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FACT SHEET

Between Volatility and Transformation: The New Working Capital Pressure in the Energy Sector

Core challenge: Why working capital management is becoming critical for the energy sector

New debt taken on to finance the energy transition is changing the credit profile of utility companies. Traditional financing instruments are structured to remain eligible for central bank and ECB frameworks. However, beyond a certain leverage level, this eligibility can be at risk.

As a result, working capital optimization becomes a key lever to unlock hidden liquidity within the core business. This enables companies to allocate traditional financing instruments more selectively toward strategic investment projects.

Flexible liquidity as a key driver of stability and growth

New requirements for modern solutions

- Extended payment terms
- Off-balance-sheet financing without increasing financial debt
- No dependency on suppliers
- Active liquidity control
- Stabilization of supply and project chains
- Mitigation of strong price volatility
- Coverage of high working capital requirements in daily operations

cflox pay makes the difference

The solution enables off-balance-sheet financing and highly flexible control of payment flows – with on-demand liquidity exactly when needed. Companies benefit from extended payment terms, while partners receive early liquidity.

Thanks to fast implementation without IT integration or supplier onboarding, cflox pay can be deployed immediately.
At the same time, the solution provides security in volatile price environments, increases flexibility in procurement and trading, and stabilizes financing structures – especially in capital-intensive project phases.

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> *cflox pay has proven to be the ideal solution to complement Thüga's financing strategy. Through its implementation, we were able to release and utilize liquidity from working capital – without any negative impact on leverage ratios."*

Klaus Stüben, Thüga

BUSINESS CASE

Thüga

Liquidity Management in the Energy Sector

- Implementation of cflox pay within the Thüga Group via a dedicated payment account for Syneco Trading GmbH, which centrally manages energy procurement
- Within 6 weeks, a double-digit million-euro program was established, enabling extended payment terms on existing supplier invoices – without supplier involvement and without platform integration
- The new liability towards cflox is an operational liability, not a financial liability – and therefore has no impact on leverage ratios
- As a result, Thüga was able to free up capital previously tied in operations and redeploy it into energy transition projects without taking on additional debt

Result:
Since the introduction of cflox pay, Thüga has been actively and flexibly using the program to manage payment flows in energy procurement – without supplier involvement. Initial liquidity effects were already visible within four weeks after project launch, particularly through increased financial flexibility for upcoming investments. At the same time, Thüga has expanded its financing mix, strengthening overall financial resilience without affecting key financial ratios.