EQUITY RESEARCH

Company results
1 August 2013

Bekaert

Recovery starts to grip

Hold (maintained)

Price (31/07/13)
€26.43

Target price (12-mth)
€26.00 (previously €25.00)

Forecast total return
1.6%

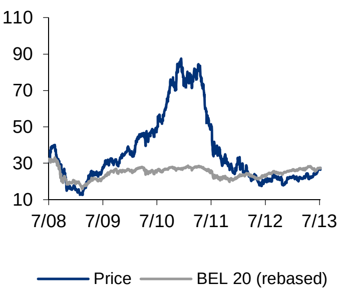
Industrial Goods & Services
Belgium
Bloomberg: BEKB BB
Reuters: BEKB.BR

Share data

Avg daily volume (3-mth)	139,618
Free float (%)	60.9
Market cap (€m)	1,549.9
Net debt (1F, €m)	673
Enterprise value (1F, €m)	2,373
Dividend yield (1F, %)	3.2

Source: Company data, ING estimates

Share price performance



Source: ING

1H13 REBIT came in above expectations, with cost savings compensating for difficult trading conditions by more than anticipated. That said, we trim our 2H13F expectations slightly on risks of renewed price pressure in Asia. On balance, we revise up our 2013F and 2014F REBIT by 5% and 4%, respectively. Our investment case remains unchanged: the recovery has started to grip, with the company on track to achieve a REBIT margin of 7% over the medium term. This seems priced in to a large degree after the recent share price rise. We maintain our HOLD rating and raise our TP from €25.0 to €26.0.

Cost savings overcompensate for difficult trading conditions. At €91m (5.5% margin), 1H13 REBIT rose 7% YoY and came in 16% above our expectations, which stood at the high end of what we estimate to be the €60-80m consensus range. Cost savings compensated by more than anticipated for the difficult trading conditions (group sales declined by 8% YoY), especially in EMEA.

Risk of renewed price pressure in 2H13F. Management reiterated that it lacks consistent indicators of a global economic recovery. It reminded investors that the usual seasonal effect should impact margins in 2H13. In addition, management warned about the risk of renewed price pressure in Asia in 2H13, with an increasingly competitive environment. We understand that peers such as Xingda are trying to gain Chinese market share via pricing, and Bekaert intends to defend its market share.

We revise our 2013F and 2014F REBIT estimates up by 5% and 4%, to €166m and €210m respectively. These estimates imply margins of 5.1% and 6.3%, respectively.

Recovery seems priced in. Our investment case remains unchanged. Bekaert seems on track to achieve a REBIT margin of above 7% by 2015F, on our estimates. This recovery is necessary to create value, or to gain a ROACE/WACC above EV/CE. At the same time, with its strong geographical footprint and broad product portfolio Bekaert is ready to benefit from economic growth when and where it returns. Still, at a 2014F EV/EBITDA of 6.1x, a PER of 14.6x and a FCF yield to EV of 6.9%, this seems priced in on the 12-month perspective.

Forecasts and ratios

Year end Dec (€m)	2011	2012	2013F	2014F	2015F
Revenues	3,340	3,461	3,256	3,349	3,471
Normalised EBITDA	482	331	332	376	412
Normalised net profit	206	(28)	57	106	140
Normalised EPS (€)	3.49	(0.47)	0.96	1.81	2.38
Normalised PER (x)	7.6	n/a	27.4	14.6	11.1
EV/normalised EBITDA (x)	5.0	7.5	7.1	6.1	5.3
FCF yield (%)	n/a	12.6	7.8	6.9	8.4
Dividend yield (%)	4.4	3.2	3.2	3.2	3.2
Price/book (x)	0.94	1.1	1.1	1.1	0.99
Normalised ROE (%)	12.4	-1.8	4.0	7.4	9.2

Source: Company data, ING estimates

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1H13 beat on expectations

Fig 1 1H13 key numbers (€m)

	1H12	2H12	1H13F	1H13
EMEA	557	487	529	532
North America	351	308	302	295
Latin America	397	415	361	352
Asia Pacific	478	467	454	470
Sales	**1,784**	**1,677**	**1,646**	**1,649**
EMEA (%)	-9.3	-12.3	-5.0	-4.5
North America (%)	-0.8	-1.0	-14.0	-16.0
Latin America (%)	129.5	108.5	-9.0	-11.3
Asia Pacific (%)	-25.2	-5.7	-5.0	-1.7
Sales growth (%)	**0.2**	**7.5**	**-7.7**	**-7.6**
REBITDA	**187.7**	**143.7**	**166.5**	**167.0**
REBITDA growth (%)			**-11.3**	**-11.0**
REBITDA margin (%)	**10.5**	**8.6**	**10.1**	**10.1**
EMEA	36.0	27.0	34.0	46.0
North America	21.0	9.0	11.0	13.0
Latin America	29.0	35.0	24.5	28.0
Asia Pacific	35.0	2.0	44.0	39.0
Other	(36.0)	(40.2)	(35.0)	(35.0)
REBIT	**85.1**	**32.7**	**78.5**	**91.0**
EMEA (%)	6.5	5.5	6.4	8.6
North America (%)	6.0	2.9	3.6	4.4
Latin America (%)	7.3	8.4	6.8	8.0
Asia Pacific (%)	7.3	0.4	9.7	8.3
REBIT margin (%)	**4.8**	**2.0**	**4.8**	**5.5**
Non-recurring	(80.9)	(86.2)	(20.0)	(2.3)
EBIT	**3.8**	**(53.1)**	**58.5**	**88.7**
EBIT margin	0.2	(3.2)	3.6	5.4
Net financing charges	(53.4)	(28.5)	(36.5)	(41.2)
Taxes	(27.5)	(40.2)	(22.5)	(29.7)
Share in the JVs	6.0	4.4	5.5	17.1
Minorities	(8.4)	2.0	(3.2)	(8.8)
Net profit	(80)	(115)	1.8	26.2
Normalised net profit	**1**	**(29)**	**21.8**	**28.4**
Reported EPS (€)	(1.35)	(1.95)	0.03	0.45
Normalised EPS (€)	**0.02**	**-0.49**	**0.37**	**0.48**
Net debt (ING definition)			**778**	**800**
Net debt/12-mth trailing REBITDA (x)			2.5	2.6

Source: Company data, ING estimates

Sales

In line with our expectations, Bekaert's 1H13 consolidated sales fell by 7.6% to €1,649m. The drop in sales was mostly due to a 5.7% organic sales decline on lower wire rod prices and negative price/mix effects. Furthermore, the change in consolidation accounting in Venezuela (now applying the economic exchange rate) negatively impacted sales by 2.7%.

REBIT

In spite of the decline in sales, REBIT grew 6.9% YoY to €91m, due to: (1) a flat gross margin of 15.1%, as lower prices were offset by cost savings; (2) an SG&A reduction from 10.4% of sales to 9.9%; (3) lower admin expenses due to cost-optimisation measures; and (4) a reduction in R&D expenses, reflecting the interventions on sawing wire.

Non-recurring items

Bekaert booked only €2m in non-recurring negatives in 1H13, but maintains its guidance for c.€30m in non-recurring negatives for the FY13.

Net profit

The net financial cost declined from €42m in 1H12 to €33m in 1H13, reflecting the reduction in net debt. Income taxes remained high at €30m, as profits are taxable in countries where they are cannot be offset by losses in other countries. The results from the JVs improved materially from €6m to €17m, mainly due to solid results in Brazil. Consequently, normalised net profit came in above expectations at €28.4m, with normalised EPS of €0.48.

Segments

EMEA

The 4.5% drop in YoY sales mainly reflects the weak first-quarter performance – down 10.3% – offset by a 1.9% increase in 2Q13.

The YoY improvement in REBIT margin, from 6.5% to 8.6%, mainly reflects the impact from realised cost savings.

North America

The 16.0% drop in YoY sales, mainly due to volume, reflects: (1) a weak demand in most industrial segments; (2) the entry of Korean peer Kiswire in the bead wire market, with new capacity; and (3) lower trading activities (which are lower-margin anyway) due to Asian imports.

The REBIT margin fell from 6.0% in 1H12 to 4.4% in 1H13, with lower capacity utilisation only partly mitigated by cost savings.

Latin America

Sales dropped by 10.8% YoY, entirely due to the consolidation accounting in Venezuela. Excluding Venezuela, sales were stable, as a 7% volume increase was offset by lower prices due to lower wire rod (raw material) prices and a weaker mix effect.

The REBIT margin increased from 7.3% in 1H12 to 8.0% in 1H13, in spite of strong pricing pressure from Asian imports.

Asia Pacific

Sales fell 1.7% YoY due to lower wire rod prices (-3%) and a negative price/mix effect (-9%). This was mitigated by a 4% volume increase and a 7% scope effect, via the inclusion of Southern Wire in Malaysia.

The REBIT margin increased from 7.3% to 8.3%, in spite of the price pressure, due to realised cost savings.

Net debt

The reported net debt declined from €866 at the end of 1H12 to €770m at the end of 1H13, reflecting an improvement in working capital. This implies 2.2x net debt/annualised 1H13 EBITDA, slightly above the 2.0x medium-term target. On the ING net debt definition, net debt/12-month trailing REBITDA amounts to 2.6x. Still, we expect leverage to drop to 2.0x by year-end.

Cautious outlook

Management reiterated that it lacks consistent indicators of a global economic recovery, and reminded investors that the usual seasonal effect should impact margins in 2H13. In addition, management warned about the risk of renewed price pressure in Asia in 2H13, due to an increasingly competitive environment. Recall that Bekaert tried to stabilise prices in Asia in 1H13, and even tried to increase them somewhat. However, wire rod prices dropped, and we understand that peers such as Xingda tried to gain market share via pricing. We also understood that Baosteel entered the market with new capacity. However, Bekaert management made it very clear that it intends to defend its market share. In our view, this was as much a warning to investors as it was to peers such as Xingda and Baosteel.

Fig 2 Bekaert key estimates (€m)

	1H12	2H12	2012	1H13	2H13F	2013F	2014F
EMEA	557	487	1,044	532	496	1,028	1,044
North America	351	308	659	295	291	586	598
Latin America	397	415	812	352	372	724	753
Asia Pacific	478	467	945	470	448	918	955
Sales	**1,784**	**1,677**	**3,460**	**1,649**	**1,607**	**3,256**	**3,349**
EMEA (%)	-9.3	-12.3	-10.7	-4.5	1.9	-1.5	1.5
North America (%)	-0.8	-1.0	-0.9	-16.0	-5.5	-11.1	2.0
Latin America (%)	129.5	108.5	118.3	-11.3	-10.3	-10.8	4.0
Asia Pacific (%)	-25.2	-5.7	-16.7	-1.7	-4.1	-2.9	4.0
Sales growth (%)	**0.2**	**7.5**	**3.6**	**-7.6**	**-4.1**	**-5.9**	**2.9**
REBITDA	**187.7**	**143.7**	**331.4**	**167.0**	**158.0**	**332.0**	**375.5**
REBITDA growth (%)			**-31.2**	**-11.0**	**10.0**	**0.2**	**13.1**
REBITDA margin (%)	**10.5**	**8.6**	**9.6**	**10.1**	**9.8**	**10.2**	**11.2**
EMEA	36.0	27.0	63.0	46.0	35.7	81.7	89.4
North America	21.0	9.0	30.0	13.0	11.8	24.8	31.4
Latin America	29.0	35.0	64.0	28.0	33.9	61.9	73.8
Asia Pacific	35.0	2.0	37.0	39.0	32.6	71.6	85.9
Other	(36.0)	(40.2)	(76.2)	(35.0)	(39.0)	(74.0)	(71.0)
REBIT	**85.1**	**32.7**	**117.8**	**91.0**	**75.0**	**166.0**	**209.5**
EMEA (%)	6.5	5.5	6.0	8.6	7.2	7.9	8.6
North America (%)	6.0	2.9	4.6	4.4	4.1	4.2	5.3
Latin America (%)	7.3	8.4	7.9	8.0	9.1	8.5	9.8
Asia Pacific (%)	7.3	0.4	3.9	8.3	7.3	7.8	9.0
REBIT margin (%)	**4.8**	**2.0**	**3.4**	**5.5**	**4.7**	**5.1**	**6.3**
Non-recurring	(80.9)	(86.2)	(167.1)	(2.3)	(27.7)	(30.0)	(15.0)
EBIT	**3.8**	**(53.1)**	**(49.3)**	**88.7**	**47.3**	**136.0**	**194.5**
EBIT margin	0.2	(3.2)	(1.4)	5.4	2.9	4.2	5.8
Net financing charges	(53.4)	(28.5)	(82.0)	(41.2)	(33.2)	(74.4)	(64.0)
Taxes	(27.5)	(40.2)	(67.7)	(29.7)	(20.3)	(50.0)	(55.0)
Share in the JVs	6.0	4.4	10.4	17.1	12.9	30.0	31.5
Minorities	(8.4)	2.0	(6.4)	(8.8)	(6.2)	(15.0)	(16.0)
Net profit	(80)	(115)	(194.9)	26.2	0.4	26.6	91.0
Normalised net profit	**1**	**(29)**	**(27.8)**	**28.4**	**28.2**	**56.6**	**106.0**
Reported EPS (€)	(1.35)	(1.95)	(3.30)	0.45	0.01	0.45	1.55
Normalised EPS (€)	**0.02**	**(0.49)**	**(0.47)**	**0.48**	**0.48**	**0.96**	**1.81**
DPS (€)			0.85			0.85	0.85
Net debt (ING definition)			**735**	**800**	**673**	**673**	**622**
Net debt/12-month trailing REBITDA (x)			2.2	2.6	2.0	2.0	1.7

Source: Company data, ING estimates

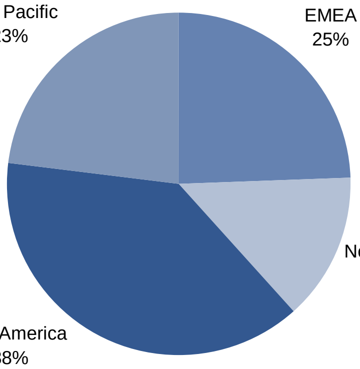
We revise up our 2013F and 2014F REBIT estimates by 5% and 4% to €166m and €210m, respectively. These estimates imply margins of 5.1% and 6.3.%, respectively.

Our 2H13F REBIT estimate of €75m (from €91m in 1H13) takes into account: (1) a seasonally lower 2H in EMEA and a higher 2H in Latam; (2) much less seasonality in North America, compared with a weak 1H13; (3) some pricing pressure in tyre cord in Asia Pac; and (4) ongoing cost savings.

Recovery seems priced in

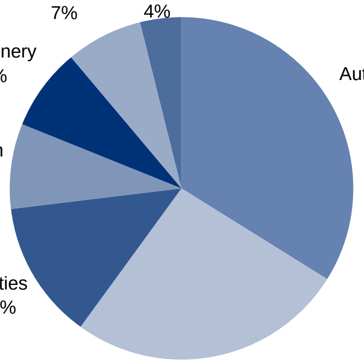
Our investment case is unchanged. Bekaert seems on track to achieve a REBIT margin of above 7% by 2015F, on our estimates. This recovery is necessary to create value, or to gain a ROACE/WACC above EV/CE. At the same time, via its strong geographical footprint and broad product portfolio, Bekaert is ready to benefit from economic growth, when or where it returns.

Fig 3 Bekaert combined sales 1H13



Source: Company data

Fig 4 Sales per end-market (June 2013)



Source: Company data

Still, at a 2014F EV/EBITDA of 6.1x, a PER of 14.6x and a FCF yield to EV of 6.9%, this seems priced in on a 12-month perspective.

Our €26.0 TP is based on a 6.1x 2014F EV/REBITDA, in line with the historical median.

Fig 5 Bekaert valuation multiples (€m)

	2007	2008	2009	2010	2011	2012	2013F	2014F	2015F	Median
Average share price (€)	30.7	29.5	25.1	53.8	54.7	22.6	**26.4**	**26.4**	**26.4**	
No. of shares (m)	59.6	59.5	59.4	59.7	58.9	59.1	58.7	58.7	58.7	
Market cap	**1,828**	**1,755**	**1,494**	**3,212**	**3,223**	**1,335**	**1,550**	**1,550**	**1,550**	
Net debt	498	656	467	578	857	735	673	622	544	
Pension liabilities	204	143	136	151	161	180	160	160	160	
Minorities	70	42	89	86	73	182	176	176	176	
Investments JV	(377)	(200)	(219)	(244)	(258)	(168)	(186)	(217)	(250)	
Enterprise value	**2,223**	**2,397**	**1,967**	**3,783**	**4,055**	**2,264**	**2,373**	**2,291**	**2,180**	
EV multiples										
EV/sales	1.0	0.9	0.8	1.2	1.2	0.7	0.7	0.7	0.6	1.0
EV/REBITDA	7.2	5.3	4.9	5.1	8.4	6.8	7.1	6.1	5.3	6.1
EV/REBIT	11.9	8.1	7.7	6.7	14.4	19.2	14.3	10.9	8.9	10.0
FCF yield										
FCF yield to EV (%)	3.6	-1.7	16.8	2.5	-4.2	13.8	7.8	6.9	8.4	3.1
FCF yield to equity (%)	2.7	-4.1	19.5	1.6	-7.2	17.5	7.9	6.1	7.8	2.1
Earnings multiples										
Normalised PER	11.6	6.8	8.5	8.1	15.7	-47.9	27.4	14.6	11.1	8.3
Dividend yield (%)		3.2	3.9	3.1	2.1	3.8	3.2	3.2	3.2	3.2
EVA										
CE	1,493	1,772	1,758	2,182	2,526	2,352	2,225	2,206	2,195	
ACE		1,633	1,765	1,970	2,354	2,439	2,288	2,215	2,200	
NOPLAT	134	212	185	405	203	85	120	151	177	
ROACE (%)		13.0	10.5	20.6	8.6	3.5	5.2	6.8	8.0	
EV/CE	1.5	1.4	1.1	1.7	1.6	1.0	1.1	1.0	1.0	
WACC (%)		8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	
ROACE/WACC			1.3	2.6	1.1	0.4	0.7	0.9	1.0	
EVA (upside/downside %)							-38.8	-18.0	1.2	

Source: Company data, ING estimates

Risks

The key upside risk to our investment case seems to be a faster-than-anticipated global economic recovery, from which Bekaert would benefit via its broad geographical position and product range. The key downside risk seems to be additional capacity expansion from Asia peers, which would put further pressure on margins both inside and outside Asia Pac (the latter via cheap imports in the rest of the world).

Financials

Year end Dec (€m)	2008	2009	2010	2011	2012	2013F	2014F	2015F
Income statement								
Revenues	2,663	2,438	3,262	3,340	3,461	3,256	3,349	3,471
Cost of goods sold	(2,061)	(1,904)	(2,358)	(2,689)	(2,982)	(2,766)	(2,847)	(2,950)
Gross profit	**602**	**534**	**904**	**651**	**479**	**490**	**502**	**521**
Operating costs	(189)	(149)	(179)	(154)	(204)	(188)	(142)	(124)
EBITDA	**412**	**385**	**725**	**497**	**275**	**302**	**361**	**397**
Depreciation & amortisation	(202)	(153)	(191)	(228)	(324)	(166)	(166)	(166)
Impairments	0	0	0	0	0	0	0	0
EBIT	**210**	**232**	**534**	**269**	**(49)**	**136**	**195**	**231**
Net interest	(49)	(66)	(32)	(19)	(82)	(74)	(64)	(62)
Associates	56	38	36	25	10	30	32	33
Other pre-tax items	0	0	0	0	0	0	0	0
Pre-tax profit	**217**	**204**	**538**	**276**	**(121)**	**92**	**162**	**202**
Tax	(26)	(34)	(140)	(68)	(68)	(50)	(55)	(60)
Minorities	(18)	(19)	(31)	(15)	(6)	(15)	(16)	(17)
Other post-tax items	0	0	0	0	0	0	0	0
Net profit	**174**	**152**	**368**	**193**	**(195)**	**27**	**91**	**125**
Normalised EBITDA	**455**	**398**	**735**	**482**	**331**	**332**	**376**	**412**
Normalised EBIT	**294**	**257**	**562**	**281**	**118**	**166**	**210**	**246**
Normalised net profit	**258**	**176**	**396**	**206**	**(28)**	**57**	**106**	**140**
Balance sheet								
Tangible fixed assets	1,271	1,346	1,539	1,692	1,545	1,516	1,506	1,498
Intangible fixed assets	111	105	131	104	99	96	96	96
Other non-current assets	27	84	96	105	102	102	102	102
Cash & equivalents	118	276	443	676	457	450	501	579
Other current assets	1,140	1,018	1,464	1,593	1,464	1,371	1,402	1,443
Total assets	**2,667**	**2,830**	**3,673**	**4,169**	**3,668**	**3,535**	**3,607**	**3,718**
Short-term debt	503	151	320	648	343	417	417	417
Other current liabilities	478	484	719	616	611	595	603	614
Long-term debt	288	598	700	908	850	706	706	706
Other long-term liabilities	226	223	236	230	260	240	240	240
Total liabilities	**1,495**	**1,456**	**1,977**	**2,403**	**2,064**	**1,957**	**1,966**	**1,977**
Total equity	1,172	1,374	1,697	1,766	1,604	1,577	1,641	1,740
Total liabilities & equity	**2,667**	**2,830**	**3,673**	**4,169**	**3,668**	**3,535**	**3,607**	**3,718**
Capital employed	1,964	2,123	2,717	3,322	2,796	2,700	2,764	2,863
Net working capital	793	640	1,004	1,204	1,082	1,012	1,034	1,064
Net debt (cash)	673	474	578	880	735	673	622	544
Cash flow								
Cash flow EBITDA	412	385	725	497	275	302	361	397
Change in working capital	(159)	196	(277)	(200)	227	51	(22)	(29)
Other non-cash items	(16)	(52)	7	(62)	(3)	0	0	0
Operating cash flow	**238**	**529**	**456**	**235**	**498**	**353**	**338**	**367**
Cash interest paid	(32)	(39)	(43)	(59)	(78)	(64)	(64)	(62)
Cash taxes paid	(28)	(31)	(113)	(129)	(59)	(44)	(55)	(60)
Net cash from operating activities	**178**	**458**	**299**	**47**	**361**	**244**	**219**	**245**
Capex	(251)	(167)	(248)	(278)	(127)	(122)	(125)	(125)
Net acquisitions	(44)	(4)	(17)	83	31	0	0	0
Other net investing cash flows	51	43	54	9	15	19	7	7
Cash from investing activities	**(243)**	**(127)**	**(211)**	**(185)**	**(81)**	**(103)**	**(118)**	**(118)**
Increase (decrease) in equity	(20)	2	(58)	0.7	0	(15)	0	0
Increase (decrease) in debt								
Dividends & minority distribution	(62)	(51)	(119)	(163)	(46)	(59)	(50)	(50)
Other financing cash flow	192	(253)	300	242	(148)	0	0	0
Cash from financing activities	**111**	**(302)**	**123**	**79**	**(194)**	**(74)**	**(50)**	**(50)**
Forex & discontinued operations	0.8	(13)	5	15	(27)			
Net change in cash & equivalents	**47**	**16**	**217**	**(44)**	**58**	**67**	**51**	**78**
FCF	(41)	331	95	(172)	312	186	158	182

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	2008	2009	2010	2011	2012	2013F	2014F	2015F
Performance & returns								
Revenue growth (%)	22.5	-8.5	33.8	2.4	3.6	-5.9	2.9	3.6
Normalised EBITDA growth (%)	46.5	-12.4	84.5	-34.4	-31.2	0.17	13.1	9.6
Normalised EBIT growth (%)	57.9	-12.7	118.9	-50.0	-58.1	40.9	26.2	17.3
Normalised EPS growth (%)	59.2	-31.6	124.0	-47.8	n/a	n/a	87.3	31.9
Gross margin (%)	22.6	21.9	27.7	19.5	13.8	15.0	15.0	15.0
Normalised EBITDA margin (%)	17.1	16.3	22.5	14.4	9.6	10.2	11.2	11.9
Normalised EBIT margin (%)	11.0	10.5	17.2	8.4	3.4	5.1	6.3	7.1
Reported net margin (%)	6.5	6.2	11.3	5.8	-5.6	0.82	2.7	3.6
Reported ROE (%)	15.6	12.6	25.4	11.7	-12.5	1.9	6.3	8.2
Normalised ROA (%)	11.8	9.3	17.3	7.2	3.0	4.6	5.9	6.7
ROAIC (%)	8.9	8.9	15.9	4.3	-3.3	3.1	4.7	5.6
ROACE (%)	16.0	12.6	23.2	9.3	3.9	6.0	7.7	8.7
ROACE - WACC (%)	8.0	4.6	15.2	1.3	-4.1	-2.0	-0.33	0.73
Leverage & solvency								
Working capital as % of sales	29.8	26.3	30.8	36.0	31.3	31.1	30.9	30.7
Net debt (cash)/EBITDA (x)	1.6	1.2	0.80	1.8	2.7	2.2	1.7	1.4
Net debt (cash)/equity (%)	57.4	34.5	34.1	49.8	45.9	42.7	37.9	31.3
EBITDA net interest coverage (x)	8.4	5.9	22.4	26.8	3.4	4.1	5.6	6.4
Current ratio (x)	1.3	2.0	1.8	1.8	2.0	1.8	1.9	2.0
Dividend cover (cash flow) (x)	n/a	6.8	1.4	n/a	6.1	3.1	2.9	3.4
Valuation								
EV/revenue (x)	0.83	0.83	0.65	0.72	0.72	0.73	0.68	0.63
EV/normalised EBITDA (x)	4.9	5.1	2.9	5.0	7.5	7.1	6.1	5.3
EV/normalised EBIT (x)	7.5	7.9	3.8	8.5	21.0	14.3	10.9	8.9
EV/capital employed (x)	1.1	0.96	0.78	0.72	0.89	0.88	0.83	0.76
EV/invested capital (x)	1.0	0.87	0.72	0.68	0.81	0.81	0.76	0.70
Normalised PER (x)	6.1	8.9	4.0	7.6	n/a	27.4	14.6	11.1
Price/book (x)	1.4	1.2	0.98	0.94	1.1	1.1	1.1	0.99
Dividend yield (%)	3.5	3.7	6.3	4.4	3.2	3.2	3.2	3.2
FCF yield (%)	n/a	16.3	4.5	n/a	12.6	7.8	6.9	8.4
Per share data								
Reported EPS (€)	2.94	2.56	6.20	3.27	(3.30)	0.45	1.55	2.13
Normalised EPS (€)	4.36	2.98	6.68	3.49	(0.47)	0.96	1.81	2.38
Dividend per share (€)	0.93	0.98	1.67	1.17	0.85	0.85	0.85	0.85
Equity FCFPS (€)	(1.23)	4.93	0.87	(3.92)	3.96	2.08	1.60	2.05
BV/share (€)	19.05	21.59	26.90	28.24	24.08	23.90	24.99	26.68

Source: Company data, ING estimates

Company profile

Bekaert is the market leader in advanced solutions based on metal transformation and coatings, and the world's largest independent manufacturer of drawn steel wire products. The company operates in four main geographic segments, with Asia Pacific contributing the most to EBITDA in 2012 (45%), while Latin America contributed 26%, EMEA 18% and North America 11%.

Disclosures Appendix

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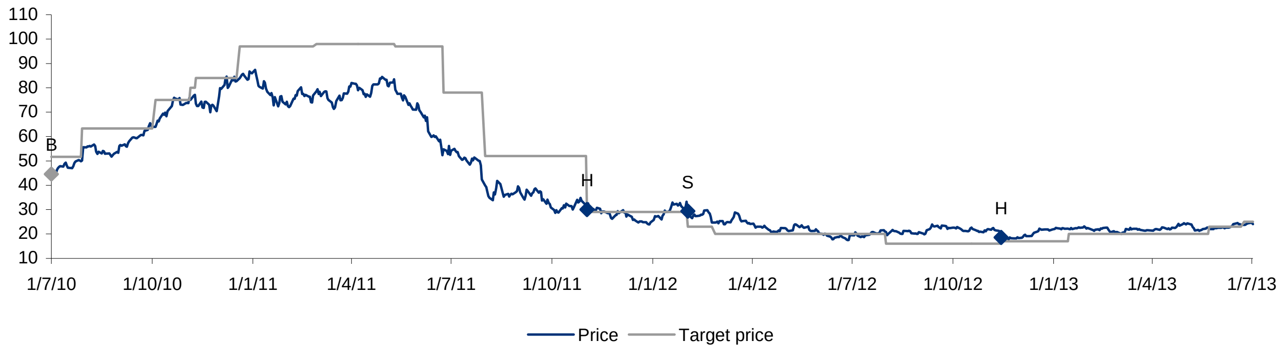

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