

# *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 2018/2019</b>	<b>Q1 2017/2018</b>	<b>Q2 2017/2018</b>	<b>Q3 2017/2018</b>	<b>Q4 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 2018/2019</b>	<b>Q1 2017/2018</b>	<b>Q2 2017/2018</b>	<b>Q3 2017/2018</b>	<b>Q4 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 2018/2019</b>	<b>Q1 2017/2018</b>	<b>Q2 2017/2018</b>	<b>Q3 2017/2018</b>	<b>Q4 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 2018/2019</b>	<b>Q1 2017/2018</b>	<b>Q2 2017/2018</b>	<b>Q3 2017/2018</b>	<b>Q4 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 (incl. biomethane)</b>	<b>Q1 2018/2019</b>	<b>Q1 2017/2018</b>	<b>Q2 2017/2018</b>	<b>Q3 2017/2018</b>	<b>Q4 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 2018/2019</b>	<b>Q1 2017/2018</b>	<b>Q2 2017/2018</b>	<b>Q3 2017/2018</b>	<b>Q4 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 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 (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 (July 2018 to December 2018) Analyst's conference/financial statements press conference
<b>May 9, 2019</b>	Publication of the quarterly statement for the period ended March 31, 2019 (July 2018 to March 2019)
<b>September 25, 2019</b>	Publication of the annual report 2018/2019 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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