

Umicore – H1 Results Media Call

Good morning everyone and welcome to this conference call.

In January my Chinese colleagues informed me about coronavirus and the threat it posed to society at large and to business. The virus was first detected in the city of Wuhan in China. It then spread quickly across the globe in the first months of 2020.

Today, coronavirus is continuing its spread across the world, with more than 16 million confirmed cases in 188 countries. More than 650,000 people have lost their lives.

In these exceptional and very difficult circumstances, Umicore's top priority is the health and safety of its employees worldwide. As of the end of January, we introduced strict hygiene and other precautionary measures starting with our facilities in Asia, which were the first ones to be affected, then later in the rest of the world.

These measures include travel restrictions, preventive quarantine, social distancing, home working wherever possible and systematic disinfection of workplaces. Strict medical protocols were also introduced in case of suspected contamination. Our health professionals are providing priceless assistance to those who need it and share their insights in a dedicated task force that is monitoring operations on a daily basis to protect our employees' health and to contain further spread of the virus.

Meanwhile, in some regions the outbreak is still peaking, whereas in other areas we observe a resurgence of infections, mostly driven by local outbreaks. In these changing circumstances, which require great flexibility, I would like to express my gratitude to all Umicore employees for the manner in which they are dealing with this difficult situation that is impacting all aspects of their lives. I am deeply impressed by their discipline and the hard work they have put in to ensure that our working environment can remain safe and healthy.

In the past few months, we also had to take measures to mitigate the impact of COVID-19 on Umicore's performance to the extent possible. Following the widespread shutdown of assembly lines by our automotive customers, Umicore also temporarily shut down 10 of its 16 automotive catalyst plants, which also meant, unfortunately, that we placed some 10% of our employees worldwide on temporary unemployment. Meanwhile, all production plants have resumed operations and most furloughed employees have returned to work.

The health of our employees is a top priority. We show the same concern for the environment and the community. Therefore, the parents of the children as well as ourselves, were shocked by the recent lead-in-blood readings of the children living close to the Hoboken recycling plant in Belgium. The plant is adjacent to a residential area. Because of the nature of our activities and Umicore dealing with materials and metals, the lead in blood levels of children living close to the plant are monitored every six months, as a precautionary and follow up measure.

Unfortunately the early July readings showed elevated lead in blood levels as opposed to the historically low 2019 levels. This sudden increase came unexpectedly after multiple years of steady decreases. Moreover, the emissions from the plant as measured by both the authorities and Umicore have been consistently well below the legal norm and there was no indication that such an increase in lead in blood values would occur.

Umicore's incessant environmental investments have significantly reduced emissions of the plant in Hoboken, leading to a stable environmental performance. Therefore, when investigating potential causes, we will look at the issue from a broader perspective and map the external factors that may have played a role, such as climate, or exposure to historical, deposited dust in the local houses.

Umicore is forming a taskforce with the municipality to explore sustainable solutions, including the possibility of making an offer to buy certain houses closest to the plant. This announcement has raised many questions amongst the neighbors, which we should be able to answer by the end of August.

In parallel, we will continue to execute the investment program launched several years ago aimed at further reducing emissions.

In addition, two fire incidents have recently occurred on the same plant. There was a fire incident in the lead refinery in March and a small fire on the roof of a water treatment section in July. While root-cause investigations are ongoing, we will further increase the focus on prevention and fire protection on site.

While the Hoboken plant has always been a highly robust and reliable Umicore site, the recent incidents have intensified Umicore's urgency to continue to dedicate substantial investments to the environment. Additionally, we will reinforce the internal organization and further strengthen emergency planning to protect the environment and to minimize the impact on the community.

It is our duty, as a responsible and sustainable company, to create a safe and healthy environment both for our employees and our neighbours. We will do the utmost to solve these issues quickly and offer viable solutions for the families living closest to the plant.

Despite these setbacks, I'm happy to share some good news as our safety performance improved drastically. In the first half of the year, the number of lost time accidents worldwide decreased by two thirds, compared to the same period in 2019, and the accident frequency rate reached an historical low.

In recent years, the safety performance was substandard in a limited number of business units and sites, despite the priority given by management and our pursuit of an accident-free workplace.

Multiple initiatives and programs were launched to strengthen the safety culture and ensure a safe working environment on all sites. As our statistics have shown, the improved safety result was not driven by reduced activity in certain units, but rather by an increased awareness to personal health and safety. Due to measures of social

distancing and COVID-19 prevention measures, we saw an augmented attention to mutual and personal care.

We will continue to roll out initiatives to further promote safe behaviour, including the integration of safety behaviour in all leadership training programs and the organisation of mandatory risk competency trainings for all Umicore employees.

The COVID-19 pandemic is causing severe disruptions to society and business. Umicore has shown its resilience to extreme shocks, supported by the complementarities of its business activities over the past few months. In the first half of 2020 Umicore achieved financial results broadly in line with those of the same period in 2019. The very strong performance in Recycling counterbalanced the impact of the downturn in the automotive industry on the results of Catalysis and Energy & Surface Technologies.

Several measures were launched at the beginning of the pandemic to reduce costs, optimize working capital and delay certain investments. Umicore's Supervisory Board also decided to reduce the 2019 dividend to € 0.375 per share, as opposed to the initial proposal made of € 0.75 per share. We have also taken steps to further strengthen the balance sheet of the group and increase the available cash.

From a business point of view, Recycling recorded very strong results reflecting increased activity levels, higher metal prices and favorable trading conditions. In addition, Precious Metals Refining benefitted from a supportive supply environment and a higher operational availability.

The COVID-19 pandemic has caused an unprecedented and sudden shock to the automotive industry and the overall economy globally, severely impacting both Catalysis and Energy & Surface Technologies. Car production dropped by 35% in the first half with production down to zero in certain regions during the lockdown. We have a good recovery in China while demand in other regions remains sluggish.

Revenues were down in Catalysis, albeit less than the contraction in the global car market, as Umicore continued to outperform the market in China. Due to car OEMs assembly line shutdowns, Umicore had to stop production at the majority of its automotive catalyst plants for several weeks and this had a severe impact on earnings. Performance in Catalysis started to reflect the impact of the pandemic in February in China and as from mid-March in other key regions, with the full impact being felt in the second quarter. The ongoing uncertainty and the weak consumer confidence make it impossible to predict market developments.

Revenues in Energy & Surface Technologies were impacted by a contraction of the global EV market as well as lower activity levels in other key end-markets. Battery demand was down by approximately 25% driven mainly by a very pronounced downturn in China, the largest EV market. Despite new incentives being offered to EV buyers in Germany, France and Spain, the short-term visibility on EV demand remains extremely limited.

This being said, the current crisis does not change the need for the world to move towards a more sustainable path. Various government stimuli for cleaner mobility and

green initiatives were launched, in China and Europe in particular. Umicore, with its broad materials technology portfolio and production footprint, can play a key role in enabling the transition to zero-emission mobility.

In addition, tightening emission norms continue to be on the agenda in key regions, confirming the need for more complex automotive catalytic technologies going forward.

Finally, the closed-loop business model of Umicore offers a much needed answer to resource scarcity and a path towards a more circular economy.

With its portfolio of complementary activities, prudent liquidity management and disciplined investment approach, Umicore is well equipped to maintain its strategic course and emerge stronger from the current crisis.

Despite the brutal effects on society and industry of the COVID-19 pandemic, we have shown great resilience and turned in a solid performance in the first half of 2020, demonstrating the complementarities of our businesses and showing the agility and determination of our workforce. I would like to express again my immense gratitude to all those who have fought the pandemic on the front lines as well as to all Umicore employees who have adjusted to very challenging conditions in order to ensure the best possible business continuity. We have ensured healthy and safe working conditions for all employees and protected the financial health of the company. Our long-term strategic drivers remain intact and I am confident we will return to growth in clean mobility and recycling as we emerge from the pandemic.