

Westwing Group SE

Consumer Goods - Germany

Buy (old: Buy)

28.03.2025

EUR 18.00 (old: EUR 17.00)

Q4 review: Profitability gains + return to growth in FY'26e; PT up

WEW released solid FY'24 results achieving the guidance at the top-end and provided a FY'25 guidance with a flat top-line but margin improvements and a prospective return to growth in FY'26. In detail:

Q4 sales grew by 2% yoy to **€ 134m** (eNuW: € 133m) driven by a mix of a **surging average basket size** (+24% yoy to € 195) but also burdened by **slightly declining active customers** (-3% yoy to 1.24m) and **less orders** (-16% yoy). This is the direct result of shifting the product assortment to a more global and premium mix, which results in the phasing out of certain customer groups, especially in the International segment (-3% yoy to € 55m Q4 sales). On the other hand, DACH remained strong, having grown sales by 7% yoy to € 79m (+ 6.6% in FY'24), thus outperforming the German online Home & Living market (+1.2% yoy in FY'24).

Improving profitability. The product assortment shift towards premium comes with higher gross margins (+1.4pp yoy in Q4; +1.1pp yoy in FY'24), both on third party and private label products (58% private label share, +1.1pp yoy). Furthermore, the more global assortment allows for fulfillment efficiency gains, visible in a declining fulfillment expense ratio (Q4: -2.2pp yoy; FY'24: -1.9pp yoy). All this led to a substantial increase in profitability with contribution profit up 15% yoy in Q4 (+14% yoy in FY'24) and **adj. EBITDA expanding by 80% yoy** to € 10.6m (+35% yoy in FY'24 to € 24m) with a 7.9% margin (5.4% in FY'24), thus achieving the top-end of the guidance. - see p. 2 for details

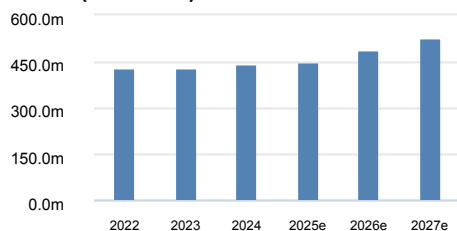
FY'25e guidance reflects strategic measures. The ongoing shift in product assortment (i.e. phase out of lower margin products and thus lower margin customers with the simultaneous addition of higher margin products) comes on top of a still muted consumer sentiment. Consequently, WEW guides for **sales growth of -4% to +2% yoy but an adj. EBITDA margin expansion to 6-8%** (FY'24: 5.4%), which is slightly below our old sales estimate, but way ahead of our old adj. EBITDA estimate.

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Y/E 31.12 (EUR m)	2022	2023	2024	2025e	2026e	2027e
Sales	430.8	428.7	444.3	448.8	492.2	527.4
Sales growth	-17.6%	-0.5%	3.6%	1.0%	9.7%	7.2%
Adj. EBITDA	-4.2	17.8	24.0	27.2	35.7	38.7
Net debt (if net cash=0)	-56.2	-82.0	-63.5	-71.7	-88.8	-107.3
FCF	-21.4	29.5	6.4	15.2	24.1	25.5
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	-1.51	-0.61	-0.25	0.26	0.60	0.78
Adj. EBITDA margin	-1.0%	4.2%	5.4%	6.1%	7.3%	7.3%
ROCE	-23.5%	-9.0%	-6.2%	9.3%	20.5%	22.5%
EV/sales	0.3	0.2	0.2	0.2	0.2	0.1
EV/EBITDA	-32.2	5.9	3.8	3.9	2.5	1.8
PER	-5.8	-14.4	-36.0	33.3	14.7	11.4
Adjusted FCF yield	-13.6%	4.0%	7.8%	17.7%	27.6%	37.5%

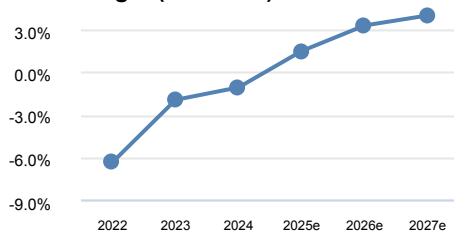
Source: Company data, NuWays, Close price as of 27.03.2025

Sales (2022-27e)



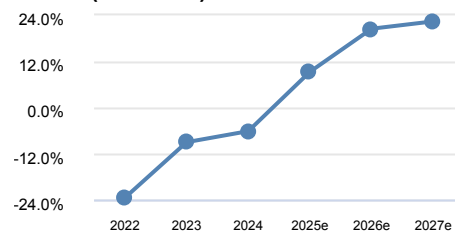
Source: NuWays Research

EBIT margin (2022-27e)



Source: NuWays Research

ROCE (2022-27e)

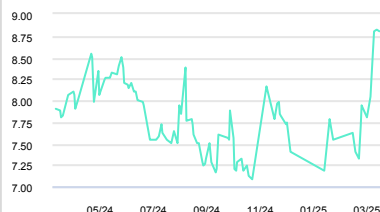


Source: NuWays Research

Company description

Westwing is a leading e-commerce platform that allows customers to have the combined advantages of online and offline shops for home and living products. The company's product portfolio is complemented by consultation services from professional designers.

Share Performance



High/low 52 weeks (€)	8.82 / 7.08
3m rel. performance	4.5%
6m rel. performance	3.8%
12m rel. performance	0.7%

Market data

Share price (in €)	8.80
Market cap (in € m)	176.3
Number of shares (in m pcs)	20.0
Enterprise value (in € m)	106.6
Ø trading volume (6 months)	7,200

Identifier

Bloomberg	WEW GR
Reuters	WEW
WKN	A2N4H0
ISIN	DE000A2N4H07

Key shareholders

Zerena	28.9%
Amiral Gestion	9.9%
The Capital Group	7.6%
Aymeric Chaumet	5.7%
Bram Cornelisse	5.3%
Free Float	10.2%

Estimates changes

	2025e	2026e	2027e
Sales	-2%	-2%	-2%
EBIT	453%	103%	71%
EPS	346%	123%	89%

Comment on changes

- Estimates raised to reflect a sustainably higher margin level
- FY'27e introduced

Guidance

- FY'25 Sales: € 425-455m
- FY'25 Adj. EBITDA: € 25-35m

FY'26 outlook sees return to profitable growth thanks to country expansions. Following recent country expansions to Denmark and Luxembourg in Q1'25, WEW plans to expand to 5-10 countries in FY'25 and more European countries in FY'26e. In the mid-term, all European countries should be covered by Westwing. This, coupled with a bottoming-out effect of the product assortment shift and an at least flat consumer sentiment, **should show full-year effects starting in FY'26e**. Therefore, sales could grow by **"upper single to double-digit-%" rates in FY'26e**, all the while margins should continue to improve thanks to the measures described above.

Against this backdrop, **we raise our profitability estimates** given better than expected margin visibility and therefore **increase our DCF-based PT to € 18.00** (old: € 17.00).

Trading at only 3.9x FY'25e EV/EBITDA (2.5x FY'26e) and 18% FCFY'25e (28% FY'26e), shares seem extremely undervalued, in our view. The market seems to focus too much on top-line development and too little on the visible margin improvement. Therefore, the stock should experience **a re-rating**, once top-line growth returns as early as FY'26e (and then coupled with further margin improvements). Therefore, we **recommend to BUY** at the still muted and downside protected levels (€ 64m net cash, 26% of market cap).

Westwing Group SE	Q4 2024	Q4 2024 eNuW	Q4 2023	yoy	FY 2024	FY 2024 eNuW	FY 2023	yoy
LTM active customers (m)	1.237	1.300	1.275	-3%	1.237	1.300	1.275	-3%
Average basket size (in €)	195	170	157	24%	195	187	169	16%
Number of orders (m)	0.77	0.88	0.94	-18%	2.55	2.66	2.85	-11%
GMV	149.0	149.0	147.0	1%	497.0	497.0	481.0	3%
Sales	133.9	132.5	131.1	2%	444.3	443.0	428.7	4%
- thereof DACH	78.7	74.9	73.9	6%	252.2	248.4	236.5	7%
- thereof International	55.4	57.6	57.2	-3%	192.2	194.4	192.2	0%
Gross Profit	67.9	66.0	64.6	5%	225.6	223.8	213.0	6%
<i>margin</i>	50.7%	49.8%	49.3%	+ 1.4 pp	50.8%	50.5%	49.7%	+ 1.1 pp
Contribution Profit	44.2	40.9	38.5	15%	140.4	137.2	122.7	14%
<i>margin</i>	33.0%	30.9%	29.4%	+ 3.6 pp	31.6%	31.0%	28.6%	+ 3.0 pp
adj. EBITDA	10.6	6.6	5.9	80%	24.0	20.1	17.8	35%
<i>margin</i>	7.9%	5.0%	4.5%	+ 3.4 pp	5.4%	4.5%	4.2%	+ 1.2 pp
- thereof DACH	7.0	3.6	4.2	67%	14.5	11.1	16.0	-9%
- thereof International	3.5	3.0	1.8	94%	9.8	9.3	2.0	390%
FCF	18.4	20.4	16.4	12%	9.1	9.3	29.5	-69%

Source: Company data, NuWays

Financials

Profit and loss (EUR m)	2022	2023	2024	2025e	2026e	2027e
Sales	430.8	428.7	444.3	448.8	492.2	527.4
Sales growth	-17.6%	-0.5%	3.6%	1.0%	9.7%	7.2%
Cost of sales	228.1	215.7	218.7	218.6	238.3	254.3
Gross profit	202.7	213.0	225.6	230.2	253.9	273.1
Sales and marketing	134.8	135.8	142.3	137.3	148.2	157.7
General and administration	92.9	85.3	84.6	83.0	86.1	90.7
Research and development	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	2.8	5.9	5.4	5.4	5.8	6.2
Other operating expenses	5.2	6.2	8.9	8.5	9.3	9.8
EBITDA	-9.4	11.4	15.5	27.2	35.7	38.7
Unusual or infrequent items	0.0	6.4	8.5	0.0	0.0	0.0
Adj. EBITDA	-4.2	17.8	24.0	27.2	35.7	38.7
Depreciation	12.2	13.2	10.6	11.0	10.7	8.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	5.8	6.6	9.7	9.5	8.8	8.8
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-27.4	-8.4	-4.8	6.7	16.2	21.1
Interest income	0.0	1.1	1.7	2.2	2.5	2.6
Interest expenses	2.0	1.9	1.5	1.3	1.5	1.6
Investment income	-0.9	0.1	-0.1	0.0	0.0	0.0
Financial result	-2.9	-0.7	0.1	0.9	1.0	1.1
Recurring pretax income from continuing operations	-30.3	-9.1	-4.7	7.6	17.2	22.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-30.3	-9.1	-4.7	7.6	17.2	22.1
Income tax expense	2.1	3.3	0.2	2.3	5.2	6.6
Net income from continuing operations	-32.4	-12.4	-4.9	5.3	12.0	15.5
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-32.4	-12.4	-4.9	5.3	12.0	15.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-32.4	-12.4	-4.9	5.3	12.0	15.5
Average number of shares	21.5	20.3	20.0	20.0	20.0	20.0
EPS reported	-1.51	-0.61	-0.25	0.26	0.60	0.78

Profit and loss (common size)	2022	2023	2024	2025e	2026e	2027e
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	52.9%	50.3%	49.2%	48.7%	48.4%	48.2%
Gross profit	47.1%	49.7%	50.8%	51.3%	51.6%	51.8%
Sales and marketing	31.3%	31.7%	32.0%	30.6%	30.1%	29.9%
General and administration	21.6%	19.9%	19.0%	18.5%	17.5%	17.2%
Research and development	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other operating income	0.6%	1.4%	1.2%	1.2%	1.2%	1.2%
Other operating expenses	1.2%	1.4%	2.0%	1.9%	1.9%	1.9%
EBITDA	-2.2%	2.7%	3.5%	6.1%	7.3%	7.3%
Unusual or infrequent items	0.0%	1.5%	1.9%	0.0%	0.0%	0.0%
Adj. EBITDA	-1.0%	4.2%	5.4%	6.1%	7.3%	7.3%
Depreciation	2.8%	3.1%	2.4%	2.5%	2.2%	1.7%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	1.3%	1.5%	2.2%	2.1%	1.8%	1.7%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	-6.4%	-2.0%	-1.1%	1.5%	3.3%	4.0%
Interest income	0.0%	0.3%	0.4%	0.5%	0.5%	0.5%
Interest expenses	0.5%	0.4%	0.3%	0.3%	0.3%	0.3%
Investment income	-0.2%	0.0%	-0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	0.0%	0.2%	0.2%	0.2%
Recurring pretax income from continuing operations	-7.0%	-2.1%	-1.1%	1.7%	3.5%	4.2%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	-7.0%	-2.1%	-1.1%	1.7%	3.5%	4.2%
Tax rate	-6.9%	-36.3%	-4.3%	30.0%	30.0%	30.0%
Net income from continuing operations	-7.5%	-2.9%	-1.1%	1.2%	2.4%	2.9%
Net income	-7.5%	-2.9%	-1.1%	1.2%	2.4%	2.9%
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	-7.5%	-2.9%	-1.1%	1.2%	2.4%	2.9%

Source: Company data, NuWays

Balance sheet (EUR m)	2022	2023	2024	2025e	2026e	2027e
Intangible assets	23.3	19.3	16.2	13.4	11.5	9.6
Property, plant and equipment	53.2	44.6	37.9	28.2	18.8	14.0
Financial assets	2.3	1.6	2.5	2.5	2.5	2.5
FIXED ASSETS	78.8	65.5	56.6	44.2	32.8	26.1
Inventories	45.2	28.1	47.5	48.0	50.0	50.9
Accounts receivable	12.6	12.1	10.7	13.5	14.0	14.3
Other assets and short-term financial assets	22.2	7.6	11.9	9.0	9.4	9.5
Liquid assets	62.3	81.5	68.8	77.0	94.1	112.6
Deferred taxes	3.6	1.5	1.1	1.1	1.1	1.1
Deferred charges and prepaid expenses	3.6	7.1	2.5	2.5	2.5	2.5
CURRENT ASSETS	149.5	137.9	142.5	151.1	171.1	190.9
TOTAL ASSETS	228.3	203.4	199.1	195.2	203.9	216.9

SHAREHOLDERS EQUITY	90.0	74.8	59.3	61.7	74.1	91.8
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	6.1	6.0	5.3	5.3	5.3	5.3
Provisions for pensions and similar obligations	2.1	2.1	2.1	2.1	2.1	2.1
Other provisions and accrued liabilities	0.6	1.5	1.2	1.2	1.2	1.2
NON-CURRENT LIABILITIES	8.8	9.6	8.6	8.6	8.6	8.6
Short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	57.9	61.8	76.2	77.0	80.2	81.6
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Accrued taxes	1.7	0.9	2.4	2.4	2.4	2.4
Other liabilities (incl. from lease and rental contracts)	67.6	53.0	50.4	43.4	36.4	29.4
Deferred taxes	2.3	3.1	2.2	2.2	2.2	3.1
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	129.5	118.8	131.2	125.0	121.2	116.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	228.3	203.2	199.1	195.2	203.9	216.9

Balance sheet (common size)	2022	2023	2024	2025e	2026e	2027e
Intangible assets	10.2%	9.5%	8.1%	6.9%	5.7%	4.4%
Property, plant and equipment	23.3%	21.9%	19.0%	14.5%	9.2%	6.4%
Financial assets	1.0%	0.8%	1.3%	1.3%	1.2%	1.2%
FIXED ASSETS	34.5%	32.2%	28.4%	22.6%	16.1%	12.0%
Inventories	19.8%	13.8%	23.9%	24.6%	24.5%	23.5%
Accounts receivable	5.5%	5.9%	5.4%	6.9%	6.9%	6.6%
Other assets and short-term financial assets	9.7%	3.7%	6.0%	4.6%	4.6%	4.4%
Liquid assets	27.3%	40.1%	34.6%	39.5%	46.2%	51.9%
Deferred taxes	1.6%	0.7%	0.6%	0.6%	0.5%	0.5%
Deferred charges and prepaid expenses	1.6%	3.5%	1.3%	1.3%	1.2%	1.2%
CURRENT ASSETS	65.5%	67.8%	71.6%	77.4%	83.9%	88.0%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	39.4%	36.8%	29.8%	31.6%	36.3%	42.3%
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	2.7%	3.0%	2.7%	2.7%	2.6%	2.4%
Provisions for pensions and similar obligations	0.9%	1.0%	1.1%	1.1%	1.0%	1.0%
Other provisions and accrued liabilities	0.3%	0.7%	0.6%	0.6%	0.6%	0.6%
NON-CURRENT LIABILITIES	3.9%	4.7%	4.3%	4.4%	4.2%	4.0%
Short-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	25.4%	30.4%	38.3%	39.4%	39.3%	37.6%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued taxes	0.7%	0.4%	1.2%	1.2%	1.2%	1.1%
Other liabilities (incl. from lease and rental contracts)	29.6%	26.1%	25.3%	22.2%	17.9%	13.6%
Deferred taxes	1.0%	1.5%	1.1%	1.1%	1.1%	1.4%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	56.7%	58.5%	65.9%	64.0%	59.4%	53.7%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Cash flow statement (EUR m)	2022	2023	2024	2025e	2026e	2027e
Net profit/loss	-32.4	-12.4	-4.9	5.3	12.0	15.5
Depreciation of fixed assets (incl. leases)	12.2	13.2	10.6	11.0	10.7	8.8
Amortisation of goodwill & intangible assets	5.8	6.6	9.7	9.5	8.8	8.8
Other costs affecting income / expenses	21.0	4.4	-0.8	0.0	0.0	0.0
Cash flow from operating activities	-18.6	29.0	8.4	16.9	25.7	27.1
Increase/decrease in inventory	9.7	17.1	-19.4	-0.5	-2.0	-0.9
Increase/decrease in accounts receivable	-1.1	0.5	1.4	-2.8	-0.6	-0.3
Increase/decrease in accounts payable	-23.7	3.9	14.4	0.8	3.2	1.4
Increase/decrease in other working capital positions	0.0	0.0	5.6	0.0	0.0	0.0
Increase/decrease in working capital	-15.1	21.5	2.0	-2.5	0.7	0.3
Cash flow from operating activities	-7.5	33.3	16.6	23.3	32.2	33.4
CAPEX	13.9	5.4	10.2	8.1	8.1	7.9
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	2.5	1.6	-2.5	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.2	0.0	0.0	0.0
Cash flow from investing activities	-11.4	-3.8	-7.5	-8.1	-8.1	-7.9
Cash flow before financing	-23.9	26.3	9.1	15.2	24.1	25.5
Increase/decrease in debt position	-4.2	-0.1	-1.2	0.0	0.0	0.0
Purchase of own shares	-0.5	-3.7	10.8	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	1.0	-20.1	-9.8	-7.0	-7.0	-7.0
Effects of exchange rate changes on cash	0.2	-0.1	0.0	0.0	0.0	0.0
Cash flow from financing activities	-2.7	-23.9	-21.8	-7.0	-7.0	-7.0
Increase/decrease in liquid assets	-26.4	9.7	-12.7	8.2	17.1	18.5
Liquid assets at end of period	76.0	81.5	68.8	77.0	94.1	112.6

Key ratios (EUR m)	2022	2023	2024	2025e	2026e	2027e
P&L growth analysis						
Sales growth	-17.6%	-0.5%	3.6%	1.0%	9.7%	7.2%
EBITDA growth	-123.3%	-221.3%	36.0%	75.3%	31.4%	8.4%
EBIT growth	-200.0%	-69.3%	-42.9%	-238.9%	143.1%	30.2%
EPS growth	-373.1%	-59.5%	-59.9%	-208.0%	127.3%	28.8%
Efficiency						
Sales per employee	253.4	218.4	265.8	273.2	250.7	315.5
EBITDA per employee	-5.5	5.8	9.3	16.5	18.2	23.1
No. employees (average)	1,700	1,963	1,672	1,642	1,963	1,672
Balance sheet analysis						
Avg. working capital / sales	-1.8%	-2.5%	-4.5%	-3.7%	-3.2%	-3.1%
Inventory turnover (sales/inventory)	5.0	7.7	4.6	4.6	4.8	5.0
Accounts receivable turnover	10.7	10.3	8.8	11.0	10.4	9.9
Accounts payable turnover	92.7	104.6	127.2	128.5	122.8	117.2
Cash flow analysis						
Free cash flow	-21.4	29.5	6.4	15.2	24.1	25.5
Free cash flow/sales	-5.0%	6.9%	1.4%	3.4%	4.9%	4.8%
FCF / net profit	66.0%	neg.	neg.	287.9%	200.0%	164.4%
Capex / sales	3.8%	1.6%	1.7%	1.8%	1.6%	1.5%
Solvency						
Net debt	-56.2	-82.0	-63.5	-71.7	-88.8	-107.3
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	24.4%	31.4%	26.5%	25.4%	27.9%	29.9%
Returns						
ROCE	-23.5%	-9.0%	-6.2%	9.3%	20.5%	22.5%
ROE	-36.0%	-16.6%	-8.3%	8.6%	16.2%	16.9%
Adjusted FCF yield	-13.6%	4.0%	7.8%	17.7%	27.6%	37.5%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DPS	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-1.51	-0.61	-0.25	0.26	0.60	0.78
Average number of shares	21.5	20.3	20.0	20.0	20.0	20.0
Valuation ratios						
P/BV	2.1	2.4	3.0	2.9	2.4	1.9
EV/sales	0.3	0.2	0.2	0.2	0.2	0.1
EV/EBITDA	-32.2	5.9	3.8	3.9	2.5	1.8
EV/EBIT	-4.9	-12.5	-19.1	16.0	5.5	3.4

Source: Company data, NuWays

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Company	Disclosures
Westwing Group SE	2

Historical target price and rating changes for Westwing Group SE

Company	Date	Analyst	Rating	Target Price	Close
Westwing Group SE	05.12.2024	Schüssler, Mark	Buy	EUR 17.00	EUR 7.98
	09.08.2024	Schüssler, Mark	Buy	EUR 17.50	EUR 7.64
	01.04.2024	Schüssler, Mark	Buy	EUR 18.00	EUR 7.90
	28.03.2024	Schüssler, Mark	Buy	EUR 17.00	EUR 7.69

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The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

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ment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

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8. Miscellaneous

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