

Umicore set for outstanding performance in 2021

Umicore is off to a very strong start this year driven by soaring precious metal prices, in particular rhodium and to a lesser extent palladium, strong demand across businesses and robust operations.

In early February Umicore indicated that it expected to achieve substantial growth in earnings in 2021, with all business groups contributing to the growth. Based on the performance to date and current demand visibility, and assuming precious metal prices remain around the levels seen in the first quarter of the year, Umicore expects adjusted EBIT for 2021 to approach € 1 billion, well above current market consensus. Taking into account seasonality effects in various businesses and the planned Hoboken maintenance shutdown in the fall, adjusted EBIT is currently expected to be higher in the first half of the year than in the second half. The guidance also assumes no degradation in demand patterns in the automotive industry or, more generally, in the macro-economic environment, due for instance to the evolution of the pandemic.

Compared to 2020, this full year outlook incorporates on a like-for-like basis an exceptional additional contribution of roughly € 250 million linked to higher precious metal prices.

Recycling is expected to be the main beneficiary from the aforementioned metal pricing benefit, resulting in exceptional earnings well above prior year¹ with strong growth across business units and regions. Umicore's ability to process growing volumes of complex PGM rich materials enables to take full advantage of current exceptional market conditions.

Catalysis is expected to more than double adjusted EBIT compared to 2020² on the back of sustained market outperformance through share gains in the Chinese and European light-duty gasoline markets, a very favorable platform mix and the continued increase of gasoline engines at the expense of diesel engines within the mix in Europe. The business group continues to benefit from growing demand in Precious Metals Chemistry and Fuel Cell & Stationary Catalysts as well as high PGM prices.

Energy & Surface Technologies currently expects a slightly higher full year adjusted EBIT compared to the outlook provided in February³. In Rechargeable Battery Materials, volume growth is materializing as anticipated with particularly strong traction in Europe, resulting in a more favorable mix. Demand in the other units of the business group is also stronger than anticipated.

Corporate costs are foreseen to increase to approximately € 70 million reflecting a step-up in research activities related to the technology roadmap and digitalization initiatives, as previously announced.

The strong price increase in precious metals, PGMs in particular, is resulting in increased working capital requirements for the Group, especially in Catalysis, thereby impacting free cash flows.

¹ Recycling adjusted EBIT stood at € 362 million in 2020.

² Catalysis adjusted EBIT stood at € 154 million in 2020.

³ Umicore announced on February 11, 2021 that it expected adjusted EBIT for Energy & Surface Technologies to grow meaningfully in 2021, in line with current market expectations which stood back then at € 115 million, and up from € 75 million in 2020.

Marc Grynberg, CEO of Umicore, and Filip Platteeuw, CFO, will hold a conference call at 10:00 am CEST today, on 22 April 2021. Please visit: http://umicore.com/2021_outlook

For more information

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Financial calendar

29 April 2021	First quarter 2021 business update
29 April 2021	Annual General Meeting
3 May 2021	Ex-dividend trading date
4 May 2021	Record date for the dividend
5 May 2021	Payment date for the dividend
30 July 2021	Half year results 2021

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 organized 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 revenues (excluding metal) of € 3.2 billion (turnover of € 20.7 billion) in 2020 and currently employs 10,800 people.