

## Umicore revises slightly its 2021 outlook

Umicore revises slightly its full year 2021 outlook and now expects adjusted EBIT to *approach* € 1 billion. This compares to the previous expectation of adjusted EBIT *slightly exceeding* € 1 billion as communicated on 30 July and reflects the recent decline in PGM prices, as well as a stronger than anticipated impact of the global semiconductor shortage on car production. Despite this more challenging market context, Umicore remains fully on track to deliver an outstanding performance in 2021. This outlook is based on current metal prices and visibility. It assumes no material further degradation of the semiconductor supply situation and incorporates rising transportation costs and higher energy prices.

In Automotive Catalysts, the impact of the semiconductor shortage on car production is proving more severe than was anticipated at the end of July. Car OEM production schedules are increasingly volatile with production forecasts being regularly revised downwards. While Umicore is not immune to this trend, it confirms that it will outperform the car market for the full year due to a favorable platform mix and market share gains in light-duty gasoline technologies, particularly in Europe and China. Umicore also confirms its expectation for 2021 adjusted EBIT for the **Catalysis** business group to more than double compared to 2020<sup>1</sup>.

In Rechargeable Battery Materials, demand patterns for NMC cathode materials reflect adjustments in EV production and qualification schedules as a result of the semiconductor shortage. This shortage is expected to continue impacting EV qualifications and production well into next year, resulting in a postponement of the start of commercial production in Umicore's greenfield cathode materials plant in Nysa, Poland to the second quarter of 2022. In the meantime, Umicore continues to serve the European market through its Korean plant. While Umicore has lowered its expectations for sales volumes of cathode materials for the second half of the year, total volumes for 2021 are still expected to well exceed the level of the previous year. The impact of lower than anticipated sales volumes in Rechargeable Battery Materials is expected to be offset by a stronger than anticipated second half performance in Cobalt & Specialty Materials, where the cobalt and nickel chemicals and related distribution activities continue to benefit from high demand and attractive premiums. Taking these elements into account, Umicore maintains the outlook given at the end of July and expects adjusted EBIT of the business group **Energy & Surface Technologies** for 2021 to be in line with current consensus<sup>2</sup>.

<sup>1</sup> Catalysis adjusted EBIT reached € 154 million in 2020.

<sup>2</sup> Umicore announced on July 30, 2021 its expectation that adjusted EBIT for Energy & Surface Technologies may slightly exceed € 129 million. Umicore has engaged Vara Research GmbH to survey brokerage analysts to provide analysts' consensus estimates to the market. The most recent consensus is available on <https://vara-services.com/umicore/>. Consensus adjusted EBIT for Energy & Surface Technologies amounted to € 134 million at the time of this publication.



In **Recycling**, precious metals prices declined as a result of lower PGM demand from the automotive industry. In particular the price of rhodium, and to a lesser extent palladium, decreased significantly compared to the levels at the end of July which were taken into account for the outlook provided at that time. Assuming that current precious metal prices prevail throughout the remainder of the year, Umicore continues to expect the full year adjusted EBIT for Recycling to reach an exceptional level, well above last year, albeit slightly below current market consensus which has yet to reflect this recent decrease in PGM prices.<sup>3</sup>

Mathias Miedreich, CEO of Umicore, commented: *“I am pleased to confirm Umicore’s growth outlook for this year which marks another record performance in its history. The impressive resilience and agility that Umicore is showing even in today’s context is demonstrating its strong technology and business model foundation. I look forward to building on this outstanding position and further grow Umicore’s leadership in Clean mobility materials and Recycling. We are strongly convinced that we will continue to create substantial value for all stakeholders and contribute significantly to a sustainable future.”*

## For more information

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## Financial calendar

16 February 2022	Full year results 2021
28 April 2022	Annual General Meeting

## About Umicore

Umicore is a global materials technology and recycling 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.

<sup>3</sup> Recycling adjusted EBIT amounted to € 362 million in 2020. Consensus adjusted EBIT for Recycling amounted to € 616 million at the time of this publication.

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 € 2.1 billion (turnover of € 12.7 billion) in the first half of 2021 and currently employs just below 11,000 people.

