EDISON

Spotlight — update

The Platform Group

Retail

21 August 2026

Cost control offsetting weaker revenue in Q226

The Platform Group (TPG) reported a good improvement in adjusted EBITDA in Q226, with significant operating cost reductions offsetting a weak top-line performance with its first ever year-on-year revenue decline, attributed to weakness in one vertical. The higher profitability and lower capital spend fed through to a modest improvement in free cash flow generation on a relative basis, offset by negative working capital, which appears consistent with H125 before it reversed in H225. Management is confident of a strong improvement in trends in H226.

Good profit delivery despite revenue decline

For H126 TPG reported c 21% y-o-y growth in Gross Merchandise Value (GMV) from c 17% growth in the number of orders and c 4% growth in average order value. Revenue grew at a slightly higher rate of c 23%, indicating better revenue conversion versus H125. This implies a significant slowing in revenue trends, with the company's first year-on-year decline of c 3% in Q226 following mid- to high-teens growth in FY23 and FY24, and growth rates of 27–51% from Q125–26. The key driver is the number of orders that were flat at 2.8m in both Q225 and Q226. Management attributed the revenue decline to the Freight Goods vertical, which was c 16% of H125 revenue and declined by 5% in H126. The vertical includes bicycles and furniture and is therefore exposed to weaker consumer confidence. The other verticals were ahead of or in line with management's expectations. The gross margin declined by 240bp to 34.1%, continuing the weaker margin trend of H225 when it declined by 190bp. Strong management of operating costs is evident in the Q226 year-on-year declines of c 17% in personnel costs, 7% in marketing and 11% in distribution. This led to a c 9% growth in adjusted EBITDA while reported EBITDA fell by c 16% in Q226. Closing net debt including leases of €127.1m was relatively unchanged from FY25. Relative to revenue, free cash flow before interest improved to 3.3% in H126 from 2.8% in H125, which includes a modest deterioration in operating cash generation more than offset by more favourable capital outflows.

FY26 guidance reiterated

Management's reiterated FY26 guidance for GMV of €1.7bn and revenue of €1bn requires H226 growth of 40% and c 51%, respectively, a good increase versus H126. Management is confident that organic growth will contribute the majority, over 90% of the required full year growth. The implied H226 adjusted EBITDA margin of 5.9% is consistent with H225's 5.7% margin.

Valuation

TPG is trading at large discount to the FY26 peer median EV/EBITDA of 8.0x.

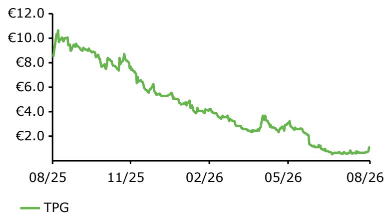
Historical financials

Year end	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (€)	EV/EBITDA (x)	P/E (x)
12/24	524.6	33.2	36.3	1.60	4.6	0.6
12/25	728.1	55.0	49.0	2.26	2.8	0.4
12/26e	1,000.0	75.0	-	-	2.0	

Source: Company accounts and guidance: Note: Forecasts are midpoint of management's guidance.

Price €1.00
Market cap €25m

Share price performance



Share details

Code	TPG
Listing	FSE
Shares in issue	25.0m
Net cash/(debt) at 30 June 2026	€(127.1)m

Business description

The Platform Group is a leading European online e-commerce platform company. Its software solutions connect partners in many sectors to new e-commerce customers across numerous online channels. Its services include marketing, customer support, payment and delivery.

Bull points

- Connects commercial partners that lack scale to access a high number of online stores.
- Large (c 17,683) and growing number of commercial partners across many industries.
- Investment requirements beyond M&A are low, in particular software for platform solutions.

Bear points

- E-commerce markets are competitive.
- M&A aspirations (five to eight acquisitions per year) present execution risk.
- Expansion into new business verticals and geographies may bring different operational challenges and financial rewards.

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