

26 April 2023

Commissioned research: Relais Group Oyj – We are 13% ahead of consensus on adjusted EBITA for Q1

Marketing material commissioned by Relais Group Oyj

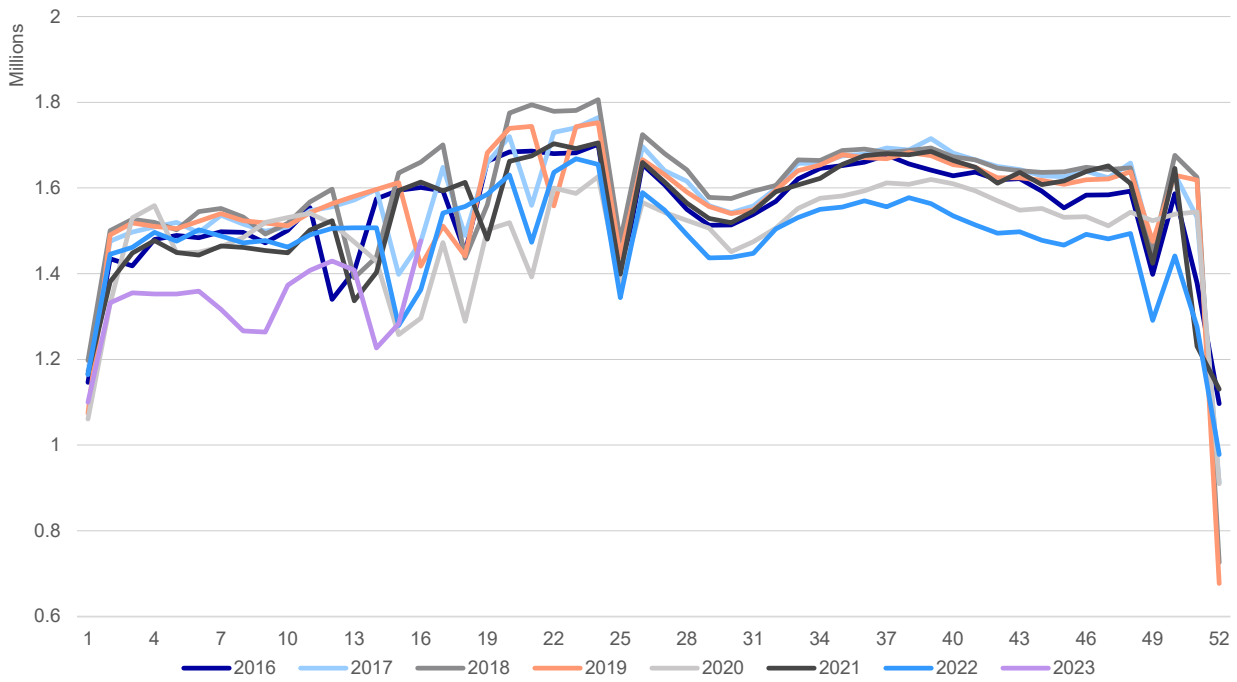
Ahead of Relais Q1, due on 4 May, we maintain our estimates intact. We note that our estimates do not include the acquisition of Adita in Finland which has been consolidated since the beginning of March. Adita had net sales of EUR 5.6m in 2022, while to our understanding, Adita has been long-term partner for Relais and has been selling Startax products. Hence, positive top line impact on a group level is limited (maybe 1% on annual level). We believe the Q1 has been a fairly stable quarter due to higher share of repair and maintenance sales (33% of sales in 2022) and spare parts sales (30% of sales in 2022). Similar to Q1, we expect Scandinavia to outperform Finland/Baltics. Regarding market dynamics, we note that heavy traffic figures from Finland indicate slower start for the year while light traffic volumes are pointing to higher activity compared to 2021-22 during Q1. Lighting sales (24% of sales in 2022) to consumers have likely continued under pressure, while easing of availability of vehicles could boost equipment sales (13% of sales in 2022) already in Q1 and even more in H2. We model EUR 64.7m sales for Q1, in line with consensus. On adjusted EBITA, we are 13% ahead of consensus with EUR 7.0m for Q1 (EUR 6.2m in Q1 2022). We note challenging Q1 2022 due to high sick leaves and high inflation within fuel and energy prices negatively affecting transport sector. We have DCF- and multiples based fair value of EUR 16.1-19.7 per Relais share.

RELAIS GROUP OYJ: OUR ESTIMATES VS. CONSENSUS

EURm	Nordea estimates				Consensus estimates				Difference %			
	Q1 2023E	2023E	2024E	2025E	Q1 2023E	2023E	2024E	2025E	Q1 2023E	2023E	2024E	2025E
Sales	64.7	272	282	292	64.5	270	281	290	0%	1%	0%	0%
Gross profit	29.4	122	127	132	29.0	123	128	133	1%	0%	-1%	-1%
Gross margin	45.5%	45.0%	45.2%	45.4%	45.0%	45.4%	45.7%	46.0%	0.5pp	-0.4pp	-0.6pp	-0.6pp
EBITDA	10.9	46.5	51.1	54.4	10.0	42.3	46.0	47.7	10%	10%	11%	14%
EBITDA margin	16.9%	17.1%	18.1%	18.7%	15.4%	15.7%	16.4%	16.4%	1.5pp	1.4pp	1.7pp	2.2pp
Adj. EBITA	7.0	30.7	35.2	38.3	6.2	30.1	34.3	36.3	13%	2%	3%	6%
Adj. EBITA margin	10.8%	11.3%	12.5%	13.1%	9.6%	11.1%	12.2%	12.5%	1.2pp	0.1pp	0.3pp	0.7pp
EBIT	6.1	27.2	31.6	34.7	5.0	25.9	30.2	32.2	23%	5%	5%	8%
EBIT margin	9.5%	10.0%	11.2%	11.9%	7.8%	9.6%	10.8%	11.1%	1.7pp	0.4pp	0.4pp	0.8pp
PTP	4.4	20.9	25.5	28.7	4.0	20.7	25.2	27.2	10%	1%	1%	5%
EPS	0.17	0.84	1.04	1.17	0.13	0.85	1.01	1.10	33%	-2%	3%	6%
DPS		0.42	0.47	0.52		0.43	0.47	0.51		-3%	0%	3%

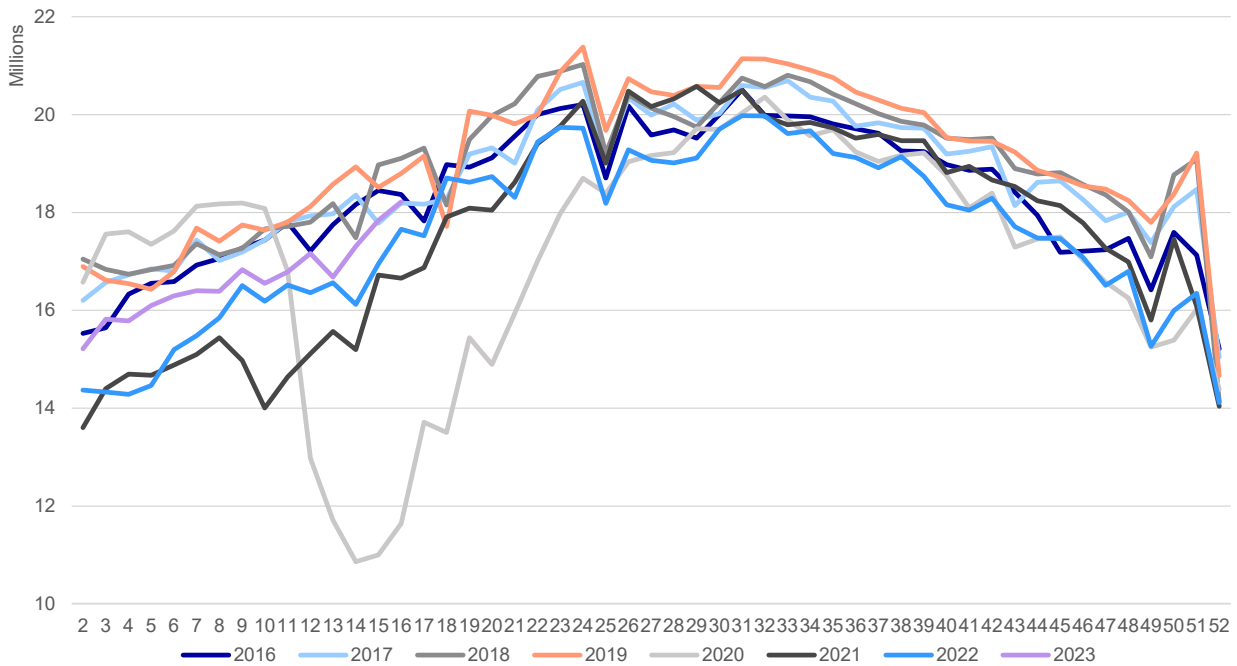
Source: Company data, Refinitiv and Nordea estimates

Weekly traffic observations in Finland, heavy transport (on comparable basis)



Source: Fintraffic

Weekly traffic observations in Finland, light transport (on comparable basis)



Source: Fintraffic

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023E	2024E	2025E
Total revenue	129	238	261	272	282	292
EBITDA (adj)	19	39	39	46	51	54
EBIT (adj)	11	26	22	27	32	35
EBIT (adj) margin	8.6%	10.8%	8.6%	10.0%	11.2%	11.9%
EPS (adj, EUR)	0.39	0.91	0.69	0.84	1.04	1.17
EPS (adj) growth	31.5%	133.9%	-24.2%	21.6%	24.3%	12.9%
DPS (ord, EUR)	0.30	0.36	0.40	0.42	0.47	0.52
EV/Sales	2.3	2.7	1.3	1.4	1.3	1.2
EV/EBIT (adj)	26.3	24.6	14.9	13.9	11.5	10.0
P/E (adj)	37.9	29.0	14.8	15.7	12.6	11.2
P/BV	3.7	4.8	1.8	2.2	2.0	1.8
Dividend yield (ord)	2.0%	1.4%	3.9%	3.2%	3.6%	4.0%
FCF Yield bef A&D, lease adj	6.0%	0.5%	9.4%	8.0%	8.6%	9.6%
Net debt	28	140	143	131	117	102
Net debt/EBITDA	1.5	3.9	3.9	2.8	2.3	1.9
ROIC after tax	8.6%	11.5%	7.0%	8.8%	10.6%	11.7%

Source: Company data and Nordea estimates

Completion date: 26/04/2023 18:36:42 CET

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