

Pioneering
green solutions

Verbio

FY/Q4 2023/24

Claus Sauter (CEO), Olaf Tröber (CFO)

Earnings Call

26.09.2024

Disclaimer

This presentation contains forward-looking information, which is based on assumptions and estimates of the company management of Verbio SE. Even though company management believes that these assumptions and estimates are correct, the actual future development and actual future results can deviate substantially from these assumptions and estimates due to many factors. For example, these factors can include alteration of the economic situation, legal and regulatory constraints in Germany and the EU, and changes in the industry. Verbio assumes no liability and provides no warranty that future developments and actual future results will agree with the assumptions and estimates expressed in this presentation.

Group highlights from FY 2023/24



Record Production

- > 1m tonnes liquid biofuels
- > 1 TWh RNG
- + 1m tonnes in additional CO₂ savings, totaling 4.4m tonnes*



Progress in our growth initiatives

- Nevada: commencement of commercial manufacture of ethanol and stillage-based RNG
- South Bend: c. 20% increase in production availability in 2024 vs. 2023; groundbreaking for the RNG facility



Building the foundation for future key markets

- Groundbreaking for specialty chemicals facility in Bitterfeld



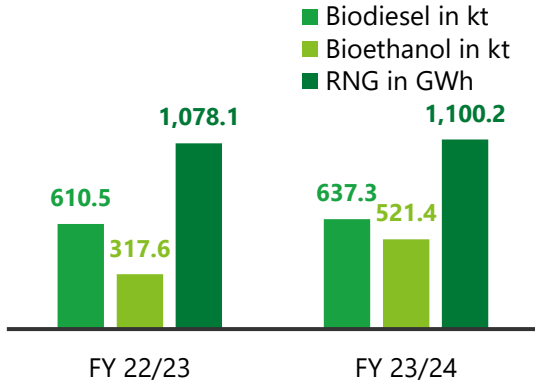
Enhancing market knowledge through the intensification of asset-light activities

- Foundation of trading unit in Geneva

* Calculation methodology follows German Regulation

Key figures in FY 2023/24

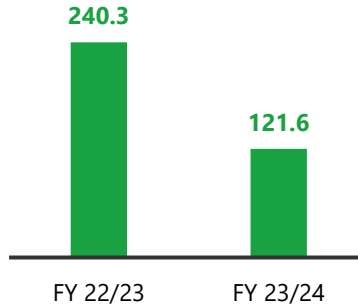
Production in kt* and GWh



* thousand tonnes

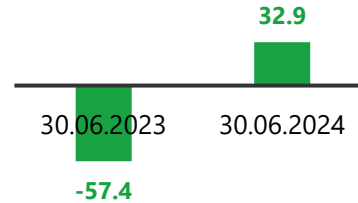
Biodiesel production growth yoy due to higher utilisation in Canada; Ethanol production +64% yoy mostly thanks to SBE acquisition; Increase in RNG production thanks to international units

EBITDA in € m



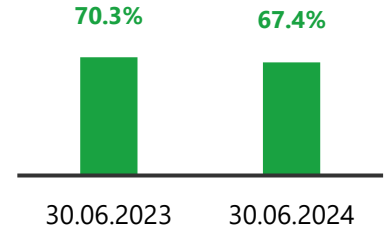
Decrease primarily due to market-related factors and the start-up costs of the growth projects in the USA

Net debt in € m



Significant improvement in cash generation yoy offset by focused investments into growth

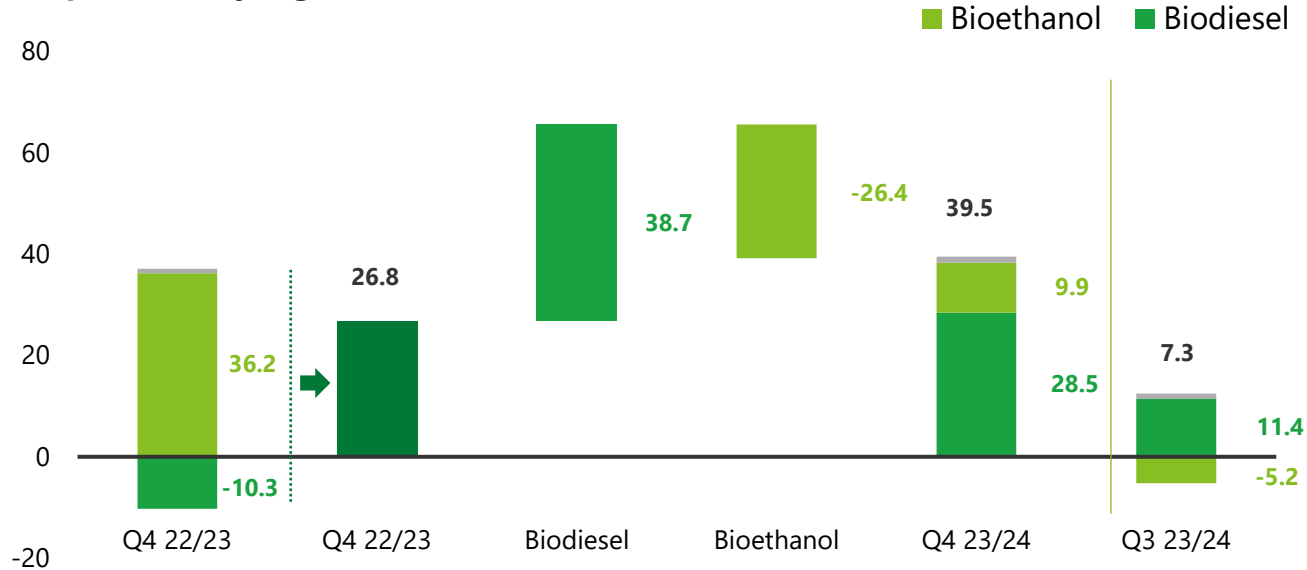
Equity ratio in %



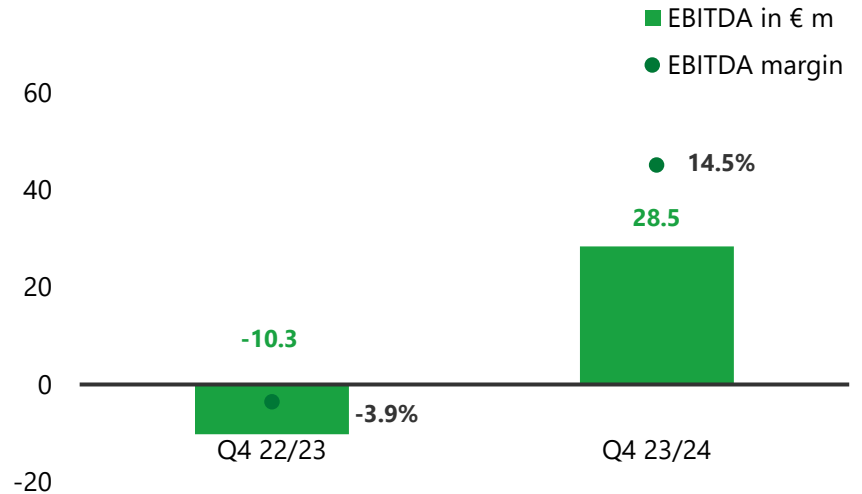
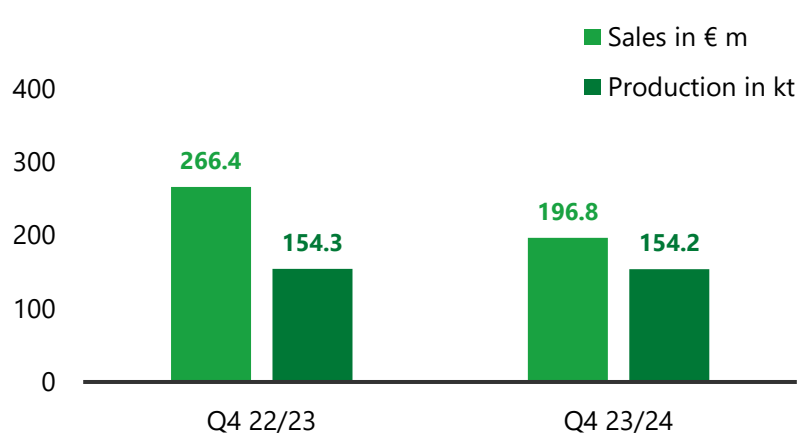
Financial stability remains high

Overview: Significant earnings improvement yoy and qoq

Group EBITDA by segments Q4 23/24 vs. Q4 22/23 in € m



Biodiesel segment

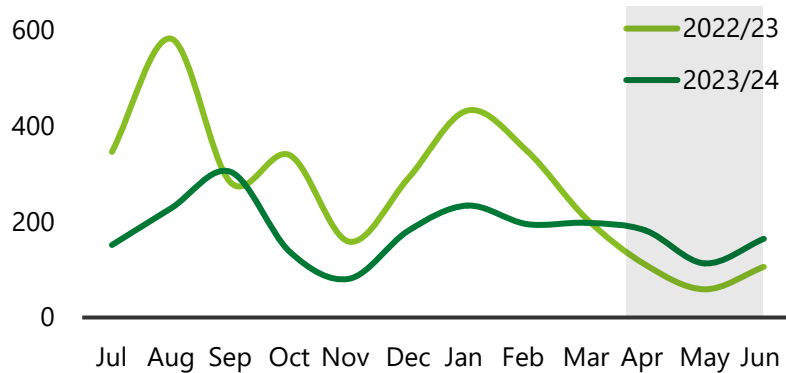


Higher sales prices for biodiesel were offset by change in reporting for the Canadian production unit and a correction in revenues.

Thanks to significantly higher sales prices for biodiesel in Europe and favorable rapeseed oil purchases, EBITDA increased considerably compared to the same quarter of the previous year.

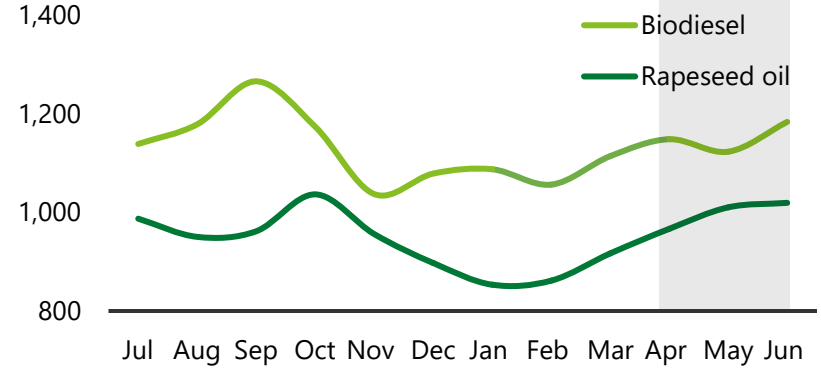
Biodiesel market development (Europe)

Market spreads in €/t



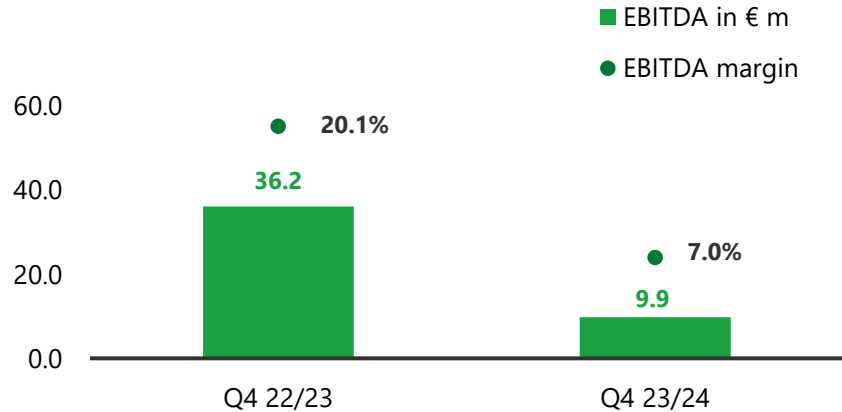
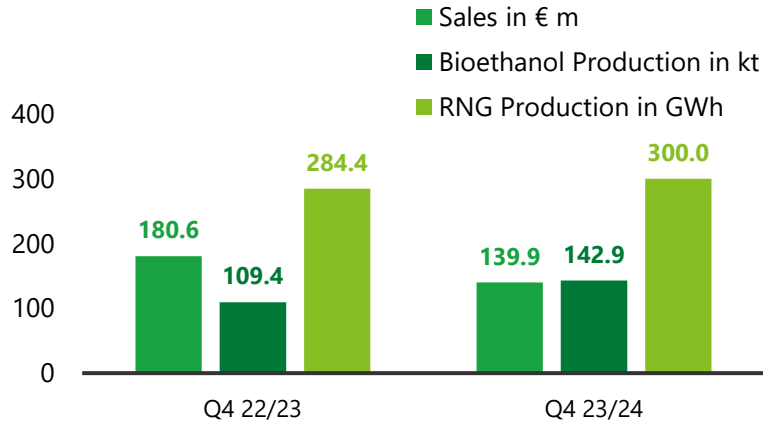
Spread = Biodiesel price ./ Rapeseed oil price per tonne of biodiesel;
As per 30.06.24 close

Biodiesel and rapeseed oil in €/t of biodiesel in 2023/24



As per 30.06.24 close

Bioethanol/Biomethane segment: best quarterly result in FY 2023/24

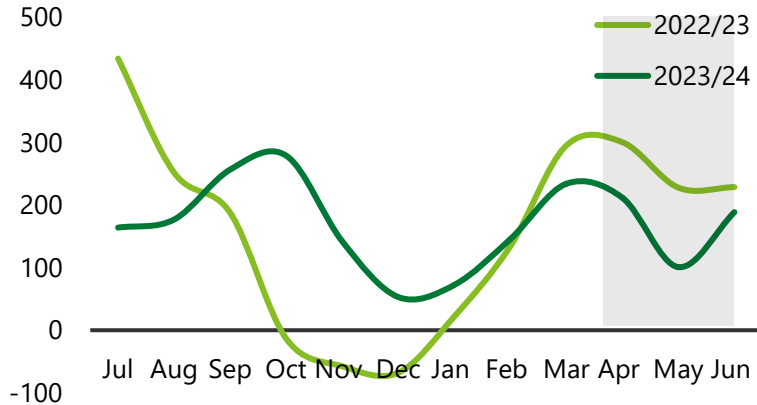


Excluding the correction in revenues, the decline in ethanol and GHG quota prices was almost offset compared to the same quarter of the previous year by higher sales volumes.

US expansion costs and lower GHG quota earnings were the main drivers behind negative earnings swing.

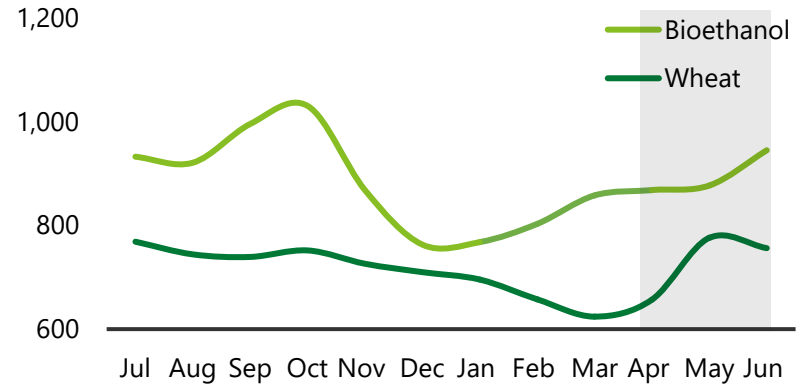
Bioethanol market development (Europe)

Market spreads in €/t



Spread = Bioethanol price ./ Wheat price per tonne of Bioethanol;
As per 30.06.24 close

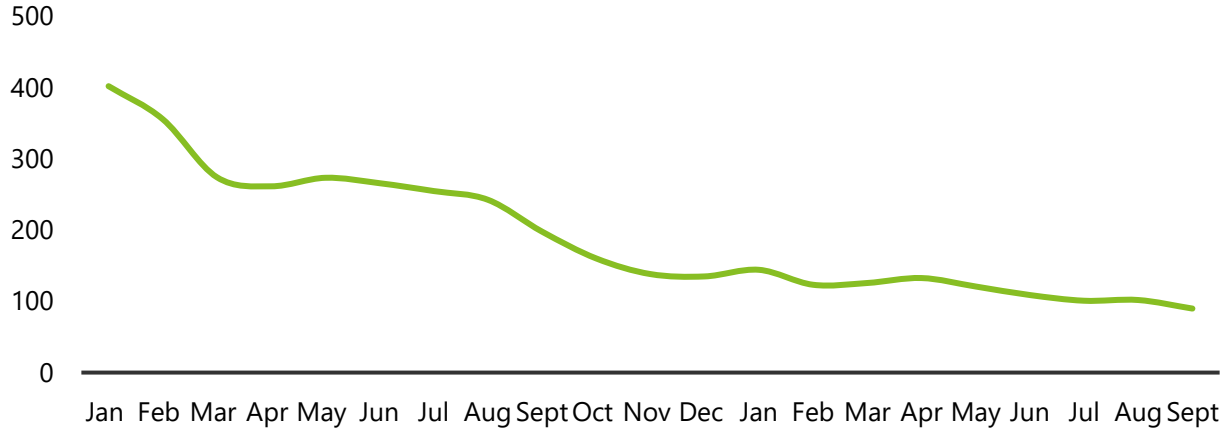
Bioethanol and wheat in €/t of bioethanol in 2023/24



As per 30.06.24 close

Quota prices remained under pressure

GHG quota price development from Jan 2023 to Sept 2024 in €/t CO₂-eq



As per 23.09.24 close

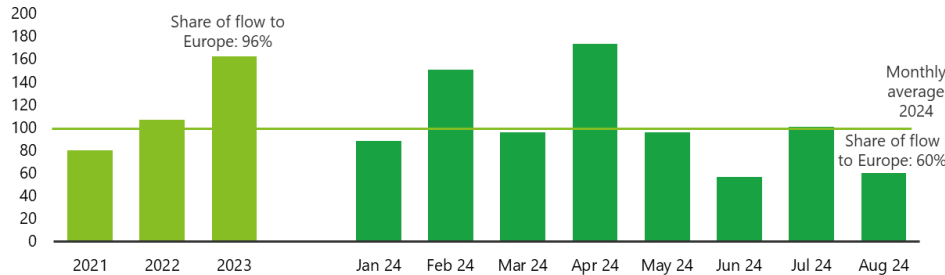
Outlook: New 2024/25 guidance implies +15% yoy EBITDA growth at the midpoint

	2022/2023	2023/2024	2024/2025E
Biodiesel Capacity	660,000 t	710,000 t	710,000 t
Capacity utilisation	92.5%	89.8%	→ yoy
Bioethanol Capacity	342,000 t	800,000 t	800,000 t
Capacity utilisation	92.9 %	65.2%	↑ yoy
Biomethane Capacity	1,300 GWh	1,980 GWh	1,980 GWh
Capacity utilisation	82.9%	55.6%	↑ yoy
EBITDA	€ 240.3m	€ 121.6m	€ 120m to € 160m
Net Debt	€ -57.4m	€ 32.9m	max. € 190m

Supply-side constraints and rising demand set stage for surge in GHG quota market (1)

- 1 The elimination of UER as a compliance option from 2025 and potential cancellation of **c. 4m t CO₂-eq**
- 2 Voluntary cancellations of UER compliance tickets (e.g. Rosneft cancelled 0,5m t CO₂-eq worth ~ € 50m)
- 3 Phase-out of likely fraudulent biodiesel from China supported by the EU anti-dumping investigation

Monthly average Chinese biodiesel exports in thousand tonnes



- 4 Investment freezes and insolvencies within the industry
- 5 Comprehensive control measures are yet to be implemented to prevent fraudulent products from entering the European market (expected with implementation of RED III)



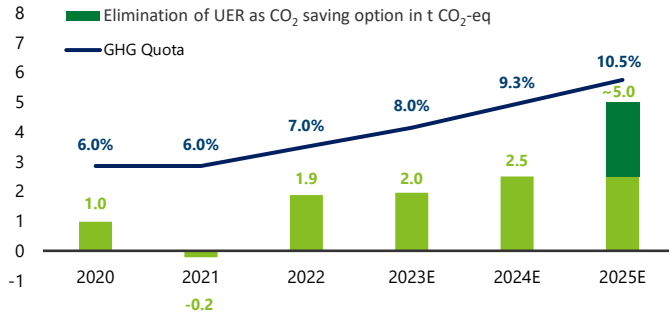
Supply-side constraints and rising demand set stage for surge in GHG quota market (2)



1

The GHG quota increases annually; the largest 'additional' demand for the GHG quota from biofuels and EVs is expected in 2025E due to the elimination of UERs since the implementation of RED

Additional demand of CO₂-savings in t CO₂-eq



2

The BMUV proposed the suspension of the option to use GHG quota generated in the past to fulfill GHG obligation in 2025 and 2026 > details of the implementation are yet to be clarified for the industry

3

The implementation of RED III holds potential: In addition to road and rail transport, shipping and air traffic are included, leading to an increase in the total energy use baseline, to which all quotas and caps apply

Verbio Nevada, Iowa (USA)



Appendix



Further resources

Zweifel an Klimaschutzprojekten in China: Rosneft reagiert – ZDFheute

Deutscher Bundestag - Lemke will gefälschte Klimaschutzprojekte rückabwickeln

20240904 Folien Pressekonferenz Initiative Klimabetrug Stoppen (1).pdf

BMUV: Sofortmaßnahme erhöht Nachfrage bei klimaneutralen Kraftstoffen und stärkt den Klimaschutz | Pressemitteilung

Pioneering green solutions

Verbio SE

Ritterstraße 23
04109 Leipzig
Germany

T +49 341 308530-0
F +49 341 308530-999
info@verbio.de

www.verbio.de

Point of contact



Ulrike Kurze
Marketing & PR

Ritterstraße 23 (Oelßner'sHof)
04109 Leipzig

E-Mail: pr@verbio.de



Alina Köhler
Investor Relations

Ritterstraße 23 (Oelßner'sHof)
04109 Leipzig

E-Mail: ir@verbio.de