



umicore

# 2016 Q3 Update

21 October 2016

# Highlights Q3 2016

- Revenues +7% reflecting solid growth across business groups:
  - Catalysis +10%: strong growth in Automotive Catalysts for LDV and HDD
  - Energy & Surface Technologies +8%: growing demand for Rechargeable Battery Materials used in transportation segment
  - Recycling +7%: higher processed volumes and solid supply in Precious Metals Refining
- Strategic growth investments on track
- Maintenance shutdown in Hoboken brought forward to December 2016: overall ramp-up plan not impacted

# Outlook 2016

Umicore expects full year recurring EBIT to be in the previously guided range of € 345 to € 365 million\* despite the effect of the rescheduled shutdown of the Hoboken smelter at the end of the year.

\*including the contribution of Zinc Chemicals for the full year



# Business review Q3 2016



# 2016 Q3 business review

Revenues +10%:

- Continued strong growth in **Automotive Catalysts**:
  - Solid demand for LDV catalysts; in line with car market globally and outperforming in China and Europe
  - Good exposure to successful gasoline platforms, in particular direct injection gasoline engines
  - Higher demand for HDD catalysts in Europe and Asia
- Higher revenues for **Precious Metals Chemistry**

Construction of new production plant for automotive catalysts in Thailand completed: first deliveries expected in Q1 2017



# 2016 Q3 business review

## Revenues +8%:

- Continued strong growth in **Rechargeable Battery Materials**, driven by increasing demand from transportation segment
- Increased revenues in **Cobalt & Specialty Materials** reflecting higher contribution from cobalt and nickel refining and ceramics & chemicals
- Higher revenues for **Electroplating** across product groups
- Revenues in **Electro-Optic Materials** impacted by reduced contribution from refining and recycling
- Lower revenues for **Thin Film Products** as a result of competitive pressure in large area coatings

## Expansion for NMC cathode materials on track:

- Ongoing expansion projects in China: to be commissioned before end of 2016
- Program to triple capacity: new capacity due to come on stream as of H2 2017



# 2016 Q3 business review

## Revenues +7%:

- Higher revenues for **Precious Metals Refining**:
  - Higher processed volumes following recent expansion investments
  - No material impact from metal prices
  - Solid supply conditions
- Higher revenues for **Jewellery & Industrial Metals, Platinum Engineered Materials** and **Technical Materials**
- Stable contribution from **Precious Metals Management**

## Capacity expansion program in Hoboken on track:

- Auxiliary investments due to be completed by the end of this year
- Maintenance shutdown smelter in Hoboken brought forward to December 2016: overall ramp-up plan not impacted

# Discontinued operations

Lower revenues for **Zinc Chemicals** as a result of reduced demand for fine zinc powders used in protective coatings

Lower revenues for **Building Products**:

- Lower demand in Europe, in particular France, and sales volumes outside Europe impacted by project delays
- Umicore lodged two appeals against decision and fine of French Competition Authority

Corporate – **Element Six Abrasives**

- Lower year-to-date contribution to Umicore's REBIT
- Some quarter on quarter improvement in Oil and Gas drilling

# Wrap-up

- **Revenues +7%** reflecting solid growth across business groups
- Strategic **growth investments** on track
- Maintenance **shutdown in Hoboken brought forward** to December 2016: overall ramp-up plan not impacted
- **Full year recurring EBIT** expected to be in the previously guided range of **€345 - €365 million\*** despite rescheduled shutdown of Hoboken smelter

\*including the contribution of Zinc Chemicals for the full year

# Financial calendar

<b>10 February 2017</b>	Full Year Results 2016
<b>25 April 2017</b>	Ordinary General Meeting of Shareholders
<b>25 April 2017</b>	2017 First Quarter Trading Update
<b>31 July 2017</b>	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.

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Should one or more of these risks, uncertainties or contingencies materialize, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected.

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