The building will be constructed with energy saving and disabled-friendly features in mind, and is set to be ready for use by next year.

SJ Securities said worldwide sales of the semiconductor industry is expected to surpass US\$321 billion (RM1.08 trillion) in 2010, with a compound annual growth rate of 7.7 per cent between 2007 and 2011.

Further, Gartner Inc has forecast the automated test equipment market to be worth US\$4.1 billion (RM13.7 billion) in 2007 and reach US\$4.7 billion (RM15.7 billion) in 2011.

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