

Berentzen-Gruppe Aktiengesellschaft

Outperform → | Target price : 10.0 €

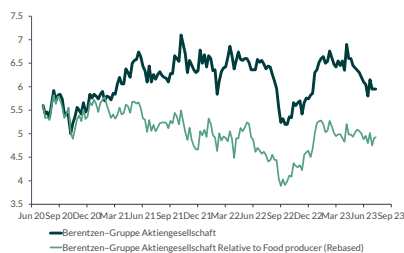
Price (09/08/2023) : 5.95 € | Upside : 68%

Revision	12/23e	12/24e
EPS	ns	ns

Q2 2023 results – Strong growth in revenues, but higher costs weigh on earnings

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Sources : ODDO BHF Securities, SIX

Share data				
BEZ3 GR BEZ.DE				
Market Cap (€m)				57
Enterprise value (€m)				64
Extrema 12 months (€)	5.00	-	6.90	
Free Float (%)				73.8
Performance (%)				
	1m	3m	12m	
Absolute	-1.7	-12.5	-8.7	
Perf. rel. Country Index	-4.4	-11.6	-13.6	
Perf. rel. Food producer	-1.3	-3.8	-0.6	

P&L			
	12/23e	12/24e	12/25e
Sales (€m)	191	201	209
EBITDA (€m)	16.7	19.0	20.3
Current EBIT (€m)	8.1	10.4	11.7
Attr. net profit (€m)	5.3	6.9	7.8
Adjusted EPS (€)	0.57	0.74	0.83
Dividend (€)	0.28	0.37	0.42
P/E (x)	10.5	8.1	7.1
P/B (x)	1.0	1.0	0.9
Dividend Yield (%)	4.8	6.2	7.0
FCF yield (%)	ns	9.8	11.9
EV/Sales (x)	0.34	0.31	0.29
EV/EBITDA (x)	3.8	3.3	3.0
EV/Current EBIT (x)	7.9	6.0	5.2
Gearing (%)	2	-1	-4
Net Debt/EBITDA (x)	0.1	0.0	-0.1

Next Events	
10/08/2023	Earnings Release
24/10/2023	Earnings Release

Cost inflation drives margins lower

Revenues during the second quarter of 2023 rose by 10.0% y-o-y to € 47.2m, thereby continuing the positive trend of the first quarter and 2022, as each and every single quarter in 2022 posted a growth over the comparable year-ago quarter. Growth in revenue was mainly driven by price increases. However, there were although some positive volume effects. Q2 2023 revenue was ca. 4% above our estimate of € 45.5m.

Cost increases, in particular from raw materials, had a negative effect on earnings. As a result, Q2 2023 EBITDA declined by ca. 6% y-o-y to € 4.4m (EBITDA margin down 150bp to 9.3%) and EBIT by 9% to € 2.3m (EBIT margin down by 100bp to 4.9%). Both margins were below our estimate.

Q2 2023 results review

€ m	Q2 23	Q2 22	y-o-y	ODDO BHF	Δ
Revenue	47.2	42.9	10%	45.5	4%
EBITDA	4.4	4.7	-6%	4.3	1%
Margin	9.3%	10.8%	-150bp	9.5%	-20bp
EBIT	2.3	2.5	-9%	2.4	-4%
Margin	4.9%	5.9%	-100bp	5.3%	-40bp

Sources: ODDO BHF Securities, company

Dynamic revenue growth in all major segments

During Q2 2023, all segments (except Other) contributed to the successful revenue growth and were above or in line with our estimates.

- Spirits segment € 28.9m (+15% y-o-y) vs € 27.3m estimated
- Non-alcoholic beverages € 12.4m (+7% y-o-y) vs € 12.5m estimated
- Fresh Juice System € 4.8m (+13% y-o-y) in line
- Other segments € 1.1m (-43% y-o-y), vs € 0.9m estimated

Outperform rating maintained

Despite cost increases during the first half of the year, the company expects a progressive earnings recovery in the remainder of the year and confirmed its FY 2023 targets (revenues in the range of € 185m – 195m, EBITDA of € 15.6m - 17.6m, EBIT of € 7m – 9m). As such, we do not expect any material changes to consensus post Q2 results. We are in line with consensus revenues, but above on EBITDA (+1%) and EBIT (+2%). We stick to our target price of € 10 and confirm our rating (Outperform).

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BEZ.DE | BEZ3 GR
Beverages | Germany

Outperform
Upside 68.07%

Price 5.95 €
TP 10.0 €

	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
PER SHARE DATA (€)								
Adjusted EPS	0.52	0.47	0.07	0.30	0.35	0.57	0.74	0.83
Reported EPS	0.55	0.52	0.13	0.39	0.22	0.57	0.74	0.83
Growth in adjusted EPS	ns	-9.5%	-84.8%	ns	14.3%	64.8%	29.7%	13.1%
Net dividend per share	0.28	0.28	0.13	0.22	0.22	0.28	0.37	0.42
FCF to equity per share	-0.10	1.03	0.91	0.34	-0.44	-0.74	0.58	0.71
Book value per share	5.05	5.24	5.03	5.20	5.33	5.68	6.12	6.58
Number of shares market cap (m)	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60
Number of diluted shares (m)	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60
VALUATION (€m)								
12m highest price (€)	8.55	7.20	7.70	7.10	6.90	6.90		
12m lowest price (€)	6.10	5.86	4.95	5.66	5.00	5.74		
(*) Reference price (€)	7.36	6.48	5.89	6.22	6.17	5.95	5.95	5.95
Capitalization	70.7	62.2	56.5	59.7	59.3	57.1	57.1	57.1
Restated Net debt	-7.6	-12.5	-16.0	-17.5	-9.6	1.1	-0.4	-2.2
Minorities (fair value)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial fixed assets (fair value)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	9.5	9.3	8.6	8.0	5.8	5.8	5.8	5.8
Enterprise Value	72.7	58.9	49.1	50.2	55.4	64.1	62.6	60.7
P/E (x)	14.2	13.8	82.5	20.6	17.9	10.5	8.1	7.1
P/CF (x)	5.8	4.8	7.8	13.1	4.4	6.0	5.2	3.4
Net Yield	3.8%	4.3%	2.2%	3.5%	3.6%	4.8%	6.2%	7.0%
FCF yield	ns	15.9%	15.5%	5.5%	ns	ns	9.8%	11.9%
P/B incl. GW (x)	1.46	1.24	1.17	1.20	1.16	1.05	0.97	0.90
P/B excl. GW (x)	1.46	1.24	1.17	1.20	1.16	1.05	0.97	0.90
EV/Sales (x)	0.45	0.35	0.32	0.34	0.32	0.34	0.31	0.29
EV/EBITDA (x)	4.2	3.2	3.5	3.3	3.3	3.8	3.3	3.0
EV/Current EBIT (x)	7.4	6.0	9.4	7.5	6.7	7.9	6.0	5.2
(*) historical average price								
PROFIT AND LOSS (€m)								
Sales	162	167	155	146	174	191	201	209
EBITDA	17.3	18.4	14.1	15.4	16.7	16.7	19.0	20.3
Depreciations	-7.5	-8.5	-8.9	-8.6	-8.3	-8.6	-8.6	-8.6
Current EBIT	9.8	9.8	5.2	6.7	8.3	8.1	10.4	11.7
Published EBIT	9.0	8.7	3.7	6.7	5.8	8.1	10.4	11.7
Net financial income	-1.6	-1.5	-1.5	-1.4	-1.7	-0.5	-0.5	-0.5
Corporate Tax	-2.3	-2.3	-1.0	-1.6	-2.1	-2.3	-3.0	-3.4
Net income of equity-accounted companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss of discontinued activities (after tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Attributable net profit	5.2	4.9	1.2	3.7	2.1	5.3	6.9	7.8
Adjusted attributable net profit	4.9	4.4	0.7	2.8	3.2	5.3	6.9	7.8
BALANCE SHEET (€m)								
Goodwill	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Other intangible assets	6.0	5.6	4.7	3.7	3.3	2.8	2.4	2.0
Tangible fixed assets	45.8	45.4	42.2	43.5	44.4	47.3	49.6	51.8
WCR	37.8	33.9	27.3	20.2	28.5	34.9	31.0	31.5
Financial assets	1.9	2.8	4.0	4.1	4.6	9.7	14.5	14.6
Ordinary shareholders equity	47.4	49.2	47.2	48.9	50.1	53.3	57.5	61.8
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders equity	47.4	49.2	47.2	48.9	50.1	53.3	57.5	61.8
Non-current provisions	57.7	57.0	53.0	46.2	46.4	46.4	46.4	46.4
Net debt	-7.6	-12.5	-16.0	-17.5	-9.6	1.1	-0.4	-2.2
CASH FLOW STATEMENT (€m)								
EBITDA	17.3	18.4	14.1	15.4	16.7	16.7	19.0	20.3
Change in WCR	-6.5	4.0	6.5	7.2	-8.4	-6.4	3.9	-0.4
Interests & taxes	1.3	-1.0	-2.5	0.3	-0.2	0.0	0.0	0.0
Others	-6.6	-4.8	-4.5	-11.2	-3.2	-7.4	-8.2	-4.0
Operating Cash flow	5.6	16.6	13.6	11.6	4.9	2.9	14.7	15.9
CAPEX	-6.5	-6.9	-5.0	-8.4	-9.0	-9.8	-9.2	-9.2
Free cash-flow	-0.9	9.7	8.6	3.2	-4.1	-6.9	5.5	6.7
Acquisitions / disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	-2.1	-2.6	-2.6	-1.2	-2.1	-2.1	-2.7	-3.5
Net capital increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	-0.7	-1.2	-1.2	-1.3	-1.3	-1.3	-1.3
Change in net cash	-3.1	4.9	3.5	1.5	-7.9	-10.8	1.5	1.8
GROWTH MARGINS PRODUCTIVITY								
Sales growth	1.1%	3.2%	-7.7%	-5.5%	19.2%	9.5%	5.5%	4.0%
Lfl sales growth	-	-	-	-	-	-	-	-
Current EBIT growth	6.3%	0.1%	-46.9%	28.8%	24.2%	-2.4%	28.0%	12.4%
Growth in adjusted EPS	ns	-9.5%	-84.8%	ns	14.3%	64.8%	29.7%	13.1%
Net margin	3.0%	2.6%	0.4%	1.9%	1.9%	2.8%	3.4%	3.7%
EBITDA margin	10.7%	11.0%	9.1%	10.5%	9.6%	8.8%	9.4%	9.7%
Current EBIT margin	6.0%	5.9%	3.4%	4.6%	4.8%	4.3%	5.2%	5.6%
CAPEX / Sales	-4.2%	-4.3%	-3.3%	-5.8%	-5.2%	-5.1%	-4.6%	-4.4%
WCR / Sales	23.3%	20.2%	17.7%	13.8%	16.4%	18.3%	15.4%	15.0%
Tax Rate	27.5%	27.5%	27.4%	30.9%	31.1%	30.0%	30.0%	30.0%
Normative tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Asset Turnover	1.7	1.8	1.8	1.9	2.2	2.2	2.2	2.3
ROCE post-tax (normative tax rate)	7.4%	7.4%	4.3%	6.1%	7.5%	6.6%	8.1%	9.1%
ROCE post-tax hors GW (normative tax rate)	7.9%	7.9%	4.6%	6.6%	8.1%	7.1%	8.7%	9.7%
ROE	10.6%	9.2%	1.4%	5.9%	6.6%	10.3%	12.5%	13.1%
DEBT RATIOS								
Gearing	-16%	-25%	-34%	-36%	-19%	2%	-1%	-4%
Net Debt / Market Cap	-0.11	-0.20	-0.28	-0.29	-0.16	0.02	-0.01	-0.04
Net debt / EBITDA	-0.44	-0.68	-1.13	-1.14	-0.58	0.07	-0.02	-0.11
EBITDA / net financial charges	11.1	11.9	9.6	10.9	10.0	33.0	36.5	39.4

Sources: ODDO BHF Securities, SIX



• **Valuation method**

Our target prices are established on a 12-month timeframe and we use three valuation methods to determine them. First, the discounting of available cash flows using the discounting parameters set by the Group and indicated on ODDO BHF' website. Second, the sum-of-the-parts method based on the most pertinent financial aggregate depending on the sector of activity. Third, we also use the peer comparison method which facilitates an evaluation of the company relative to similar businesses, either because they operate in identical sectors (and are therefore in competition with one another) or because they benefit from comparable financial dynamics. A mixture of these valuation methods may be used in specific instances to more accurately reflect the specific characteristics of each company covered, thereby fine-tuning its evaluation.

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Date	Reco	Price Target (EUR)	Price (EUR)	Analyst
30/05/23	Outperform	10.00	6.50	Klaus Breitenbach

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		Outperform	Neutral	Underperform
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