

Press

Press release 11.01.2017

## **CropEnergies grows in 3rd quarter and increases earnings forecast**

### **Reduction of emissions required by European Commission only possible with secure basis for conventional biofuels**

*Mannheim, 11 January 2017* - In the first nine months of the financial year 2016/17, CropEnergies AG, Mannheim, increased revenues slightly to EUR 565 (previous year: EUR 558) million. The jump in revenues in the 3<sup>rd</sup> quarter to EUR 215 (previous year: EUR 168) million contributed significantly. The main reason for the increase in revenues is the restart of the production plant in Wilton, UK, by which CropEnergies increased bioethanol production from 618,000 to 735,000 cubic meters in the reporting period. At the same time, the food and animal feed volumes produced increased.

With EUR 87 (previous year: EUR 89) million, EBITDA almost reached the previous years' level. Due to lower proceed for bioethanol, food and animal feed, the 3<sup>rd</sup> quarter contributed EUR 28 (previous year: EUR 32) million. At EUR 59 (previous year: EUR 63) million, operating profit was also slightly lower than in the previous year. The contribution of the 3<sup>rd</sup> quarter of EUR 18 (previous year: EUR 24) million was also lower than in the year before, but higher than expected. Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items improved in the first three quarters to EUR 53 (previous year: EUR 50) million. After taxes, net earnings for the reporting period improved to EUR 36 (previous year: EUR 30) million.

Against the background of these positive developments, CropEnergies has increased its forecast for the current financial year on 20 December 2016 and now expects revenues between EUR 760 and EUR 790 (previously: EUR 670 and EUR 720) million and an operating profit in a range of EUR 70 to EUR 85 (previously: EUR 50 to EUR 80) million.

The long-term development prospects for renewable energies in the transport sector are subject to a legal framework. In October 2014, the European Council decided that greenhouse gas emissions in the EU have to be reduced by 40 percent by 2030. This target can hardly be reached with the package of climate and energy policy measures as presented by the European Commission in November 2016. Though the share of renewable energies in the EU is to increase to 27 percent, no specific target for the transport sector was defined. The burning of petrol and diesel especially in the European road traffic emits approximately one billion tonnes of greenhouse gases annually.

In the last few years, the European bioethanol industry was able to increase the greenhouse gas savings of ethanol from regional crops to, on average, approximately 70 percent by continuous

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improvements. Instead of building on this progress, the draft of the European Commission proposes decreasing the share of biofuels made from crops from 7 percent in 2021 to a maximum of 3.8 percent in 2030. The share of certain alternative fuels, however, is to increase step by step from 1.5 percent in 2021 to 6.8 percent in 2030. The European Commission ignores the continuing need for research and development that is necessary to ensure the competitiveness of alternative fuels as additional alternative to fossil fuels. There is reason to fear that implementing the draft of the European Commission would not lead to a decrease in fossil fuel use, but only to a decrease in the use of highly efficient biofuels which are already on the market.

To prevent this, CropEnergies, together with national and European associations, campaigns for a growing share of renewable fuels in the transport sector. A development of alternative fuels can only be achieved in addition to - not instead of - already established biofuel made from regional crops.

The report for the first nine months of the financial year 2016/17 can be downloaded from the CropEnergies website.

## **CropEnergies AG**

Ensuring mobility in a climate friendly way - today and in the future - is CropEnergies' business. Founded in Mannheim, Germany, in 2006, the member of the Südzucker Group is one of the leading European manufacturers of sustainably produced bioethanol today. With its annual capacity of 1.3 million cubic meters of bioethanol, CropEnergies produces bioethanol which predominantly replaces petrol in four modern production facilities in Germany, Belgium, the UK, and France. The highly efficient production facilities reduce CO<sub>2</sub> emissions by approximately 70 percent on average across the whole value-added chain compared to fossil fuel.

In addition to fuel alcohol, CropEnergies also produces 150,000 cubic meters of high-purity neutral alcohol which is used in the cosmetics, pharmaceutical, and beverage industry or for technical applications. At the same time, CropEnergies is an important producer of food and animal feed products. The raw materials which are used such as cereals and sugar beets are completely utilized. As a result, more than 1 million tonnes of high-quality protein food and animal feed products are manufactured every year out of the non-fermentable components of the raw materials.

Through advanced technology and innovation CropEnergies contributes to ensure a sustainable mobility from renewable sources today and in the future through its main product bioethanol: mobility - sustainable. renewable.



The CropEnergies AG (ISIN DE000A0LAUP1) is listed at the regulated market (Prime Standard) at the Frankfurt Stock Exchange.