

# RELAIS



Interim Management Statement  
January–September 2021

**The profitable growth continues**

## **RELAIS GROUP PLC INTERIM MANAGEMENT STATEMENT JANUARY 1–SEPTEMBER 30, 2021 (UNAUDITED) – THE PROFITABLE GROWTH CONTINUES**

### **JULY–SEPTEMBER 2021 IN BRIEF**

- Net sales totaled EUR 58.6 million (July – September 2020: 32.8), +78.6% change
- EBITDA was EUR 8.7 (5.6) million, 14.8% (16.9%) of net sales, +56.4% change
- EBITA was EUR 8.3 (5.5) million, 14.2% (16.6%) of net sales, +52.8% change
- EBIT was EUR 5.0 (3.6) million, 8.4% (11.0%) of net sales, +39.3% change
- Comparable earnings per share excluding amortization of goodwill (undiluted) was EUR 0.32 (0.21) \*)
- Lighting season sales started strongly
- The global shortage of components has not been reflected in sales during the review period, but the related risks have not disappeared and may affect product availability at the end of the year and in early 2022
- Logistics costs are clearly increasing due to the international situation
- Significant inventory growth to secure delivery capacity continued
- Strands Group AB's growth was particularly strong
- Acquisition of STS Sydhamnens Trailer Service AB after the end of review period on 14 October 2021. The transaction is expected to be finalized during November 2021.

### **JANUARY–SEPTEMBER 2021 IN BRIEF**

- Net sales totaled EUR 164.4 million (January – September 2020: 91.7), +79.3% change
- EBITDA was EUR 21.7 (13.3) million, 13.2% (14.5%) of net sales, +63.7% change
- EBITA was EUR 20.5 (12.9) million, 12.5% (14.1%) of net sales, +58.5% change
- EBIT was EUR 11.1 (7.3) million, 6.8% (7.9%) of net sales, +52.8% change
- Comparable earnings per share excluding amortization of goodwill (undiluted) was EUR 0.80 (0.50) \*)
- The company continued the implementation of its growth strategy by acquiring the entire share capital of Swedish Strands Group AB and Finnish Raskone Oy and Lumise Oy
- The Annual General Meeting on March 30, 2021, decided to pay dividends of EUR 0.30 (0.10) per share for the financial year 2020
- Strategy recalibration and a new long-term net sales target in May 2021: the revised aim is to reach proforma net sales of EUR 500 million by the end of 2026
- Starting the investigation of the transition to the main list (Nasdaq Helsinki) for the transition to take place at the earliest in 2022
- Acquisitions made during the review period clearly contributed to the growth in total net sales and EBITA
- The market situation improved in all operating countries and product lines compared to the previous year
- The winter conditions had a clear positive effect on sales, especially in electrical spare parts during the first quarter
- Demand for lighting products was very strong. The growth was supported especially by the development of Strands Group AB acquired in January 2021
- The impact of the COVID-19 pandemic on business during the review period is minor, but the indirect effects of global logistics and supply chains continued

\*) The average undiluted number of shares Jan-Sep 2021 was 17,562,625 and Jan-Sep 2020 16,645,205

## 2021 OUTLOOK AND LONG-TERM FINANCIAL TARGETS

Relais has been able to demonstrate the effectiveness and resilience of its business model even under the challenging circumstances, being able to grow strongly while maintaining its profitability. In the company's view, the market situation enables favorable business development also in the last quarter of 2021. By early purchases and with pre-orders, the company has strived to secure the majority of the deliveries needed in 2021. Although the market situation at the time of publishing this release is generally stable, the visibility of the business is weakened by the continuing COVID-19 pandemic and the global shortage of components and semiconductors, as well as challenges in international logistics. Therefore, the company does not provide a numeric guidance for financial year 2021.

According to the the new long-term target published on 17 May 2021, the company aims to reach pro forma net sales of 500 MEUR by the end of year 2026.

The new net sales target is based on the recalibrated strategy for the years 2021–2026. The new recalibrated strategy continues to rely on a combination of strong growth through acquisitions and a faster than market average organic growth. Relais aims to accelerate and reinforce its acquisition activities. In this context, the Company has chosen to expand its potential acquisition target area to include the entire mobility-related aftermarket, with the main focus remaining on the Nordic vehicle aftermarket.

The earlier long-term financial targets published in 2019 included an ambition to double the company's net sales by 2025.

## KEY FIGURES

Thousand euros unless stated otherwise	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/ 2020
Net sales	58 649	32 847	164 408	91 690	128 924
Gross profit	25 893	11 203	69 018	31 547	44 996
EBITDA	8 701	5 564	21 720	13 271	19 127
EBITDA margin, %	14.8%	16.9%	13.2%	14.5%	14.8%
EBITA	8 342	5 459	20 519	12 949	18 711
EBITA margin, %	14.2%	16.6%	12.5%	14.1%	14.5%
Operating profit	5 014	3 599	11 098	7 263	11 088
Operating profit margin, %	8.5%	11.0%	6.8%	7.9%	8.6%
Profit (loss) for the period	2 375	1 715	4 640	2 645	6 937
Profit (loss) for the period margin, %	4.1%	5.2%	2.8%	2.9%	5.4%
Comparable profit (loss) excluding amortization of goodwill	5 674	3 575	14 061	8 331	14 561
Comparable profit (loss) excluding amortization of goodwill margin, %	9.7%	10.9%	8.6%	9.1%	11.3%
Return on equity (ROE)	9.8%*)	8.4%*)	9.8%*)	8.4%*)	10.1%*)
Equity ratio	37.8%	45.5%	37.8%	45.5%	46.7%
Net gearing	95.1%	47.8%	95.1%	47.8%	39.2%
Earnings per share, basic (EUR)**)	0.13	0.10	0.26	0.16	0.42
Earnings per share, diluted (EUR)**)	0.13	0.10	0.25	0.15	0.40
Comparable earnings per share, basic (EUR)**)	0.13	0.10	0.26	0.16	0.42
Comparable earnings per share, diluted (EUR)**)	0.13	0.10	0.25	0.15	0.40
Comparable earnings per share excluding amortization of goodwill, basic (EUR)**)	0.32	0.21	0.80	0.50	0.87
Comparable earnings per share excluding amortization of goodwill, diluted (EUR)**)	0.30	0.20	0.76	0.48	0.84
Personnel at the end of the period, FTE	848	290	848	299	296

\*) Items affecting the comparability and amortization of goodwill are not eliminated

\*\*) The average undiluted number of shares Jan-Sep 2021 was 17,652,625 and Jan-Sep 2020 16,645,205. The average diluted number of shares Jan-Sep 2021 was 18,299,424 and Jan-Sep 2020 17,339,219.

### **CEO ARNI EKHOLM COMMENTS:**

**"Our strong and profitable growth continued during the third quarter. The net sales grew with 79.3% to EUR 164.4 million and EBITA with 58.5% to EUR 20.5 million."**

### **The clear strategy accelerates growth**

"The strategy of Relais Group is based on combining growth through acquisitions with faster than market average organic growth. This growth is supported by synergies between the existing and acquired companies. During the first three quarters of the year 2021, we have continued the uncompromised execution of our chosen strategy and managed to achieve significant and profitable growth in our different operating units.

### **Organic growth**

The Nordic vehicle aftermarket developed positively during the third quarter of the year. The partial easing of the COVID-19 related societal restrictions in the latter part of the review period, and the continued growth of the general economy had a favorable effect on the market. According to our own estimates we were able to grow even faster than the market in average.

The organic growth was especially strong for the Group's own vehicle lighting brands. Several successful product launches, the increased market share in Sweden supported by cross-sales through local Group Companies, and the strong growth in export markets were the main contributors in this development. Especially the export of Strands-branded products to e.g., Germany and Canada has grown strongly during the first nine months of this year.

### **Corporate acquisitions**

As we communicated in June, we increased our resources in the M&A function which is of vital importance to us. Due to this we can now analyze the target markets even better and make contacts with a larger number of potential acquisition targets with a good strategic fit in the Nordic countries. During July-September our pipeline has already been complemented with several potential target companies.

In addition to the acquisitions already carried out earlier this year (Strands Group AB, Raskone Oy, Lumise Oy) we announced the acquisition of STS Sydhamnens Trailer Service AB after the review period. The transaction is expected to be completed during November 2021. After its completion the acquisition will substantially strengthen our already significant heavy commercial vehicle business in Sweden together with our Group companies Huzells i Karlstad and TD Tunga Delar AB.

### **COVID-19**

Apart from the disruptions in the global logistics and supply chains, the COVID-19 pandemic has not had a significant effect as such in our operating markets during the third quarter. Especially the commercial vehicles sector has picked up as the overall economic activity has increased. However, the delays in the deliveries of new vehicles have to some extent had an effect on the demand of vehicle equipment products, and the still continuing lower than normal level of bus traffic has decreased the demand of related spare parts. On the other hand, the growth of e-commerce has increased the need for different type of last-mile home deliveries. This has led to growth in the usage of light commercial vehicles and increased the demand for related services and spare parts.

As the pandemic still continues, the health and safety of our employees and business partners is of paramount importance to us. Even though some restrictions have already been lifted locally, we continue to carefully follow the different recommendations of the authorities in our operating countries. Fortunately, we have so far had no serious COVID-19 incidents reported among our personnel, and we will continue striving to guarantee everyone's safety in the best possible manner also in the future.



## Sustainability and electrification of the vehicles

For us, sustainability means above all practical and meaningful actions. We take good care of our employees, customers, and business partners and the environment. We have set clear ESG-related criteria to our global suppliers and several spare parts that we sell are covered by a refund system extending their life cycle after remanufacturing at the production site. We also take seriously the responsibility of our own line of business in reducing the global CO<sub>2</sub>-emissions. As the vehicle electrification accelerates, we have purposefully increased our spare part offering for full electric and hybrid electric vehicles. This range is growing steadily. In addition, we have increased the capability and preparedness of our Raskone-workshops to also serve and repair electrical commercial vehicles.

## Outlook for the rest of the year 2021

Relais Group is well prepared to continue the successful implementation of its strategy also during the last quarter of the year 2021. We have increased the inventory levels for critical product groups and strived to advance the deliveries, so that our ability to serve our customers would stay on a high level all through the year. We will continue our M&A activities with the aim of finding companies having a good strategic fit to our Group and a sufficient value creation potential to our shareholders.

The still ongoing disruptions in the global logistics and supply chains, the increase of material and delivery costs and the possible supply delays caused by the global lack of semiconductors make it however difficult to forecast the business performance during the rest of the year. Due to this Relais Group is not giving a numeric guidance for the year 2021.

**Finally, I want to extend my warmest thanks to all our almost 850 professionals, who do their very best every day to serve our customers even better. In addition, I want to thank all our customers, business partners and shareholders for the trust you are placing in us. We strive to be worth that trust also during the coming months and years.”**

## STRATEGY

Relais' strategy was published in 2019 in connection with the First North listing and was updated in May 2021 with additions to the long-term revenue target and to accelerate, strengthen and to broaden the scope of future acquisitions.

Relais aims to be a forerunner in vehicle life cycle enhancement in the Nordic and Baltic countries. Relais focuses on value generation through the vehicle life cycle, and it operates on the aftermarket, which is independent from vehicle manufacturers.

Relais' strategy is based on three key elements, which together also form a platform for the company's profitable growth in the future:

- 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.
- Relais aims to create customer value through Relais' comprehensive product range, digital platform, and superior customer service.
- Relais strives to continue targeted acquisitions and aims to be an active player in the consolidation of the Nordic and Baltic vehicle aftermarket sector.

Relais plans to capitalize on the growing addressable market, with approximately 19 million passenger cars and commercial vehicles already on the road in the Nordic and Baltic countries.

## BUSINESS REVIEW 1 JANUARY–30 SEPTEMBER 2021

Relais Group net sales in January–September was 164.4 (91.7) MEUR and it grew by 79.3% compared to the same period last year. The increase in net sales was due to both the successful acquisitions made in the first half of the year and the good market situation. The ability of the Group companies to increase their sales faster than the average market growth by cross sales, especially in the vehicle lighting segment was an important contributor in this development. The market situation during the review period can generally be described as normal, but the risks relating to the COVID-19 pandemic have not disappeared. The financial effects of the pandemic are mainly related to the committed working capital as the Group companies have significantly advanced and increased their purchases of different product lines, especially vehicle lighting products, to ensure product availability during the rest of the year. The demand of spare parts remained stable in both Sweden and Finland during the review period.

The impact of the acquisitions made during the first half of 2021 was significant in terms of both growth and strategy for Relais Group. The Swedish Strands Group is one of the fastest growing vehicle lighting brands in Europe and it clearly strengthened the sales growth of the Group's own brands, especially in the export markets. Rapid progress has also been made in achieving the synergy benefits of spare parts procurement for Raskone. We see concrete and clear growth opportunities for Raskone as part of the Relais Group. The web-shop sales of Lumise also grew strongly, especially in the Swedish marketplace.

## FINANCIAL REVIEW 1 JANUARY–30 SEPTEMBER 2021

### Financial result

The Group's EBITDA for January–September was EUR 21.7 (13.3) million or 13.2% (14.5%) of net sales, growing by 63.7% in year-on-year comparison. The growth in EBITDA was affected by acquisitions made in the first half of the review period and the healthy development of sales in Group companies. Fixed costs grew due to the acquisitions, cost development in other respects was moderate. During the comparison period, adjustment measures were made on fixed costs related to the pandemic.

Earnings before interest, taxes, and amortization (EBITA) grew in review period 58.5% in relation to the reference financial period, totaling EUR 20.5 (12.9) million, 12.5% (14.1%) of net sales. EBITA's growth was also driven by acquisitions at the beginning of the review period and the positive sales-driven earnings development of the Group companies.

Operating profit (EBIT) for the review period grew by 52.8% from the previous year, totaling EUR 11.1 (7.3) million, 6.8% (7.9%) of net sales. Acquisitions made by the Group increase goodwill and their amortization affecting operating profit in the consolidated financial statements prepared in accordance with Finnish accounting standards. However, earnings growth from acquisitions and organic growth was clearly stronger than this, leading to a clear increase in operating profit.

The profit for the period was EUR 4.6 (2.6) million, 2.8% (2.9%) of net sales, growing by 75.4%. In addition to business development, the increase in profit for the review period was due to acquisitions as well as financial expenses on acquisition loans. Acquisition loans, about half of which are denominated in SEK, involve unrealized exchange rate differences that may vary between reporting periods.

### Balance sheet, financing, and investments

The Group's balance-sheet total at the end of the review period on 30 September 2021 amounted to EUR 226.1 (155.1) million. The Group's equity was EUR 85.1 (70.3) million and its net debt at the end of the period was EUR 81.3 (33.8) million. Net gearing was 95.1% (39.2%), and the equity ratio was 37.8% (46.7%). Cash assets at the end of the review period were EUR 19.9 (30.0) million. The changes in the consolidated balance sheet key figures are a result of acquisitions made during the review period.

The Group has a financing agreement with its main bank valid until the end of May 2023. The maximum financial exposure under the financing agreement is EUR 111 million, consisting of a maximum of EUR 104 million in acquisition financing and an RCF limit of EUR 7 million. At the end of the review period, the undrawn portion of the RCF limit was EUR 4.8 million. The acquisition financing limit in accordance with the agreement has been utilized in its entirety. Further facilities will be implemented in connection with future acquisitions.

Cash flow from operations was EUR 2.3 (10.0) million. Business growth had a favorable effect on cash flow. Cash flow was significantly burdened by working capital tied up for advanced and increased product purchases.

Cash flow used in investing activities was EUR -48.7 (-7.7) million, arising almost entirely from the acquisitions of Strands Group AB, Raskone Oy and Lumise Oy. Other minor investments were related to ICT-systems and warehouse and office equipment.

Cash flow from financing activities was EUR 31.7 (-1.7) million. The amount of new acquisition loans drawn down from the existing facility during the review period was approximately EUR 40.7 million. Repayments and interest payments were made on the loans in accordance with the repayment program. Some minor credits at acquired companies were repaid. A total of EUR 5.2 million in dividends was paid out.

## **MAJOR EVENTS AFTER THE REVIEW PERIOD**

On 14 October the Company announced having signed an agreement regarding the acquisition of STS Sydhamnens Trailer Service AB. The closing of the acquisition is estimated to take place during November 2021.

## **ACCOUNTING PRINCIPLES OF THE INTERIM MANAGEMENT STATEMENT**

The figures in the Interim Management Statement are unaudited and have been prepared in accordance with the Finnish Accounting Standards (FAS). The impact of COVID-19 pandemic has been taken into account in applying the accounting principles.

The Interim Management Statements concerning the first and third quarters are published in a limited format containing the most important financial information describing the company's financial development. The Half-year report and Financial Statement Bulletin are published as comprehensive interim reports.

## **COMPARABILITY OF FINANCIAL INFORMATION**

Relais Group Plc acquired 70% of the shares of SEC Scandinavia A/S ("SEC") on 16 January 2020. On 6 February 2020 it acquired 95.25% of the shares of TD Tunga Delar Sverige AB (TD"). SEC has been included in consolidated group figures from 1 January 2020 and TD from 1 February 2020.

Relais Group Plc acquired the shares of Strands Group AB on 11 January 2021, Raskone Oy on 29 January 2021 and Lumise Oy on 31 March 2021. The 2020 reference data in this Interim Management Statement does not include the figures for the companies acquired in 2021.

## **INVITATION TO THE WEBCAST**

Relais Group's CEO Arni Ekholm and CFO Pekka Raatikainen will present the result to the media, investors and analysts at a webcast on 4 November 2021 from 10:00 a.m. EET. The webcast can be followed at:

<https://relais.videosync.fi/2021-11-04-interimreport-q3>

Presentation material and video will be available on the company's website at <https://relais.fi/en/investors/> after the event.

Relais Group Plc

Board of Directors

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## **Relais Group**

Relais Group is the leading consolidator and acquisition platform on the vehicle aftermarket in the Nordic and Baltic countries. We are an industrial operator with a sector focus in vehicle life cycle enhancement and related services. We also serve as a growth platform for the companies we own.

We are a profitable company seeking strong growth. We carry out targeted acquisitions in line with our growth strategy and want to be an active player in the consolidation of the aftermarket in our area of operation. Our acquisitions are targeted at companies having a good strategic fit with our group companies.

Our net sales in 2020 was EUR 128.9 (2019: 98.9) million and we employed almost 300 professionals in six different countries. During 2021, we have already completed three acquisitions. The combined net sales of the acquired companies total to almost EUR 92 million. Following the acquisitions, we employ approximately 850 professionals. Our share is listed on Nasdaq Helsinki Ltd's Nasdaq First North Growth Market Finland with the stock symbol RELAIS.

[www.relais.fi](http://www.relais.fi)



TABLE SECTION, 1 January–30 September 2021

GROUP INCOME STATEMENT

EUR thousand	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/ 2020
<b>NET SALES</b>	<b>58 649</b>	<b>32 731</b>	<b>164 408</b>	<b>91 690</b>	<b>128 924</b>
<b>Other operating income</b>	540	228	2 135	670	1 040
<b>Materials and services</b>					
Materials, supplies and goods					
Purchases during the period	-34 699	-20 771	-94 587	-58 140	-81 271
Increase/decrease in inventories	2 910	-752	1 936	-1 990	-2 639
External services	-968	-5	-2 740	-13	-19
	<b>-32 757</b>	<b>-21 528</b>	<b>-95 391</b>	<b>-60 143</b>	<b>-83 928</b>
<b>Personnel expenses</b>					
Wages and salaries	-8 084	-2 873	-24 400	-8 962	-12 876
Social security expenses					
Pension expenses	-1 197	-363	-3 454	-1 122	-1 538
Other social security expenses	-1 019	-535	-3 139	-1 468	-2 231
	<b>-10 300</b>	<b>-3 772</b>	<b>-30 993</b>	<b>-11 552</b>	<b>-16 645</b>
<b>Depreciation, amortisation and impairments</b>	-3 687	-1 965	-10 622	-6 008	-8 039
<b>Other operating expenses</b>	-7 431	-2 096	-18 439	-7 394	-10 264
<b>OPERATING PROFIT (LOSS)</b>	<b>5 014</b>	<b>3 599</b>	<b>11 098</b>	<b>7 263</b>	<b>11 088</b>
<b>Financial income and expenses</b>					
Other interest and financial income	305	22	720	128	2 235
Interest expenses and other financial expenses	-1 140	-792	-3 093	-2 253	-2 912
	<b>-835</b>	<b>-770</b>	<b>-2 373</b>	<b>-2 125</b>	<b>-677</b>
<b>PROFIT BEFORE TAXES</b>	<b>4 179</b>	<b>2 829</b>	<b>8 725</b>	<b>5 138</b>	<b>10 411</b>
Income taxes	-1 786	-1 100	-4 018	-2 437	-3 403
Minority interest	-18	-14	-67	-56	-70
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>2 375</b>	<b>1 715</b>	<b>4 640</b>	<b>2 645</b>	<b>6 937</b>

## CONSOLIDATED BALANCE SHEET

EUR thousand	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Immaterial rights	134	120	109
Goodwill	103 186	59 209	58 215
Other intangible assets	1 639	374	363
<b>Intangible assets total</b>	<b>104 959</b>	<b>59 703</b>	<b>58 688</b>
Machinery and equipment	2 965	574	602
Other tangible assets	155	82	62
<b>Tangible assets total</b>	<b>3 120</b>	<b>656</b>	<b>664</b>
Other shares and holdings	80	102	81
<b>Investments total</b>	<b>80</b>	<b>102</b>	<b>81</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>108 159</b>	<b>60 461</b>	<b>59 433</b>
<b>CURRENT ASSETS</b>			
Finished products/goods	57 716	41 795	42 269
Advance payments	7 719	1 969	2 004
<b>Inventories total</b>	<b>65 435</b>	<b>43 764</b>	<b>44 273</b>
Deferred tax assets	283	518	284
Other receivables	5	0	0
Prepaid expenses and accrued income	0	2	0
<b>Total long-term receivables</b>	<b>288</b>	<b>520</b>	<b>284</b>
Trade receivables	28 114	18 014	13 123
Other receivables	991	127	359
Prepaid expenses and accrued income	3 287	2 270	2 491
<b>Total short-term receivables</b>	<b>32 392</b>	<b>20 411</b>	<b>15 972</b>
Cash at bank and in hand	19 863	29 986	34 669
<b>TOTAL CURRENT ASSETS</b>	<b>117 978</b>	<b>94 681</b>	<b>95 198</b>
<b>TOTAL ASSETS</b>	<b>226 137</b>	<b>155 142</b>	<b>154 630</b>

EUR thousand	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>EQUITY</b>			
Share capital	80	80	80
Reserve for invested unrestricted equity	69 345	56 226	56 226
Retained earnings	11 083	11 323	8 702
Profit (loss) for the period	4 640	2 645	6 937
<b>TOTAL EQUITY</b>	<b>85 148</b>	<b>70 274</b>	<b>71 946</b>
<b>MINORITY INTEREST</b>	<b>382</b>	<b>293</b>	<b>319</b>
Provisions	333	0	157
<b>NON-CURRENT LIABILITIES</b>			
Loans from financial institutions	94 818	57 722	58 014
Other loans and purchase consideration liability	163	122	129
Deferred tax liabilities	3 224	2 725	2 816
<b>Total non-current liabilities</b>	<b>98 205</b>	<b>60 569</b>	<b>60 959</b>
<b>CURRENT LIABILITIES</b>			
Loans from financial institutions	6 379	6 011	5 000
Other loans and purchase consideration liability	2 896	0	0
Trade payables	13 341	9 091	8 606
Other liabilities	11 554	4 189	3 671
Accrued expenses and deferred income	7 899	4 715	3 972
<b>Total current liabilities</b>	<b>42 069</b>	<b>24 006</b>	<b>21 250</b>
<b>TOTAL LIABILITIES</b>	<b>140 274</b>	<b>84 575</b>	<b>82 209</b>
<b>EQUITY AND LIABILITIES TOTAL</b>	<b>226 137</b>	<b>155 142</b>	<b>154 630</b>

## CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/ 2020
<b>Profit (loss) for the period</b>	<b>2 375</b>	<b>1 715</b>	<b>4 640</b>	<b>2 645</b>	<b>6 937</b>
Adjustments					
Depreciation, amortisation and impairments	3 688	1 965	10 622	6 008	8 039
Financial income and expenses	1 071	376	2 345	1 731	617
Income tax	1 766	1 102	3 998	2 438	3 403
Minority interest in net income	18	14	67	56	70
Other adjustments	-247	392	20	388	83
<b>Operating cash flow before working capital changes</b>	<b>8 671</b>	<b>5 563</b>	<b>21 692</b>	<b>13 266</b>	<b>19 150</b>
Changes in working capital					
Increase/decrease in inventories	-4 316	1 106	-9 761	1 438	2 013
Increase/decrease short-term receivables	-5 316	-4 329	-5 474	-4 694	281
Increase/decrease in provisions	52	3 254	175	3 254	84
Increase/decrease short-term liabilities	-497	588	594	155	-1 239
<b>Cash flows from operations before financial items and taxes</b>	<b>-1 406</b>	<b>6 182</b>	<b>7 226</b>	<b>13 419</b>	<b>20 288</b>
Interest and other financial expenses paid	-478	-165	-1 753	-1 240	-3 173
Foreign exchange gain/loss	-260	0	-260	0	1 470
Interest received	41	8	41	8	57
Income taxes paid	-722	-581	-2 975	-2 183	-2 546
<b>Net cash from operating activities</b>	<b>-2 825</b>	<b>5 444</b>	<b>2 279</b>	<b>10 004</b>	<b>16 096</b>
Acquisition of subsidiaries, net of cash acquired	0	0	-47 116	-7 593	-9 259
Purchase of tangible and intangible assets	-385	-124	-1 556	-136	-199
Repayment of loan receivable	0	0	0	0	708
<b>Net cash used in investing activities</b>	<b>-385</b>	<b>-124</b>	<b>-48 672</b>	<b>-7 729</b>	<b>-8 750</b>
Proceeds from shares subscribed by using option rights	0	0	915	0	0
Dividends paid	0	-1 682	-5 189	-1 682	-1 682
Proceeds from current borrowings	4 497	0	4 497	0	5 000
Repayment of current borrowings	-6 189	0	-6 189	0	-3 387
Proceeds from non-current borrowings	300	0	40 735	0	60 427
Repayment of non-current borrowings	1 022	0	-3 020	0	-63 245
<b>Net cash used in financing activities</b>	<b>-370</b>	<b>-1 682</b>	<b>31 749</b>	<b>-1 682</b>	<b>-2 889</b>
<b>Net change in cash and cash equivalents</b>	<b>-3 580</b>	<b>3 820</b>	<b>-14 644</b>	<b>592</b>	<b>4 457</b>
<b>Cash and cash equivalents, opening amount</b>	<b>23 771</b>	<b>26 337</b>	<b>34 669</b>	<b>29 600</b>	<b>29 600</b>
Effects of exchange rate fluctuations	-328	-171	-162	-206	611
<b>Cash and cash equivalents</b>	<b>19 863</b>	<b>29 986</b>	<b>19 863</b>	<b>29 986</b>	<b>34 669</b>

## CHANGES IN THE GROUP'S EQUITY

RETAINED EARNINGS TOTAL						
EUR thousand	Share capital	Reserve for invested unrestricted equity	Retained earnings excluding translation differences	Translation differences	Retained earnings total	Total
<b>Equity 1.1.2021</b>	<b>80</b>	<b>56 226</b>	<b>19 385</b>	<b>-3 745</b>	<b>15 639</b>	<b>71 946</b>
Change in translation differences				632	632	632
Share issue		13 119				13 119
Dividend distribution			-5 189		-5 189	-5 189
Profit (loss) for the period			4 640		4 640	4 640
<b>Equity 30.9.2021</b>	<b>80</b>	<b>69 345</b>	<b>18 836</b>	<b>-3 113</b>	<b>15 723</b>	<b>85 148</b>
<b>Equity 1.1.2020</b>	<b>80</b>	<b>51 007</b>	<b>14 129</b>	<b>-1 531</b>	<b>12 598</b>	<b>63 685</b>
Change in translation differences				407	407	407
Share issue		5 219				5 219
Dividend distribution			-1 682		-1 682	-1 682
Profit (loss) for the period			2 645		2 645	2 645
<b>Equity 30.9.2020</b>	<b>80</b>	<b>56 226</b>	<b>15 092</b>	<b>-1 124</b>	<b>13 968</b>	<b>70 274</b>
<b>Equity 1.1.2020</b>	<b>80</b>	<b>51 007</b>	<b>14 129</b>	<b>-1 531</b>	<b>12 598</b>	<b>63 685</b>
Change in translation differences				-2 214	-2 214	-2 214
Share issue		5 219				5 219
Dividend distribution			-1 682		-1 682	-1 682
Profit (loss) for the period			6 937		6 937	6 937
<b>Equity 31.12.2020</b>	<b>80</b>	<b>56 226</b>	<b>19 384</b>	<b>-3 745</b>	<b>15 639</b>	<b>71 946</b>



## ACCOUNTING PRINCIPLES

The interim report for the 1 January–10 September 2021 period has been prepared in accordance with the Finnish Accounting Standards (FAS) and it adheres to the accounting principles of the consolidated financial statements of 2019. The impact of COVID-19 pandemic has been taken into account in applying the accounting principles.

The financial information presented in the report is unaudited. Financial and other information presented in the tables has been rounded.

## SEASONALITY

The seasonality of the group's business has an impact on the demand for Relais's services, which in turn affects its net sales, net operating profit, and cash flows. Variation in seasonal temperatures, such as warm summers and cold winters, can have an effect on the demand for batteries, starter motors, and chargers as well as the need for vehicle air conditioning and heating. Furthermore, the demand for lighting products, such as LEDs and auxiliary lights, typically grows in the fall and winter months. Due to seasonal changes, Relais typically produces greater net sales in the second half of the year.

## EARNINGS PER SHARE

EUR	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Earnings per share, basic	0.13	0.10	0.26	0.16	0.42
Earnings per share, diluted	0.13	0.10	0.25	0.15	0.40

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Number of outstanding shares at the end of the period	17 941 433	17 941 433	16 820 000	16 820 000	16 820 000
Weighted average number of shares, basic	17 941 433	17 562 625	16 820 000	16 645 205	16 688 834
Weighted average number of shares, diluted	18 690 040	18 399 424	17 531 466	17 339 219	17 398 661

## GROUP KEY FIGURES

EUR thousand unless stated otherwise	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/ 2020
Net sales	58 649	32 847	164 408	91 690	128 924
Net sales growth, %	78.6%	12.5%	79.3%	37.2%	30.3%
Gross profit	25 893	11 203	69 018	31 547	44 996
Gross margin, %	44.1%	33.7%	42.0%	34.4%	34.9%
EBITDA	8 701	5 564	21 720	13 271	19 127
EBITDA margin, %	14.8%	16.9%	13.2%	14.5%	14.8%
EBITA	8 342	5 459	20 519	12 949	18 711
EBITA margin, %	14.2%	16.6%	12.5%	14.1%	14.5%
Operating profit	5 014	3 599	11 098	7 263	11 088
Operating profit margin, %	8.5%	11.0%	6.8%	7.9%	8.6%
Profit (loss) for the period	2 375	1 715	4 640	2 645	6 937
Profit (loss) for the period margin, %	4.1%	5.2%	2.8%	2.9%	5.4%
Comparable profit (loss)	2 375	1 715	4 640	2 645	6 937
Comparable profit (loss) margin, %	4.1%	5.2%	2.8%	2.9%	5.4%
Comparable profit (loss) excluding amortisation of goodwill	5 674	3 575	14 061	8 331	14 561
Comparable profit (loss) excluding amortisation of goodwill margin, %	9.7%	10.9%	8.6%	9.1%	11.3%
Items affecting comparability included in profit (loss) for the period	0	0	0	0	0
Net working capital	65 071	46 473	65 071	46 473	43 995
Inventories	65 435	43 765	65 435	43 765	44 273
Free cash flow	-1 791	6 058	5 670	13 283	20 090
Cash conversion	-20.6%	108.9%	26.1%	100.1%	105.0%
Net debt	81 334	33 747	81 334	33 747	28 345
Net debt to EBITDA, annualised	2.8	1.9	2.8	1.9	1.5
Net gearing	95.1%	47.8%	95.1%	47.8%	39.2%
Equity ratio	37.8%	45.5%	37.8%	45.5%	46.7%
Return on investment (ROI)	9.8%*)	8.4%*)	9.8%*)	8.4%*)	10.1%*)
Return on equity (ROE)	8.0%*)	7.7%*)	8.0%*)	7.7%*)	10.3%*)
Return on assets (ROA)	8.3%*)	7.3%*)	8.3%*)	7.3%*)	9.0%*)
Earnings per share, basic (EUR)**)	0.13	0.10	0.26	0.16	0.42
Earnings per share, diluted (EUR)**)	0.13	0.10	0.25	0.15	0.40
Comparable earnings per share, basic (EUR)**)	0.13	0.10	0.26	0.16	0.42
Comparable earnings per share, diluted (EUR)**)	0.13	0.10	0.25	0.15	0.40
Comparable earnings per share excluding amortisation of goodwill, basic (EUR)**)	0.32	0.21	0.80	0.50	0.87
Comparable earnings per share excluding amortisation of goodwill, diluted (EUR)**)	0.30	0.20	0.76	0.48	0.84
Average number of employees	857	279	777	290	290
Personnel at the end of the period, FTE	848	290	848	299	296

\*) Items affecting the comparability and amortization of goodwill not eliminated from the ROI, ROE, and ROA- key figures

\*\*) The average undiluted and diluted number of shares regarding reporting periods are presented in the table section of the Management Interim Statement under "Earnings per share"

## ACCOUNTING PRINCIPLES FOR KEY FIGURES

Key figure	Definition
EBITA <sup>1</sup>	Operating profit + amortization of consolidated goodwill
EBITDA <sup>1</sup>	Operating profit + depreciation, amortization, and impairments
Gross profit	Net sales - materials and services
Gross margin	Gross profit/net sales *100
Items affecting comparability included in profit (loss) for the period	Items affecting comparability included in operating profit + listing expenses + other non-recurring finance expenses + group contributions + tax impact of items affecting comparability
Comparable profit (loss) for the period <sup>1</sup>	Profit (loss) for the period + items affecting comparability included in profit (loss) for the period
Comparable profit (loss) for the period excluding amortization of goodwill <sup>1</sup>	Profit (loss) for the period + items affecting comparability included in profit (loss) for the period + amortization of consolidated goodwill
Comparable earnings per share, basic	Comparable profit (loss)/weighted average number of shares outstanding during the period
Comparable earnings per share, diluted	Comparable profit (loss)/weighted average number of shares outstanding during the period + dilutive potential shares
Comparable earnings per share excluding amortization of goodwill, basic	Comparable profit (loss) excluding amortization of goodwill/weighted average number of shares outstanding during the period
Comparable earnings per share excluding amortization of goodwill, diluted	Comparable profit (loss)/weighted average number of shares outstanding during the period + dilutive potential shares
Earnings per share, basic	Profit (loss) for the period/weighted average number of shares outstanding during the period
Earnings per share, diluted	Profit (loss) for the period/weighted average number of shares outstanding during the period + dilutive potential shares
Net working capital	Inventories + short-term trade receivables + other receivables + prepaid expenses and accrued income - trade payables - other current liabilities - accrued expenses and deferred income
Free cash flow	Operating cash flow before working capital changes + change in working capital + purchase of tangible and intangible assets

Cash conversion	Free cash flow/EBITDA
Net debt	Loans from financial institutions + other loans and purchase consideration liability + capital loans – loan receivables – receivables from Group companies – subscribed capital unpaid – cash at bank and in hand
Net debt to EBITDA	Net debt/EBITDA (interim period figures annualized)
Net gearing	Net debt/Equity + minority interest
Equity ratio	Equity + minority interest/Equity and liabilities, total
Return on investment (ROI)	(Operating profit + other interest and financial income - listing expenses, (interim period figures annualized) / (Equity + minority interest + loans from financial institutions + other loans + capital loans + convertible bonds, average)
Return on equity (ROE)	Profit (loss) for the period + minority interest, (interim period figures annualized multiplying by two) / (Equity + minority interest, average)
Return on assets (ROA)	(Operating profit + other interest financial income - listing expenses, interim period figures annualized) / (Total assets, average)
	<sup>1</sup> Key measure margin, % has been calculated by dividing the measure with net sales and multiplying by 100.

## RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

In thousand euros unless stated otherwise	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/ 2020
<b>Net sales</b>	<b>58 649</b>	<b>32 847</b>	<b>164 408</b>	<b>91 690</b>	<b>128 924</b>
Materials and services	-32 756	-21 644	-95 390	-60 143	-83 928
<b>Gross profit</b>	<b>25 893</b>	<b>11 203</b>	<b>69 018</b>	<b>31 547</b>	<b>44 996</b>
Gross margin, %	44.1%	34.1%	42.0%	34.4%	34.9%
<b>Operating profit</b>	<b>5 014</b>	<b>3 599</b>	<b>11 098</b>	<b>7 263</b>	<b>11 088</b>
Depreciation, amortization and impairments	3 687	1 965	10 622	6 008	8 039
<b>EBITDA</b>	<b>8 701</b>	<b>5 564</b>	<b>21 720</b>	<b>13 271</b>	<b>19 127</b>
EBITDA margin, %	14.8%	16.9%	13.2%	14.5%	14.8%
<b>Operating profit</b>	<b>5 014</b>	<b>3 599</b>	<b>11 098</b>	<b>7 263</b>	<b>11 088</b>
Amortization of goodwill	3 328	1 860	9 421	5 686	7 623
<b>EBITA</b>	<b>8 342</b>	<b>5 459</b>	<b>20 519</b>	<b>12 949</b>	<b>18 711</b>
EBITA margin, %	14.2%	16.6%	12.5%	14.1%	14.5%
<b>Profit (loss) for the period</b>	<b>2 375</b>	<b>1 715</b>	<b>4 640</b>	<b>2 645</b>	<b>6 937</b>
<b>Items affecting comparability included in profit (loss) for the period</b>					
Listing expenses	0	0	0	0	0
Other non-recurring finance expenses	0	0	0	0	0
Tax impact of items affecting comparability	0	0	0	0	0
<b>Items affecting comparability included in profit (loss) for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Comparable profit (loss)</b>	<b>2 375</b>	<b>1 715</b>	<b>4 640</b>	<b>2 645</b>	<b>6 937</b>
Comparable profit (loss) margin, %	4.0%	5.2%	2.8%	2.9 %	5.4 %
Amortization of goodwill	3 328	1 860	9 421	5 686	7 623
<b>Comparable profit (loss) excluding amortization of goodwill</b>	<b>5 703</b>	<b>3 575</b>	<b>14 061</b>	<b>8 331</b>	<b>14 560</b>
Comparable profit (loss) excluding amortization of goodwill margin, %	9.7%	10.9%	8.6%	9.1%	11.3%
Operating cash flow before working capital changes	8 671	5 563	21 692	13 266	19 150
Change in working capital	-10 077	619	-14 466	153	1 139
Purchase of tangible and intangible assets	-385	-124	-1 556	-136	-199
<b>Free cash flow</b>	<b>-1 791</b>	<b>6 058</b>	<b>5 670</b>	<b>13 283</b>	<b>20 090</b>