

BEKAERT

COVID-19 impact

GENERAL INDUSTRIES
BELGIUM

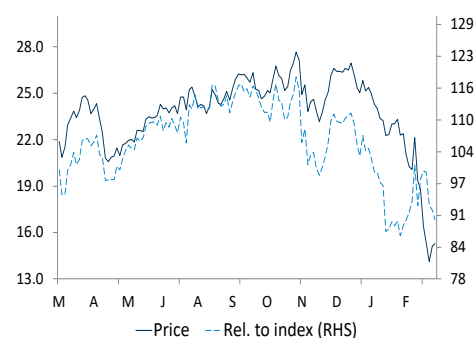
CURRENT PRICE € 15.26
TARGET PRICE € 25.00

HOLD
RATING UNCHANGED

Bekaert warns for COVID-19 and will provide updated guidance with 1Q20 reporting. We will cut our estimates to reflect current trends. In the meantime, Hold confirmed. With the stock down 40% since mid-January, we believe the market has already anticipated a lot.

News: Bekaert indicates that the plant shutdowns and demand evolution will significantly impact the business in 1H20. The company is identified 3 core priorities for the short term : 1/ keep its people safe, 2/ stay in touch with its customers and 3/ monitor working capital, capex and costs to mitigate the impact on liquidity and bottom-line results. Bekaert will come with an updated outlook when it releases its 1Q20 trading update (13 May 20).

Our View: As for many companies, the impact of COVID-19 is still being assessed. We look forward to the updated guidance with the 1Q20 TU. In the meantime, we will cut our estimates to reflect the shutdowns and weaker demand. We are hopeful that Bekaert will manage to mitigate the impact on results and liquidity.



Source: Thomson Reuters Datastream

Bloomberg	BEKB BB
Reuters	BEKB.BR
www.bekaert.com	
Market Cap	€ 921.8m
Shares outst.	60.4m
Volume (daily)	€ 1,463,344
Free float	58.8%

Next corporate event
General Assembly 19: 13 May 2020

€ m	2019	2020E	2021E
Sales	4,322.5	3,998.3	4,072.9
REBITDA	468.0	425.7	478.7
Net earnings	41.3	119.1	171.5
Adj. EPS (€)	1.60	1.98	2.68
P/E (x)	15.0	7.7	5.7
EV/REBITDA	5.8	5.0	4.2
FCF yield	25.2%	16.0%	17.4%
Dividend yield	2.9%	4.6%	5.2%

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