

**Aurubis AG**  
**Metals for Progress**

*Conference Call on the  
Release of the Annual Report 2018/19*

*on December 11, 2019*




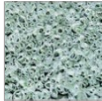
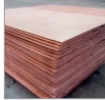




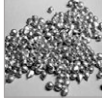
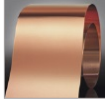





- » Operating EBT of € 192 million (PY: € 329 million) and ROCE of 8.6 % (PY: 15.0 %) in FY 2018/19
- » Net cash flow at € 272 million (PY: € 203 million)
- » Operating performance unsatisfactory, even beyond planned shutdowns
- » One-off impairment losses in Segment FRP with an impact of € 51 million
- » Firm decision to stop our FCM project; project's accrued investment costs strain result in the amount of about € 30 million
- » Market conditions, except on the sulfuric acid market, worsened compared to the previous year
- » Gold production at a very high level
- » Metallo acquisition continues to be reviewed by the European antitrust authority
- » Efficiency improvement program has made positive contributions, 2018/19 annual target achieved
- » Disproportionate increase in payout ratio relative to earnings development

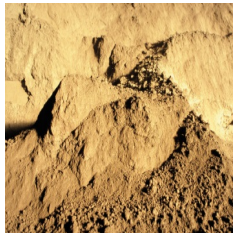


	FY 2018/19	FY 2017/18
Operating EBT (€ million)	192	329
Net cash flow (€ million)	272	203
Operating ROCE (%) (operating EBIT last 4 quarters)	8.6	15.0

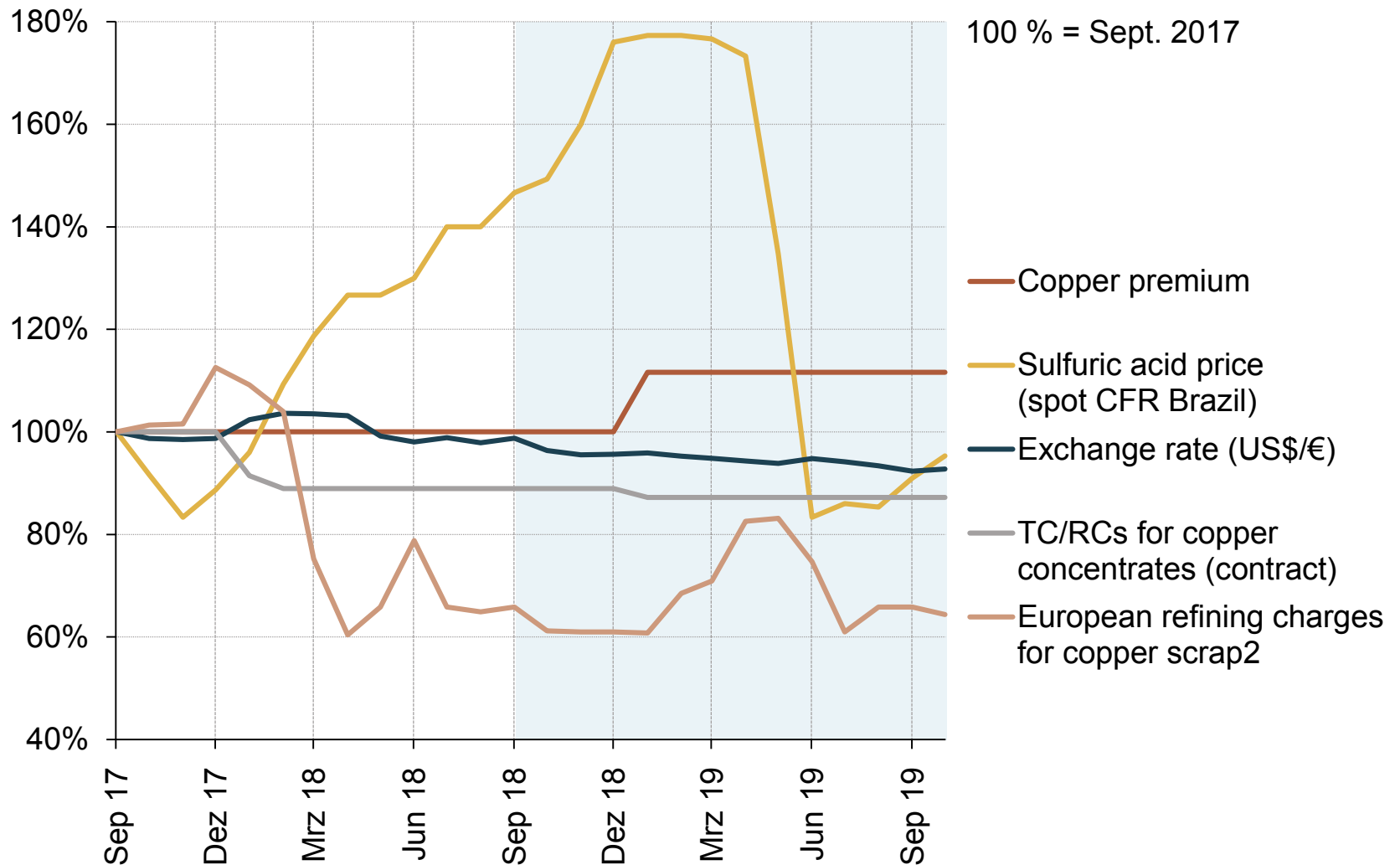
# Production volumes and metal portfolio

	FY 2018/19	Change vs. prior year		FY 2018/19	Change vs. prior year
 Concentrate processing	2,225,000 t	-12 %	 Gold	51 t	6 %
 Copper scrap input	291,000 t	23 %	 Silver	861 t	-2 %
 Cathode output	1,075,000 t	-7 %	 Lead	19,038 t	-3 %
 Continuous cast wire rod output	804,000 t	+4 %	 Nickel	3,067 t	1 %
 Copper shapes output	174,000 t	-11 %	 Tin	1,631 t	-12 %
 Flat rolled products + specialty wire output	210,000 t	-11 %	 Minor metals	943 t	3 %
 Sulfuric acid output	2,101,000 t	-11 %	 Platinum group metals (PGMs)	9,771 kg	11 %

# Market sentiment has become more challenging over the course of FY 2018/19



Trend in significant market prices and refining charges





## Operating EBT influenced by one-off effects



(operating IFRS)		FY 2018/19	FY 2017/18	Change vs. prior year
Revenues	€m	11,897	11,694	2 %
Gross profit	€m	1,168	1,214	-4 %
EBITDA	€m	359	462	-22 %
EBIT	€m	208	332	-37 %
<b>EBT</b>	<b>€m</b>	<b>192</b>	<b>329</b>	<b>-42 %</b>
Consolidated net income	€m	138	265	-48 %

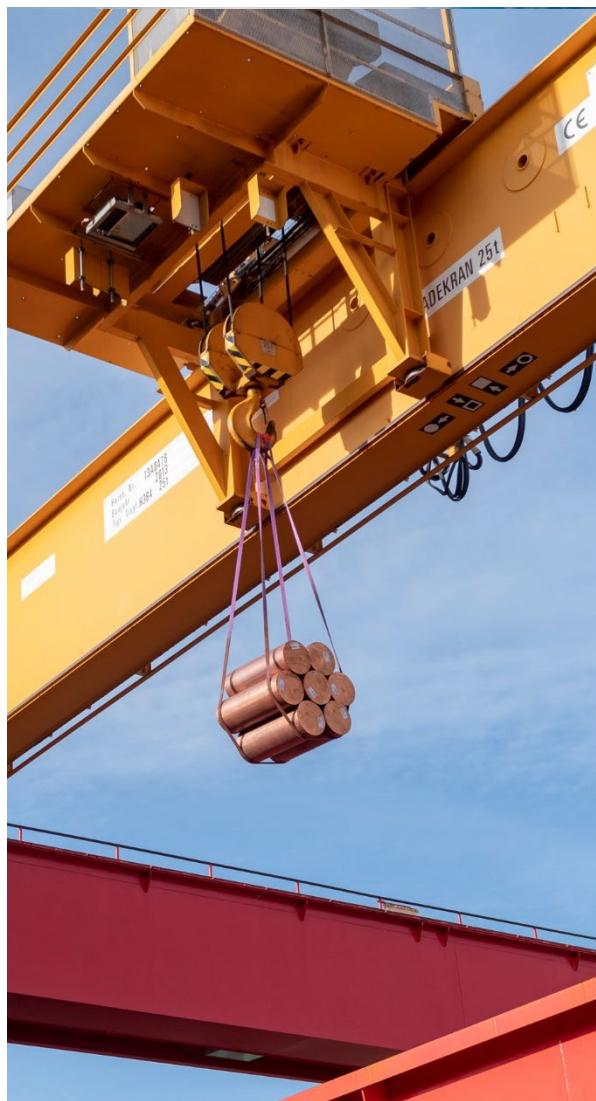
### Previous definition/derivation of the operating result from the results of operations by:

- » Adjusting for effects deriving from the application of IFRS 5 (*Discontinued operations*)
- » Adjusting for measurement effects deriving from the application of IAS 2 (*Inventories*)
  - Metal price fluctuations resulting from the use of the average cost method
  - Write-downs and write-ups of copper inventories as at the reporting date
- » Adjusting for the impact of purchase price allocations, primarily on property, plant, and equipment, since FY 2010/11.

### **NEW** definition/derivation of the operating result from the results of operations by:

- » Adjusting for effects deriving from the application of IFRS 5 (*Discontinued operations*)
- » Adjusting for measurement effects deriving from the application of IAS 2 (*Inventories*)
  - Metal price fluctuations resulting from the use of the average cost method
  - **Non-permanent** write-downs and write-ups of copper inventories as at the reporting date
- » **Elimination of non-cash-effective impacts deriving from purchase price allocations**

# Very robust key figures provide room for future growth



		12M 2018/19	12M 2017/18	Target
ROCE*	%	8.6	15.0	15.0
Equity ratio (equity / total liabilities)	%	55.1	55.5	> 40.0
Debt coverage**		-0.4	-0.4	< 3.0

Additional KPIs		12M 2018/19	12M 2017/18
Capital expenditure (including finance leases)	€m	224	181
Capital employed (balance sheet date)	€m	2,418	2,290
Net cash flow	€m	272	203

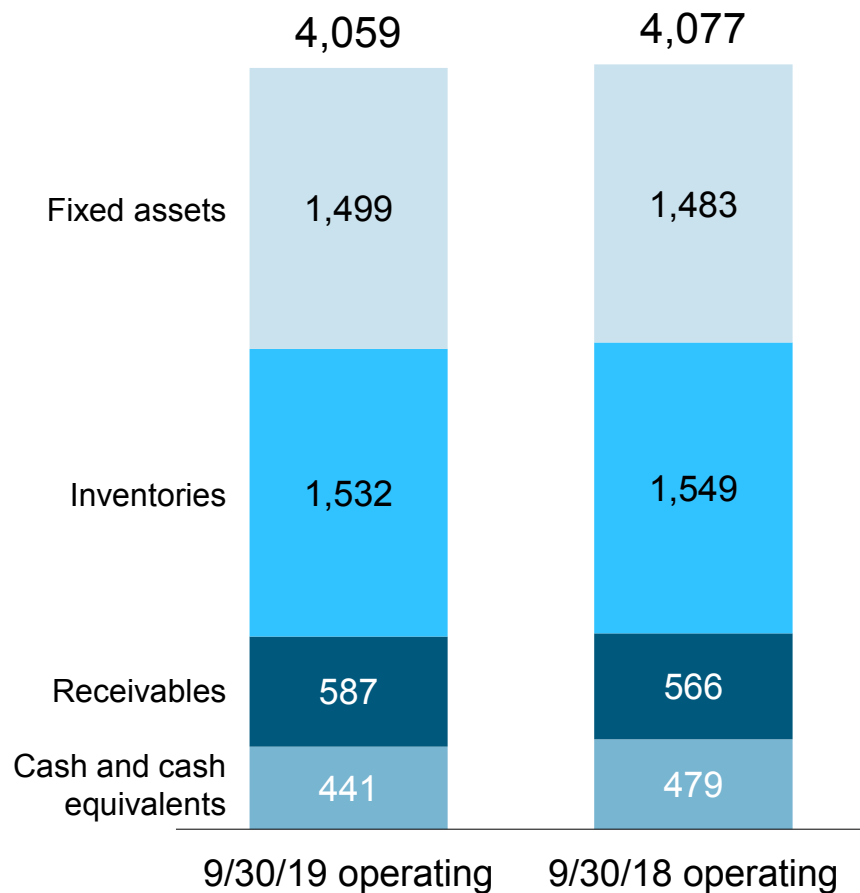
\* Rolling EBIT last 4 quarters

\*\* Net financial liabilities / rolling EBITDA last 4 quarters

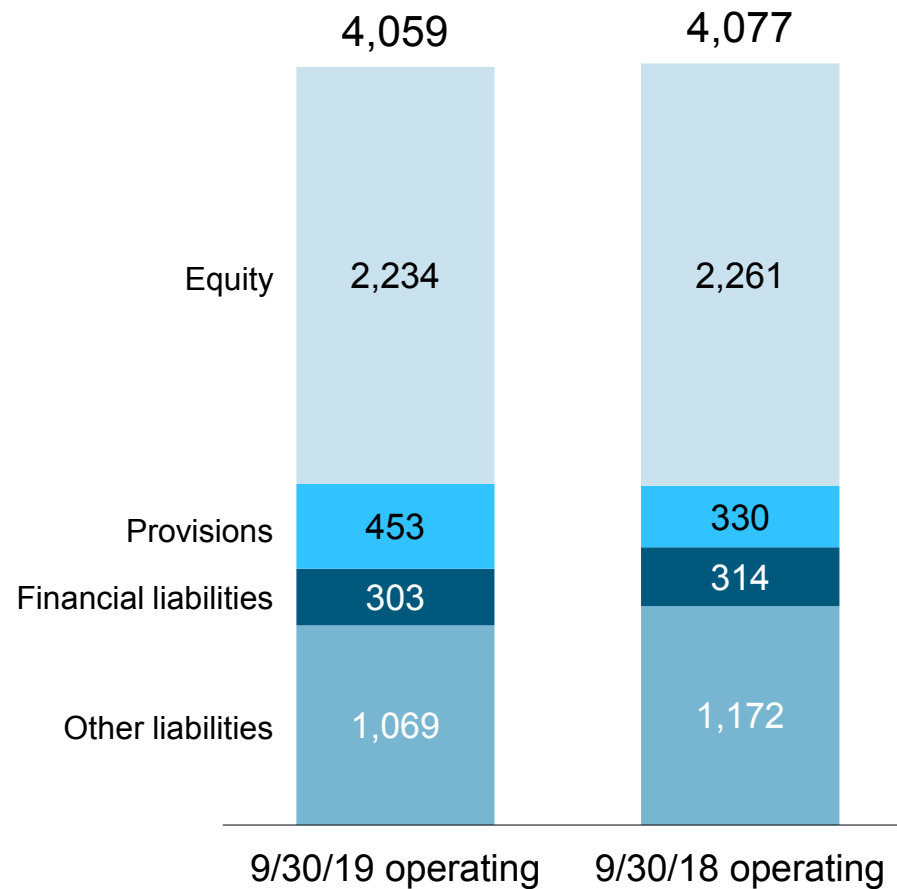


# Stable balance sheet structure

ASSETS (in € million)



EQUITY AND LIABILITIES (in € million)



# Segment MRP: Impacted by lower throughput, good metal gain in Q4

## Operating results for Segment Metal Refining & Processing (MRP) (FY 2018/19)



Segment MRP	12M 2018/19	12M 2017/18
EBIT (in €m)	311	359
EBT (in €m)	304	353
ROCE* (%)	15.5	19.4
(Quantities in 1,000 t)		
Concentrates	2,225	2,522
Copper scrap / blister copper	435	406
Cathodes	1,075	1,162
Sulfuric acid	2,101	2,374
Rod	804	774
Shapes	174	196

- » Substantially lower concentrate throughput with lower TC/RCs
- » Scheduled shutdown in Pirdop in May/June with a negative impact of € 15 million
- » Unscheduled shutdowns in Hamburg, Pirdop, and Lünen in Q1 2018/19 led to negative effect of approx. € 25 million
- » Higher processing volumes compensated for significantly lower refining charges for copper scrap compared to the previous year
- » Good metal gain in Q4 due to increased precious metal prices
- » Higher sulfuric acid revenues due to price factors despite lower production volumes
- » Increased energy costs
- » Weaker demand for shapes
- » Positive contributions from our efficiency improvement program

\* Rolling EBIT last 4 quarters  
December 2019

# Segment FRP: Operating EBT strained by lower demand and one-off impairment losses

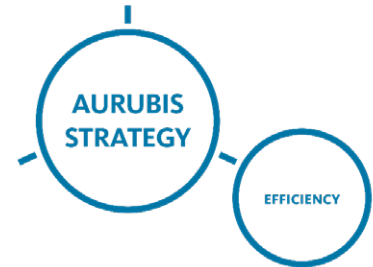
## Operating results for Segment Flat Rolled Products (FRP) (FY 2018/19)



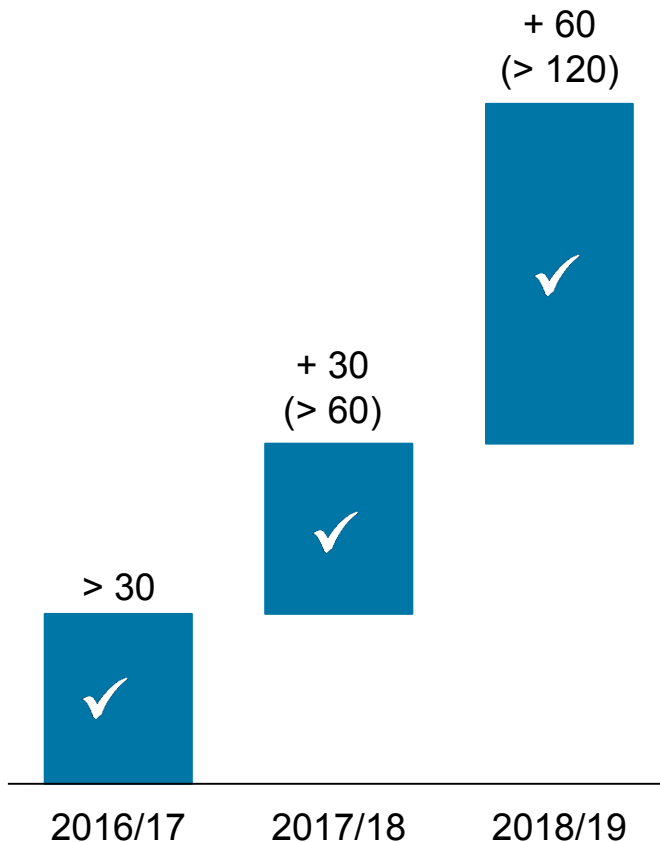
Segment FRP	12M 2018/19	12M 2017/18
EBIT (in €m)	-39	18
EBT (in €m)	-47	21
ROCE* (%)	-10.6	7.4
(Quantities in 1,000 t)		
Flat rolled products and specialty wire	210	235

- » Operating EBT down significantly because of lower sales volumes and less favorable supply conditions compared to previous year
- » Sales volumes below previous year due to lower demand, especially from automotive sector
- » Recognition of an ongoing impairment loss of € 31 million against copper inventories due to the adjustment in the definition of the operating result
- » Negative impact from € 20 million impairment loss recognized against Segment FRP's non-current assets

\* Rolling EBIT last 4 quarters



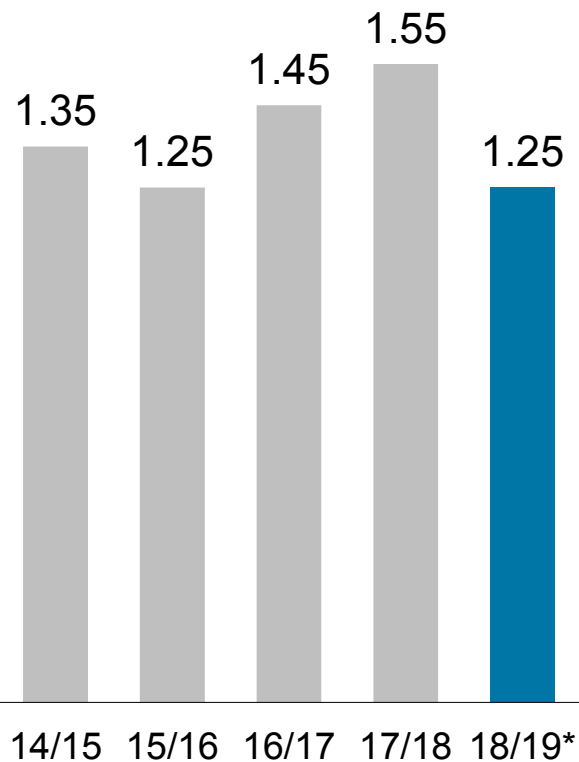
(in € million)



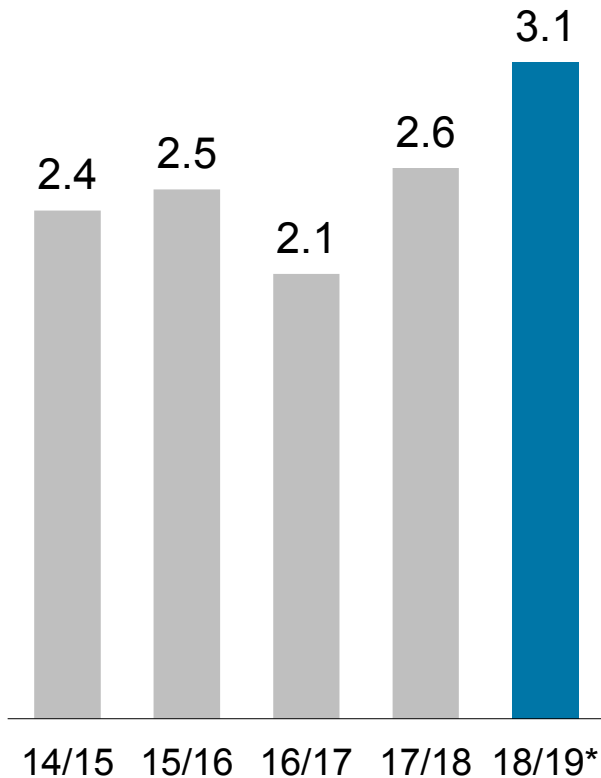
- » Under difficult overall circumstances and market conditions, we achieved the targeted project success in 2018/19 with our efficiency improvement program.
- » We will transition the program to a follow-up program with a clear focus on cost optimizations in 2019/20.
- » The objective is to counteract both inflation and the weaker economic and market conditions that are expected.

# Significantly increased dividend yield and payout ratio

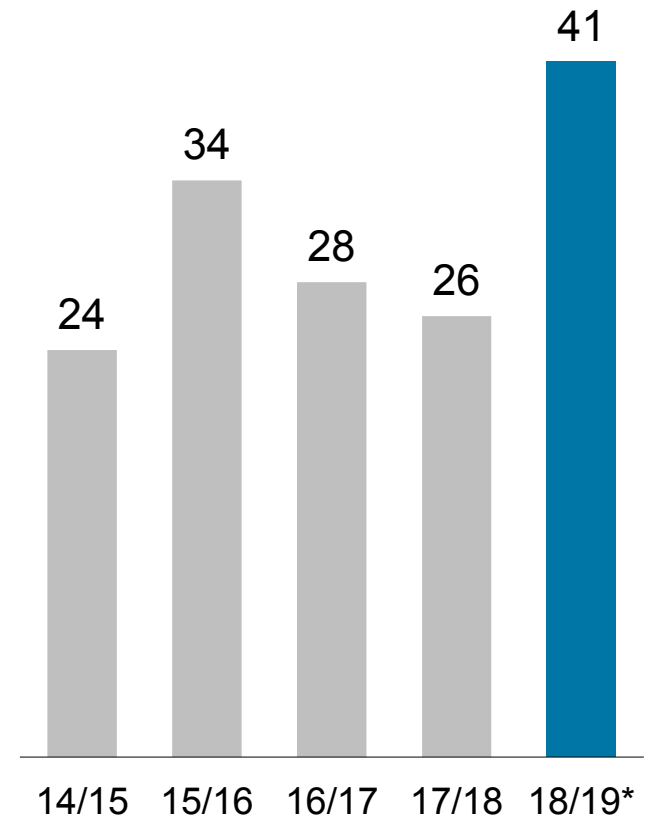
Aurubis dividend  
(in € per share)



Dividend yield  
(in %)

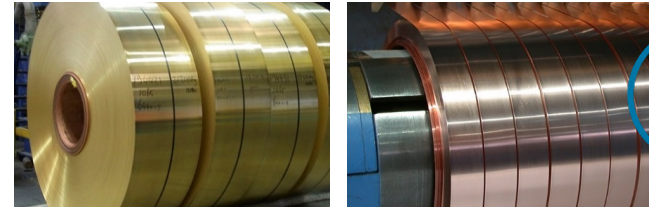


Payout ratio  
(in %, calculated based on operating IFRS consolidated net income)



\* Recommendation  
December 2019





## Aurubis AG to acquire Metallo Group

- » On May 22, 2019, Aurubis AG signed a share purchase agreement for the acquisition of the Belgian-Spanish Metallo Group
- » The acquisition is currently subject to approval by the European Commission
- » Aurubis AG expects approval by April 2020 at the latest

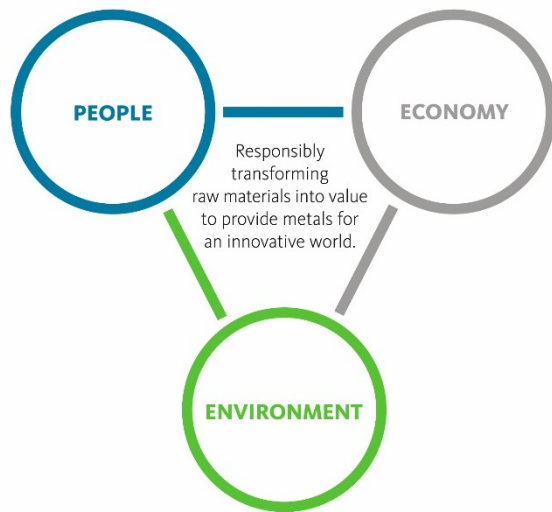
## Aurubis AG to divest Segment FRP

- » In February 2019, the European Commission prohibited the sale of Segment FRP to Wieland
- » Aurubis is in advanced discussions with industrial investors
- » The segment thus continues to fulfill the conditions for presentation as discontinued operations pursuant to IFRS 5

# Sustainability is a fundamental component of the Aurubis strategy

## Aurubis Sustainability Strategy 2018-2023, main sustainability ratings & initiatives

### Aurubis Sustainability Strategy



68 of 100 (2018)  
74 of 100 (2019)



AA (2018)  
AA (2019)



Best Newcomer (2015)  
MDAX Leader (2016)  
Score B (2017 and 2018)



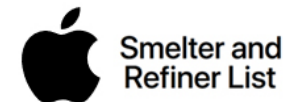
rated by  
**ISS-oekom**  
oekom research: Prime (2019)



**RESPONSIBLE CARE**<sup>®</sup>  
OUR COMMITMENT TO SUSTAINABILITY



WE SUPPORT





## Aurubis reduction 2000-2018

SO <sub>2</sub> emissions – 4.9 kg/t of copper output	- 86 %
Dust emissions – 63 g/t of copper output	- 95 %
Metal emissions to water – 1.1 g/t of copper output	- 85 %
Water withdrawal – 51 in m <sup>3</sup> /t of copper output	- 12 %
CO <sub>2</sub> emissions – 0.21 t/t of copper output	- 35 %

# Aurubis Sustainability Strategy 2018-2023 – selected targets and KPIs

ENVIRONMENT	Year	Target	Status as at 9/30/2019
Introduction of environmental management in accordance with ISO 14001	CY 2022	Group-wide	12/16 sites <sup>1</sup>
Introduction of energy management in accordance with ISO 50001	FY 2021/22	Group-wide	8/16 sites <sup>1</sup>
Reduction in CO <sub>2</sub> emissions	FY 2022/23	100,000 t <sup>2</sup>	74 %
More flexibility in electricity use	FY 2022/23	10 %	Aurubis Hamburg: 10 %
Specific metal emissions to water <sup>3</sup>	CY 2022	-40 %	-52 %
Specific dust emissions to air <sup>3</sup>	CY 2022	-15 %	-13.4 %

PEOPLE	Year	Target	Status as at 9/30/2019
Hours of training per employee	FY 2022/23	18	15.2
LTIFR	FY 2021/22	≤ 1.0	5.8

ECONOMY	Year	Target	Status as at 9/30/2019
Contracts with primary raw material suppliers that include a human rights and environmental protection clause	FY 2022/23	100 %	> 80 %
Introducing the Aurubis Business Partner Code of Conduct	FY 2018/19	Group-wide	Implementation ongoing

<sup>1</sup> Production sites incl. Schwermetall Halbzeugwerk GmbH & Co. KG, Stolberg

<sup>2</sup> Through energy efficiency projects and internal electricity projects, base year FY 2012/13

<sup>3</sup> Figures relate to the copper production sites Hamburg, Lünen, Olen, Pirdop, base year 2012, status as at 12/31/2018

# Outlook for 2019/20

## More challenging market environment ahead

- » Reuters 2020 **copper price** poll from October: US\$ 6,030/t
- » 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 be substantially lower than in 2019 in light of the November 2019 benchmark
- » **Copper scrap** and **sulfuric acid** difficult to forecast
- » The **Aurubis copper premium** for 2020 has been set at US\$ 96/t (PY: US\$ 96/t)
- » **Rod**: for 2020, demand in Europe expected to be at a level similar to 2019, depending considerably on the ongoing economic trend
- » **FRP**: no significant market recovery in the short term
- » **US\$**: for 2019/20 we are hedged at 1.17 with 57 %
- » **Efficiency improvement project** will be transitioned in 2019/20 to a program with a clear focus on cost optimization to counteract both inflation and the expected weaker economic and market conditions
- » **Plant availability** in 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 total, we expect an operating EBT between € 185 and 250 million and an operating ROCE between 8 and 11 % for fiscal year 2019/20.

### Interval forecast

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

VISION 2025

**Ps**

**Passion**  
for metallurgy

VISION 2025

**Pg**

Metals  
for **progress**

VISION 2025

**Tg**

**Together**  
with you

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## Financial Calendar



- » Q1 2019/20 February 13, 2020
- » AGM February 27, 2020
- » Q2 2019/20 May 15, 2020
- » Q3 2019/20 August 11, 2020
- » Annual Report 2019/20 December 9, 2020

## Scheduled shutdowns in the next 3 years

Status: December 2019 (preliminary)

	FY 2019/20	FY 2020/21	FY 2021/22
<b>Hamburg</b>	<ul style="list-style-type: none"> <li>›Boiler repair/inspection Oct./Nov. 2019 EBT effect ca. € 34 million</li> </ul>	<ul style="list-style-type: none"> <li>›Anode furnace Apr. 2021 EBT effect ca. € 8 million</li> </ul>	<ul style="list-style-type: none"> <li>›Boiler repair/inspection May/Jun. 2022 EBT effect ca. € 21 million</li> </ul>
<b>Pirdop</b>		<ul style="list-style-type: none"> <li>›Boiler repair/inspection Apr. 2021 EBT effect ca. € 18 million</li> </ul>	
<b>Lünen</b>	<ul style="list-style-type: none"> <li>›KRS Apr. 2020 EBT effect ca. € 7 million</li> <li>›Anode furnace Sept. 2020 EBT effect ca. € 4 million</li> </ul>	<ul style="list-style-type: none"> <li>›KRS Apr. 2021 EBT effect ca. € 8 million</li> <li>›Anode furnace Sept. 2021 EBT effect ca. € 4 million</li> </ul>	<ul style="list-style-type: none"> <li>›KRS Apr. 2022 EBT effect ca. € 7 million</li> <li>›Anode furnace Sept. 2022 EBT effect ca. € 5 million</li> </ul>



### Forward-looking statements

This document contains forward-looking statements that involve risks and uncertainties, including statements about Aurubis' plans, objectives, expectations, and intentions.

Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of Aurubis.

Should one or more of these risks, uncertainties, or contingencies materialize, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated, or projected.