



2015
full year results

5 February 2016

Overview

- Highlights 2015
- Outlook 2016
- Business review 2015
- Financial review 2015
- Wrap-up
- Q&A

Highlights 2015

- **Revenues +11% and REBIT +21%:** strong growth in Catalysis and Energy & Surface Technologies more than offsetting the impact of lower metal prices on recycling activities
- **Growth investments** on or ahead of schedule:
 - Successful execution of capacity expansion in Hoboken
 - Start-up automotive catalysts plant in Poland ahead of schedule
 - Further capacity expansion of cathode production in China and Korea
- Proposed gross **annual dividend of €1.20**

Outlook 2016

Anticipated volume growth across business groups



Catalysis

- Volume growth and supportive mix for catalysts for LDV
- Higher sales of HDD catalysts in Europe and China



Energy & Surface Technologies

- Volume growth in Rechargeable Battery Materials, in particular for automotive applications



Recycling

- Supply environment supportive
- Higher throughput rate in Hoboken leading to higher processed volumes

Outlook 2016

Umicore expects significant volume increases in its strategic growth platforms of clean mobility and recycling in 2016. Sales of automotive catalysts are set to benefit from strengthening demand in both light and heavy duty applications while the accelerating trend towards vehicle electrification should drive sales of rechargeable battery materials higher. Processed volumes at the Hoboken recycling operations are also set to increase following the completion of the main investment wave in 2015. Metal prices are currently at lower levels than the average of last year. Given the high level of market volatility it is too early to estimate what impact metal prices might have on the anticipated benefits from the strong volume growth.



Business review 2015

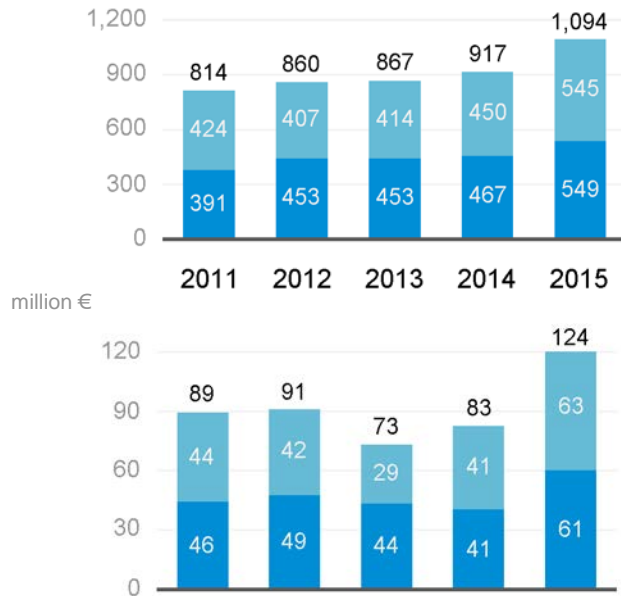




2015 FY business review

Catalysis

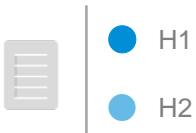
Revenues



Revenues +19% and recurring EBIT +50%:

- Strong growth in **Automotive Catalysts**:
 - Higher demand for LDV catalysts; outperforming the car market globally and in all regions
 - More favourable product mix for LDV
 - Ramp-up of HDD catalysts in Europe and Asia
- Revenue and volume growth in **Precious Metals Chemistry**

Recurring EBIT





Catalysis

Growth investments – Automotive Catalysts



Nowa Ruda: Q3 2015

New production facility

Incheon: H2 2015

New technology development center

Hemaraj: Q3 2016

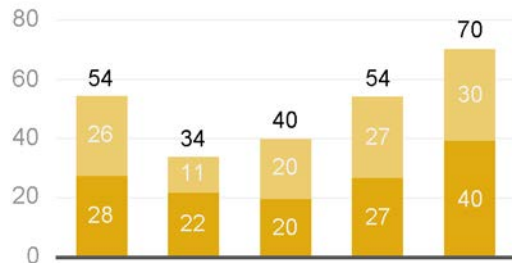
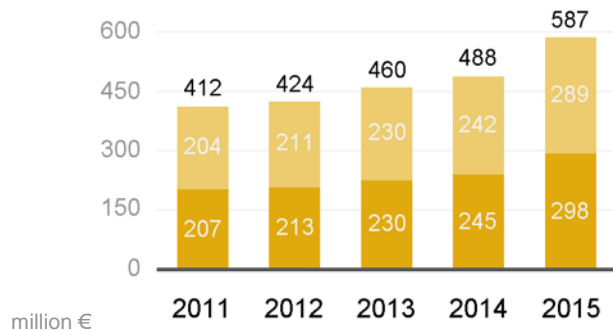
New production facility

2015 FY business review



Energy &
Surface
Technologies

Revenues



Recurring EBIT

- H1
- H2

Revenues +20% and recurring EBIT +30%:

- Strong volume growth in **Rechargeable Battery Materials**, in particular in transportation segment
- Revenue growth in **Cobalt & Specialty Materials** due to contribution of acquisitions and higher volumes; earnings impacted by lower metal prices
- Higher demand for decorative and wear-protection applications in **Electroplating**
- Higher contribution from refining and recycling and higher sales volumes in **Electro-Optic Materials**
- Revenue increase for **Thin Film Products** with growing demand for ITO rotary targets

Growth investments



Energy &
Surface
Technologies



Olen: 2015

Expansion for Co fine powders

Monza: 1 Jan 2015

Full ownership of
Todini and Co

Cheonan & Jiangmen: Q4 2015 - 2016

Ongoing production capacity
expansions

Qingyuan: H1 2016

Production and recycling facility
ITO targets



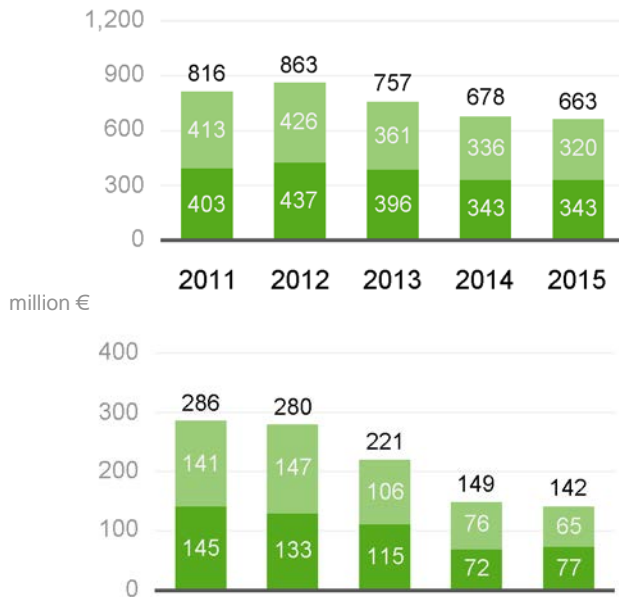
- Rechargeable Battery Materials
- Cobalt & Specialty Materials
- Thin Film Products

2015 FY business review



Recycling

Revenues



Recurring EBIT

- H1
- H2

Revenues -2% and recurring EBIT -5%:

- Stable revenues for **Precious Metals Refining**:
 - Better supply mix across segments
 - Processed volumes in line with 2014, despite two extended shutdowns
 - 40% capacity expansion in Hoboken on track
 - Revenues and earnings impacted by lower metal prices, in particular in the second half of 2015
- Lower revenues in the other business units



Growth investments



Recycling

Hoboken: 2014-2016

Expansion of capacity
by 40% to 500,000t

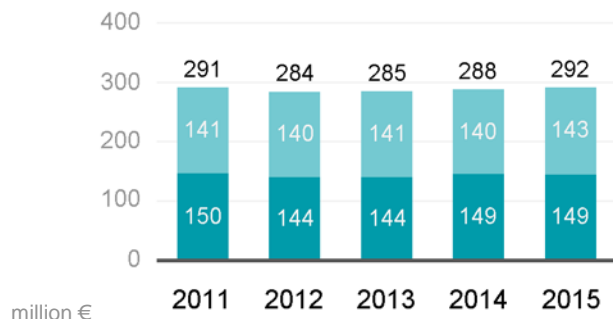
Bangkok: 2015

Expansion
of Ag recycling

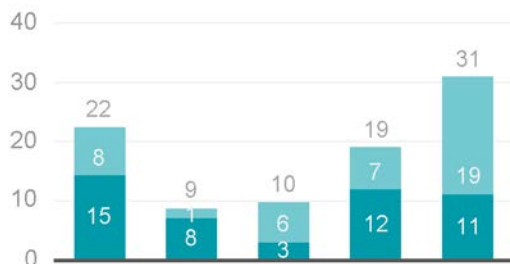
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- Precious Metals Refining
 - Jewellery & Industrial Metals

Discontinued operations

Revenues



Recurring EBIT



Higher revenues and earnings for **Zinc Chemicals**:

- Higher volumes across product groups
- Higher intake of and better mix for zinc-containing residues for recycling

Lower revenues and earnings for **Building Products**:

- Lower sales volumes in Europe, particularly in France
- Competitive pressure on premiums partially offset by cost reductions and productivity improvements



- H1
- H2

Discontinued operations - Zinc Chemicals



Olen: H1 2015

Second production line
for Zano

**Changsha: Q4 2015 -
2016**

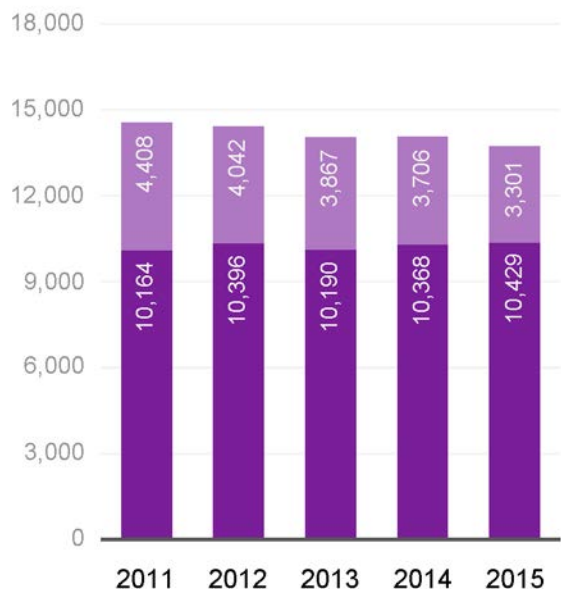
New plant for Zn powders
ramping-up and further capacity
expansions planned

Pasir Gudang: H1 2015

Additional zinc powder
capacity

Employees and Safety

People



Workforce in fully consolidated companies increased by 61, as a result of growth investments in Catalysis and Energy & Surface Technologies

Workforce in associated companies decreased by 405, largely due to restructuring in Element Six Abrasives

Safety

- Accident frequency rate at 2.66
- Accident severity rate at 0.12



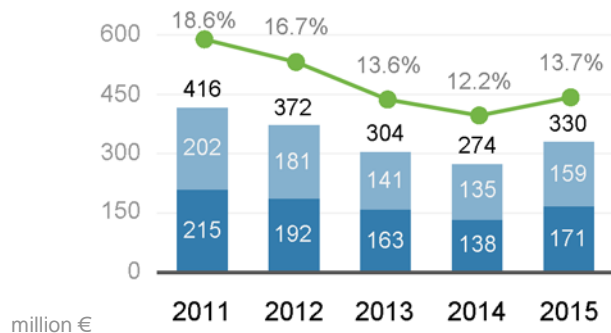
- Fully consolidated
- Associates



Financial review 2015

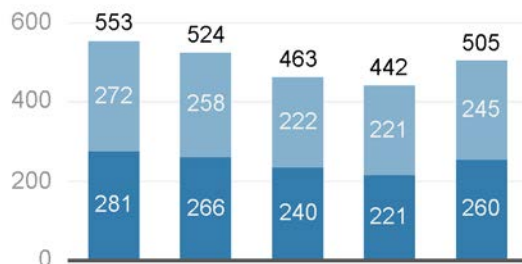
Strong earnings growth

Recurring EBIT & ROCE



Recurring EBIT +21%

- Revenue and volume growth in Catalysis and Energy & Surface Technologies
- Ramp-up of recent growth investments



Recurring EBITDA +14%

Recurring net profit +27 %

ROCE at 13.7%

Recurring EBITDA

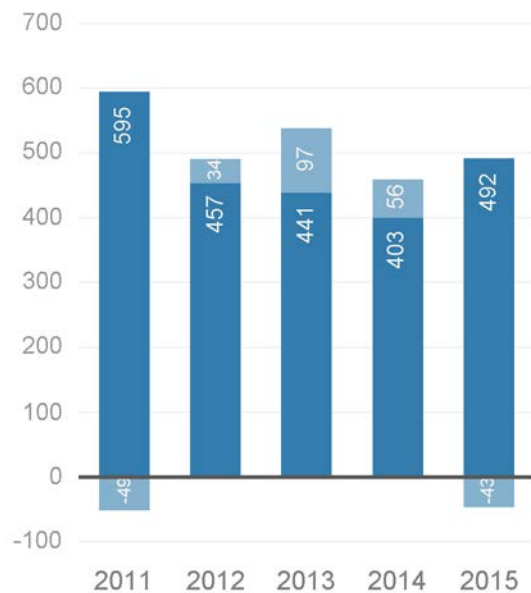


- H1
- H2

Solid cashflows

Operating cashflow

million €



Operating cashflow at € 492 million

Increase in working capital reflecting business expansion across the Group

Capex spending of € 240 million



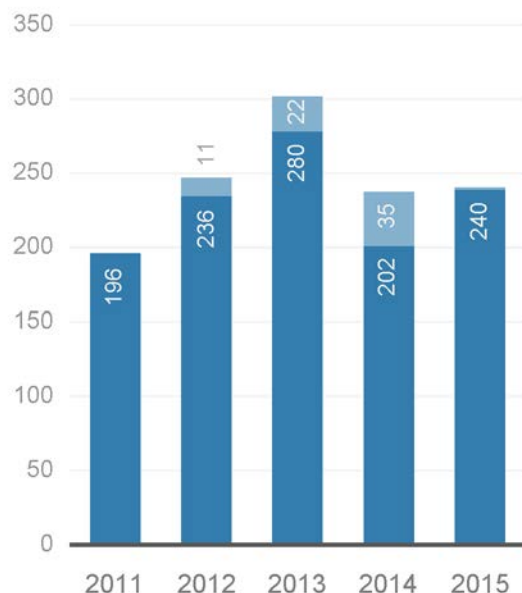
- Operating cashflow
- Change in working capital requirement

Operating cashflow = cashflow from operations (€ 432 million) before change in working capital requirement (€ 43 million) plus dividend and grants received (€ 16 million)

Expenditures for growth

Capex & acquisitions

million €



Capex € 240 million relates mainly to growth projects:

- Major investments completed to expand capacity in Hoboken by 40%
- Ongoing expansion investments in Catalysis and Energy & Surface Technologies

R&D expenditures € 145 million (5.5% of revenues): higher spending in Catalysis largely offset by lower R&D spend in Recycling

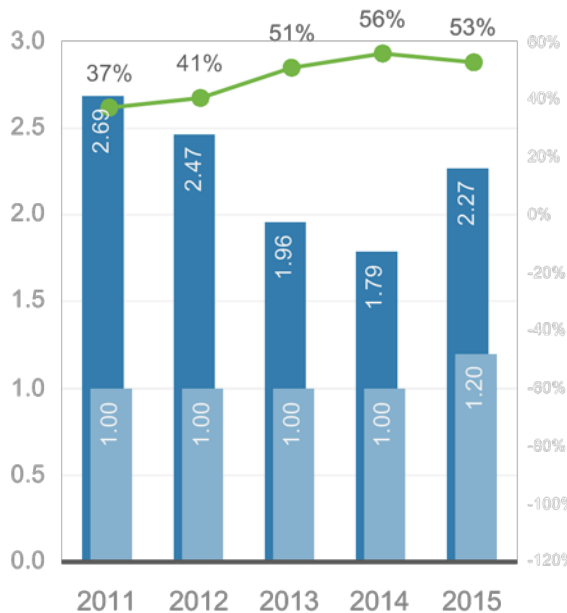


- Capital expenditure
- Acquisition of new subsidiaries

Cash returns to shareholders

Data per share

€/ share



Dividend of € 1.20 per share proposed

Corresponds to 53% payout ratio based on recurring EPS of € 2.27 per share

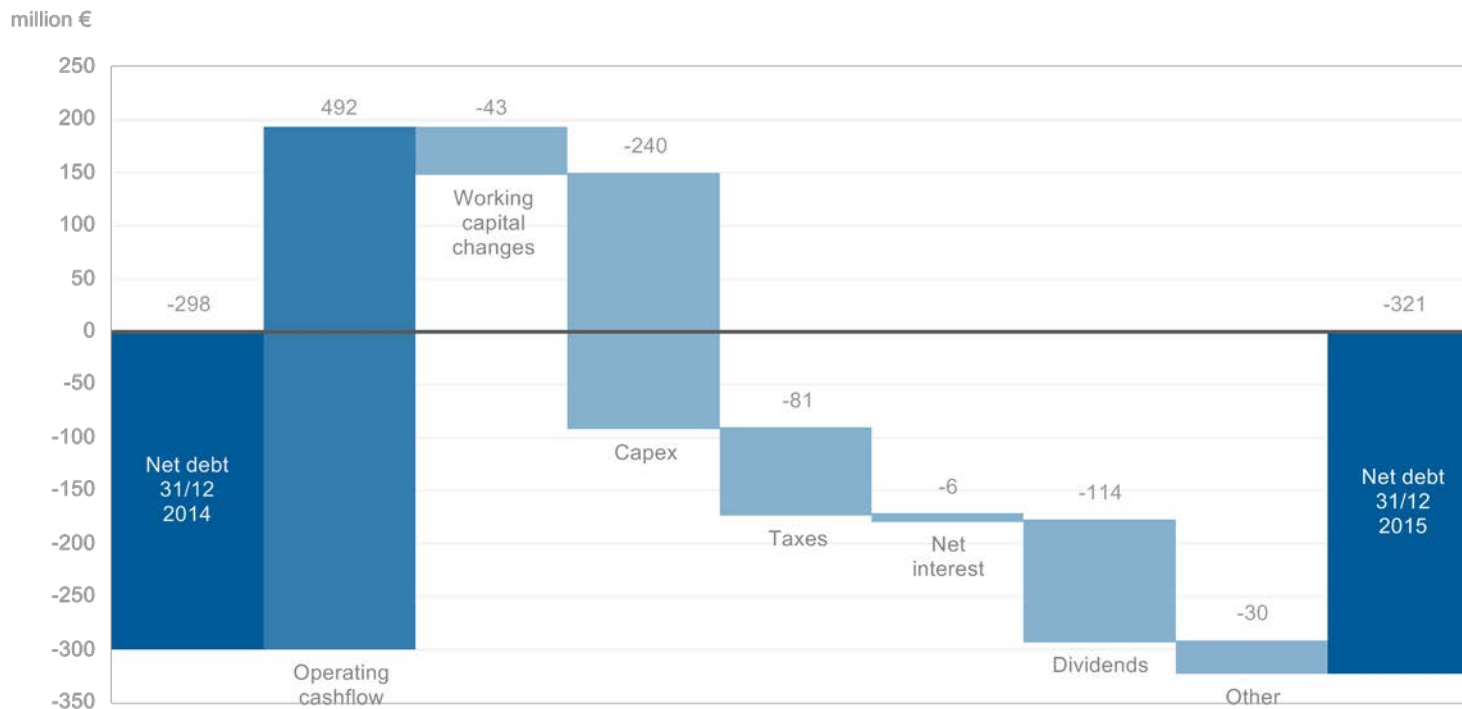
Purchased 0.9 million treasury shares in 2015, amounting to € 33 million

Total cash returned to shareholders (dividend + buybacks) of € 147 million or 34% of cashflow generated by operations

- Recurring EPS
- Dividend
- Payout ratio



Net debt evolution

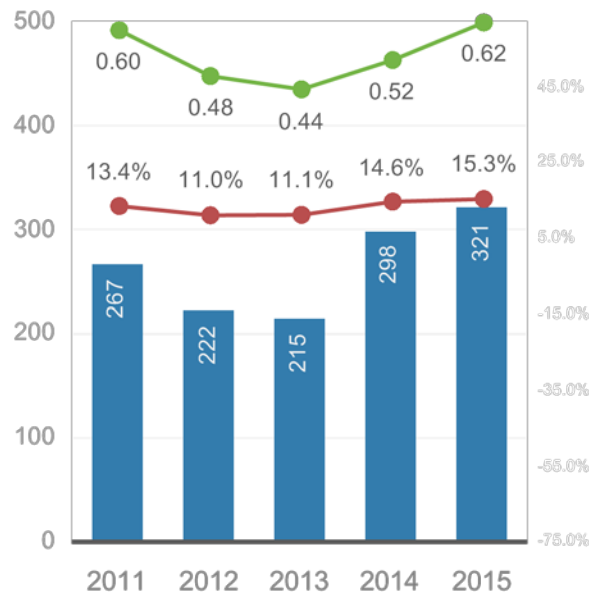


Operating cashflow = cashflow from operations (€ 432 million) before change in working capital requirement (€ 43 million) plus dividend and grants received (€ 16 million)

Strong capital structure maintained

Net financial debt

million €



Net financial debt of € 321 million, only slightly up despite significant growth investments

Corresponds to :

- 0.6 x average net debt to recurring EBITDA ratio
- 15.3% gearing ratio

Average weighted net interest rate stable at 1.54%



- Net debt
- Gearing ratio
- Average net debt / recurring EBITDA

Non-recurring elements

million €	2015
Restructuring charges & provisions	-23
Environmental charges & provisions	-11
Impairments on metal inventory	-26
Other	-15
Non-recurring EBIT	-75
Non-recurring tax result	10
Non-recurring minority result	1
Net non-recurring result	-63

Non-recurring EBIT mainly reflecting permanently tied-up metal inventories impairments and restructuring costs

Total negative impact on net result of € 63 million

Wrap-up

- Revenues up 11% and REBIT up 21%: strong growth in Catalysis and Energy & Surface Technologies more than offsetting the impact of lower metal prices on recycling activities
- 40% Hoboken expansion on track; first part of capacity expansion to come on stream in 2016
- Accelerating capacity additions in Automotive Catalysts and Rechargeable Battery Materials
- Strong volume growth expected across all business groups in 2016



Q&A

Financial calendar

26 April 2016	Ordinary General Meeting of Shareholders
26 April 2016	2016 first quarter trading update
29 July 2016	Half Year Results 2016
21 October 2016	2016 third quarter trading update
10 February 2017	Full Year Results 2016

Forward-looking statements

This presentation contains forward-looking information that involves risks and uncertainties, including statements about Umicore's plans, objectives, expectations and intentions.

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