

20 December 2023

Price as of 19/12/23: €6.81

Company / Sector

CropEnergies

Energy: Biofuels

Fair Value

€18.0

(unchanged)

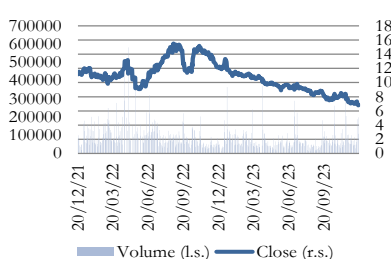
Recommendation

Neutral

(Strong Buy)

Tender offer from Südzucker at EUR11.50

Share price performance



Share data

Reuters	CE2G.DE
No. of shares (m)	87.25
Daily volume (3m)	81.053
Free float	26.0%
Market cap. (m)	594.2
EV (m)	263.2
Sales 20-24e	9.4%

Valuation	23/24e	24/25e
EV/Sales	0.2	0.3
EV/EBITDA	2.5	3.1
EV/EBIT	4.3	5.3
PER	11.6	10.7
Div. yield	7.3%	8.1%
RoCE	10.8%	9.6%
RoE	6.5%	7.0%

Analysts

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Investment case

A tender offer from Südzucker at EUR11.50 allows investors to recover a significant part of the share price decline over the past year. While we see even more value in the growth prospects of the company, retaining the share has to be outweigh against potential liquidity and transparency issues. During the offer period, the share price should trade close to the offer price of EUR11.5. Against this background, we now rate the stock Neutral.

➤ DELISTING INTENDED

Südzucker will offer EUR11.50 in cash to remaining shareholders of CropEnergies. Südzucker has acquired 4.9% of CropEnergies' shares from SZVG and holds now 74%. The offer is planned to run from mid-January to mid-February and is not dependent on any conditions. CropEnergies supports the move and will apply for a delisting of the shares. The process should have a negative impact on the liquidity and the transparency of the share.

➤ CEO JOINS SÜDZUCKER BOARD

Dr. Stephan Meeder, CEO and CFO of CropEnergies, joins the Südzucker board with immediate effect and will pass on his responsibilities at CropEnergies following this financial year.

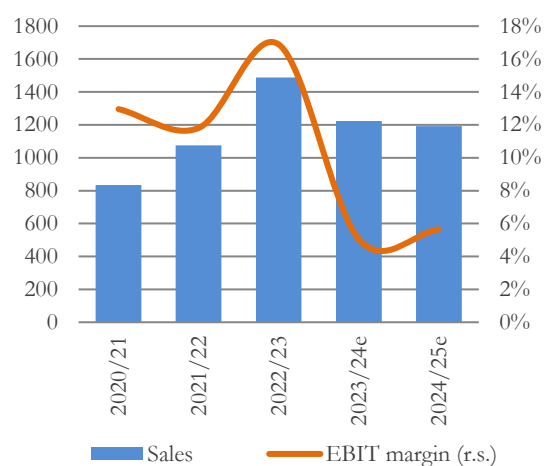
➤ OFFER VALUES EQUITY AT EUR1BN

We have repeatedly highlighted that we see a clear mismatch between the current share price and the value of CropEnergies. The tender offer values the company's equity with roughly EUR1bn. This clearly exceeds the current market cap but might not fully reflect all prospects of the company. The latter has to be viewed in the light of a reduced liquidity and transparency.

For additional disclosures please refer to the appendix

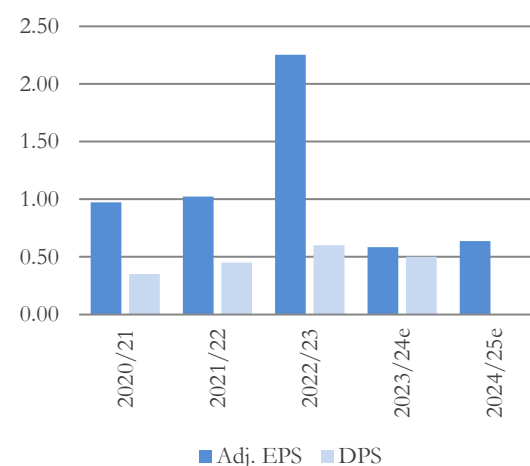
Forecasts	20/21	21/22	22/23	23/24e	24/25e
Sales (€m)	833.1	1075.3	1488.3	1223.4	1192.2
EBITDA (€m)	149.3	168.8	294.3	105.8	116.3
EBIT (€m)	107.9	127.0	251.3	61.8	67.3
Adj. EPS (€)	0.97	1.02	2.25	0.59	0.64
Dividend (€)	0.35	0.45	0.60	0.50	0.55
Oper. CF (€m)	105.9	147.0	187.7	105.5	82.6
Free CF (€m)	77.0	111.2	140.9	25.5	-83.0

Sales and EBIT margin



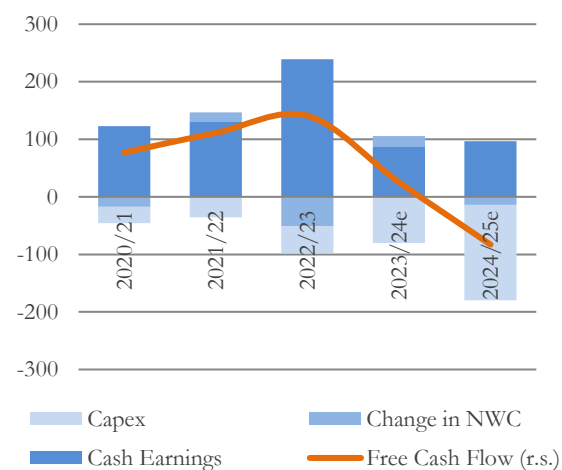
In EURm

Adj. EPS and DPS



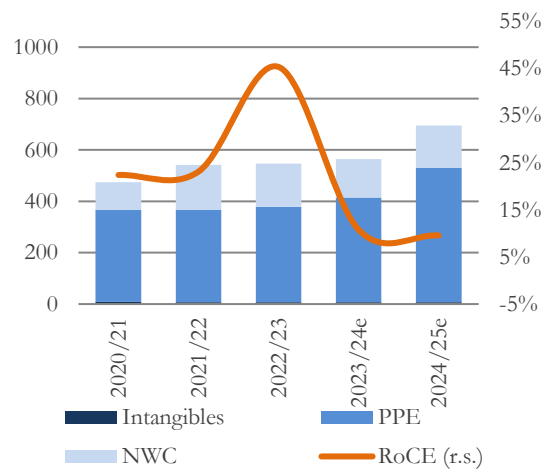
In EUR

Cash Flow



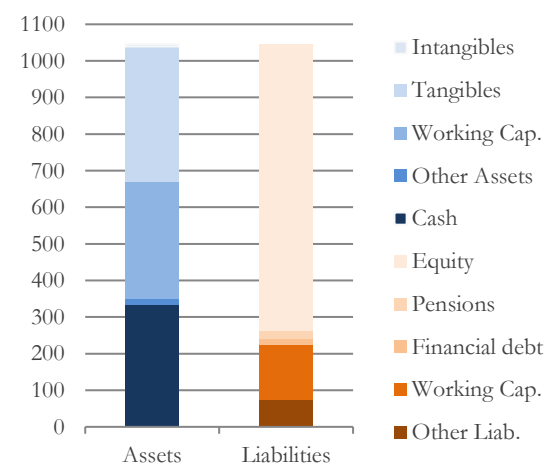
In EURm

RoCE



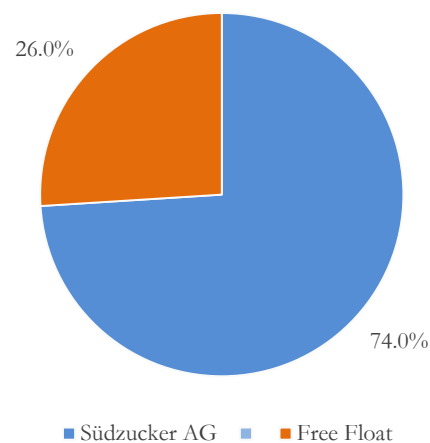
In EURm

Balance Sheet



EURm

Shareholder structure



P & L

EURm	2020/21	2021/22	2022/23	2023/24e	2024/25e
Sales	833.1	1,075.3	1,488.3	1,223.4	1,192.2
<i>Growth</i>		29.1%	38.4%	-17.8%	-2.6%
Material costs	-594.2	-816.2	-1,097.2	-1,000.1	-963.6
Gross profit	238.9	259.2	391.0	223.3	228.6
<i>Gross margin</i>	28.7%	24.1%	26.3%	18.3%	19.2%
Other operating costs	-89.6	-90.4	-96.7	-117.5	-112.3
EBITDA	149.3	168.8	294.3	105.8	116.3
<i>Margin</i>	17.9%	15.7%	19.8%	8.7%	9.8%
Depreciation	-41.4	-41.8	-43.0	-44.0	-49.0
EBIT	107.9	127.0	251.3	61.8	67.3
<i>Margin</i>	13.0%	11.8%	16.9%	5.1%	5.6%
Financial result	-0.5	-2.7	4.1	7.2	8.0
EBT	107.4	124.2	255.4	69.0	75.3
Taxes	-22.5	-34.8	-58.9	-18.0	-19.6
Net profit	84.9	89.4	196.6	51.1	55.7
Minorities	0.0	0.0	0.0	0.0	0.0
Net profit a.m.	84.9	89.4	196.6	51.1	55.7
<i>Growth</i>		5.3%	119.9%	-74.0%	9.1%
No of shares	87.3	87.3	87.3	87.3	87.3
EPS	0.97	1.02	2.25	0.59	0.64
Adj. EPS	0.97	1.02	2.25	0.59	0.64
<i>Growth</i>		5.3%	119.9%	-74.0%	9.1%
Dividend	0.35	0.45	0.60	0.50	0.55

Balance Sheet

EURm	2020/21	2021/22	2022/23	2023/24e	2024/25e
Intangible assets	7.9	7.5	7.0	7.0	7.0
Tangible assets	358.7	359.7	371.1	407.1	523.6
Participations	2.5	2.8	7.5	7.5	7.5
Other non-current assets	7.3	7.9	8.2	8.5	8.7
Non-current assets	376.4	377.9	393.8	430.1	546.8
Inventories	73.2	108.0	133.6	109.9	125.1
Receivables	126.5	251.5	184.3	195.0	190.0
Cash	164.7	241.5	333.1	365.0	270.0
Other current assets	1.7	3.9	2.0	3.0	3.5
Current Assets	366.1	604.9	653.1	672.9	588.6
Total assets	742.4	982.7	1,046.9	1,103.0	1,134.9
Equity	566.1	696.4	783.8	782.5	794.6
Minorities	0.0	0.0	0.0	0.0	0.0
Total equity	566.1	696.4	783.8	782.5	794.6
LT financial liabilities	5.9	7.0	9.8	9.8	9.8
Pension provisions	30.7	32.4	22.7	23.5	24.0
Other LT liabilities	24.7	30.8	23.7	13.0	14.0
Non-current liabilities	61.4	70.1	56.1	46.3	47.8
ST financial liabilities	4.2	4.6	5.9	8.2	8.5
Payables	91.8	185.5	150.0	154.5	150.5
Other ST liabilities	18.9	26.2	51.1	111.5	133.4
Current liabilities	114.9	216.2	207.0	274.2	292.5
Total liabilities	742.4	982.7	1,046.9	1,103.0	1,134.9

Cash Flow

EURm	2020/21	2021/22	2022/23	2023/24e	2024/25e
EBIT	107.9	127.0	251.3	61.8	67.3
Depreciation	41.4	41.8	43.0	44.0	49.0
Other non-cash items	-3.8	-2.8	3.4	0.0	0.0
Cash taxes	-22.5	-34.8	-58.9	-18.0	-19.6
Cash earnings	123.0	131.2	238.8	87.9	96.7
Change in NWC	-17.1	15.8	-51.2	17.6	-14.2
CF from operations	105.9	147.0	187.7	105.5	82.6
Capex	-28.8	-35.8	-46.8	-80.0	-165.5
Other investm./divestm.	1.3	0.8	-3.5	0.0	0.0
CF from investing	-27.5	-34.9	-50.3	-80.0	-165.5
CF from fin. and other	-30.5	-35.3	-45.7	6.4	-12.0
Change in cash	47.9	76.8	91.7	31.9	-95.0

Segments

EURm	2020/21	2021/22	2022/23	2023/24e	2024/25e
Bioethanol	647.6	836.9	1,159.4	857.5	848.2
<i>Growth</i>		29.2%	38.5%	-26.0%	-1.1%
Food & Feed	175.5	223.8	304.9	329.0	295.0
<i>Growth</i>		27.5%	36.3%	7.9%	-10.3%
Other	10.0	14.6	24.0	37.0	49.0
<i>Growth</i>		46.0%	63.9%	54.3%	32.4%
Sales	833.1	1,075.3	1,488.3	1,223.4	1,192.2
<i>Growth</i>		29.1%	38.4%	-17.8%	-2.6%

Valuation multiples

	2020/21	2021/22	2022/23	2023/24e	2024/25e
Share price	10.82	11.18	13.01	6.81	6.81
x No of shares	87.3	87.3	87.3	87.3	87.3
Market Capitalisation	944.0	975.5	1,135.1	594.2	594.2
+ Net financial debt	-154.6	-229.9	-317.5	-347.0	-251.7
+ Pension provision	30.7	32.4	22.7	23.5	24.0
+ Minorities	0.0	0.0	0.0	0.0	0.0
- Participations	-2.5	-2.8	-7.5	-7.5	-7.5
Enterprise Value	817.6	775.1	832.8	263.2	359.0
Sales	833.1	1,075.3	1,488.3	1,223.4	1,192.2
Adj. EBITDA	149.3	168.8	294.3	105.8	116.3
Adj. EBIT	107.9	127.0	251.3	61.8	67.3
Adj. Net profit a.m.	84.9	89.4	196.6	51.1	55.7
EV / Sales	1.0	0.7	0.6	0.2	0.3
EV / EBITDA	5.5	4.6	2.8	2.5	3.1
EV / EBIT	7.6	6.1	3.3	4.3	5.3
PE	11.1	10.9	5.8	11.6	10.7

Key operational indicators

	2020/21	2021/22	2022/23	2023/24e	2024/25e
Equity ratio	76.3%	70.9%	74.9%	70.9%	70.0%
Gearing	0.0	0.0	0.0	0.0	0.0
Asset turnover	2.2	2.9	3.9	2.9	2.2
NWC / sales	12.9%	16.2%	11.3%	12.3%	13.8%
Payable days outst.	40.2	63.0	36.8	46.1	46.1
Receivable days outst.	55.4	85.4	45.2	58.2	58.2
Fix operating assets	373.8	375.1	386.3	422.6	539.3
NWC	107.8	174.0	168.0	150.4	164.5
Capital employed	481.6	549.1	554.3	573.0	703.8
RoE	15.0%	12.8%	25.1%	6.5%	7.0%
RoA	14.5%	12.9%	24.0%	5.6%	5.9%
RoCE	22.4%	23.1%	45.3%	10.8%	9.6%
Gross margin	28.7%	24.1%	26.3%	18.3%	19.2%
EBITDA margin	17.9%	15.7%	19.8%	8.7%	9.8%
EBIT margin	13.0%	11.8%	16.9%	5.1%	5.6%
Net profit margin	10.2%	8.3%	13.2%	4.2%	4.7%

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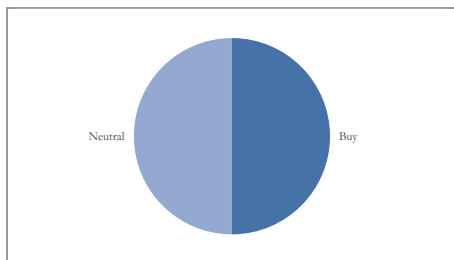
(5) Recommendation history

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

CropEnergies	
Date	Rating
20/12/23	Neutral
14/10/22	Strong Buy
18/05/22	Neutral
18/06/20	Buy
17/12/19	Neutral
27/04/16	Buy

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