

Bekaert

BERTLBR / BEKB BB

Engineering
Belgium

Current price € 39.60
Target price € 54.00
Market cap € 883 m
Free float 60%

	EPS (€)	P/E
FY01	2.38	17.08
FY02E	3.47	11.40
FY03E	5.05	7.84

Trading update 3Q02

Bekaert released a trading update for the third quarter yesterday. Although visibility remains low, the **outlook** for remains good Bekaert says. The order book is higher compared to last year and should lead to a better result this year (not taking into account exceptional items or unexpected events). The operational cash flow is strong Bekaert said.

There seem to be a few "worries" however. Demand for BAM has slightly weakened in the third quarter although the unit nevertheless achieved double-digit organic growth in the first nine months (we expect between 10/15%). BSF (window films and one of the growth areas for Bekaert) performed well despite the poor economic situation and lower consumer confidence in the US. However, demand for window film for export was weak. Bekaert ECD Solar Systems and Unisolar require additional financial resources in order to cover the operational and pre-production expenses and the implementation of marketing programmes. It will take longer than anticipated to break-even (2003 was expected). Bekaert, together with its partner ECD, is looking to bring in a third partner to strengthen the Unisolar base.

We keep our Accumulate rating on the stock (with a € 54 price target).

Accumulate
Unchanged