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Record-breaking growth in an exceptional year

Relais Group Plc

Financial Statement Bulletin January 1–December 31, 2020

25 February 2021

The hosts of the webcast

Arni Ekholm
CEO

Pekka Raatikainen
CFO

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Content

- Business review H2 and year 2020
- Financial review 2020
- Major events after the review period
- Strategy and financial targets

Relais Group Plc acquired the shares of AB Reservdelar (ABR) and Huzells i Karlstad AB on May 31, 2019. The companies have been included in Relais Group's consolidated balance sheet from May 31, 2019 and in the consolidated income statement from June 1, 2019. This financial statement bulletin on the reference data concerning the first half of FY2019 includes the figures for the acquired companies from the dates of joining as stated hereinabove.

Relais Group Plc acquired 70% of the shares of SEC Scandinavia A/S ("SEC") on January 16, 2020, and 92.25% of the shares of TD Tunga Delar Sverige AB ("TD") on February 6, 2020. SEC has been consolidated effective from January 1, 2020, and TD effective from February 1, 2020. The companies are not included in the reference data concerning FY2019.

The figures in the financial statement bulletin are unaudited and have been prepared in accordance with Finnish Accounting Standards (FAS).

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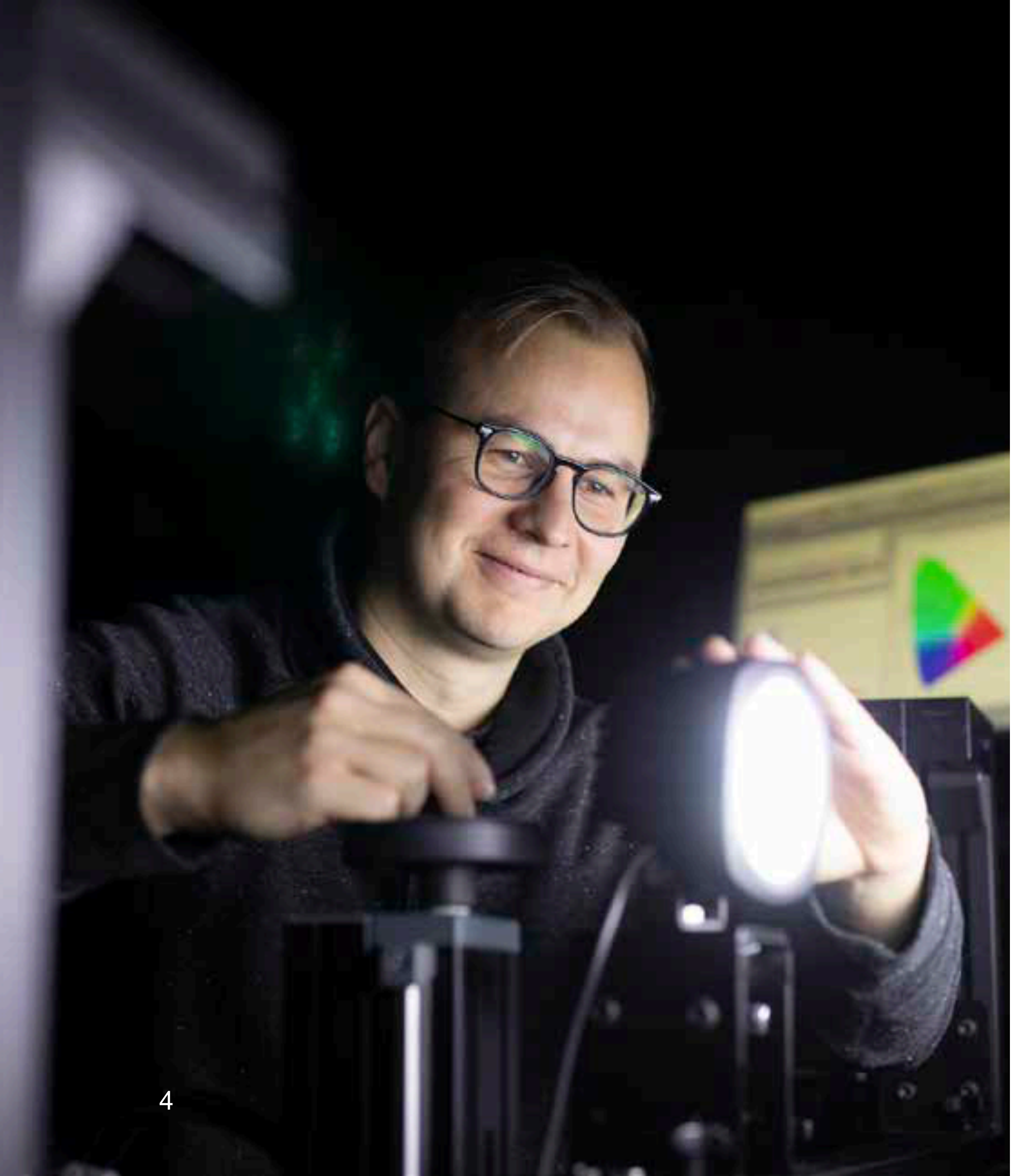

Relais Group Plc is one of the leading players in the vehicle aftermarket in the Nordic and Baltic countries.

We are an industrial operator with a sector focus on vehicle life cycle enhancement and related services.

We also serve as a growth platform for the companies we own.

Net sales

MEUR **128.9** (98.9)

+30.3%

EBITA

MEUR **18.7** (13.0)

+44.2%

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Business review H2 and year 2020

Arni Ekholm
CEO

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H2/2020 in brief

- Sales in the second half of the year were very strong overall, with record-high sales during the lighting season
- The impacts of the COVID-19 pandemic were significantly lower in H2 than in H1
- Operating cash flow was very strong
- Acquisition of Strands Group in December 2020
- Renewed and expanded financing agreement signed in December 2020

Net sales

MEUR **70.0** (61.2)

+14.3%

EBITDA

MEUR **11.4** (9.3)

+22.8%

EBITA

MEUR **11.2** (9.1)

+23.3%

EBIT

MEUR **7.4** (5.7)

+30.9%

Comparable earnings per share excluding amortisation of goodwill (undiluted)

EUR **0.58** (0.41)

Strands Group AB

- Strands is one of the fastest growing brands in the vehicle lighting and accessories aftermarket in Europe.
- The acquisition significantly broadens our range of lighting products and own brands.
- The acquisition rationale
  - opens up additional geographic markets in Europe and elsewhere
  - further strengthens our position in the vehicle lighting aftermarket
  - lighting is a strategic growth area with a global potential for us
- Strands Group AB's net sales in 2020 is estimated to be approximately MSEK 150 and EBITDA approximately MSEK 25.
- Strands has about 30 employees.

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Strands actively develops social media presence and digital marketing

55,000 followers on Instagram, +40%*

More than **2,751,000** views on video posts*

28,000 Facebook followers

Over **360,000** customer interactions on posts*

More than **2.3** million unique website visitors in 2020

More than **355,000** likes*

*Source: Strands, last 8 months

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Year 2020 in brief

- Acquisition of a 70% of shares in SEC Scandinavia A/S in January 2020
- Acquisition of a 95.25% of shares in TD Tunga Delar Sverige AB in February 2020
- Net sales were increased by acquisitions, strong spare parts sales especially in Sweden and excellent sales during the lighting season in all operating countries
- Impacts of the COVID-19 pandemic on net sales and the resulting cost reduction measures mostly took place in H1
- Based on the strong and stable financial performance and the high cash conversion inherent to the Group's business, the Board feels confident to propose a substantially increased dividend of 0.30 EUR per share to the Annual General Meeting

Net sales
MEUR **128.9** (98.9)
+30.3%

EBITDA
MEUR **19.1** (13.3)
+43.4%

EBITA
MEUR **18.7** (13.0)
+44.2%

EBIT
MEUR **11.1** (7.9)
+41.1%

Comparable earnings per share excluding amortisation of goodwill (undiluted)
EUR **0.87** (0.76)

DIVIDEND
EUR **0.30*** (0.10)

*Board's proposal to the Annual General Meeting

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> ”We further strengthened our position as a forerunner in the vehicle life cycle enhancement business in the Nordic region.”

Purposeful execution of the strategy

- Favorable business development in all main markets, especially H2/2020:
  - in Finland, sales increased substantially faster than the market’s average growth rate
  - organic growth in Sweden was strong throughout the year
- Effective leverage of synergies, particularly by expanding the distribution of own lighting products in Sweden.
- Three highly targeted and successful acquisitions.
- The importance of commercial vehicle segment increased significantly.
- The vehicle lighting solutions market represents a global potential for us.
- The digital transformation is one of the key drivers of our growth.

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Financial review 2020

Pekka Raatikainen
CFO

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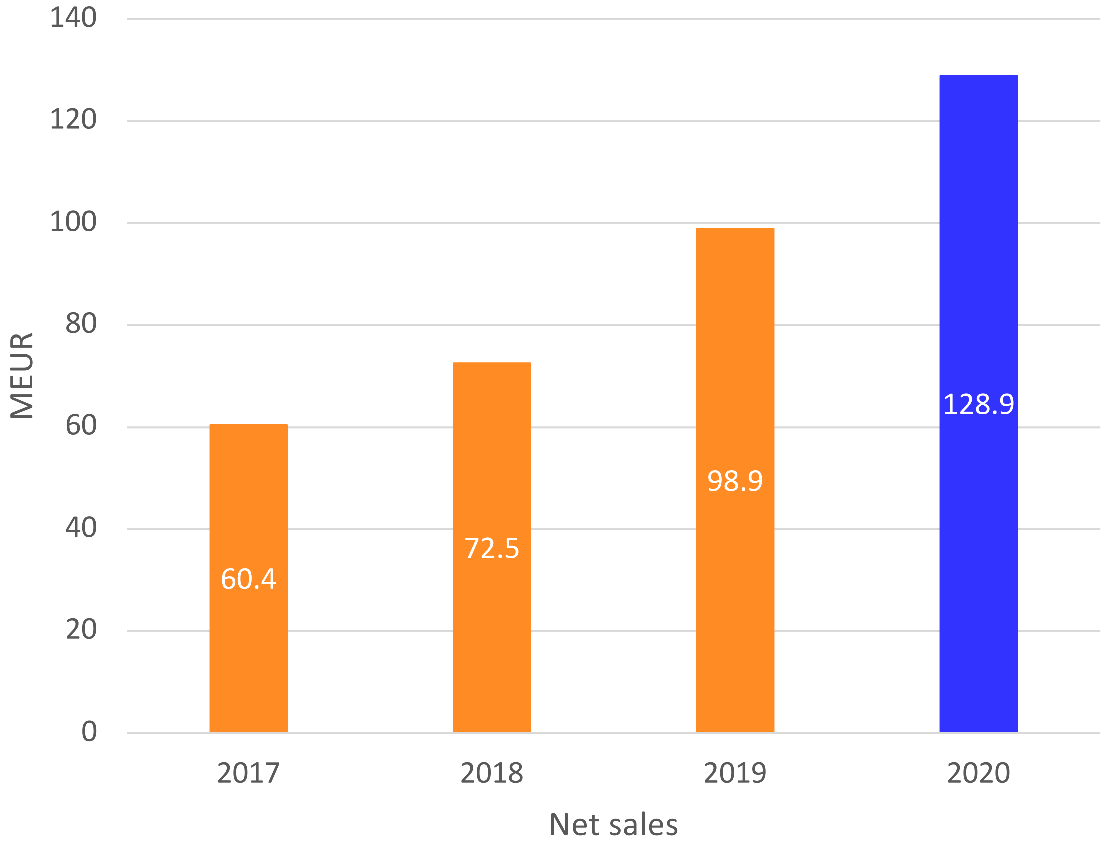
Net sales grew strongly

- The strong growth driven by:
  - ABR and Huzells acquisitions completed in May 2019
  - SEC and TD Tunga Delar acquisitions completed in January and February 2020
  - strong demand for spare parts, especially in Sweden
  - record-high sales in the lighting products category in all operating countries
- The financial impacts of the COVID-19 pandemic were minor due to active cost savings measures and the strong development of sales in H2/2020.



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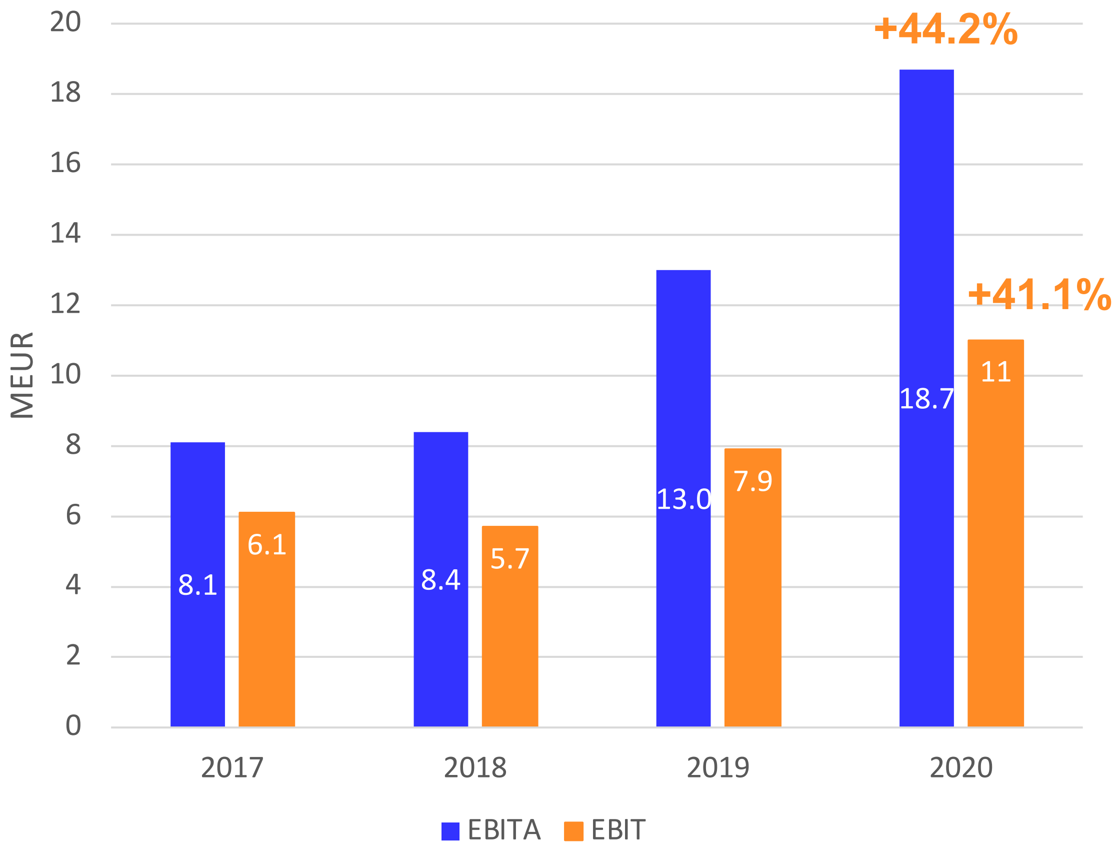
Profitability clearly improved from the previous year

- Nearly all Group companies managed to substantially improve their profitability year-on-year and the profitability of all Group companies remained at a good level.
- Fixed operating costs were managed successfully in the challenging business environment due to the COVID-19 pandemic.
- EBIT was influenced by the higher amortisation of goodwill following the acquisitions made in 2019–2020.



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Stronger balance-sheet and financial position

The Group's balance-sheet total
EUR **154.6** (143.0) million

The Group's equity
EUR **71.9** (63.7) million

Net debt
EUR **28.3** (34.6) million

Net gearing
39.2 (54.3) %

Equity ratio
46.7 (44.5) %

Cash assets
EUR **34.7** (29.6) million

The strong development of cash flow

Cash flow from operations

EUR **16.1** (1.8) million

Cash flow from investments

EUR **-8.7** (-64.4) million

Cash flow from financing

EUR **-2.9** (90.3) million

The strong development of cash flow was attributable to:

- acquisitions made in 2019–2020
- favorable development of the Group's business
- successful working capital management
- effect of IPO-related and non-recurring financial expenses on the cash flow in 2019

The Group's cash flow from investments mainly consisted of:

- cash consideration associated with the acquisitions of TD Tunga Delar Sverige AB and SEC Scandinavia A/S

Investments in tangible and intangible assets decreased year-on-year

The most significant financing events during the financial year were:

- refinancing agreement in December
- dividend payment decided on by the Extraordinary General Meeting of September 8, 2020

Key figures

EUR thousand	7-12/2020	7-12/2019	1-12/2020	1-12/2019
Net sales	69,965	61,225	128,924	98,946
Gross profit	24,651	20,723	44,996	33,090
EBITDA	11,420	9,296	19,127	13,335
EBITDA margin, %	16.3%	15.2%	14.8%	13.5%
EBITA	11,221	9,100	18,711	12,976
EBITA margin, %	16.0%	14.9%	14.5%	13.1%
Operating profit	7,424	5,671	11,088	7,856
Operating profit margin, %	10.6%	9.3%	8.6%	7.9%
Profit (loss)	6,007	658	6,937	384
Profit (loss) margin, %	8.6%	1.1%	5.4%	0.4%
Comparable profit (loss) excluding amortisation of goodwill	9,805	6,010	14,562	8,740
Comparable profit (loss) excluding amortisation of goodwill margin, %	14.0%	9.8%	11.3%	8.8%
Return on equity (ROE), %	n/a	n/a	10.3%*)	1.4%*)
Equity ratio	46.7%	44.5%	46.7%	44.5%
Net gearing	39.2%	54.3%	39.2%	54.3%
Personnel at the end of the period, FTE	296	258	296	258

*) Items affecting comparability and amortisation of goodwill not eliminated

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Key figures, per share

EUR	7-12/2020	7-12/2019	1-12/2020	1-12/2019
Earnings per share, basic	0.36	0.05	0.42	0.03
Earnings per share, diluted	0.34	0.04	0.40	0.03
Comparable earnings per share, basic	0.36	0.18	0.42	0.31
Comparable earnings per share, diluted	0.34	0.17	0.40	0.29
Comparable earnings per share excluding amortisation of goodwill, basic	0.58	0.41	0.87	0.76
Comparable earnings per share excluding amortisation of goodwill, diluted	0.56	0.40	0.84	0.71

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Largest shareholders 31 December, 2020

Shareholder	Number of shares	%
1. Ari Salmivuori	6,328,800	37.6
2. Nordic Industry Development AB[1]	3,932,100	23.4
3. Ajanta Oy[2]	464,800	2.8
4. Finnish Industry Investment Ltd (Tesi)	462,949	2.8
5. Elo Mutual Pension Insurance	396,813	2.4
6. Rausanne Oy	360,718	2.1
7. Ilmarinen Mutual Pension Insurance Company	312,000	1.9
8. Kari Stadigh	292,200	1.7
9. Evli Finland Select Fund	263,061	1.6
10. Solesol Oy	221,625	1.3
11. Ville Mikkonen	174,800	1.0
Ten largest combined	13,209,866	78.5
Other shareholders	3,610,184	21.5
Total	16,820,050	100.0

[1]In Nordic Industry Development AB, control is indirectly held by Jesper Otterbeck.

[2]In Ajanta Oy, control is held by Ari Salmivuori.

Number of shares
16,820,050

Number of shareholders
2,462

Major events after the review period

Arni Ekholm
CEO

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Relais Group in January 2021

Our group companies

ABR Reservdelar

AWIMEX

Huzells

SEC

STARTAX

strands

TD TUNGA DELAR SVERIGE AB

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Raskone Oy

- On 29 January Relais acquired Raskone Oy, a Finnish company specialized in the commercial vehicle maintenance and repair business.
    - Raskone is Finland's largest nationwide multi-brand maintenance and repair workshop chain for commercial vehicles, with a total of 19 workshops.
    - The net sales of Raskone for the calculated financial period 1 January – 31 December 2020 were approximately MEUR 63 and EBITDA approximately MEUR 4.7.
    - The Company employs a total of 460 people.
- The acquisition is part of Relais' growth strategy and gives us a significant new pillar for growth in the commercial vehicle segment.
- Raskone will be reported as part of Relais Group as of 1 February 2021.

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Strategy and financial targets

Arni Ekholm
CEO

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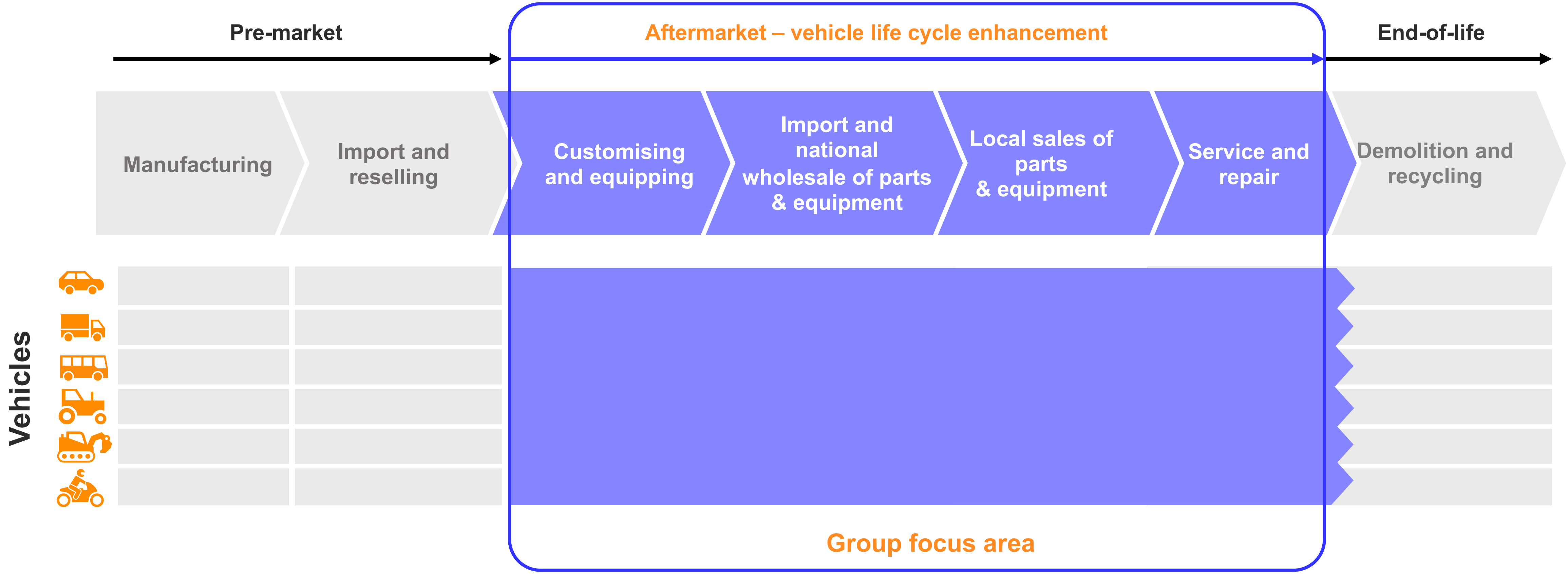
Relais operates in the aftermarket of vehicles



Relais Group strategy

Organic growth – supported by targeted synergies between the existing and acquired entities

Growth from acquisitions – to be an active player in the consolidation of the Nordic and Baltic vehicle aftermarket sector

Added value for customers through a comprehensive product range, digital platform and superior customer service

The aim is to double the net sales in five years*

*The targets for Relais' strategy period extending to 2024 have been defined in summer 2019.

Market trends support our growth

A growing target market

There are approximately 19 million passenger and commercial vehicles in the Nordic and Baltic countries.

Market drivers

- The need to get from A to B
- The number of vehicles and the development of innovations
- Vehicle stock
- Vehicle age
- Vehicle utilization
- New vehicles

Market trends

- Consolidation of the distribution of vehicle spare parts and equipment
- Evolution of vehicle powertrain
- Increasing complexity of vehicle components
- Digitalisation of customer interaction
- Data generated by vehicles

Long-term financial targets and dividend policy

Growth and synergies

The company aims to double its net sales in five years. The company aims to grow through a combination of organic growth and acquisitions.

- Organic growth: Relais aims to continue growing at an average pace exceeding the market growth, which is supported by targeted synergies, e.g. cross-sales between the existing and acquired entities.
- Based on Relais management's view, the overall market has been growing during recent years at a moderate but stable rate of approximately 1–3 percent annually, depending on product category and geography.
- M&A based growth: The company targets to make 1–2 acquisitions per year, where targeted synergies are expected to support earnings growth.

Dividend policy

Our dividend policy is to target annual dividends that exceed 30 percent of the average comparable profit of the Group, excluding amortisation of goodwill, over a business cycle.

In proposing the dividend, The Group's equity, long-term financing and investment needs, growth plans, liquidity position, acquisition opportunities, the requirements of the Companies Act for distribution of dividends and other factors that the Company's board of Directors consider important are taken into account.

Long-term financial targets

The company considers it very probable that the aforementioned strategic 5-year growth target will be reached substantially earlier than 2024.

The company therefore intends to redefine the target at a later stage this year.

Outlook 2021

- Relais has been able to demonstrate the effectivity and resilience of its business model even under the challenging circumstances of the year 2020.
- The strong financial position of Relais gives the company a good possibility to continue the successful implementation of the chosen strategy also in 2021.
- Even if the market conditions as a whole are stable at the time of this financial bulletin publication, the continuing COVID-19 pandemic still weakens the predictability of the market development. Therefore, the company does not provide a numeric guidance for financial year 2021.

Summary:
Record-breaking growth in an exceptional year

1. Strong growth driven by a clear strategy
2. Highly targeted and successful acquisitions
3. Commercial vehicles and lighting solutions as important pillars for growth
4. The digital transformation as one of the key drivers of our growth
5. Strong development of profitability and cash flow
6. Based on the strong and stable financial performance and the high cash conversion the Board proposes a substantially increased dividend of 0.30 EUR per share

Thank you!
Questions?

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