

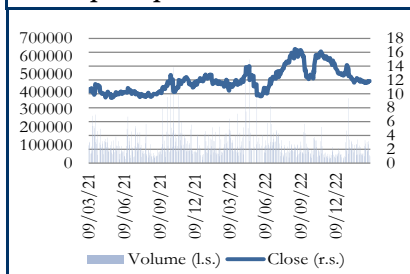
17 March 2023

Price as of 16/03/23: €11.30

Company / Sector	Fair Value	Recommendation
CropEnergies	€24.8	Strong Buy
Energy: Biofuels	(unchanged)	(unchanged)

Record year confirmed

Share price performance



Share data

Reuters	CE2G.DE
No. of shares (m)	87.25
Daily volume (3m)	79,070
Free float	26.0%
Market cap. (m)	985.9
EV (m)	778.8
Sales 19-23e	10.3%

Valuation	22/23e	23/24e
EV/Sales	0.5	0.6
EV/EBITDA	2.8	5.0
EV/EBIT	3.2	6.9
PER	5.9	12.0
Div. yield	4.6%	4.4%
RoCE	43.6%	15.5%
RoE	22.7%	9.3%

Analysts

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Investment case

CropEnergies's preliminary figures for FY 22/23 confirm our high estimates. In addition, management will propose a strong dividend increase which we see as a positive sign also for earnings development in the current year. For the time being, we confirm our EBIT estimate of EUR113m for FY23/24. A stronger earnings trend and positive news from the company's growth projects should help the share price to reduce the more than 100% upside to our fair value.

➤ FY22/23 IN LINE WITH HIGH EXPECTATIONS

According to preliminary figures, CropEnergies has delivered on our high expectations for the full year 2022/23. Sales come in at EUR1,488m, EBITDA at EUR292m and EBIT at EUR249m. This compares to our estimates of EUR1,487m, EUR294m and EUR252m, respectively, i.e. the high end of the company's EBIT guidance of EUR225-255m. Full reporting will be on May, 24th.

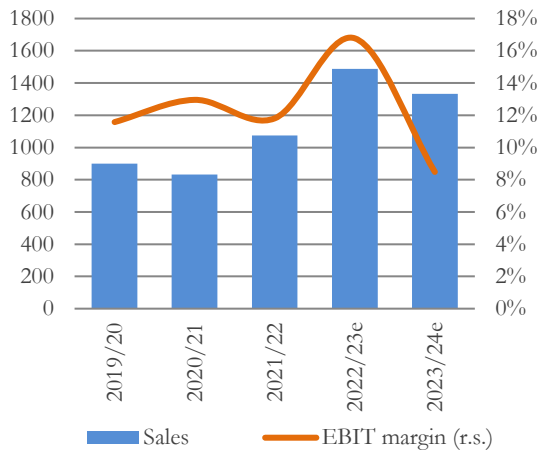
➤ STRONG RISE IN DIVIDEND IS A POSITIVE SIGN

In addition, management will propose a dividend of EUR0.60 per share. In view of CropEnergies' history of dividend continuity we had not anticipated a major dividend rise despite the record result for FY 22/23. We had repeatedly made it clear that the past year was exceptionally strong and had calculated that this financial year 2023/24 – based on the current forward curve - must be expected to come in around the results of the previous record year 2021/22. We would thus regard the dividend rise as an indicator that the company might even aim for more in the current year.

For additional disclosures please refer to the appendix

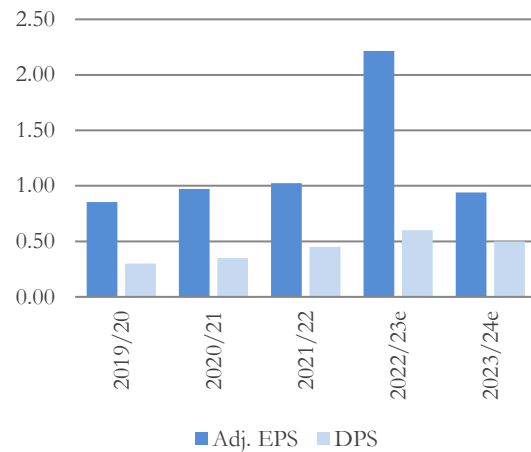
Forecasts	19/20	20/21	21/22	22/23e	23/24e
Sales (€m)	899.2	833.1	1075.3	1487.1	1332.8
EBITDA (€m)	146.3	149.3	168.8	294.0	154.9
EBIT (€m)	104.1	107.9	127.0	251.6	113.1
Adj. EPS (€)	0.85	0.97	1.02	2.21	0.94
Dividend (€)	0.30	0.35	0.45	0.60	0.50
Oper. CF (€m)	125.1	105.9	147.0	195.1	147.9
Free CF (€m)	95.2	77.0	111.2	165.1	-71.1

Sales and EBIT margin



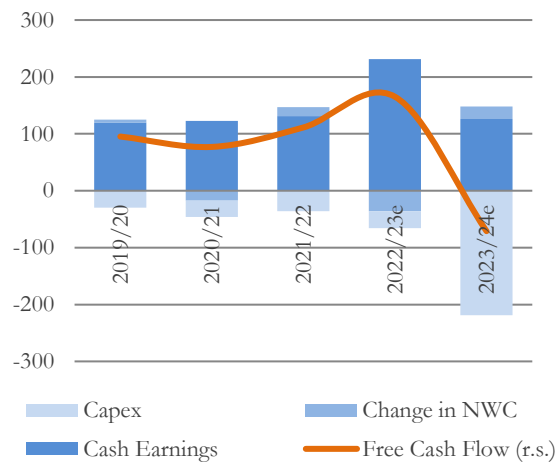
In EURm

Adj. EPS and DPS



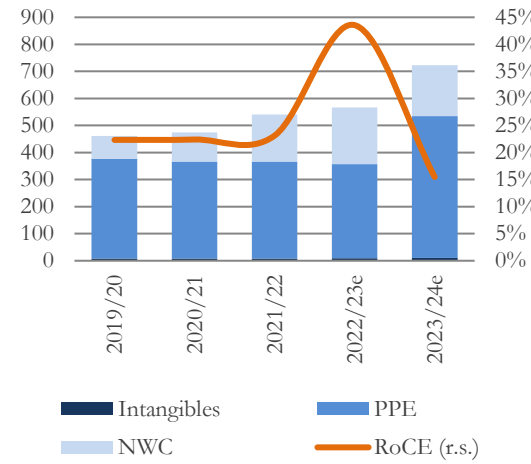
In EUR

Cash Flow



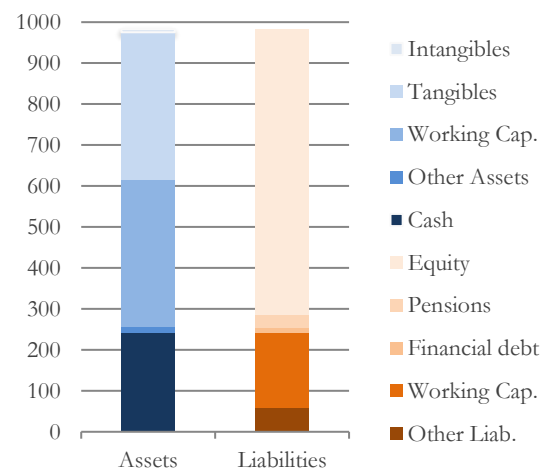
In EURm

RoCE



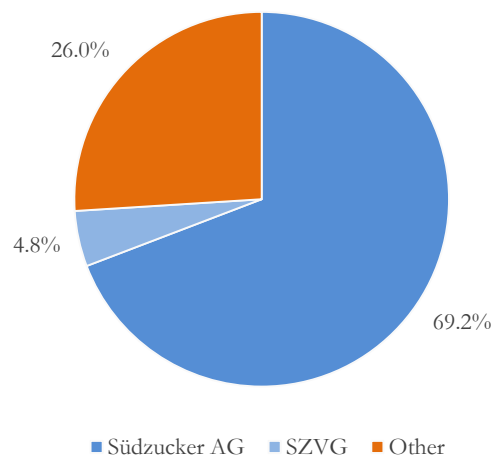
In EURm

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	1,488.1	1,332.8
<i>Growth</i>		-7.3%	29.1%	38.4%	-10.4%
Material costs	-660.5	-594.2	-816.2	-1,106.7	-1,067.9
Gross profit	238.7	238.9	259.2	381.4	264.9
<i>Gross margin</i>	26.5%	28.7%	24.1%	25.6%	19.9%
Other operating costs	-92.3	-89.6	-90.4	-89.4	-110.0
EBITDA	146.3	149.3	168.8	292.0	154.9
<i>Margin</i>	16.3%	17.9%	15.7%	19.6%	11.6%
Depreciation	-42.2	-41.4	-41.8	-42.4	-41.8
EBIT	104.1	107.9	127.0	249.6	113.1
<i>Margin</i>	11.6%	13.0%	11.8%	16.8%	8.5%
Financial result	-3.3	-0.5	-2.7	4.4	-2.0
EBT	100.7	107.4	124.2	254.0	111.1
Taxes	-26.2	-22.5	-34.8	-60.8	-28.9
Net profit	74.6	84.9	89.4	193.2	82.2
Minorities	0.0	0.0	0.0	0.0	0.0
Net profit a.m.	74.6	84.9	89.4	193.2	82.2
<i>Growth</i>		13.9%	5.3%	116.1%	-57.5%
No of shares	87.3	87.3	87.3	87.3	87.3
EPS	0.85	0.97	1.02	2.21	0.94
Adj. EPS	0.85	0.97	1.02	2.21	0.94
<i>Growth</i>		13.9%	5.3%	116.1%	-57.5%
Dividend	0.30	0.35	0.45	0.60	0.50

Cash Flow

EURm	2019/20	2020/21	2021/22	2022/23e	2023/24e
EBIT	104.1	107.9	127.0	249.6	113.1
Depreciation	42.2	41.4	41.8	42.4	41.8
Other non-cash items	-0.8	-3.8	-2.8	0.0	0.0
Cash taxes	-26.2	-22.5	-34.8	-60.8	-28.9
Cash earnings	119.4	123.0	131.2	231.2	126.0
Change in NWC	5.7	-17.1	15.8	-36.0	21.9
CF from operations	125.1	105.9	147.0	195.1	147.9
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	-46.6	51.1
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	13.01	11.30
x No of shares	87.3	87.3	87.3	87.3	87.3
Market Capitalisation	614.2	944.0	975.5	1,135.1	985.9
+ 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	806.0	778.8
Sales	899.2	833.1	1,075.3	1,488.1	1,332.8
Adj. EBITDA	146.3	149.3	168.8	292.0	154.9
Adj. EBIT	104.1	107.9	127.0	249.6	113.1
Adj. Net profit a.m.	74.6	84.9	89.4	193.2	82.2
EV / Sales	0.6	1.0	0.7	0.5	0.6
EV / EBITDA	3.7	5.5	4.6	2.8	5.0
EV / EBIT	5.2	7.6	6.1	3.2	6.9
PE	8.2	11.1	10.9	5.9	12.0

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	347.3	524.5
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	366.7	545.9
Inventories	66.6	73.2	108.0	120.0	107.5
Receivables	94.6	126.5	251.5	300.0	268.7
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	720.2
Total assets	669.6	742.4	982.7	1,150.7	1,266.1
Equity	502.9	566.1	696.4	850.3	880.2
Minorities	0.0	0.0	0.0	0.0	0.0
Total equity	502.9	566.1	696.4	850.3	880.2
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	188.1
Other ST liabilities	20.4	18.9	26.2	18.8	23.2
Current liabilities	101.3	114.9	216.2	235.4	218.9
Total liabilities	669.6	742.4	982.7	1,150.7	1,266.1

Segments

EURm	2019/20	2020/21	2021/22	2022/23e	2023/24e
Bioethanol	696.5	647.6	836.9	1,206.5	1,026.6
<i>Growth</i>		-7.0%	29.2%	44.2%	-14.9%
Food & Feed	192.5	175.5	223.8	265.8	291.1
<i>Growth</i>		-8.8%	27.5%	18.8%	9.5%
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	1,487.1	1,332.8
<i>Growth</i>		-7.3%	29.1%	38.3%	-10.4%

Key operational indicators

	2019/20	2020/21	2021/22	2022/23e	2023/24e
Equity ratio	75.1%	76.3%	70.9%	73.9%	69.5%
Gearing	0.0	0.0	0.0	0.0	0.1
Asset turnover	2.4	2.2	2.9	4.1	2.5
NWC / sales	9.3%	12.9%	16.2%	14.1%	14.1%
Payable days outst.	31.5	40.2	63.0	51.5	51.5
Receivable days outst.	38.4	55.4	85.4	73.6	73.6
Fix operating assets	382.4	373.8	375.1	363.0	542.2
NWC	83.5	107.8	174.0	210.0	188.1
Capital employed	465.9	481.6	549.1	573.0	730.3
RoE	14.8%	15.0%	12.8%	22.7%	9.3%
RoA	15.5%	14.5%	12.9%	21.7%	8.9%
RoCE	22.3%	22.4%	23.1%	43.6%	15.5%
Gross margin	26.5%	28.7%	24.1%	25.6%	19.9%
EBITDA margin	16.3%	17.9%	15.7%	19.6%	11.6%
EBIT margin	11.6%	13.0%	11.8%	16.8%	8.5%
Net profit margin	8.3%	10.2%	8.3%	13.0%	6.2%

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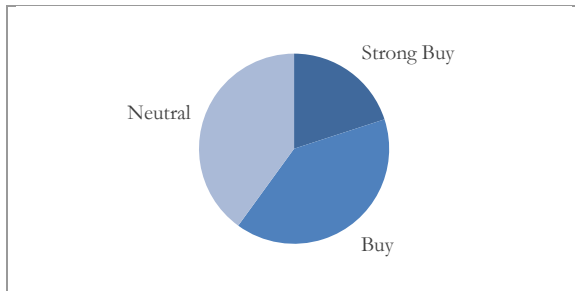
(5) Recommendation history

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

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