05 May 2022

Commissioned research: Relais Group Oyj – M&A to further strengthen the position within commercial vehicle repair and maintenance in Sweden

Marketing material commissioned by Relais Group Oyj

Earlier today, Relais announced acquisition of Skeppsbrons Jönköping in Sweden. Skeppsbrons is a multibrand workshop for heavy commercial vehicles and is also a certified service partner for MAN, Iveco and DAF. Skeppsbrons is specialized in the repair and maintenance of trucks, buses, trailers, cooling systems and lifts. The company also has a special competence in customizing heavy military vehicles for the defence sector. In 2021, Skeppsbrons had SEK 76m sales and SEK 14.3m EBITA. Total consideration of SEK 87.3m (including SEK 14m in Relais shares) translates into 6.0x 2021 EV/EBITDA and 6.1x EV/EBITA, well in line with latest acquisition despite relatively high operating margins (18.9% EBITA margin in 2021 versus Relais at 12.3%). We view acquisition as a good addition for Relais and it improves Relais' position as the biggest independent commercial vehicle repair and maintenance workshop operator in Sweden. The company will report its Q1 next week on 12 May.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022E	2023E	2024E
Total revenue	99	129	238	291	306	316
EBITDA (adj)	13	19	31	38	42	46
EBIT (adj)	8	11	16	22	30	33
EBIT (adj) margin	7.9%	8.6%	6.9%	7.5%	9.7%	10.5%
EPS (adj, EUR)	0.29	0.39	0.41	0.66	1.03	1.18
EPS (adj) growth	-13.6%	31.5%	6.3%	60.5%	55.3%	14.6%
DPS (ord, EUR)	0.10	0.30	0.36	0.45	0.50	0.55
EV/Sales	1.4	2.3	2.4	1.5	1.3	1.2
EV/EBIT (adj)	17.3	26.3	35.2	19.7	13.8	11.8
P/E (adj)	28.0	37.9	63.8	28.6	18.4	16.1
P/BV	1.6	3.7	5.5	3.7	3.3	3.0
Dividend yield (ord)	1.2%	2.0%	1.4%	2.4%	2.6%	2.9%
FCF Yield bef A&D, lease adj	1.4%	6.1%	0.4%	5.2%	7.3%	8.4%
Net debt	35	28	87	76	59	38
Net debt/EBITDA	2.6	1.5	2.8	2.0	1.4	0.8
ROIC after tax	8.1%	7.7%	8.1%	8.6%	12.0%	14.0%

Source: Company data and Nordea estimates

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