

Corporate News

VERBIO AG: Positive business development in the first quarter of 2013/2014 and raising the earnings forecast for fiscal year 2013/2014

- Significant increase in biofuel production and revenue
- Increase in EBITDA to EUR 10.2 million and EBIT of EUR 4.7 million through consistent implementation of strategic realignment and the cost reduction program

Leipzig, November 7, 2013 – In the first quarter of 2013/2014 financial year, VERBIO Vereinigte BioEnergie AG generated sales of EUR 211.9 million, up 11 percent over the comparative value of the previous year and nearly 24 percent above Q4 2012/2013 sales. The operating profit (EBIT) for the first quarter of 2013/2014 was reported at EUR 4.7 million (Q1 2012/2013: -3.3 million). Consolidated earnings before taxes (EBT) for the reporting period amounted to EUR 3.8 million (Q1 2012/2013: EUR -4.2 million), while the profit for the period was EUR 3.6 million (Q1 2012/2013: -4.3 million). This resulted in earnings per share (un/diluted) of EUR 0.06 (Q1 2012/2013: EUR -0.07).

The significant increase in sales and earnings is due, on the one hand, to the consistent implementation of our cost reduction program and our change in strategy regarding raw material purchasing, and on the other hand, to the improvement of the political and economic conditions for the biofuel market in Europe. The earnings trend shows that in a market environment which is not distorted by subsidized imports, VERBIO AG is able to produce and market competitive, sustainable biofuels.

The amount of biodiesel and bioethanol produced in the first three months of financial year 2013/2014 was 153,134 tons, after 116,542 tons in the same period of the previous year and 115,869 tons in the previous quarter, representing a significant increase of 31 and 32 percent respectively. Corresponding to the increase in production and sales levels, material costs in the first quarter of 2013/2014 amounted to EUR 192.7 million (Q1 2012/2013: EUR 183.2 million). The gross profit margin for the first quarter of 2013/2014 amounted to EUR 18.2 million and therefore improved by EUR 2.5 million or 15.9 percent. Personnel expense reduced by 10.0 percent or EUR 0.6 million to EUR 5.6 million and other operating expenses decreased by 4.0 percent or EUR 0.3 million to EUR 6.7 million. This resulted in EUR 7.7 million higher earnings before interest, taxes, depreciation and amortization (EBITDA) which are reported with EUR 10.2 million.

The positive development of operating cash flow and the successful use of funds resulted in a portfolio of cash and cash equivalents, including cash with drawing restrictions, in the amount of EUR 30.7 million as of the reference date.

As of September 30, 2013, VERBIO's equity ratio displayed an increase by 3.4 percentage points (September 30, 2013: 46.8 percent; June 30, 2013: 43.4 percent).

Development of the segments

A clearly noticeable relaxation on the biodiesel market leads to a positive segment result

VERBIO's biodiesel capacities were utilized in the first quarter of 2013/2014 at a rate of 91.9 percent, which is almost full capacity. Overall, during this period, 103,364 tons of biodiesel were produced, which is significantly more than in the comparable period (Q1 2012/2013: 80,258 tons).

VERBIO Vereinigte BioEnergie AG

Anna-Maria Schneider
Investor Relations/Public Relations
Augustusplatz 9, 04109 Leipzig
Phone: +49 341 308530-294
Fax: +49 341 308530-998
Email: ir@verbio.de / pr@verbio.de

Corporate News

This is due to the decline in imports of subsidized biodiesel from Argentina and Indonesia, as well as the declining amounts of UCOME (biodiesel from used cooking oil) due to the ongoing market turbulences since 2012.

In the first quarter of 2013/2014, sales revenues of EUR 124.4 million (Q1 2012/2013: EUR 132.8 million) were achieved in the biodiesel segment. The decline in sales with simultaneously higher production and sales volumes was due to lower selling prices as well as the decline of commercial transactions. Material costs amounted to EUR 112.9 million, after EUR 127.7 million in the first quarter of 2012/2013. Overall, the gross margin increased significantly as a result of higher sales, lower raw material costs and more achievable margins. Segment operating profit improved clearly and amounted to EUR 4.6 million, compared to EUR -3.9 million in the comparable period of 2012/2013.

Stronger demand is pushing bioethanol production by 37 percent

With the production of 49,770 tons of bioethanol in the first quarter of 2013/2014, the amount produced was 37 percent higher) than in the corresponding period of the previous year (Q1 2012/2013: 36,284 tons). Capacity utilization was 73.7 percent. In total, sales of EUR 80.4 million including commercial transactions (Q1 2012/2013: EUR 52.3 million) have been recorded for the bioethanol sector in the first quarter of 2013/2014. The cost of materials was EUR 73.6 million (Q1 2012/2013: EUR 51.9 million). Segment operating income for the first quarter of 2013/2014 was reported at EUR 1.6 million, after EUR 0.9 million in the first quarter of 2012/2013. The previous year's result was positively impacted by commodity futures in the amount of EUR 2.4 million.

Positive business development allows the Management Board to increase its earnings forecast for financial year 2013/2014

In light of the positive outcome of the first quarter of 2013/2014 and the currently looming backlog for the coming quarters, the Management Board has revised its earnings forecast for fiscal year 2013/2014.

For financial year 2013/2014, VERBIO expects sales in the range from EUR 600 million to EUR 700 million, EBITDA in the amount of EUR 25.0 million (increased from approximately EUR 17.0 million previously) and a largely balanced operating result (EBIT, previously: EUR -5.0 million). This guidance is including the result from discontinued operation. The amount of sales is highly dependent on the prices of raw materials and biofuels in the markets and the extent of individually concluded transactions involving fossil and biogenic fuels. In addition, the operating profit in the current financial year will be affected by liabilities from the still ongoing trading activities and pending sale of Märka warehouse locations.

The financial interim report 1 2013/2014 contains detailed information about the business development in the first quarter 2013/2014 and is available for download from 8:30 a.m. (www.verbio.de).

VERBIO Vereinigte BioEnergie AG

Anna-Maria Schneider
Investor Relations/Public Relations
Augustusplatz 9, 04109 Leipzig
Phone: +49 341 308530-294
Fax: +49 341 308530-998
Email: ir@verbio.de / pr@verbio.de

Corporate News

Information about VERBIO Vereinigte BioEnergie AG (VERBIO)

VERBIO is one of the leading independent producers and providers of biofuels and is at the same time the only large industrial producer of biodiesel, bioethanol and biomethane in Europe. The production capacity is at a rounded 450,000 tons biodiesel, 270,000 tons bioethanol and 480 gigawatt hours biomethane per year. In the production of its highly efficient fuels, the company uses energy-saving production processes and innovative technologies of own development. The biofuels of VERBIO achieve CO₂ reductions of up to 90 percent compared to petrol or diesel. VERBIO delivers its products directly to the European mineral oil conglomerates, mineral oil trading companies, independent gas stations, freight forwarders, municipal utilities and vehicle fleets. In addition, VERBIO markets high-quality pharma glycerine for the consumer goods and cosmetics industry (glycerine is gained as a by-product in biodiesel production). Within the group, VERBIO Vereinigte BioEnergie AG acts as Management Holding. The operative business is exercised by the subsidiaries, VERBIO Diesel Bitterfeld GmbH & Co. KG, VERBIO Diesel Schwedt GmbH & Co. KG, VERBIO Ethanol Schwedt GmbH & Co. KG, VERBIO Ethanol Zörbig GmbH & Co. KG and Märka GmbH. The VERBIO stock (ISIN DE000A0JL9W6 / WKN A0JL9W) has been listed at the Prime Standard of the Frankfurt stock exchange since October 2006.

Important notice

This corporate news contains forward-looking statements, which are based on assumptions and estimates of the company management of VERBIO Vereinigte BioEnergie AG. Although the company management is of the opinion that these assumptions and estimates are accurate, the actual future development and actual future results may differ significantly from these assumptions and estimates due to various factors. Among these factors may be, for example a change in the overall economic situation, legal and regulatory framework conditions in Germany and the EU, as well as changes within the industry. VERBIO does not assume any guarantee or liability for the consistency of the future development and the actual results achieved in the future with the assumptions and estimates expressed in this corporate news.

VERBIO Vereinigte BioEnergie AG

Anna-Maria Schneider
Investor Relations/Public Relations
Augustusplatz 9, 04109 Leipzig
Phone: +49 341 308530-294
Fax: +49 341 308530-998
Email: ir@verbio.de / pr@verbio.de