



CropEnergies segment

At a glance

€ **959** million
Revenues

€ **22** million
Operating result

€ **479** million
Capital employed

4.6 %
ROCE

Strategy

Fuels with higher ethanol blends (E10 to E85) can help to reduce greenhouse gas (GHG) emissions; they offer high revenue potential for CropEnergies. Growth opportunities are also arising from the broadening of the raw material base to include residual and waste materials, which are becoming even more important thanks to ambitious targets set out in the Renewable Energy Directive. Furthermore, biofuels from waste and residual materials are expected to play a significant role in the defossilization of air and maritime transport in the EU, thus opening new market segments for CropEnergies.

CropEnergies strives to increase the value generation of existing material flows in the current facilities. This includes protein-rich food and feed, as well as the use of biogenic CO₂ from alcoholic fermentation.

- Expand ethanol, neutral alcohol and protein-rich food and animal feed business activities; develop new businesses such as bio-based chemicals by drawing on the group's R&D expertise in processes and raw materials
- Establish new collaborative partnerships with customers and partners
- Focus on European and regional raw materials and supply chains



Production

Germany (2), Belgium (1),
France (1), UK (1)



Raw materials

Grain, sugar syrup, raw alcohol,
waste and residual materials



Products

Fuel-grade ethanol, neutral alcohol,
protein-based food and animal feed, liquid CO₂



Markets

Europe



Customers

Oil companies and traders, food and animal
feed producers, beverage and cosmetics
producers, industrial and pharmaceutical
companies

Markets

Ethanol market

In 2024, global ethanol production increased to 138 (133) million m³, with approximately 85 % accounted for by fuel ethanol. The increase in total production is due to a significant rise in the production of fuel ethanol. In 2024, it was around 119 (114) million m³ and is also expected to reach this level in 2025. The remaining alcohol volume is used as neutral alcohol in beverages, cosmetics and pharmaceutical and industrial applications.

EU Ethanol volume balance

million m ³	2022	2023	2024	2025e
Opening balance	0.8	1.1	0.9	0.8
Production	8.0	7.6	7.8	7.8
thereof fuel ethanol	6.0	5.8	6.0	6.1
Consumption	-10.4	-10.5	-10.8	-11.1
thereof fuel ethanol	-7.5	-7.9	-8.3	-8.5
Net imports	2.7	2.7	2.9	3.3
Closing balance	1.1	0.9	0.8	0.9

Source: S&P Global Commodity Insights, February 2025; including UK.

TABLE 017

The EU 27 and the UK produced 7.8 (7.6) million m³ of ethanol in 2024, slightly above the previous year's level. At the same time, ethanol consumption rose to 10.8 (10.5) million m³. This was attributable to an increase in fuel ethanol consumption to 8.3 (7.9) million m³. Consumption of neutral alcohol remained relatively stable at 2.5 (2.6) million m³. In 2024, net imports to the EU 27 and the UK were above the previous year's level at 2.9 (2.7) million m³.

Fuel ethanol consumption is expected to rise further to 8.5 (8.3) million m³ in 2025.

In Europe, ethanol prices rose from around 660 €/m³ at the beginning of March 2024 to around 690 €/m³ at the end of the financial year 2024/25; on average, they were around 680 (740) €/m³. The generally low price level in Europe can partly be attributed to higher imports, especially from the USA. The sharp decline in GHG quota prices caused by market distortions originating in upstream emission reduction projects in China and, in particular, by large imports of advanced biodiesel, likewise from China, also had a negative impact on ethanol prices in Europe.

Protein market

Price trends on the markets for protein food and animal feed products are based primarily on international soybean prices and European rapeseed meal prices. According to the International Grains Council (IGC), the global soybean harvest in 2024/25 will be above last year's level at 418 (396) million tonnes. Demand is expected to grow to 409 (385) million tonnes, while inventories are set to rise to 82 (73) million tonnes. Soybean prices declined throughout the fiscal year 2024/25. As of early March 2024, the price was about 11 USD/bushel. At the end of the fiscal year, the price of soybeans fell to around 10 USD/bushel. The EU rapeseed harvest in the 2024/25 grain marketing year is expected to decrease to approximately 17 (20) million tonnes. Quotations for European rapeseed meal were around 270 €/t at the beginning of March 2024 and around 290 €/t at the end of February 2025.

Raw material markets

Global grain production (excluding rice) is likely to be slightly below last year's harvest of 2,306 (2,310) million tonnes in the 2024/25 grain marketing year (GMY; 1 July to 30 June). With global grain consumption of 2,336 (2,323) million tonnes, slightly lower inventories of 577 (607) million tonnes are expected.

According to the EU Commission, grain production in the EU is also expected to be below the previous year's level at around 255 (268) million tonnes in the 2024/25 grain marketing year. Consumption is set to remain unchanged at around 257 million tonnes, with over 60 % of grain still serving as animal feed. For the production of fuel ethanol, however, only the starch content of 12 million tonnes of grain, and thus around 5 % of the EU harvest, is to be used. The remaining components of the grain are primarily refined into protein-rich food and feed products that help close Europe's supply gap in plant-based proteins and thus make full use of the grain.

European wheat prices on Euronext in Paris started the 2024/25 fiscal year at around 185 €/t and rose to 269 €/t by the end of May 2024. Prices fell again in the course of the financial year and stood at around 220 €/t at the end of February 2025.

Legal and political environment

European Green Deal

The EU aims to create a resource-efficient and competitive economy with the European Green Deal that emits no net greenhouse gases by 2050. The European Climate Law sets a target of reducing greenhouse gas emissions by 55 % by 2030 compared to 1990 levels.

The Fit for 55 package is a set of proposals adopted by the European Parliament and Council to revise existing EU climate and energy laws. In February 2024, as part of its ongoing efforts to achieve climate neutrality, the Commission presented a new climate target for 2040, aiming to reduce net greenhouse gas emissions by 90 % compared to 1990 levels. To this end, the new European Commission must now present legislative proposals.

Renewable Energy Directive

The amendment of the Renewable Energy Directive (RED III) to further promote the use of renewable energies was a crucial element of the Fit for 55 package. This directive, which came into force on 20 November 2023 and must be transposed into national law by 21 May 2025, stipulates that the energy share of renewable energies in the transport sector should increase to at least 29 % (previously: 14 %). Alternatively, the member states can also establish a GHG reduction target of at least 14.5 %. The share of renewable fuels from arable crops in the member states is to remain unchanged at up to one percentage point above the level achieved in 2020, up to a maximum of 7 %. The agreement also sets a binding sub-target of 5.5 % for renewable biofuels from waste and residues as well as synthetic fuels in 2030. Synthetic fuels are to account for at least one percentage point.

Germany

Germany aims to incrementally raise the GHG reduction quota to 25.1 % by 2030. On 1 January 2025, another step was taken by raising the GHG reduction quota from 9.35 to 10.60 %. The energy share of renewable fuels from arable crops should be able to contribute up to 4.4 %. The share of advanced biofuels is to be gradually increased to at least 2.6 % in 2030. As of 1 January 2025, the rate was raised from 0.4 to 0.7 %. According to the assessment of the German biofuel industry, the growth path to 2030 is not ambitious enough and is also significantly too flat. This has resulted in massive oversubscriptions of the minimum quotas since 2021, which have led to substantial market distortions, particularly in 2024. These market distortions originated in upstream emission reduction (UER) projects in China and, in particular, in large imports of advanced biodiesel, again from China.

In response to these market disruptions, the German government initially suspended the registration of new UER projects starting from 1 July 2024, in May 2024. In November 2024, the German government resolved to completely suspend the transfer of previous years' surplus GHG savings for 2025 and 2026. Statistics from the German customs for 2023 reveal that GHG reductions exceeding 2 million tonnes from UER projects were applied to the GHG quota, and the amounts of advanced biodiesel, over 1.1 million tonnes, have almost grown fivefold compared to the previous year. In August 2024, the EU Commission imposed provisional anti-dumping duties on Chinese biodiesel imports, which were confirmed by the EU member states in the Council in January 2025. The final anti-dumping duties will be in effect for five years.

Political agreement between the Mercosur countries and the EU

In early December 2024, the European Commission and the Mercosur countries jointly announced the conclusion of the negotiations on the EU-Mercosur agreement. If the agreement is ratified by the European Council and the European Parliament, it could enter into force at the earliest in fiscal year 2026/27. The agreement includes the arrangement of ethanol imports into the EU amounting to 650,000 tonnes, of which 450,000 tonnes are duty-free for chemical purposes, and 200,000 tonnes are subject to a third of the most-favored-nation rate for all uses (e.g., fuel). These tariff quotas are to be introduced gradually over a period of six years. An average of approximately 2.2 million m³ of ethanol was imported into the EU annually over the past three years, with approximately 400,000 m³ originating in Brazil.

Business performance

Revenues and operating result

CropEnergies segment revenues fell significantly to € 959 (1,091) million, due to significantly lower prices for ethanol, food and animal feed. Volumes increased, however, compared to the previous year's low level due to scheduled maintenance shutdowns.

In line with the revenues trend, the operating result of € 22 (60) million, was significantly lower than last year. The key factor for the decrease in results was the price of ethanol, which was significantly lower than the previous year. The lower net raw material and energy costs and the increased sales volumes were nowhere near enough to offset the negative impact of falling prices.

Result of restructuring and special items

The result from restructuring and special items in fiscal 2024/25 of € –105 (–1) million was mainly attributed to the Wilton production location of the British subsidiary Ensus UK Limited, Wilton.

The suspension of the ongoing investment activities for the construction of a plant for the manufacturing of the protein animal feed EnPro® at the production location of the British subsidiary Ensus UK Limited resulted in an extraordinary expense due to the impairment of the capital expenditures already incurred and provisions for existing contractual obligations for investment. Moreover, an impairment of the fixed assets already in place had to be recognized as a result of the reduced earnings expectations for this location. Last year's figures encompassed the setup costs for the ethyl acetate production facility at the Zeitz location in Germany.

Capital employed and return on capital employed (ROCE)

Capital employed was significantly lower than in the previous year at € 479 (540) million due to the impairment of production facilities at Ensus UK Limited. On the back of a significantly lower operating result of € 22 (60) million, ROCE fell significantly to 4.6 (11.1) %.

Investments in fixed assets

Investments in fixed assets totaled € 84 (72) million. The main projects included:

- Construction of a production plant for renewable ethyl acetate at the Zeit location in Germany
- Preparation of the switch from coal to gas as the primary energy source at the Zeitz location in Germany

Business performance – CropEnergies segment

		2024/25	2023/24	+ / – in %
Revenues	€ million	959	1,091	–12.1
EBITDA	€ million	65	105	–38.1
EBITDA-Marge	%	6.8	9.6	
Depreciation	€ million	–43	–45	–4.4
Operating result	€ million	22	60	–63.3
Operating margin	%	2.3	5.5	
Result from restructuring / special items	€ million	–105	–1	> 100
Result from companies consolidated at equity	€ million	0	0	–
Result from operations	€ million	–83	59	–
Investments in fixed assets and intangible assets	€ million	84	72	16.7
Investments in financial assets / acquisitions	€ million	5	1	> 100
Total investments	€ million	89	73	21.9
Shares in companies consolidated at equity	€ million	0	3	–100.0
Capital employed	€ million	479	540	–11.3
Return on capital employed	%	4.6	11.1	
Working capital	€ million	113	135	–16.3
Employees (FTE)		537	515	4.3

TABLE 018

Investments in financial assets and acquisitions

Investments in financial assets and acquisitions of € 5 (1) million in fiscal 2024/25 related to the acquisition of the business activities of EthaTec GmbH, Weselberg, Germany, by CE Advanced Bioenergies GmbH, Weselberg, Germany. An agreement was signed in November 2023 to take over personnel and fixed assets as part of an asset deal. The final closing of the transaction took place with effect from 1 March 2024. The business operates a production facility for ethanol and biogas from waste and residual materials from the food industry that are no longer suitable for human consumption. Additionally, the stake in CT Biocarbonic GmbH, Zeitz, was increased to 50.2 %. Last year, financial investments included the increase in the stake in Syclus B.V., Maastricht, Netherlands.

Raw materials and production

The plants in Zeitz, Wanze, and Wilton will continue to process exclusively agricultural raw materials of European origin. CropEnergies prioritizes sustainable and local sourcing of raw materials whenever possible. Certification according to at least one certification system approved by the EU Commission fully documents the sustainable ethanol production in all CropEnergies biorefineries and independently audits the significant greenhouse gas savings of the ethanol produced compared to fossil gasoline.

In fiscal 2024/25, ethanol production was moderately above the previous year's level at around 1.0 million m³. Production capacity utilization in the course of the financial year was monitored in line with market conditions and in order to carry out regular maintenance work. The volume of CO₂ sold for liquefaction was lower than in the previous year.

CropEnergies is taking the first step toward further diversification by constructing a production plant for renewable ethyl acetate near its production location in Zeitz, Germany. In addition to significantly higher prices for plant construction because of general inflation, the more extensive and prolonged exploratory measures on the construction site to locate unexploded ordnance from World War II have led to an increase in expected capital expenditure to € 160 to 170 million, with commissioning now scheduled for summer 2026. Renewable ethyl acetate will enable CropEnergies customers to reduce the fossil CO₂ footprint of a wide range of products and grow in line with the sustainability trend.

