

Metals for Progress:

Driving *Sustainable* Growth

Quarterly Report

FIRST 9 MONTHS 2021/22

October 1, 2021 to June 30, 2022

Aurubis Group at a Glance

Key Aurubis Group figures		Q3			9M		
		2021/22	2020/21	Change	2021/22	2020/21	Change
Operating							
Revenues	€m	5,015	4,661	8 %	14,277	12,180	17 %
Gross margin ¹	€m	541	508	6 %	1,677	1,458	15 %
Gross profit	€m	395	342	15 %	1,266	1,057	20 %
EBITDA	€m	154	135	14 %	594	415	43 %
EBIT	€m	107	87	23 %	453	275	65 %
EBT²	€m	103	83	24 %	448	268	67 %
Consolidated net income	€m	79	63	25 %	347	205	69 %
Earnings per share	€	1.79	1.45	23 %	7.93	4.70	69 %
Net cash flow	€m	-45	206	< -100 %	5	332	-99 %
Capital expenditure	€m	105	51	> 100 %	225	137	64 %
Net financial position (reporting date)	€m	-	-	-	165	17	> 100 %
ROCE²	%	-	-	-	18.6	13.5	-
Multimetal Recycling segment							
Revenues	€m	1,588	1,399	14 %	4,559	3,813	20 %
Gross margin ¹	€m	156	187	-17 %	523	490	7 %
EBIT	€m	26	85	-69 %	175	184	-5 %
EBT	€m	26	82	-68 %	174	180	-3 %
ROCE	%	-	-	-	36.6	30.8	-
Capital employed	€m	-	-	-	732	735	0 %
Custom Smelting & Products segment							
Revenues	€m	4,935	4,618	7 %	14,227	12,270	16 %
Gross margin ¹	€m	386	322	20 %	1,155	969	19 %
EBIT	€m	99	16	>100 %	327	136	> 100 %
EBT	€m	94	15	> 100 %	323	134	> 100 %
ROCE	%	-	-	-	14.7	10.1	-
Capital employed	€m	-	-	-	2,281	1,945	17 %

¹ Gross margin = Total of the earnings components metal result, treatment and refining charges, and premiums and products.

² Corporate control parameters.

Key Aurubis Group figures		Q3			9M		
		2021/22	2020/21	Change	2021/22	2020/21	Change
IFRS							
Revenues	€m	5,015	4,661	8 %	14,277	12,180	17 %
Gross profit	€m	398	473	-16 %	1,601	1,415	13 %
EBITDA	€m	157	266	-41 %	929	773	20 %
EBIT	€m	110	218	-49 %	788	632	25 %
EBT	€m	107	216	-50 %	793	631	26 %
Consolidated net income	€m	78	165	-53 %	589	485	21 %
Earnings per share	€	1.79	3.79	-53 %	13.47	11.09	22 %
Number of employees (average)		7,185	7,153	0 %	7,163	7,172	0 %

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

Aurubis Group production figures		Q3			9M		
		2021/22	2020/21	Change	2021/22	2020/21	Change
Multimetal Recycling segment							
Copper scrap/blister copper input	1,000 t	89	96	-7 %	245	258	-5 %
Other recycling materials	1,000 t	115	121	-5 %	366	360	2 %
Cathode output	1,000 t	127	129	-2 %	385	377	2 %
Beerse	1,000 t	6	6	0 %	18	19	-5 %
Lünen	1,000 t	38	38	0 %	113	110	3 %
Olen	1,000 t	82	85	-4 %	254	248	2 %
Custom Smelting & Products segment							
Concentrate throughput	1,000 t	467	591	-21 %	1,780	1,816	-2 %
Hamburg	1,000 t	108	249	-57 %	700	814	-14 %
Pirdop	1,000 t	359	342	5 %	1,080	1,002	8 %
Copper scrap/blister copper input	1,000 t	65	62	5 %	166	169	-2 %
Other recycling materials	1,000 t	3	9	-67 %	23	33	-30 %
Sulfuric acid output	1,000 t	455	568	-20 %	1,693	1,706	-1 %
Hamburg	1,000 t	95	233	-59 %	602	696	-14 %
Pirdop	1,000 t	360	335	7 %	1,091	1,010	8 %
Cathode output	1,000 t	154	154	0 %	455	460	-1 %
Hamburg	1,000 t	97	97	0 %	287	290	-1 %
Pirdop	1,000 t	57	57	0 %	168	170	-1 %
Wire rod output	1,000 t	239	228	5 %	675	658	3 %
Shapes output	1,000 t	60	55	9 %	170	142	20 %
Flat rolled products and specialty wire output	1,000 t	48	51	-6 %	136	149	-9 %

Aurubis Group sales volumes		Q3			9M		
		2021/22	2020/21	Change	2021/22	2020/21	Change
Gold	t	12	14	-14 %	36	40	-10 %
Silver	t	219	224	-2 %	705	696	1 %
Lead	t	11,952	11,255	6 %	33,192	29,957	11 %
Nickel	t	937	1,015	-8 %	3,012	2,971	1 %
Tin	t	2,449	2,265	8 %	7,110	7,705	-8 %
Zinc ¹	t	3,333	4,368	-24 %	10,328	13,774	-25 %
Base metals	t	206	252	-18 %	688	803	-14 %
Platinum group metals (PGMs)	kg	2,445	1,762	39 %	7,571	7,119	6 %

¹ Prior-year figures have been adjusted.



“Our strong result for the first nine months is testimony to our ability to operate successfully and, with our robust position, to supply our customers with metals for renewable energies, electric vehicles, and digitalization, despite the challenging geopolitical situation and the associated marked rise in energy prices. We currently have a sufficient supply of energy at all of our sites, allowing us to produce without any restrictions.

We are confirming the forecast range for operating EBT in the fiscal year as a whole of € 500 to 600 million.”

ROLAND HARINGS, Chief Executive Officer

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Economic Development

First 9 Months 2021/22

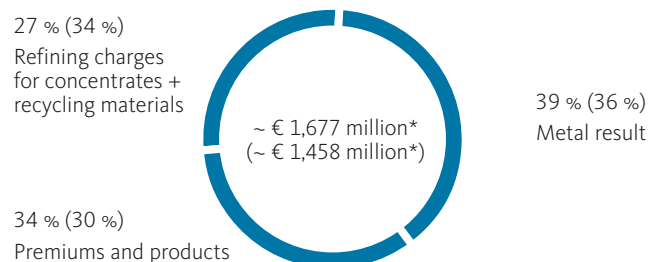
The Aurubis Group increased its **operating earnings before taxes (EBT)** considerably to € 448 million in the first nine months of fiscal year 2021/22 (previous year: € 268 million). High metal prices coupled with improved metal gain [Q Glossary, page 23](#) and very high demand for copper products and sulfuric acid more than compensated for higher energy costs and the pressure on earnings resulting from the maintenance shutdown at our Hamburg site. The **operating return on capital employed (ROCE)** came to 18.6 % (previous year: 13.5%). We are confirming the forecast range for operating EBT in fiscal year 2021/22 of € 500–600 million. IFRS earnings before taxes (EBT) amounted to € 793 million (previous year: € 631 million).

The Aurubis Group generated revenues of € 14,277 million in the first nine months of fiscal year 2021/22 (previous year: € 12,180 million). This positive development was primarily due to substantially increased copper prices compared to the same period of the previous year. Stronger demand for copper products, among other factors, had an impact as well.

The gross margin includes the main components of the Aurubis Group's earnings, i.e. the metal result [Q Glossary, page 23](#), treatment and refining charges [Q Glossary, page 23](#), and premiums and products. [Q Graphic](#)

Proportion of main earnings components in the Aurubis Group

as at June 30 YTD 2021/22 (YTD prior-year figures)



* Gross margin = Total of the earnings components metal result, treatment and refining charges, and premiums and products.

Operating earnings before taxes (EBT) – as one of our corporate control parameters – was € 448 million (previous year: € 268 million) and, compared to the first nine months of the previous year, was positively influenced by

- » A substantially higher metal result with increased metal prices, especially for industrial metals (copper, tin, nickel),
- » significantly higher sulfuric acid revenues due to a significant increase in sales prices,
- » substantially higher demand for copper products,

- » a still very good operating performance at our Pirdop site, with increased concentrate throughputs, and
- » higher refining charges for other recycling materials [Q Glossary, page 23](#).

An opposite effect was caused by

- » The extension of the planned maintenance shutdown at our site in Hamburg,
- » Significantly lower refining charges for copper scrap,
- » Significantly higher energy costs, particularly for electricity and gas.

Please refer to [Q page 16](#) for explanations regarding the derivation of the operating result based on the IFRS result.

Our second corporate control parameter, **operating ROCE** (taking the operating EBIT of the last four quarters into consideration) improved to 18.6 % (previous year: 13.5 %), especially as a result of the very good earnings performance.

The derivation of the ROCE is shown on [Q page 11](#).

At € 5 million, the net cash flow was down considerably on the prior-year level (€ 332 million) despite the very good financial performance in the first nine months of fiscal year 2021/22. The maintenance shutdown in Hamburg, ongoing expectations of high demand for copper products and increased concentrate on stock as a safety measure resulted in a temporary increase in working capital at the end of Q3 2021/22 and in a lower net cash flow. Net cash flow is subject to fluctuations in the course of the fiscal year, which balance out again as the year goes on.

[Q Assets, Liabilities, and Financial Position, page 10](#)



Segments & Markets

In the course of developing the Aurubis Group's strategy, the segmentation was adjusted with effect from October 1, 2021. With the new fiscal year 2021/22, the two segments **Multimetal Recycling** and **Custom Smelting & Products** will form the structure and the foundation for segment reporting in accordance with IFRS 8.

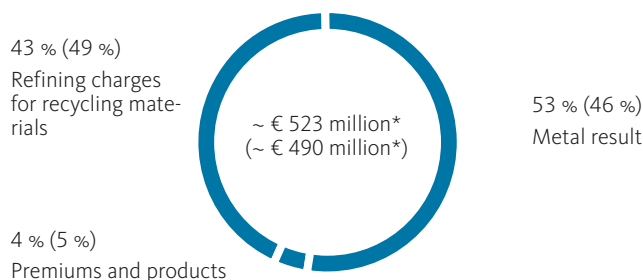
The **Multimetal Recycling (MMR)** segment comprises the recycling activities in the Group and thus the processing of copper scrap, organic and inorganic recycling raw materials containing metal, and industrial residues. The segment includes the recycling activities of the sites in Lünen (Germany), Olen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

The MMR segment generated operating EBT of € 174 million in the reporting period (previous year: € 180 million). The result was positively influenced by a much higher metal result with increased metal prices, especially for industrial metals such as copper, tin and nickel, as well as significantly higher refining charges for other recycling materials. Much lower refining charges for copper scrap than in the previous year had the opposite effect. The segment's operating ROCE was up on the already very good level seen in the previous year (30.8 %) to 36.6 %.

Our recycling sites reported throughput slightly below the previous year in the reporting period, with a satisfactory supply of copper scrap, blister copper, [Glossary, page 23](#) and other recycling materials.

Proportion of main earnings components in the Multimetal Recycling segment

as at June 30 YTD 2021/22 (YTD prior-year figures)



* Gross margin = Total of the earnings components metal result, treatment and refining charges, and premiums and products.

The input of other recycling materials such as industrial residues, slimes, shredder materials, and electrical and electronic scrap was 366,000 t during the reporting period (previous year: 360,000 t), slightly above prior-year level. The input of copper scrap and blister copper, at 245,000 t (previous year: 258,000 t), decreased slightly during the reporting period compared to the previous year, due in part to the planned maintenance shutdown in Lünen in the Q1 2021/22.

The European market for recycling materials was characterized by a stable supply and satisfactory refining charges in Q3 2021/22. The fact that demand in Asia was limited by COVID restrictions in the reporting period had a positive impact on the European supply. Refining charges for copper scrap were down significantly year-on-year. Refining charges for complex recycling materials showed largely sideways movement in Q3 2021/22 despite logistical



challenges. Refining charges for other recycling materials showed positive year-on-year development in the reporting period.

In the reporting period, higher metal prices and good metal gain had a positive impact on the metal result. Prices for industrial metals like copper, nickel, and tin showed particularly positive development, meaning that they had a positive effect on revenues compared with the previous year.

Cathode output in the MMR segment increased year-on-year to 385,000 t due to the good operating performance of the tankhouses (previous year: 377,000 t). Our production site in Lünen continues to work on modernization and capacity expansion in the tankhouse.

Capital expenditure in Segment MMR amounted to € 69 million (previous year: € 34 million). The increase mainly resulted from investments for the new recycling plant in Richmond County, USA, investments in the tankhouse renovation at the Lünen site, and investments in the new bleed treatment facility (BOB) in Olen.

The **Custom Smelting & Products (CSP)** segment comprises the production facilities for processing concentrates [Glossary, page 23](#) and for manufacturing and marketing standard and specialty products such as cathodes [Glossary, page 23](#), wire rod [Glossary, page 23](#), shapes [Glossary, page 23](#), strip products, sulfuric acid, and iron silicate. The CSP 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 together with the cathodes produced in MMR. The Buffalo (US), Stolberg (Germany), Zutphen (Netherlands), and Pori (Finland) sites produce flat rolled products and specialty wire products.

The CSP segment generated operating EBT of € 323 million in the reporting period (previous year: € 134 million). The segment's positive development was due primarily to significantly higher metal gain with increased metal prices, much higher sulfuric acid revenues due to much higher sales prices, and significantly higher demand for copper products with higher product surcharges. An opposite effect was caused by much lower refining charges for copper scrap in a year-on-year comparison and the planned maintenance shutdown at our Hamburg site. Operating ROCE improved to 14.7% (previous year: 10.1%). Higher energy costs were partially passed on to customers through product surcharges.

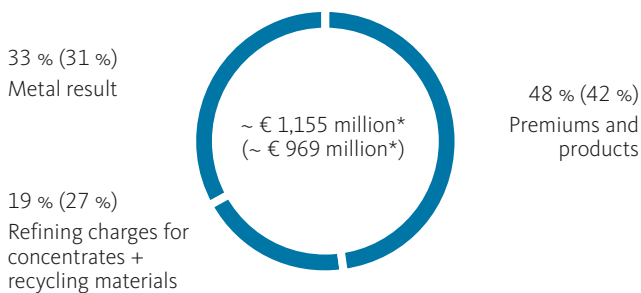
Concentrate throughput in our primary smelters [Glossary, page 23](#) came to 1,780,000 t, down slightly on the prior-year level (1,816,000 t), due in particular to the maintenance shutdown in Hamburg. Inclement weather and necessary additional work that could only be identified after operations were shut down, led to an increase of the shutdown by eleven days.

Since the benchmark was agreed at the end of the 2021 calendar year, refining charges for copper concentrates have developed positively, due in particular to an improved supply thanks to new mining projects and the expansion of existing mines. The treatment and refining charge (TC/RC) agreed as part of the benchmark came to US\$ 65/t / 6.5 cents/lb (2021: US\$ 59.5/t / 5.95 cents/lb). For Q3 2022, the China Smelters



Proportion of main earnings components in the Custom Smelting & Products segment

as at June 30 YTD 2021/22 (YTD prior-year figures)



* Gross margin = Total of the earnings components metal result, treatment and refining charges, and premiums and products.

Purchase Team (CSPT) set the so-called buying floor at a level of US\$ 80/t and 8.0 cents/lb, as in the previous quarter.

The input of copper scrap and blister copper, as well as other recycling materials, was down slightly year-on-year to 189,000 t (previous year: 202,000 t), also as a result of the shutdown in Hamburg and the associated lower demand. For information on developments in refining charges for recycling materials, we refer to our comments on the MMR segment.

We once again witnessed very strong demand for copper products in all customer segments.

At 455,000 t, copper cathode output in the CSP segment in the first nine months of fiscal year 2021/22 was slightly lower than the high level seen in the previous year (460,000 t) as a result of the shutdown.

Developments in the global cathode market were consistently positive in Q3 2021/22 after very low spot premiums in Asia in the first half of the fiscal year. Cathode premiums on the short-term market rose considerably in both Europe and Asia on the back of high demand and low inventory levels. The Aurubis copper premium [Q Glossary, page 23](#) for the 2022 calendar year comes to US\$ 123 US/t (previous year: US\$ 96/t).

Based on demand, output of wire rod increased to 675,000 t (previous year: 658,000 t). At 170,000 t, shapes output significantly exceeded the previous year (142,000 t). At 136,000 t, flat rolled product output decreased considerably compared to the previous year (149,000 t). Following the damage caused by flooding in Stolberg in the summer of 2021, production had been up and running again with limited capacity since November 2021. The last production line also went back into operation in June 2022. With the exception of a few attendant facilities, Aurubis Stolberg is back in full operation. Production is nearly at the same level as it was before the flood.

Corresponding to the slight drop in concentrate throughput, the sulfuric acid output was 1,693,000 t, down slightly on the prior-year production level (1,706,000 t). The prices for sulfuric acid moved sideways in Q3 2021/22 at very high price levels in an environment characterized by continued high demand. Supply of sulfuric acid in Europe remained limited in Q3 2021/22, also due to the maintenance shutdown in Hamburg. Aurubis continued to benefit from higher sulfuric acid revenues in the reporting period due to higher sales prices. In isolated cases, volumes were sold at very good spot market prices.

Capital expenditure in the CSP segment amounted to € 148 million (previous year: € 97 million), mainly for the maintenance shutdown in Hamburg, the start of construction work on phase 2 of the industrial heat project, and preparatory measures for the maintenance shutdown in Pirdop in 2023.

Assets, Liabilities, and Financial Position

Total **assets (operating)** increased from € 5,493 million as at September 30, 2021 to € 5,906 million as at June 30, 2022.

This was due in particular to the € 385 million increase in inventories, from € 1,770 million as at September 30, 2021 to € 2,155 million as at June 30, 2022. The extended shutdown of the primary smelter in Hamburg meant that the increase related in particular to input materials in the Custom Smelting & Products segment. With high copper product sales, trade accounts receivable built up substantially as well. Current liabilities from trade accounts payable increased by € 275 million, from € 1,406 million to € 1,681 million, in line with the higher inventories of current assets.

The Group's equity rose by € 341 million, from € 2,648 million as at the end of the last fiscal year to € 2,989 million as at June 30, 2022. The increase resulted from operating consolidated total comprehensive income of € 411 million. The dividend payment of € -70 million had an opposite effect.

Overall, the operating equity ratio (the ratio of equity to total assets) was therefore 50.6 %, compared to 48.2 % as at the end of the previous fiscal year.

At € 305 million as at June 30, 2022, borrowings were below the level of the previous fiscal year-end (€ 582 million). In December 2021, all variable interest rate tranches of the

Schuldschein loan, totaling € 152.5 million, were redeemed ahead of schedule using free liquidity. These bonded loans were disclosed as non-current liabilities in the statement of financial position as at September 30, 2021, due to their legal contract term. In addition, current bank borrowings were down due to the redemption of a bonded loan in the amount of € 103 million as scheduled that was due in February 2022.

The following table shows the development of borrowings:

in € million	6/30/2022	9/30/2021
Non-current bank borrowings	167	400
Non-current liabilities under finance leases	45	45
Non-current borrowings	212	445
Current bank borrowings	82	127
Current liabilities under finance leases	11	11
Current borrowings	93	138
Total borrowings	305	582

Cash and cash equivalents of € 470 million were available to the Group as at June 30, 2022 (September 30, 2021: € 965 million). The net financial position as at June 30, 2022 was therefore € 165 million (September 30, 2021: € 383 million).

in € million	6/30/2022	9/30/2021
Cash and cash equivalents	470	965
– Borrowings	305	582
Net financial position	165	383

At € 5 million, the net cash flow was down considerably on the prior-year level (€ 332 million) despite the very good financial performance in the first nine months of fiscal year 2021/22. The maintenance shutdown in Hamburg, ongoing expectations of high demand in the company's product markets, and measures to ensure supply security resulted in a

temporary increase in working capital at the end of Q3 2021/22 and in lower net cash flow as a result.

The cash outflow from investing activities totaled € -135 million (previous year: € -122 million) and primarily includes, as in the previous year, payments for investments in property, plant, and equipment (€ -216 million). Among other things, proceeds from the sale of securities classified as financial fixed assets in the amount of € 66 million had the opposite effect.

After taking interest payments totaling € -11 million and a dividend payment of € -70 million into account, the free cash flow amounts to € -211 million (previous year: € 122 million).

in € million	First 9 Months 2021/22	First 9 Months 2020/21
Cash inflow from operating activities (net cash flow)	5	332
Cash outflow from investing activities	-135	-122
Acquisition of treasury shares	0	-19
Interest paid	-11	-12
Dividends paid	-70	-57
Free cash flow	-211	122
Payments/proceeds deriving from financial liabilities (net)	-284	-22
Net change in cash and cash equivalents	-495	100
Cash and cash equivalents as at the reporting date	470	581

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

Operating ROCE improved to 18.6% owing to the very good financial performance of the last four quarters with a slight increase in capital employed, compared to 13.5% in the previous year.

in € million	6/30/2022	6/30/2021
Fixed assets, excluding financial fixed assets	1,956	1,823
Inventories	2,155	2,357
Trade accounts receivable	890	705
Other receivables and assets	416	229
– Trade accounts payable	-1,681	-1,786
– Provisions and other liabilities	-766	-593
Capital employed as at the reporting date	2,970	2,734
Earnings before taxes (EBT)	533	355
Financial result	11	4
Earnings before interest and taxes (EBIT)	544	359
Investments accounted for using the equity method	9	11
Earnings before interest and taxes (EBIT) – adjusted	552	370
Return on capital employed (operating ROCE)	18.6 %	13.5 %



Corporate Governance

After the responsible supervisory authorities issued their consent in May, the sale of four locations belonging to Aurubis' flat rolled products segment to KME SE, Osnabrück, was closed with effect from July 29, 2022. According to the agreement, the Zutphen (Netherlands) site as well as the slitting centers in Birmingham (United Kingdom), Dolný Kubín (Slovakia), and Mortara (Italy) with a total of about 360 employees will be transferred to KME SE. As announced, the FRP plants in Stolberg (Germany), Pori (Finland), and Buffalo (USA) will remain in the Aurubis Group. The purchase price is about € 12 million plus about € 63 million for the net working capital at the time of closing. The net working capital was settled through the repayment of company loans to Aurubis in the same amount.

On April 21, 2022, Aurubis AG published an ad hoc release regarding its provisional Q2 2021/22 results and another increase in the full-year forecast for 2021/22. The Aurubis Group now expects an operating EBT between € 500 and 600 million for fiscal year 2021/22 (previously: € 400–500 million). The Group's ROCE is now expected to be 17–21 % (previously: 15–19 %).

The shareholders participating in Aurubis AG's Annual General Meeting on February 17, 2022, passed a resolution on the dividend of € 1.60 per share proposed by the Executive Board and the Supervisory Board for fiscal year 2020/21. The total dividend of € 70 million was paid out on the third banking day after our Annual General Meeting.

The shareholders appointed Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, as auditor and Group auditor for fiscal year 2021/22.

Mr. Gunnar Groebler, CEO of Salzgitter AG, was elected to the Supervisory Board as a new shareholder representative by the Annual General Meeting.

According to a voting rights notification dated January 13, 2022, BlackRock Inc. located in Wilmington held a 3.05 % stake in Aurubis AG (previously: 2.99 %).

At the end of fiscal year 2021/22, Aurubis AG will fulfill new disclosure requirements in non-financial reporting resulting from EU taxonomy regulations for the first time. The political decision-making process for developing the reporting obligations related to the six planned environmental targets hasn't been concluded at the time of this report.

Risk and Opportunity Management

The risks and opportunities outlined in the Annual Report 2020/21 and in the Interim Report First 6 Months did not fundamentally change in Q3 2021/22.

Corporate Development

The ground-breaking ceremony for the first ever secondary smelter for multimetal recycling to be constructed in the United States took place on June 17, 2022. Aurubis is investing a total of around € 300 million in a state-of-the-art plant in Augusta, Richmond County in Georgia, that is scheduled to be commissioned in the first half of 2024. Once commissioned, Aurubis Richmond will be able to process around 90,000 t of complex recycling materials, such as circuit boards, copper cable, and other recycling material containing metal accumulates, a year. At present, most of this material is shipped from the US to Asia or Europe or disposed of in local landfills. The Aurubis plant will not only reduce the quantity of unused recycling materials, but will also supply key metals directly to the industry, e.g., for solar and wind power plants or to manufacturers of electric vehicles and batteries. The new Aurubis plant is to become a key player in the North American supply chain and a major supplier in the greater Augusta area. It is also to strengthen Aurubis' pioneering role in matters relating to extensive multimetal recycling and environmental protection across the globe. For extensive explanations of our updated strategy, please refer to the Annual Report 2020/21 and the Interim Report First 6 Months 2021/22.

[annualreport2020-21.aurubis.com](https://www.aurubis.com/annualreport2020-21)

Sustainability

Aurubis' Hamburg and Lünen sites successfully completed the Copper Mark certification process at the end of June 2022. With the certification of the site in Pirdop, Bulgaria, in 2021, a total of three Aurubis Group sites have now been granted the Copper Mark seal. An additional one will soon follow: The Belgian site in Olen has officially committed itself to the Copper Mark and plans to complete the certification process within one year. The Copper Mark is the sustainability standard for the copper industry, based on which mines and smelters can have their sustainability performance audited and

verified by third parties on a voluntary basis. The standard is based on the sustainability criteria of the Risk Readiness Assessment of the Responsible Minerals Initiative (RMI) and covers topics such as compliance, child labor, environmental protection, and occupational safety. It is also oriented to the United Nations Sustainable Development Goals (SDGs). A pilot project is currently underway with companies involved in downstream copper processing; the certificate for the Hamburg plant already includes this processing step. For the criterion of responsible copper, lead, nickel, and zinc sourcing, the Copper Mark has furthermore developed a due diligence standard that also serves to fulfill the responsible metal sourcing standards of the London Metal Exchange (LME), one of the world's most important metal exchanges. Following in the footsteps of Hamburg and Lünen, Aurubis Bulgaria and Aurubis Olen were also successfully audited based on this standard. www.aurubis.com/coppermark

Aurubis Olen has concluded a long-term electricity supply contract with Eneco to obtain renewable energy from the Belgian offshore wind farm SeaMade. The contract provides for the purchase/delivery of 12 megawatts (105,120 MWh p.a.) of electricity from wind power over the course of a decade starting in January 2023. Eneco has concluded an exclusive agreement with SeaMade on the supply of the full quantity of green power generated by the wind farm. Increasing the share of its total energy consumption for the production facilities in Olen that is attributable to renewable energy will allow Aurubis to move closer to its target of halving its Scope 1 and Scope 2 CO₂ emissions by 2030. The electricity supply contract will mean that, in the future, more than 90 % of the externally generated electricity for our Olen site will come from renewable energy sources. The renewable energy generated as part of this contract will reduce Aurubis Olen's carbon footprint by 42,000 t CO₂ a year.

We have published our results in ESG rankings on our website: www.aurubis.com/en/responsibility/reporting-kpis-and-esg-ratings

Outlook

Raw material markets

Renowned research institutes and Aurubis still expect the market for **copper concentrates** to grow on both the demand and supply side in the 2022 calendar year. Aurubis expects to see the supply of concentrates increase both in the period leading up to the end of fiscal year 2021/22 and in the coming 2023 calendar year. This supply will exceed the anticipated growth in smelter capacity.

Since the benchmark of US\$ 65/t / 6.5 cents/lb was agreed at the end of last year, spot rates for the processing of pure copper concentrates have shown positive development. For Q3 2022, the China Smelters Purchase Team (CPST) once again set the buying floor at a level of US\$ 80/t / 8.0 cents/lb, which remains above the benchmark. At its sites in Hamburg und Pirdop, Aurubis is already supplied with concentrates at good treatment and refining charges beyond the end of the fiscal year.

The availability of recycling material is still expected to be at a stable level for the rest of the fiscal year. As far as both copper scrap and other recycling charges are concerned, Aurubis expects to see satisfactory supply levels with good refining charges for the remainder of the fiscal year.

Aurubis' secondary smelters [Glossary, page23](#) in Lünen, Olen, Beerse and Berango already have a good supply of recycling materials with satisfactory refining charges until the end of fiscal year 2021/22. Our broad market position and vast supplier network absorb any supply risks.

Product markets

Copper products

Aurubis expects to see ongoing high demand for all copper products for the rest of fiscal year 2021/22. We expect the demand for **continuous cast copper wire rod** to remain high in Europe – and in other parts of the world – in the course of fiscal year 2021/22. Demand for **shapes** is also expected to be

at a high level. The same applies to demand for **flat rolled products** on the European and US market. As production capacity at Aurubis Stolberg was reduced until June 2022, the Group expects flat rolled product output to be down slightly year-on-year. After the partial sale of flat rolled products segment was formally closed on July 29, 2022, the site in Zutphen (Netherlands) and the slitting centers in Birmingham (United Kingdom), Dolný Kubín (Slovakia), and Mortara (Italy) will be transferred to KME SE.

Sulfuric acid

For northwest Europe, the research portals ICIS and CRU still expect **sulfuric acid** to remain in short supply for the rest of the fiscal year. The insights for Q4 2021/22 thus far signalize continued high demand with higher sales prices. Based on the sustained high demand in our sales markets, we expect to see continued positive development in sulfuric acid revenues for the remainder of the fiscal year.

Copper production

We expect plant availability for the current fiscal year 2021/22 to be below that of the previous year overall due to the shutdowns at our sites in Hamburg und Lünen.

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.

Our forecast is based on the assumption that production will not be restricted in the further course of the fiscal year. Risks associated with the achievement of the forecast for the year as a whole could arise from challenges in connection with the Ukraine war and the potential for resulting energy and raw material supply bottlenecks.

The very high energy prices witnessed at present – combined with cost increases due to inflation – will also have an impact on earnings extending beyond the current fiscal year.

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

- » Based on industry forecasts, we expect to see a sustained strong market environment with high demand for copper products.
- » Due to the substantial increase in the benchmark for copper concentrates compared to the previous year, we expect higher treatment and refining charges per ton accordingly. As a result of our metallurgical expertise and our diversified supplier portfolio, we will attain TC/RCs exceeding the benchmark.
- » We predict that the contribution to earnings made by sulfuric acid will be up considerably in a year-on-year comparison due to the very positive market situation at present.
- » For copper scrap and other recycling materials, we expect a stable supply with a good level of refining charges in the remainder of the fiscal year.
- » The Aurubis copper premium for 2022 has been set at US\$ 123/t (previous year: US\$ 96/t).
- » Due to the current energy cost trends, we will be reporting a market increase in energy costs in fiscal year 2021/22. Active energy management and the CO₂ electricity price compensation, which takes effect with a time lag, have partly absorbed the price increases.
- » A significant portion of our revenues is based on the US dollar. We have hedged the resulting fluctuations with our hedging strategy for the most part.
- » We have also hedged the prices of large parts of our metal gain.
- » From the Performance Improvement Program (PIP), we expect a € 90 million improvement in earnings compared to the reference year 2018/19 through cost reduction and an improvement in throughput.

Overall, we expect an operating EBT between € 500 and 600 million and an operating ROCE between 17 % and 21 % for the **Aurubis Group** for fiscal year 2021/22.

In the **Multimetal Recycling segment**, we expect an operating EBT between € 200 million and € 260 million and an operating ROCE between 23 % and 27 % for fiscal year 2021/22.

In the **Custom Smelting & Products segment**, we are planning for an operating EBT between € 350 million and € 410 million and an operating ROCE between 17 % and 21 % for fiscal year 2021/22.

Interval forecast for 2021/22 according to Aurubis' definition

	Operating EBT in € million	Operating ROCE in %
Group ¹	500–600	17–21
Multimetal Recycling segment	200–260	23–27
Custom Smelting & Products segment	350–410	17–21

¹ 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

The internal reporting and management of the Group are carried out on the basis of the operating result in order to present the Aurubis Group's success independently of measurement effects for internal management purposes. 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 of metal inventory values as at the reporting date are eliminated.
- » Adjusting for reporting date-related effects deriving from market valuations of metal derivatives that have not 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.

The **IFRS EBT** of € 793 million (previous year: € 631 million) significantly exceeded the previous year. In addition to the effects on earnings already described in the explanation of the operating financial performance, the change was also due to metal price developments in particular. 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.

In the first nine months of fiscal year 2021/22, **IFRS gross profit** includes valuation effects of € 335 million in inventories (previous year: € 358 million). The depiction of this volatility is not relevant to the cash flow and does not reflect Aurubis' operating performance.

The following table shows how the operating results for the first nine months of fiscal year 2021/22 and for the comparative prior-year period were derived from the IFRS income statement.

Reconciliation of the Consolidated Income Statement

in € million	First 9 Months 2021/22			First 9 Months 2020/21		
	IFRS	Adjustment effects	operating	IFRS	Adjustment effects	operating
		Inventories/ fixed assets			Inventories/ fixed assets	
Revenues	14,277	0	14,277	12,180	0	12,180
Changes in inventories of finished goods and work in process	108	0	108	483	-205	278
Own work capitalized	20	0	20	26	0	26
Other operating income	149	0	149	33	0	33
Cost of materials	-12,953	-335	-13,288	-11,307	-153	-11,460
Gross profit	1,601	-335	1,266	1,415	-358	1,057
Personnel expenses	-439	0	-439	-428	0	-428
Depreciation of property, plant, and equipment and amortization of intangible assets	-140	-1	-141	-141	1	-140
Other operating expenses	-234	0	-234	-214	0	-214
Operational result (EBIT)	788	-336	453	632	-357	275
Result from investments measured using the equity method	12	-10	2	10	-6	4
Interest income	6	0	6	3	0	3
Interest expense	-13	0	-13	-14	0	-14
Earnings before taxes (EBT)	793	-346	448	631	-363	268
Income taxes	-204	103	-101	-146	83	-63
Consolidated net income	589	-243	347	485	-280	205

Total assets (IFRS) increased from € 6,613 million as at September 30, 2021 to € 7,374 million as at June 30, 2022. The substantial increase was due to the € 720 million increase in inventories, from € 2,804 million as at September 30, 2021 to € 3,524 million as at June 30, 2022, which was higher compared to the operating statement of financial position. The high copper prices in the first nine months of the fiscal year were a decisive factor. The Group's equity rose by € 586

million, from € 3,443 million as at the end of the last fiscal year to € 4,029 million as at June 30, 2022. The increase resulted from the consolidated net income of € 589 million, which was higher compared to the operating statement of financial position. Overall, the IFRS equity ratio was 54.6% as at June 30, 2022, compared to 52.1% as at the end of the previous fiscal year.

The following table shows the derivation of the operating statement of financial position as at June 30, 2022, and as at September 30, 2021:

Reconciliation of the Consolidated Statement of Financial Position

in € million	6/30/2022				9/30/2021			
	IFRS	Adjustment effects			IFRS	Adjustment effects		
		IFRS 5	Inventories/ fixed assets	operating		IFRS 5	Inventories/ fixed assets	operating
Assets								
Fixed assets	1,999	11	-35	1,975	1,958	9	-24	1,943
Deferred tax assets	18	0	1	19	18	0	0	18
Non-current receivables and other assets	70	0	0	70	37	0	0	37
Inventories	3,524	65	-1,434	2,155	2,804	62	-1,096	1,770
Current receivables and other assets	1,163	54	0	1,217	716	44	0	760
Cash and cash equivalents	449	21	0	470	942	23	0	965
Assets held for sale	151	-151	0	0	138	-138	0	0
Total assets	7,374	0	-1,468	5,906	6,613	0	-1,120	5,493
Equity and liabilities								
Equity	4,029	0	-1,040	2,989	3,443	0	-795	2,648
Deferred tax liabilities	590	0	-428	162	443	0	-325	118
Non-current provisions	243	2	0	245	291	2	0	293
Non-current liabilities	251	1	0	252	503	1	0	504
Current provisions	54	3	0	57	67	2	0	69
Current liabilities	2,169	32	0	2,201	1,828	33	0	1,861
Liabilities deriving from assets held for sale	38	-38	0	0	38	-38	0	0
Total equity and liabilities	7,374	0	-1,468	5,906	6,613	0	-1,120	5,493

Consolidated Cash Flow Statement

IFRS

in € million	First 9 Months 2021/22	First 9 Months 2020/21
Earnings before taxes	793	631
Depreciation and amortization of fixed assets (including impairment losses or their reversals)	140	141
Change in allowances on receivables and other assets	0	1
Change in non-current provisions	4	4
Net gains/losses on disposal of fixed assets	0	-7
Measurement of derivatives	-14	87
Other non-cash items	4	4
Expenses and income included in the financial result	-4	1
Income taxes received/paid	-67	-69
Gross cash flow	855	791
Change in receivables and other assets	-410	-239
Change in inventories (including measurement effects)	-711	-865
Change in current provisions	-13	-12
Change in liabilities (excluding financial liabilities)	283	656
Cash inflow from operating activities (net cash flow)	5	332
Payments for investments in fixed assets	-216	-134
Payments from the granting of loans to affiliated companies	0	-12
Proceeds from the disposal of fixed assets	66	3
Proceeds from the disposal of business units	0	12
Proceeds from the redemption of loans granted to related entities	1	1
Interest received	6	3
Dividends received	9	5
Cash outflow from investing activities	-135	-122
Proceeds deriving from the take-up of financial liabilities	16	3
Payments for the redemption of bonds and financial liabilities	-300	-26
Acquisition of treasury shares	0	-19
Interest paid	-11	-12
Dividends paid	-70	-57
Cash outflow from financing activities	-365	-110
Net change in cash and cash equivalents	-496	100
Cash and cash equivalents at beginning of period	965	481
Cash and cash equivalents at end of period	470	581
Less cash and cash equivalents of assets held for sale at end of period	-21	0
Cash and cash equivalents at end of period (consolidated statement of financial position)	449	581

Consolidated Statement of Changes in Equity

IFRS

in € million	Subscribed capital	Additional paid-in capital	Treasury shares	Generated Group equity	Accumulated other comprehensive income components					Equity attributable to Aurubis AG shareholders	Non-controlling interests	Total equity
					Measurement at market of cash flow hedges	Hedging costs	Measurement at market of financial investments	Currency translation differences	Income taxes			
Balance as at 10/01/2020	115	343	-41	2,435	26	2	-32	11	-8	2,850	1	2,851
Acquisition of treasury shares	0	0	-19	0	0	0	0	0	0	-19	0	-19
Dividends paid	0	0	0	-57	0	0	0	0	0	-57	0	-57
Consolidated total comprehensive income/loss	0	0	0	491	-9	-1	20	0	2	503	0	503
of which consolidated net income	0	0	0	484	0	0	0	0	0	484	0	485
of which other comprehensive income/loss	0	0	0	6	-9	-1	20	0	2	18	0	18
Balance as at 06/30/2021	115	343	-60	2,869	18	1	-12	11	-6	3,277	1	3,278
Balance as at 10/01/2021	115	343	-60	3,025	18	0	-5	13	-7	3,442	1	3,443
Sale of financial investments	0	0	0	12	0	0	-12	0	0	0	0	0
Dividends paid	0	0	0	-70	0	0	0	0	0	-70	0	-70
Consolidated total comprehensive income/loss	0	0	0	626	7	-1	19	9	-4	656	0	656
of which consolidated net income	0	0	0	588	0	0	0	0	0	588	0	589
of which other comprehensive income/loss	0	0	0	38	7	-1	19	9	-4	68	0	68
Balance as at 06/30/2022	115	343	-60	3,594	25	-1	2	22	-11	4,029	1	4,029

Consolidated segment reporting

First 9 Months 2021/22

in € million	Multimetal Recycling segment	Custom Smelting & Products segment	Other	Total	Reconciliation/consolidation	Group total
	operating	operating	operating	operating	IFRS	IFRS
Revenues						
Total revenues	4,559	14,227	0			
Inter-segment revenues	4,067	442	0			
Revenues with third parties	492	13,785	0	14,277	0	14,277
EBIT	175	327	-49	453	336	788
EBT	174	323	-49	448	345	793
ROCE (%)	36.6	14.7				

First 9 Months 2020/21

in € million	Multimetal Recycling segment	Custom Smelting & Products segment	Other	Total	Reconciliation/consolidation	Group total
	operating	operating	operating	operating	IFRS	IFRS
Revenues						
Total revenues	3,813	12,270	0			
Inter-segment revenues	3,375	529	0			
Revenues with third parties	439	11,741	0	12,180	0	12,180
EBIT	184	136	-45	275	357	632
EBT	180	134	-46	268	364	631
ROCE (%)	30.8	10.1				

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

in € million	Multimetal Recycling segment		Custom Smelting & Products segment		Total	
	First 9 Months 2021/22	First 9 Months 2020/21	First 9 Months 2021/22	First 9 Months 2020/21	First 9 Months 2021/22	First 9 Months 2020/21
Rod	0	0	5,793	4,476	5,793	4,476
Copper cathodes	128	154	2,005	2,035	2,133	2,189
Precious metals	0	0	2,710	2,740	2,710	2,740
Shapes	0	0	1,381	881	1,381	881
Strip, bars, and profiles	0	0	1,291	1,066	1,291	1,066
Other	364	285	605	544	969	829
Total	492	439	13,785	11,741	14,277	12,180

Subsequent events

After the responsible supervisory authorities issued their consent in May, Aurubis closed the sale of four flat rolled product sites to KME SE, Osnabrück, with effect from July 29, 2022. According to the agreement, the Zutphen (Netherlands) site as well as the slitting centers in Birmingham (United Kingdom), Dolný Kubín (Slovakia), and Mortara (Italy) with a total of about 360 employees will be transferred to KME SE. As announced, the FRP plants in Stolberg (Germany), Pori (Finland), and Buffalo (USA) will remain in the Aurubis Group. The purchase price is about € 12 million plus about € 63 million for the net working capital at the time of closing. The net working capital was settled through the repayment of company loans to Aurubis in the same amount.

Glossary

Explanation of Technical Terms

Blister copper: Unrefined porous copper. During solidification, dissolved gases form small blisters in the copper. Blister copper is also purchased as a raw material.

Product surcharge: Fee for the processing of copper cathodes into copper products.

Continuous cast wire rod: Semifinished product produced in a continuous process and used for the fabrication of copper wire.

Complex materials: Primary and secondary raw materials are becoming more complex, to the effect that their contents of copper are decreasing and the concentrations of tramp elements and impurities are increasing.

Copper cathodes: Quality product of the copper tankhouse (copper content: 99.99%) and the first marketable product in copper production.

Copper concentrates: A product resulting from the processing (enriching) of copper ores, the Aurubis Group's main raw material. Since copper is found almost exclusively in ores, in compound form, and in low concentrations (usually below 1 % copper content), the ores are enriched in processing facilities into concentrates (copper content of 25 to 40 %) after production in the mine.

Copper premium: Surcharge for high-quality cathodes, which are used for the production of continuous cast wire rod and continuous cast shapes, among other products.

Metal result: Metal gain valued at the corresponding metal prices.

Metal gain: Metal yield that a smelter can extract beyond the paid metal content in the raw input materials.

Primary smelter: Plant to produce copper from copper concentrates.

Recycling materials: Materials in a circular economy. They arise as residues from production processes or during the preparation of end-of-life products and rejects.

Treatment charges (TC/RCs), refining charges (RCs): Treatment and refining charges (TC/RCs) and refining charges (RCs) are charges or discounts on the purchase price for turning raw materials into copper cathodes (the commodity exchange product) and other metals.

Secondary smelter: Plant to produce copper from recycling materials.

Spot market: Daily business, market for prompt deliveries.

Shapes: Products manufactured from endless strands produced in a continuous casting process. Continuous cast shapes are processed into sheets, foils, profiles, and tubes by rolling and extrusion.



The Interim Report on the First 9 Months 2021/22 and the live webcast on the release are available online at www.aurubis.com/en/investor-relations/publications/quarterly-reports

Dates and Contacts

Financial Calendar

Annual Report 2021/22 December 7, 2022

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