

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](#)

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- **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.

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- **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.

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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>

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