

Corporate News

Biomethane production again at a new record level in Q2 2022/23

- VERBIO generated 1.5 million tonnes of CO₂ savings in 1 HY 2022/23
- Approximately 40 percent of CO₂ savings from advanced biofuels
- Solid Q2 2022/23 thanks to the Group's diversified product portfolio
- Forecast for the full financial year confirmed

Leipzig, February 9, 2023 – VERBIO generated Group sales revenues of EUR 1,077.7 million (1 HY 2021/22: EUR 809.1 million) in the first six months of the financial year 2022/23, an increase of 33 percent compared to the same period in the previous year. The increase in sales revenues compared to 1 HY 2021/22 is primarily due to the higher average sales prices of both biodiesel and bioethanol. At EUR 170.3 million, VERBIO's earnings before interest, taxes, amortisation and depreciation (EBITDA) remained below the figure for the same period of the previous year (1 HY 2021/22: EUR 187.2 million). A total of 1.5 million tonnes of CO₂ savings* were generated for our customers, with approximately 40 percent of the savings already stemming from advanced second generation biofuels.

Solid Q2 2022/23 thanks to the Group's diversified product portfolio

VERBIO generated solid results with sales revenues of EUR 485.5 million (Q2 2021/22: EUR 458.7 million) and an EBITDA of EUR 48.9 million (Q2 2021/22: EUR 147.0 million). EBITDA was below the extraordinarily high level seen in the same period in the previous year and below the level of the previous quarters. This was primarily due to falling sales prices, in particular for bioethanol, driven by imports from Brazil and the USA, while at the same time raw material prices were higher and energy costs increased sharply (> 400 percent compared to Q2 2021/22). Current trends indicate that conditions will ease in the second half of the financial year.

In the Biodiesel segment VERBIO generated sales revenues of EUR 357.4 million, a 10 percent increase compared to the same period in the previous year (Q2 2021/22: EUR 324.1 million) as a result of higher sales prices for high-value glycerine and for biodiesel in North America. Higher procurement prices for raw materials had a negative effect on results. EBITDA remained significantly above the long-term average, but fell to EUR 47.0 million from EUR 96.1 million in Q2 2021/22. In the same period of the previous year VERBIO benefited from attractive hedged prices.

In the Bioethanol segment VERBIO achieved a new volume production record, producing 261.1 GWh of biomethane in Q2 2022/23. VERBIO is continuing to follow the strategy of increasing inventory of biomethane in order to be able to capture the entire product margin using its own BioCNG/BioLNG infrastructure. Although VERBIO increased the sales volume of bioethanol and achieved higher GHG premiums in the second quarter, it was not possible to compensate entirely for the fall in the ethanol price (-20 percent compared to Q2 2021/22). Sales revenues amounted to EUR 123.3 million, 6 percent lower than in the same quarter of the previous year (Q2 2021/22: EUR 131.7 million). The cost burden of the massive increases in energy and raw material prices resulted in an EBITDA of EUR 1.7 million (Q2 2021/22: EUR 50.2 million). With the increase in inventories for biomethane, the full earnings benefit from the advanced biofuel will be visible in future periods.

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VERBIO continues to build on its market position in both geographic and product terms. In the second quarter VERBIO invested EUR 52.0 million in an additional expansion to the biorefinery in Nevada, the BioLNG/BioCNG filling station network, and the expansion of its advanced biofuels capacity in Germany. Net financial assets at December 31, 2022 totalled EUR 177.5 million (June 30, 2022: EUR 284.1 million) and the Group's equity ratio was 74.0 percent (June 30, 2022: 72.5 percent).

Forecast confirmed

The numbers for the first half of 2022/2023 are a good basis for the ongoing financial year. In view of the current prices for goods sold and the prices of raw materials, VERBIO confirms the forecast published on September 27, 2022 in its Annual Report 2021/2022 of full year earnings (EBITDA) of EUR 300 million.

Over the course of the rest of the financial year further investments will be made in capacity expansion, product diversification and internationalisation, and accordingly the Management Board continues to expect net financial assets at the end of the financial year 2022/2023 to be approximately EUR 30 million.

The forecast is made subject to the proviso that the continued course of the Russian aggression in Ukraine and its consequences do not have a significant further negative effect on the market for biofuels and, in particular, on the procurement of raw materials and energy.

VERBIO key figures

(EUR millions)	1 HY 21/22	1 HY 22/23	yoy	Q2 21/22	Q2 22/23	yoy
Production						
Biodiesel (tonnes)	305.192	303.093	-1 %	155.185	157.969	2 %
Bioethanol (tonnes)	127.220	142.683	12 %	68.161	71.293	5 %
Biomethane (MWh)	414.718	522.128	26 %	214.841	261.108	22 %
Sales	809.1	1,077.7	33 %	458.7	485.5	6 %
Segment Biodiesel	585.7	792.8	35 %	324.1	357.4	10 %
Segment Bioethanol	217.7	276.1	27 %	131.7	123.3	-6 %
EBITDA	187.2	170.3	-9 %	147.0	48.9	-67 %
EBITDA margin (percent)	23.1 %	15.8 %	-7pp	32.1 %	10.1 %	-22pp
Segment Biodiesel	118.3	138.5	17 %	96.1	47.0	-51 %
EBITDA margin (percent)	20.2 %	17.5 %	-3pp	29.7 %	13.2 %	-17pp
Segment Bioethanol	67.3	30.6	-55 %	50.2	1.7	-97 %
EBITDA margin (percent)	30.9 %	11.1 %	-20pp	38.1 %	1.4 %	-37pp

(EUR millions)	30.06.2022	31.12.2022	+/-
Net financial assets	284.1	177.5	-38 %
Equity ratio (percent)	72.5 %	74.0 %	+2pp

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Detailed information on business developments in the first three months of the 2022/2023 financial year is provided in the Half-year financial report for the period ended December 31, 2022, which can be viewed from 8.30 a.m. CET on VERBIO's website at www.verbio.de/en/financial-reports.

*under the current regulatory framework

Information about VERBIO Vereinigte BioEnergie AG (VERBIO)

VERBIO AG is one of the leading independent bioenergy manufacturers, and is also the only large-scale producer of biodiesel, bioethanol and biomethane in Europe. The Group has approximately 1,000 employees at its locations in Saxony, Saxony-Anhalt and Brandenburg as well as at its foreign subsidiaries in India, the USA, Canada, Poland and Hungary. VERBIO concentrates on the use of internally developed innovative technologies and efficient energy-saving production processes. VERBIO's biofuels achieve CO₂ savings of up to 90 percent compared to petrol or diesel. The Group's annual production capacity amounts to approximately 660,000 tonnes of biodiesel, 300,000 tonnes of bioethanol and 1,300 gigawatt hours of biomethane. In addition, VERBIO manufactures biofertiliser and animal feed for agricultural use as well as high-value raw materials for the pharmaceutical, cosmetic and foodstuff industries. With its innovative processes and highly efficient production plants, VERBIO is a technology leader in the biofuels market. 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 that 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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