

"Consumer Goods"

# Berentzen-Gruppe AG

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

## H1/21: Rising profits amid declining sales revenues

**Pandemic effects still prevalent:** In the first six months of 2021, the Berentzen Group's revenues dropped by -7.9% yoy to EUR 67.7m (H1/20: EUR 73.5m // Q2/21: EUR 36.3m; -2.7% yoy; +15.6% qoq) mainly due to declining business in the Non-alcoholic Beverages segment (H1/21: EUR 18.7m; -17.7% yoy). Here, declining revenues from contract filling (H1/21: EUR 3.3m; -55.3% yoy) and the franchise business (H1/21: EUR 0.81m; -45.4%) outpaced the increase in revenues from branded non-alcoholic beverages (H1/21: EUR 16.4m; +6.8% / Mio Mio: EUR 7.0m, +14.0%). The decline in the bottling business is attributable to the termination of a long-standing agreement for the bottling of Pepsi products announced at the end of Q1/21. It should also be noted that in H1/21 the duration of the pandemic-related restrictions had a longer impact than in H1/20.

**Cost efficiency and profitability:** Declining sales and a disproportionate decrease in purchased goods and services (-13.1% yoy) led to a -3.9% decrease in gross profit to EUR 31.8m (H1/20: EUR 33.1m). Partly due to successfully implemented cost saving measures, operating expenses (H1/21: EUR 31.3m; -3.9% yoy) were reduced and EBIT increased by 28.3% to EUR 2.64m (H1/20: EUR 2.06m). By comparison, in 2020 the company generated EBIT of EUR 1.1m (margin: 3.0%) in Q1 (Q1/21: EUR 0.5m; margin: 1.6%) and EUR 1.0m (margin: 2.7%) in Q2 (Q2/21: EUR 2.0m; margin: 5.5%). According to the management, the strong increase in the EBIT margin was caused by the reduction of low margin revenues associated with the contract bottling business.

**Guidance and FMR estimates:** Despite the uncertainties related to the pandemic, management very confidently confirmed its guidance for 2021, with sales expected in a range of EUR 152 to 158m (FMRe: EUR 156m). EBIT and EBITDA are expected to be between EUR 4 and 6m (FMRe: EUR 5.3m) and EUR 13 to 15m (FMRe: EUR 14.2m), respectively.

**We confirm our BUY recommendation and leave the price target unchanged at EUR 8.00. The peer group valuation shows a fair value of EUR 7.89 per share whereas our DCF model indicates a fair value of EUR 9.94 per share.**

FY End: 31.12.; in EURm	CAGR (18-23e)	2018	2019	2020	2021e	2022e	2023e
Revenue	1.0%	162.2	167.4	154.6	156.0	166.0	170.6
Adj. EBITDA	0.3%	17.3	18.4	14.1	14.2	17.4	17.6
Adj. EBITDA Margin		10.7%	11.0%	9.1%	9.1%	10.5%	10.3%
Adj. EBIT	-3.5%	9.8	9.8	5.2	5.3	8.1	8.2
Adj. EBIT Margin		6.0%	5.9%	3.4%	3.4%	4.9%	4.8%
Net result	-2.2%	5.2	4.9	1.2	2.6	4.6	4.6
EPS	-2.2%	0.55	0.52	0.13	0.28	0.49	0.49
Dividend per share		0.28	0.28	0.13	0.14	0.24	0.25
EV/Sales		0.38	0.38	0.27	0.39	0.40	0.35
EV/EBITDA		4.59	3.49	3.32	2.88	4.30	3.56
P/E		11.74	12.28	49.06	23.18	13.20	13.10
Net debt/EBITDA		-0.01	0.11	-0.18	-0.48	0.04	0.08

Source: Berentzen, FMR

Published: 12.08.2021

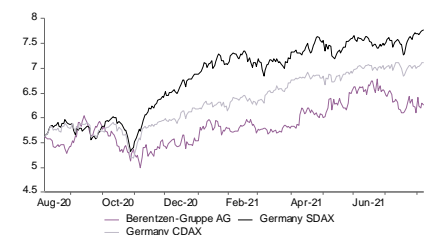
**BUY**

Before: BUY

**Price target** EUR 8.00 (8.00)  
**Share price** EUR 6.44 (+24%)

\*last XETRA closing price

Change	2021e	2022e	2023e
Revenue	-	-	-
Adj. EBIT	-	-	-
EPS	-	-	-



Source: Factset

### Basic share data

Number of shares (million)	9.39
Free float and others (in %)	79.40%
Market cap (EURm)	60.5
Trading volume (Ø)	1,385
High (EUR, 52 weeks)	6.8
Low (EUR, 52 weeks)	5.0

### Shareholder structure

Monolith (NL)	4.90%
MainFirst (LU)	8.50%
Lazard Frères Gestion (FR)	5.10%
Treasury shares	2.10%
Free float and others	79.40%

### Corporate calendar

Interim Report Q3/2021	21.10.2021
------------------------	------------

### Analyst

Enid Omerovic  
Equity Research Analyst

enid.omerovic@fmr-research.de  
+49 (0) 69 – 247 4272 73

### Contact us

FMR Frankfurt Main Research AG  
Kleiner Hirschgraben 10-12  
60311 Frankfurt am Main  
Germany

+49 (0) 69 – 247 4272 70  
www.fmr-research.de

## Market review

The German beverage industry has proven to be quite robust during the global pandemic, suggesting that alcoholic and non-alcoholic beverages are characterized by low elasticity of demand (in relation to income). However, this is only true for beverages distributed through off-trade markets (retail outlets such as supermarkets and hypermarkets, kiosks, wine and liquor stores).

In the on-trade market (bars, restaurants, coffee shops, clubs, hotels, etc.), the curfews imposed by the government led to a decline in supply and demand, which hurt both beverage producers and distributors (see appendix on the next page).

According to the Federal Statistical Office, business activity in the German beverage industry recovered strongly in the first half of 2021, compensating for the decline caused by the second nationwide plant shutdown.

Total sales of both soft drink and mineral water producers and spirits producers returned to levels consistent with pre-crisis business activity. The data also show that the recovery of the on-trade market lagged significantly, which weighed on the beverage producers and distributors that rely on this sales channel.

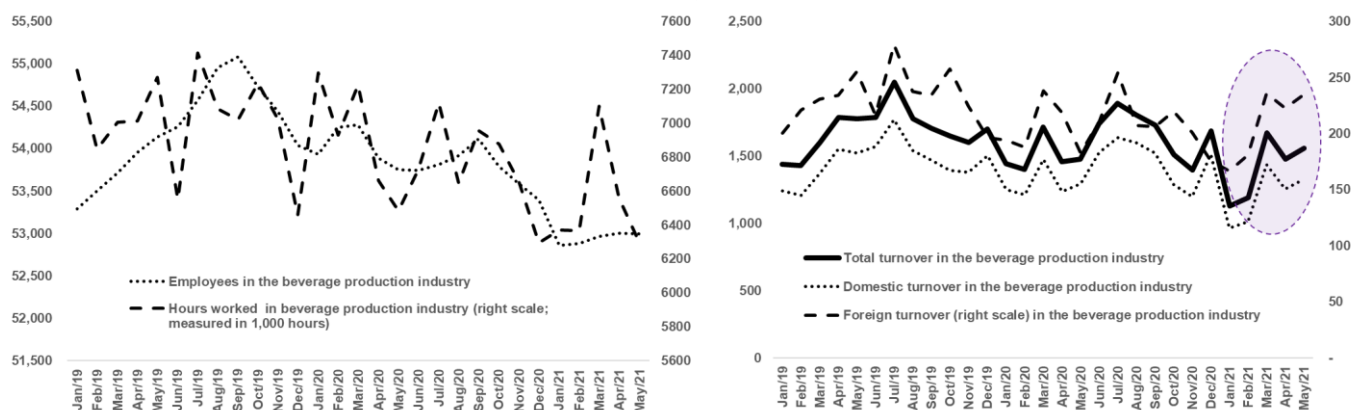
The Berentzen Group also suffered from the slow and sluggish recovery of the on-trade market, which continues to have a negative impact on the company's growth components. As a result, revenues in the Fresh Juice Systems segment continued to decline by -8.9% to EUR 6.8 million in H1/21 compared to H1/20 (EUR 7.4 million). Within this segment, sales of fruit juicers and fruit recorded the sharpest decline, due to two factors related to the on-trade market. First, the willingness to invest and purchase fruit juicers is hindered by the fear of renewed curfews and the need to replenish cash stocks depleted in recent months, especially in the hospitality sector. Secondly, the use of installed equipment has been restricted by the closure of hotels and restaurants and strict hygiene measures.

In addition, sales of soft drinks and branded spirits were also affected by the almost complete closure of restaurants, for example. However, while negative pandemic effects in the spirits segment resulted primarily from the cancellation of celebrations (consumption of domestic branded products (H1/21: EUR 11.9 million; -13.2% yoy) on social occasions), the franchise business with branded beverages of the Sinalco Group declined significantly by -45.4% to EUR 0.8 million due to the closures of restaurants.

## Appendix

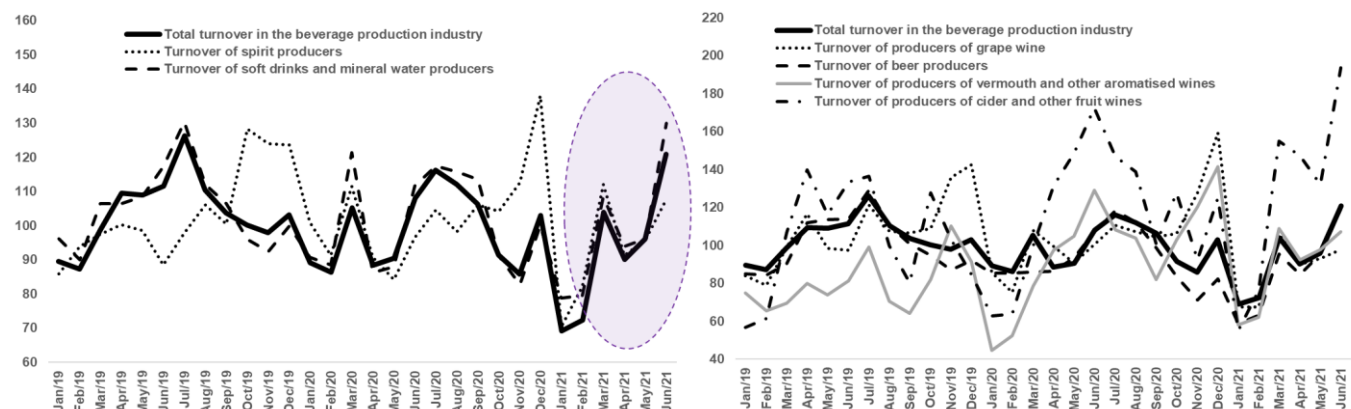
### German beverage industry overview & sales markets

#### Employees/hours worked and turnover in the German beverage industry (turnover in EURm)



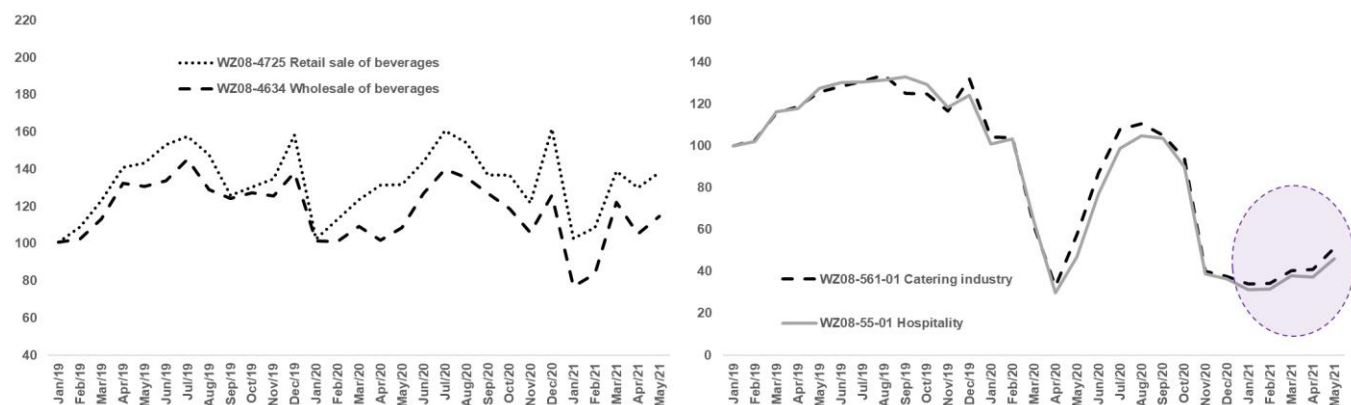
Source: © Statistisches Bundesamt (Destatis), FMR

#### Turnover in subsectors of the German beverage production industry (volume index; 2015=100)



Source: © Statistisches Bundesamt (Destatis), FMR

#### Retail/wholesale of beverages and turnover in the hospitality/catering industry (2015=100 in real values)



Source: © Statistisches Bundesamt (Destatis), FMR

### Discounted cash flow model

	PHASE 1			PHASE 2							PHASE 3																																					
in EURm	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	∞																																					
Sales	156.0	166.0	170.6	174.8	178.8	183.2	187.4	191.1	194.0	195.9																																						
Sales growth YoY in %	0.9%	6.4%	2.8%	2.5%	2.3%	2.5%	2.3%	2.0%	1.5%	1.0%																																						
EBIT	5.3	8.1	8.2	9.1	9.5	9.8	10.2	10.5	10.7	10.8																																						
EBIT margin in %	3.4%	4.9%	4.8%	5.2%	5.3%	5.4%	5.5%	5.5%	5.5%	5.5%																																						
Income tax on EBIT	-1.6	-2.4	-2.5	-2.7	-2.8	-2.9	-3.1	-3.2	-3.2	-3.2																																						
Depreciation and amortisation	8.9	9.2	9.4	9.1	8.4	8.1	8.3	8.5	8.6	9.0																																						
Change in net working capital	-3.2	-2.9	-0.9	-0.8	-0.7	-0.6	-0.5	-0.4	-0.3	-0.2																																						
Net capital expenditure	-8.3	-8.6	-9.0	-9.1	-8.4	-8.4	-8.6	-8.8	-8.9	-9.0																																						
Free cash flow	1.2	3.5	5.3	5.6	5.9	5.9	6.3	6.6	6.8	7.3																																						
Present values	1.1	3.1	4.3	4.2	4.1	3.7	3.7	3.5	3.4	3.3	51.5																																					
Present value Phase 1	8.6	17%				Risk free rate	2.0%	Target equity ratio			77.6%																																					
Present value Phase 2	25.8	30%				Equity risk premium	6.0%	Tax shield			30.0%																																					
Present value Phase 3	51.5	60%				Debt risk premium	3.0%	Beta (fundamental)			1.30																																					
						CAGR Sales Phase 2	1.9%	WACC			8.51%																																					
Total present value	85.9	100%				Ø EBIT-margin Phase 2	5.4%	Terminal growth			2.0%																																					
+ Net cash	7.4					<div>Sensitivity analysis</div> <div>Terminal growth (Phase 3)</div> <table><tr><td></td><td>1.0%</td><td>1.5%</td><td>2.0%</td><td>2.5%</td><td>3.0%</td></tr><tr><td rowspan="4">EBIT margin</td><td>3.4%</td><td>6.18</td><td>6.39</td><td>6.65</td><td>6.94</td><td>7.29</td></tr><tr><td>4.4%</td><td>7.63</td><td>7.91</td><td>8.24</td><td>8.63</td><td>9.08</td></tr><tr><td>5.4%</td><td>9.08</td><td>9.43</td><td>9.94</td><td>10.32</td><td>10.88</td></tr><tr><td>6.4%</td><td>10.53</td><td>10.95</td><td>11.44</td><td>12.01</td><td>12.68</td></tr><tr><td>7.4%</td><td>11.98</td><td>12.47</td><td>13.04</td><td>13.70</td><td>14.47</td></tr></table>							1.0%	1.5%	2.0%	2.5%	3.0%	EBIT margin	3.4%	6.18	6.39	6.65	6.94	7.29	4.4%	7.63	7.91	8.24	8.63	9.08	5.4%	9.08	9.43	9.94	10.32	10.88	6.4%	10.53	10.95	11.44	12.01	12.68	7.4%	11.98	12.47	13.04	13.70	14.47
	1.0%	1.5%	2.0%	2.5%	3.0%																																											
EBIT margin	3.4%	6.18	6.39	6.65	6.94							7.29																																				
	4.4%	7.63	7.91	8.24	8.63							9.08																																				
	5.4%	9.08	9.43	9.94	10.32							10.88																																				
	6.4%	10.53	10.95	11.44	12.01	12.68																																										
7.4%	11.98	12.47	13.04	13.70	14.47																																											
- Minority interest (est. market value)	0.0																																															
Fair value of equity	93.3																																															
Number of shares (m)	9.4																																															
Fair value per share (EUR)	9.94																																															

Source: FMR

## Peer group valuation

Company name	P/E			EV/EBITDA			EV/EBIT			EV/Sales		
	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
Davide Campari-Milano N.V.	44.5x	38.7x	34.7x	27.7x	24.6x	22.6x	32.9x	29.0x	26.4x	6.9x	6.5x	6.1x
Altia Oyj	10.4x	7.3x	6.7x	4.7x	3.8x	3.6x	7.1x	5.4x	4.9x	0.7x	0.6x	0.6x
Arcus ASA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
A.G. BARR p.l.c.	21.2x	19.9x	19.1x	11.3x	10.9x	10.4x	15.6x	14.6x	13.6x	2.3x	2.3x	2.2x
Olvi Oyj Class A	22.7x	20.5x	19.2x	12.2x	11.3x	10.6x	17.4x	15.7x	14.6x	2.5x	2.3x	2.2x
Remy Cointreau SA	55.2x	47.1x	41.4x	31.4x	27.7x	24.9x	35.8x	31.3x	27.9x	7.9x	7.3x	6.8x
Schloss Wachenheim AG	15.0x	15.3x	13.4x	6.4x	6.5x	6.0x	10.6x	10.9x	9.9x	0.7x	0.7x	0.6x
Stock Spirits Group Plc	14.6x	13.6x	13.0x	9.2x	8.7x	8.3x	11.3x	10.6x	10.1x	1.9x	1.9x	1.8x
Diageo plc	27.8x	25.4x	23.7x	21.1x	19.4x	18.2x	23.5x	21.6x	20.1x	7.2x	6.8x	6.4x
<b>Average</b>	<b>26.4x</b>	<b>23.5x</b>	<b>21.4x</b>	<b>15.5x</b>	<b>14.1x</b>	<b>13.1x</b>	<b>19.3x</b>	<b>17.4x</b>	<b>15.9x</b>	<b>3.8x</b>	<b>3.5x</b>	<b>3.3x</b>
<b>Median</b>	<b>21.9x</b>	<b>20.2x</b>	<b>19.2x</b>	<b>11.8x</b>	<b>11.1x</b>	<b>10.5x</b>	<b>16.5x</b>	<b>15.1x</b>	<b>14.1x</b>	<b>2.4x</b>	<b>2.3x</b>	<b>2.2x</b>

in Mio. EUR, außer EPS (in EUR)	Net income			EBITDA			EBIT			Sales		
	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
Berentzen-Gruppe AG (FMR)	2.61	4.58	4.62	14.2	17.4	17.6	5.3	8.1	8.2	156.0	166.0	170.6
Applied multiples: mean Altia Oyj & Schloss Wachenheim AG	12.7	11.3	10.1	5.5	5.1	4.8	8.8	8.2	7.4	0.7	0.6	0.6
<b>Enterprise value (derived)</b>	<b>33.2</b>	<b>51.9</b>	<b>46.4</b>	<b>78.7</b>	<b>89.3</b>	<b>84.3</b>	<b>47.2</b>	<b>66.5</b>	<b>60.7</b>	<b>108.3</b>	<b>103.1</b>	<b>102.4</b>
- Financial net debt & minority interests	-4.8											
	-	<b>51.9</b>	-	-	<b>84.6</b>	-	-	<b>61.8</b>	-	-	<b>98.4</b>	-
<b>Market capitalisation (derived)</b>	<b>74.2</b>											
Premium (discount) vs. Peer Group	0%											
<b>Fair market capitalisation</b>	<b>74.2</b>											
Number of shares (m)	9.4											
<b>Fair value per share (EUR)</b>	<b>7.89</b>											

Source: FMR, FactSet

## Valuation summary

Valuation method	Fair value per share (EUR)	Mcap (in EURm)
DCF	9.94	93.35
<b>Average</b>	<b>8.92</b>	<b>83.75</b>
Peer group	7.89	74.16

Source: FMR, FactSet

**Berentzen Group AG - Income Statement**

in EURm	IFRS	2018	2019	2020	2021e	2022e	2023e
<b>Revenues</b>		<b>162.2</b>	<b>167.4</b>	<b>154.6</b>	<b>156.0</b>	<b>166.0</b>	<b>170.6</b>
YoY growth		1.1%	3.2%	-7.7%	0.9%	6.4%	2.8%
Increase or decrease in inventory of finished goods and work in progress		1.4	0.0	0.1	0.8	0.8	0.9
as % of revenues		0.9%	0.0%	0.0%	0.5%	0.5%	0.5%
<b>Total operating income</b>		<b>163.6</b>	<b>167.4</b>	<b>154.6</b>	<b>156.8</b>	<b>166.8</b>	<b>171.4</b>
YoY growth		0.7%	2.3%	-7.6%	1.4%	6.4%	2.8%
Cost of materials		-91.9	-92.7	-87.5	-85.8	-89.5	-91.8
as % of revenues		-56.7%	-55.4%	-56.6%	-55.0%	-53.9%	-53.8%
<b>Gross profit</b>		<b>71.7</b>	<b>74.7</b>	<b>67.1</b>	<b>71.0</b>	<b>77.4</b>	<b>79.6</b>
as % of revenues		44.2%	44.6%	43.4%	45.5%	46.6%	46.7%
Other operating income		4.7	4.1	3.1	0.0	0.0	0.0
as % of revenues		2.9%	2.5%	2.0%	0.0%	0.0%	0.0%
Personnel expenses		-24.6	-25.6	-25.0	-23.3	-24.2	-25.1
as % of revenues		-15.2%	-15.3%	-16.2%	-14.9%	-14.6%	-14.7%
Other operating expenses		-35.3	-35.9	-31.2	-33.5	-35.8	-36.9
as % of revenues		-21.8%	-21.5%	-20.2%	-21.5%	-21.5%	-21.6%
Exceptional effects		0.8	1.1	1.5	0.0	0.0	0.0
<b>Adj. EBITDA</b>		<b>17.3</b>	<b>18.4</b>	<b>14.1</b>	<b>14.2</b>	<b>17.4</b>	<b>17.6</b>
as % of revenues		10.7%	11.0%	9.1%	9.1%	10.5%	10.3%
Depreciation of property, plant and equipment, and amortisation of intangible assets		-7.5	-8.5	-8.9	-8.9	-9.2	-9.4
as % of revenues		-4.6%	-5.1%	-5.8%	-5.7%	-5.6%	-5.5%
<b>Adj. EBIT</b>		<b>9.8</b>	<b>9.8</b>	<b>5.2</b>	<b>5.3</b>	<b>8.1</b>	<b>8.2</b>
as % of revenues		6.0%	5.9%	3.4%	3.4%	4.9%	4.8%
Exceptional effects		-0.8	-1.1	-1.5	0.0	0.0	0.0
Financial result		-1.6	-1.5	-1.5	-1.6	-1.6	-1.6
<b>EBT (Earnings before income taxes)</b>		<b>7.4</b>	<b>7.2</b>	<b>2.3</b>	<b>3.7</b>	<b>6.5</b>	<b>6.6</b>
as % of revenues		4.6%	4.3%	1.5%	2.4%	3.9%	3.9%
Income taxes		-2.3	-2.3	-1.0	-1.1	-2.0	-2.0
as % of EBT		30.5%	31.6%	-45.3%	-30.0%	-30.0%	-30.0%
<b>Net income</b>		<b>5.2</b>	<b>4.9</b>	<b>1.2</b>	<b>2.6</b>	<b>4.6</b>	<b>4.6</b>
as % of revenues		3.2%	2.9%	0.8%	1.7%	2.8%	2.7%
Other comprehensive income		-0.3	-0.5	-0.6	0.0	0.0	0.0
<b>Consolidated comprehensive income</b>		<b>4.9</b>	<b>4.4</b>	<b>0.7</b>	<b>2.6</b>	<b>4.6</b>	<b>4.6</b>
as % of revenues		3.0%	2.6%	0.4%	1.7%	2.8%	2.7%
Shares outstanding (in m)		9.4	9.4	9.4	9.4	9.4	9.4
<b>Basic earnings per share (EUR)</b>		<b>0.55</b>	<b>0.52</b>	<b>0.13</b>	<b>0.28</b>	<b>0.49</b>	<b>0.49</b>
<b>Dividends per share (EUR)</b>		<b>0.28</b>	<b>0.28</b>	<b>0.13</b>	<b>0.14</b>	<b>0.24</b>	<b>0.25</b>
<b>Payout ratio in %</b>		<b>51%</b>	<b>53%</b>	<b>99%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>

Source: Berentzen-Gruppe AG; FMR

**Berentzen-Gruppe AG - Balance Sheet**

in EURm	IFRS	2018	2019	2020	2021e	2022e	2023e
<b>Assets</b>							
<b>Non-current assets</b>		<b>59.4</b>	<b>59.7</b>	<b>56.1</b>	<b>55.5</b>	<b>54.8</b>	<b>54.4</b>
as % of total assets		41.0%	39.4%	38.6%	39.0%	38.2%	37.0%
Intangible assets		12.1	11.6	10.7	10.4	9.9	9.5
Property, plant and equipment		45.8	45.4	42.2	41.9	41.8	41.7
Investment property		0.7	0.7	0.0	0.0	0.0	0.0
Deferred tax assets		0.0	0.0	0.1	0.1	0.1	0.1
Right-of-use assets		0.0	1.3	2.1	2.1	2.1	2.1
Other financial assets		0.8	0.7	0.9	0.9	0.9	0.9
<b>Current assets</b>		<b>85.5</b>	<b>91.9</b>	<b>89.1</b>	<b>86.8</b>	<b>88.8</b>	<b>92.4</b>
as % of total assets		59.0%	60.6%	61.4%	61.0%	61.8%	63.0%
Inventories		39.9	40.6	39.4	40.0	40.7	41.5
Trade receivables		16.4	14.8	11.8	14.1	16.8	17.3
Income tax assets		0.3	0.1	0.8	0.8	0.8	0.8
Cash and cash equivalents		15.8	22.7	26.3	18.1	16.7	19.0
Assets held for sale		0.0	0.0	0.7	0.0	0.0	0.0
Other current financial and non-financial assets		13.1	13.8	10.0	13.8	13.8	13.8
<b>Total assets</b>		<b>145.0</b>	<b>151.6</b>	<b>145.2</b>	<b>142.3</b>	<b>143.6</b>	<b>146.8</b>
<b>Shareholders' equity and liabilities</b>							
<b>Shareholders' equity</b>		<b>47.4</b>	<b>49.2</b>	<b>47.2</b>	<b>48.6</b>	<b>51.9</b>	<b>54.2</b>
as % of total equity and liabilities		32.7%	32.4%	32.5%	34.2%	36.1%	36.9%
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		16.2	18.0	16.0	17.4	20.7	23.0
<b>Non-current provisions and liabilities</b>		<b>19.0</b>	<b>19.5</b>	<b>18.7</b>	<b>18.1</b>	<b>17.5</b>	<b>16.9</b>
as % of total equity and liabilities		13.1%	12.9%	12.9%	12.7%	12.2%	11.5%
Non-current provisions		9.9	9.9	8.9	8.3	7.7	7.1
Non-current financial liabilities		7.1	7.9	8.6	8.6	8.6	8.6
Deferred income tax liabilities		2.0	1.8	1.2	1.2	1.2	1.2
<b>Current liabilities and provisions</b>		<b>78.5</b>	<b>82.9</b>	<b>79.3</b>	<b>75.6</b>	<b>74.3</b>	<b>75.7</b>
as % of total equity and liabilities		54.2%	54.7%	54.6%	53.1%	51.7%	51.6%
Alcohol tax liabilities		42.3	43.6	42.6	40.6	39.1	39.7
Current provisions		0.7	0.3	0.1	0.1	0.1	0.1
Income tax liabilities		2.8	1.5	0.3	0.3	0.3	0.3
Current financial liabilities		1.1	2.3	1.7	1.7	1.7	1.7
Trade payables and other liabilities		31.6	35.3	34.6	32.9	33.1	34.0
<b>Total equity and liabilities</b>		<b>145.0</b>	<b>151.6</b>	<b>145.2</b>	<b>142.3</b>	<b>143.6</b>	<b>146.8</b>

Source: Berentzen-Gruppe AG; FMR

**Berentzen-Gruppe AG - Cash Flow Statement**

in EURm	IFRS	2018	2019	2020	2021e	2022e	2023e
<b>Consolidated profit</b>		<b>5.2</b>	<b>4.9</b>	<b>1.2</b>	<b>2.6</b>	<b>4.6</b>	<b>4.6</b>
Income tax expenses		2.3	2.3	1.0	1.1	2.0	2.0
Interest income		-0.1	-0.1	-0.1	0.0	-0.1	-0.1
Interest expenses		1.6	1.6	1.6	1.6	1.7	1.7
Amortisation and depreciation of assets		7.5	8.5	8.9	8.9	9.2	9.4
Impairments / write-ups of assets		0.0	0.0	1.4	0.0	0.0	0.0
Other non-cash effects		-0.5	-0.9	-0.8	0.0	0.0	0.0
Increase/decrease in provisions		-0.4	-0.6	-1.1	-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		-1.0	8.6	-7.7	-2.3	-2.7	-0.5
Decrease/increase in other assets		-5.5	-8.1	15.7	-4.3	-0.7	-0.8
Increase/decrease in alcohol tax liabilities		-1.0	1.3	-0.9	-2.0	-1.5	0.6
Increase/decrease in other liabilities		0.0	3.7	-0.6	-1.7	0.2	0.9
<b>Cash and cash equivalents generated from operating activities</b>		<b>8.1</b>	<b>21.4</b>	<b>18.6</b>	<b>3.3</b>	<b>12.0</b>	<b>17.2</b>
Income taxes paid		-1.2	-3.4	-3.7	-1.1	-2.0	-2.0
Interest received		0.1	0.1	0.1	0.0	0.1	0.1
Interest paid		-1.4	-1.4	-1.4	-1.6	-1.7	-1.7
<b>Cash flow from operating activities</b>		<b>5.6</b>	<b>16.6</b>	<b>13.6</b>	<b>0.5</b>	<b>8.5</b>	<b>13.6</b>
Proceeds from disposals of intangible assets		0.1	0.1	0.0	0.0	0.0	0.0
Payments for investments in intangible assets		-0.8	-1.0	-0.5	-1.3	-1.3	-1.5
Proceeds from disposals of property, plant and equipment		0.2	0.1	0.1	0.7	0.0	0.0
Payments for investments in property, plant and equipment		-6.0	-6.2	-4.7	-7.0	-7.3	-7.5
Proceeds from disposals of financial assets		0.0	0.0	0.1	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	-0.4	0.0	0.0	0.0
<b>Cash flow from investing activities</b>		<b>-6.5</b>	<b>-6.9</b>	<b>-5.4</b>	<b>-7.5</b>	<b>-8.6</b>	<b>-9.0</b>
Cash inflows from the utilization of loan agreements		0.0	0.3	0.0	0.0	0.0	0.0
Repayment of Bonds		0.0	-0.1	-0.1	0.0	0.0	0.0
Payments related to the issuance of bonds		0.0	0.0	0.0	0.0	0.0	0.0
Dividend payments		-2.1	-2.6	-2.6	-1.2	-1.3	-2.3
Payments for the purchase of treasury shares		0.0	0.0	0.0	0.0	0.0	0.0
Lease liability repayments		0.0	-0.7	-1.2	0.0	0.0	0.0
<b>Cash flow from financing activities</b>		<b>-2.1</b>	<b>-3.2</b>	<b>-3.9</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-2.3</b>
<b>Total change in cash and cash equivalents</b>		<b>-3.0</b>	<b>6.6</b>	<b>4.3</b>	<b>-8.2</b>	<b>-1.4</b>	<b>2.3</b>
Cash and cash equivalents at the start of the period		18.4	15.5	22.0	26.3	18.1	16.7
<b>Cash and cash equivalents at year's end</b>		<b>15.5</b>	<b>22.0</b>	<b>26.3</b>	<b>18.1</b>	<b>16.7</b>	<b>19.0</b>
Overdraft facilities with banks		0.3	0.7	0.0	0.0	0.0	0.0
<b>Cash and cash equivalents</b>		<b>15.8</b>	<b>22.7</b>	<b>26.3</b>	<b>18.1</b>	<b>16.7</b>	<b>19.0</b>

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**

The following details inform the reader about the legal provisions that are to be observed when compiling financial analyses.

## 1. Declaration of liability

When producing an analysis, we have procured the actual details from the sources available to us that are generally deemed to be reliable. We cannot make any claim regarding the accuracy and completeness of such information. The recommendations and/or prognoses made by us on the basis of these actual details constitute non-binding value judgments made at the time of compilation of the study and represent the opinion of the author. Subsequent changes cannot be taken into account. FMR Frankfurt Main Research AG shall not be liable for damages of any kind in relation to any incomplete or incorrect information and FMR Frankfurt Main Research AG shall not be liable for indirect and/or direct damages and/or consequential damages. In particular, FMR Frankfurt Main Research AG shall not be liable for statements, plans or other details contained in this investment advice in relation to the company being investigated, its affiliated companies, strategies, market and/or competition situation, economic and/or legal framework conditions etc. Although the investment advice was compiled using full diligence, errors or omissions cannot be excluded. FMR Frankfurt Main Research AG, its shareholders and employees shall not be liable for the correctness or completeness of statements, assessments, recommendations or conclusions derived from the information contained in this analysis.

If an investment recommendation is provided in the context of an existing contractual relationship, e.g. financial advice or a similar service, FMR Frankfurt Main Research AG's liability shall be limited to gross negligence and intent. Should key details be omitted, FMR Frankfurt Main Research AG shall be liable for ordinary negligence. The liability of FMR Frankfurt Main Research AG shall be restricted to the amount of typical and foreseeable damages.

The study does not constitute an offer or request to acquire shares. Our information and recommendations in this study do not constitute individual investment advice and may therefore not be suitable, or may only be of limited suitability, for individual investors depending on the specific investment goals, the investment horizon or individual investment situation. With the compilation and distribution of this study we are not engaged in an investment advisor or portfolio management capacity for any persons. This study cannot replace the need for investment advice in any case.

The estimates, particularly prognoses and price expectations, may not be achieved. The work and all parts thereof are protected by copyright. All use outside the scope of copyright law is impermissible and prosecutable. This shall apply in particular to duplications, translations, microfilms, the saving and processing of the entire content or parts of the content on electronic media.

It is possible that shareholders, managers or employees of FMR Frankfurt Main Research AG or its affiliated companies have a position of responsibility in the companies named in the analysis, e.g. as a member of the supervisory board. The opinions contained in this investment advice may be amended without notice. All rights are reserved.

## 2. Mandatory details

- a) First publication: 12.08.2021,
- b) Time conditions of expected updates: quarterly
- c) Supervisory authority: Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Marie-Curie-Straße 24-28, 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

-

b) FMR Frankfurt Main Research AG has been commissioned by ODDO BHF Corporates & Markets AG to prepare this financial analysis. ODDO BHF Corporates & Markets AG in turn acts on behalf of the issuers who are themselves or whose financial instruments are the subject of this financial analysis.

Neither ODDO BHF Corporates & Markets 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 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
23.06.2020	BUY	6.10 EUR	9.00 EUR
23.07.2020	BUY	5.92 EUR	9.00 EUR
11.08.2020	BUY	5.58 EUR	9.00 EUR
22.10.2020	BUY	5.30 EUR	9.00 EUR
20.11.2020	BUY	5.22 EUR	8.50 EUR
04.02.2021	BUY	5.72 EUR	8.00 EUR
26.03.2021	BUY	5.86 EUR	8.00 EUR
05.05.2021	BUY	6.02 EUR	8.00 EUR
12.08.2021	BUY	6.44 EUR	8.00 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

Employees of FMR Frankfurt Main Research AG who are involved with the compilation and/or presentation of financial analyses are subject to the internal compliance regulations. The internal compliance regulations correspond to the provisions of the directive for the substantiation of the organisational obligations of investment service companies pursuant to Section 80 Securities Trading Act and EU/ESMA legislation on the basis of the Market Abuse Regulation.

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.