



Bekaert Investor Presentation

October 2020

 **BEKAERT**

better together

BEKAERT IN BRIEF

4	Fact sheet
6	High-tech solution provider
7	Sustainability ambitions and actions
8	Global presence
9	Technological and Market leadership



INVESTMENT CASE

Investing in Bekaert	40
Strategy - Blue Slide	41
Profitability: journey and ambition	42
Dividend policy	43

SEGMENT PERFORMANCE

13	Leadership team
14	Segmentation and sectorial breakdown
15	Segment profile sheets
19	1H2020 Sales



FINANCIALS FY2019

2019 performance	45
2019 EBIT bridge	47
Income statement Key figures	48
Ratios	50

GROUP RESULTS H1/2020

22	Market developments and Covid-19 impact
23	Our response + Financial highlights
26	uEBIT bridge
28	Segment reports + Consolidated statements
35	Outlook
36	Debt management



OTHER

News updates	52
History	53
Product and Market Portfolio	54
Contact information	61

BEKAERT IN BRIEF

4	Fact sheet
6	High-tech solution provider
7	Sustainability ambitions and actions
8	Global presence
9	Technological and Market leadership



INVESTMENT CASE

Investing in Bekaert	40
Strategy - Blue Slide	41
Profitability: journey and ambition	42
Dividend policy	43

SEGMENT PERFORMANCE

13	Leadership team
14	Segmentation and sectorial breakdown
15	Segment profile sheets
19	1H2020 Sales



FINANCIALS FY2019

2019 performance	45
2019 EBIT bridge	47
Income statement Key figures	48
Ratios	50

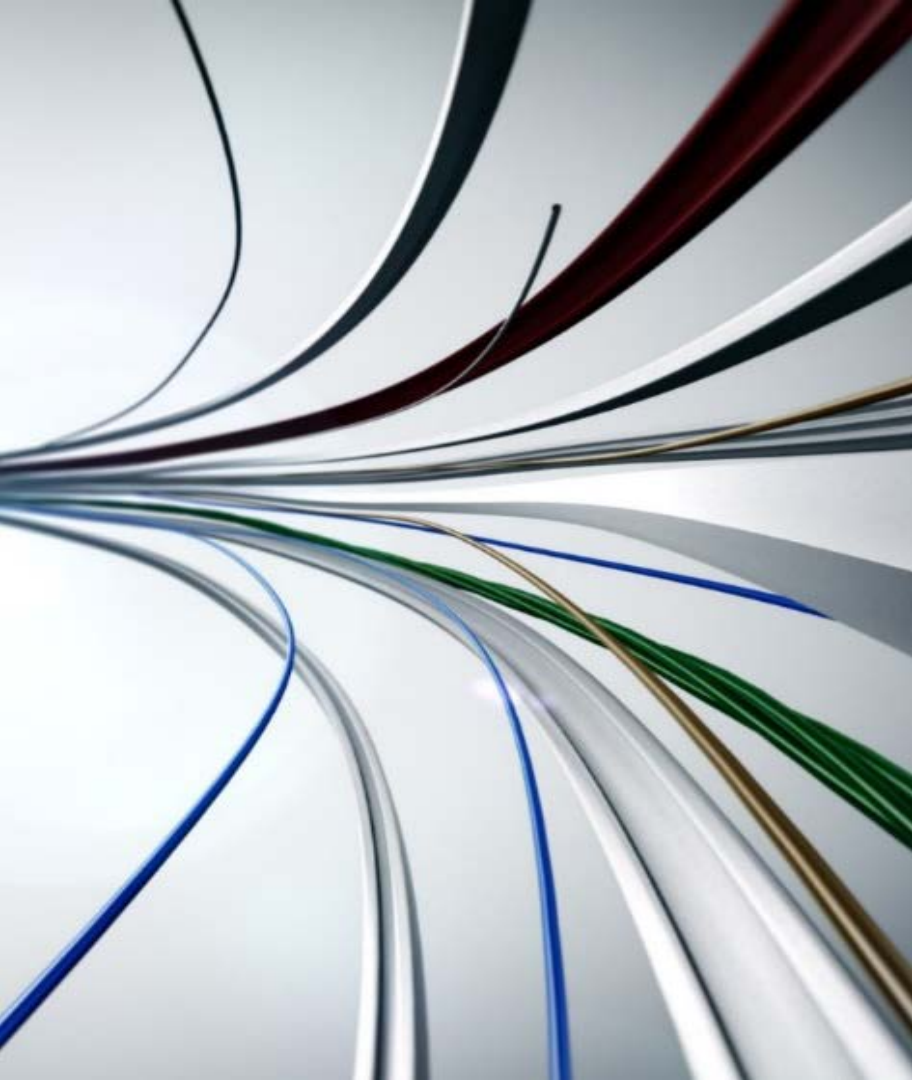
GROUP RESULTS H1/2020

22	Market developments and Covid-19 impact
23	Our response + Financial highlights
26	uEBIT bridge
28	Segment reports + Consolidated statements
35	Outlook
36	Debt management



OTHER

News updates	52
History	53
Product and Market Portfolio	54
Contact information	61



Bekaert in brief

-  Founded in 1880 by Leo Leander Bekaert
-  The world's largest independent producer of steel wire products and solutions
-  Serving customers from a very wide range of industry sectors in 120 countries and operating a global manufacturing platform with 28 000 employees worldwide
-  Combined sales of €5.1 billion and consolidated sales of €4.3 billion (2019)
-  Listed on Euronext® Brussels

 **BEKAERT**

better together

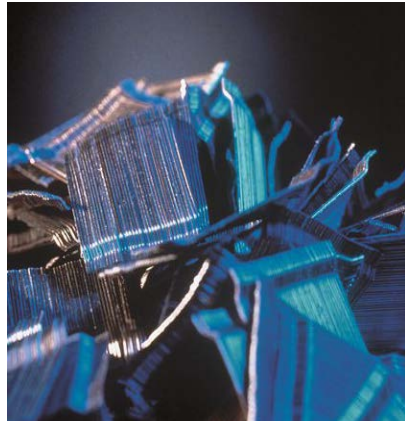
Bekaert in your day-to-day life...

We're present in a very wide range of applications

30% of all tires around the world are reinforced with Bekaert [tire cord](#)



Every year, 10 million m³ of concrete is being reinforced with [Dramix® steel fibers](#)



Bekaert's customers use 3.5 million kilometer of [bookbinding](#) wire per year



Over 1 billion bottles are uncorked annually by removing the [muselet](#) made of Bekaert steel wire



High-tech solution provider

surfing the waves of megatrends

Bekaert develops sustainable materials for **future mobility**. Ever stronger and thinner tire cords enable lightweight tire design. Ultra-thin metal fibers are a core material of sensor technologies.



We develop innovative steel and synthetic mooring solutions for floating **offshore wind** turbines and our a-magnetic armoring wire protects submarine power cables against corrosion and energy losses.



Our high-tech solutions for realizing **vertical cities** include A-cords for elevators, ultra-thin metal fibers to manufacture scratch-free smart glazing, Dramix® steel fibers for concrete reinforcement and Murfor® Compact masonry reinforcement.



Based on our ultra-thin metal fiber technologies we develop the core elements of carbon-free **hydrogen**-fueled heating systems and hydrogen power stations.



Ambitions and actions

for a sustainable future



We conduct and grow our business in a sustainable way so that our employees, customers, shareholders, business partners, and communities all benefit. Our commitment to drive value takes into account the broader environmental and social impacts of our operations, with **clear responsibility**:

for our people: we act with integrity & commit to the highest standards of business ethics. We promote equal opportunity, foster diversity and we create a no-harm-to-anyone work environment globally.

for the environment: we develop equipment that reduces energy consumption and optimizes recycling. We use renewable energy sources wherever possible and we don't discharge untreated effluents & waste.

in our markets: we promote and apply responsible business practices in all our relationships. Our sourcing and innovation programs enhance sustainability improvements throughout the value chain.

to society: we support and develop initiatives that help improve the social conditions in the communities where we are active. Education programs form the backbone of our social funding.



Bekaert global presence



Bekaert technological leadership



€70 million
R&D in 2019



International **R&D** teams in
Belgium – China – India – UK



About **1800**
patent rights



Co-creation with customers and suppliers

Outward orientation

- internationalization of technologists
- cooperation with internationally renowned research centers & universities
- venture capital and R&D partnerships

Intellectual property protection

steel wire transformation



from wire rod
6.5 mm

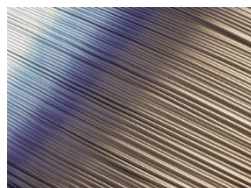


drawing, bunching, cabling,
profiling, welding,
knitting, weaving...

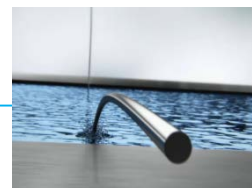


to metal fibers
1 μ m

coating technologies



from traditional
coatings

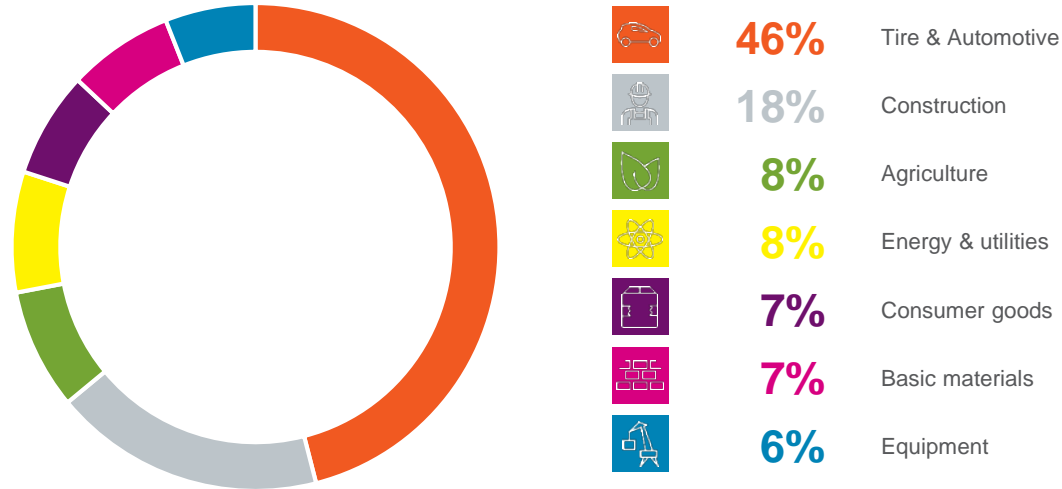


adhesion
corrosion resistance
wear resistance
anti-fouling



to advanced
coatings

Bekaert market leadership in diverse sectors – combined sales (FY2019)



Bekaert has a strong presence in diverse sectors. This makes Bekaert less sensitive to sector-specific trends and it also benefits our customers, because solutions we develop for customers in one sector often form the basis of innovations in others.

	BEKAERT IN BRIEF			INVESTMENT CASE	
4	Fact sheet			Investing in Bekaert	40
6	High-tech solution provider			Strategy - Blue Slide	41
7	Sustainability ambitions and actions			Profitability: journey and ambition	42
8	Global presence			Dividend policy	43
9	Technological and Market leadership				
	SEGMENT PERFORMANCE			FINANCIALS FY2019	
13	Leadership team			2019 performance	45
14	Segmentation and sectorial breakdown			2019 EBIT bridge	47
15	Segment profile sheets			Income statement Key figures	48
19	1H2020 Sales			Ratios	50
	GROUP RESULTS H1/2020			OTHER	
22	Market developments and Covid-19 impact			News updates	52
23	Our response + Financial highlights			History	53
26	uEBIT bridge			Product and Market Portfolio	54
28	Segment reports + Consolidated statements			Contact information	61
35	Outlook				
36	Debt maturity profile – Net debt leverage				

Four Business Units:



CEO ad interim
Oswald Schmid



Divisional CEO
Rubber Reinforcement

Arnaud Lesschaeve



Divisional CEO
Steel Wire Solutions

Stijn Vanneste



Divisional CEO
Specialty Businesses

Jun Liao



Divisional CEO
Bridon-Bekaert Ropes Group

Curd Vandekerckhove

Four Global Functional Domains:



Chief Financial Officer

Taoufiq Boussaid



Chief HR Officer

Rajita D'Souza



Chief Strategy Officer

Juan Carlos Alonso

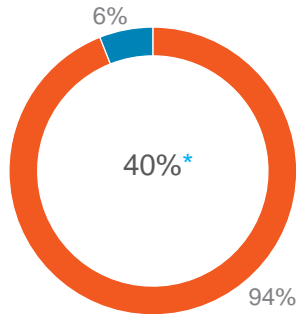


Chief Operations Officer

Oswald Schmid

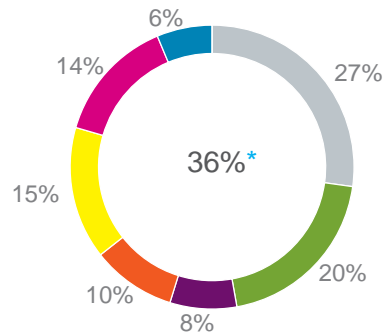
Rubber Reinforcement (RR)

Tire cord, bead wire, hose reinforcement wire and conveyor belt reinforcement



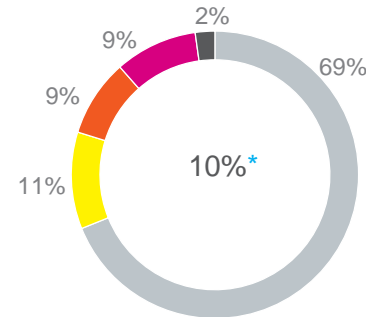
Steel Wire Solutions (SWS)

Steel wire products and solutions serving industrial, agricultural, consumer and construction markets



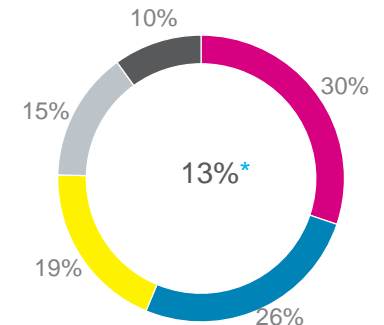
Specialty Businesses (SB)

Building products, fiber technologies, combustion technology and sawing wire



Bridon-Bekaert Ropes Group (BBRG)

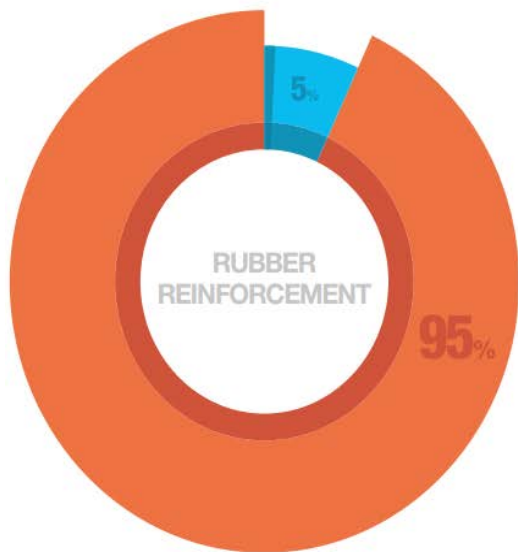
Ropes and advanced cords businesses



■ Construction
 ■ Agriculture
 ■ Consumer Goods
 ■ Tire & Automotive
 ■ Energy & Utilities
 ■ Basic Materials
 ■ Equipment
 ■ Other



The sectorial mix in H1 2020 was impacted by COVID-19: tire & automotive sales were down, while the agriculture, energy & utilities, and mining (basic material) sectors were more resilient.



MARKET LEADERSHIP

Global market leadership in the tire cord market **30%**

GROWTH DRIVERS

-  tire rim size
-  mileage driven
-  innovation
-  sustainability
-  CAGR tire markets

LOCAL SERVICE THROUGH OUR GLOBAL FOOTPRINT

-  **14 249** employees
-  **23** manufacturing plants
-  **2.1** billion in combined revenue

OUR AMBITION

be the undisputed technology and quality leader in our market

DID YOU KNOW?



While driving, your car's contact patch with the road equals the size of 4 beverage coasters. Safe driving starts with good tire grip!

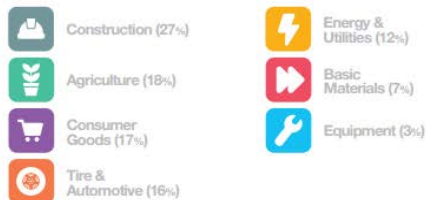
SUSTAINABLE TIRES



ST/UT tire cord products of Bekaert save 1.5 billion kg of CO₂ exhaust per year

 **BEKAERT**

better together



Combined revenue per sector - 2019

DIVERSIFIED PORTFOLIO

GROWTH DRIVERS

- technology
- infrastructure spending
- renewable energy
- downstream integration
- GDP growth

LOCAL SERVICE THROUGH OUR GLOBAL FOOTPRINT

- 8 220** employees
- 26** manufacturing plants
- 2.1** billion in combined revenue

OUR AMBITION

As a focused market-driven organization we bring our customers innovative wire-based value solutions that improve their performance. We're reliable, efficient and easy to do business with

DID YOU KNOW?



Queensferry Crossing in Scotland, the world's longest three-tower, cablestayed bridge, was built with Bekaert strands



14% global market share in Agri fencing solutions



Every year, more than 1 billion bottles of sparkling wines are uncorked by removing the muselet made of Bekaert steel wire



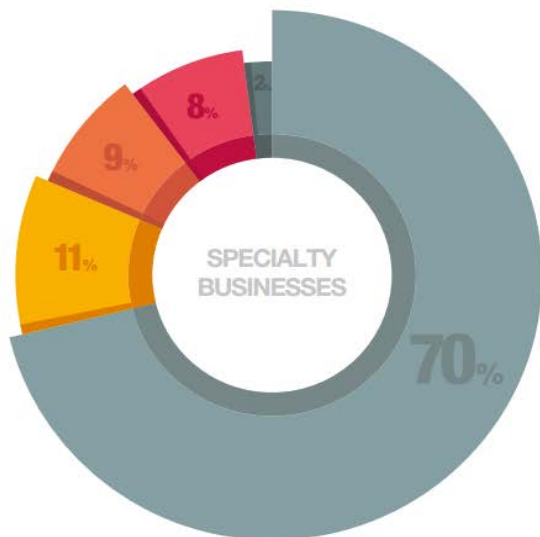
50% of global wiper systems carry the Bekaert wiper solution



Deepsea O&G exploration in Santos Basin, Brazil: 300km off-shore, 2 200m deep, with oil reservoirs nestled in a 2 000m thick salt bed 5 000m below the seabed. A challenge in developing suitable flexible pipe solutions!

BEKAERT

better together



Revenue per sector - 2019

TECHNOLOGY LEADERSHIP

Our market share in steel fibers for concrete reinforcement and in thin metal fiber markets

40%

GROWTH DRIVERS

- technology
- infrastructure spending
- sustainability trends
- lightweight solutions

LOCAL SERVICE THROUGH OUR GLOBAL FOOTPRINT

1492 employees

19 sites

414 million in revenue

OUR AMBITION

expand our leading positions in growth markets and push the boundaries of application opportunities

DID YOU KNOW?



Dramix® steel fibers use 50% of the steel weight of traditional concrete reinforcement solutions and reduce the thickness of concrete slabs up to 15%

4m » 40000km



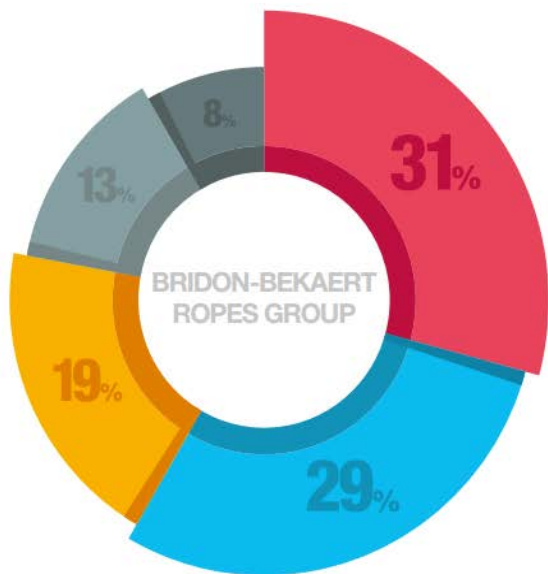
From 4 meters of wire rod, we draw a 1µ thin fiber long enough to span the globe

NEW PRODUCTS AND APPLICATIONS

- ★ Murfor® Compact masonry reinforcement
- ★ Fortifix® asphalt reinforcement
- ★ Aluminum heat exchangers
- ★ Thin metal fibers for smart glazing and (RFID) textiles, hydraulic fluid filtration, sensor technologies, and composite reinforcement

BEKAERT

better together



 Basic Materials (31%)

 Equipment (29%)

 Energy & Utilities (19%)

 Construction (13%)

 Other (8%)

Revenue per sector - 2019

THE WORLD'S PREMIER ROPES AND ADVANCED CORDS SOLUTION PROVIDER

GROWTH DRIVERS

-  technology
-  oil & gas investments
-  mining activity
-  infrastructure spending

LOCAL SERVICE THROUGH OUR GLOBAL FOOTPRINT

 **2 450** employees


 **15** manufacturing plants


 **489** million in revenue

OUR AMBITION

be the leading innovator and provider of the best performing ropes and a-cords globally

DID YOU KNOW?

 Our high-performance ropes challenge temperatures as low as -60 degrees Celcius to mine ores & minerals at extreme depths

 The 165 meter diameter ferris wheel in Singapore uses our ropes to let passengers enjoy the skyline

STEERING FOR GOLD

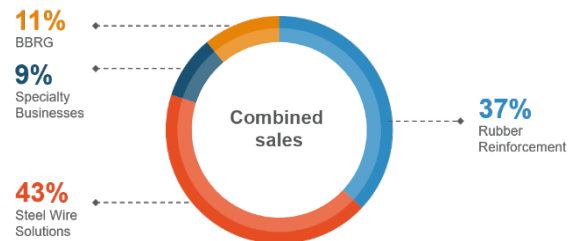
 The steering system of the 2019 winning car in the Australian solar race was equipped with a light-weight a-cord developed by Bridon-Bekaert Ropes Group

 **BEKAERT**

better together

2020 H1 Sales

Consolidated sales	2019	2020	Share	Variance	Organic	FX
Rubber Reinforcement	1 014	709	40%	-30%	-30%	-
Steel Wire Solutions	751	639	36%	-15%	-12%	-3%
Specialty Businesses	202	185	10%	-9%	-8%	-1%
BBRG	242	229	13%	-6%	-4%	-2%
Group	10	9	-	-	-	-
Total	2 218	1 770	100%	-20%	-19%	-1%
Combined third party sales	2 619	2 065	100%	-21%	-17%	-4%



BEKAERT IN BRIEF

- 4 Fact sheet
- 6 High-tech solution provider
- 7 Sustainability ambitions and actions
- 8 Global presence
- 9 Technological and Market leadership



INVESTMENT CASE

- Investing in Bekaert 40
- Strategy - Blue Slide 41
- Profitability: journey and ambition 42
- Dividend policy 43

SEGMENT PERFORMANCE

- 13 Leadership team
- 14 Segmentation and sectorial breakdown
- 15 Segment profile sheets
- 19 1H2020 Sales



FINANCIALS FY2019

- 2019 performance 45
- 2019 EBIT bridge 47
- Income statement Key figures 48
- Ratios 50

GROUP RESULTS H1/2020

- 22 Market developments and Covid-19 impact
- 23 Our response + Financial highlights
- 26 uEBIT bridge
- 28 Segment reports + Consolidated statements
- 35 Outlook
- 36 Debt maturity profile – Net debt leverage



OTHER

- News updates 52
- History 53
- Product and Market Portfolio 54
- Contact information 61



H1 2020

Bekaert counters significant impact of Covid-19 through effective mitigating measures and performance improvements

The turnaround of SWS and BBRG and the effectiveness of implemented measures moderate the impact of Covid-19 on the Rubber Reinforcement business

 **BEKAERT**

better together



- Demand from **tire and automotive markets**

- Hit hard, first in China and quickly followed in the rest of the world
- Up to -30% drop in global car/truck production over the first half
- Global tire demand reduction: -40% on average in Q2 ; lowest point in April



Tire cord
Bead wire
Heat resistant textiles
Micro-cables
Window regulator cord



- **Construction and infrastructure markets**

- Held up relatively well in the first quarter of 2020
- Constrained by lockdowns in Q2: up to -20% (depending on the region)
- Stimulus programs start to boost infrastructure investment in China



Dramix® fibers
Masonry reinforcement
Construction strand & ropes
Welded mesh
Elevator hoisting cords
Burners & heat exchangers



- Demand from **agriculture, utility, and mining markets**

- Remained relatively solid throughout the first half (up to -10% impact)
- Currently less affected by the Covid-19 pandemic
- Considered 'essential industries'



Agri fencing solutions
Power cable armoring
Conductor strands
Mining ropes

Our response



Health & Safety

- Early, rigorous measures to limit infection risks
- Awareness among team members and their families
- Early promotion of smart working



Customer Centricity

- Close contact to understand current and future needs
- Ensure customers do not suffer from supply interruptions
- Reinforce digital tools and practices



Liquidity & Cost

- Strict control on working capital and cash collection risk
- Stringent capex and cost control + flexing of fixed cost
- Positive cash flows and strong liquidity



Profit Restoration

- Acceleration of the turnaround of SWS and BBRG
- Robust improvement in business mix and margins
- Impactful mitigating actions



Supply Chain Mgt

- Secured supplies of critical products to avoid interruptions
- Adequate sourcing activities aligned with sales evolution
- Global virtual supplier campaign



- Effective governance and coordination in aligning decisions and actions in managing this crisis
- Communication streams and channels across the business and the regions
- Focus on emerging stronger from the crisis and anticipating risk and opportunity in our markets and in our business

H1 2020 Financial Highlights

- Underlying EBIT margin of 5.2% (5.7% H1 2019) on a revenue decrease of -20%
- Robust performance improvement SWS and BBRG – SB remaining strong – RR significantly affected
- Proactive actions and mitigating response to Covid-19: reduction of cost and working capital
- Stronger business mix
- Very strong liquidity: € 834 million euro cash on hand, doubling 30 June 2019 levels
- Debt leverage at 2.5x underlying EBITDA, slightly below H1 2019 (2.6x)

Sales



-20%

uEBIT



5.2%

Measures



cost – capex
working capital

Business mix



stronger

Liquidity



x2

 **BEKAERT**

better together

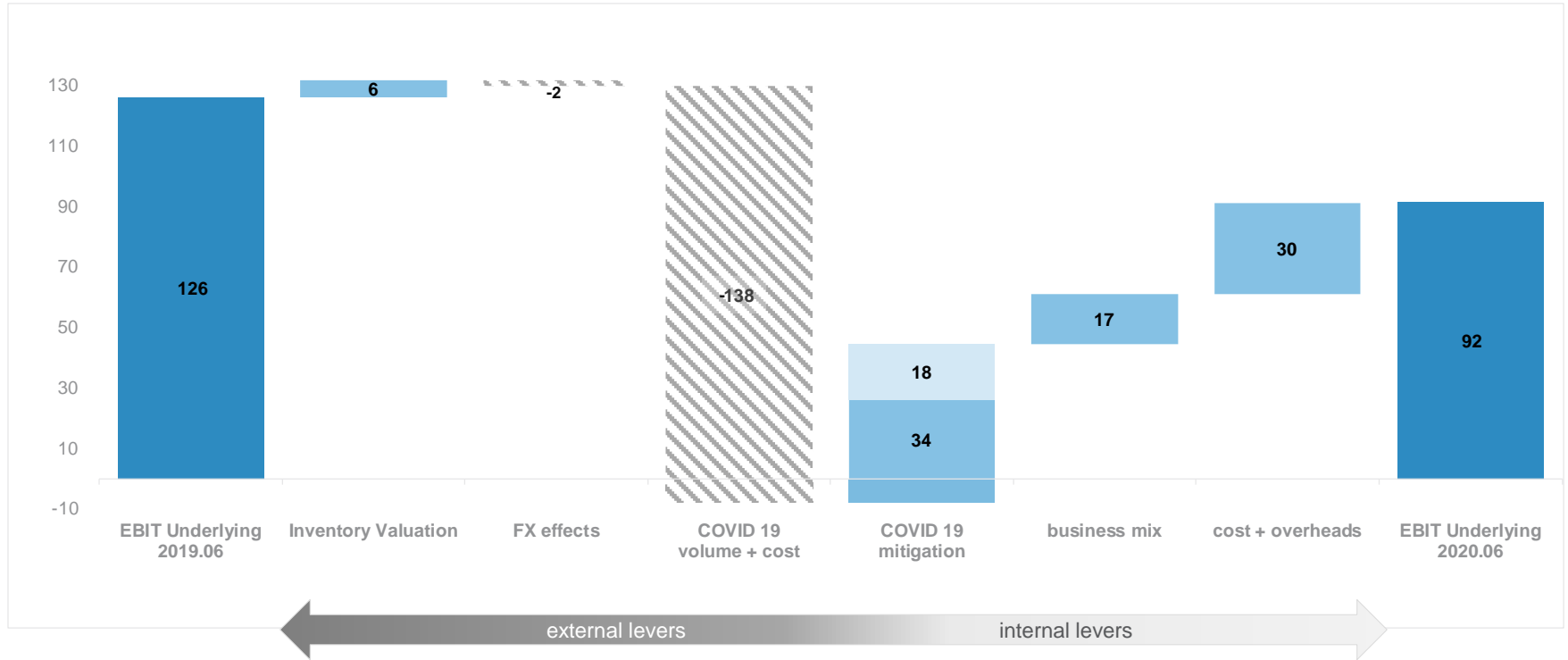
H1 2020 Financial Highlights

H1	2019	2020	Δ yoy	%
Sales	2 218	1 770	-448	-20%
EBITDA-underlying	239	194	-45	-19%
EBIT-underlying	126	92	-34	-27%
% EBITDA-underlying	10.8%	11.0%	+0.2pp	+2%
% EBIT-underlying	5.7%	5.2%	-0.5pp	-9%
Working Capital	956	720	-236	-25%
Net Financial Debt	1 253	955	-298	-24%
Net debt on EBITDA-underlying	2.6	2.5	-0.1pp	-4%

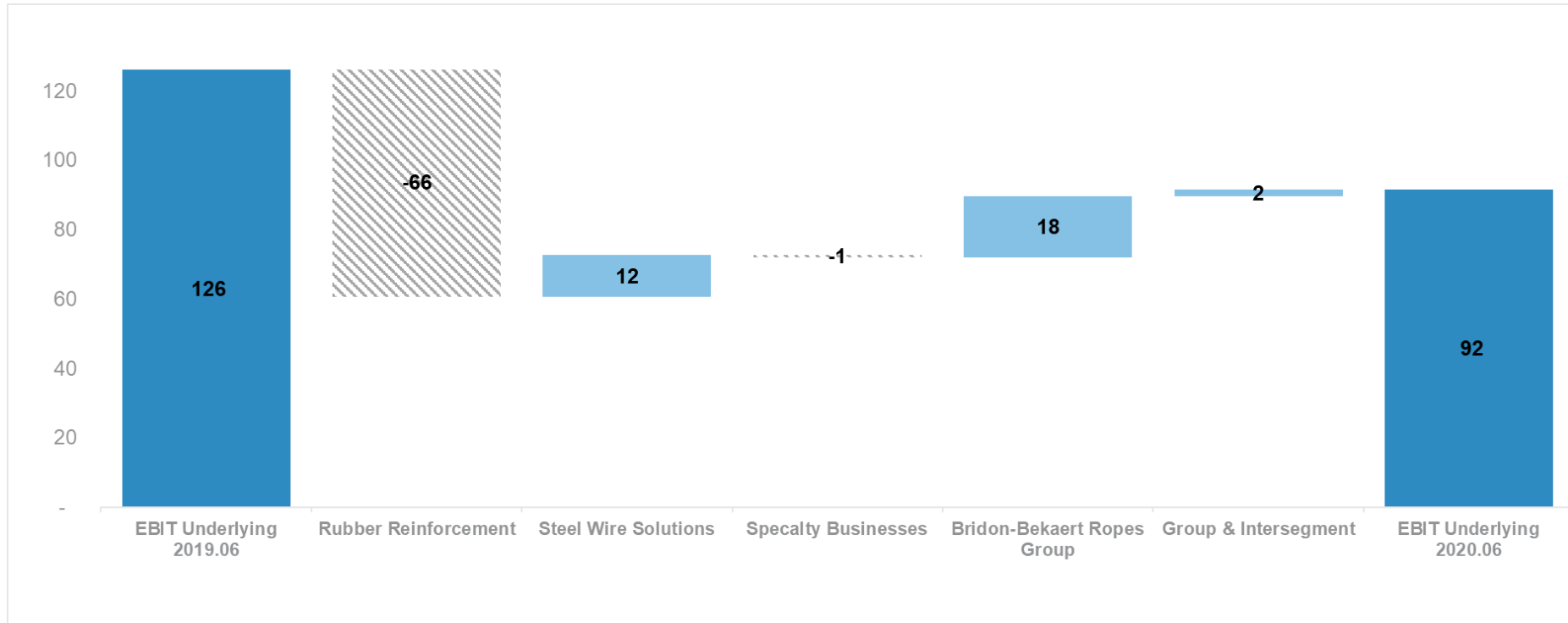
 **BEKAERT**

better together

EBIT-Underlying bridge



EBIT-Underlying bridge by Business Unit



Rubber Reinforcement: significantly affected by Covid-19 impact on tire & automotive markets in Q2

(in mio €)

	Underlying		Reported	
	H1 2019	H1 2020	H1 2019	H1 2020
Consolidated third party sales	1 014	709	1 014	709
Consolidated sales	1 031	725	1 031	725
Gross profit	126	55	123	54
EBIT	94	28	91	27
EBIT margin	9.1%	3.9%	8.8%	3.7%
EBITDA	157	81	154	79
EBITDA margin	15.3%	11.1%	15.0%	10.9%
ROCE	13.6%	4.7%	13.2%	4.5%

- Consolidated sales contracted by -30% or €-300 million.
- Volumes decreased by -25% (-36% in Q2) and the impact of passed-on wire rod price changes and other price-mix effects was -5%.
- Gross profit was -56% below H1 last year.
- Underlying EBIT decreased by €-65.5 million, resulting in a margin on sales of 3.9%.
- Underlying EBITDA margin of 11.1%

Steel Wire Solutions: robust profit improvement on lower sales

(in mio €)

	Underlying		Reported	
	H1 2019	H1 2020	H1 2019	H1 2020
Consolidated third party sales	751	639	751	639
Consolidated sales	778	655	778	655
Gross profit	82	93	82	93
EBIT	28	40	26	39
EBIT margin	3.5%	6.0%	3.4%	5.9%
EBITDA	55	67	53	64
EBITDA margin	7.1%	10.2%	6.9%	9.8%
ROCE	7.9%	13.7%	7.6%	13.4%

- Steel Wire Solutions reported -15% lower consolidated sales. This stemmed from a volume decline of -11%, passed-on wire rod price changes and other price-mix effects (-1%) and unfavorable currency movements (-3%).
- Gross profit increased by 12.6% to €93 million due to an improved business mix and footprint optimization, stringent cost control, and impactful Covid-19 mitigation actions.
- Underlying EBIT increased by +44% to reach a solid margin on sales of 6% and underlying EBITDA improved accordingly to a double-digit margin of more than 10%.

Specialty Businesses: continued strong profit contribution

(in mio €)

	Underlying		Reported	
	H1 2019	H1 2020	H1 2019	H1 2020
Consolidated third party sales	202	185	202	185
Consolidated sales	208	188	208	188
Gross profit	60	57	54	56
EBIT	25	24	18	23
EBIT margin	12.0%	12.9%	8.6%	12.0%
EBITDA	33	31	27	30
EBITDA margin	15.7%	16.6%	13.2%	15.7%
ROCE	20.7%	20.1%	14.7%	18.7%

- Specialty Businesses reported a decrease of -8.5% in sales, driven by lower demand in the second quarter, both in Building Products (-10%) and Fiber Technologies (-10%). Combustion Technologies reported a moderate decrease and sales in Sawing Wire activities remained limited.
- Underlying EBIT was slightly below last year but the margin on sales improved to 12.9% and the underlying EBITDA margin increased to a robust 16.6%.

Bridon-Bekaert Ropes Group (BBRG): exceptionally strong step-up in performance

(in mio €)

	Underlying		Reported	
	H1 2019	H1 2020	H1 2019	H1 2020
Consolidated third party sales	242	229	242	229
Consolidated sales	244	230	244	230
Gross profit	41	50	43	50
EBIT	6	24	8	24
EBIT margin	2.6%	10.3%	3.4%	10.3%
EBITDA	19	39	19	39
EBITDA margin	8.0%	17.2%	7.9%	17.2%
ROCE	2.6%	10.0%	3.4%	10.0%

- BBRG reported a **sales** decline of -5.6%, driven by lower volumes. Part of the volume decrease was a result of BBRG's strategy to reduce its presence in lower margin applications.
- The business unit delivered an **underlying EBIT** of €24 million, four times the result of the same period last year and reaching an underlying EBIT margin on sales of 10.3% (versus 2.6% in the same period last year). **Underlying EBITDA** reached an exceptionally strong margin of 17.2%.

Consolidated income statement: key figures

(in mio €)

	Underlying		Reported	
	H1 2019	H1 2020	H1 2019	H1 2020
Sales	2 218	1 770	2 218	1 770
Cost of sales	(1 909)	(1 518)	(1 916)	(1 521)
Gross profit	309	252	302	249

- Sales decreased by -20.2%:
 - -17.7% organic volume decline (-26.5% in Q2)
 - -1.1% passed-on wire rod price changes and other price-mix elements
 - -1.4% unfavorable impact of exchange rate movements
- Underlying **Gross profit** decreased by €-56.7 million (-18.3%) but increased as a margin on sales to 14.3% (13.9% in H1 last year):
 - adverse cost of sales and margin impact from a significant decrease in volumes
 - positive mix effects from growth in good margin businesses
 - robust progress in the profit restoration of BBRG and Steel Wire Solutions
 - mitigation actions in response to COVID-19 impact
 - unfavorable impact from currency movements

Consolidated income statement: key figures

(in mio €)	Underlying		Reported	
	H1 2019	H1 2020	H1 2019	H1 2020
Gross profit	309	252	302	249
Selling expenses	(88)	(81)	(89)	(81)
Administrative expenses	(70)	(59)	(71)	(60)
R&D expenses	(33)	(25)	(33)	(26)
Other operating revenue and expenses	8	4	7	4
EBIT	126	92	115	87
EBIT margin	5.7%	5.2%	5.2%	4.9%
EBITDA	239	194	226	188
EBITDA margin	10.8%	11.0%	10.2%	10.6%

- **Overheads** decreased by € -25.9 million.
 - full impact of restructuring and structural savings actions implemented in the second half of 2019
 - mitigation actions taken in response to COVID-19 (€ -17.6 million)
- Underlying **EBIT** decreased by € -34.5 million to €91.5 million
- Underlying EBIT margin on sales was 5.2%, a relatively slight decrease on 20% lower sales.
- Underlying **EBITDA margin** improved to 11.0%.

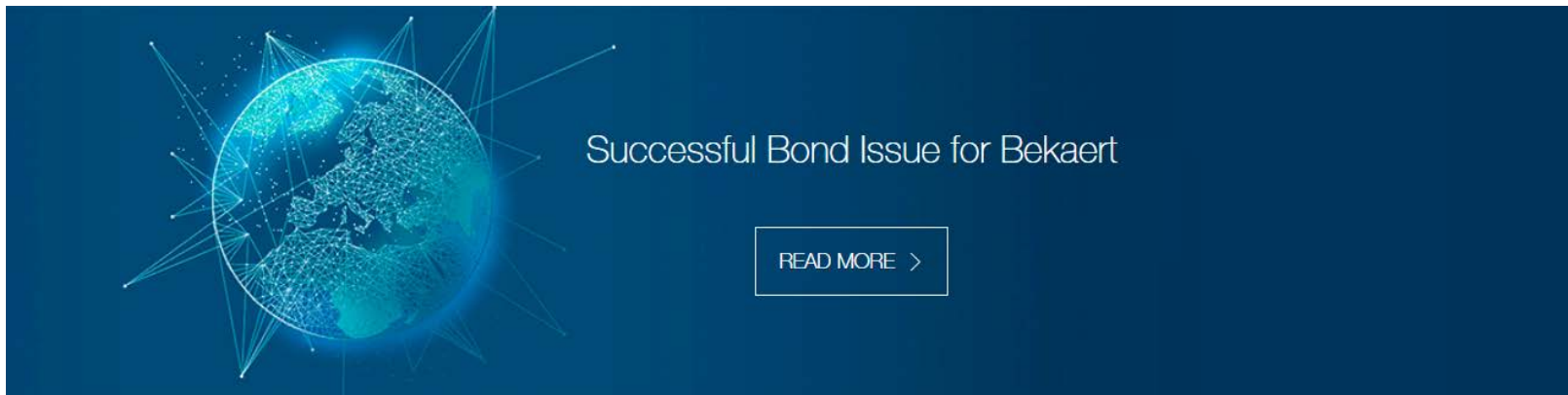
- CAPEX in PP&E: €37 million, €-11 million below the level in H1 last year
- In July 2020, Bekaert reached final agreements with buyers on the sale of properties in Belgium:
 - Hemiksem land: net cash impact of € +23 million and income statement impact of € +36 million in Q4
 - Moen plant and small factory building in Zwevegem: net cash impact of € +10 million in Q4

- We project a gradual recovery in tire markets in the remainder of the year
- Demand evolutions in other markets are more difficult to project in the current economic environment
- We will continue to implement mitigating actions and other improvement measures
- We expect continued impact from the progress made in strengthening our resilience



The current evolutions and potential second wave risk of the Covid-19 pandemic continue to create a high level of uncertainty.

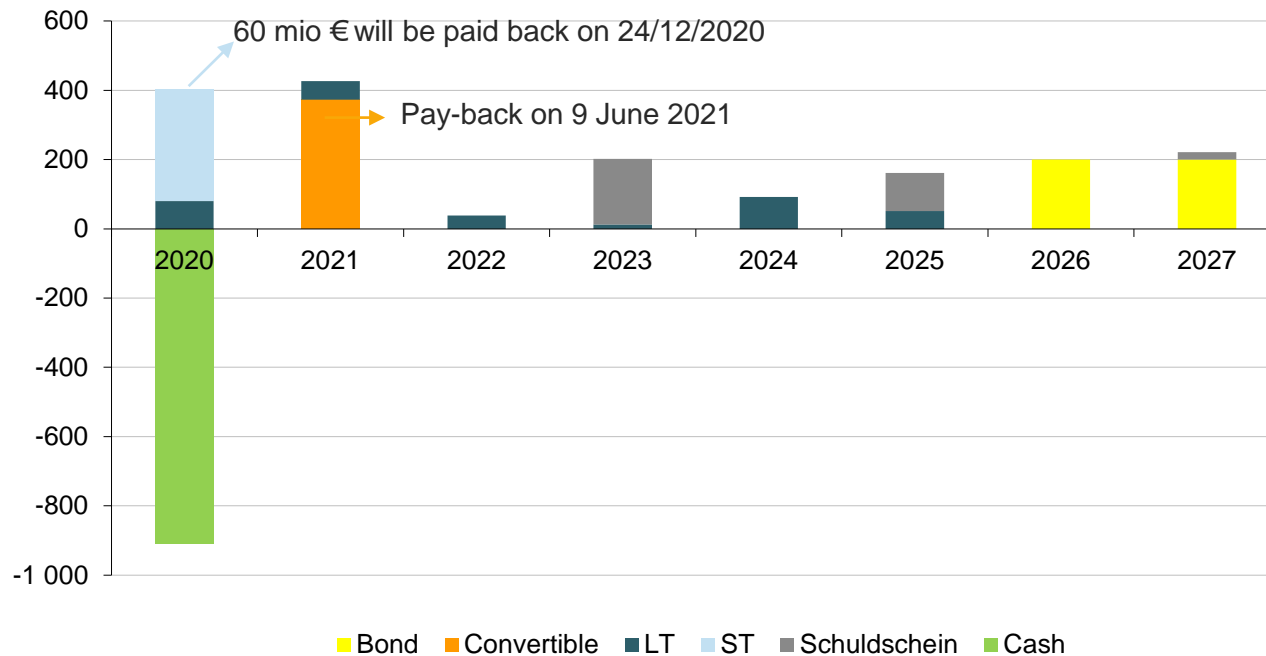
In this context, we have limited visibility on the full-year impact in our markets and our business.



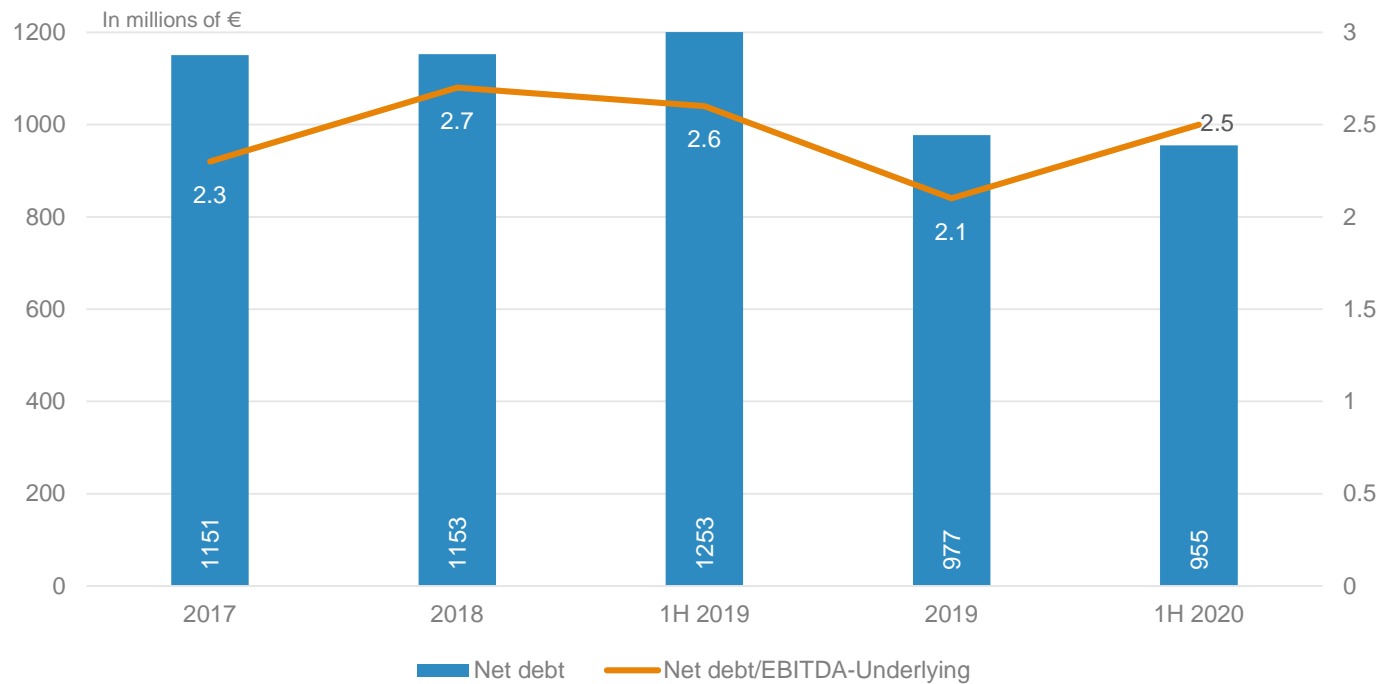
- **New retail bond issue** (€ 200 mln – 7 years – 2.75% annual gross coupon): (over)subscribed in one day – settlement date is 23 October. Proceeds will be used to pay back the convertible bond (€ 380 mln) maturing in June 2021.
- **Liquidity and cash generation** are strong and allow:
 - Pay-back of EIB loan in early October 2020 without refinancing (€ 75 mln)
 - Pay-back of retail bond on 17 October 2020 without refinancing (€ 46 mln)
 - Pay-back of € 190 mln drawdown on credit lines
 - Pay-back of part of the convertible bond maturing in 2021 from cash (€ 180m)

Debt maturity table

In millions of €



Net debt and leverage evolution



BEKAERT IN BRIEF

4	Fact sheet
6	High-tech solution provider
7	Sustainability ambitions and actions
8	Global presence
9	Technological and Market leadership



INVESTMENT CASE

Investing in Bekaert	40
Strategy - Blue Slide	41
Profitability: journey and ambition	42
Dividend policy	43

SEGMENT PERFORMANCE

13	Leadership team
14	Segmentation and sectorial breakdown
15	Segment profile sheets
19	1H2020 Sales



FINANCIALS FY2019

2019 performance	45
2019 EBIT bridge	47
Income statement Key figures	48
Ratios	50

GROUP RESULTS H1/2020

22	Market developments and Covid-19 impact
23	Our response + Financial highlights
26	uEBIT bridge
28	Segment reports + Consolidated statements
35	Outlook
36	Debt maturity profile – Net debt leverage



OTHER

News updates	52
History	53
Product and Market Portfolio	54
Contact information	61

Investing in Bekaert is taking part in



- The growth ambitions of a world market and technology leader
- A transformation towards 7% underlying EBIT margin over the medium term and higher beyond



- A high-tech solution provider focusing on product and application innovations in attractive growth markets
- Technology and Innovation priorities aligned with the megatrends that will shape our future



- Our drive to develop durable solutions for renewable energy projects, carbon-free heating systems and a significant emission reduction of vehicles
- Ambitious targets to reduce the company's carbon footprint



- A corporate socially responsible company with 28 000 motivated employees worldwide
- Bekaert's commitment to return value to its shareholders

Our Vision - Our Field of Play

Consistent with our *better together* aspiration, we relentlessly pursue to be the preferred supplier for our steel wire products and solutions, by continuously delivering superior value to our customers around the world.

» Goal Statement for the Heart

Drive value creation through a One Bekaert Team with the passion to win, operating in a no-harm-to-anyone working environment

» Goal Statement for the Head

Increase: Revenue
Profit
ROCE

» Our Long Term Core Strategies

1. Drive the customer into the heart of our business
2. Value driven growth
3. Technology leadership and speed
4. Leverage scale, reduce complexity and reach lowest total cost
5. Engage and empower people

» Our Immediate Must Win Battles

1. Advance customer excellence
2. Accelerate profit restoration
3. Improve organizational efficiency
4. Enhance operational excellence
5. Re-energize growth and innovation

@ BEKAERT

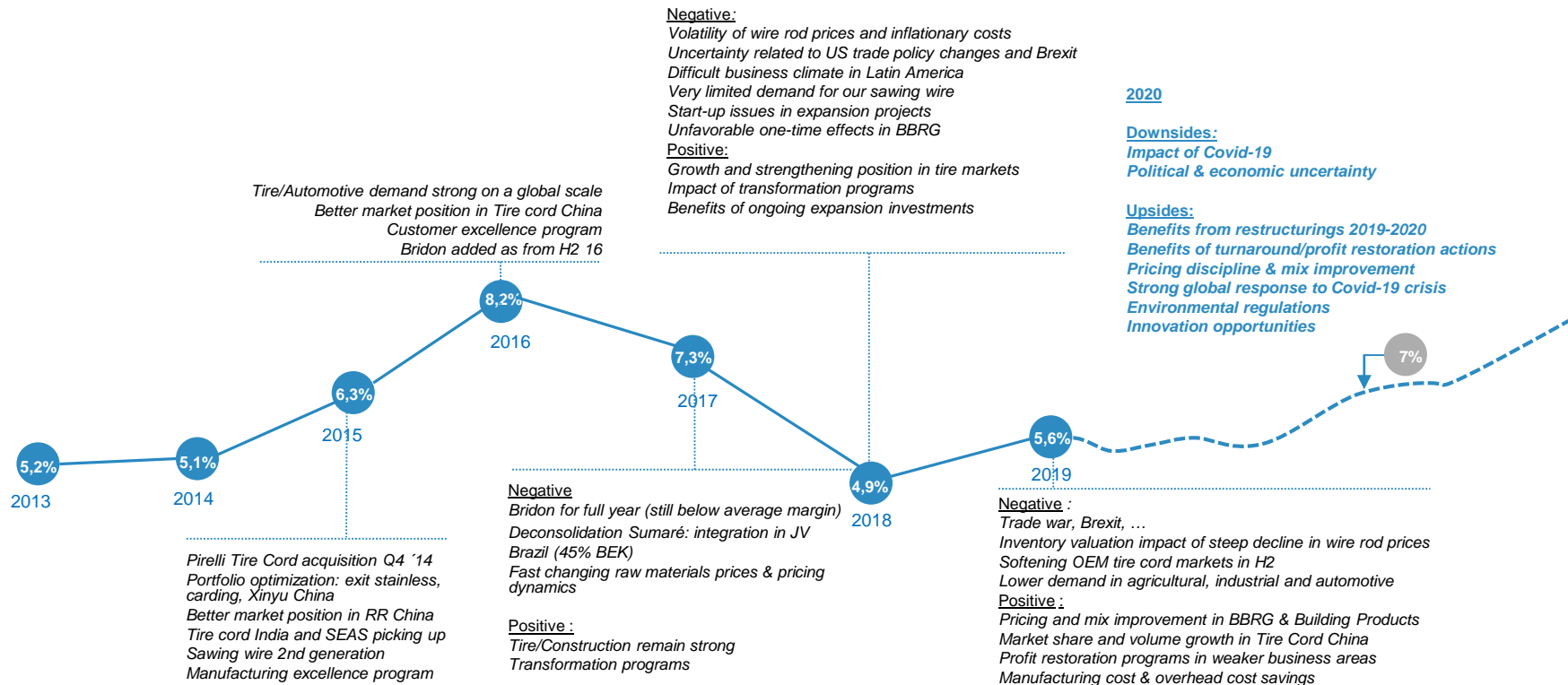
better together

Our Values

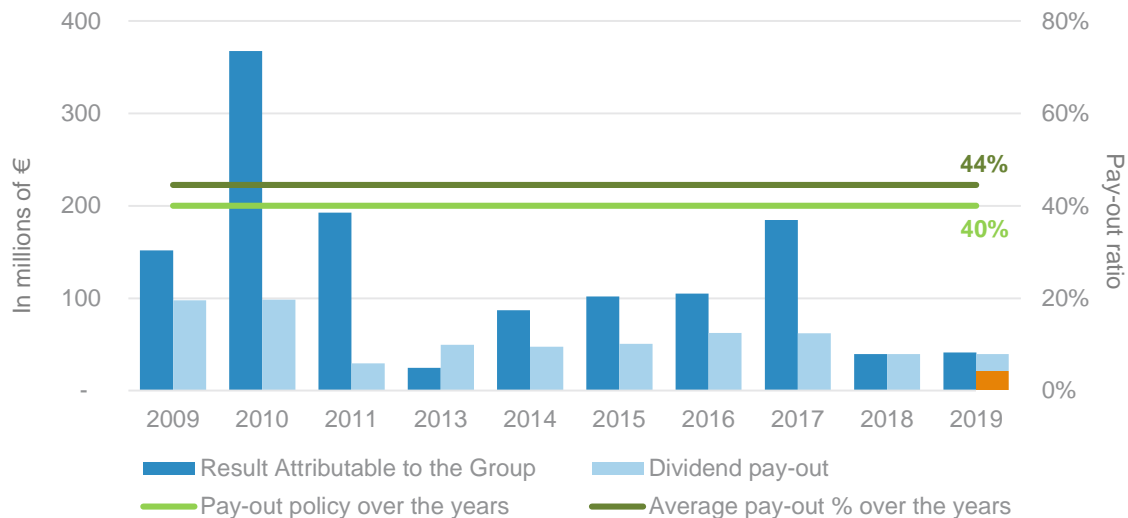
We act with integrity - We earn trust - We are irrepensible!



The Bekaert journey since 2013 + Our Ambition



Dividend policy



It is the policy of the Board of Directors to propose a profit appropriation to the General Meeting of Shareholders which, insofar as the profit permits, provides a **stable or growing dividend** while maintaining an adequate level of cash flow in the company for investment and self-financing in order to support growth.

In practice, this means that the company seeks to maintain a pay-out ratio of around **40%** of the result for the period attributable to equity holders of Bekaert, over the longer term.

In view of all measures taken by Bekaert to mitigate, as far as possible, the impact of the Covid-19 pandemic on the Group's profitability and liquidity, the Annual General Meeting approved to halve the initially proposed dividend to 35 eurocent and to postpone the dividend payment to November 2020.

BEKAERT IN BRIEF

4	Fact sheet
6	High-tech solution provider
7	Sustainability ambitions and actions
8	Global presence
9	Technological and Market leadership



INVESTMENT CASE

Investing in Bekaert	40
Strategy - Blue Slide	41
Profitability: journey and ambition	42
Dividend policy	43

SEGMENT PERFORMANCE

13	Leadership team
14	Segmentation and sectorial breakdown
15	Segment profile sheets
19	1H2020 Sales



FINANCIALS FY2019

2019 performance	45
2019 EBIT bridge	47
Income statement Key figures	48
Ratios	50

GROUP RESULTS H1/2020

22	Market developments and Covid-19 impact
23	Our response + Financial highlights
26	uEBIT bridge
28	Segment reports + Consolidated statements
35	Outlook
36	Debt maturity profile – Net debt leverage



OTHER

News updates	52
History	53
Product and Market Portfolio	54
Contact information	61

2019 Sales

Consolidated third party sales	2018	2019	Share	Variance	Organic	FX
Rubber Reinforcement	1 908	1 953	45%	+2%	+1%	+2%
Steel Wire Solutions	1 497	1 448	34%	-3%	-4%	+1%
Specialty Businesses	411	414	10%	+1%	=	+1%
BBRG	463	489	11%	+5%	+4%	+1%
Group	26	19	-	-	-	-
Total	4 305	4 322	100%	+0.4%	-0.7%	+1.3%
Combined third party sales	5 074	5 132		+1.1%	+0.5%	+0.7%



2019 Financial Highlights

	2018	2019	Δ yoy	%
Sales	4 305	4 322	+17	+0.4%
EBITDA-underlying	426	468	+42	+9.9%
EBIT-underlying	210	242	+32	+15.1%
One-off items	(63)	(87)	-24	37.4%
Result of the period	3	48	+45	-
% EBITDA-underlying	9.9%	10.8%	0.9pp	+9.1%
% EBIT-underlying	4.9%	5.6%	0.7pp	+14.7%
% ROCE-Underlying	8.0%	9.5%	1.5pp	+18.8%
Working Capital	875	699	-176	-20.1%
Net Financial Debt	1 153	977	-176	-15.3%
Change in Working Capital	(13)	(176)	-163	-
Net debt on EBITDA-underlying	2.7	2.1		-22.2%
CAPEX (PP&E)	198	98	-100	-50.5%

Improvement Actions and Results



- Market share increase RR China
- Better pricing
- Improved mix from better segmentation



- Cost savings from manufacturing excellence programs



- Organizational efficiencies from deploying new organizational structure

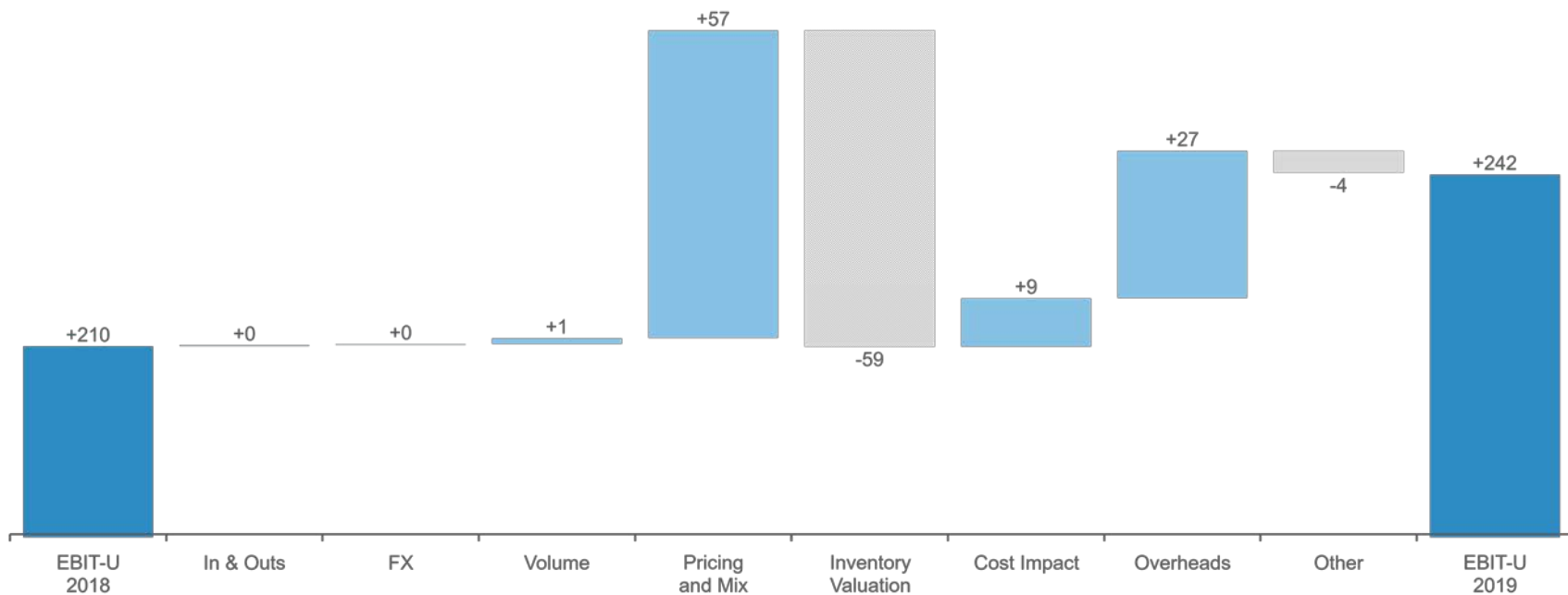


- Turnaround and restructuring programs
- Overhead reduction
- Less interest expenses from refinancing



- Strong reduction working capital
- Stringent CAPEX control
- Net debt / underlying EBITDA at 2.1

EBIT-Underlying bridge: by result driver



Consolidated income statement: key figures

(in mio €)

	Underlying		Reported	
	2018	2019	2018	2019
EBIT	210	242	147	155
EBIT margin	4.9%	5.6%	3.4%	3.6%
EBITDA	426	468	387	403
EBITDA margin	9.9%	10.8%	9.0%	9.3%
ROCE	8.0%	9.5%	5.6%	6.1%

- Improvement in **EBIT**, **EBITDA** and **ROCE**
- The difference between Underlying and Reported is due to one-off elements. Full disclosure of one-offs: cf page 39.

Consolidated income statement: one-off items

(in mio €)	2018	2019
EBIT - Underlying	210	242
Restructuring programs	(62)	(82)
Rubber Reinforcement	(25)	(15)
Steel Wire Solutions	2	(23)
Specialty Businesses	(18)	(16)
Bridon-Bekaert Ropes Group (BBRG)	(13)	(5)
Group	(8)	(23)
Other	(1)	(4)
EBIT	147	155

2018:

- € -63 million one-off items:
 - € -62 million from restructuring programs and € -1 million other
 - net effect of € -108 million one-off costs and € +45 million one-off revenues
- Main elements in one-off costs:
 - RR: Figline (Italy plant closure)
 - SWS: restructurings in Latin America and Shah Alam Malaysia
 - SB: asset impairments sawing wire + closure of Dramix® plant in Costa Rica
 - BBRG: expenses turnaround program and restructuring Brazil
- Main elements in one-off revenues:
 - RR: the gain on the sale of land and buildings of Huizhou (China)
 - SWS: the gain on the sale of land and buildings in Shah Alam (Malaysia)

2019:

- € -87 million one-off items:
 - € -82.4 million related to restructuring
 - € -4.4 million from losses incurred as a result of go-slow actions in a number of sites, partly offset by positive depreciation adjustments in BBRG
- Main elements in one-off costs:
 - RR: Rome (US, relocation)
 - SWS: plant closures Ipoh (Malaysia) and Shelbyville (US)
 - SB: Dramix® plant closures in Costa Rica and Belgium
 - BBRG: restructuring programs in EMEA
 - Lay-offs in Group functions (mainly Belgium)
- No one-off revenues in 2019

Ratios: key figures

	Underlying		Reported	
	2018	2019	2018	2019
Gross profit margin	13.6%	13.6%	12.2%	12.2%
EBITDA margin	9.9%	10.8%	9.0%	9.3%
EBIT margin	4.9%	5.6%	3.4%	3.6%
Sales on capital employed (asset rotation)	1.6	1.7	1.6	1.7
Return on capital employed (ROCE)	8.0%	9.5%	5.6%	6.1%
Return on equity (ROE)			0.2%	3.2%

(in mio €)	2018	2019
Net financial debt	1 153	977
Gearing (net debt to equity)	76.0%	63.8%
Net debt on EBITDA (underlying)	2.7	2.1
Net debt on EBITDA (reported)	3.0	2.4

- As per introduction of IFRS 16 (Leases), € 83.5 million additional net debt was recognized.
- Improvement of Underlying EBITDA following IFRS 16: € 25.1 million.
- Impact IFRS 16 on Net Debt to EBITDA (underlying): would have been 2.0 instead of 2.1.

BEKAERT IN BRIEF

4	Fact sheet
6	High-tech solution provider
7	Sustainability ambitions and actions
8	Global presence
9	Technological and Market leadership



INVESTMENT CASE

Investing in Bekaert	40
Strategy - Blue Slide	41
Profitability: journey and ambition	42
Dividend policy	43

SEGMENT PERFORMANCE

13	Leadership team
14	Segmentation and sectorial breakdown
15	Segment profile sheets
19	1H2020 Sales



FINANCIALS FY2019

2019 performance	45
2019 EBIT bridge	47
Income statement Key figures	48
Ratios	50

GROUP RESULTS H1/2020

22	Market developments and Covid-19 impact
23	Our response + Financial highlights
26	uEBIT bridge
28	Segment reports + Consolidated statements
35	Outlook
36	Debt maturity profile – Net debt leverage



OTHER

News updates	52
History	53
Product and Market Portfolio	54
Contact information	61

Successful Bond Issue for Bekaert *09 Oct 2020*

EN > FR > NL >

€200 million bond (over) subscribed in one day

Bekaert to issue Retail Bonds *07 Oct 2020*

EN > FR > NL >

Launch of €200 million retail bond – 7 years

Bekaert and Almasa seek to merge steel wire activities in Colombia *28 Sep 2020*

EN > FR > NL >

Merger of steel wire players in Colombia

Industry Leaders Sign Floating Offshore Wind Strategic Partnership And Develop New Product *04 Sep 2020*

Floating offshore wind partnership with Ideol

Bekaert: 2020 first half-year results *31 Jul 2020*

EN > FR > NL >

H1 2020 results

Bekaert sells Hemiksem (Belgium) site to consortium of project developers *10 Jul 2020*

EN > FR > NL >

Sale of real estate: €+36 million P&L impact

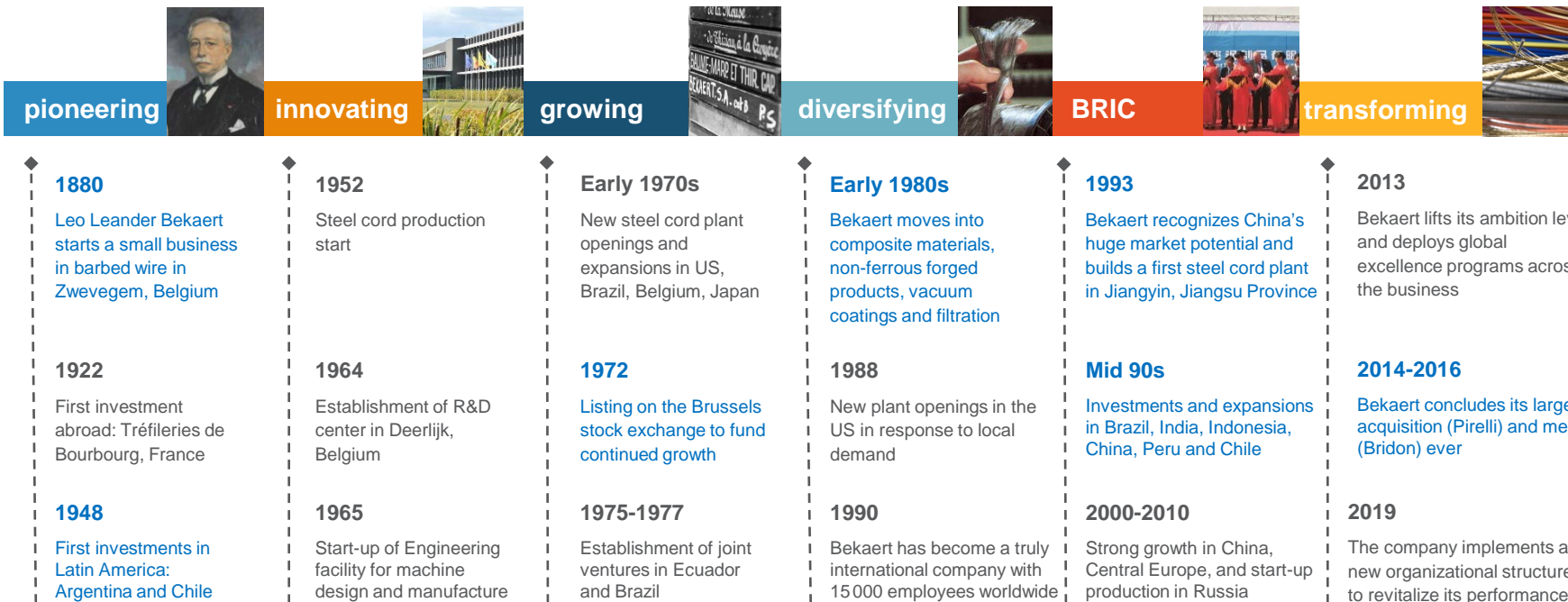
Bekaert to source 55 per cent of US electricity needs from renewable energy *08 Jul 2020*

Entering VPPA to source 55% of US electricity needs from wind energy

Bekaert Moves US Dramix® Production Activities to Wilkes-Barre, PA *03 Jul 2020*

Move of Dramix® activities to BBRG plant in US

History



Tire & Automotive (46%)

In the tire & automotive sector, we set ourselves apart by consistently creating high-quality and innovative products that are tailored to our customers' needs. We supply specialized wire products that meet the highest quality standards.

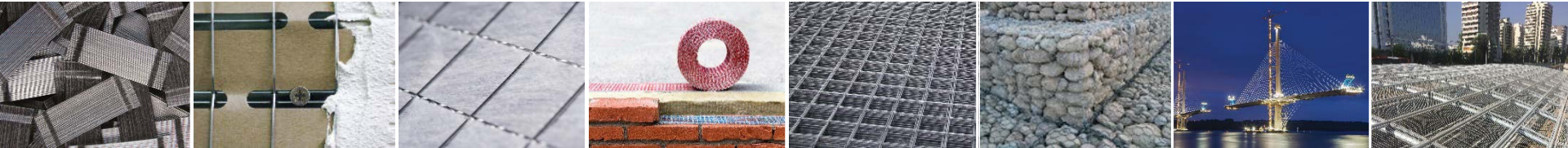
- tire cord
- bead wire
- wires for windscreen wiper arms and blades
- wires and cables for window systems
- heating cord
- heating cables for SCR tubes and tanks
- clutch spring wire
- wheel weights
- steering column profiles
- insulation wire and fiber yarns for car seat heating
- conductive yarns in tires
- metal fiber media for exhaust filtration, etc.



Construction (18%)

By offering wire, mesh and fiber products in numerous construction applications, we seek out more environment-friendly solutions with a focus on better materials, greater safety, improved ease-of-use and lower energy consumption, all with an eye on cost-efficiency.

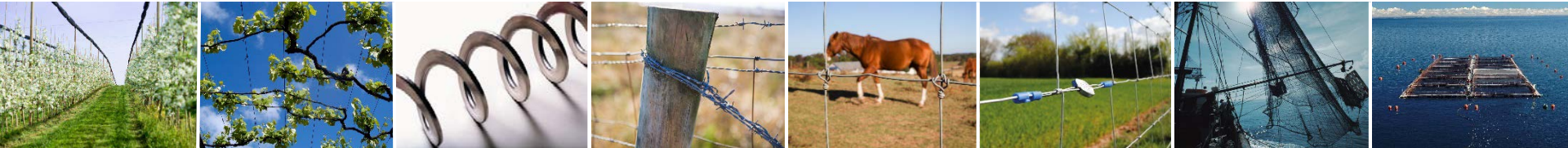
- Dramix® steel fibers for concrete reinforcement
- Stucanet® plaster lath
- Mesh Track® and Fortifix® road reinforcement
- Murfor® and Murfor® Compact masonry reinforcement
- wires and cables for hoisting applications
- a-cords for elevators
- welded mesh
- gabions
- steel strands for cable stay bridges
- prestressed concrete strands
- post-tensioning strands
- environmentally friendly gas burners
- residential, public and industrial fencing solutions
- etc.



Agriculture (8%)

Across the agricultural sector, Bekaert provides innovative solutions that make day-to-day work easier. Through our global footprint and our mix of trading and manufacturing, we can offer total packages to our customers.

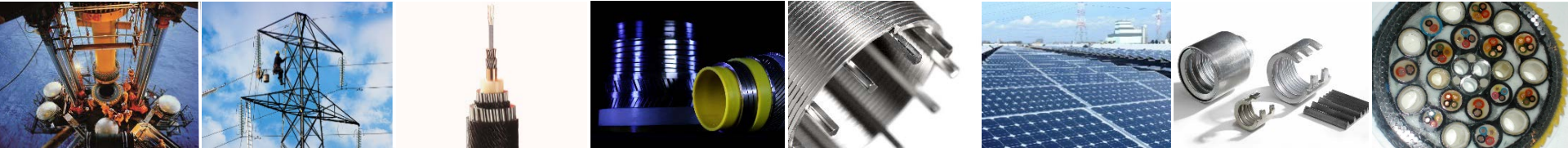
- tensioning wire for plant support and binding
- vineyard wire
- spiral wire for the livestock feed industry
- barbed wire
- fencing systems
- fishing ropes
- etc.



Energy & Utilities (8%)

Whether it concerns onshore or offshore oil extraction, gas mining, power transmission, solar energy, or even telecommunications, Bekaert products are key contributors to sustainable, safer and more cost-efficient operations.

- wire and ropes for oil and gas exploration
- steel wires and strands for overhead power lines
- telecom armoring wire
- profiled wires for flexible pipes
- profiled wires for wedge filters
- sawing wire / diamond wire
- hose coupling
- etc.

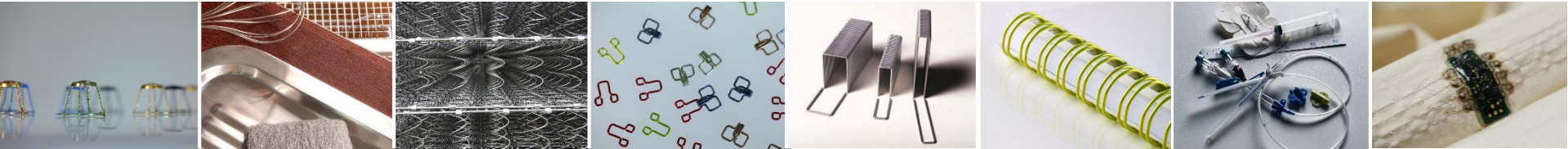


Consumer goods (7%)

As ever higher quality and comfort standards and functionalities are required, the demand for more advanced coated steel wire products evolves accordingly.

Often unknown, but always there: Bekaert is a part of the products we all use every day.

- champagne cork wire
- wire for kitchen utensils
- spring wire for bedding and seating
- brassiere wire
- staple wire
- bookbinding and stitching wire
- Bezinal® XP/XC spring wire for medical instruments
- stainless steel fibers for smart clothing
- stainless steel fibers for composite materials
- etc.



Basic Materials (7%)

Many Bekaert products are used in exploring and producing raw materials, from coal and metals to pulp and paper, to chemicals and textiles. We make cable and wefts for conveyor belts that are used across many industries. We continue to find new ways to span every step of the value chain.

- steel ropes for mining applications
- sintered metal fiber filtration media
- heat-resistant separation materials
- fibers for conductive and protective clothing
- pulp baling wire
- Fleximat® steel cord fabric for mining belts
- etc.



Equipment (6%)

Bekaert supplies heavy equipment makers and operators with a range of specialized steel wire products. As we build our own proprietary machinery, we know exactly what it means to make high-performance equipment. This allows Bekaert to focus on innovation and machine makers to focus on operational excellence.

- hoisting ropes for cranes
- shovel ropes
- Bezinal® XP/XC coated spring wires
- brush wire
- Fleximat® for conveyor belts
- hose reinforcement wire
- Syncrocord® a-cords reinforcing synchronous belts
- customized profiled components
- fiber media for sound attenuation
- etc.



Contact

Investor Relations :	Katelijan Bohez	+32 56 76 66 10	katelijan.bohez@bekaert.com
	Dries Van Hamme	+32 51 33 34 23	dries.vanhamme@bekaert.com
Documentation :	Christine Clarysse	+32 56 76 66 13	christine.clarysse@bekaert.com

Shareholders, investors and other interested parties wishing to receive the Group's annual report, the shareholders guide, the annual accounts of NV Bekaert SA or other information published by the Group may contact the Investor Relations department at any time.

Agenda:	Dividend payable (new date)	20 November	2020
	Third quarter trading update 2020	20 November	2020

Disclaimer

This presentation may contain forward-looking statements. Such statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Bekaert is providing the information in this brochure as of its date and does not undertake any obligation to update any forward-looking statements contained in this brochure in light of new information, future events or otherwise. Bekaert disclaims any liability for statements made or published by third parties and does not undertake any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other publication issued by Bekaert.



EN

Contact Us

Successful Bond Issue for Bekaert

READ MORE >

Investors



Our Shareholders



Let's meet



Our Performance



The Bekaert Share



Financing



Corporate Governance



Analyst Research



Information Center





 **BEKAERT**

better together