

Aurubis generates operating EBT of € 103 million in the first half of 2018/19

- » Significantly lower concentrate throughput in the first six months
- » Generally good trend expected on raw material and product markets
- » Aurubis investing in plant availability and environmental protection

Hamburg, May 15, 2019 – According to final figures, the Aurubis Group generated operating earnings before taxes (EBT) of € 103 million in the first six months of FY 2018/19 (previous year: € 186 million) and therefore confirms the preliminary half-year result that the Group published on April 26, 2019. Operating EBT for Q2 amounted to € 63 million (previous year: € 107 million).

Compared to the very strong result of the first half of the previous fiscal year, a significantly lower concentrate throughput, with lower treatment and refining charges at the same time, impacted the result in particular. Unplanned shutdowns at the Hamburg, Pirdop, and Lünen sites already had a negative effect of approximately € 25 million on earnings in Q1 of the current fiscal year. Other factors that led to the lower result included significantly lower refining charges for copper scrap compared to the previous year, with a good supply; higher energy costs; and weaker demand for flat rolled products.

Operating EBT in the first six months was supported by higher sulfuric acid revenues first and foremost. The good price level more than compensated for the lower production volumes due to the shutdowns. Sales of copper rod and shapes products were also satisfactory in the first half of FY 2018/19. Furthermore, the recognition of a receivable of € 20 million from Wieland-Werke AG from the rejected sale of Segment Flat Rolled Products and positive contributions from the ongoing efficiency improvement program influenced the half-year result.

Aurubis generated an EBT of € 136 million from continuing operations on an IFRS basis (previous year: € 207 million).*

Revenues decreased to € 5,660 million (previous year: € 5,770 million). This development is due to the lower concentrate throughput on the one hand and the lower average copper price compared to the previous year on the other hand. Operating return on capital employed (ROCE) was 9.0 % (previous year: 14.9 %). The decrease compared to the first six months of the previous fiscal year resulted from lower contributions to earnings with an increase in capital employed. This is primarily due to the build-up of inventories to prepare for planned maintenance shutdowns.

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Forecast adjusted for the current fiscal year

As announced in the release regarding the preliminary half-year result, Aurubis expects operating EBT for the current fiscal year to be significantly below the previous year, meaning a decrease of more than 15 percent. Consequently, the company now also anticipates a significantly lower operating ROCE compared to the previous year.

“We of course aren’t satisfied with the half-year result and the adjustment of our forecast – Aurubis is certainly capable of more,” commented Aurubis AG Executive Board Chairman Jürgen Schachler. “However, this year is also a transitional year for Aurubis: We are using the scheduled shutdowns to invest in our production and in environmental protection beyond what is legally required. Together with measures from the efficiency improvement program, we are therefore sustainably improving our facilities’ reliability and our competitiveness.”

Outlook: Raw material markets favorable, product markets mixed

For the rest of the fiscal year, Aurubis expects a good copper concentrate supply and a satisfactory level of treatment and refining charges. The company also expects a positive ongoing trend on the copper scrap market. The Group’s facilities are already fully supplied in Q3, with good conditions.

Due to weaker economic conditions, especially in the European automotive sector, Aurubis expects lower demand for copper rod and flat rolled products. In contrast, the Group anticipates robust demand for copper shapes from the industrial tube sector and for lower-oxygen and higher-alloyed materials. The sales market for sulfuric acid, which is difficult to forecast, is signaling a stable situation with prices at a high level for Q3.

Aurubis set the copper premium at US\$ 96/t for calendar year 2019 (previous year: US\$ 86/t). For the most part, the Group expects to be able to implement this premium for its products.

* 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. The intended sale of the segment does not affect the operating reporting, however.

The complete Interim Report on the First 6 Months 2018/19 is available at www.aurubis.com

At a Glance

Key Aurubis Group figures Operating	Q2			6M			
	2018/19	2017/18	Change	2018/19	2017/18	Change	
Revenues	€m	3,046	2,898	5 %	5,660	5,770	-2 %
Gross profit	€m	288	331	-13 %	552	622	-11 %
Depreciation and amortization	€m	33	33	0 %	67	65	3 %
EBITDA**	€m	97	140	-31 %	173	254	-32 %
EBIT	€m	64	107	-40 %	106	189	-44 %
EBT*	€m	63	107	-41 %	103	186	-45 %
Consolidated net income	€m	48	81	-41 %	78	141	-45 %
Earnings per share	€	1.05	1.80	-41 %	1.72	3.13	-45 %
Net cash flow	€m	-26	14	< -100 %	-334	-232	44 %
Capital expenditure (including finance leases)	€m	47	35	34 %	93	80	17 %
ROCE*	%	-	-	-	9.0	14.9	-

* Corporate control parameters.

** EBITDA (operating EBITDA) is determined from EBIT (operating EBIT) plus depreciation and amortization (operating depreciation and amortization).

Key Aurubis Group figures IFRS from continuing operations	Q2			6M			
	2018/19	2017/18	Change	2018/19	2017/18	Change	
Revenues	€m	2,741	2,565	7 %	5,082	5,161	-2 %
Gross profit	€m	302	227	33 %	490	552	-11 %
Personnel expenses	€m	90	92	-3 %	182	175	3 %
Depreciation and amortization	€m	30	30	0 %	61	59	4 %
EBITDA	€m	157	81	94 %	203	272	-25 %
EBIT	€m	128	51	> 100 %	142	213	-33 %
EBT	€m	124	48	> 100 %	136	207	-34 %
Consolidated net income	€m	94	35	> 100 %	103	158	-35 %
Earnings per share	€	2.09	0.79	> 100 %	2.28	3.49	-35 %

General Aurubis Group figures	Q2			6M			
	2018/19	2017/18	Change	2018/19	2017/18	Change	
Copper price (average)	US\$/t	6,215	6,961	-11 %	6,193	6,884	-10 %
Copper price (period end date)	US\$/t	-	-	-	6,485	6,685	-3 %
Employees (average)		6,737	6,521	3 %	6,719	6,515	3 %

Aurubis Group output/throughput	Q2			6M			
	2018/19	2017/18	Change	2018/19	2017/18	Change	
Concentrate throughput	1,000 t	589	641	-8 %	1,181	1,295	-9 %
Copper scrap/blister copper input	1,000 t	118	97	22 %	226	196	15 %
KRS throughput	1,000 t	60	58	3 %	118	138	-14 %
Sulfuric acid output	1,000 t	580	618	-6 %	1,120	1,251	-10 %
Cathode output	1,000 t	276	291	-5 %	551	586	-6 %
Rod output	1,000 t	229	209	10 %	407	390	4 %
Shapes output	1,000 t	51	55	-7 %	96	99	-3 %
Flat rolled products and specialty wire output	1,000 t	57	61	-7 %	110	116	-5 %

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 about 6,700 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, the Global Challenges Index (GCX), and the STOXX Europe 600.

Further information at www.aurubis.com