



Relais Group Plc

Half-year Financial Report

January–June 2023

Helsinki, August 10 2023

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Presenting today:

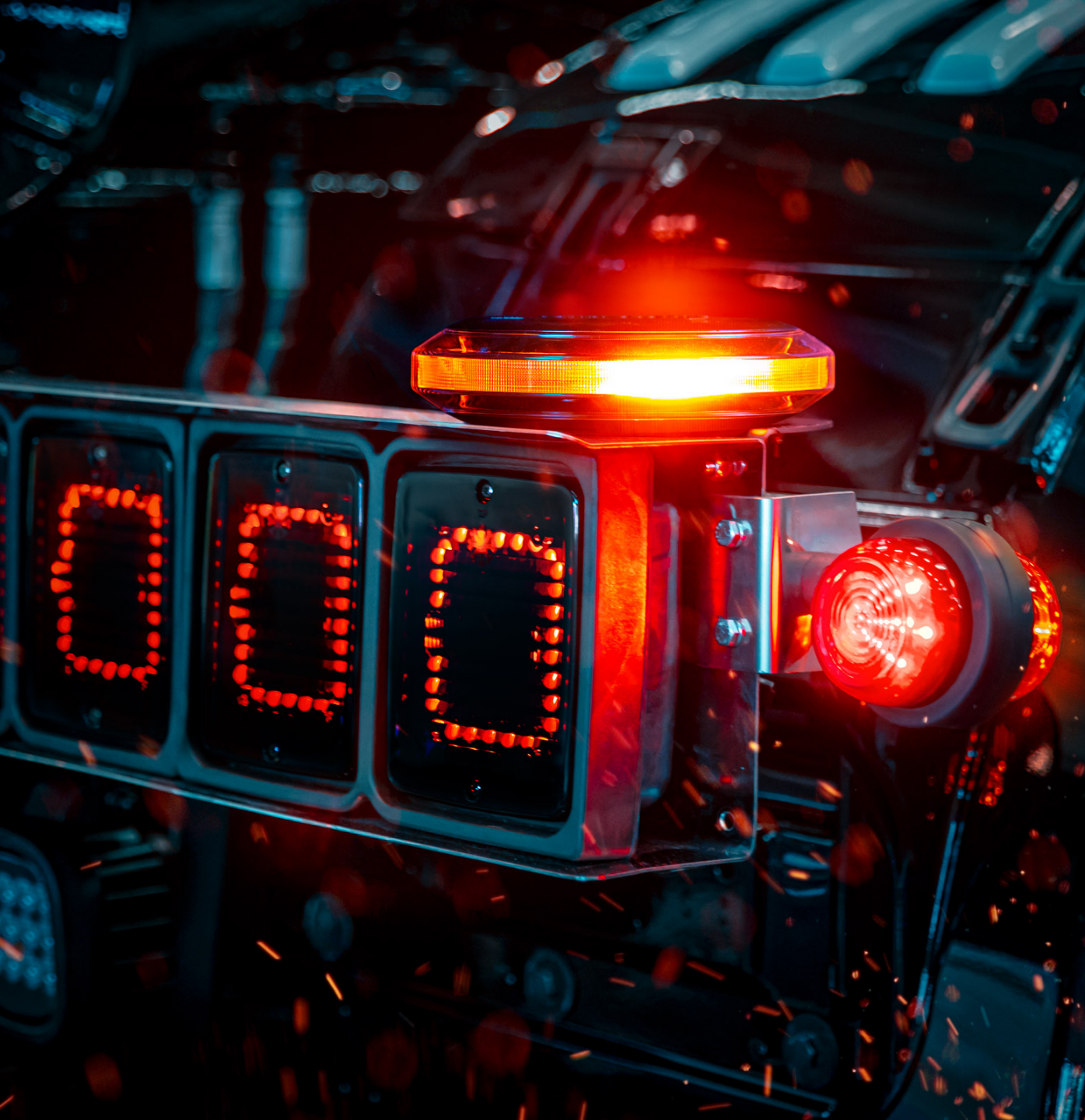


Arni Ekholm
CEO



Thomas Ekström
CFO

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Content

- Relais in brief
- Sustainability
- The vehicle aftermarket
- Business review
- Financial review
- Relais as an investment

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Relais in brief



Net sales Q2/2023 (Q2/2022)

MEUR **64.1** (58.6)
+9%

EBITA Q2/2023 (Q2/2022)

MEUR **4.8** (3.4)
+42%

Net sales 1 HY/2023 (1 HY/2022)

MEUR **133.1** (120.7)
+10%

EBITA 1 HY/2023 (1 HY/2022)

MEUR **12.3** (9.1)
+35%

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Change percentages are calculated on exact figures before rounding up to millions of euros

What is Relais all about

- 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 the biggest potential for earnings growth and least cyclicity --- **the aftermarket.**
- We create **shareholder value** by delivering **strong earnings growth** through a strategy based on three reinforcing themes:
 - Acquisitions
 - Synergies
 - Operational excellence

Relais Group Growth Strategy



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Relais Group value creation model

BUY AND BUILD

Invest right

Confirm healthy core: Good management, stable profitability
Identify robust and meaningful value creation potential (stand-alone, synergies, M&A)
Leverage Relais' deep knowledge of target companies and aftermarket sector
Confirm right valuation

Build great businesses

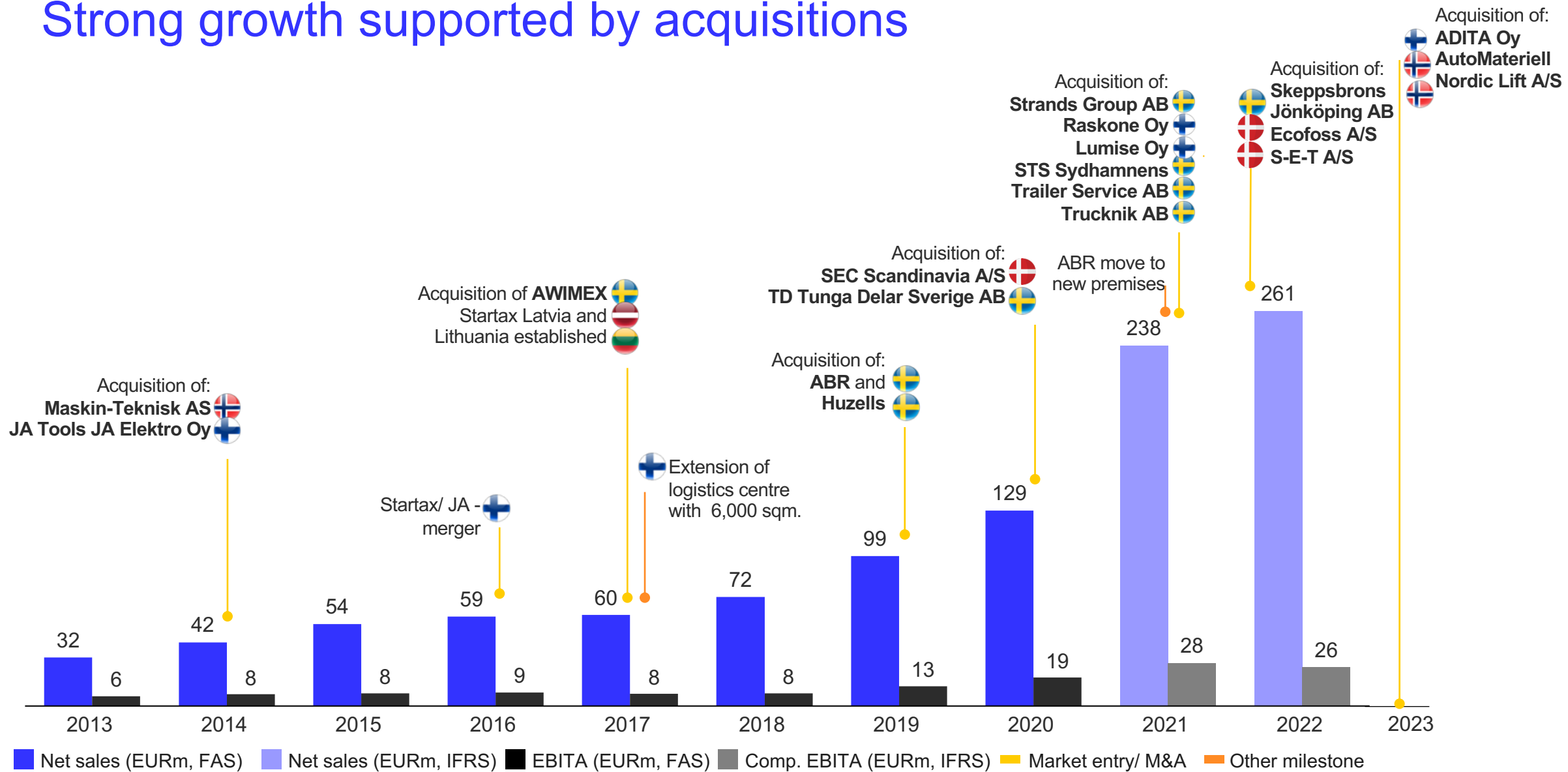
Further development of the acquired companies' operations and capabilities
Full utilization of the synergies
Increase focus on execution and strategy

Smart compounding

Sector focus
Competence compounding
Add-on acquisitions
Accelerating organic growth

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Strong growth supported by acquisitions



Relais Group companies

Technical wholesale and products



STARTAX



strands **AWIMEX**



SEC
ECOFLOSS



ADITA



AutoMateriell



Commercial vehicle repair and maintenance

R A S K O N E



SKEPPSBRONS

Over thousand
professionals in
6 countries



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Acquisition of AutoMateriell and Nordic Lift

Vehicle lifts

**Testing
equipment**

**Tyre & wheel
equipment**

**Workshop
tools**

**Brake
equipment**

**Exhaust
removal**

**Workshop
lighting**

**Service and
measuring**

198 MNOK¹

**Net sales in
2022**

13 MNOK¹

**Operating profit in
2022**

- New platform for growth within Relais Group
- Strong market position in Norway. AutoMateriell established in 1939
- Electrification will continue to drive sales of workshop equipment and related spare parts and services
- Locations in Drammen and Trondheim
- Team of ca 50 professionals in Norway

1) Unaudited, local gaap

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Sustainability

Sustainability

For us, sustainability means above all **practical and meaningful everyday actions**. We take good care of our employees, customers, business partners and the environment.

We have set clear **ESG-related criteria** to our global suppliers and several spare parts we sell are covered by a **refund-and-recycling system**, extending their life cycle after remanufacturing at the production site.

To meet the demands of the rapidly changing mobility landscape, we have increased our **spare part offering** for full **electric and hybrid electric** vehicles. This product range is growing steadily.

In addition, we have increased the capability of our Raskone and STS workshops to also **serve and repair** electrical commercial vehicles.

We published our first **sustainability review** on June 29th (available on the Relais-website)

3 GOOD HEALTH
AND WELL-BEING



8 DECENT WORK AND
ECONOMIC GROWTH



11 SUSTAINABLE CITIES
AND COMMUNITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



17 PARTNERSHIPS
FOR THE GOALS



Volta Trucks cooperation

Relais Group company STS Sydhamnens Trailer Service has been appointed as a Certified Service Partner in the Swedish market by Volta Trucks, the leading and disruptive all-electric commercial vehicle manufacturer and services provider.

Certified Service Partners will play a major role in the Volta Trucks' Truck as a Service (TaaS) offering.



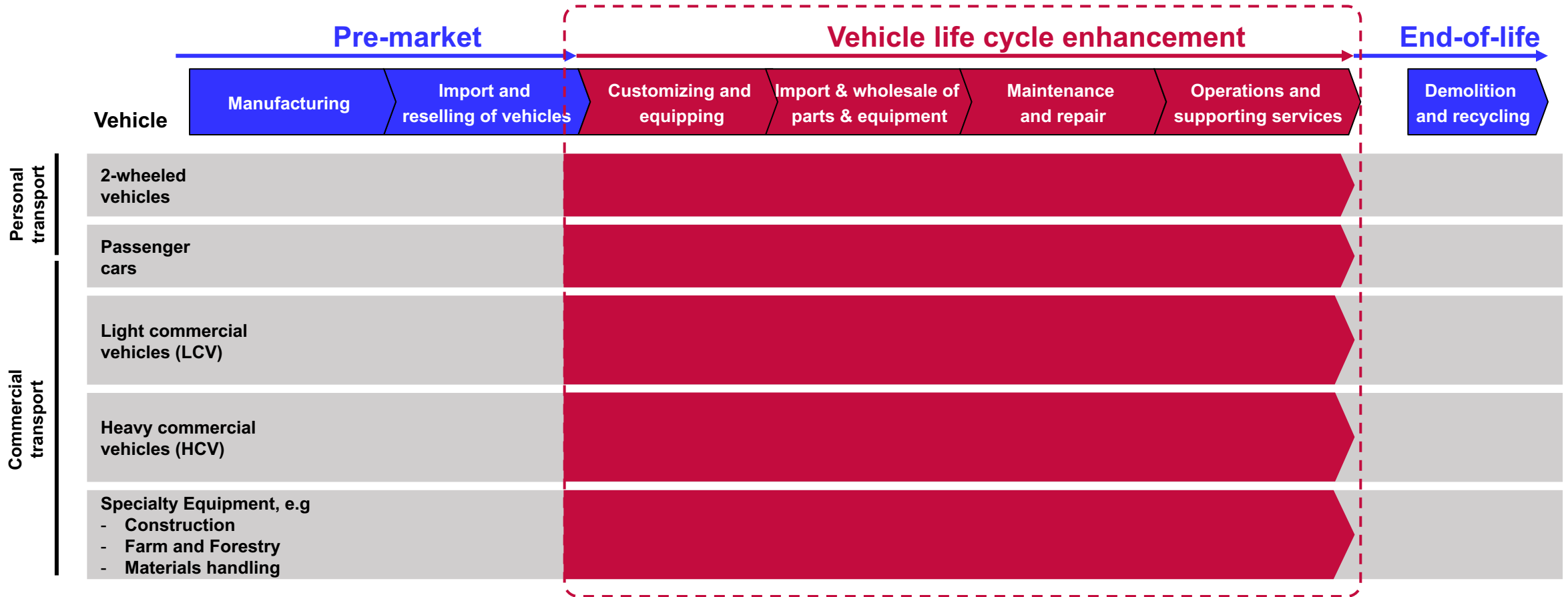
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The vehicle aftermarket

Vehicle aftermarket defined

Relais Group target market: vehicle life cycle enhancement



*management estimate 2021

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Large,
fragmented
market

Vehicle aftermarket

Why is the vehicle aftermarket attractive from a value creation perspective?

The Nordic assessed market assessed to be at least MEUR **20 billion** in yearly turnover

Large and **fragmented** market with many companies in different sectors

Several interesting acquisition targets → **opportunities for further consolidation**



Technology trends

Vehicle aftermarket opportunity

Why is the vehicle aftermarket attractive from a value creation perspective?

- Growing number of EV:s → **value of spare parts and components increases**
- Circular economy and sustainability aspects → **battery recycling and power train conversion opportunities (EV, hydrogen, gas)**
- Change in ownership: Private leasing, fleets → **new business model opportunities**
- Technology & digitalization (e.g. ADAS*, connected car, autonomous driving etc.) → **need for more sensors and cameras**
- Powertrain development and alternative fuels for ICE (synthetic, bio-fuel) → **more sustainable future for commercial vehicles. Requires investments in competence and equipment → will drive further consolidation of the independent workshop field**

*) =Advanced Driver Assistance System



Value & growth

Vehicle aftermarket opportunity

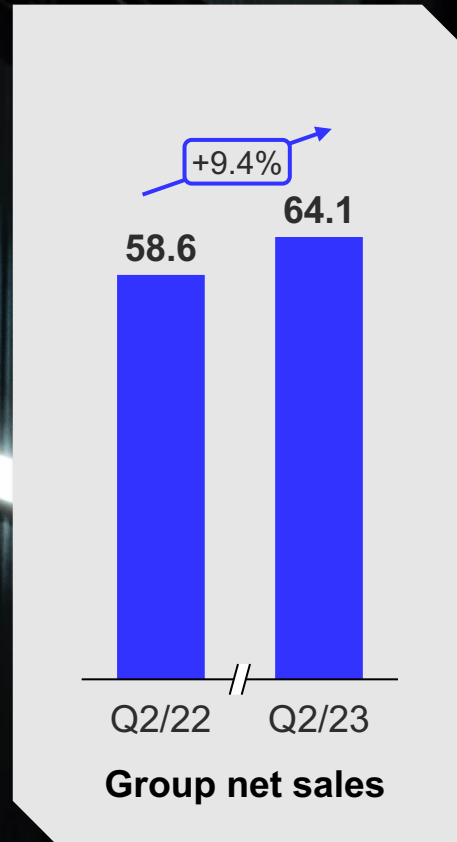
Why is the vehicle aftermarket attractive from a value creation perspective?

- Large and ‘inert’ installed base, over 19 million vehicles → **stable and defensive market**
- Lower/delayed deliveries of new vehicles means that the existing vehicles are used more and longer → **drives the need for repair & maintenance and spare parts**
- Growing demand for last mile deliveries → **growing need for repair & maintenance, power management, and lighting for commercial vehicles**
- **Product range extension** opportunities (e.g. connectivity, lighting, sensors, BEV/PHEV spare parts, tires, windshields, workshop equipment etc.)
- “Personal and urban mobility” → **e.g. 2-wheel sector projected to grow**

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Business review:
Continued strong and profitable
growth

Q2 – Continued strong and profitable growth



+9.4%
Group sales
growth

7.5%¹
Comparable
EBITA-%

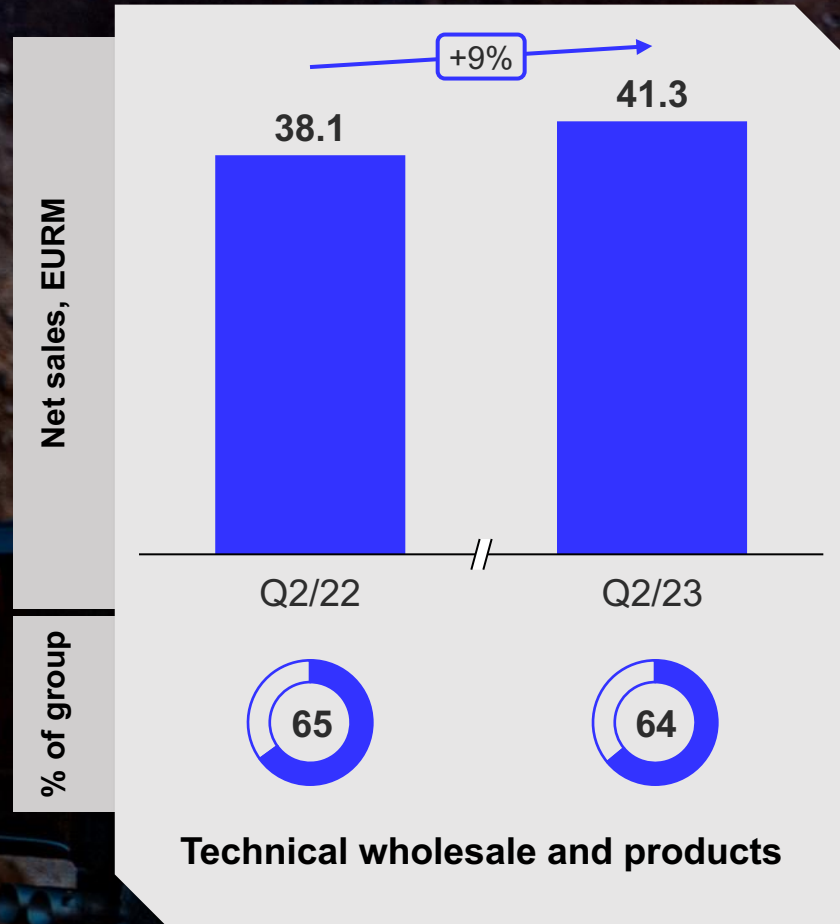
6.7 EURM
Net cash flow from
operations

- Strong growth: Net sales grew by 15%² and EBITA by 50% with constant exchange rates
- The main growth drivers: continued positive development of the Group's Commercial Vehicle Repair and Maintenance business together with acquisitions

Notes: 1) Reported EBITA-% was 7.5% 2) Organic net sales growth 8% with constant exchange rates, 3% reported

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Technical wholesale and products business area Q2 2023



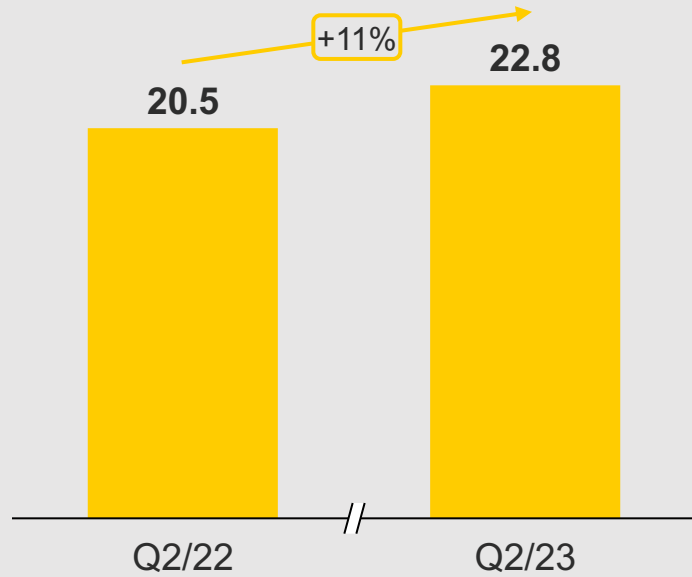
- Technical Wholesale and Products business in Scandinavia grew 10% organically with constant exchange rates.
- The strongly weakened Swedish krona had a negative effect on the reported profitability, which was offset by the positive effect of the acquisition of SET A/S in Denmark.
- In Finland and Baltics net sales were largely in line with last year, but profitability was weakened by the sluggish consumer demand especially affecting the on-line business in Finland.
- The sales of the Lighting product group continued to grow, especially driven by the successful export of Strands Group products in Central Europe.
- Strands lighting products are now also available in Australia where we are partnering with a major local distributor.

Technical wholesale and products includes spare parts, equipment, lighting and other sales.

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Repair and maintenance business area Q2 2023

Net sales, EURM



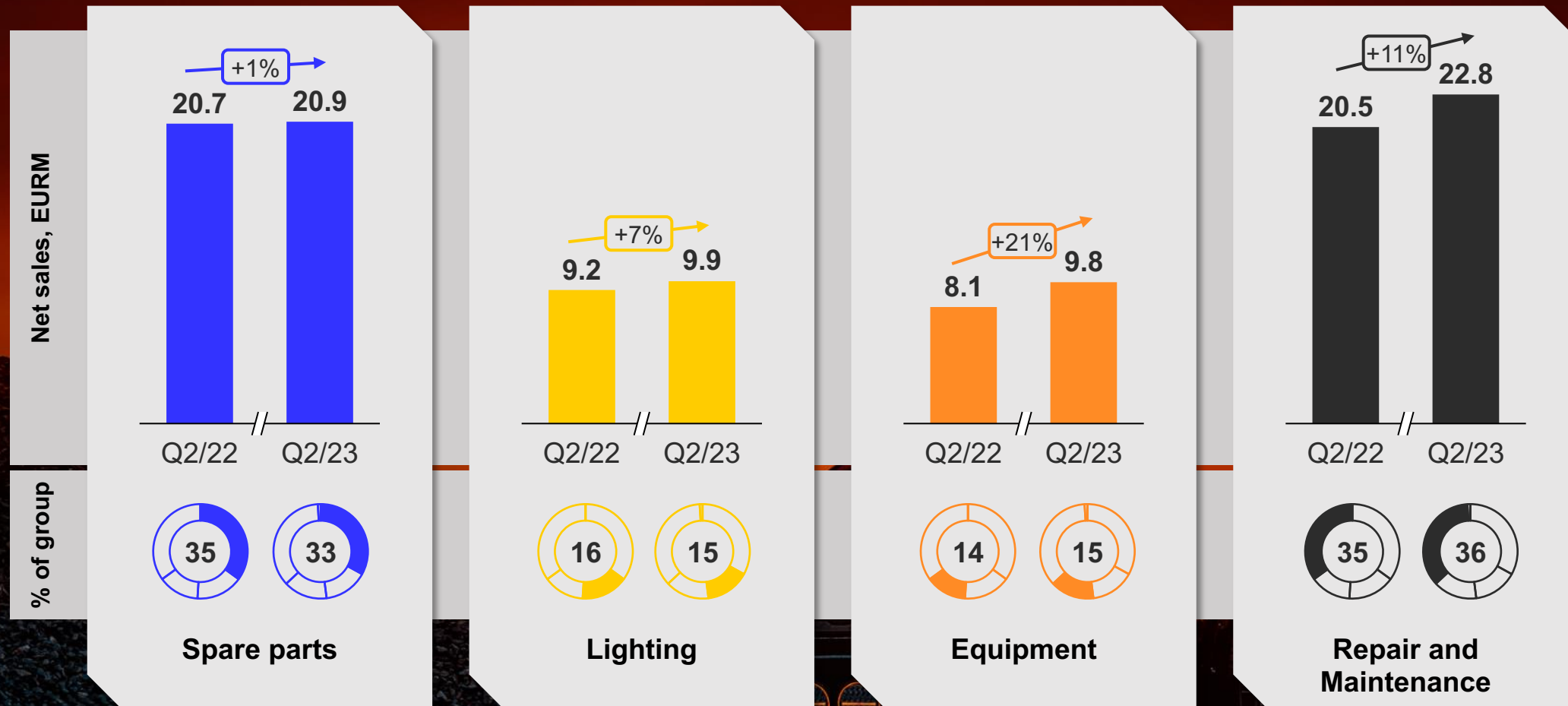
% of group



Repair and maintenance

- The Commercial Vehicle Repair and Maintenance business continued to perform strongly, driven by the robust customer demand in both Finland and Sweden combined with the effect of the efficiency measures initiated last year.
- The capacity utilization of the workshops is still at a very healthy level and the gross profit has developed positively despite somewhat increased operating costs.
- Net sales growth of the business was 15% (organic growth 11%) with constant exchange rates.

Reported sales by product group Q2 2023



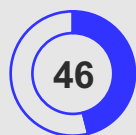
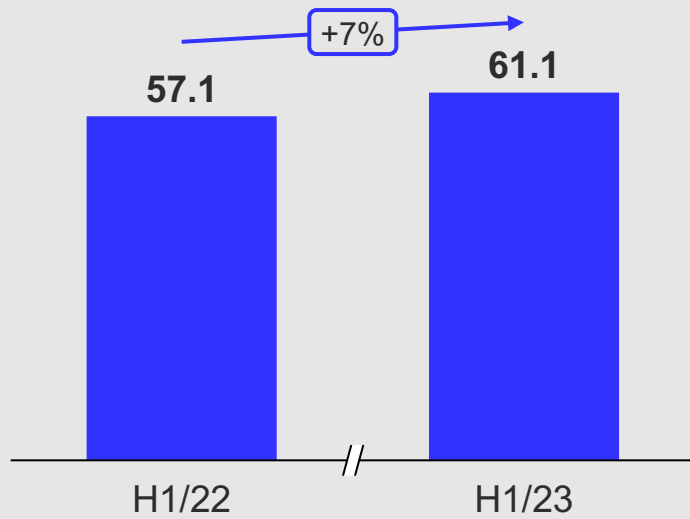
Note: totals may not add up due to minor other sales

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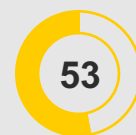
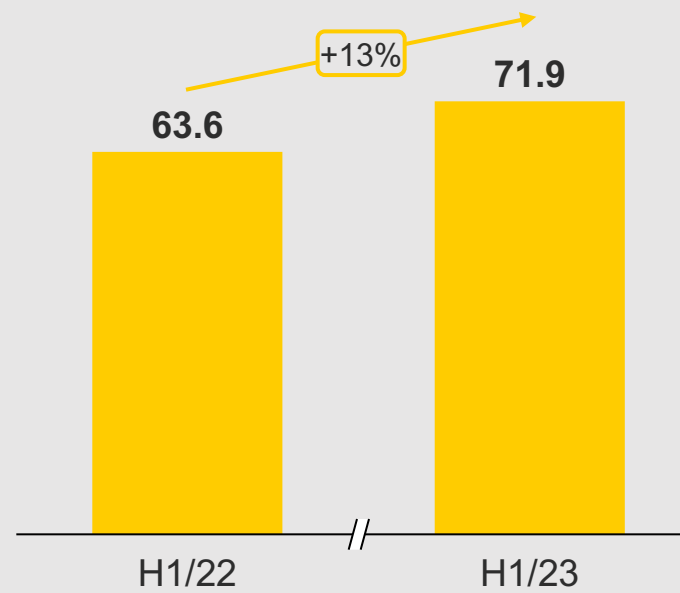
Reported sales by segment H1 2023

External revenue, EURM

% of group



Finland & Baltics



Scandinavia

Outlook



Outlook for 2023

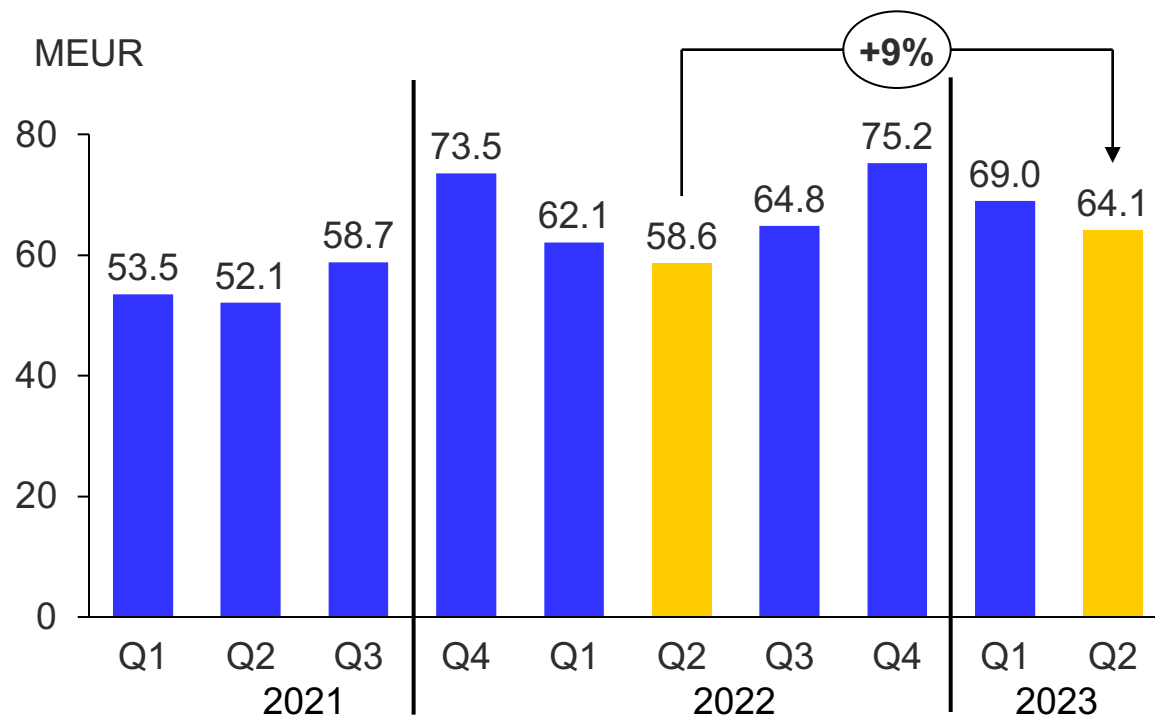
- We feel that we have a good possibility to continue implementing our strategy also during the second half of 2023.
- We look forward to the important Lighting-season starting in August-September. We have several exciting new products to be launched to the market this autumn. The inventory situation is good, allowing us to deliver products in a timely manner.
- There are also some dark clouds in the sky. The inflation is still on a high level, the dramatically risen interest rates are affecting the consumers' purchase power negatively and there are early signs of increasing unemployment.

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Financial review

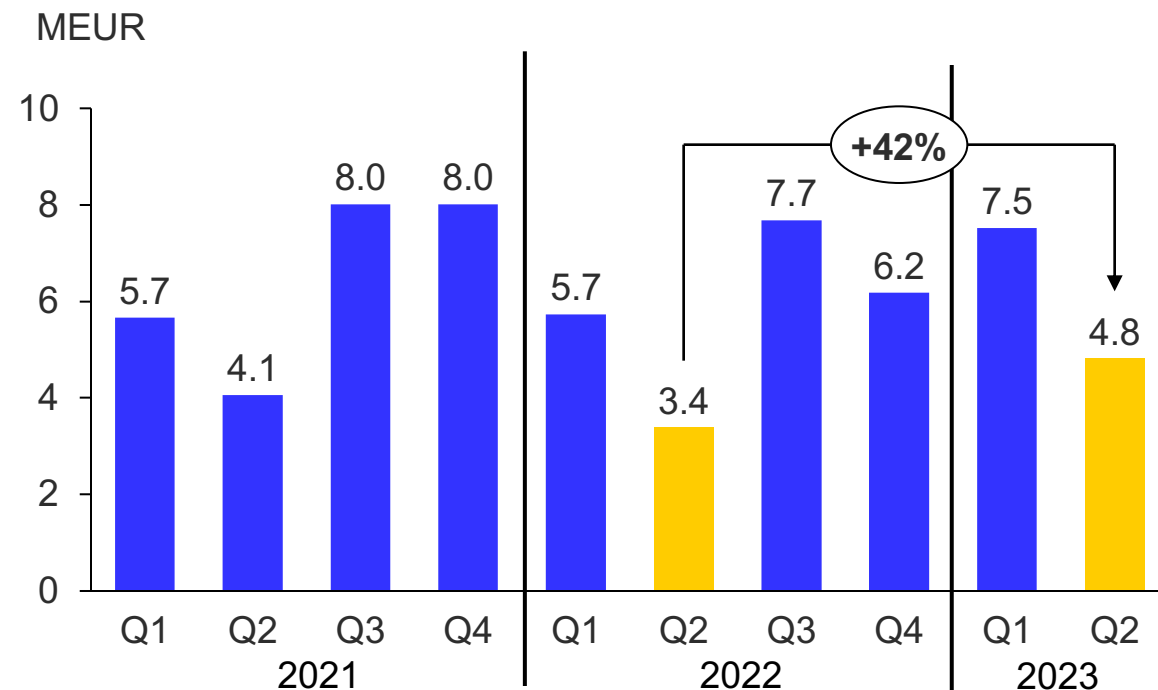
Net sales and EBITA development

Net sales



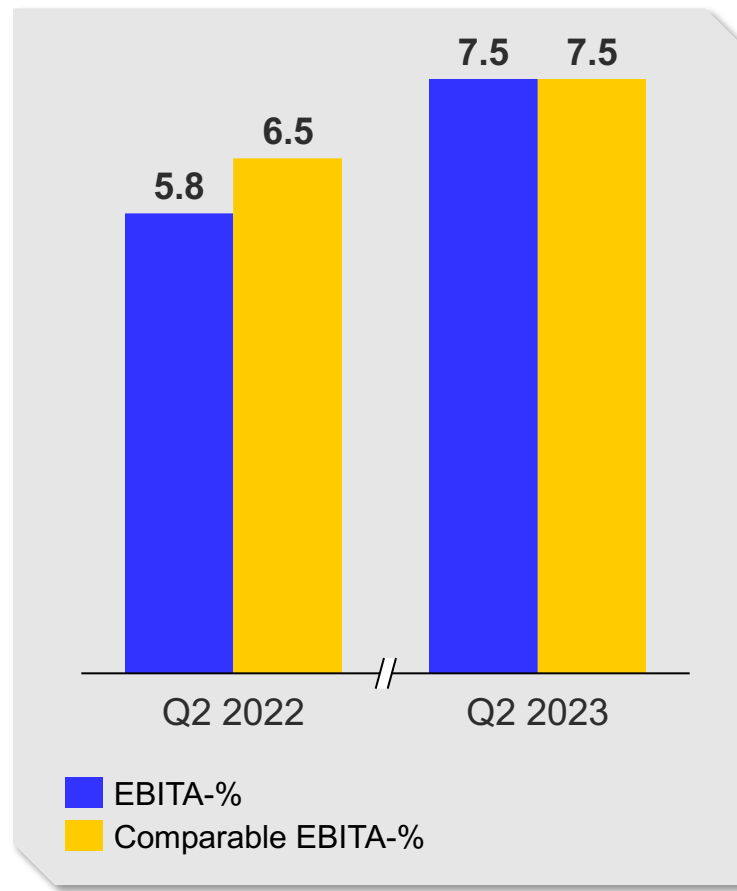
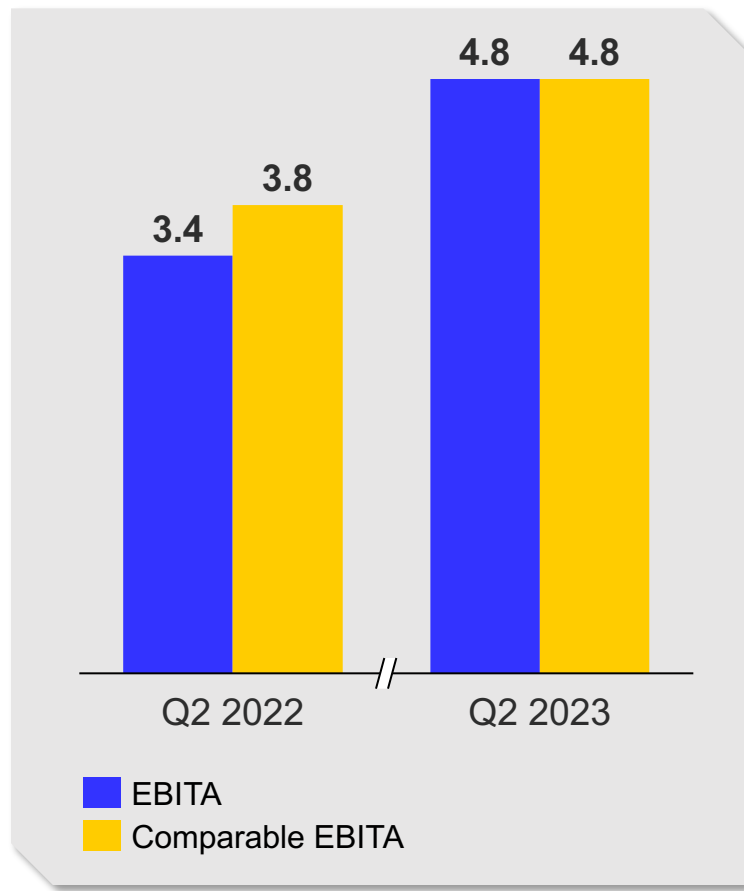
- + Significant organic sales increase in the Commercial Vehicle Repair and Maintenance business in Finland and Sweden
- + Acquisitions made in Sweden, Denmark, and Finland in both main businesses

EBITA



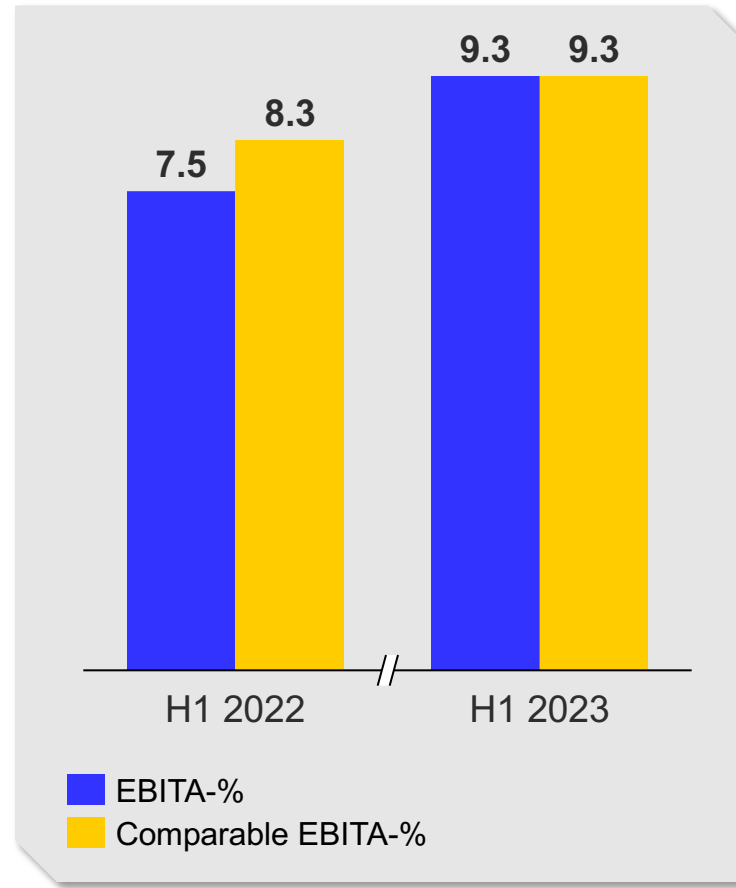
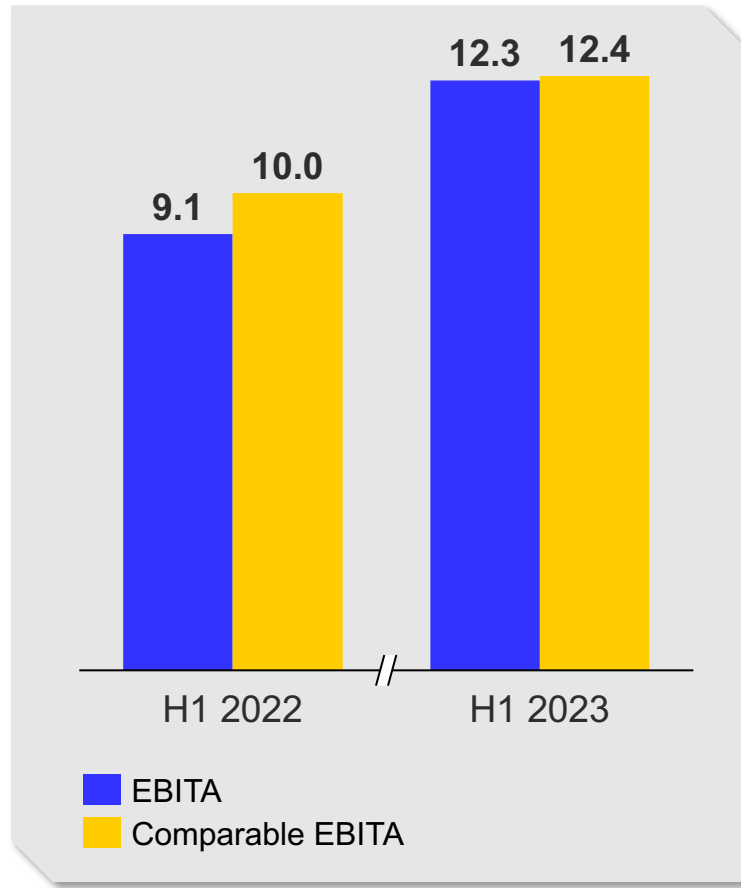
- + Profitability improvement in the Commercial Vehicle Repair and Maintenance business
- + Acquisitions made in 2022 and 2023
- Sluggish consumer demand in Finland and the Baltics impacted negatively on the Technical Wholesale and Products business
- EUR/SEK exchange rate due to further weakening of the SEK

EBITA development Q2/2023



- + Profitability improvement in the Commercial Vehicle Repair and Maintenance business
- + Acquisitions made in 2022 and 2023
- Sluggish consumer demand in Finland and the Baltics impacted negatively on the Technical Wholesale and Products business
- EUR/SEK exchange rate
- Comparable APMs: Transaction costs and certain additional purchase price items of company acquisitions as well as listing costs are eliminated as items affecting comparability

EBITA development H1/2023



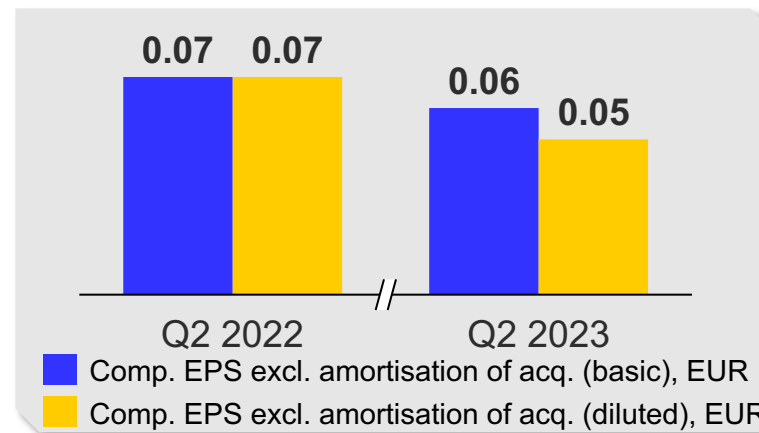
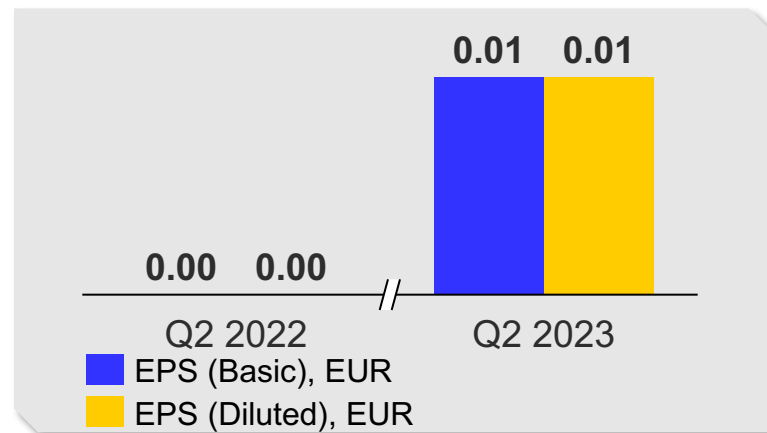
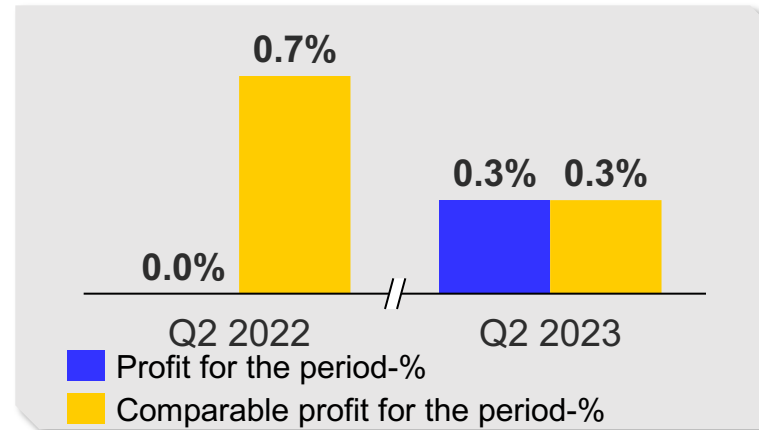
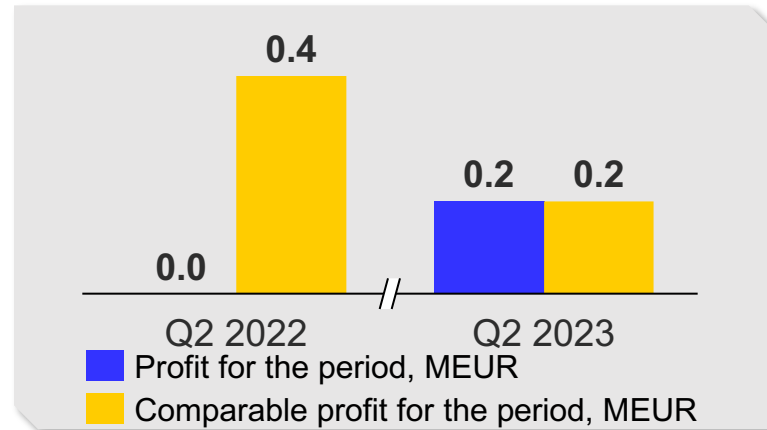
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Net financials

MEUR	Q2		H1		FY
	2023	2022	2023	2022	2022
Interest income and expenses	-1.3	-0.7	-2.5	-1.2	-2.6
Interest expenses, lease liabilities	-0.4	-0.4	-0.8	-0.7	-1.4
Foreign exchange gains and losses	-1.1	-1.2	-1.5	-1.4	-2.5
Other financial income and expenses	-0.1	0.1	-0.2	0.0	-0.2
Changes in fair values		0.3	0.0	0.3	0.3
Total net financial items	-2.8	-1.9	-5.0	-3.1	-6.5
<i>% of net sales</i>	<i>4.4%</i>	<i>-3.3%</i>	<i>3.7%</i>	<i>2.6%</i>	<i>2.5%</i>

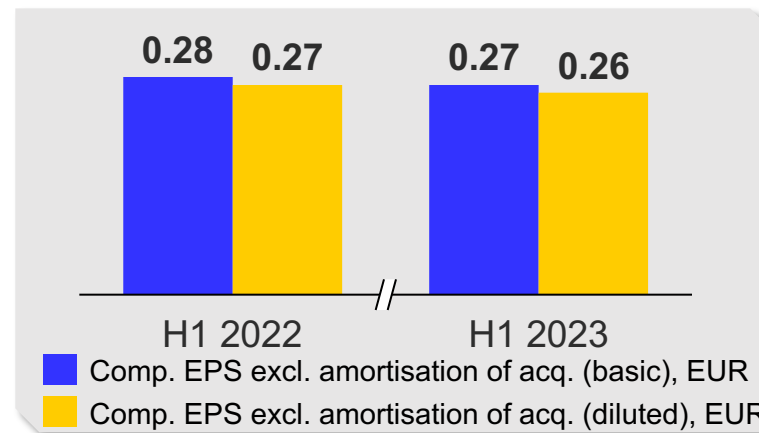
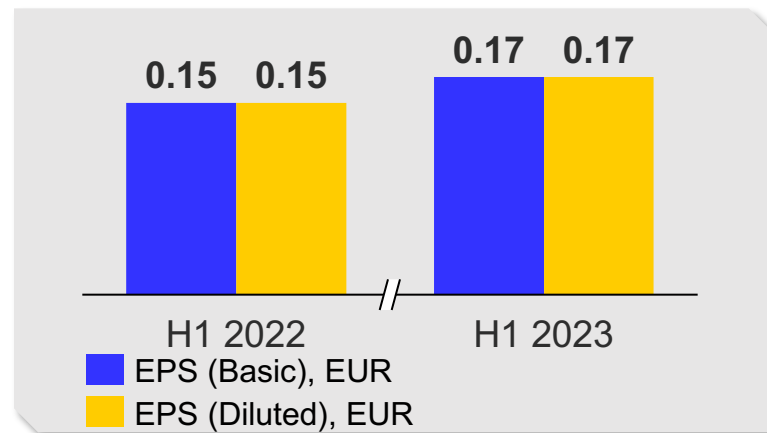
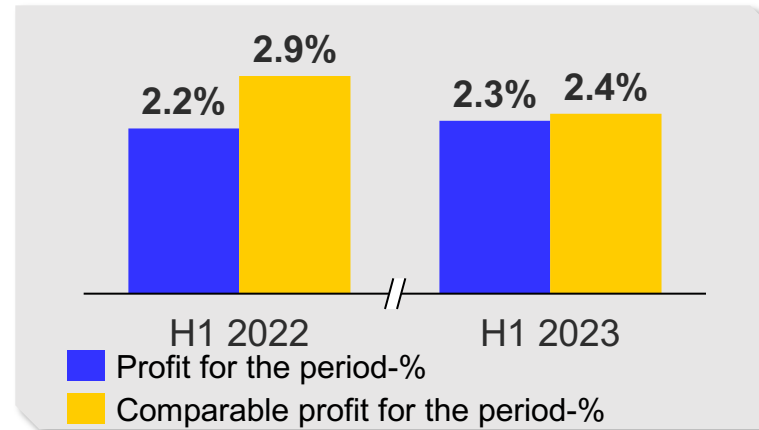
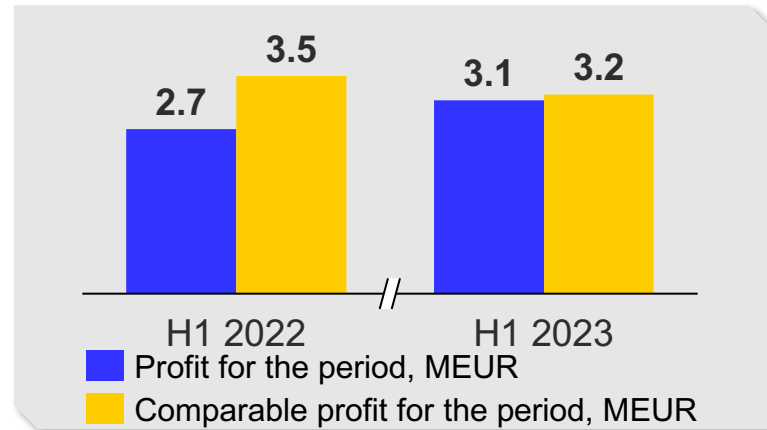
- Net interest expenses increased due to the increase in reference interest rates on loans from financial institutions
- FX net losses originate in unrealized losses of unhedged foreign currency loans

Net profit and EPS development Q2/2023



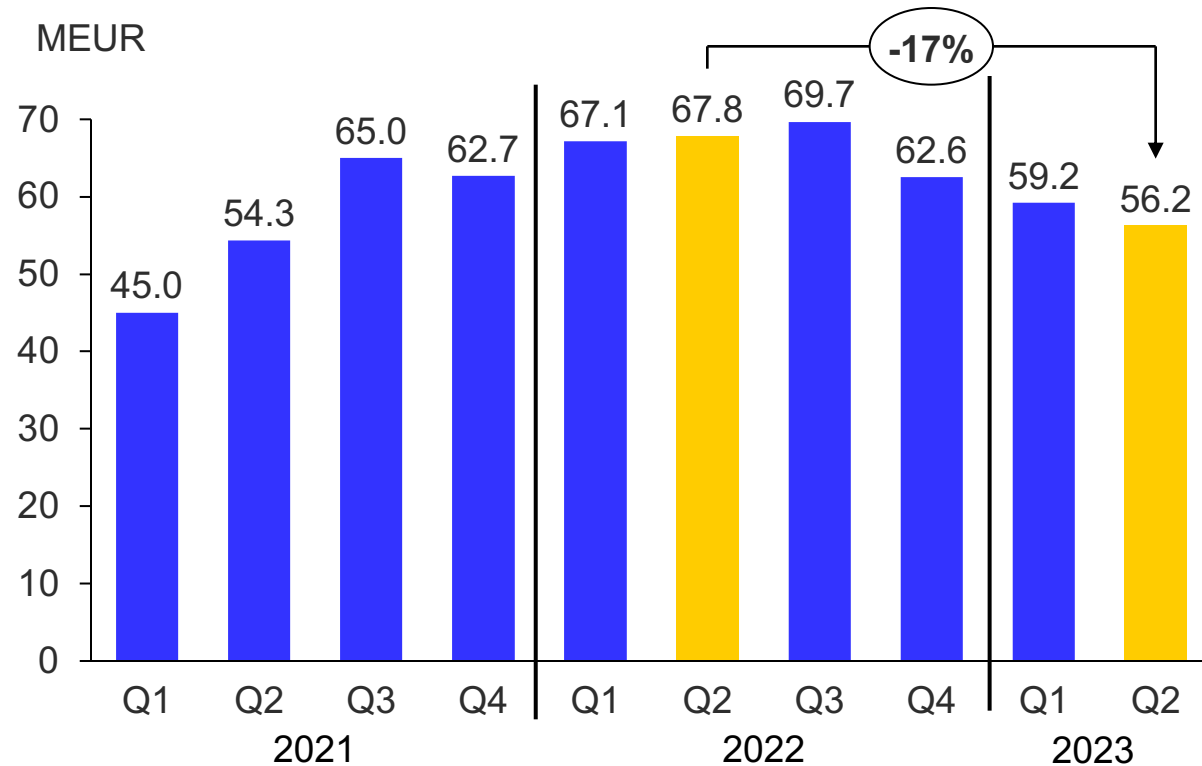
- Net profit for the period and EPS were approximately at previous year's level due to increased net financial expenses and taxes despite increased operating profit

Net profit and EPS development H1/2023



- Net profit for the period and EPS were approximately at previous year's level due to increased net financial expenses and taxes despite increased operating profit

Net working capital

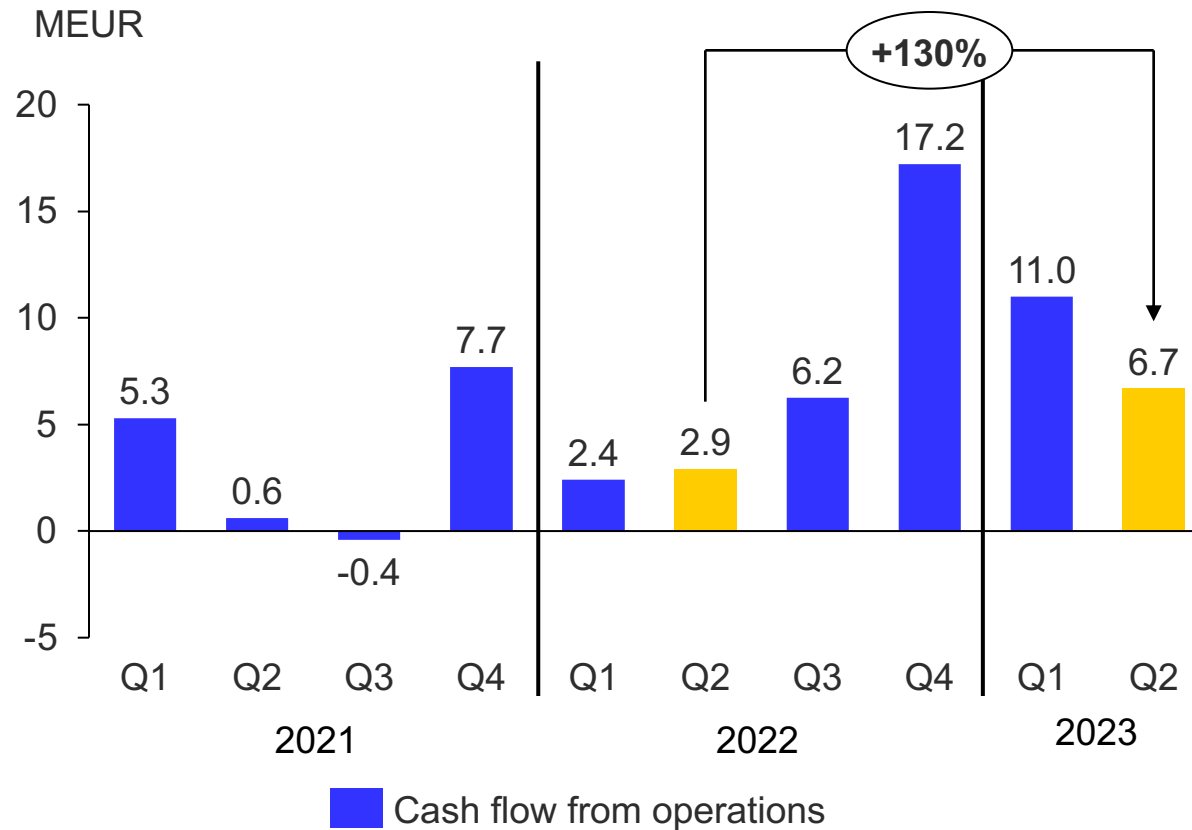


MEUR	06 2023	06 2022	12 2022
Inventories	68.6	75.5	67.8
Trade and other receivables	35.9	33.0	36.9
Trade and other payables	48.3	40.6	41.9
Total net working capital	56.2	67.8	62.7

- The reduction in net working capital originated in implemented operative efficiency improvement measures especially relating to inventories. Working capital and inventories decreased especially and spare part wholesale business

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Cash flow from operations and cash conversion



MEUR	Q2		H1		FY
	2023	2022	2023	2022	
CF before change in NWC	8.8	6.5	20.2	15.7	38.6
Change in NWC	1.3	-0.9	3.3	-5.8	-0.1
CF from net financials	-3.4	-2.7	-5.8	-4.6	-9.7
CF from operations	6.7	2.9	17.7	5.3	28.8
Free Cash Flow	5.9	2.3	15.5	3.3	24.1
<i>Cash conversion</i>	69%	36%	79%	21%	66 %

- + Improved profitability especially in the Commercial Vehicle Repair and Maintenance business
- + Operative efficiency improvement measures especially relating to net working capital
- + Acquisitions made in 2022 and 2023

Cash flow summary H1/2023

Cash flow from operations
EUR **17.7** (5.3)
million

- + Improved profitability especially in the Commercial Vehicle Repair and Maintenance business
- + Operative efficiency improvement measures especially relating to net working capital
- + Working capital and inventories decreased especially in the spare part wholesale operations
- + Acquisitions made in 2022 and 2023

Cash flow from investing activities
EUR **-4.0** (-9.6)
million

- Acquisition of the shares in Adita Oy in March 2023
- Additional purchase price of SEK 25 million paid to the previous owners of Strands Group AB in May in line with the share purchase agreement
- Investments in machinery and equipment were made at an aggregate amount of EUR -1.0 (-0.8) million

Cash flow from financing activities
EUR **-13.4** (-0.7)
million

- Repayments of lease liabilities EUR -6.2 (-5.1) million
- Repayments of non-current loans of EUR -3.5 (-3.3) million
- Dividend payments EUR -3.6 (-6.5) million
- + Proceeds from non-current loans EUR 0.0 (16.5) million

Balance sheet and financial position 30.6.2023

The Group's balance-sheet total
EUR **307.3** (308.8)
million

Total equity
EUR **96.3** (98.5)
million

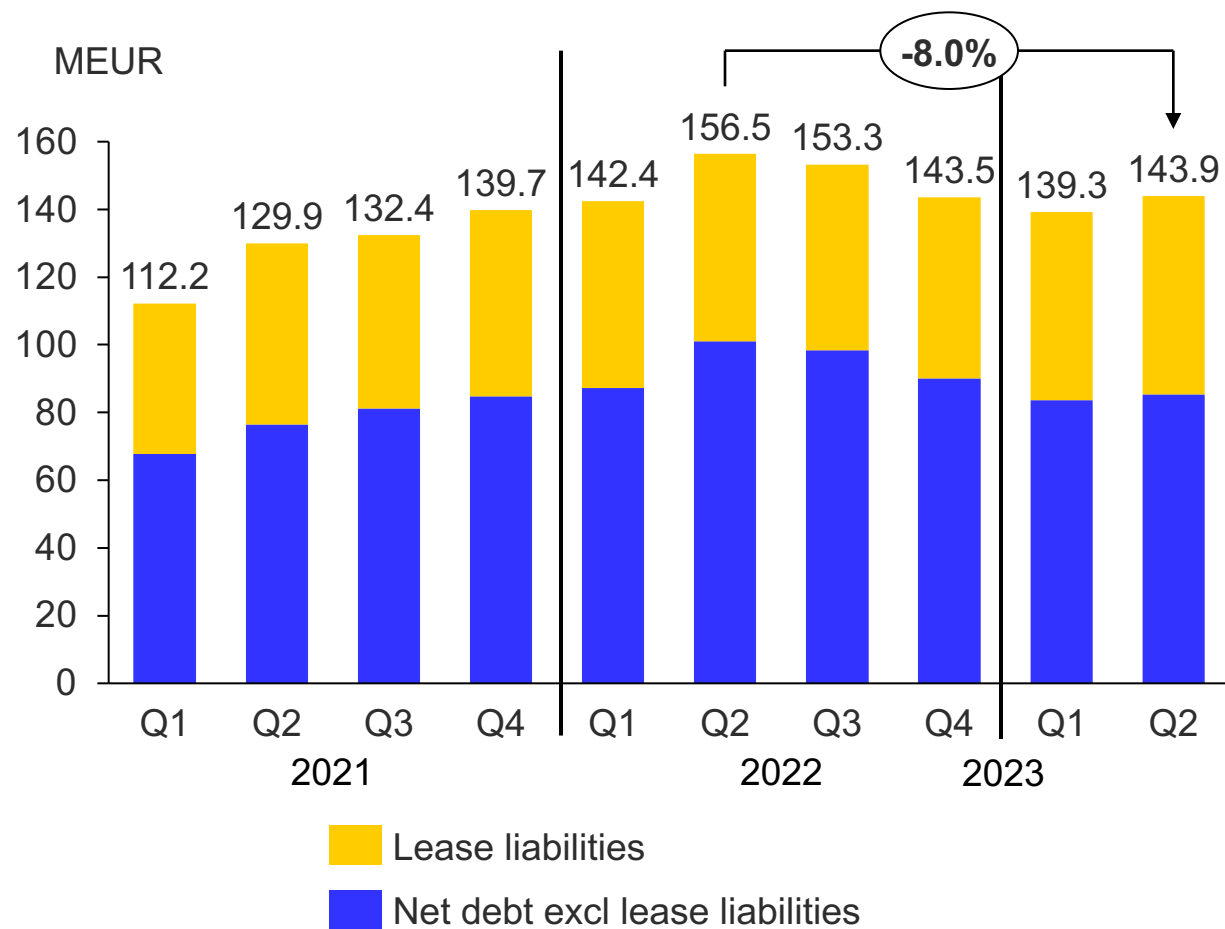
Net debt excl. lease liabilities
EUR **85.3** (101.3)
million

Net gearing excl. lease liabilities
88.6 (102.6)
%

Equity ratio
31.3 (31.9)
%

Cash assets
EUR **13.5** (6.8)
million

Interest-bearing net debt



Relais Group (IFRS)			
MEUR	06 2023	06 2022	12 2022
Loans from financial institutions, l-t	90.3	101.3	95.7
Loans from financial institutions, s-t	6.9	6.5	7.2
Lease liabilities	58.6	55.4	53.5
Other liabilities	1.6		0.7
Gross debt	157.4	163.2	157.1
Cash and bank	13.5	6.8	13.5
Net debt	143.9	156.4	143.6
Net debt excl. lease liabilities	85.3	101.0	90.1
Undrawn RCF	5.6	4.8	4.8
Undrawn uncommitted facility	15.5	25.0	15.5
Cash+unused credit facilities	34.6	36.6	33.8



Long term financial target

Relais Group aims to reach a pro forma EBITA
of

50

MEUR by end of 2025

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Summary: Relais as an investment

Relais as an investment

- 📍 Active, sector focused consolidator with a strong track record of successful acquisitions
- 📍 Solid cash flow and profitability track record
- 📍 A growing underlying market with defensive characteristics
- 📍 Growing lighting business with own brands
- 📍 Efficient and decentralized operating model



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Q&A



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