

Barco

BARBt.BR / BAR BB

Electronics
Belgium

Current price € 68.30
Target price € 80.00
Market cap € 848m
Free float 91%

	EPS*(€)	P/E
FY03	4.47	12.44
FY04E	4.80	14.24
FY05E	5.05	13.53

*Adjusted for goodwill and exceptionals

Shareholders' meeting

During yesterday's shareholders' meeting, Barco management confirmed that the growth trend from 1Q04 continued into a good month of April. As a reminder, in its 2Q04 outlook Barco assumed an organic growth of around 8% compared to 5% in 1Q04.

Barco appointed Jan Oosterveld as new independent Member to its Board. He was within Philips responsible for the division Corporate Strategy and headed also the Asian activities. The extraordinary meeting did not take place (limited number of shareholders present) and the new date has been set on 1 June.

A new company note with more operational and financial details is available.

Outperform

Rating unchanged

[Back to contents](#)

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Bekaert

BERTt.BR / BEKB BB

Engineering
Belgium

Current price € 46.40
Target price € 52.00
Market cap € 1,024m
Free float 59%

	EPS*(€)	P/E
FY03E	4.80	9.66
FY04E	4.29	10.82
FY05E	4.91	9.45

*Adjusted for goodwill and exceptionals

Sharp sales' increase in 1Q04

Bekaert yesterday held its AGM also releasing the 1Q04 trading update. Consolidated sales increased by 14% q-o-q to € 507m with **organic growth at an impressive 14%**, 6% growth coming from acquisitions offset by a negative 6% fx effect. Obviously, this is quite a good start to 2004 with organic sales growth **exceeding every expectation!** However, one should note that due to forthcoming price increases in various product lines (discounting increased raw materials prices), customers are shifting orders forward before those increases. In 'advanced wire products', sales of wire Europe increased by 9%, sales from wire North America rose by 2%, wire Latin America (associates) up by 20% and wire Asia by 80%. Building products and steel cord Asia sales both increased by more than 20% and sales of steel cord others was up by almost 15%. Finally, sales at Fencing Europe were up by 8%. Although one should not extrapolate those numbers to the second quarter (stock building), those numbers are definitely exceeding expectations. Combined sales in advanced materials and advanced coatings were up by 1% and 7%.

The **order book firmed** and despite US\$ uncertainties and early placement of orders in anticipation of price increases, **Bekaert regards the outlook as positive**. However, Bekaert did not quantify impact of increased raw materials prices nor gave an indication about margin evolutions. Nevertheless, Bekaert has made a strong start to 2004 and we definitely confirm our 'outperform' recommendation with target price at € 52 per share.

Outperform

Rating unchanged

[Back to contents](#)

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