2017 half year performance

31 July 2017
Overview

- Highlights H1 2017
- Outlook 2017
- Business review H1 2017
- Financial review H1 2017
- Wrap-up
- Q&A
Highlights H1 2017

• **Strong performance:** revenues +13% and REBIT +26% from continued operations

• Growth across segments, most pronounced in Energy & Surface Technologies

• **Significant organic investments and acquisitions:**
  - Six fold expansion cathode materials production in South Korea and China on track; first production lines commissioned towards end 2017
  - In Automotive Catalysts, acquisition of remaining 50% of Ordeg JV in Korea and agreement to acquire HDD activities of Haldor Topsoe

• **Exclusive negotiations on sale of Building Products**

• **Private debt placement** in Europe and US for close to € 700 million

• **Decision to stop with quarterly trading updates:** continuing interaction with investors to address strategic themes

• **Interim dividend of € 0.65**
Outlook 2017

Umicore expects full year recurring EBIT to be at the high end of the previously guided range of € 370 million to € 400 million assuming current market conditions continue to prevail. Excluding discontinued operations, this equates to the high end of a range of € 355 million to € 385 million.
Outlook 2017

CATALYSIS
- Patterns observed in the first half year expected to continue
- Higher revenues for full year compared to 2016, albeit with less pronounced growth in absence of major legislative steps

ENERGY & SURFACE TECHNOLOGIES
- Higher volumes for Rechargeable Battery Materials on the back of surging customer demand for xEV
- Market trends in other business units expected to be supportive with usual seasonality

RECYCLING
- Higher volumes as a result of the capacity ramp-up in Hoboken
- Maintenance shutdown scheduled in H2 similar to prior year
Business review H1 2017
Catalysis
2017 H1 business review

Revenues +6% and recurring EBIT +4%:

- Higher revenues in **Automotive Catalysts**:
  - Contribution of second quarter consolidation of Ordeg
  - Higher volumes from HDD catalysts in Europe and China
  - Growth slightly below market for LDV catalysts mainly due to low vehicle sales by Korean customers in China and Korea

- Higher revenues for **Precious Metals Chemistry** with higher volumes across product groups
Revenues +38% and recurring EBIT +66%:

- Substantial growth for **Rechargeable Battery Materials** driven by strong demand from the transportation segment; Umicore sales outpacing market growth

- Revenues in **Cobalt & Specialty Materials** well up as a result of higher volumes and favourable market conditions in most end-markets

- Higher revenues for **Electroplating, Electro-Optic Materials** and **Thin Film Products**
Revenues +5% and recurring EBIT +19%:

- Increased revenues for Precious Metals Refining:
  - Higher processed volumes as a result of the increased throughput
  - More supportive metal prices
  - Supply mix largely unchanged
- Higher revenues in Jewellery & Industrial Metals and Precious Metals Management
- Stable revenues for Platinum Engineered Materials and Technical Materials
Growth investments in clean mobility and recycling

**CATALYSIS**
- Acquisition of full ownership of the Ordeg joint venture in Korea
- Agreement to acquire HDD activities of Haldor Topsoe

**ENERGY & SURFACE TECHNOLOGIES**
- Six-fold capacity expansion for Rechargeable Battery Materials in China and South Korea on track
- First production lines to be commissioned by end 2017

**RECYCLING**
- Auxiliary investments in Hoboken completed and new capacity ramping up
- Investments to further improve environmental performance ongoing
Discontinued operations

Building Products:
- Stable volumes and revenues
- Exclusive negotiations with Fedrus International for the sale of the activities

**Revenues**

- H1 2013: 144
- H2 2013: 141
- H1 2014: 149
- H2 2014: 140
- H1 2015: 149
- H2 2015: 143
- H1 2016: 148
- H2 2016: 111
- H1 2017: 86

**Recurring EBIT**

- H1: 3
- H2: 6

- H1: 12
- H2: 7
- H1: 11
- H2: 19
- H1: 20
- H2: 10
- H1: 10
- H2: 8
Employees and Safety

Safety
- Accident frequency rate at 2.94
- Accident severity rate at 0.08

People
Higher number of employees in fully consolidated companies:
- Organic growth in Rechargeable Battery Materials
- Full consolidation of Ordeg JV in Automotive Catalysts
- Acquisition of Eurotungstene in Cobalt and Specialty Materials

### People

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<tbody>
<tr>
<td>Fully consolidated</td>
<td>10,283</td>
<td>10,190</td>
<td>10,320</td>
<td>10,386</td>
<td>10,386</td>
<td>10,429</td>
<td>10,408</td>
<td>9,921</td>
<td>10,402</td>
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<td>Associates</td>
<td>3,997</td>
<td>3,867</td>
<td>3,895</td>
<td>3,705</td>
<td>3,709</td>
<td>3,301</td>
<td>3,192</td>
<td>3,196</td>
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- Fully consolidated
- Associates
Financial review
Strong earnings growth

Group, including discontinued activities*

REBIT & REBIT margin

<table>
<thead>
<tr>
<th></th>
<th>H1 2013</th>
<th>H1 2014</th>
<th>H1 2015</th>
<th>H1 2016</th>
<th>H1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>REBIT</td>
<td>163</td>
<td>138</td>
<td>171</td>
<td>176</td>
<td>204</td>
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<tr>
<td>+16%</td>
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- REBIT
  - H1 16 - H1 17
  - +16%

REBITDA

<table>
<thead>
<tr>
<th></th>
<th>H1 2013</th>
<th>H1 2014</th>
<th>H1 2015</th>
<th>H1 2016</th>
<th>H1 2017</th>
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<tbody>
<tr>
<td>REBITDA</td>
<td>240</td>
<td>221</td>
<td>260</td>
<td>259</td>
<td>266</td>
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<tr>
<td>+14%</td>
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- REBITDA
  - H1 16 - H1 17
  - +14%

Continued activities

REBIT & REBIT margin

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<tr>
<th></th>
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<th>H1 2016</th>
<th>H1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>REBIT</td>
<td>160</td>
<td>135</td>
<td>128</td>
<td>160</td>
<td>165</td>
</tr>
<tr>
<td>+26%</td>
<td></td>
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</table>

- REBIT
  - H1 16 - H1 17
  - +26%

REBITDA

<table>
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<tr>
<th></th>
<th>H1 2013</th>
<th>H1 2014</th>
<th>H1 2015</th>
<th>H1 2016</th>
<th>H1 2017</th>
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</thead>
<tbody>
<tr>
<td>REBITDA</td>
<td>228</td>
<td>207</td>
<td>205</td>
<td>235</td>
<td>288</td>
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<tr>
<td>+21%</td>
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- REBITDA
  - H1 16 - H1 17
  - +21%

* Zinc Chemicals contributed six months in 1H16 but was sold effectively on 1 November 2016, no longer contributing in 1H17
Catalysis ROCE 17.0%, well above target ratio

Energy & Surface Technologies ROCE 14.2%, well up on the back of strong earnings despite major growth investments

Recycling ROCE 29.3%, highly value accretive
Net debt and cash flows

Operating cashflow = cashflow from operations before change in working capital requirement plus dividend and grants received
Expenditures for growth

Capex €141 million relating to growth projects in clean mobility and recycling:

- Energy & Surface Technologies taking up the vast majority as a result of ongoing six-fold capacity expansion
- Capex in H2 2017 expected to outpace this amount

R&D €89 million, up from €78 million in H1 2016 reflecting higher expenditures in Catalysis and Energy & Surface Technologies
Strong capital structure maintained

Net financial debt of € 556 million

- Driven primarily by growth and Ordeg acquisition
- Including proceeds from the € 330 million European private debt placement

Corresponds to:

- 0.7 x average net debt to recurring EBITDA ratio
- 23.2% gearing ratio

€ 360 million US private debt placement to be drawn in December
Non-recurring elements

<table>
<thead>
<tr>
<th>Million €</th>
<th>H1 2017</th>
</tr>
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<tbody>
<tr>
<td>Restructuring charges &amp; provisions</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Environmental charges &amp; provisions</td>
<td>(4.7)</td>
</tr>
<tr>
<td>Impairments on metal inventory</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Other</td>
<td>(7.6)</td>
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<tr>
<td>Non-recurring EBIT</td>
<td>(14.6)</td>
</tr>
<tr>
<td>Non-recurring tax result</td>
<td>3.8</td>
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<tr>
<td>Non-recurring minority result</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Net non-recurring result</strong></td>
<td>(10.7)</td>
</tr>
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Non-recurring EBIT mainly affected by:
- **€ 7 million impairment of shareholding in Nyrstar**
- **€ 5 million environmental provisions**

Total negative impact on net result of **€ 11 million**
Wrap-up

• Strong performance: revenues +13% and REBIT +26% for continued operations

• Growth across segments, most pronounced in Energy & Surface Technologies

• Significant organic investments and acquisitions underpinning the strategy to be a clear leader in clean mobility and recycling

• Umicore expects full year recurring EBIT to be at the high end of the previously guided range of € 370 million to € 400 million assuming current market conditions continue to prevail. Excluding discontinued operations, this equates to the high end of a range of € 355 million to € 385 million.
Q&A
## Financial calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>29 August 2017</td>
<td>Payment date for the interim dividend</td>
</tr>
<tr>
<td>9 February 2018</td>
<td>Full Year Results 2017</td>
</tr>
<tr>
<td>24 April 2018</td>
<td>Ordinary General Meeting of Shareholders</td>
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</tbody>
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## Forward-looking statements

This presentation 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.

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