



Investment Research

Hold

Recommendation unchanged

Share price: EUR 21.55

closing price as of 30/07/2012

Target price: EUR 24.00

from Target Price: EUR **25.00**

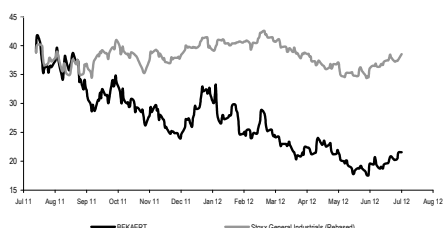
Reuters/Bloomberg

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Daily avg. no. trad. sh. 12 mth	294,129
Daily avg. trad. vol. 12 mth (m)	8.02
Price high 12 mth (EUR)	41.80
Price low 12 mth (EUR)	17.51
Abs. perf. 1 mth	10.5%
Abs. perf. 3 mth	-3.7%
Abs. perf. 12 mth	-49.2%

Market capitalisation (EURm)	1,292
Current N° of shares (m)	60
Free float	61%

Key financials (EUR)	12/11	12/12e	12/13e
Sales (m)	3,340	3,479	3,616
EBITDA (m)	477	316	374
EBITDA margin	14.3%	9.1%	10.4%
EBIT (m)	268	51	161
EBIT margin	8.0%	1.5%	4.5%
Net Profit (adj.)(m)	202	(26)	66
ROCE	7.1%	2.6%	5.2%
Net debt/(cash) (m)	860	919	890
Net Debt Equity	0.5	0.6	0.6
Net Debt/EBITDA	1.8	2.9	2.4
Int. cover(EBITDA/Fin.int)	7.2	3.2	4.1
EV/Sales	0.7	0.7	0.6
EV/EBITDA	5.1	7.4	6.2
EV/EBITDA (adj.)	5.1	6.5	5.8
EV/EBIT	9.1	46.1	14.4
P/E (adj.)	7.4	nm	19.5
P/BV	0.9	0.9	0.9
OpFCF yield	10.5%	7.8%	14.8%
Dividend yield	5.4%	5.4%	5.6%
EPS (adj.)	3.36	(0.44)	1.10
BVPS	28.24	25.27	24.60
DPS	1.17	1.17	1.20



Shareholders: Bekaert Fam. & Rel. 39%;

For company description please see summary table footnote

Earnings revisions after weak 1H12 results

The facts: We have reviewed our model after the publication of the 1H12 results last Friday. Rebit 2012 estimates were significantly cut due to the poor performance realised in most regions in 1H12 and to the cautious outlook.

Our analysis: It was anticipated that the 1H12 reporting would be characterised by a weak underlying performance in Western Europe and in Asia combined with restructuring costs. Actually, facts were worse than anticipated as operating performances came in significantly below expectations in most areas. Globally and on like for like basis, Bekaert claimed to have achieved stable volumes in 1H12, in spite of lower domestic demand in most regions. The organic sales decline is fully related to lower sawing wire sales in Europe and in China.

Bekaert : key figures (EUR m)	1H11	2H11	2011	1H12 A	% chg	1H12e Degroof	1H12e CSS
Combined sales	2,412	2,187	4,599	2,255	-6.5%	2,320	2,272
Consolidated sales	1,780	1,560	3,340	1,783	0.2%	1,824	1,794
EBITDA	342	135	477	161	-52.9%	132	na
Margin	19.2%	8.6%	14.3%	9.0%		7.2%	
Rebit	242	39	281	85	-64.9%	81	82
Margin	13.6%	2.5%	8.4%	4.8%		4.5%	4.6%
-EMEA	54	12	66	36	-33.3%	14	na
-North America	28	4	32	21	-25.0%	25	na
-Latin America	16	19	35	29	81.3%	38	na
-Asia Pacific	185	39	224	35	-81.1%	44	na
-Corporate	-41	-35	-76	-36	-12.2%	-40	
Operating result	232	37	268	4	nr	-9	-9
Margin	13.0%	2.3%	8.0%	0.2%		-0.5%	-0.5%

Sources : Bekaert / Bank Degroof estimates / Consensus (CSS) : Inquiry Finacial Europe (7 participating brokers 25/07/2012)

While the Rebit in EMEA was significantly better than forecast at EUR 36m, at the analyst meeting management revealed that this figure already took into account the benefits of the restructuring measures in the Belgian sawing wire activity (i.e. the wages costs of the 609 FTE that will be cut have been consolidated among the non-recurring items). If we assume an average wage of EUR 50,000- 55,000 per year, this represents a cost of 15m-16m in the first half). In other words, the 1H12 Rebit in EMEA was actually closer to EUR 20m, which is still better than assumed (EUR 14m). The Rebit margin decline in 1H12 reflects mainly the weaker product mix driven by the decline in automotive business and in sawing wire.

The operating performances in all other regions were weaker than anticipated, particularly in Asia and Latin America. In Asia Pacific the decline in sales and Rebit reflect the collapse of the sawing wire market. The other business saw stable volumes, while prices were under pressure (increasing competitive environment in most segments, including in tyre cords). In Latin America, margins decreased substantially (7.2% against 9.3% in 1H12). This is due to the consolidation of the business in Chile, which includes an important trading activity that has lower margins. Hence this trend is a structural one. In North America, the Rebit reduction is mainly due to weaker product mix.

Non recurring items amounted to EUR 81m (we assumed EUR 90m) and are made of:

- EUR 114m of charges, of which EUR 73m for the Belgian sawing wire operations and the R&D and Engineering activities. We understood that 1/3 were cash costs (mainly the wages of the workers that are no longer reported in the Rebit) and 2/3 are provisions (redundancy payment and assets impairments); EUR 18m are impairments on sawing wire assets in Asia and EUR 23m are mainly made of impairment of goodwill and assets for the wire activity in Canada.
- EUR 33m gains, of which assets revaluation (Chile – for EUR 18m), capital gains on the disposal of the Industrial coatings (for ± EUR 12m) and a EUR 3m capital gain on the disposal of a property in Belgium.

Globally the EBIT came in slightly positive (EUR 4m), while EUR -9m were anticipated by us and consensus. The difference is mainly explained by higher than anticipated non-recurring profits.

Earnings revisions post 1H12

We have reviewed our model after the publication of the 1H12 results last week. Rebit 2012 estimates were significantly cut due to the poor performance realised in most regions in 1H12 and the cautious outlook disclosed by management. Details can be found in the table below.

Bekaert: estimates review (in EUR m)	2011	2012e		2013e		2014e	
	Actual	old	new	old	new	old	new
Sales	3,340	3,495	3,479	3,634	3,616	3,802	3,801
% change			-0.4%		-0.5%		0.0%
Rebit	280.9	185.5	155.5	232.8	206.5	270.0	262.0
margin (%)	8.4%	5.3%	4.5%	6.4%	5.7%	7.1%	6.9%
% change			-16.2%		-11.3%		-3.0%
-EMEA ¹	66.0	49.1	61.0	74.4	71.7	80.0	76.9
% change			24.2%		-3.6%		-3.8%
-North America	32.0	33.6	36.0	38.5	38.5	41.4	41.4
% change			7.1%		0.0%		0.0%
-Latin America	35.0	65.5	58.5	66.7	60.8	68.7	62.7
% change			-10.7%		-8.8%		-8.8%
-Asia Pacific	224.0	107.3	70.0	113.2	95.4	130.0	131.0
% change			-34.7%		-15.7%		0.8%
-Corporate	-76.1	-70.0	-70.0	-60.0	-60.0	-50.0	-50.0
% change			0.0%		0.0%		0.0%
EBIT	268	86	51	186	161	253	245
margin (%)	8.0%	2.4%	1.5%	5.1%	4.5%	6.7%	6.4%
Financial results	-19	-87	-102	-86	-95	-85	-90
Associates	25	25	13	30	17	36	21
Net result (group)	193	-20	-103	76	33	124	105
% change			nr		-56.3%		-15.2%
Net current result (group)	202	53	-26	110	66	136	117
% change			-150.3%		-40.1%		-13.8%
Adj. EPS (in EUR)	3.36	0.88	-0.44	1.84	1.10	2.27	1.95
% change			nr		-40.1%		-13.8%

Sources : Bekaert / Bank Degroof estimates

Management indicated that “the declining confidence and high uncertainty in a context of persistent turbulence in the global financial systems, tight financing for our customer base, and a lack of consistent indicators of global economic recovery have created a downward trend”. The CEO recognised that the visibility on the next months/quarters is particularly weak, which implies a cautious outlook for the coming months. We expect the headwinds in tyre cords to persist, particularly in China where a situation of overcapacity combined with a demand curbed by weak truck markets creates margin pressures. We also do not anticipate any revival of the sawing wire market.

The re-treatment of the Rebit figures (assuming full impact of the saving linked to the announced closure) has the merit of giving a good platform for the 2H12 estimates, knowing that the second semester is usually lower than the first. Hence, we now expect 2H12 Rebit at EUR 70.37m (margin to sales of 4.1%), which results into a FY12 Rebit of EUR 155.5m (margin to sales of 4.5%) down EUR 30m or 16% on our previous forecast (EUR 185.5m).

We bank on EUR 23m of non-recurring charges in 2H12, of which:

- EUR 8m are related to the wages in the sawing wire activity in Belgium. It is our understanding that around 400 out of the 609 workers have already left the company and another 100 will leave before the end of the year. The balance, (100 people) will leave Bekaert by end 2013.
- The other EUR 15m are related to the additional costs related to the realignment and to optimisation of the group's organisation and cost structure on a global scale. Detailed studies started in 2Q12 to identify measures to reduce the overall global costs structure by EUR 100m annually. We get no more details on that plan (main identified targets etc...). We just understand that implementation has started in China and that the associated non-recurring costs have been guided at approximately EUR 50m, which seems not that much. But management insisted on the fact that there will be less impairment and more reduction in overheads, outsourced costs, etc... The cost associated to this plant will take place in 2H12 and in 2013 (we assume EUR 45m non-recurring cost in that year). The targets remain to restore Bekaert's profitability towards the long term profit guidance (EBIT margin in the 7-9% range) by 2014.

The **net financial debt** stabilised at the end of 1H12 at EUR 860m. However one should keep in mind that the vast majority of the non-recurring items were non-cash elements (provisions; impairment). The great part of the indemnity will be paid in 2H12 and the majority of costs associated to the EUR 100m saving plan will be cash costs. Hence, even if Bekaert will limit its capex this year to about EUR 150m, we anticipate net financial debt would increase by the end of this year to EUR 919m.

Conclusion & Action: *To be consistent with our DCF valuation model we review downwards our TP on Bekaert to EUR 24 (was EUR 25) due to the more conservative scenario. We stick to our Hold rating as we still do not see rapid improvement of the economic situation in Bekaert's main markets and do not anticipate a real improvement in margin before next year. We still believe it is too early to turn positive on this share.*

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Bekaert	2008	2009	2010	2011	2012e	2013e	2014e	2015e	2016e
Key figures (EUR m)									
Combined sales	4,010.0	3,343.0	4,470.0	4,599.1	4,484.3	4,671.6	4,912.4	5,149.1	5,395.9
Consolidated sales	2,662.4	2,437.0	3,263.0	3,340.2	3,479.3	3,616.0	3,800.6	3,978.9	4,164.1
-EMEA	1,167.8	827.0	1,066.0	1,169.1	1,076.5	1,116.6	1,147.4	1,166.7	1,186.2
-North America	605.1	474.0	638.0	665.0	685.1	698.8	716.4	734.4	752.9
-Latin America	176.6	327.0	311.0	372.0	780.0	811.2	835.5	869.0	903.7
-Asia Pacific	712.9	809.0	1,248.0	1,134.0	937.7	989.4	1,101.3	1,208.9	1,321.3
EBITDA	412.4	387.0	725.7	476.8	315.6	374.5	451.5	481.2	493.6
<i>Margin</i>	15.5%	15.9%	22.2%	14.3%	9.1%	10.4%	11.9%	12.1%	11.9%
-EMEA¹	111.2	47.0	144.0	117.0	51.0	94.2	113.9	117.2	117.8
<i>Margin</i>	9.5%	5.7%	13.5%	10.0%	4.7%	8.4%	9.9%	10.0%	9.9%
-North America	41.2	13.0	50.0	46.0	64.0	44.5	51.4	54.3	55.5
<i>Margin</i>	6.8%	2.7%	7.8%	6.9%	9.3%	6.4%	7.2%	7.4%	7.4%
-Latin America	19.5	36.0	39.0	47.6	101.5	85.3	87.2	90.2	92.8
<i>Margin</i>	11.0%	11.0%	12.5%	12.8%	13.0%	10.5%	10.4%	10.4%	10.3%
-Asia Pacific	305.1	350.0	560.0	346.4	188.0	210.4	249.0	270.5	279.6
<i>Margin</i>	42.8%	43.3%	44.9%	30.5%	20.1%	21.3%	22.6%	22.4%	21.2%
-Corporate	-64.6	-59.0	-67.3	-80.2	-89.0	-60.0	-50.0	-51.0	-52.0
Rebit	294.2	256.8	562.5	280.9	155.5	206.5	262.0	294.2	321.6
<i>Margin</i>	11.1%	10.5%	17.2%	8.4%	4.5%	5.7%	6.9%	7.4%	7.7%
-EMEA	67.8	2.0	95.0	66.0	61.0	71.7	76.9	82.2	82.8
<i>Margin</i>	5.8%	0.2%	8.9%	5.6%	5.7%	6.4%	6.7%	7.0%	7.0%
-North America	24.6	-5.0	34.0	32.0	36.0	38.5	41.4	45.3	46.5
<i>Margin</i>	4.1%	-1.1%	5.3%	4.8%	5.3%	5.5%	5.8%	6.2%	6.2%
-Latin America	15.7	28.0	26.0	35.0	58.5	60.8	62.7	65.2	67.8
<i>Margin</i>	8.9%	8.6%	8.4%	9.4%	7.5%	7.5%	7.5%	7.5%	7.5%
-Asia Pacific	249.1	288.0	471.0	224.0	70.0	95.4	131.0	152.5	176.6
<i>Margin</i>	34.9%	35.6%	37.7%	19.8%	7.5%	9.6%	11.9%	12.6%	13.4%
-Corporate	-63.0	-56.2	-63.5	-76.1	-70.0	-60.0	-50.0	-51.0	-52.0
Operating result	210.5	232.2	534.3	268.4	50.5	161.5	245.0	277.2	304.6
<i>Margin</i>	7.9%	9.5%	16.4%	8.0%	1.5%	4.5%	6.4%	7.0%	7.3%
-EMEA¹	-8.7	-19.0	87.0	63.0	-6.0	46.7	71.9	77.2	77.8
-North America	25.1	-8.0	32.0	31.0	23.0	28.5	36.4	40.3	41.5
-Latin America	15.5	26.0	14.0	35.0	77.5	60.8	62.7	65.2	67.8
-Asia Pacific	244.1	288.0	467.0	216.4	45.0	85.4	124.0	145.5	169.6
-Corporate	-65.5	-54.8	-65.7	-77.0	-89.0	-60.0	-50.0	-51.0	-52.0
Financial result	-49.2	-65.6	-32.4	-18.5	-101.6	-95.2	-89.8	-80.5	-83.8
Current result before tax	161.2	166.6	501.9	249.9	-51.1	66.3	155.2	196.7	220.8
Income tax	-25.5	-33.9	-139.5	-68.1	-45.0	-25.0	-41.9	-53.1	-66.3
<i>Tax rate</i>	15.8%	20.4%	27.8%	27.3%	-88.1%	37.7%	27.0%	27.0%	30.0%
Results of associates	56.1	37.8	36.1	25.4	12.9	17.0	21.4	26.2	27.5
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Consolidated profit	191.8	170.4	398.5	207.2	-83.1	58.3	134.7	169.8	182.1
Minority interest	17.7	18.6	30.9	14.6	20.0	25.0	30.0	37.8	40.6
Group's share in net result	174.1	151.8	367.7	192.6	-103.1	33.3	104.7	132.0	141.6
Group's net current result	236.9	170.2	388.8	201.7	-26.5	66.1	117.1	144.4	154.0
EPS (EUR)	2.93	2.55	6.13	3.21	-1.72	0.56	1.75	2.20	2.36
EPS Adj. (EUR)	3.99	2.86	6.48	3.36	-0.44	1.10	1.95	2.41	2.57

Sources : Bekaert / Bank Degroof estimates

¹ EMEA= Europe, the Middle East and Africa

Bekaert: Summary tables

PROFIT & LOSS (EURm)	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Sales	2,437	3,263	3,340	3,479	3,616	3,801
Cost of Sales & Operating Costs	-2,050	-2,537	-2,863	-3,164	-3,242	-3,349
Non Recurrent Expenses/Income	0.0	0.0	0.0	-45.2	-25.0	0.0
EBITDA	387	726	477	316	374	451
EBITDA (adj.)*	387	726	477	361	399	451
Depreciation	-155	-191	-208	-205	-213	-207
EBITA	232	534	268	110	161	245
EBITA (adj)*	232	534	268	156	186	245
Amortisations and Write Downs	0.0	0.0	0.0	-59.8	0.0	0.0
EBIT	232	534	268	50.5	161	245
EBIT (adj.)*	232	534	268	95.7	186	245
Net Financial Interest	-56.7	-50.1	-65.8	-97.6	-91.2	-87.8
Other Financials	-8.9	17.7	47.3	-4.0	-4.0	-2.0
Associates	37.8	36.1	25.4	12.9	17.0	21.4
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	204	538	275	-38.1	83.3	177
Tax	-33.9	-139	-68.1	-45.0	-25.0	-41.9
<i>Tax rate</i>	<i>16.6%</i>	<i>25.9%</i>	<i>24.7%</i>	<i>nm</i>	<i>30.0%</i>	<i>23.7%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-18.6	-30.9	-14.6	-20.0	-25.0	-30.0
Net Profit (reported)	152	368	193	-103	33.3	105
Net Profit (adj.)	170	389	202	-26.5	66.1	117
CASH FLOW (EURm)	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Cash Flow from Operations before change in NWC	283	594	398	177	268	337
Change in Net Working Capital	196	-277	-175	-8.1	-8.0	-19.8
Cash Flow from Operations	478	317	223	169	260	317
Capex	-164	-320	-276	-150	-155	-185
Net Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	314	-2.7	-53.2	18.6	105	132
Dividends	-60.5	-63.7	-109	-76.7	-76.7	-78.6
Other (incl. Capital Increase & share buy backs)	0.5	-27.4	-175	0.0	0.0	0.0
Change in Net Debt	254	-93.9	-337	-58.1	28.2	53.5
NOPLAT	163	374	188	67.0	131	171
BALANCE SHEET & OTHER ITEMS (EURm)	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Net Tangible Assets	1,128	1,295	1,406	1,291	1,233	1,211
Net Intangible Assets (incl. Goodwill)	105	131	131	131	131	131
Net Financial Assets & Other	259	276	338	338	338	338
Total Fixed Assets	1,492	1,702	1,875	1,760	1,702	1,681
Inventories	358	508	578	591	615	646
Trade receivables	480	774	828	835	832	836
Other current assets	174	182	182	182	182	182
Cash (-)	-325	-507	-706	-648	-676	-730
Total Current Assets	1,338	1,971	2,294	2,256	2,304	2,394
Total Assets	2,830	3,673	4,169	4,016	4,006	4,074
Shareholders Equity	1,285	1,611	1,694	1,515	1,475	1,504
Minority	88.7	86.0	72.5	86.0	105	128
Total Equity	1,374	1,697	1,766	1,601	1,580	1,631
Long term interest bearing debt	603	710	918	918	918	918
Provisions	325	370	341	341	341	341
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Total Long Term Liabilities	928	1,080	1,259	1,259	1,259	1,259
Short term interest bearing debt	151	320	648	648	648	648
Trade payables	247	342	291	303	315	331
Other current liabilities	129	234	204	204	204	204
Total Current Liabilities	528	896	1,143	1,156	1,167	1,184
Total Liabilities and Shareholders' Equity	2,830	3,673	4,169	4,016	4,006	4,074
Net Capital Employed	2,128	2,590	2,968	2,861	2,811	2,809
Net Working Capital	591	940	1,116	1,124	1,132	1,152
GROWTH & MARGINS	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
<i>Sales growth</i>	<i>-8.5%</i>	<i>33.9%</i>	<i>2.4%</i>	<i>4.2%</i>	<i>3.9%</i>	<i>5.1%</i>
EBITDA (adj.)* growth	-6.2%	87.5%	-34.3%	-24.3%	10.7%	13.0%
<i>EBITA (adj.)* growth</i>	<i>10.3%</i>	<i>130.1%</i>	<i>-49.8%</i>	<i>-42.1%</i>	<i>19.9%</i>	<i>31.4%</i>
<i>EBIT (adj.)* growth</i>	<i>10.3%</i>	<i>130.1%</i>	<i>-49.8%</i>	<i>-64.3%</i>	<i>94.8%</i>	<i>31.4%</i>

Bekaert: Summary tables

GROWTH & MARGINS	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Net Profit growth	-28.1%	128.4%	-48.1%	-chg	+chg	77.1%
EPS adj. growth	-28.3%	126.6%	-48.1%	-chg	+chg	77.1%
DPS adj. growth	5.0%	69.5%	-29.6%	0.0%	2.6%	0.0%
EBITDA (adj)* margin	15.9%	22.2%	14.3%	10.4%	11.0%	11.9%
EBITA (adj)* margin	9.5%	16.4%	8.0%	4.5%	5.2%	6.4%
EBIT (adj)* margin	9.5%	16.4%	8.0%	2.8%	5.2%	6.4%
RATIOS	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Net Debt/Equity	0.3	0.3	0.5	0.6	0.6	0.5
Net Debt/EBITDA	1.1	0.7	1.8	2.9	2.4	1.9
Interest cover (EBITDA/Fin.interest)	6.8	14.5	7.2	3.2	4.1	5.1
Capex/D&A	106.1%	167.0%	132.4%	56.6%	72.8%	89.6%
Capex/Sales	6.7%	9.8%	8.3%	4.3%	4.3%	4.9%
NWC/Sales	24.2%	28.8%	33.4%	32.3%	31.3%	30.3%
ROE (average)	14.1%	26.9%	12.2%	-1.7%	4.4%	7.9%
ROCE (adj.)	8.9%	15.8%	7.1%	2.6%	5.2%	6.9%
WACC	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
ROCE (adj.)/WACC	0.8	1.4	0.6	0.2	0.5	0.6
PER SHARE DATA (EUR)***	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Average diluted number of shares	59.5	60.0	60.0	60.0	60.0	60.0
EPS (reported)	2.55	6.13	3.21	-1.72	0.56	1.75
EPS (adj.)	2.86	6.48	3.36	-0.44	1.10	1.95
BVPS	21.59	26.86	28.24	25.27	24.60	25.07
DPS	0.98	1.66	1.17	1.17	1.20	1.20
VALUATION	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
EV/Sales	1.1	1.8	0.7	0.7	0.6	0.6
EV/EBITDA	7.0	8.0	5.1	7.4	6.2	5.1
EV/EBITDA (adj.)*	7.0	8.0	5.1	6.5	5.8	5.1
EV/EBITA	11.7	10.8	9.1	21.1	14.4	9.3
EV/EBITA (adj.)*	11.7	10.8	9.1	15.0	12.4	9.3
EV/EBIT	11.7	10.8	9.1	46.1	14.4	9.3
EV/EBIT (adj.)*	11.7	10.8	9.1	24.3	12.4	9.3
P/E (adj.)	12.6	13.2	7.4	nm	19.5	11.0
P/BV	1.7	3.2	0.9	0.9	0.9	0.9
Total Yield Ratio	3.0%	2.1%	5.9%	5.9%	6.1%	0.9
EV/CE	1.5	2.4	0.9	0.9	0.9	0.9
OpFCF yield	18.0%	4.9%	10.5%	7.8%	14.8%	19.1%
OpFCF/EV	14.3%	4.4%	6.4%	4.3%	8.2%	10.8%
Payout ratio	38.4%	27.1%	36.4%	-68.0%	nm	68.7%
Dividend yield (gross)	2.7%	1.9%	5.4%	5.4%	5.6%	5.6%
EV AND MKT CAP (EURm)	12/2009	12/2010	12/2011	12/2012e	12/2013e	12/2014e
Price** (EUR)	36.17	85.90	24.79	21.55	21.55	21.55
Outstanding number of shares for main stock	59.5	60.0	60.0	60.0	60.0	60.0
Total Market Cap	2,152	5,152	1,487	1,292	1,292	1,292
Net Debt	429	523	860	919	890	837
<i>o/w Cash & Marketable Securities (-)</i>	<i>-325</i>	<i>-507</i>	<i>-706</i>	<i>-648</i>	<i>-676</i>	<i>-730</i>
<i>o/w Gross Debt (+)</i>	<i>755</i>	<i>1,030</i>	<i>1,566</i>	<i>1,566</i>	<i>1,566</i>	<i>1,566</i>
Other EV components	131	114	101	118	136	154
Enterprise Value (EV adj.)	2,712	5,789	2,448	2,330	2,319	2,284

Source: Company, Bank Degroof estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: General Industrials/Diversified Industrials

Company Description: Bekaert is a company built on two core competences: "advanced metal transformation" and "advanced materials & coatings". Bekaert strives to be a market and technological leader in its niches markets in which it is seeking substantial profitable growth. Bekaert is strongly exposed to BRIC countries and other growing markets, which together represent almost 80% of the "combined" sales.

ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.

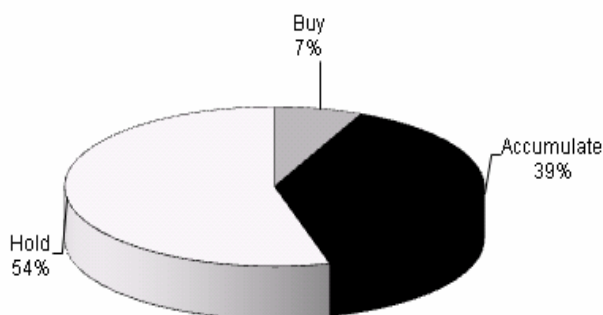
The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy, Accumulate (or Add), Hold, Reduce and Sell (in short: B, A, H, R, S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

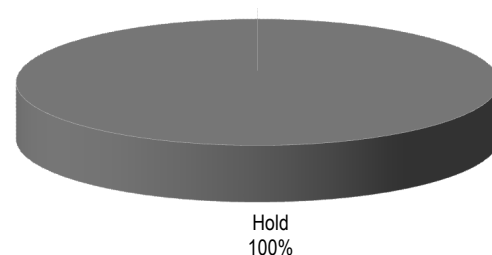
Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 20%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **10% to 20%** during the next 12 months time horizon
- **Hold:** the stock is expected to generate total return of **0% to 10%** during the next 12 months time horizon.
- **Reduce:** the stock is expected to generate total return of **0% to -10%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -10%** during the next 12 months time horizon
- **Rating Suspended:** the rating is suspended due to a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved or to a change of analyst covering the stock
- **Not Rated:** there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

Bank Degroof Ratings Breakdown



Bank Degroof Ratings Breakdown for companies with conflicts of interest

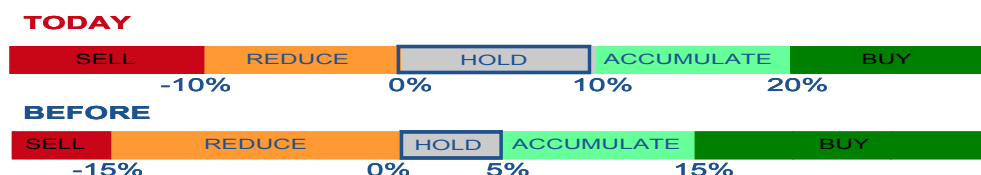


History of ESN Recommendation System

Since **18 October 2004**, the Members of ESN are using an Absolute Recommendation System (before was a Relative Rec. System) to rate any single stock under coverage.

Since **4 August 2008**, the ESN Rec. System has been amended as follow.

- Time horizon changed to 12 months (it was 6 months)
- Recommendations Total Return Range changed as below:




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Equity research

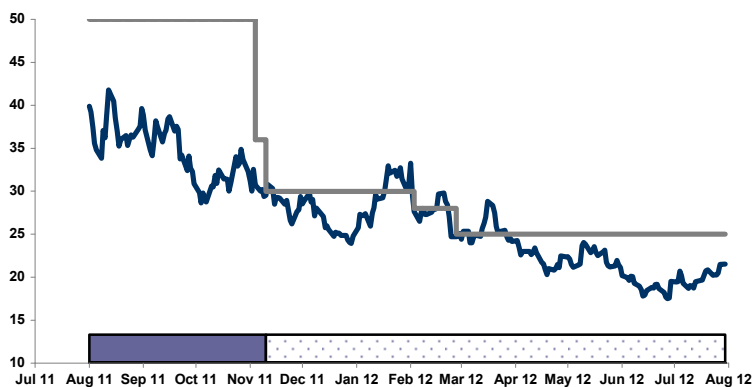
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Hans D'Haese	+32 2 287 92 23
Dries Dury	+32 2 287 91 76
Bernard Hanssens	+32 2 287 96 89
Siddy Jobe	+32 2 287 92 79
Marc Leemans, CFA	+32 2 287 93 61

Recommendation history for BEKAERT

Date	Recommendation	Target price	Price at change date
31-Jul-12	Hold	24.00	21.55
20-Jul-12	Hold	25.00	20.85
03-Feb-12	Hold	28.00	27.64
15-Dec-11	Hold	30.00	25.98
04-Nov-11	Accumulate	36.00	30.74
01-Aug-11	Accumulate	50.00	39.88
15-Jul-11	Accumulate	69.00	50.23
20-Jun-11	Accumulate	80.00	58.04
10-May-11	Accumulate	90.00	83.54
15-Nov-10	Accumulate	83.00	74.38

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows Bank Degroof continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Bernard Hanssens (since 05/02/1997)



Price history

Target price history

Bank Degroof acts as liquidity provider for:

Aedifica, Atenor, Banimmo, Bois Sauvage, BSB International, Connect Group, D'Ieteren, Duvel, Eckert-Ziegler, Elia, Floridienne, GIMV, Intervest Retail, I.R.I.S., Kinopolis, Leasinvest, Luxempart, Montea, PinguinLutosa, Realco, Resilux, Roularta, Sapec, Ter Beke, Van de Velde.

Bank Degroof holds a significant stake in:

Fountain and Proximedia.

Bank Degroof board members and employees hold mandates in the following listed companies:

Aedifica, Atenor, Barco, Brederode, Cofinimmo, D'Ieteren, Elia, Floridienne, Proximedia, Sapec, Sipef, Ter Beke, Tessenderlo and Zetes

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