



# Conference Call 1<sup>st</sup> quarter 2023/24

**5 July 2023**

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# Highlights

- **Market and political environment**
  - Framework markets and politics
  - Development of market volumes and prices
- **Financials 1<sup>st</sup> quarter 2023/24**
  - Revenues and earnings below previous year
  - Outlook for FY 2023/24 confirmed



# Market and political environment

A large, stylized leaf graphic composed of two overlapping curved lines, one light blue and one slightly darker blue, creating a sense of depth and movement. It is positioned on the right side of the slide, partially overlapping the text area.

# Green Deal and Fit-for-55 package

## Parliament and Council agree on several key legislative initiatives

**Fit-for-55: Overall goal to reduce GHG emissions by 55% in 2030**

### **Emission Trading System (ETS)**

- More ambitious GHG reduction goal of 62% (vs. 43%)
- Introduction of a separate new ETS for buildings, road transport and fuels

### **Renewable Energy Directive (RED-III)**

- Share of renewable energy overall shall increase to 42.5% (vs. 32%)
- More renewables in industry, heating & cooling and transport required

### **ReFuelEU aviation and Fuel EU maritime**

- Sustainable aviation fuels (SAF) of 6% in 2030 increasing to 70% until 2050
- GHG savings in maritime fuels of 6% in 2030 increasing to 80% until 2050

### **CO<sub>2</sub> standards for cars and vans**

- Increased CO<sub>2</sub> emission targets of -55% in 2030 and -100% in 2035 for new cars
- Clear violation of the principle of technology openness and neutrality despite limited loophole for synthetic fuels





# Revision “Renewable Energy Directive”

## Provisional agreement between Council and Parliament on 30 March 2023

### Overall energy consumption

- Target for renewable energies raised to 42.5% by 2030 with an additional 2.5% indicative top up

### Transport sector

- Member States can choose between one of two binding targets by 2030:
  - Reduction of greenhouse gas intensity by at least 14.5% or
  - At least 29% share of renewable energies
- Crop-cap – no further restrictions: share in 2020 plus 1% (max. 7%)
- Binding combined sub-target of 5.5% for advanced biofuels and renewable fuels of non-biological origin (RFNBO), thereof at least 1%-point of RFNBOs

**The plenary vote is scheduled for September 2023**



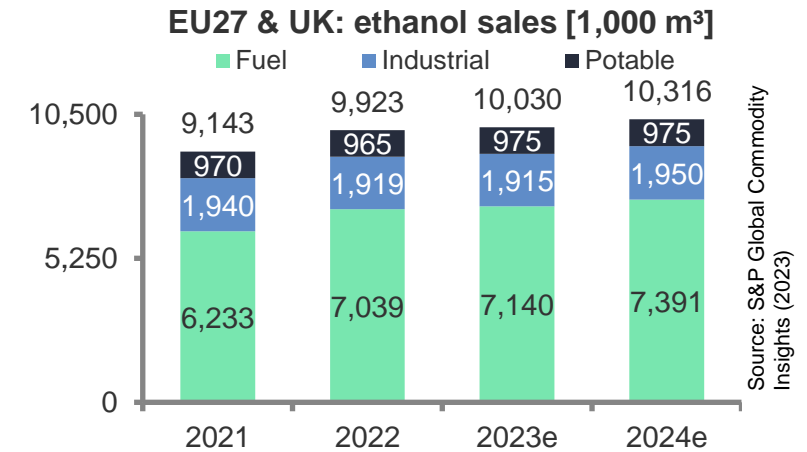
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# Market development

## Volumes

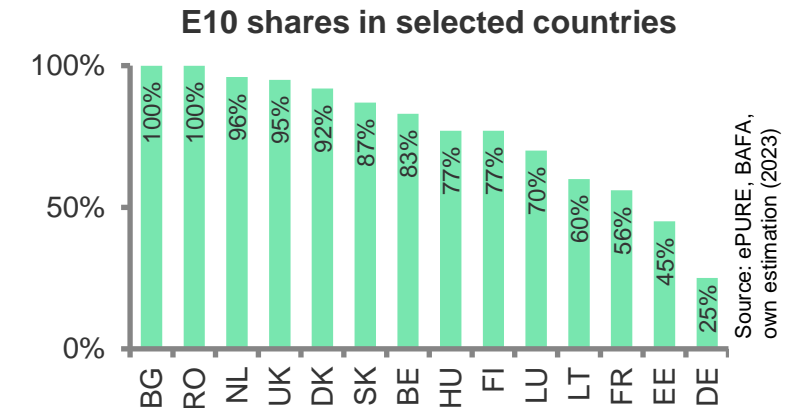
### Ethanol market in the EU27 & UK in 2023 (in million m<sup>3</sup>)

- Consumption: 10.0 + 1% (7.1 fuel | 2.9 non-fuel)
- Production: 7.5 - 4% (5.2 fuel | 2.3 non-fuel)
- Fuel ethanol sales expected to further increase in 2023
- Non-fuel ethanol expected to remain stable as well



### E10 no. 1 petrol in many European countries

- Currently, 17 EU member states plus Norway and the UK have rolled out E10 at petrol stations
- Sales growth in particular in France, Sweden and UK
- E10 sales in Germany also increasing
- Start of E10 sale in Ireland, Austria and Norway in April 2023
- Poland plans introduction of E10 at beginning of 2024



# Market development

## Imports and prices

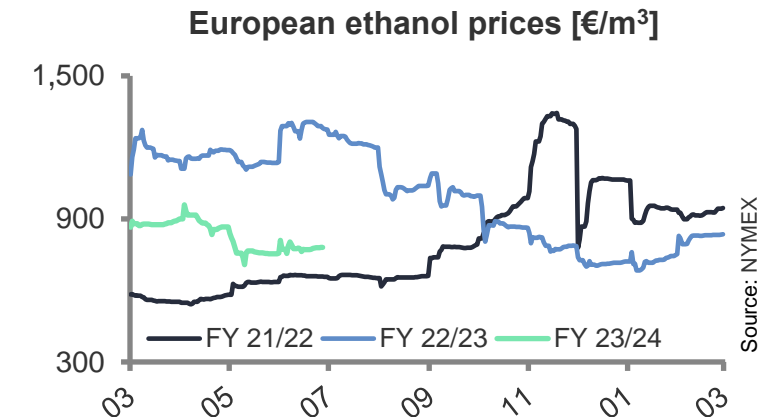
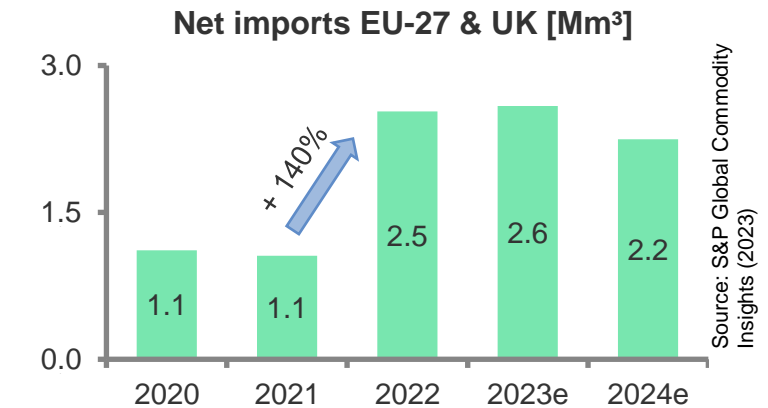
### Imports expected to remain at high level in 2023

- Large price difference in 2022 made imports to Europe attractive
- 2.5 Mm<sup>3</sup> in 2022 vs. 1.1 Mm<sup>3</sup> in 2021
- Europe needs imports to cover rising demand

### European ethanol price\* in Q1 2023/24

- Average ethanol price € 841 (1,157) /m<sup>3</sup>
- Drop in prices in course of first quarter due to high import pressure
- Normalisation of price levels on commodity markets

\* Ethanol T2 FOB Rdam, next date of expiry



# Market development

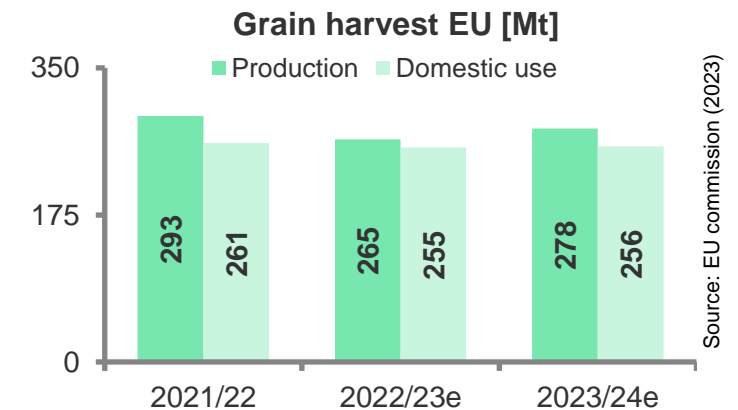
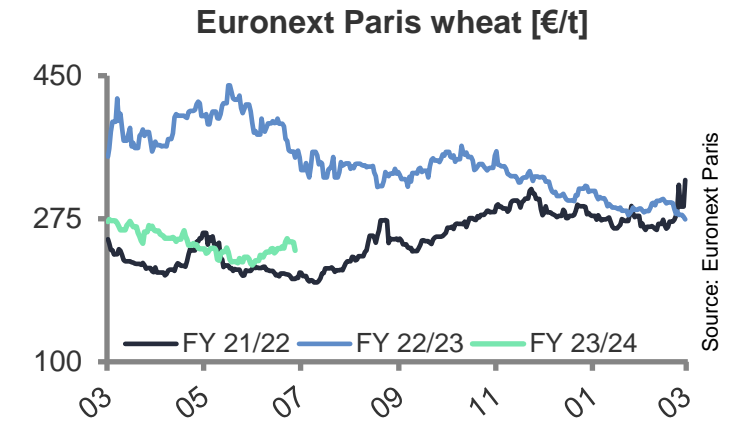
## Feedstock market

### Grain market 2022/23

- Grain prices in Q1 2023/24\*: € 247 (293) /t
- Grain prices declined gradually after reaching peak in May 2022
- Sharp increase of imports from Ukraine
- EU grain harvest: 265 (293) Mt exceeds consumption of 255 (261) Mt
- IGC expects slight decline of global grain harvest with 2,259 Mt

### Outlook 2023/24

- EU grain harvest expected to rise again
- Global grain harvest expected to reach level of 2021/22 again



\* Wheat (Euronext Paris), next date of expiry

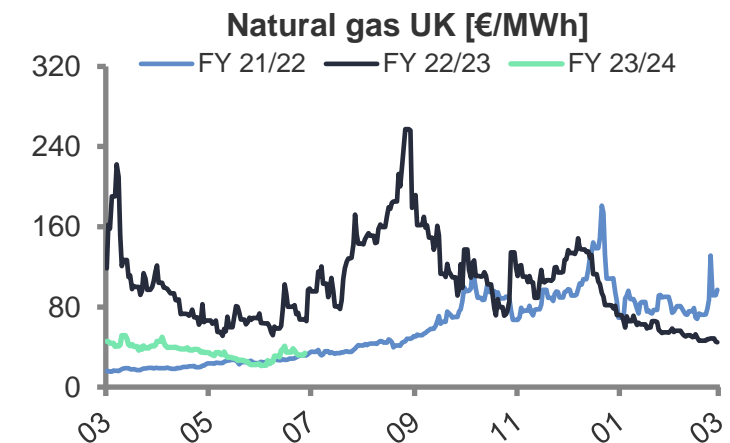
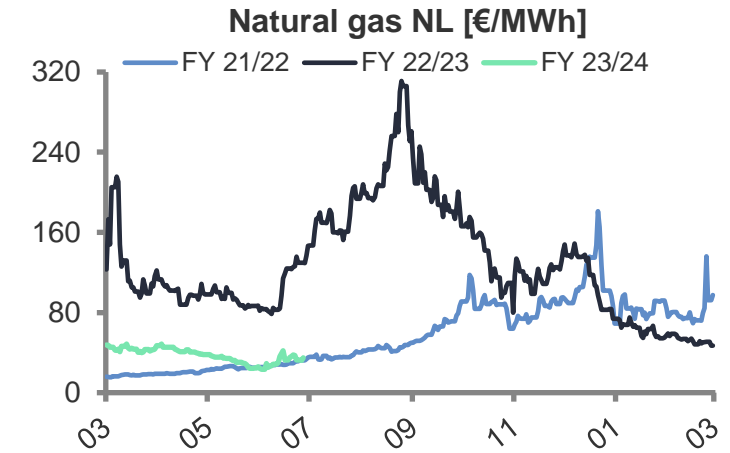


# Market development

## Energy markets

### Gas price quotations drop below high pre-war level

- After a sharp drop end of last year, gas prices were slowly, but steadily decreasing until beginning of June
- Gas markets show a strong contango situation, with high premiums on future products
- Price developments and security of supply in Europe will mainly be determined by
  - global LNG supply and demand
  - storage levels
  - natural gas consumption
  - weather conditions
- Gas storage all over Europe are filled above average beginning/mid of June
  - Less gas needed to refill storages for the coming winter season



# Financials

## 1<sup>st</sup> quarter 2023/24



# Overview 1<sup>st</sup> quarter 2023/24



• Ethanol production	221 (281) ,000 m³	- 21%
• Revenues	€ 321.4 (398.9) million	- 19%
• EBITDA	€ 25.1 (97.8) million	- € 73 million
• Operating profit	€ 14.1 (87.2) million	- € 73 million
• Net income	€ 11.2 (64.9) million	- € 54 million
• Net financial assets (vs. 28.02.2023)	€ 295.6 (318.1) million	- € 23 million

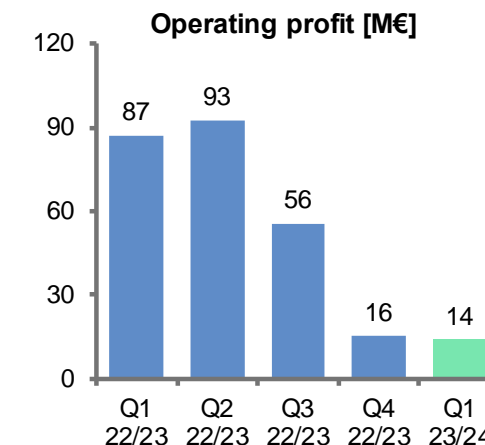
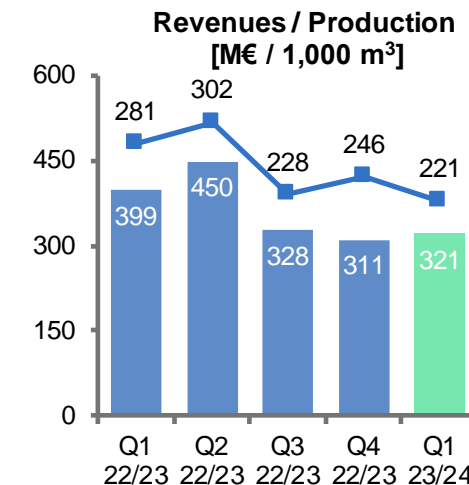
Note: Figures in parentheses relate to the corresponding prior-year period.

# Operating profit

(in € million)	Q1 2023/24	Q1 2022/23	Δ
Revenues	321.4	398.9	- 19%
<b>Overall performance</b>	<b>310.0</b>	<b>396.3</b>	<b>- 22%</b>
Cost of materials*	- 254.0	- 277.1	+ 8%
<b>Spread (gross)</b>	<b>56.0</b>	<b>119.2</b>	<b>- 53%</b>
<i>in % of overall performance</i>	18.1%	30.1%	
Further operating expenses/income*	- 30.9	- 21.4	- 44%
<b>EBITDA*</b>	<b>25.1</b>	<b>97.8</b>	<b>- 74%</b>
<i>Margin</i>	4.4%	21.8%	-
Depreciation*	- 11.0	- 10.6	- 3%
<b>Operating profit</b>	<b>14.1</b>	<b>87.2</b>	<b>- 84%</b>

\*without restructuring costs and special items

- Decrease in production, sales volumes and revenues due to scheduled maintenance downtime
- Sharp price increase on the commodity markets caused by the Ukraine conflict now also reflected in raw material expenses



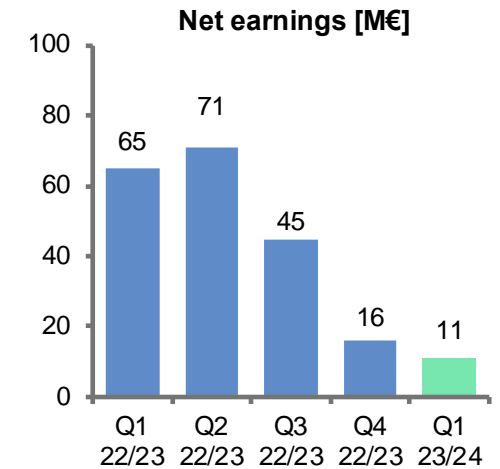
# Net earnings

(in € million)	Q1 2023/24	Q1 2022/23	Δ
<b>Operating profit</b>	<b>14.1</b>	<b>87.2</b>	<b>- 84%</b>
Restructuring costs / special items	- 0.2	0.0	-
At-equity result	0.0	0.1	- 81%
Income from operations	13.9	87.2	- 84%
<b>Financial result</b>	<b>1.3</b>	<b>0.5</b>	<b>&gt; + 100 %</b>
<b>Earnings before income taxes</b>	<b>15.2</b>	<b>87.7</b>	<b>- 83%</b>
Taxes on income	- 4.0	- 22.8	+ 83%
<b>Net earnings for the period</b>	<b>11.2</b>	<b>64.9</b>	<b>- 83%</b>
<b>Earnings per share (in €)*</b>	<b>0.13</b>	<b>0.74</b>	<b>- 83%</b>

\*without restructuring costs and special items

\*based on 87.2 million time-weighted shares

- Increased interest income leads to improved financial result
- EPS follows earnings development

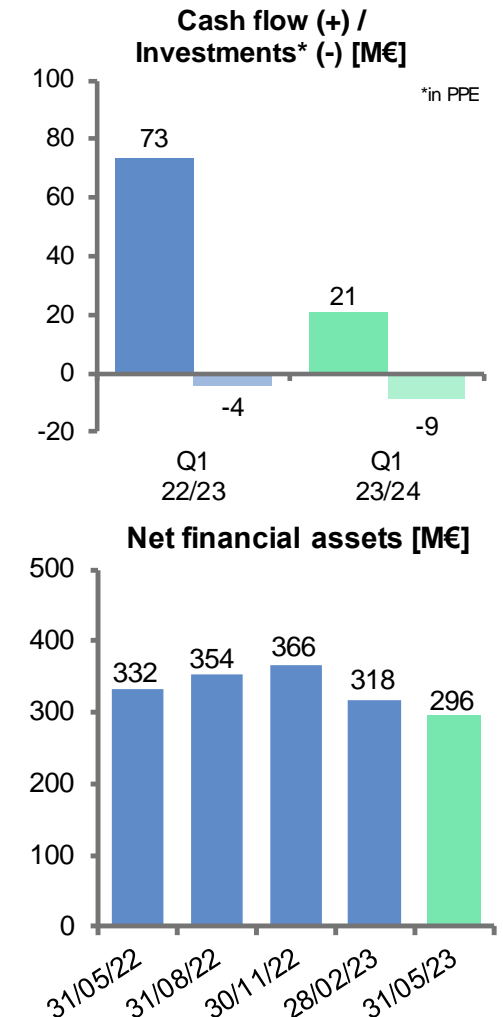




# Cash flow

(in € million)	Q1 2023/24	Q1 2022/23	Δ
<b>Cash flow</b>	<b>20.6</b>	<b>73.4</b>	<b>- 52.8</b>
Change in net working capital	- 31.9	35.1	- 67.0
<b>Net cash flow from operating activities</b>	<b>- 11.3</b>	<b>108.5</b>	<b>- 119.8</b>
Investments in property, plant et al.	- 9.0	- 4.2	- 4.8
Investments in financial assets	- 0.8	- 1.1	+ 0.3
Increase / Decrease in financial receivables	- 11.5	- 126.7	+ 115.2
Payments into current financial investments	24.9	0.0	+ 24.9
<b>Cash flow from investing activities</b>	<b>3.6</b>	<b>- 132.0</b>	<b>+ 135.6</b>
<b>Cash flow from financing activities</b>	<b>1.0</b>	<b>9.7</b>	<b>- 8.7</b>
Changes in exchange rates / consolidation basis	0.1	- 0.2	+ 0.3
<b>Change in cash and cash equivalents</b>	<b>- 6.6</b>	<b>- 13.9</b>	<b>+ 7.3</b>
	31/05/2023	31/05/2022	Δ
<b>Net financial assets</b>	<b>295.6</b>	<b>331.6</b>	<b>- 36.0</b>

- First investments for renewable ethyl acetate plant
- Increase in working capital driven by higher margin calls



# Outlook 2023/24 confirmed

- Revenues between € 1.27 to € 1.37 (previous year: € 1.49) billion
- EBITDA in a range of € 140 to € 190 (previous year: € 294) million
- Operating profit between € 95 to € 145 (previous year: € 251) million
- Assumptions
  - Gradual decrease in volatility on the sales, raw material and energy markets
  - The introduction of E10 in further European countries points to stable sales of fuel ethanol
  - This will be met by continued high import volumes



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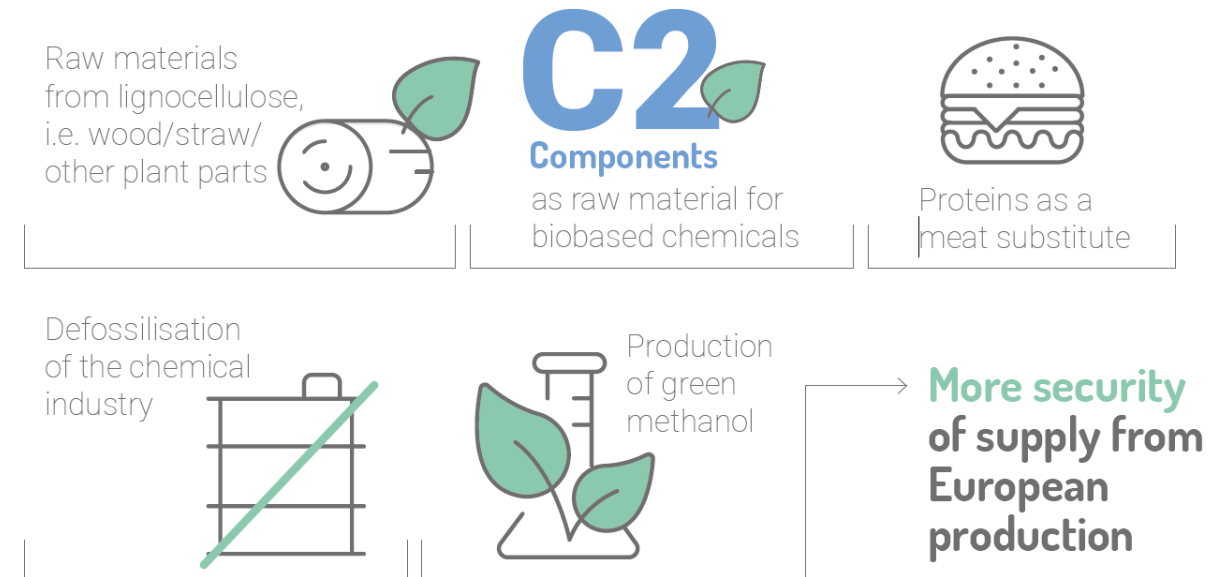
## Innovation from Biomass

For our future:

### Sustainability and climate neutrality

- Core business of mobility – with sustainable and climate-friendly fuels
- New business area – based on ethanol derivatives as an alternative to fossil raw materials
- Biogenic CO<sub>2</sub> as the raw material of the future and for the company's further development
- Protein products for the food and feed industry serve growth market and deepen value creation
- New business area for green electricity and green hydrogen

### New product and production concepts



### Financial Calendar

11 July 2023:	Annual General Meeting 2023 (virtual)
11 October 2023:	Report for the 1 <sup>st</sup> half of 2023/24
10 January 2024:	Statement for the 3 <sup>rd</sup> quarter of 2023/24
15 May 2024:	Annual report and press and analysts' conference FY 2023/24
10 July 2024:	Statement for the 1 <sup>st</sup> quarter of 2024/25

### Stock Information

ISIN:	DE000A0LAUP1
Symbol:	CE2
Bloomberg / Reuters:	CE2 GY / CE2G.DE
Transparency standard:	Prime Standard

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