

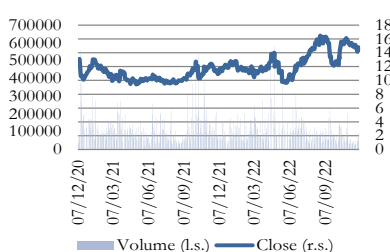
05 December 2022

Price as of 02/12/22: €14.44

Company / Sector	Fair Value	Recommendation
CropEnergies	€26.0	Strong Buy
Energy: Biofuels	(unchanged)	(unchanged)

Production in Wilton continues – more news ahead

Share price performance



Share data

Reuters	CE2G.DE
No. of shares (m)	87,25
Daily volume (3m)	74.452
Free float	26,0%
Market cap. (m)	1.259,9
EV (m)	930,8
Sales 19-23e	15,4%

Valuation	22/23e	23/24e
EV/Sales	0,6	0,7
EV/ EBITDA	3,2	6,0
EV/EBIT	3,8	7,9
PER	6,8	13,0
Div. yield	3,1%	3,1%
RoCE	43,0%	17,6%
RoE	22,0%	10,7%

Analysts

Hartmut Moers
 Tel.: +49 228 227 99 240
 hartmut.moers@matelan.de

Investment case

Despite some decline in ethanol prices we confirm our earnings estimates and our valuation as reduced wheat prices have a largely compensatory effect. Moreover, benefitting from the UK's Energy Bill, management has decided to continue production at its UK site. We now expect the final investment decision to build a 50.000t renewable ethyl acetate plant and EU's final approval on the RED II amendments. With an upside of 80%, we reiterate our Strong Buy rating.

➤ WILTON CONTINUES PRODUCTION

In view of the British government's "Energy Bill Relief Scheme", CropEnergies has decided to continue production at its UK site in Wilton. Capacity utilisation will, however, depend upon market development, in particular as the price of ethanol has come down due to imports from the US and Brazil.

➤ ETHANOL DECLINE EASED BY WHEAT PRICES

While ethanol prices have come down from the levels at the time of our recent report on CropEnergies, so have wheat prices. There is thus only a small effect on the spread, in particular at the long end.

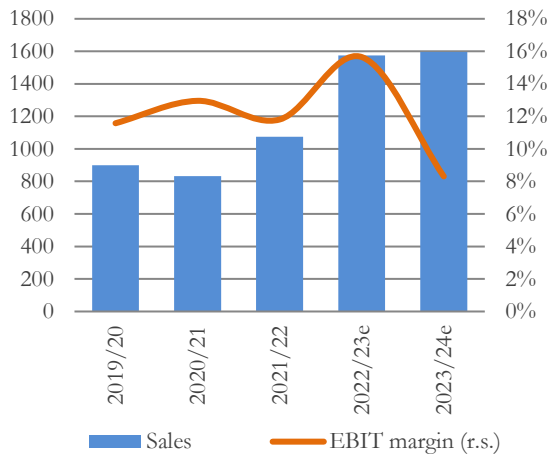
➤ VALUATION CONFIRMED

While recent ethanol imports have put pressure on ethanol prices in the second half of the company's current financial year, there is still sufficient room to reach the mid-point of the company's guidance. Ethanol and wheat forwards for the coming year as well as the long-term continue to support our earnings estimates. We thus clearly confirm our valuation of EUR26.

For additional disclosures please refer to the appendix

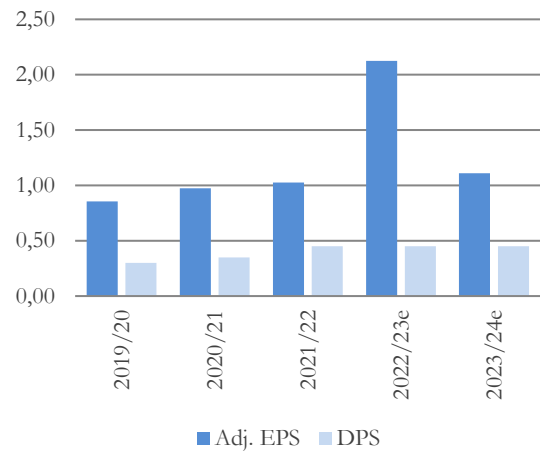
Forecasts	19/20	20/21	21/22	22/23e	23/24e
Sales (€m)	899,2	833,1	1075,3	1574,7	1597,1
EBITDA (€m)	146,3	149,3	168,8	288,4	174,5
EBIT (€m)	104,1	107,9	127,0	246,4	132,7
Adj. EPS (€)	0,85	0,97	1,02	2,12	1,11
Dividend (€)	0,30	0,35	0,45	0,45	0,45
Oper. CF (€m)	125,1	105,9	147,0	189,0	137,5
Free CF (€m)	95,2	77,0	111,2	159,0	-81,5

Sales and EBIT margin



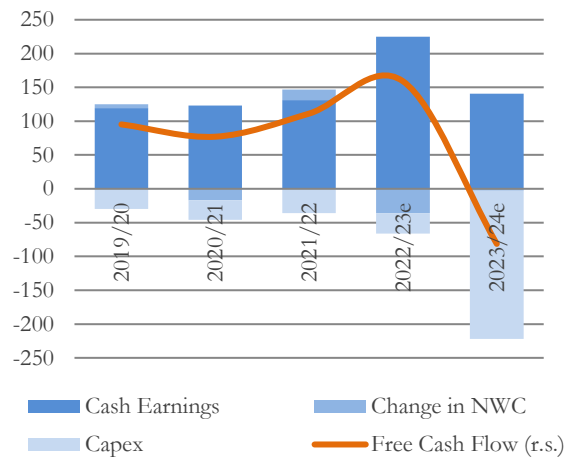
In EURm

Adj. EPS and DPS



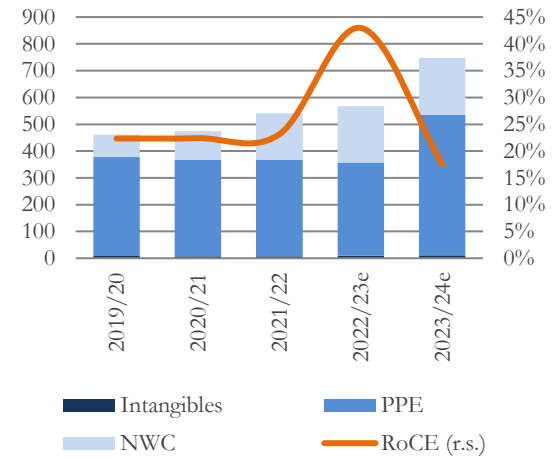
In EUR

Cash Flow



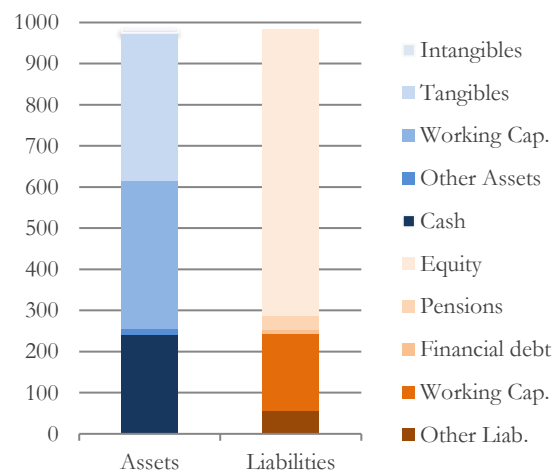
In EURm

RoCE



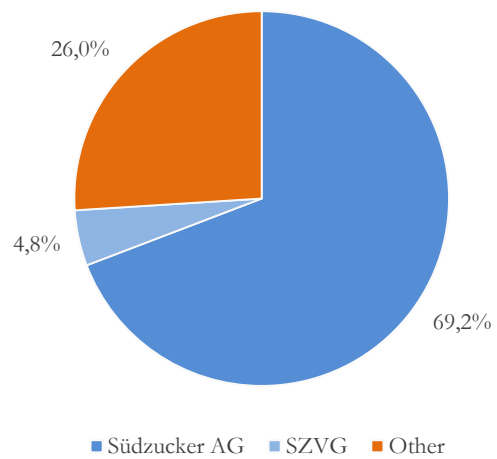
In EURm

Balance Sheet



EURm

Shareholder structure



P & L

EURm	2019/20	2020/21	2021/22	2022/23e	2023/24e
Sales	899.2	833.1	1,075.3	1,574.7	1,597.1
<i>Growth</i>		-7.3%	29.1%	46.4%	1.4%
Material costs	-660.5	-594.2	-816.2	-1,181.1	-1,312.6
Gross profit	238.7	238.9	259.2	393.6	284.5
<i>Gross margin</i>	26.5%	28.7%	24.1%	25.0%	17.8%
Other operating costs	-92.3	-89.6	-90.4	-105.2	-110.0
EBITDA	146.3	149.3	168.8	288.4	174.5
<i>Margin</i>	16.3%	17.9%	15.7%	18.3%	10.9%
Depreciation	-42.2	-41.4	-41.8	-42.0	-41.8
EBIT	104.1	107.9	127.0	246.4	132.7
<i>Margin</i>	11.6%	13.0%	11.8%	15.6%	8.3%
Financial result	-3.3	-0.5	-2.7	2.3	-2.0
EBT	100.7	107.4	124.2	248.7	130.7
Taxes	-26.2	-22.5	-34.8	-63.3	-34.0
Net profit	74.6	84.9	89.4	185.4	96.7
Minorities	0.0	0.0	0.0	0.0	0.0
Net profit a.m.	74.6	84.9	89.4	185.4	96.7
<i>Growth</i>		13.9%	5.3%	107.3%	-47.8%
No of shares	87.3	87.3	87.3	87.3	87.3
EPS	0.85	0.97	1.02	2.12	1.11
Adj. EPS	0.85	0.97	1.02	2.12	1.11
<i>Growth</i>		13.9%	5.3%	107.3%	-47.8%
Dividend	0.30	0.35	0.45	0.45	0.45

Cash Flow

EURm	2019/20	2020/21	2021/22	2022/23e	2023/24e
EBIT	104.1	107.9	127.0	246.4	132.7
Depreciation	42.2	41.4	41.8	42.0	41.8
Other non-cash items	-0.8	-3.8	-2.8	0.0	0.0
Cash taxes	-26.2	-22.5	-34.8	-63.3	-34.0
Cash earnings	119.4	123.0	131.2	225.1	140.5
Change in NWC	5.7	-17.1	15.8	-36.0	-3.0
CF from operations	125.1	105.9	147.0	189.0	137.5
Capex	-29.9	-28.8	-35.8	-30.0	-219.0
Other investm./divestm.	0.1	1.3	0.8	0.0	0.0
CF from investing	-29.8	-27.5	-34.9	-30.0	-219.0
CF from fin. and other	-15.3	-30.5	-35.3	-40.5	61.5
Change in cash	80.0	47.9	76.8	118.5	-20.0

Valuation multiples

	2019/20	2020/21	2021/22	2022/23e	2023/24e
Share price	7,04	10,82	11,18	14,44	14,44
x No of shares	87,3	87,3	87,3	87,3	87,3
Market Capitalisation	614,2	944,0	975,5	1.259,9	1.259,9
+ Net financial debt	-107,3	-154,6	-229,9	-346,4	-225,4
+ Pension provision	35,0	30,7	32,4	21,0	22,0
+ Minorities	0,0	0,0	0,0	0,0	0,0
- Participations	-2,3	-2,5	-2,8	-3,7	-3,7
Enterprise Value	539,7	817,6	775,1	930,8	1.052,8
Sales	899,2	833,1	1.075,3	1.574,7	1.597,1
Adj. EBITDA	146,3	149,3	168,8	288,4	174,5
Adj. EBIT	104,1	107,9	127,0	246,4	132,7
Adj. Net profit a.m.	74,6	84,9	89,4	185,4	96,7
EV / Sales	0,6	1,0	0,7	0,6	0,7
EV / EBITDA	3,7	5,5	4,6	3,2	6,0
EV / EBIT	5,2	7,6	6,1	3,8	7,9
PE	8,2	11,1	10,9	6,8	13,0

Balance Sheet

EURm	2019/20	2020/21	2021/22	2022/23e	2023/24e
Intangible assets	8.3	7.9	7.5	9.5	10.5
Tangible assets	369.3	358.7	359.7	347.7	524.9
Participations	2.3	2.5	2.8	3.7	3.7
Other non-current assets	4.8	7.3	7.9	6.2	7.2
Non-current assets	384.7	376.4	377.9	367.1	546.3
Inventories	66.6	73.2	108.0	120.0	121.7
Receivables	94.6	126.5	251.5	300.0	304.3
Cash	116.9	164.7	241.5	360.0	340.0
Other current assets	7.0	1.7	3.9	4.0	4.0
Current Assets	285.0	366.1	604.9	784.0	770.0
Total assets	669.6	742.4	982.7	1,151.1	1,316.3
Equity	502.9	566.1	696.4	842.5	900.0
Minorities	0.0	0.0	0.0	0.0	0.0
Total equity	502.9	566.1	696.4	842.5	900.0
LT financial liabilities	6.3	5.9	7.0	7.0	107.0
Pension provisions	35.0	30.7	32.4	21.0	22.0
Other LT liabilities	24.2	24.7	30.8	37.0	38.0
Non-current liabilities	65.5	61.4	70.1	65.0	167.0
ST financial liabilities	3.2	4.2	4.6	6.6	7.6
Payables	77.6	91.8	185.5	210.0	213.0
Other ST liabilities	20.4	18.9	26.2	27.0	28.8
Current liabilities	101.3	114.9	216.2	243.6	249.4
Total liabilities	669.6	742.4	982.7	1,151.1	1,316.3

Segments

EURm	2019/20	2020/21	2021/22	2022/23e	2023/24e
Bioethanol	696.5	647.6	836.9	1,285.1	1,291.0
<i>Growth</i>		-7.0%	29.2%	53.5%	0.5%
Food & Feed	192.5	175.5	223.8	274.8	291.1
<i>Growth</i>		-8.8%	27.5%	22.8%	5.9%
Other	10.2	10.0	14.6	14.8	15.0
<i>Growth</i>		-1.8%	46.0%	1.2%	1.4%
Sales	899.2	833.1	1,075.3	1,574.7	1,597.1
<i>Growth</i>		-7.3%	29.1%	46.4%	1.4%

Key operational indicators

	2019/20	2020/21	2021/22	2022/23e	2023/24e
Equity ratio	75.1%	76.3%	70.9%	73.2%	68.4%
Gearing	0.0	0.0	0.0	0.0	0.1
Asset turnover	2.4	2.2	2.9	4.3	2.9
NWC / sales	9.3%	12.9%	16.2%	13.3%	13.3%
Payable days outst.	31.5	40.2	63.0	48.7	48.7
Receivable days outst.	38.4	55.4	85.4	69.5	69.5
Fix operating assets	382.4	373.8	375.1	363.4	542.6
NWC	83.5	107.8	174.0	210.0	213.0
Capital employed	465.9	481.6	549.1	573.4	755.6
RoE	14.8%	15.0%	12.8%	22.0%	10.7%
RoA	15.5%	14.5%	12.9%	21.4%	10.1%
RoCE	22.3%	22.4%	23.1%	43.0%	17.6%
Gross margin	26.5%	28.7%	24.1%	25.0%	17.8%
EBITDA margin	16.3%	17.9%	15.7%	18.3%	10.9%
EBIT margin	11.6%	13.0%	11.8%	15.6%	8.3%
Net profit margin	8.3%	10.2%	8.3%	11.8%	6.1%

ADDITIONAL DISCLOSURES

This report has been prepared by Matelan Research GmbH, Koblenzer Str. 79, 53177 Bonn. All rights are reserved. Copyrights and database rights protection exists in this publication. It may not be reproduced or redistributed without prior express permission of Matelan.

(1) Information for clients in Germany and other countries

This research report has been produced in Germany. It was approved and distributed by MATELAN Research GmbH, which is supervised by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). Laws and regulations in other countries may also restrict the distribution of this report. Persons in possession of this document should inform themselves about possible legal restrictions and observe them accordingly. In particular, this document may not be distributed in the United States, Canada, Australia or Japan or to any U.S. person.

(2) Analyst certification

The analysts responsible for the content of this research report hereby certify that (1) all views expressed in this report accurately reflect their views about any and all of the subject securities or issuers and (2) no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or view(s) of this report.

Matelan may have sent extracts of this research report to the subject company for the purpose of verifying factual accuracy. The information provided by the latter was taken into consideration in the report. However, this entailed no change of the assessment.

(3) Disclosures about potential conflicts of interest

Matelan Research GmbH has/will receive(d) compensation for advisory services provided in the current calendar year from the company under review.

(4) Rating definitions

Security firms use a variety of rating terms and systems. Investors should carefully read the definitions of the rating system used in each research report. In addition, since the research report contains more complete information concerning analyst's views, investors should carefully read the entire research report and not infer its contents from the ratings alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

MATELAN Research GmbH uses an absolute rating system, which varies considerably from relative rating systems (such as "Overweight", "Equal Weight" or "Underweight"). Stock ratings are defined as follows:

Strong Buy:	In the next 6 to 12 months, we expect a potential absolute change in value of over 20% with high forecast certainty.
Buy:	In the next 6 to 12 months, we expect a potential absolute change in value of more than 10%.
Neutral:	In the next 6 to 12 months, we expect a potential absolute change in value of over 0% up to a maximum of 10%.
Reduce:	In the next 6 to 12 months, we expect a potential absolute negative change in value of up to -10%.
Sell:	In the next 6 to 12 months, we expect a potential absolute negative change in value of over -10 % with high forecast certainty.

The change in stock price results from the difference between the current share price and the analyst's performance expectations, which are generally based on a fair value calculation performed on the basis of a discounted cash flow model and a key comparison analysis but can also consider other effects such as market sentiment.

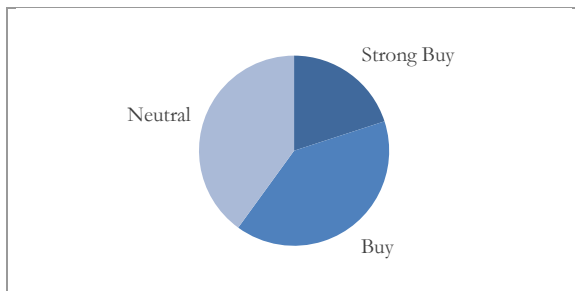
(5) Recommendation history

Stock ratings for the company covered in this report have developed as follows:

CropEnergies	
Date	Rating
14/10/22	Strong Buy
18/05/22	Neutral
18/06/20	Buy
17/12/19	Neutral
27/04/16	Buy

(6) Rating distribution

Stock ratings within the coverage universe of MATELAN Research GmbH as of the publication date of this report are distributed as follows:



DISCLAIMER

This research publication has been prepared by MATELAN analysts based on publicly available data that is believed to be accurate and complete. While reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, MATELAN provides no representation or warranty in relation to its accuracy, completeness or reliability. Possible errors or incompleteness of the information do not constitute grounds for liability, either with regard to indirect or to direct or consequential damages. In particular, MATELAN is not liable for the statements, plans or other details contained in the information concerning the examined companies, strategies, economic situations, market and competitive situations, regulatory environment, etc.

Neither MATELAN nor its employees are liable for the accuracy and completeness of the statements, estimates and conclusions derived from the information contained in this report. To the extent this research report is being transmitted in connection with an existing contractual relationship, e.g. financial advisory or similar services, the liability of MATELAN shall be restricted to gross negligence and wilful misconduct. In any case, the liability of MATELAN is limited to typical, foreseeable damages and liability for any indirect damages is excluded.

This report does not constitute an offer to sell, or a solicitation of an offer to purchase, any security. MATELAN may perform services to other companies mentioned in this report. Directors or employees of MATELAN may serve on the board of directors of companies mentioned in this report. Any opinions contained herein are subject to change without notice.

The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. MATELAN does not accept any liability for any loss or damage out of the use of all or any part of this report. Additional information will be made available upon request.

Past performance is not necessarily indicative of future results. Investors should make their own investment decisions without relying on this publication. Only investors with sufficient knowledge and experience in financial matters to evaluate the merits and risks should consider an investment in any issuers or market discussed herein and other persons should not take any action on the basis of this publication.

Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and not be suitable for all investors. The price of securities may decrease or increase and as a result, investors may lose the amount originally invested. Changes in exchange rates may also cause the value of investments to decrease or increase. Any documents or information we provide is solely for informational purposes and directed only to persons we reasonably believe to be investment professionals.

All such communications and any activity to which they relate are available only to such investment professionals; any activity arising from such communications will only be carried out with investment professionals. Persons who do not have professional experience in matters relating to investments should not rely upon such communications.

CONTACT DATA

For further information, please contact:

Matelan Research GmbH Koblenzer Straße 79 53177 Bonn www.matelan.de	Analyst: Hartmut Moers Tel: +49 228 227 99 240 e-mail: hartmut.moers@matelan.de
--	--