

**Press release**

Regulated information - Inside information

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## **Bekaert announces the sale of its Steel Wire Solutions businesses in Chile and Peru**

Bekaert today announces it has reached an agreement on the sale of its Steel Wire Solutions businesses in Chile and Peru to its current partners. The transaction, with a total enterprise value of approximately US\$ 350 million and resulting in net proceeds for Bekaert's stake of US\$ 136 million, is expected to close in 2023, subject to applicable regulatory approvals and customary closing conditions.

### **Disposal entities**

The transaction covers the production and distribution facilities of the Steel Wire Solutions activities in Chile and Peru. These facilities manufacture, sell, and distribute steel wire products primarily for construction, agricultural fencing, mining, and industrial applications. The intended transaction regards 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. Bekaert currently holds 52% of the shares in the Chilean entities and 38% of the shares in the Peruvian entities. The transaction excludes Bekaert's wholly owned Bridon-Bekaert ropes entities in Chile and Peru.

### **Rationale**

Bekaert's strategy in recent years, has been to improve its business portfolio by reducing the Group's exposure to more commoditized and volatile markets, while increasing its presence in faster growing markets particularly in new mobility, green energy, and low-carbon concrete solutions, which typically offer higher profit margins and higher returns on capital. While the partnership has been successful for nearly 75 years, Bekaert believes it is now the right time to exit these businesses and focus on our target segments, while securing a long-term future for the customers and employees of the divested entities.

### **Financial impact**

The activities subject to the transaction generated approximately € 650 million in consolidated revenue in 2022, with a profit margin below the Bekaert target range. The proceeds from the transaction will further strengthen our balance sheet and support our commitment to shareholder returns and investment plans for growth.

Oswald Schmid, CEO of Bekaert, commented: *'Bekaert was an early entrant into the Latin American market. Our partnership with the current shareholders in Chile dates back to 1948 and was extended with the establishment of our partnership in Peru in 1994. We are thankful to the partners, employees, and customers for the successes we have achieved together, and we wish them a bright future under the new ownership. At the same time, it is another important strategic step in the ongoing transformation of Bekaert and its further positioning it in new, fast-growing markets.'*

## About Bekaert

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 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 27 000 employees worldwide together generated almost € 7 billion in combined revenue in 2022.

## Disclaimer

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