

Bekaert

Indy - Industrial, Diversified / Belgium

Target Price EUR 28.00

Expected performance (12 mth) -14.0%

HOLD EUR 32.58 (Closing price 03-Nov-11)

[Preview on results](#)

Estimates hammered further – Preview 3Q11 update

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Opinion on qualitative criteria

Accounting	IFRS 01/01/2004
Quality of track record	High
Solvency	High
Currency risk	High
Risk of asset write-off	Neutral

Share price performance/EPS revision (EUR)

Price ABN AMRO EPS est. 2012



Source: FactSet, ABN Amro Equity Research

Market capitalisation (EUR m)	1,950.8
No. of shares (m)	59.9
Free float	62.0%
1/3/12 mth perf. (%)	9.2/(13.0)/(55.8)
High/low 52 weeks (EUR)	87.43/28.62
Next results due	10 November 2011
Price/book value (x)	1.1
Volatility (β) (5yrs/)	
Reuters symbol	BEKB.BR
Bloomberg symbol	BEKB BB
Website	www.bekaert.com

We have taken this preview as an opportunity to make further drastic cuts to our earnings forecasts. We believe that the downturn in the solar panel market and the coming on steam of sawing wire capacity from competitors has created 2-3 times more capacity to produce sawing wire than there is demand. This is putting heavy pressure on prices (we now assume a decline in the ASP of sawing wire by 30% in 2011 (was 22%) and by 30% in 2012 (was 18%)). We are also becoming more cautious on the truck tyre cord business, where overcapacity is seen putting pressure on margins. We now forecast Asia Pacific EBITA to drop from EUR 471m (37.7% margin) in FY10 to EUR 246m (24.2% margin) in FY11 and EUR 117m (13.2% margin) in FY12. We have also reduced our EMEA, North America and Latin America forecasts to account for a more clouded economic outlook (note that our forecasts do not anticipate a 2008 type of downturn). As a result, we slashed our EPS forecasts to EUR 3.44 (from EUR 4.26) for FY11, to EUR 2.20 (from EUR 4.30) for FY12 and to EUR 2.73 (from EUR 4.95) for FY13. We refer to the table on page 3 for the detail behind our forecast. In line with the earnings downgrade, we have lowered our price target to EUR 28 (which is the 2012 outcome of our returns-based valuation, where EV/CE = ROCE/WACC). We re-iterate our HOLD recommendation and caution that the risks to the share price still seem to be to the downside in the short term.

Bekaert is due to report a trading update for 3Q11 on Thursday 10 November (consisting only of sales numbers and qualitative statements). We expect this update to show for the first time the full impact of the correction in sawing wire

Year to December	2009	2010	2011e	2012e	2013e
Sales (EUR m)	2,437.3	3,262.5	3,262.9	3,172.8	3,392.2
EBITDA (EUR m)	385.7	725.3	566.1	448.4	480.0
Net profit excl. extr. & amort. (EUR m)	165.4	385.7	206.1	131.8	163.7
Net profit (EUR m)	151.8	367.6	206.1	131.8	163.7
EBITDA margin (%)	15.8	22.2	17.4	14.1	14.2
ROCE (incl. goodwill) (%)	9.9	18.6	9.9	6.2	7.2
Net gearing (%)	36.9	35.9	34.1	24.6	16.4
EPS before extr. & amort. (EUR)	2.79	6.51	3.44	2.20	2.73
EPS (EUR)	2.56	6.21	3.44	2.20	2.73
DPS (EUR)	0.98	1.67	1.21	0.77	0.96
% change sales	(8.5)	33.9	0.0	(2.8)	6.9
% change EPS (excl. extr. & amort.)	(21.3)	133.0	(47.1)	(36.0)	24.2
EV/Sales	0.97	1.69	0.69	0.66	0.59
EV/EBITDA	6.2	7.6	4.0	4.7	4.1
P/E (excl. extr. & amort.)	9.0	8.2	9.5	14.8	11.9
P/E	9.8	8.7	9.5	14.8	11.9
PE/growth (excl. extr.)	22.9	0.2	0.6	nmf	nmf
Free cash flow yield (%)	18.4	1.2	3.8	10.0	7.4

(which started only mid 2Q11). For 3Q11, we forecast a 13% y-o-y decline in *consolidated sales* to EUR 755m, with a 42% drop seen for the Asia Pacific division. *Combined sales* (i.e., including 100% of sales from equity-accounted JVs and associates) is forecast to have declined by 7% y-o-y to EUR 1,112m. We refer to the table below for more detail. We expect Bekaert to air gloomy tone of voice in the (qualitative) outlook.

Quarterly sales (EUR m)

	1Q10	2Q10	3Q10	4Q10	FY2010	1Q11	2Q11	3Q11E	4Q11E	FY2011E	FY2012E
Consolidated sales:											
EMEA	244	282	271	269	1,066	307	307	290	292	1,196	1,208
North America	141	172	170	155	638	176	178	175	166	695	709
Latin America	67	77	89	78	311	82	91	95	86	354	365
Asia Pacific	242	310	336	360	1,248	353	286	195	183	1,017	891
Total	694	841	866	861	3,262	918	862	755	728	3,263	3,173
% chg.	17.2%	38.4%	39.9%	39.3%	33.9%	32.3%	2.5%	-12.8%	-15.5%	0.0%	-2.8%
Organic	23.9%	34.4%	33.9%	33.6%	31.5%	28.3%	-10.6%	-14.6%	20.0%	0.6%	-3.7%
foreign exchange	-6.7%	1.4%	4.2%	4.8%	1.0%	3.3%	-6.5%	0.0%	-2.2%	-1.6%	0.0%
consolidation	0.0%	2.6%	1.9%	1.1%	1.4%	0.7%	-1.3%	1.8%	2.7%	1.0%	0.9%
EMEA % chg.	16.0%	41.2%	36.9%	22.6%	28.8%	25.8%	8.9%	7.0%	8.7%	12.2%	1.0%
North America % chg.	-0.6%	41.4%	60.4%	48.7%	34.7%	24.8%	3.5%	3.0%	7.3%	9.0%	2.0%
Latin America % chg.	-16.9%	-2.9%	2.3%	-3.1%	-5.0%	22.4%	18.2%	7.0%	10.7%	14.0%	3.0%
Asia Pacific % chg.	51.9%	49.6%	47.4%	67.7%	54.2%	45.9%	-7.7%	-42.0%	-49.1%	-18.5%	-12.4%
Combined sales:											
EMEA	243	280	269	265	1,057	305	303	288	290	1,186	1,198
North America	139	171	169	152	631	174	175	174	165	688	702
Latin America	329	398	420	381	1,528	401	413	454	428	1,696	1,747
Asia Pacific	242	311	337	364	1,254	353	288	196	185	1,022	895
Total	953	1,160	1,195	1,162	4,470	1,233	1,179	1,112	1,068	4,592	4,541
EMEA % chg.	16.2%	41.5%	36.5%	21.0%	28.4%	25.5%	8.2%	7.1%	9.5%	12.2%	1.0%
North America % chg.	-0.1%	42.4%	61.0%	45.2%	34.5%	25.2%	2.3%	3.1%	8.3%	9.0%	2.0%
Latin America % chg.	17.5%	32.9%	28.8%	14.9%	23.5%	21.9%	3.8%	8.0%	12.5%	11.0%	3.0%
Asia Pacific % chg.	51.1%	48.9%	47.2%	68.5%	54.1%	45.9%	-7.4%	-41.9%	-49.1%	-18.5%	-12.4%
Total % chg.	20.9%	40.4%	39.4%	33.3%	33.7%	29.4%	1.6%	-7.0%	-8.1%	2.7%	-1.1%

Source: company data and ABN AMRO estimates

Old versus new forecasts (EUR m)

	2011			2012			2013		
	Old	New	% chg.	Old	New	% chg.	Old	New	% chg.
Sales	3,479	3,263	-6%	3,695	3,173	-14%	3,974	3,392	-15%
EBITE margin	427	354	-17%	415	233	-44%	454	264	-42%
	12.3%	10.8%		11.2%	7.3%		11.4%	7.8%	
EPS (EUR)	4.26	3.44	-19%	4.30	2.20	-49%	4.95	2.73	-45%

Source: ABN AMRO

P&L Bekaert (EUR m)

	2009	1H10	2H10	2010	1H11	2H11E	2011E	2012E	2013E
EMEA	827	526	540	1,066	614	582	1,196	1,208	1,281
North America	473	313	325	638	354	341	695	709	744
Latin America	327	144	167	311	173	181	354	365	391
Asia Pacific	809	552	696	1,248	639	378	1,017	891	976
Consolidated sales	2,437	1,535	1,727	3,262	1,780	1,483	3,263	3,173	3,392
% chg.	-8.5%	27.9%	39.6%	33.9%	15.9%	-14.2%	0.0%	-2.8%	6.9%
organic	-16.9%	29.2%	33.7%	31.5%	7.0%	2.6%	4.7%	-0.4%	7.5%
fx	2.5%	-2.6%	4.5%	1.0%	-2.1%	-1.1%	-1.6%	0.0%	0.0%
consolidation	5.9%	1.3%	1.5%	1.4%	-0.4%	2.2%	1.0%	0.9%	0.0%
EBITDAE	410	368	386	754	353	230	583	463	495
margin	16.8%	24.0%	22.3%	23.1%	19.8%	15.5%	17.9%	14.6%	14.6%
% chg.	-17.3%	141.8%	49.5%	83.7%	-4.0%	-40.3%	-22.6%	-20.5%	6.8%
EBITE EMEA	2	54	41	95	54	42	96	85	100
margin	0.2%	10.3%	7.7%	8.9%	8.8%	7.2%	8.0%	7.0%	7.8%
% chg	-97.6%	nmf	85.8%	5722.9%	0.0%	0.9%	0.4%	-11.6%	18.1%
EBITE North America	(5)	21	13	34	28	22	50	47	54
margin	-1.1%	6.7%	4.0%	5.3%	7.9%	6.5%	7.2%	6.6%	7.2%
% chg	-120.2%	nmf	nmf	nmf	33.3%	68.1%	46.7%	-6.5%	14.5%
EBITE Latin America	28	14	12	26	16	16	32	30	35
margin	8.4%	9.7%	7.1%	8.3%	9.2%	8.6%	8.9%	8.2%	9.0%
% chg	75.0%	66.7%	-37.7%	-5.9%	14.3%	30.5%	21.7%	-5.1%	17.4%
EBITE Asia Pacific	288	206	265	471	185	61	246	117	120
margin	35.6%	37.3%	38.0%	37.7%	29.0%	16.2%	24.2%	13.2%	12.3%
% chg	15.6%	60.9%	65.6%	63.5%	-10.2%	-76.9%	-47.7%	-52.3%	2.2%
Other	(55)	(33)	(31)	(64)	(41)	(29)	(70)	(46)	(45)
Total EBITE	257	262	300	562	242	111	354	233	264
margin	10.5%	17.1%	17.4%	17.2%	13.6%	7.5%	10.8%	7.3%	7.8%
% chg.	-12.7%	205.2%	75.8%	119.1%	-7.5%	-63.0%	-37.1%	-34.2%	13.4%
Non-recurring items	(25)	(19)	(10)	(28)	(11)	(6)	(17)	(15)	(15)
EBIT	232	243	291	534	232	105	337	218	249
Net financial charges	(66)	(16)	(17)	(32)	(35)	(29)	(64)	(56)	(47)
EBT	167	228	274	502	197	75	273	162	202
Taxes	(34)	(51)	(88)	(139)	(54)	(23)	(76)	(47)	(59)
as % of EBT	20.4%	22.5%	32.2%	27.8%	27.2%	30.2%	28.0%	29.0%	29.0%
Share in results joint ventures	38	19	17	36	14	15	29	29	35
Result discontinued operations	0	0	0	0	0	0	0	0	0
Minority interests	(19)	(14)	(17)	(31)	(13)	(6)	(19)	(12)	(15)
Net profit continuing operations	152	181	187	368	144	62	206	132	164
% chg.	-12.8%	309.6%	73.5%	142.2%	-20.3%	-66.9%	-43.9%	-36.0%	24.2%
EPS basic (EUR)	2.56	3.05	3.15	6.21	2.45	1.03	3.44	2.20	2.73
% chg.	-12.9%	308.3%	73.4%	142.1%	-19.7%	-67.3%	-44.5%	-36.0%	24.2%
DPS (EUR)	0.98	0.67		1.67	0.67		1.21	0.77	0.96
pay out	38.4%	21.9%		27.2%	27.8%		35.2%	35.0%	35.0%

Source: company data and ABN AMRO estimates

P & L Statement (EUR m) Year to December	2004	2005	2006	2007	2008	2009	2010	2011e	2012e	2013e
Net sales	1,741.9	1,914.3	2,009.6	2,173.6	2,662.4	2,437.3	3,262.5	3,262.9	3,172.8	3,392.2
Other income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Personnel costs	(450.3)	(449.9)	(462.0)	(472.6)	(524.2)	(499.1)	(596.9)	(611.9)	(622.7)	(648.8)
Other operating costs										
EBITDA	255.6	257.4	262.2	298.6	412.2	385.7	725.3	566.1	448.4	480.0
Depreciation	(107.6)	(107.4)	(110.7)	(119.7)	(165.9)	(139.8)	(173.0)	(229.6)	(230.7)	(231.2)
EBITA	148.0	150.0	151.4	178.9	246.3	245.8	552.3	336.5	217.7	248.9
Reported provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	(9.0)	(13.7)	(5.5)	(4.3)	(35.8)	(13.6)	(18.0)	0.0	0.0	0.0
EBIT	139.0	136.3	145.9	174.6	210.5	232.2	534.3	336.5	217.7	248.9
Net financials	(20.5)	(15.3)	(31.0)	(41.0)	(49.2)	(65.6)	(32.4)	(64.0)	(56.0)	(46.7)
Profit Before Taxes (PBT)	118.5	121.0	114.9	133.6	161.2	166.6	501.9	272.5	161.7	202.2
Taxes	(18.4)	(30.3)	(18.4)	(19.1)	(25.5)	(33.9)	(139.5)	(76.3)	(46.9)	(58.6)
Income from associates	53.5	56.9	51.0	47.1	56.1	37.8	36.1	29.0	29.2	35.3
Minorities	(12.3)	(12.0)	(4.8)	(8.7)	(17.7)	(18.6)	(30.9)	(19.1)	(12.2)	(15.2)
Net profit before extraordinary	141.3	135.7	142.8	152.9	174.1	151.8	367.6	206.1	131.8	163.7
Extraordinary items	26.3	54.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net reported profit	167.6	189.9	142.8	152.9	174.1	151.8	367.6	206.1	131.8	163.7
% change in Sales	(3.1)	9.9	5.0	8.2	22.5	(8.5)	33.9	0.0	(2.8)	6.9
% change in EBITDA	6.9	0.7	1.8	13.9	38.0	(6.4)	88.1	(21.9)	(20.8)	7.0
% change in EBITA	32.4	1.3	1.0	18.1	37.7	(0.2)	124.7	(39.1)	(35.3)	14.3
% change in PBT	72.1	2.1	(5.0)	16.3	20.7	3.3	201.3	(45.7)	(40.7)	25.0
% change in Net profit before extraordinary	63.0	(3.9)	5.2	7.1	13.9	(12.8)	142.2	(43.9)	(36.0)	24.2

Cash Flow Statement (EUR m)	2004	2005	2006	2007	2008	2009	2010	2011e	2012e	2013e
EBITDA	255.6	257.4	262.2	298.6	412.2	385.7	725.3	566.1	448.4	480.0
Change in provisions excluding tax provisions	(0.6)	(15.4)	(12.3)	(8.9)	26.2	(44.5)	1.7	21.0	0.0	0.0
Change in net working capital	(112.6)	(32.3)	(31.9)	(41.9)	(162.4)	195.6	(276.9)	(126.9)	88.4	(6.8)
Gross operating cash flow	142.4	209.8	217.9	247.8	276.0	536.8	450.1	460.2	536.9	473.2
Taxes paid	(32.9)	(25.5)	(16.8)	(24.9)	(27.5)	(31.1)	(113.3)	(76.3)	(46.9)	(58.6)
Capex	(172.9)	(151.6)	(161.3)	(199.8)	(251.1)	(173.8)	(249.1)	(248.2)	(238.1)	(224.1)
Free cash flow	(63.3)	32.7	39.8	23.1	(2.6)	331.9	87.7	135.7	251.9	190.5
Net interest received	(16.0)	(14.8)	(22.0)	(30.8)	(31.5)	(39.2)	(43.5)	(60.8)	(56.0)	(46.7)
Other	75.5	96.6	(25.4)	42.1	24.2	172.3	16.6	66.1	24.3	29.2
Acquisitions	(16.9)	(21.2)	(42.7)	(14.7)	(44.2)	(3.4)	(29.9)	(48.0)	0.0	0.0
Divestments	0.1	86.5	0.0	4.2	0.7	(0.5)	12.6	0.0	0.0	0.0
Share issues/buybacks	(8.8)	(24.3)	(56.1)	(111.0)	(19.7)	(0.5)	(57.7)	0.0	0.0	0.0
Dividend (adj. stock dividend)	(45.3)	(52.2)	(74.1)	(57.2)	(62.2)	(50.6)	(118.5)	(99.8)	(72.5)	(46.1)
Extraordinary items (after tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in interest-bearing debt	77.4	20.6	39.1	136.4	180.4	(252.5)	299.8	6.8	(147.7)	(126.9)
Change in cash & cash equivalents	2.7	123.8	(141.5)	(7.9)	45.1	157.5	167.1	0.0	0.0	0.0

Balance Sheet (EUR m)	2004	2005	2006	2007	2008	2009	2010	2011e	2012e	2013e
Net intangible fixed assets	118.4	125.4	134.5	122.0	111.5	105.0	131.1	133.2	134.2	136.1
Net tangible fixed assets	791.6	799.8	824.2	917.6	1,070.7	1,127.7	1,295.1	1,311.7	1,318.0	1,309.1
Financials fixed assets (FFA)	331.1	325.5	348.6	303.4	247.7	311.7	339.6	339.6	339.6	339.6
Inventories	419.3	348.3	368.8	385.4	510.5	358.4	507.7	561.3	519.8	537.1
Trade debtors	385.2	354.2	398.9	437.7	483.2	479.6	774.3	792.3	735.6	749.3
Other debtors	44.9	63.4	63.7	73.1	125.3	171.2	182.4	206.9	206.7	217.0
Cash & securities	98.9	222.7	81.2	73.2	118.3	275.8	442.9	442.9	442.9	442.9
Total Assets	2,189.3	2,239.3	2,219.8	2,312.6	2,667.2	2,829.5	3,673.1	3,788.0	3,696.9	3,731.2
Shareholder's equity	909.7	1,057.5	1,060.1	1,098.2	1,130.6	1,284.8	1,610.7	1,716.9	1,776.2	1,893.7
Other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	48.8	51.1	48.9	48.4	41.8	88.7	86.0	97.4	104.8	113.9
Provisions	373.0	357.5	331.4	298.8	373.4	329.9	379.9	400.9	400.9	400.9
Long-term interest bearing debt	242.3	288.3	274.4	322.5	288.1	598.1	700.5	707.3	559.6	432.7
Short-term interest bearing debt	312.0	245.6	218.0	253.0	503.1	151.4	320.3	320.3	320.3	320.3
Trade creditors	250.8	187.4	227.8	231.7	253.8	247.1	341.7	332.8	314.9	336.7
Other non-interest bearing liabilities	52.7	52.0	59.3	60.0	76.4	129.4	234.2	212.4	220.3	233.0
Total Liabilities & Capital	2,189.3	2,239.3	2,219.8	2,312.6	2,667.2	2,829.5	3,673.1	3,788.0	3,696.9	3,731.2
Enterprise Value (EV)	1,330.5	1,503.0	1,827.0	1,829.4	1,317.4	2,374.4	5,510.3	2,246.2	2,105.8	1,988.1
Net debt/(Net cash)	455.4	311.2	411.2	502.2	672.9	473.7	577.9	584.6	436.9	310.0
Capital Employed incl. goodwill (avg.)	1,458.6	1,515.7	1,517.1	1,610.5	1,850.3	1,969.4	2,148.5	2,452.6	2,488.2	2,450.9
Cumulative goodwill (as of 1991)	131.3	85.3	82.2	75.2	74.6	76.6	77.5	77.5	77.5	77.5
Capital Employed (avg.)	1,332.4	1,407.4	1,433.3	1,531.8	1,775.5	1,893.9	2,071.4	2,375.1	2,410.8	2,373.4
Net working capital	545.9	526.6	544.3	604.6	788.8	632.7	888.5	1,015.4	927.0	933.8
Discounted value of leases	26.3	36.6	32.2	28.6	28.9	28.9	43.9	47.4	50.8	54.0
Adjusted equity	1,041.0	1,142.9	1,142.3	1,173.3	1,205.2	1,361.4	1,688.2	1,794.4	1,853.7	1,971.2

Per Share Data (EUR)	2004	2005	2006	2007	2008	2009	2010	2011e	2012e	2013e
Avg. no. of shares (m)	65.8	64.9	64.5	60.1	59.2	59.2	59.2	59.9	59.9	59.9
Eoy. no. of shares (m)	65.6	64.6	62.8	59.5	59.4	59.5	59.9	59.9	59.9	59.9
Avg. no. of shares fully diluted (m)	65.9	65.1	64.8	60.5	59.4	59.4	59.6	60.2	60.2	60.2
Enterprise Value (EV)	20.28	23.27	29.07	30.75	22.20	39.90	92.01	37.51	35.16	33.20
Net debt less FFA plus minorities	2.64	0.57	1.77	4.16	7.87	4.21	5.41	5.72	3.38	1.41
Sales	26.49	29.50	31.17	36.16	45.01	41.16	55.06	54.49	52.98	56.64
EBITDA	3.89	3.97	4.07	4.97	6.97	6.51	12.24	9.45	7.49	8.02
EBITA	2.25	2.31	2.35	2.98	4.16	4.15	9.32	5.62	3.64	4.16
EBIT	2.11	2.10	2.26	2.90	3.56	3.92	9.02	5.62	3.64	4.16
Net profit before extr. & amort. (EUR)	2.29	2.30	2.30	2.61	3.55	2.79	6.51	3.44	2.20	2.73
Net profit before extraordinary (EUR)	2.15	2.09	2.21	2.54	2.94	2.56	6.21	3.44	2.20	2.73
Cash Flow (EUR)	3.92	3.96	4.02	4.61	6.35	5.15	9.43	7.27	6.05	6.59
Gross Dividend (EUR)	0.67	1.00	0.83	0.92	0.93	0.98	1.67	1.21	0.77	0.96
Book value (EUR)	13.86	16.37	16.87	18.46	19.05	21.59	26.90	28.67	29.66	31.62
Adjusted equity	15.86	17.69	18.18	19.72	20.31	22.88	28.19	29.96	30.95	32.92
Free Cash Flow	(0.96)	0.50	0.62	0.38	(0.04)	5.60	1.48	2.27	4.21	3.18
% change in EPS before extr. & amort.	74.88	0.76	(0.11)	13.68	35.68	(21.26)	133.05	(47.13)	(36.03)	24.15

Valuation	2004	2005	2006	2007	2008	2009	2010	2011e	2012e	2013e
P/E (excl. extr. & amort.)	7.3	9.4	11.9	12.5	8.3	9.0	8.2	9.5	14.8	11.9
P/CF (x)	4.3	5.5	6.8	7.1	4.6	4.9	5.7	4.5	5.4	4.9
P/Book (x)	1.4	1.6	1.9	1.7	0.8	1.7	3.2	1.1	1.1	1.0
Dividend yield (%)	4.0	4.6	3.0	2.8	3.2	3.9	3.1	3.7	2.4	2.9
Free cash flow yield (%)	(7.2)	0.4	0.9	(0.5)	(2.5)	18.4	1.2	3.8	10.0	7.4
EV/Sales (x)	0.8	0.8	0.9	0.8	0.5	1.0	1.7	0.7	0.7	0.6
EV/EBITDA (x)	5.2	5.8	7.0	6.1	3.2	6.2	7.6	4.0	4.7	4.1
EV/EBITA (x)	9.0	10.0	12.1	10.2	5.3	9.7	10.0	6.7	9.7	8.0
EV/EBIT (x)	9.6	11.0	12.5	10.5	6.3	10.2	10.3	6.7	9.7	8.0
EV/Capital Employed (x)	1.0	1.1	1.3	1.2	0.7	1.3	2.7	0.9	0.9	0.8
EV/CE (incl. goodwill) (x)	0.9	1.0	1.2	1.1	0.7	1.2	2.6	0.9	0.8	0.8
Share price : High (EUR)	19.92	26.32	33.20	37.80	40.11	36.35	86.69	87.43		
Share price : Low (EUR)	14.50	18.47	23.12	28.15	14.82	12.62	33.67	28.62		
Share price : Average (EUR)	16.71	21.72	27.39	32.73	29.42	25.11	53.68	32.58	32.58	32.58
Share price : Year end (EUR)	19.58	26.32	31.57	30.67	16.11	36.17	85.90	32.58	32.58	32.58

Capital Efficiency/Solvability	2004	2005	2006	2007	2008	2009	2010	2011e	2012e	2013e
Sales/CE (incl. goodwill)	1.2	1.3	1.3	1.3	1.4	1.2	1.5	1.3	1.3	1.4
Sales/Fixed assets (x)	2.2	2.4	2.4	2.4	2.5	2.2	2.5	2.5	2.4	2.6
Sales/Net working capital (x)	3.2	3.6	3.7	3.6	3.4	3.9	3.7	3.2	3.4	3.6
Inventories/Sales (days)	87.9	66.4	67.0	64.7	70.0	53.7	56.8	62.8	59.8	57.8
Trade debtors/Sales (days)	80.7	67.5	72.5	73.5	66.2	71.8	86.6	88.6	84.6	80.6
Trade creditors/Sales (days)	52.6	35.7	41.4	38.9	34.8	37.0	38.2	37.2	36.2	36.2
CAPEX/Depreciation (%)	160.7	141.1	145.7	166.9	151.3	124.3	144.0	108.1	103.2	96.9
Equity/Total assets (%)	41.6	47.2	47.8	47.5	42.4	45.4	43.8	45.3	48.0	50.8
Net debt/Equity (%)	50.1	29.4	38.8	45.7	59.5	36.9	35.9	34.1	24.6	16.4
Interest cover (x)	6.3	4.8	5.5	5.2	5.4	4.0	9.5	5.0	3.5	4.6
Dividend payout (%)	29.1	43.2	35.3	34.8	26.4	35.3	25.9	35.2	35.0	35.0
ROCE (average) (%)	9.4	8.0	8.9	10.0	11.7	10.3	19.3	10.2	6.4	7.4
ROCE (incl. goodwill) (average) (%)	8.6	7.4	8.4	9.5	11.2	9.9	18.6	9.9	6.2	7.2

Operating Efficiency & Profitability ratios	2004	2005	2006	2007	2008	2009	2010	2011e	2012e	2013e
Sales per FTE employee ('000s)	161.4	178.9	169.2	155.4	165.3	139.0	163.2	163.2	159.8	168.1
Wage costs per FTE employee ('000s)	41.7	42.0	38.9	33.8	32.5	28.5	29.9	30.6	31.4	32.2
EBIT per FTE employee ('000s)	12.9	12.7	12.3	12.5	13.1	13.2	26.7	16.8	11.0	12.3
Gross margin (%)										
EBITDA margin (%)	14.7	13.4	13.0	13.7	15.5	15.8	22.2	17.4	14.1	14.2
Operating margin (%)	8.0	7.1	7.3	8.0	7.9	9.5	16.4	10.3	6.9	7.3
Net margin (%)	6.3	5.5	5.1	5.5	6.4	6.0	11.7	6.0	3.6	4.2
Tax rate (%)	15.5	25.0	16.0	14.3	15.8	20.4	27.8	28.0	29.0	29.0

Important disclosures

Issuer	Ticker	Price (EUR)
Bekaert	BEKB.BR	32.58

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Maarten Bakker - Equity Research Analyst

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4 November 2011

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Historical equity recommendations and target price for Bekaert (EUR)



History of Target Prices

Date	Recommendation	Target Price
7/29/2011	HOLD	EUR 59.00
6/27/2011	HOLD	EUR 60.00
2/28/2011	BUY	EUR 93.00
11/10/2010	BUY	EUR 88.00
11/5/2010	BUY	EUR 88.33
8/2/2010	BUY	EUR 83.33
7/26/2010	BUY	EUR 57.67
7/23/2010	BUY	EUR 57.33
6/2/2010	BUY	EUR 55.33
5/12/2010	BUY	EUR 55.00
3/9/2010	BUY	EUR 51.67
1/7/2010	BUY	EUR 44.67
11/17/2009	BUY	EUR 42.33
11/16/2009	BUY	EUR 41.67
8/5/2009	BUY	EUR 37.33
4/7/2009	BUY	EUR 25.00

History of Recommendations

Date	Recommendation	Target Price
6/27/2011	HOLD	EUR 60.00
8/5/2009	BUY	EUR 37.33
5/8/2009	HOLD	EUR 25.00
4/7/2009	BUY	EUR 25.00

Source: ABN AMRO Bank Equity Research, FactSet

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