

RELAIS



Interim Management Statement
January-March 2023

RELAIS GROUP PLC INTERIM MANAGEMENT STATEMENT January-March 2023 (unaudited): Strong and profitable growth

Corporate acquisitions, implemented profitability and operative efficiency improvement measures as well as sales growth especially in the commercial vehicle maintenance and repair business improved profitability and cash flow from operations.

JANUARY-MARCH 2023 IN BRIEF

- Net sales totalled EUR 69.0 million (January-March 2022: 62.1), change +11%
- EBITA was EUR 7.5 (5.7) million, 10.9% (9.2%) of net sales, change +31%
- Comparable EBITA was EUR 7.6 (6.2) million, 11.0% (10.0%) of net sales, change +23%
- EBIT was EUR 6.6 (5.0) million, 9.6% (8.0%) of net sales, change +33%
- Comparable EBIT was EUR 6.7 (5.4) million, 9.7% (8.7%) of net sales, change +24%
- Comparable earnings per share excluding amortisation of acquisitions (undiluted) was EUR 0.22 (0.22) *)
- Net cash flow from operations improved significantly from previous year and was MEUR 11.0 (2.4) million
- The development of the EUR/SEK exchange rate during the review period had a negative impact on the Group's EBITA. At comparable exchange rates, EBITA during the review period would have been approximately EUR 0.4 million higher than reported **)

*) The average undiluted number of shares Jan-March 2023 was 18,132,258 and Jan-March 2022 17,941,433.

***) The impact has been calculated by converting the SEK denominated Jan-March 2023 EBITA of Swedish entities to EUR with the Jan-March 2023 average EUR/SEK rate as well as the Jan-March 2022 average EUR/SEK rate and comparing these two (translation difference).

Unless stated otherwise, figures in parentheses refer to the corresponding period of the previous year.

The change percentages in the table have been calculated on exact figures before the amounts were rounded to millions of euros.

2023 OUTLOOK AND LONG-TERM FINANCIAL TARGET

The Company does not provide a numeric guidance for the financial year 2023. On 2 March 2023, the company issued a revised long-term financial target, according to which the company aims to reach a proforma EBITA of EUR 50 million by the end of the year 2025. Relais considers a profit target to be more relevant in describing the shareholder value creation potential of the Company, as opposed to a net sales target. The previous financial target of the Company was to reach pro forma net sales of EUR 500 million by the end of year 2026.

KEY FIGURES

EUR thousand unless stated otherwise	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net Sales	68,950	62,119	260,683
Net sales growth, %	11.0%	-	10 %
Gross profit	32,087	28,134	117,214
Gross margin, %	46.5%	45.3%	45.0%
EBITDA	11,096	8,865	36,581
EBITDA margin, %	16.1%	14.3%	14.0%
Comparable EBITDA	11,184	9,315	39,414
Comparable EBITDA, %	16.2%	15.0%	15.1%
EBITA	7,518	5,734	22,980
EBITA margin, %	10.9%	9.2%	8.8%
Comparable EBITA	7,606	6,184	25,813
Comparable EBITA, %	11.0%	10.0%	9.9%

Operating profit	6,629	4,969	19,648
Operating profit margin, %	9.6%	8.0%	7.5%
Comparable operating profit	6,717	5,419	22,481
Comparable operating profit, %	9.7%	8.7%	8.6%
Profit (loss) for the period	2,947	2,657	10,075
Profit (loss) for the period margin, %	4.3%	4.3%	3.9%
Comparable profit (loss)	3,036	3,107	12,907
Comparable profit (loss) margin, %	4.4%	5.0%	5.0%
Comparable profit (loss) excluding amortisation of acquisitions	3,925	3,872	16,239
Comparable profit (loss) excluding amortisation of acquisitions margin, %	5.7%	6.2%	6.2%
Items affecting comparability included in profit (loss) for the period	88	450	2,832
Net working capital	59,198	67,148	62,551
Inventories	66,376	74,025	67,804
Free cash flow	9,617	903	24,070
Cash conversion	86.7%	10.2%	65.8%
Net Debt excl. leasing Liabilities	83,626	87,135	90,056
Net Debt (excl. Leasing Liabilities) to EBITDA, rolling	2.15	2.33	2.46
Net gearing excl. leasing Liabilities	79.0%	81.6%	86.6%
Equity ratio	33.4%	33.9%	33.6%
Return on investment (ROI)	11.3%	8.4%	9.4%
Return on equity (ROE)	11.2%	10.1%	9.7%
Return on assets (ROA)	9.5%	7.0%	7.8%
Earnings per share, basic (EUR)	0.16	0.15	0.56
Earnings per share, diluted (EUR)	0.16	0.14	0.54
Comparable earnings per share, basic (EUR)	0.17	0.17	0.72
Comparable earnings per share, diluted (EUR)	0.16	0.17	0.69
Comparable earnings per share excluding amortisation of acquisitions, basic (EUR)	0.22	0.22	0.90
Comparable earnings per share excluding amortisation of acquisitions, diluted (EUR)	0.21	0.21	0.87
Average number of employees	1,010	968	997
Personnel at the end of the period, FTE	1,024	973	1,009

*) The average undiluted number of shares Jan-March 2023 was 18 132 258 and Jan-March 2022 17 941 433. The average diluted number of shares Jan-March 2023 was 18 779 852 and Jan-March 2022 18 685 791.

CEO ARNI EKHOLM COMMENTS THE FIRST QUARTER OF 2023

“The first quarter of this year was characterized by a significant growth in both sales and profitability. The growth was especially strong in the commercial vehicle repair and maintenance business area, and in our Scandinavian business operations in general.

The positive sales and profitability development of the commercial vehicle repair and maintenance business was based in a combination of strong customer demand, operational efficiency measures carried out during the last year, and increased labor sales gross margin. The amount of workshop mechanics has increased by almost 30 since the beginning of 2022 and the capacity utilization has remained on a high level during the entire first quarter of the year 2023. The demand was strong in both Finland, and Sweden. The positive development was also partially affected by the acquisition of Skeppsbrons Jönköping AB carried out in May last year.

The delayed deliveries of new commercial vehicles during the last year have increased the need for repair and maintenance of existing transport fleets. According to our understanding, this type of demand has transferred especially to vehicle manufacturer independent workshop chains, such as Raskone, STS and Skeppsbrons. The organic turnover growth of our repair and maintenance business was 11% (+14% in comparable exchange rates) during the quarter.

The development of the Group’s technical wholesale and products operations was stable in the Scandinavian markets. The Finnish sales of spare parts and equipment was constrained by the relatively mild winter conditions and the continued deterioration of consumer purchase power. The organic turnover growth of our technical wholesale and products business was in total 1% (+6% in comparable exchange rates). The increased working capital levels which constrained the technical wholesale and products business last year have returned to a normal level corresponding to the needs of the business operations. This development has caused a significant increase in the cash flow compared to the same quarter last year.

On a product group level, the vehicle lighting business operations developed favorably. Our Group company Strands Group AB, which develops innovative vehicle lighting solutions, managed to substantially grow its exports to Germany and the Benelux-countries. The demand in the Nordic markets also developed positively.

Corporate acquisitions are at the heart of our strategy. We continued our active acquisition operations also during the first quarter of this year and acquired the Finnish Adita Oy in March. Having Adita as a member of the Relais family we can strengthen our technical wholesale and products operations in the important capital region market in Finland.

We are well prepared to continue implementing our strategy also during the rest of the year. We expect that the operational efficiency measures initiated last year will still contribute positively to our profitability development during the second quarter of this year, while the effect will gradually decrease during the second half of the year compared to the previous year.

I want to warmly thank all our over thousand professionals for their extremely strong contribution during the first quarter. In this same connection I want to express my thanks to all our customers, business partners and shareholders for your continued support and trust.”

STRATEGY

Relais Group Plc is a consolidator and smart compounder with a sector focus on vehicle aftermarket in the Nordic region. We serve as a growth platform for our group companies and build them into great businesses.

We consider the value generated during the whole vehicle life cycle and are focused on the sector with biggest potential for earnings growth, the aftermarket.

We create shareholder value by delivering strong earnings growth through a strategy based on three reinforcing themes:

- Acquisitions
- Synergies
- Operational excellence

BUSINESS REVIEW 1 JANUARY–31 MARCH 2023

The Group's net sales was in January-March EUR 69.0 (62.1) million, an increase of 11% compared to the corresponding period last year.

The increase was attributable to acquisitions made in 2022, capacity related development measures and increased customer demand in the commercial vehicle maintenance and repair business in Finland and Sweden as well as improved sales in the technical wholesale and product business in Scandinavia.

On the other hand, the comparison period market situation was overall weak both in the commercial vehicle maintenance and repair business and the spare part wholesale business due to market uncertainty caused by among others the war in Ukraine and the rise in energy prices. Additionally, the COVID-19 Omicron variant impacted both business areas negatively during the comparison period. Both the reporting period and comparison period spare part wholesale was hampered by mild winter conditions.

Overall net sales grew in Scandinavia by 19% and in Finland and Baltics by 3%.

On product group level sales increased the most in Equipment, +13% and in Lighting, +7 %.

FINANCIAL REVIEW 1 JANUARY–31 MARCH 2023

Financial result

In the first quarter of 2023, the Group's EBITA was EUR 7.5 (5.7) million and the comparable EBITA EUR 7.6 (6.2) million. EBITA was 10.9 (9.2) % of net sales and comparable EBITA 11.0 (10.0) % of net sales. EBITA grew by 31 % and comparable EBITA by 23% from previous year. The improvement in EBITA was due to corporate acquisitions, implemented profitability and operative efficiency improvement measures as well as sales growth that was highest in the commercial vehicle maintenance and repair business.

The development of the EUR/SEK exchange rate during the review period had a negative impact on the Group's EBITA. At comparable exchange rates, EBITA during the review period would have been approximately EUR 0.4 million higher than reported.

Operating profit for the reporting period was EUR 6.6 (5.0) million or 9.6 (8.0) % of net sales. Against the first quarter in 2022 the operating profit improved by 33%. The comparable operating profit was EUR 6.7 (5.4) million or 9.7 (8.7) % of net sales, an increase of 24% from last year.

Net financial items during the first quarter were EUR -2.1 (-1.2) million. Financial items included exchange rate differences amounting to EUR -0.4 (-0.2) million, of which EUR -0.4 (-0.2) million were unrealized. The exchange rate differences were attributable to exchange rate differences of SEK denominated interest-bearing loans. The impact of lease liabilities on interest expenses was EUR -0.4 (-0.4) million. The increase in interest expenses was attributable to an increased interest rate level on interest-bearing loans.

The profit for the period was EUR 2.9 (2.7) million and the comparable profit for the period was EUR 3.0 (3.1) million. Earnings per share (basic) were EUR 0.16 (0.15). The comparable earnings per share excluding amortization of acquisition (basic) was EUR 0.22 (0.22).

When calculating comparable alternative performance measures, transaction costs and certain additional purchase price items of company acquisitions as well as listing costs are eliminated as items affecting comparability. These items, related to the implementation of the company's strategy, can be significant and vary significantly between reporting periods. Therefore, the comparable alternative performance measures calculated in this way are considered to better describe the Group's profitability and business performance.

Balance sheet

The Group's balance-sheet total at the end of the review period on 31 March 2023 amounted to EUR 317.3 (314.9) million. Non-current assets were EUR 191.4 (190.3) million, of which EUR 117.7 (115.9) million was attributable to goodwill and EUR 54.4 (54.4) million to right of use assets.

Net working capital amounted to EUR 59.2 (67.1) million and inventories were EUR 66.4 (74.0) million. The reduction in net working capital originated in implemented operative efficiency improvement measures especially relating to inventories.

Cash flow and financing

Cash flow from operations was EUR 11.0 (2.4) million. The significant increase in the cash flow from operations was attributable to implemented profitability and operative efficiency improvement measures especially relating to net working capital, to corporate acquisitions made in the year 2022 as well as to sales growth that was highest in the commercial vehicle maintenance and repair business. Working capital and inventories decreased especially in the spare part wholesale operations.

Cash flow from investing activities was EUR -1.4 (-2.5) million. Out of this EUR 1.0 (2.5) million was used for corporate acquisitions. In the review period the acquisitions constituted acquisition of the shares in Adita Oy. Additionally, investments in machinery and equipment were made at an aggregate amount of EUR 0.4 (0.4) million.

Free cash flow was EUR 9.6 (-0,1) million.

Cash flow from financing activities was EUR -3.0 (4.4) million. It consisted of amortizations of lease liabilities.

Relais Group Plc agreed on 24.2.2023 with its principal bank on amendments to its senior financing agreement originally concluded in 2019 and previously amended in May 2022. The maturity of the financing agreement was extended by one year until the end of May 2025. According to the amended financing agreement the maximum financial exposure is EUR 126.9 million consisting of a maximum of EUR 104.4 million in acquisition financing, EUR 15.5 million in uncommitted senior facilities agreement and an RCF limit of EUR 7.0 million. According to the previous, in May 2022 amended financing agreement, the maximum financial exposure was EUR 133.7 million consisting of a maximum of EUR 111.2 million in acquisition financing, EUR 15.5 million in uncommitted senior facilities agreement and an RCF limit of EUR 7.0 million. At the end of the review period, the undrawn portion of the uncommitted senior facilities was EUR 15.5 million and of RCF limit EUR 4.8 million. At the end of 2022, the undrawn portion of the uncommitted senior facilities was EUR 15.5 million and of RCF limit EUR 4.8 million.

The Group's net debt excluding lease liabilities was at the end of the review period EUR 83.6 (87.1) million. Net gearing excluding lease liabilities was 79.0 (81.6) %. The equity ratio was 33.4 (33.9) % and the Group's cash assets were at the end of the review period EUR 20.0 (16.1) million. The changes in the consolidated balance sheet key figures arose mainly from acquisitions and changes in net working capital.

The Group's total equity was EUR 105.9 (106.8) million. Equity attributable to owners of the parent company was EUR 105.9 (106.5) million or EUR 5.84 (5.96) per share.

CHANGES IN THE GROUP STRUCTURE

On 29 March 2023, Relais acquired all the shares in Adita Oy. Adita is a local distributor of spare parts and equipment for cars and marine use in the Helsinki region. In 2022 its net sales were EUR 5.6 million and number of employees was 14.

Adita has been consolidated into the Relais Group consolidated accounts starting 1 March 2023.

INVITATION TO THE WEBCAST

Relais Group's CEO Arni Ekholm and CFO Thomas Ekström will present the result to the media, investors and analysts at a webcast on 4 May 2023 at 10:00 a.m. EEST. The webcast can be followed at <https://relais.videosync.fi/q1-2023-result/>.

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

COMPARABILITY OF FINANCIAL INFORMATION

Relais Group acquired the shares of Skeppsbrons Jönköping AB on 24 May 2022 and the shares of S-E-T A/S on 12 December 2022. The 2022 reference data in this Interim Management Statement does not include the figures for the companies acquired from the period preceding the commencement of their consolidation in 2022.

Relais Group acquired the shares of Adita Oy on 29 March 2023. The 2022 reference data in this Interim Management Statement does not include the figures for Adita Oy.

Relais Group Plc

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Key media

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Relais Group

Relais Group is a 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 2022 was EUR 260.7 (2021: 237.8) million. During 2022, we completed a total of three acquisitions. We employ approximately 1,000 professionals in six different countries. The Relais Group share is listed on the Main Market of Nasdaq Helsinki with the stock symbol RELAIS.

www.relais.fi

TABLE SECTION, 1 January-March 31, 2023

CONSOLIDATED INCOME STATEMENT

EUR thousand	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net sales	68,950	62,119	260,683
Other operating income	624	652	2,754
Materials and services	-36,863	-33,985	143,469
Employee benefit expenses	-14,343	-13,746	-54,990
Depreciation, amortisation and impairments	-4,467	-3,896	-16,933
Other operating expenses	-7,272	-6,175	-28,397
Operating profit	6,629	4,969	19,648
Financial income	808	515	4,658
Financial expenses	-2,935	-1,707	-11,113
Net financial expenses	-2,127	-1,192	-6,454
Profit before income taxes	4,502	3,777	13,194
Income taxes	-1,555	-1,120	-3,119
Profit for the financial year	2,947	2,657	10,075
Profit for the financial year attributable to			
Owners of the parent company	2,947	2,653	10,072
Non-controlling interest	-	4	2
Earnings per share			
Basic earnings per share, euro	0.16	0.15	0.56
Diluted earnings per share, euro	0.16	0.14	0.54

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

EUR thousand	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Profit for the financial year	2,947	2,657	10,075
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation difference	-1,010	-270	-4,289
Total other comprehensive income for the financial year	-1,010	-270	-4,289
Total comprehensive income for the financial year	1,937	2,387	5,786
Total comprehensive income attributable to			
Owners of the parent company	1,937	2,386	5,796
Non-controlling interests	-	1	-10

CONSOLIDATED BALANCE SHEET

EUR thousand	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	14,248	14,251	15,014
Goodwill	117,665	115,906	118,163
Tangible assets	4,428	4,805	4,463
Right-of-use assets	54,408	54,420	52,312
Deferred tax assets	561	810	579
Other non-current financial assets	72	-	73
Other non-current assets	42	84	42
Total non-current assets	191,423	190,276	190,645
Current assets			
Inventories	66,376	74,025	67,804
Current tax receivables	3,071	1,890	4,106
Other current financial asset	349	-	350
Trade and other receivables	36,042	32,611	32,752
Cash at bank and in hand	20,041	16,094	13,527
Total current assets	125,879	124,620	118,538
Total assets	317,303	314,896	309,183

EUR thousand	31 Mar 2023	31 Mar 2022	31 Dec 2022
EQUITY			
Share capital	80	80	80
Reserve for invested unrestricted equity	74,125	71,436	74,125
Translation differences	-6,918	-1,899	-5,907
Retained earnings	38,633	36,886	35,686
Equity attributable to owners of the parent company	105,920	106,503	103,983
Non-controlling interests	-	338	0
Total equity	105,920	106,841	103,983
LIABILITIES			
Non-current liabilities			
Loans from financial institutions	95,184	96,692	95,695
Lease liabilities	43,100	44,390	41,611
Other non-current financial liabilities	1,607	1,609	1,009
Other non-current liabilities	110	556	71
Deferred tax liabilities	5,539	5,977	5,785
Total non-current liabilities	145,540	149,224	144,171

Current liabilities			
Loans from financial institutions	7,226	6,538	7,228
Lease liabilities	12,539	10,903	11,877
Other current financial liabilities	3,764	1,450	2,513
Current tax liabilities	2,930	3,429	4,114
Trade and other payables	39,382	36,510	35,296
Total current liabilities	65,843	58,831	61,029
Total liabilities	211,382	208,054	205,199
Total equity and liabilities	317,303	314,896	309,183

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Cash flows from operating activities			
Profit for the financial year	2,947	2,657	10,075
Adjustments:			
Depreciation, amortisation and impairment losses	4,467	3,896	16,933
Financial income and expenses	1,699	943	4,137
Unrealised foreign exchange gains and losses	429	249	2,316
Income tax expense	1,555	1,120	3,119
Other adjustments	298	275	2,029
Cash flows before change in net working capital	11,395	9,140	38,608
Change in net working capital:			
Change in trade and other receivables (increase (-) / decrease (+))	-3,294	-1,536	-1,147
Change in inventories (increase (-) / decrease (+))	1,577	-905	5,123
Change in trade and other payables (increase (+) / decrease (-))	3,727	-2,429	-4,106
Cash flows before finance items	13,406	4,271	38,479
Interest paid	-357	-373	-4,008
Interest received	36	19	165
Other financial items	-89	-49	-144
Dividends received	-	-	31
Income taxes paid	-1,996	-1,464	-5,742
Net cash from operating activities (A)	10,999	2,404	28,780
Cash flows from investing activities			
Acquisition of intangible and tangible assets	-373	-449	-1,720
Proceeds from sale of tangible and intangible assets	-6	23	176
Acquisition of subsidiaries, net of cash acquired	-1,002	-2,066	-14,654
Net cash used in investing activities (B)	-1,381	-2,493	-16,198
Cash flows from financing activities			
Proceeds from current loans and borrowings	-	-	3,500
Repayment of current loans and borrowings	-2	-4	-3,515
Proceeds from non-current loans and borrowings	-	7,000	16,500
Repayment of non-current loans and borrowings	-	-	-7,020

Dividends paid	-	-	-6,459
Repayment of lease liabilities	-3,041	-2,551	-11,243
Acquisition of non-controlling interest	-	-	-2,487
Proceeds from shares subscriptions based on share options	-	-	207
Net cash from financing activities (C)	-3,043	4,446	-10,518
Net cash from (used in) operating, investing and financing activities (A+B+C)	6,575	4,357	2,065
Net increase (decrease) in cash and cash equivalents	6,575	4,357	2,065
Cash and cash equivalents, at the beginning of the period	13,527	11,803	11,803
Effects of exchange rate fluctuations on cash held	-61	-66	-342
Cash and cash equivalents, at the end of the period	20,041	16,094	13,527

CHANGES IN THE GROUP'S EQUITY

Equity attributable to owners of the parent company							
EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-control-ling interests	Total equity
Equity 1 Jan 2023	80	74,125	-5,907	35,685	103,983	0	103,983
Comprehensive income							
Profit (loss) for the period	-	-	-	2,947	2,947	-	2,947
Change in translation differences	-	-	-1,010	-	-1,010	-	-1,010
Total comprehensive income for the financial year	-	-	-1,010	2,947	1,937	-	1,937
Transactions with owners of the parent company	-	-	-	-	-	-	-
Total transactions with owners of the parent company	-	-	-	-	-	-	-
Equity 31 Mar 2023	80	74,125	-6,918	38,632	105,920	0	105,920

Equity attributable to owners of the parent company							
EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-control-ling interests	Total equity
Equity 1 Jan 2022	80	71,436	-1,632	34,232	104,117	337	104,454
Comprehensive income							
Profit (loss) for the period	-	-	-	2,653	2,653	4	2,657
Change in translation differences	-	-	-267	-	-267	-3	-270
Total comprehensive income for the financial year	-	-	-267	2,653	2,386	1	2,387
Transactions with owners of the parent company	-	-	-	-	-	-	-
Total transactions with owners of the parent company	-	-	-	-	-	-	-
Equity 31 March 2022	80	71,436	-1,899	36,885	106,503	338	106,841

Equity attributable to owners of the parent company

EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity 1 Jan 2022	80	71,436	-1,632	34,232	104,117	337	104,454
Comprehensive income							
Profit (loss) for the period	-	-	-	10,072	10,072	2	10,075
Change in translation differences	-	-	-4,276	-	-4,276	-12	-4,288
Total comprehensive income for the financial year	-	-	-4,276	10,072	5,796	-10	5,786
Transactions with owners of the parent company							
Shares issues related to business combinations	-	1,168	-	-	1,168	-	1,168
Share-based payments	-	1,314	-	-	1,314	-	1,314
Shares subscribed by using option rights	-	207	-	-	207	-	207
Acquisition of non-controlling interest	-	-	-	-2,160	-2,160	-327	-2,487
Dividend distribution	-	-	-	-6,459	-6,459	-	-6,459
Total transactions with owners of the parent company	-	2,689	-	-8,619	-5,930	-327	-6,257
Equity 31 Dec 2022	80	74,125	-5,907	35,685	103,983	0	103,983

BASIS OF PREPARATION

The figures in the Interim management statement are unaudited and have been prepared in accordance with the International Financial Reporting Standards (IFRS) valid at the time of the release. The report is not prepared in accordance with IAS34.

SEASONALITY

The seasonality of the group's business has an impact on the demand for Relais' 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.

SEGMENT INFORMATION

EUR thousand	Finland& Baltics	Scandi- navia	Other	Eliminations	Total
Jan-Mar 2023					
External revenue	30,917	38,033	-	-	68,950
Internal revenue	1,155	305	90	-1,550	0
Material and services	-17,531	-20,613	0	1,281	-36,863
Gross profit	14,541	17,724	90	-269	32,087
Depreciation, amortisation and impairment	-2,132	-1,434	-12	-889	-4,467
Other income and expenses	-9,894	-10,420	-675	-2	-20,991
Operating profit	2,516	5,870	-597	-1,160	6,629
Financial items	-30	-947	-1,150	0	-2,127
Profit before income taxes	2,486	4,923	-1,747	-1,160	4,502

EUR thousand	Finland& Baltics	Scandi- navia	Other	Eliminations	Total
Jan-Mar 2022					
External revenue	30,095	32,028	-	-4	62,119
Internal revenue	2,120	178	74	-2,372	-
Material and services	-18,628	-17,619	0	2,262	-33,985
Gross profit	13,588	14,587	74	-114	28,134
Depreciation, amortisation and impairment	-2,055	-1,063	-13	-765	-3,896
Other income and expenses	-8,932	-9,100	-939	-298	-19,269
Operating profit	2,601	4,423	-878	-1,177	4,969
Financial items	-179	-557	-450	-7	-1,192
Profit before income taxes	2,422	3,867	-1,328	-1,184	3,777

EUR thousand	Finland& Baltics	Scandi- navia	Other	Eliminations	Total
Jan-Dec 2022					
External revenue	125,048	135,635	-	-	260,683
Internal revenue	8,378	852	330	-9,561	-
Material and services	-78,061	-74,245	0	8,837	-143,469
Gross profit	55,365	62,242	330	-724	117,214
Depreciation, amortisation and impairment	-8,244	-5,307	-49	-3,332	-16,933
Other income and expenses	-36,741	-38,624	-3,775	-1,493	-80,633
Operating profit	10,380	18,311	-3,494	-5,548	19,648
Financial items	-764	-2,682	-3,001	-7	-6,454
Profit before income taxes	9,616	15,629	-6,495	-5,555	13,194

DISAGGREGATION OF NET SALES

Consolidated net sales is disaggregated by product line and geographical market in the tables below. Markets are based on the geographic location of customers.

EUR thousand	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Equipment	9,399	8,286	33,141
Lighting	14,812	13,897	62,053
Spare parts	19,262	19,665	78,925
Repair and maintenance	24,673	20,280	85,565
Other	805	-9	998
Total	68,950	62,119	260,683

EUR thousand	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Finland	28,567	27,926	116,972
Sweden	29,769	26,580	108,433
Estonia	1,254	1,264	5,158
Norway	1,517	1,408	6,343
Other countries	7,844	4,941	23,778
Total	68,950	62,119	260,683

EARNINGS PER SHARE

EUR	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Earnings per share, basic	0.16	0.15	0.56
Earnings per share, diluted	0.16	0.14	0.54
Comparable earnings per share, basic	0.17	0.17	0.72
Comparable earnings per share excluding amortisation of acquisitions, basic	0.22	0.22	0.90
Comparable earnings per share, diluted	0.16	0.17	0.69
Comparable earnings per share excluding amortisation of acquisitions, diluted	0.21	0.21	0.87

	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Number of outstanding shares at the end of the period *)	18 132 258	17 941 433	18 132 308
Weighted average number of shares, basic *)	18 132 258	17 941 433	18 051 682
Weighted average number of shares, diluted *)	18 779 852	18 685 791	18 759 556

*) Excluding 50 treasury shares held by Relais Group.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

In thousand euros unless stated otherwise	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Net sales	68,950	62,119	260,683
Materials and services	-36,863	-33,985	-143,469
Gross profit	32,087	28,134	117,214
Gross margin, %	46.5%	45.3%	45.0%
Operating profit	6,629	4,969	19,648
Items affecting comparability included in profit (loss) for the period			
Listing expenses	-	74	1,183
Transaction costs of acquisitions	88	-	182
Contingent consideration costs of acquisitions	-	376	1,467
Items affecting comparability included in profit (loss) for the period	88	450	2,832
Comparable operating profit	6,717	5,419	22,481
Depreciation, amortisation and impairments	4,467	3,896	16,933
EBITDA	11,096	8,865	36,581
EBITDA margin, %	16.1%	14.3%	14.0%
Items affecting comparability included in profit (loss) for the period	88	450	2,832
Comparable EBITDA	11,184	9,315	39,414

Operating profit	6,629	4,969	19,648
Amortisation of acquisitions	889	765	3,332
EBITA	7,518	5,734	22,980
EBITA margin, %	10.9%	9.2%	8.8%
Items affecting comparability included in profit (loss) for the period	88	450	2,832
Comparable EBITA	7,606	6,184	25,813
Profit (loss) for the period	2,947	2,657	10,075
Comparable profit (loss)	3,036	3,107	12,907
Comparable profit (loss) margin, %	4.4%	5.0%	5.0%
Amortisation of acquisitions	889	765	3,332
Comparable profit (loss) excluding amortisation of acquisitions	3,925	3,872	16,239
Comparable profit (loss) excluding Amortisation of acquisitions margin, %	5.7%	6.2%	6.2%
Operating cash flow before working capital changes	11,395	9,140	38,608
Repayment of lease liabilities	-3,041	-2,551	-11,243
Interest expenses on leases	-375	-368	-1,446
Change in working capital	2,011	-4,869	-130
Purchase of tangible and intangible assets	-373	-449	-1,720
Free cash flow	9,617	903	24,070
Cash conversion to EBITDA	86.7%	10.2%	65.8%

ACCOUNTING PRINCIPLES FOR KEY FIGURES

Key figure	Definition
EBITA ¹	Operating profit + amortization of acquisitions
Comparable EBITA ¹	Operating profit + amortization of acquisitions + items affecting comparability included in EBITA for the period
EBITDA ¹	Operating profit + depreciation, amortization, and impairments
Comparable EBITDA ¹	Operating profit + depreciation, amortization, and impairments + items affecting comparability included in EBITDA for the period
Comparable operating profit ¹	Operating profit + items affecting comparability included in Operating profit for the period
Gross profit	Net sales – materials and services
Gross margin	Gross profit/net sales *100
Items affecting comparability	Listing expenses + transaction costs of acquisitions + contingent consideration costs of acquisitions + other non-recurring expenses + 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 acquisitions ¹	Profit (loss) for the period + items affecting comparability included in profit (loss) for the period + amortization of acquisitions
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 acquisitions, basic	Comparable profit (loss) excluding amortization of acquisitions / Weighted average number of shares outstanding during the period
Comparable earnings per share excluding amortization of acquisitions, diluted	Comparable profit (loss) excluding amortization of acquisitions / 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
Net debt excluding leasing liabilities	Loans from financial institutions + other loans + capital loans – loan receivables – receivables from Group companies – subscribed capital unpaid – cash at bank and in hand
Net debt excl. leasing liabilities to comparable EBITDA	Net debt excl. leasing liabilities / Last twelve month's comparable EBITDA
Net gearing excl. leasing liabilities	Net debt excl. leasing liabilities / 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 (periodical figures have been 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, (periodical figures have been annualized) / (Equity + minority interest, average)
Return on assets (ROA)	(Operating profit + other interest financial income – listing expenses (periodical figures have been annualized) / (Total assets, average)

¹ Key measure margin, % has been calculated by dividing the measure with net sales and multiplying by 100.