

BREAKFAST BRIEFING

A digest of Berenberg's key early morning trading ideas

7 June 2012

This morning's highlighted research

- **AarhusKarlshamn AB (Food Manufacturing – Buy (from Hold); PT SEK 280.00 (from SEK 202.00)) – A healthy outlook; upgrade to Buy:** AarhusKarlshamn (AAK) aims to double operating profit from SEK800m (FY 2010) by 2014-16. This ambition implies a 15% profit CAGR (to 2015), and compares with current consensus CAGR for the period of 13%. Furthermore, AAK has become a fundamentally more investable company. Its specialisation strategy is set to deliver double-digit earnings growth, improving ROIC, decent cash generation (7% FCF yield) and a strong balance sheet (1.9x net debt/EBITDA). Valuation is undemanding on 11.7x 2013E P/E (a 10% discount to the food ingredients sector, 20% to the wider food manufacturing sector) and on our EV/C vs. ROIC screen. We increase our price target by 40% to SEK280, based on an average of our multiple (SEK255), SOTP (SEK285) and DCF (SEK295) fair values. Upgrade to Buy.

[Click here for full report and disclosures](#)

James Targett, james.targett@berenberg.com, tel: +44 20 3207 7873

- **Household & Personal Care (Beiersdorf AG – Hold; PT EUR 49.00; L'Oréal SA – Hold; PT EUR 95.00 (from EUR 84.00); Unilever NV – Hold; PT EUR 26.50) – More M&A on its way:** Coty's high-visibility bid for Avon failed, but other HPC companies have been quietly buying and selling. We offer investors thoughts about what some of the major HPC companies are likely to do and provide details of less well-known companies that have acquisition appeal. Of the private companies we reviewed, three stand out as takeover candidates: Colomer Group, Neal's Yard Remedies and Urban Decay. Of the public companies, L'Occitane, Obagi Medical and Oriflame are the most interesting.

[Click here for full report and disclosures](#)

Seth Peterson, seth.peterson@berenberg.com, tel: +44 20 3207 7891

James Targett, james.targett@berenberg.com, tel: +44 20 3207 7873

- **Vontobel Holding AG (Banking – Sell; PT CHF 15.40) – Key profit driver in decline:** We reiterate our Sell recommendation on Vontobel implying 23% downside. We believe that its investment banking revenue will disappoint. Our view is consistent with a 39% drop of listed structured products' issues, its key revenue driver.

[Click here for full report and disclosures](#)

Eleni Papoula, eleni.papoula@berenberg.com, tel: +44 20 3465 2741

Upcoming events

Roadshows – by sector

GSW Immobilien AG

Real Estate

Scandinavia

6-7 June

Deutsche EuroShop AG

Real Estate

Vienna, Linz

11-12 June

Hamborner REIT AG

Real Estate

Edinburgh

11-12 June

VTG AG

Transport & Logistics

Scandinavia

11-12 June

KUKA AG

Capital Goods &

Industrial Engineering

USA

11-12 June

Conferences – by date

Berenberg Technology Sector Conference

Paris

19 June

Berenberg-Goldman Sachs German Corporate Conference

Munich

24-26 September

Berenberg European Conference

London (Surrey)

4-7 December

[Click here for the full](#)

[Berenberg events calendar](#)

Heard on the Hoot...

- BP; Capgemini; Axel Springer; Merck; Barclays; UK Credit; HTC; RSA.
[Click here for the Berenberg equity sales team's comments on Wednesday's newsflow](#)

Disclosures

For disclosures, historical price targets and rating changes pertaining to the companies included in this publication as well as for analyst certifications please refer to the individual documents linked to herein. In addition, the following internet link provides further remarks on Berenberg Bank's financial analyses.

<http://www.berenberg.de/research.html?&L=1>

Competent supervisory authority

Bundesanstalt für Finanzdienstleistungsaufsicht -BaFin- (Federal Financial Supervisory Authority),
Graurheindorfer Straße 108, 53117 Bonn and Lurgiallee 12, 60439 Frankfurt am Main

Legal disclaimer

This document has been prepared by Berenberg Bank. This document does not claim completeness regarding all the information on the stocks, stock markets or developments referred to in it.

On no account should the document be regarded as a substitute for the recipient procuring information for himself/herself or exercising his/her own judgements.

The document has been produced for information purposes for institutional clients or market professionals.

Private customers, into whose possession this document comes, should discuss possible investment decisions with their customer service officer as differing views and opinions may exist with regard to the stocks referred to in this document.

This document is not a solicitation or an offer to buy or sell the mentioned stock.

The document may include certain descriptions, statements, estimates, and conclusions underlining potential market and company developments. These reflect assumptions, which may turn out to be incorrect. Berenberg Bank and/or its employees accept no liability whatsoever for any direct or consequential loss or damages of any kind arising out of the use of this document or any part of its content.

Berenberg Bank and/or its employees may hold, buy or sell positions in any securities mentioned in this document, derivatives thereon or related financial products. Berenberg Bank and/or its employees may underwrite issues for any securities mentioned in this document, derivatives thereon or related financial products or seek to perform capital market or underwriting services.

Remarks regarding foreign investors

The preparation of this document is subject to regulation by German law. The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

United Kingdom

This document is meant exclusively for institutional investors and market professionals, but not for private customers. It is not for distribution to or the use of private investors or private customers.

United States of America

This document has been prepared exclusively by Berenberg Bank. Although Berenberg Capital Markets LLC, an affiliate of Berenberg Bank and registered US broker-dealer, distributes this document to certain customers, Berenberg Capital Markets LLC does not provide input into its contents, nor does this document constitute research of Berenberg Capital Markets LLC. In addition, this document is meant exclusively for institutional investors and market professionals, but not for private customers. It is not for distribution to or the use of private investors or private customers.

This document is classified as objective for the purposes of FINRA rules. Please contact Berenberg Capital Markets LLC (+1 617.292.8200), if you require additional information.

Copyright

Berenberg Bank reserves all the rights in this document. No part of the document or its content may be rewritten, copied, photocopied or duplicated in any form by any means or redistributed without Berenberg Bank's prior written consent.

© November 2011 Berenberg Bank