

Buy (old: Buy)

07.02.2023

EUR 21.00 (old: EUR 22.00)

Cash flow remained strong in Q4, chg est. & PT

fashionette released mixed Q4 preliminary figures. Sales and earnings arrived somewhat below expectations while cash flow came in strong. Our key takeaways:

Q4 sales grew by 1% organically yoy to € 53.8m (eNuW: € 55.8m), below expectations due to a weaker-than-expected Christmas season as high inflation weighed on consumer spending among fashionette's customer group. Hence, **FY 2022 revenues arrived at € 165.8m** (7% organic growth yoy) at the low end of the € 165-175m target range.

Adj. EBITDA remained slightly positive at € 0.5m in Q4 (eNuW: € 2.5m) due to higher-than-expected promotional activity. As a result, adj. EBITDA arrived at € 0.5m in FY 2022, slightly missing the € 1-4m target range (eNuW: € 2.5m).

Importantly, **operating cash flow came in at € 2.3m in FY 2022**, implying an **excellent € 8.3m in Q4**, effectively converting its inventory to cash (€ 7m cash inflow in Q4). With that, **FCF should have been positive at € 1.2m in FY 2022** (eNuW) despite the challenging market environment. Consequently, **net debt should have improved to € 8.4m** (eNuW: € 8.3m) compared to € 16.7m in Q3 and € 8.7m end of FY 2021.

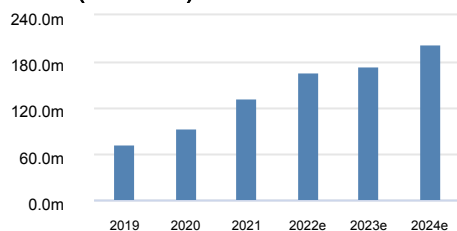
The weaker-than-expected top- and bottom-line suggests that fashionette is not immune against general macro weakness and **high promotional activity in the fashion retail industry**. Still, strong cash generation should provide confidence into the company's business model and liquidity situation. In fact, financing is not seen to be an issue as financial liabilities mature in 2026e and do not bear any covenants.

Meanwhile, fashionette's new major shareholder The Platform Group looks set to play an active role shaping fashionette's growth trajectory by transferring its eCom know-how with regards to tech, data, marketing and logistics. **fashionette should benefit from cross-selling** across The Platform Group's ecosystem, operating online platforms across 16 verticals in Europe. In fact, **CEO Benner aims to establish a capital-light online luxury platform**, thanks to attractive unit economics in the category and catch-up potential with regards to online penetration. All of this is seen to lift meaningful synergies at fashionette, which should support the company's profitability in the mid-term.

| Y/E 31.12 (EUR m) | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|--------------------------|-------|-------|--------|-------|-------|-------|
| Sales | 73.2 | 94.8 | 133.8 | 165.8 | 175.0 | 204.8 |
| Sales growth | 12.1% | 29.6% | 41.1% | 23.9% | 5.5% | 17.0% |
| EBITDA | 7.1 | 8.9 | 4.4 | 0.5 | 3.8 | 6.4 |
| Net debt (if net cash=0) | 6.3 | -31.8 | 8.8 | 7.7 | 6.8 | 6.4 |
| FCF | 1.0 | 4.5 | -15.1 | 1.2 | 0.9 | 0.3 |
| Net Debt/EBITDA | 0.9 | 0.0 | 2.0 | 15.5 | 1.8 | 1.0 |
| EPS pro forma | 0.23 | 0.15 | -0.28 | -0.53 | -0.15 | 0.14 |
| EBITDA margin | 9.8% | 9.4% | 3.3% | 0.3% | 2.2% | 3.1% |
| ROCE | 16.3% | 15.0% | 3.4% | -2.5% | 2.6% | 6.7% |
| EV/sales | n.a. | 1.8 | 1.4 | 0.3 | 0.2 | 0.2 |
| EV/EBITDA | n.a. | 19.1 | 41.5 | 84.0 | 10.7 | 6.3 |
| PER | n.a. | 220.2 | -100.8 | -10.4 | -37.0 | 39.1 |
| Adjusted FCF yield | 12.1% | 2.5% | 0.6% | -0.9% | 4.4% | 8.7% |

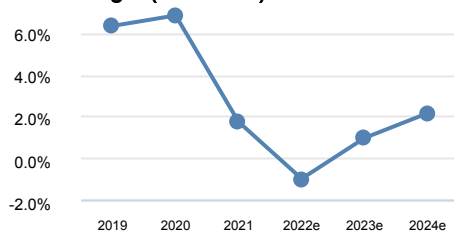
Source: Company data, NuWays, Close price as of 06.02.2023

Sales (2019-24e)



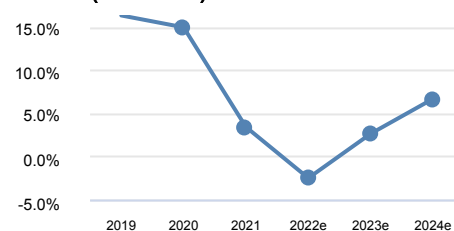
Source: NuWays Research

EBIT margin (2019-24e)



Source: NuWays Research

ROCE (2019-24e)



Source: NuWays Research

Company description

fashionette is a growing e-commerce company for high-quality and luxury fashion accessories. In addition to a variety of products and brands, the company uses a data platform and artificial intelligence to create a personalized shopping experience.

Share Performance



| | |
|-----------------------|--------------|
| High/low 52 weeks (€) | 18.20 / 3.59 |
| 3m rel. performance | 16.9% |
| 6m rel. performance | 7.3% |
| 12m rel. performance | -59.4% |

Market data

| | |
|-----------------------------|--------|
| Share price (in €) | 5.50 |
| Market cap (in € m) | 34.1 |
| Number of shares (in m pcs) | 6.2 |
| Enterprise value (in € m) | 40.9 |
| Ø trading volume (6 months) | 23,000 |

Identifier

| | |
|-----------|--------------|
| Bloomberg | FSNT GR |
| Reuters | FSNT |
| WKN | A2QEFA |
| ISIN | DE000A2QEFA1 |

Key shareholders

| | |
|--------------------|-------|
| The Platform Group | 38.4% |
| CTO Thomas Buhl | 2.1% |

Estimates changes

| | 2022e | 2023e | 2024e |
|-------|-------|-------|-------|
| Sales | -1% | -1% | -1% |
| EBIT | -594% | -4% | -2% |
| EPS | -68% | -6% | -6% |

Comment on changes

- Estimates are reduced to reflect weaker-than-expected Q4 prelims as well as high promotional activity.

Guidance

- Sales: € 165-175m
- Adj. EBITDA: €1-4m

fashionette AG

Update - 07.02.2023

BUY, new PT € 21.00 (old: € 22.00), based on DCF.



Financials

| Profit and loss (EUR m) | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|---|-------------|-------------|--------------|--------------|--------------|--------------|
| Net sales | 73.2 | 94.8 | 133.8 | 165.8 | 175.0 | 204.8 |
| <i>Sales growth</i> | 12.1% | 29.6% | 41.1% | 23.9% | 5.5% | 17.0% |
| Increase/decrease in finished goods and work-in-process | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total sales | 73.2 | 94.8 | 133.8 | 165.8 | 175.0 | 204.8 |
| Other operating income | 1.1 | 1.7 | 2.0 | 2.2 | 2.6 | 3.1 |
| Material expenses | 43.3 | 57.3 | 78.8 | 101.3 | 105.2 | 122.0 |
| Personnel expenses | 6.7 | 7.5 | 10.6 | 13.6 | 14.0 | 16.3 |
| Other operating expenses | 17.5 | 25.8 | 42.0 | 52.6 | 54.6 | 63.1 |
| Total operating expenses | 66.4 | 88.9 | 129.4 | 165.3 | 171.2 | 198.3 |
| EBITDA | 7.1 | 8.9 | 4.4 | 0.5 | 3.8 | 6.4 |
| Depreciation | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| EBITA | 6.9 | 8.7 | 4.1 | 0.2 | 3.5 | 6.1 |
| Amortisation of goodwill | 1.4 | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of intangible assets | 0.8 | 0.8 | 1.8 | 1.8 | 1.8 | 1.7 |
| Impairment charges | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT (inc revaluation net) | 4.6 | 6.5 | 2.3 | -1.7 | 1.7 | 4.4 |
| Interest income | 0.0 | 0.0 | 0.2 | 0.1 | 0.2 | 0.2 |
| Interest expenses | 1.5 | 1.5 | 1.4 | 2.3 | 2.3 | 2.3 |
| Investment income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial result | -1.5 | -1.4 | -1.2 | -2.2 | -2.0 | -2.1 |
| Recurring pretax income from continuing operations | 3.1 | 5.1 | 1.1 | -3.9 | -0.4 | 2.3 |
| Extraordinary income/loss | -0.4 | -3.0 | -2.8 | -1.0 | -1.0 | -1.0 |
| Earnings before taxes | 2.8 | 2.0 | -1.7 | -4.9 | -1.4 | 1.3 |
| Income tax expense | 1.4 | 1.1 | 0.0 | -1.6 | -0.4 | 0.4 |
| Net income from continuing operations | 1.4 | 0.9 | -1.7 | -3.3 | -0.9 | 0.9 |
| Income from discontinued operations (net of tax) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income | 1.4 | 0.9 | -1.7 | -3.3 | -0.9 | 0.9 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit (reported) | 1.4 | 0.9 | -1.7 | -3.3 | -0.9 | 0.9 |
| Average number of shares | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 |
| EPS reported | 0.23 | 0.15 | -0.28 | -0.53 | -0.15 | 0.14 |

| Profit and loss (common size) | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Net sales | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| <i>Sales growth</i> | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> |
| Increase/decrease in finished goods and work-in-process | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total sales | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Other operating income | 1.5% | 1.8% | 1.5% | 1.3% | 1.5% | 1.5% |
| Material expenses | 59.1% | 60.4% | 58.9% | 61.1% | 60.1% | 59.6% |
| Personnel expenses | 9.1% | 7.9% | 7.9% | 8.2% | 8.0% | 8.0% |
| Other operating expenses | 23.9% | 27.3% | 31.4% | 31.7% | 31.2% | 30.8% |
| Total operating expenses | 90.7% | 93.8% | 96.7% | 99.7% | 97.8% | 96.9% |
| EBITDA | 9.8% | 9.4% | 3.3% | 0.3% | 2.2% | 3.1% |
| Depreciation | 0.3% | 0.2% | 0.2% | 0.2% | 0.2% | 0.1% |
| EBITA | 9.4% | 9.2% | 3.1% | 0.1% | 2.0% | 3.0% |
| Amortisation of goodwill | 1.9% | 1.5% | 0.0% | 0.0% | 0.0% | 0.0% |
| Amortisation of intangible assets | 1.2% | 0.8% | 1.3% | 1.1% | 1.0% | 0.8% |
| Impairment charges | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| EBIT (inc revaluation net) | 6.3% | 6.8% | 1.7% | -1.0% | 1.0% | 2.2% |
| Interest income | 0.0% | 0.0% | 0.1% | 0.1% | 0.1% | 0.1% |
| Interest expenses | 2.1% | 1.5% | 1.0% | 1.4% | 1.3% | 1.1% |
| Investment income | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Financial result | neg. | neg. | neg. | neg. | neg. | neg. |
| Recurring pretax income from continuing operations | 4.3% | 5.3% | 0.8% | -2.3% | -0.2% | 1.1% |
| Extraordinary income/loss | -0.5% | -3.2% | -2.1% | -0.6% | -0.6% | -0.5% |
| Earnings before taxes | 3.8% | 2.2% | -1.3% | -2.9% | -0.8% | 0.6% |
| Income tax expense | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> |
| Net income from continuing operations | 1.9% | 1.0% | -1.3% | -2.0% | -0.5% | 0.4% |
| Income from discontinued operations (net of tax) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Net income | 1.9% | 1.0% | -1.3% | -2.0% | -0.5% | 0.4% |
| Minority interest | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Net profit (reported) | 1.9% | 1.0% | -1.3% | -2.0% | -0.5% | 0.4% |

Source: Company data, NuWays

| Balance sheet (EUR m) | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Intangible assets | 17.7 | 16.0 | 21.7 | 20.8 | 19.9 | 19.2 |
| Property, plant and equipment | 0.3 | 0.3 | 4.6 | 4.5 | 4.4 | 4.3 |
| Financial assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| FIXED ASSETS | 18.0 | 16.3 | 26.3 | 25.3 | 24.3 | 23.5 |
| Inventories | 15.9 | 21.9 | 44.3 | 41.0 | 41.3 | 45.1 |
| Accounts receivable | 8.5 | 7.6 | 17.5 | 19.2 | 19.8 | 22.7 |
| Other assets and short-term financial assets | 0.6 | 0.8 | 9.2 | 9.2 | 9.2 | 9.2 |
| Liquid assets | 2.3 | 31.8 | 7.2 | 8.3 | 11.2 | 13.6 |
| Deferred taxes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred charges and prepaid expenses | 0.6 | 0.7 | 1.0 | 1.0 | 1.0 | 1.0 |
| CURRENT ASSETS | 27.9 | 62.8 | 79.2 | 78.8 | 82.5 | 91.5 |
| TOTAL ASSETS | 45.8 | 79.1 | 105.5 | 104.1 | 106.8 | 115.1 |
| SHAREHOLDERS EQUITY | 28.3 | 66.4 | 51.1 | 45.9 | 45.0 | 46.0 |
| MINORITY INTEREST | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Provisions for pensions and similar obligations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other provisions and accrued liabilities | 1.2 | 1.1 | 1.5 | 1.5 | 1.5 | 1.5 |
| short-term liabilities to banks | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 4.0 |
| Accounts payable | 5.3 | 7.8 | 27.1 | 29.0 | 30.7 | 35.9 |
| Accounts receivable | 8.5 | 7.6 | 17.5 | 19.2 | 19.8 | 22.7 |
| Other liabilities (incl. from lease and rental contracts) | 2.4 | 3.7 | 9.5 | 11.4 | 11.4 | 11.4 |
| Deferred taxes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current liabilities | 7.8 | 11.6 | 36.9 | 40.7 | 42.4 | 47.6 |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 45.8 | 79.1 | 105.5 | 104.1 | 106.8 | 115.1 |
| Balance sheet (common size) | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
| Intangible assets | 38.6% | 20.2% | 20.6% | 20.0% | 18.7% | 16.7% |
| Property, plant and equipment | 0.6% | 0.4% | 4.4% | 4.3% | 4.1% | 3.7% |
| Financial assets | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| FIXED ASSETS | 39.2% | 20.6% | 25.0% | 24.3% | 22.8% | 20.4% |
| Inventories | 34.8% | 27.6% | 42.0% | 39.4% | 38.6% | 39.2% |
| Accounts receivable | 18.5% | 9.7% | 16.6% | 18.5% | 18.6% | 19.7% |
| Other assets and short-term financial assets | 1.2% | 1.0% | 8.7% | 8.8% | 8.6% | 8.0% |
| Liquid assets | 5.0% | 40.3% | 6.8% | 8.0% | 10.5% | 11.8% |
| Deferred taxes | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Deferred charges and prepaid expenses | 1.3% | 0.9% | 0.9% | 1.0% | 0.9% | 0.9% |
| CURRENT ASSETS | 60.8% | 79.4% | 75.0% | 75.7% | 77.2% | 79.6% |
| TOTAL ASSETS | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| SHAREHOLDERS EQUITY | 61.7% | 83.9% | 48.4% | 44.1% | 42.1% | 40.0% |
| MINORITY INTEREST | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Provisions for pensions and similar obligations | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Other provisions and accrued liabilities | 2.6% | 1.4% | 1.4% | 1.4% | 1.4% | 1.3% |
| short-term liabilities to banks | 0.0% | 0.0% | 0.0% | 0.0% | 1.9% | 3.5% |
| Accounts payable | 11.5% | 9.9% | 25.7% | 27.9% | 28.7% | 31.2% |
| Accounts receivable | 18.5% | 9.7% | 16.6% | 18.5% | 18.6% | 19.7% |
| Other liabilities (incl. from lease and rental contracts) | 5.3% | 4.6% | 9.0% | 10.9% | 10.7% | 9.9% |
| Deferred taxes | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Deferred income | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Current liabilities | 17.0% | 14.7% | 35.0% | 39.1% | 39.7% | 41.3% |
| 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) | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|--|-------------|-------------|--------------|-------------|-------------|-------------|
| Net profit/loss | 1.4 | 0.9 | -1.7 | -3.3 | -0.9 | 0.9 |
| Depreciation of fixed assets (incl. leases) | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| Amortisation of goodwill & intangible assets | 2.3 | 2.2 | 1.8 | 1.8 | 1.8 | 1.7 |
| Others | -1.5 | -3.6 | -1.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from operating activities | 1.3 | 4.7 | -14.3 | 1.8 | 1.6 | 1.0 |
| Increase/decrease in inventory | -1.0 | -5.9 | -22.4 | 3.2 | -0.2 | -3.8 |
| Increase/decrease in accounts receivable | -1.5 | 0.9 | -9.9 | -1.8 | -0.6 | -2.8 |
| Increase/decrease in accounts payable | -1.3 | 2.5 | 19.4 | 1.9 | 1.6 | 5.2 |
| Increase/decrease in other working capital positions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase/decrease in working capital | -3.8 | -2.5 | -12.9 | 3.4 | 0.8 | -1.4 |
| Cash flow from operating activities | 1.8 | 5.2 | -13.8 | 2.3 | 2.0 | 1.4 |
| CAPEX | 0.8 | 0.7 | 1.2 | 1.1 | 1.1 | 1.1 |
| Payments for acquisitions | 0.0 | 0.0 | 20.2 | 0.0 | 0.0 | 0.0 |
| Financial investments | 0.0 | -0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Income from asset disposals | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from investing activities | -0.8 | -0.7 | -21.4 | -1.1 | -1.1 | -1.1 |
| Cash flow before financing | 1.1 | 4.6 | -35.3 | 1.2 | 0.9 | 0.3 |
| Increase/decrease in debt position | 0.0 | 0.0 | 11.6 | 0.0 | 2.0 | 2.0 |
| Purchase of own shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital measures | 0.0 | 37.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividends paid | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | -1.5 | -3.6 | -1.0 | 0.0 | 0.0 | 0.0 |
| Effects of exchange rate changes on cash | 0.0 | -0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from financing activities | -1.5 | 33.6 | 10.5 | 0.0 | 2.0 | 2.0 |
| Increase/decrease in liquid assets | -0.4 | 38.1 | -24.7 | 1.2 | 2.9 | 2.3 |
| Liquid assets at end of period | 6.3 | 31.8 | 7.2 | 8.3 | 11.2 | 13.6 |

| Key ratios (EUR m) | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|--------------------------------------|--------|--------|---------|---------|---------|---------|
| P&L growth analysis | | | | | | |
| Sales growth | 12.1% | 29.6% | 41.1% | 23.9% | 5.5% | 17.0% |
| EBITDA growth | 42.9% | 24.5% | -50.4% | -88.7% | 667.0% | 68.0% |
| EBIT growth | 78.7% | 39.9% | -64.3% | -171.6% | -201.6% | 161.6% |
| EPS growth | 361.1% | -34.5% | -289.2% | 89.4% | -71.9% | -194.7% |
| Efficiency | | | | | | |
| Sales per employee | 546.0 | 707.6 | 998.5 | 1,237.3 | 1,306.0 | 1,528.0 |
| EBITDA per employee | 53.3 | 66.4 | 33.0 | 3.7 | 28.5 | 47.8 |
| No. employees (average) | 134 | 134 | 134 | 134 | 134 | 134 |
| Balance sheet analysis | | | | | | |
| Avg. working capital / sales | 23.4% | 21.4% | 20.9% | 19.7% | 17.5% | 15.1% |
| Inventory turnover (sales/inventory) | 4.6 | 4.3 | 3.0 | 4.0 | 4.2 | 4.5 |
| Accounts receivable turnover | 42.4 | 29.4 | 47.7 | 42.4 | 41.4 | 40.4 |
| Accounts payable turnover | 26.2 | 30.0 | 74.0 | 63.9 | 63.9 | 63.9 |
| Cash flow analysis | | | | | | |
| Free cash flow | 1.0 | 4.5 | -15.1 | 1.2 | 0.9 | 0.3 |
| Free cash flow/sales | 1.4% | 4.8% | -11.2% | 0.7% | 0.5% | 0.2% |
| FCF / net profit | 75.2% | 496.0% | 869.2% | neg. | neg. | 39.7% |
| Capex / sales | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Solvency | | | | | | |
| Net debt | 6.3 | -31.8 | 8.8 | 7.7 | 6.8 | 6.4 |
| Net Debt/EBITDA | 0.9 | 0.0 | 2.0 | 15.5 | 1.8 | 1.0 |
| Dividend payout ratio | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Interest paid / avg. debt | 17.8% | 34.1% | 17.5% | 14.4% | 13.5% | 12.2% |
| Returns | | | | | | |
| ROCE | 16.3% | 15.0% | 3.4% | -2.5% | 2.6% | 6.7% |
| ROE | 4.9% | 1.4% | -3.4% | -7.1% | -2.0% | 1.9% |
| Adjusted FCF yield | 12.1% | 2.5% | 0.6% | -0.9% | 4.4% | 8.7% |
| Dividend yield | | 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 | 0.23 | 0.15 | -0.28 | -0.53 | -0.15 | 0.14 |
| Average number of shares | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 |
| Valuation ratios | | | | | | |
| P/BV | n.a. | 3.0 | 3.4 | 0.7 | 0.8 | 0.7 |
| EV/sales | n.a. | 1.8 | 1.4 | 0.3 | 0.2 | 0.2 |
| EV/EBITDA | n.a. | 19.1 | 41.5 | 84.0 | 10.7 | 6.3 |
| EV/EBIT | n.a. | 26.1 | 79.2 | -25.2 | 24.3 | 9.2 |

Source: Company data, NuWays

Disclosures

Disclosures regarding research publications of NuWays AG pursuant to section 85 of the German Securities Trading Act (WpHG)

Indication of conflict of interest

It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. A conflict of interest is presumed to exist in particular if NuWays AG

- (1) or any other person belonging to the same group with it was part of a consortium within the past twelve months that issued the financial instruments of the analysed company by way of a public offer.
- (2) or any other person belonging to the same group with it has entered into an agreement on the production of the research report with the analysed company.
- (3) or any other person belonging to the same group with it has been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement within the past twelve month.
- (4) The analysed company holds 5% or more of the share capital of NuWays AG.
- (5) holds (a) a net short position or (b) a net long position of 0.5% of the outstanding share capital of the analysed company.
- (6) or any other person belonging to the same group with it is a market maker or liquidity provider in the financial instruments of the issuer.
- (7) or the analyst has any other significant financial interests relating to the analysed company such as, for example, exercising mandates in the interest of the analysed company.
- (8) The research report has been made available to the analysed company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

| Company | Disclosures |
|----------------|-------------|
| fashionette AG | 1,2,3,6 |

Historical target price and rating changes for fashionette AG

| Company | Date | Analyst | Rating | Target Price | Close |
|----------------|------------|---------------------|--------|--------------|----------|
| fashionette AG | 02.12.2022 | Sandherr, Christian | Buy | EUR 22.00 | EUR 3.72 |

1. General Information/Liabilities

This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by NuWays AG exclusively to selected recipients in the European Union (EU) or, in individual cases, also in other countries. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of NuWays AG. Reproduction of this document, in whole or in part, is not permitted without prior permission NuWays AG. All rights reserved.

Under no circumstances shall NuWays AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

2. Responsibilities

This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analysed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

3. Organisational Requirements

NuWays AG took internal organisational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of NuWays AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

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.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment 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.

NuWays AG uses the following three-step rating system for the analysed companies:

Buy: Sustainable upside potential of more than 20% within 12 months

Sell: Sustainable downside potential of more than 20% within 12 months.

Hold: Upside/downside potential is limited. No immediate catalyst visible.

The decision on the choice of the financial instruments analysed in this document was solely made by NuWays AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of NuWays AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

5. Major Sources of Information

Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. NuWays AG has checked the information for plausibility but not for accuracy or completeness.

6. Competent Supervisory Authority

NuWays AG is an affiliated company of Hauck Aufhäuser Lampe Privatbank AG which is under supervision of the BaFin – German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M.

7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany and the European Union (EU). The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

8. Miscellaneous

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:

Date of publication creation: 07/02/2023 08:00 AM

Date of publication dissemination: 07/02/2023 08:00 AM

Contacts

NuWays AG

Mittelweg 16-17
20148 Hamburg
Germany

info@nuways-ag.com
www.nuways-ag.com



Christian Sandherr

Co-CEO/Analyst

christian.sandherr@nuways-ag.com



Frederik Jarchow

Co-CEO/Analyst

frederik.jarchow@nuways-ag.com



Philipp Sennewald

Analyst

philipp.sennewald@nuways-ag.com



Vaishnavi Khare

Analyst

vaishnavi.khare@nuways-ag.com



Henry Wendisch

Analyst

henry.wendisch@nuways-ag.com

Find us on Social Media

Instagram



Twitter



LinkedIn

