

# *Verbio*

*Biofuel and Technology*

**Quarterly interim  
statement for the period  
ended September 30, 2018  
(Q1 2018/2019)**

## Group key figures

[in EUR million]

| <b>Profitability</b>                         | <b>Q1<br/>2018/2019</b> | <b>Q1<br/>2017/2018</b> | <b>Q2<br/>2017/2018</b> | <b>Q3<br/>2017/2018</b> | <b>Q4<br/>2017/2018</b> | <b>2017/2018</b>  |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------|
| Sales revenue                                | 170.7                   | 178.2                   | 174.0                   | 161.0                   | 172.7                   | 685.9             |
| EBITDA                                       | 16.6                    | 15.9                    | 14.5                    | 4.3                     | 10.1                    | 44.8              |
| EBIT   | 11.0                    | 10.3                    | 8.9                     | -1.2                    | 4.4                     | 22.4              |
| EBIT margin (%)                              | 6.5                     | 5.8                     | 5.1                     | -0.7                    | 2.5                     | 3.3               |
| EBT  | 11.0                    | 10.2                    | 8.9                     | -1.2                    | 4.3                     | 22.2              |
| Net result for the period                    | 7.8                     | 7.4                     | 5.9                     | -1.1                    | 2.9                     | 15.1              |
| Earnings per share (EUR)                     | 0.12                    | 0.12                    | 0.09                    | -0.02                   | 0.05                    | 0.24              |
| <b>Operating data</b>                        | <b>Q1<br/>2018/2019</b> | <b>Q1<br/>2017/2018</b> | <b>Q2<br/>2017/2018</b> | <b>Q3<br/>2017/2018</b> | <b>Q4<br/>2017/2018</b> | <b>2017/2018</b>  |
| Production (tonnes)                          | 180,333                 | 183,663                 | 183,055                 | 178,231                 | 177,562                 | 722,511           |
| Production (MWh)                             | 154,444                 | 131,110                 | 164,434                 | 168,878                 | 143,890                 | 608,312           |
| Utilisation Biodiesel/Bioethanol (%)         | 98.8                    | 100.6                   | 100.3                   | 97.7                    | 97.3                    | 99.0              |
| Utilisation Biomethane (%)                   | 103.0                   | 87.4                    | 109.6                   | 112.6                   | 95.9                    | 101.4             |
| Investments in property, plant and equipment | 10.5                    | 4.6                     | 5.5                     | 8.1                     | 8.4                     | 26.6              |
| Number of employees <sup>1)</sup>            | 580                     | 535                     | 535                     | 548                     | 563                     | 563               |
| <b>Net asset position</b>                    | <b>30.09.2018</b>       | <b>30.09.2017</b>       | <b>31.12.2017</b>       | <b>31.03.2018</b>       | <b>30.06.2018</b>       | <b>30.06.2018</b> |
| Net financial assets                         | 92.7                    | 120.4                   | 106.9                   | 83.4                    | 90.1                    | 90.1              |
| Equity                                       | 308.3                   | 304.0                   | 309.6                   | 295.3                   | 300.2                   | 300.2             |
| Equity ratio (%)                             | 81.3                    | 80.8                    | 81.1                    | 80.7                    | 82.0                    | 82.0              |
| Balance sheet total                          | 379.4                   | 376.3                   | 381.6                   | 366.0                   | 366.0                   | 366.0             |
| <b>Financial position</b>                    | <b>Q1<br/>2018/2019</b> | <b>Q1<br/>2017/2018</b> | <b>Q2<br/>2017/2018</b> | <b>Q3<br/>2017/2018</b> | <b>Q4<br/>2017/2018</b> | <b>2017/2018</b>  |
| Operating cash flow                          | 10.3                    | 7.4                     | -9.0                    | -3.1                    | 15.8                    | 11.1              |
| Operating cash flow per share (EUR)          | 0.16                    | 0.12                    | -0.14                   | -0.05                   | 0.25                    | 0.18              |
| Cash and cash equivalents <sup>2)</sup>      | 93.2                    | 122.3                   | 108.3                   | 83.8                    | 90.5                    | 90.5              |

<sup>1)</sup> at the balance sheet date

<sup>2)</sup> at the balance sheet date, including cash on segregated accounts

## Segment key figures

[in EUR million]

| <b>Biodiesel</b>                  | <b>Q1<br/>2018/2019</b> | <b>Q1<br/>2017/2018</b> | <b>Q2<br/>2017/2018</b> | <b>Q3<br/>2017/2018</b> | <b>Q4<br/>2017/2018</b> | <b>2017/2018</b> |
|-----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------|
| Sales revenue                     | 112.9                   | 114.7                   | 117.3                   | 107.3                   | 117.5                   | 456.8            |
| EBITDA                            | 13.7                    | 5.1                     | 9.3                     | -0.1                    | 10.1                    | 24.4             |
| EBIT                              | 12.5                    | 3.9                     | 8.1                     | -1.2                    | 8.8                     | 19.6             |
| Production (tonnes)               | 119,658                 | 121,445                 | 119,789                 | 116,005                 | 118,972                 | 476,211          |
| Utilisation (%)                   | 101.8                   | 103.4                   | 102.0                   | 98.7                    | 101.3                   | 101.3            |
| Number of employees <sup>1)</sup> | 116                     | 112                     | 113                     | 112                     | 113                     | 113              |

  

| <b>Bioethanol<br/>(incl. biomethane)</b> | <b>Q1<br/>2018/2019</b> | <b>Q1<br/>2017/2018</b> | <b>Q2<br/>2017/2018</b> | <b>Q3<br/>2017/2018</b> | <b>Q4<br/>2017/2018</b> | <b>2017/2018</b> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------|
| Sales revenue                            | 55.4                    | 60.9                    | 53.9                    | 51.3                    | 53.0                    | 219.1            |
| EBITDA                                   | 2.6                     | 10.6                    | 5.1                     | 4.3                     | -0.1                    | 19.9             |
| EBIT                                     | -1.6                    | 6.3                     | 0.9                     | 0.0                     | -4.4                    | 2.8              |
| Production (tonnes)                      | 60,675                  | 62,218                  | 63,266                  | 62,226                  | 58,590                  | 246,300          |
| Production (MWh)                         | 154,444                 | 131,110                 | 164,434                 | 168,878                 | 143,890                 | 608,312          |
| Utilisation Bioethanol (%)               | 93.4                    | 95.7                    | 97.3                    | 95.7                    | 90.1                    | 94.7             |
| Utilisation Biomethane (%)               | 103.0                   | 87.4                    | 109.6                   | 112.6                   | 95.9                    | 101.4            |
| Number of employees <sup>1)</sup>        | 289                     | 257                     | 257                     | 266                     | 260                     | 260              |

  

| <b>Other</b>         | <b>Q1<br/>2018/2019</b> | <b>Q1<br/>2017/2018</b> | <b>Q2<br/>2017/2018</b> | <b>Q3<br/>2017/2018</b> | <b>Q4<br/>2017/2018</b> | <b>2017/2018</b> |
|----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------|
| Third party revenues | 4.4                     | 4.0                     | 4.0                     | 3.8                     | 3.9                     | 15.7             |
| EBIT                 | 0.1                     | 0.1                     | 0.0                     | -0.1                    | 0.0                     | 0.0              |

<sup>1)</sup> at the balance sheet date

## Business report and the Group's position

VERBIO AG's results for the first three months of the financial year 2018/2019 were slightly higher than in the same period in the previous year.

Group revenues fell by 4 percent to EUR 170.7 million compared to the previous year (Q1 2017/2018: EUR 178.2 million).

The result before interest, taxes and depreciation and amortisation (EBITDA) totalled EUR 16.6 million for the first three months of the financial year 2018/2019, a slight increase compared to the previous year (Q1 2017/2018: EUR 15.9 million) due to a strong fall in material costs, less the offsetting effects of increased personnel expenses and other operating expenses. The Group result before taxation and interest (EBIT) is also comparable with the first quarter of the previous year, amounting to EUR 11.0 million (Q1 2017/2018: EUR 10.3 million). The net result for the period amounted to EUR 7.8 million (Q1 2017/2018: EUR 7.4 million). Based on the result for the period, earnings per share are EUR 0.12 (Q1 2017/2018: EUR 0.12).

## Net assets and financial position

### Cash flows

Cash flow from operating activities in the first three months of the financial year 2018/2019 amounted to EUR 10.3 million (Q1 2017/2018: EUR 7.4 million). The increase compared to the previous year is primarily due to the lower level of the annual seasonal increase in inventories.

Due to the Group's ongoing investment activities, total cash outflows from investment activities in the first three months of 2018/2019 were EUR 9.8 million (Q1 2017/2018: EUR 3.1 million). The cash outflows from investment activities primarily resulted from payments made for investments in property, plant and equipment, as previously announced and in line with plan.

There were no significant cash flows from financing activities in either the current period or the same period in the previous year.

As a result, cash and cash equivalents increased by EUR 0.8 million in the period July 1, 2018 to September 30, 2018. Cash and cash equivalents reported in the balance sheet at September 30, 2018 amounted to EUR 29.3 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 93.2 million, so that the reported net cash balance at September 30, 2018 amounted to EUR 92.7 million (June 30, 2018: EUR 90.1 million).

## Development of the Biodiesel and Bioethanol segments

The results in the first quarter of the financial year 2018/2019 were primarily driven by significantly higher margins in the Biodiesel segment compared to the same period in the previous year. On the other hand, the first quarter of 2018/2019 saw lower margins for Bioethanol compared to the same period in the previous year, primarily due to higher raw material prices. However, production plant utilisation was high in both the Biodiesel and Bioethanol (including Biomethane) segments. The production volume of biodiesel and bioethanol in the period from July 1, 2018 to September 30, 2018 totalled 180,333 tonnes, compared with 183,663 tonnes in the same period in the previous year. In addition, 154.4 GWh of biomethane were produced in the first three months of the financial year 2018/2019 (Q1 2017/2018: 131.1 GWh).

## Outlook, opportunity and risk report

### Outlook

VERBIO is making no changes to the results forecasts provided in the 2017/2018 annual report published on September 26, 2018. Accordingly, EBITDA is expected to be around EUR 45 million and the net cash balance at the end of the financial year is expected to be approximately EUR 73 million before the effect of any acquisitions.

### Risk and opportunity report

There have been no changes to the opportunities and risks presented in the 2017/2018 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, 2018 to September 30, 2018

| EUR (thousands)   | Q1 2018/2019   | Q1 2017/2018   |
|---|----------------|----------------|
| 1. Sales revenue (including energy taxes collected)       | 170,791        | 178,339        |
| less: energy taxes  | -102           | -102           |
| <b>Revenue</b>  | <b>170,689</b> | <b>178,237</b> |
| 2. Change in unfinished and finished goods                | 2,048          | 1,054          |
| 3. Own work capitalised                                   | 184            | 0              |
| 4. Other operating income                                 | 2,932          | 2,125          |
| 5. Cost of materials                                      | -141,874       | -150,222       |
| 6. Personnel expenses                                     | -7,873         | -6,360         |
| 7. Depreciation and amortisation                          | -5,593         | -5,563         |
| 8. Other operating expenses                               | -9,143         | -8,252         |
| 9. Result from commodity forward contracts                | -322           | -698           |
| <b>10. Operating result</b>                               | <b>11,048</b>  | <b>10,321</b>  |
| 11. Interest income                                       | 0              | 3              |
| 12. Interest expense                                      | -37            | -94            |
| <b>13. Financial result</b>                               | <b>-37</b>     | <b>-91</b>     |
| <b>14. Result before tax</b>                              | <b>11,011</b>  | <b>10,230</b>  |
| 15. Income tax expense                                    | -3,210         | -2,861         |
| <b>16. Net result for the period</b>                      | <b>7,801</b>   | <b>7,369</b>   |
| Result attributable to shareholders of the parent company | 7,800          | 7,314          |
| Result attributable to non-controlling interests          | 1              | 55             |
| <b>Result per share (basic and diluted)</b>               | <b>0.12</b>    | <b>0.12</b>    |

## Consolidated balance sheet

at September 30, 2018

| EUR (thousands)                       | 30.09.2018     | 30.06.2018     |
|---------------------------------------|----------------|----------------|
| <b>Assets</b>                         |                |                |
| <b>A. Non-current assets</b>          |                |                |
| I. Intangible assets                  | 509            | 334            |
| II. Property, plant and equipment     | 172,464        | 167,962        |
| III. Financial assets                 | 55             | 55             |
| IV. Deferred tax assets               | 3,235          | 3,392          |
| <b>Total non-current assets</b>       | <b>176,263</b> | <b>171,743</b> |
| <b>B. Current assets</b>              |                |                |
| I. Inventories                        | 47,687         | 45,171         |
| II. Trade receivables                 | 49,126         | 45,233         |
| III. Derivatives                      | 3,241          | 3,392          |
| IV. Other short-term financial assets | 6,310          | 2,691          |
| V. Tax refunds                        | 303            | 195            |
| VI. Other assets                      | 7,184          | 9,006          |
| VII. Term deposits                    | 60,042         | 60,042         |
| VIII. Cash and cash equivalents       | 29,282         | 28,516         |
| <b>Total current assets</b>           | <b>203,175</b> | <b>194,246</b> |
| <b>Total assets</b>                   | <b>379,438</b> | <b>365,989</b> |

| EUR (thousands)  | 30.09.2018     | 30.06.2018     |
|--|----------------|----------------|
| <b>Liabilities and equity</b>                            |                |                |
| <b>A. Equity</b>   |                |                |
| I. Share capital   | 63,000         | 63,000         |
| II. Additional paid-in capital                           | 487,681        | 487,681        |
| III. Other reserves                                      | 1,367          | 1,018          |
| IV. Retained earnings                                    | -244,644       | -252,444       |
| V. Reserve for translation adjustments                   | -252           | -233           |
| <b>Total equity attributable to owners of the parent</b> | <b>307,152</b> | <b>299,022</b> |
| VI. Non-controlling interests                            | 1,196          | 1,195          |
| <b>Total equity</b>                                      | <b>308,348</b> | <b>300,217</b> |
| <b>B. Non-current liabilities</b>                        |                |                |
| I. Bank loans and other loans                            | 0              | 11             |
| II. Provisions   | 155            | 155            |
| III. Deferred investment grants and subsidies            | 4,842          | 5,102          |
| IV. Other non-current financial liabilities              | 1,718          | 2,010          |
| V. Deferred taxes  | 585            | 437            |
| <b>Total non-current liabilities</b>                     | <b>7,300</b>   | <b>7,715</b>   |
| <b>C. Current liabilities</b>                            |                |                |
| I. Bank loans and other loans                            | 409            | 369            |
| II. Trade payables                                       | 37,462         | 31,185         |
| III. Derivatives   | 1,581          | 2,159          |
| IV. Other current financial liabilities                  | 7,112          | 7,294          |
| V. Tax liabilities                                       | 9,767          | 9,342          |
| VI. Provisions   | 3,991          | 4,349          |
| VII. Deferred investment grants and subsidies            | 1,036          | 1,035          |
| VIII. Other current liabilities                          | 2,432          | 2,324          |
| <b>Total current liabilities</b>                         | <b>63,790</b>  | <b>58,057</b>  |
| <b>Total equity and liabilities</b>                      | <b>379,438</b> | <b>365,989</b> |

## Consolidated cash flow statement

for the period July 1, 2018 to September 30, 2018

| EUR (thousands)  | Q1 2018/2019  | Q1 2017/2018  |
|--|---------------|---------------|
| Net result for the period  | 7,801         | 7,369         |
| Income tax expense   | 3,210         | 2,861         |
| Interest result  | 37            | 91            |
| Depreciation and amortisation  | 5,593         | 5,563         |
| Non-cash expense   | 216           | 366           |
| Non-cash expenses  | -89           | -98           |
| Loss on disposal of property, plant and equipment and disposal of investment grants          | 305           | 23            |
| Release of deferred investment grants and subsidies  | -259          | -254          |
| Non-cash changes in derivative financial instruments   | 69            | 448           |
| Increase in inventories  | -2,516        | -9,346        |
| Decrease (previous year period: increase) in trade receivables                               | -3,893        | 4,758         |
| Decrease (previous year period: increase) in other assets and other current financial assets | -2,150        | 1,737         |
| Decrease in provisions   | -547          | -807          |
| Increase in trade payables   | 5,564         | 1,684         |
| Decrease in other current financial and non-financial liabilities                            | -367          | -6,262        |
| Interest paid  | -37           | -90           |
| Interest received  | 0             | 3             |
| Income taxes paid  | -2,613        | -681          |
| <b>Cash flows from operating activities</b>  | <b>10,324</b> | <b>7,365</b>  |
| Acquisition of intangible assets   | -434          | -7            |
| Acquisition of property, plant and equipment   | -9,827        | -4,133        |
| Proceeds from disposal of property, plant and equipment                                      | 591           | 4             |
| Proceeds from grants and subsidies received  | 83            | 1,073         |
| <b>Cash flows from investing activities</b>  | <b>-9,587</b> | <b>-3,063</b> |
| Cash outflows for the repayment of financial liabilities                                     | 0             | -13           |
| Proceeds from new financial liabilities  | 29            | 0             |
| <b>Cash flows from financing activities</b>  | <b>29</b>     | <b>-13</b>    |
| Change in cash funds resulting from business transactions                                    | 766           | 4,289         |
| Change in cash funds due to effects of exchange rates  | 0             | -83           |
| Cash funds at beginning of year  | 28,516        | 54,722        |
| <b>Cash funds at end of year</b>   | <b>29,282</b> | <b>58,928</b> |

## Financial calendar 2018/2019

|                           |   |
|---------------------------|---|
| <b>September 26, 2018</b> | Publication of the annual report 2017/2018<br>Analyst's conference/annual financial statements press conference                                       |
| <b>November 8, 2018</b>   | Publication of the quarterly statement for the period ended September 30, 2018<br>(July 2018 to September 2018)                                       |
| <b>February 1, 2019</b>   | Annual general meeting in Victor's Residenz-Hotel, Leipzig  |
| <b>February 7, 2019</b>   | Publication of the half-yearly interim report 2018/2019<br>(July 2018 to December 2018)<br>Analyst's conference/financial statements press conference |
| <b>May 9, 2019</b>        | Publication of the quarterly statement for the period ended March 31, 2019<br>(July 2018 to March 2019)   |
| <b>September 25, 2019</b> | Publication of the annual report 2018/2019<br>Analyst's conference/annual financial statements press conference                                       |

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### Forward-looking statements

Diese 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.

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