



Full-year results 2023

16 February 2024



umicore
materials for a better life

Speakers



**Mathias
Miedreich**

Chief Executive Officer



**Wannes
Peferoen**

Chief Financial Officer



Agenda

- 01** Highlights
- 02** Business review
- 03** Financial review
- 04** Outlook 2024
- 05** Wrap-up
- 06** Q&A



Highlights | 1

FULL-YEAR
RESULTS 2023

Strong cash flows and margins in a tough year

Revenues

€ 3.9 bn

Free operating
cash flow

€ 332 mn

Adj. EBITDA

€ 972 mn

Adj. EBITDA
margin

25.0%

ROCE

13.5%

Leverage ratio

1.30x

- ✓ Resilient performance with > € 200 mn PGM price and inflation headwinds
- ✓ While significantly stepping up investments for future growth

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

Financial discipline, accelerating efficiencies and additional strategic metal hedging

- ✓ Counteracting market headwinds and delivering on 2030 RISE
- ✓ Efficiency for Growth to support
 - ✓ Cost optimization
 - ✓ Top-line growth
 - ✓ Working capital improvement

Target EBITDA impact of

€ 70 mn
in 2024

> € 100 mn
run-rate as from 2025

- ✓ Reduced capital expenditures
- ✓ Reduction of funding needs

- ✓ Additional strategic metal hedging to
 - ✓ Reduce volatility
 - ✓ Protect future earnings

Organizational & reporting structure aligned with 2030 RISE



From 3 Business Groups to 4
based on important synergies and common characteristics while bringing increased focus



Business review | 2

FULL-YEAR
RESULTS 2023



E&ST

Reshaping to
Battery Materials 2.0 and
setting the base for 2024
ramp-up

Colleague working in
Umicore Battery Materials R&D Center.
Cheonan, Korea

E&ST 2023 | Rechargeable Battery Materials



Significant milestones reached with focus on 2024 ramp-up



IONWAY's first CAM factory to be built in Nysa, PL



Start of construction of Canadian plant to serve North American market

From strategic plan to execution with global footprint in place

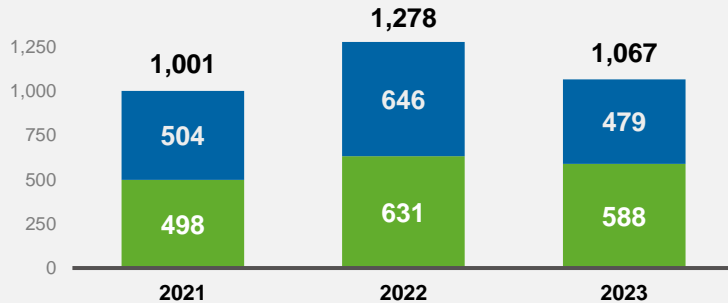
- ✓ **Refined CAPEX plan** towards 2030
- ✓ **c. € 1 bn of non-refundable grants** for capacity expansions in NA and EU
- ✓ **IONWAY's** first CAM production plant to be built in Nysa, PL
- ✓ **Complete technology portfolio and roadmap**, covering all segments of EV market
- ✓ Customer and platform diversification with **high-quality and derisked LT contracts**
- ✓ **CAM order book at 190 GWh in 2027** and at **270 GWh in 2030**
- ✓ **Unique business model**, largely protected from key market volatility risks



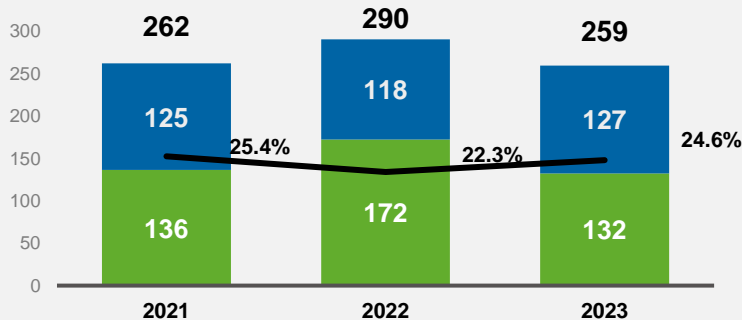
E&ST 2023 | Performance

Reshaping Battery Materials ahead of ramp-up

E&ST Revenues (€ mn)



E&ST adj. EBITDA (€ mn) & EBITDA margin



● H2 ● H1 ● EBITDA margin

Rechargeable Battery Materials

- **Revenues** down vs 2022
 - Lower non-recurring Li effect
 - Lower CAM revenues from legacy contracts
 - Revenues from upstream refining activities up YoY
- **Earnings** slightly above 2022
 - Supported by substantial one-off related to lower costs from mass production test runs and valorization of battery production scraps

Raw materials sourcing



Refining & Leaching



Refining make-or-buy flexibility allowing upstream supply chain optimization based on market conditions

Upstream expertise in sustainable and low CO₂ metal sourcing and transformation

E&ST 2023 | Performance

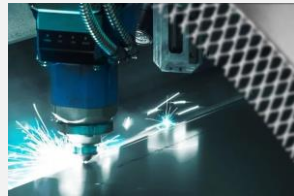
Future Specialty Materials, focusing on growing need for advanced materials

Markets

- Tool materials
- Industrial catalysts
- Superalloys & Hard Metals
- Pigments & paints



- Electronics
- Semiconductors
- Optics
- Jewellery Industry



- Optics
- Telecom
- Space Power



Cobalt & Specialty Materials

- **Revenues** below record 2022 level
 - Slowdown in demand across activities
 - Substantially declining Co and Ni prices
- **Earnings** further reflected lower revenues and competitive market context, adversely affecting distribution margins

Metal Deposition Solution

- **Revenues** stable vs 2022
 - Successful introduction of new electrolytes for portable electronics and solid demand in decorative applications, offset by challenging market context affecting thin-film productions

Electro-Optic Materials

- **Revenues** increased substantially YoY
 - High demand for space power applications and increased revenues from infrared solutions

Catalysis

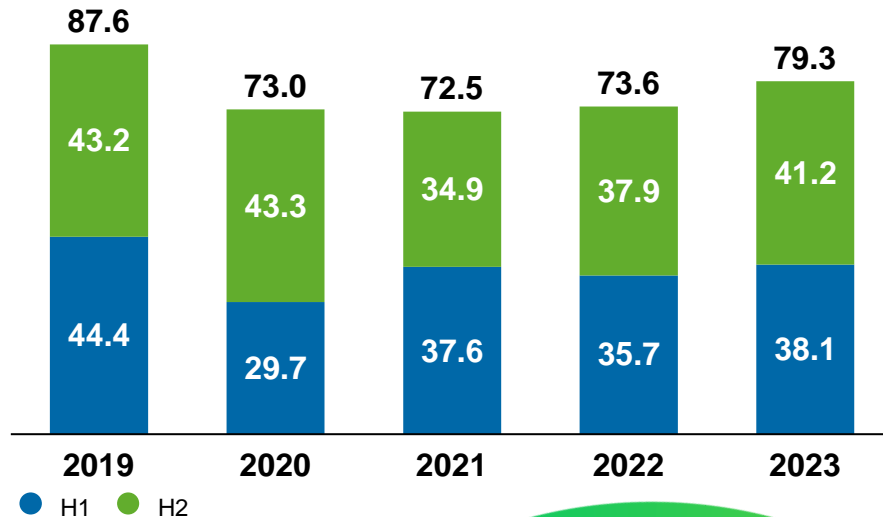
Record results for
third consecutive year

Colleague working at
Umicore Catalysis Production Plant
in Nowa Ruda, Poland

Catalysis 2023 | Market context

Global annual increase of +7.8% in ICE car production

Annual global ICE passenger car production
(millions)



- **LDG** production well up in
 - Europe +11.6%
 - China +5.6%
 - America +5.3%

- Global annual increase of +23% in **HDV** production led by Chinese and European markets

=

Source: IHS & Umicore

ICE Internal Combustion Engine
LDG Light-Duty Gasoline
HDV Heavy-Duty Vehicles

Catalysis 2023 | Performance

Strong market position unlocking substantial free cash flows and margins

Automotive Catalysts

- Higher revenues reflecting strong performance in EU and other regions
- Solid increase in margins supported by accelerated efforts on efficiency gains
- Strict working capital management resulting in strong free cash flows, in line with plan

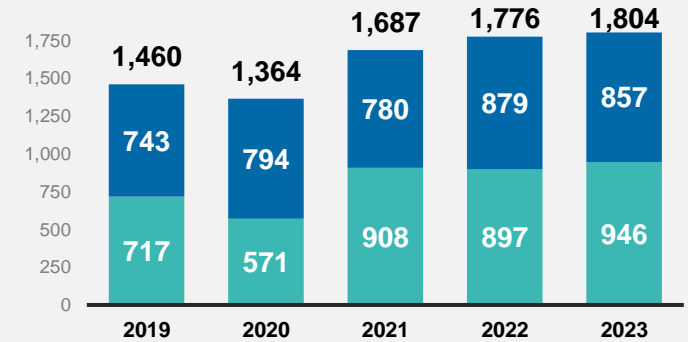
Precious Metals Chemistry

- Reduced activity in construction sector and lower demand in life science applications in H2

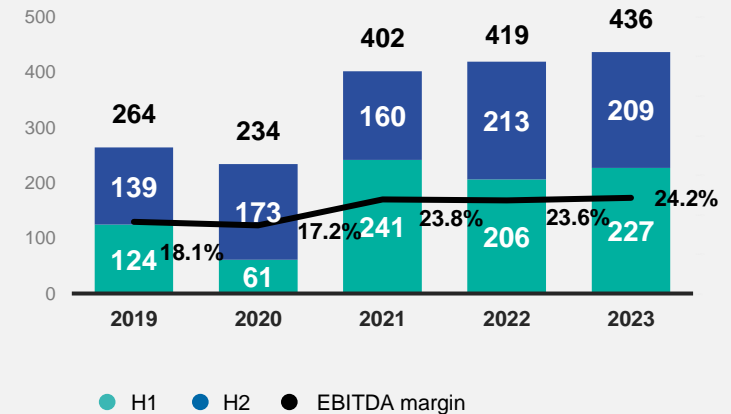
Fuel Cell & Stationary Catalysts

- Revenues well up, driven by continued strong demand for stationary catalysts and growing demand for green electrolysis PEM catalysts
- Greenfield mass production PEM FC and electrolysis plant started construction with strong customer pipeline

Revenues (€ mn)



Adj. EBITDA (€ mn) & EBITDA margin



Automotive Catalysts 2023

Fully on track capturing peak profitability to maximize value

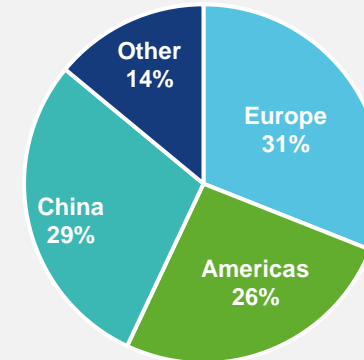
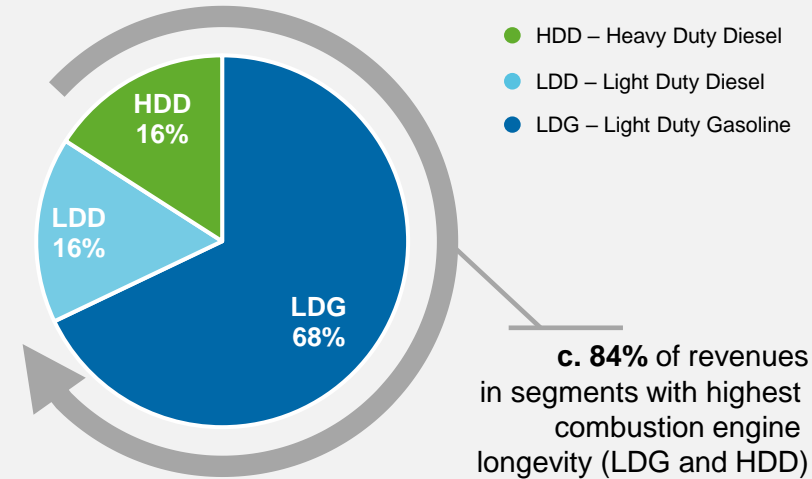
Strong market position

- Leading position in LDG with strong market share gains in Europe and other markets in 2023
- Outperforming global market in 2023

Further strong progress on efficiency improvements

- Highly efficient manufacturing system and production footprint
- Continued focus on efficiencies while adapting operations to market development

2023 Automotive Catalysts revenues per market segment



Revenue split per geography LDG only

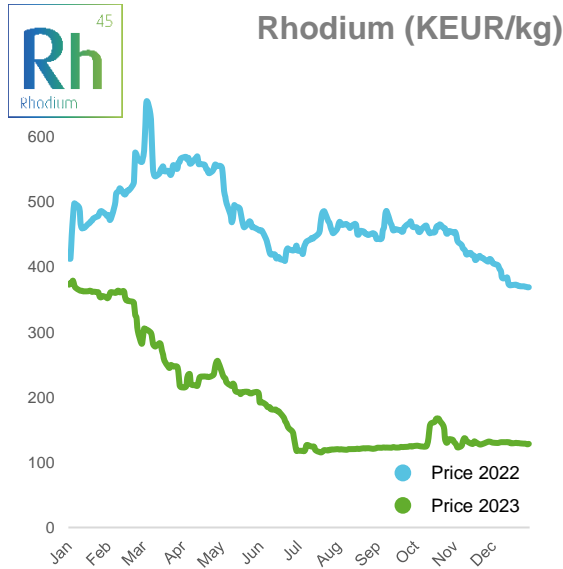
Recycling

Resilient performance,
substantially above pre-2020
levels

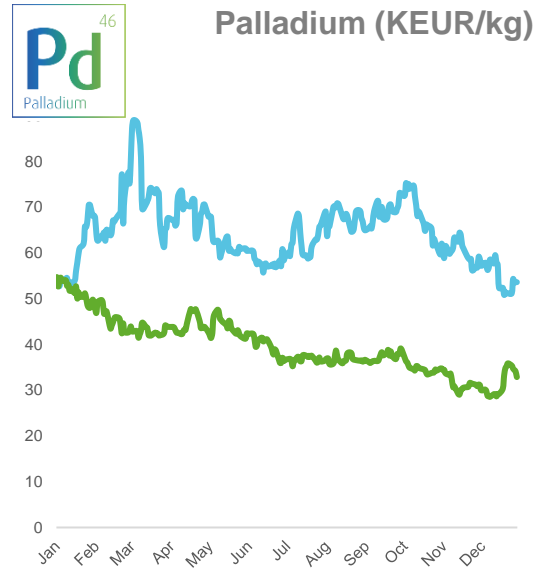
Hoboken, main central
building

Recycling 2023 | Market context

Substantially declining PGM prices



Av. 2022	472 K€/kg
Av. 2023	197 K€/kg
Delta	-58.3%



Av. 2022	64.5 K€/kg
Av. 2023	39.8 K€/kg
Delta	-38.3%



Recycling 2023 | Performance

Resilient performance in 2023, in context of less favorable PGM prices

Precious Metals Refining

- Revenues below 2022, impacted by PGM prices
- Less favorable input-mix due to lower availability of complex PGM-rich recyclables; focus on most complex and valuable streams
- Automation & digitization to further accelerate operational excellence efforts

Battery Recycling Solutions

- Key enabler for sustainable electrification of mobility
- Preparing for exponential increase of battery scraps and EoL batteries to be recycled towards 2030
- Evaluating best location for larger-scale European battery recycling plant

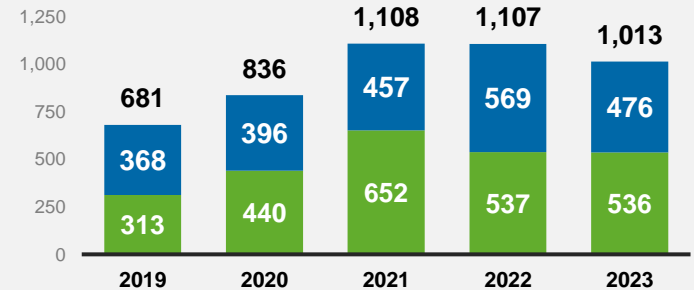
Jewelry & Industrial Metals

- Revenues below strong level of 2022, mainly reflecting impact of lower PGM prices in refining and recycling activities

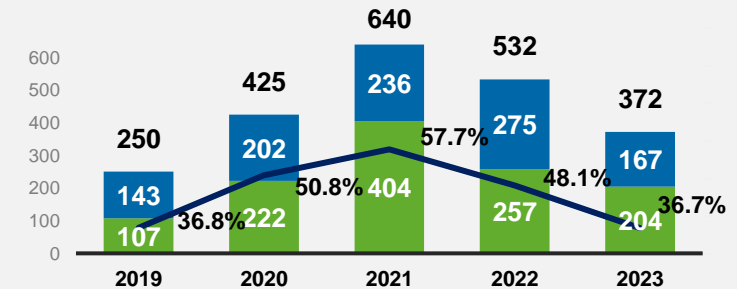
Precious Metals Management

- Significantly higher contribution from favorable trading conditions in context of highly volatile precious metals prices - especially in H1

Revenues (€ mn)



Adj. EBITDA (€ mn) & EBITDA margin



● H2 ● EBITDA margin
● H1



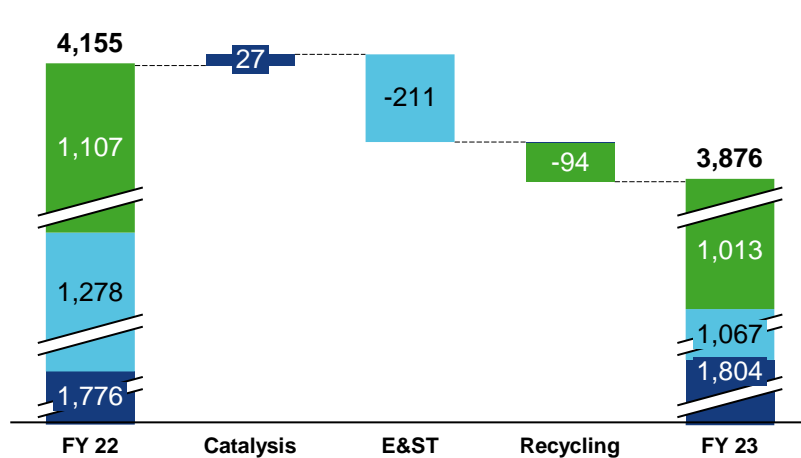
Financial review | 3

FULL-YEAR
RESULTS 2023

Strong adj. EBITDA margins in all segments

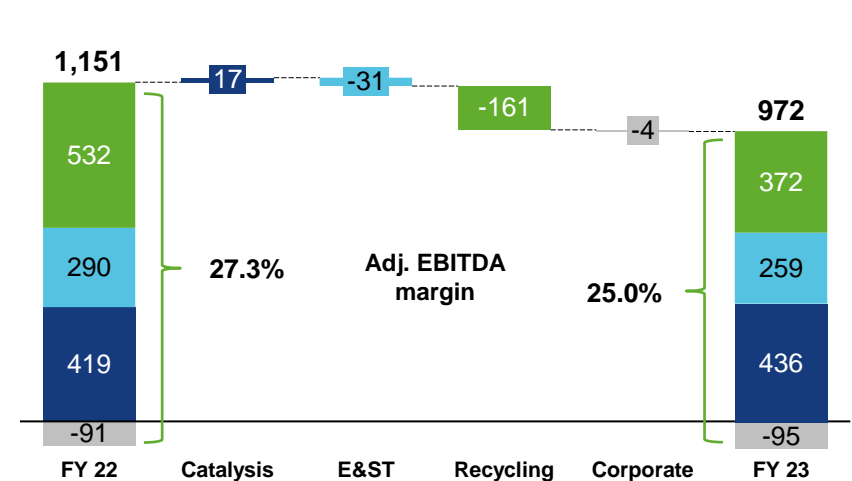
In context of declining PGM prices and further cost inflation

Revenue bridge (€ mn)



Declining PGM prices and reduced non-recurring Li-effect

Adj. EBITDA bridge (€ mn)



PGM price and cost inflation headwinds exceeding € 200 million

Consolidated P&L

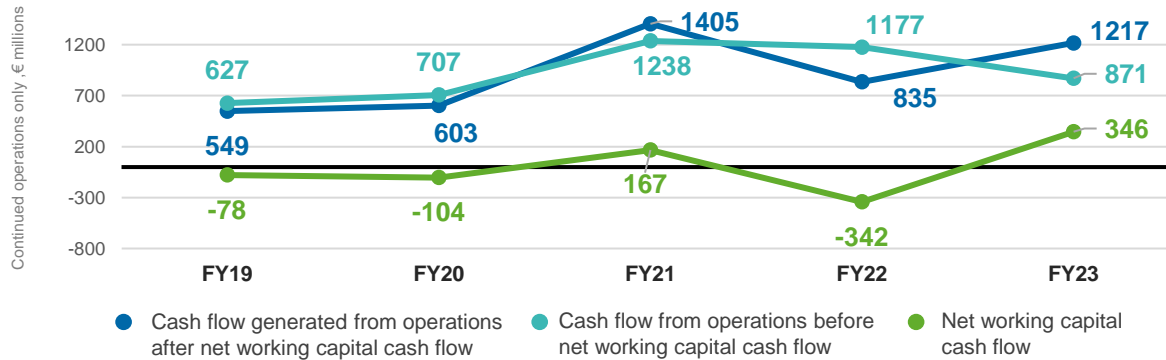
Solid net result

€ million	2022	2023
Adjusted EBITDA	1,151	972
- Depr. & Amortization	(286)	(298)
Adjusted EBIT	865	674
- Adj net finance cost	(125)	(110)
- Adjusted Tax	(145)	(121)
Adjusted net result	595	442
- Minorities	(2)	4
Adjusted net result Group share	593	447
<i>Adjusted EPS</i>	<i>2.47</i>	<i>1.86</i>
Adjustments to EBIT(DA)	(32)	(82)
Adjustments to net result Group share	(23)	(62)
Net result Group share	570	385

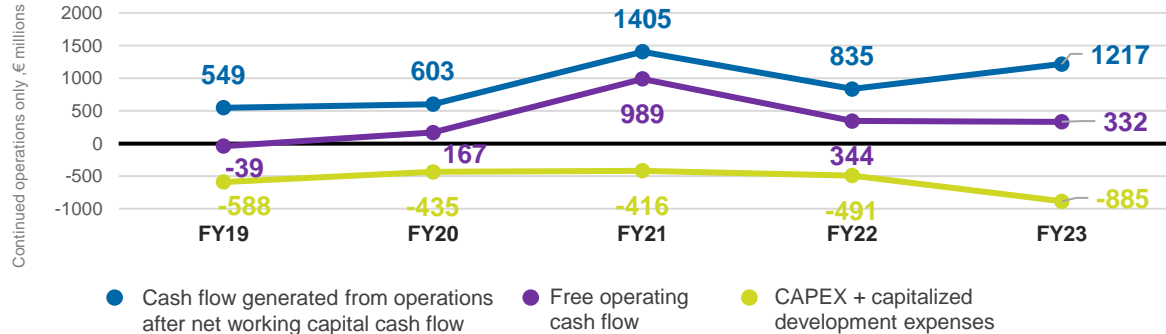
- Slight increase in D&A related to ongoing expansions in Rechargeable Battery Materials
- Decrease in adj. net finance cost, reflecting lower Fx related costs and stable net interest expenses
- Lower adj. tax charges from lower taxable profit against somewhat higher adj. effective Group tax rate (21.6% vs 20.0%)
- Adj. net result attributable to shareholders down to € 447 million, resulting in a € 1.86 adjusted EPS

Strong Free Operating Cash flow Supporting future growth

Operating cash flow breakdown



Free operating cash flow breakdown

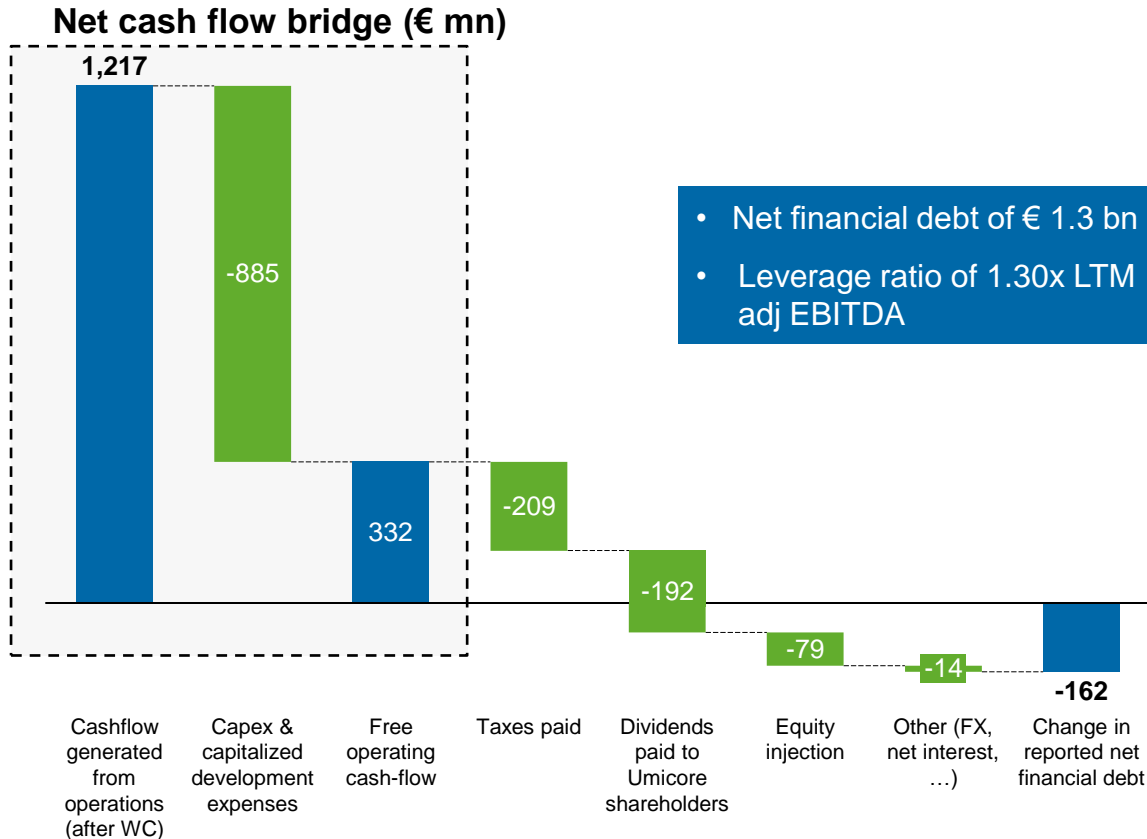


- Group-wide focus on **working capital** improvement, resulting in a **€ 346 million reduction**, in particular in Catalysis
- Cash flow from operations after changes in working capital increased to **€ 1,217 million**
- **Free operating cash flow remains strong at € 332 million**, in particular considering the substantial increase in CAPEX in Battery Materials

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

Limited increase in Net financial debt

Leverage ratio of 1.30x LTM adj EBITDA



Focus on CAPEX discipline, resulting in reduced net capital expenditures and funding needs

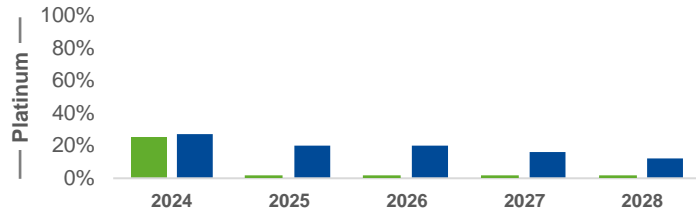
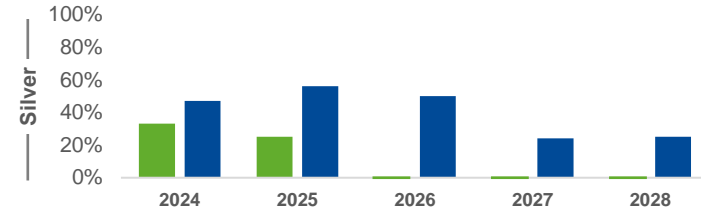
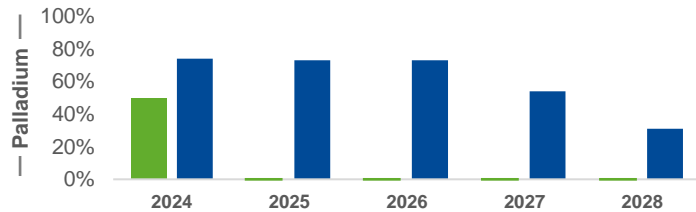
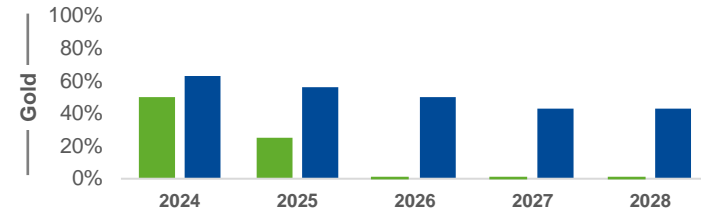
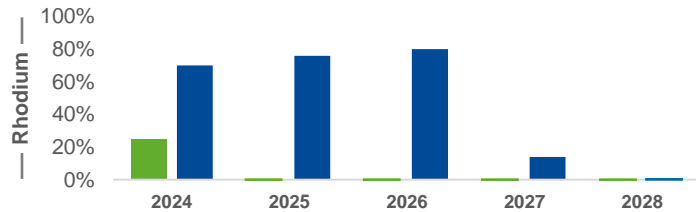
- Disciplined capacity phasing in line with customer contracts and orders
- Improved utilization of existing capacities in APAC allowing different ramp-up profile
- Optimized, more asset light upstream model
- Higher-than-anticipated government grants and subsidies
- JV CAPEX partly funded by non-recourse debt

Net capital expenditures* of € 922 million, taking into account JV equity contribution and capital grants

= Net capital expenditures = capex – government grants and subsidies + equity contribution (e.g. IONWAY).

Hedging of strategic metals exposure

Increase visibility and reduce volatility of future earnings



● Hedged position at 31/12/2022 ● Hedged position at 31/12/2023

- Strengthening our strategic metal hedging approach to reduce volatility, increase visibility of future cash flows and protect future earnings from exposure to specific precious metal prices
- Entered into forward contracts in 2023 to cover a substantial portion of our expected structural price exposure up to 2028



Progress on sustainability roadmap | 4

FULL-YEAR
RESULTS 2023

Industry leader in climate performance

Further key steps in the Group's decarbonization journey

Climate Transition Plan unveiled

- Captures ongoing efforts to reduce GHG emissions across the Group's operations and value chain
- Underlines commitment to climate action, resilience and transparency

Dedicated sustainable sourcing frameworks for **nickel** and **lithium**

Secured additional long-term green PPAs, **key lever for sustainable growth**

41% renewable electricity globally, up from 35% 2021 baseline

European activities powered by **57% renewable electricity** in 2023

5 long-term PPAs for Belgium and Poland



Outlook 2024 | 4

FULL-YEAR
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Outlook 2024 key components



Umicore expects revenue growth in **Battery Materials** with revenues¹ in the range of € 575 million to € 675 million and an adjusted EBITDA margin of around 22%

Revenues and earnings are expected to be weighted in H2 2024, mainly reflecting the ramp-up profile of the new customer contracts



Adjusted EBITDA in **Catalysis** is anticipated to be slightly below the level of the previous record year, close to current market expectations²



Umicore expects that the 2024 adjusted EBITDA for **Recycling** will be below the level of the previous year, still well above the pre-2020 levels and in line with current market expectations³

Solid underlying performance particularly in H2 2024, with a maintenance shutdown of the smelter anticipated to impact volumes in H1



2024 adjusted EBITDA for **Specialty Materials** is expected to be somewhat below the level of the previous year

It is anticipated that **Corporate costs** will be € 15 to € 20 million lower in 2024 versus 2023

Based on the above, Umicore expects Group's adjusted EBITDA for the full year 2024 to be in the range of € 900 million to € 950 million.

For a complete overview of Umicore's 2024 outlook by Business Group, please refer to the appendices and the full-year results 2023 press release

¹ All revenue elements less the value of the following purchased metals: Co, Ni, Li and Mn

² Vara consensus as at Feb. 15th, 2024 of € 423.8 million.

³ Vara consensus as at Feb. 15th, 2024 of € 324.1 million.



Wrap-up | 5

FULL-YEAR
RESULTS 2023

Wrap-up





Q&A | 6

FULL-YEAR
RESULTS 2023

Thank you!

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As a result, neither Umicore nor any other person assumes any responsibility for the accuracy of these forward-looking statements.



Appendices

FULL-YEAR
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2024 full Outlook – Battery Materials



Based on the current market visibility and all else equal, Umicore expects revenue growth in **Battery Materials** with revenues in the range of € 575 million to € 675 million and an adjusted EBITDA margin around 22%. The ramp-up of new customer contracts in Europe and an improved capacity utilization in Asia will result in a significant year-on-year increase in volumes and revenues from cathode active materials (CAM), while the contribution from the upstream refining activities are expected to remain roughly in line with 2023.

Given the absence of the one-off that supported 2023 earnings as well as the impact of costs related to the ongoing ramp-up and capacity expansions in Europe and North America, earnings for the full year are expected to remain roughly in line with the previous year. Excluding this one-off effect, the underlying performance in Battery Materials is expected to increase significantly year on year. Revenues and earnings are expected to be weighted in the second half of 2024, reflecting mainly the ramp-up profile of the new customer contracts.

2024 full Outlook – Catalysis



In 2024, the business unit Automotive Catalysts is expected to continue to benefit from its strong market position. Growth in heavy-duty diesel volumes in China is expected to offset lower volumes in ICE light-duty vehicle applications resulting in continued strong underlying performance. Adjusted EBITDA in **Catalysis** is anticipated to be slightly below the level of the previous record year, close to current market expectations*, in a context of a lower PGM price environment and taking into account the current strategic metal hedges.

* Vara consensus as at Feb. 15th 2024 of € 423.8 million.

2024 full Outlook – Recycling



Precious Metals Refining is expected to post solid underlying performance particularly in the second half of the year, with a maintenance shutdown of the smelter anticipated to impact volumes in the first half. Earnings of the **Recycling** Business Group will feel the effect of a less favorable precious metal price environment.

Assuming current metal prices were to prevail throughout the year and considering the current strategic metal hedges, it is expected that the 2024 adjusted EBITDA for the Business Group will be below the level of the previous year, still well above the pre-2020 levels and in line with current market expectations*.

* Vara consensus as at Feb. 15th, 2024 of € 324.1 million.

2024 full Outlook – Specialty Materials



In **Specialty Materials**, Umicore anticipates continued strong performance in Electro-Optic Materials, partially offsetting less favorable market conditions impacting the performance of the business units Cobalt and Specialty Materials and Metal Deposition Solutions. It is expected that the 2024 adjusted EBITDA for the Business Group will be somewhat below the level of the previous year.

2024 full Outlook – Corporate and Group

It is anticipated that **Corporate costs** will be € 15 to € 20 million lower in 2024 versus 2023.

**Based on the information provided on slides 36 to 40
Umicore expects Group's adjusted EBITDA for the full year 2024
to be in the range of € 900 million to € 950 million**

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

22 March 2024

Annual report 2023

25 April 2024

AGM 2023

29 April 2024

Ex-dividend trading date

30 April 2024

Record date for the dividend

02 May 2024

Payment date for the dividend

26 July 2024

Half-year results 2024

