



Company Release
Fiscal Year 2018/19

October 1, 2018 to September 30, 2019



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.

Table of Contents

4	Overview of Business and Market Development
8	Segments
10	Results of Operations and Return on Capital
12	Outlook
16	Reconciliation of the consolidated income statement
17	Reconciliation of the consolidated statement of financial position
18	Segment Reporting
20	Dates and Contacts

This report may include slight deviations in disclosed totals due to rounding.

The full Annual Report is available on our website at annualreport2018-19.aurubis.com. Excel tables can be downloaded directly from the online Annual Report, as well as from the download center on our website.

Overview of Business and Market Development

The Aurubis Group generated operating earnings before taxes (EBT) of € 192 million in fiscal year 2018/19 (previous year: € 329 million). This was significantly below the prior-year result and thus corresponded to the forecast, which had been reduced at the half-year mark of fiscal year 2018/19. Operating return on capital employed (ROCE) was 8.6 % (previous year: 15.0 %). The recommended dividend is € 1.25 (previous year: € 1.55). The payout ratio would therefore be 41 % (previous year: 26 %) related to the operating consolidated net result. The dividend yield based on the Xetra closing price of € 40.89 as at September 30, 2019 would amount to 3.1 % (previous year: 2.6 %). IFRS earnings before taxes (EBT) from continuing operations were € 260 million (previous year: € 322 million).

The Aurubis Group generated operating earnings before taxes (EBT) of € 192 million in fiscal year 2018/19 (previous year: € 329 million). The development of operating EBT was negatively influenced by:

- » Planned and unplanned maintenance shutdowns at smelter sites, which led in particular to considerably lower concentrate throughput and thus to lower revenues from treatment and refining charges
- » The change in the definition of our operating result, which led to recognition of an ongoing impairment loss of € 31 million against copper inventories held within the Group
- » A € 20 million impairment loss recognized against the non-current assets of Segment Flat Rolled Products (FRP)
- » Higher energy costs
- » Expenses after the termination of our internal investment project Future Complex Metallurgy (FCM)
- » Weaker demand for shapes and flat rolled products

Positive effects on operating EBT included:

- » A good metal gain in Q4
- » Precious metal sales, taking advantage of high precious metal prices
- » Higher sulfuric acid revenues due to considerably higher prices, despite lower output volumes resulting from the shutdowns
- » Positive contributions from our efficiency

improvement program

- » A receivable from Wieland-Werke AG arising from the prohibited sale of Segment FRP

At € 67 million, operating EBT in Q4 was at prior-year level (€ 65 million) but was strained by an ongoing impairment loss of € 31 million recognized against copper inventories and a € 20 million impairment loss recognized against Segment FRP's non-current assets. A good metal gain in Q4 had a positive impact. In the previous year, unscheduled maintenance shutdowns at the Hamburg and Lünen production sites negatively affected earnings.

The Aurubis Group generated a good operating net cash flow of € 272 million (previous year: € 203 million) in fiscal year 2018/19. This was due in particular to sales of precious metals at higher prices.

As compared to the previous year, the definition of operating EBT was changed to eliminate only non-permanent write-downs and write-ups in the value of copper inventories as at the reporting date. Any permanent impairment losses or reversals of impairment losses are recognized as part of the operating result from this reporting year onwards and serve to better depict the results of operations, net assets, and financial position. This amendment to the reconciliation resulted in the recognition of a permanent impairment loss of € 31 million as at the reporting date. An equivalent

amendment in the previous year wouldn't have resulted in the recognition of an impairment loss in the income statement.

Raw material markets

In fiscal year 2018/19, good mine output was met by rising demand among smelters, especially in China, despite isolated smelter shutdowns. The copper price level served as an incentive for the mining industry to fully utilize its production capacity, a development that also benefited from the absence of any significant production disruptions. While TC/RCs for standard copper concentrates on the spot market were above the 2019 benchmark of US\$ 80.8/t and 8.08 cents/lb at the start of the fiscal year, stronger demand for standard copper concentrates starting in March 2019 led to a substantial reduction in spot TC/RCs, down to levels of US\$ 55/t and 5.50 cents/lb in August 2019, according to Wood Mackenzie. Due to planned and unplanned shutdowns, Aurubis was hardly active on the spot market during the fiscal year. Generally speaking, we are only marginally dependent on the spot market thanks to our long-term supply strategy.

During fiscal year 2018/19, the copper scrap market was characterized by a good supply due to relatively constant metal prices and a stable economic situation throughout longer periods of the fiscal year. The trade conflict between the US and China and the introduction of import quotas for high-quality scrap led to a shift in metal flows from the US towards Europe, among other regions. Because of the good availability, refining charges for copper scrap were at a good level, though much lower than in the very good previous year.

The availability of complex recycling materials, including industrial residues and electrical and electronic scrap, was stable with good refining charges, positively influenced by China's import ban on copper scrap with higher levels of impurities, which started in early 2019. Due to various import and export restrictions, global

material streams are steadily changing on the market for recycling materials. Aurubis is actively adjusting to the changes in market circumstances and was able to supply the production facilities with recycling materials at good conditions in the reporting period.

Product markets

Sulfuric acid

The global market for sulfuric acid developed satisfactorily in fiscal year 2018/19. High demand as well as production shutdowns led to a tightening of the market and consequently to high prices over long stretches of the reporting period. However, by the end of the third quarter, the market had cooled noticeably.

Copper products

Following robust demand for rod in the first half of 2018/19, the level was considerably more subdued in the second half of the fiscal year. Rod demand in the individual sectors developed differently. Demand among magnet wire producers declined substantially in particular, while the decrease in demand in the automotive sector caused only a slight reduction for rod. In contrast, demand in both the construction industry and in energy cable was nearly stable.

Following stable demand for high-purity shapes at the start of the fiscal year, the situation dampened toward the end of Q2 in light of the general economic trend. Restrained demand from the automotive sector in particular influenced the flat rolled products sector, a key outlet for shapes.

The market for flat rolled products has cooled down distinctly since summer 2018, especially in Europe. Demand for connectors from the European automotive industry was impacted in particular. Individual sales segments in the US market also lagged behind expectations.

The LME copper price was characterized by sustained

volatility during fiscal year 2018/19, arising primarily from uncertainties related to the continued economic dispute between the US and China. Following a copper price of US\$ 6,180/t (settlement) at the beginning of October 2018, the fiscal year closed with an LME copper price of US\$ 5,728 (settlement). The lowest price of the year was US\$ 5,537 (September 3, 2019). Almost six months prior, the high was US\$ 6,572 (March 1, 2019). The average price for the fiscal year was US\$ 6,070 (previous year: US\$ 6,684).

The average gold price was US\$ 42,708/kg, or 4 % above the previous year (US\$ 41,188/kg). Silver was quoted at US\$ 499/kg on average during the fiscal year, 5 % below the previous year (US\$ 523/kg).

Strategic orientation

On May 22, 2019, Aurubis AG signed a purchase agreement for the acquisition of the Belgian/Spanish Metallo Group, continuing its strategy with purpose. Metallo is a technology leader in processing recycling materials with low metal contents. The acquisition of Metallo, with its attractive growth potential, strengthens Aurubis' metal portfolio, especially for the key metals copper, nickel, tin, zinc, and lead. The acquisition is currently still subject to approval by the European Commission. On November 19, 2019, the European Commission informed the company that it intended to review Aurubis' planned acquisition of Metallo more intensively (referred to as phase II). Aurubis AG expects approval by April 2020 at the latest.

After the European Commission prohibited the sale of Segment FRP in February 2019, we're now reviewing different strategic options for the sale of the segment. The segment thus continues to fulfill the conditions for presentation as discontinued operations pursuant to IFRS 5.

The Executive Board and Supervisory Board made the decision to stop the internal growth project FCM in its

original form in June 2019 because the project was no longer as profitable as originally expected due to much higher investment requirements. A key focus of the project was to increase the throughput of complex raw materials in the Group. FCM has now been fully documented. The discontinuation of FCM does not mean that there will be a change in strategy.

Executive Board Chairman Roland Harings:

We have an eventful fiscal year behind us, one with its fair share of bumps. We had to make bold decisions, such as stopping FCM, but we also achieved important milestones. The acquisition of Metallo is an important step in our development into a multi-metal company. We're still on the right track with our multi-metal strategy. And we'll continue to implement this approach. I see fantastic opportunities for Aurubis, especially in recycling.

With planned and unplanned shutdowns, 2018/19 was nevertheless a transitional year for Aurubis. Ensuring our smelters' operating performance, and thus Aurubis' profitability, has the highest priority for us. We invested in the future of the company with planned maintenance shutdowns, and we will continue to focus on developing preventive maintenance.

Despite the lower result, our payout ratio of 41 % is significantly higher than our target of 25 %. The shareholders shouldn't bear the burden of the non-recurring special items impacting the result in particular, which is why we decided on this disproportionately high payout ratio.

Segment Metal Refining & Processing		Q4			Fiscal year		
		2018/19	2017/18	Change	2018/19	2017/18	Change
Revenues	€m	2,954	2,632	12 %	10,742	10,407	3 %
Operating EBIT	€m	132	65	> 100 %	311	359	-13 %
Operating EBT	€m	128	64	100 %	304	353	-14 %
Operating ROCE (rolling EBIT for the last 4 quarters)	%	-	-	-	15.5	19.4	-
Capital employed	€m	-	-	-	2,013	1,852	9 %
Concentrate throughput	1,000 t	566	609	-7 %	2,225	2,522	-12 %
Hamburg	1,000 t	277	261	6 %	1,086	1,123	-3 %
Pirdop	1,000 t	289	348	-17 %	1,139	1,399	-19 %
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 %
Hamburg	1,000 t	245	222	10 %	978	1,005	-3 %
Pirdop	1,000 t	299	326	-8 %	1,123	1,369	-18 %
Cathode output	1,000 t	257	285	-10 %	1,075	1,162	-7 %
Hamburg	1,000 t	86	94	-9 %	364	396	-8 %
Lünen	1,000 t	38	48	-21 %	166	197	-16 %
Olen	1,000 t	83	86	-3 %	338	342	-1 %
Pirdop	1,000 t	50	57	-12 %	207	227	-9 %
Wire rod output	1,000 t	184*	179	3 %	804*	774	4 %
Shapes output	1,000 t	32	45	-29 %	174	196	-11 %
Copper price (average)	US\$/t	5,802	6,105	-5 %	6,070	6,684	-9 %
	€/t	5,218	5,250	-1 %	5,380	5,614	-4 %
Gold price (average)	US\$/kg	47,337	39,010	21 %	42,708	41,188	4 %
	€/kg	42,585	33,546	27 %	37,889	34,598	10 %
Silver price (average)	US\$/kg	546	483	13 %	499	523	-5 %
	€/kg	491	415	18 %	457	439	4 %

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

Segment Flat Rolled Products		Q4			Fiscal year		
		2018/19	2017/18	Change	2018/19	2017/18	Change
Revenues	€m	301	346	-13 %	1,300	1,452	-10 %
Operating EBIT	€m	-42	11	<-100 %	-39	18	<-100 %
Operating EBT	€m	-47	14	<-100 %	-47	21	<-100 %
Operating ROCE* (rolling EBIT for the last 4 quarters)	%	-	-	-	-10.6	7.4	-
Capital employed*	€m	-	-	-	363	398	-9 %
Flat rolled products and specialty wire output	1,000 t	47	57	-18 %	210	235	-11 %

* The shares of Schwermetall Halbzeugwerk GmbH & Co. KG accounted for using the equity method have been included for this reporting year. This adjustment should improve the depiction of Segment FRP's profitability. Prior-year figures have been adjusted accordingly.

Segments

At € 304 million in the reporting period, operating EBT for **Segment Metal Refining & Processing (MRP)** was significantly lower than that of the very good previous year (€ 353 million). The development was substantially influenced by planned and unplanned shutdowns at our smelter sites, which led in particular to considerably lower concentrate throughput and thus to lower revenues from treatment and refining charges. At the start of the last fiscal year, unplanned shutdowns at our Hamburg, Pirdop, and Lünen sites led to an impact of approximately € 25 million on earnings. A scheduled maintenance shutdown at our Pirdop site in May/June had a negative effect of € 15 million. Higher processing volumes compensated for significantly lower refining charges for copper scrap compared to the previous year. Higher energy costs weighed on the operating result. Furthermore, a weakening economic environment led to significantly weaker demand for shapes products, driven by the flat rolled products sector especially. Positive impacts included a good metal gain in Q4 with increased metal prices, higher sulfuric acid revenues due to considerably higher prices despite lower production volumes stemming from the shutdown, and contributions from our efficiency improvement program.

Overall, at € 304 million, Segment MRP's operating result was 14 % below the prior-year level (€ 353 million). At 15.5 % (previous year: 19.4 %), the segment's operating ROCE was less than the previous year, due primarily to the lower result of the fiscal year. The full-year forecast for operating EBT and operating ROCE from the Annual Report 2017/18 was reduced accordingly in the Interim Report published for the first half of 2018/19.

Operating EBT in Q4 was € 128 million and therefore double that of the previous year (€ 64 million), positively impacted by a good metal gain and precious metal sales, taking advantage of high precious metal prices. Unplanned maintenance shutdowns at the Hamburg and Lünen production sites had negatively affected earnings in the same quarter of the previous year.

Within the scope of our multi-metal strategy, we have been reporting sales volumes for lead, nickel, tin, minor metals, and platinum group metals since FY 2017/18, in addition to gold and silver. The recovery of our metals depends on the metal contents in the processed copper concentrates and recycling materials. Lower concentrate throughputs due to shutdowns therefore impact the volumes that are recovered. A portion of the metals is sold in the form of intermediate products.

Sales volumes		2018/19	2017/18
Gold	t	51	48
Silver	t	861	877
Lead	t	19,038	19,527
Nickel	t	3,067	3,022
Tin	t	1,631	1,851
Minor metals	t	943	918
Platinum group metals (PGMs)	kg	9,771	8,821

Capital expenditure in Segment MRP amounted to € 203 million (previous year: € 152 million). Significant individual investments included investments in connection with the maintenance shutdown carried out in Pirdop, investments to prepare for the scheduled maintenance shutdown in Hamburg (October 2019), and investments in the construction of the new Innovation and Training Center at the Hamburg site.

Segment Flat Rolled Products (FRP) generated operating earnings before taxes (EBT) of € -47 million (previous year: € 21 million). Operating EBT was substantially strained due to the change in the definition of the operating result (see page 4), which led to recognition of an ongoing impairment loss of € 31 million against copper inventories. Furthermore, a € 20 million impairment on Segment FRP's non-current assets had a negative impact. Without these effects, operating earnings before taxes (EBT) would have been slightly positive (€ +4 million) but were instead substantially below the previous year. This was mainly due to a lower

sales volume and less favorable conditions on the buying market compared to the very good previous year. We prevented a further drop in earnings with the ongoing efficiency improvement program.

Overall, at € -47 million, Segment FRP's operating result during the reporting year was significantly below the prior-year level (€ 21 million). Operating ROCE (taking the operating EBIT of the last four quarters into consideration) was also well below the previous year at -10.6 % (previous year: 7.4 %). The full-year forecast for operating EBT and operating ROCE from the Annual Report 2017/18 was reduced accordingly in the Interim Report published for the first half of 2018/19.

After the European Commission prohibited the sale of Segment FRP in February 2019, we're now reviewing different strategic options for the sale of the segment. The segment thus continues to fulfill the conditions for presentation as discontinued operations pursuant to IFRS 5.

Capital expenditure in Segment FRP amounted to € 16 million (previous year: € 17 million). This was primarily used for replacement investments.

Results of Operations and Return on Capital

In order to portray the Aurubis Group's operating success independently of measurement influences for internal management purposes, the presentation of the IFRS results of operations, net assets, and financial position is supplemented by the results of operations and net assets explained on the basis of operating values.

In order to adjust the measurement impacts in inventories resulting from the application of IAS 2, metal price fluctuations resulting from the application of the average cost method are eliminated in the same manner as any non-permanent write-downs or appreciation in value for copper inventories at the reporting date. Furthermore, fixed assets have been adjusted for non-cash-effective impacts deriving from purchase price allocations.

Aurubis has intended to sell Segment FRP since fiscal year 2017/18. Therefore, the special presentation and measurement requirements specified in IFRS 5 must continue to be applied for Segment FRP, as they were in the previous year. The accounting impacts of IFRS 5 were reversed to derive the operating result. The Executive Board continues to treat Segment FRP as an operating reporting segment and, consequently, the financial reporting for operating purposes will remain unchanged until the sales transaction is finalized.

Results of operations (operating)

Operating EBT in fiscal year 2018/19 amounts to € 192 million (previous year: € 329 million) and is derived from continuing and discontinued operations of the IFRS result before income taxes, as follows:

The Aurubis Group generated IFRS earnings before taxes of € 260 million from continuing operations in fiscal year 2018/19 (previous year: € 322 million). IFRS earnings before taxes from discontinued operations amount to € -16 million (previous year: € 46 million).

The accounting impacts of IFRS 5 were reversed to derive the operating result. Accordingly, scheduled depreciation and amortization (€ -14 million) and the recognition in income of the shares of Schwermetall Halbzeugwerk GmbH & Co. KG consolidated using the equity method (€ -2 million) were taken into account in the reconciliation to the operating result, as in the past.

Moreover, to derive the operating result, the IFRS result was adjusted for inventory measurement effects of € -54 million (previous year: € -42 million) (the total of the following positions: "Changes in inventories of finished goods and work in process," "Cost of materials," and "Result from investments measured using the equity method"), as well as for impacts of € 2 million (previous year: € 3 million) deriving from allocations of the purchase price, resulting in operating earnings before taxes of € 192 million (previous year: € 329 million).

Operating EBT was negatively influenced by:

- » Planned and unplanned maintenance shutdowns at smelter sites, which led in particular to considerably lower concentrate throughput and thus to lower revenues from treatment and refining charges
- » The change in the definition of our operating result, which led to recognition of an ongoing impairment loss of € 31 million against copper inventories held within the Group
- » A € 20 million impairment loss recognized against Segment FRP's non-current assets
- » Higher energy costs
- » Expenses after the termination of our internal investment project FCM
- » Weaker demand for shapes and flat rolled products

Positive effects on operating EBT included:

- » A good metal gain in Q4
- » Precious metal sales, taking advantage of high precious metal prices

- » Higher sulfuric acid revenues due to considerably higher prices, despite lower output volumes resulting from the shutdowns
- » Positive contributions from our efficiency improvement program
- » A receivable from Wieland-Werke AG arising from the prohibited sale of Segment FRP

The Group's revenues increased by € 203 million to € 11,897 million (previous year: € 11,694 million) during the reporting period. This development was primarily due to higher precious metal prices and higher precious metal sales volumes. Lower sales volumes of copper products had a counteracting impact.

The inventory change of € 79 million (previous year: € -8 million) was due to a build-up of copper and precious metal inventories.

In a manner corresponding to the development for revenues and inventory changes, the cost of materials increased by € 354 million, from € 10,536 million in the previous year to € 10,890 million.

At a level of € 20 million (previous year: € 19 million), own work capitalized was slightly above that of the previous year.

Other operating income increased by € 17 million to € 62 million (previous year: € 45 million). This includes income from the recognition of a receivable from Wieland-Werke AG, amounting to € 20 million, which derived from the rejected sale of Segment FRP.

Consequently, gross profit was slightly lower at € 1,168 million (previous year: € 1,214 million).

Personnel expenses increased from € 484 million in the previous year to € 505 million. The increase was due to wage tariff increases and a higher number of employees.

We particularly strengthened our personnel resources in order to address certain future issues.

At a level of € 151 million, depreciation and amortization of fixed assets was significantly above that of the previous year (€ 130 million). The figure includes impairment losses of € 13.5 million recognized against Segment FRP's fixed assets.

Other operating expenses rose by € 36 million, from € 268 million in the previous year to € 304 million. This figure includes some € 30 million in previously capitalized project costs relating to the terminated FCM project, which were recognized as an expense.

Earnings before interest and taxes (EBIT) therefore amounted in total to € 208 million (previous year: € 332 million).

The reduction in the result from investments measured using the equity method mainly derives from the recognition of an impairment loss, amounting to € 6.5 million.

At a level of € 16 million, the net interest expense was slightly above that of the previous year (€ 15 million).

After taking the financial result into account, operating earnings before taxes (EBT) were € 192 million (previous year: € 329 million).

Operating consolidated net income of € 138 million remained after tax (previous year: € 265 million). Operating earnings per share amounted to € 3.08 (previous year: € 5.87).

The return on capital employed (ROCE) shows the return on the capital employed in the operating business or for an investment. It was determined taking the operating EBIT of the last four quarters into consideration.

Outlook

The substantial decline in operating ROCE, from 15.0 % in the previous reporting year to 8.6 %, is primarily due to the lower earnings for the fiscal year.

Analysis of liquidity and funding

The Aurubis Group continued to generate a good operating net cash flow of € 272 million in fiscal year 2018/19 (previous year: € 203 million). This was due in particular to sales of precious metals at higher prices.

The cash outflow from investing activities totaled € 208 million (previous year: € 143 million). The higher investment in fixed assets in the fiscal year included payments for the now terminated Future Complex Metallurgy project, for the planned maintenance shutdown in Pirdop, for preparations made for the planned maintenance shutdown in Hamburg (October 2019), and for the construction of a new Innovation and Training Center at the Hamburg site. Furthermore, the sale of investment property had a positive effect of some € 8 million on the cash flow from investment activities in the previous year.

After deducting the cash outflow from investing activities of € 208 million from the net cash flow of € 272 million from operating activities, the free cash flow amounts to € 64 million (previous year: € 60 million).

The cash outflow from financing activities amounted to € 102 million (previous year: € 151 million) and, in fiscal year 2018/19, mainly comprised the € 70 million dividend distribution.

Cash and cash equivalents of € 441 million from continuing and discontinued operations were available to the Group as at September 30, 2019 (€ 479 million as at September 30, 2018). Cash and cash equivalents are utilized for operating business activities, investing activities, and the redemption of borrowings.

Raw material markets

On the concentrate markets, new projects are expected to some extent in 2020. Mines will likely continue to utilize their full production capacities, especially on the basis of the forecasts for the average copper price in 2020. Accordingly, we anticipate a good supply of copper concentrates on the global market. There could be uncertainties, however, due to local political tensions and unrest in countries with larger copper deposits.

For 2019 annual contracts, the benchmark treatment and refining charge (TC/RC) for processing standard copper concentrates was US\$ 80.8/t and 8.08 cents/lb. Despite a balanced copper concentrate market in 2019 overall, we have anticipated a possible tightening of the market in connection with declining TC/RCs in 2020.

In late November 2019, the first benchmark between a large mining company and several Chinese smelter operators was agreed at US\$ 62/t and 6.2 cents/lb for processing standard copper concentrates in 2020. This confirmed our assumption that the market would tighten, in connection with higher pressure on copper concentrate TC/RCs. Nevertheless, due to our position on the market, our contract structure, and our supplier diversification, we are confident that we will once again secure a good supply.

The copper scrap market was once again stable at a high level in the course of fiscal year 2018/19. With the same conditions as the last fiscal year, we expect a good supply situation with similar refining charges.

Business in this area, particularly for copper scrap, is conducted with short timelines and is therefore dependent on a variety of influences that are difficult to forecast. For instance, falling metal prices could lead to a market change with declining refining charges in the short term. Our broad market position absorbs supply risks in this case, however. The development of copper scrap and blister copper supply therefore remains

difficult to gauge. In Q1 2019/20, we are already supplied with sufficient material with good refining charges.

Product markets

Copper products

Adequate statements about the development of the copper product business in the new fiscal year are only possible to a limited extent since the negotiation season for 2020 sales contracts has not yet ended.

One factor that is already clear is the copper premium Aurubis has established for European wire rod and shapes customers for the coming calendar year. Aurubis kept this premium stable at US\$ 96/t for its European customers (2019: US\$ 96/t). The stable copper premium reflects positive expectations regarding demand from our European customers in 2020.

Despite the stable economic situation in the relevant sectors and economic growth expectations at prior-year level in Europe in 2020, we expect to conclude the negotiation season for copper products with contracts that are positive for us. Good customer relationships in our key markets support this. We will also continue expanding our business with new customers.

Copper wire rod business is generally somewhat weaker in the first quarter of a new fiscal year due to seasonal factors. For 2020, we expect demand in Europe to be at a level similar to 2019. This will depend considerably on the ongoing economic trend, which, from today's perspective, continues to be influenced by uncertainties in the key customer industries. Only from the construction and infrastructure sector do we still anticipate a good demand level in 2020.

When it comes to copper shapes, demand for oxygen-free materials should remain robust from the current perspective. Demand for our higher-alloyed materials is still strong as well. The latest company mergers in the semifinished product sector in Europe provide market

opportunities for higher sales, as do the changes in the trade flows in Asia and North America.

For flat rolled products, we see a few different trends. The US economy, whose development is crucial for our plant there, is expected to remain challenging in 2020. In the European market for flat rolled products, we expect the tight demand situation of 2019 to continue. The production of connectors in particular is highly dependent on demand from the automotive sector, which has been weakening as of 2019. Although we expect further growth momentum from the increase in electric vehicles in the medium term, we don't anticipate a significant market recovery in the short term.

Sulfuric acid

Sulfuric acid sales are dependent on short-term developments, a fact that is reflected in the duration of the contracts.

In addition, sales opportunities are very different from region to region, with varying conditions accordingly. Following a considerable tightening of the sulfuric acid market with correspondingly lower prices in fiscal year 2018/19, market observers such as ICIS and CRU expect a balanced market at the end of 2019. The current insights for Q1 2019/20 also signalize a stable situation for Europe, while demand on the international sulfuric acid markets is influenced by uncertainties.

Business expectations

In fiscal year 2018/19, we kicked off different initiatives and individual measures within the Group to strengthen Aurubis. We bring them together under the strategy Growth, Efficiency & Responsibility, with which we want to achieve our Vision 2025. Aurubis currently holds leading market positions in many areas – in which we aim to continue developing over the long term.

With the acquisition of the Belgian/Spanish Metallo Group, which is still subject to approval by the European

Commission, we want to continue driving external growth. The company specializes in processing non-organic recycling materials and materials with low metal contents. This acquisition would enable us to add to our metals portfolio in areas such as nickel, tin, zinc, and lead in particular. Following approval by the antitrust authority and the closing, we plan to push forward with the integration in fiscal year 2019/20.

The Metallo acquisition would support us on our path to becoming a multi-metal group. In this regard, we have been reporting the sales volumes of gold, silver, lead, nickel, tin, platinum group metals, and minor metals since 2017/18, in addition to information about our copper products. We plan to continue growing through internal and external projects in the future as well.

For fiscal year 2019/20, the following maintenance shutdowns are planned or have recently taken place:

At our site in Hamburg (Germany), we carried out a scheduled, legally mandatory maintenance shutdown in October and November 2019. According to our current plans, this will have a roughly € 34 million impact on our result.

At our Lünen site, we will carry out scheduled, legally mandatory maintenance shutdowns in April and September 2020. According to our current plans, they will have a roughly €11 million impact on our result.

Earnings expectations

Our earnings are subject to quarterly fluctuations because of the nature of our business model. This is due to seasonal factors but may also be caused by disruptions in equipment or operating processes. The first quarter of a fiscal year in particular is shaped by seasonal features, including subdued customer orders and changes in raw material deliveries.

The outlook for fiscal year 2019/20 is based on the following premises:

- » We expect stable copper demand based on industry forecasts. Product demand from the automotive sector is expected to remain subdued.
- » The level for 2020 annual contracts on the copper concentrate market will likely be substantially lower than in 2019 in light of the November 2019 benchmark.
- » In fiscal year 2019/20, the market trend for copper scrap and sulfuric acid is difficult to forecast due to the short-term nature of the business.
- » The Aurubis copper premium for 2020 has been set at US\$ 96/t (previous year: US\$ 96/t).
- » A significant portion of our revenues is based on the US dollar. We reduce the resulting risks with our hedging strategy.
- » We will transition our efficiency improvement program, which has focused on leveraging efficiency across the Group thus far, to a program with a clear focus on cost savings in 2019/20. The objective is to counteract both inflation and the weaker economic and market conditions that are expected.
- » We expect plant availability for fiscal year 2019/20 to be above that of the previous year overall, especially because of the investments made in our sites within the scope of planned shutdowns.

In fiscal year 2019/20, we are changing the type of our forecast from a qualified comparison to the prior year to an interval forecast. The interval forecast is a bandwidth between two limit values. With this change, we aim at providing a more comprehensive understanding of our expected future performance, while still making room for the inevitable uncertainties and opportunities that the Aurubis Group will face. In light of this new forecast type, we expect the following developments in fiscal year 2019/20:

In total, we expect an operating EBT between € 185 and 250 million and an operating ROCE between 8 and 11 % for fiscal year 2019/20.

In Segment MRP, we expect an operating EBT between € 230 and 310 million and an operating ROCE between 11 and 16 % for fiscal year 2019/20. The development of the segment's result will be influenced in part by weaker market conditions, especially a tightening copper concentrate market, compared to the previous year.

In Segment FRP, we expect an operating EBT between € 11 and 15 million and an operating ROCE between 5 and 7 % for fiscal year 2019/20. Operating EBT in the reporting period was negatively influenced by a change in the definition of the operating result and an impairment loss recognized against the segment's non-current assets (in total: € 51 million), but these effects aren't expected anymore for fiscal year 2019/20.

Interval forecast according to Aurubis' definition

	Operating EBT in € million	Operating ROCE in %
Group	185 – 250	8 – 11
Segment MRP	230 – 310	11 – 16
Segment FRP	11 – 15	5 – 7

Reconciliation of the consolidated income statement (in € million)

	Fiscal year 2018/19					Fiscal year 2017/18				
	IFRS from continuing operations	Adjustment effects				IFRS from continuing operations	Adjustment effects			
		Discontinued operations	Inventories	PPA	Operating		Discontinued operations	Inventories	PPA	Operating
Revenues	10,763	1,134	0	0	11,897	10,424	1,270	0	0	11,694
Changes in inventories of finished goods and work in process	180	-7	-94	0	79	0	-1	-7	0	-8
Own work capitalized	20	0	0	0	20	19	0	0	0	19
Other operating income	61	1	0	0	62	43	2	0	0	45
Cost of materials	-9,997	-931	38	0	-10,890	-9,464	-1,039	-33	0	-10,536
Gross profit	1,027	197	-56	0	1,168	1,022	232	-40	0	1,214
Personnel expenses	-374	-131	0	0	-505	-352	-132	0	0	-484
Depreciation of property, plant, and equipment and amortization of intangible assets	-125	-28	0	2	-151	-119	-14	0	3	-130
Other operating expenses	-254	-50	0	0	-304	-217	-51	0	0	-268
Operational result (EBIT)	274	-12	-56	2	208	334	35	-40	3	332
Result from investments measured using the equity method	0	-2	2	0	0	0	13	-2	0	11
Interest income	4	0	0	0	4	3	0	0	0	3
Interest expense	-18	-2	0	0	-20	-16	-2	0	0	-18
Other financial income	0	0	0	0	0	1	0	0	0	1
Earnings before taxes (EBT)	260	-16	-54	2	192	322	46	-42	3	329
Income taxes	-69	-2	19	-2	-54	-59	-16	14	-3	-64
Consolidated net income	191	-18	-35	0	138	263	30	-28	0	265

See page 10 for an explanation of the presentation and the adjustment effects.

Reconciliation of the consolidated statement of financial position (in € million)

	9/30/2019					9/30/2018				
	IFRS from continuing operations	Adjustment effects			Operating	IFRS from continuing operations	Adjustment effects			Operating
		Discontinued operations	Inventories	PPA			Discontinued operations	Inventories	PPA	
Assets										
Fixed assets	1,384	156	-11	-30	1,499	1,354	174	-13	-32	1,483
Deferred tax assets	4	4	46	0	54	3	1	25	0	29
Non-current receivables and other assets	29	2	0	0	31	28	2	0	0	30
Inventories	1,728	265	-461	0	1,532	1,681	274	-406	0	1,549
Current receivables and other assets	405	97	0	0	502	385	122	0	0	507
Cash and cash equivalents	421	20	0	0	441	461	18	0	0	479
Assets held for sale	561	-561	0	0	0	590	-590	0	0	0
Total assets	4,532	-17	-426	-30	4,059	4,502	1	-394	-32	4,077
Equity and liabilities										
Equity	2,593	-17	-316	-26	2,234	2,566	1	-281	-25	2,261
Deferred tax liabilities	170	14	-110	-4	70	188	16	-113	-7	84
Non-current provisions	356	46	0	0	402	254	34	0	0	288
Non-current liabilities	153	1	0	0	154	281	1	0	0	282
Current provisions	43	8	0	0	51	34	8	0	0	42
Current liabilities	1,057	91	0	0	1,148	1,017	103	0	0	1,120
Liabilities deriving from assets held for sale	160	-160	0	0	0	162	-162	0	0	0
Total equity and liabilities	4,532	-17	-426	-30	4,059	4,502	1	-394	-32	4,077

See page 10 for an explanation of the presentation and the adjustment effects.

Segment reporting (in € thousand)

Revenues with third parties (in € thousand)	Segment Metal Refining & Processing		Segment Flat Rolled Products		Other	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Wire rod	4,274,054	4,282,959	0	0	0	0
Copper cathodes	2,205,521	2,211,942	2,818	8,398	0	0
Precious metals	2,865,272	2,383,450	0	0	0	0
Shapes	748,965	892,383	71,394	77,180	0	0
Strip, bars, and profiles	194,492	187,304	1,117,534	1,243,706	0	0
Chemicals and other products	301,733	288,171	95,941	103,514	19,332	14,842
Total	10,590,037	10,246,209	1,287,687	1,432,798	19,332	14,842

(in € thousand)	Segment Metal Refining & Processing		Segment Flat Rolled Products		Other	
	2018/19 operating	2017/18 operating	2018/19 operating	2017/18 operating	2018/19 operating	2017/18 operating
Revenues						
Total revenues	10,741,921	10,407,246	1,300,358	1,452,014	22,522	17,488
Inter-segment revenues	151,884	161,037	12,671	19,216	3,190	2,646
Revenues with third parties	10,590,037	10,246,209	1,287,687	1,432,798	19,332	14,842
EBIT	311,457	358,568	-38,657	18,414	-64,846	-44,931
EBT	304,268	353,012	-47,481	21,161	-64,533	-44,935

* Prior-year figures adjusted for Segment FRP.
The division of the segments complies with the definition of segments in the Group.

Total	
2018/19	2017/18
4,274,054	4,282,959
2,208,339	2,220,340
2,865,272	2,383,450
820,359	969,563
1,312,026	1,431,010
417,007	406,528
11,897,057	11,693,850

Total		Reconciliation/ consolidation		Effects from discontinued operations		Group (continuing operations)	
2018/19 operating	2017/18 operating	2018/19 IFRS	2017/18 IFRS	2018/19 IFRS	2017/18 IFRS	2018/19 IFRS	2017/18 IFRS
0	0						
0	0						
11,897,056	11,693,850	0	0	-1,133,757	-1,270,102	10,763,299	10,423,748
207,954	332,051	53,753	37,414	11,892	-35,867	273,599	333,598
192,254	329,238	51,760	39,104	16,003	-46,289	260,017	322,053

Dates and Contacts

Financial Calendar

Quarterly Report First 3 Months 2019/20	February 13, 2020
Annual General Meeting	February 27, 2020
Interim Report First 6 Months 2019/20	May 15, 2020
Quarterly Report First 9 Months 2019/20	August 11, 2020
Annual Report 2019/20	December 9, 2020

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Forward-looking statements

This information contains forward-looking statements based on current assumptions and forecasts. Various known and unknown risks, uncertainties, and other factors could have the impact that the actual future results, financial situation, or developments differ from the estimates given here. We assume no liability to update forward-looking statements.