

Berentzen-Gruppe AG

WKN: 520160 | ISIN: DE0005201602 | Bloomberg: BEZ GR

Moderate Covid effects in Q1 - full impact for Q2 expected

Operational performance meets expectations: Today, Berentzen published its Q1/20 report that showed first effects of the coronavirus pandemic. However, key performance indicators developed as communicated by the management and published in our previous report (26.03.2020). In Q1/20 the company generated revenues of EUR 36.2m (Q1/19: EUR 36.9m; -1.9% yoy) and thus reached the upper targeted revenue range between EUR 35.4m and 36.2m. The adjusted EBITDA was EUR 3.2m (Q1/19: EUR 3.7m) and also the adjusted EBIT in the amount of EUR 1.1m (Q1/19: EUR 1.7m) fell into the communicated corridor.

Adjustments for exceptional earnings effects: Due to the current economic situation and associated potential adverse effects on business operations an impairment test (IAS 36) has been conducted for all segments. Despite the fact that only the Non-Alcoholic Beverages segment showed rising revenues (Q1/20: EUR 11.35m; +1.9%) an impairment test of assets attributed to this segment led to an impairment of EUR 1.4m. Whereas proprietary brands like Mio Mio or mineral water brands contributed a positive and growing impact on segmental revenues, especially the franchise business due to its comparatively high dependency on the catering sector (on-trade business) performed weakly.

Substantiated guidance 2020 still not possible: The management still has not conveyed a guidance for 2020. We expect Q2/20 to show significant negative operational effects due to the coronavirus. Therefore, we have made precautionary adjustments to our 2020e estimates. We now expect revenues to decline by -1.5% to EUR 164.9m (before: EUR 175.4m). The new adjusted 2020e-EBIT estimate shrinks to EUR 8.7m (before: EUR 9.8m).

We confirm our BUY recommendation with an unchanged price target of EUR 10.00 per share.

| FY End: 31.12.; in EURm | CAGR (17-22e) | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
|-------------------------|---------------|-------|-------|-------|-------|-------|-------|
| Revenue | 2.2% | 160.4 | 162.2 | 167.4 | 164.9 | 172.8 | 178.9 |
| Adj. EBITDA | 2.2% | 16.4 | 17.3 | 18.4 | 16.9 | 17.8 | 18.3 |
| margin | | 10.2% | 10.7% | 11.0% | 10.2% | 10.3% | 10.2% |
| Adj. EBIT | 0.3% | 9.1 | 9.8 | 9.8 | 8.7 | 9.1 | 9.2 |
| margin | | 5.7% | 6.0% | 5.9% | 5.3% | 5.3% | 5.2% |
| Net result | 17.1% | 2.4 | 5.2 | 4.9 | 4.0 | 5.2 | 5.3 |
| EPS | 17.1% | 0.26 | 0.55 | 0.52 | 0.42 | 0.56 | 0.57 |
| Dividend per share | | 0.22 | 0.28 | 0.28 | 0.21 | 0.28 | 0.28 |
| EV/Sales | | 0.48 | 0.37 | 0.36 | 0.33 | 0.30 | 0.28 |
| EV/EBITDA | | 4.59 | 3.49 | 3.32 | 3.24 | 2.89 | 2.69 |
| P/E | | 20.64 | 9.71 | 10.19 | 12.61 | 9.56 | 9.39 |
| Net debt/EBITDA | | -0.01 | 0.11 | -0.18 | 0.20 | 0.01 | -0.11 |

Source: Berentzen, FMR

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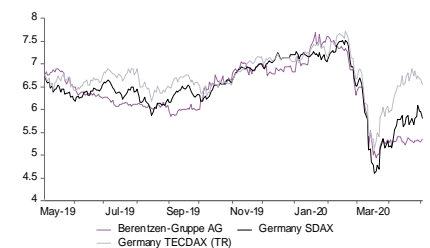
BUY

Before: BUY

Price target EUR 10.00 (10.00)
Share price EUR 5.34 (+87%)

*last XETRA closing price

| Change | 2020e | 2021e | 2022e |
|-----------|-------|-------|-------|
| Revenue | -10.5 | -8.7 | -8.5 |
| Adj. EBIT | -1.1 | -0.9 | -0.9 |
| EPS | -0.20 | -0.07 | -0.06 |



Source: Factset

Basic share data

| | |
|------------------------------|--------|
| Number of shares (million) | 9.39 |
| Free float and others (in %) | 76.50% |
| Market cap (EURm) | 50.2 |
| Trading volume (Ø) | 7,073 |
| High (EUR, 52 weeks) | 7.8 |
| Low (EUR, 52 weeks) | 4.8 |

Shareholder structure

| | |
|-----------------------|--------|
| Monolith (NL) | 9.90% |
| MainFirst (LU) | 8.50% |
| Lazard Gestion (FR) | 5.10% |
| Treasury shares | 2.10% |
| Free float and others | 74.40% |

Corporate calendar

| | |
|--------------------------|------------|
| Half-Year Report H1/2020 | 11.08.2020 |
| Interim Report Q3/2020 | 22.10.2020 |

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Appendix

Historical development of Q1 business and expected 2020e contribution

| | Q1/16 | Contribution 2016 | Q1/17 | Contribution 2017 | Q1/18 | Contribution 2018 | Q1/19 | Contribution 2019 | Q1/20 | Exp. Contribution 2020e |
|--------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------------|
| Revenues | 39,3 | 23,1% | 38,9 | 24,3% | 36,5 | 22,5% | 36,9 | 22,1% | 36,2 | 22,0% |
| YoY in % | 8,0% | 0,0% | -0,9% | 0,0% | -6,2% | 0,0% | 1,0% | | -1,9% | 0,0% |
| Adj. EBITDA | 2,9 | 16,6% | 3,2 | 19,3% | 3,5 | 20,1% | 3,7 | 20,1% | 3,2 | 18,9% |
| as % of revenues | 7,4% | 0,0% | 8,3% | 0,0% | 9,5% | 0,0% | 10,0% | | 8,8% | 0,0% |
| Adj. EBIT | 1,3 | 12,2% | 1,6 | 16,9% | 1,7 | 17,5% | 1,7 | 17,7% | 1,1 | 12,5% |
| as % of revenues | 3,3% | 0,0% | 4,0% | 0,0% | 4,7% | 0,0% | 4,7% | | 3,0% | 0,0% |

Source: Berentzen-Gruppe AG; FMR

Discounted Cash Flow Modell

| in EURm | PHASE 1 | | | PHASE 2 | | | | | | | PHASE 3 |
|---|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| | 2020E | 2021E | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | ∞ |
| Sales | 164.9 | 172.8 | 178.9 | 185.1 | 191.1 | 196.9 | 202.8 | 207.8 | 212.0 | 216.2 | |
| Sales growth YoY in % | -1.5% | 4.8% | 3.5% | 3.5% | 3.3% | 3.0% | 3.0% | 2.5% | 2.0% | 2.0% | |
| EBIT | 7.3 | 9.1 | 9.2 | 10.2 | 10.7 | 11.2 | 11.8 | 12.3 | 12.7 | 13.2 | |
| EBIT margin in % | 4.4% | 5.3% | 5.2% | 5.5% | 5.6% | 5.7% | 5.8% | 5.9% | 6.0% | 6.1% | |
| Income tax on EBIT | -2.2 | -2.7 | -2.8 | -3.1 | -3.2 | -3.4 | -3.5 | -3.7 | -3.8 | -4.0 | |
| Depreciation and amortisation | 8.2 | 8.7 | 9.1 | 9.3 | 8.9 | 8.7 | 9.0 | 9.2 | 9.4 | 9.9 | |
| Change in net working capital | 0.4 | -2.7 | -2.0 | -2.2 | -2.0 | -1.9 | -1.8 | -1.7 | -1.6 | -1.5 | |
| Net capital expenditure | -7.9 | -8.3 | -8.6 | -9.0 | -8.9 | -9.1 | -9.3 | -9.6 | -9.8 | -9.9 | |
| Free cash flow | 5.8 | 4.2 | 5.0 | 5.2 | 5.5 | 5.6 | 6.2 | 6.6 | 7.0 | 7.8 | |
| Present values | 5.8 | 3.8 | 4.2 | 4.0 | 3.9 | 3.6 | 3.6 | 3.5 | 3.4 | 3.5 | 50.4 |
| Present value Phase 1 | 13.8 | 27% | | | | | | | | | |
| Present value Phase 2 | 25.4 | 28% | | | | | | | | | |
| Present value Phase 3 | 50.4 | 56% | | | | | | | | | |
| Total present value | 89.6 | 100% | | | | | | | | | |
| - Net cash | 3.2 | | | | | | | | | | |
| - Minority interest (est. market value) | 0.0 | | | | | | | | | | |
| Fair value of equity | 92.9 | | | | | | | | | | |
| Number of shares (m) | 9.4 | | | | | | | | | | |
| Fair value per share (EUR) | 9.89 | | | | | | | | | | |

| | | | |
|-----------------------|------|------------------------|--------------|
| Risk free rate | 2.0% | Target equity ratio | 80.0% |
| Equity risk premium | 6.0% | Tax shield | 30.0% |
| Debt risk premium | 3.0% | Beta (fundamental) | 1.40 |
| CAGR Sales Phase 2 | 2.6% | WACC | 9.00% |
| Ø EBIT-margin Phase 2 | 5.8% | Terminal growth | 2.0% |

| | Sensitivity analysis | | | | | |
|--------------------|----------------------|---------------------------|-------|-------------|-------|-------|
| | | Terminal growth (Phase 3) | | | | |
| | | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% |
| EBIT margin | 3.8% | 5.87 | 6.05 | 6.26 | 6.51 | 6.79 |
| | 4.8% | 7.39 | 7.64 | 7.93 | 8.26 | 8.64 |
| | 5.8% | 8.91 | 9.23 | 9.89 | 10.00 | 10.49 |
| | 6.8% | 10.44 | 10.82 | 11.25 | 11.75 | 12.34 |
| | 7.8% | 11.96 | 12.41 | 12.92 | 13.50 | 14.19 |

Source: FMR

Berentzen Group AG - Income Statement

| in EURm | IFRS | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
|--|------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenues | | 160.4 | 162.2 | 167.4 | 164.9 | 172.8 | 178.9 |
| YoY growth | | -5.7% | 1.1% | 3.2% | -1.5% | 4.8% | 3.5% |
| Increase or decrease in inventory of finished goods and work in progress | | 2.1 | 1.4 | 0.0 | 0.8 | 0.9 | 0.9 |
| as % of revenues | | 1.3% | 0.9% | 0.0% | 0.5% | 0.5% | 0.5% |
| Total operating income | | 162.4 | 163.6 | 167.4 | 165.7 | 173.7 | 179.7 |
| YoY growth | | -5.6% | 0.7% | 1.9% | -1.9% | 5.7% | 3.4% |
| Cost of materials | | -93.1 | -91.9 | -92.7 | -92.2 | -95.7 | -98.9 |
| as % of revenues | | -58.0% | -56.7% | -55.4% | -55.9% | -55.4% | -55.3% |
| Gross profit | | 69.3 | 71.7 | 74.7 | 73.5 | 78.0 | 80.8 |
| as % of revenues | | 43.2% | 44.2% | 44.6% | 44.6% | 45.1% | 45.2% |
| Other operating income | | 4.7 | 4.7 | 4.1 | 2.5 | 4.1 | 4.1 |
| as % of revenues | | 2.9% | 2.9% | 2.5% | 1.5% | 2.4% | 2.3% |
| Personnel expenses | | -24.0 | -24.6 | -25.6 | -24.7 | -26.2 | -27.2 |
| as % of revenues | | -15.0% | -15.2% | -15.3% | -15.0% | -15.2% | -15.2% |
| Other operating expenses | | -33.6 | -35.3 | -35.9 | -35.8 | -38.0 | -39.4 |
| as % of revenues | | -21.0% | -21.8% | -21.5% | -21.7% | -22.0% | -22.0% |
| Exceptional effects | | 0.4 | 0.8 | 1.1 | 1.4 | 0.0 | 0.0 |
| Adj. EBITDA | | 16.4 | 17.3 | 18.4 | 16.9 | 17.8 | 18.3 |
| as % of revenues | | 10.2% | 10.7% | 11.0% | 10.2% | 10.3% | 10.2% |
| Depreciation of property, plant and equipment, and amortisation of intangible assets | | -7.3 | -7.5 | -8.5 | -8.2 | -8.7 | -9.1 |
| as % of revenues | | -4.6% | -4.6% | -5.1% | -5.0% | -5.1% | -5.1% |
| Adj. EBIT | | 9.1 | 9.8 | 9.8 | 8.7 | 9.1 | 9.2 |
| as % of revenues | | 5.7% | 6.0% | 5.9% | 5.3% | 5.3% | 5.2% |
| Exceptional effects | | -0.4 | -0.8 | -1.1 | -1.4 | 0.0 | 0.0 |
| Financial result | | -3.6 | -1.6 | -1.5 | -1.6 | -1.6 | -1.6 |
| EBT (Earnings before income taxes) | | 5.1 | 7.4 | 7.2 | 5.7 | 7.5 | 7.6 |
| as % of revenues | | 3.2% | 4.6% | 4.3% | 3.4% | 4.3% | 4.3% |
| Income taxes | | -2.7 | -2.3 | -2.3 | -1.7 | -2.2 | -2.3 |
| as % of EBT | | 52.4% | 30.5% | -31.6% | -30.0% | -30.0% | -30.0% |
| Net income | | 2.4 | 5.2 | 4.9 | 4.0 | 5.2 | 5.3 |
| as % of revenues | | 1.5% | 3.2% | 2.9% | 2.4% | 3.0% | 3.0% |
| Other comprehensive income | | -0.9 | -0.3 | -0.5 | 0.0 | 0.0 | 0.0 |
| Consolidated comprehensive income | | 1.6 | 4.9 | 4.4 | 4.0 | 5.2 | 5.3 |
| as % of revenues | | 1.0% | 3.0% | 2.6% | 2.4% | 3.0% | 3.0% |
| Shares outstanding (in m) | | 9.4 | 9.4 | 9.4 | 9.4 | 9.4 | 9.4 |
| Basic earnings per share (EUR) | | 0.26 | 0.55 | 0.52 | 0.42 | 0.56 | 0.57 |
| Dividends per share (EUR) | | 0.22 | 0.28 | 0.28 | 0.21 | 0.28 | 0.28 |
| Payout ratio in % | | 85% | 51% | 53% | 50% | 50% | 50% |

Source: Berentzen-Gruppe AG; FMR

Berentzen-Gruppe AG - Balance Sheet

| in EURm | IFRS | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
|--|------|--------------|--------------|--------------|--------------|--------------|--------------|
| Assets | | | | | | | |
| Non-current assets | | 60.3 | 59.4 | 59.7 | 59.4 | 58.9 | 58.4 |
| as % of total assets | | 42.1% | 41.0% | 39.4% | 41.2% | 39.5% | 38.4% |
| Intangible assets | | 12.7 | 12.1 | 11.6 | 11.4 | 11.1 | 10.8 |
| Property, plant and equipment | | 46.2 | 45.8 | 45.4 | 45.3 | 45.1 | 44.9 |
| Investment property | | 0.8 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Right-of-use assets | | 0.0 | 0.0 | 1.3 | 1.3 | 1.3 | 1.3 |
| Other financial assets | | 0.7 | 0.8 | 0.7 | 0.7 | 0.7 | 0.7 |
| Current assets | | 83.1 | 85.5 | 91.9 | 84.9 | 90.1 | 93.7 |
| as % of total assets | | 57.9% | 59.0% | 60.6% | 58.8% | 60.5% | 61.6% |
| Inventories | | 37.0 | 39.9 | 40.6 | 39.2 | 40.1 | 41.5 |
| Trade receivables | | 13.8 | 16.4 | 14.8 | 15.8 | 17.5 | 18.1 |
| Income tax assets | | 0.6 | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 |
| Cash and cash equivalents | | 19.4 | 15.8 | 22.7 | 16.1 | 18.6 | 20.3 |
| Other current financial and non-financial assets | | 12.3 | 13.1 | 13.8 | 13.8 | 13.8 | 13.8 |
| Total assets | | 143.4 | 145.0 | 151.6 | 144.3 | 149.0 | 152.1 |
| Shareholders' equity and liabilities | | | | | | | |
| Shareholders' equity | | 44.6 | 47.4 | 49.2 | 50.5 | 53.8 | 56.5 |
| as % of total equity and liabilities | | 31.1% | 32.7% | 32.4% | 35.0% | 36.1% | 37.2% |
| Subscribed capital | | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 |
| Additional paid-in capital | | 6.8 | 6.8 | 6.8 | 6.8 | 6.8 | 6.8 |
| Retained earning | | 13.3 | 16.2 | 18.0 | 19.3 | 22.6 | 25.3 |
| Non-current provisions and liabilities | | 20.0 | 19.0 | 19.5 | 18.9 | 18.3 | 17.7 |
| as % of total equity and liabilities | | 13.9% | 13.1% | 12.9% | 13.1% | 12.3% | 11.6% |
| Non-current provisions | | 11.0 | 9.9 | 9.9 | 9.3 | 8.7 | 8.1 |
| Non-current financial liabilities | | 7.1 | 7.1 | 7.9 | 7.9 | 7.9 | 7.9 |
| Deferred income tax liabilities | | 1.9 | 2.0 | 1.8 | 1.8 | 1.8 | 1.8 |
| Current liabilities and provisions | | 78.9 | 78.5 | 82.9 | 74.8 | 76.9 | 77.9 |
| as % of total equity and liabilities | | 55.0% | 54.2% | 54.7% | 51.9% | 51.6% | 51.2% |
| Alcohol tax liabilities | | 43.3 | 42.3 | 43.6 | 40.2 | 41.7 | 42.1 |
| Current provisions | | 0.1 | 0.7 | 0.3 | 0.3 | 0.3 | 0.3 |
| Income tax liabilities | | 2.1 | 2.8 | 1.5 | 1.5 | 1.5 | 1.5 |
| Current financial liabilities | | 1.7 | 1.1 | 2.3 | 2.3 | 2.3 | 2.3 |
| Trade payables and other liabilities | | 31.7 | 31.6 | 35.3 | 30.6 | 31.2 | 31.7 |
| Total equity and liabilities | | 143.4 | 145.0 | 151.6 | 144.3 | 149.0 | 152.1 |

Source: Berentzen-Gruppe AG; FMR

Berentzen-Gruppe AG - Cash Flow Statement

| in EURm | IFRS | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
|--|------|--------------|-------------|-------------|-------------|-------------|-------------|
| Consolidated profit | | 2.6 | 5.2 | 4.9 | 4.0 | 5.2 | 5.3 |
| Income tax expenses | | 2.7 | 2.3 | 2.3 | 1.7 | 2.2 | 2.3 |
| Interest income | | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 |
| Interest expenses | | 3.6 | 1.6 | 1.6 | 1.7 | 1.7 | 1.7 |
| Amortisation and depreciation of assets | | 7.2 | 7.5 | 8.5 | 8.2 | 8.7 | 9.1 |
| Impairments / write-ups of assets | | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other non-cash effects | | -0.9 | -0.5 | -0.9 | 0.0 | 0.0 | 0.0 |
| Increase/decrease in provisions | | -0.7 | -0.4 | -0.6 | -0.6 | -0.6 | -0.6 |
| Gains/losses on disposals of property, plant and equipment | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase/decrease in receivables assigned under factoring agreements | | 3.0 | -1.0 | 8.6 | -1.0 | -1.7 | -0.6 |
| Decrease/increase in other assets | | -5.0 | -5.5 | -8.1 | 1.4 | -1.0 | -1.3 |
| Increase/decrease in alcohol tax liabilities | | -1.1 | -1.0 | 1.3 | -3.4 | 1.5 | 0.5 |
| Increase/decrease in other liabilities | | -2.3 | 0.0 | 3.7 | -4.7 | 0.6 | 0.5 |
| Cash and cash equivalents generated from operating activities | | 9.4 | 8.1 | 21.4 | 7.1 | 16.7 | 16.7 |
| Income taxes paid | | -1.9 | -1.2 | -3.4 | -1.7 | -2.2 | -2.3 |
| Interest received | | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Interest paid | | -3.5 | -1.4 | -1.4 | -1.7 | -1.7 | -1.7 |
| Cash flow from operating activities | | 4.1 | 5.6 | 16.6 | 3.8 | 12.8 | 12.8 |
| Proceeds from disposals of intangible assets | | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| Payments for investments in intangible assets | | -0.6 | -0.8 | -1.0 | -1.1 | -1.3 | -1.3 |
| Proceeds from disposals of property, plant and equipment | | 0.3 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 |
| Payments for investments in property, plant and equipment | | -7.6 | -6.0 | -6.2 | -6.8 | -7.0 | -7.3 |
| Proceeds from disposals of financial assets | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Proceeds from government grants | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payments for additions to the consolidated group | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from investing activities | | -7.8 | -6.5 | -6.9 | -7.9 | -8.3 | -8.6 |
| Cash inflows from the utilization of loan agreements | | 7.5 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 |
| Repayment of Bonds | | -0.2 | 0.0 | -0.1 | 0.0 | 0.0 | 0.0 |
| Payments related to the issuance of bonds | | -50.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividend payments | | -2.3 | -2.1 | -2.6 | -2.6 | -2.0 | -2.6 |
| Payments for the purchase of treasury shares | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from financing activities | | -45.0 | -2.1 | -2.4 | -2.6 | -2.0 | -2.6 |
| Total change in cash and cash equivalents | | -48.7 | -3.0 | 7.3 | -6.6 | 2.6 | 1.6 |
| Cash and cash equivalents at the start of the period | | 67.1 | 18.4 | 15.5 | 22.0 | 15.4 | 18.0 |
| Cash and cash equivalents at year's end | | 18.4 | 15.5 | 22.7 | 15.4 | 18.0 | 19.6 |
| Overdraft facilities with banks | | 1.0 | 0.3 | 0.7 | 0.7 | 0.7 | 0.7 |
| Cash and cash equivalents | | 19.4 | 15.8 | 23.4 | 16.1 | 18.6 | 20.3 |

Source: Berentzen-Gruppe AG; FMR

Declaration of liability (disclaimer) and mandatory details pursuant to Section 85 Securities Trading Act (WpHG), EU Market Abuse Regulation (EU Regulation No. 596/2014), Delegated Regulation 2016/958 and Delegated Regulation 2017/565 including details of possible conflicts of interest (disclosures), the author and the responsible supervisory authority

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2. Mandatory details

- a) First publication: 06.05.2020,
- b) Time conditions of expected updates: quarterly
- c) Supervisory authority: Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Lurgiallee 12, 60439 Frankfurt am Main
- d) Previous analyses: No analysis was published in the 12 months before publication of this analysis that contains a recommendation for a specific investment decision which contradicts this analysis.
- e) The analysis was made available to the issuer, to the extent that is legally permissible, before publication and was not amended thereafter.
- f) All prices and price developments listed in the analysis are based on closing prices insofar as no contradictory details were provided about prices and price developments.

3. Disclosures

- a) Neither FMR Frankfurt Main Research AG nor an affiliated company, nor any person who contributed to the compilation
 - (i.) has an involvement in the share capital of the issuer of at least 5 per cent;
 - (ii.) was involved in the management of a syndicate within the past five months that issued financial instruments of the issuer in the context of a public tender;
 - (iii.) managed financial instruments of the issuer on a market by means of concluding purchase or sale agreements;
 - (iv.) has, within the past twelve months, concluded an agreement regarding services in connection with investment banking business or received a service or performance promise from such agreement, with issuers which either themselves or the financial instruments thereof, are the subject of the financial analysis;

(v.) is in possession of a net sales or purchase position which exceeds the threshold of 0.5% of the total issued share capital of the issuer;

(vi.) has concluded an agreement regarding the preparation of investment recommendations with the issuer.

(vii.) has other significant interests with regard to the company being analysed, for example clients with the company being analysed.

Company Disclosure(s)

Berentzen-Gruppe AG

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b) FMR Frankfurt Main Research AG has concluded a cooperation agreement with Oddo Seydler Bank AG, on the basis of which this financial analysis is compiled. Oddo Seydler Bank AG is acting as the agent of the issuer, which is either the subject of the financial analysis itself or its financial instruments are the subject of the financial analysis.

Neither Oddo Seydler Bank AG nor an affiliated company, nor any person who contributed to the compilation

(i.) has an involvement in the share capital of the issuer of at least 5 per cent;

(ii.) was involved in the management of a syndicate within the past five months that issued financial instruments of the issuer in the context of a public tender;

(iii.) managed financial instruments of the issuer on a market by means of concluding purchase or sale agreements:

(iv.) has, within the past twelve months, concluded an agreement regarding services in connection with investment banking business or received a service or performance promise from such agreement, with issuers which either themselves or the financial instruments thereof, are the subject of the financial analysis;

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(vi.) has concluded an agreement regarding the preparation of investment recommendations with the issuer.

(vii.) has other significant interests with regard to the company being analysed, for example clients with the company being analysed.

Company Disclosure(s)

Berentzen Group AG

iii, vi

Recommendation history over last 12 months:

| Date | Recommendation | Share price at publication date | Price target |
|------------|----------------|---------------------------------|--------------|
| 22.08.2019 | BUY | 6.08 EUR | 10.00 EUR |
| 25.10.2019 | BUY | 6.56 EUR | 10.00 EUR |
| 04.02.2020 | BUY | 7.60 EUR | 10.00 EUR |
| 26.03.2020 | BUY | 5.32 EUR | 10.00 EUR |
| 06.05.2020 | BUY | 5.34 EUR | 10.00 EUR |

4. Creation and distribution

a) Responsibility for creation and distribution

FMR Frankfurt Main Research AG

Registered office: Frankfurt am Main; Commercial Register No. HRB 113537, Frankfurt am Main district court; Chairman: Marcus Silbe

b) Issuer

Enid Omerovic, Senior Analyst

c) This study may only be used for the internal purposes of the addressee within the EEA or Switzerland.

5. Investment recommendation details

Investment recommendation details - stocks:

BUY: In our opinion, the stock will demonstrate an absolute price gain of at least 10 % in a 12-month period.

HOLD: In our opinion, the stock will not exceed or fall below an absolute price gain or loss of 10% in a 12-month period.

Sell: In our opinion, the stock will demonstrate an absolute price loss of at least 10 % in a 12-month period.

6. Sensitivity of the evaluation parameters

The figures from profit and loss calculations, cash flow statements and balance sheets which form the basis of the company evaluation are date-related estimates and therefore subject to risks. These may change at any time without prior notice. Regardless of the evaluation methods used, there are significant risks that the price goal/trend will not be achieved within the expected time frame. The risks include unforeseeable changes with regard to competition pressure, demand for the products of an issuer and the offer situation with respect to materials required for production as well as non-occurrence of the assumed development. Such deviations may be the result of changes relating to technology and changes relating to the economy, legal situation and exchange rates. No claim is made that this statement of evaluation methods and risk factors is complete.

7. Key sources of information

We have acquired the information upon which this document is based from sources that we consider in principle to be reliable. However, we have not verified all this information. Therefore, we cannot guarantee or ensure the accuracy, completeness or correctness of the information or opinions contained in this document. National and international media and information services (e.g. Factset, Bloomberg etc.), the financial press (e.g. BörsenZeitung, FAZ, Handelsblatt, Wallstreet Journal, etc.), specialist press, published statistics, the internet, as well as publications, details and information of the issuer that is the subject of the analysis.

8. Summary of the basis for evaluation

Individual issuers: Current and recognised evaluation methods (e.g. DCF method and Peer Group Analysis) are used for company analysis purposes. The DCF method calculates the value of the issuer based on the sum of the discounted cash flows, i.e. the cash value of the future cash flows of the issuer. The value is therefore determined on the basis of expected future cash flows and the applied discount rate. In Peer Group Analysis, issuers listed on the stock exchange are evaluated by comparing ratios (e.g. price/profit ratio, Enterprise Value/turnover, Enterprise Value/EBITDA, Enterprise Value/EBIT). The comparability of the ratios is primarily determined with reference to the business activity and economic prospects.

9. Internal organisational and regulatory measures for the prevention or management of conflicts of interest

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The analysts of FMR Frankfurt Main Research AG do not receive any direct or indirect remuneration from the investment banking business of FMR Frankfurt Main Research AG.

On acceptance of the financial analysis, the recipient accepts that the above restrictions are binding.