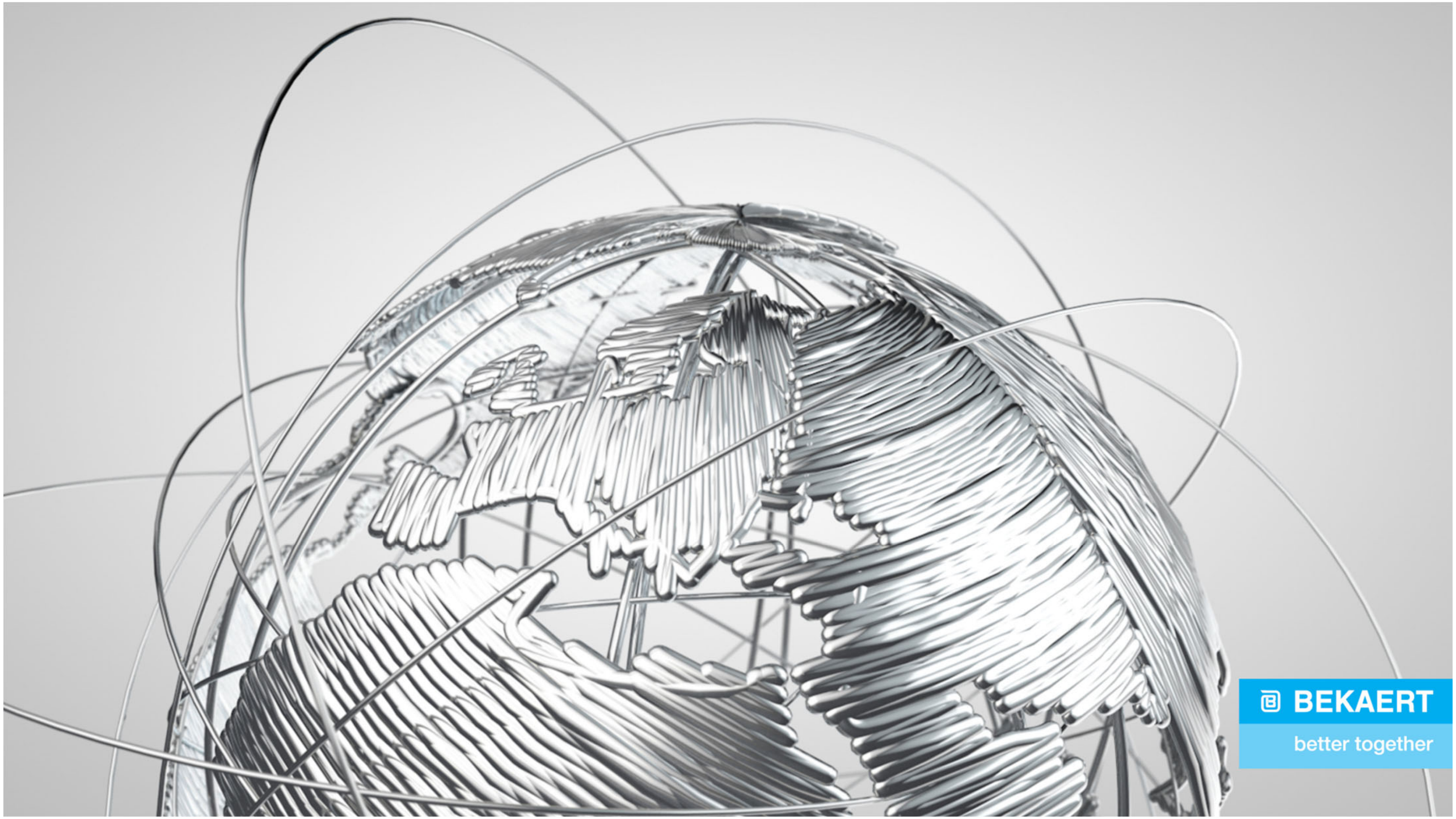
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Bekaert Results FY2019

Press Conference – Analyst Conference
Brussels, 4 March 2020

Matthew Taylor, Chief Executive Officer

Taoufiq Boussaid, Chief Financial Officer

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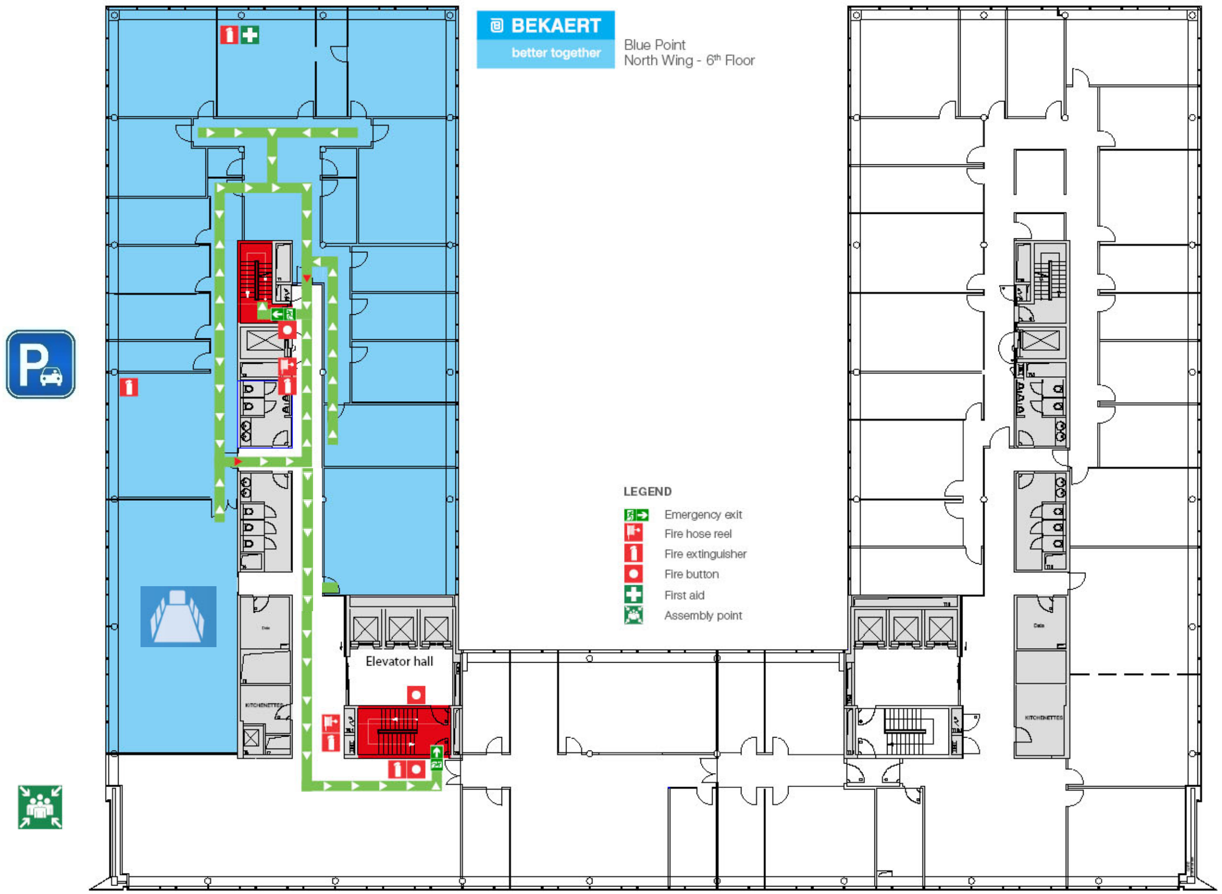
Welcome @Bekaert Brussels



Highlights

Bekaert delivers on margin,
working capital, and
debt deleverage priorities

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%
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%

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In millions of € unless otherwise indicated

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Improvement Actions and Results

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

Operational Excellence
- Cost savings from manufacturing excellence programs

Organizational Efficiency
- Organizational efficiencies from deploying new organizational structure

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

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

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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%**

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Consolidated income statement: key figures

(in mio €)	Underlying		Reported	
	2018	**2019**	**2018**	**2019**
Sales	4 305	4 322	4 305	4 322
Cost of sales	-3 720	-3 734	-3 779	-3 795
Gross profit	**585**	**588**	**527**	**527**

- Sales increased by 0.4 %
  - -1.2 % organic volume decline
  - +2.4 % better price-mix
  - -2.0% passed-on changes in wire rod prices
  - -0.1 % less sales from the divestment of Solaronics SA (July 2018)
  - +1.3 % favorable impact of exchange rate movements

- Underlying Gross profit increased by € +3 million (+0.5 %) resulting in a margin on sales of 13.6%
  - Performance improvements in the Business Units contributed € +75 million extra Gross Profit
  - Inventory valuation corrections deducted € -59 million
  - The resulting net improvement was entirely cancelled out by the gross profit decline (€ -16 million) in Bekaert Engineering
  - Favorable impact from exchange rates (€ +5 million)
  - Adverse impact from Solaronics divestment (€ -2 million)

- The difference between Underlying and Reported is due to one-off elements. Full disclosure of one-offs: cf page 11.

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Consolidated income statement: key figures

(in mio €)	Underlying		Reported	
	2018	**2019**	**2018**	**2019**
Gross profit	**585**	**588**	**527**	**527**
Selling expenses	-178	-183	-180	-189
Administrative expenses	-149	-118	-167	-128
R&D expenses	-64	-62	-65	-71
Other operating revenue and expenses	16	17	33	15
EBIT	**210**	**242**	**147**	**155**

- Overheads decreased by € -27.5 million, a reduction to 8.4% as a percentage on sales (9.1% at YE 2018 ; 8.6% at 1H 2019)
  Main reasons:
  - lower spend in consultancy
  - lower personnel cost from restructuring measures taken in 2018

- Underlying EBIT improved by € +31.8 million to € 241.9 million.
- Underlying EBIT margin to 5.6% (4.9% for FY 2018 ; 5.7% for 1H 2019).

- The difference between Underlying and Reported is due to one-off elements. Full disclosure of one-offs: cf page 11.

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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 11.

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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

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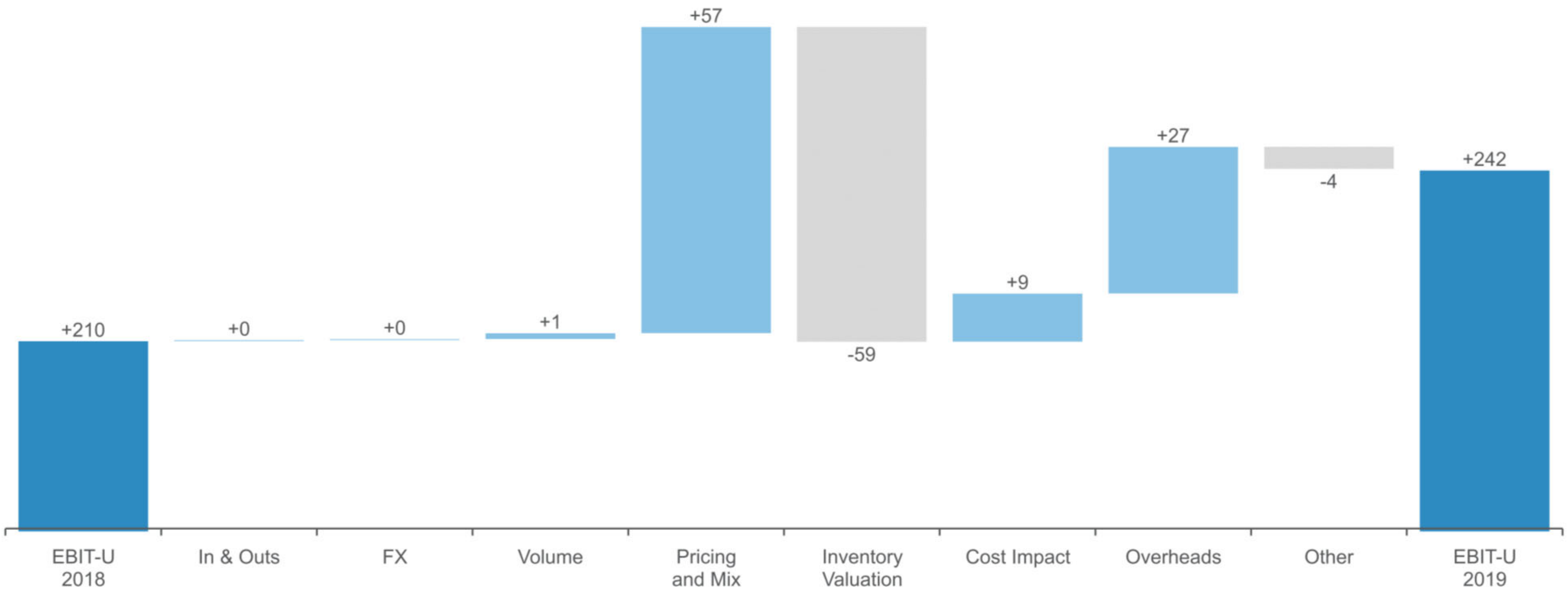
EBIT-Underlying bridge: by result driver



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EBIT-Underlying bridge: by Business Unit

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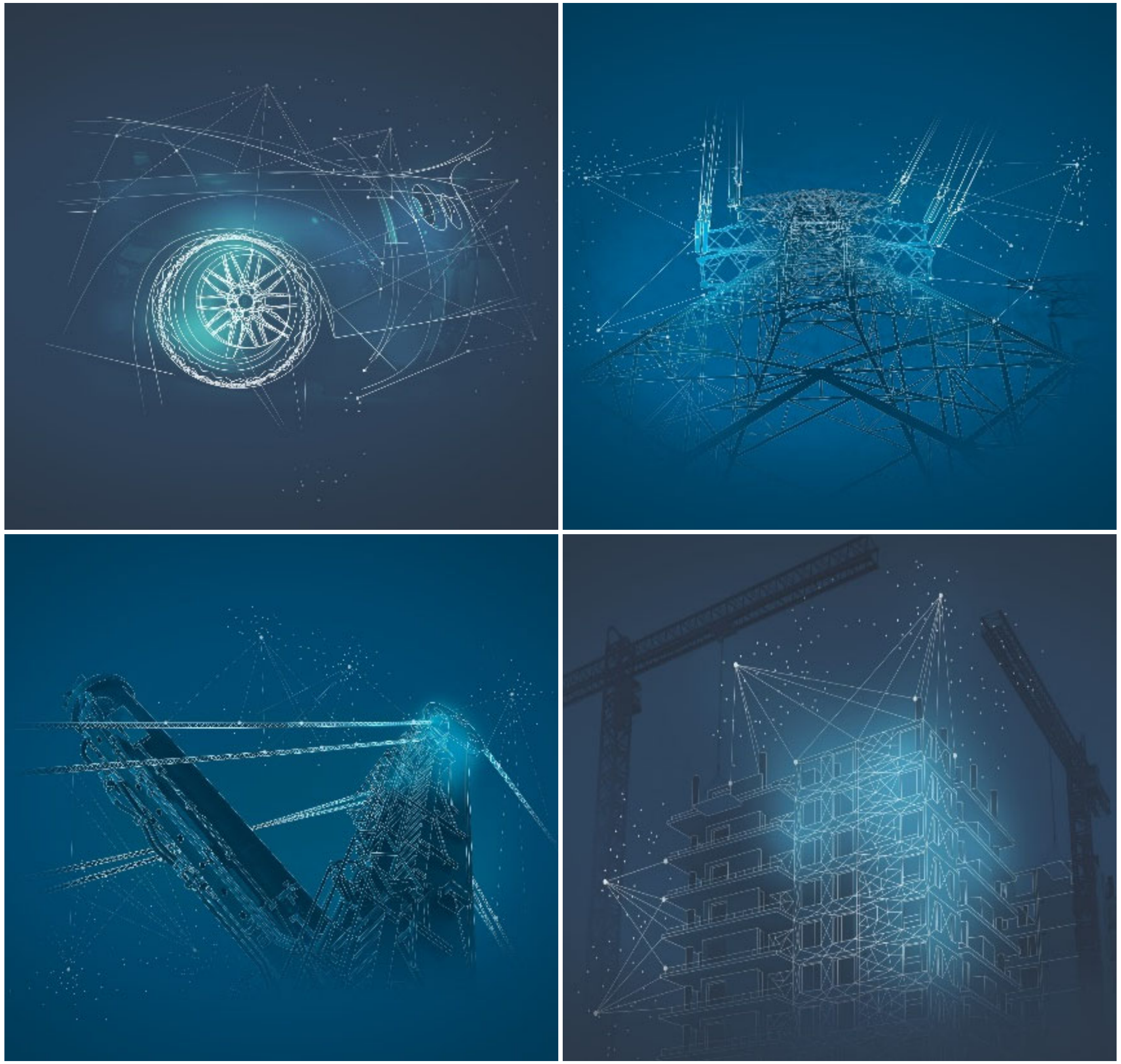

Segment Reports

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Segment reporting: BU Rubber Reinforcement

(in mio €)	Underlying				Reported	
	2018	2019	H1 2019	H2 2019	2018	2019
Consolidated third party sales	1 908	1 953	1 014	939	1 908	1 953
Consolidated sales	1 939	1 986	1 031	955	1 939	1 986
Gross profit	238	232	126	107	210	215
EBIT	177	172	94	78	152	155
EBIT margin	9.1%	8.7%	9.1%	8.2%	7.9%	7.8%
EBITDA	305	295	157	137	280	286
ROCE	12.9%	13.2%			11.1%	11.9%

- The rubber reinforcement business achieved 2.4% consolidated sales growth, driven by higher volumes. The effect of passed-on wire rod price decreases (-1.8%) was entirely offset by favorable currency movements.
- Strong sales increase in China, driven by 10% volume growth from increased market share and strong demand, particularly in H1. Sales were about stable in EMEA and North America, but fell short in India and Indonesia.
- Significant wire rod price decreases led to inventory valuation corrections that drove gross profit and EBIT down.
- The difference between Underlying and Reported is due to one-off elements. Full disclosure of one-offs: cf page 11.

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Segment reporting: BU Steel Wire Solutions

(in mio €)	Underlying				Reported	
	2018	2019	H1 2019	H2 2019	2018	2019
Consolidated third party sales	1 497	1 448	751	697	1 497	1 448
Consolidated sales	1 555	1 491	778	714	1 555	1 491
Gross profit	169	164	82	82	162	142
EBIT	57	51	28	23	59	25
EBIT margin	3.7%	3.4%	3.5%	3.2%	3.8%	1.7%
EBITDA	103	106	55	51	108	93
ROCE	8.5%	7.9%			8.8%	3.9%

- Steel Wire Solutions reported a sales decrease of -3.3%. The positive effects of price-mix (+3.7%) and currency movements (+0.8%) partially offset the impact from passed-on wire rod price decreases (-2.6%) and lower volumes (-5.2%).
- Sales volumes declined in all regions except in China and India where robust growth was achieved.
- Significant wire rod price decreases led to inventory valuation corrections that drove gross profit and EBIT down.
- Plant closures were announced in Q4 to improve the business portfolio (Shelbyville (US) + Ipoh (Malaysia)).
- The difference between Underlying and Reported is due to one-off elements. Full disclosure of one-offs: cf page 11.

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Segment reporting: BU Specialty Businesses

(in mio €)	Underlying				Reported	
	2018	2019	H1 2019	H2 2019	2018	2019
Consolidated third party sales	411	414	202	212	411	414
Consolidated sales	425	426	208	218	425	426
Gross profit	98	120	60	60	82	105
EBIT	26	52	25	27	-33	34
EBIT margin	6.0%	12.2%	12.0%	12.4%	(7.9%)	8.0%
EBITDA	48	67	33	34	43	51
ROCE	11.4%	22.4%			(14.8%)	14.6%

- Specialty Businesses reported about stable sales (+0.8%), with significant differences between the respective activity platforms.
- Building products achieved +6% sales growth driven by strong volumes and a positive price mix.
  Fiber technologies reported stable sales. The combustion (heating) business ended the year 4% below last year's performance and sales of (diamond) sawing wire were limited.
- Underlying EBIT doubled to € 52 million at a margin of 12.2%.
- The difference between Underlying and Reported is due to one-off elements. Full disclosure of one-offs: cf page 11.

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Segment reporting: BU Bridon-Bekaert Ropes Group (BBRG)

(in mio €)	Underlying				Reported	
	2018	**2019**	**H1 2019**	**H2 2019**	**2018**	**2019**
Consolidated third party sales	463	489	242	246	463	489
Consolidated sales	466	491	244	247	466	491
Gross profit	60	73	41	31	53	72
EBIT	-7	12	6	6	-20	9
EBIT margin	(1.5%)	2.4%	2.6%	2.3%	(4.3%)	1.9%
EBITDA	22	44	19	25	16	40
ROCE	(1.5%)	2.5%			(4.4%)	1.9%

- BBRG reported 5.5% higher sales which stemmed from solid organic growth (+4.2%) and favorable currency movements (+1.2%).
  - The ropes activities made significant progress in enhancing the business mix by focusing on quality business and by reducing their presence in lower margin segments. This strategy accounted for a volume decrease of -8%, while increasing revenues and margins.
  - A-cords activities saw continued strong demand.
- Underlying EBIT improved by € +18.8 million, mainly from the performance improvement in ropes.
- The difference between Underlying and Reported is due to one-off elements. Full disclosure of one-offs: cf page 11.

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Consolidated Key Figures

(continued)

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Consolidated income statement: key figures

(in mio €)	2018	2019
EBIT	**147**	**155**
Interest income / expense	(85)	(66)
Other financial income and expenses	(26)	(18)
Result before taxes	36	70
Income taxes	(58)	(51)
Result after taxes (consolidated companies)	**(22)**	**19**

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Consolidated income statement: key figures

(in mio €)	2018	2019
Result after taxes (consolidated companies)	(22)	19
Share in the results of joint ventures and associates	25	29
Result for the period	**3**	**48**
Attributable to non-controlling interests	(37)	7
Attributable to equity holders of Bekaert	**40**	**41**

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Cash flow: key figures

(in mio €)	2018	2019
Gross cash flows from operating activities	279	342
Cash flows from operating activities	244	524
Cash flows from investment activities	(102)	(91)
Cash flows from financing activities	(157)	(269)

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Working capital: key figures

(in mio €)	2018	2019
Inventories	932	783
Accounts receivable	851	721
Accounts payable	(908)	(805)
Working capital	**875**	**699**

- Working Capital decreased by € -176 million* versus year-end 2018: the result of lower outstanding trade receivables and lower inventory levels, partially offset by lower trade payables.
  - Tight inventory control brought inventories down by € -149 million.
  - Accounts Receivable decreased by € -130 million thanks to successful cash collection efforts and increased use of off-balance sheet factoring (€ +48 million to € 121 million at year-end 2019 versus € 73 million at year-end 2018).
  - Accounts Payable decreased by € -103 million.
- Average working capital on sales was 18.2% (down from 20.4% in 2018). Working capital on sales was 16.2% at the close of the year.

*Working capital: difference between B/S impact and cash generation = FX effects and reclassification of CAPEX related A/P to ‘cash from investing activities’

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Consolidated balance sheet: key figures

(in mio €)	2018	2019
Non-current assets	2 050	2 048
Current assets	2 400	2 257
Total assets	**4 449**	**4 305**
Equity	1 516	1 532
Non-current liabilities	907	1 367
Current liabilities	2 027	1 406
Total equity and liabilities	**4 449**	**4 305**

- Main change: shift from current to non-current liabilities due to debt refinancing with maturity spread.

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.

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Key figures per share

(in €)	2018	2019
Share price	21.06	26.50
Number of existing shares	60 408 441	60 408 441
Book value	23.12	23.76
Earnings per share (EPS)	0.70	0.73
Weighted average number of shares	56 453 134	56 514 831

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Outlook

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Outlook

Update Covid-19: to date none of Bekaert's employees have been infected with the virus and our plants in China resumed operations on 10 February. At present, our production plants globally are operating at fairly normal levels and the supply chain remains reasonably fluid. We have limited visibility on the potential impact of Covid-19 on our markets in coming months.

The actions taken in 2019 have significantly strengthened our balance sheet structure and have started to improve our profitability. This has made us more resilient to short-term uncertainties and will enable us to make further progress toward our 7% underlying EBIT margin goal.

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Covid-19 update

- People:
  - To date none of Bekaert's employees have been infected with the virus
  - Sufficient mouth masks in our premises in China
  - Travel ban policy and preventive self-isolation measures in place
- Our plants in China resumed operations on 10 February 2020: about 1 extra week of inactivity.
  - At present, our production plants globally are operating at fairly normal levels
  - The supply chain remains reasonably fluid
- No major, disrupting supply chain issues
  - We haven't been confronted with shortage of materials (as opposed to 'components'-dependent industries)
  - Wire rod suppliers have continued to produce and supply orders to our plants in China, Indonesia, Latin America
  - Alternative sourcing for some of the logistics services, packing materials, spare parts
  - Daily monitoring supply & logistics services options for and from China, Japan, South Korea and Italy
- Wire rod prices China: some fluctuations but no drastic volatility
- Transportation costs China: increased
- Impact not clear yet as situation evolves continuously
- Advantages of global presence

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Q&A

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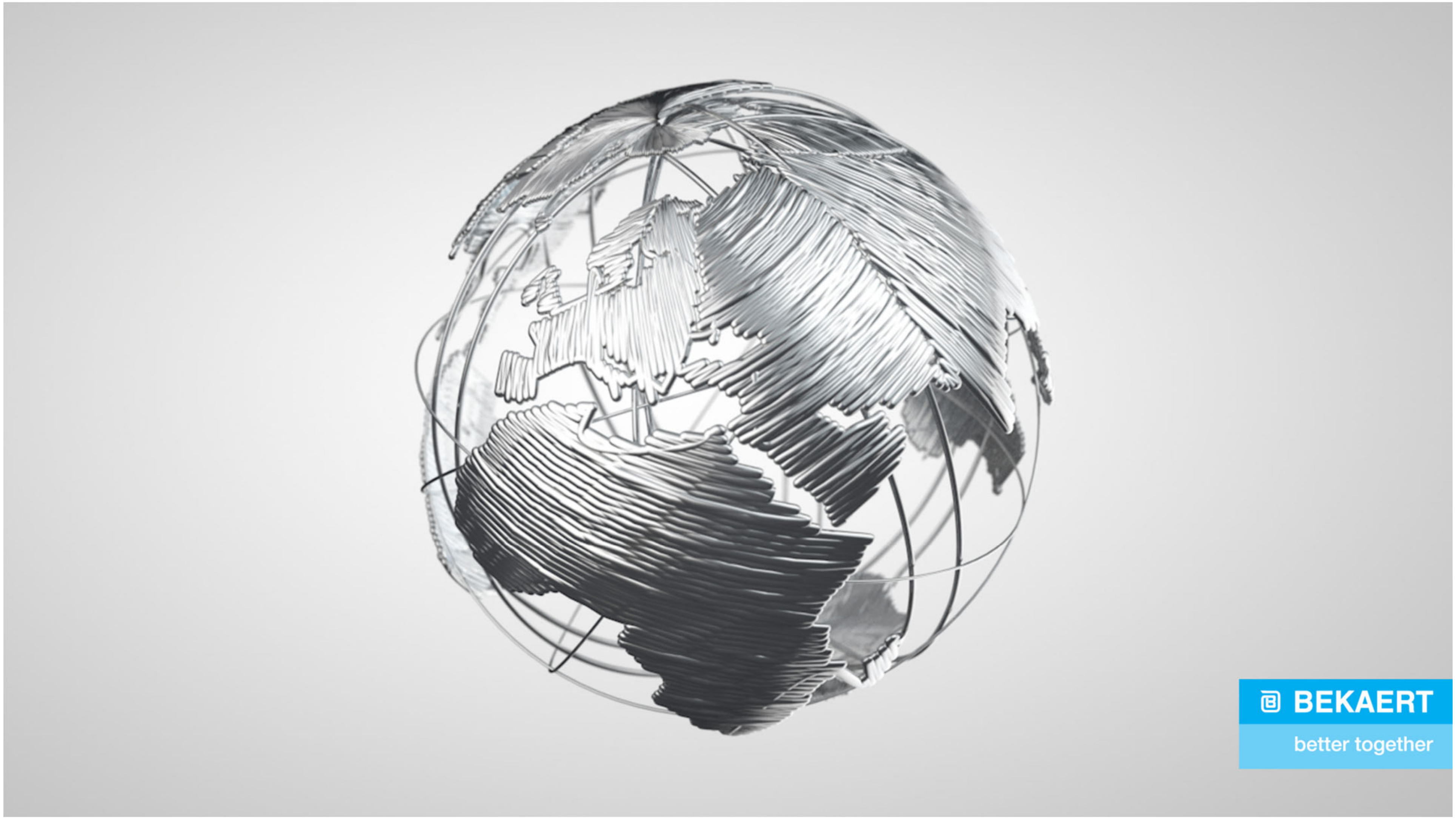
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