

Aurubis achieves good half-year result despite coronavirus crisis

- » **Operating EBT at €91 million in first half-year**
- » **Effects of coronavirus pandemic successfully absorbed, but markets remain strained**
- » **Full-year forecast confirmed**
- » **With acquisition of recycler Metallo, Aurubis continues to implement multi-metal strategy with purpose**

Hamburg, May 15, 2020 – Despite the worldwide spread of the coronavirus, with extreme effects for the global economy, the Aurubis Group generated operating earnings before taxes (EBT) of € 91 million in the first half of fiscal year 2019/20 (previous year: € 103 million). Aurubis was able to balance out the reduced supply on the global raw material markets with flexible material planning and a broadly diversified supplier portfolio, ensuring that all production sites had a sufficient supply of concentrates and recycling materials. Stringent cost management nearly compensated for weaker demand for flat rolled products.

Robust business model and solid financial foundation

The robust business model and strong balance sheet position with a stable liquidity situation have proven to be an advantage during the crisis: in accordance with the resolution passed at the Aurubis AG Annual General Meeting on February 27, 2020, the company paid out a dividend of € 1.25 per share. The share buyback program Aurubis started on March 19, 2020 with the intention of acquiring shares at a total purchase price of € 200 million continues. Investments in the Group sites and the implementation of the multi-metal strategy are proceeding unchanged. The company has been able to avoid introducing short-time work thus far.

“Considering the COVID-19 pandemic, we have steered Aurubis through the crisis well so far. By implementing measures very early on, we were able to effectively protect our employees’ health, prevent infection chains from forming, and continue production without limitations,” Roland Harings, Aurubis AG Executive Board Chairman, assessed the first six months of fiscal year 2019/20. “Despite the increasingly challenging raw material and sales markets, we can confirm our forecast for fiscal year 2019/20 thanks to our very robust business model and strong starting position in particular.”

Concentrate throughput reduced in Q1 due to planned shutdown, good again in Q2

A planned maintenance shutdown at the Hamburg plant in Q1 of the fiscal year led to a lower concentrate throughput and, consequently, to a result of € 31 million in Q1. Production at all of the sites was at a good level in Q2. The result in the prior-year period was strained in the amount of approximately € 25 million due to unplanned shutdowns.

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Lower sales prices for sulfuric acid and significantly weaker demand for shapes and flat rolled products negatively impacted the result of the first half-year. In the previous year, the recognition of a receivable of €20 million from the rejected sale of Segment Flat Rolled Products (FRP) increased the operating result.

A substantially higher throughput in the KRS recycling facility in Lünen had positive effects on EBT. Refining charges for copper scrap were also considerably higher compared to the previous year. High precious metal prices and a higher metal result bolstered the 2019/20 half-year result.

Due first and foremost to higher precious metal prices, revenues rose to €6,013 million (previous year: €5,660 million) in the first half of fiscal year 2019/20. Operating ROCE (taking the operating EBIT of the last four quarters into consideration) decreased to 7.5 % (previous year: 9.2 %). This was due to the one-off effects at the end of the last fiscal year as well as the planned maintenance shutdown at the Hamburg plant. At €-25 million as at March 31, 2020, the net cash flow was significantly above the weak prior-year level (€-334 million), which had been negatively influenced by high inventories in preparation for the planned shutdowns in 2018/19.

Aurubis achieved EBT of €43 million from continuing operations on an IFRS basis (previous year: €136 million).*

Outlook: markets becoming more challenging, Aurubis working intensively on implementation of multi-metal strategy

Despite a weakening supply on the markets, Aurubis still expects to source a sufficient supply on the raw material markets for concentrates and copper scrap. Though treatment and refining charges for concentrates are under pressure, refining charges for copper scrap are still at a high level despite declining slightly. On the sales markets for copper products, the negative effects of ongoing production shutdowns in customer industries are intensifying. Aurubis assumes that demand for wire rod and shapes products will be weaker in the next few months.

In the long term, however, Aurubis looks to the future positively: the acquisition of the Spanish-Belgian recycling company Metallo for a price of €380 million, which the EU antitrust authorities unconditionally approved on May 4, 2020, will give Aurubis new growth momentum and strengthen its path to becoming a multi-metal provider. The merger is a key milestone in the implementation of our strategy,” Roland Harings explained. “Recycling is crucial for a sustainable society and, furthermore, is an attractive global growth market. Metallo’s processing know-how and technical processes perfectly complement Aurubis’ core expertise.” The formal closing of the transaction will take place on May 29, 2020.

To ensure it stays competitive in the future, Aurubis has transferred the existing Group-wide efficiency improvement program to a Performance Improvement Program (PIP) focusing on cost reduction. Measures have been identified and implementation has begun. Discussions have started with the employee representatives.

* Because the IFRS result includes measurement effects due to metal price fluctuations and other factors, Aurubis discloses an operating result (EBT) that differs from the IFRS result. The operating result largely eliminates the effects of metal price fluctuations and thus allows for a more realistic assessment of the business performance. Operating EBT is used for control purposes within the Group.

Segment FRP will continue to be classified as discontinued operations pursuant to IFRS 5 and is therefore not included in the IFRS result. The intended sale of the segment does not affect the operating reporting, however.

The complete Interim Report on the First 6 Months 2019/20 is available at www.aurubis.com

At a Glance

Key Aurubis Group figures Operating		Q2			6M		
		2019/20	2018/19	Change	2019/20	2018/19	Change
Revenues	€m	3,304	3,046	8 %	6,013	5,660	6 %
Gross profit	€m	307	288	7 %	570	552	3 %
Depreciation and amortization	€m	36	33	9 %	74	67	10 %
EBITDA	€m	98	97	1 %	169	173	-2 %
EBIT	€m	62	64	-3 %	95	106	-10 %
EBT¹	€m	60	63	-5 %	91	103	-12 %
Consolidated net income	€m	46	48	-4 %	70	78	-10 %
Earnings per share	€	1.01	1.05	-4 %	1.56	1.72	-10 %
Net cash flow	€m	68	-26	> 100 %	-25	-334	93 %
Capital expenditure (including leases)	€m	64	47	35 %	124	93	34 %
ROCE¹	%	-	-	-	7.5	9.2	-

¹ Corporate control parameters.

Key Aurubis Group figures IFRS from continuing operations		Q2			6M		
		2019/20	2018/19	Change	2019/20	2018/19	Change
Revenues	€m	3,043	2,741	11 %	5,522	5,082	9 %
Gross profit	€m	153	301	-49 %	434	490	-11 %
Personnel expenses	€m	95	90	5 %	196	182	8 %
Depreciation and amortization	€m	35	30	16 %	70	61	14 %
EBITDA	€m	-13	158	< -100 %	118	203	-42 %
EBIT	€m	-48	127	< -100 %	48	142	-66 %
EBT	€m	-50	124	< -100 %	43	136	-68 %
Consolidated net income/loss	€m	-38	94	< -100 %	32	103	-69 %
Earnings per share	€	-0.84	2.09	< -100 %	0.71	2.28	-69 %

General Aurubis Group figures		Q2			6M		
		2019/20	2018/19	Change	2019/20	2018/19	Change
Copper price (average)	US\$/t	5,637	6,215	-9 %	5,759	6,193	-7 %
Copper price (period end date)	US\$/t	-	-	-	4,797	6,485	-26 %
Employees (average)		6,753	6,737	0 %	6,786	6,719	1 %

Aurubis Group output/throughput		Q2			6M		
		2019/20	2018/19	Change	2019/20	2018/19	Change
Concentrate throughput	1,000 t	628	589	7 %	1,118	1,181	-5 %
Copper scrap/blister copper input	1,000 t	99	118	-16 %	187	226	-17 %
KRS throughput	1,000 t	71	60	18 %	146	118	24 %
Sulfuric acid output	1,000 t	615	580	6 %	1,086	1,120	-3 %
Cathode output	1,000 t	239	276	-13 %	474	551	-14 %
Wire rod output	1,000 t	213	229	-7 %	412	407	1 %
Shapes output	1,000 t	42	51	-18 %	77	96	-20 %
Flat rolled products and specialty wire output	1,000 t	51	57	-11 %	92	110	-16 %

Aurubis - Metals for Progress

Aurubis AG is a leading global 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 of concentrates and recycling 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 over 6,800 employees, production sites in Europe and the US, and an extensive service and distribution system in Europe, Asia, and North America.

Aurubis' customers include companies in the semis industry; the electrical, electronics, and chemical industries; and 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 and the Global Challenges Index (GCX).

Further information at www.aurubis.com