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materials for a better life

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Umicore H1 2020 review

31 July 2020

SMD
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Overview

Keeping our people healthy and ensuring safe working conditions

Environmental focus on the Hoboken plant

Significant improvement in safety performance

COVID-19 impact on the business

Long term growth drivers remain intact

Q&A



Coronavirus spread



Source: World Health Organization

Umicore globally



North America

 **706**
people

Europe

6,100 
people

South America

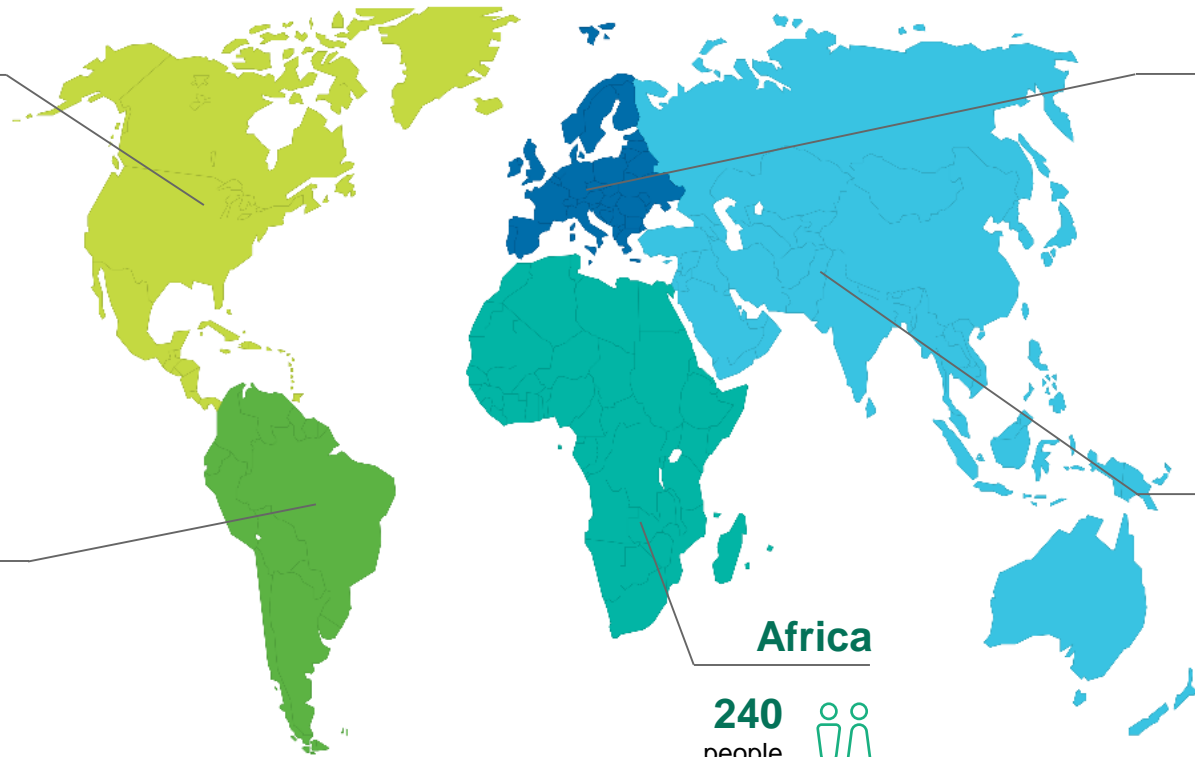
 **607**
people

Asia / Pacific

3,285 
people

Africa

240 
people



The health and safety of our employees

Strict hygiene and other precautionary measures in all facilities worldwide.

A dedicated **task force** monitoring operations globally with a focus on **protecting employees' health.**

Business and workplace safety measures

Business travel suspended since early 2020.

Preventive quarantines and strict medical protocols in case of suspected contamination.

Workplace reorganization to guarantee social distancing.

Systematic workplace disinfection and cleaning.

Virtual meetings replacing physical ones.

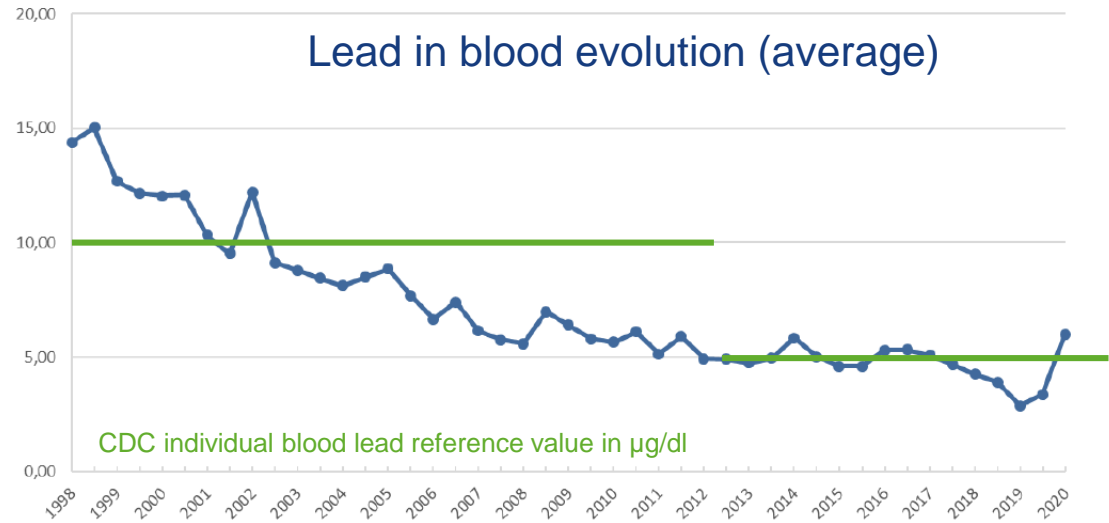
Working from home whenever possible.

Personal safety measures

Support to our employees to help them stay healthy outside the workplace.

Facemasks for private use to all employees worldwide.

Lead in blood levels around the Hoboken plant



2019 readings historically low, well below 5µg/dl norm.

Unexpected increase, despite dust emissions well below the legal norm.

Investigations ongoing, exploring sustainable solutions, including the possibility of making an offer to **buy certain houses closest to the plant.**

Incidents on the Hoboken plant



Fire incidents

Fire in **lead refinery** in March

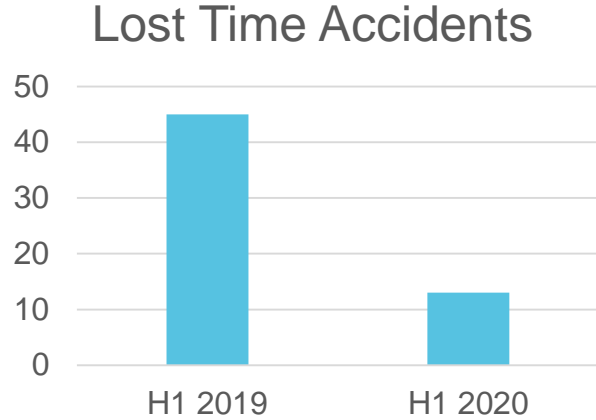
Small fire on the **roof of a waste water treatment section** in July

Root-cause investigations ongoing, increased focus on **prevention and fire protection**

Continue substantial investments to the environment. Intensify the **investment program** launched several years ago to **further reduce emissions**.

Reinforce **internal organization** and further **strengthen emergency planning** to protect the environment and to minimize the impact on the community.

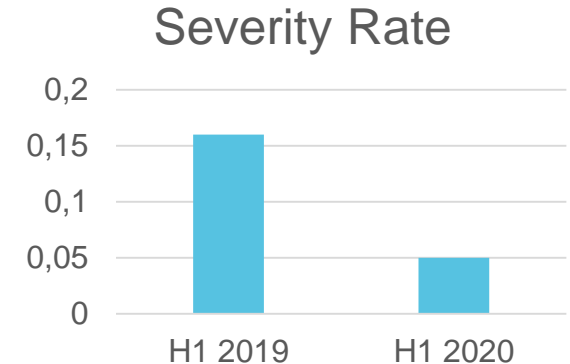
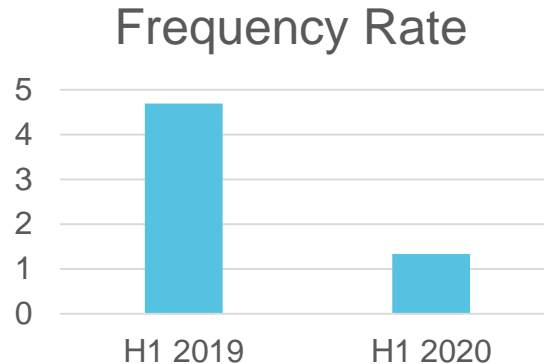
Significant improvement of safety performance



Additional targeted safety action plans, focus on behavioural change.

Regular safety inspections.

Safety inspections and evaluation criteria to increase personal engagement towards safety.



Key figures H1 2020

REVENUES € 1.6 bn -4% YoY	Adjusted EBIT € 243 m Stable YoY	Free Operating Cash Flow € 108 m Net debt at € 1,349 m Net debt / LTM Adj. EBITDA 1.75x
Adjusted NET PROFIT (Group share) € 148 m Adjusted EPS € 0.62 Interim dividend of € 0.25 per share	Adjusted EBITDA € 376 m +5% YoY	CAPEX € 152 m
		ROCE 10.9%

Strong performance in Recycling offset COVID-19 impact in Catalysis and E&ST

Immediate and longer-term measures to manage the COVID-19 crisis

Immediate response	Assessing production footprint and asset utilization	Strengthening of funding structure and increasing liquidity
<p>Reduce costs (e.g. production capacity adjusted and use of temporary unemployment measures where applicable)</p> <p>Optimize working capital</p> <p>Delay investments except for EHS and strategic projects</p> <p>Reduced dividend of € 0.375 per share for the full year 2019</p>	<p>Consolidation of North American automotive catalyst production activities in Burlington, Canada</p> <p>Discontinuation of automotive catalyst production in Tulsa, USA</p> <p>Additional cash and non-cash adjustments may be required in H2</p>	<p>Additional funding: placement of € 500 m convertible bond and € 125 m loan from EIB</p> <p>Strong balance sheet with ample liquidity (€ 1.2 bn cash and equivalents + ~ € 1bn additional committed undrawn credit lines)</p> <p>Well-balanced LT debt profile with no material maturities prior to 2023</p>



Recycling H1 2020 performance



Revenues +40%; Adj. EBIT +150%; increased volumes, higher metal prices and favorable supply mix

Precious Metals Recycling

Higher processed volumes (vs. extended maintenance in H1 19)

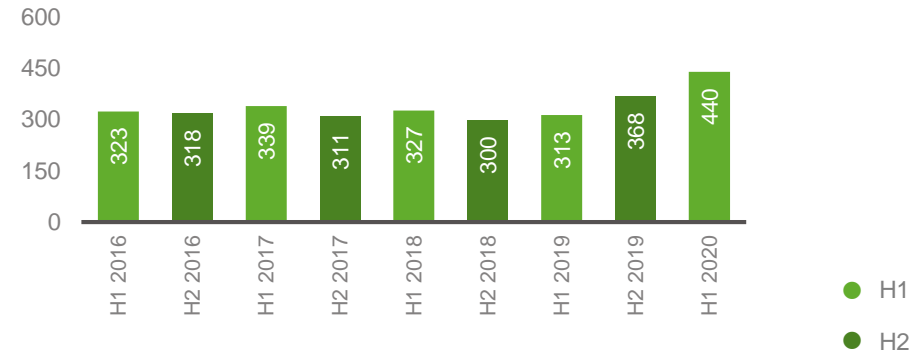
Higher metal prices

Robust supply conditions and optimization of input mix

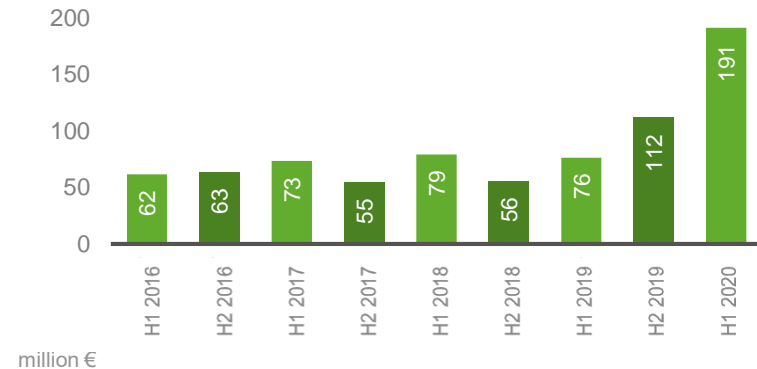
Increased **Jewelry & Industrial Metals** revenues

Substantial earnings contribution from **Precious Metals Management**

REVENUES

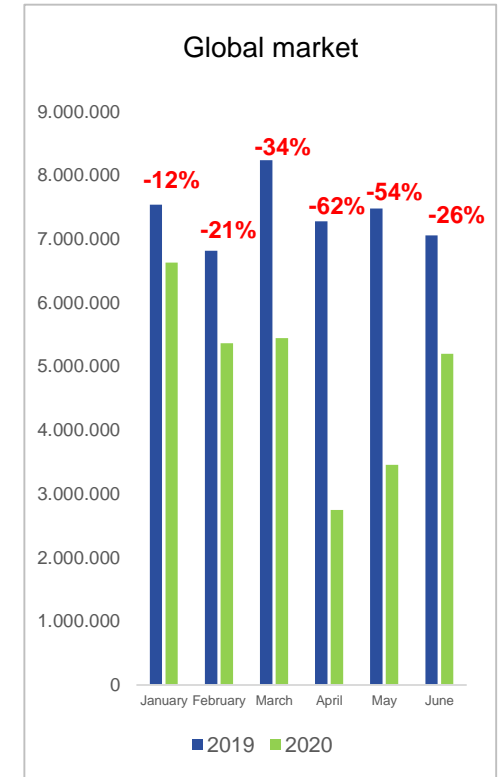
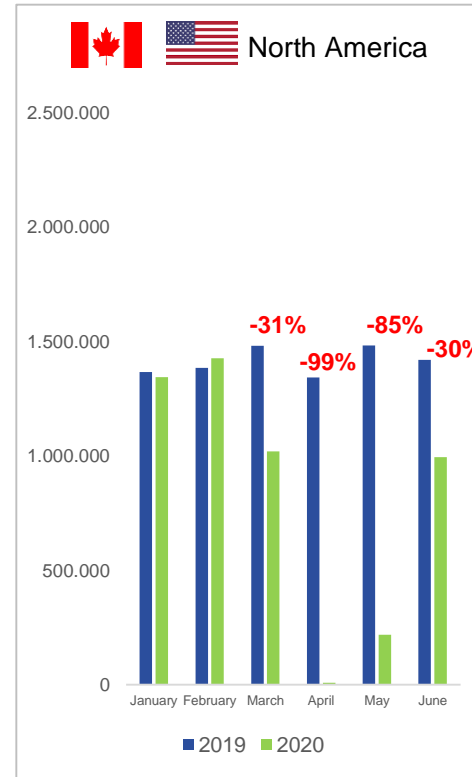
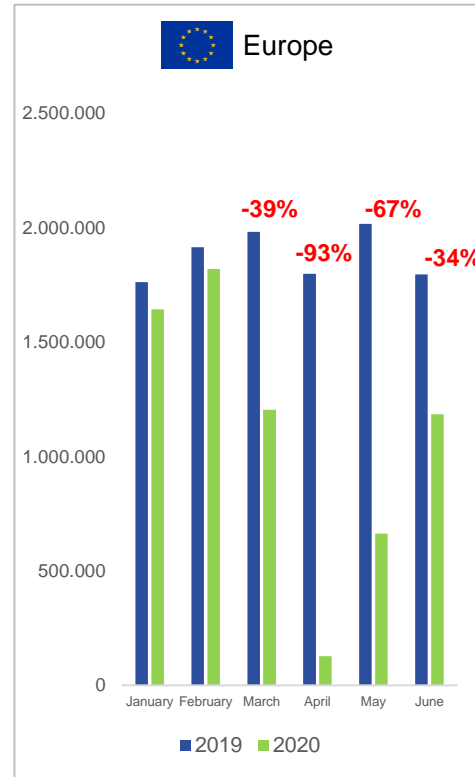
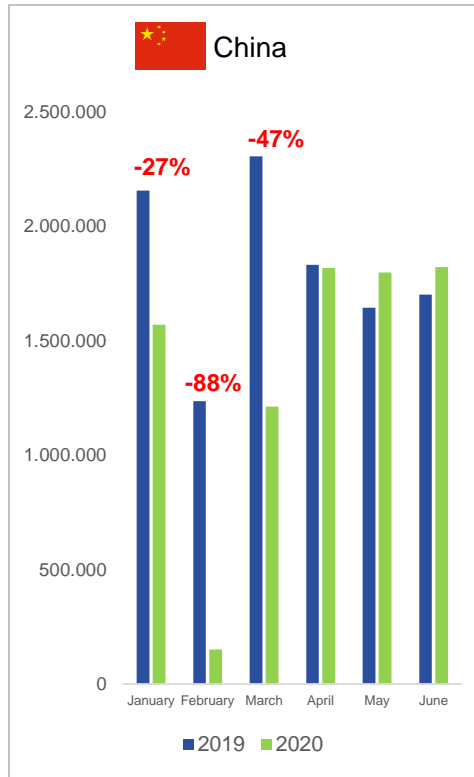


Adjusted EBIT



COVID-19 outbreak: impact on auto-industry

H1 2020 YoY evolution of passenger car production across all powertrains (source: IHS & Umicore - 20/07/2020)



H1 2020 global car production down 35% YoY



Catalysis H1 2020 performance



Revenues -20% and Adj. EBIT -75%; severe impact from COVID-19 and related car OEM production shutdowns

Automotive Catalysts

Widespread car OEM production shutdowns and car sales plunging

Severe impact on revenues and volumes

Further outperformance of LDV market in China

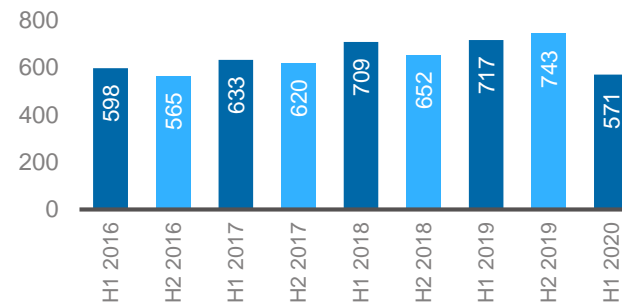
HDD less down than market given higher demand for China V technologies

Precious Metals Chemistry

Revenues down due to COVID-19 impact on automotive industry

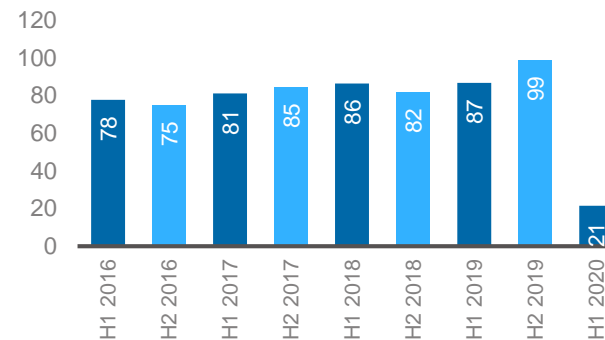
Continued strong demand for pharmaceutical ingredients and fuel cell catalysts

REVENUES



● H1
● H2

Adjusted EBIT



million €



E&ST H1 2020 performance



Revenues -8%; Adj. EBIT -47%; severe COVID-19 impact and higher fixed costs

Rechargeable Battery Materials

Overall volumes of cathode materials lower YoY and materially lower than expected due to COVID-19

Higher fixed costs related to recent and ongoing expansions

Significant negative operating leverage

Positive contribution of Kokkola activities acquired in Dec. '19

Construction of Nysa plant delayed due to COVID-19 restrictions; commissioning planned in H1 2021

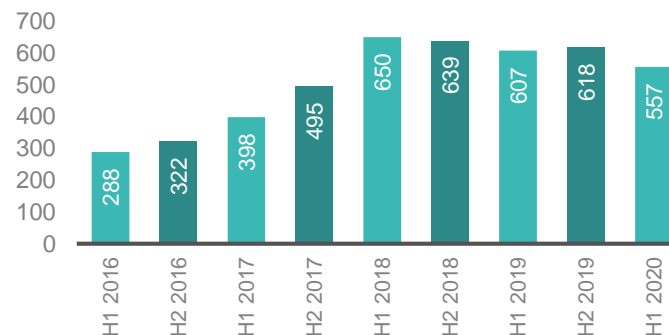
Cobalt & Specialty Materials

Most end-markets impacted by COVID-19

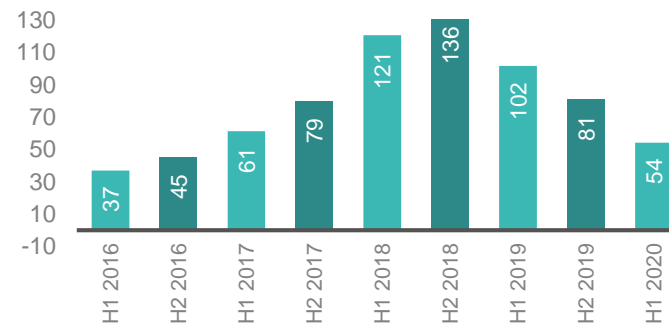
Lower cobalt and nickel prices impacted refining & recycling activities

Electroplating recorded slightly higher revenues; revenues in **Electro-Optic Materials** were roughly stable

REVENUES



Adjusted EBIT



million €

Long-term growth drivers remain intact



ENERGY & SURFACE TECHNOLOGIES

COVID-19 stimuli plans aimed at a 'green recovery' in China and Europe

China: Extension of NEV subsidy plan from 2020 until end 2022 and confirmation of increased mandatory NEV credit targets for 2021-2023

Europe: EU recovery plan predicated on European Green deal, including ambition towards zero-emission mobility. Stimuli packages in several countries (Germany, France, Spain) with subsidies for electrified vehicles



CATALYSIS

Tightening emission norms continue to be on the agenda in key regions, confirming the need for more complex automotive catalyst technologies going forward



RECYCLING

Resource scarcity and complexity of materials

Path towards a more circular economy

Wrap-up

Umicore's priority remains to keep its employees healthy and ensure safe working conditions

Strong performance in Recycling offset COVID-19 impact in Catalysis and Energy & Surface Technologies

Resilient H1 20 results, in most challenging context ever faced, highlight merits of complementarity of activities within portfolio

Portfolio of complementary activities, prudent liquidity management and disciplined investment approach make Umicore well equipped to maintain its strategic course and emerge stronger from this crisis

Long-term strategic drivers remain intact, supporting growth opportunities in clean mobility and recycling



Q&A