

Metals for Progress:

# Driving *Sustainable* Growth

Company Release

**FISCAL YEAR 2020/21**

October 1, 2020 to September 30, 2021

# Aurubis Group at a Glance

Key Aurubis Group figures <sup>1</sup> Operating		Q4			Fiscal year		
		2020/21	2019/20	Change	2020/21	2019/20	Change
Revenues	€m	4,120	3,533	17 %	16,300	12,429	31 %
Gross profit	€m	373	385	-3 %	1,430	1,233	16 %
Depreciation and amortization	€m	59	77	-23 %	199	192	4 %
EBITDA	€m	150	161	-7 %	565	415	36 %
EBIT	€m	91	84	8 %	366	223	64 %
<b>EBT<sup>2</sup></b>	€m	<b>85</b>	<b>88</b>	<b>-3 %</b>	<b>353</b>	<b>221</b>	<b>60 %</b>
Consolidated net income	€m	61	64	-5 %	266	167	59 %
Earnings per share	€	1.40	1.43	-2 %	6.10	3.73	63 %
Net cash flow	€m	480	293	64 %	812	459	77 %
Capital expenditure	€m	119	74	62 %	256	237	8 %
Net financial position	€m	-	-	-	383	-102	> 100 %
<b>ROCE<sup>2</sup></b>	%	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.6</b>	<b>9.3</b>	<b>-</b>
<b>Segment Metal Refining &amp; Processing<sup>3</sup></b>							
Revenues	€m	3,800	3,304	15 %	15,079	11,488	31 %
EBIT	€m	98	101	-3 %	409	291	41 %
EBT	€m	95	99	-4 %	399	285	40 %
ROCE	%	-	-	-	18.9	12.6	-
Capital employed	€m	-	-	-	2,151	2,438	-12 %
<b>Segment Flat Rolled Products</b>							
Revenues	€m	366	264	37 %	1,432	1,086	32 %
EBIT	€m	-2	-3	33 %	7	-3	> 100 %
EBT	€m	3	1	> 100 %	13	1	> 100 %
ROCE	%	-	-	-	6.6	3.0	-
Capital employed	€m	-	-	-	289	316	-9 %

Key Aurubis Group figures <sup>1</sup> IFRS		Q4			Fiscal year		
		2020/21	2019/20	Change	2020/21	2019/20	Change
Revenues	€m	4,120	3,533	17 %	16,300	12,429	31 %
Gross profit	€m	499	433	15 %	1,914	1,404	36 %
Personnel expenses	€m	126	164	-23 %	554	553	0 %
Depreciation and amortization	€m	78	90	-13 %	219	210	4 %
EBITDA	€m	276	197	40 %	1,049	585	79 %
EBIT	€m	197	119	66 %	830	376	> 100 %
EBT	€m	194	117	66 %	825	367	> 100 %
Consolidated net income	€m	128	77	67 %	613	265	> 100 %
Earnings per share	€	2.94	1.73	70 %	14.03	5.95	> 100 %
Number of employees (average)		-	-	-	7,184	6,897	4 %

<sup>1</sup> Metallo sites included for four months in the previous year.

<sup>2</sup> Corporate control parameters.

<sup>3</sup> Prior-year figures have been adjusted.

**i** This report may include slight deviations in disclosed totals due to rounding.  
The full Annual Report is available on our website at [annualreport2020-21.aurubis.com](https://annualreport2020-21.aurubis.com).  
Excel tables can be downloaded directly from the download center.

Aurubis Group production figures		Q4			Fiscal year		
		2020/21	2019/20	Change	2020/21	2019/20	Change
<b>Segment Metal Refining &amp; Processing<sup>1</sup></b>							
Concentrate throughput	1,000 t	434	618	-30 %	2,250	2,378	-5 %
Hamburg	1,000 t	304	301	1 %	1,117	1,026	9 %
Pirdop	1,000 t	130	317	-60 %	1,133	1,352	-16 %
Copper scrap/blister copper input (all sites) <sup>2</sup>	1,000 t	96	90	7 %	436	368	18 %
Other recycling materials <sup>2</sup>	1,000 t	151	130	16 %	566	401	41 %
Sulfuric acid output	1,000 t	401	577	-31 %	2,107	2,272	-7 %
Hamburg	1,000 t	266	251	6 %	962	896	7 %
Pirdop	1,000 t	135	326	-59 %	1,145	1,376	-17 %
Cathode output	1,000 t	276	284	-3 %	1,113	1,031	8 %
Beerse	1,000 t	6	6	-	25	8	> 100 %
Hamburg	1,000 t	94	97	-3 %	384	384	-
Lünen	1,000 t	38	48	-21 %	149	173	-14 %
Olen	1,000 t	86	78	10 %	334	243	37 %
Pirdop	1,000 t	52	55	-5 %	221	223	-1 %
Wire rod output	1,000 t	211	198	7 %	869	759	14 %
Shapes output	1,000 t	45	37	22 %	187	154	21 %
<b>Segment Flat Rolled Products</b>							
Flat rolled products and specialty wire output	1,000 t	42	40	5 %	191	178	7 %

Aurubis Group sales volumes <sup>1</sup>		Q4			Fiscal year		
		2020/21	2019/20	Change	2020/21	2019/20	Change
Gold	t	11	13	-15 %	51	47	9 %
Silver	t	253	264	-4 %	949	972	-2 %
Lead	t	10,760	13,748	-22 %	40,717	28,014	45 %
Nickel	t	929	1,119	-17 %	3,900	3,395	15 %
Tin	t	2,338	2,047	14 %	10,043	4,213	> 100 %
Zinc	t	1,878	2,603	-28 %	8,809	3,565	> 100 %
Minor metals	t	174	139	25 %	977	807	21 %
Platinum group metals (PGMs)	kg	1,603	2,598	-38 %	8,722	8,935	-2 %

Selected metal prices		Q4			Fiscal year		
		2020/21	2019/20	Change	2020/21	2019/20	Change
Copper price (average)	US\$/t	9,372	6,519	44 %	8,677	5,857	48 %
	€/t	7,950	5,579	43 %	7,259	5,223	39 %
Copper price (period end date)	US\$/t	-	-	-	9,041	6,610	37 %
Gold price (average)	US\$/kg	57,550	61,368	-6 %	58,487	53,749	9 %
	€/kg	48,820	52,502	-7 %	48,938	47,902	2 %
Silver price (average)	US\$/kg	783	780	-	817	603	36 %
	€/kg	664	666	-	683	536	27 %

<sup>1</sup> Metallo sites included for four months in the previous year.

<sup>2</sup> Prior-year figures have been adjusted.



*“We’re proud of the achievements in a fiscal year that was still under coronavirus conditions for the most part – it went fairly smoothly despite this and other challenges, such as supply chain bottlenecks and rising energy prices. Additional positive factors included high plant availability across the Group, the swift and successful integration of the new recycling sites in Belgium and Spain into the Group, and the consistent ongoing implementation of our cost reduction program. We’re starting fiscal year 2021/22 very optimistic, with a significantly increased forecast range for operating EBT. Our updated and refined strategy is our precisely defined roadmap indicating how we will continue solidifying and expanding our position as the most sustainable and efficient multimetal producer in the world.”*

ROLAND HARINGS, Chief Executive Officer

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## CONTENTS

- 2** At a Glance
- 5** Economic Development
- 19** Selected Financial Information
- 22** Dates and Contacts

# Economic Development

## Fiscal Year 2020/21

The Aurubis Group increased its **operating earnings before taxes (EBT)** by 60 % to **€ 353 million** in fiscal year 2020/21 (previous year: € 221 million), achieving the best result in company history.

**Operating return on capital employed (ROCE)** was **15.6%** (previous year: 9.3%). The **recommended dividend** for 2020/21 is **€ 1.60** (previous year: € 1.30). The payout ratio would therefore be 26% (previous year: 35 %) related to the operating consolidated net result, which was € 266 million (previous year: € 167 million). The dividend yield based on the Xetra closing price of € 65.38 as at September 30, 2021 would amount to 2.5% (previous year: 2.2%). IFRS earnings before taxes (EBT) amounted to € 825 million (previous year: € 367 million).

The Group's revenues increased by € 3,871 million to € 16,300 million during the reporting period (previous year: € 12,429 million). This development was primarily due to higher copper prices in comparison to the previous year. Higher sales of copper products, with a high price level at the same time, had a positive impact as well.

Operating EBT in fiscal year 2020/21 was € 353 million (previous year: € 221 million) and was influenced by the following factors compared to the previous year:

- » Significantly higher refining charges for copper scrap and other recycling materials compared to the previous year
- » A considerably higher throughput of other recycling materials, due in part to the inclusion of the input materials for the Beerse and Berango sites
- » Slightly lower concentrate throughputs, coupled with lower treatment and refining charges for copper concentrates; planned shutdowns in the Group influenced the result in both the reporting period (by some € -36 million in operating EBT) and the previous year (by some € -50 million in operating EBT). The reporting year's result was also negatively influenced by delays in the restarting of production processes following the planned shutdown in Q4 2020/21 at our site in Pirdop.
- » A considerably higher metal result with a strong increase in metal prices
- » Significantly higher sulfuric acid revenues due to a

strong increase in sales prices

- » Substantially higher demand for copper products
- » Positive contributions to earnings from our Performance Improvement Program (PIP)
- » Significantly higher energy costs, particularly for electricity and gas

Since June 1, 2020, the Beerse and Berango sites of the former Metallo Group have been included in the financial performance, assets, liabilities, and financial position of the Aurubis Group. The previous year's financial performance therefore includes the new Group companies for just four months.

Please refer to page 9 for explanations regarding the derivation of the operating result from the IFRS result.

Operating ROCE (taking the operating EBIT of the last four quarters into consideration) improved to 15.6 % (previous year: 9.3 %), especially as a result of the very good earnings performance. The derivation of the ROCE is shown on page 10.

The very good financial performance in the fiscal year and relatively low net working capital resulted in a significantly higher **net cash flow** of € 812 million compared to the prior-year level (€ 459 million). Additional explanations regarding the cash flow are provided in "Assets, liabilities, and financial position" on page 10.



Metal Refining & Processing

## Segments & markets

**Segment Metal Refining & Processing (MRP)** increased its operating EBT during the reporting period by 40 %, to € 399 million (previous year: € 285 million). The increase primarily resulted from the influencing factors already mentioned. At 18.9 % (previous year: 12.6 %), the segment's operating ROCE also developed positively, considerably exceeding the 15.0 % target.

Production at our smelter sites was at a good level overall in the fiscal year. At 2,250,000 t, concentrate throughput for fiscal year 2020/21 was slightly below the previous year (2,378,000 t) owing to delays in the ramp-up after the planned shutdown at our site in Pirdop (Bulgaria) in Q4 2020/21. Shutdowns impacted throughput in the previous year as well.

During the reporting year, our production sites benefited from a very good supply of copper scrap, blister copper, and other recycling materials. The Group-wide input of copper scrap and blister copper, at 436,000 t (previous year: 368,000 t), as well as the input of other recycling materials such as industrial residues, slimes, shredder materials, and electrical and electronic scrap, at 566,000 t (previous year: 401,000 t), were well above the previous year in fiscal year 2020/21 – due in part to the first-time inclusion of the input volumes of the Metallo sites Beerse and Berango for the entire fiscal year.

At 1,113,000 t in 2020/21, copper cathode output in Segment MRP significantly exceeded the prior-year level (1,031,000 t) due to good production and stable capacity utilization in the tankhouses. At 149,000 t, cathode output at

our site in Lünen in fiscal year 2020/21 was down significantly on the prior-year level (173,000 t) as a result of the ongoing renovation measures in the tankhouse. The previous year was strained by production limitations caused by the crane damage in the tankhouse in Olen.

Demand for wire rod developed very positively in all customer segments in light of the economic rebound and led to a 14 % increase in output to 869,000 t (previous year: 759,000 t). Demand for high-purity shapes recovered considerably year-over-year, with output at 187,000 t (previous year: 154,000 t). The order situation was at a stable, high level throughout the fiscal year, due in large part to high demand from the flat rolled products sector.

The global copper concentrate market indicated higher mine output in 2021 year-over-year. Compared to the previous year, there were fewer production losses, particularly because of reduced losses related to COVID-19. Expansions of existing mines and new mine projects in Chile and Peru positively influenced the concentrate supply as well. On the global smelter industry side, planned downtimes dampened demand for copper concentrates, particularly in China starting in Q3 of fiscal year 2020/21. In alignment with this trend, the development of TC/RCs for standard copper concentrates on the spot market was consistently positive starting in May 2021. Previously, they had fallen at the start of the fiscal year until March 2021, to US\$ 30/t and 3.0 cents/lb, because of strong demand from the Asian smelter industry. As a result of the numerous downtimes and more restrained demand from Chinese smelters, the TC/RCs at the end of the fiscal year were US\$ 62/t and 6.2 cents/lb.

Aurubis has a diversified supplier portfolio and long-term delivery contracts. Through active raw material management, we were thus able to secure a continuous supply for our production facilities during the entire fiscal year and were only active on the spot market to a limited extent.

For 2021 annual contracts, the benchmark TC/RC for processing standard copper concentrates was US\$ 59.5/t and 5.95 cents/lb (2020: US\$ 62/t and 6.2 cents/lb). The spot market was under the benchmark at the beginning of the fiscal year. Because of the positive trend in the concentrate supply and Chinese smelters' buying restraint on the market, the spot prices at fiscal year-end indicated substantial recovery tendencies above the benchmark.

In fiscal year 2020/21, the market for copper scrap and complex recycling materials had a very good supply due to dynamic economic circumstances and strong increases in metal prices. The recovery of the European economy and rising metal prices led to high collection rates and a good supply of copper scrap accordingly. Copper scrap exports to Asia were lower, especially at the start of the fiscal year, due to the new import restrictions. This had a positive impact on the volumes available in Europe. Starting in Q4 of the fiscal year, Asian demand for copper scrap gained momentum and caused a shift in material flows. All in all, refining charges for copper scrap developed very positively in the course of fiscal year 2020/21 due to the good supply and surpassed the prior-year level considerably.

Complex recycling raw materials were available on the market with very good refining charges during the entire fiscal year. Despite the logistical challenges that COVID-19 posed, Aurubis secured the supply for its production facilities throughout the whole fiscal year.

Corresponding to the concentrate throughput, the sulfuric acid output was 2,107,000 t, below the prior-year level (2,272,000 t). Throughout the entirety of fiscal year 2020/21, the global sulfuric acid market experienced very stable demand with a tightening supply. Spot market prices on the

global markets for sulfuric acid thus increased over the entire fiscal year 2020/21. Because of its customer and contract structure, Aurubis isn't completely exposed to developments on the spot market, and any impacts occur with a time lag.

The international cathode markets recorded high demand overall in the first half of fiscal year 2020/21. The recovery in demand compared to the previous year was apparent in Europe and the US especially. Spot premiums in Europe proved to be stable over the entire fiscal year. Quotations in Shanghai were low during most of the fiscal year but rose significantly at the end of the fiscal year due to a tighter supply and arbitrage options. At US\$ 96/t, the Aurubis copper premium for calendar year 2021 was the same as in the previous year.

The international wire rod market is still the predominant outlet for refined copper. Wood Mackenzie estimates that approximately 74 % of global cathode output goes to this market worldwide. This is expected to grow by around 5 % in calendar year 2021, compared to a roughly 3 % decrease in demand in 2020. Aurubis primarily supplies the European market. After very stable demand in Q1, a continued positive trend was apparent in the first half of 2021. Demand was confirmed across all customer segments, the construction and energy sectors and the automotive industry, as the fiscal year progressed.

Capital expenditure in Segment MRP amounted to € 227 million (previous year: € 202 million). Significant investments were made in connection with the maintenance shutdown carried out in Pirdop, Bulgaria, environmental protection measures in Hamburg to further reduce diffuse emissions, and the modernization of the tankhouse in Lünen.

**Segment Flat Rolled Products (FRP)** generated operating earnings before taxes (EBT) of € 13 million in the reporting year (previous year: € 1 million). This notably improved result compared to the previous year was based on the recovery of demand for strip products and the continued implementation of our strict cost management. Negative effects from



## Flat Rolled Products

rebuilding costs for our plant in Stolberg following the flooding disaster are offset by insurance payments.

At 6.6 %, operating ROCE (taking the operating EBIT of the last four quarters into consideration) improved considerably compared to the previous year (3.0 %).

On July 14, 2021, production at Aurubis Stolberg GmbH had to be stopped due to severe weather impacts. As a result, Aurubis Stolberg GmbH & Co. KG had to declare force majeure on July 16, 2021. After extensive clean-up and repair work, we restarted production at Aurubis Stolberg again in early November.

Output of flat rolled products and specialty wire increased to 191,000 t due to demand (previous year: 178,000 t). Q4 2020/21 was affected by the production stop in Stolberg following the flooding disaster. All of the sites implemented programs to increase the output quantity.

The market for flat rolled products improved compared to the previous year, which had been negatively influenced by the COVID-19 pandemic. Demand for strip products exceeded capacities and couldn't be completely fulfilled in Q4 2020/21 due to the production stop in Stolberg following the flooding disaster. All segments, particularly the automotive sector, developed positively. Submarine cable, material for power electronics, connectors, and cooling systems were in especially high demand.

Capital expenditure in Segment FRP amounted to € 15 million (previous year: € 18 million). This was primarily used for replacement investments.

On August 9, 2021, Aurubis announced the signing of a term sheet with Intek Group S.p.A. (Italy) regarding a partial sale of Segment Flat Rolled Products. Aurubis AG intends to sell the FRP plant in Zutphen (Netherlands) as well as the slitting centers in Birmingham (United Kingdom), Dolný Kubín (Slovakia), and Mortara (Italy) with a total of about 360 employees. The sale is subject to approval by the responsible antitrust authorities. The plants in Stolberg (Germany), Pori (Finland), and Buffalo (US) will remain in the Aurubis Group.



## Assets, liabilities, and financial position

**Total assets (operating)** increased from € 4,897 million as at September 30, 2020 to € 5,493 million as at September 30, 2021.

This was due in particular to the considerable increase in cash and cash equivalents, as a result of the very good free cash flow of € 488 million for the fiscal year. In addition, current receivables increased from € 634 million to € 760 million. These included higher trade accounts receivable, which built up due to the sharp increase in copper prices and a high volume of copper product sales.

In contrast, inventories decreased by € 85 million, from € 1,855 million as at September 30, 2020 to € 1,770 million as at September 30, 2021. The reduction was especially marked in the input materials area, as a result of the reduced availability of recycling materials and intermediate products. In contrast, the previous year had been influenced by high inventories of input materials to secure the smelter network's supply during the pandemic.

The Group's equity increased by € 245 million, from € 2,403 million as at the end of the previous fiscal year to € 2,648 million as at September 30, 2021. The increase was due to the operating consolidated total comprehensive income of € 321 million. The dividend distribution of € 57 million and the purchase of treasury shares, amounting to € 19 million, had a counteracting effect.

Overall, the operating equity ratio (the ratio of equity to total assets) was therefore 48.2 %, compared to 49.1 % as at the end of the previous fiscal year.

At a level of € 582 million as at September 30, 2021, borrowings were similar to the previous fiscal year (€ 583 million). A Schuldschein loan of € 103 million is scheduled to fall due in February 2022, and was therefore disclosed under current financial liabilities as at the reporting date.

The following table shows the development of borrowings:

### Development of borrowings

in € million	9/30/2021	9/30/2020
Non-current bank borrowings	400	503
Non-current liabilities	45	53
<b>Non-current borrowings</b>	<b>445</b>	<b>556</b>
Current bank borrowings	127	15
Current lease liabilities	11	12
<b>Current borrowings</b>	<b>138</b>	<b>27</b>
<b>Total borrowings</b>	<b>582</b>	<b>583</b>

Cash and cash equivalents of € 965 million were available to the Group as at September 30, 2021 (September 30, 2020: € 481 million). The net financial position as at September 30, 2021 was € 383 million (previous year: € -102 million).

**Total assets (IFRS)** increased from € 5,534 million as at September 30, 2020 to € 6,613 million as at September 30, 2021. The very substantial increase was due to the € 340 million increase in inventories, from € 2,464 million as at September 30, 2020 to € 2,804 million as at September 30, 2021; a considerable increase in contrast to the operating statement of financial position. A key factor for the IFRS figure was the high copper prices that prevailed throughout the entire fiscal year. The Group's equity increased by € 592 million, from € 2,851 million as at the end of the previous fiscal year to € 3,443 million as at September 30, 2021. The increase resulted in particular from the consolidated total comprehensive income of € 667 million, which was higher than in the operating statement of financial position. Overall, the IFRS equity ratio was 52.1 % as at September 30, 2021, compared to 51.5 % as at the end of the previous fiscal year.

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.

Operating ROCE improved to 15.6% owing to the good financial performance, compared to 9.3% in the previous year.

in € million	9/30/2021	9/30/2020
Fixed assets, excluding financial fixed assets	1,877	1,836
Inventories	1,770	1,855
Trade accounts receivable	550	490
Other receivables and assets	265	200
- Trade accounts payable	-1,406	-1,149
- Provisions and other liabilities	-642	-500
<b>Capital employed as at the reporting date</b>	<b>2,415</b>	<b>2,731</b>
Earnings before taxes (EBT)	353	221
Financial result	13	2
<b>Earnings before interest and taxes (EBIT)</b>	<b>366</b>	<b>223</b>
Pro forma EBIT of Metallo <sup>1</sup>	-	18
Investments accounted for using the equity method	10	13
<b>Earnings before interest and taxes (EBIT) – adjusted</b>	<b>376</b>	<b>253</b>
<b>Return on capital employed (operating ROCE)</b>	<b>15.6%</b>	<b>9.3%</b>

<sup>1</sup> Result for four months already included in EBIT in the previous year; pro forma additional result for eight months.

The very good financial performance in the fiscal year and relatively low net working capital resulted in a significantly higher **net cash flow** of € 812 million compared to the prior-year level (€ 459 million).

The cash outflow from investing activities totaled € 232 million (previous year: € 556 million) and, in contrast to the previous year, didn't include any payments for the acquisition of shares in affiliated companies (previous year: € 332 million

for the acquisition of the Metallo Group). Payments during the fiscal year included investments in environmental protection measures to continue reducing diffuse emissions in Hamburg (€ 45 million) and in connection with the planned maintenance shutdown in Pirdop in August/September 2021 (€ 36 million).

After taking into account payments of € 19 million for the purchase of treasury shares, interest payments totaling € 16 million, and the dividend distribution of € 57 million, the free cash flow of € 488 million was very good (previous year: € -208 million).

in € million	12M 2020/21	12M 2019/20
Cash inflow from operating activities (net cash flow)	812	459
Cash outflow from investing activities	-232	-556
Acquisition of treasury shares	-19	-39
Interest paid	-16	-16
Dividend payment	-57	-56
<b>Free cash flow</b>	<b>488</b>	<b>-208</b>
Proceeds and payments deriving from financial liabilities	-3	248
<b>Net change in cash and cash equivalents</b>	<b>485</b>	<b>40</b>
<b>Cash and cash equivalents as at the reporting date</b>	<b>965</b>	<b>481</b>

Cash and cash equivalents of € 965 million were available to the Group as at September 30, 2021 (September 30, 2020: € 481 million). The net financial position as at September 30, 2021 was € 383 million (previous year: € -102 million).



Internal energy production: In Bulgaria, we're building the largest internal company solar plant.

## Sustainability

In the past fiscal year, we initiated important sustainability projects, in particular to achieve our climate goals:

In June, the Science Based Targets Initiative (SBTi) validated Aurubis AG's CO<sub>2</sub> reduction targets. The SBTi thus confirms that our targets contribute to limiting global warming to 1.5°C pursuant to the Paris climate agreement. We have set out to reduce the absolute Scope 1 and Scope 2 emissions, meaning CO<sub>2</sub> emissions generated by burning fuels in internal facilities and those related to purchased energy, by 50 % until 2030 compared to the base year 2018. We want to reduce Scope 3 emissions, which arise in the upstream and downstream stages of the value chain, by 24 % during the same period as well.

In late 2019, Aurubis joined the initiative Business Ambition for 1.5°C from the UN Global Compact, which requires the Group to develop science-based CO<sub>2</sub> reduction targets.

We have already substantially reduced the CO<sub>2</sub> footprint of our copper cathodes with the measures implemented in the past several years: The life cycle assessment for the Aurubis copper cathode has now been updated, and the latest calculations show that 1,690 kg of CO<sub>2</sub> per ton of copper are emitted over the entire life cycle of the cathode. This is a reduction of approximately 25 % compared to the figures from 2013.

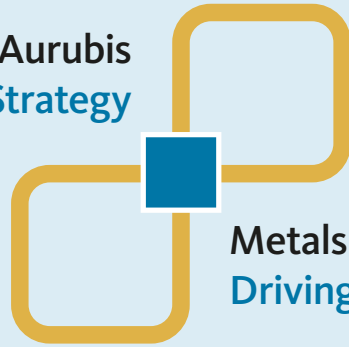
In May, a series of tests started for hydrogen use on an industrial scale in copper anode production at the Hamburg plant. In the medium term, hydrogen could replace fossil fuels in the production process. Due to hydrogen's chemical properties, Aurubis expects enhanced efficiency as well. With this project, Aurubis won the Responsible Care competition of the German Chemical Industry Association (VCI) in 2021.

An additional milestone was achieved by Aurubis Bulgaria in June 2021 with the construction kick-off of a 10 MW solar plant near the site. This will be the country's largest solar plant for internal electricity production in a company. The Pirdop site's goal is to cover 20 % of its energy needs from its own renewable sources by 2030.

After Aurubis Bulgaria received The Copper Mark in April 2021 – the copper industry's quality seal for responsible copper production – Aurubis Hamburg and Aurubis Lünen likewise committed in late June 2021 to undergoing the evaluation process. Preparations for the audit are already underway.

Our progress in all areas of sustainability is confirmed by rating agencies. In August 2021, the independent sustainability agency EcoVadis awarded Aurubis Platinum status for the first time. Aurubis thus belongs to the best one percent of companies in the global non-ferrous metals industry. In 2020, Aurubis successfully placed a Schuldschein loan with a sustainability component – the first European company in the basic materials industry to do so – for € 400 million. The conditions of the loan are tied to the EcoVadis rating.

**Aurubis  
Strategy**



**Metals for Progress:  
Driving Sustainable Growth**

## Strategic orientation

In fiscal year 2020/21, Aurubis developed the strategy further in a multi-stage process and established a detailed plan outlining how Aurubis will continue solidifying and expanding its position as one of the most efficient and sustainable multimetal producers in the world. From a strategic standpoint, the Group will be guided by three key areas in the future: securing and strengthening the core business, pursuing growth options, and expanding its industrial leadership in sustainability.

The updated Aurubis strategy is a precisely defined roadmap for continued sustainable, profitable growth. The necessary success factors for implementing the strategy were established: digitalization and automation in production, strategic resource planning, and strategic personnel management, which includes the recruitment and development of employees.

Currently, total investments of about € 350 million are approved for strategic projects in the three key areas, which will lead to an EBITDA contribution of about € 100 million starting in 2025/26 according to current plans. Moreover, additional investments of about € 250 million are included in the mid-term planning until 2025/26, for which we expect additional operating EBITDA of about € 70 million starting in 2029/30. Additional strategic projects, such as the modular recycling system (investments of about € 250 million each) and battery recycling (investments of about € 200 million) are

not included but are being actively pursued. The projects in the mid-term planning are in the conception phase and will be pushed forward until they are approved. In the long term, our projects are focused on growth. All new investment projects will be subjected to a thorough sustainability review as a matter of course. Every new investment supports our sustainability targets.

The projects will primarily be financed from the current cash flow and available funds. There is no need for a capital increase.

### **SECURING AND STRENGTHENING THE CORE BUSINESS**

The Aurubis Group's core business is processing raw materials containing metals, both concentrates and recycling materials. Aurubis will invest in recycling projects at different sites to expand processing capacities and continue boosting multimetal recovery within the Group-wide smelter network. Synergies can be used more strongly by connecting sites in a targeted way and optimizing material flows. An initial example is the ASPA project (Advanced Sludge Processing by Aurubis). On July 28, 2021, Aurubis announced the planned construction of a state-of-the-art hydrometallurgical recycling facility at the Beerse site in Belgium. A total of € 27 million of the approved investments for strategic projects is planned for this facility, in which anode sludge, a valuable intermediate product of the copper tankhouse, from the recycling sites in Beerse (Belgium) and Lünen (Germany) will be processed. The construction of the facility is scheduled to start in the second quarter of 2022, with commissioning in early 2024. After commissioning, we

## Secure Core Business



Continuous improvement  
—  
Performance Improvement Programs

## Strengthen Core Business



Separation capabilities (intermediates)  
—  
Metal recovery

## Pursue Growth Options



Recycling materials  
—  
Regional expansion

## Industry Leadership in Sustainability



Enablers:



- » Digitalization, automation, and “Plant of the Future”
- » Strategic resource management, talent and personnel development

expect a contribution of about € 7 million to operating EBITDA.

The modernization of the tankhouse at the Lünen site, which started into the second phase in October 2020, will likewise strengthen the core business. A total of € 60 million is being invested in the renovation of the facility. At the end of the modernization in about two years, the capacity of the tankhouse, where the most energy-intensive part of the copper production process takes place, will be expanded by 10 % thanks to an increase in efficiency.

The additional investments of about € 250 million included in the mid-term planning until 2025/26 focus on this key area.

### PURSUING GROWTH OPTIONS

Proceeding from our core business, Aurubis is pursuing new growth options. The recycling business is a central driver of growth for us. The rising importance of sustainability in Europe and the US will lead to higher recycling rates and thus a growing supply of complex recycling materials. There are significant growth opportunities in North America and Europe in particular. The Aurubis Modular Recycling System is a scalable system for new recycling plants that enables us to build new capacities in a modular – and therefore flexible and needs-based – approach and to integrate them into the expanded Aurubis smelter network.

The first plant that Aurubis will build using the modular system will be located in Augusta (Richmond County) in the US state of Georgia. The entire North American market for multimetal recycling is about 6 million t of recycling material, but there have hardly been any local processing capacities up



This visualization demonstrates what Aurubis' new US recycling plant will look like.

to now. On November 10, 2021, Aurubis announced that it would build the first secondary smelter specializing in multimetal recycling in the US for about € 300 million. With the technology planned for Aurubis Richmond, USA, Aurubis will become a forerunner in multimetal recycling in the US. A position that Aurubis already holds in Europe. Aurubis Richmond will process about 90,000 t of complex recycling material into 35,000 t of blister copper each year. The start of construction is planned for summer 2022. The plant should be commissioned in the first half of 2024. The expected operating EBITDA of the plant will be about € 80 million per year starting in fiscal year 2025/26.

With the expansion of electric vehicles, the demand for lithium-ion batteries is growing sharply – as is the demand for raw materials to produce them. In the longer term, we see considerable growth options in the areas of battery materials and battery recycling. Battery recycling is a high-priority growth area for Aurubis, and we will invest in recycling facilities in this area, too, after successful pilot trials.

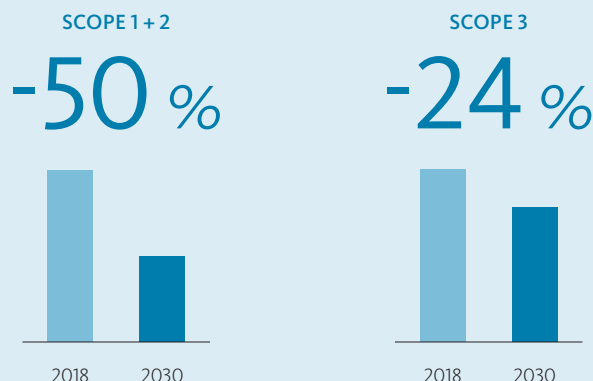
### **EXPANDING OUR INDUSTRIAL FORERUNNER ROLE IN SUSTAINABILITY**

Sustainable conduct and business activity are integral components of Aurubis' strategy. Based on binding targets and appropriate measures related to the environment, social issues, and corporate governance, we are enshrining sustainability even more strongly in the entire company and in all of our workflows, processes, and new projects. We have established targeted measures and KPIs to reduce emissions in

order to make our production carbon-neutral well before 2050. Our production techniques already make a pivotal contribution to responsibly handling resources and thus play a role in the energy transition, in addition to our products. An important milestone on the path to decarbonization is the reduction of our CO<sub>2</sub> emissions (Scope 1 and 2) by 50 % until 2030. We want to reduce Scope 3 emissions, which arise in the upstream and downstream stages of the value chain, by 24 % per ton of copper cathodes during the same period as well. The targets were validated by the Science Based Targets initiative (SBTi) in June 2021. This means that our targets contribute to limiting global warming to 1.5°C pursuant to the Paris Agreement. We will continue implementing our detailed roadmap to achieve our climate goals. Regarding Scope 1 and Scope 2 emissions, we rely on technical measures such as decarbonizing plant facilities by using green hydrogen instead of fossil fuels, electrifying our production, utilizing waste heat, and expanding the purchase of green electricity. Approaches for reducing Scope 3 emissions include cooperation in the supply chain and increased recycling activities, for example.

In 2022, we will start expanding our Industrial Heat project in Hamburg and anticipate investments of approximately € 100 million. Cost efficiency is achieved through expected funding provided by the Federal Ministry for Economic Affairs and the city utility company Wärme Hamburg GmbH. After completion, up to 100,000 t of CO<sub>2</sub> emissions will be prevented in Hamburg each year.

## CO<sub>2</sub> reduction targets until 2030



Our science-based reduction targets are a key milestone on the path to carbon-neutral production well before 2050.

### CHANGE TO SEGMENTATION

In the course of developing the Aurubis Group's strategy, the segmentation was adjusted effective October 1, 2021. Starting October 1, 2021, the two segments **Multimetal Recycling** and **Custom Smelting & Products** will form the organizational structure and the foundation for segment reporting in accordance with IFRS 8.

The **Multimetal Recycling** segment comprises the recycling activities in the Group and thus the processing of copper scrap, organic and inorganic recycling raw materials containing metal, and industrial residues. The segment mainly includes the sites in Lünen (Germany), Olen and Beerse (both in Belgium), and Berango (Spain).

The **Custom Smelting & Products** segment joins the production facilities for processing concentrates and manufacturing and marketing standard and specialty products such as cathodes, wire rod, shapes, strip products, sulfuric acid, and iron silicate. The Custom Smelting & Products segment is also responsible for precious metal production. The sites in Hamburg (Germany) and Pirdop (Bulgaria) manufacture copper cathodes, which are processed further into wire rod and shapes at the Hamburg (Germany), Olen (Belgium), Emmerich (Germany), and Avellino (Italy) sites. The Buffalo (US), Stolberg (Germany), and Pori (Finland) sites produce flat rolled products and specialty wire products.

## Outlook

### Raw material markets

The **copper concentrate** market is growing on both the demand side and the supply side. A recovery in output from existing mines, expansion projects, and the ramp-up of new projects are contributing significantly to production increases in different countries. Wood Mackenzie predicts that global mine output (based on copper content, before accounting for disruptions and adjustments) will rise by 8.8 % in 2022.

Barring any unexpected losses in the mine supply, stable or rising TC/RCS should be expected as the year goes on. For 2022, Wood Mackenzie expects a slightly higher benchmark compared to the previous year based on an easing of the concentrate market. At the time this report was prepared, the benchmark negotiations for 2022 annual contracts on the copper concentrate market hadn't been concluded yet.

Due to our position on the market, our long-term contract structure, and our supplier diversification, we are confident that we will once again secure a good copper concentrate supply. We are already supplied with concentrates at good treatment and refining charges beyond Q1 of fiscal year 2021/22.

The **recycling material** market was at a high level in the course of the year. The focus on sustainability and high ESG standards will enable Aurubis to access material flows that had been exported in the past. In light of this fact, as well as the recovering global economy and the current copper price level, Wood Mackenzie forecasts a positive development in the supply of recycling materials. At the same time, however, high demand is expected from Asia.

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.

In contrast, the availability of complex recycling materials is subject to less volatility. The market environment is expected to be at least stable.

Overall, Aurubis expects a stable supply situation for recycling raw materials with good refining charges. We are already supplied with recycling material at good refining charges beyond Q1 of fiscal year 2021/22. Our broad market position absorbs supply risks.

### Product markets

#### Copper products

As at the reporting date, demand for copper products continues to be strong in Q1 2021/22. In the negotiation season for 2022 annual sales contracts, which is still underway, we have already contractually fixed the orders on hand to a large extent.

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 increased this premium for its European customers compared to the previous year, to US\$ 123/t (2021: US\$ 96/t). The increase in the copper premium reflects the good unchanged market demand in Europe in 2022 and partially compensates for the sharp increases in freight and energy costs.

When it comes to **copper wire rod**, the positive trend continues in Q1 2021/22. In Europe – as in other parts of the world – demand remains at a good level. For 2022, CRU expects demand in Europe to be at pre-pandemic level throughout 2022. Demand will depend considerably on the ongoing economic trend in the key customer industries. As outlined in the section “Overall economic development” in the Annual Report, we expect growth in the electrical industry, the automotive industry, and the construction and infrastructure sector in 2022.



The predicted growth in the customer industries for the forecast period leads to an expectation of a stable demand and sales trend for copper wire rod for Aurubis.

Demand for **shapes** is expected to be at a high level in the coming fiscal year as well.

CRU indicates that on the European market for **flat rolled products**, production is evidently rising again in 2021 after two years with a declining production level. Connector production, which depends strongly on demand in the automotive sector and electric vehicles especially, is one factor that plays a key role in the demand for our products in this market. For this sector, CRU forecasts growth in the eurozone in 2021 and subsequent years. The US economy, whose developments are very important for the flat rolled products area, is also expected to grow in 2022. According to CRU, production of flat rolled products in the US will also increase in 2021, reaching pre-pandemic level again.

### **Sulfuric acid**

For northwest Europe, ICIS continues to expect a short supply at the end of the year, together with further price increases. Supply shortages are continuing in the US at the end of the year as well. The Chinese markets are characterized by significant regional differences.

Based on the stable demand on the sulfuric acid market and the developments in sales prices, we anticipate a positive trend in the earnings situation on this market.

### **Business expectations**

We updated our strategy in fiscal year 2020/21. By the end of this decade, we want to continue solidifying and expanding our position as one of the world's most efficient and sustainable multimetal producers – as a high-performance smelter network with a strong core business and new drivers of growth in recycling.

Under the tagline “Metals for Progress: Driving Sustainable Growth,” we will keep investing in the three pillars of the strategy. The project ASPA (Advanced Sludge Processing by Aurubis) in Beerse, Belgium, falls under the pillar of securing and strengthening the core business. The investment in the new recycling plant Aurubis Richmond, USA, falls under the pillar of growth options. We attribute the expansion of our Industrial Heat project in Hamburg to the sustainability pillar – we'll start implementing the second stage of this project in 2022.

With the Metallo acquisition, we have already significantly strengthened our position as a multimetal provider. The integration process of the two sites in Beerse (Belgium) and Berango (Spain) has gone very successfully and will be completed with the rebranding in December 2021.

In the course of fiscal year 2021/22, we expect to carry out the partial sale of the FRP group (specifically, the companies Aurubis NL, Aurubis Mortara, Aurubis Slovakia, and Aurubis UK).

The following maintenance shutdowns are planned for fiscal year 2021/22:

- » At the Hamburg site in May and June 2022, with an expected impact of about € 25 million on operating EBT
- » At the Lünen site in November and December 2021 and in May 2022, with a negative effect totaling around € 16 million on operating EBT

### 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 outlook for fiscal year 2021/22 is based on the following premises:

- » Based on industry forecasts, we expect copper demand to continue growing.
- » At the time this report was prepared, the benchmark negotiations for 2022 annual contracts on the copper concentrate market hadn't been concluded yet.
- » In fiscal year 2021/22, the market trend for copper scrap is difficult to forecast due to the short-term nature of the business.
- » Because of the current market situation for sulfuric acid, we anticipate a positive earnings trend.
- » The Aurubis copper premium for 2022 has been set at US\$ 123/t (previous year: US\$ 96/t).
- » We expect energy costs to increase based on current energy price developments. We can only absorb price risks to a limited extent with our hedging activities. Moreover, CO<sub>2</sub> electricity price compensation takes effect with a time lag.
- » A significant portion of our revenues is based on the US dollar. We have reduced the resulting risks with our hedging strategy to some extent.
- » We continue to expect an improvement in earnings of at least € 100 million through cost reduction and an improvement in throughput from the Performance Improvement Program (PIP) starting in fiscal year 2022/23 compared to the reference year 2018/19.
- » We expect stable plant availability overall for fiscal year 2021/22.

Overall, we expect an operating EBT between € 320 million and € 380 million and an operating ROCE between 12 and 16 % for the Aurubis Group for fiscal year 2021/22.

In the Multimetal Recycling segment, we expect an operating EBT between € 140 million and € 200 million and an operating ROCE between 16 % and 20 % for fiscal year 2021/22.

In the Custom Smelting & Products segment, we expect an operating EBT between € 210 million and € 270 million and an operating ROCE between 10 % and 14 % for fiscal year 2021/22.

#### Interval forecast for 2021/22 according to Aurubis' definition

in € million	Operating EBT in € million	Operating ROCE in %
Group <sup>1</sup>	320 – 380	12 – 16
Multimetal Recycling	140 – 200	16 – 20
Custom Smelting & Products	210 – 270	10 – 14

<sup>1</sup> The Group forecast includes the segments as well as the category "Other" and isn't the sum of the two segments alone.

# Selected Financial Information

## Reconciliation of the consolidated income statement

in € million	Fiscal year 2020/21			Fiscal year 2019/20 <sup>1</sup>		
	IFRS	Adjustment effects	Operating	IFRS	Adjustment effects	Operating
		Inventories/ fixed assets			Inventories/ fixed assets	
<b>Revenues</b>	<b>16,300</b>	<b>0</b>	<b>16,300</b>	<b>12,429</b>	<b>0</b>	<b>12,429</b>
Changes in inventories of finished goods and work in process	146	-222	-76	118	-108	10
Own work capitalized	32	0	32	23	0	23
Other operating income	73	0	73	33	0	33
Cost of materials	-14,637	-262	-14,899	-11,199	-63	-11,262
<b>Gross profit</b>	<b>1,914</b>	<b>-484</b>	<b>1,430</b>	<b>1,404</b>	<b>-171</b>	<b>1,233</b>
Personnel expenses	-554	0	-554	-553	0	-553
Depreciation of property, plant, and equipment and amortization of intangible assets	-219	20	-199	-210	18	-192
Other operating expenses	-311	0	-311	-265	0	-265
<b>Operational result (EBIT)</b>	<b>830</b>	<b>-464</b>	<b>366</b>	<b>376</b>	<b>-153</b>	<b>223</b>
Result from investments measured using the equity method	18	-8	10	6	7	13
Interest income	4	0	4	7	0	7
Interest expense	-18	0	-18	-19	0	-19
Other financial expenses	-9	0	-9	-3	0	-3
<b>Earnings before taxes (EBT)</b>	<b>825</b>	<b>-472</b>	<b>353</b>	<b>367</b>	<b>-146</b>	<b>221</b>
Income taxes	-212	125	-87	-102	49	-54
<b>Consolidated net income</b>	<b>613</b>	<b>-347</b>	<b>266</b>	<b>265</b>	<b>-97</b>	<b>167</b>

<sup>1</sup> Metallo sites included for four months in 2019/20.

## Reconciliation of the consolidated statement of financial position

in € million	9/30/2021				9/30/2020			
	Adjustment effects				Adjustment effects			
	IFRS	IFRS 5	Inventories/ fixed assets	Operating	IFRS	IFRS 5 <sup>1</sup>	Inventories/ fixed assets	Operating
<b>Assets</b>								
Fixed assets	1,958	9	-24	1,943	1,904	3	-36	1,871
Deferred tax assets	18	0	0	18	9	0	11	20
Non-current receivables and other assets	37	0	0	37	36	0	0	36
Inventories	2,804	62	-1,096	1,770	2,464	3	-612	1,855
Current receivables and other assets	716	44	0	760	629	5	0	634
Cash and cash equivalents	942	23	0	965	481	0	0	481
Assets held for sale	138	-138	0	0	11	-11	0	0
<b>Total assets</b>	<b>6,613</b>	<b>0</b>	<b>-1,120</b>	<b>5,493</b>	<b>5,534</b>	<b>0</b>	<b>-637</b>	<b>4,897</b>
<b>Equity and liabilities</b>								
Equity	3,443	0	-795	2,648	2,851	0	-448	2,403
Deferred tax liabilities	443	0	-325	118	302	1	-189	114
Non-current provisions	291	2	0	293	332	0	0	332
Non-current liabilities	503	1	0	504	578	0	0	578
Current provisions	67	2	0	69	78	0	0	78
Current liabilities	1,828	33	0	1,861	1,386	6	0	1,392
Liabilities deriving from assets held for sale	38	-38	0	0	7	-7	0	0
<b>Total equity and liabilities</b>	<b>6,613</b>	<b>0</b>	<b>-1,120</b>	<b>5,493</b>	<b>5,534</b>	<b>0</b>	<b>-637</b>	<b>4,897</b>

<sup>1</sup> Assets and liabilities of Cabo Metall-Recycling & Handel GmbH.

## Consolidated segment reporting

Fiscal year 2020/21

in € million	Segment Metal Refining & Processing	Segment Flat Rolled Products	Other	Total	Reconciliation/ consolidation	Group total
	Operating	Operating	Operating	Operating	IFRS	IFRS
Revenues						
Revenues	15,079	1,432	0			
Inter-segment revenues	202	9	0			
Revenues with third parties	14,877	1,423	0	16,300	0	16,300
EBITDA	588	23	-46	565	484	1,049
EBIT	409	7	-49	366	464	830
EBT	399	13	-59	353	472	825
ROCE (%)	18.9	6.6				

Fiscal year 2019/20<sup>2</sup>

in € million	Segment Metal Refining & Processing <sup>1</sup>	Segment Flat Rolled Products	Other	Total	Reconciliation/ consolidation	Group total
	Operating	Operating	Operating	Operating	IFRS	IFRS
Revenues						
Revenues	11,488	1,086	0			
Inter-segment revenues	138	8	0			
Revenues with third parties	11,350	1,079	0	12,429	0	12,429
EBITDA	461	15	-61	415	170	585
EBIT	291	-3	-65	223	153	376
EBT	285	1	-65	221	146	367
ROCE (%)	12.6	3.0				

<sup>1</sup> Metallo sites included for four months in 2019/20.

<sup>2</sup> Prior-year figures have been adjusted.

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

in € million	Segment Metal Refining & Processing		Segment Flat Rolled Products		Total	
	FY 2020/21	FY 2019/20 <sup>1,2</sup>	FY 2020/21	FY 2019/20	FY 2020/21	FY 2019/20
Wire rod	6,209	3,907	0	0	6,209	3,907
Copper cathodes	2,901	2,497	2	2	2,903	2,499
Precious metals	3,525	3,477	0	0	3,525	3,477
Shapes	1,128	689	82	58	1,210	747
Strip, bars, and profiles	202	132	1,256	942	1,458	1,074
Other	912	648	83	77	995	725
<b>Total</b>	<b>14,877</b>	<b>11,350</b>	<b>1,423</b>	<b>1,079</b>	<b>16,300</b>	<b>12,429</b>

<sup>1</sup> Metallo sites included for four months in 2019/20

<sup>2</sup> Prior-year figures adjusted.

## Driving Sustainable Growth

The future is made from metals. With this knowledge, we set global standards. The Aurubis strategy "Metals for Progress: Driving Sustainable Growth" is our clearly defined roadmap for shaping the future – and responsibly transforming raw materials into metals for an innovative and sustainable world.



01 / 07



The Annual Report 2020/21 and the live webcast on the release are available online at

[www.aurubis.com/en/investor-relations/publications/AnnualReports](https://www.aurubis.com/en/investor-relations/publications/AnnualReports)

# Dates and Contacts

## Financial calendar

Capital Market Day	December 6, 2021
Quarterly Report First 3 Months 2021/22	February 7, 2022
Virtual Annual General Meeting	February 17, 2022
Interim Report First 6 Months 2021/22	May 10, 2022
Quarterly Report First 9 Months 2021/22	August 5, 2022
Annual Report 2021/22	December 7, 2022

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