Umicore FY 2021 performance

16 February 2022
Agenda

• All-time record results and cash flows
• FY 2021 business review
• FY 2021 financial review
• Update on Let’s go for Zero
• 2022 outlook
• Capital Markets Day: 22 June 2022
• Wrap-up
• Q&A
"Umicore is uniquely positioned to provide tomorrow’s sustainable solutions for clean mobility and recycling, and I am proud to lead a company with such a strong sense of purpose and deeply rooted technology focus. I am very impressed by the talented teams I have met, the industry-leading product and process know-how and promising innovation pipeline in the Group. I am excited to build further on these strong fundamentals to bring Umicore to its next stage of development and to capture the tremendous growth potential that will be brought on by the clean mobility transition. I am looking forward to providing more insight in our ambitions at our 2022 Capital Markets Day."

Mathias Miedreich,
CEO UMICORE"
Umicore 2021 FY
Record Results and Cash Flows
Record results and cash flows

Strong operational performance across business groups, further boosted by metal prices

Revenues
billion €

Adjusted EBIT
million €

Strong and resilient operational performance in all business units

Outperformance of automotive market in Catalysis

Recovery of demand in key end-markets and higher EV cathode materials volumes in E&ST

Optimized intake complex PGM-rich materials in Recycling

Additional boost of € 270 million versus 2020 from exceptional precious metals price environment

Record free cash flows of € 989 million

Note: All references to revenues in this document refer to revenues excluding metals (all revenue elements – value of purchased metals)
Strong growth of Business Performance

30% adj EBIT growth excluding precious metal price effect

Business Performance: appr. + € 160 million
- ~ € 700 million adj EBIT 2021 and approx. 30% adj. EBIT growth excluding precious metal price effect
- Strong operational performance improvements in all business groups
- Increase of adj. EBIT margin above historic levels

Precious Metal price effect: appr. + € 270 million
- Includes impact of strategic hedges
- Includes price effect on higher 2021 volumes
- More than ¾ in Recycling, less than ¼ in Catalysis
- Majority of the precious metal impact in H1 21

Relatively high precious metal strategic hedge ratios for 2022 expected to mitigate precious metal price risk (rhodium still largely unhedged).
Substantial outperformance of the automotive market and high operational efficiency in Catalysis
Auto industry significantly impacted by semiconductor shortages in H2 2021

- **Visible recovery** of automotive industry from COVID-19 in 1H 21
- **Severe decline** in car production in 2H 21 due to semiconductor supply shortage
- **Stable** car production in 2021 vs already difficult 2020
- **2021** global car production still -16% below pre-COVID levels of 2019

**Monthly global passenger car production (all powertrains)**

Source: IHS (Jan. 2022 update) & Umicore

(source: IHS & Umicore – 24/01/2022)
Catalysis FY 2021 performance
Revenues +24% and adj. EBIT +112%

Strong performance across business units further supported by favorable PGM price environment

**Automotive Catalysts**
Strongly outperforming car market in key regions: further market share gains and favorable platform mix in LDV, esp. in Europe and China, strong demand for China V HDD catalysts in H1
Earnings supported by structural improvements in fixed cost base through production footprint- and process- optimization

**Precious Metals Chemistry**
High demand for homogenous catalysts

**Fuel Cell & Stationary Catalysts**
Growing contribution to business group’s earnings. Doubling of PEM fuel cell catalysts sales volumes, achieving 40% market share in mobility applications, reflecting strong demand from existing customers and new customer wins in China
AC Revenues Composition

Leading position in LD Gasoline and high growth in HDD

Strong Position in LD-Gasoline
- Leading position in LD gasoline market segment in Europe and China
- Strong portfolio of next generation catalyst technologies, in line with EU7 requirements
- LD diesel segment development with limited impact to Umicore

Strong Growth of HDD activity
- Established market position in China and Europe
- Significant growth in both regions vs. 2020 (EU +32%, CN+34%), outpacing the market

Optimized and highly efficient production footprint
- Streamlining global manufacturing footprint in Europe, North America and Asia resulting in lean and efficient production footprint
- Targeted, selective expansions in function of market demand
Sharp demand recovery in key end-markets and higher sales volumes of EV cathode materials in E&ST
E&ST FY 2021 performance

*Revenues +12% and adj. EBIT +85%, reflecting outstanding CSM contribution*

**Rechargeable Battery Materials**
EV NMC cathode materials **volumes well up**

**Strong growth in EU** sales volumes in line with market growth

**Below market** growth in China due to unfavorable customer and platform mix as well as the chemistry mix (LFP)

**Cobalt & Specialty Materials biggest uplift to earnings growth**
Very **strong demand** after severe COVID-19 slump in 2020
Particularly for cobalt and nickel chemicals and tool materials

**Overall recovery** and strong price environment

**Metal Deposition Solutions and Electro-Optic Materials**
Higher revenues driven by strong demand
Global cathode materials capacity
Targeting to almost double capacity towards 2024

Growing portion of high nickel sales volumes
- Well-advanced qualifications for high nickel platforms with European and Asian cell and car OEMs
- First sizeable portion of high nickel cathode materials in second half of 2023 and growing to 75% of anticipated sales volumes in 2024

Flexible production capacity across NMC grades
- Adjustment of existing production lines for high nickel applications in line with expected high nickel sales volumes
- EU volumes (Nysa) to start immediately with high nickel production lines mid-2022

Umicore production target capacity of 120 GWh in 2024.
- This excludes the capacity investments in scope of intended JV with Volkswagen AG
- North America capacity expansion under review, not included in 2024 target
European CAM Gigafactory Nysa

Production start in Q2/2022

- **First** industrial scale **cathode materials** production plant in Europe
- Commissioned end of H1 2021 with initial commercial production volumes **mid-2022 starting** with Samsung SDI
- **Capacity** to reach **40 GWh in 2024** with potential to increase to more than **200 GWh**

**Carbon neutral** as of start of production with 100% green power supply; long-term PPA for the supply of renewable electricity to Nysa

Proprietary, state-of-the-art process with **industry leading purity-, consistency- and quality-levels**
Battery Materials JV with Volkswagen AG

Securing significant cathode materials volumes in Europe

**JV Principles**

1. **JV** providing secured access to significant part of the European EV market resulting in **substantial economies of scale for Umicore**

2. **Valorizing** Umicore’s long-standing **technological innovation** and industrial know-how while protecting critical IP and know-how

3. **Umicore’s** upstream know-how in combination with both partners’ sourcing needs will create **significant opportunities on raw material supply**

4. **Investment** needs are **shared** between both partners and are agreed to be **value creative** for both JV partners

5. **Partnership** investigating closed loop **Battery Recycling** as next step

**JV Dimensions**

**Annual production** of 20 GWh from 2025 with target to increase to 160 GWh by 2030
Robust operational performance, strong contribution from trading and exceptional precious metals price environment in Recycling
Precious Metal Market 2021

*Exceptionally high and volatile precious metals prices*

- **Historically high** precious and PGM price levels, in particular for rhodium.
- **Rhodium** price peaked in 1H 21 in a context of **tight supply and high demand** from the automotive industry, followed by a sharp correction in 2H.
- Despite volatility, average received prices for most precious and PGM metals were **well above** the average prices in 2020.

Source: Umicore

*Comparison of average metal price 2020 vs 2021*
Recycling FY 2021 performance

Revenues +33% and adj. EBIT +58%

**Precious Metals Refining**

Extraordinary metal price environment, with average price levels of most precious metals well above previous year

Robust operational performance: volumes in line with high levels of 2020 and leveraging unique recycling technology to maximize input of complex precious metals containing feed

Excellent supply conditions

**Jewelry & Industrial Metals**

High order levels for investment products and strong recovery in demand for jewelry products and platinum engineered materials

**Precious Metals Management**

Strong earnings contribution, in line with previous year, due to favorable trading conditions
2021 financial review
## Record performance

### Key figures

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>Change</th>
<th>YOY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td>€ 4.0 bn</td>
<td></td>
<td>+22%</td>
</tr>
<tr>
<td><strong>Adjusted EBIT</strong></td>
<td>€ 971 m</td>
<td></td>
<td>+81%</td>
</tr>
<tr>
<td><strong>Free Operating Cash Flow</strong></td>
<td>€ 989 m</td>
<td></td>
<td></td>
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<tr>
<td><strong>Net debt</strong></td>
<td>€ 960 m</td>
<td></td>
<td></td>
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<tr>
<td><strong>Net debt / LTM Adj. EBITDA</strong></td>
<td>0.77x</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted NET PROFIT</strong></td>
<td>more than € 667 m</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>€ 1.25 Bn</td>
<td></td>
<td>+56%</td>
</tr>
<tr>
<td><strong>Adjusted EPS</strong></td>
<td>€ 2.77</td>
<td></td>
<td></td>
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<tr>
<td><strong>Annual dividend of € 0.80 per share</strong></td>
<td></td>
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<tr>
<td><strong>CAPEX</strong></td>
<td>€ 389 m</td>
<td></td>
<td></td>
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<tr>
<td><strong>ROCE</strong></td>
<td>22.2%</td>
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Note: All references to revenues in this document refer to revenues excluding metals (all revenue elements – value of purchased metals)
Outstanding Adj. EBIT(DA) and margins
Driven by demand recovery and exceptional metal price environment

Record operating earnings
Increase in adj. EBIT(DA) across all business groups
Driven mostly by outstanding 1H performance:
- Sharp demand recovery in combination with strong operational performance (optimized productivity & cost containment)
- Peak historic precious metal prices

Very strong 2H earnings despite marked decline in car production and correction in PGM prices

Outstanding 1H margins, but strong underlying margin trends
1H peak margins from high operating leverage and metal prices
Increasing underlying margin trend in Catalysis & Recycling
Resilient margin in E&ST despite RBM’s expansion costs
Free operating cash flow at record level
High cash conversion, lower working capital and stable capex

Cash flow from operations after changes in working capital more than doubled to a record € 1,405 million

Driven by a € 447 million increase in adj. EBITDA and a decrease in cash working capital of € 167 million, mostly in Catalysis (and to a lesser extent in other business groups)

Close to € 1 billion free cash flow from operations

Stable capex y-o-y with expected carry-over effect into 2022 in E&ST

E&ST accounting for some 60 % of Group capex driven by RBM

Focus on capex efficiency optimization across businesses
Free operating cashflow of close to €1 billion, including €167 million working capital reduction and €416 million investments.

Combined cash out of €398 million related to net interest charges, taxes and dividends.

Cash out related to Agosi minority squeeze out process of €54 million.

Reduction of net financial debt by €0.5bn to €960 million, (0.77x LTM adj. EBITDA). Signed inaugural sustainability-linked loan.
## Full P&L

**Doubling of net earnings**

<table>
<thead>
<tr>
<th>Million €</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBIT</td>
<td>536</td>
<td>971</td>
</tr>
<tr>
<td>- Adjusted net financial charges</td>
<td>(104)</td>
<td>(100)</td>
</tr>
<tr>
<td>- Adjusted Tax</td>
<td>(103)</td>
<td>(196)</td>
</tr>
<tr>
<td>Adjusted net result</td>
<td>329</td>
<td>675</td>
</tr>
<tr>
<td>- Minorities</td>
<td>(7)</td>
<td>(8)</td>
</tr>
<tr>
<td><strong>Adjusted net result Group share</strong></td>
<td>322</td>
<td>667</td>
</tr>
<tr>
<td><strong>Adjusted EPS</strong></td>
<td>1.34</td>
<td>2.77</td>
</tr>
</tbody>
</table>

**Adjustments to EBIT** of - € 75m:
- of which - € 39m in 1H
- Including € 58m environmental provisions (mostly linked to Hoboken green zone)
- Including € 34m restructuring charges (mostly in Catalysis)

Doubling of adjusted net earnings and adjusted EPS on the back of operating results.

Stable adj net financial charges.

Adj tax charges increased in line with adj pre-tax result (slightly lower y-o-y effective adj tax rate to 23.1%).

**FY 2020**
- 536
- (104)
- (103)
- 329
- (7)
- 322
- 1.34
- (237)
- (192)
- 131

**FY 2021**
- 971
- (100)
- (196)
- 675
- (8)
- 667
- 2.77
- (75)
- (49)
- 619
Update on Let’s Go for Zero
Implementing our ESG strategy

**Net Zero GHG**

Clear inroads made on tackling **scope 2 emissions with several green PPAs** in place
New on-site renewables installations completed
**Scope 3** emissions target to be announced by **mid-2022**

**Zero inequality & Zero harm**

New diversity, inclusion, wellbeing and safety **training programs** rolled out
**Water use** reduction target to be announced by **mid-2022**
Additional measures taken to further **reduce emissions** of the **Hoboken** plant; preparing for the creation of the green zone

**Best-in-class Governance**

Strengthened **ESG Governance**
Proposal for **ESG-linked executive remuneration** policy to be submitted for the April 2022 AGM
**Increased disclosure** beginning in the 2021 Annual Report, available 25 March 2022
Inaugural **€ 500 million Sustainability Linked Loan** linked to Umicore’s decarbonization and diversity targets, refinancing an existing **€ 300 million syndicated credit facility**
2022 outlook
Guidance for full year 2022

Umicore expects again a strong underlying performance in 2022 across all of its business groups, despite the cost inflation and provided that geopolitical developments, the pandemic or supply-chain constraints will not result in additional material disruptions to the economy or Umicore’s operations. Assuming current metal prices prevail for the remainder of the year, earnings (including the effect of strategic hedging) would still include a significant precious metal price uplift versus 2020, albeit below the € 270 million uplift of 2021.
Guidance for full year 2022

**CATALYSIS**
Catalysis is expected to continue to benefit from its strong market position in gasoline catalyst applications in Europe and China as well as from the further ramp-up of its fuel cell activity, despite the limited visibility on automotive demand due to the ongoing semiconductor shortage. Adjusted EBIT is expected to be somewhat below the record levels of 2021 through the absence of tailwinds that benefited the business in the first half of last year, such as the China V effect and peak PGM prices.

**ENERGY & SURFACE TECHNOLOGIES**
In Energy & Surface Technologies, Umicore expects to grow sales and earnings in Rechargeable Battery Materials versus 2021. Assuming that the business units Cobalt & Specialty Materials and Metals Deposition Solutions will not repeat the extraordinary performance of 2021, adjusted EBIT of Energy & Surface Technologies is expected to show a slight uplift in 2022 versus 2021.

**RECYCLING**
The Recycling business group is expected to continue to benefit from a supportive supply mix as well as robust volumes in Precious Metals Refining. Current precious metal prices are situated well below the peak levels of 2021. However, assuming current precious metal prices were to prevail throughout the year, it is expected that the business group will deliver another strong performance in 2022, albeit not at the record level achieved in 2021.
Umicore is setting out its strategic roadmap to further build on its leadership positions in clean mobility materials and recycling and its unique approach to sustainability

“We are looking forward to sharing our strategic roadmap at our Capital Markets Day.”

Save the date: Umicore CMD on June 22, 2022
Wrap-up
Wrap up

Outstanding operational performance across business groups leading to record results

Full year 2022 guidance for another strong underlying performance

Significant progress in preparing Umicore for the next chapter of growth

Long-term strategy to be presented at Capital Markets Day on 22 June 2022

“Let’s go for zero” underpinning our way forward
Financial calendar

25 March 2022  Publication of the annual report 2021
28 April 2022  Annual General Meeting
2 May 2022    Ex-dividend trading date
3 May 2022    Record date for the dividend
4 May 2022    Payment date for the dividend
22 June 2022  Capital Markets Day
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.
materials for a better life