



# Full-year results 2022

16 February 2023

# Speakers



**Mathias  
Miedreich**

Chief Executive Officer



**Wannes  
Peferoen**

Chief Financial Officer





# Agenda

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1.  
**Highlights  
2022**

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2.  
**Business  
review**

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**Financial  
review**

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4.  
**Progress in  
sustainability  
roadmap**

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**2023  
Outlook**

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**Wrap-up**

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7.  
**Q&A**

# Highlights | 1

FULL-YEAR  
RESULTS 2022



# Key figures 2022

Resilient business performance in a volatile market

Revenues

**€ 4.2 bn**

+10% yoy

Leverage  
ratio

**0.96x**

ROCE  
**19.2%**

Adj. EBITDA

**€ 1.2 bn**

-8% yoy

Free operating  
cash-flow

**€ 344 m**

**Revenue:**

all revenue elements less the value of the following purchased metals:  
Au, Ag, Pt, Pd, Rh, Co, Ni, Pb, Cu, Ge, incl. Li, Mn as of 2021

**Leverage ratio:**

Net financial debt / LTM  
adj. EBITDA

# 2030 RISE

Net beneficiary of a changing world



## Megatrends

Supporting our business model

## Portfolio

Synergetic, coherent, competitive

## Purpose

Sustainability at the core



Writing the next chapter  
of Umicore as the *circular* materials  
technology company

2030

GROWTH

>100%

Revenues

Grow like  
a start-up

PROFIT

>20%

EBITDA  
margin

Create  
value as an  
established  
company

RETURN

15%

ROCE



# Key milestones 2022

## Strong progress in executing 2030 RISE

### Customers & Contracts



*LT, strategic 46GWh supply agreement for next generation **Hi-Ni CAM with ACC**, demonstrating Umicore technology and execution strength*



*JV with VW PowerCo for 164 GWh CAM in Europe, a value-creative partnership across the EU battery value chain and a strong signal of recognition of Umicore's product and process expertise*



*MoU with VW PowerCo for 40GWh in North America as recognition of Umicore's ability to offer a fully integrated battery materials supply chain also for the North American market*



*Mercedes-Benz honors Umicore AC with **Supplier Award 2022**, no better acknowledgment of Umicore's excellence in performance than when received from its customers*

### Technology & Innovation



*JDA with Idemitsu Kosan Co to jointly develop high-performance CAM for **Solid State Batteries**, potential **game-changer** for the battery industry*



*JDA with Nano One on **advanced CAM manufacturing**, as additional building block of Umicore's strong **innovation and technology ecosystem***



*Strong **IP creation** with more than 70 patents filled in 2022, drivers of our technology leadership*



***Start of industrialization of our leading HLM technology**, distinctly competitive to other design-to-cost battery technologies*

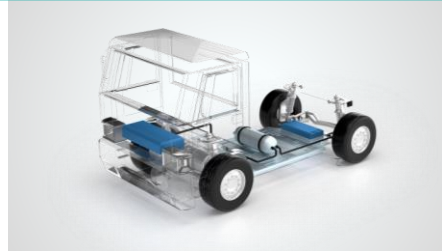
# Key milestones 2022

## Strong progress in executing 2030 RISE

### Regional Value Chains & Manufacturing Footprint



Start of production of the **CAM Gigafactory** in Nysa (Poland), making Umicore the **only company** with a **complete circular and sustainable battery materials value chain in Europe**



Building a **Fuel Cell Catalyst plant** in Changshu (China) to capture the fast-emerging growth in fuel cell technology.



LT supply agreement with Terrafame for **low carbon, high-grade Nickel from Finland**, covering a substantial part of Umicore's future needs in Europe



**MoU with Canadian Government**, unlocking the **North American battery materials** market for Umicore compliant with the **US Inflation Reduction Act (IRA)**

### Clean Mobility Ecosystem



Partnership with ACC on Umicore's new generation Li-ion battery recycling technologies, leading the way towards a battery circular economy



**Proof of concept Battery Passport** milestone towards **creating traceability and accountability** at each EV battery supply chain stage

### ESG Roadmap



Diversified and extended funding base at attractive conditions with newly issued **sustainability linked debt instruments** for a total amount of **€ 1,091 million**, a **strong validation** of Umicore's "2030 RISE" strategy by institutional debt investors



**SBTi validation** of Umicore's 2030 **Scope 1/2/3 targets**



# Business review | 2

FULL-YEAR  
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# Catalysis

*Another year of high  
performance and market  
share gains*

Colleague working with  
robot at Umicore Catalysis  
Production Plant

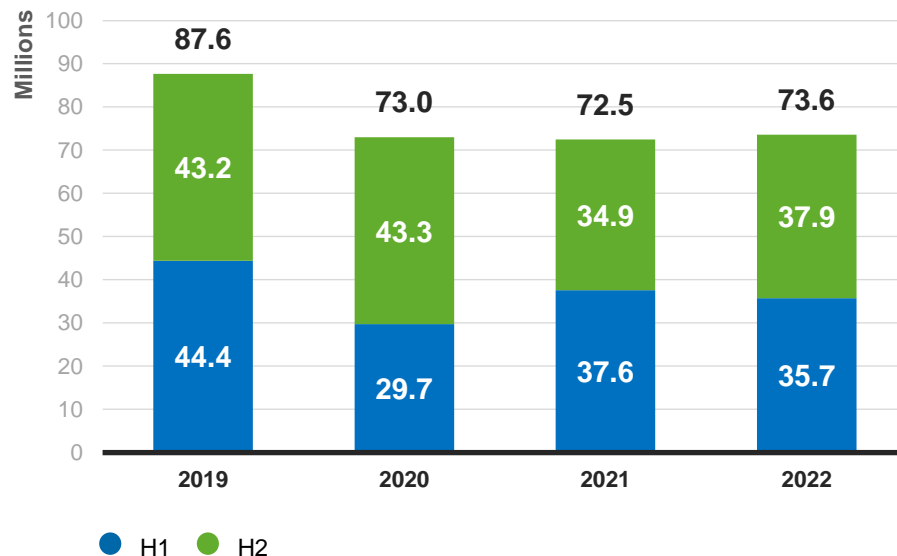




# Catalysis 2022 | Market context

## Subdued global car market over 2022

### Annual global passenger car production (all ICE powertrains)



- Continued global logistic disruptions, shortages of semi-conductors, COVID-19 resurgence (H1 in China)
- Manufacturers reduced production, despite strong global demand
- Lower y-o-y light-duty ICE production in China and EU, offset by strong growth in other regions
- **Global light-duty ICE production remained in line with 2021 (+1.5%)**



# Catalysis 2022 | Performance

Revenues up 5%, adj. EBITDA margin at 23.6%

→ Record performance, margins well above historical levels

## Automotive Catalysts

- Outperformed global car market, significant market share gains especially in China
- Strong operational performance, efficiency gains countering inflation
- Passing through inflation, supporting margins

## Precious Metals Chemistry

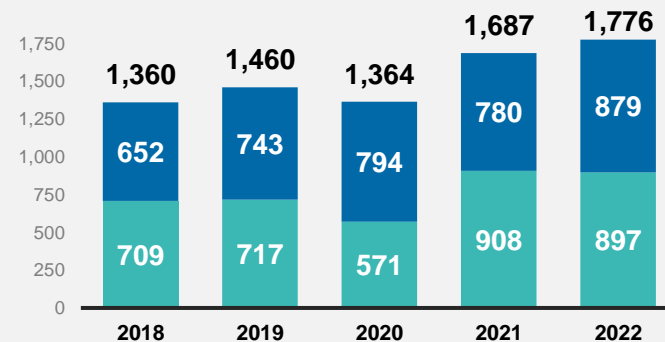
- Revenues increased vs 2021
- Strong demand, especially for inorganic chemicals in automotive
- Operational excellence and favorable PGM prices

## Fuel Cell & Stationary Catalysts

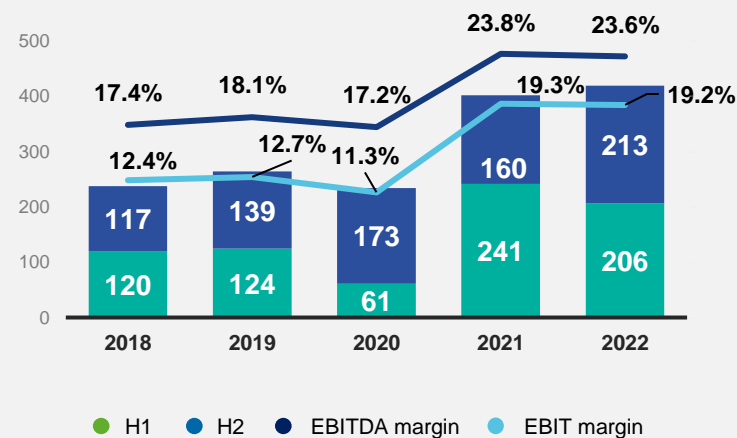
- Revenues flat vs 2021, impacted by H1 COVID-19 lockdowns in China
- Investing in fuel cell catalyst plant in China to capture future growth



Catalysis revenues (€ m)



Adjusted EBITDA (€ m) & EBIT(DA) margin







# Catalysis 2022 | AC revenue composition

**AC delivers strong free operating cash-flows in a challenging context**

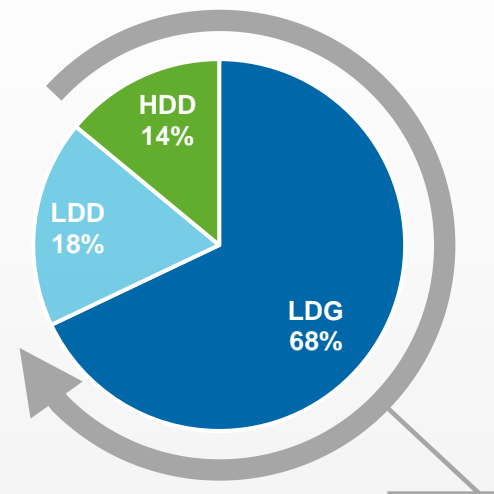
## Strong market position

- Leading position in LDG segment, with marketshare gains in most global markets in 2022
- Favorable customer and platform mix in major regions in LDV and HDD
- Highly efficient manufacturing system and production footprint, with strong resilience to volume fluctuations

## Final Euro 7 norms for LDG support 2030 RISE ambitions for AC

- Expected Euro 7 value uplift for LDG supporting AC profitability ambitions and its potential to generate a free cash flow of €3 Bn between 2022 and 2030
- Strong portfolio of next generation catalyst technologies, several Euro 7 platforms already acquired in 2022

**2022 Automotive Catalysts revenues per segment**



**Over 80% of AC generated in segments with highest combustion engine longevity (LDG and HDD)**

- HDD – Heavy Duty Diesel
- LDD – Light Duty Diesel
- LDG – Light Duty Gasoline

# E&ST

*On track preparing  
growth and executing  
2030 RISE*

Colleague working on the next generation  
of CAM in Umicore Process Competence  
Center, in Olen

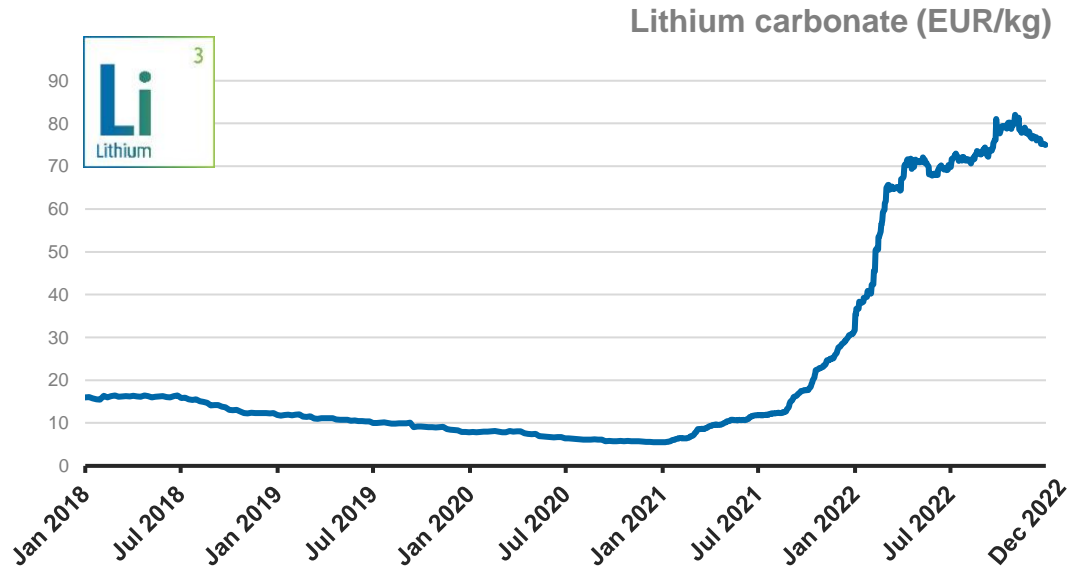




# E&ST 2022 | Market context

## Lithium price blasts mid-2021

Weighting battery powder in Olen, Process competence center



Average 2021  
**14 €/kg**

Average 2022  
**68 €/kg**

30/12/2022 spot price  
**75 €/kg**



# E&ST 2022 | Market context

EV sales reached 10% of global new vehicles sales in 2022

- **Mobility transformation** – rapid **acceleration** continues
  - Regulatory push: EU zero-CO<sub>2</sub> target in 2035 and US Inflation Reduction Act
  - Higher customer demand for EVs
  - Car OEMs commit to significant investments to roll out new EV models
- **Energy crisis** – a strong **catalyst for renewable energy** investments in EU
- Shift to e-mobility to increase **Umicore's addressable CAM market** by **x6-7** until 2030
- **Structural undersupply of CAM in Europe and North America** expected until 2030, accelerated by push to regional supply chains





# CAM Capacity Development

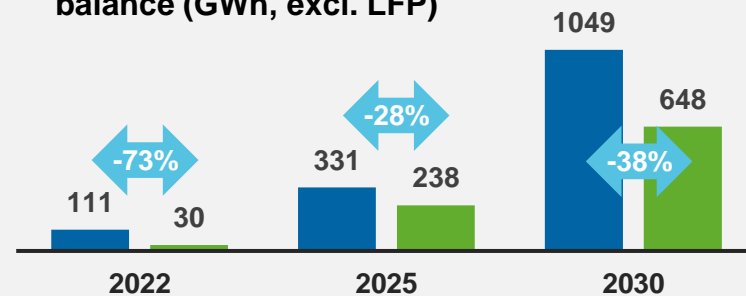
## Structural CAM undersupply

- 2022 - 2030 – NMC **pCAM** and **CAM manufacturing capacity** in EU & N-A **insufficient to cover local demand**
- Supply gap to be only **temporarily bridged** from Asia:
  - **Local content requirements** and geopolitical independency for regional subsidy schemes (US IRA, EU NZIA)
  - OEM **CO<sub>2</sub> reduction** targets (scope 3)
  - Need for robust and **reliable supply-chains** close to customers

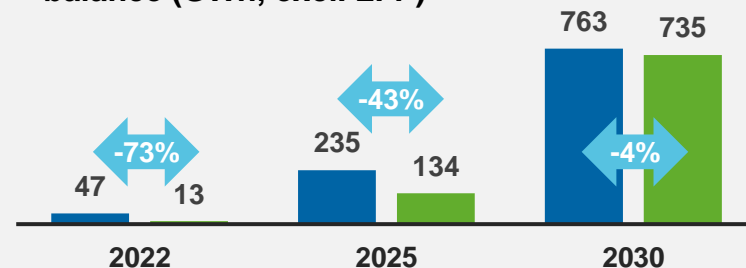


In this undersupply context, Umicore's fully integrated supply chain and existing / planned CAM manufacturing footprint in EU and N-A America to play important role in supporting regional demand of battery and car OEMs

European addressable  
CAM market supply & demand  
balance (GWh, excl. LFP)



North American addressable  
CAM market supply & demand  
balance (GWh, excl. LFP)



● Expected NMC battery demand    ● Announced supply capacity from CAM producers





# E&ST 2022 | Performance

Revenues +28%, adj. EBITDA margin at 22.3%

## → Higher revenues and earnings in RBM and CSM

### Rechargeable Battery Materials

- As anticipated, sales volumes of legacy CAM contracts subdued
- Revenues<sup>1</sup> and earnings well up, incl. favorable exposure to increase in lithium price
- Preparations for 2024 ramp-up on track, with good customer traction in 2022
- Intention to group RBM activities within one legal entity within Umicore

### Cobalt & Specialty Materials

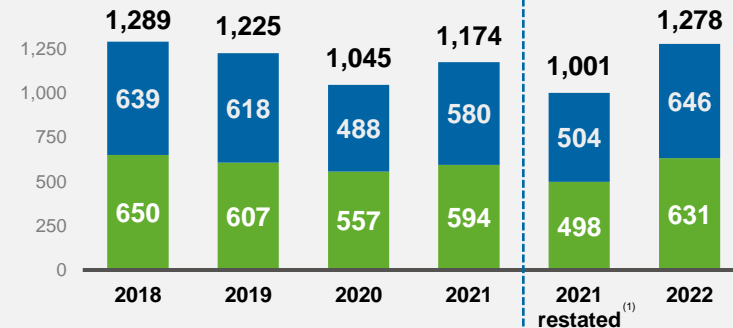
- Revenues substantially higher
- Exceptionally strong demand and a supportive cobalt and nickel environment and related distribution activities in H1
- As anticipated, normalization of performance in H2

### Metal Deposition Solutions & Electro-Optic Materials

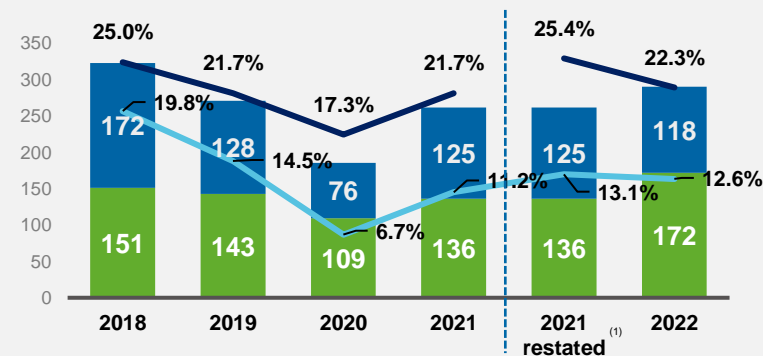
- Stable revenues with good operational performance



Revenues (€ m)



Adjusted EBITDA (€ m) & EBIT(DA) margin



● H2 ● EBITDA margin  
● H1 ● EBIT margin

=

<sup>(1)</sup> Li and Mn pass through excluded from revenues as of 2021

# Recycling

*Another excellent  
operational performance  
in 2022*

Hoboken, main central  
building



# Recycling 2022 | Market context

## Volatile precious metal prices



Average 2021  
**544 K€/kg**

Average 2022  
**472 K€/kg**

30/12/2022 spot price  
**369 K€/kg**







# Recycling 2022 | Performance

Stable revenues, adj. EBITDA margin at 48.1%

→ Excellent operational performance, tempered by inflation headwinds and a less favorable precious metal price environment

## Precious Metals Refining

- Revenues close to 2021 levels with solid volumes
- Earnings affected by cost inflation, partially offset through efficiencies
- Limited inflation pass-through options due to global market dynamics
- Pb in blood and emission values end 2022 at lowest average level ever achieved

## Battery Recycling Solutions

- Successful implementation of high efficiency flow sheet and high recovery yields
- Good traction: > 5 additional agreements with battery and car OEMs
- Preparations for 150kt battery recycling plant in EU well on track

## Jewelry & Industrial Metals

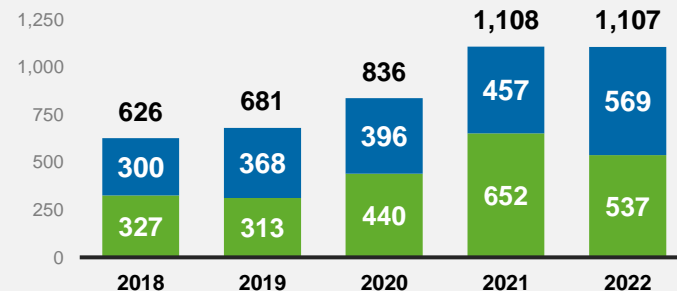
- Revenues up, with strong performance across most product lines

## Precious Metals Management

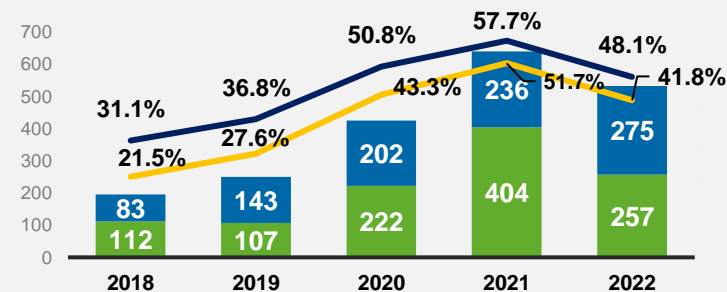
- Earnings slightly below exceptional 2021 level, reflecting less favorable trading conditions, in particular for rhodium



Revenues (€ m)



Adjusted EBITDA (€ m)  
& EBIT(DA) margin



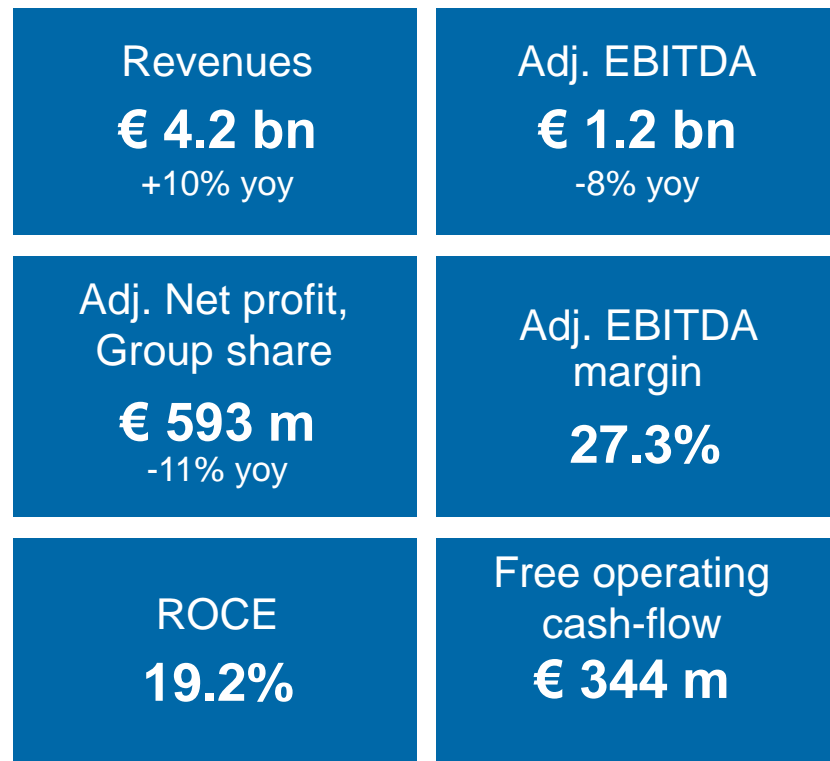
● H2 ● EBITDA margin  
● H1 ● EBIT margin

# Financial review | 3

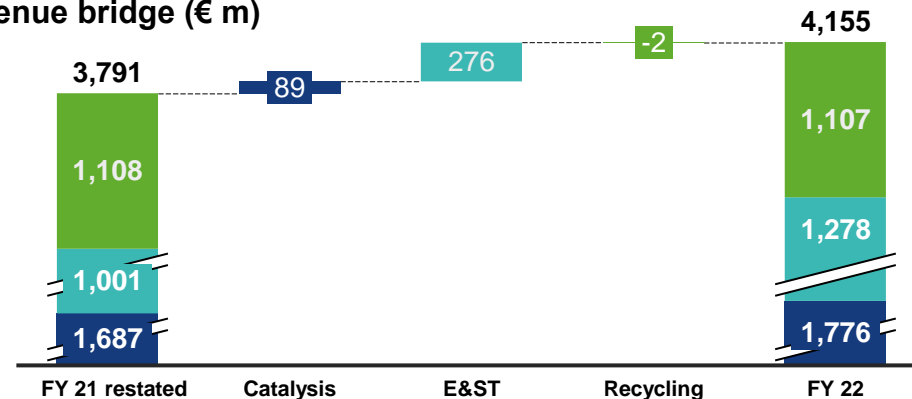
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# Key figures 2022

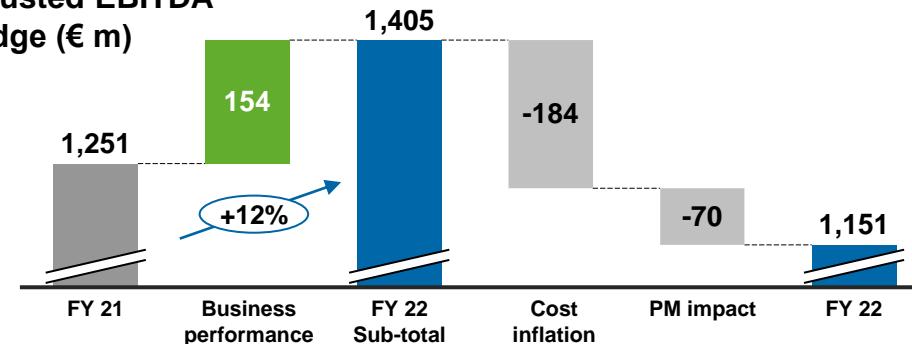
## Resilient business performance in a volatile market



Revenue bridge (€ m)



Adjusted EBITDA bridge (€ m)



Revenue: all revenue elements less the value of the following purchased metals: Au, Ag, Pt, Pd, Rh, Co, Ni, Pb, Cu, Ge, incl. Li, Mn as of 2021.

(Cost inflation = excluding pass-through to customers.



# Condensed consolidated P&L

## Solid net result

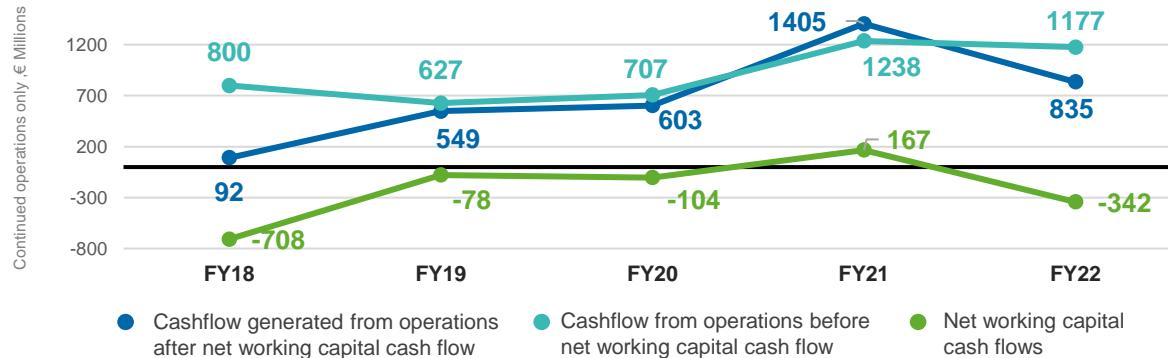
€ Million	2021	2022
Adjusted EBITDA	1,251	1,151
- Depr. & Amortization	(280)	(286)
Adjusted EBIT	971	865
- Adj net finance cost	(100)	(125)
- Adjusted Tax	(196)	(145)
Adjusted net result	675	595
- Minorities	(8)	(2)
<b>Adjusted net result Group share</b>	<b>667</b>	<b>593</b>
<i>Adjusted EPS</i>	<i>2.77</i>	<i>2.47</i>
Adjustments to EBIT(DA)	(75)	(32)
Adjustments to net result Group share	(49)	(23)
<b>Net result Group share</b>	<b>619</b>	<b>570</b>

- Increase in adj. net financial cost, reflecting higher net interest charges, in particular on short term loans, and somewhat higher FX-related costs
- Lower adj. tax charges from lower taxable profit and lower adj. effective group tax rate (20.0% vs 23.1%).
- Limited € -32 million adjustments to EBIT, mainly linked to environmental provisions

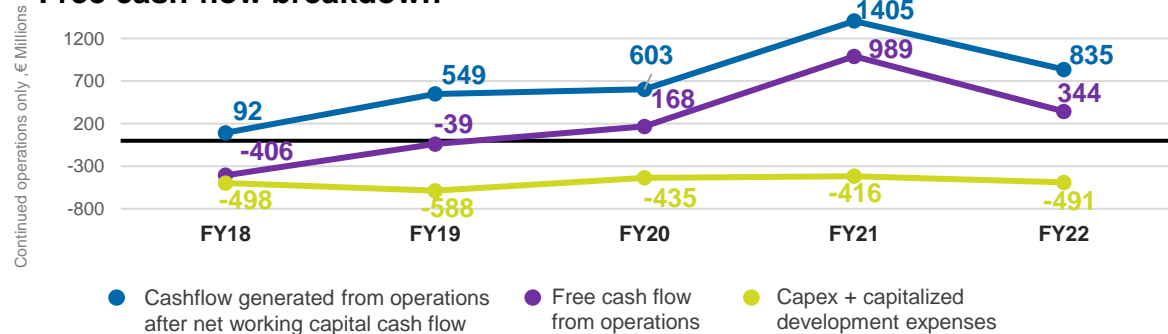
# Free operating cash-flow remains strong

## Supporting future growth

### Operating cash-flow breakdown



### Free cash-flow breakdown



**Cash flow from operations after changes in working capital at € 835 million**, driven by higher working capital requirements in E&ST on the back of increased battery metal prices

**Free cash flow from operations of € 344 million**

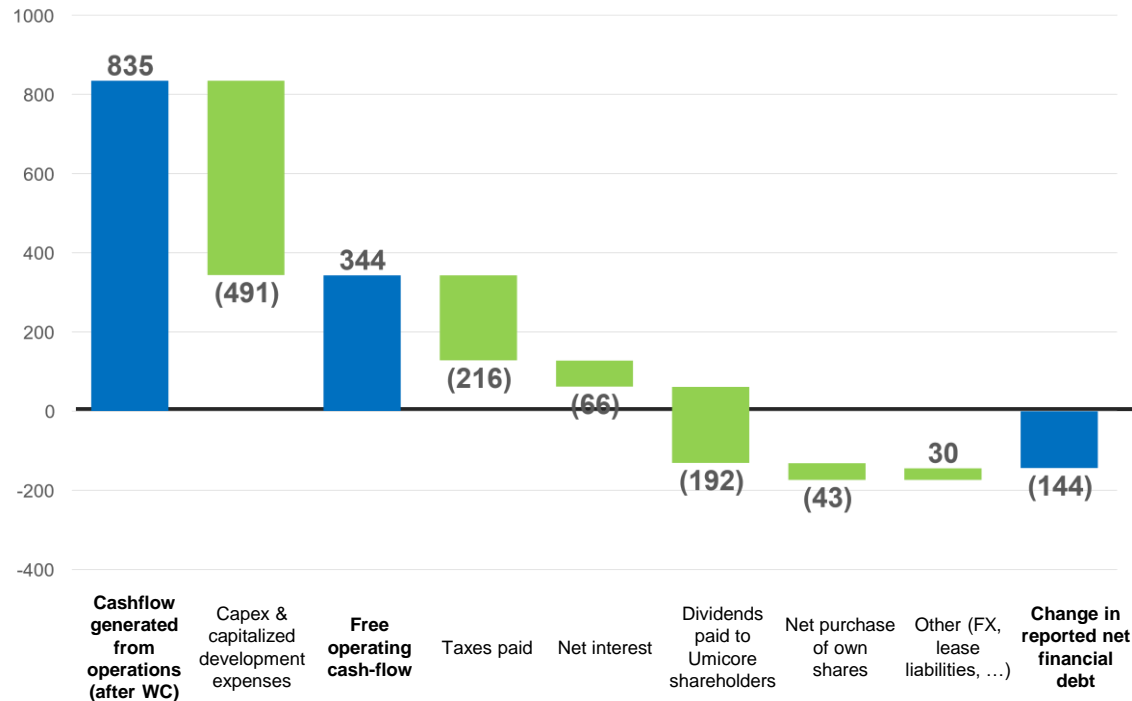
- Capex and capitalized development expenses up yoy to € 491 million
- E&ST accounting for more than 60% of Group capex, driven by RBMs European expansion plan

**Continued capex discipline for expansion programs**

# Stable net financial debt versus end 2021

## Leverage ratio of 0.96x LTM adj EBITDA

### Net cash-flow bridge (€ m)



- Net financial debt of € 1.1 bn (€ +0.1 bn yoy)
- Leverage ratio of 0.96x LTM adj EBITDA
- Free operating cashflow of € 344 million, despite € 342 million increase in working capital and € 491 million investments
- Funded a combined € 517 million cash outflow related to taxes, net interest charges, dividends & net purchase of own shares

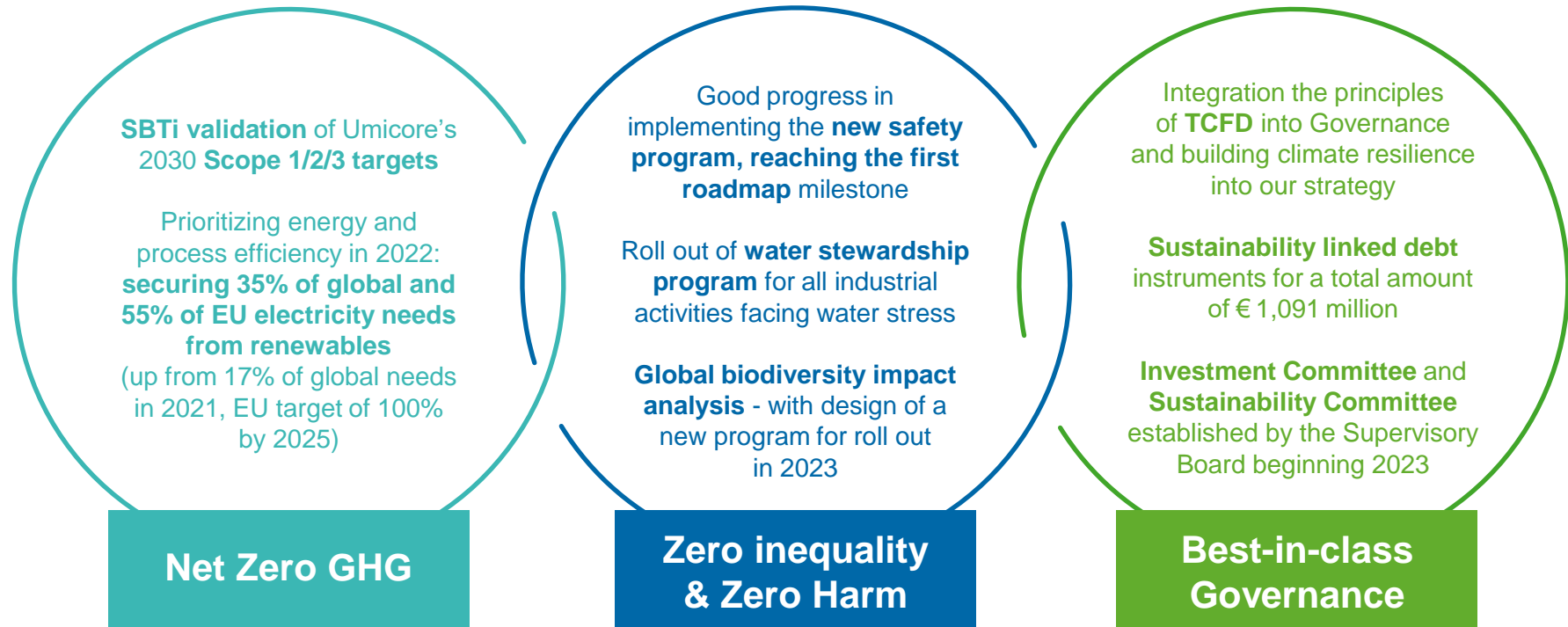


# Progress in sustainability roadmap | 4

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# Progress in sustainability roadmap

## Accelerating the transition to a sustainable future



# 2023 outlook | 5

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# Guidance for full year 2023



## CATALYSIS

**Automotive Catalysts** is expected to benefit from its strong market position in gasoline catalyst applications, a supply chain recovery and an anticipated rebound of the Chinese heavy-duty diesel market. Therefore, adjusted EBITDA of the Catalysis business group is expected to show a further good uplift in 2023 versus 2022.



## E&S

**In Energy & Surface Technologies**, it is expected that the earnings of the Rechargeable Battery Materials business unit will be in line with the 2022 level. Considering that in 2023 the Cobalt & Specialty Materials business unit will no longer benefit from the exceptional profitability that occurred in the first half of 2022, adjusted EBITDA of the Energy & Surface Technologies business group in 2023 is anticipated to be somewhat below the level of 2022.



## RECYCLING

In **Recycling**, the Precious Metals Refining business unit is expected to continue to benefit from an overall supportive supply environment. Assuming current precious metal prices are to prevail throughout the year, adjusted EBITDA in the Recycling business group in 2023 is expected to be below the level of 2022 due to full year effect of cost inflation.

**Overall, adjusted EBIT and EBITDA for the Group are expected to be below the levels of 2022, in line with current market expectations.**



# Wrap-up | 6

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# Wrap-up







# Q&A | 7

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# Thank you!

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*This presentation should be evaluated only in conjunction with them.*

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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.*

*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.*

*As a result, neither Umicore nor any other person assumes any responsibility for the accuracy of these forward-looking statements.*

# Appendices

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# Glossary

<b>Adjusted EBIT</b>	EBIT - EBIT adjustments including total other income, income taxes, depreciation and amortization, and excluding non-recurring, irregular and one-time items
<b>Adjusted EBIT margin</b>	Adjusted EBIT of fully consolidated companies / revenues excluding metals
<b>Adjusted EBITDA</b>	Adjusted EBIT + adjusted depreciation and amortization of fully consolidated companies
<b>Adjusted items</b>	<p>Adjusted items are the items that are considered by management not to relate to items in the ordinary course of activities of the Group. They are presented separately as they are important for the understanding of users of the consolidated financial statements of the performance of the Umicore Group.</p> <p>Adjusted items relate to:</p> <ul style="list-style-type: none"> <li>• Restructuring measures,</li> <li>• Impairment of assets, and other income or expenses arising from events or transactions that are clearly distinct from the ordinary activities of the company,</li> <li>• Sale of business activities or environmental provisions related to historic pollution and environmental remediation of closed sites</li> </ul>
<b>Average capital employed</b>	For half years: average of capital employed at start and end of the period; For full year: average of the half year averages
<b>Average number of shares outstanding</b>	<ul style="list-style-type: none"> <li>• <b>Basic:</b> average number of outstanding shares</li> <li>• <b>Diluted:</b> average number of outstanding shares + number of potential new shares to be issued under the existing stock option plans x dilution impact of the stock option plans</li> </ul>
<b>Closed loop</b>	For Umicore a “closed loop” involves taking back secondary materials from customers (e.g. production residues) or End-of-Life materials (e.g. used mobile phones, automotive catalysts). The recovered metals are then fed back into the economic cycle
<b>Effective adjusted tax rate</b>	Adjusted tax charge / adjusted profit (loss) before income tax of fully consolidated companies
<b>Return on capital employed (ROCE)</b>	Adjusted EBIT / average capital employed
<b>Revenues (excl. Metals)</b>	All revenue elements less the value of the following purchased metals: Au, Ag, Pt, Pd, Rh, Co, Ni, Pb, Cu, Ge and also incl. Li, Mn as of 2021. In order to neutralize distortions from fluctuating metal prices and precious metal prices in particular, Umicore uses revenues excluding the value of purchased metals rather than turnover (which include the value of the purchased metals) to track its performance. This is an industry practice followed by direct peers with similar activities.

# Financial calendar

28 March 2023	<b>Annual report 2022</b>
27 April 2023	<b>AGM 2022</b>
02 May 2023	<b>Ex-dividend trading date</b>
03 May 2023	<b>Record date for the dividend</b>
04 May 2023	<b>Payment date for the dividend</b>
28 July 2023	<b>Half-year results 2023</b>

