

Berentzen-Gruppe Aktiengesellschaft

Outperform → | Target price : 9.00 €

Price (30/04/2024) : 5.56 € | Upside : 62%

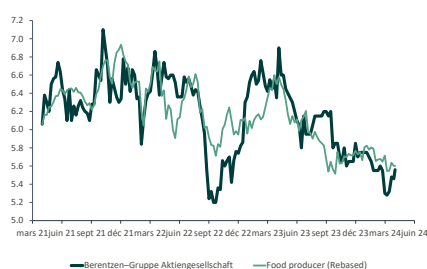
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EPS

Q1 2024 Preview – A mixed start to the year

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Sources : ODDO BHF Securities, SIX

Share data

BEZ3 GR | BEZ.DE

Market Cap (€m)	53
Enterprise value (€m)	73
Extrema 12 months (€)	5.26 - 6.90
Free Float (%)	73.8

Performance (%)	1m	3m	12m
Absolute	4.9	-2.5	-12.4
Perf. rel. Country Index	6.5	-6.2	-19.1
Perf. rel. Food producer	7.0	1.6	1.6

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

Higher margins due to prices increases implemented in 2023

Berentzen will publish its Q1 2024 figures on 7 May 2024. After average growth rates of over 15% in the first quarters of 2022 and 2023, which were driven by pent-up consumer demand following the lifting of coronavirus restrictions on social life, we believe growth rates will slow down. Compared to Q1 2023, when the marketing campaign promoting the different varieties of liqueur products contributed to significant growth in sales of spirits products of the Berentzen and Puschkin brands, we believe that Q1 2024 revenue will decline by 2% y-o-y to € 41.0m.

For the largest revenue segment (Spirits), we see revenue of € 24.4m (-2% y-o-y). The Non-alcoholic Beverages segment should decline by 5% y-o-y to € 9.9m and the Fresh Juice Systems segment by 10% y-o-y to € 4.2m. However, with the market introduction of a completely new generation of fruit presses for sale in retail food markets, revenue in the Fresh Juice Systems segment should improve in the quarters ahead.

We believe that price increases for product lines, which were implemented in 2023, will have a positive effect on earnings. As a result, Q1 2024 EBITDA is projected to increase by c. 19% y-o-y to € 3.5bn (EBITDA margin +150bp to 8.5%) and EBIT by c. 22% y-o-y to € 1.2bn (EBIT margin +60bp to 2.9%).

Q1 2024 preview

€ m	ODDO BHF	Q 1 2023	Y-o-y
Revenue (excl. alcohol tax)	41.0	41.8	-2.0%
EBITDA	3.5	2.9	+18.9%
Margin	8.5%	7.0%	+150bp
EBIT	1.2	1.0	+22.4%
Margin	2.9%	2.3%	+60pb

Sources: ODDO BHF Securities, company

We maintain our Outperform rating

Despite an expected mixed start to the year, we believe that revenue and earnings will develop positively over the remainder of the year. We reiterate our rating (Outperform) and target price (€ 9).

Next Events

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

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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
Enterprise Value	58.9	49.1	50.2	55.4	72.8	68.5	67.1	64.8
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
Current EBIT	9.8	5.2	6.7	8.3	7.7	8.5	9.9	11.6
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
Adjusted attributable net profit	4.4	0.7	2.8	3.2	-0.7	2.0	4.0	5.1
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
Net debt	-12.5	-16.0	-17.5	-9.6	6.8	8.6	7.2	5.0
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	17.6	19.1	20.7
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
Free cash-flow	9.7	8.6	3.2	-4.1	-12.4	2.3	4.2	5.4
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%	4.8%	-0.4%	1.0%	2.0%	2.5%
EBITDA margin	11.0%	9.1%	10.5%	9.6%	8.6%	9.1%	9.5%	10.0%
Current EBIT margin	5.9%	3.4%	4.6%	4.8%	4.2%	4.4%	4.9%	5.6%
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
ROCE post-tax (normative tax rate)	7.4%	4.3%	6.1%	7.5%	6.1%	6.3%	7.2%	8.2%
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
Net debt / EBITDA	-0.68	-1.13	-1.14	-0.58	0.43	0.49	0.38	0.24
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
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Liquidity providers coverage	(79)	49%	41%	10%
Research service coverage	(52)	65%	21%	13%
Investment banking services	(36)	50%	47%	3%

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