

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

in thousands of € - Year ended 31 December	Notes	2018	2019
Sales	5.1.	4 305 269	4 322 450
Cost of sales	5.2.	-3 778 660	-3 795 320
Gross profit	5.2.	526 609	527 131
Selling expenses	5.2.	-179 651	-188 606
Administrative expenses	5.2.	-167 346	-127 676
Research and development expenses	5.2.	-65 368	-70 729
Other operating revenues	5.2.	72 578	27 655
Other operating expenses	5.2.	-39 942	-12 758
Operating result (EBIT)	5.2.	146 880	155 017
of which			
EBIT - Underlying	5.2. / 5.3.	210 140	241 909
One-off items	5.2.	-63 260	-86 891
Interest income	5.4.	3 035	2 841
Interest expense	5.4.	-87 990	-69 166
Other financial income and expenses	5.5.	-25 547	-18 371
Result before taxes		36 378	70 322
Income taxes	5.6.	-58 465	-51 081
Result after taxes (consolidated companies)		-22 087	19 241
Share in the results of joint ventures and associates	5.7.	24 875	28 959
RESULT FOR THE PERIOD		2 788	48 200
Attributable to			
<i>equity holders of Bekaert</i>		39 768	41 329
<i>non-controlling interests</i>	6.15.	-36 980	6 871
Earnings per share			
in € per share	5.8.	2018	2019
Result for the period attributable to equity holders of Bekaert			
<i>Basic</i>		0.704	0.731
<i>Diluted</i>		0.507	0.730

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

Consolidated statement of comprehensive income

in thousands of € - Year ended 31 December	Notes	2018	2019
Result for the period		2 788	48 200
Other comprehensive income (OCI)	6.14.		
<i>Other comprehensive income reclassifiable to income statement in subsequent periods</i>			
Exchange differences			
Exchange differences arising during the year on subsidiaries		-22 628	16 563
Exchange differences arising during the year on joint ventures and associates		-13 696	-2 171
Reclassification adjustments relating to entity disposals or step acquisitions		599	-
Inflation adjustments		2 535	-
Cash flow hedges			
Reclassification adjustments for amounts recognized in income statement		475	-
Deferred taxes relating to reclassifiable OCI	6.7.	-76	-
OCI reclassifiable to income statement in subsequent periods, after tax		-32 791	14 392
<i>Other comprehensive income non-reclassifiable to income statement in subsequent periods</i>			
Remeasurement gains and losses on defined-benefit plans		-1 387	-833
Net fair value gain (+) / loss (-) on investments in equity instruments designated as at fair value through OCI		-5 311	2 372
Share of non-reclassifiable OCI of joint ventures and associates		21	11
Deferred taxes relating to non-reclassifiable OCI	6.7.	-3 707	1 822
OCI non-reclassifiable to income statement in subsequent periods, after tax		-10 384	3 372
Other comprehensive income for the period		-43 175	17 764
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-40 387	65 964
Attributable to			
<i>equity holders of Bekaert</i>		-79	62 506
<i>non-controlling interests</i>	6.15.	-40 308	3 458

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	2018	2019
Intangible assets	6.1.	114 502	60 266
Goodwill	6.2.	149 255	149 784
Property, plant and equipment	6.3.	1 459 449	1 349 657
RoU Property, plant and equipment	6.4.	-	149 051
Investments in joint ventures and associates	6.5.	153 671	160 665
Other non-current assets	6.6.	34 279	36 281
Deferred tax assets	6.7.	138 403	142 333
Non-current assets		2 049 559	2 048 037
Inventories	6.8.	931 808	783 030
Bills of exchange received	6.8.	57 727	59 904
Trade receivables	6.8.	772 731	644 908
Other receivables	6.9. / 6.21.	130 379	111 615
Short-term deposits	6.10.	50 036	50 039
Cash and cash equivalents	6.10.	398 273	566 176
Other current assets	6.11.	58 430	40 510
Assets classified as held for sale	6.12.	546	466
Current assets		2 399 930	2 256 647
Total		4 449 489	4 304 684

Equity and liabilities as at 31 December

in thousands of €

	Notes	2018	2019
Share capital	6.13.	177 793	177 793
Share premium		37 751	37 751
Retained earnings	6.14.	1 484 600	1 492 028
Treasury shares	6.14.	-108 843	-107 463
Other Group reserves	6.14.	-194 370	-165 000
Equity attributable to equity holders of Bekaert		1 396 931	1 435 110
Non-controlling interests	6.15.	119 071	96 430
Equity		1 516 002	1 531 540
Employee benefit obligations	6.16.	141 550	123 409
Provisions	6.17.	29 031	25 005
Interest-bearing debt	6.18.	686 665	1 184 310
Other non-current liabilities	6.19.	11 402	265
Deferred tax liabilities	6.7.	37 892	34 182
Non-current liabilities		906 540	1 367 171
Interest-bearing debt	6.18.	942 041	424 184
Trade payables	6.8.	778 438	652 384
Employee benefit obligations	6.8. / 6.16.	118 427	148 784
Provisions	6.17.	37 194	30 222
Income taxes payable	6.21.	88 128	82 411
Other current liabilities	6.20.	62 634	67 988
Liabilities associated with assets classified as held for sale	6.12.	85	-
Current liabilities		2 026 947	1 405 973
Total		4 449 489	4 304 684

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 2018	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 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	-
Balance as at 1 January 2019 (as previously reported)	177 793	37 751	1 484 600	-108 843	-130 102	-
Restatements ³	-	-	-4 365	-	-	-
1 January 2019 (restated)	177 793	37 751	1 480 235	-108 843	-130 102	-
Result for the period	-	-	41 329	-	-	-
Other comprehensive income	-	-	11	-	16 138	-
Capital contribution by non-controlling interests	-	-	-	-	-	-
Reclassifications	-	-	-18	-	-	-
Effect of NCI purchase ⁵	-	-	6 973	-	-	-
Effect of other changes in Group structure	-	-	-	-	-	-
Equity-settled share-based payment plans	-	-	4 390	-	-	-
Treasury shares transactions	-	-	-1 341	1 380	-	-
Dividends	-	-	-39 557	-	-	-
Balance as at 31 December 2019	177 793	37 751	1 492 022	-107 463	-113 964	-

¹ See note 6.14. 'Retained earnings and other Group reserves'.

² See note 6.15. 'Non-controlling interests'.

³ See note 2.8. 'Restatement 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.

⁵ In December 2019, the Group acquired the remaining non-controlling interests in Bekaert Maccaferri Underground Solutions BVBA for a consideration of € 9.5 million. As part of the transaction, the put option held by Maccaferri was extinguished.

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
-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
-14 489	-68 267	26 694	-8 206	1 396 931	119 071	1 516 002
-	-	-	-	-4 365	-	-4 365
-14 489	-68 267	26 694	-8 206	1 392 566	119 071	1 511 637
-	-	-	-	41 329	6 871	48 200
2 372	1 244	1 413	-	21 178	-3 413	17 765
-	-	-	-	-	652	652
-	18	-6	6	-	-	-
-	-11	3	8 200	15 165	-13 632	1 533
-	-	-	-	-	128	128
-	-	-	-	4 390	-	4 390
-	-	-	-	39	-	39
-	-	-	-	-39 557	-13 247	-52 804
-12 117	-67 016	28 104	-	1 435 110	96 430	1 531 540

Consolidated cash flow statement

in thousands of € - Year ended 31 December	Notes	2018	2019
Operating activities			
Operating result (EBIT)	5.2. / 5.3.	146 880	155 017
Non-cash items included in operating result	7.1.	268 272	305 198
Investing items included in operating result	7.1.	-31 261	3 428
Amounts used on provisions and employee benefit obligations	7.1.	-36 371	-61 299
Income taxes paid	5.6. / 7.1.	-68 972	-60 624
Gross cash flows from operating activities		278 548	341 721
Change in operating working capital	6.8.	-28 948	168 549
Other operating cash flows	7.1.	-5 880	14 056
Cash flows from operating activities		243 720	524 326
Investing activities			
Other portfolio investments	7.1.	-411	-
Proceeds from disposals of investments		2 835	800
Dividends received	6.5.	24 113	18 750
Purchase of intangible assets	6.1.	-3 698	-4 410
Purchase of property, plant and equipment	6.3.	-181 302	-94 504
Purchase of RoU Land	6.4.	-	-13 074
Proceeds from disposals of fixed assets	7.1.	56 088	1 349
Cash flows from investing activities		-102 375	-91 089
Financing activities			
Interest received	5.4.	3 204	2 960
Interest paid	5.4.	-63 995	-50 130
Gross dividend paid to shareholders of NV Bekaert SA		-62 153	-39 557
Gross dividend paid to non-controlling interests		-2 440	-13 873
Proceeds from long-term interest-bearing debt	6.18.	468 356	585 696
Repayment of long-term interest-bearing debt	6.18.	-408 782	-675 253
Cash flows from / to (-) short-term interest-bearing debt	6.18.	-62 590	-76 715
Treasury shares transactions	6.13.	-11 280	39
Sales and purchases of NCI	7.1.	-7 379	-9 500
Other financing cash flows	7.1.	-10 234	7 540
Cash flows from financing activities		-157 293	-268 793
Net increase or decrease (-) in cash and cash equivalents		-15 948	164 444
Cash and cash equivalents at the beginning of the period		418 779	398 273
Effect of exchange rate fluctuations		-4 558	3 459
Cash and cash equivalents at the end of the period		398 273	566 176

The accompanying notes are an integral part of this cash flow statement.