Bekaert H1 2025 Results

31 July 2025

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Yves Kerstens, CEO

Yves Kerstens
CEO

Seppo Parvi
CFO

Yves Kerstens, CEO

Introduction and highlights

H1 2025 Highlights[1]

Focus on managing volumes, cash flow and costs

Managing the impact of tariffs

- Benefiting from local sourcing and production within global business
- Passed on significant proportion of the tariff impact to date
- Tariff uncertainty causing delays in projects and orders

Ongoing strategic execution

- SWS disposal in Costa Rica, Ecuador and Venezuela completed
  - After disposal Bekaert will generate c4% of sales in Latin America
- Intense focus on cost efficiencies and operational excellence
  - Further initiatives across cost base planned in H2 2025 (€21m overhead reduction in H1)
  - Working capital reduced by €135m vs H1 2024
  - Reduced capital expenditure in H1, continued strict capital expenditure discipline in H2 2025

Financial delivery

- Sales impacted by FX, lower input costs and lower volumes (€1.9bn, -5.2%)
- Robust margin performance in difficult markets (EBITu margin 8.8%, -110bps)
- Strong Free Cash Flow[3] (€123m, +186%)
- Low leverage at 0.7x and ongoing €200m share buyback (€74m completed to date)

Sales

€1.9bn -5%[1]

EBITu[2] margin

8.8% -110bp[1]

Free Cash Flow[3]

€123m +186%[1]

Leverage[4]

0.7x -0.1x[1]

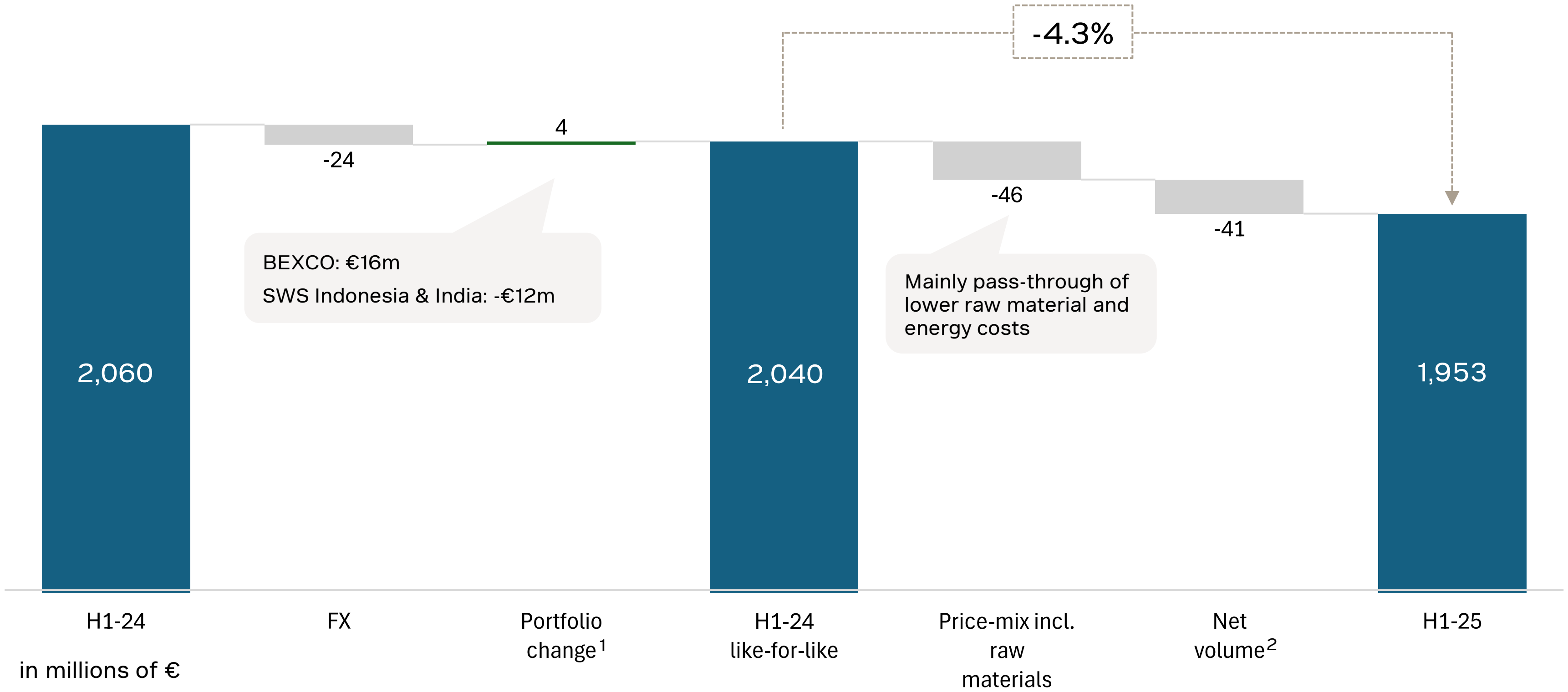
[1] All comparisons are relative to H1 2024 unless otherwise stated
[2] EBITu is underlying EBIT as defined in the Alternative Performance Measures (EBIT before one-off items)
[3] FCF is Free Cash Flow as defined in the Alternative Performance Measures (Cash flows from operating activities – capex – net interest + dividends received)
[4] Leverage = net debt/EBITDAu, whereby EBITDAu is based on last twelve months (LTM) result

Seppo Parvi, CFO

Financial and operational review

Consolidated sales bridge

Resilient results in a challenging market environment

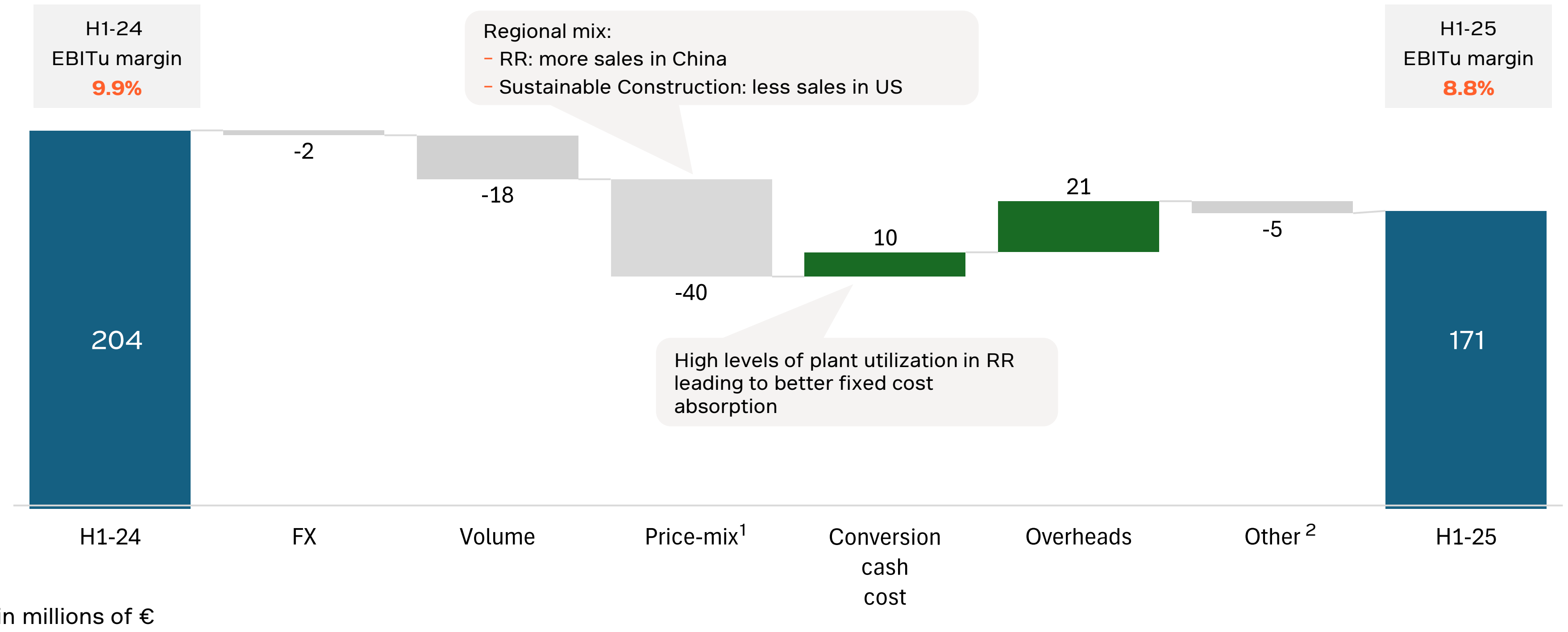


[1] Portfolio change includes acquisitions (principally BEXCO) and discontinued production such as SWS Indonesia and India. Disposal of SWS businesses in Latin America will only impact H2 2025 results

[2] Net Volume excludes discontinued production such as SWS Indonesia and India

EBITu bridge

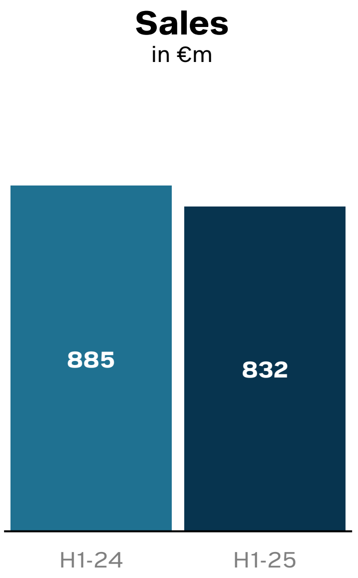
Margins underpinned by overhead reduction and capacity optimization

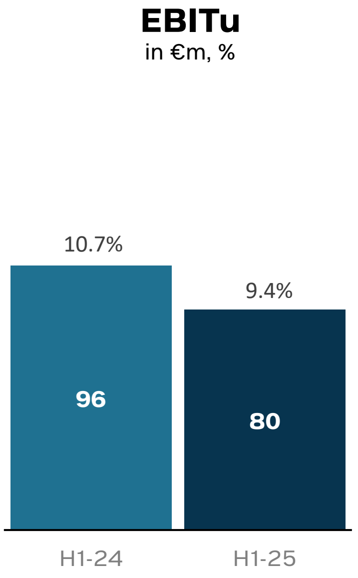


[1] Net of FIFO inventory valuation of €-1m
[2] Other includes other operational result, depreciation and write-downs

Rubber Reinforcement

Strong in China offsetting lower volumes in Europe and North America





Lower sales in weaker end markets (-6.0%)

- Lower volumes (-1.5%)
- Impact from pass-through of lower input costs and price-mix effects (-3.6%)
- Currency movements (-0.9%)

Strong China sales offsetting lower volumes in other regions

- Higher volumes in China (+5.0%)
- Lower volumes in Europe (-3.9%) and North America (-5.2%)

EBITu margin 9.4% (+280bp vs H2 2024)

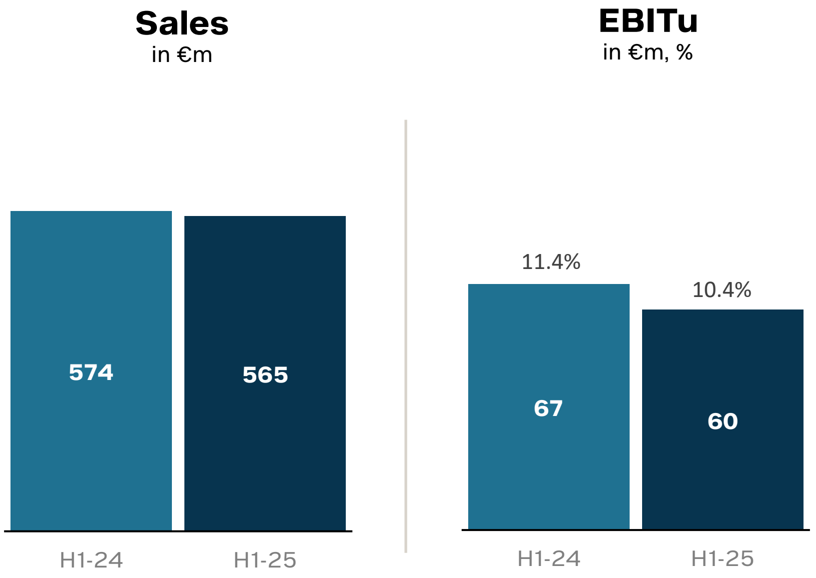
- High plant utilization in China
- Intense competition leading to margin pressure
- Margins most impacted in Europe
- Strong focus on costs, footprint and business selection

€84m sales from joint venture in Brazil (+13% vs H1 2024 excluding FX impact)

- Not included in consolidated sales

Steel Wire Solutions

Like-for-like[1] volume growth and double-digit margins, despite market headwinds



Stable like-for-like[1] sales (+0.4%)

- Like-for-like[1] volume growth (+1.3%)
- Impact from pass-through of lower input costs and price-mix effects (+1.0%)
- Currency movements (-1.2%)

Double-digit EBITu margin maintained

- Negative impact from time lag of full tariff pass-throughs
- Worse sales mix in Europe in H1
- Strong performance in US and China

Strong cash generation

- Excellent working capital management and cash flow generation

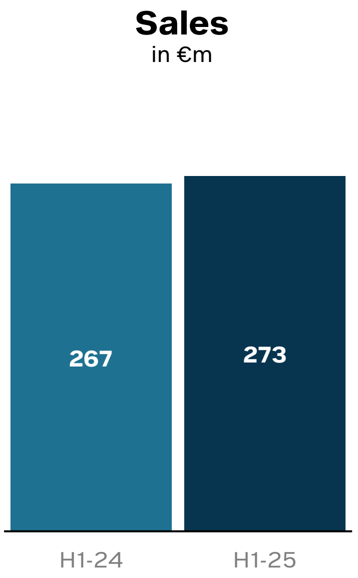
€331m sales from joint venture in Brazil (+4% vs H1 2024 excluding FX impact)

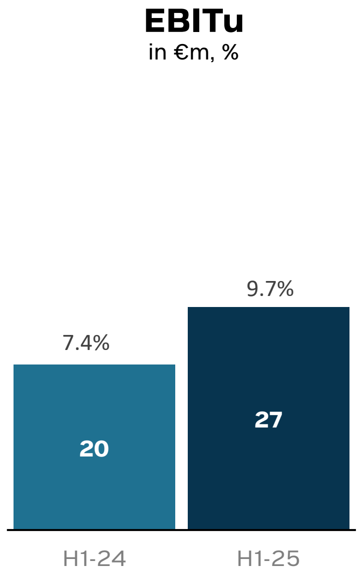
- Not included in consolidated sales

[1] Excluding discontinued SWS production in Indonesia and India

Bridon-Bekaert Ropes Group

Sustained profitability improvement, although weaking end market outlook





Higher sales in challenging end markets (+2.4%)
- Lower volumes (-1.7%)
- Impact from pass-through of lower input costs and price-mix effects (-0.1%)
- Currency movements (-1.9%)
- Acquisitions (+6.0%)

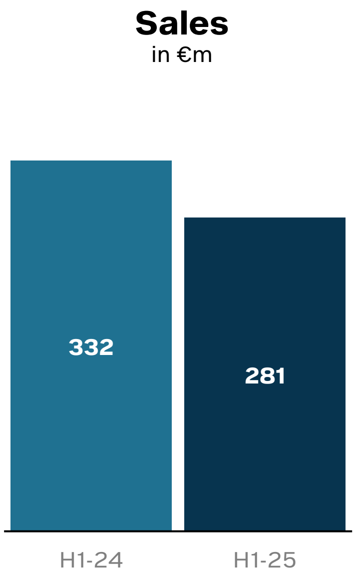
Sustained production reliability in UK and US
- Returned to normal production levels
- Strong profitability increase vs H1 2024
- Slow down of steel rope demand in US due to tariffs

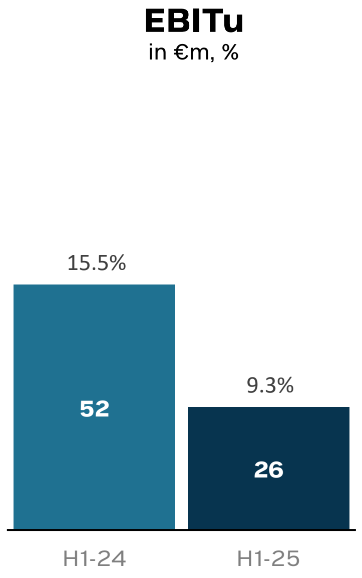
Synthetics grew strongly in sales and profitability
- BEXCO performing ahead of expectations
- Synthetics ropes production consolidated

A-Cords sales impacted by lower hoisting demand
- Lower hoisting demand linked to continued weak construction market especially in China

Specialty Businesses

Very challenging end markets, especially Sustainable Construction in the US





Sustainable Construction

Lower sales vs H1 2024 (-14%)

- Project delays in US flooring linked to geopolitical uncertainty
- Slow business activity impacting volumes in Europe

Projects secured in higher-growth markets

- Sales in the Middle East have doubled vs H1 2024
- Significant order intake in tunneling

Other segments

- Policy and funding uncertainty weighing on Hydrogen demand
  - Strong commitments to Bekaert from key partners
  - Profitability impacted by depreciation from plant start-up
- Hose and Conveyor Belt, the filtration and fiber end-markets all remain subdued
- Following the technology shift in solar applications, sales for ultra fine wires halved vs H1 2024; semiconductor applications remain a growing and profitable niche business
- Combustion Technologies sales were lower vs strong comparable last year

Consolidated income statement – key figures

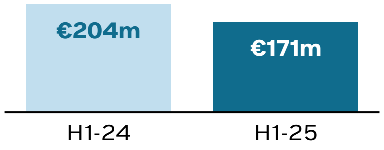
In €m	H1 2024 Reported	H1 2025 Reported
Sales	**2,060**	**1,953**
Cost of sales	-1,684	-1,635
Gross profit	**376**	**318**
Selling and Administrative expenses	-157	-139
R&D expenses	-29	-28
Other operating revenues / expenses	1	-36
EBIT	**192**	**115**
of which		
EBITu	**204**	**171**
One-off items	-13	-56
Interest income / expense	-9	-10
Other financial income and expenses	-8	-12
Result before taxes	**174**	**93**
Income taxes	-45	-33
Effective tax rate	*25%*	*36%*[2]
Result after taxes (consolidated companies)	**130**	**59**
Share in the results of joint ventures and associates	20	24
Result for the period	**150**	**83**
Result attributable to equity holders of Bekaert	**147**	**82**
Basic EPS (€ per share)	**2.80**	**1.59**
Weighted average number of shares (basic, in millions of shares)	*52.4*	*51.4*

Cost efficiencies reducing SG&A

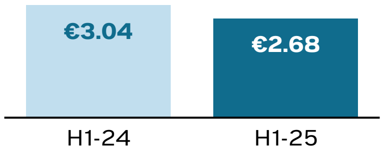
Including -€40m[1] one-off impacts from SWS disposal

One-off items

EBITu



Underlying Basic EPS from continued operations



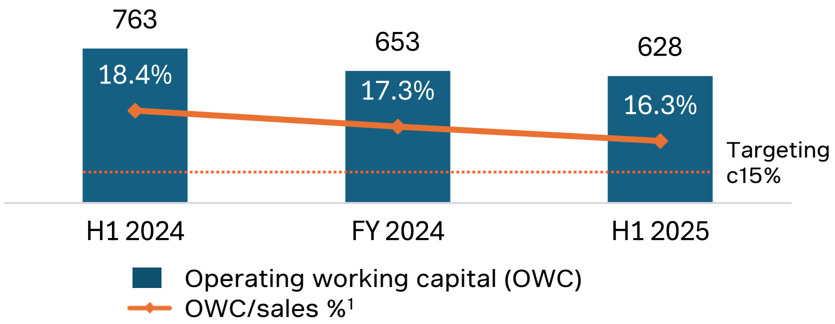
[1] -€40.4m one-off impacts from SWS disposal including -€56.6m one-off impact from Non-cash Cumulative Translation Adjustment (CTA) impact linked to historic currency devaluations in Venezuela and +€16.2m one-off impact from gain on disposal

[2] Effective tax rate in H1 2025 excluding one-off impacts from SWS disposal = 25%

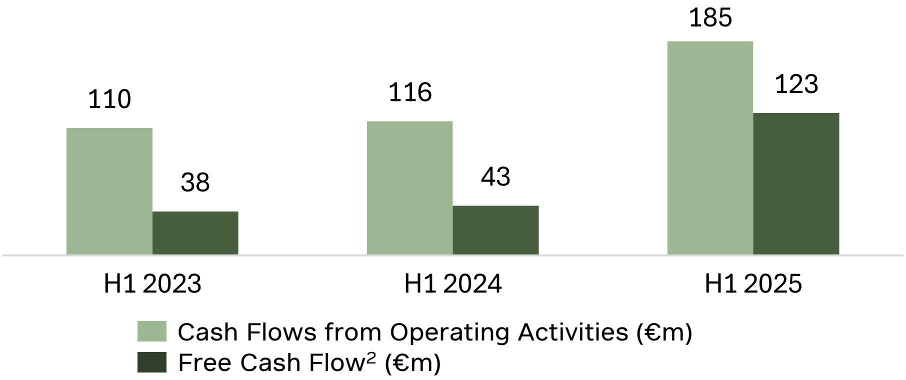
Strong Cash Flow generation

Continued focus on working capital to improve cash flows

In millions of €, working capital as % of sales[1]



- Working capital decrease (-€135m vs H1 2024) mainly linked to:
  - Improved inventory management (-€122m vs H1 2024)
  - Better collection of overdue receivables (-€117m vs H1 2024)
- Targeting c15% working capital as % of sales



- Strong cash generation, despite lower EBITDA
  - Free Cash Flow[2] of €123m
  - Continued focus on working capital
- Reduced capital expenditure in H1, continued strict capital expenditure discipline in H2 2025
- SWS disposal cash proceeds of $33m
- Net debt down to €327m, net debt to EBITDAu of 0.7x (0.8x In H1 LY)

[1] Working capital divided by the current quarter sales multiplied by 4

[2] Free Cash Flow is defined in the Alternative Performance Measures as Cash flows from operating activities – capex – net interest + dividends received

Yves Kerstens, CEO

Strategic and operational review

Prioritizing large and growing end-markets

	Recent developments	Market perspectives	2030 TAM[1]
Tire Reinforcement	– Won Material Innovation Award at Tire Tech Expo 2025 for Mega Tensile – Launched Elyta® brand including next-gen Ultra and Mega Tensile reinforcement solutions	– Uncertainty of TBR recovery in H2 – US tariffs pushing tire cord manufacturers to find alternative markets, increasing price pressure in other regions	€7bn
Transmission & Performance Wires	– Volumes and margins maintained – SWS disposal in Costa Rica, Ecuador and Venezuela completed	– Uncertain outlook linked to tariffs and their impact on demand – Stronger volumes in Energy & Utilities expected in H2	€3bn
Advanced Lifting and Mooring	– Operational issues largely resolved – BEXCO performing ahead of expectations	– Uncertain outlook in North America and Europe linked to US tariffs – Improved outlook for mining and crane & industrial markets	€5bn
Energy Transition	– Hydrogen project delays impacting sales growth – Continued long term partnerships with key electrolyzer OEMs	– US 45V clean hydrogen production tax credit now secured through 1 Jan 2028 – Strong outlook for semiconductor market	€7bn
Sustainable Construction	– Tariff uncertainty leading to project delays especially in US flooring – Strong volume growth in the Middle East and strong order intake in tunneling	– Focus on innovation and new applications – Re-deploying resources in growth markets (e.g. Middle East)	€3bn

[1] Estimated addressable market by 2030

Strategic execution in challenging environment

Ongoing transformation

- SWS disposal – exiting lower margin, more volatile businesses
- Sustainable Construction acquisitions
- Accelerating move to market-driven, more autonomous business units (increase agility & decision-making power)

Cost focus

- €21m overhead reduction in H1 2025
- Further footprint optimization:
  - Rightsized Fibers production in Belgium
  - Closed synthetics ropes production Scotland

Cash flow focus

- Continued focus on working capital (€135m reduction year-on-year) improved:
  - inventory management
  - collections of overdue receivables
  - payment terms
- Continued strict capital expenditure discipline in H2 2025

Pioneering the market of sustainable construction while solving one of the tire industry's biggest challenges

An innovative solution from the creators of Dramix®

50 years after revolutionizing the construction industry, Bekaert is the first to broadly market Dramix® Loop technology

100% circularity - entirely made from end-of-life tires

As the global leader in advanced rubber reinforcement, Bekaert now offers a circular solution to end-of-life tire challenges

Near-zero carbon emissions

Delivering performance and advancing net-zero goals across the value chain. Dramix® Loop is third-party LCA & EPD certified, with a GWP of just 0.04 $kgCO_2e/kg$

To accelerate the adoption and global scaling of this technology,
Bekaert has strategically acquired two key players in the second-life fiber market

Twincon

Flexofibers

Bekaert's new concrete reinforcement steel fiber uses second-life steel from tires.

Additional tariffs further increasing uncertainty

Managed well to date with limited financial impact, now weighing on demand into H2 2025

Examples of US import tariffs

Product	Origin	Previous tariff	New tariff (April 16th)	New tariff (June 4th)
Tire Cord	China	25%	70%	95%
	Other	0%	25%	50%
Wire Rod	Brazil, Korea, Japan	0% (Quotas)	25%	50%
Spares & Machines	China	25%	173%	173% (Paused)
Tire	China	104%	129%	129%
	Thailand	5-16%	30-41%	30-41%
	Vietnam	4-30%	29-55%	29-55%
	Mexico/Canada	0%	25%	25%

Tariffs impacting Bekaert's results

- Relative success passing on additional costs from April tariffs to customers, although with a time lag
- Increasingly difficult to pass-through new tariffs imposed in June
- Demand slowdown across many sectors as customers delay projects due to uncertain outlook

Tariff outlook

- Outlook settling somewhat with US/EU and US/Japan agreements
- However impact on demand remains uncertain and difficult to estimate

Yves Kerstens, CEO

Summary and outlook

Updated 2025 outlook

Tariff uncertainty and weakening economic outlook impacting demand across many end markets

FY2025 Outlook

Slightly lower sales vs FY2024

Excluding the impacts of disposals, acquisitions, plant closures and foreign exchange

EBITu margin of 8.0 to 8.5% for FY2025

H2 2025 Considerations

- Further increase in the US steel tariffs has been increasingly more difficult to pass on to customers
- The tariff increases and uncertainty started to impact demand
- The Group is now anticipating a weakening in demand across many of its end markets in H2 2025
- Significant devaluation of US and China currencies vs €
- No contribution from SWS Latam businesses in H2 2025
- Focus on costs and cash flow generation

Updated mid-term growth and margin targets

Bekaert's long-term ambition remains

>5%

Mid-term

Annual sales growth rate

- Slower trajectory of growth in sustainability-led industries
  - Regulation changes and funding uncertainty
  - Hydrogen, Floating Offshore Wind, EVs particularly affected key end-markets
- Mid-term growth potential remains
  - Excellent products, market share and customer adoption
- M&A to complement organic growth plans

>10%

Mid-term

EBITu margin

- Significant costs already taken out of business
  - Underperforming plants closed
  - Material reduction in overheads
  - New baseline now established, despite falling volumes
- Further savings possible
  - Increased variabilization of cost base
  - Further footprint optimization
- 10% target achievable with volume growth
  - Operational leverage of group significantly improved

Summary[1]

Focus on managing volumes, cash flow and costs

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Sales

-5%[1]

€1.9bn

EBITu[2] margin

-110bp[1]

8.8%

Free Cash Flow[3]

+186%[1]

€123m

Leverage[4]

-0.1x[1]

0.7x

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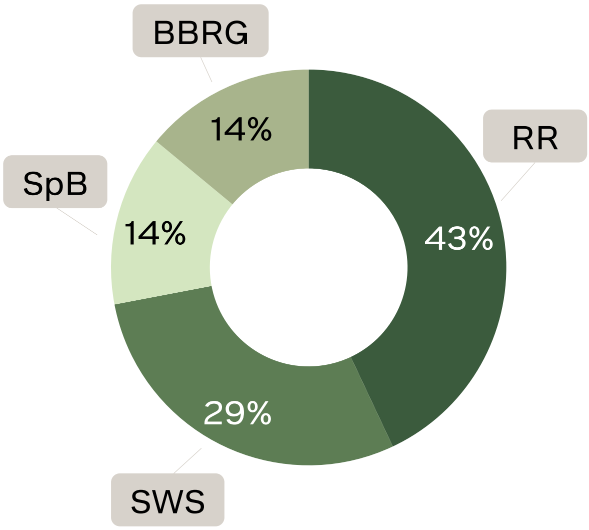
Q&A

Appendix

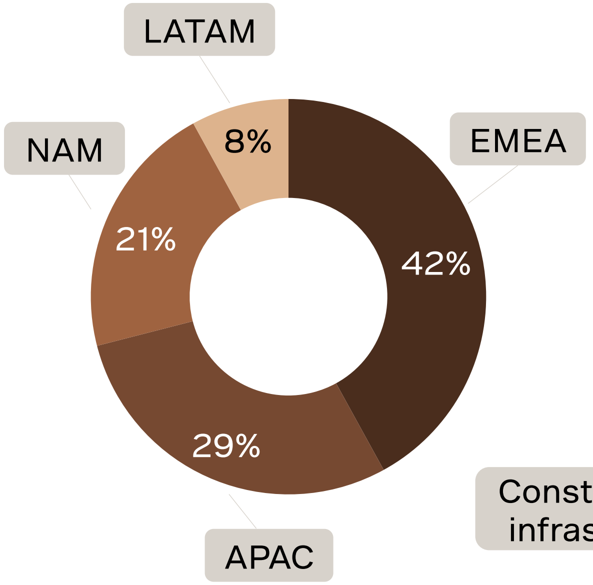
Strategy delivery

Building a balanced business by end-market and by region

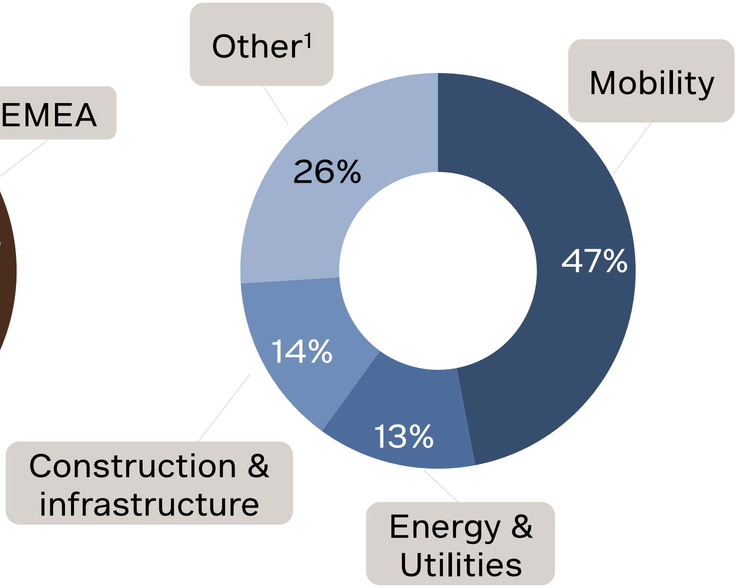
Consolidated sales by business unit



Consolidated sales by region



Consolidated sales by end-market



[1] Other includes agriculture, equipment, consumer goods and basic materials

Alternative Performance Measures

Metric	Definition
Capital employed (CE)	Working capital + net intangible assets + net goodwill + net property, plant and equipment + net RoU Property, plant and equipment. The average CE is computed as CE at balance sheet date plus CE same period of the previous year divided by two.
Capital ratio (financial autonomy)	Equity relative to total assets.
Current ratio	Current assets to Current liabilities.
Combined figures	Sum of consolidated companies + 100% of joint ventures and associates after elimination of intercompany transactions (if any). Examples: sales, capital expenditure, number of employees.
EBIT	Operating result (earnings before interest and taxation).
EBIT – underlying (EBITu)	EBIT before operating income and expenses that are related to restructuring programs, impairment losses, business combinations, business disposals, environmental provisions or other events and transactions that have a material one-off effect that is not inherent to the business.
EBITDA	Operating result (EBIT) + depreciation, amortization and impairment of assets + negative goodwill.
EBITDA – underlying (EBITDAu)	EBITDA before operating income and expenses that are related to restructuring programs, impairment losses, business combinations, business disposals, environmental provisions or other events and transactions that have a material one-off effect that is not inherent to the business.
EBIT interest coverage	Operating result (EBIT) divided by net interest expense.
Free Cash Flow (FCF)	Cash flows from Operating activities - capex + dividends received - net interest paid.
Gearing	Net debt relative to equity.
Margin on sales	EBIT, EBIT-underlying, EBITDA and EBITDA-underlying on sales.
Net capitalization	Net debt + equity.
Net debt	Interest-bearing debt net of current loans, non-current financial receivables and cash guarantees, short-term deposits, cash and cash equivalents.
Net debt on EBITDA	Net debt divided by EBITDA, whereby EBITDA is based on last twelve months (LTM) result.
Operating free cash flow	Cash flows from Operating activities – capex (net of disposals of fixed assets).
Return on capital employed (ROCE)	Operating result (EBIT) relative to the average capital employed.
Return on equity (ROE)	Last twelve months result relative to average equity. The average equity is computed as equity at balance sheet date plus equity same period of the previous year divided by two.
Underlying EPS	(EBITu + interest income - interest expense +/- other financial income and expense - income tax + share in the result of JVs and associates - result attributable to non-controlling interests) divided by the weighted average nr of ordinary shares (excluding treasury shares).
WACC	Cost of debt and cost of equity weighted with a target gearing of 50% (net debt/equity structure) after tax.
Working capital	Inventories + trade receivables + bills of exchange received + advanced paid - trade payables - advances received - remuneration and social security payables - employment-related taxes.
Working capital on sales	The working capital divided by the current quarter sales multiplied by 4
Internal Bekaert Management Reporting	Focusing on the operational performance of the industrial companies of the Group, leaving out financial companies and other non-industrial companies, in a flash approach and as such not including all consolidation entries reflected in the full hard-close consolidation on which the annual report is based.

Bekaert