

# Key figures 1<sup>st</sup> quarter 2014/15

Joachim Lutz (CFO), Dr. Marten Keil (COO)

Conference call presentation, 8<sup>th</sup> July 2014

## Overview 1<sup>st</sup> quarter 2014/15

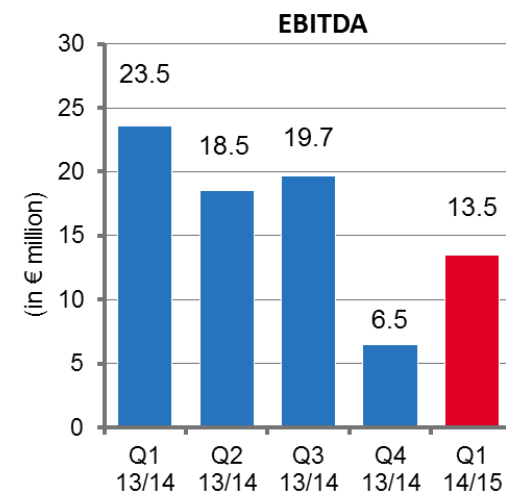
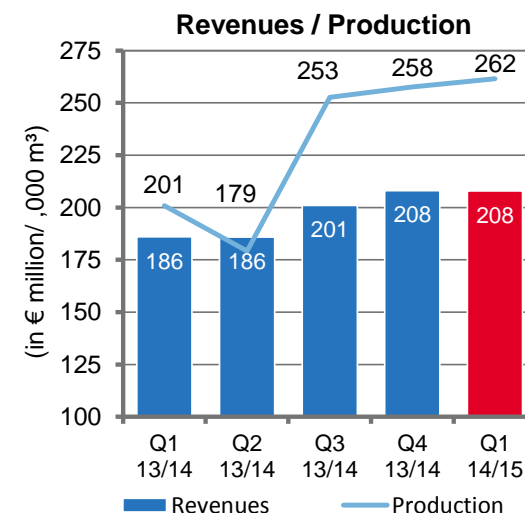
■ Revenues	€ 208 (186) million	+ 12%
■ Bioethanol production	262 (201) ,000 m <sup>3</sup>	+ 30%
■ Operating profit	€ 4.5 (15.6) million	€ - 11 million
■ Net earnings	€ 0.6 (10.4) million	€ - 10 million
■ Net financial debt (vs. 28.02.2014)	€ -116 (-135*) million	€ + 19 million

\* € -137 million before change IFRS

## Income Statement (I)

(in € million)	Q1 14/15	Q1 13/14	Δ	Δ
<b>Revenues</b>	<b>207.9</b>	<b>185.8</b>	<b>+ 22.1</b>	<b>+ 12%</b>
<b>EBITDA</b>	<b>13.5</b>	<b>23.5</b>	<b>- 10.1</b>	<b>- 43%</b>
<i>Margin</i>	6.5%	12.7%		

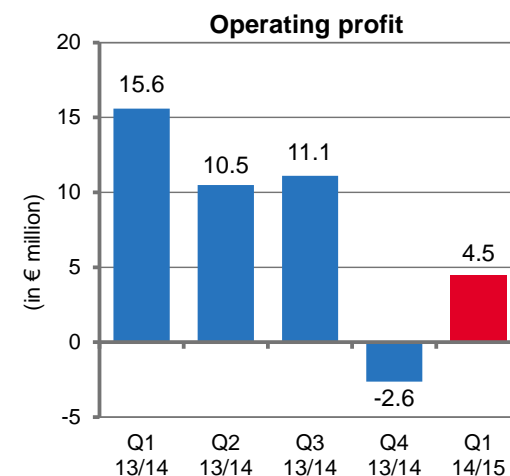
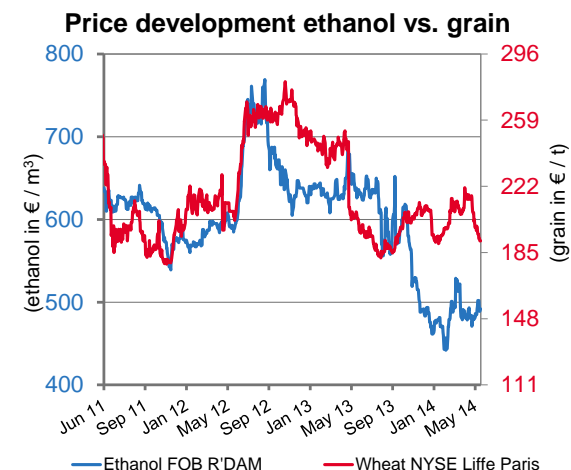
- Continuation of growth
  - Bioethanol production increased by 30% to 262,000 (201,000) m<sup>3</sup>
  - Food and animal feed products increased
- EBITDA down by € 10 million
  - Bioethanol price significantly lower
  - Improvement to 4<sup>th</sup> quarter 2013/14



# Operating profit

(in € million)	Q1 14/15	Q1 13/14	Δ	Δ
<b>Revenues</b>	<b>207.9</b>	<b>185.8</b>	<b>+ 22.1</b>	<b>+ 12%</b>
Change inventories et. al.	6.0	-2.6	<b>+ 8.6</b>	
Cost of materials	-175.9	-142.1	- 33.8	+ 24%
Spread (gross)	38.0	41.1	- 3.2	
Other costs (net)	-24.5	-17.6	- 6.9	
<b>EBITDA</b>	<b>13.5</b>	<b>23.5</b>	<b>- 10.1</b>	<b>- 43%</b>
Depreciation	-9.0	-8.0	-1.0	
<b>Operating profit</b>	<b>4.5</b>	<b>15.6</b>		
<i>Margin</i>	2.2%	8.4%		

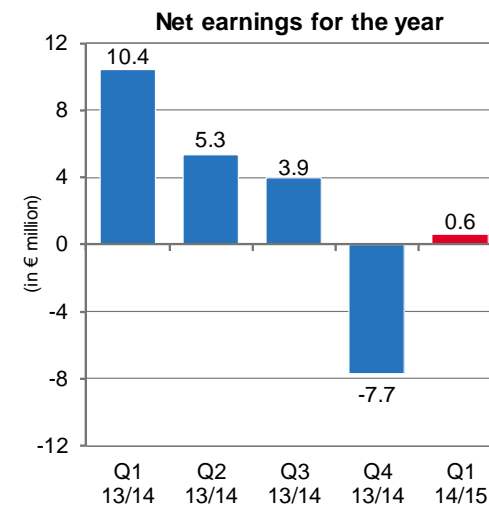
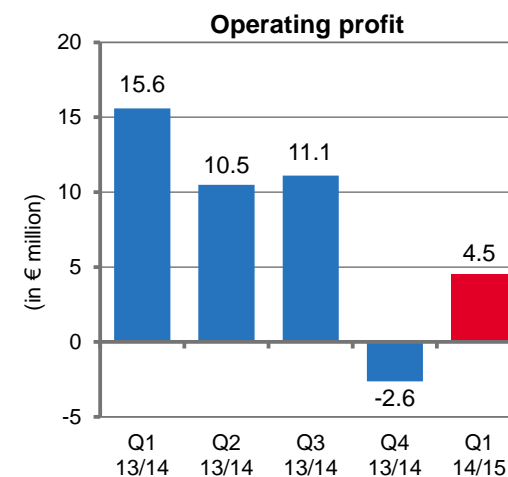
- Spread (gross) reduced by € 3 million
  - Total output increases by € 31 million
  - Cost of materials up by € 34 million
- Other cost increase by € 7 million
- EBITDA down by € 10 million
- Operating profit down by € 11 million
  - Improvement to 4<sup>th</sup> quarter 2013/14



## Income Statement (II)

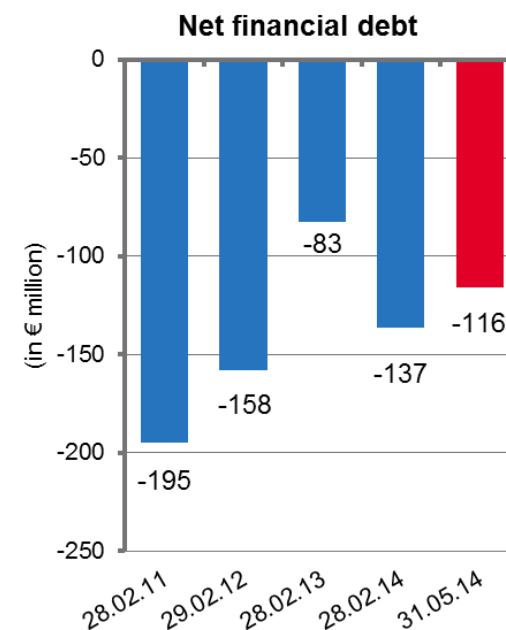
(in € million)	Q1 14/15	Q1 13/14	Δ
<b>Operating profit</b>	<b>4.5</b>	<b>15.6</b>	<b>- 11.1</b>
Financial result	-1.2	-1.0	
<b>Earnings before income taxes</b>	<b>3.2</b>	<b>14.5</b>	<b>- 11.3</b>
Taxes on income	-2.6	-4.1	
<b>Net earnings for the year</b>	<b>0.6</b>	<b>10.4</b>	<b>- 9.8</b>

- Financial result slightly below previous year € -1.2 (-1.0) million
- Tax expense € -2.6 million
- Net earnings for the quarter before income taxes decrease to € 0.6 (10.4) million
  - Improvement to 4<sup>th</sup> quarter 2013/14



## Cash flow

(in € million)	Q1 14/15	Q1 13/14	Δ
<b>Cash flow</b>	12.0	22.4	- 10.4
Change in net working capital*	9.0	10.8	
Net investments	-2.7	-2.8	
<b>Free cash flow</b>	<b>18.3</b>	<b>30.3</b>	<b>- 10.4</b>
	31.05.2014	31.05.2013	Δ
<b>Net financial debt</b>	<b>-116</b>	<b>-52</b>	<b>- 63.9</b>

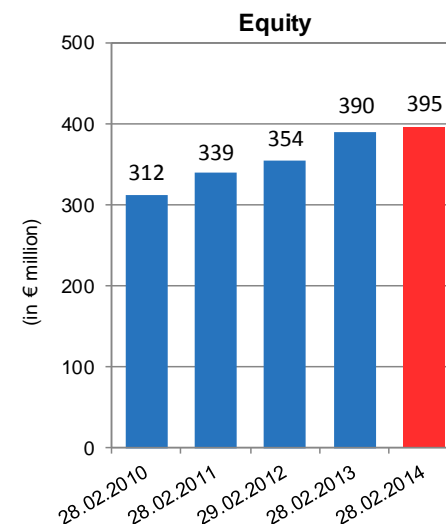
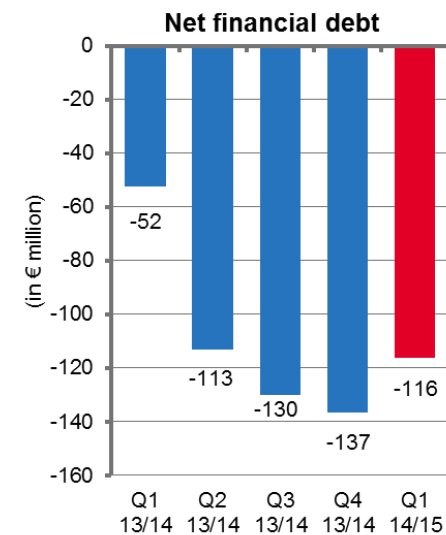


- Cash flow reduced by € 10 million (as EBITDA)
- Development of net financial debt
  - Improvement in 1<sup>st</sup> quarter by € 19 million (28 Feb 2014: € 135 million)
  - Change yoy: Increase due to acquisition/integration Ensus

## Balance sheet structure and financial ratios

(in € million)	31.05.2014	31.05.2013	Δ	Δ
<b>Assets</b>				
Non-current assets	496	450	+ 46	+ 10%
Current assets	157	140	+ 17	+ 12%
<b>Total assets</b>	<b>653</b>	<b>590</b>	<b>+ 63</b>	<b>+ 11%</b>
<b>Liabilities</b>				
Shareholders' equity	399	398	+ 0	+ 0%
Non-current liabilities	118	85	+ 33	+ 39%
Current liabilities	136	106	+ 30	+ 28%
<b>Total liabilities and equity</b>	<b>653</b>	<b>590</b>	<b>+ 63</b>	<b>+ 11%</b>
Net financial debt (NFD)	-116	-52	- 64	+ 124%
Equity ratio	61%	67%		
Gearing (NFD/Equity)	29%	13%		

- Sound ratios despite capacity expansion (Ensus)

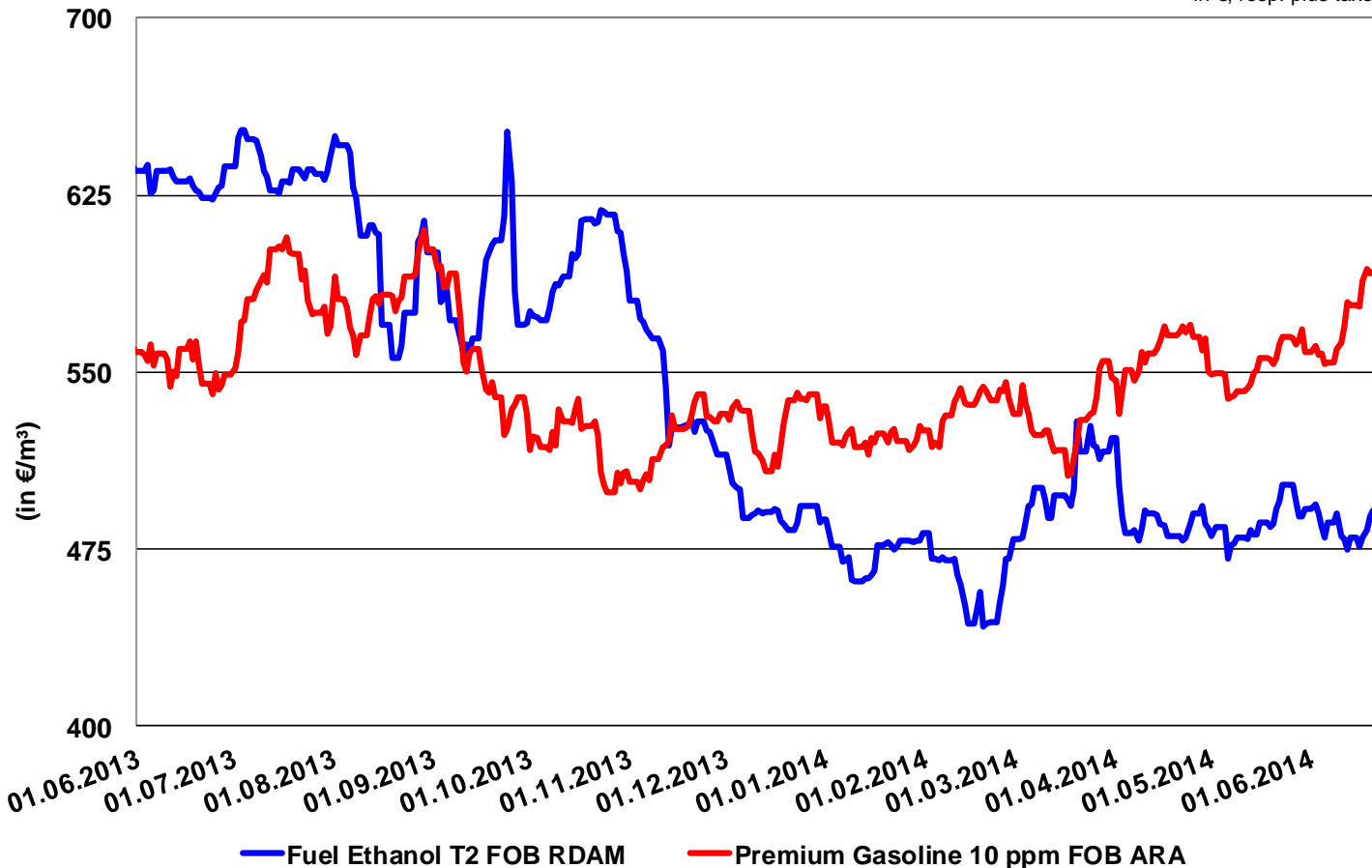


# Outlook 2014/15e

## Price development gasoline / ethanol

<b>Ethanol</b>	Liter	<b>0.481</b>
<b>Gasoline</b>	Liter	<b>0.592</b>

in €, resp. plus taxes





## Outlook 2014/15e

- High price volatility in bioethanol makes forecasting difficult
  - EU: cheaper than gasoline
  - Political discussions in Brussels are a drag on market growth
  
- Increase in revenues to between € 850 and € 900 million
  - Utilization of the enhanced capacity
  
- EBITDA between € 10 and 60 million
  
- Operating profit ranging between minus € 30 and plus 20 million
  
- CropEnergies is well established
  - Financially
  - In Product line-up

## Highlights

- Progress in the discussion about the amendment of the 'Renewable Energies Directive' and the 'Fuel Quality Directive'
- Application of anti-dumping duty to bioethanol imports from the USA via Norway
- European ethanol prices still at very low level
- Developments at CropEnergies
  - Increase in the production of bioethanol and food and animal feed products
  - Construction of neutral alcohol plant in Zeitz



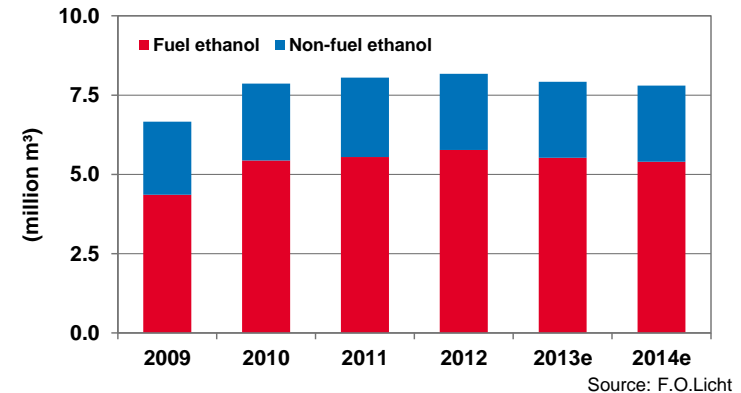
## EU: Political environment

- Political agreement in the Council on the draft directive to amend the 'Renewable Energies Directive' and the 'Fuel Quality Directive' on 13 June 2014
  - Conventional biofuels shall count up to 7 cal.-% towards the 10 cal.-%-target in transport
  - Non-binding target of 0.5 cal.-% for biofuels from waste and residues
  - Mitigation of multiple counting schemes, however, 2.5 times and 5 times counting of electricity from renewable energy sources in rail transport and electric vehicles
  - European Commission shall review iLUC effects and strategies to mitigate them
  - Next steps: formal adoption of 'Common Position' by the Council and start of second reading procedure in the European Parliament
- Anti-dumping duty on bioethanol imports from the USA via Norway
  - European Commission and Member States confirmed that blending in Norway does not change the origin of US ethanol and anti-dumping duties have to be applied
  - On 4 June 2014, ePURE withdrew its request for an anti-circumvention investigation

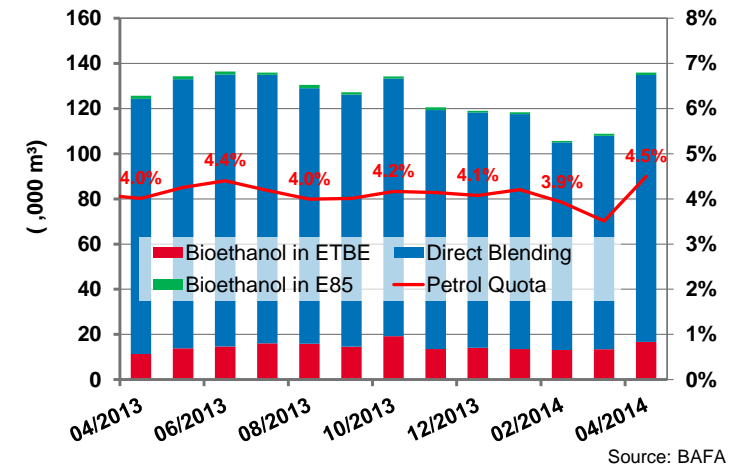
## Developments in the EU bioethanol market

- EU consumption of bioethanol for fuel applications in 2014 is expected to decrease by 2.2% to 5.4 million m<sup>3</sup>
- In Germany, bioethanol consumption increased from January to April 2014 by 0.5% to 470,000 m<sup>3</sup>
  - Direct blending amounted to 87% and remained the main use of bioethanol
  - Bioethanol for ETBE amounted to 12%
  - Quota of bioethanol in petrol at 4.0%
- E10 sales from January to April 2014
  - Sales increased by 5.4% to 917,000 t
  - In April 2014, the share of E10 in the German petrol market was 16.0%

Bioethanol consumption in the EU

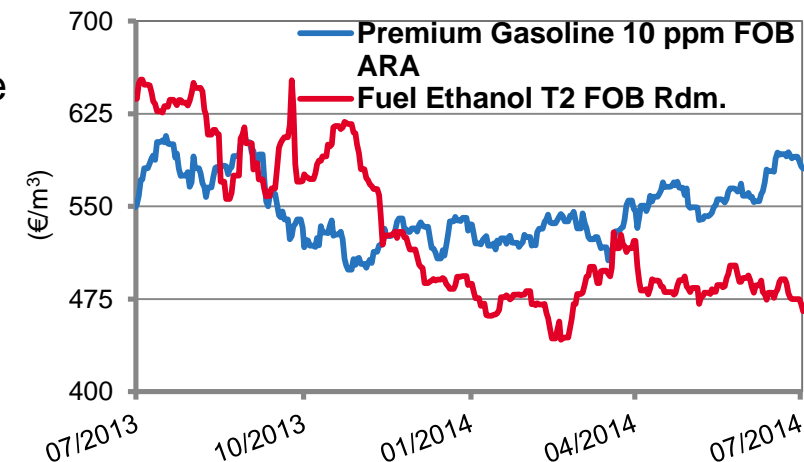
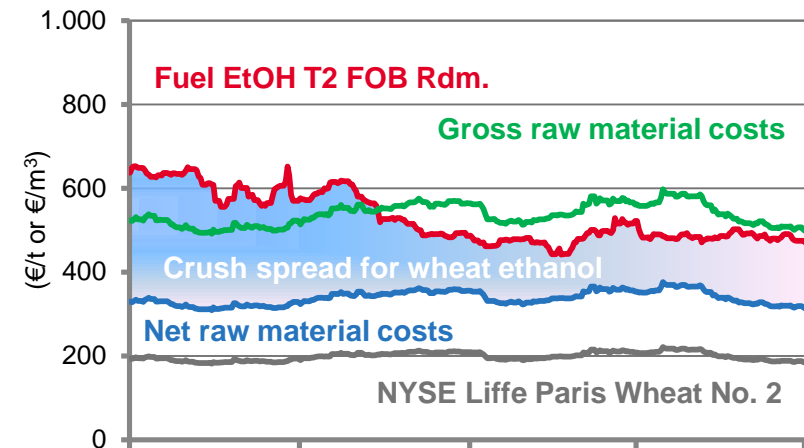


Bioethanol consumption in Germany



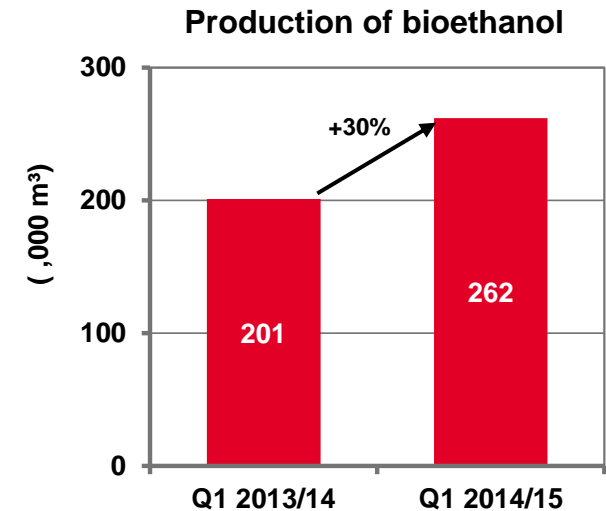
## Price trends on the relevant markets

- Decrease of grain prices to 185 €/t at the beginning of July 2014
  - USDA expects grain harvest of 1,960 million t (-1.3%) in 2014/15 and grain stocks to increase to 401 million t (+2.7%)
  - EU grain production is to increase to 303 million t (+0.5%) and stocks are to increase to 40 million t (+23.1%)
- EU ethanol prices below 460 €/m<sup>3</sup> in the beginning of July 2014
  - High capacity utilisation in the EU, duty-free bioethanol imports and reduction of raw material costs
  - Decrease of international bioethanol prices in Brazil and in the USA
  - Only short-term effect of the expected seasonal increase of the fuel consumption



## Developments in the CropEnergies Group

- Increase of production of bioethanol and food and animal feed products
  - Production of bioethanol increased by 30% to 262,000 (201,000) m<sup>3</sup>
  - Reasons: first-time inclusion of the plant in Wilton, annual maintenance phase in Zeitz in the same period of the previous year as well as higher capacity utilization and optimization of the plants
  
- Start of construction of the neutral alcohol plant in Zeitz
  - Annual capacity of 60,000 m<sup>3</sup> high-grade food-quality neutral alcohol
  - Grant of construction permit for neutral alcohol plant and completion of its foundations
  - Start of construction on short notice
  - Commissioning of the plant planned in 2015





CropEnergies  
*mobility – sustainable. renewable.*

WE POWER THE  
FUTURE

