

Corporate News

VERBIO AG: Difficult financial year 2017/2018 closes with good earnings results; unchanged outlook for the financial year 2018/2019

- EBITDA of EUR 45 million down 51 percent compared to the previous year
- Proposed dividend: EUR 0.20 per qualifying share
- Biomethane production volume exceeds 600 GWh for the first time

Leipzig, September 26, 2018 – VERBIO Vereinigte BioEnergie AG generates Group sales revenues in the financial year 2017/2018 of EUR 685.9 million (2016/2017: EUR 726.4 million). The 5.6 percent decline compared to the previous year is primarily due to lower prices for bioethanol and biodiesel.

Under deteriorated market conditions, earnings before interest, taxation, depreciation and amortisation (EBITDA) were 51.5 percent lower than in the comparative period in the previous year and amounted to EUR 44.8 million (2016/2017: EUR 92.4 million). The Group result before taxation and interest (EBIT) in the same period amounted to EUR 22.4 million, a decrease of 68.3 percent (2016/2017: EUR 70.7 million). The net result is also affected by current and deferred taxes of EUR 7.1 million (2016/2017: EUR 18.8 million), and amounted to EUR 15.1 million (2016/2017: EUR 51.8 million). Based on the result for the period, earnings per share (basic and diluted) was EUR 0.24 (2016/2017: EUR 0.82).

Investments totalling EUR 26.7 million were made in the financial year 2017/2018 (2016/2017: EUR 18.9 million). These primarily relate to investments in property, plant and equipment of EUR 26.6 million (2016/2017: EUR 18.8 million).

Development of the Biodiesel, Bioethanol and Other segments

Revenues in the Biodiesel segment in the financial year 2017/2018 amounted to EUR 456.8 million (2016/2017: EUR 471.6 million). Biodiesel production amounted to 476,211 tonnes (2017/2018: 473,382 tonnes), once again exceeding the record level of production set in the previous year. Production capacity utilisation was 101 percent. The Biodiesel segment contributed to the Group's results with an EBITDA of EUR 24.4 million (2016/2017: EUR 39.3 million) and an EBIT of EUR 19.6 million (2016/2017: EUR 34.6 million).

The Bioethanol segment generated revenues of EUR 219.1 million in 2017/2018 (2016/2017: EUR 245.2 million). Bioethanol production was not able to match the record levels in the previous year, with a total production volume of 246,300 tonnes (2016/2017: 248,755 tonnes). The production of biomethane increased by 8.8 percent to 608 GWh (2016/2017: 559 GWh). The Bioethanol segment contributed to the Group's results with an EBITDA of EUR 19.9 million (2016/2017: EUR 52.4 million) and an EBIT of EUR 2.8 million (2016/2017: EUR 36.0 million).

Sales revenues generated in the Other segment totalling EUR 15.7 million in the financial year 2017/2018 primarily represent revenues from transport and logistics services (2016/2017: EUR 16.3 million). The segment result amounted to EUR -0.1 million (2016/2017: EUR 0.1 million).

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Net assets and financial position

The remaining bank and loan financing totalling EUR 0.4 million compares with liquid funds totalling EUR 90.5 million. Equity totalled EUR 300.2 million (June 30, 2017: EUR 296.4 million). The equity ratio was 82.0 percent (June 30, 2017: 79.4 percent).

Investment

Investments of EUR 26.7 million (2016/2017: EUR 18.9 million) were made in growth projects in the financial year 2017/2018. In addition to making further investment in the expansion of sterol production, VERBIO concentrated on expanding and optimising the existing biomethane plants – with a focus on the straw biomethane technology which is key for entering new markets in Asia and the USA. The new straw biomethane plant at Pinnow is currently close to being brought into use.

Dividend and outlook for the financial year 2017/2018

At the annual general meeting to be held on February 1, 2019 the Management Board will propose the payment of a dividend of EUR 0.20 per qualifying share, which is unchanged compared with the previous year (2016/2017: EUR 0.20 per qualifying share). The Supervisory Board has approved the proposal made by the Management Board at its meeting held on September 21, 2018.

Based on current sales volumes and raw material prices, the planned production capacity usage and the uncertainty concerning possible competitive distortions resulting from imported biodiesel, the Management Board expects to achieve an EBITDA for the financial year 2018/2019 of around EUR 45 million. The balance of net cash at the end of the financial year is expected to fall to around EUR 73 million, primarily as a result of the planned increase in investments which will be financed from the Group's own funds. The net cash position would be reduced by the amount of any strategic investments approved by the Management Board.

Detailed information on business developments in the 2017/2018 financial year is provided in the annual report for the financial year 2017/2018. The report can be viewed from 9 a.m. on Verbio's website 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 & Co. KG, VERBIO Diesel Schwedt GmbH & Co. KG, 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.

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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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