

Umicore's response to COVID-19

Keeping our people healthy, ensuring safe working conditions and preserving cash

In recent weeks the novel coronavirus (COVID-19) has become a pandemic, severely affecting people, society and industries globally. In response to the COVID-19 outbreak, Umicore has rolled out its business continuity plans and has taken precautionary measures to keep its people healthy, to ensure that the workplace is safe and to preserve cash.

Umicore's priority is the health and safety of its employees. Since Lunar New Year, Umicore has implemented strict hygiene and other precautionary measures such as home working and social distancing in all its facilities in Asia and later in the rest of the world, in line with recommendations and guidelines issued by governments and the World Health Organisation, to protect its employees' health and wellbeing and help contain the further spread of the virus.

COVID-19 impact on Umicore's operations

While Umicore's activities were off to a strong start this year, the virus outbreak caused a serious slowdown in Umicore's automotive catalyst and battery materials activities in Asia at the time of the Lunar New Year holidays and in the following weeks. Demand and production levels for both automotive catalysts and battery materials in Asia are now gradually picking up. However, as the contagion of the virus spread to the rest of the world, the automotive industry has been forced to shut down most of its assembly lines outside Asia, in many cases for an undefined period of time. Until automotive OEMs restart production again, Umicore is temporarily shutting down most of its catalyst production capacity outside Asia and is resorting to temporary unemployment where applicable. Umicore has adjusted the inflow of raw materials accordingly and is reducing other costs.

The Hoboken plant, together with the majority of Umicore's other recycling facilities, is continuing operations.

In response to the changed business context, Umicore is also delaying certain capital expenditures programs.

Strong funding structure in place

Umicore has a strong balance sheet and ample liquidity with € 1 billion of immediate cash availability, of which approximately half is cash on balance sheet and the other half corresponds to the unused portion of its committed syndicated loans. In addition, Umicore has well over € 0.5 billion of unused, uncommitted credit lines with its core relationship banks.

Next to significant liquidity, Umicore has a well-balanced debt structure with no material maturities prior to 2023 and has ample headroom compared to its credit covenants. In recent years it secured € 1.1 billion of medium- and long-term, fixed-rate private placement debt with a phased maturity profile between 2023 and 2031. Its two syndicated loan facilities from a total of twelve banks expire in 2022 and 2025.

Decision to reduce the dividend in respect of the full year 2019

As a matter of prudence and in light of the extreme unpredictability of the global situation, Umicore's Board of Directors has decided to propose a dividend of € 0.375 per share in respect of the full year 2019. This proposal replaces the proposal initially made on 7 February 2020 of € 0.75 per share and corresponds to the amount of the interim dividend of € 0.375 per share which was already paid out on 27 August 2019. This decision is also to be seen as a way for Umicore's management and Board of Directors to share the efforts among its stakeholders. Umicore will assess the appropriate amount to be returned to shareholders in 2020 once it gains more clarity around the full impact of COVID-19.

Withdrawal of full year 2020 outlook provided in February 2020

Results in the first two months of 2020 were well ahead of the prior year.

However, the magnitude and the duration of the impact of COVID-19 are presently highly uncertain and the situation is evolving rapidly with many automotive customers shutting down their operations for an undetermined period of time. Hence, it is impossible at present to predict its full impact on the automotive market and Umicore's activities. Umicore therefore withdraws the outlook given on 7 February 2020 which guided for growth in revenues and earnings for the full year 2020 as it assumed at that time that the virus outbreak would not result in a protracted or material effect on the economy in 2020.

Umicore is monitoring the situation closely and will continue to respond as required to help safeguard its people and help contain the spread of the pandemic, while adjusting its operations and preserving its cashflows. Umicore will provide further updates at the time of its AGM which will be held on 30 April 2020.

Marc Grynberg, CEO of Umicore commented: *"The pandemic is causing unprecedented challenges to all of us and my first thoughts go out to the people who are hardest hit in these difficult times. Today more than ever, our number one priority is the health and wellbeing of all Umicore's employees. At the same time we are taking the necessary precautionary measures that should help us navigate today's uncertain context without compromising our long-term strategic success. This crisis in no way changes the need for the world to move towards a more sustainable development path. Umicore's technological capabilities in this respect are more relevant than ever, and we remain confident that, when this crisis will eventually be overcome, the company will resume its superior growth trajectory. Finally, I want to express my profound gratitude to our dedicated colleagues as well as everybody fighting this pandemic in the front lines."*

For more information

Investor Relations

Evelien Goovaerts	+32 2 227 78 38	evelien.goovaerts@umicore.com
Eva Behaeghe	+32 2 227 70 68	eva.behaeghe@umicore.com
Aurélie Bultynck	+32 2 227 74 34	aurelie.bultynck@umicore.com

Media Relations

Marjolein Scheers	+32 2 227 71 47	marjolein.scheers@umicore.com
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Financial calendar

31 March 2020	Publication of the annual report 2019
30 April 2020	Annual General Meeting
31 July 2020	Half year results 2020

About Umicore

Umicore is a global materials technology and recycling group. It focuses on application areas where its expertise in materials science, chemistry and metallurgy makes a real difference. Its activities are organised in three business groups: Catalysis, Energy & Surface Technologies and Recycling. Each business group is divided into market-focused business units offering materials and solutions that are at the cutting edge of new technological developments and essential to everyday life.

Umicore generates the majority of its revenues and dedicates most of its R&D efforts to clean mobility materials and recycling. Umicore's overriding goal of sustainable value creation is based on an ambition to develop, produce and recycle materials in a way that fulfils its mission: materials for a better life.

Umicore's industrial and commercial operations as well as R&D activities are located across the world to best serve its global customer base. The Group generated in 2019 revenues (excluding metal) of € 3.4 billion (turnover of € 17.5 billion) and currently employs 11,152 people.