

# Berentzen-Gruppe Aktiengesellschaft

Outperform → | Target price : 10.0 €

Price (02/06/2023) : € 6.40 | Upside : 56%

Revision	2023e	2024e
EPS	ns	ns

## Drinks for every day

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Sources: ODDO BHF Securities, SIX

### Share data

BEZ3 GR   BEZ.DE	
Market Cap (€m)	61
Enterprise value (€m)	68
Extrema 12 months (€)	5.00 - 6.90
Free Float (%)	73.8

Performance (%)	1m	3m	12m
Absolute	-1.5	-2.7	-1.5
Perf. rel. Country Index	-1.8	-3.2	-6.0
Perf. rel. Food producer	3.5	-3.0	-0.7

P&L	12/23e	12/24e	12/25e
Sales (€m)	191	201	209
EBITDA (€m)	16.7	19.0	20.3
Current EBIT (€m)	8.1	10.4	11.7
Attr. net profit (€m)	5.3	6.9	7.8
Adjusted EPS (€)	0.57	0.74	0.83
Dividend (€)	0.28	0.37	0.42
P/E (x)	11.3	8.7	7.7
P/B (x)	1.1	1.0	1.0
Dividend Yield (%)	4.4	5.8	6.5
FCF yield (%)	ns	9.1	11.1
EV/Sales (x)	0.36	0.33	0.31
EV/EBITDA (x)	4.1	3.5	3.2
EV/Current EBIT (x)	8.4	6.4	5.6
Gearing (%)	2	-1	-4
Net Debt/EBITDA (x)	0.1	0.0	-0.1

### Next Events

10/08/2023	Earnings Release
24/10/2023	Earnings Release

Founded in 1758, the Berentzen Group is one of the oldest beverages companies in Germany. With its Spirits, Non-alcoholic Beverages and Fresh Juice Systems, the group develops, produces and markets beverage concepts for a wide variety of consumer needs. In view of growing revenues (CAGR 6.3%, 2022 to 2025e) and EBIT margins (5.6% in 2025e vs. an average of 4.2%, 2020 to 2022), and a solid balance sheet (equity ratio >35%, net cash position as of 2024e), we initiate coverage with Outperform and a target price of € 10.

### Resilient and well diversified business model

With more than 1000 products from over 25 brands, Berentzen's products belong to the top-selling brands in their respective categories in Germany (around 75% of revenues). As the products can be enjoyed from morning to night, the broad segment coverage (Spirits, Non-alcoholic Beverages, Fresh Juice Systems) makes the company resilient during a crisis. Even during the pandemic, the company was profitable in every single quarter.

### Profitable growth ahead

After the lockdowns, contact prohibitions, and other restrictions imposed in the wake of the protracted coronavirus pandemic, people are longing for social gatherings, lighthearted revelry, and joy of life in company with others. In our view, this development presents great opportunities and potential for profitable growth of the Berentzen Group. Together with Berentzen's four strategic key areas (the Liqueur Offensive, the expansion of premium private label concepts, the focus on Mio Mio and the concentration on core markets for fresh juice systems) we believe that revenues and profitability will rise in the coming years. As a result, we expect Berentzen to be able to gradually pass on the increased costs for energy, purchased goods and services to its customers and achieve 2025e revenues of € 209.3m (+20% vs 2022) and an EBIT margin of 5.6% (+90bp vs 2022). For 2023e, we see revenues of € 190.8m (+9.5% yoy) and an EBIT margin of 4.3% (-40bp yoy), in-line with company guidance range, but we are 3% above consensus for EBIT.

### Solid financial profile

We believe that Berentzen will report an average positive FCF (company definition) of € 6.1m (2024e to 2025e), an average net cash position of € 1.3m and an equity ratio >35%. Although the company is mainly focused on organic growth, we believe that it can use its strong financial profile to further invest in new brands or to enter a new market segment.

### Initiation with an Outperform rating and a target price of € 10

Our fair value of the company is the average of a DCF model and a valuation approach based on the multiples of its peer Schloss Wachenheim. This combined approach underscores Berentzen's substantial long-term potential and gives us a target price of € 10 (rating: Outperform). Based on our 2023e, Berentzen is trading at a discount (91%/55%/53%) on EV/sales (0.36x), EV/EBIT (8.4x) and P/E (11.3x) to its peers. Even compared to its peer Schloss Wachenheim, Berentzen is trading at a discount (37%/9%/7%) on EV/sales, EV/EBIT and P/E. We believe the discount is not justified and the shares are undervalued given the company's higher sales growth and similar profitability to Schloss Wachenheim. Investment risks include high inflation rates and lower GDP growth, which may have a negative impact on profitability targets.

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#### Conflict of interests:

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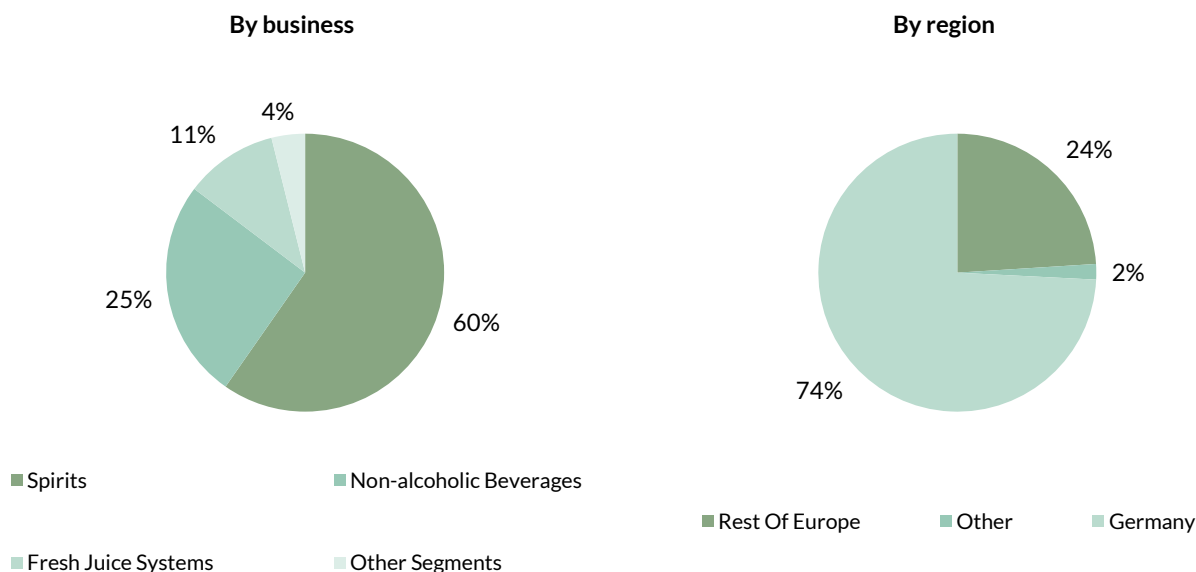
<b>Berentzen – Gruppe Aktiengesellschaft</b>		<b>Outperform</b>	
Beverages   Germany	Target price :	10.0 €	
Market Cap: € 61m	Price (02/06/2023) :	€ 6.40	

## Company profile | Shareholders

Founded in 1758, the Berentzen Group is one of the oldest beverages companies in Germany. With its Spirits, Non-Alcoholic Beverages and Fresh Juice Systems, the group develops, produces and markets beverage concepts for a wide variety of consumer needs. Its well-known brands include Berentzen, Puschkin, Mio Mio and Citrocasa as well as contemporary private-label products. The company has almost 500 employees and a worldwide presence in more than 60 countries. Berentzen is domiciled in Haselünne (Germany) and is listed on the regulated market in Frankfurt (XETRA). It became a public traded company in June 1994.

Free Float	73.77%
MainFirst (LU)	8.50%
Marchmain Invest NV (BE)	5.51%
Lazard Freres Gestion (FR)	5.07%
Aevum Fondation de Prevoyance (CH)	5.01%
Treasury Shares	2.14%

## Sales breakdown (2022)



## Investment case

With more than 1000 products from over 25 brands, Berentzen’ products belong to the top-selling brands in their respective categories in Germany. In view of growing revenues (CAGR 6.3%, 2022 to 2025e) and EBIT margins (5.6% in 2025e vs. an average of 4.2%, 2020 to 2022), and a solid balance sheet (equity ratio > 35%, net cash position as of 2024e), we initiate coverage with Outperform rating.

## SWOT

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>- Strong brands and broad segment coverage</li> <li>- Resilient business model</li> <li>- Attractive dividend yield</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>- Profitability below peers</li> <li>- Majority of revenues in Germany</li> <li>- Three customers account for more than 45% of revenues</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- Growth potential through four strategic key areas</li> <li>- Benefit from growing megatrends - health, freshness, sustainability</li> <li>- M&amp;A - Invest in new brands or enter a new market segment</li> <li>- Changes in consumer tastes</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>- Resurges of Covid or other virus variants may adversely impact business activity</li> <li>- Price increases from energy, commodities and materials</li> <li>- Increased competition</li> </ul>



## ESG

In 2021, the company joined the United Nations Global Compact (UNGC), the world's largest and most important initiative for responsible corporate governance. By joining this initiative, Berentzen committed to the ten universal principles of the UNGC, based on aspects such as human rights, working standards, environmental protection and corruption.

The group has implemented a sustainability strategy in the areas of people, planet and products.

- People: "0 accidents and improved health". The goal is to enhance employee satisfaction, improve employee health, and lower the number of occupational accidents by the year 2023.
- Planet: "100% resource efficiency". Within this area, the goal is to further reduce the company's CO<sub>2</sub> footprint and enhance resource efficiency by the year 2024.
- Product: "100 sustainable products". In this area, the group intends to manufacture one hundred different products as sustainable products while also increasing the percentage of environmentally friendly product packaging by the year 2025.

In 2022, the group was awarded the Gold Medal in the Ecovadis Ratings again. This means that the corporate group is among the best 5% of all companies evaluated by Ecovadis.

Around 35% of the company's employees are female. Below the executive board (100% male), the share of women in the first (3 woman out of 16 members) and second management level (5 woman out of 29 members) is relatively low (as of 31 December 2022).



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# A LEADER IN THE GERMAN BEVERAGES MARKET

Founded in 1758, the Berentzen Group is one of the oldest beverages companies in Germany. With its Spirits, Non-alcoholic Beverages and Fresh Juice Systems, the group develops, produces and markets beverage concepts for a wide variety of consumer needs – from spirits to mineral waters and lemonades to fruit presses for freshly squeezed orange juice. Its well-known brands include Berentzen, Puschkin, Mio Mio and Citrocasa as well as contemporary private-label products.

## The company with a well-diversified and resilient business model

Berentzen generates around 75% of its revenues in Germany, employs almost 500 people and has a worldwide presence in more than 60 countries. In 2022, the company reported revenues (excl. alcohol tax) of € 174.2m, an EBIT of € 8.3m (EBIT margin 4.7%) and filled approx. 303m bottles of Spirits and Non-alcoholic Beverages. Three single customers accounted for more than 45% of revenues. Berentzen is domiciled in Haselünne (Germany) and is listed on the regulated market in Frankfurt (XETRA). It became a public traded company in June 1994.

Development of Revenues (€ m) and EBIT margin

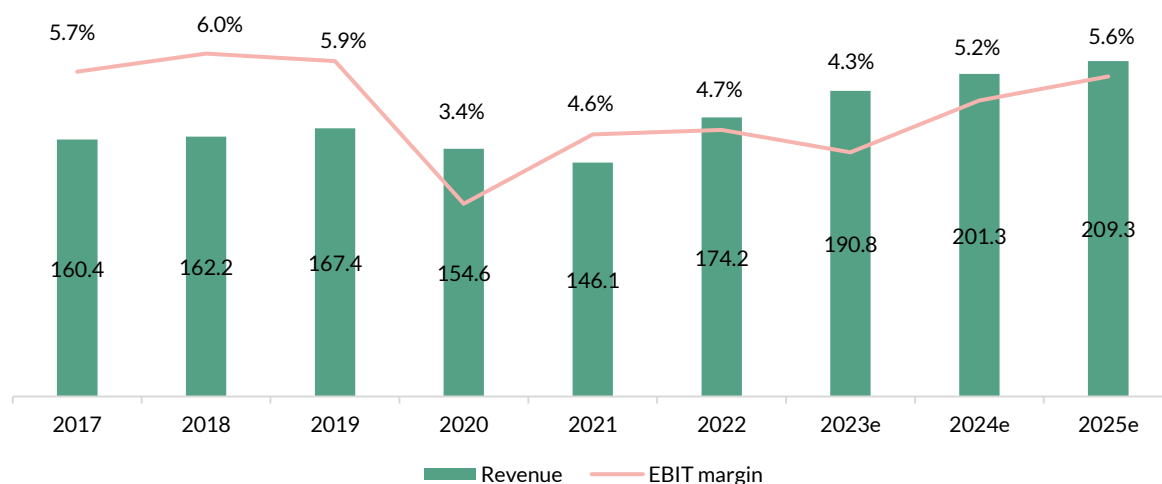
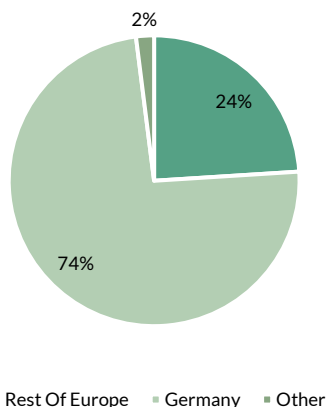


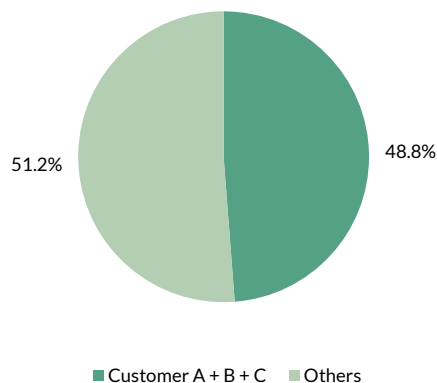
Chart 1 - Sources: Berentzen, ODDO BHF Securities



## Revenue by country (2022)



## Revenue by customer (2022)



Charts 2 - Sources: Berentzen, ODDO BHF Securities

With more than 1000 products from over 25 brands, Berentzen' products belong to the top-selling brands in their respective categories in Germany. As the products can be enjoyed from morning to night, the broad segment coverage (Spirits, Non-alcoholic Beverages, Fresh Juice Systems) makes the company resilient during a crisis. Even during the pandemic, the company was profitable in every single quarter.

## Berentzen – Development of EBIT margin

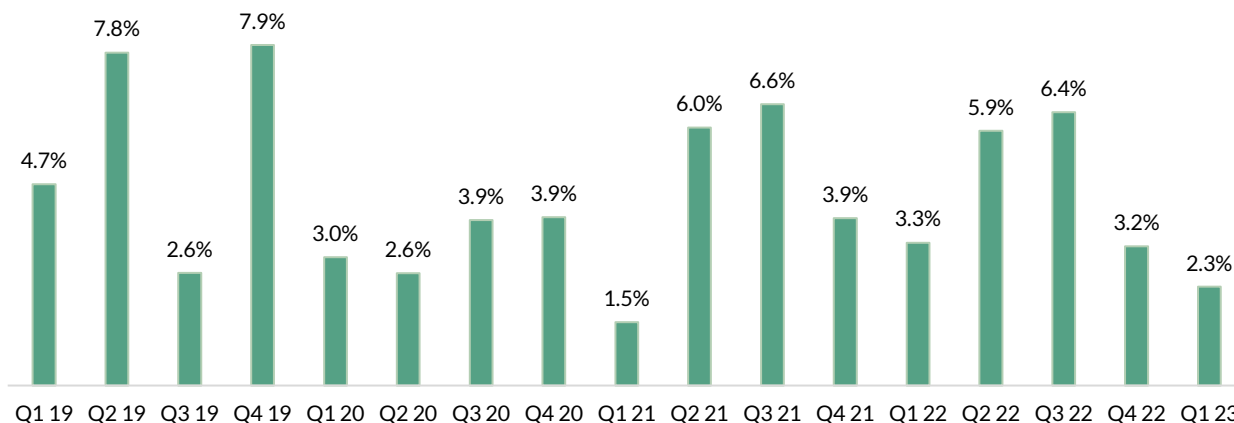


Chart 3 - Source: Berentzen



## Berentzen delights people from the morning to the evening



Chart 4 - Source: Berentzen

## Business segments and brands

Berentzen offers a diverse portfolio of brands and products and divides its business activities into four segments: Spirits (domestic branded spirits, export and private-label brands), Non-alcoholic Beverages, Fresh Juice Systems segments, and Other segments (including tourist/event activities and the spirits business in Turkey). Depending on individual tastes, customers can choose from various products and brands with prices ranging from below € 10 to more than € 30.

### Berentzen's business segments (excl. other segments)



Chart 5 - Source: Berentzen



- **Spirits (domestic branded spirits and export and private-label brands):**

The Berentzen Group has its roots in the spirits business. It started as a small grain alcohol distillery in Haselünne and operates today in more than 60 countries. The two umbrella brands Berentzen and Puschkin (ca. 21% of the spirits segments revenues, average 2020 to 2022) make up a large part of the portfolio. The portfolio also includes well-known brands such as Strothmann, Bommerlunder, Doornkaat, Hansen Rum, etc. In addition, the group is moving into the premium segment with new concepts such as Rum Tres Paisés and Norden Dry Gin. As a strategic partner of the retail trade, branded dealer and private-label products are also an important part of the Berentzen Group's business.

- **Non-alcoholic Beverages:**

Since the late 1950s, Berentzen has also offered non-alcoholic beverages. As a regional mineral water and concession business, some of the products are available throughout Germany and to some extent, in neighbouring countries. The subsidiary responsible for the Berentzen Group's business of non-alcoholic beverages, Vivaris Getränke GmbH & Co. KG offers a diverse portfolio of products and brands. The activity is particularly focused on the nationally distributed products of the Mio Mio (ca. 35% of the Non-alcoholic beverages segment revenues, average 2020 to 2022) as well as the regional mineral water products in the core sales regions of north/west and north/east Germany. The brand portfolio also includes other soft drinks, energy drinks, and fruit juice spritzers. In addition, Berentzen distributes numerous Sinalco products as a concession partner.

- **Fresh Juice Systems:**

This is the "youngest" segment of the Berentzen Group. It distributes premium-quality fruit presses under the Citrocasa brand (acquired in 2014), untreated after-harvest oranges under the frutas naturales brand, and bottles for filling fresh-pressed orange juice which are specifically designed for the company's equipment. As a leading supplier, Citrocasa distributes juicing equipment to grocery stores and restaurants throughout the world.

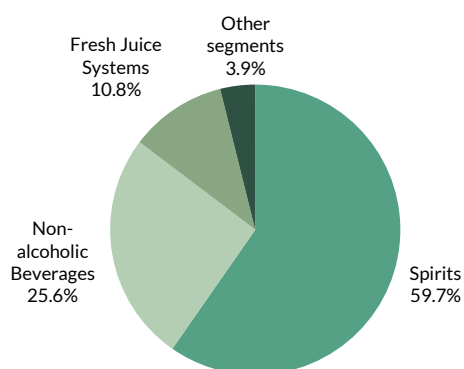
- **Other segments:**

The tourist and event activities are part of the other segments business and form the Berentzen Hof GmbH, which is located at the company's headquarters in Haselünne. Together with the Berentzen Hof Distillery, the segment's offering is rounded off by the farm shop, which offers a wide selection from the Berentzen Group's product portfolio to many visitors every year. In Turkey, restaurants and hotels in the tourist centers are an important distribution channel for the group and account for around 73% of the revenues in the Other segments business.

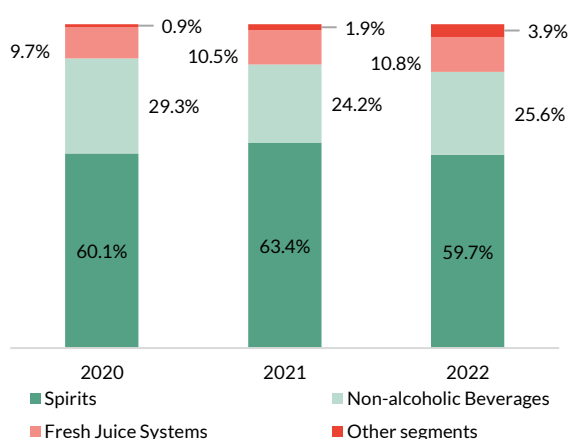
A detailed description of the products and brands can be found in the appendix of this report.

In 2022, the spirits segment accounted for most of the revenues (59.7%), followed by the non-alcoholic beverages segment (25.6%) and the fresh juice systems segment (10.8%). The other segments business plays only a minor role.

Revenue by segment (2022)



Revenue by segment (2020 to 2022)



Charts 6 - Source: Berentzen





Berentzen reports the highest contribution margin (after marketing budgets) in the Non-alcoholic Beverages segment (except for 2022), followed by the Other segments business.

Contribution margin (after marketing budgets) by segment						
%	2017	2018	2019	2020	2021	2022
Spirits	33.1	32.6	33.9	32.5	33.6	30.1
Non-alcoholic Beverages	42.8	43.0	45.8	48.9	58.0	51.3
Fresh Juice Systems	31.2	32.6	34.4	29.8	34.9	32.7
Other segments	50.4	52.6	49.8	42.8	48.5	64.7
<b>Group</b>	<b>36.7</b>	<b>37.0</b>	<b>37.9</b>	<b>37.1</b>	<b>39.9</b>	<b>37.2</b>

Table 7 - Sources: Berentzen, ODDO BHF Securities

## Research and development

To keep the product range attractive for consumers and exploit potential consumption levels, Berentzen's in-house Research & Development department works on enhancing the quality and flavour of existing spirits products and developing innovative new products.

Research and Development – direct expenses account for an average of 1% of revenues (2017-2022)						
€ m	2017	2018	2019	2020	2021	2022
Revenue	160.4	162.2	167.4	154.6	146.1	174.2
Direct expenses for R&D	1.5	1.7	1.8	1.7	1.6	1.6
Direct expenses for R&D as a % of revenue	0.9%	1.0%	1.1%	1.1%	1.1%	0.9%

Table 8 - Source: Berentzen

In the 2022 financial year, 206 recipes for spirits were developed and examined in the area of brands and private-label brands.

In the Non-alcoholic Beverages segment, three recipes were optimised within the existing product line under the proprietary Kräuterbraut brand. In addition, new products were worked on in the "isotonic sports drink" and "flavoured water with functional additive" product segments. Development activities also focused on a product launch under the Mio Mio brand which took place in Q1 2023. A total of 67 new recipes were developed for the Non-alcoholic Beverages segment and evaluated in market research tests. Research and development activities in the Fresh Juice Systems segment focused on the one hand on the development of a new pomegranate fruit press, which will be available in Q1 2023 and will inherit the patented functions of the current generation machinery, in particular with regard to hygiene efficiency. The activities also focused on the development of a completely new fruit press generation for the food retail market. This is expected to be market-ready in the 2024 financial year.

## A beverages company with a history of over 250 years

In over 250 years, Berentzen has developed from a small spirits company into one of the leading beverage companies in Germany through acquisitions and the development of new products.

- 1758: Origin of the Berentzen Company in Haselünne, Germany.
- 1899: "Berentzen vom alten Faß" - one of the first registered trademarks for Spirits in Germany.
- 1958: Foundation of Emsland-Getränke. The company opened a new business with a bottling plant for non-alcoholic beverages in Haselünne. The former "Emsland Getränke" is known as Vivaris today.



- 1960: Concession for Pepsi. Today's Vivaris acquired under its former name Emsland Getränke a concession for the bottling and distribution of Pepsi-Cola. By the end of the concession (end of 2014) Vivaris built a distribution in twelve of the sixteen federal states and became the largest of the concessionaires.
- 1976: Introduction of Berentzen Apfelkorn which became the best-known product in the group. The "Schnapps Idea" of Dr. Hans and Friedrich Berentzen became the most successful product launch in the Spirits market since 1945 and made Berentzen a national provider of Spirits.
- 1979: Setting up of the export business because of the Apfelkorn success.
- 1988: Birth of Berentzen-Gruppe: The I.B. Berentzen merged with the distillery Pabst & Richarz to form the modern Berentzen Group. By the merger, the art of grain burner and wine burner brought together in one company. The newly formed company is No. 2 in the German spirits industry and will continue to grow.
- 1990: The brand Puschkina Vodka is taken over from the company König & Schlichte. The well-known Vodka brand was being evolved into an umbrella brand in the mid-90s and had been one of the most successful brands in the 90s.
- 1992: Berentzen Group acquired Doornkaat, one of the most recognizable grain brands and strengthened its competence in the grain sector.
- 1993: With the conversion into a public limited liability company (plc), the Berentzen Group created the condition for an IPO in order to support and finance its long-term growth plans. In June 1994, Berentzen shares were placed at the stock exchanges in Frankfurt and Bremen.
- 1996: Through the acquisition of a mineral spring (Brandenburgische Mineral-Quelle) in Grüneberg near Berlin, the sales territory for soft drinks was expanded in most parts of the North and East Germany.
- 1998/99: The Berentzen Group took over Dethleffsen, one of the main competitors in the German market. With the brands Bommerlunder, Hansen Rum, Springer Urvater, Echt Stonsdorfer and Dirty Harry, the product range is supplemented by new segments. Hence, Berentzen markets the most comprehensive range of all German providers.
- 2008: Financial investor AURELIUS, Munich, acquired ~75.1% of the ordinary shares of the Berentzen-Gruppe AG.
- 2012: Berentzen-Gruppe places a corporate bond with a volume of € 50m. The term is five years. Due to high demand, the subscription period ends on the first day within a few hours.
- 2014: Berentzen Group acquired Citrocasa GmbH (at that time: TMP Technic-Marketing-Products GmbH) which is headquartered in Linz (Austria). With the acquisition, it added the fresh juice systems segment to its business activities. Citrocasa is a leading international supplier of fresh-pressed orange juice systems.
- 2015: Vivaris, the soft drinks sector of Berentzen, takes the first concession in the brand's history of Sinalco.
- 2015: Conversion of the non-voting preferred shares into voting common shares. As a result, common shares are now the only class of shares at Berentzen-Gruppe Aktiengesellschaft.
- 2016: Aurelius sold all its shares in Berentzen-Gruppe Aktiengesellschaft during 2016.
- 2017: In October, the company completely repaid its corporate bond for € 50m issued in 2012 upon maturity.
- 2018: "Thirst for Life" becomes the new corporate claim of the Berentzen Group.
- 2019: The Berentzen Group started the biggest innovation offensive in its history.
- 2020: Spirits and non-alcoholic beverages of the Berentzen group are marketed together by one sales force.



- 2020: By taking over Austrian premium cider brand Goldkehlchen, the Berentzen Group enters a new market segment.

## Production centered in Germany

Berentzen manufactures its spirits and non-alcoholic beverages at four locations in Germany. Spirits are produced in Minden, while Non-alcoholic Beverages are manufactured in Haselünne and Grüneberg. In addition, the logistics centre of the group for the distribution of spirits is operated by an external service provider in Stadthagen. The Fresh Juice Systems segment is run and managed from its subsidiary Citrocasa GmbH in Linz (Austria). The latter distributes fruit presses, untreated oranges and bottling systems throughout the world. In Turkey, the business is managed by a local group company. Restaurants and hotels in Turkish tourist centres are an important distribution channel for Berentzen.

### Locations of the Berentzen Group

#### The Berentzen Group

##### Facilities & Facts



##### Haselünne

- HQ of Berentzen Group and production of NABVs
- Mineral spring, 3 filling lines
- Glass / PET / Container
- Capacity 72 million litres
- Premium craft distillery



German company with more than 250 years of tradition, based in Haselünne, Lower Saxony, listed in the General Standard of the Frankfurt Stock Exchange since 1994



##### Grüneberg

- Production of NABVs
- Mineral spring
- 4 filling lines
- PET / Glass / BIB / KEG
- Capacity 95 million litres



##### Linz

- Business unit Fresh Juice Systems
- HQ of business unit, assembling, engineering, sales, marketing



##### Minden

- Headquarter for private label business (spirits)
- Centralized production of spirits
- Production capacity 123 million units
- 6 filling lines
- Warehouse in Stadthagen with 30,000 pallets



##### Istanbul

- Own spirits sales organization
- Established in 2012

Chart 9 - Source: Berentzen

## Members of the management board with many years of experience in the company

Berentzen's management board consists of two members. We like the composition of the board as its members have varied backgrounds and many years of significant experience.

**Oliver Schwegmann** is the CEO and a member of the executive board since June 2017. He is responsible for marketing, sales, production, logistics, procurement as well as research & development. Prior to his role at Berentzen, he worked for L'Oreal Suisse as Country Managing Director and has held senior management positions at Hero AG, Mars GmbH, and Storck AG.



**Ralf Brühöfner** is the CFO of Berentzen. He has worked for the company since 2001 and was appointed to the executive board in June 2007. He is responsible for finance, controlling, human resources, information technology, legal, corporate communications, investor relations and corporate social responsibility. Previously, he held senior management positions in the container glass industry and at Balcke-Dürr AG. Ralf Brühöfner started his professional career at PricewaterhouseCoopers.

## Management board



Chart 10 - Source: Berentzen, from left Ralf Brühöfner (CFO), Oliver Schwegmann (CEO)



# “FEWER BUT BIGGER” CREATES LONG-TERM VALUE

*With the motto of "Fewer but Bigger", Berentzen will focus in each business unit on the products with the greatest potential for growth and profitability and will bundle resources accordingly. As a result, we anticipate that revenues and EBIT will rise by 20% and 40% respectively (2022 to 2025e) with EBIT margins up by 90bp to 5.6% (2025e).*

## Growth, profitabilisation and performance enabler

Berentzen’s four strategic key areas will drive growth and profitability in the coming years: 1) the Liqueur Offensive, 2) the expansion of premium private label concepts, 3) the focus on Mio Mio and 4) the concentration on core markets for fresh juice systems.

### Growth and profitabilisation

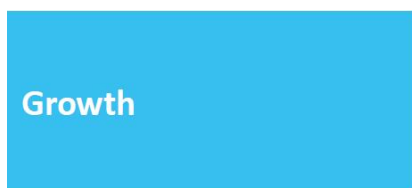


Chart 11 - Source: Berentzen

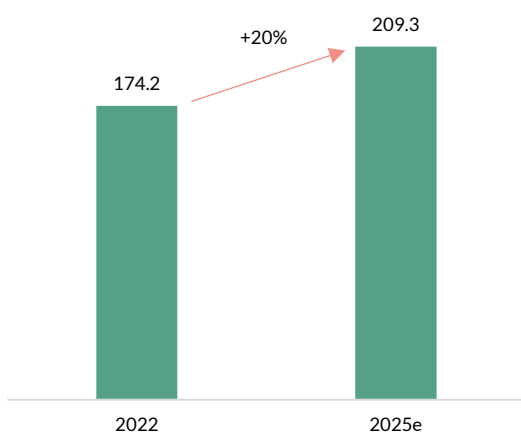
- Spirits:** In the Spirits segment, the Berentzen Group will continue to step up its activities in the steadily growing markets for liqueurs and premium spirits. Already today, the corporate group is one of the market leaders in the German liqueurs market with its two brands Berentzen and Puschkin. Future profitable growth is assured by the continual introduction of new products and innovations. The Berentzen Group is represented in the premium spirits market with its premium brands Tres Países (rum), Norden Dry Gin (gin), and the cider brand Goldkehlchen acquired in 2020. In addition, the Berentzen Group develops premium private-label concepts as a strategic partner to retailers.



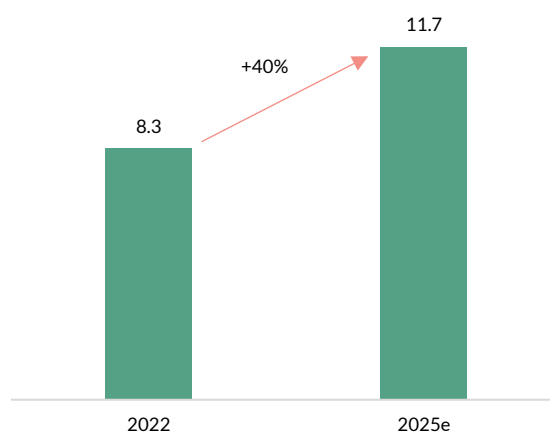
- Non-alcoholic Beverages:** In the Non-alcoholic Beverages segment, the Berentzen Group initiated some years back a transformation from a regional supplier of mineral water products and contract bottler to a national manufacturer of branded products. The Group is mainly focused on the further development of the Mio Mio brand, sales of which have grown consistently at double-digit annual rates since the product launch in 2012. To accelerate the future growth of this modern, invigorating soft drink, two new flavours were introduced to the market in 2022. In addition, these products are now also being distributed to hotels and restaurants. The Mio Mio product portfolio now comprises ten variants.
- Fresh Juice Systems:** Germany and Austria are especially important strategic core markets for Citrocasa because these countries present attractive growth opportunities due to low market penetration. Under the direction of its own sales team, the company offers not only fresh juice presses, but also the corresponding fruits and bottles in these countries. In the other international sales territories, Citrocasa works with strong local distributors. The innovation leadership position to which the company aspires will lead to faster growth and higher profit margins.

As a result, we anticipate that revenues and EBIT will rise by 20% and 40% respectively (2022 to 2025e) with EBIT margins up by 90bp to 5.6% (2025e).

Revenue (€ m) 2025e vs 2022



EBIT (€ m) 2025e vs 2022



Charts 12 - Sources: Berentzen, ODDO BHF Securities

Revenue by segment – Non-alcoholic Beverages segment with the highest growth rates (2023e to 2025e)

€ m	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Spirits segment	83.6	84.2	93.3	93.0	92.7	104.0	111.3	115.7	119.2
Change y-o-y		0.8%	10.8%	-0.4%	-0.3%	12.2%	7.0%	4.0%	3.0%
Non-alcoholic Beverages segment	46.2	49.7	51.4	45.3	35.3	44.6	52.2	57.7	61.8
Change y-o-y		7.5%	3.3%	-11.8%	-22.0%	26.3%	17.0%	10.5%	7.0%
Fresh Juice Systems segment	20.7	18.8	20.0	15.0	15.4	18.8	20.4	20.9	21.3
Change y-o-y		-9.4%	6.4%	-25.0%	2.6%	22.5%	8.5%	2.5%	2.0%
Other segments	9.9	9.5	2.8	1.4	2.7	6.8	6.9	6.9	7.0
Change y-o-y		-3.6%	-70.6%	-51.6%	102.6%	147.0%	1.2%	0.7%	1.7%
<b>Consolidated revenues excl. alcohol tax</b>	<b>160.4</b>	<b>162.2</b>	<b>167.4</b>	<b>154.6</b>	<b>146.1</b>	<b>174.2</b>	<b>190.8</b>	<b>201.3</b>	<b>209.3</b>
Change y-o-y		1.1%	3.2%	-7.7%	-5.5%	19.2%	9.5%	5.5%	4.0%

Table 13 - Sources: Berentzen, ODDO BHF Securities

In addition to its four strategic key areas for growth and profitability, the company will also focus on performance enablers such as instore visibility, test initiatives in trend categories, brand awareness and leadership & talents.



## Performance enabler

### Performance Enabler



Chart 14 - Source: Berentzen

## Trends in the beverages market

We believe that Berentzen is well positioned to benefit from the growing trends in the beverages market by serving the needs of various customer groups and thereby increasing its revenues and earnings in the coming years.

### Overview of the drinks market

In addition to the development of the economy, the key factors determining the business performance of the Berentzen Group are the development of the beverage market including the development of the distribution channels for beverages and fresh juice systems. Whereas the retail trade channel accounts for most revenues, the German hospitality industry is another, albeit not as important, distribution channel for the spirits and non-alcoholic beverages of the group.

The beverages market in which Berentzen operates can be divided into the segments spirits, non-alcoholic beverages and fresh juice systems.

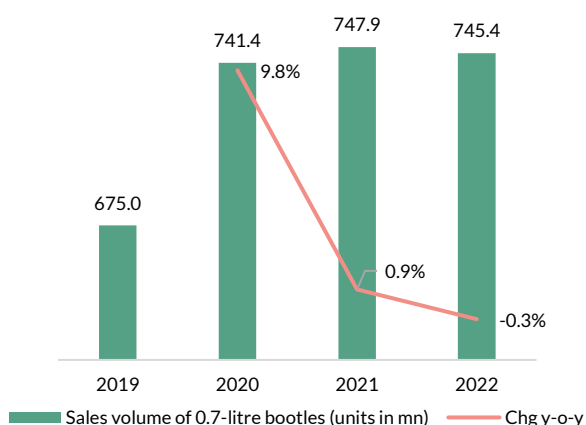
### ❖ Spirits

Despite a modest downtrend in per-capita consumption, the German spirits market is stable overall. Nonetheless, certain sub-markets such as liqueurs and premium spirits are experiencing uninterrupted growth. Besides large, internationally active corporations like Diageo, Campari, and Remi Cointreau, competition in the German market is mainly posed by various larger and medium-sized spirits manufacturers and start-ups.

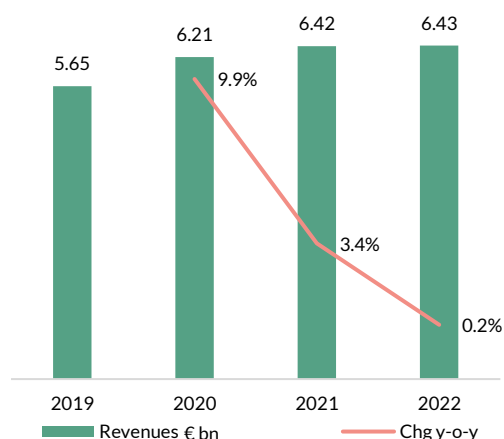
Between 2019 and 2022, the domestic sales market for 0.7-litre bottles rose from 675m units to more than 745m units, equivalent to an increase of 10.4%. Over the same period, revenues in this sales channel increased by 13.8% to € 6.43bn.



## Spirits: domestic sales volume



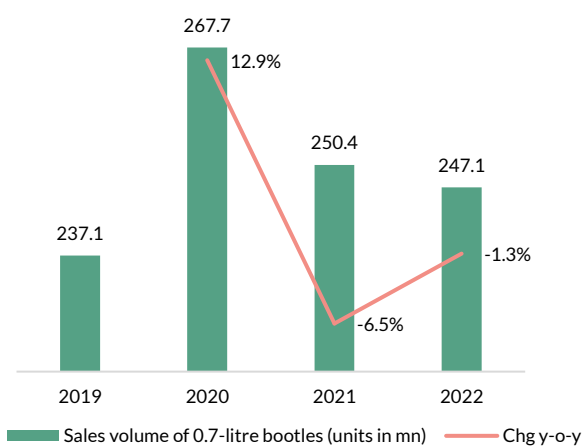
## Spirits: domestic revenue (€ bn)



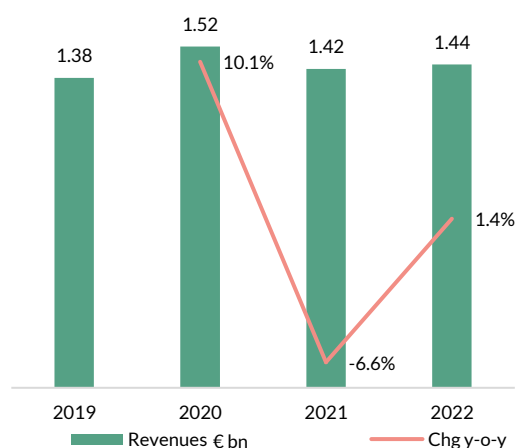
Charts 15 - Source: Berentzen

Sales volume of private-label brands (products sold under a retailer's own brand but made by a third party called a private label manufacturer) increased by 4.2% to 247.1m units of 0.7-litre bottles in 2022 vs. 2019. The 2022 number corresponds to share of 33.1% in the total German market.

## Private-label brands: domestic sales volume



## Private-label brands: domestic revenues



Charts 16 - Source: Berentzen

## ❖ Non-alcoholic beverages

The German market for non-alcoholic beverages has become highly diversified. The two giants Coca Cola and PepsiCo have steadily lost market shares to smaller companies and brands like Mio Mio in the past few years. These brands and companies are mainly active in attractive markets with high growth rates such as the market for fashionable soft drinks, benefitting from the trend of declining brand loyalty and the growing willingness of consumers to try new products.

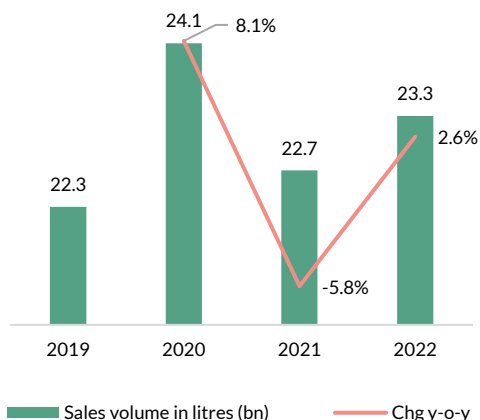
During the corona pandemic, the sales volume of non-alcoholic beverages declined by 5.8% to 22.7bn litres in 2021 vs 2020. With the recovery of the effects from the coronavirus pandemic, the segment for non-alcoholic beverages rose to 23.3bn litres in 2022 (or +2.6% yoy) with revenues up by 5.7%. The sales volume of non-alcoholic beverages is now 4.5% (2022) above the 2019 level of 22.3bn litres.



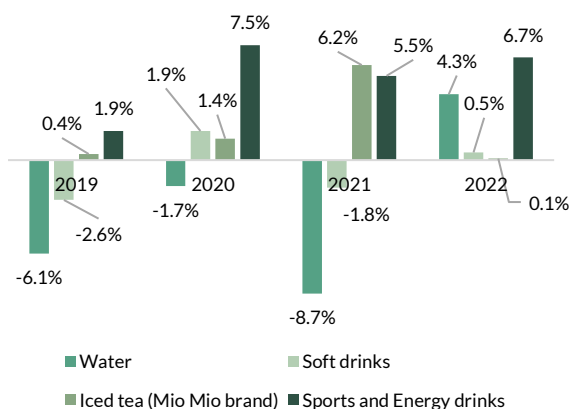


Sales of waters reserved their three year-long downward trend (2019 to 2021) and rose by 4.3% in 2022 with revenues up by 7.3%. A flat development was seen in the area of iced tea, to which mate beverages marketed under the Mio Mio brand are allocated. This area recorded sales of +0.1% and revenue growth of 1.1%. There was positive development in the category of sports and energy drinks, which observed sales growth of 6.7% and revenue growth of 13.7%.

Non-alcoholic beverages: domestic sales volume in litres



Non-alcoholic beverages by segment: sales volume annual change



Charts 17 - Source: Berentzen

## ❖ Fresh juice systems

This market is largely driven by the megatrends of “health”, “freshness”, and “sustainability”, which became even more important over the course of the coronavirus pandemic. Fresh juice presses offer brick-and-mortar shops the chance to set themselves apart from their competitors and especially from the fast-growing online vendors. Besides the Berentzen Group company Citrocasa, the main players in this market are the two Spanish competitors Zummo and Zumex.

According to Berentzen, there is no reliable market data available for this segment. It estimates that existing and future consumer demand for fresh foodstuffs, especially fresh drinks like not-from-concentrate juices, freshly squeezed juices and smoothies, is a key indicator for the development of this segment. The trend ongoing for several years now of increased dietary awareness and the impact on health and well-being are further influencing consumer behaviour. Values and product characteristics like freshness, biological and regional provenance as well as traceability in the production process are increasingly important factors for end customers.

## Pent-up demand from consumers after lifting of corona restrictions on social life

2023e – we expect higher revenues, but lower EBIT margins

We believe that ongoing pent-up demand from consumers for beverages post the coronavirus pandemic, albeit below the 2022 level, and price increase will lead to higher revenues (+9.5% to € 190.8m) in 2023e. On the other side, challenges from still fragile supply chains and higher costs for energy and materials will continue to impact earnings. As a result, we forecast 2023e EBIT of € 8.1m (EBIT margin 4.3%, minus 40bp yoy). Our estimates are within the company guidance range, but 3% above consensus for EBIT.



## Company guidance vs estimates, 2023e

€ m	2022	2023 guidance		2023e	Chg y-o-y	ODDO BHF vs guidance		2023e consensus	ODDO BHF vs cons
		Low	High			Low	High		
		Revenues	174.2			185.0	195.0		
EBITDA	16.7	15.6	17.6	16.7	0.3%	7.1%	-5.1%	16.5	1%
EBITDA margin	9.3%	8.4%	9.0%	8.8%				8.6%	
EBIT	8.3	7.0	9.0	8.1	-2.4%	16.3%	-9.6%	7.9	3%
EBIT margin	4.7%	3.8%	4.6%	4.3%				4.1%	

Table 18 - Sources: Berentzen, ODDO BHF Securities, FactSet

## 2024e and beyond - back to the path of profitable growth

In the medium term (2024e to 2025e), we expect Berentzen to be able to gradually pass on the increased costs for energy, purchased goods and services to its customers and achieve an EBIT margin of 5.6% in 2025e compared to 4.3% in 2023e.

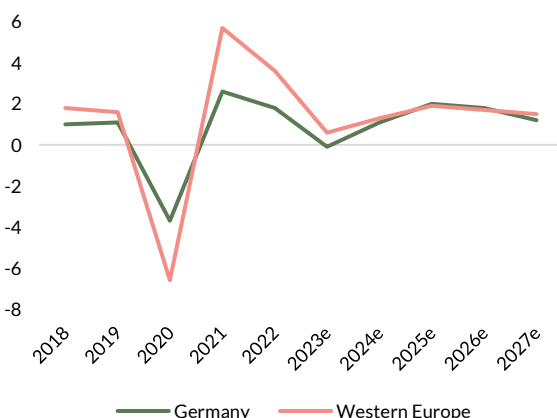
## Earnings summary

€ m	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Revenue	160.4	162.2	167.4	154.6	146.1	174.2	190.8	201.3	209.3
Change y-o-y		1.1%	3.2%	-7.7%	-5.5%	19.2%	9.5%	5.5%	4.0%
<b>Total op performance</b>	<b>162.4</b>	<b>163.6</b>	<b>167.4</b>	<b>154.6</b>	<b>146.4</b>	<b>178.9</b>	<b>190.8</b>	<b>201.3</b>	<b>209.4</b>
Change y-o-y		0.7%	2.3%	-7.6%	-5.3%	22.2%	6.6%	5.5%	4.0%
EBITDA	16.4	17.3	18.4	14.1	15.4	16.7	16.7	19.0	20.3
Change y-o-y		5.6%	6.0%	-23.1%	8.7%	8.4%	0.3%	13.7%	6.9%
EBITDA margin	10.1%	10.6%	11.0%	9.1%	10.5%	9.3%	8.8%	9.4%	9.7%
<b>EBIT</b>	<b>9.2</b>	<b>9.8</b>	<b>9.8</b>	<b>5.2</b>	<b>6.7</b>	<b>8.3</b>	<b>8.1</b>	<b>10.4</b>	<b>11.7</b>
Change y-o-y		6.3%	0.1%	-46.9%	28.8%	24.2%	-2.4%	28.0%	12.4%
EBIT margin	5.7%	6.0%	5.9%	3.4%	4.6%	4.7%	4.3%	5.2%	5.6%
<b>Total net debt</b>	<b>-10.7</b>	<b>-7.6</b>	<b>-12.5</b>	<b>-16.0</b>	<b>-17.5</b>	<b>-9.6</b>	<b>1.1</b>	<b>-0.4</b>	<b>-2.2</b>
Change y-o-y		-29.0%	65.1%	28.0%	9.4%	-45.0%	ns	ns	520.0%
<b>FCF (company definition)</b>	<b>-3.7</b>	<b>-0.9</b>	<b>9.7</b>	<b>8.3</b>	<b>4.3</b>	<b>-4.1</b>	<b>-6.9</b>	<b>5.5</b>	<b>6.6</b>
Change y-o-y		+75.2%	ns	-15.0%	-47.7%	ns	-67.8%	ns	21.0%

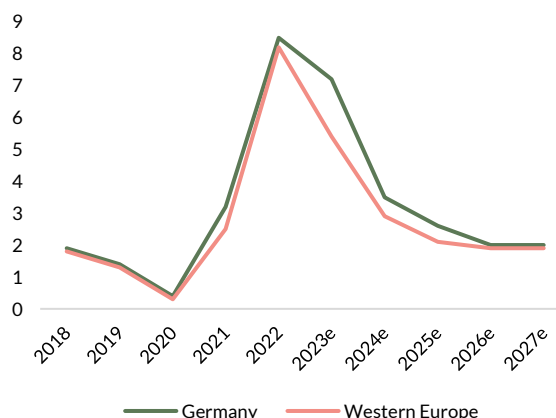
Table 19 - Sources: Berentzen, ODDO BHF Securities

Real GDP growth is expected to moderate to around 2% in the coming years whereas inflation rates will remain at a high level.

### Real GDP growth (annual % change) in Berentzen's main regions



### Inflation rates, average consumer prices (annual % change) in Berentzen's main regions

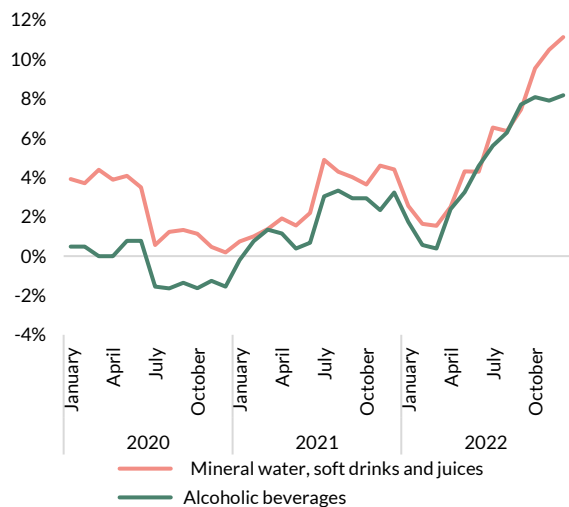


Charts 20 - Source: World Economic Outlook, IMF April 2023

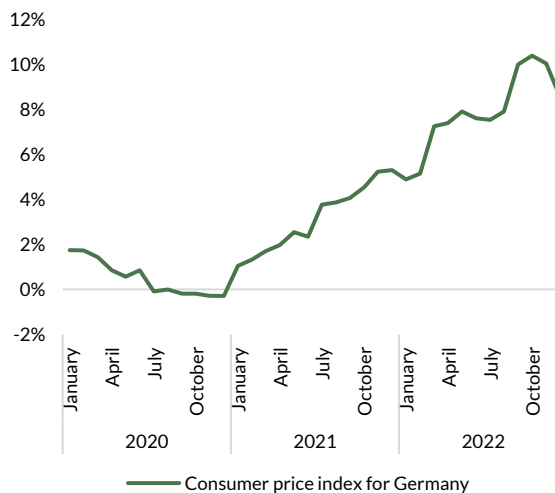
During the coronavirus pandemic, the consumer price index (CPI) in the categories of alcoholic beverages as well as non-alcoholic beverages (mineral water, soft drinks and juices) declined, but rose strongly since the beginning of 2022.



Consumer price index - Beverages



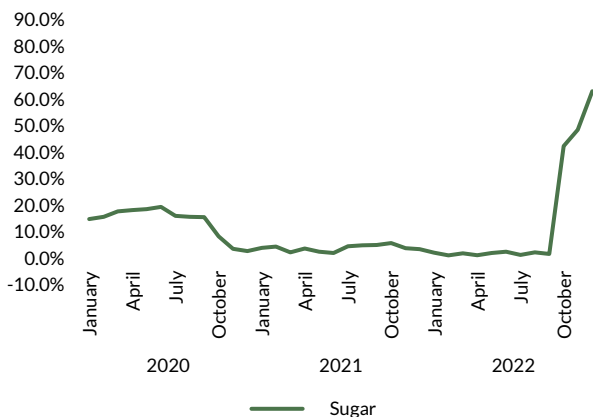
Consumer price index - Germany



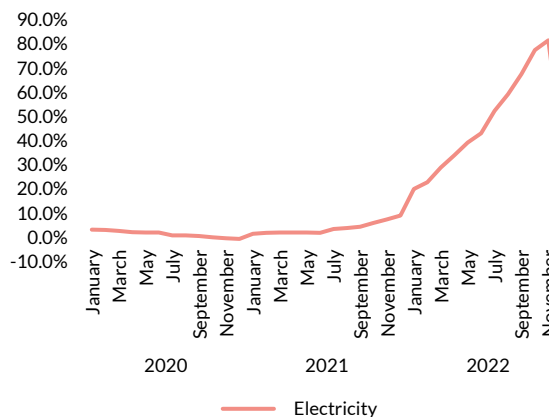
Charts 21 - Source: Federal Statistical Office, Germany

In Germany, the consumer price index (CPI) for sugar and electricity (both of which have a material influence on earnings) increased by more than 60% and ca. 40% respectively yoy (vs. the end of 2021).

Consumer price index - sugar



Consumer price index - electricity



Charts 22 - Source: Federal Statistical Office, Germany

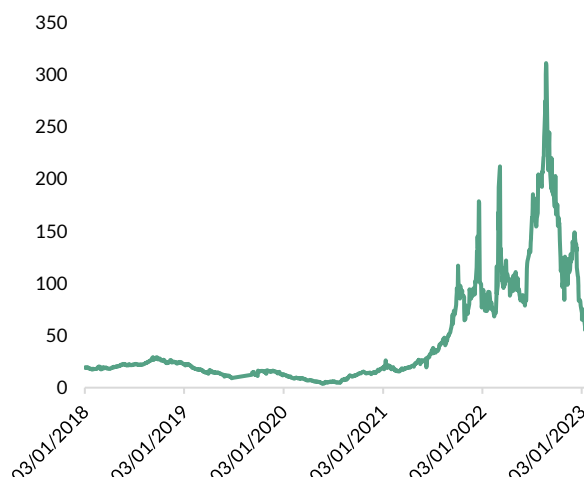
Prices of export wheat and gas have peaked, dropping significantly but are still above their 2018 to 2021 average price.



## Export price wheat EU Rouven Index (€ / metr. tonne)



## Netherlands TTF Natural Gas Forward 1 Months (€ / MWh)



Charts 23 - Source: Bloomberg

## Attractive dividend yield and high payout ratio

Berentzen distributes at least 50% of its consolidated profit to its shareholders. With a conservative average payout ratio of 50% (2023e to 2025e, vs. an average payout ratio of 65% from 2017 to 2022), the company's dividend will rise from € 0.22/per share in 2022 to € 0.42/per share in 2025e, thereby offering a dividend yield of more than 6%.

## Development of dividend and dividend yield

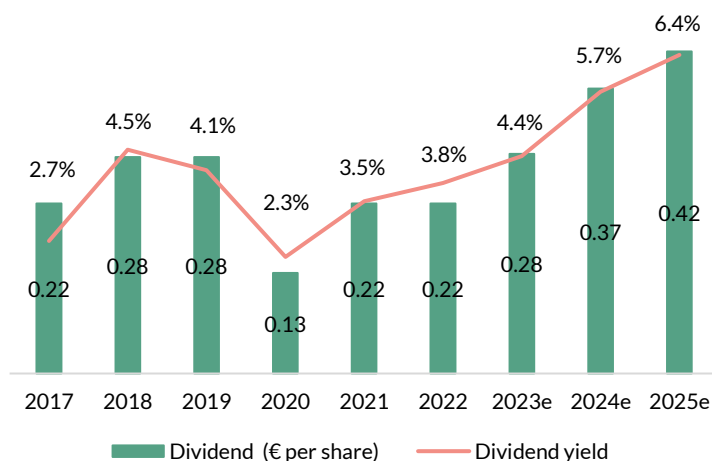


Chart 24 - Sources: Berentzen, ODDO BHF Securities

## Solid financial profile

After two years of negative FCF (2022 reported, 2023e), we believe that Berentzen will report an average positive FCF (company definition) of € 6.1m (2024e to 2025e) driven by higher operating cash flows and lower investments in PP&E than in 2022 and 2023e.

The current year (2023e) is like 2022 characterized by high investments in photovoltaic plants at its business locations and empty bottle containers and crates (particularly for the reusable Mio Mio product containers).



## Free cash flow (company definition)

€ m	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Cash flow from operating activities	4.1	5.6	16.6	13.6	11.6	4.9	2.9	14.7	15.9
Payments for investments in property, plant and equipment	-7.6	-6.0	-6.2	-4.66	-8.0	-8.7	-9.4	-8.9	-8.9
As a % of revenues	-4.7%	-3.7%	-3.7%	-3.0%	-5.5%	-5.0%	-4.9%	-4.4%	-4.2%
Payments for investments in intangible assets	-0.6	-0.8	-1.0	-0.5	-0.5	-0.4	-0.4	-0.4	-0.4
Proceeds from disposals of property, plant and equipment	0.3	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Proceeds from disposals of intangible assets	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from cash acquired	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Cash outflows for the acquisition of subsidiaries	0.0	0.0	0.0	-0.4	0.0	0.0	0.0	0.0	0.0
Cash inflows from disposals on non-current assets	0.0	0.0	0.0	0.0	1.2	0.0	0.0	0.0	0.0
<b>FCF</b>	<b>-3.7</b>	<b>-0.9</b>	<b>9.7</b>	<b>8.3</b>	<b>4.3</b>	<b>-4.1</b>	<b>-6.9</b>	<b>5.5</b>	<b>6.6</b>

Table 25 - Sources: Berentzen, ODDO BHF Securities

## Financial position

€ m	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Cash and cash equivalents at the start of the period	67.1	18.4	15.5	22.0	26.3	28.0	13.0	2.8	4.3
Cash flow from operating activities	4.1	5.6	16.6	13.6	11.6	4.9	2.9	14.7	15.9
Cash flow from investing activities	-7.8	-6.5	-6.9	-5.4	-7.3	-9.0	-9.8	-9.2	-9.2
Cash flow from financing activities	-45.0	-2.1	-3.2	-3.9	-2.7	-10.9	-3.4	-4.0	-4.8
Cash and cash equivalents at the end of the period	18.4	15.5	22.0	26.3	28.0	13.0	2.8	4.3	6.1

Table 26 - Sources: Berentzen, ODDO BHF Securities

At the end of December 2022, the dynamic gearing ratio amounted to -0.58 (see table below). In view of the anticipated higher working capital (mainly inventory), Berentzen forecasts a dynamic gearing ratio of 0.19 to 0.29. For 2023e, we are below (0.07) the guidance range.

As Berentzen is expected to become more profitable, we project a comfortable financial leverage position (dynamic gearing ratio) in the coming years.

## Dynamic gearing ratio (net debt / EBITDA)

€ m	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Non-current financial liabilities	7.1	7.1	7.9	8.6	1.3	1.3	1.3	1.3	1.3
Current financial liabilities	1.7	1.1	2.3	1.7	9.5	2.6	2.6	2.6	2.6
Cash and cash equivalents	19.4	15.8	22.7	26.3	28.3	13.5	2.8	4.3	6.1
<b>Total net debt</b>	<b>-10.7</b>	<b>-7.6</b>	<b>-12.5</b>	<b>-16.0</b>	<b>-17.5</b>	<b>-9.6</b>	<b>1.1</b>	<b>-0.4</b>	<b>-2.2</b>
EBITDA	16.4	17.3	18.4	14.1	15.4	16.7	16.7	19.0	20.3
<b>Dynamic gearing ratio</b>	<b>-0.65</b>	<b>-0.44</b>	<b>-0.68</b>	<b>-1.13</b>	<b>-1.14</b>	<b>-0.58</b>	<b>0.07</b>	<b>-0.02</b>	<b>-0.11</b>

Table 27 - Sources: Berentzen, ODDO BHF Securities

## Working capital (company definition)

€ m	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Trade receivables	13.8	16.4	14.8	11.8	7.5	10.6	11.7	11.9	11.9
Inventories	37.0	39.9	40.6	39.4	39.0	51.1	58.2	54.3	54.6
Trade payables	9.8	9.4	10.2	9.7	11.2	17.2	18.8	19.1	19.0
Alcohol tax liabilities	43.3	42.3	43.6	42.6	36.4	37.6	37.6	37.6	37.6
<b>Total WC</b>	<b>-2.4</b>	<b>4.7</b>	<b>1.5</b>	<b>-1.1</b>	<b>-1.1</b>	<b>7.0</b>	<b>13.4</b>	<b>9.5</b>	<b>9.9</b>
As a % of revenues	-1.5%	2.9%	0.9%	-0.7%	-0.7%	4.0%	7.0%	4.7%	4.7%

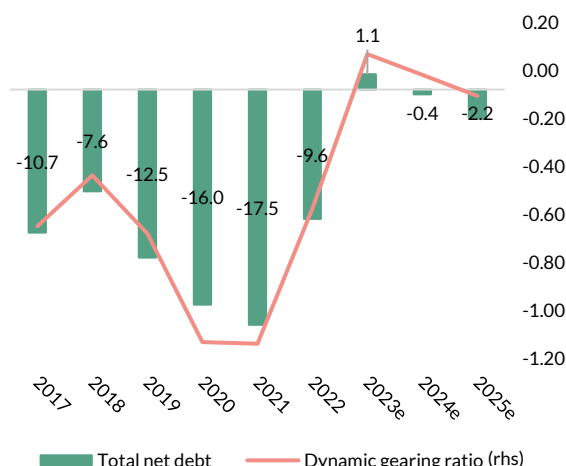
Table 28 - Sources: Sources: Berentzen, ODDO BHF Securities



## FCF (€ m), company definition



## Net debt (€ m) and net debt / EBITDA (x)



Charts 29 - Sources: Berentzen, ODDO BHF Securities

Although the company is mainly focused on organic growth, the group is engaged in constant discussions with other companies with an eye on potential M&A deals. However, for an acquisition to be attractive to the group, the potential target company must offer a fair price and have a record of proven success. We believe that Berentzen can use its strong financial structure for potential M&A deals as it already did in the past. For example, in 2020, Berentzen entered a new market segment with the acquisition of the Austrian premium cider brand Goldkehlchen.

Further M&A deals are included in the section Company history.

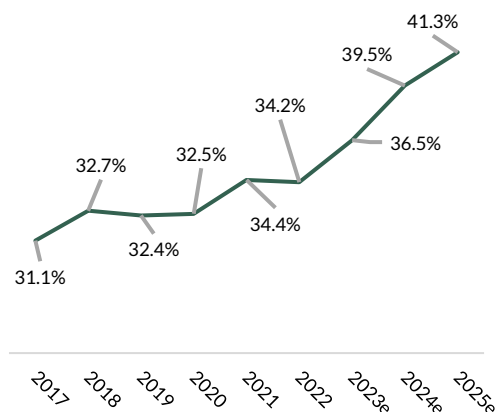
At 34.2%, the equity ratio was at a similar level as in 2021 (34.4%) and thus at the lower end of the forecast range of 34.0% to 39.0%. This development was attributable to the increase in shareholder's equity (+€ 1.3m) accompanied by a 2.9% increase (or +€ 4.2m) in total assets. For 2023e, we anticipate an equity ratio of 36.5% vs. a guidance range of 32.2% to 37.2%.

## Equity ratio above 35% (2023e to 2025e)

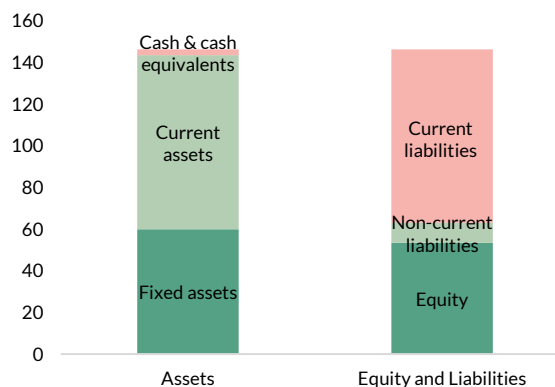
€ m	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Consolidated shareholders' equity	44.6	47.4	49.2	47.2	48.9	50.1	53.3	57.5	61.8
Tax accruals	0.0	0.0	0.0	0.1	0.2	0.1	0.0	0.0	0.0
Adjusted shareholders' equity	44.6	47.4	49.2	47.1	48.7	50.0	53.3	57.5	61.8
Total capital	143.4	145.0	151.6	145.2	142.1	146.3	146.0	145.8	149.8
Tax accruals	0.0	0.0	0.0	0.1	0.2	0.1	0.0	0.0	0.0
Adjusted total capital	143.4	145.0	151.6	145.1	142.0	146.2	146.0	145.8	149.8
<b>Equity ratio</b>	<b>31.1%</b>	<b>32.7%</b>	<b>32.4%</b>	<b>32.5%</b>	<b>34.4%</b>	<b>34.2%</b>	<b>36.5%</b>	<b>39.5%</b>	<b>41.3%</b>

Table 30 - Sources: Berentzen, ODDO BHF Securities

## Equity ratio (adj. shareholders equity/adj. total capital)



## Balance sheet (€ m), 2023e



Charts 31 - Sources: Berentzen, ODDO BHF Securities



# INITIATION WITH AN OUTPERFORM RATING AND A TARGET PRICE OF € 10.00

We have used the average of 1) a DCF model and 2) a valuation approach based on the multiples of its peer Schloss Wachenheim to determine the fair value of the company. This combined approach underscores Berentzen's substantial long-term potential and gives us a target price of € 10.00. With 56% upside to our target price, we initiate coverage with Outperform.

## Significant underperformance of share price vs the majority of its peers

Since the company's IPO in June 1994, the shares have declined by around 60%, thereby clearly underperforming its peers Brown-Forman (+2400%), Davide Campari-Milano (IPO June 2021: +1500%), Diageo (+560%), Pernod Ricard (+1300%), Remy Cointreau SA (+360%) and Schloss Wachenheim (+55%). Only two of its peers, Lucas Bols Amsterdam (IPO February 2015: -30%) and Marie Brizard Wine and Spirits SA (IPO January 1997: -90%), had a negative share price performance.

Berentzen - Share price (€) since IPO

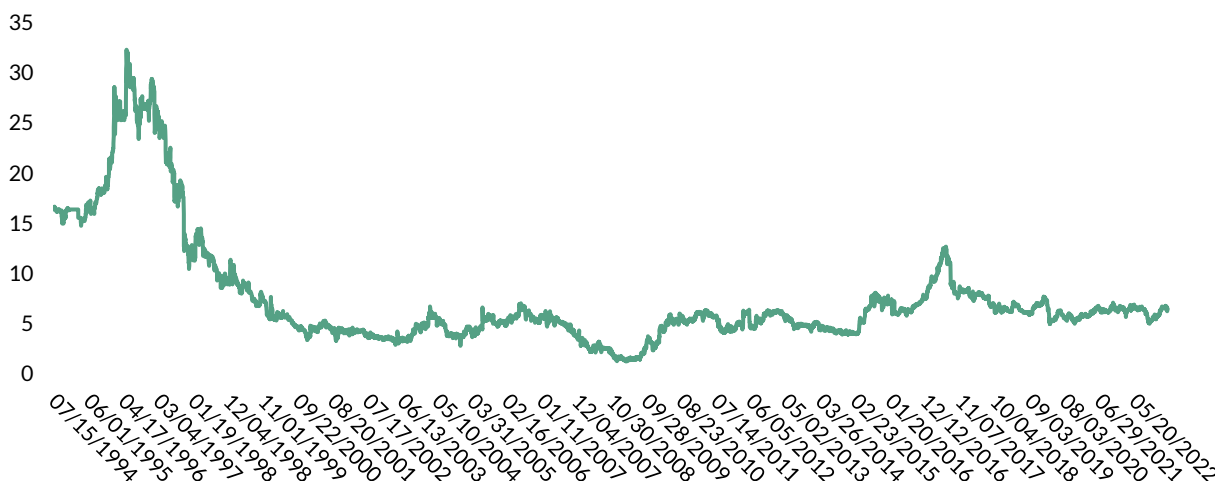


Chart 32 - Sources: ODDO BHF Securities, FactSet



## Berentzen's multiples at a discount to peers

We have included the following companies in our peer group analysis: Brown-Forman (beverage alcohol), Davide Campari-Milano (spirits), Diageo (beverage alcohol), Pernod Ricard (spirits, wine, champagne), Remy Cointreau SA (spirits), Schloss Wachenheim (sparkling wine, cider, spirits), Lucas Bols Amsterdam (cocktail, spirits) and Marie Brizard Wine and Spirits SA (wine, spirits).

Berentzen has the lowest market cap within the peer group. Whereas the average EBIT margin (2023e-2025e) of Berentzen (5.0%) is significantly lower than the EBIT margin of its peers (except for Marie Brizard Wine and Spirits), its sales growth (+6.3%, 2023e to 2025e) is higher than the average sales growth of its peers (+5.6%, 2023e to 2025e). In our view, only Schloss Wachenheim comes close to Berentzen in terms of market cap and profitability.

### Berentzen vs peer group

	Price	Marketcap	Sales chg yoy			CAGR
	(€)	(€ m)	2023e	2024e	2025e	2023e - 2025e
Brown-Forman	60.67	28,777	6.9%	5.6%	7.2%	6.6%
Davide Campari-Milano	12.45	21,896	10.6%	7.3%	7.7%	8.6%
Diageo	39.25	88,232	12.2%	3.2%	6.2%	7.2%
Pernod Ricard	204.30	52,699	13.2%	4.3%	5.8%	7.8%
Remy Cointreau SA	140.05	7,113	-3.9%	8.4%	8.3%	4.3%
Schloss Wachenheim	16.50	131	10.1%	4.1%	0.4%	4.9%
Lucas Bols	10.20	153	2.9%	2.8%	-	2.9%
Marie Brizard Wine & Spirits SA	2.25	252	1.7%	3.3%	3.2%	2.7%
Average peer group			6.7%	4.9%	5.5%	5.6%
Berentzen estimate	6.40	61	9.5%	5.5%	4.0%	6.3%
<b>Berentzen vs peer group</b>			<b>41%</b>	<b>13%</b>	<b>-28%</b>	<b>13%</b>
<b>Berentzen vs Schloss Wachenheim</b>			<b>-6%</b>	<b>34%</b>	<b>833%</b>	<b>30%</b>

Table 33 - Sources: ODDO BHF Securities, FactSet

### Berentzen vs peer group

	EBIT margin			EBIT margin average
	2023e	2024e	2025e	2023e - 2025e
Brown-Forman	30.2%	31.3%	31.6%	31.0%
Davide Campari-Milano	21.7%	22.8%	23.4%	22.6%
Diageo	30.9%	31.6%	31.9%	31.4%
Pernod Ricard	29.1%	29.5%	29.9%	29.5%
Remy Cointreau SA	27.5%	28.3%	28.5%	28.1%
Schloss Wachenheim	6.2%	7.7%	8.8%	7.6%
Lucas Bols	22.0%	23.2%	-	22.6%
Marie Brizard Wine & Spirits SA	4.0%	4.3%	4.5%	4.3%
Average peer group	21.5%	22.3%	22.6%	22.1%
Berentzen estimate	4.3%	5.2%	5.6%	5.0%
<b>Berentzen vs peer group (%)</b>	<b>-80%</b>	<b>-77%</b>	<b>-75%</b>	<b>-77%</b>
<b>Berentzen vs Schloss Wachenheim (%)</b>	<b>-31%</b>	<b>-33%</b>	<b>-36%</b>	<b>-33%</b>

Table 34 - Sources: ODDO BHF Securities, FactSet

Based on our 2023e, Berentzen is trading at a discount (91%/55%/53%) on EV/sales (0.36x), EV/EBIT (8.4x) and P/E (11.3x) to its peers. Even compared to its peer Schloss Wachenheim, Berentzen is trading at a discount (37%/9%/7%) on EV/sales, EV/EBIT and P/E.



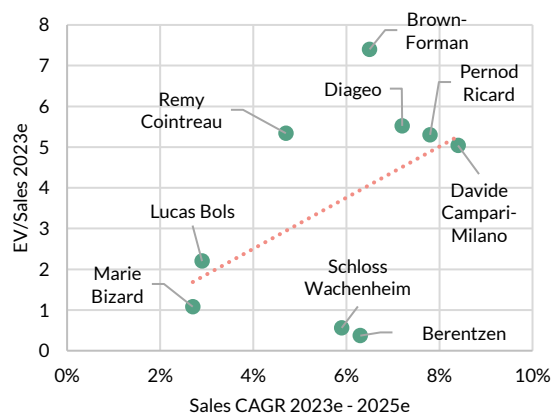


## Comparison of peer group multiples

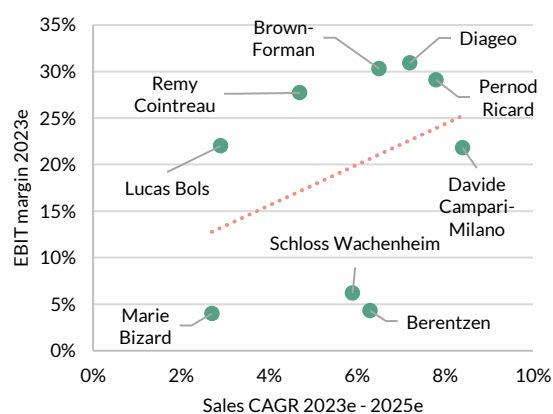
x	EV/Sales			EV/EBIT			P/E		
	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Peer group									
Brown-Forman	7.47	7.08	6.60	24.7	22.6	20.9	31.7	28.9	26.3
Davide Campari-Milano	5.13	4.78	4.44	23.6	21.0	19.0	32.8	28.3	25.4
Diageo	5.30	5.14	4.84	17.1	16.3	15.2	20.3	19.1	17.2
Pernod Ricard	5.15	4.94	4.67	17.7	16.8	15.6	21.4	20.0	18.4
Remy Cointreau SA	5.11	4.71	4.35	18.5	16.6	15.2	25.8	23.0	20.6
Schloss Wachenheim	0.57	0.55	0.55	9.2	7.1	6.2	12.1	8.4	7.2
Lucas Bols Amsterdam	2.05	1.99	-	9.3	8.6	-	9.9	8.9	-
Marie Brizard Wine and Spirits SA	1.15	1.11	1.08	28.9	26.1	23.7	37.5	37.5	32.1
Average peer group	3.99	3.79	3.79	18.6	16.9	16.6	23.9	21.8	21.0
Berentzen estimate	0.36	0.33	0.31	8.4	6.4	5.6	11.3	8.7	7.7
<b>Berentzen vs peer group</b>	<b>-91%</b>	<b>-91%</b>	<b>-92%</b>	<b>-55%</b>	<b>-62%</b>	<b>-66%</b>	<b>-53%</b>	<b>-60%</b>	<b>-63%</b>
<b>Berentzen vs Schloss Wachenheim</b>	<b>-37%</b>	<b>-40%</b>	<b>-43%</b>	<b>-9%</b>	<b>-10%</b>	<b>-10%</b>	<b>-7%</b>	<b>3%</b>	<b>7%</b>

Table 35 - Sources: ODDO BHF Securities, FactSet

### EV/Sales vs sales growth



### EBIT margin vs sales growth



Charts 36 - Sources: ODDO BHF Securities, FactSet

## Average target price of € 10.00

Our DCF valuation gives us a fair value of € 11.12 per share. By using a valuation method based on the multiples of Schloss Wachenheim, the fair value of the shares is € 9.12. We have used the average (€ 10.12) of both methods to determine the fair value of the shares. This combined approach underscores Berentzen's substantial long-term potential and gives us a target price of € 10.00. With 56% upside to our target price, we initiate coverage with Outperform.

Investment risks include high inflation rates and lower GDP growth, which may have a negative impact on profitability targets.



## Fair value based on DCF: € 11.12

In this approach, we determine the fair value of Berentzen shares by using a DCF-model. This gives us a target price of € 11.12.

The key inputs in our valuation are:

- Target enterprise value of € 111.4m. We use long-term projections until 2033e, a WACC of 10.22% (incl. a market risk premium of 5.78% and risk-free rate of 3.21%, both are set by ODDO BHF's equity research department) and a target debt/equity ratio of 15%/85% (in line with 2017 to 2022 average reported numbers) and a long-term growth rate of 2%.
- Finally, we deduct net financial debt (2023e) and pension provisions (2023e).

### Berentzen - DCF overview

€ m	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e
Revenues	201.3	209.3	215.6	222.1	228.7	235.6	242.6	249.9	257.4	265.1
Change yoy	0.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
EBIT	10.4	11.7	12.8	13.8	14.9	15.3	15.8	16.2	16.7	17.2
Change yoy	0.0%	12.4%	9.6%	7.9%	7.6%	2.8%	3.0%	3.0%	3.0%	3.0%
EBIT margin	5.2%	5.6%	6.0%	6.2%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Theoretical tax	-3.1	-3.5	-3.8	-4.2	-4.5	-4.6	-4.7	-4.9	-5.0	-5.2
Tax rate (%)	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
NOPAT	7.3	8.2	9.0	9.7	10.4	10.7	11.0	11.4	11.7	12.1
(+) Depreciation & Amortization	8.6	8.6	8.6	8.6	8.6	8.7	8.7	8.7	8.7	8.7
(-) Capex	-9.2	-9.2	-9.2	-9.3	-9.3	-9.3	-9.3	-9.3	-9.3	-9.3
(+/-) Changes in WC	-3.9	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Operational CF	2.8	8.0	8.5	9.2	9.9	10.3	10.6	10.9	11.1	11.5
<b>Discounted FCF</b>	<b>2.6</b>	<b>6.8</b>	<b>6.6</b>	<b>6.5</b>	<b>6.3</b>	<b>6.0</b>	<b>5.6</b>	<b>5.2</b>	<b>4.8</b>	<b>4.5</b>
Sum of discounted FCF	55.0									
Terminal value	56.4									
Growth to infinity	2.0%									
<b>Enterprise value</b>	<b>111.4</b>									
Net cash / (net debt)	-1.1									
Pension provisions	-5.8									
<b>Equity valuation</b>	<b>104.5</b>									
Number of shares (m)	9.4									
<b>Value per share (€)</b>	<b>11.12</b>									

Table 37- Sources: Berentzen, ODDO BHF Securities

### WACC calculation

<b>WACC</b>	<b>10.22%</b>
Risk free rate	3.21%
Market risk premium	5.78%
Beta	1.4
Cost of equity	11.30%
Interest rate	5.86%
Tax rate	30.00%
Cost of net debt	4.10%
Debt	15%
Equity	85%

Table 38 - Source: ODDO BHF Securities

### Sensitivity analysis – WACC vs terminal growth

€		WACC				
		9.2%	9.7%	10.2%	10.7%	11.2%
Terminal growth rate	1.0%	11.9	11.1	10.4	9.8	9.2
	1.5%	12.3	11.5	10.8	10.1	9.5
	2.0%	12.9	11.9	<b>11.1</b>	10.4	9.8
	2.5%	13.4	12.4	11.5	10.8	10.1
	3.0%	14.1	13.0	12.0	11.2	10.4

Table 39 - Source: ODDO BHF Securities



## Fair value based on peer Schloss Wachenheim: € 9.12

In our view, Schloss Wachenheim is Berentzen's closest peer in terms of market cap and profitability. As such, we have used Schloss Wachenheim's multiples to determine the fair value of Berentzen shares. Based on our estimates, the fair value per share ranges from € 7.29 (2024e EV/EBIT) to € 11.17 (2024e EV/Sales) leading to an average fair value of € 9.12 per share. Compared to Schloss Wachenheim's multiples, Berentzen is trading at a discount (37%/9%/7%) on EV/sales (0.36x), EV/EBIT (8.4x) and P/E (11.3x) on 2023e. We believe the discount is not justified and the shares are undervalued given the company's higher sales growth and similar profitability to Schloss Wachenheim.

### Valuation based on peer Schloss Wachenheim

€ m	EV/Sales			EV/EBIT			EV/EBITDA		
	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Berentzen estimate	190.8	201.2	209.3	8.1	10.4	11.7	16.7	19.0	20.3
Multiples Schloss Wachenheim (x)	0.57	0.55	0.55	9.2	7.1	6.2	5.6	4.7	4.2
<b>EV Berentzen</b>	<b>109.0</b>	<b>110.4</b>	<b>114.4</b>	<b>74.6</b>	<b>74.0</b>	<b>73.0</b>	<b>93.1</b>	<b>89.1</b>	<b>85.7</b>
Adj. Net cash / (net debt), Pensions	-6.9	-5.5	-3.6	-6.9	-5.5	-3.6	-6.9	-5.5	-3.6
Market cap	102.1	105.0	110.8	67.7	68.5	69.4	86.2	83.6	82.1
Number of shares (m)	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4
<b>Value per share (€)</b>	<b>10.87</b>	<b>11.17</b>	<b>11.79</b>	<b>7.20</b>	<b>7.29</b>	<b>7.39</b>	<b>9.18</b>	<b>8.90</b>	<b>8.74</b>

Table 40 - Sources: Berentzen, ODDO BHF Securities, FactSet

## Shareholder structure and profiles

The company's largest shareholders are MainFirst LU (8.50%), Marchmain Invest NV BE (5.51%), Lazard Freres Gestion FR (5.07%) and Aevum Foundation de Prevoyance CH (5.01%). Berentzen issued 9.6m shares of which ~9.4m are outstanding. The IPO was on 14 June 1994.

### Shareholder structure (as of February 2023)

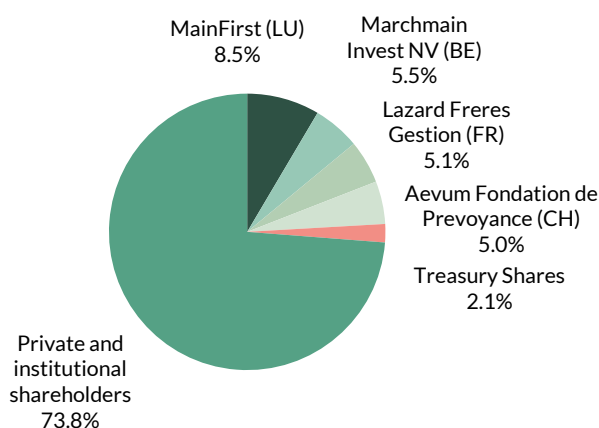


Chart 41 - Source: Berentzen

- **MainFirst LU:** MainFirst is an independent European financial services provider specializing in portfolio management and fund services. Its asset management business was established in 2001 and the fund services in 2013. The company is present in Frankfurt, Zurich and Luxembourg.
- **Marchmain Invest NV** is an investment company located in Belgium.



- **Lazard Freres Gestion FR:** Lazard serves investors around the world through a broad range of global investment solutions and investment management services. With offices in Paris, Lyon, Bordeaux, Nantes, Brussels and Luxembourg, Lazard Frères Gestion manages € 30bn of assets on behalf of institutional and individual clients.
- **Aevum Foundation de Prevoyance CH:** The Aevum Pension Foundation was founded in 1973 as an independent institution and manages the pension funds of 2,740 employees of the AEVIS VICTORIA Group. The purpose of the foundation is to provide benefits in old age, in the event of disability and in the event of death for all insured persons and their surviving dependants. As of 31 December 2021, the Foundation's total assets amounted to CHF 461.9m.



## APPENDIX

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*A detailed description of the products and brands:*

### Spirits:

#### Berentzen



As the market leader for fruity spirits, the Berentzen brand represents conviviality and joie de vivre – for celebrating life, which always brings us together, and to clink glasses with the people who mean the most to us. Berentzen – Show your joy!

Chart 42 - Source: Berentzen

#### Puschkin



With crystal-clear Puschkin Vodka and many different vodka liqueurs, the Puschkin brand stands for celebrating life abundantly in the here and now. Puschkin – the ultimate party shot! #letitout!

Chart 43 - Source: Berentzen

#### TRES PAÍSES



TRES PAÍSES – The best of three worlds, the blended rum from the Caribbean. The leading rum producers Guatemala, Panama, and the Dominican Republic supply the ingredients for our premium-quality Tres Países, which is aged for up to eight years. Blended to a perfect composition by our master blender. #trespaisrum

Chart 44 - Source: Berentzen



## Strothmann Original Weizenkorn



Strothmann Original Weizenkorn – Schnapps distilled from the best wheat. Its purity results from the careful selection of fine wheat and Westphalian distillation expertise developed over many generations. Aged in wooden barrels, mellow in taste.

Chart 45 - Source: Berentzen

## Doornkaat



Doornkaat – Frisian passion since 1806. Doornkaat is the only schnapps specialty that is thrice-distilled in a sophisticated process. The addition of “Doornkaat distillate” (“Doornkaatbrannt”) and the use of malted grain are what make it so special.

Doornkaat Norden Dry Gin features an aromatic note of juniper, a fine touch of citrus and flowery-fresh hints.

Chart 46 - Source: Berentzen

## Bommerlunder Aquavit



A light caraway note and delightful anise accent: Bommerlunder Aquavit is made from the finest distillate and a composition of fine herbs and spices. It is aged to perfection for six months in carefully selected old oaken barrels.

Chart 47 - Source: Berentzen

## Echt Stonsdorfer



Echt Stonsdorfer tastes “herby-mellow” and “berry-strong” thanks to the 43 vintage aromatic herbs, roots and fruity blueberries used in making it, which make it so special.

Chart 48 - Source: Berentzen

## Hansen Rum



Genuine Hansen Rum: A composition of vintage rum varieties from overseas. Traditional know-how passed down since 1868 and the highest German rum expertise perfect this premium-quality original rum and make it a “genuine rum” with a full-bodied flavour.

Chart 49 - Source: Berentzen



## Springer Urvater



The north German spirits speciality: Springer Urvater. The storied Springer Urvater features an especially smooth and flowery bouquet and provides harmonious, mellow brandy pleasure.

Chart 50 - Source: Berentzen

## POLAR



POLAR Limes Strawberry – A fruity taste experience made from fresh fruit pulp and crystal-clear, mellow vodka. The high fruit percentage of 60% is emblematic of the products' first-class quality. POLAR LIMES – always a pleasure whether pure, on ice, with Prosecco or in a cocktail.

Chart 51 - Source: Berentzen

## Dirty Harry



Just as individual and unusual as its namesake: Dirty Harry – The unique flavour of carefully selected liquorice aromas, complemented with salt and salmiac liquorice. The result is an extraordinary unusual, jet-black liquorice liqueur. Enjoy it well-chilled as a shot.

Chart 52 - Source: Berentzen

## Pabst & Richarz



The group's branded dealer and private label brands are marketed by the subsidiary Pabst & Richarz Vertriebs GmbH. Retailers prize them not only for their excellent quality and high level of customer orientation, but also for the new, consumer-specific product and marketing concepts. For this reason, the development, production and distribution of premium concepts are promoted alongside the important entry-level price segment.

Chart 53 - Source: Berentzen

## Goldkehlchen



Cider as we understand it – a natural product without any artificial ingredients, colours or sugar. Produced in the Austrian state of Styria, or 'Steiermark', using handpicked apples from the region and pears from the neighbouring Mostviertel district. #goldkehlchencider

Chart 54 - Source: Berentzen



## Non-alcoholic Beverages:

### MIO MIO



MIO MIO – The authentic fashion drink that embodies curiosity for impressions, inspirations and (urban) creativity. MIO MIO is emblematic of a positive, uncomplicated and open-minded attitude towards life. MIO MIO stands for actively shaping your life – true to the motto #YouLive.

Chart 55 - Source: Berentzen

### Kräuterbraut



Kräuterbraut – Natural, mystical, unique. The vegan herbal lemonade entices consumers with its mysterious appearance and extraordinary flavour variants, enhanced by the addition of seven herbs and purely natural ingredients. Genuine enjoyment with less sugar – supernaturally natural.

Chart 56 - Source: Berentzen

### Emsland Quelle



Emsland Quelle – A premium-quality mineral water from our home region that contains valuable minerals and trace elements of natural, original purity. Emsland Quelle – refreshingly sustainable, climate-neutral and produced with 100% green electricity.

Chart 57 - Source: Berentzen

### Emsland Sonne



Fresher – merrier – fruitier: That is Emsland Sonne Orange, one of the best-known and best-loved soft drink brands in all of north Germany – with a refreshing orange flavour and vitamin C. The sugar-free variant Emsland Sonne zero offers full flavour in the popular Emsland-Sonne flavours of orange and lemon.

Chart 58 - Source: Berentzen





## Emsland Perle



Emsland Perle – Top-quality soft drinks made from high-quality ingredients and the fine-sparkling mineral water of Emsland Quelle. Despite the reduced number of calories, Emsland Perle light soft drinks offer full-bodied flavour, high quality and fruitiness (8% fruit juice).

Chart 59 - Source: Berentzen

## Märkisch Kristall



Märkisch Kristall is a family of excellent, climate-neutral, high-quality mineral waters and soft drinks. With valuable minerals and trace elements from the Mark Brandenburg region. From the region, for the region.

Chart 60 - Source: Berentzen

## St. Ansgari Mineralwasser



St. Ansgari Mineralwasser– Mineral water from the precious spring in the north. The water is drawn from the well-protected Saint Ansgari spring in Haselünne. Its special minerals ensure the highest quality and give St. Ansgari its special flavour.

Chart 61 - Source: Berentzen

## Vivaris Sport



Vivaris Sport – The isotonic sports drink with a tangy-fruity flavour. Contains less sugar and fortified with 6 essential vitamins. For everyone who craves healthy refreshment. So vital. So Vivaris.

Chart 62 - Source: Berentzen

## Quixx Energy



Quixx Energy – The caffeinated soft drink with added vitamins that quickly delivers fresh energy for your everyday activities. The ultimate caffeine kick for an unrivalled energy boost.

Chart 63 - Source: Berentzen



## Sinalco



With more than 50 years' experience in the concession business, the Berentzen Group subsidiary Vivaris is currently the licensee for the Sinalco brand. Many Sinalco products are produced in the company's production facilities in Haselünne und Grüneberg and are mainly distributed in the core sales territory of Vivaris.

Chart 64 - Source: Berentzen

## Fresh Juice Systems:

### Citrocasa



What began as an innovative company with a special passion for fresh-pressed orange juice has developed into an international brand prized by restaurants and supermarkets. Citrocasa is the leading brand for premium orange juice with an emphasis on product quality and convenient operation.

Chart 65 - Source: Berentzen

### Frutas Naturals



To ensure the best juice experience, our Frutas Naturales oranges are harvested fully ripe from the tree. They are untreated after harvest and are only cleaned with drinking water. Naturalness, year-round availability and perfection down to the smallest detail – That is what makes Frutas Naturales so remarkable!

Chart 66 - Source: Berentzen



BEZ.DE   BEZ3 GR Beverages   Germany	Outperform								Price 6.40 €
	Upside 56.25%								TP 10.0 €
	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e	
<b>PER SHARE DATA (€)</b>									
Adjusted EPS	0.52	0.47	0.07	0.30	0.35	0.57	0.74	0.83	
Reported EPS	0.55	0.52	0.13	0.39	0.22	0.57	0.74	0.83	
Growth in adjusted EPS	ns	-9.5%	-84.8%	ns	14.3%	64.8%	29.7%	13.1%	
Net dividend per share	0.28	0.28	0.13	0.22	0.22	0.28	0.37	0.42	
FCF to equity per share	-0.10	1.03	0.91	0.34	-0.44	-0.74	0.58	0.71	
Book value per share	5.05	5.24	5.03	5.20	5.33	5.68	6.12	6.58	
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	
<b>VALUATION (€m)</b>									
12m highest price (€)	8.55	7.20	7.70	7.10	6.90	6.90	6.40	6.40	
12m lowest price (€)	6.10	5.86	4.95	5.66	5.00	5.74	6.40	6.40	
(*) Reference price (€)	7.36	6.48	5.89	6.22	6.17	6.40	6.40	6.40	
Capitalization	70.7	62.2	56.5	59.7	59.3	61.4	61.4	61.4	
Restated Net debt	-7.6	-12.5	-16.0	-17.5	-9.6	1.1	-0.4	-2.2	
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	9.5	9.3	8.6	8.0	5.8	5.8	5.8	5.8	
<b>Enterprise Value</b>	<b>72.7</b>	<b>58.9</b>	<b>49.1</b>	<b>50.2</b>	<b>55.4</b>	<b>68.4</b>	<b>66.9</b>	<b>65.1</b>	
P/E (x)	14.2	13.8	82.5	20.6	17.9	11.3	8.7	7.7	
P/CF (x)	5.8	4.8	7.8	13.1	4.4	6.5	5.6	3.7	
Net Yield	3.8%	4.3%	2.2%	3.5%	3.6%	4.4%	5.8%	6.5%	
FCF yield	ns	15.9%	15.5%	5.5%	ns	ns	9.1%	11.1%	
P/B incl. GW (x)	1.46	1.24	1.17	1.20	1.16	1.13	1.04	0.97	
P/B excl. GW (x)	1.46	1.24	1.17	1.20	1.16	1.13	1.04	0.97	
EV/Sales (x)	0.45	0.35	0.32	0.34	0.32	0.36	0.33	0.31	
EV/EBITDA (x)	4.2	3.2	3.5	3.3	3.3	4.1	3.5	3.2	
EV/Current EBIT (x)	7.4	6.0	9.4	7.5	6.7	8.4	6.4	5.6	
(*) historical average price									
<b>PROFIT AND LOSS (€m)</b>									
Sales	162	167	155	146	174	191	201	209	
EBITDA	17.3	18.4	14.1	15.4	16.7	16.7	19.0	20.3	
Depreciations	-7.5	-8.5	-8.9	-8.6	-8.3	-8.6	-8.6	-8.6	
<b>Current EBIT</b>	<b>9.8</b>	<b>9.8</b>	<b>5.2</b>	<b>6.7</b>	<b>8.3</b>	<b>8.1</b>	<b>10.4</b>	<b>11.7</b>	
Published EBIT	9.0	8.7	3.7	6.7	5.8	8.1	10.4	11.7	
Net financial income	-1.6	-1.5	-1.5	-1.4	-1.7	-0.5	-0.5	-0.5	
Corporate Tax	-2.3	-2.3	-1.0	-1.6	-2.1	-2.3	-3.0	-3.4	
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	5.2	4.9	1.2	3.7	2.1	5.3	6.9	7.8	
<b>Adjusted attributable net profit</b>	<b>4.9</b>	<b>4.4</b>	<b>0.7</b>	<b>2.8</b>	<b>3.2</b>	<b>5.3</b>	<b>6.9</b>	<b>7.8</b>	
<b>BALANCE SHEET (€m)</b>									
Goodwill	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	
Other intangible assets	6.0	5.6	4.7	3.7	3.3	2.8	2.4	2.0	
Tangible fixed assets	45.8	45.4	42.2	43.5	44.4	47.3	49.6	51.8	
WCR	37.8	33.9	27.3	20.2	28.5	34.9	31.0	31.5	
Financial assets	1.9	2.8	4.0	4.1	4.6	9.7	14.5	14.6	
Ordinary shareholders equity	47.4	49.2	47.2	48.9	50.1	53.3	57.5	61.8	
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Shareholders equity	47.4	49.2	47.2	48.9	50.1	53.3	57.5	61.8	
Non-current provisions	57.7	57.0	53.0	46.2	46.4	46.4	46.4	46.4	
<b>Net debt</b>	<b>-7.6</b>	<b>-12.5</b>	<b>-16.0</b>	<b>-17.5</b>	<b>-9.6</b>	<b>1.1</b>	<b>-0.4</b>	<b>-2.2</b>	
<b>CASH FLOW STATEMENT (€m)</b>									
EBITDA	17.3	18.4	14.1	15.4	16.7	16.7	19.0	20.3	
Change in WCR	-6.5	4.0	6.5	7.2	-8.4	-6.4	3.9	-0.4	
Interests & taxes	1.3	-1.0	-2.5	0.3	-0.2	0.0	0.0	0.0	
Others	-6.6	-4.8	-4.5	-11.2	-3.2	-7.4	-8.2	-4.0	
Operating Cash flow	5.6	16.6	13.6	11.6	4.9	2.9	14.7	15.9	
CAPEX	-6.5	-6.9	-5.0	-8.4	-9.0	-9.8	-9.2	-9.2	
<b>Free cash-flow</b>	<b>-0.9</b>	<b>9.7</b>	<b>8.6</b>	<b>3.2</b>	<b>-4.1</b>	<b>-6.9</b>	<b>5.5</b>	<b>6.7</b>	
Acquisitions / disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Dividends	-2.1	-2.6	-2.6	-1.2	-2.1	-2.1	-2.7	-3.5	
Net capital increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Others	0.0	-0.7	-1.2	-1.2	-1.3	-1.3	-1.3	-1.3	
Change in net cash	-3.1	4.9	3.5	1.5	-7.9	-10.8	1.5	1.8	
<b>GROWTH MARGINS PRODUCTIVITY</b>									
Sales growth	1.1%	3.2%	-7.7%	-5.5%	19.2%	9.5%	5.5%	4.0%	
Lfi sales growth	-	-	-	-	-	-	-	-	
Current EBIT growth	6.3%	0.1%	-46.9%	28.8%	24.2%	-2.4%	28.0%	12.4%	
Growth in adjusted EPS	ns	-9.5%	-84.8%	ns	14.3%	64.8%	29.7%	13.1%	
Net margin	3.0%	2.6%	0.4%	1.9%	1.9%	2.8%	3.4%	3.7%	
<b>EBITDA margin</b>	<b>10.7%</b>	<b>11.0%</b>	<b>9.1%</b>	<b>10.5%</b>	<b>9.6%</b>	<b>8.8%</b>	<b>9.4%</b>	<b>9.7%</b>	
<b>Current EBIT margin</b>	<b>6.0%</b>	<b>5.9%</b>	<b>3.4%</b>	<b>4.6%</b>	<b>4.8%</b>	<b>4.3%</b>	<b>5.2%</b>	<b>5.6%</b>	
CAPEX / Sales	-4.2%	-4.3%	-3.3%	-5.8%	-5.2%	-5.1%	-4.6%	-4.4%	
WCR / Sales	23.3%	20.2%	17.7%	13.8%	16.4%	18.3%	15.4%	15.0%	
Tax Rate	27.5%	27.5%	27.4%	30.9%	31.1%	30.0%	30.0%	30.0%	
Normative tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
Asset Turnover	1.7	1.8	1.8	1.9	2.2	2.2	2.2	2.3	
<b>ROCE post-tax (normative tax rate)</b>	<b>7.4%</b>	<b>7.4%</b>	<b>4.3%</b>	<b>6.1%</b>	<b>7.5%</b>	<b>6.6%</b>	<b>8.1%</b>	<b>9.1%</b>	
ROCE post-tax hors GW (normative tax rate)	7.9%	7.9%	4.6%	6.6%	8.1%	7.1%	8.7%	9.7%	
ROE	10.6%	9.2%	1.4%	5.9%	6.6%	10.3%	12.5%	13.1%	
<b>DEBT RATIOS</b>									
Gearing	-16%	-25%	-34%	-36%	-19%	2%	-1%	-4%	
Net Debt / Market Cap	-0.11	-0.20	-0.28	-0.29	-0.16	0.02	-0.01	-0.04	
<b>Net debt / EBITDA</b>	<b>-0.44</b>	<b>-0.68</b>	<b>-1.13</b>	<b>-1.14</b>	<b>-0.58</b>	<b>0.07</b>	<b>-0.02</b>	<b>-0.11</b>	
EBITDA / net financial charges	11.1	11.9	9.6	10.9	10.0	33.0	36.5	39.4	

Sources: ODDO BHF Securities, SIX



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Recommendation split		Outperform	Neutral	Underperform
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