

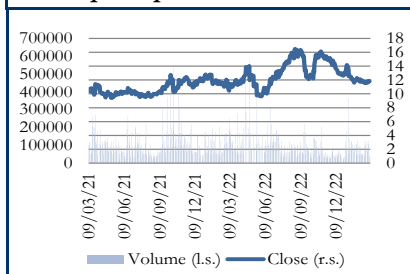
18 April 2023

Price as of 17/04/23: €10.62

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

## FY23/24 might come in better than expected

### Share price performance



### Share data

Reuters	CE2G.DE
No. of shares (m)	87.25
Daily volume (3m)	77,148
Free float	26.0%
Market cap. (m)	926.6
EV (m)	719.5
Sales 19-23e	10.3%

### Valuation

	22/23e	23/24e
EV/Sales	0.5	0.5
EV/EBITDA	2.8	4.6
EV/EBIT	3.2	6.4
PER	5.9	11.3
Div. yield	4.6%	4.7%
RoCE	43.6%	15.5%
RoE	22.7%	9.3%

### Analysts

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### Investment case

**CropEnergies' initial guidance for 2023/24 comes in slightly ahead of our expectations, which can be taken as another positive sign following the increase in dividend to EUR0.60. We had already pointed out that the year 2021/22 should be taken as a benchmark for the current year and that we expect a quarter on quarter rise in EBIT in Q1 23. Current forward curves confirm this scenario. The new projects should then lead to an acceleration of earnings development.**

#### ➤ INITIAL 23/24 GUIDANCE OF EUR95-145M ...

Preliminary figures had confirmed our high expectations for the full year 2022/23 on March 16<sup>th</sup>. CropEnergies has now provided a first outlook on the year 2023/24. Most importantly, management expects operating earnings of EUR95-145m and an EBITDA of EUR140-190m. This assumes a raw material and energy cost base at last year's level. In addition, the company highlights that the upcoming first quarter will be significantly weaker than last year's exceptional Q1 results of EUR87m.

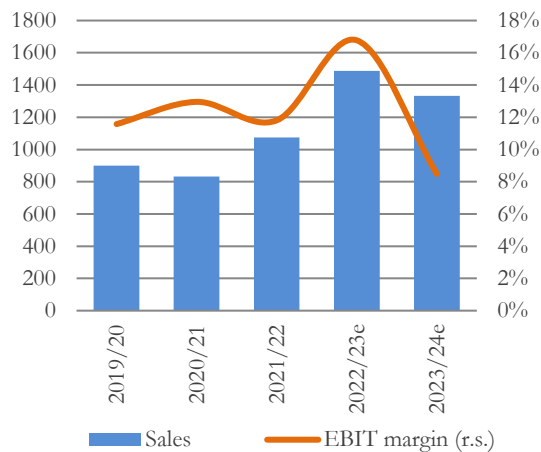
#### ➤ ... IS ANOTHER POSITIVE SIGN

In our preview note on March 8<sup>th</sup> we derived a full year 2023/24 EBIT of EUR113m from the forward curves for ethanol and wheat at the time. This is roughly the level achieved in FY2021/22 (EUR127m). A prudent guidance at the start of the year with a mid-point already slightly higher than our estimate now indicates that we might see even better results. We had also pointed out that we expect a quarter on quarter EBIT improvement to EUR23m in Q1 23. The current forward curves have come down somewhat since March on both sides, leaving the spread almost unchanged. Q1 23 might now come in even a bit better.

For additional disclosures please refer to the appendix

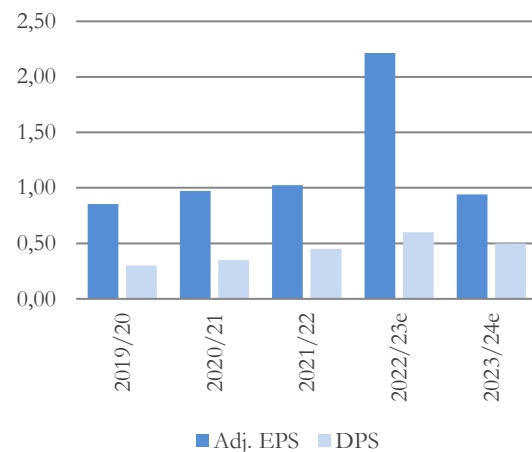
Forecasts	19/20	20/21	21/22	22/23e	23/24e
Sales (€m)	899.2	833.1	1,075.3	1,488.1	1,332.8
EBITDA (€m)	146.3	149.3	168.8	292.0	154.9
EBIT (€m)	104.1	107.9	127.0	249.6	113.1
Adj. EPS (€)	0.85	0.97	1.02	2.21	0.94
Dividend (€)	0.30	0.35	0.45	0.60	0.50
Oper. CF (€m)	125.1	105.9	147.0	195.1	147.9
Free CF (€m)	95.2	77.0	111.2	165.1	-71.1

**Sales and EBIT margin**



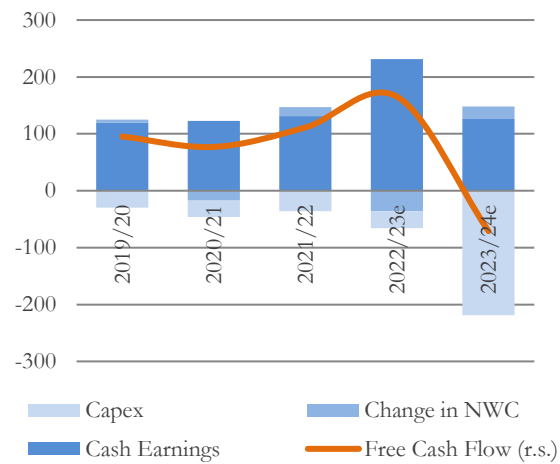
In EURm

**Adj. EPS and DPS**



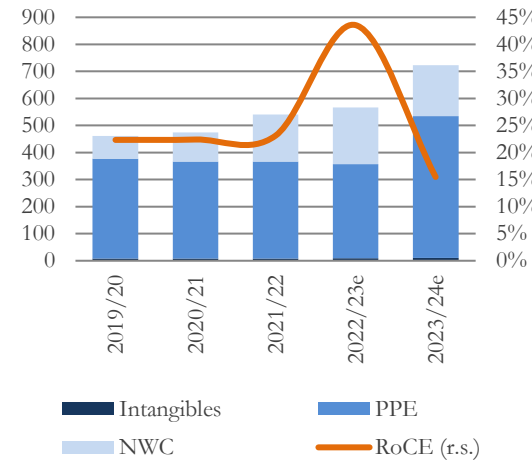
In EUR

**Cash Flow**



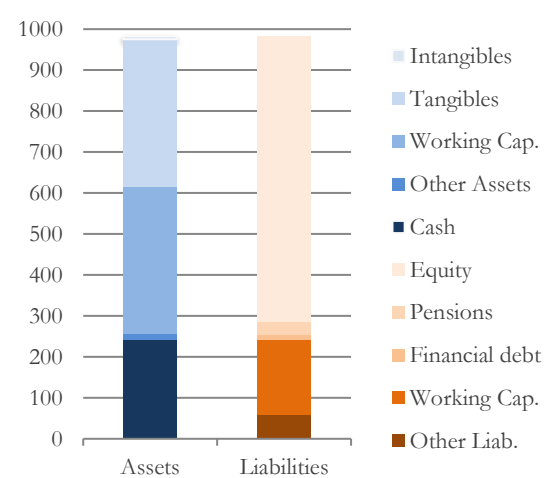
In EURm

**RoCE**



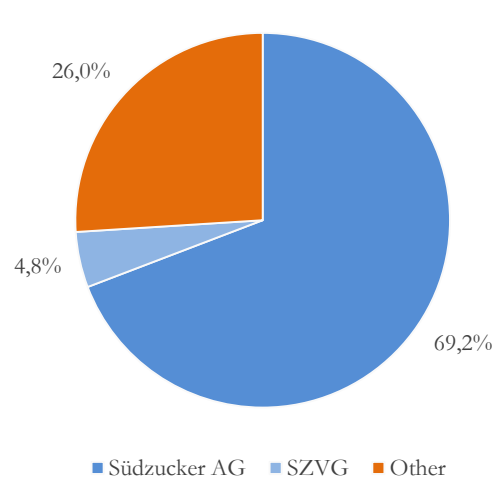
In EURm

**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>	26.5%	28.7%	24.1%	25.6%	19.9%
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>	16.3%	17.9%	15.7%	19.6%	11.6%
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>	11.6%	13.0%	11.8%	16.8%	8.5%
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>		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
<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>		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
<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>

## Valuation multiples

	2019/20	2020/21	2021/22	2022/23e	2023/24e
Share price	7.04	10.82	11.18	13.01	10.62
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>926.6</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>719.5</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	0.5
EV / EBITDA	3.7	5.5	4.6	2.8	4.6
EV / EBIT	5.2	7.6	6.1	3.2	6.4
PE	8.2	11.1	10.9	5.9	11.3

## 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>

## 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%

## 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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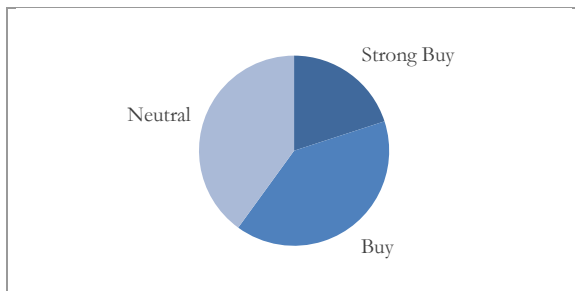
### (5) Recommendation history

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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