

Aurubis recommends dividend of € 1.25 per share for fiscal year 2018/19

- » Recommended dividend boosts payout ratio from 26 % to more than 40 % of operating earnings before taxes (EBT)
- » Operating EBT decreases to € 192 million (previous year: € 329 million)
- » One-off impairment losses in Segment Flat Rolled Products and maintenance shutdowns impact fiscal year result
- » Net cash flow rises to over € 270 million

Hamburg, December 11, 2019 – The Executive Board and Supervisory Board of Aurubis AG (Aurubis) will recommend a dividend of € 1.25 per share at the Annual General Meeting on February 27, 2020. This resolution was passed at the company's Supervisory Board meeting yesterday. If the shareholders at the Annual General Meeting accept this recommendation, the payout ratio will be 41 % (previous year: 26 %) of the operating consolidated net result. The dividend yield based on the Xetra closing price for Aurubis shares as at September 30, 2019 amounts to 3.1 % (previous year: 2.6 %).

One-off impairment losses in Segment Flat Rolled Products and maintenance shutdowns impact fiscal year result

Aurubis generated an operating result of € 192 million (previous year: € 329 million) in fiscal year 2018/19. Compared to the extraordinarily good previous year, the operating result was strained in particular by accounting-related measurement effects – an ongoing impairment loss of € 31 million recognized against copper inventories as well as a € 20 million impairment loss recognized against the non-current assets of Segment Flat Rolled Products (FRP). The considerably lower operating performance due to planned and unplanned shutdowns at the smelter sites had an impact as well, which led to lower revenues from treatment and refining charges, among other effects. Expenses after the termination of the investment project Future Complex Metallurgy (FCM) also weighed on the fiscal year result. Moreover, higher energy costs and weaker demand for shapes and flat rolled products had a negative impact.

A good metal gain in Q4 of the fiscal year, precious metal sales at good prices, and rising sulfuric acid revenues thanks to significantly higher market prices positively influenced the fiscal year result. The efficiency improvement program also generated positive contributions to earnings once again. Furthermore, a receivable arising from the prohibited sale of Segment FRP was recognized in other operating income.

IFRS earnings before taxes (EBT) from continuing operations were € 260 million.*

The net cash flow developed positively in fiscal year 2018/19, rising to € 272 million (previous year: € 203 million). This was due especially to precious metal sales at higher prices.

Aurubis AG
Corporate Communications

Daniela Kalmbach
Head of External
Communications
Phone +49 40 7883-3053
d.kalmbach@aurubis.com

Malte Blombach
Senior
Communications Manager
Phone +49 40 7883-3037
m.blombach@aurubis.com

Hovestrasse 50
20539 Hamburg, Germany

www.aurubis.com

“With our recommended dividend, we continue the company policy of always paying out at least 25 % of the operating consolidated net income to the shareholders,” summed up Roland Harings, Executive Board chairman since July 1, 2019. “The past fiscal year was a transitional year for Aurubis. We invested in the company’s future with planned maintenance shutdowns, but unplanned shutdowns and other turbulent events impacted the past fiscal year negatively. Nevertheless, the shareholders shouldn’t bear the burden of the one-off effects impacting the result in particular, which is why we decided on this relatively high payout ratio.”

Aurubis expects result in new fiscal year at a similar level

For the current fiscal year 2019/20, the Aurubis Group expects operating EBT of between € 185 and 250 million and an operating ROCE between 8 and 11 %.

Based on industry forecasts, Aurubis expects stable copper demand overall, although product demand from the automotive sector will continue to be restrained. The level for 2020 annual contracts on the copper concentrate market will likely be substantially lower than prior-year level in light of the November 2019 benchmark. The company left the Aurubis copper premium at the prior-year level of US\$ 96/t for 2020. Aurubis currently has good market conditions for copper scrap and sulfuric acid, though the market trend remains difficult to forecast in fiscal year 2019/20 due to the short-term nature of the business.

A planned maintenance shutdown in the Hamburg plant, which was carried out in October and November 2019, is expected to have an impact of about € 34 million on the Q1 result.

In fiscal year 2019/20, Aurubis plans to transition the efficiency improvement program to a program focusing on cost savings with the objective of at least counteracting inflation and weaker economic and market conditions.

Multi-metal strategy will continue unchanged

Aurubis maintains its strategy of continuing its development into a multi-metal provider. A key milestone in this strategy was the signing of a purchase agreement for the acquisition of the Belgian/Spanish Metallo Group in May 2019. Metallo is a recycling and refining company that specializes in recovering non-ferrous metals, primarily from recycling materials with low metal contents. The acquisition is currently being reviewed by the European antitrust authority. Aurubis expects approval by April 2020.

“I see fantastic opportunities for Aurubis, especially in the global recycling business with its complex starting materials,” explained Harings. “In this context, we’ll once again take a closer look at growth opportunities abroad. Internally, we’ll focus on preventive maintenance to ensure that the company stays profitable and to strengthen it sustainably.”

* 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.

You can read the complete report for fiscal year 2018/19 at www.aurubis.com

At a Glance

Key Aurubis Group figures Operating		Q4			Fiscal year		
		2018/19	2017/18	Change	2018/19	2017/18	Change
Revenues	€m	3,216	2,947	9 %	11,897	11,694	2 %
Gross profit	€m	333	285	17 %	1,168	1,214	-4 %
Depreciation and amortization	€m	49	32	53%	151	130	16 %
EBITDA**	€m	125	95	32 %	359	462	-22 %
EBIT	€m	76	63	21 %	208	332	-37 %
EBT*	€m	67	65	3%	192	329	-42 %
Consolidated net income	€m	43	64	-33 %	138	265	-48 %
Earnings per share	€	0.98	1.41	-30 %	3.08	5.87	-48 %
Net cash flow	€m	512	303	69 %	272	203	34 %
Capital expenditure (including finance leases)	€m	81	66	23 %	224	181	24 %
ROCE*	%	-	-	-	8.6	15.0	-

* 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		Q4			Fiscal year		
		2018/19	2017/18	Change	2018/19	2017/18	Change
Revenues	€m	2,959	2,637	12 %	10,763	10,424	3 %
Gross profit	€m	324	185	75 %	1,027	1,022	1 %
Personnel expenses	€m	99	86	15 %	374	352	6 %
Depreciation and amortization	€m	33	30	8 %	125	119	5 %
EBITDA	€m	162	42	> 100 %	399	453	-12 %
EBIT	€m	130	12	> 100 %	274	334	-18 %
EBT	€m	125	9	> 100 %	260	322	-19 %
Consolidated net income	€m	90	24	> 100 %	191	263	-27 %
Earnings per share	€	1.99	0.51	> 100 %	4.25	5.81	-27 %

General Aurubis Group figures		Q4			Fiscal year		
		2018/19	2017/18	Change	2018/19	2017/18	Change
Copper price (average)	US\$/t	5,802	6,105	-5 %	6,070	6,684	-9 %
Copper price (period end date)	US\$/t	-	-	-	5,728	6,180	-7 %
Employees (average)		6,820	6,651	3 %	6,766	6,571	3 %

Aurubis Group output/throughput		Q4			Fiscal year		
		2018/19	2017/18	Change	2018/19	2017/18	Change
Concentrate throughput	1,000 t	566	609	-7 %	2,225	2,522	-12 %
Copper scrap/blister copper input	1,000 t	92	92	0 %	435	406	7 %
KRS throughput	1,000 t	73	56	30 %	259	267	-3 %
Sulfuric acid output	1,000 t	544	548	-1 %	2,101	2,374	-11 %
Cathode output	1,000 t	257	285	-10 %	1,075	1,162	-7 %
Wire rod output	1,000 t	184*	179	3 %	804*	774	4 %
Shapes output	1,000 t	32	45	-29 %	174	196	-11 %
Flat rolled products and specialty wire output	1,000 t	47	57	-18 %	210	235	-11 %

* Taking the full integration of Deutsche Giessdraht GmbH into account.

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 6,800 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