



Accumulate

Recommendation unchanged

Share price: EUR 82.21

closing price as of 09/05/2011

Target price: EUR 90.00

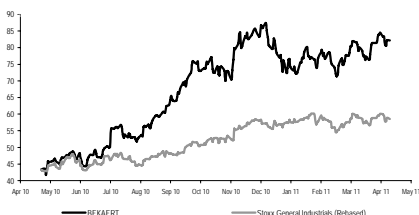
Target Price unchanged

Reuters/Bloomberg

BEKB.BR/BEKB.BB

Market capitalisation (EURm)	4,923
Current N° of shares (m)	60
Free float	61%
Daily avg. no. trad. sh. 12 mth	202,191
Daily avg. trad. vol. 12 mth (m)	13
Price high 12 mth (EUR)	87.43
Price low 12 mth (EUR)	41.70
Abs. perf. 1 mth	2.74%
Abs. perf. 3 mth	6.71%
Abs. perf. 12 mth	108.48%

Key financials (EUR)	12/10	12/11e	12/12e
Sales (m)	3,263	3,643	3,929
EBITDA (m)	725	766	798
EBITDA margin	22.2%	21.0%	20.3%
EBIT (m)	534	603	638
EBIT margin	16.4%	16.6%	16.2%
Net Profit (adj.)(m)	389	421	447
ROCE	16.2%	16.5%	16.4%
Net debt/(cash) (m)	523	440	267
Net Debt/Equity	0.3	0.2	0.1
Debt/EBITDA	0.7	0.6	0.3
Int. cover(EBITDA/Fin. int)	14.5	19.3	30.1
EV/Sales	1.7	1.4	1.3
EV/EBITDA	7.6	6.8	6.4
EV/EBITDA (adj.)	7.6	6.8	6.4
EV/EBIT	10.3	8.7	8.0
P/E (adj.)	13.2	11.7	11.0
P/BV	3.2	2.6	2.2
OpFCF yield	4.4%	7.1%	9.1%
Dividend yield	2.0%	2.1%	2.2%
EPS (adj.)	6.49	7.03	7.46
BVPS	26.90	31.88	37.22
DPS	1.66	1.73	1.83



Preview on 1Q11 sales

The facts: Bekaert will release its 1Q11 trading update on Wednesday 11, before market and ahead of the AGM that is scheduled at 10:30 am CET.

Our analysis: At the publication of the FY10 results, management didn't provide any concrete guidance for FY11. However, it provided a very confident message for 1H11, for which it expected a sustained strong performance. The company had a good start and mentioned at that time (February 25) that the company was running at a level similar to 4Q10.

If we assume the same running rate for the month of March, the year-on-year consolidated sales growth could be of about 24%. Hence, our 20% sales progression in 1Q11 might be rather conservative. We anticipate strong volume progressions in all geographies.

Sales (EURm)	FY09	1Q10	2Q10	3Q10	4Q10	FY10	1Q11 e
EMEA¹	827.0	244.0	282.0	271.0	269.0	1,066.0	264.7
% change	-29.2%	16.0%	41.2%	36.9%	22.8%	28.9%	8.5%
North America	474.0	141.0	172.0	170.0	155.0	638.0	152.3
% change	-21.7%	-0.6%	42.0%	60.4%	47.6%	34.6%	8.0%
Latin America	327.0	67.0	77.0	89.0	78.0	311.0	72.0
% change	85.2%	-16.9%	-3.0%	2.3%	-2.5%	-4.9%	7.5%
Asia	809.3	242.0	310.0	336.0	360.0	1,248.0	343.6
% change	13.5%	51.9%	49.3%	47.4%	68.0%	54.2%	42.0%
Consolidated sales	2,437.3	694.0	841.0	866.0	862.0	3,263.0	832.7
% change	-8.5%	17.2%	38.3%	39.9%	39.4%	33.9%	20.0%
EMEA¹	823.0	243.0	280.0	269.0	265.0	1,057.0	263.0
% change	-28.8%	16.3%	41.4%	36.5%	21.0%	28.4%	8.2%
North America	469.0	139.0	171.0	169.0	152.0	631.0	149.0
% change	-21.9%	0.0%	42.5%	61.0%	44.8%	34.5%	7.2%
Latin America	1,237.0	329.0	398.0	420.0	381.0	1,528.0	353.7
% change	-18.9%	17.5%	33.1%	28.8%	14.8%	23.5%	7.5%
Asia	814.3	242.0	311.0	337.0	364.0	1,254.0	348.0
% change	11.9%	51.3%	48.8%	47.2%	68.3%	54.0%	43.8%
Combined sales	3,343.3	953.0	1,160.0	1,195.0	1,162.0	4,470.0	1,113.7
% change	-16.6%	20.9%	40.4%	39.4%	33.2%	33.7%	16.9%

Sources : Bekaert / Bank Degroof estimates

¹ EMEA= Europe, the Middle East and Africa

In previous guidance, management blamed a lack of visibility for 2H11, due to uncertainty and volatility of global and local business developments. We expect Bekaert will be in position to give some colour of 2Q and 3Q11 at the occasion of this trading update.

Conclusion & Action: We still believe that Bekaert's strategic exposure towards emerging markets is favourable for future value creation. Hence, despite the impressive share price trend over the recent months we maintain our positive view on the company. At our EUR 90 Target Price Bekaert would be traded at 13x the 2011-2012 earnings and at 7.6x the EBITDA2011-12, which is not excessive given the positive momentum of key geographies where Bekaert operates.

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