

# *Verbio*

*Biofuel and Technology*

**Quarterly interim  
statement for the period  
ended September 30, 2017  
(Q1 2017/2018)**

## Group key figures

[in EUR million]

| <b>Profitability</b>                            | <b>Q1<br/>2017/2018</b> | <b>Q1<br/>2016/2017</b> | <b>Q2<br/>2016/2017</b> | <b>Q3<br/>2016/2017</b> | <b>Q4<br/>2016/2017</b> | <b>2016/2017</b>  |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------|
| Sales revenue                                   | 178.2                   | 158.0                   | 180.8                   | 200.0                   | 187.6                   | 726.4             |
| EBITDA  | 15.9                    | 16.2                    | 32.8                    | 26.8                    | 16.6                    | 92.4              |
| EBIT  | 10.3                    | 10.8                    | 27.5                    | 21.4                    | 11.0                    | 70.7              |
| EBIT-margin (%)                                 | 5.8                     | 6.8                     | 15.2                    | 10.7                    | 5.9                     | 9.7               |
| EBT   | 10.2                    | 10.4                    | 27.3                    | 21.4                    | 11.4                    | 70.5              |
| Net result for the period                       | 7.4                     | 7.4                     | 18.8                    | 14.7                    | 10.9                    | 51.8              |
| Earnings per share (EUR)                        | 0.12                    | 0.12                    | 0.29                    | 0.23                    | 0.18                    | 0.82              |
| <b>Operating data</b>                           | <b>Q1<br/>2017/2018</b> | <b>Q1<br/>2016/2017</b> | <b>Q2<br/>2016/2017</b> | <b>Q3<br/>2016/2017</b> | <b>Q4<br/>2016/2017</b> | <b>2016/2017</b>  |
| Productions (tonnes)                            | 183,663                 | 176,767                 | 183,375                 | 179,659                 | 182,336                 | 722,137           |
| Production (MWh)                                | 131,110                 | 141,461                 | 142,026                 | 133,314                 | 142,359                 | 559,160           |
| Plant utilisation Biodiesel/<br>Bioethanol (%)  | 100.6                   | 96.9                    | 100.5                   | 98.4                    | 99.9                    | 98.9              |
| Plant utilisation<br>Biomethane (%)             | 87.4                    | 94.3                    | 94.7                    | 88.9                    | 94.9                    | 93.2              |
| Investments in property,<br>plant and equipment | 4.6                     | 3.2                     | 5.9                     | 5.1                     | 4.6                     | 18.8              |
| Number of employees <sup>1)</sup>               | 535                     | 498                     | 493                     | 503                     | 527                     | 527               |
| <b>Net asset position</b>                       | <b>30.09.2017</b>       | <b>30.09.2016</b>       | <b>31.12.2016</b>       | <b>31.03.2017</b>       | <b>30.06.2017</b>       | <b>30.06.2017</b> |
| Net financial assets                            | 120.4                   | 61.8                    | 72.6                    | 94.6                    | 115.7                   | 115.7             |
| Equity  | 304.0                   | 263.0                   | 286.3                   | 287.6                   | 296.4                   | 296.4             |
| Equity ratio (%)                                | 80.8                    | 80.9                    | 80.4                    | 78.9                    | 79.4                    | 79.4              |
| Balance sheet total                             | 376.3                   | 325.1                   | 356.0                   | 364.6                   | 373.1                   | 373.1             |
| <b>Financial position</b>                       | <b>Q1<br/>2017/2018</b> | <b>Q1<br/>2016/2017</b> | <b>Q2<br/>2016/2017</b> | <b>Q3<br/>2016/2017</b> | <b>Q4<br/>2016/2017</b> | <b>2016/2017</b>  |
| Operating cash flow                             | 7.4                     | -1.4                    | 16.9                    | 36.0                    | 23.5                    | 75.0              |
| Operating cash flow per<br>share (EUR)          | 0.12                    | -0.02                   | 0.27                    | 0.57                    | 0.37                    | 1.19              |
| Cash and cash equivalents <sup>2)</sup>         | 122.3                   | 65.6                    | 76.0                    | 97.1                    | 117.6                   | 117.6             |

<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/>2017/2018</b> | <b>Q1<br/>2016/2017</b> | <b>Q2<br/>2016/2017</b> | <b>Q3<br/>2016/2017</b> | <b>Q4<br/>2016/2017</b> | <b>2016/2017</b> |
|-----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------|
| Sales revenue                     | 114,7                   | 111,4                   | 124,9                   | 123,7                   | 111,6                   | 471,6            |
| EBITDA                            | 5,1                     | 9,1                     | 18,7                    | 11,9                    | -0,4                    | 39,3             |
| EBIT                              | 3,9                     | 7,9                     | 17,5                    | 10,8                    | -1,6                    | 34,6             |
| Production (tonnes)               | 121.445                 | 117.180                 | 119.250                 | 117.129                 | 119.823                 | 473.382          |
| Utilisation (%)                   | 103,4                   | 99,7                    | 101,5                   | 99,7                    | 102,0                   | 100,7            |
| Number of employees <sup>1)</sup> | 112                     | 111                     | 109                     | 110                     | 110                     | 110              |

  

| <b>Bioethanol<br/>(incl. Biomethane)</b> | <b>Q1<br/>2017/2018</b> | <b>Q1<br/>2016/2017</b> | <b>Q2<br/>2016/2017</b> | <b>Q3<br/>2016/2017</b> | <b>Q4<br/>2016/2017</b> | <b>2016/2017</b> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------|
| Sales revenue                            | 60.9                    | 44.2                    | 53.3                    | 74.0                    | 73.7                    | 245.2            |
| EBITDA                                   | 10.6                    | 6.7                     | 14.1                    | 14.9                    | 16.7                    | 52.4             |
| EBIT                                     | 6.3                     | 2.7                     | 10.0                    | 10.8                    | 12.5                    | 36.0             |
| Production (tonnes)                      | 62,218                  | 59,587                  | 64,125                  | 62,530                  | 62,513                  | 248,755          |
| Production (MWh)                         | 131,110                 | 141,461                 | 142,026                 | 133,314                 | 142,359                 | 559,160          |
| Plant utilisation<br>Bioethanol (%)      | 95.7                    | 91.7                    | 98.7                    | 96.2                    | 96.2                    | 95.7             |
| Plant utilisation<br>Biomethane (%)      | 87.4                    | 94.3                    | 94.7                    | 88.9                    | 94.9                    | 93.2             |
| Number of employees <sup>1)</sup>        | 257                     | 236                     | 232                     | 238                     | 252                     | 252              |

  

| <b>Other</b>        | <b>Q1<br/>2017/2018</b> | <b>Q1<br/>2016/2017</b> | <b>Q2<br/>2016/2017</b> | <b>Q3<br/>2016/2017</b> | <b>Q4<br/>2016/2017</b> | <b>2016/2017</b> |
|---------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------|
| Third party revenue | 4.0                     | 4.1                     | 4.1                     | 4.1                     | 4.0                     | 16.3             |
| EBIT                | 0.1                     | 0.1                     | 0.0                     | -0.1                    | 0.1                     | 0.1              |

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

## Business report and the Group's position

VERBIO AG reports results for the first three months of the financial year 2017/2018, which are almost unchanged compared to the same period in the previous year.

Group revenues increased by 13 percent to EUR 178.2 million compared to the previous year (Q1 2016/2017: EUR 158.0 million).

Taking into account an overall unchanged trend in material costs the result before interest, taxes and depreciation and amortisation (EBITDA) totalled EUR 15.9 million for the first three months of the financial year 2017/2018, comparable with the previous year (Q1 2016/2017: EUR 16.2 million). The Group result before taxation and interest (EBIT) is also approximately unchanged compared to Q1 2016/2017 and amounted to EUR 10.3 million (Q1 2016/2017: EUR 10.8 million). The net result amounted to EUR 7.4 million (Q1 2016/2017: EUR 7.4 million). Based on the result for the period, earnings per share are EUR 0.12 (Q1 2016/2017: EUR 0.12).

## Net assets and financial position

### Cash flows

Cash flow from operating activities in the first three months of the financial year 2017/2018 amounted to EUR 7.4 million (Q1 2016/2017: EUR –1.4 million). The relatively low operating cash flow is primarily due to the seasonal increase in inventories.

The total cash outflows from investment activities in the first three months of 2017/2018 were EUR 3.1 million (Q1 2016/2017: EUR 2.5 million). This primarily resulted from payments made for investments in property, plant and equipment.

There were no notable cash flows from financing activities in the reporting period (Q1 2016/2017: EUR –8.0 million). In the previous year financing cash flows arose from loan repayments.

As a result, cash and cash equivalents increased by EUR 4.2 million in the period July 1, 2017 to September 30, 2017. Cash and cash equivalents reported in the balance sheet at September 30, 2017 amounted to EUR 58.9 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 122.3 million, so that the reported net cash balance at September 30, 2017 amounted to EUR 120.4 million (June 30, 2017: EUR 115.7 million).

## Development of the Biodiesel and Bioethanol segments

The results in the first quarter of the financial year 2017/2018 compared to the same period in the previous year were primarily driven by lower Biodiesel margins, while higher margins were achieved for Bioethanol in the first quarter of 2017/2018. Production plant utilisation was high in both the Biodiesel and the Bioethanol (including Biomethane) segments. The production volume of biodiesel and bioethanol in the period from July 1, 2017 to September 30, 2017 totalled 183,663 tonnes, compared to 176,767 tonnes in the same period in the previous year. In addition, 131.1 GWh of biomethane were produced in the first three months of the financial year 2017/2018 (Q1 2016/2017: 141.5 GWh).

## Outlook, opportunity and risk report

### Outlook

VERBIO is making no change to the results forecasts provided in the 2016/2017 annual report published on September 27, 2017. Accordingly, EBITDA is expected to be around EUR 50 million and the net cash balance at the end of the financial year is expected to total approximately EUR 100 million.

### Risk and opportunity report

There have been no changes to the opportunities and risks presented in the 2016/2017 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, 2017 to September 30, 2017

| EUR (thousands)   | Q1 2017/2018   | Q1 2016/2017   |
|---|----------------|----------------|
| 1. Revenue (including energy taxes collected)                   | 178,339        | 158,136        |
| less: energy taxes  | -102           | -91            |
| <b>Revenue</b>  | <b>178,237</b> | <b>158,045</b> |
| 2. Change in unfinished and finished goods                      | 1,054          | 3,188          |
| 3. Capitalised production of own plant and equipment            | 0              | 105            |
| 4. Other operating income                                       | 2,125          | 2,329          |
| 5. Cost of materials  | -150,222       | -133,175       |
| 6. Personnel expenses   | -6,360         | -6,648         |
| 7. Depreciation and amortisation                                | -5,563         | -5,376         |
| 8. Other operating expenses                                     | -8,252         | -7,650         |
| 9. Result from commodity forward contracts                      | -698           | 0              |
| <b>10. Operating result</b>                                     | <b>10,321</b>  | <b>10,818</b>  |
| 11. Interest income   | 3              | 0              |
| 12. Interest expense  | -94            | -419           |
| <b>13. Financial result</b>                                     | <b>-91</b>     | <b>-419</b>    |
| <b>14. Result before tax</b>                                    | <b>10,230</b>  | <b>10,399</b>  |
| 15. Income tax expense  | -2,861         | -2,972         |
| <b>16. Net result for the period</b>                            | <b>7,369</b>   | <b>7,427</b>   |
| Comprehensive result attributable to shareholders of the parent | 7,314          | 7,378          |
| Comprehensive result attributable to non-controlling interests  | 55             | 49             |
| <b>Result per share (basic and diluted)</b>                     | <b>0.12</b>    | <b>0.12</b>    |

## Consolidated balance sheet

at September 30, 2017

| EUR (thousands)                       | 30.09.2017     | 30.06.2017     |
|---------------------------------------|----------------|----------------|
| <b>Assets</b>                         |                |                |
| <b>A. Non-current assets</b>          |                |                |
| I. Other intangible assets            | 206            | 237            |
| II. Property, plant and equipment     | 163,376        | 164,644        |
| III. Financial assets                 | 56             | 57             |
| IV. Deferred tax assets               | 2,462          | 2,873          |
| <b>Total non-current assets</b>       | <b>166,100</b> | <b>167,811</b> |
| <b>B. Current assets</b>              |                |                |
| I. Inventories                        | 43,692         | 34,346         |
| II. Trade receivables                 | 33,731         | 38,489         |
| III. Derivatives                      | 1,281          | 2,391          |
| IV. Other short-term financial assets | 5,490          | 3,978          |
| V. Tax refunds                        | 126            | 112            |
| VI. Other assets                      | 6,969          | 11,230         |
| VII. Term deposits                    | 60,000         | 60,000         |
| VIII. Cash and cash equivalents       | 58,928         | 54,722         |
| <b>Total current assets</b>           | <b>210,217</b> | <b>205,268</b> |
| <b>Total assets</b>                   | <b>376,317</b> | <b>373,079</b> |

| EUR (thousands)  | 30.09.2017     | 30.06.2017     |
|--|----------------|----------------|
| <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                                      | -166           | -507           |
| IV. Retained earnings                                    | -247,453       | -254,767       |
| V. Reserve for translation differences                   | -129           | -32            |
| <b>Total equity attributable to owners of the parent</b> | <b>302,933</b> | <b>295,375</b> |
| VI. Non-controlling interests                            | 1,071          | 1,016          |
| <b>Total equity</b>                                      | <b>304,004</b> | <b>296,391</b> |
| <b>B. Non-current liabilities</b>                        |                |                |
| I. Bank loans and other loans                            | 561            | 561            |
| II. Provisions   | 154            | 154            |
| III. Deferred investment grants and subsidies            | 5,874          | 6,127          |
| IV. Other non-current liabilities                        | 1,861          | 3,912          |
| V. Deferred taxes  | 267            | 288            |
| <b>Total non-current liabilities</b>                     | <b>8,717</b>   | <b>11,042</b>  |
| <b>C. Current liabilities</b>                            |                |                |
| I. Bank loans and other loans                            | 1,336          | 1,349          |
| II. Trade payables                                       | 29,418         | 27,297         |
| III. Derivatives   | 1,191          | 2,348          |
| IV. Other current financial liabilities                  | 9,019          | 9,226          |
| V. Tax liabilities                                       | 17,018         | 15,075         |
| VI. Provisions   | 725            | 1,532          |
| VII. Deferred investment grants and subsidies            | 1,006          | 1,007          |
| VIII. Other current liabilities                          | 3,883          | 7,812          |
| <b>Total current liabilities</b>                         | <b>63,596</b>  | <b>65,646</b>  |
| <b>Total equity and liabilities</b>                      | <b>376,317</b> | <b>373,079</b> |

## Consolidated cash flow statement

for the period July 1, 2017 to September 30, 2017

| EUR (thousands)   | Q1 2017/2018  | Q1 2016/2017  |
|---|---------------|---------------|
| Net result for the period   | 7,369         | 7,427         |
| Income tax expense  | 2,861         | 2,972         |
| Interest result   | 91            | 419           |
| Depreciation and amortisation   | 5,563         | 5,376         |
| Non-cash expense  | 366           | 1             |
| Non-cash expenses   | -98           | -41           |
| Loss (previous year period: gains) on disposal of property, plant and equipment and disposal of investment grants | 23            | -7            |
| Release of deferred investment grants and subsidies   | -254          | -255          |
| Non-cash changes in derivative financial instruments  | 448           | 0             |
| Increase in inventories   | -9,346        | -10,992       |
| Decrease (previous year period: increase) in trade receivables  | 4,758         | -1,900        |
| Decrease (previous year period: increase) in other assets and other current financial assets                      | 1,737         | -3,111        |
| Decrease (previous year period: increase) in provisions   | -807          | 422           |
| Increase (previous year period: decrease) in trade payables   | 1,684         | -1,337        |
| Decrease (previous year period: increase) in other current financial and non-financial liabilities                | -6,262        | 195           |
| Interest paid   | -90           | -444          |
| Interest received   | 3             | 0             |
| Income taxes paid   | -681          | -134          |
| <b>Cash flows from operating activities</b>   | <b>7,365</b>  | <b>-1,409</b> |
| Acquisition of intangible assets  | -7            | -1            |
| Acquisition of property, plant and equipment  | -4,133        | -2,500        |
| Proceeds from disposal of property, plant and equipment   | 4             | 7             |
| Proceeds from grants and subsidies received   | 1,073         | 0             |
| <b>Cash flows from investing activities</b>   | <b>-3,063</b> | <b>-2,494</b> |
| Cash outflows for the repayment of financial liabilities  | -13           | -8,006        |
| Proceeds from drawdowns of financial liabilities  | 0             | 0             |
| <b>Cash flows from financing activities</b>   | <b>-13</b>    | <b>-8,006</b> |
| Change in cash funds resulting from business transactions   | 4,289         | -11,909       |
| Change in cash funds due to effects of exchange rates   | -83           | 36            |
| Cash funds at beginning of year   | 54,722        | 77,483        |
| <b>Cash funds at end of year</b>  | <b>58,928</b> | <b>65,610</b> |
| Cash funds at year end comprise the following:  |               |               |
| Cash and cash equivalents   | 58,928        | 65,610        |
| <b>Cash funds at end of year</b>  | <b>58,928</b> | <b>65,610</b> |



## Financial calendar 2017/2018

|                           |  |
|---------------------------|--|
| <b>September 27, 2017</b> | Publication of annual report 2016/2017<br>Analyst's conference/annual financial statements press conference                                    |
| <b>November 9, 2017</b>   | Publication of quarterly statement to September 30, 2017<br>(July 2017 to September 2017)  |
| <b>February 2, 2018</b>   | Annual General Meeting, Radisson Blu Hotel, Leipzig  |
| <b>February 8, 2018</b>   | Publication of half-year report 2017/2017<br>(July 2017 to December 2017)<br>Analyst's conference/annual financial statements press conference |
| <b>May 9, 2018</b>        | Publication of quarterly statement to March 31, 2018<br>(July 2017 to March 2018)  |
| <b>September 26, 2018</b> | Publication of annual report 2017/2018<br>Analyst's conference/annual financial statements press conference                                    |

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### ZukForward-looking statements

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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