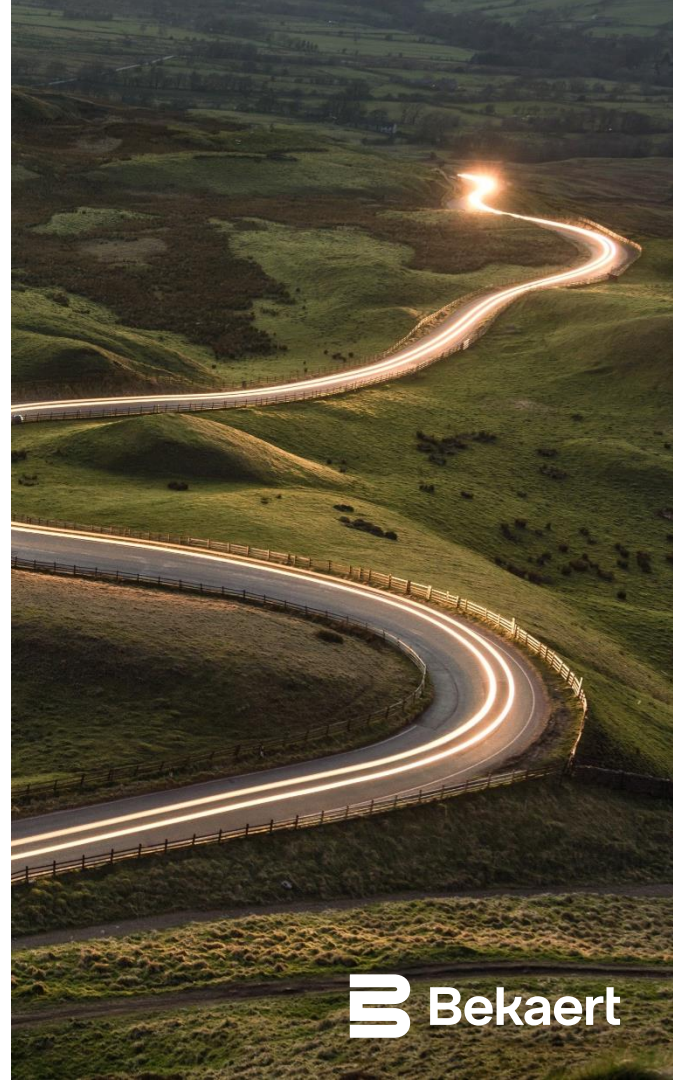


# Establishing the New Possible

**Capital Markets Day Presentation**

7 December 2023





## Safe harbor

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

# Today's Agenda

9:00 AM

## **Establishing the New Possible**

Yves Kerstens

## **Continue to Perform in Tire Reinforcement**

Annie Xu

## **Transforming Steel Wire Solutions**

François Desné

## **Positioned to Grow in Advanced Lifting & Mooring**

Bruno Cluydts

11:00 AM

## **Coffee break**

11:25 AM

## **Growth in Construction Decarbonization**

Raf Rentmeesters

## **Growth in Energy Transition - The Hydrogen Opportunity**

Inge Schildermans

## **Financial Strength to Support Growth and Returns**

Taoufiq Boussaid

## **Q&A Session / Wrap up**

1:15 PM

## **Buffet lunch**

# Establishing the New Possible

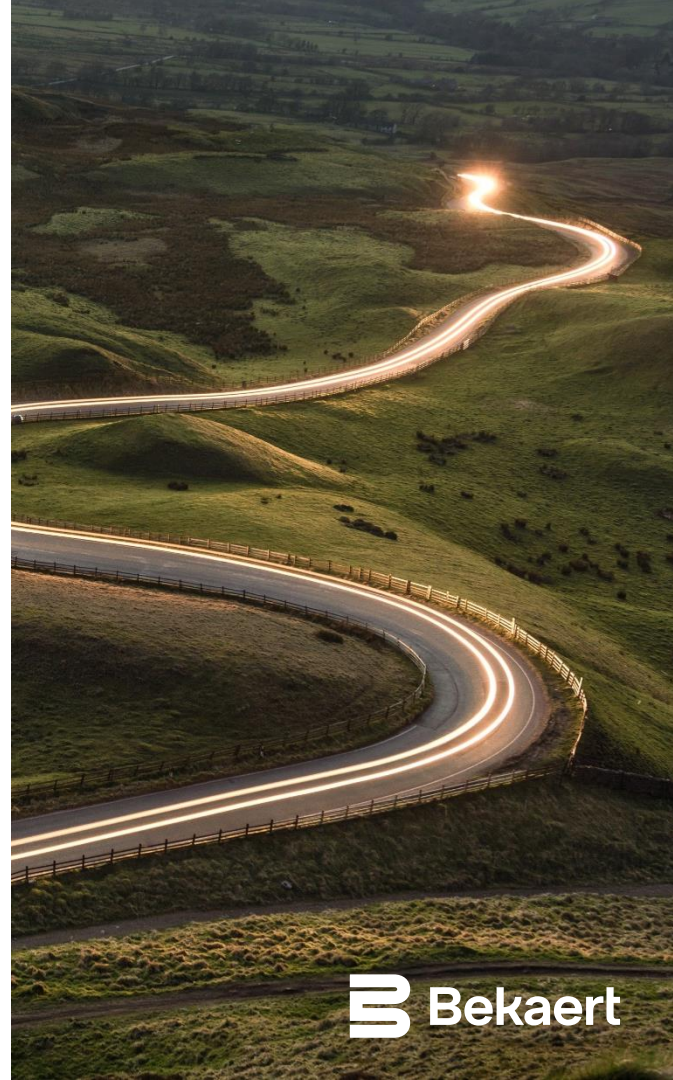
## Capital Markets Day Presentation

7 December 2023



**Yves Kerstens**

Chief Executive Officer



## What you will hear from us today

**01**

**Transformation  
achieved to date**

**02**

**More to be  
achieved, and  
faster**

**03**

**Increased focus  
on innovation  
and  
sustainability**

**04**

**Shared ambition  
to deliver  
superior returns**



## Bekaert at a glance – over 140 years of innovation and value creation

**Global leader  
in steel wire  
transformation  
and coating  
technologies**

**~13,500**

Customers across  
130 countries

**68**

Production plants<sup>1</sup> and  
inhouse equipment  
engineering

**Strong focus  
on research  
and innovation**

**3 major R&D  
centres**

Belgium | China | India

**c2,300**

patents, designs and  
utility models

**Improving  
financials and  
growing  
shareholder  
returns**

**137% Total  
Shareholder  
Return<sup>2</sup>**

(TSR) since 2019

**Ramping up  
investments in  
fast-growing  
higher margin  
activities**

**Bridon®  
Dramix®  
Currento®  
Armoform®  
Ampact™**

Established brands to  
capture megatrends

<sup>1</sup> Excluding JVs

<sup>2</sup> TSR calculated from January 2019 to 30 November 2023

## My personal compass to establish the new possible



**Yves Kerstens**  
CEO since September 1, 2023

- ✓ **Become a market driven organisation with global product brands, further enhancing the Bekaert brand**
- ✓ **Clear strategic choices of where and how to play**
- ✓ **Operating model leveraging the group capabilities, tailored to the divisional needs**
- ✓ **Build a high-performance organization and culture**
- ✓ **Focus on value creation for all stakeholders**



## Building a diverse, world class leadership & organization



**Yves Kerstens**

Chief Executive  
Officer



**Kerstin Artenberg**

Chief Human  
Resources Officer



**Barry Snyder**

Chief Operations  
Officer



**Inge Schildermans**

Senior Vice President  
Energy Transition



**Taoufiq Boussaid**

Chief Financial Officer



**Gunter Van Craen**

Chief Digital and  
Innovation Officer



**Annie Xu**

Divisional CEO Rubber  
Reinforcement



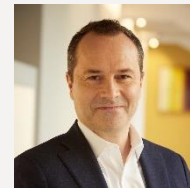
**Bruno Cluydts**

Chief Strategy Officer  
BBRG



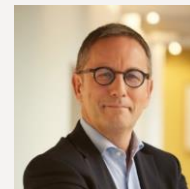
**Juan Carlos Alonso**

Chief Strategy Officer



**François Desné**

Divisional CEO Steel  
Wire Solutions & BBRG



**Philip Eyskens**

Chief Legal &  
Compliance Officer



**Raf Rentmeesters**

Senior Vice President  
Building Products

## Our people underpin our ambition and future success



### Invested and Experienced

**~23,500**

Employees

**100%**

Senior Managers enrolled in equity-based plans

**~12 yrs**

Average employee tenure



### Diverse

**75**

Nationalities

**~28%**

Female employees



### Engaged

**~69%**

Employee engagement score

**~73%**

Employee well-being score

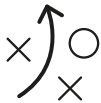
**34 hours**

Average training received in 2022

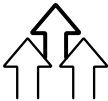
Delivering our strategy to date



**We Perform**



**We Transform**



**We Grow**



# Perform, Transform, Grow across the businesses

## Steel Wire Solutions



## Rubber Reinforcement



## Bridon-Bekaert Ropes Group (BBRG)

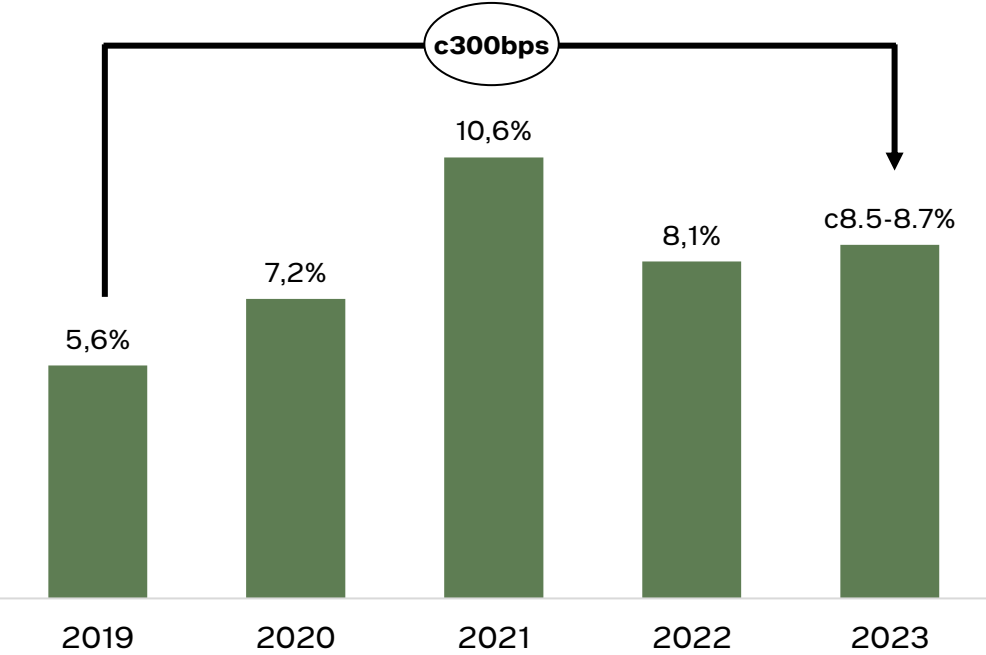


## Specialty Businesses

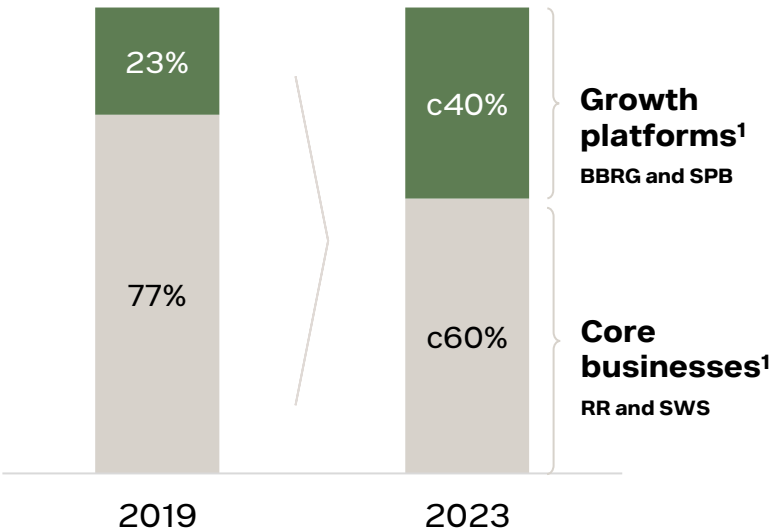


# Fundamental and sustainable improvement in margin and portfolio mix

**EBITu margin (%)**



**EBITu breakdown**



<sup>1</sup> Core businesses = Rubber Reinforcement and Steel Wire Solutions | Growth platforms = Bridon-Bekaert Ropes Group (BBRG) and Specialty Business (SPB)

## Increased exposure to higher growth and margin markets

	2019	2023	
<b>Profitability Performance</b>			
EBITu margin at <b>growth platforms</b> <sup>1</sup>	7.1%	c14%	✓ Increased product sophistication
	<p>A circle containing 'c690 bps' with an arrow pointing from the 7.1% value to the c14% value.</p>		
EBITu margin at <b>core businesses</b> <sup>1</sup>	6.6%	c8%	✓ Decreased exposure to lower growth, cyclical and commoditized markets
	<p>A circle containing 'c140 bps' with an arrow pointing from the 6.6% value to the c8% value.</p>		
<b>ESG Performance</b>			
Scope 1 and 2 emission reduction (CO <sub>2</sub> kt)	1,657	<1,420	✓ Increased mix in higher growth and higher margin businesses
	<p>A circle containing '-15%' with an arrow pointing from the 1,657 value to the &lt;1,420 value.</p>		
Sustainable solutions evolution (% of sales)	n.a.	45% <sup>2</sup>	✓ On-track for 65% in 2030

<sup>1</sup> EBITu margins for divisions / segments do not include unallocated overhead costs (Group and business support costs)

<sup>2</sup> Estimation aligned with EU Taxonomy

# Significant strategic progress made, and much more to do

		2020	2021	2022	2023	2024+
Perform	Efficiency improvements	✓	✓	✓	✓	✓
	Footprint rationalization	✓	✓	✓	✓	✓
	Price optimization			✓	✓	✓
	Customer engagement			✓	✓	✓
Transform	Innovation			✓	✓	✓
	Digital			✓	✓	✓
	Sustainable solutions			✓	✓	✓
	Portfolio management			✓	✓	✓
Grow	Construction decarbonization	✓	✓	✓	✓	✓
	Energy transition		✓	✓	✓	✓
	New mobility				✓	✓
	Solutions / Services				✓	✓
	Inorganic growth					✓

Accelerating our strategy

01

**Aligning with  
key markets**

02

**Focusing on growth  
opportunities**

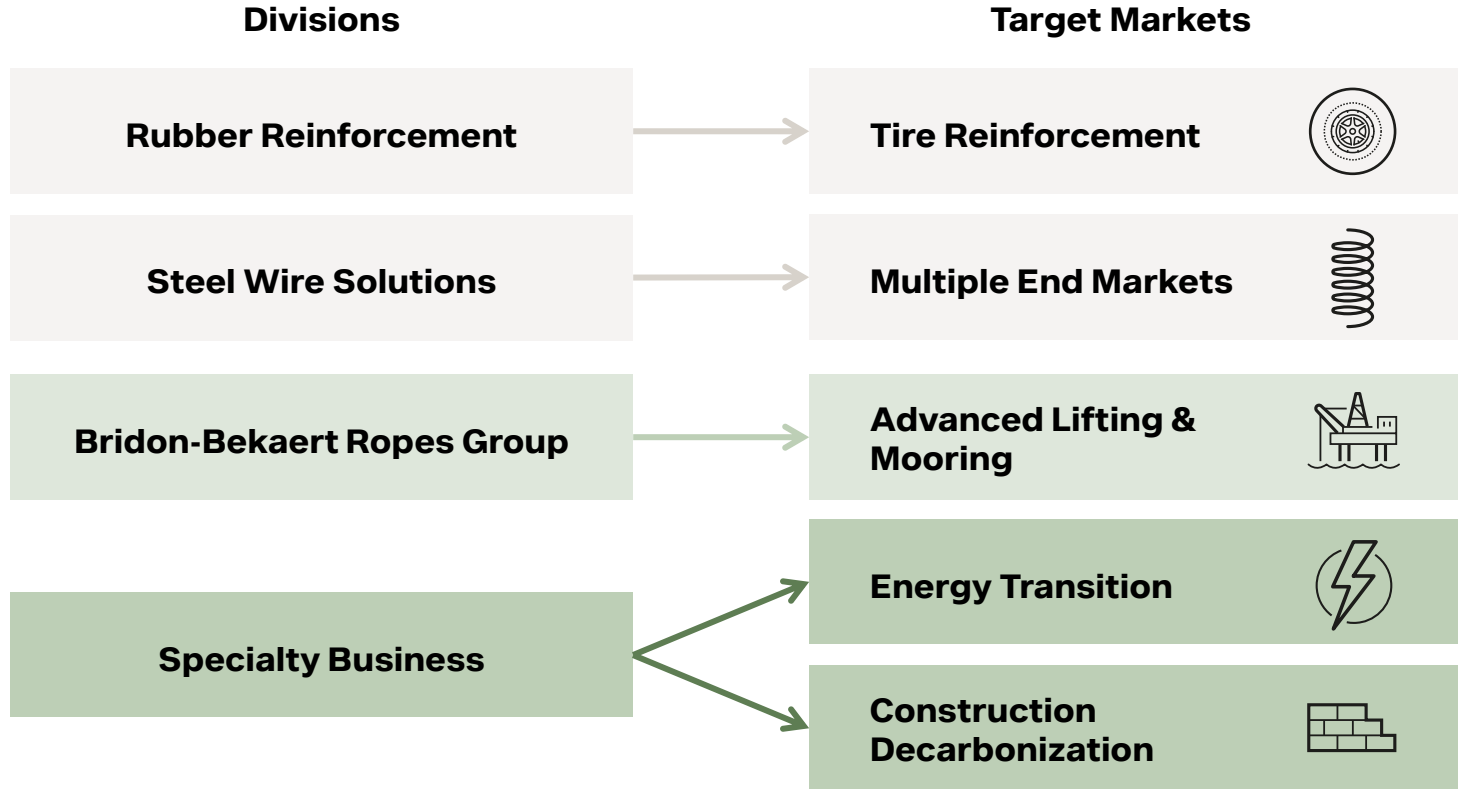
03

**Reviewing portfolio  
proactively**





## Divisions strategically aligned with end markets



## Prioritizing large and growing end-markets



€7bn<sup>1</sup>

### Tire Reinforcement

Growth driven by population and economic activity, accelerated by changing requirements from **electrification and circularity**



€7bn<sup>1</sup>

### Energy Transition

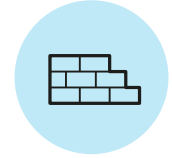
Significant growth from trends of decarbonization, electrification, and needs for **renewable energy**



€5bn<sup>1</sup>

### Advanced Lifting and Mooring

Strong growth outlook in targeted end markets supported by **decarbonization and urbanization**








€2bn<sup>1</sup>

### Construction Decarbonization

Fast growing construction market benefitting from **sustainability**, government infrastructure spending and **innovation**

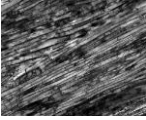


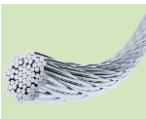

<sup>1</sup> Estimated addressable market by 2028

# Each division has a clearly defined role and strategy











		Market Leadership	Sustainability Alignment	Margin Improvement Potential	Cash Conversion	Growth Platform	Portfolio Transformation	Selective M&A
Core businesses	 <b>Tire Reinforcement</b>	✓	✓	✓	✓			
	 <b>Steel Wire Solutions</b>	✓	✓	✓	✓		✓	
Growth platforms	 <b>BBRG - Advanced Lifting &amp; Mooring</b>	✓	✓	✓	✓	✓		✓
	 <b>SpB - Energy Transition</b>	✓	✓	✓		✓		✓
	 <b>SpB - Construction Decarbonization</b>	✓	✓			✓		✓

# Solutions powered by the group's critical, differentiating technologies

## Our Key Technologies

	<b>Materials transformation</b> Defines product attributes, e.g., strength, ductility
	<b>Metal deformation</b> Creates a range of intermediate and final products
	<b>Coating and compounding</b> Extends product performance and lifetime
	<b>Converting and scaling</b> Converts and scales single wires to cord and fabric solutions
	<b>Testing</b> Secures performance and lifecycle monitoring

## Our Scope and Approach

	Process	Products and solutions	New markets and applications	Key collaborations
 <b>Tire Reinforcement</b>	✓			Customer co-developments
 <b>Steel Wire Solutions</b>		✓		
 <b>Advanced Lifting &amp; Mooring</b>	✓	✓	✓	 <b>TFI Marine</b>
 <b>Energy Transition</b>		✓	✓	 
 <b>Construction Decarbonization</b>		✓	✓	 

Sustainability driven innovation

Creates opportunities to differentiate

Drives growth opportunities (Dramix®, Currento®)

Improves efficiency of our operations

## Continue disciplined resource & capital allocation

### Ongoing portfolio review

Review strategic fit of areas with:

- ✓ Limited growth potential
- ✓ Margin dilutive
- ✓ Commoditized products and limited innovation opportunities
- ✓ More volatile
- ✓ Capital-intensive

### Example

SWS disposal in Chile and Peru, for \$136m  
(6x EV/EBITDA valuation)

### Increasing capital allocated to growth areas

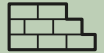
**Advanced Lifting & Mooring**



**Energy Transition**



**Construction Decarbonization**



# Growth platforms established, each with a clear market strategy

## Established solution

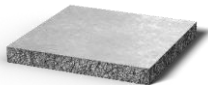
Accelerating market penetration



### Construction Decarbonization

#### Dramix®

Steel fiber concrete reinforcement solutions



- ✓ Significantly reduce the carbon footprint
- ✓ Improve concrete strength and durability
- ✓ Lower installation and labor costs
- ✓ Complete projects faster and with fewer resources

## Production ramp-up

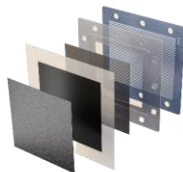
LTSA<sup>1</sup> in place



### Hydrogen

#### Currento®

Porous transport layer for hydrogen production



- ✓ Critical element of electrolyzer stack
- ✓ Facilitates smooth stack assembly
- ✓ Makes production highly scalable
- ✓ More sustainable solution

## Homologation

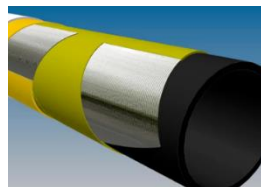
Strong customer interest



### Pipe Reinforcement

#### Armofor®

Steel cord reinforced thermoplastic and rubber tapes



- ✓ Allows high pressures and bigger pipe diameters
- ✓ Resistant to corrosion and high temperature
- ✓ Improved processability and ease of installation
- ✓ TCO reduction of up to 35%

## Starting up

Technology for Next-Gen EVs



### E-mobility

#### Ampact™

Wired to power up high-voltage mobility



- ✓ Wired to power up efficient 800V electric mobility
- ✓ Reliable wire coating is fit for extreme environments
- ✓ Less energy and resources during production
- ✓ Faster charging and longer ranges for next gen EVs

Creating value for all our stakeholders

01

**Mid-term  
targets**

02

**Sustainability  
embedded**

03

**Attractive  
shareholder  
returns**



Introducing our mid-term targets

>5%



**Mid-term  
Annual sales  
growth rate<sup>1</sup>**

>10%



**2026  
EBITu  
margin**

>20%



**2026  
ROCEu**

>50%









**2026  
Sales from  
sustainable  
solutions**

<sup>1</sup> Assuming constant raw material pricing and currency exchange rates



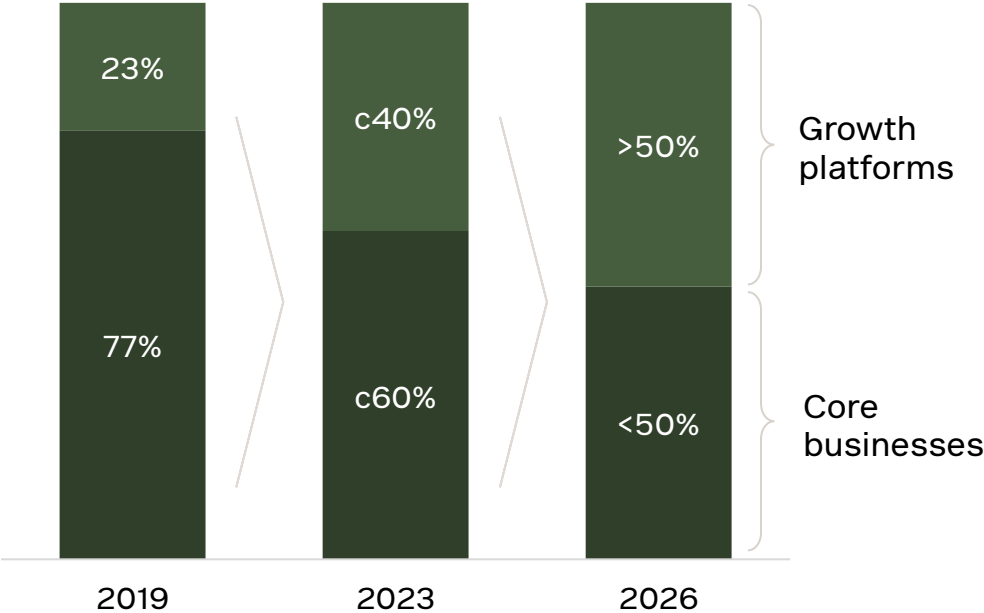
# Our mid-term targets by segment

		Mid-term Annual sales growth <sup>1</sup>	2026 EBITu margin <sup>2</sup>	2026 ROCEu	2026 Sales from sustainable solutions
Core businesses	 <b>Group</b>	>5%	>10%	>20%	>50%
	 <b>Tire Reinforcement</b>	1-2%	>9%	>18%	
	 <b>Steel Wire Solutions</b>				
Growth platforms	 <b>BBRG - Advanced Lifting &amp; Mooring</b>				
	 <b>SpB - Energy Transition</b>	>10%	>15%	>25%	
	 <b>SpB - Construction Decarbonization</b>				

<sup>1</sup> Assuming constant raw material pricing and currency exchange rates  
<sup>2</sup> EBITu margins for segments do not include unallocated overhead costs (Group and business support costs)

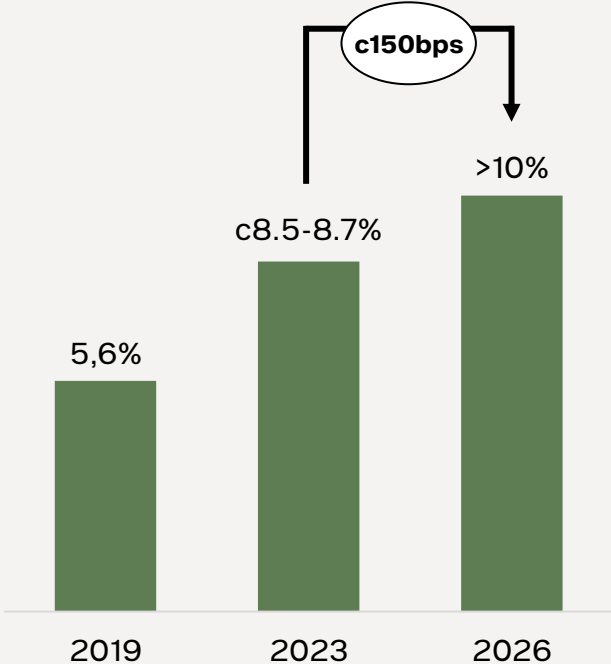
# Margin targets underpinned by the improvement of our business mix

>50% of EBITu from growth platforms by 2026



EBITu breakdown by segment

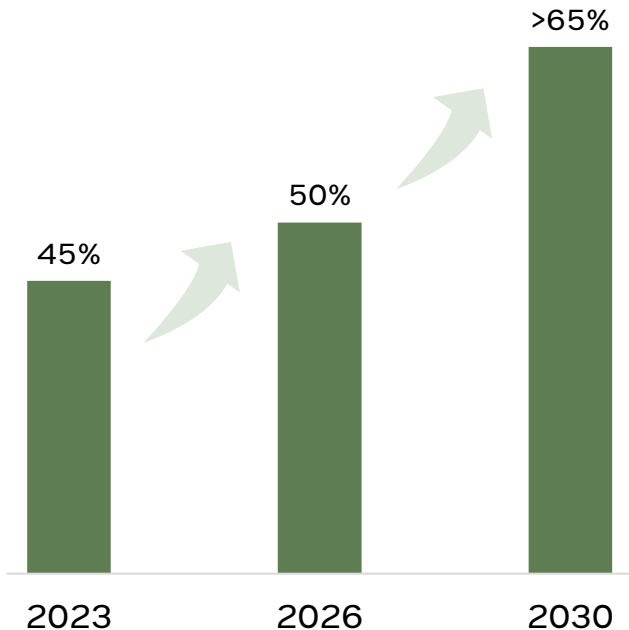
Significantly improving Group margin



Group EBITu margin

## ESG agenda embedded in our growth plans

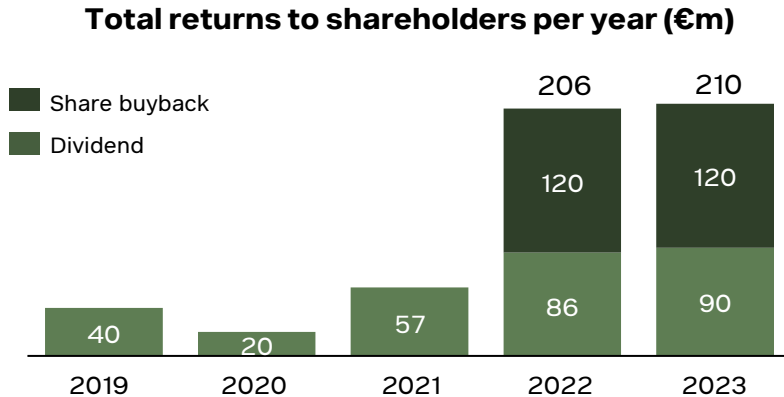
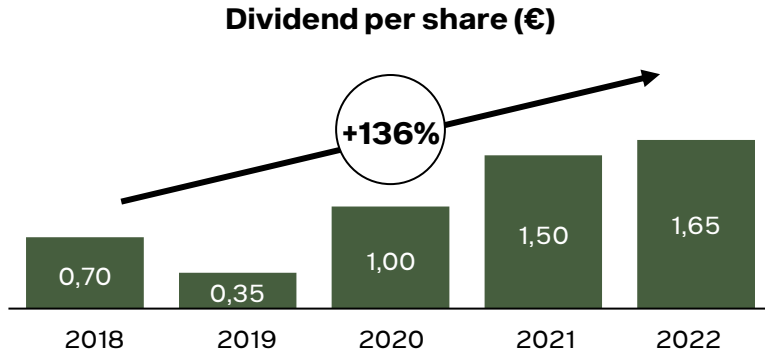
### % Sales from Sustainable Solutions<sup>1</sup>



<sup>1</sup> Estimation aligned with EU Taxonomy

Targets		
<p><b>Protect the Planet</b></p> <p><b>46%</b> Reduction in <b>scope 1 and 2 GHG emissions</b> in line with science-based targets by 2030</p> <p><b>20%</b> Reduction in <b>scope 3 GHG emissions</b> from purchased goods and services by 2035</p> <p><b>Zero</b> <b>Carbon net zero</b> by 2050</p> <p><b>15%</b> <b>Reduction in freshwater intake</b> in water-stressed areas by 2023</p>	<p><b>Put People First</b></p> <p><b>100%</b> Commitment to create a <b>positive work environment</b> for all our employees by 2030</p> <p><b>40%</b> <b>Female representation</b> in our administrative and managerial workforce by 2030</p> <p><b>100%</b> Commitment to actively <b>engage with communities</b> on priority sustainability themes by 2030</p> <p><b>Zero</b> <b>No harm</b> to anyone</p>	<p><b>Act with Integrity</b></p> <p><b>100%</b> Of <b>strategic suppliers</b> leading in ESG ratings by 2030</p> <p><b>100%</b> Of spend with suppliers who sign off <b>code of conduct</b> by 2030</p> <p><b>100%</b> Transparent and integrated <b>reporting</b></p> <p><b>Partner</b> With suppliers and customers across the value chain</p>

## Financial delivery will support further improving shareholder returns



### Dividend grown materially in recent years

- +50% 2021 vs. 2020
- +10% 2022 vs. 2021

### Progressive, long-term dividend policy

### €240m share buyback program to date

### Future buybacks, subject to prevailing:

- Cash and leverage levels
- Business performance and outlook
- Available investment opportunities (M&A and organic)
- Share price and valuation

## Key takeaways

01

**Significant  
transformation  
achieved to date**

02

**Clear strategy  
in place and  
accelerating**

03

**Future growth  
aligned  
with innovation  
and sustainability**

04

**Ambitious  
targets set to  
deliver superior  
returns**



# Continue to Perform in Tire Reinforcement

**Capital Markets Day**

7 December 2023



**Annie Xu**

Divisional CEO Rubber Reinforcement



# Agenda

01

**Leading market  
position**

---

02

Aligned with  
evolving dynamics

---

03

Reinforcing resilient  
performance

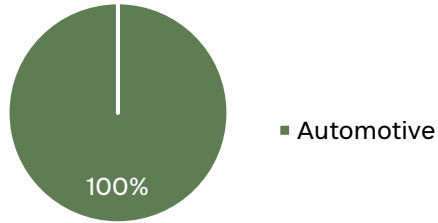
# Rubber Reinforcement at a glance

**11,000** Employees<sup>1</sup>

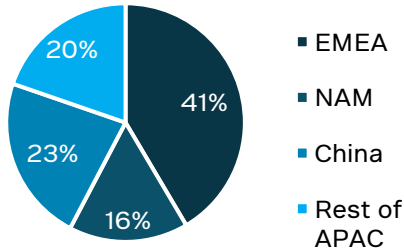
**17** Manufacturing plants<sup>2</sup>

**€2,229m** 2022 Revenue<sup>1</sup>

## End markets served



## Geographies covered



## Global operating footprint and R&D centers<sup>2</sup>



<sup>1</sup> Note: Consolidated Rubber Reinforcement figures (excludes JVs)

<sup>2</sup> Note: Footprint in Brazil excluded (part of JV)



We work with leading tire makers across the globe

Examples of customers we supply



About **one out of three tires** around the world is reinforced with Bekaert **steel cord**

We supply all of the **top 30 tire makers** around the globe

## Together with our key customers, we set the industry standard for tire reinforcement



### Long-term collaboration with our key customer

- Joint development programs
- Sales agreement with top tire makers, with committed share of wallet

### Partnership for

- ✓ Platform for innovation
- ✓ Better demand predictability during contract term
- ✓ Long-term strategic alignment and footprint optimization

# We supply the tire industry with high quality reinforcement across all end segments

## Contribution to key tire features:

- Safety
- Steering / handling
- Weight & rolling resistance
- Durability & load
- Sustainability



## Enabled by Bekaert technology & capability:

- Leading experts for product design
- Wire drawing to thinnest diameters
- Coating for adhesion
- Process capability for robust product properties



Trucks & Buses



Passenger Cars








Motorcycles



Off-the-Road  
Specialty Vehicles

# Rubber Reinforcement's clearly defined role and strategy within Bekaert

		Market Leadership	Sustainability Alignment	Margin Improvement Potential	Cash Conversion	Growth Platform	Portfolio Transformation	Selective M&A
Core businesses	 <b>Rubber Reinforcement</b>	✓	✓	✓	✓			
	 <b>Steel Wire Solutions</b>	✓	✓	✓	✓		✓	
Growth platforms	 <b>BBRG - Advanced Lifting &amp; Mooring</b>	✓	✓	✓	✓	✓		✓
	 <b>SpB - Energy Transition</b>	✓	✓	✓		✓		✓
	 <b>SpB - Construction Decarbonization</b>	✓	✓			✓		✓

# Agenda

01

Leading market  
position

---

02

**Aligned with  
evolving dynamics**

---

03

Reinforcing resilient  
performance

# Balanced demand from 2 major end segments

## Market segments



## Drivers

Economic & population growth, travel

Economic growth, infra development, transport modes

## Dynamics

- c85%+ of all global tire sales
- Sizeable OEM<sup>1</sup> business (35-40% of segment) driving performance standards
- Large, stable replacement market

- Trucks tires use >10x tire cord than passenger car tires
- Large replacement market with increasing professionalization for TCO<sup>2</sup>

<sup>1</sup>OEM = Original Equipment Manufacturer.

<sup>2</sup>TCO = Total Cost of Ownership

## Market trends creating selective growth opportunities



### **Organic market growth**

Select regions: SEA, India, Mexico, MEA



### **Rise in light trucks**

Last mile delivery and larger passenger vans



### **Rise of electric vehicles**

Distinct tire needs and ecosystem emerging, especially in China



### **Sustainability commitments**

OEMs and tire makers aiming for net zero and circularity

## Key value drivers for Rubber Reinforcement

**Market  
leadership  
through  
innovation**

**Selective  
growth and mix  
optimization**

**Sustainability  
transformation**

**Resilience and  
efficiency**





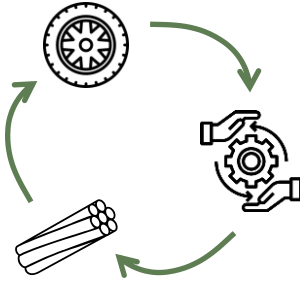
## Market leadership through innovation

### We are at the forefront of our customers' challenges

Capturing opportunities emerging from mega trends such as electric mobility, sustainability and connectivity.

### Customer intimacy to understand evolving tire needs

- Weight and rolling resistance
- Durability
- Total cost of ownership
- Sustainability



### Leading in innovation

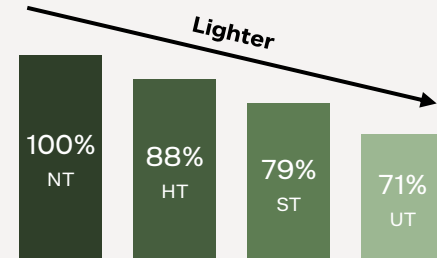
- Leading R&D experts
- State of the art facilities
- External partnerships

### Launching next-gen solutions

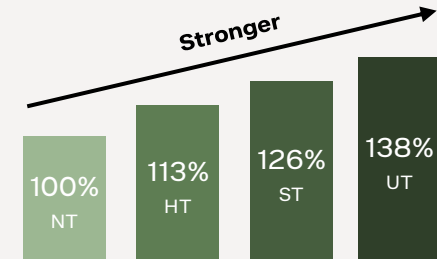
- Ultra-high tensile products e.g. for EVs
- Cobalt free coating
- High recycled content for circularity

### Benefits of higher tensile solutions

Weight reduction for same load capacity<sup>1</sup>



Higher strength/load at same diameter<sup>1</sup>



<sup>1</sup> Reference: diameter 0.22 NT cord. Tensile classes: NT = Normal Tensile, HT = High Tensile, ST = Super Tensile, UT = Ultra Tensile

# Selective growth and mix optimization

## Key strategic choices

- ✓ **Grow** in selected geographies, for example: India, SEA
- ✓ Drive upgrade to next-gen higher tensile reinforcement solutions to **shape the market evolution**
- ✓ **Reduce exposure** to heavily commoditized applications and price-driven segments

## Recent initiatives



Greenfield expansion in Da Nang, Vietnam

- A low-cost export platform
- Capture regional growth in SEA



Brownfield expansion in Pune, India

- Leverage leading position and capture market growth in India



Higher tensile product upgrade in China

- Introduce higher tensile products to improve tire performance and TCO<sup>1</sup>

<sup>1</sup>TCO = Total Cost of Ownership

# Driving the sustainability transformation across the value chain



## Illustrative sustainability in operations

**Burgos solar farm**

**-46.2%**  
of scope 1 and 2 GHG emissions targeted by 2030

## Higher recycled content products<sup>1</sup>

**Bead Wire:**  
**min. 70%**

**Tire Cord:**  
**min. 50%**

## Higher tensile products

**2-3%**

Typical rolling resistance reduction thanks to higher tensile solutions<sup>2</sup>

<sup>1</sup> Note: Min. content for tire reinforcement is impacted by processability and product properties along the supply chain.

<sup>2</sup> Note: Typical impact of ST/UT compared to reference NT/HT constructions. Impact varies by product and application.

# Agenda

01

Leading market  
position

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02

Aligned with  
evolving dynamics

---

03

**Reinforcing resilient  
performance**

# Resilience in financial performance safeguarded by operational excellence

## Cost reduction across all key levers

- ✓ Raw material cost savings
- ✓ “You Know Watt” energy efficiency
- ✓ Labor productivity
- ✓ Waste reduction

## Process innovation drives efficiencies

- ✓ Wire rod standardization
- ✓ New and improved processes to decrease energy, water and waste
- ✓ New heat treatment methods to improve material processability
- ✓ Intelligent processes

**€25m cost savings in first 9 months of 2023** achieved through internal programs<sup>1</sup>

<sup>1</sup> Note: Reflects internal Bekaert Management System (operational excellence) savings, excl. inflation, FX.

## Optimizing our presence in China

### China remains a key market

- Concentrated competitive landscape in China (e.g., Xingda, DAYE, ESC)
- Chinese tire makers and OEMs are actively participating in global markets
- Bekaert has long-standing experience in China



### We focus on “China for China” and optimize our performance

- Portfolio upgrade with higher tensile products, especially for EV tires
- Reduced exposure to price sensitive segments
- Continue to drive cost and complexity reduction

**>10x**

Growth in higher tensile volumes 2028 vs 2019

**+500bps**

YoY EBITu margin improvement in 2023

**>70%**

Production for local sales in 2023

**Chongqing**

Plant closure August 2023

Strong track record, despite volatile markets – continued improvements to 2026

	2019		2020-2023		2026
EBITu margin <sup>1</sup>	8.7%	→	Stable EBIT margin	→	>10%
ROCEu	13.2%	→	Stable ROCE	→	>15%

<sup>1</sup> Note: EBITu margins for divisions do not include unallocated overhead costs (Group and business support costs)

## Key takeaways



### **Global market leader**

We are a market leader with a stable global, blue-chip customer base



### **Innovation and sustainability**

Leading the industry development curve



### **Clear and focused strategy**

Clear strategy of selective growth, mix optimization and resilient in operational excellence



### **Cash flow and margin focus**

Targeted margin improvement and continue strong cash generation





# Transforming Steel Wire Solutions

## Capital Markets Day Presentation

7 December 2023



**François Desné**

Divisional CEO Steel Wire Solutions & BBRG

# Agenda

01

**Strong market  
leadership positions**

---

02

Portfolio evolution for  
increased resilience

---

03

The future shape of  
Steel Wire Solutions

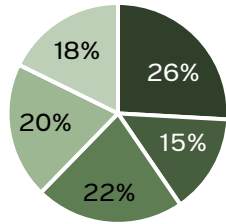
# Bekaert Steel Wire Solutions at a glance

**6,100** Employees<sup>1</sup>

**15** Manufacturing plants<sup>1</sup>

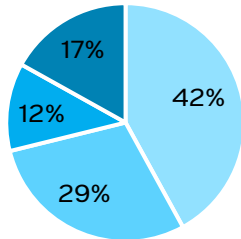
**€1,500m** 2022 Revenue<sup>1</sup>

## End markets served<sup>1</sup>



- Energy & Utilities
- Automotive
- Industrial & Consumer
- Construction
- Agriculture

## Geographies covered<sup>1</sup>



- EMEA
- NAM
- APAC
- LATAM

## Streamlined global operating footprint<sup>1</sup>



<sup>1</sup> Excluding Chile and Peru as the business was divested. Excluding JVs.

# Steel Wire Solutions serves diversified end markets with a wide range of solutions

## Energy & Utilities



Power transmission & distribution

## Automotive



Tensodur® Bezinal spring wire

## Medical & Equipment



Medical spring wires

## Consumers



Champagne cork wire

## Construction



Natural hazard protection

## Agriculture



Sustainable crop protection

# Bekaert has established a leadership position in steel wire transformation



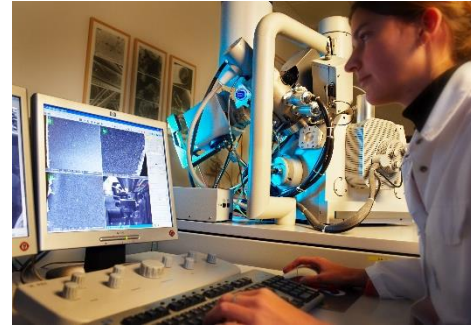
## Operational Excellence

BMS<sup>1</sup>  
Procurement  
Complexity reduction  
Shopfloor digitalization



## Commercial Excellence

Pricing  
Pricing tools  
Segmentation  
Portfolio



## Sustainable Innovation

Wire shaping  
Coatings  
Engineered equipment

<sup>1</sup> BMS = Bekaert Management System

# Agenda

01

Strong market  
leadership positions

---

02


**Portfolio evolution for  
increased resilience**

---

03

The future shape of  
Steel Wire Solutions

# Steel Wire Solution's clearly defined role and strategy within Bekaert

		Market Leadership	Sustainability Alignment	Margin Improvement Potential	Cash Conversion	Growth Platform	Portfolio Transformation	Selective M&A
Core businesses	 Rubber Reinforcement	✓	✓	✓	✓			
	 Steel Wire Solutions	✓	✓	✓	✓		✓	
Growth platforms	 BBRG - Advanced Lifting & Mooring	✓	✓	✓	✓	✓		✓
	 SpB - Energy Transition	✓	✓	✓		✓		✓
	 SpB - Construction Decarbonization	✓	✓			✓		✓

Since 2019, Steel Wire Solutions has transformed and built a more resilient foundation

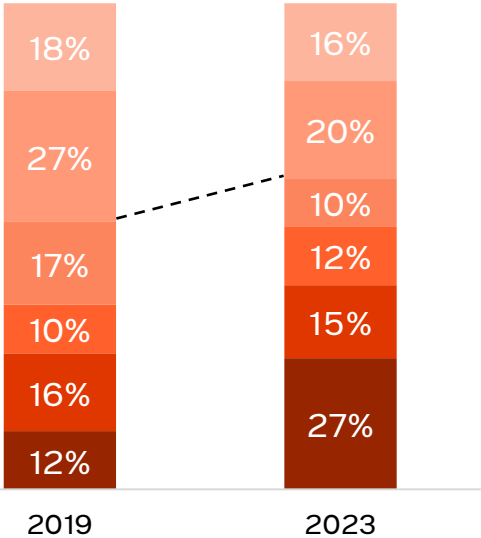
	2019		2023 <sup>1</sup>	
EBITu <sup>2</sup>	3.4%	➔	~7%	Doubled EBIT margin
ROCEu	7.9%	➔	~20%	Significant ROCE improvement
OCF <sup>2</sup> (€m)	133	➔	~100	Strong cash generation

<sup>1</sup> As of 2023, contribution from Chile and Peru has been excluded as the business was divested  
<sup>2</sup> Note: EBITu margins for divisions do not include unallocated overhead costs (Group and business support costs)  
<sup>3</sup> OCF = Cash flows from operating activities minus capex



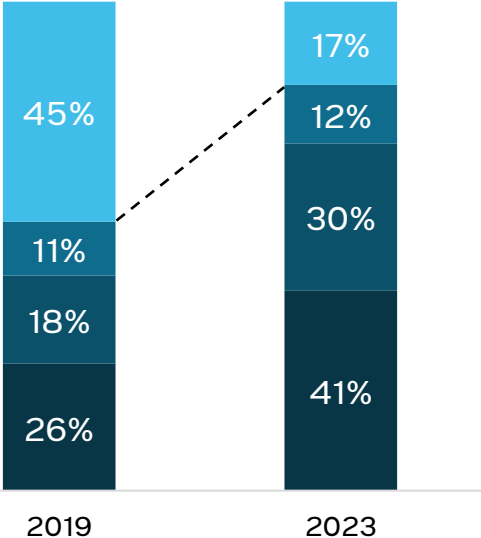
# Steel Wire Solutions has executed a shift in its portfolio in line with Bekaert's strategic focus

**Focus on Bekaert target industries to drive margin expansion**



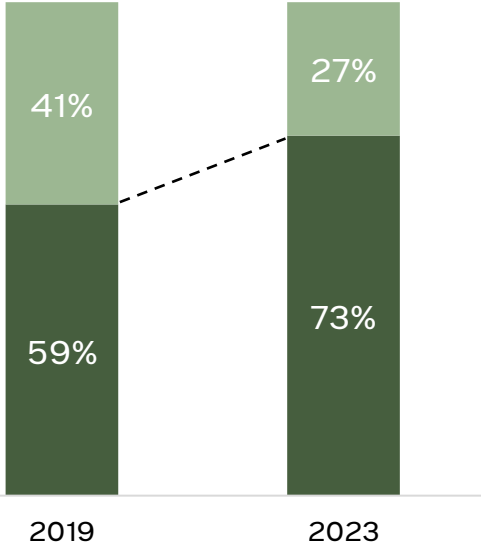
- Agriculture
- Construction
- Consumer & Other
- Basic Materials & Equipment
- Automotive
- Energy & Utilities

**Divestment to reduce exposure to cyclical markets**



- EMEA
- NAM
- APAC
- LATAM

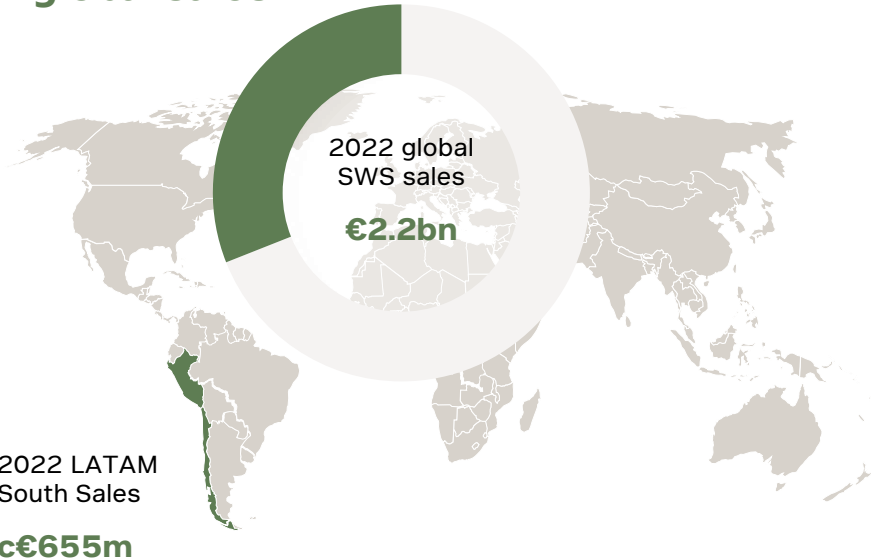
**Streamlining of product portfolio to increase share of high-value solutions**



- Above target margin
- Below target margin

## The divestment in Chile and Peru supports the strategic repositioning of Steel Wire Solutions

**c30% of  
global sales**



### Clear set of criteria driving divestment

- ✓ **Reduce sales in commoditized products** – exit portfolio with limited growth and innovation
- ✓ **Reduce exposure to cyclical market segment** – reduce sales in Agriculture and Construction
- ✓ **Improve cash generation** – reduce working capital need (exit industrial retail)
- ✓ **Rebalance geographic exposure** – from 45% to 17% of sales in Latin America

# Agenda

01

Strong market  
leadership positions

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02

Portfolio evolution for  
increased resilience

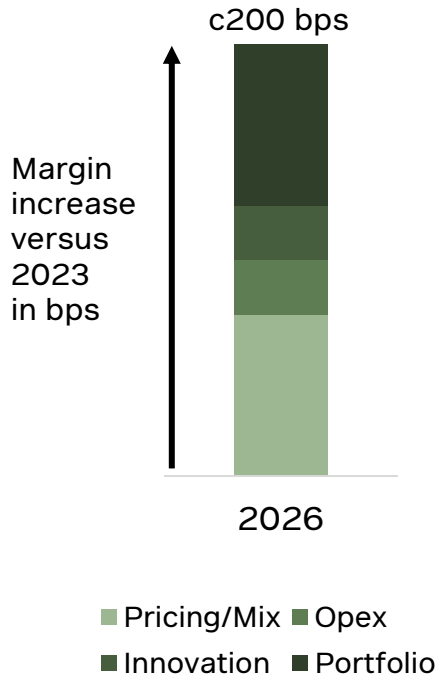
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03

**The future shape of  
Steel Wire Solutions**

# Market focused approach will drive margin expansion and support resilient cash generation

## SWS incremental margin improvement 2023-2026 (bps)



 <b>Pricing / Mix</b>	<ul style="list-style-type: none"><li>• Strong pricing discipline supported by AI</li><li>• Focus on core segments to improve mix</li></ul>
 <b>Opex</b>	<ul style="list-style-type: none"><li>• Bekaert Manufacturing System (offset inflation)</li><li>• Quality and delivery with customer focus</li></ul>
 <b>Innovation</b>	<ul style="list-style-type: none"><li>• Sales from innovation increase to 10%</li><li>• Scale up of incubation projects</li></ul>
 <b>Portfolio</b>	<ul style="list-style-type: none"><li>• Pro-active management of business portfolio</li><li>• Constant review of footprint performance</li></ul>

# Commercial excellence and focus on attractive segments will improve the margin mix

## Commercial excellence



### Dynamic Pricing

- Digitalized support for decision
- Proactive pricing management



### Increased process efficiency

- Digitalized order-to-cash
- Proactive leakage management



### Active portfolio management

- Customers
- Products

## Focus on attractive market segments



Sizeable



Growing



Innovation potential



Potential for adjacency

Energy & Utilities

E-mobility

Sustainable  
Construction

High added value  
industrial applications

# Evolving portfolio of innovative products and applications

## Energy & Utilities



- High tensile Bezinal®
- ACSS<sup>1</sup> for power transmission
- USA infrastructure market

## Medical



- High performance steel wire
- Spring for insulin injection pen
- Diabetes / obesity treatment

## E-mobility



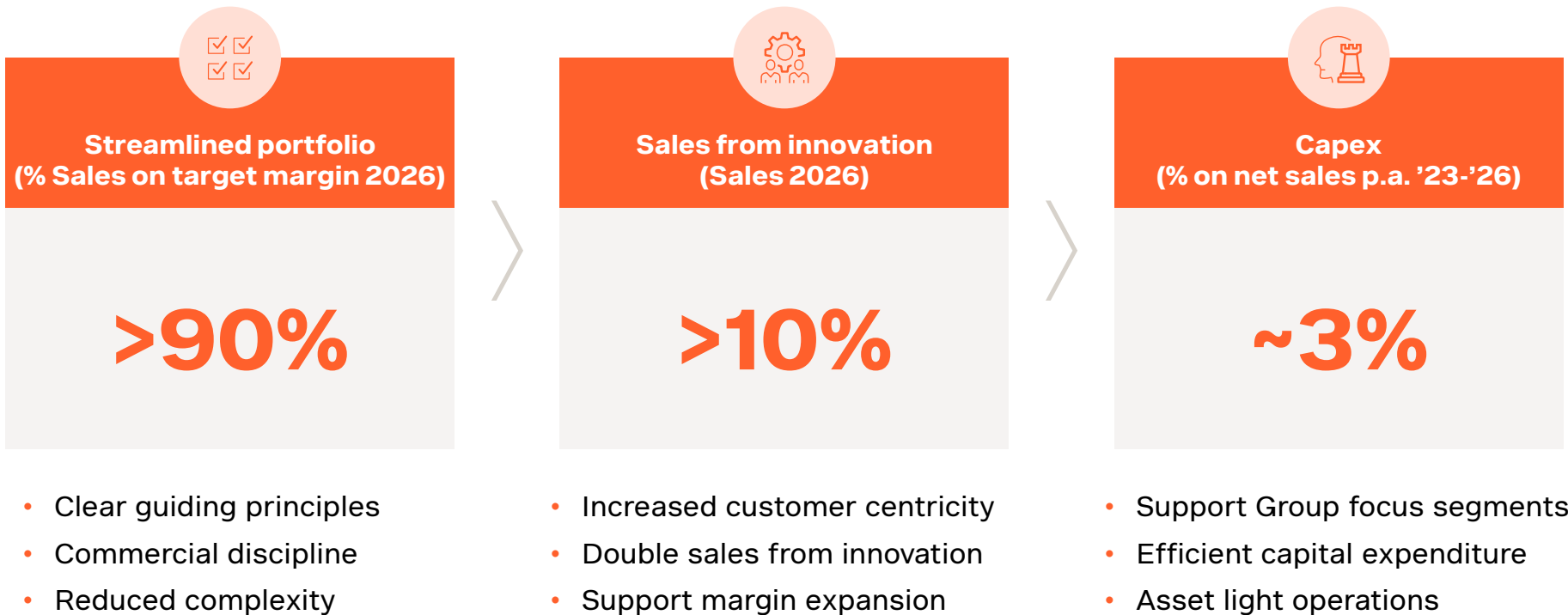
- Coated copper wire Ampact™
- E-motor stator
- Fast charging electrical cars

Core

Beyond

<sup>1</sup> ACSS = Aluminum Conductor Steel Supported

## Expand margin with commercial focus, customer innovation and efficient investment



# 2026 targets: delivering resilient business performance across cycles

**2%**

2023-2026 Sales CAGR

**9%**

2026 EBITu margin<sup>1</sup>

**>20%**

2026 ROCEu

**90%**

2026 OCF conversion<sup>2</sup>

<sup>1</sup> Note: EBITu margins for divisions do not include unallocated overhead costs (Group and business support costs)  
<sup>2</sup> OCF = Cash flows from operating activities minus capex | OCF conversion = OCF / EBITu



## Key takeaways



**Diversified business,  
leader in attractive  
segments, and strong  
cash generator**



**Continuing our journey  
towards higher and  
more stable profit and  
cash generation**



**Future shape of SWS  
will be driven by  
transformative  
portfolio management**



# Positioned to Grow in Advanced Lifting & Mooring

**Capital Markets Day Presentation**

7 December 2023



**Bruno Cluydts**

Chief Strategy Officer BBRG



# Agenda

01

**Successful turnaround  
complete**

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02

Strong growth drivers  
ahead

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03

Key takeaways

# The leading innovator and provider of the best performing ropes and advanced cords globally

Product Category	Applications and Products	
 <b>Steel Ropes</b>	<ul style="list-style-type: none"><li>• High-performance Bridon® ropes suited for industrial use and fishing applications</li></ul>	
 <b>Synthetic Ropes</b>	<ul style="list-style-type: none"><li>• Offshore mooring lines</li><li>• Mining equipment pendants</li><li>• Heavy lift slings</li></ul>	
 <b>Advanced Cords</b>	<ul style="list-style-type: none"><li>• Elevator belt reinforcement</li><li>• Timing belt reinforcement</li><li>• Armoform® pipe reinforcement</li></ul>	
 <b>Advanced Ropes Services</b>	<ul style="list-style-type: none"><li>• Rope lifecycle services</li><li>• Installation, inspection, and VisionTek rope conditioning monitoring</li></ul>	

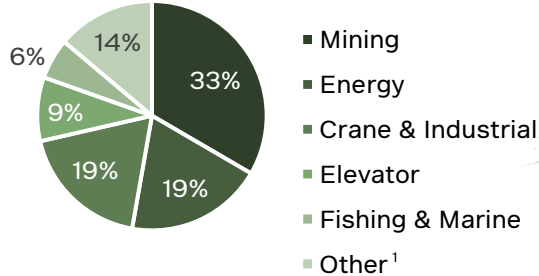
# BBRG at a glance

**2,500** Employees

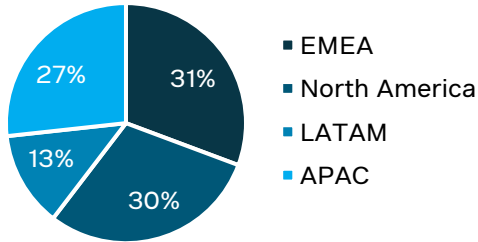
**14** Manufacturing plants

**€589m** 2022 Revenue

## End markets served



## Geographies covered



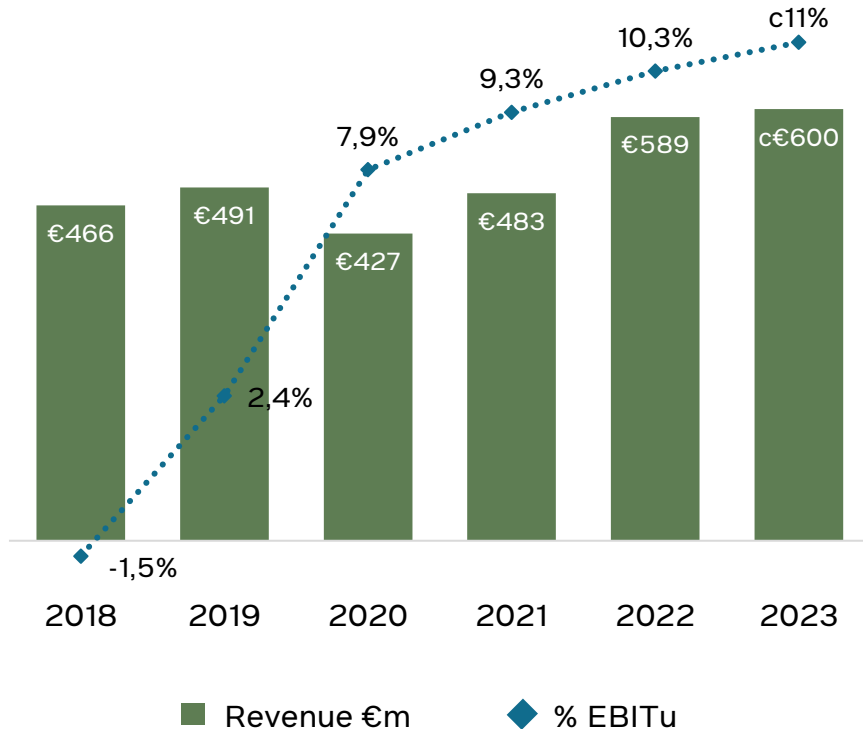
## Streamlined global operating footprint



<sup>1</sup> Other = Machinery, Automotive, Services and Other

## Financial turnaround complete and embedded

### Financial performance materially improved



### Profit restoration highlights

- Portfolio optimization of the product/customer portfolio by stepping away from low margin sub-segments, products, and accounts
- Manufacturing footprint consolidation
  - Closure of Canadian ropery and consolidation in US
  - Closure of German ropery and consolidation in UK
  - Capacity expansion in LATAM and APAC
- Margin improvement through commercial (pricing) and operational (costs) excellence initiatives
  - Labor productivity improvement
  - Scrap reduction
  - Working capital management
  - Supported by continued product and process innovation

# Agenda

01

Successful turnaround  
complete

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02






**Strong growth drivers  
ahead**

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03

Key takeaways

# BBRG's clearly identified role and strategy within Bekaert

		Market Leadership	Sustainability Alignment	Margin Improvement Potential	Cash Conversion	Growth Platform	Portfolio Transformation	Selective M&A
Core businesses	 Rubber Reinforcement	✓	✓	✓	✓			
	 Steel Wire Solutions	✓	✓	✓	✓		✓	
Growth platforms	 BBRG - Advanced Lifting & Mooring	✓	✓	✓	✓	✓		✓
	 SpB - Energy Transition	✓	✓	✓		✓		✓
	 SpB - Construction Decarbonization	✓	✓			✓		✓



# Strong growth outlook in targeted end markets with solutions supported by sustainability and urbanization

## Elevators



Global elevator market demand driven by strong replacement and modernization demand and global housing deficit

**Strong demand growth** for **elevator hoisting cord, belt** and **Flexisteel®** that allow for a more compact and energy efficient solution

## Advanced digital services



Shift to condition-based maintenance and ultimately lifetime prediction for high performance ropes in mission critical applications

**Growing demand growth** for **Advanced Digital Services** based on superior **VisionTek** inspection technology

## Offshore wind



Significant growth in floating offshore wind (FOW), with FOW power generation expected to reach 10GW by 2030

**Strong demand growth** for **offshore lifting ropes** and **slings** and for **FOW mooring solutions**

## O&G<sup>1</sup> transmission



Market shifting towards alternatives to steel pipes, which provide lower TCO<sup>2</sup> and significant emissions reductions

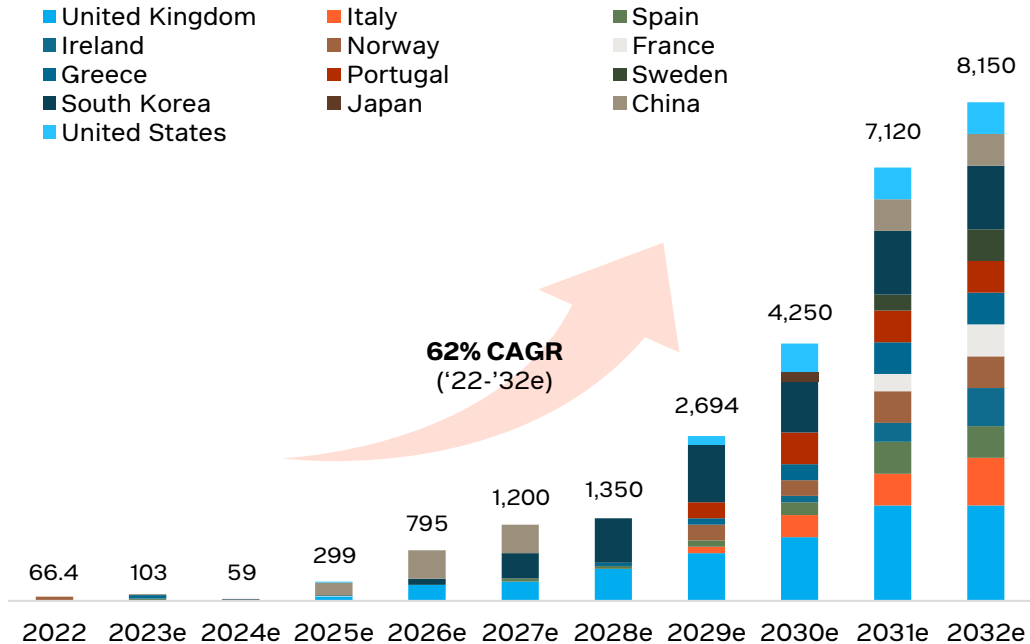
**Growing demand growth** for **Armofor®** among oil majors for use of non-metallic pipe in their O&G operations

<sup>1</sup> O&G = Oil and Gas

<sup>2</sup> TCO = Total Cost of Ownership

# Floating Offshore Wind (FOW) is essential to decarbonizing the energy mix

## Global offshore floating wind outlook new installations per year (MW)



Source: GWEC July 2023 Global floating offshore wind outlook

## Decarbonization and market growth

- Near-term target: approximately 10 GW of FOW capacity by 2030
- Long-term growth: an additional 10GW capacity expected annually post-2030

## Economic impact

- Over €700 million in synthetic mooring rope demand linked to the initial 10 GW capacity
- Additional €700 million demand for auxiliary mooring line components connecting anchors to floaters



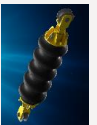
Balmoral Buoy



Flintstone Connector



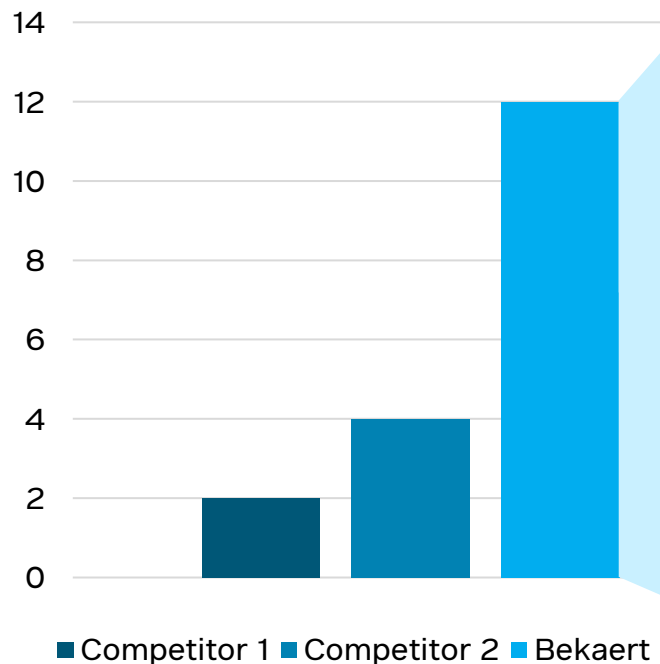
Flintstone Tensioner



TFI SeaSpring

## Recognized as FOW mooring pioneer with significant contracts won to date

**3x more demonstrator projects than nearest competitor**



BBRG today has hands on project experience with Polyester, Nylon, Dyneema®, integrated buoyancy, TLP<sup>1</sup>, SPAR<sup>2</sup>, barge and semisub

BBRG has conducted project with 3 out of 4 leading companies with live assets in the water (Equinor, Ideol, Stiesdal)



*12 demonstrator projects and 3 studies*

<sup>1</sup> TLP = Tension Leg Platform  
<sup>2</sup> SPAR = Single Point Anchor Reservoir

# We differentiate in FOW by enhancing customer value and reducing risk with a synthetic mooring solution

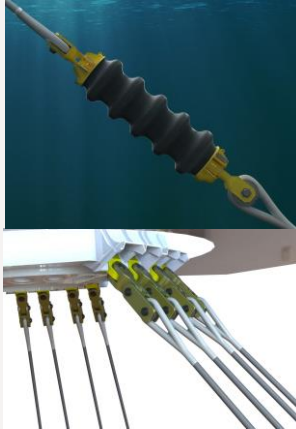
## Bekaert is a comprehensive mooring solution provider

Customers and underwriters value a single point of accountability for the complex and dispersed mooring package that includes synthetic ropes, connectors, buoyancy and various steel hardware.



### Innovative synthetic ropes

- **Nylon fibers** for increased compliance, adequate stiffness under reduced peak load
- Ropes with **integrated buoyancy** that could reduce complexity and offshore handling
- **Advanced elastomer coating** for seabed contact, cut resistance and marine fouling



### Innovative mooring lines

Partnerships with **innovative mooring line component manufacturers**, including:

- TFI Marine: TFI SeaSpring load reduction devices can cut line loads by 50%, optimizing cost
- Flintstone: Quick-connect mooring connectors expedite installation and maintenance

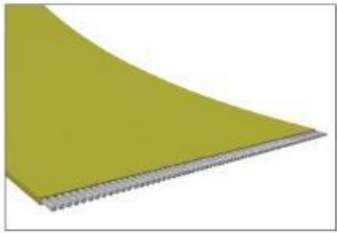
# Sizing the market opportunity for Armofor® - growth of non-metallic pipes in onshore and offshore O&G

## Market shift towards alternatives to steel pipes

- Non-metallic flexible composite pipes increasingly favoured by Aramco<sup>1</sup> and ADNOC<sup>2</sup> as alternatives to steel pipes.

## Rising need for Armofor®

- For 6" and 8" diameter pipes in high-temp ( $\geq 65^{\circ}\text{C}$ ) and high-pressure (1,500-3,000 PSI) applications, Armofor® steel reinforcement is crucial.
- Every 1,000 km of pipe represents €50-200 million in potential for Armofor® reinforcement tape.



Armofor® reinforcement tape

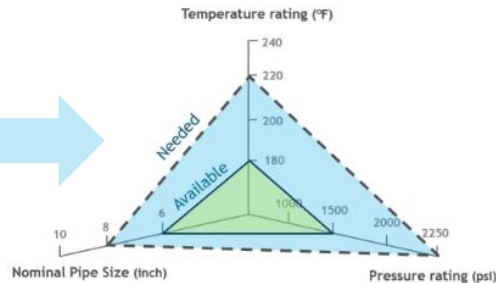


Image source: Aramco

<sup>1</sup> Aramco = Saudi Arabian Oil Group

<sup>2</sup> ADNOC = Abu Dhabi National Oil Company

## Armofor® advantages in O&G

- Growing appetite of oil majors Saudi Aramco, ADNOC, etc. for use of non-metallic pipes in their O&G operations
- Proven for both surface and downhole applications
- Offers significant lifecycle cost savings over carbon steel pipes
- Reduces environmental footprint: up to 60% in carbon, 50% in energy



Image source: Saudi Aramco

# Superior performance of Armofor® reinforced thermoplastic pipe

## Performance testing by ADNOC

- 60 km RTP<sup>1</sup> field test
- Involved 8 suppliers and 10 pipe designs
- Tested for water injection and hydrocarbon services
- Conditions: Temperatures of 65 to 100 °C and pressures up to 3500 PSI

## Positive outcomes

- Armofor® reinforced RTP pipes are successfully tested for high-temperature and high-pressure applications
- Invited to participate in the first official RFQ's of ADNOC on SRTPs<sup>2</sup>

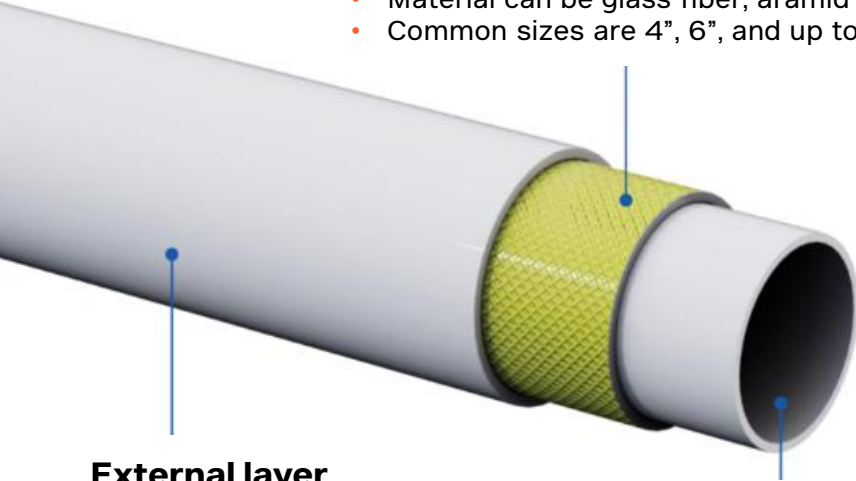


<sup>1</sup> RTP = Reinforced Thermoplastic Pipes  
<sup>2</sup> (S)RTP = (Steel) Reinforced Thermoplastic Pipes  
Image source: Adnoc

## Armofor® go-to-market strategy: partnerships with selective flexible composite pipe manufacturers

### Reinforcement layer

- Middle layer providing strength
- Bonded or un-bonded
- Material can be glass fiber, aramid fiber or metal based
- Common sizes are 4", 6", and up to 8"



### External layer

- Protects the reinforcement layer
- UV stabilized

### Inner layer

- Withstands corrosion
- Customized based on the fluid chemistry and operating temperature



Partnerships with **selective flexible composite pipe manufacturers**



Supplying to and collaborating with leading manufacturers, who have **chosen Armofor® tape for SRTP pipe reinforcement**



Co-development of **high sour version** to expand field of application

# Agenda

01

Successful turnaround  
complete

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02

Strong growth drivers  
ahead

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03

**Key takeaways**



## Key takeaways



### **Profit turnaround complete**

Foundation set for strong growth



### **Growth platforms established**

Significant growth opportunity in FOW and decarbonized midstream O&G transportation



### **Strong financial contribution**

Double digit sales CAGR to 2026 while maintaining double digit EBIT margins



# Growth in Construction Decarbonization

**Capital Markets Day Presentation**

7 December 2023



**Raf Rentmeesters**

Senior Vice President Building Products

# Agenda

01

**Established growth  
platform**

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02



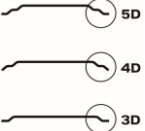








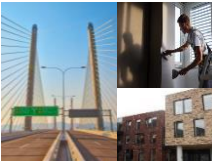


Significant market  
opportunity

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03

Key takeaways

# We supply leading reinforcement solutions, supported by recognized brand portfolio

Business segment	Reinforcement solutions we provide	Worldwide penetration
 <p><b>Flooring</b></p>	<div data-bbox="614 274 935 947" style="border: 2px solid orange; padding: 10px;"> <p><b>Dramix®</b></p>   </div> <div data-bbox="952 274 1250 405" style="border: 1px solid orange; padding: 5px;"> <p><b>SigmaSlab™</b></p>  </div> <div data-bbox="1267 274 1564 405" style="border: 1px solid orange; padding: 5px;"> <p><b>FALCONIX ENGINEERING</b></p> </div>	<p><b>20%</b></p>
 <p><b>Tunneling &amp; Mining</b></p>	<div data-bbox="952 455 1564 590" style="border: 1px solid orange; padding: 5px;"> <p><b>Synmix®</b></p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="1136 478 1238 573">  <p>Core</p> </div> <div data-bbox="1277 478 1379 573">  <p>EZ</p> </div> <div data-bbox="1418 478 1520 573">  <p>Ultra</p> </div> </div> </div> <div data-bbox="1058 634 1454 769" style="border: 1px solid orange; padding: 5px;"> <p><b>Fortifix® / Meshtrack®</b></p>  </div>	<p><b>15%</b></p>
 <p><b>Infrastructure</b></p>	<div data-bbox="1058 634 1454 769" style="border: 1px solid orange; padding: 5px;"> <p><b>Fortifix® / Meshtrack®</b></p>  </div>	<p><b>&lt;1%</b></p>
 <p><b>Renovation</b></p>	<div data-bbox="952 820 1250 947" style="border: 1px solid orange; padding: 5px;"> <p><b>Widra® / Stucanet®</b></p>  </div> <div data-bbox="1267 820 1564 947" style="border: 1px solid orange; padding: 5px;"> <p><b>Murfor® Compact</b></p>  </div>	<p><b>&lt;1%</b></p>

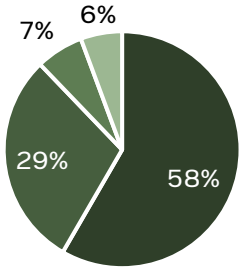
# The leading solution provider for green and smart concrete reinforcement solutions

**700** Employees

**8** Manufacturing plants

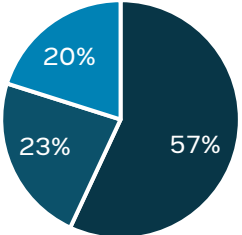
**€386m** 2022 Revenue

### Business segments



- Flooring
- Tunneling & Mining
- Infrastructure
- Renovation

### Geographies covered



- EMEA
- Asia
- Americas

### Streamlined global operations footprint



# Tangible value proposition relative to traditional construction industry standards



## Safety



### ✓ Safer working conditions

Elimination of rebar on the jobsite which causes most of onsite accidents



## Sustainability



### ✓ Significant CO<sub>2</sub> reduction

Up to 35% CO<sub>2</sub> emission reduction due to less steel and less concrete



## Cost & efficiency



- ✓ Less labor needed
- ✓ Time savings of >15%
- ✓ Up to 20% less material used

Above 10% TCO<sup>1</sup> impact by using less material, labor and manufacturing time



## Durability



- ✓ Increased asset durability
- ✓ Lower maintenance cost
- ✓ More flexible floors

Focus on investor's longer-term impact by providing a higher service life asset

Our Value Proposition is centered around enhanced **Safety, Sustainability, Cost Savings & Efficiency** and **Asset Durability**

# Unparalleled track record with key customers across our segments

## Flooring

**25% cost savings and >20% CO<sub>2</sub> savings**



### Ford, USA

- 90,000 m<sup>2</sup> industrial floor of 4D fibers

### Noon, KSA

- 170,000 m<sup>2</sup> of 4D fibers

**Reduced complexity and time savings for 7 story building elevated slab**



### Trondheim, Norway

- Sigmaslab®; post tension and Dramix®
- Increased safety on the jobsite

## Tunneling & Mining

**33,000T CO<sub>2</sub> savings  
33km motorway tunnel**



### WestConnex, Australia

- Reduced maintenance costs
- Fewer trucks needed to transport the fibers

**26% carbon savings for Kanpur Metro project**



### Kanpur, India

- 9% cost savings
- Ease of casting precast segments with SFRC<sup>1</sup>

## Infrastructure

**20% less steel for 120,000 m<sup>2</sup> harbor pavement**



### Constanta, Romania

- 35% CO<sub>2</sub> reduction, 30% reduction in manpower
- Project completed 4 months faster

**25% steel savings for precast electric cabins**

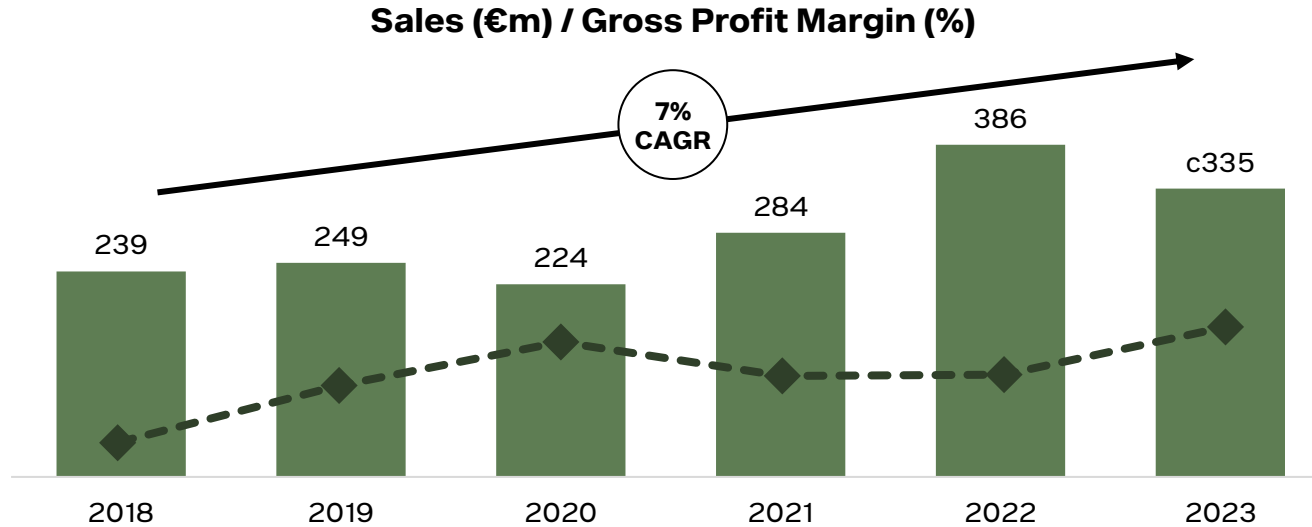


### Naples, Italy

- Ease of handling and transportation
- 17% CO<sub>2</sub> reduction by reducing the wall thickness

<sup>1</sup> SFRC = Steel Fiber Reinforced Concrete

# Profitability has grown significantly through innovation, mix improvement and cost control



## Key drivers

- Growing penetration with improved geographical mix
- 50% of sales in patented products in 2023, including higher-end applications for Dramix®
- Footprint rationalization and optimized supply chain

## Leading market position

- ✓ 40% market share in SFRC<sup>1</sup>
- ✓ #1 player in SFRC
- ✓ 3x > #2 player

<sup>1</sup> SFRC = Steel Fiber Reinforced Concrete



# Agenda

01

Established growth  
platform

---

02






**Significant market  
opportunity**

---

03

Key takeaways

# Construction Decarbonization with a clearly identified role and strategy within Bekaert

		Market Leadership	Sustainability Alignment	Margin Improvement Potential	Cash Conversion	Growth Platform	Portfolio Transformation	Selective M&A
Core businesses	 Rubber Reinforcement	✓	✓	✓	✓			
	 Steel Wire Solutions	✓	✓	✓	✓		✓	
Growth platforms	 BBRG - Advanced Lifting & Mooring	✓	✓	✓	✓	✓		✓
	 SpB - Energy Transition	✓	✓	✓		✓		✓
	 SpB - Construction Decarbonization	✓	✓				✓	

# Capitalizing on the Key Trends driving opportunities in construction decarbonization

## Key Trends



### Urbanization

By 2050 ~2/3 of global population will live in cities



### Sustainability

Decarbonization and use of eco friendly materials



### Government spending

Aging infrastructure and population growth

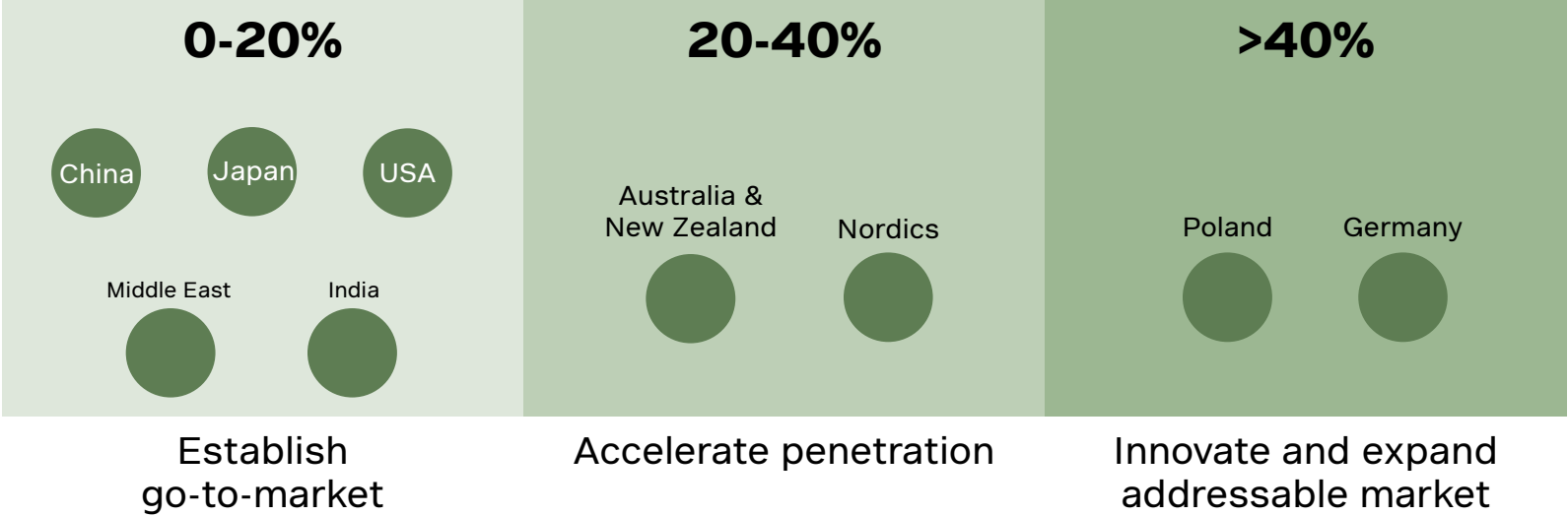


### Innovation

Investment in ConTech steadily increasing

Various markets contribute to a huge global opportunity, including the flooring market, where average global adoption is only ~20%

### SFRC Market Penetration (%)



Established DRAMIX® platform - working on increasing market penetration %

# We scale up through a repeatable model and create value via specialist engineering driven approach

## 5. Develop key partnerships

Address the industry challenges with like-minded industry pioneers



## 4. Innovation leader

Invest in our technical capabilities and talent to drive new product / service development

## 1. Customer centricity

Understand the needs of our customers via direct interaction with contractors, design offices, consultants, RMX and asset owners.

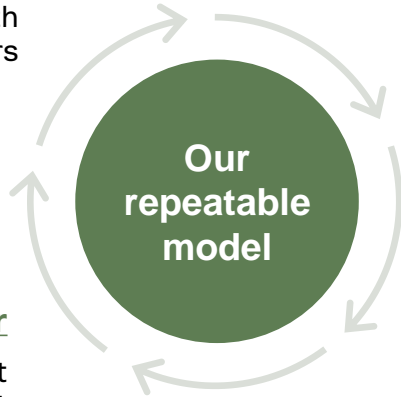
## 2. Engage with key decision makers

Convey the value that our solutions brings to the end customer



## 3. Drive specs

As market leader we set the standards and co-create norms at global scale



# Agenda

01

Established growth  
platform

---

02

Significant market  
opportunity

---

03

**Key takeaways**

## Key takeaways



### Attractive market

Sizeable market with low global penetration in key regions with a large potential upside over coming years



### Leadership position

#1 SFRC market player with 40% market share; market creators in new geographies and new applications



### Patented & unique assets

Global footprint with most efficient technology and patented portfolio



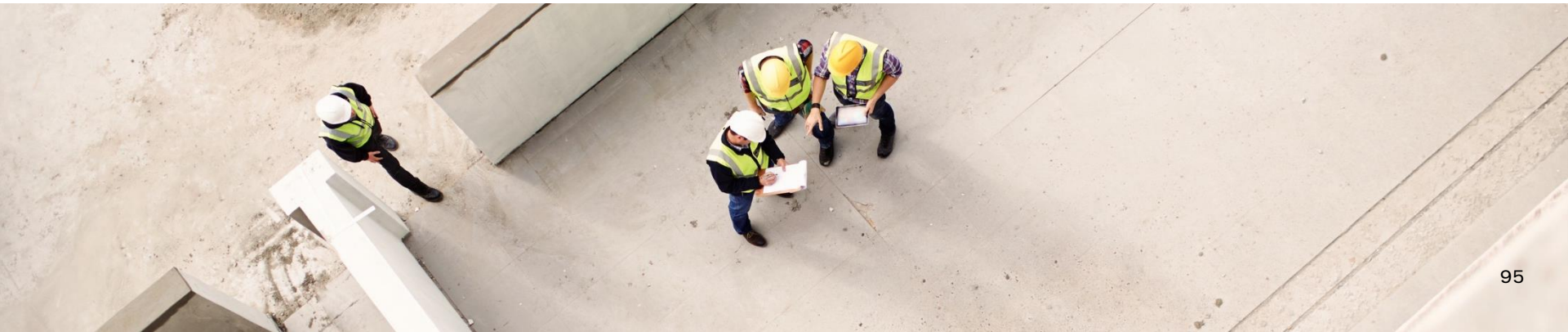
### Repeatable model

Demonstrated repeatable model to expand and reinforce leadership



### Attractive financial profile

Next gen fibers, value-added pricing and solution offering with quality control systems provides potential to sustain high margin



# Growth in Energy Transition - The Hydrogen Opportunity

**Capital Markets Day Presentation**

7 December 2023



**Inge Schildermans**

Senior Vice President Energy Transition



# Agenda

01

**Focus on Energy  
Transition**

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02

The Hydrogen  
opportunity

---

03

Further expansion  
potential

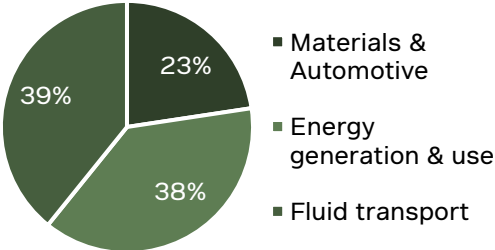
# Significant resources devoted to Energy Transition

**1,500** Employees

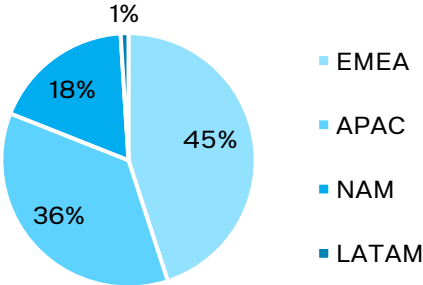
**14** Manufacturing plants

**€402m** 2022 Revenue

## End markets served








## Geographies covered



## Streamlined global operating footprint



## Bekaert's Energy Transition focus currently spans over 5 key business categories

Business category	Products, services or applications	Right to play
 <b>Hose Reinforcement</b>	<ul style="list-style-type: none"><li>• <b>Hose reinforcement</b> for high pressure hydraulic hoses</li><li>• <b>Fleximat®</b> reinforcing high-end belts</li></ul>	<ul style="list-style-type: none"><li>✓ <b>#1 or 2 position</b> in selected high-end target markets</li><li>✓ <b>Technology leadership</b> through high-performing products</li><li>✓ <b>Unique differentiating</b> assets enabling to pivot fast to new markets</li><li>✓ <b>Track record:</b> first spec'd in at leading players</li><li>✓ Excellent <b>P&amp;L performance</b></li></ul>
 <b>Fiber Technologies</b>	<ul style="list-style-type: none"><li>• <b>Bekipor®</b> for high-end filtration applications</li><li>• Solutions for <b>automotive glass bending</b>, interior comfort <b>heating</b> (e-vehicles)</li></ul>	
 <b>Heating Technologies</b>	<ul style="list-style-type: none"><li>• <b>Burners</b> and aluminum condensing <b>heat exchangers</b> for environment-friendly residential, commercial and industrial process heating</li></ul>	
 <b>Ultra Fine Wire</b>	<ul style="list-style-type: none"><li>• <b>High precision cutting applications</b> in solar &amp; semicon wafering</li></ul>	
 <b>Hydrogen</b>	<ul style="list-style-type: none"><li>• <b>Currento®</b>, porous transport layers for green hydrogen electrolysis applications</li></ul>	

# Enabling various energy transition markets across the value chain

## Production



### Electricity production

Reinforcement of hydraulic hoses for wind blade pitching

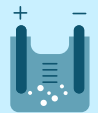
Hose reinforcement



### Electricity production

Ultra fine core wire for solar PV production

Ultra fine wire



### Hydrogen production

PTL for high efficiency H2 production

Hydrogen (Currento®)

## Transmission & distribution



### Ammonia bunkering

High-pressure hose reinforcement for green molecule bunkering

Hose reinforcement



### Refuelling

Hose reinforcing wire for H2 fueling

Hose reinforcement

## End-use



### Sustainable heating

Heat exchangers for sustainable heating

Heating technologies



CO<sub>2</sub> / H<sub>2</sub>

### Molecule filtration

Filter media for green molecule filtration

Fiber technologies (Bekipor®)








### Clean transport

Sensing wire for high pressure hydrogen tanks

Fiber technologies

# Energy Transition with a clearly identified role and strategy within Bekaert

		Market Leadership	Sustainability Alignment	Margin Improvement Potential	Cash Conversion	Growth Platform	Portfolio Transformation	Selective M&A
Core businesses	 Rubber Reinforcement	✓	✓	✓	✓			
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Growth platforms	 BBRG - Advanced Lifting & Mooring	✓	✓	✓	✓	✓		✓
	 SpB - Energy Transition	✓	✓	✓		✓		✓
	 SpB - Construction Decarbonization	✓	✓			✓		✓

# Agenda

01

Focus on Energy  
Transition

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02

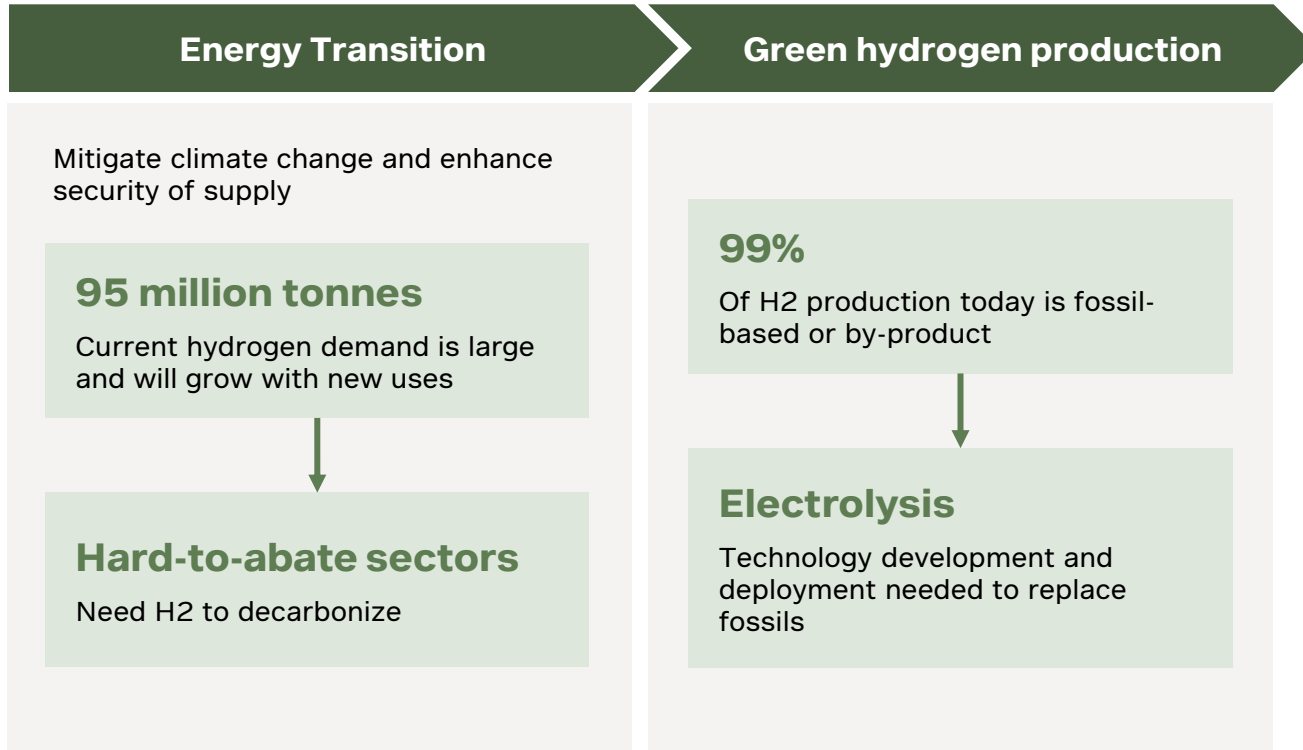
**The Hydrogen  
Opportunity**

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03

Further expansion  
potential

We are a leading component supplier to the electrolysis industry, a critical part of the long-term transition to green hydrogen



**We aim to be a leading technology-agnostic component supplier to the electrolysis industry**

**Electrolysis technologies\***



Source: IEA Global Hydrogen Review 2023

\*AWE = Alkaline Water Electrolysis, PEM = Proton Exchange Membrane, AEM = Anion Exchange Membrane, SOEC = Solid Oxide Electrolyzer

# Strong momentum for electrolyzer capacity to produce green hydrogen supported by multiple regulatory initiatives

## Announced electrolyzer capacity continues to rise



- Cumulative announced electrolyzer capacity has grown quickly to **268 GW** by 2030\*
- **Out of which 57 GW** has been announced **in the last 12 months**



- Technology choice has been announced for **31 GW** out of 268 GW
- Close to 45% selects **PEM** technology

## Regulatory initiatives provide investment support for clean hydrogen projects



20/11/2023

The European Hydrogen Bank announced the launch of the second round of auctions, reaching a total value of **€3bn** for spring 2024



13/10/2023

Seven Regional Clean Hydrogen Hubs (H2Hubs) have been selected to accelerate the commercial-scale deployment of low-cost, clean hydrogen for funding of **\$7bn**

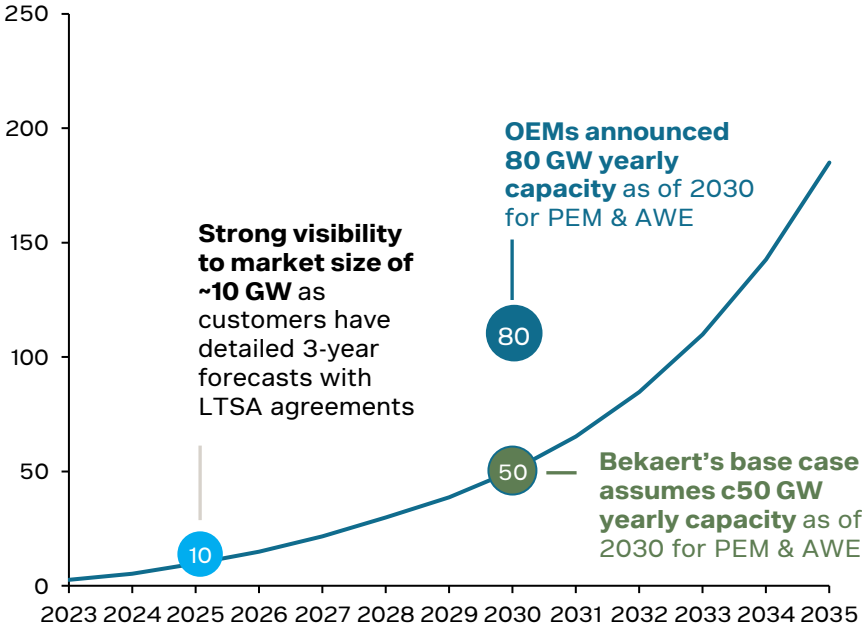
## The pipeline is developing quickly, but timing is variable

- Less than 4% of announced capacity has reached Final Investment Decision (FID)
- FIDs are delayed due to regulatory uncertainty and cost challenges

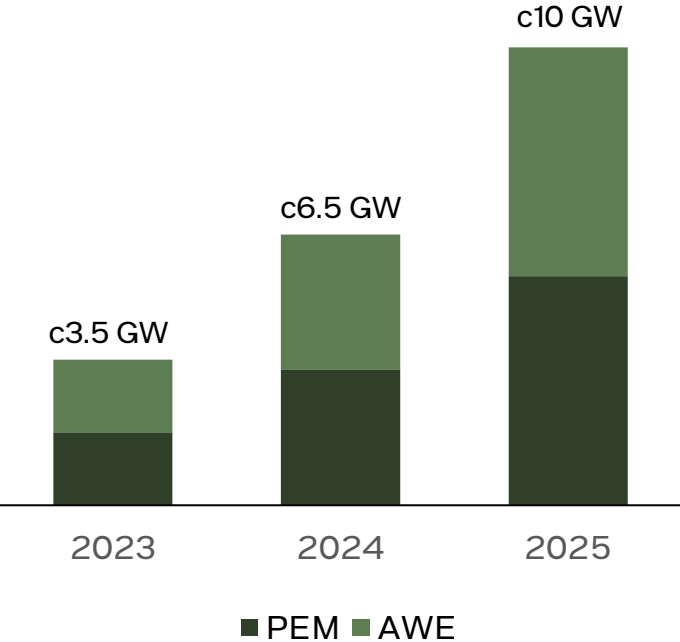


# Bekaert anticipates an accelerating electrolyzer growth trajectory with strong visibility in next 3 years

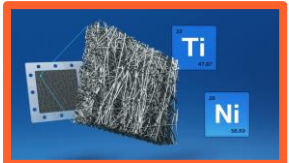
**Bekaert's base case assumes c50 GW annual electrolyzer market from 2030**



**Yearly market size of c10 GW in 2025, with roughly 45/55 split PEM vs AWE**



# Leveraging our 20+ year track record in PTL's for PEM electrolysis, we are accelerating our technology leadership in solutions for green hydrogen production



**1997**  
Initial development with Nippon Institute of Technology



**2007**  
Start of co-developments with electrolyzer manufacturers



**2019**  
Present in **10-20 MW projects**



Launch of **Currento®**

**2022-2023**  
Equity investments & Partnerships to accelerate development of spearheading innovations



Bekaert materials used in **first 100 MW projects**

**2024**  
Opening of testing labs in Deerlijk (Belgium)



**2000**  
First manufacturing site and commercial sales of Bekipor® Titanium



**2015**  
First presence in **1-2 MW Demo scale projects**



**2021**   
Flemish expertise centers join forces with industry to push green H2 forward

Completion of **1 GW of industrial footprint** at our Chinese (Suzhou) manufacturing location

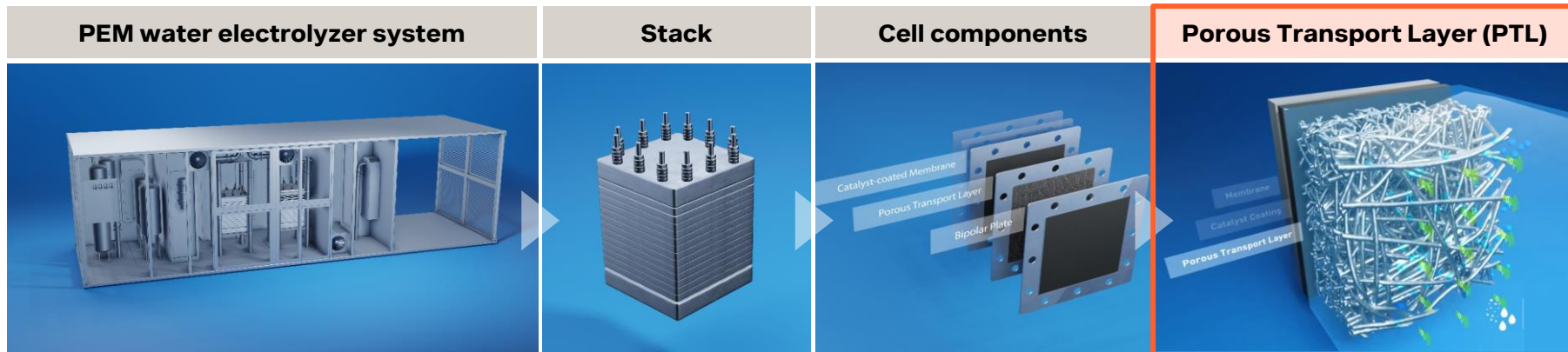


**2023**  
Completion of **1 GW of industrial footprint** at our Belgian (Zwevegem/Wetteren) manufacturing locations

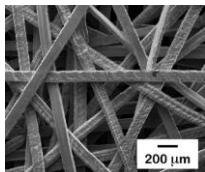


**2025**  
Start of first **GIGAfactory (5-10 GW) footprint**

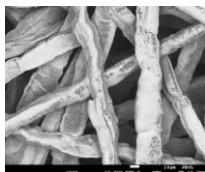
# We are a market-leading Tier 1 component supplier of Ti Porous Transport Layers (PTL) to PEM electrolyzer OEMs



**Currento®**



**Titanium  
fiber PTL**



**Platinum  
(Pt) coating**

- ✓ **Security of supply** (scaling vs demand, local-for-local)
- ✓ Next generation of products to **reduce LCOH\***
- ✓ Zero-defect in **quality**
- ✓ **Sustainability** of our set-up and product manufacturing

\*LOCH = levelized cost of Hydrogen

Bekaert is qualified at most of the top 10 leading PEM electrolyzer OEMs and in the process of qualifying the rest of the market

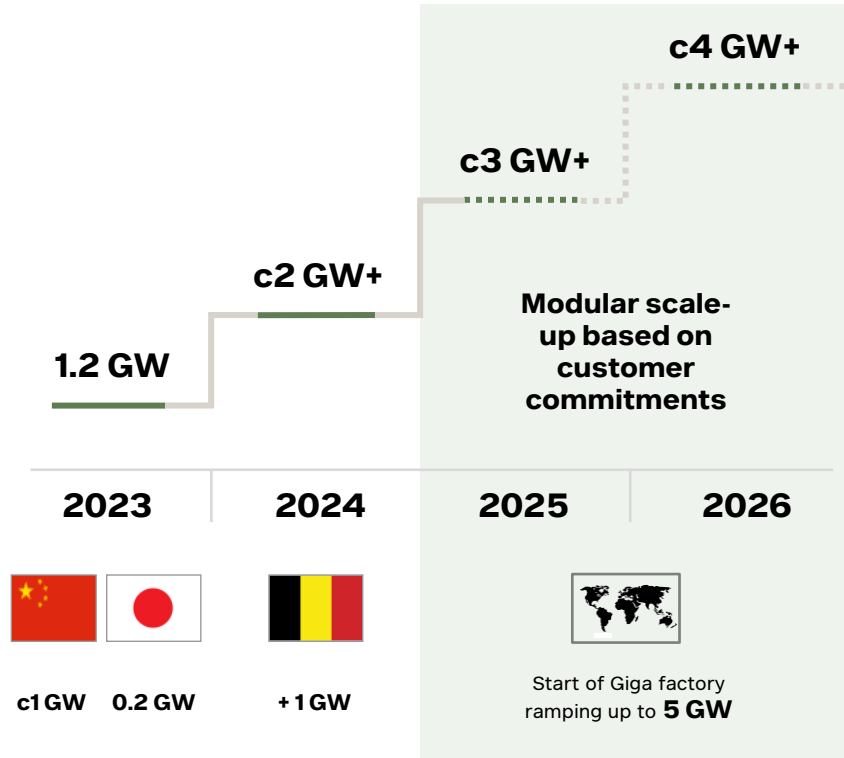
Customer group	Market position	Technical maturity	Manufacturing footprint
<p><b>1<sup>st</sup> Tier</b>  <b>Top 10 market players</b></p>	<p>Fast scalers, winning most large projects, most reliable demands but still uncertainties on pipeline timing</p>	<p>High, track record of 15+ years</p>	<p>Currently opening first Gigafactories in '23-'24 or starting construction in '25-'26</p>
<p><b>2<sup>nd</sup> Tier</b>  <b>&gt;300 Developing / newcomers</b></p>	<p>Doing their first demo MW scale projects, commercialization timeline still uncertain</p>	<p>Low, R&amp;D stage, potential delays expected in development and scale-up</p>	<p>Limited industrial capacities</p>

Select hydrogen industry companies

The image displays a collection of logos for various companies in the hydrogen industry. The logos are arranged in a grid-like fashion. At the top, the text 'Select hydrogen industry companies' is centered. Below this, the logos include: GINER LABS, hydroLite, nel, H-TEC SYSTEMS, CSSC Peric, FORTESCUE FUTURE INDUSTRIES, TOYOTA, HOELLER, SIEMENS, Cummins, BOSCH, ANDRITZ, SCHAEFFLER, plug, FUSION-FUEL™, coort energy, elogen, Sumitomo, HYUNDAI, 国家电投 SPIC, and LARSEN & TOUBRO.

## Significant, modular capacity expansion in line with customer commitments

### Expected production capacity expansion...



### ...backed by long-term customer contracts

- Positioned with customers as **strongest and most reliable of partners**
- Flexibility to support their growth timely with **modular footprint and ability to adjust** as conditions warrant
- Moving through experience curve faster than competition **driving down costs**

# Agenda

01

Focus on Energy  
Transition

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02

The Hydrogen  
Opportunity

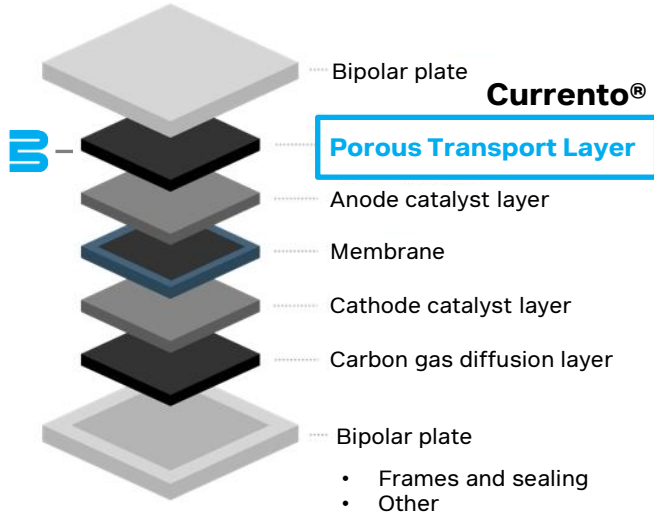
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03

**Further expansion  
potential**

# From a component supplier in PEM towards market maker by providing solutions in multiple electrolyzer technologies

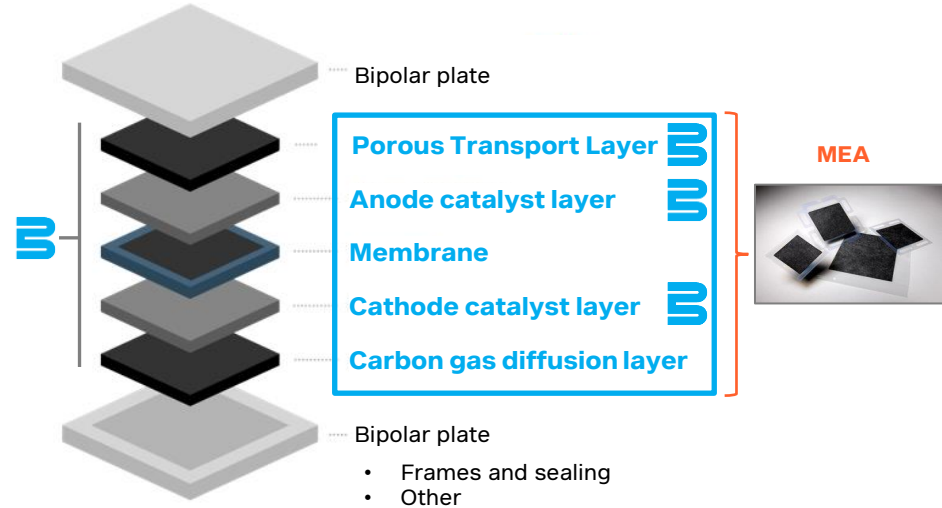
Today: 2030 estimated addressable market €0.5bn



## Electrolysis technologies



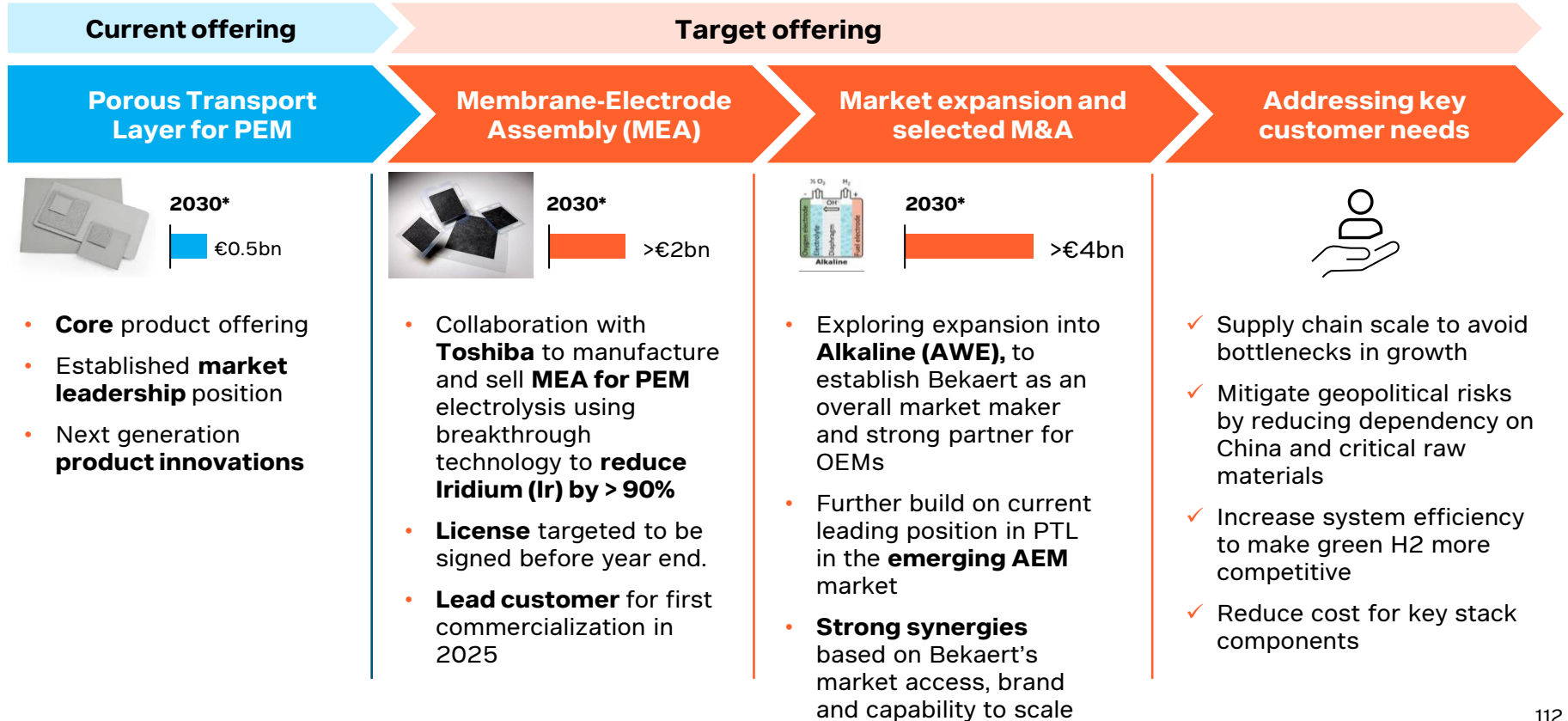
Future: 2030 estimated addressable market >€4bn



## Electrolysis technologies



# Expanding our offering towards MEA (50% value stack) and exploring expansion in AEM & AWE



\*Estimated Addressable Market by 2030



## Hydrogen segment growth will bring a significant contribution to Bekaert



### Highly attractive market

Bekaert focuses on most critical components in the electrolysis market doubling sales YOY



### Leadership position

Bekaert has 20y+ history and expertise being spec'd in with most leading OEMs having strong partnerships with key players



### Well developed ramp-up Strategy

Only player able to guarantee global scaling at market pace, mitigating risk with modular approach



### Market expansion potential

Leveraging of expertise and global footprint will enable growth in electrolyzer technologies beyond PEM

# Financial Strength to Support Growth and Returns

## Capital Markets Day Presentation

7 December 2023



**Taoufiq Boussaid**

Chief Financial Officer

## Financial strength to support growth and returns

### Track record of improved financial performance



- Structurally improved EBITu margin up c300bps (2019-2023) in challenging environments
- Significantly improved cash flow delivery and working capital management
- Resilient sales performance through dynamic pricing strategy and active product portfolio management

### Strong balance sheet enabling flexibility for growth and shareholder returns



- Low leverage<sup>1</sup> at 0.6x
- Significant liquidity and balanced debt maturity
- Enabling organic and inorganic investment
- Delivering growing dividends and material share buybacks



### Compelling financial profile in years to come

- Mid-term sales growth of +5% per year, EBITu margin progress and cashflow generation
- Supporting further attractive shareholder returns

<sup>1</sup> H1 2023 leverage (Net debt / EBITDAu) pro-forma for SWS divestments in Chile and Peru

# Agenda

01

**Material financial  
transformation achieved**

---

02

Balance sheet strength and  
focused capital allocation  
policy

---

03

Ambitious financial targets

## Transformed financial performance

### Sales growth

**+3%**

**c€4.3bn**

CAGR 2019-2023<sup>1</sup>

2023 sales

### EBITu growth

**+14%**

**c€365-375m**

CAGR 2019-  
2023<sup>1</sup>

2023 EBITu

### EBITu margin improvement

**+300bps**

**c8.5-8.7%**

2019 vs 2023<sup>1</sup>

2023 EBITu margin

### Net leverage<sup>2</sup> reduction

**-1.5x**

**0.6x**

2019 vs H1 2023<sup>2</sup>

H1 2023 leverage

### Working capital / sales

**-300bps**

**c15%**

2019 vs 2023

2023 Working capital / sales

### Total shareholder return (TSR)

**+137%**

**TSR**

2019 vs 2023<sup>3</sup>

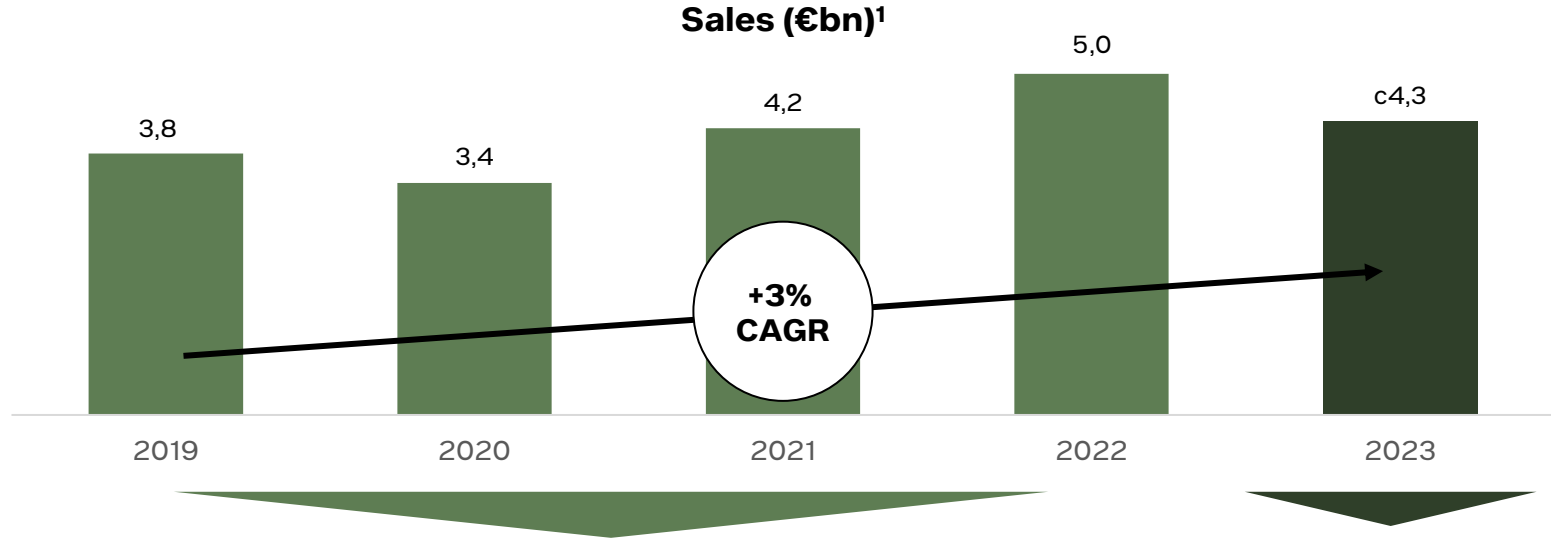
Share price growth & dividends

<sup>1</sup> Like-for-like 2019 vs 2023 comparison excluding the SWS disposed entities in Chile and Peru

<sup>2</sup> H1 2023 leverage (Net debt / EBITDAu) pro-forma adjusted for the SWS divestments in Chile and Peru

<sup>3</sup> TSR calculated from January 2019 to 30 November 2023

# Resilient performance through economic and geo-political challenges



Resilience demonstrating benefits from strategic transformation

- ↑ Strong focus on **price and product mix**
- ↑ Accelerating **innovation and sustainability**

- ↓ Offsetting lower volumes in 2020 and 2022
- ↓ Geopolitical events, lockdowns

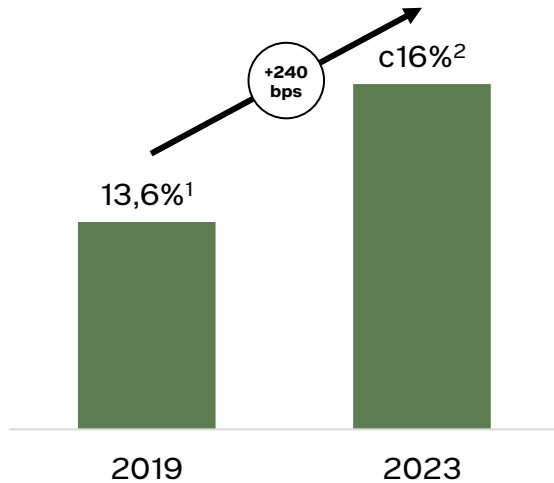
Stronger product portfolio improves pricing power

- ↑ **Positive price-mix** despite challenging end-markets
- ↓ Reversal of RM cost inflation and energy surcharges

<sup>1</sup> Excluding SWS divestments in Chile & Peru

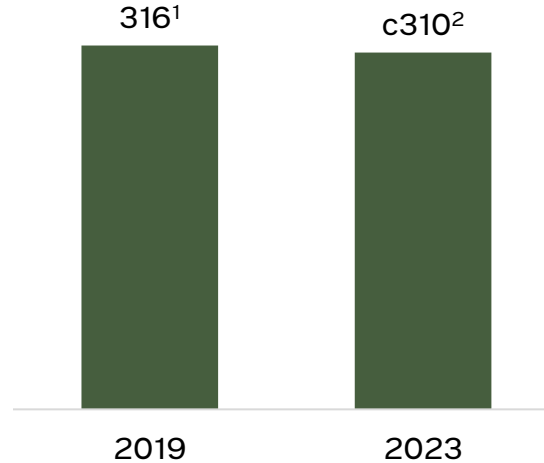
# Cost base fundamentally improved leading to sustainably higher margins with further focus on improvement opportunities

## Gross profit margin



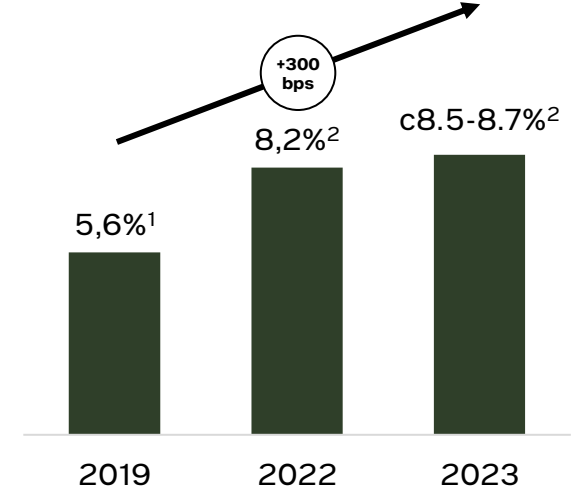
- Improved pricing power from better product portfolio mix
- Production improvements, efficiency and procurement gains
- Footprint rationalization

## SG&A<sup>3</sup> (€m)



- Tightly managed SG&A despite inflation while building capabilities
- SWS disposal reduced SG&A

## EBITu margin



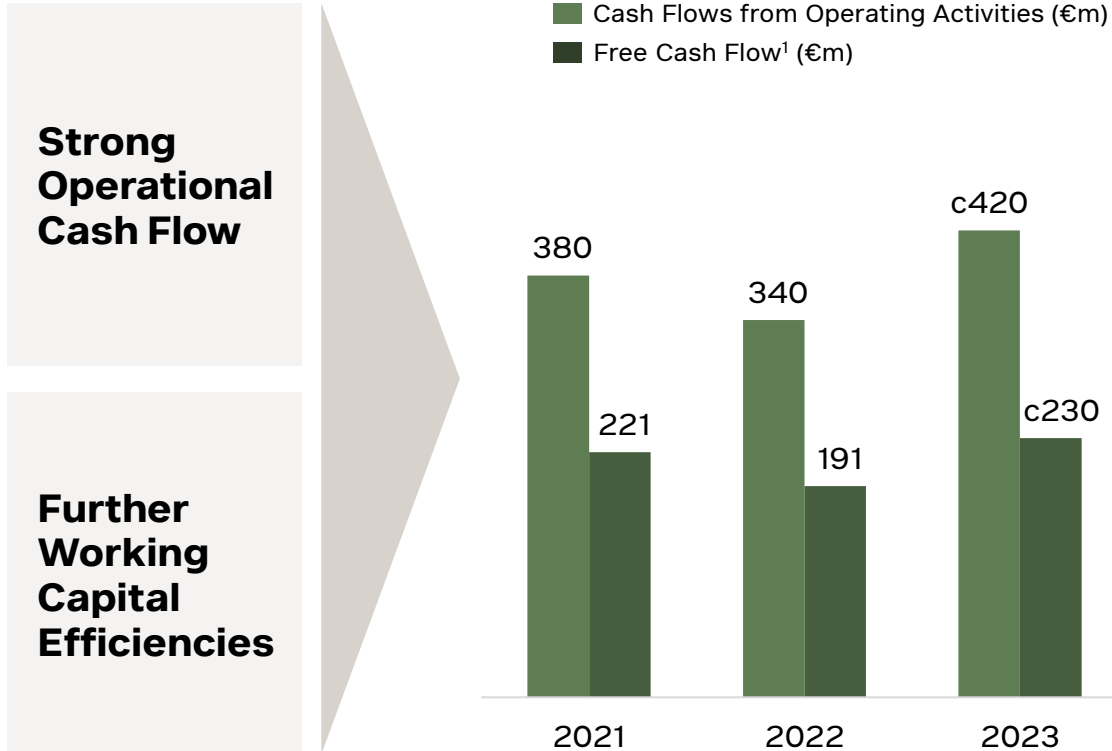
- Fundamental and sustainable improvement in EBITu margin c300bps (2019-2023)
- 2023: Improvement in margin despite significant revenue reduction vs 2022 (+40bps)

<sup>1</sup> 2019 figures include the now disposed SWS entities in Chile and Peru

<sup>2</sup> 2022 & 2023 figures exclude the disposed SWS entities in Chile and Peru

<sup>3</sup> SG&A = Selling expenses + administrative expenses

## Consistent and sustainable cash flow generation



### Sustainable future drivers of cash flow

- ✓ Continued working capital management
- ✓ Capital allocation discipline
- ✓ Further margin enhancement
- ✓ Price and mix improvements

### FCF¹ of c€230m in 2023

- ✓ Funding SBB, growing dividend and selective bolt-on M&A

¹ Free Cash Flow = Cash Flows from Operating Activities - capex + dividends received (including JVs) - net interest paid



# Agenda

01

Material financial  
transformation achieved

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02

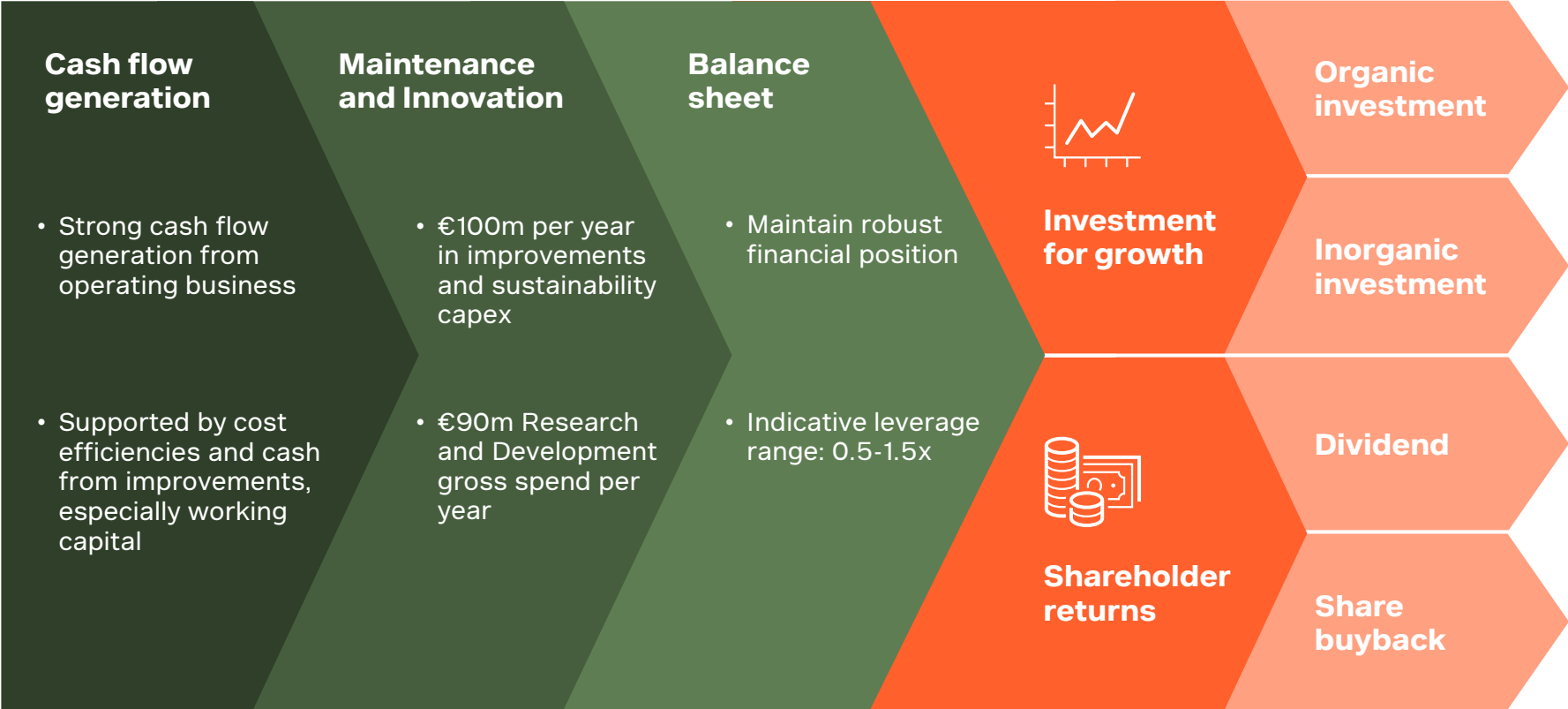
**Balance sheet strength  
and focused capital  
allocation policy**

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03

Ambitious financial targets

# Strategic capital allocation policy enabling both investment for growth and shareholder returns



## Robust balance sheet with low leverage, significant liquidity, and extended maturity profile provides strategic flexibility

Cash and Equivalents <sup>1</sup>	<b>€473m</b>
Total Liquidity <sup>2</sup>	<b>€763m</b>
% of Fixed Rate Debt <sup>4</sup>	<b>98%</b>
% Average cost of Fixed Rate Debt <sup>4</sup>	<b>c2%</b>
Current Leverage <sup>3</sup>	<b>0.6x</b>
Indicative Leverage Range	<b>0.5-1.5x</b>

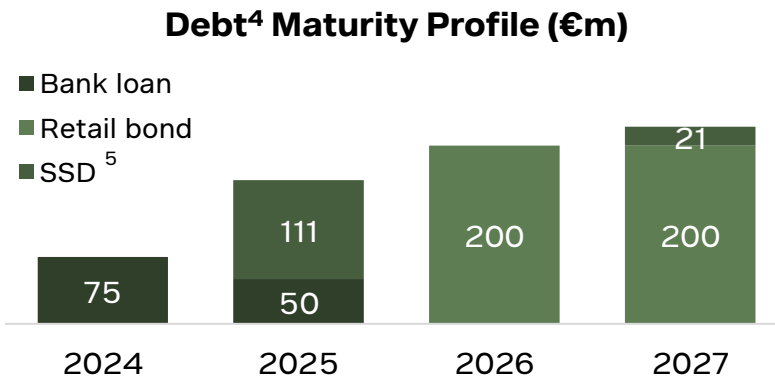
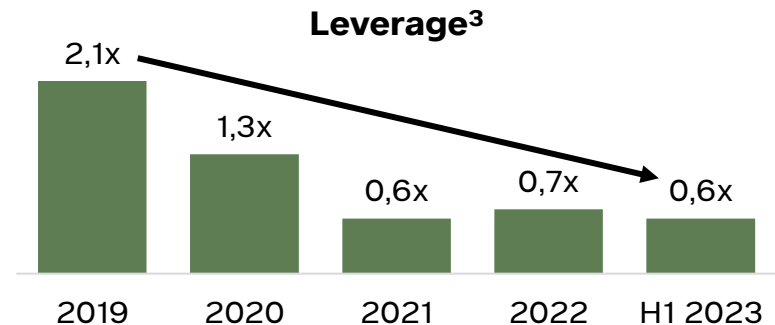
<sup>1</sup> H1 2023 cash and cash equivalents plus net proceeds from SWS disposal

<sup>2</sup> Total Liquidity = Cash and Cash Equivalents<sup>1</sup> + undrawn RCF (€290m)

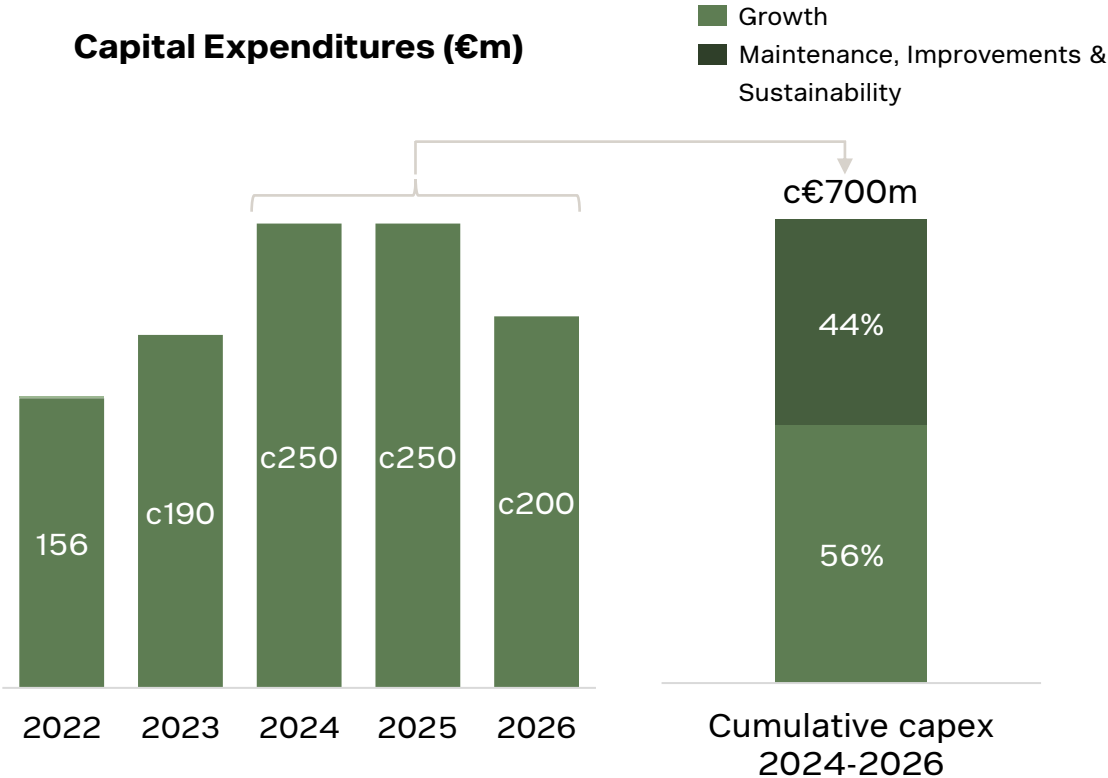
<sup>3</sup> Leverage = Net Debt / EBITDAu. Pro forma H1 2023 leverage includes impact of SWS disposal

<sup>4</sup> Non-current interest-bearing debt

<sup>5</sup> SSD: Schuldschein



# Capex expenditure to support strategy



## Value driven capital allocation

- Accelerated investments around growth areas
- Cumulative growth capex figures (2024-2026):

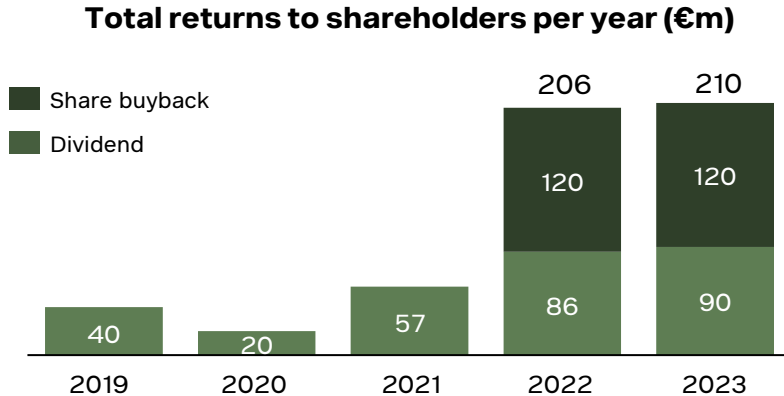
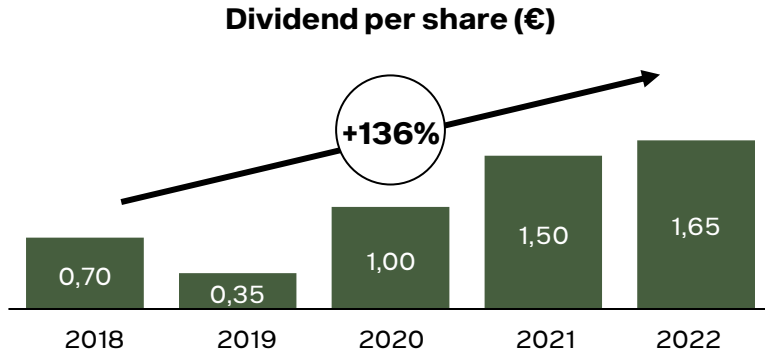


- Capex intensity to normalize 2026 onwards

**Total gross R&D investment c€270m<sup>1</sup> (2024-2026)**

<sup>1</sup> Gross Group R&D costs is before deduction of R&D incentives

## Commitment to growing shareholder returns



### Dividend grown materially in recent years

- +50% 2021 vs. 2020
- +10% 2022 vs. 2021

### Progressive, long-term dividend policy

### €240m share buyback program to date

### Future buybacks, subject to prevailing:

- Cash and leverage levels
- Business performance and outlook
- Available investment opportunities (M&A and organic)
- Share price and valuation

## Clear M&A acquisition criteria, experienced team, and well-developed pipeline to ensure strategic impact and financial returns



### End-market focus

- High-growth markets, supported by key megatrends
- Innovation and technology oriented market segments with high added value products
- Adjacent, synergistic market segments
- Strong potential to secure market leading position



### Target investment criteria

#### Business Characteristics:

- Industry leadership
- Strong track record
- Customer-centric with a digital aspect
- Leveraging Bekaert's platform to create direct synergies

#### Financial and ESG Criteria:

- >15% EBITu margin and >20% ROCEu incl. synergies
- Consistent earnings growth and minimal volatility
- Strong ESG performance



### Key success factors for M&A

- Experienced in-house M&A team
- Tailored inorganic strategy in-line with BUs
- Diligent synergy assessment to gauge impact
- Maximizing existing market positions and asset bases
- ESG assessment as a cornerstone of evaluation
- Seamless integration from identification through execution

We consider both strategic acquisitions and smaller tactical investments with a focus on innovation and technology

## Strategic Acquisitions



**VisionTek**

**FLINTSTONE**

- Size: up to €300m; control position
- Acquire **leading technologies and position(s)** in desired end-markets to accelerate our growth platforms
- Provide **direct synergies** and immediate value contribution to Bekaert

## Tactical Investments



- Size: €1m-€10m; minority positions
- **Helping to build** Bekaert's position in a particular market
- Usually **earlier stage** technologies or companies, with high potential for growth
- Often together with **commercial** or joint **technology development** agreements
- **Influence** but not control, Board representation, "soft" path to future control

# Agenda

01

Material financial  
transformation achieved

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02

Balance sheet strength and  
focused capital allocation  
policy

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03

**Ambitious financial targets**



## History of setting and achieving EBITu margin targets

**7%**

- Set in 2018
- Achieved FY 2020 (7.2%)



**8-10%**

- Set in May 2021
- Achieved FY 2022 (8.1%)



**9-11%**

- Set in July 2021
- Good progress in FY 2023 (c8.5-8.7%)



### Near-term financial guidance

#### 2023

- Revenues: c€4.3bn
- EBITu Margin: c8.5-8.7%

Our mid-term targets

>5%



**Mid-term  
Annual sales  
growth rate<sup>1</sup>**

>10%



**2026  
EBITu  
margin**

>20%



**2026  
ROCEu**







>50%



**2026  
Sales from  
sustainable  
solutions**

<sup>1</sup> Assuming constant raw material pricing and currency exchange rates

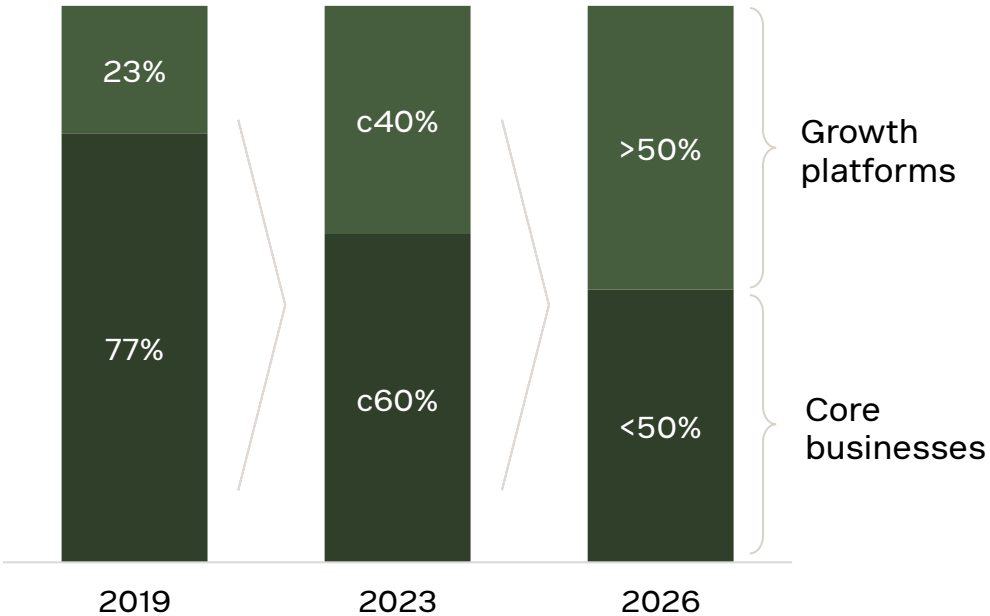
# Our mid-term targets by segment

		Mid-term Annual sales growth <sup>1</sup>	2026 EBITu margin <sup>2</sup>	2026 ROCEu	2026 Sales from sustainable solutions
Core businesses	 <b>Group</b>	>5%	>10%	>20%	>50%
	 <b>Tire Reinforcement</b>	1-2%	>9%	>18%	
	 <b>Steel Wire Solutions</b>				
Growth platforms	 <b>BBRG - Advanced Lifting &amp; Mooring</b>				
	 <b>SpB - Energy Transition</b>	>10%	>15%	>25%	
	 <b>SpB - Construction Decarbonization</b>				

<sup>1</sup> Assuming constant raw material pricing and currency exchange rates  
<sup>2</sup> EBITu margins for segments do not include unallocated overhead costs (Group and business support costs)

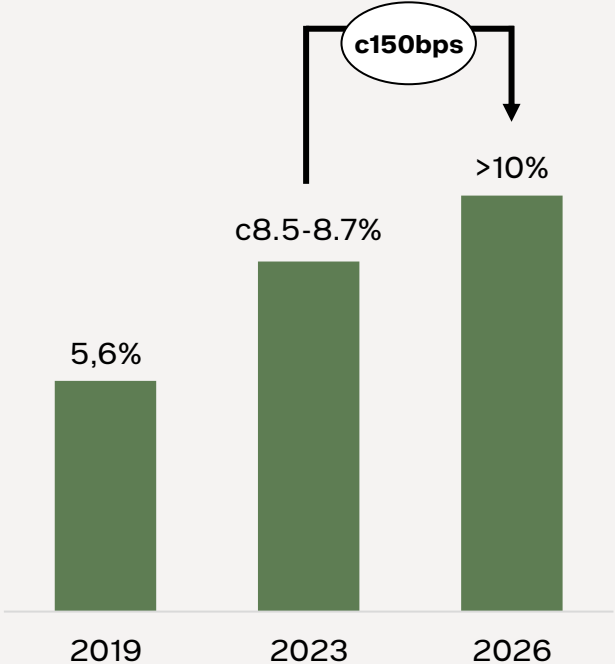
# Margin targets underpinned by the improvement of our business mix

>50% of EBITu from growth platforms by 2026



EBITu breakdown by segment

Significantly improving Group margin



Group EBITu margin

## Key takeaways



### **Track record of financial performance**

- Structurally improved margin
- Significantly improved cash flow generation and working capital management
- Low leverage at 0.6x
- Resilient sales performance



### **Strong balance sheet enabling flexibility for growth and returns**

- Enabling organic and inorganic investment
- Delivering growing dividends and material SBBs
- Clear capital allocation strategy



### **Compelling financial profile**

- Mid-term sales growth of >5%
- Further EBITu margin progress
- Strong cashflow conversion
- Supporting attractive future shareholder returns

