



Reduce

Recommendation unchanged

Share price: EUR 27.83

closing price as of 26/08/2013

Target price: EUR 24.00

Target Price unchanged

Reuters/Bloomberg

BEKB.BR/BEKB.BB

Market capitalisation (EURm)	1,670
Current N° of shares (m)	60
Free float	61%
Daily avg. no. trad. sh. 12 mth	516,270
Daily avg. trad. vol. 12 mth (m)	1,442
Price high 12 mth (EUR)	28.85
Price low 12 mth (EUR)	17.82
Abs. perf. 1 mth	1.57%
Abs. perf. 3 mth	26.36%
Abs. perf. 12 mth	36.80%

Key financials (EUR)	12/12	12/13e	12/14e
Sales (m)	3,460	3,289	3,433
EBITDA (m)	275	303	359
EBITDA margin	7.9%	9.2%	10.5%
EBIT (m)	(49)	138	193
EBIT margin	nm	4.2%	5.6%
Net Profit (adj.)(m)	(73)	62	91
ROCE	0.7%	4.5%	5.5%
Net debt/(cash) (m)	700	712	662
Net Debt/Equity	0.4	0.4	0.4
Debt/EBITDA	2.5	2.4	1.8
Int. cover(EBITDA/Fin. int)	3.5	4.7	5.6
EV/Sales	0.6	0.8	0.7
EV/EBITDA	8.1	8.6	7.2
EV/EBITDA (adj.)	6.4	8.1	7.2
EV/EBIT	nm	19.0	13.3
P/E (adj.)	nm	27.0	18.4
P/BV	0.9	1.2	1.2
OpFCF yield	22.3%	2.6%	6.3%
Dividend yield	3.1%	3.1%	3.1%
EPS (adj.)	(1.22)	1.03	1.52
BVPS	23.70	23.43	23.86
DPS	0.85	0.85	0.85

Chairman and CEO succession

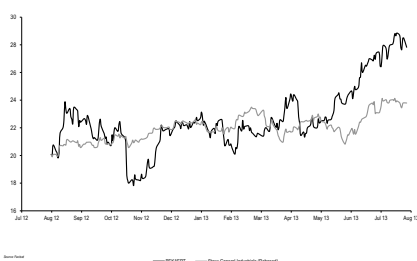
The facts: This morning, Bekaert announced the succession plans of its Chairman and CEO. At the next AGM of May 2014, Baron Buysse, Chairman of the BoD of Bekaert, will retire and will be replaced by Bert De Graeve, the current CEO of the Group. The BoD of Bekaert has appointed Matthew Taylor as CEO designate. He will assume this position from next AGM of May 2014.

The Board's decision to initiate these leadership changes was made in consideration of a thorough succession planning process which aims at ensuring continuity of direction at the level of the Board and of the Executive Management.

Matthew Taylor's CV: British, born in 1960, served from 2010-2013 as CEO of Edwards Group, a global market leader of vacuum pump technologies and abatement systems, with headquarters in the UK and stock listed on Nasdaq. Matthew Taylor graduated from the London School of Economics. After serving the British Royal Navy (1981-1985), he joined Ford Motor Company where he held various international management positions in marketing and sales before he became managing director of Land Rover in 2002. After more than 20 years at Ford Motor Company, Matthew Taylor joined J.C. Bamford Excavators Ltd, where he was promoted CEO in 2008. He stepped down in 2010 to become CEO of Edwards.

Conclusion & Action: This does not change the invest theme of Bekaert: we maintain our view on the share: at current price, the market seems to have already fully discounted the successful turnaround of Bekaert, without any discount for the delivery risk.

We recall that even if we assume that Bekaert will hit its targeted EBIT margin of 7% in FY14 (which seems unachievable at current market conditions), the share trades at a high forward P/E multiple of 14x. We recall that during the period 2003-2008, i.e. after the beginning of the massive investment program in China, but before the sawing wire bubble, the share traded at an average forward P/E of 11.3x. We stick to our rating and TP.



Shareholders: Bekaert Fam. & Rel. 39%;

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