

Press release

Regulated information – Inside information

Press - Investors

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Bekaert confirms underlying performance outlook but write-offs will pull results below guidance

Bekaert confirms underlying performance during the second half of 2018 in line with the outlook provided, recognizing the impact of improvement actions taken across the business.

The Bridon-Bekaert Ropes Group (BBRG) is showing improvement in underlying performance; however, we will be making a series of adjustments without cash impact (including pension plan adjustments and obsolete stock write-offs) totaling around €15 million. These adjustments will bring the total Bekaert performance for the second half below that achieved in the first half, and therefore below guidance.

Excluding these corrections, underlying EBIT for the Group in the second half would have been above that achieved in the first half.

One-off elements

As previously reported, a variety of actions have taken place, or are in the course of implementation to turn around the profitability of weaker performing businesses or to cease certain operations. These measures include restructuring and impairment costs which will be classified as one-off elements in the reported EBIT of 2018.

These include impairment and lay-off costs related to: the plant closings of Figline Valdarno in Italy and the Dramix® plant in Costa Rica; the restructuring measures in: Bekaert Bradford, UK; Bekaert Ipoh Malaysia; and Bridon-Bekaert Ropes Group Brazil; and impairment of assets (including the loose abrasive production equipment of sawing wire). These one-off costs have been partly offset by the sale of land and buildings related to the earlier plant closings in Shah Alam, Malaysia and Huizhou, China. The total net amount of these measures will be around €70 million for the full year 2018.

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Profile

Bekaert (www.bekaert.com) is a world market and technology leader in steel wire transformation and coating technologies. We pursue to be the preferred supplier for our steel wire products and solutions by continuously delivering superior value to our customers worldwide. Bekaert (Euronext Brussels: BEKB) is a global company with 30 000 employees worldwide, headquarters in Belgium and € 4.8 billion in combined revenue.