



# Vertikal Portfolio

**A** New Year and a new Vertikal Portfolio. Last year's Vertikal Index was based on eight UK companies active in the lifting industry – over the course of the year the total value of our mythical index dropped by 8.27 per cent and half of the companies either left the sector or were de-listed when they were bought by a foreign company.

The most recent member of our Vertikal eight to leave the London Stock Exchange is Hewden Stuart which is to be de-listed now that it has been bought by Finning International of Canada. SGB went the same way late last year after it was bought by US-based Harsco which immediately de-listed it. The two other companies departing the Vertikal Index were Vibroplant, which sold its access business to Lavendon, and Rentokil Initial which has finally sold the companies it acquired with the BET Plant Services Division and thus moved itself out of the lifting industry (the companies included PTP, GWS and Sparrows Offshore).

This left our Vertikal Index looking painfully thin and so it has been re-launched as the Vertikal Portfolio with some additional companies added from overseas to give it an international flavour. Four of the ten companies we have chosen are listed on the London Stock Exchange while there are three from the New York Stock Exchange, two from the Toronto Stock Exchange and one from Paris. Over the coming year we will track their progress and offer a view of the sometimes rapid swings that can affect their share prices.

Our mythical portfolio started life on January 2 when we “bought” 100 shares in each of the following companies (Stock Exchange Ticker symbols and exchange are shown in brackets):

- Ashtead Group Plc (AHT – London)
- Baldwins (BLD – London)
- Finning International Inc (FTT – Toronto)

Readers should seek professional, independent financial advice before purchasing shares. The value of shares can go down or up.

Our guide to the financial performance of some of the most upwardly mobile shares available on four of the world's stock exchanges.

- JLG Industries Inc (JLG – New York)
- Lavendon Group Plc (LVD – London)
- Manitowoc Company Inc (MTW – New York)
- Mitie Group Plc (MTO – London)
- Pinguely Haulotte (PIIG – Paris)
- Skyjack Inc (SJK – Toronto)
- Terex Corp (TEX – New York)

The total value on purchase was £7653.21. Three weeks later, as this issue was going to press, we were off to a less than auspicious start with the total value of the portfolio already down to £7634.16 largely as a result of adjustments to the price of Haulotte's stock. This had started the year trading at €30.60 but moved to just under €26 following slow trading at the beginning of the year. Haulotte was one of the best performing stocks on the Paris Bourse last year and its current price compares starkly to prices this time last year which were under €10.

Performing very strongly in this short period were Terex, JLG and Skyjack – the

latter saw its share price rise by Can\$1 to Can\$7 each to give it a 16 per cent rise in value. JLG also saw a healthy rise in value with its, rather more expensive, shares rising by US\$0.82 to reach the US\$11.62 mark. For Terex there was an increase of nearly 8 per cent as the shares moved up to US\$16.80 each.

The strongest UK performer was Lavendon Group, owner of a growing group of access companies that include Nationwide Access in the UK, Zoomom (sic) in France, and Fürg-Pro-Lift in Germany. Its shares moved up 67.5p to 572.5p apiece, equivalent to a 13 per cent rise.

Elsewhere in the UK market the Baldwins empire seems to have lost some of its shine in the City with the share price hovering around 140p. This follows a dramatic week in September that saw the price fall from around 470p to 200p. Since then there has been a gradual downward slip and the shares are now getting close to the price at which they were originally launched in July 1998.

Hopefully the year nonetheless bodes well for our ten companies. If you would like to follow their progress in more detail we would recommend a visit to a website that allows you to track specific share prices. One example of these is [www.ukinvest.com](http://www.ukinvest.com), but there are many others offering a similar service. ■

## Hewden's Lifting Division Not for Sale

“Our offer will combine Finning's international equipment sales business and Hewden Stuart's market leading small equipment rental business, to enable us to provide more comprehensive services to a wider customer base through both channels.” So said Douglas Whitehead, President and Chief Executive Officer of Finning, soon after announcing the deal with Hewden Stuart.

The comment set alarm bells ringing in some sections of the lifting industry who interpreted it as meaning that Finning had less interest in the larger equipment operated and hired by Hewden, namely tower cranes, mobile cranes and powered access.

Not so, says Anthony Guglielmin, Vice President and Corporate Treasurer in an e-mail to *Cranes & Access*: “The comment from Doug was principally to distinguish and acknowledge Hewden's industry-leading expertise in what we would define as the “smaller end” of the earth-moving equipment business. Our existing Finning dealership has core competence in the sales, service and rental of larger earth-moving equipment. Doug's comment pointed to the fact that this combined expertise will provide Finning and Hewden's customers with a broader range of product expertise through both the sales and rental channels.

“His comment should in no way be construed as a comment on our plans for the mobile crane, tower crane and powered access division. Finning has no plans to divest these divisions.”