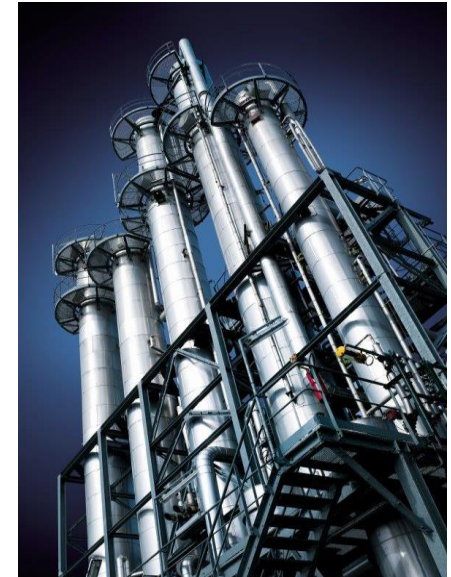


# CropEnergies AG

Joachim Lutz (CEO)  
14 June 2016

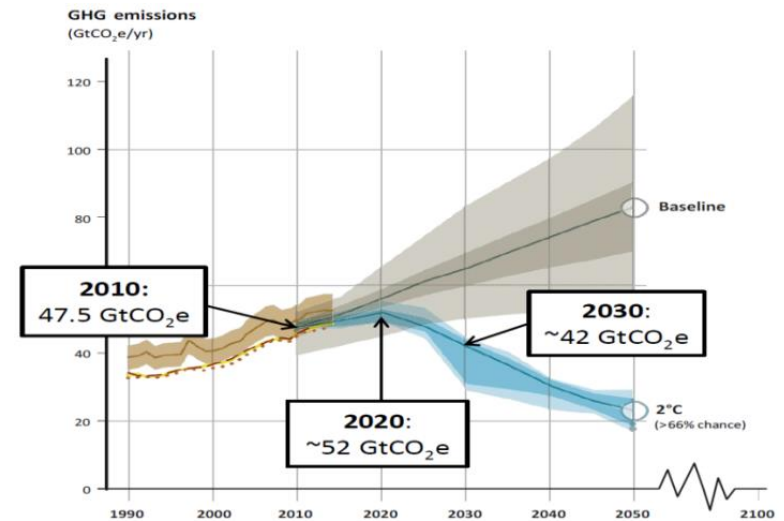
## Highlights of financial year 2015/16

- Corporate environment and markets
  - Climate protection requires new impetus
  - Biofuels deliver higher greenhouse gas savings
  - Better prices for bioethanol and raw materials
- CropEnergies: quality before quantity
  - Diversification beyond fuel sector
  - Flexible use of capacity to optimize earnings
- Financial statement 2015/16
  - Lower topline revenues
  - Operating result close to record level
  - Dividend proposal



## Key topic: carbon neutrality

- Objective of COP21: carbon neutrality by 2100
  - Limit global warming to less than 2° C
- Challenge: transport sector with rising emissions
- Reality in Germany: in 2015, GHG emissions increased to 908 million tonnes
  - Root cause: burning fossil fuels
- Policy focus is global warming and GHG reduction

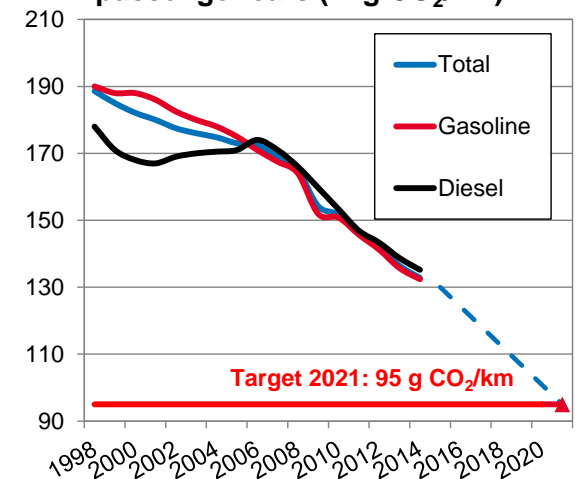


Source: UNEP, Emission Gap Report 2015

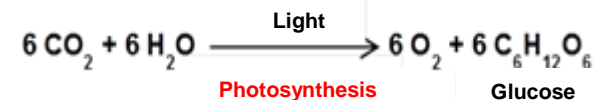
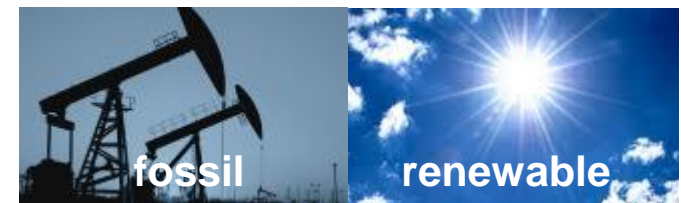
## GHG emissions in transport: solutions from two sides

- Development of new cars: takes time
  - Increase of engine efficiency
  - Lower weight of vehicles
  - Efficient emission control devices
  - Combination with electric drive
- Improvement of fuel: quickly realized
  - Use of renewable carbon sources instead of fossil
  - Ethanol: high energy density and GHG savings
  - Low-cost solution
  - Applicable to 2/3 of Germany's carfleet

Germany: CO<sub>2</sub> emissions of newly registered passenger cars (in g CO<sub>2</sub>/km)



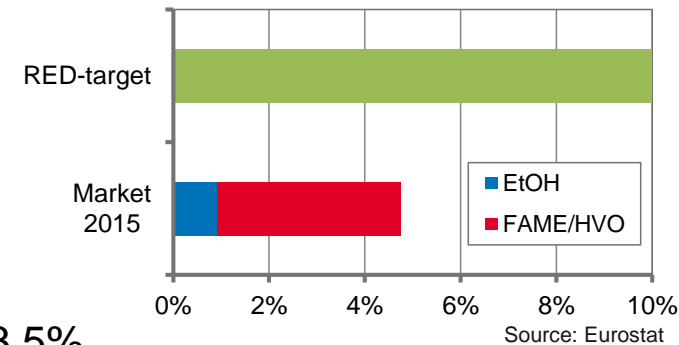
Source: KBA, own calculations



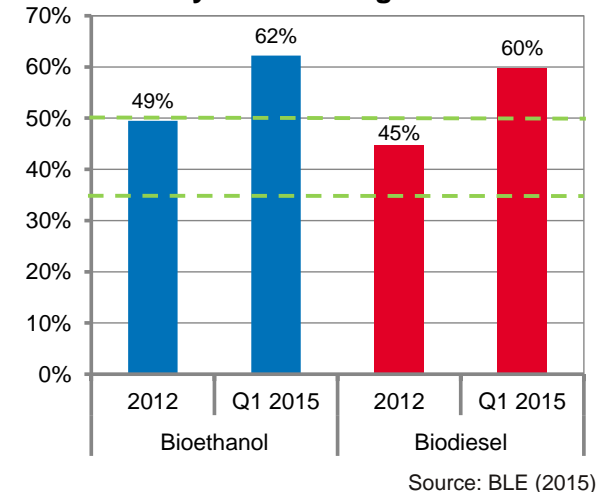
## Policy framework for renewable fuels

- EU: general targets 2020 in transport sector
  - 10% renewable energy (incl. up to 7% conventional biofuels)
  - Fuel: 6% less GHG emissions (FQD)
- Germany: system switch from 2015 on
  - Currently: reduction of GHG intensity of fuels by 3.5%
  - From 2017 on: -4%, from 2020 on: -6%
- Experience
  - GHG savings become product characteristic
  - Industry investing and improved GHG savings

EU: blending targets and market reality

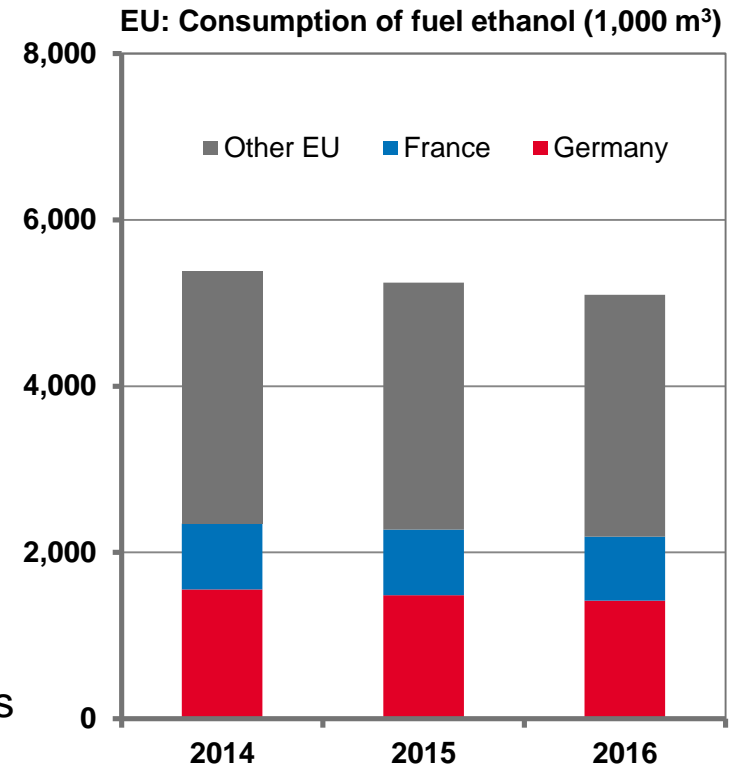


Germany: GHG savings of biofuels



## Market development: Consumption of fuel ethanol in 2015

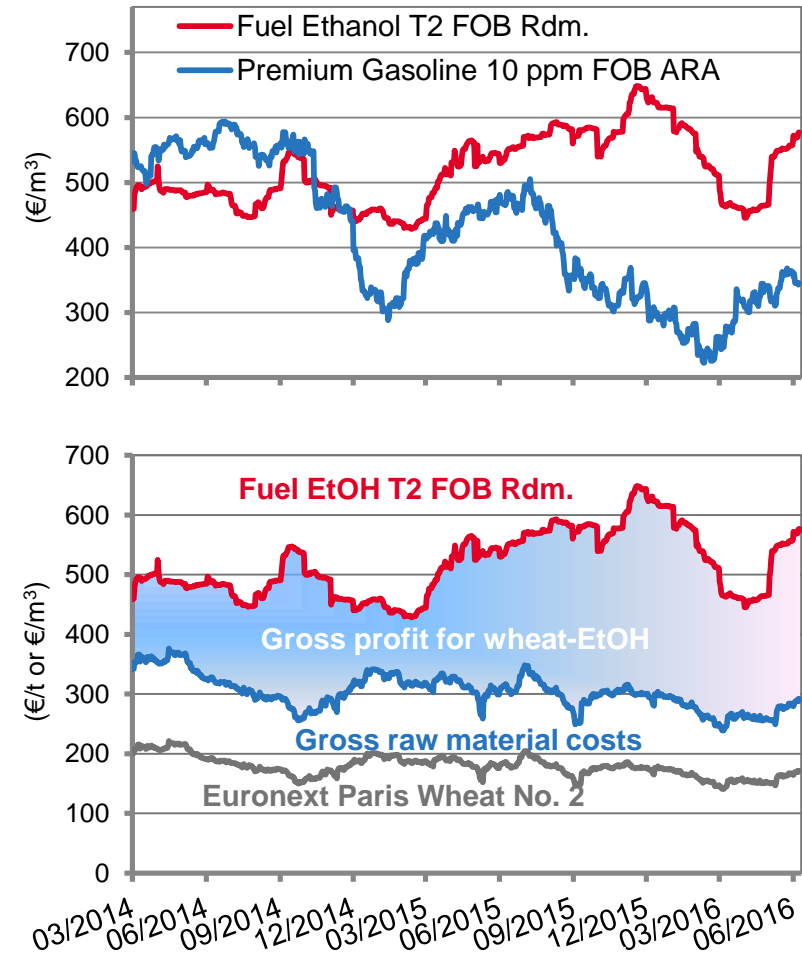
- EU: decrease to 5.2 million m<sup>3</sup> (-3%)
  - plus 2.5 million m<sup>3</sup> (+2%) neutral alcohol
- France: unchanged at 0.8 million m<sup>3</sup>
  - Bioethanol blending share: 6 cal.-%
  - E10 market share : 33%; 2.4 (2.2) million t
- Germany: decrease to 1.5 million m<sup>3</sup> (-5%)
  - Higher GHG savings reduce volumes sold
  - Bioethanol blending share: 4.1 cal.-%
  - E10 market share 14%; 2.5 (2.8) million t
- Environmental objectives need E10
  - Accelerate next steps of GHG savings targets
  - Reduce tax disadvantage of E10/petrol



Source: F.O. Licht

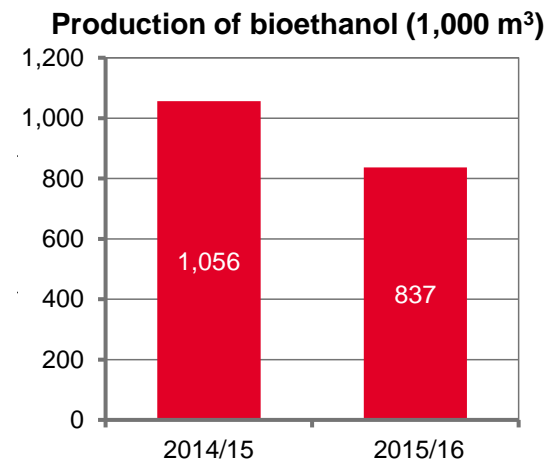
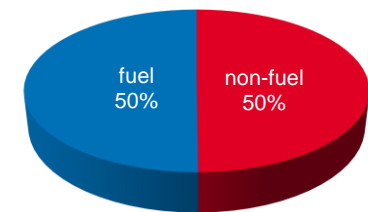
## Price developments in the relevant markets

- Higher but more volatile ethanol prices
  - End of February 2016: € 510 (444) /m<sup>3</sup>
  - Decoupling from “political” oil price
  - Seasonality/tank situation in Rotterdam
  - Prices in USA/Brazil currently at € 400 /m<sup>3</sup>
  
- Decreasing EU grain prices
  - excellent harvests 2015/16
  - Worldwide production of 1,992 million t only slightly below previous year’s record
  - EU harvest (310 million t) above domestic consumption (283 million t)
  - Discount for feed wheat used for ethanol



## Strategy business year 2015/16

- Diversification beyond fuel sector
  - Strengthening of neutral alcohol business
  - Completion of investment in neutral alcohol plant in Zeitz
    - Capex € 27 million for 60,000 m<sup>3</sup>/a capacity
  - Approx. 50% of production volume is sold outside fuel ethanol sector
  
- Active capacity management follows price development
  - High utilization of plants in GER, BEL, FRA
  - Temporary standstill of plant in Wilton
    - Capex and improvements during standstill



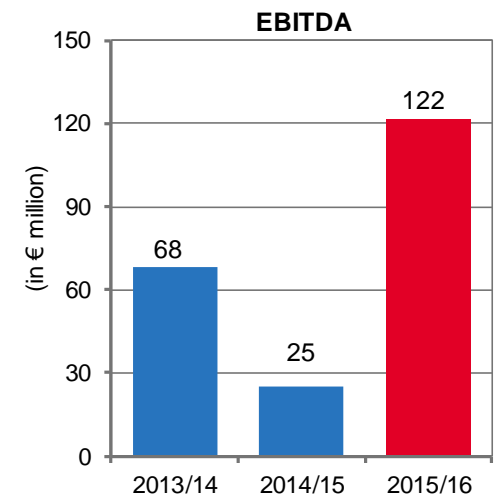
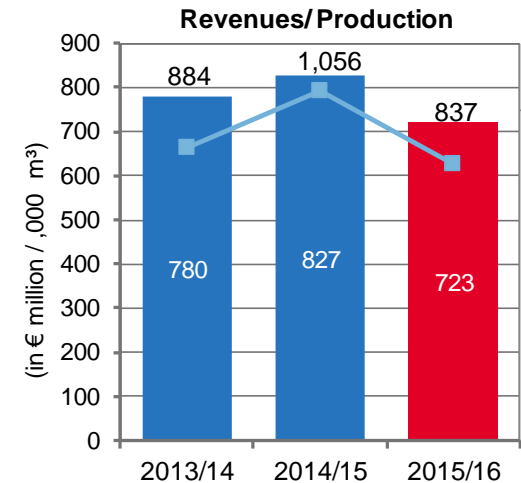


## Income statement (I)

(in € million)	2015/16	2014/15	Δ	Δ
<b>Revenues</b>	<b>722.6</b>	<b>827.2</b>	<b>- 104.6</b>	<b>- 13%</b>
<b>EBITDA*</b>	<b>121.5</b>	<b>25.2</b>	<b>+ 96.4</b>	
Margin	16.8%	3.0%		
Depreciation*	-34.8	-36.4	+ 1.6	- 4%
<b>Operating profit</b>	<b>86.7</b>	<b>-11.2</b>	<b>+ 97.9</b>	

\*without restructuring costs and special items

- Revenues decrease to € 722.6 (827.2) million
  - Reduced production of bioethanol and food / feed
  - Temporary standstill in Wilton but high utilization in Wanze / Zeitz
- EBITDA increases to € 121.5 (25.2) million
  - Improved selling prices for bioethanol
  - Low raw material prices

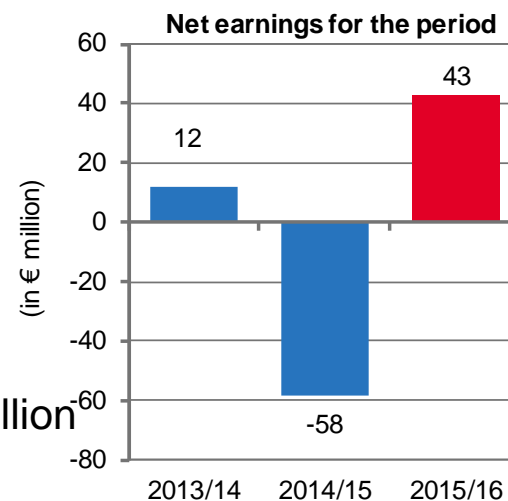
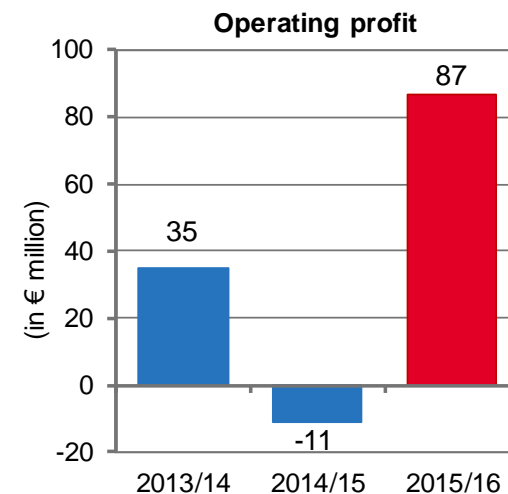


## Income statement (II)

(in € million)	2015/16	2014/15	Δ	Δ
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<b>EBITDA*</b>	<b>121.5</b>	<b>25.2</b>	<b>+ 96.4</b>	<b>+ 383%</b>
<b>Operating profit</b>	<b>86.7</b>	<b>-11.2</b>	<b>+ 97.9</b>	
Restructuring costs / special items	-18.1	-28.4	+ 10.4	
At equity result	0.0	0.3		
<b>Income from operations</b>	<b>68.7</b>	<b>-39.4</b>	<b>+ 108.0</b>	<b>- 274%</b>
Financial result	-5.7	-3.7	- 2.0	
<b>Earnings before income taxes</b>	<b>63.0</b>	<b>-43.1</b>	<b>+ 106.1</b>	
Taxes on income	-20.3	-14.9		
<b>Net earnings for the year</b>	<b>42.6</b>	<b>-58.0</b>	<b>+ 100.7</b>	
<b>Earnings per share (in €)</b>	<b>0.49</b>	<b>-0.67</b>	<b>1.15</b>	<b>- 173%</b>

\*without restructuring costs and special items

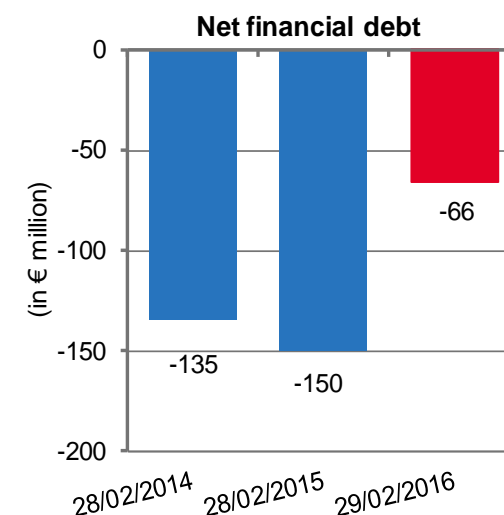
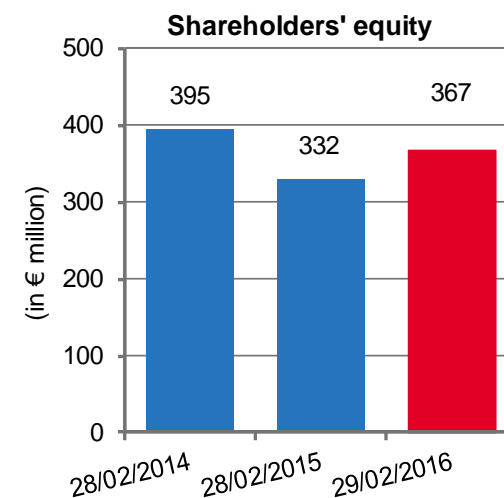
- Restructuring costs of € -18.1 (-28.4) million mainly relate to temporary standstill of Wilton plant
- Income from operations increase by € 108 million to € 68.7 million
- Net earnings for the year increase to € 42.6 (-58.0) million



## Balance sheet structure

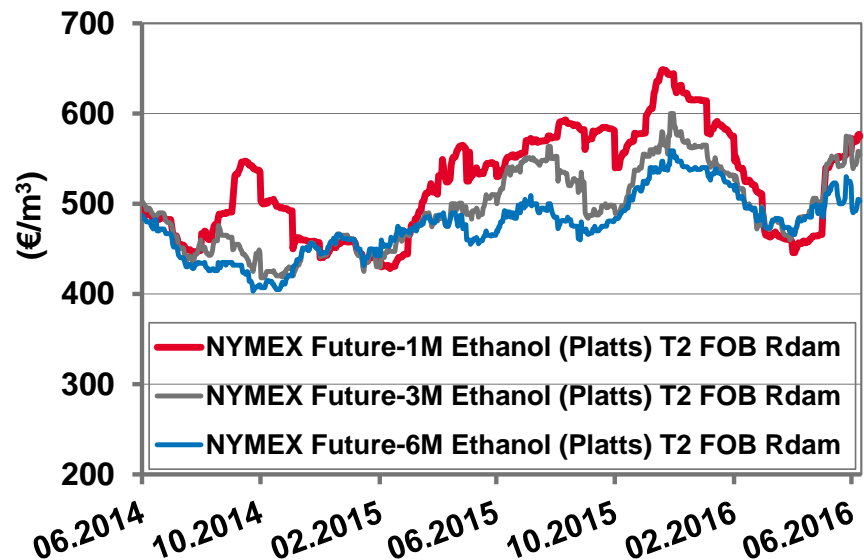
(in € million)	29/02/2016	28/02/2015	Δ	Δ
<b>Assets</b>				
Non-current assets	459.8	493.4	- 33.6	- 7%
Current assets	131.7	150.6	- 18.9	- 13%
<b>Total assets</b>	<b>591.5</b>	<b>643.9</b>	<b>- 52.4</b>	<b>- 8%</b>
<b>Liabilities</b>				
Shareholders' equity	367.2	331.7	+ 35.6	+ 10.7%
Non-current liabilities	103.0	157.9	- 54.8	- 35%
Current liabilities	121.2	154.4	- 33.2	- 21%
<b>Total liabilities and equity</b>	<b>591.5</b>	<b>643.9</b>	<b>- 52.4</b>	<b>- 8%</b>
Net financial debt (NFD)	-65.7	--150.1	+ 84.5	
Equity ratio	62%	52%		
Gearing (NFD/Equity)	18%	45%		

- Equity increases due to net income in 2015/16
  - Equity ratio improved to 62%
- Net financial debt reduced to € 66 million
  - Cash flow € 87.3 (5.3) million



## Outlook 2016/17e

- Revenues of € 625 to 700 million
- Operating result between € 30 to 70 million
- Restructuring costs of up to € 17 million per year in Wilton
  - Restart (trial phase) latest July 2016



## **Financial Calendar**

6 July 2016:	Interim report 1 <sup>st</sup> quarter 2016/17
12 July 2016:	Annual General Meeting 2016
12 October 2016:	Interim report 1 <sup>st</sup> half 2016/17
11 January 2017:	Interim report 1 <sup>st</sup> -3 <sup>rd</sup> quarters 2016/17
17 May 2017:	Annual report and press and analysts' conference financial year 2016/17

## **Stock information**

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

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