

Pioneering  
green solutions

*Verbio*

# H1/Q2 2024/25

Claus Sauter (CEO), Olaf Tröber (CFO)

Earnings Call

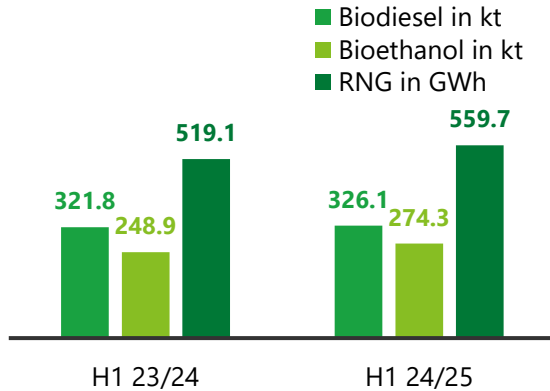
12.02.2025

# Disclaimer

This presentation contains forward-looking information, which is based on assumptions and estimates of the company management of Verbio SE. Even though company management believes that these assumptions and estimates are correct, the actual future development and actual future results can deviate substantially from these assumptions and estimates due to many factors. For example, these factors can include alteration of the economic situation, legal and regulatory constraints in Germany and the EU, and changes in the industry. Verbio assumes no liability and provides no warranty that future developments and actual future results will agree with the assumptions and estimates expressed in this presentation.

# Key figures in H1 2024/25

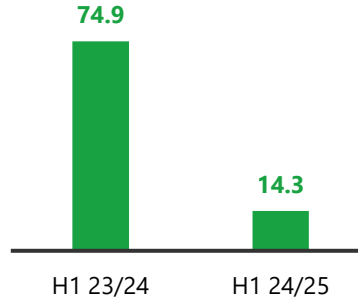
## Production in kt\* and GWh



\* thousand tonnes

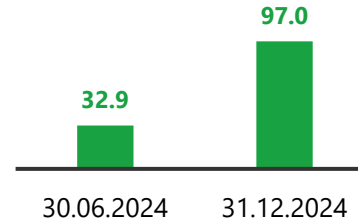
The +10% increase in ethanol production yoy is driven by a better utilization at SBE. The increase in RNG production is related to production growth in North America and India.

## EBITDA in € m



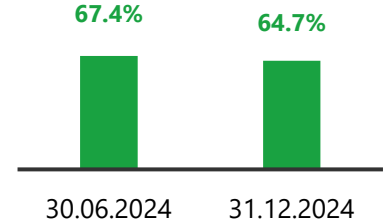
The decrease in EBITDA yoy is primarily due to market-related factors.

## Net debt in € m



The change in Net Debt is mainly driven by investments. The operating Cashflow remained positive despite market challenges.

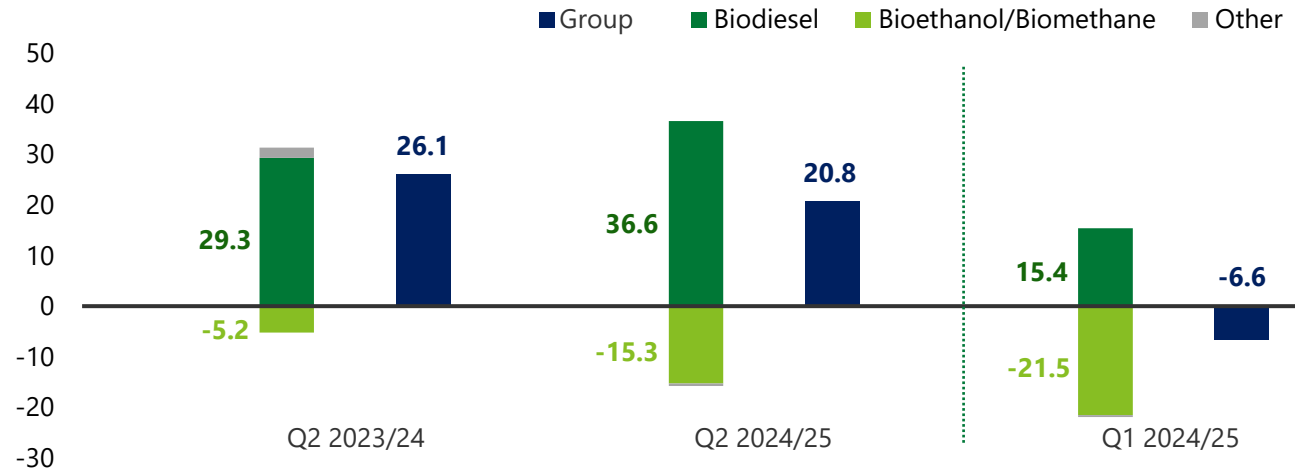
## Equity ratio



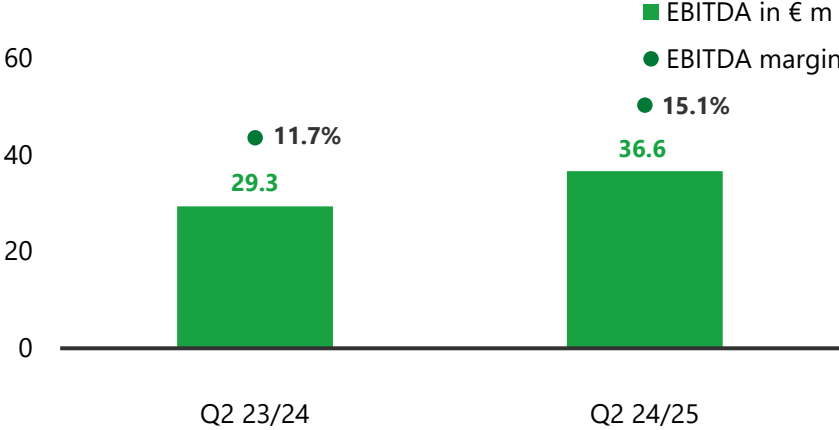
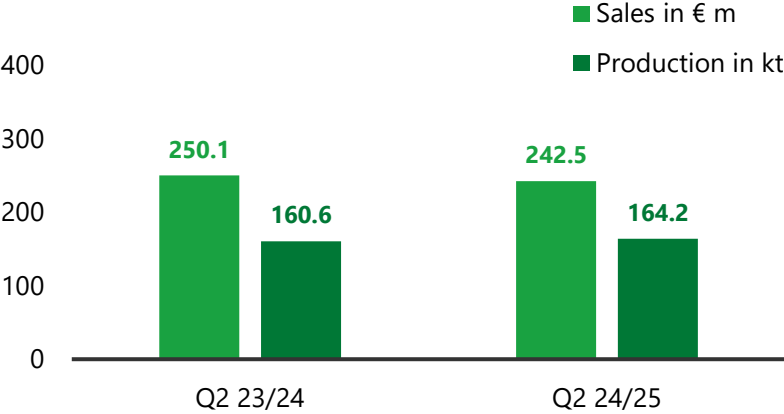
The financial stability remains high.

# Overview Q2 2024/25: Strong EBITDA recovery qoq

Group EBITDA by segments Q2 23/24 vs. Q2 24/25 vs. Q1 24/25 in € m



# Biodiesel segment

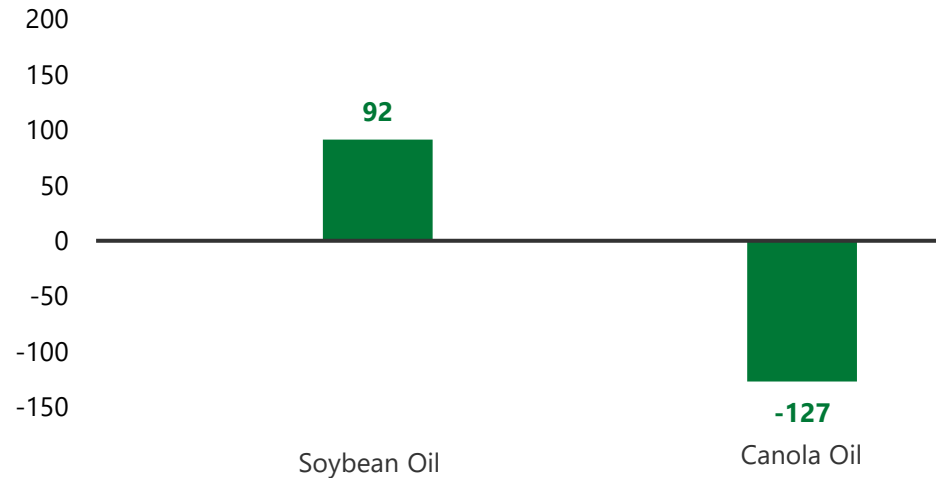


Revenues remained largely stable at comparable production and sales volumes yoy: Higher biodiesel prices were offset by lower GHG premiums and change in reporting for the Canadian production unit from December 2023 to November 2024.

The recovery yoy was driven by attractive product margins, supported by higher biodiesel prices. Compared to the spot market, Verbio benefited from favorable rapeseed oil purchases.

# Update on Welland

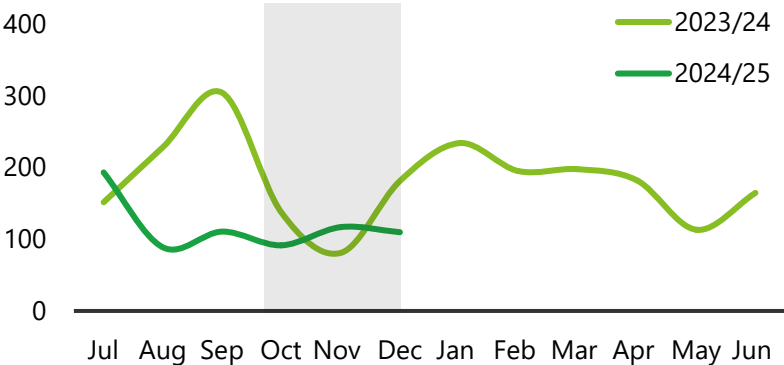
**US Producer advantage €/ton feedstock vs. Welland**



- BTC returned c. € 280/ton to US producer
- Canola oil excluded from PTC, disadvantaging US producers
- Biodiesel production cost advantage of 35 EUR/ton over US producers using soybean oil
- Potential tariffs support business case and provide strong selling proposition

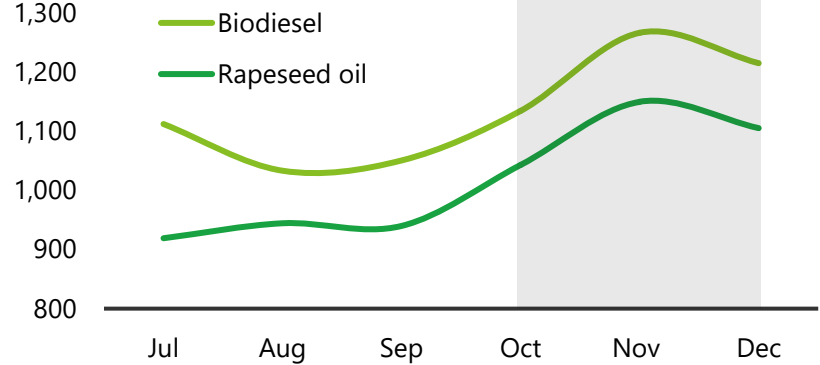
# Biodiesel market development (Europe)

Market spreads in €/t



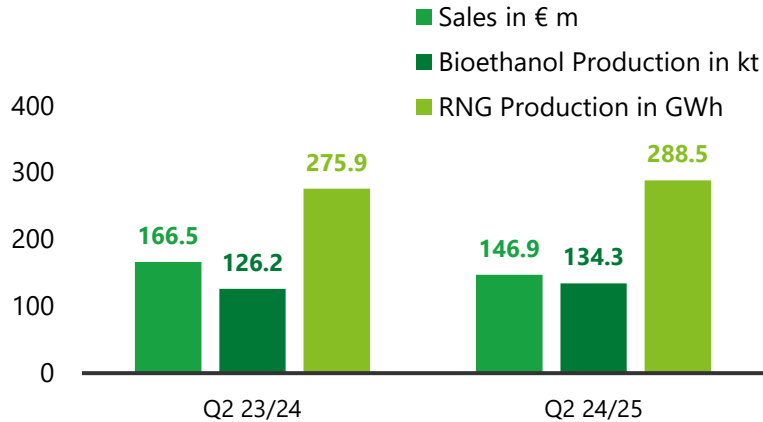
Spread = Biodiesel price ./ Rapeseed oil price per tonne of biodiesel;  
As per 31 December 2024 close

Biodiesel and rapeseed oil in €/t of biodiesel in 2024/25

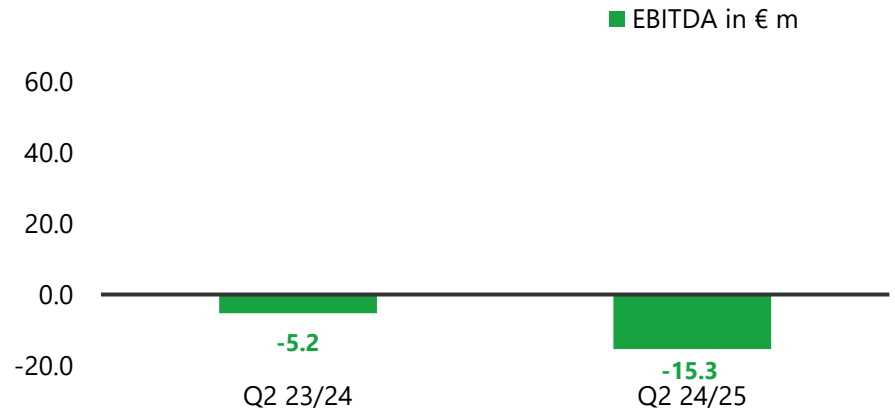


As per 31 December 2024 close

# Bioethanol/Biomethane segment



Revenue declined yoy despite higher production and sales volumes due to falling sales prices across all regions.

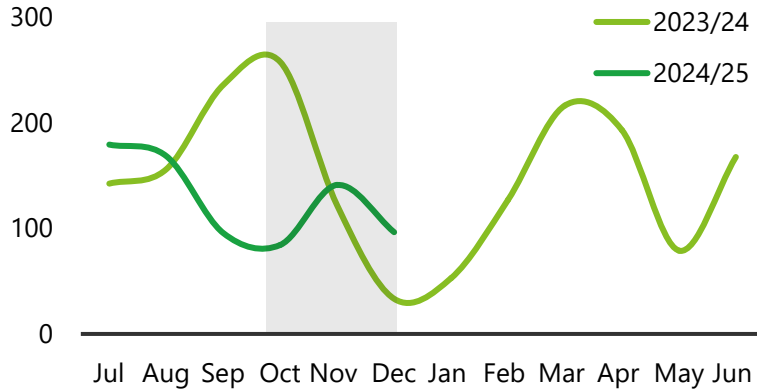


Weaker European markets, reflected in a lower gross margin, were the drivers of the EBITDA decline.



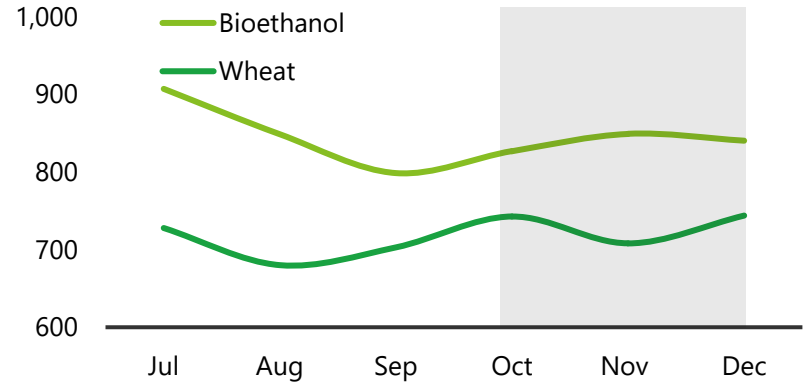
# Bioethanol market development (Europe)

Market spreads in €/t



Spread = Bioethanol price ./ Wheat price per tonne of bioethanol;  
As per 31 December 2024 close

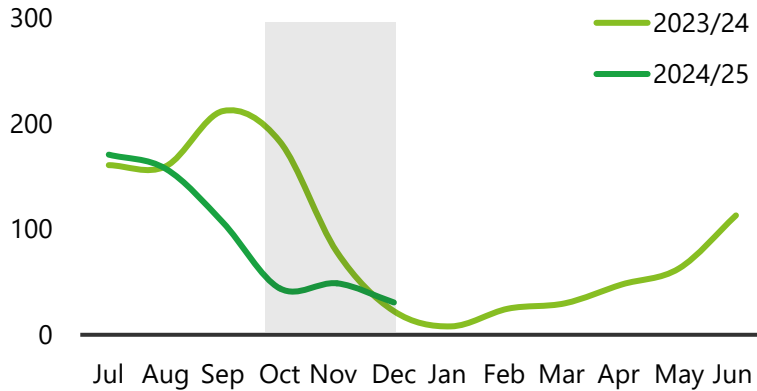
Bioethanol and wheat in €/t of bioethanol in 2024/25



As per 31 December 2024 close

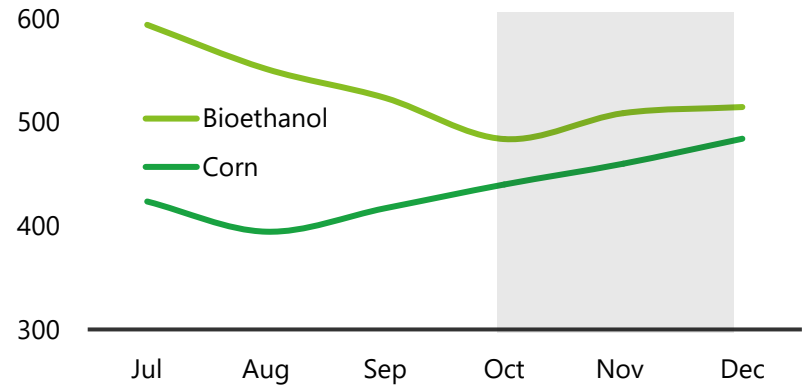
# Bioethanol market development (USA)

### Market spreads in €/t



Spread = Bioethanol price ./ . Corn price per tonne of bioethanol;  
As per 31 December 2024 close

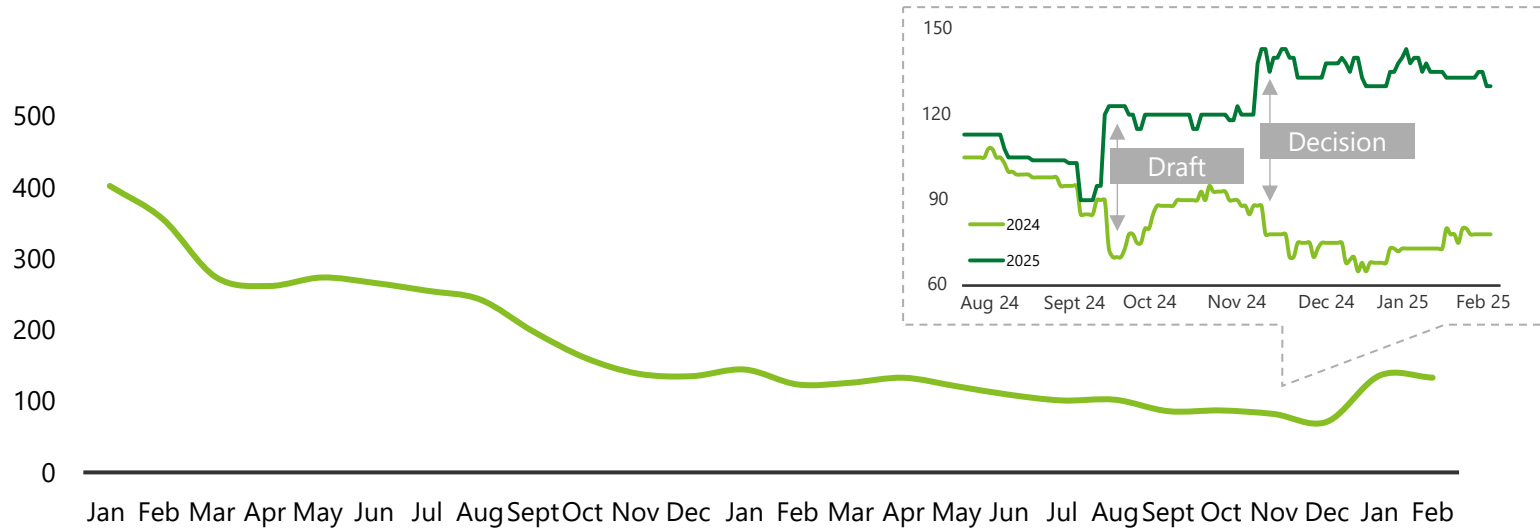
### Bioethanol and wheat in €/t of bioethanol in 2024/25



As per 31 December 2024 close

# Amendment to the 38th Ordinance stabilized GHG quota prices...

Development of the GHG quota price from January 2023 to February 2025 in €/t CO<sub>2</sub> equivalent



# ...but recovery slower than expected: New guidance hit by market and technical issues at Nevada plant

	2023/2024	Old: 2024/2025E	New: 2024/2025E
Biodiesel Capacity	710,000 t	710,000 t	710,000 t
Capacity utilisation	89.8%	→ yoy	→ yoy
Bioethanol Capacity	800,000 t	800,000 t	800,000 t
Capacity utilisation	65.2%	↑ yoy	↑ yoy
Biomethane Capacity	1,980 GWh	1,980 GWh	1,980 GWh
Capacity utilisation	55.6%	↑ yoy	↑ yoy
<b>EBITDA</b>	<b>€ 121.6m</b>	<b>€ 120m to € 160m</b>	<b>Mid double-digit million range</b>
<b>Net Debt</b>	<b>€ 32.9m</b>	<b>max. € 190m</b>	<b>max. € 190m</b>

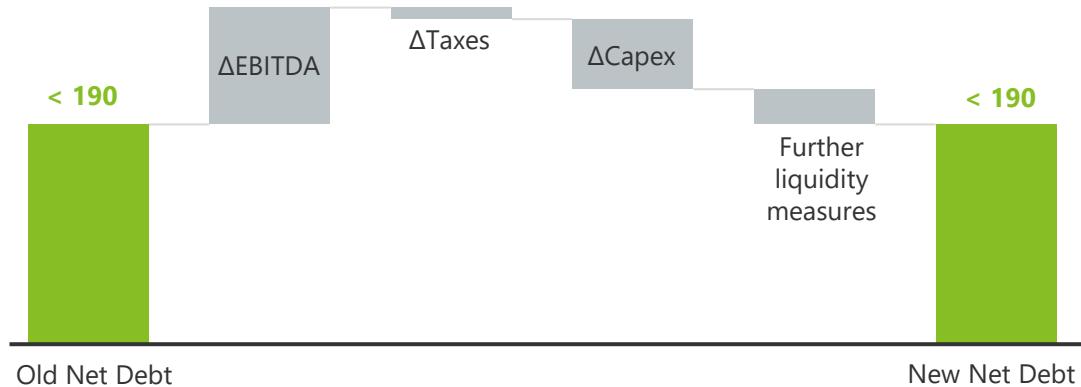
# Nevada: Long-term value creation remains intact



- EBITDA impact is a **timing shift, not a structural issue**: Ramp-up delay in Nevada (USA) postpones expected positive EBITDA contribution
- Root causes: Technical quality issues in existing equipment
- **Technology in Nevada is proven and reliable**: Focus is on resolving equipment quality issues identified during startup
- CTO Prof. Dr. Lütke is on-site, actively managing the process
- **Utilization** currently maintained at < 25%
- **Long-term outlook remains intact**: Progress update and full capacity timeline to be provided with Q3 results in May

# Resilient Net Debt guidance

## Bridging Net Debt guidance: from previous to updated outlook in € m

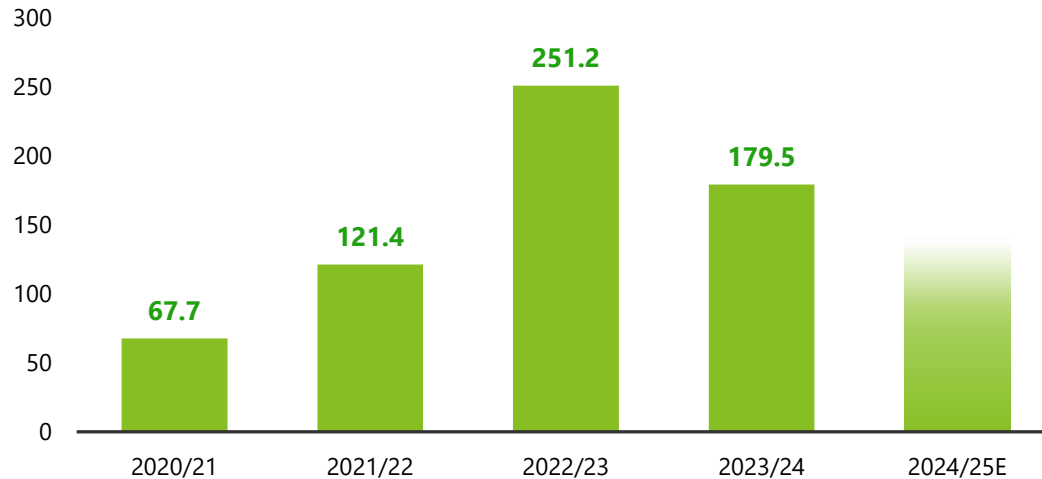


- Phased investments with a strong focus on value creation
- Further liquidity measures include management of financial assets
- Strategic stock buildup as of December 31 linked to the amendment to the 38th Ordinance is seen to gradually decrease, fully offset by continued working capital optimization by year-end

# Focusing on Free Cash Flow growth (1)

## Capex peak reached: Transitioning to more balanced investment

Investments in PPE in € m

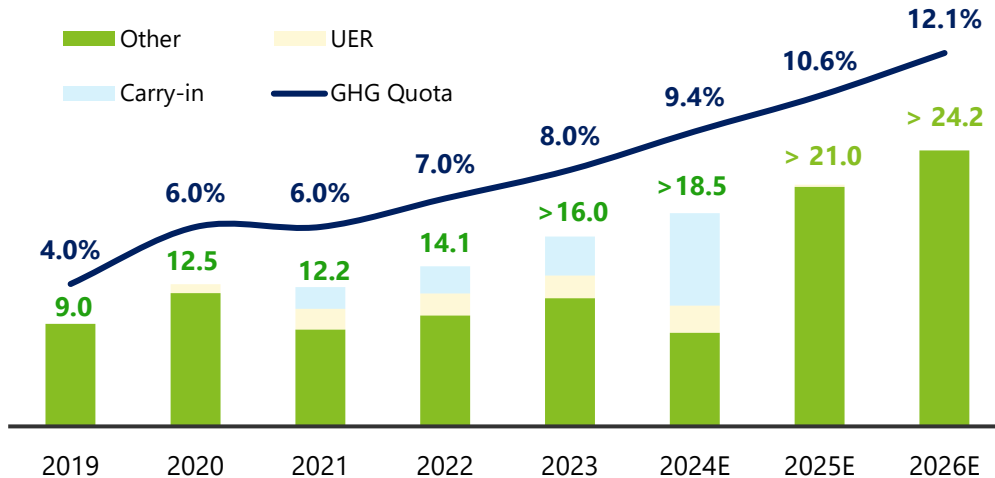


- Focus on plant modernization investments, cost out investments and strategic growth projects:
  - Ethenolysis plant buildout continues at full speed
  - Transformation of South Bend Ethanol into a state-of-the-art facility combining ethanol and RNG production will be phased
  - Investments into German CNG/LNG gas station network will be finalized in 2024/25
  - Opportunistic growth initiatives under review

# Focusing on Free Cash Flow growth (2)

## Accelerating GHG quota recovery imminent

Mandated GHG quota demand development in million t CO<sub>2</sub>-eq



- With the 2024 quota year closing in March, focus is expected to shift to 2025
- **Increasing demand** due to increase in GHG Quota Mandate to 10.6%
- **Tightening supply:**
  - Discontinuation of UER projects
  - Elimination of the quota carryover option for the years 2025 and 2026
  - Anti-dumping duties on Chinese biodiesel
  - China removed 13% export tax rebate for UCO (≅ subsidy of approximately 130–150 \$/tonne) to boost local biofuels production
  - Stricter controls on the export of palm oil derivatives such as POME, HAPOR and UCO in Indonesia



# Indonesia takes action on fraud indication; backs German GHG market

PALMOILMAGAZINE, JAKARTA – Exports of Palm Oil Mill Effluent (POME) and High Acid Palm Oil Residue (HAPOR) have shown a significant upward trend, exceeding Crude Palm Oil (CPO) export volumes. Between January and October 2024, **POME and HAPOR exports reached 3.45 million tons**, compared to just 2.70 million tons of CPO. This pattern was also evident in 2023 []. Over the past five years (2019–2023), POME and HAPOR exports have grown at an average annual rate of 20.74%, while CPO exports declined by 19.54% per year. Minister of Trade Budi Santoso, commonly known as Mendag Busan, highlighted that the volume of residual exports has far exceeded reasonable capacities.

“Under normal conditions, **exports of residues like POME and HAPOR should only be around 300,000 tons**. However, **data indicates CPO is being mixed with POME or HAPOR**, inflating export volumes,” Mendag Busan explained in an official statement received by Palmoilmagazine.com on Friday (10/1/2025).

**In response**, the government has enacted Ministry of Trade Regulation (Permendag) No. 2 of 2025, which came into effect on January 8, 2025. This regulation, a revision of Permendag No. 26 of 2024, imposes **stricter controls on the export of palm oil derivatives such as POME, HAPOR, and used cooking oil (UCO)**.

# Pioneering green solutions

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