

The Platform Group AG / Key word(s): Preliminary Results/Annual Results
The Platform Group AG: GMV, sales and earnings above forecast, positive outlook for 2024 confirmed, medium-term planning for 2025

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The Platform Group AG: GMV, sales and earnings above forecast, positive outlook for 2024 confirmed, medium-term planning for 2025

- Forecast for the 2023 financial year achieved or exceeded
- Pro-forma GMV increased to 705 million euros (forecast: 700 million euros), growth of 19% compared to the previous year (2022: 591 million euros)
- Pro-forma net sales of 440.8 million euros achieved (2022: 387.4 million euros), forecast of 440 million euros achieved
- Profitability increased above market expectations, pro-forma consolidated net income of 26.9 million euros achieved (2022: 21.5 million euros) or 1.50 euros per share (2022: 1.12 euros per share)
- Earnings from continuing operations / EBITDA adjusted (pro-forma) reached 22.6 million euros (2022: 11.9 million euros), the forecast was 20 million euros. Reported pro-forma EBITDA from continuing operations reached 47.4 million euros (2022: 37.0 million euros)
- Increase in the number of active customers from 3.48 million (2022) to 4.05 million (2023), increase in the average shopping basket to 114 euros (2022: 109 euros)
- Forecast for the 2024 financial year confirmed

Düsseldorf, 5 April 2024. The Platform Group AG (ISIN [DE000A200QEFA1](#), „TPG“), a leading software company for platform solutions, has recorded a successful business development in 2023 based on unaudited preliminary figures. TPG closed the past financial year 2023 with a pro-forma gross merchandise volume (GMV, continuing operations) of 705 million euros (2022: 591 million euros) and pro-forma revenue (continuing operations) of 440.8 million euros, in line with or above the forecast. This growth was driven by the increase in the number of connected partners to 5,520 (2022: 4,872) and the successful expansion of platform and software solutions to 19 sectors. Four acquisitions were made in the 2023 financial year. Similarly, the number of active customers increased to over 4.05 million (2022: 3.48 million), with an order volume of 6.2 million (2022: 5.4 million).

Under the comprehensive cost and efficiency program implemented in 2023, profitability increased significantly: Adjusted EBITDA (pro-forma, continuing operations) rose to 22.6 million euros, an increase of 89% compared to the previous year. Reported EBITDA (pro forma, continuing operations) reached 47.4 million euros (2022: 37 million euros), while consolidated net income (pro-forma) amounted to 26.9 million euros (2022: 21.5 million euros). This corresponds to earnings per share of 1.50 euros per share (2022: 1.12 euros per share), which represents an increase of 33.9%.

TPG was thus able to achieve or exceed the forecasts communicated in the 2023 financial year.

Dr. Dominik Benner, CEO of The Platform Group AG: “Our results in the 2023 financial year show that strict cost management and a focus on profitable niches are paying off. While many companies in the online industry have been moving towards profitability for a year now, we have always been profitable, have never had a cash burn and have always put profit before growth. This

is now paying off and we can scale our platform model into new sectors based on low costs. In 2024, we have already reached the first milestones in this regard with the acquisition of two platforms, and the start of the year in the first quarter of 2024 is also very positive. We will continue to invest in our software, as it is our foundation and enables cost-efficient scalability in new industries. We are entering new sectors through acquisitions of online companies. We are currently finding unique opportunities here - as never before - to acquire profitable companies at fair valuations and increase their value in the long term with our TPG approach. Our constantly communicated medium-term goal of operating our platform solutions in 30 sectors and profitably realizing a GMV of 1 billion euros is absolutely realistic for the year 2025.”

Financial figures (continuing operations)

in EURk	2023 pro-forma	2022 pro-forma	Δ
Gross merchandise value (GMV)	705,050	591,014	19.3%
Net sales	440,767	387,441	13.8%
Other revenues	32,842	28,970	13.4%
Gross Margin	148,044	144,424	2.5%
Marketing Costs	-28,142	-30,609	-8.1%
Distribution Costs	-35,396	-26,293	34.6%
HR Costs	-22,360	-27,117	-17.5%
Other Costs	-14,714	-23,418	-37.2%
EBITDA	47,431	36,986	28.2%
EBITDA adjusted	22,572	11,914	89.5%
Net profit, continuing operations	33,313	24,787	34.4%
Net profit, total	26,932	21,480	25.4%
Earnings per share (EUR), total	1.93	1.31	47.3%
Earnings per share (EUR), continuing operations	1.50	1.12	33.9

Non-financial figures (continuing operations)

	2023 pro-forma	2022 pro-forma	Δ
Number of Orders	6,185,869	5,437,475	13.8%
Average Order Value (in EUR)	114	109	4.6%
Active Customers	4,048,954	3,482,100	16.3%
Orders New Customers	1,505,718	1,264,803	19.0%
Number of Employees	688	751	-8.4%
Number of Partners	5,520	4,872	13.3%

Medium-term planning of TPG

The Board of Directors of TPG communicated medium-term planning in 2023 and explained it at the Capital Markets Day 2023. TPG's medium-term planning is essentially based on the following four pillars:

(1) GMV: TPG has a clear focus on profitable growth, primarily in niche areas of e-commerce. Growth is based on organic increase in customers in the B2B and B2C sectors on the one hand, and on selective acquisitions of attractive, profitable companies in the online sector on the other. Three to eight companies are acquired each year and then systematically integrated. Thanks to the platform model, growth is achieved with lower capital commitments and therefore lower capital costs than traditional online companies can achieve. The medium-term goal is to achieve a **gross merchandise volume (GMV) of 1 billion euros**. The Management Board of TPG is optimistic that the defined target of 1 billion euros GMV will be achieved in 2025.

(2) Profitability: From TPG's perspective, sales without profitability are not acceptable. Business activities are therefore always geared towards achieving positive operating results and also reporting positive net results as a Group. At TPG, positive earnings figures go hand in hand with positive cash flows, which are actively invested. The medium-term goal is to achieve an **operating margin (adjusted EBITDA margin) of 7-10%**. In the 2023 financial year, this key figure was 5.1%. The TPG Board of Directors is optimistic that the defined target of at least 7% will be achieved in 2025.

(3) Sectors: TPG aims to deploy the software and platform solution it has developed in numerous sectors, thereby diversifying its risk and opportunity profile across a wide range of industries. In the 2023 financial year, TPG was active in 19 sectors, including machinery retail, dental technology, luxury fashion, vehicle parts, and furniture retail. Even though the sectors are different, there is one constant: TPG's software and platform solution, which is implemented and realized for each new vertical. This reduces costs, enables growth, and increases the value of an investment. The medium-term goal is to operate TPG's **software and platform solution in 30 sectors**. TPG's Management Board is optimistic that the defined target of 30 sectors will be reached in 2025. Three to eight acquisitions per year are still expected for the financial years 2024 and 2025.

(4) Debt: Profitable growth requires that the Company's operating profit is invested in a targeted manner and that debt always remains at a good, planned level. TPG has two investment areas: (a) software for platform solutions, (b) acquisition of online companies. Both investment areas are directly related: Acquired companies receive TPG's software solutions, enabling them to save costs and grow profitably as a platform. TPG has planned the **leverage ratio** (defined as adjusted EBITDA in relation to net financial debt excluding lease liabilities) at a **medium-term level of 1.5 to 2.3**. In the 2023 financial year, this ratio was 2.65. The TPG Board of Directors is optimistic that the defined target of 1.5 to 2.3 will be achieved in 2025.

Forecast 2024

In view of the successful financial year 2023, the positive development in all four Group segments, and a very positive start to the year in the first quarter of 2024, the Board of Directors of The Platform Group AG expects – as already [announced](#) in January 2024 – a continuation of the growth trajectory and a further increase in earnings. The gross merchandise volume (GMV) is expected to increase to between 760 million euros and 800 million euros, with net sales rising to between 460 million euros and 470 million euros. Due to the positive earnings trend and the effect of the implemented cost and efficiency program, the Executive Board expects a further increase in adjusted EBITDA to between 24 million euros and 28 million euros in 2024.

The 2023 Annual Report will be published on 17 May 2024 on The Platform Group's website at corporate.the-platform-group.com.

Notes on pro-forma calculations, other revenues, and continuing operations

In the 2023 financial year, The Platform Group GmbH & Co. KG was combined with the former fashionette AG. In accordance with IFRS 3, this transaction is to be classified as a reverse acquisition, particularly in view of the size and value ratios determined. For this reason, pro-forma figures are provided in which the business activities of all Group companies since 1 January 2022, comparable to the 2023 financial year, are presented on a consolidated basis for the full year. The presentation of the Company's consolidated pro-forma financial information is for illustrative purposes only. In the 2024 financial year, the business figures will be consolidated for the full year for the first time.

In accordance with IFRS standards and with regard to the above-mentioned IFRS 3 provision, the purchase price allocation (PPA) requirements are applied and reported in the pro forma figures for the 2022 and 2023 financial years. The calculated income from the purchase price allocation amounted to 25.3 million euros (2023) and 25.5 million euros (2022) and was reported under other income. TPG has excluded this income from purchase price allocations in the adjusted operating results (EBITDA adjusted), as income from purchase price allocations is not attributable to the operating business and would otherwise not be comparable. Accordingly, TPG's adjusted EBITDA is lower than the reported EBITDA.

In the 2023 financial year, a comprehensive cost and efficiency program was announced and implemented within the former fashionette AG, Düsseldorf. Part of the cost and efficiency program was the closure of the unprofitable business units (a) Beauty and (b) Smartwatches of the former fashionette AG. The closure was implemented in the 2023 financial year and the sale of the remaining assets was realized in April 2024. Accordingly, the key financial figures in both financial years 2023 and 2022 are reported for the continuing operations; in addition, net profit and earnings per share are also reported including the discontinued operations.

Please refer to the 2023 Annual Report, which will be published on 17 May 2024, for further explanations, reconciliations, and disclosures.

The Platform Group AG:

The [Platform Group AG](#) is a software company that is active in 19 sectors with its own platform solutions. Its customers include both B2B and B2C customers in sectors such as furniture retail, machinery retail, dental technology, car platforms, and luxury fashion. The Group has 15 locations across Europe and is headquartered in Düsseldorf. Over 22 investments and company acquisitions have been made since 2020. In 2023, pro-forma sales of EUR 441 million and an operating result (adjusted EBITDA) of EUR 22.6 million were realized.

Contact:

Investor Relations

Reinhard Hetkamp, CFO and Head of IR

ir@the-platform-group.com

Schloss Elbroich | Am Falder 4 | 40589 Düsseldorf | Germany
corporate.the-platform-group.com

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Company: The Platform Group AG

Schloss Elbroich, Am Falder 4

40589 Düsseldorf

Germany

E-mail: ir@the-platform-group.com

Internet: <https://the-platform-group.com/>

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