Bekaert

Investor Relations
Guy Marks
T +32 56 76 74 73
guy.marks@bekaert.com

Press
Katelijn Bohez
T +32 56 76 66 10
katelijn.bohez@bekaert.com

bekaert.com

Press release
Regulated Information - Inside information
1 March 2024 · 7:00 a.m. CET

2023 Full Year Results

Bekaert delivers strong cash generation and improved margins

Sales at € 4.3 billion · EBITu[1] of € 388 million (margin 9.0%) · FCF[1] up 40% · Leverage remains low at 0.5x Net debt/EBITDAu[1] · Proposed dividend of € 1.80 per share (+9%)

Bekaert delivered a resilient financial performance in 2023, further improving profit margins (EBITu margin at 9.0%, up 80bps vs FY2022) and delivering strong cash flows (Free Cash Flow of € 267 million, up +40% y-on-y). Despite lower volumes and weaker conditions in many of its end markets, the business continues to benefit from the successful execution of Bekaert's strategy, maintaining pricing discipline, enhancing the mix of higher margin products, and driving cost efficiencies. Looking ahead, the repositioning to target new growth opportunities linked to the energy transition and decarbonization trends continues and supports the company's ambitious financial targets for 2026.

Financial Highlights[2]

- Consolidated sales of € 4.3 billion (-13.5%) and combined sales[3] of € 5.3 billion (-13.9%), driven primarily by the reversal of raw material cost inflation, lower volumes and an unfavorable impact from exchange rate movements
  - The reversal of previous input cost inflation reduced sales by € -437 million and lower volumes (-3.7%) reduced sales by € -188 million. Currency effects had an impact of € -152 million.
  - Successful focus on price and mix optimization towards higher margin products increased sales by € +101 million.
- Gross profit underlying remained stable despite lower sales (€ 745 million vs € 749 million in FY2022) at a margin of 17.2% (vs 15.0% in FY2022)
- Strong operating result and margin performance, driven by ongoing business mix improvements including the contribution of higher margin growth applications
  - EBITDAu[1] of € 561 million (-5.1%), delivering a margin on sales of 13.0% (improvement of +120bps vs FY2022)
  - EBITu[1] of € 388 million (-5.3%), resulting in a margin of 9.0% (vs 8.2% in FY2022)
- EPS from continued operations of € 4.75 (up +5.5% vs € 4.50[4] in FY2022)
- Strong cash conversion, despite lower sales
  - Free Cash Flow (FCF) of € 267 million, up +40% compared to € 191 million in FY2022, benefiting from further improved working capital management
  - Net debt of € 254 million (€ 380 million in FY2022) including proceeds of the disposal of Steel Wire Solutions businesses in Chile and Peru, resulting in net debt to EBITDAu of 0.5x
- Proposed dividend of € 1.80 per share (+9% y-on-y)

---

[1] EBITu = underlying EBIT, EBITDAu = underlying EBITDA and FCF = Free Cash Flow and all are defined Alternative Performance Measures (APMs). The full list of all APMs can be found at the end of the document (note 11).
[2] All comparisons are relative to the financial year 2022, unless otherwise indicated. All figures are adjusted to exclude the disposed businesses in Chile and Peru, except the 2022 Free Cash Flow.
[3] Combined sales are sales of fully consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.
[4] Comparing 2023 EPS with 2022 EPS from continued operations in order to have a like-for-like comparison, excluding disposed businesses.

Operational and strategic highlights

- Strong pricing progress from ongoing mix improvements with higher added value products and applications, minimizing the impact of lower volumes
- Intense focus on cost efficiencies and operational excellence, including reduced procurement costs as part of an ongoing range of initiatives, as well as further footprint rationalization including:
  - Closure of a Rubber Reinforcement plant in China in Q3 2023
  - Decision to close two Steel Wire Solutions plants in India and Indonesia in December 2023
- Ongoing successful strategic execution, re-positioning the business towards higher margin, higher growth and less commoditized sectors, and focusing on growth markets, innovation, and sustainability:
  - Increased customer penetration of higher margin 4D and 5D Dramix® products
  - Continue to scale production in Currento® (porous transport layer for hydrogen electrolyzers) having doubled sales in 2023
  - Significant customer interest in Armofor® in both traditional and clean energy applications
- Signed agreement with Toshiba to move downstream into membrane electrode assembly, growing Bekaert's capabilities in hydrogen electrolysis
- Partnership with ABB to deliver predictive maintenance services for mine hoist systems
- 12 MWp solar power farm at the production plant in Burgos, Spain, now fully operational
- The disposal of Steel Wire Solutions businesses in Chile and Peru completed

Outlook

The financial performance delivered in 2023 and the company's robust financial position give us confidence in our ability to further deliver on our strategic priorities. Whilst economic uncertainties continue and a number of end markets remain challenging, our trading in 2024 has started well across the majority of our business units and management anticipates modest sales growth and at least stable margins in 2024.

Looking beyond 2024, we also remain confident in our targets of a sales growth rate of more than 5% per year in the mid-term and from 2026 an EBITu margin of more than 10%, ROCEu of more than 20% and over 50% of sales generated from sustainable solutions.

Committed to return value to our shareholders

The Board of Directors is committed to maintaining a strategic capital allocation policy, balancing investment in future growth and innovation, with maintaining a strong balance sheet and growing shareholder returns over time. Over the last two years Bekaert has successfully returned more than € 400 million, through share buyback programs of approximately € 240 million and a significantly increased dividend, up 50% in 2022, and a further 10% increase in 2023.

The continued successful execution of the strategic plan in recent years has strengthened Bekaert's financial performance, operational resilience and consistency, balance sheet position, cash generation potential, and the returns to shareholders.

Whilst this strategic plan remains clear and unchanged, the arrival of the new CEO, Yves Kerstens, in September 2023, has been a catalyst for the Board to review capital allocation priorities. Building on the strong foundations of business and financial improvements in recent years, the Board has concluded that it is now the right time to accelerate this plan and Bekaert's transformational agenda, to take advantage of growth opportunities. Therefore, the Board intends to prioritize investment in the business in the next 12-24 months, both organically and inorganically, and has taken the decision to pause the share buyback program.

The group intends to maintain its policy of progressively growing the dividend year-on-year and today announces a gross dividend of € 1.80 per share (an increase of 9% y-on-y), to be proposed by the Board at the Annual General Meeting of Shareholders in May 2024.

Notes

All sales and income statement items exclude any contribution from the disposed Steel Wire Solutions businesses in Chile and Peru. In-line with IFRS 5, the 2022 comparative data has been restated on the same basis enabling a like-for-like comparison. The 2022 balance sheet data has not been restated and also the 2022 cash flow statement was not adjusted for the disposed entities. The 2023 balance sheet no longer contains the disposed net assets. Note 10 provides more information on the impact of the disposal adjustments.

Consistent with current accounting policies and based on more mature R&D project and portfolio management processes, the criteria for capitalizing expenditure on development activities have now been met for certain development projects. This has led to a capitalization of € 7.3 million of development expenses for 2023.

Conference Call

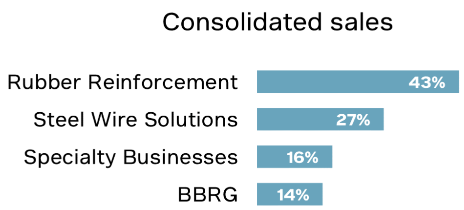
The CEO and the CFO of Bekaert will present the 2023 results to the investment community at 10:00 a.m. CET on Friday March 1st. This presentation can be accessed live upon registration via the Bekaert website (bekaert.com/en/investors) and will be available on the website after the event.

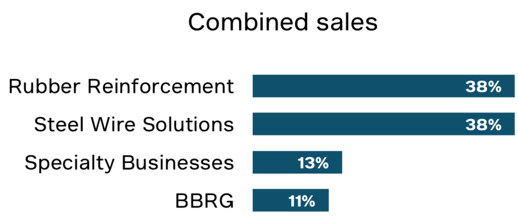
Sales

Consolidated and combined sales per segment - in millions of €

Consolidated third party sales	2022	2023	Share	Variance[5]	Organic	FX
Rubber Reinforcement	2 198	1 881	43%	-14%	-10%	-4%
Steel Wire Solutions	1 427	1 169	27%	-18%	-16%	-2%
Specialty Businesses	772	677	16%	-12%	-10%	-2%
BBRG	585	589	14%	+1%	+4%	-3%
Group	22	12	-	-	-	-
Total	**5 004**	**4 328**	**100%**	**-14%**	**-11%**	**-3%**

Combined third party sales[6]	2022	2023	Share	Variance[5]	Organic	FX
Rubber Reinforcement	2 465	2 070	38%	-16%	-13%	-4%
Steel Wire Solutions	2 385	2 008	38%	-16%	-15%	-1%
Specialty Businesses	772	677	13%	-12%	-10%	-2%
BBRG	585	589	11%	+1%	+3%	-3%
Group	5	4	-	-	-	-
Total	**6 212**	**5 347**	**100%**	**-14%**	**-12%**	**-2%**





2023 quarter-on-quarter progress - in millions of €

Consolidated third party sales	1st Q	2nd Q	3rd Q	4th Q	Q4 y-o-y[7]
Rubber Reinforcement	539	480	448	414	-17%
Steel Wire Solutions	327	307	277	257	-22%
Specialty Businesses	173	176	164	165	-2%
BBRG	152	157	144	135	-15%
Group	3	4	3	2	-
Total	**1 194**	**1 124**	**1 036**	**973**	**-16%**

Combined third party sales[6]	1st Q	2nd Q	3rd Q	4th Q	Q4 y-o-y[7]
Rubber Reinforcement	593	526	496	455	-20%
Steel Wire Solutions	548	524	487	449	-19%
Specialty Businesses	173	176	164	165	-2%
BBRG	152	157	144	135	-15%
Group	–	2	–	1	-
Total	**1 467**	**1 385**	**1 291**	**1 204**	**-17%**

Bekaert's consolidated sales reached € 4 328 million in 2023, -13.5% lower than last year. The single biggest impact was the effect of the passed-on lower raw material costs due to a reversal of the 2022 inflation (-8.7%), which was partly offset by an improved product mix and pricing (+2.0%). Volumes had an impact of -3.7% and unfavorable currency impacts, mainly in China, US and India, reduced the top line by another -3.0%.

The sales in Bekaert's joint ventures in Brazil amounted to € 1 019 million, -16.5% lower than last year. The main impact was the combined effect of lower input costs and price mix (-13.0%) and to a lesser extent lower volumes (-4.3%). Currency effects added +0.8% to the top line. Including joint ventures, combined sales[6] decreased by -13.9%, reaching € 5 347 million.

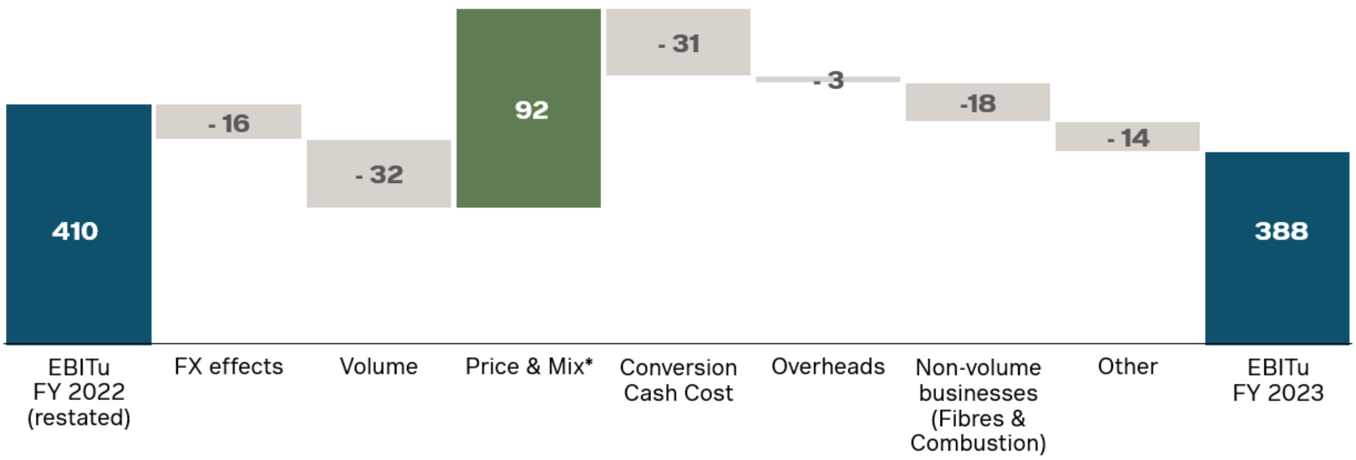
[5] Comparisons are relative to the financial year 2022, unless otherwise indicated. Full year 2022 sales figures have been adjusted to exclude the disposed businesses in Chile and Peru.
[6] Combined sales are sales of fully consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.
[7] Q4 year-on-year sales: 4th quarter 2023 versus 4th quarter 2022

Financial Statement - Summary

	Underlying				Reported	
in millions of €	**2022**	**2023**	**H1 2023**	**H2 2023**	**2022**	**2023**
Consolidated sales	5 004	4 328	2 318	2 010	5 004	4 328
Operating result (EBIT)	410	388	226	163	317	334
EBIT margin on sales	8.2%	9.0%	9.7%	8.1%	6.3%	7.7%
Depreciation, amortization and impairment losses	182	173	92	81	247	189
EBITDA	591	561	317	244	564	523
EBITDA margin on sales	11.8%	13.0%	13.7%	12.1%	11.3%	12.1%
ROCE	19.8%	18.2%			15.3%	15.7%
Combined sales	**6 212**	**5 347**	**2 852**	**2 495**	**6 212**	**5 347**

Underlying EBIT Bridge

In millions of €



* Net of FIFO inventory valuation of € -48 million

Bekaert delivered an underlying EBIT of € 388 million in 2023 at a 9.0% margin. The most significant impact came from the continuously evolving mix towards higher added value products and away from more commoditized segments. This impact has more than offset the adverse effects of lower sales volumes, higher conversion cash costs (including lower absorption of fixed costs) and currency effects. As the inventory valuation impact has an offsetting price impact, only the net price mix effect that remains is represented.

Extra capabilities in the scale-up of growth areas like hydrogen porous transport layers (innovation, commercial & business development, production scale-up) drove up costs ahead of sales margins. Other impact versus last year is mainly due to a positive € 11.5 million one-time impact in last year's figures related to sale of land in the UK.

Segment Reports

Rubber Reinforcement: Strong volumes in Asia alongside mix and cost improvements more than offset lower demand in Europe and North America

	Underlying				Reported	
Key figures (in millions of €)	**2022**	**2023**	**H1 2023**	**H2 2023**	**2022**	**2023**
Consolidated third party sales	2 198	1 881	1 019	863	2 198	1 881
Consolidated sales	2 229	1 905	1 030	875	2 229	1 905
Operating result (EBIT)	179	184	105	79	111	156
EBIT margin on sales	8.0%	9.6%	10.2%	9.0%	5.0%	8.2%
Depreciation, amortization and impairment losses	91	83	45	38	150	94
EBITDA	270	267	150	117	261	249
EBITDA margin on sales	12.1%	14.0%	14.5%	13.4%	11.7%	13.1%
Combined third party sales	2 465	2 070	1 119	951	2 465	2 070
Segment assets	1 495	1 333	1 412	1 333	1 495	1 333
Segment liabilities	376	302	324	302	376	302
Capital employed	1 119	1 030	1 088	1 030	1 119	1 030
ROCE	15.6%	17.0%			9.7%	14.4%

Operational and financial performance

Despite lower sales and lower raw material costs, Rubber Reinforcement delivered a significantly improved EBITu margin in 2023 and very strong cash generation, through a focus on improving product mix towards differentiated, higher performance products and through operational efficiency.

In China, volumes recovered strongly while pricing was lower mainly through wire rod cost decreases and to a lesser extent through price and mix effects. India continued to grow further. Lower demand impacted volumes in Europe and North America. The move towards high-performing, stronger tensile tire cords increased further to around 50%, resulting in positive mix impacts. In total, the division reported lower consolidated third party sales -14.4% versus last year. The main impact came from passed-on wire rod cost decreases on sales prices (-8.9%). Volumes were up +1.3%, driven by strong volumes in Asia and lower volumes elsewhere. Price and mix effects were -2.7% as a consequence of regional mix, partly offset by an improved product mix. Unfavorable currency effects amounted to -4.0%.

Through a strong focus on cost efficiency and mix improvements, the business unit delivered an underlying EBIT of € 184 million, up € +5 million from last year on lower sales. The EBITu margin increased by +160 bps to 9.6%. Increasing the recycled content of our products and more volumes of high performing stronger tensile tire cords improved the mix, while cost savings were achieved by process innovation, labor and material efficiency and plant footprint optimization in China including one plant closure.

The underlying EBITDA margin was 14.0% compared with 12.1% last year and underlying ROCE was 17.0%. Capital expenditure (PP&E) amounted to € 82 million and this included growth investments in Vietnam and India. The one-off elements were € -28 million and were primarily related to restructuring costs in China. Reported EBIT was € 156 million.

Combined sales and joint venture performance

The Rubber Reinforcement joint venture in Brazil achieved € 189 million in sales in 2023, down -29.9%. Volume losses were -19.2% and were impacted by higher imports into the country and lower demand in the OEM truck market due to pre-buy effects in 2022. Lower wire rod costs had an impact of -11.5% and currency impact was +0.8%. Including joint ventures, the business unit's combined sales decreased by -16.0% to € 2 070 million. The margin performance of the joint venture was significantly impacted by the lower volumes. The results are accounted for in Bekaert's Income Statement under the equity method as part of the 'Share in the results of joint ventures and associates'.

Market perspectives

In 2023, European and American markets weakened despite a strong first quarter. In 2024, growth is expected to be subdued on a global level, and the market remains cautious given weak economic outlook, logistic issues and risk of imports. Customer focus on more sustainable recycled steel and lower rolling resistance applications will continue.

Steel Wire Solutions: Focused management action to offset weaker market conditions

	Underlying				Reported	
Key figures (in millions of €)	**2022**	**2023**	**H1 2023**	**H2 2023**	**2022**	**2023**
Consolidated third party sales	1 427	1 169	635	534	1 427	1 169
Consolidated sales	1 467	1 198	652	546	1 467	1 198
Operating result (EBIT)	100	90	49	41	98	75
EBIT margin on sales	6.8%	7.5%	7.6%	7.5%	6.7%	6.3%
Depreciation, amortization and impairment losses	36	33	18	14	36	38
EBITDA	136	123	68	55	134	113
EBITDA margin on sales	9.2%	10.2%	10.4%	10.1%	9.1%	9.4%
Combined third party sales	2 385	2 008	1 072	936	2 385	2 008
Segment assets	717	605	697	605	717	605
Segment liabilities	290	205	270	205	290	205
Capital employed	426	401	426	401	426	401
ROCE	25.5%	21.8%			25.1%	18.1%

Operational and financial performance

Despite lower volumes and weak end markets across most business lines, Steel Wire Solutions delivered a resilient performance improving profit margins by taking swift, structural action on cost flexing, pricing optimization and in the repositioning of the portfolio to offset the volume declines and cost inflation. It also delivered excellent cash flow generation.

Demand from energy and utility markets was strong throughout the period, especially in North America. Construction and agriculture markets, in particular in Latin America, remained very challenging for most of the year as economic conditions and consumer confidence remained weak. The division made good technical and commercial progress on its efforts to homologate the next generation electric vehicle solution, Ampact™, and is also seeing growing demand for armoring wires for deep sea electricity and data transmission.

Management took further action in the structural reposition of the portfolio towards selective and more profitable segments and decided to announce the closure of two plants in Indonesia and India at the end of 2023. The sale of the businesses in Chile and Peru was completed earlier in 2023.

Steel Wire Solutions consolidated sales were € 1 169 million for the full year 2023, down -18.1% versus last year. Despite volumes being -10.3% lower and falling raw material prices, there was a strong focus on price management across the segment while simultaneously improving the mix, especially from energy and utility applications in North America and Europe.

The focus on price and mix, and pro-active cost mitigating actions, led the division to deliver underlying EBIT of € 90 million or 7.5% EBITu margin, up from 6.8% last year. The underlying EBITDA margin was 10.2%, up from 9.2% last year and underlying ROCE remained robust at 21.8%.

Capital expenditure (PP&E) amounted to € 33 million and included capacity investments to further meet strong demand from energy and utility customers. The one-off elements were € -15 million and related mainly to restructuring costs in Indonesia, Belgium and India. Reported EBIT was € 75 million.

Combined sales and joint venture performance

The Steel Wire Solutions joint venture in Brazil reported sales of € 830 million, -12.7% compared with 2022. Volumes were solid (-1.3%), while lower pricing due to decreased wire rod costs had the biggest impact (-12.0%). Currency impact was +0.8%. Including joint ventures, the combined sales were € 2 008 million. Whilst lower than FY 2022 in absolute terms, the margin performance of the joint venture remained strong. The results are accounted for in Bekaert's Income Statement under the equity method as part of the 'Share in the results of joint ventures and associates'.

Market Perspectives

Markets are expected to remain quite challenging in 2024, especially in Europe and Latin America. Capacity increases at our energy and utilities customers create higher demand opportunities in Europe and also in North America supported by governmental stimuli (for example the US Federal funding of RDOF (Rural Digital Opportunity Fund) and IIJA (Infrastructure Investment and Jobs Act)).

Specialty Businesses: Good progress in Dramix® and Currento® against strong comparative year

	Underlying				Reported	
Key figures (in millions of €)	**2022**	**2023**	**H1 2023**	**H2 2023**	**2022**	**2023**
Consolidated third party sales	772	677	349	329	772	677
Consolidated sales	788	690	355	335	788	690
Operating result (EBIT)	132	112	64	48	131	104
EBIT margin on sales	16.7%	16.2%	18.1%	14.2%	16.6%	15.1%
Depreciation, amortization and impairment losses	22	24	11	13	22	27
EBITDA	154	136	75	60	153	131
EBITDA margin on sales	19.5%	19.6%	21.2%	18.0%	19.4%	19.0%
Segment assets	470	463	500	463	470	463
Segment liabilities	143	101	123	101	143	101
Capital employed	327	361	377	361	327	361
ROCE	44.7%	32.5%			44.4%	30.2%

Operational and financial performance

After record-high sales in 2022 driven by exceptional buying patterns, sales for 2023 were € 677 million, -12.3% below 2022, but up around 15% versus 2021. The organic decrease of -9.9% was driven by lower demand and raw material impacts, partially offset by positive mix effects. The currency impact was -2.4%.

The construction decarbonization business secured new tunneling projects in India and China alongside further industrial flooring projects in the US where the group continues to drive the increasing adoption of steel fiber reinforced flooring. The segment continued to innovate with the first sales of higher tensile strength steel fibers to maintain market performance leadership and the recently established Falconix® engineering design office is an important differentiator in a number of recent project wins in advanced flooring solutions. Overall, the successful penetration of the higher value 4D/5D Dramix® products continues with almost half of the supplied volumes in 2023 coming from these patent-protected product lines and consequentially pricing and mix has remained very strong, offsetting the small volume declines.

In the hydrogen electrolysis applications, sales revenue in 2023 has doubled for the third year in a row now. Bekaert made further progress with long-term supply agreements for its porous transport layers and alongside continues to successfully ramp-up production capacity with the first scale deliveries expected in 2024. Bekaert also commenced a landmark project in China with a major electricity generation company. It has also signed an agreement with Toshiba to move downstream into membrane electrode assembly, growing its capabilities in hydrogen electrolysis. There has been a slowdown in filtration and other fiber end markets, while the demand for our ultra fine wires for solar and semiconductor markets remains solid. Sales were lower in 2023 in Combustion Technologies and in the Hose and Conveyor Belt sub-segment where markets continue to be challenging.

Despite falling sales, Specialty Businesses delivered a robust EBITu margin of 16.2% (broadly in-line with last year) and EBITu of € 112 million in 2023, down from € 132 million last year. The profit margin was driven by continued pricing discipline and the increased share of high-end applications, despite lower demand and an increased cost base for the Hydrogen ramp-up. The underlying EBITDA margin reached 19.6%, similar as last year. Underlying ROCE was 32.5%. The € -8 million one-off costs related to restructuring of Combustion Technologies activities in The Netherlands and China.

Capital expenditure (PP&E) increased +71% and amounted to € 40 million. This included investments in capacity for porous transport layers (hydrogen) in Belgium and China and for the construction decarbonization products. Growth capital expenditure will increase in 2024 as we continue the ramp-up of our production into the Hydrogen market.

Market perspectives

Whilst overall construction markets remain subdued most notably in China, significant global infrastructure investment is planned in countries such as India and the US and the business continues to see strong interest in high-end applications such as flooring for EV battery plants. Our hydrogen component business growth in 2024 is underpinned by long-term supply commitments and strong customer inquiry levels. The outlook for the remaining parts of the segment remains less confident, given weaker demand in hose and conveyor belt markets and regulatory uncertainty in in Combustion Technologies.

Bridon-Bekaert Ropes Group: Strong price and mix performance despite lower volumes, delivering further margin improvements

	Underlying				Reported	
Key figures (in millions of €)	**2022**	**2023**	**H1 2023**	**H2 2023**	**2022**	**2023**
Consolidated third party sales	585	589	309	279	585	589
Consolidated sales	589	590	310	280	589	590
Operating result (EBIT)	60	73	40	33	39	72
EBIT margin on sales	10.3%	12.3%	12.9%	11.6%	6.6%	12.3%
Depreciation, amortization and impairment losses	34	30	17	13	45	27
EBITDA	94	103	57	45	84	99
EBITDA margin on sales	16.0%	17.4%	18.5%	16.2%	14.3%	16.8%
Segment assets	629	634	653	634	629	634
Segment liabilities	138	122	123	122	138	122
Capital employed	491	512	530	512	491	512
ROCE	12.9%	14.5%			8.3%	14.5%

Operational and financial performance

Strong demand in Mining and Oil & Gas end markets offset volume decline in construction in China, while a strong focus on pricing and mix delivered a very strong margin performance (EBITu margin at 12.3% vs 10.3% last year). After supplying backlog orders in 2023 following the ramp-up of production in the US, the global order book remains at a high level.

Operationally in 2023, Bridon-Bekaert Ropes Group (BBRG), completed the closure of the Gelsenkirchen site in Germany and has expanded capacity in Europe for Armofor® to meet anticipated demand growth. In November 2023, BBRG and ABB signed a global partnership to develop advanced digital services for mine hoist systems, including innovative approaches towards safety, availability, productivity, risk reduction and sustainability, alongside best-in-class practices for preventive maintenance.

BBRG recorded +0.6% sales growth in 2023 to € 589 million, driven by strong price and mix effects only partly offset by lower input costs (combined effect of +10.1%) on lower volumes (-6.6%). The currency impact was -2.9%.

The division has continued to further embed its profit restoration plan, as well as benefiting from dynamic pricing in 2023. As a consequence, the business unit delivered an underlying EBIT of € 73 million at a margin on sales of 12.3% (up again compared with 10.3% in 2022). Underlying EBITDA reached a strong margin of 17.4% and underlying ROCE continued to improve with another +160 bps up from last year. BBRG invested € 37 million in PP&E, mainly in the Ropes activities in UK and US and in expansion of the Advanced Cords plants.

Market perspectives

Overall, the global order book remains at a high level and the business unit expects continued strong demand despite some delays in Armofor® and mooring solutions for offshore wind. Given current oil prices, demand for Ropes for the oil and gas segment remains strong in particular for onshore in North American markets and offshore globally, whilst demand from the mining sector is stable. Weakness in Chinese construction activities is weighing on demand for hoisting cords and crane ropes in that region.

Strategic and investment updates

Bekaert continues its strategic transformation with an increased focus on innovation and sustainability to improve our technology and market access in growing industries. These included:

- a partnership agreement with Toshiba to commercialize Proton Exchange Membrane (PEM) Membrane-Electrode Assemblies (MEA) technology for green hydrogen production, which will support the green hydrogen industry to scale and further improve cost competitiveness
- expanding manufacturing and research capacity in Porous Transport Layers for electrolysis technologies
- a further investment in electrolysis technologies for green hydrogen production in Ionomr Innovations, a leader in proton- and anion exchange membrane technologies
- delivering first batches of tire reinforcement with third-party certified recycled steel content and paving the way to an industry standard for the reporting of recycled content in tire reinforcement
- the acquisition of Flintstone Technology Ltd further strengthening our offering in offshore mooring solutions providing complete system solutions to the floating offshore wind industry
- a partnership with ABB to deliver peace of mind to mine hoist system operators by improving predictive maintenance services offering to enhance efficiency and reduce downtime.

At the Capital Markets Day in December 2023, Bekaert outlined its strategy and presented an update on what has been achieved in recent years combined with its plans and ambitious targets for the future. These included:

- Clearly defined roles for the divisions, with the core businesses of Rubber Reinforcement and Steel Wire Solutions (SWS) continuing to lead their markets with premium and more sustainable solutions and focusing on margin improvement and cash conversion, while the growth platforms delivering into energy transition, construction decarbonization and advanced lifting and mooring industries are focused on capturing growth opportunities
- Within the core businesses, this is illustrated with actions in 2023 on footprint (disposal of Chile and Peru SWS business, closure of a tire cord plant in China and two SWS plants in India and Indonesia), cost saving programs and mix improvements from higher adoption of stronger tensile tire cords and a higher weight of deliveries to energy and utility customers in SWS
- In the growth platforms, there is continued growth in the adoption of steel fiber reinforced concrete and of Currento® sales for green hydrogen generation. Customer interest in Armofor® steel cord reinforced thermoplastic pipes is increasing.

The Group continues to invest in the organic growth of the company:

- € 188 million in property, plant and equipment, compared to € 157 million last year, supporting future growth in the core segments and increasingly also in the growth platforms. The largest growth investments in 2023 were done in Vietnam and India for Rubber Reinforcement, in the US for energy and utility applications in BBRG and Steel Wire Solutions, and for hydrogen, building products, and advanced cords applications
- € 73 million in R&D and Innovation activities (before the capitalization of some R&D projects and before deduction of grants and other R&D incentives), up € 3 million from last year
- € 19 million in intangible investments that relate mainly to investments in digital transformation projects and to € 7 million capitalization of R&D projects.

The Group also installed a solar park in Burgos, Spain, to help reduce and offset its carbon greenhouse emissions.

Share buyback and treasury shares

On 23 February 2024, Bekaert completed its second program to buyback up to € 120 million of its own shares, which it initially had started in 2022 and which the Board had decided to continue for an additional € 120 million on 28 February 2023 in 4 additional tranches. In this second program, the company repurchased 2 703 331 ordinary shares for an aggregate consideration of € 115.5 million. The purpose of the share buyback is to reduce the issued share capital of the company. 2 240 143 shares of this second buyback program were already cancelled in 2023 and the capital was reduced accordingly. The remaining 463 188 shares will be cancelled in 2024. Together with the previous buyback program that ran until February 2023, 6 191 675 shares have been repurchased for an amount of € 232.8 million.

On 31 December 2022, the Company held 4 380 475 own shares. Between 1 January 2023 and 31 December 2023, a total of 413 581 shares were exercised under Stock Option Plan 2010-2014 and Stock Option Plan 2015-2017, and 413 581 own shares were used for that purpose. Bekaert sold 4 742 shares to members of the Bekaert Group Executive (BGE) Management in the framework of the Bekaert Personal Shareholding Requirement Plan and transferred 3 496 shares to members of the BGE under the share-matching plan. A total of 11 202 shares were granted to the Chairman and other non-executive Directors as part of their remuneration for the performance of their duties. A total of 213 317 shares were disposed of following the vesting of 213 317 performance share units under the Bekaert Performance Share Plan. Between 1 January 2023 and 31 December 2023, Bekaert bought back 2 712 858 shares in total and cancelled 4 279 078 shares. Including the transactions under the liquidity agreement with Kepler Cheuvreux which expired in September 2023, the balance of own shares held by the Company on 31 December 2023 was 2 156 137 (3.94% of the total share capital) and as at 28 February 2024, the balance of treasury shares held by Bekaert was 2 538 575 (4.64%).

Financial review

All sales and income statement items exclude any contribution from the disposed Steel Wire Solutions businesses in Chile and Peru. In-line with IFRS 5, the 2022 comparative data has been restated on the same basis enabling a like-for-like comparison. The 2022 balance sheet data has not been restated and also the 2022 cash flow statement was not adjusted for the disposed entities. The 2023 balance sheet no longer contains the disposed net assets.

For 2022, net debt, working capital and most ratios have been restated to provide a like-for-like comparison. A separate earnings per share (EPS) from continued operations is provided (note 1 and note 8). Ratios that relate to equity do not fully exclude the businesses under disposal. Note 10 provides more information on the impact of the disposal adjustments versus the results of 2022. Note 9 provides information on the impact of the disposed net assets by balance sheet caption.

Financial results

The underlying gross profits of the Group remained stable at € 745 million despite lower sales volumes, higher cash conversion costs and adverse FX effects and it demonstrates Bekaert's ability to offset the impact of a -13.5% decrease in sales by delivering on cost saving programs, strong pricing and positive mix effects both from higher added value products and end markets served.

Bekaert achieved an operating result (EBITu) of € 388 million (versus € 410 million last year). This resulted in an EBITu margin on sales of 9.0% (vs 8.2% in 2022). The decrease in absolute amount is almost entirely due to € -20 million lower underlying other operating revenues. In 2022, these other operating revenues were positively impacted by a one-time effect of € +11.5 million for sale of land in the UK.

The year-on-year comparison of overhead expenses is influenced to some degree by the capitalization of € 7.3 million of development expenses for 2023. Consistent with current accounting policies, and based on more mature R&D project and portfolio management processes, the criteria for capitalizing expenditure on development activities have now been met for certain development projects. As there is no change in accounting policies, there is no impact on 2022 numbers. In total, the underlying overhead expenses remained just below the level of last year, with cost increases driven primarily by labor inflation being more than compensated by the capitalization of development expenses. As a percentage on sales, overheads are 8.4% (vs 7.3% in 2022).

The one-off items amounted to € -54 million. Restructuring one-off costs were € -45 million and these included costs for closing and restructuring in China (€ -22 million), in India and Indonesia (€ -10 million), in Belgium and the Netherlands (€ -6 million). Other one-off costs related to loss of disposals (€ -3 million), environmental provisions (€ -3 million) and other (€ -3 million). Including one-off items, reported EBIT was € 334 million, representing an EBIT margin on sales of 7.7% (versus € 317 million or 6.3% in 2022). Underlying EBITDA was € 561 million (13.0% margin) compared with € 591 million (11.8%) and reported EBITDA reached € 523 million, or a margin on sales of 12.1% (versus 11.3%).

Interest income and expenses were € -27 million, down from € -30 million in 2022, because of lower gross debt and despite higher interest rates. Other financial income and expenses was € -39 million (€ -10 million in 2022). The delta stemmed from negative exchange rate translation effects and increased bank charges.

Income taxes decreased further from € -74 million last year to € -62 million in 2023. The overall effective tax rate dropped from 27% to 23%. The key driver is stronger profitability in legal entities that were historically loss making, resulting in the utilization of previously unrecognized tax attributes.

The share in the result of joint ventures and associated companies was € +47 million (versus € +54 million last year). The Steel Wire Solutions joint venture in Brazil performed well with stable volumes and a stable margin percentage while the much smaller Rubber Reinforcement joint venture suffered from lower demand and higher imports.

The result for the period from continuing operations thus totaled € +253 million, compared with € +258 million in 2022. The result attributable to non-controlling interests was € -2 million. After non-controlling interests, the result for the period attributable to equity holders of Bekaert was € +255 million. Earnings per share amounted to € +4.75, up from € +4.50 last year in a like-for-like comparison based on continuing operations. Earnings per share on an underlying basis and from continued operations totaled € +5.76 versus € +6.15 last year.

Balance Sheet

On 31 December 2023, equity represented 53.1% of total assets, up from 46.2% at year-end 2022. The gearing ratio (net debt to equity) was 11.7% compared to 21.8% at the close of 2022, driven by lower net debt. As these ratios relate to equity, 2022 data points still include the Steel Wire Solutions businesses in Chile and Peru.

Working capital amounted to € 641 million, down from € 676 million last year and contributing to the cash flow. Both numbers are excluding the disposed entities in Chile and Peru. The decrease was impacted by currency effects as well as organic decreases. Inventories decreased sharply as well as accounts payable. Accounts receivable declined to a lesser degree. Off balance sheet factoring decreased from € 268 million in 2022 to € 232 million in 2023. The average working capital on sales in 2023 was 15.2%, an increase from 12.0% for 2022, due to 2022 sales that were inflated by higher input costs and the exceptionally low working capital position at the start of 2022.

Cash on hand was € 632 million at the end of the period, a decrease of € -96 million compared with the € 701 million[8] at the close of 2022. Main elements were repayment of part of the Schuldschein loans (€ -189 million), cash out for the share buyback program (€ -113 million) and dividend payments (€ -94 million), offset by a substantial increase in Free Cash Flow and the net cash proceeds from the disposal of investments in Chile and Peru (€ +105 million)[9].

Net debt amounted to € 254 million, another € -126 million down from € 380 million[8] at the close of 2022 driven by good working capital and cash management. This resulted in net debt on underlying EBITDA of 0.45 versus 0.64[8] at the end of 2022.

Cash Flow Statement

Cash flows from operating activities amounted to € 440 million, compared with € 340 million in 2022, mainly through better working capital and lower income taxes, which more than offset the € 49 million contribution still included in the cash flow from 2022 from the now disposed entities in Chile and Peru.

The Free Cash Flow[10] (FCF) amounted to € 267 million versus € 191 million in 2022. The improved working capital and lower income taxes added significantly to the increase in FCF, while the cash out for investments to support the future growth of the Group increased by € 25 million versus last year.

Cash flows attributable to investing activities amounted to € -41 million (versus € -125 million in 2022). Cash out for investments in plant and equipment increased, but this was more than offset by the proceeds from the disposal of investments (€ +109 million, mainly related to the investments in Chile and Peru) on the other hand.

Cash flows from financing activities totaled € -482 million, compared with € -174 million last year. The biggest financing cash out related to the repayment of part of the Schuldschein loans and other debt for more than € -250 million. Next to that, there were dividend payments (€ -94 million) and share buyback and other treasury share transactions (€ -99 million).

NV Bekaert SA (statutory accounts)

The Belgium-based entity's sales amounted to € 488 million, compared with € 587 million in 2022. The operating result including non-recurring items was € +25 million, compared with € +95 million in 2022. The financial result including non-recurring items was € +261 million (versus € +390 million in 2022), mainly due to lower dividends received. This led to a result for the period of € +287 million compared with € +488 million for 2022.

8 The 2022 number is adjusted to exclude the disposed entities in Chile and Peru
9 Net cash proceeds is the net from incoming cash related to the sales price (€ 132 million) and outgoing cash (bank position, € 27 million)
10 FCF is calculated from the Cash Flow Statement as Net Cash Flow from Operations minus Capex (purchase of Property, Plant and Equipment and Intangible Assets) minus net interest plus dividends received.

Financial Calendar

Full Year Results 2023 The CEO and the CFO of Bekaert will present the 2023 results to the investment community at 10:00 a.m. CET. This conference can be accessed live upon registration via the Bekaert website (bekaert.com/en/investors)	1 March 2024
2023 Integrated Annual Report available on bekaert.com	29 March 2024
First quarter trading update 2024	8 May 2024
Annual General Meeting of Shareholders	8 May 2024
Dividend ex-date	10 May 2024
Dividend record date	13 May 2024
Dividend payable	14 May 2024
Half Year Results 2024	26 July 2024
Third quarter trading update 2024	22 November 2024

Notes
The statutory auditor, EY Bedrijfsrevisoren BV, represented by Marnix Van Dooren and Francis Boelens, has confirmed that the audit, which is substantially complete, has to date not revealed any material misstatement in the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity or the consolidated statement of cash flow as included in this press release.

Statement from the responsible persons
The undersigned persons state that, to the best of their knowledge:

- the consolidated financial statements of NV Bekaert SA and its subsidiaries as of 31 December 2023 have been prepared in accordance with the International Financial Reporting Standards, and give a true and fair view of the assets and liabilities, financial position and result of the whole of the companies included in the consolidation; and
- the comments and analyses in this press release give a fair view of the development of the business and of the results and the position of the whole of the companies included in the consolidation.

On behalf of the Board of Directors.

Yves Kerstens Chief Executive Officer
Jürgen Tinggren Chairman of the Board of Directors

Disclaimer

Company Profile
Bekaert's ambition is to be the leading partner for shaping the way we live and move, and to always do this in a way that is safe, smart, and sustainable. As a global market and technology leader in material science of steel wire transformation and coating technologies, Bekaert (bekaert.com) also applies its expertise beyond steel to create new solutions with innovative materials and services for markets including new mobility, low-carbon construction, and green energy. Founded in 1880, with its headquarters in Belgium, Bekaert (Euronext Brussels, BEKB) is a global company whose 24 000 employees worldwide together generated € 5.3 billion in combined sales in 2023.

Investor Relations
Guy Marks
T +32 56 76 74 73
E-mail: guy.marks@bekaert.com

Press
Katelijn Bohez
T: +32 56 76 66 10
E-mail: katelijn.bohez@bekaert.com

bekaert.com

Note 1: Consolidated income statement

(in thousands of €)	2022	2023
Sales	5 003 969	4 327 892
Cost of sales	-4 338 917	-3 623 289
Gross profit	**665 052**	**704 602**
Selling expenses	-159 678	-159 907
Administrative expenses	-149 788	-158 034
Research and development expenses	-62 315	-56 587
Other operating revenues	46 895	35 151
Other operating expenses	-23 071	-30 814
Operating result (EBIT)	**317 094**	**334 412**
of which		
EBIT - Underlying	**409 904**	**388 328**
One-off items	**-92 810**	**-53 917**
Interest income	4 421	12 983
Interest expense	-34 044	-40 092
Other financial income and expenses	-9 867	-38 879
Result before taxes	**277 604**	**268 424**
Income taxes	-74 159	-62 167
Result after taxes (consolidated companies)	**203 446**	**206 257**
Share in the results of joint ventures and associates	54 211	46 623
RESULT FOR THE PERIOD FROM CONTINUED OPERATIONS	**257 656**	**252 881**
Discontinued operations of the Group		
Result for the period from discontinued operations	31 660	–
RESULT FOR THE PERIOD	**289 316**	**252 881**
Attributable to		
equity holders of Bekaert	*268 859*	*254 619*
non-controlling interests	*20 457*	*-1 738*
Earnings per share (in € per share)		
Result for the period attributable to equity holders of Bekaert		
Basic	4.78	4.75
Basic from continued operations	4.50	4.75
Diluted	4.74	4.72
Diluted from continued operations	4.47	4.72

Note 2: Reported and Underlying

(in thousands of €)	2022 Reported	2022 of which underlying	2022 of which one-offs	2023 Reported	2023 of which underlying	2023 of which one-offs
Sales	5 003 969	5 003 969	–	4 327 892	4 327 892	–
Cost of sales	-4 338 917	-4 254 936	-83 981	-3 623 289	-3 582 853	-40 437
Gross profit	**665 052**	**749 033**	**-83 981**	**704 602**	**745 039**	**-40 437**
Selling expenses	-159 678	-158 598	-1 080	-159 907	-157 076	-2 831
Administrative expenses	-149 788	-146 729	-3 059	-158 034	-152 709	-5 325
Research and development expenses	-62 315	-62 139	-176	-56 587	-55 375	-1 212
Other operating revenues	46 895	44 251	2 643	35 151	24 663	10 488
Other operating expenses	-23 071	-15 914	-7 157	-30 814	-16 214	-14 600
Operating result (EBIT)	**317 094**	**409 904**	**-92 810**	**334 412**	**388 328**	**-53 917**
Interest income	4 421			12 983		
Interest expense	-34 044			-40 092		
Other financial income and expenses	-9 867			-38 879		
Result before taxes	**277 604**			**268 424**		
Income taxes	-74 159			-62 167		
Result after taxes (consolidated companies)	**203 446**			**206 257**		
Share in the results of joint ventures and associates	54 211			46 623		
Result for the period from continuing operations	**257 656**			**252 881**		
Result for the period from discontinued operations	31 660			–		
RESULT FOR THE PERIOD	**289 316**			**252 881**		
Attributable to						
equity holders of Bekaert	*268 859*			*254 619*		
non-controlling interests	*20 457*			*-1 738*		

Note 3: Reconciliation of segment reporting

Key Figures per Segment[11]: Underlying

(in millions of €)	RR	SWS	SB	BBRG	GROUP[12]	RECONC[13]	2022
Consolidated third party sales	2 198	1 427	772	585	22	–	5 004
Consolidated sales	2 229	1 467	788	589	119	-188	5 004
Operating result (EBIT)	179	100	132	60	-62	1	410
EBIT margin on sales	8.0%	6.8%	16.7%	10.3%	–	–	8.2%
Depreciation, amortization, impairment losses	91	36	22	34	8	-10	182
EBITDA	270	136	154	94	-53	-9	591
EBITDA margin on sales	12.1%	9.2%	19.5%	16.0%	–	–	11.8%
Segment assets	1 495	717	470	629	-55	-137	3 119
Segment liabilities	376	290	143	138	110	-71	985
Capital employed	1 119	426	327	491	-165	-66	2 133
ROCE	15.6%	25.5%	44.7%	12.9%	–	–	19.8%
Capital expenditure - PP&E[14]	75	32	24	34	3	-10	157

Key Figures per Segment[11]: Reported

(in millions of €)	RR	SWS	SB	BBRG	GROUP[12]	RECONC[13]	2022
Consolidated third party sales	2 198	1 427	772	585	22	–	5 004
Consolidated sales	2 229	1 467	788	589	119	-188	5 004
Operating result (EBIT)	111	98	131	39	-67	6	317
EBIT margin on sales	5.0%	6.7%	16.6%	6.6%	–	–	6.3%
Depreciation, amortization, impairment losses	150	36	22	45	8	-14	247
EBITDA	261	134	153	84	-59	-9	564
EBITDA margin on sales	11.7%	9.1%	19.4%	14.3%	–	–	11.3%
Segment assets	1 495	717	470	629	-55	-137	3 119
Segment liabilities	376	290	143	138	110	-71	985
Capital employed	1 119	426	327	491	-165	-66	2 133
ROCE	9.7%	25.1%	44.4%	8.3%	–	–	15.3%
Capital expenditure - PP&E[14]	75	32	24	34	3	-10	157

[11] RR = Rubber Reinforcement; SWS = Steel Wire Solutions; SB = Specialty Businesses; BBRG = Bridon-Bekaert Ropes Group
[12] Group and business support
[13] Reconciliation column: intersegment eliminations
[14] Gross increase of PP&E

Key Figures per Segment[15]: Underlying

(in millions of €)	RR	SWS	SB	BBRG	GROUP[16]	RECONC[17]	2023
Consolidated third party sales	1 881	1 169	677	589	12	–	4 328
Consolidated sales	1 905	1 198	690	590	120	-175	4 328
Operating result (EBIT)	184	90	112	73	-68	-2	388
EBIT margin on sales	9.6%	7.5%	16.2%	12.3%	–	–	9.0%
Depreciation, amortization, impairment losses	83	33	24	30	13	-10	173
EBITDA	267	123	136	103	-55	-12	561
EBITDA margin on sales	14.0%	10.2%	19.6%	17.4%	–	–	13.0%
Segment assets	1 333	605	463	634	-6	-130	2 899
Segment liabilities	302	205	101	122	116	-61	785
Capital employed	1 030	401	361	512	-122	-68	2 115
ROCE	17.0%	21.8%	32.5%	14.5%	–	–	18.2%
Capital expenditure - PP&E[18]	82	33	40	37	8	-13	188

Key Figures per Segment[15]: Reported

(in millions of €)	RR	SWS	SB	BBRG	GROUP[16]	RECONC[17]	2023
Consolidated third party sales	1 881	1 169	677	589	12	–	4 328
Consolidated sales	1 905	1 198	690	590	120	-175	4 328
Operating result (EBIT)	156	75	104	72	-70	-2	334
EBIT margin on sales	8.2%	6.3%	15.1%	12.3%	–	–	7.7%
Depreciation, amortization, impairment losses	94	38	27	27	13	-10	189
EBITDA	249	113	131	99	-57	-12	523
EBITDA margin on sales	13.1%	9.4%	19.0%	16.8%	–	–	12.1%
Segment assets	1 333	605	463	634	-6	-130	2 899
Segment liabilities	302	205	101	122	116	-61	785
Capital employed	1 030	401	361	512	-122	-68	2 115
ROCE	14.4%	18.1%	30.2%	14.5%	–	–	15.7%
Capital expenditure - PP&E[18]	82	33	40	37	8	-13	188

[15] RR = Rubber Reinforcement; SWS = Steel Wire Solutions; SB = Specialty Businesses; BBRG = Bridon-Bekaert Ropes Group
[16] Group and business support
[17] Reconciliation column: intersegment eliminations
[18] Gross increase of PP&E

Note 4: Consolidated statement of comprehensive income

(in thousands of €)	2022	2023
Result for the period	**289 316**	**252 881**
Other comprehensive income (OCI)		
Other comprehensive income reclassifiable to income statement in subsequent periods		
Exchange differences arising during the year	49 443	-39 383
Reclassification adjustments relating to entity disposals or step acquisitions	-555	8 570
OCI reclassifiable to income statement in subsequent periods, after tax	**48 888**	**-30 813**
Other comprehensive income non-reclassifiable to income statement in subsequent periods:		
Remeasurement gains and losses on defined-benefit plans	3 393	-15 000
Net fair value gain (+)/loss (-) on investments in equity instruments designated as at fair value through OCI	-2 367	-2 822
Share of non-reclassifiable OCI of joint ventures and associates	27	-85
Deferred taxes relating to non-reclassifiable OCI	-4 874	3 948
OCI non-reclassifiable to income statement in subsequent periods, after tax	**-3 821**	**-13 960**
Other comprehensive income for the period	**45 067**	**-44 773**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**334 383**	**208 108**
Attributable to		
equity holders of Bekaert	*308 741*	*210 046*
non-controlling interests	*25 642*	*-1 938*

Note 5: Consolidated balance sheet

(in thousands of €)	2022	2023
Non-current assets	**1 975 079**	**1 886 317**
Intangible assets	62 149	68 669
Goodwill	152 567	152 072
Property, plant and equipment	1 238 041	1 118 063
RoU Property, plant and equipment	130 750	134 910
Investments in joint ventures and associates	221 886	223 623
Other non-current assets	65 314	68 202
Deferred tax assets	104 372	120 779
Current assets	**2 854 234**	**2 194 907**
Inventories	1 143 096	788 506
Bills of exchange received	39 764	55 507
Trade receivables	730 786	552 989
Other receivables	151 426	103 089
Short-term deposits	4 766	1 238
Cash and cash equivalents	728 095	631 687
Other current assets	55 541	49 553
Assets classified as held for sale	760	12 337
Total	**4 829 313**	**4 081 224**

Equity	**2 229 556**	**2 166 029**
Share capital	173 737	161 145
Share premium	39 519	39 517
Retained earnings	2 115 216	2 131 937
Other Group reserves	-235 766	-219 735
Equity attributable to equity holders of Bekaert	**2 092 706**	**2 112 865**
Non-controlling interests	**136 850**	**53 164**
Non-current liabilities	**875 537**	**766 991**
Employee benefit obligations	68 037	57 050
Provisions	27 925	25 795
Interest-bearing debt	735 408	646 652
Other non-current liabilities	150	1 876
Deferred tax liabilities	44 018	35 618
Current liabilities	**1 724 220**	**1 148 204**
Interest-bearing debt	500 588	252 283
Trade payables	921 113	632 950
Employee benefit obligations	142 068	140 325
Provisions	6 154	4 344
Income taxes payable	66 180	57 780
Other current liabilities	88 118	60 523
Liabilities associated with assets classified as held for sale	–	–
Total	**4 829 313**	**4 081 224**

Note 6: Consolidated statement of changes in equity

(in thousands of €)	2022	2023
Opening balance	**2 097 663**	**2 229 556**
Total comprehensive income for the period	334 383	208 108
Capital contribution by non-controlling interests	–	–
Effect of acquisitions and disposals	–	-78 686
Creation of new shares	748	–
Treasury shares transactions	-90 199	-90 712
Dividends to shareholders of Bekaert	-86 463	-88 564
Dividends to non-controlling interests	-19 763	-4 754
Other	-6 813	-8 919
Closing balance	**2 229 556**	**2 166 029**

Note 7: Consolidated cash flow statement

(in thousands of €)	2022	2023
Operating result (EBIT) from continued operations	317 094	334 412
Operating result (EBIT) from discontinued operations	48 660	–
Operating result (EBIT)	**365 754**	**334 412**
Non-cash items included in operating result	296 053	217 046
Investing items included in operating result	-11 381	-4 114
Amounts used on provisions and employee benefit obligations	-27 947	-36 872
Income taxes paid	-117 289	-79 155
Gross cash flows from operating activities	**505 189**	**431 316**
Change in operating working capital	-178 697	12 147
Other operating cash flows	13 800	-3 628
Cash flows from operating activities	**340 292**	**439 834**
New business combinations	-2 384	-5 864
Other portfolio investments	-8 613	-8 843
Proceeds from disposals of investments	94	109 294
Dividends received	67 944	59 886
Purchase of intangible assets *	-14 937	-18 750
Purchase of property, plant and equipment *	-170 195	-191 260
Purchase of RoU Land	-6	–
Proceeds from disposals of fixed assets	3 141	15 003
Cash flows from investing activities	**-124 956**	**-40 534**
Interest received	4 848	12 539
Interest paid	-37 428	-35 360
Gross dividends paid	-104 959	-94 242
Proceeds from long-term interest-bearing debt	12 050	25
Repayment of long-term interest-bearing debt	-87 627	-217 428
Cash flows from / to (-) short-term interest-bearing debt	67 349	-36 918
Treasury shares transactions	-97 104	-99 373
Other financing cash flows	68 473	-11 357
Cash flows from financing activities	**-174 398**	**-482 113**
Net increase or decrease (-) in cash and cash equivalents	**40 937**	**-82 813**
Cash and cash equivalents at the beginning of the period	**677 270**	**728 095**
Effect of exchange rate fluctuations	9 888	-13 596
Cash and cash equivalents at the end of the period	**728 095**	**631 687**

* Difference vs total capex related to payable balances

Note 8: Additional key figures

(in € per share)	2022	2023
Number of existing shares at 31 December	59 029 252	54 750 174
Book value	35.45	38.59
Share price at 31 December	36.28	46.52
Weighted average number of shares		
Basic	56 194 711	53 559 847
Diluted	56 662 942	53 890 095
Result for the period attributable to equity holders of Bekaert		
Basic	4.78	4.75
Basic from continued operations	4.50	4.75
Basic underlying EPS from continued operations	6.15	5.76
Diluted	4.74	4.72
Diluted from continued operations	4.47	4.72
Diluted underlying EPS from continued operations	6.10	5.73

(in thousands of € - ratios)	2022	2023
EBITDA	564 076	523 157
EBITDA - Underlying	591 460	561 082
Capital expenditure	172 002	206 701
Depreciation and amortization and impairment losses	246 981	188 745
Capital employed	2 133 197	2 114 874
Operating working capital	675 705	641 161
Net debt	379 698	254 430
EBIT on sales	6.3%	7.7%
EBIT - Underlying on sales	8.2%	9.0%
EBITDA on sales	11.3%	12.1%
EBITDA - Underlying on sales	11.8%	13.0%
Equity on total assets	46.2%	53.1%
Gearing (net debt on equity)	21.8%	11.7%
Net debt on EBITDA	0.67	0.49
Net debt on EBITDA - Underlying	0.64	0.45

NV Bekaert SA - Statutory Profit and Loss Statement

(in thousands of €)	2022	2023
Sales	587 208	488 429
Operating result before non-recurring items	95 724	25 515
Non-recurring operational items	-546	-583
Operating result after non-recurring items	95 178	24 932
Financial result before non-recurring items	392 597	136 395
Non-recurring financial items	-2 523	124 958
Financial result after non-recurring items	390 074	261 353
Profit before income taxes	485 252	286 284
Income taxes	2 346	387
Result for the period	487 598	286 671

Note 9: Effect of business disposals

On 11 November 2023, Bekaert sold its Steel Wire Solutions businesses in Chile and Peru to its current partners. The deal closed retroactively as from 1 January 2023.

The transaction covers the production and distribution facilities of the Steel Wire Solutions activities in Chile and Peru. These facilities manufactured, sold, and distributed steel wire products primarily for construction, agricultural fencing, mining, and industrial applications. The completed transaction included the sale of the shares held by Bekaert in the following entities: Industrias Chilenas de Alambre-Inchalam SA in Talcahuano, Chile; and Prodalam SA in Santiago, Chile; along with their subsidiaries in Chile and Peru.

The proceeds of the other disposals relate to following transactions:

- The sale of Agro-Bekaert Colombia SAS and Agro - Bekaert Springs, SL on 4 July 2023
- The settlement of the outstanding receivable from the disposal of the majority stake in the rubber reinforcement plant Sumaré (€ 4.6 million before taxes)

The table below presents the net assets disposed by balance sheet caption. It also clarifies the amount shown in the consolidated cash flow statement as 'Proceeds from disposals of investments'.

in thousands of €	**Disposal SWS Chile & Peru**	**Other disposals**	**Total disposals**
Intangible assets	2 626	–	2 626
Property, plant and equipment	120 999	–	120 999
Investments in joint ventures	–	1 184	1 184
Other non-current assets	2 668	–	2 668
Deferred tax assets	9 991	–	9 991
Inventories	176 188	–	176 188
Trade receivables	92 378	–	92 378
Advances paid	799	–	799
Other receivables	38 179	–	38 179
Short-term deposits	–	–	–
Cash and cash equivalents	27 014	–	27 014
Other current assets	454	–	454
Non-current employee benefit obligations	-11 972	–	-11 972
Provisions	-24	–	-24
Non-current interest-bearing debt	-23 660	–	-23 660
Deferred tax liabilities	-13 965	–	-13 965
Current financial liabilities	-111 007	–	-111 007
Trade payables	-86 426	–	-86 426
Advances received	–	–	–
Current employee benefit obligations	-10 969	–	-10 969
Current provisions	–	–	–
Income taxes payable	-4 197	–	-4 197
Other current liabilities	-5 957	–	-5 957
Total net assets disposed	**203 119**	**1 184**	**204 303**
Gain or loss (-) on business disposals	-2 099	-1 184	-3 283
CTA recycled on disposal (non-cash)	8 061	–	8 061
Cash disposed	-27 014	–	-27 014
NCI disposed	-77 374	–	-77 374
Deferred proceeds from earlier business disposals		4 600	4 600
Proceeds from disposals of investments	**104 694**	**4 600**	**109 294**

Note 10: Impact discontinued operations on 2022 results

(in millions of €)	H1 2022 including	H1 2022 impact	H1 2022 excluding
Sales	2 859	335	2 524
Cost of sales	-2 390	-275	-2 115
Gross profit	**469**	**61**	**409**
Operating result (EBIT)	**280**	**32**	**248**
of which			
EBIT - Underlying	283	32	251
One-off items	-3	–	-3
Result before taxes	**278**	**26**	**252**
Income taxes	-55	-5	-49
Result after taxes (consolidated companies)	**223**	**21**	**202**
Share in the results of joint ventures and associates	29	–	29
RESULT FOR THE PERIOD	**252**	**21**	**231**

(in millions of €)	H2 2022 including	H2 2022 impact	H2 2022 excluding
Sales	2 793	313	2 480
Cost of sales	-2 490	-266	-2 224
Gross profit	**303**	**47**	**256**
Operating result (EBIT)	**86**	**17**	**69**
of which	–	–	–
EBIT - Underlying	176	17	159
One-off items	-90	–	-90
Result before taxes	**38**	**13**	**26**
Income taxes	-26	-2	-25
Result after taxes (consolidated companies)	**12**	**11**	**1**
Share in the results of joint ventures and associates	25	–	25
RESULT FOR THE PERIOD	**37**	**11**	**26**

(in millions of €)	FY 2022 including	FY 2022 impact	FY 2022 excluding
Sales	5 652	648	5 004
Cost of sales	-4 879	-540	-4 339
Gross profit	**772**	**107**	**665**
Operating result (EBIT)	**366**	**49**	**317**
of which			
EBIT - Underlying	459	49	410
One-off items	-93	–	-93
Result before taxes	**316**	**39**	**278**
Income taxes	-81	-7	-74
Result after taxes (consolidated companies)	**235**	**32**	**203**
Share in the results of joint ventures and associates	54	–	54
RESULT FOR THE PERIOD	**289**	**32**	**258**

Note 11: Alternative performance measures: : definitions and reasons for use

Metric	Definition	Reason for use
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 employed consists of the main balance sheet items that operating management can actively and effectively control to optimize its financial performance, and serves as the denominator of ROCE.
Capital ratio (financial autonomy)	Equity relative to total assets.	This ratio provides a measure of the extent to which the Group is equity-financed.
Current ratio	Current assets to Current liabilities.	This ratio provides a measure for the liquidity of the company. It measures whether a company has enough resources to meet it short-term obligations.
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.	In addition to Consolidated figures, which only comprise controlled companies, combined figures provide useful insights of the actual size and performance of the Group including its joint ventures and associates.
EBIT	Operating result (earnings before interest and taxation).	EBIT consists of the main income statement items that operating management can actively and effectively control to optimize its profitability, and a.o. serves as the numerator of ROCE and EBIT interest coverage.
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.	EBIT – underlying is presented to assist the reader's understanding of the operating profitability before one-off items, as it provides a better basis for comparison and extrapolation.
EBITDA	Operating result (EBIT) + depreciation, amortization and impairment of assets + negative goodwill.	EBITDA provides a measure of operating profitability before non-cash effects of past investment decisions and working capital assets.
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.	EBITDA – underlying is presented to assist the reader's understanding of the operating profitability before one-off items and non-cash effects of past investment decisions and working capital assets, as it provides a better basis for comparison and extrapolation.
EBIT interest coverage	Operating result (EBIT) divided by net interest expense.	The EBIT interest coverage provides a measure of the Group's capability to service its debt through its operating profitability.
Free Cash Flow (FCF)	Cash flows from Operating activities - capex + dividends received - net interest paid.	Free cash flow (FCF) represents the cash available for the company to repay financial debt or pay dividends to investors.
Gearing	Net debt relative to equity.	Gearing is a measure of the Group's financial leverage and shows the extent to which its operations are funded by lenders versus shareholders.
Margin on sales	EBIT, EBIT-underlying, EBITDA and EBITDA-underlying on sales.	Each of these ratios provides a specific measure of operating profitability expressed as a percentage on sales.
Net capitalization	Net debt + equity.	Net capitalization is a measure of the Group's total financing from both lenders and shareholders.
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 is a measure of debt after deduction of financial assets that can be deployed to repay the gross debt.
Net debt on EBITDA	Net debt divided by EBITDA.	Net debt on EBITDA provides a measure of the Group's capability (expressed as a number of years) to repay its debt through its operating profitability.
Operating free cash flow	Cash flows from Operating activities – capex (net of disposals of fixed assets).	Operating cash flow measures the net cash required to support the business (working capital and capital expenditure needs).

Metric	Definition	Reason for use
Return on capital employed (ROCE)	Operating result (EBIT) relative to the weighted average capital employed.	ROCE provides a measure of the Group's operating profitability relative to the capital resources deployed and managed by operating management.
Return on equity (ROE)	Result for the period relative to average equity.	ROE provides a measure of the Group's net profitability relative to the capital resources provided by its shareholders.
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).	Underlying earnings per share or underlying EPS or EPSu is presented to assist the reader's understanding of the earnings per share before one-off items, as it provides a clearer basis for comparison and extrapolation.
WACC	Cost of debt and cost of equity weighted with a target gearing of 50% (net debt/equity structure) after tax.	WACC is used to assess an investor's return on an investment in the Company.
Operating 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 includes all current assets and liabilities that operating management can actively and effectively control to optimize its financial performance. It represents the current component of capital employed.
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.	The pragmatic approach enables a short follow-up process regarding the operational performance of the business throughout the year.

APM reconciliation tables are provided in the Financial Statements of the Integrated Annual Report 2023 which will be released on 29 March 2024.