

BerentzenGruppe Aktiengesellschaft

Outperform → | Target price : 9.00 €

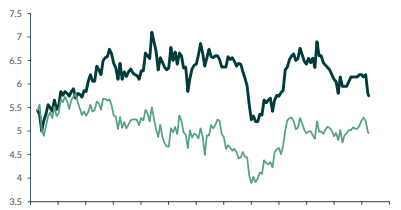
Price (23/10/2023) : 5.75 € | Upside : 57%

Revision 12/23e 12/24e
EPS

Full release of Q3 2023 – In line with weak preliminaries

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Sources : ODDO BHF Securities, SIX
Share data

BEZ3 GR BEZ.DE	
Market Cap (€m)	55
Enterprise value (€m)	63
Extrema 12 months (€)	5.18 - 6.90
Free Float (%)	73.8

Performance (%)	1m	3m	12m
Absolute	-7.3	-6.5	10.6
Perf. rel. Country Index	-3.0	0.5	1.2
Perf. rel. Food producer	-2.5	3.6	14.0

P&L	12/23e	12/24e	12/25e
Sales (€m)	186	191	197
EBITDA (€m)	15.7	16.1	16.5
Current EBIT (€m)	7.1	7.5	7.9
Attr. net profit (€m)	4.6	4.9	5.2
Adjusted EPS (€)	0.49	0.52	0.55
Dividend (€)	0.25	0.26	0.28
P/E (x)	11.7	11.1	10.4
P/B (x)	1.0	1.0	0.9
Dividend Yield (%)	4.3	4.5	4.8
FCF yield (%)	ns	6.3	7.5
EV/Sales (x)	0.34	0.33	0.32
EV/EBITDA (x)	4.0	3.9	3.8
EV/Current EBIT (x)	8.9	8.4	7.9
Gearing (%)	4	4	3
Net Debt/EBITDA (x)	0.1	0.1	0.1

Next Events
24/10/2023 Earnings Release

Subdued revenue and earnings momentum

Berentzen has reported final Q3 2023 operating results which were in line with the preliminary release of 16 October 2023. While the third quarter of 2022 was one of the strongest quarters in Berentzen's history due to catch-up effects after the pandemic, Q3 2023 was characterised by an extremely negative market situation (i.e. consumer restraint due to economic concerns, high inflation) with a decline in revenues (-5% y-o-y to € 45.6m) and margins (EBITDA margin -210bp y-o-y to 8.6%) and below ODDO BHF's forecasts (revenues € 50.2m, EBITDA margin 9.6%). The company is now countering the market situation with a comprehensive sales marketing programme which is to take effect in Q4 2023.

Q3 2023 results review

€ m	Q3 23	Q3 22	Y-o-y	ODDO BHF e	Δ
Revenue	45.6	48.1	-5.2%	50.2	-9.1%
EBITDA	3.9	5.2	-24.4%	4.8	-18.9%
EBITDA margin	8.6%	10.7%	-210bp	9.6%	-100bp
EBIT	1.7	3.1	-43.2%	2.7	-34.9%
EBIT margin	3.8%	6.4%	-260bp	5.3%	-150bp

Sources: ODDO BHF Securities, company

Segment revenues with mixed results

In Q3 2023, revenues in the major segments, except for the largest one (the spirits segment) were down y-o-y and below our estimates (except for the "other" segments).

- Spirits segment € 26.6m (+4% y-o-y) vs € 28.1m estimated
- Non-alcoholic beverages € 11.9m (-22% y-o-y) vs € 16m estimated
- Fresh Juice System € 5.1m (-2% y-o-y) vs € 5.5m estimated
- Other segments € 1.9m (-9% y-o-y), vs € 0.6m estimated

Outperform rating maintained

Following the release of preliminary numbers, we have already adjusted our estimates for FY 2023e to FY 2025e and have lowered our target price to € 9.0. For further details see our report "Slower growth ahead. Target price cut to €9.0" published on 17 October 2023. We confirm our rating (Outperform) and target price (€ 9.0).

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BEZ.DE | BEZ3 GR
Beverages | Germany

Outperform
Upside 56.52%

Price 5.75 €
TP 9.00 €

PER SHARE DATA (€)	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
Adjusted EPS	0.52	0.47	0.07	0.30	0.35	0.49	0.52	0.55
Reported EPS	0.55	0.52	0.13	0.39	0.22	0.49	0.52	0.55
Growth in adjusted EPS	ns	-9.5%	-84.8%	ns	14.3%	42.3%	5.5%	6.5%
Net dividend per share	0.28	0.28	0.13	0.22	0.22	0.25	0.26	0.28
FCF to equity per share	-0.10	1.03	0.91	0.34	-0.44	-0.81	0.36	0.43
Book value per share	5.05	5.24	5.03	5.20	5.33	5.60	5.87	6.15
Number of shares market cap (m)	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60
Number of diluted shares (m)	9.60	9.60	9.60	9.60	9.60	9.60	9.60	9.60
VALUATION (€m)	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
12m highest price (€)	8.55	7.20	7.70	7.10	6.90	6.90		
12m lowest price (€)	6.10	5.86	4.95	5.66	5.00	5.74		
(*) Reference price (€)	7.36	6.48	5.89	6.22	6.17	5.75	5.75	5.75
Capitalization	70.7	62.2	56.5	59.7	59.3	55.2	55.2	55.2
Restated Net debt	-7.6	-12.5	-16.0	-17.5	-9.6	1.9	2.1	1.8
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
Enterprise Value	72.7	58.9	49.1	50.2	55.4	62.9	63.1	62.8
P/E (x)	14.2	13.8	82.5	20.6	17.9	11.7	11.1	10.4
P/CF (x)	5.8	4.8	7.8	13.1	4.4	7.5	7.0	4.1
Net Yield	3.8%	4.3%	2.2%	3.5%	3.6%	4.3%	4.5%	4.8%
FCF yield	ns	15.9%	15.5%	5.5%	ns	ns	6.3%	7.5%
P/B incl. GW (x)	1.46	1.24	1.17	1.20	1.16	1.03	0.98	0.93
P/B excl. GW (x)	1.46	1.24	1.17	1.20	1.16	1.03	0.98	0.93
EV/Sales (x)	0.45	0.35	0.32	0.34	0.32	0.34	0.33	0.32
EV/EBITDA (x)	4.2	3.2	3.5	3.3	3.3	4.0	3.9	3.8
EV/Current EBIT (x)	7.4	6.0	9.4	7.5	6.7	8.9	8.4	7.9
(*) historical average price								
PROFIT AND LOSS (€m)	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
Sales	162	167	155	146	174	186	191	197
EBITDA	17.3	18.4	14.1	15.4	16.7	15.7	16.1	16.5
Depreciations	-7.5	-8.5	-8.9	-8.6	-8.3	-8.6	-8.6	-8.6
Current EBIT	9.8	9.8	5.2	6.7	8.3	7.1	7.5	7.9
Published EBIT	9.0	8.7	3.7	6.7	5.8	7.1	7.5	7.9
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	-2.0	-2.1	-2.2
Net income of equity-accounted companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss of discontinued activities (after tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Attributable net profit	5.2	4.9	1.2	3.7	2.1	4.6	4.9	5.2
Adjusted attributable net profit	4.9	4.4	0.7	2.8	3.2	4.6	4.9	5.2
BALANCE SHEET (€m)	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
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	33.5	28.7	28.6
Financial assets	1.9	2.8	4.0	4.1	4.6	11.1	16.8	17.5
Ordinary shareholders equity	47.4	49.2	47.2	48.9	50.1	52.6	55.1	57.8
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	52.6	55.1	57.8
Non-current provisions	57.7	57.0	53.0	46.2	46.4	46.4	46.4	46.4
Net debt	-7.6	-12.5	-16.0	-17.5	-9.6	1.9	2.1	1.8
CASH FLOW STATEMENT (€m)	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
EBITDA	17.3	18.4	14.1	15.4	16.7	15.7	16.1	16.5
Change in WCR	-6.5	4.0	6.5	7.2	-8.4	-5.0	4.9	0.0
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	-8.5	-8.3	-3.3
Operating Cash flow	5.6	16.6	13.6	11.6	4.9	2.1	12.6	13.3
CAPEX	-6.5	-6.9	-5.0	-8.4	-9.0	-9.8	-9.2	-9.2
Free cash-flow	-0.9	9.7	8.6	3.2	-4.1	-7.7	3.4	4.0
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	-2.4	-2.5
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	-11.5	-0.2	0.2
GROWTH MARGINS PRODUCTIVITY	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
Sales growth	1.1%	3.2%	-7.7%	-5.5%	19.2%	6.5%	3.0%	3.0%
Lfl sales growth	-	-	-	-	-	-	-	-
Current EBIT growth	6.3%	0.1%	-46.9%	28.8%	24.2%	-14.9%	5.4%	6.0%
Growth in adjusted EPS	ns	-9.5%	-84.8%	ns	14.3%	42.3%	5.5%	6.5%
Net margin	3.0%	2.6%	0.4%	1.9%	1.9%	2.5%	2.5%	2.6%
EBITDA margin	10.7%	11.0%	9.1%	10.5%	9.6%	8.4%	8.4%	8.4%
Current EBIT margin	6.0%	5.9%	3.4%	4.6%	4.8%	3.8%	3.9%	4.0%
CAPEX / Sales	-4.2%	-4.3%	-3.3%	-5.8%	-5.2%	-5.3%	-4.8%	-4.7%
WCR / Sales	23.3%	20.2%	17.7%	13.8%	16.4%	18.1%	15.0%	14.5%
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	2.2
ROCE post-tax (normative tax rate)	7.4%	7.4%	4.3%	6.1%	7.5%	5.8%	5.9%	6.3%
ROCE post-tax hors GW (normative tax rate)	7.9%	7.9%	4.6%	6.6%	8.1%	6.2%	6.4%	6.8%
ROE	10.6%	9.2%	1.4%	5.9%	6.6%	9.0%	9.0%	9.2%
DEBT RATIOS	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
Gearing	-16%	-25%	-34%	-36%	-19%	4%	4%	3%
Net Debt / Market Cap	-0.11	-0.20	-0.28	-0.29	-0.16	0.03	0.04	0.03
Net debt / EBITDA	-0.44	-0.68	-1.13	-1.14	-0.58	0.12	0.13	0.11
EBITDA / net financial charges	11.1	11.9	9.6	10.9	10.0	30.8	30.6	31.5

Sources: ODDO BHF Securities, SIX



• **Valuation method**

Our target prices are established on a 12-month timeframe and we use three valuation methods to determine them. First, the discounting of available cash flows using the discounting parameters set by the Group and indicated on ODDO BHF' website. Second, the sum-of-the-parts method based on the most pertinent financial aggregate depending on the sector of activity. Third, we also use the peer comparison method which facilitates an evaluation of the company relative to similar businesses, either because they operate in identical sectors (and are therefore in competition with one another) or because they benefit from comparable financial dynamics. A mixture of these valuation methods may be used in specific instances to more accurately reflect the specific characteristics of each company covered, thereby fine-tuning its evaluation.

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Neutral: performance expected to be comparable to that of the benchmark index, sectoral (large caps) or other (small and mid caps).

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Date	Reco	Price Target (EUR)	Price (EUR)	Analyst
17/10/23	Outperform	9.00	6.10	Klaus Breitenbach
30/05/23	Outperform	10.00	6.50	Klaus Breitenbach

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		Outperform	Neutral	Underperform
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