

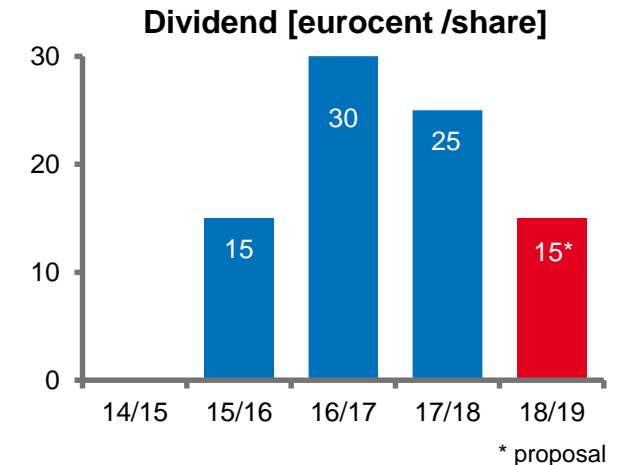
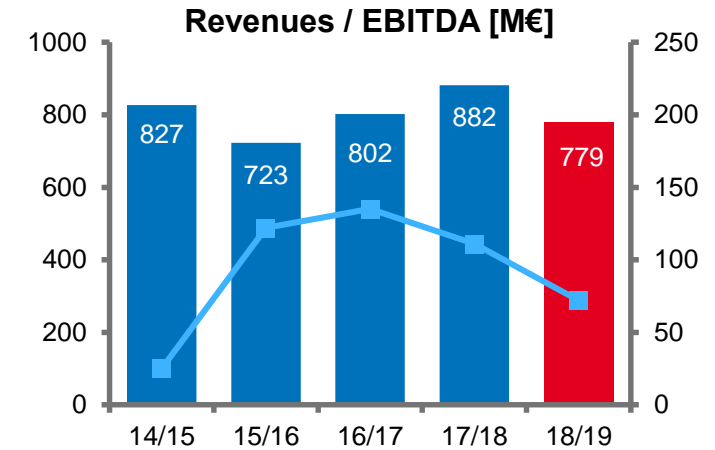
Analyst Conference

15.05.2019

Joachim Lutz, CEO
Dr. Stephan Meeder, CFO

Overview

- **Financial year 2018/19**
 - High price volatility leads to adjustment of production
 - Revenues and operational result below previous year
 - Strong 4th quarter, strong balance sheet structure
 - Dividend proposal: 15 (25) eurocent per share
- **Public discussion about climate sets new impulses**
 - “Renewable Energy Directive” RED II
 - Greenhouse gas reduction targets
- **Outlook 2019/20**
 - Volatile market environment
 - EBITDA expected at € 60-115 (72) million



Market development: volume

■ EU ethanol market 2018 [M m³]

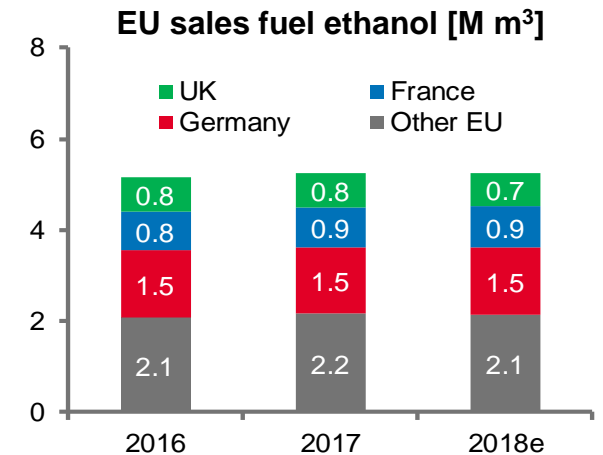
- Production: 5.4 +1% (add. 2.3 non-fuel)
- Consumption: 5.4 +1% (add. 2.6 non-fuel)

■ Status climate friendly fuels (selection)

Country	Target 2019	E10-share
BE	Petrol: 8.5 vol.-%	80%
DE	GHG: -4 wt.-%	13%
FR	Petrol: 7.9 cal.-%	47%
UK	Total: 8.5 vol.-%	n/a

■ Trend to petrol passenger cars – new registrations (EU)

- 2014: 43% petrol | 53% diesel
- 2018: 57% petrol | 36% diesel



Market development: prices

■ High price volatility in the EU in 2018/19

- Ethanol*: € 501 (523) /m³
- Grain**: € 191 (164) /t
- Attractive protein prices

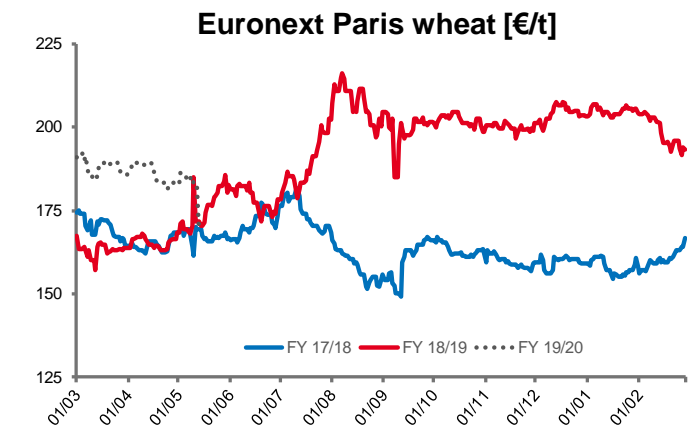
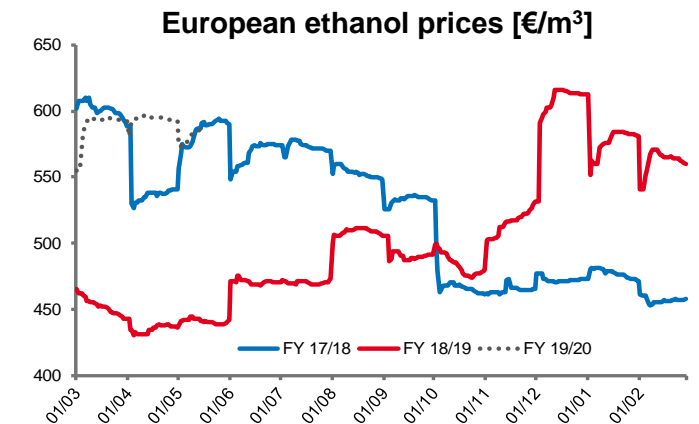
■ Feedstock supply 2018/19

- EU grain harvest: 291 Mt (-5%)
 - Exceeds demand of 287 Mt by 1%
- World grain harvest***: 2,125 Mt (-1%)
 - 2% below demand of 2,170 Mt
 - Ending stocks 604 Mt (-7%)
 - Outlook 2019/20: USDA projects a surplus of 10 Mt

* Ethanol T2 FOB Rdam

** Wheat (Euronext Paris), next date of expiry

*** all varieties, except rice



Production in the CropEnergies Group

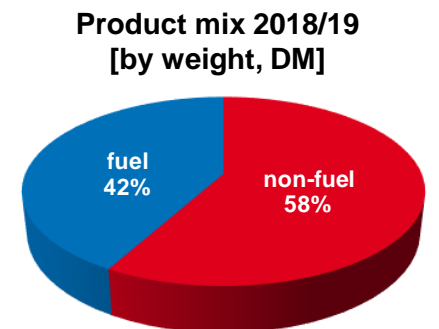
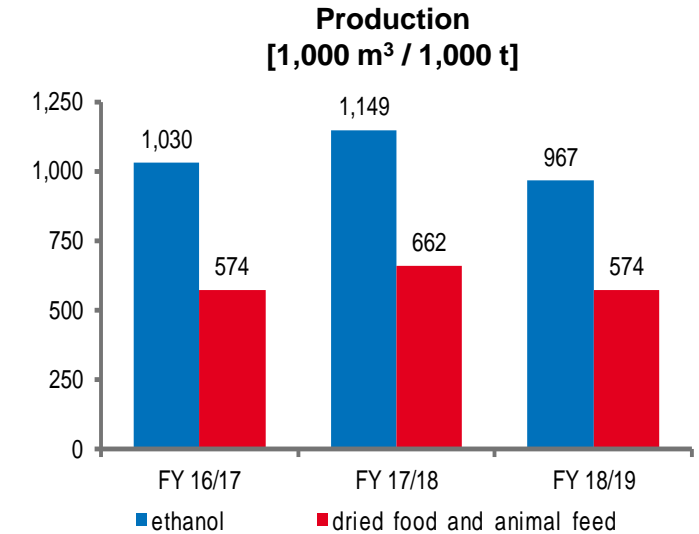


- **Capacity utilisation 2018/19 follows market situation**

- Ethanol production 967 (1,149),000 m³ (-16%)
- Higher share of food and animal feed

- **Biorefinery concept of CropEnergies**

- Diversified production and product range
- Complete utilisation of all feedstock components
 - Starch: fuel ethanol and neutral alcohol
 - Residues: fuel ethanol with special status
 - Proteins: food and animal feed
 - CO₂ from fermentation: food and technical applications



* proteins, neutral alcohol, liquefied CO₂

Increasing the focus on climate protection

- **More renewable energy in transport in 2030**
 - RED II: 14% (max. 7% 1G, min 3.5% “Annex IX-A“, renew. electricity)
- **Less GHG emissions in 2030**
 - Non-ETS (EU) -30%, climate protection plan (D) -43% transport
 - More stringent emission limits CO₂, NO_x, PM
- **Price discussion: What is the value of avoided CO₂ emissions?**
 - 25 €/t (ETS) - 180 €/t (UBA*) - 470 €/t (GHG penalty in D)
 - Energy tax** 78 (56) cent/l equivalent to 261 (164) €/t CO₂
- **Consensus: GHG reduction requires all options**
 - Change of behaviour in transport
 - Efficiency improvement of powertrain
 - Less emissions from fuels

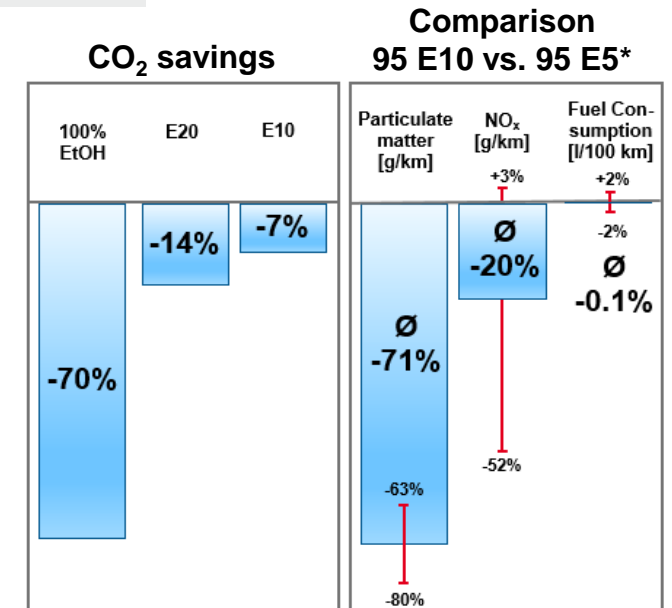
Sector	Emissions 2017		Climate Action Plan Sector Goals (max.) 2030	
	ETS	Non-ETS	ETS	Non-ETS
Energy	294	34	183	27
Industry	143	50	143	36
Transport	171	169	98	96
Buildings	130	129	72	71
Agriculture	72	72	61	61
Other	10	10	5	5
Total	905	465	562	296

Source: Agora (2018)



Re-assessment of renewable fuels

- In 2020, it is mandatory to reduce GHG emissions by 6% (EU)
 - Sustainable ethanol is basis for expansion and development of 2G
- E10 reduces CO₂, NO_x and particulate matter
 - WLTP benchmark, label in tank flap of all new cars
 - Potential savings: 15 Mt CO_{2eq.} (21 million e-cars, 57 TWh)
- Potential for Super E20
 - Potential savings: 30 Mt CO_{2eq.} (43 million e-cars, 114 TWh)
 - Successful racing results (Porsche/Nürburgring)



Source: BDBe, ADAC (2019)

* with 5 vol.-% EtOH



- **Demand: stable with chance for new impulses**
 - GHG reduction targets and renewable energy
 - CO₂ pricing can complement GHG sector targets for transport
- **Price expectations in the EU: slightly higher and still volatile**
 - Ethanol: market balance vs. trading activities; backwardation
 - Feedstock: weather-driven
- **Strategy**
 - Short-term: optimise production sites, protein co-products
 - Medium-term: R&D process innovation, alternative feedstocks
 - Long-term: R&D biochemicals, expansion of product portfolio /- growth



Overview 2018/19

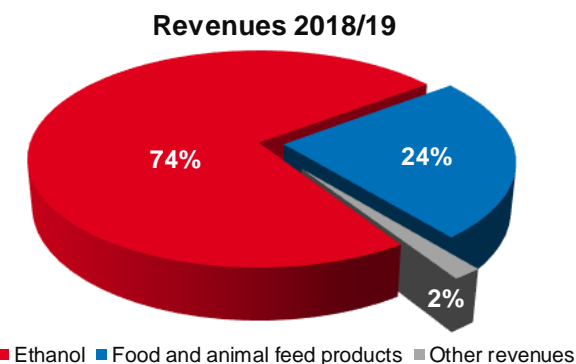
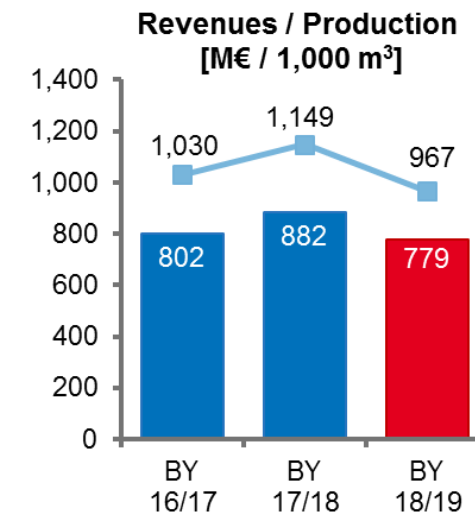


▪ Ethanol production	967 (1,149) ,000 m ³	- 16%
▪ Revenues	€ 779 (882) million	- € 103 million
▪ EBITDA	€ 72 (111) million	- € 39 million
▪ Operating profit	€ 33 (72) million	- € 39 million
▪ Net income	€ 21 (51) million	- € 30 million
▪ Net financial assets (vs. 28/02/2018)	€ 36.8 (36.9) million	- € 0.1 million

Revenues

(in € million)	2018/19	2017/18	Δ
Ethanol	575.6	685.4	- 16%
Food and animal feed products	189.3	190.1	- 0%
Other revenues	13.8	6.5	> + 100%
Revenues	778.6	882.0	- 12%

- Lower revenues due to the temporary reduction of capacity utilization and lower ethanol prices
- Production pause at Wilton site from December 2018 until the end of financial year due to difficult market environment
- Ethanol prices were highly volatile in the 2018/19 financial year and on average below the level achieved in the previous year
- Consistently higher prices for food and animal feed products

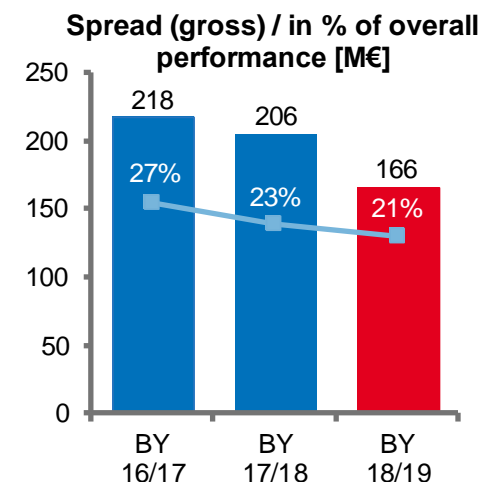
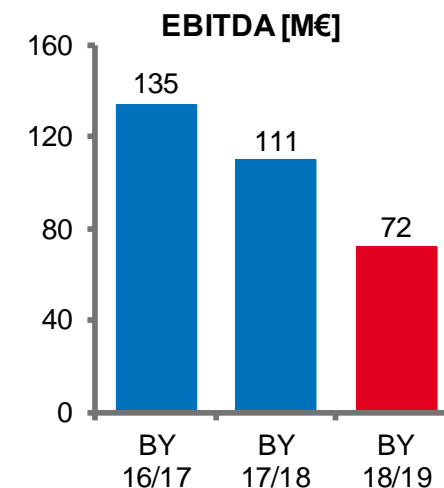


EBITDA

(in € million)	2018/19	2017/18	Δ
Revenues	778.6	882.0	- 12%
Overall performance	782.7	882.8	- 11%
Cost of materials*	-617.1	-677.1	+ 9%
Spread (gross)	165.6	205.7	- 20%
<i>in % of overall performance</i>	21.2%	23.3%	-
Further operating expenses/income*	-93.5	-94.9	+ 1%
EBITDA*	72.1	110.8	- 35%

*without restructuring costs and special items

- Higher revenues for food and animal feed products were not fully able to offset increased raw material costs
- In conjunction with likewise higher specific energy costs, this gave rise to a decline in the gross margin

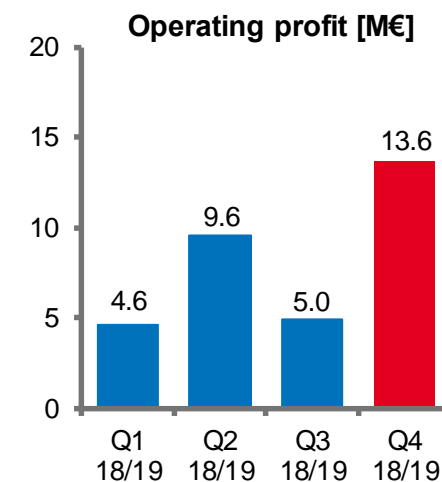
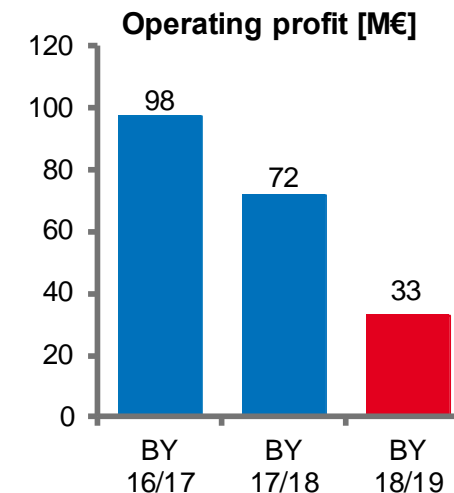


Operating profit

(in € million)	2018/19	2017/18	Δ
Revenues	778.6	882.0	- 12%
EBITDA*	72.1	110.8	- 35%
<i>Margin</i>	9.3%	12.6%	-
Depreciation*	-39.3	-39.2	- 0%
Operating profit	32.8	71.7	- 54%

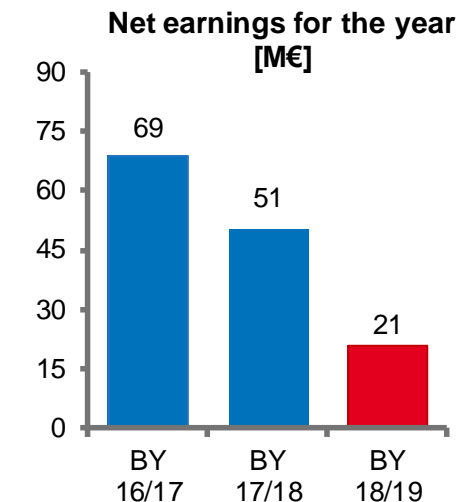
*without restructuring costs and special items

- Allowing for virtually unchanged depreciation, the decline in EBITDA, adjusted for special items, also resulted in a decrease in operating profit
- Based on revenues, this gives rise to an operating margin of 4.2% (8.1%)



Net earnings for the year

(in € million)	2018/19	2017/18	Δ
Operating profit	32.8	71.7	- 54%
Restructuring costs / special items	10.1	-0.8	-
At equity result	0.2	-0.1	-
Income from operations	43.1	70.8	- 39%
Financial result	-0.5	-0.9	+ 43%
Earnings before income taxes	42.5	69.8	- 39%
Taxes on income	-21.3	-19.0	- 12%
Net earnings for the year	21.3	50.8	- 58%



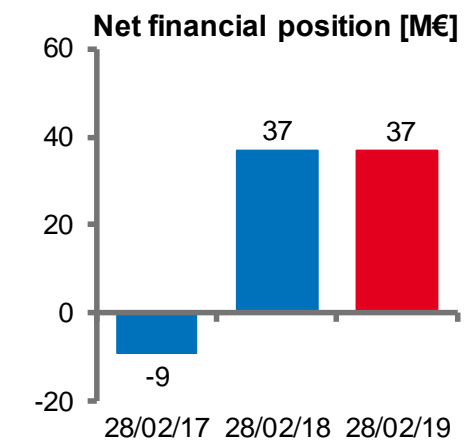
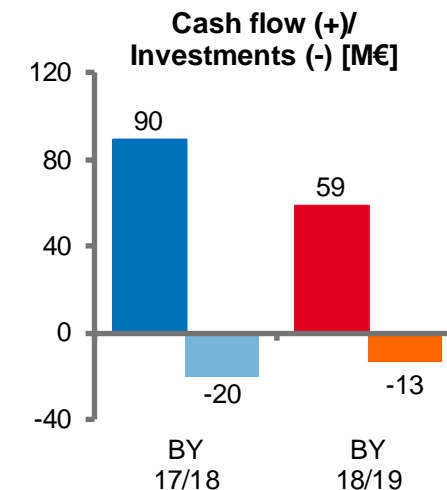
- Positive result from restructuring and special items of € 10.1 (-0.8) million due to a disputed excise duty liability having been resolved
- Net earnings for the year amounted to € 21.3 (50.8) million

Cash flow

(in € million)	2018/19	2017/18	Δ
Cash flow	59.1	89.6	- 30.5
Change in net working capital	-24.7	2.2	- 26.9
Net investments	-13.2	-19.7	+ 6.5
Exchange rate changes et al.	0.5	0.3	+ 0.2
Free cash flow before dividends	21.8	72.3	- 50.5
Dividends for prior year	-21.8	-26.2	+ 4.4
Free cash flow	-0.1	46.2	- 46.3

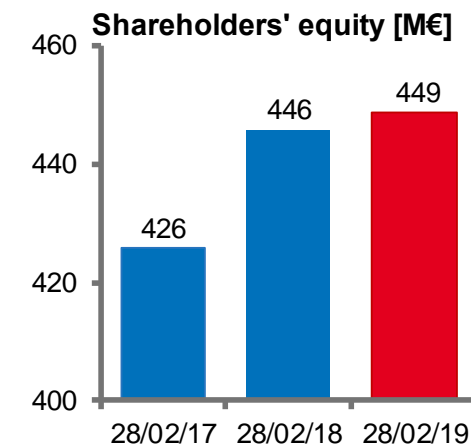
	28/02/2019	28/02/2018	Δ
Net financial assets	36.8	36.9	- 0.1

■ Investments with € 13 (20) million below usual level



Balance sheet structure

(in € million)	28/02/2019	28/02/2018	Δ
Assets			
Non-current assets	382.7	406.8	- 6%
Current assets	203.1	185.5	+ 9%
Total assets	585.7	592.3	- 1%
Liabilities			
Shareholders' equity	448.7	445.7	+ 1%
Non-current liabilities	48.5	47.0	+ 3%
Current liabilities	88.5	99.6	- 11%
Total liabilities and equity	585.7	592.3	- 1%
Capital Employed	462.3	457.8	+ 1%
ROCE	7%	16%	-
Net financial assets	36.8	36.9	- 0%
Equity ratio	77%	75%	-

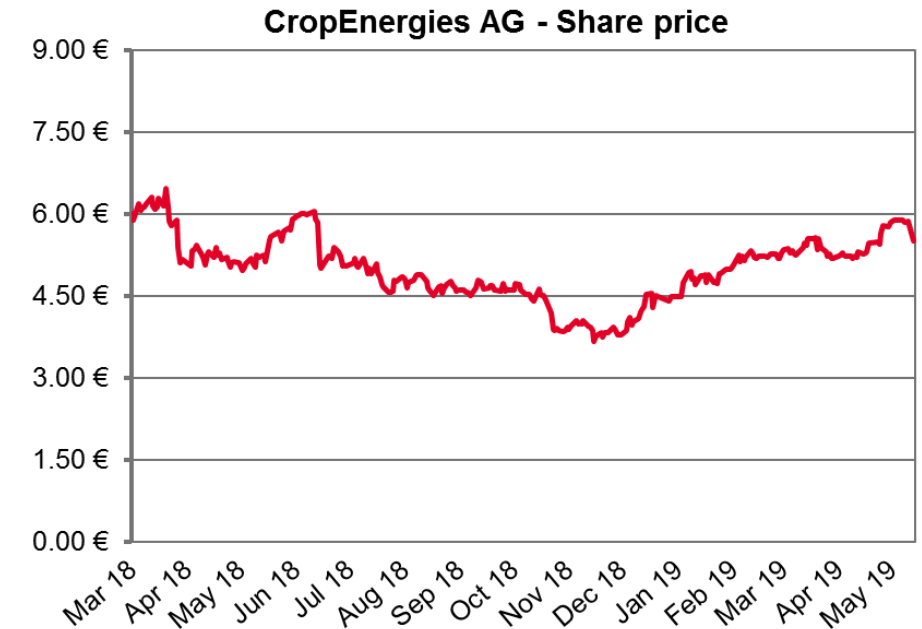


- Equity ratio increases to 77 (75)%
- Net financial assets at previous year's level

Dividend

(in € per share)	2018/19	2017/18
Earnings	0.24	0.58
Cash flow	0.68	1.03
Dividend	0.15*	0.25
Payout ratio	62%	43%
*proposal		
Share price end of financial year	€ 5.29	€ 6.25
Dividend yield	2.8%	4.0%

- Payout ratio: 62 (43)% from consolidated net income IFRS



Outlook 2019/20



- Slightly higher but still volatile ethanol prices
- Slightly higher raw material prices
- Revenues in the range of € 800 and € 900 million
- EBITDA in the range of € 60 and € 115 million
- Operating profit in the range of € 20 and € 70 million

Financial Calendar

10 July 2019:	Statement for the 1 st quarter of 2019/20
16 July 2019:	Annual General Meeting 2019
09 October 2019:	Report for the 1 st half of 2019/20
13 January 2020:	Statement for the 1 st -3 rd quarter of 2019/20
13 May 2020:	Annual report and press and analysts' conference financial year 2019/20

Stock Information

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

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