



# Aurubis AG Annual General Meeting

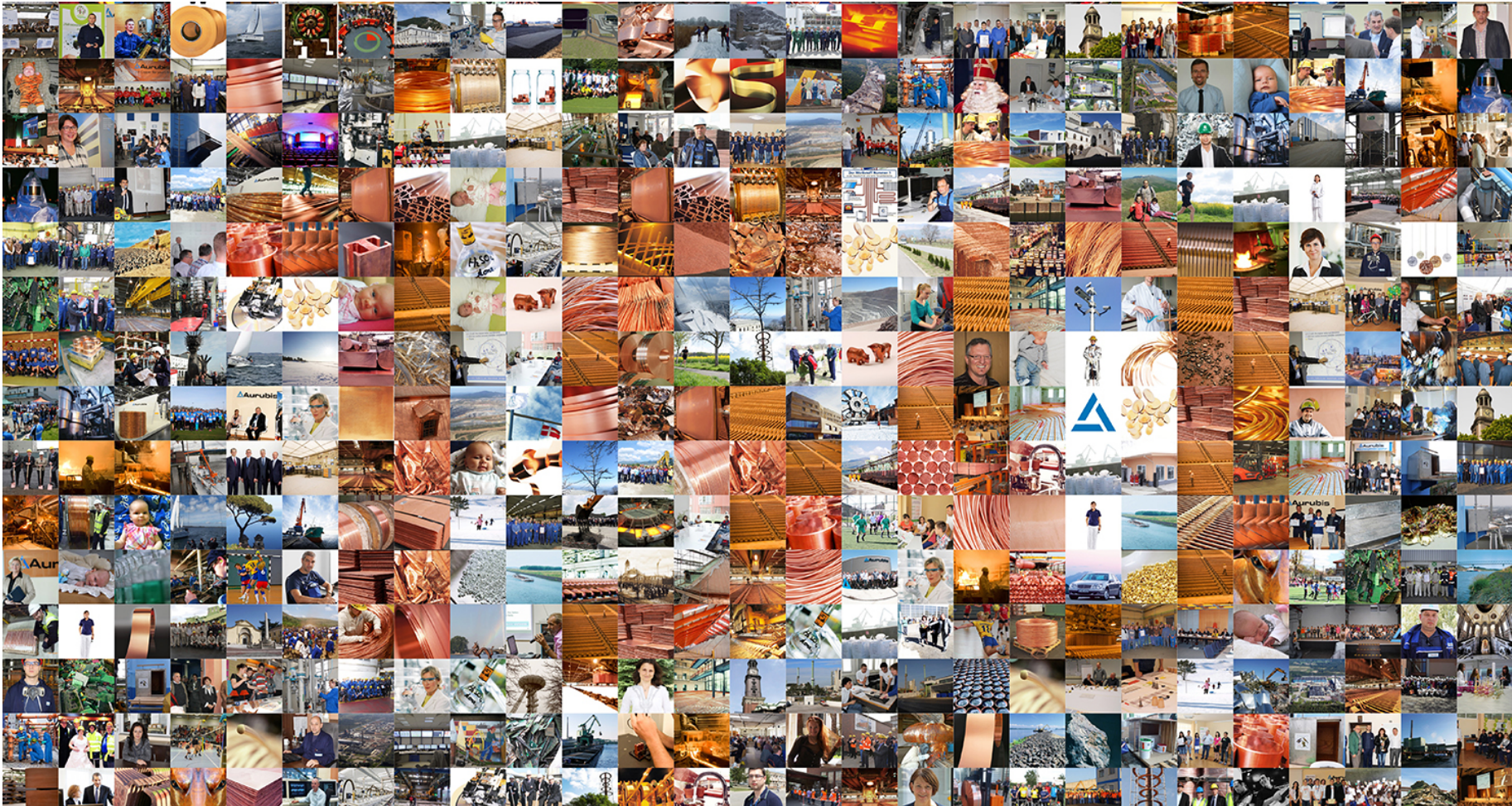
*Hamburg,  
March 2, 2017*

---

# Aurubis' business model: Productivity, efficiency, environmental protection and processing expertise



# 150 Years of Aurubis – 150 Years of the Future.



# Agenda

---



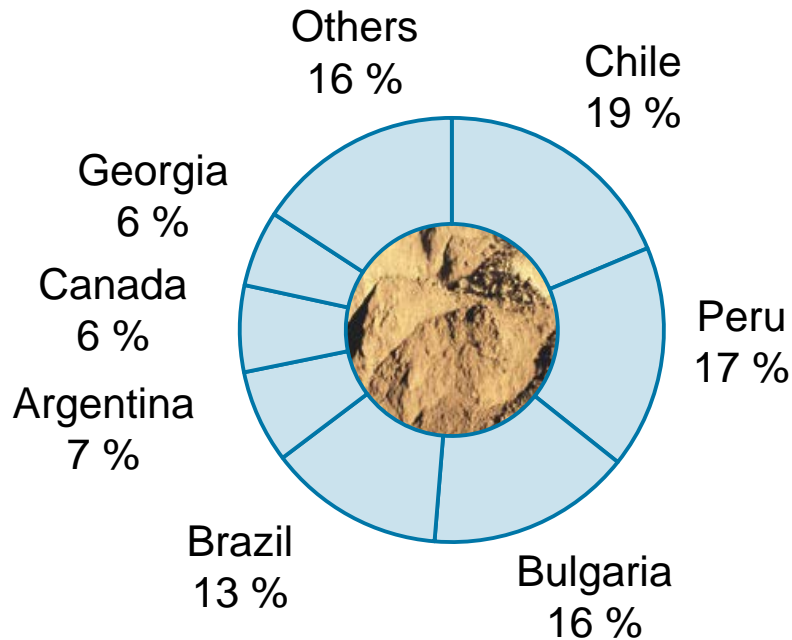
1. Fiscal year 2015/16

2. Q1 2016/17

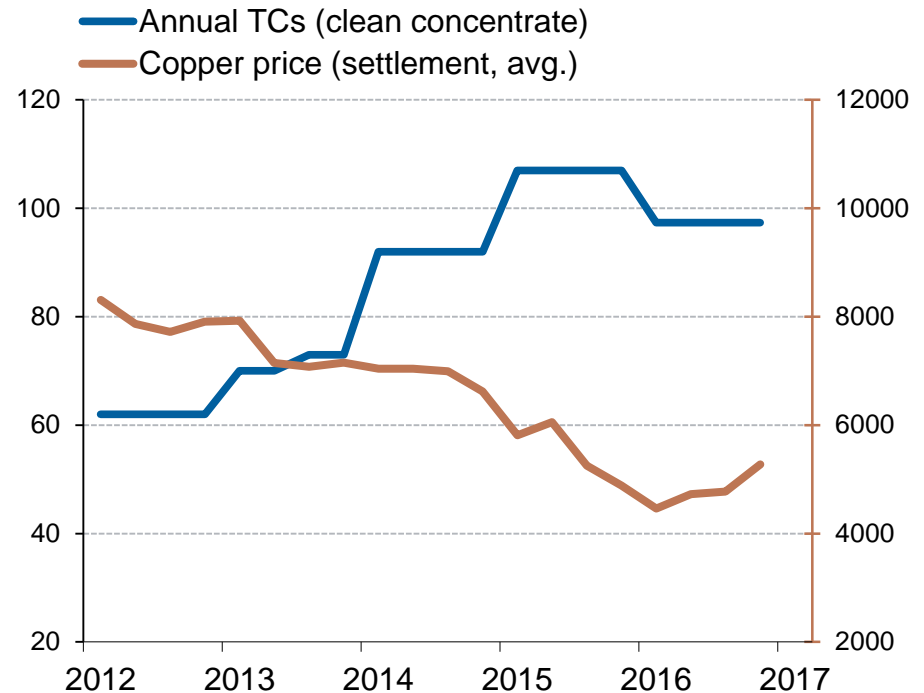
3. Outlook

# FY 2015/16: Secure concentrate supply, with treatment and refining charges at a good level

### Copper concentrate: Countries of origin



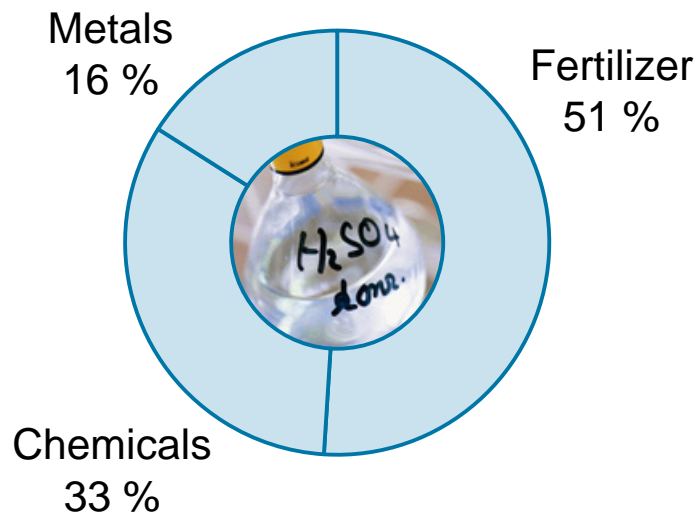
### TC trend for copper concentrate (in US\$/t)



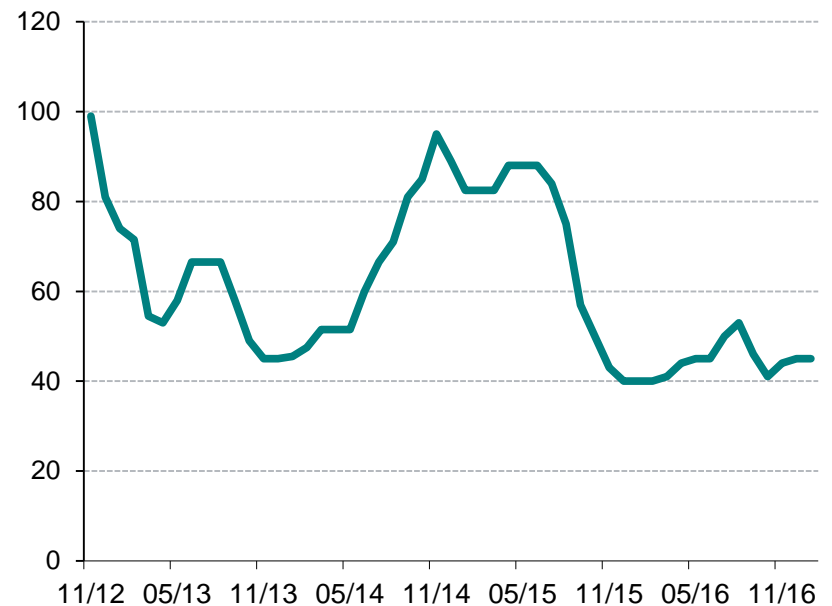
Source: Aurubis FY 2015/16

# Sulfuric acid in FY 2015/16: The fertilizer industry was the largest consumer; markets very volatile

Aurubis sulfuric acid sales by industry



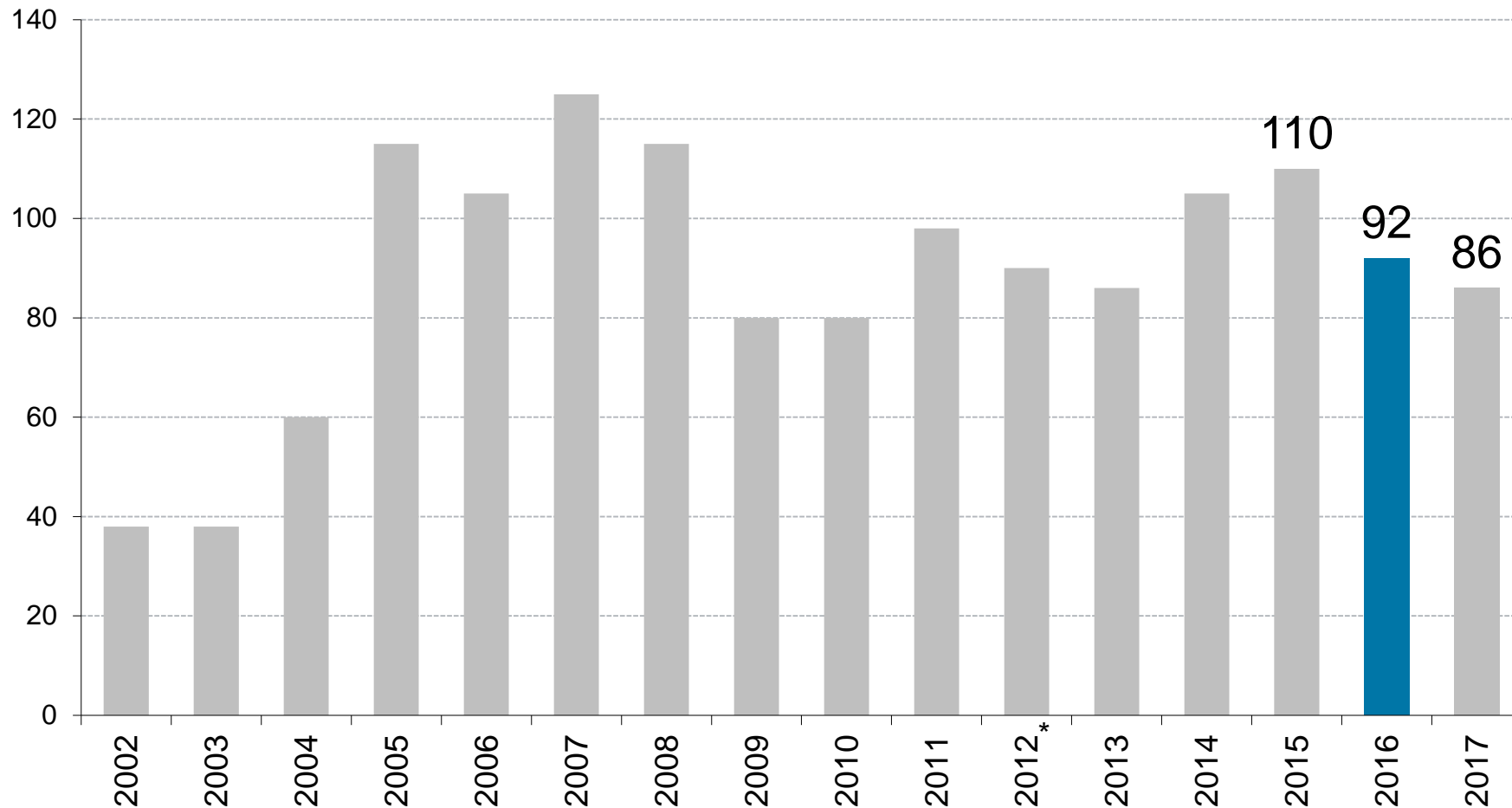
Sulfuric acid price  
(CFR Brazil spot, in US\$/t)



Source: Aurubis FY 2015/16

# European cathode premium

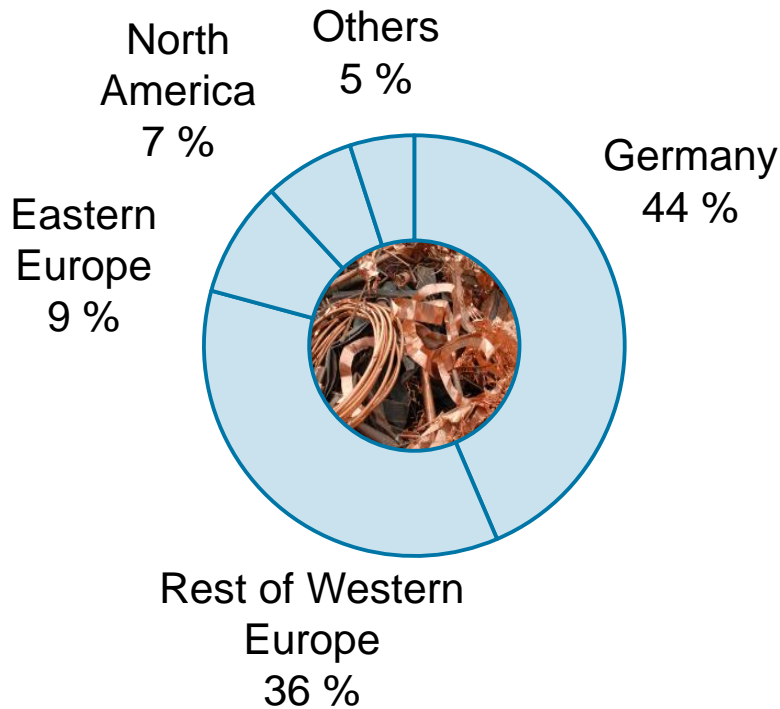
(in US\$/t)



\* from June 1, 2012: Aurubis cathode premium

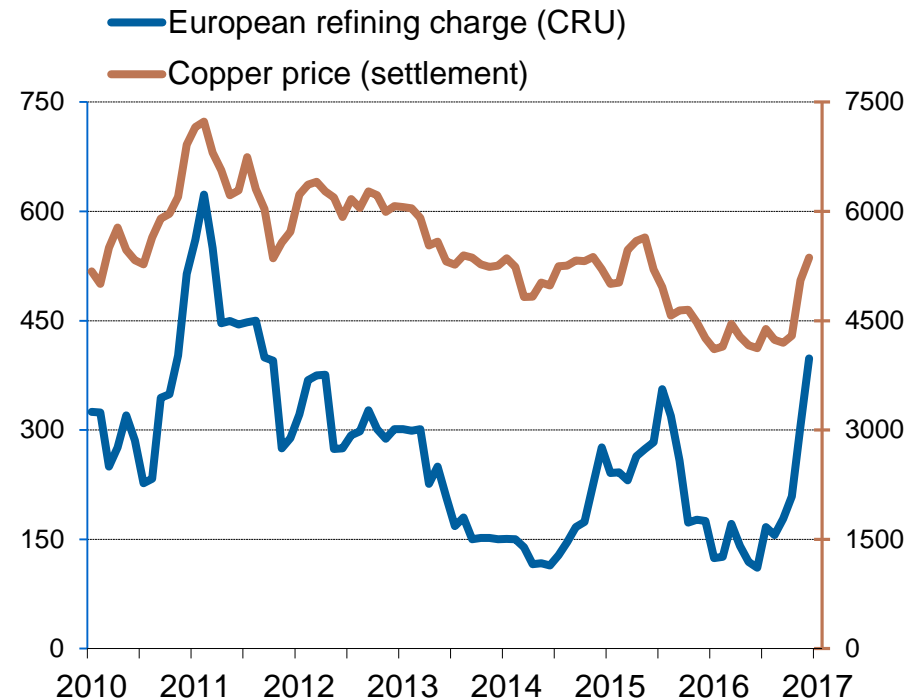
# FY 2015/16: Copper scrap supply limited due to metal prices, with pressure on refining charges

## Recycling materials: Countries of origin



## Refining charges for copper scrap and copper price

(in €/t Cu)



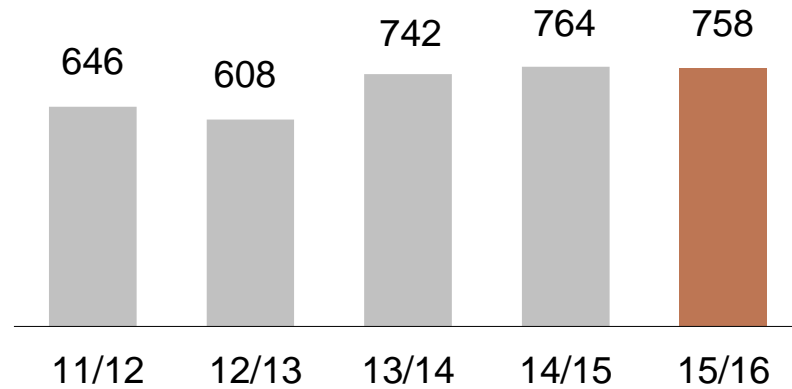
Source: Aurubis FY 2015/16



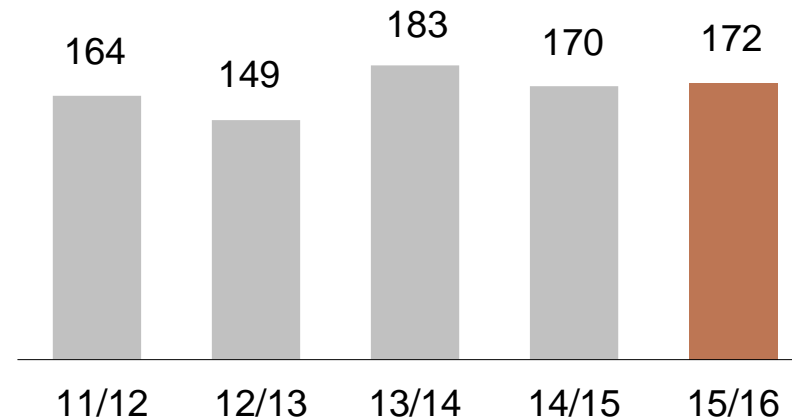
# Continuous cast wire rod and shapes



Wire rod output (in 1,000 t)



Shapes output (in 1,000 t)

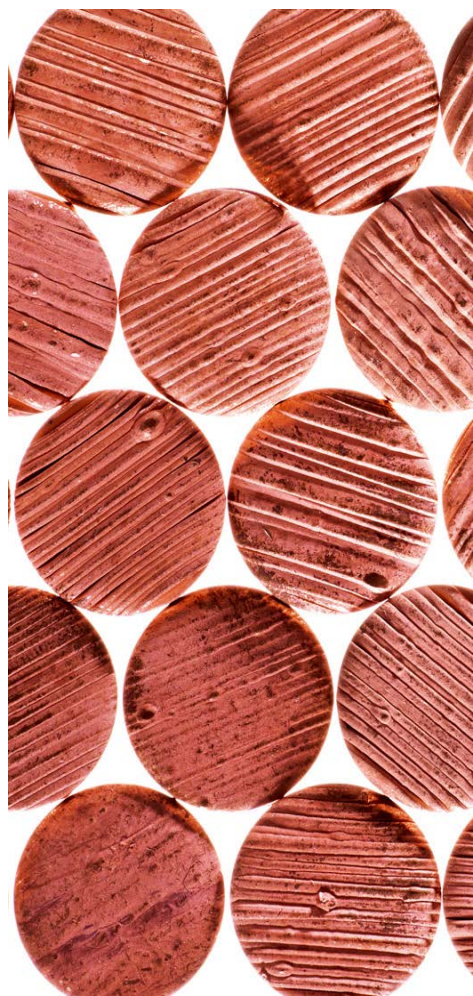


# Successful scheduled maintenance shutdown in Pirdop, Bulgaria



## Aurubis' 2015/16 results align with market expectations

---



	12M FY 2015/16	12M FY 2014/15
Operating EBT (€ million)	213	343
Net cash flow (€ million)	236	365
Operating ROCE (%)	10.9	18.7


## Very strong financial ratios in the Aurubis Group continue

(operating IFRS)

	9/30/2016 operating	9/30/2015 operating	Target
<b>Profitability</b>			
ROCE	10.9 %	18.7 %	15 %
<b>Capital structure</b>			
- Equity ratio (equity / total assets and liabilities)	47.8 %	46.9 %	> 40 %
- Fixed asset cover (equity / fixed assets)	130.3 %	127.2 %	> 120 %
- Intensity of investments (fixed assets / total assets and liabilities)	36.7 %	36.9 %	< 40 %
<b>Debt and interest coverage</b>			
- Net debt / EBITDA	0.1	0.1	< 3
- EBITDA / net interest expense	14.6	18.3	> 5
<b>Liquidity</b>			
- Quick ratio (current assets - inventories + finished products + credit lines / current liabilities)	138.1 %	156.3 %	> 100 %


# Business performance in the individual Business Units varied

## Operating results in the BUs (fiscal year 2015/16)

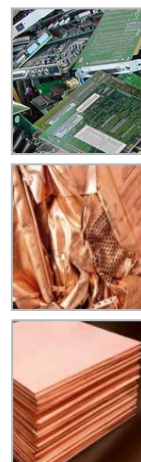


<b>BU Primary Copper</b>	FY 15/16	FY 14/15
EBIT (in €m)	154	271
EBT (in €m)	143	256
ROCE (%)	16.4	33.2

(Quantities in 1,000 t)

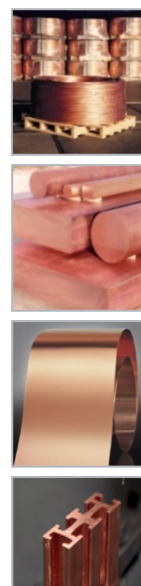


Concentrates	2,156	2,295
Copper scrap/ blister copper	108	119
Cathodes	584	615
Sulfuric acid	2,068	2,200
Gold (t)	42	45
Silver (t)	961	958



<b>BU Copper Products</b>	FY 15/16	FY 14/15
EBIT (in €m)	106	138
EBT (in €m)	101	130
ROCE (%)	9.7	12.4

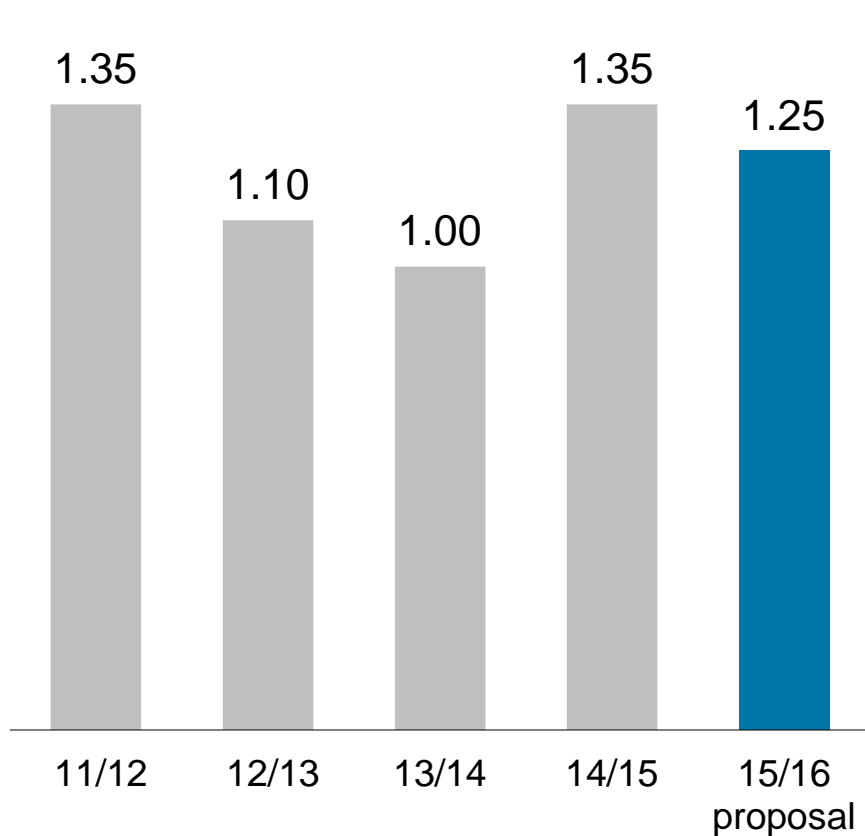
(Quantities in 1,000 t)



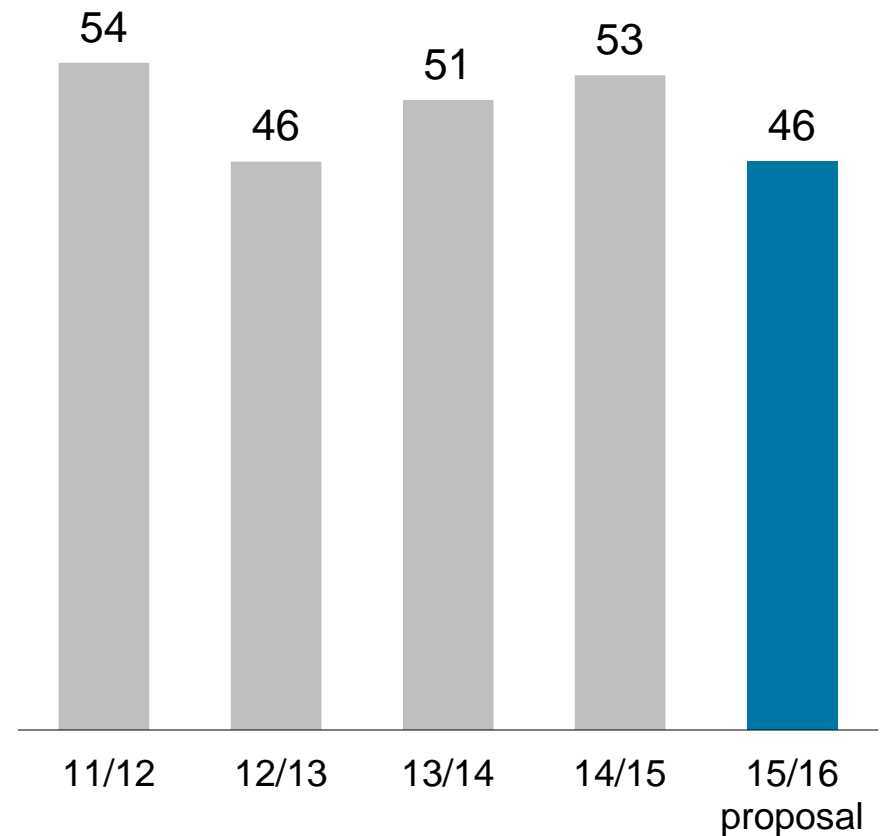
Copper scrap/ blister copper	311	289
KRS throughput	254	269
Cathodes	500	523
Rod	758	764
Shapes	172	170
Strip and wire products	218	216

Consistent with dividend policy, Executive Board and Supervisory Board propose a dividend of € 1.25

Aurubis dividend (in € per share)

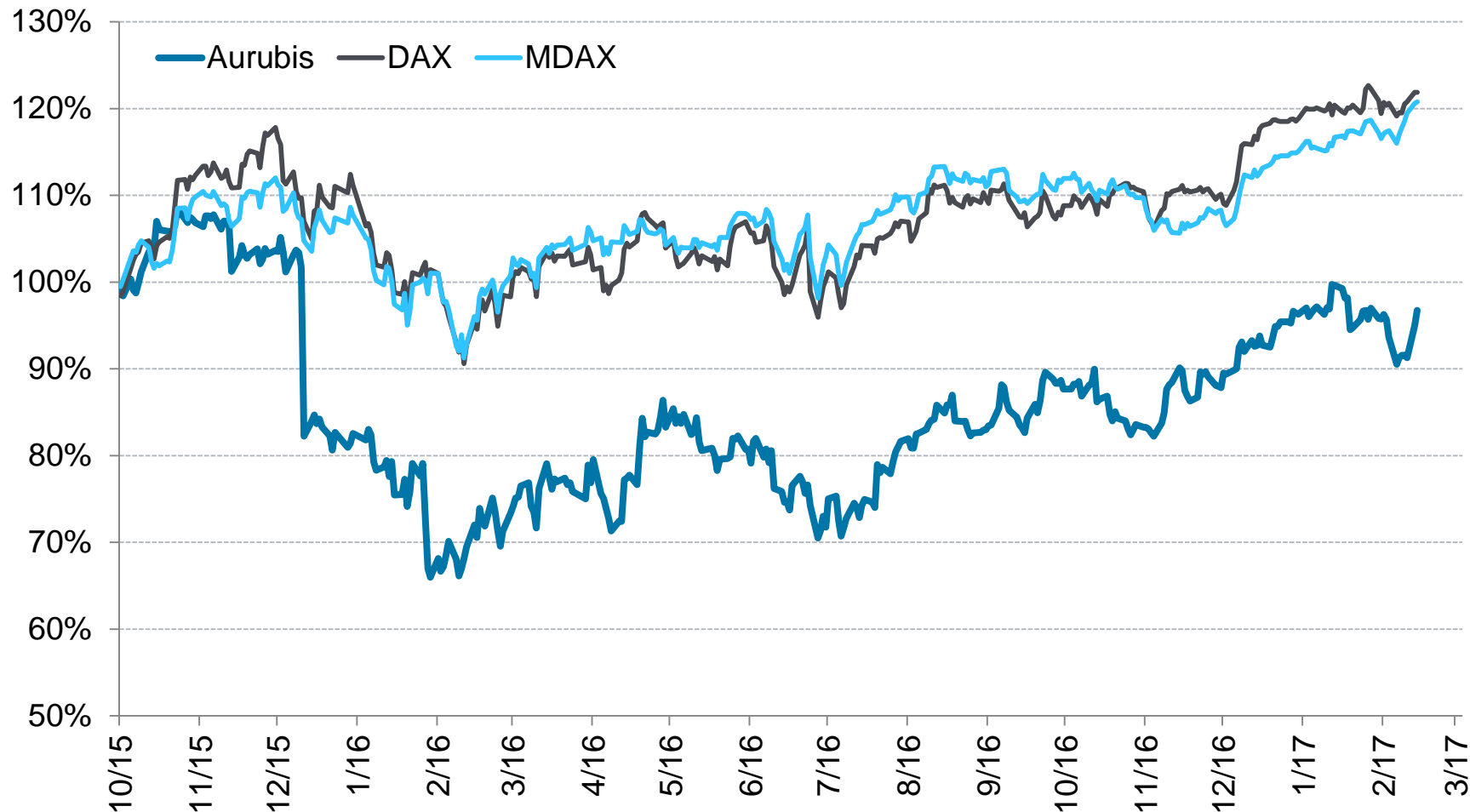


Payout ratio (in %)



# Development of Aurubis share price

Comparison of Aurubis shares with indices (Sept. 30, 2015 = 100 %)



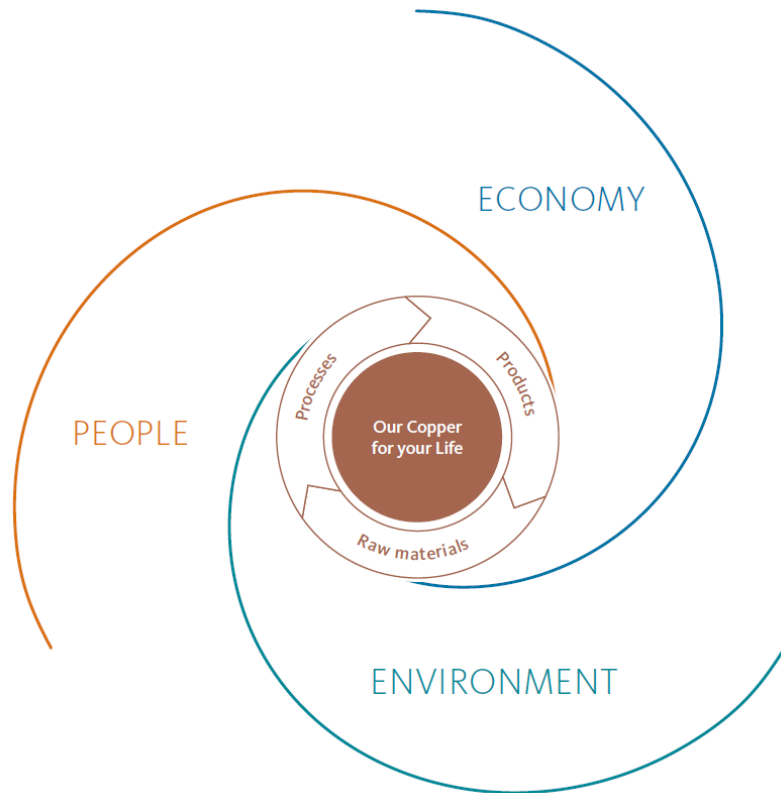
# Other important topics during the past fiscal year

## Aurubis Innovation Day 2016





# Sustainability is a fundamental issue at Aurubis



## Awards in FY 2015/16



2015: “Best Newcomer 2015”

2016: Inclusion in the Leadership Category,  
“Index Leader MDAX 2016”

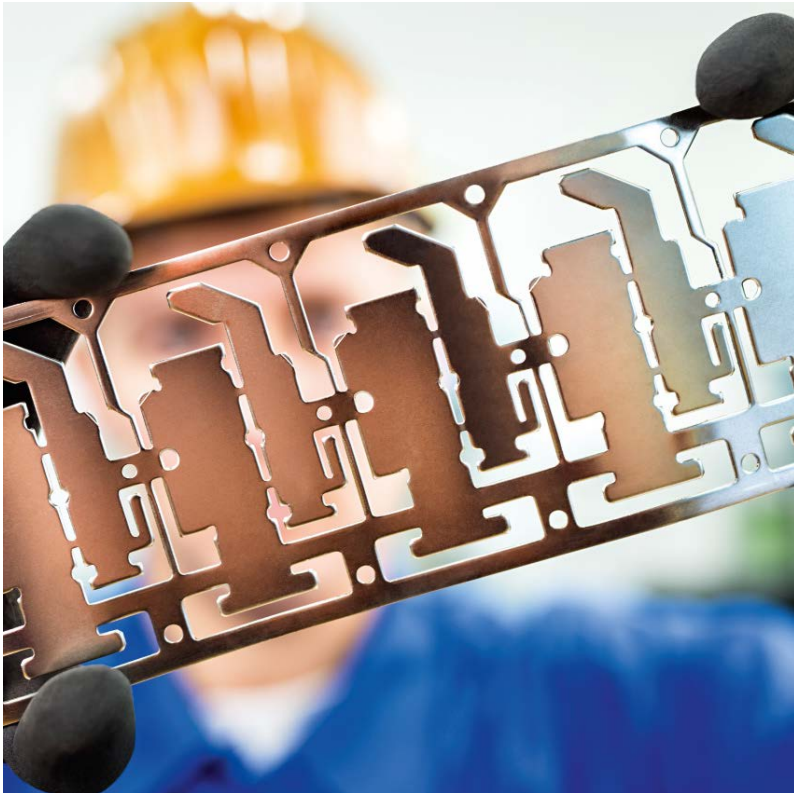


Lünen plant project “**Highly Efficient and Flexible Electricity Generation from Waste Heat**”; awarded the German Energy Agency’s “Best Practice in Energy Efficiency Label 2015”; saves 14,000 t CO<sub>2</sub> p.a.

# Use of Aurubis Hamburg's industrial waste heat to supply Hafencity East

## Route of district heat line



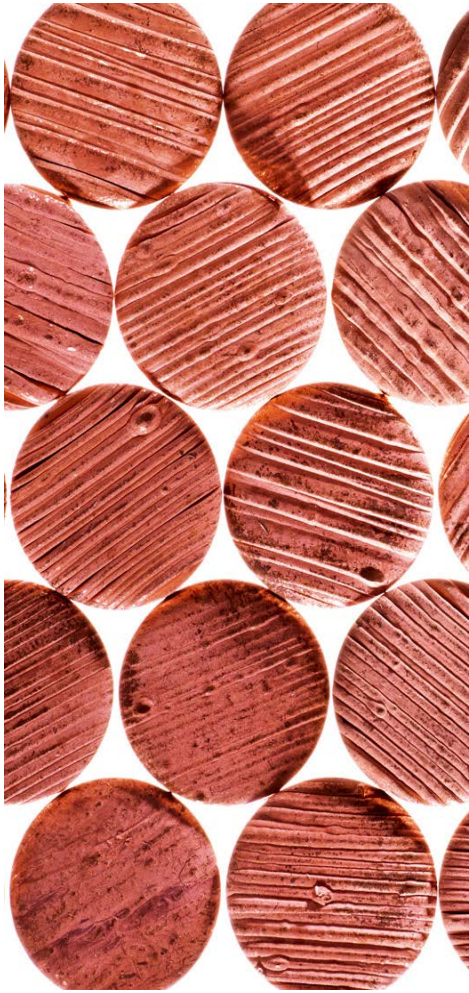


1. Fiscal year 2015/16

2. Q1 2016/17

3. Outlook

## Aurubis fulfills expectations in Q1 of fiscal year 2016/17



	3M FY 2016/17	3M FY 2015/16
Operating EBT (€ million)	18	36
Net cash flow (€ million)	-42	-23
Operating ROCE (%) <small>(based on operating EBIT for the last 12 months)</small>	9.5	17.5

# Aurubis confirms earnings forecast for 2016/17



Overall, we expect significantly higher operating EBT and slightly higher operating ROCE for the Group.

## Qualified comparative forecast according to Aurubis' definition

	Change in operating EBT	Operating ROCE delta as a percentage
At prior-year level	± 2 %	± 1.0
Slight	± 3-10 %	± 1-5
Significant	> ± 10 %	> ± 5

## Aurubis confirms earnings forecast for 2016/17

---

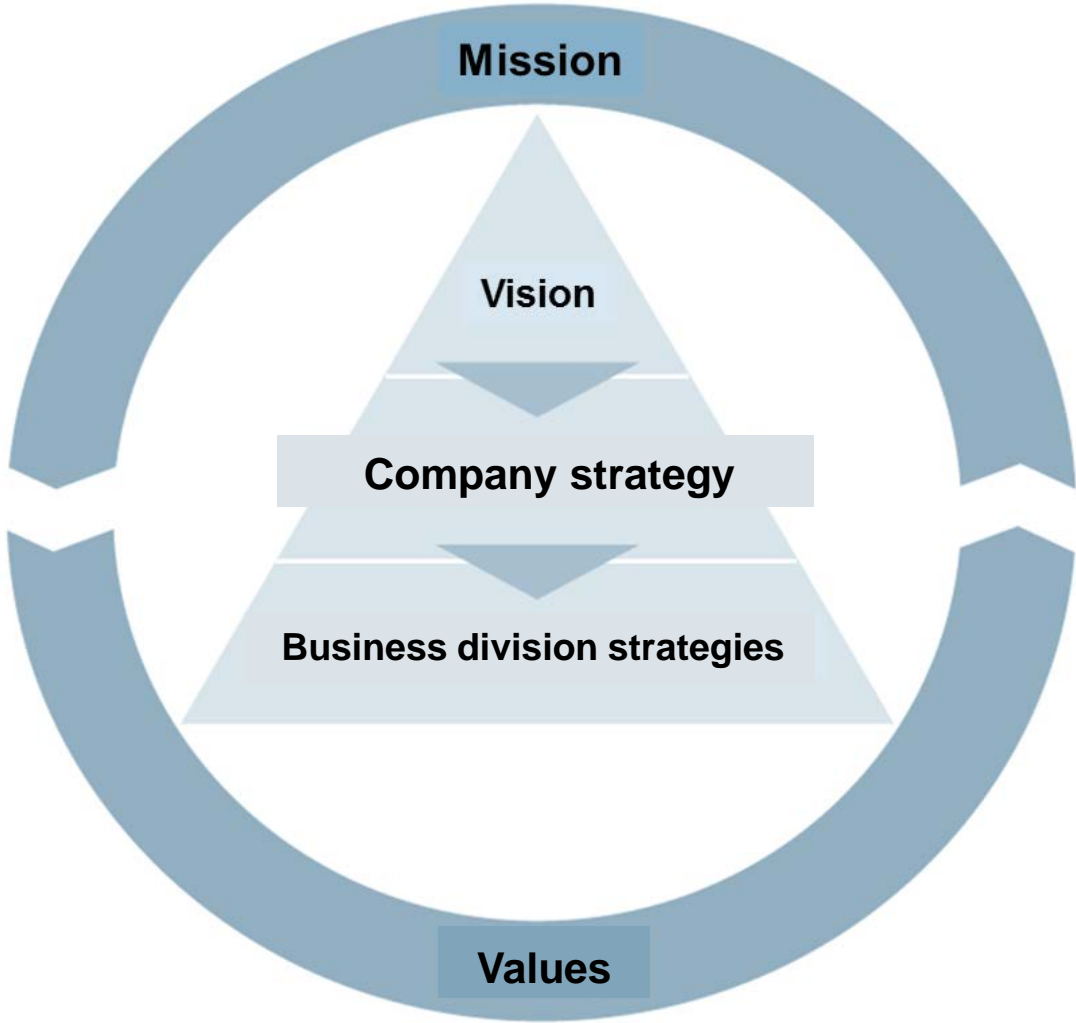
- » Satisfactory treatment and refining charges for copper concentrates
- » High capacity utilization expected at our primary copper smelters
- » No recovery of sulfuric acid prices
- » Cathode premiums reduced from US\$ 92/t to US\$ 86/t starting in our Q2 2016/17
- » Continued recovery on copper scrap markets with rising refining charges due to higher copper prices
- » Stable demand at prior-year level expected in copper product business
- » Started initiatives will influence the earnings trend in the current year, with significant positive contributions to earnings expected in future fiscal years
- » Strong US\$ supports the result
- » The January 2017 Reuters poll on the average copper price is at US\$ 5,364/t for 2017 and US\$ 5,437/t for 2018



1. Fiscal year 2015/16
2. Q1 2016/17
3. Outlook – Vision

Our starting position –  
Why do companies need a vision?

---



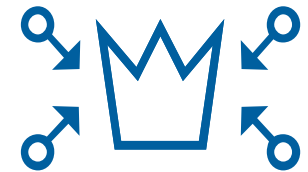


# Where we are: What makes us strong



More Than Copper –  
Expertise in  
Numerous Metals

**150 Years of Partnership** –  
We Deliver Quality



**> 6,400 x**

Passion and  
Engagement



Comprehensive  
**Know-how** –  
Regardless of Location  
and Area

**150** Years of Tradition



Eyes and Ears Open for  
**Market Developments**



# Our approach in the second half of 2016

---

## Our Starting Point 2016

Carry out three initiatives

- › Employee survey
- › Diagnosis of processes, systems and organization
- › Continuous Improvement



What does Aurubis stand for?

What does Aurubis want to become?

What will distinguish us in the future?

What do we want to achieve by 2025?



## Developing a Vision



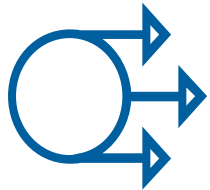
## Where we are: What the vision should achieve

---



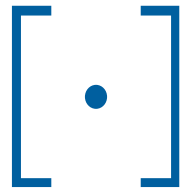
The Vision is our **Compass**:

It formulates **long-term objectives** regarding where we want to be in 2025 and what we want to be distinguished by.



The Vision **Drives Us Forward**:

It **motivates** us to jointly give our total commitment each day.



The Vision is a **Bracket**:

It aligns the actions of all employees at all global locations with a **common goal**.

VISION 2025

Ps

Passion  
for metallurgy

VISION 2025

Pg

Metals  
for progress

VISION 2025

Tg

Together  
with you

Our Vision 2025



# Our vision: How we understand it

---

1 |

## **We excel in metallurgy:**

Fostered by innovation, we are the leader in sustainable processing of primary and secondary raw materials.

2 |

## **We grow:**

Building on our copper expertise, we expand our business model and strengthen our geographical footprint, ensuring superior financial performance.

3 |

## **We are the partner of choice:**

Together with our customers and suppliers, we develop value-creating solutions.

4 |

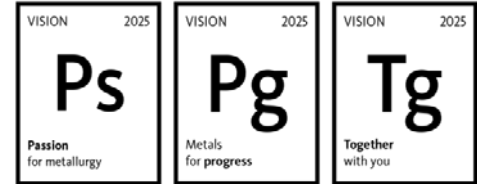
## **We act as one team:**

While strengthening the individual capabilities of each employee, we shape the future of Aurubis as one team.

5 |

## **We improve every day:**

In everything we do, we set continuous improvement as a guiding principle.

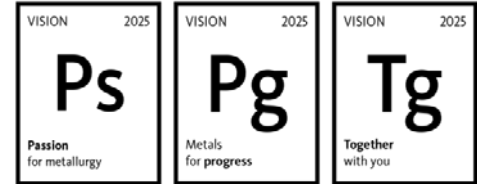


# Our vision: How we understand it

1 |

## We excel in metallurgy:

Fostered by innovation, we are the leader in sustainable processing of primary and secondary raw materials.



2 |

### What this means in concrete terms

- › We're the experts when it comes to metallurgy
- › Our innovations improve our processes
- › We're the no. 1 processor of polymetallic raw materials
- › We clearly stand out in the processing of complex primary and secondary raw materials
- › We are leaders in sustainability and promote the energy transition

3 |

### A glimpse of the future:

Our metals will also enable innovations in 2025

*Personalized Configuration*

**Augmented Reality**

**Self-learning Car**

**Artificial Intelligence**

**Active Windows Display**



4 |



Hybrid car: up to  
**33 kg** copper



Electric car: up to  
**50 kg** copper

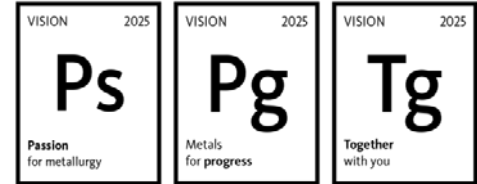
5 |

# Our vision: How we understand it

1 |

## We grow:

Building on our copper expertise, we expand our business model and strengthen our geographical footprint, ensuring superior financial performance.



2 |

### What this means in concrete terms

- › Copper remains a main metal, while other metals are gaining in importance
- › We are moving closer to mines and collection points for recycling materials. We do not operate any mines
- › Demand trends determine our portfolio of by-metals
- › We internationalize purchasing and sales activities, and our production network where applicable
- › We create new, digitalized business models

### A glimpse of the future: What a newspaper in 2025 might say about Aurubis



3 |

4 |

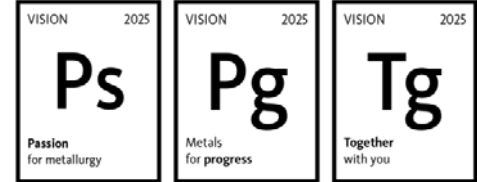
5 |

# Our vision: How we understand it

1 |

## We are the partner of choice:

Together with our customers and suppliers, we develop value-creating solutions.



2 |

## What this means in concrete terms

- › Our metallurgical expertise offers our business partners the package they need
- › We make the most complex raw materials usable
- › We develop specific solutions with the best quality standards
- › We use digital channels to exchange ideas with our partners
- › We implement our ideas quickly and bring them to the market

3 |

## A glimpse of the future:

What could a business partner say about us in 2025?



“ Close communication with Aurubis enabled us to develop ore bodies which had previously been considered unusable. Aurubis is the only company in the world that offered us a solution for this. ”

“ My Aurubis Customer App simplifies my processes: I have the perfect overview of inventories at all sites – and in real time. ”

“ Together with its network of partners, Aurubis collects all the electronic devices we produce which are no longer functional and recycles them according to the highest standards. All our products carry the Aurubis certificate. ”

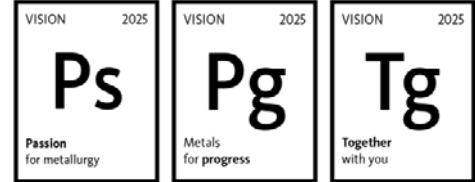


# Our vision: How we understand it

1 |

## We act as a team:

While strengthening the individual capabilities of each employee, we shape the future of Aurubis as one team.



2 |

### What this means in concrete terms

- › Our knowledge and our motivation are competitive advantages
- › We overcome silo-logic, share knowledge and realize synergies
- › We value, live and promote diversity
- › We have clear, common goals and a value system across all sites
- › Nobody is perfect – but a team can be

3 |

### A glimpse of the future:

What an employee survey might reveal in 2025

**87 %** of respondents think that their team works well or very well together



4 |

Percentage of those asked who know Aurubis' goals:

**95 %**

**2/3**

of those surveyed assess their development opportunities at Aurubis as good or very good

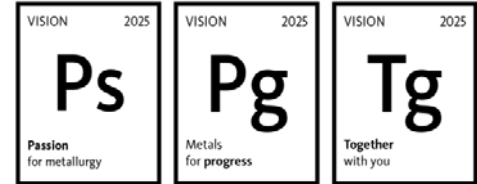
5 |

# Our vision: How we understand it

1 |

## We improve every day:

In everything we do, we set continuous improvement as a guiding principle.



2 |

### What this means in concrete terms

- › Our ultimate goal is: 0 accidents
- › We strive for continuous improvement in production and administration
- › Our plants operate according to the highest efficiency requirements
- › There are clear roles and responsibilities
- › We deal with mistakes openly and constructively and learn from them

3 |

### A glimpse of the future: What could distinguish our work in 2025



- › Continuous improvement is practiced in all areas
- › 0 workplace accidents in the past 5 years
- › Aurubis sets the industry benchmark for production efficiency

4 |

5 |

# Our approach: How we achieve the vision



VISION 2025

Ps

Passion  
for metallurgy

VISION 2025

Pg

Metals  
for progress

VISION 2025

Tg

Together  
with you

Our Vision 2025





# Aurubis AG Annual General Meeting

*Hamburg,  
March 2, 2017*

---