

25 November 2024

Price: €7,48

Target Price: €13,60

STRONG BUY (1)

Opinion unchanged

1 : Strong Buy 2 : Buy 3 : Hold 4 : Reduce 5 : Sell

Price at 22/11/2024

3Q24 Results - Conf. Call

Source : FactSet Research

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)	151,38
Float (%)	20,1%
Nbre of shares (Mio)	20,238
Closing	31-Dec

	23	24e	25e
PER	2,9	4,8	6,1
PCF	4,3	5,3	3,5
EV/Sales	0,4	0,4	0,4
EV/EBIT	4,0	6,1	7,3
PB	1,2	1,2	1,0
Yield	0,0%	0,0%	0,0%
Free Cash Flow Yield	87,8%	24,3%	11,3%
ROACE	35,9%	20,0%	14,4%

	23	24e	25e
Sales	432,2	519,0	616,6
Previous Sales	432,2	519,0	611,7
chge y/y-1	156,6%	20,1%	18,8%
EBITDA	46,7	47,2	46,3
Underlying EBIT	38,9	35,0	30,2
% Sales	9,0%	6,8%	4,9%
EBIT	38,9	35,0	30,2
% Sales	9,0%	6,8%	4,9%
Decl.Net inc Group Sh	26,5	24,0	21,2
% Sales	7,6%	5,2%	3,4%

	23	24e	25e
EPS	1,53	1,39	1,23
Previous EPS	1,53	1,47	1,47
chge y/y-1	-18,3%	-9,2%	-11,6%
Restated EPS	1,90	1,56	1,23
Net Asset per Share	4,7	6,1	7,3
Net Dividend	0,00	0,00	0,00
NFD	60,0	82,8	90,8

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A solid print with no surprises

The Platform Group continues to post excellent growth momentum, with GMV for 3Q24 up 63% to €165.9m on 3Q23 pro forma (PZP €157.1m) and Sales up 44% to €139.7m on 3Q23 pro forma (PZP €116.5m). Adjusted EBITDA for 3Q24 was therefore €7.0m, representing a margin of 5.0% (PZP €7.2m). TPG confirms its FY24 guidance: GMV €880-900m / Sales €500-520m / Adjusted EBITDA €29-32m.

Strong commercial development - In 9M24, TPG posted strong growth in sales and GMV of €608.4m (+29.6%) and €371.2m (+30.5%) (vs. 9M23 pro-forma) respectively. Top-line growth includes underlying organic growth of +12.8%, while a number of recent M&A transactions are aimed at developing commercial synergies: Jungherz (comp. to bike-angebot), Angermeier (comp. to Motorprofi.com), Wehrmann (comp. to Gindumac/BevMaq), Winkelstraat (comp. to fashionette/Brandfield). We understand that return rates should be structurally better following recent acquisitions (hood.de in particular).

TPG reported an increase in the number of partners to 12,981 +11.1% (FY24 guidance: 13,400), resulting in a rise in the number of active customers and orders (5.1m +24%). The average basket was also up by 5.2% to €121 which should be the main lever for improving margins on variable costs (especially distribution).

Marked improvement in operating margin (vs. 9M23 pro-forma) - In addition to strong growth, TPG also reported an increase in adjusted EBITDA for 9M24 to €24.6m, up 69.7% or a margin of 6.6% +150bp (vs. 9M23 pro-forma). It should be noted that the comparison with 9M23 pro-forma neutralises the dilutive impact of integrating new platforms, while TPG is following a particularly aggressive M&A strategy.

This improvement in the operating margin is mainly due to the cost optimisation programme implemented by TPG, with marketing expenses fall to 6.4% of Sales (-20bp), and personnel costs to 5.4% (-20bp). Only delivery costs are up to 7.8% +20bp, following price increases in the industry. Management expects these costs to normalise to 7.6% over FY25.

There were few surprises at the bottom end of the P&L, with EBITDA coming in at €39.8m, including a positive non-cash impact of €14.9m from acquisition badwill (vs. €11.9m June 30, 2024). After taking into account D&A and financial expenses (in line with normative levels), Net Income group share came in to €24.1m (negligible corp tax / Discontinued operations €2.8m / Minorities €1.4m).

A buoyant M&A environment and a healthy balance sheet - Management says it has a substantial M&A pipeline, while valuation levels remain very reasonable. Between Dec.24 and Feb.25, management expects to finalise several deals, notably the acquisition of a US B2C platform specialising in luxury goods (+500 potential partners). TPG nevertheless continues to have a healthy balance sheet, with leverage expected to be 2.6x FY24e and 2.0x FY25.

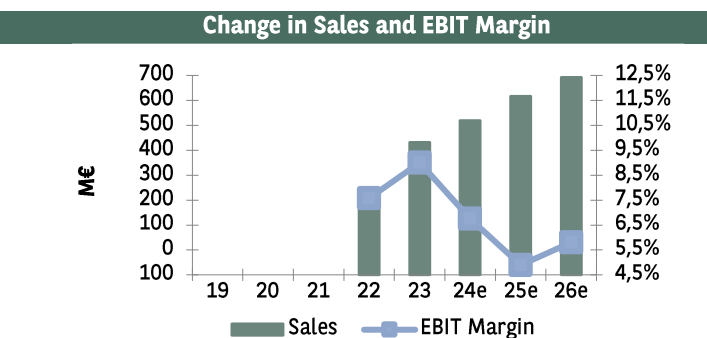
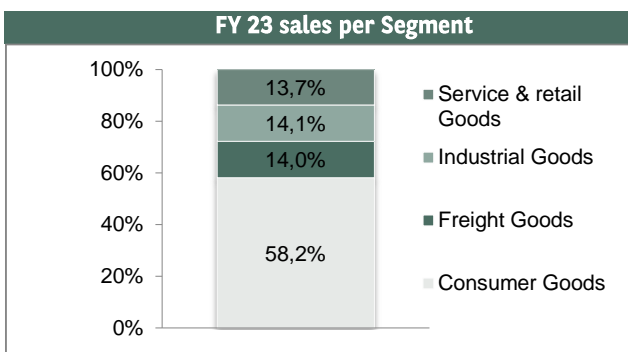
This publication confirms our scenarios as management reiterates its FY24 and FY25 guidance. The very good momentum seen in e-commerce in Germany over October/November could even lead to better-than-expected FY results. We therefore reiterate our Strong Buy recommendation (1) on the share - TP €13.6.

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P&L Account	19	20	21	22	23	24e	25e	26e
Sales	-	-	-	168,4	432,2	519,0	616,6	692,7
<i>chge y/y-1</i>	-	-	-	-/+	+/>++	20,1%	18,8%	12,3%
<i>organic chge</i>	-	-	-	-	-	-	-	-
EBITDA	-	-	-	17,8	46,7	47,2	46,3	57,9
Underlying EBIT	-	-	-	12,8	38,9	35,0	30,2	40,2
<i>chge y/y-1</i>	-	-	-	-/+	+/>++	-9,9%	-13,9%	33,2%
EBIT	-	-	-	12,8	38,9	35,0	30,2	40,2
RCAI	-	-	-	12,5	32,5	26,9	21,2	31,5
Tax Rate	-	-	-	-0,8	0,4	0,0	0,0	-8,2
Declared Group Net income	-	-	-	11,6	26,5	24,0	21,2	23,3
Restated Group Net income	-	-	-	11,6	32,9	26,9	21,2	23,3
<i>chge y/y-1</i>	-	-	-	-/+	+/>++	-18,2%	-20,9%	9,8%
AACR Sales 2021 / 2025e								
Gross Margin (%)	-	-	-	26,5%	26,3%	26,5%	26,8%	27,0%
Operating Margin (%)	-	-	-	7,6%	9,0%	6,8%	4,9%	5,8%
Net margin (%)	-	-	-	6,9%	7,6%	5,2%	3,4%	3,4%
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€)	-	-	-	-	-	-	-	-
<i>chge y/y-1</i>	-	-	-	-	-	-	-	-
Avg nb of staff	-	-	-	-	-	-	-	-
<i>chge y/y-1</i>	-	-	-	-	-	-	-	-

Balance Sheet	19	20	21	22	23	24e	25e	26e
Equity value (group's share)	-	-	-	45,4	80,5	104,5	125,8	149,1
Net Financial Debt	-	-	-	11,5	60,0	82,8	90,8	75,4
Other	-	-	-	13,3	13,9	7,0	7,0	7,0
Invested Capital	-	-	-	72,0	155,5	195,4	224,7	232,6
Net Fixed Assets	-	-	-	55,3	117,6	186,4	217,1	225,1
<i>o/w goodwill</i>	-	-	-	16,4	43,8	97,0	117,4	117,4
<i>o/w financial assets</i>	-	-	-	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	195,4	224,7	232,6
Gearing (%)	-	-	-	24,5%	73,6%	78,4%	71,5%	50,2%
WCR/Sales (%)	-	-	-	9,9%	8,8%	1,7%	1,2%	1,1%
Net Financial Debt/EBITDA (x)	ns	ns	ns	0,6	1,3	1,8	2,0	1,3
ROE (%)	-	-	-	25,7%	32,9%	23,0%	16,9%	15,6%
ROACE (%) after normative tax	-	-	-	-	35,9%	20,0%	14,4%	13,0%

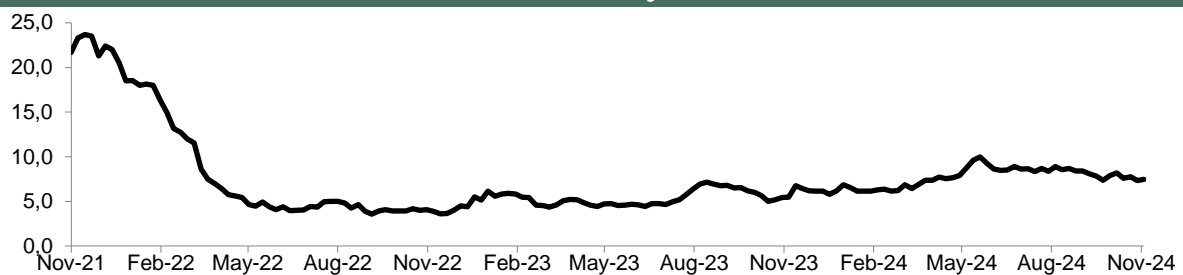
Cash Flow statement	19	20	21	22	23	24e	25e	26e
Cash Flow	-	-	-	-	22,1	24,2	37,4	41,0
Change in WCR	-	-	-	-	82,0	29,0	1,4	0,0
Capital expenditures	-	-	-	-	-21,0	-21,9	-24,2	-25,6
% of Sales	-	-	-	-	4,9%	4,2%	3,9%	3,7%
Free Cash Flow	-	-	-	-	83,0	31,3	14,6	15,4
Asset disposal	-	-	-	-	-58,8	-55,1	-22,6	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	22,8	8,0	-15,4
Net Financial Debt	-	-	-	11,5	60,0	82,8	90,8	75,4



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Data per Share	19	20	21	22	23	24e	25e	26e
EPS	-	-	-	1,88	1,53	1,39	1,23	1,35
chge y/y-1	-	-	-	-/+	1,4%	-18,2%	-20,9%	9,8%
CFPS	-	-	-	-	1,3	1,4	2,2	2,4
NAPS	-	-	-	7,3	4,7	6,1	7,3	8,6
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	4,8	6,1	5,5
PCF (x)	-	-	-	-	4,3	5,3	3,5	3,2
PNAV (x)	-	-	-	1,0	1,2	1,2	1,0	0,9
EV/Sales (x)	-	-	-	0,3	0,4	0,4	0,4	0,3
EV/EBITDA (x)	-	-	-	2,5	3,3	4,5	4,8	3,6
EV/EBIT (x)	-	-	-	3,5	4,0	6,1	7,3	5,1
Free Cash Flow Yield (%)	-	-	-	-	87,8%	24,3%	11,3%	11,9%
Yield (%)	-	-	-	-	0,0%	0,0%	0,0%	0,0%
Market Cap (M€)	-	-	-	46,3	94,5	129,2	129,2	129,2
Enterprise Value (EV)	-	-	-	44,3	155,6	213,0	221,0	205,6
Reference Price (€)	-	31,0	28,1	7,5	5,5	7,5	7,5	7,5
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 €							
Intermediate Data	19	20	21	22	23	24		
Q1 Sales	-	-	-	-	-	-		
Q2 Sales	-	-	-	-	-	-		
H1 Sales	-	-	-	-	-	231,5		
H1 EBIT	-	-	-	-	-	25,1		
H1 restated Net result Group share	-	-	-	-	-	21,6		
H1 Operating Margin	-	-	-	-	-	10,9%		
H1 Net Margin	-	-	-	-	-	9,3%		
Q3 Sales	-	-	-	-	-	-		
Q4 Sales	-	-	-	-	-	-		
H2 Sales	-	-	-	-	-	-		
H2 EBIT	-	-	-	-	-	-		
H2 restated Net result Group share	-	-	-	-	-	-		
H2 Operating Margin	-	-	-	-	-	-		
H2 Net Margin	-	-	-	-	-	-		
<i>Growth Rate (y/y-1)</i>								
Q1 Sales	-	-	-	-	-	-		
Q2 Sales	-	-	-	-	-	-		
Q3 Sales	-	-	-	-	-	-		
Q4 Sales	-	-	-	-	-	-		
H1 Sales	-	-	-	-	-	-/+		
H2 Sales	-	-	-	-	-	-/+		
H1 EBIT	-	-	-	-	-	-/+		
H2 EBIT	-	-	-	-	-	-/+		

Price History



Taxonomy	Sales	Opex	Capex
Eligible	n.a.	n.a.	n.a.
Aligned	n.a.	n.a.	n.a.

ESG:



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ESG Criteria				
ENVIRONMENT	2021	2022	2023	Comments
Carbon footprint				
GHG emissions in kteqCO2 (Scope 1 and 2) / Sales (€m)	NA	NA	NA	
SBTI validated CO2 targets	NA	NA	NA	
Positive environmental impact identified	NA	NA	NA	
Environmental Policy				
Publication of an environmental report	NA	NA	NA	
Fines/environmental litigation over the last 3 years	NA	NA	NA	
14001 certification	NA	NA	NA	
SOCIAL	2021	2022	2023	Comments
Promoting diversity				
Share of women in company	NA	NA	NA	
Equal pay index women/men	NA	NA	NA	
Action plan for equal opportunities and diversity	NA	NA	NA	
Share of the disabled	NA	NA	NA	
Training				
Part of employees who received training during the last year	NA	NA	NA	
Recruitment & Attraction				
Employment turnover rate	NA	NA	NA	
Certification Great place to work	NA	NA	NA	
Working conditions				
Presence of an HRD on the steering committee	NA	NA	NA	
Encouraging employee shareholding	NA	NA	NA	
Number of shares held by employees	NA	NA	NA	
Absenteeism rate	NA	NA	NA	
Workplace accident frequency rate	NA	NA	NA	
GOVERNANCE & SHAREHOLDING	2021	2022	2023	Comments
Compliance with the Afep-Medef code	NA	NA	NA	
Composition of governance bodies				
Separation of the functions of Chairman and Chief Executive Officer	NA	NA	NA	
Number of members of the Board of Directors	NA	NA	NA	
<i>of which independent</i>	NA	NA	NA	
<i>of which women</i>	NA	NA	NA	
Employee representative on the Board of Directors	NA	NA	NA	
Attendance of Board members	NA	NA	NA	
Audit Committee	NA	NA	NA	
Risk Committee	NA	NA	NA	
Risk Committee: a section dedicated to cybersecurity	NA	NA	NA	
CSR Committee	NA	NA	NA	
Respect of minority shareholders				
Double/multiple voting rights	NA	NA	NA	
Weight of the main shareholder	NA	NA	NA	
Executive compensation				
Transparency on the CEO's remuneration	NA	NA	NA	
Statement of the CEO's remuneration	NA	NA	NA	
Compensation of the CEO linked to CSR performance criteria	NA	NA	NA	
Fairness ratio	NA	NA	NA	
EXTERNAL STAKEHOLDERS	2021	2022	2023	Comments
Implementation of an ethics charter with its suppliers	NA	NA	NA	
Implementation of customer satisfaction indicators	NA	NA	NA	
Share of financial audit costs in audit costs	NA	NA	NA	

Compulsory disclosures

Stock recommendations

Our stock recommendations reflect the total return expected on the share over a 6-12 month investment horizon. They are based on target prices defined by the analyst and incorporate exogenous factors related to the market environment, which are subject to wide variations. Portzamparc's analysts use a fundamental multi-criteria approach when valuing a share (mainly, but not limited to, discounting of cash flows, comparable multiples, transaction multiples, sum of the parts and revalued net assets).

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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Unless otherwise specified, all prices are previous day's closing prices.

Ratings applied to the issuer in the past 12 months

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
25 Nov 24 - 08:03:57	Nicolas Delmas	13,6	7,48	Strong Buy
22 Nov 24 - 09:35:05	Nicolas Delmas	13,6	7,42	Strong Buy
22 Nov 24 - 08:40:39	Nicolas Delmas	13,6	7,42	Strong Buy
10 Oct 24 - 08:20:32	Nicolas Delmas	13,6	7,64	Strong Buy
10 Oct 24 - 07:49:00	Nicolas Delmas	12	7,64	Strong Buy
10 Oct 24 - 07:33:13	Nicolas Delmas	12	7,64	Strong Buy
10 Oct 24 - 07:25:20	Nicolas Delmas	13,6	7,64	Strong Buy

Potential conflicts of interest for PORTZAMPARC

Company	Potential conflicts of interest
The Platform Group	6

1. Portzamparc holds or controls 5% or more of the issuer's share capital;
2. The issuer, or its main shareholders, hold or control, directly or indirectly, 5% or more of Portzamparc's share capital;
3. Portzamparc has been lead manager or co-lead manager in a public offering of financial instruments of the issuer in the past 12 months;
4. Portzamparc is market maker for the financial instruments of the issuer;
5. Portzamparc has entered into a liquidity agreement with the issuer;
6. Portzamparc and the issuer have signed an analysis service agreement whereby Portzamparc has undertaken to produce and disseminate investment research on the issuer. Research report produced in accordance with charter of good practices regarding sponsored research. Research partially paid by the issuer, limited distribution;
7. Portzamparc has received payment from the issuer in consideration for the provision of investment services or financial advisory services in the last 12 months;
8. The author of this document or any person who has assisted in its preparation (or a member of their household), and any person who, while not involved in the preparation of the report, has had, or can be reasonably assumed to have had, access to material elements of this document prior to its dissemination, holds a net or short position representing more than 0.5% of the issuer's share capital;
9. The rating published in this document has been disclosed to the issuer prior to publication and dissemination and subsequently amended prior to its dissemination.

Potential conflicts of interest for BNP PARIBAS

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