



**umicore**  
*materials for a better life*

Ordinary, special and  
extraordinary shareholders' meetings

30 April 2020

# Agenda

Governance

Highlights 2019

COVID-19

2020 outlook

Remuneration

Voting





# Governance

# Board of directors

## Key board meeting topics in 2019



- Financial performance and budget for the Group
- Funding mandate (US private placement)
- Innovation strategy
- M&A projects
- Investment projects and strategic opportunities
- Business reviews and market updates
- Business risk assessment
- IT security
- Board and ExCom succession

7 full board meetings in 2019

100% attendance for full board meetings

100% attendance for all committees



# Application of new corporate governance rules

## New Belgian Code of companies and associations

### Two-tier model

- Supervisory board, composed exclusively of non-executive directors and headed by a chairman
- Management board headed by the CEO
- The two-tier model is the most appropriate for Umicore going forward
- Submitted for shareholders' approval (EGM)

Umicore board decided not to propose a resolution seeking to give dual voting rights to registered shareholders holding their shares for a period of more than two years

## Belgian Code of Corporate Governance 2020

- Results in only few minor changes in Umicore's governance practice
- The board has approved a new version of the corporate governance charter
- Umicore will report on compliance against its provisions in the annual report
- Remuneration
  - Directors already partly paid in shares
  - In addition, the board, upon advice of the nomination & remuneration committee, will set a minimum shareholding requirement for members of the executive management

# Proposed board member

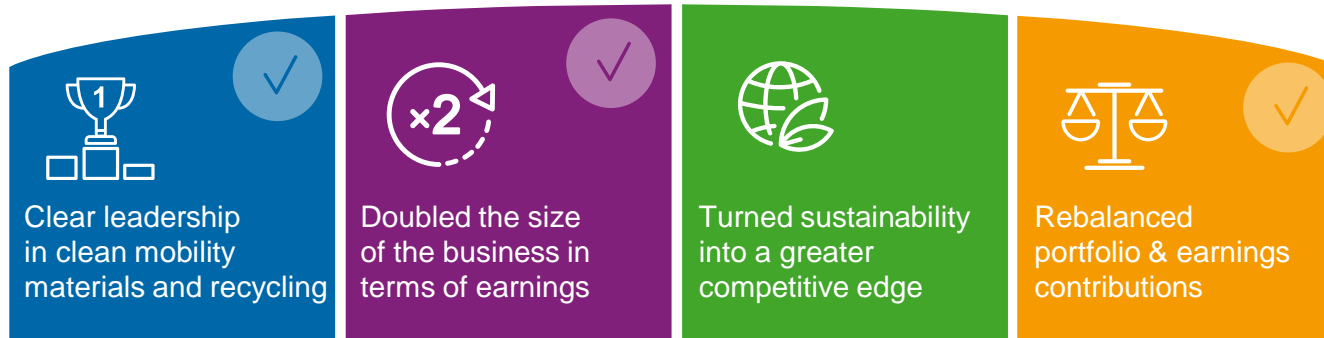


Mario Armero



# Highlights 2019

# Significant strides made in the execution of Horizon 2020 strategy



With a strong performance in a persistently challenging market context

REVENUES +3%  
**€3.4bn**

REBIT Close to 2018 record level  
**€509m**

ROCE  
**12.6%**

EPS -5%  
**€1.30**

Capex  
**€553m**

R&D  
**€211m**





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오대(주) 송도공장  
준공식  
2019. 10. 22

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오대(주) 송도공장  
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2019. 10. 22









# Strong performance in persistently challenging market context



## CATALYSIS

Market share gains in gasoline catalyst applications

Leading light-duty catalyst provider in China, largest car market worldwide

Strong growth from fuel cell catalyst applications



## ENERGY & SURFACE TECHNOLOGIES

Growth in cathode materials for EVs in line with the market

Higher cathode materials sales in H2, sequentially and YoY

Cobalt price halved vs 2018

Higher D&A and upfront greenfield investment costs



## RECYCLING

Favorable supply environment

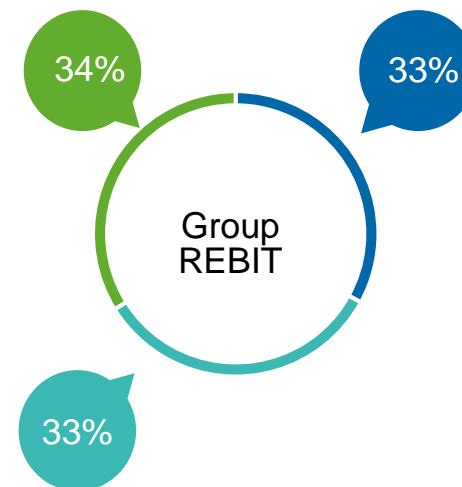
Optimized input mix offset largely lower volumes

Higher metal prices



# Strong performance in persistently challenging market context

	<b>CATALYSIS</b>	REVENUES <b>€1.5bn</b> +7%	REBIT <b>€185m</b> +10%	REBITDA <b>€264m</b> +11%
	<b>ENERGY &amp; SURFACE TECHNOLOGIES</b>	REVENUES <b>€1.2bn</b> -5%	REBIT <b>€183m</b> -29%	REBITDA <b>€271m</b> -16%
	<b>RECYCLING</b>	REVENUES <b>€681m</b> +9%	REBIT <b>€188m</b> +40%	REBITDA <b>€250m</b> +29%



- Catalysis
  - Energy & Surface Technologies
  - Recycling
- Corporate not included

# Striving for healthy & safe employees

## Delivering eco-efficient & ethical operations

### VALUE CHAIN & SOCIETY

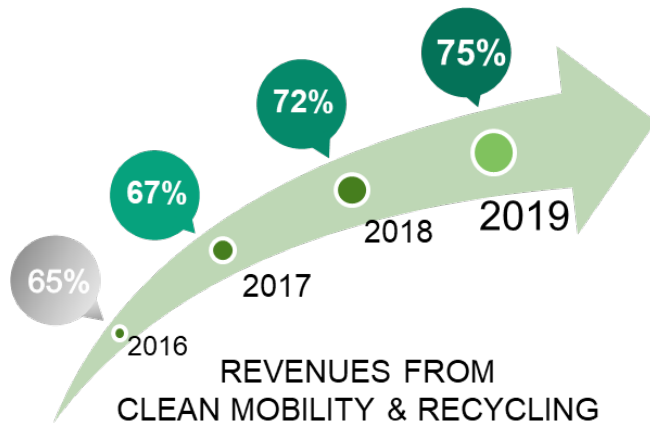
Global Framework Agreement on Sustainable Development renewed  
Gold & silver certified conflict-free  
RMI-conformant Cobalt refineries

### ECO-EFFICIENCY

Input from secondary & end-of-life materials **60%**  
Measuring & increasing the share of purchased renewable energy

### GREAT PLACE TO WORK

Growth in Belgium, China, Korea and Finland in 2019  
Connecting employees through the digital workplace  
**Safety remains a priority**



**-23%** energy consumption  
**-59%** metal emissions to air  
**-57%** metal emissions to water  
vs. 2015 baseline

**11,152** group employees  
**94%** retention rate  
**83%** sites without LTAs



# COVID-19

# Umicore's response to COVID-19

## Keeping our people healthy and ensuring safe working conditions

- Strict hygiene and precautionary measures
- Dedicated global task force
- Limited number of infected employees

## Preserving cash

- Reduce costs: production capacity adjusted and 10% of workforce furloughed
- Optimize working capital
- Delay investments (2020 capex expected between € 400 - € 450 million)
- Proposed reduced dividend of € 0.375 per share for the full year 2019

## Strong funding structure and increased liquidity

- Strong balance sheet with ample liquidity (€ 1.2 bn immediate cash available)
- Well-balanced debt profile with no material maturities prior to 2023



# Strong Q1 performance

## Well ahead of the previous year



### Recycling: strong Q1 contribution from all business units

- Supportive supply conditions and metal prices in **Precious Metals Refining**
- Favorable trading conditions for precious and certain PGM metals in **Precious Metals Management**
- Strong demand for gold investment products and gold recycling services in **Jewelry & Industrial Metals**



### Catalysis and Energy & Surface Technologies: good start of the year with first impact of COVID-19

- Outperforming the car market in Q1
- Impact of COVID-19 on Automotive Catalysts and Rechargeable Battery Materials:
  - In February in China
  - As from mid-March in other key regions such as Europe and the US

# Impact of COVID-19 on automotive industry

## Global

Car production -25% YoY in Q1

## China

Car production slowly picking up, yet still significantly below 2019 levels in March (-45%)

More pronounced decline in NEV production (-57% in March)

Demand remaining fragile and inventory levels high

## Europe and North-America

Car OEMs assembly lines shut down since mid-March

Significant decline in car production in Europe (-45%) and the US (-30%) in March

Assembly lines in Europe gradually restarting production; expected gradual restart in North-America around mid-May

**Purchasing power end-consumers impacted by COVID-19 and demand anticipated to remain fragile in 2020**



**Umicore currently assumes that global car production for the full year will be down by approximately 25% from the levels of 2019**

# Update on COVID-19 impact on operations



## CATALYSIS

### Production at **Automotive Catalysts**:

- Impacted in China during Lunar NY holidays and following weeks; slight pick-up since then
- Temporary production stops in regions outside China, Korea and Japan
- Full impact of COVID-19 on performance expected as of Q2

Demand in **Precious Metals Chemistry** significantly impacted by COVID-19



## ENERGY & SURFACE TECHNOLOGIES

### Production at **Rechargeable Battery Materials**:

- Impacted in China during Lunar NY holidays and following weeks; slight pick-up since then
- Full impact of COVID-19 on performance expected as of Q2

Demand in other business units, in particular **Cobalt & Specialty Materials** also significantly impacted by COVID-19



## RECYCLING

All sites remain in operation and comply with strict sanitary standards

Favorable trading conditions for **Precious Metals Management**

Strong demand for gold investment products and recycling at **Jewelry & Industrial Metals**



# 2020 outlook



# 2020 outlook

**REBIT in Catalysis and Energy & Surface Technologies** expected well below levels of 2019

Assuming that global car production will be down by approximately 25% from the levels of 2019.

Based on strong Q1 and expectation of continued favorable supply conditions, **Recycling REBIT** expected well above levels of 2019

Assuming metal prices remain at their current level.

Duration of COVID-19 impact highly uncertain and visibility on market demand extremely low, making it impossible today to give any reliable quantified outlook for 2020

2020 recurring EBIT expected to be well below the level of 2019

# Remuneration

# Executive committee

## Remuneration Policy

- Fixed remuneration reflecting the level of responsibility
- Variable remuneration with 50% undeferred, based on individual performance
- Variable remuneration with 50% deferred over 3 years, based on multi-year Company performance
- Share-based compensation: share grant + stock options (both with 3-year lock up)
- Pension plan and other benefits
- Minimum shareholding requirement

Remark: If the dual board structure is adopted by the EGM, Board should be read as Supervisory Board and ExCom as Management Board in the Remuneration Policy as published in the Annual Report.

## Changes as of 2020

- Increased fixed remuneration for the CEO (+ € 20,000), and for the executive committee members (+ € 20,000)
- Grant of 10,000 shares for the CEO (vs 10,400 shares for reference year 2018), and 7,000 shares for the executive committee members (vs 7,400 shares for reference year 2018)

# Executive remuneration 2019

(in Euros)	CEO		Executive committee	
	2018	2019	2018	2019
Fixed	700,000	700,000	2,306,250	2,525,417
Undeferred variable 50%	220,000	87,500	662,500	570,000
Deferred variable 50%	144,450	256,500	481,500	855,000
Pension	168,397	213,079	661,608	663,437
Other	51,631	51,921	123,293	209,223
Value of shares granted	354,432	420,500	1,381,284	1,764,218
Options (value at grant)	1,033,500	712,600	1,266,038	908,565
<b>TOTAL</b>	<b>2,672,410</b>	<b>2,442,100</b>	<b>6,882,473</b>	<b>7,495,860</b>

Shares & options  
held by the executive  
committee at end **2019**

**1,088,250 shares**

**1,542,000 outstanding options**



## Remuneration Policy

- Fixed fee reflecting the level of responsibility
- Attendance fee
- Share-based compensation

Remark: If the dual board structure is adopted by the EGM, Board should be read as Supervisory Board and ExCom as Management Board in the Remuneration Policy as published in the Annual Report.

## Changes as of 2020

- The additional attendance fee for members residing out of Belgium will also apply for the Committee meetings, attended in person and not combined with a Board meeting
- The shares granted have to be held until at least one year after the member leaves the Board and at least 3 years after the moment of grant

# Questions provided ahead of the shareholders' meetings

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- Could you provide more context on the decision to reduce the dividend for 2019?
- Some companies give their shareholders the option to choose between a dividend pay-out in cash or shares. Would you consider this next year?
- Could you please provide more information on the impact of the COVID-19 pandemic on Umicore's activities in Q1 and FY 2020?

# Questions provided ahead of the shareholders' meetings

- Solidarity with the pandemic's victims

## a. Allocation of the budget of the shareholders' meetings

The company Elia will donate the budget which would normally have been used for the organization of the shareholders' meetings to 3 solidarity funds of the King Baudouin foundation. Would you consider this?

## b. Creation of a solidarity fund for employees impacted by a lower income due to the pandemic

Ilham Kadri, CEO of Solvay, created a solidarity fund financed by a 15% decrease of the remuneration of Solvay's top management and Board members. Would you consider this?





# Voting

# Agenda

## **Ordinary shareholders' meeting**

1. Annual report of the board of directors and report of the statutory auditor on the statutory annual accounts 2019
2. Approval of the remuneration report
3. Approval of the remuneration policy
4. Approval of the statutory annual accounts 2019 including the proposed allocation of the result

# Agenda

5. Communication of the consolidated annual accounts as well as the board report and the auditor's report on those consolidated annual accounts
6. Discharge to the directors
7. Discharge to the statutory auditor
8. Board composition and remuneration
  - Re-electing Mrs Ines Kolmsee as independent director for a period of 3 years
  - Re-electing Mrs Liat Ben-Zur as independent director for a period of 3 years
  - Electing Mr Mario Armero as director for a period of 3 years
  - Approving the board members' remuneration proposed for the financial year 2020

# Agenda

## 9. Re-election of the statutory auditor and remuneration

- Re-electing PwC Bedrijfsrevisoren/Réviseurs d'Entreprises, represented by Mr Kurt Cappoen, for a period of 3 years
- Approving the remuneration of the statutory auditor for the financial years 2020 through 2022

# Agenda

## **Special shareholders' meeting**

1. Approval of change of control clause



# Agenda

## **Extraordinary shareholders' meeting**

1. Amendment of the articles of association in order to bring them in line with the new Code of Companies and Associations (including the adoption of a two-tier board structure) and to modernize them
2. Composition of the supervisory board
3. Powers

Ordinary general meeting  
Assemblée générale ordinaire  
Gewone algemene vergadering



*First resolution*

**Approval of the remuneration report**

*Première résolution*

**Approbation du rapport de rémunération**

*Eerste besluit*

**Goedkeuring van het remuneratieverslag**

Ordinary general meeting  
Assemblée générale ordinaire  
Gewone algemene vergadering



*Second resolution*

**Approval of the remuneration policy**

*Deuxième résolution*

**Approbation de la politique de rémunération**

*Tweede besluit*

**Goedkeuring van het remuneratiebeleid**

Ordinary general meeting  
Assemblée générale ordinaire  
Gewone algemene vergadering



*Third resolution*

**Approval of the statutory annual accounts of the company for the financial year ended on 31 December 2019 including the proposed allocation of the result**

*Troisième résolution*

**Approbation des comptes statutaires de la société relatifs à l'exercice social clôturé le 31 décembre 2019 y compris la proposition d'affectation du résultat**

*Derde besluit*

**Goedkeuring van de enkelvoudige jaarrekening van de vennootschap voor het boekjaar afgesloten op 31 december 2019 met inbegrip van de voorgestelde resultaatsbestemming**

Ordinary general meeting  
Assemblée générale ordinaire  
Gewone algemene vergadering



*Fourth resolution*

**Discharge to the directors**

*Quatrième résolution*

**Décharge aux administrateurs**

*Vierde besluit*

**Kwijting aan de bestuurders**



Ordinary general meeting  
Assemblée générale ordinaire  
Gewone algemene vergadering



*Fifth resolution*

**Discharge to the statutory auditor**

*Cinquième résolution*

**Décharge au commissaire**

*Vijfde besluit*

**Kwijting aan de commissaris**

Ordinary general meeting  
Assemblée générale ordinaire  
Gewone algemene vergadering



*Sixth resolution*

**Re-electing Mrs Ines Kolmsee as independent director for a period of three years**

*Sixième résolution*

**Réélection en qualité d'administrateur indépendant de Madame Ines Kolmsee pour un terme de trois ans**

*Zesde besluit*

**Herbenoeming van mevrouw Ines Kolmsee tot onafhankelijk bestuurder voor een periode van drie jaar**

Ordinary general meeting  
Assemblée générale ordinaire  
Gewone algemene vergadering



*Seventh resolution*

**Re-electing Mrs Liat Ben-Zur as independent director for a period of three years**

*Septième résolution*

**Réélection en qualité d'administrateur indépendant de Madame Liat Ben-Zur pour un terme de trois ans**

*Zevende besluit*

**Herbenoeming van mevrouw Liat Ben-Zur tot onafhankelijk bestuurder voor een periode van drie jaar**

Ordinary general meeting  
Assemblée générale ordinaire  
Gewone algemene vergadering



*Eighth resolution*

**Appointing Mr Mario Armero as director for a period of three years**

*Huitième résolution*

**Election en qualité d'administrateur de Monsieur Mario Armero pour un terme de trois ans**

*Achtste besluit*

**Benoeming van de heer Mario Armero tot bestuurder voor een periode van drie jaar**

Ordinary general meeting  
Assemblée générale ordinaire  
Gewone algemene vergadering



*Ninth resolution*

**Approving the board members' remuneration**

*Neuvième résolution*

**Approbation de la rémunération des membres du conseil d'administration**

*Negende besluit*

**Goedkeuring van de vergoeding van de leden van de raad van bestuur**

Ordinary general meeting  
Assemblée générale ordinaire  
Gewone algemene vergadering



*Tenth resolution*

**Re-electing PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises, represented by Mr Kurt Cappoen, as statutory auditor for a period of three years - approving the statutory auditor's remuneration**

*Dixième résolution*

**Réélection en qualité de commissaire de PricewaterhouseCoopers Réviseurs d'Entreprises, représentée par Mr Kurt Cappoen, pour un terme de trois ans - approbation de la rémunération du commissaire**

*Tiende besluit*

**Herbenoeming van PricewaterhouseCoopers Bedrijfsrevisoren, vertegenwoordigd door de heer Kurt Cappoen, tot commissaris voor een periode van drie jaar - goedkeuring van de vergoeding van de commissaris**



Special general meeting  
Assemblée générale spéciale  
Bijzondere algemene vergadering



*Sole resolution*

**Approval of a change of control provision, as required under Article 556 of the old Belgian Companies Code**

*Unique résolution*

**Approbation d'une clause de changement de contrôle, comme requis sous l'article 556 de l'ancien Code des sociétés belge**

*Enig besluit*

**Goedkeuring van een clausule van controlewijziging, zoals vereist onder artikel 556 van het oude Wetboek van vennootschappen**

Extraordinary general meeting  
Assemblée générale extraordinaire  
Buitengewone algemene vergadering



*First resolution*

**Amendment of the articles of association in order to bring them in line with the new Code of companies and associations and to modernize them**

*Première résolution*

**Modification des statuts en vue de les mettre en concordance au nouveau Code des sociétés et des associations, et de les moderniser**

*Eerste besluit*

**Wijziging van de statuten om ze in overeenstemming te brengen met het nieuw Wetboek van vennootschappen en verenigingen**

Extraordinary general meeting  
Assemblée générale extraordinaire  
Buitengewone algemene vergadering



*Second resolution*

**Composition of the supervisory board**

*Deuxième résolution*

**Composition du conseil de surveillance**

*Tweede besluit*

**Samenstelling van de raad van toezicht**

Extraordinary general meeting  
Assemblée générale extraordinaire  
Buitengewone algemene vergadering



*Third resolution*

**Powers**

*Troisième résolution*

**Pouvoirs**

*Derde besluit*

**Volmachten**

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