

## TPG raises guidance amid robust growth and M&A wins

TPG has increased its FY 2024E guidance in the range of 4%-9%. Driven by stronger organic growth in the online business and successful M&A activities to date, TPG upgraded its revenue guidance by 4% to EUR 500-520m. More importantly, in our view, the adjusted EBITDA guidance was raised by 9% to EUR 29-32m, as the earnings contributions from newly acquired companies exceeded expectations and costs remained under control. Despite the brisk M&A activity, net leverage for FY 2024E is set to stay below 2.7x and drop further to below 2.3x in FY 2025E. TPG continues to execute its M&A pipeline as announced. Significantly, organic growth, which is targeted to contribute at least 50% to overall growth, remains robust. The ongoing strict cost control and strong cash generation are providing reassurance to bondholders. We revise our estimates in accordance with the new guidance. In view of the strong underlying trend and improving credit metrics, we believe that the bonds at current levels (mid-quotes at 100%/+600bps) will experience tailwind.

(EURm)	2022	2023	2024E	2025E	2026E	2027E	2028E
<b>Revenue</b>	<b>387</b>	<b>441</b>	<b>510</b>	<b>571</b>	<b>576</b>	<b>605</b>	<b>635</b>
% yoy	-	13.8%	15.7%	11.9%	0.9%	5.0%	5.0%
<b>EBITDA</b>	<b>37.0</b>	<b>47.4</b>	<b>45.0</b>	<b>40.0</b>	<b>38.0</b>	<b>41.0</b>	<b>44.4</b>
EBITDA margin	9.5%	10.8%	8.8%	7.0%	6.6%	6.8%	7.0%
<b>Adjusted EBITDA</b>	<b>11.9</b>	<b>22.6</b>	<b>30.5</b>	<b>40.0</b>	<b>38.0</b>	<b>41.0</b>	<b>44.4</b>
Adjusted EBITDA margin	3.1%	5.1%	6.0%	7.0%	6.6%	6.8%	7.0%
Operating cash flow	-	71.2	48.9	31.4	29.3	28.3	30.6
Capex	-	(18.4)	(11.7)	(11.4)	(11.5)	(12.1)	(12.7)
FCF	-	(6.2)	(3.2)	20.0	17.8	16.2	17.9
Total debt	111.2	76.1	101.0	101.0	101.0	101.0	101.0
Cash and equivalents	12.1	7.6	23.3	37.6	49.6	60.1	72.3
<b>Net interest-bearing debt</b>	<b>99.1</b>	<b>68.5</b>	<b>77.7</b>	<b>63.5</b>	<b>51.4</b>	<b>41.0</b>	<b>28.8</b>
Total debt/Adjusted EBITDA	9.3x	3.4x	3.3x	2.5x	2.7x	2.5x	2.3x
<b>NIBD / Adjusted EBITDA<sup>1)</sup></b>	<b>8.3x</b>	<b>3.0x</b>	<b>2.2x</b>	<b>1.3x</b>	<b>1.1x</b>	<b>0.8x</b>	<b>0.4x</b>
Adj. EBITDA interest coverage	7.7x	3.5x	5.0x	7.0x	6.6x	7.2x	7.8x

1) Net debt excludes IRFS 16 leasing, while EBITDA includes leasing effects

### Mid-term guidance also boosted

- For FY 2024E, TPG now guides group revenues in the range of EUR 500m to EUR 520m (prev. EUR 480m to EUR 500m). The adjusted EBITDA is forecasted to be in the range of EUR 29m to EUR 32m (prev. EUR 26m to EUR 30m).
- By the end of FY 2024E, the number of partners connected to its platform is expected to rise to >13,400 (prev. 12,800). The increase in the number of partners connected to the platform is essential for future organic growth, as it enables a broader product range and thus a greater customer reach.
- For FY 2025E, TPG now guides group revenues of at least EUR 570m (prev. EUR 550m). The adj. EBITDA margin is still forecasted in the range of 7% to 10%, implying in absolute terms an adj. EBITDA of EUR 40m to EUR 57m.
- Net leverage in FY 2025E is targeted to be in the range of 1.5x to 2.3x. Please note that our more optimistic estimate for net leverage in FY 2025E and beyond does not take potential acquisitions into account.

Zafer Rüzgar

+49 69 58997 412, zafer.ruezgar@paretosec.com