Quarterly Report
First 3 Months 2019/20

October 1, 2019 to December 31, 2019

Aurubis
Metals for Progress

At a Glance

Key Aurubis Group figures Operating		Q1		
		2019/20	2018/19	Change
Revenues	€m	2,709	2,614	4 %
Gross profit	€m	263	264	0 %
Depreciation and amortization	€m	38	34	12 %
EBITDA	€m	71	76	-7 %
EBIT	€m	33	42	-21 %
EBT[1]	**€m**	**31**	**40**	**-23 %**
Consolidated net income	€m	24	30	-20%
Earnings per share	€	0.54	0.67	-19 %
Net cash flow	€m	-93	-308	70 %
Capital expenditure (including finance leases)	€m	61	46	32 %
ROCE[1, 2]	**%**	**7.6**	**11.3**	**-**

[1] Corporate control parameters.
[2] The shares of Schwermetall Halbzeugwerk GmbH & Co. KG accounted for using the equity method have been included since FY 2018/19. This adjustment should improve the depiction of Segment FRP's profitability. Prior-year figures have been adjusted accordingly.

Key Aurubis Group figures IFRS from continuing operations		Q1		
		2019/20	2018/19	Change
Revenues	€m	2,479	2,341	6 %
Gross profit	€m	281	188	50 %
Personnel expenses	€m	101	92	10 %
Depreciation and amortization	€m	35	31	12 %
EBITDA	€m	131	46	> 100 %
EBIT	€m	96	14	> 100 %
EBT	€m	93	12	> 100 %
Consolidated net income	€m	70	9	> 100 %
Earnings per share	€	1.55	0.19	> 100 %

General Aurubis Group figures		Q1		
		2019/20	2018/19	Change
Copper price (average)	US$/t	5,881	6,172	-5 %
Copper price (period end date)	US$/t	6,156	5,965	3 %
Employees (average)		6,819	6,702	2 %

Aurubis Group output/throughput		Q1		
		2019/20	2018/19	Change
Concentrate throughput	1,000 t	490	592	-17 %
Copper scrap/blister copper input	1,000 t	100	108	-7 %
KRS throughput	1,000 t	74	58	28 %
Sulfuric acid output	1,000 t	471	540	-13 %
Cathode output	1,000 t	234	274	-15 %
Wire rod output	1,000 t	199[1]	178	12 %
Shapes output	1,000 t	35	45	-22 %
Flat rolled products and specialty wire output	1,000 t	41	53	-23 %

[1] Taking the full integration of Deutsche Giessdraht GmbH into account.

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

Highlights

The Aurubis Group generated operating earnings before taxes (EBT) of € 31 million in the first three months of fiscal year 2019/20 (previous year: € 40 million). The operating result was primarily influenced by a scheduled maintenance shutdown at the Hamburg site. A higher metal gain and significantly higher refining charges for copper scrap had a positive impact on the operating result. Operating return on capital employed (ROCE) was 7.6 % (previous year: 11.3 %). IFRS earnings before taxes (EBT) from continuing operations (see page 6) were € 93 million (previous year: € 12 million).

The Group generated revenues of € 2,709 million during the first three months of fiscal year 2019/20 (previous year: € 2,614 million). This development was primarily due to higher precious metal prices.

Operating EBT was € 31 million (previous year: € 40 million) and was negatively influenced by:

» A planned maintenance shutdown at our Hamburg site with a negative effect of approximately € 34 million on earnings, with a lower concentrate throughput accordingly. In the previous year, unplanned shutdowns had an impact of about € 25 million on the result.
» Lower sulfuric acid revenues due to reduced output volumes resulting from the shutdown,
» Significantly weaker demand for shapes and flat rolled products.

Positive effects on operating EBT included:

» A higher metal gain with increased precious metal prices,
» Significantly higher refining charges for copper scrap compared to the previous year.

Operating ROCE (taking the operating EBIT of the last four quarters into consideration) was 7.6 % (previous year: 11.3 %). The decrease is due to the declining result during the past four quarters.

EBT from continuing operations on an IFRS basis amounted to € 93 million (previous year: € 12 million).

At € -93 million as at December 31, 2019, the net cash flow was above the low prior-year level (€ -308 million). The cash flow in the previous year was negatively influenced by preparations for planned shutdowns in 2018/19 and by effects from unplanned shutdowns in Q1 2018/19.

At € 54 million, operating EBT for Segment MRP was only slightly below the previous year (€ 58 million). The decrease primarily resulted from the influencing factors already mentioned.

Segment FRP generated operating earnings before taxes (EBT) of € -2 million in the first three months of the reporting year (previous year: € -2 million). Due to seasonal factors, the first quarter of a fiscal year is generally affected by reduced production and sales as well as higher costs owing to year-end maintenance work. From an economic perspective, demand remained at a low level, as it has been since early 2019, and was therefore considerably down on Q1 of the previous fiscal year. Cost reductions largely compensated for the impact on the result.

Aurubis is still reviewing strategic options for the sale of Segment FRP. We will continue to classify Segment FRP as discontinued operations pursuant to IFRS. This does not affect the operating reporting.

At the start of the reporting period, the copper price was US$ 5,610/t (LME settlement). Following an increase to US$ 5,951/t, the price was volatile and dropped back to US$ 5,812/t on December 3, 2019. It nevertheless surpassed the 6,000 mark on December 10, 2019 and was quoted at US$ 6,156/t at the end of December. The average price during Q1 2019/20 was US$ 5,881/t (previous year: US$ 6,172/t). The average price in euros was € 5,312/t (previous year: € 5,407/t).

There was a good supply on the international copper concentrate market in the first three months of FY 2019/20. The high copper price of around US$ 6,000/t served in the reporting period as an incentive for the mining industry to push additional mine expansions forward. Aurubis also benefited and was able to procure a sufficient supply of copper concentrates.

According to Reuters, in November 2019 a US mining company and three Chinese smelters entered into a contract and agreed to a treatment and refining charge (TC/RC) of US$ 62/t / 6.2 cents/lb. This level has been established as a 2020 benchmark for clean concentrate qualities for a majority of smelters in the meantime.

At the start of fiscal year 2019/20, refining charges for copper scrap in Europe remained at the high level recorded at the close of fiscal year 2018/19. The reason for this was a good supply of recycling materials in Europe and the US due to the current import restrictions on copper scrap in China. Aurubis utilized the good market situation and was able to fully supply its production facilities with copper scrap during the reporting period.

The global market for sulfuric acid was characterized by robust demand in Q1 2019/20. This led to relatively constant prices on the spot market in South America and Europe during the reporting period compared to the previous quarter.

The cathode market recorded stable demand overall in the first three months of 2019/20. While spot premiums in Europe were stable, quotations in Shanghai edged downward. At US$ 96/t, the Aurubis Copper Premium for calendar year 2020 is the same as in the previous year.

Executive Board Chairman Roland Harings:
"We successfully carried out the maintenance shutdown in Hamburg in the planned timeframe and budget. All of the planned investments and measures were accomplished. We therefore expect a considerable improvement in plant availability and a higher concentrate throughput. Even with the challenging conditions on our markets at the moment, we can confirm our forecast for the fiscal year."

Economic Development First 3 Months 2019/20

Results of Operations, Net Assets, and Financial Position

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.

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. These include, among other things, a separate, aggregated disclosure of consolidated net income/loss deriving from discontinued operations in the consolidated income statement, as well as a separate, aggregated disclosure of assets and liabilities held for sale for the discontinued operations in the consolidated statement of financial position. Furthermore, additional disclosures must be made in the notes to the financial statements (see page 26).

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 a sale is finalized.

As a result, the accounting impacts deriving from IFRS 5 in the financial statements are reversed in the reconciliation between IFRS reporting and operating reporting.

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.

Results of operations

Operating EBT in the first three months of the fiscal year amounted to € 31 million (previous year: € 40 million) and was negatively impacted by:

- A planned maintenance shutdown at our Hamburg site with a negative effect of approximately € 34 million on earnings, with a lower concentrate throughput accordingly. In the previous year, unplanned shutdowns had an impact of about € 25 million on the result,
- Lower sulfuric acid revenues due to reduced output volumes resulting from the shutdown,
- Significantly weaker demand for shapes and flat rolled products.

Positive effects on operating EBT included:

- A higher metal gain with increased precious metal prices,
- Significantly higher refining charges for copper scrap compared to the previous year,

The following table shows how the operating result for the first three months of fiscal year 2019/20 and for the comparative prior-year period have been determined.

Reconciliation of the consolidated income statement (in € million)

	3M 2019/20				3M 2018/19			
		Adjustment effects				Adjustment effects		
	IFRS from continuing operations	Discontinued operations	Inventories/PPA	Operating	IFRS from continuing operations	Discontinued operations	Inventories/PPA	Operating
Revenues	2,479	230	0	2,709	2,341	273	0	2,614
Changes in inventories of finished goods and work in process	180	10	-43	147	295	11	-13	293
Own work capitalized	9	0	0	9	5	0	0	5
Other operating income	9	0	0	9	11	0	0	11
Cost of materials	-2,396	-190	-25	-2,611	-2,464	-245	50	-2,659
Gross profit	**281**	**50**	**-68**	**263**	**188**	**39**	**37**	**264**
Personnel expenses	-101	-32	0	-133	-92	-33	0	-125
Depreciation of property, plant, and equipment and amortization of intangible assets	-35	-3	0	-38	-31	-4	1	-34
Other operating expenses	-49	-10	0	-59	-51	-12	0	-63
Operational result (EBIT)	**96**	**5**	**-68**	**33**	**14**	**-10**	**38**	**42**
Result from investments measured using the equity method	0	3	-1	2	0	1	0	1
Interest income	1	0	0	1	1	0	0	1
Interest expense	-4	-1	0	-5	-3	-1	0	-4
Other financial income	0	0	0	0	0	0	0	0
Earnings before taxes (EBT)	**93**	**7**	**-69**	**31**	**12**	**-10**	**38**	**40**
Income taxes	-23	-2	18	-7	-3	2	-9	-10
Consolidated net income	**70**	**5**	**-51**	**24**	**9**	**-8**	**29**	**30**

The Group's revenues increased by € 95 million to € 2,709 million (previous year: € 2,614 million) during the reporting period. This development was primarily due to higher precious metal prices compared to the prior-year period.

The inventory change of € 147 million in the first three months of the fiscal year (previous year: € 293 million) was due in particular 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 decreased from € 2,659 million in the previous year to € 2,611 million.

Own work capitalized was recognized in the fiscal year quarter, partly in connection with the planned maintenance shutdown at the Hamburg site, and at € 9 million (previous year: € 5 million), was above prior-year level.

Overall, operating gross profit amounted to € 263 million (previous year: € 264 million), nearly at prior-year level.

Personnel expenses rose from € 125 million in the previous year to € 133 million. The increase was due to wage tariff increases, additions to restructuring provisions, and a slightly higher number of employees compared to the prior-year period.

After taking depreciation of fixed assets and other operating expenses into account, earnings before interest and taxes (EBIT) totaled € 33 million (previous year: € 42 million).

The financial result was unchanged at € -2 million. This results in operating earnings before taxes (EBT) of € 31 million (previous year: € 40 million).

Operating consolidated net income of € 24 million remained after tax (previous year: € 30 million). Operating earnings per share amounted to € 0.54 (previous year: € 0.67).

The IFRS gross profit of € 281 million from continuing operations (previous year: € 188 million) exceeded the previous year considerably. In addition to the effects on earnings already described in the explanation of the operating results of operations, the change in IFRS gross profit was also due to metal price developments. The use of the average cost method leads to metal price valuations that are close to market prices. Metal price volatility therefore has direct effects on changes in inventories/the cost of materials and hence on the IFRS gross profit. The IFRS gross profit in the first three months of fiscal year 2019/20 includes inventory measurement effects of € 68 million (previous year: € -37 million). The depiction of this volatility is not relevant to the cash flow and does not reflect Aurubis' operating performance.

IFRS consolidated net income from continuing operations was € 70 million (previous year: € 9 million). This translates to IFRS earnings per share of € 1.55 from continuing operations (previous year: € 0.19).

IFRS consolidated net income from discontinued operations was € 5 million (previous year: € -8 million).

Net assets

The following table shows the derivation of the operating statement of financial position as at December 31, 2019 and as at September 30, 2019.

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

	12/31/2019				9/30/2019			
		Adjustment effects				Adjustment effects		
	IFRS	Discontinued operations	Inventories/PPA	Operating	IFRS	Discontinued operations	Inventories/PPA	Operating
Assets								
Fixed assets	1,441	159	-42	1,558	1,384	156	-41	1,499
Deferred tax liabilities	4	4	38	46	4	4	46	54
Non-current receivables and other assets	26	2	0	28	29	2	0	31
Inventories	2,126	278	-530	1,874	1,728	265	-461	1,532
Current receivables and other assets	392	77	0	469	405	97	0	502
Cash and cash equivalents	264	14	0	278	421	20	0	441
Assets held for sale	551	-551	0	0	561	-561	0	0
Total assets	**4,804**	**-17**	**-534**	**4,253**	**4,532**	**-17**	**-456**	**4,059**
Equity and liabilities								
Equity	2,693	-17	-392	2,284	2,593	-17	-342	2,234
Deferred tax liabilities	195	15	-142	68	170	14	-114	70
Non-current provisions	339	44	0	383	356	46	0	402
Non-current liabilities	176	2	0	178	153	1	0	154
Current provisions	40	8	0	48	43	8	0	51
Current liabilities	1,203	89	0	1,292	1,057	91	0	1,148
Liabilities deriving from assets held for sale	158	-158	0	0	160	-160	0	0
Total equity and liabilities	**4,804**	**-17**	**-534**	**4,253**	**4,532**	**-17**	**-456**	**4,059**

Total assets (operating) increased from € 4,059 million as at September 30, 2019 to € 4,253 million as at December 31, 2019. This was due in particular to the € 342 million increase in inventories, from € 1,532 million as at September 30, 2019 to € 1,874 million as at December 31, 2019. The increase was in both input materials and intermediates as a result of the maintenance shutdown in Hamburg. In contrast, cash and cash equivalents decreased by € 161 million in this period, from € 441 million to € 278 million.

The Group's equity rose by € 50 million, from € 2,234 million as at the end of the last fiscal year to € 2,284 million as at December 31, 2019. The increase resulted from the operating consolidated net income of € 24 million in particular.

Current liabilities from trade accounts payable increased by € 161 million, from € 818 million to € 979 million, in line with the higher inventories.

At € 329 million as at December 31, 2019, borrowings were also above the level of the previous fiscal year-end (€ 302 million). The increase in borrowings includes the conversion effect (€ 33 million) from depicting all leases in the statement of financial position in accordance with the first-time application of IFRS 16.

The following table shows the development of borrowings:

(in € million)	12/31/2019	9/30/2019
Non-current bank borrowings	115	116
Non-current liabilities under finance leases	61	33
Non-current borrowings	**176**	**149**
Current bank borrowings	145	150
Current liabilities under finance leases	8	3
Current borrowings	**153**	**153**
Total borrowings	**329**	**302**

Overall, the operating equity ratio (the ratio of equity to total assets) was therefore 53.7 % compared to 55.0 % as at the end of the previous fiscal year.

Total assets (IFRS) increased from € 4,532 million as at September 30, 2019 to € 4,804 million as at December 31, 2019. This was due to the € 398 million increase in inventories, from € 1,728 million as at September 30, 2019 to € 2,126 million as at December 31, 2019. The Group's equity rose by € 100 million, from € 2,593 million as at the end of the last fiscal year to € 2,693 million as at December 31, 2019. The increase resulted from the consolidated net income of € 70 million in particular, which was higher compared to the operating statement of financial position.

Overall, the IFRS equity ratio was 56.0 % as at December 31, 2019, compared to 57.2 % as at the end of the previous fiscal year.

Return on capital

The operating 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.

The lower operating ROCE of 7.6 % compared to 11.3 % in the comparable prior-year period is due to the declining result during the past four quarters.

(in € million)	12/31/2019	12/31/2018
Fixed assets excluding financial fixed assets and investments measured using the equity method	1,541	1,463
Inventories	1,875	1,869
Trade accounts receivable	344	422
Other receivables and assets	198	148
- Trade accounts payable	-979	-881
- Provisions and other liabilities	-346	-347
Capital employed as at the period end date	**2,633**	**2,675**
Earnings before taxes (EBT)	184	289
Financial result	16	2
Earnings before interest and taxes (EBIT)[1]	**199**	**292**
Investments accounted for using the equity method[2]	**1**	**12**
Earnings before interest and taxes (EBIT)[1] – adjusted	**200**	**303**
Return on capital employed (operating ROCE)	**7.6 %**	**11.3 %**

[1] Rolling last 4 quarters
[2] The shares of Schwermetall Halbzeugwerk GmbH & Co. KG accounted for using the equity method have been included since FY 2018/19. This adjustment should improve the depiction of Segment FRP's profitability. Prior-year figures have been adjusted accordingly.

Financial position and capital expenditure

The following comments include both continuing and discontinued operations.

At € -93 million as at December 31, 2019, the net cash flow was significantly above the low prior-year level (€ -308 million). The cash flow in the previous year was negatively influenced by preparations for planned shutdowns in 2018/19 and by effects from unplanned shutdowns in Q1 2018/19.

The cash outflow from investing activities totaled € 59 million (previous year: € 45 million). Higher investments in fixed assets compared to the previous year included payments for the planned maintenance shutdown at the Hamburg site.

After taking interest payments totaling € 4 million into account, the free cash flow amounts to € -156 million (previous year: € -356 million).

Cash and cash equivalents of € 278 million were available to the Group as at December 31, 2019 (€ 441 million as at September 30, 2019).

Segment Metal Refining & Processing		Q1		
		2019/20	2018/19	Change
Revenues	€m	2,474	2,336	6 %
Operating EBIT	€m	55	59	-7 %
Operating EBT	€m	54	58	-7 %
Operating ROCE (rolling EBIT for the last 4 quarters)	%	13.8	14.6	-
Capital employed	€m	2,228	2,206	1 %
Concentrate throughput	1,000 t	490	592	-17 %
Hamburg	1,000 t	157	269	-42 %
Pirdop	1,000 t	333	323	3 %
Copper scrap/blister copper input	1,000 t	100	108	-7 %
KRS throughput	1,000 t	74	58	28 %
Sulfuric acid output	1,000 t	471	540	-13 %
Hamburg	1,000 t	134	240	-44 %
Pirdop	1,000 t	337	300	12 %
Cathode output	1,000 t	234	274	-15 %
Hamburg	1,000 t	88	90	-2 %
Lünen	1,000 t	36	45	-20%
Olen	1,000 t	55	84	-35 %
Pirdop	1,000 t	55	55	0 %
Wire rod output	1,000 t	199*	178	12 %
Shapes output	1,000 t	35	45	-22 %
Copper price (average)	US$/t	5,881	6,172	-5 %
	€/t	5,312	5,407	-2 %
Gold price (average)	US$/kg	47,655	39,467	21 %
	€/kg	43,045	34,580	24 %
Silver price (average)	US$/kg	557	468	19 %
	€/kg	503	410	23 %

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

Segment Metal Refining & Processing

Segment Metal Refining & Processing (MRP) processes complex metal concentrates, copper scrap, and metal-bearing recycling materials into metals of the highest quality. Among other items, copper cathodes are manufactured at the Hamburg (Germany), Pirdop (Bulgaria), Olen (Belgium), and Lünen (Germany) sites; these cathodes are processed further into wire rod and shapes at the Hamburg (Germany), Olen (Belgium), Emmerich (Germany), and Avellino (Italy) sites. The segment commands a broad product portfolio, which results from the processing and optimal utilization of concentrates and recycling raw materials that have complex qualities. In addition to high-purity copper, this portfolio includes (among other metals) gold, silver, lead, nickel, tin, minor metals, and platinum group metals, as well as a number of other products such as sulfuric acid and iron silicate.

Segment MRP generated revenues of € 2,474 million during the reporting period (previous year: € 2,336 million). This increase in revenues is primarily due to higher precious metal prices.

At € 54 million, operating EBT for Segment MRP was only slightly below the previous year (€ 58 million). A scheduled maintenance shutdown at our Hamburg site in October/November had a negative effect of about

€ 34 million and led to a lower concentrate throughput accordingly compared to the previous year. In the previous year, unplanned shutdowns had an impact of about € 25 million on the result. Lower sulfuric acid revenues due to reduced output volumes resulting from the shutdown as well as substantially weaker demand for shapes products also negatively affected operating EBT in Q1 2019/20. The result was positively influenced by a higher metal gain with increased precious metal prices and significantly higher refining charges for copper scrap compared to the previous year.

Raw materials

There was a good copper concentrate supply in the first three months of fiscal year 2019/20. The high copper price of around US$ 6,000/t served in the reporting period as an incentive for the mining industry to push additional mine expansions forward. Aurubis also benefited and was able to procure a sufficient supply of copper concentrates.

According to Reuters, in November 2019 a US mining company and three Chinese smelters entered into a contract and agreed to a treatment and refining charge (TC/RC) of US$ 62/t / 6.2 cents/lb. This level has been established as a 2020 benchmark for clean concentrate qualities for a majority of smelters in the meantime.

In December, the China Smelters Purchase Team (CSPT) set the so-called buying floor for Q1 2020 at a level of US$ 67/t and 6.7 cents/lb. This is roughly 2 % higher than the buying floor established for Q4 2019 (US$ 66/t / 6.6 cents/lb) and about 8 % higher than the benchmark.

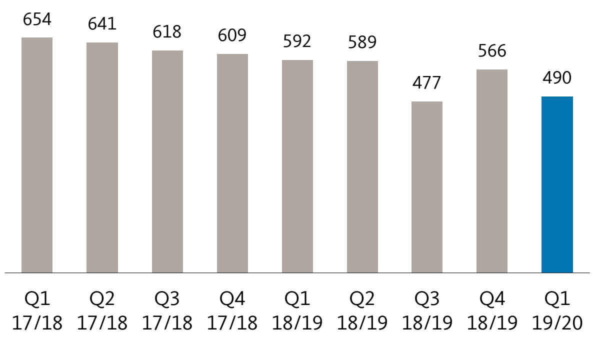
At the start of fiscal year 2019/20, refining charges for copper scrap in Europe remained at the high level recorded at the close of the last reporting year. The reason for this was a good supply of recycling materials in Europe and the US due to the current import restrictions on copper scrap in China. Aurubis utilized the good market situation and was able to fully supply its production facilities with copper scrap during the reporting period.

The availability of complex recycling materials, including industrial residues and electrical and electronic scrap, was stable despite intense competition for these materials.

Production

Concentrate throughput was 490,000 t after the first three months of 2019/20, significantly below the previous year (592,000 t) due in large part to a planned maintenance shutdown in October/November 2019 at our Hamburg site. Boiler damages at our Hamburg and Pirdop sites affected concentrate throughput in the previous year.

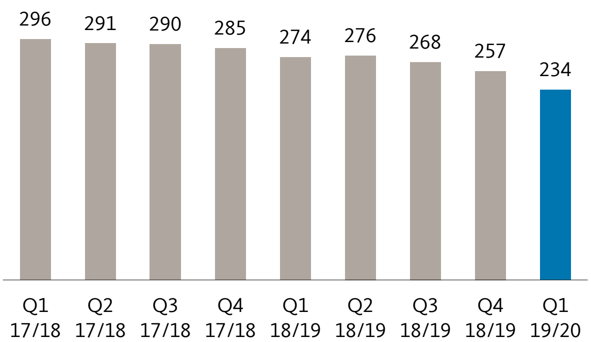
Aurubis Group concentrate throughput (in 1,000 t)



KRS throughput at the Lünen site was 74,000 t during the reporting period – considerably above the previous year (58,000 t), which was negatively impacted by boiler damage.

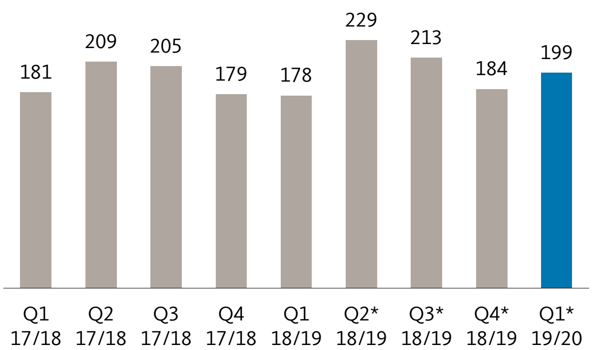
Cathode output in Lünen was down significantly on the previous year due to successive maintenance in the tankhouse.

Aurubis Group cathode output (in 1,000 t)



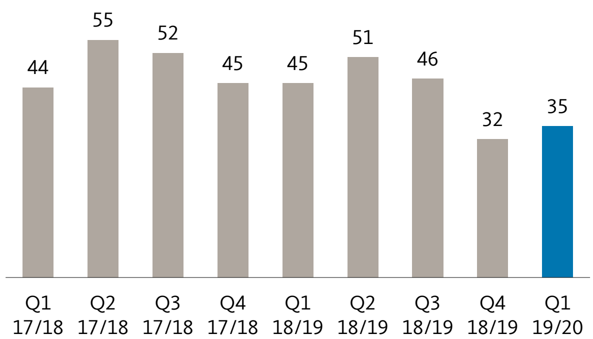
Cathode output in Olen decreased by 35 % compared to the previous year, to 55,000 t, because of crane damage in the tankhouse. Thanks to cooperation with the other sites, the copper cathode supply has been secured for rod production in Olen.

Wire rod output (in 1,000 t)



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

Shapes output (in 1,000 t)



At 35,000 t, shapes output was considerably below the previous year (45,000 t) due to weaker demand.

Product markets

Demand for copper wire rod was stable in Q1 2019/20 compared to the three previous quarters. Usually, product business is weaker in the months of November and December due to seasonal factors as customers carry out longer shutdowns during the turn of the year.

High-purity shapes registered subdued demand during the reporting period. As expected, the order situation in December was weak. Longer customer shutdowns at the turn of the year and a weak order level overall strained sales volumes.

The cathode market recorded stable demand overall in the first three months of 2019/20. While spot premiums in Europe were stable, quotations in Shanghai edged downward. At US$ 96/t, the Aurubis Copper Premium for calendar year 2020 is the same as in the previous year. We were generally able to implement this premium for our products in the reporting period.

The global market for sulfuric acid was characterized by robust demand in Q1 2019/20. This led to relatively constant prices on the spot market in South America and Europe during the reporting period compared to the previous quarter.

The sales volumes for the other metals we produce were as follows:

Sales volumes		3M 19/20	3M 18/19
Gold	t	10	10
Silver	t	167	175
Lead	t	4,286	4,906
Nickel	t	685	621
Tin	t	472	311
Minor metals	t	267	203
Platinum group metals (PGMs)	kg	1,631	1,492

The metals we recover depend 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.

Capital expenditure

Capital expenditure in Segment MRP amounted to € 57 million (previous year: € 34 million). The maintenance shutdown in Hamburg accounted for significant investments.

Segment Flat Rolled Products		Q1		
		2019/20	2018/19	Change
Revenues	€m	261	317	-18 %
Operating EBIT	€m	-1	-1	0 %
Operating EBT	€m	-2	-2	0 %
Operating ROCE (rolling EBIT for the last 4 quarters)	%	-10.5	8.4	-
Capital employed	€m	365	413	-12 %
Flat rolled products and specialty wire output	1,000 t	41	53	-23 %

Certain prior-year figures have been adjusted.

Segment Flat Rolled Products

In Segment Flat Rolled Products (FRP), copper and copper alloys – primarily brass, bronze, and high-performance alloys – are processed into flat rolled products and specialty wire. The main production sites are Stolberg (Germany), Pori (Finland), Zutphen (Netherlands), and Buffalo (US). Furthermore, the segment also includes slitting and service centers in Birmingham (UK), Dolný Kubín (Slovakia), and Mortara (Italy), as well as sales offices worldwide.

At € 261 million, the segment's revenues in Q1 2019/20 were substantially below the prior-year level (€ 317 million). The reason for the lower revenues is the significant decline in demand on the flat rolled products market.

Segment FRP generated operating earnings before taxes (EBT) of € -2 million in Q1 2019/20 (previous year: € -2 million). Due to seasonal factors, the first quarter of a fiscal year is generally affected by reduced production and sales as well as higher costs owing to year-end maintenance work. From an economic perspective, demand remained at a low level, as it has been since early 2019, and was therefore considerably down on Q1 of the previous fiscal year. Cost reductions largely compensated for the impact on the results.

Operating ROCE (taking the operating EBIT of the last four quarters into consideration) was -10.5 % (previous year: 8.4 %). The substantial decline is primarily due to the lower results, which include the one-off effects of € 51 million reported in Q4 2018/19.

Product markets

The market for flat rolled products has cooled down distinctly compared to the previous year. Demand for connectors from the European automotive industry is impacted in particular. Individual sales segments in the US market also lagged behind expectations.

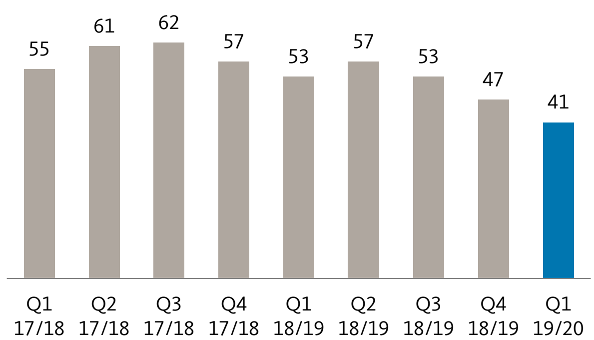
Raw materials

The availability of input metals and the attainable refining charges on the copper price were good in Q1 2019/20.

Production

Output of flat rolled products and specialty wire decreased to 41,000 t due to demand (previous year: 53,000 t). All of the sites continued to work on implementing the programs to improve efficiency and to enhance productivity and quality.

Flat rolled products and specialty wire output
(in 1,000 t)



Capital expenditure

Capital expenditure in Segment FRP amounted to € 3 million (previous year: € 3 million). This was primarily used for replacement investments.

Corporate Governance

Silchester International Investors LLP located in London holds a 10.03 % stake, according to a voting rights notification dated October 9, 2019. Rossmann Beteiligungs GmbH, Burgwedel, disclosed with a voting rights notification dated December 30, 2019 that it holds a 3.45 % stake in Aurubis AG.

The invitation to the Annual General Meeting, which will be held on February 27, 2020, was published in the German Federal Gazette (*Bundesanzeiger*) on January 21, 2020.

Please refer to the Annual Report 2018/19 for additional information.

Risk and Opportunity Management

The risks and opportunities outlined in the Annual Report 2018/19 did not fundamentally change in Q1 2019/20.

Outlook

Raw material markets

We expect a good copper concentrate supply with treatment and refining charges at a low level until the end of fiscal year 2019/20. The treatment and refining charge (TC/RC) of US$ 62/t / 6.2 cents/lb, which is the established 2020 benchmark for a majority of smelters in the meantime, reflects a tightening market.

In December, the China Smelters Purchase Team (CSPT) set the so-called buying floor for Q1 2020 at a level of US$ 67/t and 6.7 cents/lb. This is roughly 2 % higher than the buying floor established for Q4 2019 (US$ 66/t / 6.6 cents/lb) and about 8 % higher than the benchmark.

Due to our position on the market, our contract structure, and our supplier diversification, we are confident that we will secure a good copper concentrate supply.

On the copper scrap market, we expect a good supply situation with refining charges at a good ongoing price level. Our facilities are supplied at very good conditions in Q2 2019/20. Nevertheless, downward metal price trends could lead to a reduction in the copper scrap supply at short notice and thus to lower refining charges in the future.

Product markets

Copper products

For the next few months, we expect robust copper wire rod demand from cable producers. This will depend considerably on the ongoing economic trend.

For copper shapes, we anticipate stable demand at the low level of the previous year due to continued weak demand for flat rolled products.

We currently don't expect any major market recovery for flat rolled products.

Sulfuric acid

Sulfuric acid sales are dependent on short-term developments, making them difficult to forecast. The insights in Q2 2019/20 thus far signalize stable demand with constant prices.

Copper production

We expect plant availability during the current fiscal year to exceed the previous year.

The following maintenance shutdowns are planned until the end of fiscal year 2019/20:

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

From the current perspective, the impacts of coronavirus on our raw material and product markets are varied and difficult to forecast.

Expected earnings

Because of the reduced 2020 benchmark, we expect significantly lower treatment and refining charges for concentrates at Aurubis until the end of the fiscal year. With good ongoing output levels at mines, we will continue to be able to procure a sufficient supply of copper concentrates. Due to our core expertise in processing complex concentrates, we will achieve TC/RCs above the benchmark.

For copper scrap, we also anticipate a good supply with a continued good level of refining charges in the next few months.

We set the Aurubis Copper Premium to US$ 96/t for calendar year 2020 (previous year: US$ 96/t). For the most part, we expect to be able to implement this premium for our products.

We expect copper wire rod and copper shapes demand to develop at prior-year level for the fiscal year.

We are currently seeing initial indications of a slight upturn, especially in e-mobility. The sustainability of this development remains to be seen. We expect the demand and sales situation for the entire fiscal year 2019/20 to be at a similar level to the previous year.

For sulfuric acid revenues, we currently anticipate a stable trend with a continuation of the adequate price level. However, the market trend for fiscal year 2019/20 is difficult to forecast due to the short-term nature of the business.

The impacts of coronavirus could entail opportunities and risks for our result and therefore remain to be seen.

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.

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.

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

Interim Consolidated Financial Statements First 3 Months 2019/20

Consolidated Income Statement

(IFRS, in € thousand)

	3M 2019/20	3M 2018/19
Revenues	2,479,152	2,340,777
Changes in inventories of finished goods and work in process	179,872	295,276
Own work capitalized	8,616	4,969
Other operating income	9,414	11,495
Cost of materials	-2,395,738	-2,464,367
Gross profit	**281,316**	**188,150**
Personnel expenses	-100,991	-91,735
Depreciation of property, plant, and equipment and amortization of intangible assets	-34,831	-31,160
Other operating expenses	-49,057	-50,814
Operational result (EBIT)	**96,437**	**14,441**
Interest income	740	795
Interest expense	-4,027	-3,506
Earnings before taxes (EBT)	**93,150**	**11,730**
Income taxes	-23,473	-3,057
Consolidated net income from continuing operations	**69,677**	**8,673**
Consolidated net income from discontinued operations	**5,576**	**-5,575**
Consolidated net income	**75,253**	**3,098**
Consolidated net income attributable to Aurubis AG shareholders	75,181	3,078
Consolidated net income attributable to non-controlling interests	72	20
Basic earnings per share (in €)		
From continuing operations	1.55	0.19
From discontinued operations	0.12	-0.12
Diluted earnings per share (in €)		
From continuing operations	1.55	0.19
From discontinued operations	0.12	-0.12

Consolidated Statement of Comprehensive Income

(IFRS, in € thousand)

	3M 2019/20	3M 2018/19
Consolidated net income	**75,253**	**3,098**
Items that will be reclassified to profit or loss in the future		
Measurement at market of cash flow hedges	10,270	-2,042
Hedging costs	139	0
Changes deriving from translation of foreign currencies	-718	312
Income taxes	-1,508	444
Share of other comprehensive income attributable to discontinued operations	-741	379
Items that will not be reclassified to profit or loss		
Measurement at market of financial investments	3,223	-13,011
Remeasurement of the net liability deriving from defined benefit obligations	20,117	0
Income taxes	-6,521	0
Other comprehensive income/loss	24,261	-13,918
Consolidated total comprehensive income/loss	**99,514**	**-10,820**
Consolidated total comprehensive income/loss attributable to Aurubis AG shareholders	99,442	-10,840
Consolidated total comprehensive income attributable to non-controlling interests	72	20

Certain prior-year figures have been adjusted.

Consolidated Statement of Financial Position

(IFRS, in € thousand)

ASSETS	12/31/2019	9/30/2019
Intangible assets	121,001	122,025
Property, plant, and equipment	1,302,963	1,248,450
Financial fixed assets	17,230	14,010
Deferred tax assets	3,981	3,965
Non-current financial assets	25,222	27,725
Other non-current non-financial assets	443	506
Non-current assets	**1,470,840**	**1,416,681**
Inventories	2,126,036	1,728,164
Trade accounts receivable	285,615	312,224
Other current financial assets	74,924	58,031
Other current non-financial assets	31,612	34,642
Cash and cash equivalents	264,524	421,481
Assets held for sale	550,767	560,711
Current assets	**3,333,478**	**3,115,253**
Total assets	**4,804,318**	**4,531,934**

Consolidated Statement of Financial Position

(IFRS, in € thousand)

EQUITY AND LIABILITIES	12/31/2019	9/30/2019
Subscribed capital	115,089	115,089
Additional paid-in capital	343,032	343,032
Generated Group equity	2,253,745	2,164,969
Accumulated other comprehensive income components	-19,663	-30,328
Equity attributable to shareholders of Aurubis AG	2,692,203	2,592,762
Non-controlling interests	611	539
Equity	**2,692,814**	**2,593,301**
Pension provisions and similar obligations	276,647	295,071
Other non-current provisions	62,533	61,304
Deferred tax liabilities	194,822	170,138
Non-current borrowings	174,624	149,811
Other non-current financial liabilities	1,088	3,145
Non-current liabilities	**709,714**	**679,469**
Current provisions	39,829	42,534
Trade accounts payable	929,217	768,695
Income tax liabilities	12,853	13,723
Current borrowings	145,006	152,887
Other current financial liabilities	97,759	100,187
Other current non-financial liabilities	19,602	21,098
Liabilities deriving from assets held for sale	157,524	160,040
Current liabilities	**1,401,790**	**1,259,164**
Total equity and liabilities	**4,804,318**	**4,531,934**

Consolidated Cash Flow Statement
(IFRS, in € thousand)

	3M 2019/20	3M 2018/19
Earnings before taxes	**100,605**	**4,190**
Depreciation and amortization of fixed assets	34,772	31,160
Change in allowances on receivables and other assets	385	5
Change in non-current provisions	699	-1,462
Net gains/losses on disposal of fixed assets	181	-68
Measurement of derivatives	-15,375	14,096
Other non-cash items	1,246	1,246
Expenses and income included in the financial result	3,861	3,380
Income taxes received/paid	-11,090	-17,354
Gross cash flow	**115,284**	**35,193**
Change in receivables and other assets	44,866	-27,362
Change in inventories (including measurement effects)	-414,203	-282,558
Change in current provisions	-2,604	2,184
Change in liabilities (excluding financial liabilities)	163,890	-35,046
Cash outflow from operating activities (net cash flow)	**-92,767**	**-307,589**
Payments for investments in fixed assets	-59,754	-45,922
Proceeds from the disposal of fixed assets	378	379
Interest received	742	806
Cash outflow from investing activities	**-58,634**	**-44,737**
Proceeds deriving from the take-up of financial liabilities	10,327	2,970
Payments for the redemption of bonds and financial liabilities	-18,331	-23,442
Interest paid	-3,680	-3,019
Cash outflow from financing activities	**-11,684**	**-23,491**
Net change in cash and cash equivalents	-163,085	-375,817
Changes resulting from movements in exchange rates	-3	50
Cash and cash equivalents at beginning of period	441,461	479,223
Cash and cash equivalents at end of period	**278,373**	**103,456**
Less cash and cash equivalents from discontinued operations at end of period	13,849	20,301
Cash and cash equivalents from continuing operations at end of period	**264,524**	**83,155**

Consolidated Statement of Changes in Equity

(IFRS, in € thousand)

				Accumulated other comprehensive income components*						
	Subscribed capital	Additional paid-in capital	Generated Group equity	Measurement at market of cash flow hedges	Hedging costs	Measurement at market of financial investments	Currency translation differences	Income taxes	Equity attributable to Aurubis AG shareholders	Non-controlling interests	Total equity
Balance as at 9/30/2018	**115,089**	**343,032**	**2,115,202**	**-7,446**	**0**	**-9,363**	**9,042**	**-247**	**2,565,309**	**556**	**2,565,865**
Dividend payment	0	0	0	0	0	0	0	0	0	0	0
Acquisition of non-controlling interests	0	0	0	0	0	0	0	0	0	0	0
Consolidated total comprehensive income/loss	0	0	3,078	-2,042	0	-13,011	691	444	-10,840	20	-10,820
of which consolidated net income	0	0	3,078	0	0	0	0	0	3,078	20	3,098
of which other comprehensive income/loss	0	0	0	-2,042	0	-13,011	691	444	-13,918	0	-13,918
Balance as at 12/31/2018	**115,089**	**343,032**	**2,118,280**	**-9,488**	**0**	**-22,374**	**9,733**	**197**	**2,554,469**	**576**	**2,555,045**
Balance as at 10/1/2019	115,089	343,032	2,164,969	-12,404	-499	-29,551	11,661	465	2,592,762	539	2,593,301
Dividend payment	0	0	0	0	0	0	0	0	0	0	0
Acquisition of non-controlling interests	0	0	0	0	0	0	0	0	0	0	0
Consolidated total comprehensive income/loss	0	0	88,776	10,270	139	3,224	-1,459	-1,508	99,442	72	99,514
of which consolidated net income	0	0	75,180	0	0	0	0	0	75,180	72	75,252
of which other comprehensive income/loss	0	0	13,596	10,270	139	3,224	-1,459	-1,508	24,262	0	24,262
Balance as at 12/31/2019	**115,089**	**343,032**	**2,253,745**	**-2,134**	**-360**	**-26,327**	**10,202**	**-1,043**	**2,692,203**	**611**	**2,692,814**

* The items included here will be reclassified to profit or loss in the future.

Selected Notes to the Consolidated Financial Statements

General principles

This quarterly report of Aurubis AG was prepared on the basis of interim financial statements in accordance with IFRS. A review was not carried out by the auditors.

Changes in accounting and measurement methods due to new standards and interpretations

IFRS 16

IFRS 16 (Leases) was applied with the modified retrospective method for the first time on October 1, 2019, without adjusting the prior-year figures. Consequently, the figures provided in the reporting year can only be compared with prior-year figures to a limited extent. IFRS 16 led to all leases being recognized in the statement of financial position except for those with a term of twelve months (or less) or those that were classified as low-value assets. At the time of the change on October 1, 2019, the application of IFRS 16 resulted in a balance sheet extension of about € 33 million.

The corporate control parameters EBT and ROCE are only minimally affected by the application of IFRS 16.

Discontinued operations and assets held for sale

Aurubis is currently reviewing different strategic options for the sale of Segment FRP. The segment thus continues to fulfill the conditions for presentation as discontinued operations pursuant to IFRS 5.

The consolidated result from discontinued operations is reported in the consolidated income statement separately from expenses and income from continued operations; prior-year figures are shown on a comparable basis.

Internal Group expenses and income are fully eliminated in the process of determining the consolidated net income/net loss for both continuing and discontinued operations. The internal Group transactions are eliminated from an economic perspective, i.e., taking the Aurubis Group's future trading relationships into account. The Group will maintain existing supply relationships with the discontinued business division after a possible sale of Segment FRP. Revenues of Aurubis AG and its subsidiaries deriving from deliveries to the discontinued business division were therefore fully eliminated there.

Consolidated net income from discontinued operations

(in € million)	3M 2019/20	3M 2018/19
Revenues	230	273
Changes in inventories of finished goods and work in process	10	11
Expenses	-233	-292
Earnings before taxes (EBT)	**7**	**-8**
Income taxes	-2	2
Consolidated net income/loss from discontinued operations	**5**	**-6**
Consolidated net income/loss attributable to Aurubis AG shareholders from discontinued operations	5	-6

Carrying amounts of the main groups of assets held for sale and related liabilities

ASSETS (in € million)	12/31/2019	9/30/2019
Fixed assets	175	173
Deferred tax assets	4	4
Non-current receivables and other assets	2	2
Inventories	279	265
Current receivables and other assets	77	97
Cash and cash equivalents	14	20
Assets held for sale	**551**	**561**

EQUITY AND LIABILITIES (in € million)	12/31/2019	9/30/2019
Deferred tax liabilities	14	13
Non-current provisions	44	46
Non-current liabilities	2	1
Current provisions	8	8
Current liabilities	89	91
Liabilities deriving from assets held for sale	**158**	**160**

Cash flow from discontinued operations

(in € million)	3M 2019/20	3M 2018/19
Cash outflow (inflow in the prior year) from operating activities (net cash flow)	-10	4
Cash outflow from investing activities	-3	-3
Cash inflow from financing activities	7	1

Significant events after the balance sheet date

There were no significant events after the balance sheet date.

Consolidated Segment Reporting

Aurubis reporting is separated into two operational business segments, Metal Refining & Processing (MRP) and Flat Rolled Products (FRP).

Segment MRP processes complex metal concentrates, copper scrap, and metal-bearing recyclable materials into metals of the highest quality.

From an organizational perspective, it includes the Commercial and Operations divisions. The Commercial division combines all market-relevant organizational units (i.e., raw material procurement and product sales). The Operations division is responsible for the production of all basic products and metals, as well as their further processing into other products such as wire rod and shapes.

Segment FRP processes copper and copper alloys – primarily brass, bronze, and high-performance alloys – into flat rolled products and specialty wire products and then markets them.

Segment FRP is designated as a discontinued business division that needs to be reported separately on an aggregated basis in the consolidated income statement and in the consolidated statement of financial position in accordance with IFRS 5. As Segment FRP's operating business activities are continuing unchanged and are being monitored and managed by the Aurubis Group's Executive Board, this company division also fulfills the definition of a segment that must be reported on, even after its classification as a discontinued business division, and will be accordingly presented separately for segment reporting purposes until the sales transaction has been completed.

The elimination of external sales, amounting to € 229,708 thousand and shown in the column "Effects from discontinued operations" (previous year: € 273,532 thousand), represents the external sales of Segment FRP less Segment MRP's internal Group sales with Segment FRP that are fully eliminated in the discontinued business division, amounting to € 27,995 thousand (previous year: € 37,972 thousand).

A breakdown of the revenues by product group is provided in the following table.

(in € thousand)	Segment Metal Refining & Processing		Segment Flat Rolled Products		Other	
	3M 2019/20 operating	3M 2018/19 operating	3M 2019/20 operating	3M 2018/19 operating	3M 2019/20 operating	3M 2018/19 operating
Wire rod	1,010,995	917,662	0	0	0	0
Copper cathodes	554,265	547,758	552	0	0	0
Precious metals	653,429	515,290	0	0	0	0
Shapes	125,863	199,685	12,982	17,111	0	0
Strip, profiles, and shapes	37,167	44,177	225,274	276,221	0	0
Chemicals and other products	65,013	73,492	18,905	18,177	4,415	4,736
Total	**2,446,732**	**2,298,064**	**257,713**	**311,509**	**4,415**	**4,736**

(in € thousand)	Segment Metal Refining & Processing		Segment Flat Rolled Products		Other	
	3M 2019/20 operating	3M 2018/19 operating	3M 2019/20 operating	3M 2018/19 operating	3M 2019/20 operating	3M 2018/19 operating
Revenues						
Total revenues	2,474,268	2,335,620	261,217	316,995	5,149	5,411
Inter-segment revenues	27,536	37,556	3,504	5,486	734	675
Revenues with third parties	2,446,732	2,298,064	257,713	311,509	4,415	4,736
EBIT	55,230	59,109	-1,399	-761	-20,593	-16,530
EBT	54,019	57,942	-1,634	-1,557	-21,048	-16,510
ROCE (%)	13.8	14.6	-10.5	8.4		

The division of the segments complies with the definition of segments in the Group.

	Total	
	3M 2019/20 operating	3M 2018/19 operating
	1,010,995	917,662
	554,817	547,758
	653,429	515,290
	138,845	216,796
	262,441	320,398
	88,333	96,405
	2,708,860	**2,614,309**

	Total		Reconciliation/ consolidation		Effects from discontinued operations		Group (continuing operations)	
	3M 2019/20 operating	3M 2018/19 operating	3M 2019/20 IFRS	3M 2018/19 IFRS	3M 2019/20 IFRS	3M 2018/19 IFRS	3M 2019/20 IFRS	3M 2018/19 IFRS
	0	0						
	0	0						
	2,708,860	2,614,309	0	0	-229,708	-273,532	2,479,152	2,340,777
	33,238	41,818	67,976	-37,725	-4,777	10,348	96,437	14,441
	31,337	39,875	69,142	-38,513	-7,329	10,368	93,150	11,730

Dates and Contacts

Financial Calendar

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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