Umicore FY 2020 performance

11 February 2021
Overview

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2021 outlook
Maintaining strategic course while responding effectively to COVID-19 crisis
2020 business review
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Highlights 2020

Record earnings in unprecedented conditions

CATALYSIS

Significant impact of pandemic on automotive market in H1
Umicore disproportionately exposed to market recovery in H2 due to strong position in gasoline for LDV
Strict cost management and operational excellence initiatives

ENERGY & SURFACE TECHNOLOGIES

Impact of pandemic on several end-markets
Excluding impact of excess inventories, Umicore’s EV cathode materials volumes grew broadly in line with EV battery demand
Adj. EBIT reflecting underutilized capacity and pricing pressure in China, as well as costs related to recent and ongoing expansions

RECYCLING

Record performance with a nearly doubling of adj. EBIT YoY, reflecting strong growth across all business units
Exceptional metal price environment
High activity levels despite COVID-19 crisis and favorable trading conditions
2021 outlook
2021 outlook

Umicore expects to achieve substantial growth in earnings in 2021, with growth in all business Groups

Given the current limited visibility, this outlook statement is made under the assumption that the ongoing COVID-19 outbreak would not result in additional material or protracted disruptions to the economy or Umicore's operations.

CATALYSIS

Further benefit from leading edge technology offering in gasoline applications for LDV in China and Europe
Initial impact of China VI legislation for HDD applications
Savings from footprint adjustments and cost improvements carried out in 2020

ENERGY & SURFACE TECHNOLOGIES

Substantial growth in sales volumes of cathode materials for EVs
Persisting Chinese overcapacity and pricing pressure
Some € 50m increase in fixed costs in Rechargeable Battery Materials
Volume growth to result in meaningful Adj. EBIT growth, in line with current market consensus

RECYCLING

Favorable metal prices
Supportive supply mix and moderate volume growth in Precious Metals Refining
If current elevated metal price levels were to prevail throughout the year, Adj. EBIT would increase very significantly vs 2020

1 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/
Maintaining the strategic course while responding effectively to the COVID-19 crisis
Maintaining the strategic course…

**Strong regulatory drivers underpin Umicore’s growth strategy**

EU ambition: zero-emission mobility

China:
- NEV subsidy plan extended (2022)
- Higher NEV penetration rate (20% by 2025, 50% by 2035)

Green recovery measures and stimuli for cleaner mobility

Stricter emission norms for ICE (China VI regulation for HDD in July 2021)

Increased need for a more circular economy

**Umicore committed to strategic investments in clean mobility and recycling**

Greenfield cathode materials plant in Poland:
- Commissioning by end of H1 2021
- 1st industrial-scale plant in Europe

Fuel cell catalyst production ramp-up in Korea

Catalyst production capacity expansion in China for LDV and HDV

Multi-year investment program to improve safety and environmental performance of Hoboken recycling plant
… while responding effectively to the COVID-19 crisis

**Health & safety**
- Remain top priority
- Strict hygiene and other precautionary measures
- Dedicated task force monitoring global operations

**Strong capital and liquidity management**
- Strict cost management
- Optimization of working capital
- Postponement of certain investments
- Further strengthening of liquidity

**Production footprint reassessment**
- Consolidation of North American Automotive Catalysts production
- Streamlining of Cobalt & Specialty Materials activities
- Impairment of certain assets
2020 business review
Key figures FY 2020

REVENUES
€ 3.2 bn
-4% YoY

Adjusted EBIT
€ 536 m
+5% YoY

Adjusted NET PROFIT
(Group share) € 322 m
Adjusted EPS € 1.34
Proposed gross annual dividend of € 0.75 per share

Adjusted EBITDA
€ 804 m
+7% YoY

Free Operating Cash Flow
€ 167 m (- € 39 m in 2019)

Net debt at € 1,414 m
Net debt / LTM Adj. EBITDA 1.76x

CAPEX
€ 403 m

ROCE
12.1%

Record earnings in unprecedented conditions

Note: All references to revenues in this document refer to revenues excluding metals (all revenue elements – value of purchased metals)
COVID-19 outbreak: significant impact on auto-industry

FY 2020 YoY evolution of passenger car production across all powertrains (source: IHS & Umicore - 31/12/2020)

<table>
<thead>
<tr>
<th>Region</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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<tbody>
<tr>
<td>China</td>
<td>-27%</td>
<td>-47%</td>
<td>-88%</td>
<td>-27%</td>
<td>-16%</td>
<td>-21%</td>
<td>-20%</td>
<td>-12%</td>
<td>-6%</td>
<td>-3%</td>
<td>-4%</td>
<td>-2%</td>
</tr>
<tr>
<td>Europe</td>
<td>-7%</td>
<td>-5%</td>
<td>-39%</td>
<td>-64%</td>
<td>-93%</td>
<td>-4%</td>
<td>-10%</td>
<td>-18%</td>
<td>-6%</td>
<td>-3%</td>
<td>-4%</td>
<td>-2%</td>
</tr>
<tr>
<td>North America</td>
<td>-31%</td>
<td>-20%</td>
<td>-99%</td>
<td>-84%</td>
<td>-5%</td>
<td>-6%</td>
<td>-9%</td>
<td>-3%</td>
<td>-5%</td>
<td>-3%</td>
<td>-8%</td>
<td>-2%</td>
</tr>
<tr>
<td>Global market</td>
<td>-12%</td>
<td>-21%</td>
<td>-51%</td>
<td>-62%</td>
<td>-5%</td>
<td>-5%</td>
<td>-8%</td>
<td>-3%</td>
<td>-1%</td>
<td>-2%</td>
<td>-1%</td>
<td>-2%</td>
</tr>
</tbody>
</table>

H1: shut down of car OEM’s assembly lines and dealerships in key regions as a result of government imposed lock-downs
H2: pick-up in global car demand, albeit with discrepancies between regions in terms of timing, speed and intensity of the recovery
Automotive Catalysts
- Revenue decline much lower than global car market contraction
- Disproportionate benefit from market recovery in H2
- Outperformed LDV market in China and Europe
- Higher sales of catalysts for HDD applications
- Cost savings (footprint adjustments + operational excellence initiatives)

Precious Metals Chemistry
- Revenues down due to COVID-19 impact on automotive industry
- Continued strong demand for fuel cell catalysts

Catalysis FY 2020 performance
Revenues -7% and Adj. EBIT -17%; reflecting severe impact from the pandemic in H1
Global EV battery market up 17% to 137 GWh, driven by Europe

Regional differences in demand patterns:

- Little year-on-year growth in China, well below industry anticipations
- More than doubling of demand in Europe driven by CO2 Directive
- Contrasting evolution in China with demand dropping in H1 and some recovery starting at year-end

Source: EV Volumes, Umicore
E&ST FY 2020 performance

Revenues -15%; Adj. EBIT -59%; severe COVID-19 impact and significant negative operating leverage

**Rechargeable Battery Materials**
Lower cathode materials revenues: higher NMC volumes for EVs; lower LCO and ESS volumes
Pricing pressure, underutilized capacity in China
Higher fixed costs related to expansions

**Cobalt & Specialty Materials**
Lower revenues reflecting impact of COVID-19
Lower contribution from refining & recycling activities; reduced demand for cobalt and nickel chemicals

**Electroplating** recorded slightly higher revenues; revenues in **Electro-Optic Materials** decreased

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**REVENUES**

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
</tr>
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<tbody>
<tr>
<td>2016</td>
<td>610</td>
<td>322</td>
</tr>
<tr>
<td>2017</td>
<td>894</td>
<td>495</td>
</tr>
<tr>
<td>2018</td>
<td>1,289</td>
<td>650</td>
</tr>
<tr>
<td>2019</td>
<td>1,225</td>
<td>607</td>
</tr>
<tr>
<td>2020</td>
<td>1,045</td>
<td>557</td>
</tr>
</tbody>
</table>

**Adjusted EBIT**

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>82</td>
<td>45</td>
</tr>
<tr>
<td>2017</td>
<td>141</td>
<td>79</td>
</tr>
<tr>
<td>2018</td>
<td>257</td>
<td>121</td>
</tr>
<tr>
<td>2019</td>
<td>183</td>
<td>102</td>
</tr>
<tr>
<td>2020</td>
<td>75</td>
<td>21</td>
</tr>
</tbody>
</table>
An exceptional metal price environment, in particular for rhodium

Historically high and volatile precious and PGM price levels in 2020, in particular for rhodium.

Rhodium price surged in H2 20 in a context of tight supply and high demand from the car industry as a result of increasingly stringent emission norms.

Current prices for precious and PGM metals already well above the average received prices in 2020.

Source: Umicore

*Comparison of average metal rates December 2019 vs December 2020
Recycling FY 2020 performance

Revenues +23%; Adj. EBIT +92%; higher metal prices and to a lesser extent favorable trading conditions and supply mix

Precious Metals Recycling

Higher metal prices, particularly for PGMs
Supportive supply environment
Supportive trading conditions
Higher processed volumes (vs. extended maintenance in ‘19)

Increased Jewelry & Industrial Metals revenues
Substantial increase in earnings contribution from Precious Metals Management
2020 financial review
Record Adj. EBIT(DA) and margins driven by Recycling

Record adj. EBIT (€ 536 m) and record adj. EBIT margin
Stellar adj. EBIT growth in Recycling more than offset decreases in Catalysis and E&ST.
Includes € 24 m higher D&A charges year on year from recent investments and acquisition.
Strong rebound in Catalysis with 2H adj. EBIT, up 34 % year on year.
Record adj. EBIT margin driven by higher metal margin in Recycling.

Record adj. EBITDA (€ 804 m) and record adj. EBITDA margin
Strong operating cash flow with highest adjusted EBITDA contribution in history.
Adj. EBITDA up 7 % year on year vs + 5 % for adj. EBIT.
Adj EBITDA margins more resilient across business groups than adj. EBIT.
Pronounced operating leverage effects

1H 2020
-20%  -51%  -75%
-8%  -23%  -47%
Catalysis  E&ST  Recycling

2H 2020
+7%  +24%  +34%
+41%  +53%
Catalysis  E&ST  Recycling

FY 2020
-7%  -11%  -17%
-15%  -31%  -59%
Catalysis  E&ST  Recycling

Group (YoY delta in %)

<table>
<thead>
<tr>
<th></th>
<th>1H 2020</th>
<th>2H 2020</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>-4%</td>
<td>-3%</td>
<td>-4%</td>
</tr>
<tr>
<td>Adj. EBITDA</td>
<td>+5%</td>
<td>+8%</td>
<td>+7%</td>
</tr>
<tr>
<td>Adj. EBIT</td>
<td>+1%</td>
<td>+9%</td>
<td>+5%</td>
</tr>
</tbody>
</table>
## Full P&L

<table>
<thead>
<tr>
<th>Million €</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBIT</td>
<td>508.9</td>
<td>536.4</td>
</tr>
<tr>
<td>- Net finance cost</td>
<td>(83.2)</td>
<td>(104.2)</td>
</tr>
<tr>
<td>- Adjusted Tax</td>
<td>(102.5)</td>
<td>(102.7)</td>
</tr>
<tr>
<td>Adjusted net result</td>
<td>323.1</td>
<td>329.4</td>
</tr>
<tr>
<td>- Minorities</td>
<td>(11.4)</td>
<td>(7.0)</td>
</tr>
<tr>
<td><strong>Adjusted net result Group share</strong></td>
<td><strong>311.7</strong></td>
<td><strong>322.4</strong></td>
</tr>
<tr>
<td><strong>Adjusted EPS</strong></td>
<td><strong>1.30</strong></td>
<td><strong>1.34</strong></td>
</tr>
<tr>
<td>Adjustments to net result Group share</td>
<td>(23.9)</td>
<td>(191.9)</td>
</tr>
<tr>
<td><strong>Net result Group share</strong></td>
<td><strong>287.8</strong></td>
<td><strong>130.5</strong></td>
</tr>
</tbody>
</table>

Slight increase in Adj. net Group result and Adj. EPS

Higher interest charges mainly due to higher financial debt

Stable adjusted tax charge and stable effective adjusted group tax rate (24.2%)

Substantial adjustments in response to COVID-19
# Substantial adjustments to EBIT

<table>
<thead>
<tr>
<th>Million €</th>
<th>1H 2020</th>
<th>2H 2020</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring-related</td>
<td>(31)</td>
<td>(97)</td>
<td>(128)</td>
</tr>
<tr>
<td>Selected asset-impairments</td>
<td>(31)</td>
<td>(14)</td>
<td>(45)</td>
</tr>
<tr>
<td>Environmental</td>
<td>(1)</td>
<td>(55)</td>
<td>(56)</td>
</tr>
<tr>
<td>Other</td>
<td>(9)</td>
<td>1</td>
<td>(8)</td>
</tr>
<tr>
<td><strong>Total EBIT adjustments</strong></td>
<td>(72)</td>
<td>(165)</td>
<td>(237)</td>
</tr>
<tr>
<td>Adjusted tax result</td>
<td>14</td>
<td>30</td>
<td>44</td>
</tr>
<tr>
<td>Adjusted minority result</td>
<td>(1)</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Net adjustments (Group Share)</strong></td>
<td>(58)</td>
<td>(134)</td>
<td>(192)</td>
</tr>
</tbody>
</table>

- € 237 m EBIT adjustments:
  - 1H: concentrated in Catalysis
  - 2H: concentrated in E&ST and Recycling
  - >50% restructuring-related
  - Hoboken green zone provision of € 50 m
  - - € 147 m non-cash charges vs - € 90 m (future) cash out
  - Net result impact: - € 192 m

- Full year adjustments to EBIT per business group:
  - Catalysis: - € 57 m
  - E&ST: - € 112 m
  - Recycling: - € 51 m
  - Corporate: - € 17 m
    (of which Element 6: - € 14 m)
Increase in free operating cash flows

Cash flow from operations before changes in working capital up 13% at € 707 m
Increase in cash working capital of € 104 m mostly driven by higher PGM prices
Cash working capital increase mostly in Catalysis (Recycling to a lesser extent); decrease in E&ST
Cash flow from operations after working capital up 10% at € 603 m

Free cash flow from operations up from - € 39 m in 2019 to € 168 m
Highest amount in recent years
Selective capex spending in view of market context (€ 403 m vs € 553 m in 2019)

*Free cashflow from operations = cashflow generated from operations – capex & capitalized development expenses
Free operating cashflow of € 168 million resulting in a € 29 million decrease in reported net debt

€ 44 million portion of convertible bond accounted for as equity

Dividend cash out of € 60 m limited to interim dividend payout in H2 20
Further strengthening and diversification of funding base

Stable net financial debt of €1,414 m, slightly below the level of end 2019

Corresponds to robust credit ratios:
- Net debt / Adjusted EBITDA ratio of 1.76x
- Net gearing ratio of 35%

Further diversification of LT funding base:
- €125 m 8-year EIB loan
- €500 m 5-year convertible bond
Wrap-up
Wrap-up

Maintaining strategic course and commitment to growth investments in clean mobility and recycling while responding effectively to the COVID-19 crisis

Strongest financial performance ever despite unprecedented conditions

Success of Horizon 2020 strategy, building on complementarity of activities

Umicore’s priority remains to keep its employees healthy and safe

Long-term strategic drivers stronger than ever; further progress in execution of growth strategy in 2021
Financial calendar

26 March 2021  Publication of 2020 annual report
29 April 2021  Annual General Meeting of Shareholders
3 May 2021    Ex-dividend date
4 May 2021    Record date for the dividend
5 May 2021    Dividend payment date
30 July 2020  Half Year Results 2021

For a glossary of used financial and technical terms please refer to https://www.umicore.com/en/investors/glossary/