

Westwing Group SE

Consumer Goods - Germany



NuWays

by Hauck Aufhäuser Lampe

Buy (old: Buy)

09.05.2025

EUR 18.00 (old: EUR 18.00)

Q1 according to plan: margins up, top line to follow

Flat top line as anticipated due to strategic assortment change. GMV went down 5% yoy to € 119m and sales decreased by 1% yoy to € 108m (eNuW: 109m), mainly due to WEW's strategy shift towards a more premium product assortment. Here, WEW phases out lower margin items and thus also a certain part of their customer group in exchange for a more premium product offering, which becomes visible in **(1)** an 11pp yoy higher private label share of 62%, **(2)** a decline in active customers by 6% yoy, **(3)** a subsequent lower number of orders (-25% yoy) but also **(4)** in an expanding average basket size (+28% yoy). This strategy shift started in H2'24 and the subsequent effects seen above should therefore bottom out in H2'25e. Moreover, this shift was more pronounced in **WEW's International segment** (sales: -3.5% yoy), whereas the **DACH segment showed sales growth of 1% yoy**, in line with market growth (Home & Living DACH: +2% yoy).

Margins up notably. Adj. EBITDA rose by **44% yoy to € 9.1m, a 2.7pp yoy higher margin of 8.5%**, thanks to interaction of several effects: **(1)** the higher private label share drove up **gross margin by 0.2pp yoy to 51.5%**, a stronger margin increase was counteracted by higher container costs, **(2)** efficiency gains in fulfillment visible in a 0.9pp yoy lower fulfillment ratio, **(3)** the phase out of last year's brand awareness and subsequent lower marketing costs led to a 0.9pp yoy **lower marketing ratio** and **(4)** lower overhead costs with **G&A expense ratio down 1.4pp yoy**.

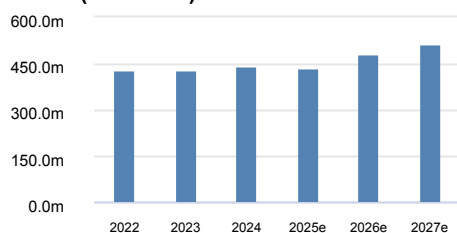
Looking ahead, the product assortment change is seen to show similar top-line effects in Q2 and partly still in Q3, thus making FY'25e a transitional year. However, in **FY'26e sales momentum is seen to pick up again** (eNuW: +10% yoy) driven by **more active customers** due to country expansions (LUX, DK and SWE completed, 7 more to come) coupled with **higher average basket sizes** thanks to the assortment change. Naturally, this should come with positive operating leverage and efficiency gains, which should drive margins and cash generation in FY'26e accordingly.

Against this backdrop, WEW's shares seem mispriced, in our view, trading at 17% FCFY'25e (28% '26e). The anticipated return to growth coupled with further margin expansions in FY'26e could trigger a re-rating soon. Therefore, we **confirm our BUY recommendation** with an unchanged **PT of € 18.00**, based on DCF.

Y/E 31.12 (EUR m)	2022	2023	2024	2025e	2026e	2027e
Sales	430.8	428.7	444.3	440.2	483.2	517.7
Sales growth	-17.6%	-0.5%	3.6%	-0.9%	9.8%	7.2%
Adj. EBITDA	-4.2	17.8	24.0	29.5	38.5	41.9
Net debt (if net cash=0)	-56.2	-82.0	-63.5	-69.0	-83.7	-99.8
FCF	-21.4	29.5	6.4	12.5	21.6	23.1
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	-1.51	-0.61	-0.26	0.33	0.69	0.87
Adj. EBITDA margin	-1.0%	4.2%	5.4%	6.7%	8.0%	8.1%
ROCE	-23.5%	-9.0%	-6.2%	11.2%	21.9%	23.4%
EV/sales	0.2	0.2	0.2	0.2	0.2	0.1
EV/EBITDA	-25.4	4.4	4.1	3.0	1.9	1.4
PER	-5.0	-12.3	-28.8	22.6	10.9	8.6
Adjusted FCF yield	-13.6%	4.0%	7.2%	16.5%	27.6%	38.4%

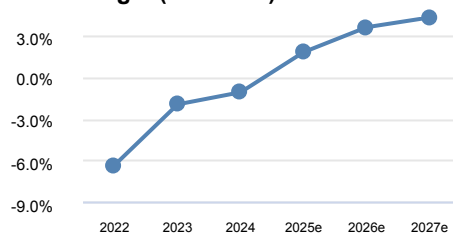
Source: Company data, NuWays, Close price as of 06.05.2025

Sales (2022-27e)



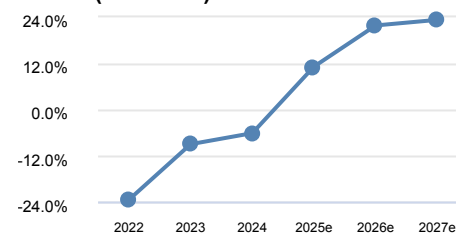
Source: NuWays Research

EBIT margin (2022-27e)



Source: NuWays Research

ROCE (2022-27e)

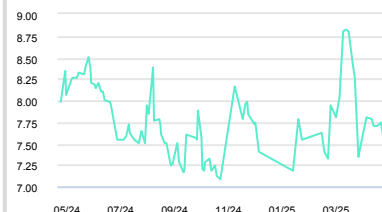


Source: NuWays Research

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	-12.8%
6m rel. performance	-16.0%
12m rel. performance	-21.7%

Market data

Share price (in €)	7.50
Market cap (in € m)	156.8
Number of shares (in m pcs)	20.9
Enterprise value (in € m)	87.7
Ø trading volume (6 months)	7,200

Identifier

Bloomberg	WEW GR
Reuters	WEW
WKN	A2N4H0
ISIN	DE000A2N4H07

Key shareholders

Zerena	28.9%
Treasury shares	10.0%
Amiral Gestion	9.9%
The Capital Group	5.7%
Aymeric Chaumet	6.9%
Free Float	36.7%

Estimates changes

	2025e	2026e	2027e
Sales	-2%	-2%	-2%
EBIT	21%	8%	7%
EPS	25%	14%	13%

Comment on changes

- Sales estimates finetuned following new active customer assumption.
- EBIT and EPS estimates raised to reflect better than expected cost structure and D&A estimates.

Guidance

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

Financials

Profit and loss (EUR m)	2022	2023	2024	2025e	2026e	2027e
Sales	430.8	428.7	444.3	440.2	483.2	517.7
Sales growth	-17.6%	-0.5%	3.6%	-0.9%	9.8%	7.2%
Cost of sales	228.1	215.7	218.7	215.3	234.8	250.6
Gross profit	202.7	213.0	225.6	224.9	248.4	267.2
Sales and marketing	134.8	135.8	142.3	133.8	144.5	153.8
General and administration	92.9	85.3	84.6	80.0	83.0	87.4
Research and development	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	2.8	5.9	5.4	5.3	5.7	6.1
Other operating expenses	5.2	6.2	8.9	8.4	9.1	9.6
EBITDA	-9.4	11.4	15.5	25.0	33.6	36.6
Unusual or infrequent items	0.0	6.4	8.5	4.5	4.9	5.3
Adj. EBITDA	-4.2	17.8	24.0	29.5	38.5	41.9
Depreciation	12.2	13.2	10.6	10.0	8.8	7.0
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	7.0	7.2	7.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-27.4	-8.4	-4.8	8.0	17.6	22.5
Interest income	0.0	1.1	1.7	2.2	2.4	2.6
Interest expenses	2.0	1.9	1.5	1.3	1.4	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	1.0
Recurring pretax income from continuing operations	-30.3	-9.1	-4.7	8.9	18.5	23.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-30.3	-9.1	-4.7	8.9	18.5	23.5
Income tax expense	2.1	3.3	0.2	2.7	5.6	7.1
Net income from continuing operations	-32.4	-12.4	-4.9	6.2	13.0	16.5
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	6.2	13.0	16.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-32.4	-12.4	-4.9	6.2	13.0	16.5
Average number of shares	21.5	20.3	18.8	18.8	18.8	18.8
EPS reported	-1.51	-0.61	-0.26	0.33	0.69	0.87

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%	48.9%	48.6%	48.4%
Gross profit	47.1%	49.7%	50.8%	51.1%	51.4%	51.6%
Sales and marketing	31.3%	31.7%	32.0%	30.4%	29.9%	29.7%
General and administration	21.6%	19.9%	19.0%	18.2%	17.2%	16.9%
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%	5.7%	6.9%	7.1%
Unusual or infrequent items	0.0%	1.5%	1.9%	1.0%	1.0%	1.0%
Adj. EBITDA	-1.0%	4.2%	5.4%	6.7%	8.0%	8.1%
Depreciation	2.8%	3.1%	2.4%	2.3%	1.8%	1.4%
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%	1.6%	1.5%	1.4%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	-6.4%	-2.0%	-1.1%	1.8%	3.6%	4.3%
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%	2.0%	3.8%	4.5%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	-7.0%	-2.1%	-1.1%	2.0%	3.8%	4.5%
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%	1.4%	2.7%	3.2%
Net income	-7.5%	-2.9%	-1.1%	1.4%	2.7%	3.2%
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	-7.5%	-2.9%	-1.1%	1.4%	2.7%	3.2%

Source: Company data, NuWays

Balance sheet (EUR m)	2022	2023	2024	2025e	2026e	2027e
Intangible assets	23.3	19.3	16.2	15.8	15.4	15.0
Property, plant and equipment	53.2	44.6	37.9	29.2	21.6	18.6
Financial assets	2.3	1.6	2.5	2.5	2.5	2.5
FIXED ASSETS	78.8	65.5	56.6	47.5	39.5	36.1
Inventories	45.2	28.1	47.5	47.1	49.1	50.0
Accounts receivable	12.6	12.1	10.7	13.2	13.8	14.0
Other assets and short-term financial assets	22.2	7.6	11.9	8.8	9.2	9.3
Liquid assets	62.3	81.5	68.8	74.3	89.0	105.1
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	147.0	164.6	182.0
TOTAL ASSETS	228.3	203.4	199.1	194.5	204.1	218.1

SHAREHOLDERS EQUITY	90.0	74.8	59.3	62.4	75.8	94.5
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	75.5	78.7	80.1
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	123.5	119.7	115.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	228.3	203.2	199.1	194.5	204.1	218.1

Balance sheet (common size)	2022	2023	2024	2025e	2026e	2027e
Intangible assets	10.2%	9.5%	8.1%	8.1%	7.5%	6.9%
Property, plant and equipment	23.3%	21.9%	19.0%	15.0%	10.6%	8.5%
Financial assets	1.0%	0.8%	1.3%	1.3%	1.2%	1.1%
FIXED ASSETS	34.5%	32.2%	28.4%	24.4%	19.3%	16.6%
Inventories	19.8%	13.8%	23.9%	24.2%	24.0%	22.9%
Accounts receivable	5.5%	5.9%	5.4%	6.8%	6.7%	6.4%
Other assets and short-term financial assets	9.7%	3.7%	6.0%	4.5%	4.5%	4.3%
Liquid assets	27.3%	40.1%	34.6%	38.2%	43.6%	48.2%
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%	1.1%
CURRENT ASSETS	65.5%	67.8%	71.6%	75.6%	80.7%	83.4%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	39.4%	36.8%	29.8%	32.1%	37.1%	43.3%
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%	3.9%
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%	38.8%	38.6%	36.7%
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%	22.3%	17.8%	13.5%
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%	63.5%	58.7%	52.7%
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	6.2	13.0	16.5
Depreciation of fixed assets (incl. leases)	12.2	13.2	10.6	10.0	8.8	7.0
Amortisation of goodwill & intangible assets	5.8	6.6	9.7	7.0	7.2	7.0
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	12.5	21.6	23.1
Increase/decrease in inventory	9.7	17.1	-19.4	0.4	-2.0	-0.9
Increase/decrease in accounts receivable	-1.1	0.5	1.4	-2.5	-0.6	-0.2
Increase/decrease in accounts payable	-23.7	3.9	14.4	-0.7	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	-2.8	0.7	0.3
Cash flow from operating activities	-7.5	33.3	16.6	20.5	29.6	30.8
CAPEX	13.9	5.4	10.2	7.9	8.0	7.8
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	-7.9	-8.0	-7.8
Cash flow before financing	-23.9	26.3	9.1	12.5	21.6	23.1
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	5.5	14.6	16.1
Liquid assets at end of period	76.0	81.5	68.8	74.3	89.0	105.1

Key ratios (EUR m)	2022	2023	2024	2025e	2026e	2027e
P&L growth analysis						
Sales growth	-17.6%	-0.5%	3.6%	-0.9%	9.8%	7.2%
EBITDA growth	-123.3%	-221.3%	36.0%	61.5%	34.0%	9.0%
EBIT growth	-200.0%	-69.3%	-42.9%	-267.5%	118.4%	28.0%
EPS growth	-373.1%	-59.5%	-57.4%	-227.4%	107.7%	26.9%
Efficiency						
Sales per employee	253.4	218.4	265.8	268.0	246.1	309.7
EBITDA per employee	-5.5	5.8	9.3	15.2	17.1	21.9
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%	-3.8%	-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	10.9	10.4	9.9
Accounts payable turnover	92.7	104.6	127.2	128.0	122.4	116.7
Cash flow analysis						
Free cash flow	-21.4	29.5	6.4	12.5	21.6	23.1
Free cash flow/sales	-5.0%	6.9%	1.4%	2.9%	4.5%	4.5%
FCF / net profit	66.0%	neg.	neg.	201.0%	166.9%	140.2%
Capex / sales	3.8%	1.6%	1.7%	1.8%	1.6%	1.5%
Solvency						
Net debt	-56.2	-82.0	-63.5	-69.0	-83.7	-99.8
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%	24.9%	27.4%	29.3%
Returns						
ROCE	-23.5%	-9.0%	-6.2%	11.2%	21.9%	23.4%
ROE	-36.0%	-16.6%	-8.3%	10.0%	17.1%	17.4%
Adjusted FCF yield	-13.6%	4.0%	7.2%	16.5%	27.6%	38.4%
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	-0.26	0.33	0.69	0.87
Average number of shares	21.5	20.3	18.8	18.8	18.8	18.8
Valuation ratios						
P/BV	1.8	2.0	2.4	2.3	1.9	1.5
EV/sales	0.2	0.2	0.2	0.2	0.2	0.1
EV/EBITDA	-25.4	4.4	4.1	3.0	1.9	1.4
EV/EBIT	-3.9	-9.4	-20.6	10.9	4.2	2.5

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	28.03.2025	Schüssler, Mark	Buy	EUR 18.00	EUR 8.80
	05.12.2024	Schüssler, Mark	Buy	EUR 17.00	EUR 7.98
	09.08.2024	Schüssler, Mark	Buy	EUR 17.50	EUR 7.64

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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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According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under: www.nuways-ag.com

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