Company update
1 August 2012

Bekaert

Competition in tire cord intensifying

Sell (maintained)

Price (01/08/12)
€21.00

Target price (12-mth)
€16.00 (previously €20.00)

Forecast total return
-18.2%

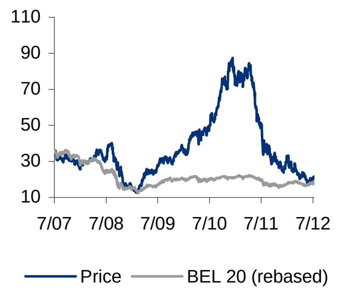
Industrial Goods & Services
Belgium
Bloomberg: BEKB BB
Reuters: BEKB.BR

Share data

Avg daily volume (3-mth)	237,746
Free float (%)	60.9
Market cap (€m)	1,259.5
Net debt (1F, €m)	811
Enterprise value (1F, €m)	2,343
Dividend yield (1F, %)	5.6

Source: Company data, ING estimates

Share price performance



Source: ING

Based on a 20% cut in our 2014F EPS and targeting an 8x 2014F PER, we lower our target price from €20 to €16. We reiterate our SELL recommendation as (1) 2012 consensus REBIT (Inquiry Financial) seems too ambitious at €186m (INGF €157m); (2) competition is intensifying in the mature Chinese tire cord market; (3) a further economic slowdown could take away part of the restructuring efforts; and (4) Bekaert trades at a 14.4x 2013F normalized PER, while steel and tire producers trade, on average, at a 7.5x PER.

Weak REBIT beat: Bekaert's 1H12 results beat REBIT slightly at €85m (cons €82m). The beat came from EMEA, which benefited from the restructuring of the Belgian sawing wire activities (INGF €10m), while consensus expected these savings to come in as of 2H12.

Consensus too ambitious: We believe the 2012 consensus REBIT (€186m; INGF €157m) is too ambitious. Consensus expects REBIT margins to improve from 4.8% in 1H12 to 5.8% in 2H12. We believe the 2H12 REBIT margin will decline some 50bp HoH to 4.3%, implying FY12 REBIT of €157m. Our estimate that the 2H12 margin will decline is based on (1) the impact of seasonality: margins historically have been 50–100bp lower in 2H (INGF 30bp); and (2) price competition in the Chinese tire cord market (120bp; see below). These two elements should be partially offset by additional cost savings from Bekaert. We assume that 40% of the €100m restructuring will be announced and accounted for in early 4Q12, which should result in a 2H12 saving of €10m (60bp).

Pricing pressure in tire cord: We understand that price competition in the Chinese tire cord market intensified over the past month, probably a reaction to the fact that Bekaert gained some market share. We estimate Bekaert's FY automotive sales and REBIT at some €700m and €107m, respectively. Since margins are high and the market is mature (volume growth 2%), we believe competition will intensify. All in all, we think Xingda lowered its prices by some 4% in order to gain market share. If Bekaert follows this move, which we expect, it could lower Bekaert's 2H12 REBIT by some €14m (90bp). Xingda will report 1H12 results on 27 August, which should provide interesting insights into profitability and the market evolution.

SELL reiterated, TP cut to €16: At PERs of 30.3x and 14.4x normalized 2012/13F, valuation remains stretched, in our view. On consensus estimates, steel and tire producers trade on average at around a 7.5x 2013F PER. Xingda trades at only a 5.3x 2014F PER (on Bloomberg cons). Based on a target multiple of 8x 2014F normalized EPS and a 20% cut in our 2014F normalized EPS, we lower our target price from €20 to €16.

Forecasts and ratios

Year end Dec (€m)	2010	2011	2012F	2013F	2014F
Revenues	3,262	3,340	3,429	3,548	3,676
Normalised EBITDA	753	489	377	438	459
Normalised net profit	381	190	42	88	118
Normalised EPS (€)	6.42	3.23	0.69	1.46	1.97
Normalised PER (x)	3.3	6.5	30.3	14.4	10.7
EV/normalised EBITDA (x)	2.7	4.6	6.2	5.2	4.8
FCF yield (%)	4.7	n/a	9.7	9.7	9.3
Dividend yield (%)	7.9	5.6	5.6	5.6	5.6
Price/book (x)	0.78	0.74	0.81	0.80	0.77
Normalised ROE (%)	26.3	11.5	2.6	5.6	7.3

Source: Company data, ING estimates

Emmanuel Carlier
Brussels +32 2 547 75 34
emmanuel.carlier@ing.be

Filip De Pauw
Brussels +32 2 547 6097
filip.de.pauw@ing.be

Weak REBIT beat

Consolidated sales (1H12) increased by 0.2% YoY (cons 0.8%) thanks to (1) a 4.7% (INGF 4%) positive currency impact and (2) a 7.9% (INGF 4.5%) positive impact from consolidation changes and acquisitions and divestments. Organic sales declined by 12.4% YoY, a slight improvement vs 1Q12 (-14%), due to a slightly easing comparison base and less pricing pressure in the Chinese tire cord market during 2Q12. On a divisional basis, there were no substantial positive/negative surprises. Combined sales (including JV) dropped by 6.5% YoY (cons -6.0%). All in all, Bekaert stated that volumes were broadly stable during 1H12, while sales dropped due to negative product mix effects (mainly sawing wire).

Fig 1 Review 1H12 earnings (€m)

	1H11	2H11	1H12F	1H12	%ch	Cons.	% ch cons
Consolidated sales	1,780.0	1,560.0	1,783.0	1,784.0	0.2%	1794.0	-0.6%
EBITDA	342.0	134.0		160.1	-53.2		
EMEA	54.4	12.0	17.0	36.0	-33.8		
North America	27.7	4.0	9.0	21.0	-24.2		
Latin America	16.1	19.0	54.0	29.0	80.1		
Asia Pacific	185.0	39.0	39.0	35.1	-81.0		
Other	(41.3)	(35.0)	(34.0)	(36.0)	-12.8		
REBIT	**241.9**	**39.0**	**85.0**	**85.1**	**-64.8**	**82.0**	**3.8**
Margin (%)	**13.6**	**2.5**	**4.8**	**4.8**	**-64.9**	**4.6**	**4.4**
Non recurring	(10.5)	(2.0)	(120.0)	(81.0)	670.3		
EBIT	231.4	37.0	(35.0)	4.1	-98.2	-9.3	
Net profit	143.9	48.7	(73.0)	(78.6)	-154.6	-47.6	
Reported EPS (€)	**2.44**	**0.81**	**(1.31)**	**(1.31)**	**-153.6**	**-0.80**	
Net debt	812.0	856.0	860.0	866.0	6.7		

Source: Company data, ING estimates, Inquiry Financial consensus

REBIT decreased by 65% YoY, beating consensus estimates by almost 4%. The largest positive surprise came from EMEA, which reported REBIT of €36m (cons around €20m). Consensus had much lower expectations due to (1) the collapse of the solar market; (2) the weak tire cord market – Goodyear reported 20% lower volumes during 2Q12; and (3) the estimate that cost savings from the sawing wire restructuring would only occur in 2H12. During the recent analyst meeting, Bekaert clarified the EMEA beat by stating that the results already largely include the benefits from the sawing wire restructuring (INGF some €10m). REBIT margins of LATAM were surprisingly below expectations due to the consolidation of the Chilean activities. Since the Chilean activities include a trading business, margins are substantially lower.

EBIT came in at €4m (cons €-9m), beating expectations, as the negative one-off costs were below expectations (€81m vs €91m exp). The one-offs can be split as follows:

1) €45m provision related to the restructuring of the Belgium sawing wire activities. The cash costs are to be paid in 2012 (€24m), 2013 (€6m) and post 2013 (15m)

2) €27m impairment on the Belgium sawing wire activities

3) €18m impairment on the Chinese sawing wire activities

4) €23m impairment on the Canadian rope activities

5) €20m accounting gain on the incusion of Chinese JV

6) €10m cash gain on the sale of Industrial coatings

EPS 2013 cut by 18%

Regarding the outlook, Bekaert states that it achieved stable volumes in 1H12, although clearly not in all end markets, despite lower domestic demand in most regions and a business activity slowdown of export-driven Asian customers. Bekaert has a cautious outlook for the coming months, as confidence is declining and uncertainty increasing in a context of persistent turbulence in the global financial systems, tight financing for its customer base and a lack of consistent indicators of a global economic recovery.

As stated earlier, we believe 2012 consensus (Inquiry Financial) is still too ambitious. Consensus estimates that REBIT margins will improve from 4.8% in 1H12 to 5.8% in 2H12. We believe the 2H12 REBIT margin will decline by some 50bp to 4.3%, implying a FY12 REBIT of €157m (cons €186m). Our estimate that the 2H12 REBIT margins will decline HoH is based on the following:

1) **Seasonality**: Bekaert states that the impact from seasonality used to result in a 50–100bp lower margin HoH during 2H. Since Bekaert is now much more exposed to China, which generates more earnings during 2H as New Year falls in February, we estimate the impact from seasonality at some 30bp HoH.

Fig 2 Change in estimates

	2011	2012F		%ch	2013F		%ch	2014F		%ch
		old	new		old	new		old	new	
EMEA	1,169	1,096	1,042	-5	1,117	1,063	-5	1,140	1,084	-5
North America	665	593	675	14	605	701	16	617	715	16
Latin America	372	709	776	9	738	815	10	767	856	12
Asia Pacific	1,134	1,032	936	-9	1,106	969	-12	1,161	1,021	-12
Consolidated sales	**3,340**	**3,430**	**3,429**	**0**	**3,566**	**3,548**	**-1**	**3,685**	**3,676**	**0**
EMEA	66	55	65	18	73	80	9	97	83	-14
North America	32	27	40	47	33	53	59	46	55	20
Latin America	35	64	57	-11	70	65	-7	77	68	-11
Asia Pacific	224	85	65	-23	107	94	-12	116	135	16
Other	-76	-77	-70	-9	-78	-70	-10	-78	-70	-10
REBIT	**281**	**154**	**157**	**2**	**205**	**221**	**8**	**258**	**272**	**5**
EMEA (%)	5.7	5.0	6.2		6.5	7.5		8.5	7.7	
North America (%)	4.8	4.5	5.9		5.5	7.5		7.5	7.7	
Latin America (%)	9.4	9.0	7.3		9.5	8.0		10.0	8.0	
Asia Pacific (%)	19.8	8.3	7.0		9.7	9.7		10.0	13.2	
REBIT margin (%)	**8.4**	**4.5**	**4.6**		**5.7**	**6.2**		**7.0**	**7.4**	
Non-recurring	-13	-120	-101	-16	-15	-30	100	-15	-15	0
EBIT	**268**	**33**	**56**	**69**	**190**	**191**	**1**	**243**	**257**	**6**
EBIT margin	8.0	4.7	1.6		6.0	5.4		6.6	7.0	
Net financing charges	-19	-70	-82	17	-67	-82	23	-64	-82	28
Taxes	-68	-12	-55	358	-37	-32	-14	-54	-52	-3
Share in the JV's	25	8	12	50	9	12	33	9	13	40
Minorities	-15	-2	-17	742	-2	-17	742	-2	-17	742
Net profit	193	-43	-86	101	92	73	-21	132	118	-10
Normalised net profit	**190**	**77**	**39**	**-50**	**107**	**88**	**-18**	**147**	**118**	**-20**
Reported EPS (€)	3.21	-0.71	-1.44	103	1.54	1.21	-21	2.21	1.97	-11
Normalised EPS (€)	**3.17**	**1.29**	**0.64**	**-50**	**1.79**	**1.46**	**-18**	**2.46**	**1.97**	**-20**
Net debt	**857**	**844**	**815**	**-3**	**804**	**747**	**-7**	**782**	**693**	**-11**
Net debt/EBITDA	1.8	**2.8**	**2.6**		**1.9**	**1.8**		**1.7**	**1.6**	

Source: Company data, ING estimates

2) **Weaker end markets**: Bekaert stated that some end markets are weakening further (mainly Europe and China). We understand that price competition in the Chinese tire cord market intensified over the past month as Bekaert gained market share. We estimate Bekaert's FY automotive sales and REBIT at some €700m and €107m, respectively. Since margins are high and the market is mature (volume growth 2%),

we believe competition will intensify. All in all, we think Xingda lowered its prices by some 4% in order to gain market share. If Bekaert follows this move, which we expect, it could lower Bekaert's 2H12 REBIT by some €14m (90bp). Xingda will report 1H12 results on 27 August, which should provide interesting insights into profitability and the market evolution. As highlighted by tire manufacturers, tire volumes accelerated their decline during 2Q12. More comfortable was the comment from Michelin that inventory levels are low, which we think could result in a demand pickup.

3) **Cost savings plans**: In addition to the rightsizing of the sawing wire activities (already included in 1H12 REBIT), Bekaert targets €100m additional cost savings on a FY basis as of 2014. To get to these savings, Bekaert expects to make an additional restructuring cost of €50m. Since all impairments are done, we believe the full restructuring cost relates to laying off staff. The restructuring cost in Belgium amounts to €45m (€75K per worker) and generates some €10m cost savings pa. Based on these calculations, we could conclude that a €50m restructuring cost could result in an additional €22m cost savings. Since the restructuring in Belgium was very costly, we assume Bekaert intends to save some €30m pa from laying off people (globally). Since Bekaert stated that all restructurings should be finalized by end-2014, we estimate that additional restructurings will be announced in 2012 and 2013. All in all, we assume that 40% of the restructuring will be announced in 4Q12, which we think should result in 2H12 savings of €10m (60bp). We assume that the remainder of the restructuring will be announced in the beginning of 2Q13. Hence, our 2013 REBIT estimate includes an expected €75m positive impact from cost savings.

Although we slightly increased our REBIT estimates (by 2% and 8% for 2012 and 2013, respectively) due to quicker-than-expected cost savings, we lower our 2012 and 2013 normalized EPS estimates by 50% and 18%, respectively, due to higher financial charges, higher taxes and a larger-than-expected impact from minorities.

SELL, with lowered TP of €16

At PERs of 30.3x and 14.4x normalized 2012/13F, the stock's valuation remains stretched, in our view. Based on consensus estimates, steel and tire producers trade, on average, at a PER of around 7.5x 2013F. Xingda trades at only a 5.3x 2014F PER, based on Bloomberg consensus estimate. Based on a target multiple of 8x 2014F normalized EPS and a 20% cut in our 2014F normalized EPS, we lower our target price from €20 to €16.

We believe our target multiple is lenient enough given we believe (1) 2012 consensus REBIT (Inquiry Financial) seems too ambitious at €186m (INGF €157m); (2) competition is intensifying in the mature Chinese tire cord market; (3) a further economic slowdown could take away part of the restructuring efforts; (4) the execution risk of the restructuring remains high; (5) Bekaert trades at a 14.4x 2013F normalized PER, while steel and tire producers trade, on average, at a 7.5x PER; and (6) ROCE may remain below WACC until 2014F.

Fig 3 Peer multiples

Tire producers	**Mcap (€m)**	**Rating**	**2012F PER (x)**	**2013 PER (x)**	**2014 PER (x)**	**2012F EV/EBITDA**	**2013 EV/EBITDA**	**2014 EV/EBITDA**
Michelin	10,221	Not rated	7.1	6.6	6.1	3.7	3.4	3.1
Bridgestone	15,084	Not rated	8.0	7.3	6.7	4.1	3.5	3.1
Goodyear	2,109	Not rated	5.4	4.2	3.6	3.4	3.0	
Pirelli	3,989	Not rated	8.7	7.4	6.3	4.7	4.0	3.4
Continental	14,794	Not rated	7.7	6.9	6.2	4.5	4.0	3.6
Average	**9,240**		**7.4**	**6.5**	**5.8**	**4.1**	**3.6**	**3.3**
Steel producers								
Arcelor Mittal	€ 20,284.1	HOLD	14.3	8.3	6.3	6.2	5.1	4.3
Nippon Steel	€ 10,860.5	Not rated	53.5	8.0	6.5	7.1	5.9	5.3
Posco	€ 22,362.7	Not rated	10.1	8.5	8.5	6.8	6.1	5.8
JFE Holdings	€ 6,593.2	Not rated	13.3	6.4	5.4	7.7	6.4	6.1
Tata Steel	€ 5,862.0	Not rated	12.3	8.2	5.8	6.8	5.5	5.1
United States Steel Corp	€ 2,240.6	Not rated	12.0	6.8	5.5	5.5	3.9	3.1
Gerdeau		Not rated						
Severstal	€ 9,842.7	Not rated	8.5	7.7	6.9	5.3	5.0	4.7
Nucor	€ 9,948.8	Not rated	20.6	11.3	9.2	8.6	5.8	4.6
Evraz	€ 4,073.9	Not rated	10.5	6.8	5.2	4.8	4.1	3.7
ThyssenKrupp	€ 7,712.2	Not rated		11.6	7.7	7.3	5.4	3.8
AK Steel Holding	€ 446.5	Not rated		7.2	4.8	6.0	4.3	3.7
Average	**9,112**		**17.2**	**8.3**	**6.5**	**6.6**	**5.2**	**4.6**
Tire cord & sawing wire								
Xingda	**414**	**Not rated**	**8.0**	**6.2**	**5.3**	**5.4**	**4.2**	**3.5**
Bekaert	**1,260**	**SELL**	**30.3**	**14.4**	**10.7**	**7.1**	**5.4**	**4.8**

Source: Bloomberg estimates for Not Rated companies; ING estimates

Risks

Key risks include an unexpected acceleration in global tire sales (automotive is c.33% of sales). Given the current global macro uncertainties, this seems unlikely, however. On the contrary, we see a risk towards overcapacity (and hence declining margins) in tire cord as the market is mature and some sawing wire producers could convert too much capacity towards tire cord. Another key risk is a faster-than-anticipated recovery in global construction (c.18% of sales). Again, the risk seems low in view of global macro data. Another risk lies in steel prices, as an increase might result in positive inventory effects.

Financials

Year end Dec (€m)	2007	2008	2009	2010	2011	2012F	2013F	2014F
Income statement								
Revenues	2,174	2,663	2,438	3,262	3,340	3,429	3,548	3,676
Cost of goods sold	(1,740)	(2,061)	(1,904)	(2,358)	(2,689)	(2,887)	(2,938)	(3,007)
Gross profit	**434**	**602**	**534**	**904**	**651**	**542**	**610**	**668**
Operating costs	(136)	(189)	(149)	(179)	(175)	(224)	(202)	(225)
EBITDA	**298**	**412**	**385**	**725**	**476**	**318**	**408**	**444**
Depreciation & amortisation	(124)	(202)	(153)	(191)	(208)	(259)	(217)	(187)
Impairments	0	0	0	0	0	0	0	0
EBIT	**175**	**210**	**232**	**534**	**268**	**60**	**191**	**257**
Net interest	(41)	(49)	(66)	(32)	(19)	(82)	(82)	(82)
Associates	47	56	38	36	25	12	12	13
Other pre-tax items	0	0	0	0	0	0	0	0
Pre-tax profit	**181**	**217**	**204**	**538**	**275**	**(11)**	**121**	**187**
Tax	(19)	(26)	(34)	(140)	(68)	(55)	(32)	(52)
Minorities	(9)	(18)	(19)	(31)	(15)	(17)	(17)	(17)
Other post-tax items	0	0	0	0	0	0	0	0
Net profit	**153**	**174**	**152**	**368**	**193**	**(82)**	**73**	**118**
Normalised EBITDA	**306**	**419**	**396**	**753**	**489**	**377**	**438**	**459**
Normalised EBIT	**186**	**294**	**257**	**562**	**281**	**161**	**221**	**272**
Normalised net profit	**150**	**243**	**161**	**381**	**190**	**42**	**88**	**118**
Balance sheet								
Tangible fixed assets	1,133	1,271	1,346	1,539	1,692	1,597	1,531	1,504
Intangible fixed assets	122	111	105	131	104	104	104	104
Other non-current assets	80	27	84	96	105	105	105	105
Cash & equivalents	78	135	282	443	699	745	813	867
Other current assets	904	1,140	1,018	1,464	1,593	1,488	1,517	1,566
Total assets	**2,317**	**2,684**	**2,836**	**3,673**	**4,192**	**4,039**	**4,069**	**4,145**
Short-term debt	253	503	151	320	648	648	648	648
Other current liabilities	388	478	484	719	616	622	632	644
Long-term debt	322	288	598	700	908	908	908	908
Other long-term liabilities	203	226	223	236	230	230	230	230
Total liabilities	**1,166**	**1,495**	**1,456**	**1,977**	**2,403**	**2,408**	**2,419**	**2,430**
Total equity	1,147	1,172	1,374	1,697	1,766	1,631	1,650	1,715
Total liabilities & equity	**2,313**	**2,667**	**2,830**	**3,673**	**4,169**	**4,039**	**4,069**	**4,145**
Capital employed	1,722	1,964	2,123	2,717	3,322	3,187	3,206	3,271
Net working capital	644	793	640	1,004	1,204	1,117	1,135	1,173
Net debt (cash)	498	656	467	578	857	811	743	689
Cash flow								
Cash flow EBITDA	333	425	401	779	549	330	420	456
Change in working capital	(42)	(162)	196	(277)	(200)	87	(18)	(38)
Other non-cash items	(45)	(13)	(68)	(46)	(114)	0	0	0
Operating cash flow	**246**	**250**	**529**	**456**	**235**	**417**	**402**	**418**
Cash interest paid	(31)	(32)	(39)	(43)	(59)	(82)	(82)	(82)
Cash taxes paid	(25)	(28)	(31)	(113)	(129)	(55)	(32)	(52)
Net cash from operating activities	**191**	**191**	**458**	**299**	**47**	**280**	**288**	**284**
Capex	(200)	(251)	(167)	(248)	(278)	(135)	(150)	(160)
Net acquisitions	(11)	(44)	(4)	(17)	83	21	0	0
Other net investing cash flows	58	51	43	54	9	0	0	0
Cash from investing activities	**(152)**	**(243)**	**(127)**	**(211)**	**(185)**	**(114)**	**(150)**	**(160)**
Increase (decrease) in equity	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0
Dividends & minority distribution	(57)	(62)	(51)	(119)	(163)	(70)	(70)	(70)
Other financing cash flow	25	(4)	(204)	32	(238)	0	0	0
Cash from financing activities	**(32)**	**(66)**	**(255)**	**(86)**	**(401)**	**(70)**	**(70)**	**(70)**
Forex & discontinued operations	(1)	0.8	(13)	5				
Net change in cash & equivalents	**6**	**(118)**	**63**	**7**	**(539)**	**96**	**68**	**54**
FCF	22	(29)	331	95	(172)	227	220	206

Normalised earnings (eg, EBITDA, EBIT, net income and other sector-specific line items) are in the opinion of the analyst the best representation of a company's underlying and sustainable earnings derived from its regular operating activities.

Source: Company data, ING estimates

Valuation, ratios and metrics

Year end Dec	2007	2008	2009	2010	2011	2012F	2013F	2014F
Performance & returns								
Revenue growth (%)	8.2	22.5	-8.5	33.8	2.4	2.7	3.5	3.6
Normalised EBITDA growth (%)	11.8	37.0	-5.6	90.3	-35.1	-22.8	16.1	4.7
Normalised EBIT growth (%)	14.3	57.9	-12.7	118.9	-50.0	-42.8	37.8	22.9
Normalised EPS growth (%)	10.7	64.9	-33.6	135.6	-49.8	-78.5	111.3	34.7
Gross margin (%)	20.0	22.6	21.9	27.7	19.5	15.8	17.2	18.2
Normalised EBITDA margin (%)	14.1	15.7	16.2	23.1	14.6	11.0	12.3	12.5
Normalised EBIT margin (%)	8.6	11.0	10.5	17.2	8.4	4.7	6.2	7.4
Reported net margin (%)	7.0	6.5	6.2	11.3	5.8	-2.4	2.0	3.2
Reported ROE (%)	14.2	15.6	12.6	25.4	11.7	-5.1	4.6	7.3
Normalised ROA (%)	8.2	11.8	9.3	17.3	7.1	3.9	5.5	6.6
ROAIC (%)	7.9	8.8	8.8	15.9	4.3	0.13	4.7	5.9
ROACE (%)	11.2	16.0	12.6	23.2	9.3	4.9	6.9	8.4
ROACE - WACC (%)	2.9	7.3	4.0	14.7	0.80	-3.6	-1.6	-0.10
Leverage & solvency								
Working capital as % of sales	29.6	29.8	26.3	30.8	36.0	32.6	32.0	31.9
Net debt (cash)/EBITDA (x)	1.7	1.6	1.2	0.80	1.8	2.5	1.8	1.6
Net debt (cash)/equity (%)	43.4	56.0	34.0	34.1	48.5	49.7	45.0	40.2
EBITDA net interest coverage (x)	7.3	8.4	5.9	22.4	25.7	3.9	5.0	5.4
Current ratio (x)	1.5	1.3	2.0	1.8	1.8	1.8	1.8	1.9
Dividend cover (cash flow) (x)	0.84	0.03	6.8	1.4	n/a	3.1	3.0	2.8
Valuation								
EV/revenue (x)	0.74	0.67	0.74	0.62	0.68	0.68	0.64	0.60
EV/normalised EBITDA (x)	5.3	4.3	4.5	2.7	4.6	6.2	5.2	4.8
EV/normalised EBIT (x)	8.7	6.1	7.0	3.6	8.1	14.6	10.3	8.1
EV/capital employed (x)	0.94	0.91	0.85	0.75	0.68	0.74	0.71	0.68
EV/invested capital (x)	0.84	0.81	0.76	0.69	0.63	0.69	0.66	0.63
Normalised PER (x)	8.4	5.1	7.7	3.3	6.5	30.3	14.4	10.7
Price/book (x)	1.1	1.1	0.97	0.78	0.74	0.81	0.80	0.77
Dividend yield (%)	4.4	4.4	4.7	7.9	5.6	5.6	5.6	5.6
FCF yield (%)	1.3	n/a	18.4	4.7	n/a	9.7	9.7	9.3
Per share data								
Reported EPS (€)	2.54	2.94	2.56	6.20	3.27	(1.37)	1.21	1.97
Normalised EPS (€)	2.49	4.11	2.73	6.42	3.23	0.69	1.46	1.97
Dividend per share (€)	0.92	0.93	0.98	1.67	1.17	1.17	1.17	1.17
Equity FCFPS (€)	(0.15)	(1.02)	4.93	0.87	(3.92)	2.42	2.31	2.06
BV/share (€)	18.46	19.05	21.59	26.90	28.24	25.98	26.30	27.39

Source: Company data, ING estimates

Company profile

Bekaert is a global technological and market leader in advanced solutions based on metal transformation and coatings. It is also the world's largest independent manufacturer of drawn steel wire products. Bekaert is a global company with headquarters in Belgium, employing 28,000 people worldwide. Serving customers in 120 countries, Bekaert pursues sustainable profitable growth in all of its activities and generated combined sales of €4.5bn in 2010.

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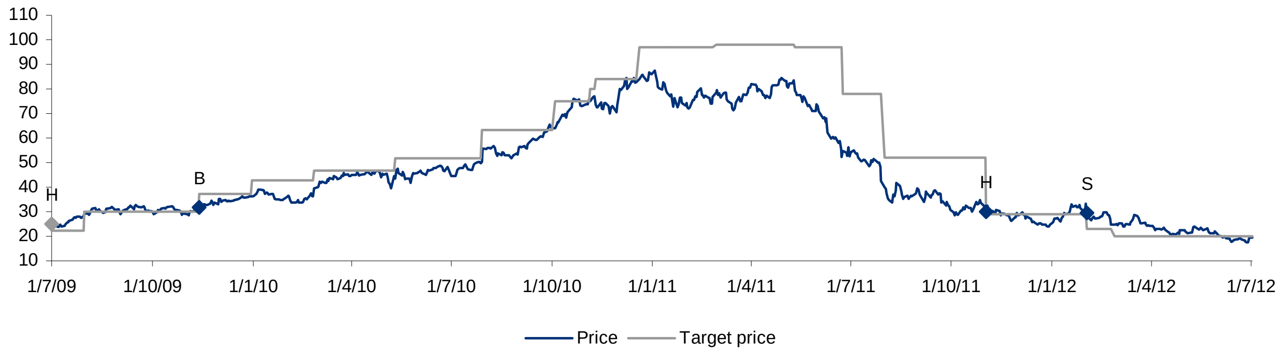

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