2 May 2024

Commissioned research: Relais Group Oyj – Bolt-on acquisition to support repair and maintenance business – We are in line with consensus for Q1

Marketing material commissioned by Relais Group Oyj

Relais' Commercial vehicle repair and maintenance company Raskone announced today acquisition of Asennustyö M Ahlqvist, a provider of maintenance and repair services for heavy commercial vehicles in Southwest Finland. For the fiscal year ending April 2023, acquired company had net sales of EUR 8.7m and EBIT of EUR 0.6m. The company has three workshops and 68 employees. Asennustyö M Ahlqvist sales CAGR was 16% in 4/2020-4/2023 while EBIT has improved from EUR 0.1m to EUR 0.6m. The acquisition improves Raskone's heavy commercial vehicle trailer business, which is clear continuation to the acquisition of Jyväskylä Truck Center business announced late last year. The acquisition, mathematically, has around 3% positive top line impact and around 2% positive EBITA impact on annual basis. Relais will report its Q1 on 8 May. Ahead of Q1, we maintain our estimates intact. We are 1% ahead of LSEG Data & Analytics consensus on sales and in line on adjusted EBITA of EUR 8.6m. We expect relatively stable development in Q1E with 3% organic sales growth and 20bp EBITA margin improvement.

Q1 expectations – in line with consensus

We expect relatively stable Q1 performance. We note cold January which have likely supported electricity related spare parts sales. Commercial vehicle repair and maintenance business has likely remained stable during Q1. Four week port strikes in Finland have likely had only minor impact on Relais as it has passed high season of lighting sales during Q1.

- We model 3% organic sales growth and 12% reported sales growth, supported by acquisitions. We forecast EUR 77m sales in Q1E, 1% above LSEG Data & Analytics consensus
- We estimate EUR 8.6m adjusted EBITA in Q1, in line with consensus. We expect Q1E adjusted EBITA margin of 11.2%, up 20bp y/y.

RELAIS GROUP OYJ: OUR ESTIMATES VS. CONSENSUS												
	Nordea estimates				Consensus estimates				Difference %			
EURm	**Q1 2024E**	**2024E**	**2025E**	**2026E**	**Q1 2024E**	**2024E**	**2025E**	**2026E**	**Q1 2024E**	**2024E**	**2025E**	**2026E**
Sales	**76.9**	**310**	**321**	**332**	**76.5**	**308**	**318**	**328**	**1%**	**1%**	**1%**	**1%**
Gross profit	35.0	142	149	154	35.0	142	149	155	0%	0%	0%	0%
Gross margin	45.5%	45.9%	46.3%	46.5%	45.8%	46.1%	46.9%	47.3%	-0.3pp	-0.2pp	-0.6pp	-0.8pp
EBITDA	12.6	49.7	54.1	57.7	12.5	48.5	51.0	54.0	1%	2%	6%	7%
EBITDA margin	16.4%	16.0%	16.8%	17.4%	16.3%	15.7%	16.0%	16.5%	0.0pp	0.3pp	0.8pp	0.9pp
Adj. EBITA	**8.6**	**33.7**	**37.9**	**41.4**	**8.6**	**34.0**	**38.0**	**41.0**	**0%**	**-1%**	**0%**	**1%**
Adj. EBITA margin	11.2%	10.9%	11.8%	12.5%	11.2%	11.0%	11.9%	12.5%	0.0pp	-0.2pp	-0.1pp	0.0pp
EBIT	7.8	30.0	34.2	37.6	7.5	28.5	31.5	34.5	4%	5%	8%	9%
EBIT margin	10.1%	9.7%	10.6%	11.3%	9.8%	9.3%	9.9%	10.5%	0.3pp	0.4pp	0.7pp	0.8pp
PTP	5.9	23.0	27.7	32.1	5.5	21.0	25.0	28.5	7%	10%	11%	13%
EPS	0.24	0.92	1.12	1.31	0.22	0.88	1.02	1.18	7%	5%	10%	11%
DPS		0.48	0.52	0.60		0.47	0.49	0.54		3%	6%	11%

Source: Company data, LSEG Data & Analytics and Nordea estimates

SUMMARY TABLE - KEY FIGURES						
EURm	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Total revenue	238	261	284	310	321	332
EBITDA (adj)	39	39	44	50	54	58
EBIT (adj)	26	22	25	30	34	38
EBIT (adj) margin	10.8%	8.6%	9.0%	9.7%	10.6%	11.3%
EPS (adj, EUR)	0.91	0.69	0.75	0.92	1.12	1.31
EPS (adj) growth	133.9%	-24.2%	8.8%	23.2%	21.9%	16.4%
DPS (ord, EUR)	0.36	0.40	0.44	0.48	0.52	0.60
EV/Sales	2.7	1.3	1.4	1.2	1.1	1.0
EV/EBIT (adj)	24.6	14.9	15.8	12.4	10.5	9.2
P/E (adj)	29.0	14.8	18.1	13.1	10.7	9.2
P/BV	4.8	1.8	2.3	1.9	1.7	1.5
Dividend yield (ord)	1.4%	3.9%	3.3%	4.0%	4.3%	5.0%
FCF Yield bef A&D, lease adj	0.5%	9.4%	5.4%	6.2%	9.4%	10.8%
Net debt	140	143	149	146	133	118
Net debt/EBITDA	3.9	3.9	3.4	2.9	2.5	2.0
ROIC after tax	11.5%	7.0%	7.7%	9.0%	10.4%	11.5%

Source: Company data and Nordea estimates

Completion date: 02/05/2024 12:54:28 CET

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