

Berentzen-Gruppe Aktiengesellschaft

TOP PICK
Outperform → | Target price : 9.00 €

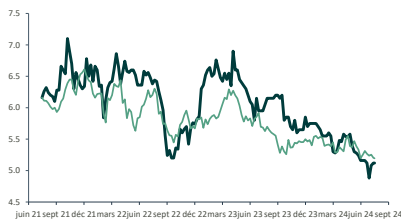
Price (13/08/2024) : 5.12 € | Upside : 76%

Revision	12/24e	12/25e
EPS	ns	0.2%

H1 2024 – “Building BERENTZEN 2028” starts to bear fruit

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

Share data				
BEZ3 GR BEZ.DE				
Market Cap (€m)				49
Enterprise value (€m)				62
Extrema 12 months (€)	4.88	-	6.35	
Free Float (%)				73.8
Performance (%)				
	1m	3m	12m	
Absolute	-0.8	-6.9	-13.9	
Perf. rel. Country Index	3.7	-3.3	-21.2	
Perf. rel. Food producer	1.5	-1.6	-5.8	
P&L				
	12/24e	12/25e	12/26e	
Sales (€m)	190	198	204	
EBITDA (€m)	18.3	19.4	20.9	
Current EBIT (€m)	9.2	10.2	11.8	
Attr. net profit (€m)	-1	4.2	5.3	
Adjusted EPS (€)	-0.10	0.45	0.57	
Dividend (€)	0.00	0.18	0.20	
P/E (x)	ns	11.3	9.0	
P/B (x)	1.1	1.0	0.9	
Dividend Yield (%)	0.0	3.5	3.9	
FCF yield (%)	8.7	9.4	11.7	
EV/Sales (x)	0.33	0.30	0.28	
EV/EBITDA (x)	3.4	3.1	2.7	
EV/Current EBIT (x)	6.8	5.8	4.8	
Gearing (%)	15	7	2	
Net Debt/EBITDA (x)	0.4	0.2	0.1	

Next Events	
14/08/2024	Q2 Results
23/10/2024	Q3 Results

Group figures in line with preliminaries

Berentzen reported final H1 2024 results and confirmed its updated FY 2024 guidance (higher EBITDA and EBIT, lower revenue), which were in line with the preliminary release on 1 August 2024. Whereas revenue of € 88.1m (ODDO BHFe € 92.1m) was stable (-1% y-o-y) vs last year's number, EBITDA and EBIT were significantly higher y-o-y and beat our forecast (+17%/+46%). The strong increase in profitability lead to EBITDA and EBIT margins of 10.7% (+250bp y-o-y) and 5.8% (+210bp y-o-y) respectively. In Q2 2024, the company achieved an EBIT margin of 8.0% (Q2 2023: 4.8%; Q1 2024: 3.2%), which is close to the medium-term target for 2028 of 8%. Margins are calculated using revenue.

For 2024, Berentzen expects EBIT in a range of € 9.0m to 11.0m (previously: € 8.0m to 10.0m; 2023: € 7.7m) and EBITDA of between € 18.0m and 20.0m (previously: € 17.2m to €19.2m; 2023: € 16.0m). Revenue is expected to range between € 185.0m and € 195.0 million (previously: € 190.0m to € 200.0m; 2023: € 185.7m), particularly in light of the discontinuation of business activities with regional products in Brandenburg.

H1 2024 Results review

€ m	H1 24	H1 23	y-o-y	ODDO BHFe	Δ
Revenue	88.1	89.0	-1.0%	92.1	-4.3%
EBITDA	9.4	7.3	28.9%	8.0	+16.8%
Margin	10.7%	8.2%	+250bp	8.7%	+200bp
EBIT	5.1	3.3	+56.4%	3.5	+46.1%
Margin	5.8%	3.7%	+210bp	3.8%	+200bp

Sources: ODDO BHF Securities, company

Mixed performance by segment

During the first six months of the year, the Spirits segment, which is Berentzen's largest segment in terms of revenue, posted revenue of € 53.3m (flat y-o-y), but missed our estimate (€ 55.4m) by 3.8%. Revenue in Other segments rose by 44.4% y-o-y to € 4.3m (ODDO BHFe € 2.4m). The Non-alcoholic beverages segment printed a revenue decline of 7.3% y-o-y to € 21.1m and was 12.6% below our forecast (€ 24.1m). Revenue in Fresh Juice System (€ 9.5m) was flat y-o-y and 7.1% below ODDO BHFe of € 10.2m.

On track to higher earnings in 2024

Post the release of preliminary results and the updated guidance, we have already lifted our profitability numbers (EBITDA, EBIT) for 2024e to 2026e. Due to the intended sale of the Grüneberg plant, which is expected to lead to one-off exceptional effects (incl. below the EBIT line) of ca. € 4.9m in 2024 and the resulting negative impact on earnings (2024e EPS of -€ 0.10), we expect the company not to pay any dividend for the 2024 financial year (vs € 0.15 previously).

In view of a market environment that continues to be characterised by consumer reticence and declining volumes, and despite price negotiations that were, according to the company, at times very difficult, particularly in Q1 2024, Berentzen succeeded in maintaining revenues at approximately the same level as last year. The company has now successfully concluded these price negotiations and expects to see a recovery in H2 2024. Outperform rating and target price of € 9 confirmed.

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BEZ.DE | BEZ3 GR

Beverages | Germany

Outperform

Upside 75.78%

Price 5.12 €

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	-0.10	0.45	0.57
Reported EPS	0.52	0.13	0.39	0.22	0.09	-0.10	0.45	0.57
Growth in adjusted EPS	-9.5%	-84.8%	ns	14.3%	ns	ns	ns	25.4%
Net dividend per share	0.28	0.13	0.22	0.22	0.09	0.00	0.18	0.20
FCF to equity per share	1.03	0.91	0.34	-0.44	-1.32	0.44	0.48	0.60
Book value per share	5.24	5.03	5.20	5.33	5.04	4.85	5.30	5.69
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	4.88		
(*) Reference price (€)	6.48	5.89	6.22	6.17	6.19	5.12	5.12	5.12
Capitalization	62.2	56.5	59.7	59.3	59.4	49.2	49.2	49.2
Restated Net debt	-12.5	-16.0	-17.5	-9.6	6.8	6.6	3.6	1.2
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	9.3	8.6	8.0	5.8	6.5	6.5	6.5	6.5
Enterprise Value	58.9	49.1	50.2	55.4	72.8	62.3	59.2	56.8
P/E (x)	13.8	82.5	20.6	17.9	ns	ns	11.3	9.0
P/CF (x)	4.8	7.8	13.1	4.4	9.3	3.8	3.4	3.2
Net Yield	4.3%	2.2%	3.5%	3.6%	1.5%	0.0%	3.5%	3.9%
FCF yield	15.9%	15.5%	5.5%	ns	ns	8.7%	9.4%	11.7%
P/B incl. GW (x)	1.24	1.17	1.20	1.16	1.23	1.06	0.97	0.90
P/B excl. GW (x)	1.24	1.17	1.20	1.16	1.23	1.06	0.97	0.90
EV/Sales (x)	0.35	0.32	0.34	0.32	0.39	0.33	0.30	0.28
EV/EBITDA (x)	3.2	3.5	3.3	3.3	4.5	3.4	3.1	2.7
EV/Current EBIT (x)	6.0	9.4	7.5	6.7	9.4	6.8	5.8	4.8
(*) 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	190	198	204
EBITDA	18.4	14.1	15.4	16.7	16.0	18.3	19.4	20.9
Depreciations	-8.5	-8.9	-8.6	-8.3	-8.3	-9.1	-9.1	-9.1
Current EBIT	9.8	5.2	6.7	8.3	7.7	9.2	10.2	11.8
Published EBIT	8.7	3.7	6.7	5.8	6.1	2.7	8.6	10.2
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	0.4	-1.8	-2.3
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	-0.9	4.2	5.3
Adjusted attributable net profit	4.4	0.7	2.8	3.2	-0.7	-0.9	4.2	5.3
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	36.8	36.8	36.8
Financial assets	2.8	4.0	4.1	4.6	6.0	3.2	2.7	2.1
Ordinary shareholders equity	49.2	47.2	48.9	50.1	47.4	45.6	49.8	53.4
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	45.6	49.8	53.4
Non-current provisions	57.0	53.0	46.2	46.4	45.8	45.8	45.8	45.8
Net debt	-12.5	-16.0	-17.5	-9.6	6.8	6.6	3.6	1.2
CASH FLOW STATEMENT (€m)	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
EBITDA	18.4	14.1	15.4	16.7	16.0	18.3	19.4	20.9
Change in WCR	4.0	6.5	7.2	-8.4	-9.3	1.0	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	-5.6	-5.4	-5.8
Operating Cash flow	16.6	13.6	11.6	4.9	-3.0	13.6	14.0	15.1
CAPEX	-6.9	-5.0	-8.4	-9.0	-9.4	-9.5	-9.5	-9.5
Free cash-flow	9.7	8.6	3.2	-4.1	-12.4	4.2	4.5	5.6
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	0.0	-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	0.2	3.1	2.4
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%	2.5%	4.0%	3.0%
Lfl sales growth	-	-	-	-	-	-	-	-
Current EBIT growth	0.1%	-46.9%	28.8%	24.2%	-7.6%	19.0%	11.7%	15.0%
Growth in adjusted EPS	-9.5%	-84.8%	ns	14.3%	ns	ns	ns	25.4%
Net margin	2.6%	0.4%	1.9%	1.9%	-0.4%	-0.5%	2.1%	2.6%
EBITDA margin	11.0%	9.1%	10.5%	9.6%	8.6%	9.6%	9.8%	10.3%
Current EBIT margin	5.9%	3.4%	4.6%	4.8%	4.2%	4.8%	5.2%	5.8%
CAPEX / Sales	-4.3%	-3.3%	-5.8%	-5.2%	-5.1%	-5.0%	-4.8%	-4.7%
WCR / Sales	20.2%	17.7%	13.8%	16.4%	20.4%	19.4%	18.6%	18.1%
Tax Rate	27.5%	27.4%	30.9%	31.1%	33.5%	-7.7%	23.7%	24.8%
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
ROCE post-tax (normative tax rate)	7.4%	4.3%	6.1%	7.5%	6.1%	6.8%	7.5%	8.5%
ROCE post-tax hors GW (normative tax rate)	7.9%	4.6%	6.6%	8.1%	6.6%	7.3%	8.0%	9.0%
ROE	9.2%	1.4%	5.9%	6.6%	-1.4%	-2.0%	8.9%	10.3%
DEBT RATIOS	12/19	12/20	12/21	12/22	12/23	12/24e	12/25e	12/26e
Gearing	-25%	-34%	-36%	-19%	14%	15%	7%	2%
Net Debt / Market Cap	-0.20	-0.28	-0.29	-0.16	0.11	0.14	0.07	0.02
Net debt / EBITDA	-0.68	-1.13	-1.14	-0.58	0.43	0.36	0.18	0.06
EBITDA / net financial charges	11.9	9.6	10.9	10.0	4.0	4.6	7.5	8.1

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.

- **Sensitivity of the result of the analysis/ risk classification:**

The opinions expressed in the financial analysis are opinions as per a particular date, i.e. the date indicated in the financial analysis. The recommendation (cf. explanation of the recommendation systematic) can change owing to unforeseeable events which may, for instance, have repercussions on both the company and on the whole industry.

- **Our stock market recommendations**

Our stock market recommendations reflect the RELATIVE performance expected for each stock on a 12-month timeframe.

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

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

Underperform: performance expected to fall short of that of the benchmark index, sectoral (large caps) or other (small and mid caps).

- **The prices of the financial instruments used and mentioned in this document are the closing prices.**

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Recommendation and target price changes history over the last 12 months for the company analysed in this report

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

In accordance with Article 20 of European Regulation No. 596/2014 (Market Abuse Regulation), a list of all recommendations on any financial instrument or issuer that have been disseminated over the past twelve months is available by clicking on the following link www.securities.oddo-bhf.com/#disclaimer.

Recommendation split

		Outperform	Neutral	Underperform
Our whole coverage	(704)	51%	40%	9%
Liquidity providers coverage	(77)	45%	45%	9%
Research service coverage	(51)	59%	27%	14%
Investment banking services	(41)	56%	41%	2%

Risk of conflict of interest :

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1-Has Oddo Group, or Oddo & Cie, or Oddo Seydler managed or co-managed in the past 12 months a public offering of securities for the subject company/ies ?	Non
2-Has Oddo Group, or Oddo & Cie, or Oddo Seydler received compensation for investment banking services from the subject company/ies in the past 12 months or expects to receive or intends to seek compensation for investment banking services from the subject company/ies in the last 12 months ?	Non

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One or more affiliates of ODDO BHF SCA, other than ABN AMRO – ODDO BHF B.V., from time to time may own 1% or more of a class of common equity securities of the subject company/ies.	
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6-Does the subject company beneficially own % or more of any class of common equity of oddo & Cie or its affiliates?	Non

Disclosure to Company

7-Has a copy of this report ; with the target price and/or rating removed, been presented to the subject company/ies prior to its distribution, for the sole purpose of verifying the accuracy of factual statements ?	No
8- Have the conclusions of this report been amended following disclosure to the company/ies and prior its distribution?	No

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