

Verbio

Biofuel and Technology

**Quarterly interim
statement for the period
ended September 30, 2017
(Q1 2017/2018)**

Group key figures

[in EUR million]

Profitability	Q1 2017/2018	Q1 2016/2017	Q2 2016/2017	Q3 2016/2017	Q4 2016/2017	2016/2017
Sales revenue	178.2	158.0	180.8	200.0	187.6	726.4
EBITDA	15.9	16.2	32.8	26.8	16.6	92.4
EBIT	10.3	10.8	27.5	21.4	11.0	70.7
EBIT-margin (%)	5.8	6.8	15.2	10.7	5.9	9.7
EBT	10.2	10.4	27.3	21.4	11.4	70.5
Net result for the period	7.4	7.4	18.8	14.7	10.9	51.8
Earnings per share (EUR)	0.12	0.12	0.29	0.23	0.18	0.82
Operating data	Q1 2017/2018	Q1 2016/2017	Q2 2016/2017	Q3 2016/2017	Q4 2016/2017	2016/2017
Productions (tonnes)	183,663	176,767	183,375	179,659	182,336	722,137
Production (MWh)	131,110	141,461	142,026	133,314	142,359	559,160
Plant utilisation Biodiesel/ Bioethanol (%)	100.6	96.9	100.5	98.4	99.9	98.9
Plant utilisation Biomethane (%)	87.4	94.3	94.7	88.9	94.9	93.2
Investments in property, plant and equipment	4.6	3.2	5.9	5.1	4.6	18.8
Number of employees ¹⁾	535	498	493	503	527	527
Net asset position	30.09.2017	30.09.2016	31.12.2016	31.03.2017	30.06.2017	30.06.2017
Net financial assets	120.4	61.8	72.6	94.6	115.7	115.7
Equity	304.0	263.0	286.3	287.6	296.4	296.4
Equity ratio (%)	80.8	80.9	80.4	78.9	79.4	79.4
Balance sheet total	376.3	325.1	356.0	364.6	373.1	373.1
Financial position	Q1 2017/2018	Q1 2016/2017	Q2 2016/2017	Q3 2016/2017	Q4 2016/2017	2016/2017
Operating cash flow	7.4	-1.4	16.9	36.0	23.5	75.0
Operating cash flow per share (EUR)	0.12	-0.02	0.27	0.57	0.37	1.19
Cash and cash equivalents ²⁾	122.3	65.6	76.0	97.1	117.6	117.6

¹⁾ At the balance sheet date

²⁾ At the balance sheet date, including cash on segregated accounts

Segment key figures

[in EUR million]

Biodiesel	Q1 2017/2018	Q1 2016/2017	Q2 2016/2017	Q3 2016/2017	Q4 2016/2017	2016/2017
Sales revenue	114,7	111,4	124,9	123,7	111,6	471,6
EBITDA	5,1	9,1	18,7	11,9	-0,4	39,3
EBIT	3,9	7,9	17,5	10,8	-1,6	34,6
Production (tonnes)	121.445	117.180	119.250	117.129	119.823	473.382
Utilisation (%)	103,4	99,7	101,5	99,7	102,0	100,7
Number of employees ¹⁾	112	111	109	110	110	110

Bioethanol (incl. Biomethane)	Q1 2017/2018	Q1 2016/2017	Q2 2016/2017	Q3 2016/2017	Q4 2016/2017	2016/2017
Sales revenue	60.9	44.2	53.3	74.0	73.7	245.2
EBITDA	10.6	6.7	14.1	14.9	16.7	52.4
EBIT	6.3	2.7	10.0	10.8	12.5	36.0
Production (tonnes)	62,218	59,587	64,125	62,530	62,513	248,755
Production (MWh)	131,110	141,461	142,026	133,314	142,359	559,160
Plant utilisation Bioethanol (%)	95.7	91.7	98.7	96.2	96.2	95.7
Plant utilisation Biomethane (%)	87.4	94.3	94.7	88.9	94.9	93.2
Number of employees ¹⁾	257	236	232	238	252	252

Other	Q1 2017/2018	Q1 2016/2017	Q2 2016/2017	Q3 2016/2017	Q4 2016/2017	2016/2017
Third party revenue	4.0	4.1	4.1	4.1	4.0	16.3
EBIT	0.1	0.1	0.0	-0.1	0.1	0.1

¹⁾ At the balance sheet date

Business report and the Group's position

VERBIO AG reports results for the first three months of the financial year 2017/2018, which are almost unchanged compared to the same period in the previous year.

Group revenues increased by 13 percent to EUR 178.2 million compared to the previous year (Q1 2016/2017: EUR 158.0 million).

Taking into account an overall unchanged trend in material costs the result before interest, taxes and depreciation and amortisation (EBITDA) totalled EUR 15.9 million for the first three months of the financial year 2017/2018, comparable with the previous year (Q1 2016/2017: EUR 16.2 million). The Group result before taxation and interest (EBIT) is also approximately unchanged compared to Q1 2016/2017 and amounted to EUR 10.3 million (Q1 2016/2017: EUR 10.8 million). The net result amounted to EUR 7.4 million (Q1 2016/2017: EUR 7.4 million). Based on the result for the period, earnings per share are EUR 0.12 (Q1 2016/2017: EUR 0.12).

Net assets and financial position

Cash flows

Cash flow from operating activities in the first three months of the financial year 2017/2018 amounted to EUR 7.4 million (Q1 2016/2017: EUR –1.4 million). The relatively low operating cash flow is primarily due to the seasonal increase in inventories.

The total cash outflows from investment activities in the first three months of 2017/2018 were EUR 3.1 million (Q1 2016/2017: EUR 2.5 million). This primarily resulted from payments made for investments in property, plant and equipment.

There were no notable cash flows from financing activities in the reporting period (Q1 2016/2017: EUR –8.0 million). In the previous year financing cash flows arose from loan repayments.

As a result, cash and cash equivalents increased by EUR 4.2 million in the period July 1, 2017 to September 30, 2017. Cash and cash equivalents reported in the balance sheet at September 30, 2017 amounted to EUR 58.9 million.

Net cash

The remaining bank and loan finance arrangements are more than offset by cash and cash equivalents, term deposits and segregated accounts of EUR 122.3 million, so that the reported net cash balance at September 30, 2017 amounted to EUR 120.4 million (June 30, 2017: EUR 115.7 million).

Development of the Biodiesel and Bioethanol segments

The results in the first quarter of the financial year 2017/2018 compared to the same period in the previous year were primarily driven by lower Biodiesel margins, while higher margins were achieved for Bioethanol in the first quarter of 2017/2018. Production plant utilisation was high in both the Biodiesel and the Bioethanol (including Biomethane) segments. The production volume of biodiesel and bioethanol in the period from July 1, 2017 to September 30, 2017 totalled 183,663 tonnes, compared to 176,767 tonnes in the same period in the previous year. In addition, 131.1 GWh of biomethane were produced in the first three months of the financial year 2017/2018 (Q1 2016/2017: 141.5 GWh).

Outlook, opportunity and risk report

Outlook

VERBIO is making no change to the results forecasts provided in the 2016/2017 annual report published on September 27, 2017. Accordingly, EBITDA is expected to be around EUR 50 million and the net cash balance at the end of the financial year is expected to total approximately EUR 100 million.

Risk and opportunity report

There have been no changes to the opportunities and risks presented in the 2016/2017 annual report and no changes in the risks and opportunities profile of the VERBIO Group during the reporting period. There are no present risks or discernible potential risks that present a threat to the ability of the Group to continue as a going concern.

Consolidated profit and loss account

for the period July 1, 2017 to September 30, 2017

EUR (thousands)	Q1 2017/2018	Q1 2016/2017
1. Revenue (including energy taxes collected)	178,339	158,136
less: energy taxes	-102	-91
Revenue	178,237	158,045
2. Change in unfinished and finished goods	1,054	3,188
3. Capitalised production of own plant and equipment	0	105
4. Other operating income	2,125	2,329
5. Cost of materials	-150,222	-133,175
6. Personnel expenses	-6,360	-6,648
7. Depreciation and amortisation	-5,563	-5,376
8. Other operating expenses	-8,252	-7,650
9. Result from commodity forward contracts	-698	0
10. Operating result	10,321	10,818
11. Interest income	3	0
12. Interest expense	-94	-419
13. Financial result	-91	-419
14. Result before tax	10,230	10,399
15. Income tax expense	-2,861	-2,972
16. Net result for the period	7,369	7,427
Comprehensive result attributable to shareholders of the parent	7,314	7,378
Comprehensive result attributable to non-controlling interests	55	49
Result per share (basic and diluted)	0.12	0.12

Consolidated balance sheet

at September 30, 2017

EUR (thousands)	30.09.2017	30.06.2017
Assets		
A. Non-current assets		
I. Other intangible assets	206	237
II. Property, plant and equipment	163,376	164,644
III. Financial assets	56	57
IV. Deferred tax assets	2,462	2,873
Total non-current assets	166,100	167,811
B. Current assets		
I. Inventories	43,692	34,346
II. Trade receivables	33,731	38,489
III. Derivatives	1,281	2,391
IV. Other short-term financial assets	5,490	3,978
V. Tax refunds	126	112
VI. Other assets	6,969	11,230
VII. Term deposits	60,000	60,000
VIII. Cash and cash equivalents	58,928	54,722
Total current assets	210,217	205,268
Total assets	376,317	373,079

EUR (thousands)	30.09.2017	30.06.2017
Liabilities and equity		
A. Equity		
I. Share capital	63,000	63,000
II. Additional paid-in capital	487,681	487,681
III. Other reserves	-166	-507
IV. Retained earnings	-247,453	-254,767
V. Reserve for translation differences	-129	-32
Total equity attributable to owners of the parent	302,933	295,375
VI. Non-controlling interests	1,071	1,016
Total equity	304,004	296,391
B. Non-current liabilities		
I. Bank loans and other loans	561	561
II. Provisions	154	154
III. Deferred investment grants and subsidies	5,874	6,127
IV. Other non-current liabilities	1,861	3,912
V. Deferred taxes	267	288
Total non-current liabilities	8,717	11,042
C. Current liabilities		
I. Bank loans and other loans	1,336	1,349
II. Trade payables	29,418	27,297
III. Derivatives	1,191	2,348
IV. Other current financial liabilities	9,019	9,226
V. Tax liabilities	17,018	15,075
VI. Provisions	725	1,532
VII. Deferred investment grants and subsidies	1,006	1,007
VIII. Other current liabilities	3,883	7,812
Total current liabilities	63,596	65,646
Total equity and liabilities	376,317	373,079

Consolidated cash flow statement

for the period July 1, 2017 to September 30, 2017

EUR (thousands)	Q1 2017/2018	Q1 2016/2017
Net result for the period	7,369	7,427
Income tax expense	2,861	2,972
Interest result	91	419
Depreciation and amortisation	5,563	5,376
Non-cash expense	366	1
Non-cash expenses	-98	-41
Loss (previous year period: gains) on disposal of property, plant and equipment and disposal of investment grants	23	-7
Release of deferred investment grants and subsidies	-254	-255
Non-cash changes in derivative financial instruments	448	0
Increase in inventories	-9,346	-10,992
Decrease (previous year period: increase) in trade receivables	4,758	-1,900
Decrease (previous year period: increase) in other assets and other current financial assets	1,737	-3,111
Decrease (previous year period: increase) in provisions	-807	422
Increase (previous year period: decrease) in trade payables	1,684	-1,337
Decrease (previous year period: increase) in other current financial and non-financial liabilities	-6,262	195
Interest paid	-90	-444
Interest received	3	0
Income taxes paid	-681	-134
Cash flows from operating activities	7,365	-1,409
Acquisition of intangible assets	-7	-1
Acquisition of property, plant and equipment	-4,133	-2,500
Proceeds from disposal of property, plant and equipment	4	7
Proceeds from grants and subsidies received	1,073	0
Cash flows from investing activities	-3,063	-2,494
Cash outflows for the repayment of financial liabilities	-13	-8,006
Proceeds from drawdowns of financial liabilities	0	0
Cash flows from financing activities	-13	-8,006
Change in cash funds resulting from business transactions	4,289	-11,909
Change in cash funds due to effects of exchange rates	-83	36
Cash funds at beginning of year	54,722	77,483
Cash funds at end of year	58,928	65,610
Cash funds at year end comprise the following:		
Cash and cash equivalents	58,928	65,610
Cash funds at end of year	58,928	65,610

Financial calendar 2017/2018

September 27, 2017	Publication of annual report 2016/2017 Analyst's conference/annual financial statements press conference
November 9, 2017	Publication of quarterly statement to September 30, 2017 (July 2017 to September 2017)
February 2, 2018	Annual General Meeting, Radisson Blu Hotel, Leipzig
February 8, 2018	Publication of half-year report 2017/2017 (July 2017 to December 2017) Analyst's conference/annual financial statements press conference
May 9, 2018	Publication of quarterly statement to March 31, 2018 (July 2017 to March 2018)
September 26, 2018	Publication of annual report 2017/2018 Analyst's conference/annual financial statements press conference

Contact address and imprint

Publisher/editing and text/pictures

VERBIO Vereinigte BioEnergie AG

Contact

VERBIO Vereinigte BioEnergie AG
Ritterstraße 23 (Oelßner's Hof)
04109 Leipzig
Phone: +49 341 308530-0
Fax: +49 341 308530-999
www.verbio.de

ZukForward-looking statements

This quarterly statement includes various statements concerning forecasts, expectations and information that relate to the future development of the VERBIO Group and VERBIO Vereinigte BioEnergie AG. These statements are based on assumptions and estimates and may be associated with known and unknown risks and uncertainties. Actual developments and results, as well as the financial and asset situation, may therefore differ substantially from the expectations and assumptions stated. Such differences may be due, among other things, to market fluctuations, changes in worldwide market prices for raw materials as well as financial markets and exchange rates, changes in national and international laws and directives, or fundamental changes in the economic and political climate. VERBIO does not intend to and does not undertake an obligation to update or revise any forward-looking statements to adapt them to events or developments after the publication of this statement

This quarterly statement is published in German (original version) and in English (non-binding translation). It is available for download at <http://www.verbio.de> in both languages.

We will be delighted to send you additional information about VERBIO Vereinigte BioEnergie AG on request at no charge.

Phone: +49 341 308530-251
Fax: +49 341 308530-999
E-Mail: ir@verbio.de

VERBIO Vereinigte BioEnergie AG

Ritterstraße 23 (Oelßner's Hof)

04109 Leipzig

T: +49 341 308530-0

F: +49 341 308530-999

ir@verbio.de

www.verbio.de