



Umicore Capital Markets Day 2025

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Faster, Stronger, Longer

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EVP Catalysis

Also, from my side, a warm welcome, and I'm very excited to stand here in front of you today to share with you the remarkable performance, one of the key imperatives that Bart mentioned, but also to share with you the future prospects of our Business Group Catalysis. And we want to continue on this success story, our outperformance being faster, stronger and longer while staying committed towards innovation, efficiency and customer intimacy, as they are really elements deeply embedded into our organization.

And Catalysis is a foundation business, and will, for much longer than foreseen, deliver cash and value to our shareholders. And we have consistently proven to have the ability to rapidly adapt and increase our margins in a fast-changing environment. So today, I want to demonstrate you that in the Automotive Catalysts market, we will continue to maximize value and cash for the next decades and that we also have interesting growth opportunities in adjacent markets like in fuel cells. So faster, stronger, longer, that's what I will demonstrate to you today.

The Business Group of Catalysis consists of three Business Units, and they are all nicely combined together because they are all selling and producing PGM-based catalysts. And they do that in the megatrends of the mobility transformation and also the clean technologies. So Automotive Catalysts, AC in abbreviation, is still

the driving force in our Business Group. And faster than foreseen, the internal combustion engine has entered the mature market stage. But also, I'm proud to state that we are short our number one position in the light-duty gasoline segment. So the mandate of Automotive Catalysts is crystal clear, maximizing cash, and we will do that for much longer than foreseen and, therefore, be a cash generator for Umicore.

The second unit, Fuel Cells and Stationary Catalysts, our growth unit. And both of these businesses operate in promising and attractive markets, being a technology leader. And over the past years, we have modestly invested into that growth and to also make sure that we have a long-term profitability within the Business Group of Catalysis.

And the third unit, Precious Metals Chemistry, a strong contributor to the EBITDA of the Business Group. And they do that because they are an essential internal supplier of the PGM precursors for Automotive Catalysts, for Fuel Cells, and even for Specialty Materials. And they also have a unique and strong precious metal-based catalyst portfolio, serving markets like pharmaceuticals, fine chemicals, etcetera. And their mandate is strong profitability by customized innovation.

So in a nutshell, the Business Group Catalysis, an exciting Business Group, serving on maximizing value in the megatrend of mobility transformation with the mandate of maximizing cash, driving growth and strong profitability.

So maximizing cash; Automotive Catalysts is still the driving force, like I said, within the Business Group. And today, I want to demonstrate to you that the strategy of faster, stronger, longer and that we have strong proof points over the last couple of years, that it is still a very attractive market out there and that we're extremely well-positioned to capture on these future opportunities.

Market first. So even though when you look towards the light-duty vehicle markets, combining all powertrains, we see an increase in the demand. The internal combustion engines have entered the mature market stage. We see on the graph here that when we look towards the global ICE vehicle production that compared to two years ago, there's an uplift, a substantial uplift. And so, we are looking towards light-duty vehicles and the heavy-duty vehicles on the road.

This shows that ICEs will remain the dominant powertrain for the next years. And that's, of course, coming from the slowdown that we see in the global EV, and also because of the revival of the hybrids; and hybrids are part of the internal combustion engines. So this will have a positive impact for Automotive Catalysts. And we also see a moderate market growth when we look towards the heavy-duty diesel.

Looking towards our market model, we, of course, follow what we listen and what we hear from our customers and what we see in the market. And we are a bit more conservative on China because there we see a dynamic of a fast uptake of what we call the NEVs, the new electrified vehicles. So even in China, there would be still a bit of upside, it would also uplift our midterm financial plan. So a first takeaway for you is that internal combustion engines will remain the dominant powertrain for the next years. And in 2028, we still see 74% in the LDV being ICEs. So AC does matter, Automotive Catalysts does matter, and it will be for much longer than initially expected.

So a stronger and longer ICE market. It's a fact. You know this. Let me now add an element, an interesting element, maybe a surprise. While the ICE vehicle production demand is slowing down, the catalyst market linked to that is slowing down slower. That's mainly because of the new legislation that still need to kick in, Euro 7, a China 7, etcetera. And to meet these standards, we need to have more complex and advanced catalysts and also more bricks, more catalysts per vehicle.

So let's look to the graph. It's showing the value pool of the catalyst market in the three segments. So let's look at the green one, the light-duty gasoline. More than 40%, the biggest value pool still out there until 2028 - is almost flat compared to today. And that's where we will leverage a stronger and longer performance because we are the number one in the light-duty gasoline. Looking towards the LDD, the light-duty diesel, it's sliding off and we have less

impact there. And on the heavy-duty diesel we see a market growth of around 10% between 2024 and 2028.

So with these positive ICE trends, we have refined our strategy of maximizing cash and driving the quality of earnings. We want to continue on our strength on our core, and therefore, we will be very strong leveraging our number one position in the big value pool of the light-duty gasoline and also selectively invest in HDD, meaning in Europe and in China.

And our strategy of maximizing cash consists of three elements. One is linked to our core, to our business model of Umicore. It's our unique customer proposition. How we create value for Umicore for our customer, so better together.

The second element is linked to one of the key imperatives. It's our performance or outperformance and how we will continue to create cash for as long as possible and as strong as possible. And the last one is linked to another imperative, it's people and culture. How people in catalysis, in AC, are excelling in their execution.

So let me now start with the first one: our unique customer proposition. I want to come from two angles: one the customer and the other technology. The key success of automotive catalysts is based upon the foundation of really close customer relationships and a commitment towards efficiency and excellence. We are serving OEMs worldwide, global OEMs, local OEMs; and we have a very balanced portfolio across the regions, especially for the light-duty vehicles.

These are very strong assets to also serve these customers in the long-lasting regions like India and South America. In India, we are a preferred supplier to two of the top 3 local OEMs and in Brazil, South America, we are, by far, the strongest with our renewable fuel technologies, the flex fuels. So for decades, for more than five decades, the OEMs have chosen Umicore for the close collaboration and joint value creation, reducing the total cost of ownership, it creates a win-win.

The second element for the customers is our strong and global footprint, production footprint and also an agile footprint. We manage that in line with customer demand. And I know today, there are uncertainties out there. We have uncertainties in terms of the legislations on CO₂, but also on tariffs. But it's really that management of an agile production footprint that will make sure that we can meet our customer demand.

The third element from the customer side is that we will set up even closer relationships with our OEMs and reduce the total cost of ownership. Examples here are that we are discussing last one standings. We are also looking towards in-sourcing opportunities across the value chain. We're also looking to elements that are typical to a mature market; meaning, for

example, managing better, small lot sizes. On top of that, we are rigorous in our costs across the value chain, looking to raw materials but also looking into, for example, test center setups.

From the technology side, this is also key. That's our priority to stay the leading player in the light-duty gasoline and to stay competitive in the heavy-duty diesel. In R&D we are much more conscious over the last years. While staying innovative, we are really more selective in product development and also focused on these high-value technologies for the upcoming legislations. We want to stay agile also here because if there were to be an extra platform that would occur, that we still have the resources to capture that opportunity.

One of our key strengths, a key advantage. It's called our FlexMetal technology. It has brought us a lot of strength during the Euro 7 to really gain market share during these awards. And it is also helping us abroad outside of Europe, demonstrating a win-win - how we reduce the total cost of ownership because the FlexMetal is based upon an innovative technology that looks towards tri-metal usage, meaning palladium, platinum and rhodium, and to reduce that content while still meeting the tight legislations. I also would like to add here the revival of the hybrid. The FlexMetal, our low-cost and low-PGM technologies are very strong for these cold start conditions.

The last element is that we continue our ambitions on sustainability. We are reducing the CO₂s in our footprints, so our customers can benefit from their Scope 3 emissions.

We are very well positioned and have strong assets, well equipped for the future driving of our success. In 2028, with our unique assets and our strong assets, we will maintain the number one position in the light-duty gasoline and even will strengthen our share with 3% to 4% in the light-duty catalyst in 2028.

So let me go now to the second key imperative, performance. A couple of years ago when Bart was leading Catalysis, he said Automotive Catalysts need to focus on cash and cost to really prepare for that mature market. And so we did, and we even did faster and stronger than we thought. So let me now quickly guide you to some examples, some accomplishments over the last years, because there are real proof points of our strategy of maximizing cash.

The first one is linked to how we manage our agility in that footprint. In mature markets, you need to consolidate. So we have closed our HDD plant in Denmark, and last year, we announced the closedown of our Japanese plant. We are shifting these units towards other Umicore Asian plants. Now, on the other hand, we're also still investing very modestly in these long-lasting regions. For example, in India and in Brazil.

Also over the last couple of years, we have launched several efficiency projects across departments to improve what we call the end-to-end flows. A very big part is coming from our management of our supply chains, to optimize utilization rates and to reduce the net working

capital. Also over the last two years we focused on the reduction in R&D. Therefore, also supporting our quality of earnings.

Over the last two years, we were able by these initiatives to reduce €50 million of annual fixed costs. And this generated together with operational improvements in the net working capital, but also the tailwind we got in the PGM prices, to generate the free cash flow of €1.8 billion for Automotive Catalysts between 2022 and 2024. A strong proof point, I would say.

But of course, we will not stop here. We want to continue to build on that core, on our strength, and we want to do that continuously strong and fast. So the ambitions that we have set before to meet in 2030, we want to meet them in 2028. We continue to manage our agile footprint in line with the customer demand and we keep that mandate within operations to have more than 85% utilization rate. That's really key for our way of working. We will slower our investments and by 2026, we will be substantially below to today's depreciation rate.

We continue on these efficiency projects and they will add an extra €50 million of fixed cost reductions per year, meaning €100 million between 2022 and 2028. And overall, between 2025 and 2028, that will generate an extra €1 billion cash within Automotive Catalysts.

This brings me to the third pillar, people and culture. That's for me the most important one and it makes me happy at the same time because our people are open for change in that mature market, and they really excel in their execution. I would also like to add the angle of safety and well-being. Safety and well-being is not a priority because priorities can change. It is a prerequisite in everything we do and having worked hard on that, with a very nice positive track record, I'm sure and convinced that this also helps our financial performance.

At AC, we embrace the future even in a mature market, in a declining market. And our teams have, over the last years, really changed their mindset from volume, growth, and product development towards cost efficiency and process excellence. We are now organized in regions to be closer to what's happening locally and closer to our customers. But we also have now core process units to work on these efficiencies and we will do that faster, stronger and longer.

But the success story does not stop with Automotive Catalysts. Let's switch gears here and talk about Fuel Cells. I would like to show you that this technology will have its place in the mobility and energy transformation, and that we have a very nice position in that market and it will partially compensate on the decline that we will see in the ICEs.

BEVs will over time be the alternative, the dominant alternative for fossil fuel powered vehicles, and there's a longer transition because of hybrids. But there will be also a market for fuel cells, especially, and most specifically for the long haul heavy-duty trucks. It's a niche market, it's a small market, but it's a market growing 30% to 40% per year until 2028 and beyond. In China,

it's happening. China has almost 50% of that market and that's where we made a decision to put our mass production plant in Changshu, close to our AC Suzhou plant.

Let me give you a short anecdote. When I was stationed in Germany, leading Precious Metals Chemistry for three years, I had the honor and the luck to drive a fuel cell powered vehicle in a joint collaboration with a customer. I could firsthand test our own technologies and how that car was driving, which was great. But more specifically, it showed me closely the challenges: the hydrogen price, the hydrogen availability, and most importantly the infrastructure. Because they are key levers for the success for such a new technology. And again, here in China, it's happening, it's kicking off. There's a momentum.

Let me give you two examples. Between 2022 and 2024, the amount of refueling stations in China doubled to over 500 and this year even go above 1,000 and doubling year-after-year. Secondly, more and more provinces in China are waiving the highway toll for fuel cell powered vehicles. This will reduce the total cost of ownership already below HDD, the heavy-duty diesel. If you would add upcoming potential based upon locations and on the subsidies for the purchase price, it even goes at par or below the gas and the electric trucks. So in China, it's really happening, there's a market. How are we now best positioned to capture on this?

In fuel cells, we are not new. We have a track record and we want to build upon this because we listened very carefully to our customers. We use our strengths to sell and produce PEM based fuel cell catalysts for anode and cathode and for electrolysis - PEM, meaning proton exchange membrane. We don't produce membranes, we don't produce these stacks, we only focus on the catalyst. We leverage our expertise in chemistry and in innovation, because these two elements are key to our success and to stay ahead. Looking at cost and innovation, I'm really proud of our teams as they constantly innovate, and our customers say that we have the best efficiencies, the best durability and also the lowest PGMs in our catalysts. The customer even say it's 25% lower compared to competition.

Let me give you some other facts on fuel cells. As I said we are the preferred supplier because of our track record. We are already producing ton-scale in our plant in Europe and in Korea. It's a technical, very highly advanced material that is impacting a lot of elements within a fuel cell stack. Over the last two to three years we were able to more than double the amount of customers that we serve and that were qualified - another proof point of our strategy. I'm very proud to say that we are now supplying and serving four out of the five top fuel cell players in China, and we are a leading player in Korea.

In China, we are investing into our mass production plant, and on top, we also invest in application labs to stay very close to local customers in China and to co-develop. We are best positioned in fuel cells to capture a profitable growing niche market. It's kicking off in China and preparing for roll out to the rest of the world towards the end of the decade. Our plant in Changshu, which we are building well within budget, will be operational by early 2026.

What I would like you to take away on fuel cells is that we are well equipped to stay ahead in terms of cost and innovation, we are faster and stronger than our competition and have a longer profitability for the Business Group Catalysis.

Let me bring the overall Catalysis financials, which I would say are quite impressive. We have shown the strong proof points towards 2028 with modest investments below €300 million, which means mainly maintenance Capex and modestly in growth. We will generate in the Business Group another €1.4 billion of free cash. I want to come back on the statements that we said that we would generate €3 billion in Catalysis from 2022 to 2030 and today uplifting that ambition to be close to €4 billion. On top of that, if you look to revenues, they are slightly increasing compared to today, driven by all three Business Units. Strong EBITDAs around 25% and ROCEs north of 35%.

To conclude, what are the main takeaways for you on my presentation on Catalysis? We have delivered, we have a strong strategy of cash generation and driving quality of earnings. We have strong proof points.

Going forward, we have won a faster implementation of our strategy, generating impressive cash. Secondly, we have even stronger returns based upon our legacy business, the big value pool out there in light-duty gasoline where we are maintaining our number one position. And three, a longer dominance of ICEs and also a longer profitability when we look towards our modest investments in fuel cells. To end, in Catalysis, our teams are and will be faster, stronger and longer. Thank you.