

Bekaert

BERTt.BR / BEKB BB

Engineering & Machinery
Belgium

Current price € 57.80
Target price € 66.00
Market cap € 1,264m
Free float 59%

	EPS (€)	P/E
FY04	6.54	7.7
FY05E	5.30	10.9
FY06E	5.70	10.1

Expansion of carding activities

Bekaert has made a bid of the ECC card clothing division of Carclo plc, a supplier of specialist wire products and technical plastic components. ECC has annual sales of around € 24m. Bekaert will take over the assets in the UK while the remainder of the operations will be exchanged through a share deal. The acquisition values ECC at € 13m, or around 0.55x EV/sales.

The impact from the acquisition is fairly small, and is in line with the company's ambition to grow as a supplier for textile machine builders. We reconfirm our Outperform rating and € 66 target price.

Outperform
Rating Unchanged