

# BERENTZEN-GRUPPE

## Interim Report Q3

# 2021



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BERENTZEN-GRUPPE  
Thirst for life

## Overview Q3/2021

Consolidated revenues down 6.3% from the same period in the previous year. Positive consolidated EBIT, consolidated EBITDA and operating cash flow above the level of the previous year.

### Q3/2021

- Consolidated revenues: EUR 105.8 million (EUR 112.9 million).
- Consolidated EBIT: EUR 5.1 million (EUR 3.6 million).
- Consolidated EBITDA: EUR 11.9 million (EUR 10.2 million).
- Operating cash flow: EUR 8.9 million (EUR 5.9 million).
- Equity ratio: 36.9% (35.0%).

### Outlook

- Group: Earnings forecasts for the 2021 financial year adjusted.
- Consolidated revenue projections revised downwards (EUR 145.0 million to 150.0 million instead of EUR 152.0 million to 158.0 million), but projections revised upwards for consolidated EBIT (EUR 6.0 million to 7.0 million instead of EUR 4.0 million to 6.0 million) and consolidated EBITDA (EUR 15.0 million to 16.0 million instead of EUR 13.0 million to 15.0 million).

## (1) Business performance and economic position

### (1.1) Significant events in the reporting period

#### Effects of the coronavirus pandemic

As was already the case in the 2020 financial year, the coronavirus pandemic was also a significant event in the reporting year, in line with expectations. Some of the measures taken by federal and state governments to contain the coronavirus, albeit at different levels of intensity over the course of the year, continue to have an adverse impact on the German economy. These measures include closing food and drink establishments, introducing extensive social distancing measures and banning events.

All segments of the Berentzen Group continue to be affected by the effects of the coronavirus pandemic. The *Fresh Juice Systems* segment saw a decline in sales of fruit presses in particular, owing to a suspension of investments in the direct and indirect sales channels restaurants and food retailers. The business with non-alcoholic beverages and branded spirits was impacted in particular by the at times almost complete closure of restaurants. This predominantly impacted the *Non-alcoholic Beverages* segment. In the *Spirits* segment, the cancellation of celebrations also impacted sales

performance, in particular of those branded products that tend to be consumed on social occasions. Sales of non-alcoholic beverages and branded spirits have recently profited, however, from the increasing easing of restrictions affecting food and drink establishments and events, especially with the introduction of the “3G” (access only for vaccinated, recovered or tested persons) and “2G” (access only for vaccinated or recovered persons) rules.

#### Termination of a contract bottling agreement in the 2021 financial year

At the end of the first quarter of the 2021 financial year, a long-standing collaboration between the Berentzen Group and an international beverages group regarding the filling of their non-alcoholic branded products was discontinued. Viewed separately, this will result in an approx. EUR 12.0 million annualised reduction in revenues in the *Non-alcoholic Beverages* segment starting from the 2021 financial year. Taking into account countermeasures to be or already taken and owing to the comparatively low profitability of the contract bottling business, however, the effect on the adjusted consolidated operating earnings before interest and taxes (consolidated EBIT) is expected to be minor for the financial years from 2021 onwards.

### (1.2) Financial performance

		Q3/2021	Q3/2020	Change
<b>Consolidated revenues excluding alcohol tax</b>	<b>EUR'000</b>	<b>105,842</b>	<b>112,918</b>	<b>- 6.3%</b>
Spirits segment	EUR'000	65,052	65,248	- 0.3%
Non-alcoholic Beverages segment	EUR'000	28,097	35,358	- 20.5%
Fresh Juice Systems segment	EUR'000	10,854	11,320	- 4.1%
Other segments	EUR'000	1,839	992	+ 85.4%
<b>Consolidated EBITDA</b>	<b>EUR'000</b>	<b>11,853</b>	<b>10,197</b>	<b>+ 16.2%</b>
<b>Consolidated EBITDA margin</b>	<b>%</b>	<b>11.2</b>	<b>9.0</b>	<b>+2.2 PP <sup>1)</sup></b>
<b>Consolidated EBIT</b>	<b>EUR'000</b>	<b>5,141</b>	<b>3,576</b>	<b>+ 43.8%</b>
<b>Consolidated EBIT margin (operating margin)</b>	<b>%</b>	<b>4.9</b>	<b>3.2</b>	<b>+1.7 PP <sup>1)</sup></b>

<sup>1)</sup> PP = percentage points.

The Berentzen Group generated consolidated revenues of EUR 105.8 million (EUR 112.9 million) in the first nine months of the 2021 financial year.

This corresponds to a 6.3% decline in revenues.

#### Revenue development across the individual segments

##### Spirits

	01/01 to 09/30/2021	01/01 to 09/30/2020	Change	
	EUR'000	EUR'000	EUR'000	%
Berentzen	8,889	9,203	- 314	- 3.4
Puschkin	4,556	4,577	- 21	- 0.5
Other	675	383	+ 292	+ 76.2
Focus brands	14,120	14,163	- 43	- 0.3
Other brands	6,367	6,834	- 467	- 6.8
Customer sales budget	- 1,445	- 1,242	- 203	- 16.3
<b>Branded spirits in Germany</b>	<b>19,042</b>	<b>19,755</b>	<b>- 713</b>	<b>- 3.6</b>
Branded spirits abroad	4,261	3,525	+ 736	+ 20.9
Premium private-label brands	3,629	4,416	- 787	- 17.8
Medium private-label brands	11,862	9,084	+ 2,778	+ 30.6
Standard private-label brands	27,470	29,502	- 2,032	- 6.9
Customer sales budget	- 951	- 778	- 173	- 22.2
<b>Export and private-label brands</b>	<b>46,271</b>	<b>45,749</b>	<b>+ 522</b>	<b>+ 1.1</b>
Other and internal revenues	- 261	- 256	- 5	- 2.0
<b>Revenues in the Spirits segment</b>	<b>65,052</b>	<b>65,248</b>	<b>- 196</b>	<b>- 0.3</b>

In the *Spirits* segment, revenues were virtually stable compared with the interim reporting period in the previous year, exhibiting only a slight decline of 0.3%. Revenues from export and private-label brands exhibited an increase of 1.1%, while revenues from branded spirits in Germany declined by 3.6%.

Owing to the cancellation of numerous consumption occasions, such as festivals and private celebrations, the joint revenue volume for the brands *Berentzen* and *Puschkin* in Germany was 2.4% below the level of the year-ago comparison period. A reversal of this trend was observed in the third quarter, however: With measures introduced as a result of the pandemic increasingly easing in relation to food and drink establishments and events, demand for business involving these two focus brands increased. As a result, the joint revenues from these two focus brands increased by 23.1% compared with the equivalent quarter last year. Meanwhile, revenues from the other focus brands (*Tres Paises*, *Norden Dry Gin* and

*Goldkehlchen*) notched up a significant increase at the end of the third quarter, rising by 76.2% to EUR 0.7 million (EUR 0.4 million).

The individual product categories in the spirits business involving export and private-label brands developed differently: While combined revenues from the premium and medium product concepts forming part of the company's strategic focus increased significantly by 14.7%, revenues from standard products declined by 6.9%. Revenues from the export business with branded spirits – particularly the focus brands of *Berentzen* and *Puschkin* – increased considerably by 20.9%.

**Non-alcoholic Beverages**

	01/01 to 09/30/2021 EUR'000	01/01 to 09/30/2020 EUR'000	Change	
			EUR'000	%
Mio Mio	10,505	9,557	+ 948	+ 9.9
Kräuterbraut	123	170	- 47	- 27.6
Focus brands	10,628	9,727	+ 901	+ 9.3
Emsland / St. Ansgari	7,054	6,919	+ 135	+ 2.0
Märkisch / Grüneberger	5,348	5,299	+ 49	+ 0.9
Regional brands	12,402	12,218	+ 184	+ 1.5
Other brands	2,151	2,261	- 110	- 4.9
<b>Branded business</b>	<b>25,181</b>	<b>24,206</b>	<b>+ 975</b>	<b>+ 4.0</b>
Franchise business	2,112	2,836	- 724	- 25.5
Contract bottling business	3,552	10,493	- 6,941	- 66.1
<b>Other business</b>	<b>5,664</b>	<b>13,329</b>	<b>- 7,665</b>	<b>- 57.5</b>
Customer sales budget	- 3,028	- 2,577	- 451	- 17.5
Other and internal revenues	280	400	- 120	- 30.0
<b>Revenues in the Non-alcoholic Beverages segment</b>	<b>28,097</b>	<b>35,358</b>	<b>- 7,261</b>	<b>- 20.5</b>

Total revenues in the *Non-alcoholic Beverages* segment declined by 20.5%. Business in the product category focus brands developed positively, with revenue growth amounting to 9.3%. This growth was due exclusively to beverages marketed under the *Mio Mio* own brand, which once again saw a very positive development, with revenue growth amounting to 9.9%. Revenues in the product category regional brands (*Emsland Quelle*, *Emsland Sonne*, *Märkisch Kristall*, *St. Ansgari* and *Grüneberg Quelle*) increased by 1.5% compared with the same time

last year, despite the very wet summer. Revenues from the franchise brand fell by 25.5%. Revenues generated from contract bottling orders also fell, recording a decline of EUR 6.9 million or 66.1%. This is predominantly the result of the discontinuation of a long-standing agreement regarding the filling of *Pepsi* brand products at the end of the first quarter of 2021 (see Section (1.1.) for more details). The overall decline in revenues in this segment can therefore be almost entirely attributed to this event.

**Fresh Juice Systems**

	01/01 to 09/30/2021 EUR'000	01/01 to 09/30/2020 EUR'000	Change	
			EUR'000	%
Fruit juicers	3,475	4,248	- 773	- 18.2
Fruit	5,030	5,112	- 82	- 1.6
Bottling systems	2,528	2,264	+ 264	+ 11.7
Other and internal revenues	- 179	- 304	+ 125	+ 41.1
<b>Revenues in the Fresh Juice Systems segment</b>	<b>10,854</b>	<b>11,320</b>	<b>- 466</b>	<b>- 4.1</b>

Revenues in the *Fresh Juice Systems* segment fell by 4.1% in the first nine months of the 2021 financial year. Revenues generated in connection with fruit presses and the related replacement parts and servicing business decreased by 18.2%, as more and more investments in

fruit juice systems failed to materialise for the clientele. In contrast, a pleasing development was observed in the core regions of Germany and Austria, which are looked after by internal sales teams: Here, revenues rose sharply, by 23.3% collectively, in the business involving fruit

presses and the related replacement parts and servicing business compared with the equivalent reporting period in the previous year.

Revenues from fruits (oranges) recorded a decline of 1.6%, while revenues from the business with bottling systems rose considerably by 11.7%.

#### Other segments

	01/01 to	01/01 to	Change	
	09/30/2021	09/30/2020	EUR'000	%
	EUR'000	EUR'000		
Tourism and event-related activities	544	532	+ 12	+ 2.3
Spirits business in the Turkish Group company	1,342	548	+ 794	> + 100.0
Other and internal revenues	- 47	- 88	+ 41	+ 46.6
<b>Revenues in the Other segment</b>	<b>1,839</b>	<b>992</b>	<b>+ 847</b>	<b>+ 85.4</b>

Revenues from the tourism and events business of the Berentzen Group contained within *Other Segments*, which was also severely impacted by the coronavirus pandemic at times, increased slightly, by 2.3%, in the first nine months of the financial year. Revenues from the spirits business in Turkey increased by more than 100%. While the tourism business in Turkey came to a complete standstill at times in the same period of the previous year, a significant recovery of the market environment was observed in the first nine months of the 2021 financial year.

expenses remaining largely stable.

There were no exceptional earnings effects as such to be taken into account in the first nine months of the 2021 financial year. In the same period of the previous year, however, impairment losses of EUR 1.4 million resulting were recorded in the *Non-alcoholic Beverages* segment due to the coronavirus pandemic, and, in addition, personnel and other expenses in the amount of EUR 0.2 million in connection with the termination of the contract bottling agreement were shown as exceptional effects.

#### Consolidated profit

The significant decline in the business volume, of around EUR 7.1 million, compared with the equivalent period last year only had a negligible effect on the consolidated gross profit owing to an improved gross profit margin, with the gross profit only falling by EUR 0.3 million. On the basis of this, as well as thanks to a EUR 1.3 million decline in operating expenses on the one hand and a EUR 0.6 million increase in other operating income on the other, the consolidated operating earnings (or consolidated EBIT) increased by 43.8% to EUR 5.1 million (EUR 3.6 million) in the first nine months of the 2021 financial year compared with the same period last year.

The consolidated EBITDA based on the above-mentioned consolidated EBIT came to EUR 11.9 million (EUR 10.2 million) with amortisation and depreciation

### (1.3) Cash flows and financial position

#### Cash flows

		Q3/2021	Q3/2020	Change
Operating cash flow	EUR'000	+ 8,907	+ 5,877	+ 3,030
Cash flow from operating activities	EUR'000	- 1,838	- 5,372	+ 3,534
Cash flow from investing activities	EUR'000	- 2,403	- 4,256	+ 1,853
Cash flow from financing activities	EUR'000	- 2,159	- 3,588	+ 1,429
<b>Cash and cash equivalents at the beginning of the period</b>	<b>EUR'000</b>	<b>+ 26,334</b>	<b>+ 22,010</b>	<b>+ 4,324</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>EUR'000</b>	<b>+ 19,934</b>	<b>+ 8,794</b>	<b>+ 11,140</b>

The total funding of the Berentzen Group presented in the Annual Report for the 2020 financial year remains essentially unchanged at the end of the interim reporting period.

The operating cash flow, which excludes changes in working capital and hence documents the impact of operating profitability on the change in cash, increased to EUR 8.9 million (EUR 5.9 million) in the first nine months of the 2021 financial year. This development was due to an improvement in consolidated profit, adjusted for amortisation, depreciation and impairment losses, as well as a more favourable payment balance in connection with income taxes.

The cash flow from operating activities showed on balance a net cash outflow of EUR 1.8 million (EUR 5.4 million) over the first nine months of the 2021 financial year. Compared with the operating cash flow, it also encompasses changes in working capital, which led to a cash outflow of EUR 10.7 million (EUR 11.2 million). The main cause was the continually recurring effect of the seasonal decrease in liabilities for the alcohol tax; this amounted to EUR 12.6 million (EUR 10.9 million) at the reporting date of September 30, 2021.

The Group's investing activities – including but not limited to payments for investments in property, plant and equipment – led to a net cash outflow of EUR 2.4 million

(EUR 4.3 million). Investments in non-current assets in the amount of EUR 3.6 million were accompanied by proceeds from disposals of non-current assets held for sale of EUR 1.2 million. The latter cash inflow is linked to the sale of land and buildings from the former Norden production location.

Financing activities gave rise to a net cash outflow of EUR 2.2 million (EUR 3.6 million), which essentially resulted from the dividend payment and repayment of lease liabilities pursuant to IFRS 16.

Cash and cash equivalents totalled EUR 19.9 million (EUR 8.8 million) at the end of the interim reporting period. This figure includes EUR 18.3 million (EUR 5.7 million) in receivables from the customer settlement accounts maintained with banks that are used for settlement under two factoring agreements.

## Financial position

		09/30/2021	09/30/2020	Change
Equity ratio	%	36.9	35.0	+ 1.9 PP <sup>1)</sup>
Dynamic gearing ratio	Ratio	- 0.60	0.08	- 0.68

<sup>1)</sup> PP = percentage points.

The Group's asset and capital structure remains robust overall. The previously already very adequate equity ratio therefore improved at the end of the third quarter of 2021 to 36.9% (35.0%), resulting in net liquidity instead of a net formal overindebtedness. In this context, the dynamic gearing ratio was preceded by a minus instead of a plus sign as at the reporting date of September 30, 2021; it amounted to -0.60 (0.08) with net liquidity of EUR 9.5 million (net overindebtedness of EUR 1.3 million) and a rolling 12-month EBITDA of EUR 15.8 million (EUR 16.3 million). This means that the Berentzen Group maintains a good ability to service its debt.

### (2) Events after the reporting date

No events that could have a significant impact on the future business performance and the financial performance, cash flows and financial position of the Berentzen Group occurred after the end of the reporting period.

### (3) Report on risks and opportunities

The primary risks aggregated into categories that could have significant detrimental effects on the Group's business activities and its financial performance, cash flows and financial position, the most significant opportunities and the structure of the risk management system, are presented in the Berentzen Group Annual Report for the 2020 financial year.

In the first nine months of the 2021 financial year, there have been no changes in the opportunities and risks of the

Group's expected development for the remaining three months of the 2021 financial year compared with those described in the Annual Report for the 2020 financial year. Irrespective of this, the coronavirus pandemic impacted a number of risks consolidated within the various categories during the reporting period, especially with regard to the short-term horizon, as already seen in the 2020 financial year. Individual risks in the categories of "financial risks" and "operating environment risks" are mainly affected. However, this did not result in changes to the risk categories within the risk matrix presented in the 2020 Annual Report. This includes the overall assessment of opportunities and risks made in the report. Consequently, there are no risks classified as high within the scope of the risk management system. In the estimation of the management, therefore, the overall risk exposure of the Berentzen Group has not changed from the status described in the Berentzen Group's Annual Report for the 2020 financial year and remains manageable from today's point of view.

## (4) Outlook

On October 5, 2021, the Berentzen Group published an ad-hoc announcement on the preliminary figures for the third quarter of the 2021 financial year, in which it

updated its financial performance forecast for the 2021 financial year that was published in the 2020 Annual Report.

### Anticipated development of consolidated revenues and consolidated operating earnings

	2020 EURm	Forecast for the 2021 financial year in the 2020 forecast report EURm	Forecast for the 2021 financial year Q3/2021 EURm
Consolidated revenues	154.6	152.0 to 158.0	145.0 to 150.0
Consolidated EBIT	5.2	4.0 to 6.0	6.0 to 7.0
Consolidated EBITDA	14.1	13.0 to 15.0	15.0 to 16.0

The forecast range for consolidated revenues in the 2021 financial year fell from EUR 152.0 million to EUR 158.0 million previously to EUR 145.0 million to EUR 150.0 million currently. This was due to lower consolidated revenues in the first nine months of the 2021 financial year compared with the equivalent period in the previous year, as well as to the resulting assessment that it will probably not be possible to compensate for these reduced revenues in the remaining months of the year.

before depreciation and amortisation (EBITDA) rose from EUR 13.0 million to EUR 15.0 million previously to EUR 15.0 million to EUR 16.0 million currently. The changes are the result of significantly positive developments in the two key indicators at the end of the third quarter of 2021. On the basis of what has been achieved so far, positive contributions to these consolidated profit indicators are also expected to be observed for the last quarter of the 2021 financial year.

The forecast in relation to consolidated operating earnings (consolidated EBIT), on the other hand, increased from EUR 4.0 million to EUR 6.0 million previously to EUR 6.0 million to EUR 7.0 million currently. Likewise, the forecast for the consolidated operating earnings

The updated forecast in relation to financial performance has also resulted in the following indicators being adjusted.

### Anticipated development of the segments

	2020 EURm	Forecast for the 2021 financial year in the 2020 forecast report EURm	Forecast for the 2021 financial year Q3/2021 EURm
<b>Contribution margin after marketing budgets</b>			
Segment			
Spirits	30.2	28.0 to 31.0	29.0 to 32.0
Non-alcoholic beverages	22.2	22.0 to 24.0	20.0 to 22.0
Fresh Juice systems	4.5	5.5 to 6.0	5.1 to 5.6
Other segments	0.6	1.0 to 1.3	unchanged

**Anticipated development of cash flows**

	2020 EURm	Forecast for the 2021 financial year in the 2020 forecast report EURm	Forecast for the 2021 financial year Q3/2021 EURm
Operating cash flow	9.2	11.0 to 13.0	unchanged

**Anticipated development of financial position**

	2020	Forecast for the 2021 financial year in the 2020 forecast report	Forecast for the 2021 financial year Q3/2021
Equity ratio	32.5 %	31.0% to 36.0%	34.0% to 38.0%
Dynamic gearing ratio	- 1.13	- 0.70 to 0.00	unchanged

In each case, the forecasts are based on a mainly unchanged corporate structure compared with the 2020 financial year. Furthermore, these forecasts are dependent on the general economic and industry-specific environment. The opportunities and risks described in the Report on opportunities and risks in the Annual Report for the 2020 financial year and also such opportunities and risks that were not identifiable when the present Interim Report was prepared may likewise have an impact on the forecast. With regard to the coronavirus pandemic, it is assumed that the current conditions will remain in effect through the end of the year.

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## Current 2021 financial calendar

October 21, 2021	Q3/2021 Interim Report
November 22 to 24, 2021	German Equity Forum – online

Last updated on October 21, 2021. The financial calendar is provided for information purposes only and will be regularly updated. It is subject to change.

## Disclaimer

This report contains forward-looking statements that relate particularly to the future course of business and the future financial performance, as well as future events or developments affecting Berentzen-Gruppe Aktiengesellschaft and the Berentzen Group. These statements are based on management assumptions, estimates and expectations at the time of this report's publication regarding future company-related developments. They therefore carry risks and uncertainties which are named and explained, particularly (but not exclusively) as part of the management report within the risk and opportunities report and the forecast report. Events and results that actually occur thereafter may therefore significantly differ from the forward-looking statements, both positively and negatively. Many uncertainties and the resulting risks are due to circumstances that are outside the control or influence of Berentzen-Gruppe Aktiengesellschaft and cannot be assessed with certainty. These include, but are not limited to, changing market conditions and their economic development and effect, changes in financial markets and exchange rates, the behaviour of other market actors and competitors and legal changes or political decisions by regulatory and governmental authorities. Berentzen-Gruppe Aktiengesellschaft is not obliged, unless otherwise stipulated by law, to make any corrections or adjustments to the forward-looking statements owing to circumstances that occurred after the date of publication of this report. Berentzen-Gruppe Aktiengesellschaft shall not make any guarantee or accept any liability, either express or implied, for the currentness, accuracy or completeness of the forward-looking statements.

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