

# Results FY 2020

Webcast 3 March 2021

 **BEKAERT**

better together

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## BEKAERT AT A GLANCE

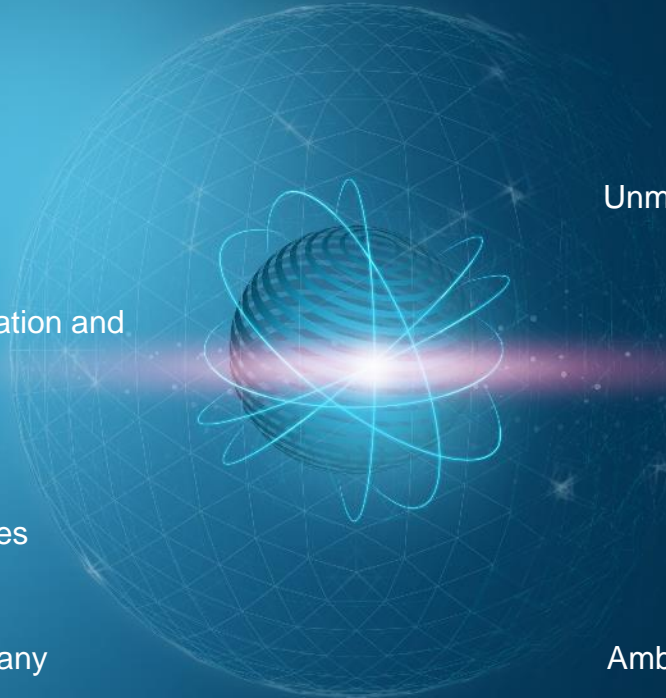
Preferred partner serving customers in 120 countries

Global leader in steel wire transformation and coating technologies

Global manufacturing platform

More than 27 000 engaged employees worldwide

Corporate socially responsible company



## WHAT SETS US APART

Unmatched products and solutions for customers across a wide range of industries

High-tech solutions leader with 1800 patents and patent rights in portfolio

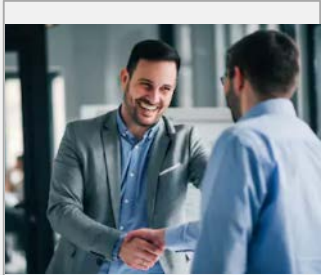
Most advanced manufacturing capabilities

Experienced team with deep understanding of local customer needs

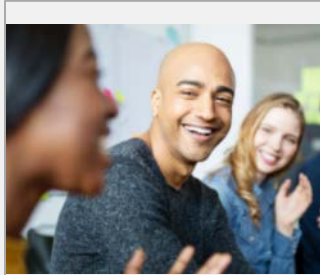
Ambitions and actions for a sustainable business

# Our ambition is to create sustainable value for all our stakeholders

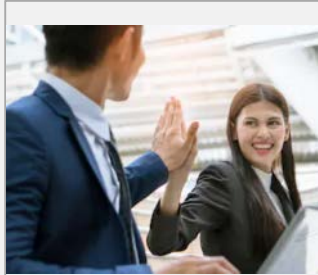
for our customers, employees, shareholders and communities



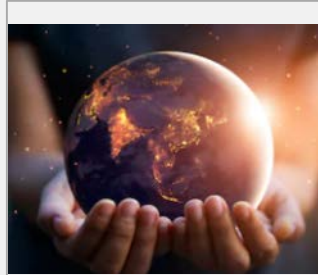
We make our  
customers  
succeed



We are  
truly  
better together



We commit  
to high  
performance



We care  
for the world  
around us

WE PERFORM

WE TRANSFORM

WE GROW

Building Blocks

Sustainable value creation for all stakeholders

# We Perform

Strong on execution, we deliver on our objectives

- 2020 **focus** and **delivery**:
  - Improved **product and business mix**
  - Successful **profit restoration** programs
  - Process **excellence** across the company
  - Strong **debt deleveraging**
- **Effective and agile** response to Covid-19:
  - **Protective measures** to secure the **health and safety** of our employees
  - Customer centricity and agile supply chain management → **supply continuity**
  - **Cost** and **liquidity** management
- Building blocks enabling a **performance driven culture**:



unlock full potential



operational excellence



commercial excellence



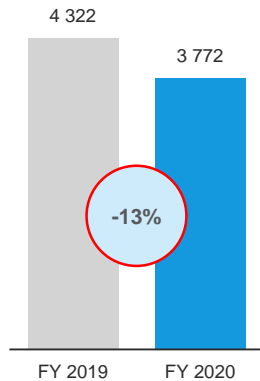
leadership & accountability

**WE PERFORM**

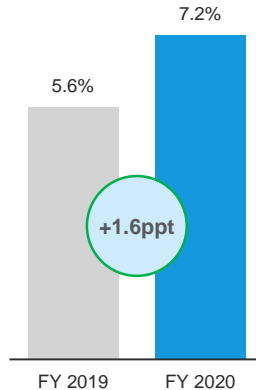
# The result of our actions in 2020

Solid profit growth and strengthened balance sheet

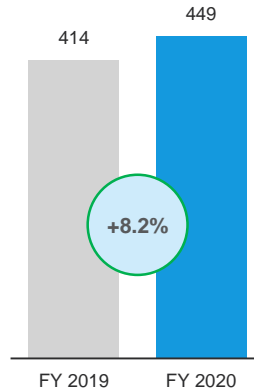
Consolidated Sales  
in m€



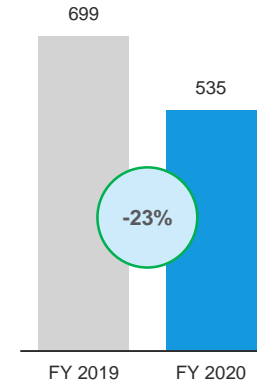
uEBIT%  
margin on sales



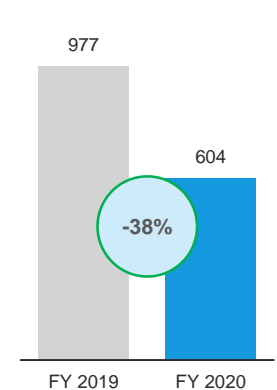
Operating FCF  
in m€



Working Capital  
in m€



Net Debt  
in m€



## Emerging stronger from the crisis:

- Preferred business partner
- Resilience to external factors
- Fast return from actions implemented
- Improved business model

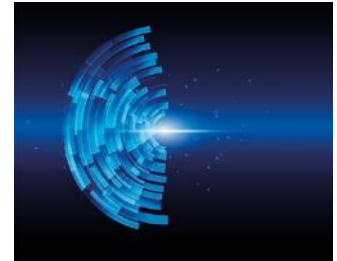


- +13% uEBIT increase on -13% sales decrease
- Solid cash generation
- Significant reduction in working capital
- Strong deleveraging
- Dividend proposal of € 1.00

# We Transform

Strengthening our portfolio and building capabilities to drive value creation

- 2020: **Footprint** and overall **structural improvements** to our business model
- 2021: Realize the **full potential** in our core businesses
  - Further leverage the improvement actions of 2020
  - Benefits from recent restructuring programs
- **Transformational leadership** strengths to drive value creation:
  - **Active portfolio management** to further improve the business mix
  - **Differentiating** products and services that address megatrends
  - **Digitalization** of business processes and extension of digital offering
  - Ambitions and actions for a **sustainable business**
- Building blocks enabling a **successful transformation to higher value creation**:



portfolio  
management



differentiating  
products & services



digitalization &  
digital offering



sustainable  
business

**WE TRANSFORM**



# We Grow

Enable sustainable, value creating growth

- 2020 **Seeds of growth:**

- Customer centricity + supply reliability → **market share** increase
- Supply agreements concluded in 2020 → **growth** in 2021



- Growth **focus** and **enablers:**

- **Leadership position** in core markets
- **New products and solutions** in existing and adjacent markets
- **Investment commitment** in capacity, innovation, capabilities
- **Organizational capabilities**

- Building blocks enabling a **successful growth strategy:**



leadership position



new products & solutions



investment commitment



organizational capabilities



# Market developments in the second half of 2020

## Main applications



- Demand from **tire and automotive markets**
  - Fast and strong rebound – particularly in tire replacement markets
  - EMEA and Asia back and above pre-Covid levels
  - OEM markets still subdued and North American markets to recover in 2021



- **Construction and infrastructure markets**
  - Some hesitation still in EMEA and Latin American construction markets
  - Elevator business solid
  - Stimulus programs to boost infrastructure projects



- Demand from **energy & utility markets**
  - Remained relatively solid
  - Less project business O&G in H2
  - Growing presence in offshore wind



- Demand from **agriculture (horticulture, aquaculture, pasture) markets**
  - Remained relatively solid
  - Considered essential sector
  - Trend shift towards local cultivation with short supply chains



## FY 2020 Highlights

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Successful implementation of the first phase of **transformation toward higher performance**

Strong on **execution**:

- ✓ Delivered on all priorities set forth to restore a healthy balance sheet and improve the margin performance
- ✓ Effectively captured the opportunities resulting from a fast and significant rebound in various markets in H2 2020
- ✓ Efficiently countering the significant impact of Covid-19 through mitigating measures and structural performance improvements

# Financial Results

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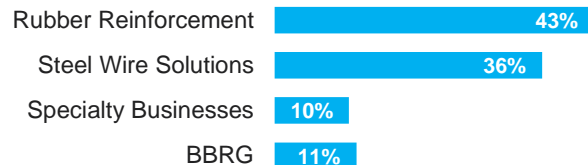


# 2020 sales

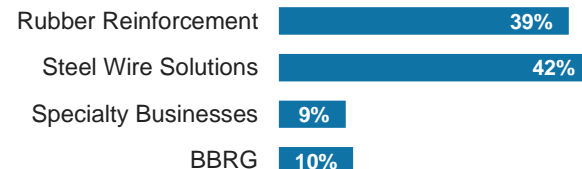
In millions of €

Consolidated sales	2019	2020	Variance	Organic	FX
Rubber Reinforcement	1 953	1 614	-17%	-16%	-2%
Steel Wire Solutions	1 448	1 334	-8%	-3%	-5%
Specialty Businesses	414	389	-6%	-5%	-1%
BBRG	489	424	-13%	-10%	-3%
Group	19	11	-	-	-
<b>Total consolidated sales</b>	<b>4 322</b>	<b>3 772</b>	<b>-12.7%</b>	<b>-9.7%</b>	<b>-3.0%</b>
<b>Total combined sales</b>	<b>5 132</b>	<b>4 438</b>	<b>-13.5%</b>	<b>-7.0%</b>	<b>-6.6%</b>

## Consolidated sales



## Combined sales



# Financial highlights

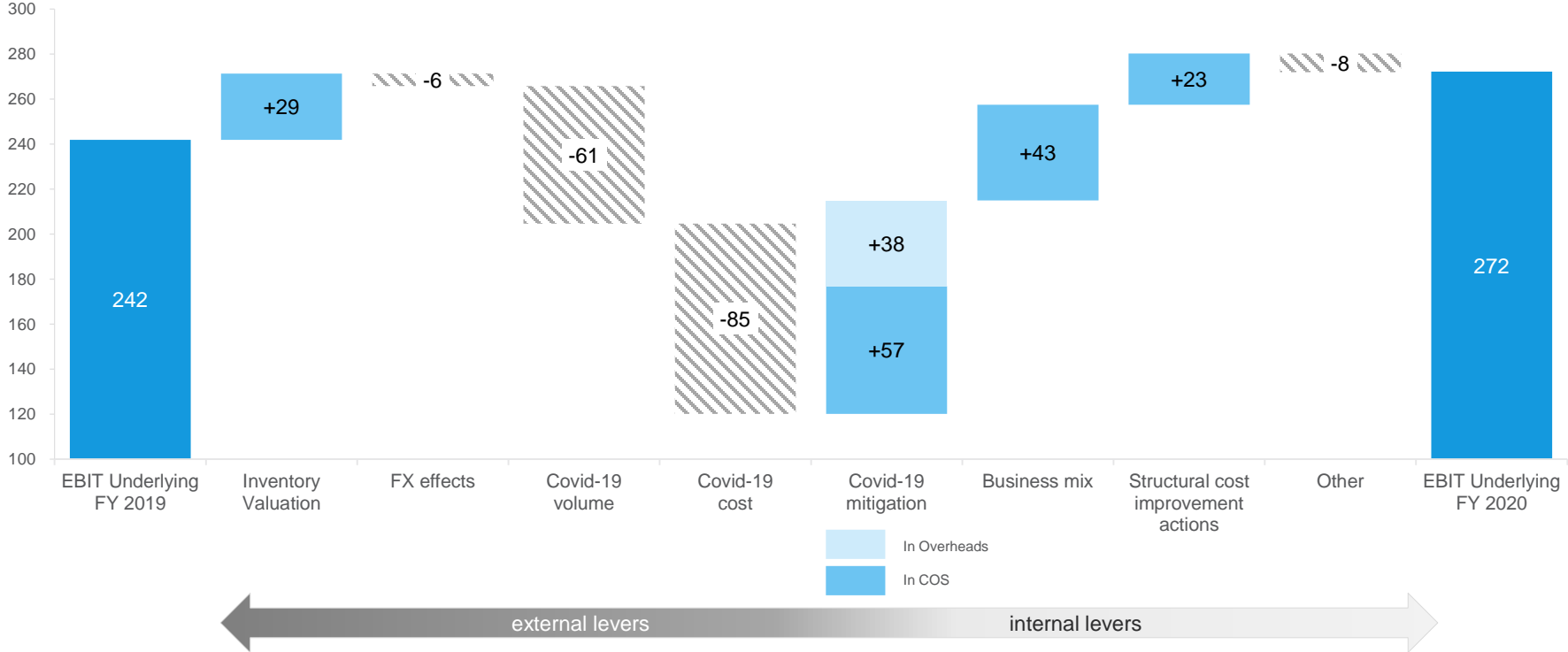
In millions of €

	Underlying				Reported	
	2019	2020	H1 2020	H2 2020	2019	2020
Sales	4 322	3 772	1 770	2 002	4 322	3 772
EBITDA	468	479	194	285	403	473
EBIT	242	272	92	181	155	257
% EBITDA	10.8%	12.7%	11.0%	14.2%	9.3%	12.5%
% EBIT	5.6%	7.2%	5.2%	9.0%	3.6%	6.8%
Working Capital	699	535			699	535
Net Financial Debt	977	604			977	604
Net debt / EBITDA	2.09	1.26			2.42	1.28
Net debt / equity (Gearing)					63.8%	39.4%
Sales on Capital Employed (Asset Rotation)	1.7	1.7			1.7	1.7
Return on Capital Employed (ROCE)	9.5%	12.2%			6.1%	11.5%
Return on Equity (ROE)					3.2%	9.7%

# Consolidated income statement: key figures

In millions of €	Underlying		Reported	
	2019	2020	2019	2020
Sales	4 322	3 772	4 322	3 772
Cost of sales	(3 734)	(3 174)	(3 795)	(3 214)
<b>Gross profit</b>	<b>588</b>	<b>599</b>	<b>527</b>	<b>558</b>
Selling expenses	(183)	(163)	(189)	(167)
Administrative expenses	(118)	(122)	(128)	(134)
R&D expenses	(62)	(50)	(71)	(52)
Other operating revenue and expenses	17	8	15	51
<b>EBIT</b>	<b>242</b>	<b>272</b>	<b>155</b>	<b>257</b>

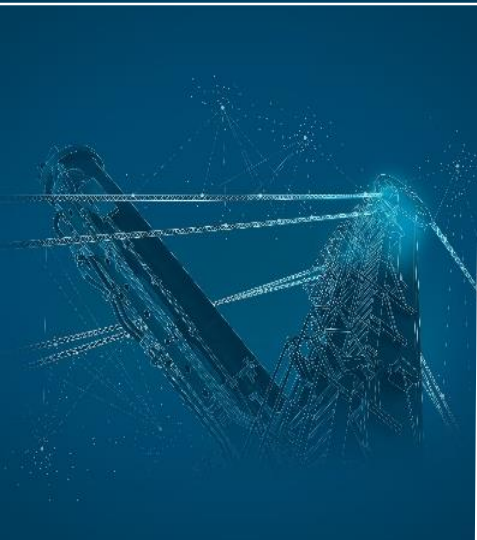
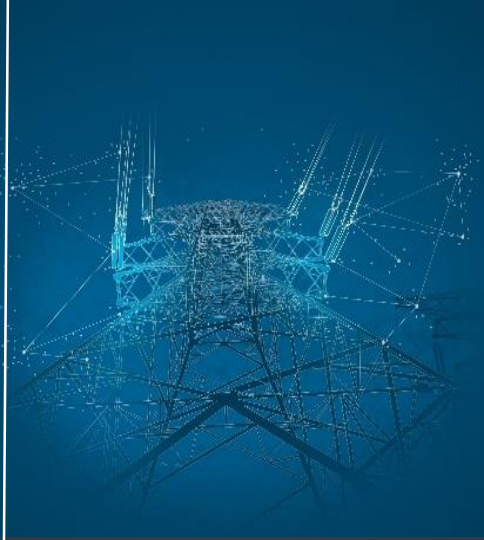
# EBIT-Underlying bridge: Consolidated view



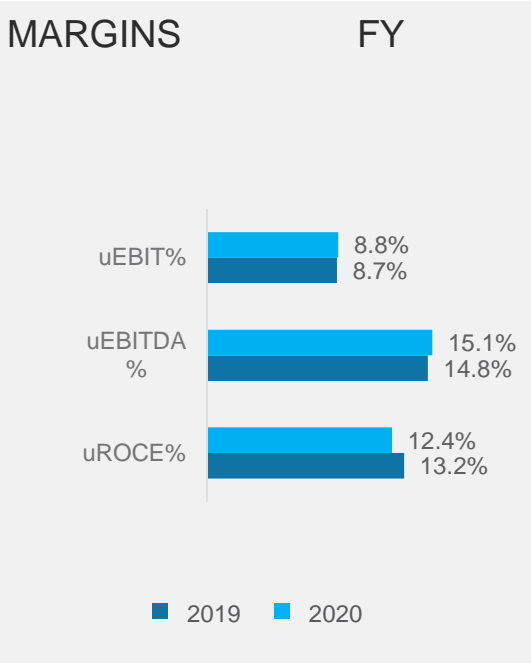
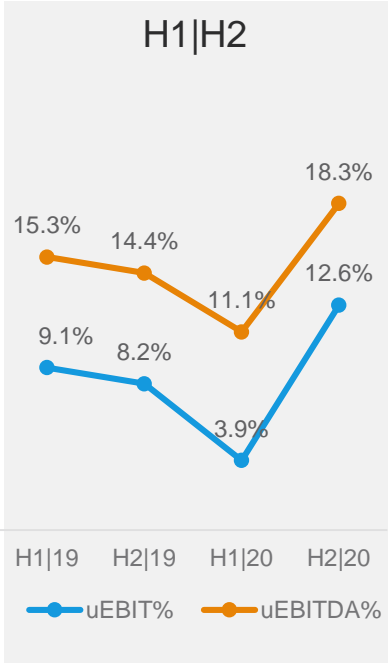
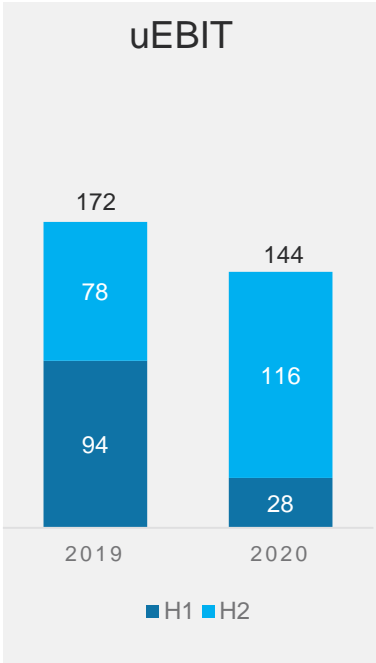
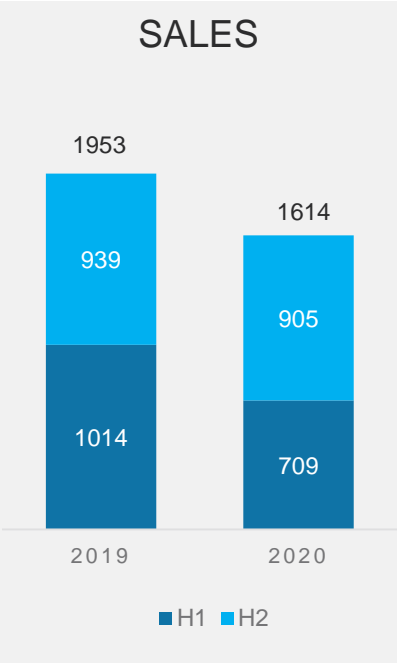


# Segment Reports

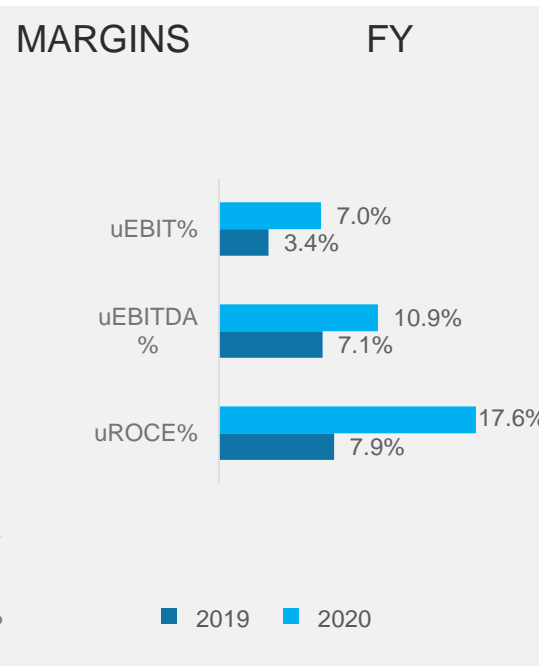
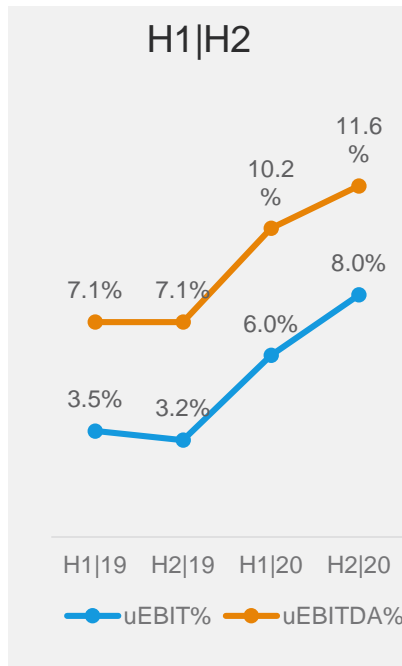
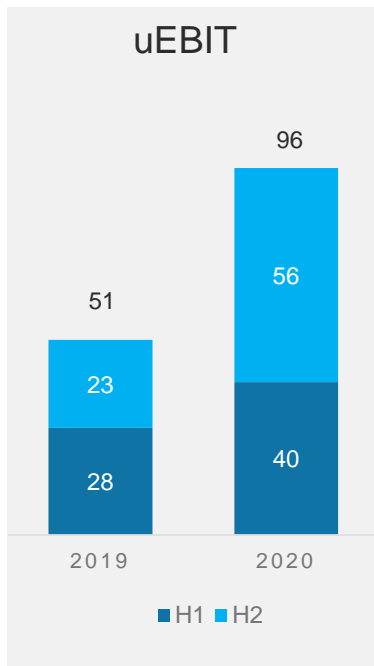
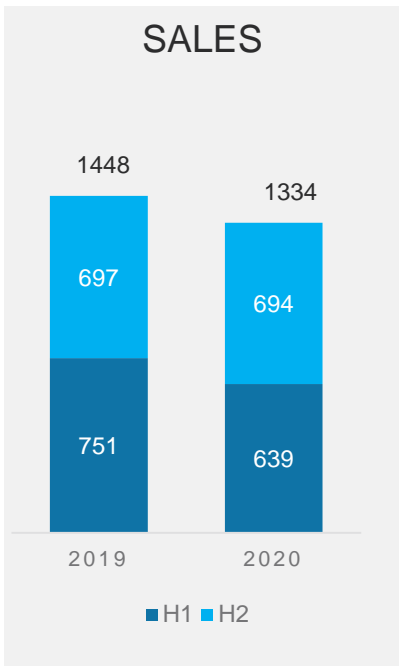
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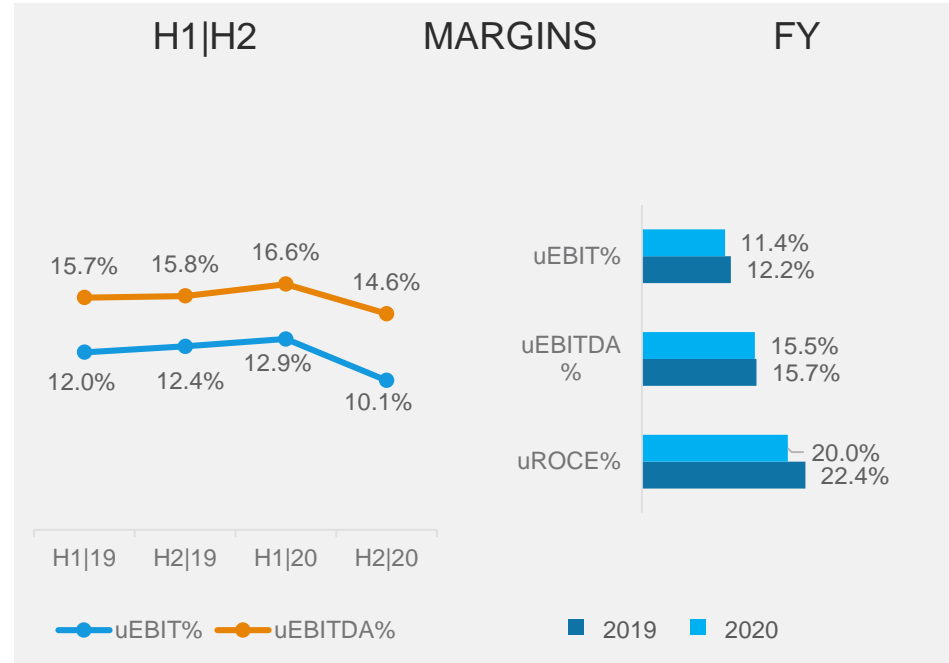
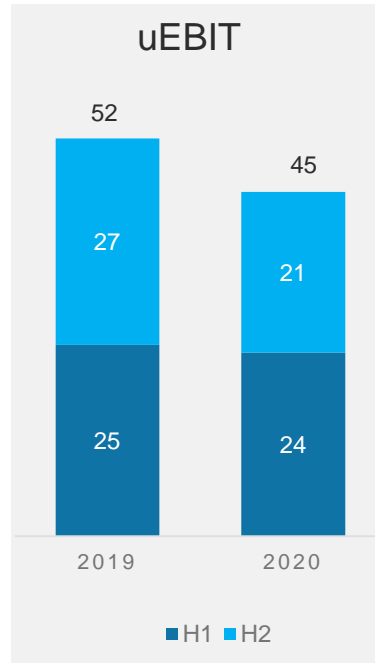
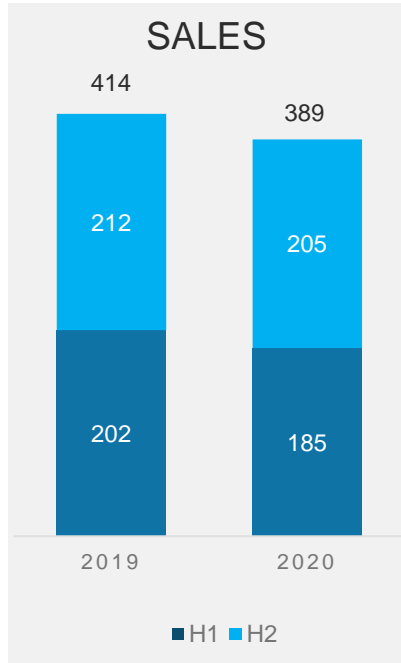


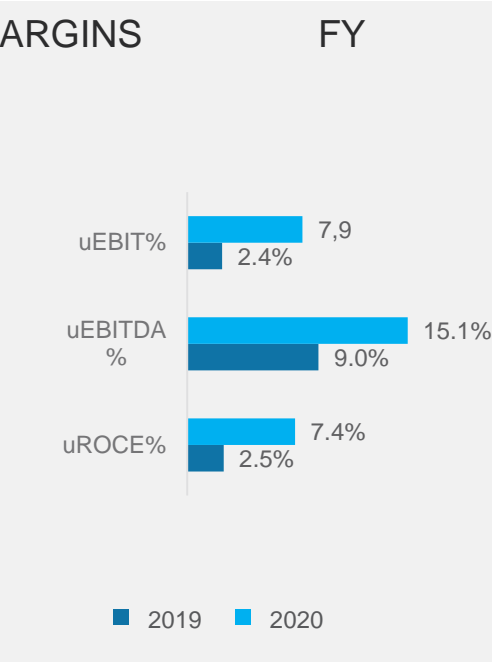
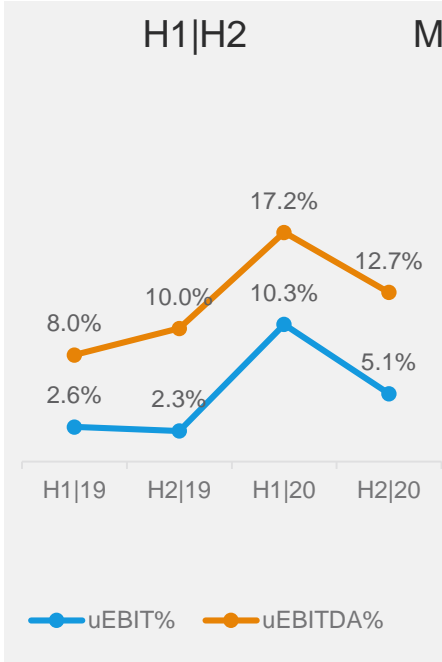
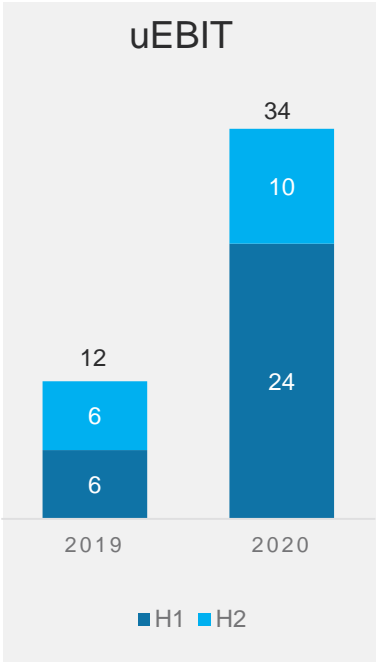
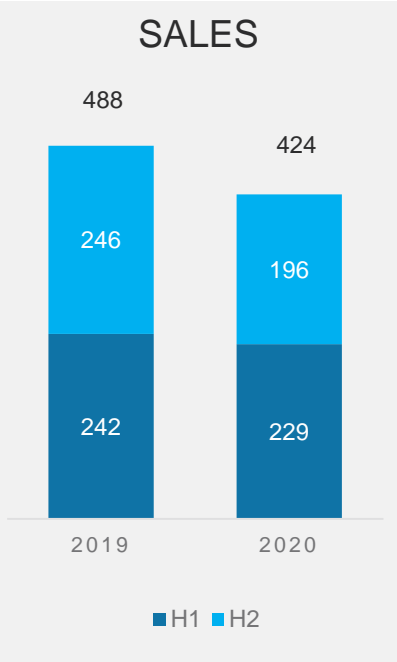
# Rubber Reinforcement



All absolute amounts in millions of €







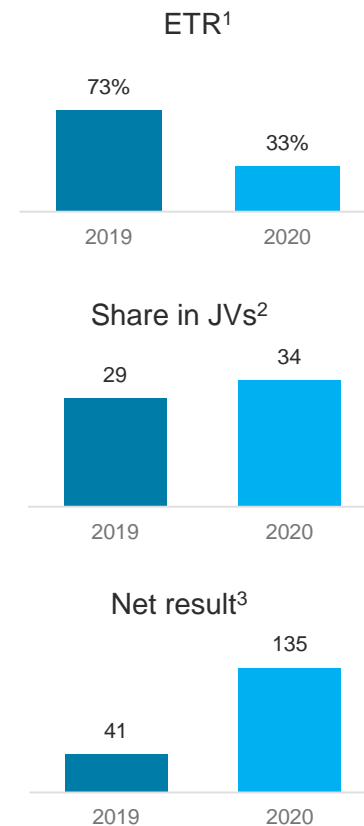
# Group Financial Statements

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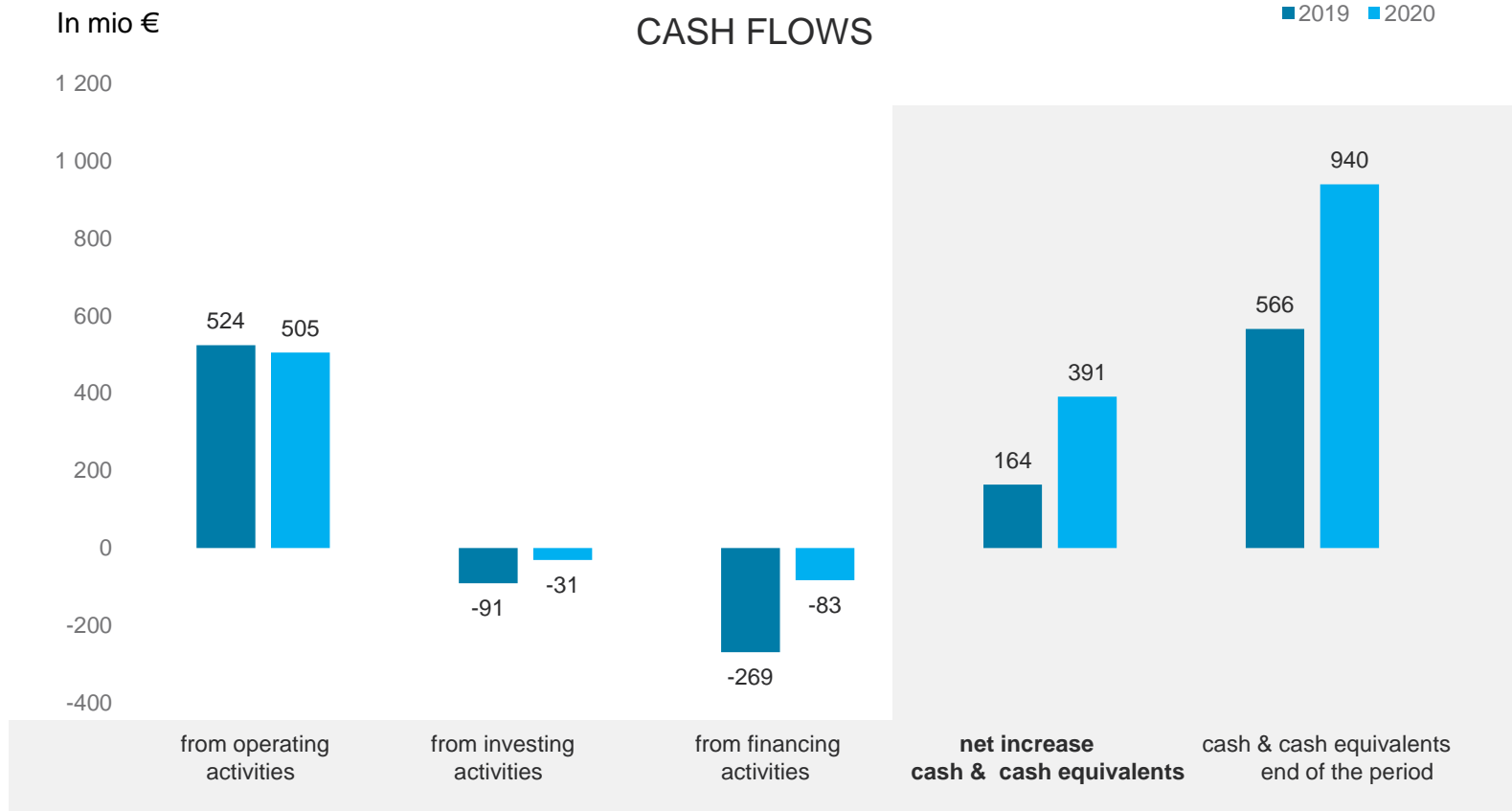
# Consolidated income statement: key figures

In millions of €	2019	2020
<b>EBIT</b>	<b>155</b>	<b>257</b>
Interest income / expense	(66)	(56)
Other financial income and expenses	(18)	(30)
Result before taxes	70	170
Income taxes	(51)	(57)
<b>Result after taxes (consolidated companies)</b>	<b>19</b>	<b>114</b>
Share in the results of joint ventures and associates	29	34
<b>Result for the period</b>	<b>48</b>	<b>148</b>
Attributable to non-controlling interests	7	13
<b>Attributable to equity holders of Bekaert</b>	<b>41</b>	<b>135</b>



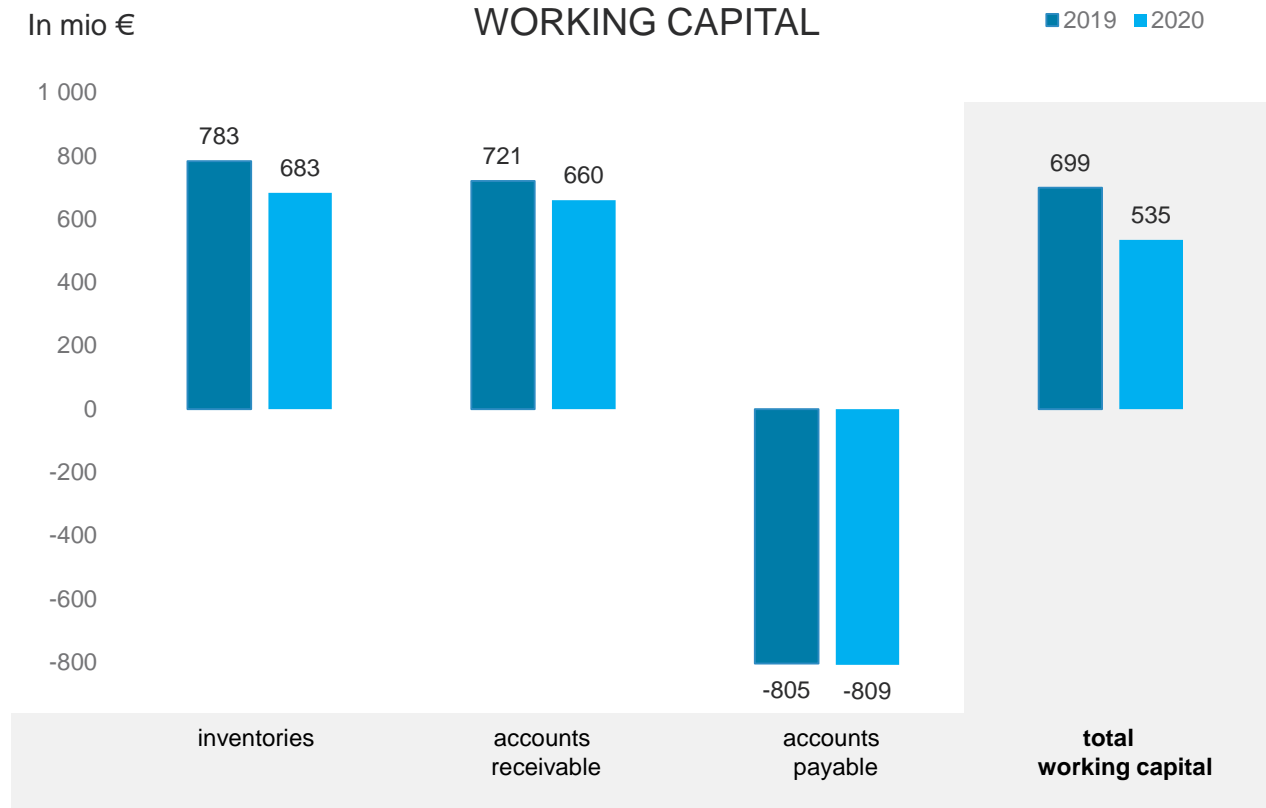
(1) Effective tax rate / (2) Share in the results of JVs / (3) Result of the period attributable to equity holders of Bekaert

# Cash flow: key figures





# Working capital: key figures



# Key figures per share

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	2019	2020
Share price	26.50	27.16
Number of existing shares	60 408 441	60 414 841
Book value	23.76	23.97
Earnings per share (EPS)	0.73	2.38
Weighted average number of shares	56 514 831	56 554 555

# Outlook

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## 2020

- Structural improvement actions
- Agile response to Covid-19



- Solid margin performance
- Robust cash generation
- Strong balance sheet

## 2021



- Strong start to the year
- Additional actions to further step up our performance
- FY2021 projections:
  - Consolidated sales to reach at least € 4 billion
  - uEBIT margin to exceed 2020 level by 40-60bps
  - Net debt on underlying EBITDA to remain below 1.5

## Q&A

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Raise your virtual hand.

Unmute your microphone and turn on your camera before raising a question.

# Save the Date



2020 Annual Report 2020 Sustainability Report	Publication online	26 March 2021	Online publication Offline print
First Quarter trading update 2021		12 May 2021	Press release
General Annual Meeting of Shareholders including Q1 trading update	Chairman and CEO	12 May 2021	Hybrid meeting live streaming + e-voting
Dividend ex-date		14 May 2021	
Dividend payable		18 May 2021	
Capital Markets Event	Chairman, CEO, CFO and members of the BGE	End of May 2021	Webcast/(hybrid) meeting



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