21 May 2026

Commissioned research: Relais Group Oyj – CMD pinpointing importance of capital returns

Marketing material commissioned by Relais Group Oyj

Relais hosted its first ever CMD yesterday. Overall, the focus is clearly around capital allocation, which we view logical following the acquisition spree in 2025. New financial targets are for at least 10% adjusted EBITA growth over the cycle and minimum of 13% ROCE. The company continues to focus on vehicle aftermarket while we were left with impression that focus is in organic growth with additional bolt-on acquisitions. Furthermore, the company is building M&A pipeline within business areas which we view positively as it increases accountability. Overall, we view new financial target well in line with consensus expectations as Modular Finance consensus models 12% adjusted EBITA CAGR for 2025-28E, most likely on organic basis. In addition, organic growth focus is likely to drive down leverage level (3.55x in Q1) and increase stability of the company.

New financial targets are reachable

Relais' new financial targets are following:

- Double digit EBITA growth annually, over the cycle. Pre-Q1 Modular Finance models 12% CAGR for 2025-28E while we expect 14% CAGR. We do not expect any unannounced M&A in our estimates and continue to view new target reachable even with the current structure. However, we note the company noted that underperforming companies could be divested which could lower adjusted EBITA while improve ROCE.
- ROCE target is set above 13%. In 2025, the company reached 11.1% ROCE while we model 12.2% by 2028E. We believe the focus on organic growth is supportive for ROCE while we also note the company aims to reduce its working capital, supporting ROCE.

Furthermore, the company aims to 30% dividend payout ratio over the cycle, while consensus is penciling in, on average, 35% payout ratio for 2026E-28E.

Strategy builds on entrepreneurship

The company is building its strategy on three pillars, of which we view the local entrepreneurship as the most crucial one.

1. Local entrepreneurship – Decentralized model preserving local leadership and accountability
2. Focused M&A – Pursue selective, value-accretive opportunities with discipline
3. Disciplined capital allocation – Actively reallocate capital to maximize returns on capital employed

Overall, we view new focus areas well suited for the strategy period as those allow continuous profitable growth while it should improved capital and shareholder returns.

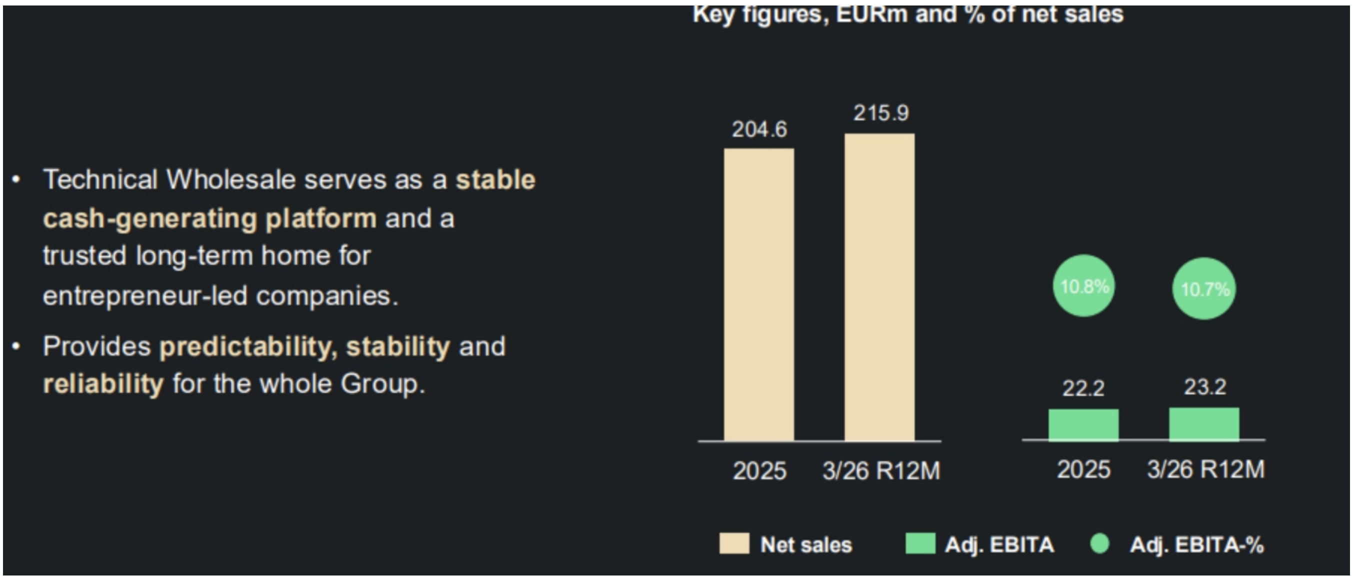
RELAIS VALUE CREATION PATHWAY FOR 2026E-28E STRATEGY PERIOD

Source: Company data

Technical Wholesale - the stable cash cow

Techical Wholesale business are is the key for unlocking working capital in the company. With strong expertise and stabile end markets, Technical Wholesale is clearly putting emphasis on technical expertise and the company clearly was not afraid of electrification of the vehicle fleet. Furthermore, business area is focusing on improving its margins further, and the head of the business area noted margin improvement potential in near future.

TECHNICAL WHOLESALE SUPPORTS GROUP CASH FLOWS DURING THE STRATEGY PERIOD

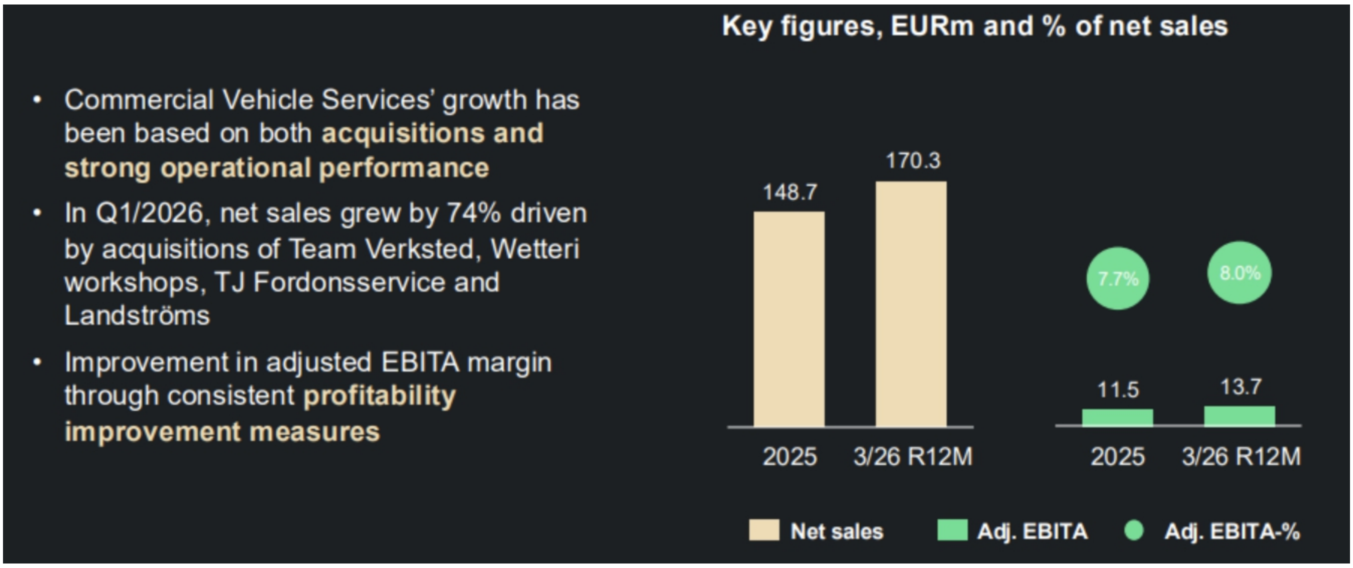


Source: Company data

Commercial Vehicle Services has improvement potential

Relais' Commercial Vehicle Services operates through over 60 multi-brand service locations in Finland, Sweden and Norway. Following large acquisition in 2025, we view ample improvement potential within the business area, which is likely driven by the same playbook as used with Raskone turnaround. However, we note acquired businesses are likely in better shape than Raskone back in the days. Furthermore, Commercial Vehicle Services suits well with group targets as it is capital light business with potential to become negative working capital business as a whole, as seen already with Raskone in Finland. The key priorities in the business area, in our view, are maintaining and improving customer satisfaction and to improve utilization ratios.

FURTHER GROWTH POTENTIAL THROUGH COMPLETED ACQUISITIONS

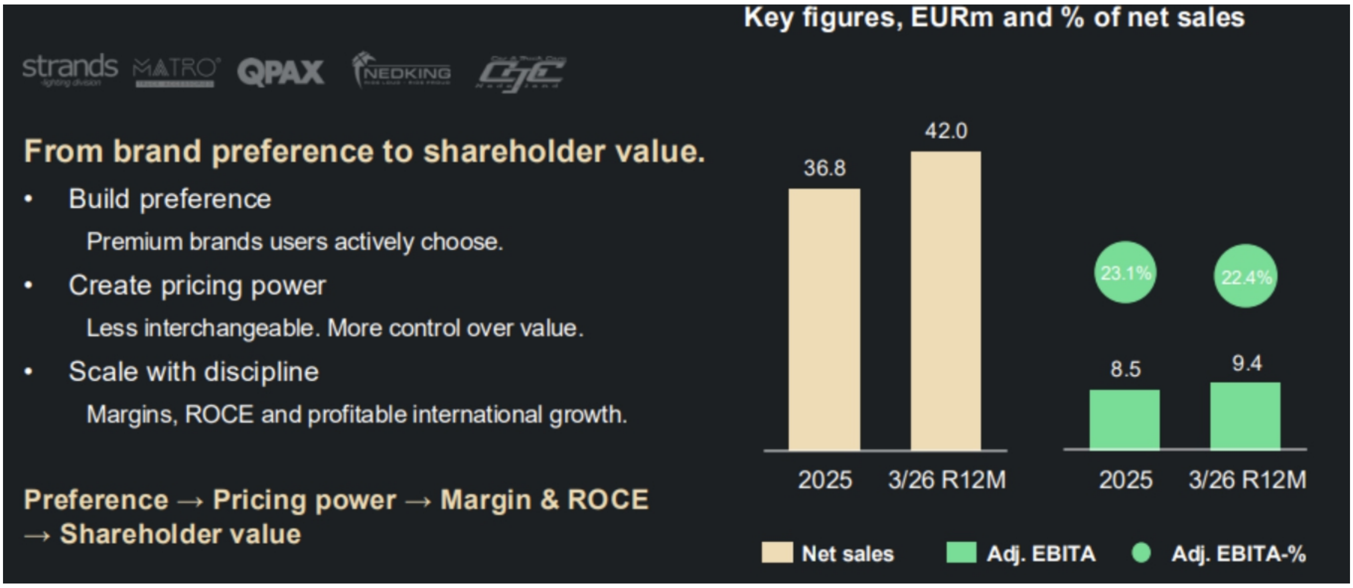


Source: Company data

Products and Solutions - the scalable growth engine

We continue to view Product and Solutions as the fastest growing business area for Relais. Product and Solutions' put great focus on building brand recognition that eventually will drive shareholder value through higher brand value. Strands is a clear evidence of growth focus within the business area as it has been grown to over EUR 35m revenue business organically with high margins and ample international opportunities.

PRODUCTS AND SOLUTIONS OFFER A SCALABLE PLATFORM FOR RELAIS



Source: Company data

We welcome increased focus on capital returns

Overall, we view new financial targets well in line with consensus expectations. The company continues to extract synergy benefits from completed acquisitions while clearly indicated that portfolio companies have to perform in line with company targets for each business area. Hence, even divestments are likely in the toolbox as Relais is increasing its focus on efficient usage of capital.

We view Products and Solutions as the most prominent organic growth engine while Commercial Vehicle Services has clearly ample room for improved profitability by applying best practices from Finland.

Initially, we do not expect material consensus revisions on the back of the CMD event. Relais has a strong platform which it can expand while existing businesses offer a solid cash flow profile that allows lower leverage level going forward. We are 1-2% ahead of consensus on top line and 4-6% ahead on adjusted EBITA for 2026E-28E.

OUR ESTIMATES VERSUS PRE-Q1 CONSENSUS

	Nordea estimates			Consensus estimates			Difference %		
EURm	**2026E**	**2027E**	**2028E**	**2026E**	**2027E**	**2028E**	**2026E**	**2027E**	**2028E**
Sales	**462**	**477**	**486**	**455**	**469**	**481**	**2%**	**2%**	**1%**
Gross profit	235	243	248						
Gross margin	50.7%	50.8%	50.9%						
EBITDA	73.6	79.6	82.0	71.7	75.6	78.9	3%	5%	4%
EBITDA margin	15.9%	16.7%	16.9%	15.7%	16.1%	16.4%	0.2pp	0.5pp	0.5pp
Adj. EBITA	**50.2**	**54.5**	**56.7**	**47.7**	**51.5**	**54.5**	**5%**	**6%**	**4%**
Adj. EBITA margin	10.9%	11.4%	11.7%	10.5%	11.0%	11.3%	0.4pp	0.4pp	0.3pp
EBIT	40.9	46.4	48.4	39.7	43.3	46.3	3%	7%	5%
EBIT margin	8.8%	9.7%	10.0%	8.7%	9.2%	9.6%	0.1pp	0.5pp	0.3pp
PTP	33.0	39.1	42.3	28.2	33.6	37.5	17%	16%	13%
EPS	1.08	1.31	1.44	0.95	1.16	1.33	14%	13%	9%
DPS	0.40	0.45	0.55	0.36	0.40	0.44	11%	13%	24%

Source: Modular Finance and Nordea estimates

SUMMARY TABLE - KEY FIGURES

EURm	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Total revenues	260.7	284.3	322.6	383.4	462.2	477.3	486.1
EBITDA (adj.)	39.4	43.8	52.5	58.6	75.0	79.6	82.0
EBIT (adj.)	22.5	25.4	33.6	33.0	42.2	46.4	48.4
EBIT (adj.) margin	8.62%	8.95%	10.4%	8.61%	9.14%	9.72%	9.96%
EPS (adj.)	0.69	0.75	1.02	0.96	1.16	1.31	1.44
EPS (adj.) growth	-24.2%	8.76%	36.5%	-6.09%	20.6%	13.3%	10.00%
DPS	0.40	0.44	0.50	0.30	0.40	0.45	0.55
EV/Sales	1.28	1.42	1.21	1.39	1.08	1.01	0.94
EV/EBIT (adj.)	14.9	15.8	11.6	16.1	11.9	10.3	9.41
P/E (adj.)	14.8	18.1	13.0	17.4	13.2	11.6	10.5
P/BV	1.84	2.29	2.12	1.83	1.53	1.40	1.28
Dividend yield	3.92%	3.26%	3.76%	1.80%	2.63%	2.96%	3.62%
FCF yield before AD, lease adj	7.46%	5.19%	5.92%	-14.3%	4.83%	11.1%	12.5%
Net interest bearing debt	142.9	149.4	141.3	209.6	205.6	184.1	159.4
Net debt/EBITDA	3.91	3.43	2.72	3.80	2.79	2.31	1.94
ROCE	10.6%	10.1%	13.5%	12.8%	11.2%	12.0%	12.2%

Source: Company data and Nordea estimates

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Completion date: 21/05/2026 07:48 CEST
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