

12 December 2022

Commissioned research: Relais Group Oyj – Bolt-on acquisition in Denmark*Marketing material commissioned by Relais Group Oyj*

Relais has today acquired Danish company S-E-T A/S, wholesaler of electrical equipment, such as rear-view and side-view cameras, inverters and battery chargers for heavy commercial vehicles and the marine sector. In 2021 (based on Danish GAAP), S-E-T had DKK 29.7m (DKK 27.6m in 2020) sales with DKK 8m EBIT (DKK 6.3m adjusted EBIT in 2020). Purchase price of DKK 41.6m corresponds to 5.1x EV/EBIT (2021). Following the acquisition, Relais' foothold in the Danish market will be strengthened and S-E-T complements the customer offering of SEC Scandinavia. In addition, Relais sees significant synergy potential in combining the operations of SEC Scandinavia and S-E-T. Encouraging to see M&A activity pick up despite volatile market conditions, combined with acquisition multiples well in line with earlier acquisitions although S-E-T commands clearly higher margins in comparison to Relais. We have a fair value range of EUR 15.7-19.2 per Relais share.

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022E	2023E	2024E
Total revenue	99	129	238	261	275	284
EBITDA (adj)	13	19	39	40	44	48
EBIT (adj)	8	11	26	23	28	32
EBIT (adj) margin	7.9%	8.6%	10.8%	8.9%	10.1%	11.1%
EPS (adj, EUR)	0.29	0.39	0.91	0.65	0.92	1.09
EPS (adj) growth	-13.6%	31.5%	133.9%	-28.0%	41.0%	17.9%
DPS (ord, EUR)	0.10	0.30	0.36	0.38	0.42	0.47
EV/Sales	1.4	2.3	2.7	1.3	1.2	1.1
EV/EBIT (adj)	17.3	26.3	24.6	14.6	11.8	10.0
P/E (adj)	28.0	37.9	29.0	16.1	11.4	9.7
P/BV	1.6	3.7	4.8	1.8	1.7	1.5
Dividend yield (ord)	1.2%	2.0%	1.4%	3.6%	4.0%	4.5%
FCF Yield bef A&D, lease adj	1.4%	6.0%	0.5%	6.3%	9.1%	11.2%
Net debt	35	28	140	143	132	118
Net debt/EBITDA	2.6	1.5	3.9	3.7	3.0	2.4
ROIC after tax	9.2%	8.7%	11.6%	7.4%	8.9%	10.2%

*Source: Company data and Nordea estimates***Completion date: 12/12/2022 12:04 CET****Nordea analyst: Joni Sandvall****Joni Sandvall**

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