

Bekaert: further consolidation in Latam has little impact on 2012F EPS

Yesterday, Bekaert announced after market close that it has signed an agreement with its Chilean partners to restructure the shareholding of the JV operations in Chile, Peru and Canada. Bekaert becomes the majority shareholder (52%) in the partnership (via an exchange of shares) and will consolidate the activities in 2012F. Until today, Bekaert accounted for the above using the equity method. Consequently, the 2012F consolidated sales should increase by c.€300m (+9%) and EBIT by c.€24m (+10%). While there should be no impact on EPS, Bekaert management sees increased opportunities for synergies and growth within the consolidated Bekaert platform. We do not expect a material share price reaction on the news today.

Price: €25.1. Last published: target price: €29.0; recommendation: HOLD

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