BERENTZEN-GRUPPE

Thirst for life

Interim Report 9M 2024

Content

3 Overview 9M/2024

4 Business Performance and economic Position

4 Business Performance – significant Developments and Events

4 Financial Performance

8 Cash Flows and Financial Position

9 Events after the Reporting Date

9 Report on Risks and Opportunities

10 Outlook

11 Company Information

BERENTZEN-GRUPPE
Thirst for life

Overview 9M/2024

Consolidated revenues largely stable compared to the same period of the previous year. Adjusted consolidated EBIT, adjusted consolidated EBITDA and operating cash flow were all clearly positive and significantly higher than in the same period of the previous year.

9M/2024

- Consolidated revenues: EUR 133.5 million (EUR 134.6 million).
- Adjusted consolidated EBIT: EUR 7.6 million (EUR 5.0 million).
- Adjusted consolidated EBITDA: EUR 14.1 million (EUR 11.2 million).
- Operating cash flow: EUR 10.5 million (EUR 5.9 million).
- Equity ratio: 32.5% (33.6%).

Outlook

- Group: The forecast for revenue and earnings development for the 2024 financial year, which was updated in August 2024, remains unchanged.

(1) Business Performance and economic Position

(1.1) Business Performance – significant Developments and Events

Following an analysis to optimise the *Non-alcoholic Beverages* segment, the Berentzen Group has decided to discontinue the operation of the Grüneberg site in the State of Brandenburg, where the Group's non-alcoholic beverages are produced. In this context, the Berentzen Group and its Group company Vivaris Getränke GmbH & Co. KG signed the contract for the sale of the Grüneberg site on August 21, 2024. The contract is expected to be finalised in the fourth quarter of the 2024 financial year.

Against this background, the assets and liabilities sold as part of this transaction are subject to the provisions of IFRS 5 as at September 30, 2024. In accordance with IFRS 5, these assets and liabilities form a disposal group and must be reported in a separate item in the balance sheet. The special measurement provisions of IFRS 5 must also be applied to the property, plant and equipment and intangible assets included in the disposal group. The application of these measurement provisions resulted in an impairment loss of EUR 3.5 million as at September 30, 2024, which was recognised as an exceptional effect. As a result, assets in the amount of EUR 2.3 million and liabilities in the amount of EUR 0.9 million were recognised in the respective balance sheet items "Non-current assets held for sale" and "Liabilities directly associated with assets classified as held for sale".

In addition to the impairment loss, other operating expenses of EUR 1.1 million were recognised as exceptional effects in the course of the sale process.

(1.2) Financial Performance

		01/01 to 09/30/2024	01/01 to 09/30/2023	Change
Total operating performance	**EUR'000**	**138,321**	**138,641**	**- 0.2%**
Consolidated revenues excl. spirits tax	**EUR'000**	**133,517**	**134,582**	**- 0.8%**
Spirits segment	EUR'000	78,998	80,375	- 1.7%
Non-alcoholic Beverages segment	EUR'000	33,256	34,705	- 4.2%
Fresh Juice Systems segment	EUR'000	15,009	14,608	+ 2.7%
Other segments	EUR'000	6,255	4,893	+ 27.8%
Consolidated EBITDA	**EUR'000**	**14,142**	**11,182**	**+ 26.5%**
Consolidated EBITDA margin	**%**	**10.2**	**8.1**	**+ 2.2 PP** [1]
Consolidated EBIT	**EUR'000**	**7,602**	**5,004**	**+ 51.9%**
Consolidated EBIT margin (operating margin)	**%**	**5.5**	**3.6**	**+ 1.9 PP** [1]

[1] PP = percentage points.

In the first nine months of the 2024 financial year, the Berentzen Group generated consolidated revenues of EUR 133.5 million (EUR 134.6 million). Including changes in inventories of EUR 4.8 million (EUR 4.1 million), total operating performance amounted to EUR 138.3 million (EUR 138.6 million).

Development of Revenues in the individual Segments

Spirits

	01/01 to 09/30/2024 EUR'000	01/01 to 09/30/2023 EUR'000	Change EUR'000	%
Berentzen	12,631	11,561	+ 1,070	+ 9.3
Puschkin	4,952	6,372	- 1,420	- 22.3
Other	762	442	+ 320	+ 72.4
Focus brands	18,345	18,375	- 30	- 0.2
Other brands	7,947	8,328	- 381	- 4.6
Customer sales budget	- 1,684	- 1,569	- 115	- 7.3
Branded spirits in Germany	**24,608**	**25,134**	**- 526**	**- 2.1**
Branded spirits abroad	4,097	3,952	+ 145	+ 3.7
Premium and medium private-label brands	16,687	16,467	+ 220	+ 1.3
Standard private-label brands	34,895	36,077	- 1,182	- 3.3
Customer sales budget	- 977	- 1,005	+ 28	+ 2.8
Export and private-label brands	**54,702**	**55,491**	**- 789**	**- 1.4**
Other and internal revenues	- 312	- 250	- 62	- 24.8
Revenues in the Spirits segment	**78,998**	**80,375**	**- 1,377**	**- 1.7**

Revenues in the *Spirits* segment fell by 1.7% compared to the interim reporting period of the previous year. This was due to a decline in sales volumes, although this was partially offset by increases in sales prices.

Revenues in the business with domestic branded spirits were slightly below the level of the same period in the previous year by 2.1%. Revenue performance in the focus brand business was stable overall, although the individual developments varied greatly: against the backdrop of price negotiations with some German food retailers and the associated temporary marketing suspensions in the first two quarters of 2024 as well as general market weakness in the liqueurs and vodka product categories and price-aggressive competitor campaigns, revenue from products under the *Puschkin* brand fell by 22.3%. In contrast, the *Berentzen* brand products recorded significant revenue success with growth of 9.3% despite the more difficult market conditions mentioned above. This was achieved in particular by the so-called "*Minis*" and the newly launched "*Smoothie Shots*". In business with the other spirits brands, in particular the classic spirits (including *Strothmann*, *Bommerlunder*, etc.), a decline in revenues of 4.6% was recorded.

In the spirits business with export and private-label brands, revenues totalling EUR 54.7 million (EUR 55.5 million) were generated. This corresponds to a slight decline of 1.4% compared to the same period of the previous year. However, the individual product categories showed a mixed performance: while the volume of revenues from premium/medium private-label brands increased by 1.3%, revenues from standard private-label brands fell by 3.3%. The export business with branded spirits developed positively and recorded an increase in revenues of 3.7% compared to the same period in the previous year. This was due in particular to positive developments in the duty-free business.

Non-alcoholic Beverages

	01/01 to 09/30/2024 EUR'000	01/01 to 09/30/2023 EUR'000	Change EUR'000	%
Mio Mio	16,203	16,055	+ 148	+ 0.9
Kräuterbraut	332	318	+ 14	+ 4.4
Focus brands	16,535	16,373	+ 162	+ 1.0
Emsland / St Ansgari	7,237	7,649	- 412	- 5.4
Märkisch / Grüneberger	5,963	6,129	- 166	- 2.7
Regional brands	13,200	13,778	- 578	- 4.2
Other brands	2,714	2,767	- 53	- 1.9
Branded business	**32,449**	**32,918**	**- 469**	**- 1.4**
Franchise business	2,941	4,745	- 1,804	- 38.0
Contract bottling business	1,371	1,274	+ 97	+ 7.6
Other business	**4,312**	**6,019**	**- 1,707**	**- 28.4**
Customer sales budget	- 4,042	- 4,528	+ 486	+ 10.7
Other and internal revenues	537	296	+ 241	+ 81.4
Revenues in the Non-alcoholic Beverages segment	**33,256**	**34,705**	**- 1,449**	**- 4.2**

In the *Non-alcoholic Beverages* segment, revenues from mineral waters and soft drinks fell by 4.2% in the first nine months of the 2024 financial year. Product- and customer-specific increases in selling prices were also implemented in this business segment. However, declining sales volumes were unable to compensate for their positive effect on revenues.

The branded business included in this segment recorded a drop in revenues of 1.4%. However, business in the focus brands product category showed a positive development: Driven by the slight growth in beverages sold under the *Mio Mio* brand, an increase in revenues of 1.0% to EUR 16.5 million was achieved. In the regional brands product category (*Emsland Quelle*, *Emsland Sonne*, *Märkisch Kristall*, *St. Ansgari* and *Grüneberg Quelle*), revenues decreased by 4.2% compared to the same period in the previous year. The Franchise business recorded a significant decline in revenues of EUR 1.8 million or 38.0%. The decline is mainly due to the discontinuation of co-operation projects with prominent artists.

Fresh Juice Systems

	01/01 to 09/30/2024 EUR'000	01/01 to 09/30/2023 EUR'000	Change EUR'000	%
Fruit juicers	4,413	4,035	+ 378	+ 9.4
Fruit	7,120	6,882	+ 238	+ 3.5
Bottling systems	3,694	4,008	- 314	- 7.8
Other and internal revenues	- 218	- 317	+ 99	+ 31.2
Revenues in the Fresh Juice Systems segment	**15,009**	**14,608**	**+ 401**	**+ 2.7**

The *Fresh Juice Systems* segment recorded revenue growth of 2.7% in the first nine months of the 2024 financial year. Revenues generated in connection with fruit juicers and their spare parts and service business increased by 9.4%, whereby this is due in particular to an accounting-related change in the recognition of revenues from fruit juicers in the so-called "provision model". The adjustment relates to business with a food retail customer in the core market of Austria and had a positive effect of around EUR 0.7 million on revenue performance. Fruits (particularly oranges) recorded revenue growth of 3.5%, while revenues from Bottling systems fell by 7.8%.

Other Segments

	01/01 to 09/30/2024 EUR'000	01/01 to 09/30/2023 EUR'000	Change EUR'000	%
Spirits business in the Turkish Group company	5,464	4,273	+ 1,191	+ 27.9
Tourism, events and web shop business	880	829	+ 51	+ 6.2
Other and internal revenues	- 89	- 209	+ 120	+ 57.4
Revenues in the Other segment	**6,255**	**4,893**	**+ 1,362**	**+ 27.8**

The spirits business in Turkey, which is included in the *Other segments*, was able to build on the strong level of the same period of the previous year and further increase its revenues by 27.9%. The Berentzen Group's tourism, events and web shop business, which is also included in the *Other segments*, also showed a clearly positive revenue performance in the first nine months of the financial year with an increase of 6.2%.

Consolidated Operating Profit

Despite largely stable consolidated revenues, the group gross profit increased significantly by EUR 3.8 million. This was due to the significant overall improvement in unit margins, which led to a gross profit margin of 46.0% (42.8%) for the Group. This development was driven by the increase in selling prices on the one hand and declines in material prices on the other. With a slight decrease in other operating income of EUR 0.3 million and a simultaneous increase in operating expenses of EUR 0.9 million – characterised in particular by an increase in personnel expenses – the adjusted consolidated operating profit (consolidated EBIT) in the first nine months of the 2024 financial year grew significantly by 51.9% to EUR 7.6 million (EUR 5.0 million) compared to the same period of the previous year. As depreciation and amortisation expenses were slightly higher than in the same period of the previous year, the adjusted consolidated EBITDA based on the above-mentioned consolidated EBIT amounted to EUR 14.1 million (EUR 11.2 million).

In addition, the planned sale of the Grüneberg site described in section (1.1) led to an exceptional effect totalling EUR 4.7 million.

(1.3) Cash Flows and Financial Position

Cash Flows

	01/01 to 09/30/2024 EUR'000	01/01 to 09/30/2023 EUR'000	Change EUR'000
Operating cash flow	+ 10,453	+ 5,948	+ 4,505
Cash flow from operating activities	- 7,014	- 19,296	+ 12,282
Cash flow from investing activities	- 4,620	- 5,822	+ 1,202
Cash flow from financing activities	- 1,985	+ 6,764	- 8,749
Cash and cash equivalents at the beginning of the period	**+ 6,974**	**+ 13,039**	**- 6,065**
Cash and cash equivalents at the end of the period	**- 6,645**	**- 5,315**	**- 1,330**

The total funding of the Berentzen Group presented in the annual report for the 2023 financial year was essentially unchanged at the end of the interim reporting period.

Operating cash flow, which is based on the consolidated profit adjusted for non-cash expenses, increased in the first nine months of the 2024 financial year to EUR 10.5 million (EUR 5.9 million). This development is the result of a significant improvement in EBITDA and a more favourable payment balance in connection with income taxes.

Cash flow from operating activities shows a net cash outflow of EUR 7.0 million (EUR 19.3 million) in the first nine months of the 2024 financial year. Compared to the operating cash flow, it also includes cash movements in working capital, which led to a cash outflow of EUR 17.5 million (EUR 25.2 million). The change in trade working capital – i.e. the balance of cash movements in inventories, receivables including factoring, alcohol tax liabilities and trade payables – resulted in a net cash outflow of EUR 15.4 million (EUR 19.7 million). This includes the recurring negative effect during the year from the seasonal reduction in liabilities from alcohol tax; as at September 30, 2024, this amounted to EUR 9.8 million (EUR 8.1 million).

The Group's investing activities – in particular for investments in property, plant and equipment – resulted in a total cash outflow of EUR 4.6 million (EUR 5.8 million) and was again mainly attributable to investments in empty containers and crates in the *Non-alcoholic Beverages* segment.

Financing activities resulted in a net cash outflow of EUR 2.0 million (net cash inflow of EUR 6.8 million). The cash outflow resulted from the repayment of lease liabilities in accordance with IFRS 16 in the amount of EUR 1.1 million (EUR 1.0 million) and the dividend payment of EUR 0.8 million (EUR 2.1 million). The cash inflow in the same period of the previous year was due to a payment of EUR 9.9 million from an increase option agreed in the syndicated loan agreement.

Cash and cash equivalents at the end of the interim reporting period totalled EUR -6.6 million (EUR -5.3 million), of which EUR 0.6 million (EUR 0.0 million) were receivables from customer settlement accounts held at banks and used to settle two factoring agreements.

Financial Position

		09/30/2024	09/30/2023	Change
Equity ratio	%	32.5	33.6	- 1.1 PP [1)]
Dynamic gearing ratio	Ratio	1.07	1.28	- 0.21

[1)] PP = percentage points.

At the end of the third quarter of 2024, the equity ratio of 32.5% (33.6%) was below the level of the same quarter of the previous year. This development is based on a decrease in Shareholders' equity of EUR 2.3 million together with a EUR 4.2 million decrease in total assets, which is less pronounced in percentage terms. The main reason for this is the reduction in the value of current assets.

Due to the resulting increase in net debt on the one hand, but a simultaneous increase in consolidated EBITDA over the past 12 months on the other, the dynamic gearing ratio improved compared to the same period of the previous year to 1.07 (1.28).

Both the Group's asset and capital structure and its ability to service its debt remain balanced and solid.

(2) Events after the Reporting Date

No significant events occurred after the end of the reporting period that could have a material effect on the future course of business and the development of the Berentzen Group's financial position, cash flows and financial performance.

(3) Report on Risks and Opportunities

The material risks summarised in categories that could have a material adverse effect on the business activities and the financial performance, cash flows and financial position of the corporate group, the most significant opportunities and the structure of the risk management system are presented in the Berentzen Group Annual Report for the 2023 financial year.

In the first nine months of the 2024 financial year, the risk of impairment of assets in the *Non-alcoholic Beverages* segment occurred within the "Performance risks" risk category. In connection with the planned sale of the business premises in Grüneberg, Brandenburg, a disposal group was formed in accordance with IFRS 5 and an impairment loss of EUR 3.5 million was recognised on the assets. As a result, the risk of further impairments in the *Non-alcoholic Beverages* segment with an adverse effect on the earnings, cash flows and financial position is lower, but cannot be ruled out and is still subject to intensive monitoring. In addition, there have been no significant changes to the risks and opportunities of the Group's expected development in the remaining three months of the 2024 financial year compared to those described in the annual report for the 2023 financial year. This includes the overall assessment of risks and opportunities made there.

(4) Outlook

Anticipated Development of Consolidated Revenues and Consolidated Operating Profit

	2023 EURm	Forecast for the 2024 financial year in the 2023 Forecast Report EURm	Adjustments made during the 2024 financial year EURm	Forecast for the 2024 financial year Q3/2024 EURm
Consolidated revenues	185.7	190.0 to 200.0	Q2: 185.0 to 195.0	unchanged
Consolidated EBIT	7.7	8.0 to 10.0	Q2: 9.0 to 11.0	unchanged
Consolidated EBITDA	16.0	17.2 to 19.2	Q2: 18.0 to 20.0	unchanged

On October 15, 2024, the Berentzen Group published an ad hoc announcement on the preliminary figures for the third quarter of the 2024 financial year and, in the course of this, reconfirmed the forecast for the development of financial performance that had already been updated in the 2024 half-yearly financial report.

Accordingly, the Berentzen Group's expectations for consolidated operating profit (EBIT), consolidated operating profit before depreciation and amortisation (EBITDA) and consolidated revenues remain unchanged at the end of the first nine months of the 2024 financial year. The Berentzen Group continues to expect a positive development in financial performance in the 2024 financial year.

The forecasts are based on a Group structure that is essentially unchanged compared to the 2023 financial year and are also dependent on the general economic conditions and industry-specific environment. The risks and opportunities contained in the annual report for the 2023 financial year and described in the report on risks and opportunities, as well as those that were not recognisable at the time this interim report was prepared, may also have an influence on the forecast.

Company Information

Berentzen-Gruppe Aktiengesellschaft
Ritterstraße 7
49740 Haselünne
Germany
T: +49 (0) 5961 502 0
F: +49 (0) 5961 502 268
E: info@berentzen.de
Internet: www.berentzen-gruppe.de/en

Corporate Communications & Strategy
T: +49 (0) 5961 502 215
F: +49 (0) 5961 502 372
E: pr@berentzen.de
E: ir@berentzen.de

Publication date: October 23, 2024

Current 2024 Financial Calendar

October 23, 2024	Interim Report 9M/2024
November 25 to 26, 2024	Deutsches Eigenkapitalforum

Last updated on October 23, 2024. 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.

In addition to the financial results reported in the annual and consolidated financial statements and calculated in line with the relevant accounting frameworks, this report also contains financial results that are not or are not accurately defined in the relevant accounting frameworks and are or could be alternative key performance indicators. Alternative key performance indicators presented or reported by other companies using an identical or comparable description may be calculated in a different way.

Any trademarks and distinctive signs used within this report or protected by third parties are subject to the provisions of the relevant trademark law applicable as well as the rights of the registered owners. Berentzen-Gruppe Aktiengesellschaft shall retain the copyrights and reproduction rights for trademarks and other distinctive signs it has produced, unless otherwise explicitly agreed.

For information purposes, this report is also available in English. In the event of deviations, the German version shall be the sole definitive version and take precedence over the English version.

Berentzen-Gruppe Aktiengesellschaft
Ritterstraße 7
49740 Haselünne
Germany
T: +49 (0) 5961 502 0
F: +49 (0) 5961 502 268
E: info@berentzen.de
Internet: www.berentzen-gruppe.de/en