

2017 half year performance

31 July 2017

Overview

- Highlights H1 2017
- Outlook 2017
- Business review H1 2017
- Financial review H1 2017
- Wrap-up
- Q&A

Highlights H1 2017

- **Strong performance: revenues +13% and REBIT +26% from continued operations**
- Growth across segments, most pronounced in Energy & Surface Technologies
- **Significant organic investments and acquisitions:**
 - Six fold expansion cathode materials production in South Korea and China on track; first production lines commissioned towards end 2017
 - In Automotive Catalysts, acquisition of remaining 50% of Ordeg JV in Korea and agreement to acquire HDD activities of Haldor Topsoe
- **Exclusive negotiations on sale of Building Products**
- **Private debt placement** in Europe and US for close to € 700 million
- **Decision to stop with quarterly trading updates;** continuing interaction with investors to address strategic themes
- **Interim dividend of € 0.65**

Outlook 2017

Umicore expects full year recurring EBIT to be at the high end of the previously guided range of € 370 million to € 400 million assuming current market conditions continue to prevail. Excluding discontinued operations, this equates to the high end of a range of € 355 million to € 385 million.

Outlook 2017



CATALYSIS

- Patterns observed in the first half year expected to continue
- Higher revenues for full year compared to 2016, albeit with less pronounced growth in absence of major legislative steps



ENERGY & SURFACE TECHNOLOGIES

- Higher volumes for Rechargeable Battery Materials on the back of surging customer demand for xEV
- Market trends in other business units expected to be supportive with usual seasonality



RECYCLING

- Higher volumes as a result of the capacity ramp-up in Hoboken
- Maintenance shutdown scheduled in H2 similar to prior year

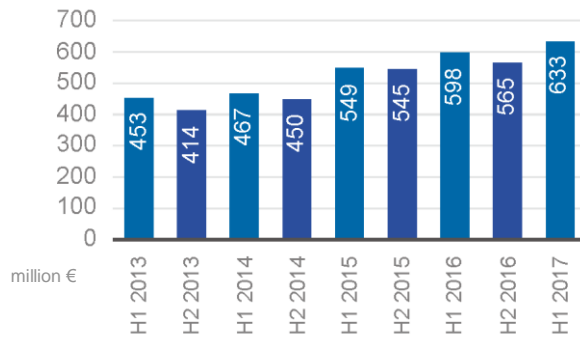
Business review H1 2017



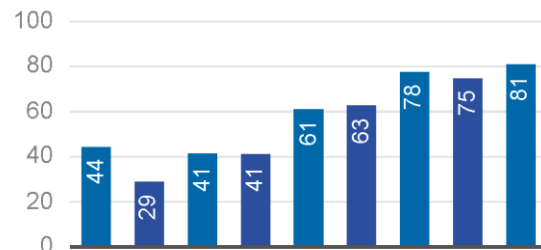
Catalysis

2017 H1 business review

Revenues



Recurring EBIT



Revenues +6% and recurring EBIT +4%:

- Higher revenues in **Automotive Catalysts**:
 - Contribution of second quarter consolidation of Ordeg
 - Higher volumes from HDD catalysts in Europe and China
 - Growth slightly below market for LDV catalysts mainly due to low vehicle sales by Korean customers in China and Korea
- Higher revenues for **Precious Metals Chemistry** with higher volumes across product groups



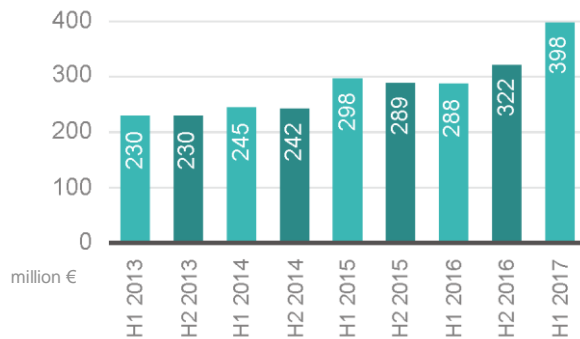
- H1
- H2



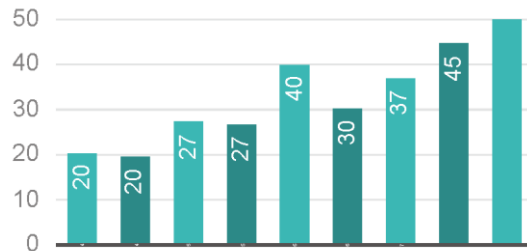
Energy & Surface Technologies

2017 H1 business review

Revenues



Recurring EBIT



Revenues +38% and recurring EBIT +66%:

- Substantial growth for **Rechargeable Battery Materials** driven by strong demand from the transportation segment; Umicore sales outpacing market growth
- Revenues in **Cobalt & Specialty Materials** well up as a result of higher volumes and favourable market conditions in most end-markets
- Higher revenues for **Electroplating, Electro-Optic Materials** and **Thin Film Products**



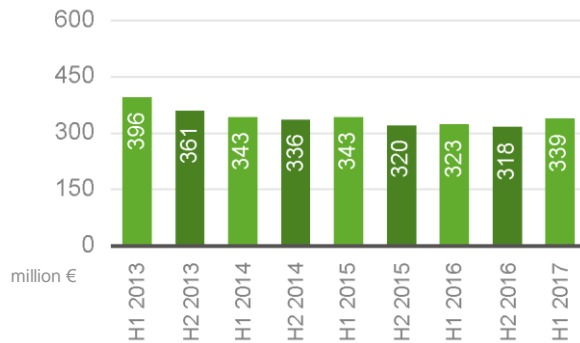
- H1
- H2



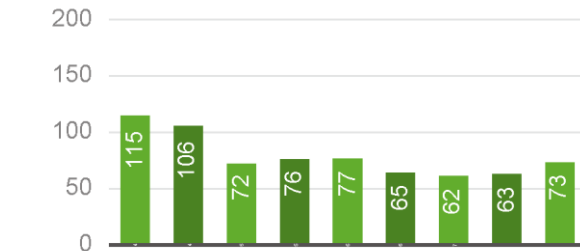
Recycling

2017 H1 business review

Revenues



Recurring EBIT



Revenues +5% and recurring EBIT +19%:

- Increased revenues for **Precious Metals Refining**:
 - Higher processed volumes as a result of the increased throughput
 - More supportive metal prices
 - Supply mix largely unchanged
- Higher revenues in **Jewellery & Industrial Metals** and **Precious Metals Management**
- Stable revenues for **Platinum Engineered Materials** and **Technical Materials**



- H1
- H2

Growth investments in clean mobility and recycling



CATALYSIS

- Acquisition of full ownership of the Ordeg joint venture in Korea
- Agreement to acquire HDD activities of Haldor Topsoe



ENERGY & SURFACE TECHNOLOGIES

- Six-fold capacity expansion for Rechargeable Battery Materials in China and South Korea on track
- First production lines to be commissioned by end 2017

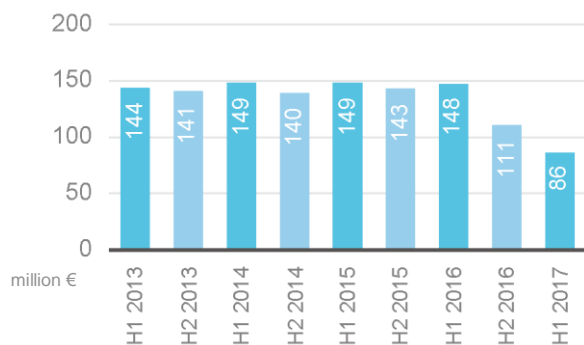


RECYCLING

- Auxiliary investments in Hoboken completed and new capacity ramping up
- Investments to further improve environmental performance ongoing

Discontinued operations

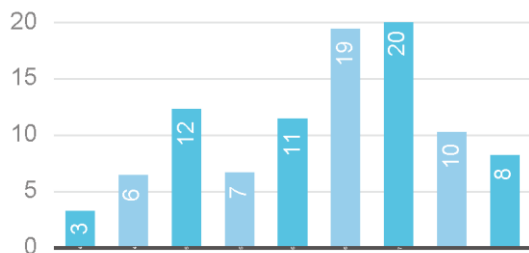
Revenues



Building Products:

- Stable volumes and revenues
- Exclusive negotiations with Fedrus International for the sale of the activities

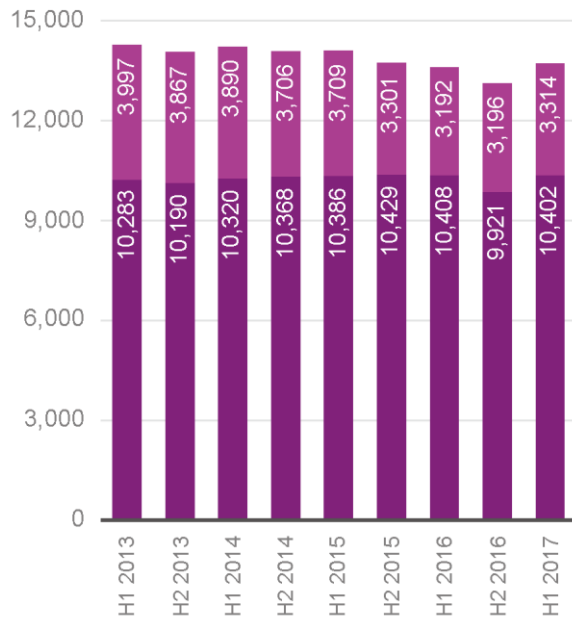
Recurring EBIT



- H1
- H2

Employees and Safety

People



Safety

- Accident frequency rate at 2.94
- Accident severity rate at 0.08

People

Higher number of employees in fully consolidated companies:

- Organic growth in Rechargeable Battery Materials
- Full consolidation of Ordeg JV in Automotive Catalysts
- Acquisition of Eurotungstene in Cobalt and Specialty Materials



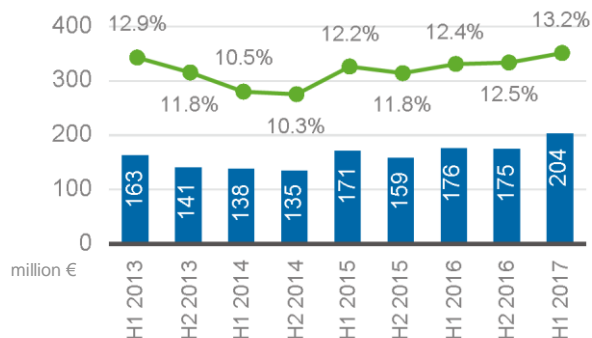
- Fully consolidated
- Associates

Financial review

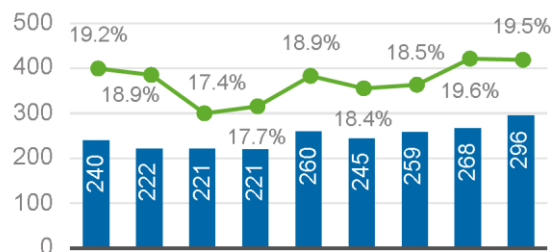
Strong earnings growth

Group, including discontinued activities*

REBIT & REBIT margin



REBIT
H1 16 - H1 17
+16%

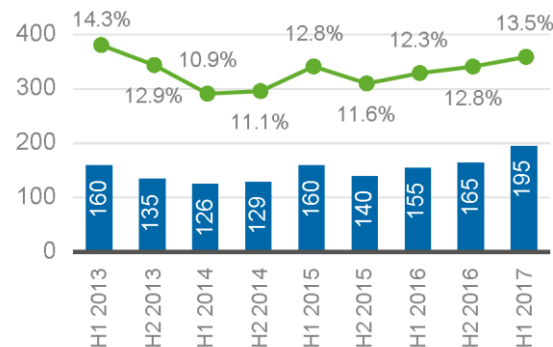


REBITDA
& **REBITDA margin**

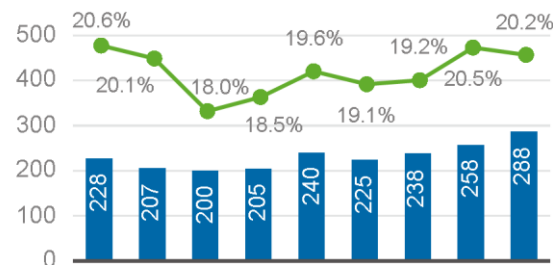
REBITDA
H1 16 - H1 17
+14%

Continued activities

REBIT & REBIT margin



REBIT
H1 16- H1 17
+26%

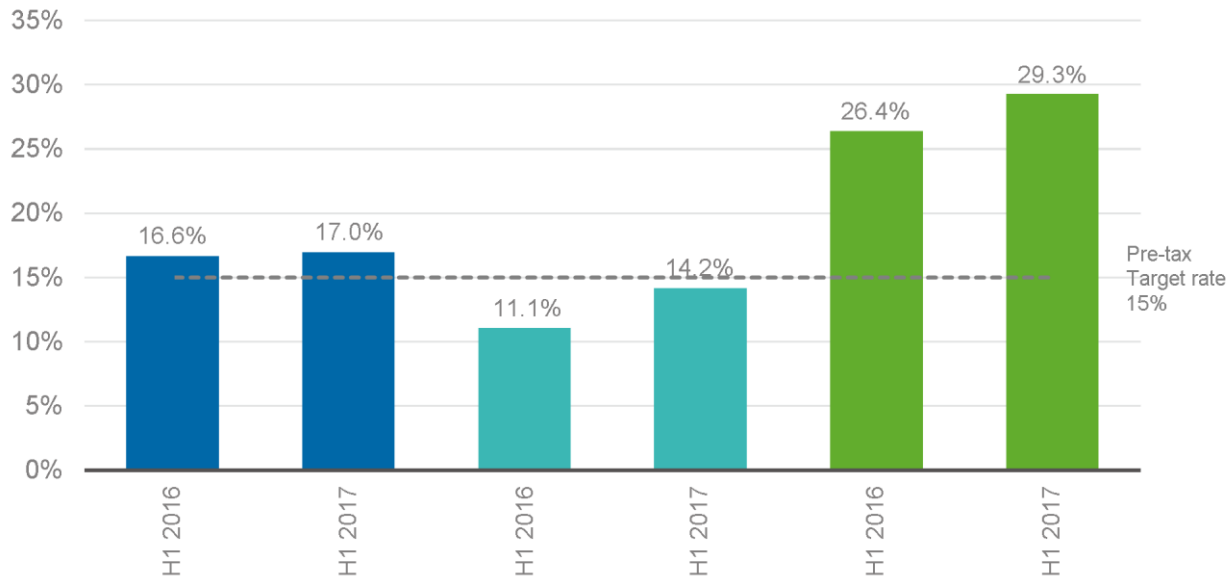


REBITDA
H1 16 - H1 17
+21%

REBITDA
& **REBITDA margin**

* Zinc Chemicals contributed six months in 1H16 but was sold effectively on 1 November 2016, no longer contributing in 1H17

ROCE moves above 15 % target ratio



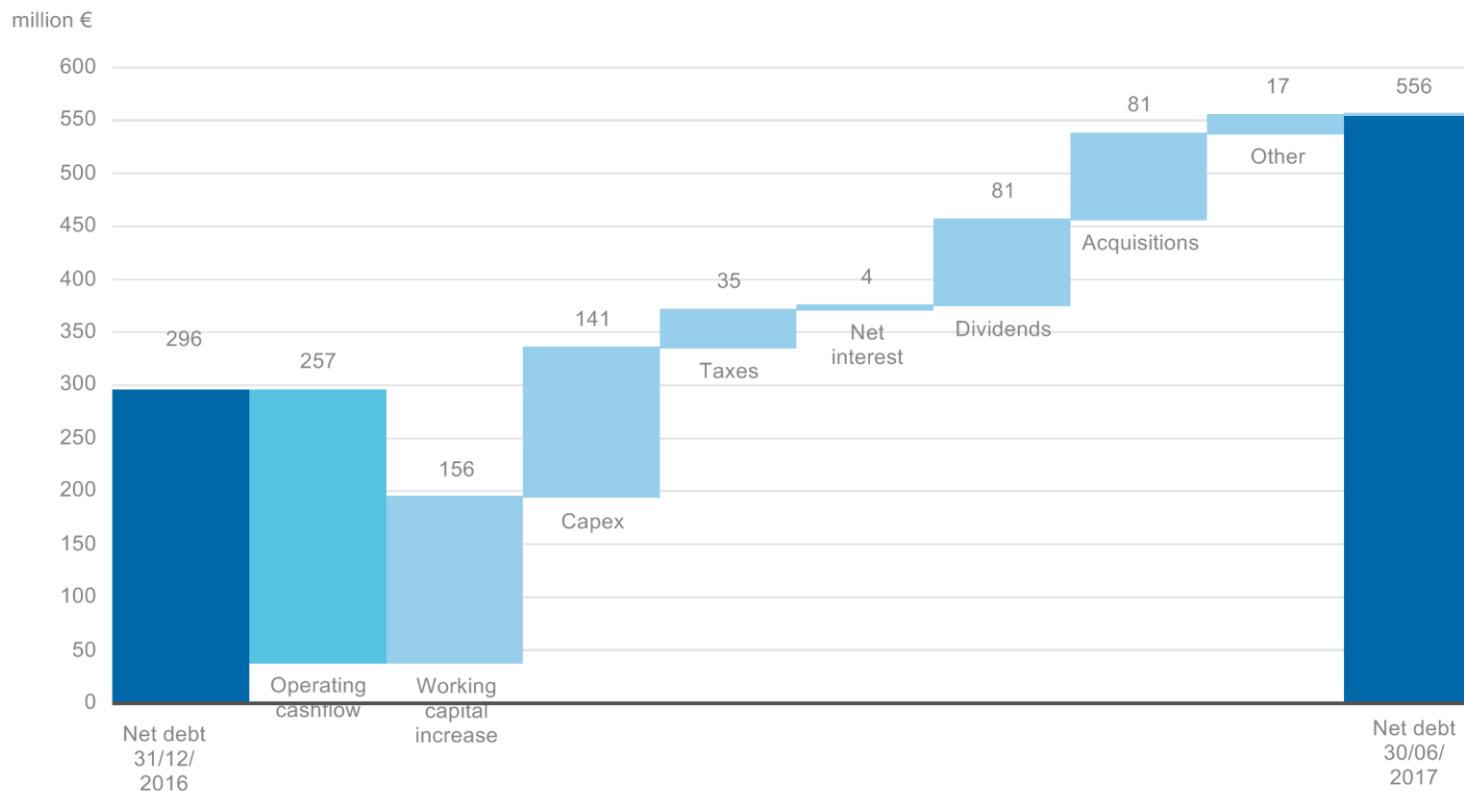
Group ROCE	
H1 2016	14.6%
H1 2017	15.9%



- Catalysis
- Energy & Surface Technologies
- Recycling

- Catalysis ROCE 17.0%, well above target ratio
- Energy & Surface Technologies ROCE 14.2%, well up on the back of strong earnings despite major growth investments
- Recycling ROCE 29.3%, highly value accretive

Net debt and cash flows

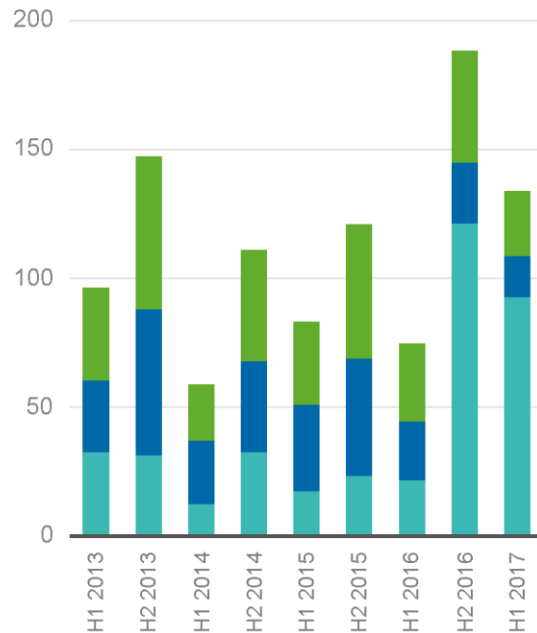


Operating cashflow = cashflow from operations before change in working capital requirement plus dividend and grants received

Expenditures for growth

Capital expenditure

million €



Capex € 141 million relating to growth projects in clean mobility and recycling:

- Energy & Surface Technologies taking up the vast majority as a result of ongoing six-fold capacity expansion
- Capex in H2 2017 expected to outpace this amount

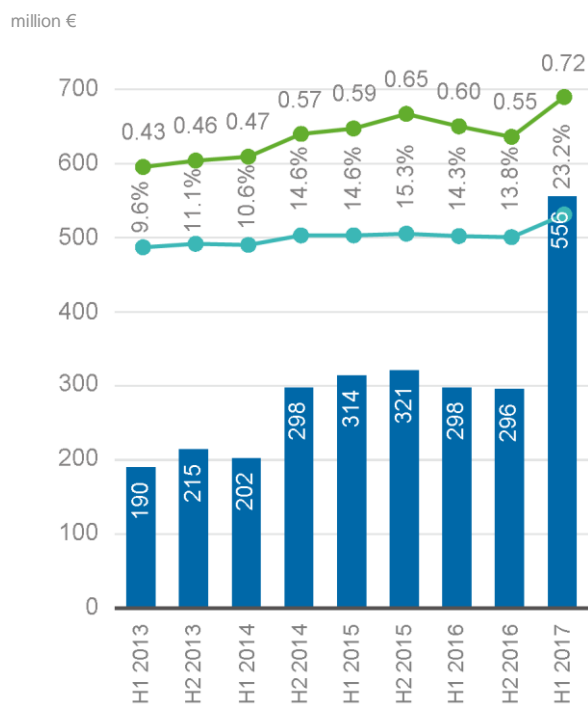
R&D € 89 million, up from € 78 million in H1 2016 reflecting higher expenditures in Catalysis and Energy & Surface Technologies



- Catalysis
- Energy & Surface Technologies
- Recycling
- Corporate & Discontinued operations

Strong capital structure maintained

Net financial debt



Net financial debt of € 556 million

- Driven primarily by growth and Ordeg acquisition
- Including proceeds from the € 330 million European private debt placement

Corresponds to :

- 0.7 x average net debt to recurring EBITDA ratio
- 23.2% gearing ratio

€ 360 million US private debt placement to be drawn in December



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

Non-recurring elements

million €	H1 2017
Restructuring charges & provisions	(1.2)
Environmental charges & provisions	(4.7)
Impairments on metal inventory	(1.0)
Other	(7.6)
Non-recurring EBIT	(14.6)
Non-recurring tax result	3.8
Non-recurring minority result	(0.1)
Net non-recurring result	(10.7)

Non-recurring EBIT mainly affected by:

- € 7 million impairment of shareholding in Nyrstar
- € 5 million environmental provisions

Total negative impact on net result of € 11 million

Wrap-up


- Strong performance: **revenues +13%** and **REBIT +26%** for continued operations
- Growth across segments, most pronounced in Energy & Surface Technologies
- Significant organic investments and acquisitions underpinning the strategy to be a clear leader in clean mobility and recycling
- Umicore expects full year recurring EBIT to be at the high end of the previously guided range of € 370 million to € 400 million assuming current market conditions continue to prevail. Excluding discontinued operations, this equates to the high end of a range of € 355 million to € 385 million.



Q&A

Financial calendar

29 August 2017	Payment date for the interim dividend
9 February 2018	Full Year Results 2017
24 April 2018	Ordinary General Meeting of Shareholders



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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