

Sustainable success in the first fiscal half-year: Aurubis achieves significantly higher result

- » Despite coronavirus crisis, multimetal company generates operating EBT of € 185 million (previous year: € 91 million)
- » Reasons: Good market environment for refining charges, higher throughputs of concentrates and recycling materials, and high product demand
- » Doing business sustainably: Aurubis Bulgaria certified with Copper Mark quality seal

Hamburg, May 10, 2021 – Significantly higher refining charges for recycling materials, an increased concentrate throughput, strict cost discipline, high product demand, and a higher metal result with a strong increase in metal prices: these factors combined are the key reasons for the significantly higher operating earnings before taxes (EBT) of € 185 million that Aurubis AG generated in the first half of its current fiscal year compared to the prior-year period (€ 91 million). The only negative impact came from substantially higher energy costs due to increased electricity prices. At € 125 million, net cash flow was significantly above the prior-year level thanks to the good financial performance. The company thus made its way through the coronavirus crisis very robust in the past fiscal half-year again.

Positive market environment, recycling reinforced due to new sites

The substantially higher concentrate throughput came up against lower treatment and refining charges for copper concentrates due to global market factors, while refining charges for copper scrap and recycling materials remained at a high level. The throughput of other recycling materials also increased, with the new sites in Beerse (Belgium) and Berango (Spain) making positive contributions to the result in particular. Operating ROCE (taking the operating EBIT of the last four quarters into consideration) was 11.9 % (previous year: 7.5 %).

Roland Harings, Aurubis AG Chief Executive Officer, summarized the situation as follows: “Aurubis continues to successfully make its way through the coronavirus crisis. After one year of the pandemic, we can say that its impacts on our result are still minor – despite all of the restrictions in place. We owe this to our employees’ strong sense of responsibility in consistently following the precautions, as well as to the good market environment for companies of the circular economy: our metals and products are benefiting from growing demand from all sectors of the economy.”

Segment MRP: Higher throughput, increased output, good demand

Segment Metal Refining & Processing (MRP) generated operating EBT of € 225 million in the reporting period (previous year: € 140 million). The increase primarily resulted from the influencing factors mentioned above. At 16.5 % (previous year: 14.7 %), ROCE exceeded our 15 % target.

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The *concentrate throughput* of 1,225,000 t after the first six months of the current fiscal year considerably exceeded the previous year (1,118,000 t), during which a maintenance shutdown was carried out at the Hamburg site. *Cathode output* increased by 17 % compared to the previous year, to 554,000 t (previous year: 474,000 t). Supported by higher metal prices, the supply of copper scrap and other recycling materials improved, especially in Aurubis' core markets in Europe and the US. Aurubis was able to fully supply its production facilities with input materials at very good refining charges in both the previous quarter and beyond the reporting period.

The demand recovery that has been setting in since the start of the fiscal year continues, so the global market for *sulfuric acid* registered higher demand with limited supply on the spot market, with substantially higher prices as a result. On the *cathode market*, the stable demand situation continued in Q2 2020/21. At 88,000 t, *shapes* output significantly exceeded the previous year (77,000 t) due to stronger demand, especially from Segment Flat Rolled Products. The cable, construction, energy, and European automotive industries likewise showed high demand for *copper wire rod* during the reporting period.

Segment FRP: Improved result due to high product demand and strict cost management

Segment FRP generated operating earnings before taxes (EBT) of € 3 million in the first half of the reporting year (previous year: € -2 million). The improvement in results compared to the previous year was caused by higher sales volumes in a positive market environment – with lower costs due to strict cost management at the same time. Output of *flat rolled products and specialty wire* in Segment FRP increased to 98,000 t due to demand (previous year: 92,000 t). Operating ROCE (taking the operating EBIT of the last four quarters into consideration) was 4.2 % (previous year: -10.0 %) due to higher operating earnings contributions. Aurubis still stands by its intention to sell Segment FRP and is in advanced contract negotiations.

The IFRS EBT* of € 415 million (previous year: € 16 million) significantly exceeded the previous year as well. In addition to the effects on earnings already described, the change was also largely due to very positive metal price developments.

Doing business sustainably: Copper Mark, formation of Cabo GmbH

On March 20, Aurubis released its seventh Sustainability Report under the title *FOCUS Sustainability*. Aurubis has taken part in the Copper Mark since 2020. The quality seal verifies responsible copper production based on 32 internationally recognized sustainability criteria. At the end of April, the site in Bulgaria was the first Aurubis primary smelter to successfully complete the Copper Mark certification process. The sites in Hamburg and Lünen will be the next to start the audit process. “Aurubis pursues the goal of being the most efficient and sustainable smelter network in the world and is intensively pressing ahead with new possibilities for differentiating itself among the regional and international competition,” explains Roland Harings. This includes expanding innovative industry solutions in the multimetal business and strengthening the European circular

economy by processing a broad range of recycling materials. Improving environmental performance by reducing CO₂ emissions is part of this as well.

On November 13, 2020, Aurubis AG, CABLO Metall-Recycling & Handel GmbH, and TSR Recycling GmbH & Co. KG signed an agreement to establish a joint venture for cable recycling; on April 22, the European Commission issued merger control clearance for the planned joint venture. The closing of the transaction will take place in early June 2021.

Outlook remains positive despite pandemic, forecast confirmed

Aurubis expects the pandemic's impacts to have very little effect on the rest of the fiscal year. With good ongoing output levels at mines, Aurubis will be able to procure a sufficient supply of copper concentrates. Because of its metallurgical expertise and diversified supplier portfolio, Aurubis will attain treatment and refining charges exceeding the benchmark. For copper scrap, the company expects a very good supply with a continued high level of refining charges. Due to the expectation that the high metal prices will continue, Aurubis anticipates a positive effect on its metal result.

The Aurubis Copper Premium was set at US\$ 96/t for calendar year 2021 (previous year: US\$ 96/t). The multimetal company expects demand for copper products to considerably exceed the prior-year level in all product areas and across all customer segments, and demand for sulfuric acid to increase with rising prices.

Likewise, a continued improvement in earnings is expected from the Performance Improvement Program (PIP) through cost reduction and a throughput increase in the primary smelters. The goal (previously set for 2022/23) of generating synergies of € 15 million (EBITDA) from the integration of the acquired Beerse and Berango sites will already be achieved in fiscal year 2020/21.

Overall, Aurubis expects an operating EBT between € 270 and 330 million and an operating ROCE between 9 and 12 % for the entire Group for fiscal year 2020/21.

* 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.

At a Glance

Key Aurubis Group figures ¹ Operating		Q2			6M		
		2020/21	2019/20	Change	2020/21	2019/20	Change
Revenues	€m	4,056	3,304	23 %	7,519	6,013	25 %
Gross profit	€m	381	307	24 %	715	570	25 %
Depreciation and amortization	€m	46	36	28 %	92	74	24 %
EBITDA	€m	149	98	52 %	280	169	66 %
EBIT	€m	103	62	66 %	188	95	98 %
EBT ²	€m	103	60	72 %	185	91	> 100 %
Consolidated net income	€m	79	46	72 %	142	70	> 100 %
Earnings per share	€	1.80	1.01	78 %	3.25	1.56	> 100 %
Net cash flow	€m	399	68	> 100 %	125	-25	> 100 %
Capital expenditure	€m	49	63	-22 %	86	124	-31 %
Borrowings (period end date)	€m	-	-	-	575	184	> 100 %
ROCE²	%	-	-	-	11.9	7.5	-
Segment Metal Refining & Processing							
Revenues	€m	3,748	3,038	23 %	6,957	5,512	26 %
EBIT	€m	129	87	48 %	228	142	61 %
EBT	€m	128	86	49 %	225	140	61 %
ROCE	%	-	-	-	16.5	14.7	-
Capital employed	€m	-	-	-	2,486	2,257	10 %
Segment Flat Rolled Products							
Revenues	€m	366	305	20 %	662	566	17 %
EBIT	€m	3	1	> 100 %	3	0	> 100 %
EBT	€m	4	0	> 100 %	3	-2	> 100 %
ROCE	%	-	-	-	4.2	-10.0	-
Capital employed	€m	-	-	-	326	374	-13 %

Key Aurubis Group figures ¹ IFRS		Q2			6M		
		2020/21	2019/20 ³	Change	2020/21	2019/20 ³	Change
Revenues	€m	4,056	3,304	23 %	7,519	6,013	25 %
Gross profit	€m	466	170	> 100 %	942	501	88 %
Personnel expenses	€m	148	127	17 %	288	260	11 %
Depreciation and amortization	€m	48	38	25 %	93	77	21 %
EBITDA	€m	234	-40	> 100 %	507	100	> 100 %
EBIT	€m	188	-78	> 100 %	415	23	> 100 %
EBT	€m	189	-84	> 100 %	415	16	> 100 %
Consolidated net income/loss	€m	146	-63	> 100 %	319	12	> 100 %
Earnings per share	€	3.34	-1.41	> 100 %	7.30	0.27	> 100 %

¹ Metallo sites included in 2020/21.

² Corporate control parameters.

³ Prior-year figures adjusted due to the reclassification (IFRS 5) of Segment FRP.

Aurubis Group production figures		Q2			6M		
		2020/21	2019/20	Change	2020/21	2019/20	Change
Segment Metal Refining & Processing¹							
Concentrate throughput	1,000 t	618	628	-2 %	1,225	1,118	10 %
Hamburg	1,000 t	285	279	2 %	565	436	30 %
Pirdop	1,000 t	333	349	-5 %	660	682	-3 %
Copper scrap/blister copper input (all sites)	1,000 t	110	99	11 %	212	187	13 %
Other recycling materials	1,000 t	136	90	51 %	276	173	60 %
Sulfuric acid output	1,000 t	588	615	-4 %	1,138	1,086	5 %
Hamburg	1,000 t	246	255	-4 %	464	389	19 %
Pirdop	1,000 t	342	360	-5 %	674	697	-3 %
Cathode output	1,000 t	276	239	15 %	554	474	17 %
Beerse	1,000 t	6	-	-	12	-	-
Hamburg	1,000 t	98	98	0 %	193	186	4 %
Lünen	1,000 t	37	41	-10 %	73	78	-6 %
Olen	1,000 t	79	43	84 %	163	98	66 %
Pirdop	1,000 t	56	57	-2 %	113	112	1 %
Wire rod output	1,000 t	230	213	8 %	430	412	4 %
Shapes output	1,000 t	48	42	14 %	88	77	14 %
Segment Flat Rolled Products							
Flat rolled products and specialty wire output	1,000 t	51	51	0 %	98	92	7 %

Sales volumes ¹		Q2			6M		
		2020/21	2019/20	Change	2020/21	2019/20	Change
Gold	t	14	13	8 %	26	23	13 %
Silver	t	237	296	-20 %	472	463	2 %
Lead	t	8,887	3,804	> 100 %	18,702	8,090	> 100 %
Nickel	t	1,237	680	82 %	1,956	1,365	43 %
Tin	t	2,486	481	> 100 %	5,440	953	> 100 %
Zinc	t	1,900	-	-	4,722	-	-
Minor metals	t	143	208	-31 %	551	475	16 %
Platinum group metals (PGMs)	kg	3,223	2,356	37 %	5,357	3,967	35 %

General Aurubis Group figures		Q2			6M		
		2020/21	2019/20	Change	2020/21	2019/20	Change
Copper price (average)	US\$/t	8,504	5,637	51 %	7,830	5,759	36 %
	€/t	7,061	5,111	38 %	6,529	5,211	25 %
Copper price (period end date)	US\$/t	-	-	-	8,851	4,797	85 %
Gold price (average)	US\$/kg	57,743	50,908	13 %	59,024	49,281	20 %
	€/kg	47,914	46,174	4 %	49,255	44,610	10 %
Silver price (average)	US\$/kg	844	543	55 %	814	550	48 %
	€/kg	701	493	42 %	679	498	36 %
Number of employees (average) ¹		7,132	6,753	6 %	7,181	6,786	6 %

¹ Metallo sites included in 2020/21.

Aurubis - Metals for Progress

Aurubis AG is a leading global provider of non-ferrous metals and one of the largest copper recyclers worldwide. The company processes complex metal concentrates, scrap metals, organic and inorganic metal-bearing recycling materials, and industrial residues into metals of the highest quality. Aurubis produces more than 1 million tons of copper cathodes annually, and from them a variety of products such as wire rod, continuous cast shapes, profiles, and flat rolled products made of copper and copper alloys. Aurubis produces a number of other metals as well, including precious metals, selenium, lead, nickel, tin, and zinc. The portfolio also includes additional products such as sulfuric acid and iron silicate.

Sustainability is a fundamental part of the Aurubis strategy. “Aurubis responsibly transforms raw materials into value” – following this maxim, the company integrates sustainable conduct and business activities into the corporate culture. This involves a careful approach to natural resources, responsible social and ecological conduct in everyday business, and sensible, healthy growth.

Aurubis has about 7,200 employees, production sites in Europe and the US, and an extensive service and distribution system in Europe, Asia, and North America.

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