

# The Platform Group

**Outperform → | Target Price : € 13.5 vs € 12.5 ↗**

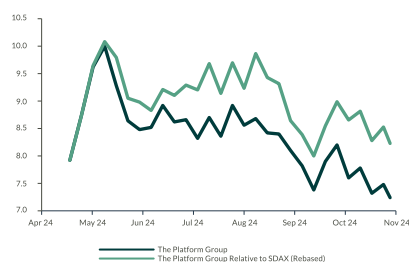
Price (26/11/2024) : € 7.24 | Upside : 86%

Revision	12/24e	12/25e
EPS	ns	-16.7%

## 9M 2024 – Continued favourable development of business model

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Sources : ODDO BHF Securities, SIX

### Share data

TPG GY   TPGG.DE	
Market Cap (€m)	147
Enterprise value (€m)	224
Extrema 12 months (€)	7.20 - 10.20
Free Float (%)	20.1

Performance (%)	1m	3m	12m
Absolute	-11.7	-15.8	-5.5
Perf. rel. Country Index	-9.9	-12.0	-11.7
Perf. rel. SDAX	-8.4	-12.0	-7.5

P&L	12/24e	12/25e	12/26e
Sales (€m)	505	587	635
EBITDA (€m)	46.4	42.5	48.8
Current EBIT (€m)	37.4	33.6	39.9
Attr. net profit (€m)	26.0	17.2	21.6
Adjusted EPS (€)	1.28	0.85	1.07
Dividend (€)	0.00	0.00	0.00
P/E (x)	5.6	8.5	6.8
P/B (x)	1.4	1.3	1.0
Dividend Yield (%)	0.0	0.0	0.0
FCF yield (%)	20.7	14.0	4.8
EV/Sales (x)	0.44	0.39	0.35
EV/EBITDA (x)	4.8	5.3	4.6
EV/Current EBIT (x)	6.0	6.8	5.6
Gearing (%)	74	71	55
Net Debt/EBITDA (x)	1.7	2.0	1.6

### Next Events

### Sales and profitability slightly below our estimates

During the first nine months of 2024, TPG generated sales of € 371.2m (+30.5% y-o-y, -2.7% vs ODDO BHF) and an adjusted EBITDA (incl. the effects from the comprehensive cost and efficiency programme implemented since 2023) of € 24.6m (+69.7% y-o-y, -7.4% vs ODDO BHF). As a result, the adj. EBITDA margin rose by 150bp to 6.6% (-40bp vs ODDO BHF). Growth in sales (of which 42% organic) was driven by the increase in the number of connected partners to 12,981 (+11.1% y-o-y) and the successful expansion of platform and software solutions to 23 sectors. Eight acquisitions were made during 9M 2024 (Hood, Avocadostore, OEGE GROUP, Aplanta, Fahrradteile-Shop, Winkelstraat, Motorprofi.com, 0815 Group), of which six were already consolidated in the reporting period. Similarly, the number of active customers increased by 18.4% to 4.5m and the order volume by 22.0% to 5.1m. 9M 2023 figures are pro-forma.

### 9M 2024 results

€ m	9M 2024	9M 2024 proforma	Y-o-y	ODDO BHF	Δ
Net sales	371.2	284.5	+30.5%	381.5	-2.7%
Adj. EBITDA	24.6	14.5	+69.7%	26.6	-7.4%
Margin	6.6%	5.1%	+150bp	7.0%	-40bp
GMV	608.4	469.3	+29.6%		

Sources : ODDO BHF Securities, company

### Adjust numbers to reflect 2024 confirmed guidance

Due to the successful business development ytd (incl. acquisitions, strong organic growth, number of partners), we lift our 2024e sales by 2.4% to € 505.2m and adj. EBITDA by 3.3% to € 31.2m. Our 2024e EPS increases from € 0.54 to € 1.28 (we now included 9M 2024 reported PPA). We are in line with company guidance (net sales between € 500m and € 520m, adj. EBITDA between € 29m and € 32m) and FactSet consensus sales (€ 508m). No consensus estimates are available for adj. EBITDA. In the medium-term (2025), TPG expects GMV (gross merchandise volume) of € 1.2bn, sales of at least € 570m (ODDO BHF: € 586.6m; consensus € 595.6m) and an adj. EBITDA margin of between 7% and 10% (ODDO BHF: 7.2%).

### We raise our TP to € 13.50 and reiterate our Outperform recommendation

In view of the positive earnings trend and the impact of the implemented cost and efficiency programme, we increase our target price from € 12.50 to € 13.50. Our target price is the average of a DCF (incl. new WACC due to updated market risk premium and risk-free rate metrics, lower capex, higher net debt which is now in line with latest guidance) and a valuation approach based on updated peer group multiples. We maintain our Outperform rating.

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## The Platform Group Software | Germany

## Outperform

Price 7.24 €

Upside 86.46%

TP 13.5 €

PER SHARE DATA (€)	12/23	12/24e	12/25e	12/26e
Adjusted EPS	1.84	1.28	0.85	1.07
Reported EPS	1.84	1.28	0.85	1.07
Growth in adjusted EPS	-	-30.3%	-34.0%	25.8%
Net dividend per share	0.00	0.00	0.00	0.00
FCF to equity per share	4.81	1.50	1.01	0.35
Book value per share	4.66	5.31	5.78	7.11
Number of shares market cap (m)	17.27	20.24	20.24	20.24
Number of diluted shares (m)	17.27	20.24	20.24	20.24
VALUATION (€m)	12/23	12/24e	12/25e	12/26e
12m highest price (€)		10.20		
12m lowest price (€)		7.20		
(*) Reference price (€)		7.24	7.24	7.24
Capitalization		147	147	147
Restated Net debt	68.5	80.6	83.6	80.1
Minorities (fair value)	1.1	1.1	1.1	1.1
Financial fixed assets (fair value)	4.0	4.0	4.0	4.0
Provisions	0.0	0.0	0.0	0.0
<b>Enterprise Value</b>		<b>224</b>	<b>227</b>	<b>224</b>
P/E (x)		5.6	8.5	6.8
P/CF (x)		10.8	5.6	7.4
Net Yield		0.0%	0.0%	0.0%
FCF yield		20.7%	14.0%	4.8%
P/B incl. GW (x)		1.36	1.25	1.02
P/B excl. GW (x)		1.36	1.25	1.02
EV/Sales (x)		0.44	0.39	0.35
EV/EBITDA (x)		4.8	5.3	4.6
EV/Current EBIT (x)		6.0	6.8	5.6
(*) historical average price				
PROFIT AND LOSS (€m)	12/23	12/24e	12/25e	12/26e
Sales	432	505	587	635
EBITDA	46.8	46.4	42.5	48.8
Depreciations	-7.8	-9.0	-8.9	-8.9
<b>Current EBIT</b>	<b>38.9</b>	<b>37.4</b>	<b>33.6</b>	<b>39.9</b>
Published EBIT	38.9	37.4	33.6	39.9
Net financial income	-6.4	-5.2	-7.6	-7.6
Corporate Tax	0.4	-5.2	-7.8	-9.7
Net income of equity-accounted companies	0.0	0.0	0.0	0.0
Profit/loss of discontinued activities (after tax)	0.0	0.0	0.0	0.0
Minority interests	-1.0	-1.0	-1.0	-1.0
Attributable net profit	31.8	26.0	17.2	21.6
<b>Adjusted attributable net profit</b>	<b>31.8</b>	<b>26.0</b>	<b>17.2</b>	<b>21.6</b>
BALANCE SHEET (€m)	12/23	12/24e	12/25e	12/26e
Goodwill	43.8	43.8	43.8	43.8
Other intangible assets	64.0	64.1	63.9	64.1
Tangible fixed assets	9.7	11.8	13.8	16.1
WCR	38.0	10.1	4.9	6.4
Financial assets	11.7	76.6	92.3	112
Ordinary shareholders equity	80.5	108	117	144
Minority interests	1.1	1.1	1.1	1.1
Shareholders equity	81.6	109	118	145
Non-current provisions	17.0	17.0	17.0	17.0
<b>Net debt</b>	<b>68.5</b>	<b>80.6</b>	<b>83.6</b>	<b>80.1</b>
CASH FLOW STATEMENT (€m)	12/23	12/24e	12/25e	12/26e
<b>EBITDA</b>	<b>46.8</b>	<b>46.4</b>	<b>42.5</b>	<b>48.8</b>
Change in WCR	-38.0	27.9	5.2	-1.5
Interests & taxes	6.6	-6.2	-8.8	-10.7
Others	88.7	-26.6	-7.6	-18.3
Operating Cash flow	104.1	41.5	31.3	18.3
CAPEX	-21.0	-11.1	-10.8	-11.2
<b>Free cash-flow</b>	<b>83.0</b>	<b>30.4</b>	<b>20.5</b>	<b>7.0</b>
Acquisitions / disposals	-58.8	-30.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0
Net capital increase	0.0	0.0	0.0	0.0
Others	-4.0	-18.5	-23.5	-3.5
Change in net cash	25.3	-12.1	-3.0	3.6
GROWTH MARGINS PRODUCTIVITY	12/23	12/24e	12/25e	12/26e
Sales growth	-	16.9%	16.1%	8.3%
<b>Lfi sales growth</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Current EBIT growth	-	-3.9%	-10.2%	18.9%
Growth in adjusted EPS	-	-30.3%	-34.0%	25.8%
Net margin	7.4%	5.1%	2.9%	3.4%
<b>EBITDA margin</b>	<b>10.8%</b>	<b>9.2%</b>	<b>7.2%</b>	<b>7.7%</b>
<b>Current EBIT margin</b>	<b>9.0%</b>	<b>7.4%</b>	<b>5.7%</b>	<b>6.3%</b>
CAPEX / Sales	-4.9%	-2.2%	-1.8%	-1.8%
WCR / Sales	8.8%	2.0%	0.8%	1.0%
Tax Rate	-1.1%	16.1%	30.0%	30.0%
Normative tax rate	30.0%	30.0%	30.0%	30.0%
Asset Turnover	-	3.5	4.6	5.0
<b>ROCE post-tax (normative tax rate)</b>	<b>-</b>	<b>18.4%</b>	<b>18.3%</b>	<b>21.8%</b>
ROCE post-tax hors GW (normative tax rate)	-	26.5%	27.9%	33.0%
ROE	-	27.6%	15.3%	16.6%
DEBT RATIOS	12/23	12/24e	12/25e	12/26e
Gearing	84%	74%	71%	55%
Net Debt / Market Cap		0.55	0.57	0.55
<b>Net debt / EBITDA</b>	<b>1.47</b>	<b>1.74</b>	<b>1.97</b>	<b>1.64</b>
EBITDA / net financial charges	7.3	8.9	5.6	6.4

Sources: ODDO BHF Securities, SIX



● **Valuation method**

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

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● **Our stock market recommendations**

Our stock market recommendations reflect the RELATIVE performance expected for each stock on a 12-month timeframe.

Outperform: performance expected to exceed that of the benchmark index, sectoral (large caps) or other (small and mid caps).

Neutral: performance expected to be comparable to that of the benchmark index, sectoral (large caps) or other (small and mid caps).

Underperform: performance expected to fall short of that of the benchmark index, sectoral (large caps) or other (small and mid caps).

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Recommendation and target price changes history over the last 12 months for the company analysed in this report

Date	Reco	Price Target (EUR)	Price (EUR)	Analyst
23/07/24	Outperform	12.50	8.64	Klaus Breitenbach

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**Recommendation split**

		Outperform	Neutral	Underperform
Our whole coverage	(711)	52%	39%	9%
Liquidity providers coverage	(115)	47%	43%	10%
Research service coverage	(52)	62%	31%	8%
Investment banking services	(39)	59%	36%	5%

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