



umicore

2016 half year results

29 July 2016



Overview

- Highlights H1 2016
- Outlook 2016
- Business review H1 2016
- Financial review H1 2016
- Wrap-up
- Q&A

Highlights H1 2016

- **Revenues +1% and REBIT +3%:** strong growth in Automotive Catalysts and Rechargeable Battery Materials more than offset impact of lower metal prices on various recycling activities
- **Growth investments** continue with focus on clean mobility and recycling:
 - Acceleration of capacity expansion for automotive cathode materials in South Korea and China; capacity to be tripled by 2018
 - In Recycling, ramp-up of 40% capacity expansion has started in Hoboken
- **Sale of Zinc Chemicals** to OpenGate Capital
- **Non recurring elements of € 68 million**, mainly related to the fine imposed by the French Competition Authority on Building Products activities in France; Umicore to appeal
- **Interim dividend of € 0.60**

Outlook 2016



CATALYSIS

- Strong demand levels and product mix in Automotive Catalysts
- Higher full year revenues and earnings for the business group



ENERGY & SURFACE TECHNOLOGIES

- Full year earnings slightly higher, driven mainly by growing demand from the automotive segment in Rechargeable Battery Materials



RECYCLING

- Supportive supply environment
- Ramp-up of Hoboken expansion should lead to higher processed volumes
- Some recovery in gold and silver prices recently observed, while PGM's and specialty metals prices remain subdued

Outlook 2016

Umicore expects full year recurring EBIT to be in the range of € 345 - € 365 million* assuming current metal prices continue to prevail.

*including the contribution of Zinc Chemicals for the full year

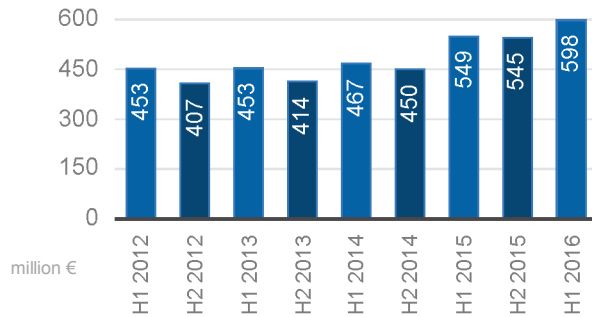


Business review H1 2016

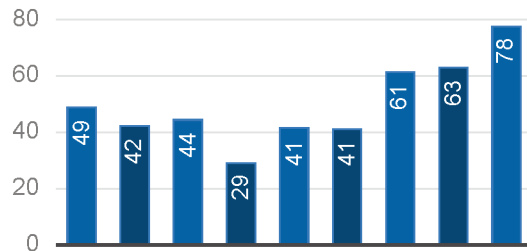


2016 H1 business review

Revenues



Recurring EBIT



Revenues +9% and recurring EBIT +27%:

- Strong growth in **Automotive Catalysts**:
 - High demand for LDV catalysts; outperforming the car market globally and in Europe and China in particular
 - Good product mix for LDV with a higher share of diesel
 - Higher demand for HDD catalysts, primarily in Europe
- Stable revenues for **Precious Metals Chemistry**

New production plant for automotive catalysts in Thailand to be commissioned Q3

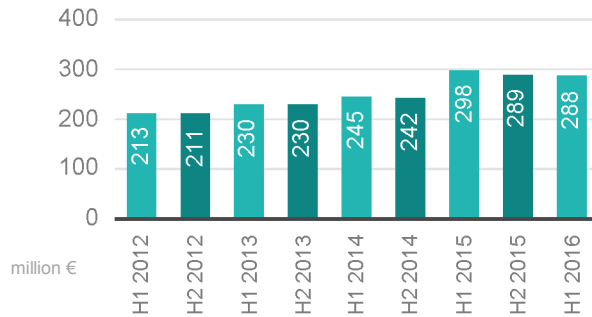


- H1
- H2

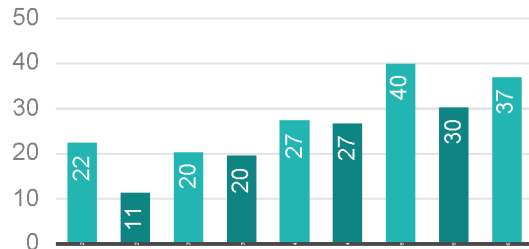


2016 H1 business review

Revenues



Recurring EBIT



Revenues -3% and recurring EBIT -8%:

- Strong growth in **Rechargeable Battery Materials**, driven by the transportation segment
- Lower revenues in **Cobalt & Specialty Materials** due to lower cobalt and nickel prices
- Higher revenues for **Electroplating** reflecting growing demand from decorative and portable electronic segments
- Strong performance in **Electro-Optic Materials** despite lower contribution from refining and recycling
- Revenues in **Thin Film Products** impacted by competitive pressure in large area coatings

Umicore to triple capacity for cathode materials by 2018

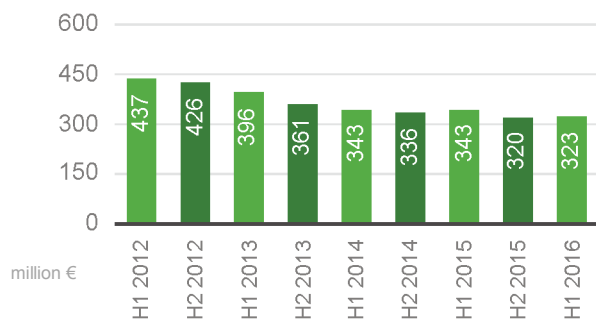


- H1
- H2

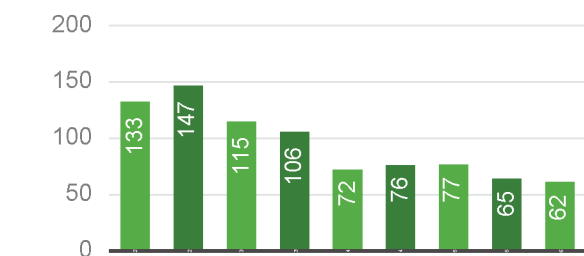


2016 H1 business review

Revenues



Recurring EBIT



Revenues -6% and recurring EBIT -20%:

- Lower revenues for **Precious Metals Refining**:
 - Slightly higher processed volumes more than offset by impact of lower metal prices
 - Solid supply feed and favorable mix
 - Ramp-up of 40% capacity expansion started; further auxiliary investments on track
- Stable revenues in **Jewellery & Industrial Metals**, while revenues in **Platinum Engineered Materials** and **Technical Materials** suffered from lower demand
- Lower contribution from trading activity in **Precious Metals Management**



- H1
- H2

Discontinued operations

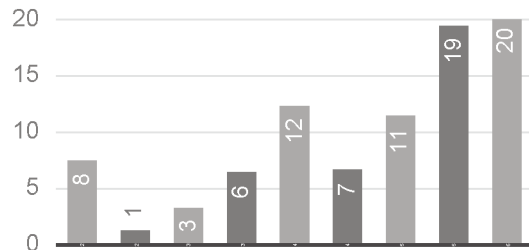
Revenues



Lower revenues for **Zinc Chemicals**:

- Higher demand in most product groups offset by impact of lower zinc price on recycling margins
- Sale of the business unit to OpenGate Capital; closing expected in 2H 2016

Recurring EBIT



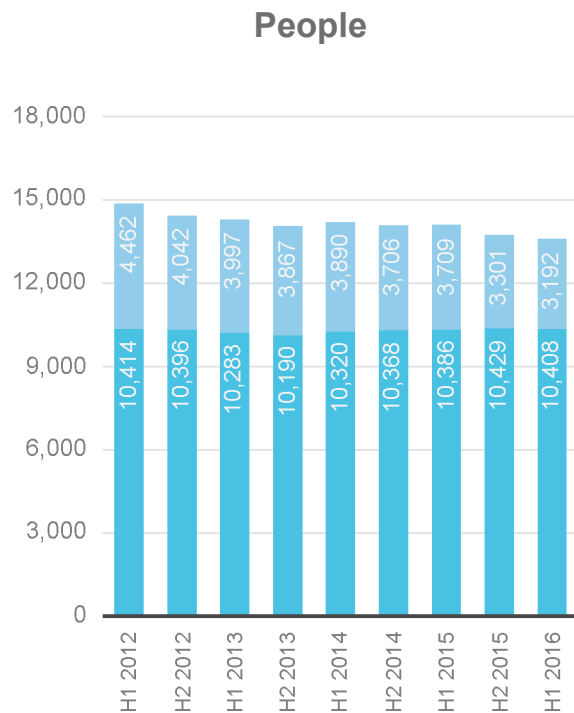
Slightly higher revenues for **Building Products**:

- Strong start of the year in Europe despite sluggish market
- Increasing share of higher value added-products; competitive pressure on premiums
- Umicore to appeal decision and imposed fine of the French Competition Authority



- H1
- H2

Employees and Safety



Safety

- Accident frequency rate at 2.95
- Accident severity rate at 0.87
- Fatal accident in Manaus, Brazil; efforts will continue in order to ensure any and all possible areas for improvement are identified and pursued

People

Number of employees in fully consolidated companies slightly down:

Growth in Automotive Catalysts and Rechargeable Battery Materials offset by headcount reductions across other business units



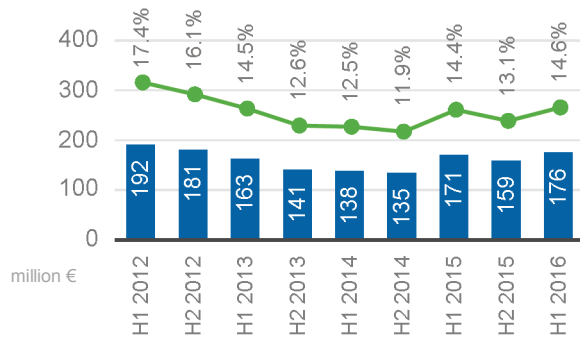
- Fully consolidated
- Associates



Financial review

Stable performance in a challenging metal price environment

REBIT & ROCE

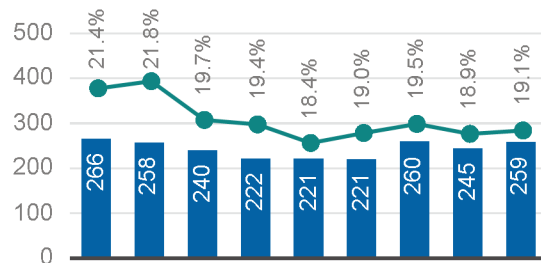


Recurring EBIT +3% despite lower metal prices: driven mainly by strong performance in Automotive Catalysts and Rechargeable Battery Materials

Resilient margins reflect profitable growth in non-recycling activities:

- REBIT margin stable at 12.4%
- ROCE stable at 14.6%

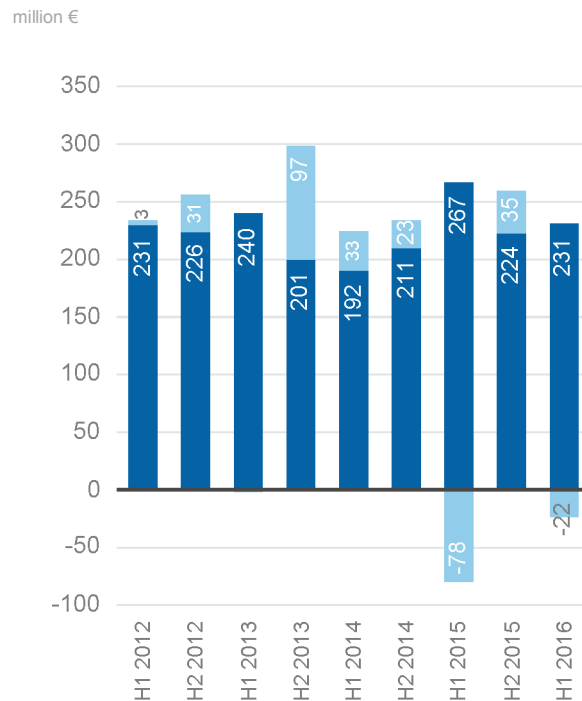
REBITDA & REBITDA margin



Recurring EBITDA stable at € 259 million

Solid cashflows

Operating cashflow



- Operating cashflow
- Change in working capital requirement

Operating cashflow at € 231 million:

- Up versus H2 2015
- Down year on year versus an exceptional strong H1 2015

€ 47 million decrease in working capital:

- Increase in working capital of € 22 million stemming from the business expansion
- Offset by € 69 million payable fine in Building Products

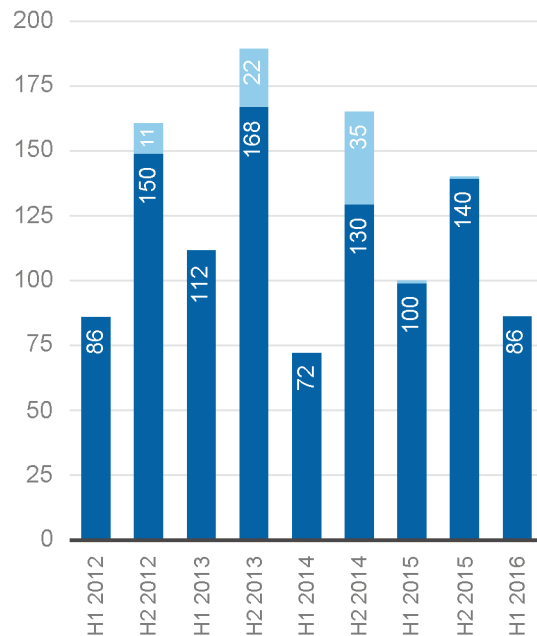
Operating cashflow = cashflow from operations before change in working capital requirement plus dividend and grants received*

* Operating cash flow and changes in working capital requirement adjusted for € 69 million fine in Building Products

Expenditures for growth

Capex & acquisitions

million €



Capex € 86 million relating mainly to growth projects in clean mobility and recycling:

- Recycling: auxiliary investments linked to 40% capacity expansion in Hoboken
- Catalysis: new production plant in Thailand
- Energy & Surface Technologies: ongoing capacity expansion for Rechargeable Battery Materials

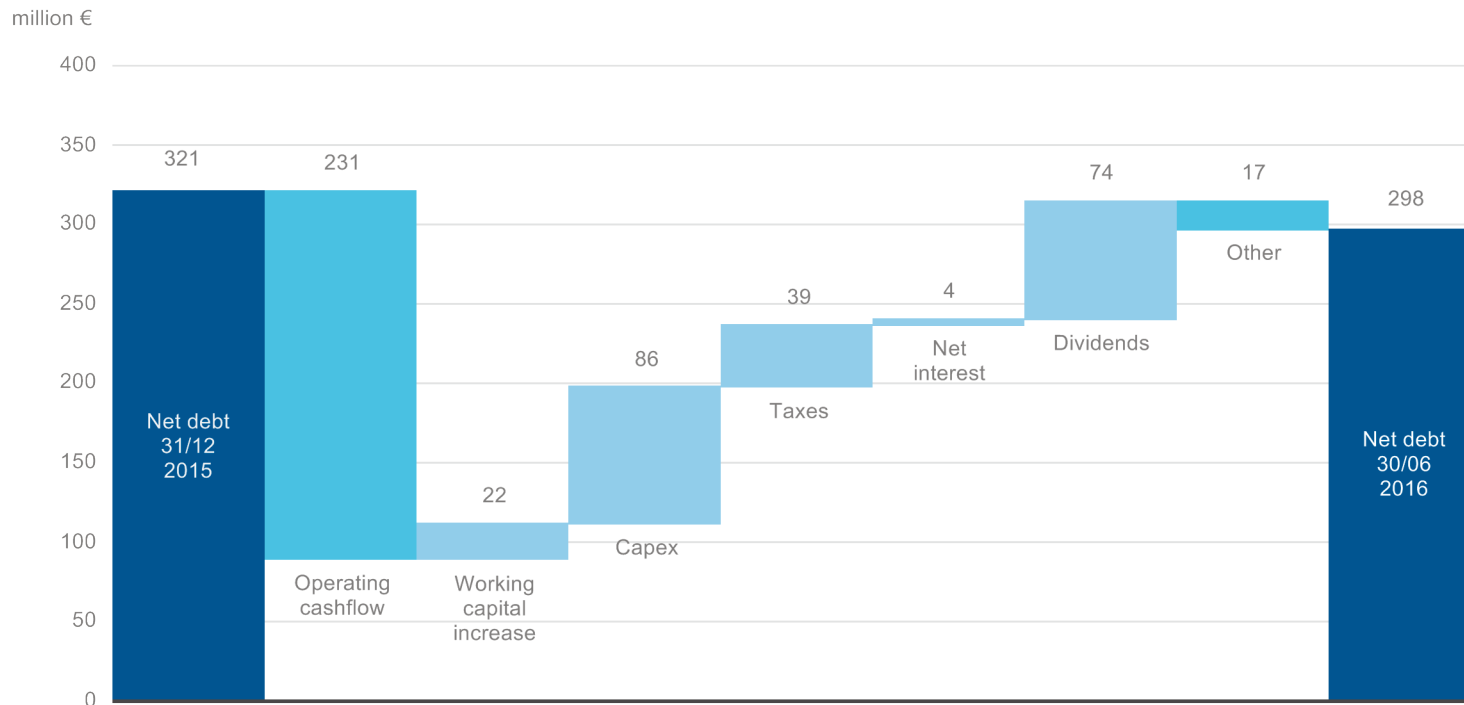
Capex expected to accelerate in H2

R&D expenditures € 78 million (5.8% of revenues): reflecting higher levels of R&D in Catalysis and Recycling



- Capital expenditure
- Acquisition of new subsidiaries

Stable net financial debt

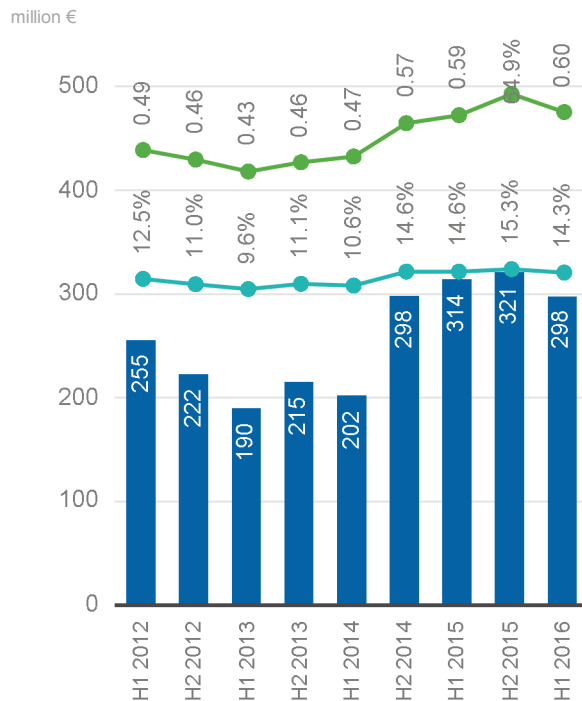


Operating cashflow = cashflow from operations before change in working capital requirement plus dividend and grants received*

* Operating cash flow and changes in working capital requirement adjusted for € 69 million fine in Building Products

Strong capital structure maintained

Net financial debt



Net financial debt of € 298 million

Corresponds to :

- 0.6 x average net debt to recurring EBITDA ratio
- 14.3% gearing ratio

Average weighted net interest rate increased slightly to 1.80%



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

Non-recurring elements

million €	H1 2016
Restructuring charges & provisions	(6.6)
Environmental charges & provisions	0.3
Impairments on metal inventory	12.5
Other	(73.9)
Non-recurring EBIT	(67.6)
Non-recurring tax result	(2.8)
Non-recurring minority result	(0.4)
Net non-recurring result	(70.0)

Non-recurring EBIT mainly affected by € 69 million fine imposed by the French Competition Authority.

€ 13 million reversal of impairments for permanently tied-up metal inventories

Total negative impact on net result of € 70 million

Wrap-up

- Revenues up 1% and REBIT up 3%: strong growth in Automotive Catalysts and Rechargeable Battery Materials more than offset the impact of lower metal prices on various recycling activities
- Growth projects in clean mobility and recycling continue and the expansions of Rechargeable Battery Materials in China and South Korea will be accelerated
- Full year recurring EBIT expected to be in the range of € 345 - € 365 million*, assuming current metal prices prevail

*including the contribution of Zinc Chemicals for the full year



Q&A

Financial calendar

21 October 2016	2016 Third Quarter Trading Update
10 February 2017	Full Year Results 2016
25 April 2017	Ordinary General Meeting of Shareholders
25 April 2017	2017 First Quarter Trading Update
31 July 2017	Half Year Results 2017



Forward-looking statements

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

Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Umicore.

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