

RELAIS



Interim Management Statement
January–March 2022

Moving forward on the growth path

RELAIS GROUP PLC INTERIM MANAGEMENT STATEMENT 1 JANUARY–31 MARCH 2022 (UNAUDITED) – MOVING FORWARD ON THE GROWTH PATH

JANUARY–MARCH 2022 IN BRIEF

- Net sales totaled EUR 61.9 million (January–March 2021: 53.5), +15.7% change
- EBITDA was EUR 6.6 (7.6) million, 10.7% (14.3%) of net sales, -13.6% change
- EBITA was EUR 6.1 (7.4) million, 9.9% (13.8%) of net sales, -17.4% change
- EBIT was EUR 2.5 (4.6) million, 4.1% (8.6%) of net sales, -44.6% change
- Comparable earnings per share excluding amortization of goodwill (undiluted) was EUR 0.22 (0.28) *)
- Net sales continued to grow
- The winter conditions did not have a positive effect on net sales similar to that of the exceptionally strong comparison period of Q1/2021
- Sickness absenteeism due to the Covid-19 Omicron variant pandemic affected the general market demand especially in Sweden during January–February, and constrained the service capacity and revenue development of the commercial vehicle repair and maintenance business
- The sharp rise in fuel and energy prices caused general caution among customers and made the financial situation of particularly transportation companies difficult
- For the reasons mentioned above, the market situation as a whole was weaker than in the previous year, but improved during March
- The supply chain was still affected by the Covid-19 pandemic, which is expected to continue due to China's extensive lock down measures
- For precautionary reasons, inventories were still kept higher than normal
- The company has initiated actions to reflect the upwards pressure on purchase prices in the customer prices

*) The average undiluted number of shares Jan-Mar 2022 was 17,941,433 and Jan-Mar 2021 17,295,124

2022 OUTLOOK AND LONG-TERM FINANCIAL TARGETS

Relais Group has demonstrated the effectiveness and resilience of its business model even under challenging circumstances during the last financial years, being able to grow strongly and profitably. The profitability growth is supported by acquisitions which also form a platform for continued growth.

Relais aims to grow at a faster pace than the market average. Despite the market development in the beginning of this year, Relais is well positioned to develop its business favorably also during the financial period of 2022. The overall market growth in the Nordic countries is expected to be low this year and probably continue to be below last year's development.

In order to ensure the needed product supplies during 2022 some purchases by Relais Group companies have been pre-ordered from suppliers. Even though the overall market situation is reasonably stable at the time of the publication of this review, it is still weaker than last year. The visibility is blurred by the continuing lack of components and semi-conductors, the increase in raw material prices, challenges in the global logistical chains and the weakened political and security situation. The continuing increases in energy prices, especially fuel prices, can create challenges for some of Relais Group's customers, especially in the maintenance and repair business.

The Company does not provide a numeric guidance for financial year 2022.

According to 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.

KEY FIGURES

EUR thousand unless stated otherwise	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	61,919	53,522	237,927
Gross profit	28,023	21,333	100,822
EBITDA	6,605	7,648	30,981
EBITDA margin, %	10.7%	14.3%	13%
EBITA	6,104	7,389	29,271
EBITA margin, %	9.9%	13.8%	12.3%
Operating profit	2,543	4,592	16,413
Operating profit margin, %	4.1%	8.6%	6.9%
Profit (loss) for the period	376	1,911	7,708
Profit (loss) for the period margin, %	0.6%	3.6%	3.2%
Comparable profit (loss) excluding amortisation of goodwill	4,011	4,709	20,685
Comparable profit (loss) excluding amortisation of goodwill margin, %	6.5%	8.8%	8.7%
Return on equity (ROE) *	1.7%	10.1%	9.7%
Equity ratio	37.8%	35.2%	37.9%
Net gearing	97%	82.1%	95.3%
Earnings per share, basic (EUR) **)	0.02	0.11	0.44
Earnings per share, diluted (EUR) **)	0.02	0.11	0.42
Comparable earnings per share, basic (EUR) **)	0.02	0.11	0.44
Comparable earnings per share, diluted (EUR) **)	0.02	0.11	0.42
Comparable earnings per share excluding **) amortisation of goodwill, basic (EUR)	0.22	0.28	1.17
Comparable earnings per share excluding **) amortisation of goodwill, diluted (EUR)	0.21	0.26	1.12
Personnel at the end of the period, FTE	973	792	950

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

***) The average undiluted number of shares Jan-Mar 2021 was 17,941,433 and Jan-Mar 2021 17,295,124. The average diluted number of shares Jan-Mar 2022 was 18,685,791 and Jan-Mar 2021 17,926,581.

CEO ARNI EKHOLM COMMENTS:

“The market situation was exceptionally challenging during the first quarter of 2022, especially during January–February. The effect of the weather conditions is obvious in comparison with the first quarter of the year 2021. The harsh winter conditions during the beginning of 2021 boosted the sales of different electrical spare parts, batteries and heaters, while the mild winter prevailing during the start of this year did not give a similar positive tone to the market. In addition, the extensive sickness absenteeism caused by the Covid-19 Omicron variant had a negative impact on the market, especially in Sweden. Many of the mechanics in our commercial vehicle repair and maintenance businesses in Sweden and Finland were on a sick leave in January–February, and many commercial customers also got sick and were not allowed to come to the workshops for their planned repairs. This had a negative effect in the invoicing of the workshops as all customer jobs could not be carried out.

The market demand was also strongly affected by the general cost increases. The strong increase in fuel and energy prices has had an effect on demand in the transport sector, but also the general consumer demand seems to be affected. This cost development is reflected in the cautiousness of the transport sector

customer purchases in especially equipment products. As for the passenger car sector, it can be seen that the sickness absenteeism caused by the Omicron-variant has generally reduced the level of private car traffic, leading to a temporary reduction in regular repair and maintenance jobs. This had a negative contribution in the development of the spare part markets especially during January–February.

We continued our active corporate acquisition activities in line with our strategy. Our latest acquisition is the Swedish company Skeppsbrons Jönköping AB as announced last week. This acquisition will further strengthen our position as the biggest player within the independent commercial vehicle repair and maintenance sector in the Nordic countries. We are continuously doing research on various acquisition targets and we are on a regular basis talking with several different parties about possible acquisitions. We act in a disciplined and methodological manner and strive to find targets having a combination of good strategic fit, competent and committed management, good and sustainable profitability level, a realistic valuation and a strong future growth potential as a part of Relais Group. Our sector focus and in-depth knowledge of the vehicle aftermarket gives us a unique competitive advantage in doing corporate acquisitions.

The market situation has partly normalized during March and some slight positive development can be seen. However, assessing the outlook is substantially impeded by the insecurity owing to the still continuing war in Ukraine and the general global security situation, as well as the increase of costs within the transport sector. Despite this, I believe that the Relais Group is well positioned to continue a faster growth than the market average by utilizing intercompany synergies and by actively pursuing corporate acquisitions.”

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 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.

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–31 MARCH 2022

The Group Net Sales in January-March was 61.9 (53.5) MEUR and it grew with 15.7% compared to the same period of last year. The sales growth was mainly caused by the corporate acquisitions carried out during 2021. The mild winter conditions compared to the same review period last year reduced the sales of certain electrical spare parts and equipment, such as batteries, generators and starters. The Covid-19 Omicron-variant increased the sickness absenteeism to a large extent which had a negative effect especially on the capacity utilization of the Group's commercial vehicle repair and maintenance workshop chains. A similar effect was also observed among the customers which lead to a reduced demand of spare parts and equipment.

The effects of the Covid-19 pandemic during this review period were the most extensive since the beginning of the pandemic in 2020. In addition to the demand driven factors described above, the financial effects of the pandemic relate to the increase in committed working capital as the Group companies increased and advanced their purchases to ensure their product availability and service levels for this year. The international situation and the general increase in costs are causing an upwards pressure in the purchase prices for products and services.

The development of the EUR/SEK exchange rate during the review period had a negative effect on the Group's EBITA. At comparable exchange rates, EBITA during the review period would have been approximately EUR 170 thousand higher than reported.

The market situation has not affected the implementation of the Group's strategy. The process of gaining synergy benefits from cross sales between Group companies and joint purchases continued as planned. The close commercial cooperation between the Group companies also reduces the effect of negative market developments in the Group's financial results.

The effect of corporate acquisitions is still significant for the Group's strategy and growth. The companies acquired during 2021 have quickly adapted their planned role and contributed in the increase of growth and profitability. They also act as enablers for future strategic growth opportunities.

FINANCIAL REVIEW 1 JANUARY–31 MARCH 2022

Financial result

The Group's EBITDA for January–March was EUR 6.6 (7.6) million or 10.7% (14.3%) of net sales, decreasing by 13.6% in year-on-year comparison. The decrease in EBITDA was affected by sales development. Fixed costs grew due to the acquisitions, cost development in other respects was moderate.

Earnings before interest, taxes, and amortization (EBITA) decreased in review period 17.4% in relation to the reference financial period, totaling EUR 6.1 (7.4) million, 9.9% (13.8%) of net sales. Decrease in EBITA was also due to the development of sales.

Operating profit (EBIT) for the review period decreased by 44.6% from the previous year, totaling EUR 2.5 (4.6) million, 4.1% (8.6%) of net sales. Acquisitions made by the Group increase goodwill and their amortization affecting operating profit, which combined with the general business development resulted in decrease in operating profit.

The profit for the period was EUR 0.4 (1.9) million, 0.6% (3.6%) of net sales, decreasing by 80.0%. 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 31 March 2022 amounted to EUR 237.9 (234.9) million. The Group's equity was EUR 89.6 (82.4) million and its net debt at the end of the period was EUR 87.3 (68.0) million. Net gearing was 97.0% (82.1%), and the equity ratio was 37.8% (35.2%). Cash assets at the end of the review period were EUR 16.1 (35.9) million. The changes in the consolidated balance sheet key figures are a result of acquisitions made during the review period.

The maturity of the Group's senior financing agreement was extended by one year until the end of May 2024. At the same time the financing limits included in the agreement were raised. The maximum financial exposure under the restated financing agreement is EUR 133.7 million, consisting of a maximum of EUR 101.7 million in acquisition financing, EUR 25 million in uncommitted senior facilities agreement and an RCF limit of EUR 7 million. At the end of the review period, the undrawn portion of the uncommitted senior facilities was EUR 25 million and of RCF limit EUR 4.8 million.

Cash flow from operations was EUR -0.1 (6.4) million. Cash flow was significantly burdened by working capital tied up for advanced and increased product purchases, in line with the comments made above.

Cash flow used in investing activities was EUR -2.5 (-45.5) million, including additional consideration for STS Sydhamnens Trailer Service AB shares and some minor business related capital expenditure.

Cash flow from financing activities was EUR 7.0 (39.4) million. The amount of new acquisition loans drawn down during the review period was EUR 7.0 million.

MAJOR EVENTS AFTER THE REVIEW PERIOD

On 5 May the Company announced having signed an agreement regarding the acquisition of Skeppsbrons Jönköping AB. The closing of the acquisition is estimated to take place during May 2022.

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 Acquired Raskone Oy on 29 January 2021, Lumise Oy on 31 March 2021, Sydhamnens Trailer Service AB on 18 November 2021 and Trucknik Reservdelar AB on 16 December 2021.

The 2020 reference data in this Interim Management Statement does not include the figures for the companies acquired from the period preceding the acquisition and commencement of their consolidation 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 12 May 2022 from 10:00 a.m. EET. The webcast can be followed at:

<https://relais.videosync.fi/interimreport-q1-2022/>

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

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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 have 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 2021 was EUR 237.9 (2020: 128.9) million. During 2021, we completed a total of six acquisitions. We employ approximately 950 professionals in six different countries. Our share is listed on Nasdaq Helsinki Ltd's Nasdaq First North Growth Market Finland with the stock symbol RELAIS.

www.relais.fi

TABLE SECTION, 1 January–31 March 2022

GROUP INCOME STATEMENT

EUR thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
NET SALES	61,919	53,522	237,927
Change in inventories of finished goods and work in progress	154	0	-107
Other operating income	652	885	3,074
Materials and services			
Materials, supplies and goods			
Purchases during the period	-35,253	-30,610	-140,506
Increase/decrease in inventories	3,377	-838	10,443
External services	-2,174	-741	-6,934
	-34,050	-32,189	-136,997
Personnel expenses			
Wages and salaries	-10,541	-7,846	-35,489
Social security expenses			
Pension expenses	-1,497	-799	-5,119
Other social security expenses	-1,558	-822	-4,777
	-13,597	-9,467	-45,386
Depreciation, amortisation and impairments	-4,061	-3,056	-14,568
Other operating expenses	-8,474	-5,103	-27,529
OPERATING PROFIT (LOSS)	2,543	4,592	16,413
Financial income and expenses			
Other interest and financial income	515	922	1,222
Interest expenses and other financial expenses	-1,373	-2,302	-4,525
	-858	-1,379	-3,303
PROFIT BEFORE TAXES	1,685	3,212	13,110
Income taxes	-1,294	-1,261	-5,312
Minority interest	-15	-40	-90
PROFIT (LOSS) FOR THE PERIOD	376	1,911	7,708

CONSOLIDATED BALANCE SHEET

EUR thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
NON-CURRENT ASSETS			
Development costs	315	0	297
Immaterial rights	75	246	79
Goodwill	106,792	108,350	109,918
Other intangible assets	1,418	1,622	1,437
Intangible assets total	108,601	110,218	111,732
Buildings and structures	29	0	33
Machinery and equipment	3,374	2,427	3,485
Other tangible assets	687	75	616
Advance payments and work in progress	49	0	76
Tangible assets total	4,140	2,502	4,209
Other shares and holdings	79	811	79
Investments total	79	811	79
TOTAL NON-CURRENT ASSETS	112,820	113,531	116,020
CURRENT ASSETS			
Work in progress	972	0	730
Finished products/goods	69,894	53,971	67,273
Advance payments	3,037	2,816	5,243
Inventories total	73,903	56,787	73,247
Deferred tax assets	0	305	0
Other receivables	6	0	5
Total long-term receivables	5	305	5
Trade receivables	30,207	26,689	26,923
Other receivables	434	18	665
Prepaid expenses and accrued income	4,411	2,692	6,199
Total short-term receivables	35,052	29,399	33,787
Cash at bank and in hand	16,094	34,887	11,803
TOTAL CURRENT ASSETS	125,055	121,378	118,842
TOTAL ASSETS	237,874	234,909	234,862

EUR thousand	31 Mar 2022	31 Mar 2021	31 Dec 2021
EQUITY			
Share capital	80	80	80
Reserve for invested unrestricted equity	69,282	69,057	69,282
Retained earnings	19,853	11,337	11,644
Profit (loss) for the period	376	1,911	7,708
TOTAL EQUITY	89,591	82,385	88,713
MINORITY INTEREST	417	355	404
Provisions	48	157	48
NON-CURRENT LIABILITIES			
Loans from financial institutions	96,842	96,848	90,720
Other loans and purchase consideration liability	1,561	1,583	1,561
Deferred tax liabilities	3,281	3,224	3,307
Total non-current liabilities	101,684	101,655	95,588
CURRENT LIABILITIES			
Loans from financial institutions	6,538	6,006	6,042
Advances received	13	0	34
Other loans and purchase consideration liability	1,900	0	1,561
Trade payables	14,167	17,649	15,402
Other liabilities	6,553	20,755	9,699
Accrued expenses and deferred income	16,964	5,947	17,371
Total current liabilities	46,134	50,357	50,109
TOTAL LIABILITIES	147,818	152,012	145,697
EQUITY AND LIABILITIES TOTAL	237,874	234,909	234,862

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Profit (loss) for the period	376	1,911	7,708
Adjustments			
Depreciation, amortisation and impairments	4,061	3,056	14,568
Financial income and expenses	858	610	3,305
Income tax	1,294	1,242	5,312
Minority interest in net income	15	40	90
Other adjustments	-6	790	-105
Operating cash flow before working capital changes	6,599	7,649	30,877
Changes in working capital			
Increase/decrease in inventories	-885	-2,094	-14,985
Increase/decrease short-term receivables	-2,057	-2,983	-1,199
Increase/decrease in provisions	0	0	0
Increase/decrease short-term liabilities	-2,194	5,757	3,698
Cash flows from operations before financial items and taxes	1,462	8,329	18,392
Interest and other financial expenses paid	-128	-42	-2,784
Interest received	19	0	67
Income taxes paid	-1,464	-1,934	-4,052
Net cash from operating activities	-111	6,353	11,623
Acquisition of subsidiaries, net of cash acquired	-2,102	-45,175	-59,607
Purchase of tangible and intangible assets	-427	-350	-2,285
Net cash used in investing activities	-2,528	-45,525	-61,892
Proceeds from shares subscribed by using option rights	0	0	915
Dividends paid	0	0	-5,189
Proceeds from current borrowings	0	0	4,500
Repayment of current borrowings	-4	-1,300	-6,569
Proceeds from non-current borrowings	7,000	40,735	40,735
Repayment of non-current borrowings	0	0	-6,743
Net cash used in financing activities	6,996	39,435	27,649
Net change in cash and cash equivalents	4,357	263	-22,621
Cash and cash equivalents, opening amount	11,803	34,669	34,669
Effects of exchange rate fluctuations	-66	-45	-245
Cash and cash equivalents	16,094	34,887	11,803

CHANGES IN THE GROUP'S EQUITY

EUR thousand	Share capital	Reserve for invested unrestricted equity	Retained earnings excluding translation differences	Translation differences	Retained earnings total	Total
Equity 1.1.2022	80	69,282	21,904	-2,553	19,351	88,713
Change in translation differences				502	502	502
Profit (loss) for the period			376		376	376
Equity 31.3.2022	80	69,282	22,280	-2,051	20,229	89,591

Equity 1.1.2021	80	56,226	19,385	-3,745	15,640	71,946
Change in translation differences				886	886	886
Share issue		12,753				12,753
Shares subscribed by using option rights		78				78
Dividend distribution			-5,189		-5,189	-5,189
Profit (loss) for the period			1,911		1,911	1,911
Equity 31.3.2021	80	69,057	16,107	-2,859	13,248	82,385

Equity 1.1.2021	80	56,226	19,385	-3,745	15,640	71,946
Change in translation differences				1,192	1,192	1,192
Share issue		12,141				12,141
Shares subscribed by using option rights		915				915
Dividend distribution			-5,189		-5,189	-5,189
Profit (loss) for the period			7,708		7,708	7,708
Equity 31.12.2021	80	69,282	21,904	-2,553	19,351	88,713

ACCOUNTING PRINCIPLES

The interim report for the 1 January–31 March 2022 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 2021. 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	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Earnings per share, basic	0.02	0.11	0.44
Earnings per share, diluted	0.02	0.11	0.42
Comparable earnings per share, basic	0.02	0.11	0.44
Comparable earnings per share excluding amortisation on goodwill, basic	0.22	0.28	1.17
Comparable earnings per share, diluted	0.02	0.11	0.42
Comparable earnings per share excluding amortisation on goodwill, diluted	0.21	0.26	1.12

	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Number of outstanding shares at the end of the period	17 941 433	17 295 124	17 941 433
Weighted average number of shares, basic	17 941 433	17 054 769	17 658 106
Weighted average number of shares, diluted	18 685 791	17 926 581	18 471 214

GROUP KEY FIGURES

EUR thousand unless stated otherwise	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net Sales	61,919	53,522	237,927
Net sales growth, %	15.7%	79.9%	84.5%
Gross profit	28,023	21,333	100,822
Gross margin, %	45.3%	39.9%	42.4%
EBITDA	6,605	7,648	30,981
EBITDA margin, %	10.7%	14.3%	13%
EBITA	6,104	7,389	29,271
EBITA margin, %	9.9%	13.8%	12.3%
Operating profit	2,543	4,592	16,413
Operating profit margin, %	4.1%	8.6%	6.9%
Profit (loss) for the period	376	1,911	7,708
Profit (loss) for the period margin, %	0.6%	3.6%	3.2%
Comparable profit (loss)	450	1,911	7,827
Comparable profit (loss) margin, %	0.7%	3.6%	3.3%
Comparable profit (loss) excluding amortisation of goodwill	4,011	4,709	20,685
Comparable profit (loss) excluding amortisation of goodwill margin, %	6.5%	8.8%	8.7%
Items affecting comparability included in profit (loss) for the period	74	0	119
Net working capital	69,371	47,925	63,001
Inventories	73,903	56,787	73,247
Free cash flow	1,036	7,979	16,107
Cash conversion	15.7%	104.3%	52.2%
Net debt	87,286	67,961	84,959
Net debt to EBITDA, annualised	3.3	2.2	2.7
Net gearing	97.0%	82.1%	95.3%
Equity ratio	37.8%	35.2%	37.9%
Return on investment (ROI) *	6.3%	13.8%	11%
Return on equity (ROE) *	1.7%	10.1%	9.7%
Return on assets (ROA) *	5.0%	11.3%	9.1%
Earnings per share, basic (EUR) **)	0.02	0.11	0.44
Earnings per share, diluted (EUR) **)	0.02	0.11	0.42
Comparable earnings per share, basic (EUR) **)	0.02	0.11	0.44
Comparable earnings per share, diluted (EUR) **)	0.02	0.11	0.42
Comparable earnings per share excluding **) amortisation of goodwill, basic (EUR)	0.22	0.28	1.17
Comparable earnings per share excluding **) amortisation of goodwill, diluted (EUR)	0.21	0.26	1.12
Average number of employees	968	634	812
Personnel at the end of the period, FTE	973	792	950

*) 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 ¹	Operating profit + amortization of consolidated goodwill
EBITDA ¹	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 ¹	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 ¹	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)
	¹ 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	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	61,919	53,522	237,927
Materials and services	-33,896	-32,189	-137,105
Gross profit	28,023	21,333	100,822
Gross margin, %	45.3%	39.9%	42.4%
Operating profit	2,543	4,592	16,413
Depreciation, amortization and impairments	4,061	3,056	14,568
EBITDA	6,605	7,648	30,981
EBITDA margin, %	10.7%	14.3%	13.0%
Operating profit	2,543	4,592	16,413
Amortization of goodwill	3,561	2,797	12,858
EBITA	6,104	7,389	29,271
EBITA margin, %	9.9%	13.8%	12.3%
Profit (loss) for the period	376	1,911	7,708
Items affecting comparability included in profit (loss) for the period			
Listing expenses	74	0	119
Other non-recurring finance expenses	0	0	0
Tax impact of items affecting comparability	0	0	0
Items affecting comparability included in profit (loss) for the period	74	0	119
Comparable profit (loss)	450	1,911	7,827
Comparable profit (loss) margin, %	0.7%	3.6%	3.3%
Amortization of goodwill	3,561	2,797	12,858
Comparable profit (loss) excluding amortization of goodwill	4,011	4,708	20,686
Comparable profit (loss) excluding amortization of goodwill margin, %	6.5%	8.8%	8.7%
Operating cash flow before working capital changes	6,599	7,649	30,877
Change in working capital	-5,136	680	-12,486
Purchase of tangible and intangible assets	-427	-350	-2,285
Free cash flow	1,036	7,979	16,107
Cash conversion	15.7%	104.3%	52.2%