Umicore reaches Horizon 2020 targets two years ahead of schedule and reaffirms upside potential

8 February 2019
Overview

Highlights 2018
Reaching Horizon 2020 targets 2 years ahead of schedule
Current market environment and Umicore developments
2018 Performance
Reaffirming upside potential
Q&A
Strategic choices and recent investments are paying off

<table>
<thead>
<tr>
<th>Category</th>
<th>2018 Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td>+17%* to € 3.3 bn</td>
</tr>
<tr>
<td><strong>RECURRING NET PROFIT (Group share)</strong></td>
<td>+22% to € 326 m</td>
</tr>
<tr>
<td><strong>REBIT</strong></td>
<td>+29%* to € 514 m</td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td>15.4%</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>€ 196 m</td>
</tr>
<tr>
<td><strong>CAPEX</strong></td>
<td>€ 478 m</td>
</tr>
</tbody>
</table>

*Excluding Discontinued Operations
Delivering on our Horizon 2020 strategy

- Clear leadership in clean mobility materials and recycling
- Doubled the size of the business in terms of earnings
- Rebalanced the portfolio & earnings contributions
- Turned sustainability into a greater competitive edge

2018 results
Delivering on our Horizon 2020 strategy

- Won largest share of gasoline GPF platforms
- Qualified for additional major EV platforms of leading OEMs
Clear leadership in clean mobility materials and recycling

- ICE
  Emission control catalysts

- BEV
  Battery materials

- (p)HEV
  Battery materials and emission control catalysts

- Fuel cells
  Electro-catalyst and battery materials

2018 results
Delivering on our Horizon 2020 strategy

- Won largest share of gasoline GPF platforms
- Qualified for additional major EV platforms of leading OEMs
- REBIT of €514 million in 2018

2018 results
Doubled the size of the business in terms of earnings

REBIT

- **2014**: 255 Million of Euros
- **2018**: 514 Million of Euros
- **Horizon 2020 ambition**: upside potential

*excluding discontinued operations

Original 2020…
Delivering on our Horizon 2020 strategy

- Won largest share of gasoline GPF platforms
- Qualified for additional major EV platforms of leading OEMs
- REBIT of €514 million in 2018
- Rebalanced the portfolio & earnings contributions
- Completion of first €460 million investment wave ahead of schedule
Rebalanced the portfolio and earnings contribution

(*) excluding Discontinued Operations
Delivering on our Horizon 2020 strategy

- Won largest share of gasoline GPF platforms
- Qualified for additional major EV platforms of leading OEMs
- REBIT of € 514 million in 2018
- Rebalanced the portfolio & earnings contributions
- Certified clean and ethical supply
Turned sustainability into a greater competitive edge

Full alignment with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk areas


Certified clean and ethical supply to our customers
Consistent execution of the strategy

Investments

- Integration of recent acquisitions
- Capacity expansion in **Europe, China and India** following major business wins

- Completion of **€ 460 million** investment program in **China and Korea** on an accelerated schedule
- Start of **€ 660 million** greenfield investments in **China and Poland** to meet continued strong demand

- Completion of environmental investments in **Hoboken** resulting in significant reduction in emissions
Consistent execution of the strategy
Technology innovation

R&D
- Up 12% to € 196 million
- 6% of Umicore’s revenues

CATALYSIS
- New product developments for upcoming emission regulations in Europe and China; fuel cell technology
- State of the art process technologies

ENERGY & SURFACE TECHNOLOGIES
- Innovation roadmap spanning the next 20 years for rechargeable battery materials
- Developing new process technologies
- Battery recycling
Consistent execution of the strategy
Attracting new talents

Total number of employees 10,419 (+650), in line with growth strategy

New hires in China, Korea and Belgium

Attractive employer with pioneering role in sustainability and in offering solutions to societal problems
Current market environment and Umicore developments

**CATALYSIS**
- More challenging macro-economic environment
- Evolving engine mix
- Emission legislation
- New GPF platforms & capacity expansions

**ENERGY & SURFACE TECHNOLOGIES**
- New xEV models
- New capacity in China in H2 and construction starting in Europe
- Metal prices in Cobalt & Specialty Materials

**RECYCLING**
- Extended shutdown in Hoboken
- Supply mix broadly unchanged
- Metal prices
Record results in 2018
And all three business groups contributing to growth*

REVENUES
+17%** to € 3.3 billion
44% revenue growth in Energy & Surface Technologies

REBIT
+29%** to € 514 million
Energy & Surface Technologies already accounting for half of the Group REBIT
REBIT margin up to 15.5%

RECURRING NET PROFIT
+22% to € 326 million
Recurring EPS of € 1.36 (+12%)
Proposed 2018 dividend of € 0.75 per share (up from € 0.70 in 2017)

REBITDA
+23%** to € 720 million
REBITDA margin up to 21.9%

ROCE
up to 15.4%, in a period of intense investments

(*) excluding the impact of the divestment of European Technical Materials (Recycling) in January 2018
(**) excluding Discontinued Operations
Strategic choices and recent investments are paying off

### REBIT & REBIT margin

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>126</td>
<td>128</td>
<td>254</td>
</tr>
<tr>
<td>2015</td>
<td>160</td>
<td>140</td>
<td>240</td>
</tr>
<tr>
<td>2016</td>
<td>155</td>
<td>165</td>
<td>220</td>
</tr>
<tr>
<td>2017</td>
<td>195</td>
<td>203</td>
<td>368</td>
</tr>
<tr>
<td>2018</td>
<td>261</td>
<td>253</td>
<td>505</td>
</tr>
</tbody>
</table>

### REBITDA & REBITDA margin

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>200</td>
<td>205</td>
<td>405</td>
</tr>
<tr>
<td>2015</td>
<td>240</td>
<td>225</td>
<td>455</td>
</tr>
<tr>
<td>2016</td>
<td>238</td>
<td>258</td>
<td>486</td>
</tr>
<tr>
<td>2017</td>
<td>288</td>
<td>299</td>
<td>573</td>
</tr>
<tr>
<td>2018</td>
<td>364</td>
<td>356</td>
<td>708</td>
</tr>
</tbody>
</table>

Group, excluding discontinued activities

Group, excluding Corporate segment

2018 results
15 % group ROCE objective met, all businesses creating value

Catalysis ROCE includes temporary dilution from recent acquisitions

Energy & Surface Technologies ROCE well up despite 50% increase in capital employed YoY

Higher recycling ROCE YoY includes effect of Technical Materials divestment

Group ROCE (excl. discontinued) 2014 12.8% 2018 15.4%
Catalysis

2018: Revenues +9%, REBIT +2%, REBITDA + 6%

Automotive Catalysts

• Increased contribution of HDD activity
• Growth driven by higher gasoline volumes, despite slowing market
• Significant gasoline platform wins

Precious Metals Chemistry

• Higher sales of APIs and chemical metal deposition applications
• Increased revenues from fuel cell catalysts
Energy & Surface Technologies

2018: Revenues +44%, REBIT +82%, REBITDA +63%

Rechargeable Battery Materials
• Strong demand for NMC cathode materials for transportation applications
• Fast ramp-up of new capacity in China and Korea
• Earnings benefited from scale effects from new capacity

Cobalt & Specialty Materials
• Strong volumes & supportive metal prices in H1
• Increased activity level in battery recycling

Slightly lower revenues for Electro-Optic Materials; stable revenues in Electroplating

![Revenue Graph](image)

![EBIT & EBIT Margin Graph](image)
Rechargeable Battery Materials

Expansion projects on track

Year 2016 2017 2018 2019 2020 2021

- EUR 160 million announced April 2016
- Brownfield in China
- Greenfield in Korea
- Significant scale effects that benefitted 2018 margins

- EUR 300 million announced May 2017

- EUR 660 million announced Feb 2018
- Greenfield in China and Poland
- Competence Center in Belgium
- Expected to result in significant upfront costs in 2019

Completed on accelerated schedule

2018 results
Recycling

2018: Revenues +6%, REBIT +12%, REBITDA +7% (*)

Precious Metals Refining

- Higher processed volumes despite fire
- Somewhat more supportive metal prices
- Commercial conditions in some segments impacted by competitive pressure
- Mix broadly unchanged

Precious Metals Refining

Stable revenues in Jewelry & Industrial Metals and higher revenues for Precious Metals Management

(*) excluding the impact of the divestment of European Technical Materials (Recycling) in January 2018
Investing in growth

Group capex of € 478 million:
- Energy & Surface Technologies: capacity expansions in Korea and China
- Catalysis: capacity expansions in Poland, China and India
- Recycling: environmental investments in Hoboken

Increase in NWC of € 707 million driven by expansion in cathode materials:
- Base inventory for newly commissioned lines
- Substantial production growth
- Continuity of supply amidst a tight supply chain
- Substantial yoy increase in average cobalt price
- Impact of the fire at Hoboken plant
- Initiatives underway to optimise NWC
Net debt and cash flows

Operating cashflow = cashflow from operations before change in cash working capital

Including net acquisitions and divestments and treasury shares
Strong capital structure

10% equity raise in February 2018
Stable net financial debt year-on-year
Net financial debt € 861 million

Corresponds to:
1.2 x net debt to recurring EBITDA ratio at end of period
24% net gearing ratio

€ 690 million fixed-rate medium- and long-term notes
Ample funding headroom to execute growth strategy
### Non-recurring elements

<table>
<thead>
<tr>
<th>FY 2018</th>
<th>Non-recurring EBIT including:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Restructuring charges (14)</td>
</tr>
<tr>
<td></td>
<td>Impairments on permanently tied-up metal inventories (6)</td>
</tr>
<tr>
<td></td>
<td>Other 6</td>
</tr>
<tr>
<td>Non-recurring EBIT (14)</td>
<td>Impact on net result of € -9 million</td>
</tr>
<tr>
<td>Non-recurring tax result (4)</td>
<td></td>
</tr>
<tr>
<td>Net non-recurring result (Group Share) (9)</td>
<td></td>
</tr>
</tbody>
</table>
Reaffirming upside potential
Wrap-up

Horizon 2020 targets reached two years ahead of schedule

On track to capture upside potential of some 35 to 45% over and above the original Horizon 2020 ambitions while maintaining 15%+ Group ROCE target

We will make further progress in the execution of our growth strategy through 2019.

However, we expect that REBIT growth in 2019 will be tempered by the present subdued demand in the automotive and consumer electronics sectors, combined with increased depreciation charges, R&D and startup costs as well as the timing of new capacity.

Committed to pursue strategic investments and long-term research program while consistently delivering strong returns to shareholders
On track to capture the upside potential

**CATALYSIS**
- Unprecedented value growth driven by legislation
- Well positioned to outgrow the market through technology leadership in gasoline engines and competitive position in HDD

**ENERGY & SURFACE TECHNOLOGIES**
- Rapidly increasing electrification
- Capturing significant growth through full spectrum of highest quality cathode materials, ability to scale up fast and sustainable supply

**RECYCLING**
- Growing complexity of waste streams
- Expansion in Precious Metals Refining
Preparing the ground for further growth

Clean Mobility innovation roadmap spanning the next 20 years

- Full electric
- Plug-in hybrid
- Fuel cells
- Cleaner combustion engines

Battery Recycling gaining traction
Q&A
Financial calendar

25 April 2019  Ordinary General Meeting of Shareholders
29 April 2019  Ex-dividend date
30 April 2019  Record date for the dividend
2 May 2019  Dividend payment date
31 July 2019  Half Year Results 2019
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.

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