BERENTZEN-GRUPPE AG

montega

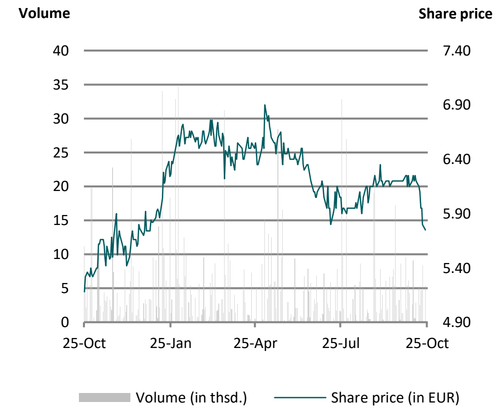
Recommendation:	**Buy**
Price target:	**12.00 EUR**
Upside potential:	**+103 Percent**

Share data

Share price	5.90 Euro (XETRA)
Number of shares (in m)	9.4
Market cap. (in m)	55.4
Enterprise Value (in EUR m)	75.5
Code	BEZ
ISIN	DE0005201602

Performance

52 week high (in EUR)	7.00
52 week low (in EUR)	5.14
3 m relative to CDAX	+9.4%
6 m relative to CDAX	+2.8%



Quelle: Capital IQ

Shareholder

Free float	73.8%
Main First	8.5%
Marchmain Invest	5.5%
Lazard Frères Gestion	5.1%
Aevum Fondation de Prévoyance	5.0%
Own shares	2.1%

Calendar

HIT	7./8. February 2024
Annual Report	28. March 2024

Change in estimates

	2023e	2024e	2025e
Revenue (old)	**184.2**	**195.1**	**201.3**
Δ in %	-	-	-
EBIT (old)	**7.1**	**9.4**	**11.1**
Δ in %	-	-	-
EPS (old)	**0.30**	**0.57**	**0.71**
Δ in %	*-10.0%*	*-14.0%*	*-14.1%*

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Preliminary Q3 results confirm challenging market environment – Strategy update provides opportunity for revaluation

After Berentzen-Gruppe AG has published preliminary financials for the first nine months last week, this is now followed by the 9M report which confirmed the figures communicated before as well as the adjustment of the annual guidance for 2023. However, the attractive midterm potential resulting from the focus on growth brands and the associated possible portfolio adjustments are much more important in our view.

In the footsteps of successful large corporations – Portfolio streamlining is common practice in the beverage industry: Although portfolio adjustments involve certain risks (e.g. special depreciation on recognized brands), we approve the announcement of these streamlining activities which may well be more comprehensive. We can regularly observe adjustments among well-known suppliers in the beverage sector because of an active and ongoing brand management. For instance, Davide Campari sold a great number of wine brands as well as its soft drinks division in 2017 to reduce net debt with the proceeds and to fully use its capacities in the core business. “United Spirits”, the Indian-based subsidiary of the Diageo group, divested 32 brands last year. This strategic initiative resulted from a review of the portfolio initiated at the beginning of 2021, where mainly lower-margin brands were held for disposal.

Historically grown portfolio – Strategic growth fields still intact: The product and brand portfolio has grown continuously driven by the strong level and pace of innovation at Berentzen-Gruppe. In view of the high cost pressure on the input side (e.g. sugar prices are currently at their peak) and the strong increase in operating costs (human resources amongst others) a large part of the portfolio looks set to be on trial now. Even though the company has pointed out that all products are cost effective, we believe that factors such as process costs and capacities should be considered as well. The management has not published any further details, but we expect the company to mainly divest brands with smaller top line contributions as well as lower-margin product groups which are particularly affected by higher cost. Conversely, the defined strategic growth fields (Mio Mio; liquor campaign at Berentzen and Puschkin; Citrocasa; brands in the medium and premium segment) are still intact. They are the driver of the envisaged profitability increases at group level, but their recent strong performance has been thwarted by other product groups at group level.

- Mio Mio: top line CAGR 20-22: 16.3%; 9M/23 sales contribution: EUR 16.1m (11.9%).
- Berentzen: top line CAGR 20-22: 11.4%; 9M/23 sales contribution: EUR 11.6m (8.6%).
- Puschkin: top line CAGR 20-22: 9.3%; 9M/23 sales contribution: EUR 6.4m (4.7%).

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FYend: 31.12.	2021	2022	2023e	2024e	2025e
Sales	146.1	174.2	184.2	195.1	201.3
Growth yoy	-5.5%	19.2%	5.7%	5.9%	3.2%
EBITDA	15.4	16.7	15.9	19.0	21.2
EBIT	6.7	7.0*	7.1	9.4	11.1
Net income	3.7	2.1	2.5	4.6	5.7
Gross profit margin	46.9%	45.5%	42.6%	42.9%	43.3%
EBITDA margin	10.5%	9.6%	8.6%	9.7%	10.5%
EBIT margin	4.6%	4.0%	3.8%	4.8%	5.5%
Net Debt	-8.9	-2.5	6.8	5.5	3.9
Net Debt/EBITDA	-0.6	-0.2	0.4	0.3	0.2
ROCE	16.8%	16.1%	13.4%	16.1%	18.5%
EPS	0.39	0.22	0.27	0.49	0.61
FCF per share	0.46	-0.44	-0.77	0.27	0.42
Dividend	0.22	0.22	0.14	0.25	0.31
Dividend yield	3.7%	3.7%	2.4%	4.2%	5.3%
EV/Sales	0.5	0.4	0.4	0.4	0.4
EV/EBITDA	4.9	4.5	4.7	4.0	3.6
EV/EBIT	11.3	10.7	10.7	8.0	6.8
PER	15.1	26.8	21.9	12.0	9.7
P/B	1.1	1.1	1.1	1.0	1.0

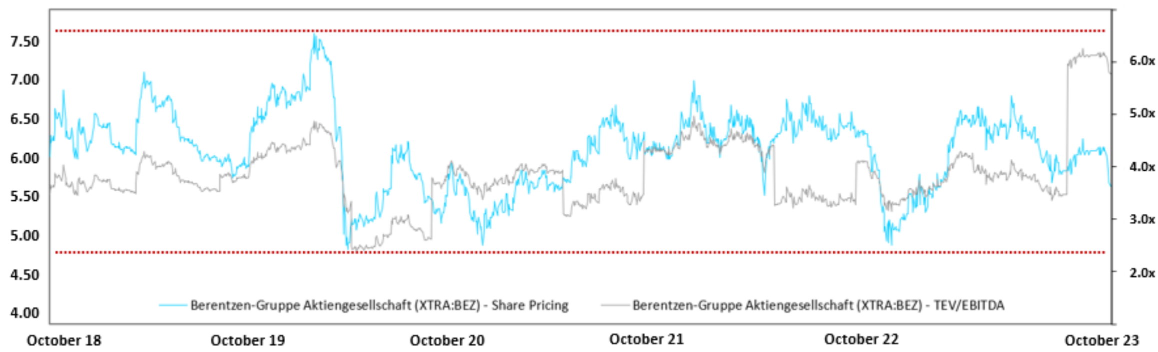
Source: Company data, Montega, Capital IQ *includes impairment write-downs of 1.3 EUR m; Figures in EUR m, EPS in EUR Price: 5.90

- Citrocasa: top line CAGR 20-22: 12.1%; 9M/23 sales contribution: EUR 14.6m (10.9%).
- Medium / premium brands: top line CAGR 20-22: 5.5%; 9M/23 sales contribution: EUR 16.5m (12.2%); decline: 4.2% yoy

As can be taken from the performance above, the premium brand segment is the only one to face challenges among the growth fields. This is mainly attributable to reduced consumer spending in the higher priced segment (except for rarities and the luxury segment), which also affects competitors. It is conceivable, in our view, that Berentzen will return to its roots and place a stronger focus on the dynamically growing sub segment of standard brands (9M/23: +21.0% yoy, top line contribution: EUR 36.1m).

We primarily view the strategy update as an opportunity – Price history has shown sideways movement so far: As shown below, the share price tended to move sideways in the past five years in a range between c. EUR 5.00–7.70. We believe the current valuation level is not justified and – if the company opts for comprehensive action in portfolio control – expect the earnings figures and organic growth to improve significantly in the medium term. For this reason, we regard the discount to our peer group (EV/EBITDA multiple 2024e: BEZ: 4.0x vs. peer group median: 7.6x) as much too high despite the lower-margin profile (EBITDA margin 2024e: BEZ: 9.7% vs. peer group median: 12.8%). We expect the margin profile to gradually approach that of the peer group thanks to the strategic initiatives.

5-year analysis of share price performance



Source: Capital IQ

As the core growth fields identified during past strategy updates continue to be intact, we are convinced by the announced portfolio review with a view to the targeted improvement in profitability. As part of the update, Berentzen will also communicate a midterm forecast for the first time which would provide additional visibility on the strategic focus. When considering the company's reporting quality, which has been outstanding so far (scope as well as level of detail in financial and ESG reports) we assume that the midterm forecast will include at least the central KPI (revenue, EBITDA, EBIT).

Take-up of syndicated loan has been included in our model: We have taken account of the increased syndicated loan of EUR 9.9m in the financial result and of the effects of the changes in the most recent interest environment (3M-EURIBOR as of 2.1.23: 2.2% vs. 2.10.23e: 4.0%) for 2023 and the years thereafter. The sales and earnings expectations for the following years shall remain subject to review because of the uncertainty of the portfolio measures. Based on the lack of visibility we have not included the measures in our model yet.

Conclusion: Whilst the development in the current fiscal year is characterized by many exceptional situations (e.g. massive cost increases and strong deterioration in consumer climate), the company does not expect a return to the pre-pandemic market environment in the short term. Accordingly, the management is intensively working on an adjustment to the "new normal". Since the announced strategy update does not represent a comprehensive restructuring and the focused core brands still enjoy structural tailwind, we believe the implementation of the initiatives at the beginning of next year should mainly present opportunities. We therefore reiterate our buy recommendation and our price target of EUR 12.00.

COMPANY BACKGROUND

Founded in 1758, Berentzen looks back on a history of over 250 years and is seen as one of the best-known spirits brands in Germany. Alongside production and sale of spirits, the company has expanded its business activities to non-alcoholic beverages and fresh juice systems through numerous acquisitions over the years. Today, Berentzen can be regarded as an integrated beverages group, which has an attractive brand profile with a very good price-performance ratio.

To maintain its ground in the highly competitive beverages market in the long term, the company has established a promising niche strategy over the last years which is based on the Berentzen, Puschkin, Mio Mio and Citrocasa core brands. In addition to this business, the company has a market-leading position in private label spirits which makes the Berentzen group an appreciated partner for customers such as EDEKA and REWE.

Key Facts

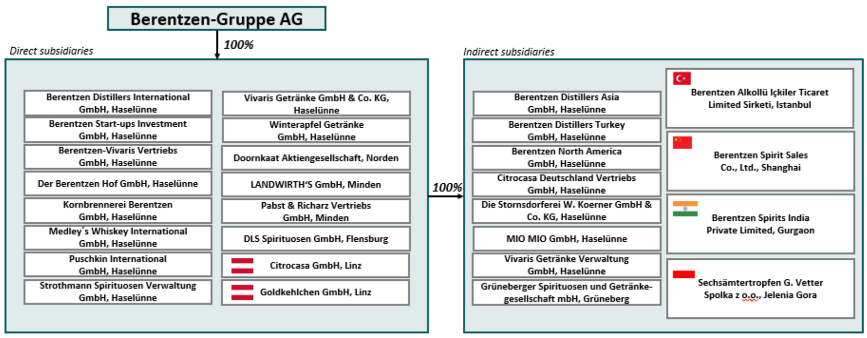
Code	BEZ	Revenue	174.2 EUR m
Industry	Beverage	EBITDA	16.7 EUR m
Employees	approx. 500	EBITDA margin	9.6%
Core competence	Production and distribution of spirits, non-alcoholic beverages and fresh juice systems		
Locations	Haselünne (headquarters), Minden, Grüneberg, Linz (Austria), Istanbul (Turkey)		
Customers	Food and beverage retail (90%), Gastronomy (10%)		

Source: Company FY 2022

Organisational structure and locations

Berentzen-Gruppe Aktiengesellschaft, the holding company of the group, is located in Haselünne. Based on the long history and the vast range of activities, the company has many different direct and indirect subsidiaries which are all fully owned by the group. The table below shows the scope of consolidation divided by direct and indirect subsidiaries.

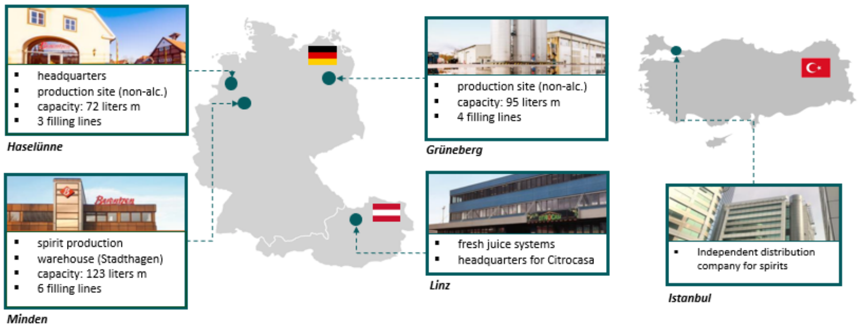
Corporate structure of Berentzen-Gruppe AG



Source: Montega

The chart below shows the group's operating locations for production, administration and sale of the goods.

Locations of Berentzen-Gruppe AG



Source: Unternehmen

Major events in the company's history

1758	Company is founded by Johann Bernhard Berentzen
1899	Berentzen is entered as a brand as one of the first German spirits
1958	Entry into the non-alcoholic beverages segment (Emsland Getränke)
1960	Start of the concession business with the PepsiCo group
1976	Successful launch of *Berentzen Apfelkorn* as the group's flagship
1979	Expansion of the export business
1988	Merger with Pabst & Richarz to Berentzen-Gruppe
1990	Acquisition of the Puschkin brand which was later expanded as an umbrella brand
1992	Acquisition of Doornkaat, the well-known grain spirits brand
1993	Conversion into a Aktiengesellschaft
1994	IPO at the Frankfurt stock exchange
1996	Acquisition of Mineralbrunnen in Grüneberg
1998	Acquisition of rival Dethleffsen and thus expansion of product assortment
2008	AURELIUS acquires 75.1% of the ordinary shares
2014	Acquisition of today's Citrocasa GmbH (formerly: TMP Technic-Marketing-Products GmbH; AT) which marks the entry into the fresh juice system segment
2015	Vivaris Getränke GmbH & Co. KG acquires concession from Sinalco
	Conversion of non-voting preference shares into shares with voting rights
2016	AURELIUS sells the complete investment
2018	"Thirst for live" is the new slogan of the Berentzen group
2019	Innovation campaign in the product portfolio
2020	Foundation of Berentzen-Vivaris-Vertriebs GmbH (own sales team) to sell spirits and non-alcoholic beverages
	Acquisition of Austrian premium cider brand *Goldkehlchen*

Brand portfolio and segments

The chart below shows the brand portfolio of the Berentzen group in the individual segments (Spirits, Non-alcoholic Beverages, Fresh Juice Systems). The right column displays all those brands which are in the focus of the company's strategy and which therefore play a decisive role in the equity story.

Brand portfolio of the Berentzen-Gruppe AG

Source: Company, Montega

The four segments below are the basis of reporting pursuant to IFRS 8.

Spirits segment (revenue share: 59.7%)

This segment with its traditional Berentzen brand is the origin of the company. In addition to the Berentzen and Puschkin core brands, the company offers other regional and national spirits brands such as Strothmann, Bommerlunder, Doornkaat or Dirty Harry. In the last years, the company has started a broad innovation campaign for its focus brands and launched various product variations which address different target groups. For instance, the seasonal Berentzen *Creamers* product line addresses the target group of younger consumers because of the available flavours and the product presentation. The high-quality product design and lower sweetness of *Landlikör* addresses persons aged 35+. The **domestic brand spirits account for roughly one third of revenues in this segment**. Subsidiary Pabst & Richarz Vertriebs GmbH is responsible for the business activities of the private label business and bundles the commissioned products of all kinds of spirits for customers such as REWE, EDEKA, or the Schwarz group. Together with the export of the brand spirits, the revenue share of these activities accounts for the remaining two thirds of this segment.

Sample product overview in the spirits segment

Source: Company

Non-alcoholic Beverages (revenue share: 25.6%)

The non-alcoholic beverages segment is exclusively managed by subsidiary Vivaris Getränke GmbH & Co. KG. Mio Mio is the declared focus brand, which is characterised by a sustainable focus (fully climate-neutral) and additive ingredients such as caffeine, guarana, or mate. At an average growth rate of over 30% p.a., **Mio Mio** has been the growth driver of this segment in the past few years and meanwhile accounts for a **segment share of more than one third**. Regional mineral waters of the brands Emsland, Märkisch Kristall and Sankt

Ansgari (revenue shares: almost 50%) make up the largest share in the Non-alcoholic Beverages segment in terms of volume. The remaining revenues in this segment are generated with other lemonades and soft drinks, energy drinks and with the concession business for Sinalco. Contract filling for PepsiCo was discontinued at the end of Q1/21.

Sample product overview in the non-alcoholic beverage segment

Source: Company

Fresh Juice Systems (revenue share: 10.8%)

The acquisition of TMP Technic-Marketing-Products GmbH in 2014, which changed its name to Citrocasa GmbH in July 2019, marked the entry into the market for fresh juice systems. The company's range of services include the distribution of juicers but also the supply of oranges and the corresponding bottling systems. This one-stop solution of Citrocasa addresses the retail in Germany and Austria, whilst juicers are sold by distributors on a global scale. The distribution of juicers accounted for roughly 32% of revenues in FY 2021, trade in oranges for roughly 45% and the sale of bottling systems for roughly 23%.

Sample product overview in the fresh juice systems segment

Source: Company

Others (revenue share: 3.9%)

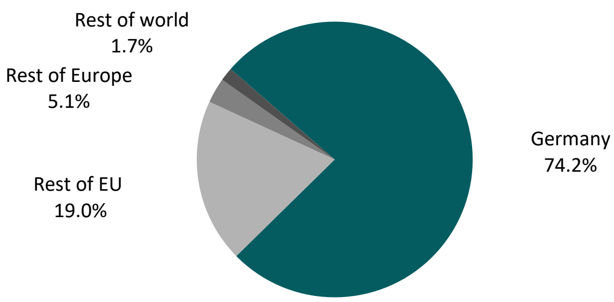
This segment includes the activities of the Turkish subsidiary (segment share c. 75%) and revenues of the *Berentzen Hof* event location at the company's headquarters in Haselünne. In the years prior to Covid-19, *Berentzen Hof* had been a popular destination with more than 35,000 visitors per year.

Sales breakdown by regions and channels

Germany is the group's regional sales focus with revenues of EUR 129.3m in 2022 and a share of 74.2%. The company generated a top line contribution of EUR 33.2m (19.0%) in other countries of the European Union. Revenue streams from the international business also comprise the rest of Europe with EUR 8.8m (5.1%) and revenues outside Europe of EUR 3.0m (1.7%).

In terms of sales channels, Berentzen follows the general market distribution and, at a sales share of c. 90% (MONe), addresses almost exclusively the food retail industry. Accordingly, revenues generated with the food and drink establishments account for some 10%.

Revenues by region

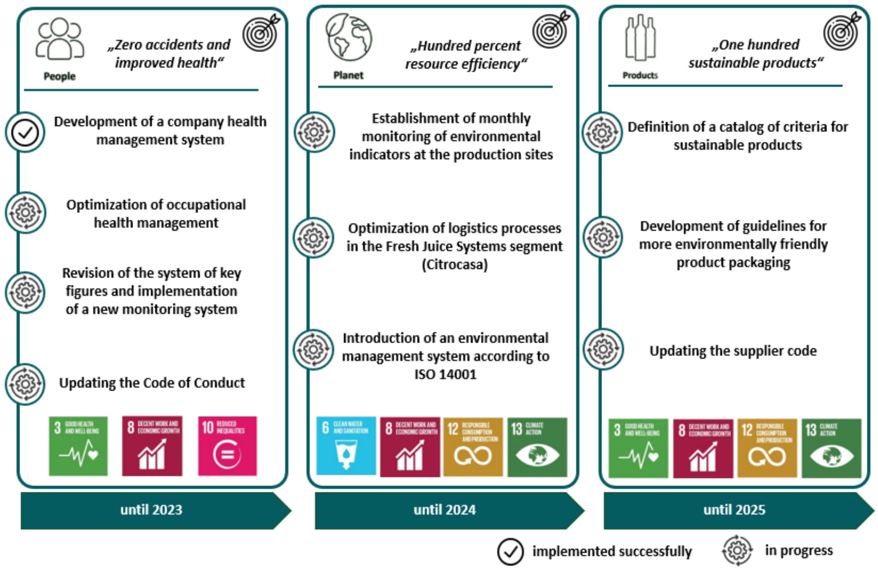


Source: Company

CSR strategy

Corporate Social Responsibility is a key priority for the Berentzen group and can be regarded as exemplary for a company of this size regarding the scope of reporting. That the efforts in this area are paying off has been demonstrated by the Gold Medal which the company has been awarded by EcoVadis most recently. Only 5% of the over 100,000 rated company receive this medal. The strategic key aspects and the corresponding measures of the CSR strategy can be seen in the chart below.

Illustration of CSR strategy



Source: Company, Montega

Management

The current Management Board consists of CEO Oliver Schwegmann and CFO Ralf Brühöfner.

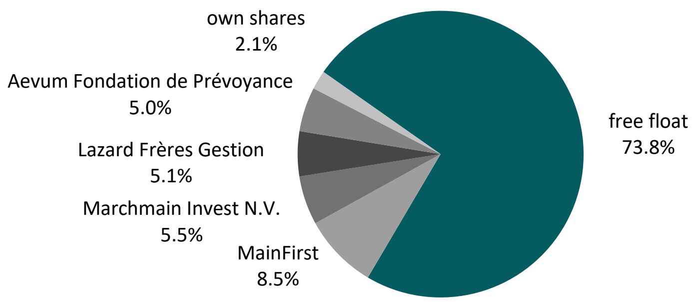
Oliver Schwegmann (CEO) assumed this position in June 2017 and is responsible for marketing, distribution, production & logistics, procurement as well as research & development. The graduate sports economist had held several management positions at prestigious companies prior to this. Most recently, Mr. Schwegmann was Country Managing Director at L'Oréal Suisse SA in Switzerland. Hero AG, Mars GmbH and August Stock KG were other renowned companies, where he held management positions.

Ralf Brühöfner (CFO), a business graduate, started his career at PwC, where he gained experience in investment controlling over several years. In 2001, Mr. Brühöfner joined the Berentzen group as commercial manager and was appointed to the Management Board as CFO in 2007. He has been responsible for finances, controlling, human resources, IT, legal, corporate communications, investor relations and corporate social responsibility since then.

Shareholder Structure

Berentzen-Gruppe AG went public in June 1994 at the Frankfurt stock exchange. 9.6m shares are currently outstanding. The free float is relatively high at a rate of 74%. MainFirst is the largest shareholder with a stake of 8.5%. Marchmain Invest N.V. recently acquired a stake of 5.5%. This is followed by Lazard Frères Gestion (France) and Aevum Fondation de Prévoyance (Switzerland) which are both holding a stake of some 5%. Berentzen-Gruppe AG holds 2.1% of its own shares.

Shareholder structure



Source: Company

APPENDIX

DCF Modell

Figures in m	2023e	2024e	2025e	2026e	2027e	2028e	2029e	Terminal Value
Sales	**184.2**	**195.1**	**201.3**	**207.3**	**213.5**	**219.3**	**224.6**	**229.1**
Change yoy	*5.7%*	*5.9%*	*3.2%*	*3.0%*	*3.0%*	*2.7%*	*2.4%*	*2.0%*
EBIT	**7.1**	**9.4**	**11.1**	**12.5**	**12.8**	**12.9**	**12.9**	**12.6**
EBIT margin	*3.8%*	*4.8%*	*5.5%*	*6.0%*	*6.0%*	*5.9%*	*5.8%*	*5.5%*
NOPAT	**4.9**	**6.6**	**7.8**	**8.8**	**9.0**	**9.0**	**9.1**	**8.8**
Depreciation	**8.8**	**9.6**	**10.1**	**10.4**	**10.7**	**11.0**	**11.2**	**11.5**
in % of Sales	*4.8%*	*4.9%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
Change in Liquidity from								
- Working Capital	-8.5	-0.9	-0.8	-0.7	-0.8	-0.7	-0.7	-0.6
- Capex	-10.1	-10.7	-11.1	-11.0	-11.1	-11.0	-11.2	-11.5
Capex in % of Sales	5.5%	5.5%	5.5%	5.3%	5.2%	5.0%	5.0%	5.0%
Other	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2
Free Cash Flow (WACC model)	**-4.8**	**4.5**	**6.0**	**7.4**	**8.0**	**8.5**	**8.6**	**8.4**
WACC	*8.0%*	*8.0%*	*8.0%*	*8.0%*	*8.0%*	*8.0%*	*8.0%*	*8.0%*
Present value	-4.7	4.1	5.1	5.8	5.8	5.7	5.3	81.2
Total present value	**-4.7**	**-0.6**	**4.5**	**10.3**	**16.1**	**21.8**	**27.1**	**108.3**

Valuation	
Total present value (Tpv)	108.3
Terminal Value	81.2
Share of TV on Tpv	75%
Liabilities	11.0
Liquidity	13.5
Equity value	**110.8**
Number of shares (mln)	9.39
Value per share (EUR)	**11.80**
+Upside / -Downside	**100%**
Share price	5.90

Model parameter	
Debt ratio	40.0%
Costs of Debt	5.0%
Market return	9.0%
Risk free rate	2.50%
Beta	1.30
WACC	8.0%
Terminal Growth	2.0%

Growth: sales and margin		
Short term: Sales growth	2023-2026	4.0%
Mid term: Sales growth	2023-2029	3.4%
Long term: Sales growth	from 2030	2.0%
EBIT margin	2023-2026	5.1%
EBIT margin	2023-2029	5.4%
Long term EBIT margin	from 2030	5.5%

Sensitivity Value per Share (EUR)			Terminal Growth		
WACC	1.25%	1.75%	**2.00%**	2.25%	2.75%
8.47%	10.01	10.53	10.82	11.13	11.83
8.22%	10.41	10.97	11.29	11.63	12.41
7.97%	10.84	11.45	**11.80**	12.18	13.04
7.72%	11.30	11.98	12.36	12.78	13.75
7.47%	11.79	12.54	12.97	13.44	14.52

Sensitivity Value per Share (EUR)			EBIT margin from 2030e		
WACC	5.00%	5.25%	**5.50%**	5.75%	6.00%
8.47%	10.08	10.45	10.82	11.18	11.55
8.22%	10.51	10.90	11.29	11.68	12.07
7.97%	10.98	11.39	**11.80**	12.21	12.63
7.72%	11.48	11.92	12.36	12.80	13.24
7.47%	12.04	12.51	12.97	13.44	13.90

Source: Montega

P&L (in Euro m) Berentzen-Gruppe AG	2020	2021	2022	2023e	2024e	2025e
Sales	**154.6**	**146.1**	**174.2**	**184.2**	**195.1**	**201.3**
Increase / decrease in inventory	0.1	0.3	4.7	0.4	0.4	0.5
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	**154.6**	**146.4**	**178.9**	**184.6**	**195.6**	**201.7**
Material Expenses	87.5	78.0	99.7	106.1	111.8	114.5
Gross profit	**67.1**	**68.5**	**79.3**	**78.5**	**83.8**	**87.2**
Personnel expenses	25.0	26.8	28.8	31.7	32.2	32.8
Other operating expenses	31.2	30.1	38.6	35.0	36.7	37.4
Other operating income	3.1	3.8	4.7	4.1	4.1	4.2
EBITDA	**14.0**	**15.4**	**16.7**	**15.9**	**19.0**	**21.2**
Depreciation on fixed assets	6.4	6.4	6.3	6.8	7.6	8.1
EBITA	**7.6**	**8.9**	**10.3**	**9.1**	**11.4**	**13.1**
Amortisation of intangible assets	2.5	2.2	2.0	2.0	2.0	2.0
Impairment charges and Amortisation of goodwill	1.4	0.0	1.3	0.0	0.0	0.0
EBIT	**3.7**	**6.7**	**7.0**	**7.1**	**9.4**	**11.1**
Financial result	-1.5	-1.4	-2.9	-3.4	-2.9	-3.0
Result from ordinary operations	**2.3**	**5.3**	**4.2**	**3.6**	**6.5**	**8.2**
Extraordinary result	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**2.3**	**5.3**	**4.2**	**3.6**	**6.5**	**8.2**
Taxes	1.0	1.6	2.1	1.1	2.0	2.5
Net Profit of continued operations	1.2	3.7	2.1	2.5	4.6	5.7
Net Profit of discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	**1.2**	**3.7**	**2.1**	**2.5**	**4.6**	**5.7**
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	**1.2**	**3.7**	**2.1**	**2.5**	**4.6**	**5.7**

Source: Company (reported results), Montega (forecast)

P&L (in % of Sales) Berentzen-Gruppe AG	2020	2021	2022	2023e	2024e	2025e
Sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Increase / decrease in inventory	0.0%	0.2%	2.7%	0.2%	0.2%	0.2%
Own work capitalised	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	**100.0%**	**100.2%**	**102.7%**	**100.2%**	**100.2%**	**100.2%**
Material Expenses	56.6%	53.4%	57.2%	57.6%	57.3%	56.9%
Gross profit	**43.4%**	**46.9%**	**45.5%**	**42.6%**	**42.9%**	**43.3%**
Personnel expenses	16.2%	18.3%	16.5%	17.2%	16.5%	16.3%
Other operating expenses	20.2%	20.6%	22.1%	19.0%	18.8%	18.6%
Other operating income	2.0%	2.6%	2.7%	2.2%	2.1%	2.1%
EBITDA	**9.1%**	**10.5%**	**9.6%**	**8.6%**	**9.7%**	**10.5%**
Depreciation on fixed assets	4.2%	4.4%	3.6%	3.7%	3.9%	4.0%
EBITA	**4.9%**	**6.1%**	**5.9%**	**4.9%**	**5.8%**	**6.5%**
Amortisation of intangible assets	1.6%	1.5%	1.2%	1.1%	1.0%	1.0%
Impairment charges and Amortisation of goodwill	0.9%	0.0%	0.7%	0.0%	0.0%	0.0%
EBIT	**2.4%**	**4.6%**	**4.0%**	**3.8%**	**4.8%**	**5.5%**
Financial result	-1.0%	-1.0%	-1.6%	-1.9%	-1.5%	-1.5%
Result from ordinary operations	**1.5%**	**3.6%**	**2.4%**	**2.0%**	**3.3%**	**4.1%**
Extraordinary result	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBT	**1.5%**	**3.6%**	**2.4%**	**2.0%**	**3.3%**	**4.1%**
Taxes	0.7%	1.1%	1.2%	0.6%	1.0%	1.2%
Net Profit of continued operations	0.8%	2.5%	1.2%	1.4%	2.3%	2.8%
Net Profit of discontinued operations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit before minorities	**0.8%**	**2.5%**	**1.2%**	**1.4%**	**2.3%**	**2.8%**
Minority interests	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit	**0.8%**	**2.5%**	**1.2%**	**1.4%**	**2.3%**	**2.8%**

Source: Company (reported results), Montega (forecast)

Balance sheet (in Euro m) Berentzen-Gruppe AG	2020	2021	2022	2023e	2024e	2025e
ASSETS						
Intangible assets	10.8	9.8	9.3	8.2	7.2	6.2
Property, plant & equipment	44.3	45.7	46.7	49.1	51.3	53.3
Financial assets	1.1	1.5	1.3	1.3	1.3	1.3
Fixed assets	**56.1**	**56.9**	**57.3**	**58.6**	**59.8**	**60.8**
Inventories	39.4	39.0	51.1	57.6	61.0	62.9
Accounts receivable	11.8	7.5	10.6	11.1	11.2	11.6
Liquid assets	26.3	28.3	13.5	14.2	15.4	17.0
Other assets	11.6	10.4	13.7	13.7	13.7	13.7
Current assets	**89.1**	**85.2**	**89.0**	**96.5**	**101.2**	**105.2**
Total assets	**145.2**	**142.1**	**146.3**	**155.1**	**161.0**	**166.0**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	**47.2**	**48.9**	**50.1**	**50.6**	**53.9**	**57.3**
Minority Interest	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Provisions	9.0	8.7	7.2	7.2	7.2	7.2
Financial liabilities	10.3	10.8	3.9	13.8	13.8	13.8
Accounts payable	34.6	36.3	45.9	44.4	47.0	48.5
Other liabilities	44.1	37.5	39.2	39.2	39.2	39.2
Liabilities	**97.9**	**93.3**	**96.2**	**104.6**	**107.2**	**108.7**
Total liabilities and shareholders' equity	**145.2**	**142.1**	**146.3**	**155.1**	**161.0**	**166.0**

Source: Company (reported results), Montega (forecast)

Balance sheet (in %) Berentzen-Gruppe AG	2020	2021	2022	2023e	2024e	2025e
ASSETS						
Intangible assets	7.4%	6.9%	6.4%	5.3%	4.5%	3.8%
Property, plant & equipment	30.5%	32.1%	31.9%	31.7%	31.8%	32.1%
Financial assets	0.7%	1.0%	0.9%	0.8%	0.8%	0.8%
Fixed assets	**38.7%**	**40.0%**	**39.2%**	**37.8%**	**37.1%**	**36.6%**
Inventories	27.1%	27.4%	35.0%	37.1%	37.9%	37.9%
Accounts receivable	8.1%	5.3%	7.3%	7.2%	7.0%	7.0%
Liquid assets	18.1%	19.9%	9.3%	9.1%	9.6%	10.2%
Other assets	8.0%	7.3%	9.3%	8.8%	8.5%	8.2%
Current assets	**61.4%**	**60.0%**	**60.8%**	**62.2%**	**62.9%**	**63.4%**
Total Assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	**32.5%**	**34.4%**	**34.3%**	**32.6%**	**33.5%**	**34.5%**
Minority Interest	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Provisions	6.2%	6.1%	4.9%	4.6%	4.5%	4.3%
Financial liabilities	7.1%	7.6%	2.7%	8.9%	8.6%	8.3%
Accounts payable	23.8%	25.5%	31.4%	28.6%	29.2%	29.2%
Other liabilities	30.3%	26.4%	26.8%	25.3%	24.3%	23.6%
Total Liabilities	**67.5%**	**65.6%**	**65.8%**	**67.4%**	**66.6%**	**65.5%**
Total Liabilites and Shareholders' Equity	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Company (reported results), Montega (forecast)

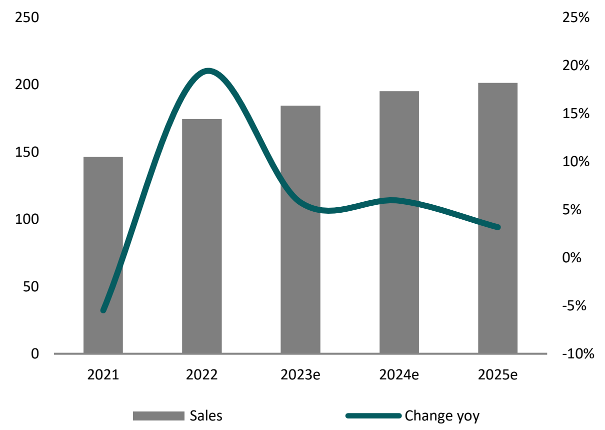
Statement of cash flows (in Euro m) Berentzen-Gruppe AG	2020	2021	2022	2023e	2024e	2025e
Net income	1.2	3.7	2.1	2.5	4.6	5.7
Depreciation of fixed assets	6.4	6.4	6.3	6.8	7.6	8.1
Amortisation of intangible assets	3.9	2.2	3.3	2.0	2.0	2.0
Increase/decrease in long-term provisions	-1.0	-0.2	0.0	0.0	0.0	0.0
Other non-cash related payments	-7.0	-7.5	5.3	0.0	0.0	0.0
Cash flow	**3.5**	**4.6**	**17.1**	**11.4**	**14.1**	**15.8**
Increase / decrease in working capital	10.1	7.0	-12.1	-8.5	-0.9	-0.8
Cash flow from operating activities	**13.6**	**11.6**	**4.9**	**2.9**	**13.2**	**15.0**
CAPEX	-5.2	-8.5	-9.1	-10.1	-10.7	-11.1
Other	-0.2	1.2	0.0	0.0	0.0	0.0
Cash flow from investing activities	**-5.4**	**-7.3**	**-9.0**	**-10.1**	**-10.7**	**-11.1**
Dividends paid	-2.6	-1.2	-2.1	-2.1	-1.3	-2.3
Change in financial liabilities	0.1	0.5	-6.9	9.9	0.0	0.0
Other	-1.4	-1.9	-1.9	0.0	0.0	0.0
Cash flow from financing activities	**-3.9**	**-2.7**	**-10.9**	**7.8**	**-1.3**	**-2.3**
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Change in liquid funds	**4.3**	**1.7**	**-15.0**	**0.6**	**1.2**	**1.6**
Liquid assets at end of period	**27.0**	**28.0**	**13.3**	**14.2**	**15.4**	**17.0**

Source: Company (reported results), Montega (forecast)

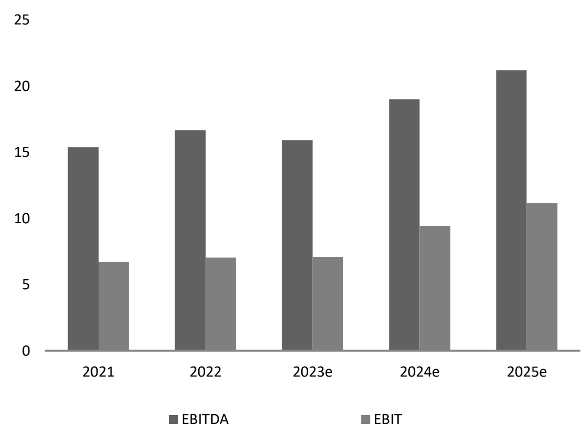
Key figures Berentzen-Gruppe AG	2020	2021	2022	2023e	2024e	2025e
Earnings margins						
Gross margin (%)	43.4%	46.9%	45.5%	42.6%	42.9%	43.3%
EBITDA margin (%)	9.1%	10.5%	9.6%	8.6%	9.7%	10.5%
EBIT margin (%)	2.4%	4.6%	4.0%	3.8%	4.8%	5.5%
EBT margin (%)	1.5%	3.6%	2.4%	2.0%	3.3%	4.1%
Net income margin (%)	0.8%	2.5%	1.2%	1.4%	2.3%	2.8%
Return on capital						
ROCE (%)	8.6%	16.8%	16.1%	13.4%	16.1%	18.5%
ROE (%)	2.5%	7.8%	4.3%	5.1%	9.0%	10.6%
ROA (%)	0.8%	2.6%	1.4%	1.6%	2.8%	3.4%
Solvency						
YE net debt (in EUR)	-7.1	-8.9	-2.5	6.8	5.5	3.9
Net debt / EBITDA	-0.5	-0.6	-0.2	0.4	0.3	0.2
Net gearing (Net debt/equity)	-0.2	-0.2	-0.1	0.1	0.1	0.1
Cash Flow						
Free cash flow (EUR m)	8.3	4.3	-4.1	-7.2	2.5	3.9
Capex / sales (%)	3.3%	5.8%	5.2%	5.5%	5.5%	5.5%
Working capital / sales (%)	12%	9%	7%	11%	13%	13%
Valuation						
EV/Sales	0.5	0.5	0.4	0.4	0.4	0.4
EV/EBITDA	5.4	4.9	4.5	4.7	4.0	3.6
EV/EBIT	20.2	11.3	10.7	10.7	8.0	6.8
EV/FCF	9.1	17.5	-	-	30.2	19.3
PE	45.4	15.1	26.8	21.9	12.0	9.7
P/B	1.2	1.1	1.1	1.1	1.0	1.0
Dividend yield	2.2%	3.7%	3.7%	2.3%	4.2%	5.2%

Source: Company (reported results), Montega (forecast)

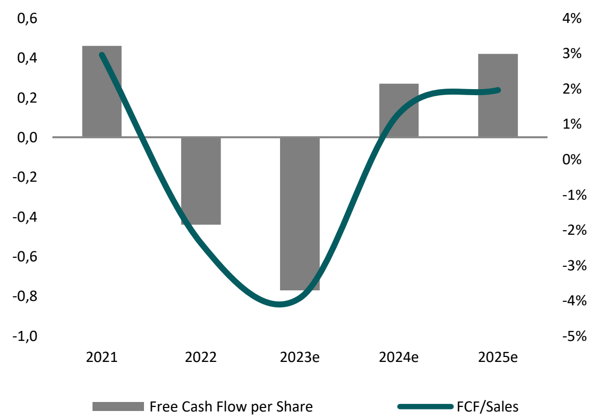
Revenue development



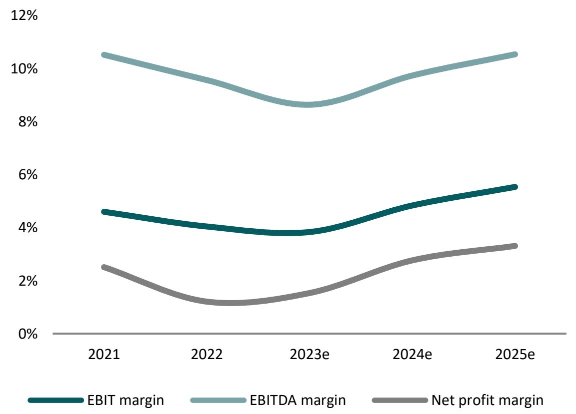
EBITDA and EBIT development



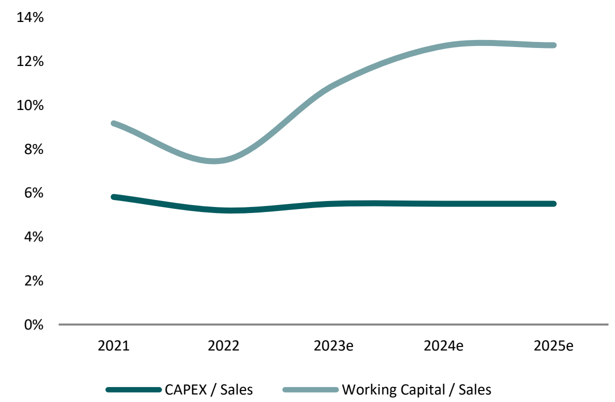
Free Cashflow development



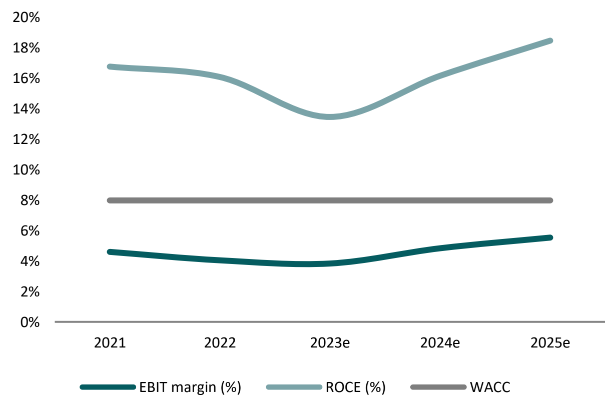
Development of margins



Investments / Working Capital



EBIT yield / ROCE



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Buy: The analysts at Montega AG believe the share price will rise during the next twelve months.
Hold: Upside/downside potential limited. No immediate catalyst visible.
Sell: The analysts at Montega AG believe the share price will fall during the next twelve months.

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Share price and recommendation history

Recommendation	Date	Price (EUR)	Price target	Potential
Buy (Initiation)	06.02.2023	6.52	12.00	+84%
Buy	27.03.2023	6.48	12.00	+85%
Buy	05.05.2023	6.50	12.00	+85%
Buy	01.08.2023	5.95	12.00	+102%
Buy	14.08.2023	5.95	12.00	+102%
Buy	20.10.2023	5.95	12.00	+102%
Buy	26.10.2023	5.90	12.00	+103%