

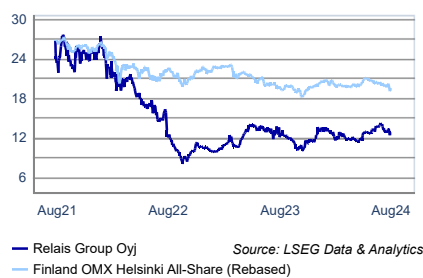
## Relais Group Oyj

Consumer Goods  
Finland

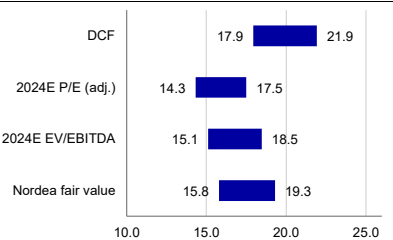
## KEY DATA

Stock country	Finland
Bloomberg	RELAIS.FH
Reuters	RELAIS.HE
Share price (close)	EUR 12.95
Free float	36%
Market cap. (bn)	EUR 0.24/EUR 0.24
Website	www.relais.fi
Next report date	15 Aug 2024

## PERFORMANCE



## VALUATION APPROACH (EUR/SHARE)



## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	0%	1%	1%
EBIT (adj)	-1%	0%	1%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Joni Sandvall  
AnalystSanna Perälä  
Analyst

## Market has likely remained stable

Ahead of Relais' Q2 report, due on 15 August, we make only minor underlying estimate revisions and incorporate the latest announced acquisition into our estimates. Road traffic figures from Finland point to stable end market demand in seasonally small Q2. We expect Relais to continue to gain new repair and maintenance customers and to outperform overall market performance. Given the healthy M&A pipeline, we believe the company will continue to conduct bolt-on acquisitions in H2. We derive an unchanged DCF- and multiples-based fair value of EUR 15.8-19.3.

## Seasonally small Q2 with more normalised growth after Q1

We model Relais Q2 sales to be up 13% y/y, supported by acquisitions (4% organic growth). We expect adjusted EBITA to increase 34% y/y to EUR 6.5m, in line with LSEG Data & Analytics consensus. Q2 is a seasonally small quarter for Relais ahead of the important lighting season, while we note the growing importance of repair and maintenance. We believe the company has continued to benefit from an increasing share of fleet customers opting for lower cost alternatives. In Sweden, Relais announced the acquisition of Team Verkstad Sverige, provider of maintenance and repair services for buses and other heavy commercial vehicles. Although the acquisition is relatively small (EUR ~5m sales), it expands Relais' offering and likely offers synergy and cross-selling opportunities. For H2, we expect slightly improving consumer demand, especially in Q4.

## Minor revisions – we are largely in line with consensus

We incorporate Team Verkstad Sverige into our estimates from Q4 onwards. We raise 2024E-26E top line by 0-1%, trim 2024E-25E adjusted EBITA by 0-1% and raise 2026E by 1%. We note uncertainties related to consumer purchasing behaviour in seasonally important H2 when the majority of higher-margin lighting sales are conducted.

## 2025 targets require a pickup in M&amp;A activity

Relais targets EUR 50m in pro forma EBITA by 2025. The company is clearly aiming for additional bolt-on acquisitions, although we consider its leverage (3.2x as of Q1 2024) as still slightly elevated. Based on our M&A scenario, the company could reach its pro forma target, although this would probably require a larger acquisition, which would likely require the use of equity-type financing. On an organic basis, we expect Relais to reach EUR 39m in adjusted EBITA for 2025 and EUR 44m for 2026.

## SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	129	238	261	284	319	336	347
EBITDA (adj)	19	39	39	44	51	55	59
EBIT (adj)	11	26	22	25	32	36	40
EBIT (adj) margin	8.6%	10.8%	8.6%	9.0%	10.1%	10.8%	11.6%
EPS (adj, EUR)	0.39	0.91	0.69	0.75	0.94	1.20	1.42
EPS (adj) growth	31.5%	133.9%	-24.2%	8.8%	25.2%	28.2%	18.7%
DPS (ord, EUR)	0.30	0.36	0.40	0.44	0.48	0.52	0.60
EV/Sales	2.3	2.7	1.3	1.4	1.2	1.1	1.1
EV/EBIT (adj)	26.3	24.6	14.9	15.8	12.3	10.6	9.1
P/E (adj)	37.9	29.0	14.8	18.1	13.8	10.8	9.1
P/BV	3.7	4.8	1.8	2.3	2.0	1.8	1.6
Dividend yield (ord)	2.0%	1.4%	3.9%	3.3%	3.7%	4.0%	4.6%
FCF Yield bef A&D, lease	6.0%	0.5%	7.5%	5.3%	4.6%	8.4%	10.6%
Net debt	28	140	143	149	151	140	123
Net debt/EBITDA	1.5	3.9	3.9	3.4	3.0	2.5	2.1
ROIC after tax	8.6%	11.5%	7.0%	7.7%	9.5%	10.8%	11.9%

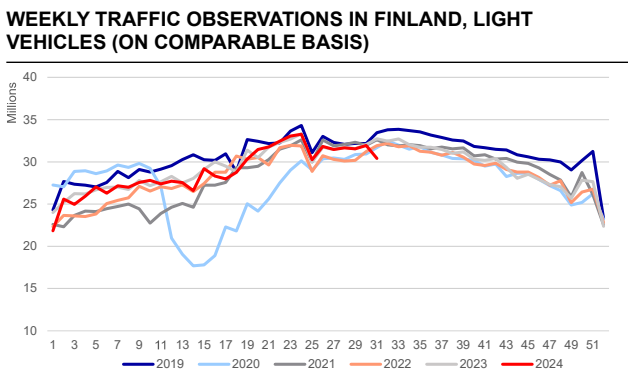
Source: Company data and Nordea estimates

# Expectations ahead of Q2

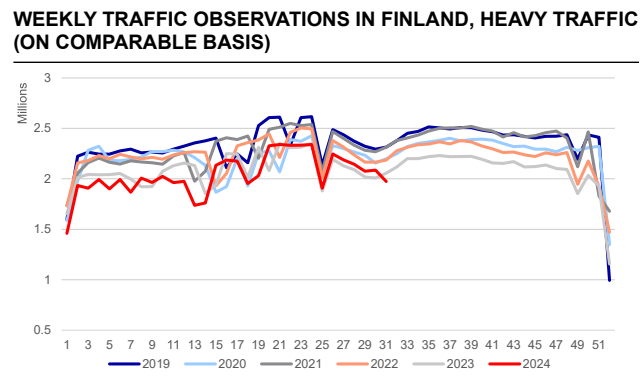
Relais will report its Q2 results on 15 August. LSEG Data & Analytics consensus estimates have come up slightly since the Q1 2024 report. Road traffic observations remained flattish in Finland for Q2. For Relais, Q2 is the seasonally smallest quarter, although we expect positive y/y EBIT development to continue. Relais announced one acquisition during Q2 (expected completion in October) and we forecast more bolt-on acquisitions during H2. We model Q2 sales up 13% on a reported basis (supported by acquisitions) and up 4% on an organic basis. We forecast EUR 6.5m in adjusted EBITA for Q2, up 34% y/y, corresponding to an 8.9% margin. For Q2 2024E, we are 1% ahead of consensus on sales and 1% below on adjusted EBITA. For 2024E, we are in line with consensus while for 2025E-26E, we are 3% ahead on sales and 0-1% above on adjusted EBITA.

## Heavy traffic observations flat y/y in Q2 in Finland

According to Fintraffic, road traffic observations were flattish in Finland in Q2. Heavy traffic observations were flat y/y in Q2 while light vehicle observations declined 1% y/y. We note the importance of a slightly older car parc for Relais, as operators with younger fleets are more inclined to use OEM services over independent service providers.



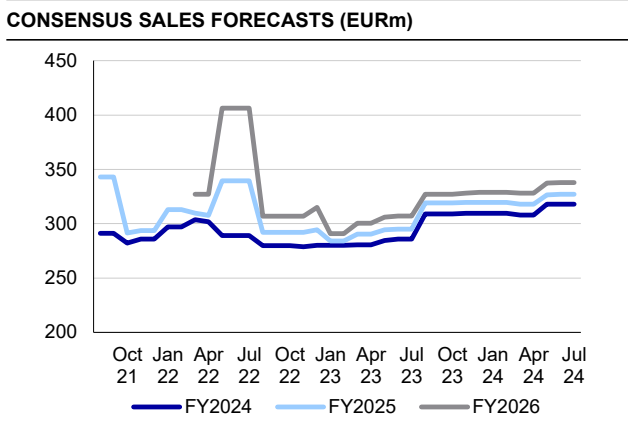
Source: Fintraffic



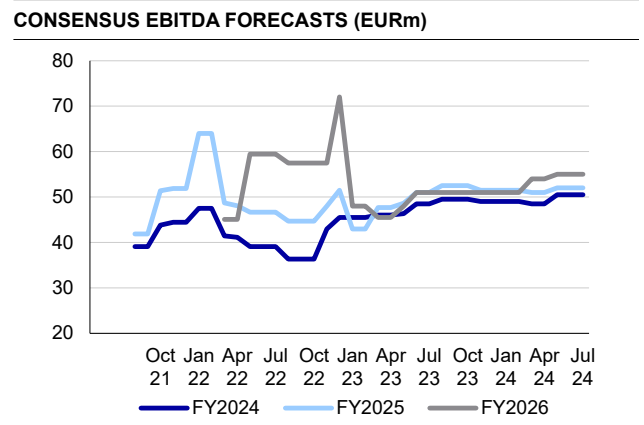
Source: Fintraffic

## Q2 report due out on 15 August

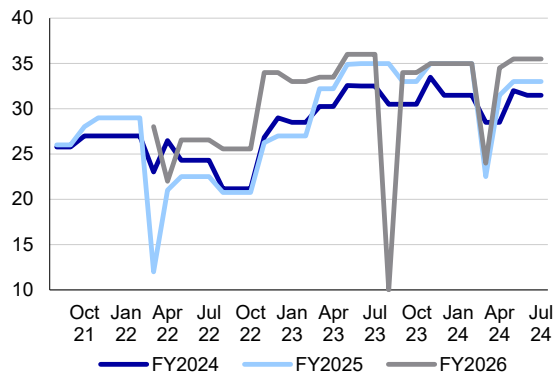
Relais will report its Q2 results on 15 August 9:00 EET. Consensus expectations have increased slightly since the Q1 2024 report.



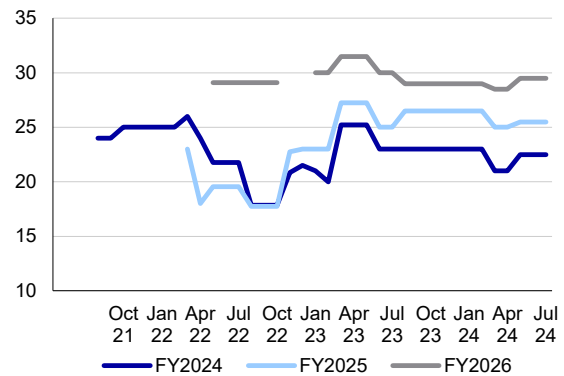
Source: LSEG Data & Analytics



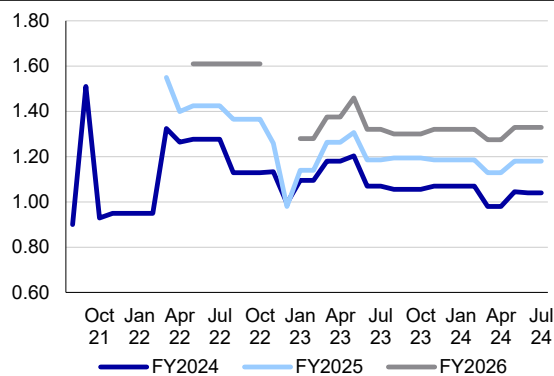
Source: LSEG Data & Analytics

**CONSENSUS EBIT FORECASTS (EURm)**

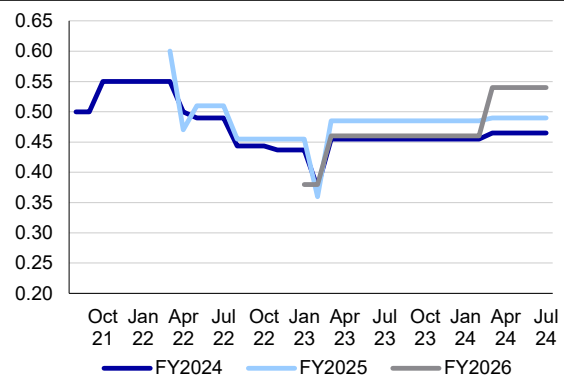
Source: LSEG Data &amp; Analytics

**CONSENSUS PTP FORECASTS (EURm)**

Source: LSEG Data &amp; Analytics

**CONSENSUS EPS FORECASTS (EUR)**

Source: LSEG Data &amp; Analytics

**CONSENSUS DPS FORECASTS (EUR)**

Source: LSEG Data &amp; Analytics

**We are largely in line with consensus on EBITA for 2024E-26E**

We are 0-3% ahead of LSEG Data & Analytics consensus on the top line and 0-1% above on adjusted EBITA for 2024E-26E.

**OUR ESTIMATES VERSUS CONSENSUS**

EURm	Nordea estimates				Consensus estimates				Difference %			
	Q2 2024E	2024E	2025E	2026E	Q2 2024E	2024E	2025E	2026E	Q2 2024E	2024E	2025E	2026E
<b>Sales</b>	<b>72.5</b>	<b>319</b>	<b>336</b>	<b>347</b>	<b>72.0</b>	<b>318</b>	<b>327</b>	<b>338</b>	<b>1%</b>	<b>0%</b>	<b>3%</b>	<b>3%</b>
Gross profit	33.3	147	156	162	33.0	147	154	160	1%	0%	1%	1%
Gross margin	46.0%	46.1%	46.5%	46.7%	45.8%	46.2%	47.1%	47.3%	0.2pp	-0.1pp	-0.6pp	-0.6pp
EBITDA	10.3	50.6	55.0	59.4	9.5	50.5	52.0	55.0	8%	0%	6%	8%
EBITDA margin	14.2%	15.9%	16.4%	17.1%	13.2%	15.9%	15.9%	16.3%	1.0pp	0.0pp	0.5pp	0.8pp
<b>Adj. EBITA</b>	<b>6.5</b>	<b>35.2</b>	<b>39.4</b>	<b>43.7</b>	<b>6.5</b>	<b>35.6</b>	<b>39.5</b>	<b>43.1</b>	<b>-1%</b>	<b>-1%</b>	<b>0%</b>	<b>1%</b>
Adj. EBITA margin	8.9%	11.0%	11.7%	12.6%	9.0%	11.2%	12.1%	12.8%	-0.1pp	-0.2pp	-0.3pp	-0.2pp
EBIT	5.7	32.1	36.3	40.5	5.0	31.5	33.0	35.5	14%	2%	10%	14%
EBIT margin	7.9%	10.1%	10.8%	11.6%	6.9%	9.9%	10.1%	10.5%	0.9pp	0.2pp	0.7pp	1.1pp
PTP	3.9	23.9	29.4	34.7	3.0	22.5	25.5	29.5	30%	6%	15%	18%
EPS	0.15	0.94	1.20	1.42	0.13	0.95	1.08	1.24	19%	-2%	12%	15%
DPS		0.48	0.52	0.60		0.47	0.49	0.54		3%	6%	11%

Source: LSEG Data &amp; Analytics and Nordea estimates

### Estimate revisions

We make only minor estimate revisions ahead of the Q2 report. In addition, we adjust for the acquisition of Team Verkstad Sverige (expected closing in October). We forecast the acquisition to be slightly margin-dilutive for 2024E-25E while we estimate only limited impact in 2026E, partly supported by expected synergies.

#### ESTIMATE REVISIONS (EURm; EPS AND DPS IN EUR)

EURm	New estimates				Old estimates				Difference %			
	Q2 2024E	2024E	2025E	2026E	Q2 2024E	2024E	2025E	2026E	Q2 2024E	2024E	2025E	2026E
<b>Sales</b>	<b>72.5</b>	<b>319</b>	<b>336</b>	<b>347</b>	<b>72.5</b>	<b>319</b>	<b>331</b>	<b>343</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>1%</b>
Gross profit	33.3	147	156	162	33.3	147	154	160	0%	0%	1%	1%
<b>Gross margin</b>	<b>46.0%</b>	<b>46.1%</b>	<b>46.5%</b>	<b>46.7%</b>	<b>46.0%</b>	<b>46.1%</b>	<b>46.5%</b>	<b>46.7%</b>	0.0pp	0.1pp	0.1pp	0.1pp
<b>Adj. EBITA</b>	<b>6.5</b>	<b>35.2</b>	<b>39.4</b>	<b>43.7</b>	<b>6.5</b>	<b>35.6</b>	<b>39.5</b>	<b>43.1</b>	<b>0%</b>	<b>-1%</b>	<b>0%</b>	<b>1%</b>
Adj. EBITA margin	8.9%	11.0%	11.7%	12.6%	8.9%	11.2%	11.9%	12.6%	0.0pp	-0.1pp	-0.2pp	0.0pp
EBITA	6.5	35.2	39.4	43.7	6.5	35.6	39.5	43.1	0%	-1%	0%	1%
EBITA margin	8.9%	11.0%	11.7%	12.6%	8.9%	11.2%	11.9%	12.6%	0.0pp	-0.1pp	-0.2pp	0.0pp
EBIT	5.7	32.1	36.3	40.5	5.7	32.5	36.4	39.9	0%	-1%	0%	1%
EBIT margin	7.9%	10.1%	10.8%	11.6%	7.9%	10.2%	11.0%	11.6%	0.0pp	-0.1pp	-0.2pp	0.0pp
PTP	3.9	23.9	29.4	34.7	3.9	24.3	29.4	34.2	0%	-2%	0%	2%
EPS	0.15	0.94	1.20	1.42	0.15	0.95	1.20	1.40	0%	-2%	0%	2%
DPS		0.48	0.52	0.60		0.48	0.52	0.60		0%	0%	0%

Source: Nordea estimates

# Valuation

We value Relais using a variety of methods, including a peer multiples-based valuation and a discounted cash flow (DCF) model. We only include organic growth potential in our valuation approach and exclude any impact from potential future M&A. Using a combination of valuation methods, we derive an unchanged fair valuation range of EUR 15.8-19.3 per share.

## Background

Our valuation does not include M&A

We acknowledge the company's ambition to continue growing at an accelerated pace, which includes a significant M&A component. Because the potential targets, their sizes and fundamentals are unknown, however, we refrain from including any speculative M&A in our estimates.

We use a range of valuation methods to derive a fair value for Relais. In our analysis, we compare the company to a group of peers that we consider relevant, using valuation multiples such as EV/EBITDA and P/E. We also use a standard DCF model. The table below shows the peer group.

## PEER VALUATION TABLE

	EV / Sales			EV / EBITDA			EV/EBIT			P/E		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
<b>Peer group</b>												
Advance Auto Parts Inc	0.4x	0.4x	0.4x	7.1x	6.6x	6.3x	13.2x	11.8x	11.0x	16.1	13.4	11.9
Auto Partner Sa	0.7x	0.6x	0.5x	8.0x	6.5x	5.3x	9.1x	7.3x	6.0x	10.2	8.2	7.1
Autozone Inc	3.3x	3.2x	3.1x	13.8x	13.4x	12.6x	16.1x	15.6x	14.8x	20.5	19.0	17.0
Inter Cars Sa	0.5x	0.4x	0.4x	6.9x	6.1x	5.6x	8.0x	7.1x	6.6x	8.3	7.3	6.5
Camping World Holdings Inc	0.8x	0.8x		26.6x	13.9x		22.9x	13.8x			15.0	
Dometic Group Ab (Publ)	1.4x	1.4x	1.3x	8.9x	7.9x	7.3x	12.7x	10.8x	9.7x	15.0	11.1	9.4
Halfords Group Plc	0.4x	0.4x	0.4x	3.4x	3.6x	3.3x	11.1x	14.9x	11.4x	11.1	13.5	10.1
Meko Ab	0.6x	0.6x	0.6x	5.9x	5.4x	5.0x	11.2x	9.6x	8.0x	8.8	7.8	6.4
O'Reilly Automotive Inc	4.1x	3.9x	3.7x	18.3x	17.3x	16.1x	20.8x	19.5x	18.0x	26.7	23.9	21.1
Thule Group Ab	3.3x	3.0x	2.9x	16.1x	14.0x	12.8x	18.8x	16.1x	14.4x	24.4	20.7	18.5
<b>Peer group average</b>	1.6x	1.5x	1.5x	11.5x	9.5x	8.3x	14.4x	12.6x	11.1x	15.7	14.0	12.0
<b>Peer group median</b>	0.8x	0.7x	0.6x	8.4x	7.3x	6.3x	12.9x	12.8x	11.0x	15.0x	13.4x	10.1
<b>US peers' average</b>	2.2x	2.1x	2.4x	16.5x	12.8x	11.7x	18.2x	15.2x	14.6x	21.1x	17.8x	16.7x
<b>European peers' average</b>	1.1x	1.1x	1.0x	8.2x	7.3x	6.5x	11.8x	11.0x	9.4x	13.0x	11.4x	9.7x
<b>Relais (Nordea)</b>	1.2x	1.1x	1.0x	7.6x	6.8x	6.0x	12.0x	10.3x	8.9x	13.8x	10.8x	9.1x
<b>difference to median</b>	58%	65%	87%	-9%	-6%	-4%	-7%	-19%	-19%	-8%	-20%	-10%
<b>Compounders</b>												
Addtech Ab	4.3	4.0	3.7	26.6	23.8	22.4	35.5	31.0	28.9	52.0	44.9	40.3
Bergman & Beving Ab	1.9	1.8	1.7	13.8	12.3	11.7	24.3	21.1	19.6	39.9	29.3	26.3
Beijer Alma Ab	1.9	1.7	1.7	10.3	9.4	8.9	14.1	12.4	11.7	20.2	16.5	13.7
Beijer Ref Ab (Publ)	2.1	1.9	1.8	16.6	14.9	13.7	20.7	18.5	17.0	35.4	29.5	26.4
BuFab Ab (Publ)	2.3	2.2	2.1	16.4	15.4	14.4	20.1	18.5	16.9	27.0	22.5	19.9
Indutrade Ab	3.5	3.3	3.0	20.4	18.8	17.7	27.6	25.1	23.3	35.6	31.2	28.2
Lagercrantz Group Ab	4.4	3.9	3.6	20.9	18.6	17.2	28.4	25.1	23.2	38.8	34.2	30.8
Lifco Ab (Publ)	5.2	4.8	4.5	20.5	18.7	17.3	27.3	24.5	22.5	41.2	37.3	34.4
Sdiptech Ab (Publ)	2.8	2.5	2.3	12.1	10.9	10.0	16.6	14.8	13.4	23.9	19.9	16.6
Volati Ab	1.6	1.5	1.4	13.6	11.8	11.0	19.8	16.4	14.4	25.6	19.0	16.4
<b>Compounders average</b>	3.0	2.8	2.6	17.1	15.5	14.4	23.4	20.7	19.1	34.0	28.4	25.3
<b>Compounders median</b>	2.5	2.4	2.2	16.5	15.1	14.0	22.5	19.8	18.3	35.5	29.4	26.3
<b>Total average</b>	2.3	2.1	2.1	14.3	12.5	11.5	18.9	16.7	15.3	25.3	21.2	19.0
<b>Total median</b>	2.0	1.9	1.8	13.8	12.8	11.7	19.3	15.9	14.4	24.4	19.4	17.0
<b>Total average (70%/30%)</b>	2.0	1.9	1.8	13.2	11.3	10.1	17.1	15.1	13.5	21.2	18.3	16.0
<b>Total median (70%/30%)</b>	1.3	1.2	1.0	10.8	9.6	8.6	15.8	14.9	13.2	21.1	18.2	15.0
<b>Relais (Nordea)</b>	1.2	1.1	1.0	7.6	6.8	6.0	12.0	10.3	8.9	13.8	10.8	9.1
<b>difference to weighted median</b>	-7%	-6%	-2%	-30%	-29%	-30%	-24%	-31%	-33%	-35%	-41%	-39%

Source: LSEG Data & Analytics (as of 6 August 2024) and Nordea estimates

### EV/EBITDA-based valuation of EUR 15.1-18.5 per share

Based on our EUR 51m EBITDA estimate for 2024 and an accepted valuation multiple range of 8.4-9.6x (midpoint: 9x), we arrive at a fair value range of EUR 15.1-18.5 per share for Relais. In addition to auto parts peers, we believe that one should look at Swedish compounders when valuing Relais. Using a 70% weight for the auto parts peer group and a 30% weight for the compounder peer group, the median EV/EBITDA would be 10.8x for 2024E.

### P/E-based valuation of EUR 14.3-17.5 per share

Using a EUR 0.94 EPS estimate for 2024, we arrive at a fair value range of EUR 14.3-17.5 per share using P/E multiples of 15.3-18.7x (midpoint: 17x). Using a 70% weight for the auto parts peer group and a 30% weight for the compounder peer group, the median P/E would be 21.1x for 2024E.

### DCF-based valuation of EUR 17.9-21.9 per share

In our DCF model, we value Relais based on the current business, assuming no additional value-adding acquisitions. We also assume a sales CAGR of 3.5% for 2024-29, followed by a 2.5% CAGR in perpetuity, meaning that organic growth is roughly the same as the average rate of inflation. We also assume that Relais will gradually improve its profitability level and maintain an adjusted EBIT margin of 13.0% in the long run. We use a 4% cost of debt in our DCF model. We also assign a long-term equity weight of 60%.

WACC COMPONENTS	
<b>WACC components</b>	
Risk-free interest rate	3.5%
Market risk premium	4.0%
Forward looking asset beta	nm
Beta debt	0.1
Forward looking equity beta	1.6-2.1
Cost of equity	9.8-11.8%
Cost of debt	4.0%
Tax-rate used in WACC	21%
Equity weight	60%
<b>WACC</b>	<b>7.1-8.4%</b>

Source: Nordea estimates

DCF VALUATION (EUR)		
DCF value	Value	Per share
NPV FCFF	468-544	24.6-28.6
(Net debt)	-149	-7.9
Market value of associates	0	0.0
(Market value of minorities)	0	0.0
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	23	1.2
<b>DCF Value</b>	<b>341-417</b>	<b>17.9-21.9</b>

Source: Nordea estimates

### DCF ASSUMPTIONS

Averages and assumptions	2024-29	2030-34	2035-39	2040-44	2045-49	2050-54	Sust.
Sales growth, CAGR	3.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
EBIT-margin, excluding associates	11.8%	13.0%	13.0%	13.0%	13.0%	13.0%	4.8%
Capex/depreciation, x	0.9	1.0	1.0	1.0	1.0	1.0	1.0
Capex/sales	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
NWC/sales	24%	24%	24%	24%	24%	24%	24%
FCFF, CAGR	24.6%	2.9%	2.5%	2.5%	2.5%	-20.0%	2.5%

Source: Nordea estimates

### DCF valuation sensitivity

To test the robustness of our base-case scenario, we perform a sensitivity analysis by varying our EBIT margin, sales growth and WACC assumptions. The DCF-derived fair value is especially sensitive to WACC assumptions, implying that changes in the company's risk profile could significantly impact the fair value in either direction.

When we use sensitivities of  $\pm 0.5$ pp for WACC,  $\pm 0.5$ pp for sales growth and  $\pm 0.5$ pp for the EBIT margin, our DCF model yields a value range of EUR 17.2-23.3 per share.

**SENSITIVITY OF OUR DCF MODEL (EUR/SHARE)**

- A +/-1pp sales growth change translates into a change of +9/-8% in the fair value

		WACC				
		6.7%	7.2%	7.7%	8.2%	8.7%
EBIT margin change	+1.0pp	27.3	24.4	22.0	19.8	18.0
	+0.5pp	26.0	23.3	20.9	18.9	17.2
	-0.5pp	24.6	22.1	19.9	18.1	16.4
	-1.0pp	23.3	20.9	18.9	17.2	15.6

- A +/- 1pp EBIT margin change translates into a change of +/-10% in the fair value

		WACC				
		6.7%	7.2%	7.7%	8.2%	8.7%
Sales growth change	+1.0pp	27.0	24.1	21.7	19.5	17.7
	+0.5pp	25.8	23.1	20.8	18.8	17.0
	-0.5pp	24.6	22.1	19.9	18.1	16.4
	-1.0pp	23.6	21.2	19.2	17.4	15.8

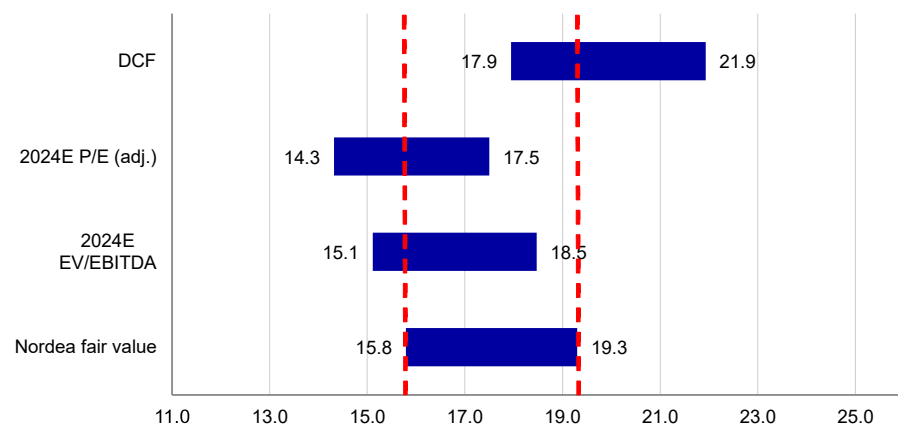
		Sales growth change				
		-1.0pp	-0.5pp	+0.5pp	+1.0pp	
EBIT margin change	+1.0pp	20.2	21.1	22.0	22.9	24.0
	+0.5pp	19.3	20.1	20.9	21.9	22.8
	-0.5pp	18.4	19.2	19.9	20.8	21.7
	-1.0pp	17.6	18.2	18.9	19.7	20.5

Source: Nordea estimates

**Valuation conclusion**

Assuming that Relais can deliver revenue growth and an operating profit margin in line with our expectations, we estimate a fair value range of EUR 15.8-19.3 per share based on our different valuation approaches. This range is represented by the red lines in the chart below.

**VALUATION RANGE (EUR/SHARE)**



Source: Nordea estimates

# Detailed estimates

## DETAILED QUARTERLY ESTIMATES (EURm; EPS IN EUR)

EURm	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24E	Q3 24E	Q4 24E
<b>Net sales</b>	<b>62</b>	<b>59</b>	<b>65</b>	<b>75</b>	<b>69</b>	<b>64</b>	<b>70</b>	<b>81</b>	<b>83</b>	<b>72</b>	<b>76</b>	<b>87</b>
Sales growth	16%	13%	10%	2%	11%	9%	8%	8%	20%	13%	8%	8%
of which organic	-9%	-2%	0%	-5%	5%	10%	5%	1%	12%	4%	2%	6%
of which FX	-2%	-2%	-2%	-2%	-3%	-5%	-5%	-2%	0%	-1%	0%	-1%
of which structural	27%	16%	12%	10%	9%	4%	9%	9%	9%	10%	6%	3%
Other operating income	0.7	0.8	0.6	0.7	0.6	0.7	0.5	0.8	0.6	0.7	0.7	0.7
Materials and services	-34	-32	-36	-42	-37	-35	-38	-46	-45	-39	-41	-47
<b>Gross profit</b>	<b>28.1</b>	<b>26.6</b>	<b>28.8</b>	<b>33.7</b>	<b>32.1</b>	<b>29.3</b>	<b>32.3</b>	<b>35.3</b>	<b>38.2</b>	<b>33.3</b>	<b>35.4</b>	<b>40.0</b>
Gross margin %	45.3%	45.4%	44.4%	44.8%	46.5%	45.7%	45.9%	43.6%	46.2%	46.0%	46.4%	45.8%
Staff costs	-14	-14	-12	-15	-14	-15	-14	-16	-17	-17	-15	-17
Other operating costs	-6	-6	-6	-10	-7	-7	-7	-8	-8	-7	-7	-10
<b>EBITDA</b>	<b>8.9</b>	<b>6.6</b>	<b>11.1</b>	<b>10.1</b>	<b>11.1</b>	<b>8.6</b>	<b>12.1</b>	<b>11.7</b>	<b>13.5</b>	<b>10.3</b>	<b>13.6</b>	<b>13.7</b>
EBITDA margin %	14.3%	11.2%	17.1%	13.4%	16.1%	13.4%	17.3%	14.5%	16.3%	14.2%	17.8%	15.6%
D&A	-3.9	-4.0	-4.3	-4.8	-4.5	-4.6	-4.6	-4.8	-4.5	-4.6	-4.7	-4.7
of which depreciations	-3.1	-3.2	-3.4	-3.9	-3.6	-3.8	-3.7	-3.9	-3.8	-3.8	-3.9	-3.9
of which amortizations	-0.8	-0.8	-0.9	-0.9	-0.9	-0.8	-0.8	-0.8	-0.7	-0.8	-0.8	-0.8
EBITA	5.7	3.4	7.7	6.2	7.5	4.8	8.4	7.8	9.7	6.5	9.7	9.8
NRI	-0.5	-0.4	-0.3	-1.7	-0.1	0.0	-0.2	0.0	0.0	0.0	0.0	0.0
<b>Adj. EBITA</b>	<b>6.2</b>	<b>3.8</b>	<b>7.9</b>	<b>7.9</b>	<b>7.6</b>	<b>4.8</b>	<b>8.6</b>	<b>7.8</b>	<b>9.7</b>	<b>6.5</b>	<b>9.7</b>	<b>9.8</b>
Adj. EBITA margin %	10.0%	6.5%	12.3%	10.5%	11.0%	7.5%	12.2%	9.6%	11.7%	8.9%	12.7%	11.2%
-growth y/y	-7%	-19%	-4%	-9%	23%	27%	8%	-1%	27%	34%	13%	25%
<b>EBIT</b>	<b>5.0</b>	<b>2.6</b>	<b>6.8</b>	<b>5.3</b>	<b>6.6</b>	<b>4.0</b>	<b>7.6</b>	<b>7.0</b>	<b>9.0</b>	<b>5.7</b>	<b>8.9</b>	<b>8.9</b>
EBIT margin %	8.0%	4.4%	10.5%	7.1%	9.6%	6.2%	10.8%	8.6%	10.8%	7.9%	11.7%	10.2%
Net financials	-1.2	-1.9	-1.7	-1.6	-2.2	-2.8	-1.6	-0.9	-3.1	-1.8	-1.7	-1.6
PTP	3.8	0.7	5.1	3.7	4.5	1.1	6.0	6.1	5.8	3.9	7.2	7.3
Tax	-1.1	-0.7	-1.4	0.1	-1.6	-1.0	-1.7	0.2	-2.0	-1.0	-1.7	-1.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit for equity</b>	<b>2.7</b>	<b>0.0</b>	<b>3.7</b>	<b>3.7</b>	<b>2.9</b>	<b>0.2</b>	<b>4.3</b>	<b>6.3</b>	<b>3.9</b>	<b>2.9</b>	<b>5.5</b>	<b>5.6</b>
Net profit	2.7	0.0	3.7	3.7	2.9	0.2	4.3	6.3	3.9	2.9	5.5	5.6
EPS (undiluted)	0.15	0.00	0.21	0.21	0.16	0.01	0.24	0.35	0.21	0.16	0.30	0.31

Source: Company data and Nordea estimates



**DETAILED ANNUAL ESTIMATES (EURm; DPS AND EPS IN EUR)**

EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Net sales</b>	<b>99</b>	<b>129</b>	<b>238</b>	<b>261</b>	<b>284</b>	<b>319</b>	<b>331</b>	<b>343</b>
Sales growth	37%	30%	84%	10%	9%	12%	4%	4%
of which organic	2%	3%	9%	-4%	5%	6%	3%	4%
of which FX	-1%	1%	2%	-2%	-4%	0%	0%	0%
of which structural	36%	27%	74%	15%	8%	7%	1%	0%
Other operating income	0.5	1.0	3.1	2.8	2.7	2.7	2.8	2.8
Materials and services	-66	-84	-138	-143	-155	-172	-177	-183
<b>Gross profit</b>	<b>33.1</b>	<b>45.0</b>	<b>99.6</b>	<b>117.2</b>	<b>128.9</b>	<b>146.9</b>	<b>154.0</b>	<b>160.0</b>
Gross margin %	33.4%	34.9%	41.9%	45.0%	45.4%	46.1%	46.5%	46.7%
Staff costs	-12	-17	-47	-55	-59	-66	-68	-70
Other operating costs	-8	-10	-20	-28	-29	-33	-34	-34
<b>EBITDA</b>	<b>13.3</b>	<b>19.1</b>	<b>36.0</b>	<b>36.6</b>	<b>43.5</b>	<b>51.0</b>	<b>55.1</b>	<b>58.9</b>
EBITDA margin %	13.5%	14.8%	15.1%	14.0%	15.3%	16.0%	16.6%	17.2%
D&A	-5.5	-8.0	-13.0	-16.9	-18.4	-18.5	-18.7	-19.0
of which depreciations	-0.4	-0.4	-10.3	-13.6	-15.0	-15.4	-15.6	-15.7
of which amortizations	-5.1	-7.6	-2.7	-3.3	-3.4	-3.1	-3.1	-3.2
EBITA	13.0	18.7	25.7	23.0	28.5	35.6	39.5	43.1
NRI	0.0	0.0	-2.6	-2.8	-0.3	0.0	0.0	0.0
<b>Adj. EBITA</b>	<b>13.0</b>	<b>18.7</b>	<b>28.3</b>	<b>25.8</b>	<b>28.8</b>	<b>35.6</b>	<b>39.5</b>	<b>43.1</b>
Adj. EBITA margin %	13.1%	14.5%	11.9%	9.9%	10.1%	11.2%	11.9%	12.6%
-growth y/y	55%	44%	56%	-12%	12%	24%	11%	9%
<b>EBIT</b>	<b>7.9</b>	<b>11.1</b>	<b>23.0</b>	<b>19.6</b>	<b>25.1</b>	<b>32.5</b>	<b>36.4</b>	<b>39.9</b>
EBIT margin %	7.9%	8.6%	9.7%	7.5%	8.8%	10.2%	11.0%	11.6%
Net financials	-5.4	-0.7	-4.6	-6.5	-7.4	-8.2	-6.9	-5.7
PTP	2.5	10.4	18.5	13.2	17.7	24.3	29.4	34.2
Tax	-1.9	-3.4	-4.1	-3.1	-4.0	-6.3	-6.8	-7.8
Minority interest	-0.2	-0.1	0.0	0.0	0.0	-0.1	0.0	0.0
<b>Net profit for equity</b>	<b>0.4</b>	<b>6.9</b>	<b>14.3</b>	<b>10.1</b>	<b>13.7</b>	<b>17.9</b>	<b>22.6</b>	<b>26.3</b>
Net profit	0.6	7.0	14.4	10.1	13.7	18.0	22.6	26.3
EPS (undiluted)	0.03	0.41	0.80	0.56	0.76	0.99	1.25	1.45
DPS	0.10	0.30	0.36	0.40	0.44	0.48	0.52	0.60

Note: According to IFRS accounting from 2021 onwards, 2019-20 according to the Finnish Accounting Standard

Source: Company data and Nordea estimates

# Risk factors

Below we list the main risk factors that we find relevant for Relais Group. The purpose of this is not to provide a comprehensive picture of all the risks that the company may face, but instead to highlight those that we find the most relevant. The main risks we identify relate to the general economy in the Nordics, car spare parts sales and the vehicle service business. After the COVID-19 pandemic, the company is facing a tougher environment for B2C, mainly due to lower consumer confidence and high inflation.

A sluggish economy could negatively affect car service and spare parts sales	<p><b>General economy</b></p> <p>The car service industry is to some extent dependent on the general economy. In times of strong economic activity, people are more inclined to spend money on car service and upgrades. Typically, unemployment rates decrease at such times, which also increases consumers' disposable income.</p> <p>Despite the improved COVID-19 situation, the outlook for Nordic economies has suffered from geopolitical tensions. If people start cutting back on car service spending and/or postpone servicing their cars, Relais could see a negative impact on its sales and earnings. After recent acquisitions, Relais is also more dependent on commercial vehicles and related services, which could be affected if economic activity deteriorates. Recent additions to the service business should improve business predictability, however, with lower seasonality.</p>
Competitors consolidating the market could hamper Relais' growth prospects	<p><b>Increasing competition</b></p> <p>The auto parts market is still very fragmented. If other players take a more active role in market consolidation, this could hurt the sales prospects for Relais and profitability if competitors become more aggressive on pricing.</p>
Disturbances by suppliers may affect product availability	<p><b>Dependence on suppliers</b></p> <p>As Relais imports its goods and does not produce spare parts or equipment itself, the company could be severely affected if its suppliers cannot deliver products as agreed or if the quality of products decreases significantly.</p> <p>The coronavirus pandemic created supply-side problems and extra freight costs, which have not been resolved yet. A prolonged situation could hamper demand for Relais' spare parts and equipment.</p>
If not executed well, high M&A activity may increase costs	<p><b>Risks related to expansion</b></p> <p>Relais' ambitions to grow quickly do not come without costs, investments and risks. M&amp;A could increase costs temporarily, but also in the long term if acquisitions fail or integration is executed poorly. Hence, it is important for the company to maintain good cost control and clear M&amp;A execution plans, so as not to hamper earnings.</p>
Key employees leaving could lead to the loss of clients	<p><b>Dependence on key employees</b></p> <p>Relais depends heavily on the efforts of its management team and the board of directors. These key persons have substantial knowledge of running listed companies as well as broad sector knowledge. Should these people leave, it could take some time to find replacements. If key employees join a competitor or start a competing business, this could significantly hamper Relais' business, leading to the loss of clients or even suppliers. Also, because Relais does not fully integrate acquired companies, its dependence on acquired key employees is high. Should Relais fail to incentivise employees in the acquired companies, this could directly impact sales and earnings.</p>
A share issue could dilute current shareholders' ownership	<p><b>Financial position</b></p> <p>Relais has high growth ambitions, hence we do not rule out the need for additional equity to support future M&amp;A activity. An equity issue could dilute the current shareholders' ownership.</p>

A significant writedown of goodwill could worsen its financial position

**Substantial amount of intangible assets**

Due to M&A, Relais has accumulated significant goodwill on its balance sheet. If a future test shows a considerable decline in the value of goodwill, this could have a huge impact on the balance sheet and earnings. A weakening balance sheet could limit the potential for new financing and thus have a negative impact on future M&A and operations.

Tech failures could put Relais in a disadvantageous position

**IT systems**

Relais depends on its IT systems, and any disruption to these could affect the company's daily business, costs and reputation. Slow adoption of or adaptation to new technology could leave Relais in a disadvantageous position versus its competitors.

# Reported numbers and forecasts

## INCOME STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Total revenue</b>	<b>59</b>	<b>60</b>	<b>72</b>	<b>99</b>	<b>129</b>	<b>238</b>	<b>261</b>	<b>284</b>	<b>319</b>	<b>336</b>	<b>347</b>
Revenue growth	9.1%	2.6%	19.9%	36.6%	30.3%	84.5%	9.6%	9.0%	12.3%	5.1%	3.5%
of which organic	9.5%	-0.8%	9.5%	2.0%	3.0%	9.1%	-4.1%	5.0%	5.7%	3.0%	3.5%
of which FX	0.0%	0.0%	0.0%	-1.1%	0.7%	1.5%	-2.0%	-3.7%	-0.5%	0.0%	0.0%
EBITDA	9	8	9	13	19	36	37	44	51	55	59
Depreciation and impairments PPE	0	0	0	0	0	-10	-14	-15	-15	-16	-16
of which leased assets	0	0	0	0	0	-7	-9	-13	-13	-13	-13
EBITA	9	8	8	13	19	26	23	29	35	39	44
Amortisation and impairments	-2	-2	-3	-5	-8	-3	-3	-3	-3	-3	-3
EBIT	7	6	6	8	11	23	20	25	32	36	40
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-1	-1	-1	-5	-1	-5	-6	-7	-8	-7	-6
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	-2	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>10</b>	<b>18</b>	<b>13</b>	<b>18</b>	<b>24</b>	<b>29</b>	<b>35</b>
Reported taxes	-1	-1	-2	-2	-3	-4	-3	-4	-6	-7	-8
Net profit from continued operations	3	4	3	1	7	14	10	14	18	23	27
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	-1	0	0	0	0	0	0	0	0	0	0
Net profit to equity	2	4	3	0	7	14	10	14	18	23	27
<b>EPS, EUR</b>	<b>0.22</b>	<b>0.42</b>	<b>0.34</b>	<b>0.03</b>	<b>0.39</b>	<b>0.77</b>	<b>0.54</b>	<b>0.73</b>	<b>0.94</b>	<b>1.20</b>	<b>1.42</b>
DPS, EUR	0.00	0.00	0.00	0.10	0.30	0.36	0.40	0.44	0.48	0.52	0.60
of which ordinary	0.00	0.00	0.00	0.10	0.30	0.36	0.40	0.44	0.48	0.52	0.60
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Profit margin in percent

EBITDA	15.2%	13.8%	12.1%	13.5%	14.8%	15.1%	14.0%	15.3%	15.9%	16.4%	17.1%
EBITA	14.5%	13.4%	11.6%	13.1%	14.5%	10.8%	8.8%	10.0%	11.0%	11.7%	12.6%
EBIT	11.6%	10.2%	7.9%	7.9%	8.6%	9.7%	7.5%	8.8%	10.1%	10.8%	11.6%

## Adjusted earnings

EBITDA (adj)	11	8	9	13	19	39	39	44	51	55	59
EBITA (adj)	10	8	8	13	19	28	26	29	35	39	44
EBIT (adj)	8	6	6	8	11	26	22	25	32	36	40
EPS (adj, EUR)	0.40	0.42	0.34	0.29	0.39	0.91	0.69	0.75	0.94	1.20	1.42

## Adjusted profit margins in percent

EBITDA (adj)	18.0%	13.8%	12.1%	13.5%	14.8%	16.2%	15.1%	15.4%	15.9%	16.4%	17.1%
EBITA (adj)	17.3%	13.4%	11.6%	13.1%	14.5%	11.9%	9.9%	10.1%	11.0%	11.7%	12.6%
EBIT (adj)	14.4%	10.2%	7.9%	7.9%	8.6%	10.8%	8.6%	9.0%	10.1%	10.8%	11.6%

## Performance metrics

CAGR last 5 years											
Net revenue	16.0%	14.3%	17.8%	18.7%	19.0%	32.2%	34.0%	31.4%	26.4%	21.1%	7.9%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	32.1%	34.4%	37.9%	30.6%	23.5%	10.5%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	27.5%	26.2%	34.5%	32.5%	26.7%	11.9%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	28.6%	5.2%	16.5%	97.2%	25.3%	13.2%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	36.9%	11.6%	10.8%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	9.0%	9.0%	8.4%	8.6%	9.0%	9.5%	9.9%
Average EBITDA margin	4.1%	7.0%	9.0%	11.4%	13.9%	14.3%	14.2%	14.7%	15.1%	15.4%	15.8%

## VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	n.a.	n.a.	n.a.	28.0	37.9	29.0	14.8	18.1	13.8	10.8	9.1
EV/EBITDA (adj)	n.a.	n.a.	n.a.	10.2	15.3	16.4	8.5	9.2	7.8	7.0	6.2
EV/EBITA (adj)	n.a.	n.a.	n.a.	10.5	15.6	22.3	13.0	14.0	11.2	9.7	8.4
EV/EBIT (adj)	n.a.	n.a.	n.a.	17.3	26.3	24.6	14.9	15.8	12.3	10.6	9.1

## VALUATION RATIOS - REPORTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	n.a.	n.a.	n.a.	n.m.	37.9	34.3	19.0	18.5	13.8	10.8	9.1
EV/Sales	n.a.	n.a.	n.a.	1.37	2.26	2.66	1.28	1.42	1.24	1.14	1.06
EV/EBITDA	n.a.	n.a.	n.a.	10.2	15.3	17.5	9.1	9.3	7.8	7.0	6.2
EV/EBITA	n.a.	n.a.	n.a.	10.5	15.6	24.5	14.6	14.1	11.2	9.7	8.4
EV/EBIT	n.a.	n.a.	n.a.	17.3	26.3	27.4	17.0	16.0	12.3	10.6	9.1
Dividend yield (ord.)	n.a.	n.a.	n.a.	1.2%	2.0%	1.4%	3.9%	3.3%	3.7%	4.0%	4.6%
FCF yield	n.a.	n.a.	n.a.	-61.8%	2.8%	-10.2%	6.6%	8.9%	7.9%	13.9%	16.1%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	1.4%	6.0%	0.5%	7.5%	5.3%	4.6%	8.4%	10.6%
Payout ratio	0.0%	0.0%	0.0%	33.9%	77.4%	39.7%	58.2%	58.9%	51.3%	43.3%	42.1%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	5	7	5	54	59	130	133	133	135	132	129
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	0	1	0	15	15	13	13	13	13
of which goodwill	5	7	5	54	58	114	118	120	122	119	116
Tangible assets	0	0	0	0	0	59	57	66	54	55	56
of which leased assets	0	0	0	0	0	54	52	61	48	48	48
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	1	1	1	1	1	1
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	5	7	5	54	59	189	191	200	190	188	186
Inventory	26	27	29	43	44	73	68	74	83	88	91
Accounts receivable	5	8	8	12	13	34	33	41	47	49	51
Short-term leased assets	0	0	0	0	0	0	0	0	13	13	14
Other current assets	3	1	2	3	3	0	4	4	5	5	5
Cash and bank	1	2	2	30	35	12	14	10	-2	0	6
Total current assets	35	37	42	88	95	119	119	129	145	154	166
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total assets</b>	<b>40</b>	<b>44</b>	<b>47</b>	<b>142</b>	<b>154</b>	<b>308</b>	<b>309</b>	<b>329</b>	<b>335</b>	<b>342</b>	<b>352</b>
Shareholders equity	6	11	17	64	72	102	104	111	120	134	151
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	3	3	1	0	0	0	0	0	0	0	0
Total Equity	9	14	17	64	72	102	104	111	120	134	151
Deferred tax	0	0	0	2	3	6	6	5	5	5	5
Long term interest bearing debt	15	11	14	59	58	91	96	89	79	69	59
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	3	0	2	0	0	2	1	2	2	2	2
Non-current lease debt	0	0	0	0	0	44	42	49	50	50	50
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	18	12	16	62	61	143	144	145	136	126	116
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	3	4	4	7	9	46	35	47	53	55	57
Current lease debt	0	0	0	0	0	11	12	14	13	13	14
Other current liabilities	3	4	5	6	8	0	7	6	6	7	7
Short term interest bearing debt	8	12	6	5	5	6	7	7	7	7	7
Total current liabilities	14	19	15	18	21	63	61	73	79	82	85
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>40</b>	<b>45</b>	<b>48</b>	<b>143</b>	<b>155</b>	<b>308</b>	<b>309</b>	<b>329</b>	<b>335</b>	<b>342</b>	<b>352</b>
<b>Balance sheet and debt metrics</b>											
Net debt	22	22	18	35	28	140	143	149	151	140	123
of which lease debt	0	0	0	0	0	55	53	63	63	63	64
Working capital	28	28	31	46	44	61	63	67	75	79	82
Invested capital	33	35	36	100	103	250	254	267	265	267	268
Capital employed	32	37	37	128	135	254	260	270	270	273	281
ROE	64.1%	44.7%	22.7%	1.0%	10.2%	16.5%	9.8%	12.8%	15.2%	17.7%	18.7%
ROIC	40.5%	14.2%	12.7%	9.1%	8.6%	11.5%	7.0%	7.7%	9.5%	10.8%	11.9%
ROCE	53.4%	17.9%	15.7%	9.6%	10.1%	13.8%	10.6%	10.1%	13.5%	15.0%	16.2%
Net debt/EBITDA	2.5	2.6	2.0	2.6	1.5	3.9	3.9	3.4	3.0	2.5	2.1
Interest coverage	9.3	7.1	6.0	1.5	4.6	4.2	2.2	3.0	2.9	3.6	4.4
Equity ratio	15.2%	23.8%	34.7%	44.5%	46.5%	33.1%	33.6%	33.6%	35.8%	39.2%	43.0%
Net gearing	244.3%	152.2%	102.0%	54.3%	39.1%	136.5%	137.4%	135.0%	125.8%	104.1%	81.4%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>EBITDA (adj) for associates</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>13</b>	<b>19</b>	<b>36</b>	<b>37</b>	<b>44</b>	<b>51</b>	<b>55</b>	<b>59</b>
Paid taxes	0	0	-2	-2	-3	-5	-3	-4	-6	-7	-8
Net financials	0	0	-1	-6	-1	-3	-4	-7	-8	-7	-6
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	3	-3	2	-2	0	1	-1	1	0	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	-11	-6	-2	1	0	-5	1	0	0	0	0
<b>Funds from operations (FFO)</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>5</b>	<b>15</b>	<b>24</b>	<b>29</b>	<b>33</b>	<b>36</b>	<b>41</b>	<b>46</b>
Change in NWC	0	0	-2	-3	1	-12	0	-2	-8	-4	-3
<b>Cash flow from operations (CFO)</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>16</b>	<b>12</b>	<b>29</b>	<b>31</b>	<b>28</b>	<b>37</b>	<b>43</b>
Capital expenditure	0	0	0	0	0	-2	-2	-4	-3	-4	-4
<b>Free cash flow before A&amp;D</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>16</b>	<b>9</b>	<b>27</b>	<b>27</b>	<b>25</b>	<b>34</b>	<b>39</b>
Proceeds from sale of assets	0	0	0	1	1	0	0	0	0	0	0
Acquisitions	0	0	-1	-65	-9	-60	-15	-4	-5	0	0
Free cash flow	0	0	2	-63	7	-50	13	23	19	34	39
Free cash flow bef A&D, lease adj	0	0	3	1	16	2	14	13	11	20	26
Dividends paid	0	0	0	0	-2	-5	-6	-7	-8	-9	-9
Equity issues / buybacks	0	0	0	44	0	1	0	0	0	0	0
Net change in debt	0	0	0	42	-1	32	9	-8	-10	-10	-10
Other financing adjustments	0	0	0	0	0	0	0	-13	-13	-13	-13
Other non-cash adjustments	1	1	-2	4	1	0	-14	1	0	0	0
Change in cash	1	1	1	27	5	-23	2	-4	-12	2	6
<b>Cash flow metrics</b>											
Capex/D&A	0.0%	0.0%	6.9%	7.3%	2.5%	17.6%	10.2%	22.1%	18.1%	18.8%	19.5%
Capex/Sales	0.0%	0.0%	0.3%	0.4%	0.2%	1.0%	0.7%	1.4%	1.1%	1.1%	1.1%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	n.a.	8	15	26	10	14	13	13	13
Market cap.	n.a.	n.a.	n.a.	101	263	492	192	253	243	243	243
Enterprise value	n.a.	n.a.	n.a.	136	292	632	334	403	395	383	367
Diluted no. of shares, year-end (m)	9.1	9.1	9.1	12.3	17.9	18.7	18.8	18.8	18.8	18.8	18.8

Source: Company data and Nordea estimates

# Disclaimer and legal disclosures

## Origin of the report

This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

## Content of report

This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision.

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

## Validity of the report

All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

## No individual investment or tax advice

The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

## Sources

This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

## Limitation of liability

Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

## Risk information

The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

## Conflicts of interest

Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report. Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at [www.nordea.com/mifid](http://www.nordea.com/mifid).

Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: <https://research.nordea.com/compliance>

## Distribution restrictions

The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This research report has not been prepared for distribution outside the EU, the UK or the US. The content of this research report is not a product disclosure statement or other regulated document for the purposes of the Australian Corporations Act 2001 (CTH). The distribution of this research report in Australia has not been authorised by any regulatory authority in Australia, and Nordea bank Abp is not licensed by the Australian Securities and Investment Commission to provide financial services in Australia.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available upon request.

Nordea Bank Abp ("Nordea") research is not "globally branded" research. Nordea research reports are intended for distribution in the United States solely to "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC ("Nordea Securities"), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

This report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

**Analyst Shareholding**

Nordea analysts do not hold shares in the companies that they cover. No holdings or other affiliations by analysts or associates.

**Fair value and sensitivity**

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive. It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

**Marketing Material**

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

**Market-making obligations and other significant financial interest**

Nordea has no market-making obligations in Relais Group Oyj shares.

As of 07/08/2024, Nordea Abp holds no positions of 0.5% or more of shares issued by Relais Group Oyj.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

**Investment banking transactions and/or services**

In view of Nordea's position in its markets, readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking and/or ancillary services to the company/ companies.

**Issuer Review**

*This report has not been reviewed by the Issuer prior to publication.*

**Completion Date**

08 Aug 2024, 00:10 CET

Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Grønjordsvej 10 DK-2300 Copenhagen S Denmark	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			