

Umicore off to a very strong start in 2021 and maintaining strategic course of action

As communicated on 22 April, Umicore is off to a very strong start this year, as it benefits from soaring precious metal prices, strong demand across businesses, and robust operations.

In **Catalysis**, Umicore substantially outperformed the global car market in the first quarter, both in volumes and revenues driven by further market share gains, particularly in the Chinese and European light-duty gasoline markets, a favorable platform mix and the continued shift away from diesel within the engine mix in Europe. Revenues and volumes in heavy-duty diesel applications also continued to outgrow the market on the back of strong demand for Umicore's China V catalyst technologies. Growth in the business units Precious Metals Chemistry and Fuel Cell & Stationary Catalysts, higher PGM prices and the impact of footprint optimization and cost improvements carried out in 2020, further contributed to the strong performance in the first quarter.

In **Energy & Surface Technologies**, Umicore's sales volumes of cathode materials showed strong growth, supported primarily by strong demand in Europe, which benefited Umicore's sales mix. In China, where the EV market is showing first signs of recovery, Umicore's volumes started to pick up. However, there continues to be overcapacity in the cathode materials industry in China which results, as expected, in pricing pressure. Demand in Cobalt & Specialty Materials also increased, benefiting from the recovery of the economy while Metal Deposition Solutions saw very strong demand from the electronics industry.

In **Recycling**, first quarter performance was significantly ahead of last year, boosted by soaring precious metal prices, in particular rhodium, as well as volume growth and robust operations across business units and regions. Precious Metals Refining continued to take advantage of its enhanced capacity and capability to treat highly complex PGM-containing materials. The performance in Jewelry & Industrial Metals was also very strong due to sustained high demand for investment products and gold recycling services while high precious metal price levels and volatility led to an outstanding earnings contribution from Precious Metals Management.

Umicore set for an outstanding performance in 2021

Based on the strong 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. Taking into account seasonality effects in various businesses and the planned maintenance shutdown in Hoboken 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 of this metal pricing benefit resulting in exceptional earnings well above prior year.¹ Catalysis is expected to more than double adjusted EBIT compared to 2020² and Energy & Surface Technologies currently expects meaningful earnings growth year-on-year to slightly exceed the February 2021 guidance.³

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.

Accelerated health and safety investments in the Hoboken plant

As part of its multi-year investment program of some € 25 million per annum to continuously improve the environmental and safety performance of the Hoboken recycling plant, various additional actions have been initiated to further reduce diffuse emissions, such as the construction of new and fully covered storage areas for raw materials and the introduction of smart logistics based on real time wind measurements to reduce the risk of dust formation during raw materials handling.

In addition to the above measures, Umicore is creating a green zone on its own site and adjacent to the plant to increase the distance between the residential area and its operations. For the green zone adjacent to the plant, Umicore is in discussions with residents to buy on a voluntary basis the houses which are located closest to the plant. This has resulted in the agreed purchase of close to 100 houses so far. Umicore booked a provision of € 50 million at the end of last year for the creation of the green zone.

Umicore fosters an open dialogue with all its stakeholders to keep them fully informed of its activities, its initiatives and the plant's environmental results. Umicore is committed to ensuring that the local community and its operations can co-exist sustainably.

Maintaining strategic course of action

Continued investments in cathode material capacity in Nysa, Poland

Umicore will be commissioning its industrial-scale cathode materials production plant in Nysa around mid-year, with initial commercial production volumes expected around year-end. The Nysa site will run entirely on renewable energy and be able to produce all grades of NMC, including HLM, through its flexible and highly efficient production set-up.

As a next step, Umicore will add production lines in Nysa which will come on stream in 2023 in order to cater for the increasing demand in Europe from existing and new customers. The majority of this incremental capacity is backed by awarded business with the remainder in ongoing qualification. The capital expenditures for these additional lines will largely come from the € 660 million investment envelope which was announced in 2018 and not yet fully utilized due to Umicore's decision in 2019 to postpone certain investments in China following the market slowdown in that region.

Attractive growth opportunities in catalysts to support the green hydrogen economy

Hydrogen is enjoying unprecedented momentum with an increasing number of governments taking ambitious actions to promote this as a clean, secure and affordable source of energy. In particular, demand for hydrogen based fuel cell drive trains for heavy-duty and long-range light-duty applications is increasing rapidly and Umicore is well positioned to benefit from this attractive near-term growth opportunity. Umicore's more than

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.

thirty years of accumulated expertise in fuel cell catalysts technology, its early qualification for transport applications with more than 10 car and truck OEMs, stack manufacturers, MEA producers and system integrators, its extensive IP portfolio and ability to scale up, make it a leader in this rapidly growing market segment.

Umicore also has ongoing R&D investments, open innovation programs and joint development programs to prepare for longer-term opportunities offered by the hydrogen economy such as the recently announced R&D-collaboration with Anglo American Platinum around a new catalyst technology for LOHC applications aimed at simplifying hydrogen storage and use in fuel cells electric vehicles.

Leading the way towards a sustainable future

Umicore has developed highly ambitious sustainability objectives for the coming years and will present its new sustainability roadmap to the market on June 2.

[Save the date for Umicore's Sustainability event on June 2 at 14:00 CEST](#)

Marc Grynberg, CEO of Umicore commented: *“Our ability to maintain the strategic course of action and to serve our customers with diligence during the pandemic is being rewarded by outstanding results this year. In addition, the structural trends that support Umicore’s strategy in clean mobility materials and recycling are stronger than ever and we will continue to hone our technological capabilities and market position to keep growing successfully. Our success will also depend on our ability to push the boundaries in terms of sustainability and I look forward to sharing with you on June 2 our new ambitions in this respect. Finally, I would like to thank all Umicore employees for adjusting with agility and creativity to new ways of working during this pandemic and their enduring commitment and support.”*

Marc Grynberg, CEO of Umicore, and Filip Platteeuw, CFO, will hold a conference call at 10:00 am CEST today, on 29 April 2021. Please visit: http://umicore.com/Q1_2021_Business_Update

For more information

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Financial calendar

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
2 June 2021	ESG strategy
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.