

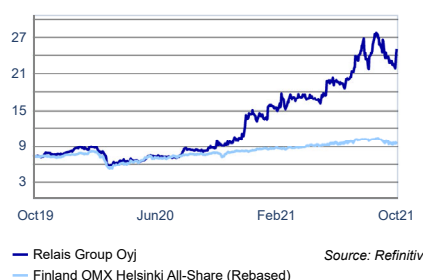
Relais Group Oyj

Consumer Goods
Finland

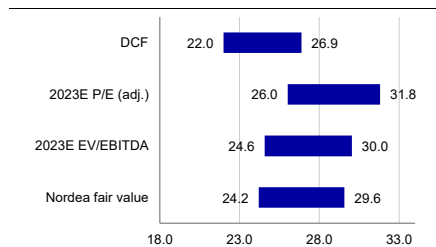
KEY DATA

Stock country	Finland
Bloomberg	RELAIS.FH
Reuters	RELAIS.HE
Share price (close)	EUR 25.30
Free Float	36%
Market cap. (bn)	EUR 0.48/EUR 0.48
Website	www.relais.fi
Next report date	04 Nov 2021

PERFORMANCE



VALUATION APPROACH (EUR/SHARE)



ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	1%	10%	11%
EBIT (adj)	0%	8%	10%

Source: Nordea estimates

Nordea Markets - Analysts

Joni Sandvall
AnalystSvante Krokfors
Director

Adding depth to its Swedish operations

Relais has announced that it will acquire Swedish maintenance workshop chain STS Sydhamnens Trailer Service AB for a EUR 9.2m cash consideration and a maximum EUR 2.2m earn-out. According to Relais, in 2021 STS is expected to have EUR 23m sales and EUR 1.2m EBITDA. Relais anticipates EUR 0.5-1m annual synergies by 2023, mainly from sourcing, leading to a 2021E EV/EBITDA multiple of 5.2-6.7x with the full earn-out and synergies included. We see further synergy potential due to cross-fertilisation opportunities. Relais continues to work towards its target of a EUR 500m pro forma top line by 2026, which we view as achievable through M&A in the fragmented Nordic market. We derive a DCF and multiples-based fair value range of EUR 24.2-29.6 per Relais share.

Vertical expansion through M&A in Sweden

Relais will acquire Swedish STS Sydhamnens Trailer Service AB for a EUR 9.2m cash consideration. STS is Sweden's largest independent nationwide repair and maintenance workshop chain for commercial vehicles. It has 15 full-service workshops with 140 employees. According to Relais, in 2021, its net sales are expected to be around EUR 23m with EBITDA of EUR 1.2m. Relais expects EUR 0.5-1m annual synergies by 2023, implying an acquisition multiple of 4.2-5.4x including synergies and 5.2-6.7x when also including the full earn-out. STS widens Relais' offering in Sweden and we see clear synergies from sourcing with Huzells and TD Tunga Delar. In addition, the deal could boost own lighting sales, and also Raskone sales in Finland as STS also has expertise in trailers. Regarding further M&A, we think Relais will continue to consolidate the market in 2022.

Short-term margin dilution from the acquisition

We expect the acquisition to have a margin dilutive effect excluding synergies. However, if Relais can reach EUR 1m annual synergies, we expect an EBITA margin at close to the current group level in 2024E (12.9% in 2021E). We include STS in our estimates from December 2021 and expect the full earn-out to be paid in 2022. We lift the 2022E-23E top line by 10-11% and EBITA by 5-8%.

Compounder story intact with good trajectory towards 2026

Given the latest acquisitions, we move our valuation approach to 2023E. Based on an average of DCF, EV/EBITDA and P/E valuations, we derive a fair value range of EUR 24.2-29.6 (20.7-25.3) per share. Although we do not model any unannounced deals, based on our M&A scenario, Relais could reach EUR 504m sales by 2026 (above the EUR 500m pro-forma target).

SUMMARY TABLE - KEY FIGURES

EURm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	60	72	99	129	231	274	288
EBITDA (adj)	8	9	13	19	32	38	41
EBIT (adj)	6	6	8	11	17	22	29
EBIT (adj) margin	10.2%	7.9%	7.9%	8.6%	7.4%	8.1%	10.1%
EPS (adj, EUR)	0.42	0.34	0.29	0.39	0.47	0.68	1.02
EPS (adj) growth	3.9%	-17.9%	-13.6%	31.5%	20.0%	46.7%	48.7%
DPS (ord, EUR)	0.00	0.00	0.10	0.30	0.40	0.45	0.50
EV/Sales	n.a.	n.a.	1.4	2.3	2.4	2.0	1.8
EV/EBIT (adj)	n.a.	n.a.	17.3	26.3	32.1	24.4	18.1
P/E (adj)	n.a.	n.a.	28.0	37.9	54.3	37.0	24.9
P/BV	n.a.	n.a.	1.6	3.7	5.8	5.5	4.8
Dividend yield (ord)	n.a.	n.a.	1.2%	2.0%	1.6%	1.8%	2.0%
FCF Yield bef A&D, lease	n.a.	n.a.	1.4%	6.1%	1.3%	3.2%	5.4%
Net debt	22	18	35	28	75	69	52
Net debt/EBITDA	2.6	2.0	2.6	1.5	2.4	1.9	1.3
ROIC after tax	12.4%	11.1%	8.0%	7.6%	9.1%	9.7%	13.0%

Source: Company data and Nordea estimates

M&A scenario

Relais' strategy focuses on high growth via M&A. Due to uncertainty regarding timing, deal size and deal valuation, we do not include M&A in our estimates. We have, however, compiled an M&A scenario in which we simulate how much Relais could potentially grow sales and EBITA via M&A without raising additional equity capital or exceeding its current covenants. The company has indicated that it has a good pipeline of potential bolt-on acquisitions, in addition to the acquisitions during 2020-21. With successful M&A execution, we believe Relais could reach net sales of EUR 504m by 2026 while keeping its net gearing below 100%. We believe the company could add shareholder value through acquisitions with compelling multiples going forward.

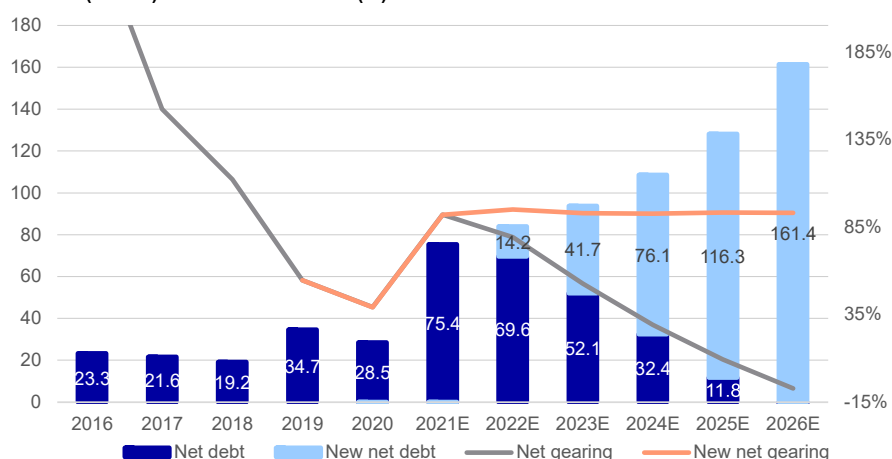
Recent acquisitions increase net debt/EBITDA to ~2.4x in 2021E

First full cash acquisition

After a substantial part of the Raskone and Lumise acquisitions was financed with a directed share issue, the STS Sydhammens Trailer Service acquisition will be cash only. We believe the company will continue acquisitions in 2022 and could see at least EUR 15m of firepower in 2022 despite the acquisition spree in 2020-21. Without new debt or acquisitions, we think Relais could deleverage its balance sheet to a net gearing of around 50% by 2023 (from ~90% in 2021E).

With fully cash flow and debt-financed M&A, Relais would raise its net gearing to around 90% in 2021E-26E

NET DEBT (EURm) AND NET GEARING (%) INCLUDING POTENTIAL M&A



Source: Company data and Nordea estimates

With successful M&A, net sales could reach EUR 504m by 2026

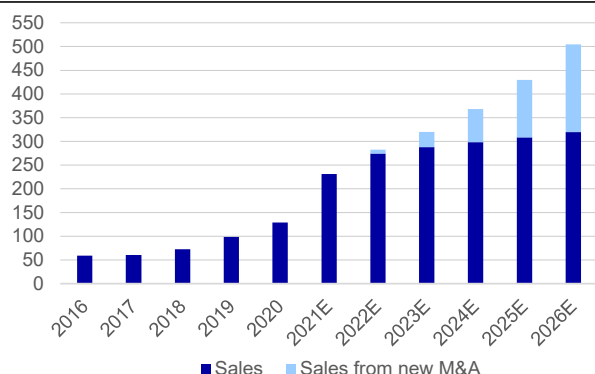
Relais could increase net sales by around EUR 185m by 2026 with acquisitions and without stretching its balance sheet too much

Assuming deal EV/EBITDA multiples of 8x, further M&A could increase the company's EBITA by EUR ~4m in 2023E and by EUR ~23m in 2026E. We assume the acquired companies have an EBITA margin of 12.5%, implying that Relais could gain additional sales of EUR ~185m by 2026 based on our M&A assumptions. We model 5% organic growth for acquired businesses after acquisitions while maintaining an estimated EBITA margin of 12.5%. Our estimate does not include any costs related to the acquisitions, such as advisory fees or restructuring costs. We assume that M&A actions would be equally divided over the year, i.e. we model the acquisition happening in the middle of the year.

We note that our assumptions are on the conservative side when considering the latest acquisitions, and think larger targets would command slightly higher multiples. Relais has made multiple acquisitions in 2020-21, of which SEC Scandinavia was acquired at ~5.5x EV/EBITDA and TD Tunga Delar at around 7x, while the EV/EBITDA multiple for Strands Group is 7.3x when using 2020 EBITDA of SEK 25m. The Raskone acquisition was made at a 6.5x 2020 EV/EBITDA multiple, excluding potential synergies, which Relais expects to be significant. The Lumise acquisition was made at a 9.4x LTM EV/EBITDA, while we note that the high online share of sales commands higher multiples. The latest STS acquisition was made with 7.7-9.5x EV/EBITDA multiples, excluding synergies but including full earn-out. However, if we assume full earn-out and EUR

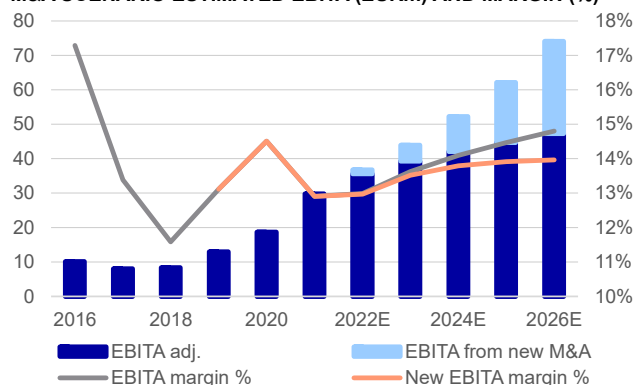
0.5-1m anticipated synergies, the acquisition will be carried out with 5.2-6.7x EV/ EBITDA multiples.

M&A SCENARIO SALES ESTIMATES (EURm)



Source: Company data and Nordea estimates

M&A SCENARIO ESTIMATED EBITA (EURm) AND MARGIN (%)



Source: Company data and Nordea estimates

In our illustrative assumptions, acquisitions are financed with debt. We assume 50% of the deal value to be goodwill, which is amortised over ten years. The depreciation level is set to 0.5% of net sales and we use a 2% interest rate and 21% tax rate assumption.

ILLUSTRATIVE M&A SCENARIO

Current estimates, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E	2024E	2025E	2026E
Sales	59	60	72	99	129	231	274	288	298	309	319
EBITA adj.	10.2	8.1	8.4	13.0	18.7	29.8	35.7	39.3	42.1	44.7	47.3
-margin %	17.3%	13.4%	11.6%	13.1%	14.5%	12.9%	13.0%	13.6%	14.1%	14.5%	14.8%
Cash	0.8	1.5	2.3	29.6	34.7	7.7	3.5	6.0	10.7	16.4	23.1
Equity	9.0	14.2	17.2	63.7	72.4	81.9	87.9	99.0	111.4	125.0	139.9
Net debt	23.3	21.6	19.2	34.7	28.5	75.4	69.6	52.1	32.4	11.8	-10.0
Net gearing	257%	152%	112%	54%	39%	92%	79%	53%	29%	9%	-7%
Net debt/EBITDA	2.2x	2.6x	2.2x	2.6x	1.5x	2.4x	1.9x	1.3x	0.7x	0.3x	-0.2x
Deal(s) size						0	15	30	40	50	60
EV/EBITA assumption, x						8x	8x	8x	8x	8x	8x
EV/Sales assumption, x						1.0x	1.0x	1.0x	1.0x	1.0x	1.0x
						2021E	2022E	2023E	2024E	2025E	2026E
Cumulative sales increase from M&A						0	8	32	70	121	185
Cumulative EBITA increase from M&A						0.0	1.0	4.0	8.8	15.1	23.1
- margin %						12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
New estimates after additional M&A, EURm											
Sales, EURm			72	99	129	231	282	320	368	430	504
EBITA, EURm			8.4	13.0	18.7	29.8	36.6	43.3	50.8	59.8	70.4
-margin %			11.6%	13.1%	14.5%	12.9%	13.0%	13.5%	13.8%	13.9%	14.0%
Cash	0.8	1.5	2.3	29.6	34.7	7.7	4.2	9.2	19.5	34.9	56.6
Equity	9.0	14.2	17.2	63.7	72.4	81.9	88.3	101.1	117.3	137.6	162.8
Net debt	23.3	21.6	19.2	34.7	28.3	75.3	83.9	93.8	108.5	128.1	151.4
Net gearing	257%	152%	112%	54%	39%	92%	95%	93%	93%	93%	93%
EBITDA adj.	10.6	8.3	8.7	13.3	19.1	31.5	38.6	45.4	53.3	62.8	74.1
ND/EBITDA	2.2x	2.6x	2.2x	2.6x	1.5x	2.4x	2.2x	2.1x	2.0x	2.0x	2.0x

Source: Company data and Nordea estimates

Compounder effect could be substantial

In the table below, we illustrate the potential 'compounder effect' for Relais as the company targets growth through acquisitions going forward. The table presents the impact on Relais' 'multiple arbitrage' opportunity assuming different annual acquisition volumes (x-axis) and the EV/EBITA multiple paid in the potential acquisitions (y-axis). We make the following notes to clarify the table:

- **Acquisition cost on x-axis** – Annual acquisition amount in EURm. Based on our calculations, we estimate that Relais could in 2022-26 annually make acquisitions of EUR 15-60m financed through cash flow and debt and still stay below 100% gearing and at around 2x net debt/EBITDA at year-end. We limit the range in this table to EUR 5-75m of annual acquisitions and believe the narrowed range of EUR 20-60m is what could be realistic annually for 2022-25.
- **Acquisition multiple on y-axis** – Historically, Relais has made acquisitions at an EV/EBIT(D)A of ~6.5x. In the table below, we highlight the value creation based on our M&A scenario, where we use 1x EV/sales and 8x EV/EBITA multiples. We also highlight what we believe could be the likely annual transaction volume range (EUR 20-60m) and likely EV/EBITA acquisition multiples (6-10x), with the midpoint suggesting EUR 40m in annual value creation.
- **EBITA margin** – We assume Relais will buy companies with an EBITA margin of 12.5%, derived from EV/sales of 1x and EV/EBITA of 8x.
- **Relais valuation multiple** – Based on the current valuation of Relais, we use an EV/EBITA multiple of 16x on average for Relais, i.e. if Relais makes acquisitions at an EV/EBITA multiple of above 16x, our simulation models a negative contribution from M&A. This is highly simplified as there could be good grounds to pay a high multiple, e.g. synergy potential, strategic acquisition, etc.

ILLUSTRATIVE VALUE CREATION MATRIX (EURm)

		Acquisition cost, EURm														
		5	10	15	20	25	30	35	40	45	50	55	60	65	70	75
Acquisition multiple, EV/EBITA (x)	3	22	43	65	87	108	130	152	173	195	217	238	260	282	303	325
	4	15	30	45	60	75	90	105	120	135	150	165	180	195	210	225
	5	11	22	33	44	55	66	77	88	99	110	121	132	143	154	165
	6	8	17	25	33	42	50	58	67	75	83	92	100	108	117	125
	7	6	13	19	26	32	39	45	51	58	64	71	77	84	90	96
	8	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75
	9	4	8	12	16	19	23	27	31	35	39	43	47	51	54	58
	10	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45
	11	2	5	7	9	11	14	16	18	20	23	25	27	30	32	34
	12	2	3	5	7	8	10	12	13	15	17	18	20	22	23	25
	13	1	2	3	5	6	7	8	9	10	12	13	14	15	16	17
	14	1	1	2	3	4	4	5	6	6	7	8	9	9	10	11
	15	0	1	1	1	2	2	2	3	3	3	4	4	4	5	5
	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	17	0	-1	-1	-1	-1	-2	-2	-2	-3	-3	-3	-4	-4	-4	-4
	18	-1	-1	-2	-2	-3	-3	-4	-4	-5	-6	-6	-7	-7	-8	-8
	19	-1	-2	-2	-3	-4	-5	-6	-6	-7	-8	-9	-9	-10	-11	-12
	20	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11	-12	-13	-14	-15
	21	-1	-2	-4	-5	-6	-7	-8	-10	-11	-12	-13	-14	-15	-17	-18
	22	-1	-3	-4	-5	-7	-8	-10	-11	-12	-14	-15	-16	-18	-19	-20
	23	-2	-3	-5	-6	-8	-9	-11	-12	-14	-15	-17	-18	-20	-21	-23

Source: Nordea estimates

Estimate revisions

Estimate revisions

We incorporate the STS acquisition from December 2021 and onwards. Hence, our 2021 estimate revisions are limited. We raise our 2022E-23E top line by 10-11% and EBITA by 5-8% and expect the acquisition to be margin-dilutive until 2024, i.e. until full synergy potential is reached. We note that Relais will change to quarterly reporting from Q3 2021 onwards, but in the absence of comparison figures, we currently stick to semi-annual estimates. We expect the company to disclose comparison figures for 2020 ahead of the Q3 report due on 4 November. In addition, the company is assessing the possibility to transfer to the Nasdaq Helsinki main list. In conjunction with this, we think the company is preparing for IFRS accounting, which would raise EBIT estimates significantly, as goodwill amortisation would be excluded. We forecast EUR 13m annual amortisation for 2021-22, of which the majority relates to goodwill amortisation.

ESTIMATE REVISIONS

EURm	New estimates				Old estimates				Difference %			
	H2 2021E	2021E	2022E	2023E	H2 2021E	2021E	2022E	2023E	H2 2021E	2021E	2022E	2023E
Sales	125.7	231	274	288	123.8	229	250	261	2%	1%	10%	11%
Gross profit	52.3	95	121	128	51.5	94	104	109	2%	1%	16%	17%
Gross margin	41.6%	41.2%	44.2%	44.4%	41.6%	41.2%	41.7%	41.9%	0.0pp	0.0pp	2.5pp	2.5pp
Adj. EBITA	17.7	29.8	35.7	39.3	17.7	29.8	33.8	36.4	0%	0%	5%	8%
Adj. EBITA margin	14.1%	12.9%	13.0%	13.6%	14.3%	13.0%	13.5%	14.0%	-0.2pp	-0.1pp	-0.5pp	-0.3pp
EBITA	17.7	29.8	35.7	39.3	17.7	29.8	33.8	36.4	0%	0%	5%	8%
EBITA margin	14.1%	12.9%	13.0%	13.6%	14.3%	13.0%	13.5%	14.0%	-0.2pp	-0.1pp	-0.5pp	-0.3pp
EBIT	11.1	17.1	22.3	29.1	11.1	17.1	20.7	26.4	0%	0%	8%	10%
EBIT margin	8.8%	7.4%	8.1%	10.1%	8.9%	7.5%	8.3%	10.1%	-0.1pp	-0.1pp	-0.1pp	0.0pp
PTP	10.1	14.6	20.0	26.8	10.1	14.6	18.4	24.1	0%	0%	9%	11%
EPS	0.34	0.47	0.68	1.02	0.35	0.47	0.62	0.90	0%	0%	11%	12%
DPS		0.40	0.45	0.50		0.40	0.45	0.50		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 of potential future M&A. Using a combination of valuation methods, we derive a valuation range of EUR 24.2-29.6 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 what we consider its most relevant peers, using valuation multiples such as EV/EBITDA and P/E multiples. 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		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E	2021	2022E	2023E
Peer group												
Advance Auto Parts Inc	1.2x	1.2x	1.2x	10.7x	9.9x	9.1x	13.5x	12.5x	11.7x	18.4	16.5	15.1
Auto Partner Sa	1.0x	0.9x	0.8x	10.2x	9.4x	8.5x	11.2x	10.7x	9.6x	14.9	14.6	13.0
Autozone Inc	2.5x	2.4x	2.3x	10.8x	11.0x	10.4x	12.2x	12.5x	11.8x	17.9	17.3	15.4
Inter Cars Sa	0.7x	0.7x	0.6x	10.2x	9.9x	9.5x	12.4x	11.9x	11.3x	14.8	14.6	13.8
Camping World Holdings Inc	0.7x	0.7x		5.8x	5.9x		6.2x	6.5x		6.4	6.8	20.7
Dometic Group Ab (Publ)	2.3x	1.9x	1.7x	12.8x	10.1x	9.2x	15.9x	12.8x	11.6x	22.0	17.3	15.3
Halfords Group Plc	0.7x	0.7x	0.7x	6.2x	5.1x	5.0x	7.5x	9.9x	9.5x	7.2	9.7	9.2
Mekonomen Ab	1.0x	1.0x	1.0x	7.3x	7.0x	6.8x	12.2x	12.0x	11.3x	11.5	11.1	10.4
O'Reilly Automotive Inc	3.6x	3.5x	3.4x	15.4x	15.2x	14.8x	17.0x	16.7x	16.7x	22.0	20.9	19.7
Thule Group Ab	4.4x	4.4x	4.2x	18.4x	18.8x	17.7x	19.6x	20.1x	18.8x	25.8	26.4	24.8
Peer group average	1.8x	1.7x	1.8x	10.8x	10.2x	10.1x	12.8x	12.6x	12.5x	16.1	15.5	15.7
Peer group median	1.1x	1.1x	1.2x	10.4x	9.9x	9.2x	12.3x	12.2x	11.6x	16.4x	15.6x	15.2
US peers' average	2.0x	2.0x	2.3x	10.7x	10.5x	11.4x	12.2x	12.0x	13.4x	16.2x	15.4x	17.7x
European peers' average	1.7x	1.6x	1.5x	10.9x	10.0x	9.4x	13.1x	12.9x	12.0x	16.1x	15.6x	14.4x
Relais (Nordea)	2.2x	1.8x	1.7x	16.1x	13.4x	11.8x	29.7x	22.6x	16.7x	52.6x	35.9x	24.1x
difference to median	92%	64%	40%	55%	35%	28%	141%	85%	44%	221%	130%	59%
Compounders												
Addtech Ab	4.0	3.5	3.3	30.3	24.1	23.0	46.0	34.6	32.6	63.7	46.7	45.3
Bergman & Beving Ab	1.2	1.1		12.2	10.5		21.1	17.5		25.4	17.6	
Beijer Alma Ab	2.3	2.1	2.0	11.0	10.0	9.2	14.7	13.2	12.0	20.9	18.6	16.3
Beijer Ref Ab (Publ)	3.6	3.2	3.0	31.6	25.6	23.1	42.2	34.7	32.3	64.5	52.7	48.2
Bufab Ab (Publ)	2.7	2.5	2.4	18.3	17.3	16.3	23.3	21.6	20.1	30.3	27.7	25.3
Indutrade Ab	4.3	4.0	3.9	24.1	22.5	21.4	32.1	30.1	28.4	40.5	37.2	34.7
Lagercrantz Group Ab	5.1	4.0	3.9	26.7	20.3	20.0	39.1	28.7	27.9	55.6	39.2	37.9
Lifco Ab (Publ)	6.3	5.8	5.5	26.7	24.9	23.6	33.3	30.7	28.8	46.5	42.7	39.9
Sdiptech Ab (Publ)	6.6	5.8	5.2	30.8	25.5	22.2	41.3	31.6	27.1	57.9	43.6	37.3
Volati Ab	2.2	2.0	1.9	16.3	14.4	13.5	22.1	19.9	18.7	27.7	28.1	26.0
Compounders average	3.8	3.4	3.4	22.8	19.5	19.1	31.5	26.3	25.3	43.3	35.4	34.6
Compounders median	3.8	3.3	3.3	25.4	21.4	21.4	32.7	29.4	27.9	43.5	38.2	37.3
Total average	2.8	2.6	2.6	16.8	14.9	14.6	22.1	19.4	18.9	29.7	25.5	24.7
Total median	2.4	2.3	2.4	14.1	12.7	14.2	18.3	17.1	17.7	23.7	19.7	20.7
Total average (70%/30%)	2.2	2.1	2.1	13.2	12.1	11.9	16.5	15.3	15.0	21.5	19.5	19.5
Total median (70%/30%)	1.9	1.8	1.8	14.9	13.4	12.9	18.4	17.4	16.5	24.5	22.4	21.8
Relais (Nordea)	2.2	1.8	1.7	16.1	13.4	11.8	29.7	22.6	16.7	52.6	35.9	24.1
difference to weighted median	13%	3%	-8%	8%	0%	-8%	61%	30%	1%	114%	60%	10%

Source: Refinitiv and Nordea estimates

EV/EBITDA-based valuation of EUR 24.6-30.0 per share

Based on our EUR 41.2m EBITDA estimate for 2023 and an accepted valuation multiple range of 11.8-14.2x (midpoint: 13x), we arrive at a fair value range of EUR 24.6-30.0 per share for Relais. We believe that, in addition to auto part peers, one should look at Swedish compounders when valuing Relais. When using 70% weight for auto part peer group and 30% weight for compounder peer group, median EV/EBITDA would be 12.9x for 2023E.

P/E-based valuation of EUR 26.0-31.8 per share

Using EUR 1.65 amortisation-adjusted EPS estimates for 2023, we arrive at a fair value range of EUR 26.0-31.8 per share using P/E multiples of 15.8-19.3x (midpoint: 17.5x).

DCF-based valuation of EUR 22.0-26.9 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 10.0% for 2021-26, 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 Relais will gradually improve its profitability level and maintain an adjusted EBIT margin of 14.5% in the long run. We use a 3% cost of debt in our DCF model, as the current level is unlikely to persist in the long term. We also assign a long-term equity weight of 50% in our DCF model.

WACC COMPONENTS

WACC components	
Risk-free interest rate	2.0%
Market risk premium	4.5%
Forward looking asset beta	nm
Beta debt	0.1
Forward looking equity beta	2.1-1.5
Cost of equity	11.5-8.9%
Cost of debt	3.0%
Tax-rate used in WACC	30%
Equity weight	50%
WACC	6.8-5.5%

Source: Nordea estimates

DCF VALUATION

DCF value	Value	Per share
NPV FCFF	405-496	21.8-26.7
(Net debt)	-28	-1.5
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	33	1.8
DCF Value	409-500	22-26.9

Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2021-26	2027-31	2032-36	2037-41	2042-46	2047-51	Sust.
Sales growth, CAGR	6.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
EBIT-margin, excluding associates	10.0%	13.5%	14.5%	14.5%	14.5%	14.5%	2.0%
Capex/depreciation, x	0.2	0.2	1.0	1.0	1.0	1.0	1.0
Capex/sales	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
NWC/sales	26%	26%	26%	26%	26%	26%	26%
FCFF, CAGR	-194.0%	5.5%	4.1%	2.5%	2.5%	-43.8%	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. We note that 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 assessment in either direction.

When we use sensitivities of ± 0.5 pp for WACC, ± 0.5 pp for sales growth and ± 0.5 for the EBIT margin, our DCF model gives us a value range of EUR 21.5-28.1 per share.

SENSITIVITY OF OUR DCF MODEL (EUR/SHARE)

		WACC				
		5.1%	5.6%	6.1%	6.6%	7.1%
EBIT margin change	+1.0pp	32.7	29.6	27.0	24.8	22.8
	+0.5pp	30.8	28.1	25.7	23.7	21.9
		29.0	26.5	24.4	22.6	21.0
	-0.5pp	27.1	25.0	23.2	21.5	20.1
	-1.0pp	25.2	23.5	21.9	20.5	19.1

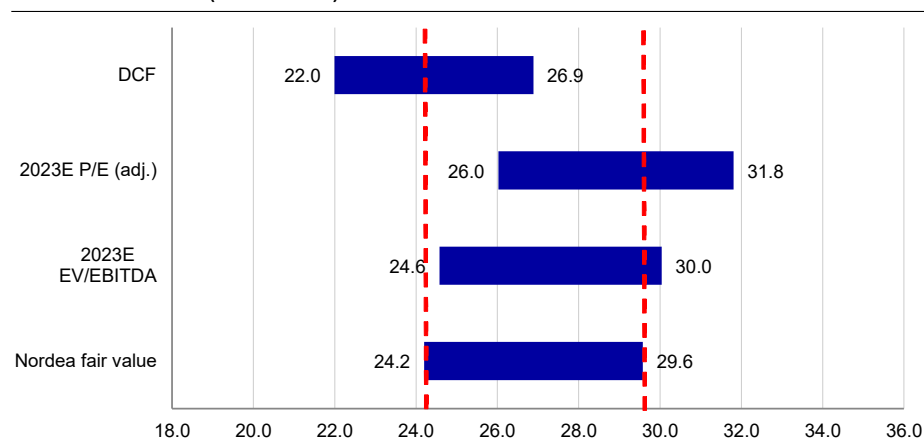
		WACC				
		5.1%	5.6%	6.1%	6.6%	7.1%
Sales growth change	+1.0pp	31.0	28.2	25.9	23.9	22.1
	+0.5pp	29.9	27.4	25.2	23.2	21.5
		29.0	26.5	24.4	22.6	21.0
	-0.5pp	28.0	25.7	23.8	22.0	20.4
	-1.0pp	27.2	25.0	23.1	21.4	19.9

		Sales growth change				
		-1.0pp	-0.5pp		+0.5pp	+1.0pp
EBIT margin change	+1.0pp	25.3	26.1	27.0	27.9	28.9
	+0.5pp	24.2	24.9	25.7	26.5	27.4
		23.1	23.8	24.4	25.2	25.9
	-0.5pp	22.0	22.6	23.2	23.8	24.4
	-1.0pp	20.9	21.4	21.9	22.4	23.0

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 24.2-29.6 per share based on our different valuation approaches. This valuation range is represented as the red lines in the chart below.

VALUATION RANGE (EUR/SHARE)

Source: Nordea estimates

Detailed estimates

DETAILED ESTIMATES

EURm	H1 19	H2 19	H1 20	H2 20	H1 21	H2 21E	2017	2018	2019	2020	2021E	2022E	2023E
Net sales	38	61	59	70	106	126	60	72	99	129	231	274	288
Sales growth	12%	58%	56%	14.3%	79%	80%	3%	20%	37%	30%	79%	19%	5%
of which organic	3%	1%	3%	3%	9%	8%	-1%	10%	2%	3%	9%	5%	5%
of which structural	9%	58%	54%	10%	67%	71%	3%	10%	36%	27%	69%	14%	0%
Other operating income	0.2	0.3	0.4	0.6	1.6	0.4	0.2	0.4	0.5	1.0	2.0	0.4	0.4
Materials and services	-25	-41	-39	-45	-63	-73	-40	-48	-66	-84	-136	-153	-160
Gross profit	12.4	20.7	20.3	24.7	42.9	52.3	20.9	24.3	33.1	45.0	95.2	121.2	127.8
Gross margin %	32.8%	33.8%	34.5%	35.2%	40.7%	41.6%	34.6%	33.6%	33.4%	34.9%	41.2%	44.2%	44.4%
Staff costs	-5	-7	-8	-9	-21	-23	-8	-10	-12	-17	-43	-58	-61
Other operating costs	-3	-5	-5	-5	-11	-12	-5	-6	-8	-10	-22	-26	-26
EBITDA	4.0	9.3	7.7	11.4	13.0	18.5	8.3	8.7	13.3	19.1	31.5	37.6	41.2
EBITDA margin %	10.7%	15.2%	13.1%	16.3%	12.3%	14.7%	13.8%	12.1%	13.5%	14.8%	13.6%	13.7%	14.3%
D&A	-1.9	-3.6	-4.0	-4.0	-6.9	-7.5	-2.2	-3.0	-5.5	-8.0	-14.4	-15.2	-12.1
of which depreciations	-0.2	-0.2	-0.2	-0.2	-0.8	-0.8	-0.3	-0.3	-0.4	-0.4	-1.7	-1.9	-1.9
of which amortizations	-1.7	-3.4	-3.8	-3.8	-6.1	-6.6	-1.9	-2.7	-5.1	-7.6	-12.7	-13.3	-10.2
EBITA	3.9	9.1	7.5	11.2	12.2	17.7	8.1	8.4	13.0	18.7	29.8	35.7	39.3
NRI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adj. EBITA	3.9	9.1	7.5	11.2	12.2	17.7	8.1	8.4	13.0	18.7	29.8	35.7	39.3
Adj. EBITA margin %	10.3%	14.9%	12.7%	16.0%	11.5%	14.1%	13.4%	11.6%	13.1%	14.5%	12.9%	13.0%	13.6%
-growth y/y	10%	87%	93%	23%	63%	57%	-21%	4%	55%	44%	60%	19%	10%
EBITA Bridge											11.1	5.8	3.6
Organic											4.3	4.8	5.5
FX											0.3	0.0	0.0
Structural											13.0	4.1	0.0
Cost vs price											-6.5	-3.0	-1.9
EBIT	2.2	5.7	3.7	7.4	6.1	11.1	6.1	5.7	7.9	11.1	17.1	22.3	29.1
EBIT margin %	5.8%	9.3%	6.2%	10.6%	5.8%	8.8%	10.2%	7.9%	7.9%	8.6%	7.4%	8.1%	10.1%
Net financials	-1.9	-3.4	-1.4	0.7	-1.5	-1.0	-0.8	-0.9	-5.4	-0.7	-2.5	-2.3	-2.2
PTP	0.2	2.3	2.3	8.1	4.5	10.1	5.3	4.8	2.5	10.4	14.6	20.0	26.8
Tax	-0.4	-1.5	-1.3	-2.1	-2.2	-3.5	-1.4	-1.5	-1.9	-3.4	-5.7	-7.0	-7.8
Minority interest	-0.1	-0.1	0.0	0.0	0.0	-0.1	-0.1	-0.2	-0.2	-0.1	-0.1	-0.2	0.0
Net profit for equity	-0.3	0.7	0.9	6.0	2.3	6.5	3.8	3.1	0.4	6.9	8.7	12.8	19.1
Net profit	-0.2	0.7	1.0	6.0	2.3	6.6	3.9	3.3	0.6	7.0	8.9	13.0	19.1
EPS (undiluted)	-0.03	0.05	0.06	0.36	0.13	0.36	0.44	0.36	0.03	0.41	0.49	0.72	1.08
Adj. EPS (excl. amortization)	0.32	0.41	0.29	0.58	0.47	0.73	0.66	0.67	0.75	0.87	1.21	1.48	1.65
DPS									0.10	0.30	0.40	0.45	0.50

Source: Company data and Nordea estimates

Risk factors

Below, we list the main risk factors we find relevant for Relais Group. The purpose of this is not to provide a comprehensive picture of all of the risks that the company may be subject to, but instead to highlight those that we find most relevant. The main risks we identify relate to the general economy in the Nordics, car spare parts sales and the vehicle service business. In addition, the current COVID-19 situation continues to create uncertainty regarding consumer behaviour.

A sluggish economy could negatively affect car service and spare parts sales	General economy 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 increases consumers' disposable income. The outlook for Nordic economies has improved after the initial shock, while the final COVID-19 impact is not clear. 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. In addition, after recent acquisitions, Relais is more dependent on commercial vehicles and related services, which could be affected if economic activity deteriorates. However, recent additions to the service business should improve business predictability, with lower seasonality of the businesses.
Competitors consolidating the market could hamper Relais' growth prospects	Increasing competition We note that the car spare parts market is still very fragmented, and should other players take an active role in market consolidation this could hurt the sales prospects of Relais and also profitability if competitors became more aggressive on pricing.
Disturbances by suppliers may affect product availability	Dependency on suppliers As Relais is importing its goods and not producing spare parts or equipment itself, the company could be seriously negatively affected if its suppliers are unable to deliver products as agreed or if the quality of products decreases significantly. The coronavirus situation has caused supply-side problems and extra freight costs, while a prolonged situation might even hamper demand for Relais' spare parts and equipment.
If not executed well, high M&A activity may increase costs	Risks related to expansion Relais' ambitions to grow fast do not come without costs, investments and risks. M&A could increase costs temporarily, or more long-term in the worst case if acquisitions were to fail or integration was to be executed poorly. Hence it is important for the company to maintain good cost control and clear M&A execution plans so as not to hamper earnings.
Key employees leaving could lead to the loss of clients	Dependency on key employees Relais is very much dependent 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 might take some time to find replacements, and should 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. In addition, as Relais does not fully integrate acquired companies, dependency on key employees is high. Should Relais fail to incentivise employees in acquired companies, it may have a direct impact on sales and earnings.
A share issue could dilute current shareholders' ownership	Financial position Relais has high growth ambitions and hence we do not rule out the need for additional equity to support future M&A activity. An equity issue could dilute the current shareholders' ownership.

Significant writedown of goodwill could worsen the financial position

Substantial amount of intangible assets

Due to M&A, Relais has accumulated a significant amount of goodwill on its balance sheet and should a future test (in case the company switches to IFRS accounting standards) show a significant decline in the value of goodwill, it could have a huge impact on the balance sheet and earnings. A weakening balance sheet could limit the possibility of new financing and hence have a negative impact on future M&A and business operations.

Crucial IT system failures or slow adaption to new technology can put Relais in a disadvantageous position

IT systems

Relais is dependent on its IT systems and any disruption to these could affect the company's daily business and reputation or even increase its costs. Also, a slow adaption to new technology could leave Relais in a disadvantageous position versus its competitors.

Reported numbers and forecasts

INCOME STATEMENT

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	32	42	54	59	60	72	99	129	231	274	288
Revenue growth	3.2%	31.3%	28.6%	9.1%	2.6%	19.9%	36.6%	30.3%	79.4%	18.6%	5.0%
of which organic	4.4%	7.0%	8.8%	9.5%	-0.8%	9.5%	2.0%	3.0%	8.5%	5.0%	5.0%
of which FX	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.1%	0.7%	1.4%	0.0%	0.0%
EBITDA	0	0	0	9	8	9	13	19	32	38	41
Depreciation and impairments PPE	0	0	0	0	0	0	0	0	-2	-2	-2
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	0	0	0	9	8	8	13	19	30	36	39
Amortisation and impairments	0	0	0	-2	-2	-3	-5	-8	-13	-13	-10
EBIT	n.a.	n.a.	n.a.	7	6	6	8	11	17	22	29
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	0	0	0	-1	-1	-1	-5	-1	-3	-2	-2
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	-2	0	0	0	0	0	0	0
Pre-tax profit	0	0	0	4	5	5	2	10	15	20	27
Reported taxes	0	0	0	-1	-1	-2	-2	-3	-6	-7	-8
Net profit from continued operations	0	0	0	3	4	3	1	7	9	13	19
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	-1	0	0	0	0	0	0	0
Net profit to equity	0	0	0	2	4	3	0	7	9	13	19
EPS, EUR	n.a.	n.a.	n.a.	0.22	0.42	0.34	0.03	0.39	0.47	0.68	1.02
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.30	0.40	0.45	0.50
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.30	0.40	0.45	0.50
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	0.0%	0.0%	0.0%	15.2%	13.8%	12.1%	13.5%	14.8%	13.6%	13.7%	14.3%
EBITA	0.0%	0.0%	0.0%	14.5%	13.4%	11.6%	13.1%	14.5%	12.9%	13.0%	13.6%
EBIT	n.a.	n.a.	n.a.	11.6%	10.2%	7.9%	7.9%	8.6%	7.4%	8.1%	10.1%

Adjusted earnings

EBITDA (adj)	0	0	0	11	8	9	13	19	32	38	41
EBITA (adj)	0	0	0	10	8	8	13	19	30	36	39
EBIT (adj)	0	0	0	8	6	6	8	11	17	22	29
EPS (adj, EUR)	n.a.	n.a.	n.a.	0.40	0.42	0.34	0.29	0.39	0.47	0.68	1.02

Adjusted profit margins in percent

EBITDA (adj)	0.0%	0.0%	0.0%	18.0%	13.8%	12.1%	13.5%	14.8%	13.6%	13.7%	14.3%
EBITA (adj)	0.0%	0.0%	0.0%	17.3%	13.4%	11.6%	13.1%	14.5%	12.9%	13.0%	13.6%
EBIT (adj)	0.0%	0.0%	0.0%	14.4%	10.2%	7.9%	7.9%	8.6%	7.4%	8.1%	10.1%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	17.6%	16.0%	14.3%	17.8%	18.7%	19.0%	31.5%	35.3%	31.8%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	28.6%	35.1%	36.4%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	20.2%	29.4%	38.4%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16.4%	10.4%	24.4%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9.0%	8.1%	8.0%	8.6%
Average EBITDA margin	n.a.	0.0%	0.0%	4.1%	7.0%	9.0%	11.4%	13.9%	13.7%	13.7%	14.0%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	28.0	37.9	54.3	37.0	24.9
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10.2	15.3	17.5	14.5	12.8
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10.5	15.6	18.5	15.3	13.4
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	17.3	26.3	32.1	24.4	18.1

VALUATION RATIOS - REPORTED EARNINGS

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	37.9	54.3	37.0	24.9
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.37	2.26	2.38	1.99	1.83
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10.2	15.3	17.5	14.5	12.8
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10.5	15.6	18.5	15.3	13.4
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	17.3	26.3	32.1	24.4	18.1
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.2%	2.0%	1.6%	1.8%	2.0%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-61.8%	2.9%	-10.1%	2.7%	5.4%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.4%	6.1%	1.3%	3.2%	5.4%
Payout ratio	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	319.0%	77.4%	85.9%	65.9%	49.2%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	0	0	0	5	7	5	54	59	92	81	71
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	0	0	0	0	1	0	3	3	3
of which goodwill	0	0	0	5	7	5	54	58	88	77	67
Tangible assets	0	0	0	1	1	1	1	1	8	9	9
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0
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	0	0	0	5	8	6	55	59	101	90	80
Inventory	0	0	0	26	27	29	43	44	71	84	88
Accounts receivable	0	0	0	5	8	8	12	13	16	19	20
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	3	1	2	3	3	5	6	6
Cash and bank	0	0	0	1	2	2	30	35	8	4	6
Total current assets	0	0	0	35	37	42	88	95	100	113	120
Assets held for sale	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	0	0	0	40	45	48	143	154	200	202	200
Shareholders equity	0	0	0	6	11	17	64	72	81	87	98
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	0	0	0	3	3	1	0	0	1	1	1
Total Equity	0	0	0	9	14	17	64	72	82	88	99
Deferred tax	0	0	0	0	0	0	2	3	3	3	3
Long term interest bearing debt	0	0	0	15	11	14	59	58	78	68	53
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	0	0	0	3	0	2	0	0	0	0	0
Non-current lease debt	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0	18	12	16	62	61	81	71	56
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	0	0	3	4	4	7	9	19	22	23
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	3	4	5	6	8	14	16	17
Short term interest bearing debt	0	0	0	8	12	6	5	5	5	5	5
Total current liabilities	0	0	0	14	19	15	18	21	37	43	45
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	0	0	0	40	45	48	143	155	200	202	200
Balance sheet and debt metrics											
Net debt	0	0	0	22	22	18	35	28	75	69	52
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	0	0	0	28	28	31	46	44	60	71	74
Invested capital	0	0	0	34	36	37	101	103	160	160	154
Capital employed	0	0	0	32	37	37	128	135	165	161	157
ROE	n.m.	n.m.	n.m.	64.1%	44.7%	22.7%	1.0%	10.2%	11.4%	15.2%	20.6%
ROIC	n.m.	n.m.	n.m.	35.3%	12.4%	11.1%	8.0%	7.6%	9.1%	9.7%	13.0%
ROCE	n.m.	n.m.	n.m.	53.4%	17.9%	15.7%	9.6%	10.1%	11.8%	14.1%	18.7%
Net debt/EBITDA	n.m.	n.m.	n.m.	2.5	2.6	2.0	2.6	1.5	2.4	1.9	1.3
Interest coverage	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	n.m.	n.m.	n.m.	15.2%	23.8%	34.7%	44.5%	46.5%	40.6%	43.1%	49.1%
Net gearing	n.m.	n.m.	n.m.	244.3%	152.2%	102.0%	54.3%	39.1%	91.9%	79.1%	52.5%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA (adj) for associates	0	0	0	9	8	9	13	19	32	38	41
Paid taxes	0	0	0	0	0	-2	-2	-3	-6	-7	-8
Net financials	0	0	0	0	0	-1	-6	-1	-3	-2	-2
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	0	0	3	-3	2	-2	0	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	0	0	0	-11	-6	-2	1	0	0	0	0
Funds from operations (FFO)	0	0	0	0	0	6	5	15	23	28	31
Change in NWC	0	0	0	0	0	-2	-3	1	-16	-11	-4
Cash flow from operations (CFO)	0	0	0	0	0	3	2	16	8	17	28
Capital expenditure	0	0	0	0	0	0	0	0	-2	-2	-2
Free cash flow before A&D	0	0	0	0	0	3	1	16	6	15	25
Proceeds from sale of assets	0	0	0	0	0	0	1	1	0	0	0
Acquisitions	0	0	0	0	0	-1	-65	-9	-54	-2	0
Free cash flow	0	0	0	0	0	2	-63	8	-48	13	25
Free cash flow bef A&D, lease adj	0	0	0	0	0	3	1	16	6	15	25
Dividends paid	0	0	0	0	0	0	0	-2	-5	-7	-8
Equity issues / buybacks	0	0	0	0	0	0	44	0	1	0	0
Net change in debt	0	0	0	0	0	0	42	-1	20	-10	-15
Other financing adjustments	0	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	1	1	-2	4	0	5	0	0
Change in cash	0	0	0	1	1	1	27	5	-27	-4	2
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	0.0%	0.0%	6.9%	7.3%	0.0%	10.4%	13.6%	18.0%
Capex/Sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.4%	0.0%	0.6%	0.8%	0.8%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8	15	25	25	25
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	101	263	475	475	475
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	136	292	551	545	528
Diluted no. of shares, year-end (m)	0.0	0.0	0.0	9.1	9.1	9.1	12.3	17.9	18.8	18.8	18.8

Source: Company data and Nordea estimates

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