

Fortis Bank Nederland

Bekaert

Indy - Industrial, Diversified / Belgium

Target Price EUR 75.00

Expected performance (12 mth) -10.1%

HOLD EUR 83.46 (Closing price 22-Jul-09)

Preview on results

Preview: 1H09 results to indicate direction(?)

23 July 2009

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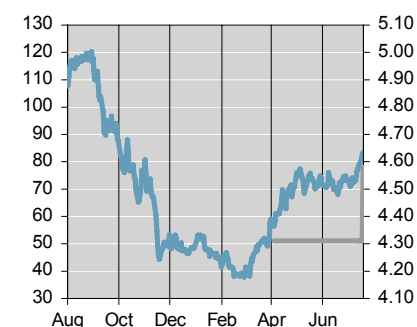
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Opinion on qualitative criteria

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 Fortis2009EPS2009est.



Source: FactSet, Fortis Equity Research

Market capitalisation (EUR m)	1,651.1
No. of shares (m)	19.8
Free float	60.9%
1/3/12 mth perf. (%)	22.5/22.4/(13.6)
High/low 52 weeks (EUR)	120.32/37.88
Next results due	31 July 2009
Price/book value (x)	1.4
Volatility (β) (5yrs/)	
Reuters symbol	BEKB.BR
Bloomberg symbol	BEKB BB

Website www.bekaert.com

Bekaert is due to release its 1H09 results on Friday 31 July. The share price has re-rated to a level where we feel stuck in the middle with respect to our recommendation on the Bekaert stock (HOLD). We perceive a deadlock with short-term downside risk to pricing (too high consensus forecasts for 2009?) and longer-term upside potential (based on the company's normalised potential). We monitor the 1H09 results for indications that may end our impasse.

On our medium-term forecasts for 2009/2010, the Bekaert stock is trading at a fairly rich valuation of 18.2/11.5x P/E, 5.6/4.7x EV/EBITDA and 12.4/8.7x EV/EBIT. We note that our earnings forecasts for 2009 are c. 25% below the consensus (while we are in line with the consensus for 2010 and 20-25% ahead of it for 2011 – see table on the next page). We thus perceive a risk that earnings downgrades by other brokers may weigh on short-term trading sentiment in the stock. The 1H09 results should provide more clarity on this risk.

Should the 1H09 results prove our concern about short-term earnings risk unfounded, we will instead monitor whether there may be elements that make it likely for investors to already look beyond the current recession and assess the share price upside based on the normalised earnings potential for 2011. Bekaert's healthy balance sheet (end-2009 net debt/EBITDA of 1.6x), strong track record and sound strategy would justify doing so. Another appeal of the investment case is Bekaert's emerging markets footprint (where 70% of turnover is generated), which makes earnings relatively resilient in the short term and it is expected to drive a continued growth outperformance in the long run. Our ...

Year to December	2007	2008	2009e	2010e	2011e
Sales (EUR m)	2,173.6	2,662.4	2,595.3	2,734.1	2,855.3
EBITDA (EUR m)	298.6	412.2	314.8	379.4	436.8
Net profit excl. extr. & amort. (EUR m)	157.2	209.9	90.6	143.7	192.5
Net profit (EUR m)	152.9	174.1	90.6	143.7	192.5
EBITDA margin (%)	13.7	15.5	12.1	13.9	15.3
ROCE (incl. goodwill) (%)	9.5	11.2	5.6	8.0	9.6
Net gearing (%)	45.7	59.5	47.2	41.7	33.5
EPS before extr. & amort. (EUR)	7.84	10.64	4.58	7.27	9.73
EPS (EUR)	7.63	8.83	4.58	7.27	9.73
DPS (EUR)	2.76	2.80	1.83	2.91	3.89
% change sales	8.2	22.5	(2.5)	5.3	4.4
% change EPS (excl. extr. & amort.)	13.7	35.7	(57.0)	58.7	33.9
EV/Sales	0.87	0.52	0.72	0.68	0.63
EV/EBITDA	6.4	3.3	5.9	4.9	4.1
P/E (excl. extr. & amort.)	12.5	8.3	18.2	11.5	8.6
P/E	12.9	10.0	18.2	11.5	8.6
PE/growth (excl. extr.)	1.2	0.5	nmf	nmf	0.2
Free cash flow yield (%)	(0.5)	(2.5)	9.1	2.5	5.7

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Fortis Bank Nederland forecasts versus consensus

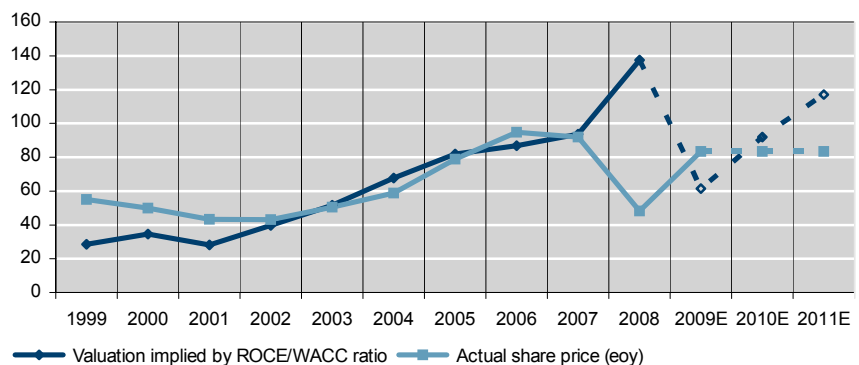
	Sales (EUR m)			Sales growth			EBIT (EUR m)			EBIT margin			EPS (EUR)		
	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E
Fortis Bank Nederland	2,595	2,734	2,855	-2.5%	5.3%	4.4%	135	200	256	5.2%	7.3%	9.0%	4.58	7.27	9.73
Relative to consensus	4%	5%	6%				-24%	3%	18%				-26%	1%	25%
Consensus (JCF) ¹ :															
average	2,500	2,598	2,703	-6.1%	3.9%	4.0%	177	194	216	7.1%	7.5%	8.0%	6.23	7.19	7.81
high	2,642	2,743	2,833	-0.8%	3.8%	3.3%	197	208	218	7.5%	7.6%	7.7%	6.97	7.85	8.22
low	2,428	2,478	2,601	-8.8%	2.1%	5.0%	125	178	214	5.2%	7.2%	8.2%	4.31	6.74	7.59
no. of estimates	7	7	3				7	7	2				7	7	4

¹ The consensus data exclude Fortis Bank Nederland estimates.

Source: Fortis Bank Nederland estimates and JCF consensus data

... returns-based valuation (where EV/CE would be consistent with ROCE/WACC) yields EUR 116 per share on 2011 earnings (see also chart below). A DCF calculation on conservative input reaches at a through-the-cycle valuation of EUR 101 per share.

Development Bekaert's valuation implied by ROCE/WACC ratio versus actual eoy share price (EUR)



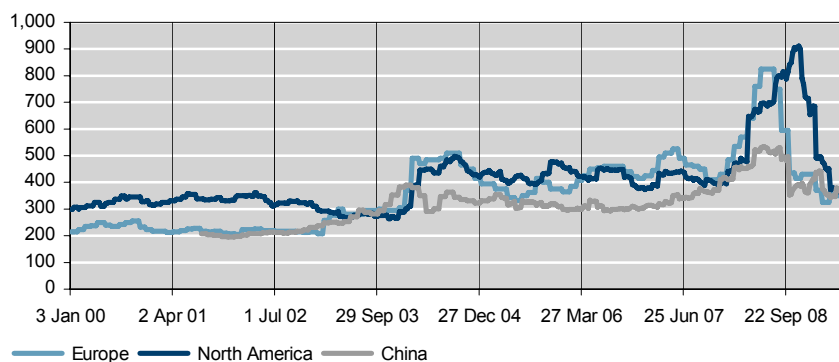
Source: Fortis Bank Nederland

This will be the first time that Bekaert releases its results based on the new segmentation EMEA (29% of *combined* sales in 2008), North America (15%), Latin America (38%) and Asia-Pacific (18%). This is a more meaningful breakdown than the previous one, in which the Advanced wire products division accounted for about 90% of sales. However, as we do not have comparable numbers available for the new segmentation, we discuss in this preview only our group forecasts for 1H09.

Investors beware that the 1H09 results will reflect a one-off hit from **negative inventory adjustments** related to the recent fall in wire rod prices (see chart on next page). We estimate a negative impact on EBIT of EUR 25m in 1H09, compared with a negative effect of EUR 10m in 2H08 and a positive effect of EUR 15m in 1H08.

For 1H09, we forecast a 1.0% decline of *consolidated sales*, reflecting a 14.3% organic contraction, +7.0% currency impact (stronger US dollar and Asian currencies) and +6.3% consolidation effect (integration of Prodac in Peru and Ideal Alambrec in Ecuador). The organic revenue decline is attributable to particularly weak end markets in Europe and Brazil. On a positive note, we expect the Asia-Pacific region to show its resilience, driven particularly by ongoing growth of the domestic market in China (car sales, for example, continue to boom, which fuels demand for Bekaert's tyre cord).

Development wire rod prices (all in EUR/mt)



Source: Steel BB

We expect the negative inventory value adjustment (EUR 25m) and a lower utilisation rate to have weighed strongly on 1H09 **EBITE**. We forecast that an 810bps erosion of the margin to 4.4% has driven a 65% fall of **EBITE** to EUR 56.8m (adjusted for the inventory value effect, we would have forecast a 6.3% margin and a 50% fall to EUR 81.8m). Beware that the 2H09 result will likely be stronger than during the first half of the year.

1H09 **net profit** is expected to come in 74% lower at EUR 32.6m, or EUR 1.65 per share.

Please refer to the table on the following page for the detail behind our forecasts.

We will also focus on the development of **working capital**. Bekaert had earlier indicated its goal to reduce the high level of working capital at the end of 2008 (the slowdown in 4Q08 hampered Bekaert from reducing the high inventory levels of 3Q08, when growth was still very strong – working capital as a percentage of sales increased to 29.8% in 2008 from an average of 27.5% in the years from 2005 through 2007). At the 1Q09 trading update, there was no sign yet of a clear release of working capital.

P&L (EUR m)

	2007	1H08	2H08	2008	1H09E	2H09E	2009E	2010E	2011E
Consolidated sales	2,173.6	1,303.1	1,359.3	2,662.4	1,290.1	1,305.2	2,595.3	2,734.1	2,855.3
% chg.	8.2%	22.3%	22.6%	22.5%	-1.0%	-4.0%	-2.5%	5.3%	4.4%
organic	8.0%	20.0%	15.5%	17.7%	-14.3%	-9.7%	-11.9%	5.3%	4.4%
fx	-2.3%	-5.3%	3.1%	-1.0%	7.0%	0.0%	3.4%	0.0%	0.0%
consolidation	2.5%	7.6%	4.1%	5.8%	6.3%	5.7%	6.0%	0.0%	0.0%
Gross profit	433.9	308.0	293.7	601.8	238.7	270.0	508.7	560.5	585.3
margin	20.0%	23.6%	21.6%	22.6%	18.5%	20.7%	19.6%	20.5%	20.5%
EBITDAE	310.3	242.8	253.1	495.9	147.5	182.4	329.8	391.4	448.8
margin	14.3%	18.6%	18.6%	18.6%	11.4%	14.0%	12.7%	14.3%	15.7%
% chg.	11.2%	63.3%	56.6%	59.8%	-39.3%	-28.0%	-33.5%	18.7%	14.7%
EBITE	186.3	162.9	131.4	294.2	56.8	93.4	150.2	212.1	267.6
margin	8.6%	12.5%	9.7%	11.1%	4.4%	7.2%	5.8%	7.8%	9.4%
% chg.	14.5%	80.3%	36.8%	57.9%	-65.1%	-28.9%	-48.9%	41.2%	26.2%
Non-recurring items	(11.7)	(17.6)	(66.2)	(83.8)	(7.5)	(7.5)	(15.0)	(12.0)	(12.0)
EBIT	174.6	145.3	65.2	210.5	49.3	85.9	135.2	200.1	255.6
margin	8.0%	11.2%	4.8%	7.9%	3.8%	6.6%	5.2%	7.3%	9.0%
% chg.	19.6%	67.9%	-26.0%	20.5%	-66.1%	31.9%	-35.8%	48.0%	27.8%
Net financial charges	(41.0)	(22.4)	(26.9)	(49.2)	(23.3)	(24.5)	(47.8)	(43.4)	(40.9)
EBT	133.6	123.0	38.3	161.2	26.0	61.5	87.5	156.7	214.7
margin	6.1%	9.4%	2.8%	6.1%	2.0%	4.7%	3.4%	5.7%	7.5%
% chg.	16.3%	75.1%	-39.6%	20.7%	-78.9%	60.6%	-45.8%	79.2%	37.0%
Taxes	(19.1)	(25.5)	(0.0)	(25.5)	(5.2)	(10.5)	(15.7)	(31.3)	(47.2)
as % of EBT	14.3%	20.7%	0.1%	15.8%	20.0%	17.2%	18.0%	20.0%	22.0%
Share in results joint ventures	47.1	35.7	20.4	56.1	15.5	14.6	30.1	36.2	48.8
Result discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interests	(8.7)	(7.1)	(10.6)	(17.7)	(3.6)	(7.6)	(11.2)	(17.8)	(23.8)
Net profit continuing operations	152.9	126.0	48.0	174.1	32.6	58.0	90.6	143.7	192.5
% chg.	7.1%	73.0%	-40.0%	13.9%	-74.1%	20.7%	-48.0%	58.7%	33.9%
EPS basic (EUR)	7.63	6.40	2.44	8.83	1.65	2.93	4.58	7.27	9.73
% chg.	14.8%	77.4%	-39.0%	15.7%	-74.2%	20.3%	-48.1%	58.7%	33.9%
EPS fully diluted (EUR)	7.58	6.35	2.43	8.79	1.65	2.92	4.56	7.24	9.69
% chg.	14.6%	77.3%	-38.8%	16.0%	-74.1%	20.3%	-48.1%	58.7%	33.9%
DPS	2.76			2.80			1.83	2.91	3.89
pay out	35.8%			31.8%			40.0%	40.0%	40.0%

Source: company data and Fortis Bank Nederland estimates

P & L Statement (EUR m) Year to December	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
Net sales	1,863.5	1,797.0	1,741.9	1,914.3	2,009.6	2,173.6	2,662.4	2,595.3	2,734.1	2,855.3
Other income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Personnel costs	(548.7)	(506.9)	(450.3)	(449.9)	(462.0)	(472.6)	(524.2)	(533.9)	(554.3)	(574.2)
Other operating costs										
EBITDA	225.8	239.1	255.6	257.4	262.2	298.6	412.2	314.8	379.4	436.8
Depreciation	(149.4)	(127.3)	(107.6)	(107.4)	(110.7)	(119.7)	(165.9)	(179.6)	(179.3)	(181.2)
EBITA	76.3	111.8	148.0	150.0	151.4	178.9	246.3	135.2	200.1	255.6
Reported provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	(12.1)	0.0	(9.0)	(13.7)	(5.5)	(4.3)	(35.8)	0.0	0.0	0.0
EBIT	64.2	111.8	139.0	136.3	145.9	174.6	210.5	135.2	200.1	255.6
Net financials	(130.1)	(43.0)	(20.5)	(15.3)	(31.0)	(41.0)	(49.2)	(47.8)	(43.4)	(40.9)
Profit Before Taxes (PBT)	(65.9)	68.8	118.5	121.0	114.9	133.6	161.2	87.5	156.7	214.7
Taxes	7.2	(8.2)	(18.4)	(30.3)	(18.4)	(19.1)	(25.5)	(15.7)	(31.3)	(47.2)
Income from associates	19.1	33.5	53.5	56.9	51.0	47.1	56.1	30.1	36.2	48.8
Minorities	(6.7)	(7.5)	(12.3)	(12.0)	(4.8)	(8.7)	(17.7)	(11.2)	(17.8)	(23.8)
Net profit before extraordinary	(46.3)	86.7	141.3	135.7	142.8	152.9	174.1	90.6	143.7	192.5
Extraordinary items	0.0	0.0	26.3	54.2	0.0	0.0	0.0	0.0	0.0	0.0
Net reported profit	(46.3)	86.7	167.6	189.9	142.8	152.9	174.1	90.6	143.7	192.5
% change in Sales	3.8	(3.6)	(3.1)	9.9	5.0	8.2	22.5	(2.5)	5.3	4.4
% change in EBITDA	8.8	5.9	6.9	0.7	1.8	13.9	38.0	(23.6)	20.5	15.1
% change in EBITA	22.5	46.5	32.4	1.3	1.0	18.1	37.7	(45.1)	48.0	27.8
% change in PBT	ns	ns	72.1	2.1	(5.0)	16.3	20.7	(45.8)	79.2	37.0
% change in Net profit before extraordinary	ns	ns	63.0	(3.9)	5.2	7.1	13.9	(48.0)	58.7	33.9

Cash Flow Statement (EUR m)	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
EBITDA	225.8	239.1	255.6	257.4	262.2	298.6	412.2	314.8	379.4	436.8
Change in provisions excluding tax provisions	5.3	(31.2)	(0.6)	(15.4)	(12.3)	(8.9)	26.2	0.0	0.0	0.0
Change in net working capital	39.5	(18.6)	(112.6)	(32.3)	(31.9)	(41.9)	(162.4)	64.5	(58.3)	(28.8)
Gross operating cash flow	270.5	189.3	142.4	209.8	217.9	247.8	276.0	379.4	321.0	408.0
Taxes paid	(13.1)	(18.5)	(32.9)	(25.5)	(16.8)	(24.9)	(27.5)	(15.7)	(31.3)	(47.2)
Capex	(84.9)	(118.1)	(172.9)	(151.6)	(161.3)	(199.8)	(251.1)	(173.8)	(212.7)	(233.1)
Free cash flow	172.5	52.7	(63.3)	32.7	39.8	23.1	(2.6)	189.9	77.0	127.7
Net interest received	(26.7)	(18.2)	(16.0)	(14.8)	(22.0)	(30.8)	(31.5)	(39.9)	(35.5)	(33.1)
Other	19.7	17.2	75.5	96.6	(25.4)	42.1	24.2	28.2	14.0	21.7
Acquisitions	(5.5)	(33.9)	(16.9)	(21.2)	(42.7)	(14.7)	(44.2)	0.0	0.0	0.0
Divestments	3.1	5.7	0.1	86.5	0.0	4.2	0.7	0.0	0.0	0.0
Share issues/buybacks	0.0	(2.2)	(8.8)	(24.3)	(56.1)	(111.0)	(19.7)	0.0	0.0	0.0
Dividend (adj. stock dividend)	(43.1)	(44.9)	(45.3)	(52.2)	(74.1)	(57.2)	(62.2)	(55.4)	(36.2)	(57.5)
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	(120.9)	32.5	77.4	20.6	39.1	136.4	180.4	(122.7)	(19.2)	(58.8)
Change in cash & cash equivalents	(0.9)	8.8	2.7	123.8	(141.5)	(7.9)	45.1	0.0	0.0	0.0

Balance Sheet (EUR m)	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
Net intangible fixed assets	127.1	119.5	118.4	125.4	134.5	122.0	111.5	112.3	113.5	115.1
Net tangible fixed assets	777.6	757.6	791.6	799.8	824.2	917.6	1,070.7	1,064.0	1,096.2	1,146.5
Financials fixed assets (FFA)	269.9	303.7	331.1	325.5	348.6	303.4	247.7	232.6	239.8	249.6
Inventories	311.8	322.6	419.3	348.3	368.8	385.4	510.5	469.3	501.9	524.1
Trade debtors	311.4	307.7	385.2	354.2	398.9	437.7	483.2	469.3	501.9	524.1
Other debtors	52.1	45.5	44.9	63.4	63.7	73.1	125.3	112.8	131.4	130.9
Cash & securities	72.2	81.1	98.9	222.7	81.2	73.2	118.3	118.3	118.3	118.3
Total Assets	1,922.1	1,937.6	2,189.3	2,239.3	2,219.8	2,312.6	2,667.2	2,578.6	2,703.0	2,808.6
Shareholder's equity	758.4	790.8	909.7	1,057.5	1,060.1	1,098.2	1,130.6	1,165.8	1,273.3	1,408.3
Other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	44.3	43.3	48.8	51.1	48.9	48.4	41.8	48.5	59.1	73.4
Provisions	413.9	361.5	373.0	357.5	331.4	298.8	373.4	373.4	373.4	373.4
Long-term interest bearing debt	324.3	312.3	242.3	288.3	274.4	322.5	288.1	165.4	146.2	87.4
Short-term interest bearing debt	146.7	176.6	312.0	245.6	218.0	253.0	503.1	503.1	503.1	503.1
Trade creditors	184.9	191.4	250.8	187.4	227.8	231.7	253.8	248.9	269.7	281.6
Other non-interest bearing liabilities	49.5	61.6	52.7	52.0	59.3	60.0	76.4	73.5	78.2	81.4
Total Liabilities & Capital	1,922.1	1,937.6	2,189.3	2,239.3	2,219.8	2,312.6	2,667.2	2,578.6	2,703.0	2,808.6
Enterprise Value (EV)	1,225.1	1,220.3	1,330.5	1,525.9	1,863.3	1,901.4	1,371.8	1,856.3	1,847.8	1,803.3
Net debt/(Net cash)	398.8	407.9	455.4	311.2	411.2	502.2	672.9	550.2	531.0	472.2
Capital Employed incl. goodwill (avg.)	1,529.7	1,383.0	1,458.6	1,515.7	1,517.1	1,610.5	1,850.3	1,985.7	1,998.5	2,087.2
Cumulative goodwill (as of 1991)	113.0	121.1	131.3	85.3	82.2	75.2	74.6	74.6	74.6	74.6
Capital Employed (avg.)	1,410.5	1,266.0	1,332.4	1,407.4	1,433.3	1,531.8	1,775.5	1,911.2	1,923.9	2,012.6
Net working capital	440.9	422.9	545.9	526.6	544.3	604.6	788.8	729.0	787.3	816.1
Discounted value of leases		29.6	26.3	36.6	32.2	28.6	28.9	30.8	33.1	35.7
Adjusted equity	871.4	911.9	1,041.0	1,142.9	1,142.3	1,173.3	1,205.2	1,240.4	1,347.9	1,482.8

Per Share Data (EUR)	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
Avg. no. of shares (m)	22.1	22.1	21.9	21.6	21.5	20.0	19.7	19.8	19.8	19.8
Eoy. no. of shares (m)	22.1	22.1	21.9	21.5	20.9	19.8	19.8	19.8	19.8	19.8
Avg. no. of shares fully diluted (m)	22.2	22.1	22.0	21.7	21.6	20.2	19.8	19.9	19.9	19.9
Enterprise Value (EV)	55.38	55.29	60.83	70.87	88.95	95.88	69.34	93.83	93.40	91.15
Net debt less FFA plus minorities	7.83	6.68	7.92	1.71	5.32	12.47	23.60	18.50	17.71	14.96
Sales	84.13	81.27	79.46	88.49	93.51	108.47	135.02	131.18	138.20	144.33
EBITDA	10.19	10.81	11.66	11.90	12.20	14.90	20.90	15.91	19.18	22.08
EBITA	3.45	5.06	6.75	6.93	7.05	8.93	12.49	6.83	10.11	12.92
EBIT	2.90	5.06	6.34	6.30	6.79	8.71	10.67	6.83	10.11	12.92
Net profit before extr. & amort. (EUR)	(1.54)	3.92	6.86	6.91	6.90	7.84	10.64	4.58	7.27	9.73
Net profit before extraordinary (EUR)	(2.09)	3.92	6.44	6.27	6.64	7.63	8.83	4.58	7.27	9.73
Cash Flow (EUR)	5.20	9.68	11.76	11.87	12.05	13.82	19.06	13.66	16.33	18.89
Gross Dividend (EUR)	1.68	1.75	2.00	3.00	2.50	2.76	2.80	1.83	2.91	3.89
Book value (EUR)	34.28	35.83	41.59	49.12	50.61	55.38	57.15	58.93	64.36	71.18
Adjusted equity	39.39	41.32	47.59	53.08	54.54	59.17	60.92	62.70	68.13	74.95
Free Cash Flow	7.79	2.38	(2.89)	1.51	1.85	1.15	(0.13)	9.60	3.89	6.46
% change in EPS before extr. & amort.	ns	ns	74.88	0.76	(0.11)	13.68	35.68	(56.97)	58.66	33.90

Valuation	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
P/E (excl. extr. & amort.)	nmf	10.6	7.3	9.4	11.9	12.5	8.3	18.2	11.5	8.6
P/CF (x)	8.5	4.3	4.3	5.5	6.8	7.1	4.6	6.1	5.1	4.4
P/Book (x)	1.3	1.4	1.4	1.6	1.9	1.7	0.8	1.4	1.3	1.2
Dividend yield (%)	3.8	4.2	4.0	4.6	3.0	2.8	3.2	2.2	3.5	4.7
Free cash flow yield (%)	14.6	2.2	(7.2)	0.4	0.9	(0.5)	(2.5)	9.1	2.5	5.7
EV/Sales (x)	0.7	0.7	0.8	0.8	0.9	0.9	0.5	0.7	0.7	0.6
EV/EBITDA (x)	5.4	5.1	5.2	5.9	7.1	6.4	3.3	5.9	4.9	4.1
EV/EBITA (x)	16.0	10.9	9.0	10.2	12.3	10.6	5.6	13.7	9.2	7.1
EV/EBIT (x)	19.1	10.9	9.6	11.2	12.8	10.9	6.5	13.7	9.2	7.1
EV/Capital Employed (x)	0.9	1.0	1.0	1.1	1.3	1.2	0.8	1.0	1.0	0.9
EV/CE (incl. goodwill) (x)	0.8	0.9	0.9	1.0	1.2	1.2	0.7	0.9	0.9	0.9
Share price : High (EUR)	50.90	50.70	59.75	78.95	99.60	113.40	120.32	83.46		
Share price : Low (EUR)	35.76	31.00	43.50	55.40	69.35	84.46	44.47	37.88		
Share price : Average (EUR)	44.32	41.40	50.13	65.17	82.18	98.18	88.25	83.46	83.46	83.46
Share price : Year end (EUR)	43.15	50.50	58.75	78.95	94.70	92.00	48.32	83.46	83.46	83.46

Capital Efficiency/Solvability	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
Sales/CE (incl. goodwill)	1.2	1.3	1.2	1.3	1.3	1.3	1.4	1.3	1.4	1.4
Sales/Fixed assets (x)	2.4	2.4	2.2	2.4	2.4	2.4	2.5	2.4	2.5	2.5
Sales/Net working capital (x)	4.2	4.2	3.2	3.6	3.7	3.6	3.4	3.6	3.5	3.5
Inventories/Sales (days)	61.1	65.5	87.9	66.4	67.0	64.7	70.0	66.0	67.0	67.0
Trade debtors/Sales (days)	61.0	62.5	80.7	67.5	72.5	73.5	66.2	66.0	67.0	67.0
Trade creditors/Sales (days)	36.2	38.9	52.6	35.7	41.4	38.9	34.8	35.0	36.0	36.0
CAPEX/Depreciation (%)	56.8	92.8	160.7	141.1	145.7	166.9	151.3	96.7	118.6	128.6
Equity/Total assets (%)	39.5	40.8	41.6	47.2	47.8	47.5	42.4	45.2	47.1	50.1
Net debt/Equity (%)	52.6	51.6	50.1	29.4	38.8	45.7	59.5	47.2	41.7	33.5
Interest cover (x)	2.4	3.2	6.3	4.8	5.5	5.2	5.4	3.1	5.0	6.8
Dividend payout (%)	(108.8)	44.6	29.1	43.2	35.3	34.8	26.4	40.0	40.0	40.0
ROCE (average) (%)	4.8	7.8	9.4	8.0	8.9	10.0	11.7	5.8	8.3	9.9
ROCE (incl. goodwill) (average) (%)	4.4	7.1	8.6	7.4	8.4	9.5	11.2	5.6	8.0	9.6

Operating Efficiency & Profitability ratios	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
Sales per FTE employee ('000s)	181.7	168.9	161.4	178.9	169.2	155.4	165.3	162.2	168.7	174.3
Wage costs per FTE employee ('000s)	53.5	47.6	41.7	42.0	38.9	33.8	32.5	33.4	34.2	35.0
EBIT per FTE employee ('000s)	6.3	10.5	12.9	12.7	12.3	12.5	13.1	8.4	12.3	15.6
Gross margin (%)										
EBITDA margin (%)	12.1	13.3	14.7	13.4	13.0	13.7	15.5	12.1	13.9	15.3
Operating margin (%)	3.4	6.2	8.0	7.1	7.3	8.0	7.9	5.2	7.3	9.0
Net margin (%)	(2.5)	3.4	6.3	5.5	5.1	5.5	6.4	2.8	4.6	5.9
Tax rate (%)	11.0	11.9	15.5	25.0	16.0	14.3	15.8	18.0	20.0	22.0

Important disclosures

Issuer	Ticker	Price (EUR)
Bekaert	BEKB.BR	83.46

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Maarten Bakker - Equity Research Analyst

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23 July 2009

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Historical equity recommendations and target price for Bekaert (EUR)**History of Target Prices**

Date	Recommendation	Target Price
7/4/2009	BUY	EUR 75.00

History of Recommendations

Date	Recommendation	Target Price
8/5/2009	HOLD	EUR 75.00
7/4/2009	BUY	EUR 75.00

Source: Fortis Equity Research, FactSet

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