

## Umicore update on trading conditions and outlook

### Solid start of the year

Umicore started the year in line with expectations despite downward price pressure on key metals manifesting itself over the quarter.

The **Catalysis** business group posted a strong performance in the first quarter of 2023, above the level of the previous year. Global light-duty car production remained broadly in line with the level of the first quarter of 2022, masking however contrasting evolutions. While year-on-year car production in Europe and North-America increased, benefitting from a gradual recovery of the global supply chains, this growth was offset by a substantial year-on-year decline in Chinese car production. Against this background, Automotive Catalysts performed in line with the global car market, with volumes and revenues reflecting the market trends in the key regions. The business unit delivered an especially strong performance in the European and North American car markets driven by its strong position in light-duty gasoline applications and a favorable platform mix. As a strong recognition of its best-in-class gasoline technology, Umicore was awarded a majority of the Euro 7 gasoline platforms, further reinforcing its leadership position in this segment. In the heavy-duty diesel segment, Automotive Catalysts benefitted from strong demand in the European market and a gradual recovery in Chinese heavy-duty diesel production. A solid start of the year in the business units Fuel Cell & Stationary Catalysts and Precious Metals Chemistry further contributed to the strong performance of the first quarter.

In the **Energy & Surface Technologies** business group, Rechargeable Battery Materials performed broadly in line with the first quarter of the previous year. The business unit was able to reduce its sensitivity to a volatile lithium price through the implementation of hedging mechanisms<sup>1</sup>. As anticipated, sales volumes of cathode active materials (CAM) remained subdued over the first quarter. However, since the start of the year, the business unit made further important progress in the ramp-up of high-nickel CAM volumes towards end 2023, with significant growth in volumes expected as of 2024. In this context, a new agreement - covering an annual commitment of 20,000 tons of high-nickel NMC CAM for China - was closed with a Chinese battery OEM. First commercial volumes under this agreement will start to be produced as of end 2023 and are expected to result in a material increase in the utilization of Umicore's plant in China. As anticipated, the performance of the Cobalt & Specialty Materials business unit returned to more normalized levels compared with the exceptional profitability in the first quarter of 2022 on the back of extraordinary strong demand and supportive prices in the cobalt and nickel chemicals and related distribution activities. The performance of Metal Deposition Solutions and Electro-Optic Materials remained stable year on year. Based on the above, the first quarter performance of the Energy & Surface Technologies business group was, as anticipated, below the level of the previous year.

The **Recycling** business group delivered a solid operational performance in the first quarter of the year. As anticipated, earnings were below the level of last year reflecting the impact of a less favorable PGM metals price environment, in particular for rhodium and palladium, and the full impact of cost inflation in the year-on-year comparison with the first quarter of 2022. The Precious Metals Refining business unit continued to benefit from a solid input of complex PGM-rich industrial by-products. The availability of PGM-rich recyclables remained however subdued, reflecting the tendency of collectors to hold on longer to scrap materials in a lower precious metal price context. The business unit continues to take measures to reduce the impact of its

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<sup>1</sup> As lithium and manganese are increasingly valuable and volatile components in rechargeable battery materials, it was decided to no longer treat them as consumables but as hedged metals. Please refer to the Full Year 2022 press release published on February 16, 2023 for more information.

operations on the environment by creating a green buffer zone around the plant. The demolition works for the creation of this green buffer zone are set to start in May and expected to be finalized by end 2024.

The Battery Recycling Solutions business unit continued to benefit from rapidly increasing customer interest in its battery recycling technologies.

The performance of Jewelry & Industrial Metals was lower year-on-year, reflecting decreased demand for gold and silver investment products as well as the impact of lower PGM prices in its recycling services. The contribution from Precious Metals Management slightly increased, driven by favorable trading conditions in a context of highly volatile precious metal prices.

## First quarter 2023 highlights<sup>2</sup>

Over the quarter, Umicore announced several operational milestones supporting its growth ambitions. In February, the Group announced [the signing of a long-term agreement with Terrafame](#) for the supply of sustainable low carbon, high-grade nickel sulphate, a testament of its commitment to establishing a sustainable battery materials value chain in Europe. Umicore also made further progress on its innovation and technology roadmap in cathode active material (CAM) with the announcement of the [industrialization of its leading manganese-rich HLM](#) (high lithium, manganese) CAM technology, and [the investment in Blue Current](#) - a leading manufacturer of silicon elastic composite solid-state batteries - to step up its solid-state battery development. In the framework of its Let's Go for Zero ambitions, Umicore introduced [new dedicated Sustainable Procurement Frameworks](#) for nickel and lithium, which as of April 1<sup>st</sup> became applicable to all nickel and lithium suppliers.

## Outlook for 2023<sup>3</sup>

In **Catalysis**, it is expected that the business unit Automotive Catalysts will continue to benefit from its strong market position in gasoline catalyst applications, a further recovery of the automotive supply chain and of the Chinese heavy-duty diesel market. Taking this into account, adjusted EBIT/EBITDA in 2023 is expected to be somewhat above the record levels of 2022, slightly above current market expectations.

In **Energy & Surface Technologies**, Umicore expects earnings in Rechargeable Battery Materials to be in line with the 2022 level. Taking into account the normalized performance of Cobalt & Specialty Material in 2023 compared to the exceptional profitability in 2022, adjusted EBIT/EBITDA of the business group in 2023 is anticipated to be somewhat below the level of 2022, slightly above current market expectations.

It is anticipated that the performance of the **Recycling** business group will be impacted by lower PGM metals prices and a related, less supportive, supply environment for PGM-rich recyclables. Assuming current metal prices were to prevail throughout the year and taking into account the current outstanding strategic metal hedges, it is expected that the adjusted EBIT/EBITDA of the business group Recycling in 2023 will be in the lower range of current market expectations.

Mathias Miedreich, CEO of Umicore commented: *“Umicore posted a solid start of the year despite a challenging market environment. We keep a sharp focus on the execution of our 2030 RISE strategy and our efforts have already resulted in additional proof points such as the confirmation of our technology leadership in Automotive Catalysts and the continued ramp-up of high-nickel CAM volumes in Rechargeable Battery Materials. We also strengthened our pioneering approach in the sourcing of responsible, low-carbon raw materials with the introduction of dedicated sustainable procurement frameworks for nickel and lithium. I am proud of the team’s achievements so far and remain confident in our ability to deliver upon the mid-to-long targets that we have set under the 2030 RISE strategy.”*

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<sup>2</sup> For other news and stories, visit the [newsroom](#) on Umicore’s website.

<sup>3</sup> Based on current metal price levels and assuming present market and macroeconomic conditions continue to prevail.

## Conference call and webcast

Mathias Miedreich, CEO of Umicore, and Wannas Peferoen, CFO, will host a conference call at 19:00 CEST today, on 27 April 2023. Please visit: [http://umicore.com/Q1\\_2023\\_Business\\_Update](http://umicore.com/Q1_2023_Business_Update)

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## Financial calendar

2 May 2023	Ex-dividend trading date
3 May 2023	Record date for the dividend
4 May 2023	Payment date for the dividend
28 July 2023	Half year results 2023

## About Umicore

Umicore is a leading circular materials technology Group. It focuses on application areas where its expertise in materials science, chemistry and metallurgy makes a real difference. Its activities are organized in three business groups: Catalysis, Energy & Surface Technologies and Recycling. Each business group is divided into market-focused business units offering materials and solutions that are at the cutting edge of new technological developments and essential to everyday life.

Umicore generates the majority of its revenues and dedicates most of its R&D efforts to clean mobility materials and recycling. Umicore's overriding goal of sustainable value creation is based on an ambition to develop, produce and recycle materials in a way that fulfils its mission: materials for a better life.

Umicore's industrial and commercial operations as well as R&D activities are located across the world to best serve its global customer base. The Group generated revenues (excluding metal) of € 4.2 billion (turnover of € 25.4 billion) in 2022 and currently employs more than 11,000 people.