

Company Release

FISCAL YEAR 2021/22

1. October 2021 to 30 September 2022

 **Aurubis**
Metals for Progress

Aurubis Group at a Glance

Key Aurubis Group figures Operating		Q4			Fiscal year		
		2021/22	2020/21	Change	2021/22	2020/21	Change
Revenue	€m	4,243	4,120	3 %	18,521	16,300	14 %
Gross margin ¹	€m	567	458	24 %	2,240	1,916	17 %
Gross profit	€m	403	351	15 %	1,647	1,458	13 %
EBITDA	€m	181	128	41 %	753	593	27 %
EBIT	€m	102	69	48 %	533	394	35 %
EBT²	€m	106	64³	66 %	532	381³	40 %
Consolidated net income	€m	103	41	> 100 %	433	284	52 %
Earnings per share	€	2.36	0.94	> 100 %	9.91	6.51	52 %
Net cash flow	€m	283	480	-41 %	288	812	-65 %
Capital expenditure	€m	134	119	12 %	362	256	41 %
Net financial position (reporting date)	€m	-	-	-	379	383	-1 %
ROCE²	%	-	-	-	19.0	16.6	-
Multimetal Recycling segment							
Revenues	€m	1,401	1,315	7 %	5,960	5,128	16 %
Gross margin ¹	€m	188	190	-1 %	710	679	5 %
EBIT	€m	20	75	-73 %	206	260	-21 %
EBT	€m	20	75	-73 %	205	256	-20 %
ROCE	%	-	-	-	25.7	35.4	-
Capital employed	€m	-	-	-	796	728	9 %
Custom Smelting & Products segment							
Revenue	€m	4,343	4,003	9 %	18,570	16,273	14 %
Gross margin ¹	€m	379	268	41 %	1,529	1,237	24 %
EBIT	€m	94	-2	> 100 %	388	184	> 100 %
EBT	€m	100	1	> 100 %	390	185	> 100 %
ROCE	%	-	-	-	18.7	11.2	-
Capital employed	€m	-	-	-	2,128	1,759	21 %

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

² Corporate control parameters.

³ Prior-year figures have been adjusted. [Selected Financial Information, Page 18](#)

Key Aurubis Group figures IFRS		Q4			Fiscal year		
		2021/22	2020/21	Change	2021/22	2020/21	Change
Revenue	€m	4,243	4,120	3 %	18,521	16,300	14 %
Gross profit	€m	440	499	-12 %	2,041	1,914	7 %
EBITDA	€m	219	276	-21 %	1,148	1,049	9 %
EBIT	€m	139	197	-29 %	928	830	12 %
EBT	€m	143	194	-26 %	935	825	13 %
Consolidated net income	€m	126	128	-2 %	715	613	17 %
Earnings per share	€	2.89	2.94	-2 %	16.37	14.03	17 %
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.
The full Annual Report is available on our website at annualreport2021-22.aurubis.com.
Excel tables can be downloaded directly from the download center.

Aurubis Group production figures		Q4			Fiscal year		
		2021/22	2020/21	Change	2021/22	2020/21	Change
Multimetal Recycling segment							
Copper scrap/blister copper input ¹	1,000 t	80	74	8 %	325	332	-2 %
Other recycling materials ¹	1,000 t	126	133	-5 %	492	493	0 %
Cathode output	1,000 t	128	130	-2 %	513	508	1 %
Beerse	1,000 t	6	6	0 %	25	25	0 %
Lünen	1,000 t	40	38	5 %	152	149	3 %
Olen	1,000 t	82	86	-5 %	336	334	1 %
Custom Smelting & Products segment							
Concentrate throughput	1,000 t	649	434	50 %	2,429	2,250	8 %
Hamburg	1,000 t	287	304	-6 %	987	1,117	-12 %
Pirdop	1,000 t	362	130	> 100 %	1,442	1,133	27 %
Copper scrap/blister copper input ¹	1,000 t	49	46	7 %	215	215	0 %
Other recycling materials ¹	1,000 t	9	14	-36 %	32	47	-32 %
Sulfuric acid output	1,000 t	603	401	50 %	2,296	2,107	9 %
Hamburg	1,000 t	239	266	-10 %	841	962	-13 %
Pirdop	1,000 t	364	135	> 100 %	1,455	1,145	27 %
Cathode output	1,000 t	143	146	-2 %	598	605	-1 %
Hamburg	1,000 t	86	94	-9 %	373	384	-3 %
Pirdop	1,000 t	57	52	10 %	225	221	2 %
Wire rod output	1,000 t	205	211	-3 %	880	869	1 %
Shapes output	1,000 t	47	45	4 %	218	187	17 %
Flat rolled products and specialty wire output	1,000 t	40	42	-5 %	176	191	-8 %

¹ Prior-year figures have been adjusted.

Aurubis Group sales volumes		Q4			Fiscal year		
		2021/22	2020/21	Change	2021/22	2020/21	Change
Gold	t	11	11	0 %	47	51	-8 %
Silver	t	207	253	-19 %	911	949	-4 %
Lead	t	10,824	10,760	1 %	44,016	40,717	8 %
Nickel	t	850	928	-8 %	3,863	3,900	-1 %
Tin	t	2,230	2,338	-5 %	9,340	10,043	-7 %
Zinc ¹	t	3,589	4,469	-20 %	13,917	18,243	-24 %
Base metals	t	179	174	3 %	867	977	-11 %
Platinum group metals (PGMs)	kg	1,943	1,603	21 %	9,514	8,722	9 %

¹ Prior-year figures have been adjusted.



"We are very pleased with the result. This provides a solid foundation for successfully driving forward our ambitious strategic growth course. The anticipated investments will be financed with our own funds."

ROLAND HARINGS, Chief Executive Officer

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Economic Development

Fiscal Year 2021/22

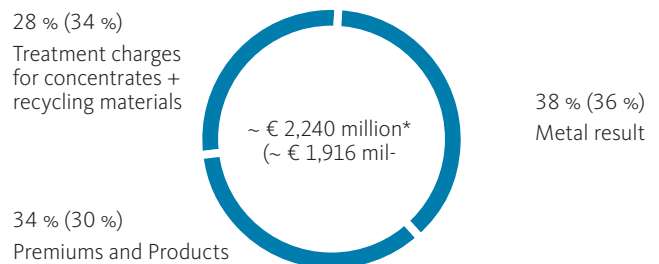
The Aurubis Group increased its **operating earnings before taxes (EBT)** significantly to **€ 532 million** in fiscal year 2021/22 (previous year: € 381 million), achieving the best result in company history. **Operating return on capital employed (ROCE)** was **19.0 %** (previous year: 16.6%). The **recommended dividend** for 2021/22 is **€ 1.80** (previous year: € 1.60). The payout ratio would therefore be 18% (previous year: 26 %) related to the operating consolidated net result, which was € 433 million (previous year: € 284 million). The dividend yield based on the Xetra closing price of € 53.98 as at September 30, 2022 would amount to 3.3% (previous year: 2.5%). IFRS earnings before taxes (EBT) amounted to € 935 million (previous year: € 825 million).

The Aurubis Group generated revenues of € 18,521 million during the first half of FY 2021/22 (previous year: € 16,300 million). This positive development was due in particular 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 [Glossary, page 23](#), treatment and refining charges [Glossary, page 23](#), and premiums and products. [Graphic](#)

Proportion of main earnings components in the Aurubis Group

as at September 30 FY 2021/22 (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 € 532 million (previous year: € 381 million) and, compared to 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,
- » significantly higher demand for copper products, with higher product surcharges,

- » very good operating performance at our Pirdop site, with increased concentrate throughputs, and
- » higher refining charges for other recycling materials.

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 natural gas.

Please refer to [page 18](#) for explanations regarding the derivation of the operating result based on the IFRS result.

At the end of the reporting year, our second corporate control parameters, **operating ROCE** (taking the operating EBIT of the last four quarters into consideration) reached 19.0% (previous year: 16.6%) and was thus above our target of 15% and within the forecast interval of 17% to 21%.

The derivation of the ROCE is shown on [page 12](#).

The very good financial performance during the fiscal year resulted in a good **net cash flow** of € 288 million, although this was significantly lower than in the previous year. (previous year: € 812 million). In particular, the build-up of inventories of input materials as a result of the extended maintenance shutdown at the Hamburg site had a negative impact on net cash flow in the fiscal year. [Assets, Liabilities, and Financial Position, page 11](#)



Segments & Markets

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

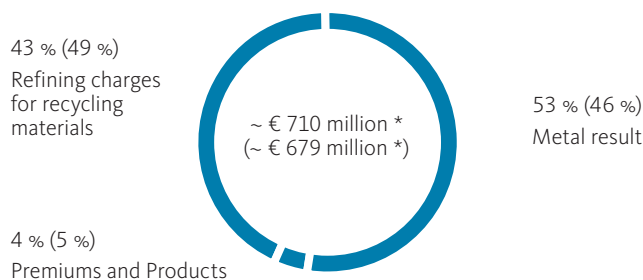
The **Multimetal Recycling (MMR) segment** comprises the recycling activities in the Group and thus the processing of copper scrap, organic and inorganic recycling raw materials containing metal, and industrial residues. The segment includes the sites in Lünen (Germany), Olen and Beerse (both in Belgium),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

Overall, at € 205 million, segment's EBT operating result during the reporting year was significantly below the prior-year level (€ 256 million). At 25.7% (previous year: 35.4%), the segment's operating ROCE significantly exceeded the Group's target of 15.0%.

The European market for recycling raw materials, which is the most relevant for Aurubis, had a stable supply in fiscal year 2021/22. The dynamic economic circumstances and high metal prices at the beginning of the fiscal year provided positive incentives for the collection of recycled materials. Supply volumes in Europe were also positively impacted by exports from the United States and reduced demand from Asia due to import restrictions and temporary production shutdowns due to Covid-19. Rising energy prices dampened the supply of scrap in Europe in the middle of the year. All in all, refining charges for copper scrap were stable over the

Proportion of main earnings components in the Multimetal Recycling segment

as at September 30 FY 2021/22 (prior-year figures)



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

course of fiscal year 2021/22 but were significantly lower than the high prior-year level.

During the reporting year, our production sites benefited from a good supply of copper scrap, and blister copper [Q Glossary, page 23](#), as well as from a very good supply of other recycling materials. Overall, the Group-wide input of copper scrap and blister copper in fiscal year 2021/22 was slightly below the prior-year level at 540,000 t (previous year: 547,000 t). The MMR segment accounted for 325,000 t (previous year: 332,000 t) and the CSP segment for 215,000 t (previous year: 215,000 t).

The input of other recycling materials such as industrial residues, slimes, shredder materials, and electrical and electronic scrap in the Group was 524,000 t during the reporting period, slightly below prior-year level (540,000 t).



At 513,000 t in 2021/22, copper cathode output in segment MMR slightly exceeded the prior-year level (507,000 t) due to good production and stable capacity utilization in the tankhouses. Cathode output at our site in Lünen will continue to be at a reduced level until the planned commissioning in the first half of 2024 as a result of the ongoing renovation and capacity Expansion measures in the tankhouse.

The international cathode markets recorded stable demand overall in fiscal year 2021/22. Towards the middle of the fiscal year, premiums in Europe and the US moved upwards due to the tighter supply situation. In contrast, cathode premiums in Shanghai were volatile. While premiums in Asia remained at a very high level at the beginning of the year, they decreased significantly towards the middle of the fiscal year on the back of the reduction in demand attributable to Covid-19. As the year unfolded, premiums recovered again as a result of tighter supply, and by the end of the fiscal year they had once again returned to the high level of the previous year. At US\$ 123/t, the Aurubis Copper Premium for calendar year 2022 was higher than in the previous year (US\$ 96/t).

Capital expenditure in the MMR segment amounted to € 153 million (previous year: € 60 million). The increase mainly resulted from investments for the new recycling plant in Richmond, Georgia, 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 and for manufacturing and marketing standard and specialty products such as cathodes, wire rod, shapes, strip products, sulfuric acid, and iron silicate. The Custom Smelting & Products segment is also responsible for precious metal production. The sites in Hamburg (Germany) and Pirdop (Bulgaria) manufacture copper cathodes, which are processed further into wire rod and shapes at the Hamburg (Germany), Olen (Belgium), Emmerich (Germany), and Avellino (Italy) sites. The Buffalo (US), Stolberg (Germany), and Pori (Finland) sites produce flat rolled products and specialty wire products. Aurubis AG sold four sites of the former Aurubis flat rolled products segment to KME SE, Osnabrück, with effect from July 29, 2022. The site at Zutphen (Netherlands) and the slitting centers in Birmingham (UK), Dolný Kubín (Slovakia), and Mortara (Italy) correspondingly contributed to the earnings of the CSP segment through July 29, 2021, for ten months.

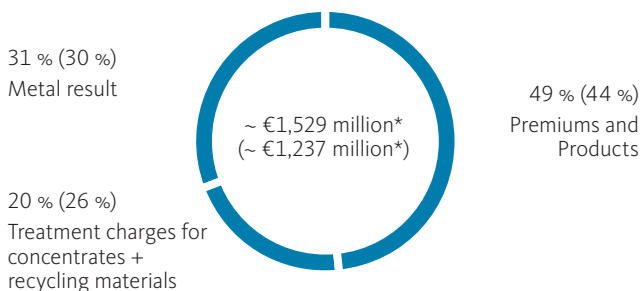
The segment CSP generated operating earnings before taxes (EBT) of € 390 million (previous year: € 185 million). This significantly improved result compared with the previous year is based on significantly higher sulfuric acid revenues due to higher sales prices, a significantly higher metal gain with increased metal prices, and significantly higher demand for copper products with higher product surcharges.

Significantly lower refining charges for copper scrap and lower concentrate throughput due to the planned maintenance shutdown at our Hamburg site combined with lower treatment and refining charges driven by market factors negatively affected operating EBT compared with the prior



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

as at September 30 FY 2021/22 (prior-year figures)



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

year. Significant increases in electricity and natural gas costs along with other cost increases negatively affected the result in the reporting period.

At 18.7%, operating ROCE (taking the operating EBIT of the last four quarters into consideration) improved considerably compared to the previous year (11.2%).

The global copper concentrate market indicated higher mine output in the reporting period year-over-year. The rate of worldwide mine production outages due to severe weather, COVID-19, or strikes remained below prior-year level. Expansions of existing mines and new mine projects, particularly in South America, also positively influenced the concentrate supply.

On the global smelter industry side, planned and unplanned shutdowns dampened demand for copper concentrates.

Regional restrictions on energy consumption in China at the beginning of August 2022 also affected concentrate demand. In alignment with this trend, the development of TC/RCs for standard copper concentrates on the spot market was consistently positive over the reporting period. As a result of the improved supply situation and more restrained demand from Chinese smelters, the TC/RCs on the spot market were US\$ 82/t or 8.2 cents/lb at the end of the fiscal year.

For 2022 annual contracts, the benchmark TC/RC for processing standard copper concentrates was US\$ 65.0/t and 6.5 cents/lb (2021: US\$ 59.5/t and 5.95 cents/lb). The spot market was slightly under the benchmark at the beginning of the fiscal year. Because of the improved concentrate supply and Chinese smelters' buying restraint on the market, spot prices were consistently above the benchmark level from the middle of the fiscal year.

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

For information on developments in refining charges for recycling materials, we refer to our comments on the MMR segment.

Production at our smelter sites was very constant and at a good level in the fiscal year. The Pirdop site in particular performed very well. Concentrate throughput increased by 8% to 2,429,000 t in fiscal year 2021/22 (previous year: 2,250,000 t) in spite of 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. Shutdowns impacted throughput in the previous year as well.

At 215,000 t, copper scrap/blister copper input in the CSP segment in the reporting period was at the prior-year level (215,000 t). For information on developments in refining charges for recycling materials, we refer to our comments on the MMR segment.

At 598,000 t in 2021/22, copper cathode output in the CSP segment was slightly below the prior-year level (606,000 t) due to stable capacity utilization in the tankhouses and stable production. For information on developments on the international cathode markets, we refer to our comments on the MMR segment.

Continuous cast wire rod is used as a preliminary product for processing, especially in the cable and wire industry, as well as for special semifinished products. Demand for wire rod was at a very high level in fiscal year 2021/22. The very high levels of demand seen in the previous year continued in the first three quarters of fiscal 2021/22. Demand fell slightly in Q4 2021/22. The energy and infrastructure sectors generated good demand throughout the fiscal year.

Demand for high-purity shapes increased considerably year-over-year. The order situation was at a stable, high level throughout the fiscal year.

Corresponding to the concentrate throughput, the sulfuric acid output was 2,296,000 t, considerably higher than the prior-year level (2,107,000 t). Demand on the global market for sulfuric acid was high in fiscal year 2021/22. Temporarily lower production capacities at European zinc smelters, logistics bottlenecks, and higher input costs for sulfur burners during the fiscal year all led to reduced volume coupled with high demand for long periods of fiscal year 2021/22. Consequently, prices remained very high into the third quarter of 2021/22. Continued increases in energy costs, particularly for natural

gas, triggered sharp rises in production costs in the chemical and fertilizer industries, which in turn translated into sharply reduced demand and lower market sulfuric acid prices at the end of fiscal year 2021/22. Because of its customer and contract structure, Aurubis is not completely exposed to developments on the spot market, and any impacts occur with a time lag.

As in the previous year, there was strong market demand for flat rolled products. Demand for submarine cables, material for power electronics, connectors, and cooling systems remained at a high level. The automotive sector delivered a stable performance.

Output of flat rolled products and specialty wire decreased to 176,000 t (previous year: 191,000 t). With the partial sale of the former flat rolled products segment, production volumes at the Zutphen site have been discontinued since the closing of the sale with effect from July 29, 2022. In addition, Aurubis Stolberg resumed production at the beginning of November 2021 after the severe weather impacts. Production was gradually ramped up again during the reporting period.

Capital expenditure in the CSP segment amounted to € 208 million (previous year: € 182 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 € 5,470 million as at September 30, 2021, to € 5,926 million as at September 30, 2022.

This was due in particular to the € 432 million increase in inventories, from € 2,202 million as at September 30, 2021, to € 1,770 million as at September 30, 2022. The extended maintenance shutdown of the primary smelter in Hamburg meant that the increase related in particular to input materials. Intermediate products (anodes) and finished products (cathodes, shapes, wire rod) were also built up in the CSP segment at the Hamburg and Pirdop plants.

With high copper product sales, trade accounts receivable built up substantially as well. Furthermore, a lower volume of receivables was sold to factoring companies compared with the previous year. As a result, the overall balance at the end of the financial year was € 623 million, an increase on the previous year's figure of € 550 million.

Current liabilities from trade accounts payable increased by € 177 million, from € 1,406 million to € 1,583 million, in line with the higher inventories of current assets.

The Group's equity rose by € 528 million, from € 2,674 million as at the end of the last fiscal year to € 3,202 million as at September 30, 2022. The increase resulted from operating consolidated total comprehensive income of € 598 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 54.0 %, compared to 48.9% as at the end of the previous fiscal year.

At € 327 million as at September 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	9/30/2022	9/30/2021
Non-current bank borrowings	167	400
Non-current liabilities under finance leases	42	45
Non-current borrowings	209	445
Current bank borrowings	106	127
Current liabilities under finance leases	12	11
Current borrowings	118	138
Total borrowings	327	582

Cash and cash equivalents of € 706 million were available to the Group as at September 30, 2022 (September 30, 2021: € 965 million). The net financial position as at September 30, 2022, was € 379 million (previous year: € 383 million).

in € million	9/30/2022	9/30/2021
Cash and cash equivalents	706	965
- Borrowings	327	582
Net financial position	379	383

The very good financial performance during the fiscal year resulted in a good **net cash flow** of € 288 million, although this was significantly lower than in the previous year. (previous year: € 812 million). In particular, the build-up of inventories of input materials as a result of the extended maintenance shutdown at the Hamburg site had a negative impact on net cash flow in the fiscal year.

The cash outflow from investing activities totaled € -201 million (previous year: € -232 million) and primarily includes payments for investments in property, plant, and equipment totaling € 334 million (previous year: € 232 million). Payments during the fiscal year included payments made in connection with the maintenance shutdown at the Hamburg site (€ 59 million) and payments made for the construction of the Aurubis Richmond recycling plant, Georgia, USA (€ 26 million).

Cash inflows of € 66 million from the sale of securities classified as financial fixed assets and € 66 million from the sale of subsidiaries had a positive effect.

After taking interest payments totaling € 15 million and the dividend payment of € 70 million into account, the slightly positive free cash flow amounts to € 3 million (previous year: € 488 million).

in € million	12 Months 2021/22	12 months 2020/21
Cash inflow from operating activities (net cash flow)	288	812
Cash outflow from investing activities	-201	-232
Acquisition of treasury shares	0	-19
Interest paid	-15	-16
Dividends paid	-70	-57
Free cash flow	3	488
Payments/proceeds deriving from financial liabilities (net)	-262	-3
Net change in cash and cash equivalents	-260	485
Cash and cash equivalents as at the reporting date	706	965

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.

At the end of the reporting year, operating ROCE reached 19.0% (previous year: 16.6%) and was thus above our target of 15% and within the forecast interval of 17% to 21%.

in € million	9/30/2022	9/30/2021
Fixed assets, excluding financial fixed assets	2,019	1,877
Inventories	2,202	1,770
Trade accounts receivable	623	550
Other receivables and assets	361	242
- Trade accounts payable	-1,583	-1,406
- Provisions and other liabilities	-755	-593
Capital employed as at the reporting date	2,866	2,441
Earnings before taxes (EBT)	532	381
Financial result	1	13
Earnings before interest and taxes (EBIT)	533	394
Investments accounted for using the equity method	10	10
Earnings before interest and taxes (EBIT) – adjusted	543	405
Return on capital employed (operating ROCE)	19.0%	16.6%

Strategic direction

In fiscal year 2020/21, we developed the strategy further and established a detailed plan outlining how Aurubis can continue solidifying and expanding its position as one of the most efficient and sustainable multimetal producers in the world.

From a strategic standpoint, the Group is guided by three pillars: securing and strengthening the core business, pursuing growth options, and expanding its industrial leadership in sustainability. The necessary success factors for implementing the strategy were established: digitalization and automation in production, strategic resource planning, and strategic personnel management, which includes the recruitment and development of employees.

The updated Aurubis strategy includes a precisely defined roadmap for continued sustainable, profitable growth. Over the past fiscal year, we have made significant further progress in implementing the strategy in line with this roadmap. Implementation continues to be driven forward steadily and cautiously, and it goes without saying that we always take into account the geopolitical and global economic environment.

All new investment projects will be subjected to a thorough sustainability review as a matter of course. Every new investment supports our sustainability targets. The projects will primarily be financed from the current cash flow and available funds. There is no need for a capital increase in the foreseeable future.

Securing and strengthening the core business

The Aurubis Group's core business is processing raw materials containing metals, both concentrates and recycling materials. Aurubis will invest in recycling projects at different sites to expand processing capacities and continue boosting multimetal recovery within the Group-wide smelter network. Synergies can be used more strongly by connecting sites in a targeted way and by optimizing material flows between the plants. After our ASPA (Advanced Sludge Processing by

Aurubis) project, which includes the construction of a state-of-the-art hydrometallurgical recycling facility at the Beerse site in Belgium, the Bleed Treatment Olen Beerse (BOB) project, approved in February 2022, represents the next concrete step towards expanding our capabilities for optimizing our internal value chain. Aurubis is investing € 70 million in the construction of a state-of-the-art energy-efficient facility for processing electrolytes (bleed) at the Olen site. A hydrometallurgical process recovers valuable metals such as nickel and copper from tankhouse streams produced during metal production in the tankhouse at the Aurubis sites in Beerse and Olen. The facility comprises a full tankhouse cleaning system, referred to as bleed treatment. Aurubis expects to see an annual EBITDA contribution of around € 15 million when the new system becomes fully operational in fiscal year 2025/26.

Pursuing growth options

We defined the recycling business as a central growth driver for us during our strategy process. The rising importance of sustainability in Europe and the United States will lead to higher recycling rates and thus a growing supply of complex recycling materials. The Aurubis Modular Recycling System is a scalable system we developed for new recycling plants that enables us to build new capacities in a modular – and therefore flexible and needs-based – approach and to integrate them into the expanded Aurubis smelter network. We are currently constructing the first plant that Aurubis has designed using the modular system in Augusta (Richmond County) in the US state of Georgia. Aurubis Richmond will process about 90,000 t of complex recycling material into 35,000 t of blister copper each year. The plant should be commissioned in 2024. Georgia Governor Brian Kemp and other top business representatives attended the groundbreaking ceremony on June 17, 2022. This event once again demonstrated how important this investment is for sustainable economic development with an eye to the future in the US. The technology and processing capabilities of our recycling system position us as a forerunner in sustainable multimetal recycling in the US. The plant also opens up the

prospect of additional growth in the US. This growth market, currently producing around 6 million t of useful recycled material each year, offers attractive opportunities, particularly for the diversification of our business and project portfolio beyond Europe.

The expansion of electric vehicles once again gathered considerable momentum last year, which is boosting demand for lithium-ion batteries – as well as the demand for raw materials to produce them. In the longer term, we see considerable growth options in the areas of battery materials and battery recycling. Battery recycling is a defined growth area in our strategy. During fiscal year 2021/22, we carried out trials at our pilot plant designed to scale up the process to technical scale. This has laid the foundation for the next steps to be taken in our project management process.

Expanding industry leadership in sustainability

Our revised strategy defines sustainable action and management as a central element across all areas of the company. Based on binding targets and appropriate measures related to the environment, social issues, and corporate governance, we are further enshrining sustainability throughout the entire company and all of our workflows, processes, and particularly in our new strategic projects. We have also adjusted our organization accordingly: The sustainability function has been located at the highest level directly in the business division of the Chairman of the Board since the beginning of 2022. We have set binding sustainability targets, which we now regularly monitor and back up with concrete measures. For example, to reduce emissions, we have defined targeted measures to cut Scope 1 and 2 CO₂ emissions by 50 % by 2030.

Our production techniques make a pivotal contribution to responsibly handling resources and, together with our products, play a role in the energy transition. An important milestone on the path to decarbonization is the reduction of our CO₂ emissions (Scope 1 and 2) by 50 % until 2030. We want to reduce Scope 3 emissions, which arise in the upstream

and downstream stages of the value chain, by 24 % per ton of copper cathodes during the same period as well. The targets were validated by the Science Based Targets initiative (SBTi) in June 2021. This means that our targets contribute to limiting global warming to 1.5°C pursuant to the Paris climate agreement. We will continue implementing and developing our detailed roadmap to achieve our climate goals.

Regarding Scope 1 and Scope 2 emissions, in the future we will rely on technical measures such as decarbonizing plant facilities by using green hydrogen instead of fossil fuels, electrifying our production, utilizing waste heat, and expanding the purchase of green electricity and the internal generation of power. Approaches for reducing Scope 3 emissions include cooperation in the supply chain and increased recycling activities. In 2022, we launched the expansion of our industrial heat project in Hamburg, which, once completed in 2024, will prevent up to 100,000 t of CO₂ emissions in Hamburg each year.

Outlook

Raw material markets

The global copper concentrate market is growing on both the demand side and the supply side. A recovery in output from existing mines, expansion projects, and the ramp-up of new projects are contributing significantly to production increases in different countries in South America and around the world compared to last year. Wood Mackenzie predicts that global mine output (based on copper content, before accounting for disruptions and adjustments) will rise by 5.4 % in 2022 and 9.4 % in 2023. Mine output in 2022 grew at the fastest rate since 2013.

A benchmark deal for annual contracts in 2023 was concluded in November 2022 between a major mining company and the Chinese Smelter Purchase Team at US\$ 88/t and 8.8 cents/lb, 35 % higher than in 2022. This confirms our expectations of a surplus in the copper concentrate market, combined with a positive trend in treatment and refining charges. Due to our position on the market, our long-term contract structure, and our supplier diversification, we are confident that we will once again secure a good copper concentrate supply. We are already supplied with concentrates at good treatment and refining charges well into Q2 of the 2022/23 fiscal year.

Business in this area, particularly for copper scrap, is conducted with short timelines and is therefore dependent on a variety of influences, such as metal prices and collection activities in the recycling industry, that are difficult to forecast. In contrast, the availability of complex recycling materials is subject to less volatility. The market environment is expected to be at least stable.

Overall, Aurubis expects a stable supply situation for recycling raw materials with good refining charges. We are already supplied with recycling material with good refining charges beyond Q1 of fiscal year 2022/23. Our broad market position absorbs supply risks.

Product markets

Copper products

As at the reporting date, demand for copper products was stable in Q1 2022/23. In the negotiation season for 2023 annual sales contracts, which is still under way, we have already contractually fixed the sales budget to a large extent.

One factor that is already clear is the copper premium Aurubis has established for European wire rod and shapes customers for the coming 2023 calendar year. Aurubis hat diese auf 228 US\$/t für seine europäischen Kunden gegenüber dem Vorjahr erhöht (2022: 123 US\$/t). The increase in the copper premium reflects the forecast stable market demand in Europe in 2023 and partially compensates for the significant increases in freight, financing, and energy costs.

Sales of free cathode volumes on the market are based on the planned processing of our cathode output in the Group. Despite the mixed outlook in the customer industries for the forecast period, Aurubis expects copper wire rod demand and sales to remain at a high level. The anticipated development of the US economy and the growth of the European economy paint a positive picture for Aurubis' sales of flat rolled products.

Sulfuric acid

According to the Independent Chemical Information Services (ICIS), very high price levels driven by strong demand that have been observed in the past fiscal year will not continue. In particular, demand from the European-based chemical and fertilizer industries is expected to be lower due to production cuts caused by very high energy costs. Lower price levels are also expected in the export markets of the US and South America due to increased export activities from Europe and China. The Chinese markets are characterized by significant regional differences. Based on the weakening demand on the sulfuric acid market and the developments in sales prices, we anticipate a significantly negative trend in the earnings situation on these markets.

Earnings expectations

Our earnings are subject to quarterly fluctuations because of the nature of our business model. This is due to seasonal and market factors but may also be caused by disruptions in facilities or operating processes. Risks associated with the achievement of the forecast for the year as a whole could arise from challenges in connection with the availability of energy and global economic developments.

The future development and forecast of Aurubis AG coincide with the general statement on the Aurubis Group.

The outlook for fiscal year 2022/23 is based on market estimates and the following premises:

- » Based on industry forecasts, we expect global copper demand to continue growing.
- » Due to the increase in the benchmark closing for copper concentrates at US\$ 88/t and 8.8 cents/lb compared to the previous year, we expect correspondingly higher treatment and refining charges starting in calendar year 2023.
- » In fiscal year 2022/23, the market trend for copper scrap is difficult to forecast due to the short-term nature of the business. We generally expect a stable market environment.
- » Because of the current market situation for sulfuric acid, we expect a significantly reduced contribution to earnings from sulfuric acid revenues compared with the previous year.
- » We have also hedged the prices of parts of our metal gain.
- » The Aurubis copper premium was set at US\$ 228/t for calendar year 2023 (previous year: US\$ 123/t).
- » We expect energy costs to remain high in fiscal 2022/23 based on current energy price developments. We can absorb price risks to a limited extent without hedging activities. At the time this report was compiled, it was difficult to anticipate the effects of any compensation arrangements resulting from government intervention in the energy market. Moreover, CO₂ electricity price compensation takes effect with a time lag.
- » A significant portion of our revenues is based on the US dollar. We have already hedged significant portions of the US dollar results as part of our hedging strategy.

We expect stable plant availability at the level of the previous year overall for fiscal year 2022/23.

Overall, we expect an operating EBT between € 400 million and € 500 million and an operating ROCE between 11 % and 15 % for the Aurubis Group for fiscal year 2022/23.

In the Multimetal Recycling segment, we expect an operating EBT between € 100 million and € 160 million and an operating ROCE between 11 % and 15 % for fiscal year 2022/23. The lower ROCE compared with the previous year is partly due to the significant increase in investing activities.

In the Custom Smelting & Products segment, we expect an operating EBT between € 350 and 410 million and an operating ROCE between 15 % and 19 % for fiscal year 2022/23.

Interval forecast for 2022/23 according to Aurubis' definition

	operating EBT in € million	operating ROCE in %
Group ¹	400–500	11 - 15
Multimetal Recycling segment	100–160	11–15
Custom Smelting & Products segment	350–410	15–19

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 the measurement effects, listed below, for internal management purposes. Accordingly, the presentation of the financial performance, assets, liabilities, and financial position is 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 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
- » Adjusting for unrealized reporting date-related effects of market valuations of energy derivative transactions
- » Eliminating any non-cash effects deriving from purchase price allocations.
- » Adjusting by effects deriving from the application of IFRS 5.

Compared with the previous year, the calculation has been changed in that, in line with the metal derivative transactions, unrealized reporting date-related effects of market valuations of energy derivative transactions are now also excluded from the calculation.

The adjustment effects in the metal derivatives businesses now include all Group companies and no longer just the smelter sites.

These adjustments to the derivation process led to a total of € -145 million adjustment to operating EBT as at the reporting date, from € 677 million to € 532 million, of which € -142 million is the result of the exclusion of energy derivative transactions.

An equivalent adjustment in the previous year would have improved operating EBT by € 28 million, from € 353 million to € 381 million. of which € 28 million is the result of the exclusion of energy derivative transactions.

Reconciliation of the consolidated income statement

in € million	Fiscal year 2021/22			Fiscal year 2020/21		
	IFRS	Adjustment effects	operating	IFRS	Adjustment effects	operating
		Inventories/ fixed assets			Inventories/ fixed assets	
Revenues	18,521	0	18,521	16,300	0	16,300
Changes in inventories of finished goods and work in process	321	-91	230	146	-222	-76
Own work capitalized	27	0	27	32	0	32
Other operating income	235	11	246	73	0	73
Cost of materials	-17,063	-314	-17,377	-14,637	-234	-14,871
Gross profit	2,041	-394	1,647	1,914	-456	1,458
Personnel expenses	-571	0	-571	-554	0	-554
Depreciation and amortization of intangible assets and property, plant, and equipment	-220	0	-220	-219	20	-199
Other operating expenses	-323	0	-323	-311	0	-311
Operational result (EBIT)	927	-394	533	830	-436	394
Result from investments measured using the equity method	19	-9	10	18	-8	10
Interest income	7	0	7	4	0	4
Interest expense	-17	0	-17	-18	0	-18
Other financial expenses	-1	0	-1	-9	0	-9
Earnings before taxes (EBT)	935	-403	532	825	-444	381
Income taxes	-220	121	-99	-212	115	-97
Consolidated net income	715	-282	433	613	-329	284

Prior-year figures have been adjusted. [Q Page 18](#)

Reconciliation of the consolidated statement of financial position

	9/30/2022			9/30/2021			
in € million	IFRS	Inventories/ fixed assets	operating	IFRS	IFRS 5	Adjustment effects Inventories/ fixed assets	operating
Assets							
Fixed assets	2,069	-34	2,035	1,958	9	-24	1,943
Deferred taxes	18	1	19	18	0	1	19
Non-current receivables and other assets	172	-114	58	37	0	-13	24
Inventories	3,553	1,351	2,202	2,804	62	-1,096	1,770
Current receivables and other assets	929	-23	906	716	44	-11	749
Cash and cash equivalents	706	0	706	942	23	0	965
Assets held for sale	0	0	0	138	-138	0	0
Total assets	7,447	-1,521	5,926	6,613	0	-1,143	5,470
Equity and liabilities							
Equity	4,258	-1,056	3,202	3,443	0	-769	2,674
Deferred taxes	638	-431	207	443	0	-310	133
Non-current provisions	121	0	121	291	2	0	293
Non-current liabilities	225	-5	220	503	1	-57	447
Current provisions	68	0	68	67	2	0	69
Current liabilities	2,137	-29	2,108	1,828	33	-7	1,854
Liabilities deriving from assets held for sale	0	0	0	38	-38	0	0
Total equity and liabilities	7,447	-1,521	5,926	6,613	0	-1,143	5,470

Prior-year figures have been adjusted. [Page 18](#)

Consolidated segment reporting

12 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	5,960,094	18,570,083	0	0		
Inter-segment revenues	5,315,462	694,193	0	0		
External revenue	644,632	17,875,890	0	18,520,522	0	18,520,522
EBIT	206,235	388,158	-60,918	533,475	394,178	927,653
EBT	205,322	389,676	-62,570	532,428	402,827	935,255
ROCE (%)	25.7	18.7				

12 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	5,128,016	16,272,904				
Inter-segment revenues	4,565,946	535,137				
External revenue	562,070	15,737,767	0	16,299,837	0	16,299,837
EBIT	259,803	183,969	-49,359	394,413	435,489	829,902
EBT	255,710	184,913	-59,421	381,202	444,093	825,295
ROCE (%)	35.4	11.2				

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	
	FY 2021/22	FY 2020/21	FY 2021/22	FY 2020/21	FY 2021/22	FY 2020/21
Wire rod	0	0	7,439,630	6,208,810	7,439,630	6,208,810
Copper cathodes	167,118	179,110	2,701,325	2,723,423	2,868,443	2,902,533
Precious metals	0	0	3,528,910	3,524,965	3,528,910	3,524,965
Shapes	0	0	1,741,202	1,211,104	1,741,202	1,211,104
Strip, bars, and profiles	0	0	1,669,685	1,457,566	1,669,685	1,457,561
Other	477,514	382,960	795,138	611,899	1,272,652	994,864
Total	644,632	562,070	17,875,890	15,737,767	18,520,522	16,299,837

Subsequent events

In the night of October 28, 2022, the IT systems of Aurubis were subject to a cyberattack. This meant that a large number of systems at Aurubis sites had to be shut down and disconnected from the internet as a preventive measure. Production was largely maintained. All major IT systems are now back in full operation. The impact on the Group's (operating) EBT is currently expected to be in the low single-digit millions.

The Supervisory Board also approved additional growth and investment projects.

No further significant events occurred after the reporting date.

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: Facility for the production of copper from copper concentrates.

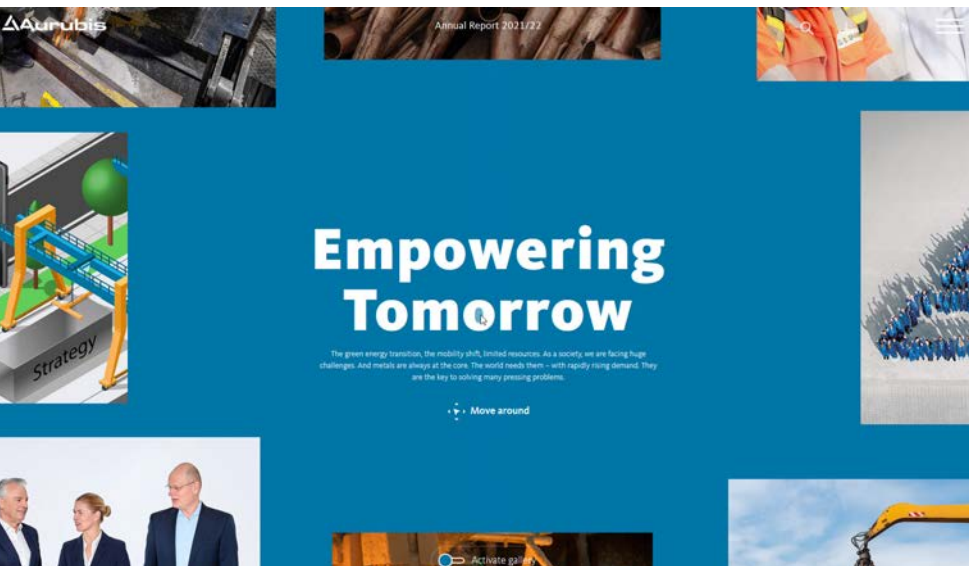
Recycling materials: Materials in a circular economy. They arise as residues from production processes or during the preparation of end-of-life products and rejects.

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

Secondary smelter: Production of 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 Annual Report 2021/22 and the live webcast on the release are available online at

www.aurubis.com/en/investor-relations/publications/AnnualReports.

Dates and Contacts

Financial Calendar

Quarterly Report First 3 Months 2022/23	February 6, 2023
Annual General Meeting	February 16, 2023
Interim Report on the First 6 Months 2022/23	May 11, 2023
Quarterly Report First 9 Months 2022/23	August 7, 2023
Annual Report 2022/23	December 6, 2023

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