



BERENTZEN-GRUPPE
Durst auf Leben

Successful H1 19 – strategic transformation starts to bear fruit

13 August 2019



Highlights H1 19: Berentzen on a good track

Slight revenue increase of 1.1% to EUR 79.2m

- Fresh Juice systems up by 6.1%
- Non-alcoholic beverages up by 4.8%
- Spirits below previous year (-2.3%)

Substantially enhanced profitability – EBIT up 10.1% to EUR 5.0m

- Improved overall- and relative gross margin due to favourable product- and segment mix effects

Continued healthy balance sheet

- Equity ratio 35.4 % (+300 BP)

Results outlook confirmed

- Based on solid H1 figures and on expected ramp-up of new products



Strategy measures start to bear fruit already in H1 19

<i>in EURm</i>	H1 18	H1 19	yoy
Revenue	78.4	79.2	+1.1%
Gross profit	35.9	37.4	+4.3%
<i>Gross margin</i>	45.1%	46.5%	+140 BP
EBITDA	8.2	9.0	+10.8%
<i>EBITDA margin</i>	10.4%	11.4%	+100 BP
EBIT	4.6	5.0	+10.1%
<i>EBIT margin</i>	5.8%	6.3%	+50 BP
Net income	2.7	2.8	+3.7%
<i>Net income margin</i>	3.4%	3.5%	+10 BP

Comments

Slight revenue growth:

- Dynamic volume growth of non-alcoholic core brand Mio Mio continues (+34%)
- Segment Fresh Juice System: Sales volume of all sub-categories – juicer, oranges, bottles – goes up
- Revenue decline in spirits segment: Innovation launches to come in H2, volume lack in whiskey to be filled by 2019

Substantially higher profitability:

- Gross margin up by 140 BP to 46.5% driven by segment and product mix
- Results include additional negative one-off impact of EUR 0.4m due to higher legal costs



Gross margin driven by positive mix effects (segments, products)

6M 18/19	Sales Volume	Sales Revenues	Gross Margin in %	Gross Profit total
Spirits*	↘	↘	↗	↘
Non Alcoholic Beverages	↗	↗	↗	↗ ↗
Fresh Juice Systems	↗	↗	↗	↗ ↗
Group	n/a	↘	↗	↗ ↗

Comments

- Consolidated sales revenues is an important, but not the most important figure
- Steering the gross margin mix within and between segments, products and customers is the key to success
- Growth of revenues and of the relative gross margin in both segments Non Alcoholic Beverages and Fresh Juice Systems had a positive impact on the overall figures

* Other Segments included



Spirits with revenue decline due to market transformation

<i>in EURm</i>	H1 18	H1 19	yoy
Revenue	44.9	44.0	-1,9%

Volume of 0.7l bottles	H1 18	H1 19	yoy
Brands Germany	9.8	9.5	-3,9%
Export Brands	2.3	2.1	-5,9%
Private Label	26.6	26.3	-1,1%
Total Spirits	38.7	37.9	-2,1%

Volume of 0.7l bottles in Germany	H1 19
Berentzen yoy	-8.2%
Puschkin yoy	-3.1%
Total spirits market (Nielsen)	-2.2%



Comments

- General market trend bisected: aggressive price promotions on the one hand side and premiumization and trading-up on the other hand side
- Sales volumes of Berentzen and Puschkin declined due to aggressive price promotions of competition and reduction of own low margin promotions of core brands
- Nevertheless strong market position kept (e.g. Berentzen market shares in the segment of “fruity spirits” of 20.8%)
- Market launch of new premium products (“Berentzen Signature”) in late Q2
- Stable revenue contribution despite sales volume decline in export brand business based on improved product and country mix



Non-Alcoholic Beverages: Success story of Mio Mio continues

in EURm	H1 18	H1 19	yoy
Revenue	24.1	25.3	+4.8%

Volume	H1 18	H1 19	yoy
m hectolitres	0.86	0.87	+2.8%

Development of subsegments (litres)	H1 19
Own water brands yoy	+4.5%
Own lemonade brands yoy	-7.3%
Mio Mio yoy	+34.4%

Comments

- Core brand Mio Mio with strong volume growth (+34.4%)
- Own mineral water brands (+4.5%) support segment growth
- Substantial revenue decline in concessionaire business
- Favourable product mix drives gross margin
- New product launch of „Kräuterbraut“ started in late Q2



Fresh Juice Systems with turnaround following strategic roadmap

<i>in EURm</i>	H1 18	H1 19	yoy
Revenue	9.4	9.9	+6.1%

Volume	H1 18	H1 19	
Machines	1,149	1,251	+8.9%
Oranges in kg (000's)	3,619	3,935	+8.7%
Bottles (000's)	8,471	9,321	+10.0%



Comments

- Revenue and earnings turnaround, driven by new management focus on core markets, strategic key accounts and development of innovations
- Growth in all business activities (juicers, oranges & bottles)
- Substantial improvements in DACH region and Eastern Europe, demand in France and US slowed down
- Particularly positive contribution margin development in the business with oranges

Solid financial structure to finance future growth measures

<i>in EURm</i>	12/31/2018	06/30/2019
Total Assets / Equity and Liabilities	145.0	134.6
Equity Ratio	32.7%	35.4%
Net Cash (+) / Net Debt (-)	7.6	-1.4

<i>in EURm</i>	H1 18	H1 19
Operating Cash Flow	7.3	5.8
Net Debt / EBITDA (Itm) (ratio)	< 0.0	0.1

Comments

Solid financial structure

- Equity ratio increased to 35.4%
- Net cash / Net debt lower intrayear due to higher level of working capital (seasonal lower alcohol tax liabilities, ca. 10.0 EURm).
- Operating Cash Flow year on year impacted by shifted payments in connection with income taxes. Remark: EBITDA increased.
- Good debt servicing ability – illustrated by the comfortable status of the dynamic gearing ratio



Forecast confirmed – new product launches in H2 drive confidence

<i>in EURm</i>	2018	FY 19 Forecast in FY 18 Annual Report	Forecast Update H1 19
Contribution margin after marketing budgets			
Segment			
Spirits	27.5	27.4 to 30.3	unchanged
Non-alcoholic Beverages	21.4	21.4 to 23.6	unchanged
Fresh Juice Systems	6.1	7.1 to 7.9	unchanged
Other Segments	5.0	5.3 to 5.8	unchanged

<i>in EURm</i>	2018	FY 19 Forecast in FY 18 Annual Report	Forecast Update H1 19
Consolidated Revenues	162.2	164.7 to 173.4	unchanged
Consolidated EBIT	9.8	9.0 to 10.0	unchanged
Consolidated EBITDA	17.3	17.0 to 18.8	unchanged

Comment

Spirits:

- Upside potential in H2 from new product launches (“Signature”), improved Whisky revenues and core brands Berentzen and Pusckin

Non-alcoholic Beverages:

- Continued growth of Mio Mio and further optimized product and customer mix

Fresh Juice Systems:

- Continued positive development in DACH region

Group:

- Earnings forecasts confirmed based on successful segment developments



STAGNATION

- => Stagnating, traditional, motionless business
- => Promotional push strategy with volume focus
- => First transformation steps made (Citrocasa, Mio Mio)

TRANSFORMATION

- => Focus on trading-up innovation strategy
- => Portfolio de-complexity
- => Increased growth investments

ACCELERATION

- => Consumer centric value strategy
- => Sustainable top line growth with higher profitability
- => Competitive innovation pipeline

Until 2017

Transition years
2018 and 2019

“Time to harvest”
2020/21 and beyond



Financial calendar

- 13 August 2019 Half-year results
- 23-24 September 2019 Participation Berenberg and Goldman Sachs Conference, Munich
- 24 October 2019 Q3 Interim report
- 25-26 November 2019 Participation “Deutsches Eigenkapitalforum”, Frankfurt/Main

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