



umicore
materials for a better life

Half-year results 2023

28 July 2023

Speakers



**Mathias
Miedreich**

Chief Executive Officer



**Wannes
Peferoen**

Chief Financial Officer



Agenda

- 01** Highlights H1 2023
- 02** Business review
- 03** Financial review
- 04** 2023 Outlook
- 05** Wrap-up
- 06** Q&A



Highlights | 1

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Highlights H1 2023

Strong margins in a volatile market environment

- **Revenues at € 2.1 billion**, in line with H1 2021 and 2022 levels
- Adjusted **EBITDA at € 519 million**, below H1 2022
 - Less favorable metal prices
 - Spending on innovation and growth
- Adjusted **EBITDA margin at 25.1%** in line with **2030 RISE** ambition
- Strong balance sheet with **leverage ratio of 1.30x LTM adj EBITDA**

Catalysis – Outstanding performance

- Adjusted EBITDA of € 227 million
- Focus on operational efficiencies and market share gains

E&ST – On track for growth trajectory

- Adjusted EBITDA of € 132 million
- Securing contracts for RBM volume ramp up

Recycling – Robust performance in a volatile context

- Adjusted EBITDA of € 204 million
- Countering lower PGM price environment and cost inflation

Highlights H1 2023

Continued progress in the execution of the 2030 RISE strategy

Growth

- **Securing growth for RBM**
 - Continued traction on value creative contracts
 - Significant volume ramp-up from 2024 confirmed
- **Securing cash flows**
 - Catalysis & Recycling demonstrate robust performance, operational excellence and ability to generate solid cash flows

Technology

- Inauguration of one of the world's largest and most advanced **solid-state battery** material prototyping facilities in Olen, Belgium
- Active customer engagements on **HLM** increased to **12 projects in advanced sampling phase**

Governance

- **RBM** structured and reported as individual **business group** to support the significant business growth ahead
- Additional **transparency** and insights into **RBM's performance**
- **Investment** and **Sustainability Committees** introduced at Supervisory Board level
- **Management Board** completed by **Technology** and **People & Organization** positions

Governance structure aligned with 2030 RISE



Mathias Miedreich
Chief Executive Officer



Wannes Peferoen

Chief Financial Officer



Frank Daufenbach

Chief Strategy Officer



Géraldine Nolens

Executive Vice-President
ESG and General
Counsel



Ralph Kiessling

Executive Vice-President
Energy & Surface
Technologies



Bart Sap

Executive Vice-President
Catalysis



Veerle Slenders

Executive Vice-President
Recycling

Governance structure aligned with 2030 RISE



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Executive Vice-President
ESG and General
Counsel



Increased People & Technology focus

<i>New member</i>	<i>New member</i>
<p>Ana Fonseca Nordang</p> <p>Executive Vice-President People & Organization (As from September 1st)</p>	<p>Geert Olbrechts</p> <p>Executive Vice-President Chief Technology Officer (As from August 1st)</p>



Ralph Kiessling

Executive Vice-President
Energy & Surface
Technologies



Bart Sap

Executive Vice-President
Catalysis



Veerle Slenders

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Governance structure aligned with 2030 RISE



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Chief Strategy Officer



Géraldine Nolens

Executive Vice-President
ESG and General
Counsel



New member
Ana Fonseca Nordang
Executive Vice-President People & Organization (As from September 1 st)



New member
Geert Olbrechts
Executive Vice-President Chief Technology Officer (As from August 1 st)



New scope
Ralph Kiessling
Executive Vice-President Energy & Surface Technologies



Bart Sap

Executive Vice-President
Catalysis



Veerle Slenders

Executive Vice-President
Recycling

From 3 to 4 business groups to increase impact and transparency

**Cobalt & Specialty
Materials**
Electro Optic Materials
**Metal Deposition
Solutions**
Corporate R&D

**Rechargeable
Battery Materials**



Business review | 2

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Catalysis

*Another outstanding performance
over H1 2023*

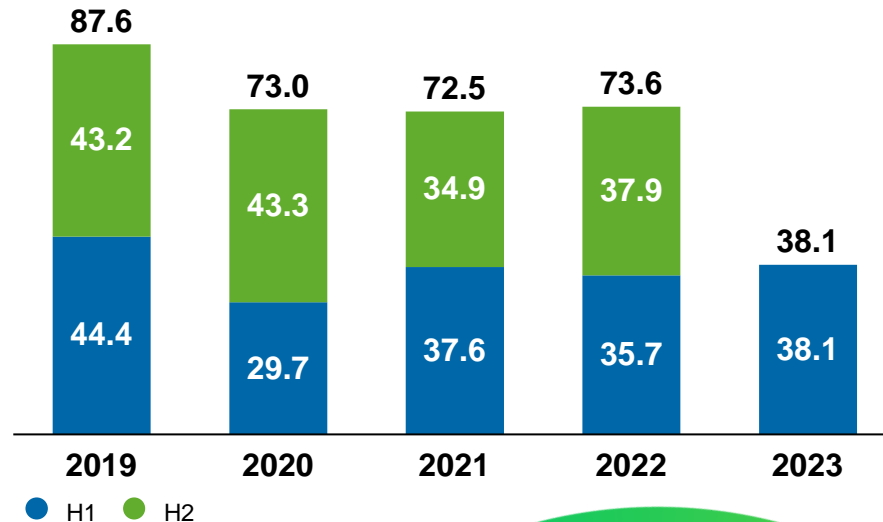
Colleague working with robot at Umicore Catalysis Production Plant



Catalysis H1 2023 | Market context

Upward trend in global ICE car production

Annual global ICE passenger car production
(millions)



- Global increase of **+6.6%** in **ICE** car production vs **H1 2022**

- Gasoline** car production well up in
 - Europe +8.9%
 - North-America +8.3%
 - South-America +11.5%
 - India +6.7%
 - China remained flat, still impacted by delayed effect of last year's COVID 19- related lockdown

- Global increase of **+20%** in **HDV** production vs **H1 2022** led by Chinese and European markets



Catalysis H1 2023

Revenues up 5%, Adj. EBITDA margin at 24.0%

→ Outstanding performance, margins further increased

Automotive Catalysts

- LDV: volume performance in line with market growth
- HDD: volumes and revenues well up reflecting solid performance in EU and gradual recovery in China
- Higher volumes and increased operational efficiencies overcompensating cost inflation

Precious Metals Chemistry

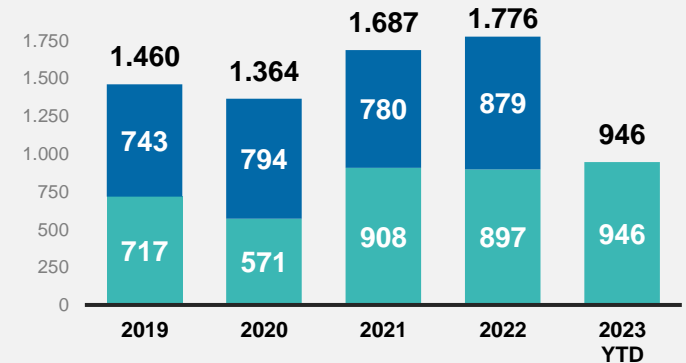
- Performance in line with H1 2022
- Earnings impacted by decreasing PGM prices mitigated to an extent by strategic hedges

Fuel Cell & Stationary Catalysts

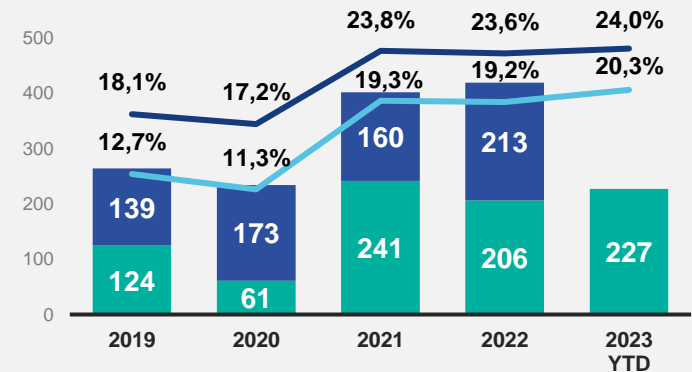
- Revenues well up vs H1 2022, driven by strong demand for stationary catalysts
- Volumes of catalysts for green PEM electrolysis well up in the mix, with FC catalysts reflecting cyclicality



Revenues (€ m)



Adjusted EBITDA (€ m) & EBIT(DA) margin



● H1 ● H2 ● EBITDA margin ● EBIT margin

E&ST

*On track preparing for
growth and executing
2030 RISE*

Colleague working on the next generation
of CAM in Umicore Process Competence
Center, in Olen



E&ST H1 2023

Revenues -7%, Adj. EBITDA margin at 22.6%

→ RBM on track for growth

Rechargeable Battery Materials

- Revenues¹ and earnings in line with H1 2022, including remaining favorable transactional exposure to Li price
- Good progress in both securing volumes and preparing for 2024 ramp-up volume growth

Cobalt & Specialty Materials

- As anticipated, revenues and earnings normalized vs exceptional H1 2022

Metal Deposition Solution

- Revenues slightly decreased yoy reflecting slowdown in demand from the electronics industry

Electro-Optic Materials

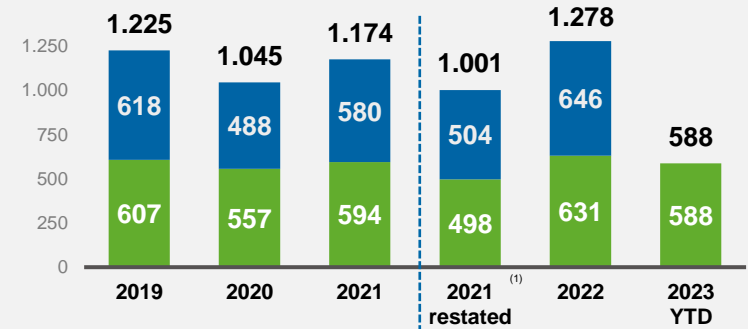
- Revenues up vs H1 2022 reflecting good customer traction in EU for infrared solution and high demand for high-purity chemicals

=

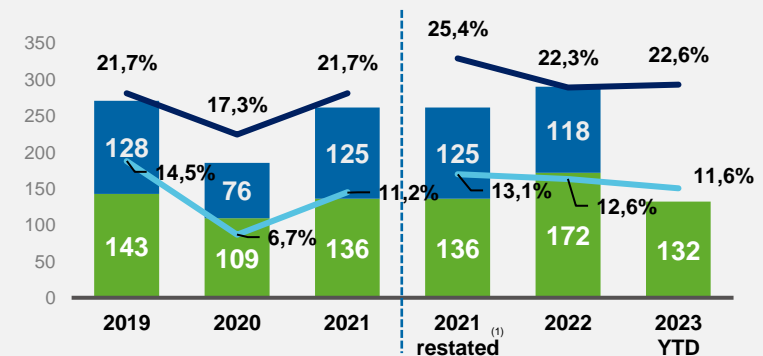
⁽¹⁾ Li and Mn pass through excluded from revenues as of 2021



Revenues (€ m)



Adjusted EBITDA (€ m) & EBIT(DA) margin



● H2 ● EBITDA margin
● H1 ● EBIT margin

Recycling

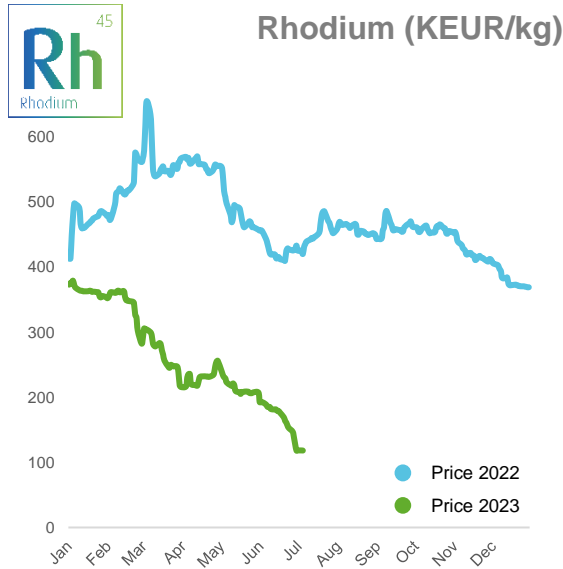
*Continued robust performance
in demanding environment*

Hoboken, main central
building

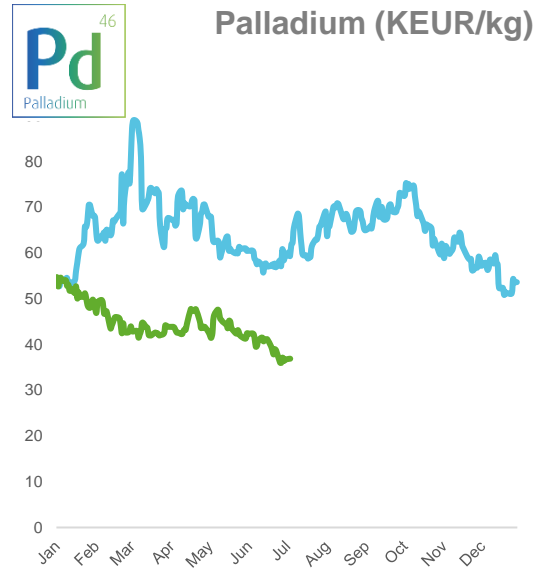


Recycling H1 2023 | Market context

Volatile precious metal prices



Av. H1 2022 505 K€/kg
Av. H1 2023 267 K€/kg



Av. H1 2022 65.1 K€/kg
Av. H1 2023 44.8 K€/kg





Recycling H1 2023 | Performance

Stable revenues, adj. EBITDA margin at 38.1%



→ **Robust performance, despite lower PGM prices and cost inflation**

Precious Metals Refining

- Revenues somewhat below H1 2022, impacted by lower average PGM metal prices
- Less supportive input-mix with lower availability of complex PGM recyclables; focus on most complex and valuable streams
- Comprehensive Operations Excellence program was launched early 2023

Battery Recycling Solutions

- Growth preparations on track, following strong market traction
- Regulatory momentum with adoption of EU Battery Regulation

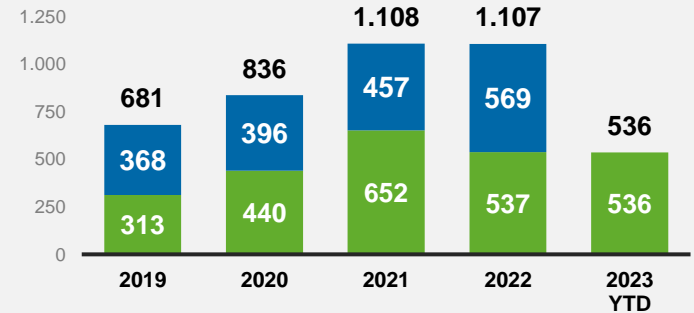
Jewelry & Industrial Metals

- Revenues somewhat lower, primarily reflecting the impact of lower PGM prices in the refining and recycling activities

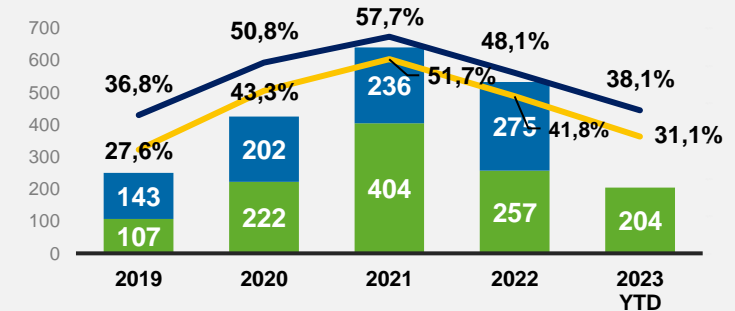
Precious Metals Management

- Earnings substantially up, benefiting from favorable trading conditions in a context of highly volatile precious metals prices

Revenues (€ m)



Adjusted EBITDA (€ m) & EBIT(DA) margin



● H2 ● EBITDA margin
● H1 ● EBIT margin



Financial review | 3

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Key figures H1 2023

Strong margins in a volatile market environment

Revenues
€ 2.1 bn

Adj. EBITDA
€ 519 m

ROCE
15.2%

Adj. Net profit,
Group share
€ 233 m

Adj. EBITDA
margin
25.1%

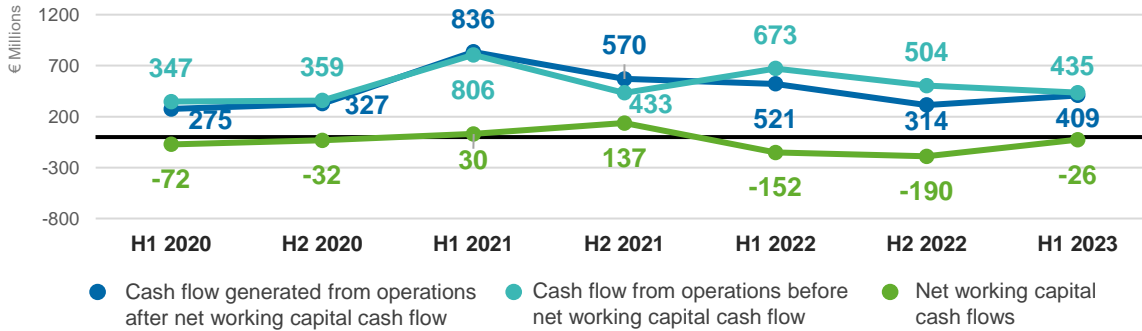
Free operating
cash flow
€ 60 m

Revenue:
all revenue elements less the value of the following purchased metals:
Au, Ag, Pt, Pd, Rh, Co, Ni, Pb, Cu, Ge, Li and Mn

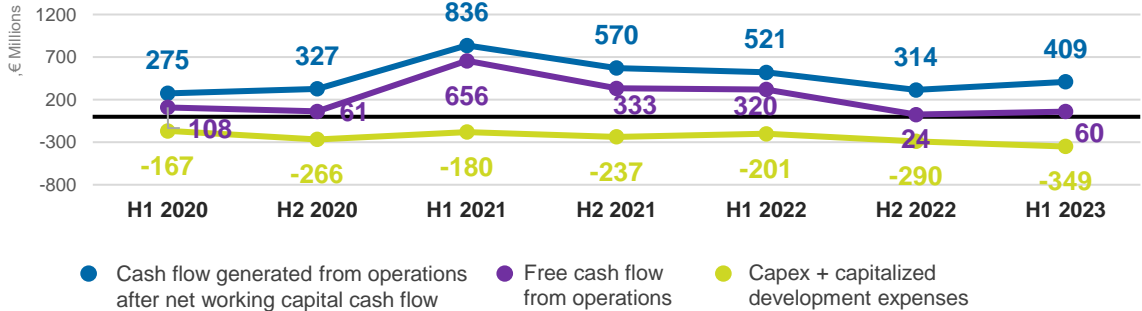
Free operating cash flow remains solid

Supporting future growth

Operating cash flow breakdown



Free cash flow breakdown



Cash flow from operations after changes in working capital at € 409 million

Free cash flow from operations of € 60 million

- Capex and capitalized development expenses up yoy to € 349 million
- E&ST continues to account for more than 2/3rd of Group capex, driven by RBMs European expansion plan

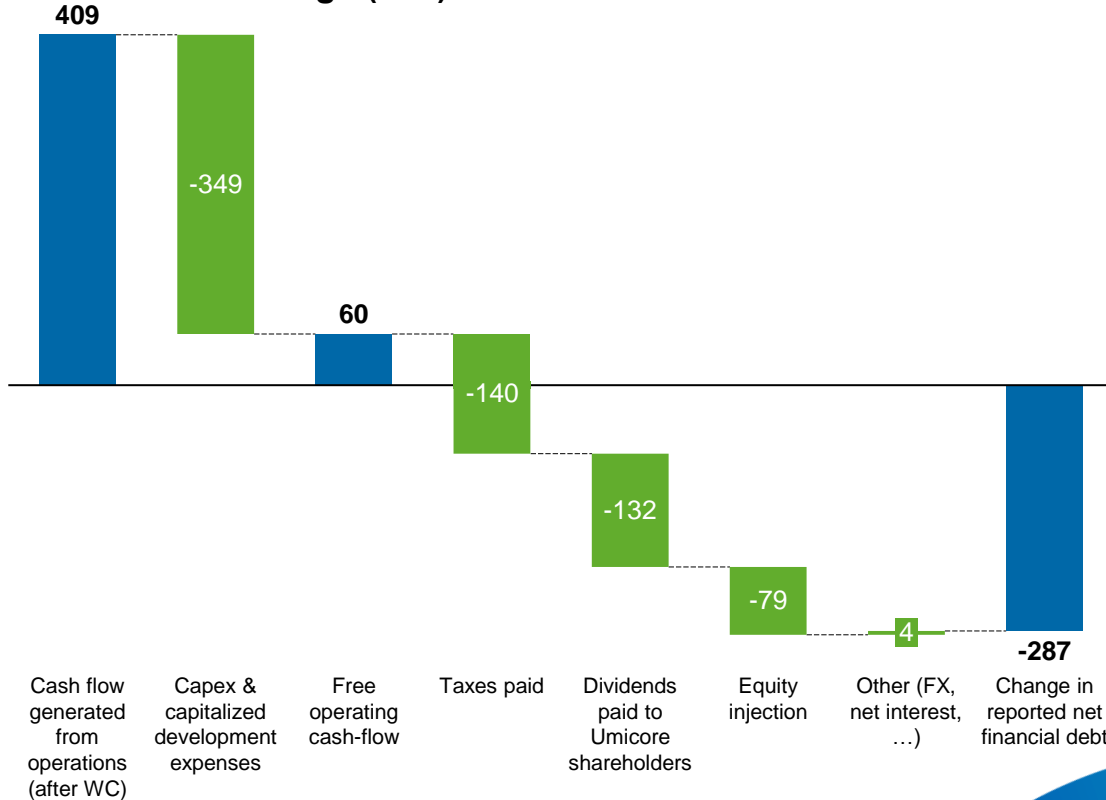
Strict Capex discipline for expansion programs in place, including governance and secured long term value creating agreements

= Free cash flow from operations = cash flow generated from operations – capex & capitalized development expenses

Net financial debt versus end 2022

Leverage ratio of 1.30x LTM adj EBITDA

Net cash flow bridge (€ m)



- Net financial debt of € 1.4 bn (€ +0.3 bn vs Dec. 2022)
- Leverage ratio of 1.30x LTM adj EBITDA
- Funded a combined € 351 million cash outflow related to taxes, dividends & equity injection



2023 outlook | 4

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Guidance for full year 2023



CATALYSIS

Expected to continue to benefit from its strong market position in gasoline catalyst applications and a further gradual recovery of the Chinese heavy-duty diesel market.

In this context, **adjusted EBITDA in 2023 is expected to be somewhat above the levels of 2022**. Revenues and earnings in the second half of the year are however anticipated to reflect the lower PGM price environment versus the first half across the business units.



E&S

Rechargeable Battery Materials' 2023 adj. EBITDA anticipated to be above the level of previous year.

Considering the normalized performance of Cobalt & Specialty Materials in 2023 compared to the exceptional profitability in 2022, **adjusted EBITDA of the business group in 2023 is anticipated to be somewhat below the level of 2022**.



RECYCLING

Performance of the business group expected to reflect the decline in PGM prices and a related, less supportive supply environment for PGM-rich recyclables

Assuming current metal prices were to prevail and considering the current outstanding strategic metal hedges, it is expected that the **2023 adjusted EBITDA of the business group will be below the level of 2022, however, still well above historical pre-2020 levels**.

Revenues and earnings in the second half of the year are also anticipated to be below the level of the first half, reflecting the further recent decline of PGM prices.

Based on the solid performance in the first half of the year and assuming precious metal prices remain at current levels for the remainder of the year and all else equal,

Umicore expects its adjusted EBITDA for the full year 2023 to be in the range of € 960 million to € 1,020 million



Wrap-up | 5

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Wrap-up





Q&A | 6

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Thank you!

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Appendices

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Glossary

Adjusted EBIT	EBIT - EBIT adjustments including total other income, income taxes, depreciation and amortization, and excluding non-recurring, irregular and one-time items
Adjusted EBIT margin	Adjusted EBIT of fully consolidated companies / revenues excluding metals
Adjusted EBITDA	Adjusted EBIT + adjusted depreciation and amortization of fully consolidated companies
Adjusted items	<p>Adjusted items are the items that are considered by management not to relate to items in the ordinary course of activities of the Group. They are presented separately as they are important for the understanding of users of the consolidated financial statements of the performance of the Umicore Group.</p> <p>Adjusted items relate to:</p> <ul style="list-style-type: none">• Restructuring measures,• Impairment of assets, and other income or expenses arising from events or transactions that are clearly distinct from the ordinary activities of the company,• Sale of business activities or environmental provisions related to historic pollution and environmental remediation of closed sites
Average capital employed	For half years: average of capital employed at start and end of the period; For full year: average of the half year averages
Average number of shares outstanding	<ul style="list-style-type: none">• Basic: average number of outstanding shares• Diluted: average number of outstanding shares + number of potential new shares to be issued under the existing stock option plans x dilution impact of the stock option plans
Closed loop	For Umicore a “closed loop” involves taking back secondary materials from customers (e.g. production residues) or End-of-Life materials (e.g. used mobile phones, automotive catalysts). The recovered metals are then fed back into the economic cycle
Effective adjusted tax rate	Adjusted tax charge / adjusted profit (loss) before income tax of fully consolidated companies
Return on capital employed (ROCE)	Adjusted EBIT / average capital employed
Revenues (excl. Metals)	All revenue elements less the value of the following purchased metals: Au, Ag, Pt, Pd, Rh, Co, Ni, Pb, Cu, Ge and also incl. Li, Mn as of 2021. In order to neutralize distortions from fluctuating metal prices and precious metal prices in particular, Umicore uses revenues excluding the value of purchased metals rather than turnover (which include the value of the purchased metals) to track its performance. This is an industry practice followed by direct peers with similar activities.

Financial calendar

18 August 2023

Ex-interim dividend trading date

21 August 2023

Record date for the interim dividend

22 August 2023

Payment date for the interim dividend

16 February 2024

Full-year results 2023

