

CropEnergies AG

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21 November 2016

CropEnergies AG (CE): overview

- Leading EU-producer of sustainable bioethanol
 - The bioenergy-division of Südzucker (69% share)
- Integrated production from domestic sourcing
 - 1.3 million m³ ethanol (capacity biofuel + neutral alcohol)
 - > 1 million tons of food/feed protein
 - 100,000 tons liquefied bio-CO₂



- € 723 million revenues*
- 416 employees*
- M Cap € 400 million



ProtiGrain®

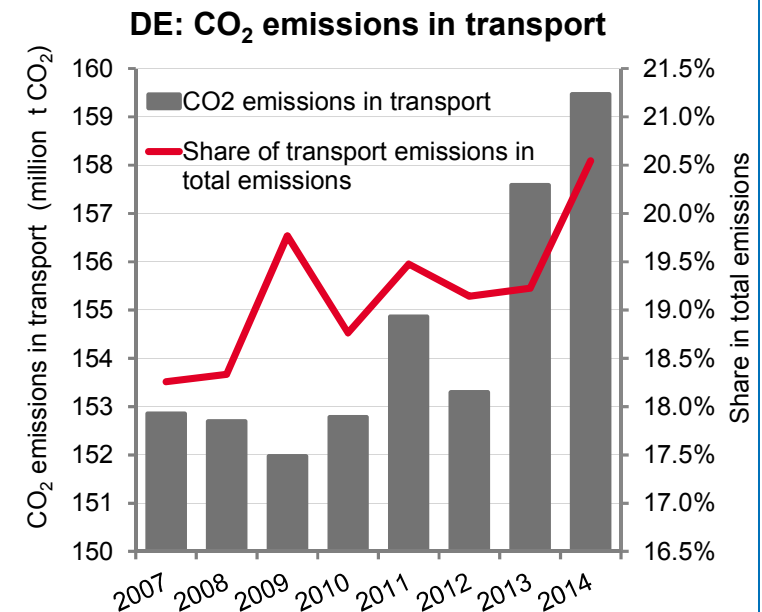
Bioethanol for traditional and technical applications

Liquefied carbon dioxide

* BY 2015/16

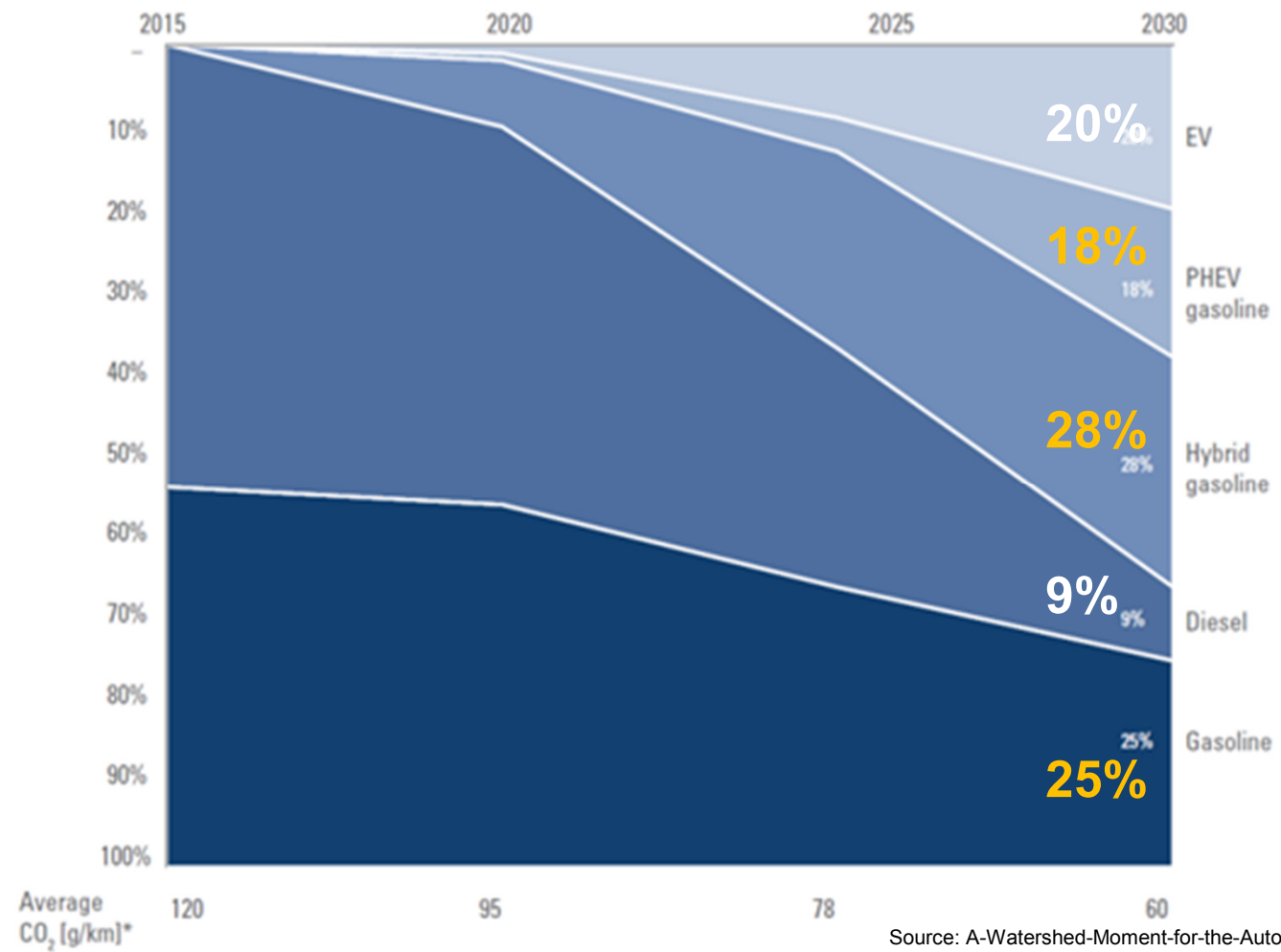
Central topic: CO₂ emissions in transport

- Transport with increasing CO₂ emissions
 - Burning fossil fuels
 - Rising GHG in the atmosphere
- Air quality / exhaust pollutants
 - High NOx und particulate emissions
- Pressure for action by and on policy makers
- Two-sided approach to low-carbon transport
 - Developing new cars medium-term
 - Improving fuel quality short-term



Source: Federal Environment Agency (2016)

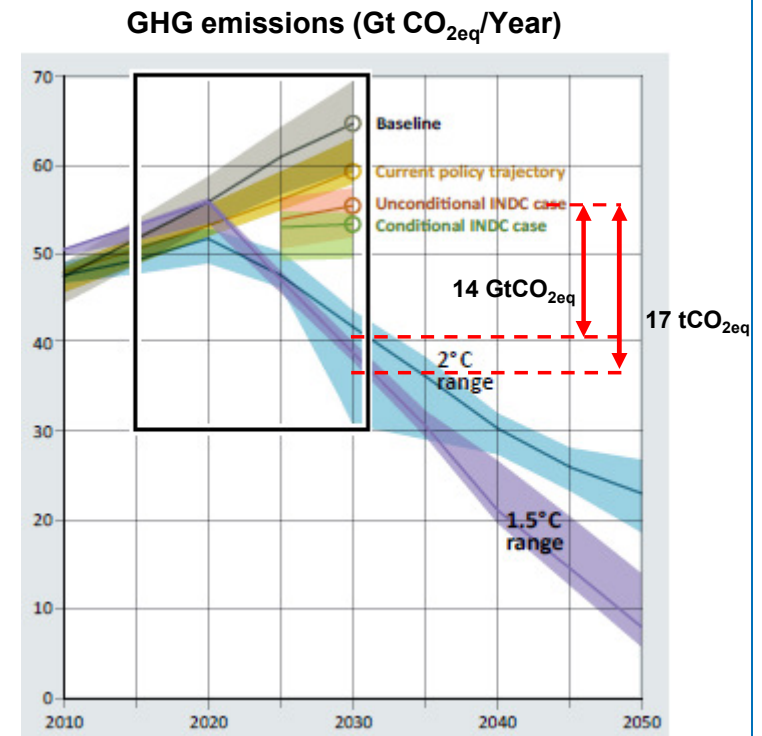
EU: expected change in new passenger car registration



Source: A-Watershed-Moment-for-the-Automotive-Industry, AlixPartners, (2016)

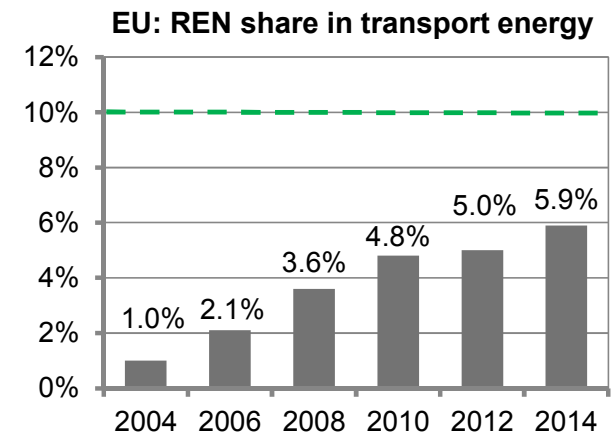
Policy framework for renewable fuels

- Paris Climate Agreement: came into force on 4 Nov 2016
 - Limit global warming to less than 2 °C
 - Carbon neutrality by 2100
- EU general targets 2020 in transport sector
 - 10% renewable energy (incl. up to 7% conventional biofuels)
 - Fuel: 6% less GHG emissions (FQD)
- Policy to address “post 2020”
 - Air quality and efficiency
 - Innovation and local economics
 - Building platform for future mobility

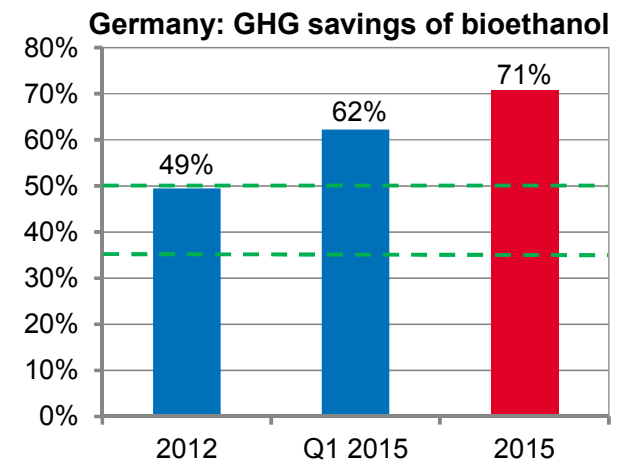


Market volume and REN Energy Targets 2020: some way to go

- EU: bioethanol consumption
 - Expected in 2016: 5.2 (5.3) million m³ (-2%)
 - Blending share stagnating at 4.8 (5.0) vol.-%
 - Note: plus 2.5 million m³ (+2%) neutral alcohol
- Germany: bioethanol consumption
 - Expected in 2016: 1.5 million m³ (-2%)
 - Further increase in GHG savings
 - E10 market share currently 12-13%
 - 2017: increase GHG targets to -4 (-3.5) %
- France: bioethanol consumption
 - Expected in 2016: 0.8 million m³ (+4%)
 - E10 market share currently: 35%
- Belgium: E10 introduction Jan 2017
 - Increase of blending rate from 4 to 8.5 vol.-%



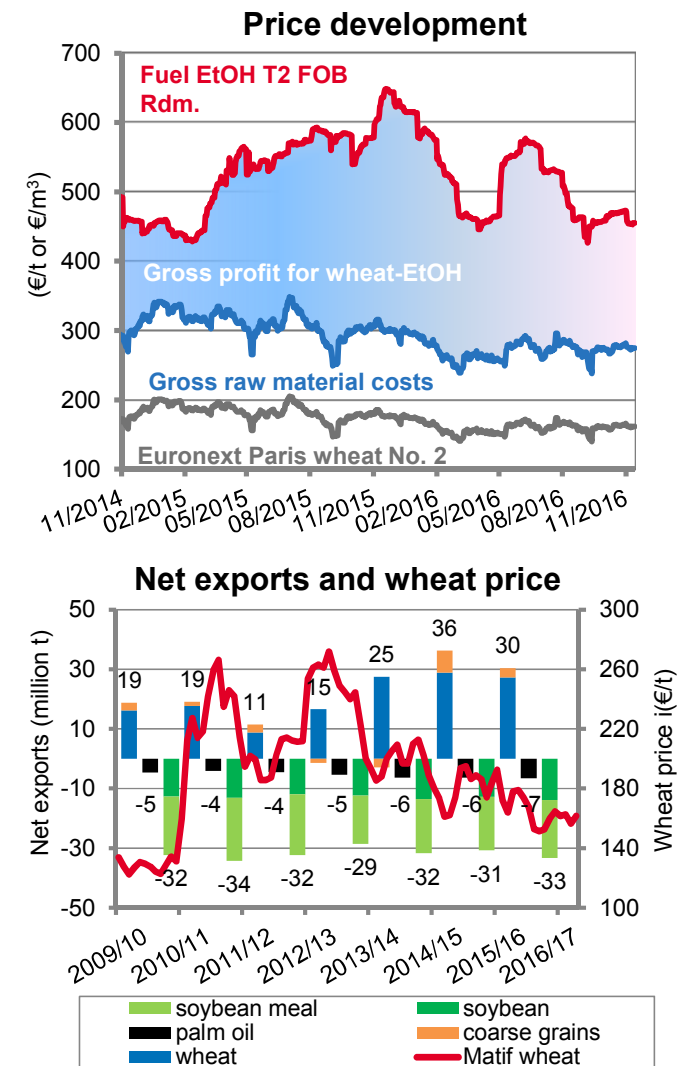
Source: Eurostat (2016)



Source: BLE (2015, 2016)

Price developments on relevant markets

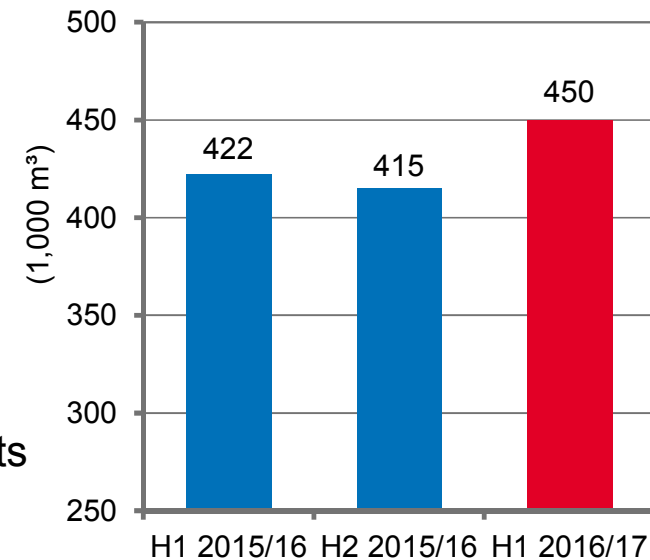
- Strong volatility of European ethanol prices
 - € 455 /m³ (mid November 2016)
 - Price movements decoupled from real-market development
- Decline in grain prices
 - Expected record world grain harvest of 2,064 million t in 2016/17 (+4%)
 - Further increase of world ending stocks to record-level 500 million t (+3%)
 - EU grain harvest of 295 million t (-5%) still above consumption of 285 million t
- EU ethanol industry reduces gap between protein imports and grain exports



CropEnergies Group operational strategy

- Ethanol production 1st H 2016/17 450,000 m³
 - Increase follows higher capacity utilization
 - Higher production of food / animal feed products
- Entire production capacity of all plants available
 - Successful re-start of Wilton plant in July 2016
 - Flexible production strategy depending on markets
- CE action program
 - Optimize production cost/ efficiency
 - Push process- and product innovation
 - Develop/ test high performance fuels

Production of bioethanol

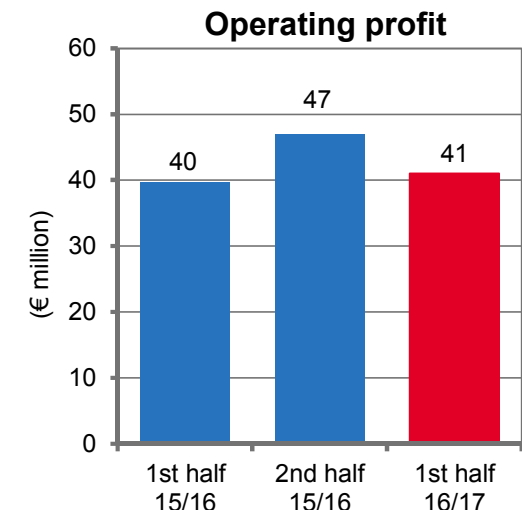
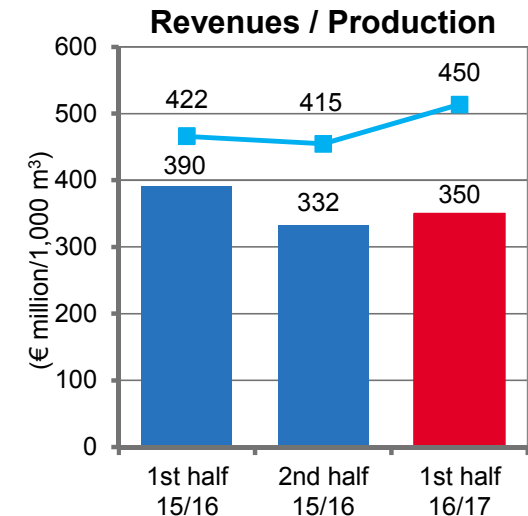


Income statement (I): 1st half 2016/17

(in € million)	6M 16/17	6M 15/16	Δ	Δ
Revenues	349.7	390.4	- 40.7	- 10%
EBITDA*	59.1	56.8	+ 2.3	+ 4%
<i>Margin</i>	<i>16.9%</i>	<i>14.5%</i>		
Depreciation*	-18.1	-17.1	- 1.0	- 6%
Operating profit	41.0	39.7	+ 1.3	+ 3%

*without restructuring costs and special items

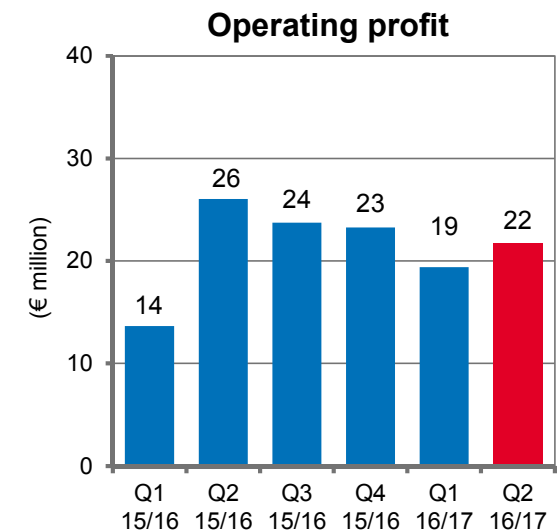
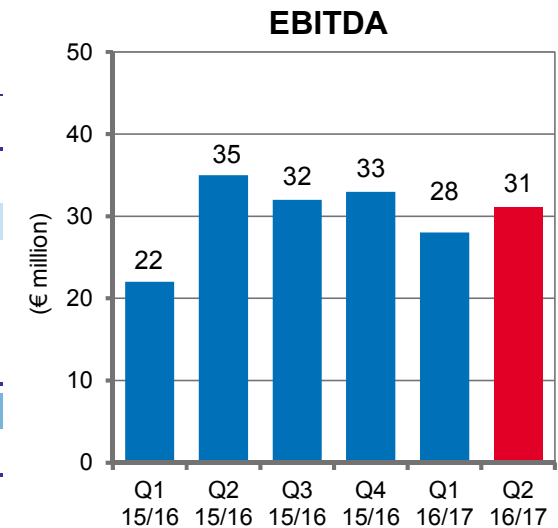
- Bioethanol production increased to 450 (422) ,000 m³
 - Increased production of food and animal feed products
- Revenues at € 350 (390) million
 - Reduced trading, partially substituted by own production
 - Lower sales prices for bioethanol
- EBITDA rises to € 59 (57) million
- Operating profit € 41 (40) million



Operating profit: 2nd quarter 2016/17

(in € million)	Q2 16/17	Q2 15/16	Δ	Q1 16/17
Revenues	182.2	192.6	- 10.4	167.5
EBITDA	31.1	34.6	- 3.5	28.0
Operating profit	21.7	26.0	- 4.4	19.4
Restructuring costs / special items	-2.6	-4.0	+ 1.4	-3.7
At equity result	0.1	0.0	+ 0.1	0.0
Income from operations	19.1	22.0	- 2.9	15.7
<i>Marge</i>	<i>10.5%</i>	<i>11.4%</i>		<i>9.4%</i>
Earnings before income taxes	17.0	20.6	- 3.6	15.1

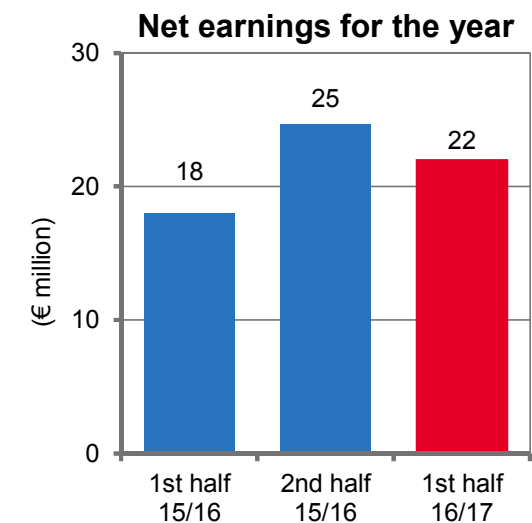
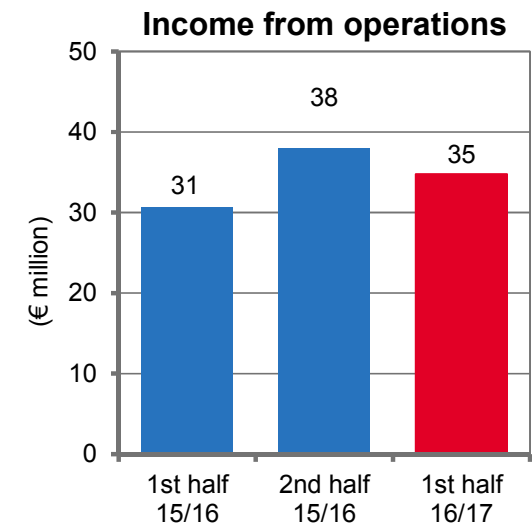
- Revenues at € 182 (193) million
- EBITDA declined to € 31 (35) million
- Operating profit declined by 17% to € 22 (26) million
- Compared to preceding 1st quarter: better results



Income statement (II): 1st half 2016/17

(in € million)	6M 16/17	6M 15/16	Δ
Revenues	349.7	390.4	- 40.7
Operating profit	41.0	39.7	+ 1.3
Restructuring costs / special items	-6.4	-9.0	+ 2.6
At equity result	0.1	0.0	+ 0.1
Income from operations	34.8	30.7	+ 4.1
Financial result	-2.7	-2.6	- 0.0
Earnings before income taxes	32.1	28.1	+ 4.0
Taxes on income	-10.1	-10.1	+ 0.0
Net earnings for the year	22.0	18.0	+ 4.0

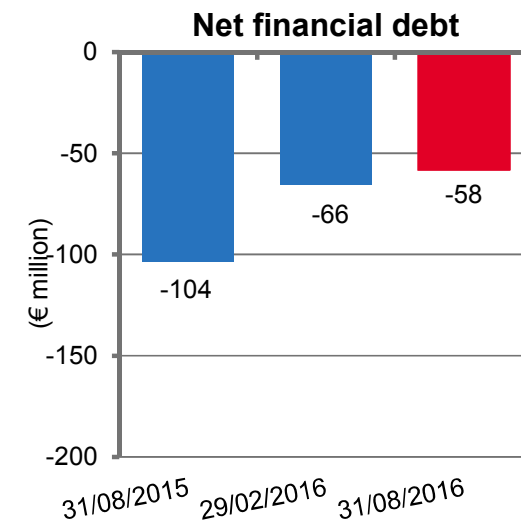
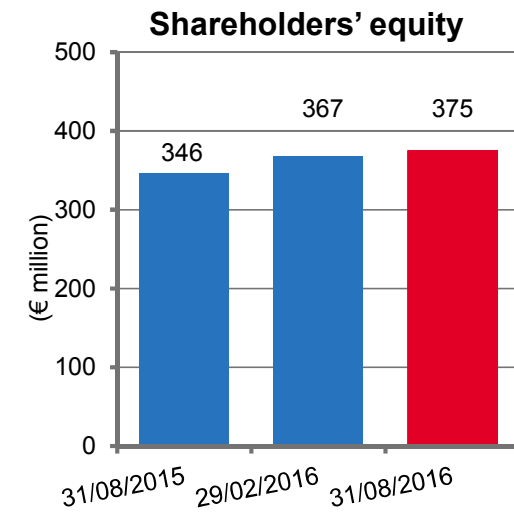
- Restructuring / special items declined to € 6 (9) million
- Income from operations rose to € 35 (31) million
- Financial result unchanged at € -3 (-3) million
- Net earnings for 1st H rising to € 22 (18) million



Balance sheet structure and financial ratios

(in € million)	31/08/2016	31/08/2015	Δ	Δ
Assets				
Non-current assets	436.6	481.2	- 44.6	- 9%
Current assets	153.6	126.6	+ 27.0	+ 21%
Total assets	590.1	607.8	- 17.6	- 3%
Liabilities				
Shareholders' equity	374.7	346.1	+ 28.6	+ 8%
Non-current liabilities	99.2	120.5	- 21.2	- 18%
Current liabilities	116.2	141.2	- 25.0	- 18%
Total liabilities and equity	590.1	607.8	- 17.6	- 3%
Net financial debt (NFD)	58.3	103.5	- 45.2	
Equity ratio	63.5%	57.0%		
Gearing (NFD/Equity)	16%	30%		

- Equity € 375 (+29 yoy) million: 64% of total assets
- Net financial debt reduced to € 58 (-45 yoy) million
 - Cash flow H1 € 44 (41) million



■ Outlook 2016/17e

- Price volatility is expected to continue
- CropEnergies Group can operate with entire production capacity
 - Depending on market situation
- Raised revenues forecast range between € 670 and € 720 million
- EBITDA, adjusted for special items, to range between € 85 and € 115 million
- Operating profit range between € 50 and € 80 million
- Restructuring and special items expected to decline significantly yoy



Financial Calendar

11 January 2017:	Report for 1 st to 3 rd quarters of 2016/17
17 May 2017:	Annual press and analysts' conference for the 2016/17 financial year
12 July 2017:	Report for 1 st quarter of 2017/18
18 July 2017:	Annual General Meeting 2017
11 October 2017:	Report for the 1 st half of 2017/18

Stock information

ISIN:	DE000A0LAUP1
Symbol:	CE2
Bloomberg / Reuters:	CE2 GY / CE2G.DE
Transparency standard:	Prime Standard

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