

Bekaert Full Year Results 2021

Bekaert delivers superior results and enhances shareholder returns

All-time high sales and EPS • underlying EBIT up +89% to €515 million • +50% dividend increase • share buyback up to €120 million

Bekaert has achieved a new performance milestone in 2021. We made significant progress on the company's strategy and achieved record sales, solid margin growth, and the lowest debt leverage to date. On the back of continuing strong execution, we enhanced our competitive position through commercial and operational excellence. We thus captured the benefits from business-mix improvements, footprint adjustments, and organizational efficiency. Disciplined pricing and working capital management were key catalysts in the very strong performance of 2021.

Financial highlights FY2021¹

- Consolidated sales of €4.8 billion (+28%) and combined sales of €5.9 billion (+32%)
- Underlying EBIT of €515 million, up +89% from last year, resulting in a margin of 10.6% (versus 7.2%)
- EBIT of €513 million, doubling last year's result and generating a margin of 10.6% (versus 6.8%)
- Underlying EBITDA of €689 million (+44%), delivering a margin on sales of 14.2% (versus 12.7%)
- Underlying ROCE of 23.7%, almost doubling the performance of 2020 (12.2%)
- EPS of €7.14 per share, tripling the result of the previous year (€2.38)
- Average working capital on sales ratio of 12.6%, compared with 16.4% last year
- Net debt of €417 million, -31% down from €604 million at the close of 2020, resulting in net debt on underlying EBITDA of 0.61, less than half of last year (1.26). Cash on hand was €677 million at the end of the period after €460 million net cash outflow related to debt repayments, compared with €940 million at the close of 2020

Focus and effectiveness of our actions in 2021

We have accelerated our transformation towards higher value creation. Our key actions in 2021 included:

- Volume growth and market share increase in target markets, enabled by:
 - Capturing the opportunities from reverse globalization effects
 - Driving growth through a customer-centric and go-to-market strategy and focus
 - Securing supply chain excellence to ensure delivery continuity to our customers worldwide
 - Structural improvement of the overall Bekaert performance, driven by:
 - Product and business mix improvements, in line with our strategy to upgrade the business portfolio
 - Acceleration on our transformational innovation, digitalization, and sustainability strategy
 - Pricing discipline aligned with cost inflation
 - Acceleration of commercial and manufacturing excellence programs
 - Continued effective working capital and cost control
 - Balancing the cost, valuation, and pricing impact of surging raw material prices, with a positive impact on:
 - Consolidated top line through the transmission of raw material prices
 - Underlying EBIT through the non-cash inventory valuation impact
- The underlying EBIT margin after adjustment of the above elements reached approximately 9%.

¹ All comparisons made are relative to the financial year 2020 unless otherwise indicated.

Committed to return value to our shareholders

The financial performance of 2021 and the successful execution of the strategic plan have strengthened Bekaert's cash generation perspectives for the coming years.

The Board of Directors seeks to maintain a balanced approach between funding future growth and enhancing shareholders' returns.

- The Board will propose to the Annual General Meeting of Shareholders in May of 2022 a **50% gross dividend increase to € 1.50 per share**.
- In addition, the Board has approved a **share buyback program of an amount up to € 120 million**, to be initiated in the coming weeks. Under the program, Bekaert may repurchase outstanding shares for a maximum consideration up to € 120 million, over a period up to twelve months.

The purpose of the program is to reduce the issued share capital of the company. All shares repurchased as part of this arrangement will be cancelled.

The program will be conducted under the terms and conditions approved by Bekaert's Extraordinary General Meeting of 13 May 2020.

Bekaert will appoint an investment services provider to execute the repurchases of shares in the open market during open and closed periods.

Bekaert's reference shareholder, Stichting Administratiekantoor Bekaert (STAK) and the parties acting in concert with the STAK, have informed the company that they commit to take appropriate measures to ensure that their voting rights in Bekaert's share capital will not exceed the current level (i.e. 36.13%) by the end of the implementation of the program.

Outlook

The strong performance delivered in 2021 and our determination to further enhance value growth in target markets, make us confident about our ability to deliver on our strategic priorities.

We project further sales growth driven by our customer-centric approach and go-to-market strategy with an extended offering in innovative, digital and sustainable solutions.

Global supply chain disruptions and freight cost inflation are expected to persist in 2022. We will continue to seize the opportunities from our worldwide presence in the context of the ongoing deglobalization trends.

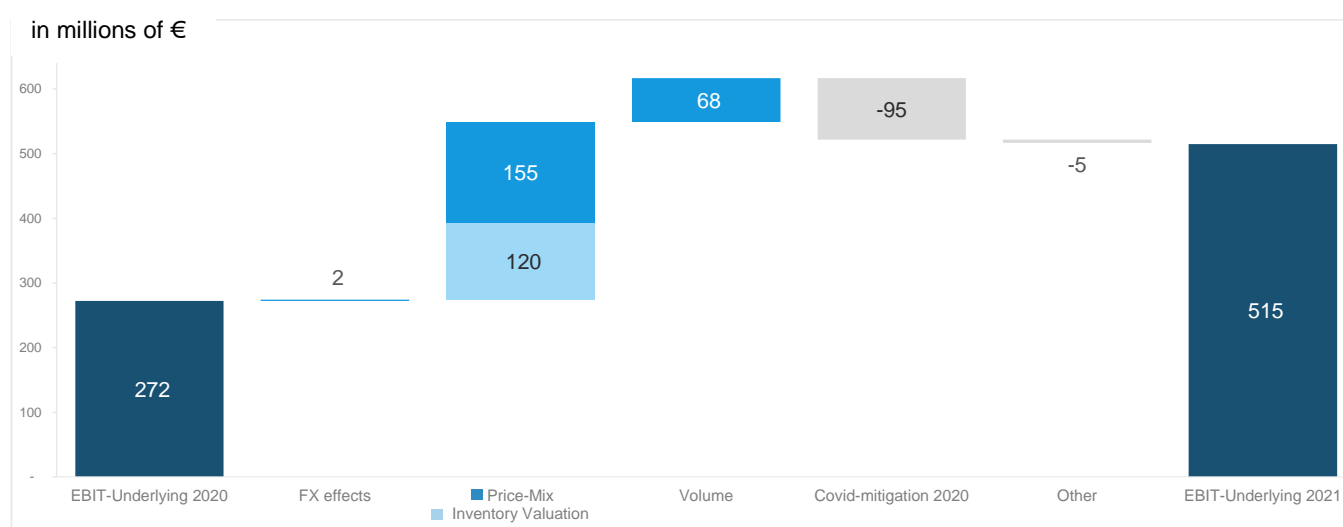
Given the uncertainties and instability facing the world today and the early stage of the year, the visibility on 2022 market evolutions is limited.

We do, however, confirm our ambition to reach the mid-term targets (2022-2026) that we announced on 30 July 2021 at the occasion of the publication of the first half-year results 2021: organic sales growth of 3%+ CAGR and an underlying EBIT margin level of 9% to 11% through the cycle.

Financial Statements Summary

in millions of €	Underlying				Reported	
	2020	2021	H1 2021	H2 2021	2020	2021
Consolidated sales	3 772	4 840	2 306	2 534	3 772	4 840
Operating result (EBIT)	272	515	285	229	257	513
EBIT margin on sales	7.2%	10.6%	12.4%	9.0%	6.8%	10.6%
Depreciation, amortization and impairment losses	207	174	91	83	216	164
EBITDA	479	689	376	312	473	677
EBITDA margin on sales	12.7%	14.2%	16.3%	12.3%	12.5%	14.0%
ROCE	12.2%	23.7%			11.5%	23.7%
Combined sales	4 438	5 854	2 782	3 073	4 438	5 854

Underlying EBIT bridge



Bekaert's underlying EBIT reached € 515 million in 2021 at a margin of 10.6%. This corresponds to an increase by € +243 million or +89% compared to last year. While the 2020 results were positively impacted by specific Covid mitigating measures (€ +95 million), these effects were neutralized in 2021. The robust increase in underlying EBIT was the result of the following main drivers:

- The combined effect of price-mix improvements (driven by better segmentation, product portfolio innovations, strict pricing discipline and reduced presence in lower margin applications) and non-cash inventory valuation contributed € +275 million extra versus 2020.
- Strong volume growth contributed € +68 million in the year-on-year comparison.

Other elements were € -5 million negative in comparison with last year. Higher overhead costs in support of the digital, innovation, and sustainability transformation and the overall cost inflation more than offset the positive impact from higher royalties and lower depreciation.

Sales

Bekaert achieved **consolidated sales** of € 4 840 million in 2021, well above last year (+28%) and 2019 (+12%). The year-on-year growth versus 2020 stemmed from higher volumes (+ 9%) and a positive impact from passed-on wire rod price changes and other mix effects (+19%). Currency movements were negligible on the consolidated sales level. Sales in the fourth quarter of 2021 were the highest quarter sales of the year, despite seasonality effects.

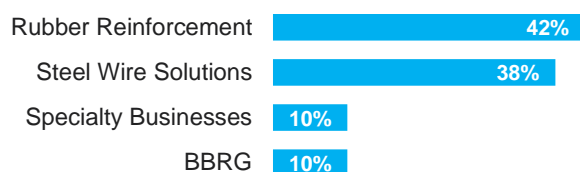
Combined sales totaled € 5 854 million for the year, up +32% from 2020 and +14% from 2019. Organic sales growth of Bekaert's joint ventures in Brazil (+59%) was partly offset by the devaluation (-7.7%) of the Brazilian real, resulting in a top-line increase of +51%.

Consolidated and combined sales by segment – in millions of €

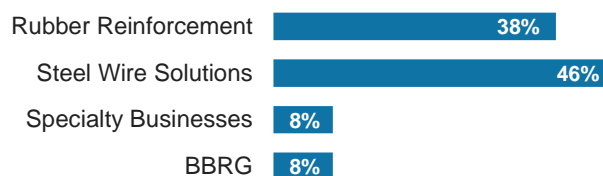
Consolidated third party sales	2020	2021	Share	Variance ²	Organic	FX
Rubber Reinforcement	1 614	2 054	42%	+27%	+27%	-
Steel Wire Solutions	1 334	1 819	38%	+36%	+37%	-1%
Specialty Businesses	389	476	10%	+22%	+22%	+1%
BBRG	424	481	10%	+13%	+12%	+1%
Group	11	10	-	-	-	-
Total	3 772	4 840	100%	+28%	+28%	-

Combined third party sales ³	2020	2021	Share	Variance ²	Organic	FX
Rubber Reinforcement	1 742	2 237	38%	+28%	+29%	-1%
Steel Wire Solutions	1 881	2 660	46%	+41%	+44%	-3%
Specialty Businesses	389	476	8%	+22%	+22%	+1%
BBRG	424	481	8%	+13%	+12%	+1%
Group	-	1	-	-	-	-
Total	4 438	5 854	100%	+32%	+33%	-1%

Consolidated sales



Combined sales



2021 quarter-on-quarter progress – in millions of €

Consolidated third party sales	1 st Q	2 nd Q	3 rd Q	4 th Q	Q4 y-o-y ⁴
Rubber Reinforcement	497	494	512	551	+18%
Steel Wire Solutions	411	438	489	481	+37%
Specialty Businesses	103	124	127	121	+20%
BBRG	115	120	122	123	+30%
Group	1	2	2	5	-
Total	1 128	1 178	1 253	1 281	+26%

Combined third party sales ³	1 st Q	2 nd Q	3 rd Q	4 th Q	Q4 y-o-y ⁴
Rubber Reinforcement	533	539	562	603	+19%
Steel Wire Solutions	586	660	733	680	+37%
Specialty Businesses	103	124	127	121	+20%
BBRG	115	120	122	123	+30%
Group	1	-1	-	-	-
Total	1 339	1 443	1 545	1 528	+27%

² Comparisons are made relative to the financial year 2020, unless otherwise indicated.

³ Combined sales are sales of fully consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.

⁴ Q4 year-on-year sales: 4th quarter 2021 versus 4th quarter 2020.

Segment reports

Rubber Reinforcement: sales surpass € 2 billion mark – underlying EBIT margin reaches 11.8%

Key figures (in millions of €)	Underlying				Reported	
	2020	2021	H1 2021	H2 2021	2020	2021
Consolidated third party sales	1 614	2 054	991	1 063	1 614	2 054
Consolidated sales	1 645	2 090	1 010	1 080	1 645	2 090
Operating result (EBIT)	144	247	139	108	136	246
EBIT margin on sales	8.8%	11.8%	13.8%	10.0%	8.3%	11.8%
Depreciation, amortization and impairment losses	105	97	47	49	105	97
EBITDA	249	344	186	158	241	342
EBITDA margin on sales	15.1%	16.5%	18.4%	14.6%	14.6%	16.4%
Combined third party sales	1 742	2 237	1 072	1 165	1 742	2 237
Segment assets	1 404	1 643	1 537	1 643	1 404	1 643
Segment liabilities	310	436	361	436	310	436
Capital employed	1 094	1 207	1 176	1 207	1 094	1 207
ROCE	12.4%	21.5%			11.7%	21.4%

Consolidated third party sales

Bekaert's Rubber Reinforcement business achieved € 2.05 billion in consolidated third party sales, up +27.3% from last year. This stemmed from higher volumes (+9.0%) and positive price-mix effects (+18.3%) including the impact from passed-on raw material prices. Currency effects were negligible.

Sales continued to be strong in the three-month period October-December 2021, except in China and Indonesia, where demand remained subdued due to softer domestic markets and lower export sales of tire makers stemming from container shortage and freight cost increases. This was more than compensated by continued strong volumes in other regions and by good pricing discipline.

Financial performance

The business unit delivered a robust underlying EBIT of € 247 million or 11.8% margin on sales, up 3.0 ppt from last year. The one-off elements were limited (€ -1 million negative), leading to a reported EBIT of € 246 million.

The underlying EBITDA margin was 16.5%, up 1.4 ppt from 2020.

Underlying ROCE reached 21.5%, significantly increasing the performance of previous reporting periods.

Capital expenditure (PP&E) amounted to € 58 million and included investments in all continents, particularly in Asia and in Central and Eastern Europe.

Combined sales and joint venture performance

The Rubber Reinforcement joint venture in Brazil reported +50.4% sales growth at constant exchange rates. The devaluation of the Brazilian real had a significant adverse effect (-7.7%), resulting in a top-line growth of +42.7% to € 183 million. Including joint ventures, the business unit's combined sales increased by +28.4% to € 2.24 billion.

The margin performance of the joint venture was 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'.

Steel Wire Solutions: underlying EBIT more than doubles on +36% sales growth

Key figures (in millions of €)	Underlying				Reported	
	2020	2021	H1 2021	H2 2021	2020	2021
Consolidated third party sales	1 334	1 819	849	970	1 334	1 819
Consolidated sales	1 363	1 857	867	990	1 363	1 857
Operating result (EBIT)	96	209	116	93	88	213
EBIT margin on sales	7.0%	11.3%	13.4%	9.4%	6.4%	11.5%
Depreciation, amortization and impairment losses	53	42	21	21	52	37
EBITDA	149	251	138	114	140	250
EBITDA margin on sales	10.9%	13.5%	15.9%	11.5%	10.3%	13.5%
Combined third party sales	1 881	2 660	1 247	1 413	1 881	2 660
Segment assets	805	1 141	976	1 141	805	1 141
Segment liabilities	308	518	397	518	308	518
Capital employed	497	623	580	623	497	623
ROCE	17.6%	37.4%			16.1%	38.1%

Consolidated third party sales

Steel Wire Solutions delivered strong organic sales growth in 2021 (+37.2% compared to last year) thanks to favorable price-mix effects (+28.2%) including the impact of passed-on raw material prices, and solid volume growth (+9.0%), particularly in Latin America and EMEA. Adverse currency movements accounted for -0.8%, resulting in a top-line growth of +36.4% to € 1 819 million.

Sales were strong throughout the year, with some volume slowdown in the fourth quarter as a result of the usual year-end seasonality effects and delays in raw material deliveries in the US. This was more than compensated on the revenue level by continued good pricing discipline.

Financial performance

The business unit delivered a robust underlying EBIT of €209 million or 11.3% margin on sales, up 4.3 ppt from last year. The one-off elements were limited (€+3.5 million positive), leading to a reported EBIT of €213 million.

The underlying EBITDA margin was 13.5%, up 2.6 ppt from 2020.

Underlying ROCE more than doubled to 37.4%.

Capital expenditure (PP&E) amounted to €43 million and included investments in all continents.

Combined sales and joint venture performance

The Steel Wire Solutions joint venture in Brazil reported +61.1% sales growth at constant exchange rates. The devaluation of the Brazilian real had a significant adverse effect (-7.7%), resulting in a top-line growth of +53.4% to €839 million. Including joint ventures, the business unit's combined sales increased by +41.4% to €2.66 billion.

The margin performance of the joint venture was 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'.

Specialty Businesses: strong profit contribution on solid sales growth

Key figures (in millions of €)	Underlying				Reported	
	2020	2021	H1 2021	H2 2021	2020	2021
Consolidated third party sales	389	476	227	248	389	476
Consolidated sales	396	488	233	255	396	488
Operating result (EBIT)	45	72	40	31	36	71
EBIT margin on sales	11.4%	14.7%	17.3%	12.3%	9.2%	14.6%
Depreciation, amortization and impairment losses	16	10	7	2	18	9
EBITDA	62	81	48	34	54	80
EBITDA margin on sales	15.5%	16.7%	20.4%	13.3%	13.7%	16.3%
Segment assets	288	351	329	351	288	351
Segment liabilities	71	120	89	120	71	120
Capital employed	217	231	240	231	217	231
ROCE	20.0%	32.1%			16.0%	31.7%

Consolidated third party sales

Specialty Businesses reported a sales increase of +22.1% to €476 million, driven by solid organic growth (+21.5%) and slightly positive currency effects (+0.7%). The organic growth stemmed from solid volume growth (+8.8%) and the combined effect of price-mix and passed-on raw materials prices (+12.7%).

Building Products reported strong volume growth and a good product mix. Combustion Technologies saw increased demand for environmentally-friendly burners, particularly in EMEA. Fiber Technologies achieved strong growth in Asia and in high-end filtration and hydrogen markets in general. Demand for heat-resistant textiles and microcables was affected by the prevailing global shortage of microchips in automotive OEM, although order books remain strong.

Financial performance

Specialty Businesses delivered an underlying EBIT result of €72 million, +59% above last year and reaching an underlying EBIT margin on sales of 14.7%, up 3.3 ppt. The solid margin improvement primarily resulted from the high production and sales volumes, positive mix effects from an increased share of high-end applications, and the result of footprint actions taken in 2020, including expansions in India and Czech Republic (Building Products), Romania (Combustion Technologies), and exiting the loss-generating diamond sawing wire business in China. The one-off elements were limited (€-0.8 million) as opposed to last year (€-9.0 million). Including one-offs, reported EBIT reached €71 million, about the double of 2020.

The underlying EBITDA margin reached 16.7%, up 1.2 ppt.

Underlying ROCE improved by +12.1 ppt to 32.1%.

Capital expenditure (PP&E) amounted to €18 million and included investments in all sub-segments.

Bridon-Bekaert Ropes Group: robust performance and strong order books

Key figures (in millions of €)	Underlying				Reported	
	2020	2021	H1 2021	H2 2021	2020	2021
Consolidated third party sales	424	481	236	245	424	481
Consolidated sales	427	483	237	246	427	483
Operating result (EBIT)	34	45	23	22	24	36
EBIT margin on sales	7.9%	9.3%	9.8%	8.9%	5.6%	7.5%
Depreciation, amortization and impairment losses	31	31	16	15	38	28
EBITDA	64	76	39	37	62	64
EBITDA margin on sales	15.1%	15.8%	16.5%	15.0%	14.4%	13.3%
Segment assets	506	579	541	579	506	579
Segment liabilities	83	136	112	136	83	136
Capital employed	423	443	429	443	423	443
ROCE	7.4%	10.4%			5.2%	8.4%

Consolidated third party sales

Bridon-Bekaert Ropes Group (BBRG) recorded organic sales growth of +12.4% compared to 2020, mainly driven by higher volumes (+9.7%), both in ropes and in the advanced cords business, and by the combined effect of price-mix and passed-on raw material price increases (+2.7%). Top-line growth was +13.3% - including the effect of favorable currency movements (+0.9%) - and reached € 481 million.

Sales volumes in the ropes business slowed down in the last quarter of the year due to the usual seasonality effects. The order books further extended with the addition of large projects in ropes. The A-Cords business achieved strong volume growth in elevator and timing belt markets.

Financial performance

The business unit delivered an underlying EBIT of € 45 million at a margin on sales of 9.3%, up +1.4 ppt from last year. Underlying EBITDA reached a strong margin of 15.8%, +0.7 ppt above the margin of last year.

Reported EBIT was € 36 million and included € -9 million in one-offs, mainly related to closing the plant in Pointe-Claire, Canada. These one-off elements consisted of the gain on the sale of the property (€ +11 million) and severance costs as well as asset write-downs and provisions (€ -20 million). The benefits from the consolidation of the North American ropes activities in the US are expected to flow through in 2022.

Underlying ROCE improved by +3.0 ppt to 10.4%.

BBRG invested € 40 million in PP&E, mainly in ropes plants in the US and the UK and in the A-Cords plants.

Strengthening our financial position and reducing net debt

The average working capital on sales ratio further improved from 16.4% last year to 12.6% in 2021, on the back of disciplined capital allocation and working capital management. The working capital increased in absolute amounts, driven by the strong business growth and amounted to €678 million at year-end. The year-on-year increase of €+143 million stemmed from €+104 million organic growth, €+21 million currency effects, and €+19 million reversal of write-downs. The use of off-balance sheet factoring extended to €225 million, up €+73 million from €152 million at the close of 2020. The increase was primarily driven by a higher average pricing.

Cash on hand was €677 million at the end of the period after €460 million net cash outflow related to debt repayments, compared with €940 million at the close of 2020.

Net debt was €417 million, €-187 million or -31% down from €604 million at the close of 2020, resulting in net debt on underlying EBITDA of 0.61, less than half of last year (1.26) and the lowest leverage to date.

Investment update and other information

Strong cash generation over the past years has enabled us to free up cash for value creating investments. In 2021 Bekaert has invested in the future growth of the company:

- €67 million in Research & Innovation activities (before deduction of grants and tax credits), an increase by more than €+9 million compared to last year.
- €153 million in property, plant and equipment, up +53% compared to last year (€100 million) and creating future growth and value creating opportunities in all business units and regions. The largest expansion programs of 2021 included investments in Vietnam, China, US, and EMEA.
- €13 million in intangible investments, an increase by €+10 million compared to last year and mainly related to investments in digital solutions.

Alongside the ongoing improvement programs, Bekaert made further footprint adjustments and concluded some mergers and acquisitions that enhance the business portfolio.

- The footprint adjustments included:
 - restructuring programs in Belgium,
 - the closing of the loss-making fixed abrasive (diamond) sawing wire activities in China in December 2020,
 - the transfer of some Combustion Technologies activities from the Netherlands to Romania and from Taicang to Jiangyin in China,
 - the closing of the BBRG manufacturing plant in Pointe-Claire, Canada in June 2021.
- M&A activities included:
 - the integration of the steel wire activities of Almasa SA within Proalco SAS in Colombia,
 - the integration of Mitchell Industries Inc within the Bekaert Van Buren plant in the US.

Post balance sheet on 10 February 2022: the acquisition of VisionTek Engineering Srl and integration within Bridon-Bekaert Ropes Group, a strategic step to extend the digital service offering to customers.

On 31 December 2020, Bekaert held 3 809 534 own shares. Of these 3 809 534 own shares, a total of 620 474 shares were transferred (i) to (former) employees for purpose of the exercise of stock options under SOP 2010-2014, SOP 2015-2017 and SOP2, (ii) to (former) BGE members for purpose of the personal shareholding requirement, and (iii) to the Chairman and other non-executive Directors as part of their remuneration. No own shares were cancelled. Including the transactions exercised under the liquidity agreement with Kepler Cheuvreux, the balance of own shares held by Bekaert on 31 December 2021 was 3 145 446.

Financial review

Financial results

Bekaert achieved an operating result (underlying EBIT) of €515 million (versus €272 million last year). This resulted in a margin on sales of 10.6% (7.2% in 2020).

The one-off items amounted to €-1.5 million (€-16 million in 2020) and mainly were related to the gain on the disposal of the land and building of the Canadian BBRG plant (€+11 million), offset by various restructuring and other one-off costs and provisions (€-12.5 million). Including the one-off items, EBIT was €513 million, representing an EBIT margin on sales of 10.6% (versus €257 million or 6.8% in 2020). Underlying EBITDA was €689 million (14.2% margin) compared with €479 million (12.7%) and EBITDA reached €677 million, or a margin on sales of 14.0% (versus 12.5%).

Overhead expenses (underlying) decreased as a percentage on sales by -50 bps to 8.4%, compared to 8.9% in 2020, but increased by €+73 million in absolute numbers due to higher provisions for short-term and long-term incentive programs, consultancy fees for specific projects, the acceleration of digital, sustainability, and innovation programs, and the overall business activity rebound versus last year, when temporary unemployment was in place for many overhead functions. Research and development costs increased by €+9 million to €59 million, after deduction of investment grants and other credits received. The underlying gross expenditure increased from €57 million in 2020 to €67 million in 2021.

Underlying other operating revenues and expenses increased from €+8 million last year to €+20 million in 2021 due to an increase in royalties received and gains from real estate sales transactions in Peru and Belgium in 2021. Reported other operating revenues and expenses (€+34 million) were significantly lower than last year (€+51 million) due to the lower gain on sale of real estate in 2021.

Interest income and expenses amounted to €-41 million, down from €-56 million in 2020 and a result of the lower amount of interest adjustment derivative financial instruments in 2021 compared to 2020 and to the reduction in financial gross debt in 2021. Other financial income and expenses amounted to €4 million (€-30 million in 2020). The 2021 increase was from significantly less negative foreign exchange translation results and from €+9.4 million valuation gain on the VPPA (Virtual Power Purchase Agreement) contract in the US.

Income taxes increased from €-57 million to €-133 million. The overall effective tax rate dropped from 33% to 28%, driven by the utilization of previously unrecognized deferred tax assets in entities that turned profitable.

The share in the result of joint ventures and associated companies was €+108 million (versus €+34 million last year), reflecting the strong performance of the joint ventures in Brazil.

The result for the period thus totaled €+451 million, compared with €+148 million in 2020. The result attributable to non-controlling interests was €+44 million (versus €+13 million in 2020) due to the profit increase in entities with minority shareholders, particularly in Latin America. After non-controlling interests, the result for the period attributable to equity holders of Bekaert was €+407 million versus €+135 million last year. Earnings per share amounted to €+7.14, significantly up from €+2.38 in 2020.

Balance sheet

On 31 December 2021, equity represented 43.4% of total assets, up from 35.8% at year-end 2020. The gearing ratio (net debt to equity) was 19.9%, significantly down from 39.4% at year-end 2020 due to strong deleveraging.

Net debt of €417 million, down from €604 million at the close of 2020 and from €519 million on 30 June 2021.

Cash flow statement

Cash flows from operating activities amounted to €+385 million, compared with €+505 million in 2020: the impact of the higher EBITDA was more than offset by a higher cash usage for the increase in working capital and higher cash-outs on income taxes.

Cash flows attributable to investing activities amounted to €-96 million (versus €-31 million in 2020) due to a higher capital expenditure level and less proceeds from real estate sales transactions compared to 2020.

Cash flows from financing activities totaled €-567 million, compared with €-83 million last year. 2020 included the proceeds of a new retail bond (€+200 million) which was offset by the repayment of non-current interest-bearing debt instruments (for a total of €-248 million). 2021 included the repayment of the convertible bond and other loans (€460 million) and the distribution of a higher gross dividend (€-64 million versus €-26 million in 2020).

NV Bekaert SA (statutory accounts)

The Belgium-based entity's sales amounted to €415 million, compared with €281 million in 2020. The operating result including non-recurring items was €58 million, compared with €-17 million in 2020. The financial result including non-recurring items was €67 million (versus €-72 million in 2020), mainly due to higher dividends received. This led to a result for the period of €139 million compared with €-87 million in 2020.

Financial Calendar

<u>Webcast 2021 results</u>	25 February	2022
The CEO and the CFO of Bekaert will present the results to the investment community at 02:00 p.m. CET. This conference can be accessed live upon registration via the Bekaert website (bekaert.com/en/investors) in listen-only mode.		
2021 annual report available on annualreport.bekaert.com	25 March	2022
First quarter trading update 2022	11 May	2022
General Meeting of Shareholders	11 May	2022
Dividend ex-date	12 May	2022
Dividend payable	16 May	2022
2022 half year results	29 July	2022
Third quarter trading update 2022	18 November	2022

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 2021 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.

Oswald Schmid Chief Executive Officer
 Jürgen Tinggren Chairman of the Board of Directors

Disclaimer

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

Company Profile

Bekaert (bekaert.com) is a world market and technology leader in steel wire transformation and coating technologies. We pursue to be the preferred supplier for our steel wire products and solutions by continuously delivering superior value to our customers worldwide. Bekaert (Euronext Brussels: BEKB) is a global company with more than 27 000 employees worldwide, headquarters in Belgium and € 5.9 billion in combined revenue in 2021.

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Annex 1: Consolidated income statement

(in thousands of €)	2020	2021
Sales	3 772 374	4 839 659
Cost of sales	-3 214 056	-3 953 752
Gross profit	558 318	885 907
Selling expenses	-167 141	-186 239
Administrative expenses	-133 526	-161 091
Research and development expenses	-52 361	-59 537
Other operating revenues	84 659	62 940
Other operating expenses	-33 422	-28 894
Operating result (EBIT)	256 527	513 086
of which		
EBIT - Underlying	272 244	514 617
One-off items	-15 717	-1 531
Interest income	3 386	3 260
Interest expense	-59 554	-44 480
Other financial income and expenses	-30 165	4 430
Result before taxes	170 194	476 296
Income taxes	-56 513	-133 296
Result after taxes (consolidated companies)	113 682	343 000
Share in the results of joint ventures and associates	34 355	107 619
RESULT FOR THE PERIOD	148 037	450 620
Attributable to		
<i>equity holders of Bekaert</i>	134 687	406 977
<i>non-controlling interests</i>	13 350	43 643
EARNINGS PER SHARE (in €per share)		
Result for the period attributable to equity holders of Bekaert		
Basic	2.38	7.14
Diluted	2.27	7.06

Annex 2: Reported and Underlying

(in thousands of €)	2020	2020	2020	2021	2021	2021
	Reported	of which underlying	of which one-offs	Reported	of which underlying	of which one-offs
Sales	3 772 374	3 772 374		4 839 659	4 839 659	
Cost of sales	-3 214 056	-3 173 517	-40 539	-3 953 752	-3 936 874	-16 878
Gross profit	558 318	598 857	-40 539	885 907	902 785	-16 878
Selling expenses	-167 141	-162 602	-4 538	-186 239	-186 017	-222
Administrative expenses	-133 526	-121 961	-11 565	-161 091	-162 461	1 370
Research and development expenses	-52 361	-49 857	-2 504	-59 537	-59 440	-97
Other operating revenues	84 659	27 187	57 472	62 940	36 128	26 812
Other operating expenses	-33 422	-19 379	-14 043	-28 894	-16 377	-12 517
Operating result (EBIT)	256 527	272 244	-15 717	513 086	514 617	-1 531
Interest income	3 386			3 260		
Interest expense	-59 554			-44 480		
Other financial income and expenses	-30 165			4 430		
Result before taxes	170 194			476 296		
Income taxes	-56 513			-133 296		
Result after taxes (consolidated companies)	113 682			343 000		
Share in the results of joint ventures and associates	34 355			107 619		
RESULT FOR THE PERIOD	148 037			450 620		
Attributable to						
<i>equity holders of Bekaert</i>	<i>134 687</i>			<i>406 977</i>		
<i>non-controlling interests</i>	<i>13 350</i>			<i>43 643</i>		

Annex 3: Reconciliation of segment reporting

Key Figures per Segment⁵: Underlying

(in millions of €)	RR	SWS	SB	BBRG	GROUP ⁶	RECONC ⁷	2021
Consolidated third party sales	2 054	1 819	476	481	10	-	4 840
Consolidated sales	2 090	1 857	488	483	94	-173	4 840
Operating result (EBIT)	247	209	72	45	-61	2	515
EBIT margin on sales	11.8%	11.3%	14.7%	9.3%	-	-	10.6%
Depreciation, amortization, impairment losses	97	42	10	31	5	-10	174
EBITDA	344	251	81	76	-56	-8	689
EBITDA margin on sales	16.5%	13.5%	16.7%	15.8%	-	-	14.2%
Segment assets	1 643	1 141	351	579	-36	-147	3 531
Segment liabilities	436	518	120	136	120	-74	1 256
Capital employed	1 207	623	231	443	-156	-72	2 276
ROCE	21.5%	37.4%	32.1%	10.4%	-	-	23.7%
Capital expenditure - PP&E ⁸	58	43	18	40	2	-8	153

Key Figures per Segment⁵: Reported

(in millions of €)	RR	SWS	SB	BBRG	GROUP ⁶	RECONC ⁷	2021
Consolidated third party sales	2 054	1 819	476	481	10	-	4 840
Consolidated sales	2 090	1 857	488	483	94	-173	4 840
Operating result (EBIT)	246	213	71	36	-55	2	513
EBIT margin on sales	11.8%	11.5%	14.6%	7.5%	-	-	10.6%
Depreciation, amortization, impairment losses	97	37	9	28	4	-10	164
EBITDA	342	250	80	64	-50	-8	677
EBITDA margin on sales	16.4%	13.5%	16.3%	13.3%	-	-	14.0%
Segment assets	1 643	1 141	351	579	-36	-147	3 531
Segment liabilities	436	518	120	136	120	-74	1 256
Capital employed	1 207	623	231	443	-156	-72	2 276
ROCE	21.4%	38.1%	31.7%	8.4%	-	-	23.7%
Capital expenditure - PP&E ⁸	58	43	18	40	2	-8	153

⁵ RR = Rubber Reinforcement; SWS = Steel Wire Solutions; SB = Specialty Businesses; BBRG = Bridon-Bekaert Ropes Group

⁶ Group and business support

⁷ Reconciliation column: intersegment eliminations

⁸ Gross increase of PP&E

Key Figures per Segment⁹: Underlying

(in millions of €)	RR	SWS	SB	BBRG	GROUP ¹⁰	RECONC ¹¹	2020
Consolidated third party sales	1 614	1 334	389	424	11	-	3 772
Consolidated sales	1 645	1 363	396	427	72	-130	3 772
Operating result (EBIT)	144	96	45	34	-54	6	272
EBIT margin on sales	8.8%	7.0%	11.4%	7.9%	-	-	7.2%
Depreciation, amortization, impairment losses	105	53	16	31	13	-10	207
EBITDA	249	149	62	64	-41	-4	479
EBITDA margin on sales	15.1%	10.9%	15.5%	15.1%	-	-	12.7%
Segment assets	1 404	805	288	506	-9	-123	2 872
Segment liabilities	310	308	71	83	84	-47	809
Capital employed	1 094	497	217	423	-93	-76	2 063
ROCE	12.4%	17.6%	20.0%	7.4%	-	-	12.2%
Capital expenditure - PP&E ¹²	37	21	29	16	1	-5	100

Key Figures per Segment⁹: Reported

(in millions of €)	RR	SWS	SB	BBRG	GROUP ¹⁰	RECONC ¹¹	2020
Consolidated third party sales	1 614	1 334	389	424	11	-	3 772
Consolidated sales	1 645	1 363	396	427	72	-130	3 772
Operating result (EBIT)	136	88	36	24	-34	6	257
EBIT margin on sales	8.3%	6.4%	9.2%	5.6%	-	-	6.8%
Depreciation, amortization, impairment losses	105	52	18	38	14	-10	216
EBITDA	241	140	54	62	-20	-4	473
EBITDA margin on sales	14.6%	10.3%	13.7%	14.4%	-	-	12.5%
Segment assets	1 404	805	288	506	-9	-123	2 872
Segment liabilities	310	308	71	83	84	-47	809
Capital employed	1 094	497	217	423	-93	-76	2 063
ROCE	11.7%	16.1%	16.0%	5.2%	-	-	11.5%
Capital expenditure - PP&E ¹²	37	21	29	16	1	-5	100

⁹ RR = Rubber Reinforcement; SWS = Steel Wire Solutions; SB = Specialty Businesses; BBRG = Bridon-Bekaert Ropes Group

¹⁰ Group and business support

¹¹ Reconciliation column: intersegment eliminations

¹² Gross increase of PP&E

Annex 4: Consolidated statement of comprehensive income

(in thousands of €)	2020	2021
Result for the period	148 037	450 620
Other comprehensive income (OCI)		
<i>Other comprehensive income reclassifiable to income statement in subsequent periods</i>		
Exchange differences	-119 013	91 161
Reclassification adjustments relating to entity disposals or step acquisitions	-	-2 987
OCI reclassifiable to income statement in subsequent periods, after tax	-119 013	88 173
<i>Other comprehensive income non-reclassifiable to income statement in subsequent periods:</i>		
Remeasurement gains and losses on defined-benefit plans	2 497	47 351
Net fair value gain (+)/loss (-) on investments in equity instruments designated as at fair value through OCI	250	5 882
Share of non-reclassifiable OCI of joint ventures and associates	4	3
Deferred taxes relating to non-reclassifiable OCI	-1 024	-3 500
OCI non-reclassifiable to income statement in subsequent periods, after tax	1 727	49 736
Other comprehensive income for the period	-117 286	137 909
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	30 751	588 529
Attributable to		
<i>equity holders of Bekaert</i>	23 233	545 660
<i>non-controlling interests</i>	7 518	42 869

Annex 5: Consolidated balance sheet

(in thousands of €)	2020	2021
Non-current assets	1 822 503	1 972 189
Intangible assets	54 664	61 440
Goodwill	149 398	150 674
Property, plant and equipment	1 191 781	1 253 857
RoU Property, plant and equipment	132 607	132 073
Investments in joint ventures and associates	123 981	188 661
Other non-current assets	45 830	65 886
Deferred tax assets	124 243	119 599
Current assets	2 465 597	2 871 567
Inventories	683 477	1 121 219
Bills of exchange received	54 039	41 274
Trade receivables	587 619	750 666
Other receivables	101 330	157 005
Short-term deposits	50 077	80 058
Cash and cash equivalents	940 416	677 270
Other current assets	41 898	42 272
Assets classified as held for sale	6 740	1 803
Total	4 288 100	4 843 756
Equity	1 535 055	2 100 522
Share capital	177 812	177 923
Share premium	37 884	38 850
Retained earnings	1 614 781	1 984 791
Other Group reserves	-382 597	-232 012
Equity attributable to equity holders of Bekaert	1 447 880	1 969 551
Non-controlling interests	87 175	130 971
Non-current liabilities	1 163 759	1 107 375
Employee benefit obligations	130 948	77 659
Provisions	25 166	23 311
Interest-bearing debt	968 076	953 581
Other non-current liabilities	1 231	844
Deferred tax liabilities	38 337	51 979
Current liabilities	1 589 286	1 635 859
Interest-bearing debt	641 655	237 742
Trade payables	668 422	1 062 185
Employee benefit obligations	149 793	177 159
Provisions	11 421	4 392
Income taxes payable	53 543	86 131
Other current liabilities	64 451	68 249
Liabilities associated with assets classified as held for sale	-	-
Total	4 288 100	4 843 756

Annex 6: Consolidated statement of changes in equity

(in thousands of €)	2020	2021
Opening balance	1 531 540	1 535 055
Total comprehensive income for the period	30 751	588 529
Capital contribution by non-controlling interests	-	3 975
Effect of acquisitions and disposals	-8 970	2 650
Creation of new shares	153	1 077
Treasury shares transactions	1 084	17 419
Dividends to shareholders of Bekaert	-19 787	-56 795
Dividends to non-controlling interests	-8 271	-6 649
Other	8 556	15 261
Closing balance	1 535 055	2 100 522

Annex 7: Consolidated cash flow statement

(in thousands of €)	2020	2021
Operating result (EBIT)	256 527	513 086
Non-cash items included in operating result	270 417	190 222
Investing items included in operating result	-38 626	-23 234
Amounts used on provisions and employee benefit obligations	-50 756	-50 340
Income taxes paid	-56 504	-92 737
Gross cash flows from operating activities	381 059	536 997
Change in operating working capital	124 419	-119 773
Other operating cash flows	-556	-32 620
Cash flows from operating activities	504 921	384 604
New business combinations	-978	-
Other portfolio investments	-	-863
Proceeds from disposals of investments	-	-66
Dividends received	25 324	24 858
Purchase of intangible assets (*)	-3 214	-12 852
Purchase of property, plant and equipment (*)	-104 477	-143 753
Purchase of 'rights of use' land	-	-
Proceeds from disposals of fixed assets	52 136	36 752
Cash flows from investing activities	-31 209	-95 924
Interest received	3 076	3 474
Interest paid	-42 864	-35 170
Gross dividends paid	-25 741	-63 556
Proceeds from long-term interest-bearing debt	201 309	23 649
Repayment of long-term interest-bearing debt	-247 673	-439 823
Cash flows from / to (-) short-term interest-bearing debt	41 358	-43 328
Treasury shares transactions	1 084	17 419
Sales and purchases of NCI	-8 970	-
Other financing cash flows	-4 319	-29 747
Cash flows from financing activities	-82 741	-567 082
Net increase or decrease (-) in cash and cash equivalents	390 972	-278 401
Cash and cash equivalents at the beginning of the period	566 176	940 416
Effect of exchange rate fluctuations	-16 731	15 255
Cash and cash equivalents at the end of the period	940 416	677 270

(*) difference vs total capex relates to payable balances

Annex 8: Additional key figures

(in € per share)	2020	2021
Number of existing shares at 31 December	60 414 841	60 452 261
Book value	23.97	32.58
Share price at 31 December	27.16	39.14
Weighted average number of shares		
Basic	56 554 555	57 000 709
Diluted	64 133 617	57 620 824
Result for the period attributable to equity holders of Bekaert		
Basic	2.38	7.14
Diluted	2.27	7.06

(in thousands of € - ratios)	2020	2021
EBITDA	472 594	677 342
EBITDA - Underlying	479 235	688 606
Capital expenditure	103 207	166 154
Depreciation and amortization and impairment losses	216 067	164 256
Capital employed	2 062 960	2 275 562
Operating working capital	534 511	677 519
Net debt	604 081	417 329
EBIT on sales	6.8%	10.6%
EBIT - Underlying on sales	7.2%	10.6%
EBITDA on sales	12.5%	14.0%
EBITDA - Underlying on sales	12.7%	14.2%
Equity on total assets	35.8%	43.4%
Gearing (net debt on equity)	39.4%	19.9%
Net debt on EBITDA	1.3	0.6
Net debt on EBITDA - Underlying	1.3	0.6

NV Bekaert SA - Statutory Profit and Loss Statement

(in thousands of €)	2020	2021
Sales	281 052	415 161
Operating result before non-recurring items	-14 004	58 418
Non-recurring operational items	-3 430	-145
Operating result after non-recurring items	-17 434	58 273
Financial result before non-recurring items	1 763	67 831
Non-recurring financial items	-73 711	-1 158
Financial result after non-recurring items	-71 947	66 673
Profit before income taxes	-89 381	124 945
Income taxes	2 492	13 997
Result for the period	-86 890	138 943

Annex 9: 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 its 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	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 enhance 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	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 enhance 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 after deducting non-current and 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).
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.
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.
Working capital (operating)	Inventories + trade receivables + bills of exchange received + advanced paid - trade payables - advances received - remuneration and social security payables - employment-related taxes. The weighted average WC is weighted by the number of periods that an entity has contributed to the consolidated result.	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.

APM reconciliation tables are provided in the Key Figures section of the Report of the Board of Directors (Annual Report 2021) which will be released on 25 March 2022.