



Relais Group Plc

Q3/2023 Interim Management Statement

2 November 2023

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Presenting today:



Arni Ekholm
CEO



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CFO

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Content

- Relais in brief
- Business review
- Financial review
- Relais as an investment

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Relais in brief



Net sales Q3/2023 (Q3/2022)

MEUR **70.3** (64.8)

+9% (in comparable xr: **+14%**)

EBITA Q3/2023 (Q3/2022)

MEUR **8.4** (7.7)

+9% (in comparable xr: **+15%**)

Net sales 1-9/2023 (1-9/2022)

MEUR **203.3** (185.5)

+10% (in comparable xr: **+15%**)

EBITA 1-9/2023 (1-9/2022)

MEUR **20.7** (16.8)

+23% (in comparable xr: **+31%**)

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

Relais Group Growth Strategy

Growth by acquisitions

Smart compounder focusing on the Nordic vehicle aftermarket sector

Organic growth

Faster than the market average earning growth supported by synergies

Operational excellence

Continuous development of operations to grow earnings and cash flow

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Relais Group value creation model

BUY AND BUILD

Smart compounding

- Sector focus
- Competence compounding
- Add-on acquisitions
- Accelerating organic growth

Build great companies

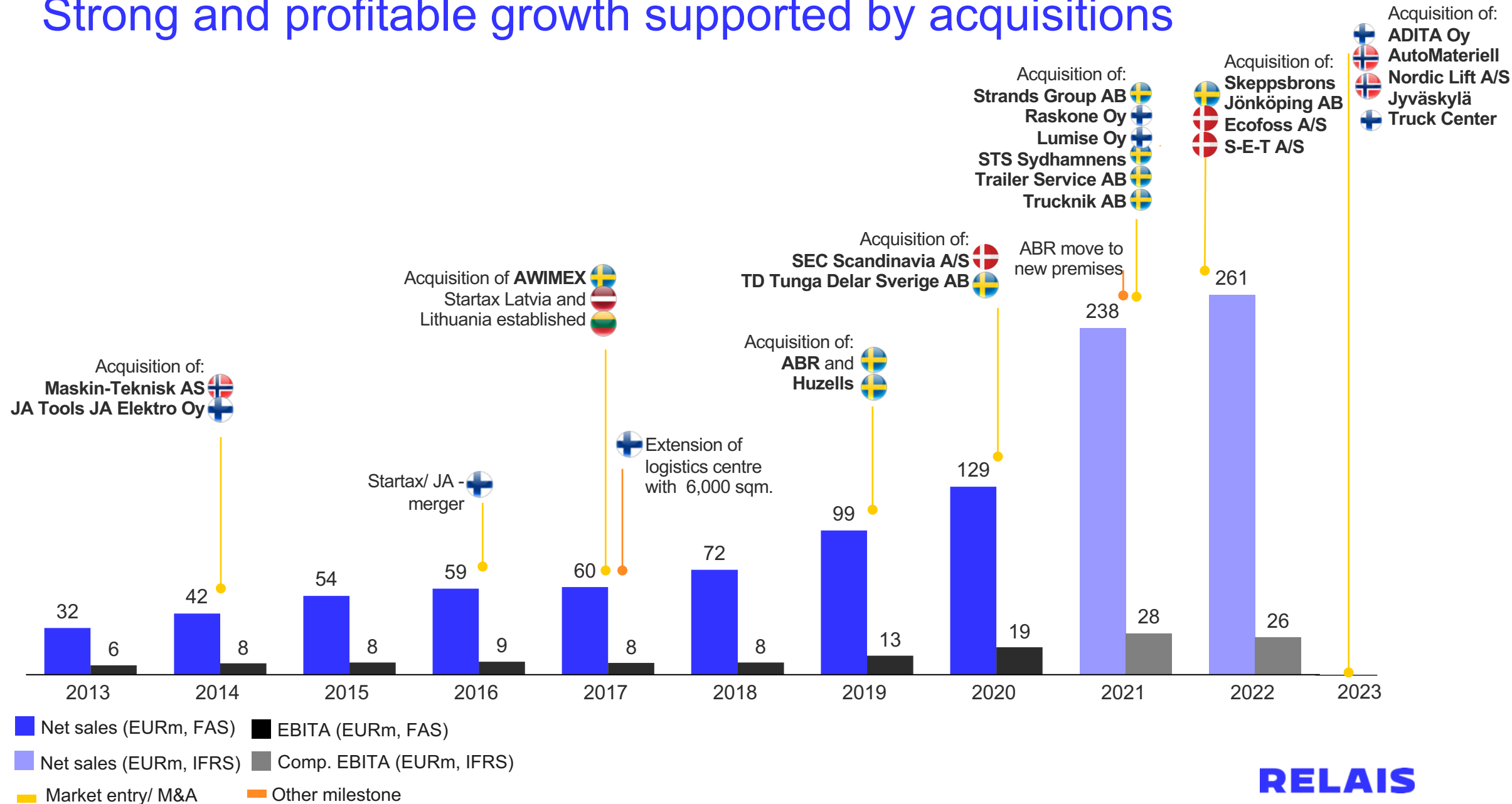
- Further development and professionalization of the acquired companies
- Full utilization of possible synergies
- Increase focus on execution and strategy

Invest right

- Confirm healthy core: Good management, stable profitability
- Identify strategic fit and value creation potential (stand-alone, synergies, further M&A)
- Utilize Relais in-depth knowledge of the aftermarket sector in defining the target companies
- Confirm right valuation, act with discipline

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Strong and profitable growth supported by acquisitions



Relais Group companies

Technical wholesale and products



Commercial vehicle repair and maintenance



Over thousand
professionals in
6 countries



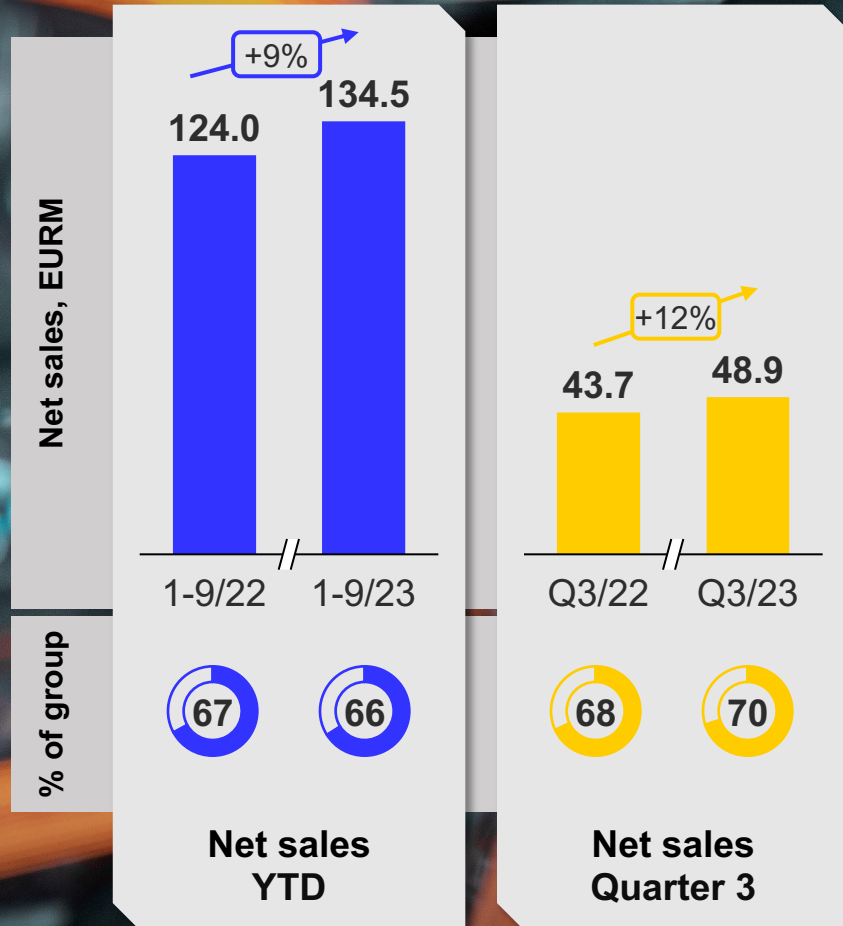
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Business review:

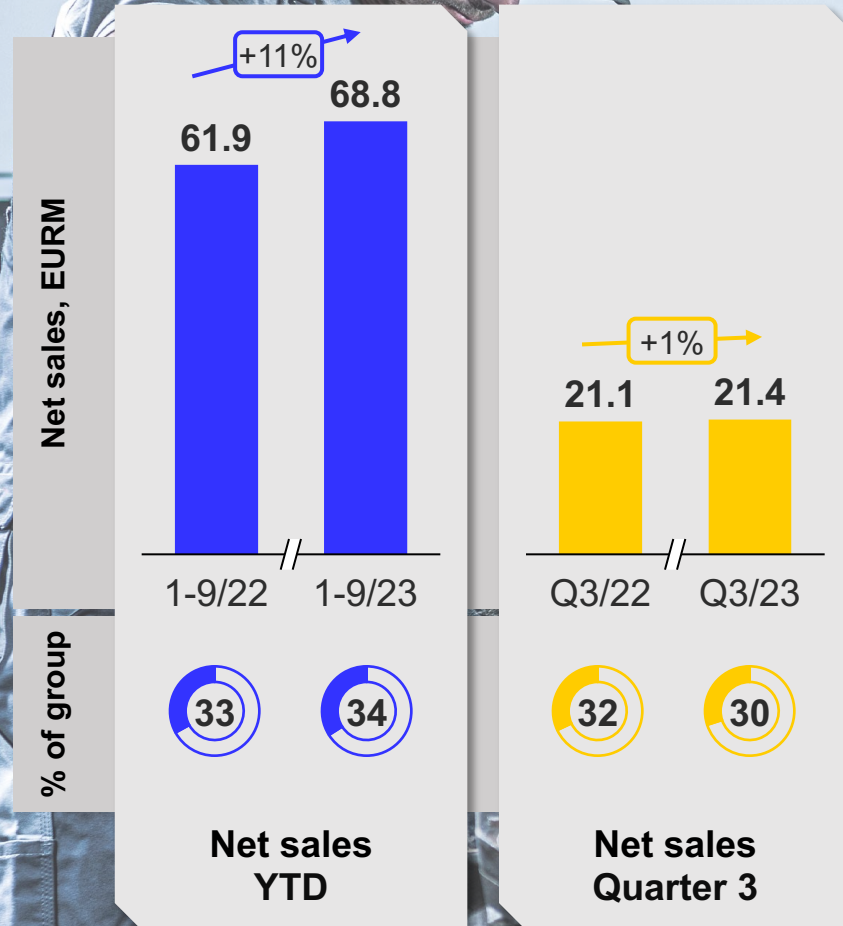
“Double-digit EBITA growth percentage for the third quarter in a row this year*”

Technical Wholesale and Products business area



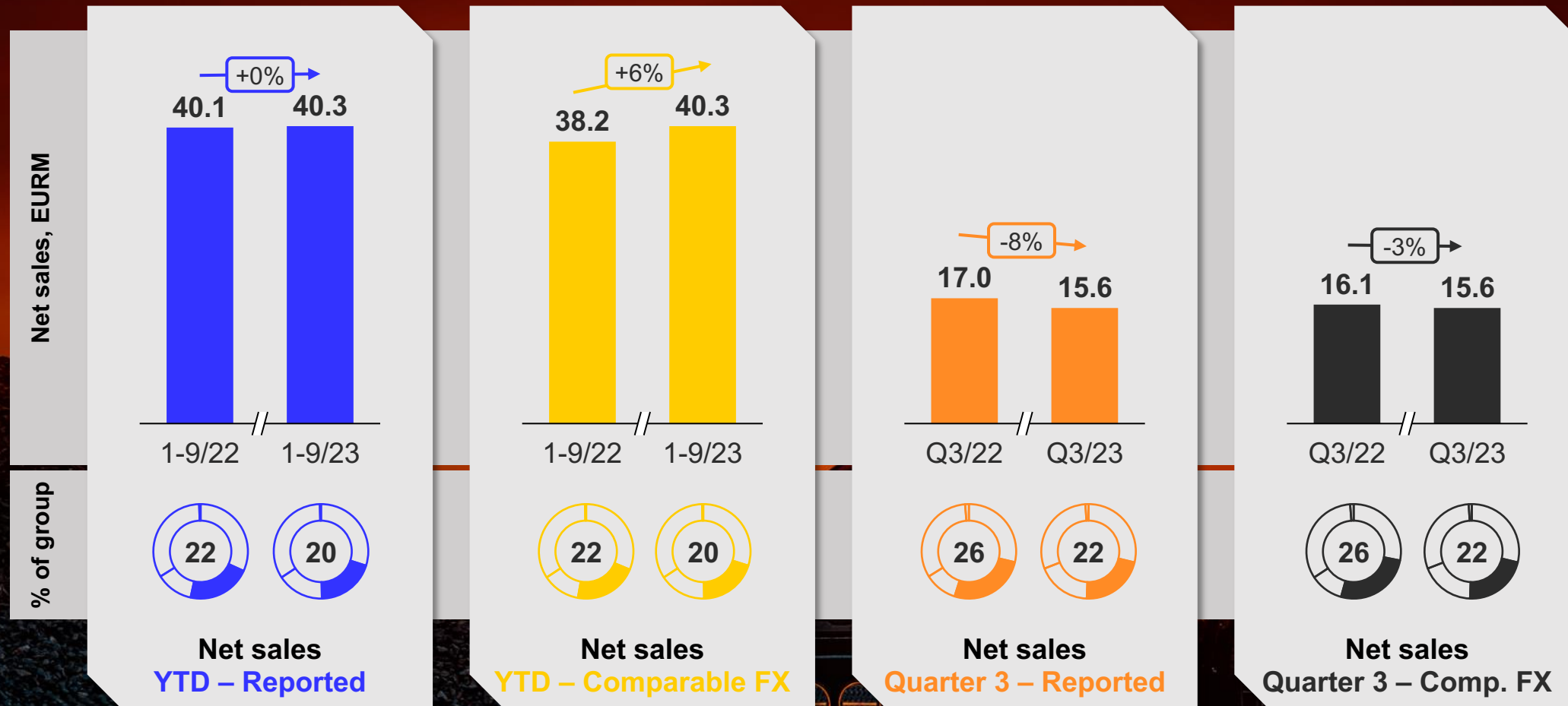
- Performance was strong especially in the Scandinavian markets due to robust customer demand, acquisitions and the effect of price increases carried out through the year
- The market situation in Finland and Baltics continued to be challenging, mainly due to the heavy competition in the spare parts market
- In comparable exchange rates the Q3 Net sales growth was 19% (YTD: +15%)
- The Q3 organic Net sales growth was 5% in comparable exchange rates (YTD: +5%).

Commercial Vehicle Repair and Maintenance business area



- The main growth drivers were the solid customer demand in both Finland and Sweden combined with the effect of the efficiency measures carried out last year.
- The capacity utilization of the workshops was at a good level and the Gross profit-% continued to develop positively.
- In comparable exchange rates the Q3 Net sales growth was 5% (YTD: +15%)
- The Q3 organic net sales growth was 5% in comparable exchange rates (YTD: +10%)

Sales by product group – Lighting



Note: Totals of product groups may not add up due to minor other sales

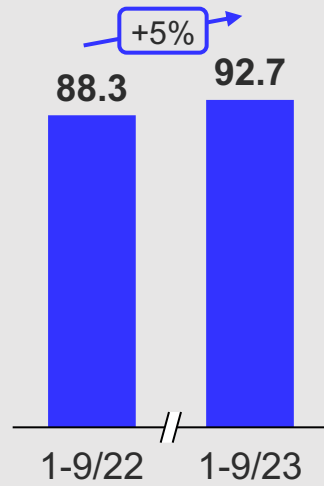
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Reported sales by segment

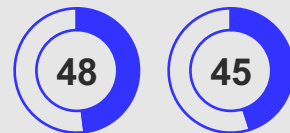
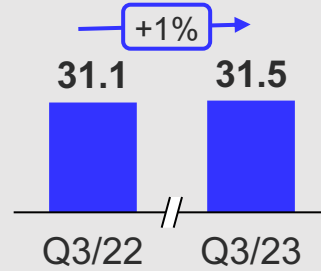
Net sales, EURM

% of group

Finland & Baltics

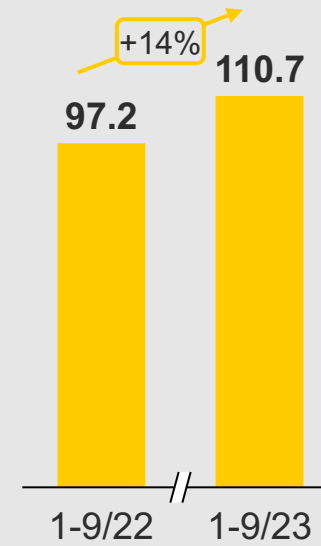


Net sales, YTD

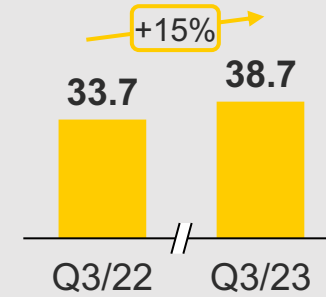


Net sales, Quarter

Scandinavia



Net sales, YTD



Net sales, Quarter



Outlook 2023

- The outlook is largely dependent on external, macroeconomic and market demand factors:
 - Inflation, interest rates, purchase power, unemployment and layoffs
 - Weak SEK/EUR exchange rate
- Vehicle aftermarket is defensive and less cyclical
- Our inventory and resource situation is good
- We feel that we are well positioned to continue the successful implementation of our strategy also during the rest of the year 2023.

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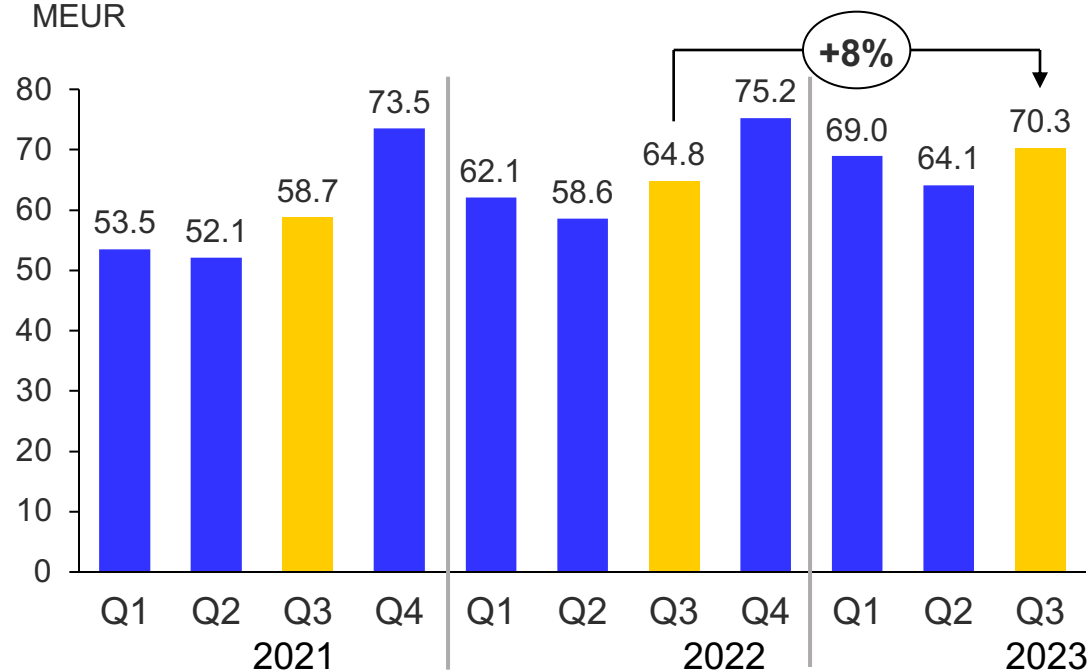
Financial review

Net sales and EBITA

Stable and profitable growth continues

Net sales

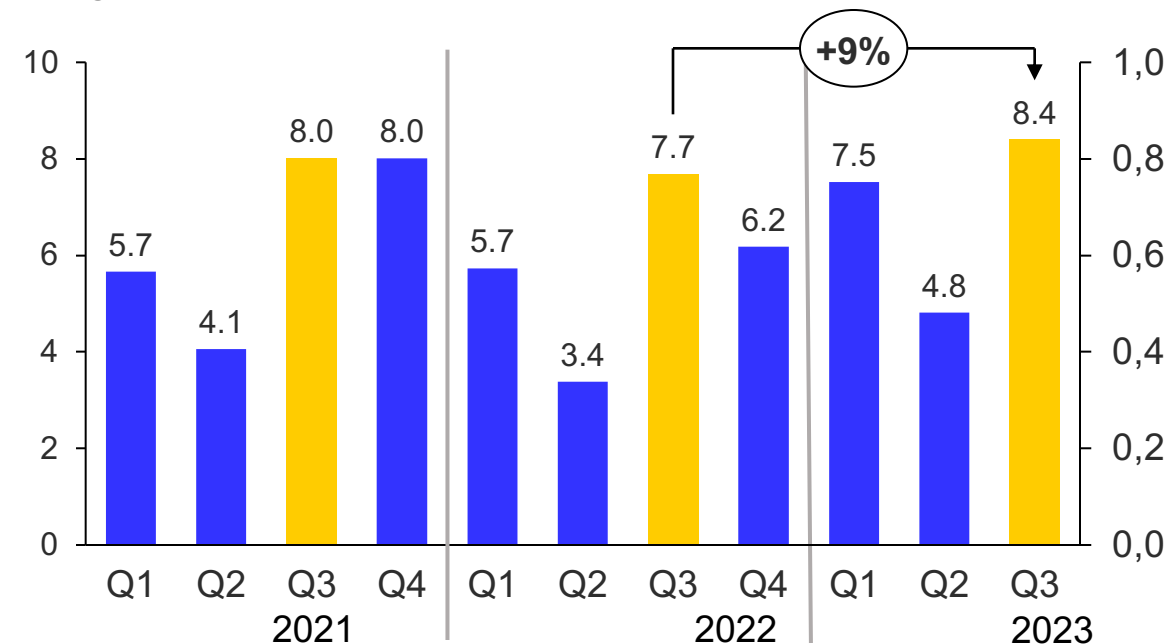
MEUR



- + Strong demand continued in the Commercial Vehicle Repair and Maintenance business
- + Acquisitions made in Sweden, Denmark, Finland and Norway in both main businesses
- Heavy competition in the spare parts market in the Technical Wholesale and Products business in Finland and the Baltics
- EUR/SEK exchange rate due to further weakening of the SEK

EBITA

MEUR

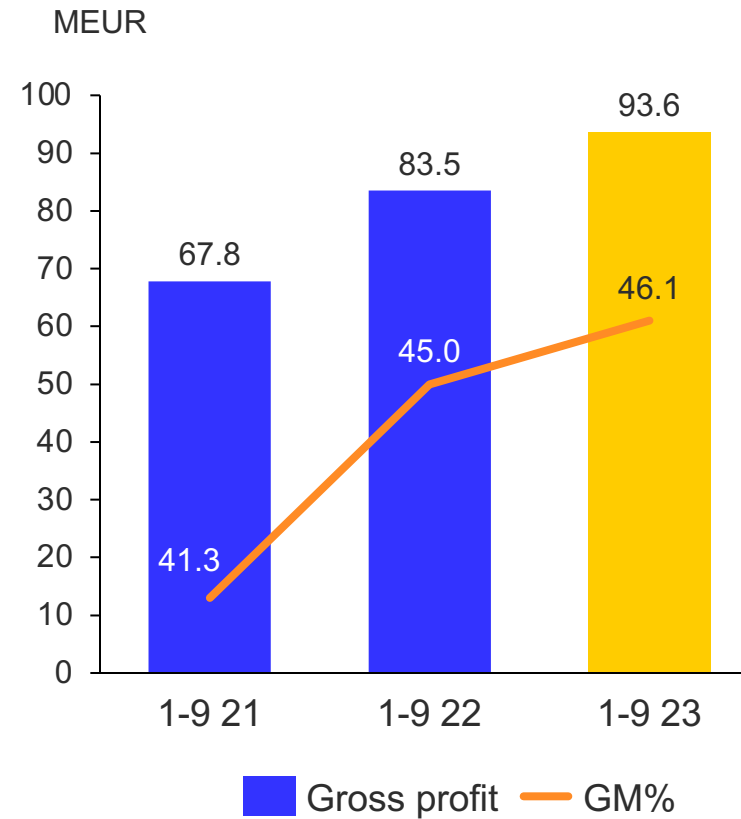
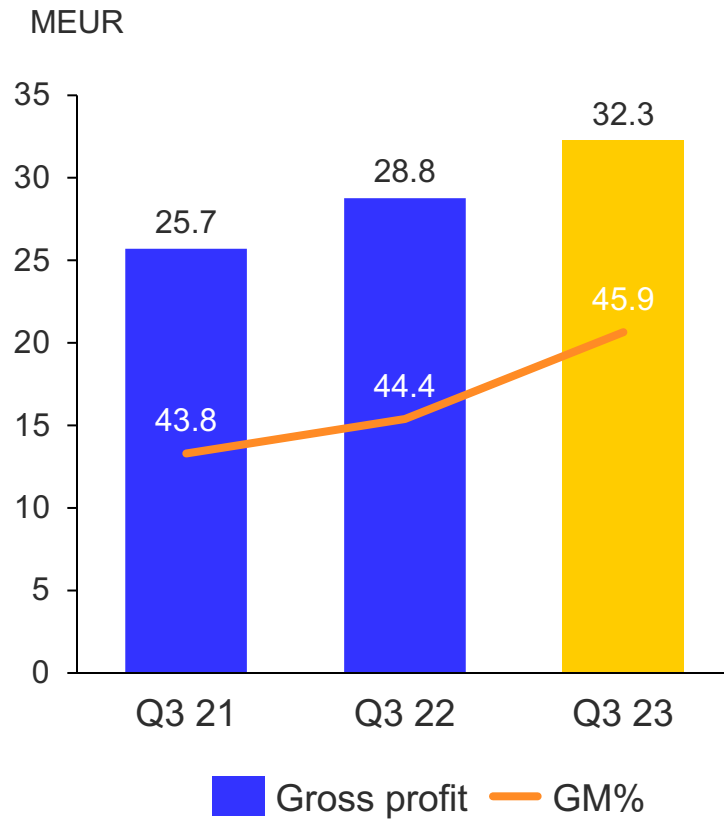


- + Improvement in the Commercial Vehicle Repair and Maintenance business continued
- + Acquisitions made in 2022 and 2023
- Heavy competition in the spare parts market in the Technical Wholesale and Products business in Finland and the Baltics
- EUR/SEK exchange rate due to further weakening of the SEK

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Gross profit and gross margin

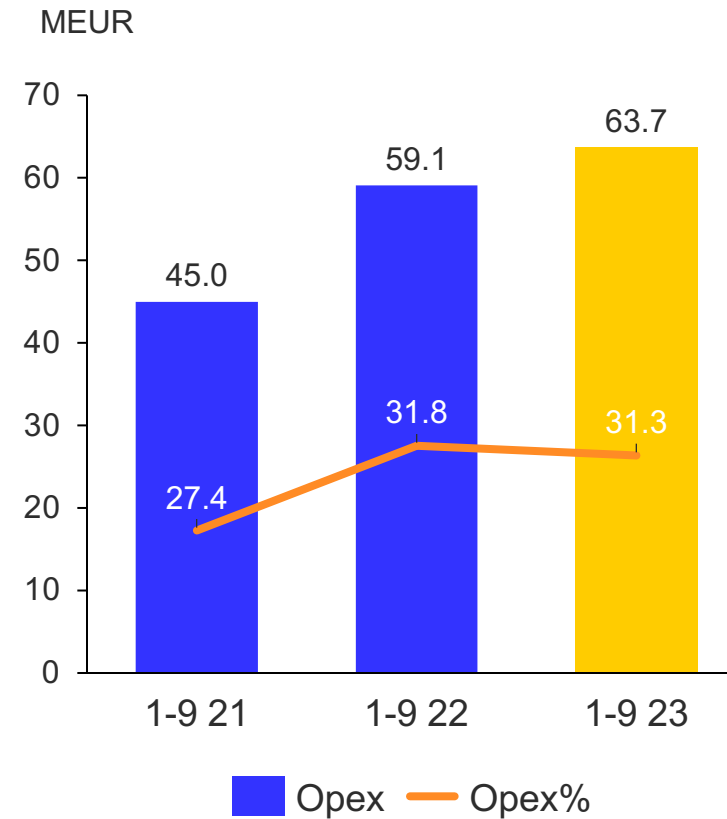
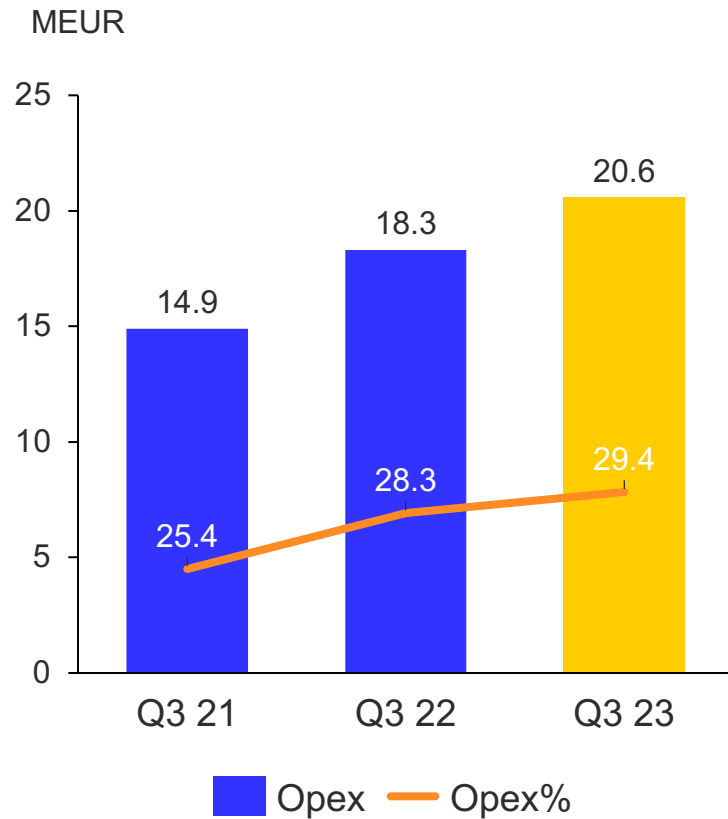
Improvement despite increased sourcing costs and weak krona | Improved business mix



- + Increase in gross profit and gross margin despite increase in sourcing costs of goods and weak Swedish krona
- + Increased weight of the higher margin Commercial Repair and Maintenance Business

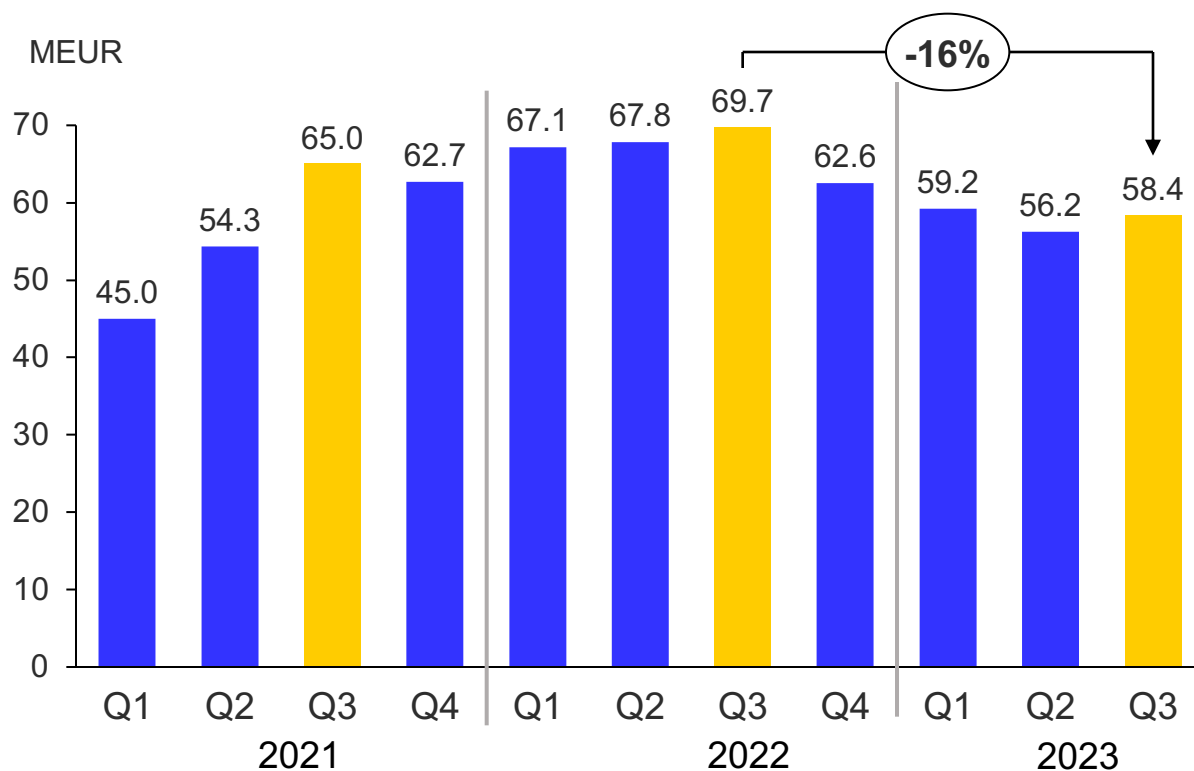
Operating expenses

Increase mostly driven by acquisitions | Stable opex% during January-September 2023



Net working capital

Reduced inventory levels and increased trade and other payables caused by operative efficiency improvement measures

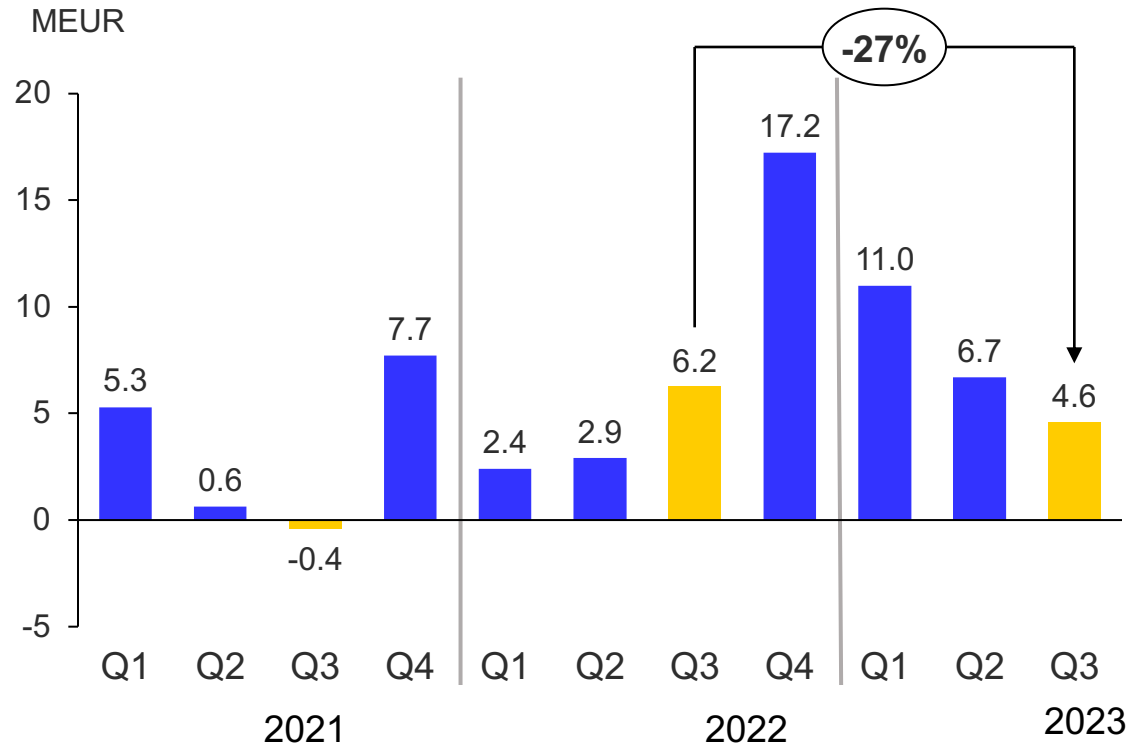


MEUR	09 2023	09 2022	12 2022
Inventories	73.9	77,0	67.8
Trade and other receivables	42.7	38.4	36.9
Trade and other payables	58.3	45.7	41.9
Total net working capital	58.4	69.7	62.7

- + The reduction in net working capital originated in implemented operative efficiency improvement measures especially in the Spare part wholesale business
- Inventories acquired in connection of the acquisition of AutoMateriell And Nordic Lift
- Growth related investment in inventories in the Lighting product group

Cash flow from operations and cash conversion

Significant increase in Jan-Sept | Acquisition of and investments in inventories in Q3



MEUR	Q3		Jan-Sept		FY 2022
	2023	2022	2023	2022	
CF before change in NWC	12.3	11.2	32.5	26.8	38.6
Change in NWC	-6.8	-3.3	-3.5	-9.1	-0.1
CF from net financials	-0.9	-1.6	-6.7	-6.2	-9.7
CF from operations	4.6	6.2	22.3	11.6	28.8
Free Cash Flow	0.4	4.4	15.9	7.7	24.1
<i>Cash conversion</i>	3 %	40 %	50 %	29 %	66 %

- + Improved profitability especially in the Commercial Vehicle Repair and Maintenance business
- + Reduced NWC due to operative efficiency improvement measures especially in the spare parts wholesale business
- + Corporate acquisitions made in 2022 and 2023
- Inventories acquired in connection of the acquisition of AutoMateriell and Nordic Lift in Q3
- Q3 NWC increase due to growth related investment in inventories in the Lighting product group

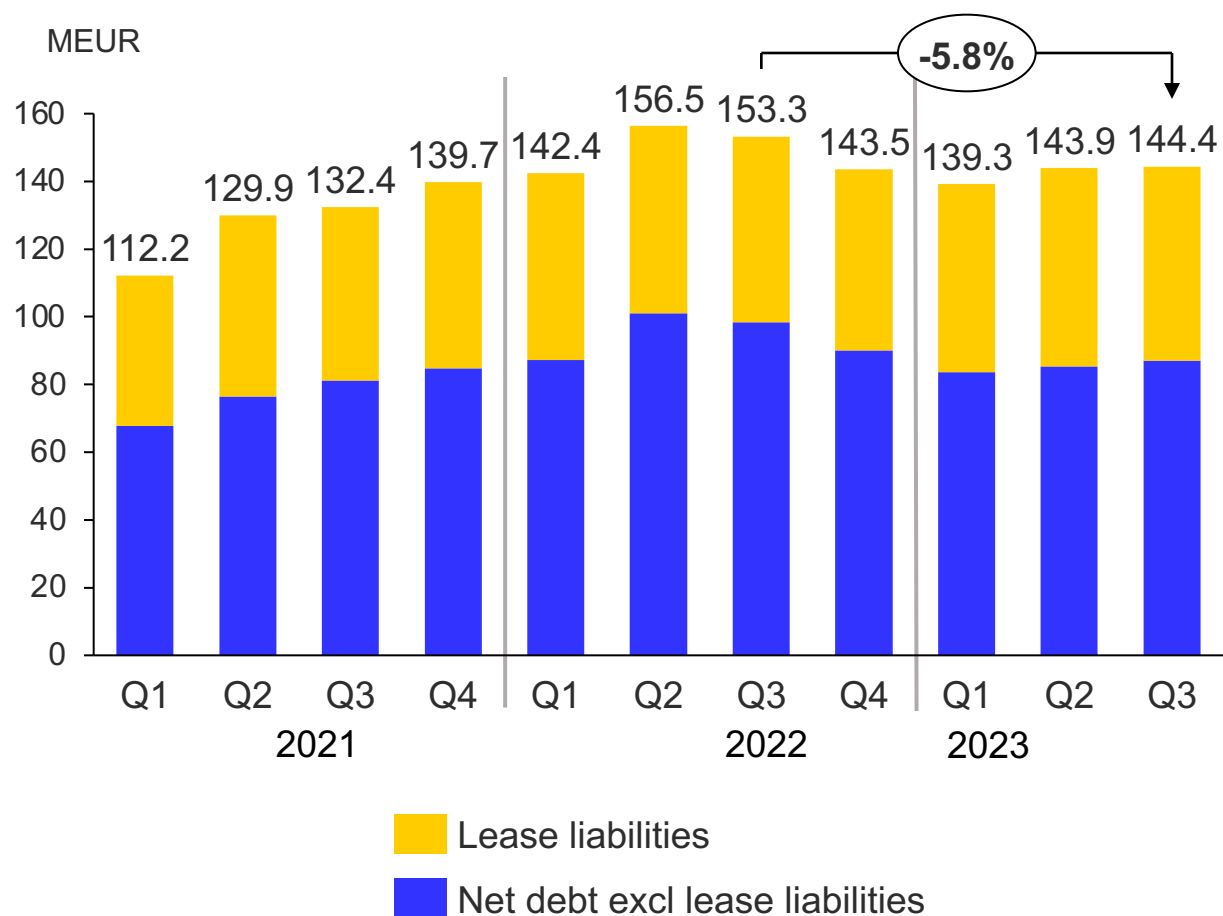
Cash flow summary January-September 2023

Significant increase in cash flow from operations

Cash flow from operations EUR 22.2 (11.6) million	Cash flow from investing activities EUR -6.6 (-10.8) million	Cash flow from financing activities EUR -16.6 (-0.1) million
<ul style="list-style-type: none">+ Improved profitability especially in the Commercial Vehicle Repair and Maintenance business+ Reduced NWC due to operative efficiency improvement measures especially in the spare parts wholesale business+ Acquisitions made in 2022 and 2023	<ul style="list-style-type: none">▪ 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▪ Acquisition of the shares in Nordic Lift AS▪ Investments in intangible and tangible assets of EUR -2.7 (-1.2) million: a) Goodwill and fixed assets related to the acquisition of the AutoMateriell business, b) Operative investments	<ul style="list-style-type: none">– Repayments of lease liabilities EUR -9.1 (-7.8) 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

Interest-bearing net debt

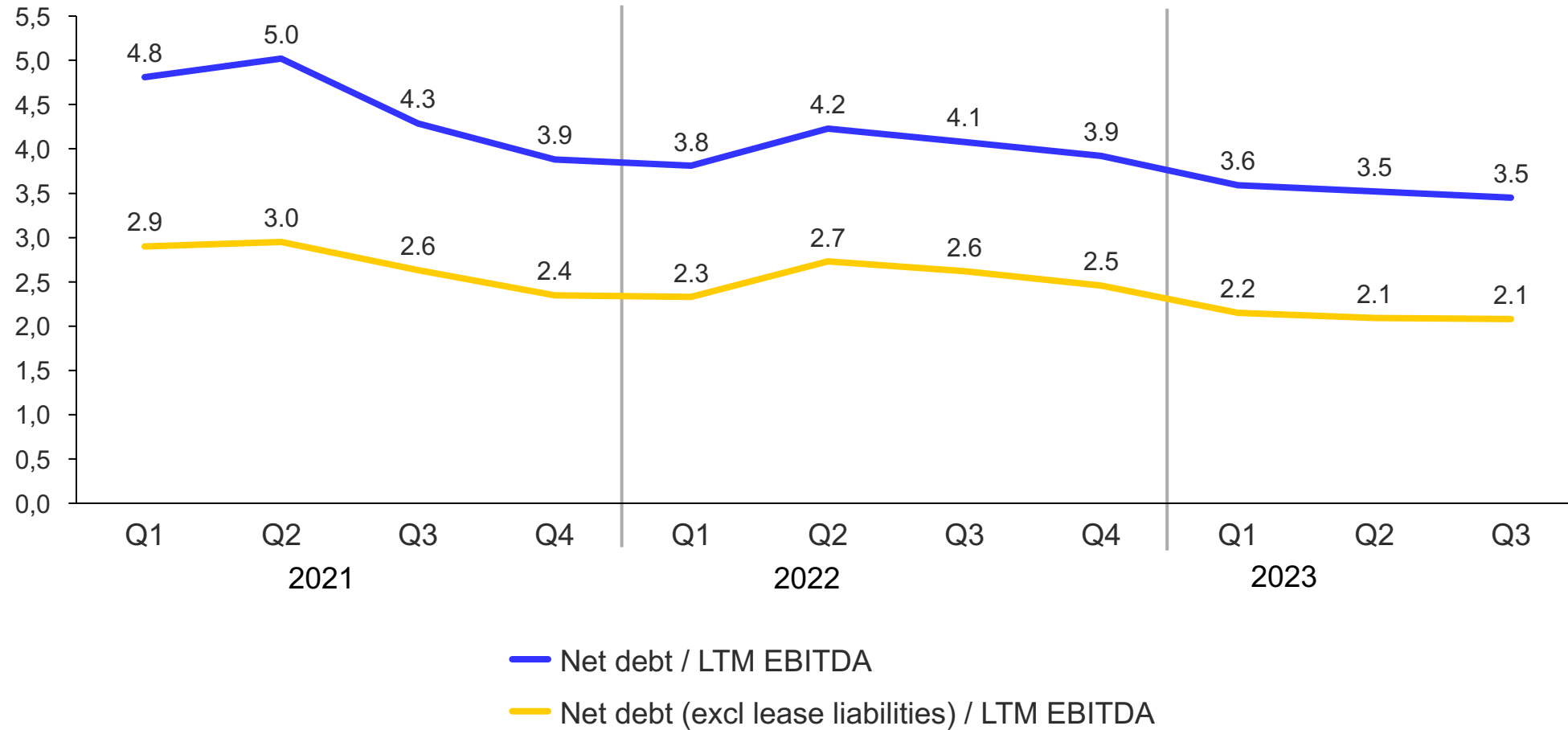
Normal amortisation of interest-bearing loans and stable cash and liquidity



Relais Group (IFRS)			
MEUR	09 2023	09 2022	12 2022
Loans from financial institutions, l-t	91.2	100.0	95.7
Loans from financial institutions, s-t	6.9	10.7	7.2
Lease liabilities	57.3	54.8	53.5
Other liabilities	1.6	0.2	0.7
Gross debt	157.0	165.7	157.1
Cash and bank	12.6	12.5	13.5
Net debt	144.4	153.2	143.6
Net debt excl. lease liabilities	87.1	98.4	90.1
Undrawn RCF	5.6	4.8	4.8
Undrawn uncommitted facility	15.5	25.0	15.5
Cash+unused credit facilities	33.7	42.3	33.8

Net debt/LTM EBITDA

Clear year-on-year reduction



Net financials

Increase in net interest expenses offset by FX net gains in Q3 2023

MEUR	Q3		Jan-Sept		FY
	2023	2022	2023	2022	2022
Interest income and expenses	-1.5	-0.8	-4.0	-2.1	-2.6
Interest expenses, lease liabilities	-0.4	-0.4	-1.2	-1.1	-1.446
Foreign exchange gains and losses	0.5	-0.5	-1.0	-1.9	-2.5
Other financial income and expenses	-0.1	0.0	-0.2	0.0	-0.2
Changes in fair values	0.0	0.0	0.0	0.3	0.3
Total net financial items	-1.5	-1.7	-6.5	-4.8	-6.5
<i>% of net sales</i>	<i>2.1 %</i>	<i>2.6 %</i>	<i>3.2 %</i>	<i>2.6 %</i>	<i>2.5 %</i>

- Net interest expenses increased due to the increase in reference interest rates on interest-bearing loans
- FX net gains in Q3 and net losses cumulatively originate in the net exchange rate difference of SEK denominated interest-bearing loans and SEK denominated group internal interest-bearing loan receivables

Balance sheet and financial position 30.9.2023

The Group's balance-sheet total
EUR **322.7** (318.8)
million

Total equity
EUR **102.0** (101.3)
million

Net debt excl. lease liabilities
EUR **87.1** (98.4)
million

Net gearing excl. lease liabilities
85.3 (97.2)
%

Equity ratio
31.6 (31.8)
%

Cash assets
EUR **12.6** (12.5)
million

Dividend for the financial year 2022

Second instalment to be paid on 9 November

- The Annual General Meeting held on 5 April 2023 decided that the dividend will be paid in two instalments
- The second instalment, EUR 0.20 per share, will be paid to shareholders who, on the record date of 2 November 2023 are registered in the shareholders' register of Relais Group Plc
- The second instalment of the dividend will be paid on 9 November 2023



Long term financial target

Relais Group aims to reach
a pro forma* EBITA of

50

MEUR by end of 2025

* Including latest twelve months EBITA of acquired businesses

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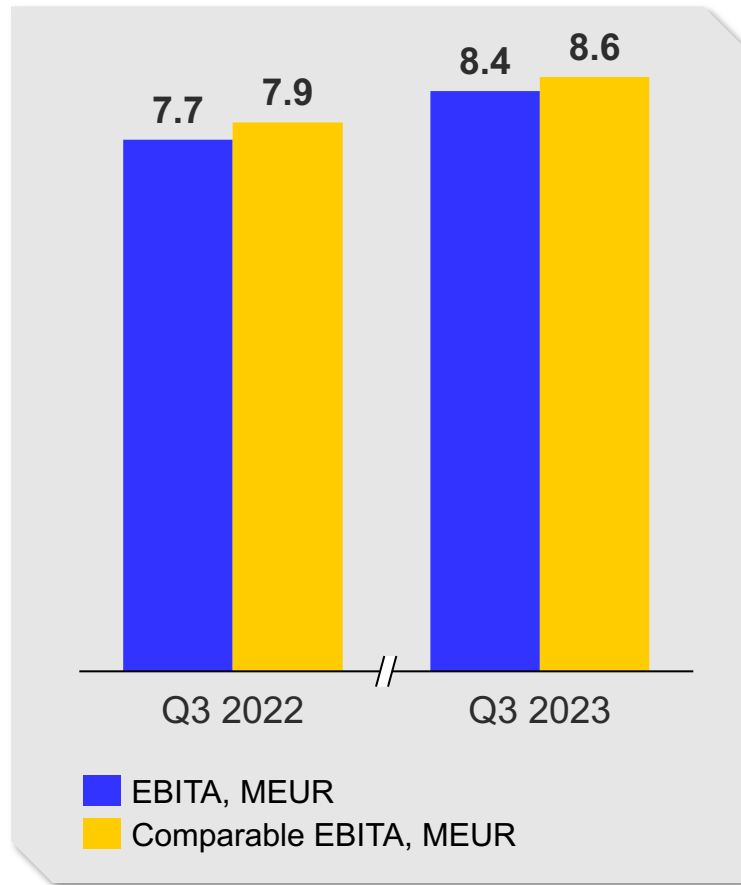
Financial review

Additional slides

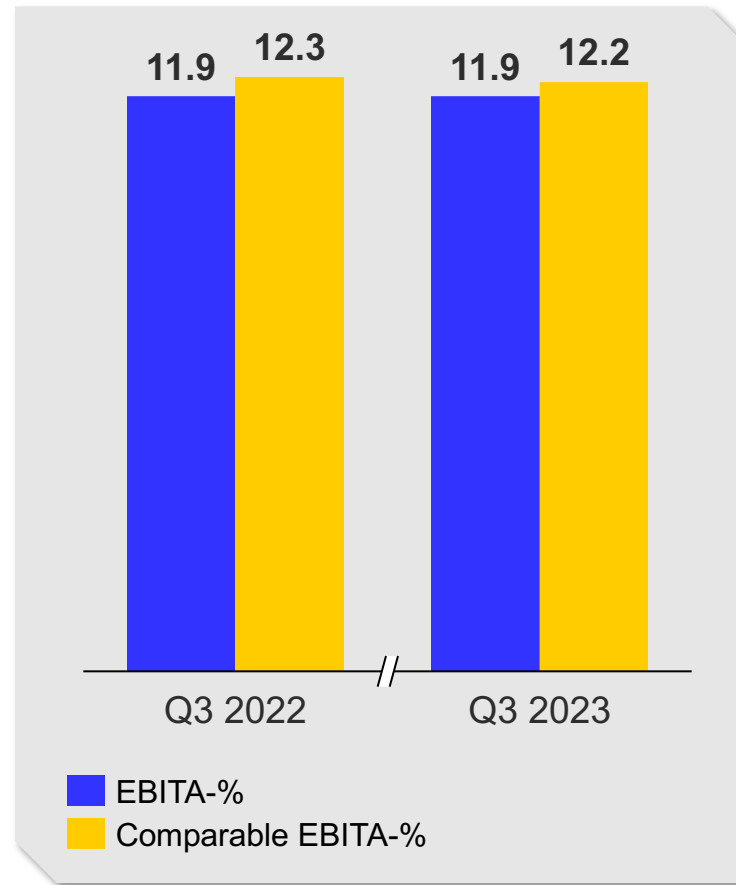
EBITA and comparable EBITA Q3/2023

Significant improvement in euros

EBITA



EBITA %

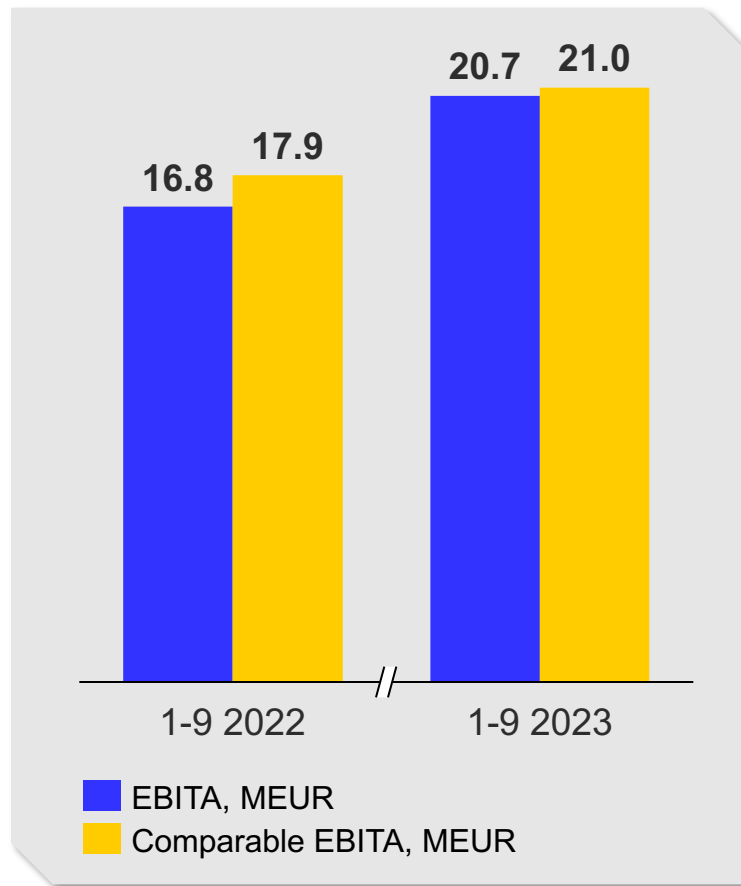


- + Improvement in the Commercial Vehicle Repair and Maintenance business continued
- + Acquisitions made in 2022 and 2023
- Heavy competition in the spare parts market in the Technical Wholesale and Products business in Finland and the Baltics
- EUR/SEK exchange rate
- Comparable APMs: Transaction costs and certain additional purchase price items of company acquisitions as well as listing costs are eliminated as items affecting comparability

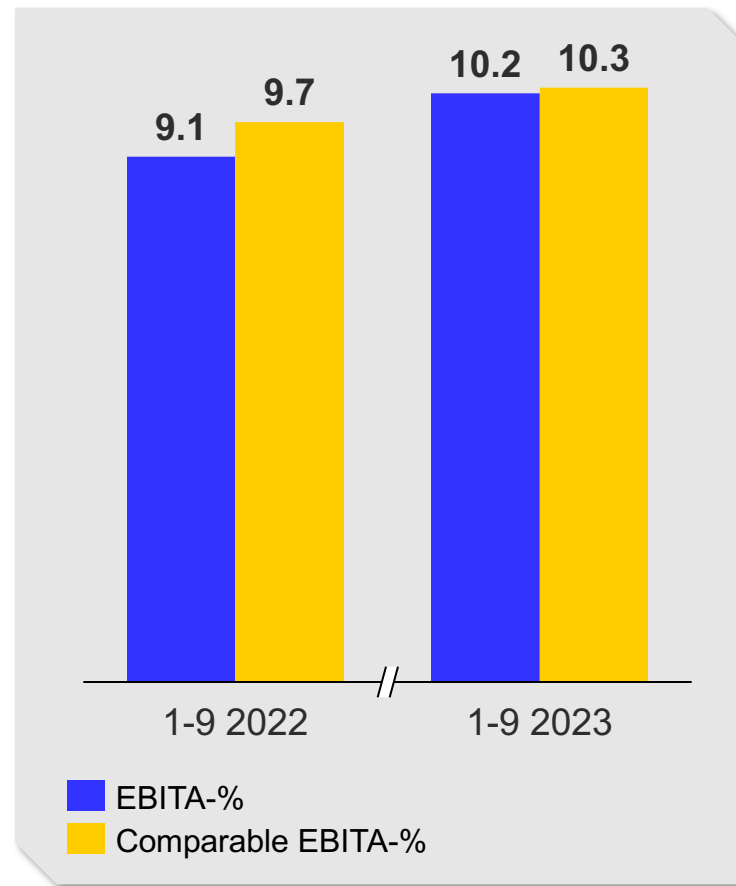
EBITA and comparable EBITA January-September 2023

Significant improvement in both euros and relative terms

EBITA



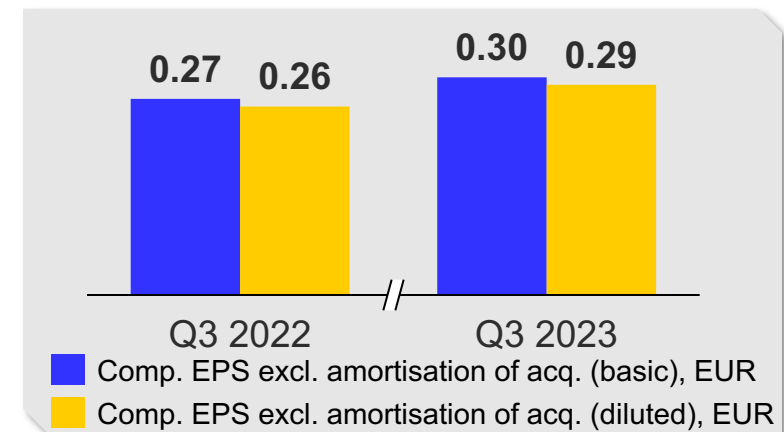
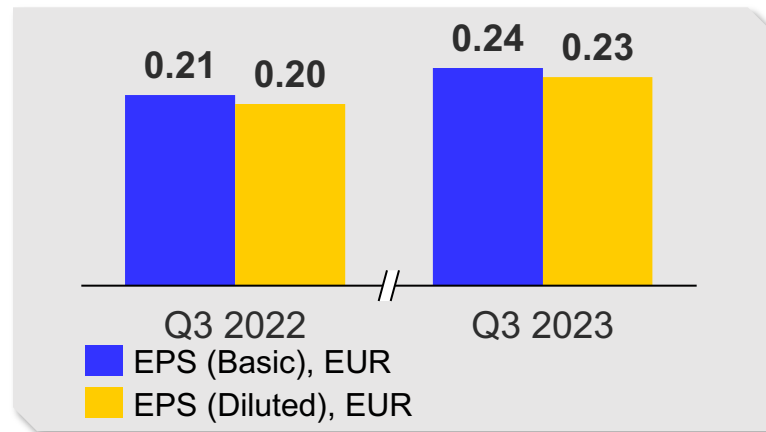
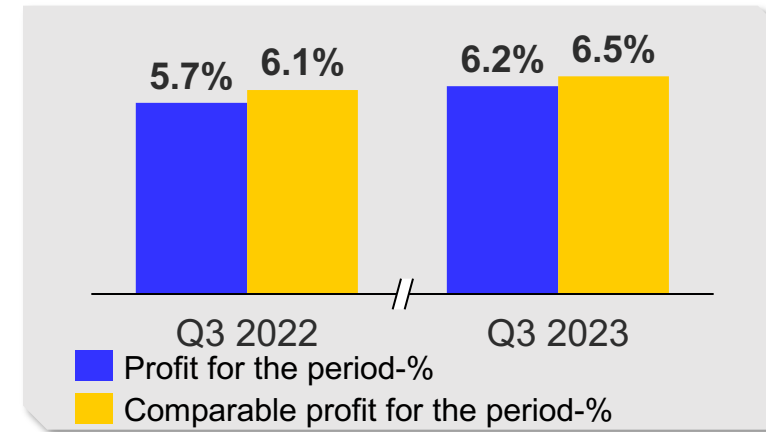
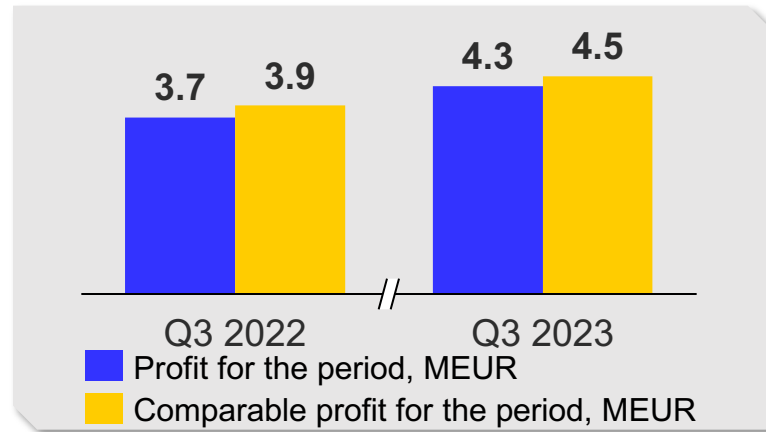
EBITA %



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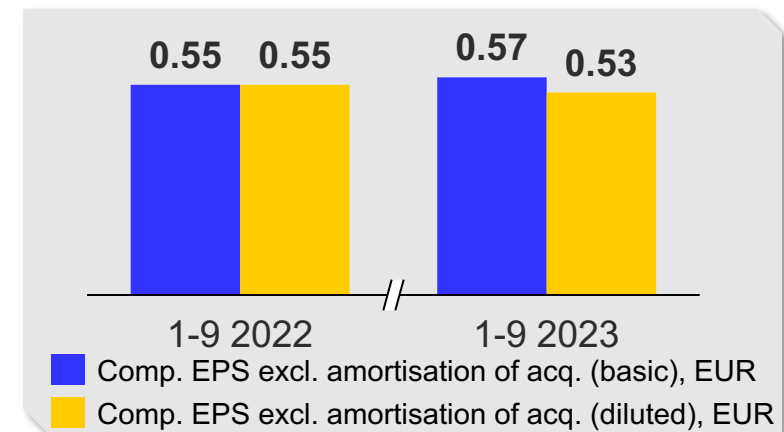
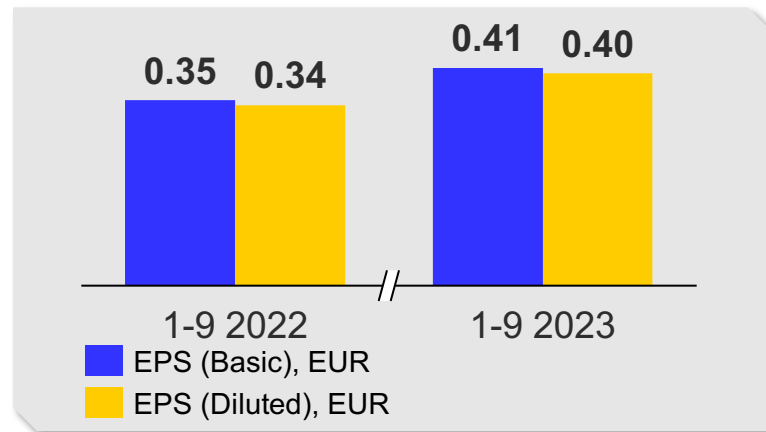
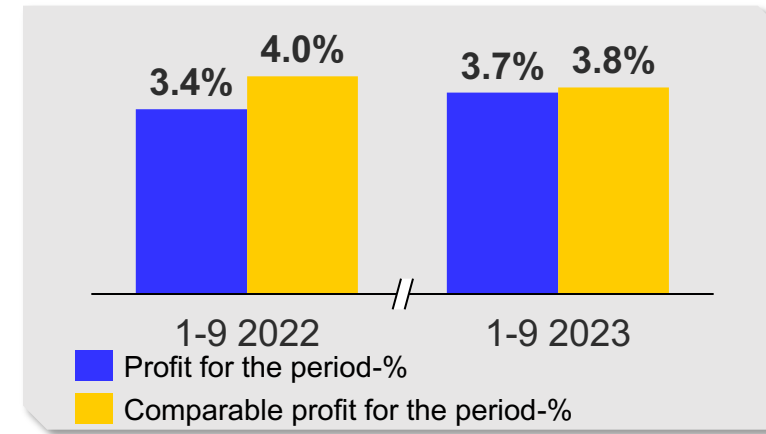
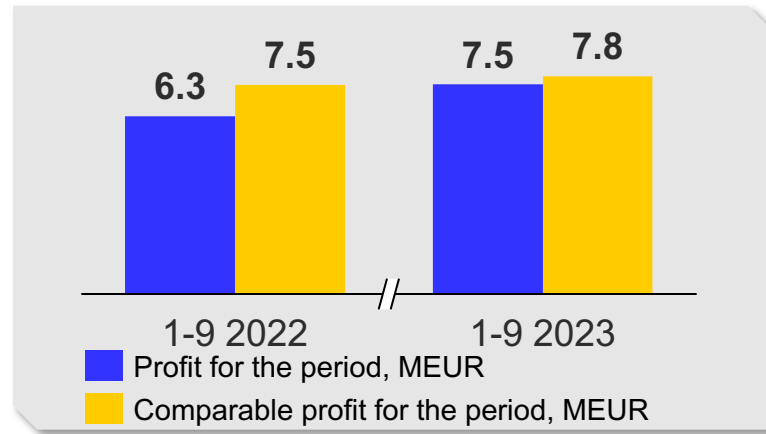
Net profit and EPS development Q3/2023

Improved EBIT and stable net financial items sources of improvement



Net profit and EPS development January-September 2023

Improvement despite significantly increased net financial items



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Relais as an investment



Relais as an investment

- Sector focused consolidator with a long ownership perspective
- Long track record of making successful acquisitions and developing our companies
- Solid cash flow and profitability track record
- Aftermarket is a growing, defensive market with less cyclicity
- Growing vehicle lighting business with own brands
- Efficient operating model

A welder wearing a silver protective mask and a dark jacket is working in a factory. Sparks are flying from the welding point. The background shows a workshop with various tools and equipment.

Q&A

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