

company note

The Platform Group (TPG GY) | Retail

May 26, 2025

Model update post Q1/25

We have updated our model for The Platform Group (TPG), leaving our estimates unchanged, following in line Q1/25 results vs. our expectations. Q1 sales rose +49% yoy (vs. MTZLe: +50%) and reported to €161mn, assisted by an increase in the number of partners - (+28%), active customers (+29.5%) and orders (+67%). Below top-line, EBITDA amounted to €19.6mn (vs. MTZLe: €20.1mn), implying margin -330bps to 12.2% in the first quarter due to a lower gross margin given consolidation of portfolio companies (e.g. Hood & Avocadostore) and a higher other operating expense ratio, which offset efficiencies on the marketing, distribution and personnel front. FY25 guidance was confirmed. Indeed, the expansion of sector reach to 30 industries (vs. 26 right now) and having >16,000 partners (vs. 15,348 at present) by the end of FY25 provides incremental growth potential alongside additional bolt-on acquisitions. However, we continue to look for an improvement in balance sheet quality (notably a reduction of financial debt) and evidence of the business model's sustainability following the 44% yoy decline in operating cash flow to €58mn in FY24. Overall, we reiterate our Buy recommendation on solid execution.

Risks to our rating: 1) intensifying competition, 2) personnel cost inflation and 3) higher logistics costs

FY25 outlook: TPG expects to generate 1) €680-700mn in Group sales, 2) a GMV of €1.3bn and 3) an adj. EBITDA in the range of €47-50mn

| Fundamentals (in EUR m) ¹ | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|--------------------------------------|-------|-------|-------|---------|---------|---------|
| Sales | 168 | 432 | 525 | 692 | 822 | 924 |
| EBITDA | 14 | 47 | 56 | 60 | 74 | 85 |
| EBIT | 9 | 39 | 46 | 46 | 57 | 67 |
| EPS adj. (EUR) | 1.10 | 1.48 | 1.60 | 1.68 | 2.12 | 2.36 |
| GMV | 266.3 | 693.4 | 903.2 | 1,300.4 | 1,683.3 | 1,961.4 |
| DPS (EUR) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| BVPS (EUR) | 7.37 | 4.72 | 6.77 | 8.45 | 10.57 | 12.93 |
| Net Debt incl. Provisions | 20 | 69 | 131 | 106 | 109 | 118 |
| Ratios ¹ | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
| EV/EBITDA | 3.3 | 3.7 | 5.1 | 5.5 | 4.5 | 4.0 |
| EV/EBIT | 5.2 | 4.5 | 6.2 | 7.2 | 5.9 | 5.2 |
| P/E adj. | 4.0 | 4.2 | 4.9 | 6.9 | 5.5 | 4.9 |
| Dividend yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA margin (%) | 8.4 | 10.8 | 10.6 | 8.7 | 9.0 | 9.2 |
| EBIT margin (%) | 5.4 | 9.0 | 8.7 | 6.7 | 7.0 | 7.2 |
| Net debt/EBITDA | 1.4 | 1.5 | 2.3 | 1.8 | 1.5 | 1.4 |
| PBV | 0.6 | 1.3 | 1.2 | 1.4 | 1.1 | 0.9 |

¹Sources: Bloomberg, Metzler Research

Buy


unchanged
Price*
EUR 11.65
Price target
EUR 17.00 (unchanged)

* XETRA trading price at the close of the previous day unless stated otherwise in the Disclosures

| | |
|---------------------------------------|------|
| Market Cap (EUR m) ¹ | 227 |
| Enterprise Value (EUR m) ¹ | 333 |
| Free Float (%) ¹ | 20.1 |

Price (in EUR)¹



| Performance (in %) ¹ | 1m | 3m | 12m |
|------------------------------------------|-------|-------|-------|
| Share | 33.6 | 35.5 | 33.3 |
| Rel. to SDAX | 28.3 | 25.8 | 24.2 |
| Changes in estimates (in %) ¹ | 2025e | 2026e | 2027e |
| Sales | 0.0 | 0.0 | 0.0 |
| EBIT | 0.0 | 0.0 | 0.0 |
| EPS | 0.0 | 0.0 | 0.0 |

Sponsored Research


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Q1/25 in line with our expectations

Headline results

TPG reported Q1/25 results last Friday, broadly in line with our expectations. Sales - in Q1 came in +49% yoy (vs. MTZLe: +50%) and reported to €161mn, driven by an acceleration of partners (+28%), the active customer base (+29.5%) and number of orders (+67%). We are mindful that TPG is now present in 26 sectors. Below top-line, EBITDA amounted to €19.6mn (vs. MTZLe: €20.1mn), implying margins -330bps to 12.2% in the first quarter on a lower gross margin given consolidation of portfolio companies and an increase in the other operating expense ratio, which offset efficiencies on the marketing, distribution and personnel front. FY25 guidance, calling for 1) €680-700mn in sales, 2) a GMV of €1.3bn and 3) an adj. EBITDA in the range of €47-50mn, was confirmed.

Sales

Q1 sales were +49% yoy (vs. MTZLe: +50%) and reported to €161mn, primarily driven by a rising number of active customers (+29.5%), partners (+28%) and orders (+67%).

Gross profit

Gross margin in the first quarter was 290bps lower yoy at 34.8%, negatively impacted by the consolidation of portfolio companies, notably Hood and Avocados-tore.

OpEx

The OpEx ratio stood 40bps higher yoy at 22.6% whereby improvements in marketing, distribution and personnel expenses were offset higher other operating expenses (measured as a % of sales).

EBITDA

This drove Q1 EBITDA up 17% yoy to €19.6mn, implying margin -330bps yoy to 12.2%.

FY25 guidance

TPG expects to generate 1) €680-700mn in sales, 2) GMV of €1.3bn and 3) an adj. EBITDA in the range of €47-50mn.

The Platform Group AG - P&L

| EURmn | Q1/24 | Q1/25 | MTZLe |
|----------------------------------------------------|--------------|--------------|--------------|
| GMV | 191 | 356 | 353 |
| <i>% change</i> | <i>18%</i> | <i>87%</i> | <i>85%</i> |
| Sales | 108 | 161 | 162 |
| <i>% change</i> | <i>28%</i> | <i>49%</i> | <i>50%</i> |
| Other income | 10 | 11 | 10 |
| <i>as % of sales</i> | <i>9,1%</i> | <i>6,6%</i> | <i>6,2%</i> |
| Cost of Goods Sold | (77) | (115) | (115) |
| Gross profit | 41 | 56 | 57 |
| <i>Gross profit margin</i> | <i>37,7%</i> | <i>34,8%</i> | <i>35,0%</i> |
| Marketing expenses | (7) | (9) | (10) |
| <i>as % of sales</i> | <i>6,3%</i> | <i>5,9%</i> | <i>6,0%</i> |
| Distribution expenses | (9) | (13) | (13) |
| <i>as % of sales</i> | <i>7,9%</i> | <i>7,8%</i> | <i>8,0%</i> |
| Personnel expenses | (5) | (7) | (7) |
| <i>as % of sales</i> | <i>4,7%</i> | <i>4,6%</i> | <i>4,6%</i> |
| Other operating expenses | (4) | (7) | (6) |
| <i>as % of sales</i> | <i>3,3%</i> | <i>4,3%</i> | <i>4,0%</i> |
| EBITDA | 16,7 | 19,6 | 20,1 |
| <i>EBITDA margin</i> | <i>15,5%</i> | <i>12,2%</i> | <i>12,4%</i> |
| Adj. EBITDA | 8,5 | 15,9 | 15,0 |
| <i>Adj. EBITDA margin</i> | <i>7,9%</i> | <i>9,9%</i> | <i>9,3%</i> |
| Net income from continued operations | 12,9 | 18,2 | 18,5 |
| Minorities / discontinued operations | (1,5) | 0,0 | 0,0 |
| Net income attributable to TPG shareholders | 11,4 | 18,2 | 18,5 |
| EPS from continued operations | 0,65 | 0,90 | 0,95 |

Source: Metzler Research

Changes to our estimates

Pulling through the Q1 results, our forecasts remain unchanged.

Changes to our estimates

| EUR | FY25E | | | FY26E | | | FY27E | | |
|-----------------------------|-------------|-------------|-----------|-------------|-------------|-----------|-------------|-------------|-----------|
| | Old | New | % change | Old | New | % change | Old | New | % change |
| Sales | 692 | 692 | 0% | 822 | 822 | 0% | 924 | 924 | 0% |
| <i>% growth</i> | <i>32%</i> | <i>32%</i> | | <i>19%</i> | <i>19%</i> | | <i>12%</i> | <i>12%</i> | |
| Adj. EBITDA | 50 | 50 | 0% | 63 | 63 | 0% | 74 | 74 | 0% |
| <i>Adj. EBITDA margin %</i> | <i>7,2%</i> | <i>7,2%</i> | | <i>7,7%</i> | <i>7,7%</i> | | <i>8,0%</i> | <i>8,0%</i> | |
| EPS (€) | 1,68 | 1,68 | 0% | 2,12 | 2,12 | 0% | 2,36 | 2,36 | 0% |

Source: Metzler Research

Valuation

We continue to value TPG using a DCF approach (PT: €17).

DCF derives fair value of €17

Our DCF includes our detailed forecasts (FY25-FY27E), averages 5% medium-term growth before fading to our terminal growth assumption of 2%. We use a WACC of 9.6%.

Sales growth: The under-penetration of e-Commerce in certain sectors (i.e. furniture and DIY), growth of partners on TPG's platform (e.g. networking effect) and M&A constitute the main top-line drivers ahead.

EBIT: We model on-going margin progression at TPG given opportunities to capitalise on automation (Consumer Goods) and scaling efficiencies (Freight & Industrial Goods) to drive improvements in the personnel expense ratio.

DCF valuation - The Platform Group AG

| | Forecasts | | | Second Period | | | Fade | | | | | Terminal |
|-----------------------------------------------|-----------|--------|--------|---------------|--------|--------|--------|--------|--------|--------|--------|----------|
| | FY25e | FY26e | FY27e | FY28e | FY29e | FY30e | FY31 | FY32 | FY33 | FY34 | FY35 | TV-year |
| Revenue (in EURm) | 692 | 822 | 924 | 975 | 1,024 | 1,070 | 1,114 | 1,155 | 1,193 | 1,225 | 1,253 | 1,278 |
| % change yoy | 32.0% | 18.7% | 12.4% | 5.5% | 5.0% | 4.5% | 4.1% | 3.7% | 3.3% | 2.7% | 2.3% | 2.0% |
| EBIT (in EURm) | 46 | 57 | 67 | 73 | 81 | 89 | 95 | 100 | 105 | 109 | 113 | 115 |
| Margin (in %) | 6.7% | 7.0% | 7.2% | 7.6% | 7.9% | 8.3% | 8.5% | 8.7% | 8.8% | 8.9% | 9.0% | 9.0% |
| Adjusted Taxes (in EURm) | -2 | -6 | -13 | -22 | -24 | -27 | -28 | -30 | -31 | -33 | -34 | -35 |
| Tax rate (in %) | -5.0% | -10.0% | -20.0% | -30.0% | -30.0% | -30.0% | -30.0% | -30.0% | -30.0% | -30.0% | -30.0% | -30.0% |
| NOPLAT | 44 | 52 | 53 | 51 | 57 | 62 | 66 | 70 | 73 | 76 | 79 | 81 |
| DDA (in EURm) | 14 | 16 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 25 | 26 |
| in % of sales | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Less: Maintenance Capex (in EURm) | -14 | -16 | -18 | -29 | -33 | -34 | -37 | -38 | -41 | -43 | -44 | -45 |
| in % of sales | -2.0% | -2.0% | -2.0% | -3.0% | -3.2% | -3.2% | -3.3% | -3.3% | -3.4% | -3.5% | -3.5% | -3.5% |
| Less: Investment Capex (in EURm) | -26 | -33 | -37 | -44 | -47 | -49 | -52 | -54 | -57 | -59 | -61 | -63 |
| in % of sales | -3.8% | -4.0% | -4.0% | -4.5% | -4.6% | -4.6% | -4.7% | -4.7% | -4.8% | -4.8% | -4.9% | -4.9% |
| Less: Change in NWC (in EURm) | -12 | -11 | -18 | -39 | -41 | -43 | -45 | -46 | -48 | -49 | -50 | -38 |
| Free cash flow | 29 | 30 | 34 | 37 | 38 | 43 | 44 | 47 | 47 | 48 | 49 | 37 |
| Present value FCF (in EURm) | 28 | 26 | 27 | 26 | 25 | 26 | 24 | 23 | 21 | 20 | 18 | 13 |
| Implied equity value and fair value per share | | | | | | | | | | | | |
| Enterprise value (in EURm) | 445 | | | | | | | | | | | |
| Less: Net debt (in EURm) | -106 | | | | | | | | | | | |
| Less: Minorities (in EURm) | -4 | | | | | | | | | | | |
| Less: Provisions (in EURm) | -4 | | | | | | | | | | | |
| Equity value (in EURm) | 331 | | | | | | | | | | | |
| # of outstanding shares | 19 | | | | | | | | | | | |
| Fair value share price (in EUR) | 17 | | | | | | | | | | | |

Sources: Metzler Research

Below, we provide a sensitivity analysis of our estimated fair value vs. the terminal growth rate and our terminal EBITDA margin:

Sensitivity analysis

In EUR

| | | Terminal growth rate | | | | |
|------------------------------|-------|----------------------|------|------|------|------|
| | | 0,0% | 1,0% | 2,0% | 3,0% | 4,0% |
| Terminal EBITDA margin | 9,0% | 12 | 12 | 13 | 13 | 14 |
| | 10,0% | 13 | 14 | 15 | 16 | 17 |
| | 11,0% | 15 | 16 | 17 | 18 | 20 |
| | 12,0% | 17 | 18 | 19 | 21 | 23 |
| | 13,0% | 19 | 20 | 21 | 23 | 26 |

Sources: Metzler Research

Risks

Limited track record so far: TPG has been trading on the stock exchange since November 2023. Although the company has delivered solid results in FY24, and also recently upgraded outlooks for FY25 & FY26, its track record remains limited so far.

Personnel cost inflation: Key pillars for profitability expansion, according to our estimates, are improvements with respect to automation and scaling benefits regarding personnel expenses. Should these not materialise, this could imply downside risk to our reported EBITDA estimates, as we expect both distribution and marketing costs to rise in the coming years both in absolute terms and as a % of sales.

Debt: We view a reduction of its current leverage ratio as critical. By FY25, TPG wishes to improve its net debt / adj. EBITDA ratio (excl. IFRS16 liabilities) to a 1.5-2.3x.

company note

Key Data

Company profile

CEO: Dr. Dominik Benner

CFO: Reinhard Hetkamp

Düsseldorf, Germany

The Platform Group AG (TPG) is a software specialist, which focuses on connecting small and medium retail enterprises (SMEs), operating in both B2C as well as B2B, to >50 online stores that are either owned by TPG or third parties.

Major shareholders

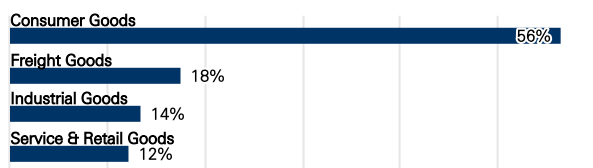
Benner Holding GmbH (70%), Paladin Asset Management (9.9%)

Key figures

| P&L (in EUR m) | 2022 | % | 2023 | % | 2024 | % | 2025e | % | 2026e | % | 2027e | % |
|--------------------------------------------|-------------|---------------|-------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales | 168 | 25.9 | 432 | 156.6 | 525 | 21.4 | 692 | 32.0 | 822 | 18.7 | 924 | 12.4 |
| Gross profit on sales | 45 | -13.2 | 114 | 154.9 | 169 | 48.5 | 231 | 36.8 | 277 | 19.7 | 314 | 13.4 |
| Gross margin (%) | 26.5 | -31.1 | 26.3 | -0.7 | 32.2 | 22.3 | 33.4 | 3.7 | 33.7 | 0.9 | 34.0 | 0.8 |
| EBITDA | 14 | 789.0 | 47 | 231.4 | 56 | 19.0 | 60 | 8.5 | 74 | 22.2 | 85 | 15.4 |
| EBITDA margin (%) | 8.4 | 606.0 | 10.8 | 29.1 | 10.6 | -2.0 | 8.7 | -17.8 | 9.0 | 3.0 | 9.2 | 2.7 |
| EBIT | 9 | n.m. | 39 | 326.7 | 46 | 17.7 | 46 | 1.5 | 57 | 23.3 | 67 | 16.3 |
| EBIT margin (%) | 5.4 | n.m. | 9.0 | 66.3 | 8.7 | -3.1 | 6.7 | -23.0 | 7.0 | 3.8 | 7.2 | 3.4 |
| Financial result | -0 | 78.9 | -6 | n.m. | -9 | -47.3 | -11 | -16.0 | -10 | 5.4 | -9 | 17.5 |
| EBT | 9 | 555.5 | 32 | 268.5 | 36 | 11.8 | 36 | -2.2 | 47 | 32.1 | 58 | 23.7 |
| Taxes | 1 | 447.3 | -0 | -144.0 | 1 | 321.9 | 2 | 120.8 | 5 | 164.2 | 12 | 147.5 |
| Tax rate (%) | 9.3 | n.a. | -1.1 | n.a. | 2.2 | n.a. | 5.0 | n.a. | 10.0 | n.a. | 20.0 | n.a. |
| Net income | 8 | 570.6 | 33 | 311.0 | 36 | 8.1 | 34 | -5.0 | 42 | 25.2 | 46 | 10.0 |
| Minority interests | 1 | n.a. | 1 | -24.4 | 2 | 68.2 | 1 | -30.8 | 1 | -9.1 | 0 | -50.0 |
| Net Income after minorities | 7 | 497.0 | 32 | 373.1 | 34 | 6.3 | 33 | -3.8 | 41 | 26.3 | 46 | 11.5 |
| Number of shares outstanding (m) | 6 | -0.8 | 17 | 180.9 | 19 | 12.7 | 19 | 0.0 | 19 | 0.0 | 19 | 0.0 |
| EPS adj. (EUR) | 1.10 | 500.3 | 1.48 | 34.8 | 1.60 | 8.2 | 1.68 | 4.8 | 2.12 | 26.3 | 2.36 | 11.5 |
| DPS (EUR) | 0.00 | n.a. | 0.00 | n.a. | 0.00 | n.a. | 0.00 | n.a. | 0.00 | n.a. | 0.00 | n.a. |
| Dividend yield (%) | 0.0 | n.a. | 0.0 | n.a. | 0.0 | n.a. | 0.0 | n.a. | 0.0 | n.a. | 0.0 | n.a. |
| Cash Flow (in EUR m) | 2022 | % | 2023 | % | 2024 | % | 2025e | % | 2026e | % | 2027e | % |
| Gross Cash Flow | -2 | -260.8 | 22 | n.m. | 36 | 61.4 | 48 | 33.3 | 59 | 23.3 | 65 | 10.7 |
| Increase in working capital | 4 | n.a. | 82 | n.a. | 22 | n.a. | -12 | n.a. | -11 | n.a. | -18 | n.a. |
| Capital expenditures | -1 | 94.2 | -75 | n.m. | -57 | 24.4 | -40 | 29.0 | -49 | -22.8 | -55 | -12.4 |
| D+A/Capex (%) | -471.0 | n.a. | -10.5 | n.a. | -17.4 | n.a. | -34.5 | n.a. | -33.3 | n.a. | -33.3 | n.a. |
| Free cash flow (Metzler definition) | -7 | -339.4 | -135 | n.m. | -43 | 68.0 | 19 | 144.2 | 20 | 6.7 | 27 | 32.8 |
| Free cash flow yield (%) | -26.4 | n.a. | -126.5 | n.a. | -28.0 | n.a. | 8.4 | n.a. | 9.0 | n.a. | 11.9 | n.a. |
| Dividend paid | 0 | n.a. | 0 | n.a. | 0 | n.a. | 0 | n.a. | 0 | n.a. | 0 | n.a. |
| Free cash flow (post dividend) | -7 | -339.4 | -135 | n.m. | -43 | 68.0 | 19 | 144.2 | 20 | 6.7 | 27 | 32.8 |
| Balance sheet (in EUR m) | 2022 | % | 2023 | % | 2024 | % | 2025e | % | 2026e | % | 2027e | % |
| Assets | 84 | -12.7 | 284 | 237.7 | 323 | 13.7 | 375 | 16.1 | 416 | 11.0 | 466 | 12.0 |
| Goodwill | 16 | 44.7 | 44 | 167.0 | 47 | 8.5 | 56 | 18.5 | 67 | 19.4 | 79 | 17.9 |
| Shareholders' equity | 47 | -7.7 | 82 | 73.1 | 135 | 65.5 | 169 | 25.0 | 211 | 25.0 | 258 | 22.0 |
| Equity/total assets (%) | 56.0 | n.a. | 28.7 | n.a. | 41.8 | n.a. | 45.0 | n.a. | 50.7 | n.a. | 55.2 | n.a. |
| Net Debt incl. Provisions | 20 | 122.8 | 69 | 240.2 | 131 | 90.6 | 106 | -18.9 | 109 | 2.6 | 118 | 8.5 |
| thereof pension provisions | 0 | -100.0 | 0 | n.a. | 0 | n.a. | 0 | n.a. | 0 | n.a. | 0 | n.a. |
| Gearing (%) | 42.7 | n.a. | 83.9 | n.a. | 96.7 | n.a. | 62.8 | n.a. | 51.5 | n.a. | 45.8 | n.a. |
| Net debt/EBITDA | 1.4 | n.a. | 1.5 | n.a. | 2.3 | n.a. | 1.8 | n.a. | 1.5 | n.a. | 1.4 | n.a. |

Structure

Sales by Division 2024



Sources: Bloomberg, Metzler Research

Disclosures

Recommendation history

Recommendations for each financial instrument or issuer - mentioned in this document - published by Metzler in the past twelve months

| Date of dissemination | Metzler recommendation * | | Current price ** | Price target * | Author *** |
|-----------------------------------------------------------------------|--------------------------|---------|------------------|----------------|--------------|
| | Previous | Current | | | |
| Issuer/Financial Instrument (ISIN): The Platform Group (DE000A2QEFA1) | | | | | |
| 29.04.2025 | Buy | Buy | 9.82 EUR | 17.00 EUR | Dennl, Felix |
| 25.11.2024 | Buy | Buy | 7.48 EUR | 13.00 EUR | Dennl, Felix |
| 26.08.2024 | Buy | Buy | 8.92 EUR | 13.00 EUR | Dennl, Felix |
| 03.06.2024 | n.a. | Buy | 9.62 EUR | 13.00 EUR | Dennl, Felix |

* Effective until the price target and/or investment recommendation is updated (FI/FX recommendations are valid solely at the time of publication)

** XETRA trading price at the close of the previous day unless stated otherwise herein

*** All authors are financial analysts

The Platform Group

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company note

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| | |
|------|------------------------------------------------------------------------------------------------------------|
| BUY | The price of the analysed financial instrument is expected to rise in the next 12 months. |
| HOLD | The price of the analysed financial instrument is expected to largely remain stable in the next 12 months. |
| SELL | The price of the analysed financial instrument is expected to fall in the next 12 months. |

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| | |
|------|--------------------------------------------------------------------------------------------------------------------------------|
| BUY | The analysed financial instrument is expected to perform better than similar financial instruments. |
| HOLD | The analysed financial instrument is not expected to perform significantly better or worse than similar financial instruments. |
| SELL | The analysed financial instrument is expected to perform worse than similar financial instruments. |

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