

# HALF YEAR RESULTS 2022

## UMICORE REPORTS STRONG PERFORMANCE IN THE FIRST HALF OF 2022

Umicore delivers first-half performance in line with Q1 outlook, in a challenging market context, and makes good progress in the execution of the “Umicore 2030 – RISE” strategy

Umicore’s first half results were the second highest in its history, despite severe market disruptions, rising cost inflation and a volatile precious metal price environment.

Umicore’s revenues for the first 6 months amounted to € 2.1 billion, stable compared to the record levels of the first 6 months in the previous year. Adjusted EBIT of the Group amounted to € 461 million, and adjusted EBITDA to € 601 million, well up in contrast to the second half of last year, however below the record levels of the first half of 2021, reflecting the less favorable precious metal price environment and including higher spending linked to innovation and future growth as well as general cost inflation.

Strong operational cash flows including a less than anticipated increase in net working capital resulted in a stable net financial debt of € 955 million in contrast with end of 2021, corresponding to 0.88 times LTM adjusted EBITDA. In line with the dividend policy, an interim dividend of € 0.25 per share will be paid on August 23.

Umicore is actively implementing its RISE 2030 strategy with key milestones achieved in the first half of 2022, such as the signing of long-term customer contracts and preparation of its North-America value-chain presence in Rechargeable Battery Materials.



Revenues in **Catalysis** were stable, reflecting another outstanding performance in Automotive Catalysts, with volumes down less than the global car market driven by further market share gains in the light-duty gasoline market. Revenues in Precious Metals Chemistry were up, while revenues in Fuel Cell & Stationary Catalysts were impacted by a postponement of customer orders as a result of COVID-19 related lockdowns in China. Despite significant cost inflation, earnings were only slightly below the record level of the first half of 2021.



Revenues and earnings in **Energy & Surface Technologies** increased. Cobalt & Specialty Materials continued to benefit from exceptionally strong market demand combined with a favorable cobalt and nickel price environment. The performance in Rechargeable Battery Materials reflected a strong positive impact from the unexpected spike in the lithium price. Sales volumes of cathode materials were, as anticipated and announced in December, subdued.



Revenues and earnings in **Recycling** decreased, reflecting primarily the impact of a lower precious metal price environment in Precious Metals Refining and Precious Metals Management, which was only partially offset by a strong performance in Jewelry & Industrial Metals. Although below the record levels of the previous year, adjusted EBIT represents the second-highest level achieved in the history of the Recycling business group.

*Note: All references to revenues in this document refer to revenues excluding metals (i.e. all revenue elements less the value of the following purchased metals: Au, Ag, Pt, Pd, Rh, Co, Ni, Pb, Cu, Ge)*

## Outlook

Umicore expects another strong performance in 2022 across business groups in a severely disrupted market context.

Based on the performance in the first half of the year and assuming precious metal prices remain at current levels for the remainder of the year, Umicore expects its adjusted EBIT for the full year 2022 to be somewhat above consensus<sup>1</sup>, including some € 220 million uplift from precious metal prices versus 2020 (taking into account the effect of strategic hedging). This outlook incorporates a cost inflation headwind estimated less than € 150 million for the full year, excluding offsetting measures such as pricing. This outlook also assumes no further significant disruptions to the economy or Umicore's operations from geopolitical developments, the pandemic or additional supply-chain constraints.

It is anticipated that car production will remain impacted by the ongoing supply disruptions. Notwithstanding the related limited visibility, Umicore expects to continue to benefit from its strong market position in gasoline applications. Taking into account the strong performance in the first half of the year and the current assumptions on volumes for 2022, adjusted EBIT in **Catalysis** for the full year is expected to be close to the record level achieved in 2021, somewhat above consensus<sup>2</sup>, despite the impact of cost inflation.

Based on the first-half performance and anticipating a normalization in Cobalt & Specialty Materials, Umicore expects adjusted EBIT in **Energy & Surface Technologies** for the full year 2022 to be above the level of the previous year and above current consensus<sup>3</sup> expectations.

Umicore expects adjusted EBIT for **Recycling** for the full year 2022 to be in line with current consensus<sup>4</sup>. This is based on the assumption that current precious metal prices will continue to prevail. This also takes into account a somewhat improved supply mix in Precious Metals Refining compared to the first half.

As announced previously, **Corporate** costs are expected to continue to increase above inflation in 2022 as Umicore is committed to its longer-term innovation and digitalization and is preparing its systems and organization for future expansion.

## KEY FIGURES

Revenues of € 2.1 billion (-0%)

Adjusted EBITDA of € 601 million (-21%)

Adjusted EBIT of € 461 million (-26%)

EBIT adjustments of - € 20 million

ROCE of 20.8%  
(compared to 28.4% in first half 2021)

Adjusted net profit (Group share) of € 321 million and adjusted EPS of € 1.34

Cashflow from operations of € 521 million, including a € 152 million increase in working capital requirements; free cashflow from operations of € 320 million

Capital expenditure amounted to € 190 million

R&D expenditures of € 141 million (+19%)

Net debt at € 955 million, stable compared to end 2021. This corresponds to a net debt/ LTM adj. EBITDA ratio of 0.88x.

Interim dividend of € 0.25 per share on 23 August

<sup>1</sup> 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 Umicore Group in 2022 amounted to € 828 million at the time of this publication.

<sup>2</sup> Catalysis adjusted EBIT for the FY 2021 amounted to €326 million. Consensus adjusted EBIT for Catalysis in 2022 amounted to € 281 million at the time of this publication.

<sup>3</sup> Energy & Surface Technologies adjusted EBIT for the FY 2021 amounted to €139 million. Consensus adjusted EBIT for Energy & Surface Technologies in 2022 amounted to € 148 million at the time of this publication.

<sup>4</sup> Consensus adjusted EBIT for Recycling in 2022 amounted to € 475 million at the time of this publication.

Mathias Miedreich, CEO of Umicore, commented: *“In a market environment characterized by severe external challenges, we achieved the second-highest half-year earnings performance in the history of Umicore, which clearly demonstrates the resilience and strong position of our businesses in our key end-markets. We also kept a clear focus on our strategic objectives and made important progress in the Rechargeable Battery Materials activity with the preparations of the roll-out of our value chain presence to North-America and the creation of new long-term, value creative strategic customer partnerships. Despite the current challenging market context, I am very positive about the opportunities ahead of us and our ability to deliver upon our ambitious [“Umicore 2030 - RISE” strategy](#)”.*

**Mathias Miedreich,**

CEO of Umicore

**Investors relations**

<https://www.umicore.com/en/investors/>

**Webcast**

<https://umicore.com/hyr2022>

**‘Umicore 2030 – RISE’ Strategy**

<https://capitalmarketsday.umicore.com/>

[www.umicore.com](http://www.umicore.com)

## Umicore announces CFO succession

Umicore announces the departure and succession of Filip Platteeuw, who has decided to leave the Group after nearly 20 years, half of which he served as its Chief Financial Officer, to pursue other interests. As part of a planned succession program, Wannes Peferoen, currently Senior Vice President of Umicore's Electro-Optic Materials business unit, will succeed Filip on October 1st.

Filip and Wannes are closely working together to ensure a smooth handover and after stepping down as CFO on 1 October, Filip will continue to support the transition during a period of six months.

Wannes started his career in Umicore almost 17 years ago as a Group controller, building a strong understanding of Umicore's activities. He subsequently accumulated over 10 years' experience as controller of several business units, building up a strong expertise in financial controlling including strategic planning, introducing new systems and managing financial risk. For the past five years, Wannes has held general management positions, combining finance with sound commercial and entrepreneurial experience building global customer partnerships.

*"Filip has been instrumental in Umicore's strategic developments and realizations. His integrity and balanced judgements, his deep knowledge of the company and its finances as well as his dedication and true partnership have helped equip our Group for the next ambitious growth phase. I am very grateful for his indispensable contributions, also to our recently launched "Umicore 2030 – RISE" strategy. We regret to see him go, but wish him lots of success with his new interests,"* said Mathias Miedreich, CEO of Umicore. *"We warmly welcome Wannes who will be taking over at an exciting time for our Group, and thereby also for our customers and investors, who will be key in the successful execution of our strategy."*

*"I am grateful to have been part of Umicore for almost 20 years, and to have witnessed this company's transformation, driven by so many talented colleagues across the globe,"* said Filip Platteeuw. *"I am honored and thankful to have served as CFO for close to ten years. Our recently articulated and ambitious Umicore 2030 - RISE strategy marks a new exciting chapter in Umicore's journey. Now is the time to let new talent lead this change. I have full confidence in Wannes and the teams to achieve the ambitions we set out together."*

## Key figures

(in million €)

	H1 2021	H2 2021	H1 2022
Turnover	12,678	11,376	13,839
Revenues (excluding metal)	2,150	1,814	2,148
Adjusted EBITDA	762	489	601
Adjusted EBIT (*)	625	346	461
of which associates	10	10	11
EBIT adjustments (*)	(39)	(36)	(20)
Total EBIT	586	310	441
Adjusted EBIT margin	28.6%	18.5%	21.0%
Effective adjusted tax rate	24.9%	19.5%	22.8%
Adjusted net profit, Group share	428	240	321
Net profit, Group share	400	219	309
R&D expenditure	118	127	141
Capital expenditure	166	223	190
Net cash flow before financing	589	198	230
Total assets, end of period	9,366	9,045	10,259
Group shareholders' equity, end of period	2,882	3,113	3,410
Consolidated net financial debt, end of period	1,040	960	955
Gearing ratio, end of period	26.1%	23.3%	21.6%
Net debt / LTM adj. EBITDA	0.87x	0.77x	0.88x
Capital employed, end of period	4,351	4,377	4,475
Capital employed, average	4,404	4,364	4,426
Return on capital employed (ROCE)	28.4%	15.9%	20.8%
Workforce, end of period (fully consolidated)	10,999	11,050	11,350
Workforce, end of period (associates)	2,626	2,589	2,702
Accident frequency rate	3.46	3.95	3.85
Accident severity rate	0.08	0.12	0.08

\* The reconciliation of the Alternative Performance Measures with the interim condensed financial statements is done at note 4 of the consolidated condensed interim financial statements

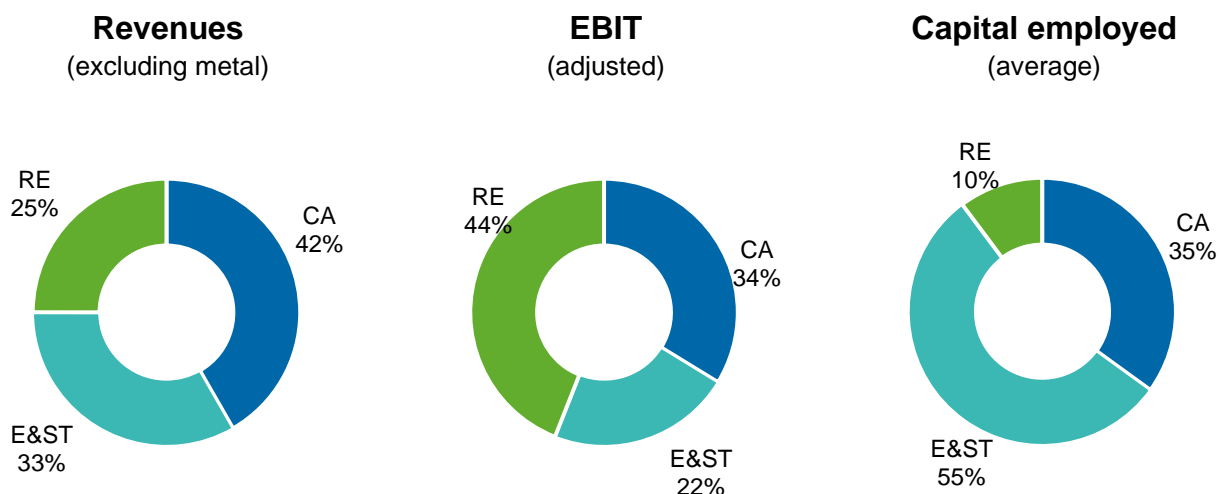
## Key figures per share

(in € / share)

	H1 2021	H2 2021	H1 2022
Total number of issued shares, end of period	246,400,000	246,400,000	246,400,000
of which shares outstanding	240,576,230	241,199,005	240,098,575
of which treasury shares	5,823,770	5,200,995	6,301,425
Average number of shares outstanding			
basic	240,677,077	241,050,476	240,562,679
diluted	241,994,387	242,162,530	241,053,238
Adjusted EPS	1.78	0.99	1.34
Basic EPS	1.66	0.91	1.28
Diluted EPS	1.65	0.90	1.28
Dividend payout	0.50	0.25	0.55
Net cash flow before financing, basic	2.45	0.82	0.95
Total assets, end of period	38.93	37.50	42.73
Group shareholders' equity, end of period	11.98	12.91	14.20

\* The Supervisory Board proposed a gross annual dividend for the financial year 2021 of € 0.80 per share at the Annual General Meeting on 28 April 2022. Taking into account the interim dividend of € 0.25 per share paid out on 24 August 2021, a gross amount of € 0.55 per share was paid out on 4 May 2022 after shareholder approval.

## Segment split



CA = Catalysis, E&ST = Energy & Surface Technologies, RE = Recycling  
Corporate not included

## Catalysis

### Catalysis key figures

(in million €)	H1 2021	H2 2021	H1 2022
Total turnover	4,286	3,868	3,907
Total revenues (excluding metal)	908	780	897
Adjusted EBITDA	241	160	206
Adjusted EBIT	204	122	170
Total EBIT	204	103	168
Adjusted EBIT margin	22.5%	15.7%	18.9%
R&D expenditure	72	69	72
Capital expenditure	25	45	23
Capital employed, end of period	1,846	1,551	1,486
Capital employed, average	1,787	1,699	1,519
Return on capital employed (ROCE)	22.8%	14.4%	22.4%
Workforce, end of period (fully consolidated)	3,024	3,007	3,033

### Overview and outlook

In the first half of 2022, the business group **Catalysis** delivered a strong performance with revenues of € 897 million, stable compared to the record first half of 2021, despite significant disruptions in the global industries and supply-chains. Against this challenging market backdrop, Automotive Catalysts delivered another outstanding performance. While volumes remained below the levels of the first half in 2021, they were down significantly less than the market, reflecting Umicore's strong market position in gasoline technologies for light-duty vehicles, resulting in market share gains. Revenues for Automotive Catalysts were stable, as the impact of lower volumes on revenues was offset by a favorable currency exchange impact and product mix. Revenues in Precious Metals Chemistry were up, while revenues in Fuel Cell & Stationary Catalysts were impacted by COVID-19 lockdowns in China. Adjusted EBIT in Catalysis amounted to € 170 million, well up sequentially compared to the second half of 2021 but below the record performance of the first half of last year. Margins remained well above historic levels despite significant cost inflation headwinds. Adjusted EBITDA for the first 6 months was € 206 million, the second-highest level achieved in the history of the Catalysis business group.

It is anticipated that car production will continue to be impacted by the ongoing supply disruptions. Notwithstanding the related limited visibility, Umicore expects to continue to benefit from its strong market position in gasoline applications. Taking into account the strong performance in the first half of the year and the current visibility on volumes for 2022, adjusted EBIT for the full year is expected to end close to the record level achieved in 2021, somewhat above consensus<sup>5</sup>, despite the impact of cost inflation.

<sup>5</sup>Catalysis adjusted EBIT for the FY 2021 amounted to €326 million. Consensus adjusted EBIT for Catalysis in 2022 amounted to € 281 million at the time of this publication.



## H1 2022 Business Review

The first half of 2022 proved to be another challenging time for the automotive industry, which continued to be significantly impacted by supply chain disruptions resulting from the ongoing shortage in semiconductors. Increasing global logistic difficulties, a resurgence of the COVID-19 pandemic in China and additional supply challenges in Europe caused further constraints on car production in the second quarter. In this challenging context, global light-duty vehicle production contracted by 6.7% year-on-year, reflecting in particular steep declines in the Chinese (-12.5%) and European (-11.4%) car markets.

Despite the global downturn in the automotive industry, revenues for **Automotive Catalysts** remained broadly in line with the level of the first 6 months of 2021 as volumes decreased less than the market. In the light-duty vehicles segment, Umicore outperformed the global internal combustion engine (ICE) market both in terms of volumes and revenues, reflecting Umicore's strong position in gasoline catalyst technologies with continued market shares wins, in particular in China. In the heavy-duty diesel segment Umicore's revenues and volumes were down, as anticipated, impacted by a strong decline in Chinese heavy-duty diesel production and compared to an exceptional first half in 2021 which was boosted by strong demand for China V heavy-duty diesel technologies ahead of the nationwide adoption of China VI. Earnings were lower compared to the previous year, reflecting the impact of lower volumes in the heavy-duty diesel segment as well as cost inflation.

### Light-duty vehicles

The light-duty vehicle segment represented 85% of Automotive Catalysts' revenues in the first half of 2022, of which 75% for gasoline technologies.

The European ICE car market, which represented 26% of Umicore's global light-duty catalyst volumes, decreased by -13.5% compared to the previous year, significantly impacted by the supply disruptions related to semiconductors and wiring harnesses, which resulted in temporary production stops in several European car manufacturing plants. Although Umicore's volumes were not immune to this declining trend, revenues (-9.3%) outperformed the European market.

The Chinese ICE car market, which represented 28% of Umicore's global light-duty catalyst volumes, declined -12.5% compared to the same period the previous year, reflecting in particular a steep decline in car production in the second quarter relating to a resurgence of the COVID-19 pandemic in major Chinese provinces resulting in temporary production suspensions in car manufacturer plants in March and April. Umicore substantially outperformed the Chinese market both in volumes and revenues (+12.8%) driven by market share gains in the gasoline segment, in particular with local brands.

Umicore's volumes increased in the North American and South American car markets, which together account for 27% of Umicore's light-duty catalyst sales, reflecting a strong platform mix in both regions. Umicore's volumes benefited from the strong market recovery in India and Thailand and revenues substantially outperformed the market in both countries. In Japan and Korea, Umicore outperformed the car market both in volumes and revenues.

### Heavy-duty diesel vehicles

The heavy-duty diesel segment represented 15% of the business unit's revenues in the first half of 2022.

The Chinese heavy-duty diesel market, which represented 36% of Umicore's global heavy-duty diesel volumes, contracted significantly (-42%) compared to the first half of 2021 as the slowdown in heavy-duty diesel production, which started in the second half of 2021 after the strong China V buying, was further exacerbated by a resurgence of the COVID-19 pandemic and related lockdowns in major Chinese provinces in March and April. Umicore's revenues and volumes declined, in line with the market.

In Europe, Umicore's volumes and revenues (+10%) strongly outperformed a subdued heavy-duty diesel market (-1.5%), reflecting a favorable platform and customer mix.



Revenues for **Precious Metals Chemistry** increased compared to the previous year. Strong demand for homogenous catalysts used in the fine chemicals industries offset a decline in order levels from the more project-driven life sciences industries. Volumes for inorganic chemicals used in the automotive industry increased compared to the level of the first half last year, reflecting a strong first quarter that overcompensated weaker demand in the second quarter.

Revenues for **Fuel Cell & Stationary Catalysts** were down compared to the previous year. Revenues from proton-exchange-membrane (PEM) fuel cell catalysts used in the transportation segment decreased compared to the level of the first half of 2021, reflecting the impact of the COVID-19 related lockdowns in major Chinese cities which resulted in a postponement of customer orders in the region. This was only partly mitigated by higher order levels of stationary catalysts used in the power, chemical, maritime and large engine end markets.

In order to cater for the growing customer traction, Umicore has announced an expansion of its fuel cell catalyst production capacity with a new, large-scale, plant in Changshu, China. This plant, which is scheduled to come on stream by the end of 2024, will be scalable to align with the growth of Umicore's customers.

## Energy & Surface Technologies

### Energy & Surface Technologies key figures

(in million €)	H1 2021	H2 2021	H1 2022
Total turnover	1,709	1,825	2,229
Total revenues (excluding metal)	594	580	717
Adjusted EBITDA	136	125	172
Adjusted EBIT	78	61	112
of which associates	4	4	3
Total EBIT	78	62	112
Adjusted EBIT margin	12.4%	10.0%	15.2%
R&D expenditure	27	37	41
Capital expenditure	104	114	129
Capital employed, end of period	2,191	2,275	2,484
Capital employed, average	2,162	2,233	2,380
Return on capital employed (ROCE)	7.2%	5.5%	9.4%
Workforce, end of period (fully consolidated)	3,855	3,836	3,981
Workforce, end of period (associates)	761	792	809

### Overview and outlook

In the first half of 2022, revenues in Energy & Surface Technologies reached € 717 million and adjusted EBIT amounted to € 112 million, up respectively 21% and 44% compared to the first half of 2021, reflecting higher revenues and earnings in Cobalt & Specialty Materials and Rechargeable Battery Materials. The Cobalt & Specialty Materials business unit benefited from continued, exceptionally strong market demand in combination with a favorable cobalt and nickel price environment in its cobalt and nickel chemicals and related distribution activities. In Rechargeable Battery Materials, sales volumes of NMC cathode materials were subdued, as previously guided. However, the performance reflected a strong positive impact from the unexpected spike in the lithium price. Adjusted EBITDA amounted to € 172 million, up 26% year on year.

Based on the first-half performance and anticipating a normalization in Cobalt & Specialty Materials, Umicore expects adjusted EBIT **in Energy & Surface Technologies** for the full year 2022 to be above the level of the previous year and above current consensus<sup>6</sup> expectations.

### H1 2022 Business Review

In **Rechargeable Battery Materials**, revenues and earnings in the first half of 2022 were well up compared to the previous year. The unexpected sharp increase to record levels of the lithium price in the period, in combination with lower price lithium supply, resulted in additional revenues and earnings that more than offset volume headwinds.

<sup>6</sup> Energy & Surface Technologies adjusted EBIT for the FY 2021 amounted to €139 million. Consensus adjusted EBIT for Energy & Surface Technologies in 2022 amounted to € 148 million at the time of this publication.

Despite the global supply chain disruptions, world-wide sales of EVs in the first half of 2022 increased +62% compared to the same period the previous year. This was driven by strong growth in the Chinese EV market in particular, where sales of EVs more than doubled compared to the previous year. The demand growth for NMC battery materials in China was, however, lower (+25%) as the majority of the Chinese EV sales was driven by sales of shorter-range LFP-based vehicles. Sales of EVs in Europe increased modestly (+9%), reflecting a more pronounced impact from the semi-conductor and wire harnesses shortages. As anticipated and announced in December, Umicore's overall global sales volumes of NMC cathode materials used in EVs, did not reflect the 34% global demand growth for NMC battery materials as customers have been scaling back demand projections for certain mid-nickel platforms to which Umicore is currently still exposed.

In the first half of 2022, Umicore made important progress in the execution of its **"Umicore 2030-RISE"-strategy** in Rechargeable Battery Materials and is actively re-shaping its business to prepare for accelerated ramp-up and value creative growth. As battery-ecosystems are being established across regions, with an increasing direct involvement of car manufacturers in the selection of the performance-critical cathode materials and their precursors, Umicore is pioneering long-term customer partnerships and simultaneously diversifying its customer and platform exposure. These customer partnerships aim to secure access to significant cathode materials demand while sharing related investments and costs with partners.

In April, Umicore and Automotive Cells Company (ACC) signed a long-term strategic supply agreement for EV cathode materials in Europe, set to start with an annual offtake commitment of 13 GWh with first commercial volumes expected in early 2024. It is the ambition to further develop this partnership to grow annually supplied volumes to at least 46 GWh by 2030. For Umicore, this partnership with ACC marks another **important step in the build-out of long-term, value creative strategic customer partnerships**. The ACC partnership complements the intention to create a joint-venture for the production of precursor and cathode materials in Europe with Volkswagen. Discussions for this project are in the final stages and signing is expected to take place in the second half of the year. Umicore is also in well-advanced qualifications with other car and cell OEMs related to volumes starting in 2024.

Umicore also signed an agreement to secure a plot of land of 350 acres in Ontario, Canada with the intention to construct a manufacturing facility for cathode and precursor materials once the key customer contracts are in place. **This expansion in North America would complete Umicore's global rollout of regional supply chains for its automotive and battery cell customers to three continents**. Umicore is targeting to start construction in 2023 and operations at the end of 2025 with the potential to reach by the end of the decade an annual production capacity capable of powering approximately 1 million EVs. In July, Umicore signed a Memorandum of Understanding with the Government of Canada to finalize support application of the project under the Strategic Innovation Fund. Umicore will also explore opportunities for metals refining and battery recycling in the region, to offer its customers in North America secured and circular access to critical battery materials.

In Europe, production has started in the cathode materials plant in Nysa, Poland. As announced previously, Umicore is further expanding the plant in Nysa with additional production lines, which are set to come on stream by the end of 2023.

At the same time, Umicore's **R&D is moving fast forward to ensure the best array of next generation design-to-cost and design-to-performance technologies to its customers**. In May, Umicore inaugurated its new global R&D center for cathode materials in Cheonan, Korea to accommodate the future growth of R&D activities. Complementary to the regional R&D centers, this global R&D center will continue to focus on next-generation battery materials, including very high-nickel NMC, low cobalt NMC, manganese-rich chemistries as well as solid-state battery materials technology.

Umicore also signed an agreement with Idemitsu Kosan Co. to jointly develop high-performance catholyte materials for solid-state batteries, combining both players' expertise in cathode active materials and solid electrolytes, and aiming to provide the technological breakthrough to extend the driving range of EVs and thereby propel e-mobility.

Revenues for **Cobalt & Specialty Materials** were well up compared to an already strong first half of last year, reflecting high volumes in a context of rising metal prices. Particularly the cobalt & nickel chemicals and related distribution activities recorded an exceptionally strong first half as they continued to benefit from high market demand fueled by increasing cobalt and nickel prices. Revenues in tool materials were also up, supported by continuous high demand for pre-alloys and cobalt powders for the construction sector. Finally, the business unit benefited from strong demand from the industrial sector for its carboxylates.

Revenues for **Metal Deposition Solutions** remained roughly stable compared to the previous year. Higher order levels of decorative applications for the jewelry industry and platinized applications for industrial use compensated lower demand for precious metal based electrolytes used in portable electronics. Sales of thin film products used in micro-electronics and optics increased driven by strong demand from the semi-conductor industry, while order levels for printed circuit boards were somewhat lower compared to a strong first half 2021.

Revenues for **Electro-Optic Materials** increased slightly compared to the previous year. Strong demand for germanium substrates from the space and automotive industry, in particular in the first quarter of the year, overcompensated lower revenues for high purity chemicals used in optical fibers due to a less favorable product mix. Revenues for infra-red solutions remained stable with a somewhat higher contribution from infra-red filters, which benefited from successful new product launches, offset by slightly lower revenues for infra-red optics due to the postponement of a customer project.

## Recycling

### Recycling key figures

(in million €)

	H1 2021	H2 2021	H1 2022
Total turnover	8,496	7,114	9,075
Total revenues (excluding metal)	652	457	537
Adjusted EBITDA	404	236	257
Adjusted EBIT	371	202	221
Total EBIT	335	194	217
Adjusted EBIT margin	56.9%	44.3%	41.2%
R&D expenditure	7	6	13
Capital expenditure	30	53	30
Capital employed, end of period	237	461	426
Capital employed, average	342	349	443
Return on capital employed (ROCE)	216.9%	116.0%	99.9%
Workforce, end of period (fully consolidated)	2,828	2,867	2,930

### Overview and outlook

The **Recycling** business group delivered another very strong performance in the first half of 2022, well above historic levels, albeit below the record performance in the first half of last year, which was boosted by an exceptional precious metal price environment. Revenues reached € 537 million and adjusted EBIT amounted to € 221 million, well up compared to the second half of last year. The lower results year on year were due to a combination of lower precious metal prices, a less favorable supply mix and substantial cost inflation in Precious Metals Refining. While Precious Metals Management posted a strong performance, it could not repeat the exceptional trading results of the first half last year due to a more challenging metal price context. These headwinds were partly offset by a strong performance of the Jewelry & Industrial Metals business unit, which benefitted from strong demand from the investment, jewelry and industrial end markets.

Umicore expects adjusted EBIT for Recycling for the full year 2022 to be in line with current consensus<sup>7</sup>. This is based on the assumption that current precious metal prices will continue to prevail. This also takes into account a somewhat improved supply mix in Precious Metals Refining compared to the first half.

### H1 2022 Business Review

Revenues and earnings for **Precious Metals Refining** declined compared to the record performance of the first half last year, reflecting the impact of lower PGM prices and -to a lesser extent- a less favorable input mix. Earnings of the business unit also felt the impact of significant cost inflation due to the limited possibility for offsetting measures as a result of the long-term fixed contract terms with only periodic revisions in the refining and recycling business model.

<sup>7</sup> Consensus adjusted EBIT for Recycling in 2022 amounted to € 475 million at the time of this publication.

The performance of the business unit in the first half of the year was marked by a volatile precious metals price environment, in particular for PGM metals. While rhodium and palladium prices remained strong during the first four months of 2022, with palladium even climbing to an all-time high in March, prices of both metals have since fallen back substantially. As a result, and taking into account the existing strategic metal hedges, average received PGM prices over the period were significantly below the levels of the first half of last year, resulting in a substantial lower precious metals contribution compared to the first half of 2021.

Operational performance remained robust with overall processed volumes at a comparable level to the same period last year. The input mix, however, was less favorable, reflecting erratic supply conditions for complex PGM-rich materials as a result of the global logistic disruptions as well as a reduced availability of highly complex PGM containing end-of-life materials. Volumes of spent automotive catalysts for example, started to feel the ripple effect from the semiconductor crisis as due to the lower car production, vehicles are kept on the road for longer, acting as a temporary constraint on spent automotive catalyst availability. The business unit was able to mitigate this impact on the mix to a certain extent by leveraging its unique recycling technology to maximize intake of other complex materials.

Revenues for **Jewelry & Industrial Metals** were well up compared to the first half of 2021 driven by a strong performance across all product lines. Sales volumes of jewelry products were also well up, reflecting strong demand from the global luxury jewelry brands while order levels for gold and silver investment products continued to benefit from safe-haven buying. Demand for platinum engineered materials used in glass applications and performance catalysts remained strong, in particular from the glass and chemical industries.

The earnings contribution from **Precious Metals Management** was well below the record levels achieved in the first half of the previous year reflecting less favorable trading conditions, in particular for rhodium. The lower contribution from the trading activities was only partly offset by continued strong demand for gold and silver from the industry and investment end-markets.

Driven by the fast pace of electrification, volumes of battery production scrap and end-of-life batteries are set to increase exponentially towards 2030. With its accumulated industrial-scale experience in battery recycling and over 15 commercial collaborations with leading car manufacturers and cell makers, Umicore is a true pioneer in this activity. Based on growing customer engagements, the recently created dedicated business unit **Battery Recycling Solutions** announced plans for a significant scale-up of its battery recycling activities with a 150,000 ton battery recycling plant by 2026 in Europe. This plant, which will be the biggest battery recycling plant in the world, will deploy Umicore's latest proprietary recycling technology, resulting in industry leading recovery rates for cobalt, nickel and lithium while having a minimal impact on the environment.

## Corporate

### Corporate key figures

(in million €)	H1 2021	H2 2021	H1 2022
Adjusted EBITDA	(21)	(32)	(34)
Adjusted EBIT	(27)	(40)	(42)
of which associates	6	7	8
Total EBIT	(31)	(49)	(55)
R&D expenditure	12	14	16
Capital expenditure	6	10	8
Capital employed, end of period	78	89	79
Capital employed, average	113	83	84
Workforce, end of period (fully consolidated)	1,292	1,340	1,406
Workforce, end of period (associates)	1,865	1,797	1,893

### H1 2022 Corporate Review

In the first half of 2022, corporate costs increased compared to the first half of the previous year reflecting a.o. higher R&D expenses in Umicore's mid to long-term technology roadmap, higher support costs related to the development of its RISE 2030 strategy and general cost inflation. Corporate costs are expected to continue to increase above inflation in 2022 as Umicore is committed to its longer-term innovation and digitalization and is preparing its systems and organization for future expansion.

The contribution from **Element Six Abrasives** to Umicore's adjusted EBIT increased compared to the previous year, reflecting higher revenues in combination with cost savings and efficiency measures implemented across activities in the course of last year. Revenues from the oil & gas drilling activity increased substantially compared to the first half of 2021, reflecting the ongoing recovery of the drilling industry and the related rebuilding of stocks by customers. Sales of carbide-based materials remained stable compared to an already very strong performance last year driven by continued solid demand from the mining, agricultural and road paving end-markets, while orders for precision tooling products were slightly down, reflecting the more challenging conditions in their automotive end market.

### Research & development

For the first six months of 2022, R&D expenditures in fully consolidated companies amounted to € 141 million, 19% higher than the € 118 million in the same period the previous year. This increase reflects in particular higher R&D costs related to new product and process technologies in Rechargeable Battery Materials, increased R&D efforts on battery recycling and advanced technology development related to decarbonization and emission reduction programs in line with our ambitious sustainability programs.

### People

Umicore's "Let's go for zero" sustainability ambitions include a strong commitment to the wellbeing of its employees, reflected in the Zero Harm pillar, which strives for zero work related injuries, zero excess exposure and wellbeing at work for all colleagues.



When it comes to safety, Umicore is committed to ensuring the highest level of occupational safety in all facilities, with an ambition to achieve zero work related injuries. Despite this priority given to safety, the safety performance in the first half of 2022 was below expectations with 38 lost time accidents compared to 34 for the same period in 2021, resulting in a frequency rate of 3.85 and a severity rate of 0.08 (versus 3.46 and 0.08 respectively in the first six months of 2021). Umicore is enhancing its programs aimed at creating a more prominent caring safety culture, focusing on the development of safety coaching skills amongst our people leaders. All business units are dedicating specific efforts in improving engagement on safety programs at shop floor level. The Group is also providing a closer support to those business units and sites where the safety performance was unsatisfactory.

The number of employees in the fully consolidated companies increased from 11,050 at the end of 2021 to 11,350 at the end of June 2022 with most of the growth coming from new hires for Umicore's greenfield cathode materials plant in Nysa, Poland.

## Financial review

### Financial result and taxation

Adjusted net financial charges totaled € 46 million, compared to € 52 million in the same period last year with lower forex charges more than offsetting higher net interest charges.

The adjusted tax charge for the period amounted to € 92 million, down compared to € 140 million last year reflecting the lower year-on-year taxable profit, as well as a lower adjusted effective group tax rate (22.8% versus 24.9% in the same period last year). Taking into account the tax effects on adjustments, the net tax charge for the Group amounted to € 86 million. The total tax paid in cash over the period amounted to € 101 million.

### Cashflows and financial debt

Cashflow generated from operations including changes in net working capital amounted to € 521 million, compared to the record level of € 836 million last year. After deduction of € 201 million of capital expenditures and capitalized development expenses, the resulting free cash flow from operations came in at € 320 million in the first half, compared to € 656 million in the same period last year.

Adjusted EBITDA in the first six months was € 601 million, 21 % below last year's first semester record of € 762 million. This corresponds to an adjusted EBITDA margin of 27.5 % for the Group, well above historical levels.

Net working capital for the Group increased by € 152 million compared to the end of 2021. This increase was lower than earlier anticipated due to close working capital management in combination with some temporary positive effects in the month of June and lower than expected precious metal prices. As expected, working capital needs were well up in Energy & Surface Technologies, mainly on the back of increased battery material metal prices. On a Group level, this increase was mitigated by a decrease in working capital in Catalysis and Recycling. Net working capital is expected to further increase in the second semester, including the reversal of some of the temporary cash inflows seen in June.

Capital expenditures totaled € 190 million, compared with € 166 million last year. Taking into account the continued investment in Rechargeable Battery Materials' greenfield plant in Poland, Energy & Surface Technologies continued to account for close to two thirds of Group capex. Group spending is expected to accelerate in the second half of the year and approximate € 500 million for the full year. Capitalized development expenses amounted to € 11 million, slightly down year on year.

Dividend payments over the period amounted to € 132 million while the net cash outflow related to the exercise of stock options and the purchase of treasury shares to cover stock option plans and share grants amounted to € 45 million.

The strong free cash flows resulted in a net financial debt end of June of € 955 million, close to stable compared to the level end of 2021 and corresponding to 0.88x LTM adjusted EBITDA. Equity of the Group increased to € 3,463 million, corresponding to a net gearing ratio (net debt / net debt + equity) of 21.6%.

### Adjustments

Adjustments had a negative impact of - € 20 million on EBIT in the first half of 2022 and were mainly related to the increase in some environmental provisions related to legacy remediation initiatives.

Including positive adjustments to financial and tax items of € 2 million and € 7 million respectively, the total adjustments to net group earnings over the period corresponded to a negative impact of € 12 million.

## Hedging

Umicore entered into forward contracts to cover part of its expected structural price exposure to certain precious metals for 2022, 2023 and 2024. For 2023, the expected lock-in ratios are: more than a third for gold, silver and palladium and less than a quarter for platinum and rhodium. For 2024, the expected locked-in ratio's are: more than a third for palladium, more than a quarter for gold and less than a quarter for silver and rhodium.

Next to strategic metal hedges, the Group typically manages a portion of its forward energy price risks by entering into energy hedges. Currently, Umicore has hedges in place that cover a minority portion of its expected European electricity, natural gas and fuel needs for the years 2022 up to 2025. These hedges particularly cover future energy needs in Belgium, Finland and Poland. While these contracts are expected to mitigate a portion of the energy price inflation effect on earnings, Umicore remains largely exposed to energy market price fluctuations. Hence it expects further material energy cost headwind effects in the second half of 2022 and beyond, particularly for its Belgian operations.

## Dividend and shares

In line with Umicore's dividend policy that foresees a constant interim dividend amount, an interim dividend of € 0.25 per share will be paid on 23 August 2022. The policy of a stable to growing full year dividend remains unchanged.

Of the 5,200,995 treasury shares held at the end of 2021, 103,270 shares were used for the employee free share program and 96,300 shares were used to honor the exercising of stock options during the period. Umicore also bought back 1,300,000 of its own shares in the period. On 30 June 2022, Umicore owned 6,301,425 treasury shares, representing 2.56% of the total number of shares issued at that date.

## Statutory auditor's report on the review of the condensed consolidated interim financial information as at 30 June 2022 and for the six-month period then ended

### Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Umicore as at 30 June 2022, the condensed consolidated income statement, statement of comprehensive income, statement of changes in the equity and cashflow statement for the six-month period then ended, and notes (“the condensed consolidated interim financial information”). The supervisory board is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2022 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

Diegem, 28 July 2022

EY Bedrijfsrevisoren BV/EY Réviseurs d’Entreprises SRL

Statutory auditor

Marnix Van Dooren\*

Partner

\*Acting on behalf of a BV/SRL

Eef Naessens\*

Partner

\*Acting on behalf of a BV/SRL

### Management responsibility statement

I hereby certify that, to the best of my knowledge, the consolidated condensed interim financial information for the period ended on 30 June 2022, prepared in accordance with the IAS 34 “Interim Financial Reporting”, as adopted by the European Union, and with legal requirements in Belgium, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole for the period ended 30 June 2022. The commentary on the overall performance of the Group from page 1 to 18 includes a fair review of the development and performance of the business and the position of the Group and its undertakings included in the consolidation as a whole.

Brussels, 28 July 2022

Mathias Miedreich

Chief Executive Officer

## Condensed consolidated interim financial information for the period ended on 30 June 2022

<b>Consolidated income statement</b> (in million €)	<b>H1 2021</b>	<b>H2 2021</b>	<b>H1 2022</b>
Turnover	12,678.0	11,376.4	13,838.9
Other operating income	91.0	85.9	101.2
Operating income	12,769.0	11,462.4	13,940.2
Raw materials and consumables	(11,327.5)	(10,316.8)	(12,560.1)
Payroll and related benefits	(434.8)	(418.3)	(443.8)
Depreciation and impairments	(158.5)	(180.3)	(175.4)
Other operating expenses	(270.6)	(246.7)	(336.3)
Operating expenses	(12,191.3)	(11,162.3)	(13,515.6)
Income (loss) from other financial assets	0.2	1.0	5.9
<b>Result from operating activities</b>	<b>577.8</b>	<b>301.1</b>	<b>430.5</b>
Financial income	7.2	6.7	3.5
Financial expenses	(38.4)	(42.3)	(47.0)
Foreign exchange gains and losses	(15.0)	(8.5)	(1.0)
Share in result of companies accounted for using the equity method	8.3	9.0	10.1
<b>Profit (loss) before income tax</b>	<b>540.0</b>	<b>266.0</b>	<b>396.0</b>
Income taxes	(134.6)	(44.4)	(85.7)
<b>Profit (loss) from continuing operations</b>	<b>405.3</b>	<b>221.6</b>	<b>310.3</b>
Profit (loss) of the period	405.3	221.6	310.3
of which minority share	5.2	2.8	1.3
of which Group share	400.1	218.9	309.1
(in € / share)			
Basic earnings per share from continuing operations	1.66	0.91	1.28
Diluted earnings per share from continuing operations	1.65	0.90	1.28
Dividend payout per share	0.50	0.25	0.55

## Consolidated statement of comprehensive income

(in million €)

	H1 2021	H2 2021	H1 2022
<b>Profit (loss) of the period from continuing operations</b>	405.3	221.6	310.3
<b>Items in other comprehensive income that will not be reclassified to P&amp;L</b>			
Changes in post employment benefits, arising from changes in actuarial assumptions (*)	23.9	22.1	100.3
Changes in deferred taxes directly recognized in other comprehensive income	(6.6)	(5.2)	(28.9)
<b>Items in other comprehensive income that may be subsequently reclassified to P&amp;L</b>			
Changes in cash flow hedge reserves	1.4	64.3	9.4
Changes in deferred taxes directly recognized in other comprehensive income	(1.3)	(18.5)	(5.3)
Changes in currency translation differences (**)	53.8	32.8	78.5
<b>Other comprehensive income from continuing operations</b>	71.3	95.5	153.9
<b>Total comprehensive income for the period</b>	476.6	317.1	464.2
of which Group share	469.8	314.4	461.9
of which minority share	6.9	2.7	2.3

\* This fluctuation mainly results from the change in discount rate.

\*\* This fluctuation mainly results from changes in the USD, BRL, and CNY exchange rates versus EUR.

## Consolidated balance sheet

(in million €)

	30/06/2021	31/12/2021	30/06/2022
<b>Non-current assets</b>	2,985.6	3,102.8	3,201.5
Intangible assets	344.0	339.8	342.5
Property, plant and equipment	2,236.5	2,351.1	2,436.8
Investments accounted for using the equity method	150.1	155.1	170.9
Financial assets at fair value through other comprehensive Income	15.1	14.1	14.2
Loans granted	2.6	2.6	2.6
Trade and other receivables	13.2	20.7	23.5
Deferred tax assets	224.1	219.2	211.0
<b>Current assets</b>	6,380.1	5,942.5	7,057.4
Loans granted	0.0	0.2	0.2
Inventories	3,081.2	2,869.1	3,142.6
Trade and other receivables	2,065.9	1,832.0	2,379.8
Income tax receivables	44.1	46.8	57.2
Cash and cash equivalents	1,188.9	1,194.4	1,477.6
<b>Total assets</b>	<b>9,365.7</b>	<b>9,045.2</b>	<b>10,258.9</b>
<b>Equity of the Group</b>	2,952.9	3,167.3	3,462.8
Group shareholders' equity	2,881.8	3,112.9	3,409.6
Share capital and premiums	1,384.3	1,384.3	1,384.3
Retained earnings	2,024.8	2,151.3	2,324.8
Currency translation differences and other reserves	(283.9)	(196.4)	(31.7)
Treasury shares	(243.4)	(226.3)	(267.7)
Minority interest	71.0	54.4	53.2
<b>Non-current liabilities</b>	2,409.3	2,398.4	2,243.3
Provisions for employee benefits	405.5	387.2	282.1
Financial debt	1,726.6	1,724.0	1,640.0
Trade and other payables	32.8	47.4	46.6
Deferred tax liabilities	23.3	24.3	30.4
Provisions	221.2	215.5	244.1
<b>Current liabilities</b>	4,003.6	3,479.6	4,552.8
Financial debt	502.8	430.8	792.9
Trade and other payables	3,206.1	2,808.0	3,506.4
Income tax payable	236.9	197.5	209.9
Provisions	57.9	43.3	43.6
<b>Total equity &amp; liabilities</b>	<b>9,365.7</b>	<b>9,045.2</b>	<b>10,258.9</b>



## Consolidated statement of changes in the equity of the Group

(in million €)

	Share capital & premiums	Reserves	Currency translation & other reserves	Treasury shares	Minority interest	Total for continuing operations
<b>Balance at the beginning of H1 2021</b>	<b>1,384.3</b>	<b>1,749.6</b>	<b>(367.8)</b>	<b>(208.9)</b>	<b>64.7</b>	<b>2,621.9</b>
Result of the period	-	400.1	-	-	5.2	405.3
Other comprehensive income for the period	-	-	69.6	-	1.7	71.3
Total comprehensive income for the period	-	400.1	69.6	-	6.9	476.7
Changes in share-based payment reserves	-	-	14.3	-	-	14.3
Dividend	-	(120.2)	-	-	(0.6)	(120.8)
Transfers	-	(4.8)	-	4.8	-	-
Changes in treasury shares	-	-	-	(39.2)	-	(39.2)
<b>Balance at the end of H1 2021</b>	<b>1,384.3</b>	<b>2,024.8</b>	<b>(283.9)</b>	<b>(243.4)</b>	<b>71.0</b>	<b>2,952.9</b>
Result of the period	-	218.8	-	-	2.8	221.6
Other comprehensive income for the period	-	-	95.6	-	(0.1)	95.5
Total comprehensive income for the period	-	218.8	95.6	-	2.7	317.1
Dividend	-	(60.3)	-	-	(5.5)	(65.7)
Transfers	-	5.9	(5.9)	-	-	-
Changes in treasury shares	-	-	-	17.1	-	17.1
<b>Balance at the end of H2 2021</b>	<b>1,384.3</b>	<b>2,151.3</b>	<b>(196.4)</b>	<b>(226.3)</b>	<b>54.4</b>	<b>3,167.3</b>

## Consolidated statement of changes in the equity of the Group

(in million €)

	Share capital & premiums	Reserves	Currency translation & other reserves	Treasury shares	Minority interest	Total for continuing operations
<b>Balance at the beginning of H1 2022</b>	<b>1,384.3</b>	<b>2,151.3</b>	<b>(196.4)</b>	<b>(226.3)</b>	<b>54.4</b>	<b>3,167.3</b>
Result of the period	-	309.1	-	-	1.3	310.3
Other comprehensive income for the period	-	-	152.8	-	1.0	153.9
Total comprehensive income for the period	-	309.1	152.8	-	2.3	464.2
Changes in share-based payment reserves	-	-	11.8	-	-	11.8
Dividend	-	(132.0)	-	-	(3.5)	(135.5)
Transfers	-	(3.5)	-	3.5	-	-
Changes in treasury shares	-	-	-	(45.0)	-	(45.0)
<b>Balance at the end of H1 2022</b>	<b>1,384.3</b>	<b>2,324.8</b>	<b>(31.7)</b>	<b>(267.7)</b>	<b>53.2</b>	<b>3,462.8</b>

## Consolidated cashflow statement

(in million €)

	H1 2021	H2 2021	H1 2022
Profit (loss) from continuing operations	405.3	221.6	310.3
Adjustments for profit of equity companies	(8.3)	(9.1)	(10.1)
Adjustment for non-cash transactions	250.7	149.2	257.8
Adjustments for items to disclose separately or under investing and financing cashflows	157.6	71.0	114.9
Change in working capital requirement	30.2	136.9	(152.0)
Cashflow generated from operations	835.6	569.7	521.0
Dividend received	0.2	4.8	0.2
Tax paid during the period	(72.0)	(103.0)	(100.7)
Government grants received	9.2	14.1	1.9
<b>Net operating cashflow</b>	<b>773.0</b>	<b>485.6</b>	<b>422.3</b>
Acquisition of property, plant and equipment	(152.8)	(226.7)	(186.5)
Acquisition of intangible assets	(27.0)	(9.8)	(14.6)
Acquisition in additional shareholdings in subsidiaries	-	(53.9)	-
Acquisition of financial assets	(5.0)	(0.0)	-
New loans extended	(0.1)	(0.1)	(0.8)
Sub-total acquisitions	(184.9)	(290.6)	(201.8)
Disposal of property, plant and equipment	0.7	1.3	2.8
Disposal of intangible assets	0.6	-	-
Disposal of subsidiaries and associates, net of cash disposed	-	1.4	6.3
Repayment of loans	0.1	(0.1)	0.2
Sub-total disposals	1.3	2.7	9.2
<b>Net cashflow generated by (used in) investing activities</b>	<b>(183.6)</b>	<b>(287.9)</b>	<b>(192.6)</b>
Own shares	(39.2)	17.1	(45.0)
Payment of lease liabilities	(9.8)	(9.7)	(9.9)
Interest received	6.5	5.6	2.0
Interest paid	(28.5)	(26.0)	(35.9)
New loans and repayments	(217.4)	(114.3)	281.5
Dividends paid to Umicore shareholders	(119.8)	(60.7)	(128.3)
Dividends paid to minority shareholders	(0.1)	(5.9)	(3.5)
<b>Net cashflow generated by (used in) financing activities</b>	<b>(408.3)</b>	<b>(194.1)</b>	<b>60.9</b>
Effect of exchange rate fluctuations	(3.6)	(16.5)	5.6
<b>Total net cashflow of the period</b>	<b>177.5</b>	<b>(12.8)</b>	<b>296.3</b>
<b>Net cash and cash equivalents at the beginning of the period for continuing operations</b>	<b>1,001.6</b>	<b>1,179.1</b>	<b>1,166.3</b>
<b>Net cash and cash equivalents at the end of the period for continuing operations</b>	<b>1,179.1</b>	<b>1,166.3</b>	<b>1,462.6</b>
of which cash and cash equivalents	1,188.9	1,194.4	1,477.6
of which bank overdrafts	(9.7)	(28.1)	(15.0)

## Notes to the condensed consolidated interim financial information for the period ended on 30 June 2022

### Note 1: Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

They do not include all the information required for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year 2021 as published in the 2021 Annual Report.

The condensed consolidated interim financial statements were authorised for issue by the Supervisory Board held on 28 July 2022.

### Note 2: Changes in accounting policies and presentation rules and impacts

The accounting policies applied in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of Umicore's annual financial statements for the year ended 31 December 2021.

Umicore has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### Note 3: Segment information

## Condensed segment information H1 2021

(in million €)

	Catalysis	Energy & Surface Technologies	Recycling	Corporate	Eliminations	Total Continued operations	Total
Total segment turnover	4,286.4	1,708.6	8,495.6	16.0	(1,828.6)	12,678.0	12,678.0
of which external turnover	4,209.2	1,689.0	6,763.8	16.0	-	12,678.0	12,678.0
of which inter-segment turnover	77.2	19.6	1,731.8	-	(1,828.6)	0.0	0.0
Total segment revenues (excluding metal)	907.7	593.7	651.6	-	(3.3)	2,149.6	2,149.6
of which external revenues (excluding metal)	906.6	593.7	649.3	-	-	2,149.6	2,149.6
of which inter-segment revenues (excluding metal)	1.0	0.1	2.2	-	(3.3)	-	-
Adjusted EBIT	204.1	77.8	370.7	(27.4)	(0.1)	625.1	625.1
of which result from operating activities	204.1	73.7	370.7	(33.8)	(0.1)	614.6	614.6
of which share in result of companies accounted for using the equity method	-	4.1	-	6.3	-	10.4	10.4
EBIT adjustments	0.2	0.4	(35.7)	(3.9)	-	(39.0)	(39.0)
of which result from operating activities	0.2	0.4	(35.7)	(1.7)	-	(36.8)	(36.8)
of which share in result of companies accounted for using the equity method	-	-	-	(2.2)	-	(2.2)	(2.2)
Total EBIT	204.3	78.2	335.0	(31.3)	(0.1)	586.1	586.1
of which result from operating activities	204.3	74.1	335.0	(35.5)	(0.1)	577.8	577.8
of which share in result of companies accounted for using the equity method	-	4.1	-	4.2	-	8.3	8.3
Capital expenditure	25.0	104.4	29.9	6.4	-	165.7	165.7
Depreciation & amortization	37.4	58.6	33.6	6.9	-	136.5	136.5

## Condensed segment information H2 2021

(in million €)

	Catalysis	Energy & Surface Technologies	Recycling	Corporate	Eliminations	Total Continued operations	Total
Total segment turnover	3,868.5	1,825.3	7,113.8	18.8	(1,449.9)	11,376.4	11,376.4
of which external turnover	3,780.5	1,789.4	5,787.7	18.8	-	11,376.4	11,376.4
of which inter-segment turnover	88.0	35.9	1,326.0	-	(1,449.9)	-	-
Total segment revenues (excluding metal)	779.8	579.9	456.6	-	(2.6)	1,813.7	1,813.7
of which external revenues (excluding metal)	779.1	579.8	454.9	-	-	1,813.7	1,813.7
of which inter-segment revenues (excluding metal)	0.7	0.2	1.7	-	(2.6)	-	-
Adjusted EBIT	122.3	61.4	202.2	(39.7)	0.1	346.3	346.3
of which result from operating activities	122.3	57.8	202.2	(46.2)	0.1	336.2	336.2
of which share in result of companies accounted for using the equity method	-	3.6	-	6.5	-	10.1	10.1
EBIT adjustments	(18.8)	0.9	(8.6)	(9.7)	-	(36.1)	(36.1)
of which result from operating activities	(18.8)	0.9	(8.6)	(8.7)	-	(35.1)	(35.1)
of which share in result of companies accounted for using the equity method	-	-	-	(1.0)	-	(1.0)	(1.0)
Total EBIT	103.5	62.3	193.6	(49.3)	0.1	310.2	310.2
of which result from operating activities	103.5	58.8	193.6	(54.8)	0.1	301.1	301.1
of which share in result of companies accounted for using the equity method	-	3.6	-	5.5	-	9.0	9.0
Capital expenditure	45.1	114.2	53.2	10.4	0.0	222.9	222.9
Depreciation & amortization	37.8	64.0	33.3	7.9	-	143.0	143.0

## Condensed segment information H1 2022

(in million €)

	Catalysis	Energy & Surface Technologies	Recycling	Corporate	Eliminations	Total Continued operations	Total
Total segment turnover*	3,907.0	2,229.1	9,075.3	25.2	(1,397.7)	13,838.9	13,838.9
of which external turnover	3,827.6	2,218.2	7,767.9	25.2	-	13,838.9	13,838.9
of which inter-segment turnover	79.5	10.9	1,307.4	-	(1,397.7)	-	(0.0)
Total segment revenues (excluding metal)	897.0	716.6	537.2	-	(2.8)	2,147.9	2,147.9
of which external revenues (excluding metal)	896.2	716.5	535.2	-	-	2,147.9	2,147.9
of which inter-segment revenues (excluding metal)	0.7	0.1	2.0	-	(2.8)	-	-
Adjusted EBIT	169.7	111.9	221.5	(42.1)	0.0	461.0	461.0
of which result from operating activities	169.7	108.6	221.5	(49.7)	0.0	450.1	450.1
of which share in result of companies accounted for using the equity method	-	3.3	-	7.7	-	10.9	10.9
EBIT adjustments	(2.2)	-	(4.9)	(13.4)	-	(20.5)	(20.5)
of which result from operating activities	(2.2)	-	(4.9)	(12.5)	-	(19.6)	(19.6)
of which share in result of companies accounted for using the equity method	-	-	-	(0.9)	-	(0.9)	(0.9)
Total EBIT	167.5	111.9	216.6	(55.5)	0.0	440.5	440.5
of which result from operating activities	167.5	108.6	216.6	(62.3)	0.0	430.5	430.5
of which share in result of companies accounted for using the equity method	-	3.3	-	6.8	-	10.1	10.1
Capital expenditure	22.6	128.9	29.8	8.5	-	189.8	189.8
Depreciation & amortization	36.3	60.2	35.5	7.6	-	139.7	139.7

\* The turnover of H1 2022 included € 13,761 million of sales and € 78 million of services. In H1 2021, the turnover of € 12,678 million included € 12,601 million of sales and € 77 million of services and in H2 2021, the turnover of € 11,376 million included € 11,301 million of sales and € 75 million of services.



## Note 4: Adjustments included in the results

<b>Impact of adjustments</b> (in million €)	<b>Total</b>	<b>of which: adjusted</b>	<b>Adjustments</b>
<b>H1 2021</b>			
Result from operating activities	577.8	614.6	(36.8)
of which income (loss) from other financial assets	0.2	0.2	-
Share in result of companies accounted for using the equity method	8.3	10.4	(2.2)
EBIT	586.1	625.1	(39.0)
Net financial result (*)	(46.2)	(51.9)	5.8
Income taxes	(134.6)	(140.1)	5.4
Profit (loss) of the period	405.3	433.1	(27.8)
of which minority share	5.2	5.2	-
of which Group share	400.1	427.9	(27.8)
<b>H2 2021</b>			
Result from operating activities	301.1	336.2	(35.1)
of which income (loss) from other financial assets	1.0	0.0	1.0
Share in result of companies accounted for using the equity method	9.0	10.1	(1.0)
EBIT	310.2	346.3	(36.1)
Net financial result (*)	(44.1)	(47.7)	3.5
Income taxes	(44.4)	(56.2)	11.8
Profit (loss) of the period	221.6	242.4	(20.8)
of which minority share	2.8	2.8	-
of which Group share	218.8	239.6	(20.8)
<b>H1 2022</b>			
Result from operating activities	430.5	450.1	(19.6)
of which income (loss) from other financial assets	5.9	(0.5)	6.3
Share in result of companies accounted for using the equity method	10.1	10.9	(0.9)
EBIT	440.5	461.0	(20.5)
Net financial result (*)	(44.6)	(46.3)	1.7
Income taxes	(85.7)	(92.2)	6.5
Profit (loss) of the period	310.3	322.6	(12.3)
of which minority share	1.3	1.3	-
of which Group share	309.1	321.3	(12.3)

\*Net financial result is calculated as the sum of financial income, financial expenses and foreign exchange gains and losses as reported in the consolidated income statement

## Note 5: Share based payments

A charge of € 11.8 million was recognized in the income statement in respect of stock options and shares granted to senior executives of the Group in 2022. These options and shares have been valued under the same principles as described in the 2021 annual report. During the period, 1,289,064 stock options (fair value per instrument € 6.43) and 103,270 free shares (average price of € 34.13) were granted.

## Note 6: Financial instruments

The fair value of financial instruments held for cash flow hedge and other financial instruments are based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (Level 2). For financial assets at fair value through other comprehensive income, it is based on quoted prices in active markets for identical assets (Level 1).

Umicore hedges its structural and transactional commodity (metal and energy), currency and interest rate risks using respectively commodity derivatives (mainly quoted on the London Metal Exchange), currency derivatives and (cross-currency) interest rate swaps (“IRS”) with reputed brokers and banks.

All categories of financial instruments of Umicore are at fair value except the non-current bank and other loans for which the carrying amounts differ from the fair value.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, mainly discounted cash-flow, using market assumptions prevailing at the end of the reporting period. In particular, the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange, metal and energy contracts is determined using quoted forward exchange, metal and energy rates at the end of the reporting period. The fair value of quoted financial assets held by the Group is their quoted market price at the end of the reporting period. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Loans and debt have been issued at market rates which would not create any major differences with effective interest expenses. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

### 6.1 Financial instruments related to cash-flow hedging

(in million €)	Notional or contractual amount		Fair value	
	31/12/2021	30/06/2022	31/12/2021	30/06/2022
Forward commodities sales	156.8	217.2	11.2	30.0
Forward commodities purchases	(52.4)	(33.8)	59.6	97.6
Forward currency contracts sales	681.5	929.3	(16.3)	(54.8)
Forward currency contracts purchases	(57.8)	(83.6)	4.6	3.3
Forward (Cross-currency) IRS contracts	396.6	436.6	(3.2)	(10.1)
<b>Total fair value impact subsidiaries</b>	-	-	<b>55.9</b>	<b>66.1</b>
Recognized under trade and other receivables	-	-	80.5	134.8
Recognized under trade and other payables	-	-	(24.5)	(68.8)
Total fair value impact companies accounted for using the equity method	-	-	(2.0)	(2.7)
<b>Total</b>	-	-	<b>54.0</b>	<b>63.4</b>

The fair values of the effective hedging instruments are in the first instance recognized in cash flow hedge reserves in other comprehensive income and are reclassified to the income statement when the underlying forecasted or committed transactions occur.

The forward commodities sales contracts are set up to hedge primarily the precious metals. The forward commodity purchase contracts are set up to hedge metals, electricity, gas and fuel oil price risks.

The forward currency contracts are set up to hedge USD, KRW, BRL, CNY, CAD and PLN inter alia.

The terms and conditions of the forward contracts are common market conditions.

In those circumstances whereby the hedge accounting documentation as defined under IFRS 9 is not available, financial instruments used to hedge structural risks for metals and currencies are measured as if they were held for trading. However, such instruments are being used to hedge future probable cash-flows and are not speculative in nature.

Umicore has not faced any significant ineffectiveness on cash flow hedging in P&L in 2021 and 2022.

## 6.2 Financial instruments related to fair value hedging

(in million €)	Notional or contractual amount		Fair value	
	31/12/2021	30/06/2022	31/12/2021	30/06/2022
Forward commodities sales (IFRS 9-hedge accounting)	259.7	217.9	(14.9)	10.9
Forward commodities sales (economic hedging)	59.4	132.7	2.0	9.8
Forward commodities purchases (IFRS 9-hedge accounting)	(82.1)	(202.3)	4.9	4.1
Forward commodities purchases (economic hedging)	(58.2)	(15.7)	1.6	0.6
Forward currency contracts sales	1,216.6	1,036.4	(12.2)	(15.9)
Forward currency contracts purchases	(494.2)	(573.0)	0.1	15.1
<b>Total fair value impact subsidiaries</b>	-	-	<b>(18.5)</b>	<b>24.7</b>
Recognized under trade and other receivables (IFRS 9-hedge accounting)	-	-	9.9	39.5
Recognized under trade and other receivables (economic hedging)	-	-	4.0	11.2
Recognized under trade and other payables (IFRS 9-hedge accounting)	-	-	(31.9)	(25.3)
Recognized under trade and other payables (economic hedging)	-	-	(0.4)	(0.8)
<b>Total</b>	-	-	<b>(18.5)</b>	<b>24.7</b>

In the fair value hedge accounting as applied under IFRS 9, the fair values of the hedging instruments disclosed in the table above are immediately recognized in the income statement under “Operating expenses” for the commodity instruments and under “Foreign exchange gains and losses” for the currency instruments.

## Note 7: Inventory

In line with Umicore's accounting policies related to inventories (note 2.9 "Inventory" in the 2021 annual report), metals are classified in inventory categories that reflect their specific nature and business use. Umicore classifies permanently tied-up metal inventories as a separate inventory category. At start of the year, Umicore carried permanently tied-up inventories for silver, gold, platinum, palladium, rhodium, cobalt, nickel, germanium, lead and copper. In the course of the first half of 2022, Umicore initiated a permanently tied-up lithium metal inventory in Energy & Surface Technologies to cover part of the current and expected future needs for the metal linked to the projected expansion in battery materials. As this inventory category is considered to have an unlimited useful life, no depreciations are applied but instead it will be subject to Umicore's annual impairment testing of the Cash Generating Units carrying these inventories.

## Note 8: Shares

The total number of issued shares at the end of June is 246,400,000.

Of the 5,200,995 treasury shares held at the end of 2021, 103,270 shares were used for the employee free share program and 96,300 shares were used to honour the exercising of stock options during the period. Umicore also bought back 1,300,000 of its own shares. On 30 June 2022, Umicore owned 6,301,425 treasury shares, representing 2.56% of the total number of shares issued at that date.

## Note 9: IFRS developments

New and amended standards and interpretations need to be adopted in the first interim financial statements issued after their effective date (or date of early adoption). There are no new IFRSs or IFRICs that are effective for the first time for this interim period that had a material impact on the Group, except if disclosed above in Note 2. There are as well no anticipated new IFRSs or changes to IFRSs that will have a material effect.

## Note 10: Contingencies, accounting estimates and adjusting events

As previously disclosed, the Group had at 31 December 2021 a pending file qualified as a contingent liability according to the definition of IFRS. A subsidiary of Element Six Abrasives had received notice of a local tax assessment for € 24.9 million to be grossed up with statutory interests, estimated at 31 December 2021 at € 14.5 million. On 8 March 2022, a court determination was issued ruling in favor of the company's appeal. No appeal was made by the tax authorities and therefore the case is closed.

## Note 11: Conflict in Ukraine

Umicore continues to closely monitor the crisis in Ukraine and the potential implications to its business. Umicore's sales in H1 2022 into Russia or Ukraine remain negligible on Group level and Umicore has no operational presence in Ukraine and no meaningful operational presence in Russia. Russia is an important global producer of certain Platinum Group Metals and of nickel. Umicore has built-up a diversified supply base for these metals with supply from various countries and is additionally being supplied through its own recycling operations. Nevertheless, any prolonged absence of supply of these metals as a result of the crisis is expected to increase global supply tightness and could trigger severe metal price and trading volatility, which could impact the Group's profitability and cash flows. Any material and extended disruption of gas deliveries from Russia to Europe may result in a general economic slowdown in Europe which would impact the Group's profitability and cash flows. The potential impact of any gas shortages on Umicore's European operations is being assessed. The major part of Umicore's European natural gas demand is linked to its Belgian production sites. Dependence on Russia for gas, and other energy sources, varies widely by country in Europe. Although the risk to be impacted by gas shortage remains, the Russian gas dependence is considered lower in Belgium compared to other countries.

## Forward looking statements

This document contains forward-looking information that involves risks and uncertainties, including statements about Umicore's plans, objectives, expectations and intentions. 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. 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. As a result, neither Umicore nor any other person assumes any responsibility for the accuracy of these forward-looking statements.

## Glossary

For a glossary of used financial and technical terms please refer to:  
<http://www.umicore.com/en/investors/financial-data/glossary/>

## For more information

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## Financial calendar

19 August 2022	Ex-interim dividend trading date
22 August 2022	Record date for the interim dividend
23 August 2022	Payment date for the interim dividend
16 February 2023	Full Year Results 2022

## Umicore profile

Umicore is the *circular* materials technology company. 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 € 2.1 billion (turnover of € 13.8 billion) in the first half of 2022 and employed 11,350 people.

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A conference call and audio webcast for **investors, analysts and journalists** will take place today at 9:30 AM CEST. Please visit: <https://umicore.com/hyr2022>

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