

Bekaert Investor Presentation

November 2022

 **BEKAERT**

better together

Introduction to Bekaert

Global technology and market leader in steel wire transformation and coating technologies – and beyond

GLOBAL LEADERSHIP

Global technology and market leader in steel wire transformation and unique coating technologies

27 000 employees providing solutions to customers in 130 countries

Focus on innovative and sustainable solutions in target sectors

STRONG EXECUTION

Consistent growth across key performance metrics since 2018

Rapid recovery well above pre-pandemic levels as strategic plan is implemented

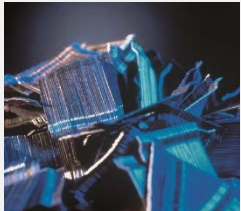
Well-positioned to grow into adjacent markets and evolve with the needs of our customers

BALANCED STRATEGY

Net debt to underlying EBITDA has been reduced from 2.7 in 2018 to 0.6 in 2021

ROCE tripled in the past three years – EPS 2021 was the tenfold of 2019

Dividend increased by 50% YoY and share buyback of up to €120 million in process



FY 2021 Results

Record sales and EPS – solid margin growth – lowest leverage to date

2019

2020

2021

New leadership
Balance sheet improvement

Value Creation Agenda:
Perform, Transform and Grow

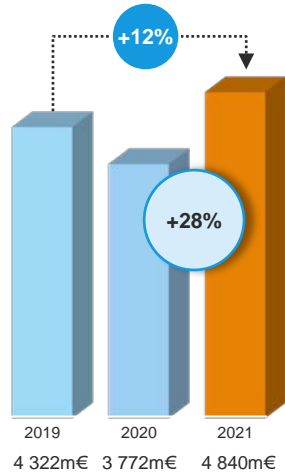
Creativity beyond steel

BEKAERT

better together



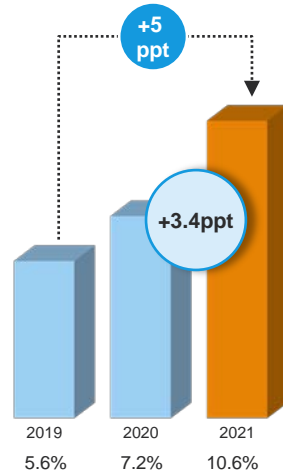
Consolidated Sales



€4 840m



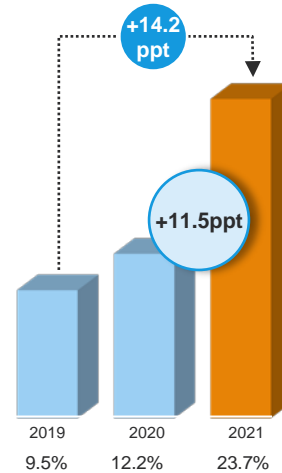
u-EBIT%



10.6%



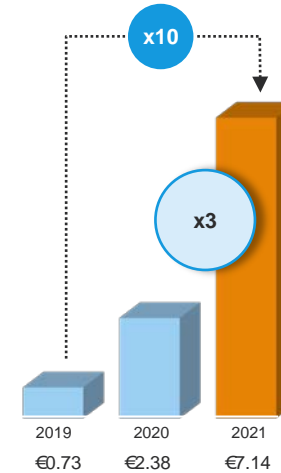
u-ROCE



23.7%



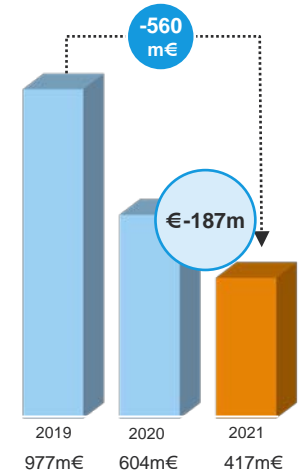
EPS



€7.14



Net Debt



0.61

Global Presence

Consolidated sales of €2.9 billion in H1 2022

FY 2021: €4.8 billion consolidated and €5.9 billion combined

Close to our local customers



- Production plants (subsidiaries + JVs)
- Offices and Distribution centers
- Technology Centers

2022 H1 Consolidated sales by region

39%

EMEA

25%

APAC

18%

NAM

18%

LATAM

2022 H1 Consolidated sales by industry



41%

Tire & Automotive



24%

Construction & Infrastructure



10%

Basic materials



8%

Energy & utilities



8%

Agriculture



7%

Equipment



3%

Consumer goods

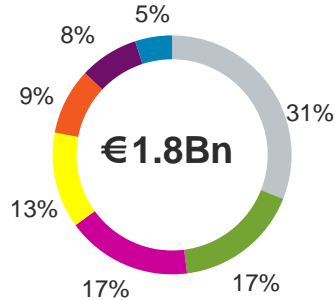
Four Business Units

Consolidated sales by business unit (FY 2021: € 4.8 billion)

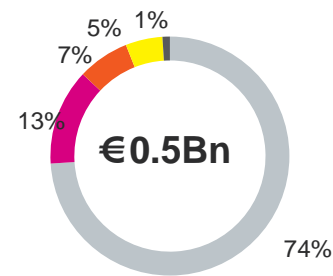
Rubber Reinforcement (RR)



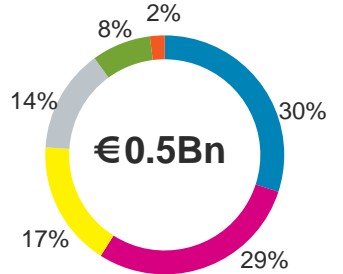
Steel Wire Solutions (SWS)



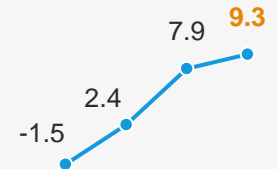
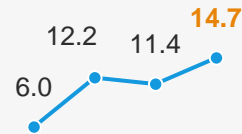
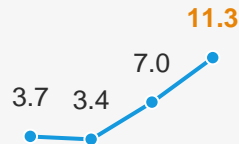
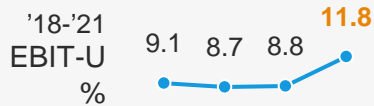
Specialty Businesses (SB)



Bridon-Bekaert Ropes Group (BBRG)




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



Key levers that enable us to Perform, Transform and Grow


Rubber Reinforcement (RR)

Improve our portfolio, focus on high-growth

 Focus on growth opportunities


 Targeted portfolio management


 Leverage footprint

 Amplify cost and profit improvements


Steel Wire Solutions (SWS)

Sustain and enhance performance by focused transformation

 New energy, new-tech solutions

 Digital business transformation


 Portfolio focus on growth sectors: New energy and utilities

 Cost improvements and organization

Specialty Businesses (SB)

Scaling up Bekaert's profitable niches

 Faster growth


 Portfolio management


 Drive the energy/technology shift


 Develop solution-provider capabilities


Bridon-Bekaert Ropes Group (BBRG)

Continue mix and cost improvements and transformation beyond steel

 Technology and customer development

 Digital and synthetic offering

 Optimize Footprint

 Strengthen new organization



Strategy discussion

Strategic transformation journey started in 2019



**Optimize the
business mix**



**Active portfolio
management**



**Focus on the
Essentials**

- Focused capital allocation
- Significant deleveraging
- Strong pricing discipline
- Successful profit restoration programs

**Strong B/S
and cash generation**



**Unlock the
full potential**



**Value creation
strategy**

Strategy Update

Moving Bekaert to the next level with Perform-Transform-Grow 2.0

VALUE CREATION

Value creation for **all stakeholders**:

Customer-centric: LTSA and development contracts

Supply continuity through crises: global leadership - local presence

Return value to shareholders: dividend +50% and Share Buyback

PERFORM-TANSFORM-GROW 1.0

Perform: strong execution and progress on key performance metrics

Transform: innovation – digital – sustainability as key levers of growth

Grow: seeds of growth: building positions in hydrogen, low-carbon concrete, offshore wind, energy and utilities

PERFORM-TANSFORM-GROW 2.0

Perform: strengthen the core; further improve business mix

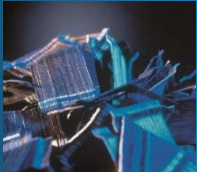
Transform: create smart, sustainable, safe solutions by expanding digital, beyond-steel and services offering in key markets

Grow: leadership in target markets

 **Bekaert Core**

 **Bekaert Beyond**

Taking Bekaert Beyond



Green construction



New mobility



Energy Transition



Smart solutions



The next chapter: stronger on two legs

Dual focus: optimizing the core + growing beyond

The fast-changing markets of energy, construction and mobility are where strong megatrends underpin growth potential and our ability to win is the highest

Trusted and preferred supplier of steel wire applications with a global footprint



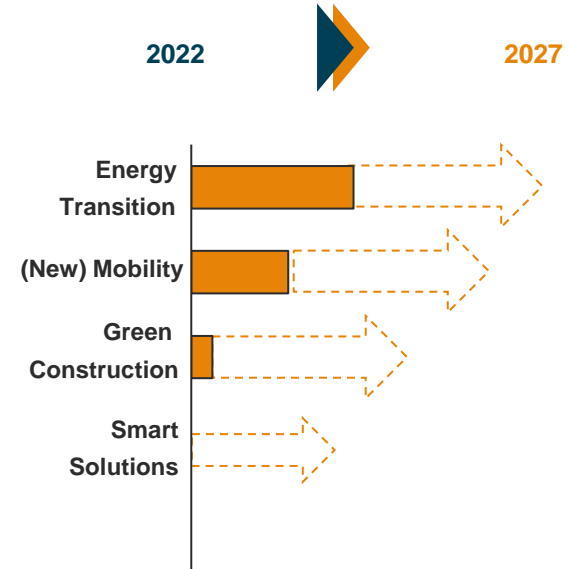
Bekaert Core

 Enabling the energy transition through renewable electricity, power infrastructure and hydrogen production

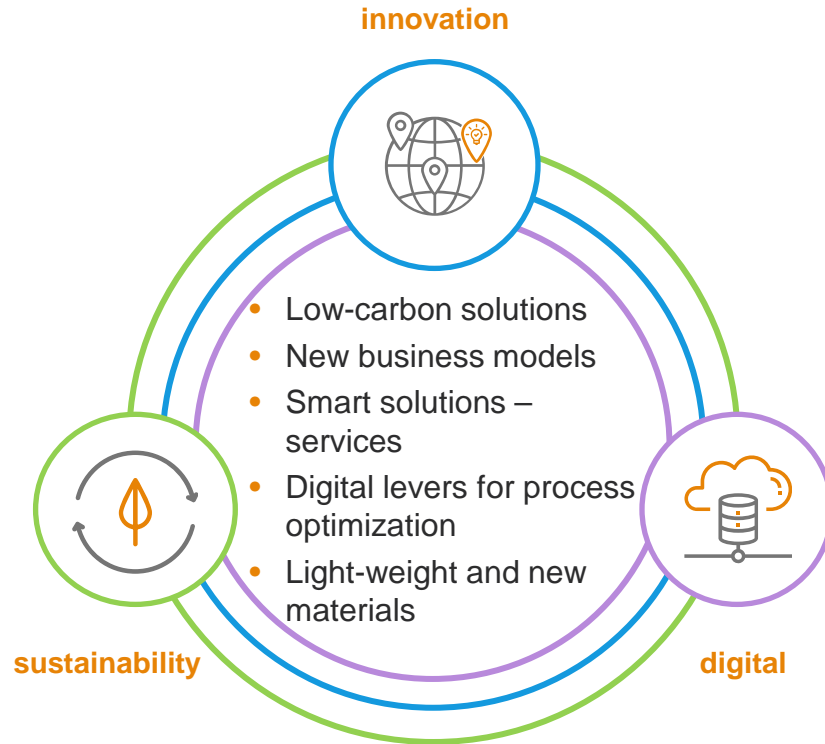
 Helping to decarbonize construction and facilitating urbanization with green and high-performance solutions

 Providing advanced components for battery-electric vehicles (BEV)

Bekaert Beyond



Transformation driven by the megatrends



Smart, Sustainable, Safe project wins

across our core and 'beyond' business areas



RDOF (US)
Continued project wins by customers in internet broadband investments US



Grand Paris Line 16 (FR)
Dramix® steel fibers for new metro lines



Sigmataslab™ elevated projects (NO, DE)
The first projects in Norway and Germany



TireTech Award (DE)
Bekaert wins Tire Manufacturing Innovation of the Year Award at TireTech, Hannover

Les Alizés (Jan de Nul) and Green Jade (Deme) (CN)
Crane wire ropes for new offshore wind turbine vessels



Carreterra al Llano (CO)
3 500 tons Dramix® for 18 tunnels



Gazelle Wind Power (IRL)
Mooring lines for floating offshore wind platform



Cargo Sous Terrain (CH)
Swiss Federal Council approves law providing legal ground for the Cargo Sous Terrain project.

1st contract with MingYang (CN)
China's leading wind turbine company: synthetic mooring lines for newest offshore floating turbine



Euro Asia interconnector (CY-GR-IL)
Subsea cable armoring



Mumbai Trans Harbor Link (IN)
Solutions for megastructure in harsh marine environments





Revolutionary cords & coatings

- Reduced rolling resistance
- Reduced CO2 emissions and fuel consumption
- Increasing share of recycled materials
- Tire design for electric vehicles
- Longer lasting tires
- Improved re-treading performance
- Cobalt-free tire solution



18 May 2022: Bekaert wins Tire Manufacturing Innovation of the Year Award at TireTech, Hannover, with BeCoFree



The composite image consists of three main parts. On the left is a circular diagram with a dark blue center containing the text 'Total Service Solutions' and 'Ropes360'. Surrounding this center are eight smaller blue circles, each containing a stage of the rope lifecycle: 'Selection & specification', 'Storage & transport', 'Installation', 'Maintenance', 'Inspection & examination', 'Tensile testing', 'Guidance on discard & feedback', and 'Rope record management'. In the middle is the 'Ropes360' logo, where the 'o' in 'Ropes' is a blue hexagonal grid pattern. On the right is a photograph showing a worker on a high-rise building, viewed from above, using a blue and white piece of equipment connected to ropes and cables.

Together with VisionTek, BBRG has developed the first mobile 3D rope measuring and visioning equipment to monitor, control, predict and optimize the lifecycle of ropes.

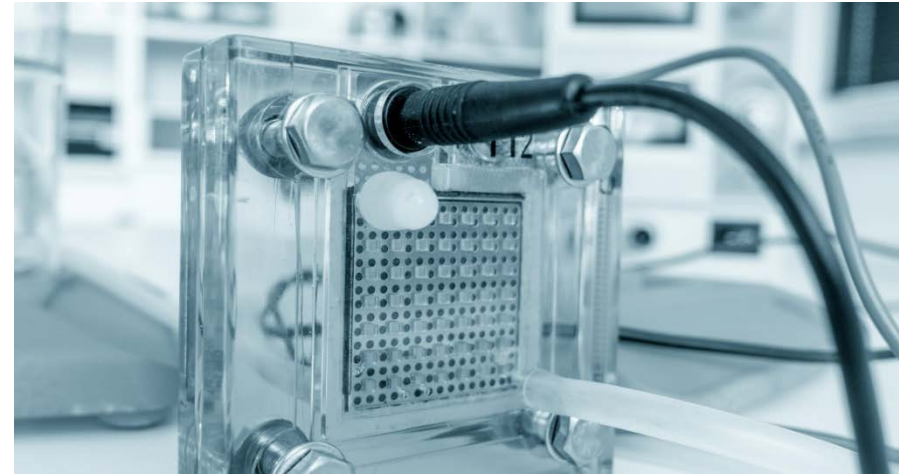
Bekaert acquired VisionTek Engineering in February 2022



New mobility

Bekaert invested in Cargo Sous Terrain and is technology advisor on the Board

Bekaert's Dramix® steel fibers reinforce the longest, deepest, and newest concept tunnels



Green hydrogen

Bekaert participates in 2 consortia to develop next generation electrolysis technologies for green Hydrogen production and concluded a partnership with Pajarito Powder (US) to accelerate the development of spearheading innovations in the market of green hydrogen production



Energy and Utilities

Beyond current markets and solutions

Enabling the future

Digital Twin models



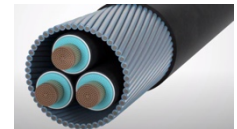
Synthetic & hybrid solutions



Strategic & commercial Partnerships



Bezinox® cable armoring





Dramix® solutions reducing input intensity

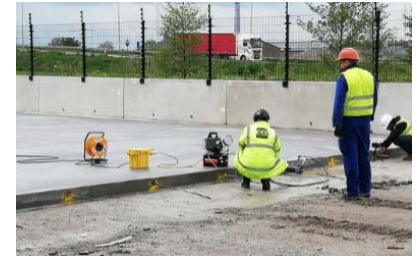


Heavy, labor-intensive traditional reinforcement



More efficient and easy to use steel fiber reinforced concrete

SigmaSlab™, a new Dramix® solution co-developed with post-tensioning leader CCL

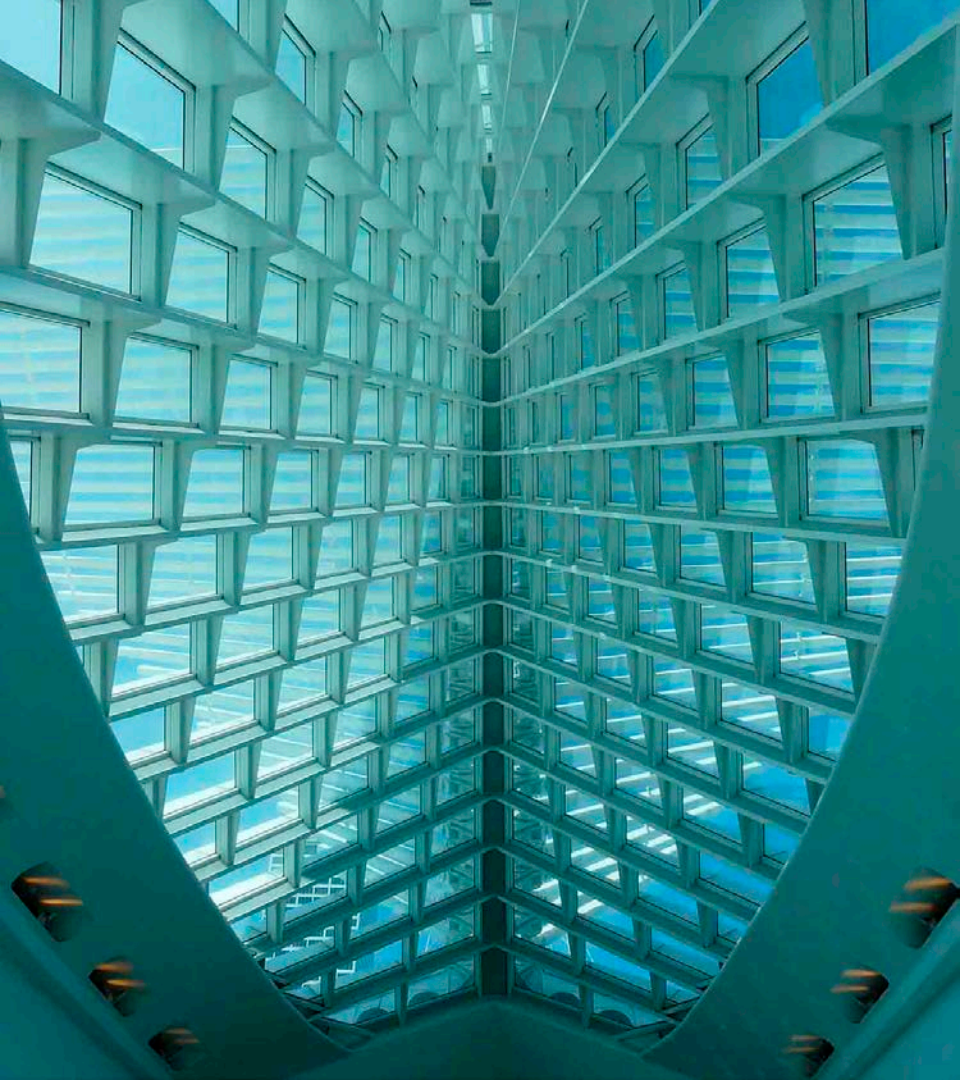


Construction Reinforcement Low Carbon concrete

Reducing material intensity

Typical transformation (SigmaSlab™ example)

- 70% less steel
- 20% less concrete
- **30-40%** reduction in CO₂ footprint



Third quarter trading update

- Bekaert delivered **significant growth** in the first nine months of 2022, despite the ongoing challenges from cost inflation, high energy costs, supply chain disruptions, Covid-19-lockdowns in China, and deteriorating demand in a number of key geographies.
- In the first nine months of 2022 consolidated sales increased to €4 336 million (€+777 million or +21.8%) and combined sales to €5 257 million (€+931 million or +21.5%1).
- The Group achieved **double-digit sales growth in all four business units** despite lower volumes in most activity areas.
- The **strong price realization and the structural improvements** of the Group's business portfolio clearly demonstrate the **progress** made in delivering on strategic transformation priorities and becoming more **resilient**. We therefore remain confident about our ability to achieve the mid-term performance targets beyond the current economic turbulence.

Market developments in Q3

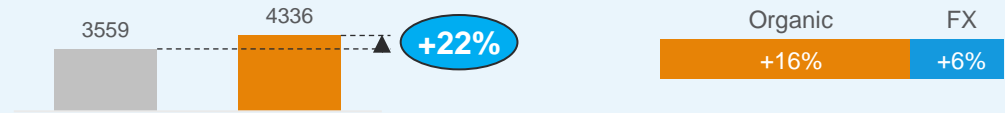
- Weakening demand in EMEA due to the contraction in industrial activity
- Sharp economic deterioration in Latin America, affecting demand from agriculture and construction markets
- + Continued good business conditions in North America, particularly in energy and utility markets
- + Modest rebound in China OEM at the end of Q3
- + Continued growth in other Asian markets
- + Strong demand from renewable energy and concrete reinforcement markets globally

Consolidated Sales first nine months

€4 336 mln

[Combined*: €5 257 mln]

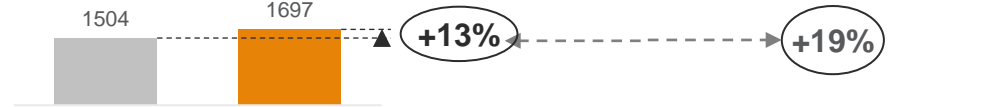
Consolidated Sales (In millions of €)



Share (%)



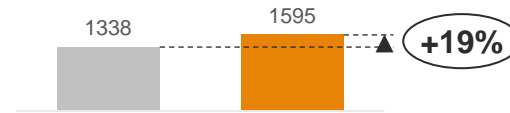
39%



Rubber Reinforcement



37%



Steel Wire Solutions



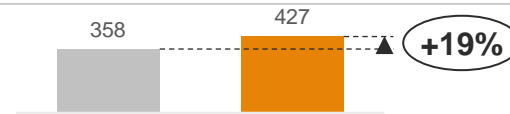
14%



Specialty Businesses



10%



Bridon-Bekaert Ropes Group

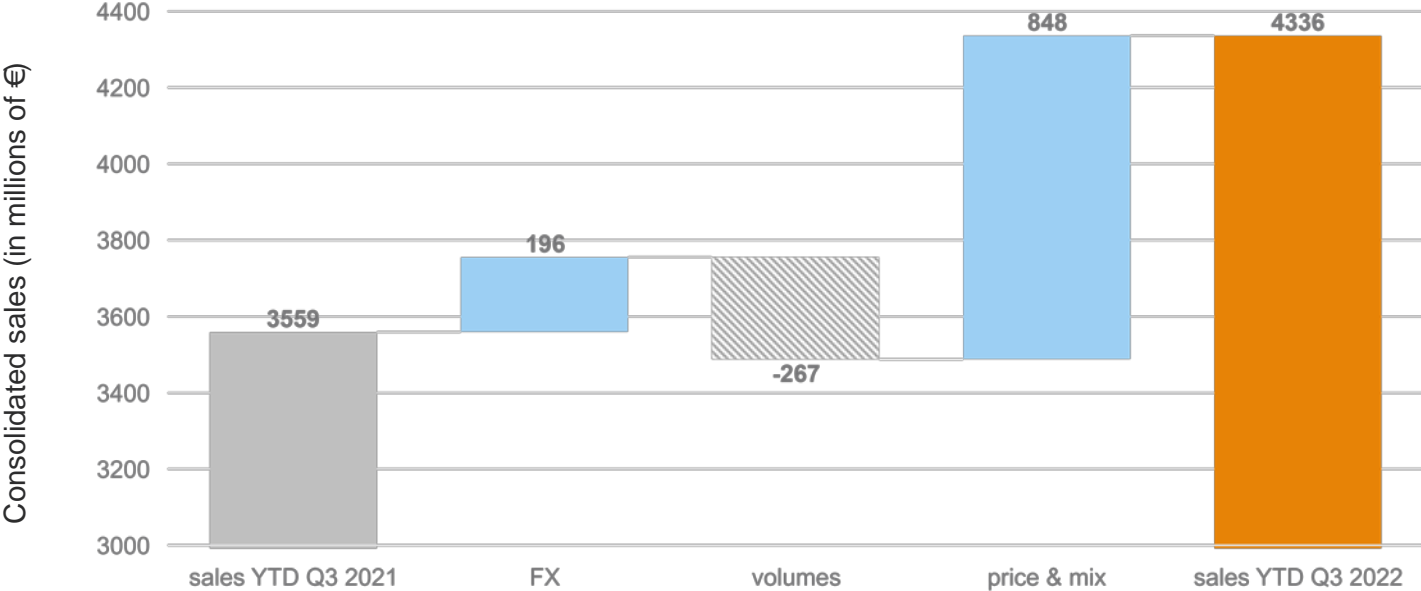
First nine months of 2021 2022

Pro forma restatement

Comparable growth % excluding the impact of the move of the HCB (hose and conveyor belt) activities from Rubber Reinforcement to Specialty Businesses

*Combined sales are sales of consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination
Investor presentation - Bekaert

Sales waterfall first nine months – year-on-year



Actions

Focus and priorities

- The challenging demand environment is expected to continue in most regions, particularly in Latin America and EMEA
- Bekaert will remain agile to address these pressures. Our actions are focused on:

Aligning the business priorities with the customer needs

Further maintaining our pricing discipline to mitigate cost inflation

Continuing our efforts to improve the business portfolio

Accelerating cost savings and footprint improvements

Whilst the outlook remains uncertain and fast changing, we currently anticipate for the full year 2022:

Consolidated sales
€ ~5.7 billion

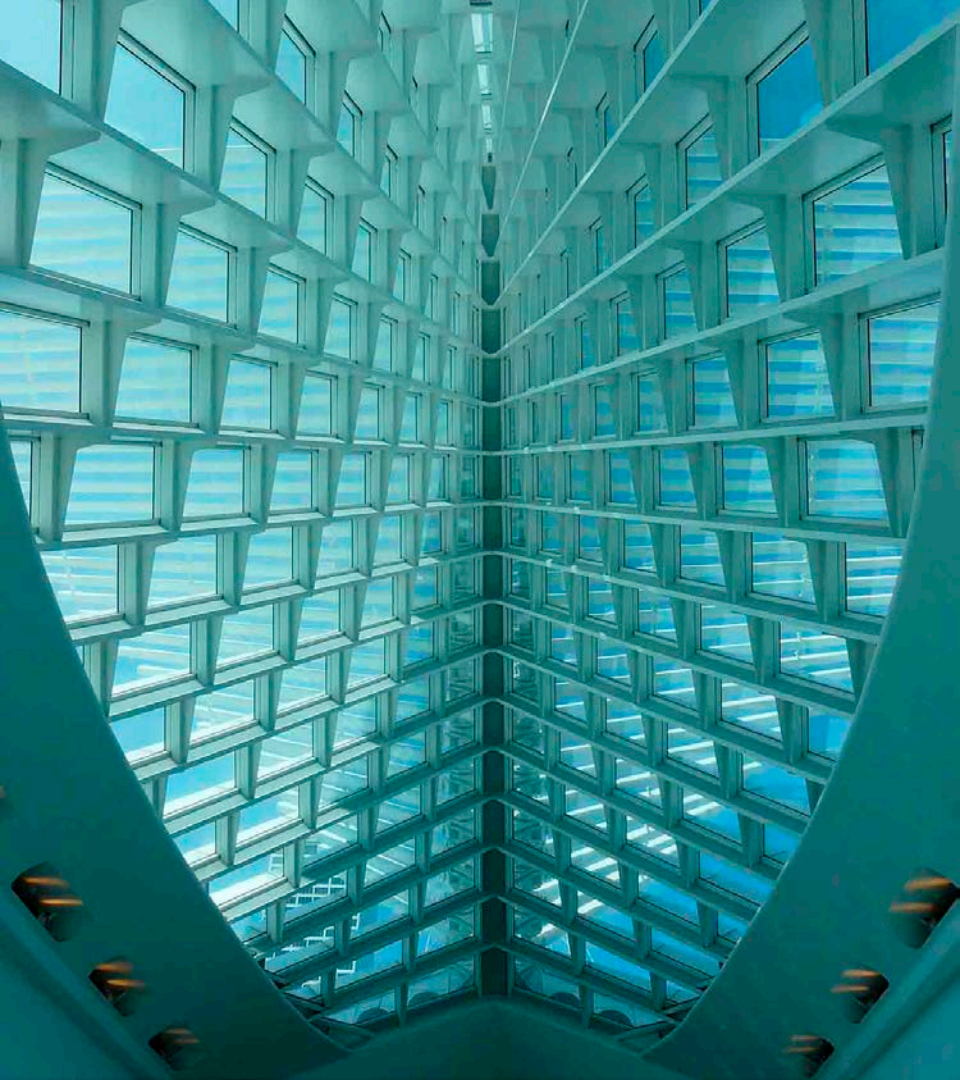
Revenue growth by € ~900 million results from:

- decisive price management
- structural mix improvements

Around 150bps margin dilution from the impact of zero-margin cost inflation pass-through

FY 2022 Underlying EBIT
expected to be in the range of
€ 450-460 million

Our profitability ambitions for the medium term
remain unchanged



H1 2022 results

H1 2022 – In Brief

Strong growth and solid results in a turbulent macroeconomic environment

Robust sales growth

+ 24%

- Lower volumes
- Strong price realization

High profit generation

€283 mIn

- U-EBIT, comparable to H1-21
- Some margin dilution due to cost inflation pass-through effect

ROCE > 20%

22.8%

- Modest decrease in ROCE
- Remains above 20%

Net debt leverage < 1

0.88

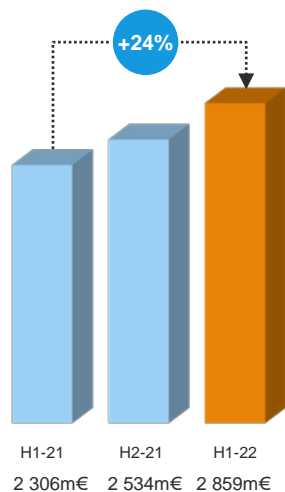
- Increased net debt
- Leverage remains low

Results reflect focus of our actions

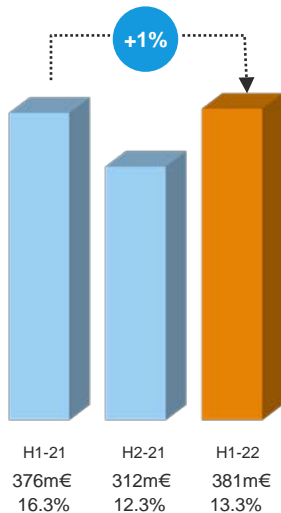
- Strong price realization
- Excellent operational performance
- Leveraging the benefits from our global footprint and local services & sourcing channels
- Capturing short- to medium-term growth opportunities from sustainability and innovation trends

H1 2022 – Results

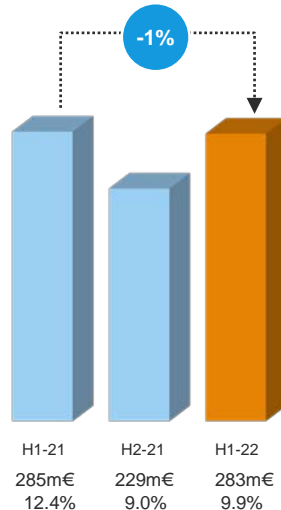
Strong growth and solid financial results in difficult macroeconomic environment



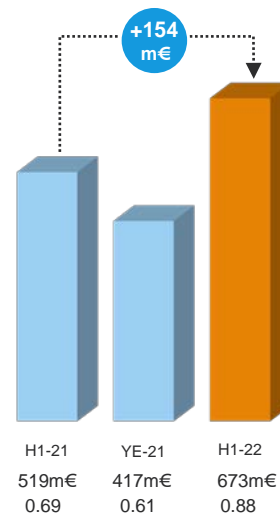
€ 2 859 mln



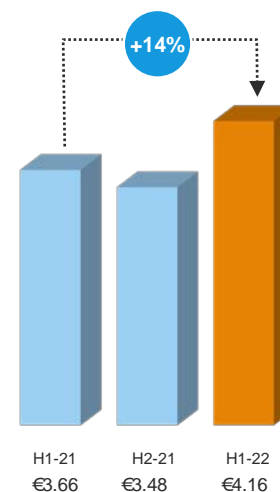
€ 381 mln



€ 283 mln



0.88



€ 4.16

Rubber Reinforcement

Solid demand and margin performance in all regions except China

Rubber Reinforcement

Challenges

- Weak demand and stringent lockdowns in China
- Cost inflation pass-through effect

in mln € (or %)	H1 21	H2 21	H1 22
Sales	991	1 063	1 110
uEBIT	139	108	101
uEBIT %	13.8%	10.0%	8.9%
uEBITDA	186	158	147

Highlights and Outlook

- Robust EBIT-U margin in all regions except China and North America
- Continued pricing discipline
- China sales expected to improve
- Demand to remain at high level in rest of the world
- Brazilian joint venture delivered +61% sales growth to € 130 million



Steel Wire Solutions

Strong sales growth on lower volumes

Steel Wire Solutions

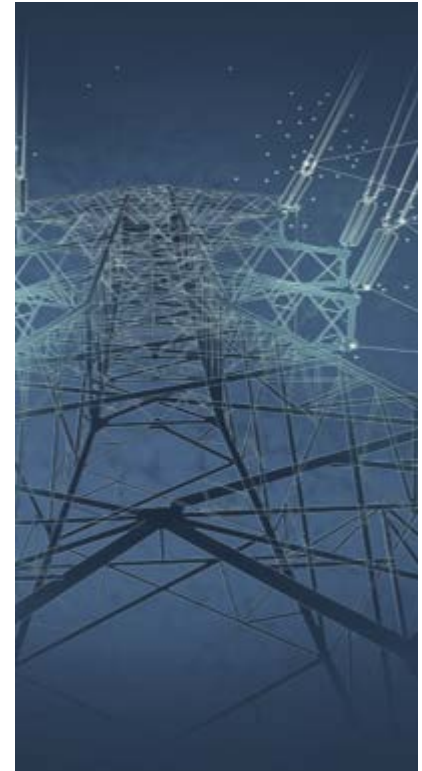
Challenges

- Weakening economies in Latin America
- Pass-through effect cost inflation

in mln € (or %)	H1 21	H2 21	H1 22
Sales	849	970	1 072
uEBIT	116	93	106
uEBIT%	13.4%	9.4%	9.6%
uEBITDA	138	114	131

Highlights and Outlook

- Strong demand from energy and utility markets, boosting performance in EMEA and North America
- Pricing discipline
- Automotive demand in China recovering
- Economic conditions in Chile, Ecuador unstable
- Brazilian joint venture delivered +20% sales growth to € 477 million



Specialty Businesses

Robust sales and profit growth in all sub-segments

Specialty Businesses

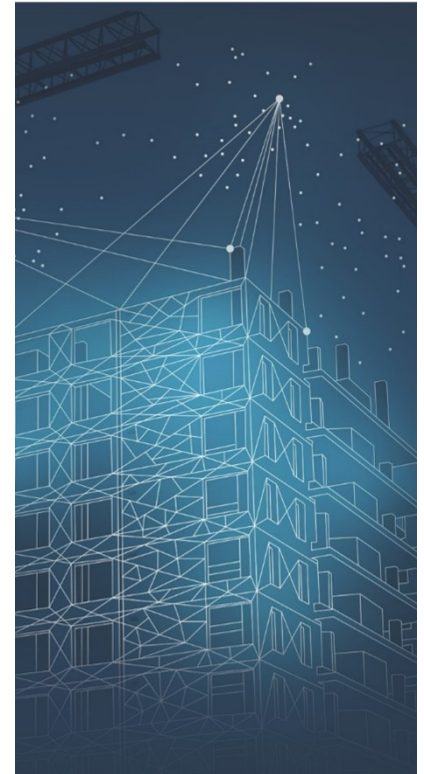
Challenges

- Lockdowns China
- Speed of ramp-up in target markets and applications

in mln € (or %)	H1 21	H2 21	H1 22
Sales	227	248	396
uEBIT	40	31	74
uEBIT%	17.3%	12.3%	18.1%
uEBITDA	48	34	84

Highlights and Outlook

- Fast growing segment of high-value adding products and solutions
- Strong volumes and business-mix
- Attractive markets driven by energy transition and decarbonization
- Scaling up capabilities and capacity in hydrogen electrolysis technologies and HCB



Bridon-Bekaert Ropes Group

Challenges

- Lockdowns China
- Ramping up US capacity in line with strong demand
- Trading Russia scaled back

in mln € (or %)	H1 21	H2 21	H1 22
Sales	236	245	267
uEBIT	23	22	35
uEBIT%	9.8%	8.9%	13.1%
uEBITDA	39	37	53

Highlights and Outlook

- Record-high order book
- Pricing discipline
- Strong demand Latin America
- Technology shift from massive steel pipes to new technologies across reinforced thermoplastics
- Positive outlook, both for Ropes and A-Cords



Why invest in Bekaert?

We have a **strong core business** but are exposed to volatility – raw material prices and risk of commoditization

To remove volatility and avoid less value-added components, we assess our **business portfolio** on a continuous basis.

We transform into a **leading solution supplier** to markets that are backed by megatrends: energy transition, low-carbon construction and (new) mobility markets; all indicating a higher growth rate

To achieve this, we deploy a **two-track strategy**: strengthen the core and move beyond steel through bold moves, investment in capabilities and new technologies (digital, services, non-steel materials)

Furthermore, to truly develop deeply into fast-growing markets we will become **more market and customer-focused**

This will generate **stronger value creation for all stakeholders**: value-added and sustainable solutions for customers, growth opportunities for employees and improved valuation for shareholders

Save the date



Full year results 2022	1 March 2023
Annual report available on Bekaert.com	31 March 2023
First quarter trading update 2023	10 May 2023
General Meeting of Shareholders	10 May 2023
Half year results 2023	28 July 2023
Third quarter trading update 2023	17 November 2023

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Recent publications: [Third quarter trading update](#) [HY results 2022](#) - [Annual Report](#)

Investor Relations:

investor.relations@bekaert.com

Guy Marks

Guy.marks@bekaert.com

Dries Van Hamme

Dries.vanhamme@bekaert.com

Christine Clarysse

Christine.clarysse@bekaert.com

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Appendix

- Financial indicators
- Return value to shareholders
- Innovation – digital - sustainability

Consolidated Income Statement - Key Figures

In millions of €

	Underlying		Reported	
	H1 2021	H1 2022	H1 2021	H1 2022
Sales	2 306	2 859	2 306	2 859
Cost of sales	(1 833)	(2 387)	(1 847)	(2 390)
Gross profit	473	472	459	469
Selling expenses	(88)	(102)	(87)	(103)
Administrative expenses	(78)	(78)	(76)	(79)
R&D expenses	(29)	(28)	(29)	(29)
Other operating revenue and expenses	9	19	21	21
EBIT	285	283	288	280

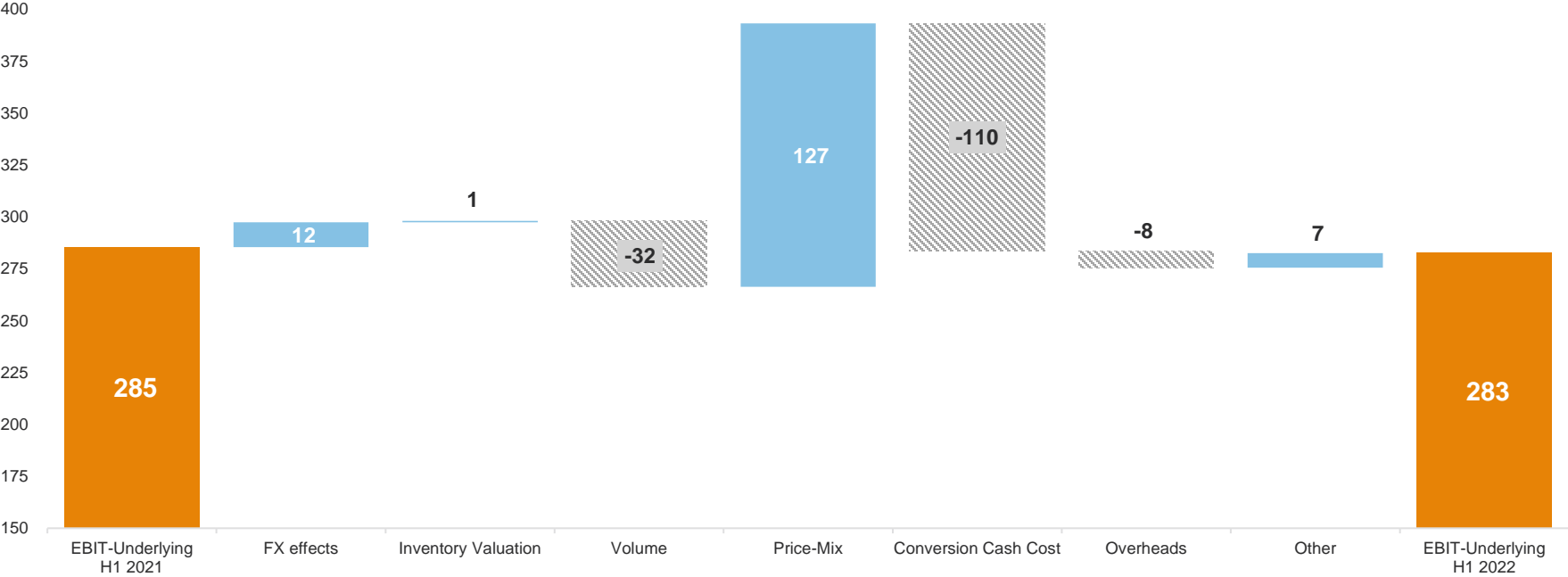
Gross profit remains stable: sales and cost of sales increase by the same amount in absolute figures (€ ~+553 million)

Overheads increase in absolute numbers but decrease as a % on sales: -120bps to 7.3%

Other operating revenue and expenses include the gain on the sale of idle land in Doncaster, UK (BBRG): €+11.5 million

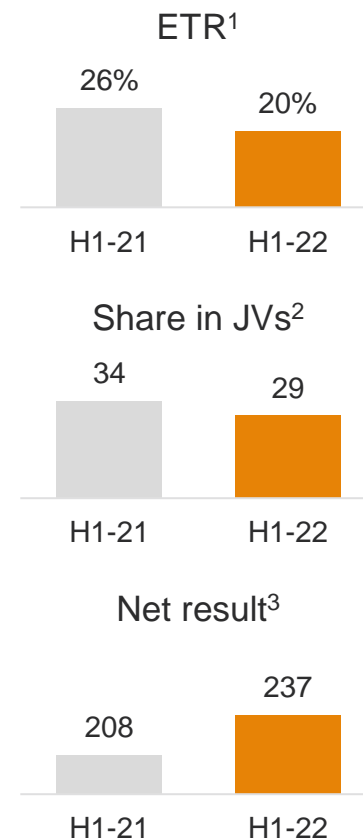
EBIT-Underlying Bridge – Consolidated View

In millions of €



Consolidated Income Statement – Key Figures

In millions of €	H1 2021	H1 2022
EBIT (after one-off items)	288	280
Interest income / expense	(23)	(17)
Other financial income and expenses	4	16
Result before taxes	268	278
Income taxes	(71)	(55)
Result after taxes (consolidated companies)	197	223
Share in the results of joint ventures and associates	34	29
Result for the period	231	252
Attributable to non-controlling interests	23	14
Attributable to equity holders of Bekaert	208	237

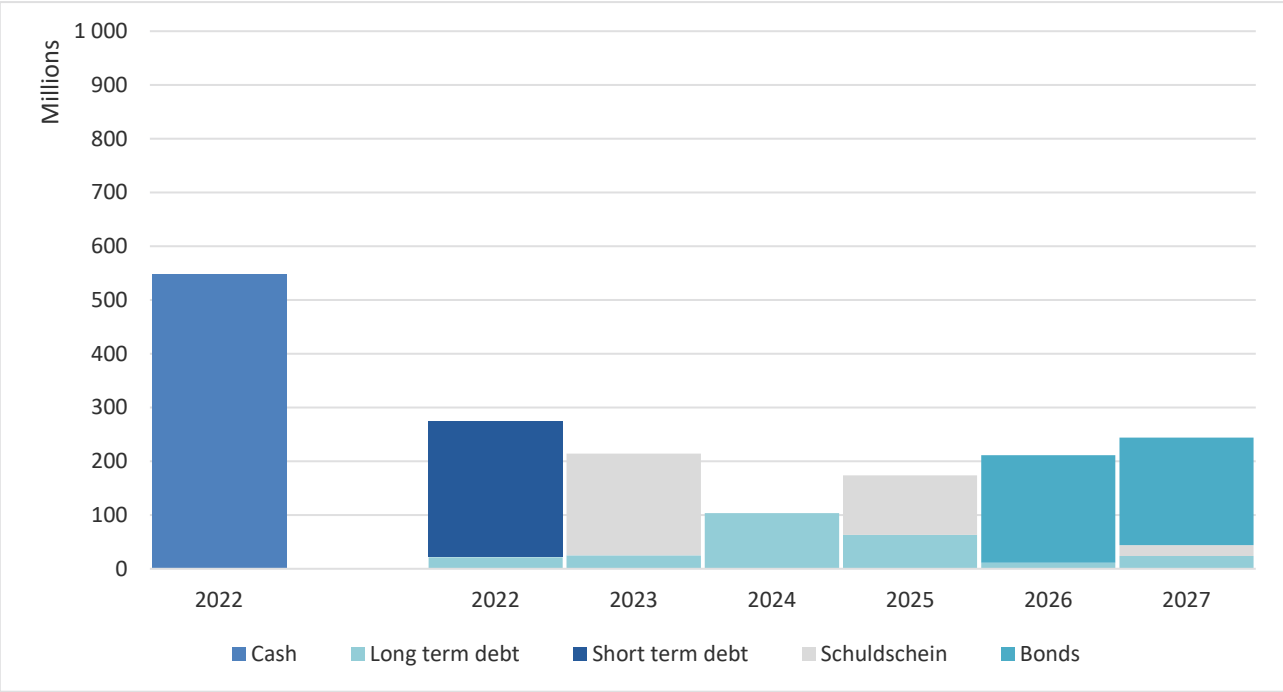


Working Capital

In millions of €	H1 2021	Year-end 2021	H1 2022
Inventories	896	1 121	1 391
Accounts receivable	758	812	990
Accounts payable	(987)	(1 256)	(1 347)
Working capital	667	678	1 034

The average working capital on sales increased from 13% to 15%

Debt maturity per 30 June 2022



Key Figures per Share

	H1 2021	H1 2022
Share price on 30 June	37.58	31.06
Number of existing shares	60 414 841	59 002 852
Book value	28.23	37.35
Earnings per share (EPS)	3.66	4.16
Weighted average number of shares	56 813 437	56 891 049

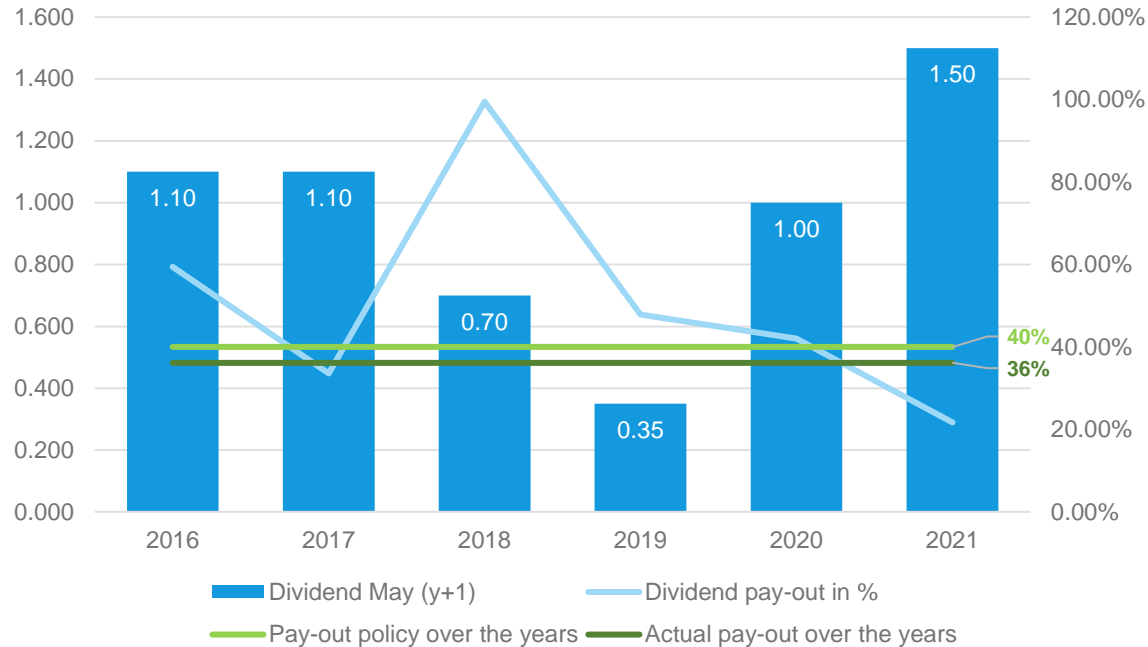
+14%
EPS

Share Buyback

Status on our Share Buyback program

- 25 February 2022 Announcement Share Buyback program for a total amount of up to € 120 million over a period of up to 12 months
- 18 March – 4 May 2022 First tranche for an amount up to € 30 million
The company repurchased 766 295 ordinary shares for a total of € 27.3 million
- 11 May – 22 July 2022 Second tranche for an amount up to € 30 million
The company repurchased 864 817 ordinary shares for a total of € 30 million
- 29 June 2022 Cancellation of 1 449 409 repurchased shares
- 29 June – 26 October 2022 Third tranche for an amount up to € 30 million
The company repurchased 1 036 303 ordinary shares for a total of € 30 million
- 18 November 2022 Fourth tranche for an amount up to € 30 million
All shares repurchased will be cancelled

Committed to returning value to shareholders



+50%
dividend
(2021)

**SHARE
BUYBACK
UP TO €120
Million**

Lifting our investments in technology and innovation



Strong investments to innovate

€60M

T&I Investments

+600

Experts

+1800

Patents



Cost and process improvements
World-class operations



Product and solution development
From incremental innovation
towards offering elevation



Anticipation of major disruptions
Develop smart products and
solutions
Solutions for new growing markets

Rebalancing our pipeline and increasing our ambition

E0

Focused and prioritized
Efficient - accelerate through digital and smart and remote serviced processes

E1

Driven by customer needs
More ambitious platforms
Stronger portfolio governance

E2

Incubation in ring-fenced entrepreneurial teams
External ecosystem collaboration and partnerships

+50%

Increased investment
over next 5 years

Investments



+15%

New sales from new solutions
by 2025

A Digital Future for Bekaert



Customer



Customer Experience

Data-driven value creation

Engagement

Advanced insights

Feedback loops

AI-enabled forecasting

Digital marketing

Product



Smart solutions

Accelerated R&D

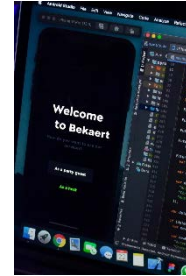
Data driven business models

Digital twins

Smart wires & sensing

Advanced testing and modelling

Process



Enterprise 2.0

Intelligent automation

E2E data transparency

Operations



Intelligent production

End-to-End Supply chain

Intelligent processes

E-buying

Digital ways of working

Digital S&OP and forecasting

Bekaert commits to an ambitious sustainability agenda



Environmental

Towards Carbon Neutrality

-45% Reduce GHG emissions in line with Science Based Targets
Aim for Carbon Net Zero by 2050

Sustainable Solutions

~65% of our sales to be from sustainable solutions

Water

-15% relative freshwater intake in stressed regions



Social

Working conditions

0 Strive for zero accidents

Diversity & Inclusion

40% Female administrative & managerial workforce

Community relations

Actively engage with communities on priority sustainability themes



Governance

Highest Ethical Standards

Ethics and Code of Conduct
Strict compliance management

Fair sourcing + transparency

100% of strategic suppliers to be leading in ESG ratings¹
95% of spend with suppliers who sign off Code of Conduct

Best in class governance & reporting

Transparent and integrated reporting

Bekaert Sustainability Ratings



Rating	2019		2020		2021
CDP	D	↔	D	↑	C
ecovadis	67	↑	68	↑	75
MSCI	BBB	↑	A	↔	A
Vigeo Eiris	41	↑	47		Not scored yet
ISS ESG	C-	↔	C-	↔	C-
SUSTAINALYTICS <small>a Morningstar company</small>	44.0	↑	25.7	↑	23.2
Gaia RESEARCH <small>by Ethifinance</small>	59	↑	66		Not scored yet



Positive evolution vs. previous year
 No change vs. previous year
 Negative evolution vs. previous year



Our application to join the Business Ambition for 1.5°C campaign (SBTi) was accepted in October 2021



 **BEKAERT**

better together