Bekaert FY 2024 Results

28 February 2025

Safe harbor

This presentation 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 presentation as of its date and does not undertake any obligation to update any forward-looking statements contained in it, 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 publication issued by Bekaert.

Agenda

1. **Introduction and highlights**
   Yves Kerstens, CEO
2. **Financial review**
   Seppo Parvi, CFO
3. **Strategy and operational review**
   Yves Kerstens, CEO
4. **Outlook and summary**
   Yves Kerstens, CEO

Yves Kerstens
CEO

Seppo Parvi
CFO

Yves Kerstens, CEO

Introduction and highlights

2024 Highlights[1]

Resilient delivery in challenging business environment

Strategic transformation is making Bekaert more resilient

- Improved mix positively contributing to EBIT and minimizing impact of lower volumes
- Intense focus on cost efficiencies and operational excellence
  - Further initiatives across cost base planned in 2025
- SWS disposal in Costa Rica, Ecuador and Venezuela (EV of US$ 73m, 6.3x EV/EBITDA)

Delays to growth platforms, but long-term potential remains

- Successful integration of BEXCO & Flintstone
- Modular ramp-up ensuring capacity is matching demand, and costs are well controlled
- Resolving operational issues in steel ropes in Europe and North America

Financial delivery

- Stable profitability (EBITu margin 8.8%, -20bps), despite lower volumes
- Robust Free Cash Flow[3] (€193m)
- Low leverage at 0.5x
- Dividend of €1.90 per share proposed (+6% y-on-y)
- Ongoing €200m share buyback

Sales

€4.0bn -9%[1]

EBITu[2] margin

8.8% -20bp[1]

Underlying EPS

€5.55 -4%[1]

Leverage[4]

0.5x +0.1x[1]

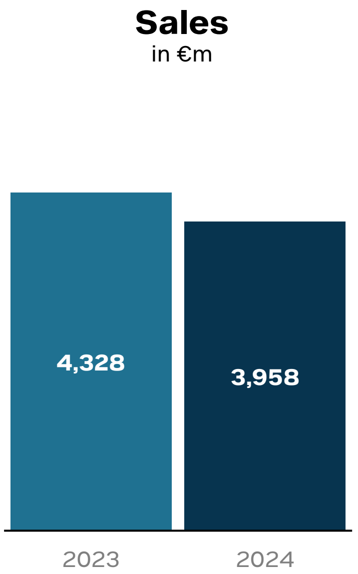
[1] All comparisons are relative to 2023
[2] EBITu is underlying EBIT as defined in the Alternative Performance Measures (EBIT before one-off items)
[3] FCF is Free Cash Flow as defined in the Alternative Performance Measures (Cash flows from operating activities – capex – net interest + dividends received)
[4] Leverage = net debt/EBITDAu

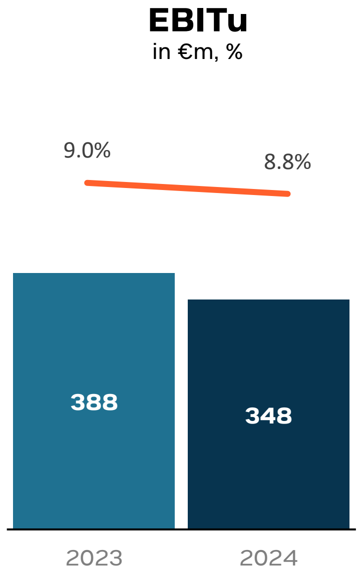
Seppo Parvi, CFO

Financial and operational review

Group performance

Robust performance despite challenging end markets





Lower sales in weaker end markets (-8.6%)

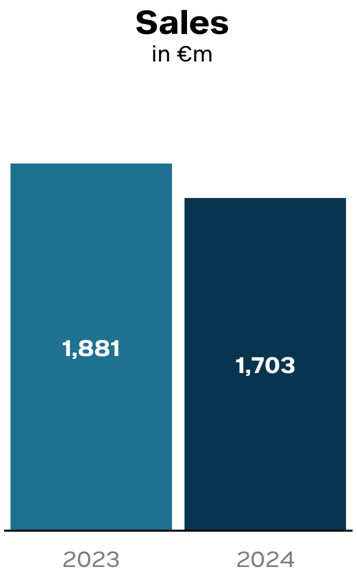
- Lower passed-on material and energy costs (-3.9%)
- Lower volumes (-3.5%)
- Price and mix effects (-1.2%)
- Currency movements (-0.7%)
- Acquisitions (+0.8%)

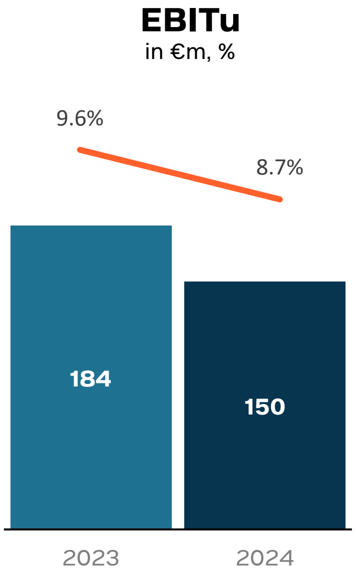
EBITu margin stable at 8.8%

- Improved mix minimizing impact of lower volumes
- Intense focus on cost efficiencies
- Footprint optimization

Rubber Reinforcement

Resilient performance in weaker end markets





Lower sales in weaker end markets (-9.5%)

- Lower passed-on material and energy costs (-6.1%)
- Lower volumes (-2.2%)
- Price and mix effects broadly stable (-0.2%)
- Currency movements (-1.1%)

Volume growth in Indonesia and India

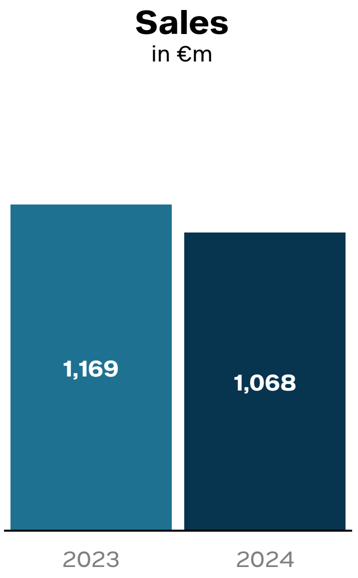
- New production capacity installed to serve increasing local demand in Indonesia and India
- Lower volumes in Europe and North America (-3%)
- Lower volumes in China vs a very strong 2023 (-5%)

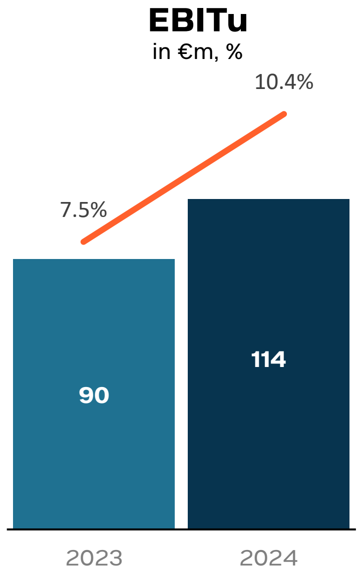
EBITu margin 8.7%, -90bps vs 2023

- Competition in the global tire market continues to intensify
- Margins most impacted in Europe with lower sales volumes and related occupation levels
- Strong focus on costs, footprint and business selection

Steel Wire Solutions

Another year of strategic progress with excellent margin improvement and cash flow generation





Lower sales in weaker end markets (-8.7%)

- Lower passed-on material and energy costs and price and mix effects (-2.8%)
- Lower volumes (-5.9%)
  - Two thirds of volume reduction related to closure of operations in India and Indonesia
  - Volume increases in China offset by small volume decreases in Europe and North America
  - Volumes weaker in Colombia and Ecuador

EBITu margin 10.4%, +290bps vs 2023

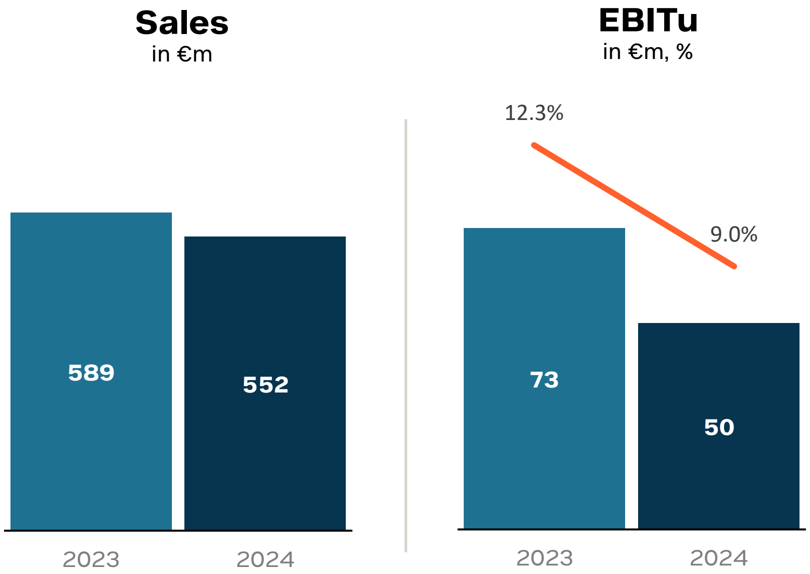
- Further mix improvements towards higher margin applications
- Transformation actions around footprint, cost savings and business selection have structurally improved margins

Strong cash generation

- Excellent working capital management and cash flow generation

Bridon-Bekaert Ropes Group

Resolving operational issues, but impacted sales and margins



Operational issues impacted sales (-6.2%)

- Positive price and mix effects (+0.9%)
- Lower volumes (-11.7%)
- Currency movements (-1.1%)
- Acquisitions (+5.7%)

Resolving operational issues in US & UK

- Return to normal production in Q4 2024
- Could not offset impact of lower performance in the steel ropes sub-segment during the year

Synthetics grew strongly in sales and profitability

- Integrated BEXCO & Flintstone acquisitions

EBITu margin 9.0%

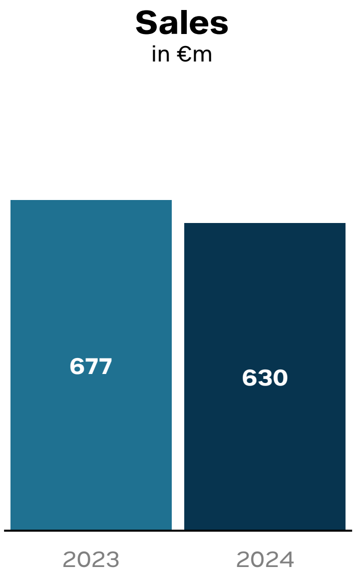
- Lower sales and lower cost absorption due to output issues, primarily in steel ropes
- Stronger Q4 in steel ropes lifted the margin up from 7.4% in H1 to 10.5% in H2 2024

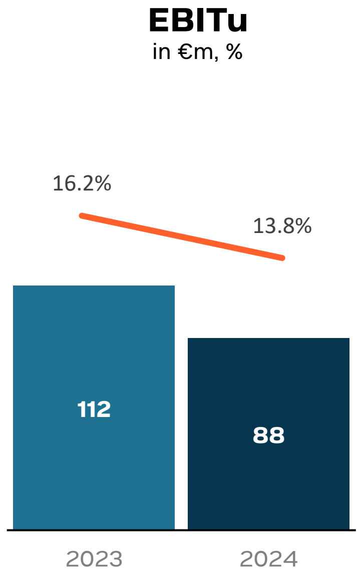
Optimizing production footprint

- Closed plant in Scotland, following a footprint review

Specialty Businesses

Navigating short term challenges in end markets





Sustainable Construction

+1% volume growth vs 2023

- Volume growth in all regions except in North America
- Volumes increase primarily in India, Latin America, Turkey and the Middle East

>50% volumes from 4D/5D Dramix®

- First projects on Sigmaslab® elevated floors in Central America
- First project on seamless flooring in China
- Prestigious tunneling project in Saudi Arabia

Hydrogen electrolysis

+36% hydrogen sales vs 2023

- Project cancellations and policy uncertainty have slowed expected progress
- Production ramp-up carefully phased to align cost base with demand
- Continued R&D investment in hydrogen impacting profitability

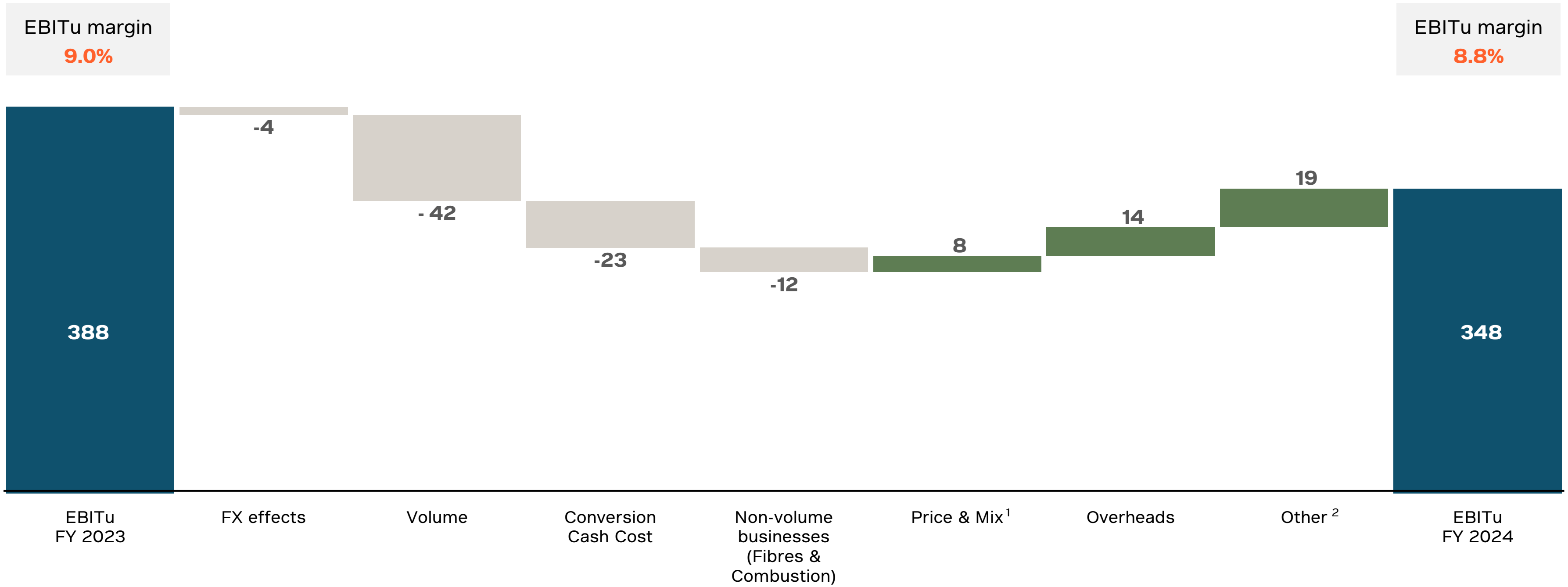
Other

- Filtration and fiber end markets have been stable
- Demand for ultra fine wires was lower in H2 2024 following a technology transition
- Hose and Conveyor Belt and Combustion technologies faced lower demand

EBITu bridge

Margins well protected despite lower volumes through cost control and mix improvement

in millions of €

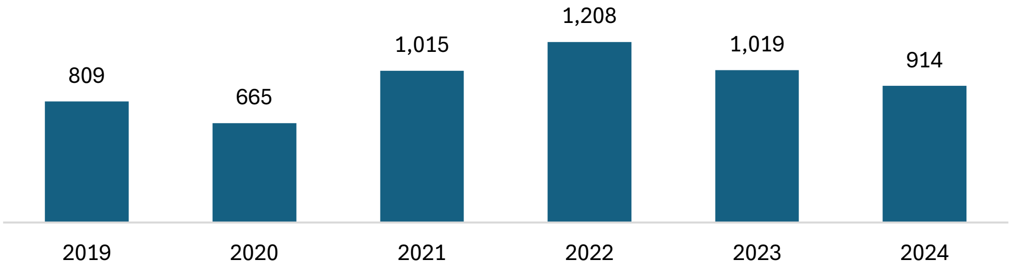


[1] Net of FIFO inventory valuation of €+53m
[2] Other includes other operational revenues and depreciation

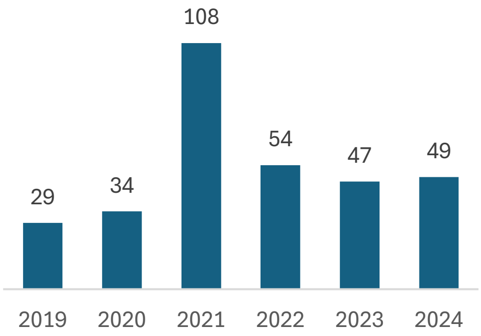
JV performance

Another period of performance and cash dividends for the group

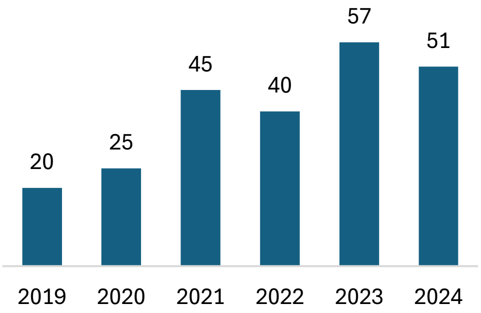
Sales from JVs (€m)



Share of net results from JVs (€m)



Dividends received from JVs (€m)



Improved performance from non-consolidated JVs in RR & SWS

- Higher sales volumes in SWS JV (+3%)
- Higher sales volumes in RR JV (+5%)
- Both JVs also improved their EBIT margins

Significant contribution to group results

- Increased share of results €49m (+5%)
- Cash dividend of €51m

Breakdown of one-off costs – EBITu to EBIT

Further restructuring charges to drive transformation of the group

One-off costs (€m)	2023	2024
Restructuring programs	**(45)**	**(44)**
Rubber Reinforcement	(25)	(13)
Steel Wire Solutions	(12)	(3)
Specialty Businesses	(8)	(15)
BBRG	(0)	(8)
Group and Intersegment	(0)	(5)
Other	**(9)**	**(8)**
Total one-off costs	**(54)**	**(52)**

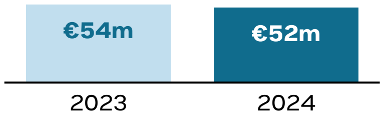
Mainly related to restructuring of plants and operations, driving ongoing efficiencies

Mainly environmental costs and M&A expenses

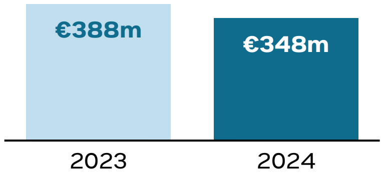
Consolidated income statement – key figures

In €m	2023 Reported	2024 Reported
EBIT	**334**	**296**
Interest income / expense	(27)	(20)
Other financial income and expenses	(39)	(19)
Result before taxes	**268**	**258**
Income taxes	(62)	(63)
Effective tax rate	*23%*	*24%*
Result after taxes (consolidated companies)	**206**	**195**
Share in the results of joint ventures and associates	47	49
Result for the period from continued operations	**253**	**244**
Result attributable to equity holders of Bekaert from continued operations	**255**	**239**
Basic EPS from continued operations (€ per share)	**4.75**	**4.56**
Weighted average number of shares (basic, in millions of shares)	*53.6*	*52.4*

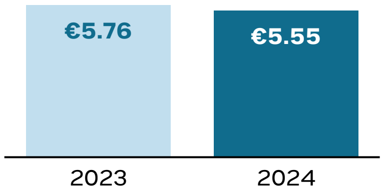
One-off items



EBITu



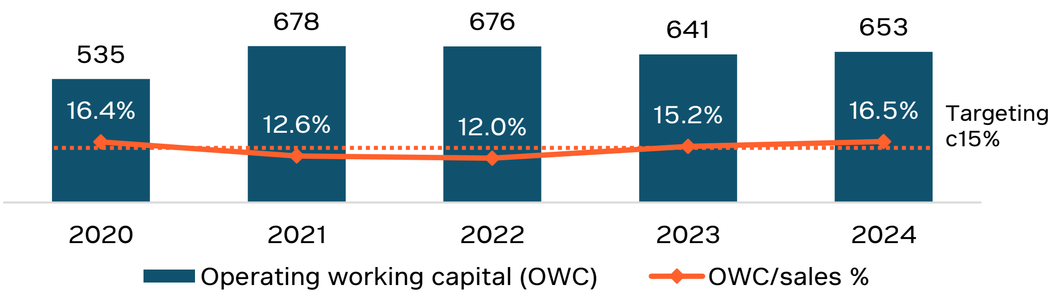
Underlying Basic EPS from continued operations



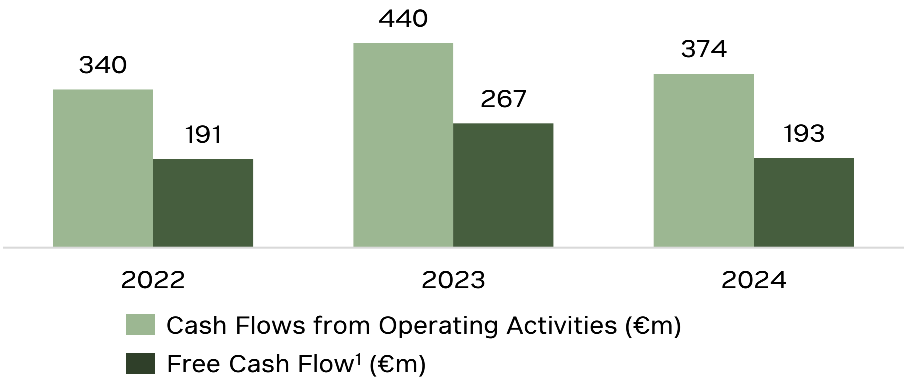
Working capital management and cash flow generation

Continued focus on working capital to improve cash flows

In millions of €, average working capital as % of sales



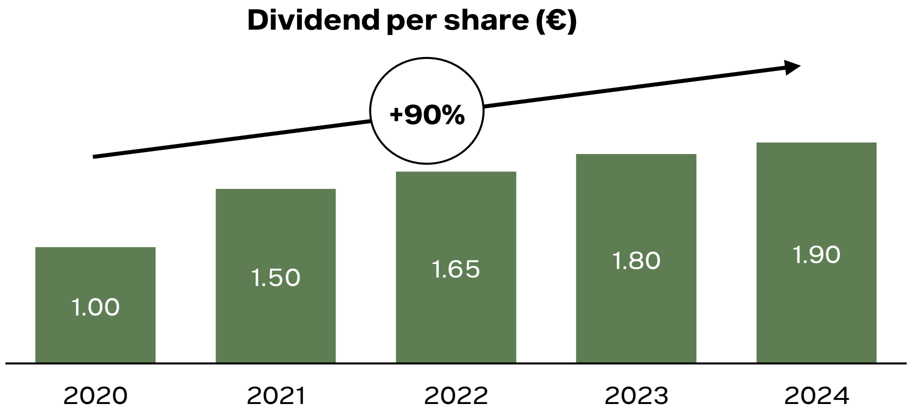
- Working capital increase (+€12m) mainly linked to:
  - Acquisitions +€10m
  - Currency impact +€9m
- Working capital reduction a focus area to improve cash flow
- Targeting c15% average working capital as % of sales

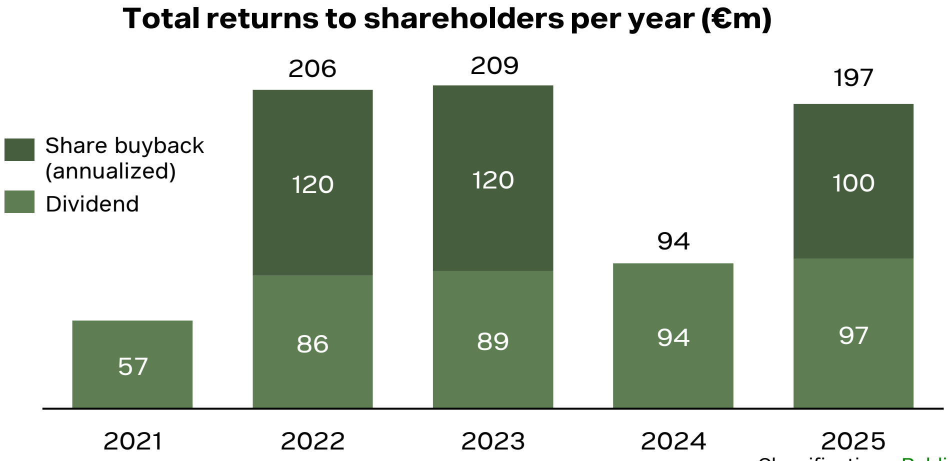


- Robust cash generation, despite lower sales
  - Free Cash Flow of €193m
  - Some increase in Working Capital in H2 2024
  - Net debt remains low at €283m, net debt to EBITDAu of 0.5x
- CAPEX to be flat in 2025 vs 2024

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

Commitment to significant shareholder returns





- Proposed dividend of €1.90 per share (+6%) for FY2024
- Continuation of long-term, progressive dividend policy
- €200m share buyback ongoing, 1st tranche completed as planned

Classification: Public Ir

Yves Kerstens, CEO

Strategic and operational review

Strategic overview

Strategic objectives

1. **Move toward market driven, focused & self-sufficient BUs**
2. **Transform business portfolio to capture growth opportunities**
3. **Drive innovation across business & build up global brands**
4. **Strengthen Bekaert fundamentals – smart, sustainable & agile**

Structure

1. **Synergetic center and end-market oriented BUs**
2. **Clear performance orientation and accountabilities**
3. **People & talent development across businesses**
4. **Reinforce capabilities for acquisitions**

2024 scorecard

Perform

- Margin broadly stable in challenging markets
- Two BUs at >10% margin level
- Robust cash generation

Transform

- BEXCO & Flintstone integrated
- SWS disposal in Costa Rica, Ecuador and Venezuela
- Portfolio & footprint rationalization
- M&A pipeline developing

Grow

- Dramix® volume growth
- Hydrogen delays
- Steel ropes operational challenges, now solved
- RR India capacity expansion
- >5% growth ambition remains

Prioritizing large and growing end-markets

Rubber Reinforcement	Steel Wire Solutions	Bridon-Bekaert Ropes Group	Specialty Businesses	
€7bn[1]	**€3bn[1]**	**€5bn[1]**	**€7bn[1]**	**€3bn[1]**
Tire Reinforcement	Transmission & Performance Wires	Advanced Lifting and Mooring	Energy Transition	Sustainable Construction

[1] Estimated addressable market by 2030

Classification: Public Information

Key end-markets: Tire Reinforcement

€7bn[1]

Tire Reinforcement

Capturing opportunities from trends such as electric mobility, and sustainability

Recent developments

- ✓ Weaker end markets in H2 2024, particularly in Europe and China
- ✓ Competition in the global tire market continues to intensify
- ✓ Renewed LTSA with key customers globally, while strengthened our strategic partner status by technical leadership and customer proximity

Market perspectives

- ✓ Global tire market expected to remain subdued in H1 2025
- ✓ Some potential headwinds linked to geopolitical uncertainty, changes in tariffs
- ✓ Expected volume growth in some regions
- ✓ Ongoing drive to upgrade product portfolio (UT/ST)

Remain very focused on key account management and costs, and in the longer-term driving market trends towards higher recycled steel content and higher performance tire cords

[1] Estimated addressable market by 2030

Key end-markets: Transmission & Performance Wires

€3bn[1]

Transmission & Performance Wires

Capturing opportunities from grid connections and rising electricity & data demand

Recent developments

- ✓ Automotive – strong demand leading to volume increases in China
- ✓ Transmission – demand remains strong
- ✓ Construction/consumer – demand subdued especially in Europe and China

Market perspectives

- ✓ Order books for 2025 are solid in the energy and utilities end markets
- ✓ Automotive market continues to be strong in China while less so in Europe
- ✓ Local US production expected to benefit from new tariffs

Continued progress on strategic transformation with focus on cost, pricing discipline and further portfolio evolution

[1] Estimated addressable market by 2030

Key end-markets: Advanced Lifting and Mooring

€5bn[1]

Advanced Lifting and Mooring

Capturing opportunities from decarbonization and urbanization

Recent developments

- ✓ Synthetics markets were strong (Oil & Gas and Offshore Wind)
- ✓ Softer market demand in coal mining and crane & industrials

Market perspectives

- ✓ Market outlook in Europe is uncertain
- ✓ Outlook is better in North and South America and in mining in Australia
- ✓ Recovery in construction market still hesitant

Focus on developing further our key accounts and footprint optimization, returning to reliable production levels

[1] Estimated addressable market by 2030

Key end-markets: Energy Transition

€7bn[1]

Energy Transition

Capturing opportunities from electrification and needs for renewable energy

Recent developments

- ✓ Green hydrogen project cancellations and policy uncertainty, have slowed expected progress
- ✓ Consolidation and repositioning of participants in the H2 value chain, re-prioritising their commercialization, R&D and capital expenditure.
- ✓ Green hydrogen projects reaching Final Investment Decision in 2024 increased by over 80% compared with 2023 (20.6 GW post FID by 2030)
- ✓ Bekaert has finalized qualifications and contracts with several new customers (LTSAs)

Market perspectives

- ✓ Short-term delays, but long-term potential remains. Further consolidation to be expected
- ✓ Further delays in US green H2 market expected (turning more blue), with potential risk of tariffs
- ✓ HCB and Filtration sub-sectors remain stable

Ramp-up of production capacity and product development carefully phased to ensure cost base is aligned with demand

[1] Estimated addressable market by 2030

Key end-markets: Sustainable Construction

€3bn[1]

Sustainable Construction

Capturing opportunities from innovation, decarbonization and government infrastructure spending

Recent developments

- ✓ Normalization of product pricing in the construction sector (compared with exceptionally high levels in the last two years)
- ✓ Lower activity in the construction sector in Europe

Market perspectives

- ✓ Global infrastructure industry is expected to grow in 2025
- ✓ Healthy pipeline of tunneling and flooring projects
- ✓ Some short term uncertainty on project execution timing, particularly in the US
- ✓ Potential longer-term beneficiary if US tariffs drives domestic growth in industrial flooring

Strong focus on increasing adoption of steel fibers in growth markets while driving penetration of patented 4D/5D Dramix®. Continue exploring adjacent M&A's

[1] Estimated addressable market by 2030

Sale of Steel Wire Solutions businesses in Costa Rica, Ecuador and Venezuela

Disposal for an enterprise value of US$ 73m, in-line with Group strategy

Transaction details

- Transaction enterprise value of approximately **US$ 73m**
- Net proceeds for Bekaert of **US$ 37m**
- Transaction expected to **close in 2025**, subject to applicable regulatory approvals and customary closing conditions
- **6.3x implied EV/EBITDA multiple**
- **In addition to US$ 136m proceeds from disposal of Chile and Peru (2023)**

Clear set of criteria driving divestment

- ✓ **Reduce sales in commoditized products**
- ✓ **Reduce exposure to cyclical market segment**
- ✓ **Improve cash generation**
- ✓ **Improved business focus**

Withstanding the impact of tariffs

Global footprint has ensured resilience during prior supply chain disruptions

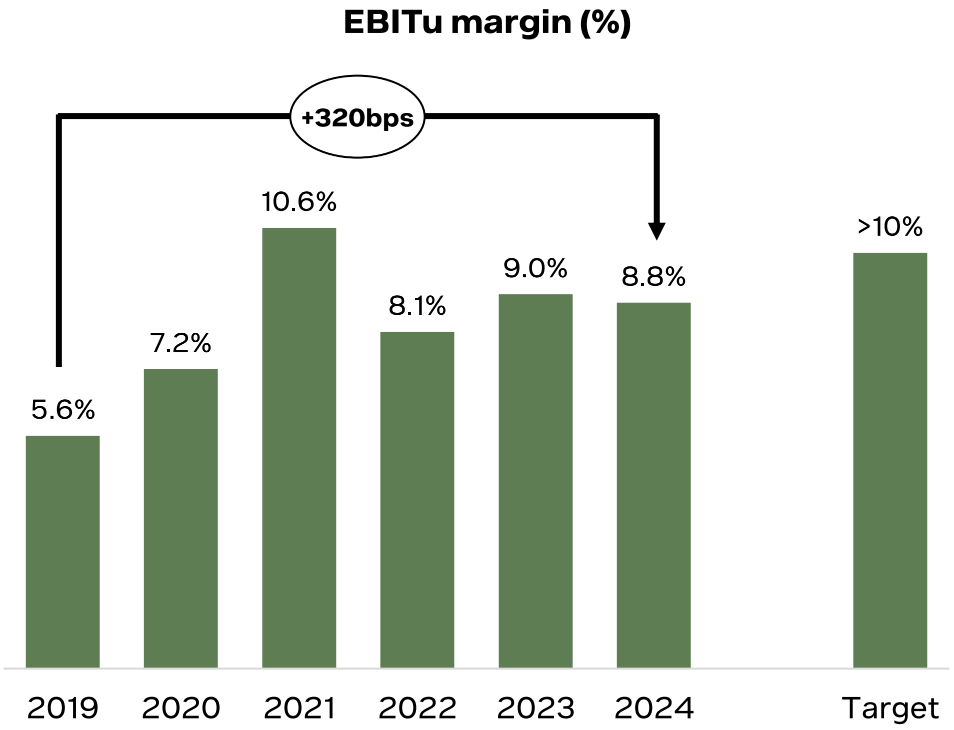
- Bekaert production plants
- Bekaert offices
- Bekaert R&D centers

Mitigation actions in place addressing supply chain and pricing

- **Broad based production** across all key geographies
- **Local production in US** – complying with the Made in USA Standard
- **Homologation work ongoing** to further increase production flexibility
- **Comparative winner** in times of previous supply chain disruptions (e.g. post COVID)

Resilient margins in challenging end markets in 2024

A further year of delivery and developing track record



EBITu margin +320bps since 2019

- Improved product portfolio mix
- Footprint rationalization
- Decreased exposure to lower growth, cyclical and commoditized markets

Growth platforms and future cost initiatives to support progress towards >10% margin target

- Modular growth approach ready to capture opportunities
- Further production optimization
- Central cost reductions
- Procurement cost reductions

Yves Kerstens, CEO

Summary and outlook

Summary and outlook

Resilient delivery in challenging business environment

Strategic transformation is making Bekaert more resilient

- Improved mix minimizing impact of lower volumes
- Intense focus on cost and operational excellence
  - Further initiatives across cost base planned in 2025
- SWS disposal in Costa Rica, Ecuador and Venezuela (EV of US$ 73m)

Delays to growth platforms, but long-term potential remains

- Successful integration of BEXCO & Flintstone
- Modular capacity ramp-up
- Resolving operational issues in steel ropes in Europe and North America

Financial delivery in 2024

- Stable profitability (EBITu margin 8.8%, -20bps), despite lower volumes
- Robust Free Cash Flow (€193m)
- Low leverage at 0.5x
- Dividend of €1.90 per share proposed (+6% y-on-y)
- Ongoing €200m share buyback

2025 outlook

- Weak business environment of H2 2024 is expected to persist into 2025
- Flat revenues for 2025 and at least stable margins
- More equally weighted first and second half split
- Potential for further economic volatility and disruptions

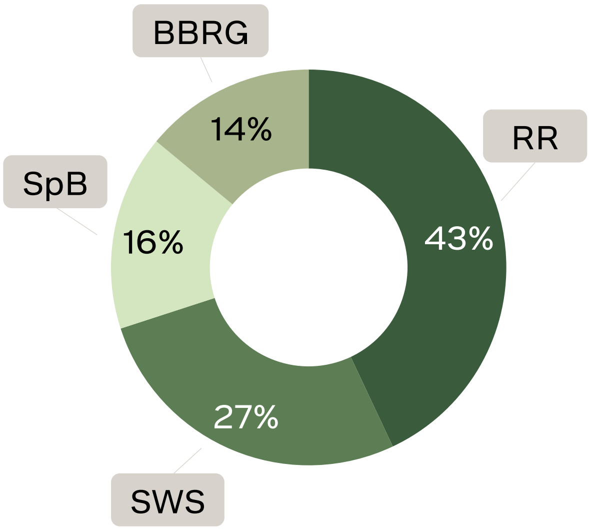
Q&A

Appendix

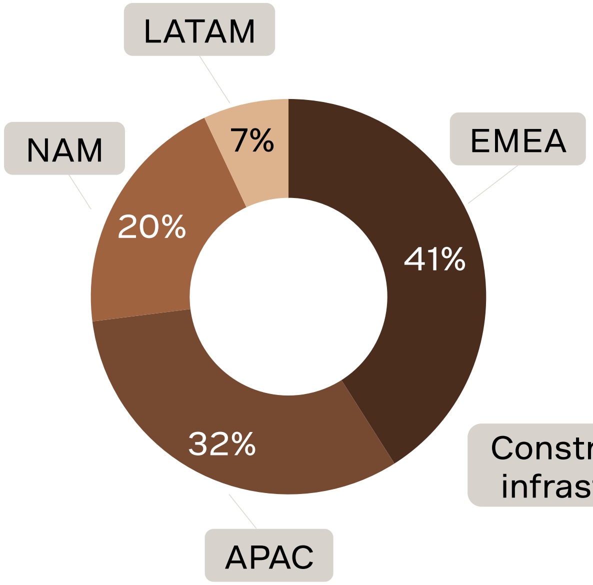
Strategy delivery

Building a balanced business by end-market and by region

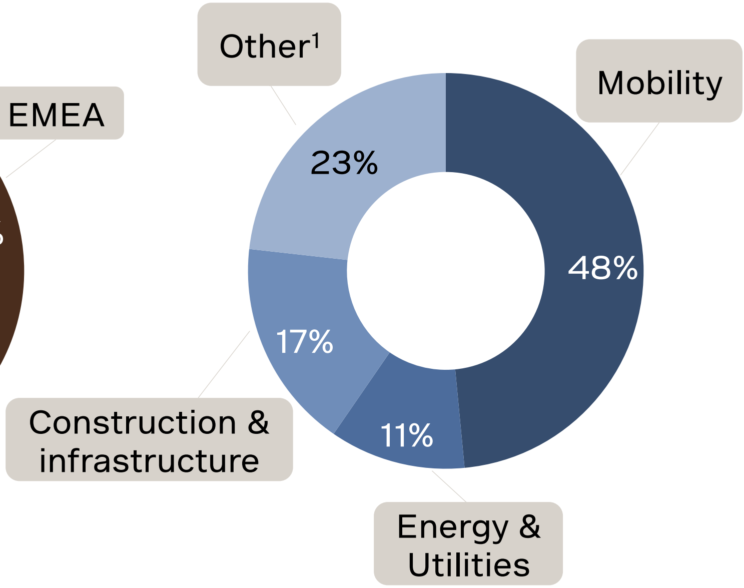
Consolidated sales by business unit



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 weighted average CE is weighted by the number of periods that an entity has contributed to the consolidated result.
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.
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 weighted average capital employed.
Return on equity (ROE)	Result for the period relative to average equity
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.
Operating Working Capital	Inventories + trade receivables + bills of exchange received + advanced paid - trade payables - advances received - remuneration and social security payables - employment-related taxes.
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

Classification: Public Information