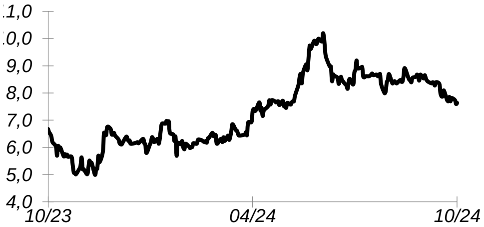
THE PLATFORM GROUP

Retail_Consumer goods
10 October 2024



Price: €7,64 9 October 2024

Target Price: €13,60

STRONG BUY (1)

Market	**Xetra**
ISIN / Mnemonic	DE000A2QEFA1 / TPG
Reuters / Bloomberg	TPG.DE / TPG GR
Index	CAC Mid and Small
Research partially paid by the issuer	
PEA-PME	Yes
Market Cap (€m)	**154,62**
Float (%)	20,1%
Nbre of shares (Mio)	20,238
Closing	31-Dec
Shareholding	
Benner Holding GmbH	70,0%
Paladin AM	9,9%
Dr. Dominik Benner	9,8%
Other Public	10,3%

	23	**24e**	**25e**
PER	**2,9**	**5,2**	**5,2**
PCF	4,3	5,4	3,5
EV/Sales	0,4	0,4	0,3
EV/EBIT	4,0	5,5	4,9
PB	1,2	1,2	1,0
Yield	0,0%	0,0%	0,0%
Free Cash Flow Yield	87,8%	25,6%	15,5%
ROACE	35,9%	20,8%	19,8%
Sales	**432,2**	**519,0**	**611,7**
chge y/y-1	*156,6%*	*20,1%*	*17,9%*
EBITDA	46,7	44,3	45,9
Underlying EBIT	38,9	33,3	33,2
% Sales	*9,0%*	*6,4%*	*5,4%*
EBIT	38,9	33,3	33,2
% Sales	*9,0%*	*6,4%*	*5,4%*
Decl.Net inc Group Sh	26,5	25,4	25,4
% Sales	*7,6%*	*4,9%*	*4,1%*
EPS	**1,53**	**1,47**	**1,47**
chge y/y-1	*-18,3%*	*-4,0%*	*-0,2%*
Restated EPS	**1,90**	**1,47**	**1,47**
Net Asset per Share	4,7	6,1	7,6
Net Dividend	0,00	0,00	0,00
NFD	60,0	51,3	30,8

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A platform for growth

The Platform Group AG (TPG) is a leading provider of e-commerce platform and software solutions designed to help small and mid-sized businesses and merchants leverage the strong growth in e-commerce to support local trades.

A well-established platform software – TPG is operating in 22+ diversified industries (inc. fashion, leisure, home furnishing or even heavy industrial machinery), serving both B2B and B2C customers. The group has already integrated 12,547 partners through its proprietary platform solutions and has connected them with 4.8m+ clients. TPG has developed a sound growth strategy relying both on organic growth – spurred by favourable momentum across e-commerce end-markets – and ambitious programmatic M&As.

Favourable market tailwinds – Tech & innovation cycles, as well as a structural shift in consumer behaviours, are expected to keep fuelling online (or omnichannel) retail adoption both from merchants and consumers with online sales expected to grow at a +10% 2023-2029e CAGR to €916bn in Europe. We believe that TPG's proprietary platform software should have a strong competitive advantage as it is designed to seamlessly integrate 100+ ERP interfaces – thus limiting adoption costs and lead-times for SMEs – but has also one of the most comprehensive back and front-end offering on the market, giving partners easy access to cutting edge operational functionalities. TPG also offers other integrated services to partners such as fulfilment/logistics.

Strong value creation ahead – In our view, TPG should reach €693m in FY26e net revenues (+17% 2023-2026e CAGR) and €58m in FY26e adj. EBITDA (EBITDA restated to exclude badwill on acquisitions and one-off expenses), implying a 8.4% margin (+330bp vs. 2023 under synergetic developments and cost efficiency programmes). TPG thus appears well on track to reach its newly revised FY25 guidance of €570m+ in Sales over a €1.2bn+ GMV by delivering organic growth and executing on its M&A strategy (3-8 deals per year), while adjusted EBITDA margin is expected to reach 7-10%. For FY24e, we expect TPG to post double-digit growth with Sales of €519m +20.1% on a €891m +28.5% GMV and increased profitability with a €32m adjusted EBITDA, i.e. a 6.2% +110bp margin (guidance: €500-520m Sales; €29m-€32m adj. EBITDA). In addition, active inventory management should help reduce WCR and contribute to FCF generation over the long run – as well as margin expansion – with a cash conversion ratio expected to be steadily >100%.

A discounted valuation leaving a significant upside – According to our estimates, TPG trades on EV/Adjusted EBITDA multiples of 5.5x FY24e and 4.9x FY25e while selected peers trade on a 9.8x FY24e EV/Adjusted EBITDA. Thus, our comps-based valuation (EV/adjusted EBITDA FY24e / 13% discount) externalizes €10.5/share valuation, while our DCF valuation gives a €16.7/share valuation. We are therefore initiating coverage of the stock with a Strong Buy (1) recommendation and a €13.6/share TP.

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Matrix Swot

Strengths	Weaknesses
▪ Leading e-commerce platform and software company offering small and mid-sized businesses and merchants a unique and integrated solution (ERP integration, MMS, payment processing, fulfilment…) to develop/scale-up online operations ▪ Proprietary platform software designed to seamlessly integrate 100+ ERP interfaces thus limiting adoption costs and lead-times for SMEs ▪ Strong foothold in key markets such as fashion through proprietary marketplaces though Sales growth are also driven by third-party marketplaces ▪ Globally agnostic to specific sector trends due to high diversification ▪ Strong track record in M&A and value creation / operational efficiency ▪ Strong FCF generation and limited leverage (2.7x FY23 / 1.3x FY24e)	▪ Overall GMV growth drawn by Consumer Goods, especially Fashion which display higher return rates and thus weigh on Net Revenues expansion ▪ Limited operating profitability so far as adjusted EBITDA margins sit at 5.1% FY23 and 5.9% FY24e (vs. mid-term guidance of 7-10%) ▪ Latest debt financing (corporate bond) displayed a rather high interest rate of 8.875%

Opportunities	Threats
▪ Well oriented e-commerce market trends in the DACH region and Europe with ever expanding online penetration in targeted niche markets (o/w luxury) ▪ Deflation in acquisition prices to 3x to 5x times EBITDA vs. 8x to 12x back in FY19 thus allowing for increasingly faster platform consolidation ▪ Network effects and synergetic developments set to nurture growth ▪ Opportunities in geographic expansion to diversify away from the DACH region into western Europe and, eventually, the US and India	▪ Highly competitive e-commerce space ▪ Abiding high-rates environment could be a drag to financial performance

1. The Platform Group in a nutshell

The Platform Group AG (TPG) is a leading software company established in Düsseldorf, Germany. Through proprietary e-commerce platform and software solutions, TPG offers small and mid-sized businesses and merchants (later referred as "partners") the ability to develop or scale up their online operations.

1.1. The Platform Group's origins

TPG's origins can be traced back to a high-street merchant for shoes and colonial goods established in Hofheim Am Taunus in 1882. For over four generations the family ran the business, opening new branches in the Rhine-Main region. Dr. Dominik Benner (current CEO) took over in 2012 and completely shifted strategy to favour online expansion through existing marketplaces – primarily amazon.de and eBay at the time. In 2013, the choice was made to run the stationary business independently and create a proprietary platform software and e-commerce company: Schuhe24.

The Schuhe24 concept was highly innovative and aimed at bringing European shoe retailers and local manufacturers online by offering swift integration – supporting feed from 20+ ERPs – into a unique and proprietary e-commerce platform that would allow listing on Schuhe24 as well as other third-party marketplaces such as amazon.de or Zalando. The idea behind Schuhe24 was to leverage the strong growth in e-commerce to support local trades.

Later, the strategic decision was made to expand into new verticals by replicating the exact same model. The group first consolidated its foothold in the fashion industry through organic – Outfits24 in 2018, Taschen24 in 2019 and Dein-Juwelier in 2020 – as well as external growth with the acquisition of MyStationary in 2020. That same year the group also leveraged M&A to expand into new industries, outside of the Consumer Goods segment and into three new segments: Freight Goods with bike-angebot (leisure) and Möbelfirst (home & furnishing), Industrial Goods with Gindumac (heavy machinery) and Service & Retail Goods with teech (e-learning). The Platform Group, a fully-fledged software and e-commerce platform company, was thus born.

Historical Developments – Organic & M&A

2013	2018	2019	2020	2021	2022	2023	2024
Schuhe24	Outfits24	Taschen24	Dein Juwelier	EnVogue	BEVMAQ	fashionette	Avocadostore
			MyStationary	99Rooms	MPF	ViveLaCar	hood.de
			Gindumac	Lott Autoteile	Emco	Cluno	OEGE Group
			bike-angebot	ApoNow	GEM-S	SimonProfi	Wehrmann
			teech	Doc.Green		motorprofi.com	Aplanta
			MöbelFirst	KlickA			Jungherz
			Stylefy	The Cube Club			Winkelstraat
				DentaTec			0815 Group

M&A Operations
Organic Dvpts

Source: The Platform Group, Portzamparc

1.2. Going Public

The Platform Group AG went public in December 2023, following the reverse takeover (RTO) of listed online luxury retailer fashionette AG.

This transformative deal was initiated in December 2022 when The Platform Group GmbH & Co. KG acquired a 38.52% stake in fashionette AG from German PE firm GENUI. Following the transaction, The Platform Group GmbH & Co. KG's owned 43.76% of fashionette AG as GP Benner Holding GmbH and LP Dr. Dominik Benner already held a

5.24% stake. Later The Platform Group GmbH & Co. KG requested an Extraordinary General Meeting be held to convene a €11.07m capital increase against an in-kind contribution by The Platform Group GmbH & Co. KG which would grant Dr. Dominik Benner a 79.81% indirect stake in fashionette AG after subscription rights of fashionette AG remaining shareholders have been excluded.

Approved on Nov. 6, 2023, the deal leads to the creation of The Platform Group AG (TPG). Dr. Benner is named CEO of the merged entity and holds 79.8% of TPG (inc. 70,0% through the Benner Holding GmbH), while Paladin Asset Management has a 9.9% stake. The remaining 20.1% are considered free float (inc. 9.8% directly held by Dr. Benner).

1.3. A highly qualified Management Team

The Platform Group is led by a highly qualified management team composed of Dr. Dominik Benner and Laura Volgelsang.

Dr Dominik P. Benner is the Chairman of the Board of Directors and CEO, and is responsible for Strategy, Purchasing, Finance, IT/ERP, Brand Management, Investor Relations and Sustainability. Dr. Dominik Benner first joined The Platform Group back in 2013 and has been leading TPG's shift from a brick-and-mortar retailer to a successful e-commerce platform software. Dr. Benner holds a B.A. & M.A. from the University of St Gallen as well as a Dr. oec. HSG from the University of St Gallen. He completed its doctoral fellowship at INSEAD.

Laura Vogelsang is a member of the board of directors. She is responsible for HR, Office Management and Compliance. Laura Vogelsang joined fashionette AG in 2018 and became Head of the Risk & Payment Team after a successful career at Vodafone where she led the Risk & Fraud Management Online Team. She was later promoted to Head of HR, and then Director of People & Office Management. After the RTO, she was appointed as member of the Board of Directors of The Platform Group AG. Laura Vogelsang holds a B.Sc. from the University of Bochum and a M.Sc. from the University of Technology Chemnitz.

1.4. A fast-growing e-commerce platform

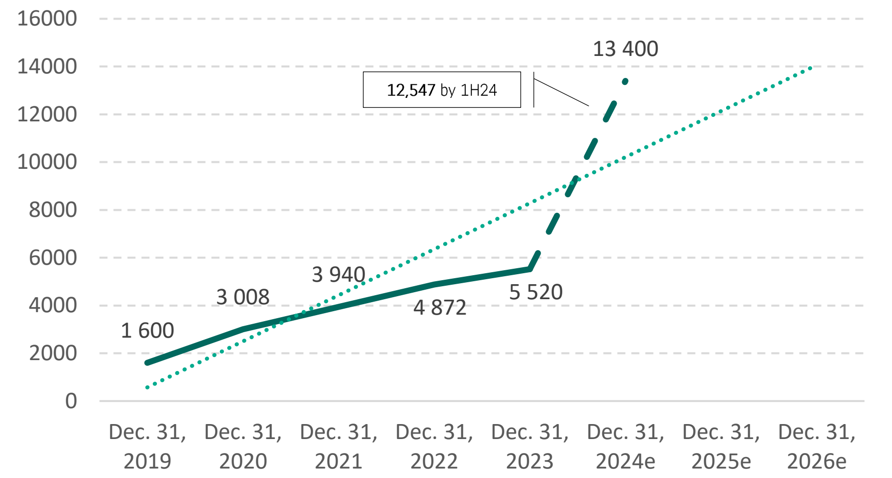
The Platform Group's growth is directly derived from favourable development in partners onboarding as more partners should drive products (SKUs) numbers up which, in turn, should help drive consumer traffic onto the e-commerce platform. TPG could thus benefit from a "network effect" (HBS Pr. Bharat Anand) as its e-commerce platforms marginal value to partners/consumers increases as the number of consumers/partners increases. However, unlike other standard marketplaces, TPG's growth trajectory is not only dependant on its own platforms' success as its back-end software offering alone could drive growth by easily bringing local partners online through third party marketplaces while benefiting from TPGs expertise in ERP integration, marketing or even fulfilment/logistics. In that sense, TPG is not directly a competitor to e-shops or marketplaces but really a platform software specialist that covers the entire e-commerce value chain (inc. integrated logistics and aftersales) – thus also assuming the status of seller vis-à-vis the end customer – to facilitate access for traditional businesses and retailers.

TPG had integrated 12,547 partners by June 30, 2024 (vs. 5,520 by FY23) following strong M&A growth in early 2024, especially with the acquisitions of the hood.de and Avocadostore marketplaces bringing in 6,400+ new partners and +3m SKUs alone. M&A operations in 1H24 also included Aplanta GmbH (Consumer Goods – Plants), Wehrmann (Industrial Goods – Wood Machinery / Synergetic developments expected with Gindumac) and OEGE Group (Consumer Goods – B2B).

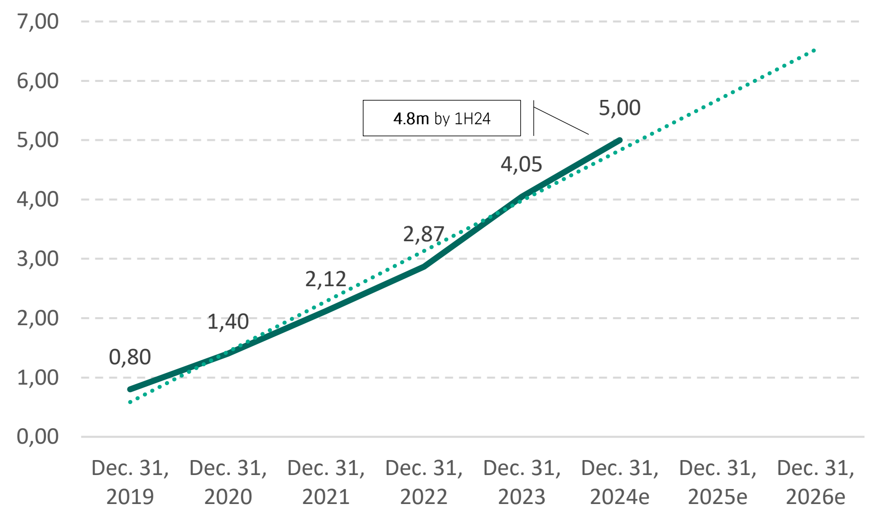
Three additional acquisitions have been closed to date: Jungherz in July 2024 (Freight Goods – Bike parts / Synergetic developments expected with bike-angebot), Winkelstraat in July (Consumer Goods – Luxury Fashion with 600+ brands listed / Synergetic developments expected with fashionette AG and Dutch subsidiary Brandfield), and 0815 Group in September (Freight Goods – Consumer Electronics / expected €60m+ contribution on a full-year basis).

After successfully closing 25+ M&A deals in recent years while maintaining strong organic growth, TPG is now operating 30+ dedicated platforms in 22 industries and boasts 4.8m active customers as of June 30, 2024.

Number of Partners – +53.0% 2019-2024e CAGR



Number of Customers (in millions) – +44.3% 2019-2024e CAGR

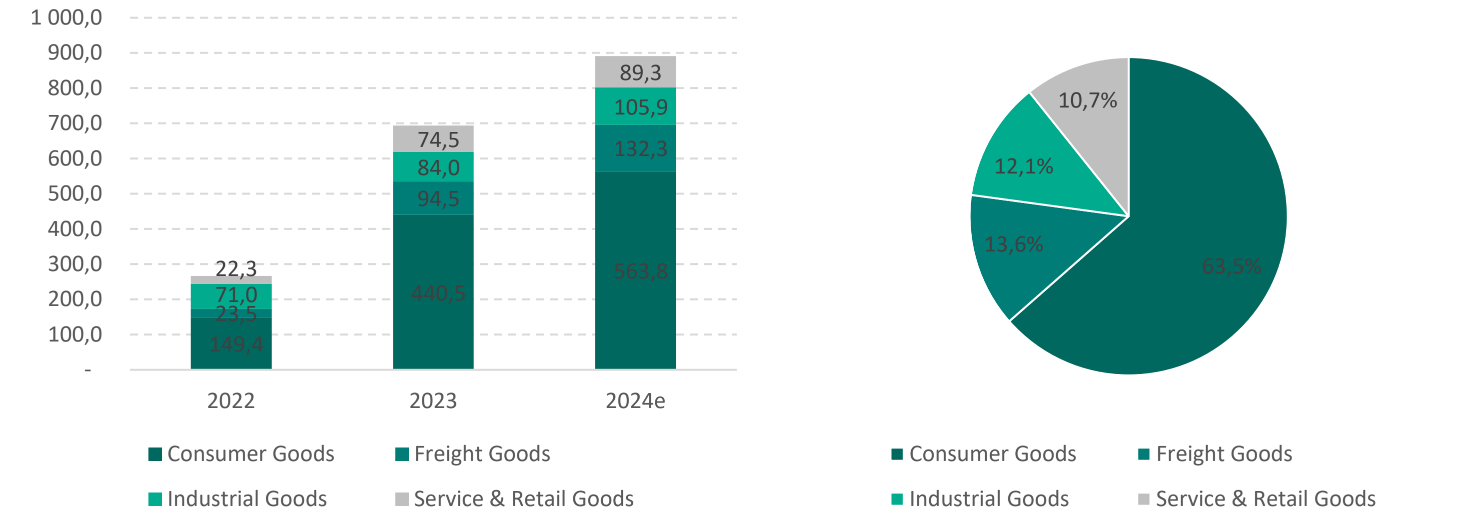


Source: The platform Group, Portzamparc

In FY23, TPG posted revenues of €432m +157% (non pro-forma) largely driven by the contribution of fashionette AG to revenues of the Consumer Goods segment in the amount of +€163m to €252m +184%. This significant growth in revenues is directly linked to the surge in Gross Merchandise Value (GMV) to €693m +160% – o/w €441m +195% in Consumer Goods.

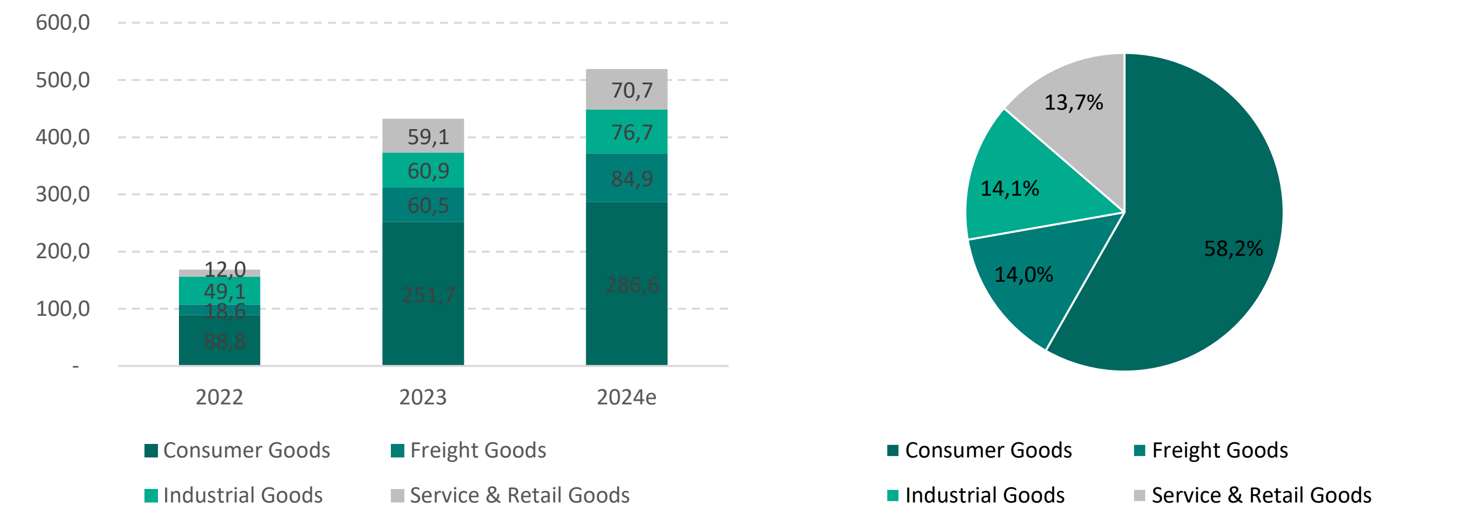
In 1H24, TPG posted revenues reached €232m +24% (pro-forma), directly impacted by a surge in GMV to €443m +21%.

GMV growth and contribution - 2023



Source: The Platform Group, Portzamparc

Sales growth and contribution - 2023



Source: The Platform Group, Portzamparc

All else equal, Sales growth might also be impacted by enhanced or innovative customer experience designed to reduce return rates as they directly impact the Sales/GMV transformation ratio. Indeed, Consumer Goods made up 63.5% of GMV but only 58.2% of Sales in FY23 due to a higher return ratio of 31% (PZP est.) vs. a consolidated group return ratio of 25% (PZP est.). We consider normative return ratios to be of 39% in Consumer Goods (inherently high at c.40% in fashion), 23% in Freight Goods, 13% in Industrial Goods and 5% in Service & Retail Goods, i.e. an overall return ratio of c.30%.

1.5. A leading e-commerce platform for Consumer Goods…

Historically, TPG's Consumer Goods segment essentially spanned the whole fashion industry, including jewellery & watches, accessories, and shoes. Following the transformational acquisition of fashionette AG, the group developed a strong focus towards luxury goods. The success of TPG's Consumer Goods platforms is thus highly dependent on customer engagement – especially digital natives among Gen Z and Millenials and their unique consumer behaviour trends and high luxury expectations.

Consumer Goods changed dimension through said acquisition of fashionette AG which still generated €165m +23% in FY22 Sales – with an embedded FY23 growth guidance of +5%/+8% after discontinuation of the Beauty and Smartwatches – on a €347m +7% GMV. Fashionette thus had strong fundamentals TPG could build on: strong brands either in the DACH region with fashionette or the BeNeLux region with Brandfield (inc. own luxury brand Isabel Bernard Paris), steady double-digit growth (+23% 2017-2022 CAGR) with ever expending active customer base (1,077k +10.3% FY22), high average order values of €176, coherent return rate for online fashion of c.43% (PZP est.), and strong potential for value creation through platform integration (inc. cost efficiency plan to correct subpar performance and reduction in Inventories).

In FY23, Consumer Goods then encompassed 7 proprietary marketplaces generating 63.5% of group GMV and 58.2% of Sales: Schuhe24, Outfilts24, Taschen24, Dein-Juwelier, MyStationary, EnVogue and fashionette. We assume that fashionette AG (inc. Brandfield) accounted for c.65% of Consumer Goods revenues in FY23 and c.24% of segment adjusted EBITDA (3.5% margin vs. 0.3% FY22 pre-TPG / 9.8% reference margin rate achieved in FY19). Fashionette AG should thus remain a key contributor to growth – strong underlying market trends in e-fashion and luxury – with Sales expected to reach €177m and adjusted EBITDA €8.8m i.e. a 5.0% margin according to company guidance and our estimates. Given our forecast for €286m in Consumer Goods Sales FY24 fashionette AG should still represent 62% of Sales.

Latest M&A developments should tend to uphold growth in Consumer Goods as TPG announced the acquisition of 5 new Consumer Goods platforms to date: Avocadostore a local platform for sustainable products with 1,400+ active partners; Hood.de a full-range leading platform with over 5,000 partners operating since 1999; OEGE Group a B2B e-commerce platform provider for branded goods; Aplanta a platform for plants and artificial plants; and Winkelstraat a Dutch luxury platform with 350+ connected partners and 600+ listed brands that could engage in sizable synergies with fashionette and Dutch subsidiary Brandfield.

1.6. …expanding into promising industries

Aside from Consumer Goods, TPG is also active on 3 other segments (roughly 14% of FY23 Sales each): Freight Goods, Industrial Goods, and Service & Retail Goods.

- Freight Goods accounted for €60.5m +226% in FY23 Sales (non pro-forma) on a €94.5m +302% GMV and includes products that involve heavy logistics and complex delivery services. The decisive factor to preserve operating margins is thus the management of logistic processes and freight costs, borne by TPG.

  Freight Goods are much less concentrated and span from 1/ "home and furnishing" through Stylefy, the online platform of Digitec Living Brands GmbH, and MöbelFirst, the marketplace for high-quality furniture from stationary retailers, to 2/ "leisure" through bike-angebot GmbH – set to benefit from the recent acquisition of Jungherz GmbH, a specialized retailer for bike parts, and a licensed partner for Centurion, Haibike, Ghost, Scott, and other renowned brands – as well as GEM-S GmbH and Emco Electroroller GmbH for e-scooters, and car subscription platforms ViveLaCar GmbH and Cluno, or 3/ "Garden/DYI", including gardening and forestry equipment, through the acquisition of Simon Profi-Technik GmbH.

  These industries, while highly heterogeneous, share similar characteristics that should prove beneficial to value creation such as lower return rates than Consumer Goods of c.23% FY23 (PZP est.) – thus benefiting both to Sales/GMV conversion ratios and operating margins by limiting return OpEx, knowing that TPG's contractual commission on Sales is fixed to 20-25% regardless of the industry. Adj. EBITDA margins for Freight Goods are thus significantly higher than for Consumer Goods at 7.0% FY23 (non pro-forma) vs. 5.8% FY23.

MöbelFirst GmbH is a good example of strong potential for value creation through platform integration in Freight Goods as FY23 revenues reached €4.0m +91% (6.6% of Freight Goods Sales) on the back of strong partners growth to 410 (vs. 195 FY22 pre-TPG) and increased average order value to €3,490 +45% as implied return rates remained low at 7.7%. The adjusted EBITDA margin thus spiked to 8.9% +470bp. Additional development in average order value to €4,200, according to company estimates, should drive adjusted EBITDA margins up +130bp to 10.2% hence creating strong traction for Freight Goods.

The integration of ViveLaCar/Cluno is also a good example of long-term value creation through platform integration. First, ViveLaCar has been converted into the first digital short/mid-term car leasing company which could potentially create value over the long run. Additional value should be quickly unlocked by disposing of the €34m-worth of car inventories TPG consolidated through the acquisition while relying on a network of partners. In any given industry, TPG would tend not to hold any inventories and only rely on its network of partners that actually bear the stocks. A favourable cash impact of +€27m was registered in 1H24. Such deals could soon become TPG's favourites as such asset disposals allow for a quick cashback.

- **Industrial Goods** accounted for €60.9m +24% in FY23 Sales (non pro-forma) on a €84.0m +18% GMV and focuses on B2B trade products and industrial supplies. In this segment, TPG mainly operates international used-machinery trade the platforms Bevmaq, Quakenbrück and Gindumac – which is set to benefit from the recent acquisition of Wehrmann, a specialist in wood machinery while Gindumac's core expertise was geared towards the metal and plastics processing industry. Machinery Purchase & Fulfillment GmbH (MPS) acts as the purchasing company for used machinery trading.

  Gindumac generated €22m in FY23 Sales (i.e. 36% of Industrial Goods Sales) on a €26m GMV and is set to become an increasingly stronger contributor the Industrial Goods revenues (€30m FY24 guidance on the back of strong growth in machine listings to 7,080 +67%) thanks to the highly synergetic Wehrmann acquisition. Adj. EBITDA margin is also improving sharply due to cuts in HR costs following integration: 4.6% +160bp FY24 guidance.

  TPG is also active in dental equipment and accessories (DentaTec), hair salon supplies and dedicated software solutions (The Cube Club Platform), and auto parts trading (Lott Autoteile).

- **Services & Retail Goods** accounted for €59.1m +391% in FY23 Sales (non pro-forma) on a €74.5m +233% GMV and focuses on customer service. This segment is highly heterogenous though extremely close to brick-and-mortar dynamics as it gathers ApoNow, Doc.Green and KlickA – tailored for local pharmacies – as well as TPG's stationary operations. This segment is characterized by low return rates but extremely low margins as well due to specific service-based fees and lower brick-and-mortar profitability.

2. A compelling Strategy

With a surge in online shopping, businesses must adapt swiftly, and integration of both omnichannel and direct-to-consumer (DTC) strategies has proven to be successful for all retailers. Omnichannel retailing is undeniably transforming how businesses operate and consumers shop in a fast-paced digital era. This approach weaves together countless offline and online retail channels, aiming to provide a seamless shopping experience. Boosting this trend upward is the surge in DTC channels.

The Platform Group is thus directly surfing on this powerful secular trend as DTC appears as a game-changer in retail both for customers who can make purchases straight from manufacturers while bypassing intermediaries and physical barriers to have their products conveniently delivered to their doorstep, and retailers. Indeed, most traditional manufacturers or retailers are not able to make the investments they deem necessary to remain competitive and develop their own presence online, even through a more standardized SaaS offering, nor to offer an enhanced shopping experience offline through targeted marketing/personalized recommendations or augmented reality experiences for example. TPG thus has a strong card to play.

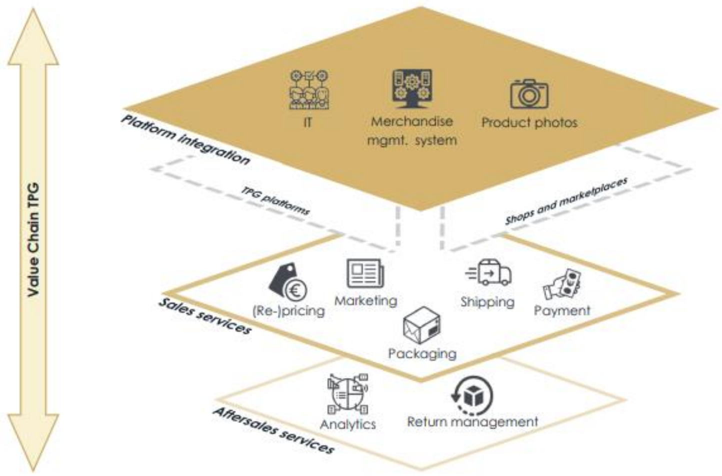
2.1. A unique value proposal

Through a proprietary software platform, TPG offers partners the ability to seamlessly develop or scale-up online operations. Aside from traditional advantages linked to omnichannel retailing, i.e. higher sales (c.+25-30% for a €1m+ traditional fashion retailer – company data) and better margins (c.+4pts to 11% EBITDA margin – company data), TPG's offering boasts material competitive advantages that should drive partner acquisition.

1. TPG has developed an integrated Electronic Data Interchange (EDI) system able to seamlessly mirror the partner's ERP interface bi-directionally into TPG's so that merchandise management services can be directly handled by TPG. The real differentiating factor though is that TPG's proprietary platform software can integrate 100+ ERP interfaces while Zalando's Connected Retail platform require that their partners use more mainstream ERPs such as SAP BusinessOne or S/4HANA, or Microsoft Dynamics. TPG's software platform has thus been designed to be particularly attractive to SMEs to contain integration costs and lead times.
2. TPG also offers access to a fully-fledged back-end software platform – TPG One – relying on a state-of-the-art MACH Architecture: Microservices for independent deployment of functionalities, API-First design for seamless integration, Cloud-native infrastructure for scalable and resilient operations, and Headless systems for front-end flexibility. Partners thus benefit from an easy access to cutting hedge functionalities that are considered add-on features on most competing platform (e.g. Zalando Marketing Solutions on Zalando). TPG's Merchandise Management System (MMS) is a standard feature of the group offering and is expected to combine data analytics and AI forecasting to continuously optimize inventory management, design target marketing campaigns – with TPG experts handling Search Engine Marketing (SEM) – and drive dynamic pricing. Other functionalities such as payment processing (inc. Klarna's Buy-Now/Pay-Later) as well as fulfilment/logistics and returns are also fully integrated.
3. Finally, TPG displays a very specific front-end strategy as once a partner is integrated, he would simultaneously access listing on 50+ online direct sales channels (inc. TPG's own specialized websites) as well as high-touch third-party marketplaces such as Amazon, Zalando, About You or even Etsy.

TPG's software platform, developed over the last 10 years and maintained by c.110 FTEs, displays a very specific offering designed to create significant value for partners vs. 1/ high-traffic marketplaces offering limited options, especially regarding specific front-end developments (Zalando, AboutYou, Etsy, amazon.de or Otto), and 2/ high-flexibility "headless" (or "composable") platforms – where the back-end and front-end of e-commerce platforms are decoupled and connected via an API – allowing for endless software modularity and specific developments but requiring strong IT investments from sellers (Shopify, GoDaddy or Tradebyte). Indeed, TPG offers access to a highly functional/scalable one-size-fits-all back-end platform while providing industry specific front-end developments through its different e-commerce channels (as well as potentially some very limited software adjustments). TPG actually is a very unique player in the highly competitive e-commerce industry.

TPG's Value Chain in a Nutshell



Source: The Platform Group

2.2. A platform approach supporting value creation

TPG's recent developments seem to be laying the ground for strong operational performance, in line with the recently revised FY24 guidance (for the 2nd time): from €760-800m to €840-870m and €880-900m in GMV and from €460-470m to €480-500m and €500-520m in Net Sales. At the same time, accretive platform integration and continued execution of the cost efficiency plan should drive adj. EBITDA to €29-32m (vs. €26-30m and €24-28m previously) under company estimates.

As a reminder the cost efficiency plan initially presented targeted actions to restore profitability at fashionette AG but has been systematically implemented to any new acquisition ever since. As a result, the FY23 adj. EBITDA rose 45% to €21.9m as fashionette's non-performing beauty and smartwatch divisions were discontinued in FY23 and sold in FY24 for an estimated value of €4.6m, headquarters were relocated to Düsseldorf, Brandfield's logistics platforms in the Netherlands where concentrated into a single location and HR costs were cut due to post-integration redundancies.

On our part, we expect FY24 Sales to reach €519m +20% on a €891m +29% GMV (implying a global return rate of c.30%) while we expect adjusted EBITDA at €32m +46%, i.e. a 6.2% +110bp margin. So far, 1H24 results seem to be supportive of such developments as 1H24 Sales came in at €231.5m +23.5% (pro forma) and adjusted EBITDA at €17.6m +32.6%, i.e. a 4.0% +40bp margin (pro forma).

It has to be noted that we only integrate into our models organic growth from current operations as well as disclosed M&A operations but we do not model any complementary upside from incoming M&A operations. There is thus a strong risk to the upside to our estimates, from FY24e onwards, as we understand that a major deal that might bring in €20m+ in revenues is currently under negotiations.

PZP FY24e vs. TPG Guidance & FactSet Css

	2023	PZP 2024e	% Change	TPG Guidance Mid-point	Factset Consensus
Gross Merchandise Value	693,4	891,3	28,5%	890,0	
Net Revenues	432,2	519,0	20,1%	510,0	503,1
Adjusted EBITDA	21,9	32,0	46,0%	30,5	32,3
Adjusted ABITDA margin	*5,1%*	*6,2%*	*80bp*	*5,7%*	*6,4%*

Source: The Platform Group, FactSet, Portzamparc

Looking forward, TPG should be able to achieve its revised FY25 financial targets, i.e. €570m+ in Sales (vs. €550m+ prev.) over a €1.2bn+ GMV (vs. €1.1bn prev.) by delivering on organic growth and executing on its M&A strategy (3-8 deals per year), while adjusted EBITDA margin is expected to reach 7-10% due to 1/ increased cost synergies and optimization as TPG keeps integrating new platforms, and 2/ increasingly significant contributions from double-digits margins niche markets such as "home & furnishing" that could also be spurred by increased targeted marketing and sales synergies in luxury for example.

On our part, we expect TPG to achieve € 1.2bn in GMV by 2026 (+19% 2023-2026e CAGR) and €693m in Net Revenues (+17% 2023-2026e CAGR) while we anticipate adjusted EBITDA will reach €58m (+38% 2023-2026e CAGR), implying an 8.4% margin.

The overall return ratio is expected to be around 29-30% (vs. 25% in FY23 according to our estimates) due to consolidation of fashionette AG and further build-up in fashion retail where normative return rates are around 40%+.

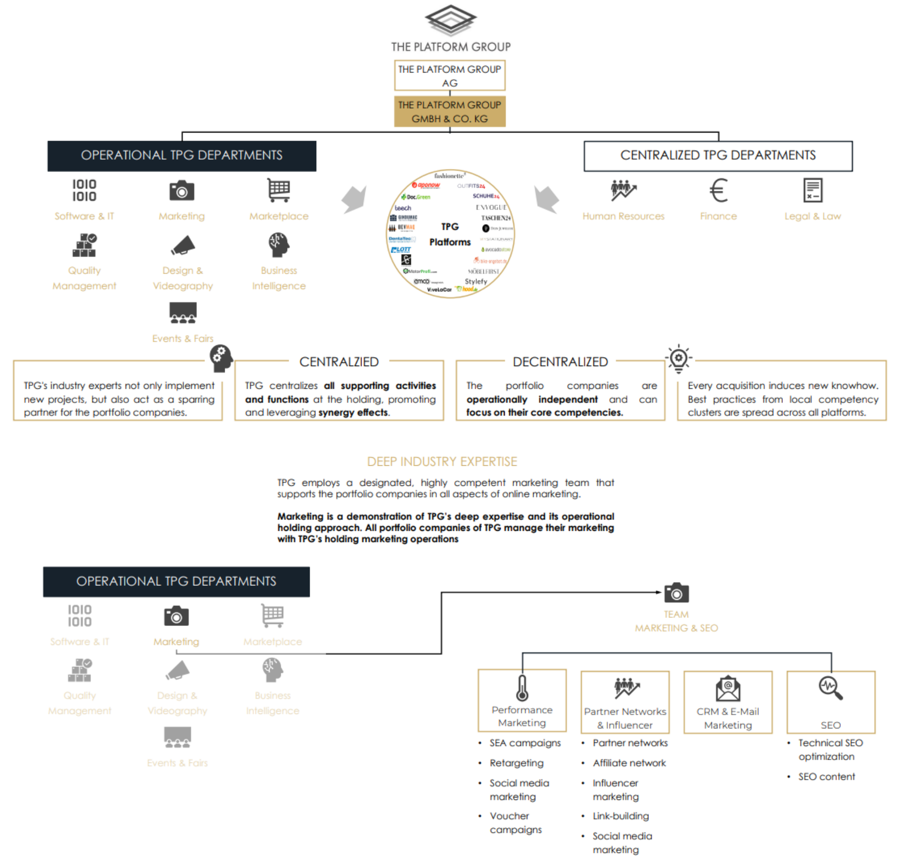
Key KPIs & P&L Assumptions

	2022	2023	2024e	2025e	2026e
Gross Merchandise Value	**266,3**	**693,4**	**891,3**	**1 039,0**	**1 167,8**
% Growth		*160,4%*	*28,5%*	*16,6%*	*12,4%*
Cancellations & Returns rate	24,1%	25,2%	30,1%	29,3%	28,7%
Net Revenues	**168,4**	**432,2**	**519,0**	**611,7**	**693,5**
% Growth		*156,6%*	*20,1%*	*17,9%*	*13,4%*
EBITDA	**17,8**	**46,7**	**44,3**	**45,9**	**58,0**
% Sales	*10,5%*	*5,1%*	*8,5%*	*7,5%*	*8,4%*
(-) Income from Purchase Price Determinations	0,0	(25,3)	(11,9)		
(+/-) Other adjustements	(2,7)	0,4	(0,5)		
Adjusted EBITDA	**15,1**	**21,9**	**32,0**	**45,9**	**58,0**
% Sales	*9,0%*	*5,1%*	*6,2%*	*7,5%*	*8,4%*
o/w Consumer Goods	8,1	14,6	18,3	27,2	34,4
% Sales	9,2%	5,8%	6,4%	8,1%	9,1%
o/w Freight Goods		4,2	6,4	9,2	11,7
% Sales		7,0%	7,5%	9,0%	9,9%
o/w Industrial Goods	3,1	1,6	3,1	4,5	6,3
% Sales	6,2%	2,7%	4,0%	4,8%	5,8%
o/w Service & Retail Goods	3,9	1,4	4,2	4,9	5,5
% Sales	32,4%	2,4%	6,0%	6,1%	6,3%

Source: The Platform Group, Portzamparc

The improvement in adjusted EBITDA is directly linked to the forecasted effects of ever-expanding platform integration coupled with systematic application of TPG's cost and efficiency plan which should lead to a reduction in marketing, distributions, and staff costs as a % of Net Revenues.

Example of Operational Platform Integration



Source: The Platform Group

However, even if actions are taken to limit inflation in HR cost from M&A operations, we still expect HR cost to grow reasonably at a +10.4% 2023-2026e CAGR as portfolio company remain operationally independent (as shown above). We do not expect highly significant leverage on distribution expenses – though TPG tend to optimize its logistics structure as evidenced with Brandfield – as we believe growth will be driven by online fashion (high return ratios) as well as leisure, home furnishing and heavy industrial machinery trade, all implying complex logistics. We thus believe that most of cost reductions in % of Net Revenues should come from streamlined and more efficient marketing operations – highly synergetic front-end developments, reduced client acquisition costs due to network effects, and improved MMS/SEM efficiency leading to greater revenue generation and higher margins.

OpEx Breakdown

	2022	2023	2024e	2025e	2026e
Net Revenues	168,4	432,2	519,0	611,7	693,5
COGS	(123,8)	(318,5)	(381,4)	(447,8)	(506,2)
% Sales	73,5%	73,7%	73,5%	73,2%	73,0%
Other OpEx	(27,5)	(84,7)	(97,5)	(109,0)	(119,0)
% Sales	*16,3%*	*19,6%*	*18,8%*	*17,8%*	*17,2%*
Staff Costs	(11,3)	(21,6)	(24,9)	(26,9)	(29,1)
% Sales	*6,7%*	*5,0%*	*4,8%*	*4,4%*	*4,2%*
Marketing Expenses	(5,2)	(27,9)	(31,1)	(34,0)	(36,2)
% Sales	*3,1%*	*6,5%*	*6,0%*	*5,6%*	*5,2%*
Distribution Expenses	(11,0)	(35,2)	(41,5)	(48,1)	(53,7)
% Sales	*6,5%*	*8,1%*	*8,0%*	*7,9%*	*7,7%*

Source: The Platform Group, Portzamparc

Better operational performances should naturally drive FCF generation. Strong value creation from platform integration should also arise from active inventory management – TPG tend to reduce inventories as much as possible (essentially borne by partners) to favour FCF generation and limit pressure on margins from potential "forced" discount sales to discard unsold items – and long-term positive cash impact from change in WCR. In FY23, WCR rose significantly compared to FY22 due to the acquisition of several companies which led to higher trade receivables, inventories, and trade payables. Inventories, especially, increased to €92m from €13m in FY22 due to the consolidation of finished goods: vehicles following the acquisition of ViveLaCar GmbH/Cluno GmbH in the amount of €34m, and fashion inventories from fashionette AG in the amount of €31m. We believe inventories should go down significantly as TPG should dispose of said vehicles by FY24 (positive cash impact of +€27m in 1H24).

	2023	2024e	2025e	2026e
Working Cap Requirements	38,0	9,0	7,5	7,5
Net Change in WCR	21,2	(29,0)	(1,5)	0,0
% of Net Revenues	*8,8%*	*1,7%*	*1,2%*	*1,1%*
Inventories	92,3	62,3	61,9	65,3
Days of Sales	*64*	*37*	*36*	*34*
Trade receivables and other receivables	54,7	56,2	56,1	57,8
Days of Sales	*38*	*39*	*33*	*30*
Trade payables and other liabilities	109,0	109,6	110,5	115,6
Days of Sales	*76*	*76*	*65*	*60*

	2023	2024e	2025e	2026e
Net Income for the Period	26,5	25,4	25,4	27,8
Earnings from Discontinued Operations	6,4	0,0	0,0	0,0
Earnings from Continuing Operations	32,9	25,4	25,4	27,8
Interest Expenses / Adjusted for tax shield	6,4	8,3	9,2	6,7
Assumed Tax Rate	0%	0%	0%	26%
NOPAT from Continuing Operations	39,3	33,8	34,6	34,5
Non-cash Gains on Company Acquisitions	(25,3)	(11,9)		
D&A	7,8	11,0	12,8	13,3
Other Non-cash Adjustments	(1,5)			
Change in WCR	82,0	29,0	1,5	0,0
Simplified Cash from Operations	102,3	61,8	48,8	47,7
CapEx	(21,0)	(19,7)	(19,1)	(19,2)
Impact from Programmatic M&A	(58,8)	(26,0)		
Simplified FCFF	22,5	16,1	29,7	28,5
% Adjusted Net Income	*297%*	*119%*	*117%*	*103%*

Source: The Platform Group, Portzamparc

Strong cash generation should allow TPG to deliver on its midterm leverage ratio guidance of 1.5x to 2.3x adjusted EBITDA – though leverage will be highly dependent on M&A developments.

Net Financial Debt & Leverage				
	2023	2024e	2025e	2026e
Net Financial Debt	60,0	51,3	31,1	9,6
Long-term Bank Liabilities	32,3	62,3	62,3	62,3
Short-term Bank Liabilities	35,3	35,3	35,3	35,3
Cash & Cash Equivalents	7,6	46,4	66,6	88,1
Adjusted EBITDA	21,9	32,0	45,9	58,0
NFD/Adj. EBITDA	2,7x	1,6x	0,7x	0,2x

Source: The Platform Group, Portzamparc

Finally, it has to be noted that funding for FY24 has be secured on July 11, 2024, as TPG issued its first corporate bond with a €30m notional, 4 years to maturity and an annual interest rate of 8.875%. Proceeds, along with available cash, should be used to pursue the group's M&A strategy for c.€20m, cover general expenses and software investments for c.€10m and refinance existing debt for c.€8m.

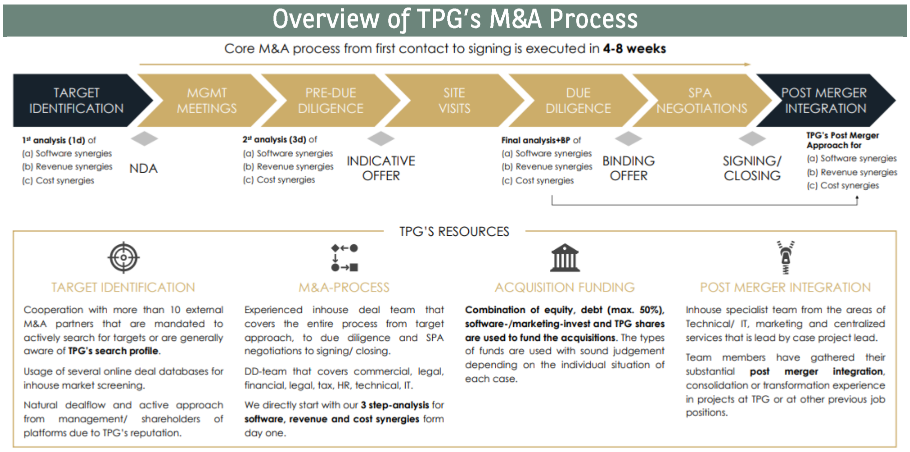
2.3. An accretive M&A strategy

Historically, M&A has been a strong contributor to growth as TPG closed 24+ acquisitions since 2018 (including fashionette AG's RTO) with a proven track record in post-merger integration and value creation.

Target companies must operate in niche industries with proven platform potential – i.e. highly fragmented end markets that could benefit from online integration. Target companies should be mature: 1/ 1,000+ diversified customer base, 2/ annual revenues of €3-100m growing at a 10-15%+ CAGR, 3/ adjusted EBITDA margin of 3%+ on Year 1, and 4/ Net Debt/EBITDA < 2x.

Companies must obviously be well-managed – ideally with a 3-year post-merger commitment from former executives with agreed upon exit conditions (put/call options for acquisitions of remaining minority stakes) – with a platform/e-commerce strategy and a strong in-house IT & ERP expertise to assess TPG-software-fit.

The ability for TPG to bring value through platform integration is key be it through GMV growth, cost efficiency plans and integration of central functions, FCF increase through improved inventory management, but also through flawless programmatic M&A execution with recurring badwill generation (positive P&L impact of +€25m in FY23 and +€12m in 1H24) and potential integration of low carryforwards (negligeable tax rates over FY23-FY25). This demonstrated ability to snatch M&A deals on relatively low valuations is upheld by the current business environment with targets valuations down from 8x to 12x EBITDA in FY19 to 3x to 5x EBITDA in FY23 and relatively low competition amongst bidders.



Source: The Platform Group

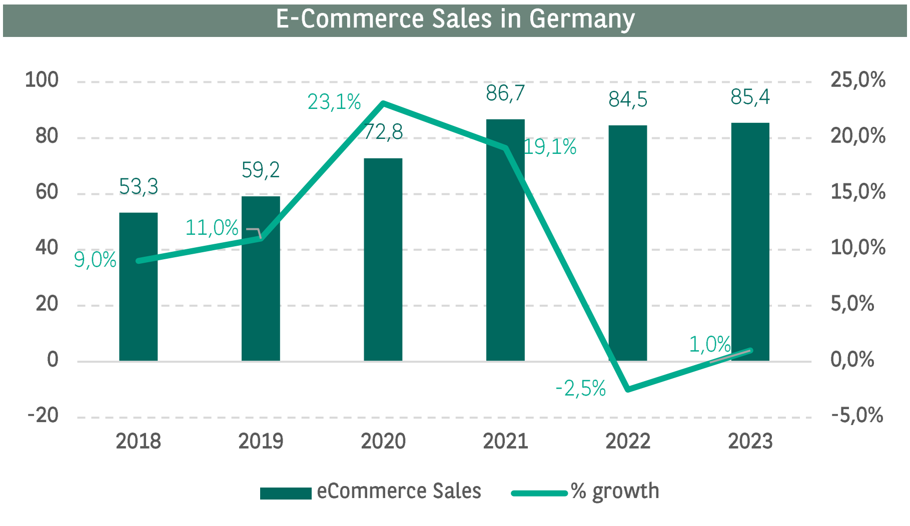
All in all, TPG's goal is clear: becoming the leading e-commerce platform in Europe through M&A acquisition supporting strong underlying organic growth. The end to this mean is to heavily leverage the group's platform software to expand into new industries with strong platform potential – as well as new geographies to decrease dependency to the DACH region (85%+ of Net Revenues / target of 60%) by strengthening positions in western Europe and eventually the US and India. The M&A strategy should be instrumental in reaching TPG's FY25 guidance by helping the group expand into 30+ industries through 3-8 platform acquisitions per year – usually financed both through debt (max. 50%) and equity.

3. Supportive market trends

3.1. Strong underlying growth in European e-commerce

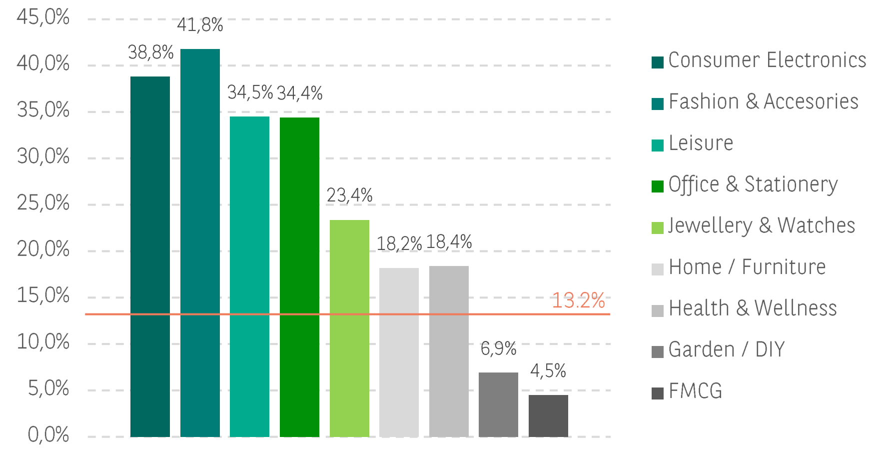
B2C e-commerce revenues in continental Europe have been steadily growing at a +10.5% 2018-2023 CAGR according to EuroCommerce. The increased importance of e-commerce retail reflects a more structural shift in consumer behaviours. The success of online retail is directly linked to innovations in information and communication technologies (ICT), as well as increased supply chain reliability. Ever-shorter tech & innovation cycles should thus keep fuelling online retail adoption both from merchants and consumers with online sales expected to grow at a +10% 2023-2029e CAGR to €916bn with Fashion set to remain the largest market with projected 2029e market value of €255bn (c.28% of B2C e-commerce) spurred by e-commerce adoption from luxury fashion retailers (+11% 2023-2029e CAGR), according to data computed by Statista. The Platform Group should be particularly well positioned to benefit from these underlying trends and experience significant growth, especially since Home Furnishing and OTC Pharmaceuticals are expected to experience the strongest growth with respectively 2023-2029e CAGRs of +11% and +13%.

Deeply rooted in the DACH region, The Platform Group has derived a sizable amount of growth from its exposure to the German market. The German e-commerce market has grown by a +10% 2018-2023 CAGR from €53bn to €85bn (+€32bn), now representing 13.2% +310bp of German retail with a high-water mark of 14.7% reached in the outspring of the pandemic back in 2021. The share of online sales is now expected to stabilize at c.13%.



Source: HDE, Portzamparc

E-Commerce Penetration by Sector - Germany

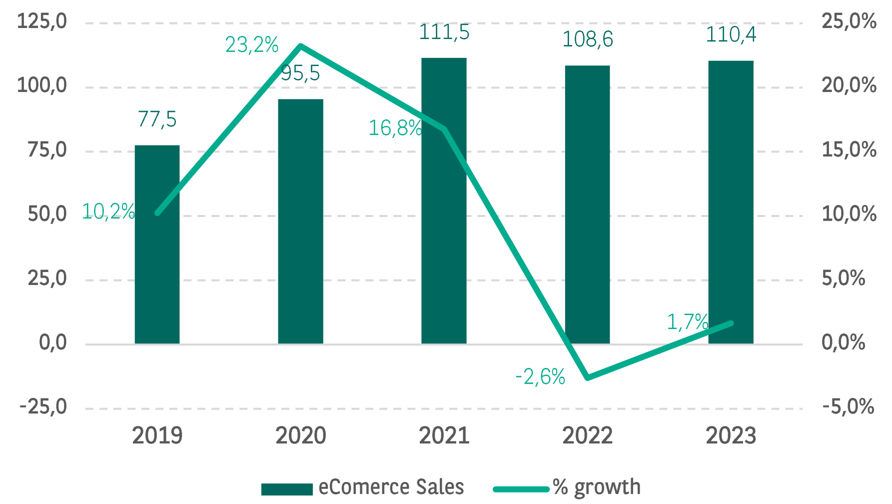


Source: HDE, Portzamparc

The main contributors to growth over the period were FMCGs and Fashion with a growth in market value of +€6.8bn each, thus accounting for 42.4% of total market growth in €-terms. Such trends largely benefited TPG and should continue to do so. Under penetration of online retail in Garden/DIY should be a clear positive for Simon Profi-Technik and motorprofi.de while under penetration of FMCGs could create external growth opportunities for TPG. We also believe that, despite stronger penetration the home furnishing industry could leverage e-commerce more, thus generating favourable momentum for MöbelFirst and Stylefy.

While computing data for the DACH region, trends appear to be highly similar to those observed in Germany and Europe in General.

E-Commerce Sales – DACH Region



Source: Handelsverband Germany, Switzerland and Austria, Portzamparc

3.2. Marketplaces takes all

When looking more closely to data from HDE Handelsverband Deutschland, it appears evident that online retail is much more dynamic – and/or resilient depending on the macroeconomic environment – that traditional retail, and that marketplaces are the fastest growing platforms. Indeed, even in a rather uneventful year (+1.0% e-commerce Sales growth in FY23), marketplaces still registered strong +10% growth.

In other words, we fully expect TPG to leverage its platform software and integrated marketplaces, as well as the latest highly synergetic M&A deals, to keep outperforming the underlying markets. In more details, we expect:

- Consumer Goods GMV to grow at a +19% 2023-2026e CAGR to €732m – TPG expected to grow c.2x as fast as its underlying core fashion/luxury markets – with a target 38% return ratio thus implying €378m in Net Revenues;
- Freight Goods GMV to grow at a +24% 2023-2026e CAGR to €178m – spurred by developments in the fast-growing home furnishing and outdoor leisure industries + commercial synergies – with a target 20% return ratio thus implying €119m in Net Revenues;
- Industrial Goods GMV to grow at a +21% 2023-2026e CAGR to €147m – also spurred by potential developments in the US starting FY25 – with a target 11% return ratio thus implying €109m in Net Revenues;
- Service & Retail Goods GMV to grow at a +14% 2023-2026e CAGR to €110m – held back by the brick-and-mortar component of the segment despite strong underlying growth in online Rx sales – with a target 5% return ratio thus implying €87m in Net Revenues.

4. Key P&L Items

	2022	2023	2024e	2025e	2026e
Net Revenues	**168,4**	**432,2**	**519,0**	**611,7**	**693,5**
% Growth		***156,6%***	***20,1%***	***17,9%***	***13,4%***
Gross margin	**48,3**	**120,1**	**145,3**	**173,1**	**197,6**
% Sales	***28,7%***	***27,8%***	***28,0%***	***28,3%***	***28,5%***
Staff Costs	(11,3)	(21,6)	(24,9)	(26,9)	(29,1)
% Sales	*6,7%*	*5,0%*	*4,8%*	*4,4%*	*4,2%*
Marketing Expenses	(5,2)	(27,9)	(31,1)	(34,0)	(36,2)
% Sales	*3,1%*	*6,5%*	*6,0%*	*5,6%*	*5,2%*
Distribution Expenses	(11,0)	(35,2)	(41,5)	(48,1)	(53,7)
% Sales	*6,5%*	*8,1%*	*8,0%*	*7,9%*	*7,7%*
Other Operating Expenses	(7,2)	(14,3)	(15,9)	(18,7)	(21,2)
% Sales	*4,3%*	*3,3%*	*3,1%*	*3,1%*	*3,1%*
Other Operating Income	4,2	25,7	12,3	0,5	0,5
% Sales	*2,5%*	*5,9%*	*2,4%*	*0,1%*	*0,1%*
EBITDA	**17,8**	**46,7**	**44,3**	**45,9**	**58,0**
% Sales	***10,5%***	***10,8%***	***8,5%***	***7,5%***	***8,4%***
(-) Income from Purchase Price Determinations	0,0	(25,3)	(11,9)	0,0	0,0
(-) Deferred tax & consolidation effects	0,0	(2,1)	(1,0)		
(+) Other Adjustments	(2,7)	2,5	0,6		
Adjusted EBITDA	**15,1**	**21,9**	**32,0**	**45,9**	**58,0**
% Sales	***9,0%***	***5,1%***	***6,2%***	***7,5%***	***8,4%***
D&A	(5,0)	(7,8)	(11,0)	(12,8)	(13,3)
% Average Related Assets		*10,0%*	*8,0%*	*8,0%*	*8,0%*
EBIT	**12,8**	**38,9**	**33,3**	**33,2**	**44,7**
% Sales	***7,6%***	***9,0%***	***6,4%***	***5,4%***	***6,4%***
Financial Income	0,4	0,0	0,4	1,4	1,9
		0,1%	1,5%	2,5%	2,5%
Financial Expenses	(0,7)	(6,4)	(8,3)	(9,2)	(9,0)
	0,4%	*1,5%*	*1,6%*	*1,5%*	*1,3%*
EBT	**12,5**	**32,5**	**25,4**	**25,4**	**37,6**
% Sales	***7,4%***	***7,5%***	***4,9%***	***4,1%***	***5,4%***
Income Taxes	(0,8)	0,4	0,0	0,0	(9,8)
	6,6%	*-5,0%*	*0,0%*	*0,0%*	*26,0%*
Consolidated net profit from continuing operations	**11,6**	**32,9**	**25,4**	**25,4**	**27,8**
	6,9%	***7,6%***	***4,9%***	***4,1%***	***4,0%***
Consolidated net profit from discontinued operations		(6,4)			
Consolidated net profit	**11,6**	**26,5**	**25,4**	**25,4**	**27,8**

5. Valuation: Strong upside potential – TP €13.6

To value The Platform Group, we have both used a DCF approach (50%) and a complementary approach based on listed peer multiples (50%). As TPG's business model is relatively atypical compared to peers, we reckon the combination of both approaches (excl. further M&A activity) should give a fair valuation of the group.

We are initiate coverage of TPG with a Strong Buy (1) rating and a TP of €13.6.

5.1. Discounted Cash Flows - €16.7 per share

In this approach, we determine the fair value of TPG's shares by using a DCF model. Our DCF model exteriorises a fair value of €16.7 per share.

The key inputs in our valuation are:

- Baseline 2023-2026e scenario with Net Revenues growing at a +17% CAGR over the period to €693m and adjusted EBITDA reaching €58m, i.e. a 8.4% margin.
- Long term projections over 2027e-2033e with a 2% infinite growth rate and a 9% normative adjusted EBITDA margin.
- Effect of loss carry forwards integrated resulting in negligeable tax rates for FY24 and FY25, 26% tax rate in FY26.
- Normative CapEx and D&A set at 2% of Net Revenues.
- Normative cash impact from change in WCR assumed negligeable.
- WACC set at 13.3% using CAPM, based on a 2.4% risk-free rate (10Y Bund yield), a 7.1% market risk-premium (Bloomberg), 1.01 unlevered beta corrected for cash (Damodaran – Software (Internet)) and a 4.6% size premium (Kroll).
- Net Debt/Equity approx. 30/70.
- The €382m EV computed through our DCF model is adjusted for Net Financial debt (€51m), financial provisions and non-controlling interests. The market value of TPG's 15% stake is MisterSpex is then added back which lands us a €338m EqV or €16.7/share (based on 20,2m outstanding shares).

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Net Revenues	432,2	519,0	611,7	693,5	774,9	853,2	925,7	989,3	1 041,2	1 078,9	1 100,5
% Growth	*156,6%*	*20,1%*	*17,9%*	*13,4%*	*11,7%*	*10,1%*	*8,5%*	*6,9%*	*5,2%*	*3,6%*	***2,0%***
EBITDA	46,7	44,3	45,9	58,0	65,5	72,9	79,9	86,3	91,8	96,1	99,0
% Net Revenues	*10,8%*	*8,5%*	*7,5%*	*8,4%*	*8,5%*	*8,5%*	*8,6%*	*8,7%*	*8,8%*	*8,9%*	*9,0%*
EBIT	38,9	33,3	33,2	44,7	64,6	71,9	61,9	66,9	71,2	74,7	77,0
% Net Revenues	*9,0%*	*6,4%*	*5,4%*	*6,4%*	*8,3%*	*8,4%*	*6,7%*	*6,8%*	*6,8%*	*6,9%*	*7,0%*
Tax Rate	-5,0%	0,0%	0,0%	26,0%	*26,6%*	*27,1%*	*27,7%*	*28,3%*	*28,9%*	*29,4%*	30,0%
NOPAT	40,9	33,3	33,2	33,1	47,4	52,3	44,7	48,0	50,7	52,7	53,9
D&A	7,8	11,0	12,8	13,3	0,9	1,0	18,0	19,4	20,6	21,4	22,0
% Net Revenues	*1,8%*	*2,1%*	*2,1%*	*1,9%*	*1,9%*	*1,9%*	*1,9%*	*2,0%*	*2,0%*	*2,0%*	*2,0%*
CapEx	21,0	19,7	19,1	19,2	20,6	21,8	22,6	23,1	23,1	22,8	22,0
% Net Revenues	*4,9%*	*3,8%*	*3,1%*	*2,8%*	*2,7%*	*2,6%*	*2,4%*	*2,3%*	*2,2%*	*2,1%*	*2,0%*
Change in WCR	21,2	-29,0	-1,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
% Net Revenues	*4,9%*	*-5,6%*	*-0,2%*	*0,0%*	*0,0%*	*0,0%*	*0,0%*	*0,0%*	*0,0%*	*0,0%*	*0,0%*
FCFF	6,4	53,6	28,3	27,1	27,7	31,6	40,1	44,3	48,1	51,4	53,9
Discounted FCFF	6,4	52,1	24,2	20,5	18,5	18,6	20,9	20,3	19,5	18,3	17,0

Source : Portzamparc Estimates

Valorisation	
Sum of Discounted FCFF	229,8
Terminal Value	*484,8*
Discounted Terminal Value	152,6
Weight of Discounted Terminal Value	*40%*
EV	382,4
Net Financial Debt (FY24e)	51,3
Financial Provisions	3,0
Non-controlling Interests (Book Value)	1,1
Market Value of 15% stake in Mister Spex	11,2
Equity Value	338,2
NOSH	20,2
Stock value	16,7 €

		WACC				
		14,3%	13,8%	**13,3%**	12,8%	12,3%
Infinite Growth Rate	3,0%	16,2	17,0	17,9	19,0	20,1
	2,5%	15,7	16,4	17,3	18,2	19,3
	2,0%	15,2	15,9	**16,7**	17,6	18,6
	1,5%	14,7	15,4	16,2	17,0	17,9
	1,0%	14,3	15,0	15,7	16,4	17,3

		WACC				
		14,3%	13,8%	**13,3%**	12,8%	12,3%
EBITDA Margin	11,0%	18,1	19,0	20,0	21,1	22,4
	10,0%	16,6	17,5	18,4	19,4	20,5
	9,0%	15,2	15,9	**16,7**	17,6	18,6
	8,0%	13,7	14,4	15,0	15,8	16,6
	7,0%	12,3	12,8	13,4	14,0	14,7

5.2. Listed Peers Valuation - €10.5 per share

We have retained a well-diversified group of European listed peers, either Classifieds or Marketplaces. Most of them operate in fashion or home furnishing, two industries that make up more than 60% of TPG's Net Revenues.

We have also decided to exclude listed SaaS companies, mostly headquartered in the US or Canada, such as Shopify, GoDaddy, BigCommerce of VTEX due to the fundamental differences in business models.

Our set of peers is as follows:

- **Baltic Classifieds Group** is the leading online classifieds group in the Baltics, which owns and operates fourteen portals in Lithuania, Estonia and Latvia. In FY23-24 BCG generated €72m in Sales.
- **Zalando** is the leading European online platform for fashion and lifestyle. In 2023, the company reported sales of around € 10.1bn on a €14.6bn GMV.
- **About You** is one of the fastest growing e-commerce companies in Europe. The group aims at revolutionizing the casual shopping stroll by creating an inspiring/personalized shopping experience on smartphones. In FY23 About You worked with 3,800+ brands and generated €1.9bn in Sales.
- **MyTheresa** is a leader in the online luxury market whose success is derived from an active base of 852,000 HNW customers. In FY23-24 the group generated €841m in Net Sales over €914m in GMV. The group recently announced the acquisition of YOOX Net-A-Porter from Richemont to create a global multi-brand luxury group generating €4bn+ in GMV.
- **Asos** is a leading fashion marketplace where customers can shop a curated edit of nearly 50,000 products, sourced from nearly 900 global and local third-party brands alongside a mix of fashion-led own-brand labels. In FY2023, ASOS generated revenues of £3.5bn.
- **THG** is a leading vertically integrated, global e-commerce group and brand owner, powered by its proprietary technology platform, Ingenuity, through which it also provides end-to-end e-commerce solutions for brands to reach a global ecommerce consumer base. THG's business model spans the entire value chain from manufacturing and marketing through to fulfilment. In FY23 THG generated £2.0bn in Sales.
- **Westwing** is Europe's #1 in Beautiful Living e-commerce combining inspirations through decor tips, home stories, and carefully selected products from premium design brands or the Westwing Collection, and seamless shopping experiences. The group generated €429m in FY23 Sales.
- **SRP Group** (Showroomprivé) is a French pioneer in e-commerce and offers 3,000+ top-tier brands online flash sales solutions, as well as other visibility and digitalization solutions. The group boasts a well-established base of 21m members and generated €1,005m in Net Sales in FY23.
- **Vente-Unique.com** is a European specialist in online furniture sales whose expansion is built on a best-value quality offering of own-products and regular new additions from third-party vendors covering all furniture styles. In FY23, the group generated €162m in Sales over €202m in GMV.

		MCap (€m)	Sales CAGR 2022-2025e	Adjusted EBITDA Margin FY-1	EV/Adjusted EBITDA FY0
BCG-GB	Baltic Classifieds Group Plc	1 739	15%	77,2%	23,5
ZAL-DE	Zalando SE	7 576	2%	6,5%	8,6
YOU-DE	ABOUT YOU Holding SE	555	5%	1,4%	10,4
MYTE-US	MYT Netherlands Parent B.V. ADR	602	14%	5,1%	16,6
ASC-GB	ASOS plc	618	-9%	2,4%	6,3
THG-GB	THG Plc	844	-2%	5,6%	9,2
WEW-DE	Westwing Group SE	152	3%	4,0%	5,6
SRP-FR	SRP Groupe SA	124	1%	3,5%	14,9
ALVU-FR	Vente-Unique.com SA	145	12%	11,0%	5,7
Median		602			9,2
TPG-DE	Platform Group AG	131	53%	5,1%	

TPG FY24e Adjusted EBITDA	**32,0**
Implied EV	**294,4**
Size Discount (13%)	
Final EV retained for calculation	**256,1**
Adjustments	(44,2)
Implied Equity Value	**211,9**
	10,5 €

Source: FactSet, Portzamparc

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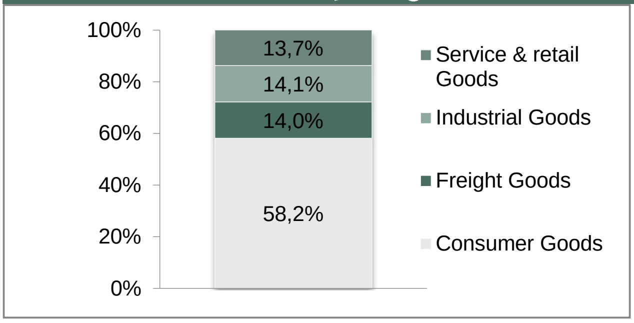
P&L Account	19	20	21	22	23	24e	25e	26e
Sales	-	-	-	168,4	432,2	519,0	611,7	693,5
chge y/y-1	-	-	-	*-/+*	*+/++*	*20,1%*	*17,9%*	*13,4%*
organic chge	-	-	-	-	-	-	-	-
EBITDA	-	-	-	17,8	46,7	44,3	45,9	58,0
Underlying EBIT	-	-	-	12,8	38,9	33,3	33,2	44,7
chge y/y-1	-	-	-	*-/+*	*+/++*	*-14,3%*	*-0,6%*	*34,9%*
EBIT	-	-	-	12,8	38,9	33,3	33,2	44,7
RCAI	-	-	-	12,5	32,5	25,4	25,4	37,6
Tax Rate	-	-	-	-0,8	0,4	0,0	0,0	-9,8
Declared Group Net income	-	-	-	11,6	26,5	25,4	25,4	27,8
Restated Group Net income	-	-	-	11,6	32,9	25,4	25,4	27,8
chge y/y-1	-	-	-	*-/+*	*+/++*	*-22,6%*	*-0,2%*	*9,7%*
AACR Sales 2021 / 2025e	-							
Gross Margin (%)	-	-	-	26,5%	26,3%	26,5%	26,8%	27,0%
Operating Margin (%)	-	-	-	7,6%	9,0%	6,4%	5,4%	6,4%
Net margin (%)	-	-	-	6,9%	7,6%	4,9%	4,1%	4,0%
Tax Rate (%)	-	-	-	6,6%	-1,1%	0,0%	0,0%	26,0%
Cost of personnel / Sales (%)	-	-	-	6,7%	5,0%	4,8%	4,4%	4,2%
Sales/employees (K€)	-	-	-	-	-	-	-	-
chge y/y-1	-	-	-	-	-	-	-	-
Avg nb of staff	-	-	-	-	-	-	-	-
chge y/y-1	-	-	-	-	-	-	-	-

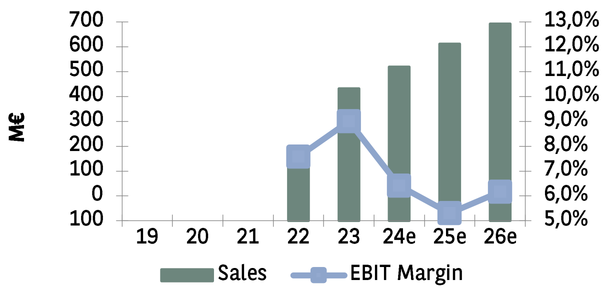
Balance Sheet	19	20	21	22	23	24e	25e	26e
Equity value (group's share)	-	-	-	45,4	80,5	105,9	131,3	159,1
Net Financial Debt	-	-	-	11,5	60,0	51,3	30,8	9,0
Other	-	-	-	13,3	13,9	7,1	7,1	7,1
Invested Capital	**-**	**-**	**-**	**72,0**	**155,5**	**165,4**	**170,2**	**176,2**
Net Fixed Assets	-	-	-	55,3	117,6	156,4	162,8	168,7
o/w goodwill	-	-	-	16,4	43,8	70,8	70,8	70,8
o/w financial assets	-	-	-	15,3	0,1	0,1	0,1	0,1
WCR	-	-	-	16,7	38,0	9,0	7,5	7,5
Capital employed	**-**	**-**	**-**	**72,0**	**155,5**	**165,4**	**170,2**	**176,2**
Gearing (%)	-	-	-	24,5%	73,6%	47,9%	23,3%	5,6%
WCR/Sales (%)	-	-	-	9,9%	8,8%	1,7%	1,2%	1,1%
Net Financial Debt/EBITDA (x)	ns	ns	ns	0,6	1,3	1,2	0,7	0,2
ROE (%)	-	-	-	25,7%	32,9%	24,0%	19,3%	17,5%
ROACE (%) after normative tax	-	-	-	-	35,9%	20,8%	19,8%	19,1%

Cash Flow statement	19	20	21	22	23	24e	25e	26e
Cash Flow	-	-	-	-	22,1	24,5	38,1	41,1
Change in WCR	-	-	-	-	82,0	29,0	1,5	0,0
Capital expenditures	-	-	-	-	-21,0	-19,7	-19,1	-19,2
% of Sales	-	-	-	-	4,9%	3,8%	3,1%	2,8%
Free Cash Flow	**-**	**-**	**-**	**-**	**83,0**	**33,7**	**20,5**	**21,8**
Asset disposal	-	-	-	-	-58,8	-26,0	0,0	0,0
Financial Investments	-	-	-	-	0,0	0,0	0,0	0,0
Dividends	-	-	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,1	1,0	0,0	0,0
Change in Net Financial Debt	-	-	-	-	48,5	-8,7	-20,5	-21,8
Net Financial Debt	**-**	**-**	**-**	**11,5**	**60,0**	**51,3**	**30,8**	**9,0**

FY23 Sales per Segment



Change in Sales and EBIT Margin



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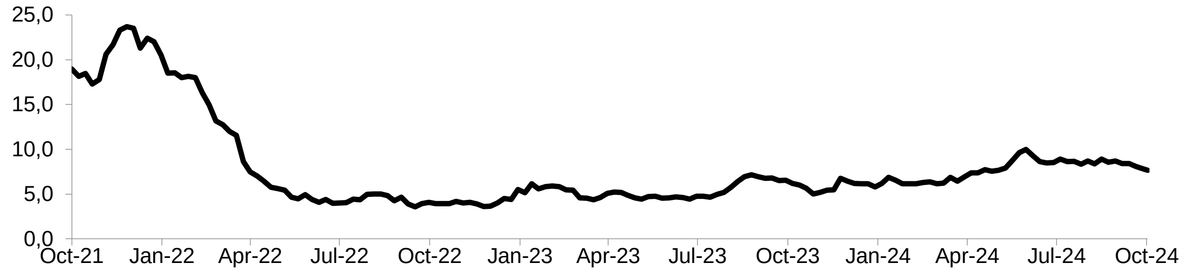
Data per Share	19	20	21	22	23	24e	25e	26e
EPS	-	-	-	1,88	1,53	1,47	1,47	1,61
chge y/y-1	-	-	-	-/+	1,4%	-22,6%	-0,2%	9,7%
CFPS	-	-	-	-	1,3	1,4	2,2	2,4
NAPS	-	-	-	7,3	4,7	6,1	7,6	9,2
Net Dividend (distributed y+1)	-	-	-	0,00	0,00	0,00	0,00	0,00
Payout (%)	-	-	-	0,0%	0,0%	0,0%	0,0%	0,0%
AACR EPS 2021 / 2025e	-							
AACR CFPS 2021 / 2025e	-							

Valuation	19	20	21	22	23	24e	25e	26e
PER (x)	-	-	-	4,0	2,9	5,2	5,2	4,7
PCF (x)	-	-	-	-	4,3	5,4	3,5	3,2
PNAV (x)	-	-	-	1,0	1,2	1,2	1,0	0,8
EV/Sales (x)	-	-	-	0,3	0,4	0,4	0,3	0,2
EV/EBITDA (x)	-	-	-	2,5	3,3	4,2	3,6	2,4
EV/EBIT (x)	-	-	-	3,5	4,0	5,5	4,9	3,2
Free Cash Flow Yield (%)	-	-	-	-	87,8%	25,6%	15,5%	16,5%
Yield (%)	-	-	-	-	0,0%	0,0%	0,0%	0,0%
Market Cap (M€)	-	-	-	46,3	94,5	132,0	132,0	132,0
Enterprise Value (EV)	-	-	-	44,3	155,6	184,3	163,8	142,0
Reference Price (€)	**-**	**31,0**	**28,1**	**7,5**	**5,5**	**7,6**	**7,6**	**7,6**
Nb of shares (Mio)	-	-	-	6,200	17,274	17,274	17,274	17,274
Restated Nb of shares (Mio)	-	-	-	-	-	-	-	-
% dilution	-	-	-	0,0%	0,0%	0,0%	0,0%	0,0%
Listing Date	29/10/2020							
Adjusted Listing Price	31,0 €							

Price History



Source : FactSet Research

Disclosure

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Rating and Target price history https://www.midcaps.portzamparc.fr/wp-content/fileadmin/pubt/avertissements.pdf

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STRONG BUY (1): Expected return in excess of +15%

BUY (2): Expected return of between +5% and +15%

HOLD (3): Expected return of between -5% and +5%

REDUCE (4): Expected return of between -5% and -15%

SELL (5): Expected return of less than -15% or poor visibility on the fundamentals of the company.

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The following table shows the ratings and targets prices made by the financial analysis department of Portzamparc over a 12-month period. Recommendations are updated either when a comment is made in connection with an official or legal publication, or when an exceptional event occurs (external growth, significant agreements).

Date	Analyst	Target Price	Closing Price	Recommendation
10 Oct 24 - 08:25:20	Nicolas Delmas	13,6	7,64	Strong Buy

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Company	*Potential conflicts of interest*
The Platform Group	**6**

1. Portzamparc holds or controls 5% or more of the issuer's share capital;
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