The Platform Group

(Scale All Share (Ref.), Retail, FSNT GR)

WARBURG RESEARCH

Buy	
EUR 8.40	
Price	EUR 5.22
Upside	**60.9 %**

Value Indicators:	EUR
DCF:	8.41
Peer group:	9.61

Warburg ESG Risk Score:	**1.7**
ESG Score (MSCI based):	3.0
Balance Sheet Score:	1.5
Market Liquidity Score:	0.5

Description:

The Platform Group provides a full-service B2B/B2C e-commerce platform

Market Snapshot:	EUR m
Market cap:	90
No. of shares (m):	17
EV:	188
Freefloat MC:	18
Ø Trad. Vol. (30d):	41.75 th

Shareholders:	
Freefloat	20.19 %
Dr. Dominik Benner	79.81 %

Key Figures (WRe):	2023e
Beta:	1.7
Price / Book:	0.8 x
Equity Ratio:	44 %
Net Fin. Debt / EBITDA:	3.0 x
Net Debt / EBITDA:	3.0 x

From an online retailer to a scalable platform provider; Initiation with Buy

Fashionette is currently transforming its business model from an online retailer for luxury shoes, bags and accessories to a scalable online platform solution provider. In September, the AGM approved the merger with The Platform Group GmbH & Co. KG as well as the renaming of the company to The Platform Group AG (TPG) following the final approval of the merger and its entry in the commercial register.

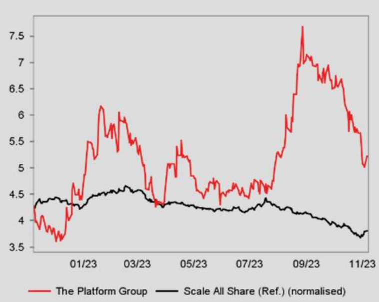
TPG AG offers a proprietary e-commerce platform software solution connecting over 55 different ERP systems used by smaller, often stationary, retailers to over 50 online sales channels and thus provides access to an international customer base far beyond the reach of their own online shops. In addition, the company handles shipment and returns, online marketing, payment processing, dynamic pricing and big-data analysis, which makes TPG a full-service provider for its partners' e-commerce activities.

With this approach, TPG is already active in a wide and diversified range of 18 industries including fashion, furniture, dental supplies, pharmaceuticals, bicycles, automotive parts, pre-owned production equipment, e-mobility and real estate, and it intends to increase that number to 30 by 2025. As proof of concept, the company can point to strong growth in both its customer base (2.87m) and partner network (5,262) in the last couple of years as it has more than tripled each number since 2019.

For the current year, the merged company expects pro-forma sales of EUR 440m, which implies a 32% increase compared to the 2022 pro-forma figure (EUR 333.2m). After a H1 growth rate of only 5.1% to EUR 163.9m, this appears ambitious. However, with the adoption of the platform approach by the Fashionette business, the product portfolio, which traditionally focused on luxury shoes, bags and accessories was significantly expanded by adding luxury fashion. The resulting cross-selling opportunities in the seasonally stronger H2 should drive sales notably. In addition, with the takeover of car-subscription provider Cluno earlier this year, TPG acquired a car fleet which is currently being sold off and should contribute approx. EUR 25m (WRe) in sales in H2. The adj. EBITDA target of EUR 20m should be well within reach considering the EBITDA of 9.7m already earned in H1.

Mid-term, TPG aims for a GMV (sales + returns) of EUR 1bn after EUR 700m (pro-forma +14% yoy) in 2023, driven by cross-selling in Fashionette and an increasing number of partners, especially in the segments Freight Goods and Industrial goods. Considering the strong GMV growth momentum in the past (CAGR 21-23e 17.7%), we expect TPG to reach its goal by 2026. The mid-term target for the adj. EBITDA margin of 7-10% appears conservative, considering that TPG ex-Fashionette already earned EBITDA margins of 10.3% in H1 with its platform business. We expect the company to reach the lower end of the corridor on group level by 2025, driven by Fashionette's adoption of the platform approach and subsequent turnaround as well as by the high scalability of the platform software solution across all segments.

Based on our estimates, we calculated a fair value using a DCF model and a peer-group analysis. Both methods indicate significant upside to the current market valuation. The DCF model derives a fair value per share of EUR 8.41. This was confirmed by the peer-group analysis, which indicated a discount on all 2024 and 2025 multiples, with the exception of EV/sales and yielded an average fair value per share of EUR 9.61. Against this background, we initiate the coverage of Fashionette/The Platform Group with a target price of EUR 8.40 and a Buy recommendation.



Rel. Performance vs Scale All Share	
1 month:	-17.8 %
6 months:	24.3 %
Year to date:	28.9 %
Trailing 12 months:	35.4 %

Company events:	
15.11.23	Q3

FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	47.9 %	73	95	134	165	440	488	533
Change Sales yoy		n.a.	30.3 %	40.3 %	23.2 %	166.9 %	10.9 %	9.4 %
Gross profit margin		*40.9 %*	*39.6 %*	*38.4 %*	*37.9 %*	*30.5 %*	*30.7 %*	*31.0 %*
EBITDA	-	7	6	2	-2	17	29	37
Margin		*9.3 %*	*6.2 %*	*1.2 %*	*-1.2 %*	*3.9 %*	*5.9 %*	*7.0 %*
EBIT	-	3	5	-1	-6	8	19	28
Margin		*4.1 %*	*4.8 %*	*-0.4 %*	*-3.9 %*	*1.8 %*	*3.9 %*	*5.2 %*
Net income	-	0	2	-2	-6	1	9	14
EPS	-	0.02	0.31	-0.27	-1.01	0.05	0.52	0.80
EPS adj.	-	0.02	0.31	-0.27	-0.73	0.20	0.52	0.80
DPS	-	0.00	1.00	0.85	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	3.2 %	3.0 %	n.a.	n.a.	n.a.	n.a.
FCFPS		0.30	0.91	-2.48	0.18	2.31	1.41	0.83
FCF / Market cap		n.a.	2.9 %	-8.8 %	2.5 %	44.3 %	27.0 %	15.8 %
EV / Sales		n.a.	2.2 x	1.7 x	0.6 x	0.4 x	0.3 x	0.3 x
EV / EBITDA		n.a.	35.2 x	144.9 x	n.a.	10.9 x	5.7 x	4.0 x
EV / EBIT		n.a.	45.7 x	n.a.	n.a.	23.7 x	8.6 x	5.4 x
P / E		n.a.	100.1 x	n.a.	n.a.	104.4 x	10.0 x	6.5 x
P / E adj.		n.a.	100.1 x	n.a.	n.a.	26.1 x	10.0 x	6.5 x
FCF Potential Yield		n.a.	2.3 %	0.8 %	-0.2 %	8.6 %	14.9 %	20.2 %
Net Debt		7	-31	9	10	52	27	13
ROCE (NOPAT)		2.0 %	13.5 %	n.a.	n.a.	5.5 %	8.9 %	12.6 %
Guidance:	2023 pro-forma: EUR 440m in sales and EUR 20m adj. EBITDA							

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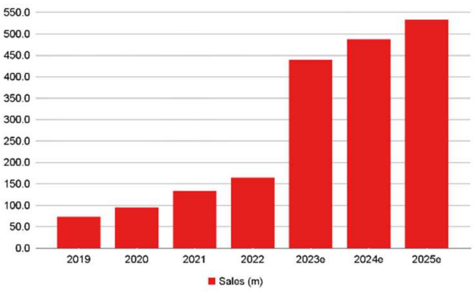
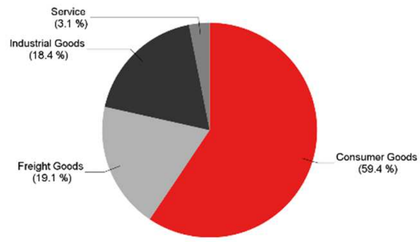
Sales development
in EUR m



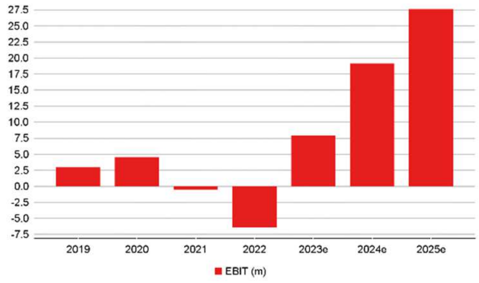
Source: Warburg Research

Sales by segments
2023e; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

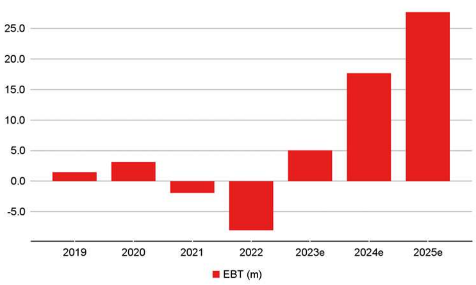
Company Background

- The Platform Group offers an e-commerce platform solution, connecting smaller stationary retailers from a wide range of industries to large number of online stores, owned and operated by TPG and third-party websites.
- The Consumer Goods segment comprises B2C platform activities with conventional parcel sizes and is focused on customer as well as sales optimization. The Fashionette business is also included in this BU.
- Business activities in Freight Goods specializes in products with more complex logistic requirements such as furniture retailers, bicycles, e-scooters and car-subscription platforms.
- Industrial Goods comprises platforms for new & used machinery, bottling, dental care, barber-shop supplies and car parts. The segment is focused in B2B specific marketing, management, logistics and after-sales service.
- The Service & Retail Goods segment comprises e-commerce services for pharmacies, real-estate businesses and online learning platforms. The 10 legacy stores owned by TPG also contribute to this business unit.

Competitive Quality

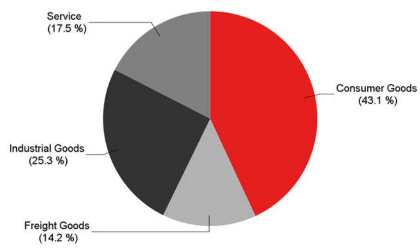
- Scalable e-commerce platform for stationary and smaller businesses based on a proprietary software solution, which is not trivial to replicate.
- Large and growing partner and customer base from a diversified spectrum of industries.
- Striving for a cycle of growth by expanding product offering which triggers positive feedback and attracts more consumers, which in turn increases the platform's value.
- Solid margins even compared with larger peers despite tough competition for customers from major online retailers in each industry.
- Pure platform approach limits requirements for capex and working capital

EBT development
in EUR m



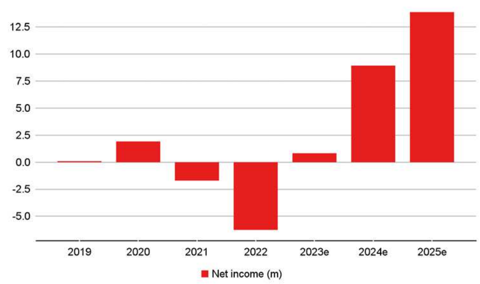
Source: Warburg Research

EBITDA by segments
2023e; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

Summary of Investment Case

Investment triggers

- Cross-selling opportunities between Fashionette's retail and platform business should boost growth in H2 and, in combination with an accelerated sell-off of the car fleet acquired with the Cluno takeover, allow the company to reach its ambitious-looking sales target.
- The car-fleet sales should also reduce working capital, boost the free cash flow and improve net debt/EBITDA over the next three quarters.
- Economies of scale and the adoption of the profitable platform approach by Fashionette should increase profitability and cash conversion significantly over the coming year.

Valuation

- We have based our target price on a DCF model and confirmed our findings with a peer-group analysis.
- All valuation methods indicate significant upside to the current share price.
- In our DCF model, we applied WACC of 10.4% and calculated a fair value per share of EUR 8.41.
- The peer group confirmed our findings. Despite the currently low multiples for the industry compared to historic levels, an average of all multiples for 2024 and 2025 yielded a fair value per share of EUR 9.61.

Growth

- In the current year, we expect cross-selling, especially in the H2-heavy Fashionette business, and increasing car sales to boost revenue to the group's target of EUR 440m, which implies an increase of 32% compared to last year's pro-forma top line.
- Between 2023 and 2026, we expect average annual growth of 9.8%, driven by the Freight Goods and Industrial Goods segments, in which the respective shares of group sales are expected to increase.
- Each segment is already showing high organic growth momentum and is targeting a diverse spectrum of markets with limited online penetration, which makes the e-commerce platform solution offered by TPG attractive to new partners.

Profitability

- Economies of scale, especially with regards to the proprietary e-commerce platform software solution, should increase profitability driven by the anticipated growth in sales volume.
- The adoption of the platform approach by Fashionette should enable the turnaround of the business. Going forward, profitability should improve following the discontinuation of unprofitable product categories as well as one-offs associated with the merger, and after the implementation of some restructuring measures, which should still burden profitability in the current year.
- We consider the solid profitability in TPG's Consumer Goods segment (EBITDA margin of 8.7% in 2022 and 10.1% in 2021) as a strong indicator that this approach can generate solid margins in the market in which Fashionette is active.
- With this, we expect the group to reach the lower end of mid-term adj. EBITDA margin target of 7-10% in 2025.

Competitive quality

- Scalable e-commerce platform for stationary and smaller businesses based on a proprietary software solution. The software connects a wide range of ERP systems used by stationary retailers to a central platform, which is in turn connected to more than 50 online sales channels and offers industry-specific tools. The high number of ERP interfaces for the partners were developed as the company connected more and more retailers and the replication of these interfaces is far from trivial.
- TPG focuses on high-priced product categories with low online penetration, which makes the e-commerce platform attractive to business operating locally and reduces the sensitivity to scalable costs for the platform model such as logistics and returns management. With this approach, TPG has gained a large and growing partner and customer base from a diverse spectrum of industries.
- Platform approach limits requirements for capex and working capital, since TPG doesn't need its own warehousing in most cases.

Company Overview

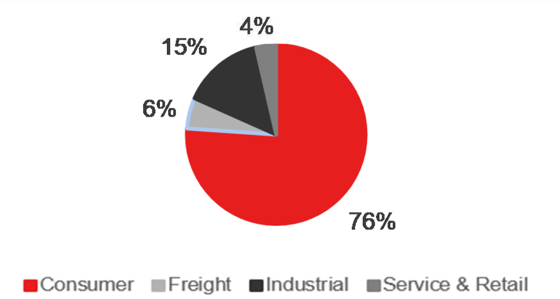
THE PLATFORM GROUP

TPG developes and operates and acquires platforms which conntect stationary dealers and consumers.

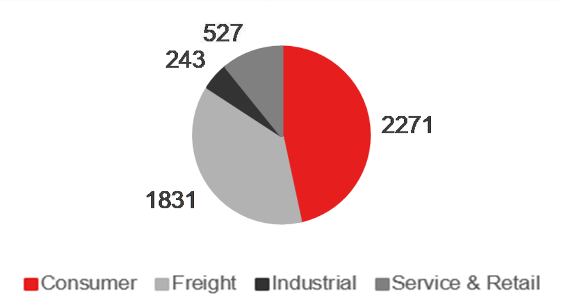
Segments	Industrial Goods	Consumer Goods	Freight Goods	Service & RetailGoods
Platforms	ENVOGUE, TASCHEN24, BRANDFIELD, SCHUHE24, OUTFITS24, fashionette, Dein JUWELIER, MYSTATIONARY	CLUNO, ViveLaCar, bike-angebot, Stylefy, MÖBELFIRST, emco e-scooter	BEVMAQ, MPF, GINDUMAC, THE CUBE CLUB, dentatec ZAHNTECHNIK, FLOTT AUTOTEILE	teech, aponow, PROPERTY, KlickA, DocGreen
2022 pro-forma Sales	EUR 49.1m	EUR 253.5m	EUR 18.6m	EUR 12.1m
2022 pro-forma EBITDA	EUR 3.0m	EUR 5.7m	EUR 0.2m	EUR 3.2m

Sales & Customers

Sales per segment

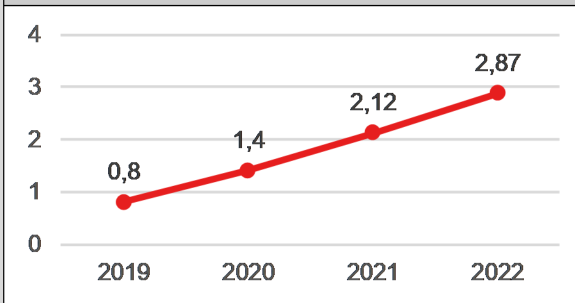


Partners per segment

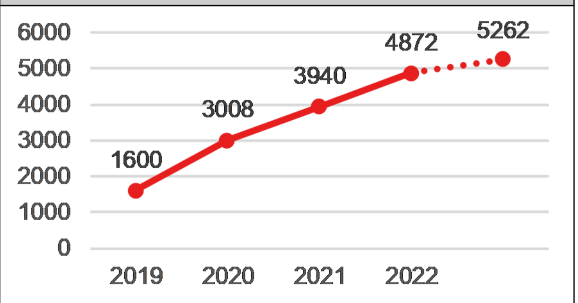


Customers & Partners

Customers in million



Partners



Compeititors	zalando, MYTHERESA, amazon, NET-A-PORTER, SIXT, ABOUT YOU, boohoo, REVOLVE, ebay, FARFETCH, wayfair, asos, AUTODOC
Guidance 2023	2023 pro-forma: EUR 440m in sales and EUR 20m adj. EBITDA
Mid-term target	GMV EUR 1bn, adjusted EBITDA margin 7% - 10%, leverage 1.5x-2.3x

Source: Warburg Research

Business Model

- **Entrepreneurial history:** the current CEO developed the company from a small stationary shoe retailer to a platform for e-commerce companies.
- **The company provides the platform for the e-commerce of mostly local retailers:** TPG covers the full-service range necessary for e-commerce, from IT to payments and logistics.
- **Multi-category approach:** the business model can be leveraged into a diverse range of industries and TPG is thus currently already serving 18 categories in new geographical areas with additional products

Empowering small and medium enterprises for e-commerce

With the merger of Fashionette AG with The Platform Group GmbH & Co KG a new company was formed. Following the final approval of the transaction, the merged company will be renamed The Platform Group AG.

The full-service e-commerce solution for small and medium enterprises

The Platform Group (TPG) offers an e-commerce platform solution, which connects smaller stationary retailers to large number of online stores, owned and operated by TPG as well as third-party websites. This increases the reach of locally operating stores significantly, even if they already operate their own online stores.

At the centre of the business model is a proprietary software platform, which connects the diverse ERP solution used in retail stores to the ERP systems of large online stores and thus automatically keeps the inventory data on all platforms in sync. In addition, TPG offers a broad spectrum of services to manage all aspects of e-commerce for its customer, including logistics, online marketing (e.g. SEO, SEA, mailing campaigns, social media), payment processing, returns management, dynamic pricing and big-data analysis.

TPG is active in wide range of industries including fashion, furniture, dental supplies, pharmaceuticals, bicycles, automotive parts, pre-owned production equipment, e-mobility and real estate, with solutions tailored to the specific needs of each vertical.

Product strategy focused on high priced good

Unlike larger online retailers, the company cannot benefit from scalability of its own fulfilment centre since The Platform Group mostly ships orders individually from their partners to the end-customers. Thus, the group focuses on high-priced items for which the logistic costs make up only a small fraction of the retail price.

However, historically, Consumer Goods is the largest segment, with a revenue share of 53% in 2022. Following the merger with Fashionette AG, a leading European e-commerce group for premium and luxury fashion accessories, the pro-forma share in 2022 was 76%. Prior to the merger, Fashionette had already decided to transform its business model from an online fashion accessory retailer to a platform model, i.e. adopting The Platform Group's business model, and thereby expanding its market from fashion accessories (predominantly shoes, handbags, and jewellery) to luxury fashion.

Value chain

Business partners		B2B + B2C customers
Platform integration	**Sales services**	**Aftersales services**
Software and IT Product photos Merchandise mgmt. system	(Re-)pricing Packaging Shipping Marketing Payment	Return management Analytics

Source: The Platform Group, Warburg Research

The Platform Group value chain

Source: The Platform Group

Proprietary software solution

- **Software development and deployment**: The Platform Group has developed its own software solution that connects stationary retailers by an ERP interface to various online channels. While this solution is scalable, the variety of ERP systems in the stationary retail market and the specific needs of each industry require tailored connection solutions and industry-specific tools. TPG develops and implements these solutions and has already connected more than 55 different ERP solutions to its interface.
- **Fulfilment**: The sales services provided cover the whole e-commerce process, including effective product photography compatible with the online platforms, listing, payment, logistics, pricing management, returns/complaint service.
- **Online marketing**: In order to further increase the online visibility of its customers, TPG offers Search Engine Advertising (SEA), Search Engine Optimization (SEO), affiliated solutions as well as social media and branding campaigns. The broad network of websites operated by TPG and big-data analysis increase the effectiveness of the marketing efforts.

Solutions tailored to specific industry requirements

TPG offers an online platform solution to wide range of industries with specific challenges and requirements. In order to maintain scalability, TPG operates in four different segments with overlapping characteristics with regards to e-commerce:

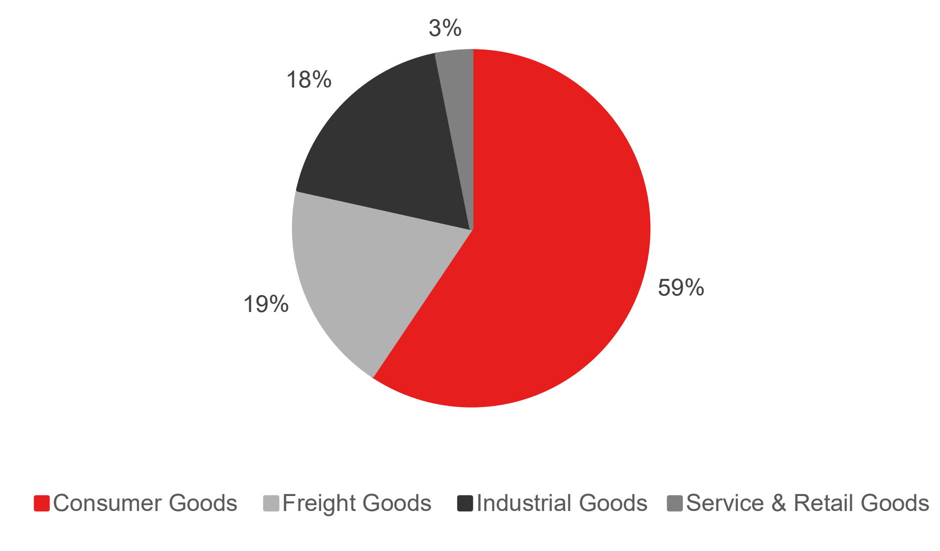
Online platform's by segment

Source: The Platform Group, Warburg Research

Diversified product portfolio

- **Consumer Goods** was the first industry in which the platform strategy was applied. Starting with shoes, the company is now active in fashion, accessories and jewellery. Following the merger with Fashionette, the offering in premium and luxury is to be enlarged. The segment focused on B2C e-commerce with conventional parcel sizes.
- **Freight Goods** is specialised in more complex logistic requirements. The segment's solutions target furniture retailers (Möbelfirst, Stylefy), bicycles (Bike-Angebot) and e-mobility (GEM-S, Emco). In addition, TPG acquired the car subscription platforms ViveLaCar and Cluno earlier this year, which should make Freight Goods the second-largest segment in 2023.
- **Industrial Goods** comprises platforms for new & used machinery, bottling, dental care, barber-shop supplies and car parts. The segment is focused on B2B specific marketing strategies, logistics and after-sales service.
- **Service & Retail Goods** includes the ApoNow and DocGreen business. With these two drug platforms, the company is directing e-commerce orders to partnered pharmacies (e.g. 200 drug manufacturers are connected to ApoNow). The main focus is to make the inventories of nearby pharmacies visible, while the pharmacy remains the seller, as required by regulation. In addition, the 10 legacy stores owned by TPG, the real-estate activities and the online learning platform "Teech" are part of the segment.

Revenue by product category H1 2023 (pro forma)



Source: The Platform Group, Warburg Research

History

Long company history with entrepreneurial roots

The ancestor of the current CEO, Dr. Dominik Benner, founded a business for shoes and colonial goods in 1882, operating in Hofheim am Taunus. In 2013, shortly after Mr. Benner entered the family business, the strategic decision was made to operate the stationary business separately and to fully convert the company into an e-commerce platform. Schuhe24 was born. Initially an e-commerce platform for shoe retailers, the start-up quickly attracted hundreds of retailers.

In 2017, the strategic decision was made to diversify into new industries. As the business model is industry-agnostic and transferable to other categories, it added fashion, machinery trading, leather goods, bicycles, jewellery, machinery and other industries, always as a platform approach for the respective industry. The Platform Group was created and celebrated its 140th anniversary in 2022.

M&A spree to drive platform strategy

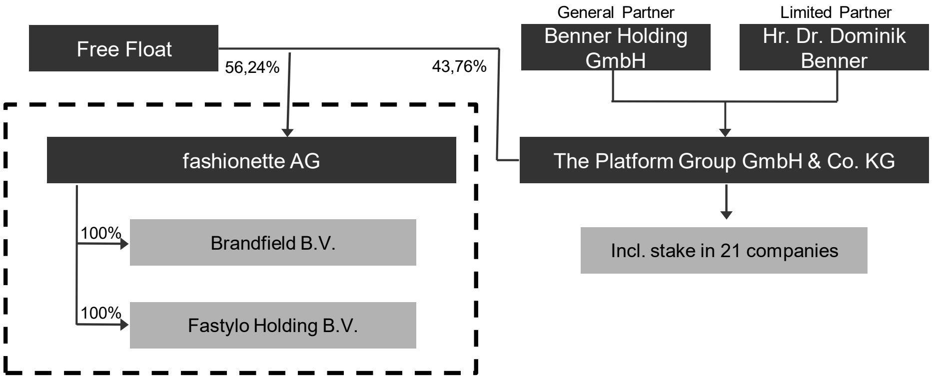
Source: The Platform Group

Merger through capital increase in king

Transformative merger with The Platform Group

TPG acquired a stake of 38.5% in the listed premium shoe & accessories online retailer Fashionette in December 2022 and later increased its stake to 43.8%. In September 2023 an AGM of Fashionette resolved to increase the capital by a contribution of The Platform Group GmbH & Co. KG, i.e. the operating business of TPG, and to rename the newly merged entity to The Platform Group. Sales have roughly doubled for the combined group and it has thus been a truly transformative deal.

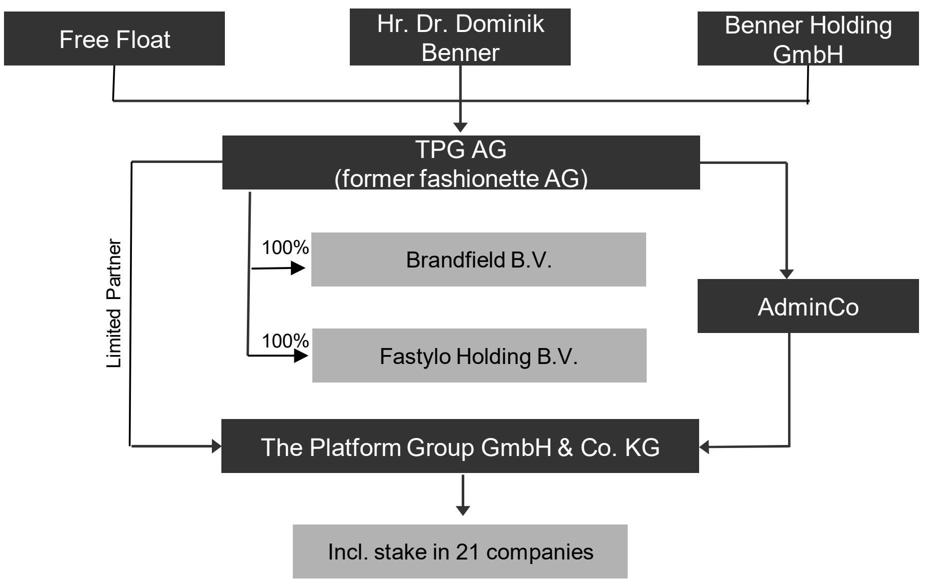
Corporate structure before contribution in kind



Source: The Platform Group, Warburg Research

Following the transaction, Dominik Benner will remain the CEO of the merged entity. Furthermore, following the capital increase, he now holds a stake of 79.82% (13.79m shares) in the merged company and is the dominating shareholder.

Corporate structure after contribution in kind



Source: The Platform Group, Warburg Research

Competitive Quality

- Scalable **proprietary software** solution, which is far from trivial to replicate
- **Striving for virtuous cycle of growth** by increasing the product offering which generates positive feedback, attracts more consumers and in turn, increases the platform value.
- **Strong growth of partner and customer base** at group level
- The company faces **strong competitors** in each category and commands only a small market share
- Despite tough competition, it generates **decent margins even compared with larger peers**

A well-positioned intermediary

Increasing customer reach online for smaller businesses

For retailers, even the larger ones with multiple stores in a number of larger cities, e-commerce is often more challenging than it might initially appear. While the operation of an online store is quite common, the retailers are best known in proximity to their stores while larger international or even nationwide marketing campaigns are often outside their budget constraints. Thus, the growth potential from their online activities remains limited and comes with an increased risk of cannibalising their stationary sales.

For these reasons, larger platforms that offer a marketplace, such as Zalando, Otto or Amazon, offer a significant increase in reach, but also come with notable costs, since the retailer has to fulfil the requirements of the marketplace with regards to inventory management, listing details and formats, product pictures, logistics and returns management. This is not scalable since such requirements differ from platform to platform. In addition, if the product offering competes with the platform's own product, the platform provider usually prioritizes the sales of their own stock and potentially larger resellers on the marketplace. Moreover, since operating a marketplace with a larger number of small resellers comes with higher management costs compared to a small number of large resellers, some attractive marketplaces are not even accessible to stationary retailers.

Scalable ERP interface

The Platform Group acts as an intermediary to solve this problem for both the retailer and the marketplace with a scalable solution. It offers an ERP interface to the retailer, collects and unifies the data in its centralised system and automatically lists it on more than 50 online platforms in accordance with their formats and requirements. The company owns a number of larger platforms in a broad spectrum of industries that have already been, or are currently being, transformed into a marketplace platform and thus are not competing with the partner. Towards third-party market places, TPG acts as one large reseller, granting its partners access to more restrictive marketplaces and a higher prioritisation than smaller resellers.

Full-service e-commerce solution

In combination with the comprehensive e-commerce services, TPG offers a no-headache one-stop-shop solution to increase customer-reach online at low cost.

Building blocks of competitive position

Source: The Platform Group, Warburg Research

Creating scalability with a proprietary software solution

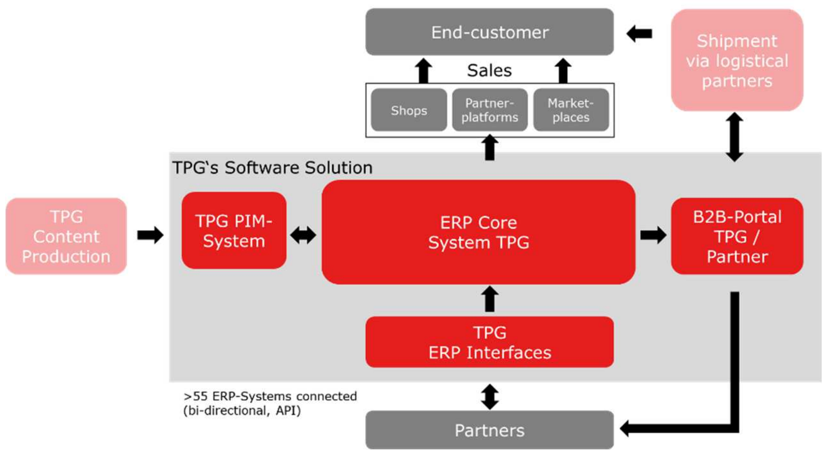
We consider the scalability of TPG as limited with regards to a number of services it provides, including logistics provided to individual stores for single items, qualified technical support in the Industrial Goods segment and returns management. However, the proprietary software platform is highly scalable and difficult to recreate. Thus, we consider it the centre of the overall scalability of the business and the economic moat.

Interfaces for >55 ERP systems

Currently 64 employees are tasked with the development and deployment of TPG's software. For the platform, a major challenge is the diversity of retailers' ERP solutions that need to be connected to the central platform. TPG has already developed interfaces for more than 55 different ERP systems for nearly 5,300 partners. Each of these interfaces allows for a quick and less expensive onboarding for all potential partners using the specific solution and the company's expertise in interface development.

Moreover, specific industries require specific tools, each of which lowers the cost to onboard other players in the industry as well as potential partners from other industries with similar requirements. This enables scalability for each tool and interface developed and constitutes a barrier to entry for new players.

Scalable Software Solution



Source: The Platform Group, Warburg Research

Focused product portfolio

Product focus limits disadvantage to lager e-commerce retailers

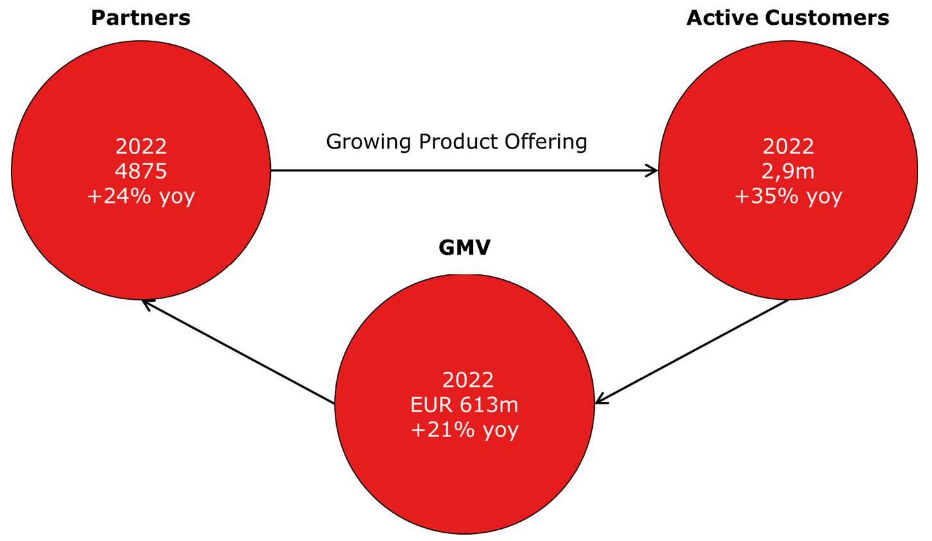
While larger e-commerce retailers who operate their own logistics and fulfilment centres benefit from economies of scale within those centres, The Platform Group in most cases does not hold its own inventory and ships orders individually from the partner to the end customer. In order to mitigate this disadvantage compared to competitors, TPG focuses on high-priced luxury goods, for which shipping costs make up only a small fraction of the price or larger products, such as used machinery or car parts, that require less scalable shipping.

As an example, Fashionette reported an average order value of EUR 174 in 2022 and discontinued beauty and smartwatches specifically because of their low price-per-unit. The average product price of goods sold by Möbelfirst, a luxury furniture outlet, is EUR 3,830. At this price-level even the higher freight rates compared to larger low and mid-priced online retailers makes up only a small fraction of the price.

Creating a virtuous cycle of growth

The core of this strategy is to create a virtuous cycle of growth by increasing the number of partners and merchandise to attract more customers. The increasing number of partners not only scales the costs of the platform, it makes TPG a highly attractive participant in online marketplaces which grants TPG access to more restrictive and international platforms, such as Walmart, and increases the visibility of the partners on more crowded platforms, like the Zalando marketplace. In combination with optimized listing and SEO/SEA, this grows the revenue generated with existing partners. In addition, it makes TPG attractive to new and even larger partners again, strengthening TPG and generating growth.

Cycle of growth

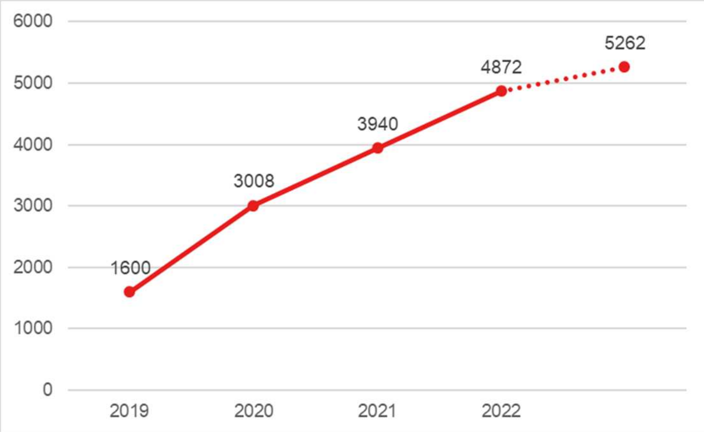


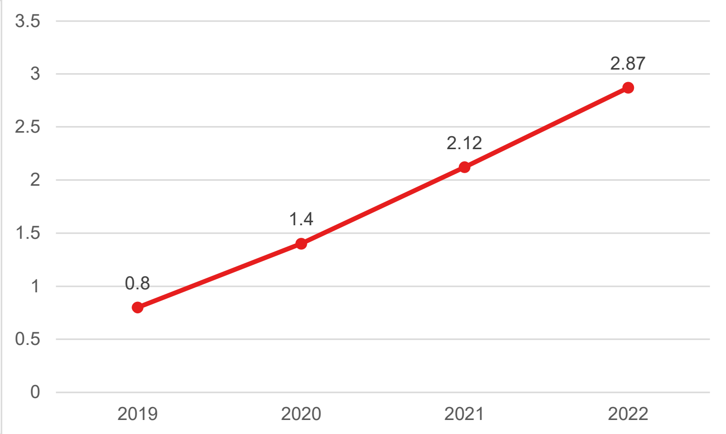
Source: The Platform Group, Warburg Research

Number of partners and customers more than tripled since 2019

This strategy can be extrapolated to other industries, as overlapping requirements with the platform infrastructure increases stability further. Currently, TPG is active in 18 industries and it intends to increase that number to 30 by 2025. As proof of concept, the company can point to strong growth in both its customer base and partner network in the last couple of years, more than tripling each number since 2019.

Growth of partners and customers on group level





Source: The Platform Group, Warburg Research

Limited capital requirements

Part of TPG's strategy is the acquisition of online platforms. This provides the company with an initial customer base when entering a new industry as well as expertise regarding the specific e-commerce requirements of that industry. Post-acquisition, these larger online retailers adopt the group's platform strategy and are transformed into a marketplace for TPG's partners. As part of the transition, all inventories are sold, reducing the working-capital requirements significantly and allowing the company to recoup cash after the transition.

As an example, with the acquisition earlier this year of Cluno, a company offering car subscriptions, TPG also acquired a car fleet with a book value of EUR 53m, which made up the majority of the purchase price. In the first six months, cars with a volume of EUR 10.8m were sold and by the time the H1 report was published (25.08.2023), this figure had increased to EUR 20.2m. We expect the remainder of the fleet to be sold by Q2 2024. This will enable to company to refinance debt which funded the acquisition in roughly one year.

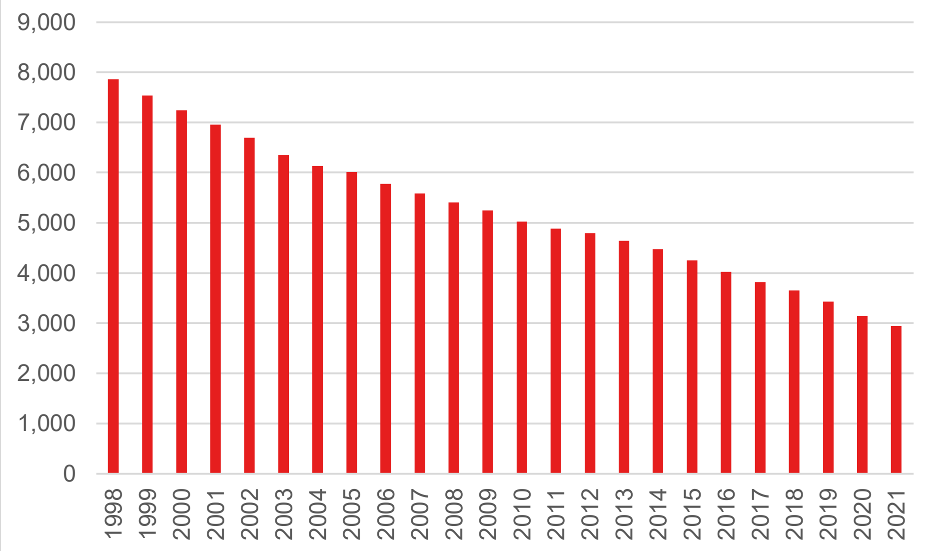
Challenging market environment

Local retailers in the online world face risk as well as opportunity

The share of online sales is rising steadily. In fashion, for example, online sales already account for around 40% of category sales. This trend clearly requires brick-and-mortar retailers to provide an online solution. While larger retailers naturally tend to operate their own online shop (and companies like shopify have made that technically easy) this is an unattractive path for smaller players in light of low organic traffic and the need for marketing, search engine optimisation etc. In this case, TPG offers an easy-access solution which handles basically everything expect sourcing and curation of the product offering. Connecting to one of is platforms immediately makes the merchandise of the retailer visible online. There is one caveat, however, TPG's platforms are most attractive for smaller retailers and, unfortunately, this market might shrink. Increasing online penetration of a market segment could attract larger e-commerce players who operate at scale and foster market consolidation, usually to the detriment of smaller retailers, reducing the number of potential partners for TPG. This trend is exemplified by the number of shoe retailers in Germany, which has been in decline for years. Although TPG is active in a diversified range of industries and the shoe business makes up only a small portion of group sales, similar development might be seen in other markets with an increasing share of online sales.

Number of smaller retailers might decline

Number of shoe retailers in Germany



Source: Statista, destatis

Competitive landscape

The company is operating in a competitive environment and its platforms, ranging from consumer goods to mobility and industrial goods are small in relation to the leading players in the respective segments. While TPG's market shares are thus unlikely to impress, the challenge is clearly to find the weakness in the respective models of the market leaders. For instance, browsing on Amazon is tiring and is exacerbated by duplicate inventory listings. In the case of Zalando, its own fashion business is competing with the merchandise of connected retailers, which means that platform is less attractive for mainstream articles as visibility is an issue.

Small share in the respective e-commerce markets

Strong competitors

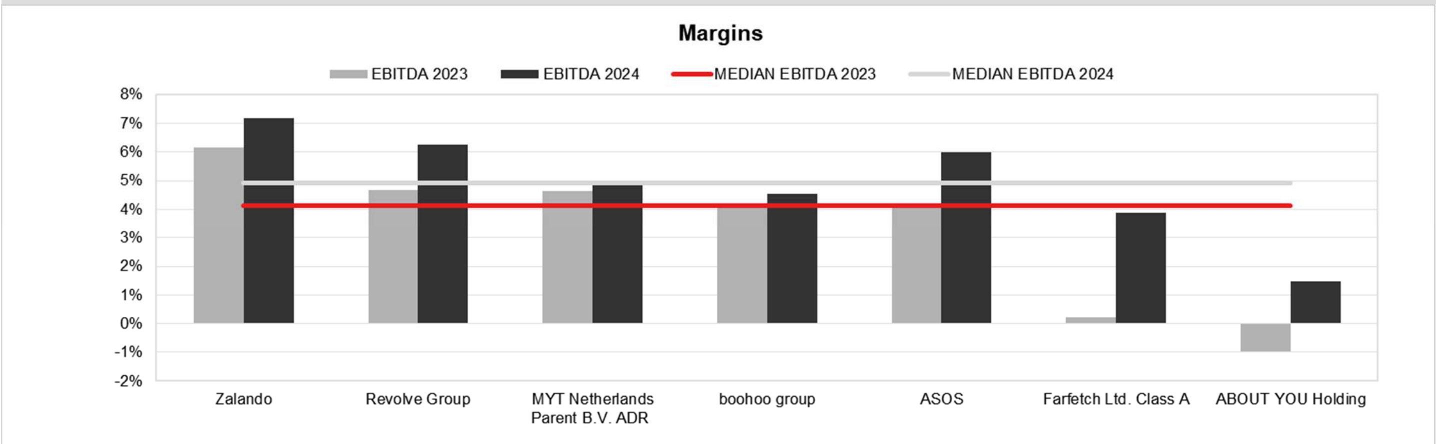
Source: Warburg Research

Attractive margins despite strong competition

TPG (ex. Fashionette) already earns margin well above industry average

The days of e-commerce as focal point for private equity investors are long gone and while the sector is very competitive, this is nothing new. Despite this competition, The Platform Group's EBITDA margin (excluding Fashionette) reached 7.4% in 2021 and 8.9% in 2022 and it is on track for another year of 8%+ EBITDA margin so far in 2023. While this trails a pure marketplace business like ebay by a mile, TPG does not need to shy away from the comparison even with hybrid marketplace/wholesale business models like Zalando.

EBITDA margin of peers



Source: Factset, Warburg Research

Market Environment

- Growth of **e-commerce market** in Germany **should accelerate in 2024**
- **Online penetration** already far advanced in fashion category
- Several of TPG's categories however still offer **ample room for growth**
- **Luxury** in particular **is a later adopter** of online shopping

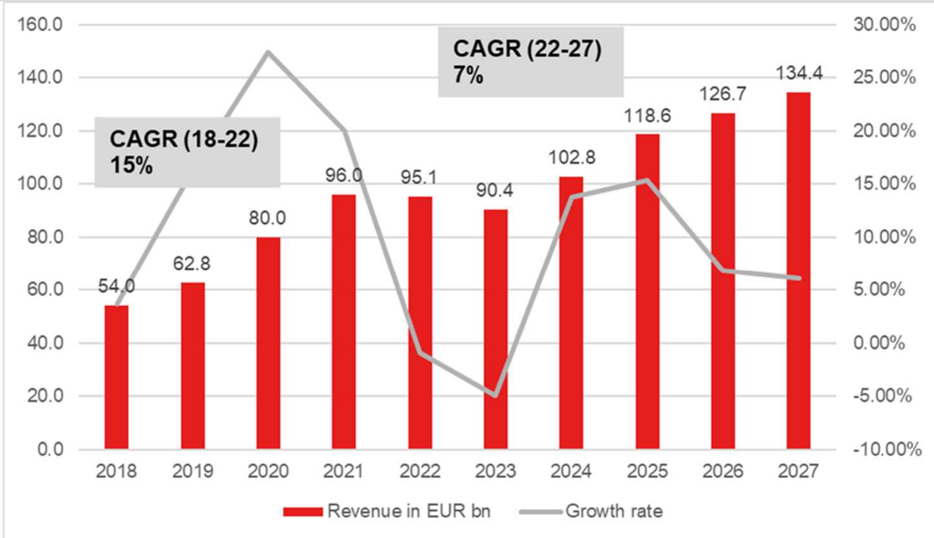
E-commerce growth should re-accelerate in 2024

High single-digit revenue CAGR expected 2022-27

E-commerce expected to rebound in 2024

During the pandemic, e-commerce grew strongly, reaching growth rates well above 25%. Following the re-opening in 2022, the market slightly declined, and we are still seeing some hangover effects in 2023. Indeed, the German association for e-commerce and mail order reported a decline in overall online sales of 13% in the first half and has thus now revised its full-year forecast to a decline of 5% (bevh.org). Thus, while we have based our growth estimates on Statista's figures, we have cut Statista's original 2023 market estimates by EUR 11bn and expect the shortfall to narrow to just EUR 7bn by 2027. Even based on these figures and after digesting the fall-out from the pent-up demand for offline shopping, online should be firmly back on the growth path, delivering high single-digit revenue growth in Germany.

German e-commerce revenues



Sources: Warburg Research, Statista

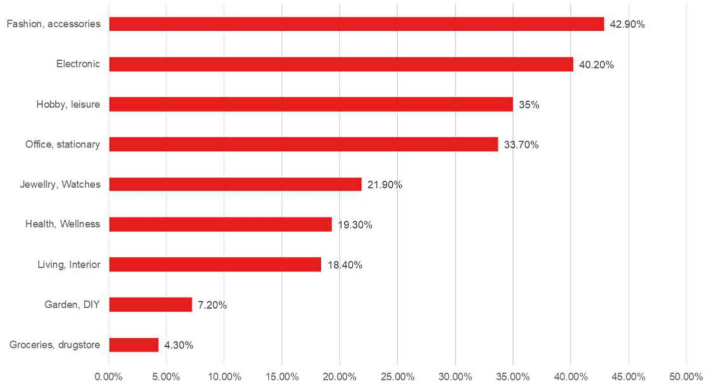
Room for growth in the online penetration of various categories

Fashion and accessories are already well into the online journey as over 40% of sales are already generated online. While that might look like negative news for the growth potential, it should offer a blueprint to transfer the lessons learned to the luxury-goods industry, which trails the mass-market fashion industry in online penetration, particularly as the large brands fear that it is much tougher to maintain the exclusivity and brand experience in the online world.

Increasing online penetration in target market creates growth opportunities

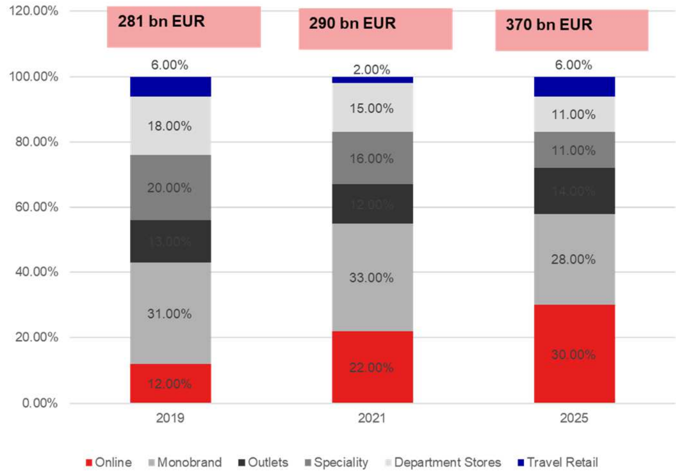
The online penetration of jewellery & watches, health & wellness, and living & interiors are at less than half that of fashion. In each of these categories, The Platform Group is addressing this opportunity with one of its online brands.

Online fashion market already matured



Source: The Platform group, Warburg Research

Online penetration in luxury still rather low



Source: The Platform group, Warburg Research

Growth / Financials

- **2023 sales target** appears ambitious after weaker H1 but should be **feasible**
- **Short and mid-term margin targets already reached** within the platform business
- **Industries with lower on-line penetration**, especially in the Freight Goods and Industrial Goods segment, should **drive sales**
- Fashionette's adoption of a **platform strategy** should yield cross-selling opportunities and **boost sales and profitability**

Penetration of fresh categories to drive growth

Financial analysis and forecasts based on pro-forma figures

When analysing the company, we focus on the development of pro-forma numbers, i.e. adding the figures of the former TPG and Fashionette. In our model we have shown the historical figures for Fashionette for 2021 and 2022, as Fashionette standalone was the legal entity back then. To facilitate the comparison, in this section, we will discuss pro-forma consolidated figures between 2021 and 2025.

Mixed picture in H1 2023

Solid H1 growth and profitability in the platform business

Fashionette's H1 sales declined 15% as the company discontinued loss-making product lines and was confronted with a tough fashion market. On the positive side, these measures led to a nearly 5pp increase in the gross margin which fuelled a slight improvement in EBITDA. The adj. EBITDA improved by nearly EUR 1m. TPG reported a sales increase of 23% thanks to mid-single-digit organic growth in Consumer Goods, which was helped by an adjustment of the pricing & fee structure – bear in mind Zalando increased the fees for its connected retail operations as well. Furthermore, the bike and furniture platform performed well and the first-time consolidation of ViveLaCar helped. Considering that Consumer Goods is TPG's largest division, we see the increased pricing structure as the key driver behind the margin increase. Overall, the pro-forma EBITDA of the group increased 46% to EUR 9.7m. The M&A-driven growth led to a deterioration in the financial result and the minorities increased. This, in combination with an increase in the tax rate, resulted in a decline in pro-forma net income attributable to shareholders.

Pro-forma H1 2023 figures

	H1 2022	H1 2023	% change
Sales in EURm			
Fashionette	73,4	62,0	-15,5%
TPG old	82,5	101,9	23,5%
TPG pro forma	**155,9**	**163,9**	**5,1%**
Adj. EBITDA			
Fashionette	0,5	1,5	202,0%
% margin	0,7%	2,4%	
TPG old	7,7	10,5	35,7%
% margin	9,3%	10,3%	
TPG pro forma	**8,2**	**11,9**	**45,7%**
% margin	5,3%	7,3%	
EBITDA			
Fashionette	-1,1	-0,7	-29,5%
% margin	-1,4%	-1,2%	
TPG old	7,7	10,5	35,7%
% margin	9,3%	10,3%	
TPG pro forma	**6,6**	**9,7**	**46,1%**
% margin	4,3%	5,9%	
Net income			
Fashionette	-3,1	-2,8	-10,3%
TPG old	4,8	5,5	14,4%
TPG pro forma	**1,7**	**2,7**	**59,4%**

Source: The Platform group, Warburg Research

2023 target appears ambitious but within reach

For the current year, TPG aims for pro-forma top line of EUR 440m, which implies pro-forma growth of 32% compared to last year's pro-forma top line of EUR 333m and implies a significant growth acceleration from the 5.1% sales-increase in H1. We consider this ambitious but feasible, and estimate EUR 439.7m driven by following factors:

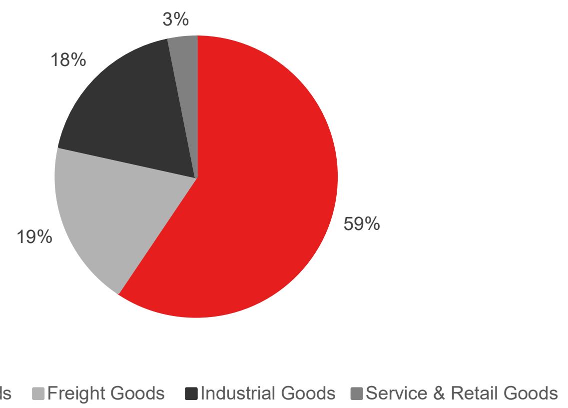
Platform approach should boost Fashionette sales in H2

- **B2C cross-selling**: With Fashoniette's adoption of the platform model and connection to TPG's partner network, the product portfolio, which was formerly focused on shoes, handbags and accessories, was expanded significantly by luxury fashion. We expect significant cross-selling within Fashionette's loyal and affluent customer base. This should be boosted by the usual H2-heavy seasonality driven by retail events such as "Singles Day", "Black Week", the Christmas business, as well as the fact that winter clothes are higher priced than spring/summer fashion.

Intelligent algorithms allow pricing above RRP

- **Dynamic pricing**: The Platform Group has changed its pricing strategy from a margin of the sold goods to a fixed discount on the listed price. This gives the company autonomy in pricing on the online sales channels and allows it to benefit from intelligent dynamic pricing based on big-data analysis. With this, the group is able to identify products that can be sold above the recommended retail price and increase sales and its gross margin. Driven by cross-selling and dynamic pricing. We expect the pro-forma sales from Consumer Goods to grow by 5% to EUR 275m in 2023.
- **Car sales**: With the takeover of Cluno, TPG has acquired 3,100 cars with a total book value of EUR 54m, which were reclassified as inventory and are being sold off since Q2. In H1, car sales already contributed EUR 11m to the top line and this figure had increased to EUR 20m by the end of August. For the full year, we estimate car sales to contribute approx. EUR 35m, which we consider conservative. In combination with the first-time consolidation of ViveLaCar and Cluno, we expect the Freight Goods segment to grow by 190% to EUR 84m in 2023.

Estimated revenue by product category 2023 (pro forma)



Source: Warburg Research

For the adj. EBITDA, the target of EUR 20m (WRe EUR 20.8m) appears less ambitious considering the EUR 11.9m adj. EBITDA earned in H1 and the anticipation of higher sales in H2. However, the additional platform revenues generated by Fashionette should have lower gross margin. While Fashionette historically has a gross margin of just below 40% and even 44% in H1, we estimate TPG's gross margin in Consumer Goods (ex. Fashionette) to be closer to 20%. In addition, the mentioned retail events (Singles Day, Black Week) usually come with discounts, which increases sales but burdens gross profitability. In Freight Goods, we also estimate a lower gross margin for the car sales (WRe 9%) than the segment's usual gross margin, which should be at approx. 30%.

>50% of adj. EBITDA target already earned in H1

For the reported EBITDA, we forecast EUR 17.4m for the full year after EUR 9.7m in H1. Adjustments in H1 (EUR 2.2m) were solely attributable to Fashionette and mainly consisted of one-time items associated with the merger and related change in management, which should not reoccur in H2. However, there may be some restructuring costs associated with the consolidation of warehouses at Fashionette and the headcount reduction at Fashionette (262 to approx. 200) and Cluno (80 to 38) scheduled for Q3.

Solid organic growth expected

From 2023 to 2026 we expect average annual growth of 9.8% to EUR 583m. While Consumer Goods is, and will remain, the largest segment, we expect other industries and product types to drive organic growth going forward. Our assumptions for the segments can be summarized as followed:

- **Consumer Goods** is expected to grow at a CAGR 23-26e of 5.1% to EUR 303m. Due to the already high online penetration of the product categories in this segment, growth should be mainly driven by the addition of new online sales channels in new regional markets, especially France and Italy, AI-based dynamic pricing and increasing logistic costs that are passed on to the partner.

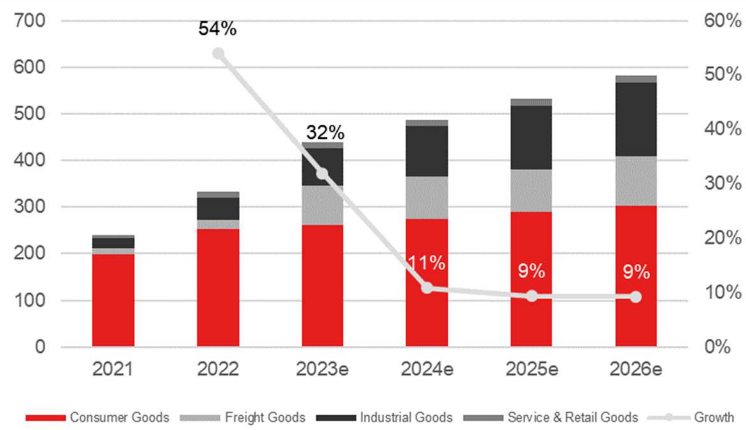
High organic growth in Freight Goods driven by luxury and (e-)mobility

- **Freight Goods** grew by 48% in 2022 to EUR 18.6m. While the strong growth should have been supported by the consolidation effects from EMCO and GEM-S (B2B focused e-bike/e-scooter business), organic sales were driven by Möbelfirst's luxury furniture business, marketing campaigns and an increasing number of partners. We expect the segment to maintain its high organic growth momentum driven by a growing number of partners and increasing online penetration of luxury furniture, e-bikes, and e-scooters. In addition, the car-subscription platforms ViveLaCar and Cluno, which will be consolidated for the first time in 2023, should attract a growing number of partners. We expect the car-subscription platform to enter the market in France, Italy, Spain and the Netherlands by 2026. On the flipside, sales from Cluno's car fleet, which we expect to contribute EUR 35m this year and EUR 25m next year, should be concluded around the end of Q1 2024. Considering both the strong organic growth and the wind-down of car sales, we estimate a CAGR 23-26e of 8.1% for the segment.

Recent acquisitions should attract new partners and customers

- **Industrial Goods** achieved the highest segment growth last year with a sales increase of 112% to EUR 49.1m. This was driven by the acquisition of the bottling plant online platform BEVMAQ, but also by solid organic growth in platforms for used-machinery and car parts. As with Freight Goods, the markets targeted by Industrial Goods have a lower online penetration, which should help to attract partners and grow the respective platforms for used machinery and car parts. We estimate a CAGR 23-26e of 25%.
- **Service and Retail Goods** was the smallest segment in 2022 with EUR 12.0m in revenue (3.6% of group sales). The strong growth in 2022 of 88% was mainly driven the acquisition of ApoNow and DocGreen. Between 2023 and 2026, we assume average annual growth of 6.1% for the segment.

Revenue development



Source: The Platform Group, Warburg Research

Mid-term margin target already achieved in platform business

Mid-term, The Platform Group aims for an adjusted EBITDA margin of 7-10%. Considering that the group excluding Fashionette already earned a reported EBITDA margin of 10.3% in H1, this target appears well within reach.

Scalability should drive EBITDA

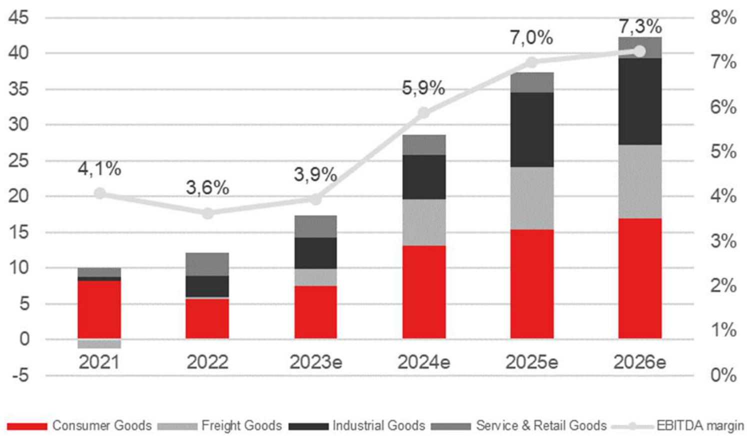
Stable gross margin development

On a pro-forma basis, the group reached a gross margin of 38.2% in 2021 and 33.2% in 2022. For 2023 and beyond, we assume roughly stable gross profitability between 30% and 31%. The decline compared 2021 and 2022 is mainly driven by the platform approach rolled out with acquired companies and the low-margin car sales from Cluno. In the coming years, the anticipated gross-margin decline of Fashionette should be offset by a margin recovery in Freight Goods, due to the declining revenue share from car sales.

EBITDA driven by economies of scale in personnel costs

The expected increase in the EBITDA margin from 3.9% in 2023 to 7.3% by 2026 is mainly driven by significantly slower growth in personnel costs compared to the expected top-line development. While Industrial Goods should be more labour intensive with more personalized B2B marketing and distribution as well as profitable after-sales services, the personnel requirements to operate the platform in the other segments should remain rather stable as the revenue grows. Moreover, some subsidiaries that only recently adopted the platform approach, including Fashionette and Cluno should be able to reduce staff and personnel costs.

EBITDA development

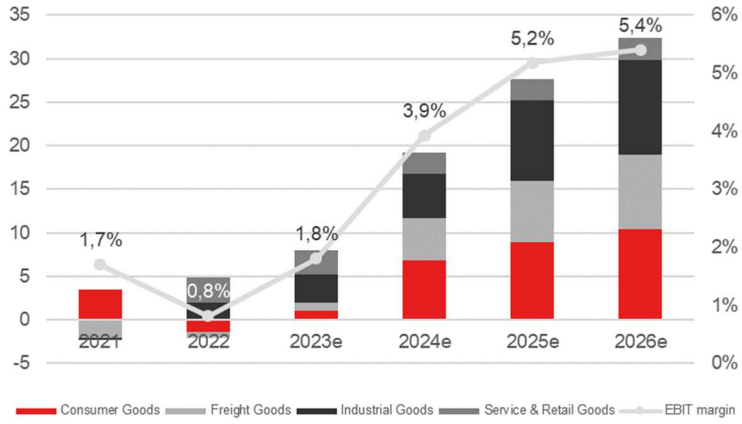


Source: The Platform Group, Warburg Research

Asset-light business model should keep D&A stable

We expect the EBIT to follow the EBITDA development, with a margin increase from 1.8% in 2023 to 5.4% by 2026. As a result of the asset-light model, the majority of D&As come from amortisation of capitalised work associated with the development of the proprietary platform software "right to use" assets, which is basically rent for offices and warehouses. The costs and therefore amortisation of software development is the lever for economies of scale in the business model and, while we anticipate there will be further investments to expand the platform to new regions and industries, the increase in amortisation should be significantly lower than the increase in sales. "Right of use" assets might even decline as Fashionette closes warehouses. However, we took a cautious approach and estimated stable development from "right of use" amortisation.

EBIT development



Source: The Platform Group, Warburg Research

Interest expenses expected to decrease

We expect interest expenses to decrease. This is mainly driven by the repayment of the loan taken by TPG to finance the Cluno acquisition including the car fleet, with an anticipated financial debt reduction from EUR 90m (pro-forma) by the end of H1 to EUR 59m and EUR 37m by the end of 2023e and 2024e, respectively. As a result, interest expenses are expected to peak in 2023 at EUR 3.7m and then decline to EUR 2.8m and EUR 2.0m in 2024 and 2025 respectively.

Due to the tax carry-forwards accrued by Fashionette (EUR 1.5m) and the negative EBIT of EUR -1.9m we expect for the company in the current year, we assume a tax rate of 22% for 2023 and an increase to 26% until 2025. This results in net income of EUR 3.9m this year and, driven by the EBIT-margin expansion, is set to reach EUR 20.5m by 2025e.

Significant minority interest

However, since TPG often keeps the management of its targets invested as minority shareholders, we estimate a minority interest of EUR 3.1m for the full year, leaving only EUR 0.8m to shareholders. Driven by the expected restructuring and turnaround in the Fashionette business and with no further one-offs in the coming years, however, we expect a notable increase in the net income attributable to shareholders, specifically from EUR 0.8m in 2023 to EUR 13.9m by 2025.

P&L

	2021	2022	2023e	2024e	2025e	2026e
Sales	216,3	333,2	439,7	487,6	533,3	582,6
growth	-	*54,1%*	*32,0%*	*10,9%*	*9,4%*	*9,2%*
Gross profit	82,6	110,5	134,2	149,7	165,5	177,6
margin	*38,2%*	*33,2%*	*30,5%*	*30,7%*	*31,0%*	*30,5%*
Adj. EBITDA	6,0	9,7	19,4	30,6	39,4	44,3
margin	*2,8%*	*2,9%*	*4,4%*	*6,3%*	*7,4%*	*7,6%*
EBITDA	8,8	12,1	17,4	28,6	37,4	42,3
margin	*4,1%*	*3,6%*	*3,9%*	*5,9%*	*7,0%*	*7,3%*
EBIT	3,7	2,7	7,9	19,2	27,6	32,4
margin	*1,7%*	*0,8%*	*1,8%*	*3,9%*	*5,2%*	*5,6%*
Net income ex minorities	1,9	1,7	3,9	13,4	20,5	24,0
Net income	1,3	0,4	0,8	8,9	13,9	15,5

Source: The Platform Group, Warburg Research

Return on Capital Employed

- Despite the asset-light business model, the balance sheet is **burdened by the effects of M&A**
- The sell-off of Cluno's car fleet and the increasing share of platform revenues should **improve capital turn notably**
- The loan associated with the Cluno takeover should be repaid in full next year, **significantly reducing net gearing and net debt/EBITDA**

Balance sheet inflated by M&A effects

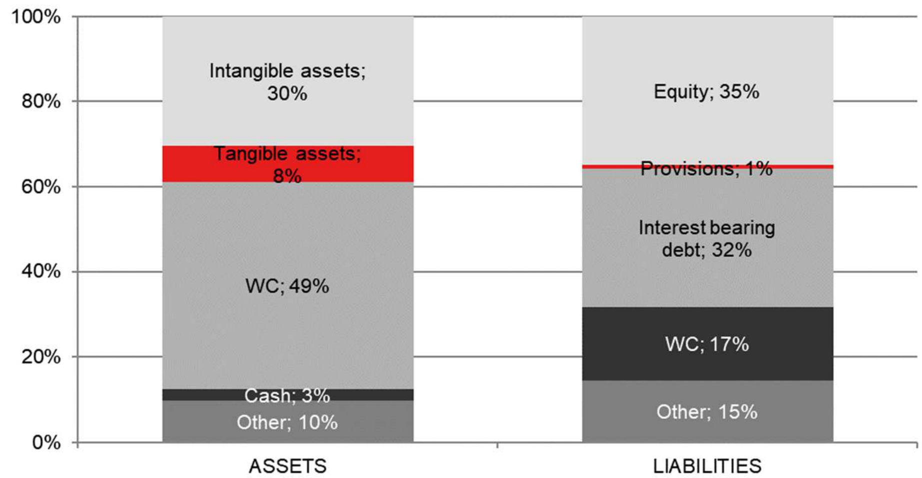
While The Platform Group is structurally an asset-light business model, the balance sheet with total value of EUR 302.1m (pro-forma as of 30.06.2023) is currently inflated from past acquisitions. Tangible and intangible assets amounted to EUR 24.4m (8.4% of total assets) and EUR 92.1m (30.5% of total assets), respectively.

More than half of the intangible assets (EUR 50.8m) were goodwill. The remaining part (EUR 41.3m) should be mainly attributable to capitalized own work for the development of the platform software. We expect TPG to continue its high investments in this area at a level above amortisation, however at a decreasing percentage of sales.

Fixed assets dominated by goodwill and right-of-use

Approx. two-thirds of tangible assets are capitalized right of use (EUR 16.4m). Considering that Fashionette is currently consolidating its warehouses and is reducing staff, like most acquired businesses that transform from an online retailer to a platform after joining TPG, this figure should decline in the coming years. Property, plant and equipment accounted for only EUR 9.0m (3.0% of total assets), reflecting the asset-light character of the business model.

Pro-forma balance sheet H1 2023



Source: The Platform Group, Warburg Research

Inventories expected to decline significantly

Inventories reached EUR 107.0m in H1, a figure highly inflated by the Cluno takeover and the associated acquisition of 3,100 cars, as well as the merger with Fashionette and the higher inventories of an online retailer compared to a platform model.

Inventory temporarily inflated by Cluno car fleet

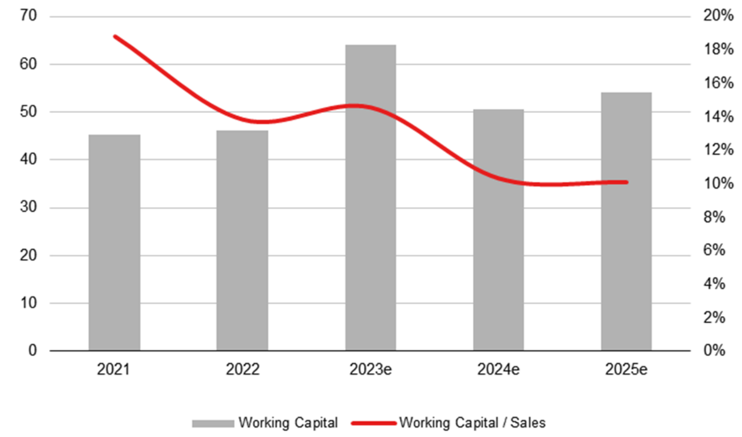
The car fleet had a book value of EUR 54m at the time of the acquisition and was reclassified from a tangible asset to inventory. In Q2, car sales already reduced this figure to EUR 43m, but still made up roughly 40% of the inventory. By the end of August, the number had declined further to EUR 34m. By the end of the year, we expect the book value of the cars to decline further to roughly EUR 20m, with the remainder of the fleet to be sold off in Q1 2024.

Platform business should increase capital turn at Fashionette

In addition, we expect the inventory turn to increase notably at Fashionette. Historically, the online retailer had an inventory turn approx. in the range of 3.0 and 4.5. In contrast, we assume the capital turn of the platform business, which in most cases does not have its own warehouses, to be significantly higher at approx. 12-13. With the merger, we expect Fashionette to expand its platform business significantly to a revenue share of 50% by the end of 2025. This should increase the inventory for the group notably (WRe inventory turn 2025, 8.7).

The reduction of the inventory, driven by the sell-off of the car fleet and increasing revenue share of the platform business with Fashionette are the main drivers behind the anticipated decline in NWC/sales from 14.6% in 2023 to 10.1% by 2025.

Working capital should continue to improve



Source: The Platform Group, Warburg Research

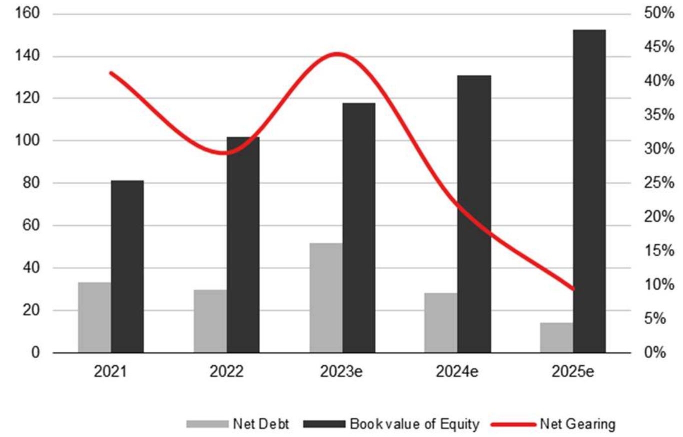
Gearing expected to peak in 2023

Loan for car fleet purchase should be fully repaid next year

The car-fleet acquisition is also the reason for the high pro-forma financial debt of EUR 89.6m in H1 23. This included liabilities of EUR 43m associated directly with the purchase of the fleet and which are scheduled to be repaid in full as the cars are sold off next year.

As a result of the anticipated car sales in H2, we expect net debt to decline notably to EUR 52m by the end of the year, still including liabilities of EUR 23m for the car fleet. The corresponding net debt/EBITDA based on our estimates for 2023 is 3.0x or 1.7x, when adjusted for the Cluno effect. By the end of 2024, the loan for the car fleet should be repaid in full, reducing the estimated net debt to EUR 29m and the net debt/EBITDA, in combination with the anticipated margin improvements, to 1.0x.

Balance sheet quality

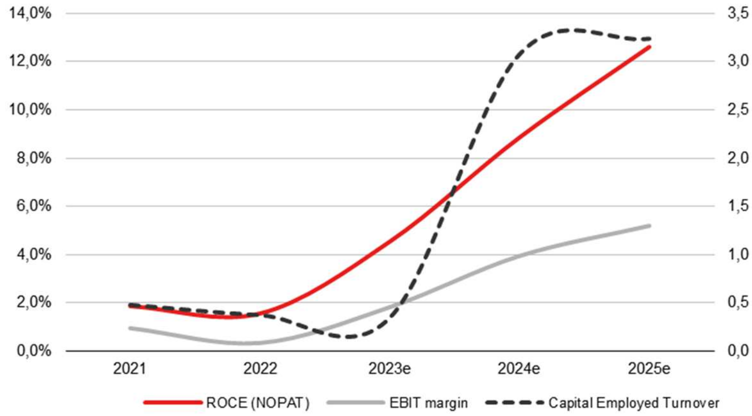


Source: The Platform Group, Warburg Research

Double-digit ROCE by 2025

With the anticipated improvement in capital turnover following the fleet sale and the increasing revenue share from the platform business at Fashionette in combination with our forecasted margin increase, ROCE is expected to enter the double digits and rise to 12.6% by 2025.

Looking for double-digit ROCE



Source: The Platform group, Warburg Research

Massive WC reduction should boost cash flow

The car fleet sell-off should result in significantly positive cash flow from changes in working capital in 2023 and 2024. However, since the car fleet was also purchased in 2023 as assets with the Cluno acquisition and sales from those cars will be used for debt repayment, the cash position in both years should remain rather stable.

For 2025 and 2026, we expect normalised cash conversation with 38% of EBITDA converted into FCF for 2025 and 46% for 2026.

Cash flow

	2023e	2024e	2025e	2026e
Net income	3,9	13,4	20,5	24,0
D&A	9,4	9,5	9,8	11,2
Changes in WC	38,5	13,6	-3,5	-3,1
Others	0,5	0,1	0,0	0,0
Operating cash flow	51,3	36,4	26,8	32,2
Capex	-11,4	-12,1	-12,5	-12,8
Payment for acquisitions	-61,6	0,0	0,0	0,0
Investing cash flow	-73,0	-12,1	-12,5	-12,8
Changes in liabilities	21,9	-19,9	-2,5	0,0
Changes in right of use leases	-2,3	-2,5	-2,5	-2,5
Financing cash flow	19,6	-22,4	-5,0	-2,5
Changes in cash	-2,1	1,9	9,3	16,9
Cash at the beginning of the period	9,2	7,1	9,1	18,4
Cash at the end of the period	7,1	9,1	18,4	35,2
Free cash flow	**39,9**	**24,3**	**14,3**	**19,4**

Source: The Platform Group, Warburg Research

Valuation

- All valuation methods indicate **substantial upside to the current share price**
- TPG trades at a **valuation discount to the median peer group** for all multiples expect for EV/sales for 2024 and 2025
- The average across all multiples **exceeds** the fair value from our **DCF model**
- E-commerce **industry is currently out of favour** and valuation multiples have reached lows in 2023 even for German bellwether Zalando

Peer-group valuation

The table below gives an overview of comparable companies. While there is a host of listed companies in the e-commerce sector, no single competitor is operating in a similarly broad array of categories under a range of different brand names.

Zalando single best peer in terms of operational overlap

As TPG generates around 70% of sales in Consumer Goods, predominantly shoes, fashion and accessories, our peer group comparison focuses particularly on this segment. Among these companies, Zalando is the single best peer in terms of overlap of operations, i.e. it generates nearly 50% of sales in the DACH region, sells predominantly brand footwear, apparel and, to a lesser extent, accessories and, with its connected retail programme, enables brick-and-mortar retailers to sell on its website. That said, Zalando's size and liquidity unfortunately reduce the comparability of valuation multiples again.

About You is similar in its product offering and geographic reach. However, it does not have the link to brick-and-mortar retailers and instead has a third-party software business. MYT and Revolve are both upscale and luxury retailers in the US. Revolve particularly excels in selling not only branded merchandise but also premium private labels which it markets over social media. Asos and Boohoo have their stronghold in the UK mass market business with the latter differentiating itself with a large private label offering. Finally, Farfetch is a luxury platform with a particular strength in its global reach.

Finally, it should be noted that we used Factset consensus estimates for all the companies in the table below. Only TPG's numbers are based on our estimates. In the EV calculation we assume EUR 52m net debt and value the minorities at EUR 46.5m, i.e. 15x our minorities net income estimates for 2023.

Due post-merger integration, restructuring one-offs and low-margin car sales, we consider the 2023 figures less representative and focused our analysis on 2024 and 2025 multiples. We also used the median to avoid a distortion from outliers, where currently distressed profitability results in inflated multiples.

Peer multiples on average suggest a fair value per share of EUR 9.61

With the exception of EV/sales, Fashionette (to be renamed The Platform Group) trades at a discount to its peers. The premium for EV/sales appears justified considering the higher EBITDA margins achieved by TPG within its platform business. On average across all multiples for 2024 and 2025, the peer-group valuation suggests a fair value per share of EUR 9.61, which exceeds the findings of our DCF calculation, even though the whole industry is out of favour and is currently trading substantially below its historical levels.

Peer group – key figures

	LC	Price	MC	EV	EPS			Sales			EBITDA			EBIT		
		in LC	in LC m	in LC m	23e	24e	25e	23e	24e	25e	23e	24e	25e	23e	24e	25e
Zalando SE	EUR	22.50	5,832.0	5,545.1	0.57	0.88	1.20	10,215.4	10,766.5	11,685.9	632.3	749.5	916.3	237.5	396.0	544.0
ABOUT YOU Holding SE	EUR	4.14	716.4	771.4	-0.52	-0.28	-0.03	1,960.4	2,192.0	2,472.4	2.6	32.9	81.2	-73.2	-46.5	4.2
Revolve Group, Inc Class A	USD	13.35	980.9	759.0	0.37	0.52	0.79	1,057.3	1,099.6	1,239.7	38.0	53.4	75.0	20.2	42.6	64.2
MYT Netherlands Parent B.V. ADR	USD	3.25	275.2	311.5	0.25	0.11	0.36	819.8	901.6	1,024.4	43.8	35.8	58.8	-5.6	-0.5	43.4
ASOS plc	GBP	3.72	442.7	1,038.1	-0.51	0.01	0.17	3,538.0	3,448.7	3,619.3	124.0	196.5	235.8	-29.0	48.0	78.6
Farfetch Ltd. Class A	USD	1.72	680.2	1,536.2	-0.84	-0.74	-0.43	2,500.6	3,116.0	3,490.4	-0.8	113.7	260.4	-663.9	-526.7	-449.7
boohoo group Plc	GBP	0.33	377.9	554.0	-0.01	-0.01	0.00	1,502.0	1,554.7	1,679.5	63.4	71.6	93.9	-8.0	6.6	30.0
fashionette AG	**EUR**	**5.02**	**86.7**	**185.0**	**0.05**	**0.52**	**0.80**	**439.7**	**487.6**	**533.3**	**17.4**	**28.6**	**37.4**	**7.9**	**19.2**	**27.6**

Sources: prices as of November 6 2023, FactSet, Warburg Research

Peer group valuation multiples

	LC	Price	MC	EV	P / E			EV / Sales			EV / EBITDA			EV / EBIT		
		in LC	in LC m	in LC m	23e	24e	25e	23e	24e	25e	23e	24e	25e	23e	24e	25e
System peers																
Zalando SE	EUR	22.50	5,832.0	5,545.1	40.3 x	26.1 x	19.1 x	0.5 x	0.5 x	0.5 x	8.8 x	7.4 x	6.1 x	23.3 x	14.0 x	10.2 x
ABOUT YOU Holding SE	EUR	4.14	716.4	771.4	n.a.	n.a.	n.a.	0.4 x	0.4 x	0.3 x	296.9 x	23.4 x	9.5 x	-10.5 x	-16.6 x	184.5 x
Revolve Group, Inc Class A	USD	13.35	980.9	759.0	36.1 x	25.7 x	17.0 x	0.7 x	0.7 x	0.6 x	20.0 x	14.2 x	10.1 x	37.7 x	17.8 x	11.8 x
MYT Netherlands Parent B.V. ADR	USD	3.25	275.2	311.5	12.8 x	30.3 x	9.0 x	0.4 x	0.3 x	0.3 x	7.1 x	8.7 x	5.3 x	-55.2 x	-667.7 x	7.2 x
ASOS plc	GBP	3.72	442.7	1,038.1	n.a.	432.0 x	21.9 x	0.3 x	0.3 x	0.3 x	8.4 x	5.3 x	4.4 x	-35.8 x	21.6 x	13.2 x
Farfetch Ltd. Class A	USD	1.72	680.2	1,536.2	n.a.	n.a.	n.a.	0.6 x	0.5 x	0.4 x	-1,891.4 x	13.5 x	5.9 x	-2.3 x	-2.9 x	-3.4 x
boohoo group Plc	GBP	0.33	377.9	554.0	n.a.	n.a.	n.a.	0.4 x	0.4 x	0.3 x	8.7 x	7.7 x	5.9 x	-69.1 x	84.3 x	18.5 x
Average					29.7 x	128.5 x	16.8 x	0.5 x	0.4 x	0.4 x	-220.2 x	11.5 x	6.7 x	-16.0 x	-78.5 x	34.6 x
Median					36.1 x	28.2 x	18.1 x	0.4 x	0.4 x	0.3 x	8.7 x	8.7 x	5.9 x	-10.5 x	14.0 x	11.8 x
fashionette AG	**EUR**	**5.02**	**86.7**	**185.0**	**100.4 x**	**9.7 x**	**6.3 x**	**0.4 x**	**0.4 x**	**0.3 x**	**10.7 x**	**6.5 x**	**4.9 x**	**23.3 x**	**9.7 x**	**6.7 x**
Valuation difference to Median					-64%	192%	188%	-6%	-6%	-5%	-18%	35%	19%	-145%	45%	77%
Fair value per share based on Median					1.80	14.66	14.46	4.33	4.37	4.50	3.09	8.75	7.08	n.a.	9.84	13.22

Sources: prices as of November 6 2023, FactSet, Warburg Research

Peer profiles

Zalando

Employees: approx.16,999

Based in Berlin, Zalando operates an online shopping platform in the fashion and lifestyle segment. The company offers a wide range of products, including shoes, apparel, accessories and beauty products. Zalando organises its activities in three segments: Fashion Store, with a revenue of EUR 8.46bn last year, Offprice, with EUR 1.6bn in sales and Other, which contributed EUR 287m to the group’s top line. In total, Zalando generated sales of EUR 10.35bn in 2022.

About You

Employees: approx. 1,282

Located in Hamburg, Germany, About You is a fashion technology company, active in the field of operating and managing fashion and lifestyle platforms. The company offers a wide product range, including clothing, accessories and shoes as well as a second-hand shop. Besides operating in the B2C market, About You also offers a product range for B2B clients. Revenue generation is split into three segments. The biggest segment is DACH, with EUR 916m in revenue, followed by the Rest of Europe, which accounted for EUR 900m in revenue. The smallest segment is called TME, Tech, Media, Enabling. This segment generated EUR 195m in revenue. Total revenue for the year 2022 amounted to EUR 2.012bn.

Revolve

Employees: approx. 1,384

The California-based Revolve Group Inc., is a fashion goods seller, specialised in providing “next-gen fashion” for millennial and gen-z consumers. Revolve is operating in two segments, namely Revolve and Forward. Revolve accounted for USD 922m in revenue, whereas the Forward segment generated USD 179m in revenue. The Revolve segment continuously offers new products for the younger generation, through the broad assortment of premium apparel, footwear, accessories and more. The Forward segment includes iconic and emerging luxury brands, that differentiate themselves from the masses. Total revenue generated in 2022 amounted to USD 1.1bn.

MYT Netherlands Partner

Employees: approx. 1,432

Munich based MYT Netherlands Partner BV, with its subsidiary Mytheresa Group GmbH operates one of Europe’s largest online shops for luxury fashion articles. Its operations are organised in two segments. The online business makes up the majority of the revenue generated and offers high luxury fashion articles online. Therefore, it incorporates most of the major designers. Last year it generated EUR 754m in sales, while the retail stores accounted for only EUR 15m of the group’s total revenue (EUR 768m).

ASOS

Employees: approx. 3,351

Located in London, ASOS is operating an online fashion platform for several own brands and dozens of other brands from known designers or fashion labels. The company targets a younger customer group, especially “20-somethings”, with its clothes, accessories and other items. The business is split into two segments. The retail business is responsible for almost all revenue generated. In 2022, it contributed GBP 3.8bn to the group’s top line of GBP 3.9bn, while Other Services only accounted for GBP 164m.

Farfetch Ltd.

Employees: approx. 5,441

Farfetch is located in London and provides a technology platform for the luxury fashion industry. The company sells clothing, shoes, accessories and more from selected brands, in a wider price range. It operates in three different segments. Digital Platform (activities include FF marketplace, FPS, BrownsFashion.com, StadiumGoods.com and FF store), Brand Platform (comprised of design, production, brand development and wholesale distribution of brands) and the In Store (activities of group-operated stores including Browns, Stadium Goods, and certain brands in the new guards portfolio. Products include womenswear, meanswear, kidswear, vintage, fine watches and more). Respectively they accounted for USD 1,741m, 477m and 98mSD in revenue.

Boohoo Group

Employees: approx. 5567

Based in Manchester, UK Boohoo Group Plc designs, sources and clothes and accessories articles to consumers internationally over various subsidiaries. The business is segmented by region. The UK segment generated more revenue than all other regions combined. In 2022, the UK accounted for GBP 945m in revenue while GBP 435m and GBP 245 were generated in the USA and Europe, respectively. The Rest of the World contributed only approx. GBP 120m to the group's total top line of GBP 1.8bn.

DCF valuation

The DCF model is based on the following assumptions:

- The core assumptions of our DCF model are a risk-free interest rate of 2.75% and a market risk premium of 5.5%. We assume a fundamental beta of 1.7 to reflect the limited history and the turnaround situation particularly of the Fashionette segment.
- As of year-end 2023, we estimate EUR 52m net debt, however we expect TPG to strive for further deleveraging and assume a target debt ratio of 20%. Thereby we derive a WACC of 10.4%.
- We assumed value of EUR 46.5m for the minorities, which is based in 15 times the 2023 minority net earnings.
- Until 2025 our model is driven by our detailed sales, earnings and cash-flow forecast. We expect a sales CAGR of 9% p.a. from 2023 to 2025. In the transition period 2026 to 2035 we estimate declining growth rate from 9.2% in 2026 to 5% in 2029, reflecting the declining visibility.
- To calculate the terminal value, we applied a perpetual growth rate of 2.0%
- We expect the EBITDA margin to steadily increase to 7.0% by 2025. In the transitional period, we have adjusted for the IFRS 16 effect, which results in an EBITDA-margin decline to 6.9%, while the EBIT margin increases by 2bps from 5.2% to 5.4%.
- Thereafter, we estimated a slight decline in the EBITDA margin to its terminal value of 6.5%. Since the EBITDA is adjusted for IFRS 16 effects, the IFRS figure should be only slightly below the Group's mid-term target of 7-10%.
- We expect D&A/sales to decline from 2.1% in 2023 to 1.8% in 2025 driven by the top-line growth. In the detailed forecast period, we have adjusted right-of-use depreciation in the "Other" line. In the transitional period, due to the IFRS 16 adjustments, D&A/sales drops to 1.5% and remains stable thereafter.
- Due to the launch of the car subscription business and the acquisition of Cluno, which included 3,100 cars, the 2023 inventory level is substantially above the historical average. Once these cars are sold off, we assume the inventory level will improve substantially and we thus assume the net working capital to sales ratio will improve to around 10%.
- We assume further investment in the platform resulting in investment of 2.6% in 2023, but with annual capex increases below the expected top-line growth rate, this figure should decline until it reaches 1.5%.

DCF-based fair value of EUR 8.41 per share

These assumptions define the base case of our DCF model. We thereby derive a base-case fair value of EUR 8.41 per share.

DCF model

Figures in EUR m	Detailed forecast period 2023e	2024e	2025e	Transitional period 2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	Term. Value
Sales	440	488	533	583	629	673	714	749	787	826	867	911	956	
Sales change	*166.9 %*	*10.9 %*	*9.4 %*	*9.2 %*	*8.0 %*	*7.0 %*	*6.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*2.0 %*
EBIT	8	19	28	31	33	34	36	37	39	41	43	46	48	
EBIT-margin	*1.8 %*	*3.9 %*	*5.2 %*	*5.4 %*	*5.2 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	
Tax rate (EBT)	*22.0 %*	*24.0 %*	*26.0 %*	*27.0 %*	*28.0 %*	*29.0 %*	*30.0 %*	*30.0 %*	*30.0 %*	*30.0 %*	*30.0 %*	*30.0 %*	*30.0 %*	
NOPAT	6	15	20	23	24	24	25	26	28	29	30	32	33	
Depreciation	9	9	10	9	9	10	11	11	12	12	13	14	14	
in % of Sales	*2.1 %*	*1.9 %*	*1.8 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	
Changes in provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	
Change in Liquidity from														
- Working Capital	-38	-14	3	3	3	3	2	2	3	4	4	4	4	
- Capex	11	12	12	13	13	13	14	14	15	15	15	15	15	
Capex in % of Sales	*2.6 %*	*2.5 %*	*2.3 %*	*2.2 %*	*2.1 %*	*2.0 %*	*2.0 %*	*1.9 %*	*1.9 %*	*1.8 %*	*1.8 %*	*1.7 %*	*1.6 %*	
- Other	64	3	3	0	0	0	0	0	0	0	0	0	0	
Free Cash Flow (WACC Model)	-21	23	12	16	16	18	19	21	21	23	24	26	28	32
PV of FCF	-21	21	10	12	11	11	11	11	10	9	9	9	9	117
share of PVs		**4.11 %**						**44.25 %**						**51.64 %**

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	20.00 %	Financial Strength	1.50
Cost of debt (after tax)	4.2 %	Liquidity (share)	2.00
Market return	8.25 %	Cyclicality	1.20
Risk free rate	2.75 %	Transparency	2.00
		Others	1.10
WACC	**10.41 %**	**Beta**	**1.68**

Valuation (m)

Present values 2035e	109
Terminal Value	117
Financial liabilities	43
Pension liabilities	0
Hybrid capital	0
Minority interest	47
Market val. of investments	0
Liquidity	9
Equity Value	**145**

No. of shares (m)	17.3
Value per share (EUR)	**8.41**

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth 1.25 %	1.50 %	1.75 %	**2.00 %**	2.25 %	2.50 %	2.75 %
1.90	11.4 %	6.29	6.41	6.55	6.69	6.84	6.99	7.16
1.79	10.9 %	7.03	7.18	7.33	7.50	7.67	7.86	8.05
1.73	10.7 %	7.43	7.59	7.76	7.94	8.13	8.33	8.55
1.68	10.4 %	7.86	8.04	8.22	**8.41**	8.62	8.84	9.07
1.62	10.2 %	8.31	8.50	8.70	8.92	9.14	9.38	9.64
1.56	9.9 %	8.79	9.00	9.22	9.45	9.70	9.96	10.24
1.45	9.4 %	9.85	10.09	10.36	10.63	10.93	11.25	11.60

Beta	WACC	Delta EBIT-margin -1.5 pp	-1.0 pp	-0.5 pp	**+0.0 pp**	+0.5 pp	+1.0 pp	+1.5 pp
1.90	11.4 %	2.04	3.59	5.14	6.69	8.24	9.79	11.33
1.79	10.9 %	2.58	4.22	5.86	7.50	9.14	10.78	12.41
1.73	10.7 %	2.88	4.57	6.26	7.94	9.63	11.32	13.00
1.68	10.4 %	3.20	4.94	6.67	**8.41**	10.15	11.89	13.63
1.62	10.2 %	3.53	5.33	7.12	8.92	10.71	12.50	14.30
1.56	9.9 %	3.89	5.75	7.60	9.45	11.30	13.15	15.01
1.45	9.4 %	4.69	6.67	8.65	10.63	12.62	14.60	16.58

- Cash outflows for acquisitions are incorporated in the 2023 “Others” line
- This includes the purchase of 3,100 cars from the Cluno take over, that were subsequently reclassified as inventory
- The ongoing sale of the fleet results in the high est. working capital reduction in 2023 and to a lesser extent in 2024
- IFRS 16 amortisation is adjusted in "Others"; associated lease liabilities are corrected in the net debt for 2023-2025
- For 2026 and beyond IFRS 16 effects are excluded, which results in lower amortizations

Company & Products

Company profile

The Platform Group (TPG) operates an e-commerce platform for business-to-customer (B2C) and business-to-business (B2C) partners, connecting them to over 50 online sales channels. TPG is active in 18 industries and in a large number of European countries, including Germany, France, Austria, the Netherlands, Poland, Portugal, Spain, England.

The roots of TPG can be traced back to a store for shoes and colonial goods founded in 1882. When the CEO Dr. Dominik Benner took over the business, he separated the stationary business from the online segment and established “Schuhe24” an online platform for stationary shoe-stores. Today the proprietary software solution has interfaces for more than 55 enterprise resource planning (ERP)-systems with a broad spectrum of industry specific tool to connect its nearly 5,300 partners to over 50 larger online marketplaces.

Recently TPG merged with Fashionette AG, which started as a designer handbag rental company in 2008, before developing into one of the leading e-commerce platforms for luxury fashion accessories in the DACH region. The company already started its transformation from an online retailer to a platform approach, making it a solid fit for TPG.

Besides its self-developed software solutions, TPG offers a wide range of services to cover the whole e-commerce value chain. These services include product photography, software development, software tools, interface programming, online listing on over 50 distribution channels, price management, marketing and more.

TPG B2B and B2C platforms

Source: The Platform Group, Warburg Research

Company history Fashionette AG

2008	Founding of the Luxury Fashion Trade GmbH registered in Düsseldorf
2010	Re-launch of webpage with focus on handbags
2015	Investment by GENUI and exit of business angels and venture caps
2017	Implementation of a unified ERP-system for all business areas
2019	New CEO and COO/CTO succeed founders
2020	New Product Information Management system enables product and category expansion

Company history TPG

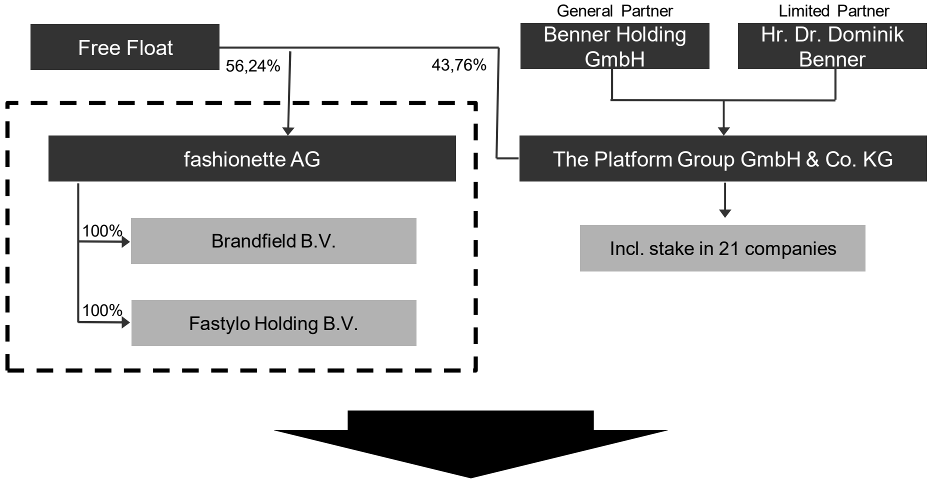
1882	Founded in Hofheim am Taunus
2012	Takeover of the company by Dr. Dominik Benner, leading the change to an internet platform
2013	Founding of Schuhe24.de
2018	Establishment of Outfits24.de
2019	Start of Taschen24.de
2020	"Dein-Juwelier" as part of TPG Acquisition of "MyStationary" Acquisition of "Gindumac" "Bike-Angebot" becomes a part of TPG Investment in "Teech Education" Renaming to The Platform Group Entry to the furniture sector with the acquisition of "Möbelfirst"
2021	Entry to the French market with "EnVogue.fr" Investment in furniture seller "Stylefy" Entry to the automotive sector with "Lott - Gebauchtwagenteile" First investments in the pharmaceutical sector with new platforms named "ApoNow" and "Doc.Green" Entry to the dental market with "DentaTec"
2022	Support in e-commerce topics for "Emco Electroroller GmbH" TPG acquires a 38.52% stake in Fashionette AG
2023	"ViveLaCar" becomes part of TPG Acquisition of additional 50.1% in ViveLaCar Acquisition of 100% stake in CLUNO Extension of the stake in Emco Electrroller GmbH to 100% Acquisition of 100% in Simon Profi-Technik GmbH

Group structure

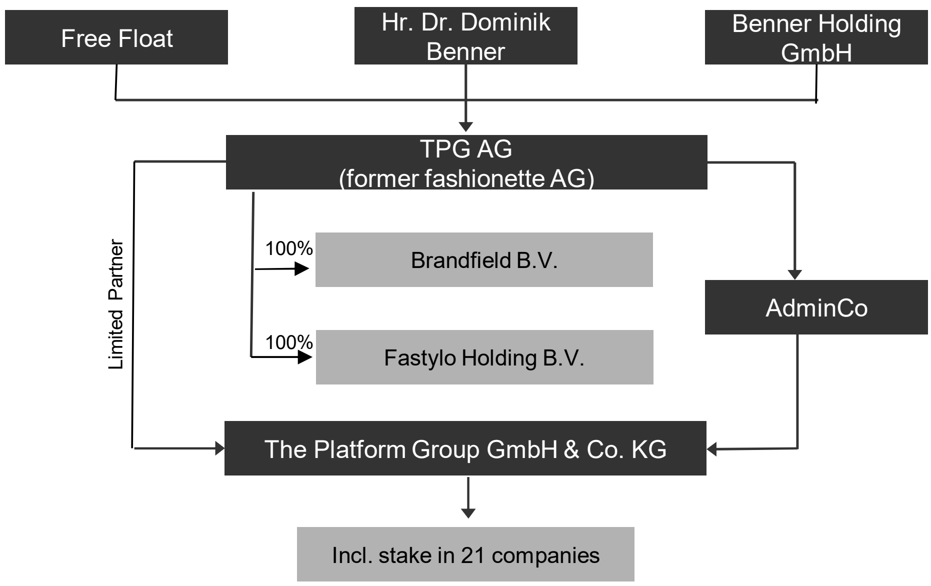
At the time of publication, the holding is still officially named “Fashionette AG” but will be renamed “The Platform Group AG” following the final approval of the merger with The Platform Group GmbH & Co KG. Fashionette AG includes the business operating the online retailer fashionette.de and is the parent company for the four fully-owned subsidiaries Brandfield B.V. and Fastylo Holding B.V. and The Platform Group GmbH & Co. KG.

Holding structure

Pre-capital increase in kind



Post-capital increase in kind



Source: The Platform Group, Warburg Research

TPG GmbH & Co. KG fully owns or holds the majority stake in 16 consolidated subsidiaries directly and a minority stake in Teech Education GmbH (16.71%). In addition, the company indirectly holds a stake in Cluno through its subsidiary VievLaCar (share 75.1%).

During the first half of 2023, TPG has already been actively extending the platform portfolio. They added 50.1% of “ViveLaCar GmbH” and now own a majority of 75.1% of the company. In addition, TPG AG bought 100% of “Cluno”, a subsidiary of “ViveLaCar”. Besides increasing the share capital in platforms already owned by TPG, it has also acquired a new platform to add to the platform portfolio. This company is named “Simon Profi-Technik” and is now owned 100% by TPG as well. This provides an entry into the forestry and garden industry.

Subsidiaries of The Platform Group GmbH & Co. KG

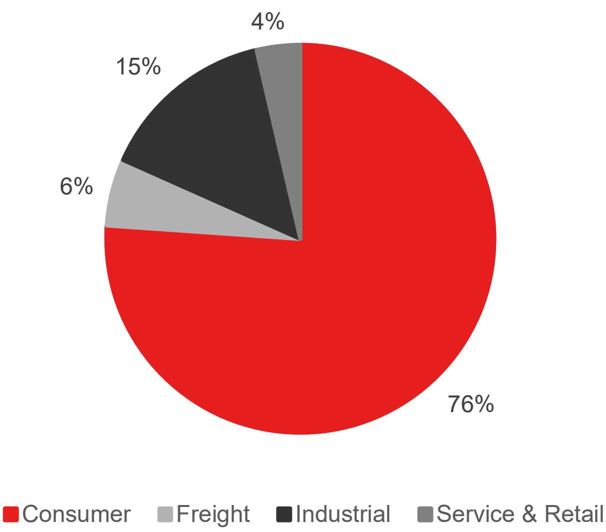
Source: The Platform Group, Warburg Research

Business segments

The Platform Group splits its business into four segments, Consumer Goods, Freight Goods, Industrial Goods and Service and Retail Goods, which focus on the specific e-commerce-related requirements of their partners' industries.

- **Consumer Goods:** This segment provides services for online activities that are geared to end-customers on the product side and do not require special logistics. Activities are managed with a focus on customer and sales optimization. This segment focuses mostly on shoes, clothing and fashion accessories in different price categories.
- **Freight Goods:** This segment includes products with complex transport/logistics and customer delivery. TPG stays competitive by focusing its efforts on the management of logistic processes and freight costs per customer and country. The primary revenue source in this segment is furniture in the mid-price category which is offered over an online platform. High-quality furniture from stationary furniture retailers are offered on anther online platform. In addition, TPG also sells bikes, e-bikes and accessories in this business segment.
- **Industrial Goods:** Sales in the Industrial Goods segment are primarily focused on a buyer-to-buyer relationship. In this segment, TPG operates an online platform in the international used-machinery trade called Bevmaq GmbH, Quakenbrück and Gindumac GmbH. The segment includes not only the sale of used machinery but also the purchase of used machinery to renew it and sell it on.
- **Service and Retail Goods:** The Service and Retail Goods segment is purely focused on end-customers and remuneration is based on service and performance. The 10 existing retail outlets, owned by TPG, are part of this segment. Products are solely sold on a stationary basis. Besides the stationary service and retail goods units, there are also several online platforms for local pharmacies as well as "ApoNow's" ordering tool, "KlickA", which enables ordering from local pharmacies and is also functional when using webpages of pharmaceutical manufacturers.

TPG revenue by segment



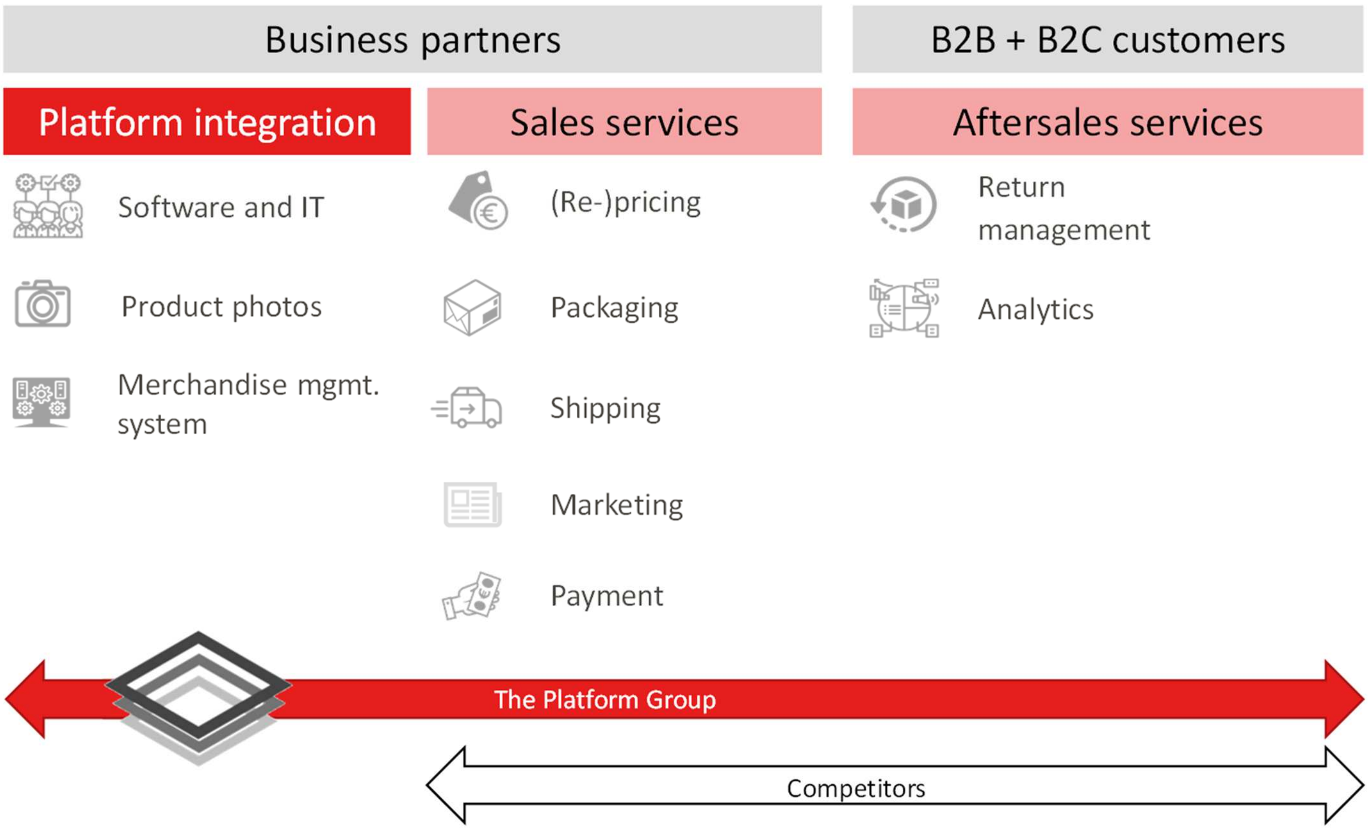
Source: The Platform Group, Warburg Research

Services portfolio

Besides the revenue-generating business segments, TPG is also providing three levels of expertise to partners. These include the following:

- **Software for industry platform solutions and interfaces for partners:** The Platform Group develops and implements its own software solutions for e-commerce solutions and players from different fields. With special ERP interfaces, TPG connects B2B and B2C businesses and provides them with a comprehensive online offering as well as facilitating and carrying out online sales for its customers. Therefore, TPG has subdivided the software development into multiple categories. These include product photography and videography, online listing in over 50 distribution channels and dealers, logistics, pricing management and finally, returns management
- **Big data solutions and online marketing:** Services provided in this category include "Search Engine Advertising" (SEA), "Search Engine Optimization" (SEO), email marketing, affiliate solutions, social media marketing and branding. TPG helps clients to properly target and reach their customers and build and expand the reach of the client's online activities. The big data and online marketing solutions provided will contribute to successful e-commerce operations by increasing visibility online. With affiliate marketing, TPG can increase sales volume and widen the network of cooperating websites.
- **Full-service expertise, from listing to payment logistics:** Besides programming and developing software and distribution channels, the full-service activities include additional value for TPG's clients. The full-service expertise is therefore divided into four components, after-sales marketing, after-sales analytics, complaint management in connection with the products sold on its platform and lastly, the offering of additional support for partners.

Business Model



Source: The Platform Group, Warburg Research

Management

Management board

Dr. Dominik Benner (CEO)

Before beginning his professional career, Dr. Benner studied business administration at the University of St. Gallen in Switzerland, earning his Bachelor's degree in 2006, his Master's in 2007 and his Doctorate in 2009.

Dr. Benner started his career at the Bilfinger Berger Group, where he worked until 2011. After serving as the managing director of the Juwi Group for one year, Dr. Benner became the owner of the family business "Schuh Benner". One year later, he founded the Benner Holding GmbH and remains its shareholder and managing director. In 2014, Dr. Benner became sole limited partner at the Benner Holding GmbH and also became a general partner of the Schuh Benner GmbH & Co. KG. Schuh Benner GmbH & Co. KG was renamed in 2020 and has since been known as The Platform Group GmbH & Co. KG.

Since 1 March 2023, Dr. Benner has been chairman of the management board (CEO) of the Fashionette AG.

Laura Vogelsang (Member of Board)

Ms. Vogelsang, born in 1987, studied economics at the Ruhr University Bochum and the Chemnitz University of Technology from 2007 to 2013.

Ms. Vogelsang started her career working at Vodafone GmbH in Düsseldorf from 2013 until 2018, where she was responsible for setting up online fraud prevention and online identification procedures. Ever since, Ms. Vogelsang has been working for Fashionette. Initially, Ms. Vogelsang was leading the Risk & Payment department before becoming responsible for the Human Resource Management and Office Management.

In May 2023, Ms. Vogelsang was appointed as a member of the management board until December 31, 2023.

Supervisory board

Stefan Schütze: Mr. Schütze is a lawyer and subsequently completed a Master's degree in mergers & acquisitions from the Westphalian Wilhelms University in Münster in 2004. From 2004 to 2013, he served as General Counsel of Altira Group AG, a listed asset manager. From 2013 until 2021, he was a member of the management board of FinLab AG, a listed company-builder and investor where he was responsible for investments, strategy, compliance and legal matters. Mr. Schütze has been a member of several management or supervisory boards, including ATAI Life Science AG.

Rolf Sigmund: Mr. Sigmund studied business administration at ESB Reutlingen and CESEM Groupe Sup de Co Reims from 1980 until 1984. Additionally, he studied executive education at CEDEP/INSEAD in Fontainebleau. In 1984, Mr. Sigmund started working in marketing and sales for the L'Oréal Group, serving in multiple locations including Paris, Bonn, and Madrid, until 2014. He held management positions at brand level from 1991 to 1995 and served as the managing director of L'Oréal Deutschland GmbH until 2019 with responsibility for the Luxe Division. In 2019 he attended the Director's Forum of Spencer Stuart and the Mannheim Business School. Mr. Sigmund has served as a supervisory board member in multiple other companies, e.g. Accenture GmbH.

Jens Wasel: Mr. Wasel studied industrial engineering at the TU in Berlin. He founded the company KW-Commerce and turned it into one of the world's largest marketplaces with 450 employees and over 25,000 products. The annual revenue peaked at well over EUR 100m. He sold the company in 2021 and established his own family office Scale Invest and his own business incubator Scale Apart.

Dominik Barton: Mr. Barton studied law at the University of Trier and the Rheinische Friedrich-Wilhelms-University in Bonn. Mr. Barton serves as the managing partner (CEO) of the Barton Group Familienholding GmbH, a family private-equity company which holds investments in a multitude of companies. Mr. Barton is responsible for business development, investment, investor relations and public relations. The Barton Group Familienholding GmbH focuses on real estate and private equity, with over EUR 1bn in assets under management. Mr. Barton is also a lecturer and part-time managing director of Bonner City Parkraum GmbH. Since June 2023 Mr. Barton has been a member of the supervisory board of Fashionette AG.

Florian Müller: While completing an apprenticeship as an automobile salesman more than 20 years ago, Mr. Müller founded his first company. Ever since he has been building and scaling businesses in e-commerce and digital business models. After selling his company to Lumaland AG in 2019, he served on its board of directors helping with scaling, international growth and M&A. Besides founding his own family office, Mr. Müller co-founded the brand incubator let's build brands in 2021.

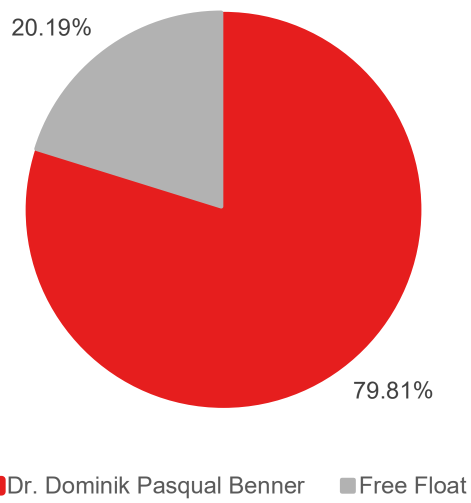
Shareholder structure

Fashionette AG's shares outstanding total 17,273,852. Of these, 13,787,053 (79.8%) are held by Dr. Benner. The remaining 20.2% are trading in free float.

Initially, Dr. Benner owned about 5.24% of the Fashionette AG's stock. In December 2022, GENUI, formerly the largest single shareholder, sold its entire stake of 2,388,072 shares (38.52% at the time) to Dr. Benner. After completion of the transaction, Dr. Benner's stake in the company increased to 44%.

In July 2023, Dr. Benner and Fashionette reached an agreement to merge his company The Platform Group GmbH & Co KG into the Fashionette AG and rename the merged company The Platform Group AG. Dr. Brenner was compensated with 11,073,852 newly issued shares. With this capital increase in kind, Fashionette's total shares increased from 6.2m to 17.3m. The transaction was approved by the AGM in September 2023.

Shareholder structure



Source: The Platform Group, Warburg Research

DCF model

	Detailed forecast period			Transitional period										Term. Value
Figures in EUR m	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	
Sales	440	488	533	583	629	673	714	749	787	826	867	911	956	
Sales change	*166.9 %*	*10.9 %*	*9.4 %*	*9.2 %*	*8.0 %*	*7.0 %*	*6.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*2.0 %*
EBIT	8	19	28	31	33	34	36	37	39	41	43	46	48	
EBIT-margin	*1.8 %*	*3.9 %*	*5.2 %*	*5.4 %*	*5.2 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	*5.0 %*	
Tax rate (EBT)	*22.0 %*	*24.0 %*	*26.0 %*	*27.0 %*	*28.0 %*	*29.0 %*	*30.0 %*	*30.0 %*	*30.0 %*	*30.0 %*	*30.0 %*	*30.0 %*	*30.0 %*	
NOPAT	6	15	20	23	24	24	25	26	28	29	30	32	33	
Depreciation	9	9	10	9	9	10	11	11	12	12	13	14	14	
in % of Sales	*2.1 %*	*1.9 %*	*1.8 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	*1.5 %*	
Changes in provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	
Change in Liquidity from														
- Working Capital	-38	-14	3	3	3	3	2	2	3	4	4	4	4	
- Capex	11	12	12	13	13	13	14	14	15	15	15	15	15	
Capex in % of Sales	*2.6 %*	*2.5 %*	*2.3 %*	*2.2 %*	*2.1 %*	*2.0 %*	*2.0 %*	*1.9 %*	*1.9 %*	*1.8 %*	*1.8 %*	*1.7 %*	*1.6 %*	
- Other	64	3	3	0	0	0	0	0	0	0	0	0	0	
Free Cash Flow (WACC Model)	-21	23	12	16	16	18	19	21	21	23	24	26	28	32
PV of FCF	-21	21	10	12	11	11	11	11	10	9	9	9	9	117
share of PVs	4.11 %			44.25 %										51.64 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	20.00 %	Financial Strength	1.50
Cost of debt (after tax)	4.2 %	Liquidity (share)	2.00
Market return	8.25 %	Cyclicality	1.20
Risk free rate	2.75 %	Transparency	2.00
		Others	1.10
WACC	**10.41 %**	**Beta**	**1.68**

Valuation (m)

Present values 2035e	109		
Terminal Value	117		
Financial liabilities	43		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	47		
Market val. of investments	0		
Liquidity	9	No. of shares (m)	17.3
Equity Value	**145**	**Value per share (EUR)**	**8.41**

Sensitivity Value per Share (EUR)

		Terminal Growth						
Beta	WACC	1.25 %	1.50 %	1.75 %	**2.00 %**	2.25 %	2.50 %	2.75 %
1.90	11.4 %	6.29	6.41	6.55	6.69	6.84	6.99	7.16
1.79	10.9 %	7.03	7.18	7.33	7.50	7.67	7.86	8.05
1.73	10.7 %	7.43	7.59	7.76	7.94	8.13	8.33	8.55
1.68	10.4 %	7.86	8.04	8.22	**8.41**	8.62	8.84	9.07
1.62	10.2 %	8.31	8.50	8.70	8.92	9.14	9.38	9.64
1.56	9.9 %	8.79	9.00	9.22	9.45	9.70	9.96	10.24
1.45	9.4 %	9.85	10.09	10.36	10.63	10.93	11.25	11.60

		Delta EBIT-margin						
Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	**+0.0 pp**	+0.5 pp	+1.0 pp	+1.5 pp
1.90	11.4 %	2.04	3.59	5.14	6.69	8.24	9.79	11.33
1.79	10.9 %	2.58	4.22	5.86	7.50	9.14	10.78	12.41
1.73	10.7 %	2.88	4.57	6.26	7.94	9.63	11.32	13.00
1.68	10.4 %	3.20	4.94	6.67	**8.41**	10.15	11.89	13.63
1.62	10.2 %	3.53	5.33	7.12	8.92	10.71	12.50	14.30
1.56	9.9 %	3.89	5.75	7.60	9.45	11.30	13.15	15.01
1.45	9.4 %	4.69	6.67	8.65	10.63	12.62	14.60	16.58

- Cash outflows for acquisitions are incorporated in the 2023 “Others” line
- This includes the purchase of 3,100 cars from the Cluno take over, that were subsequently reclassified as inventory
- The ongoing sale of the fleet results in the high est. working capital reduction in 2023 and to a lesser extent in 2024
- IFRS 16 amortisation is adjusted in "Others"; associated lease liabilities are corrected in the net debt for 2023-2025
- For 2026 and beyond IFRS 16 effects are excluded, which results in lower amortizations

Peer Group

	LC	Price in LC	MC in LC m	EV in LC m	P / E 23e	P / E 24e	P / E 25e	EV / Sales 23e	EV / Sales 24e	EV / Sales 25e	EV / EBITDA 23e	EV / EBITDA 24e	EV / EBITDA 25e	EV / EBIT 23e	EV / EBIT 24e	EV / EBIT 25e
System peers																
Zalando SE	EUR	21.93	5,684.3	5,396.0	35.0 x	23.1 x	16.3 x	0.5 x	0.5 x	0.5 x	8.5 x	6.8 x	5.7 x	22.7 x	13.4 x	9.8 x
ABOUT YOU Holding SE	EUR	4.45	770.4	825.4	n.a.	n.a.	n.a.	0.4 x	0.4 x	0.3 x	317.7 x	25.1 x	10.2 x	-11.3 x	-17.7 x	197.4 x
Revolve Group, Inc Class A	USD	13.59	998.6	780.3	27.4 x	19.7 x	14.5 x	0.7 x	0.7 x	0.6 x	16.0 x	10.8 x	7.8 x	21.1 x	12.4 x	8.8 x
MYT Netherlands Parent B.V. ADR	USD	2.88	243.9	279.5	11.9 x	28.5 x	8.5 x	0.3 x	0.3 x	0.3 x	6.4 x	7.9 x	4.8 x	-49.6 x	-607.2 x	6.5 x
ASOS plc	GBP	3.99	474.5	1,183.7	n.a.	138.9 x	18.7 x	0.3 x	0.3 x	0.3 x	10.1 x	5.8 x	4.9 x	-41.1 x	20.8 x	14.8 x
Farfetch Ltd. Class A	USD	1.58	624.8	1,479.9	n.a.	n.a.	n.a.	0.6 x	0.5 x	0.4 x	281.9 x	12.3 x	5.5 x	-2.2 x	-2.7 x	-3.2 x
boohoo group Plc	GBP	0.30	350.5	525.3	n.a.	n.a.	n.a.	0.4 x	0.3 x	0.3 x	8.3 x	7.3 x	5.6 x	-65.7 x	58.4 x	17.5 x
Average					24.8 x	52.5 x	14.5 x	0.5 x	0.4 x	0.4 x	92.7 x	10.9 x	6.4 x	-18.0 x	-74.7 x	35.9 x
Median					27.4 x	25.8 x	15.4 x	0.4 x	0.4 x	0.3 x	10.1 x	7.9 x	5.6 x	-11.3 x	12.4 x	9.8 x
fashionette AG	**EUR**	**6.00**	**103.6**	**155.4**	**120.0 x**	**11.5 x**	**7.5 x**	**0.4 x**	**0.3 x**	**0.3 x**	**9.0 x**	**5.4 x**	**4.2 x**	**19.6 x**	**8.1 x**	**5.6 x**
Valuation difference to Median					-77%	124%	106%	19%	18%	15%	13%	46%	35%	-158%	52%	75%
Fair value per share based on Median					1.37	13.41	12.35	7.72	7.63	7.31	7.18	10.13	9.11	n.a.	10.71	12.72

Sources: prices as of October 23 2023, FactSet, Warburg Research

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Valuation

	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	n.a.	3.7 x	3.4 x	1.0 x	0.8 x	0.7 x	0.7 x
Book value per share ex intangibles	1.79	8.18	5.35	4.86	1.38	1.70	2.31
EV / Sales	n.a.	2.2 x	1.7 x	0.6 x	0.4 x	0.3 x	0.3 x
EV / EBITDA	n.a.	35.2 x	144.9 x	n.a.	10.9 x	5.7 x	4.0 x
EV / EBIT	n.a.	45.7 x	n.a.	n.a.	23.7 x	8.6 x	5.4 x
EV / EBIT adj.*	n.a.	45.7 x	n.a.	n.a.	16.6 x	8.6 x	5.4 x
P / FCF	n.a.	34.2 x	n.a.	40.4 x	2.3 x	3.7 x	6.3 x
P / E	n.a.	100.1 x	n.a.	n.a.	104.4 x	10.0 x	6.5 x
P / E adj.*	n.a.	100.1 x	n.a.	n.a.	26.1 x	10.0 x	6.5 x
Dividend Yield	n.a.	3.2 %	3.0 %	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	n.a.	2.3 %	0.8 %	-0.2 %	8.6 %	14.9 %	20.2 %

*Adjustments made for: 2023 figures represent a pro-forma consolitaion of Faschionette and TPG on a FY basis

Consolidated profit & loss

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Sales	**73**	**95**	**134**	**165**	**440**	**488**	**533**
Change Sales yoy	n.a.	30.3 %	40.3 %	23.2 %	166.9 %	10.9 %	9.4 %
Increase / decrease in inventory	0	0	0	0	0	0	0
Own work capitalised	0	0	0	0	8	9	9
Total Sales	**73**	**95**	**134**	**165**	**448**	**496**	**542**
Material expenses	43	58	82	102	314	347	377
Gross profit	**30**	**38**	**51**	**62**	**134**	**150**	**165**
Gross profit margin	*40.9 %*	*39.6 %*	*38.4 %*	*37.9 %*	*30.5 %*	*30.7 %*	*31.0 %*
Personnel expenses	7	8	10	13	42	44	45
Other operating income	1	1	2	2	7	5	4
Other operating expenses	18	25	42	54	82	82	87
Unfrequent items	0	0	0	0	0	0	0
EBITDA	**7**	**6**	**2**	**-2**	**17**	**29**	**37**
Margin	*9.3 %*	*6.2 %*	*1.2 %*	*-1.2 %*	*3.9 %*	*5.9 %*	*7.0 %*
Depreciation of fixed assets	1	0	1	1	3	3	3
EBITA	**6**	**5**	**1**	**-3**	**14**	**26**	**34**
Amortisation of intangible assets	1	1	1	2	6	6	7
Goodwill amortisation	1	0	0	2	0	0	0
EBIT	**3**	**5**	**-1**	**-6**	**8**	**19**	**28**
Margin	*4.1 %*	*4.8 %*	*-0.4 %*	*-3.9 %*	*1.8 %*	*3.9 %*	*5.2 %*
EBIT adj.	**3**	**5**	**-1**	**-4**	**11**	**19**	**28**
Interest income	0	0	0	0	0	0	0
Interest expenses	2	1	1	2	4	3	2
Other financial income (loss)	0	0	0	0	1	1	2
EBT	**1**	**3**	**-2**	**-8**	**5**	**18**	**28**
Margin	*2.0 %*	*3.3 %*	*-1.4 %*	*-4.9 %*	*1.1 %*	*3.6 %*	*5.2 %*
Total taxes	1	1	0	-2	1	4	7
Net income from continuing operations	**0**	**2**	**-2**	**-6**	**4**	**13**	**20**
Income from discontinued operations (net of tax)	0	0	0	0	0	0	0
Net income before minorities	**0**	**2**	**-2**	**-6**	**4**	**13**	**20**
Minority interest	0	0	0	0	3	5	7
Net income	**0**	**2**	**-2**	**-6**	**1**	**9**	**14**
Margin	*0.1 %*	*2.0 %*	*-1.3 %*	*-3.8 %*	*0.2 %*	*1.8 %*	*2.6 %*
Number of shares, average	6	6	6	6	17	17	17
EPS	**0.02**	**0.31**	**-0.27**	**-1.01**	**0.05**	**0.52**	**0.80**
EPS adj.	0.02	0.31	-0.27	-0.73	0.20	0.52	0.80

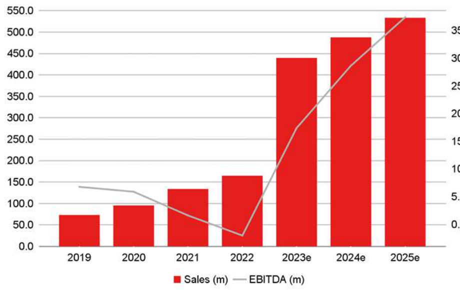
*Adjustments made for: 2023 figures represent a pro-forma consolitaion of Faschionette and TPG on a FY basis

Guidance: 2023 pro-forma: EUR 440m in sales and EUR 20m adj. EBITDA

Financial Ratios

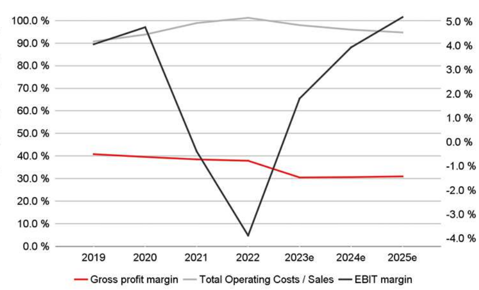
	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	90.7 %	93.8 %	98.8 %	101.2 %	98.0 %	95.9 %	94.7 %
Operating Leverage	n.a.	1.8 x	n.a.	49.7 x	n.a.	13.0 x	4.7 x
EBITDA / Interest expenses	4.5 x	4.2 x	1.1 x	n.m.	4.7 x	10.3 x	18.3 x
Tax rate (EBT)	93.5 %	38.9 %	12.2 %	22.2 %	22.0 %	24.0 %	26.0 %
Dividend Payout Ratio	0.0 %	322.9 %	n.m.	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	n.a.	n.a.	n.a.	n.a.	651,361	711,686	766,914

Sales, EBITDA
in EUR m



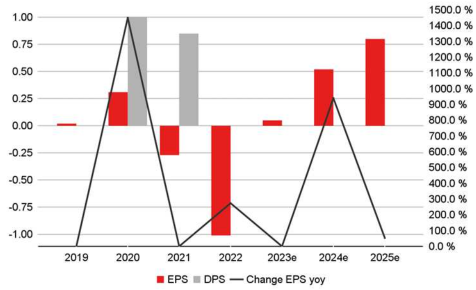
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

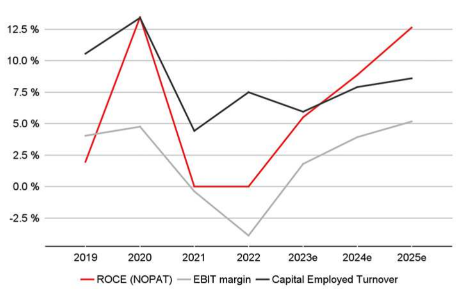
Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Assets							
Goodwill and other intangible assets	2	2	18	15	89	92	96
thereof other intangible assets	2	2	7	6	38	42	45
thereof Goodwill	0	0	11	10	51	51	51
Property, plant and equipment	1	1	5	4	24	23	23
Financial assets	0	0	0	0	2	2	2
Other long-term assets	0	0	0	2	0	0	0
Fixed assets	**3**	**3**	**23**	**21**	**115**	**118**	**120**
Inventories	16	22	44	37	73	63	61
Accounts receivable	11	11	18	19	42	33	29
Liquid assets	2	32	7	5	7	9	18
Other short-term assets	2	2	5	6	28	28	28
Current assets	**32**	**67**	**74**	**66**	**150**	**133**	**137**
Total Assets	**35**	**70**	**96**	**88**	**266**	**251**	**258**
Liabilities and shareholders' equity							
Subscribed capital	0	6	6	6	17	17	17
Capital reserve	28	59	60	60	118	118	118
Retained earnings	-18	-15	-13	-15	-23	-14	0
Other equity components	3	2	-1	-6	0	0	0
Shareholders' equity	13	53	51	45	113	122	136
Minority interest	0	0	0	0	5	10	16
Total equity	**13**	**53**	**51**	**45**	**118**	**131**	**152**
Provisions	1	1	1	0	3	3	3
thereof provisions for pensions and similar obligations	0	0	0	0	0	0	0
Financial liabilities (total)	9	1	16	15	59	37	32
Short-term financial liabilities	9	0	2	4	30	9	9
Accounts payable	11	16	27	25	51	45	37
Other liabilities	0	0	2	2	35	35	35
Liabilities	**22**	**17**	**45**	**42**	**148**	**120**	**106**
Total liabilities and shareholders' equity	**35**	**70**	**96**	**88**	**266**	**251**	**258**

Financial Ratios

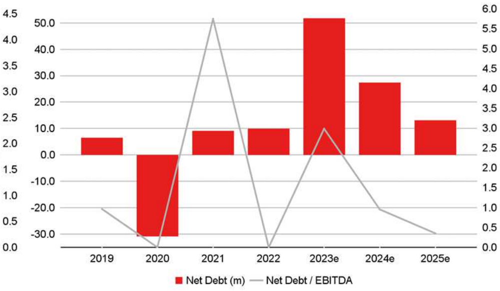
	2019	2020	2021	2022	2023e	2024e	2025e
Efficiency of Capital Employment							
Operating Assets Turnover	4.4 x	5.2 x	3.4 x	4.7 x	5.0 x	6.6 x	7.0 x
Capital Employed Turnover	3.7 x	4.4 x	2.2 x	3.0 x	2.6 x	3.1 x	3.2 x
ROA	3.2 %	59.8 %	-7.5 %	-29.4 %	0.7 %	7.6 %	11.5 %
Return on Capital							
ROCE (NOPAT)	2.0 %	13.5 %	n.a.	n.a.	5.5 %	8.9 %	12.6 %
ROE	1.5 %	5.8 %	-3.3 %	-13.0 %	1.1 %	7.6 %	10.8 %
Adj. ROE	1.5 %	5.8 %	-3.3 %	-9.4 %	4.4 %	7.6 %	10.8 %
Balance sheet quality							
Net Debt	7	-31	9	10	52	27	13
Net Financial Debt	7	-31	9	10	52	27	13
Net Gearing	49.4 %	-58.8 %	17.9 %	21.9 %	43.9 %	20.9 %	8.6 %
Net Fin. Debt / EBITDA	96.2 %	n.a.	570.4 %	n.a.	298.3 %	95.7 %	35.1 %
Book Value / Share	2.1	8.5	8.2	7.3	6.5	7.1	7.9
Book value per share ex intangibles	1.8	8.2	5.4	4.9	1.4	1.7	2.3

ROCE Development



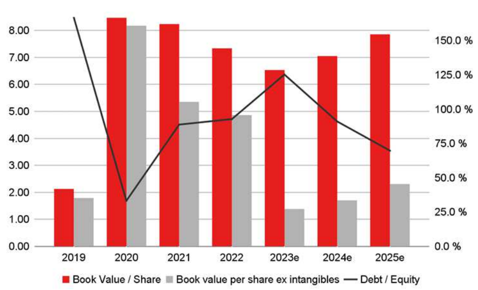
Source: Warburg Research

Net debt
in EUR m



Source: Warburg Research

Book Value per Share
in EUR



Source: Warburg Research

Consolidated cash flow statement

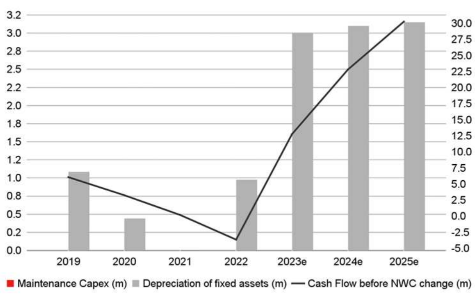
In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	0	2	-2	-6	4	13	20
Depreciation of fixed assets	1	0	0	1	3	3	3
Amortisation of goodwill	1	0	0	2	0	0	0
Amortisation of intangible assets	1	1	2	2	6	6	7
Increase/decrease in long-term provisions	0	0	0	0	0	0	0
Other non-cash income and expenses	2	0	0	-2	-1	0	0
Cash Flow before NWC change	**6**	**3**	**0**	**-4**	**13**	**23**	**30**
Increase / decrease in inventory	-3	-5	-16	8	31	11	1
Increase / decrease in accounts receivable	0	0	-7	-1	-13	9	4
Increase / decrease in accounts payable	-1	4	7	-2	22	-6	-9
Increase / decrease in other working capital positions	0	3	1	2	-1	0	0
Increase / decrease in working capital (total)	-4	2	-14	6	38	14	-4
Net cash provided by operating activities [1]	**2**	**6**	**-14**	**2**	**51**	**36**	**27**
Investments in intangible assets	0	0	-1	-2	-9	-10	-10
Investments in property, plant and equipment	0	0	-4	0	-2	-2	-2
Payments for acquisitions	0	-1	-17	0	-62	0	0
Financial investments	0	0	0	0	0	0	0
Income from asset disposals	0	0	0	0	0	0	0
Net cash provided by investing activities [2]	**0**	**-1**	**-18**	**-1**	**-73**	**-12**	**-12**
Change in financial liabilities	0	-1	8	-3	22	-20	-3
Dividends paid	0	0	0	0	0	0	0
Purchase of own shares	0	0	0	0	0	0	0
Capital measures	0	0	0	0	0	0	0
Other	-2	35	0	-1	-2	-3	-3
Net cash provided by financing activities [3]	**-2**	**33**	**7**	**-4**	**20**	**-22**	**-5**
Change in liquid funds [1]+[2]+[3]	**0**	**38**	**-25**	**-3**	**-2**	**2**	**9**
Effects of exchange-rate changes on cash	0	0	0	0	0	0	0
Cash and cash equivalent at end of period	-6	32	7	4	7	9	18

Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	2	6	-15	1	40	24	14
Free Cash Flow / Sales	2.5 %	5.9 %	-11.5 %	0.7 %	9.1 %	5.0 %	2.7 %
Free Cash Flow Potential	5	5	2	0	16	24	30
Free Cash Flow / Net Profit	1927.1 %	293.0 %	906.7 %	-18.2 %	4797.1 %	272.3 %	102.9 %
Interest Received / Avg. Cash	1.8 %	0.0 %	0.1 %	0.2 %	4.9 %	3.7 %	2.2 %
Interest Paid / Avg. Debt	34.2 %	28.6 %	17.1 %	10.9 %	10.0 %	5.8 %	6.0 %
Management of Funds							
Investment ratio	0.0 %	0.6 %	3.5 %	1.2 %	2.6 %	2.5 %	2.3 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	0.0 %	41.1 %	226.3 %	45.4 %	120.7 %	127.4 %	127.6 %
Avg. Working Capital / Sales	11.1 %	17.5 %	19.5 %	19.9 %	10.8 %	11.8 %	9.8 %
Trade Debtors / Trade Creditors	100.0 %	70.9 %	66.0 %	75.8 %	82.5 %	73.6 %	80.0 %
Inventory Turnover	2.7 x	2.7 x	1.9 x	2.8 x	4.3 x	5.5 x	6.1 x
Receivables collection period (days)	57	42	49	42	35	25	20
Payables payment period (days)	96	99	120	90	59	48	35
Cash conversion cycle (Days)	97	81	125	83	61	43	44

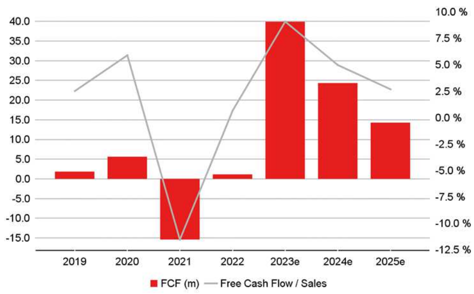
CAPEX and Cash Flow

in EUR m



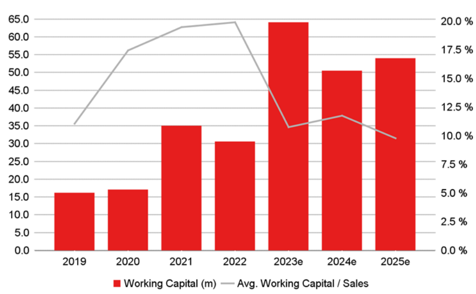
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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-B-	**Buy:**	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	**Hold:**	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	**Sell:**	The price of the analysed financial instrument is expected to fall over the next 12 months.
"-"	**Rating suspended:**	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

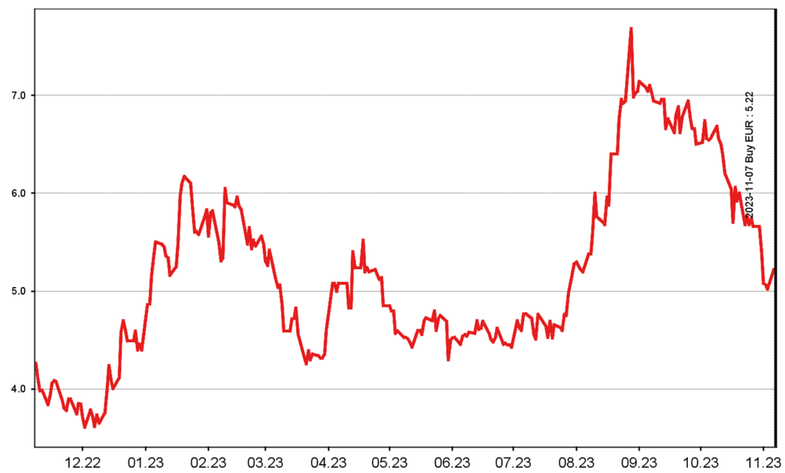
Rating	Number of stocks	% of Universe
Buy	157	74
Hold	45	21
Sell	6	3
Rating suspended	5	2
Total	**213**	**100**

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING …

… taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	44	83
Hold	7	13
Sell	0	0
Rating suspended	2	4
Total	**53**	**100**

PRICE AND RATING HISTORY THE PLATFORM GROUP AS OF 07.11.2023



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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