

Press release

Annual financial statements press conference, VERBIO AG: VERBIO continues its success with the second-best results in the Company's history

- New production records and sales revenues almost EUR 2 billion
- EBITDA of EUR 240.3 million in the expected range
- Proposed dividend of EUR 0.20 per qualifying share

Leipzig, September 26, 2023 – VERBIO Vereinigte BioEnergie AG has proved itself in the financial year 2022/2023 in a challenging market environment with a renewed increase in production and sales volumes and generated good earnings within the forecasted range. EBITDA was EUR 240.3 million and is the second-best result in VERBIO's history.

"Following the financial year 2021/2022, which was an extraordinary year in every sense, the financial year 2022/2023 just ended was characterised by new challenges. We had expected a normalisation of price levels in the agricultural sector and falling margins, and reflected these appropriately in our forecast. What we were not able to foresee at that time was the immense volume of biodiesel imports into Europe from China." said Claus Sauter, commenting on the financial results at the press conference on financial statements. He continued: "Developments such as these demonstrate once again how changeable the industry is, despite the globally increasing demand for biofuels and sustainable, green biomass molecules. Despite this, we have managed to generate the second-best results in the history of VERBIO AG."

Taking the step forward into international markets, in particular into North America, and the ongoing product diversification along the entire biomass value-added chain are future guarantees of growth and stability.

Group sales revenues totalled EUR 1,968.3 million, despite falling sales prices, exceeding the record levels of EUR 1,812.5 million achieved in the previous year. The increase in sales revenues is primarily due to the increase in sales volumes of both biodiesel and bioethanol.

The total production of biodiesel and bioethanol increased to 928,122 tonnes (previous year: 838,132 tonnes). The plant utilisation rate was 92.6 percent (previous year: 91.1 percent). In addition, in the financial year 2022/2023 biomethane production exceeded one TWh for the first time, with total production amounting to 1,078,053 MWh (previous year: 884,959 MWh).

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VERBIO makes use of international growth opportunities

“Politicians are addressing the pressure to drive forward decarbonisation and defossilisation in very diverse ways: Europe is still searching for the right strategy for the use of biomass-based renewable energy, while the USA is prioritising green environmental technologies by its funding policies” said Claus Sauter, VERBIO AG Chief Executive Officer.

With the investment projects in North America, VERBIO is making use of the opportunities being created by the almost USD 400 billion Inflation Reduction Act (IRA) which provides support for investment and for production of sustainable business models. The current momentum in combination with low energy and raw material costs, large volumes of unused biomass, well-developed infrastructure, long-term perspectives and reliability, as well as massive government support, offers excellent conditions for investment in North America. For this reason VERBIO is primarily concentrating the expansion of its production capacity on the USA.

“Obviously we continue to observe developments in the European market. If Europe does not want to fall behind it will need to react to the IRA to avoid know-how and investment being lost to the USA – in a similar way to how it reacted to the US-Chips and Science Act with the EU Chips Act. We will be ready for that.” said Claus Sauter.

Pioneering green solutions

“We have been far more than “just” a manufacturer of biofuels for some time now. With innovative technologies we are opening the way for climate-friendly alternatives on the basis of sustainably-generated biomass in transport, and also in industry, chemicals and agriculture. Biomass is a worldwide business and we will help to shape it” said Claus Sauter, explaining the increasing diversification of the Group.

Investments totalling 251.2 million were made in the financial year 2022/2023. Total investments have, as a result, almost doubled compared to the previous year.

In Germany, we are focussing on investing in the expansion of the biomethane filling station infrastructure and providing BioLNG for use in heavy goods vehicle transport. We are also continuing to open new business fields on an ongoing basis.

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We have commenced construction of the ethenolysis plant in Bitterfeld and the catalyst factory in Hungary. There we will create biomass molecules for the production of renewable plastics. The important projects in progress also include establishing the production and sale of high-value protein products for use in the animal feed and foodstuff industries.

In North America the expansion of the production location in Nevada, Iowa, converting it to a combined bioethanol-biomethane plant on the model of the German VERBIO biorefineries, has been completed. The commissioning of this expansion has already commenced. Verbio expects the first successes of the outstanding technology to become visible in the next financial year. Following the acquisition of a further ethanol plant in South Bend, Indiana VERBIO is starting the construction of a second such biorefinery in the USA.

With the investment in the expansion of the production plants, VERBIO's annual worldwide biodiesel production capacity has been increased to 710,000 tonnes (previously 660,000 tonnes) in the financial year 2023/2024 with the production capacity for bioethanol increasing to 800,000 tonnes (previously 300,000 tonnes) and production capacity of biomethane increasing to 1,980 GWh (previously 1,300 GWh).

Sustainability firmly in view

VERBIO is not only helping its customers to become sustainable, it has also set itself clear targets: "In the financial year just ended we have, with our products, generated a savings potential of 3.4 million tonnes of CO₂. By the year 2026 we want to increase this – on the basis of the current regulatory framework – to 8 million tonnes annually." said VERBIO's CEO.

He added: "In addition, we will make a significant improvement to our own green footprint and want to make the VERBIO Group climate-neutral by 2035. We have strengthened our sustainability management activities in the financial year just ended with the employment of additional staff, and sharpened the focus on sustainability in all departments in the Group. In addition to ecological sustainability, we are increasing diversity in our team through increasing internationalisation."

Success is teamwork

"The success we are generating is due to the efforts of an excellent international team" emphasised Claus Sauter. At June 30, 2023 VERBIO employed approximately 1,200 employees worldwide. With this, the planned recruitment of 100 new employees at the Group's locations worldwide has been significantly exceeded.

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Dividend and outlook for the financial year 2023/2024

In view of the decarbonisation and defossilisation targets in transport and the newly-created markets in industry, a significant growth in the market for low CO₂ raw materials and products can be expected. VERBIO will actively address this market growth with its international expansion and by optimising its existing production capacity, as well as with the construction of new capacity for manufacturing various different renewable molecules. Despite the ongoing uncertainties in Germany in the financial year 2023/2024 as a result of the biodiesel imports from Asia, the Management Board expects a positive result within the wider context of the industry.

Based on current sales and raw materials and energy price levels, our planned production capacity usage as well as our expectation that current uncertainties will continue, the Management Board expects to achieve an EBITDA for the financial year 2023/2024 in the range of approximately EUR 200 million to EUR 250 million. Net cash at the end of the financial year is expected to fall to approximately EUR -150 million to EUR -110 million as a result of the high levels of investments planned to expand production capacities and invest in new growth areas.

The Management and Supervisory Boards will make a proposal at the annual general meeting to be held in February 2024 for the payment of an unchanged dividend of EUR 0.20 per qualifying share. The available financial resources shall be retained and targeted for use in funding further investments.

“By achieving the second-best results in the history of VERBIO in the financial year 2022/2023, we have once again demonstrated that we have made use of the possibilities available to us on the raw material and sales markets, and that we have risen to the challenges in the biofuels market with our wide-ranging product portfolio. Our internationalisation strategy in North America and India were good and ground-breaking decisions taken at exactly the right time. We must increase the pace of our growth further in order to satisfy the growing global demand for our biomass molecules.” said Claus Sauter, finally.

Annual report and non-financial Group report

The detailed annual report 2022/2023, as well as the separate non-financial Group report for the financial year 2022/2023 for the financial year just ended are available at: www.verbio.de/Finanzberichte

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Picture material available for download (approx. 75 MB, © VERBIO AG) at: https://bit.ly/VERBIO_Bilanz

Picture preview:



About Verbio

At Verbio we make more from biomass: At Verbio we make more out of biomass. In our biorefineries we convert raw materials and waste products from local agriculture into climate-friendly fuels, green energy and renewable products for chemicals and agriculture. In addition, we create high-value components from sustainably-generated biomass for the animal feed and food industries. We employ more than 1,000 people at our locations in Germany, Poland, Hungary, India, the USA and Canada. Our motto "Pioneering green solutions" summarises what drives our international team; with innovative technologies and green solutions, we are shaping the social and industrial transformation toward climate neutrality and ecological production. We contribute to preserving natural resources and to leaving the earth in a habitable state for the generations that will follow us. In doing so we combine global growth with commercial success, social responsibility and supply security. The Verbio share (ISIN DE000A0JL9W6/WKN A0JL9W) has been listed in the prime standard segment of the Frankfurt Stock Exchange since October 2006. Our headquarters are in Zörbig, Germany.

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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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