Company Release
Fiscal Year 2019/20

October 1, 2019 to September 30, 2020

Aurubis
Metals for Progress

At a Glance

Key Aurubis Group figures Operating		Q4			Fiscal year		
		2019/20	2018/19	Change	2019/20	2018/19	Change
Revenues	€m	3,533	3,216	10 %	12,429	11,897	4 %
Gross profit	€m	385	333	16 %	1,233	1,168	6 %
Depreciation and amortization	€m	77	49	57 %	192	151	27 %
EBITDA	€m	161	125	29 %	415	359	16 %
EBIT	€m	84	76	11 %	223	208	7 %
EBT[1]	**€m**	**88**	**67**	**31 %**	**221**	**192**	**15 %**
Consolidated net income	€m	64	43	49 %	167	138	21 %
Earnings per share	€	1.43	0.98	47 %	3.73	3.08	21 %
Net cash flow	€m	293	512	-43 %	459	272	69 %
Capital expenditure (including leases)	€m	74	81	-10 %	237	224	6 %
ROCE[1]	**%**	**-**	**-**	**-**	**9.3**	**8.6**	**-**

[1] Corporate control parameters.

Key Aurubis Group figures IFRS		Q4			Fiscal year		
		2019/20	2018/19	Change	2019/20	2018/19	Change
Revenues	€m	3,533	3,216	10 %	12,429	11,897	4 %
Gross profit	€m	433	374	16 %	1,404	1,224	15 %
Personnel expenses	€m	164	129	27 %	553	505	9 %
Depreciation and amortization	€m	90	37	> 100 %	210	140	50 %
EBITDA	€m	197	156	26 %	585	415	41 %
EBIT	€m	119	131	9 %	376	275	37 %
EBT	€m	117	127	8 %	367	264	39 %
Consolidated net income	€m	77	89	14 %	265	193	38 %
Earnings per share	€	1.73	2.01	14 %	5.95	4.28	39 %

General Aurubis Group figures		Q4			Fiscal year		
		2019/20	2018/19	Change	2019/20	2018/19	Change
Copper price (average)	US$/t	6,872	5,802	18 %	5,857	6,070	-4 %
Copper price (period end date)	US$/t	-	-	-	6,610	5,728	15 %
Employees (average)[1]		-	-	-	6,897	6,740	2 %
Employees (period end date)[1]		-	-	-	7,236	6,831	6 %

[1] Prior-year figure adjusted.

Aurubis Group output/throughput		Q4			Fiscal year		
		2019/20	2018/19	Change	2019/20	2018/19	Change
Concentrate throughput	1,000 t	618	566	9 %	2,378	2,225	7 %
Copper scrap/blister copper input[1]	1,000 t	92	92	0 %	370	435	-15 %
Other recycling materials[1]	1,000 t	114	41	> 100 %	348	256	36 %
Sulfuric acid output	1,000 t	577	544	6 %	2,272	2,101	8 %
Cathode output[1]	1,000 t	284	257	11 %	1,031	1,075	-4 %
Wire rod output	1,000 t	198	184[1]	8 %	759	804	-6 %
Shapes output	1,000 t	37	32	16 %	154	174	-11 %
Flat rolled products and specialty wire output	1,000 t	40	47	-15 %	178	210	-15 %

[1] Metallo sites included for four months.

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

The full Annual Report is available on our website at annualreport2019-20.aurubis.com. Excel tables can be downloaded directly from the download center.

Overview of Business and Market Development

The Aurubis Group generated operating earnings before taxes (EBT) of € 221 million in fiscal year 2019/20 (previous year: € 192 million). Despite the COVID-19 pandemic, Aurubis increased the operating result by 15 % compared to the previous year and fulfilled the forecast issued for fiscal year 2019/20. Operating return on capital employed (ROCE) amounted to 9.3 % (previous year: 8.6 %).
The recommended dividend for 2019/20 is € 1.30 (previous year: € 1.25). The payout ratio would therefore be 35 % (previous year: 41 %) in relation to the operating consolidated net result, which, at € 167 million, is 21 % above the previous year. The dividend yield based on the Xetra closing price of € 58.14 as at September 30, 2020 would amount to 2.2 % (previous year: 3.1 %).
IFRS earnings before taxes (EBT) amounted to € 367 million (previous year: € 264 million).

The Aurubis Group generated operating earnings before taxes (EBT) of € 221 million in fiscal year 2019/20 (previous year: € 192 million). The development of operating EBT was positively influenced by:

» Significantly higher refining charges for copper scrap and other recycling materials,
» A considerably higher recycling material throughput, due in part to the first-time inclusion of the input materials for the Beerse and Berango sites,
» A significantly higher metal gain accompanied by increased precious metal prices,
» A substantially higher concentrate throughput, which was counterbalanced by lower treatment and refining charges for copper concentrates due to market factors,
» Positive contributions from our Performance Improvement Program (PIP), which fully compensated for the necessary restructuring expenses.

Negative effects on operating EBT included:

» Substantially lower sulfuric acid revenues resulting from significantly reduced sales prices,
» Considerably weaker demand for wire rod, shapes, and flat rolled products,
» Impairment losses recognized against goodwill in Segment MRP, which had derived from a past acquisition back in 2002 and related to Hamburg Copper Products.

At € 88 million, operating EBT in Q4 2019/20 significantly exceeded prior-year level (€ 67 million). A very good metal gain had a positive impact, with a continuation of the very stable precious metal prices. Operating EBT was negatively influenced by the recognition of about € 26 million in restructuring expenses (about € 35 million for the entire fiscal year 2019/20) for the Performance Improvement Program, as well as impairment losses (€ 17 million) recognized against goodwill in Segment MRP, which had derived from a past acquisition back in 2002 and related to Hamburg Copper Products. In the previous year, one-off effects had an impact of € 51 million on Q4.

The Aurubis Group generated a good operating net cash flow of € 459 million (previous year: € 272 million) in fiscal year 2019/20. This was due to sales of precious metals at higher prices and cathode sales to Asia.

The Metallo Group has been part of the Aurubis Group since June 1, 2020. The financial performance for the fiscal year therefore includes the new Group companies for four months.

There has been an intention to sell Segment FRP since fiscal year 2017/18. Although the sale is still intended and the sale negotiations are at an advanced stage, application of IFRS 5 to Segment FRP was discontinued in the fourth quarter of the fiscal year reported. From a current perspective, the Executive Board does not assume that it is highly probable that the sale will be completed within the twelve-month period pursuant to IFRS 5 that runs until February 2021. This does not affect the operating reporting.

Building on its strong balance sheet and good liquidity position, on March 18, 2020, Aurubis established a share buyback program with a volume of € 200 million to purchase up to 10 % of its own shares. The goal of the share buyback program is to use these treasury shares for purposes permitted by the shareholders at the Annual General Meeting on March 1, 2018, particularly possible acquisitions or future financing needs. The company held 976,764 treasury shares as at September 30, 2020. A total of 1,297,683 shares were bought back until November.

Raw material markets

The international market for **copper concentrates** was unable to completely avoid the impacts of the pandemic in 2020. In the second quarter of 2020 in particular, there were isolated production downtimes in multiple mines. Production normalized over the course of the year, especially in South America, having a positive effect on the concentrate supply. Planned and unplanned shutdowns in the global smelter industry, as well as delays and changes in plans for various smelter projects in Asia, dampened worldwide demand for copper concentrates. For 2020 annual contracts, the benchmark treatment and refining charge (TC/RC) for processing standard copper concentrates was US$ 62/t and 6.2 cents/lb. The spot price was below the benchmark for long periods of the year. Because of the recovery of the concentrate supply and Chinese smelters' buying restraint on the market, the spot prices at fiscal year-end indicated slight recovery tendencies.

After a stable, high-level trend in the first half of 2019/20, refining charges for **copper scrap** temporarily came under pressure at the start of Q3 2019/20. Impacts on economic activity due to the COVID-19 pandemic, as well as the weaker copper price, led to a lower supply of recycling materials in Europe and the US. Starting in June 2020, the situation relaxed again, accompanied by the easing of COVID-19 measures and a significantly higher copper price. Refining charges for copper scrap stabilized and indicated a clear upward trend towards the end of the fiscal year.

The availability of **other recycling raw materials** was sufficient with good refining charges, positively influenced in part by China's import ban on copper scrap imports with higher levels of impurities, which started in early 2019.

Product markets

Sulfuric acid

The sulfuric acid markets were very volatile in the course of the fiscal year. Prices were very stable until January 2020 but took a huge hit as COVID-19 spread. They only started to show slight improvements in September, but they are still well below the prior-year level.

Copper products

Following a stable trend in the first half of 2019/20, wire rod demand dampened significantly in April and May due to the COVID-19-related lockdown in Europe and production shutdowns in the European processing industry. Aurubis was able to compensate for the lack of demand on European product markets to a great extent by increasing copper cathode sales to China, where demand within the copper-processing industry rose again starting in March.

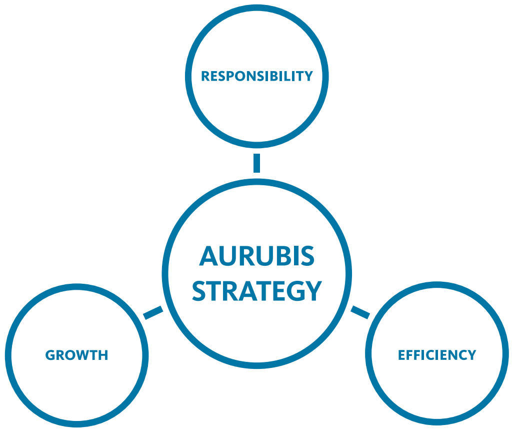
After the measures to stem the COVID-19 pandemic eased, demand started to recover in all sectors in Q4 2019/20. The strongest and most drawn-out decline in demand due to COVID-19 was evident in automotive cable and enameled copper wire for traditional engines. In contrast, demand from the energy sector and construction industry decreased only marginally.

Demand for high-purity shapes declined considerably year-over-year. The order situation remained stable until April 2020 despite the challenging market environment; however, since May we have registered notably weaker demand, especially from the flat rolled products sector, which has been hit hard by the pandemic.

The market for flat rolled products has cooled down distinctly compared to the previous year. The COVID-19 pandemic led to a slump in the order situation at all sites starting in the second half of the fiscal year. Demand for connectors from the automotive industry was impacted in particular. Other sales segments were also below expectations.

The average LME copper price in the fiscal year was US$ 5,857/t, or 4 % below the prior-year level (US$ 6,070/t). The average gold price was US$ 53,749/kg, or 26 % above the previous year (US$ 42,708/kg). Silver was quoted at US$ 603/kg on average during the fiscal year, 21 % above the previous year (US$ 499/kg).

Strategy implementation



Growth

The most important event in the past fiscal year was the acquisition of the Metallo Group. On May 4, 2020, the European Commission issued its unconditional approval of the acquisition. This acquisition is a key milestone for Aurubis in the implementation of our multimetal and recycling strategy. The Metallo Group companies were included in the consolidated financial statements starting June 1, 2020, so for four months. To finance the purchase price for Metallo (€ 375 million) and for other company financing purposes, Aurubis placed an ESG-linked (environmental, social, and corporate governance) Schuldschein loan of € 400 million in June. The Schuldschein loan is linked to Aurubis' rating from the recognized, independent sustainability agency EcoVadis, so our sustainability achievements flow directly into the calculation of our interest costs.

After the fiscal year ended, Aurubis AG, CABLO Metall-Recycling & Handel GmbH, and TSR Recycling GmbH & Co. KG signed an agreement to establish a joint venture for cable recycling on November 13, 2020. The closing of the transaction is planned for Q1 2021.

Efficiency

We transferred our efficiency improvement program to a cost reduction program in 2019/20. Our goal is to achieve an improvement in results of at least € 100 million from the Performance Improvement Program (PIP) through cost reduction and an improvement in throughput until fiscal year 2022/23. Initial effects on earnings took hold in 2019/20 and fully compensated for expenses for the necessary restructuring provisions.

In July 2020, we completed yet another acquisition with the takeover of azeti GmbH. The company develops an internet-of-things platform that integrates and evaluates production data. The software is able to bring together large volumes of data from highly diverse sources simply and quickly, allowing previously undiscovered optimization potential to be identified and utilized. We will be able to make our processes in metal production and recycling more flexible and efficient with the azeti platform.

Sustainability

With the Copper Mark, the copper sector has developed the first quality seal for the sustainable production of copper. Aurubis supports this quality seal, and the site in Pirdop, Bulgaria, will be the first Aurubis site to be certified accordingly. Others sites will follow.

Furthermore, a number of projects are being planned and implemented to continue reducing the company's CO_2 footprint. Aurubis has the technical possibilities to make its production CO_2-neutral by 2050 if the overall political conditions for this are establishsed.

Executive Board Chairman Roland Harings:

"We made it through the crisis robust during the past fiscal year, which was a unique challenge in light of the market dynamics caused by the pandemic. Our employees' level-headedness and discipline in implementing the hygiene concept played a decisive role. After several difficult months, we can luckily say that our crisis management has proven to be effective. In our plants – where employees are working 24 hours a day, seven days a week – there have been no production limitations thus far.

Our solid balance sheet and financing structure, which provide us with a measure of leeway, and our robust business model helped. This is reflected in our recommendation of a higher dividend of € 1.30 per share.

Despite the coronavirus pandemic, we continue to develop Aurubis into a multimetal provider, in accordance with our strategy. The integration of Metallo, with new sites in Beerse (Belgium) and Berango (Spain) is making good progress: we are confident that we will even exceed the targeted synergy potential of € 10 to 15 million in the next three years. An important step in strengthening our recycling business is the planned joint venture for cable recycling with TSR, which is expected to be completed in Q1 2021. And when it comes to the planned sale of Segment Flat Rolled Products, we are in an advanced stage of negotiations, even if the process was somewhat delayed by the coronavirus crisis.

In spite of the ongoing pandemic, we therefore look to the new fiscal year with a sense of cautious optimism and expect the result to be in a slightly higher target range."

Segment Metal Refining & Processing		Q4			Fiscal year		
		2019/20	2018/19	Change	2019/20	2018/19	Change
Revenues	€m	3,299	2,954	17 %	11,469	10,742	7 %
Operating EBIT	€m	121	132	-8 %	318	311	2 %
Operating EBT	€m	119	128	-7 %	313	304	3 %
Operating ROCE (rolling EBIT for the last 4 quarters)	%	-	-	-	13.8	15.5	-
Capital employed	€m	-	-	-	2,438	2,013	21 %
Concentrate throughput	1,000 t	618	566	9 %	2,378	2,225	7 %
Hamburg	1,000 t	301	277	9 %	1,026	1,086	-6 %
Pirdop	1,000 t	317	289	10 %	1,352	1,139	19 %
Copper scrap/blister copper input (all sites)*	1,000 t	92	92	0 %	370	435	-15 %
Other recycling materials*	1,000 t	114	41	> 100 %	348	256	36 %
Sulfuric acid output	1,000 t	577	544	6 %	2,272	2,101	8 %
Hamburg	1,000 t	251	245	2 %	896	978	-8 %
Pirdop	1,000 t	326	299	9 %	1,376	1,123	23 %
Cathode output	1,000 t	284	257	11 %	1,031	1,075	-4 %
Beerse*	1,000 t	6	-	-	8	-	-
Hamburg	1,000 t	97	86	13 %	384	364	5 %
Lünen	1,000 t	48	38	26 %	173	166	4 %
Olen	1,000 t	78	83	-6 %	243	338	-28 %
Pirdop	1,000 t	55	50	10 %	223	207	8 %
Wire rod output	1,000 t	198	184	8 %	759	804	-6 %
Shapes output	1,000 t	37	32	16 %	154	174	-11 %
Copper price (average)	US$/t	6,519	5,802	24 %	5,857	6,070	-4 %
	€/t	5,579	5,218	7 %	5,185	5,380	-4 %
Gold price (average)	US$/kg	61,368	47,337	30 %	53,749	42,708	26 %
	€/kg	52,502	42,585	23 %	47,902	37,889	26 %
Silver price (average)	US$/kg	780	546	43 %	603	499	21 %
	€/kg	666	491	36 %	536	457	17 %

* Metallo sites included for four months.

Segment Flat Rolled Products		Q4			Fiscal year		
		2019/20	2018/19	Change	2019/20	2018/19	Change
Revenues	€m	264	301	-12 %	1,086	1,300	-16 %
Operating EBIT	€m	-3	-42	93 %	-3	-39	92 %
Operating EBT	€m	1	-47	<100 %	1	-47	<100 %
Operating ROCE (rolling EBIT for the last 4 quarters)	%	-	-	-	3.0	-10.6	-
Capital employed	€m	-	-	-	316	363	-13 %
Flat rolled products and specialty wire output	1,000 t	40	47	-15 %	178	210	-15 %

Certain prior-year figures have been adjusted.

Segments

At € 313 million in the reporting period, operating EBT for **Segment Metal Refining & Processing** (MRP) was slightly above that of the previous year (€ 304 million). There were positive effects on operating EBT during the reporting period from considerably higher refining charges for copper scrap and other recycling materials with a substantially higher throughput of other recycling materials. Input materials at the Metallo sites Beerse and Berango were included for the first time. A very good metal gain in Q4 of the fiscal year with increased precious metal prices also had a positive impact. A substantially higher concentrate throughput, especially at our Pirdop site, came up against lower treatment and refining charges for copper concentrates due to market factors. However, shutdowns during both the reporting period (about € -50 million) and the previous year (about € -40 million) influenced the operating result. Lower sulfuric acid revenues attributable to substantially lower sales prices as well as significantly weaker demand for wire rod and shapes products due to the coronavirus strained earnings. Earnings were also negatively impacted by impairment losses of € 17 million recognized against goodwill in Segment MRP, which had derived from a past acquisition back in 2002 and related to Hamburg Copper Products, as well as by impairment losses of € 4 million recognized against Segment MRP's non-current assets. Positive contributions from the Performance Improvement Program compensated for restructuring expenses.

At 13.8 % (previous year: 15.5 %), the segment's operating ROCE was slightly below the previous year.

Operating EBT in Q4 2019/20 amounted to € 119 million (previous year: € 128 million). A very good metal gain had a positive impact, with a continuation of the very stable precious metal prices. Fourth quarter operating earnings before taxes (EBT) were also negatively impacted by the recognition of some € 26 million for restructuring expenses (some € 35 million for the whole of fiscal year 2019/20) in the context of the Performance Improvement Program. In addition, impairment losses (€ 17 million) were recognized against goodwill in Segment MRP, which derived from a past acquisition back in 2002 and related to Hamburg Copper Products, and impairment losses of € 4 million were recognized against Segment MRP's non-current assets.

The Metallo acquisition is an important contribution to Aurubis' continued strategic development into a multimetal group. This is demonstrated by the increase in the number of metals that we recover and the higher sales volumes.

Sales volumes*		FY 19/20	FY 18/19
Gold	t	47	51
Silver	t	972	861
Lead	t	28,014	19,038
Nickel	t	3,395	3,067
Tin	t	4,213	1,631
Zinc	t	3,565	0
Minor metals	t	807	943
Platinum group metals (PGMs)	kg	8,935	9,771

* Metallo sites included for four months in 2019/20.

Capital expenditure in Segment MRP amounted to € 202 million (previous year: € 203 million). Significant investments were made in connection with the maintenance shutdown and environmental protection measures carried out in Hamburg.

Segment Flat Rolled Products generated operating earnings before taxes (EBT) of € 1 million in the reporting year (previous year: € -47 million). Despite significantly lower sales volumes compared to the previous year, the operating result was slightly positive due to cost-saving measures. The previous year includes the negative one-off effects of € 51 million reported in Q4 2018/19.

At 3.0 % (previous year: -10.6 %), operating ROCE improved compared to the previous year. The previous year includes the negative one-off effects of € 51 million reported in Q4 2018/19.

There has been an intention to sell Segment FRP since fiscal year 2017/18. Although the sale is still intended and the sale negotiations are at an advanced stage, IFRS 5 is no longer applied to Segment FRP as of Q4 of the past fiscal year. From a current perspective, the Executive Board does not assume that it is highly probable that the sale will be completed within the twelve-month period pursuant to IFRS 5 that runs until February 2021. This does not affect the operating reporting.

Capital expenditure in Segment FRP amounted to € 18 million (previous year: € 16 million). This was primarily used for replacement investments.

Financial Performance and Return on Capital

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

The operating result is derived from the IFRS-based financial performance by:

- Adjusting for measurement results deriving from the application of IAS 2. In this context, the metal price fluctuations resulting from the application of the average cost method are eliminated. Likewise, non-permanent write-downs or write-ups in the value of metal inventories as at the reporting date are eliminated;
- Adjusting for reporting date-related effects deriving from market valuations of metal derivatives that haven't been realized, which concern the main metal inventories at our smelter sites;
- Eliminating any non-cash effects deriving from purchase price allocations;
- Adjusting for effects deriving from the application of IFRS 5.

In comparison to the previous year, the derivation was changed to the extent that non-permanent write-downs and write-ups of all metal inventories as at the reporting date were eliminated. Up until the previous year, this approach had solely been adopted for copper inventories. Furthermore, reporting date-related effects concerning the main metal inventories at our smelter sites, which derive from the measurement at market of metal derivatives that haven't been realized, were not taken into account.

These adjustments to the derivation process led to an € 11 million adjustment to operating EBT as at the reporting date, from € 210 million to € 221 million. An equivalent adjustment in the previous year would have reduced operating EBT by € 2 million, from € 192 million to € 190 million .

There has been an intention to sell Segment FRP since fiscal year 2017/18. The special presentation and measurement requirements specified in IFRS 5 were applied in previous years. Although the sale is still intended and the sale negotiations are at an advanced stage, application of IFRS 5 to Segment FRP was discontinued in the fourth quarter of the fiscal year reported. From a current perspective, the Executive Board does not assume that it is highly probable that the sale will be completed within the twelve-month period pursuant to IFRS 5 that runs until February 2021. As regards the reconciliation of the consolidated statement of financial position and the consolidated income statement, Segment FRP is thus once again fully included in the consolidated financial statements in accordance with IFRS. Prior-year figures have been adjusted accordingly. This does not affect the operating reporting.

Financial performance

Operating EBT in fiscal year 2019/20 was € 221 million (previous year: € 192 million) and was positively influenced by the following factors compared to the previous year:

- Significantly higher refining charges for copper scrap and other recycling materials,
- A considerably higher recycling material throughput, due in part to the first-time inclusion of the input materials for the Beerse and Berango sites,
- A significantly higher metal gain accompanied by increased precious metal prices,
- A substantially higher concentrate throughput, which was counterbalanced by lower treatment and refining charges for copper concentrates due to market factors,

- Positive contributions from our Performance Improvement Program (PIP), which fully compensated for the necessary restructuring expenses.

Negative effects on operating EBT included:

- Substantially lower sulfuric acid revenues resulting from significantly reduced sales prices,
- Considerably weaker demand for wire rod, shapes, and flat rolled products,
- Impairment losses recognized against goodwill in Segment MRP, which had derived from a past acquisition back in 2002 and related to Hamburg Copper Products.

The Group's revenues increased by € 532 million to € 12,429 million (previous year: € 11,897 million) during the period reported. This development was primarily due to higher precious metal prices in comparison to the previous year. In contrast, lower sales volumes for wire rod, shapes, and flat rolled products had a negative impact.

The € 10 million change in inventories of finished goods and work in process (previous year: € 79 million) was mainly due to the build-up of finished copper products and precious metal inventories.

In a manner corresponding to the development for revenues and inventory changes, the cost of materials increased by € 372 million, from € 10,890 million in the previous year to € 11,262 million.

Own work capitalized was recognized in the fiscal year, primarily in connection with the maintenance shutdowns at the Hamburg and Pirdop sites, and at a level of € 23 million exceeded that for the previous year (€ 20 million).

Other operating income decreased significantly by € 29 million, to € 33 million, and included, among other items, income of € 20 million from cost reimbursements (previous year: € 20 million). In the previous year, additional income from the recognition of a receivable of € 20 million that arose in connection with the prohibited sale of Segment Flat Rolled Products and income of € 6 million deriving from reversals of impairment losses on fixed assets were also included.

Overall, the operating gross profit generated was higher than the prior-year level and amounted to € 1,233 million (previous year: € 1,168 million).

Personnel expenses increased from € 505 million in the previous year to € 553 million. This was due in particular to personnel-related restructuring expenses of some € 35 million, incurred in connection with our Performance Improvement Program (PIP), as well as being due to wage tariff increases.

At a level of € 192 million, depreciation and amortization of fixed assets was significantly above that of the previous year (€ 151 million). The figure includes impairment losses of € 8 million recognized against Segment FRP's fixed assets and impairment losses of € 4 million recognized against Segment MRP's fixed assets. Moreover, a full impairment loss was recognized against the goodwill attributable to the cash-generating unit Aurubis Hamburg Copper Products (€ 17 million). An additional € 8 million of scheduled depreciation and amortization is attributable to the first-time inclusion of the Metallo Group for the months from June to September 2020.

Other operating expenses decreased by € 39 million, from € 304 million in the previous year to € 265 million, and mainly include administrative and selling expenses. In the previous year, this figure included the recognition of expenses, amounting to some € 30 million in project costs, which had previously been capitalized, in connection with the terminated Future Complex Metallurgy (FCM) project.

Earnings before interest and taxes (EBIT) therefore amounted to € 223 million (previous year: € 208 million).

At a level of € -2 million, the financial result was above that of the previous year (€ -16 million). The operating result from investments measured using the equity method, which is included here, exceeded that of the previous year by € 13 million.

This results in operating earnings before taxes (EBT) of € 221 million (previous year: € 192 million), representing an improvement on the previous year.

After taking income taxes into account, the operating consolidated net income after tax amounted to € 167 million (previous year: € 138 million). Operating earnings per share amounted to € 3.73 (previous year: € 3.08).

The **IFRS gross profit** of € 1,404 million (previous year: € 1,224 million) considerably exceeded that of the previous year. In addition to the effects on earnings already described in the explanation of the operating financial performance, the change in IFRS gross profit was also due to metal price developments. 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 depiction of this volatility is not relevant to the cash flow and does not reflect Aurubis' operating performance.

The **IFRS consolidated net income** amounted to € 265 million (previous year: € 193 million). This translates to IFRS earnings per share of € 5.95 (previous year: € 4.28).

Return on capital

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 9.3 % compared to 8.6 % in the comparative prior-year period despite the build-up of higher inventories of input materials to secure supplies for the smelter network.

Analysis of liquidity and funding

At a level of € 459 million as at September 30, 2020, the net cash flow was significantly above that of the previous year (€ 272 million). This was due to sales of precious metals at higher prices and cathode sales to Asia.

The cash outflow from investing activities totaled € -556 million (previous year: € -208 million). The increased capital expenditure in comparison to the previous year included a € 333 million net cash outflow deriving from the acquisition of the Metallo Group.

After taking payments of € 39 million for the purchase of treasury shares, interest payments totaling € 16 million, and dividend payments of € 56 million into account, the free cash flow amounts to € -208 million (previous year: € -22 million).

Cash and cash equivalents of € 481 million were available to the Group as at September 30, 2020 (September 30, 2019: € 441 million). The net financial position disclosed as at September 30, 2020 was € -102 million (previous year: net surplus financial funds of € 139 million).

Outlook

Raw material markets

Under the assumption that no significant influences arise due to the COVID-19 pandemic or strikes, we expect a recovery and an increase in copper concentrate production in 2021. In different countries, new mining projects or mine expansions are starting production. Global mine output is expected to rise by nearly 4 %. Accordingly, we anticipate an increasing supply of copper concentrates on the global market.

For 2020 annual contracts, the benchmark treatment and refining charge (TC/RC) for processing standard copper concentrates was US$ 62.0/t and 6.2 cents/lb. The spot price was below this benchmark for long periods of the year. Due to the recovery of the concentrate supply and Chinese smelters' buying restraint on the market, the spot prices at fiscal year-end indicated slight recovery tendencies. Overall, we expect the concentrate market to be at least balanced in 2021.

At the time this report was prepared, the benchmark negotiations for 2021 annual contracts on the copper concentrate market hadn't been concluded yet.

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

In the course of fiscal year 2019/20, the copper scrap market experienced supply bottlenecks in spring but was stable at a high level again starting in the summer. It can be assumed that the efforts revolving around sustainable business activities and responsible consumption will continue to increase in general, in some cases supported by public funding, for instance as part of the EU Green Deal. Based on these developments, the copper price forecast, and a recovering economy, we expect a good supply situation with good refining charges.

Business in this area, particularly for copper scrap, is conducted with short timelines and is therefore dependent on a variety of influences that are difficult to forecast. For instance, falling metal prices could lead to a market change with declining refining charges in the short term. Moreover, the ongoing development of Chinese regulations on copper scrap imports is still unclear at the moment. The market development for copper scrap therefore remains difficult to gauge. We are already supplied with material with very good refining charges for the first quarter and beyond. Our broad market position absorbs supply risks.

Product markets

Copper products

Adequate statements about the development of the copper product business in the new fiscal year are only possible to a limited extent since the negotiation season for 2021 sales contracts hasn't ended yet. At the time this report was prepared, product business was recording positive developments in Q1 2020/21. It remains to be seen how our product markets will be influenced by the ongoing coronavirus pandemic.

One factor that is already clear is the **copper premium** Aurubis has established for European wire rod and shapes customers for the coming calendar year. Aurubis kept this premium stable at US$ 96/t for its European customers (2020: US$ 96/t). The stable copper premium reflects positive expectations regarding demand from our European customers in 2021.

In light of a pick-up in sector development in 2021 and a substantial improvement in economic growth in Europe, we expect to conclude the negotiation season for copper products with contracts that are positive for us. Good customer relationships in our key markets support this. We will also continue expanding our business with new customers.

Wire rod business is somewhat weaker in the first quarter of a new fiscal year due to seasonal factors. For 2021, we expect demand in the different customer industries in Europe to continue recovering after the 2020 decline. The recovery will depend considerably on the ongoing economic trend, which, from today's perspective, continues to be influenced by uncertainties in the key customer industries. For the electrical industry, which closed the year with a 5 to 10 % drop in demand, we expect an upswing of about 5 % in 2021. Demand from the construction and infrastructure sector is comparatively stable in 2020 with an expected single-digit decrease, so we assume there will be a recovery in the coming year. Demand in the automotive supply chain started to recover in Q3 2020. From a current perspective, this has continued in Q4 2020, and we are cautiously optimistic for Q1 2021 as well.

Since August 2020, the **copper shapes** area has shown the first signs of recovery after demand plummeted in summer 2020. Low inventories along the value chain have supported a quick recovery in Q4 2020.

On the European market for **flat rolled products**, connector production is one factor that plays a key role in the demand for our products. Sales in this area improved remarkably in the third quarter of 2020, compared to a second quarter with very weak demand from the automotive sector. We expect the recovery to continue in the fourth quarter of 2020 as well as in 2021. These developments, too, could be endangered by the second lockdown in November 2020 and the risk of a no-deal Brexit. For the US economy, whose development is crucial for our plant there, we expect a recovery from the 2020 slump in 2021.

Sulfuric acid
Sulfuric acid sales are dependent on short-term developments, a fact that is reflected in the duration of the contracts. In addition, sales opportunities are very different from region to region, with varying conditions accordingly. Aurubis supplies the global sulfuric acid market, with a focus on Europe, North America, and North Africa.

Market observer ICIS indicates that there could be supply bottlenecks in the US in Q4 2020 in connection with Hurricane Laura. While no movement in demand is evident in Europe in Q4, ICIS expects rising demand for sulfuric acid from the Chinese fertilizer sector in the final quarter of the year.

Business expectations

In fiscal year 2019/20, we once again implemented a variety of measures to continue bringing to life our strategy of Growth, Efficiency & Responsibility, with which we want to achieve our Vision 2025. Aurubis holds leading market positions in many areas – with the Metallo acquisition in particular, we will continue expanding the area of recycling over the long term. The integration process for the two sites in Berango (Spain) and Beerse (Belgium) is running very successfully, even under the challenging circumstances of the coronavirus. We are confident that we will exceed the targeted synergy potential of € 10 to 15 million in the next three years. With the Metallo acquisition, we are significantly strengthening our position as a multimetal provider.

We plan to continue growing through internal and external projects in the future as well – our very solid financial stability and our treasury shares establish a good foundation for this.

There has been an intention to sell Segment FRP since fiscal year 2017/18. This intention remains and the sale negotiations are at an advanced stage.

The following maintenance shutdowns are planned for fiscal year 2020/21:

In August and September 2021, we will carry out a planned maintenance shutdown at our site in Pirdop (Bulgaria). According to our current plans, this will have a roughly € 23 million impact on our operating EBT.

In May and September 2021, we are planning two maintenance shutdowns at our Lünen site, which will have a total negative impact of about € 13 million on our operating EBT, according to current planning.

Earnings expectations

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

The outlook for fiscal year 2020/21 is based on the following premises:

- Supported by industry forecasts, we expect copper demand to grow again after the intermittent declines in demand in 2020.
- At the time this report was prepared, the benchmark negotiations for 2021 annual contracts on the copper concentrate market hadn't been concluded yet.
- In fiscal year 2020/21, the market trend for copper scrap and sulfuric acid is difficult to forecast due to the short-term nature of the business.
- The Aurubis copper premium for 2021 has been set at US$ 96/t (previous year: US$ 96/t).
- A significant portion of our revenues is based on the US dollar. We have reduced the resulting risks with our hedging strategy to a large extent.
- We 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. The objective is to counteract both inflation and the weaker economic and market conditions that are expected.
- We expect plant availability for fiscal year 2020/21 to be above that of the previous year overall, especially because of the investments made in our sites within the scope of planned maintenance shutdowns.

Overall, we expect an operating EBT between € 210 and 270 million and an operating ROCE between 8 and 11 % for fiscal year 2020/21.

In Segment Metal Refining & Processing, we expect an operating EBT between € 250 and 330 million and an operating ROCE between 9 and 15 % for fiscal year 2020/21.

In Segment Flat Rolled Products, we expect an operating EBT between € 4 and 12 million and an operating ROCE between 2 and 6 % for fiscal year 2020/21.

Interval forecast for 2020/21 according to Aurubis' definition

	Operating EBT in € million	Operating ROCE in %
Group	210 – 270	8 – 11
Segment MRP	250 – 330	9 – 15
Segment FRP	4 – 12	2 – 6

Reconciliation of the consolidated income statement (in € million)

	Fiscal year 2019/20				Fiscal year 2018/19			
		Adjustment effects				Adjustment effects		
	IFRS	Inven-tories	Fixed assets	Operating	IFRS	Inven-tories	Fixed assets	Operating
Revenues	12,429	0	0	12,429	11,897	0	0	11,897
Changes in inventories of finished goods and work in process	118	-108	0	10	173	-94	0	79
Own work capitalized	23	0	0	23	20	0	0	20
Other operating income	33	0	0	33	62	0	0	62
Cost of materials	-11,199	-63	0	-11,262	-10,928	38	0	-10,890
Gross profit	**1,404**	**-171**	**0**	**1,233**	**1,224**	**-56**	**0**	**1,168**
Personnel expenses	-553	0	0	-553	-505	0	0	-505
Depreciation of property, plant, and equipment and amortization of intangible assets	-210	0	18	-192	-140	0	-11	-151
Other operating expenses	-265	0	0	-265	-304	0	0	-304
Operational result (EBIT)	**376**	**-171**	**18**	**223**	**275**	**-56**	**-11**	**208**
Result from investments measured using the equity method	6	0	7	13	5	2	-7	0
Interest income	7	0	0	7	4	0	0	4
Interest expense	-19	0	0	-19	-20	0	0	-20
Other financial income	0	0	0	0	0	0	0	0
Other financial expenses	-3	0	0	-3	0	0	0	0
Earnings before taxes (EBT)	**367**	**-171**	**25**	**221**	**264**	**-54**	**-18**	**192**
Income taxes	-102	51	-2	-54	-71	18	-1	-54
Consolidated net income	**265**	**-120**	**23**	**167**	**193**	**-36**	**-19**	**138**

See page 11 for an explanation of the presentation and the adjustment effects.

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

	9/30/2020					9/30/2019			
		Adjustment effects					Adjustment effects		
	IFRS	IFRS 5	Inven-tories	Fixed assets	Operating	IFRS	Inven-tories	Fixed assets	Operating
Assets									
Fixed assets	1,904	3	-11	-25	1,871	1,560	-17	-44	1,499
Deferred tax assets	9	0	11	0	20	8	46	0	54
Non-current receivables and other assets	36	0	0	0	36	31	0	0	31
Inventories	2,464	3	-612	0	1,855	1,993	-461	0	1,532
Current receivables and other assets	629	5	0	0	634	502	0	0	502
Cash and cash equivalents	481	0	0	0	481	441	0	0	441
Assets held for sale	11	-11	0	0	0	0	0	0	0
Total assets	5,534	0	-612	-25	4,897	4,535	-432	-44	4,059
Equity and liabilities									
Equity	2,851	0	-426	-22	2,403	2,598	-325	-39	2,234
Deferred tax liabilities	302	1	-186	-3	114	182	-107	-5	70
Non-current provisions	332	0	0	0	332	402	0	0	402
Non-current liabilities	578	0	0	0	578	154	0	0	154
Current provisions	78	0	0	0	78	51	0	0	51
Current liabilities	1,386	6	0	0	1,392	1,148	0	0	1,148
Liabilities deriving from assets held for sale	7	-7	0	0	0	0	0	0	0
Total equity and liabilities	5,534	0	-612	-25	4,897	4,535	-432	-44	4,059

See page 11 for an explanation of the presentation and the adjustment effects.

Segment reporting (in € thousand)

Revenues with third parties	Segment Metal Refining & Processing 2019/20	Segment Metal Refining & Processing 2018/19	Segment Flat Rolled Products 2019/20	Segment Flat Rolled Products 2018/19	Other 2019/20	Other 2018/19
Wire rod	3,907,356	4,274,054	0	0	0	0
Copper cathodes	2,497,388	2,205,521	2,028	2,818	0	0
Precious metals	3,477,041	2,865,272	0	0	0	0
Shapes	688,629	748,965	58,283	71,394	0	0
Strip, bars, and profiles	131,479	194,492	941,548	1,117,534	0	0
Other	630,859	301,733	76,723	95,941	17,208	19,332
Total	**11,332,752**	**10,590,037**	**1,078,582**	**1,287,687**	**17,208**	**19,332**

	Segment Metal Refining & Processing 2019/20 operating	Segment Metal Refining & Processing 2018/19 operating	Segment Flat Rolled Products 2019/20 operating	Segment Flat Rolled Products 2018/19 operating	Other 2019/20 operating	Other 2018/19 operating
Revenues						
Total revenues	11,469,390	10,741,921	1,086,425	1,300,358	20,145	22,522
Inter-segment revenues	136,638	151,884	7,843	12,671	2,937	3,190
Revenues with third parties	11,332,752	10,590,037	1,078,582	1,287,687	17,208	19,332
EBITDA	488,176	434,922	15,495	-12,852	-89,125	-63,256
EBIT	318,237	311,457	-3,191	-38,657	-92,511	-64,846
EBT	312,671	304,268	1,413	-47,481	-93,554	-64,533
ROCE (%)	13.8 %	15.5 %	3.0%	-10.6 %		

The division of the segments complies with the definition of segments in the Group.
* Prior-year figures were retrospectively adjusted due to the reclassification of Segment FRP.

Total	
2019/20	2018/19
3,907,356	4,274,054
2,499,416	2,208,339
3,477,041	2,865,272
746,912	820,359
1,073,027	1,312,026
724,790	417,006
12,428,542	**11,897,056**

Total		Reconciliation/ consolidation		Group	
2019/20 operating	2018/19 operating	2019/20 IFRS	2018/19 IFRS	2019/20 IFRS	2018/19* IFRS
12,428,542	11,897,056	0	0	12,428,542	11,897,056
414,546	358,814	170,872	56,099	585,418	414,913
222,535	207,954	153,057	66,959	375,592	274,913
220,530	192,254	146,793	71,439	367,323	263,693

Dates and Contacts

Financial Calendar

Quarterly Report First 3 Months 2020/21	February 5, 2021
Annual General Meeting	February 11, 2021
Interim Report First 6 Months 2020/21	May 10, 2021
Quarterly Report First 9 Months 2020/21	August 5, 2021
Annual Report 2020/21	December 3, 2021

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Forward-looking statements

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