

HALF YEAR RESULTS 2021

UMICORE REPORTS EXCEPTIONALLY STRONG PERFORMANCE IN THE FIRST HALF OF 2021

Strong performance across business groups driving record results

Umicore posted a very strong performance in the first half of 2021 reflecting the sharp recovery of demand from the automotive industry for its clean mobility materials after the severe downturn caused by the COVID-19 pandemic last year, as well as a strong boost from record precious metal prices.

Umicore's revenues for the first 6 months amounted to € 2.1 billion (+37% year on year) and adjusted EBIT amounted to € 625 million, up 157% compared to the first half of 2020. Adjusted EBITDA doubled to € 762 million, which combined with a temporary € 250 million reduction in working capital, resulted in record free cashflows and a reduction of € 0.4 billion in net financial debt since the end of 2020 to just over € 1 billion. Adjusted net profit for the Group close to tripled to € 428 million. The Supervisory Board decided to pay an interim dividend of € 0.25 per share, as fixed by the amended dividend policy which was announced in February.



Revenue growth in **Catalysis** strongly outperformed the recovering car market as a result of market share gains in the European and Chinese light-duty gasoline markets, a favorable platform mix and strong demand for heavy-duty diesel and fuel cell catalysts. Adjusted EBIT was € 204 million compared to € 21 million in the first half of last year and was also supported by cost savings and high PGM prices.



Revenues in **Energy & Surface Technologies** increased, reflecting substantially higher sales volumes of cathode materials in Rechargeable Battery Materials, a strong recovery in Cobalt & Specialty Materials and strong demand in Metal Deposition Solutions. Adjusted EBIT was well up with higher revenues more than compensating the increase in fixed costs, as anticipated.



Adjusted EBIT in **Recycling** nearly doubled compared to an already very strong first half of 2020, reflecting record precious metals prices, strong demand across end-markets and regions, an excellent supply mix and very favorable trading conditions.

Note: All references to revenues in this document refer to revenues excluding metals (i.e. all revenue elements less the value of purchased metals)



Outlook

Based on the strong performance in the first half of the year and assuming precious metal prices remain around current levels for the remainder of the year, Umicore expects its adjusted EBIT for the full year 2021 to slightly exceed € 1 billion. This compares to the guidance provided at the end of April of adjusted EBIT for 2021 expected to approach € 1 billion. This full year outlook incorporates an exceptional additional contribution of roughly € 250 million compared to 2020 linked to higher current precious metal prices. As previously announced, the group adjusted EBIT in the second half of the year is expected to be lower than in the first half, which benefited from the spike in precious metal prices. The outlook for the second half includes the effect of the planned maintenance shutdown in Hoboken and the currently anticipated impact of the semi-conductor shortage on car production.

In **Catalysis**, Umicore expects to continue outperforming the automotive market and more than double adjusted EBIT for the full year 2021 compared to 2020¹. Revenues and earnings in the second half of the year will be impacted by more subdued demand in the automotive industry due to the ongoing shortage in the global supply of semiconductors. In addition, heavy-duty diesel catalyst sales volumes are expected to be impacted by the phase out of catalysts compliant with the China V legislation.

In **Energy & Surface Technologies**, adjusted EBIT is expected to grow meaningfully for the full year 2021 and may slightly exceed current market consensus². However, the stronger than anticipated performance in Cobalt & Specialty Materials and Metal Deposition Solutions in the first half is expected to normalize and should not be extrapolated to the second half. As announced in April, Umicore expects substantial growth in sales volumes of cathode materials in 2021 to more than compensate a € 50 million increase in fixed costs.

In **Recycling**, full year 2021 adjusted EBIT is expected to reach exceptional levels, well above prior year³, driven by robust operations, strong growth across business units and regions and assuming that current precious metal prices prevail throughout the remainder of the year. The first half performance should not be extrapolated to the second half as it included a spike in precious metal prices and the availability of the smelter in Hoboken will be lower due to the planned maintenance shutdown starting mid-September.

KEY FIGURES

Revenues of € 2.1 billion (+37%)

Adjusted EBITDA of € 762 million (+103%)

Adjusted EBIT of € 625 million (+157%)

EBIT adjustments of - € 39 million, including € 41 million additional provision in Recycling for the creation of the green zone in Hoboken.

ROCE of 28.4%
(compared to 10.9% in first half 2020)

Adjusted net profit (Group share) of € 428 million (+189%) and adjusted EPS of € 1.78 (+187%)

Cashflow from operations of € 836 million (€ 275 million in first half 2020), including a **€ 30 million decrease in working capital requirements; free cashflow from operations² of € 656 million** (€ 108 million in 2020)

Capital expenditure amounted to **€ 166 million** (€ 152 million in first half of 2020)

R&D expenditures of **€ 118 million** (+10%)

Net debt at € 1,040 million, down from € 1,414 million at the end of 2020. This corresponds to a **net debt/ LTM adj. EBITDA ratio of 0.87x**.

The Supervisory Board decided to pay out an **interim dividend** of € 0.25 per share on 24 August.

¹ Catalysis adjusted EBIT reached € 154 million in 2020.

² Umicore has engaged Vara Research GmbH to survey brokerage analysts to provide analysts' consensus estimates to the market. The most recent consensus is available on <https://vara-services.com/umicore/>. Consensus adjusted EBIT for Energy & Surface Technologies amounted to € 129 million at the time of this publication.

³ Recycling adjusted EBIT amounted to € 362 million in 2020.

CEO succession

Following his appointment by the Supervisory Board to succeed Marc Grynberg as CEO, Mathias Miedreich will officially take up his new role at Umicore on 1 October 2021. Marc and Mathias will work together for a short period of time to ensure an optimal onboarding of Mathias and a smooth transition of leadership.

Bolder, better and faster on ESG ambitions to sustain industry leadership

On 2 June, Umicore held its first event dedicated to sustainability and reaffirmed its commitment to be an industry leader in sustainability. Umicore's "Let's go for Zero" sustainability strategy aims at minimizing the impact of operations while continuing to maximize positive impact on society and delivering value to all stakeholders. The strategy, underpinned by an enhanced disclosure and governance approach that includes supporting the TCFD and linking ESG to executive remuneration, consists of three key pillars: Net zero Greenhouse Gas (GHG) emissions by 2035, Zero harm, Zero inequality.

More information is available on <https://www.umicore.com/en/sustainability>

Marc Grynberg, CEO of Umicore, commented: *"I am proud of the performance achieved by Umicore in the first half of 2021 and would like to thank all Umicore employees for their remarkable engagement. I am also proud of our ambitious sustainability roadmap which will set us apart in our industry and goes hand in hand with our strategy to be a leader in clean mobility materials and recycling. We stand ready to capitalize on the acceleration of electrification in the automotive industry and the growing need for a circular economy."*

Marc Grynberg,

CEO of Umicore

Investors relations

<https://www.umicore.com/en/investors/>

Webcast

<https://umicore.com/hyr2021>

www.umicore.com

Key figures

(in million €)

	H1 2020	H2 2020	H1 2021
Turnover	9,967	10,743	12,678
Revenues (excluding metal)	1,564	1,675	2,150
Adjusted EBITDA	376	429	762
Adjusted EBIT (*)	243	293	625
of which associates	3	5	10
EBIT adjustments (*)	(72)	(165)	(39)
Total EBIT	171	129	586
Adjusted EBIT margin	15.3%	17.2%	28.6%
Effective adjusted tax rate	24.3%	24.2%	24.9%
Adjusted net profit, Group share	148	174	428
Net profit, Group share	91	40	400
R&D expenditure	107	116	118
Capital expenditure	152	251	166
Net cash flow before financing	88	10	589
Total assets, end of period	7,811	8,341	9,366
Group shareholders' equity, end of period	2,609	2,557	2,882
Consolidated net financial debt, end of period	1,349	1,414	1,040
Gearing ratio, end of period	33.6%	35.0%	26.1%
Net debt / LTM adj. EBITDA	1.75x	1.76x	0.87x
Capital employed, end of period	4,453	4,457	4,351
Capital employed, average	4,447	4,455	4,404
Return on capital employed (ROCE)	10.9%	13.2%	28.4%
Workforce, end of period (fully consolidated)	10,938	10,859	10,999
Workforce, end of period (associates)	2,801	2,460	2,626
Accident frequency rate	1.43	3.63	3.46
Accident severity rate	0.10	0.85	0.08

* The reconciliation of the Alternative Performance Measures with the interim condensed financial statements is done at note 4 of the consolidated condensed interim financial statements

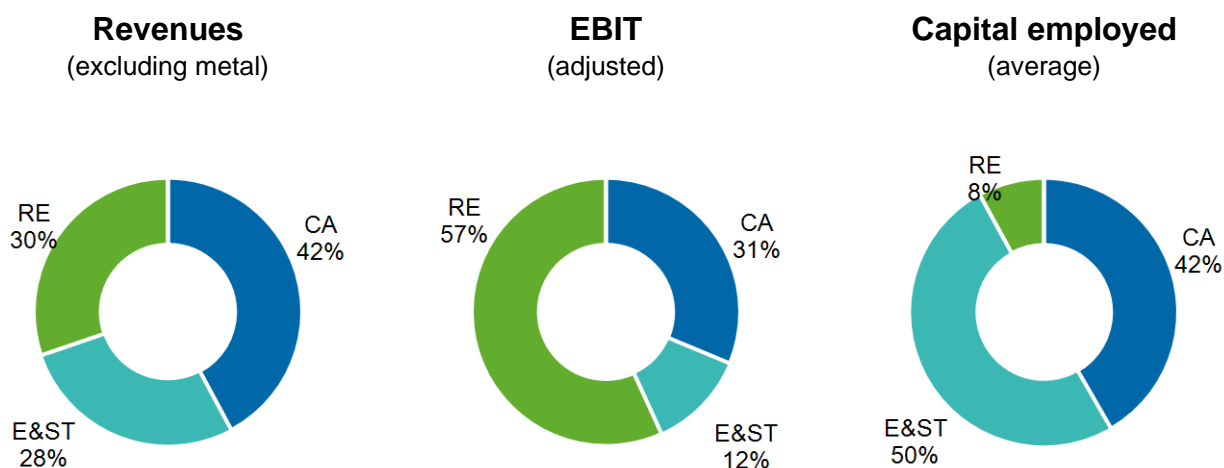
Key figures per share

(in € / share)

	H1 2020	H2 2020	H1 2021
Total number of issued shares, end of period	246,400,000	246,400,000	246,400,000
of which shares outstanding	240,534,940	240,666,315	240,576,230
of which treasury shares	5,865,060	5,733,685	5,823,770
Average number of shares outstanding			
basic	240,566,547	240,611,676	240,677,077
diluted	241,852,769	241,795,201	241,994,387
Adjusted EPS	0.62	0.72	1.78
Basic EPS	0.38	0.16	1.66
Diluted EPS	0.38	0.16	1.65
Dividend payout	0.000	0.250	0.500
Net cash flow before financing, basic	0.37	0.04	2.45
Total assets, end of period	32.47	34.66	38.93
Group shareholders' equity, end of period	10.84	10.63	11.98

*On 30 April 2020 the ordinary shareholders' meeting approved to reduce the dividend for 2019 to € 0.375 per share, which corresponded to the amount of the interim dividend for 2019 which had been already paid out in the second half of 2019. Therefore, there was no dividend payout in the first half of 2020. The Supervisory Board proposed a gross annual dividend for the financial year 2020 of € 0.75 per share at the Annual General Meeting on 29 April 2021. Taking into account the interim dividend of € 0.25 per share paid out on 25 August 2020, a gross amount of € 0.50 per share was paid out on 5 May 2021 after shareholder approval.

Segment split



CA = Catalysis, E&ST = Energy & Surface Technologies, RE = Recycling
Corporate not included

Catalysis

Catalysis key figures

(in million €)	H1 2020	H2 2020	H1 2021
Total turnover	2,388	3,529	4,286
Total revenues (excluding metal)	571	794	908
Adjusted EBITDA	61	173	241
Adjusted EBIT	21	132	204
Total EBIT	(34)	130	204
Adjusted EBIT margin	3.8%	16.7%	22.5%
R&D expenditure	72	67	72
Capital expenditure	32	31	25
Capital employed, end of period	1,560	1,727	1,846
Capital employed, average	1,549	1,644	1,787
Return on capital employed (ROCE)	2.8%	16.1%	22.8%
Workforce, end of period (fully consolidated)	3,034	3,073	3,024

Overview and outlook

In the first half of 2021, Catalysis recorded revenues of € 908 million, up 59% year on year compared to the first half of 2020 which was heavily impacted by the COVID-19 pandemic. Umicore sales volumes and revenues strongly outperformed the recovering global car market as a result of further market share gains and a favorable platform mix in light-duty applications, especially in Europe and China. In addition, the business group benefited from strong demand for Umicore's China V catalyst technologies in heavy-duty diesel applications ahead of the nationwide adoption of China VI in July, as well as high sales volumes in Asia for its proton-exchange-membrane (PEM) fuel cell catalysts used in transportation. This favorable revenue evolution, coupled with cost discipline and operational efficiency, led to an adjusted EBIT for the first 6 months of € 204 million and adjusted EBITDA of € 241 million. Earnings were also supported by high PGM prices .

For the full year 2021, Umicore expects to continue to outperform the automotive market and more than double adjusted EBIT compared to 2020⁴. Revenues and earnings in the second half of the year will be impacted by a more subdued demand in the automotive industry due to the ongoing shortage in the global supply of semiconductors, which is already resulting in temporary shutdowns of car assembly lines. In addition, heavy-duty diesel catalyst sales volumes are expected to be impacted by the phase out of catalysts compliant with the China V legislation. Umicore's capacity expansion in China, covering both light-duty and heavy-duty catalyst production, is on track and commissioning is expected in the fourth quarter of this year.

H1 2021 Business Review

In the first half of 2021, the global automotive market continued to recover, increasing by 27% compared to the same period last year which was significantly impacted by the COVID-19 pandemic. While light-duty car production grew in all key regions, growth was more pronounced in regions where recovery had only started in the later part of 2020, such as Europe and North America. First signs of a slowdown in automotive production were observed in the last months of the semester, reflecting the impact from the global semi-conductor shortage.

⁴ Catalysis adjusted EBIT reached € 154 million in 2020.

In the context of a recovering automotive market, revenues and adjusted EBIT for **Automotive Catalysts** for the first half of 2021 grew strongly compared to the same period last year. Umicore sales continued to outperform the global car market, both in revenues and volumes, mostly driven by market share gains resulting from its strong position in the European and Chinese light-duty gasoline market. Earnings were supported by this sales momentum, resulting in high utilization rates in the different plants, as well as by the positive impact of the production footprint optimization and cost improvements carried out recently.

In China, where car production increased by 19% in the first half of the year, Umicore revenues outgrew the market as a result of its strong positioning with international and domestic car OEMs. In Europe, sales volumes and revenues strongly outperformed the automotive market, which increased by 28%, as Umicore further gained market share in gasoline catalyst technologies. Umicore sales also benefited from a very favorable platform and customer mix. Gasoline engines continued to gain ground at the expense of diesel engines within the mix in Europe, which also benefited Umicore. Umicore sales volumes and revenues also outperformed the market in North and South America as well as in Japan, Korea and South-East Asia.

The heavy-duty diesel market in Europe and China, which was profoundly impacted by COVID-19 in 2020, bounced back in the first half of 2021. Umicore strongly grew volumes and revenues in both regions. In particular in China, Umicore benefited from very strong demand for its China V catalyst technologies, ahead of the nationwide introduction of the China VI legislation norms in July of this year and – to a lesser extent – from preorders for China VI technologies.

Revenues for **Precious Metals Chemistry** were well up compared to the previous year. Revenues from homogenous catalysts used in life science and bulk applications increased substantially, driven by strong demand from the high-end pharma and fine chemicals industries. The inorganic chemicals activity, which was impacted in the first half of 2020 by the severe downturn in the automotive market, benefited from a strong recovery in demand in particular in the first quarter. The earnings of the business unit also reflected the exceptional PGM price environment.

Revenues for **Fuel Cell & Stationary Catalysts** declined compared to the previous year due to substantially lower sales of stationary catalysts which more than offset the growth in the fuel cell catalyst business. Revenues from Umicore's proton-exchange-membrane (PEM) fuel cell catalysts used in the transportation segment were well up, driven by the increasing uptake of the fuel cell drivetrain technology for passenger cars and heavy-duty applications globally. Sales volumes of Umicore's PEM fuel cell catalysts nearly doubled compared to the previous year, reflecting strong demand from existing customers, in particular in Korea and China, as well as customer wins in China.

Driven by tighter CO₂ regulations in several regions, hydrogen fuel cell technology is set to become an important pillar of future drivetrain technologies, in particular for heavy-duty applications. With more than three decades of experience in hydrogen fuel cell catalyst technology, an extensive IP portfolio and its ability to scale up fast, Umicore has captured a significant share of this rapidly growing market segment. Umicore's PEM fuel cell catalysts are present on platforms of more than 10 OEMs globally and in qualification for several new platforms. In order to prepare for the longer-term opportunities offered by the green hydrogen economy, Umicore is increasing R&D efforts, open innovation programs and joint development programs, such as the recently announced collaboration with Anglo American Platinum around LOHC technology aimed at simplifying hydrogen storage and use in fuel cell electric vehicles.

Sales volumes of stationary catalysts were substantially below the level of the previous year, impacted by the repercussions of the COVID-19 pandemic on the power, refinery and chemical end-markets which resulted in a postponement of customers' projects.

Energy & Surface Technologies

Energy & Surface Technologies key figures

(in million €)

	H1 2020	H2 2020	H1 2021
Total turnover	1,460	1,351	1,709
Total revenues (excluding metal)	557	488	594
Adjusted EBITDA	109	76	136
Adjusted EBIT	54	21	78
of which associates	2	3	4
Total EBIT	43	(79)	78
Adjusted EBIT margin	9.3%	3.8%	12.4%
R&D expenditure	23	35	27
Capital expenditure	82	170	104
Capital employed, end of period	2,190	2,133	2,191
Capital employed, average	2,257	2,161	2,162
Return on capital employed (ROCE)	4.8%	2.0%	7.2%
Workforce, end of period (fully consolidated)	3,981	3,761	3,855
Workforce, end of period (associates)	741	727	761

Overview and outlook

In the first half of 2021, revenues in Energy & Surface Technologies amounted to € 594 million, up 7% compared to the first half of 2020. This was driven by a recovery in demand across end-markets. In Rechargeable Battery Materials, sales volumes of NMC cathode materials used to power EVs were substantially higher, both year on year and sequentially, driven by very strong traction in Europe and – to a lesser extent – the recovery of the EV market in China. The business group also benefited from a strong recovery in Cobalt & Specialty Materials and strong demand in Metal Deposition Solutions. Strong volume growth across activities started to compensate, as anticipated, an increase in depreciation charges related to recent expansions, higher spending for research programs and start-up costs for the new cathode material plant in Poland. Adjusted EBIT for the first 6 months of 2021 amounted to € 78 million, 44% above the same period last year while adjusted EBITDA amounted to € 136 million, up 25% year on year.

For the full year 2021, adjusted EBIT is expected to grow meaningfully and may slightly exceed current market consensus level⁵. However, the stronger than anticipated performance in Cobalt & Specialty Materials and Metal Deposition Solutions in the first half of the year is expected to normalize and should not be extrapolated to the second half. With electrification of transport accelerating in key regions supported by a very favorable regulatory backdrop, Umicore continues to expect substantial growth in sales volumes of cathode materials this year. These positive demand dynamics will more than compensate persisting pricing pressure in China, higher fixed costs relating to the start-up and qualification of production lines at the new cathode materials plant in Nysa, Poland, and the negative margin impact from more expensive cobalt-containing raw materials in the refining activities.

⁵ Umicore has engaged Vara Research GmbH to survey brokerage analysts to provide analysts' consensus estimates to the market. The most recent consensus is available on <https://vara-services.com/umicore/>. Consensus adjusted EBIT for Energy & Surface Technologies amounted to € 129 million at the time of this publication.

H1 2021 Business Review

Revenues for **Rechargeable Battery Materials** in the first half of 2021 were slightly higher compared to the previous year and well up sequentially. Overall sales volumes of cathode materials increased substantially, both year on year and sequentially, driven by very strong demand for Umicore's NMC cathode materials used to power EVs, in particular in Europe. Sales volumes of NMC cathode materials used in energy storage systems and high energy LCO cathode materials for high end portables electronics were also higher. The revenue growth in the cathode materials activity was, however, largely offset by a negative foreign exchange impact and a significantly lower year-on-year contribution from the cobalt refining activities due to unfavorable pricing conditions for cobalt input materials.

Global battery demand for EVs was well up year on year, reflecting a continued recovery from the low levels reached in the first half of 2020 which was heavily impacted by the COVID-19 pandemic .

EV battery demand in Europe, which recorded already impressive growth in 2020, grew substantially in the first half of the year driven by strong regulatory tailwinds and purchase incentives in several European countries, as well as an increased offering of EV models with longer ranges and faster charging times. With a total of 34 GWh of NMC battery demand in the first half of 2021, the European market has surpassed China in terms of absolute demand for NMC battery materials to become the leading market globally. Umicore benefited strongly from the impressive growth of the European market with substantially higher sales of its cathode materials in the region. Umicore has commissioned its industrial-scale cathode materials production plant in Nysa, Poland in the first half of 2021 and first commercial production volumes are expected around year-end. In the meantime, Umicore continues to use its capacity in Korea to serve the European market. In order to cater for the increasing demand from existing and new customers in Europe, Umicore will be adding production lines in Nysa, which will come on stream in 2023, as announced earlier this year.

In China, the recovery in EV battery demand, which started towards the end of 2020, continued. Umicore's revenues in the region started to benefit from the demand recovery and grew, albeit less than the overall market, and Umicore's production capacity could not be fully utilized. The excess capacity in the industry continued to translate, as anticipated, into an unfavorable pricing environment.

Revenues for **Cobalt & Specialty Materials** were well ahead of last year driven by a strong recovery in demand.

The cobalt and nickel chemicals and distribution activities had a very strong start to the year, benefiting from high volumes at attractive premiums. This was driven by a continued post-COVID-19 recovery in demand, as well as high sales volumes fueled by increasing cobalt and nickel prices leading to inventory build-up from customers in the first quarter of the year in anticipation of further price increases. Demand for tool materials was supported by high order levels from the automotive and construction sectors, which were severely hit by COVID-19 in the first half of last year. Demand for carboxylates remained stable year on year at high levels. Over the first half of 2021, the business unit recorded the first positive effects on its cost base of the footprint rationalization announced in the fall of last year. The transfer of cobalt refining and transformation activities from Olen, Belgium, to Kokkola, Finland and the consolidation of the US activities in the plant in Nashville, TN, are on track.

Revenues for **Metal Deposition Solutions** were ahead of previous year reflecting strong demand across key end markets. Umicore's precious metal electrolytes used in portable electronics continued to benefit from strong demand. In jewelry and decorative applications, the business unit successfully extended its customer base resulting in higher revenues year on year. Industrial demand for precious and base metal compounds as well as demand for thin film products used in microelectronics and optics benefited from a market recovery after the severe impact of COVID-19 last year.

Revenues for **Electro-Optic Materials** were flat year on year. Higher demand for high purity chemicals used in optical fibers driven by the worldwide revival of 5G deployment, combined with strong demand from the space industry for germanium substrates, was offset by lower revenues from finished infrared optics. After peak sales of the latter in the first half of 2020 driven by COVID-19 induced demand for infrared optics used in body temperature devices, demand is back at normalized levels. The business unit also successfully extended its closed loop germanium recycling services at customers' premises, helping them maximize their materials efficiency by transforming the recovered materials into new products.

Recycling

Recycling key figures

(in million €)	H1 2020	H2 2020	H1 2021
Total turnover	6,990	6,914	8,496
Total revenues (excluding metal)	440	396	652
Adjusted EBITDA	222	202	404
Adjusted EBIT	191	171	371
Total EBIT	190	121	335
Adjusted EBIT margin	43.4%	43.1%	56.9%
R&D expenditure	6	4	7
Capital expenditure	28	44	30
Capital employed, end of period	578	447	237
Capital employed, average	492	513	342
Return on capital employed (ROCE)	77.7%	66.6%	216.9%
Workforce, end of period (fully consolidated)	2,790	2,769	2,828

Overview and outlook

The Recycling business group posted record results in the first half of the year with all business units contributing to the stellar performance. Demand for precious metal based products and related recycling services was strong across end-markets and regions. Precious metal prices, in particular rhodium, reached historically high levels, while metal price volatility induced very favorable metal trading conditions. At Precious Metals Refining, the supply mix remained excellent with processed volumes at the same high levels as last year. Recycling revenues were up 48% and amounted to € 652 million. Adjusted EBIT nearly doubled to € 371 million, an outstanding performance compared to the already very high levels achieved in the first half of 2020, and adjusted EBITDA stood at € 404 million.

Full year 2021 adjusted EBIT for Recycling is expected to reach exceptional levels, well above prior year⁶, driven by strong growth across business units and regions and assuming that current precious metal prices prevail throughout the remainder of the year. The first half performance should however, not be extrapolated to the second half as the availability of the smelter in Hoboken will be lower due to the planned maintenance shutdown starting mid-September. Also, the first half performance reflected a spike in precious metal prices.

H1 2021 Business Review

Revenues and earnings for **Precious Metals Refining** in the first half of 2021 were substantially higher compared to the previous year reflecting primarily an exceptional precious metals price environment and - to a lesser extent - a robust supply mix with a high availability of complex precious metal containing feed.

⁶ Recycling adjusted EBIT amounted to € 362 million in 2020.

The bull run in precious metal prices, which started in 2020, continued for most of these metals in the first half of 2021 providing a strong boost to the performance of the business unit. Rhodium and palladium, in particular, recorded all-time high prices in the first half of 2021 with palladium climbing above € 80,000 / kg and rhodium repeatedly surging to € 770,000 / kg before moving to a somewhat lower price territory in the second quarter. Despite this volatility in the second quarter, the average received rhodium price in the first half of 2021 more than doubled compared to the first half of 2020. In the absence of hedging, the business unit was fully exposed to this substantial price increase of rhodium. While Umicore had already locked in a significant portion of its exposure to palladium and silver and therefore did not fully benefit from the price rise of these metals in the first half of 2021, average received prices for these metals in the first half were still well above the levels of the previous year.

Operational performance of the recycling plant in Hoboken remained robust. Processed volumes were in line with the high levels achieved in the same period last year, reflecting optimal capacity utilization taking into account the current feed mix. Supply conditions remained excellent across segments, both in terms of availability and complexity of the feed. The intake of complex PGM-containing end-of-life materials such as spent automotive catalysts, remained strong and the business unit made full use of its enhanced capacity and technological capabilities to treat a high portion of these PGM-rich materials.

Revenues for **Jewelry & Industrial Metals** increased compared to the previous year. The strong uplift in demand for precious metal based investment products, which started in the second quarter of 2020 as a result of safe haven behavior in the context of the pandemic, continued throughout the first six months of 2021. This resulted in high demand for gold bars and silver coins, well above the levels of the previous year. Sales volumes of jewelry products were also well up, reflecting a pick-up in demand from the global luxury jewelry brands after last year's pandemic-induced slowdown. Demand for platinum engineered materials used in glass applications and performance catalysts remained strong, in particular from the glass and chemical industries.

On 28 July 2021, Agosi, Umicore's listed subsidiary, held a general meeting which approved the acquisition by Umicore of the 8.8% shares it did not yet own through a merger squeeze out. Following completion of certain upcoming registration procedures, the merger squeeze-out will become effective. Thereafter, Umicore will have flexibility to consider strategic options for the Jewelry & Industrial Metals activities within Agosi and explore the best conditions for the further development of these activities

The earnings contribution from **Precious Metals Management** increased significantly compared to the already strong performance of the previous year, reflecting favorable trading conditions in a context of highly volatile precious metals prices in particular in the first quarter. Demand for the physical delivery of metals was also strong, driven by a recovery in demand for silver from the industry as well as a continued strong appetite for gold and silver bars from the investment segment.

Update on health and safety investments in the Hoboken plant

Umicore is using the most advanced technologies and will continue its far-reaching action plan to reduce diffuse emissions of the Hoboken plant to the lowest level possible in an industrial environment. An investment plan of around € 25 million per annum is being carried out for environmental and safety improvements.

Discussions with residents to buy on a voluntary basis the houses which are located closest to the plant, in order to create a green zone, are ongoing, resulting in the agreed purchase of close to 190 houses so far. In light of the ongoing concertation and in anticipation of additional purchases, Umicore booked a provision of € 41 million in the first half of 2021, on top of the € 50 million already booked at the end of last year.

The average lead-in-blood values of the children in the neighborhood dropped further in the first half of this year, to 3.42 micrograms per deciliter (4.12 in the second half of 2020). Umicore strongly believes that the improvement projects and investments, as well as the creation of a green zone, will reduce the impact of its operations on the environment and the neighborhood.

Corporate

Corporate key figures

(in million €)	H1 2020	H2 2020	H1 2021
Adjusted EBITDA	(17)	(23)	(21)
Adjusted EBIT	(24)	(31)	(27)
of which associates	1	2	6
Total EBIT	(29)	(43)	(31)
R&D expenditure	6	9	12
Capital expenditure	10	6	6
Capital employed, end of period	125	149	78
Capital employed, average	150	137	113
Workforce, end of period (fully consolidated)	1,133	1,256	1,292
Workforce, end of period (associates)	2,060	1,733	1,865

H1 2021 Corporate Review

In the first half of 2021, corporate costs increased due to higher R&D costs dedicated to Umicore's mid- to long-term technology roadmap and additional digitalization initiatives, as anticipated.

The contribution from **Element Six Abrasives** to Umicore's adjusted EBIT increased substantially compared to the previous year, reflecting primarily the impact of cost saving and efficiency measures implemented across activities in the course of last year. Overall revenues were higher, driven by a strong recovery in demand from the automotive industry for precision tooling products, as well as higher order levels for carbide-based materials used in the mining, agricultural and construction end-markets. Revenues from the oil & gas drilling activity were stable compared to the first half of 2020, reflecting a recovery of the drilling activity from the abrupt industry-wide standstill in the second half of 2020.

Research & development

For the first six months of 2021, R&D expenditures in fully consolidated companies amounted to € 118 million, 10% higher than the € 107 million in the same period the last year. The increase results from higher R&D costs related to new product and process technologies in Rechargeable Battery Materials and Fuel Cell Catalysts, increased effort on battery recycling and advanced technology development related to decarbonization and emission reduction programs to meet our ambitious sustainability programs. In addition, Umicore also increased its efforts in open innovation collaboration programs.

People

The evolving COVID-19 pandemic continues to impact our lives profoundly and the health and safety of its employees are Umicore's top priority. Strict hygiene and other precautionary measures remain in place in all Umicore facilities worldwide.

Umicore's strong commitment to the wellbeing of its employees is also reflected in the Zero Harm pillar of its 'Let's go for zero' sustainability strategy which strives for zero work related injuries, zero excess exposure and wellbeing at work for all colleagues.

When it comes to safety, Umicore's ambition remains univocally zero work related injuries. Despite this priority given to safety, the safety performance in the first half of 2021 was unsatisfactory with 34 lost time accidents compared to 14 for the same period in 2020, resulting in a frequency rate of 3.46 and a severity rate of 0.08 (versus 1.43 and 0.10 respectively in the first six months of 2020). Although 89% of Umicore's plants did not record any lost time accidents in the first half of 2021, performance in a few sites remained disappointing. In this respect, Umicore continues its programs aimed at creating a more prominent caring safety culture. The Group also will further reinforce processes and safety standards, in particular in those business units and sites where the safety performance was unsatisfactory.

The number of employees in the fully consolidated companies increased from 10,859 at the end of 2020 to 10,999 at the end of June 2021 with most of the growth coming from new hires for Umicore's greenfield cathode materials plant in Nysa, Poland.

Financial review

Financial result and taxation

Adjusted net financial charges totaled € 52 million, compared to € 45 million in the same period last year on the back of higher interest and forex charges. Net interest charges increased slightly, taking into account the issuance of a convertible bond in June 2020 and a lower rate received on deposits.

The adjusted tax charge for the period amounted to € 140 million, up compared to € 47 million last year as a result of the substantial year-on-year increase in taxable profit while the adjusted effective group tax rate remained stable (24.9% versus 24.3% in the same period last year). Taking into account the tax effects on adjustments, the net tax charge for the Group amounted to € 135 million. The total tax paid in cash over the period amounted to € 72 million and was also well up from € 28 million last year.

Cashflows and financial debt

Cashflow generated from operations including changes in net working capital tripled to a record level of € 836 million, compared to € 275 million last year. After deduction of € 180 million of capital expenditures and capitalized development expenses, the resulting free cash flow from operations was € 656 million in the first half, compared to € 108 million in the same period last year.

Adjusted EBITDA in the first six months was € 762 million, more than doubling last year's first semester number and coming close to the € 804 million generated over the full year 2020. This corresponds to a record adjusted EBITDA margin of 34.9% for the Group, substantially up versus 23.8% in the same period last year, driven by higher margins across Business Groups, particularly in Recycling and Catalysis.

Net working capital for the Group decreased by € 30 million since the end of 2020. This incorporates temporary positive effects of approximately € 250 million linked to cut-off effects at the end of June. As expected, working capital needs were well up in Catalysis on the back of high volumes and the strong year-on-year metal price increases. On a Group level, this increase was more than offset by a decrease in working capital in Energy & Surface Technologies and Recycling.

Capital expenditures totaled € 166 million, compared with € 152 million last year. Taking into account the continued investment in Rechargeable Battery Materials' greenfield plant in Poland, Energy & Surface Technologies accounted for close to two thirds of Group capex. Group spending is expected to accelerate in the second half of the year and be close to € 500 million for the full year. Capitalized development expenses amounted to € 14 million, almost stable year on year.

Dividend payments over the period amounted to € 120 million while the net cash outflow related to the exercise of stock options and the purchase of treasury shares to cover stock option plans and share grants amounted to € 39 million.

These record free cash flows resulted in a reduction of net financial debt from € 1,414 million at the end of 2020 to € 1,040 million at 30 June 2021, corresponding to 0.87x LTM adjusted EBITDA. Equity of the Group was € 2,953 million, corresponding to a net gearing ratio (net debt / net debt + equity) of 26.1%.

Adjustments

Adjustments had a negative impact of € 39 million on EBIT in the first half of 2021. This includes an additional provision of € 41 million linked to the creation of a green zone neighboring the Hoboken plant and reflecting an increase in the anticipated number of houses to be purchased. Taking into account the use of the provision over the period, the total provision for the creation of the green zone at June 30 amounts to € 80 million.

In Catalysis, a negative EBIT adjustment of € 25 million was fully offset by a positive adjustment. The negative adjustment related to Automotive Catalysts and is linked to the closure of the heavy-duty diesel operations in Frederikssund, Denmark as well as the impairment of certain related IP. The positive EBIT adjustment is composed of a tax credit in Brazil resulting from a landmark ruling by the Brazilian Supreme Court in May of this year covering multiple years. The total EBIT adjustment related to this tax credit for the full Group amounts to € 32 million.

EBIT adjustments also included € 2 million additional restructuring charges in Cobalt & Specialty Materials related to the previously communicated streamlining of the unit's cobalt activities and € 2 million charges linked to Element Six Abrasives, the JV in which Umicore has a 40% stake. Including positive adjustments to financial and tax items of € 6 million and € 5 million respectively, the total adjustments to net group earnings over the period corresponded to - € 28 million.

Hedging

In recent months, Umicore entered into some additional forward contracts to cover part of its expected structural price exposure to certain precious metals for 2022 and 2023. For 2022, close to two thirds of the expected gold and palladium exposure, somewhat less than half of the expected silver exposure and close to one third of the expected platinum exposure have been locked-in. For 2023, less than half of the expected silver and palladium exposures and a minority of the expected platinum exposure has been secured. In addition, as previously mentioned, in spite of the absence of a liquid futures market, Umicore entered into forward contracts locking in a minority of its expected 2022 and 2023 rhodium exposure.

Dividend and shares

The Supervisory Board decided to pay an interim dividend of € 0.25 per share to be paid out on 24 August 2021. As previously announced, going forward the interim dividend will be fixed at € 0.25 per share. The dividend policy of a stable to growing full year dividend remains unchanged.

Of the 5,733,685 treasury shares held at the end of 2020, 110,500 shares were used for the employee free share program and 1,069,415 shares were used to honor the exercising of stock options during the period. Umicore also bought back 1,270,000 of its own shares in the period. On 30 June 2021, Umicore owned 5,823,770 treasury shares, representing 2.36% of the total number of shares issued at that date.

Statutory auditor's report on the review of the consolidated condensed interim financial information for the period ended 30 June 2021

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Umicore as at 30 June 2021, the condensed consolidated income statement, statement of comprehensive income, statement of changes in the equity and cashflow statement for the six-month period then ended, and notes ("the consolidated condensed interim financial information"). The supervisory board is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information as at 30 June 2021 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Diegem, 29 July 2021

EY Bedrijfsrevisoren BV/EY Réviseurs d'Entreprises
Statutory auditor
represented by

Marnix Van Dooren Eef Naessens

Partner Partner

Acting on behalf of a BV/SRL

Management responsibility statement

I hereby certify that, to the best of my knowledge, the consolidated condensed interim financial information for the period ended on 30 June 2021, prepared in accordance with the IAS 34 "Interim Financial Reporting", as adopted by the European Union, and with legal requirements in Belgium, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole for the period ended 30 June 2021. The commentary on the overall performance of the Group from page 1 to 15 includes a fair review of the development and performance of the business and the position of the Group and its undertakings included in the consolidation as a whole.

Brussels, 29 July 2021

Marc Grynberg
Chief Executive Officer

Consolidated condensed interim financial information for the period ended on 30 June 2021

Consolidated income statement (in million €)	H1 2020	H2 2020	H1 2021
Turnover	9,967.3	10,742.8	12,678.0
Other operating income	71.8	8.8	91.0
Operating income	10,039.0	10,751.7	12,769.0
Raw materials and consumables	(9,055.2)	(9,764.1)	(11,327.5)
Payroll and related benefits	(408.3)	(390.2)	(434.8)
Depreciation and impairments	(184.4)	(178.1)	(158.5)
Other operating expenses	(218.9)	(287.7)	(270.6)
Operating expenses	(9,866.8)	(10,620.1)	(12,191.3)
Income (loss) from other financial assets	0.5	0.3	0.2
Result from operating activities	172.7	131.9	577.8
Financial income	0.6	3.4	7.2
Financial expenses	(33.5)	(44.3)	(38.4)
Foreign exchange gains and losses	(11.6)	(18.8)	(15.0)
Share in result of companies accounted for using the equity method	(1.9)	(3.4)	8.3
Profit (loss) before income tax	126.3	68.8	540.0
Income taxes	(33.9)	(25.2)	(134.6)
Profit (loss) from continuing operations	92.4	43.5	405.3
Profit (loss) of the period	92.4	43.5	405.3
of which minority share	1.5	3.9	5.2
of which Group share	90.9	39.6	400.1
(in € / share)			
Basic earnings per share from continuing operations	0.38	0.16	1.66
Diluted earnings per share from continuing operations	0.38	0.16	1.65
Dividend payout per share*	0.000	0.250	0.500

*On 30 April 2020 the ordinary shareholders' meeting approved to reduce the dividend for 2019 to € 0.375 per share, which corresponded to the amount of the interim dividend for 2019 which had been already paid out in the second half of 2019. Therefore, there was no dividend payout in the first half of 2020. The Supervisory Board proposed a gross annual dividend for the financial year 2020 of € 0.75 per share at the Annual General Meeting on 29 April 2021. Taking into account the interim dividend of € 0.25 per share paid out on 25 August 2020, a gross amount of € 0.50 per share was paid out on 5 May 2021 after shareholder approval.

Consolidated statement of comprehensive income

(in million €)

	H1 2020	H2 2020	H1 2021
Profit (loss) of the period from continuing operations	92.4	43.5	405.3
Items in other comprehensive income that will not be reclassified to P&L			
Changes in post employment benefits, arising from changes in actuarial assumptions (*)	(6.3)	(18.9)	23.9
Changes in deferred taxes directly recognized in other comprehensive income	1.2	6.1	(6.6)
Items in other comprehensive income that may be subsequently reclassified to P&L			
Changes in financial assets at FV through OCI reserves	(0.5)	(3.7)	0.0
Changes in cash flow hedge reserves	(24.0)	41.3	1.4
Changes in deferred taxes directly recognized in other comprehensive income	6.5	(10.0)	(1.3)
Changes in currency translation differences	(74.5)	(47.7)	53.8
Other comprehensive income from continuing operations	(97.6)	(32.9)	71.3
Total comprehensive income for the period	(5.2)	10.6	476.6
of which Group share	(3.4)	6.4	469.8
of which minority share	(1.8)	4.2	6.9

* This fluctuation mainly results from the change in discount rate.

Consolidated balance sheet

(in million €)

	30/06/2020	31/12/2020	30/06/2021
Non-current assets	2,775.6	2,895.7	2,985.6
Intangible assets	345.6	346.9	344.0
Property, plant and equipment	2,082.3	2,163.7	2,236.5
Investments accounted for using the equity method	144.2	139.8	150.1
Financial assets at fair value through Other Comprehensive Income	10.5	8.4	15.1
Loans granted	2.3	3.3	2.6
Trade and other receivables	11.0	11.8	13.2
Deferred tax assets	179.7	221.9	224.1
Current assets	5,035.1	5,445.2	6,380.1
Loans granted	0.2	0.1	0.0
Inventories	2,516.6	2,718.1	3,081.2
Trade and other receivables	1,304.2	1,677.2	2,065.9
Income tax receivables	39.1	39.6	44.1
Cash and cash equivalents	1,175.1	1,010.3	1,188.9
Total assets	7,810.7	8,340.9	9,365.7
Equity of the Group	2,670.1	2,621.9	2,952.9
Group shareholders' equity	2,608.7	2,557.2	2,881.8
Share capital and premiums	1,384.3	1,384.3	1,384.3
Retained earnings	1,766.6	1,749.6	2,024.8
Currency translation differences and other reserves	(331.0)	(367.8)	(283.9)
Treasury shares	(211.2)	(208.9)	(243.4)
Minority interest	61.5	64.7	71.0
Non-current liabilities	2,265.3	2,359.9	2,409.3
Provisions for employee benefits	405.4	426.4	405.5
Financial debt	1,717.4	1,705.2	1,726.6
Trade and other payables	21.2	23.5	32.8
Deferred tax liabilities	14.6	22.8	23.3
Provisions	106.7	182.0	221.2
Current liabilities	2,875.3	3,359.1	4,003.6
Financial debt	806.4	719.2	502.8
Trade and other payables	1,870.2	2,418.9	3,206.1
Income tax payable	147.9	160.7	236.9
Provisions	50.7	60.3	57.9
Total equity & liabilities	7,810.7	8,340.9	9,365.7

Consolidated statement of changes in the equity of the Group

(in million €)

	Share capital & premiums	Reserves	Currency translation & other reserves	Treasury shares	Minority interest	Total for continuing operations
Balance at the beginning of H1 2020	1,384.3	1,678.4	(284.5)	(184.7)	67.0	2,660.6
Restated balance at the beginning of H1 2020	1,384.3	1,678.4	(284.5)	(184.7)	67.0	2,660.6
Result of the period	-	90.9	-	-	1.5	92.4
Other comprehensive income for the period	-	-	(94.4)	-	(3.2)	(97.6)
Total comprehensive income for the period	-	90.9	(94.4)	-	(1.8)	(5.2)
Changes in share-based payment reserves	-	-	10.1	-	-	10.1
Convertible Bond - conversion rights*	-	-	37.7	-	-	37.7
Dividend	-	-	-	-	(3.8)	(3.8)
Transfers	-	(2.7)	-	2.7	-	-
Changes in treasury shares	-	-	-	(29.3)	-	(29.3)
Balance at the end of H1 2020	1,384.3	1,766.6	(331.0)	(211.2)	61.5	2,670.2
Result of the period	-	39.6	-	-	3.9	43.5
Other comprehensive income for the period	-	-	(33.2)	-	0.3	(32.9)
Total comprehensive income for the period	-	39.6	(33.2)	-	4.2	10.6
Dividend	-	(60.1)	-	-	(1.0)	(61.2)
Transfers	-	3.6	(3.6)	-	-	-
Changes in treasury shares	-	-	-	2.3	-	2.3
Balance at the end of H2 2020	1,384.3	1,749.6	(367.8)	(208.9)	64.7	2,621.9

Consolidated statement of changes in the equity of the Group

(in million €)

	Share capital & premiums	Reserves	Currency translation & other reserves	Treasury shares	Minority interest	Total for continuing operations
Balance at the beginning of H1 2021	1,384.3	1,749.6	(367.8)	(208.9)	64.7	2,621.9
Result of the period	-	400.1	-	-	5.2	405.3
Other comprehensive income for the period	-	-	69.6	-	1.7	71.3
Total comprehensive income for the period	-	400.1	69.6	-	6.9	476.7
Changes in share-based payment reserves	-	-	14.3	-	-	14.3
Dividend	-	(120.2)	-	-	(0.6)	(120.8)
Transfers	-	(4.8)	-	4.8	-	-
Changes in treasury shares	-	-	-	(39.2)	-	(39.2)
Balance at the end of H1 2021	1,384.3	2,024.8	(283.9)	(243.4)	71.0	2,952.9

* The conversion rights embedded in the EUR 500 million convertible bond issued on June 23 2020 were valued at EUR 37.7 million net of transaction costs and deferred taxes. This value according to the IFRS rules will not be remeasured over time, nor at conversion nor at maturity.

Consolidated cashflow statement

(in million €)

	H1 2020	H2 2020	H1 2021
Profit (loss) from continuing operations	92.4	43.5	405.3
Adjustments for profit of equity companies	1.9	3.4	(8.3)
Adjustment for non-cash transactions	192.4	256.7	250.7
Adjustments for items to disclose separately or under investing and financing cashflows	60.7	55.3	157.6
Change in working capital requirement	(71.9)	(31.9)	30.2
Cashflow generated from operations	275.5	327.1	835.6
Dividend received	2.0	0.1	0.2
Tax paid during the period	(28.5)	(50.5)	(72.0)
Government grants received	0.1	2.6	9.2
Net operating cashflow	249.1	279.3	773.0
Acquisition of property, plant and equipment	(145.5)	(246.0)	(152.8)
Acquisition of intangible assets	(21.8)	(22.3)	(27.0)
Acquisition of new subsidiaries, net of cash acquired	0.0	(0.2)	-
Acquisition of financial assets	(0.1)	(1.6)	(5.0)
New loans extended	(0.1)	(0.7)	(0.1)
Sub-total acquisitions	(167.4)	(270.7)	(184.9)
Disposal of property, plant and equipment	0.2	1.3	0.7
Disposal of intangible assets	6.3	0.3	0.6
Disposal of subsidiaries and associates, net of cash disposed	0.3	0.2	0.0
Repayment of loans	0.0	(0.0)	0.1
Sub-total disposals	6.8	1.8	1.3
Net cashflow generated by (used in) investing activities	(160.6)	(268.9)	(183.6)
Own shares	(29.3)	2.3	(39.2)
Lease liability change	(9.0)	(10.8)	(9.8)
Interest received	1.3	2.1	6.5
Interest paid	(29.7)	(30.0)	(28.5)
New loans and repayments	853.9	(47.9)	(217.4)
Dividends paid to Umicore shareholders	0.0	(60.2)	(119.8)
Dividends paid to minority shareholders	(2.2)	(2.6)	(0.1)
Net cashflow generated by (used in) financing activities	785.1	(147.1)	(408.3)
Effect of exchange rate fluctuations	9.7	15.8	(3.6)
Total net cashflow of the period	883.3	(120.9)	177.5
Net cash and cash equivalents at the beginning of the period for continuing operations	239.2	1,122.6	1,001.6
Net cash and cash equivalents at the end of the period for continuing operations	1,122.6	1,001.6	1,179.1
of which cash and cash equivalents	1,175.1	1,010.3	1,188.9
of which bank overdrafts	(52.5)	(8.7)	(9.7)

Notes to the consolidated condensed interim financial information for the period ended on 30 June 2021

Note 1: Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

They do not include all the information required for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year 2020 as published in the 2020 Annual Report.

The condensed consolidated interim financial statements were authorised for issue by the Supervisory Board held on 29 July 2021.

Note 2: Changes in accounting policies and presentation rules and impacts

The accounting policies applied in the preparation of the consolidated condensed interim financial information are consistent with those followed in the preparation of Umicore's annual financial statements for the year ended 31 December 2020.

Umicore has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Note 3: Segment information

Condensed segment information H1 2020

(in million €)

	Catalysis	Energy & Surface Technologies	Recycling	Corporate	Eliminations	Total Continued operations	Total
Total segment turnover	2,387.8	1,459.6	6,989.6	12.1	(881.9)	9,967.3	9,967.3
of which external turnover	2,312.7	1,413.2	6,229.3	12.1	-	9,967.3	9,967.3
of which inter-segment turnover	75.1	46.4	760.4	-	(881.9)	(0.0)	(0.0)
Total segment revenues (excluding metal)	570.6	556.7	440.0	-	(3.6)	1,563.7	1,563.7
of which external revenues (excluding metal)	569.9	556.6	437.2	-	-	1,563.7	1,563.7
of which inter-segment revenues (excluding metal)	0.7	0.1	2.8	-	(3.6)	-	-
Adjusted EBIT	21.4	54.2	191.1	(23.7)	-	243.0	243.0
of which from operating result	21.4	51.9	191.1	(24.7)	-	239.8	239.8
of which from equity method companies	-	2.3	-	1.0	-	3.3	3.3
EBIT adjustments	(55.4)	(11.2)	(0.8)	(4.9)	-	(72.3)	(72.3)
of which from operating result	(55.4)	(11.2)	(0.8)	0.3	-	(67.1)	(67.1)
of which from equity method companies	-	-	-	(5.2)	-	(5.2)	(5.2)
Total EBIT	(34.0)	43.0	190.3	(28.5)	-	170.8	170.8
of which from operating result	(34.0)	40.7	190.3	(24.4)	-	172.7	172.7
of which from equity method companies	-	2.3	-	(4.2)	-	(1.9)	(1.9)
Capital expenditure	32.4	81.8	27.7	10.4	-	152.2	152.2
Depreciation & amortization	39.6	55.3	31.2	6.6	-	132.8	132.8

Condensed segment information H2 2020

(in million €)

	Catalysis	Energy & Surface Technologies	Recycling	Corporate	Eliminations	Total Continued operations	Total
Total segment turnover	3,529.1	1,351.5	6,914.0	13.6	(1,065.3)	10,742.9	10,742.9
of which external turnover	3,471.1	1,337.2	5,920.9	13.6	-	10,742.9	10,742.9
of which inter-segment turnover	57.9	14.3	993.1	-	(1,065.3)	-	-
Total segment revenues (excluding metal)	793.6	488.4	396.0	-	(3.0)	1,675.0	1,675.0
of which external revenues (excluding metal)	792.8	488.3	393.9	-	-	1,675.0	1,675.0
of which inter-segment revenues (excluding metal)	0.9	0.1	2.1	-	(3.0)	-	-
Adjusted EBIT	132.3	21.1	170.7	(30.8)	-	293.3	293.3
of which from operating result	132.3	18.5	170.7	(33.2)	-	288.3	288.3
of which from equity method companies	-	2.6	-	2.4	-	5.1	5.1
EBIT adjustments	(1.9)	(100.3)	(50.1)	(12.4)	-	(164.8)	(164.8)
of which from operating result	(1.9)	(100.3)	(50.1)	(4.0)	-	(156.3)	(156.3)
of which from equity method companies	-	-	-	(8.5)	-	(8.5)	(8.5)
Total EBIT	130.3	(79.2)	120.6	(43.2)	-	128.5	128.5
of which from operating result	130.3	(81.8)	120.6	(37.2)	-	131.9	131.9
of which from equity method companies	-	2.6	-	(6.0)	-	(3.4)	(3.4)
Capital expenditure	31.4	169.9	43.9	5.7	0.1	251.0	251.0
Depreciation & amortization	40.9	55.1	31.8	7.4	-	135.2	135.2

Condensed segment information H1 2021

(in million €)

	Catalysis	Energy & Surface Technologies	Recycling	Corporate	Eliminations	Total Continued operations	Total
Total segment turnover*	4,286.4	1,708.6	8,495.6	16.0	(1,828.6)	12,678.0	12,678.0
of which external turnover	4,209.2	1,689.0	6,763.8	16.0	-	12,678.0	12,678.0
of which inter-segment turnover	77.2	19.6	1,731.8	-	(1,828.6)	0.0	0.0
Total segment revenues (excluding metal)	907.7	593.7	651.6	-	(3.3)	2,149.6	2,149.6
of which external revenues (excluding metal)	906.6	593.7	649.3	-	-	2,149.6	2,149.6
of which inter-segment revenues (excluding metal)	1.0	0.1	2.2	-	(3.3)	0.0	0.0
Adjusted EBIT	204.1	77.8	370.7	(27.4)	(0.1)	625.1	625.1
of which from operating result	204.1	73.7	370.7	(33.8)	(0.1)	614.6	614.6
of which from equity method companies	-	4.1	-	6.3	-	10.4	10.4
EBIT adjustments	0.2	0.4	(35.7)	(3.9)	-	(39.0)	(39.0)
of which from operating result	0.2	0.4	(35.7)	(1.7)	-	(36.8)	(36.8)
of which from equity method companies	-	-	-	(2.2)	-	(2.2)	(2.2)
Total EBIT	204.3	78.2	335.0	(31.3)	(0.1)	586.1	586.1
of which from operating result	204.3	74.1	335.0	(35.5)	(0.1)	577.8	577.8
of which from equity method companies	-	4.1	-	4.2	-	8.3	8.3
Capital expenditure	25.0	104.4	29.9	6.4	-	165.7	165.7
Depreciation & amortization	37.4	58.6	33.6	6.9	-	136.5	136.5

* The turnover of June 2021 included €12,601 million of sales and € 77 million of services. In H1 2020, the turnover of € 9,967 million included € 9,887 million of sales and € 80 million of services and in H2 2020, the turnover of € 10,743 million included € 10,679 million of sales and € 64 million of services.

Note 4: Adjustments included in the results, including discontinued operations

Impact of adjustments (in million €)	Total	of which: adjusted	Adjustments
H1 2020			
Profit from operations	172.7	239.8	(67.1)
of which income from other financial investments	0.5	0.2	0.3
Result of companies accounted for using the equity method	(1.9)	3.3	(5.2)
EBIT	170.8	243.0	(72.3)
Finance cost	(44.5)	(44.5)	-
Tax	(33.9)	(47.5)	13.6
Net result	92.4	151.1	(58.7)
of which minority share	1.5	2.7	(1.2)
of which Group share	90.9	148.4	(57.5)
H2 2020			
Profit from operations	131.9	288.3	(156.3)
of which income from other financial investments	0.3	0.2	0.1
Result of companies accounted for using the equity method	(3.4)	5.1	(8.5)
EBIT	128.5	293.3	(164.8)
Finance cost	(59.7)	(59.7)	-
Tax	(25.3)	(55.3)	30.0
Net result	43.5	178.3	(134.8)
of which minority share	3.9	4.3	(0.4)
of which Group share	39.6	174.1	(134.4)
H1 2021			
Profit from operations	577.8	614.6	(36.8)
of which income from other financial investments	0.2	0.2	-
Result of companies accounted for using the equity method	8.3	10.4	(2.2)
EBIT	586.1	625.1	(39.0)
Finance cost	(46.2)	(51.9)	5.8
Tax	(134.6)	(140.1)	5.4
Net result	405.3	433.1	(27.8)
of which minority share	5.2	5.2	-
of which Group share	400.1	427.9	(27.8)

Note 5: Share based payments

A charge of € 14.3 million was recognized in the income statement in respect of stock options and shares granted to senior executives of the company in 2021. These options and shares have been valued under the same principles as described in the 2020 annual report.

Note 6: Financial instruments

The fair value of financial instruments held for cash flow hedge and other financial instruments are based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (Level 2). For financial assets at fair value through OCI, it is based on quoted prices in active markets for identical assets (Level 1).

Umicore hedges its structural and transactional commodity (metal and energy), currency and interest rate risks using respectively commodity derivatives (mainly quoted on the London Metal Exchange), currency derivatives and Interest Rate Swaps with reputed brokers and banks.

All categories of financial instruments of Umicore are at fair value except the non-current bank and other loans for which the carrying amounts differ from the fair value.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, mainly discounted cash-flow, using market assumptions prevailing at the end of the reporting period. In particular, the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange, metal and energy contracts is determined using quoted forward exchange, metal and energy rates at the end of the reporting period. The fair value of quoted financial assets held by the Group is their quoted market price at the end of the reporting period. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Loans and debt have been issued at market rates which would not create any major differences with effective interest expenses. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

6.1 Financial instruments related to cash-flow hedging

(in thousand €)	Notional or contractual amount		Fair value	
	31/12/2020	30/06/2021	31/12/2020	30/06/2021
Forward commodities sales	131,855	163,768	(49,786)	(50,747)
Forward commodities purchases	(86,877)	(65,309)	22,099	34,389
Forward currency contracts sales	641,320	568,562	12,606	2,364
Forward currency contracts purchases	(79,688)	(43,395)	2,986	3,871
Forward IRS contracts	40,000	40,000	(771)	(584)
Total fair value impact subsidiaries	-	-	(12,866)	(10,707)
Recognized under trade and other receivables	-	-	45,091	47,483
Recognized under trade and other payables	-	-	(57,957)	(58,191)
Total fair value impact associates and joint ventures	-	-	1,114	406
Total	-	-	(11,752)	(10,302)

The fair values of the effective hedging instruments are in the first instance recognized in the fair value reserves recorded in equity and are derecognized when the underlying forecasted or committed transactions occur.

The forward commodities sales contracts are set up to hedge primarily the precious metals. The forward commodity purchase contracts are set up to hedge metals, electricity, gas and fuel oil price risks.

The forward currency contracts are set up to hedge USD, KRW, BRL, CNY, CAD and ZAR inter alia.

The terms and conditions of the forward contracts are common market conditions.

In those circumstances whereby the hedge accounting documentation as defined under IFRS 9 is not available, financial instruments used to hedge structural risks for metals and currencies are measured as if they were held for trading. However, such instruments are being used to hedge future probable cash-flows and are not speculative in nature.

Umicore has not faced any significant ineffectiveness on cash flow hedging in P&L in 2020 and 2021.

6.2 Financial instruments related to fair value hedging

(in thousand €)	Notional or contractual amount		Fair value	
	31/12/2020	30/06/2021	31/12/2020	30/06/2021
Forward commodities sales	303,729	224,684	(19,549)	5,710
Forward commodities purchases	(33,687)	(79,938)	1,891	1,844
Forward currency contracts sales	1,532,188	807,803	5,342	(9,707)
Forward currency contracts purchases	(536,554)	(544,907)	(2,539)	824
Total fair value impact subsidiaries	-	-	(14,854)	(1,329)
Recognized under trade and other receivables	-	-	23,442	14,394
Recognized under trade and other payables	-	-	(38,296)	(15,723)
Total	-	-	(14,854)	(1,329)

In the fair value hedge accounting as applied under IFRS 9, the fair values of the hedging instruments disclosed in the table above are immediately recognized in the income statement under Other operating income for the commodity instruments and under the Net Finance cost for the currency instruments.

Note 7: Shares

The total number of issued shares at the end of June is 246,400,000.

Of the 5,733,685 treasury shares held at the end of 2020, 110,500 shares were used for the employee free share program and 1,069,415 shares were used to honour the exercising of stock options during the period. Umicore also bought back 1,270,000 of its own shares. On 30 June 2021, Umicore owned 5,823,770 treasury shares, representing 2.36% of the total number of shares issued at that date.

Note 8: IFRS developments

New and amended standards and interpretations need to be adopted in the first interim financial statements issued after their effective date (or date of early adoption). There are no new IFRSs or IFRICs that are effective for the first time for this interim period that had a material impact on the Group, except if disclosed above in Note 2. There are as well no anticipated new IFRSs or changes to IFRSs that will have a material effect.

Note 9: Contingencies, accounting estimates and adjusting events

As previously disclosed, the Group has a pending file that can be qualified as a contingent liability according to the definition of IFRS. A subsidiary of Element Six Abrasives received notice of a local tax assessment for € 25 million to be grossed up with statutory interests, estimated at 30 June 2021 at € 13.5 million. Having taken expert advice, Element Six Abrasives submitted an appeal contesting the assessment and recognised the file as a contingent liability. Umicore retains a 40.22 % interest in Element Six Abrasives and accounts for the company using the equity method.

Forward looking statements

This document contains forward-looking information that involves risks and uncertainties, including statements about Umicore's plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Umicore. Should one or more of these risks, uncertainties or contingencies materialize, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. As a result, neither Umicore nor any other person assumes any responsibility for the accuracy of these forward-looking statements.

Glossary

For a glossary of used financial and technical terms please refer to:

<http://www.umicore.com/en/investors/financial-data/glossary/>

For more information

Investor Relations

Saskia Dheedene	+32 2 227 72 21	saskia.dheedene@umicore.com
Eva Behaeghe	+32 2 227 70 68	eva.behaeghe@umicore.com
Aurélië Bultynck	+32 2 227 74 34	aurelie.bultynck@umicore.com

Media Relations

Marjolein Scheers	+32 2 227 71 47	marjolein.scheers@umicore.com
-------------------	-----------------	-------------------------------

Financial calendar

20 August 2021	Ex-interim dividend trading date
23 August 2021	Record date for the interim dividend
24 August 2021	Payment date for the interim dividend

Umicore profile

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 organised 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 € 2.1 billion (turnover of € 12.7 billion) in the first half of 2021 and currently employs just below 11,000 people.

A conference call and audio webcast for **investors, analysts and journalists** will take place today at 9:30 CEST. Please visit: <https://umicore.com/hyr2021>
