

Orad Hi-Tec – Impressive Growth

Israel's Orad Hi-Tec Systems Ltd (share I.D. 928634) continues to grow at a truly impressive pace. According to the numbers published last Monday for the first half year, turnover increased by 19% to 13.3 million USD, with a profit of 0.9 million USD. In spite of the 1.8 million USD dividend distribution to 17.5 million USD, liquid assets actually managed to rise slightly, compared to 31.12.2009, to 17.5 million USD.

Hence despite the previously-noted price hike, Orad remains a worthwhile purchase; deducting the net cash position from the current bourse value yields an enterprise value of about 22 million USD. If one now looks at the fact that Orad generates an operative cash flow of 3 million USD and also buttresses this with generous dividend payouts, we can affirm our price target of 3.30 Euros. We are raising the stop price slightly to 2.05 Euros.