

# Berentzen-Gruppe Aktiengesellschaft

**Outperform** → | Target price : 9.00 €

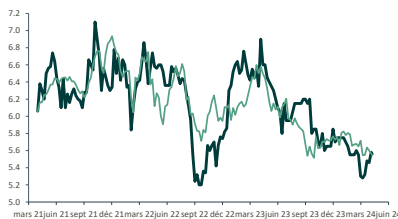
Price (06/05/2024) : 5.56 € | Upside : 62%

 Revision 12/24e 12/25e  
 EPS

## Q1 2024 – Earnings and profitability up y-o-y

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 Sources : ODDO BHF Securities, SIX  
 — Berentzen-Gruppe Aktiengesellschaft — Food producer (Rebased)

Share data	
BEZ3 GR   BEZ.DE	
Market Cap (€m)	53
Enterprise value (€m)	73
Extrema 12 months (€)	5.26 - 6.80
Free Float (%)	73.8

Performance (%)	1m	3m	12m
Absolute	5.3	-1.6	-19.4
Perf. rel. Country Index	5.0	-5.7	-26.2
Perf. rel. Food producer	5.2	4.6	-4.5

P&L	12/24e	12/25e	12/26e
Sales (€m)	194	202	208
EBITDA (€m)	17.6	19.1	20.7
Current EBIT (€m)	8.5	9.9	11.6
Attr. net profit (€m)	2.0	4.0	5.1
Adjusted EPS (€)	0.21	0.43	0.55
Dividend (€)	0.15	0.18	0.20
P/E (x)	25.9	13.0	10.2
P/B (x)	1.1	1.0	1.0
Dividend Yield (%)	2.7	3.2	3.6
FCF yield (%)	4.3	8.1	10.3
EV/Sales (x)	0.35	0.33	0.31
EV/EBITDA (x)	3.9	3.5	3.1
EV/Current EBIT (x)	8.1	6.7	5.6
Gearing (%)	18	14	9
Net Debt/EBITDA (x)	0.5	0.4	0.2

### Next Events

07/05/2024	Q1 Results
14/08/2024	Q2 Results
23/10/2024	Q3 Results

### Group revenue in line, EBIT margins above estimate

Berentzen reported Q1 2024 revenue of € 40.9m (in line with ODDO BHF) but slightly down y-o-y. The reason for the decline was that 1) the cooperation business with prominent artists in the Non-alcoholic Beverages segment was terminated last year and 2) several high-revenue marketing campaigns were not conducted in the first three months of 2024 due to difficult price negotiations with some key retail partners. The latter had a negative impact on the revenue performance of the strategic core brands in the marketing focus (especially the Puschkin brand). On the positive side, earnings increased y-o-y. EBIT rose by 33% vs last year to € 1.3m (ODDO BHF € 1.2m) with margins up by 90bp to 3.0% (ODDO BHF 2.9%). Margins are based on total operating performance.

#### Q1 2024 Results review

€ m	Q1 24	Q1 23	Y-o-y	ODDO BHFe	Δ
Total op. performance	43.4	46.7	-7.2%	41.0	5.8%
Revenue	40.9	41.8	-2.2%	41.0	-0.2%
EBITDA	3.4	2.9	17.5%	3.5	-1.2%
Margin	7.9%	6.3%	+160bp	8.5%	-60bp
EBIT	1.3	1.0	33%	1.2	8.7%
Margin	3.0%	2.1%	+90bp	2.9%	+10bp

Sources: ODDO BHF Securities, company

### Decline in Non-alcoholic beverages revenue

During Q1 2024, Berentzen's Non-alcoholic beverages segment missed our estimate and was down y-o-y. Revenues in the Spirits segment and Fresh Juice System segment were flat y-o-y.

- Spirits segment € 24.8m (-0.4% y-o-y) vs. € 24.4m estimated
- Non-alcoholic beverages € 9.4m (-9.3% y-o-y) vs. € 9.9m estimated
- Fresh Juice System € 4.7m (+0.8% y-o-y) vs € 4.2m estimated
- Other segments € 2.0m (+6.6% y-o-y) vs € 2.5m estimated

### We maintain our positive view on the share

Against the backdrop of lower revenue in Q1 2024, the company confirmed its outlook for 2024. We think that temporary conflicts with an impact on revenues during phases of intensive negotiations with some key retail partners are part of the game and will be solved over time. In addition, we assume that with a clear focus on the strategy (incl. optimising the portfolio and customer mix, further price increases to regain the margin quality after years of cost explosions), the company will improve its earnings quality in the coming quarters. We stick to our target price of € 9 and confirm our rating (Outperform).

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**BEZ.DE | BEZ3 GR**

**Beverages | Germany**

**Outperform**

Upside 61.87%

Price 5.56 €

TP 9.00 €

PER SHARE DATA (€)	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
Adjusted EPS	0.47	0.07	0.30	0.35	-0.07	0.21	0.43	0.55
Reported EPS	0.52	0.13	0.39	0.22	0.09	0.21	0.43	0.55
Growth in adjusted EPS	-9.5%	-84.8%	ns	14.3%	ns	ns	98.7%	28.3%
Net dividend per share	0.28	0.13	0.22	0.22	0.09	0.15	0.18	0.20
FCF to equity per share	1.03	0.91	0.34	-0.44	-1.32	0.24	0.45	0.57
Book value per share	5.24	5.03	5.20	5.33	5.04	5.17	5.44	5.80
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)	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
12m highest price (€)	7.20	7.70	7.10	6.90	6.90	5.90		
12m lowest price (€)	5.86	4.95	5.66	5.00	5.55	5.26		
(*) Reference price (€)	6.48	5.89	6.22	6.17	6.19	5.56	5.56	5.56
Capitalization	62.2	56.5	59.7	59.3	59.4	53.4	53.4	53.4
Restated Net debt	-12.5	-16.0	-17.5	-9.6	6.8	8.6	7.2	5.0
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	9.3	8.6	8.0	5.8	6.5	6.5	6.5	6.5
<b>Enterprise Value</b>	<b>58.9</b>	<b>49.1</b>	<b>50.2</b>	<b>55.4</b>	<b>72.8</b>	<b>68.5</b>	<b>67.1</b>	<b>64.8</b>
P/E (x)	13.8	82.5	20.6	17.9	ns	25.9	13.0	10.2
P/CF (x)	4.8	7.8	13.1	4.4	9.3	4.5	3.8	3.5
Net Yield	4.3%	2.2%	3.5%	3.6%	1.5%	2.7%	3.2%	3.6%
FCF yield	15.9%	15.5%	5.5%	ns	ns	4.3%	8.1%	10.3%
P/B incl. GW (x)	1.24	1.17	1.20	1.16	1.23	1.08	1.02	0.96
P/B excl. GW (x)	1.24	1.17	1.20	1.16	1.23	1.08	1.02	0.96
EV/Sales (x)	0.35	0.32	0.34	0.32	0.39	0.35	0.33	0.31
EV/EBITDA (x)	3.2	3.5	3.3	3.3	4.5	3.9	3.5	3.1
EV/Current EBIT (x)	6.0	9.4	7.5	6.7	9.4	8.1	6.7	5.6
(*) historical average price								
PROFIT AND LOSS (€m)	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	167	155	146	174	186	194	202	208
EBITDA	18.4	14.1	15.4	16.7	16.0	17.6	19.1	20.7
Depreciations	-8.5	-8.9	-8.6	-8.3	-8.3	-9.1	-9.1	-9.1
<b>Current EBIT</b>	<b>9.8</b>	<b>5.2</b>	<b>6.7</b>	<b>8.3</b>	<b>7.7</b>	<b>8.5</b>	<b>9.9</b>	<b>11.6</b>
Published EBIT	8.7	3.7	6.7	5.8	6.1	6.9	8.3	10.0
Net financial income	-1.5	-1.5	-1.4	-1.7	-4.0	-4.0	-2.6	-2.6
Corporate Tax	-2.3	-1.0	-1.6	-2.1	-1.2	-0.9	-1.7	-2.2
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	4.9	1.2	3.7	2.1	0.9	2.0	4.0	5.1
<b>Adjusted attributable net profit</b>	<b>4.4</b>	<b>0.7</b>	<b>2.8</b>	<b>3.2</b>	<b>-0.7</b>	<b>2.0</b>	<b>4.0</b>	<b>5.1</b>
BALANCE SHEET (€m)	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Other intangible assets	5.6	4.7	3.7	3.3	3.0	2.8	2.5	2.2
Tangible fixed assets	45.4	42.2	43.5	44.4	47.1	49.1	51.1	53.1
WCR	33.9	27.3	20.2	28.5	37.8	37.8	37.8	37.8
Financial assets	2.8	4.0	4.1	4.6	6.0	7.2	6.7	6.1
Ordinary shareholders equity	49.2	47.2	48.9	50.1	47.4	48.5	51.1	54.5
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders equity	49.2	47.2	48.9	50.1	47.4	48.5	51.1	54.5
Non-current provisions	57.0	53.0	46.2	46.4	45.8	45.8	45.8	45.8
<b>Net debt</b>	<b>-12.5</b>	<b>-16.0</b>	<b>-17.5</b>	<b>-9.6</b>	<b>6.8</b>	<b>8.6</b>	<b>7.2</b>	<b>5.0</b>
CASH FLOW STATEMENT (€m)	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
<b>EBITDA</b>	<b>18.4</b>	<b>14.1</b>	<b>15.4</b>	<b>16.7</b>	<b>16.0</b>	<b>17.6</b>	<b>19.1</b>	<b>20.7</b>
Change in WCR	4.0	6.5	7.2	-8.4	-9.3	0.0	0.0	0.0
Interests & taxes	-1.0	-2.5	0.3	-0.2	-0.6	0.0	0.0	0.0
Others	-4.8	-4.5	-11.2	-3.2	-9.1	-5.9	-5.4	-5.8
Operating Cash flow	16.6	13.6	11.6	4.9	-3.0	11.7	13.7	14.9
CAPEX	-6.9	-5.0	-8.4	-9.0	-9.4	-9.5	-9.5	-9.5
<b>Free cash-flow</b>	<b>9.7</b>	<b>8.6</b>	<b>3.2</b>	<b>-4.1</b>	<b>-12.4</b>	<b>2.3</b>	<b>4.2</b>	<b>5.4</b>
Acquisitions / disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	-2.6	-2.6	-1.2	-2.1	-2.1	-0.9	-1.4	-1.7
Net capital increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.7	-1.2	-1.2	-1.3	-1.4	-1.4	-1.4	-1.4
Change in net cash	4.9	3.5	1.5	-7.9	-16.4	-1.8	1.4	2.2
GROWTH MARGINS PRODUCTIVITY	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales growth	3.2%	-7.7%	-5.5%	19.2%	6.6%	4.5%	4.0%	3.0%
Lfl sales growth	-	-	-	-	-	-	-	-
Current EBIT growth	0.1%	-46.9%	28.8%	24.2%	-7.6%	10.3%	17.0%	16.3%
Growth in adjusted EPS	-9.5%	-84.8%	ns	14.3%	ns	ns	98.7%	28.3%
Net margin	2.6%	0.4%	1.9%	1.9%	-0.4%	1.0%	2.0%	2.5%
<b>EBITDA margin</b>	<b>11.0%</b>	<b>9.1%</b>	<b>10.5%</b>	<b>9.6%</b>	<b>8.6%</b>	<b>9.1%</b>	<b>9.5%</b>	<b>10.0%</b>
<b>Current EBIT margin</b>	<b>5.9%</b>	<b>3.4%</b>	<b>4.6%</b>	<b>4.8%</b>	<b>4.2%</b>	<b>4.4%</b>	<b>4.9%</b>	<b>5.6%</b>
CAPEX / Sales	-4.3%	-3.3%	-5.8%	-5.2%	-5.1%	-4.9%	-4.7%	-4.6%
WCR / Sales	20.2%	17.7%	13.8%	16.4%	20.4%	19.5%	18.7%	18.2%
Tax Rate	27.5%	27.4%	30.9%	31.1%	33.5%	19.3%	23.4%	24.6%
Normative tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Asset Turnover	1.8	1.8	1.9	2.2	2.1	2.0	2.1	2.1
<b>ROCE post-tax (normative tax rate)</b>	<b>7.4%</b>	<b>4.3%</b>	<b>6.1%</b>	<b>7.5%</b>	<b>6.1%</b>	<b>6.3%</b>	<b>7.2%</b>	<b>8.2%</b>
ROCE post-tax hors GW (normative tax rate)	7.9%	4.6%	6.6%	8.1%	6.6%	6.7%	7.7%	8.8%
ROE	9.2%	1.4%	5.9%	6.6%	-1.4%	4.2%	8.0%	9.7%
DEBT RATIOS	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
Gearing	-25%	-34%	-36%	-19%	14%	18%	14%	9%
Net Debt / Market Cap	-0.20	-0.28	-0.29	-0.16	0.11	0.16	0.13	0.09
<b>Net debt / EBITDA</b>	<b>-0.68</b>	<b>-1.13</b>	<b>-1.14</b>	<b>-0.58</b>	<b>0.43</b>	<b>0.49</b>	<b>0.38</b>	<b>0.24</b>
EBITDA / net financial charges	11.9	9.6	10.9	10.0	4.0	4.4	7.3	7.9

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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Neutral: performance expected to be comparable to that of the benchmark index, sectoral (large caps) or other (small and mid caps).

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Date	Reco	Price Target (EUR)	Price (EUR)	Analyst
17/10/23	Outperform	9.00	6.10	Klaus Breitenbach
30/05/23	Outperform	10.00	6.50	Klaus Breitenbach

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		Outperform	Neutral	Underperform
Our whole coverage	(690)	51%	39%	10%
Liquidity providers coverage	(79)	48%	42%	10%
Research service coverage	(54)	65%	22%	13%
Investment banking services	(36)	50%	47%	3%

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