

20 June 2014

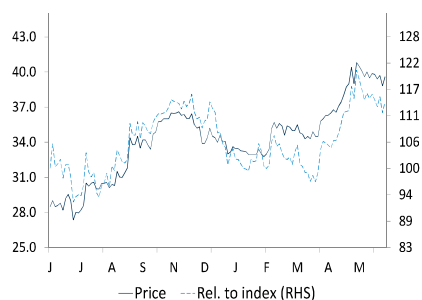
TEXAF

Imbakin: potential buyer withdraws

FINANCIAL SERVICES
BELGIUM

CURRENT PRICE € 39.60
TARGET PRICE € 40.00

HOLD
RATING DOWNGRADED



Source: Thomson Reuters Datastream

Bloomberg TEXF BB
Reuters TEXF.BR
www.texaf.be

Market Cap € 140.3m
Shares outst. 3.5m
Volume (daily) € 26,623
Free float 27.7%

Next corporate event

Results 1H14: 29 August 2014

(€ th)	2013	2014E	2015E
Sales	18,619	20,081	21,500
REBITDA	9,435	10,409	11,809
Net earnings	6,479	5,056	5,836
Adj. EPS (€)	1.48	1.50	1.65
P/E (x)	20.5	26.5	24.0
EV/REBITDA	13.6	16.2	14.4
FCF Yield	2.1%	-3.0%	0.1%
Dividend yield	1.3%	1.2%	1.5%

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We lower our rating from Accumulate to Hold and the target price from € 46 to € 40 on the news that the disposal of Imbakin is not going through.

On 12 May Texaf announced that a third party had expressed interest in acquiring Imbakin sàrl, a subsidiary of Texaf, for € 19.5m. The identity of the potential acquirer has not been disclosed.

Imbakin sàrl's sole asset is a € 51m second ranking receivable on the Democratic Republic of the Congo. Imbakin sàrl is totally written off in Texaf's accounts. The receivable originates from the sentencing of the Republic of Zaire in 1996 to pay an expropriation indemnity of € 63m. In 2011, Cobepa received in return for financing that it provided to Texaf, € 12m of the receivable. In other words, Cobepa has a first ranking receivable of € 12m which the potential acquirer is prepared to buy as well.

On 13 May, Texaf's EGM approved on the transfer of Imbakin sàrl as well as € 0.5m to a new Belgian company Imbakin Holding SA by way of a split. Each shareholder of Texaf would receive 1 share of Imbakin Holding SA for every Texaf share. However, the split was suspended by a court ruling following a unilateral application by Cobepa. Texaf has opposed that ruling; the case has been heard by the Court on 12 June and is now in liberation.