

Benelux First Call

ING sales daily

04/08/09

BEKAERT (HOLD, TP €90.0): TP raised to €90 after 1H09 results

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- Bekaert reported in-line 1H09 results, but underlying margins were above expectations. In its outlook statement, Bekaert stated that it does not expect any further negative impact on margin from lower raw material prices, which prompts us to revise up our gross margin forecasts.
- Our higher margin assumptions translate into EPS estimate increases of 0.4%, 23% and 21% in 2009F, 2010F and 2011F respectively.
- We also increase our valuation multiple from 10x to 11x 2010 PER, hence the new TP of €90. HOLD.