

# Morning Note

16 Januari 2004

## Bekaert

BERTt.BR / BEKB BB

Belgium

Current price: € 49.11  
 Target price: € 48.00  
 Market cap: € 1,095m  
 Free Float 60 %

	EPS* (€)	P/E
FY03E	4.39	11.17
FY04E	4.98	9.87
FY05E	5.15	9.53

\* Adjusted for goodwill & exceptionals

## Acquisition of Solaronics for €12.5 - 17.5m

**Neutral**

(Rating unchanged)

Yesterday, Bekaert Combustion Technologies (Advanced Materials; 75% Bekaert - 25% Shell) announced the acquisition of Solaronics Technologies and its subsidiaries Solaronics IRT and Solarelec (but NOT "Solaronics Chauffage"). The acquisition price amounts to € 12.5m in cash with a potential additional earn-out of € 5m, depending on the 2003/04 results. Solaronics is listed on Euronext Paris (MLSOL FP) with a market capitalisation of € 12.2m. And... NO, Solaronics has nothing to see with solar cells!

The acquired business generates a turnover of around €20m employing about 100 FTE's. The company is specialised in gas- and electrical solutions for the drying of coatings on paper, metal (applications in automotive industry) and wood, as well as in infrared drying for the paper industry. Financial details were not disclosed but in 2002/03 (ending 31/03/03), Solaronics (with Solaronics Chauffage accounting for 35% of turnover) generated an EBIT margin of 4.7% (however rather irrelevant today). Solaronics is a spin-off from Elf. Following this deal, Bekaert Combustion Technologies (burners) expands to industrial applications, generating a total turnover of around €45-50m.

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