

123fahrschule SE

Technology - Germany



NuWays

by Hauck Aufhäuser Lampe

Buy (old: Buy)

19.02.2025

EUR 7.20 (old: EUR 7.20)

Fresh capital to fuel strong growth & market share gains; chg.

Topic: On Monday evening, 123fahrschule (123f) announced the result of the issuance of the company's convertible bond. **In detail:**

100% of the partial bonds offered have been subscribed by existing shareholders or placed with institutional investors at the subscription price of € 3.30. The convertible bond has a duration of 5 years and carries an interest rate of 7.5% per annum. The strike was set at € 3.30.

As a result of the placement, 123f will receive gross proceeds of € 3.4m, which will be used to finance sales and earnings growth. In particular, it will be used for necessary investments in the upcoming introduction of legally recognized driver training on driving simulators and online education for theoretical driving license training.

Mind you, those legislative changes will come into effect in Q1'26e. Until then, the company will need to adapt its existing branch network to online theory and simulator training. In addition, management recently presented **project FIT** (driving simulator integrated theory), which will enable large parts of theory and practical training to be shifted to the digital driving instructor in the simulator. The simulator will hereby take over 50% of the practical training and support the theoretical training. With this concept, the company aims to reduce up to 10 hours of learning time in the learning app, as what has been learned can be applied directly on the simulator. Total costs for the adaptation of the branch network and project FIT are estimated at € 3.75m.

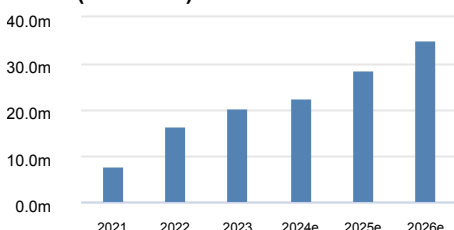
Moreover, 123f will offer students the chance to conduct the mandatory on-site theory lessons in two one-day seminars, which reduced the trips to the branch to two, thus allowing for a **higher catchment area**. Next to the time savings for the learner drivers, the inclusion of simulators into the education will allow 123f to offer the driving license class B (car) for up to € **1,000 less than conventional driving schools**.

Overall, this should enable the company to **gain market share in its key regions** (i.e. Berlin, Hamburg & Cologne), allowing for **increased sales per branch**, ultimately leading to **significant economies of scale**. -continued-

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	7.8	16.7	20.6	22.8	28.5	35.3
Sales growth	81.8%	114.8%	23.7%	10.6%	25.2%	23.7%
EBITDA	-3.8	-2.7	-0.9	0.4	2.5	4.5
Net debt (if net cash=0)	-2.5	1.8	1.7	1.6	4.4	2.2
FCF	-9.1	-8.3	-3.5	0.1	-2.8	2.2
Net Debt/EBITDA	0.0	-0.7	-1.9	3.8	1.8	0.5
EPS pro forma	-1.85	-1.40	-0.79	-0.35	-0.13	0.13
EBITDA margin	-48.9%	-16.0%	-4.3%	1.8%	8.7%	12.8%
ROCE	-43.7%	-31.1%	-22.2%	-12.2%	-3.1%	5.0%
EV/sales	0.6	0.7	0.8	0.8	0.7	0.5
EV/EBITDA	-1.3	-4.4	-19.5	42.3	8.3	4.1
PER	-1.7	-2.3	-4.1	-9.1	-24.2	25.5
Adjusted FCF yield	-41.7%	-10.8%	-6.0%	0.5%	3.1%	15.7%

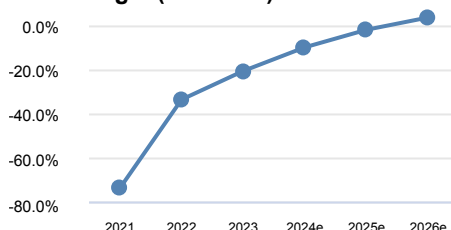
Source: Company data, NuWays, Close price as of 03.02.2025

Sales (2021-26e)



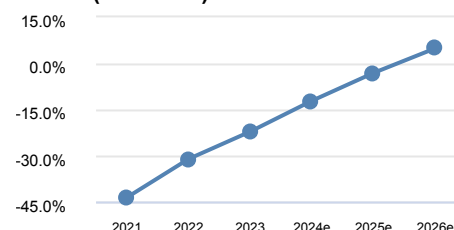
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

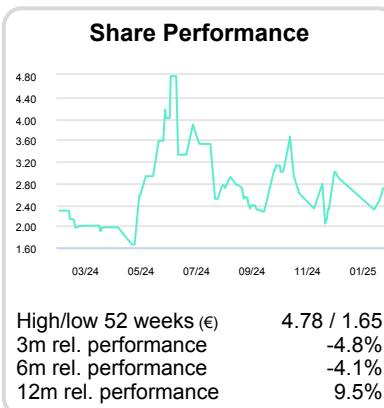
ROCE (2021-26e)



Source: NuWays Research

Company description

With more than 60 locations, 123fahrschule is the largest player in the German driving school industry. With its proprietary software suite, the company is disrupting a largely analogue industry by offering students a superior experience.



Market data

Share price (in €)	2.70
Market cap (in € m)	16.2
Number of shares (in m pcs)	5.1
Enterprise value (in € m)	20.7
Ø trading volume (6 months)	950

Identifier

Bloomberg	123F GR
Reuters	123F.DE
WKN	A2P4HL
ISIN	DE000A2P4HL9

Key shareholders

venturecapital.de	13.8%
Delphi	12.8%
Media Ventures	7.1%
KlickVentures	7.0%
BLSW	5.6%
Free Float	53.7%

Estimates changes

	2024e	2025e	2026e
Sales	0%	0%	6%
EBIT	3%	-0%	53%
EPS	2%	-27%	22%

Comment on changes

- Changes reflect the convertible bond as well as increased capex and the subsequent P&L effects.

Guidance

- Sales '25: € 28-30m
- EBITDA '25: € 1.5-2.5m

123fahrschule SE

Update - 19.02.2025



Besides this, the company is already putting the proceeds from last year's cash capital increase to use, as it signed 3 new locations to date. Management targets to add another 17 locations by July. With these new locations, the company will have completely covered the three main locations Berlin, Cologne and Hamburg.

That said, 123f looks well on track to be the main beneficiary of the upcoming legislative changes, which soon should become visible via strong margin expansion and increasing returns.

We reiterate **BUY with an unchanged € 7.20 PT** based on DCF.

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	7.8	16.7	20.6	22.8	28.5	35.3
<i>Sales growth</i>	81.8%	114.8%	23.7%	10.6%	25.2%	23.7%
Increase/decrease in finished goods and work-in-process	0.0	0.1	0.3	0.2	0.2	0.3
Total sales	7.8	16.8	20.9	23.0	28.8	35.6
Other operating income	0.3	1.1	0.9	1.0	0.3	0.4
Material expenses	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	6.2	12.1	13.7	14.2	16.5	20.1
Other operating expenses	5.6	8.4	9.0	9.3	10.0	11.3
Total operating expenses	11.6	19.5	21.8	22.6	26.3	31.1
EBITDA	-3.8	-2.7	-0.9	0.4	2.5	4.5
Depreciation	0.1	0.0	1.8	0.9	0.9	0.9
EBITA	-3.9	-2.7	-2.7	-0.4	1.6	3.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.8	3.0	1.6	1.9	2.2	2.4
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-5.7	-5.6	-4.3	-2.3	-0.6	1.2
Interest income	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.0	0.0	0.0	0.1	0.3	0.3
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.0	-0.0	-0.0	-0.1	-0.3	-0.3
Recurring pretax income from continuing operations	-5.7	-5.6	-4.4	-2.4	-0.9	0.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-5.7	-5.6	-4.4	-2.4	-0.9	0.8
Income tax expense	-1.3	-1.4	-0.5	-0.6	-0.2	0.2
Net income from continuing operations	-4.5	-4.4	-3.8	-1.8	-0.7	0.6
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-4.5	-4.4	-3.9	-1.8	-0.7	0.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-4.5	-4.4	-3.9	-1.8	-0.7	0.6
Average number of shares	2.4	3.1	4.9	5.1	5.1	5.1
EPS reported	-1.85	-1.40	-0.80	-0.35	-0.13	0.13

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Sales growth</i>	81.8%	114.8%	23.7%	10.6%	25.2%	23.7%
Increase/decrease in finished goods and work-in-process	0.0%	0.9%	1.4%	0.9%	0.9%	0.9%
Total sales	100.0%	100.9%	101.4%	100.9%	100.9%	100.9%
Other operating income	4.4%	6.5%	4.3%	4.3%	1.0%	1.0%
Material expenses	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
Personnel expenses	80.5%	72.8%	66.3%	62.4%	58.0%	57.0%
Other operating expenses	72.7%	50.4%	43.8%	40.9%	35.2%	32.1%
Total operating expenses	148.9%	116.9%	105.7%	99.0%	92.2%	88.1%
EBITDA	-48.9%	-16.0%	-4.3%	1.8%	8.7%	12.8%
Depreciation	1.9%	0.0%	8.8%	3.8%	3.1%	2.6%
EBITA	-50.7%	-16.0%	-13.1%	-1.9%	5.6%	10.2%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	23.2%	17.8%	7.8%	8.2%	7.9%	6.8%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	-73.9%	-33.8%	-20.9%	-10.2%	-2.2%	3.3%
Interest income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest expenses	0.1%	0.0%	0.2%	0.3%	0.9%	0.9%
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	-74.1%	-33.9%	-21.1%	-10.5%	-3.1%	2.4%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	-74.1%	-33.9%	-21.1%	-10.5%	-3.1%	2.4%
Tax rate	22.5%	24.0%	12.0%	25.0%	25.0%	25.0%
Net income from continuing operations	-57.8%	-26.1%	-18.6%	-7.9%	-2.4%	1.8%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	-57.8%	-26.1%	-19.0%	-7.9%	-2.4%	1.8%
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	-57.8%	-26.1%	-19.0%	-7.9%	-2.4%	1.8%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	9.2	10.9	11.3	10.6	12.2	11.6
Property, plant and equipment	1.5	4.5	4.3	4.4	5.5	5.6
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	10.8	15.4	15.6	14.9	17.7	17.2
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.5	3.5	3.0	3.1	3.9	4.4
Other assets and short-term financial assets	1.8	2.3	3.0	3.0	3.0	3.0
Liquid assets	3.2	0.3	0.7	0.8	1.4	3.6
Deferred taxes	1.6	3.0	3.5	3.5	3.5	3.5
Deferred charges and prepaid expenses	0.0	0.2	0.4	0.4	0.4	0.4
CURRENT ASSETS	7.1	9.4	10.7	10.9	12.3	14.9
TOTAL ASSETS	17.9	24.8	26.3	25.8	30.0	32.1

SHAREHOLDERS EQUITY	15.8	16.8	16.4	15.7	16.1	17.9
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities to banks	0.0	2.2	2.4	2.4	2.4	2.4
Bonds (long-term)	0.0	0.0	0.0	0.0	3.4	3.4
other interest-bearing liabilities	0.6	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	0.3	0.4	0.5	0.6	0.8	0.9
NON-CURRENT LIABILITIES	0.9	2.6	2.9	3.0	6.6	6.8
Short-term liabilities to banks	0.1	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.1	1.1	0.6	0.7	0.9	1.2
Advance payments received on orders	1.0	1.3	2.1	2.1	2.1	2.1
Accrued taxes	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.0	2.0	3.3	3.3	3.3	3.3
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.9	0.8	0.8	0.8	0.8
CURRENT LIABILITIES	1.2	5.3	7.0	7.1	7.3	7.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	17.9	24.8	26.3	25.8	30.0	32.1

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	51.5%	44.1%	43.0%	40.9%	40.8%	36.1%
Property, plant and equipment	8.6%	18.0%	16.4%	16.9%	18.2%	17.5%
Financial assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FIXED ASSETS	60.2%	62.1%	59.3%	57.8%	59.1%	53.6%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	3.0%	14.3%	11.4%	12.1%	13.0%	13.5%
Other assets and short-term financial assets	9.8%	9.5%	11.4%	11.7%	10.0%	9.4%
Liquid assets	17.7%	1.4%	2.8%	3.2%	4.7%	11.2%
Deferred taxes	9.1%	12.1%	13.4%	13.6%	11.7%	11.0%
Deferred charges and prepaid expenses	0.2%	0.7%	1.6%	1.7%	1.4%	1.3%
CURRENT ASSETS	39.8%	37.9%	40.7%	42.2%	40.9%	46.4%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	88.2%	68.0%	62.4%	60.9%	53.8%	55.6%
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term liabilities to banks	0.0%	8.7%	9.3%	9.4%	8.1%	7.6%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	11.3%	10.6%
other interest-bearing liabilities	3.4%	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	1.7%	1.8%	1.8%	2.3%	2.5%	2.9%
NON-CURRENT LIABILITIES	5.1%	10.5%	11.1%	11.8%	22.0%	21.1%
Short-term liabilities to banks	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	0.8%	4.5%	2.5%	2.9%	3.1%	3.6%
Advance payments received on orders	5.5%	5.2%	8.0%	8.2%	7.1%	6.6%
Accrued taxes	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Other liabilities (incl. from lease and rental contracts)	0.0%	8.0%	12.7%	12.9%	11.1%	10.4%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred income	0.0%	3.6%	3.2%	3.3%	2.8%	2.6%
CURRENT LIABILITIES	6.7%	21.5%	26.5%	27.4%	24.2%	23.3%
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)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	-4.5	-4.4	-3.9	-1.8	-0.7	0.6
Depreciation of fixed assets (incl. leases)	0.1	0.0	1.8	0.9	0.9	0.9
Amortisation of goodwill & intangible assets	1.8	3.0	1.6	1.9	2.2	2.4
Other costs affecting income / expenses	-1.3	-1.4	-0.3	0.0	0.0	0.0
Cash flow from operating activities	-7.0	-2.8	-0.4	1.2	1.1	4.0
Increase/decrease in inventory	0.1	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-1.3	-3.7	-0.4	-0.1	-0.8	-0.4
Increase/decrease in accounts payable	-1.8	3.6	1.6	0.1	0.2	0.2
Increase/decrease in other working capital positions	-0.1	-0.1	0.0	1.1	1.1	1.1
Increase/decrease in working capital	-3.1	-0.2	1.2	1.1	0.5	0.9
Cash flow from operating activities	-7.0	-2.8	0.4	2.1	3.1	5.0
CAPEX	2.2	5.5	3.9	2.1	5.9	2.8
Payments for acquisitions	0.2	2.3	0.0	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	0.2	0.2	0.0	0.0	0.0
Cash flow from investing activities	-2.3	-7.6	-3.7	-2.1	-5.9	-2.8
Cash flow before financing	-9.3	-10.3	-3.3	0.1	-2.8	2.2
Increase/decrease in debt position	0.0	2.1	0.3	0.0	3.4	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	12.4	5.4	3.5	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	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	12.4	7.5	3.8	0.0	3.4	0.0
Increase/decrease in liquid assets	3.1	-2.8	0.4	0.1	0.6	2.2
Liquid assets at end of period	3.2	0.3	0.7	0.8	1.4	3.6

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	81.8%	114.8%	23.7%	10.6%	25.2%	23.7%
EBITDA growth	74.7%	-29.6%	-66.8%	-147.5%	489.7%	81.2%
EBIT growth	100.8%	-1.6%	-23.6%	-46.2%	-72.6%	-285.0%
EPS growth	17.4%	-24.4%	-42.8%	-55.9%	-62.5%	-194.7%
Efficiency						
Sales per employee	310.4	476.2	364.8	298.0	326.2	353.0
EBITDA per employee	-151.7	-76.3	-15.7	5.5	28.4	45.0
No. employees (average)	25	35	56	76	88	100
Balance sheet analysis						
Avg. working capital / sales	-15.5%	1.6%	3.3%	1.1%	1.9%	2.7%
Inventory turnover (sales/inventory)	n.a.	n.a.	4.5	5.0	5.5	6.0
Accounts receivable turnover	24.9	77.3	52.9	50.0	50.0	45.0
Accounts payable turnover	6.7	24.5	11.5	12.0	12.0	12.0
Cash flow analysis						
Free cash flow	-9.1	-8.3	-3.5	0.1	-2.8	2.2
Free cash flow/sales	-117.7%	-49.6%	-17.2%	0.3%	-9.9%	6.2%
FCF / net profit	203.7%	189.8%	90.7%	neg.	419.3%	346.5%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	-2.5	1.8	1.7	1.6	4.4	2.2
Net Debt/EBITDA	0.0	-0.7	-1.9	3.8	1.8	0.5
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	1.2%	0.2%	3.0%	3.2%	6.3%	7.9%
Returns						
ROCE	-43.7%	-31.1%	-22.2%	-12.2%	-3.1%	5.0%
ROE	-28.4%	-25.9%	-23.8%	-11.4%	-4.2%	3.6%
Adjusted FCF yield	-41.7%	-10.8%	-6.0%	0.5%	3.1%	15.7%
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	-1.85	-1.40	-0.80	-0.35	-0.13	0.13
Average number of shares	2.4	3.1	4.9	5.1	5.1	5.1
Valuation ratios						
P/BV	0.5	0.6	1.0	1.0	1.0	0.9
EV/sales	0.6	0.7	0.8	0.8	0.7	0.5
EV/EBITDA	-1.3	-4.4	-19.5	42.3	8.3	4.1
EV/EBIT	-0.9	-2.1	-4.0	-7.7	-32.5	15.7

Source: Company data, NuWays

Disclosures

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Company	Disclosures
123fahrschule SE	2

Historical target price and rating changes for 123fahrschule SE

Company	Date	Analyst	Rating	Target Price	Close
123fahrschule SE	04.03.2024	Sennewald, Philipp	Buy	EUR 7.20	EUR 2.12

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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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