

KEY FIGURES 1st half 2019  
(underlying)

Combined sales  
up **3.2%**



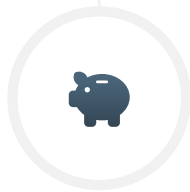
Consolidated sales  
up **2.9%**

ROCE  
**9.3%**



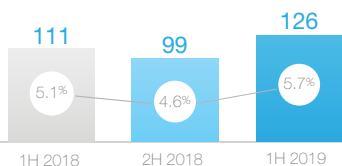
EBIT margin  
**5.7%**

EBITDA  
up **12%**

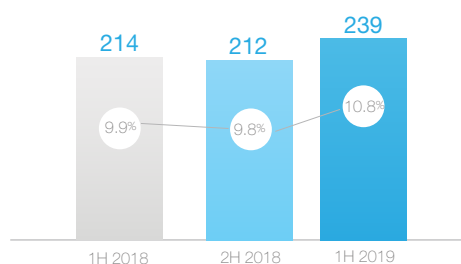


Net debt / EBITDA  
**2.6**

EBIT



EBITDA



## Why invest in Bekaert?

### Who are we

Bekaert is a world market and technology leader in steel wire transformation and coating technologies. Bekaert (Euronext Brussels: BEKB) is a global company with 29 000 employees worldwide, headquarters in Belgium and € 5 billion in combined revenue.

### Investment case

Driving value creation for our shareholders by cost effectively creating superior value for customers is our strategy. Our vision and core strategies form the foundation of a transformation of our business towards higher level performance. Our actions will help rebuild our underlying EBIT margin to above 7% over the medium term.

### Our vision

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

# SEGMENT REPORTING

## Rubber Reinforcement (9.1% U-EBIT margin)

The Rubber Reinforcement business unit achieved 7% sales growth, driven by firm organic growth (+5.3%) and favorable currency movements (+1.7%). The organic growth stemmed from higher volumes (+4.3% top-line impact) and the positive aggregate effect (+1.0%) of price-mix and passed-on raw material price changes. Sales increased by almost 8% at the combined level, which included the firm sales growth (+16%) of our tire cord joint venture in Brazil. Underlying EBIT increased by +12% to € 94 million, at a margin of 9.1%. We take into account the usual seasonal effects of the second half of the year and are cautious about the effects of the automotive sector decline across all continents.

## Steel Wire Solutions (3.5% U-EBIT margin)

The business unit reported a sales decrease of -1.5% compared with the first half of 2018. Favorable currency movements (+1.8%) and the positive aggregate effect (+3.0%) of price-mix and passed-on wire rod price changes could not entirely offset the impact from lower volumes (-6.3%). The economic uncertainty affecting the automotive, other industrial and agricultural market demand drove sales down in most regions. Sales were stable at the combined level. Our steel wire joint venture in Brazil recorded firm sales growth in the second quarter. Underlying EBIT was € 27.5 million, 28% lower than in the same period last year and reflecting a margin on sales of 3.5%. We do not anticipate demand recovery in our markets and take into account the usual seasonal effects of the second half of the year. We are taking actions to improve the financial performance of the business unit despite of the headwinds.

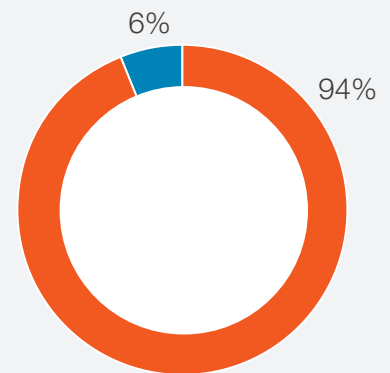
## Specialty Businesses (12.0% U-EBIT margin)

Third party sales were -3.5% down, with significant differences in market dynamics and performance trends between the activity platforms: building products achieved +6% revenue growth in the first half of 2019. The fiber technologies activities (-3.5%) were affected by lower sales in diesel particulate filtration media and a lower activity level in the Belgian plant. The combustion activities (-9.2%) further weakened in the second quarter of 2019 and sales of (diamond) sawing wire were limited. Underlying EBIT increased +36% to € 25 million, reflecting a margin of 12%, mainly driven by a strong underlying performance of building products activities and the diamond wire business turning EBITDA-breakeven. We anticipate continued firm demand in building products and do anticipate an uplift of combustion technology sales. We are in the process of analyzing different opportunities about the future of the diamond wire business.

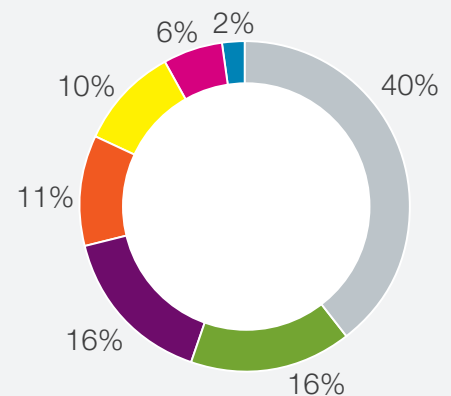
## BBRG (2.6% U-EBIT margin)

BBRG achieved 6.8% top line growth which stemmed from solid organic growth (+5.5%) and favorable currency movements (+1.3%). The organic growth was the result of an improved product- and price-mix in ropes and modest sales growth in advanced cords. Underlying EBIT and EBITDA improved significantly as a result of successful profit restoration actions, particularly in the Americas. Customer activity in the mining industry is projected to remain robust across all regions. In oil and gas markets, business conditions are projected to remain stable in North America but significantly weaker in EMEA, due to a low order intake of project business in the second half of 2019. Softening demand for the advanced cords' automotive and hoisting markets is likely to persist.

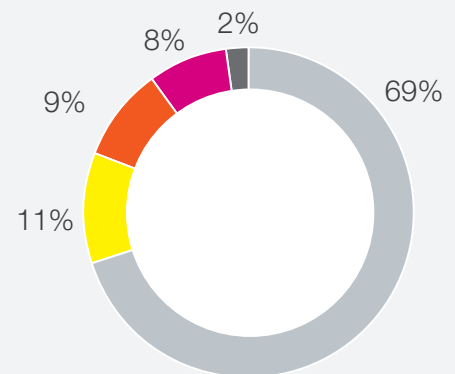
## Consolidated sales by sector and segment Rubber Reinforcement



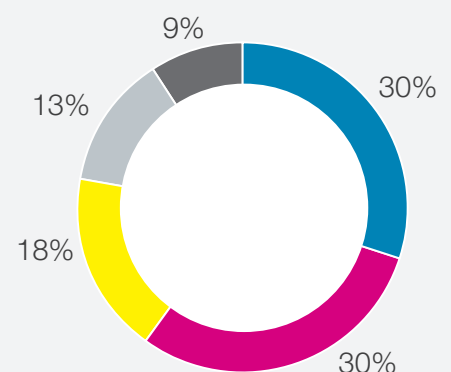
## Steel Wire Solutions



## Specialty Businesses



## Bridon-Bekaert Ropes Group



# THIRD PARTY SALES FIRST HALF 2018-2019

## Consolidated sales 2019

in millions of €

	H1 2018	Q1 2019	Q2 2019	H1 2019
Rubber Reinforcement	947	502	512	1 014
Steel Wire Solutions	762	376	375	751
Specialty Businesses	209	97	105	202
BBRG	227	117	125	242
Group	11	2	7	10
<b>Total</b>	<b>2 157</b>	<b>1 094</b>	<b>1 124</b>	<b>2 218</b>

## Combined sales 2019

in millions of €

	H1 2018	Q1 2019	Q2 2019	H1 2019
Rubber Reinforcement	1 021	544	555	1 099
Steel Wire Solutions	1 073	535	539	1 074
Specialty Businesses	209	97	105	202
BBRG	227	117	125	242
Group	7	1	1	1
<b>Total</b>	<b>2 537</b>	<b>1 294</b>	<b>1 325</b>	<b>2 619</b>

## NEW SEGMENT REPORTING

In line with the organizational changes announced 1 March 2019, Bekaert's segment reporting has changed in 2019. The new reporting segments are:

**Rubber Reinforcement:** serving industries that use tire cord, bead wire, hose reinforcement wire and conveyor belt reinforcement.

**Steel Wire Solutions:** serving industrial, agricultural, consumer and construction markets with a broad range of steel wire products and solutions.

**Specialty Businesses:** including building products, fiber technologies, combustion technology and sawing wire.

**Bridon-Bekaert Ropes Group (BBRG):** including the ropes and advanced cords businesses.

## UNDERLYING EBIT BRIDGE



### Sectors

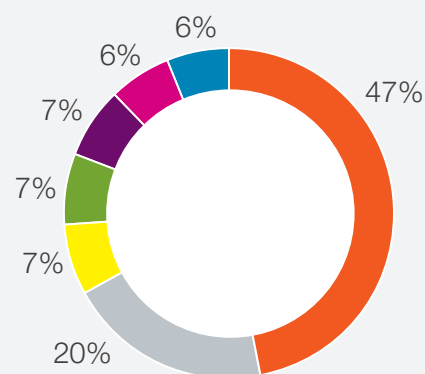
- Tire & Automotive
- Consumer goods
- Construction
- Basic materials
- Energy
- Equipment
- Agriculture
- Other

### Business units

- Rubber Reinforcement
- Steel Wire Solutions
- Specialty Businesses
- Bridon-Bekaert Ropes Group

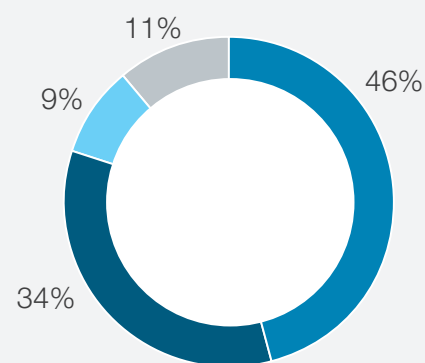
## Combined sales by sector

in %



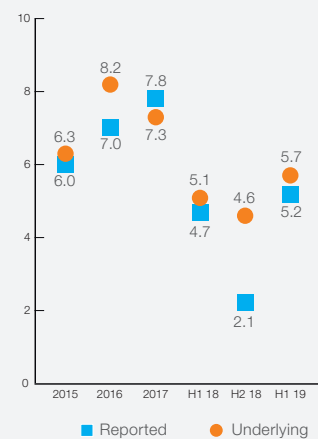
## Consolidated sales by business unit

in %



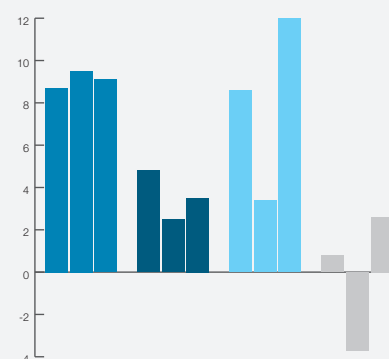
## EBIT on sales

in €



## Underlying EBIT margin by business unit

H1 18 - H2 18 - H1 19 in %



# KEY FIGURES

## Combined key figures

in millions of €	H1 2018	H1 2019	Delta
Sales	2 537	2 619	3.2%
Capital expenditure (PP&E)	103	62	-39.9%
Employees as at 30 June	30 068	29 038	-3.4%

## Consolidated financial statements

in millions of €	H1 2018	H1 2019	Delta
<b>Income statement</b>			
Sales	2 157	2 218	2.9%
EBIT	101	115	13.6%
EBIT-underlying	111	126	13.9%
Interests and other financial results	-45	-34	-
Income taxes	-23	-32	-
Group share joint ventures	12	13	16.0%
Result for the period	45	62	38.5%
attributable to equity holders of Bekaert	54	58	6.9%
attributable to non-controlling interests	-10	4	-
EBITDA-underlying	214	239	11.6%
Depreciation PP&E	98	106	8.3%
Amortization and impairment	5	5	-5.1%
<b>Balance sheet</b>			
Equity	1 543	1 547	0.3%
Non-current assets	2 103	2 095	-0.4%
Capital expenditure (PP&E)	95	48	-49.6%
Balance sheet total	4 545	4 470	-1.7%
Net debt	1 339	1 253	-6.4%
Capital employed	2 791	2 718	-2.6%
Working capital	1 031	956	-7.3%
Employees as at 30 June	26 468	25 741	-2.7%
<b>Ratios</b>			
EBITDA on sales	9.5%	10.2%	
Underlying EBITDA on sales	9.9%	10.8%	
EBIT on sales	4.7%	5.2%	
Underlying EBIT on sales	5.1%	5.7%	
EBIT interest coverage	2.4	3.7	
ROCE underlying	8.1%	9.3%	
ROE	5.7%	8.1%	
Financial autonomy	33.9%	34.6%	
Gearing (net debt on equity)	86.8%	81.0%	
Net debt on underlying EBITDA	3.1	2.6	

## Joint ventures and associates

in millions of €	H1 2018	H1 2019	Delta
Sales	380	401	5.3%
Operating result	40	42	4.9%
Net result	33	34	3.0%
Capital expenditure (PP&E)	8	14	74.4%
Depreciation	9	9	-8.6%
Employees as at 30 June	3 600	3 297	-8.4%
Group's share net result	12	13	16.0%
Group's share equity	156	168	8.1%

## Key figures per share

NV Bekaert SA	H1 2018	H1 2019	Delta
Number of shares as at 30 June	60 373 841	60 408 441	0.1%
Market capitalization as at 30 June (in millions of €)	1 678	1 424	-15.1%

At Bekaert, we want to create a no-harm-to-anyone working environment through BeCare, our global safety program. Our efforts have started to pay off: the Total Recordable Injury Rate (TRIR) has decreased by 7% compared to 2018. As part of the BeCare program, we started the implementation of 10 Life Saving Rules at the beginning of 2019. The rules are simple dos and don'ts in 10 hazardous situations that have the highest potential to cause fatalities. By the end of the first year half, the implementation rate reached 80%. In the first half of 2019, the program helped to reduce the number of such situations by 45%.

In March 2019, Bekaert announced changes to its organizational structure and leadership team. The new organizational structure gives the business units global P&L accountability and allows them to develop a customer-centric approach aligned with the specific needs and dynamics of their markets. The global functions work as strategic business partners providing specific expertise and services across Bekaert.

## OUTLOOK

The business conditions in various sectors are trending lower as a result of continued uncertainty. We do not foresee a rebound in our agriculture, automotive OEM, and industrial markets in the near future. We project tire and construction markets to hold up well but do take into account the normal seasonality of the second half of the year.

We will continue to offset further headwinds with effective cost actions and by making progress in enhancing our operating performance.

This would continue the year-on-year underlying EBIT margin improvement as we progressively rebuild to above 7% over the medium term.

We will further strengthen our balance sheet with strict control on working capital and capital expenditure in order to continue reducing net debt/underlying EBITDA.