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First Quarter Trading Update 2020

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Q1 2020 Highlights

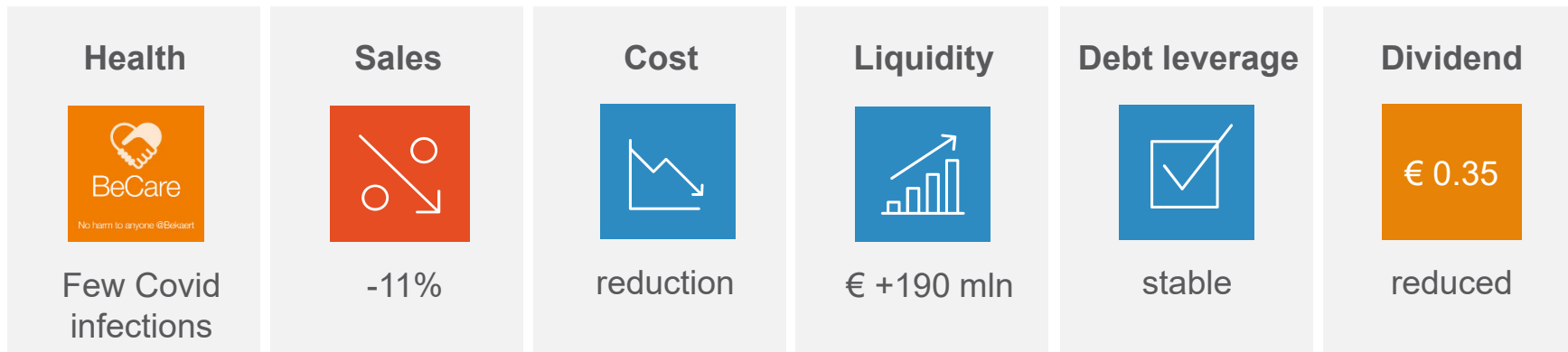
Strong Q1 performance
positions Bekaert well to
confront the crisis

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Highlights

- Comprehensive measures to safeguard employees, with a limited number of Covid-19 infections
- Sales down -11% due to government-mandated lockdowns and global tire & automotive demand decline
- Effective cost reduction measures in place
- Liquidity more than € 190 million up on year-end 2019 to over € 750 million euro
- Debt leverage stable from year-end 2019 at 2.1x underlying EBITDA
- Gross dividend proposal of € 0.35 with payment postponed to 20 November 2020



Market developments in the first quarter of 2020

- Demand from **tire and automotive markets**
 - hit hard in China due to the outbreak of Covid-19, with a rebound in domestic sales in March. Increasing impact on export-oriented Chinese tire makers.
 - severely affected in the rest of the world:
 - 25% drop in car production
 - reduced road traffic due to lockdowns and homeworking
 - large-scale temporary plant shutdowns in the tire and automotive industry, particularly in Europe and in the US
- **Construction markets**
 - held up relatively well in the first quarter of 2020, with the exception of:
 - some delays in reopening construction sites
 - effects of government-mandated lockdowns in Latin America
- Demand from **agriculture, utility, and mining markets**
 - strong across the quarter
 - currently appear to be less affected by the Covid-19 pandemic

Impact on the Bekaert operations in Q1 2020: 3 February 2020



Closed on government decision	Partially operational (below 80% utilization)
Closed on company decision	Fully operational (above 80% utilization)



Impact on the Bekaert operations in Q1 2020: 31 March 2020



8 work streams

Governance
& Coordination



Health
& Safety



Sales & Operations
Planning



Procurement



Communication



Liquidity Mgt
& Cost Actions



Emerging from
the Crisis



Way of Working
in the New Normal



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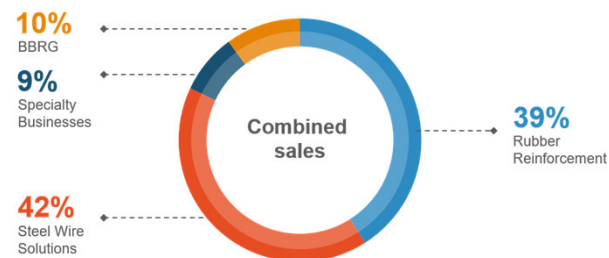
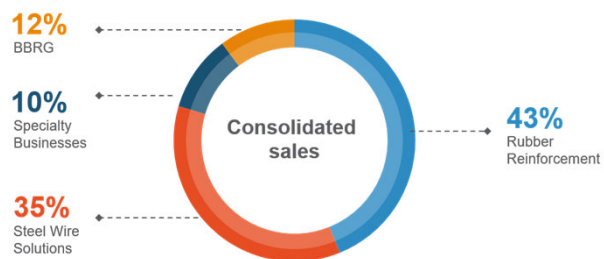
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Bekaert's priorities and actions in the first quarter of 2020

- **Health and Safety** of our employees
- **Customer centricity:**
 - close contact with our customers
 - understand their current and future needs
 - support them in every possible way
- **Managing liquidity and cost**
 - mitigate as far as possible the impact of the pandemic on our business

First Quarter 2020 Sales

Consolidated sales	2019	2020	Share	Variance	Organic	FX
Rubber Reinforcement	502	417	43%	-17%	-18%	+1%
Steel Wire Solutions	376	345	35%	-8%	-6%	-3%
Specialty Businesses	97	98	10%	+1%	+1%	-
BBRG	117	115	12%	-2%	-1%	-1%
Group	2	2	-	-	-	-
Total	1 094	977	100%	-11%	-10%	-1%
Combined third party sales	1 294	1 154	100%	-11%	-8%	-3%



Working capital: key figures

(in mio €)	March 2019	Year-end 2019	March 2020
Inventories	970	783	785
Accounts receivable	939	721	696
Accounts payable	(853)	(805)	(747)
Working capital	1 055	699	734

Liquidity position and balance sheet structure

Actions 2019:

- significant delivery in reducing costs
- effective restructuring measures
- successful profit restoration programs
- tight control on working capital and CAPEX

Result of 2019 actions:

- ✓ Margin improvement
- ✓ net debt on underlying EBITDA of 2.1
- ✓ Average working capital on sales of 18.2%

Additional actions 2020:

- dividend reduction to € 0.35 gross
- 2020 Board fee reduction by 10%
- temporary salary reduction by 10% for the Executive and Senior leadership team
- temporary reduction of working hours worldwide
- Drawdown of € 190 million on committed credit lines

Result of our actions:

- ✓ € 750 million immediate cash-on-hand
- ✓ net debt on underlying EBITDA of 2.1
- ✓ Average working capital on sales of 18.4%



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Outlook

Global perspective: baseline scenario

Baseline scenario

	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
GDP	100	97	93	96	99	101	102	103	104
Iron & steel	100	95	91	94	96	98	99	99	99
Motor vehicles	100	91	71	81	91	98	100	102	103
Motor vehicle bodies & parts	100	87	76	84	91	96	98	100	101
Rubber & plastics	100	94	88	92	95	97	99	100	101
Construction	100	99	93	95	97	100	101	101	102
Agriculture, forestry & fisheries	100	95	96	99	100	101	101	102	102
Consumer goods	100	94	93	97	99	101	103	103	104
Extraction: Oil & natural gas	100	99	98	98	98	98	98	98	98
Extraction: Coal & lignite mining	100	95	100	101	101	101	102	102	102
Utilities	100	97	96	98	100	101	102	103	103

Source: 'Oxford Economics' Corona Watch Reports

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Global perspective: worst-case scenario

Coronavirus (worst-case) scenario

	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
GDP	100	96	88	85	87	90	91	94	95
Iron & steel	100	93	88	90	90	91	90	89	89
Motor vehicles	100	87	66	71	77	83	85	86	87
Motor vehicle bodies & parts	100	85	73	77	81	84	86	86	87
Rubber & plastics	100	91	84	87	88	89	90	90	90
Construction	100	95	88	87	87	88	88	88	88
Agriculture, forestry & fisheries	100	93	95	97	98	99	99	100	100
Consumer goods	100	92	89	91	93	94	94	94	94
Extraction: Oil & natural gas	100	95	92	92	92	92	92	92	91
Extraction: Coal & lignite mining	100	94	99	100	99	98	97	96	95
Utilities	100	95	92	92	91	92	93	93	93

Source: 'Oxford Economics' Corona Watch Reports

Outlook

- We project Q2 sales to markedly decline in different sectors that are relevant to us. While the magnitude of the impact of the Covid-19 pandemic on the global economy has become visible, its duration remains highly uncertain. We therefore have no visibility on a full-year impact in our markets and on our business.
- Bekaert continues to apply strict control on costs, working capital and capital expenditure.
- The actions implemented in 2019 and in the first quarter of 2020 have made us stronger and more resilient to cope with severe challenges. We are convinced that our strong liquidity position, combined with other measures we have implemented and continue to implement, puts us in the right position to weather the crisis.

Board Appointments



Henriette Fenger Ellekrog

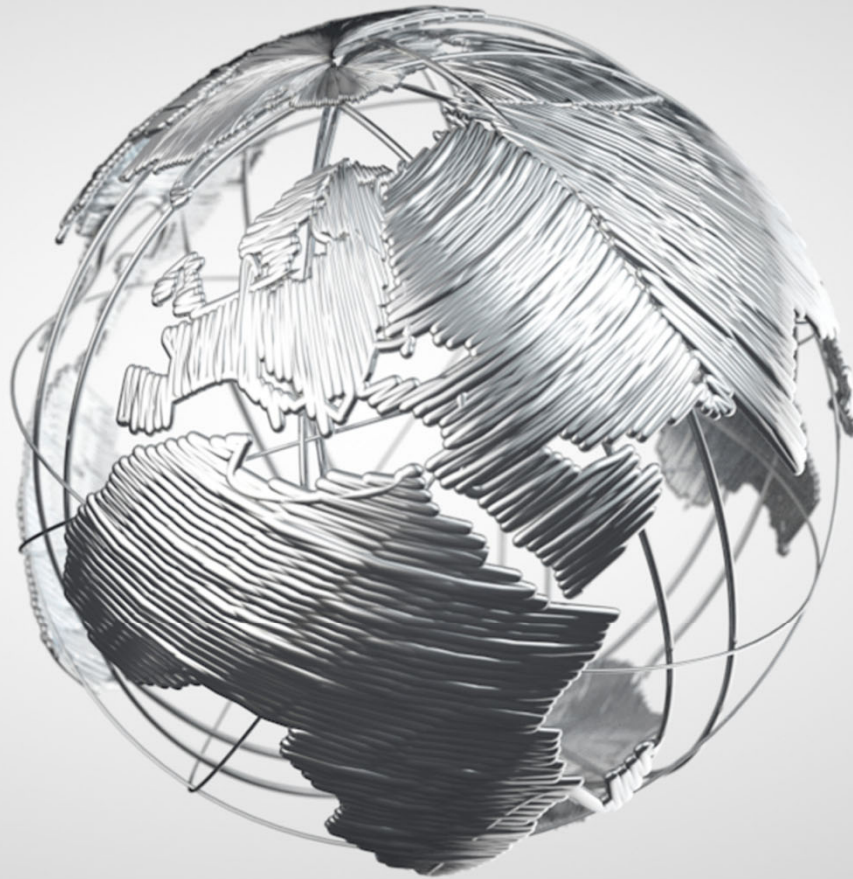


Eriikka Söderström



Q&A

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