

# *Verbio*

*Biofuel and Technology*

**Quarterly interim  
statement for the period  
ended March 31, 2019  
(Q3 2018/2019)**

## Group key figures

[in EUR million]

<b>Profitability</b>	<b>Q1 2018/2019</b>	<b>Q2 2018/2019</b>	<b>Q3 2018/2019</b>	<b>9 M 2018/2019</b>
Sales	170.7	209.5	193.5	573.7
EBITDA	16.6	40.7	27.1	84.4
EBIT	11.0	35.6	21.9	68.5
EBIT-margin (%)	6.4	17.0	11.3	11.9
EBT	11.0	35.5	21.9	68.4
period result	7.8	25.2	16.7	49.7
Earnings per share (EUR)	0.13	0.40	0.26	0.79
<b>Operating data</b>	<b>Q1 2018/2019</b>	<b>Q2 2018/2019</b>	<b>Q3 2018/2019</b>	<b>9 M 2018/2019</b>
Productions (tons)	180,333	180,698	179,336	540,367
Productions (MWh)	154,444	183,525	177,421	515,390
Utilisation Biodiesel/ Bioethanol (%)	98.8	99.0	98.3	98.7
Utilisation Biomethane (%)	103.0	122.5	118.3	114.5
Investments in property, plant and equipment	10.5	24.9	12.2	47.6
Number of employees <sup>1)</sup>	580	582	629	629
<b>Net asset position</b>	<b>30.09.2018</b>	<b>31.12.2018</b>	<b>31.03.2019</b>	<b>31.03.2019</b>
Net financial assets	92.7	96.5	100.8	100.8
Equity	308.3	332.0	335.6	335.6
Equity ratio (%)	81.3	76.5	78.0	78.0
Balances sheet total	379.4	433.9	430.0	430.0
<b>Financial position</b>	<b>Q1 2018/2019</b>	<b>Q2 2018/2019</b>	<b>Q3 2018/2019</b>	<b>9 M 2018/2019</b>
Operating cash flow	10.3	13.2	33.7	57.2
Operating cash flow per share (EUR)	0.16	0.21	0.53	0.91
Cash and cash equivalents <sup>2)</sup>	93.2	104.4	96.5	96.5

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

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

	<b>Q1 2017/2018</b>	<b>Q2 2017/2018</b>	<b>Q3 2017/2018</b>	<b>9 M 2017/2018</b>
	178.2	174.0	161.0	513.2
	15.9	14.5	4.3	34.7
	10.3	8.9	-1.2	18.0
	5.8	5.1	-0.7	3.5
	10.2	8.9	-1.2	17.9
	7.4	5.9	-1.1	12.2
	0.12	0.09	-0.02	0.19
	<b>Q1 2017/2018</b>	<b>Q2 2017/2018</b>	<b>Q3 2017/2018</b>	<b>9 M 2017/2018</b>
	183,663	183,055	178,231	544,949
	131,110	164,434	168,878	464,422
	100.6	100.3	92.5	99.5
	87.4	109.6	112.6	103.2
	4.6	5.5	8.1	18.2
	535	535	548	548
	<b>30.09.2017</b>	<b>31.12.2017</b>	<b>31.03.2018</b>	<b>31.03.2018</b>
	120.4	106.9	83.4	83.4
	304.0	309.6	295.3	295.3
	80.8	81.1	80.7	80.7
	376.3	381.6	366.0	366.0
	<b>Q1 2017/2018</b>	<b>Q2 2017/2018</b>	<b>Q3 2017/2018</b>	<b>9 M 2017/2018</b>
	7.4	-9.0	-3.1	-4.7
	0.12	-0.14	-0.05	-0.07
	122.3	108.3	83.8	83.8

## Segment key figures

[in EUR million]

<b>Biodiesel</b>	<b>Q1 2018/2019</b>	<b>Q2 2018/2019</b>	<b>Q3 2018/2019</b>	<b>9 M 2018/2019</b>
Sales	112.9	146.8	126.0	385.7
EBITDA	13.7	36.6	21.3	71.7
EBIT	12.5	35.5	20.1	68.1
Production (t)	119,658	119,828	120,371	359,857
Utilisation (%)	101.8	102.0	102.4	102.1
Number of employees <sup>1)</sup>	116	122	151	151

<b>Bioethanol (incl. Biomethane)</b>	<b>Q1 2018/2019</b>	<b>Q2 2018/2019</b>	<b>Q3 2018/2019</b>	<b>9 M 2018/2019</b>
Sales	55.4	60.2	65.0	180.6
EBITDA	2.6	4.3	5.7	12.6
EBIT	-1.6	0.6	1.8	0.8
Production (t)	60,675	60,870	58,965	180,510
Production (MWh)	154,444	183,525	177,421	515,390
Utilisation Bioethanol (%)	93.4	93.7	90.7	92.6
Utilisation Biomethane (%)	103.0	122.5	118.3	114.5
Number of employees <sup>1)</sup>	289	293	314	314

<b>Other</b>	<b>Q1 2018/2019</b>	<b>Q2 2018/2019</b>	<b>Q3 2018/2019</b>	<b>9 M 2018/2019</b>
Third party sales	4.4	3.8	4.1	12.3
EBIT	0.1	-0.4	-0.1	-0.4

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

	<b>Q1 2017/2018</b>	<b>Q2 2017/2018</b>	<b>Q3 2017/2018</b>	<b>9 M 2017/2018</b>
	114.7	117.3	107.3	339.3
	5.1	9.3	-0.1	14.3
	3.9	8.1	-1.2	10.8
	121,445	119,789	116,005	357,239
	103.4	102.0	98.7	101.3
	112	113	112	112

	<b>Q1 2017/2018</b>	<b>Q2 2017/2018</b>	<b>Q3 2017/2018</b>	<b>9 M 2017/2018</b>
	60.9	53.9	51.3	166.1
	10.6	5.1	4.3	20.0
	6.3	0.9	0.0	7.2
	62,218	63,266	62,226	187,710
	131,110	164,434	168,878	464,422
	95.7	97.3	95.7	96.3
	87.4	109.6	112.6	103.2
	257	257	266	266

	<b>Q1 2017/2018</b>	<b>Q2 2017/2018</b>	<b>Q3 2017/2018</b>	<b>9 M 2017/2018</b>
	4.0	4.0	3.8	11.8
	0.1	0.0	-0.1	0.0

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## Business report and the Group's position

VERBIO AG reports significantly higher earnings for the first nine months of the current financial year compared to the equivalent period in the previous year, because once again in the third quarter of 2018/2019 it has been possible to maintain the trend set in the first half of the financial year.

Group revenues increased by 12 percent to EUR 573.7 million compared to the same period in the previous year (9 M 2017/2018: EUR 513.2 million).

Earnings before interest, taxation, depreciation and amortisation (EBITDA) for the nine-month period amounted to EUR 84.4 million, 143 percent ahead of the comparative period in the previous year (9 M 2017/2018: EUR 34.7 million). The Group result before interest and taxation (EBIT) totalled EUR 68.5 million (9 M 2017/2018: EUR 18.0 million). The Group result before taxation (EBT) totalled EUR 68.4 million (9 M 2017/2018: EUR 17.9 million), and the net result for the period was EUR 49.7 million (9 M 2017/2018: EUR 12.2 million). Based on the result for the period, earnings per share amount to EUR 0.79 (9 M 2017/2018: EUR 0.19).

## Net assets and financial position

### *Assets and liabilities*

The balance sheet total at March 31, 2019 amounted to EUR 430.0 million, representing an increase of EUR 64.0 million compared to June 30, 2018 (June 30, 2018: EUR 366.0 million).

The increase of the asset side of the balance sheet included increases in both current and non-current assets. The increase in non-current assets (EUR 204.3 million; June 30, 2018: EUR 171.7 million) reflects the increased level of investments made in the current financial year.

The liabilities and equity side of the balance sheet includes equity of EUR 335.6 million (June 30, 2018: EUR 300.2 million), representing approximately 78.0 percent of the balance sheet total (June 30, 2018: 82.0 percent). This included an increase in current liabilities compared to the June 30, 2018 balance sheet date; this change was in connection with short-term financing arrangements for investments.

### *Cash flows*

The cash flow from operating activities in the first nine months of the financial year 2018/2019 amounted to EUR 57.2 million (9 M 2017/2018: EUR –4.7 million). The significant increase compared to the same period in the previous year is primarily due to the increase in the net result for the period, and to the lower increase in the working capital required to finance inventories.

The total cash outflows from investment activities in the first nine months of 2018/2019 were EUR 44.6 million (9 M 2017/2018: EUR 15.6 million). In the current financial year, this primarily resulted from payments made for investments in property, plant and equipment. As a result of the release of funds held on term deposits (EUR 60.0 million), an overall positive cash flow from investing activities of EUR 15.5 million is reported for the current financial year.

The cash flow from financing activities totalled EUR –4.9 million (9 M 2017/2018: EUR –14.1 million). EUR 12.6 million of this total (as in the previous year) resulted from the payment of the dividend for the previous financial year. For the current financial year, the dividend payments correspond to the amounts drawn down under financial liabilities of EUR 8.0 million (9 M 2017/2018: EUR 0.0 million).

As a result, cash and cash equivalents increased by EUR 67.8 million in the period from July 1, 2018 to March 31, 2019. Cash and cash equivalents reported in the balance sheet at March 31, 2019 amounted to EUR 96.5 million.

### *Net cash*

The comparatively low amounts of bank and loan finance arrangements outstanding is more than offset by cash and cash equivalents and other cash balances on segregated accounts totalling EUR 109.9 million, so that the reported net cash balance at March 31, 2019 amounted to EUR 100.8 million (June 30, 2018: EUR 90.1 million).

### Development of the Biodiesel and Bioethanol segments

The results trends in biodiesel in the first nine months of the current financial year were driven by high margins accompanied by record production levels. The margins for bioethanol increased significantly in the quarter with production volumes slightly lower. The production volume of biodiesel and bioethanol in the period from July 1, 2018 to March 31, 2019 totalled 540,367 tonnes, compared with 544,949 tonnes in the same period in the previous year. In addition, 515.4 GWh of biomethane were produced in the first nine months of the financial year 2018/2019 (9 M 2017/2018: 464.4 GWh), an increase of 11 percent compared with the same period in the previous year.

### Outlook, opportunity and risk report

#### *Outlook*

VERBIO issued an amended earnings forecast for the financial year 2018/2019 in an ad hoc announcement made on April 2, 2019. Accordingly, EBITDA is expected to be around EUR 95 million and the net cash balance at the end of the financial year is expected to fall to around EUR 75 million. Previously the Group had expected an EBITDA of around EUR 80 million and net cash of EUR 90 million.

#### *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 March 31, 2019

EUR (thousands)	Q3 2018/2019	Q3 2017/2018	9 M 2018/2019	9 M 2017/2018
1. Sales revenue (including energy taxes collected)	193,597	161,155	574,062	513,599
less: energy taxes	-101	-134	-331	-391
<b>Umsatzerlöse</b>	<b>193,496</b>	<b>161,021</b>	<b>573,731</b>	<b>513,208</b>
2. Change in unfinished and finished goods	4,172	2,722	8,499	11,067
3. Capitalised production of own plant and equipment	214	177	910	738
4. Other operating income	4,289	3,074	11,257	8,672
5. Cost of materials	-156,666	-148,938	-457,800	-453,941
6. Personnel expenses	-9,109	-5,249	-26,095	-18,622
7. Depreciation and amortisation	-5,242	-5,613	-15,963	-16,742
8. Other operating expenses	-9,678	-8,530	-28,101	-25,255
9. Result from commodity forward contracts	410	88	2,034	-1,127
<b>10. Operating result</b>	<b>21,886</b>	<b>-1,248</b>	<b>68,472</b>	<b>17,998</b>
11. Interest income	42	46	80	156
12. Interest expense	-110	-26	-195	-270
<b>13. Financial result</b>	<b>-68</b>	<b>20</b>	<b>-115</b>	<b>-114</b>
<b>14. Result before tax</b>	<b>21,818</b>	<b>-1,228</b>	<b>68,357</b>	<b>17,884</b>
15. Income tax expense	-5,086	197	-18,650	-5,638
<b>16. Net result for the period</b>	<b>16,732</b>	<b>-1,031</b>	<b>49,707</b>	<b>12,246</b>
Result attributable to shareholders of the parent company	16,968	-1,049	50,081	12,097
Result attributable to non-controlling interests	-236	18	-374	149
<b>Result per share (basic and diluted)</b>	<b>0.27</b>	<b>-0.02</b>	<b>0.79</b>	<b>0.19</b>

## Consolidated balance sheet

at March 31, 2019

EUR (thousands)	31.03.2019	30.06.2018
<b>Assets</b>		
<b>A. Non-current assets</b>		
I. Other intangible assets	697	334
II. Property, plant and equipment	198,843	167,962
III. Financial assets	94	55
IV. Deferred tax assets	4,669	3,392
<b>Total non-current assets</b>	<b>204,303</b>	<b>171,743</b>
<b>B. Current assets</b>		
I. Inventories	61,615	45,171
II. Trade receivables	34,892	45,233
III. Derivatives	3,874	3,392
IV. Other short-term financial assets	17,571	2,691
V. Tax refunds	249	195
VI. Other assets	11,026	9,006
VII. Term deposits	0	60,042
VIII. Cash and cash equivalents	96,502	28,516
<b>Total current assets</b>	<b>225,729</b>	<b>194,246</b>
<b>Total assets</b>	<b>430,032</b>	<b>365,989</b>

EUR (thousands)	31.03.2019	30.06.2018
<b>Liabilities and equity</b>		
<b>A. Equity</b>		
I. Share capital	63,000	63,000
II. Additional paid-in capital	487,680	487,681
III. Fair value reserve	-509	1,018
IV. Retained earnings	-214,961	-252,444
V. Reserve for translation differences	-169	-233
<b>Total equity, excluding non-controlling interests</b>	<b>335,041</b>	<b>299,022</b>
VI. Non-controlling interests	606	1,195
<b>Total equity</b>	<b>335,647</b>	<b>300,217</b>
<b>B. Non-current liabilities</b>		
I. Bank loans and other loans	0	11
II. Provisions	156	155
III. Deferred investment grants and subsidies	4,325	5,102
IV. Other non-current liabilities	2,339	2,010
V. Deferred taxes	7	437
<b>Total non-current liabilities</b>	<b>6,827</b>	<b>7,715</b>
<b>C. Current liabilities</b>		
I. Bank loans and other loans	9,101	369
II. Trade payables	39,327	31,185
III. Derivatives	4,023	2,159
IV. Other current financial liabilities	6,236	7,294
V. Tax liabilities	21,731	9,342
VI. Provisions	4,712	4,349
VII. Deferred investment grants and subsidies	1,033	1,035
VIII. Other current liabilities	1,395	2,324
<b>Total current liabilities</b>	<b>87,558</b>	<b>58,057</b>
<b>Total equity and liabilities</b>	<b>430,032</b>	<b>365,989</b>

## Consolidated cash flow statement

for the period July 1, 2018 to March 31, 2019

EUR (thousands)	9 M 2018/2019	9 M 2017/2018
Net result for the period	49,707	12,246
Income tax expense	18,650	5,638
Interest result	115	114
Depreciation and amortisation	15,963	16,742
Non-cash expense	489	298
Non-cash expenses	-507	-160
Loss on disposal of property, plant and equipment and disposal of investment grants	47	228
Release of deferred investment grants and subsidies	-779	-767
Non-cash changes in derivative financial instruments	-790	839
Increase in inventories	-16,444	-27,639
Decrease in trade receivables	10,344	4,282
Decrease in other assets and other current financial assets	-17,207	-7,097
Increase in provisions	351	-597
Increase in trade payables	7,084	6,534
Decrease in other current financial and non-financial liabilities	-2,368	-11,622
Interest paid	-194	-270
Interest received	80	91
Income taxes paid	-7,296	-3,558
<b>Cash flows from operating activities</b>	<b>57,245</b>	<b>-4,698</b>

<b>EUR (thousands)</b>	<b>9 M 2018/2019</b>	<b>9 M 2017/2018</b>
Cash outflows for term deposits	60,042	0
Proceeds from investment grants	83	2,265
Acquisition of intangible assets	-771	-138
Acquisition of property, plant and equipment	-46,412	-17,756
Proceeds from disposal of property, plant and equipment	1,509	29
Cash inflows from the acquisition of subsidiaries, net of cash acquired	1,009	0
<b>Cash flows from investing activities</b>	<b>15,460</b>	<b>-15,600</b>
Payment of dividends	-12,600	-12,600
Payments for the redemption of financial liabilities	-300	-1,525
Proceeds from the assumption of financial liabilities	8,014	0
<b>Cash flows from financing activities</b>	<b>-4,886</b>	<b>-14,125</b>
Cash-effective change in cash funds	67,819	-34,423
Change in cash funds due to effects of exchange rates	167	-77
Cash funds at beginning of year	28,516	54,722
<b>Cash funds at end of year</b>	<b>96,502</b>	<b>20,222</b>
Cash funds at year end comprise the following:		
Restricted cash and cash equivalents	0	0
Cash and cash equivalents	96,502	20,222
<b>Cash funds at end of year</b>	<b>96,502</b>	<b>20,222</b>



## Financial calendar 2018/2019

<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, 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/half-year 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 annual report 2018/2019 Analyst's conference/annual financial statements press conference

## Contact address and imprint

### Publisher/Editing

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### Forward-looking statements

The financial report 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 financial report 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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