The Platform Group

Outperform ➔ | Target price : 12.5 €
Price (22/07/2024) : € 8.62 | Upside : 45%

Revision	12/24e	12/25e
EPS	ns	ns

Software for online success

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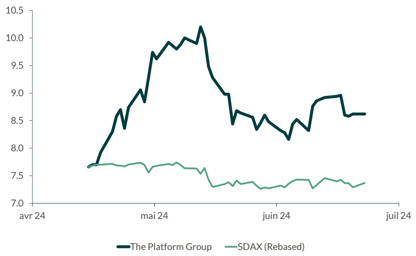

Sources : ODDO BHF Securities, SIX

Share data		
TPG GY | TPGG.DE		
Market Cap (€m)		171
Enterprise value (€m)		214
Extrema 12 months (€)	7.66 -	10.20
Free Float (%)		20.1

Performance (%)	1m	3m	12m
Absolute	-0.2	12.5	12.5
Perf. rel. Country Index	4.4	6.0	-6.5
Perf. rel. SDAX	-0.5	9.0	6.1

P&L	12/24e	12/25e	12/26e
Sales (€m)	493	622	653
EBITDA (€m)	30.2	46.5	50.8
Current EBIT (€m)	22.3	38.4	42.7
Attr. net profit (€m)	10.8	20.2	23.2
Adjusted EPS (€)	0.54	1.02	1.17
Dividend (€)	0.00	0.00	0.00
P/E (x)	15.9	8.5	7.4
P/B (x)	2.2	1.6	1.3
Dividend Yield (%)	0.0	0.0	0.0
FCF yield (%)	13.1	ns	0.9
EV/Sales (x)	0.43	0.35	0.34
EV/EBITDA (x)	7.1	4.7	4.3
EV/Current EBIT (x)	9.6	5.7	5.2
Gearing (%)	63	49	41
Net Debt/EBITDA (x)	1.6	1.2	1.1

Next Events	
23/08/2024	H1 Results
15/11/2024	Q3 Results

The Platform Group (TPG) is a software company that is active across 20 industries through its digital platform solutions. Via its four segments (consumer goods, freight goods, industrial goods, service and retail goods), it serves both B2B and B2C customers. Given the growing revenues (2023-2026e CAGR +14.7%) and adjusted EBITDA margins (+270bp to 7.8% in 2026e vs 2023), as well as a solid financial profile (equity ratio >30%, average positive FCF of c.€ 8m for 2024e to 2026e) and unique ecosystem, which is not reflected in the share price, we are initiating coverage with an Outperform rating and a target price of € 12.5.

Tailwinds due to growing e-commerce market

The steadily growing importance of online retail is a key part of shopping behaviour. This trend is fuelled by the availability of fast internet and mobile devices, as well as the ability to compare and order products from the comfort of home. As a result, the market for online retail sales in Europe is expected to grow from € 586.7bn in 2024e to € 915.9bn by 2029e (CAGR +9.3%) which should make TPG less dependent on DACH (c. 85% of 2023 revenue). In our view, this development will lead to growth in TPG's addressable market and support its success story (incl. the transforming acquisition of fashionette) with the aim of becoming Europe's leading profitable platform group.

Unique ecosystem

The strategy of organising all e-commerce services for B2B partners has led to the establishment of a business model (incl. the acquisition and integration of platforms and companies) that only a small number of companies pursue. TPG covers the entire e-commerce value chain and assumes the status of seller with the end customer. This enables the group to generate convincing added value for its B2B partners and this clearly sets TPG apart from other providers. With the successful expansion of the cost-conscious strategy on the platform and software solutions into new sectors, TPG creates economies of scale which should lead to higher revenues and earnings in the coming years. As a result, we forecast TPG's 2026e revenue of € 652.6m (+51% vs 2023) and an adjusted EBITDA margin of 7.8% (+270bp vs 2023). We expect the consumer goods segment to increase revenue to c. € 362m (+44% vs 2003), which is equivalent to c.55% of total revenue in 2026e. For 2024e, we are at the upper end of the guidance (revenue: € 480m / € 500m; adj. EBITDA: € 26m / € 30m), but below consensus EBITDA.

Solid financial profile enabling dynamic M&A activity

TPG is expected to report an average positive FCF of c. € 8m and an equity ratio >30% over the 2024e to 2026e period. With the issue of a corporate bond in July 2024 (total amount € 30m, of which c € 20m to finance the acquisitions of companies), we believe that TPG will be able to realize the planned inorganic growth (3 to 8 acquisitions) until the end of 2024. So far this year, TPG has concluded a number of transactions (including the acquisition of Hood.de and Aplanta platform, OEGE Group) and has increased/acquired a majority stake in Avocadostore and ApoNow.

Initiation of coverage on Outperform and a target price of € 12.5

We have used an average of 1) DCF and 2) a valuation approach based on peer group multiples to determine the fair value of the company. As TPG's business model is relatively atypical (coverage of the entire e-commerce value chain, acquisition and integration of platforms and/or companies), we believe that the combination of both approaches (excl. further M&A activity) is the right valuation method. This gives us a target price of € 12.5. We are initiating coverage on Outperform. Based on our 2025e estimates, TPG is trading at 4.7x EV/EBITDA, a discount of 37% vs the median EV/EBITDA multiple of peers (7.4x), which we do not think is justified due to its stronger top line and earnings growth (2024e-2026e CAGR).

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The Platform Group

Outperform	
Software | Germany	Target price : 12.5 €
Market Cap: € 171m	Price (22/07/2024) : € 8.62

Company profile

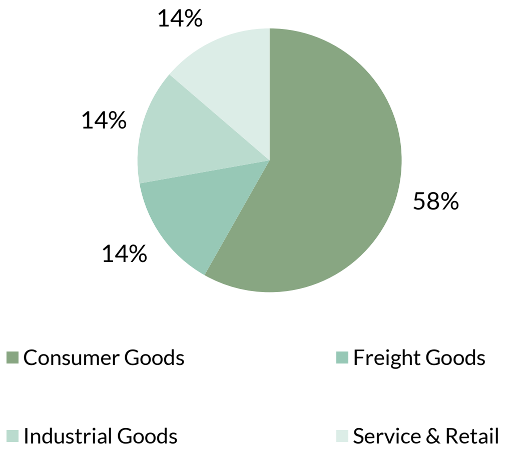
The Platform Group AG is a software company that is active in 20 industries through its own platform solutions. Its customers include both B2B and B2C customers in sectors such as furniture retail, machinery retail, dental technology, car platforms and luxury fashion. The group has 15 locations across Europe. Over 22 investments and company acquisitions have been made since 2020. The company's origins date back to 1882, when the Benner family founded a shoe and colonial goods store - the company is now represented by Dr. Dominik Benner (CEO) as the fifth generation.

Shareholders

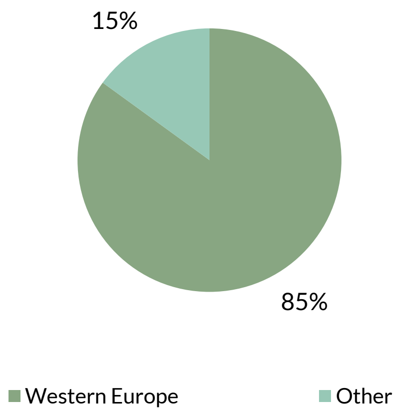
Benner Holding GmbH	70.00%
Free Float	20.10%
Paladin Asset Management	9.90%

Sales breakdown (2023)

By business



By region



Investment case

The Platform Group AG (TPG) is a software company that operates digital platform solutions in over 20 sectors with the aim of bringing together customers and partners across Europe. Via its four segments (consumer goods, freight goods, industrial goods, service and retail goods), it serves both B2B and B2C customers. In 2023, TPG was able to connect 5,520 partners to its platforms for the first time, thus successfully expanding its product range. To enter new sectors and establish its platform solutions, TPG often opts to acquire companies in the target sector. Given the revenue growth and EBITDA margins, a solid balance sheet and unique ecosystem, we are initiating coverage with an Outperform recommendation.

SWOT

Strengths

- Diversification makes TPG independent on individual sector development
- Software expertise
- Extensive marketing know-how

Weaknesses

- Majority of revenue in DACH
- Seasonal fluctuations
- Growth depends on the number of dealers

Opportunities

- International expansion
- M&A

Threats

- Market entry of competitors
- Termination of retailers / stronger direct sales
- Limited by e-commerce growth per sector

ESG

Environment:

- Procurement: In accordance with the "Five Freedoms" of the WOAH (World Organization for Animal Health) and the guidelines of the Fur Free Retailer Program, TPG has determined procurement standards for the protection of animals and species. For instance, no products containing materials from exotic animals are sold on TPG's online platforms. TPG also refrains from offering products made from protected corals, shells, snails and turtle shells as well as angora wool and non-certified mohair wool. In addition, the company requires its jewellery suppliers to prove the safe origin of diamonds and gemstones as well as the absence of nickel, lead and cadmium in their products, in accordance with the applicable EU regulations. As part of the procurement guidelines, suppliers of beauty products undertake to comply with EU regulations regarding formulations, ingredients, packaging, labelling and package inserts and to prohibit animal testing.
- Packaging: TPG is committed to reducing its greenhouse gas emissions and therefore uses 100% recyclable shipping boxes with a self-adhesive function. Its packaging is FSC-certified and has carried the RESY seal since December 2019. This means that the paper products TPG uses for packaging come from responsibly managed forests and are 100% recyclable. Shipping boxes no longer contain plastic. Moreover, the shipping boxes can be immediately reused for returns without the need for additional tape. This helps to keep the ecological footprint as low as possible.
- "Go Green" Shipping: TPG participates in the DHL environmental protection programme GoGreen. The surcharge on each parcel is reinvested by DHL in climate protection projects to offset the greenhouse gases generated by transportation. The GoGreen initiative addresses both the direct and indirect greenhouse gas emissions caused by DHL's direct operations and the activities of its transportation subcontractors.
- Reselling: TPG is aware that the fashion industry is very resource intensive. The extraction and use of raw materials for textiles have a significant impact on the environment. They increase energy consumption and generate CO_2 emissions. By implementing specific measures such as eco-design and the reuse of materials, TPG reduces its environmental impact and saves costs at the same time. The company therefore wants to support a circular economy that can also bring benefits to its customers in the form of more durable and innovative products. This is why TPG has partnered with several organisations to resell damaged items after they have been returned. These resale platforms work on a circular model where fashion accessories are resold to extend the life-cycle of an item.

Social: TPG believes that its employees are the key to its success. Their performance, wellbeing and knowledge has a significant impact on customer satisfaction and ultimately on the group's financial and operational performance. TPG promotes diversity, a culture of equal opportunities and fights discrimination. TPG offers its employees personal and leadership development programmes, which it believes lead to higher employee satisfaction, lower stress levels and higher productivity.
In the 2023 financial year, TPG employed an average of 688 people (2022: 421 people), all of whom salaried employees. Some 59% of the total workforce is female. At the first level of management, 50% are women.

Governance: The Platform Group AG is listed in the Scale segment of the Open Market on the Frankfurt Stock Exchange and is therefore not subject to the recommendations of the German Corporate Governance Code. Regardless, good corporate governance is an essential basis for responsible management.
TPG's corporate governance and business success are based on shared corporate values and the Code of Conduct, which was adopted in 2021 and updated in 2023.

Contents

INITIATION WITH AN OUTPERFORM RATING AND A TARGET PRICE OF € 12.5

We have used the average of 1) DCF and 2) a valuation approach based on peer group multiples to determine the fair value of the company. As TPG's business model is relatively atypical (coverage of the entire e-commerce value chain, acquisition and integration of platforms and companies) compared to peers, we believe that the combination of both approaches (excl. further M&A activity) is the right valuation method. This gives us a target price of € 12.5. We are initiating coverage on Outperform.

Multiples at a discount to peers

We have included six companies in our peer group analysis. The market cap of these companies ranges from € 89m (SRP Groupe) to € 6.7bn (Etsy).

- **Zalando SE** connects customers, brands and partners in 25 countries. What started as a Berlin-based online shoe store in 2008 has transformed into the leading European online platform for fashion and lifestyle. In 2023, the company reported sales of around € 10.1bn and a GMV of c.€ 14.6bn.
- **About You Holding SE** is one of the fastest growing e-commerce companies in Europe and Hamburg's first unicorn since 2018. As a fashion and technology business, the ambition is to digitalise the classic shopping trip by creating an inspiring and personalised shopping experience on the smartphone. With its consistent focus on personalisation, inspiration, and mobile shopping, ABOUT YOU has created sales in excess of € 1.90 bn.
- **ASOS PLC** engages in the operation of a multi-platform offering fashion products for 20-somethings. The firm offers clothes and other fashion items available in retail. It operates in the following regions: the UK, the US and the European Union. The company was founded by Nicholas Jon Robertson and Quentin John Griffiths on 2 June 2000 and is headquartered in London, in the UK. For the financial year 2022-23, ASOS generated revenues of £ 3.5bn.
- **Etsy Inc.** engages in the operation of an online marketplace. It offers handmade products such as shoes, clothing, bags, and accessories. It operates through the following segments: Etsy, Reverb, Depop, and Elo7. The company was founded in 2005 and is headquartered in New York, NY. In 2023, the company reported sales of around $ 2.8bn, connects more than 96m customers and 9m sellers around the world.
- **Boohoo Group Plc** is a holding company, which engages in the online retail of clothes and accessories. It designs, sources, markets, and sells fashion clothing, shoes, accessories, and beauty products to 16 to 45-year-old consumers globally. The firm owns the following brands: boohoo, boohooMAN, PrettyLittleThing, Nasty Gal, MissPap, Karen Millen, Coast, Oasis, Warehouse, Debenhams, Dorothy Perkins, Wallis, and Burton. The company was founded by Mahmud Abdullah Kamani and Carol Mary Kane in 2006 and is headquartered in Manchester, the UK. It serves customers globally, generating sales in excess of £ 1bn.

- **SRP Groupe SA** engages in the online sale of fashion items, beauty products, household appliances, decorative products and travel. It operates its business through its subsidiary Showroomprivé.com SARL. The company was founded by David Dayan and Thierry Petit in 2006 and is headquartered in La Plaine Saint-Denis, France. In 2023, the company generated revenue of € 677m.

Based on our 2025e calculations, TPG is trading at 4.7x EV/EBITDA, a discount of 37% vs the median EV/EBITDA multiple of peers (7.4x). We do not think that this discount is justified given that TPG's top line and earnings growth (2024e-2026e CAGR) is higher than the median of its peers but can potentially be explained by the relatively small size of the company and low liquidity.

TPG vs peer group

x	Price	Market Cap	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	(€)	€ m	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Zalando	23.29	6,146	0.54	0.51	0.49	7.8	6.6	5.7	17.5	12.3	9.9	27.2	20.1	15.9
ABOUT YOU Holding	3.48	647	0.29	0.26	0.24	22.7	9.3	6.0	ns	ns	23.0	ns	ns	105.8
ASOS	4.31	514	0.35	0.33	0.32	17.7	6.8	5.4	ns	ns	30.4	ns	ns	ns
Etsy	57.63	6,739	3.12	2.95	2.76	11.4	10.6	9.7	23.4	20.5	17.2	25.6	25.6	19.1
boohoo group	0.41	517	0.41	0.39	0.37	9.7	8.0	6.6	ns	43.4	18.4	Ns	ns	269.2
SRP Groupe	0.75	89	0.09	0.09	0.08	2.8	2.5	2-3	11.1	7.0	5.6	37.5	25.0	9.8
Average peer group			**0.80**	**0.76**	**0.71**	**12.0**	**7.3**	**5.9**	**ns**	**ns**	**17.4**	**30.1**	**22.6**	**84.0**
Median peer group			**0.38**	**0.36**	**0.34**	**10.6**	**7.4**	**5.8**	**ns**	**ns**	**17.8**	**27.2**	**22.8**	**19.1**
TPG	8.62	149	0.43	0.35	0.34	7.1	4.7	4.3	9.6	5.7	5.2	15.9	8.5	7.4
TPG vs median peer group			*13%*	*-3%*	*-1%*	*-33%*	*-37%*	*-26%*	*ns*	*ns*	*-71%*	*-41%*	*-63%*	*-61%*

Table 1 - Sources: FactSet, ODDO BHF Securities

Financial comparison

%	CAGR 2024e to 2026e			EBITDA margin		
	Sales	EBITDA	EPS	2024e	2025e	2026e
Zalando	5.8	17.1	30.8	6.9	7.8	8.5
ABOUT YOU Holding	6.6	354.6	-	1.3	2.8	4.1
ASOS	4.8	81.1	-	2.0	4.9	5.8
Etsy	6.2	8.3	15.6	27.3	27.8	28.5
boohoo group	3.2	13.5	-	4.3	4.9	5.6
SRP Groupe	2.9	10.9	95.8	3.1	3.4	3.6
Average	**4.9**	**80.9**	**47.4**	**7.5**	**8.6**	**9.4**
Median	**5.3**	**15.3**	**30.8**	**3.7**	**4.9**	**5.7**
TPG	15.0	29.7	43.8	6.1	7.5	7.8

Table 2 - Sources: FactSet, ODDO BHF Securities

Target price at € 12.5

Our DCF gives us a fair value of € 13.0. By using a valuation method based on the multiples of TPG's peer, the fair value of the share is € 12.0.

TPG covers the entire e-commerce value chain and assumes the status of seller in the relationship with the end customer. In addition, TPG's approach to acquisitions and integration is quite unique, as we are not yet aware of any player that consistently acquires companies, implements its proprietary software and platform solution, manages the investments through an operational holding company and thus jointly harnesses cost and growth potential. This significant differentiator clearly sets TPG apart from its peers.

As such, we think that a combination of both valuation approaches is the right method to determine the fair value of the share.

Fair value based on DCF: € 13.0

In this approach, we determine the fair value of TPG's shares by using a DCF model. This gives us a fair value of € 13.0.

The key inputs in our valuation are:

- Target enterprise value of € 306.7m. We use long-term projections out to 2034e, a WACC of 9.53% (incl. a market risk premium of 5.38% and a risk-free rate of 3.37%, both are set by ODDO BHF's equity research department), a target debt/equity ratio of 20%/80% (assuming the company aims for further delivering), a long-term growth rate of 2% and a terminal EBIT margin of 7%.
- Lastly, we deduct minority interests and have added net financial cash (2025e, incl. lease liabilities) and the current value of the 7.58% equity stake in Mister Spex.

TPG – DCF overview

€ m	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e
Revenue	**621.5**	**652.6**	**682.0**	**709.3**	**734.1**	**756.1**	**778.8**	**802.2**	**826.2**	**851.0**
Change y-o-y		*5.0%*	*4.5%*	*4.0%*	*3.5%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
EBIT	**38.4**	**42.7**	**46.0**	**48.1**	**50.3**	**52.9**	**54.5**	**56.2**	**57.8**	**59.6**
Change y-o-y		*11.1%*	*7.6%*	*4.7%*	*4.5%*	*5.2%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
EBIT margin	*6.2%*	*6.5%*	*6.7%*	*6.8%*	*6.9%*	*7.0%*	*7.0%*	*7.0%*	*7.0%*	*7.0%*
Theoretical tax	-11.5	-12.8	-13.8	-14.4	-15.1	-15.9	-16.4	-16.8	-17.4	-17.9
Tax rate	*30.0%*	*30.0%*	*30.0%*	*30.0%*	*30.0%*	*30.0%*	*30.0%*	*30.0%*	*30.0%*	*30.0%*
NOPAT	**26.9**	**29.9**	**32.2**	**33.7**	**35.2**	**37.0**	**38.2**	**39.3**	**40.5**	**41.7**
D&A	8.1	8.1	8.2	8.3	8.4	8.5	8.6	8.6	8.7	8.8
Capex	-21.3	-21.3	-21.4	-21.5	-21.5	-21.6	-21.6	-21.7	-21.8	-21.8
Changes in WC	-0.2	-0.4	-0.3	-0.3	-0.4	-0.2	-0.1	-0.2	-0.2	-0.1
Operational CF	13.5	16.3	18.7	20.1	21.6	23.7	25.0	26.0	27.1	28.6
Discounted FCF	**13.0**	**14.3**	**15.0**	**14.7**	**14.4**	**14.4**	**13.9**	**13.2**	**12.6**	**12.1**
Sum of discounted FCF	137.7									
Terminal value	169.0									
Growth to infinity	*2.0%*									
Enterprise value	**306.7**									
Net cash / (net debt)	-53.5									
Minority interest	-1.1									
Equity stake (M. Spex)	7.4									
Equity valuation	**259.5**									
Number of shares (m)	19.9									
Value per share (€)	**13.05**									

Table 3 - Source: ODDO BHF Securities

WACC calculation

WACC	***9.53%***
Risk free rate	*3.37%*
Market risk premium	*5.38%*
Beta	1.30
Cost of equity	***10.36%***
Interest rate	*8.88%*
Tax rate	*30.00%*
Cost of debt	***6.21%***
Debt	*20.0%*
Equity	*80.0%*

Table 4 - Source: ODDO BHG Securities

Sensitivity Analysis – WACC vs terminal growth (€)

		WACC				
		8.5%	**9.0%**	**9.5%**	**10.0%**	**10.5%**
	1.0%	13.9	12.8	11.9	11.0	10.3
	1.5%	14.7	13.5	12.4	11.5	10.7
Terminal growth rate	**2.0%**	15.6	14.2	**13.0**	12.0	11.1
	2.5%	16.6	15.1	13.8	12.6	11.6
	3.0%	17.8	16.1	14.6	13.3	12.2

Table 5 - Source: ODDO BHF Securities

Sensitivity Analysis – WACC vs terminal EBIT margin (€)

		WACC				
		8.5%	**9.0%**	**9.5%**	**10.0%**	**10.5%**
	6.0%	13.2	12.1	11.1	10.3	9.6
	6.5%	14.4	13.1	12.1	11.2	10.3
Terminal EBIT margin	**7.0%**	15.6	14.2	**13.0**	12.0	11.1
	7.5%	16.8	15.3	14.0	12.9	11.9
	8.0%	18.0	16.4	15.0	13.8	12.7

Table 6 - Source: ODDO BHF Securities

Fair value based on peer group multiples: € 12.0

Based on our estimates, the fair value per share based on peer multiples comparison ranges from € 9.0 (2025e EV/sales) to € 15.0 (2025e EV/EBITDA) leading to an average fair value of € 12.0.

Valuation based on peer group

€ m	EV/Sales			EV/EBITDA		
	2024e	**2025e**	**2026e**	**2024e**	**2025e**	**2026e**
TPG	493.4	621.5	652.6	30.2	46.5	50.8
Median peer group (x)	0.38	0.36	0.34	10.6	7.4	5.8
EV TPG	**187.7**	**225.1**	**224.0**	**319.3**	**344.5**	**296.6**
Adjustments	-43.1	-47.2	-49.2	-43.1	-47.2	-49.2
Equity valuation	144.6	178.0	174.8	276.2	297.4	247.3
Number of shares (m)	19.9	19.9	19.9	19.9	19.9	19.9
Value per share (€)	**7.3**	**9.0**	**8.8**	**13.9**	**15.0**	**12.4**

Tableau n°7 - Source : ODDO BHF Securities

ON THE WAY TO BECOMING THE LEADING PLATFORM GROUP

The Platform Group AG (TPG) is a software company that operates digital platform solutions in over 20 sectors with the aim of bringing customers (B2C and B2B customers) and partners together across Europe via its platform solutions. In 2023, TPG was able to connect 5,520 partners to its platforms for the first time and thus successfully expanded the product range across the 20 sectors. To enter new sectors and establish its platform solution, TPG often opts to acquire companies in the target sector. Over 20 acquisitions have now been recorded in recent years, with a strong M&A team and a professional post-merger project structure subsequently ensuring the value contribution of each investment.

A successful e-commerce software platform

The Platform Group AG (TPG) is a software company that is active in 20 industries through its own platform solutions. Its customers (> 4.4m) include both B2B customers (9 platforms) and B2C customers (17 platforms) in sectors like furniture retail, machinery retail, dental technology, car platforms and luxury fashion. TPG employs almost 700 people (incl. >100 employees in IT) and generates more than 85% of its revenue in Germany, Austria, Switzerland (German-speaking region) and the Netherlands. It has 15 locations across Europe and is headquartered in Düsseldorf, Germany. The company has made over 20 investments and acquisitions since 2020.

In 2023, the group generated revenue of € 432.2m and an operating result (adjusted EBITDA) of € 21.9m (adjusted EBITDA margin of 5.1%). During the same year, growth was mainly organic but also driven by acquisitions. TPG made three significant acquisitions, thereby adding two new sectors to its software and platform solution: car subscriptions (ViveLaCar/Cluno) and forestry/gardening technology.

The chart below shows earning trends at TPG KG (2021, 2022) and TPG AG (2023).

Development of revenue (€ m) and the adjusted EBITDA margin, non pro forma

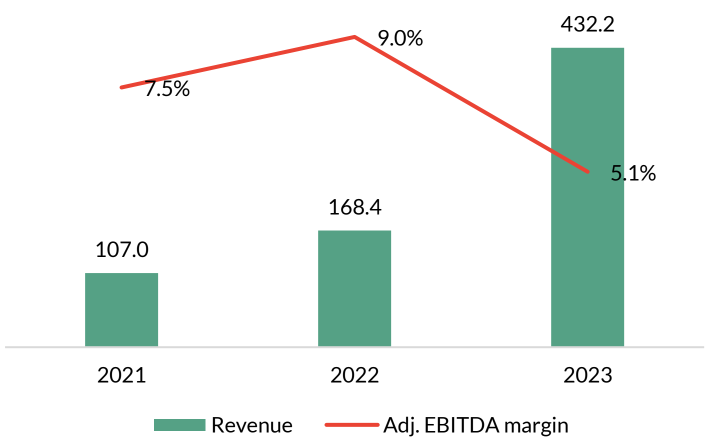


Chart 8 - Sources : TPG, ODDO BHF Securities

TPG has no one customer that accounts for more than 3% of its total revenue and has no supplier that accounts for more than 3% of its total deliveries. The company offers more than 1m products to its customers.

Moreover, TPG is not competing with normal online stores or e-commerce pure players such as Amazon, Zalando etc. Instead, TPG is a software specialist that organises its services for partners in such a way that they no longer have to take any risks or incur any expenses for online retailing. The company covers the entire e-commerce value chain: product photography, software development, interface programming, online listing on over 50 channels and stores, payments, tax services, logistics, price management, returns management, marketing and after-sales marketing. Its affiliated partners enjoy legal security and TPG assumes the status of seller in the relationship with the end customer.

TPG – The origins date back to 1882

The roots of TPG lie in a store for shoe and colonial goods founded in 1882. When the current CEO Dr. Dominik Benner took over the business, he built up an online distribution for shoes. In 2013, the strategic decision was made to run the stationary business separately and transform the company completely into a software and e-commerce platform. The platform "Schuhe24" was launched. With more than 20 coded interfaces to special enterprise resource planning ("ERP")-systems and a unique software solution, it was an innovative platform for shoe retailers in the European market. In 2017, the strategic decision was made to diversify into new industries, especially to B2B-clients and new segments besides fashion.

Historical milestones – from a family-run small business to an innovative publicly traded platform group

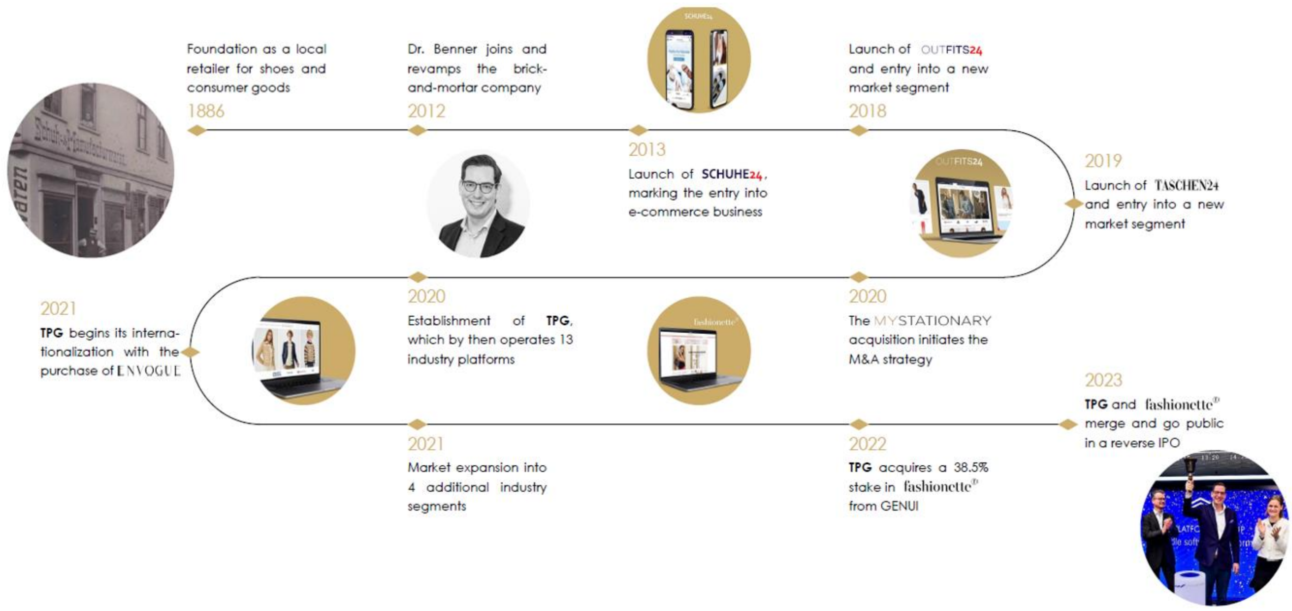


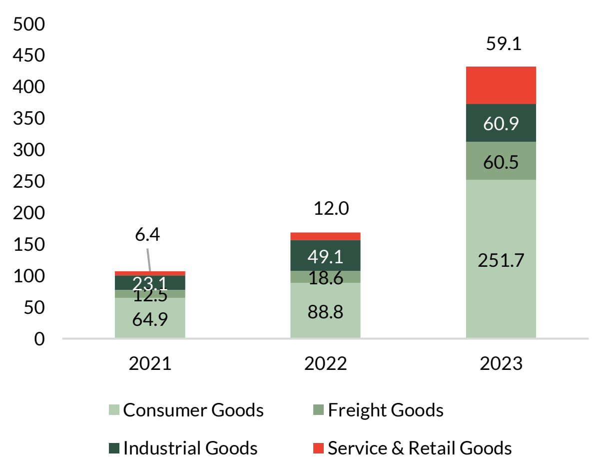
Chart 9 - Sources: TPG, ODDO BHF Securities

The consumer good segments account for 58% of revenue

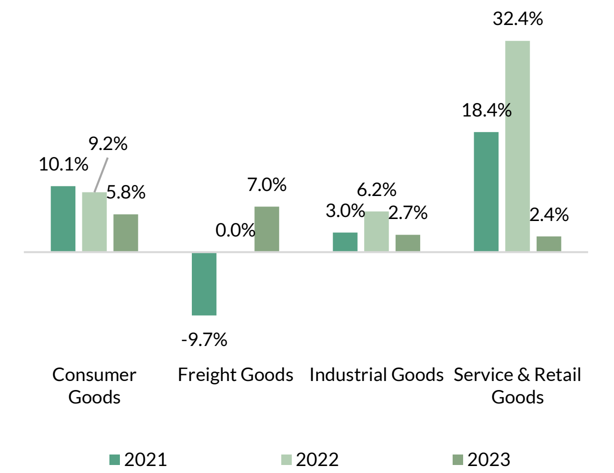
Via its four segments (consumer goods, freight goods, industrial goods, service and retail goods), TPG addresses 20 sectors (end of 2023) including footwear, fashion, luxury goods and dental products. Within these four segments, the individual platforms are operated and investment allocated accordingly. Each segment has its own business model, which uses the same software and solutions as the group, but has a different customer structure and sales policy. The company's medium-term goal (in 2025) is to be active in 30 sectors. Please see appendices for an overview of TPG's current sectors.

In 2023, the consumer goods segment reported revenue of € 251.7m (58% of group revenue), followed by the other segments with around € 60m each. The consumer goods segment was also the largest segment in terms of adjusted EBITDA of € 14.6m (almost 67% of group adjusted EBITDA).

Revenue (€ m) by segment, non pro forma

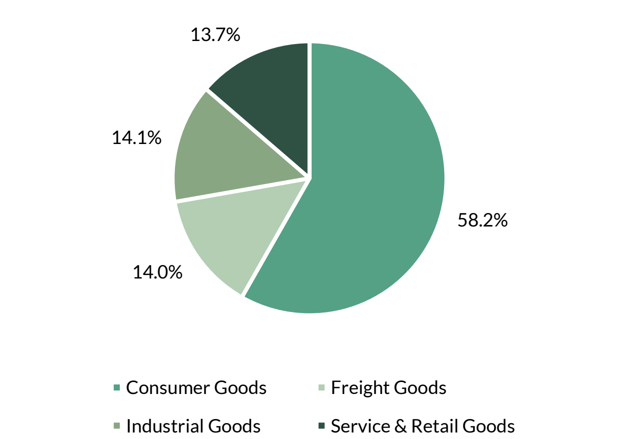


Adj. EBITDA margin (%) by segment, non pro forma



Charts 10 - - Sources : TPG, ODDO BHF Securities

Revenue by segment as a % of total (2023)



Adj. EBITDA by segment as a % of total (2023)

Charts 11 - - Sources : TPG, ODDO BHF Securities

The highest GMV is generated in the consumer goods segment (including fashionette), followed by the freight goods segment.

GMV by segment (€ m), non pro forma

Chart 12 - Sources: TPG, ODDO BHF Securities, TPG does not provide GMV by segment for 2021

Consumer goods segment

The consumer goods segment provides services for online activities that are geared to end customers on the product side, do not meet any special logistical requirements, and are managed with a focus on customer and sales optimisation. The product focus is on luxury (fashionette), shoes (Schuhe24), clothing (Outfits24, MyStationary) and fashion accessories as well as jewellery and watches (Taschen24, Dein Juwelier) in various price ranges. Furthermore, sustainable products are allocated to the consumer goods segment (avocadostore). These platforms are all brands of TPG. Since February 2024, the hood.de platform - one of the 10 largest marketplaces in Germany with more than 4,900 active retailers in over 20 product categories - is also part of the consumer goods segment.

Part of the consumer goods segment is also TPG's key business before the contribution of the sole limited partner's share of TPG KG, the offer of high-quality luxury products. In addition to luxury handbags - the segment in which TPG still considers itself the online market leader in Germany - the product range includes shoes, small leather goods, sunglasses, watches and jewellery from over 350 different designer brands and private labels, including its own brand "Isabel Bernard". Products are sold via the websites www.fashionette.com and www.brandfield.de and addresses a total of 14 European countries, to date, with the DACH region as the core region accounting for 69% of sales in 2023.

Reinforcing more than ten years of fashion accessory experience, the company has developed a compelling proprietary IT and data platform using cutting-edge technology and artificial intelligence to make personalised online shopping for premium and luxury fashion accessories available to customers.

Consumer goods segment

Chart 13 - Source: TPG

❖ Freight goods segment

The freight goods segment comprises products with complex transport/logistics and customer delivery. The decisive competitive factor here is the management of logistics processes and freight costs per customer and country. In this segment, middle-priced furniture is offered via the "Stylefy" online platform of Digitec Living Brands GmbH, Berlin, and high-quality display items from stationary furniture retailers are offered on an online marketplace via Möbelfirst GmbH, Bonn. Moreover, bikes, e-bikes and accessories are also sold in this segment via bike-angebot GmbH & Co. KG, Böblingen. Since 2022, the eMobility segment has been served by the acquisition of shareholdings in GEM-S GmbH, Lingen, and Emco Electroroller GmbH, Lingen. Both shareholdings offer platforms relating to electric scooters. In February 2023, the portfolio was expanded to include the car subscription platform domain with the acquisition of ViveLaCar GmbH, Stuttgart, and in March 2023 with the company Cluno GmbH, Munich. Since August 2023, the portfolio was further expanded to include motorised equipment, municipal and forestry equipment with the acquisition of Simon Profi-Technik GmbH, Kaiserslautern.

Freight Goods Segment

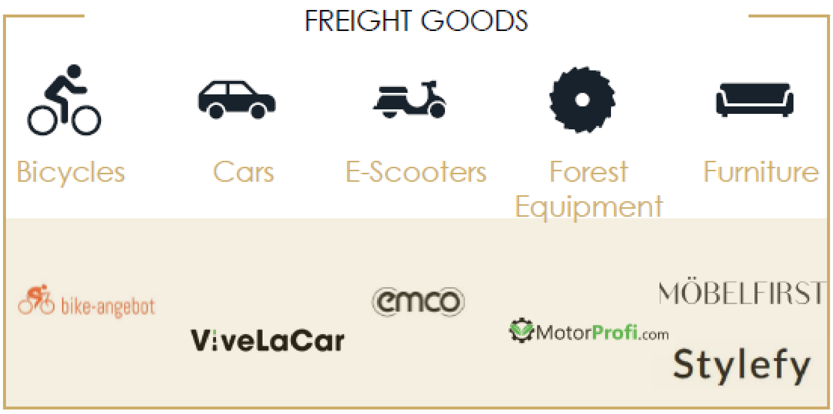


Chart 14 - Source : TPG

Industrial goods segment

The industrial goods segment sells products that primarily have a B2B focus and are distributed internationally. The segment is managed primarily through B2B marketing strategies and the associated special aspects of expenditure, management and logistics. In this segment, TPG operates as a platform in the international used-machinery trade via the platforms Bevmaq GmbH, Quakenbrück, and Gindumac GmbH, Kaiserslautern, and Gindumac S.L.U., Barcelona/Spain, respectively. The segment also includes Machinery Purchase & Fulfillment GmbH, Frankfurt am Main, which mainly acts as a purchasing company for used machinery trading for the three aforementioned companies. Moreover, TPG is active in this segment with its platforms in the areas of dental equipment and accessories (DentaTec Dental-Handel GmbH, Nidderau), hair salon supplies (The Cube Club Platform GmbH, Wiesbaden), and automotive and truck parts trading via the lott.de platform with Werner Lott Kfz. und Industriebedarf GmbH, Einbeck (B2B and B2C) as well as industrial supplies.

Industrial goods segment

Chart 15 - Source: TPG

Service & retail goods segment

The service and retail goods segment sells products with a pure end-customer focus and variable remuneration based on service and performance. This segment also includes TPG's ten existing bricks-and-mortar stores, which are sold exclusively on a stationary basis. In this segment, TPG offers several online platforms for local pharmacies (ApoNow GmbH, Wetter, and its brand and independent platform Doc.Green) as well as ApoNow's ordering tool "KlickA", which facilitates orders via local pharmacies also on websites of pharmaceutical manufacturers. The segment also includes teech Education GmbH, Darmstadt, which offers an online learning platform for young people and adults and is included in the consolidated balance sheet at equity as a minority interest. Furthermore, the Value Property Platform GmbH, Frankfurt am Main, is active in this segment in transaction support for investment properties and in factoring.

Service & retail goods segment

Chart 16 - Source: TPG

TPG's core expertise

TPG's mission is to connect dedicated brick and mortar partners with customers. To do this, the company uses three core competencies for each platform:

- **Marketing:** TPG's marketing experts take care of both SEA (search engine advertising) and SEO (search engine optimisation) to optimise online visibility, thereby continuously gaining its partners new customers. TPG's expertise and reach come together to provide its retail partners with personalised marketing services.
- **Processes:** TPG's implements efficient IT processes to ensure that products, customers and retailers are seamlessly connected. The company's unique technology facilitates smooth and effective processes for its partners. TPG has an excellent management system which it uses as a basis for its business practices.
- **Software:** TPG builds all the interfaces and technology. With its unique software, TPG can spread the retailer's products over 50 different channels. There is also a full two-way connection to the retailer's stock management system. Each partner can therefore supply over 50 channels at once.

We believe that this core expertise allows TPG to expand across numerous industries and to transfer and scale the strategy into new sectors.

Competitive e-commerce market

The European market in the e-commerce industry is highly competitive, fragmented and rapidly changing. TPG competes with a variety of e-commerce providers and brick-and-mortar retailers, including, but not limited to :

- Multi-category online-only fashion retailers and marketplaces (e.g. Farfetch, Net-a-Porter, MyTheresa, Yoox, Zalando) and online-only fashion shopping clubs (e.g. Best Secrets, Veepee).
- Platform/software companies (e.g. Hypoport, Shopify, Shopware, Tradebyte).
- Pure online retailers for specific product categories such as handbags and sunglasses (e.g. Wardow and Edel Optics).

- Multi-category online retailers and marketplaces (e.g. AboutYou, Amazon.com, Boozt, ebay.com, Otto).
- Retailers and department stores, including their respective online offerings (e.g. Breuninger, Peek & Cloppenburg, GALERIA Karstadt Kaufhof, John Lewis, The KaDeWe Group, Galeries Lafayette).
- Mail order retailers from Europe and Non-European companies seeking to enter the markets of key geographical focus for the group, which are expanding their own virtual shelf space.
- Using their own websites.
- Price comparison websites (e.g. Stylight, Mybestbrands).

In addition, new competitors may emerge at any time or (potential) competitors currently operating in other sales territories or market segments may decide to expand into TPG's sales territories or market segments.

Focus on the western European market

The Platform Group has so far been very strongly focused on Western Europe. On the one hand, this is attributable to the structure and customers of the acquired companies. On the other hand, it is the selection of the partners, over 91% of whom come from the DACH region. Accordingly, the product range is strongly characterised by products and brands that customers from Western Europe know and appreciate.

At the same time, TPG's aim is to expand its international activities in 2024 and 2025 and thus cover more countries as target markets. The company's software basis offers the advantage that it was developed globally, can integrate carriers worldwide and has laid the foundations for foreign ERP (enterprise resource planning) interfaces. In 2023, B2C products were marketed in over 15 countries and B2B products were sold in 28 countries.

Revenue by country/region as a % of total revenue (2023)

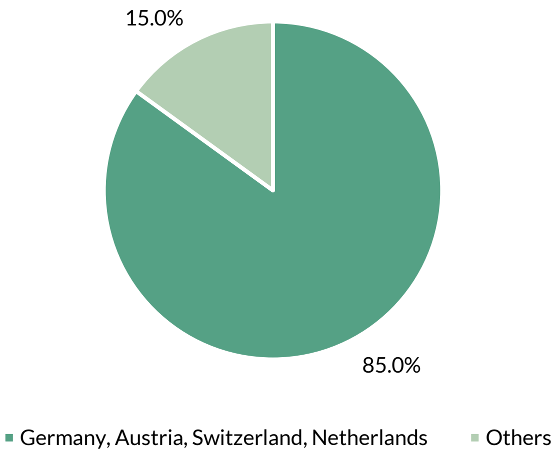


Chart 17 - Sources : TPG, ODDO BHF Securities

Management board with significant experience in e-commerce

TPG's management board consists of two members. Dr. Dominik Benner as the Chairman of the Management Board and Laura Vogelsang as a board member. Reinhard Hetkamp is the CFO of the company, but not a board member. We like the management of the company as they have many years of significant experience in e-commerce.

Management board

Chart 18 - Sources : TPG, ODDO BHF Securities

Dr Dominik P. Benner is the Chairman of the Board of Directors (CEO) and responsible for Strategy, Purchasing, Finance, IT/ERP, Brand Management, Investor Relations and Sustainability. After studying business administration at the University of St. Gallen and at INSEAD Fontainebleau, Dr. Benner received his Dr. oec. HSG degree. After holding various management positions and holding power of attorney at Bilfinger Berger, Dr. Benner was appointed Managing Director at the juwi Group in 2011, where he held several management and project positions. In 2012, he joined the family business, which he transformed completely in the direction of e-commerce. Since 2013, numerous platforms such as Shoes24 and Outfits24 have been created, and since 2018, active acquisitions of companies have been made to achieve more strategic reach.

Laura Vogelsang is a member of the board of directors. She is responsible for HR, Office Management and Compliance. After studying business administration at Ruhr University Bochum (B.Sc.) and the University of Technology Chemnitz (M.Sc.), Laura Vogelsang began her professional career at Vodafone. After successfully leading the Risk & Fraud Management Online Team, she built up the first Risk & Payment Team at fashionette in 2018. In 2022 she was promoted to Head of HR, in 2023 Mrs. Vogelsang was promoted Director People & Office Management. In May 2023 she was appointed as member of the Board of Directors of The Platform Group AG.

CFO

Chart 19 - Sources: TPG, ODDO BHF Securities

Reinhard A. Hetkamp (CFO) started his professional career at international auditing and tax consulting firms after studying business administration and law at the Westfälische Wilhelms University of Münster. After more than 10 years, during which he passed the tax consultant exam and worked on a wide range of tasks in consulting, he switched to various positions in the industry: Head of the tax department, commercial director, member of the extended Board of Directors. His responsibilities included (amongst others) the preparation of national and international financial statements, internal and external reporting, tax consulting as well as responsibility for controlling, cash management, and support for shareholders of internationally active, often US-based and listed companies. Since August 2023, Reinhard Hetkamp has been responsible for the finance department as CFO of the fashionette AG. He supervised the non-cash capital increase through the contribution of The Platform Group GmbH & Co. KG shares to fashionette AG and has been its CFO since fashionette AG was renamed The Platform Group AG.

Shareholder structure

The Platform Group GmbH & Co. KG was not listed on the stock exchange in 2022. In 2023, the former company fashionette AG had issued 6,200,000 subscribed shares as of 1 January 2023. At the AGM held on 6 September 2023, the number of shares was increased by 11,073,852 following the non-cash contribution of The Platform Group GmbH & Co. KG (reported as "cash and non-cash shareholder contributions").

New share capital was issued using the group's authorised capital in connection with the acquisition of shares in Mister Spex SE, Berlin, the increase in the interests held in Werner Lott Kfz.- und Industriebedarf GmbH, Uslar, and ViveLaCar GmbH, Stuttgart, and the acquisition of Avocadostore GmbH, Hamburg. In April 2024, the group issued 2,601,218 new shares. Accordingly, it had a total of 19,875,070 shares at 15 April 2024 (at 31 December 2023: 17,273,852). The nominal value of each share is one euro. All shares are fully paid up. The group does not hold any treasury stock. The main shareholder is Benner Holding GmbH, Wiesbaden, which owns a stake of 70.0%.

Shareholder structure

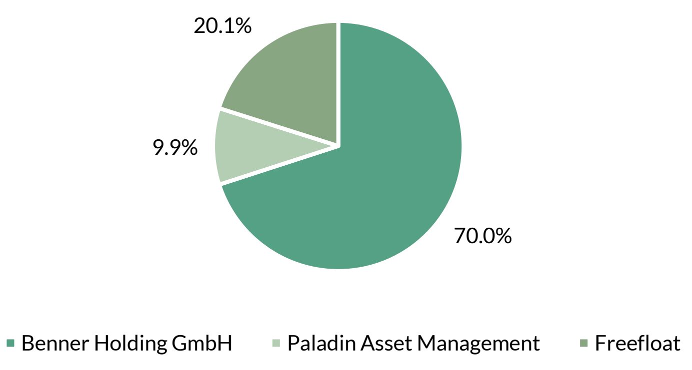


Chart 20 - Source : TPG

- **Benner Holding GmbH.** Founded in 1882 and based in Wiesbaden, Germany, Benner Holding GmbH operates as a holding company that engages in real estate, e-commerce, energy, colonial goods, and agriculture. The company is controlled by Dr Dominik Benner, who is a member of management board of TPG.
- **Paladin Asset Management** is a German company that provides investment advice. The private company is based in Hannover, Germany. and has subsidiaries in Germany. The company was founded in 2013 by Marcel Maschmeyer. Marcel Maschmeyer has been the CEO since 2013.

TPG'S BUSINESS MODEL

The strategy of organising all e-commerce services for B2B partners has led to the establishment of a business model that only a small number of companies pursue. TPG organises its services for partners in such a way that they no longer have to take any risks or incur any expenses for online retailing. The company covers the entire e-commerce value chain and assumes the status of seller in the relationship with the end customer. This enables TPG to generate convincing added value for its B2B partners that clearly sets TPG apart from other providers.

Number of partners as key growth driver

TPG's diversification into 20 sectors currently makes the company independent of specific sector trends. Growth is primarily determined by connecting new partners and implementing their products in the digital platform solution.

The number of partners is therefore the key to and driver of TPG's growth. The objective is to significantly increase the number of partners and thus expand the product range. This will result in more customers, higher gross merchandise volumes (GMV) and more profit.

Interaction of growth drivers

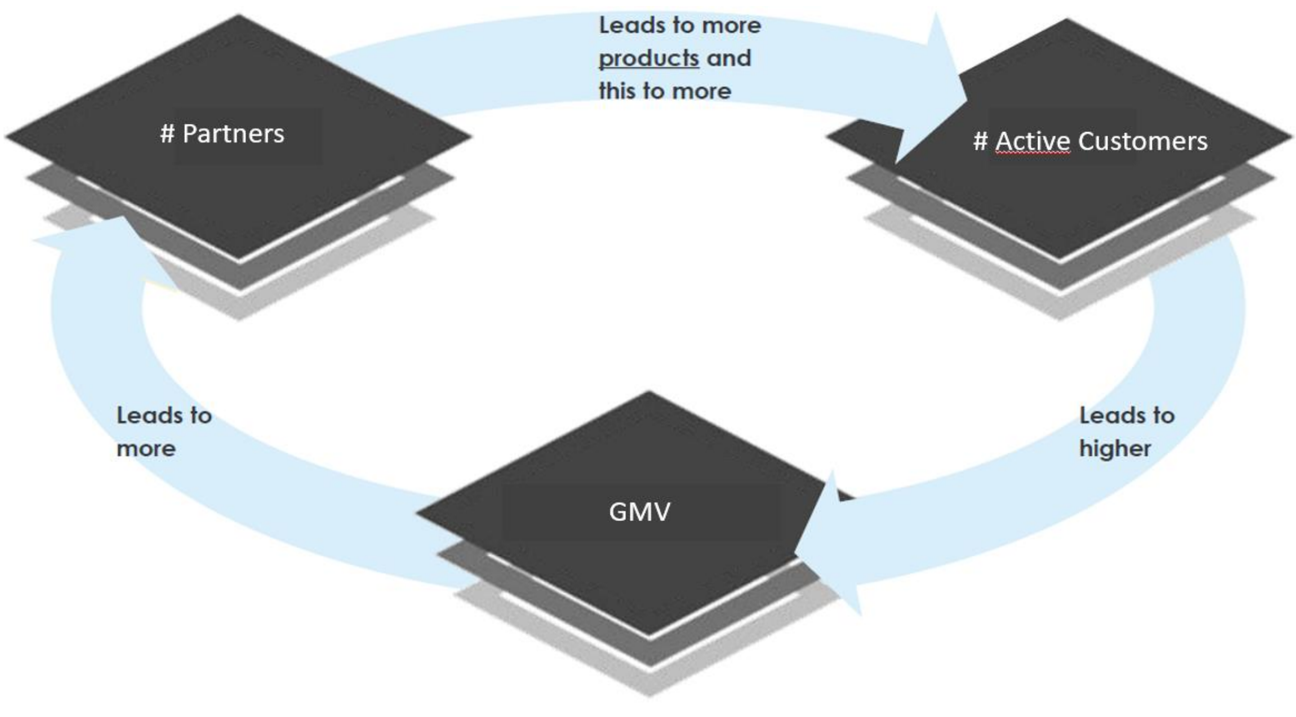


Chart 21 - Source : TPG

In 2023, TPG reported 5,520 partners, up from 4,872 a year earlier. Over the same period, the number of active customers increased by 16% to 4.05m leading to a GMV of € 693.4m (+160% y-o-y). With the acquisition of Avocadostore GmbH (platform for sustainable products) and HOOD Media GmbH (platform for consumer products), the number of partners was up to 11,987 in Q1 2024. By the end of 2024, TPG forecasts that the number of partners will be up to more than 12,800, equivalent to an increase of at least 130% vs 2023.

Performance indicators

	2021	2022	2023
Number of partners	3,940	4,872	5,520
Chg y-o-y		*23.7%*	*13.3%*
Active customers (m)	21.2	3.48	4.05
Chg y-o-y		*64.3%*	*16.3%*
GMV (€ m)	188.6	266.3	693.4
Chg y-o-y		*41.2%*	*160.4%*
Average order value (€)	83	109	114
Chg y-o-y		*32.0%*	*4.6%*
Number of orders (m)	2.28	5.44	6.19
Chg y-o-y		*138.5%*	*13.8%*

Table 22 - Source: TPG

The e-commerce platform explained

TPG acts as an intermediary between partners that sell and customers that buy products.

Partners can differ based on the segment that the TPG platform addresses and range from stationary over online retailers to direct manufacturers of goods as well as other sales businesses.

Customers can be private individuals (B2C) or other businesses (B2B) based on the segment and type of good that is sold.

Intermediaries between partners that sell and customers that buy products

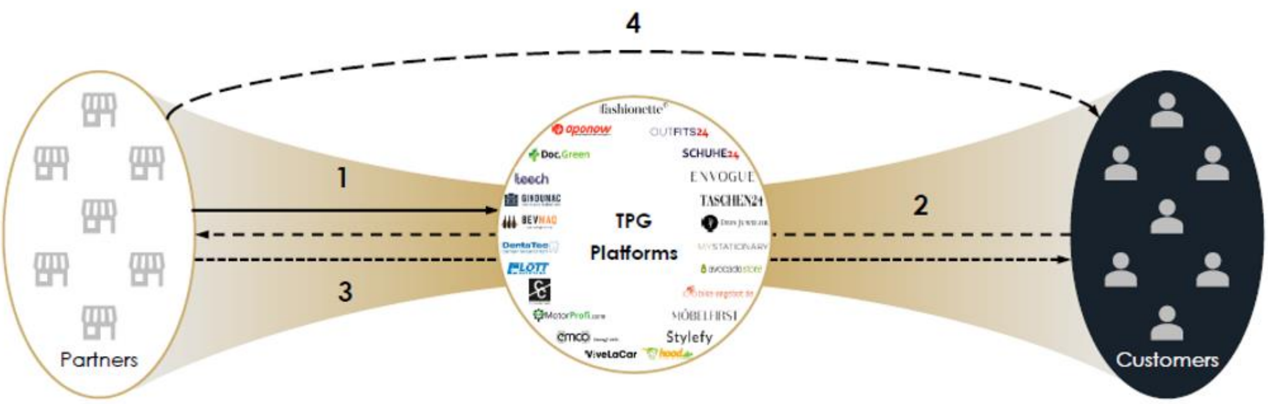


Chart 23 - Source: TPG

Simplified business relation:

- Step 1: Partners cooperate with a TPG platform and list their products. The products are then visible for customers on proprietary (platform online store) or external (e.g. Amazon marketplace) sales channels.

- Step 2: Customers place an order on the TPG platform which in turn purchases the product from the partner. The TPG platform handles the data transmission and initiates the fulfilment process (typically no group-own permanent stock is kept).
- Step 3: Partner sells the product to the TPG platform, which sells it on to the customer at the same moment.
- Step 4: Product is picked up and shipped via a third-party logistic partner to the customer.

How TPG creates value for partners

TPG's value chain includes platform integration, sales and aftersales services and is a unique basis for scaling platforms and partners alike. The proof of this concept is reflected in over 12,000 confident and satisfied partners (>91% of whom come from the DACH region) which appreciate the technological edge and one-shop guarantee.

Unique platform for scaling platforms and partners alike

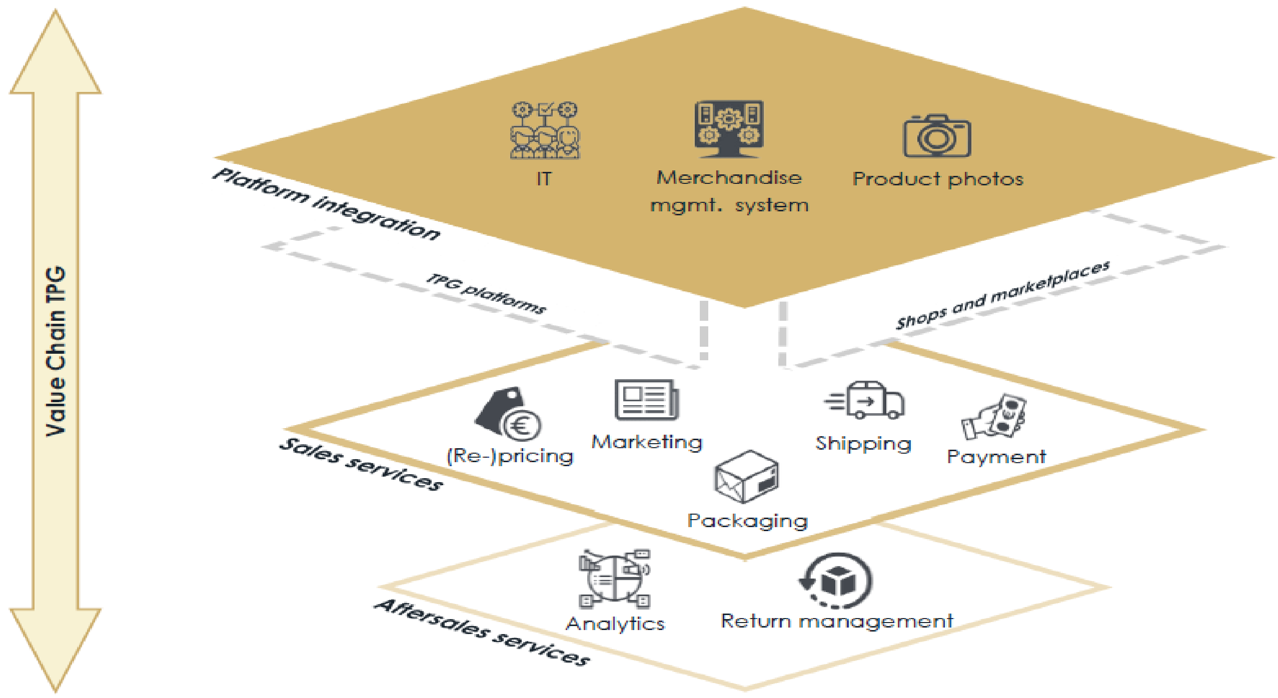


Chart 24 - Source: TPG

- Technological edge:

TPG's unique software "TPG ONE" allows it to integrate platforms and thus scale resources and know-how. Moreover, partners are effortlessly integrated via standardised interfaces, which grants instant access to over 50 sales channels via direct platform sales channels and external shops or marketplaces. This approach separates TPG from typical single platform operators and allows it to offer partner extreme visibility at favourable costs.

- One-shop guarantee:

TPG covers all data management processes and customer communication for its partners.

Partners can trust in years of sales services experience, offering continually refined dynamic re-pricing algorithms, and boosting partners' organic reach and customer traffic with comprehensive digital marketing strategies.

TPG handles the organisation of packaging and shipping to the customer and covers return management as well as aftersales service.

Personalised analytics delivers tailored statistics and insights on customers for informed decision-making and further growth strategies.

Retailers have one connection to access all TPG front-ends and marketplaces.

Retailer benefits

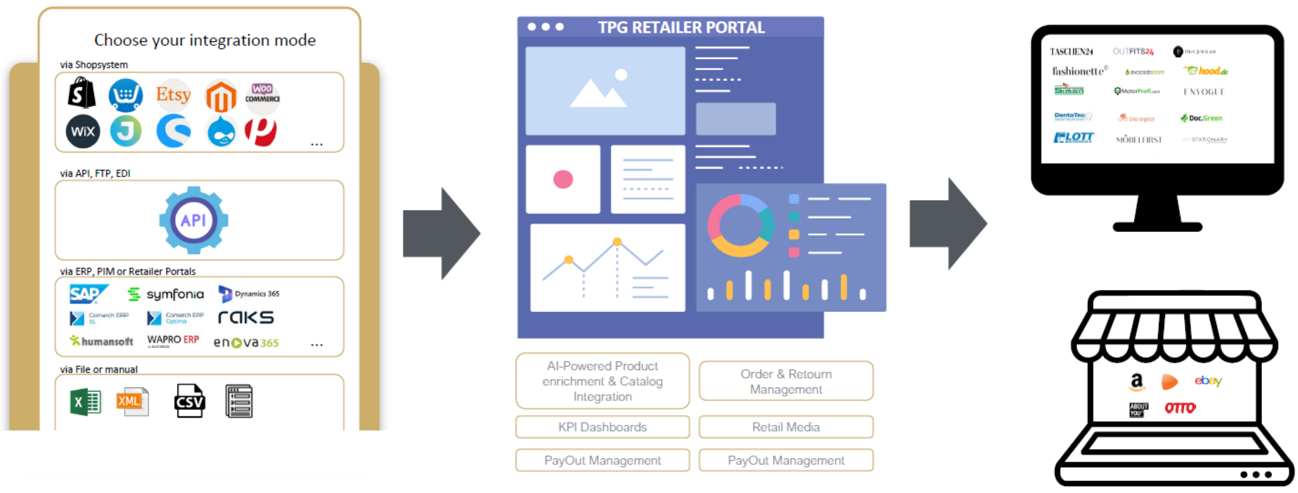


Chart 25 - Source: TPG

How TPG acquires companies

After more than 20 acquisitions, TPG has a strong track record and knowledge in post-merger integration and value creation. The company selects targets based on a specific profile and has a clear acquisition plan (3-8 platforms annually). Targeted companies must meet various commercial, financial and operational criteria.

Requirements for new M&A targets:

- Commercial criteria: industry with proven platform potential, niche-focused players, >1,000 existing customers, mature businesses (no early stage/no seed).
- Financial criteria: € 3 – 100m revenue per year, > 10-15% y-o-y top line growth, > 5% EBITDA in the first year of acquisition, debt ratio < 2x EBITDA.
- Operational criteria: management that is capable and broad-based, IT & ERP expertise and fit, innovative culture, commitment of executives for a minimum of three years.

TPG's extensive inhouse and external resources, clear process design, experience and pragmatism allow it to execute M&A processes quickly. The core M&A process from first contact to signing is executed in 4-8 weeks.

Quick and effective execution of M&A transactions

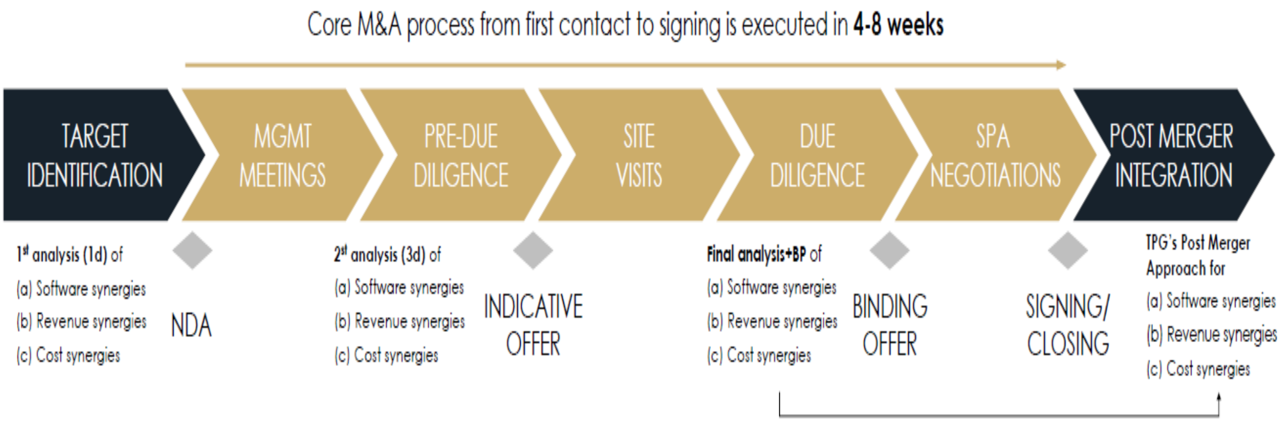


Chart 26 - Source: TPG

TPG's resources:

- Target identification:

Cooperation with more than 10 external M&A partners that are mandated to actively search for targets or are generally aware of TPG's search profile.

Usage of several online deal databases for inhouse market screening.

Natural deal flow and active approach from management/shareholders of platforms due to TPG's reputation.

- M&A process:

Experienced in-house deal team that covers the entire process from the approach to the target to due diligence and SPA negotiations to signing/closing.

DD-team that covers commercial, legal, financial, legal, tax, HR, technical, IT.

TPG starts directly with its three-step-analysis for software, revenue and cost synergies form day one.

- Acquisition funding:

A combination of equity, debt (maximum 50%), software-/marketing-investment and TPG shares are used to fund the acquisitions. The types of funds used are carefully considered and are decided on a case-by-case basis. For example, in 2023, TPG spent c.€ 58.8m on the acquisition of subsidiaries.

- Post-merger integration:

In-house specialist team from the domains of Technical/ IT, marketing and centralised services that is led by a case project lead.

Team members have gathered their substantial post-merger integration, consolidation and transformation experience in projects at TPG or at other previous job positions.

M&A track record

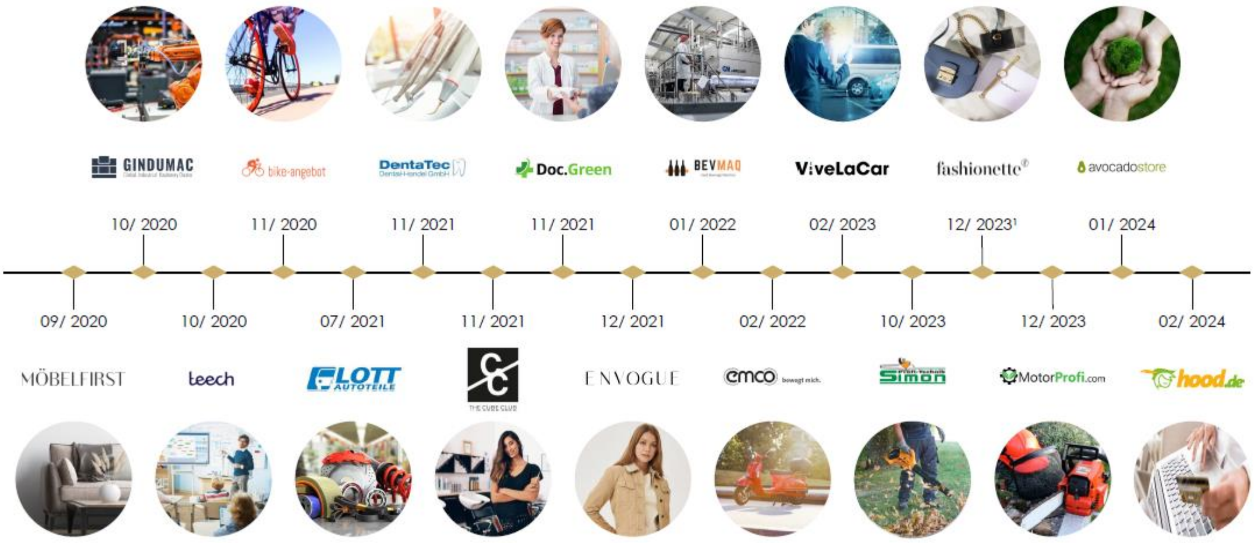


Chart 27 - Source: TPG

Strategy – To become the No. 1 platform in Europe

TPG has a clear vision and road map to become Europe's leading profitable platform group. Since 2018, the company has grown strategically through the development of platforms as well as through strategic investments in and taking over of other companies. It has acquired more than 20 companies and aims to be active in 30 sectors by 2025 vs 20 sectors at the end of 2023.

TPG's Strategy

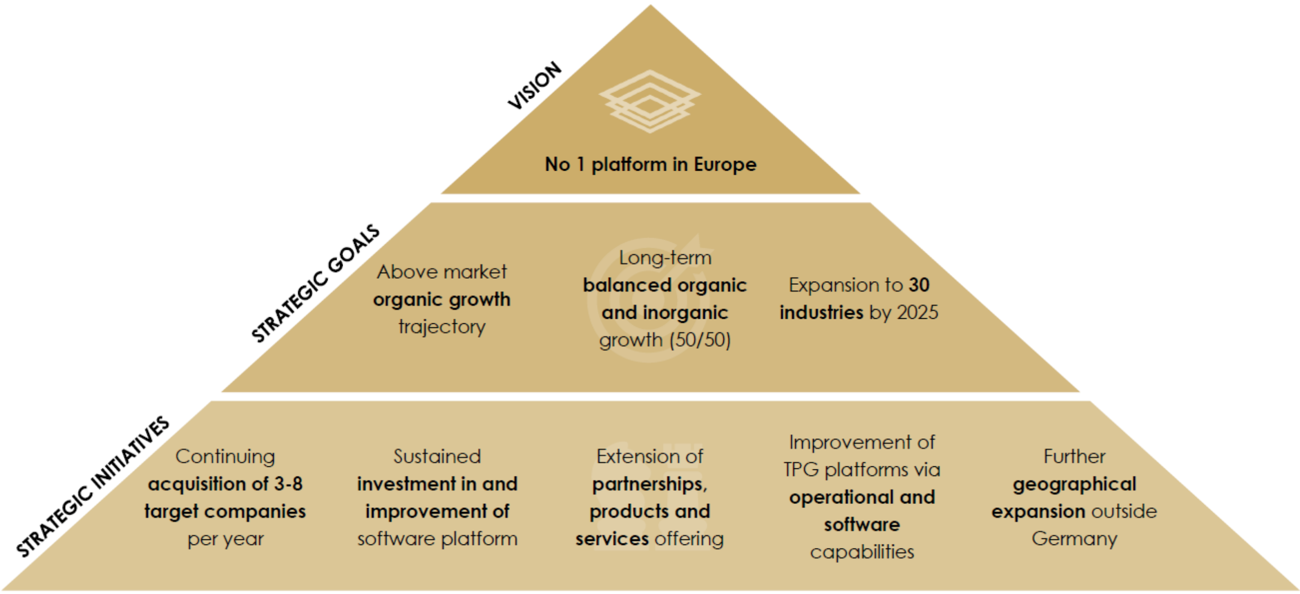


Chart 28 - Source: TPG

- Taking the leading position in Europe's e-commerce platform landscape via the use of different growth levers and organic above-market growth.
- Exploitation of the power of scalability via expansion to new markets which enlarges connected partners, offered products, connected customers and thus attracts new partners that benefit from the superior TPG platform. The company's strategy pursues the overarching goal of creating high added value for its affiliated partners through the company's software and platform solutions, which they cannot achieve on their own, thereby enabling them to participate in the volume of the global e-commerce market. We are convinced that TPG's strategy of specific industry platforms generates high added value that customers can experience and appreciate.
- Continuous execution of multiple acquisitions per year to expand market share, sustain a high growth trajectory, diversify market risks and complement organic growth measures. Currently, TPG covers 20 different industries with software and platform solutions. The goal is to make 3 to 8 acquisitions per year to implement the platform approach in additional industrial branches and enable profitable growth. The acquisitions completed in Q1 2024 have already increased the number of partners to 11,800, resulting in more products and therefore more customers.
- Increasing the geographical footprint in Europe in the short- to mid-term and in the US and India in the long-term, in order to strengthen the group's dominant position in the respective industry niches and to increase scale. Currently >85% of revenue is generated in Germany, Austria, and Switzerland (DACH region), the medium-term objective is to achieve more than 40% of the revenue outside the DACH region. TPG has already taken strong measures and consistently increased the proportion of foreign sales within individual industrial branches. It organises the growth in new regions in ways that do not negatively affect the cash flow and the profitability of TPG.

In view of the current market and competitive situation, the expansion of the group's base to cover 30 sectors appears realistic and could be achieved by 2025. The planned number of three to eight acquisitions over the year underlines the relevance of the acquisition strategy as part of the group's overall strategy.

E-COMMERCE – A GROWING MARKET

The steadily growing significance of online retail is a key part of shopping behaviour. This trend is fuelled by the availability of fast internet and mobile devices, as well as the ability to compare and order products from the comfort of home. As a result, the market for online retail sales in Europe is expected to grow from € 586.7bn in 2024e to € 915.9bn in 2029e (CAGR +9.3%; Source: Statista). In our view, this development will lead to growth in the addressable market of TPG as the company is mainly focused on the German market for the time being.

From bricks-and-mortar retail to online retail

Digitalisation is changing the retail sector by steadily increasing the relevance of online retail as a key component of shopping behaviour. According to the Online Monitor published by the German Retail Association (Handelsverband Deutschland, HDE) in 2024, the share of online retail in total retail sales in Germany increased from 8.3% in 2015 to 13.2% in 2023. This structural change in shopping behaviour is being driven by various factors, including consumers' growing confidence in online shopping, the availability of fast internet and mobile devices, and the ability to compare and order products from the comfort of their own homes. For 2024e, the share is expected to remain stable at 13.1%.

Germany – share of online retail in total retail sales

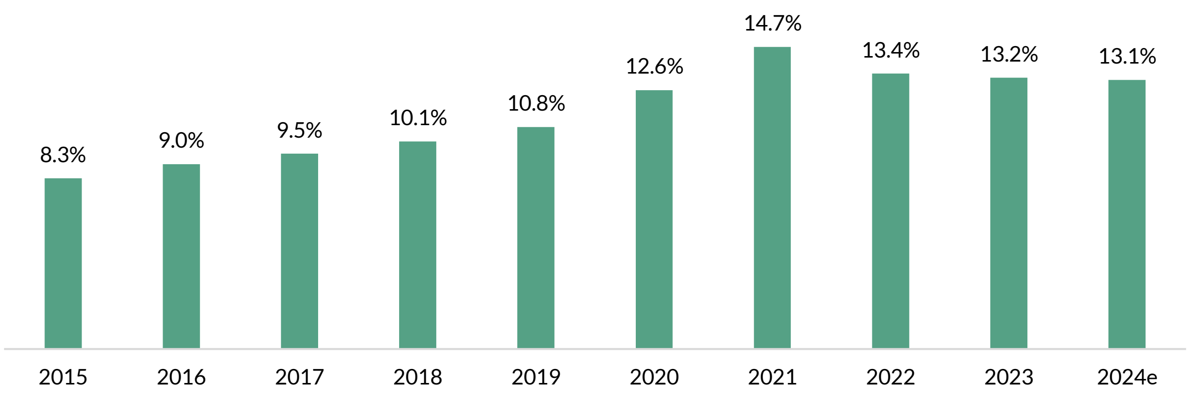


Chart 29 - Source: German Retail Association HDE

According to HDE, online retail sales in Germany have increased from € 39.9bn in 2015 to € 85.4bn in 2023, which corresponds to average annual growth rate (CAGR) of 10.0%. This trend was particularly evident in 2020, when growth in German online retail sales amounted to +23.0% (vs 2019) which was driven by the pandemic-related closures of bricks-and-mortar retailers. For 2029e, Statista projects online retail sales in Germany of € 136.8bn, equivalent to a CAGR of 8.2% vs 2023.

Germany – online sales development

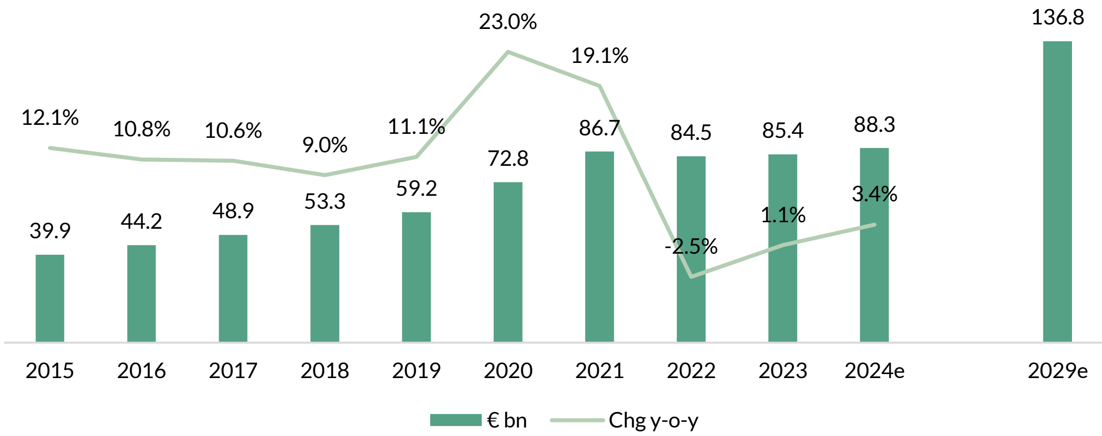
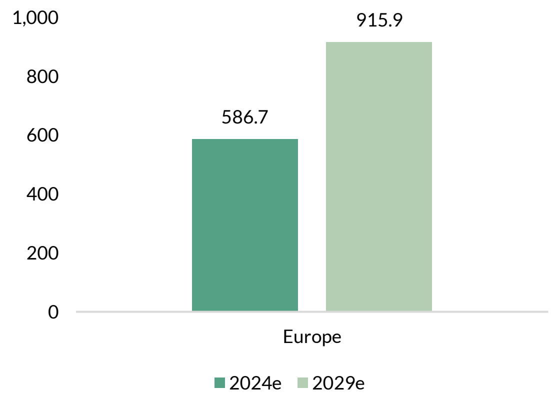


Chart 30 - Sources: German Retail Association HDE, Statista

For TPG's other key markets (Austria, Switzerland), online retail sales are expected to grow from 2024e to 2029e at a CAGR of between 10.5% and 10.8%, respectively. Over the same period, the market for online retail sales in Europe should grow from around € 586.7bn to € 915.9bn (CAGR of 9.3%).

Online sales (€ bn) – Austria, Switzerland

Online sales (€ bn) - Europe



Charts 31 - Sources: German Retail Association HDE, Statista

Clear trends in all areas of online retail

In all segments, a trend from physical retail (offline) to online retail can be observed in Germany. This is reflected by an increase in sales in online retail between 2019 to 2023. Physical retail (offline), on the other hand, was growing more slowly or even declining (for example in fashion & accessories). A significant increase in online sales can be observed, particularly in market segments that previously had a smaller online presence. For example, the change in sales is higher for home & furnishing than for fashion & accessories.

Retail sales growth in Germany- Online vs offline by segment (2019 to 2023)

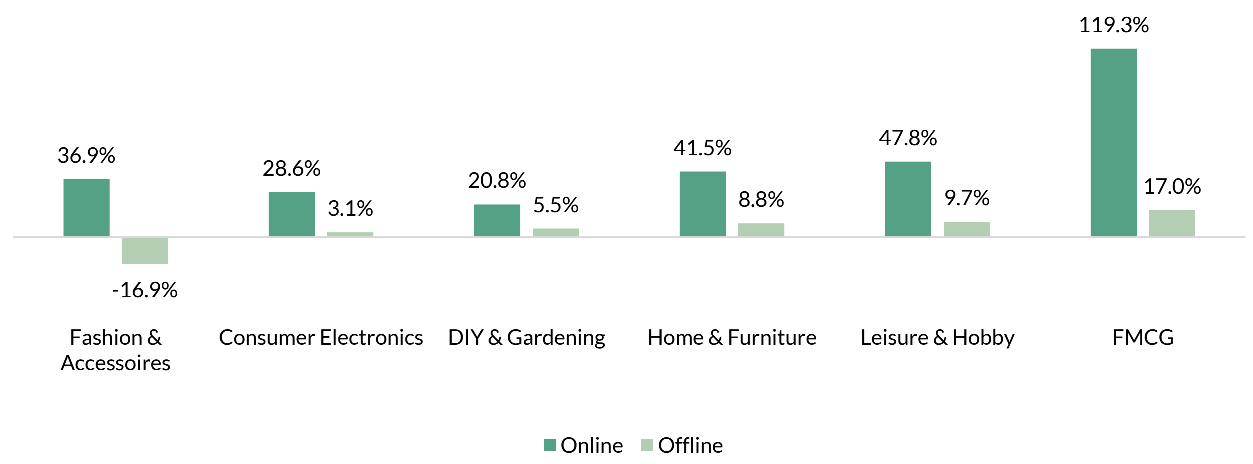


Chart 32 - Source: German Retail Association HDE

In 2023, the online share of the home & furniture segment was at 18.2%, while online fashion & accessories already accounted for 41.8% of total fashion & accessories retail.

Online share of total market by segment (2023)

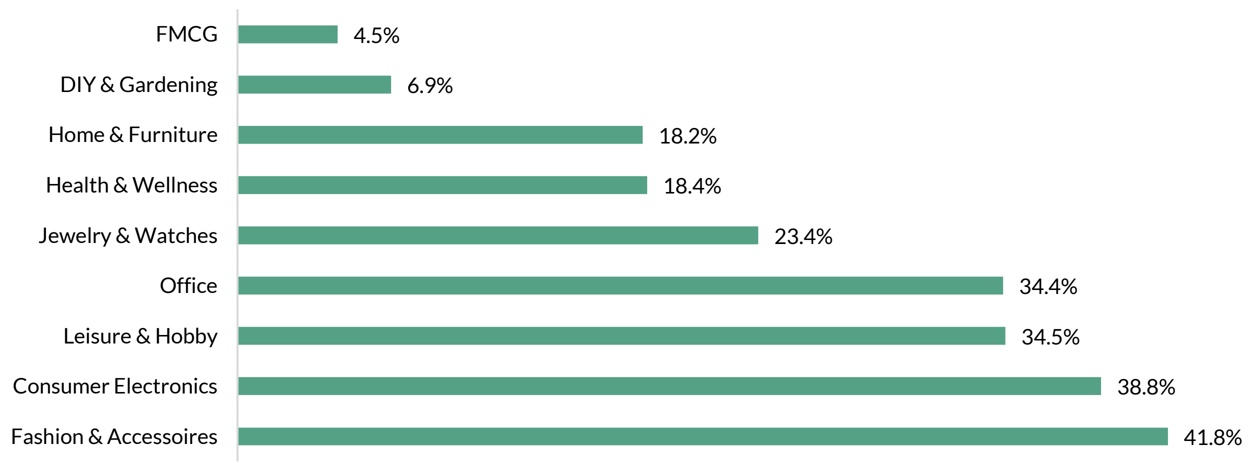


Chart 33 - Source: German Retail Association HDE

The two largest segments (fashion & accessories, consumer electronics) accounted for almost half of the online volume of € 85.4bn in 2023.

Segments as a % share in total online volume (2023)

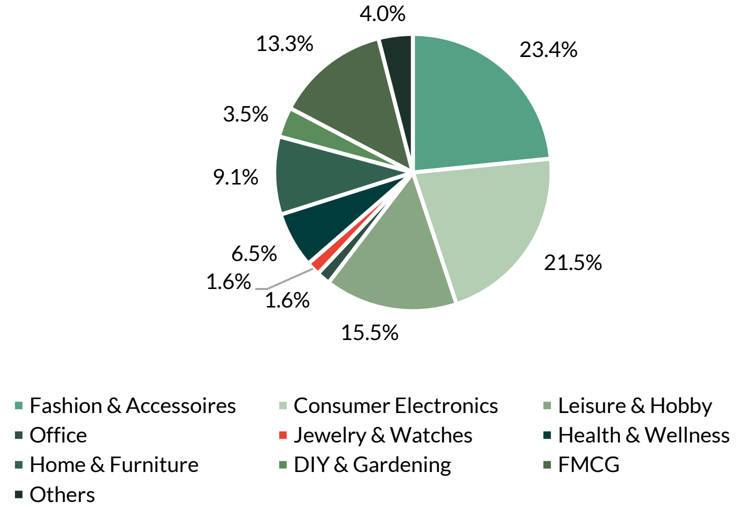


Chart 34 - Sources: German Retail Association HDE

Fashion online retail – rising user numbers and average revenues

By 2027e, the number of online users in the clothing segment is forecast to increase to around 62m in Germany. This corresponds to an increase of almost 100% compared to 2017. The increase over the 2017 to 2022 period, with average annual growth (CAGR) of 8.6% was higher than the forecast increase from 2022 to 2027e with average annual growth (CAGR) of 4.8%. The reason for the higher growth until 2022 was the accelerated change in customers' purchasing behaviour because of the closures or significant restrictions on bricks-and-mortar retail during the Covid 19 pandemic.

Number (m) of online users in clothing segment

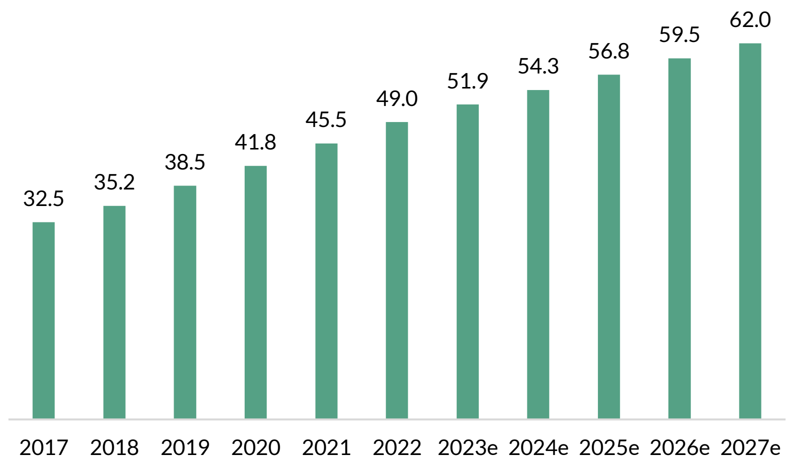


Chart 35 - Source: German Retail Association HDE

Average revenue per user describes average annual revenue per paying customer in online retail for clothing. This number grew from € 257.0 in 2017 to € 311.0 in 2022, equivalent to a CAGR of 3.9%. Significantly higher growth is expected for the 2022-2027e period, with average annual growth (CAGR) of 9.1%. The average turnover (2022: € 393.2) for women's clothing in online retail is above the total average in 2022, with comparable growth rates observed or expected.

Average annual turnover per paying costumer (€) in clothing – total vs women

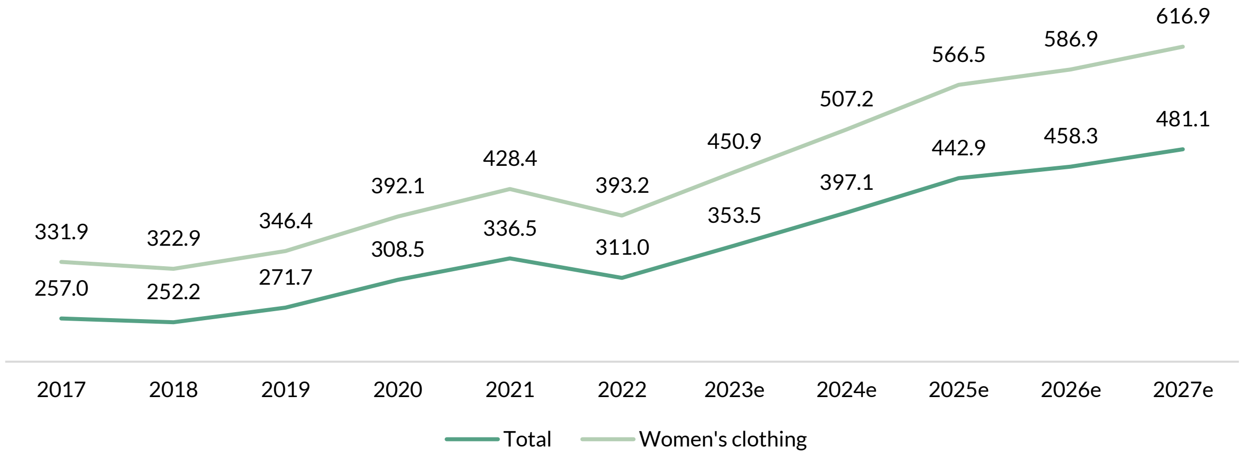


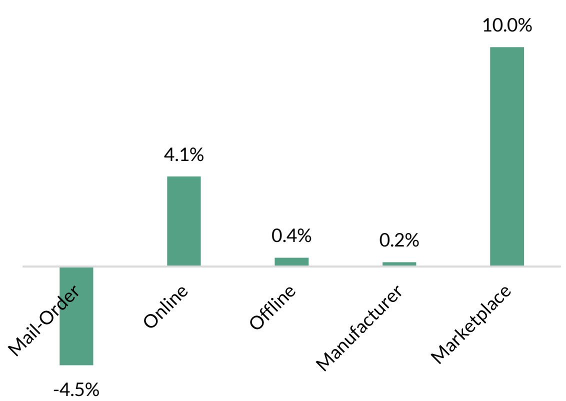
Chart 36 - Source: German Retail Association HDE

Strong growth of the platform model in online retail

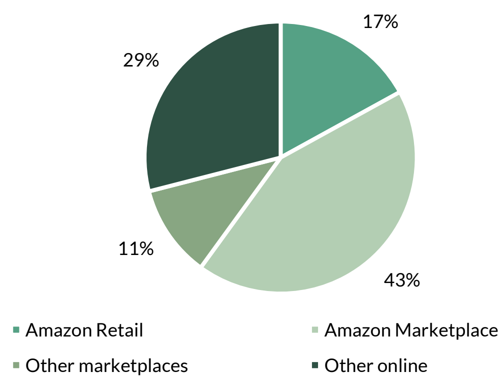
The German Retail Association (HDE) distinguishes between five different retail formats and analyses sales growth. The distinction is based on the origin or business model, which is referred to as "DNA". For example, providers with "mail-order DNA" are institutional retailers, while online stores with "brick-and-mortar DNA" originally handled exclusively via physical stores. According to this definition, TPG is a marketplace.

Sales on marketplaces were the only retail formats to achieve sales growth (+10.0%) in 2023. According to HDE, marketplaces account for 54% of online retail (vs 50% in 2022). The majority of this is attributable to "Amazon Marketplace" (2023: 43% vs 2022: 39%). The share of other marketplaces amounted to 11% in 2023 (2022: 11%) and include platform operators such as TPG, AboutYou or Zalando.

Online sales growth by DNA (2023 vs 2022)



Amazon vs others (2023)



Charts 37 - Source: German Retail Association HDE

E-COMMERCE CREATES LONG-TERM VALUE

TPG's successful expansion of the cost-conscious strategy of platform and software solutions into new sectors creates economies of scale and leads to higher revenue and earnings in the coming years. As a result, we forecast a 2026e GMV of € 1.15bn, revenue of € 652.6m and adjusted EBITDA of € 50.8m, implying an adjusted EBITDA margin of 7.8% (+ 270bp vs 2023).

Strong revenue and earnings growth in 2024e

For the financial year 2024, TPG forecasts gross merchandise volume (GMV) of between € 840m and € 870m, while revenue is expected to increase to between € 480m and € 500m. Given the positive earnings trend and the impact of the implemented cost and efficiency programme, the company assumes an adjusted EBITDA of between € 26m and € 30m. It expects to complete 3 to 8 acquisitions in 2024.

TPG has been implementing the cost and efficiency programme systematically since March 2023 and as a result, the adjusted EBITDA (non-pro forma) rose to € 21.9m in 2023, corresponding to an increase of 45% vs 2022. The beauty and smartwatch divisions were closed in the 2023 financial year and successfully sold in 2024. The cost and efficiency programme also included the relocation of the headquarters to Düsseldorf, which resulted in a significant reduction in space, and the restructuring of logistics in the Netherlands (concentrated at a single location instead of the previous four), which was completed without any interruptions to operations.

We believe that the successful expansion of the cost-conscious strategy of platform and software solutions into new sectors creates economies of scale and leads to higher revenue and earnings. As a result, we forecast 2024e GMV of € 870.3m (+25.5% y-o-y), revenue of € 493.4m (+14.2% y-o-y) and adjusted EBITDA of € 30.2m (+38.0% y-o-y), implying an adjusted EBITDA margin of 6.1% (+100bp vs 2023). For 2024e, we are at the upper end of the guidance but below on consensus adjusted EBITDA.

Company guidance vs estimates

€ m	2023	2024 guidance mid-point	Chg y-o-y	2024e	ODDO BHF vs guidance	2024e css	ODDO BHF vs css
GMV	693.4	855.0	23.3%	870.3	1.8%		
Revenue	432.2	490.0	13.4%	493.4	0.7%	498.6	-1.0%
Adj. EBITDA	21.9	28.0	27.9%	30.2	7.9%	38.6	-21.7%
Adj. EBITDA margin	*5.1%*	*5.7%*	*60bp*	*6.1%*	*40bp*	*7.7%*	*-160bp*

Table 38 - Sources: TPG, ODDO BHF Securities, FactSet

On track to achieve 2025 targets

The aim for the medium term (2025 financial year) is to expand to 30 sectors (vs 20 at the end of 2023), achieve a gross merchandise volume (GMV) of € 1.1bn, revenue of at least € 550m, and an adjusted EBITDA margin of between 7% and 10%. In addition, a leverage ratio of between 1.5 and 2.3 is targeted in the mid-term.

Considering the successful business development in 2024 (Q1 2024: adjusted EBITDA margin +40bp y-o-y to 7.9%, non pro forma), the effectiveness of the cost and efficiency programme, and the acquisitions made since January 2024, we expect a positive development with regards to TPG's planning for the mid-term and beyond.

For 2026e, we expect TPG to achieve GMV of € 1.15bn (+66% vs 2023), revenue of € 652.6m (based on returns of 30% of GMV) and an adjusted EBITDA margin of 7.8% (+270bp vs 2023 non pro forma). Historically (2022 to 2023), returns as a % of GMV were lower than 30% as fashionette was not a part of TPG. According to the company, returns as a % of GMV vary depending on the segment and range from close to 1% (freight goods) to slightly above 40% for fashion.

Gross Merchandise Volume (GMV) is the consolidated total volume of revenue of TPG before deduction of any accrued fees and expenses associated with the sales, like cost of delivery, discounts, marketing, returns and so on.

From GMV to Revenue

€ m	2021	2022	2023	2024e	2025e	2026e
Gross merchandise volume (GMV)	**188.6**	**266.3**	**693.4**	**870.3**	**1,096.2**	**1,151.0**
Chg y-o-y		*41.2%*	*160.4%*	*25.5%*	*26.0%*	*5.0%*
Returns (incl. VAT)		-58.4	-159.9	-261.1	-328.9	-345.3
Returns as a % of GMV	*32.6%*	*21.9%*	*23.1%*	*30.0%*	*30.0%*	*30.0%*
Revenue (incl. VAT)		207.9	533.6	609.2	767.3	805.7
Revenue (excl. VAT)	**107.0**	**168.4**	**432.2**	**493.4**	**621.5**	**652.6**
Chg y-o-y		*57.5%*	*156.6%*	*14.2%*	*26.0%*	*5.0%*

Table 39 - Sources: TPG, ODDO BHF Securities, TPG KG (2021, 2022)

Earnings Summary

€ m	2021	2022	2023	2024e	2025e	2026e
Revenue	107.0	168.4	432.2	493.4	621.5	652.6
Chg y-o-y		*57.5%*	*156.6%*	*14.2%*	*26.0%*	*5.0%*
Adj. EBITDA	8.0	15.1	21.9	30.2	46.5	50.8
Chg y-o-y		*88.7%*	*45.1%*	*38.0%*	*54.0%*	*9.2%*
Adj. EBITDA margin	*7.5%*	*9.0%*	*5.1%*	*6.1%*	*7.5%*	*7.8%*
Free Cash Flow (company definition)	-7.2	*	29.3	22.6	-0.6	1.4
Chg y-o-y		ns	*ns*	*-23.1%*	*ns*	*ns*

*Table 40 - Sources: TPG, ODDO BHF Securities, * TPG does not provide a cash flow statement (non-pro-forma) for 2022, TPG KG (2021, 2022)*

In 2023, adjusted EBITDA was lower than reported EBITDA. In accordance with IFRS standards and with regard to IFRS 3 provisions, purchase price allocation (PPA) requirements were applied and reported for the 2023 financial year. The calculated income from the purchase price allocation amounted to € 25.3m and was booked under other income. TPG has excluded this income from purchase price allocations for adjusted EBITDA, as income from purchase price allocations is not attributable to the operating business and would otherwise not be comparable. Accordingly, TPG's adjusted EBITDA is lower than the reported EBITDA.

TPG uses its central functions to reduce costs, increase the number of partners/products and generate higher margins at its subsidiaries. We expect that TPG's platform solutions, together with the cost and efficiency programme, will lead to a successful reduction in marketing, distributions, and staff costs. As a result, total costs as a % of revenue should decline from 19.6% in 2023 to 16.5% in 2026e, thereby making a significant contribution to higher profitability in the coming years.

Cost ratio as a % of revenue

€ m	2022	2023	2024e	2025e	2026e
Revenue	168.4	432.2	493.4	621.5	652.6
Marketing expenses	-5.2	-27.9	-29.1	-36.0	-35.9
Marketing Cost Ratio	*-3.1%*	*-6.5%*	*-5.9%*	*-5.8%*	*-5.5%*
Distributions expenses	-11.0	-35.2	-34.3	-43.5	-45.7
Distribution Cost Ratio	*-6.5%*	*-8.1%*	*-7.0%*	*-7.0%*	*-7.0%*
Staff costs	-11.3	-21.6	-23.8	-25.0	-26.2
HR Cost Ratio	*-6.7%*	*-5.0%*	*-4.8%*	*-4.0%*	*-4.0%*
Total costs	-27.5	-84.7	-87.2	-104.5	-107.8
Total costs as a % of revenue	***-16.3%***	***-19.6%***	***-17.7%***	***-16.8%***	***-16.5%***

Table 41 - Sources: TPG, ODDO BHF Securities, TPG does not provide a cost-breakdown for 2021

Revenue growth (2023 to 2026e) should be achieved in all segments. We think that the freight goods and industrial goods segments will report the highest CAGR of +21.8% and +20.7%, respectively. Growth in freight goods will be driven mainly by the first-time consolidation of Cluno (acquired in March 2023), bike-angebot and ViveLaCar whereas Lott and Gindumac should contribute to higher revenues in industrial goods. The consumer goods segment (incl. fashionette, Taschen24, Schuhe24) should increase revenue to almost € 362m (2023/2026e CAGR of +12.9%), which is equivalent to c.55% of total revenue in 2026e. Revenue in service and retail, which includes platforms for online learning or factoring and real estate, should rise from c.€ 60m in 2023 to ca. € 74m in 2026e (CAGR of +7.9%).

Revenue by segment

€ m	2021	2022	2023	2024e	2025e	2026e	CAGR 2023/2026e
Consumer Goods	64.9	88.8	251.7	269.3	344.7	362.0	12.9%
Freight Goods	12.5	18.6	60.5	78.7	102.3	109.5	21.8%
Industrial Goods	23.1	49.1	60.9	79.1	102.9	107.0	20.7%
Service and Retail Goods	6.4	12.0	59.1	66.3	71.6	74.2	7.9%
Total	**107.0**	**168.4**	**432.2**	**493.4**	**621.5**	**652.6**	**14.7%**

Table 42 - Sources: TPG, ODDO BHF Securities, TPG KG (2021, 2022)

Solid financial profile

At an average equity ratio of more than 30%, TPG boasts solid equity, while its free cash flow is positive and leverage is expected to improve over the 2024-2026e period.

Strong position in cash and cash equivalents

As of 31 December 2023, the group had cash and cash equivalents of € 7.6m (2022: € 4.2m). For 2024e, we assume a liquidity base (cash and cash equivalents) of € 56.7m. Our 2024e assumptions include the proceeds (€ 30m) from the corporate bond issued in July 2024.

Cash and cash equivalents

€ m	2021	2022	2023	2024e	2025e	2026e
Cash and cash equivalents at the beginning of the period	**1.5**	**0.7**	**4.2**	**7.6**	**56.7**	**52.6**
Cash flow from operating activities	1.7	ns	104.1	43.7	20.7	22.8
Cash flow from investing activities	-8.9	ns	-74.8	-21.1	-21.3	-21.3
Cash flow from financing activities	6.4	ns	-25.9	26.5	-3.5	-3.5
Cash and cash equivalents at the end of the period	**0.7**	**4.2**	**7.6**	**56.7**	**52.6**	**50.5**

Table 43 - Sources: TPG, ODDO BHF Securities, TPG KG (2021, 2022)

Significant reduction in working capital

In 2023, working capital rose significantly compared to 2022. The increase was driven mainly by the acquisition of several companies which led to higher trade receivables, inventories and trade payables. For example, finished goods, which are part of inventories, increased from € 13.4m in 2022 to more than € 92m in 2023 and include vehicles attributable to ViveLa-Car GmbH and Cluno GmbH in the amount of € 34.3m (2022: € 0), as well as the inventories of the former company fashionette AG in the amount of € 31.2m.

For 2024e, we expect a significant reduction in inventories as TPG intends to sell the 3,200 vehicles.

In our view, the platform approach reduces working capital and inventory.

Working capital (company definition)

€ m	2021	2022	2023	2024e	2025e	2026e
Trade receivables and other receivables	14.1	11.3	54.7	54.1	53.6	53.0
Inventories	10.5	13.4	92.3	63.2	62.8	62.3
Trade payables and other liabilities (current)	9.5	8.0	109.0	108.7	108.0	107.3
Working capital	**15.1**	**16.7**	**38.0**	**8.6**	**8.4**	**8.0**
As a % of revenue	*14.1%*	*9.9%*	*8.8%*	*1.7%*	*1.4%*	*1.2%*
Change (y-o-y)		*10.7%*	*127.0%*	*-77.4%*	*-2.0%*	*-4.5%*

Table 44 - Sources: TPG, ODDO BHF Securities, TPG KG (2021, 2022)

Solid equity ratio

At 28.7%, TPG AG's 2023 equity ratio was significantly below the 2022 level for TPG KG (56.0%). This development was attributable to the increase in shareholders' equity (+€ 34.5m) coupled with a 238% increase (or +€ 200.2m) in total assets. For 2024 to 2026, we anticipate an average equity ratio of more than 30%.

Equity ratio

€ m	2021	2022	2023	2024e	2025e	2026e
Total equity	9.3	47.2	81.6	78.2	108.9	136.1
Total assets	47.9	84.2	284.3	310.6	340.6	367.1
Equity ratio	***19.4%***	***56.0%***	***28.7%***	***25.2%***	***32.0%***	***37.1%***

Table 45 - Sources: TPG, ODDO BHF Securities, TPG KG (2021, 2022)

Further improvement in leverage

TPG's board of directors has the medium-term goal of achieving a leverage ratio of between 1.5x and 2.3x.

In 2023, this ratio stood at 2.74x (non pro forma). See table below. The significant increase in liabilities under bank loans is due to three effects: firstly, the consolidation effect from the companies acquired and consolidated in 2023. Secondly, the consolidation of ViveLaCar GmbH and Cluno GmbH is the main reason for the increase in liabilities due to the acquisition of 3,200 vehicles. Finally, (partial) acquisition finance forms part of the group strategy.

As TPG is expected to become more profitable in the coming years, we forecast an improvement in the leverage ratio.

The leverage ratio is defined as the ratio of adjusted EBITDA to net financial debt (excluding lease liabilities).

Leverage (company definition)						
€ m	**2021**	**2022**	**2023**	**2024e**	**2025e**	**2026e**
Loans and borrowings (long-term)	16.4	11.8	32.3	62.3	62.3	62.3
Loans and borrowings (short-term)	4.3	4.0	35.3	35.3	35.3	35.3
Cash and cash equivalents	-0.7	-4.2	-7.6	-56.7	-52.6	-50.5
Net debt (excl. lease liabilities)	**20.0**	**11.5**	**60.0**	**41.0**	**45.0**	**47.1**
Adjusted EBITDA	8.0	15.1	21.9	30.2	46.5	50.8
'Adjusted EBITDA (x)	**2.50**	**0.76**	**2.74**	**1.36**	**0.97**	**0.93**

Table 46 - Sources: TPG, ODDO BHF Securities, TPG KG (2021, 2022)

High cash flows

TPG reported a free cash flow (incl. M&A and payments received from the initial consolidation of Fashionette under reverse acquisition) of € 29.3m in the 2023 financial year. Cash flow from operating activities (€ 104.1m) included a significant volume of special effects from (a) vehicle sales by the subsidiaries ViveLaCar GmbH and Cluno GmbH and (b) profits from company acquisitions (€ 25.3m). Cash flow from investing activities totalled € 74.8m, including payments in non-current assets (plant, property and equipment and intangible assets) of c.€ 21m and for the acquisition of subsidiaries of c.€ 58.8m.

For 2024e to 2026e, we forecast average positive FCF of € 7.8m (excl. M&A) driven by high cash flow from operating activities and stable investments in tangible/intangible assets (2024e to 2026e: average of € 21.3m).

FCF is defined as cash flow from operating activities plus cash flow from investing activities (excluding investments in fixed-term deposits and restricted cash).

Free cash flow (company definition)						
€ m	**2021**	**2022**	**2023**	**2024e**	**2025e**	**2026e**
Cash flow from operating activities	**1.7**	**ns**	**104.1**	**43.7**	**20.7**	**22.8**
Change (y-o-y)		*ns*	*ns*	*-58.0%*	*-56.2%*	*10.0%*
Cash flow from investing activities	**-8.9**	**ns**	**-74.8**	**-21.1**	**-21.3**	**-21.3**
Disposals or Investments in property, plant and equipment	-4.2	ns	-21.0	-21.1	-21.3	-21.3
Change (y-o-y)		*ns*	*ns*	*0.4%*	*0.7%*	*0.4%*
Acquisition of subsidiaries, less acquired liquid assets	-4.7	ns	-58.8	0.0	0.0	0.0
Change (y-o-y)		*ns*	*ns*	*ns*	*ns*	*ns*
Payments received from the initial consolidation of Fashionette	0.0	ns	5.1	0.0	0.0	0.0
Change (y-o-y)		*ns*	*ns*	*ns*	*ns*	*ns*
Free cash flow	**-7.2**	**ns**	**29.3**	**22.6**	**-0.6**	**1.4**

Table 47 - Sources: TPG, ODDO BHF Securities, TPG does not provide a cash flow statement (non-pro forma) for 2022, TPG KG (2021, 2022)

Corporate bond

On 11 July 2024, TPG issued its first corporate bond (total amount € 30m) maturing on 11 July 2028. The bond bears interest at an annual rate of 8.875%. Interest will be paid semi-annually in arrears on 11 January and 11 July of each year. The first interest payment will be made on 11 January 2025 and the bonds will be redeemed at their nominal amount on 11 July 2028.

TPG intends to utilise the net issue proceeds as follows (the utilisation of the proceeds includes the cash available to the company in the amount of € 8m):

- € 20m to achieve the planned inorganic growth of the TPG Group until the end of the financial year 2024, i.e. to finance acquisitions of companies, operations or parts of companies by the group
- € 6.9m to finance the general corporate purposes of the TPG Group (excluding any payouts by the company)
- € 3m to finance software investments and
- € 7m to refinance debt.

The bond may be redeemed prematurely by the company in accordance with the terms and conditions of the issue. In this case, repayment is made at the nominal amount plus the interest accrued prior to the date of repayment and a repayment premium in accordance with the terms and conditions of the bond.

APPENDIX

TPG's sectors - Overview

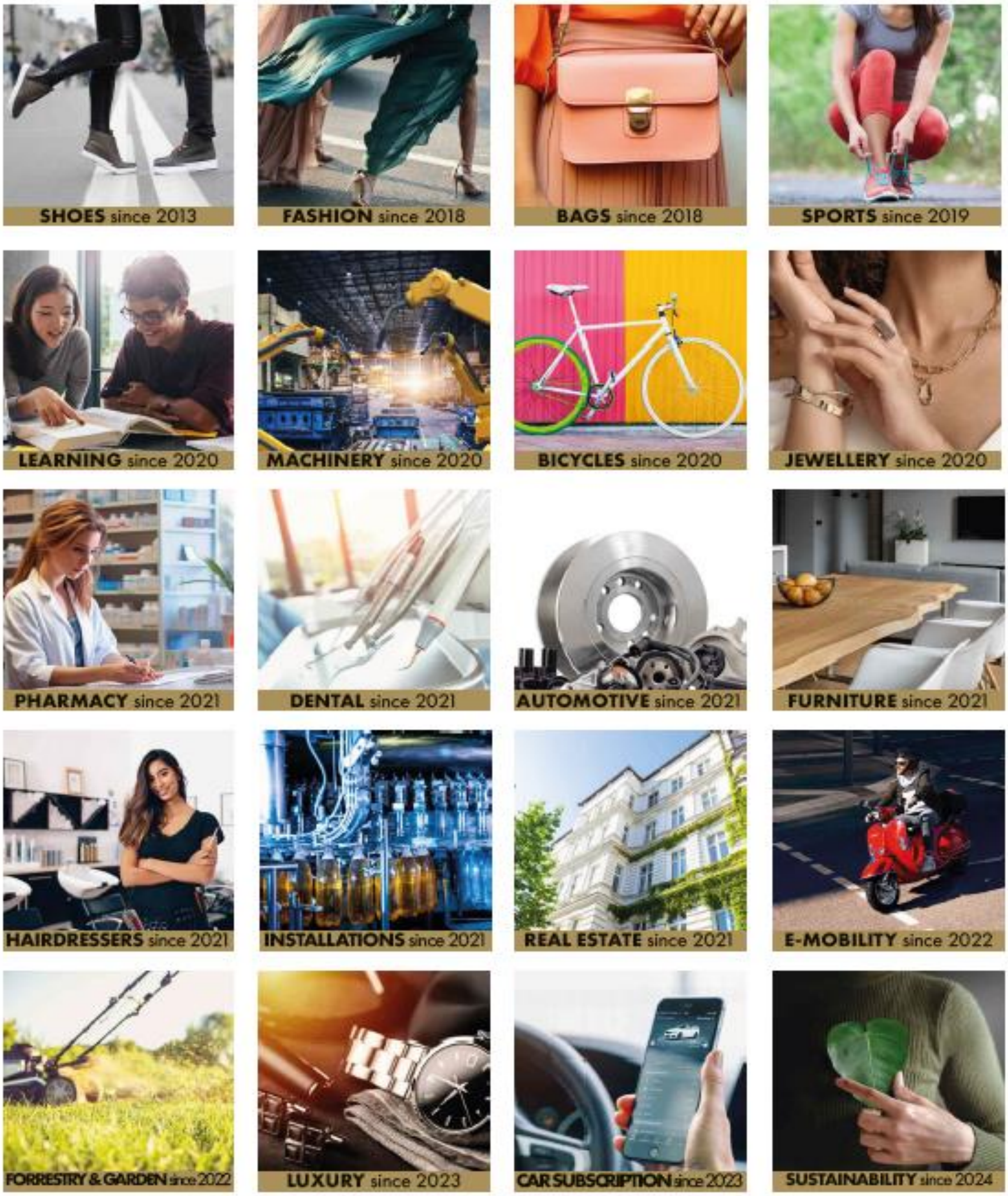


Chart 48 - Source: TPG

The Platform Group	Outperform		Price 8.62 €	
Software | Germany	Upside 45.01%		TP 12.5 €	
PER SHARE DATA (€)	**12/23**	**12/24e**	**12/25e**	**12/26e**
Adjusted EPS	1.84	0.54	1.02	1.17
Reported EPS	**1.84**	**0.54**	**1.02**	**1.17**
Growth in adjusted EPS	-	-70.6%	87.7%	14.8%
Net dividend per share	0.00	0.00	0.00	0.00
FCF to equity per share	4.81	1.13	-0.03	0.07
Book value per share	4.66	3.88	5.42	6.79
Number of shares market cap (m)	17.27	19.88	19.88	19.88
Number of diluted shares (m)	17.27	19.88	19.88	19.88
VALUATION (€m)	**12/23**	**12/24e**	**12/25e**	**12/26e**
12m highest price (€)		10.20		
12m lowest price (€)		7.66		
(*) Reference price (€)		8.62	8.62	8.62
Capitalization		171	171	171
Restated Net debt	68.5	49.5	53.5	55.6
Minorities (fair value)	1.1	1.1	1.1	1.1
Financial fixed assets (fair value)	7.4	7.4	7.4	7.4
Provisions	0.0	0.0	0.0	0.0
Enterprise Value		**214**	**219**	**221**
P/E (x)		15.9	8.5	7.4
P/CF (x)		12.0	8.4	7.6
Net Yield		0.0%	0.0%	0.0%
FCF yield		13.1%	ns	0.9%
P/B incl. GW (x)		2.22	1.59	1.27
P/B excl. GW (x)		2.22	1.59	1.27
EV/Sales (x)		0.43	0.35	0.34
EV/EBITDA (x)		7.1	4.7	4.3
EV/Current EBIT (x)		**9.6**	**5.7**	**5.2**
(*) historical average price				
PROFIT AND LOSS (€m)	**12/23**	**12/24e**	**12/25e**	**12/26e**
Sales	432	493	622	653
EBITDA	46.8	30.2	46.5	51
Depreciations	-7.8	-7.9	-8.1	-8.1
Current EBIT	**38.9**	**22.3**	**38.4**	**42.7**
Published EBIT	38.9	22.3	38.4	42.7
Net financial income	-6.4	-5.5	-8.1	-8.1
Corporate Tax	0.4	-5.0	-9.1	-10.4
Net income of equity-accounted companies	0.0	0.0	0.0	0.0
Profit/loss of discontinued activities (after tax)	0.0	0.0	0.0	0.0
Minority interests	-1.0	-1.0	-1.0	-1.0
Attributable net profit	31.8	10.8	20.2	23.2
Adjusted attributable net profit	**31.8**	**10.8**	**20.2**	**23.2**
BALANCE SHEET (€m)	**12/23**	**12/24e**	**12/25e**	**12/26e**
Goodwill	43.8	43.8	43.8	43.8
Other intangible assets	64.0	65.1	66.1	67.2
Tangible fixed assets	9.7	21.9	34.0	46.2
WCR	38.0	8.6	8.4	8.0
Financial assets	11.7	5.4	27.1	43.5
Ordinary shareholders equity	80.5	77.1	108	135
Minority interests	1.1	1.1	1.1	1.1
Shareholders equity	81.6	78.2	109	136
Non-current provisions	17.0	17.0	17.0	17.0
Net debt	**68.5**	**49.5**	**53.5**	**55.6**
CASH FLOW STATEMENT (€m)	**12/23**	**12/24e**	**12/25e**	**12/26e**
EBITDA	**46.8**	**30.2**	**46.5**	**50.8**
Change in WCR	-38.0	29.4	0.2	0.4
Interests & taxes	6.6	-6.0	-10.1	-11.4
Others	88.7	-9.9	-15.9	-17.0
Operating Cash flow	104.1	43.6	20.7	22.8
CAPEX	-21.0	-21.1	-21.3	-21.3
Free cash-flow	**83.0**	**22.5**	**-0.6**	**1.5**
Acquisitions / disposals	-58.8	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0
Net capital increase	0.0	0.0	0.0	0.0
Others	-4.0	-3.5	-3.5	-3.5
Change in net cash	25.3	19.1	-4.1	-2.1
GROWTH MARGINS PRODUCTIVITY	**12/23**	**12/24e**	**12/25e**	**12/26e**
Sales growth	-	14.2%	26.0%	5.0%
Lfl sales growth	**-**	**-**	**-**	**-**
Current EBIT growth	-	-42.7%	72.5%	11.1%
Growth in adjusted EPS	-	-70.6%	87.7%	14.8%
Net margin	7.4%	2.2%	3.3%	3.6%
EBITDA margin	**10.8%**	**6.1%**	**7.5%**	**7.8%**
Current EBIT margin	**9.0%**	**4.5%**	**6.2%**	**6.5%**
CAPEX / Sales	-4.9%	-4.3%	-3.4%	-3.3%
WCR / Sales	8.8%	1.7%	1.4%	1.2%
Tax Rate	-1.1%	30.0%	30.0%	30.0%
Normative tax rate	30.0%	30.0%	30.0%	30.0%
Asset Turnover	-	3.3	4.3	4.1
ROCE post-tax (normative tax rate)	**-**	**10.6%**	**18.5%**	**18.8%**
ROCE post-tax hors GW (normative tax rate)	-	15.1%	26.4%	26.0%
ROE	-	13.7%	21.9%	19.1%
DEBT RATIOS	**12/23**	**12/24e**	**12/25e**	**12/26e**
Gearing	84%	63%	49%	41%
Net Debt / Market Cap		0.29	0.31	0.32
Net debt / EBITDA	**1.47**	**1.64**	**1.15**	**1.09**
EBITDA / net financial charges	7.3	5.5	5.7	6.2

Sources: ODDO BHF Securities, SIX

- **Valuation method**

Our target prices are established on a 12-month timeframe and we use three valuation methods to determine them. First, the discounting of available cash flows using the discounting parameters set by the Group and indicated on ODDO BHF' website. Second, the sum-of-the-parts method based on the most pertinent financial aggregate depending on the sector of activity. Third, we also use the peer comparison method which facilitates an evaluation of the company relative to similar businesses, either because they operate in identical sectors (and are therefore in competition with one another) or because they benefit from comparable financial dynamics. A mixture of these valuation methods may be used in specific instances to more accurately reflect the specific characteristics of each company covered, thereby fine-tuning its evaluation.

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- **Our stock market recommendations**

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Recommendation and target price changes history over the last 12 months for the company analysed in this report				
Date	**Reco**	**Price Target (EUR)**	**Price (EUR)**	**Analyst**

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		Outperform	**Neutral**	**Underperform**
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Research service coverage	(52)	63%	23%	13%
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