

Corporate News

VERBIO AG: Results for the third quarter of 2017/2018 below expectations

- Continued heavy pressure on margins expected due to unexpectedly high levels of subsidised imports of biodiesel from Argentina and Indonesia.
- Amended earnings forecast for the current financial year 2017/2018
- Production of biomethane increased by 11 percent compared to the same period in the previous year
- All current investment projects in line with plan

Leipzig, May 9, 2018 – VERBIO AG reports significantly lower earnings for the first nine months of the current financial year compared to the equivalent period in the previous year, because once again in the third quarter of the current financial year it has not been possible to maintain the trend set in the previous financial year. This is due to the fact that the margins in biodiesel and bioethanol have fallen by more than expected.

Group revenues fell by 5 percent to EUR 513.2 million compared to the same period in the previous year (9 M 2016/2017: EUR 538.8 million). Earnings before interest, taxation, depreciation and amortisation (EBITDA) for the nine-month period amounted to EUR 34.7 million, 55 percent ahead of the comparative period in the previous year (9 M 2016/2017: EUR 75.8 million). The Group result before tax (EBIT) totalled EUR 18.0 million (9 M 2016/2017: EUR 59.7 million). The Group result before tax (EBT) totalled EUR 17.9 million (9 M 2016/2017: EUR 59.1 million), and the net result for the period was EUR 12.2 million (9 M 2016/2017: EUR 40.9 million). Based on the result for the period, earnings per share amount to EUR 0.19 (9 M 2016/2017: EUR 0.65).

Development of the Biodiesel and Bioethanol segments

The decline in earnings in the first nine months of the current financial year was primarily due to lower margins, while capacity utilisation remained high. . The production volume of biodiesel and bioethanol in the period from July 1, 2017 to March 31, 2018 totalled 544,949 tonnes, compared with 539,801 tonnes in the same period in the previous year. In addition, 464.4 GWh of biomethane were produced in the first nine months of the financial year 2017/2018 (9 M 2016/2017: 416.8 GWh), an increase of 11 percent compared with the same period in the previous year.

Amended earnings forecast for the financial year 2017/2018

Based on current sales volumes and raw material prices the Management Board expects to achieve an EBITDA for the financial year 2017/2018 of around EUR 40 million. The net cash level should fall to around the EUR 85 million level by the end of the financial year. Previously the Group had expected an EBITDA of around EUR 50 million and net cash of EUR 100 million. The Group's plants will continue production through to the end of the financial year at high levels of capacity utilisation, as expected.

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The primary driver of the adjustments made to forecasts is the continued imports of subsidised biodiesel from Argentina and Indonesia, which have led to a heavier than anticipated decline in prices in the third quarter of 2017/2018. In addition, there are sustained low prices for bioethanol. As a change in the situation cannot be expected in the short term, the Management Board expects that the pressure on prices for biodiesel and bioethanol will continue in the fourth quarter of 2017/2018.

Detailed information on business developments in the first nine months of the 2017/2018 financial year are provided in the quarterly interim statement for the period ended March 31, 2018. The report can be viewed from 9 a.m. on VERBIO's website at www.verbio.de.

Information about VERBIO Vereinigte BioEnergie AG (VERBIO)

VERBIO is one of the leading independent producers and suppliers of biofuels, and is also the only large-scale producer of biodiesel, bioethanol and biomethane in Europe. The annual production capacity amounts to approximately 470,000 tonnes of biodiesel, 260,000 tonnes of bioethanol and 600 gigawatt hours of biomethane. The Company produces its highly efficient fuels using internally developed, energy efficient production processes and innovative technologies. VERBIO's biofuels achieve CO₂ reductions of up to 90 percent compared to petrol or diesel. VERBIO delivers its products directly to European oil companies, oil trading companies, independent filling 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 manufactured as a by-product in the biodiesel production process). Within the Group, VERBIO Vereinigte BioEnergie AG acts as a management holding company. The operative business is conducted by the subsidiaries VERBIO Diesel Bitterfeld GmbH, VERBIO Diesel Schwedt GmbH, VERBIO Ethanol Schwedt GmbH & Co. KG, VERBIO Ethanol Zörbig GmbH & Co. KG and VERBIO Agrar GmbH. The VERBIO share (ISIN DE000A0JL9W6/WKN A0JL9W) has been listed in the prime standard segment of the Frankfurt Stock Exchange since October 2006.

Important notice

This publication contains forward-looking statements which are based on assumptions and estimates made by the management of VERBIO Vereinigte BioEnergie AG. Although the Company's management is of the opinion that these assumptions and estimations are realistic, actual future developments and actual future 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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