

13 May 2025

Commissioned research: Relais Group Oyj – In line Q1 - M&A activity to remain high

Marketing material commissioned by Relais Group Oyj

Relais reported Q1 adjusted EBITA of EUR 9.2m was down 5% y/y, in line with LSEG Data & Analytics consensus. Organic sales growth was -4% y/y in Q1, burdened by mild winter in the Nordics (we anticipated 1% growth). Net sales were EUR 82.8m (flat y/y), 1% below consensus expectations. Gross margin came 350bp above consensus expectations and was up 350bp y/y to 49.6%, supported by sales mix. Operating cash flow declined slightly owing to mild winter impact on net working capital and was EUR 2.7m (EUR 4.6m a year ago) taking leverage to 2.9x (2.7x at the end of Q4). Relais does not give short-term outlook for 2025 but notes that it aims to continue active on M&A following two acquisitions during April. We continue to view EUR 50m adjusted EBITA pro forma target for 2025 as de-risked following the acquisitions of Matro and Team Verkstad. On initial take, we expect consensus to make only minor underlying estimate revisions while fully incorporate latest acquisition.

RELAIS: DEVIATION TABLE

	Actual	NDA est.	Deviation	Consensus	Deviation	Actual	Actual		
EURm	Q1 2025	Q1 2025E	vs. actual	Q1 2025E	vs. actual	Q4 2024	q/q	Q1 2024	y/y
Sales	82.8	84.9	-2 -3%	83.4	-1 -1%	90.7	-9%	82.8	0%
Gross profit	41.1	39.1	2.0 5%	39	2.6 7%	41.6	-1%	38.2	
Gross margin	49.6%	46.0%	3.6pp	46.2%	3.5pp	45.9%	3.8pp	46.2%	3.5pp
Adj. EBITA	9.2	9.8	(0.6) -6%	9.2	0.0 0%	10.6	-13%	9.7	-5%
Adj. EBITA margin	11.1%	11.5%	-0.4pp	11.0%	0.1pp	11.7%	-0.6pp	11.7%	-0.6pp
EBITA	9.0	9.8	-0.8 -9%	9.2	-0.2 -3%	10.0	-11%	9.7	-7%
EBITA margin	10.8%	11.5%	-0.7pp	11.0%	-0.2pp	11.0%	-0.2pp	11.7%	-0.9pp
EBIT	8.1	8.8	-0.7 -7%	8.2	-0.1 -1%	9.0	-10%	9.0	-9%
EBIT margin	9.8%	10.4%	-0.5pp	9.9%	0.0pp	10.0%	-0.1pp	10.8%	-1.0pp
PTP	7.5	7.2	0.3 4%	6.2	1.3 22%	6.5	15%	5.8	28%
EPS	0.32	0.29	11%	0.21	0.11 52%	0.36		0.21	
Sales split									
Equipment	15.7	16.4	-0.8 -5%			17.4	-10%	17.2	-9%
Lighting	15.4	17.0	-1.6 -9%			21.8	-29%	14.8	4%
Spare parts	22.0	22.5	-0.5 -2%			22.2	-1%	24.4	-10%
Repair and maintenance	29.1	29.0	0.1 0%			28.7	2%	25.9	12%
Other	0.6	0.0	0.6			0.6	-10%	0.5	n.m.

Source: Company data and Nordea estimates

Q1 organic growth was -4% y/y against very tough comps

- Q1 net sales were EUR 82.8m, 1% below LSEG Data & Analytics consensus. Organic growth was -4% y/y in Q1 (+8% in 2024) against very tough comps owing to cold winter in 2024 and mild winter in 2025 (visible especially in equipment and spare parts). We had anticipated 1% organic growth in Q1. Repair and maintenance sales came in line with our estimate while other product groups missed our estimates. Organic growth remained positive in Scandinavia (+1% y/y) driven higher share of repair and maintenance while in Finland and Baltics, higher share of electrical components in the mix was visible in organic growth (-11% y/y).
- Adjusted EBITA of EUR 9.2m was in line with consensus expectations. Q1 EBITA margin of 11.1% was down 0.6 pp y/y. Gross margin was at a strong level of 49.6%, up 350bp y/y and 350bp above consensus, supported by strong repair and maintenance.
- EPS of EUR 0.32 came clearly above consensus of EUR 0.21, largely explained by FX, we believe. Net financial expenses were EUR 1m below our estimate, supported by EUR 1.4m positive FX impact.

- Operating cash flow of EUR 2.7m was slightly down from EUR 4.6m a year ago, explained by mild winter impact on net working capital. Leverage stood at 2.9x (2.7x at the end of Q4).
- The company has announced two acquisitions in April (Matro and Team Verkstad) which we believe de-risks 2025 strategic target of EUR 50m pro forma EBITA. We note the company will finance the Team Verksad acquisition with 18 months bridge financing and the company plans to partially or in full refinance the bridge financing facility with equity-like or equity capital market financing.

We expect consensus to make only minor revisions to its underlying estimates

Relais does not provide short-term numeric guidance. Prior to the Q1 report, LSEG Data & Analytics consensus pencil in 8% sales growth growth in 2025E which however does not fully reflect announced acquisitions in April. We expect consensus to make only minor revisions to its underlying estimates while we expect it to incorporate announced acquisitions to its estimates.

Relais will arrange a webcast at 10:00 EET, accessible through following link: [Relais Q1 earnings call](#)

SUMMARY TABLE - KEY FIGURES

EURm	2022	2023	2024	2025E	2026E	2027E
Total revenue	260.7	284.3	322.6	338.7	350.6	361.1
EBITDA (adj.)	39.4	43.8	52.5	58.9	63.6	67.0
EBIT (adj.)	22.5	25.4	33.6	37.5	41.9	45.0
EBIT (adj.) margin	8.62%	8.95%	10.4%	11.1%	12.0%	12.5%
EPS (adj. EUR)	0.69	0.75	1.02	1.25	1.49	1.66
EPS (adj.) growth	-24.2%	8.76%	36.5%	22.7%	19.2%	10.9%
DPS (ord. EUR)	0.40	0.44	0.48	0.52	0.60	0.70
EV/Sales	1.28	1.42	1.21	1.17	1.08	0.99
EV/EBIT (adj.)	14.9	15.8	11.6	10.6	9.02	7.93
P/E (adj.)	14.8	18.1	13.0	11.5	9.68	8.73
P/BV	1.84	2.29	2.12	2.05	1.80	1.58
Dividend yield (ord.)	3.92%	3.26%	3.61%	3.60%	4.15%	4.84%
FCF yield before A&D, lease-adj.	7.46%	5.19%	6.89%	8.52%	10.5%	11.8%
Net debt	142.9	149.4	140.3	125.8	106.8	85.8
Net debt/EBITDA	3.91	3.43	2.70	2.14	1.68	1.28
ROIC	7.04%	7.72%	10.0%	11.6%	13.3%	14.4%

Source: Company data and Nordea estimates

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