Overview

Highlights H1 2018
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Wrap-up
Q&A
Highlights H1 2018

Strong performance in H1 2018

- Revenues +23% and REBIT +34%
- ROCE up to 16.6%
- Substantial growth in Energy & Surface Technologies

Growth investments accelerating

- Launch of €660 million investment for Rechargeable Battery Materials in China and Poland to meet strong demand

Streamlining of portfolio announced in 2015 completed

Successful capital increase in February to fund fast growth

Interim dividend of €0.35
Outlook 2018

Umicore expects full year recurring EBIT to be in a range of € 510 million to € 550 million, as previously announced, assuming current market and macroeconomic conditions continue to prevail.

While all three business groups are expected to contribute to this year’s revenue and profit growth, the vast majority of the growth is coming from Energy & Surface Technologies.
Outlook 2018

**CATALYSIS**

Higher revenues in H2 2018 driven by recently won gasoline platforms

Unfavourable engine mix in Europe expected to persist throughout the year

**ENERGY & SURFACE TECHNOLOGIES**

Higher revenues in H2 2018 driven by the ramp-up of new cathode material capacity

Revenue development in other business units will reflect the usual seasonality

**RECYCLING**

Higher revenues year on year as a result of the capacity ramp-up in Hoboken

Maintenance shutdown expected towards the end of the year
Business review H1 2018
Catalysis
2018 H1 business review

Revenues +12% and recurring EBIT +7%:

Growth in **Automotive Catalysts**

- Higher revenues for HDD catalysts in Europe and Asia; integration of Haldor Topsoe’s heavy-duty diesel and stationary catalyst activities
- LDV sales volumes above market, revenues reflecting unfavorable engine mix in Europe due to lower diesel market penetration

Higher revenues for **Precious Metals Chemistry**
Catalysis

2018 H1 business review

Revenues

Recurring EBIT

2018 half year performance
Energy & Surface Technologies
2018 H1 business review

Revenues +63% and recurring EBIT +97%:

Substantial growth in Rechargeable Battery Materials
Recurring EBIT supported by scale effects
Investment programs on track

Revenues in Cobalt & Specialty Materials well up as a result of higher volumes and favorable market conditions in most activities

Higher revenues for Electroplating

Lower revenues for Electro-Optic Materials due to subdued demand for substrates used in space photovoltaics and LED
Energy & Surface Technologies

2018 H1 business review

Revenues

Recurring EBIT
Recycling
2018 H1 business review

Excluding impact from sale of European Technical Materials activities, revenues +5% and recurring EBIT +13%:

Higher revenues for Precious Metals Refining

- Higher processed volumes and supportive metal prices
- Mix largely unchanged and commercial conditions in some segments impacted by competitive pressure
- Further significant improvement in environmental performance

Higher revenues in Precious Metals Management and Jewellery & Industrial Metals
Recycling
2018 H1 business review

Revenues

Recurring EBIT
Safety

Accident frequency rate at **3.40**

Accident severity rate at **0.05**

People

Slight increase in number of employees: organic growth in Rechargeable Battery Materials partially offset by the sale of the European activities of Technical Materials
Employees and Safety

People

H1 2014 10.320
H2 2014 10.368
H1 2015 10.386
H2 2015 10.429
H1 2016 9.921
H2 2016 10.402
H1 2017 9.769
H2 2017 9.875
H1 2018 9.370

Fully consolidated
Associates
Financial review
Substantial growth in earnings and margins

Group, continued activities

**Sharp earnings increase**
- Recurring EBIT +34%
- Recurring EBITDA +26%
- Recurring net profit +28%
- Driven mostly by strong performance in Energy & Surface Technologies

**Margins well up**
- Recurring EBIT margin at 15.2%
- Recurring EBITDA margin at 21.3%
Strong value creation with ROCE well above 15%

Catalysis ROCE 14.7%, reflecting impact from acquisitions

Energy & Surface Technologies ROCE 18.2%, significant increase driven by strong earnings - despite growth investments

Recycling ROCE increased to 34.0%, reflecting divestment impact and higher earnings

<table>
<thead>
<tr>
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<th>H1 2017</th>
<th>H1 2018</th>
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<tbody>
<tr>
<td>Catalysis</td>
<td>17.0%</td>
<td>14.7%</td>
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<tr>
<td>Energy &amp; Surface Technologies</td>
<td>14.2%</td>
<td>18.2%</td>
</tr>
<tr>
<td>Recycling</td>
<td>29.3%</td>
<td>34.0%</td>
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<tr>
<td>Group ROCE</td>
<td>15.9%</td>
<td>16.6%</td>
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</table>
Operating cashflow = cashflow from operations before change in working capital requirement plus dividend and grants received

Includes €892 million equity increase
Expenditures for growth

Capex € 198 million mostly related to growth projects:

• Energy & Surface Technologies taking up close to **70% of this amount** as a result of ongoing investments to increase cathode materials production capacity

• Environmental performance investments in Hoboken

• Capex expected to **accelerate in H2 2018**

R&D up 8% to € 96 million, reflecting higher expenditures in Energy & Surface Technologies and Catalysis
Strong capital structure

Successful February equity raise of €892 million, equal to 10% new shares

Net financial debt decreased to €429 million

Corresponds to:

- 0.6 x net debt to recurring EBITDA ratio at end of period
- 14.1% gearing ratio
## Non-recurring elements

### Small non-recurring EBIT mainly affected by:

- € 12 million restructuring charges, primarily related to the gradual closure of the Guarulhos site in Brazil
- € 7 million other income includes the result from the sale of European Technical Materials operations

<table>
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<tr>
<th>Non-recurring elements</th>
<th>H1 2018</th>
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<tbody>
<tr>
<td>Restructuring charges &amp; provisions</td>
<td>(12.3)</td>
</tr>
<tr>
<td>Impairments on metal inventory</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Other</td>
<td>6.9</td>
</tr>
<tr>
<td><strong>Non-recurring EBIT</strong></td>
<td>(5.9)</td>
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<tr>
<td>Non-recurring tax result</td>
<td>3.3</td>
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<tr>
<td>Non-recurring minority result</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Net non-recurring result</strong></td>
<td>(2.5)</td>
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Impact on net result of € -2 millions
Wrap-up

- Strong performance: revenues +23% and REBIT +34% vs. H1 17 continued operations
- Growth most pronounced in Energy & Surface Technologies, driven by volume growth in Rechargeable Battery Materials
- Acceleration of growth investments with launch of €660 million programme to add capacity for cathode materials in China and Europe
- Capital increase of €892 million to fund fast growth
- Recurring EBIT for the full year to be in a range of €510 to €550 million
- Interim dividend of €0.35
Financial calendar

- 28 August 2018: Payment date for the interim dividend
- 8 February 2019: Full Year Results 2018
- 25 April 2019: Ordinary General Meeting of Shareholders
Financial calendar
Forward-looking statements

This presentation contains forward-looking information that involves risks and uncertainties, including statements about Umicore’s plans, objectives, expectations and intentions.

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