Overview

- Highlights H1 2019
- 2019 outlook
- H1 2019 business review
- Financial review
- Wrap up
- Q&A
Highlights H1 2019

Robust performance in challenging market conditions and compared to record levels in 2018

Catalysis: substantially outperforming automotive market

E&ST: disciplined approach to capital spending, adapting to short-term fluctuations in demand

Recycling: significant improvement in throughput rates following last wave of investment

Free Cash Flow of € 50 m (-€ 104 m in H1 18); cashflow from operations of € 308 m (€ 102 m in H1 18) including stable working capital

Successful placement of € 390 m private debt at low fixed interest rates

Interim dividend of € 0.375

Committed to long-term strategy in clean mobility materials and recycling

Important steps taken to expand integrated and sustainable battery materials value chain in Europe

Agreement to acquire Freeport Cobalt’s refining and cathode precursor activities in Finland

Long-term partnership with Glencore for sustainable cobalt supply

Capacity expansions supporting growth in Automotive Catalysts; greenfield sites under construction in China and Poland for battery materials

Continued investments in R&D
H2 2019 perspectives

**CATALYSIS**

- Strong performance expected despite persisting headwinds in automotive industry
- Market share gains in gasoline
- Benefitting from cGPFs in Europe and China
- Capacity expansions in Poland, China and India
- Revenue growth in Precious Metals Chemistry

**ENERGY & SURFACE TECHNOLOGIES**

- Volume growth expected in cathode materials
  - Full impact of subsidy cuts on EV demand in China
  - Potential pick-up in demand for ESS
  - Lower demand from portable electronics and e-buses
  - New capacity in China, at an adapted pace
  - Higher D&A and upfront greenfield costs
  - Persisting low cobalt price

**RECYCLING**

- Continued increase of throughput rate and favorable supply environment
  - Annualized processed volumes well above 2018 record level
  - Favorable supply environment
  - Tailwinds from metal prices
  - July fire in Hoboken (REBIT impact of about € 10 m)
2019 outlook confirmed

Umicore confirms its outlook of recurring EBIT for the full year 2019 in a range of €475 million to €525 million, assuming no material further deterioration of the macroeconomic environment.

- **CATALYSIS**: Recurring EBIT to grow year on year
- **ENERGY & SURFACE TECHNOLOGIES**: Recurring EBIT well below the level of last year
- **RECYCLING**: Recurring EBIT to grow year on year
Catalysis H1 2019 market context

Strong headwinds in the automotive industry

- Global light-duty vehicle production contracted by 6.7% year on year
  - China down 12.1%
  - Europe down 6.4%
  - North America down 3.6%

- China, the world’s largest car market, significantly declining since H2 2018 after years of strong growth

- Falling diesel production in Europe (-13%), share of 36% of car production in the region

- No concrete signs of immediate recovery
Automotive Catalysts (~90% Catalysis revenues)

Market share gains in light duty gasoline
Growing penetration of cGPFs
Good customer and platform mix esp. in China
Higher revenues in heavy-duty diesel

Precious Metals Chemistry

Strong demand from pharmaceutical and chemical industries
Higher revenues from fuel cell catalysts

Catalysis H1 2019 performance

Revenues +1% and stable REBIT; in strong contrast with declining auto market
Strong growth drivers in Catalysis

Tightening emission norms for LDV and HDD, in particular in China, Europe and India

Significant value uplift especially in gasoline catalysts

Increasing share of gasoline platforms in the global mix

Increasing uptake of fuel cell drivetrains

Umicore best positioned to capture growth in growing gasoline segment

Largest share of cGPF platforms won in China and Europe

Umicore well positioned to capture growth in HDD segments

Umicore expanding capacity in fuel cells
E&ST H1 19 market context

Slowling growth pace of demand for cathode materials and lower metal prices

Transportation: slowdown in EV demand in China, the world’s largest EV market

ESS in Korea: production of new systems halted after safety incidents

Subdued demand for high-end portable electronics

Depressed cobalt price and inflow of unethically sourced artisanal cobalt

Excess customer inventories of high-cobalt containing products
Rechargeable Battery Materials

- Lower NMC for ESS and LCO sales
- Flat demand for automotive applications
- Recycling and refining activities hit by lower metal prices

Cobalt & Specialty Materials

- Customer destocking of excess inventories
- Activities impacted by low metal prices
- Inflow of cheaper unethically sourced artisanal cobalt

Revenues for Electroplating slightly down; stable for Electro-Optic Materials

Battery materials value chain is ~70% E&ST revenues

Revenues -7%; REBIT -16% reflecting slowdown in demand and lower metal prices
Electrification confirmed as the main avenue to drastically reduce vehicle emissions in mid & long term

Strongly supported by legislation:
- Continued regulatory push in China despite earlier than anticipated subsidy cuts
- CO₂ legislation in Europe

and evidenced by the massive roll-out of car OEM’s e-mobility strategies

Technology roadmap offers ample room for innovation and differentiation:
- Product: range, charging times, durability
- Process: ability to scale up fast, cost efficient and flexible processes, quality consistency
- Closed loop offering

Umicore ideally positioned to address the long-term requirements of this industry, while managing short-term fluctuations with agility
Expanding integrated and sustainable battery materials supply chain

Agreement to acquire Freeport Cobalt’s refining and cathode precursor activities in Finland

- Fully integrated and sustainable battery materials supply chain in Europe
- To support Umicore’s and its customers’ European growth plans
- Supply precursors for cathode materials production in Poland, due to start in H2 2020
- Complementary IP and know-how for refining and precursor production
- Team of experienced battery industry professionals
- Acquisition earnings accretive from 2020 and value accretive from 2021
- Closing subject to customary conditions and approvals

Partnership with Glencore for sustainable cobalt supply

- Long-term supply guarantee for substantial part of our cobalt needs
- Cobalt sourced from state-of-the-art industrial mining operations, then shipped to our refineries globally

Umicore battery supply chain in Europe

- Kokkola (Finland): cobalt refinery and precursor production
- Olen (Belgium): R&D
- Hoboken (Belgium): battery recycling
- Nysa (Poland): cathode materials production
Recycling H1 2019 market context

Supportive market environment

Strong supply mix

- Increased availability of complex materials, in particular end-of-life materials
  - Stricter enforcement of import ban of e-scrap in China
  - High volumes of more complex spent catalysts

Higher prices for certain PGMs
Recycling H1 2019 performance
Revenues and REBIT -2%(*) due to extended maintenance shutdown

Precious Metals Recycling (~70% Recycling revenues)

- Better throughput rates following latest wave of investments in Hoboken
- Lower processed volumes due to extended scheduled shutdown
- Better supply mix and higher metal prices

Revenues for Jewelry & Industrial Metals slightly up; higher earnings contribution from Precious Metals Management

(*) excluding the impact of the divestment of the European activities of Technical Materials at the end of January 2018
Increasing resource scarcity and need for closing the loop

Growing complexity of materials to recycle

Eco-efficient recycling processes are becoming the norm

Umicore uniquely positioned to capture growth in this segment as the world’s largest and most complex precious metal recycler with world class environmental and quality standards
Financial review
Robust performance in a challenging environment

**REBIT & REBIT margin**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>148</td>
<td>120</td>
<td>155</td>
<td>165</td>
<td>195</td>
<td>203</td>
<td>261</td>
<td>282</td>
<td>240</td>
</tr>
<tr>
<td>Recurring EBIT</td>
<td>-11.8%</td>
<td>-10.0%</td>
<td>-12.4%</td>
<td>-12.8%</td>
<td>-13.5%</td>
<td>-13.0%</td>
<td>-15.2%</td>
<td>-15.9%</td>
<td>-14.3%</td>
</tr>
</tbody>
</table>

**REBITDA & REBITDA margin**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>220</td>
<td>206</td>
<td>238</td>
<td>258</td>
<td>288</td>
<td>299</td>
<td>364</td>
<td>356</td>
<td>357</td>
</tr>
<tr>
<td>Recurring EBITDA</td>
<td>17.9%</td>
<td>17.4%</td>
<td>19.3%</td>
<td>20.5%</td>
<td>20.2%</td>
<td>19.8%</td>
<td>21.3%</td>
<td>22.4%</td>
<td>21.4%</td>
</tr>
</tbody>
</table>

Down compared to a record H1 18 and resilient sequential performance

<table>
<thead>
<tr>
<th></th>
<th>vs H1 18</th>
<th>vs H2 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>-3%</td>
<td>+3%</td>
</tr>
<tr>
<td>Recurring EBIT</td>
<td>-8%</td>
<td>-5%</td>
</tr>
<tr>
<td>Recurring EBITDA</td>
<td>-2%</td>
<td>=</td>
</tr>
</tbody>
</table>

Robust margin performance despite higher costs (D&A and greenfield expansions):

- Recurring EBIT margin of 14.3%
- Recurring EBITDA margin of 21.4%
- Adoption of IFRS 16 lease standard increasing D&A and recurring EBITDA by €7.3 million
- ROCE of 12.3% reflecting impact of recent investments
Stronger free operating cash flows

Cashflow generated from operations tripled compared to H1 18 and highest in recent years.
Stable net working capital in 1H19 versus last year’s strong increase.

Higher capex (€ 241 m) of which two thirds in E&ST.
Complemented by increased capitalized development expenses (€ 17 m) also mostly in E&ST.
Substantial improvement in free operating cashflow year on year (€ 50 m in H1 19).
Full year projected capex of appr. € 600 m and targeting stable working capital.

* Free operating cashflow = cashflow generated from operations – capex & capitalized development expenses
Net cash flow profile

- Free operating cashflow of € 50 m
  (- € 104 m in H1 18)
- Tax and net interest cash out of € 86 m
  (€ 88 m in H1 18)
- Higher dividend pay-out to Umicore shareholders
  (€ 96m vs € 91m in H1 18)
- Non-cash increase in net financial debt of € 37 m
  from IFRS 16 adoption

* Cashflow generated from operations includes net working capital cash flows
** Free operating cashflow = cashflow generated from operations – capex & capitalized development expenses
Net financial debt € 1,059 m

Modest impact from the adoption of IFRS 16 due to limited use of operating leases (€ 37 m)

Corresponds to:
1.35 x average net debt to recurring EBITDA ratio
29% net gearing ratio

Ample funding headroom to execute growth strategy, no need for additional capital injection
Further extended funding base

Issuance of €390 m US private placement notes, complementing existing committed credit facilities:
- Historically low, fixed interest rates
- Maturities of 7, 10 and 12 years
- Expected drawdown in September

Total of committed medium and long term debt facilities amounting to €1,875 million.

No major maturities before 2029

Committed medium & long term facilities
Total of €1,875 m

- Syndicated bank facilities (largely undrawn)
- 2019 US Private Placement
- 2017 US Private Placement
- 2017 Schuldschein
Accounting changes and non-recurring items

Adoption of IFRS 16 lease agreements standard

Adoption of IFRIC 23 Interpretation on uncertain tax positions

Change in valuation principles of permanently tied-up metal inventories:
- Existing separate inventory category of metal stock with indefinite use required to run operations without business interruptions
- Change from LOCOM to IAS 16 & IAS 36 rules to reduce future non-cash and non-recurring earnings volatility without underlying commercial and operational performance relevance
- Market value of Group’s total permanently tied-up metal inventories double current book value

Limited negative non-recurring EBIT items (€ 3 m)
Wrap-up
Wrap-up

Performance in H1 and outlook for the full year in line with guidance provided in April

Robust H1 performance in challenging market conditions
- Catalysis: substantially outperforming the automotive market
- E&ST: adjusting capital spending to current slower pace of growth
- Recycling: significant improvement in throughput rates

Drivers behind growth strategy in clean mobility materials and recycling intact

Dealing with agility in challenging market conditions while consistently executing long-term strategy

Robust performance and strong balance sheet providing ample room to fund growth, R&D investments and dividends
Q&A
Financial calendar

27 August 2019  Payment date for the interim dividend
7 February 2020  Full Year Results 2019
30 April 2020  Ordinary General Meeting of Shareholders
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.

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