

## Bekaert

Indy - Industrial, Diversified /  
Belgium

HOLD, TP EUR 30.00

Market capitalisation (EUR m)	1,604.7
No. of shares (m)	60.1
Free float	61.9%
1/3/12 mth perf. (%)	5.2/(3.1)/5.6
High/low 52 weeks (EUR)	29.83/22.87
Next results due	
Price/book value (x)	1.1
Volatility (ß) (5yrs/)	
Reuters symbol	BEKB.BR
Bloomberg symbol	BEKB BB

Website [www.bekaert.com](http://www.bekaert.com)

Year to December	2015e	2016e	2017e
Sales (EUR m)	3,788	4,015	4,175
EBITDA (EUR m)	439	476	515
EBITA (EUR m)	206	243	281
Net profit (EUR m)	103	137	166
EPS (EUR)	1.71	2.27	2.75
DPS (EUR)	0.85	0.85	0.96
P/E	15.6	11.7	9.7
EV/EBITDA	6.0	5.5	5.0
P/BV	1.1	1.1	1.0
ROE (%)	7.2	9.1	10.2

**Analyst: Maarten Bakker**  
Tel: +31 20 343 54 12  
Email: [maarten.bakker@nl.abnamro.com](mailto:maarten.bakker@nl.abnamro.com)

## Bekaert – Rather uneventful 3Q15 trading update

Event: 3Q15 sales trading update

Impact: Neutral

### Conclusion:

Bekaert reported a sales trading update for 3Q15, which as usual provided limited insights in the development of underlying profitability. Our general impression is that 3Q15 predominantly showed a continuation of the divergent trends witnessed in previous quarters, with Bekaert showing itself resilient in the face of some headwinds (mainly in Latin America and Asia Pacific). Also the (limited) outlook statement reads very much in line with earlier comments. We do not see the 3Q15 trading update providing inspiration in trading in the stock.

Consolidated sales increased by +10% (-5% organic, +7% FX and 8% consolidation) to EUR 904m for 3Q15, which slightly below the company-collected consensus of EUR 943m and our forecast of EUR 960m. We note that the shortfall seems attributable merely to raw materials price pass through effects. The organic decline in group revenue of -5% during 3Q15 (compared to -2% in 2Q15 and -4% in 1Q15) is broken down in +1% price/mix/volume effects (not specified further) and -6% pass through of lower wire rod prices. The organic decline breaks down in 0% for EMEA (continued solid automotive and construction markets offset by lower energy-related markets on the back of subdued investments by the oil & gas sector), -11% North America (reflecting mostly the impact the fire-damaged bead wire plant, while demand in the automotive and construction segments was said to have remained solid), “positive” in Latin America (which looks like a resilient performance to us in light of economic headwinds in the region) and -8% Asia Pacific (reflecting the (known) pressures in the tire cord segment and challenging industrial markets in general, solar-related markets continued to be strong).

Also the outlook statement (qualitative only and rather non-concrete as ever) reads very much in line with the one provided earlier, with Bekaert continuing to see solid automotive markets until the end of the year, while it continues to caution against a subdued oil and gas markets and challenging economic conditions in Latin America.