

Press release

Regulated information – Inside Information

Press - Investors

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Bekaert revises 2018 outlook down

While underlying volume demand in automotive and industrial steel wire markets remains strong, the adverse margin effect from a number of factors that have weighed on our profitability since the second half of 2017 seem to be more impactful and longer lasting than we projected. As reported before, these factors include:

- Continued volatility of wire rod prices
- The impact of changes to trade policies
- The slow recovery of Bridon-Bekaert Ropes Group
- Continued low demand for loose abrasive sawing wire
- Continued low demand in oil and gas markets due to delayed investment activity
- Inflationary costs in general
- The difficult business climate in Latin America
- The divestment of Sumaré in Brazil

The 2018 half year results will be disclosed – as planned – on 27 July 2018. From today's perspective, which is based on incomplete and preliminary financial statements, we estimate that our underlying EBIT for the first half will be about 20% below analyst expectations ([as published on our website](#)).

Moreover, the upside effects from our actions to progressively improve profitability over the course of 2018 may be mitigated or delayed due to various recent developments:

- The launch of fixed abrasive (diamond) sawing wire has been postponed as a result of recently enacted environmental regulations and audits in China. We continue to ramp up production capacity and anticipate a business start-up beginning of September 2018, two months behind schedule.
- The benefits from ongoing expansion investments in EMEA and Asia Pacific will be visible in our volumes and sales. The margin upside of the expansions will be mitigated in the 2018 results due to higher than anticipated start-up costs.
- Turning around the profitability of weaker performing businesses and other restructuring actions include measures that take time. The related business plans are in development (eg, [Bridon-Bekaert Ropes Group turn-around](#)) or in implementation (eg, [Bekaert Figline Valdarno plant closure](#)).
- Strong competitive price pressure in most markets continues to make it difficult to pass on raw material price increases without delay.

From today's perspective, we therefore believe we will not be able to achieve the same profitability level of last year for FY2018.

The 2018 half year results of Bekaert will be disclosed on 27 July 2018. The CEO and the CFO of Bekaert will present the results to the investment community at 02:00 p.m. CET on the same day. This conference can be accessed live upon registration via the [Bekaert website](#), in listen-only mode.

Financial calendar

2018 half year results	27	July	2018
Third quarter trading update 2018	15	November	2018

Disclaimer

This press release may contain forward-looking statements. Such statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Bekaert is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements contained in this press release in light of new information, future events or otherwise. Bekaert disclaims any liability for statements made or published by third parties and does not undertake any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other press release issued by Bekaert.

Company Profile

Bekaert (www.bekaert.com) is a world market and technology leader in steel wire transformation and coating technologies. We pursue to be the preferred supplier for our steel wire products and solutions by continuously delivering superior value to our customers worldwide. Bekaert (Euronext Brussels: BEKB) is a global company with almost 30 000 employees worldwide, headquarters in Belgium and €4.8 billion in combined revenue.