

Financial definitions

Added value

Operating result (EBIT) + remuneration, social security and pension charges + depreciation, amortization, impairment of assets and negative goodwill.

Associates

Companies in which Bekaert has a significant influence, generally reflected by an interest of at least 20%. Associates are accounted for using the equity method.

Book value per share

Equity attributable to the Group divided by number of shares outstanding at balance sheet date.

Capital employed (CE)

Working capital + net intangible assets + net goodwill + net property, plant and equipment. The average CE is weighted by the number of periods that an entity has contributed to the consolidated result.

Capital ratio

Equity relative to total assets.

Combined figures

Sum of consolidated companies + 100% of joint ventures and associated companies after elimination of intercompany transactions (if any).

Dividend yield

Gross dividend as a percentage of the share price on 31 December.

EBIT

Operating result (earnings before interest and taxation).

EBIT Underlying

EBIT before operating income and expenses that are related to restructuring programs, impairment losses, business combinations, business disposals, environmental provisions or other events and transactions that have a one-off effect.

EBIT interest coverage

Operating result divided by net interest expense.

EBITDA

Operating result (EBIT) + depreciation, amortization, impairment of assets and negative goodwill.

EBITDA – Underlying

EBITDA before operating income and expenses that are related to restructuring programs, impairment losses, business combinations, business disposals, environmental provisions or other events and transactions that have a one-off effect.

Equity method

Method of accounting whereby an investment (in a joint venture or an associate) is initially recognized at cost and subsequently adjusted for any changes in the investor's share of the joint venture's or associate's net assets (i.e. equity). The income statement reflects the investor's share in the net result of the investee.

Gearing

Net debt relative to equity.

Joint ventures

Companies under joint control in which Bekaert generally has an interest of approximately 50%. Joint ventures are accounted for using the equity method.

Net capitalization

Net debt + equity.

Net debt

Interest-bearing debt net of current loans, non-current financial receivables and cash guarantees, short-term deposits, cash and cash equivalents.

Return on capital employed (ROCE)

Operating result (EBIT) relative to the weighted average capital employed.

Return on equity (ROE)

Result for the period relative to average equity.

Return on invested capital (ROIC)

NOPLAT on invested capital. NOPLAT is EBIT after tax (using a target tax rate of 27%), and includes the Group's share in the NOPLAT of its joint ventures and associates. Invested capital is the aggregate of total equity, net debt, non-current employee benefit obligations and non-current other provisions, and includes the Group's share in the net debt of its joint ventures and associates.

Subsidiaries

Companies in which Bekaert exercises control and generally has an interest of more than 50%.

Weighted average cost of capital (WACC)

Cost of debt and cost of equity weighted with a target gearing of 50% (net debt/equity structure) after tax (using a target tax rate of 27%). Bekaert calculates a WACC for its three main currency environments: EUR, USD and CNY, the average of which (7.6%) has been rounded to 8% to set a long-term target.

Working capital (operating)

Inventories + trade receivables + bills of exchange received + advanced paid
- trade payables - advances received - remuneration and social security payables - employment-related taxes.