



ISSUER RATING
LongTerm

OUTLOOK
Stable

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Rating Action and Rationale

- EthiFinance Ratings affirms the long-term rating of NV Bekaert SA (Bekaert) at BBB, maintaining a Stable outlook.
- Bekaert is specialized in steel wire transformation and coating technologies, applying materials engineering to provide solutions across a wide range of industries.
- The rating remains supported by Bekaert's sound financial risk profile, with improved credit metrics in FY25. Net adjusted leverage improved from 1.4x in FY24 to 1.1x, while interest coverage slightly improved to 15.1x from 14.7x in FY24. In 1H26, Bekaert delivered resilient performance despite a volatile geopolitical environment and adverse price-mix effects. Consolidated revenue declined by 4.6% yoy to €1.86bn, reflecting portfolio changes and FX headwinds, but remained stable on a like-for-like basis, supported by 4% volume growth. Organic growth was driven mainly by strong demand from Asian tyre manufacturers, market-share gains in power and data transmission, and continued momentum in sustainable construction, particularly North American data-center projects. Despite the decrease in revenue, the reported EBITDA margin improved to 11.7% from 10.6% in 1H25, driven by better cost absorption and volume growth.
- Despite the revenue decrease momentum, we expect FY26e adj EBITDA to improve in both absolute and margin terms due to the basis effect from around €100m of one-off impairments and write-downs across the company's segments in FY25. Following the €93m cash acquisition of two Bridgestone tire cord plants in 1H26, our base case incorporates a €100m cash outflow for potential M&A in FY27e and FY28e combined. It also assumes continued stable shareholder distributions through dividends, in line with the amount reported for FY25 and 1H26. We also consider the payment in 1H26 of the remaining €85m under the €200m share-buyback programme, a higher inventory level from a down point in FY25 to mitigate supply-chain disruptions and a cash inflow from net working capital in line with management guidance. We expect the net adjusted leverage and interest coverage ratios to remain comfortably within the current rating thresholds over the short and medium term, supported by solid profitability, disciplined CapEx, and overall positive free cash flow generated internally (FCF after dividend payment), except for FY26e where significant M&A and buyback will hamper the resulting FCF.
- Bekaert's final rating remains capped at BBB due to the persisting significant gap between its business and financial risk profiles. Beyond the existing rating cap, the rating is also constrained by the company's medium size (BB+) and the sustained decline in sales since FY22, when revenue amounted to €5.0bn. The current downward trend reflects supply chain disruptions and raw material and energy cost inflation impacting Bekaert's end markets due to the conflict in the Middle East. Another rating constraint is the company's exposure to cyclical end-markets, particularly tires & automotive (c.45% of FY25 EBITDA) and construction (15 to 20%). Although Bekaert retains exposure to sustainability-driven end markets, including hydrogen, electrification and EV-related applications, its strategic focus under the new CEO has shifted toward growth platforms with greater revenue visibility, such as data center-related construction solutions, power and data transmission infrastructure, and customer-specific engineered solutions.
- In accordance with our methodology, the capital goods industry has medium-to-high ESG risks (sector heatmap between 3.5 and 4), given its environmental impact, which constrains our industry assessment and negatively affects the sector's ESG assessment.
- The company's ESG score ranges between 1 and 1.5, which is considered as slightly positive and contributes positively to our financial assessment, offsetting the negative impact of the industry assessment.

Issuer Description

NV Bekaert SA is a Belgian materials technology company founded in 1880, specializing in steel wire transformation, coating technologies and advanced material solutions. The company operates globally through four business segments: Rubber Reinforcement, Steel Wire Solutions, Bridon-Bekaert Ropes Group (BBRG) and Specialty Businesses. These segments serve a diverse range of end markets, including tire and automotive, energy and utilities, construction and infrastructure, agriculture, industrial equipment and consumer applications. Bekaert employs approximately 19,000 people worldwide. The Group operates a broad international manufacturing, engineering and R&D footprint across Europe, North America, Latin America and Asia-Pacific. The company is listed on Euronext Brussels. As of 25 September 2026, it had a market capitalization of c. €1.85bn.

In FY25, Bekaert reported revenue of €3.7bn, adjusted EBITDA of €480m, and a net adjusted leverage ratio of 1.1x. As of end-June 2026, the company reported LTM revenue of €3.6bn and LTM EBITDA of €417m.

Liquidity

We assess the liquidity profile of NV Bekaert SA as “Good” reflecting its strong refinancing profile and its high level of liquidity.

Main Financial Figures

Main financial figures. Millions of EUR						
	FY24	FY25	FY26e	FY27e	FY28e	25vs24%
Revenue	3957.8	3705.8	3668.7	3742.1	3854.4	-6.4%
Adj EBITDA	505.5	480.2	443.6	469.8	501.1	-5.0%
Adj EBITDA Margin	12.8%	13.0%	12.1%	12.6%	13.0%	0.2pp
EBIT	296.2	134.9	207.6	240.5	267.0	-54.5%
EBIT Margin	7.5%	3.6%	5.7%	6.4%	6.9%	-3.8pp
EBT	306.4	124.0	202.9	235.8	262.3	-59.5%
Total Assets	4161.9	3801.9	3854.1	3944.2	4062.3	-8.6%
Equity	2311.8	2097.3	2055.3	2131.7	2230.1	-9.3%
Adj Total Financial Debt	1196.8	1072.1	1078.2	1077.4	1074.9	-10.4%
Adj Net Financial Debt	690.1	544.5	618.0	609.6	586.8	-21.1%
Equity / Adj TFD	193.2%	195.6%	190.6%	197.9%	207.5%	2.5pp
Adj NFD / Adj EBITDA	1.4x	1.1x	1.4x	1.3x	1.2x	-0.2x
Funds From Operations	377.0	413.9	334.5	362.5	387.3	9.8%
Adj FFO / Adj NFD	54.6%	76.0%	54.1%	59.5%	66.0%	21.4pp
Adj EBITDA/Interest	14.7x	15.1x	14.7x	15.5x	16.6x	0.4x

(1) Adj EBITDA includes dividends received from JVs and a portion of other non-operating revenue/expenses, including restructuring costs, government grants, and gains/(losses) on asset and business disposals

(2) Adj debt includes pension benefits and factoring.

Credit Rating

Credit Rating	
Business Risk Profile	BB+
Industry risk assessment	BB
Industry's ESG	Negative
Competitive Positioning	BB+
Governance	BBB
Financial Risk Profile	A
Cash flow and leverage	A
Capitalisation	A
Company's ESG	Positive
Anchor Rating	BBB+
Modifier	-
Rating	BBB (*)

(*) Rating capped at BBB

Rating Sensitivity

- List of ratings:

LT Rating: BBB

Factors that may (individually or collectively) impact the rating:

- **Positive factors (↑)**

We could upgrade the long-term rating if the company strengthens its market position and improves its revenue performance. As outlined in the rating rationale, such improvements would lead to the removal of the rating cap. A positive rating action is therefore contingent on a recovery in sales volumes and a more predictable outlook for some of the company's business segments.

- **Negative factors (↓)**

We could downgrade the long-term rating if the company's credit metrics materially deviate from our current expectations. A downgrade could be triggered by a sustained net adjusted leverage ratio of 3.0x or higher, combined with either a sustained interest coverage ratio of 8.0x or lower. Such a deterioration could result from a continued decline in sales combined with higher costs, which would further pressure profitability margins. In addition, an ESG score deteriorating to a range of 1.5 to 5 would also contribute to a downgrade.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
 - Corporate Rating Methodology - General : <https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203>
- The rating scale used in this report is available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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