

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

in thousands of € - Year ended 31 December	Notes	2017	2018
Sales	5.1.	4 098 247	4 305 269
Cost of sales	5.2.	-3 396 431	-3 778 660
Gross profit	5.2.	701 816	526 609
Selling expenses	5.2.	-180 100	-179 651
Administrative expenses	5.2.	-164 411	-167 346
Research and development expenses	5.2.	-62 670	-65 368
Other operating revenues	5.2.	48 863	72 578
Other operating expenses	5.2.	-25 436	-39 942
Operating result (EBIT)	5.2.	318 062	146 880
of which			
EBIT - Underlying	5.2. / 5.3.	301 095	210 140
One-off items	5.2.	16 967	-63 260
Interest income	5.4.	3 117	3 035
Interest expense	5.4.	-89 852	-87 990
Other financial income and expenses	5.5.	-6 408	-25 547
Result before taxes		224 919	36 378
Income taxes	5.6.	-69 276	-58 465
Result after taxes (consolidated companies)		155 643	-22 087
Share in the results of joint ventures and associates	5.7.	26 857	24 875
RESULT FOR THE PERIOD		182 500	2 788
Attributable to			
<i>equity holders of Bekaert</i>		184 720	39 768
<i>non-controlling interests</i>	6.14.	-2 220	-36 980

The accompanying notes are an integral part of this income statement.

Earnings per share in € per share	5.8.	2017	2018
Result for the period attributable to equity holders of Bekaert			
<i>Basic</i>		3.255	0.704
<i>Diluted</i> ¹	2.8.	2.742	0.507

¹ Diluted earnings per share have been restated for 2017 (see note 2.8. 'Restatement and reclassification effects').

Consolidated statement of comprehensive income

in thousands of € - Year ended 31 December	Notes	2017	2018
Result for the period		182 500	2 788
Other comprehensive income (OCI)	6.13.		
<i>Other comprehensive income reclassifiable to income statement in subsequent periods</i>			
Exchange differences			
Exchange differences arising during the year on subsidiaries		-107 368	-22 628
Exchange differences arising during the year on joint ventures and associates		-23 460	-13 696
Reclassification adjustments relating to entity disposals or step acquisitions		6 895	599
Inflation adjustments		2 032	2 535
Cash flow hedges			
Fair value changes to hedging instruments		101	-
Reclassification adjustments for amounts recognized in income statement		-348	475
Available-for-sale investments			
Net fair value gain on available-for-sale investments during the year		-1 389	-
Deferred taxes relating to reclassifiable OCI	6.6.	-75	-76
OCI reclassifiable to income statement in subsequent periods, after tax		-123 612	-32 791
<i>Other comprehensive income non-reclassifiable to income statement in subsequent periods</i>			
Remeasurement gains and losses on defined-benefit plans		15 089	-1 387
Net fair value gain (+) / loss (-) on investments in equity instruments designated as at fair value through OCI		-	-5 311
Share of non-reclassifiable OCI of joint ventures and associates		16	21
Deferred taxes relating to non-reclassifiable OCI	6.6.	-1 176	-3 707
OCI non-reclassifiable to income statement in subsequent periods, after tax		13 929	-10 384
Other comprehensive income for the period		-109 683	-43 175
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		72 817	-40 387
Attributable to			
equity holders of Bekaert		87 481	-79
non-controlling interests	6.14.	-14 664	-40 308

The accompanying notes are an integral part of this statement of comprehensive income.

Consolidated balance sheet

Assets as at 31 December

in thousands of €

	Notes	2017	2018
Intangible assets	6.1.	125 217	114 502
Goodwill	6.2.	149 895	149 255
Property, plant and equipment	6.3.	1 501 028	1 459 449
Investments in joint ventures and associates	6.4.	165 424	153 671
Other non-current assets	6.5.	41 944	34 279
Deferred tax assets	6.6.	140 717	138 403
Non-current assets		2 124 225	2 049 559
Inventories	6.7.	779 581	931 808
Bills of exchange received	6.7.	55 633	57 727
Trade receivables	6.7.	836 809	772 731
Other receivables	6.8. / 6.20.	126 876	130 379
Short-term deposits	6.9.	50 406	50 036
Cash and cash equivalents	6.9.	418 779	398 273
Other current assets	6.10.	44 329	58 430
Assets classified as held for sale	6.11.	8 093	546
Current assets		2 320 506	2 399 930
Total		4 444 731	4 449 489

Equity and liabilities as at 31 December in thousands of €	Notes	2017	2018
Share capital	6.12.	177 690	177 793
Share premium		37 278	37 751
Retained earnings	6.13.	1 529 268	1 484 600
Treasury shares	6.13.	-103 038	-108 843
Other Group reserves	6.13.	-153 543	-194 370
Equity attributable to equity holders of Bekaert		1 487 655	1 396 931
Non-controlling interests	6.14.	95 381	119 071
Equity		1 583 036	1 516 002
Employee benefit obligations	6.15.	150 810	141 550
Provisions	6.16.	46 074	29 031
Interest-bearing debt	6.17.	1 180 347	686 665
Other non-current liabilities	6.18.	27 121	11 402
Deferred tax liabilities	6.6.	44 382	37 892
Non-current liabilities		1 448 734	906 540
Interest-bearing debt	6.17.	454 401	942 041
Trade payables	6.7.	665 196	778 438
Employee benefit obligations	6.7. / 6.15.	130 204	118 427
Provisions	6.16.	9 181	37 194
Income taxes payable	6.20.	91 597	88 128
Other current liabilities	6.19.	62 382	62 634
Liabilities associated with assets classified as held for sale	6.11.	-	85
Current liabilities		1 412 961	2 026 947
Total		4 444 731	4 449 489

The accompanying notes are an integral part of this balance sheet.

Consolidated statement of changes in equity

Attributable to equity holders of Bekaert ¹

in thousands of €	Share capital	Share premium	Retained earnings	Treasury shares	Cumulative translation adjustments	Hedging reserve
Balance as at						
1 January 2017	177 612	36 594	1 432 394	-127 974	4 286	-148
Result for the period	-	-	184 720	-	-	-
Other comprehensive income	-	-	2 363	-	-107 637	-148
Capital contribution by non-controlling interests	-	-	-	-	-	-
Effect of partial disposal of Bekaert Sumaré	-	-	2 432	-	-2 396	-
Effect of NCI purchase	-	-	-18 200	-	17	-
Effect of NCI sale	-	-	4 191	-	96	-
Effect of other changes in Group structure	-	-	-235	-	-89	-
Equity-settled share-based payment plans	-	-	5 003	-	-	-
Creation of new shares	78	684	-	-	-	-
Treasury shares transactions	-	-	-20 959	24 937	-	-
Dividends	-	-	-62 441	-	-	-
Balance as at						
31 December 2017	177 690	37 278	1 529 268	-103 037	-105 723	-296
Balance as at						
1 January 2018 (as previously reported)	177 690	37 278	1 529 268	-103 037	-105 723	-296
Restatements ³	-	-	7 655	-	-	-
1 January 2018 (restated)	177 690	37 278	1 536 923	-103 037	-105 723	-296
Result for the period	-	-	39 768	-	-	-
Other comprehensive income	-	-	2 827	-	-31 049	296
Capital contribution by non-controlling interests	-	-	-	-	-	-
Effect of NCI purchase in BBRG ⁴	-	-	-33 668	-	6 410	-
Effect of other changes in Group structure	-	-	-221	-	260	-
Equity-settled share-based payment plans	-	-	6 599	-	-	-
Creation of new shares	103	473	-	-	-	-
Treasury shares transactions	-	-	-5 475	-5 806	-	-
Dividends	-	-	-62 153	-	-	-
Balance as at						
31 December 2018	177 793	37 751	1 484 600	-108 843	-130 102	-

¹ See note 6.13. 'Retained earnings and other Group reserves'.

² See note 6.14. 'Non-controlling interests'.

³ See note 2.8. 'Restatement and reclassification effects'.

⁴ In October 2018, the Group acquired the remaining 40% non-controlling interests in BBRG for a consideration of € 7.7 million. As part of the transaction, the seller, Ontario Teachers' Pension Plan, converted a shareholders' loan with a nominal amount of € 60.9 million into capital. The carrying amount of this loan constituted a gain in equity of € 52.6 million.

The accompanying notes are an integral part of this statement of changes in equity.

Attributable to equity holders of Bekaert ¹

Revaluation reserve for non-consolidated equity investments	Remeasurement reserve for DB plans	Deferred tax reserve	NCI put option reserve	Total	Non-controlling interests ²	Total equity
2 446	-80 743	30 832	-8 207	1 467 092	130 801	1 597 893
-	-	-	-	184 720	-2 220	182 500
-1 389	10 095	-524	1	-97 239	-12 444	-109 683
-	-	-	-	-	9 870	9 870
-	-35	-1	-	-	-	-
-	-	-	-	-18 183	1 163	-17 020
-	-	-	-	4 287	-4 287	-
-	-	-	-	-324	324	-
-	-	-	-	5 003	123	5 126
-	-	-	-	762	-	762
-	-	-	-	3 978	-	3 978
-	-	-	-	-62 441	-27 949	-90 390
1 057	-70 683	30 307	-8 206	1 487 655	95 381	1 583 036
1 057	-70 683	30 307	-8 206	1 487 655	95 381	1 583 036
-10 240	-	-	-	-2 585	-	-2 585
-9 183	-70 683	30 307	-8 206	1 485 070	95 381	1 580 451
-	-	-	-	39 768	-36 980	2 788
-5 306	-3 988	-2 627	-	-39 847	-3 328	-43 175
-	-	-	-	-	71	71
-	6 404	-986	-	-21 840	66 754	44 914
-	-	-	-	39	-39	-
-	-	-	-	6 599	93	6 692
-	-	-	-	576	-	576
-	-	-	-	-11 281	-	-11 281
-	-	-	-	-62 153	-2 881	-65 034
-14 489	-68 267	26 694	-8 206	1 396 931	119 071	1 516 002

Consolidated cash flow statement

in thousands of € - Year ended 31 December	Notes	2017	2018
Operating activities			
Operating result (EBIT)	5.2. / 5.3.	318 062	146 880
Non-cash items included in operating result	7.1.	191 588	268 272
Investing items included in operating result	7.1.	-16 194	-31 261
Amounts used on provisions and employee benefit obligations	7.1.	-50 098	-36 371
Income taxes paid	5.6. / 7.1.	-87 059	-68 972
Gross cash flows from operating activities		356 299	278 548
Change in operating working capital	6.7.	-109 544	-28 948
Other operating cash flows	7.1.	-2 609	-5 880
Cash flows from operating activities		244 146	243 720
Investing activities			
Other portfolio investments	7.1. / 2.8.	-342	-411
Proceeds from disposals of investments	7.2.	37 596	2 835
Dividends received	6.4.	28 615	24 113
Purchase of intangible assets	6.1. / 7.2.	-3 853	-3 698
Purchase of property, plant and equipment	6.3.	-272 666	-181 302
Proceeds from disposals of fixed assets	7.1.	1 404	56 088
Cash flows from investing activities		-209 246	-102 375
Financing activities			
Interest received	5.4.	3 284	3 204
Interest paid	5.4.	-60 066	-63 995
Gross dividend paid to shareholders of NV Bekaert SA		-62 441	-62 153
Gross dividend paid to non-controlling interests		-27 722	-2 440
Proceeds from long-term interest-bearing debt	6.17.	179 274	468 356
Repayment of long-term interest-bearing debt	6.17.	-29 829	-408 782
Cash flows from / to (-) short-term interest-bearing debt	6.17.	69 629	-62 590
Treasury shares transactions	6.13.	3 978	-11 280
Sales and purchases of NCI	7.1. / 2.8.	-17 020	-7 379
Other financing cash flows	7.1.	-28 916	-10 234
Cash flows from financing activities		30 171	-157 293
Net increase or decrease (-) in cash and cash equivalents		65 071	-15 948
Cash and cash equivalents at the beginning of the period		365 546	418 779
Effect of exchange rate fluctuations		-20 079	-4 558
Cash and cash equivalents reclassified as held for sale	6.11.	8 241	-
Cash and cash equivalents at the end of the period		418 779	398 273

The accompanying notes are an integral part of this cash flow statement. Note 2.8. 'Restatement and reclassification effects' refers to the restatement effects in the cash flow statement.