

**Press release**

Regulated Information - Inside information  
22 November 2024 · 7:00 a.m. CET

**Trading update for the nine months to September 2024****Taking actions to address weaker end market conditions; share buyback restarted**

Bekaert has delivered a sales performance of € 3 016 million in the first nine months of 2024 (-10% against the same period in 2023). Sales were impacted by lower volumes (-4%) and the reversal of raw material cost inflation and energy surcharges in previous periods (-5%).

Bekaert remains very focused on extracting further cost efficiencies, maintaining margins and generating cash while managing increasingly weak end markets in the third quarter. The period has further demonstrated the benefits from the strategic improvements in recent years and the business resilience they have brought to the group. Whilst there are clear headwinds, the group continues to execute its strategy.

**Financial highlights**

- Consolidated sales of € 3 016 million in the first nine months of 2024 (-10%) driven by pricing reflecting lower raw material costs and lower volumes
  - Lower input costs, including raw material and energy charges, lead to lower pricing reducing sales by approximately € 150 million (-5%)
  - The lower volumes (-4%) reduced sales by approximately € 140 million
  - Currency had an impact of around € -30 million (-1%)
- Ongoing and proactive cost management to support margins in 2024 and beyond
- Continued good cash flow generation, driven by operational efficiencies and capex discipline, and low financial leverage

**Operational and strategic highlights**

- Rubber Reinforcement - weak Q3 especially in China and Europe, with demand particularly impacted in truck tires
- Steel Wire Solutions - continuing the strong performance of H1, despite lower volumes and some delays in the energy and utility markets of North America
- BBRG - further impact in Q3 from the operational issues in steel ropes in Europe and North America, however resolution of operational issues remains on track
- Specialty Businesses:
  - Sustainable Construction (Dramix®) delivered +3% volume growth over the first nine months, despite some project delays, with a robust project pipeline and good progress developing sales offerings in new markets
  - Hydrogen activities (Currento®) continue to develop in line with revised expectations with good customer traction
  - Mixed performance across other sub-segments with weak demand in combustion technologies and ultra fine wires
- Bekaert has qualified for up to €24 million of funding from the EU Innovation Fund to support green hydrogen manufacturing in Europe
- Successful integration of the BEXCO acquisition into BBRG delivering expected synergies, with trading ahead of initial forecast

## Outlook

The company's financial performance in the first nine months of 2024, managing the challenges of weaker end markets and lower volumes, and robust financial position gives Bekaert confidence in its ability to further deliver on its strategic and financial priorities.

Whilst uncertainty remains for the financial year 2024, management is currently anticipating:

- Consolidated sales slightly below € 4 billion reflecting the ongoing effects of lower volumes and pricing
- EBITu in the range of € 340-350 million, with EBITu margins broadly in line with 2023
- Further good cash generation for the year

The group expects the challenging and uncertain environment to continue in most regions into Q1 2025 and will remain focused on successfully managing these pressures through production efficiencies, capacity management and corporate overhead reductions. The group will continue to deliver its strategy, strengthening business fundamentals and resilience, and improving opportunities for growth, margin expansion and cash flow generation.

## Share buyback

The group continues to actively evaluate acquisition opportunities and to strategically reposition the Group in faster growing markets. With the investments already made in the growth platforms, the group has established a position to scale further as these markets develop.

To date in 2024 there have been fewer acquisitions than anticipated. Consequently, and supported by continued good cash flow generation and low levels of indebtedness, the Board has taken the decision to restart the share buyback immediately and will purchase for cancellation up to €200 million of Bekaert shares over the next 24 months.

## Conference call

Yves Kerstens, CEO of Bekaert, and Seppo Parvi, CFO, will present the 2024 third quarter trading update at 10:00 a.m. CET on Friday 22 November. This presentation can be accessed live upon registration ([registration link](#)) and will be available on [Bekaert's website](#) after the event.

## Sales for the first nine months of 2024

### Consolidated sales per segment (in millions of €)

Consolidated third party sales	2023	2024	Share	Variance	Organic	FX	M&A
Rubber Reinforcement	1 467	1 295	43%	-12%	-10%	-2%	–
Steel Wire Solutions	912	824	27%	-10%	-10%	–	–
Specialty Businesses	512	485	16%	-5%	-4%	-1%	–
BBRG	454	407	14%	-10%	-13%	-1%	4%
Group	10	5	–	–	–	–	–
Total	3 355	3 016	100%	-10%	-10%	-1%	1%

### Consolidated sales 2024 quarter-on-quarter progress (in millions of €)

Consolidated third party sales	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	Q3:Q2	Q3 y-o-y <sup>1</sup>
Rubber Reinforcement	447	437	411	-6%	-8%
Steel Wire Solutions	282	293	249	-15%	-10%
Specialty Businesses	165	167	153	-8%	-6%
BBRG	130	137	141	3%	-2%
Group	2	1	2	–	–
Total	1 025	1 035	956	-8%	-8%

<sup>1</sup> Q3 year-on-year sales: 3rd quarter 2024 versus 3rd quarter 2023.

## Segment overview

### Rubber Reinforcement

In the third quarter of 2024, volumes in Bekaert's Rubber Reinforcement business decreased compared with Q3 last year with lower demand in truck tire cords in China and Europe, in line with weaker economic outlook. Over the first nine months, sales amounted to € 1 295 million (-11.7%). Volumes decreased by -4.2%, while the impact from lower raw material and energy costs was -6.7%. Price and mix effects increased sales +0.7% and currency impact was -1.5%.

Volumes were impacted most in China versus a strong comparison year and driven by an economic slowdown which affects truck tire demand. This was partly compensated with higher passenger tire cord sales which has kept utilization high, albeit at lower price points. In Europe the demand from the truck tire market is sluggish. Volumes are resilient in the US and they increased in India where Bekaert has expanded its capacity to meet demand growth. In these market conditions, the business unit is focusing on cost efficiency to mitigate the impact on margins.

#### Combined sales and joint venture performance

Sales from the Rubber Reinforcement joint venture in Brazil amounted to € 130 million in the first nine months, down from € 148 million last year. Volumes were slightly up (+1%), while mainly lower raw material drove prices down (-8%). The currency impact was -5%. Including joint ventures, the business unit's combined sales were € 1 425 million.

#### Market perspectives

The global tire market is likely to remain at a subdued level for the fourth quarter and into 2025 with tire makers reducing production output to manage inventory levels. The effectiveness of stimuli packages in China is unclear at this stage. The business unit is very focused on costs, mix and business selection to keep capacity utilization at high levels and will continue to pursue selective growth opportunities such as in India.

### Steel Wire Solutions

The Steel Wire Solutions business unit has continued its strong financial performance of H1 into Q3. This further highlights the successful strategic transformation journey towards higher margin energy and utilities and automotive activities, rather than the more commoditized segments of construction and consumer goods where demand remains soft.

The volumes over the first nine months decreased by -5.3%, of which two thirds is attributed to the closure of operations in India and Indonesia. Volumes in EMEA, the largest region in SWS, were up by +1.2%. In China, volumes were up +6.5% driven by a stronger position in automotive. Volumes in Latin America decreased by -6.5%, where economic conditions are weak, and in North America (-4.8%) due to some delays in orders from energy and utilities customers.

In total, consolidated sales were € 824 million in the first nine months of 2024, -9.7% versus last year. Price and mix effects were broadly stable and the decrease in the top line was due to lower input costs (-3.4%) and volumes (-5.3%).

#### Combined sales and joint venture performance

The Steel Wire Solutions joint venture in Brazil reported -12% sales decrease in the first nine months and generated € 562 million in sales. Similar to Rubber Reinforcement, the delta was due to currency impact (-5%) and the impact of lower raw material costs on prices (-7%). Including joint ventures, the business unit's combined sales were € 1 389 million.

#### Market perspectives

The business unit continues to benefit from the strategic progress of recent years, particularly with regard to product mix and margins. Volumes in Europe are increasing with a high order book in the subsea cable sub-segment in particular. Whilst there has been some delayed decision-making in the US in anticipation of the elections, a pick-up is expected in the energy and utility business in North America in 2025. Further cost out actions will mitigate the short term pressure on volumes.

## Specialty Businesses

Specialty Businesses delivered € 485 million sales over the first nine months, -5.4% versus last year. Currency had an impact of -0.9%.

Sustainable Construction had 3% volume growth over the first nine months, although pricing normalized versus last year's elevated levels, reducing revenues by -7.7% on constant currencies. The volume growth was driven by stronger adoption in flooring in growth regions like India, Turkey and the Middle East and through a better project win rate in Europe, supported by our in-house engineering services provider Falconix®. In the tunneling and mining segment, deliveries grew in China, South East Asia and Latin America. Some customer delays and re-phasing have pushed out volumes, but the division has a solid pipeline of orders, particularly in flooring in North America and in India and notable project wins in tunneling in Norway and Switzerland. Order intake in innovative products for seamless floors in the automation sector and for Sigmaslab® elevated flooring is also increasing.

The market fundamentals for green hydrogen remain positive. More projects than a year ago are reaching Final Investment Decision and the strategic opportunities for Bekaert remain, with contracts in place and good customer engagement. Bekaert has qualified for up to €24 million of funding from the EU Innovation Fund to support green hydrogen manufacturing in Europe. However, in the short term, delays and uncertainties in the supply chain have impacted sales growth. The Combustion Technologies sub-segment has been impacted by lower sales related to changing regulations on energy efficiency and emissions, and is taking proactive measures to lower operational costs and overheads. Filtration and fiber end-markets have similar demand challenges, but are relatively resilient versus last year. The Hose and Conveyor Belt and Ultra Fine Wire sub-segment end markets have further weakened in the third quarter translating into lower sales and order books.

### Market perspectives

Whilst weaker construction markets have impacted our Sustainable Construction business in Europe and China, the outlook remains positive given the overall demand for more sustainable solutions and a healthy pipeline in both flooring and tunneling segments in other regions. The business has expanded its sales teams in growth markets such as North America, India and China to drive higher rates of adoption.

The hydrogen sub-segment anticipates sales in 2024 to be around 40% higher than the previous year. Customer interest remains very high and production capabilities are being built up modularly in line with long-term supply agreements with customers. Other segments will remain weak for the remainder of the year and into early 2025.

## Bridon-Bekaert Ropes Group

The sales of the Bridon-Bekaert Ropes Group (BBRG) business unit in the third quarter were further impacted by the output issues in the steel ropes operations in Europe and North America. Good progress was made during the quarter, particularly in North America, and the resolution of the operational issues remains on track. However, further equipment investment will be required in 2025 to ensure consistent production in the longer-term. Rope volumes were further impacted by softer market demand in the mining sector, however synthetic ropes grew strongly following the acquisitions of BEXCO and Flintstone. In the Advanced Cords sub-segment, volumes are broadly stable versus the same period last year with strong hoisting sales offsetting lower timing belts and Armoform® volumes.

In total, Bridon-Bekaert Ropes Group (BBRG) recorded sales of € 407 million, -13.2% organically versus last year. Currency effects were -1.4% and additional sales from acquisitions added +4.5%. Organic sales delta stemmed from lower volumes (-14.7%), lower input costs (-2.3%) partly compensated by positive price mix effects (+3.7%).

### Market perspectives

Order books are strong in synthetic ropes and in steel ropes in Europe. In other regions the outlook for the ropes segment is weaker on the back of overstocked supply chains and softer market demand in mining. The hoisting sales that have been strong up till now are expected to be softer with lower activity in the end market, particularly in China.

## Other information

### Treasury shares

On 30 June 2024, Bekaert held 1 812 129 treasury shares. By 30 September 2024, this number increased to 1 848 297 treasury shares, representing 3.40% of the total share capital. This change is due to transactions under the liquidity agreement with Kepler Cheuvreux.

### Financial Calendar

2024 full year results	28 February 2025
2024 annual report available on <a href="http://www.bekaert.com">www.bekaert.com</a>	28 March 2025
First quarter trading update 2025	14 May 2025
General Meeting of Shareholders	14 May 2025
2025 half year results	31 July 2025
Third quarter trading update 2025	21 November 2025

### Disclaimer

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### 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](http://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](mailto:guy.marks@bekaert.com)

### Press

Kim De Raedt  
T +32 56 76 60 16  
E-mail: [kim.deraedt@bekaert.com](mailto:kim.deraedt@bekaert.com)

[bekaert.com](http://bekaert.com)