



Relais Group Plc Financial Statements Review 2023

7 March 2024

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Presenting today:



Arni Ekholm
CEO



Thomas Ekström
CFO



Content

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

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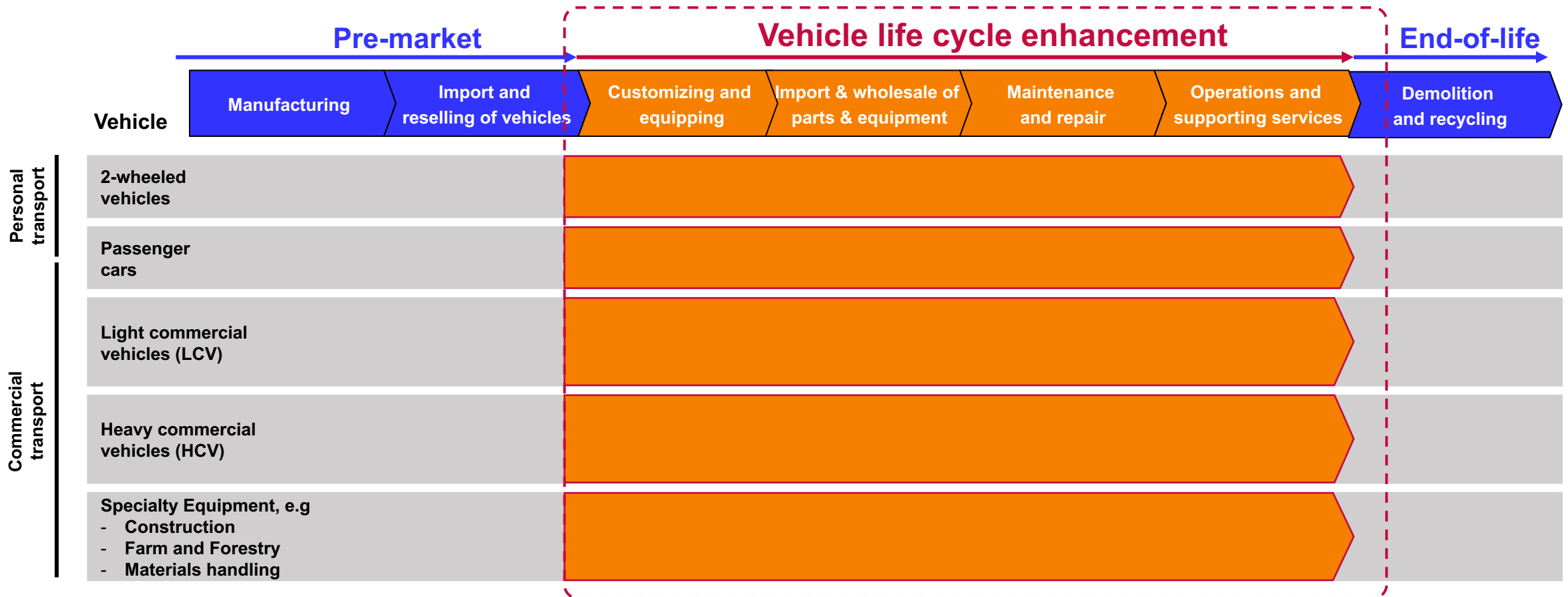
Relais in brief

Relais positioning

- We are **vehicle aftermarket specialists** operating in the Nordic region.
- We are one of the **biggest and most profitable** growth platforms in this sector in Northern Europe.
- We are focused on the **vehicle aftermarket** since we see the best **value creation potential** in that market. It is also less cyclical and more defensive than many other markets and grows steadily.
- A large part of our business comes from **commercial vehicles**
- We aim to create **shareholder value** by delivering **strong earnings growth** with a strategy based on:
 - **Acquisitions**
 - **Organic growth**
 - **Operational excellence**

Relais Group target market

Estimated market size in Nordic and Baltic countries: 20 billion €, 19 million vehicles*



*management estimate 2021

Relais Group companies

Technical wholesale and products



Commercial vehicle repair and maintenance



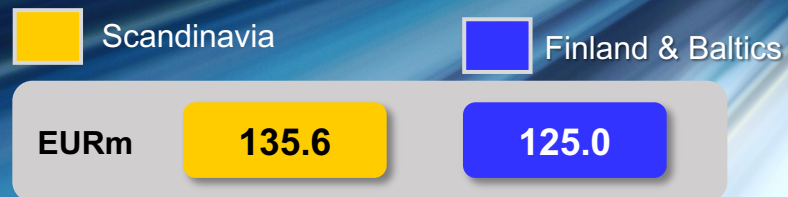
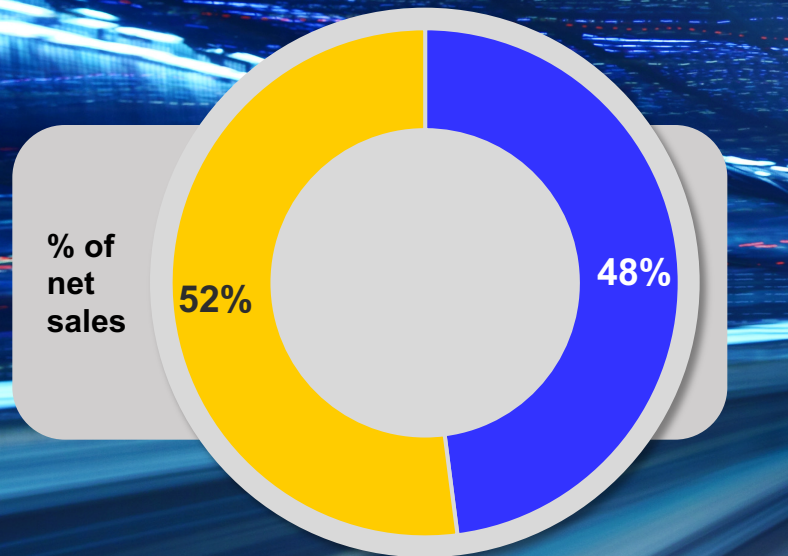
Over thousand
professionals in
6 countries



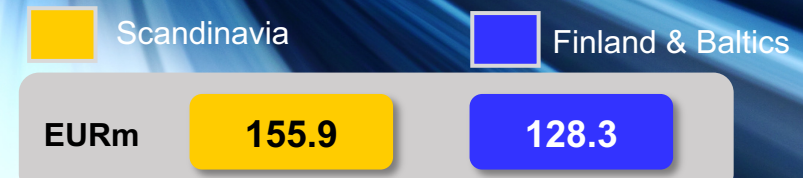
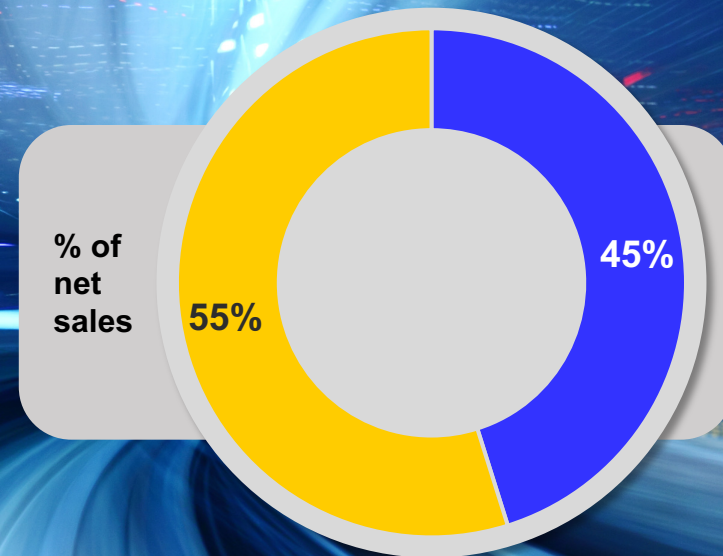
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Sales by segment

FY 2022



FY 2023

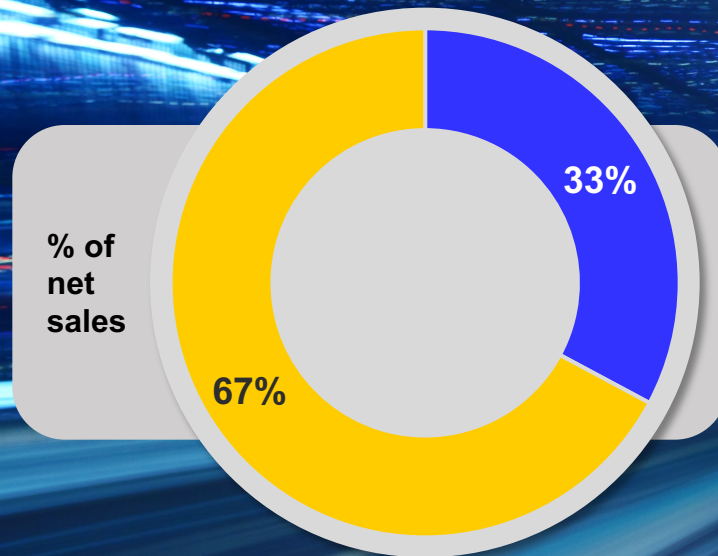


Note: Totals of product groups may not add up due to minor other sales

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Sales by business area

FY 2022



Technical wholesale and products

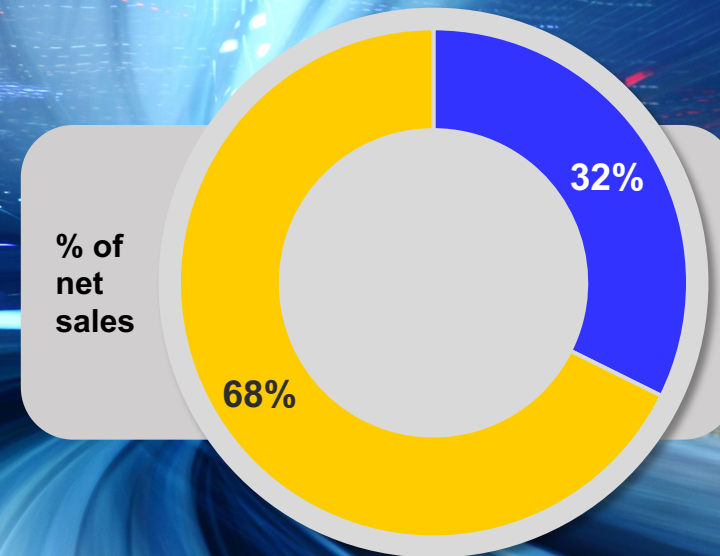
EURm

175.1

85.6

Repair & Maintenance

FY 2023



Technical wholesale and products

EURm

192.4

91.9

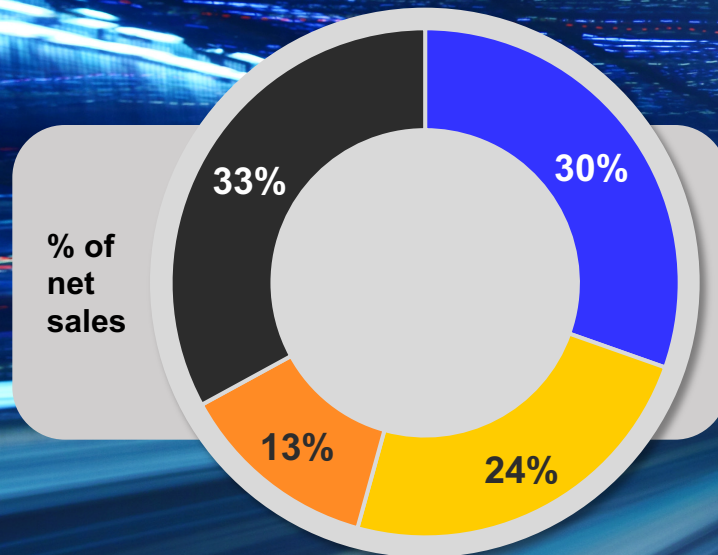
Repair & Maintenance

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

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Sales by product group

FY 2022



EURm

85.6

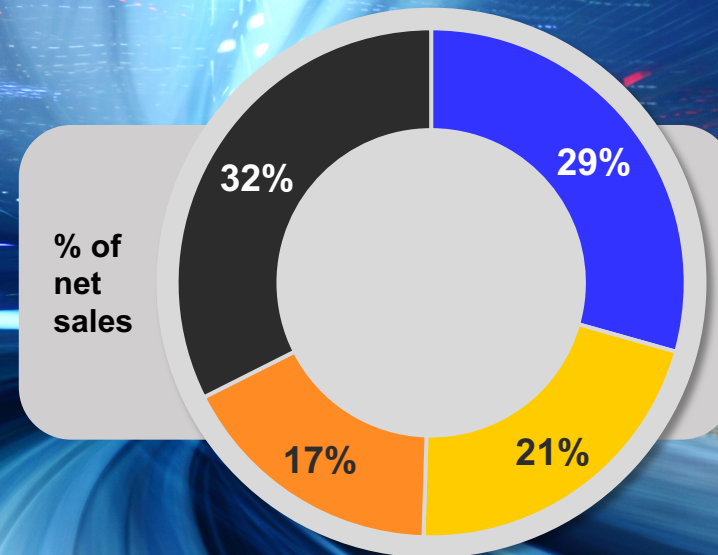
33.1

62.1

78.9

■ Spare Parts ■ Lighting ■ Equipment ■ Repair & Maintenance

FY 2023



EURm

91.9

48.4

59.8

83.2

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

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Business review 2023

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Year 2023:

Highest net sales and EBITA
in the history of Relais Group



Net sales full year 2023 (2022)

MEUR **284** (261)
+9%

EBITA full year 2023 (2022)

MEUR **28.5** (23.0)
+24%

Net sales Q4/2023 (Q4/2022)

MEUR **80.9** (75.2)
+8%

EBITA Q4/2023 (Q4/2022)

MEUR **7.8** (6.2)
+25%

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

Year 2023 in a nutshell

Positives:

- Net sales grew with 9% and EBITA with 24%
- The wholesale market in Scandinavia developed positively the whole year. Price increases contributed to stable gross profit levels.
- The commercial vehicle repair and maintenance business performed extremely well both in Finland and in Sweden. We have gained market share and strongly increased the profitability.
- We acquired 4 companies despite the generally sluggish corporate acquisition market.

Negatives:

- The wholesale market in Finland was soft through the whole year, partly due to the mild winter but also because of the general weakness of the Finnish economy.
- The on-line B2C business struggled due to low consumer demand. Too high operating cost especially during H1.
- Lack of bigger M&A cases
- At comparable EUR/SEK exchange rates, EBITA would have been approximately EUR 1.5 million higher than reported

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Q4/2023:

Fourth consecutive quarter with a double digit EBITA growth

Quarter 4 in a nutshell

Positives:

- Q4 was the fourth consecutive quarter with a double-digit EBITA growth (+26%) during 2023
- Net sales grew with 8%
- The wholesale market was strong in Scandinavia
- The commercial vehicle repair and maintenance market demand remained solid

Negatives:

- The wholesale market in Finland continued to be soft
- The consumer demand for discretionary products was very weak in Finland, affected the vehicle lighting sales negatively
- Especially the B2C on-line sales of lighting products was much below expectations
- At comparable EUR/SEK exchange rates, EBITA would have been approximately EUR 0.2 million higher than reported



Operational excellence

- We enhanced our pricing policies and procedures in our wholesale operations in Finland and Sweden to defend and improve our gross profit.
- We managed to improve the capacity utilization of both our commercial vehicle workshop chains, Raskone and STS by implementing determined and disciplined efficiency measures and by investing in our personnel.

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Strategy and financial target



Financial target

**Relais Group aims to reach
a pro forma* comparable
EBITA of
50
MEUR by end of 2025**

* Including latest 12 months comparable EBITA of acquired businesses

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Relais Group Strategy



Relais Group value creation model

BUY AND BUILD

Accelerate growth

- Competence compounding
- Accelerate organic and acquired growth

Build great businesses

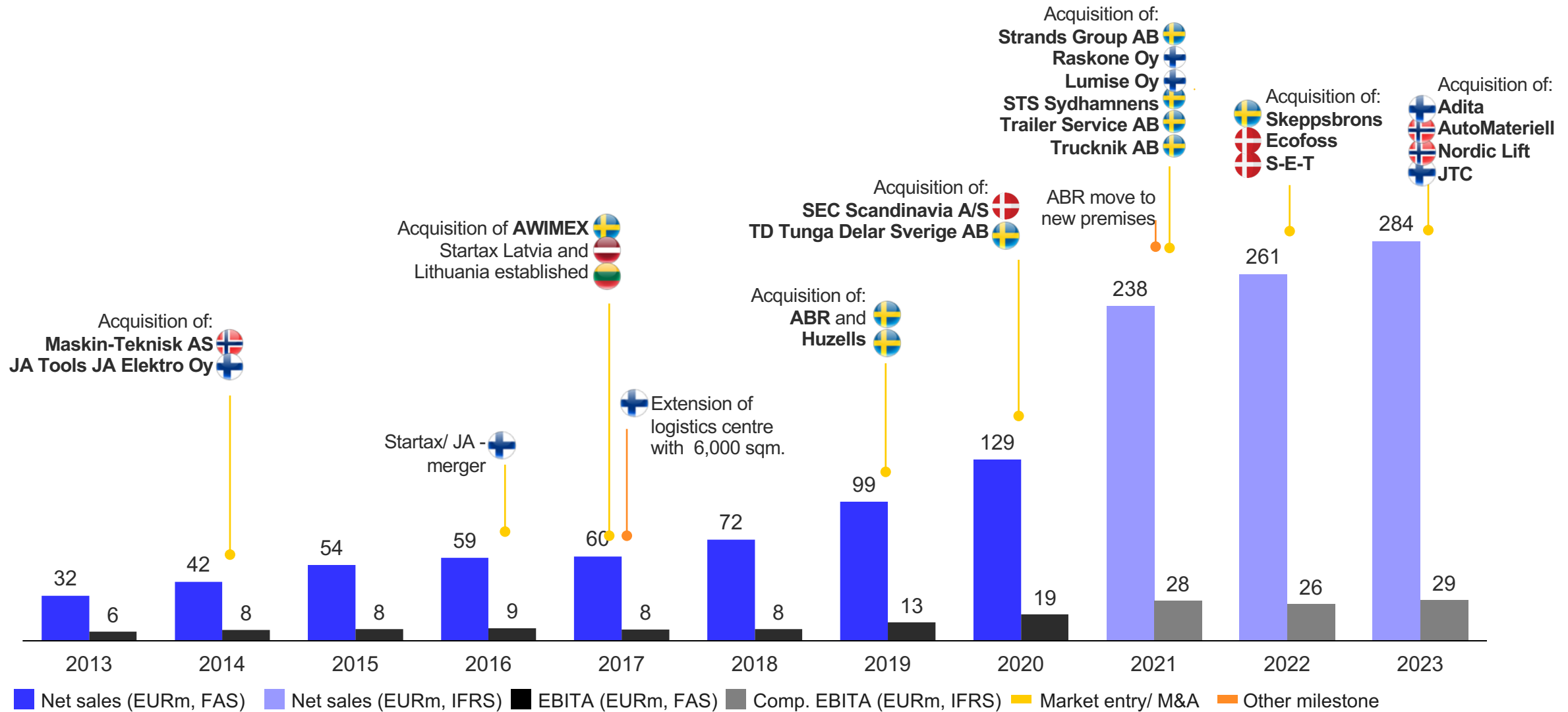
- Further development of the acquired companies' operations and capabilities
- Full utilization of the synergies
- Add-on acquisitions
- Increase focus on execution and strategy
- Guarantee a high cash conversion

Invest right

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

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Strong growth track record



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Outlook 2024



Outlook 2024

- The outlook for 2024 is largely dependent on external, macroeconomic and market demand factors:
 - Inflation is still on a relatively high level and the dramatically risen financing costs for businesses and households are affecting the purchase power of the customers and consumers negatively
 - Unemployment and layoffs are projected to increase especially in Finland and partly also in Sweden.
- On the other hand, the vehicle aftermarket is defensive by nature and the independent aftermarket often takes market shares when times are tougher.
- The inventory and resource situation is good, allowing us to meet the customer demand for our products and services.
- We feel that we are well positioned to continue our growth path in a profitable and sustainable way also during 2024.

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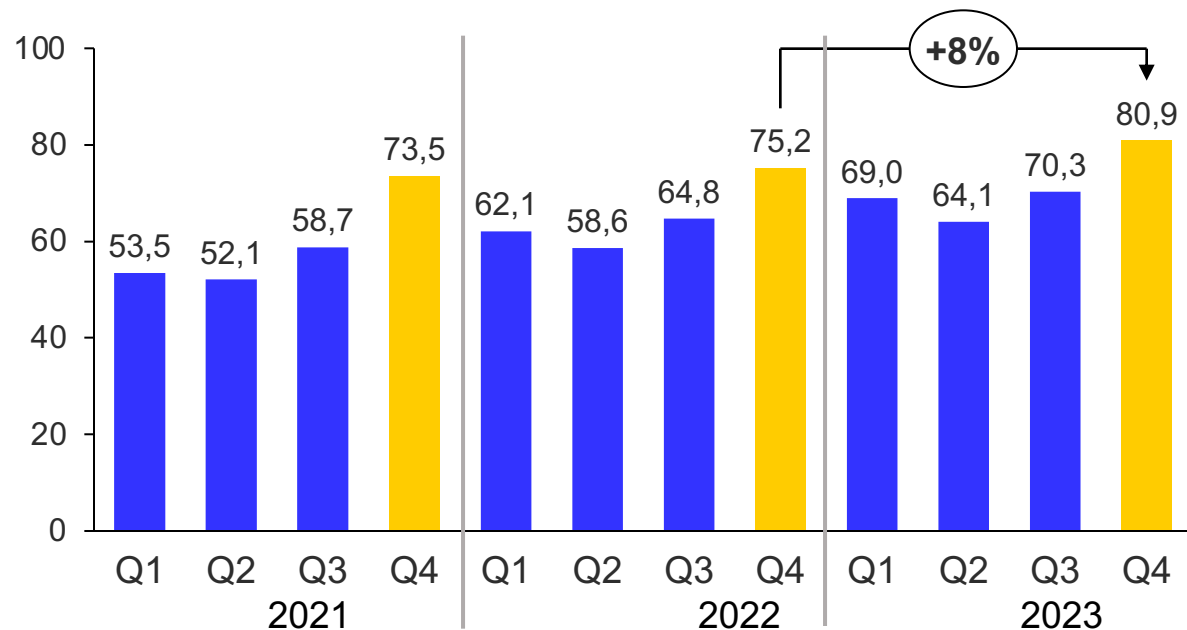
Financial review

Net sales and EBITA

A year of strong and profitable growth

Net sales

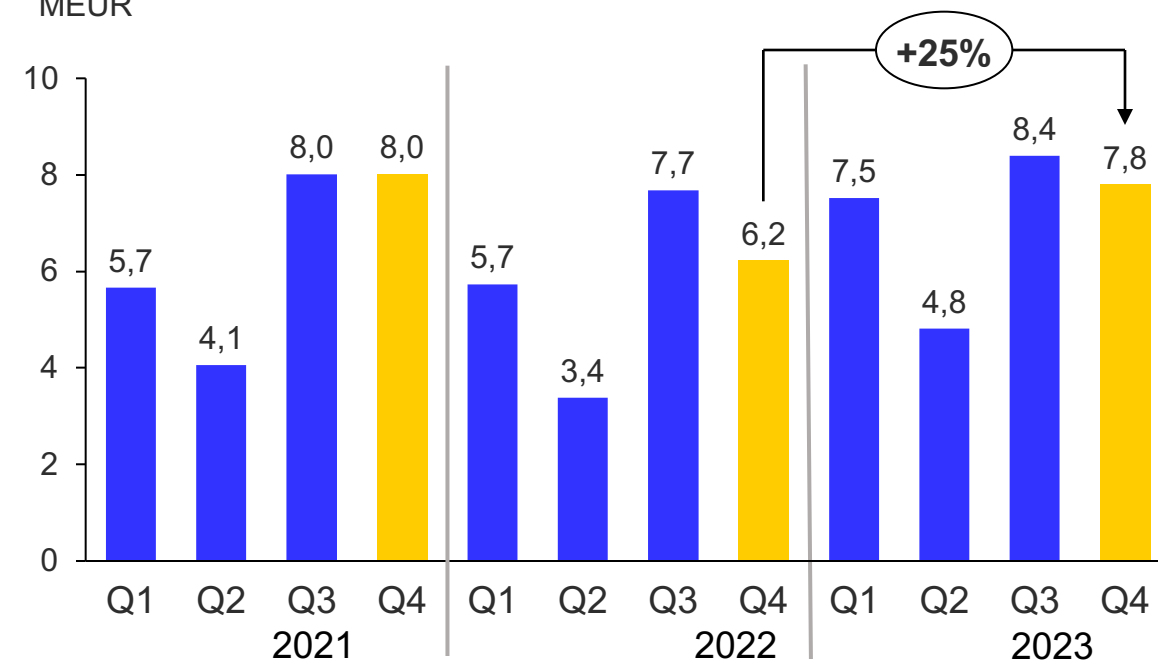
MEUR



- + Strong organic net sales increase in Technical Wholesale and Products in Scandinavia
- + Acquisitions in Sweden, Denmark, Finland and Norway
- + Strong demand continued in Commercial Vehicle Repair and Maintenance; Q4 development stable due to strong Q4 2022
- Weak consumer demand and heavy competition in the spare parts market in Technical Wholesale and Products in Finland and Baltics
- EUR/SEK exchange rate due to weakening of the SEK

EBITA

MEUR

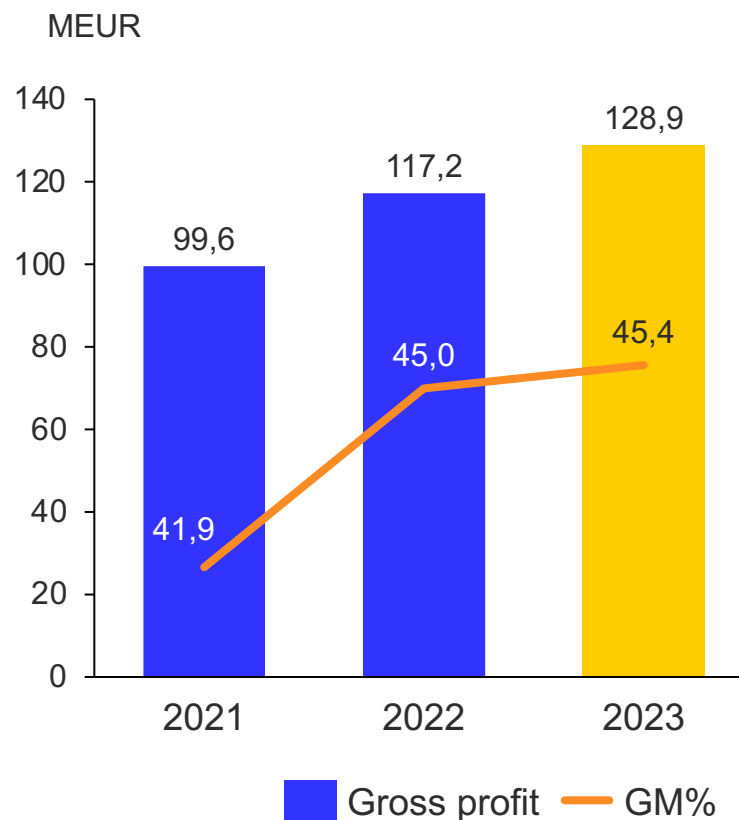
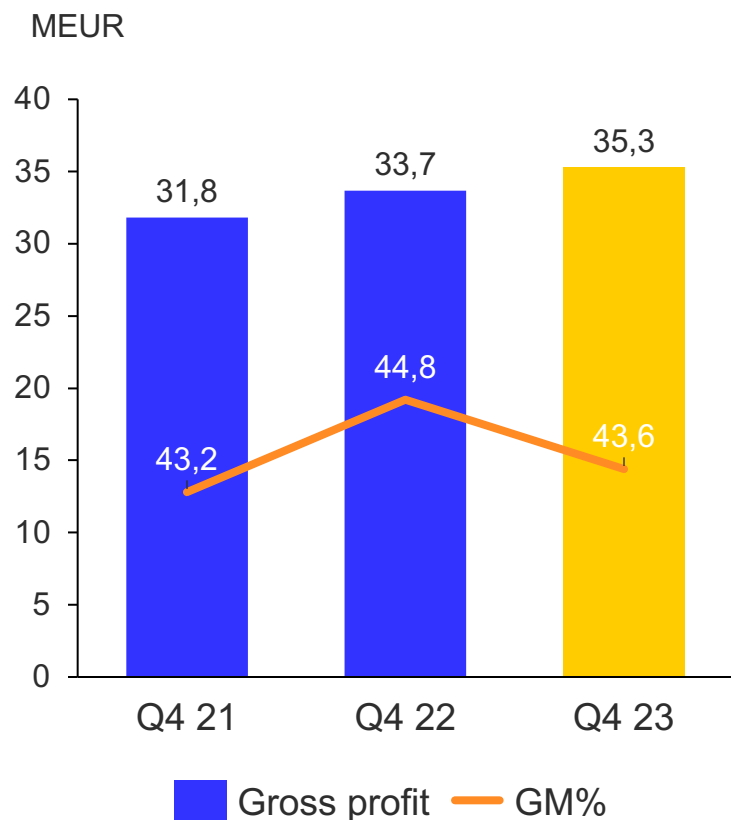


- + Strong annual improvement in the Commercial Vehicle Repair and Maintenance; Q4 development stable due to strong Q4 2022
- + Strong organic net sales increase in Technical Wholesale and Products in Scandinavia
- + Acquisitions made in Sweden, Denmark, Finland
- Lower sales in Technical Wholesale and Products in Finland and Baltics
- EUR/SEK exchange rate due to weakening of the SEK

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Gross profit and gross margin

Improvement in both gross profit and margin in 2023 | Business mix different in Q4 and 2023



Q4:

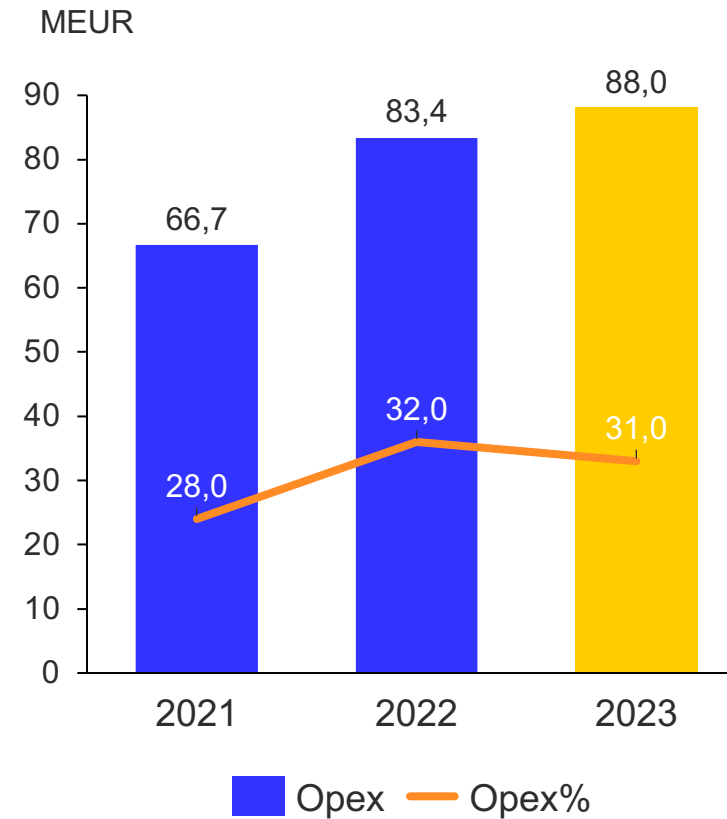
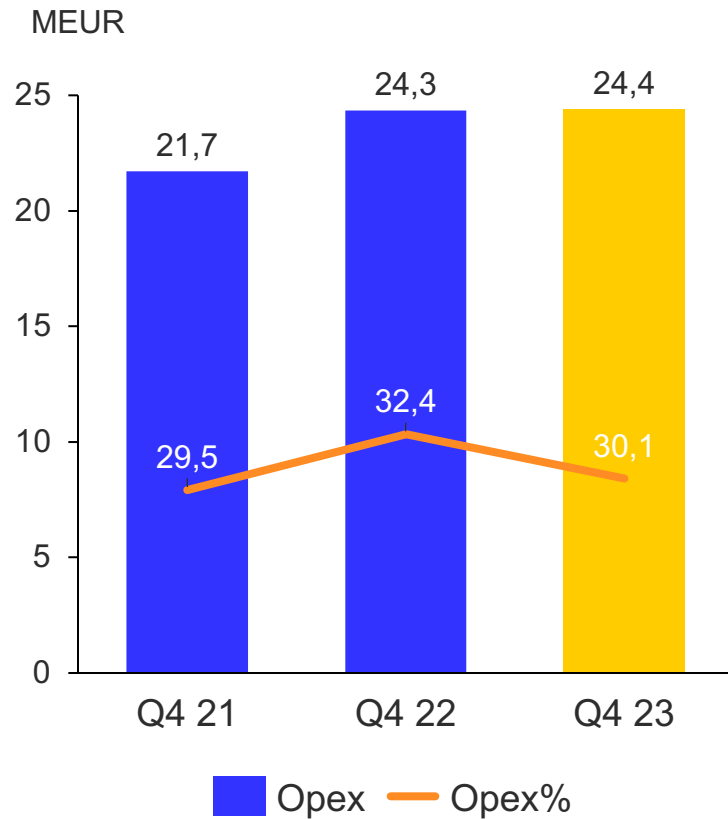
- + Organic net sales increase and acquisitions in Technical Wholesale and Products in Scandinavia
- ± Stable sales development in Commercial Repair and Maintenance due to strong Q4 2022
- Increased weight of lower margin Technical Wholesale and Products

2023:

- + 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

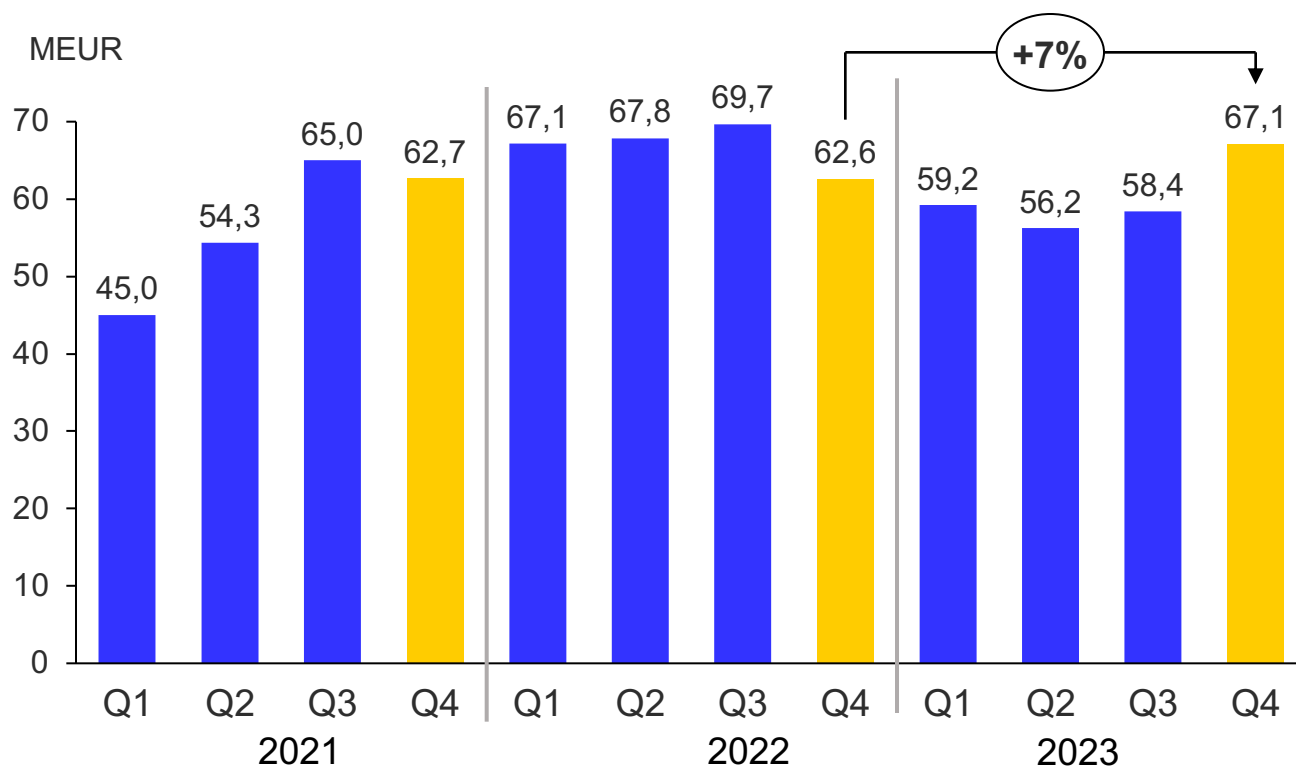
Operating expenses

Increase mostly driven by acquisitions | Decreased opex %



Net working capital

Reduced in relation to net sales



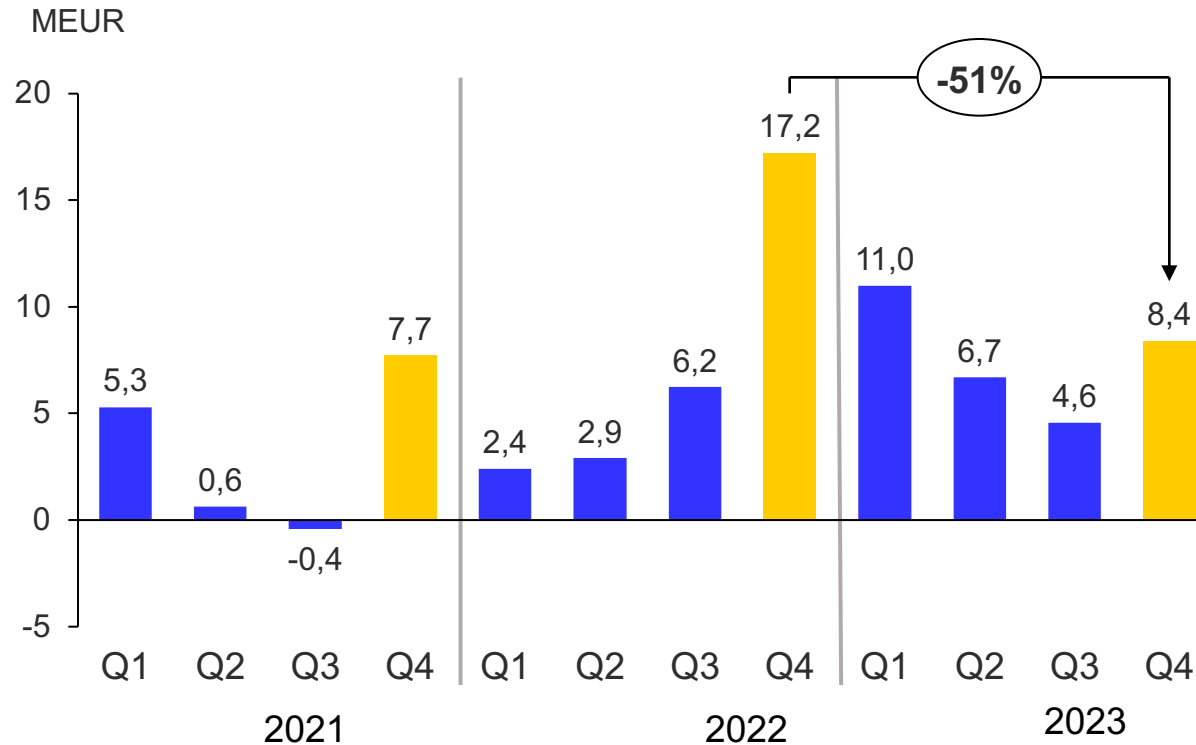
MEUR	12 2023	12 2022
Inventories	74.1	67.8
Trade and other receivables	45.5	36.9
Trade and other payables	52.5	41.9
Total net working capital	67.1	62.7
% of net sales	23.6%	24.1%

- + Reduction in relation to net sales
- Build-up of receivables after the acquisition of the AutoMateriell business
- Inventories acquired in connection of the acquisition of AutoMateriell and Nordic Lift
- Growth related investment in inventories in the Lighting product group

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Cash flow from operations and cash conversion

Positive impact from improved profitability | Less favourable development in Q4 NWC vs 2022



MEUR	Q4		Full-year	
	2023	2022	2023	2022
CF before change in NWC	11.9	11.8	44.4	38.6
Change in NWC	1.1	9.0	-2.4	-0.1
CF from net financials	-4.7	-3.5	-11.4	-9.7
CF from operations	8.4	17.2	30.6	28.8
Free Cash Flow	8.1	16.3	24.0	24.0
<i>Cash conversion</i>	69 %	162 %	55 %	66 %

+ Improved profitability

– Development in net working capital, especially inventories in Q4

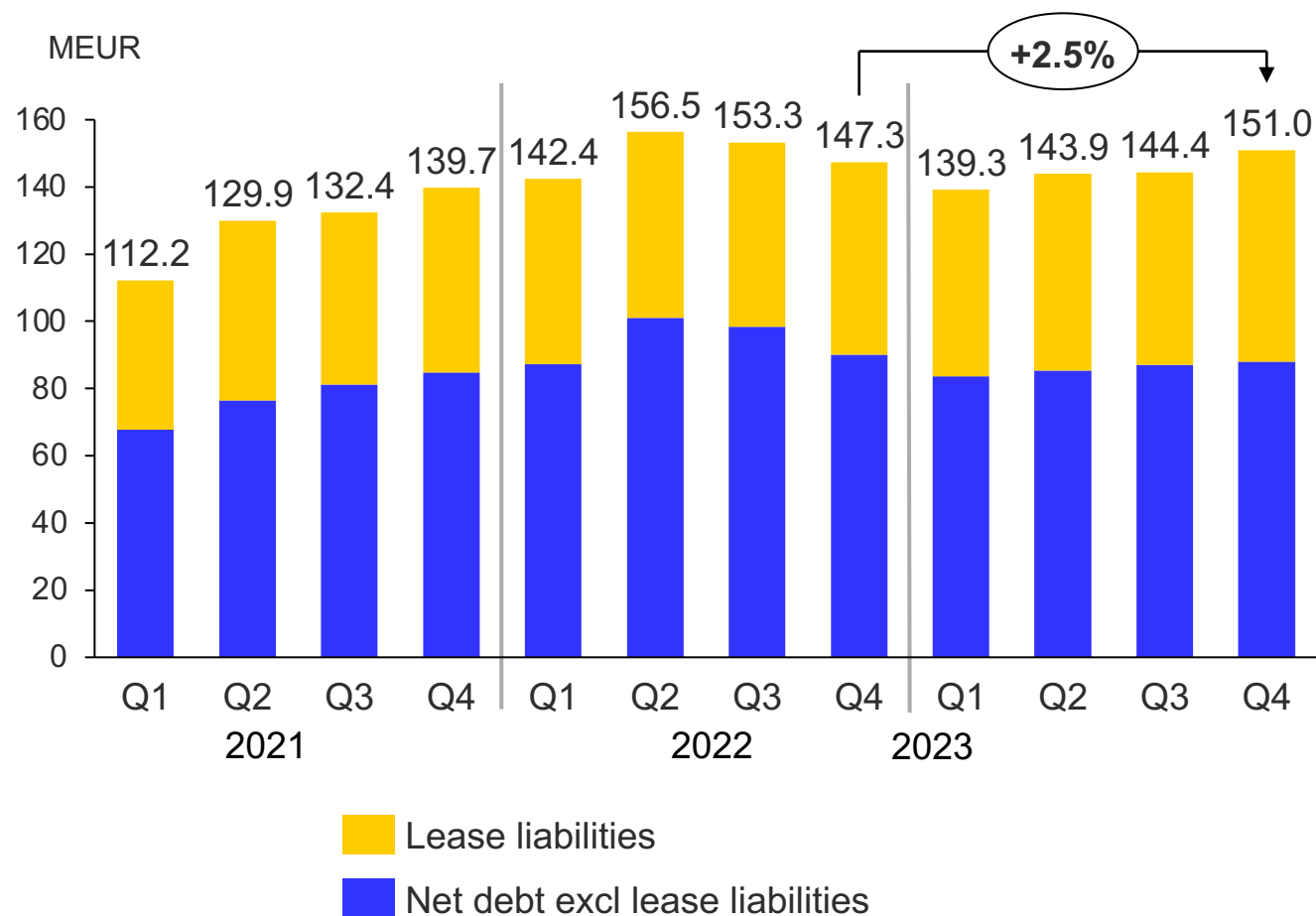
Cash flow summary 2023

Increase in cash flow from operations

Cash flow from operations	Cash flow from investing activities	Cash flow from financing activities
EUR 30.6 (28.8) million	EUR -8.0 (-16.2) million	EUR -27.0 (-10.5) million
<hr/> <ul style="list-style-type: none">+ Improved profitability especially in the Commercial Vehicle Repair and Maintenance business- Development in net working capital, especially inventories	<hr/> <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 -4.1 (-1.7) million: a) Intangible assets related to the acquisition of the AutoMateriell business, b) Operative investments	<hr/> <ul style="list-style-type: none">- Repayments of lease liabilities EUR -12.2 (-11.2) million± Repayments of non-current loans of EUR -7.2 (-7.0) million- Dividends paid EUR -7.3 (-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)	Restated	
MEUR	2023	2022
Loans from financial institutions, l-t	88.8	95.7
Loans from financial institutions, s-t	7.1	7.2
Lease liabilities	63.1	57.2
Other liabilities	1.7	0.7
Gross debt	160.7	160.8
Cash and bank	9.7	13.5
Net debt	151.0	147.3
Net debt excl. lease liabilities	87.9	90.1
Undrawn RCF	5.6	4.8
Undrawn uncommitted facility	15.5	25.0
Cash+unused credit facilities	30.8	43.3

* Lease liabilities in 2022 have been restated due to correction of one lease agreement

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Net financials

Increase in net interest expenses offset by FX net gains in Q4 2023

MEUR	Q4		Full-year	
	2023	2022 Restated*	2023	2022 Restated*
Interest income and expenses	-1.6	-0.6	-5.6	-2.7
Interest expenses, lease liabilities	-0.5	-0.4	-1.7	-1.5
Foreign exchange gains and losses	1.2	-0.6	0.1	-2.5
Other financial income and expenses	-0.1	-0.2	-0.3	-0.2
Changes in fair values	0.0	0.0	0.0	0.3
Total net financial items	-1.0	-1.7	-7.4	-6.5

- Net interest expenses increased due to the increase in reference interest rates on interest-bearing loans
- FX net gains in 2023 originate in the net exchange rate difference of SEK denominated interest-bearing loans and SEK denominated group internal interest-bearing loan receivables

* Lease liabilities in 2022 have been restated due to correction of one lease agreement.

Balance sheet and financial position 31.12.2023

The Group's balance-sheet total
EUR **329.1** (312.8)
million

Total equity
EUR **110.7** (103.9)
million

Net debt excl. lease liabilities
EUR **87.9** (90.1)
million

Net gearing excl. lease liabilities
79.4 (86.7)
%

Equity ratio
33.6 (33.2)
%

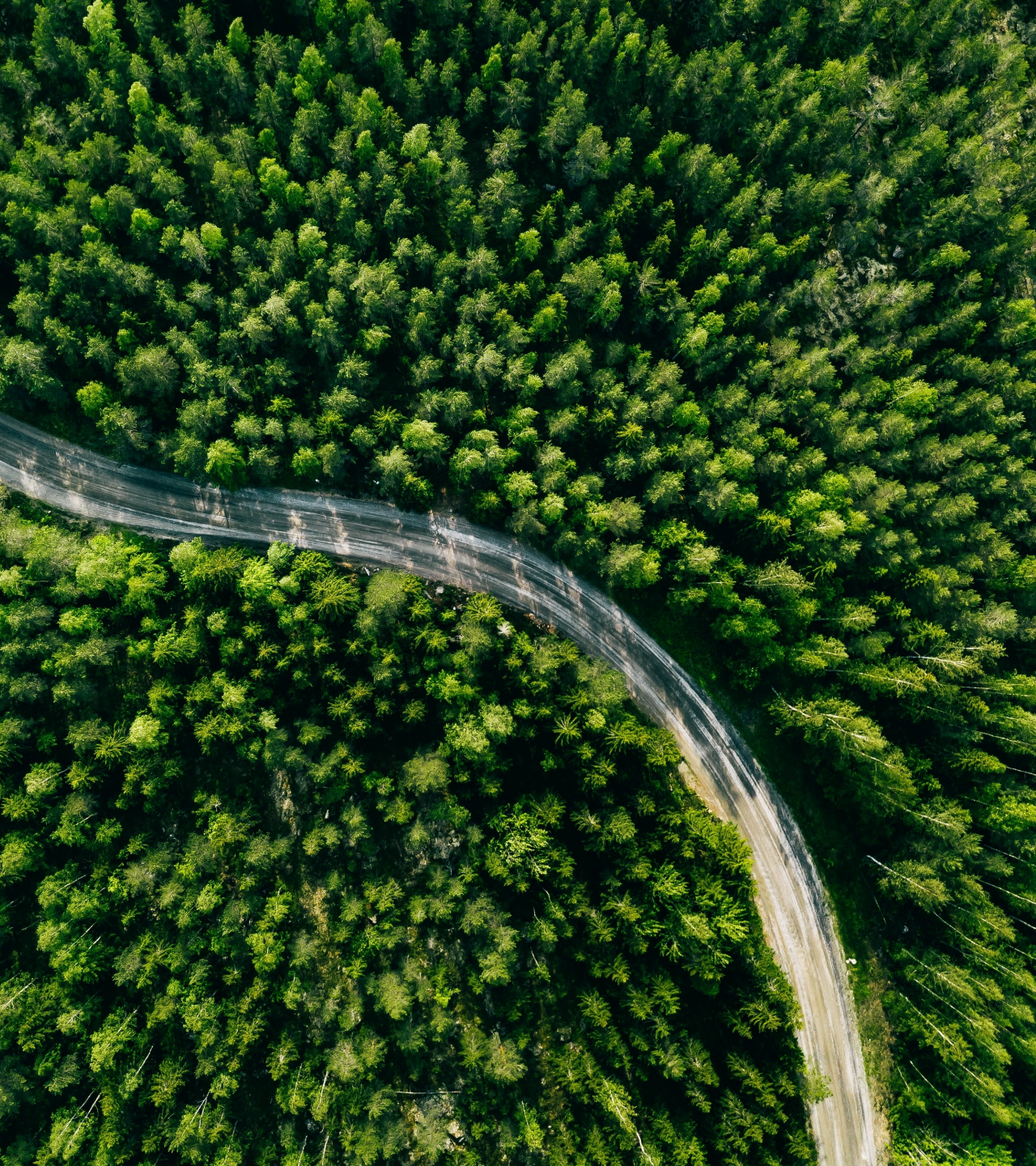
Cash assets
EUR **9.7** (13.5)
million

Board of Directors' dividend proposal for 2023

- The Board of Directors will propose to the Annual General Meeting to be held on 10 April 2024 that a dividend of EUR 0.44 (0.40) per share will be paid
- The dividend is proposed to be paid in two equal instalments in April and November 2024
- Earnings per share, basic were EUR 0.76 (0.56) in 2023
- The proposed dividend per share is 59 (71) % of earnings per share
- On 31 December 2023, the parent company's distributable funds amounted to EUR 81,054,173.70 (79,894,570.32)
- The remaining non-restricted equity is proposed to be retained in shareholders' equity

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Relais as an investment



Relais as an investment

- We are sector specialists and consolidate the Nordic vehicle aftermarket
- We are one of the leading and most profitable growth platforms in this sector in North Europe
- We have a long track record of doing successful acquisitions and making our companies grow
- We have a solid cash flow and profitability track record
- The vehicle aftermarket is a growing, defensive market with less cyclicity
- We have a growing vehicle lighting business with own brands
- We have an efficient and lean 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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