

Bekaert

BEKB.BR / BEKB.BB

Engineering & Machinery
Belgium

Current price € 105.01
Target price € 110.00
Market cap € 2,087m
Free float 54%

	EPS (€)	P/E
FY06	7.22	11.4
FY07E	7.33	14.3
FY08E	7.26	14.5

New EPS estimates

Bekaert reported solid 1H07 results, slightly short of our and consensus estimates though. Bekaert reported a strong increase in REBIT from € 80.0m to € 90.3m. This was slightly below expectations, but one need to take into account the strong rise in R&D expenses. The contribution from joint ventures and associates decreased from € 27.8m to € 23.4m. The net result, group share, declined from € 75.5m to € 72.6m, short of our estimate of € 67.6m and consensus estimates around € 75.5m on the back of higher minority interests. As indicated before, we have made some minor changes to our scenario (mainly joint ventures and associates and minority interests) translating into a revision of our EPS07 and EPS08 estimates from € 7.54 and € 7.79 to € 7.33 and € 7.26.

Accumulate

Rating Unchanged