

Meggitt PLC

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Meggitt downgraded as Citi says shares "approaching fair value"

Defence firm Meggitt PLC (LON:MGGT) has been downgraded to 'neutral' from 'buy' by analysts at Citi as the bank said the company's valuation was "more reasonable" after a strong performance in the shares.

In a note on Monday, the investment bank, which rates the FTSE 100 group with a target of 730p, added that the stock had been "potentially stretched by M&A speculation", although they still predicted earnings (EBIT) ahead of market consensus for the 2019 financial year, saying the firm's guidance for the civil aftermarket division contained "some conservatism".

READ: Meggitt upgrades 2019 revenue forecasts as US market boosts defence business

Citi also said supply chain pressures alongside the temporary halt in the production of Boeing Co's (NYSE:BA) 737 MAX aircraft created "some uncertainty to the 2020 outlook".

Meggitt currently supplies spares parts to Boeing for the MAX aircraft and warned in November that the grounding of the planes would place a cap on its operating margins for 2019.

Citi's assessment sent shares in Meggitt down 1.4% to 637.2p in lunchtime trading.

Price: 359.121

Market Cap: £27.84 m

1 Year Share Price Graph



Share Information

Code: MGGT

Listing: LSE

52 week High Low
701.8 196.15

Sector: Aerospace

Website: www.meggitt.com

Company Synopsis:

Meggitt PLC is engaged in the design and manufacture of equipment and systems for the aerospace and defence industries, and the design and manufacture of electronic sensors, together with related businesses.

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