

## Berentzen-Gruppe (BEZ GY) | Consumer Goods

August 21, 2020

### Feedback from METZLER MicroCap Days

Oliver Schwegmann (CEO) as well as Ralf Bruehoefner (CFO) presented at our (virtual) MicroCap Days. The mgmt underlined the resilience of the business model which compared to other beverage players has enabled BEZ to get through the Covid-19 crisis relatively well so far. This is also partly due to the fact that BEZ only generates ~15% of its sales with on-trade business. We also discussed the recent performance of the fresh juice systems segment, which was hit hardest by Covid-19 (H1/20: -25% y-o-y) given the strong hesitation to invest into juicers at the moment. However, mgmt was very confident that the segment will emerge from the current crisis stronger than before, not least because juice systems remain an important weapon for grocery stores to fight the growing e-commerce business. In addition, mgmt also highlighted Mio Mio which remains the star in the portfolio with double-digit growth again in H1. They clearly stated that the brand remains a key driver for both, future growth and ongoing margin improvements. Finally, we discussed the Hard seltzer trend in the US - BEZ as an innovative company is following this trend but sees themselves more in the role of an early follower. Overall, a rock-solid and confident presentation that confirms our positive investment case.

**Changes in estimates:** We updated our model and reduced our margin estimates for FY 2021 (higher D&A and ongoing Covid-19 impact)

**Valuation:** Our target price remains unchanged at EUR 7.3. The current valuation level (~3x EBITDA) offers a very attractive entry opportunity

Fundamentals (in EUR m)	2017	2018	2019	2020e	2021e	2022e
Sales	160	162	167	159	156	163
EBITDA	16	17	18	15	17	18
EBIT	9	10	10	6	8	10
EPS adj. (EUR)	0.27	0.55	0.52	0.19	0.40	0.51
DPS (EUR)	0.22	0.28	0.28	0.10	0.20	0.25
BVPS (EUR)	4.75	5.04	5.24	5.17	5.46	5.76
Net Debt incl. Provisions	-0	2	-3	-7	-14	-17
Ratios	2017	2018	2019	2020e	2021e	2022e
EV/EBITDA	4.7	3.5	3.4	3.0	2.2	1.9
EV/EBIT	8.4	6.2	6.3	7.8	4.3	3.4
P/E adj.	30.2	11.3	13.0	28.4	13.4	10.7
Dividend yield (%)	2.7	4.5	4.1	1.8	3.7	4.7
EBITDA margin (%)	10.2	10.7	11.0	9.2	10.8	11.1
EBIT margin (%)	5.8	6.0	5.9	3.5	5.5	6.0
Net debt/EBITDA	-0.0	0.1	-0.1	-0.5	-0.9	-1.0
ROE (%)	5.7	11.2	10.2	3.7	7.6	9.0
PBV	1.7	1.2	1.3	1.0	1.0	0.9

Sources: Refinitiv, Metzler Research

**Buy**
 **unchanged**
**Price\***
**EUR 5.42**
**Price target**
**EUR 7.30 (unchanged)**

\* XETRA trading price at the close of the previous day unless stated otherwise in the Disclosures

Market Cap (EUR m)	51
Enterprise Value (EUR m)	44
Free Float (%)	74.4

Price (in EUR)



Performance (in %)	1m	3m	12m
Share	-8.1	-4.6	-11.4
Rel. to Prime All Share	-6.3	-17.2	-17.3

Sources: Refinitiv, Metzler Research

Changes in estimates (in %)	2020e	2021e	2022e
Sales	0.0	1.2	1.0
EBIT	1.1	-4.6	-2.9
EPS	2.8	-6.3	-3.6

### Sponsored Research


**Author: Tom Diedrich**

Financial Analyst Equities

+49 - 69 21 04 - 239

tom.diedrich@metzler.com

# company note

## Our investment case in a nutshell

### Investment case unchanged

- **2020 affected by Covid-19 but general growth story intact:** Following a strong FY 2019, FY 2020 will clearly be characterized by declining sales driven by the impact of Covid-19. Covid-19 should in our view in particular affect the fresh juice systems segment given that restaurants and hotels are closed and food retailers not willing to invest in fruit juicers at the moment. However, the sales situation should improve again after a stabilization with regard to Covid-19. We also believe that Berentzen should then be able to accelerate growth momentum again in FY 2021 (Note: excl. the impact of the recently discontinued contract bottling business). This growth should, in our view, be driven by all segments. One main driver for the growth should in our view be the Mio Mio brand. Mio Mio is a brand of refreshing soft drinks offered in seven flavours. The most popular is Mio Mio Mate, which is a caffeinated mate-extracted beverage. With annual sales volume growth of above 50% over the last four years, the brand is clearly the highlight of the Berentzen product portfolio in our view. We believe that Mio Mio is still at the beginning of its success story
- **(2) Room for margin improvements in all segments:** As the topline, also the profitability will suffer from the impact of Covid-19, mainly lower gross margins. However, in the mid- to long term, we see in particular room for margin improvement in the fresh-juice system segment. In the past, the company faced problems with regard to the harvesting of oranges which the company sells its customers in addition to the juicers. Crop failures in FY 2018 lead to significantly higher prices for the juice oranges which Berentzen did not want to pass on to its customers - this resulted in falling gross margins. In the meantime, the company has optimized and also broadened its supplier network for oranges and should in our view now be able to better absorb possible (future) crop failures. Margins in the non-alcoholic beverages segment should also increase following the discontinuation of the contract bottling business
- **(3) Solid balance sheet and attractive dividends:** In our view, Berentzen has a very solid balance sheet, especially following the repayment of the bond in October FY 2017 leading to annual interest savings of more than EUR 2m. Based on the solid balance sheet structure, the company is able to pay attractive dividend streams to its shareholders even in challenging times with uncertainties around Covid-19. The company's dividend policy is to pay out at least 50% of its net income
- **(4) Mio Mio already worth >EUR 4 per share:** We determined a fair value of the Mio Mio brand, which is a clear highlight of Berentzen's product portfolio. The acquisition of Fever-Tree in FY 2012 for ~6x Sales served as a starting point of our analysis. Fever-Tree is a popular producer of drink mixers in particular Tonic Water. While both, Mio Mio and Fever-Tree have a similar growth profile, we value Mio Mio based on a 10% discount given its stronger regional focus. Adjusting the transaction multiple for this discount, we value Mio Mio based on an EV/Sales multiple of ~5x

# company note

## Key topics discussed during the conference meetings

We highlight the main points of discussion

- **Competitive landscape:** According to the management, Berentzen has been able to even increase the competitiveness during the corona crisis despite significant reductions in marketing spendings. First, consumers are more focusing on regional products and brands, which make them feel secure in these uncertain times. Berentzen products fit in very well into this profile. Second, compared to other (larger) grocery players, Berentzen only generates ~15% of revenues with on-trade business which was hit hardest over the last weeks and months. Historically, Berentzen products are mainly distributed in the retail space. Finally, even during these challenging times, Berentzen has invested into commercial excellence, e.g. the foundation of its own field force for spirits and non-alcoholic beverages. Further investments are planned in this area
- **Future plans for Mio Mio:** Management again highlighted the Mio Mio brand which remains the highlight brand in the portfolio with double-digit growth in H1/20. The brand is a main driver for both, future growth and ongoing margin improvements going forward. In addition, mgmt. is also seeing that the brand adds to the product diversification of the Group and has clear plans to further develop the brand going forward
- **Trend Hard seltzer:** Hard seltzer has been one of the main trends in the beverage industry in the US over the last couple of months. Hard seltzer is sparkling, flavoured, alcoholic water, produced through fermentation or mixed with spirit. The beverage is in particular popular among millennials. According to Nielsen, US sales of seltzer increased by more than 220% in FY 2019. As an innovative company, Berentzen actually has a closer look at this product, however, noted that it is not guaranteed that a product success in the US will automatically lead to a success in the German market as well. In addition, seltzer is almost unknown in Germany so far. Hence, it would require a lot of (product) education for the consumers. Berentzen does not see themselves in this role because it would require high investments, but instead more in the role of an early follower
- **Fresh Juice Systems segment:** This segment is undoubtedly the most negatively affected by Covid-19, with restaurants and hotels closed for a long time and grocery stores hardly investing during those busy times. As a consequence, revenues in the first half of the year declined by ~25%. However, management was very confident that the segment will emerge from the crisis stronger than before for two reasons: First, the Covid-19 pandemic effectively drives the pursuit of healthy lifestyles in the society. Second, due to the increasing online competition, grocery stores are increasingly looking for ways to differentiate from online players through targeted point of sales measures. These measures also include fresh juice systems offering customers a new shopping experience
- **Bottling business - impact on strategy:** Recently, Berentzen announced that the contract bottling business for an international beverage group will be terminated from FY 2021 onwards. In the past, the contract bottling business generated sales of around EUR 12m which will accordingly be lost from FY 2021 onwards - nevertheless, the impact on earnings should be rather small as contract bottling typically is a low-margin business. According to the management, this is also an opportunity to make the business model less dependent on 3rd party products. However, management also stated that if open ca-

# company note

capacities are left, Berentzen would also be open to work with other clients on contract bottling

# company note

## Key Data

### Company profile

CEO: Oliver Schwegmann

CFO: Ralf Bruehoefner

Haselünne, Germany

Berentzen, headquartered in Haselünne (Germany) is a leading beverage company in Germany and one of the oldest producers of spirits with a history going back to 1758. The business activities of the company include the production and distribution of spirits, non-alcoholic beverages, fresh juice systems as well as tourist and event activities at the Berentzen-Hof in Haselünne

### Major shareholders

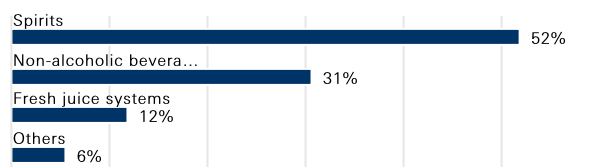
Monolith Investment Management BV (9.9%), MainFirst Bank AG (8.5%), Lazard Frères Gestion SAS (5.1%)

### Key figures

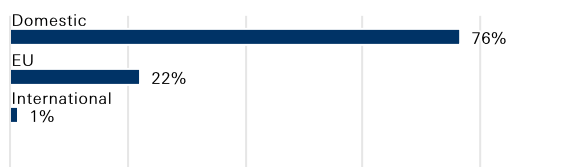
P&L (in EUR m)	2017	%	2018	%	2019	%	2020e	%	2021e	%	2022e	%
<b>Sales</b>	<b>160</b>	<b>-5.7</b>	<b>162</b>	<b>1.1</b>	<b>167</b>	<b>3.2</b>	<b>159</b>	<b>-5.1</b>	<b>156</b>	<b>-2.1</b>	<b>163</b>	<b>4.6</b>
<b>Gross profit on sales</b>	<b>69</b>	<b>-14.4</b>	<b>72</b>	<b>3.4</b>	<b>75</b>	<b>4.2</b>	<b>68</b>	<b>-8.7</b>	<b>70</b>	<b>3.0</b>	<b>74</b>	<b>5.7</b>
Gross margin (%)	43.2	-9.3	44.2	2.2	44.6	1.0	42.9	-3.8	45.1	5.1	45.6	1.1
<b>EBITDA</b>	<b>16</b>	<b>-6.3</b>	<b>17</b>	<b>5.6</b>	<b>18</b>	<b>6.0</b>	<b>15</b>	<b>-20.8</b>	<b>17</b>	<b>15.7</b>	<b>18</b>	<b>7.0</b>
EBITDA margin (%)	10.2	-0.7	10.7	4.4	11.0	2.6	9.2	-16.6	10.8	18.2	11.1	2.3
<b>EBIT</b>	<b>9</b>	<b>-12.3</b>	<b>10</b>	<b>6.3</b>	<b>10</b>	<b>0.1</b>	<b>6</b>	<b>-43.2</b>	<b>8</b>	<b>52.2</b>	<b>10</b>	<b>15.8</b>
EBIT margin (%)	5.8	-7.0	6.0	5.1	5.9	-3.0	3.5	-40.1	5.5	55.4	6.0	10.8
<b>Financial result</b>	<b>-4</b>	<b>1.5</b>	<b>-2</b>	<b>40.4</b>	<b>-3</b>	<b>-10.0</b>	<b>-3</b>	<b>-13.5</b>	<b>-3</b>	<b>1.0</b>	<b>-3</b>	<b>1.7</b>
<b>EBT</b>	<b>5</b>	<b>-19.0</b>	<b>7</b>	<b>41.9</b>	<b>7</b>	<b>-3.1</b>	<b>3</b>	<b>-63.7</b>	<b>6</b>	<b>112.5</b>	<b>7</b>	<b>25.1</b>
Taxes	3	32.2	2	-15.4	2	0.5	1	-63.7	2	112.5	2	25.1
Tax rate (%)	51.1	n.a.	30.5	n.a.	31.6	n.a.	31.6	n.a.	31.6	n.a.	31.6	n.a.
Net income	3	-42.4	5	101.6	5	-4.6	2	-63.7	4	112.5	5	25.1
Minority interests	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
<b>Net Income after minorities</b>	<b>3</b>	<b>-42.4</b>	<b>5</b>	<b>101.6</b>	<b>5</b>	<b>-4.6</b>	<b>2</b>	<b>-63.7</b>	<b>4</b>	<b>112.5</b>	<b>5</b>	<b>25.1</b>
Number of shares outstanding (m)	9	-0.1	9	0.0	9	0.0	9	0.0	9	0.0	9	0.0
<b>EPS adj. (EUR)</b>	<b>0.27</b>	<b>-42.1</b>	<b>0.55</b>	<b>101.3</b>	<b>0.52</b>	<b>-4.6</b>	<b>0.19</b>	<b>-63.6</b>	<b>0.40</b>	<b>111.5</b>	<b>0.51</b>	<b>25.1</b>
<b>DPS (EUR)</b>	<b>0.22</b>	<b>-12.0</b>	<b>0.28</b>	<b>27.3</b>	<b>0.28</b>	<b>0.0</b>	<b>0.10</b>	<b>-65.9</b>	<b>0.20</b>	<b>111.5</b>	<b>0.25</b>	<b>25.1</b>
Dividend yield (%)	2.7	n.a.	4.5	n.a.	4.1	n.a.	1.8	n.a.	3.7	n.a.	4.7	n.a.
<b>Cash Flow (in EUR m)</b>	<b>2017</b>	<b>%</b>	<b>2018</b>	<b>%</b>	<b>2019</b>	<b>%</b>	<b>2020e</b>	<b>%</b>	<b>2021e</b>	<b>%</b>	<b>2022e</b>	<b>%</b>
<b>Gross Cash Flow</b>	<b>12</b>	<b>-17.8</b>	<b>14</b>	<b>22.6</b>	<b>15</b>	<b>6.4</b>	<b>13</b>	<b>-16.3</b>	<b>14</b>	<b>10.7</b>	<b>15</b>	<b>5.3</b>
<b>Increase in working capital</b>	<b>6</b>	<b>n.a.</b>	<b>8</b>	<b>n.a.</b>	<b>-5</b>	<b>n.a.</b>	<b>-2</b>	<b>n.a.</b>	<b>-4</b>	<b>n.a.</b>	<b>2</b>	<b>n.a.</b>
<b>Capital expenditures</b>	<b>8</b>	<b>25.9</b>	<b>7</b>	<b>-16.5</b>	<b>7</b>	<b>6.0</b>	<b>5</b>	<b>-21.6</b>	<b>6</b>	<b>18.1</b>	<b>7</b>	<b>4.6</b>
D+A/Capex (%)	92.3	n.a.	115.7	n.a.	124.1	n.a.	166.0	n.a.	130.7	n.a.	122.6	n.a.
<b>Free cash flow (Metzler definition)</b>	<b>-2</b>	<b>-123.9</b>	<b>-0</b>	<b>96.2</b>	<b>13</b>	<b>n.m.</b>	<b>10</b>	<b>-26.5</b>	<b>12</b>	<b>18.5</b>	<b>6</b>	<b>-45.7</b>
Free cash flow yield (%)	-2.8	n.a.	-0.1	n.a.	20.7	n.a.	19.3	n.a.	22.8	n.a.	12.4	n.a.
Dividend paid	2	24.9	2	-12.0	3	27.2	3	0.0	1	-65.9	2	111.5
<b>Free cash flow (post dividend)</b>	<b>-5</b>	<b>-162.1</b>	<b>-2</b>	<b>52.6</b>	<b>11</b>	<b>596.6</b>	<b>7</b>	<b>-33.0</b>	<b>11</b>	<b>49.6</b>	<b>4</b>	<b>-58.9</b>
<b>Balance sheet (in EUR m)</b>	<b>2017</b>	<b>%</b>	<b>2018</b>	<b>%</b>	<b>2019</b>	<b>%</b>	<b>2020e</b>	<b>%</b>	<b>2021e</b>	<b>%</b>	<b>2022e</b>	<b>%</b>
<b>Assets</b>	<b>143</b>	<b>-24.2</b>	<b>145</b>	<b>1.1</b>	<b>152</b>	<b>4.6</b>	<b>151</b>	<b>-0.7</b>	<b>152</b>	<b>1.0</b>	<b>156</b>	<b>2.8</b>
<b>Goodwill</b>	<b>6</b>	<b>0.0</b>	<b>6</b>	<b>0.0</b>	<b>6</b>	<b>0.0</b>	<b>6</b>	<b>0.0</b>	<b>6</b>	<b>0.0</b>	<b>6</b>	<b>0.0</b>
<b>Shareholders' equity</b>	<b>45</b>	<b>-1.4</b>	<b>47</b>	<b>6.3</b>	<b>49</b>	<b>3.8</b>	<b>48</b>	<b>-1.7</b>	<b>51</b>	<b>6.0</b>	<b>54</b>	<b>5.6</b>
Equity/total assets (%)	31.1	n.a.	32.7	n.a.	32.4	n.a.	32.1	n.a.	33.7	n.a.	34.6	n.a.
<b>Net Debt incl. Provisions</b>	<b>-0</b>	<b>97.0</b>	<b>2</b>	<b>n.m.</b>	<b>-3</b>	<b>-211.6</b>	<b>-7</b>	<b>-162.9</b>	<b>-14</b>	<b>-107.7</b>	<b>-17</b>	<b>-19.0</b>
<b>thereof pension provisions</b>	<b>10</b>	<b>-6.3</b>	<b>10</b>	<b>-5.3</b>	<b>10</b>	<b>-0.9</b>	<b>10</b>	<b>0.0</b>	<b>10</b>	<b>0.0</b>	<b>10</b>	<b>0.0</b>
Gearing (%)	-0.4	n.a.	5.0	n.a.	-5.4	n.a.	-14.4	n.a.	-28.2	n.a.	-31.8	n.a.
Net debt/EBITDA	-0.0	n.a.	0.1	n.a.	-0.1	n.a.	-0.5	n.a.	-0.9	n.a.	-1.0	n.a.

### Structure

#### Revenue by segment 2019



#### Revenue by region 2019



Sources: Refinitiv, Metzler Research

# company note

## Disclosures

### Recommendation history

Recommendations for each financial instrument or issuer - mentioned in this document - published by Metzler in the past twelve months

Date of dissemination	Metzler recommendation *		Current price **	Price target *	Author ***
	Previous	Current			
<b>Issuer/Financial Instrument (ISIN): Berentzen-Gruppe (DE0005201602)</b>					
23.07.2020	Buy	Buy	5.92 EUR	7.30 EUR	Diedrich, Tom
25.06.2020	Buy	Buy	6.08 EUR	7.30 EUR	Diedrich, Tom
19.05.2020	Buy	Buy	5.48 EUR	7.40 EUR	Diedrich, Tom
07.05.2020	Buy	Buy	5.44 EUR	7.40 EUR	Diedrich, Tom
27.03.2020	Buy	Buy	5.36 EUR	7.40 EUR	Diedrich, Tom
04.02.2020	Buy	Buy	7.60 EUR	8.80 EUR	Diedrich, Tom
25.10.2019	Buy	Buy	6.56 EUR	8.50 EUR	Diedrich, Tom
29.08.2019	n.a.	Buy	6.10 EUR	8.50 EUR	Diedrich, Tom

\* Effective until the price target and/or investment recommendation is updated (FI/FX recommendations are valid solely at the time of publication)

\*\* XETRA trading price at the close of the previous day unless stated otherwise herein: ABO Wind AG: Hamburg Stock Exchange

\*\*\* All authors are financial analysts

### Berentzen-Gruppe

17. Metzler and/or a company affiliated with Metzler had reached an agreement on the compilation of the investment analysis with the analysed company. Prior to publication of the financial analysis, the provider gives the issuer a one-off opportunity to comment (comparison of facts in accordance with the DVFA Code) within the regulatory framework to avoid quality defects.

Compiled: August 21, 2020 08:22 AM CEST

Initial release: August 21, 2020 08:22 AM CEST

# company note

## Disclaimer

This document has been prepared by B. Metzler seel. Sohn & Co. KGaA (Metzler) and is addressed exclusively to eligible counterparties and professional clients. It is thus not suitable for retail clients.

This document is based on information which is generally available and which Metzler believes to be fundamentally reliable. Metzler has not verified the accuracy or completeness of the information, however, and thus provides no warranty or representation in respect of the accuracy or completeness of the information, opinions, estimates, recommendations and forecasts contained in this document. Neither Metzler nor any of its shareholders or employees are liable for damage or any other disadvantage suffered due to inaccurate or incomplete information, opinions, estimates, recommendations or forecasts as a result of the distribution or use of or in connection to this document.

This document does not constitute or form part of any offer to buy or solicitation of any offer to buy securities, other financial instruments or other investment instruments. Neither does it take account of the particular investment objectives, financial situation or needs of individual recipients nor does it constitute personal investment advice. Metzler does not act as investment advisor or portfolio manager in preparing and publishing this document. Recipients must make their own investment decisions in accordance with their specific financial situation and investment objectives, based on independent processes and analyses, taking sales or other prospectuses, information memoranda and other investor information into account, and consult with an independent financial advisor where necessary. Recipients should note that any information regarding past performance should not be relied upon as an indication of future performance and should therefore not form the basis of any decision whether or not to invest in any financial instruments.

The information, opinions, estimates, recommendations and forecasts contained in this document reflect the personal views of the author at the time of publication on the financial instruments or issuers that form the subject of this document and do not necessarily reflect the opinions of Metzler, the issuer or third parties. They may also be subject to change on account of future events and developments. Metzler has no obligation to amend, supplement or update this document or to otherwise notify recipients in the event that any information, opinions, estimates, recommendations or forecasts stated herein should change or subsequently become inaccurate, incomplete or misleading. The model calculations contained in this document, if any, are examples showing the possible performance and are based on various assumptions (e.g. regarding earnings and volatility). The actual performance may be higher or lower, depending on market trends and on the correctness of assumptions underlying the model calculations. Accordingly, actual performance cannot be guaranteed, warranted or assured.

Recipients should assume that (a) Metzler is entitled to acquire orders for investment banking, securities or other services from or with companies which form the subject of research publications and that (b) analysts who were involved in preparing research publications may, within the scope of regulatory laws, be indirectly involved in the acquisition of such orders.

Metzler and its employees may hold positions in securities of the companies analysed or in other investment objects or may conduct transactions with such securities or investment objects.

This document is provided for information purposes only and may not be copied, duplicated, forwarded to third parties or otherwise published, in whole or in part, without Metzler's written consent. Metzler reserves all copyrights and rights of use, including those relating to electronic media. Insofar as Metzler provides hyperlinks to websites of the companies cited in research publications, this does not mean that Metzler confirms, recommends or warrants any data contained on the linked sites or data which can be accessed from such sites. Metzler accepts no liability for links or data, nor for any consequences which may arise as a result of following the links and/or using the data.

This document is subject to the laws of the Federal Republic of Germany. Venue of jurisdiction for any disputes shall be Frankfurt am Main, Germany.

By accepting this document the recipient declares his/her agreement with the above provisions.

**Information in accordance with Regulation (EU) No. 596/2014, Delegated Regulation (EU) No. 2016/958 and section 85 (1) of the German Securities Trading Act (*Wertpapierhandelsgesetz*)**

### Persons responsible for this document

The company responsible for preparing this document is B. Metzler seel. Sohn & Co. KGaA, Untermainanlage 1, 60329 Frankfurt am Main, Germany, which is subject to supervision by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht; BaFin*), Marie-Curie-Straße 24–28, 60439 Frankfurt/Main, Germany, and by the European Central Bank (ECB), Sonnemannstraße 20, 60314 Frankfurt/Main, Germany.

### Key information sources

The sources of information referred to when preparing research publications include publications by national and international media, the European Central Bank and other public authorities, information services (such as Reuters and Bloomberg), the financial press, published statistics, information published by rating agencies, annual reports and other information provided by the issuers.

### Valuation criteria and methods

Valuations are based on standard and acknowledged methods of fundamental and technical analysis (e.g. DCF model, peer-group analysis, sum-of-the-parts model, relative-value analysis). The valuation models are affected by macro-economic values such as interest rates, exchange rates, commodities prices and economic performance, as well as by market sentiments. Detailed information on the valuation principles and methods used by Metzler and the assumptions on which they are based is available at [www.metzler.com/disclaimer-capital-markets-en](http://www.metzler.com/disclaimer-capital-markets-en).

### Sensitivity of valuation parameters: risks

The figures on which the company valuations are based are date-specific estimates and thus carry inherent risks. They may be adjusted at any time without prior notice.

# company note

Irrespective of the valuation principles and methods used and the assumptions on which they are based, there is always a risk that a particular price target is not achieved or that the assumptions and forecasts prove inaccurate. This can, for instance, be the result of unexpected changes in demand, management, technology, economic or political developments, interest rates, costs, the competitive situation, the legal situation and other factors. Investments in foreign markets and instruments are subject to additional risks, as a result of changes in exchange rates or in the economic, political or social situation, for instance. This outline of risks makes no claim to be exhaustive.

## Definition of categories for investment recommendations

The categories for investment recommendations in research publications by Metzler have the following meanings:

### Shares:

BUY	The price of the analysed financial instrument is expected to rise in the next 12 months.
HOLD	The price of the analysed financial instrument is expected to largely remain stable in the next 12 months.
SELL	The price of the analysed financial instrument is expected to fall in the next 12 months.

### Bonds:

BUY	The analysed financial instrument is expected to perform better than similar financial instruments.
HOLD	The analysed financial instrument is not expected to perform significantly better or worse than similar financial instruments.
SELL	The analysed financial instrument is expected to perform worse than similar financial instruments.

## Summary of investment recommendations

A list of all investment recommendations for each financial instrument or issuer published by Metzler in the past twelve months can be found at [www.metzler.com/disclaimer-capital-markets-en](http://www.metzler.com/disclaimer-capital-markets-en).

The quarterly quotation of the number of all investment recommendations given as “buy”, “hold”, “sell” or similar for the past 12 months as a proportion of the total number of investment recommendations made by Metzler and the quotation of the proportion of these categories relating to issuers to whom Metzler has provided services within the meaning of Annex I sections A and B of Regulation 2014/65/EU within the past 12 months can be accessed and downloaded at [www.metzler.com/disclaimer-capital-markets-en](http://www.metzler.com/disclaimer-capital-markets-en).

## Planned updates of this document

This document reflects the opinion of the respective author at the time of its preparation. Any changes of factors can cause information, opinions, estimates, recommendations and forecasts contained in this document to cease to be accurate. No decision has as yet been taken as to whether, and if so when, this document will be updated. If an investment recommendation is updated, the updated investment recommendation replaces the previous investment recommendation upon publication.

## Compliance arrangements; conflicts of interest

All analysts are bound by Metzler’s internal compliance regulations which ensure that the research publications are prepared in accordance with statutory and regulatory provisions. The analysts are classified as working in a confidential sector and are thus required to observe the resulting statutory and regulatory provisions. This is monitored on a regular basis by the Compliance department and external auditors. The Compliance department ensures that potential conflicts of interest do not affect the original result of the analysis. Metzler has a binding Conflicts of Interest Policy in place which ensures that relevant conflicts of interest within Metzler, the Metzler Group, the analysts and staff of Metzler’s Capital Markets division and persons associated with them are avoided or, if they cannot be avoided, are appropriately identified, managed, disclosed and monitored. A detailed description of Metzler’s policy for avoiding conflicts of interest is available at [www.metzler.com/disclaimer-capital-markets-en](http://www.metzler.com/disclaimer-capital-markets-en).

Details of the conflicts of interests to be disclosed under regulatory requirements are published at [www.metzler.com/disclosures-en](http://www.metzler.com/disclosures-en).

## Remuneration

The remuneration of the Metzler staff members and other persons involved in preparing this document is in no way, either in whole or in any variable part, directly or materially linked to transactions in securities services or other transactions processed by Metzler.

## Prices

All prices for financial instruments stated in this document are, unless otherwise stated, closing prices for the trading day preceding the respective stated publication date on the market which we regard as the most liquid market for the respective financial instrument.

## Scope of application

This document was prepared in the Federal Republic of Germany in line with the legal provisions valid there. It may therefore be possible that this document does not comply with all provisions relating to the preparation of such documents in other countries.



# company note

## Metzler Capital Markets

B. Metzler seel. Sohn & Co.  
Kommanditgesellschaft auf Aktien  
Untermainanlage 1  
60329 Frankfurt/Main, Germany  
Phone (+49 - 69) 21 04 - extension  
Fax (+49 - 69) 21 04 - 6 79  
www.metzler.com

Mario Mattera

Head of Capital Markets

Research	Pascal Spano	Head of Research	43 65
Fax (+49 - 69) 28 31 59			
	Guido Hoymann	Head of Equity Research, Transport, Utilities	3 98
	Stephan Bauer	Industrial Technology	43 63
	Stephan Bonhage	Small/Mid Caps, Construction	5 25
	Tom Diedrich	Media, Retail	2 39
	Alexander Neuberger	Industrial Technology, Small/Mid Caps	43 66
	Holger Schmidt	Software, Technology, Telecommunications	43 60
	Jochen Schmitt	Financials, Real Estate	43 59
	David Varga	Basic Resources	43 62
	Jürgen Pieper	Automobiles, Senior Advisor	5 29
	Hendrik König	Strategy / Quantitative Research	43 71
	Sergii Piskun	Quantitative Research	2 37
	Eugen Keller	Head of FI/FX Research	3 29
	Juliane Rack	FI/FX Strategy	17 48
	Sebastian Sachs	FI/FX Strategy	5 26
	Thomas Weber	FI/FX Strategy	5 27
	Daniel Winkler	FI/FX Strategy	5 28
Equities	Werner Litzinger	Head of Equities	41 78
Sales	Mustafa Ansary	Head of Equity Sales	3 51
	Eugenia Buchmüller		2 38
	Uwe Hohmann		3 66
	Hugues Jaouen		41 73
	Alexander Kravkov		41 72
	Jasmina Schul		17 66
Trading	Sven Knauer	Head of Equity Trading	2 45
	Kirsten Fleer		2 46
	Stephan Schmelzle		2 47
	Thomas Seibert		2 28
FI/FX	Mario Mattera	Head of FI/FX	6 87
FI Sales	Minush Nori	Head of Fixed Income Sales	6 89
	Sebastian Luther		6 88
	Claudia Ruiu		6 83

# company note

	Gloria Traidl		2 80
FI Trading/ALM	Sven Klein	Head of ALM	6 86
	Bettina Koch		2 91
	Susanne Kraus		6 58
	Andreas Tanneberger	Head of Fixed Income Trading	6 85
	Silke Amelung		2 89
	Christian Bernhard		2 66
FX Sales	Thomas Rost	Head of FX	2 92
	Tobias Martin		6 14
	Gideon Tjoe		2 82
	Steffen Völker		2 93
FX Trading	Rainer Jäger		2 76
	Andreas Zellmann		6 10
Currency Management	Özgür Atasever	Head of Currency Management	2 81
CM Advisory	Georgios Tsiourvas		6 82
	Achim Walde		2 75
	Harwig Wild		2 79
CM Operations	Dominik Müller	Head of Operations	2 74
	Christopher Haase		16 17
	Simon Wesch		3 50