

Aurubis generates strong operating result in first nine months of 2017/18

- » EBT after three quarters grows by about 25 % to €264 million (previous year: €211 million)
- » ROCE rises to 14.6 % during reporting period (previous year: 13.0 %)
- » Initial successes from implementation of M&A strategy
- » Efficiency improvement program will achieve project success of an additional €30 million in fiscal year 2017/18
- » Higher earnings forecast confirmed

Hamburg, August 9, 2018 – Aurubis AG (Aurubis) increased its operating earnings before taxes (EBT) by approximately 25 % to €264 million in the first nine months of FY 2017/18 compared to the previous year (previous year: €211 million). The company increased the operating return on capital employed (ROCE) from 13.0 % in the previous year to 14.6 %, primarily supported by this good result. Revenues also increased in the first three quarters of the fiscal year to €8,747 million (previous year: €8,189 million), which is particularly attributable to higher copper prices.

Significant influencing factors for the strong operating result during the reporting period were the good ongoing performance of the Hamburg and Pirdop sites, as well as positive effects from the efficiency improvement program. At the Bulgarian site, optimization measures to improve efficiency took full effect for the first time during the first nine months. In total, Aurubis increased its concentrate throughput in the first nine months of 2017/18 by around 6 % to 1,913,000 t. Q1 2016/17 had still been influenced by a scheduled maintenance shutdown in Hamburg.

During the reporting period, the company benefited from substantially higher refining charges for copper scrap with good availability at the same time. Revenues from the sale of sulfuric acid also gained momentum in the first nine months of the fiscal year due to both volume and price factors. The central drivers of this development are continued high global demand, especially in the fertilizer and chemical industries. Moreover, individual smelter shutdowns in Asia limited the supply.

A higher metal yield with increased copper prices, significantly higher sales volumes for rod products, and higher sales volumes for flat rolled products contributed to the good result as well.

Because a large portion of Aurubis' income is based on the US dollar, the company carries out extensive hedging transactions. Nevertheless, the weak US dollar strained the operating result in the first three quarters of 2017/18.

The operating result in Q3 2017/18 was influenced by a lower concentrate throughput caused by a scheduled repair shutdown in the Hamburg anode furnace.

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IFRS consolidated earnings before taxes (EBT) from continuing operations totaled € 313 million in the first nine months of 2017/18 (previous year: € 336 million). Due to the sale of Segment Flat Rolled Products, which is subject to approval by the antitrust authorities, Aurubis is presenting this segment as discontinued operations in its Quarterly Report First 9 Months 2017/18, pursuant to IFRS 5.

Because the IFRS result includes measurement effects due to copper price fluctuations and other factors, Aurubis discloses an operating result that differs from the IFRS result. The operating result eliminates these effects, enables a more realistic assessment of the business performance, and is therefore decisive for managing the company. This reporting of the operating result is not affected by the sale of Segment Flat Rolled Products.

Initial M&A success in the scope of the new strategy

Aurubis is working continuously on the implementation of its “Growth, Efficiency & Responsibility” strategy.

On July 13, 2018, the German *Bundeskartellamt* (federal antitrust office) issued authorization for the planned acquisition of the outstanding shares (40 %) of Deutsche Giessdraht GmbH by Aurubis AG. With this step, Aurubis is increasing its rod capacity and, accordingly, adjusting this capacity to its rising production of copper cathodes, the preliminary product for rod. Together with the Group's other three rod facilities, the company is also expanding its delivery reliability for its customers.

The planned sale of Segment Flat Rolled Products to Wieland-Werke AG also serves the growth strategy, enabling Aurubis to focus even more strongly on the multi-metal business and the company's key expertise in process optimization and metallurgy. The EU antitrust authorities initiated the second review phase on August 1, 2018 in order to carry out a more detailed investigation. Aurubis still expects the EU antitrust authorities to approve the sale.

The growth project Future Complex Metallurgy (FCM) was still in the basic engineering phase in Q3 2017/18 and was therefore fully on schedule for implementation. Aurubis will expand its possibilities for processing raw materials with this project. At the same time, FCM is decreasing throughput times for precious metals and reducing capacity bottlenecks at the Hamburg site. The project comprises a capital expenditure volume of about € 320 million in total and, after the construction and start-up phases, is expected to generate a contribution to earnings (EBITDA) of approximately € 80 million per year beginning in FY 2022/23.

Aurubis also made additional progress in implementing its efficiency improvement program. This includes the Aurubis Operating System (AOS). The objective of AOS is to avoid operating losses, to utilize technical facilities optimally, and to establish standardizations and best practices. Following a successful pilot phase, AOS is currently being introduced at all of the main production sites and in the corporate functions. The efficiency improvement program will achieve project success of an additional € 30 million in FY 2017/18. Taken as a whole, all efficiency measures are expected to yield project success of € 200 million by FY 2019/20.

Higher earnings forecast confirmed

Aurubis expects the successful continued implementation of its internal initiatives and high plant availability in the remaining three months of FY 2017/18.

Furthermore, the company does not anticipate any serious changes on the raw material or product markets for the rest of the current fiscal year.

As a result of the positive business development in the first nine months of 2017/18, the Group confirms its full-year forecast for operating EBT in FY 2017/18, which it increased in its report on the first half of FY 2017/18: The Aurubis Group expects a moderately higher operating EBT compared to the previous year – that is, an increase between 5.1 and 15.0 %. The company additionally anticipates an operating ROCE at the prior-year level for the current fiscal year, or a deviation of one percentage point at the most.

To sum up, **Jürgen Schachler**, Executive Board Chairman of Aurubis AG, reaffirms the recently increased forecast for FY 2017/18: *“Our 25 % higher earnings are the result of the many small and large measures related to our strategic initiatives; at the same time, we are benefiting from the positive market environment. We therefore expect our operating result for the fiscal year to be at the upper end of our forecast.”*

The complete Quarterly Report First 9 Months 2017/18 is available at www.aurubis.com

At a Glance

Key Aurubis Group figures Operating		Q3			9M		
		2017/18	2016/17	Change	2017/18	2016/17	Change
Revenues	€m	2,977	2,761	8 %	8,747	8,189	7 %
Gross profit	€m	307	313	-2 %	929	867	7 %
Depreciation and amortization	€m	33	32	3 %	98	96	2 %
EBITDA**	€m	113	126	-10 %	367	316	16 %
EBIT	€m	80	94	-15 %	269	220	22 %
EBT*	€m	78	93	-16 %	264	211	25 %
Consolidated net income	€m	60	71	-15 %	201	161	25 %
Earnings per share	€	1.33	1.59	-16 %	4.46	3.57	25 %
Net cash flow	€m	132	149	-12 %	-100	193	< -100 %
Capital expenditure (including finance leases)	€m	37	36	3 %	116	140	-17 %
ROCE*	%	-	-	-	14.6	13.0	-

* Corporate control parameters.

** EBITDA (operating EBITDA) is determined from EBIT (operating EBIT) plus depreciation and amortization (operating depreciation and amortization). The derivation of operating figures is explained in the comments on the results of operations, net assets, and financial position (operating).

Key Aurubis Group figures IFRS from continuing operations		Q3			9M		
		2017/18	2016/17	Change	2017/18	2016/17	Change
Revenues	€m	2,626	2,444	7 %	7,787	7,327	6 %
Gross profit	€m	285	258	10 %	837	852	-2 %
Personnel expenses	€m	91	87	5 %	266	258	3 %
Depreciation and amortization	€m	30	29	3 %	89	88	1 %
EBITDA	€m	139	117	19 %	411	436	-6 %
EBIT	€m	109	88	24 %	322	348	-7 %
EBT	€m	106	85	25 %	313	336	-7 %
Consolidated net income	€m	81	66	23 %	239	258	-7 %
Earnings per share	€	1.82	1.46	25 %	5.31	5.73	-7 %

General Aurubis Group figures		Q3			9M		
		2017/18	2016/17	Change	2017/18	2016/17	Change
Copper price (average)	US\$/t	6,872	5,662	21 %	6,880	5,591	23 %
Copper price (period end date)	US\$/t	-	-	-	6,646	5,908	12 %
Employees (average)		6,603	6,473	2 %	6,544	6,473	1 %

Aurubis Group output/throughput		Q3			9M		
		2017/18	2016/17	Change	2017/18	2016/17	Change
Concentrate throughput	1,000 t	618	634	-3 %	1,913	1,804	6 %
Copper scrap/blister copper input	1,000 t	118	90	31 %	314	314	0 %
KRS throughput	1,000 t	73	75	-3 %	211	197	7 %
Sulfuric acid output	1,000 t	575	630	-9 %	1,826	1,757	4 %
Cathode output	1,000 t	290	294	-1 %	876	863	2 %
Rod output	1,000 t	205	186	10 %	595	541	10 %
Shapes output	1,000 t	52	52	0 %	151	146	3 %
Flat rolled products and specialty wire output	1,000 t	62	61	2 %	178	172	3 %

Aurubis - Metals for Progress

Aurubis AG is a leading worldwide provider of non-ferrous metals and the largest copper recycler worldwide. The company processes complex metal concentrates, scrap metals, and metal-bearing recycling materials into metals of the highest quality.

Its main area of expertise is the processing and optimal utilization of concentrates and secondary raw materials with complex qualities. With its range of services, Aurubis is a forerunner in the industry. The group of companies is oriented towards growth, efficiency, and sustainability: The main components of the strategy are the expansion of the leading market position as an integrated copper producer, entering new markets in industries of the future, the highly efficient and optimal recovery of additional metals and by-products from complex raw materials, and practicing a responsible attitude when dealing with people, resources, and the environment.

Aurubis produces more than 1 million t of copper cathodes annually, and from them a variety of copper products such as wire rod, continuous cast shapes, rolled products, and strip, as well as specialty wire and profiles made of copper and copper alloys. Precious metals, selenium, lead, nickel, and a number of other products such as sulfuric acid and iron silicate also belong to the product portfolio.

Aurubis has about 6,500 employees, production sites in Europe and the USA, and an extensive service and distribution system in Europe, Asia, and North America.

Aurubis' customers include companies in the copper semis industry, the electrical, electronics, and chemical industries, as well as suppliers of the renewable energies, construction, and automotive sectors.

Aurubis shares are part of the Prime Standard Segment of the German Stock Exchange and are listed in the MDAX, the Global Challenges Index (GCX), and the STOXX Europe 600.

Further information at www.aurubis.com