

08 August 2022

**Commissioned research: Relais Group Oyj – Weak Q2 numbers pre-released***Marketing material commissioned by Relais Group Oyj*

Relais issued a profit warning and pre-released Q2 numbers this morning. Q2 top line was 5% below Refinitiv consensus (-3% versus Nordea). Q2 EBITA of EUR 3.7m was 48% below consensus and 37% below Nordea estimates. Organic growth was negative in Q2 (we had modelled flat growth) and was burdened by weak market conditions, especially in early Q2. Weak profitability is due to weak mix, and higher salary and other operating expenses. In addition, high COVID-19 absences, FX and poor availability of mechanics in the commercial vehicle and maintenance business had negative impact. Given pre-released Q2 numbers and weak macroeconomic outlook, we believe consensus EBITA estimates will be cut at least 10%. We note that H2 is more important for Relais with higher share of higher margin lighting sales. Q2 report is due on Thursday (11 August) and could shed more information ahead of the important H2.

**RELAIS GROUP OYJ: DEVIATION TABLE (BASED ON PRE-RELEASED Q2 NUMBERS)**

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual	Actual		
	Q2 2022	Q2 2022	vs. actual		Q2 2022	vs. actual		Q1 2022	q/q	Q2 2021	y/y
<b>Sales</b>	<b>58.6</b>	<b>60.5</b>	<b>-2</b>	<b>-3%</b>	<b>62.0</b>	<b>-3</b>	<b>-5%</b>	<b>61.9</b>	<b>-5%</b>	<b>52.2</b>	<b>12%</b>
Gross profit	n.a.	26.6			28			27.9		21.8	
<b>Gross margin</b>	<b>n.a.</b>	<b>44.0%</b>			<b>44.8%</b>			<b>45.0%</b>		<b>41.7%</b>	
<b>Adj. EBITA</b>	<b>3.7</b>	<b>5.9</b>	<b>(2.2)</b>	<b>-37%</b>	<b>7.1</b>	<b>-3.4</b>	<b>-48%</b>	<b>6.1</b>	<b>-39%</b>	<b>4.8</b>	<b>-23%</b>
Adj. EBITA margin	6.3%	9.8%	-3.4pp		11.5%	-5.1pp		9.9%	-3.5pp	9.2%	-2.8pp
EBITA	3.7	5.9	-2.2	-37%				6.1	-39%	4.8	-23%
EBITA margin	6.3%	9.8%	-3.4pp					9.9%	-3.5pp	9.2%	-2.8pp
EBIT	0.0	2.3	-2.3	-101%	3.0	-3.1	-101%	2.5	-101%	1.5	-102%
EBIT margin	-0.1%	3.8%	-3.9pp		4.9%	-4.9pp		4.1%	-4.2pp	2.9%	-2.9pp
PTP	n.a.	1.6			2.5			1.7		1.3	
<b>Adj. EPS</b>	<b>0.07</b>	<b>0.22</b>	<b>-0.15</b>	<b>-68%</b>	<b>0.33</b>	<b>-0.3</b>	<b>-79%</b>	<b>0.21</b>	<b>-66%</b>	<b>0.20</b>	<b>-64%</b>
EPS		0.03			0.20	-0.20		0.02		0.02	

*Source: Company data, Refinitiv and Nordea estimates*

## SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022E	2023E	2024E
Total revenue	99	129	238	267	284	294
EBITDA (adj)	13	19	31	32	37	41
EBIT (adj)	8	11	16	16	25	28
EBIT (adj) margin	7.9%	8.6%	6.9%	5.9%	8.7%	9.5%
EPS (adj, EUR)	0.29	0.39	0.41	0.37	0.80	0.95
EPS (adj) growth	-13.6%	31.5%	6.3%	-10.1%	116.2%	18.3%
DPS (ord, EUR)	0.10	0.30	0.36	0.40	0.44	0.49
EV/Sales	1.4	2.3	2.4	1.4	1.3	1.2
EV/EBIT (adj)	17.3	26.3	35.2	24.6	14.9	12.5
P/E (adj)	28.0	37.9	63.8	43.1	20.0	16.9
P/BV	1.6	3.7	5.5	3.4	3.1	2.8
Dividend yield (ord)	1.2%	2.0%	1.4%	2.5%	2.8%	3.1%
FCF Yield bef A&D, lease adj	1.4%	6.1%	0.4%	5.3%	8.4%	8.5%
Net debt	35	28	87	87	69	51
Net debt/EBITDA	2.6	1.5	2.8	2.7	1.8	1.3
ROIC after tax	8.1%	7.7%	8.1%	6.1%	9.8%	11.8%

Source: Company data and Nordea estimates

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