

The Platform Group AG

Germany - Consumer Goods



HAUCK
AUFHÄUSER
INVESTMENT BANKING

Buy (old: Buy)

Price target: EUR 18.00 (old: EUR 18.00)

Price:	EUR 5.20	Next result:	Q4 23 tba
Bloomberg:	FSNT GR	Market cap:	EUR 86.7 m
Reuters:	FSNT.DE	Enterprise Value:	EUR 139.0 m

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Q3: Strong margin improvement provides confidence into FY target

The Platform Group released sound Q3 results (pro-forma) reflecting that the company's growth story remains in full swing despite macroeconomic uncertainties.

9M GMV rose dynamically by 22% yoy to € 469m and 9M sales increased by 22% to € 284.5m. Based on our pro-forma estimates, sales growth should have been in the range of 25-30% yoy in Q3, showing an acceleration vs H1 on the back of fashionette's platform transition. The **platform transition seems to be well on track as >150 B2B partners** are connected to the platform and the number should rise to 200 until year-end. Overall, TPG was able to increase the number of partners by 23% yoy to 5,412 in Q3 and the **number of active customers grew dynamically by 18% yoy to 3.3m.**

Adj. EBITDA improved by 37% yoy to € 14.5m in 9M with the margin up by 0.5pp yoy to 5.1% supported by efficiency measures at fashionette enabling solid operating leverage. Considering that Q4 is typically the most important quarter in terms of profitability, TPG's **€ 20m adj. EBITDA target looks conservative.**

FY 23 guidance was confirmed expecting € 700m GMV, € 440m revenue and € 20m adj. EBITDA. The FY 23 guidance of € 440m sales implies a significant step-up to around 50% growth yoy in Q4. The key driver behind this should be **(1) organic growth, (2) fashionette's platform transition and cross-selling** as well as **(3) the partial sale of rental cars** at subsidiary ViveLaCar. To recap, car subscription platform ViveLaCar will convert the rental cars on its balance sheet (c. € 53m) into a capital-light leasing model until Q2 2024 by selling the cars, which should reduce net debt to € 18m in FY 24E (eHAIB: € 52m in FY 23E) and temporarily support sales. In Q4, we expect a sales impact of c. € 25m, which would still imply a dynamic underlying growth rate of 29% yoy.

Considering the expected sales growth accelerating in Q4 and sustained margin improvement, **news flow is seen to remain positive.** Additionally, management seems to be in talks to close another acquisition in the short-term. **Valuation continues to look appealing** with the stock trading on merely **4x EV/EBITDA 24E** despite double-digit growth and an expected **34% EBITDA CAGR 22-25E.**

BUY, PT € 18.00, based on DCF (5.5% TY EBIT margin, 2% LT growth, 8.5% WACC).

Y/E 31.12 (EUR m)	2021	2022	2023E	2024E	2025E
Sales	240.7	333.2	440.0	488.4	537.2
Sales growth	n/a	38 %	32 %	11 %	10 %
Adj. EBITDA	10.5	13.8	20.2	27.9	33.3
Adj. EBIT	5.4	4.5	7.9	15.1	20.3
Net income	1.8	1.9	2.7	8.1	14.1
Net debt	34.9	31.2	52.3	18.3	-0.4
Net gearing	43.7 %	31.2 %	42.5 %	13.2 %	-0.3 %
Net Debt/EBITDA	3.3	2.3	2.6	0.7	0.0
EPS pro forma	0.11	0.11	0.16	0.47	0.82
CPS	0.13	0.10	-1.22	1.97	1.08
DPS	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	33.5 %	32.1 %	32.4 %	32.8 %	33.1 %
Adj. EBITDA margin	4.4 %	4.2 %	4.6 %	5.7 %	6.2 %
Adj. EBIT margin	2.2 %	1.3 %	1.8 %	3.1 %	3.8 %
ROCE	5.5 %	3.3 %	4.7 %	8.0 %	10.1 %
EV/sales	0.5	0.4	0.3	0.2	0.2
EV/EBITDA	12.4	8.5	6.9	3.8	2.6
EV/EBIT	24.3	26.4	17.7	6.9	4.2
PER	51.7	45.8	32.0	10.7	6.2
Adjusted FCF yield	2.8 %	6.0 %	7.4 %	16.4 %	27.0 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 15.11.2023



Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks: 7.14 / 3.61
Price/Book Ratio: 0.7
Relative performance (SDAX):
3 months -6.2 %
6 months 18.7 %
12 months 29.7 %

Changes in estimates

		Sales	EBIT	EPS
2023	old:	440.0	7.9	0.16
	Δ	-	-	-
2024	old:	488.4	15.1	0.47
	Δ	-	-	-
2025	old:	537.2	20.3	0.82
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 17.3
Authorised capital: (in € m) 3.1
Book value per share: (in €) 7.1
Ø trading volume: (12 months) 22,889

Major shareholders:

Benner Holding 80.0 %
Free float 20.0 %

Company description:

Leading software specialist enabling eCommerce for small and medium sized partners

Financials

Profit and loss (EUR m)	2021	2022	2023E	2024E	2025E
Net sales	240.7	333.2	440.0	488.4	537.2
Sales growth	n/a	38.4 %	32.1 %	11.0 %	10.0 %
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0
Total sales	240.7	333.2	440.0	488.4	537.2
Other operating income	2.0	3.5	4.6	5.6	6.1
Material expenses	160.1	226.1	297.3	328.1	359.3
Personnel expenses	16.4	24.0	31.3	33.8	36.6
Other operating expenses	58.8	76.0	99.5	107.5	116.6
Total operating expenses	233.3	322.7	423.6	463.8	506.4
EBITDA	10.5	13.8	20.2	27.9	33.3
Depreciation	5.1	9.4	12.4	12.8	13.0
EBITA	5.4	4.5	7.9	15.1	20.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	5.4	4.5	7.9	15.1	20.3
Interest income	0.2	0.4	0.6	0.6	0.7
Interest expenses	0.5	0.6	0.7	0.8	0.9
Other financial result	0.0	0.0	0.0	0.0	0.0
Financial result	-0.3	-0.1	-0.2	-0.2	-0.2
Recurring pretax income from continuing operations	5.0	4.3	7.7	14.9	20.1
Extraordinary income/loss	-3.1	-3.4	-3.8	-3.3	0.0
Earnings before taxes	1.9	0.9	3.9	11.6	20.1
Taxes	0.1	-1.0	1.2	3.5	6.0
Net income from continuing operations	1.8	1.9	2.7	8.1	14.1
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0
Net income	1.8	1.9	2.7	8.1	14.1
Minority interest	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	1.8	1.9	2.7	8.1	14.1
Average number of shares	17.3	17.3	17.3	17.3	17.3
EPS reported	0.11	0.11	0.16	0.47	0.82

Profit and loss (common size)	2021	2022	2023E	2024E	2025E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Other operating income	0.8 %	1.0 %	1.0 %	1.1 %	1.1 %
Material expenses	66.5 %	67.9 %	67.6 %	67.2 %	66.9 %
Personnel expenses	6.8 %	7.2 %	7.1 %	6.9 %	6.8 %
Other operating expenses	24.4 %	22.8 %	22.6 %	22.0 %	21.7 %
Total operating expenses	96.9 %	96.9 %	96.3 %	95.0 %	94.3 %
EBITDA	4.4 %	4.2 %	4.6 %	5.7 %	6.2 %
Depreciation	2.1 %	2.8 %	2.8 %	2.6 %	2.4 %
EBITA	2.2 %	1.3 %	1.8 %	3.1 %	3.8 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	2.2 %	1.3 %	1.8 %	3.1 %	3.8 %
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	2.1 %	1.3 %	1.7 %	3.1 %	3.7 %
Extraordinary income/loss	neg.	neg.	neg.	neg.	0.0 %
Earnings before taxes	0.8 %	0.3 %	0.9 %	2.4 %	3.7 %
Tax rate	5.3 %	-104.2 %	30.0 %	30.0 %	30.0 %
Net income from continuing operations	0.8 %	0.6 %	0.6 %	1.7 %	2.6 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	0.8 %	0.6 %	0.6 %	1.7 %	2.6 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	0.8 %	0.6 %	0.6 %	1.7 %	2.6 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2021	2022	2023E	2024E	2025E
Intangible assets	62.0	72.3	92.1	92.1	92.1
Property, plant and equipment	5.2	5.5	9.0	9.0	9.0
Financial assets	4.5	12.0	18.3	18.3	18.3
FIXED ASSETS	71.7	89.8	119.4	119.4	119.4
Inventories	54.8	50.1	87.0	69.8	73.6
Accounts receivable	24.6	25.3	33.4	37.1	40.8
Other current assets	12.0	10.7	23.9	23.9	23.9
Liquid assets	7.5	9.2	7.8	26.8	45.5
Deferred taxes	0.4	1.6	1.0	1.0	1.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	99.3	96.9	153.1	158.6	184.8
TOTAL ASSETS	171.0	186.7	272.6	278.0	304.3
SHAREHOLDERS EQUITY	79.9	100.0	123.0	138.0	158.7
MINORITY INTEREST	1.5	1.8	4.7	4.7	4.7
Long-term debt	34.6	27.5	29.9	24.9	24.9
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0
Other provisions	1.7	2.5	2.5	2.5	2.5
Non-current liabilities	36.3	29.9	32.3	27.3	27.3
short-term liabilities to banks	7.8	13.0	30.2	20.2	20.2
Accounts payable	34.1	29.2	43.4	48.8	54.5
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	3.0	4.4	30.1	30.1	30.1
Deferred taxes	8.4	8.4	8.8	8.8	8.8
Deferred income	0.0	0.0	0.0	0.0	0.0
Current liabilities	53.3	55.0	112.5	107.9	113.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	170.9	186.7	272.5	278.0	304.3

Balance sheet (common size)	2021	2022	2023E	2024E	2025E
Intangible assets	36.3 %	38.7 %	33.8 %	33.1 %	30.3 %
Property, plant and equipment	3.1 %	3.0 %	3.3 %	3.2 %	3.0 %
Financial assets	2.6 %	6.4 %	6.7 %	6.6 %	6.0 %
FIXED ASSETS	41.9 %	48.1 %	43.8 %	43.0 %	39.3 %
Inventories	32.0 %	26.8 %	31.9 %	25.1 %	24.2 %
Accounts receivable	14.4 %	13.6 %	12.3 %	13.3 %	13.4 %
Other current assets	7.0 %	5.7 %	8.8 %	8.6 %	7.9 %
Liquid assets	4.4 %	4.9 %	2.9 %	9.6 %	15.0 %
Deferred taxes	0.2 %	0.8 %	0.4 %	0.4 %	0.3 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	58.1 %	51.9 %	56.2 %	57.0 %	60.7 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	46.7 %	53.6 %	45.1 %	49.6 %	52.2 %
MINORITY INTEREST	0.9 %	1.0 %	1.7 %	1.7 %	1.6 %
Long-term debt	20.3 %	14.7 %	11.0 %	8.9 %	8.2 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	1.0 %	1.3 %	0.9 %	0.9 %	0.8 %
Non-current liabilities	21.2 %	16.0 %	11.9 %	9.8 %	9.0 %
short-term liabilities to banks	4.6 %	6.9 %	11.1 %	7.3 %	6.6 %
Accounts payable	20.0 %	15.6 %	15.9 %	17.6 %	17.9 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	1.8 %	2.4 %	11.0 %	10.8 %	9.9 %
Deferred taxes	4.9 %	4.5 %	3.2 %	3.2 %	2.9 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	31.2 %	29.4 %	41.3 %	38.8 %	37.3 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow statement (EUR m)	2021	2022	2023E	2024E	2025E
Net profit/loss	1.8	1.9	2.7	8.1	14.1
Depreciation of fixed assets (incl. leases)	5.1	9.4	12.4	12.8	13.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
Others	-1.0	-4.7	0.0	0.0	0.0
Cash flow from operations before changes in w/c	6.0	6.6	15.1	20.9	27.0
Increase/decrease in inventory	0.0	4.7	-36.9	17.2	-3.8
Increase/decrease in accounts receivable	0.0	-0.7	-8.1	-3.7	-3.7
Increase/decrease in accounts payable	0.0	-4.9	14.2	5.4	5.6
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	0.0	-0.9	-30.9	19.0	-1.9
Cash flow from operating activities	6.0	5.7	-15.8	39.9	25.1
CAPEX	3.8	4.0	5.3	5.9	6.4
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-3.8	-4.0	-5.3	-5.9	-6.4
Cash flow before financing	2.2	1.7	-21.1	34.0	18.7
Increase/decrease in debt position	0.0	0.0	19.6	-15.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	0.0	0.0	19.6	-15.0	0.0
Increase/decrease in liquid assets	2.2	1.7	-1.4	19.0	18.7
Liquid assets at end of period	7.5	9.2	7.8	26.8	45.5

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2021	2022	2023E	2024E	2025E
Domestic	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a
Rest of Europe	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a
NAFTA	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a
Rest of world	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a
TTL	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a

Source: Company data, Hauck Aufhäuser Investment Banking

The Platform Group AG

Key ratios (EUR m)	2021	2022	2023E	2024E	2025E
P&L growth analysis					
Sales growth	n/a	38.4 %	32.1 %	11.0 %	10.0 %
EBITDA growth	n/a	32.1 %	46.2 %	37.8 %	19.4 %
EBIT growth	n/a	-16.5 %	75.7 %	92.6 %	34.5 %
EPS growth	n/a	3.1 %	42.8 %	200.5 %	73.1 %
Efficiency					
Total operating costs / sales	96.9 %	96.9 %	96.3 %	95.0 %	94.3 %
Sales per employee	1,796.3	2,486.4	3,283.6	3,644.8	4,009.3
EBITDA per employee	78.2	103.3	151.0	208.1	248.5
Balance sheet analysis					
Avg. working capital / sales	13.9 %	13.7 %	14.0 %	13.8 %	11.0 %
Inventory turnover (sales/inventory)	4.4	6.7	5.1	7.0	7.3
Trade debtors in days of sales	37.4	27.7	27.7	27.7	27.7
A/P turnover [(A/P*365)/sales]	51.7	32.0	36.0	36.5	37.0
Cash conversion cycle (days)	84.4	61.4	81.3	51.0	47.2
Cash flow analysis					
Free cash flow	2.2	1.7	-21.1	34.0	18.7
Free cash flow/sales	0.9 %	0.5 %	-4.8 %	7.0 %	3.5 %
FCF / net profit	119.7 %	89.7 %	neg.	418.4 %	132.7 %
Capex / depre	74.2 %	42.7 %	42.7 %	45.9 %	49.7 %
Capex / maintenance capex	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / sales	n/a	n/a	n/a	n/a	n/a
Security					
Net debt	34.9	31.2	52.3	18.3	-0.4
Net Debt/EBITDA	3.3	2.3	2.6	0.7	0.0
Net debt / equity	0.4	0.3	0.4	0.1	neg.
Interest cover	10.3	7.9	10.5	18.2	22.3
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation					
Capital employed turnover	1.9	2.3	2.3	2.6	2.5
Operating assets turnover	4.8	6.4	5.1	7.3	7.8
Plant turnover	46.1	60.4	48.7	54.1	59.5
Inventory turnover (sales/inventory)	4.4	6.7	5.1	7.0	7.3
Returns					
ROCE	5.5 %	3.3 %	4.7 %	8.0 %	10.1 %
ROE	2.3 %	1.9 %	2.2 %	5.9 %	8.9 %
Other					
Interest paid / avg. debt	2.5 %	1.4 %	1.5 %	1.6 %	2.0 %
No. employees (average)	134	134	134	134	134
Number of shares	17.3	17.3	17.3	17.3	17.3
DPS	0.0	0.0	0.0	0.0	0.0
EPS reported	0.11	0.11	0.16	0.47	0.82
Valuation ratios					
P/BV	1.2	0.9	0.7	0.6	0.5
EV/sales	0.5	0.4	0.3	0.2	0.2
EV/EBITDA	12.4	8.5	6.9	3.8	2.6
EV/EBITA	24.3	26.4	17.7	6.9	4.2
EV/EBIT	24.3	26.4	17.7	6.9	4.2
EV/FCF	59.0	69.4	-6.6	3.1	4.6
Adjusted FCF yield	2.8 %	6.0 %	7.4 %	16.4 %	27.0 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

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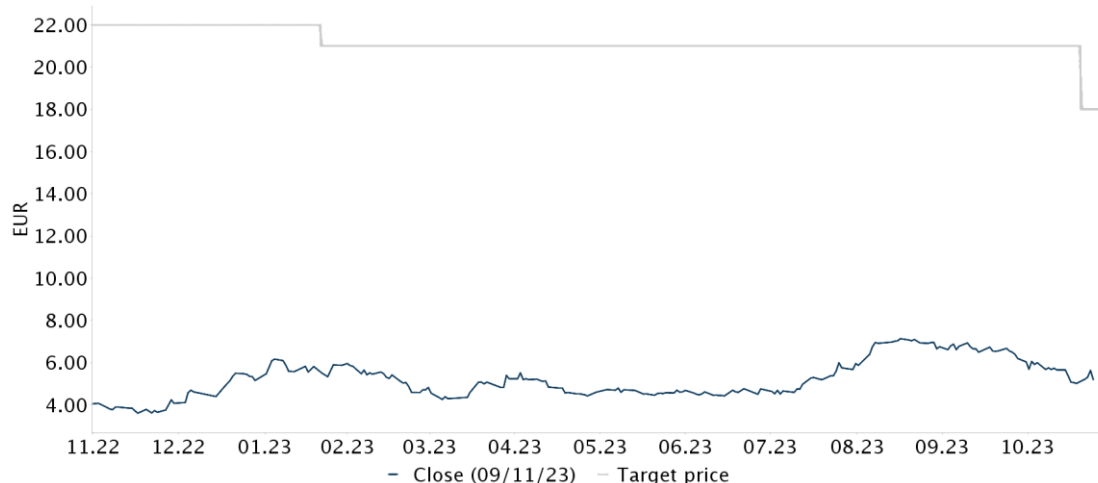
Conflicts of interest that existed at the time when this research report was published:

Company	Disclosure
The Platform Group AG	1, 2, 3, 6, 8

Historical target price and rating changes for The Platform Group AG in the last 12 months

Price and Rating History The Platform Group AG as of 15/11/23

Initiation coverage
11-January-21



Company	Date	Analyst	Rating	Target price	Close
The Platform Group AG	06.11.2023	Salis, Christian	Buy	EUR 18,00	EUR 5,22
	06.11.2023	Salis, Christian	Buy	EUR 18,00	EUR 5,22
	16.11.2022	Salis, Christian	Buy	EUR 22,00	EUR 4,06

Hauck Aufhäuser Investment Banking distribution of ratings and in proportion to investment banking services

Buy	73.86 %	87.88 %
Sell	4.55 %	0.00 %
Hold	21.59 %	12.12 %

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