



umicore  
*materials for a better life*

# Shareholders' Meetings

25 April 2017

# Agenda

- Horizon 2020 objectives
- Review of 2016 performance
- Q1 2017 trading update
- Governance review
- Voting

# Megatrends are strengthening



**CLEAN  
AIR**



**ELECTRIFIED  
VEHICLES**



**CIRCULAR  
ECONOMY**

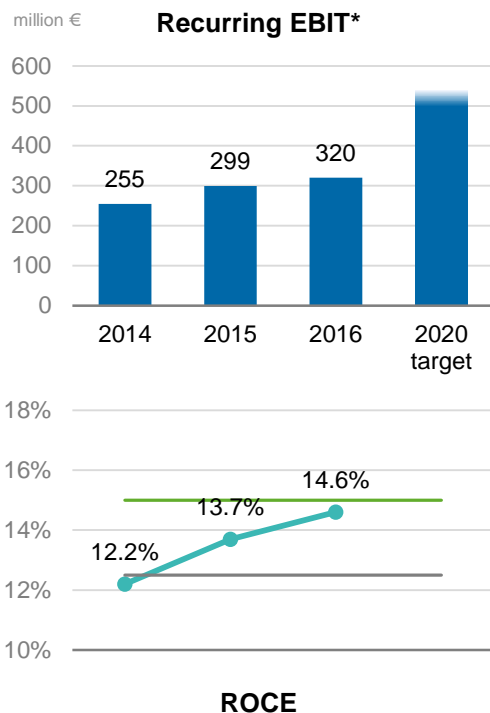
# Horizon 2020 objectives



# Review of 2016 performance



# Progress: Doubling the earnings



- Revenues\* of €2.4 billion (+3%)
- Recurring EBIT\* of €320 million (+7%)
  - Strong growth in Automotive Catalysts and Rechargeable Battery Materials
- ROCE of 14.6% (versus 13.7% in 2015)
- Umicore is well on its way to achieving its 2020 growth targets

\* Excluding Discontinued Operations

# Progress:



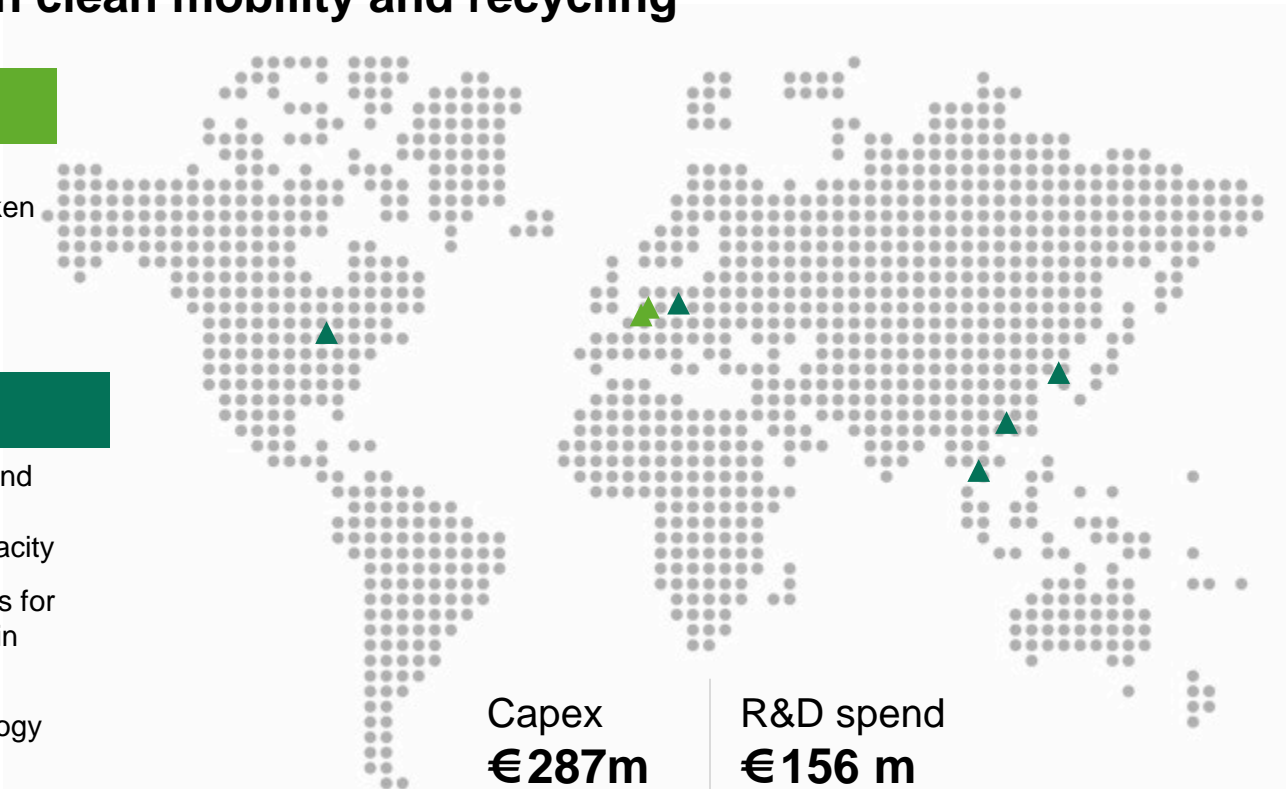
## Leadership in clean mobility and recycling

### Recycling

- ▲ Capacity increase investments in Hoboken
- ▲ Upgrading cobalt refining and recycling facility in Olen

### Clean mobility

- ▲ Expansion in China and South Korea to triple cathode material capacity
- ▲ New production plants for automotive catalysts in Poland and Thailand
- ▲ Expansion of technology centre in US



Capex  
**€287m**

R&D spend  
**€156 m**  
5.8% of revenues

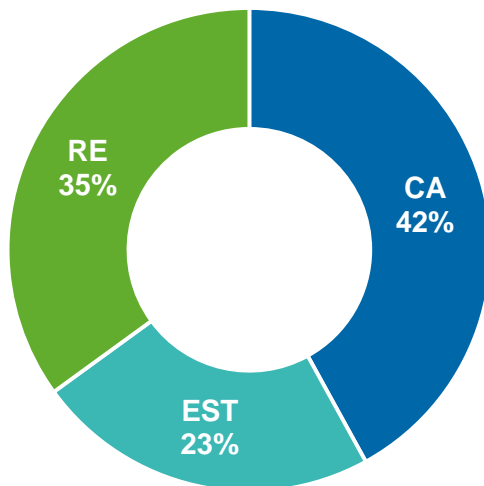
# Progress:



## A more balanced and focused portfolio

### Balance

REBIT  
by business group



### Focus



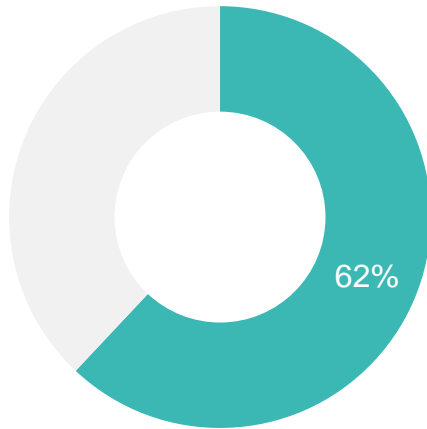




# Progress: Value chain & society



Revenues from clean mobility and recycling



- 62% of products and services already related to clean mobility and recycling
- Risk mapping at all business units for critical raw materials
- Very positive reception from customers to Umicore's ethical cobalt procurement approach





# Progress:

## Eco-efficiency



- 7% improvement in energy efficiency
- Further improvements in overall impact of metal emissions
- Comprehensive action plan and investments underway in Hoboken to reduce lead exposure from dust



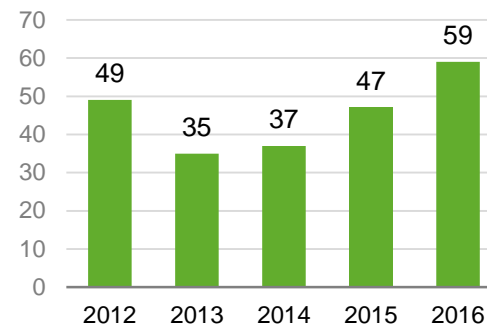
# Progress:



## Great place to work - Health & Safety

- Safety and health
  - Safety performance worsened
  - Increase in excess readings from biomonitoring
- Actions
  - Risk competence project to raise safety awareness levels
  - Improvement measures to tackle increased exposure

**Number of lost time accidents**

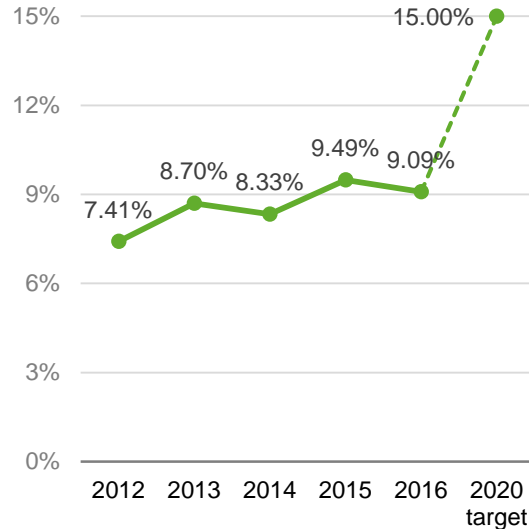


# Progress:



## Great place to work - Employee engagement

**Women representation  
in senior management**

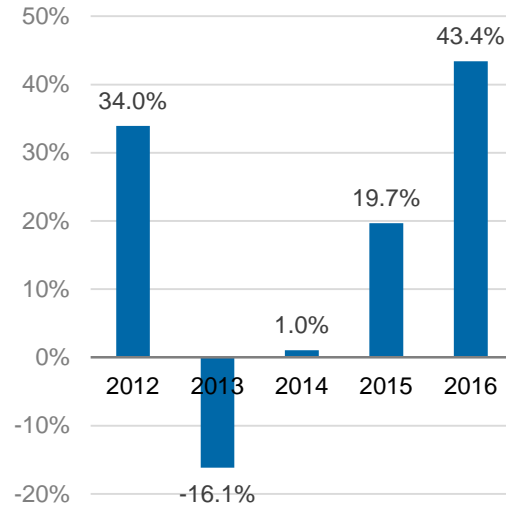


### Focus on diversity

- Introduction of a voluntary target of 15% women in senior management functions by 2020
- Aim to increase the representation of non-Europeans in senior management functions
- Specific initiatives to foster diversity including:
  - management exchange programme
  - coaching circles for women managers

# Shareholder returns

Total shareholder return



- Dividend of € 1.30 per share proposed
- Corresponds to 61% payout ratio based on recurring EPS of € 2.14 per share
- Best performing stock in the Bel20 for 2016 (+40%)



# Q1 trading update

# Highlights Q1 2017

## **Strong growth in revenues from continued operations (+13%):**

- Energy & Surface Technologies +29%: substantial growth in Rechargeable Battery Materials and higher demand and prices in Cobalt & Specialty Materials
- Catalysis +9%: growth in Automotive Catalysts for LDV and HDD
- Recycling +4%: growth in all activities
- Strategic growth investments in clean mobility materials and recycling on track
- Resolution with BASF and Argonne over NMC patent infringement claims
- Successful completion of a €330 million private debt placement

# Outlook 2017

Umicore expects full year recurring EBIT to be in a range of € 370 million to € 400 million assuming current market conditions continue to prevail. Excluding discontinued operations, this equates to a range of € 355 million to € 385 million and would represent an increase of 11% to 20% compared to 2016.





# Governance

# Board of Directors

## Key topics discussed by the Board in 2016

- Financial performance and budget for the Group
- EU-Market Abuse Regulation and approval of a new Umicore Dealing Code
- Investment projects
- Business updates, technology review and risk assessment
- Board and ExCom succession

## 5 full Board meetings in 2016

- 98% attendance for full Board meetings
- 100% attendance for all committees

# Executive remuneration: policy & principles

Compensation & benefits package includes

- Fixed remuneration reflecting the level of responsibility
- Variable (cash remuneration) with 50% deferred over a period of 2 and 3 years
- Share-based incentives: share grant + stock options (both with lock up of 3 years)
- Pension plan and other benefits

Changes as of 2017

- Fixed remuneration for the CEO and the Executive Committee members was increased based on peer company review. For the CEO the 3% increase is the first revision of the fixed remuneration since 2011.
- Introduction of an EBIT growth related element in the deferred variable plan to align with strategic goals

# Executive remuneration 2016

## Shares & options held by the Executive Committee at end 2016

- Outstanding options: 798,000 (strike price range of € 23.16 to € 37.95)
- Total number of shares held by Executive Committee members at end 2016: 403,300

(in EUR)

CEO	2015	2016
fixed	660,000	660,000
variable for the year	220,000	210,000
variable deferred from prior year	74,250	90,450
variable deferred from year prior to prior year	76,950	81,000
<b>Total gross cash remuneration</b>	<b>1,031,200</b>	<b>1,041,450</b>
<b>Non-cash elements</b>		
pension	315,649	164,727
other	47,388	42,881
value of shares granted	172,978	265,200
options (value at grant)	403,896	350,250
<b>TOTAL</b>	<b>1,971,111</b>	<b>1,864,508</b>

Executive Committee	2015	2016
fixed	2,471,250	2,375,000
variable for the year	690,000	660,000
variable deferred from prior year	272,250	296,475
variable deferred from year prior to prior year	256,500	243,000
<b>Total gross cash remuneration</b>	<b>3,690,000</b>	<b>3,574,475</b>
<b>Non-cash elements</b>		
pension	672,684	711,316
other	334,146	235,005
value of shares granted	773,527	1,133,976
options (value at grant)	565,452	490,350
<b>TOTAL</b>	<b>6,035,809</b>	<b>6,145,122</b>

# Proposed Board members



Liat Ben-Zur



Gérard Lamarche



# Voting

# Agenda items

## **Ordinary shareholders' meeting**

1. Annual report of the Board of directors and report of the statutory auditor on the statutory annual accounts 2016
2. Approval of the remuneration report
3. Approval of the statutory annual accounts 2016 including the proposed allocation of the result
4. Communication of the consolidated annual accounts 2016 as well as the annual report of the Board of directors and the statutory auditor's report on those consolidated annual accounts

# Agenda items

5. Discharge to the directors
6. Discharge to the statutory auditor
7. Board composition and remuneration
  - Re-electing Mrs Ines Kolmsee as independent director for a period of three years
  - Appointing Mrs Liat Ben-Zur as independent director for a period of three years
  - Appointing Mr Gérard Lamarche as director for a period of three years
  - Approving the Board members' remuneration proposed for the financial year 2017
8. Re-election of the statutory auditor and remuneration



# Agenda items



## **Extraordinary shareholders' meeting**

1. Renewal of the authorisation to acquire own shares



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