

# Bekaert 2021 H1 Results

30 July 2021

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Oswald Schmid, Chief Executive Officer  
Taoufiq Boussaid, Chief Financial Officer

# Safe harbor

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# Welcome

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Oswald Schmid - CEO

# Our business context in Q2 2021

## Macro-economic developments



- Significant surge of demand
- Global supply chain interruptions
- Commodity price increases
- Reverse globalization trend
- Continued uncertainties about Covid-19

# Our business context in Q2 2021

## Demand developments for Bekaert



- Very strong **tire** markets in EMEA and India and pick-up in North America
- Tailing off demand in China at the end of Q2
- Demand from **automotive OEM** not yet to pre-Covid levels due to global chip shortage



- Strong demand from **construction** markets in Latin America throughout H1
- Progressive demand improvement in the rest of the world and solid demand for elevator solutions
- Stimulus programs and de-globalization trends have been beneficial



- Strong demand in **energy & utility** markets
- Positive evolutions for flexible pipe armoring and offshore wind applications
- Robust demand for overhead power cable solutions



- Solid demand from **agriculture, fishing & marine, and mining** markets
- Increased demand for hose reinforcement and filtration solutions
- Growing interest for digital solutions

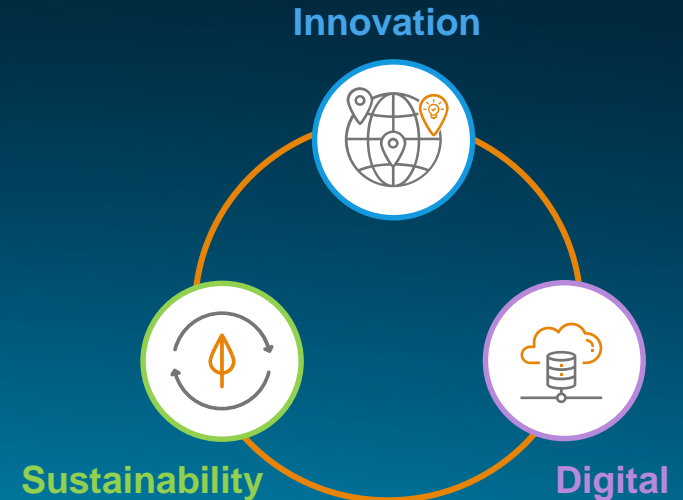
# Focus and priorities in H1 2021

## Actions geared towards three main areas

- **Capture the growth** from volume recovery to pre-Covid-19 levels
  - global demand rebound
  - customer-centric and go-to-market strategy & focus
  - supply chain excellence: delivery continuity
- **Structural improvement** of the overall Bekaert performance
  - Product and business mix improvements
  - Pricing discipline aligned with raw material price trends
  - Acceleration of commercial and operational excellence
  - Continued effective working capital and cost control
- Seizing the opportunities from **temporary tailwinds**
  - Positive inventory valuation impact from raw material prices
  - Excluding this impact, uEBIT margin reached ~10%

## Further development and deployment of our strategic transformation

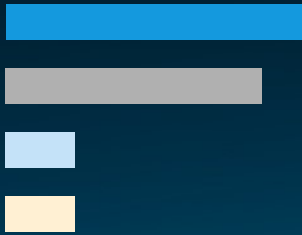
Strategy validation and start of implementation:



# Four business units serving global markets with a broad offering

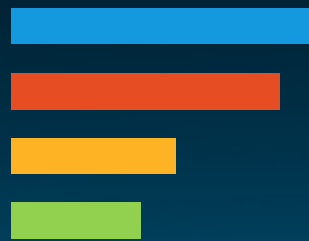
Sales breakdown H1 2021

## Business Units



RR	SWS
<b>43%</b>	<b>37%</b>
BBRG	SB
<b>10%</b>	<b>10%</b>

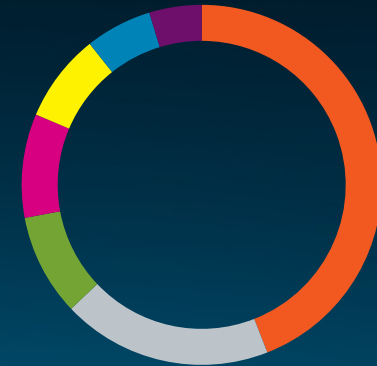
## Regions



EMEA	APAC
<b>35%</b>	<b>31%</b>
LATAM	NAM
<b>19%</b>	<b>15%</b>

Sales breakdown FY 2020

## End markets



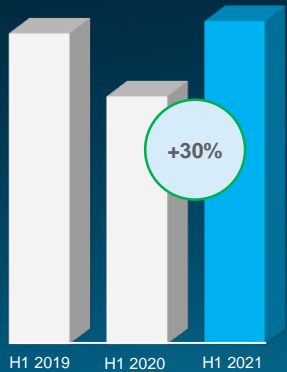
Tire & Automotive	Construction	Agriculture	
<b>44%</b>	<b>19%</b>	<b>9%</b>	
Basic materials	Energy & utilities	Equipment	Consumer goods
<b>9%</b>	<b>8%</b>	<b>6%</b>	<b>5%</b>

# 2021 H1 results

Strong sales – vigorous margin growth – strong balance sheet



Consolidated Sales



**€ 2 306 m**



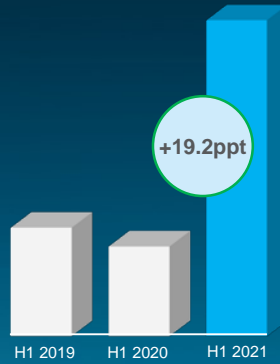
uEBIT%



**12.4%**



uROCE



**26.9%**



Operating FCF



**€ 155 m**



Net Debt



**€ 519 m**



# Financial performance H1 2021

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Taoufiq Boussaid - CFO

# 2021 H1 Sales

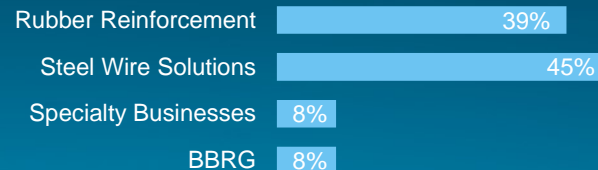
In millions of €

Consolidated sales	H1 2020	H1 2021	Variance	Organic	FX
Rubber Reinforcement	709	991	+40%	+43%	-3%
Steel Wire Solutions	639	849	+33%	+35%	-3%
Specialty Businesses	185	227	+23%	+24%	-1%
BBRG	229	236	+3%	+5%	-1%
Group	9	3	-	-	-
<b>Total consolidated sales</b>	<b>1 770</b>	<b>2 306</b>	<b>+30%</b>	<b>+33%</b>	<b>-2%</b>
<b>Total combined sales</b>	<b>2 065</b>	<b>2 782</b>	<b>+35%</b>	<b>+39%</b>	<b>-5%</b>

## Consolidated sales



## Combined sales



# Consolidated income statement: key figures

In millions of €

	Underlying		Reported	
	H1 2020	H1 2021	H1 2020	H1 2021
Sales	1 770	2 306	1 770	2 306
Cost of sales	(1 518)	(1 833)	(1 521)	(1 847)
<b>Gross profit</b>	<b>252</b>	<b>473</b>	<b>249</b>	<b>459</b>
Selling expenses	(81)	(88)	(81)	(87)
Administrative expenses	(59)	(78)	(60)	(76)
R&D expenses	(25)	(29)	(26)	(29)
Other operating revenue and expenses	4	9	4	21
<b>EBIT</b>	<b>92</b>	<b>285</b>	<b>87</b>	<b>288</b>

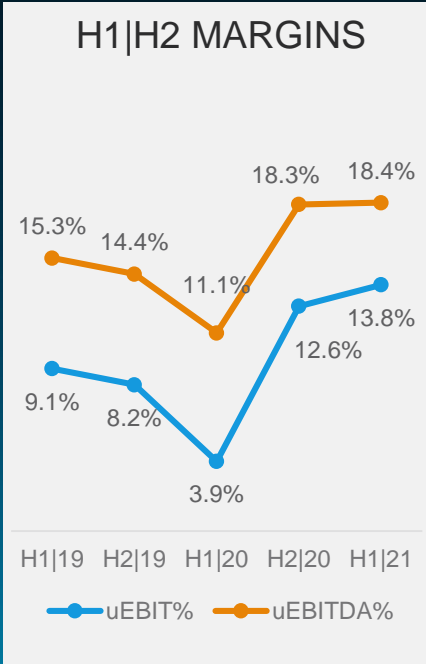
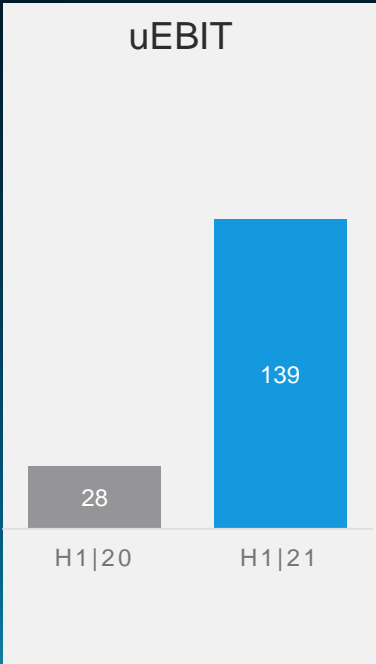
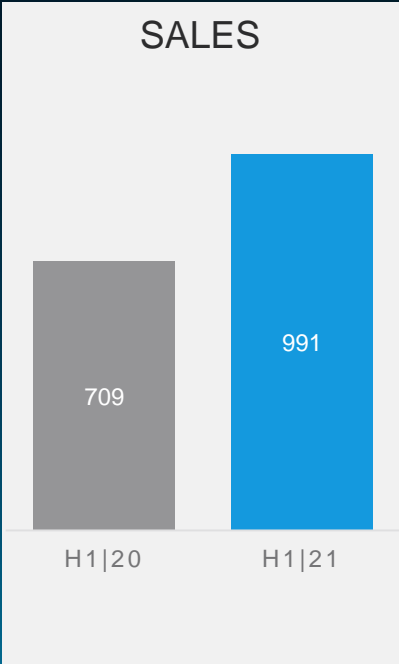
Overheads increase in absolute numbers but decrease as a % on sales: -80bps to 8.5%

# EBIT-Underlying bridge: Consolidated view

In millions of €



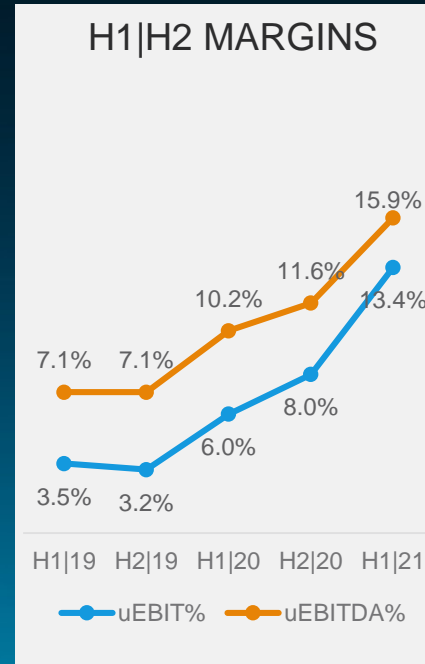
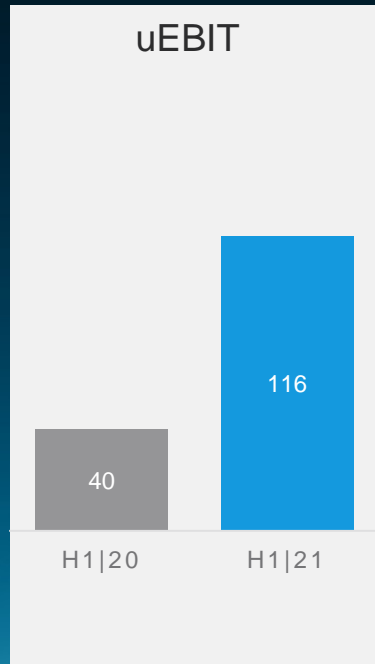
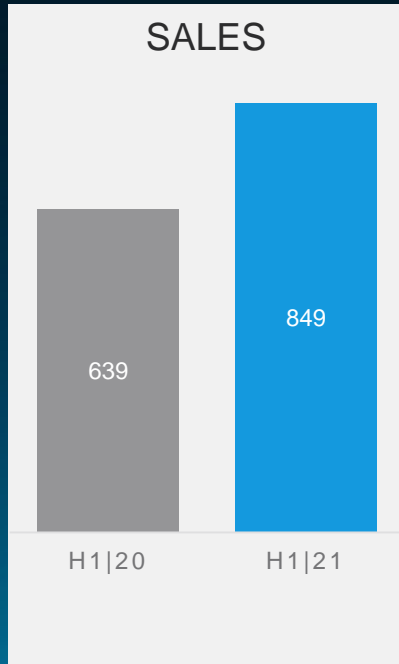
# Rubber Reinforcement



Joint Venture Brazil  
€81 mln sales  
+58%

CAPEX  
€12 mln

uROCE  
24.6%



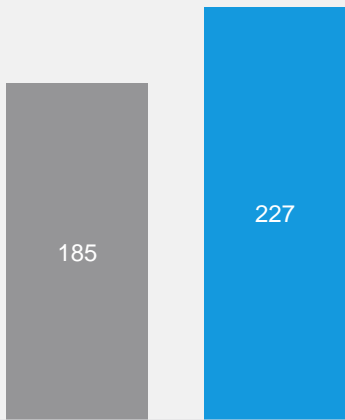
Joint Venture Brazil  
€ 397 mln sales  
+57%

CAPEX  
€ 11 mln

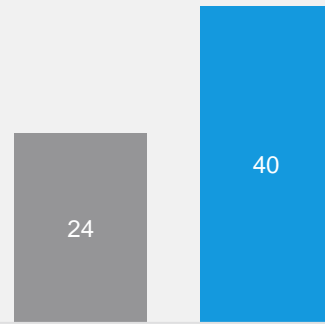
uROCE  
43.2%

# Specialty Businesses

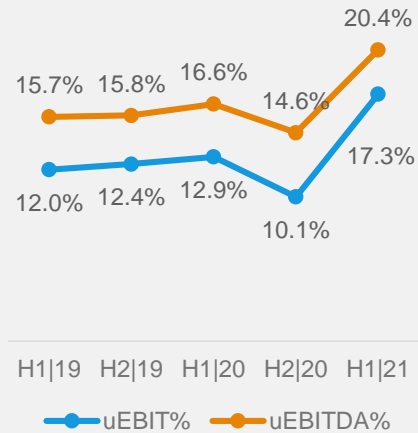
## SALES



## uEBIT



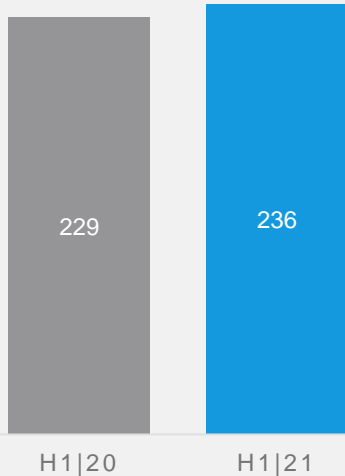
## H1|H2 MARGINS



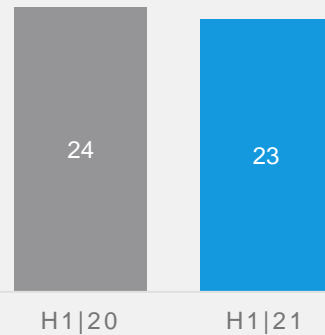
CAPEX  
€8 mln

uROCE  
35.4%

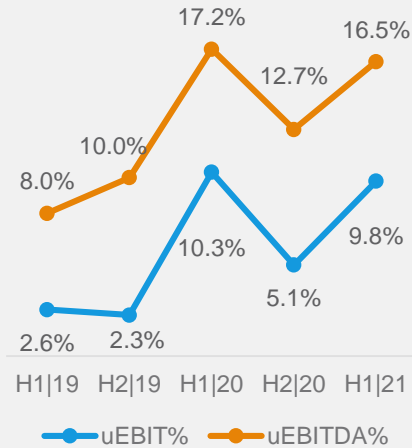
## SALES



## uEBIT



## H1|H2 MARGINS



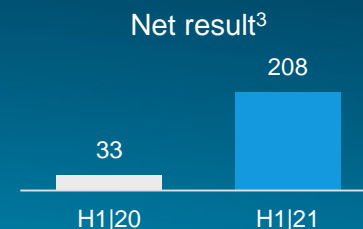
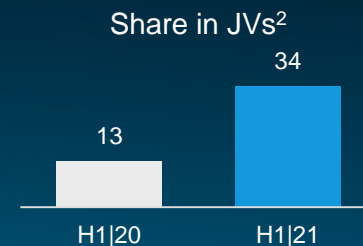
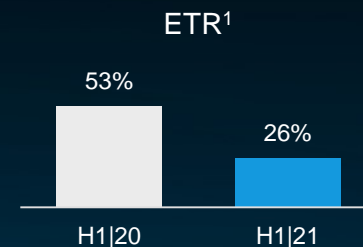
CAPEX  
€ 10 mln

uROCE  
10.9%



# Consolidated income statement: key figures

In millions of €	H1 2020	H1 2021
<b>EBIT</b>	<b>87</b>	<b>288</b>
Interest income / expense	(28)	(23)
Other financial income and expenses	(15)	4
Result before taxes	44	268
Income taxes	(23)	(71)
<b>Result after taxes (consolidated companies)</b>	<b>21</b>	<b>197</b>
Share in the results of joint ventures and associates	13	34
<b>Result for the period</b>	<b>34</b>	<b>231</b>
Attributable to non-controlling interests		23
<b>Attributable to equity holders of Bekaert</b>	<b>33</b>	<b>208</b>



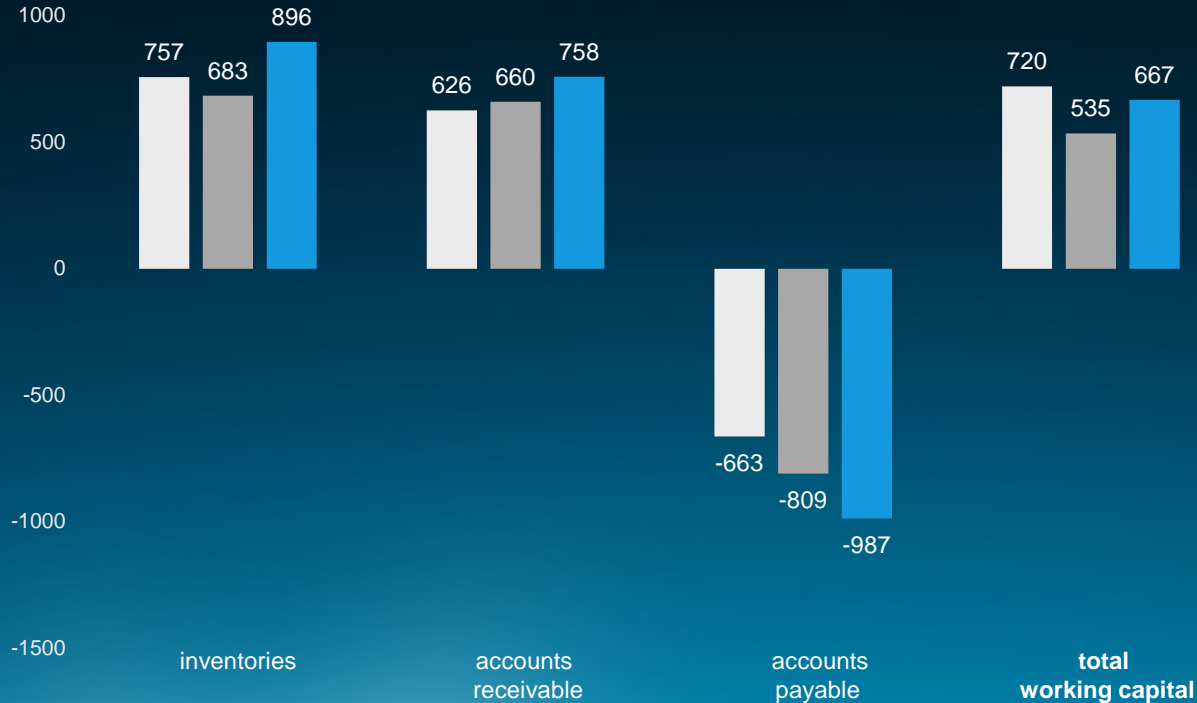
(1) Effective tax rate / (2) Share in the results of JVs / (3) Result of the period attributable to equity holders of Bekaert

# Working capital: key figures

In millions of €

## WORKING CAPITAL

■ H1|20 ■ YE|20 ■ H1|21



13%

Working capital  
on sales

# Key figures per share

	H1 2020	H1 2021
Share price	17.45	37.58
Number of existing shares	60 408 441	60 414 841
Book value	22.61	28.23
Earnings per share (EPS)	0.59	3.66
Weighted average number of shares	56 543 997	56 813 437

x6  
EPS

# 2021 Guidance & Mid-term Ambitions

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Taoufiq Boussaid - CFO

# 2021 Outlook and restated guidance



**Consolidated  
sales**



**uEBIT  
margin**



**Net debt  
leverage**

**Restated short-term  
guidance (2021)**

**€ ~4.6 bln**

**10%+**

**< 1.0**

# Ambitions for 2022-2026



**Consolidated  
sales**

**Mid-term  
ambitions (2022-2026)**

**3%+ CAGR**  
organic



**uEBIT  
margin**

**9%-11%**  
through the cycle



**FCF  
yield**

**~100%**  
FCF/net result

# Closing Words

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Oswald Schmid - CEO

# Creating sustainable value for all our stakeholders



**We make our  
customers succeed**



**We are truly  
better together**



**We commit to  
high performance**



**We care for  
the world around us**

**For our customers, employees,  
shareholders and communities**



# Transforming at speed

**Performing** customer-centric, ambitious, and committed to deliver

**Transforming** modern, digitalized company, building a better future

**Growing** Better positioned, focused and innovative

**CREATIVITY  
BEYOND  
STEEL**



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