

The logo for Verbio, featuring the word "Verbio" in a bold, green, italicized sans-serif font.

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**Analyst's Conference  
Financial Year 2016/2017**

**VERBIO Vereinigte BioEnergie AG**

**Claus Sauter (CEO)**

**Leipzig, September 27, 2017**

## Disclaimer

This presentation contains forward-looking statements which are based on assumptions and judgements made by the management of VERBIO Vereinigte BioEnergie AG. Although the Company's management is of the opinion that those assumptions and estimations are realistic, actual future developments and future actual results may differ significantly from these assumptions and estimates due to a variety of factors. For example, these factors can include changes to the overall economic climate, changes to the legal and regulatory framework in Germany and the EU, and changes in the industry. VERBIO can give no guarantee and accepts no liability as to whether future development and the results actually achieved in future will match the assumptions and estimates made in this publication.

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**Market  
conditions**

## Legal environment

- A very negative stance towards biofuels in Brussels and Berlin
- GHG quota increases from **4%** in 2017 to **6%** in 2020
- GHG value of biofuels has improved further. The market volume for biofuels fell in the first six months of 2017
- Advanced biofuels with a minimum quota of 0.05% from 2020 increasing to 0.5% by 2025 planned

## Biomethane

- Tax benefit for natural gas continues, declining from 2024 to 2026
- CNG vehicle fleet declining with 77,000 passenger vehicles in 2016. Biomethane again in the focus of the automobile industry following “dieselgate”
- Volkswagen and selected industry partners plan to have one million CNG vehicles on the roads by 2025.

## Differential Export Taxes Biodiesel (DETs) / anti-dumping duties for Bioethanol

- EU commission approved the reduction of duties on hat Argentinian biodiesel. Pressure on biodiesel margins can be expected without any effective countermeasures from the EU
- Anti-dumping duties on bioethanol from the USA end in February 2018. Pressure on bioethanol margins can be expected if there is no extension

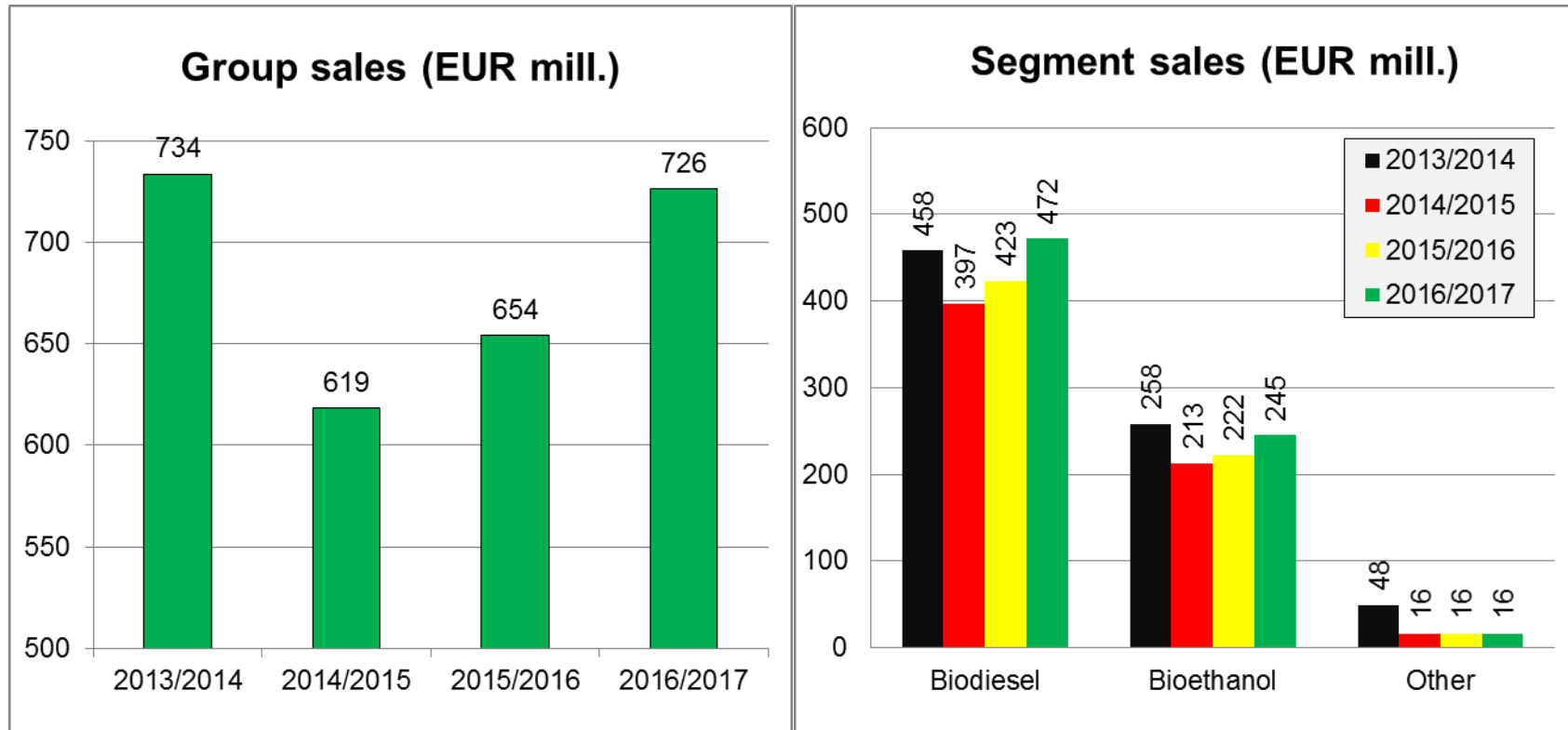
A large, stylized number '2' is positioned on the left side of the slide. The number is white and set against a green background that occupies the lower half of the slide. The '2' is thick and has rounded, organic shapes.

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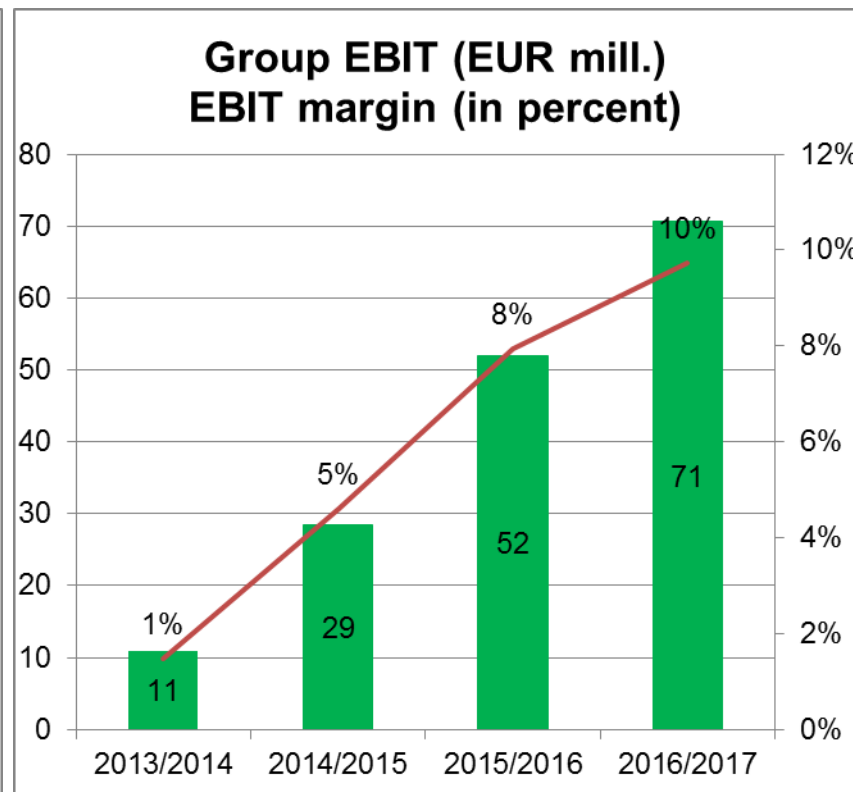
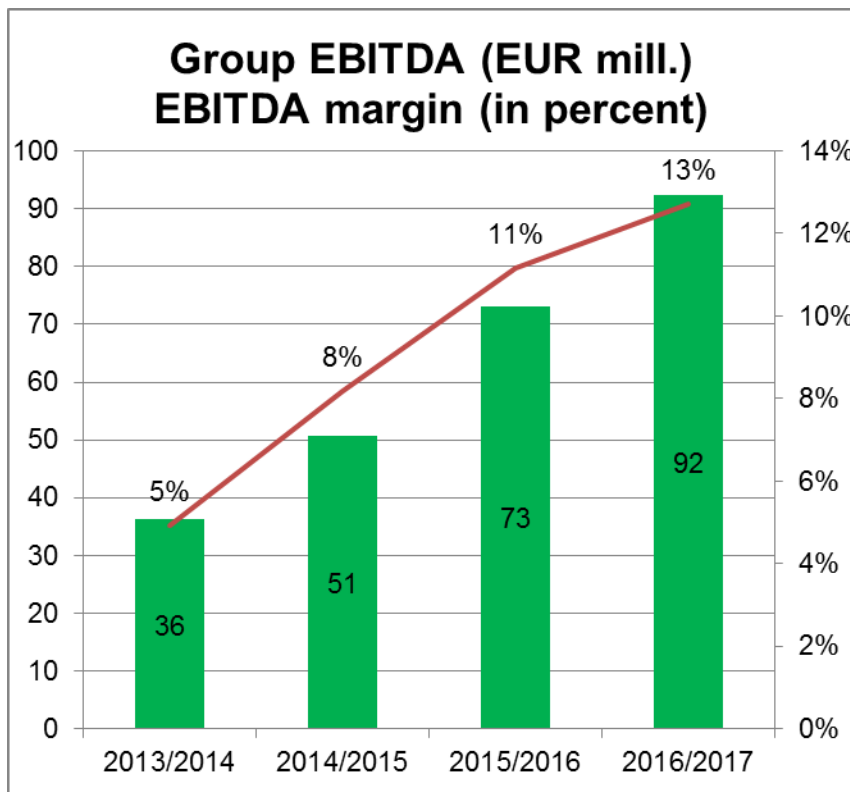
**Business performance  
of the VERBIO Group  
in the financial year  
2016/2017**

## 2.1 Group sales revenues



- Group sales in FY 2016/2017 include sales of biogenic fuels trading of EUR 24.4 mill. (PY: EUR 41.0 mill.) for margin and logistic optimisation
- Sales in the Other segment primarily include transport and logistics services of EUR 16.3 mill. (PY: EUR 15.8 mill.)

## 2.2 Development EBITDA and EBIT



- EBITDA 2016/2017 increased by EUR 19.3 mill. compared to PY as a result of further optimisation measures, higher production volumes and better market-margins
- EBIT 2016/2017 affected by higher depreciation due to additions to fixed assets. Depreciation 2016/2017 EUR 21.7 mill. (PY: EUR 21.0 mill.)



### 2.3 Key financials

EUR mill.	June 30, 2017	June 30, 2016	change
Production (mt)	722,137	688,362	4.9%
Sales revenues	726.4	654.3	11.0%
EBITDA	92.4	73.1	26.4%
EBIT	70.7	52.0	36.0%
EPS (EUR/share)	0.82	0.77	6.5%
Equity ratio (%)	79.4	78.7	
Operating Cash Flow	75.0	76.3	EUR -1.3 mill.
Liquid funds*	117.6	77.5	EUR 40.1 mill.
Net financial assets*	115.7	65.6	EUR 50.1 mill.

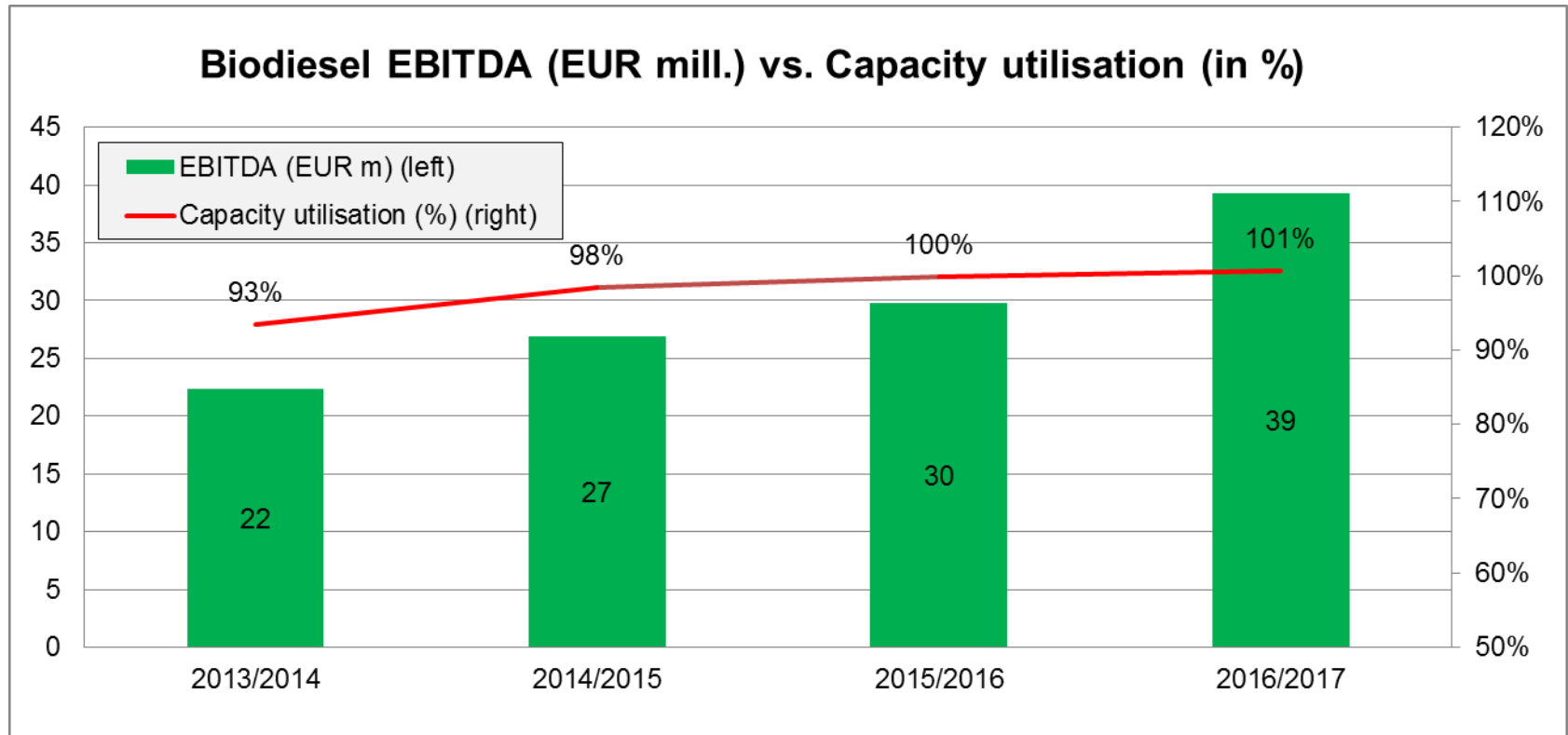
\* inkl. segregated accounts

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**Biodiesel  
segment**

## 3.1 EBITDA and capacity utilisation



- EBITDA increased in the financial year 2016/2017 primarily due to increased level of production capacity utilisation and better production margins
- Increased production capacity for sterols almost fully in use at the beginning of 2017. Production volumes marketed for medium term

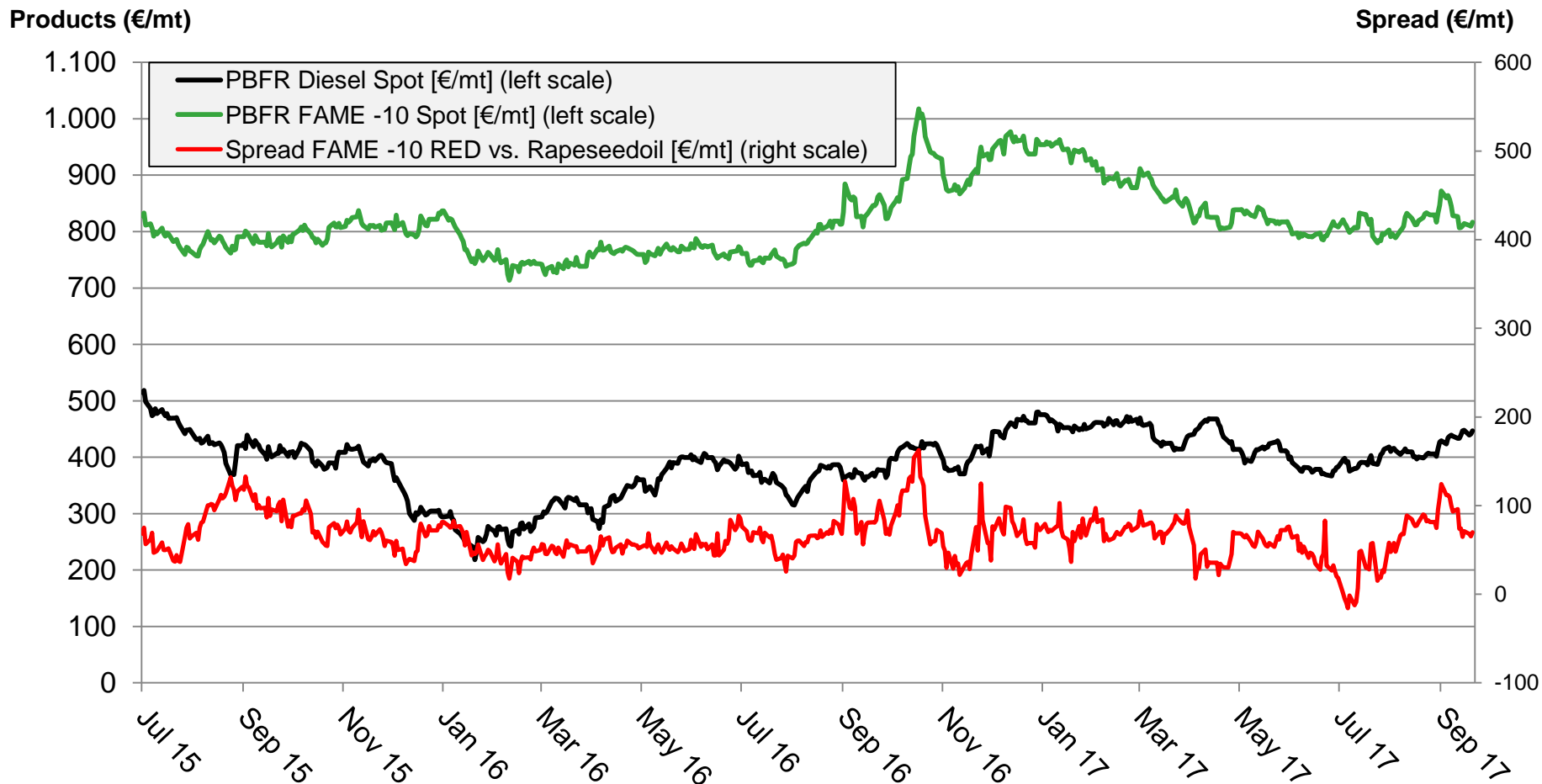
## 3.2 Key figures segment biodiesel

EUR mill.	2016/2017	2015/2016	change
Production (mt)	473,382	449,303	5.4%
Utilisation (percent)	100.7	99.9	
Sales	471.6	423.2	11.4%
EBITDA	39.3	29.8	31.9%
EBIT	34.6	25.3	36.8%
Employees	110	114	- 4

- 2016/2017 saw the highest level of annual production in the Group's history
- Market share increased
- Production capacity at the start of the financial year 2016/2017 increased to 470,000 tonnes annually (previously 450,000 tonnes). Capacity utilisation again exceeds 100%
- Investments of EUR 3.9 mill. (PY: EUR 4.4 mill) primarily to complete the sterol plant at VERBIO Diesel Bitterfeld

# 3. Biodiesel segment

## 3.3 Market price trends biodiesel, rapeseed oil and diesel



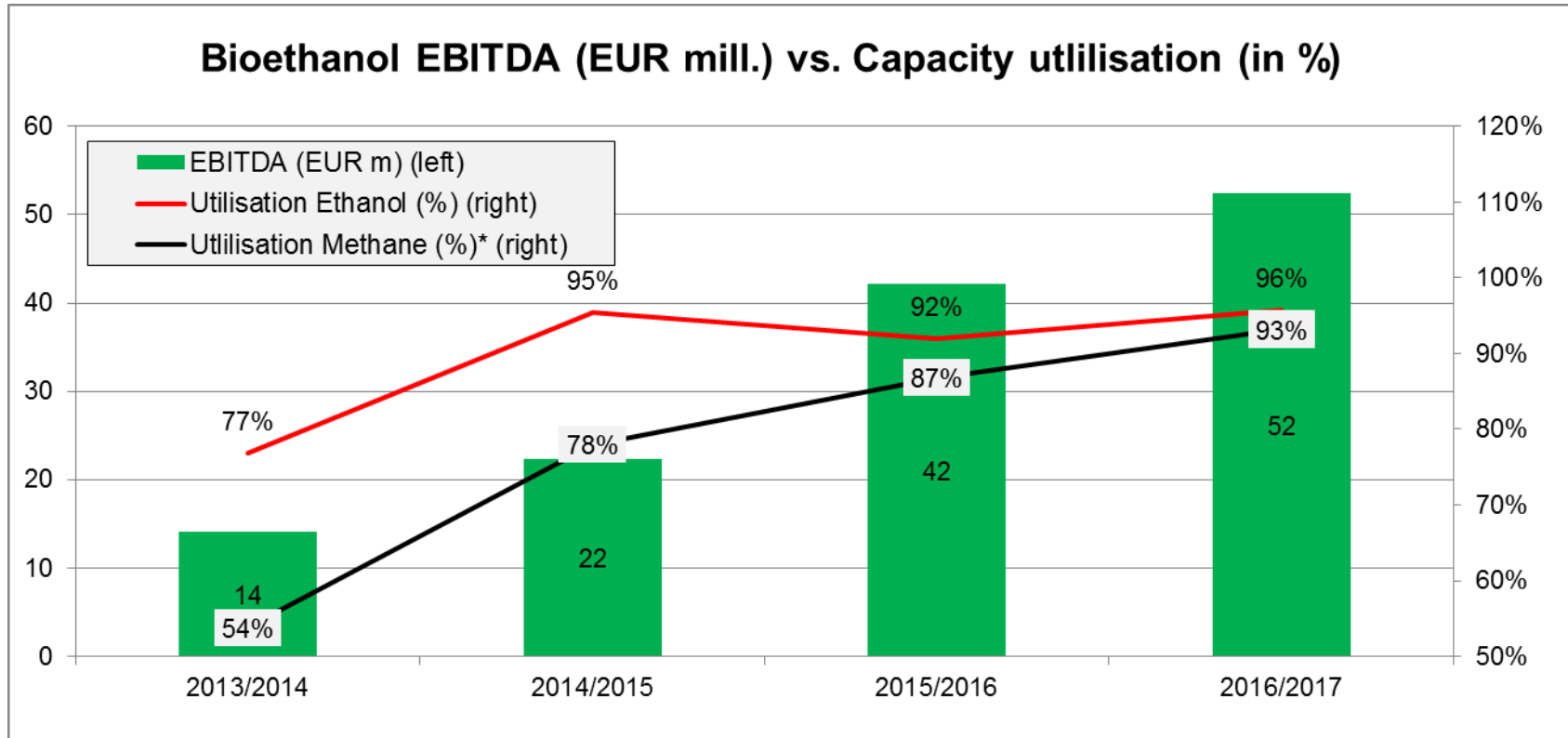
- Production margin decreased till beginning of July 2017
- Diesel sales in Germany increased by 4.5% between January to June 2017. Blending of biodiesel decreased during the same time by 7%, market share increased

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**Bioethanol  
segment**

## 4.1 EBITDA and capacity utilisation\*



\* Based on capacity of 600 GWh p.a. (prev. FY 480 GWh)

- Increased EBITDA in the financial year 2016/2017 is primarily a result of increased plant capacity utilisation of biomethane and bioethanol plants and good margins
- Building of new straw-biomethane plant at Pinnow (close to Polish border) has started, additional straw-biomethane projects are evaluated

## 4. Bioethanol segment

### 4.2 Key figures segment bioethanol

EUR mill.	2016/2017	2015/2016	change
Production (mt)	248,755	239,059	4.1%
Utilisation (percent)	95.7	92.0	
Production (GWh)	559.2	520.9	7.4%
Utilisation (percent)*	93.2	86.8	
Sales	245.2	222.1	10.4%
EBITDA	52.4	42.2	24.2%
EBIT	36.0	26.2	37.4%
Employees	252	227	25

\* Based on capacity of 600 GWh p.a. (prev. FY 480 GWh p.a.)

- Market share maintained. Production capacities nearly fully utilised
- Investments of EUR 14.5 mill. (PY: EUR 7.8 mill.), primarily for biomethane optimisation and increase in capacity at production sites Zörbig and Schwedt (Oder)

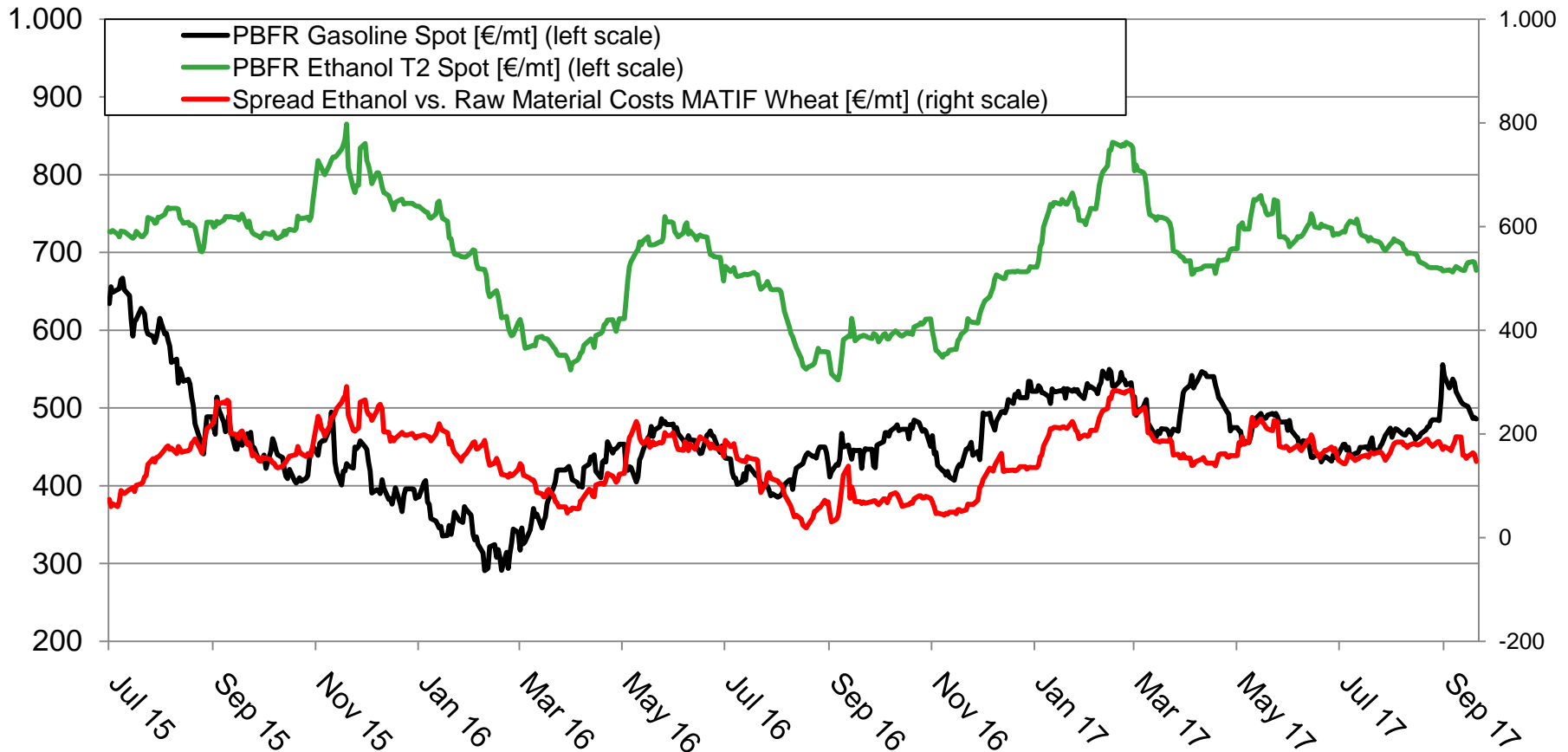


# 4. Bioethanol segment

## 4.3 Market price trends - gasoline, bioethanol and spread

Products (€/mt)

Spread (€/mt)



- Production margins for bioethanol with decreasing volatility
- Gasoline sales in Germany increased by 3.5% in period between January to June 2017, ethanol blending unchanged in same period

A large, stylized number '5' is rendered in white against a green background. The '5' is composed of thick, rounded shapes, with a circular cutout in the center of the lower loop. The overall design is modern and minimalist.

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**Outlook for the  
financial year  
2017/2018**

## Business performance outlook

### ■ Capacity utilisation:

Good capacity utilisation in all segments during 1<sup>st</sup> HY 2017/2018 expected

### ■ Market margins:

Biodiesel: Till Q3 2017/2018 good margins expected. Uncertainty from Q4 2017/2018 onwards regarding decreased penalty tax Argentina

Bioethanol: Till Q2 2017/2018 good margins expected. Uncertainty regarding development of margins concerning penalty tax US-Ethanol

### ■ CAPEX FY 2017/2018:

Approximately EUR 43.5 mill. including construction of a new straw-biomethane plant in Pinnow and an additional sterol plant as well as diverse optimisation and expansion projects

■ Proposed dividend of 20 cent/share for FY 2016/2017\*

### ■ Outlook FY 2017/2018:

EBITDA: around\*\* EUR 50 mill.

Net cash: around\*\*\* EUR 100 mill. (end of FY)

\* see additional information in the annual report 2016/2017

\*\* +/- 10 percent

\*\*\* higher volatility due to changes in working capital can not be excluded



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**Thank you for  
your attention!**

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VERBIO is a leading independent manufacturer and supplier of biofuels to Germany and Europe.

It produces biodiesel, bioethanol and bio-methane on an industrial scale at three sites, making us a one-stop shop for all the biofuels in current use.

*verbiodiesel*   *verbioethanol*   *verbio*gas

- Approximately 530 employees
- Three production sites in Germany
- Market share in Germany > 20%
- Export markets are (but not limited to) Netherlands, Poland, Czech Republic
- World's biggest bio-methane producer

## General Information

Stock Exchange: XETRA, Frankfurt

ISIN Code: DE000A0JL9W6

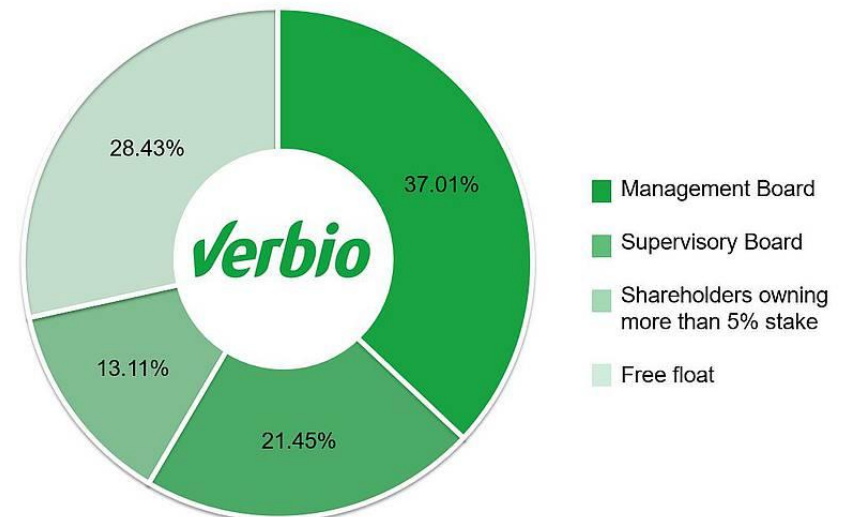
Primary Index: Prime All Share/ CDAX

TRBC Industry: Renewable Fuels

Average Turn Over: 135k shares p.d. XETRA

No. of Shares: 63m bearer shares

Market Cap: ca. EUR 800 mill.



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