

Berentzen-Gruppe (BEZ GY) | Consumer Goods

November 30, 2022

A beneficiary of lower consumer confidence

We confirm our Buy recommendation following our meeting yesterday with CFO Ralf Brühöfner and Head of IR Thorsten Schmitt. The core message was that Berentzen will continue to strongly pursue its long-term strategy in the future. The liqueur and the private label business continue to perform well operationally. Here, Berentzen is currently even benefiting from declining consumer confidence, as many consumers are consequently switching to less expensive brands or to private labels, which also gives us confidence that Berentzen will again achieve strong growth in the spirits segment in Q4/22. In addition, Mio Mio will also remain an important growth driver - among others, distribution in Southern Germany is to be further expanded going forward. The CFO expects Mio Mio to achieve double-digit growth in the coming year. In our view, Mio Mio, thus, clearly remains the highlight of the product portfolio. The company also remains optimistic about the fresh juice systems segment. There are currently no signs of any reluctance to invest in the food retail sector. Further product innovations and new fruit areas (including juicers for pomegranates) should continue to support growth in the coming years. The only aspect on the negative side: Further rising input costs that can only be passed on to the food retail trade with a time delay. The shares are trading at 3x FY 2022 EBITDA which is attractive - also in view of our FY 2022 dividend estimate of EUR 0.27, which corresponds to a dividend yield of 5%.

Changes in estimates: We slightly lowered our earnings estimates for FY 2023 reflecting rising input costs. Our unchanged PT of EUR 8 is derived from our DCF valuation.

Fundamentals (in EUR m) ¹	2019	2020	2021	2022e	2023e	2024e
Sales	167	155	146	176	185	191
EBITDA	18	14	15	17	18	20
EBIT	10	5	7	8	9	11
EPS adj. (EUR)	0.52	0.13	0.39	0.50	0.52	0.70
DPS (EUR)	0.28	0.13	0.22	0.27	0.29	0.38
BVPS (EUR)	5.24	5.05	5.20	5.48	5.73	6.14
Net Debt incl. Provisions	-3	-7	-9	-4	-6	-11
Ratios ¹	2019	2020	2021	2022e	2023e	2024e
EV/EBITDA	3.4	3.2	3.3	2.9	2.6	2.0
EV/EBIT	6.3	8.8	7.6	5.8	5.2	3.7
P/E adj.	13.0	42.0	16.3	11.1	10.5	7.9
Dividend yield (%)	4.1	2.3	3.5	5.0	5.2	7.0
EBITDA margin (%)	11.0	9.1	10.5	9.4	9.5	10.7
EBIT margin (%)	5.9	3.3	4.6	4.7	4.7	5.8
Net debt/EBITDA	-0.1	-0.5	-0.6	-0.2	-0.4	-0.5
PBV	1.3	1.1	1.2	1.0	1.0	0.9

¹Sources: Bloomberg, Metzler Research

Buy



unchanged

Price*

EUR 5.52

Price target

EUR 8.00 (unchanged)

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

Market Cap (EUR m) ¹	52
Enterprise Value (EUR m) ¹	48
Free Float (%) ¹	79.4

Price (in EUR)¹



Performance (in %) ¹	1m	3m	12m
Share	3.0	-14.0	-12.9
Rel. to Prime All Share	-4.9	-21.4	-5.5

Changes in estimates (in %) ¹	2022e	2023e	2024e
Sales	-0.0	0.0	0.1
EBIT	-0.1	-4.9	-3.0
EPS	-0.1	-5.9	-3.5

Sponsored Research



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Valuation - unchanged PT of EUR 8

We continue to value Berentzen shares based on our DCF approach. In general, our DCF approach includes 3 stages. Phase I includes our detailed estimates starting from FY 2022 to FY 2026. Phase II is the transition phase (FY2027e to FY 2029e). Our terminal value calculation is finally based on our FY 2029 estimates.

DCF valuation derives a PT of EUR 8.0

Company	FY22e	FY23e	FY24e	FY25e	FY26e	FY27e	FY28e	FY29e	TV-year
Revenue	176	185	191	197	202	205	207	208	
Y-o-y (in %)	20.7	4.7	3.6	3.0	2.4	1.5	1.0	0.5	
EBIT	8	9	11	13	14	14	15	15	
Margin (in %)	4.7	4.7	5.8	6.5	6.9	7.0	7.1	7.2	
Taxes	3	3	4	4	4	5	5	5	
D&A	8	9	9	10	10	8	8	8	
Gross cash flow	14	15	17	19	20	18	18	18	
Capex	9	7	8	8	8	8	8	8	
Change in NWC	-4	-2	-1	-1	-1	-2	-2	-2	
Free cash flow	1	6	8	10	11	8	8	8	81
Present value FCF	1	5	6	7	6	4	4	4	36

Implied equity value and fair value per share			Assumptions	
Enterprise value (beg. FY 2022)		71	Beta	1.5
Net debt (incl. pensions)		-4	Risk-free rate (%)	2.0
Equity value		75	Risk premium (%)	6.5
Fair value share price		8.0	WACC (%)	10.9

Source: Metzler Research

Sensitivity analysis

In EUR m

	Terminal sales growth (in %)				
	0.1	0.3	0.5	0.7	0.9
6.4	7.3	7.4	7.4	7.5	7.6
6.8	7.6	7.6	7.7	7.8	7.9
7.2	7.8	7.9	8.0	8.0	8.1
7.6	8.0	8.1	8.2	8.3	8.4
8.0	8.3	8.4	8.5	8.6	8.7

Sources: Metzler Research

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

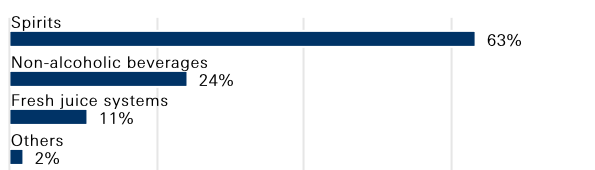
Monolith Investment Management BV (5.2%), MainFirst Bank AG (8.5%), Lazard Frères Gestion SAS (5.1%)

Key figures

P&L (in EUR m)	2019	%	2020	%	2021	%	2022e	%	2023e	%	2024e	%
Sales	167	3.2	155	-7.7	146	-5.5	176	20.7	185	4.7	191	3.6
Gross profit on sales	75	4.2	68	-8.6	68	0.3	81	19.0	85	4.7	90	5.8
Gross margin (%)	44.6	1.0	43.4	-2.7	46.9	7.9	46.2	-1.5	46.2	0.1	47.2	2.2
EBITDA	18	6.0	14	-23.6	15	9.5	17	7.6	18	6.4	20	16.1
EBITDA margin (%)	11.0	2.6	9.1	-17.3	10.5	15.9	9.4	-10.9	9.5	1.6	10.7	12.1
EBIT	10	0.1	5	-48.0	7	31.4	8	23.0	9	5.8	11	27.6
EBIT margin (%)	5.9	-3.0	3.3	-43.6	4.6	39.0	4.7	1.9	4.7	1.1	5.8	23.2
Financial result	-3	-10.0	-3	-9.2	-1	50.5	-1	-4.4	-1	-1.0	-1	0.4
EBT	7	-3.1	2	-68.7	5	135.0	7	28.0	7	6.9	10	33.3
Taxes	2	0.5	1	-55.1	2	60.2	2	28.3	2	10.3	3	33.3
Tax rate (%)	31.6	n.a.	45.3	n.a.	30.9	n.a.	31.0	n.a.	32.0	n.a.	32.0	n.a.
Net income	5	-4.6	1	-75.0	4	197.0	5	27.8	5	5.3	7	33.3
Minority interests	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Net Income after minorities	5	-4.6	1	-75.0	4	197.0	5	27.8	5	5.3	7	33.3
Number of shares outstanding (m)	9	0.0	9	0.0	9	0.0	9	0.0	9	0.0	9	0.0
EPS adj. (EUR)	0.52	-4.6	0.13	-74.9	0.39	195.5	0.50	28.0	0.52	5.2	0.70	33.3
DPS (EUR)	0.28	0.0	0.13	-53.6	0.22	69.2	0.27	24.7	0.29	5.2	0.38	33.3
Dividend yield (%)	4.1	n.a.	2.3	n.a.	3.5	n.a.	5.0	n.a.	5.2	n.a.	7.0	n.a.
Cash Flow (in EUR m)	2019	%	2020	%	2021	%	2022e	%	2023e	%	2024e	%
Gross Cash Flow	15	6.4	12	-23.3	13	13.4	14	5.1	15	5.9	17	14.0
Increase in working capital	-5	n.a.	-5	n.a.	-0	n.a.	4	n.a.	2	n.a.	1	n.a.
Capital expenditures	7	6.0	5	-27.0	7	44.4	9	21.4	7	-16.3	8	3.6
D+A/Capex (%)	124.1	n.a.	177.2	n.a.	119.0	n.a.	93.7	n.a.	119.7	n.a.	121.1	n.a.
Free cash flow (Metzler definition)	13	n.m.	12	-9.5	6	-49.3	1	-81.6	6	419.7	8	44.6
Free cash flow yield (%)	20.7	n.a.	23.2	n.a.	10.2	n.a.	2.2	n.a.	11.3	n.a.	16.3	n.a.
Dividend paid	3	27.2	3	0.0	1	-53.6	2	69.3	3	24.7	3	5.2
Free cash flow (post dividend)	11	596.6	9	-11.9	5	-48.0	-1	-119.2	3	448.5	6	75.5
Balance sheet (in EUR m)	2019	%	2020	%	2021	%	2022e	%	2023e	%	2024e	%
Assets	152	4.6	145	-4.3	142	-2.1	150	5.8	156	3.8	162	3.8
Goodwill	6	0.0	6	0.0	6	0.0	6	0.0	6	0.0	6	0.0
Shareholders' equity	49	3.8	47	-4.0	49	3.4	51	5.4	54	4.6	58	7.2
Equity/total assets (%)	32.4	n.a.	32.5	n.a.	34.4	n.a.	34.2	n.a.	34.5	n.a.	35.6	n.a.
Net Debt incl. Provisions	-3	-211.6	-7	-169.0	-9	-24.4	-4	60.3	-6	-81.9	-11	-74.1
thereof pension provisions	10	-0.9	9	-9.8	9	-2.7	7	-19.0	7	0.0	7	0.0
Gearing (%)	-5.4	n.a.	-15.1	n.a.	-18.1	n.a.	-6.8	n.a.	-11.9	n.a.	-19.3	n.a.
Net debt/EBITDA	-0.1	n.a.	-0.5	n.a.	-0.6	n.a.	-0.2	n.a.	-0.4	n.a.	-0.5	n.a.

Structure

Revenue by segment 2021



Sources: Bloomberg, Metzler Research

company note

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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			
Issuer/Financial Instrument (ISIN): Berentzen-Gruppe (DE0005201602)					
18.10.2022	Buy	Buy	5.22 EUR	8.00 EUR	Diedrich, Tom
27.09.2022	Buy	Buy	5.42 EUR	7.60 EUR	Diedrich, Tom
13.07.2022	Buy	Buy	6.40 EUR	8.00 EUR	Diedrich, Tom
14.06.2022	Buy	Buy	6.46 EUR	7.80 EUR	Diedrich, Tom
03.05.2022	Buy	Buy	6.42 EUR	7.80 EUR	Diedrich, Tom
28.03.2022	Buy	Buy	6.40 EUR	7.80 EUR	Diedrich, Tom
04.02.2022	Buy	Buy	6.46 EUR	7.80 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

*** All authors are financial analysts

Berentzen-Gruppe

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