

## Umicore update on covid-19 impact and current trading

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

Umicore's priority is the health and safety of its employees. Umicore introduced in its facilities worldwide strict hygiene and other precautionary measures in response to the COVID-19 pandemic and a dedicated task force continues to monitor its operations globally with a focus on protecting employees' health.

To preserve cash and mitigate the impact of COVID-19 on results, several measures were launched at the start of the outbreak to reduce costs, optimize working capital and delay certain investments. Umicore rapidly adjusted its production capacity where needed. In recent weeks, Umicore has gradually resumed production in plants that were previously shut down and the number of employees on furlough has decreased to approximately 3% of the workforce compared to 10% at the end of April.

### Strong funding structure and increased liquidity

Umicore has a strong balance sheet and ample liquidity with € 1.5 billion of immediate cash availability, an increase of € 0.3 billion from the end of April. This increase resulted from the conclusion of an 8-year loan agreement with the European Investment Bank for an amount of € 125 million, combined with new committed loans from core relationship banks – both currently undrawn. Substantial undrawn, uncommitted credit lines with core relationship banks provide additional financial flexibility. Umicore has a well-balanced debt profile with no near-term material maturities as its long-term fixed-rate debt has a phased maturity profile between 2023 and 2031 and its two syndicated loan facilities from a total of twelve banks expire in 2022 and 2025.

### Trading update

As communicated on 30 April, Umicore's results in the first three months of the year were well ahead of last year, reflecting primarily a strong contribution from Recycling. While performance in Catalysis and Energy & Surface Technologies was also off to a good start of the year, the Automotive Catalysts and Rechargeable Battery Materials activities started to feel the impact of COVID-19 in February in China and as from mid-March in other key regions. Following the widespread shutdown of the assembly lines of its automotive customers, Umicore had temporarily stopped production at its automotive catalyst plants outside of China, Korea and Japan.

In recent weeks, car OEMs have gradually resumed production at their assembly lines, albeit later than anticipated, and Umicore has restarted its catalyst production accordingly. Automotive demand is picking up at a moderate pace in Europe, North America, Japan, Korea and South East Asia and remains weak in South America. By contrast, the market recovery in China is more rapid and Umicore's catalyst production in the region is now back to full capacity. On balance, the ramp-up of Umicore's global catalyst production is in line with the assumptions made at the end of April. Umicore continues to assume that global car production will decline by approximately 25% this year.

The sales of electric vehicles have also been severely affected by the COVID-19 crisis and the full impact of the slowdown on cathode materials demand is being felt as of the second quarter, as anticipated. While

demand visibility remains limited for now, new subsidy schemes have recently been decided in China and Europe which should support the transition to electric mobility in the mid-term.

The Recycling operations continue to be supported by very good supply and trading conditions and high metal prices, in particular rhodium. The performance in Recycling in the first half of the year is expected to be higher than market expectations and higher than assumed at the end of April.

While benefiting Recycling earnings, the prevailing high precious metal prices and PGM prices in particular resulted, as anticipated, in an increase in working capital and net financial debt year to date.

## H1 Outlook

For the first half of the year, Umicore expects its recurring EBIT to be broadly in line with the levels of the first half of 2019. This reflects a significant increase in the contribution from Recycling, ahead of market expectations, while the contribution of Catalysis and Energy & Surface Technologies is expected to be well below the levels of the first half of 2019. The visibility on market demand in the second half of the year remains extremely low and does not allow any reliable quantified outlook for the full year 2020 to be formulated.

On 30 April Umicore communicated that full year recurring EBIT of Catalysis and Energy & Surface Technologies in 2020 was expected to be well below the levels of 2019, whereas the recurring EBIT of Recycling in 2020 was expected to be well above the levels of 2019. Umicore also communicated that recurring EBIT for the Group in 2020 was expected to be well below the level of 2019. This guidance still stands today in terms of direction.

Notwithstanding the challenging short-term context, the long-term drivers for Umicore's growth strategy to be a leader in clean mobility materials and recycling remain very much intact. This crisis does not change the need for the world to move towards a more sustainable path, as evidenced by the various government stimuli for cleaner mobility and green initiatives and Umicore with its product offering and closed-loop business model is well positioned to benefit from this trend.

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## Conference call

A conference call will be hosted by Marc Grynberg, CEO, and Filip Platteeuw, CFO, **today, Monday 15 June at 09:15 CEST.**

You can access the conference call **via web only** by clicking on following link: [conference call Umicore](#).

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## For more information

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## Umicore profile

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, as at 31 December 2019, employed 11,152 people.

## Forward looking statements

This document 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.