

17 March 2023

Price as of 16/03/23: €11.30

Company / Sector

**CropEnergies**

Energy: Biofuels

Fair Value

**€24.8**

(unchanged)

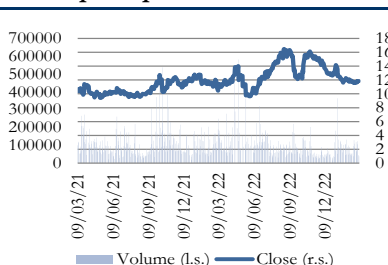
Recommendation

**Strong Buy**

(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, 24<sup>th</sup>.

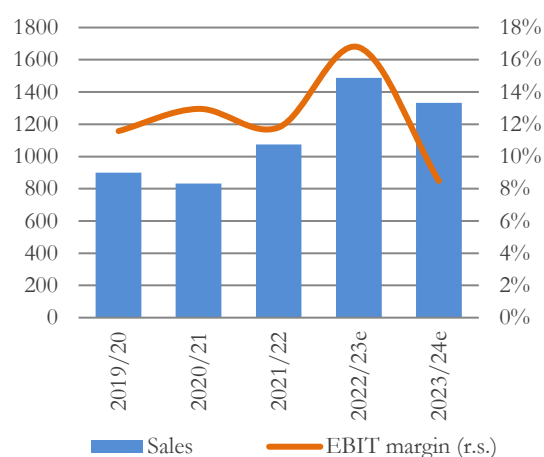
#### ➤ STRONG RISE IN DIVIDEND IS A POSITIVE SIGN

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

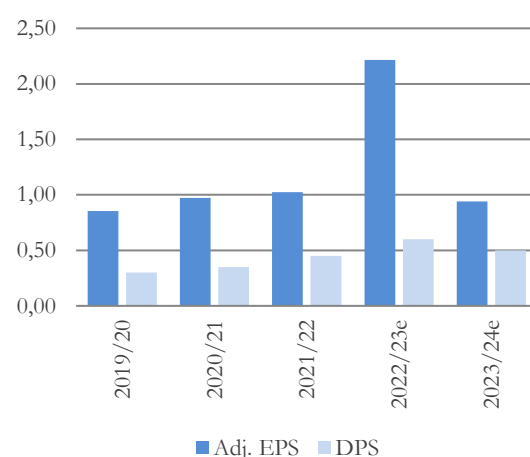
Forecasts	19/20	20/21	21/22	22/23e	23/24e
Sales (€m)	899.2	833.1	1075.3	1488.1	1332.8
EBITDA (€m)	146.3	149.3	168.8	292.0	154.9
EBIT (€m)	104.1	107.9	127.0	249.6	113.1
Adj. EPS (€)	0.85	0.97	1.02	2.21	0.94
Dividend (€)	0.30	0.35	0.45	0.60	0.50
Oper. CF (€m)	125.1	105.9	147.0	195.1	147.9
Free CF (€m)	95.2	77.0	111.2	165.1	-71.1

### Sales and EBIT' margin



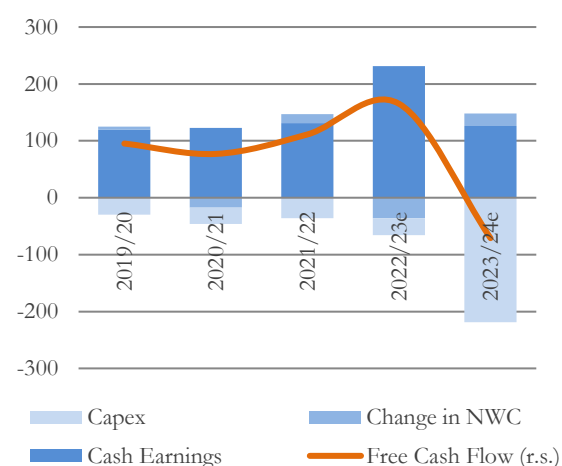
In EURm

### Adj. EPS and DPS



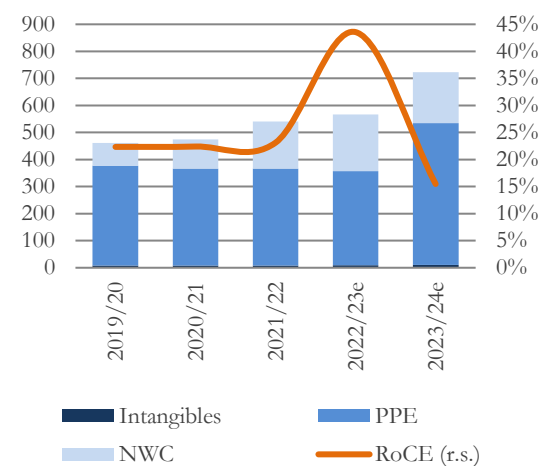
In EUR

### Cash Flow



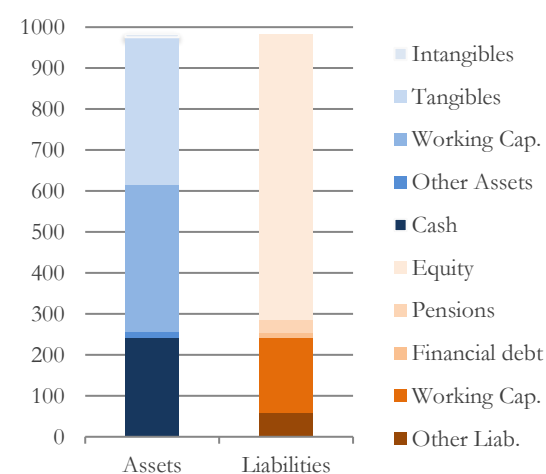
In EURm

### RoCE



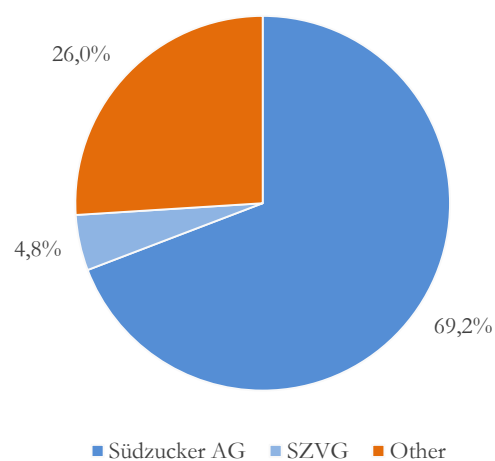
In EURm

### Balance Sheet



EURm

### Shareholder structure



## P & L

EURm	2019/20	2020/21	2021/22	2022/23e	2023/24e
<b>Sales</b>	<b>899.2</b>	<b>833.1</b>	<b>1,075.3</b>	<b>1,488.1</b>	<b>1,332.8</b>
<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
<b>Gross profit</b>	<b>238.7</b>	<b>238.9</b>	<b>259.2</b>	<b>381.4</b>	<b>264.9</b>
<i>Gross margin</i>	<i>26.5%</i>	<i>28.7%</i>	<i>24.1%</i>	<i>25.6%</i>	<i>19.9%</i>
Other operating costs	-92.3	-89.6	-90.4	-89.4	-110.0
<b>EBITDA</b>	<b>146.3</b>	<b>149.3</b>	<b>168.8</b>	<b>292.0</b>	<b>154.9</b>
<i>Margin</i>	<i>16.3%</i>	<i>17.9%</i>	<i>15.7%</i>	<i>19.6%</i>	<i>11.6%</i>
Depreciation	-42.2	-41.4	-41.8	-42.4	-41.8
<b>EBIT</b>	<b>104.1</b>	<b>107.9</b>	<b>127.0</b>	<b>249.6</b>	<b>113.1</b>
<i>Margin</i>	<i>11.6%</i>	<i>13.0%</i>	<i>11.8%</i>	<i>16.8%</i>	<i>8.5%</i>
Financial result	-3.3	-0.5	-2.7	4.4	-2.0
<b>EBT</b>	<b>100.7</b>	<b>107.4</b>	<b>124.2</b>	<b>254.0</b>	<b>111.1</b>
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
<b>Net profit a.m.</b>	<b>74.6</b>	<b>84.9</b>	<b>89.4</b>	<b>193.2</b>	<b>82.2</b>
<i>Growth</i>		<i>13.9%</i>	<i>5.3%</i>	<i>116.1%</i>	<i>-57.5%</i>
No of shares	87.3	87.3	87.3	87.3	87.3
EPS	0.85	0.97	1.02	2.21	0.94
<b>Adj. EPS</b>	<b>0.85</b>	<b>0.97</b>	<b>1.02</b>	<b>2.21</b>	<b>0.94</b>
<i>Growth</i>		<i>13.9%</i>	<i>5.3%</i>	<i>116.1%</i>	<i>-57.5%</i>
Dividend	0.30	0.35	0.45	0.60	0.50

## 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
<b>Non-current assets</b>	<b>384.7</b>	<b>376.4</b>	<b>377.9</b>	<b>366.7</b>	<b>545.9</b>
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
<b>Current Assets</b>	<b>285.0</b>	<b>366.1</b>	<b>604.9</b>	<b>784.0</b>	<b>720.2</b>
<b>Total assets</b>	<b>669.6</b>	<b>742.4</b>	<b>982.7</b>	<b>1,150.7</b>	<b>1,266.1</b>
Equity	502.9	566.1	696.4	850.3	880.2
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>502.9</b>	<b>566.1</b>	<b>696.4</b>	<b>850.3</b>	<b>880.2</b>
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
<b>Non-current liabilities</b>	<b>65.5</b>	<b>61.4</b>	<b>70.1</b>	<b>65.0</b>	<b>167.0</b>
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
<b>Current liabilities</b>	<b>101.3</b>	<b>114.9</b>	<b>216.2</b>	<b>235.4</b>	<b>218.9</b>
<b>Total liabilities</b>	<b>669.6</b>	<b>742.4</b>	<b>982.7</b>	<b>1,150.7</b>	<b>1,266.1</b>

## Cash Flow

EURm	2019/20	2020/21	2021/22	2022/23e	2023/24e
<b>EBIT</b>	<b>104.1</b>	<b>107.9</b>	<b>127.0</b>	<b>249.6</b>	<b>113.1</b>
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
<b>Cash earnings</b>	<b>119.4</b>	<b>123.0</b>	<b>131.2</b>	<b>231.2</b>	<b>126.0</b>
Change in NWC	5.7	-17.1	15.8	-36.0	21.9
<b>CF from operations</b>	<b>125.1</b>	<b>105.9</b>	<b>147.0</b>	<b>195.1</b>	<b>147.9</b>
Capex	-29.9	-28.8	-35.8	-30.0	-219.0
Other investm./divestm.	0.1	1.3	0.8	0.0	0.0
<b>CF from investing</b>	<b>-29.8</b>	<b>-27.5</b>	<b>-34.9</b>	<b>-30.0</b>	<b>-219.0</b>
<b>CF from fin. and other</b>	<b>-15.3</b>	<b>-30.5</b>	<b>-35.3</b>	<b>-46.6</b>	<b>51.1</b>
<b>Change in cash</b>	<b>80.0</b>	<b>47.9</b>	<b>76.8</b>	<b>118.5</b>	<b>-20.0</b>

## 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%
<b>Sales</b>	<b>899.2</b>	<b>833.1</b>	<b>1,075.3</b>	<b>1,487.1</b>	<b>1,332.8</b>
<i>Growth</i>		-7.3%	29.1%	38.3%	-10.4%

## 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
<b>Market Capitalisation</b>	<b>614.2</b>	<b>944.0</b>	<b>975.5</b>	<b>1,135.1</b>	<b>985.9</b>
+ 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
<b>Enterprise Value</b>	<b>539.7</b>	<b>817.6</b>	<b>775.1</b>	<b>806.0</b>	<b>778.8</b>
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

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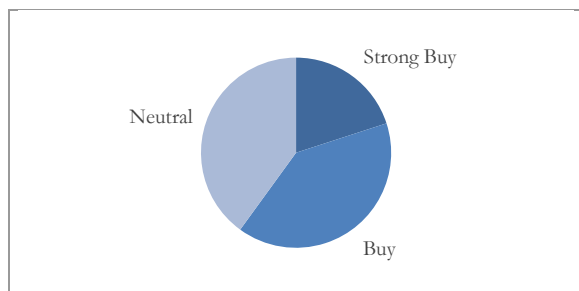
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CropEnergies	
Date	Rating
14/10/22	Strong Buy
18/05/22	Neutral
18/06/20	Buy
17/12/19	Neutral
27/04/16	Buy

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