RELAIS GROUP

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INDERES CORPORATE CUSTOMER

EXTENSIVE REPORT

Value creation in the vehicle aftermarket

Relais' value creation model is based on owning and developing businesses and consolidating the vehicle aftermarket. Raw material for this, i.e. cash flow, is produced by its current businesses, which, according to our estimate, will grow in the long run roughly at the pace of economic growth. However, we expect the company to accelerate growth with acquisitions also in the future, and in light of historical evidence, we consider this the right choice from the perspective of value creation. We consider the current valuation of the stock moderate, whereas the risk level of the company's defensive business is lower than average in our opinion. Thus, we consider the share's risk/reward ratio attractive and reiterate our EUR 17.0 target price and Accumulate recommendation.

Relais operates in the vehicle aftermarket

Relais Group persistently owns and develops companies that operate in the vehicle aftermarket and consolidates the aftermarket. Current Group companies are engaged in wholesale of spare parts, lighting and equipment and commercial vehicle repair and maintenance business in the Nordic and Baltic countries. During this decade, Relais has grown with the help of more than ten acquisitions, and we estimate faster organic growth than market growth. The company's financial target is to reach a comparable operating profit (pro forma EBITA) of 50 MEUR by the end of 2025. Reflecting this target, we expect the company to continue making acquisitions in the near future, for which its vast and rather fragmented target markets provide, in our view, good conditions.

The main drivers of profit growth are organic growth and allocating capital to acquisitions

Relais' target market grows mainly in line with the growth rate of the vehicle fleet, which we estimate is roughly in line with the economic growth rate in the medium and long term.

Consequently, reflecting revenue growth in line with market growth, the acquisitions already announced and the commendable level of operational efficiency achieved, we expect earnings growth to average around 9% in the coming years (2024-2027). Relais' financial position, business cash flow and the possibility of using its own share as a means of payment enable the continuation of inorganic growth, but the company has also announced its intention to strengthen its capital structure with equity financing. Reflecting on the Group's business model and strategic choices, we believe that the return on capital allocation achieved is the key driver of the stock's long-term return expectation. The key risks for the stock are also related to the success of capital allocation but considering the quality and valuation levels of recent acquisitions, we believe that the Relais' track record of acquisition-driven growth is good.

We believe the risk/reward ratio is attractive

According to our forecasts, the adjusted P/E ratios for 2025 and 2026 are about 10-9x, and the corresponding adjusted EV/EBITA multiples are 11x and 9x. This year's valuation multiples do not fully reflect the recent acquisitions, but in our view, the more relevant next year's multiples are moderate for Relais' current businesses. In relative terms, Relais is valued largely in line with the peer companies operating similar businesses, while relative to the peer group of serial consolidators the share is valued at a clear discount. In our opinion, Relais' justified valuation level is somewhere in between these peer groups, so the valuation of the share is attractive in absolute and relative terms. This valuation is also supported by the cash flow model at EUR 16.6, which is above the current share price. Reflecting this valuation, Relais' historical evidence of capital allocation, and the business risk profile, we consider the stock's risk-return ratio attractive.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 17.00
(was EUR 17.00)

Share price:
EUR 14.40

Business risk

●●●○○

Valuation risk

●●○○○

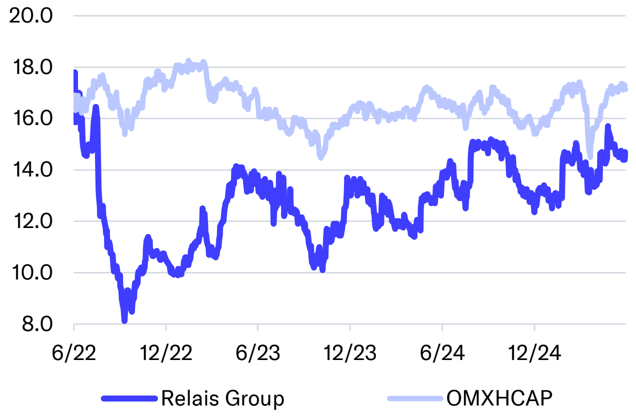
	2024	2025e	2026e	2027e
Revenue	322.6	372.2	421.7	434.4
growth-%	13%	15%	13%	3%
EBIT adj.	36.1	39.0	43.2	44.7
EBIT-% adj.	11.2 %	10.5 %	10.2 %	10.3 %
Net income	18.5	22.5	23.9	25.6
EPS (adj.)	1.21	1.43	1.52	1.60
P/E (adj.)	11.4	10.0	9.5	9.0
P/B	2.1	2.0	1.8	1.6
Dividend yield-%	3.6 %	3.6 %	3.8 %	4.0 %
EV/EBIT (adj.)	10.8	12.6	11.1	10.4
EV/EBITDA	7.5	8.5	7.4	7.0
EV/S	1.2	1.3	1.1	1.1

Source: Inderes

Guidance (Unchanged)

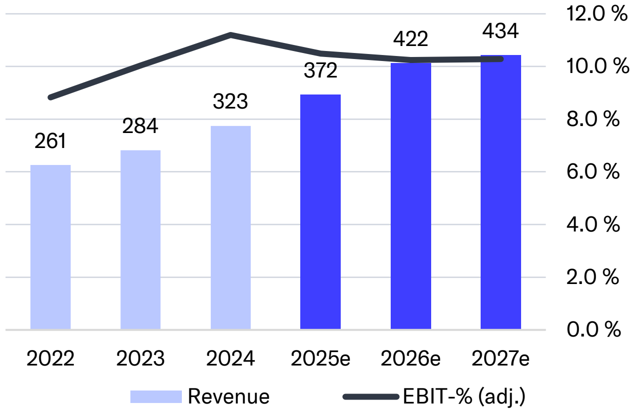
Relais Group does not provide a numeric guidance for the financial year 2025. The company has a long-term financial target published on February 3, 2023, according to which it aims to reach a proforma comparable EBITA of 50 MEUR by the end of the year 2025.

Share price



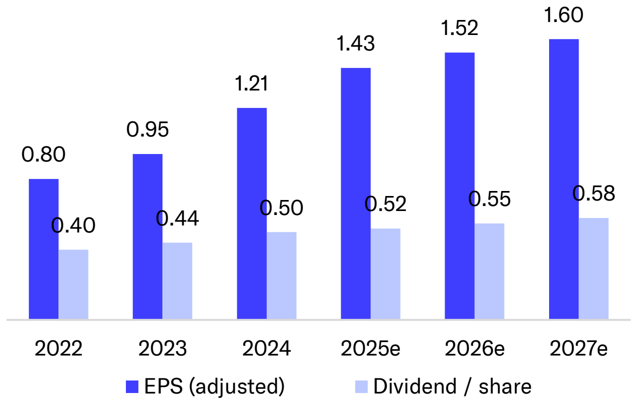
Source: Millistream Market Data AB

Revenue and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- The stable and defensive market over time is huge relative to Relais' size class
- Plenty of room for consolidation on the fragmented vehicle aftermarket
- Serial consolidator business model's value creation potential and growth strategy is quite good
- Mutual sales synergies of the owned businesses support growth preconditions

Risk factors

- Working capital commitment in the wholesale business slows down cash flow
- Typical risks associated with acquisitions
- Long-term risks associated with limited pricing power and competitive situation
- Upward pressure on costs due to high inflation and a significant increase in the cost of financing
- Low liquidity of the stock

Valuation	2025e	2026e	2027e
Share price	14.40	14.40	14.40
Number of shares, millions	18.2	18.3	18.4
Market cap	262	263	264
EV	493	479	463
P/E (adj.)	10.0	9.5	9.0
P/E	11.6	11.0	10.3
P/B	2.0	1.8	1.6
P/S	0.7	0.6	0.6
EV/Sales	1.3	1.1	1.1
EV/EBITDA	8.5	7.4	7.0
EV/EBIT (adj.)	12.6	11.1	10.4
Payout ratio (%)	42.0 %	42.0 %	41.5 %
Dividend yield-%	3.6 %	3.8 %	4.0 %

Source: Inderes

Contents

Relais Group in brief

Relais Group is a group that owns, develops and consolidates companies operating in the vehicle aftermarket. The current group companies operate both in wholesale of parts and equipment and in maintenance and repair business for commercial vehicles.

2010

Year of establishment

323 MEUR (13.5%)

Revenue 2024 (growth-%)

24%

Growth in reported revenue (CAGR-%)

36.1 MEUR (11.2%)

Adj. EBITA 2024 (EBITA-%)

1,263

Personnel at the end of 2024

Period of internationalization 2014-2018

At the beginning of the period, the main focus of the business was in Finland

Internationalization proceeded quickly with acquisitions

During the period, the company expanded to Norway, the Baltic countries and Sweden

Capital for growth from the stock market 2019-2020

Listed on the First North marketplace in 2019

Three acquisitions in Sweden and one in Denmark

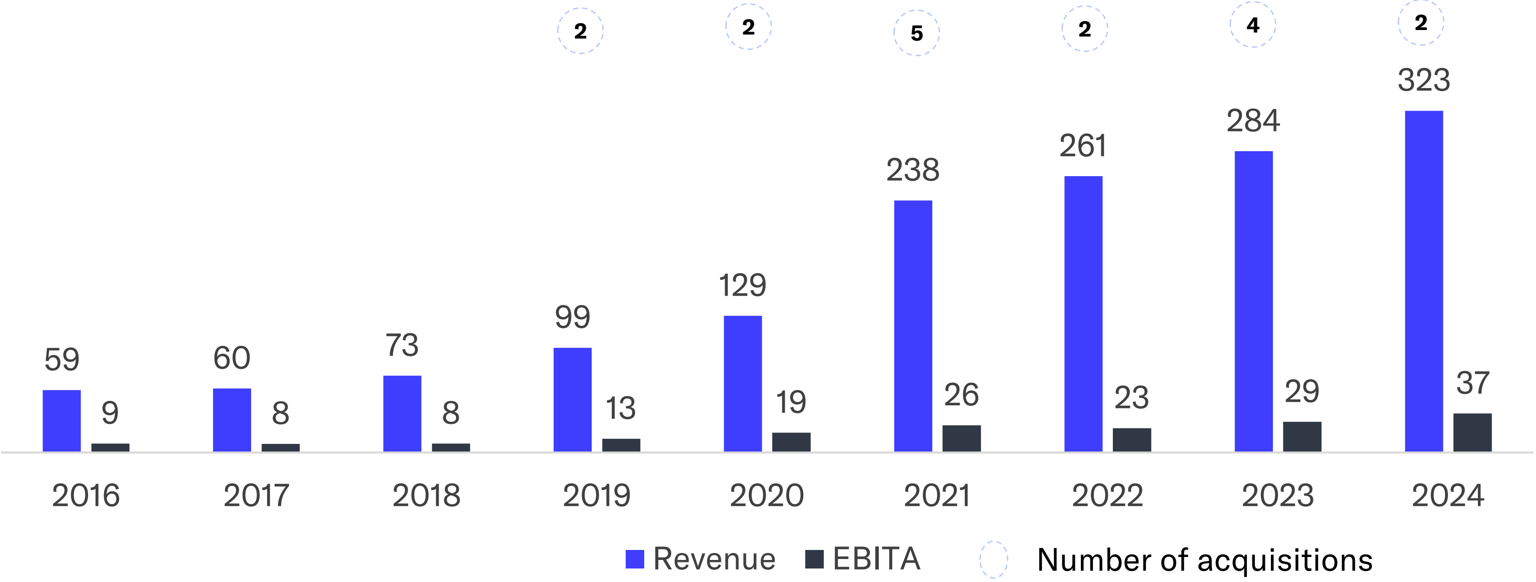
Acquisitions strengthen the Nordic foothold and diversify income flow geographically

Acceleration of growth through acquisitions 2021-

Expansion to maintenance and repair business with Raskone and STS acquisitions

Faster organic growth than market growth

Strengthening capabilities in M&A transactions and profiling as a serial consolidator



Company description and business model 1/5

Relais operates in the vehicle aftermarket

Relais Group is a long-term owner and developer of different businesses in the vehicle aftermarket that also actively consolidates the aftermarket. The Group's current operations consist of companies involved in wholesale of spare parts and equipment and commercial vehicle repair and maintenance business in the Nordic and Baltic countries.

In addition to organic business growth, inorganic growth is key in Relais' operations. In its acquisition strategy, Relais was initially focused on spare part and equipment sales in the vehicle aftermarket, but the company has recently expanded to the repair and maintenance business in recent years. The company currently examines its target market nearly throughout the entire vehicle aftermarket.

The Group is a growth platform for independent businesses

The Group's business operations are operationally independent and Relais' aim is to serve as a growth platform for the acquired companies that operate in the vehicle aftermarket. However, the companies share the Group's administrative resources and seek to benefit from mutual growth or sales synergies.

By utilizing the cash flows of the growing corporate cluster Relais Group aims to create value through acquisitions. Thus, the Group-level business model is that of a so-called serial consolidator, while the business models of the underlying businesses are more conventional wholesale, product and service companies' business models. Thus, at Group level, the aim is to create value, especially through periodic M&A transactions, i.e., by allocating capital to growth. Under the Group, at company level, value creation relies on the normal business models of product and service companies.

Business structure

Relais reports its financial results by product group and geographical area. In 2024, 67% of reported revenue (2024 revenue 323 MEUR) consisted of wholesale of parts and equipment for utility and passenger vehicles, and wholesale and online sales of lighting and power management solutions and other accessories.

Correspondingly, repair and maintenance services for commercial vehicles accounted for the remaining one-third of the reported revenue in 2024. It is worth noting that about half of the revenue from the repair and maintenance services comprises labor and half comprises the used spare parts, so much of the revenue in this segment comes from delivering spare parts.

Geographically speaking, the majority of Relais' business consists of the Nordic and Baltic countries, although the recent Matro Group acquisition (04/2025) was an opening move into Central Europe. Finland accounted for some 42% of the reported revenue of the Group companies in 2024, while Sweden accounted for some 40%. Correspondingly, Estonia (2%), Norway (7%), Denmark and other Baltic countries (9%) together accounted for roughly 18% of revenue. The recently announced TVH acquisition also increases the geographical diversification of revenue.

Extensive product range and supplier network

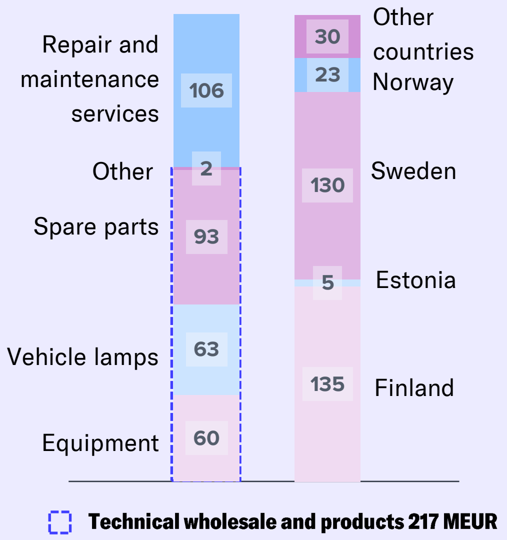
The product range of Relais' wholesale business is very wide, as it covers an estimated 150,000-200,000 inventory titles, which are divided into accessories, electrical equipment and spare parts for vehicles.

Wholesale of spare parts and equipment for vehicles in the Nordic and Baltic countries

Repair and maintenance business for commercial vehicles in Finland, Sweden and Norway

The Group is a growth platform for the owned companies, which are grown through periodic acquisitions

Revenue distribution
(2024, 323 MEUR)



Source: Relais and Inderes

Company description and business model 2/5

Relais has special expertise especially in electrical equipment, spare parts and lighting solutions for vehicles, and, e.g., the following companies focus on these Strands, Awimex and Lumise. With the AutoMateriell business acquisition, Relais also expanded to deliver workshop equipment solutions.

The company purchases its product portfolio from a supplier network of several hundred suppliers, where the main rule is that individual products have several alternative suppliers. This lowers the risk profile related with the supplier network to moderate, although in a few individual specialty parts supply may be limited to one supplier.

Relais' position as a buyer is supported by its membership in the globally operating network of spare part and equipment wholesalers, Nexus. Nexus provides its members with economies of scale, including in purchasing from spare part manufacturers, help in building relationships with manufacturers, and provides support for quality assurance, logistics arrangements and training

Significant share of own brands

Most of Relais' wholesale sales come from other brands' products, but we estimate the Group's own brands still account for around one fifth of sales which is significant. Own products consist mainly of lighting products sold under several own brands. A small addition to the own brands is also the spare parts sold under the Nordic Parts Development brand. In wholesale business, investing in own brands is typically supported by a slightly higher margin level, which is why we believe Relais also invests in their growth. An example of this is the acquisition of Matro Group (to be completed in the summer of 2025), a significant portion of whose revenue comes from its Nedking brand. One of the value creation theses of the acquisition is to strengthen the growth of this brand, aided by Relais' stronger resources and the brand building expertise gained from growing Strands.

Customer base is highly fragmented

In product businesses (including wholesale and online sales), the company's customers are mainly spare part and equipment resellers operating in the aftermarket that are local or regional distributors and retail chains, as well as vehicle equipment dealers. In addition, wholesale customers include vehicle repair shops, such as the service and repair shops that are part of Relais Group. Overall, the revenue of the product businesses consist of a very large customer base.

revenue are further diversified by the large customer base of the service business, which consists of the local demand of repair and maintenance points. Raskone, M Ahlqvist and Jyväskylä Truck Center have such points in Finland, STS, Team Verkstad Sverige and Skeppsbrons have them in Sweden, and Team Verksted has them in Norway. With the recent acquisition, Relais' workshop network expanded to 61 workshops in the Nordic countries.

Considering this, we believe that Relais' revenue is rather well diversified. We believe that the ten largest customers generate under 10% of Relais' revenue at an annual level, so we also feel revenue continuity does not constitute an essential risk in terms of the largest customers either.

Group companies*

Parts and equipment for commercial vehicles

Parts and equipment for passenger cars

Repair and maintenance services of commercial vehicles

Lighting, power management and other equipment

Lighting and online sales

Source: Relais and Inderes

* excluding already announced but not yet executed acquisitions

Company description and business model 3/5

Demand is continuous by nature

Relais' revenue do not have strong contract-based continuous elements, as revenue depend on orders from resellers and repair and maintenance needs of vehicles. However, wholesale operations are characterized by the fact that a single supplier is the buyer's primary supplier and one-year framework agreements are signed with key customers, where incentives are based on volume-related purchase bonuses. Similarly, in the repair and maintenance business, we believe a moderate share of demand is generated by care agreements or brand representations for which the Group's repair shop chains perform warranty service.

As a whole, we believe that the company's demand drivers are largely of a continuous nature, as demand for spare parts and repair and maintenance services is a natural consequence of vehicle consumption and their demand is also a vital condition for the long life of vehicles.

The demand for Group companies is fairly evenly distributed over the year, although the weather conditions in the Nordic countries may cause mild seasonality. Seasonality is reinforced by winter conditions, which typically increase demand for both spare parts and repair and maintenance services. The intensity of this seasonality can vary depending on the severity of the winter, as shown, e.g., by 2021 and 2024 (severe winter) and 2022 and 2025 (milder winter).

Core business operations

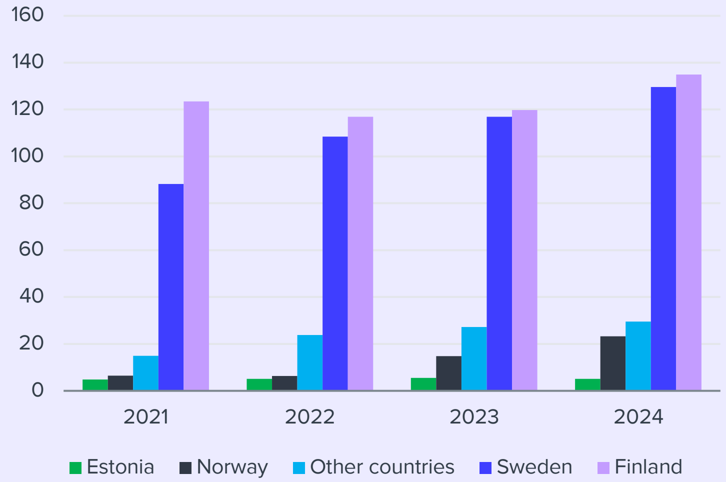
The production of Relais' Group companies' own brands is outsourced, so the Group does not have own manufacturing operations. Thus, in product businesses, the Group companies' core activities include the procurement, marketing, sales and distribution of spare parts and equipment. This means the competitiveness of the businesses is built around the efficient sourcing and distribution of a broad range of products, which highlights the efficiency of logistics. The fixed elements of a product company's cost structure consist of logistics, which means the most important factor in the performance of the operations is the size class, or volume. Similarly, in the Group's service companies, the fixed element of the cost structure is the short-term fixed costs of the service points, which largely consists of the costs related to the personnel providing the services and the infrastructure of the offices. Therefore, the most critical driver for the profitability of the service business is the utilization rate of the personnel, i.e., the mechanics, and the service points as a whole.

Group activities

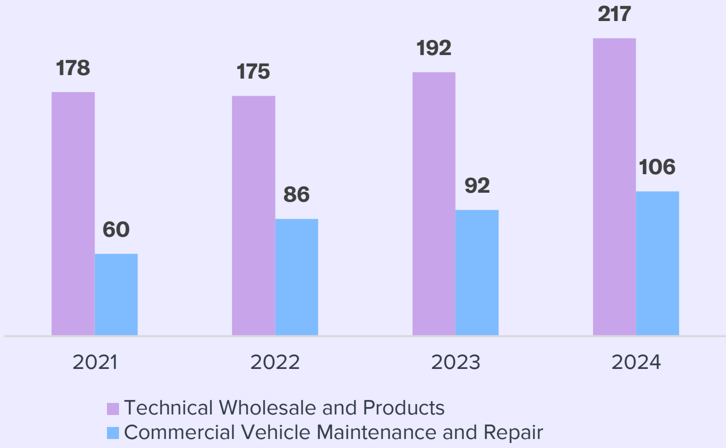
Relais' companies aim to preserve the independence of acquired businesses and to foster an entrepreneurial and owner-oriented culture. This can be seen, e.g., in the fact that the local management of acquired companies continues to perform their duties after the acquisition, and the daily management of Group companies is not directed by management. Group-level management is involved in company-specific Boards to provide support to business operations and monitor the progress of the strategy.

Similarly, Group-level activities concentrate mainly on activities where economies of scale can be utilized, such as procurement, financing and information systems.

Revenue by market area (MEUR)



Revenue breakdown (MEUR)



Source: Relais and Inderes

Company description and business model 4/5

The Group level is also responsible for harmonizing and coordinating key policies (information security, risk management, ESG, etc.).

One of the key processes in Relais' business model at the Group level is M&A. A wide range of personnel is involved in the acquisitions, as the mapping of potential targets has been decentralized to the Group companies, which identify potential targets from the competitive landscape and assess their operational suitability as part of the Group. Similarly, based on the arrangements made in recent years, the Group's management team has significant experience in executing transactions, which are a particular focus area for the Chief Business Development Officer. We believe acquisitions are mapped based on the Group's own search, but also based on observations from Group companies and suggestions from outside.

In acquisitions, Relais offers the target companies the opportunity to grow as part of a larger entity and exemption of the owner/entrepreneur from administrative tasks and the possibility to focus on the core business. Through greater size and synergies, part of the value promise is also the strive to increase the value of the acquired business as part of Relais. Therefore, the commitment of the selling entity and/or local management through share ownership or contract price mechanisms is an integral part of the acquisition. These arrangements are decided case by case and may be made either through minority holdings or arrangements that utilize Relais' own shares or additional purchase price arrangements.

Business carries on without major investments

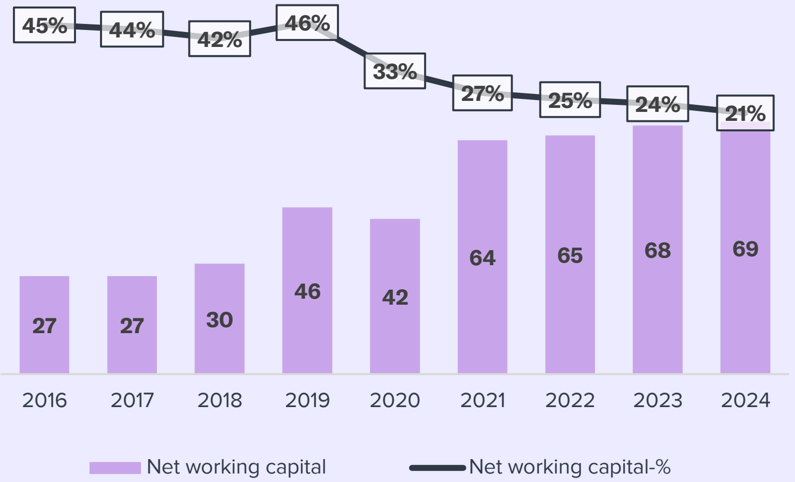
Relais' product business does not require significant investments in tangible or intangible assets, which means that investments in 2020-2024 (excluding acquisitions) have averaged just over 2 MEUR. However, in 2023-2024, investments have been slightly higher, around 3-4 MEUR, reflecting higher equipment and system investments. We believe this reflects both the Group's increased size and, to some extent, the slightly increased investment needs caused by the repair business. Against this backdrop, we estimate that Relais' annual organic investment needs in fixed assets are in the order of magnitude of 4-5 MEUR, taking into account recent acquisitions.

Inventories tie up capital

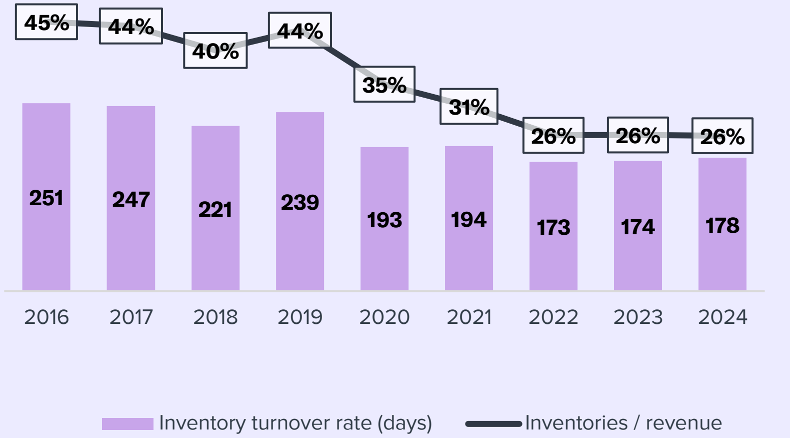
In the business model, cash flow development is hampered by the commitment of working capital, which is mainly due to the large inventories of the product business. This is typical of wholesale operations, but we believe the value of inventories is also increased by certain strategic decisions such as the extensive offering, i.e., a high number of inventory titles. Large inventories enable short delivery times and a comprehensive product range, which we believe are essential elements for the company's long-term competitiveness. However, these will result in longer revenue of inventories, which in turn leads to capital commitment.

Relais' net working capital relative to its reported revenue in 2020-2024 has been about 21-33%. However, the relative share of working capital has turned downward, driven by the expansion through acquisitions into businesses where

Capital commitment



Development of inventories



Source: Relais and Inderes

Company description and business model 5/5

working capital commitment is more moderate, i.e., the increased share of repair and maintenance business of the group's revenue. In the financial year 2024, Relais managed to maintain the more efficient working capital management that had been targeted and achieved in previous years, and the ratio of working capital to revenue fell to 21%, the lowest level in our review history. This was due to more efficient management of receivables, as the company's ratio of inventories to revenue has remained relatively stable for several years (2022-2024 26% of revenue).

Operating cash flow is lower than the operating result

In recent years, Relais’ operating cash flow has closely corresponded to the company’s EBITDA. An exception to this is 2021, when more capital was committed to inventories as the company temporarily increased its inventory levels to prepare for disruptions in the supply chain. In 2018-2024, the cash-flow ratio (operating cash flow/EBITDA) has reached 87% of EBITDA on average, reflecting a decent cash flow profile of the business. With regard to the free cash flow, it should be noted that after the company’s transition to IFRS accounting in 2022, the cash flow from operating activities no longer includes the repayments of lease liabilities (leasing payments), which in 2022-2024 were 11-13 MEUR.

ROIC is the main indicator of strategy implementation

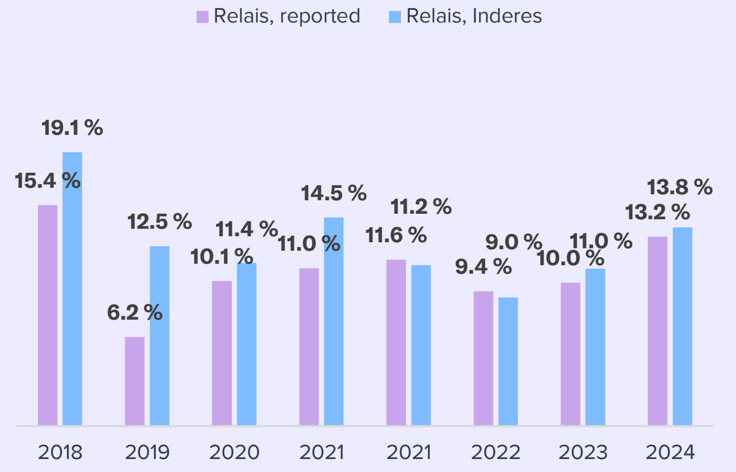
We believe the indicator that describes the value creation of Relais' business model and strategy quite well is ROIC-%. In 2018-2024 reported ROIC was 6.2-15.4%, with an average of 10.8%. We believe ROIC has on average been higher than the cost of capital and thus the growth strategy has created clear value.

In the future, a key factor for ROIC is how efficiently the company can allocate capital to acquisitions, in other words, the valuation and return on invested capital at which the company carries out acquisitions. In addition, a key factor is the long-term operational development and return on capital of the businesses already owned and to be acquired, as, due to the companies' business models, we estimate that their organic return on invested capital is higher than the return on invested capital achievable in the company's average acquisitions. Therefore, Relais' ability to grow acquired targets organically is very valuable.

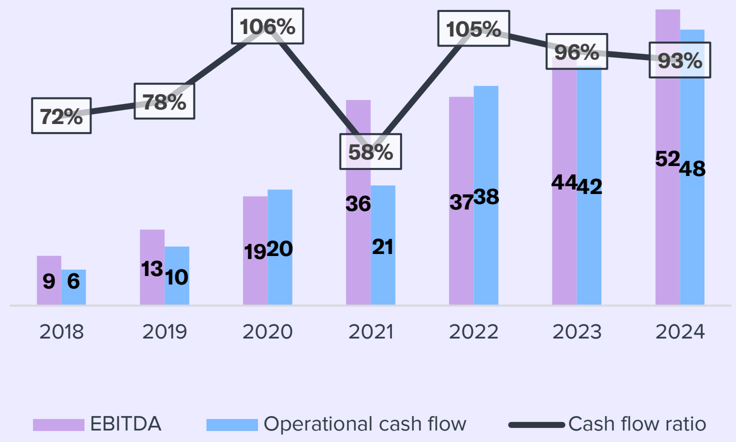
In history, Relais has bought companies with an average EV/EBITDA ratio of just above 7x. In static terms, this roughly corresponds to a double-digit return on invested capital, as the businesses are relatively capital light overall. It should, however, be noted that under the current business structure, EBITDA provides a slightly too positive picture of the potential cash flow generation of the businesses, as current business ties capital, especially in working capital, and requires investments (lease liabilities), even if the required level is reasonable. This, in turn, is reflected in the cash flow that current operations generate for reinvestment in new acquisitions.

Relais, return on invested capital

ROIC-% 2018-2022

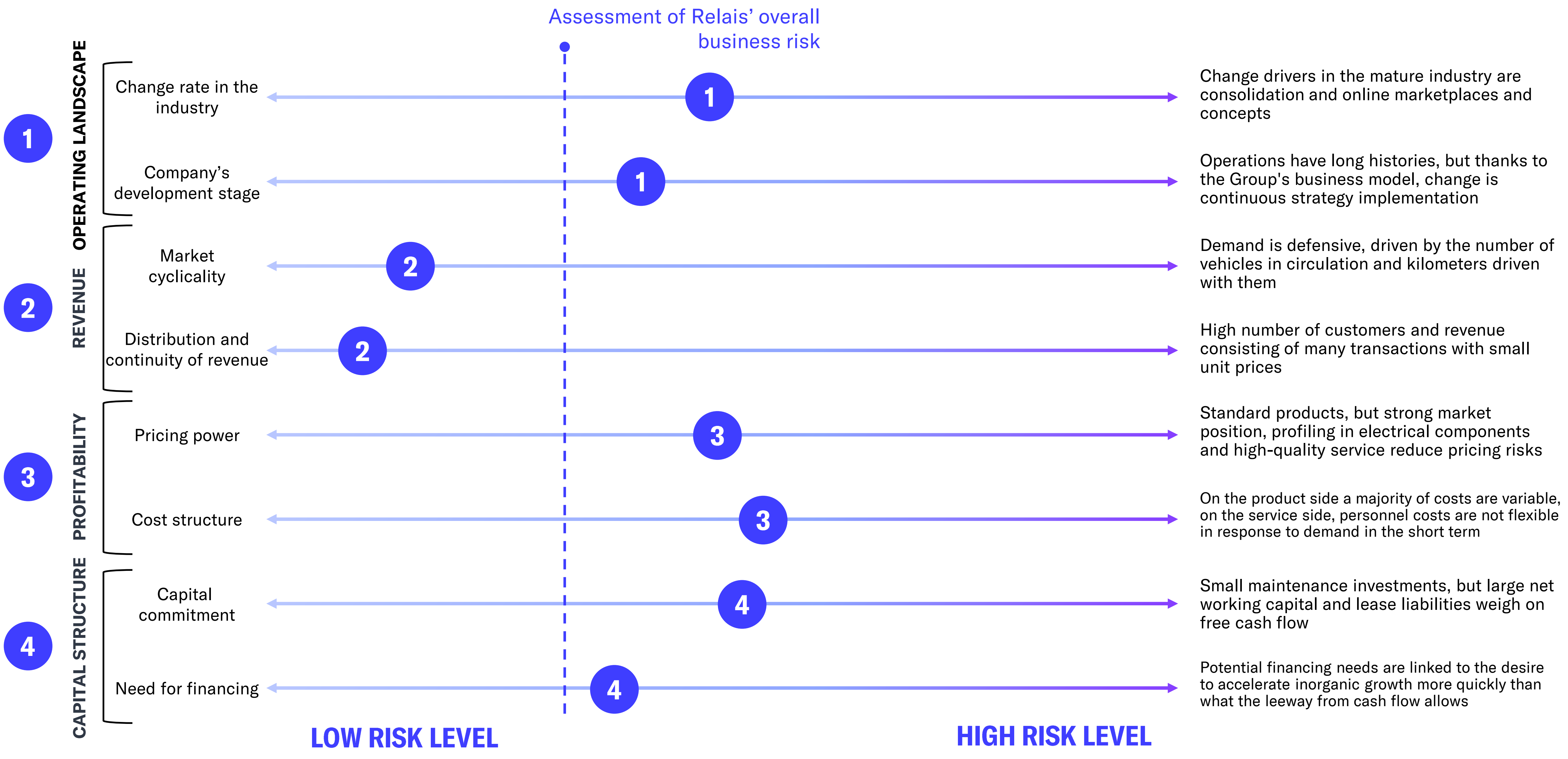


Cash flow development



Source: Relais and Inderes

Risk profile of the business model



Strategy and financial targets 1/3

Strategy emphasizes value creation through acquisitions

In its strategy, Relais focuses on value creation throughout the vehicle life cycle on the aftermarket independent of vehicle manufacturers. The company's strategy is based on the following three mutually supportive factors:

Acquisitions: a key tool for value creation in the business model is reallocation of the cash flow generated by the owned businesses. Therefore, we also think it is natural that the company's strategy focuses on acquisitions.

Synergies: by focusing on the aftermarket for vehicles, the company aims to consolidate companies operating in the same industry and to find synergies between them. In the current business operations, we believe that these are mainly sought through sales, i.e. revenue, because, e.g., the Group's repair and maintenance services can concentrate their purchases to the Group's product companies to some extent.

Operational efficiency: We believe the key operational performance indicators vary slightly by business. For example, in wholesale operations, the core of efficiency is working capital cycles and margins, while a high “invoicing rate” of employees, i.e. mechanics, plays a major role in the service business. In practice, this translates into a high level of activity at the repair shop chains' locations. At Group level, we believe that operational efficiency reflects the fact that acquired companies are being developed as part of Relais Group.

The company's financial objective is to reach 50 MEUR EBITA (pro forma) by the end of 2025.

Targeted acquisitions and expansion in the value chain

In its acquisition strategy, Relais is looking for so-called add-on arrangements that complement its current offering, such as arrangements that expand the scale and scope of its wholesale and product business One example of this is the recent acquisition of Matron Group. In these arrangements the strategic and industrial logic is based especially on the fact that the acquisition target and Relais' business will be more valuable after the arrangement, e.g., thanks to realized sales synergies and improved investment capacity. These arrangements are smaller in size and typically are carried out annually.

In addition to add-onarrangements, Relais explores opportunities to expand to new businesses in the value chain typically through more significant and rarer Platform arrangements. Examples of this include acquisitions of repair and maintenance services in recent years. Platform arrangements are particularly interesting because they expand the target market and create a new growth platform for add-on arrangements, such as the recent Team Verksted acquisition.

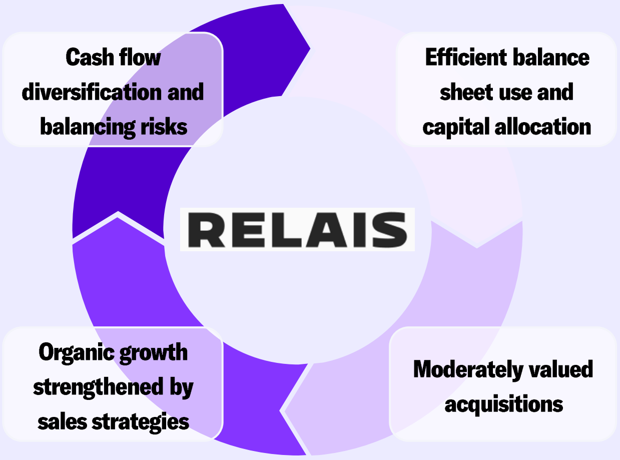
Acquisition criteria are not set in stone

In our opinion, the required criteria of acquisition targets (e.g. size, profitability, etc.) are not set in stone, as the targets are examined from a strategic viewpoint. This means that when selecting acquisition targets Relais assesses, e.g., the market position of the target, the quality of revenue, the growth outlook, profitability of operations, and ROIC. However, we believe no precise limits have been decided on,

Financial targets and dividend policy

Financial objective:	• **50 MEUR pro forma EBITA by the end of 2025.**
Dividend policy	• **Annual dividend over 30% of the group's average comparable result, considering cyclical fluctuations**

Reference framework for growth strategy value creation



Source: Relais and Inderes

Strategy and financial targets 2/3

but the targets are examined on a case-by-case.

Light integration lowers the risk level

The way Relais integrates the acquisition targets is superficial, which means that the purchased companies normally continue under their own brand and operations continue largely unchanged. However, common policies and support functions are shared among Group companies. Synergies on the cost side do not play an important role in the arrangements, the pursuit of synergies is based on sales synergies. We believe that this lowers the risk level of the acquisition strategy, since the pursuit of cost synergies is often the bigger sore spot of M&A transactions than the pursuit of growth synergies.

Growth strategy in line with value drivers

Our view is that the company's strategic priorities support the preconditions for value creation in the business model and are complementary. This is based on the fact that long-term value creation at Group level relies on successful cash flow re-allocation from the owned businesses. This cash flow enables value added creation to customers through the current product and service offering, which is further strengthened by the synergies between the acquired targets. In addition, the mutual synergies achieved by current businesses may increase the value of these businesses.

The cash-flow profile of the acquired businesses supports the inorganic growth strategy, which means that Relais will get a business that generates positive cash-flow from the start. This, in turn, improves the Group's ability to make new arrangements and diversify its income flow.

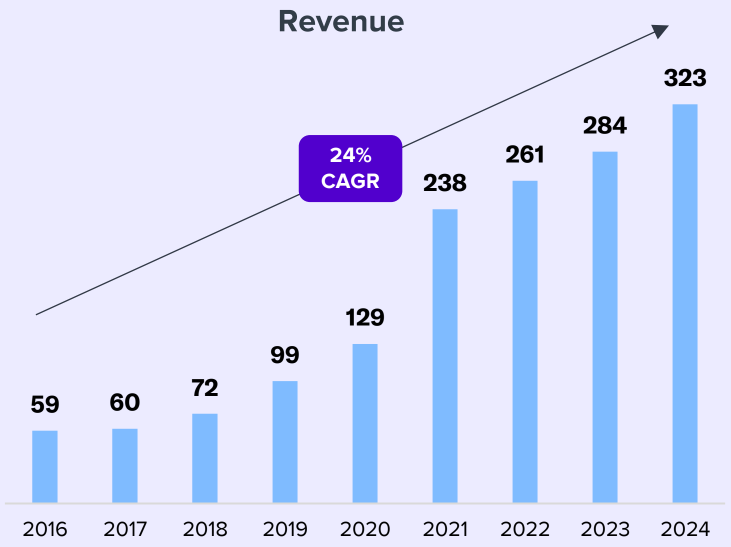
Return on capital is a key indicator for assessing the strategy

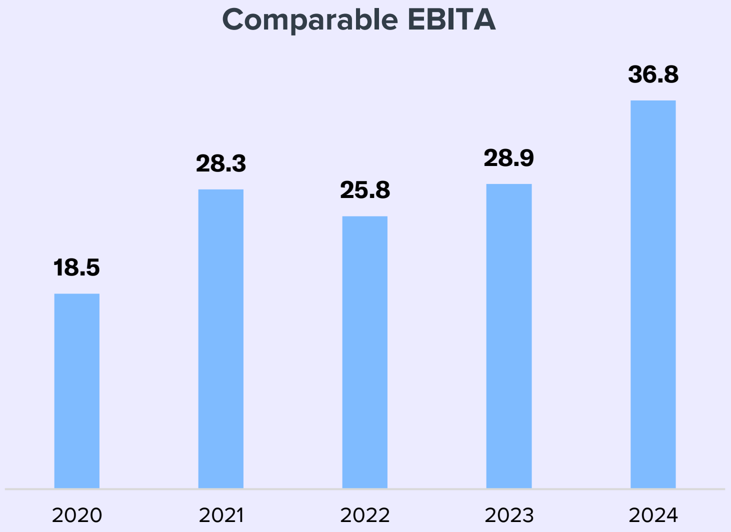
Relais' financial target is to reach 50 MEUR pro forma comparable EBITA by the end of 2025. In 2024, the company achieved a comparable EBITA of 36.8 MEUR, while at the end of Q1'25, the sum of the previous 12 months was 36.2 MEUR. Thus, achieving the target still requires acquiring a little under 14 MEUR of EBITA. The achievement of the target is facilitated by the previously announced acquisitions of Matro Group and TVH, which the company expects to increase its EBITA by more than 9 MEUR. Therefore, the road to the goal is not long.

We believe one of the best indicators to measure the value creation of Relais' strategy is return on capital that measures the company's success in capital allocation, i.e., implementing the acquisition strategy and also the efficiency of existing businesses and their development over time. We feel that from the investor's perspective, the ROIC at which earnings growth is achieved is more important than the absolute earnings level at the end of the strategy period. At the same time, however, the targeted EBITA level of EUR 50 million reflects the company's objective to maintain fast growth in the future.

Risk-taking willingness determines the pace

Relais has no financial targets for the balance sheet structure or indebtedness. Thus, the main restriction of the company's financial leeway is the covenants set by the financers (not published) and the company's risk-taking willingness.





Source: Relais and Inderes

Strategy and financial targets 3/3

We feel the defensive nature of the company's business allows the company to operate at a roughly 3x net debt/EBITDA level over time without the risk increasing too much. We do not consider the ratio set in stone, especially in the short term, and it should also be noted that already through acquisitions the company's forward-looking earnings and cash flow level strengthen. Therefore, the level of backward-looking reported figures does not fully reflect its current borrowing capacity if acquisitions have been made in the previous 12 months.

Considering the defensive nature of the business and the company's historical track record, we do not believe that the company's financial position limits the implementation of the growth strategy, especially in view of the opportunities to use its own share as part of the acquisitions. Depending on the valuation of acquisitions, we believe these tools would be sufficient to finance the achievement of the financial objective. The company has also stated that it will strengthen its financial position by raising equity financing when the bridge financing obtained for the TVH acquisition matures. However, when considering the sensibility of using own shares or acquiring equity financing, one should consider the current valuation of the share, which has an impact on the overall value creation of the company's capital allocation.

As the size class grows, business model's scalability becomes emphasized

Long-term value creation of serial consolidators is strongly linked to the efficiency of the acquisition processes, as when the size of the Group grows and the value increases, the effect of individual and typically smaller arrangements will decrease relative to the Group value. In other words, a single arrangement has a marginal utility that decreases over time, since by increasing the size of transactions, their valuations and risk levels tend to increase. The pace of value creation is then substantially linked to the number of smaller transactions, which in turn is dependent on the personnel implementing the transactions.

We feel that in the long term Relais must be able to start implementing the acquisition process increasingly even at a lower level in the Group's organization, as senior management's ability to implement the arrangements is not scalable. Successful implementation would enable repeated add-on arrangements in more business branches and thus a stable value creation rate in the long term. Implementing the acquisition expertise and value creation models more strongly into business branches would also help enhance the search for new targets thanks to deeper understanding of the local market and competitive landscape.

Dividend policy in line with the growth company profile

Relais' dividend policy is to distribute on average at least 30% of the Group's average comparable result considering cyclical fluctuations

We feel the moderate payout ratio reflects the company's growth orientation and the growth company profile. Although the dividend policy only sets an indicative minimum level for the payout ratio, we believe that the company will focus on growth instead of profit distribution in capital allocation. At the current development stage we welcome moderate profit distribution, assuming that Relais can allocate capital to high-quality acquisitions with sensible financial criteria.

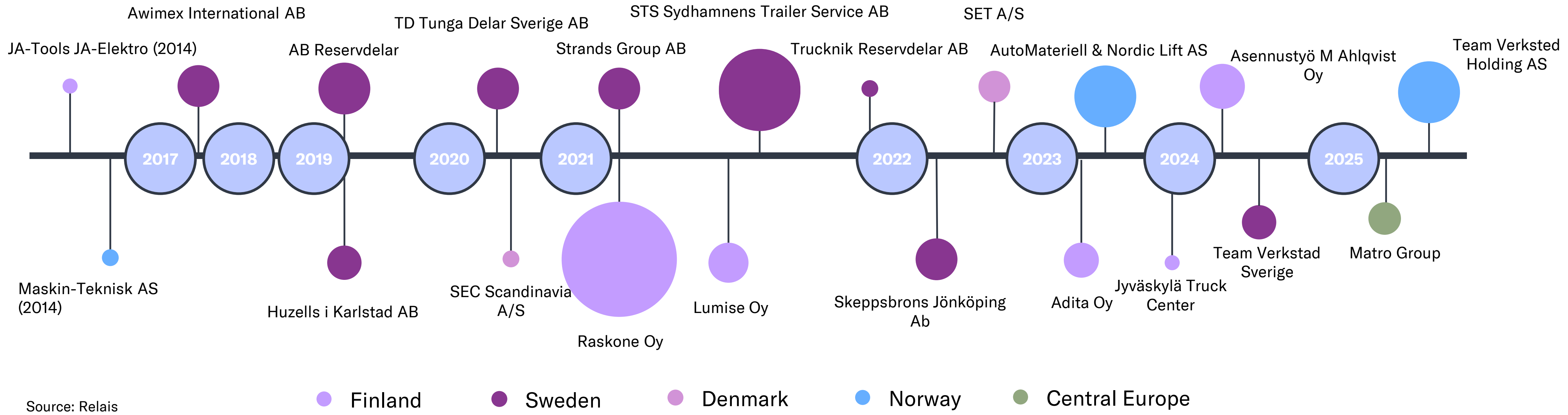
Acquisitions 2020-2025

Acquired company	Revenue[1]	EBITDA[1]	Valuation[2]	Time
Team Verksted Holding	71	10.7	7.4x	4/25
Matro Group	18.7	3.6	7.5x	4/25
Team Verkstad Sverige	5.3	0.2	N/A	7/24
Asennustyö M Ahlqvist Oy	8.7	0.7	N/A	5/24
Jyväskylä Truck Center	1.7	0.1	N/A	11/23
AutoMateriell & Nordic Lift AS	17.7	-	5.0x	8/23
Adita	5.6	0.2	4.1x	3/23
S-E-T A/S	4	1.1	5.1x	12/22
Skeppsbrons J.	7.3	1.4	6.0x	5/22
Trucknik	2.4	0.3	9.9x	12/21
STS	23	1.2	8.1x	10/21
Lumise	11	1.1	9.4x	3/21
Raskone	63	4.7	6.5x	1/21
Strands	15.6	2.4	7.4x	1/21
TD Tunga D.	8.9	1.9	7.4x	2/20
Median	8.9	1.2	7.4x	

[1] Last known reporting line
[2] EV/EBITDA incl. [3] Inderes' estimate of net debt if deal price has not been announced

Source: Relais and Inderes

Relais' acquisitions in recent history and acquisition strategy



Source: Relais

Relais' acquisition strategy

Criteria of Relais' acquisitions:

- The strategic compatibility of the acquisition targets must be good. The operating model and/or customer sectors are similar and there is no need for large reorganizations in the targets
- The acquisition targets are strong players in their regions
- Good synergy potential through cross-selling

- Relais has not set a precise target size for its acquisition targets and it may vary depending on the logic of the arrangement (add-on arrangements vs. platform acquisitions)
- The profitability of the target should be good, i.e., the EBIT margin should preferably be double-digit
- Geographical focus on Nordic countries
- It is important for Relais that the operating management and key personnel continue at the acquisition target

- The integration process of Relais' acquisition targets is light, as the targets continue under their own brand. Synergy potential is sought at revenue level and typical hard synergies are not sought on the cost side

Source: Inderes, Relais

Markets and competitive landscape 1/4

Relevant target market expands through acquisitions

The relevant market potential of Relais' current businesses consists of the market for vehicle aftermarket wholesale trade and repair and maintenance services in its geographic target market. We believe, however, that these are relevant indicators only for the Group's organic growth, because the playing field of the inorganic growth strategy is practically the entire vehicle aftermarket value chain ending before the end-of-life of the vehicle, i.e., demolition and recycling in which the company is not currently interested.

Focusing the target market only on wholesale and repair and maintenance services is, in our view, a limited view, given that the company is looking for inorganic growth in a more extensive value chain. Thus, we examine the company's potential target market at the level of the entire value chain and at the level of the target market of existing businesses.

Some 22 million vehicles in the target market

The company's target market is the combined passenger car and commercial vehicle fleet of Finland, Sweden, Norway, Denmark and the Baltic countries that stood at just above 22 million vehicles at the end of 2024. Of the fleet, over 19 million vehicles (86%) were passenger cars and over 3 million (14%) were commercial vehicles, i.e. vans, lorries and buses.

In theory, the markets of the product and service businesses built around this fleet form the entire target market of Relais' growth strategy. Relais has estimated this market potential to be around 20 BNEUR, which seems a credible estimate to us considering the size of the vehicle fleet. However, it should be noted that Relais' strategy focuses on the commercial vehicle market, and many passenger car market segments are not attractive to it.

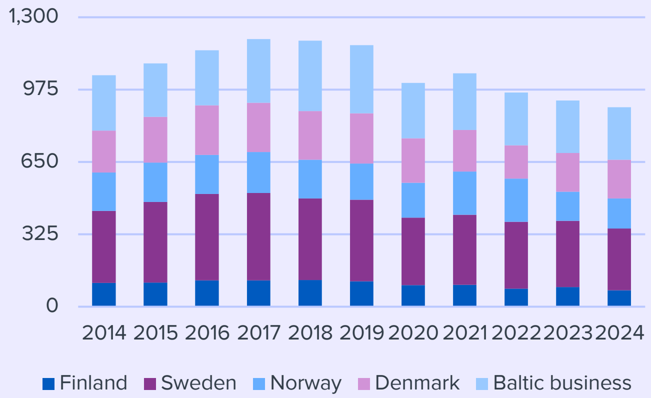
However, we believe Relais has examined the more limited segments of the target market and the companies operating there from the point of view of their attractiveness (market growth, profitability potential, etc.), which has allowed it to limit some parts of the non-organic growth target list. In addition, the company's strategy focuses on the commercial vehicle market. This limits the market potential in which the company implements its strategy. However, in our view, this does not change the overall picture that the market potential is huge in relation to the company's current size.

Number of vehicles in use increases by close on 2% p.a.

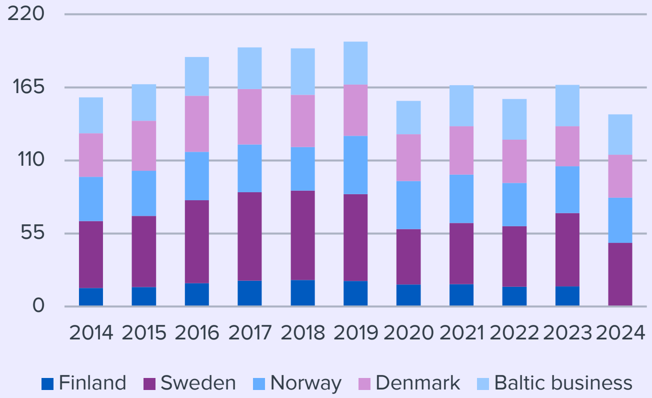
The market for new vehicles is either durable goods trade (passenger cars) or investment (commercial vehicles) and therefore somewhat cyclical. For example, the number of passenger car registrations fell by 2% in the target market countries in 2012 and after the COVID outbreak in 2020 the registrations decreased by as much as 15%.

Since the outbreak of the pandemic, the number of vehicle registrations has not risen to the 2016-2019 levels. The long-term trend from 2014 to 2024 has even been declining for passenger cars, while the trend has been stable for commercial vehicles.

Registrations of passenger cars,
in thousands, 2014-2024



Registration of commercial vehicles,
in thousands, 2014-2024



Source: Statistics Finland, SCB, SSB, Statistics Denmark, Statistics Estonia, Central Statistical Bureau of Latvia, Statistics Lithuania

Markets and competitive landscape 2/4

The above (first) registration figures do not include the number of imported used cars. In Finland, for example, just over 74,000 passenger cars were first registered in 2024, in addition to which some 36,000 used passenger cars were imported so the latter group represented around one-third of all registrations. The share is clearly higher in the Baltic countries.

Used imported cars also increase Relais' target market. Against this background, the number of vehicles in use may increase even if the market for new vehicles would shrink as the life of the vehicles extends. In total, the combined passenger car fleet in Finland, Sweden, Norway, Denmark, and the Baltic countries has grown at an average rate of 1.7% between 2014 and 2024. The growth in the number of commercial vehicles has been at the same level.

Market drivers now and in the future

The main drivers in the vehicle spare parts and equipment market and in the maintenance and repair market are the number of vehicles in use, their age and the kilometers driven. There are also other drivers in the market that will become more important in the future. The most important of them are:

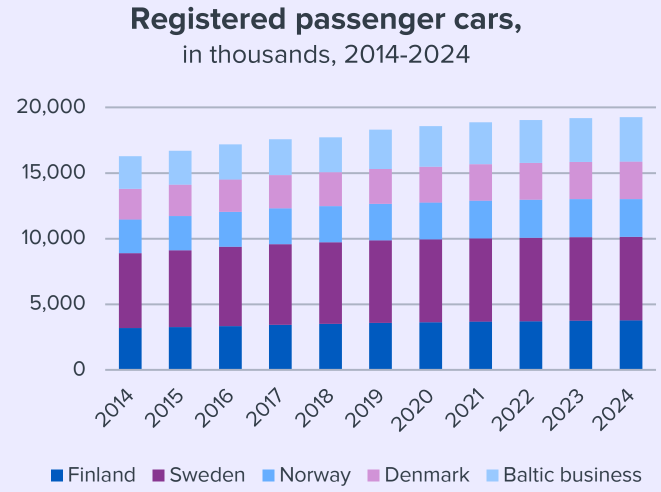
Electrification of the vehicle fleet. The focus of new vehicle sales shifting toward electric cars is a slow but certain structural change in the spare parts and equipment market. This expectation may seem worrying for Relais, but the flip side is that electric cars becoming more common will increase the need for the equipment and spare parts range, as well as the need for new skills on the maintenance and repair side. In addition, this technological development is leading to an increase in the complexity of spare parts. It is also noteworthy that a significantly larger portion of Relais' revenue currently comes from products and services related to commercial vehicles, where we expect the electrification trend will not progress as quickly as in passenger cars. We therefore consider the transition that takes place in the medium and long-term to be manageable.

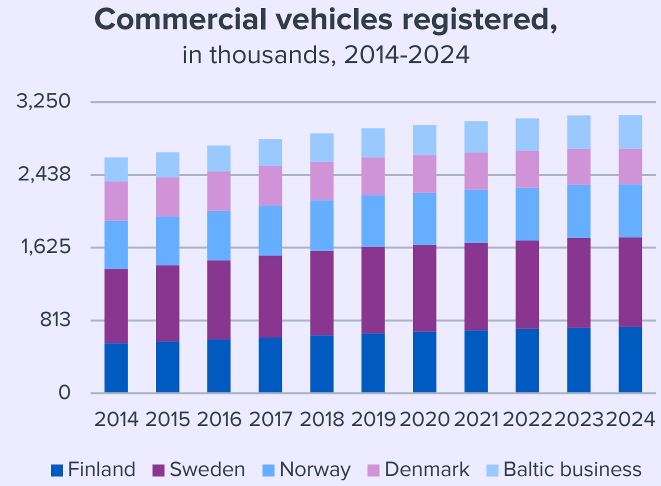
Car dealers' response to the competition. Many importers and car dealers offer more comprehensive and longer-term fixed-price private leasing services where the leasing provider is responsible for the maintenance of the vehicle.

Digital marketplaces. Internet-based product directories and related digital customer services have already become highly popular thanks to their speed, ease of use and accessibility, and continue to grow rapidly. A wholesaler with the most versatile and accessible digital service offering can gain a competitive advantage in the market.

Price transparency and expansion of product and service offering. Digital marketplaces provide customers with an easy way to compare prices and service offerings. The development seen offers new companies and business models an opportunity to penetrate the market of traditional wholesalers.

The growth of e-commerce will increase freight traffic. As e-commerce continues to grow, freight traffic will grow. The so-called *last-mile delivery* of goods to the customer's doorstep increases the need for light commercial vehicles in particular. This, in turn, will increase the need for continuous maintenance, customizing and equipping.





Source: Statistics Finland, SCB, SSB, Statistics Denmark, Statistics Estonia, Central Statistical Bureau of Latvia, Statistics Lithuania

Markets and competitive landscape 3/4

Summary of the growth outlook

We estimate that the long-term organic growth potential of Relais' current business is built on the growth of the registered vehicle fleet, which is roughly in line with the long-term general economic growth picture. Thus, in the longer term, we expect market growth to be roughly 0-5%. However, in the short and medium term, the organic growth rate of the company may be slightly higher than expected market growth in the wake of the sales synergies of the acquired businesses, as in recent years. However, as a result of the acquisition strategy, we do not see the overall market growth as slowing down the growth potential of the company through a combination of organic and inorganic growth in any realistic scenario. In our opinion, the overall market offers the company considerable growth potential.

The market is fragmented

The market for spare parts and equipment is fragmented, which means that many small and medium-sized players are active on the market. For example, the number of companies selling spare parts either on the wholesale or retail markets is over 1,000 in Finland and over 2,000 in Sweden. However, the numbers include companies where spare parts and accessories sales represent only a small part of total revenue and who do not report vehicle spare parts sales (like Puuilo) as a main business. Such companies are not particularly important competitors for Relais that is a wholesaler operating with an extensive product range, although they take a small share of the total market. In addition, in the competitive field, companies can be both competitors and customers (like Motonet and Mekonomen), as they may not have the ability to maintain corresponding inventories in terms of size and scope.

Threshold to enter the market is not high

We estimate that the high number of competitors reflects the low threshold to enter the market and they do not have identifiable strong and sustainable sources of competitive advantage. This is mainly due to the moderate initial investment demand and flexible cost structure of wholesale activities, which means that entry does not require much capital. As a result, the characteristics of the market are reasonably tight pricing and competition conditions. At the same time, however, it should be noted that offering a wide and credible product range, timely delivery to customers and good customer support is already significantly more challenging and requires major investments. In this category, the number of competitors is more limited than the number of companies that make up the entire industry suggests.

Online retailers have entered the competition

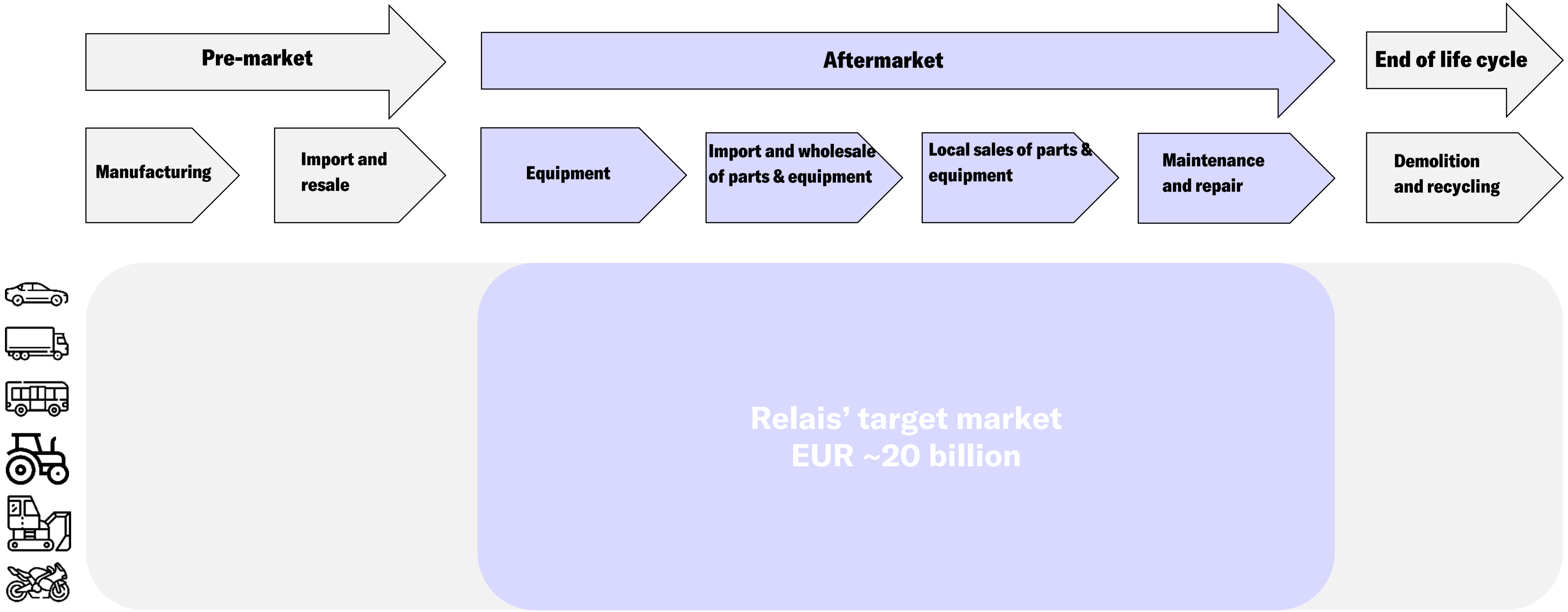
A significant change in the competitive field of wholesale trade of spare parts and equipment in recent years is the entry into the competition of pure online players, such as autodoc.fi and Polish Inter Cars that mainly delivers parts to independent repair shops. Autodoc.fi operates in 27 European countries with a revenue of around 1.5 BNEUR. Inter Cars' 2024 revenue was 4.4 BNEUR and it operates in 26 European countries. We believe that the moderate fixed cost structure of online retailers allows them to compete with price, maintaining a tight pricing environment.

Competition in the repair and maintenance market

Based on numbers alone, the number of players on the repair and maintenance markets is huge in Finland and Sweden (i.e. thousands). However, it should be noted that the number is increased by companies operating in the passenger car market and authorized service centers. Thus, we believe the number of make-independent commercial vehicle repair shops is clearly lower. Players providing repair services for commercial vehicles are also in most cases concentrated on lighter vehicles such as Fixus and Atoy.

We believe, Finland does not have a brand-independent national competitor for Raskone. However, in the case of repair and maintenance services, it should be noted that competition is mainly local, although the size class gives credibility to the player. As a result, Raskone typically competes with small local players. We believe the competitive dynamics are similar in Sweden, where, among large players, STS competes with Malte Månson and Mekonomen, who have extensive geographical coverage thanks to several service points. In make-independent repair and maintenance business, we believe the quality image acts as a competitive factor but as a whole we do not believe there are any significant elements that strengthen relative competitiveness.

Markets and competitive landscape 4/4



Inderes' comments on the target market

- The aftermarket consists of the product and service businesses built around some 22 million vehicles in the geographic target markets
- The number of companies operating in the target market is calculated in several thousands
- The market is huge considering the growth drivers of Relais, i.e., organic and inorganic growth
- In our opinion, the size of the market does not limit the chances of implementing the company's growth strategy in the foreseeable future
- In addition to the brand-independent market of around 20 BNEUR, the relatively similar-sized OE market roughly doubles the potential target market
- Acquisitions such as Matro Group in Central Europe further increase market potential

Source: Inderes, Relais

Cost structure and financial situation 1/2

Sales margin development has turned upward

The largest single item in Relais' cost structure is materials and services reflecting the earnings logic of wholesale trade and its relative revenue share. These costs are completely variable and therefore not scalable. In relation to revenue, materials and services accounted for 53–67% in 2018–2024, and their downward trend can be explained by a shift in the revenue mix. The expansion into maintenance and repair operations has therefore reduced the relative share of these costs in the cost structure and revenue. Consequently, the company's gross margin has been on a clear upward trend in recent financial years, which we expect to continue, among other things, due to changes in the revenue structure. If the company can increase the relative share of its own products in revenue, we estimate it would have a positive impact on the development of the sales margin as the margin levels of these products are typically somewhat higher.

Other costs have some scaling potential

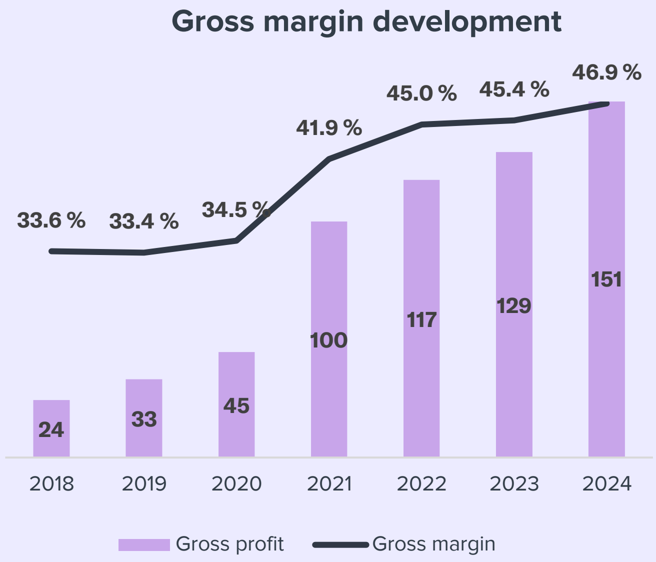
The company's second and third largest cost items are personnel expenses and other operating expenses. We estimate that personnel costs are mostly fixed in the short term, but variable in the longer term. Their significant relative growth in recent years also reflects the increased labor intensity associated with the growth of the repair and maintenance business.

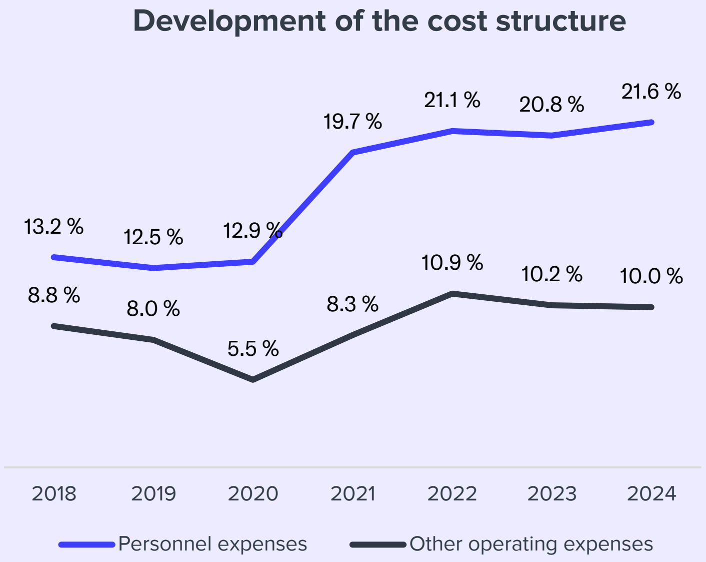
Other operating costs consist of warehousing costs in addition to normal sales, marketing and administration costs. We estimate that these costs are mainly fixed, although they contain variable elements, for example in terms of sales and marketing. However, we believe logistics and administrative costs should have some scalability and therefore their relative share should decrease as efficiency improves. Although in the medium term, their relative development is essentially linked to the acquisition-driven expansion, efficiency and optimization of delivery times.

Cost structure is quite flexible

We feel Relais' overall cost structure is very flexible, as most of the costs are variable material and service costs. We estimate that roughly 2/3 of the company's costs are variable in the short term while the share of fixed costs in 1/3. The reasonable proportion of fixed costs is explained by the fact that the company does not have its own production and related fixed costs.

Due to the flexible cost structure, the scalability potential of the cost structure is moderate. The key elements that leverage revenue growth to profitability are personnel costs related to wholesale business sales and efficiency improvement in logistics through volume growth. Correspondingly, in the service business the key element is the utilization of the service points, i.e. invoicing/hours of the manual staff.





Source: Relais and Inderes

Cost structure and financial situation 2/2

Low investment needs and growth strategy are reflected in the balance sheet structure

At the end of Q1'25, Relais' balance sheet total was EUR 364 million. Reflecting the business model, growth strategy, and in particular inorganic growth, non-current assets on the balance sheet consist mainly of goodwill and right-of-use assets, which in turn consist largely of lease agreements for the repair shop network (IFRS 16). At the end of the review period, the company had 124.8 MEUR of goodwill on its balance sheet (97% of its equity), which has arisen from several acquisitions made by Relais in recent years. Considering the company's return on capital levels and the fact that the goodwill is derived from several successful acquisitions, we do not believe that the large amount of goodwill relative to shareholders' equity is a cause for concern. At the end of Q1, right-of-use assets amounted to 59.3 MEUR, while the share of the company's own tangible assets was only 6.1 MEUR, reflecting the low investment need.

The structure of current assets is in line with the business models

A majority of current assets in the balance sheet were inventories EUR 84.3 million, which is significant both relative to the balance sheet (23% of the balance sheet) and to the size of the business (26% of reported revenue in the past 12 months). The relatively significant size of inventories is a structural element of Relais' wholesale business based on the aim to be able to provide customers with a wide product range with fast delivery times. However, growth in the repair and maintenance business will reduce the relative proportion of inventories in the future, reflecting the nature of this business.

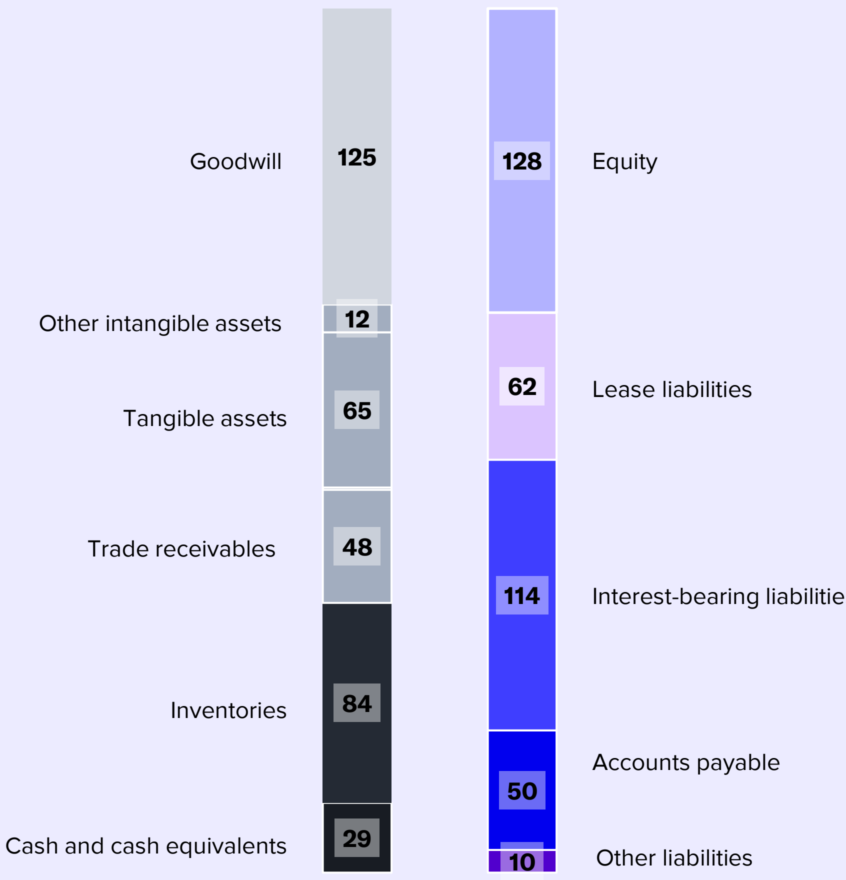
Another significant source of short-term assets is accounts receivable, which at the end of Q1' 25 were 47.7 MEUR. The company had 29.4 EUR in cash and cash equivalents at the end of Q1'25. We consider the balance sheet assets to be current and we do not believe they involve material write-down risks thanks to healthy Group-level profitability and return on capital levels.

Balance sheet offers leverage

At the end of Q1'25, the Group's gearing ratio excluding lease liabilities was 66% and the company had approximately 113.2 MEUR in bank loans. Thus, the company had net debt of 146.7 MEUR (excluding lease liabilities 84.7 MEUR), and consequently, the company's net debt to EBITDA ratio for the previous four quarters was 2.9x. In our view, this is a sustainable level considering the company's business risk level. It should be noted, however, that the balance sheet at the end of Q1'25 does not include the recent acquisitions of Matro Group and TVH, but it does include other acquisitions made in the previous 12 months. Correspondingly, the EBITDA of the previous 12 months does not fully take into account their profit impact. Overall, we consider the company's financial position to be good, as our end-2026 net debt/EBITDA forecast, which takes into account the full impact of the aforementioned acquisitions, is 3x and financing for acquisitions is secured. Based on the company's comments, it will also raise equity financing in the next less than 18 months, which will reduce leverage.

The most significant items in current liabilities were trade payables and other liabilities (50.4 MEUR). Short-term lease liabilities, which reflect annual rental expenses, amounted to 14.2 MEUR.

Balance sheet structure Q1'25
(364 MEUR)



Source: Relais and Inderes

Investment profile

Relais is a growth company

At Group level, Relais has in recent years been profiled as a company that buys, owns and develops business operations over a long period of time. In addition, the company's business model revolves around allocating the cash flow generated by the owned businesses to acquisitions. Thus, at Group level, Relais has moved toward a serial consolidator business model from the previous business model, which was built purely around wholesale activities.

We believe that thanks to its target markets Relais still has a lot of opportunities to grow and feel that investing in growth is also the right choice for investors if it generates value (i.e. return on equity exceeds the cost of eequity). Considering the growth strategy and organic growth outlook of the market, we expect growth to continue to be mainly driven by acquisitions.

Considering the value creation potential of the company's strategy and inorganic growth and the moderate profit distribution policy in line with this, we believe that the role of dividends is to support the investor's expected return. Similarly, we believe that the most significant component in terms of expected return is value creation through acquisitions and developing the businesses it owns (i.e. investing in their organic growth with a high return on capital).

Positive value drivers and opportunities

In our view the main strengths and value drivers of the company are:

Acquisition machinery: Relais has grown strongly in recent years and in 2020-2025 the company has carried out 15 acquisitions (including the still uncompleted Matro Group acquisition). The acquisitions have complemented distribution and wholesale business activities, so acquisitions generate slight synergy in revenue and have strengthened organic growth potential. In addition, the company has expanded into the commercial vehicle repair and maintenance business, creating a growth platform for this business (platform acquisition), which further enables the implementation of new complementary acquisitions (add-on acquisition). The acquisitions have been carried out with reasonable valuation multiples, which gives good conditions for value creation.

Market potential of vehicle aftermarket: Relais' target market is huge relative to the company's own size class. We estimate that the company has significant room to grow, considering that the company looks for potential target markets also outside the current business areas. This will further increase the number of potential acquisition targets. Thus we do not see that the size of the target market would limit the possibilities of implementing the growth strategy in the foreseeable future.

Cash flow defensiveness: The profitability profile of Relais' businesses is good, and the development of the vehicle aftermarket is stable over time. Thus, demand fluctuation is typically moderate, which means cash flow performance will also remain somewhat stable over time. This creates preconditions to implement the inorganic growth strategy evenly over economic cycles.

Weaknesses and risk factors

We believe Relais' main weaknesses and risks are:

Lack of competitive advantage and pricing power in businesses: Although spare parts and equipment, as well as repair and maintenance services are critical elements for vehicles, differentiation from competitors is challenging in the target market in the long run. We, therefore, believe it is difficult to create a structural and thus sustainable competitive advantage in wholesale and repair businesses, which would strengthen pricing power. These factors, together with a cost structure consisting largely of variable costs, limit the profitability potential of the business in the long term.

Business model that ties up working capital: The business model and extensive product offering require significant inventories. As a result of this, the lease liabilities of the repair and maintenance business, and the considerable burden of interest rate costs, the company's free cash flow is typically lower than the operating result, which we believe slows down the conditions for implementing the inorganic growth strategy to some extent.

The failure of acquisitions is an essential risk if acquisitions are carried out with high valuations and/or the assessment of the acquisition target's quality fails. The valuation of the transactions is essential because, in general, the organic growth outlook of the aftermarket is not particularly strong in the long run. However, we have not identified any failures in the acquisition already made.

Investment profile

1. Good historical track record in allocating capital to growth
2. Significant growth potential in the target market and accumulated experience in M&A
3. Flexible cost structure and mainly stable performance history
4. Business model consumes funds through working capital and lease obligations, limiting the amount of capital that can be reallocated
5. In the long run, the expected return is determined by the success of the capital reallocation

Potential

- Demand drivers are not susceptible to cyclical fluctuations, so demand is defensive
- If Relais is a successful serial consolidator it has good preconditions to generate ROI that exceeds the cost of equity
- In a large and fragmented market the number of potential acquisition targets is huge
- Relatively flexible cost structure

Risks

- The business requires significant inventories that tie up working capital and depress cash flow
- Usual risks associated with the implementation of an inorganic growth strategy
- No identifiable sources of strong and sustainable competitive advantages in the business
- Low liquidity of the share

Estimates 1/4

Estimate model

We forecast Relais' revenue development through the development of the Technical Wholesale and Products and the Commercial Vehicle Repair and Maintenance business areas. We estimate the segment development in the short and medium term primarily based on expected market growth, estimated sales synergies and already realized acquisitions. In assessing short-term profitability, we model the relative and absolute development of the company's sales margin and cost structure at quarterly and annual level and in the medium-term at annual level.

Our longer-term estimates for growth are based on estitarget market growth and for profitability on historical profitability levels and profitability levels that we deem sustainable in the longer term. Our estimates do not consider unimplemented acquisitions as their detailed prediction is practically impossible.

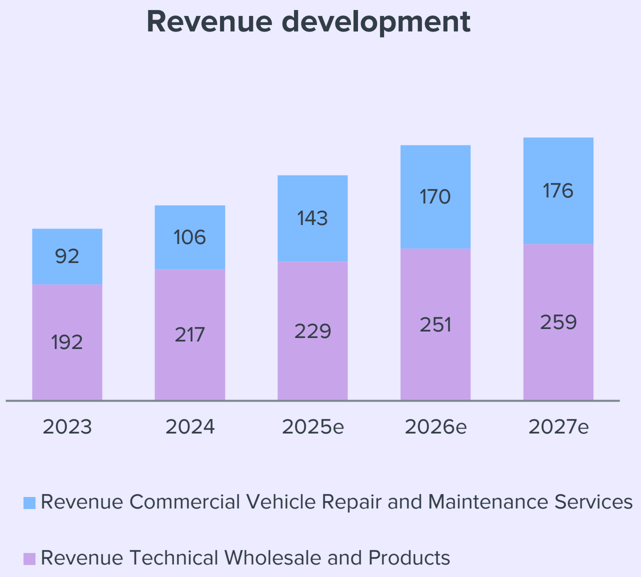
The beginning of the year went according to expectations

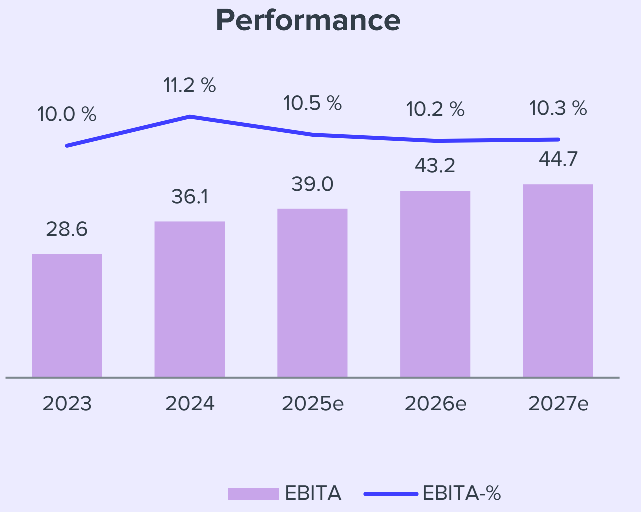
As usual, Relais has not provided numerical guidance for 2025, but the company's longer-term financial target has been set for the end of the current year, which indicates the short-term target level for inorganic growth.

In Q1'25, Relais' revenue decreased organically in both business areas, which was largely expected, as the comparison figures were strong. This was particularly evident in the product business, boosted by the harsh winter of 2024. Also in Q2, this business faces a strong comparison period, as the strong start to the comparison year was still reflected in demand in Q2. As we understand it, the operating environment has remained fairly stable on the maintenance side, but on a general level, the emerging economic growth environment may slightly slow down the demand for services as drivers put into use equipment that has been in low demand or even out of service. In our understanding, the weakness seen especially in the Swedish economy has also been reflected in the sluggishness of the aftermarket. Against this backdrop, we forecast Relais' organic revenue to decline in the first half of 2025, but we expect it to pick up in the second half of the year, driven by product business. However, especially considering the quieter first half of the year, we forecast full-year organic revenue to decrease by slightly just over 1%.

In the first half of the year, growth has been strengthened by the M. Ahlqvist and Team Verkstad Sverige acquisitions, while the Matro Group and Team Verksted Holding acquisitions, presumably completed in June, strengthen growth in our forecasts for the second half of the year. Against this backdrop, we forecast the Group's revenue to increase by 15% to 372 MEUR in 2025.

Reflecting the revenue growth, we forecast Relais' EBITA to increase to 39.0 MEUR. However, this corresponds to a lower profitability of 10.5% compared to the previous year (2024: 11.2% EBITA-%), as the excellent H1'24 strengthens the comparison figures, and we also estimate that the acquisitions have slightly lowered the Group's profitability level. All in all, however, we estimate that Relais' operational efficiency is at a good level and the "utilization rates" of maintenance and repair operations are at a good level. Reported financing costs are decreased by exchange rate gains in the first half of the year, but we estimate that the tax rate for the current year will be at its normal level.





Source: Inderes

Estimates 2/4

Thus, we forecast a net result of 22.5 MEUR for 2025, which corresponds to earnings per share EUR 1.43 (adjusted for PPA depreciation). In line with the dividend policy and earnings growth, we expect the company to raise its dividend to EUR 0.52 per share (2024: EUR 0.50).

Inorganic growth will be fully reflected in 2026

We expect economic growth to pick up towards the end of this year and to be running at a good pace in 2026. In our view, this supports the organic growth of both business areas, which is reflected in our 2026 forecasts with a growth of 2-3%, reflecting normal market growth. A faster organic growth rate is not out of the question, as based on the comments, the company also has significant sales synergy targets related to the acquisitions made. However, we have not relied on their realization in our forecasts, so there is room for positive surprise in next year's and especially in the 2027 growth forecast in this respect.

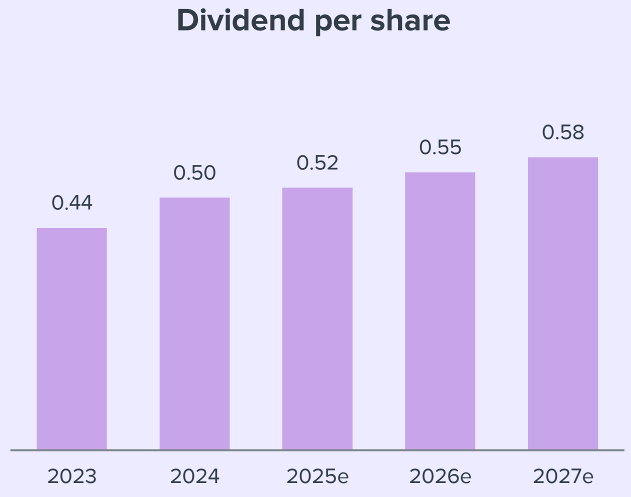
Reflecting the Matro Group and TVH acquisitions, which will be included in mid-2025, we forecast revenue for 2026 to continue to grow strongly by 13% to 422 MEUR. In our view, it will be difficult for the Group to significantly improve from its current good level by increasing efficiency, but as a result of revenue growth and, on the other hand, a slightly changing revenue structure, we estimate that profitability in 2026 will remain somewhat stable. In our view, this requires maintaining a high level of operational performance, as it should be remembered that the repair and maintenance business has structurally lower profitability than the product businesses, and their relative share of revenue will increase next year. Against this background, our 2026 EBITDA forecast is 43.2 MEUR, and reflecting net financial expenses mirroring the debt level (including lease liabilities) and a normal tax rate, our adjusted EPS forecast is EUR 1.52 per share. We expect Relais to further increase its dividend to EUR 0.55 per share for 2026.

Development of cash flow and balance sheet position

Relais' relative net working capital has decreased in recent years, which is a result of growth in the Commercial Vehicle Repair and Maintenance businesses that tie up less working capital and, presumably to some extent, also improved working capital management. With the current business structure, we expect net working capital to be about 20% of revenue, i.e., one-fifth of revenue growth will be tied up in its net working capital. Reflecting this, we forecast that the company's cash conversion (operational cash flow/EBITDA) will on average be around 80% in our 2025-2028 forecasts. Free cash flow from operations in line with the moderate investment needs of some 4-5 MEUR but substantial IFRS16 debt payments (lease payments) will be clearly below the EBITDA (on average 50% of EBITDA), when excluding the impact of acquisitions on the free cash flow for 2025.

Forecast risks are quite moderate

It should be noted that our forecasts do not include future acquisitions, which are highly likely within a year. On the other hand, our forecast also does not



Source: Inderes

Estimates 3/4

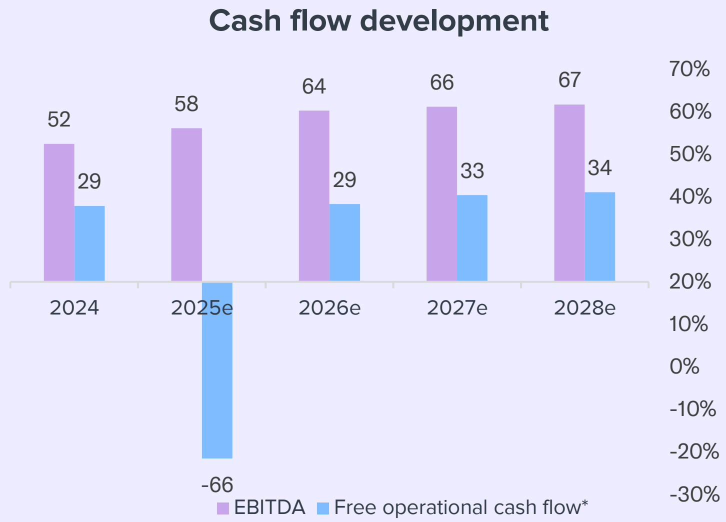
include the refinancing of the bridge financing taken for the TVH acquisition with equity financing. Thus, we believe that the role of estimates beyond the short term relative to Relais' value creation is much more limited than the average. However, we believe that the company has good prerequisites for equity financing, and we also estimate that the company will safeguard shareholder value in this arrangement as well (i.e. avoid an expensive financing solution).

Considering the recurring nature of the demand for the services business and the low share of discretionary demand, we feel Relais' demand risks should be limited, despite the uncertainties related to the operating environment and the start of growth. On the other hand, the demand for some companies' products is affected by winter weather conditions, which creates a demand risk in both directions. However, we also feel the profitability of the Service business is sensitive to changes in demand as personnel costs constitute a significant part of its costs. This increases the risks related to the profitability level somewhat. As mentioned earlier, the potential sales synergies from acquisitions represent the most significant positive estimate risk.

Longer-term forecasts

Our medium- and long-term growth estimates are based on the market growth we expect, which means they are at 2-3%. We expect Relais' EBITA margin to be around 10.5-11% in the same period. This is based on our assessment of the moderate scalability potential in the business model and the profitability potential of the current form of business. However, the Group-level profitability potential depends on the relative share of the different business areas, and, for example, stronger-than-expected growth in the product business and thus a higher relative share could increase the Group-level profitability potential. On the other hand, for example, a deterioration in the efficiency of the repair and maintenance business could again lower this potential.

In our forecasts, the company will not reach the 50 MEUR EBITA target (pro forma) set for the end of 2025. However, we estimate that the company will continue to make acquisitions in the near term. Considering the recent M&A transactions and their financing solutions, possible financing methods, and the assets within the framework of the current financing agreement, we estimate that the company has the prerequisites to achieve its financial target through M&A. As stated previously, we consider capital allocation and thus value creation from M&A (ROIC-% > WACC-%) clearly a more important metric than achieving the financial target. Thus, of greater importance than potentially achieving the target is how it is achieved.



Source: Inderes

* Note: The 2025 free cash flow reflects the announced acquisitions as investments

Estimates 4/4

Estimate revisions

- We have made marginal changes to our forecasts in connection with the report
- The revisions reflect the earlier-than-expected completion of the TVH acquisition, as a result of which we have already included it in our forecasts from June 2025 (previously July 2025).
- We have also revised our Q2'25 organic growth forecasts downwards, reflecting the news flow, particularly regarding the weakness of the operating environment in Sweden.
- The lower growth base in 2025 also negatively affected forecasts for the coming years, although relative growth rate forecasts remained unchanged.

Estimate revisions MEUR / EUR	2025e Old	2025 New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	373	372	0%	426	422	-1%	439	434	-1%
EBITDA	58.0	57.8	0%	65.6	64.4	-2%	67.6	65.9	-3%
EBIT (exc. NRIs)	39.2	39.0	-1%	44.4	43.2	-3%	46.4	44.7	-4%
EBIT	35.6	35.4	-1%	40.5	39.3	-3%	42.7	41.0	-4%
PTP	29.6	29.4	-1%	32.9	31.6	-4%	35.5	33.8	-5%
EPS (excl. NRIs)	1.44	1.43	-1%	1.58	1.52	-3%	1.67	1.60	-4%
DPS	0.52	0.52	0%	0.55	0.55	0%	0.58	0.58	0%

Source: Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	**284**	**82.8**	**74.3**	**74.9**	**90.7**	**323**	**82.8**	**74.9**	**97.9**	**117**	**372**	**422**	**434**	**443**
Technical Wholesale and Products	192	56.9	48.7	49.5	62.0	217	53.7	47.5	56.6	71.6	229	251	259	264
Repair and Maintenance	91.9	25.9	25.6	25.4	28.7	106	29.1	27.4	41.3	45.0	143	170	176	179
EBITDA	**43.5**	**13.5**	**11.1**	**13.0**	**14.3**	**51.9**	**13.0**	**10.2**	**16.6**	**17.9**	**57.8**	**64.4**	**65.9**	**66.7**
Depreciation	-18.4	-4.5	-4.5	-4.6	-5.3	-18.9	-4.9	-4.9	-6.3	-6.4	-22.4	-25.1	-24.9	-24.7
EBIT (excl. NRI)	**28.6**	**9.7**	**7.3**	**9.1**	**10.0**	**36.1**	**9.0**	**6.2**	**11.3**	**12.6**	**39.0**	**43.2**	**44.7**	**45.3**
EBIT	**25.1**	**9.0**	**6.6**	**8.4**	**9.0**	**33.0**	**8.1**	**5.3**	**10.4**	**11.6**	**35.4**	**39.3**	**41.0**	**42.0**
Relais Group	25.1	9.0	6.6	8.4	9.0	33.0	8.1	5.3	10.4	11.6	35.4	39.3	41.0	42.0
Net financial items	-7.4	-3.1	-1.7	-1.9	-2.5	-9.2	-0.6	-1.7	-1.8	-1.8	-6.0	-7.7	-7.2	-6.7
PTP	**17.7**	**5.8**	**4.9**	**6.5**	**6.5**	**23.8**	**7.5**	**3.6**	**8.5**	**9.8**	**29.4**	**31.6**	**33.8**	**35.3**
Taxes	-4.0	-2.0	-1.6	-1.9	0.2	-5.2	-1.6	-0.8	-1.9	-2.1	-6.5	-6.8	-7.3	-7.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2	-0.4	-0.9	-0.9	-0.9
Net earnings	**13.7**	**3.9**	**3.3**	**4.6**	**6.7**	**18.5**	**5.9**	**2.8**	**6.5**	**7.4**	**22.5**	**23.9**	**25.6**	**26.8**
EPS (adj.)	**0.95**	**0.25**	**0.22**	**0.30**	**0.44**	**1.21**	**0.37**	**0.20**	**0.41**	**0.46**	**1.43**	**1.52**	**1.60**	**1.63**
EPS (rep.)	**0.76**	**0.21**	**0.18**	**0.26**	**0.37**	**1.02**	**0.32**	**0.15**	**0.35**	**0.41**	**1.24**	**1.31**	**1.40**	**1.45**

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	9.0 %	20.0 %	15.8 %	6.6 %	12.0 %	13.5 %	0.1 %	0.8 %	30.6 %	28.6 %	15.4 %	13.3 %	3.0 %	2.0 %
Adjusted EBIT growth-%	24.1 %	28.4 %	52.2 %	8.9 %	27.8 %	26.5 %	-7.4 %	-15.6 %	24.1 %	25.4 %	8.0 %	10.7 %	3.5 %	1.3 %
EBITDA-%	15.3 %	16.3 %	14.9 %	17.4 %	15.8 %	16.1 %	15.7 %	13.6 %	17.0 %	15.4 %	15.5 %	15.3 %	15.2 %	15.0 %
Adjusted EBIT-%	10.0 %	11.7 %	9.8 %	12.2 %	11.0 %	11.2 %	10.8 %	8.2 %	11.6 %	10.8 %	10.5 %	10.2 %	10.3 %	10.2 %
Net earnings-%	4.8 %	4.7 %	4.4 %	6.2 %	7.4 %	5.7 %	7.1 %	3.7 %	6.6 %	6.4 %	6.1 %	5.7 %	5.9 %	6.0 %

Source: Inderes

NB! EBIT (excl. NRI) is the EBITA the company reports.

Valuation 1/3

We approach the valuation on earnings basis

We prefer earnings-based price multiples in our valuation for Relais. In our opinion, the best earnings multiples are the net profit-based adjusted P/E ratio and the EV/EBITA ratios adjusted by PPA depreciation and IFRS16 liabilities that take the company's balance sheet structure better into consideration which we examine in absolute terms. In relative valuation, we primarily use the EV/EBITDA ratio due to its better comparability. We examine the valuation primarily with valuation multiples for the current and next year.

We also rely on the expected total shareholder return of the next few years and the DCF model. However, their weakness is that they do not consider the potential for value creation of inorganic growth, which is why we believe they are best suited to value the current business mix. We feel the share's valuation relative to the justified valuation level of the current business entity reflects the extent to which the valuation relies on the potential value creation of future M&A transactions. In simple terms, if the share is priced through the current business's earnings performance, the investor gets the value creation potential of inorganic growth "for free". On the other hand, the more the valuation rises above the earnings potential of the current business, the more risk the investor bears as to how successful the allocation of capital to acquisitions will be in the future.

We believe that the pursuit of inorganic growth is the priority in capital allocation and, therefore, feel dividends should be primarily seen as a component that moderately supports the expected return.

Factors influencing valuation

We believe the key factors supporting and depressing Relais' valuation are:

- Growth and capital allocation: We believe that Relais' key value driver is growth through M&A transactions, i.e. capital reallocation. In light of the development in recent years, we consider the reallocation of capital successful. As we do not model acquisitions, we take them into account as part of our valuation and view.
- A defensive and moderately growing market reduces demand-related risk levels, but also means that the company must be able to maintain inorganic growth if it wants to continue growing faster than economic growthin the medium and long term.
- Company's cash flow profile and capital intensity: Relais' cash flow has historically been relatively good. The free cash flow and, thus, strategy implementation are limited by the working capital commitment of wholesale operations and the costs of repair and maintenance facilities (mainly lease liabilities shown in cash flow from financing). We, therefore, estimate that the company's free cash flow will be lower than the operating profit, limiting the reallocation of capital.
- In our opinion, the lack of strong competitive advantages may affect the competitive dynamics of the industry in the long run. This also limits the pricing power of the industry players and Relais, and thus the earnings potential.

Valuation	2025e	2026e	2027e
Share price	14.40	14.40	14.40
Number of shares, millions	18.2	18.3	18.4
Market cap	262	263	264
EV	493	479	463
P/E (adj.)	10.0	9.5	9.0
P/E	11.6	11.0	10.3
P/B	2.0	1.8	1.6
P/S	0.7	0.6	0.6
EV/Sales	1.3	1.1	1.1
EV/EBITDA	8.5	7.4	7.0
EV/EBIT (adj.)	12.6	11.1	10.4
Dividend/earnings (%)	42.0%	42.0%	41.5%
Dividend yield-%	3.6%	3.8%	4.0%

Source: Inderes

Valuation 2/3

The valuation is moderate based on LTM results

Based on the previous 12 months' results, Relais is valued at an adjusted P/E ratio of 11x and an adjusted EV/EBITA ratio of 10x, respectively. As a whole, we find these valuation multiples moderate and see a slight upside in them.

Earnings improvement brings down the valuation multiples

We forecast Relais' earnings per share growth to reach around 7% in Q1'25-2027e (CAGR-%) due to organic and already reported inorganic growth (Matro Group and TVH acquisitions). This will weigh on valuation multiples in the coming years, making them lower than the previous 12 months, and thus earnings growth will support the return expectation for the coming years.

The adjusted P/E ratios for 2025 and 2026, which take earnings growth into account, are 10x and 9x, while the corresponding adjusted EV/EBITA multiples are 11x and 9x. In terms of valuation multiples, it should be noted that only next year's multiples will fully reflect the impact of the most recent acquisitions, whereas their balance sheet impact has already been fully accounted for this year. Therefore, we are particularly looking at next year's valuation multiples, which we believe are moderate in relation to Relais' return on capital and also in the context of general stock market valuation levels. Thus, based on absolute valuation multiples, we believe the stock has upside.

Total expected return

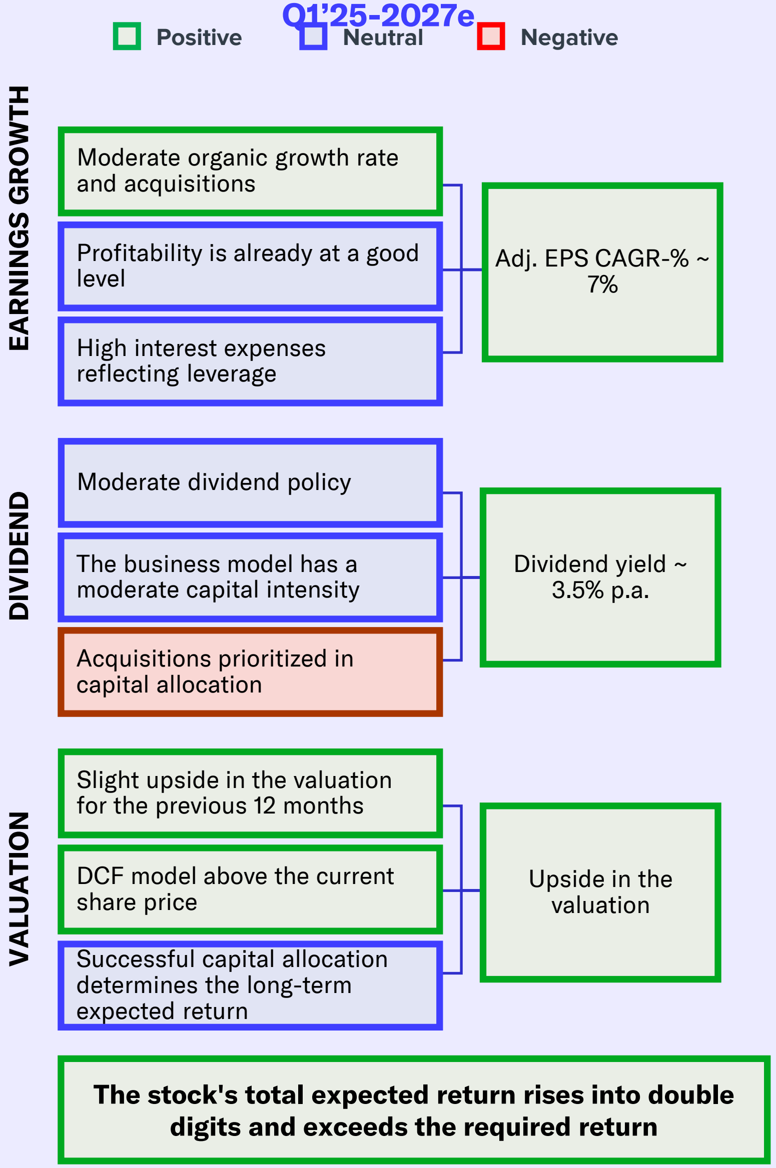
According to our forecasts, the dividend yield for 2025-2027 is at 3.5-4% in the coming years. Thus, the expected return consisting of earnings growth and dividend yield rises to a double-digit level, in addition to which we believe there is a slight upside in the valuation. We believe that this means that good expected return in the coming years does not require capital allocation to acquisitions. Considering these factors, we view the stock's risk/reward ratio as attractive, as we expect the reallocation of capital to strengthen the return expectation.

Peer group and relative valuation

We have created two peer groups for Relais, consisting of companies involved in the international vehicle aftermarket and Nordic serial consolidators. The players in the first peer group are, as a whole, very similar to Relais' operational businesses. Most or a considerable share of the players' business comes from distribution in addition to which several players also have expanded into service business. Thus, their businesses have quite similar characteristics as the businesses owned by Relais (competitiveness elements, earnings model and risk profile).

The second peer group consists of serial consolidators whose business model is similar to that of Relais at Group level, i.e. it is based on continuous acquisitions. The businesses owned by the serial consolidators differ, but the value creation of all of them is largely based on successful capital allocation to inorganic growth. We feel that the peer groups provide a good framework for Relais' valuation.

Total shareholder return drivers Q1'25-2027e



Source: Inderes

Valuation 3/3

We consider the valuation level of the first peer group to be a rough minimum level for Relais' valuation and believe that it reflects a justified valuation of the businesses owned by Relais. We feel the valuation level of serial consolidators, in turn, illustrates how Relais can be priced if the company succeeds in capital allocation to acquisitions that creates value in the long run. However, we do not consider it justified to value Relais at the median level of the serial consolidators as the company's historical return on capital has been clearly below the return on capital of serial consolidators.

Based on key earnings-based multiples for the coming years, Relais' valuation is practically in line with comparable businesses, whose valuation we consider reasonable at the median level. Relative to the peer group of serial consolidators, Relais is valued at a significant discount of up to 55%. We find the valuation multiples for this peer group high, although we believe that players with a long track record of high ROE earn far higher valuation multiples than the average stock market valuation level. Nevertheless, the relative valuation difference may also narrow through this decrease in the median valuation of the peer group.

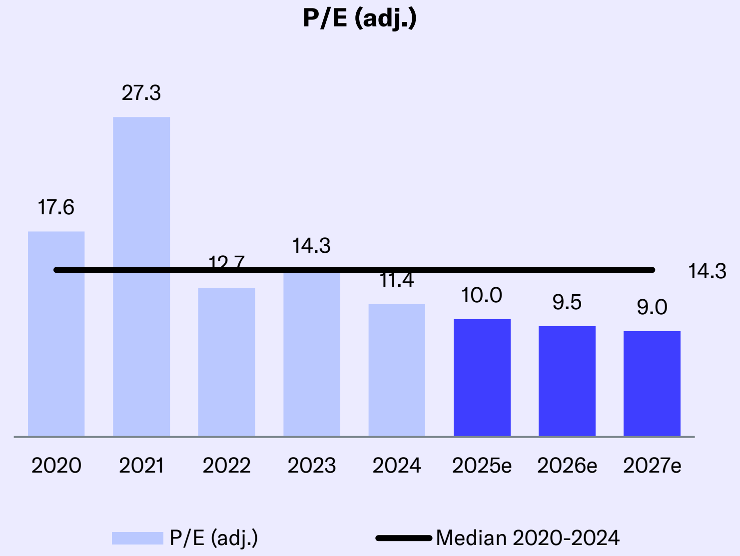
Considering the historical track record we believe that Relais' justified valuation level can be found in the middle ground of these two peer groups. At the same time, the relative valuation compared to both peer groups seems to act as a barometer of the extent to which the share's valuation level contains assumptions about the value creation of inorganic growth. In our view, the current valuation of Relais' share does not include expectations for value creation from new acquisitions, which makes it attractive.

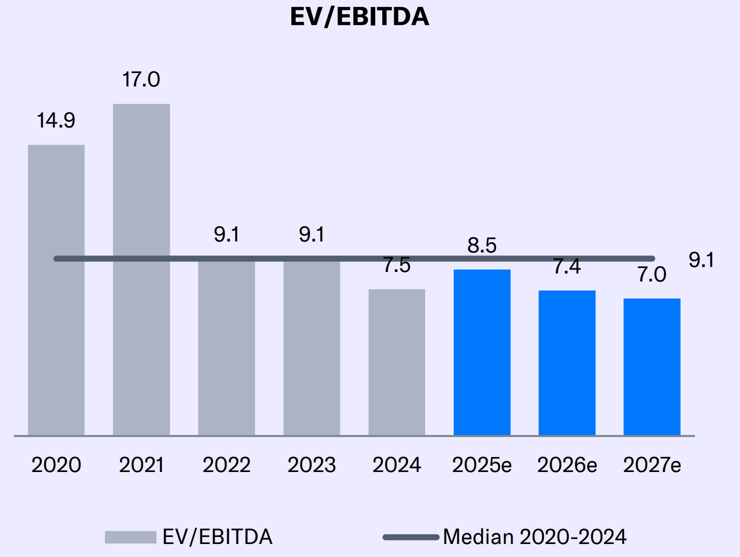
DCF model

The value our DCF calculation indicates for Relais' share is EUR 16.7 per share. In addition to our estimates for the next few years, our DCF model is based on our long-term estimates. Thus, the DCF model ignores the value creation potential of inorganic growth and acts as a yardstick, especially for the current entity. In the model, the cost of equity used is 9.3% while the average cost of capital (WACC-%) is 8.1%.

Target price and investment view

We reiterate our EUR 17.0 target price and Accumulate recommendation for Relais. In our view, the share valuation is quite reasonable with several indicators and thus the expected return for the next few years rises to a double-digit level even without the value creation of M&A transactions. However, we expect that the company will continue to allocate capital to inorganic growth, where we feel the company has a good track record in recent years. In our view, the fair value of the share is EUR 15.5-18.5 per share, but we note that the development of the fair value of the share is highly dependent on the rate of return on the company's capital allocation. The higher the return a company gets on capital allocated to acquisitions, the more the fair value of the share increases. On the other hand, if the return on capital of future acquisitions were to fall below our required rate of return, the fair value would decrease. As the company is expected to continue its active capital reallocation, the fair value of the company will develop accordingly.



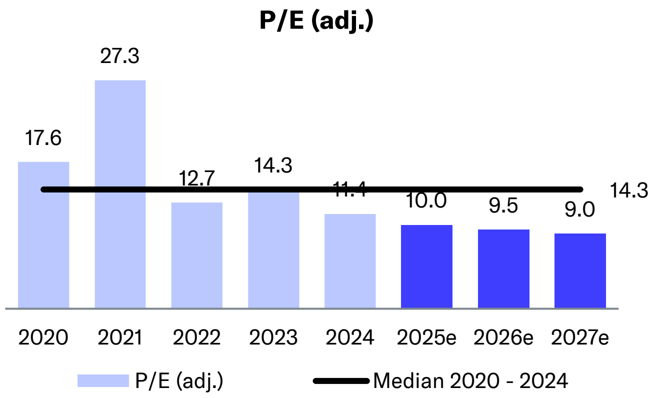


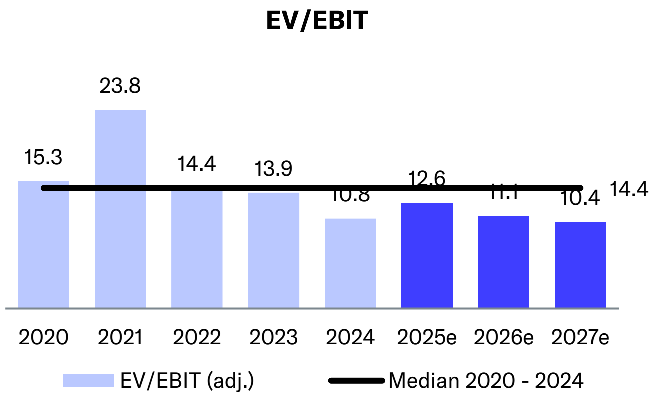
Source: Inderes

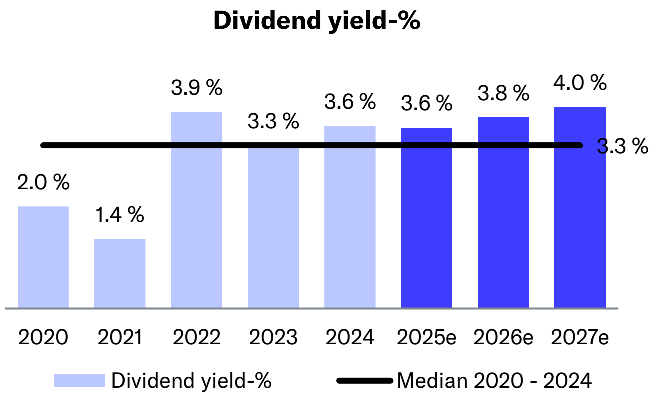
Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	14.7	26.0	10.2	13.5	13.7	**14.40**	**14.40**	**14.40**	**14.40**
Number of shares, millions	17.4	17.9	18.1	18.1	18.1	**18.2**	**18.3**	**18.4**	**18.4**
Market cap	256	466	185	245	248	**262**	**263**	**264**	**265**
EV	285	613	332	396	390	**493**	**479**	**463**	**446**
P/E (adj.)	17.6	27.3	12.7	14.3	11.4	**10.0**	**9.5**	**9.0**	**8.8**
P/E	36.9	32.5	18.4	17.8	13.4	**11.6**	**11.0**	**10.3**	**9.9**
P/B	3.6	4.5	1.8	2.2	2.1	**2.0**	**1.8**	**1.6**	**1.5**
P/S	2.0	2.0	0.7	0.9	0.8	**0.7**	**0.6**	**0.6**	**0.6**
EV/Sales	2.2	2.6	1.3	1.4	1.2	**1.3**	**1.1**	**1.1**	**1.0**
EV/EBITDA	14.9	17.0	9.1	9.1	7.5	**8.5**	**7.4**	**7.0**	**6.7**
EV/EBIT (adj.)	15.3	23.8	14.4	13.9	10.8	**12.6**	**11.1**	**10.4**	**9.8**
Payout ratio (%)	75.3 %	44.9 %	72.3 %	58.1 %	48.9 %	**42.0 %**	**42.0 %**	**41.5 %**	**41.3 %**
Dividend yield-%	2.0 %	1.4 %	3.9 %	3.3 %	3.6 %	**3.6 %**	**3.8 %**	**4.0 %**	**4.2 %**

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation 1/2

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**
Inter Cars SA	1823	2576	8.8	8.0	7.4	6.7	0.5	0.5	8.6	7.7	0.3	0.4	1.3
Advance Auto Parts Inc	2507	2610	18.0	10.3	6.7	5.4	0.4	0.4	25.5	15.1	2.1	2.1	1.4
Duell	34	63	14.9	11.5	7.8	6.8	0.5	0.5	24.5	12.0	1.8	3.7	0.6
Auto Partner SA	599	705	9.2	7.5	7.9	6.4	0.6	0.5	9.8	7.8	1.0	1.0	
Genuine Parts Co	14368	17999	12.1	11.7	10.2	9.5	0.9	0.8	15.5	14.0	3.4	3.6	3.5
LKQ Corp	8320	11953	10.0	9.4	8.1	7.7	1.0	0.9	10.6	9.9	3.5	3.8	1.4
O'Reilly Automotive Inc	66182	70919	23.7	21.8	20.9	19.4	4.6	4.4	30.3	27.0			
Autozone Inc	52314	59761	18.8	17.2	16.1	14.9	3.6	3.4	24.5	21.5			
Bapcor Ltd	928	1231	12.5	11.2	8.0	7.3	1.1	1.0	17.2	14.8	3.4	3.8	1.8
Mekonomen AB	568	1152	12.1	10.5	6.3	5.9	0.7	0.6	9.0	7.9	3.7	4.0	0.9
Relais Group (Inderes)	**262**	**493**	**12.6**	**11.1**	**8.5**	**7.4**	**1.3**	**1.1**	**10.0**	**9.5**	**3.6**	**3.8**	**2.0**
Average			**14.0**	**11.9**	**9.9**	**9.0**	**1.4**	**1.3**	**17.5**	**13.8**	**2.4**	**2.8**	**1.6**
Median			**12.3**	**10.9**	**7.9**	**7.1**	**0.8**	**0.7**	**16.3**	**13.0**	**2.7**	**3.6**	**1.4**
Diff-% to median			**3%**	**2%**	**8%**	**5%**	**75%**	**56%**	**-38%**	**-27%**	**33%**	**5%**	**46%**

Source: Refinitiv / *Inderes' adjusted forecast.

Note: The market capitalization used by Inderes does not take into account the company's own shares held by the company.

Peer group valuation 2/2

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/Sales		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**
Relais Group OYJ	255	401	12.0	11.6	8.4	8.9	1.3	1.2	12.9	11.2	3.3	3.5	2.1
Indutrade AB	8636	9341	25.0	22.6	17.9	16.4	3.1	2.9	33.1	29.1	1.2	1.3	5.3
Bergman & Beving AB	752	918	23.0	23.7	13.9	13.4	2.0	2.0	32.9	27.7	1.4	1.4	3.6
Momentum Group AB	729	783	27.6	24.8	18.6	16.9	2.6	2.4	34.2	31.2	0.9	1.1	9.2
Bufab AB	1550	1834	20.3	18.0	16.3	14.7	2.4	2.3	25.7	21.9	1.3	1.5	4.0
Addtech AB	7975	8432	33.8	31.5	25.3	23.9	4.2	4.0	45.8	41.3	1.0	1.1	11.3
Beijer Ref AB	6902	7810	22.3	20.6	17.7	16.3	2.3	2.1	30.1	26.5	1.0	1.1	3.0
Beijer Alma AB	1221	1492	16.1	14.2	11.9	11.0	2.1	2.0	20.1	17.0	1.8	1.9	2.8
Lifco AB (publ)	15020	15799	32.7	30.5	25.0	23.6	6.2	5.9	44.8	42.0	0.7	0.8	8.5
Lagercrantz Group AB	4200	4899	37.4	33.2	26.4	24.4	5.7	5.2	45.2	39.8	1.0	1.1	10.7
Volati AB	979	1256	18.6	15.7	12.3	10.4	1.5	1.5	22.2	17.4	1.1	1.5	4.9
Boreo	44	103	13.7	11.4	8.9	7.9	0.7	0.6	15.3	9.7	0.3	0.3	1.2
AddLife AB	2219	2622	34.4	29.9	17.4	16.2	2.7	2.5	55.7	41.5	0.6	0.8	4.3
Addnode Group AB (publ)	1264	1350	26.0	21.5	15.5	13.8	2.6	2.5	37.9	28.8	1.1	1.3	5.2
Instalco AB	594	988	15.0	11.1	8.6	7.1	0.8	0.7	12.7	9.2	2.7	3.2	1.8
Seafire AB (publ)	21	42	13.6	9.3	5.4	4.8	0.5	0.5	8.7	6.4			0.4
Sdiptech AB (publ)	741	741	9.1	8.3	6.4	6.0	1.5	1.4	19.1	15.1			1.7
Fasadgruppen Group AB (publ)	157	366	10.9	8.1	6.8	5.8	0.7	0.7	5.6	4.2	2.8	3.8	0.7
Berner Industrier	88	98	13.6	12.2	9.3	8.7	1.1	1.0	18.3	16.3	2.7	3.1	3.6
Relais Group (Inderes)	**262**	**493**	**12.6**	**11.1**	**8.5**	**7.4**	**1.3**	**1.1**	**10.0**	**9.5**	**3.6**	**3.8**	**2.0**
Average			**22.3**	**19.7**	**15.0**	**13.7**	**2.5**	**2.3**	**28.9**	**24.4**	**1.4**	**1.7**	**4.7**
Median			**22.3**	**20.6**	**15.5**	**13.8**	**2.3**	**2.1**	**30.1**	**26.5**	**1.1**	**1.3**	**4.0**
Diff-% to median			**-43%**	**-46%**	**-45%**	**-46%**	**-42%**	**-47%**	**-67%**	**-64%**	**222%**	**192%**	**-49%**

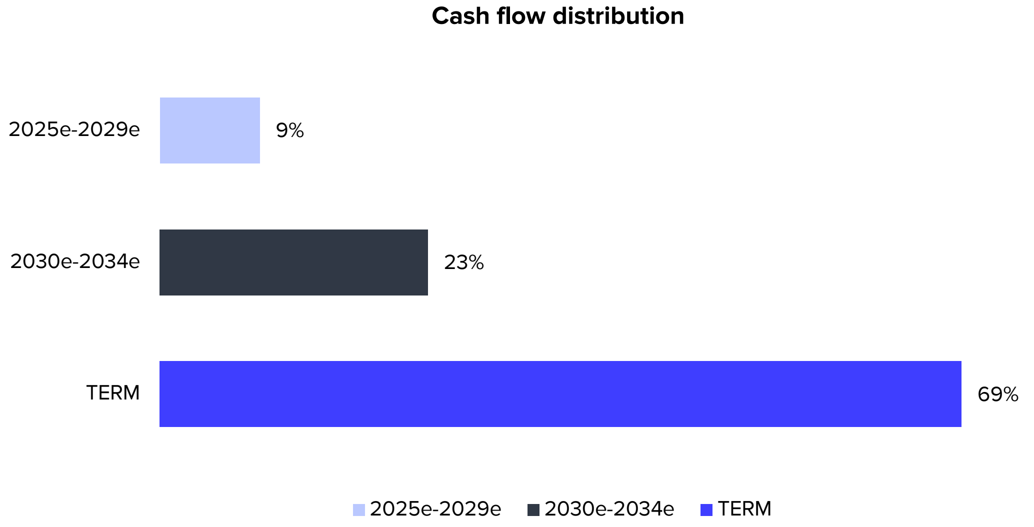
Source: Refinitiv / Inderes. NB! The market value used by Inderes does not take into consideration treasury shares.

DCF calculation

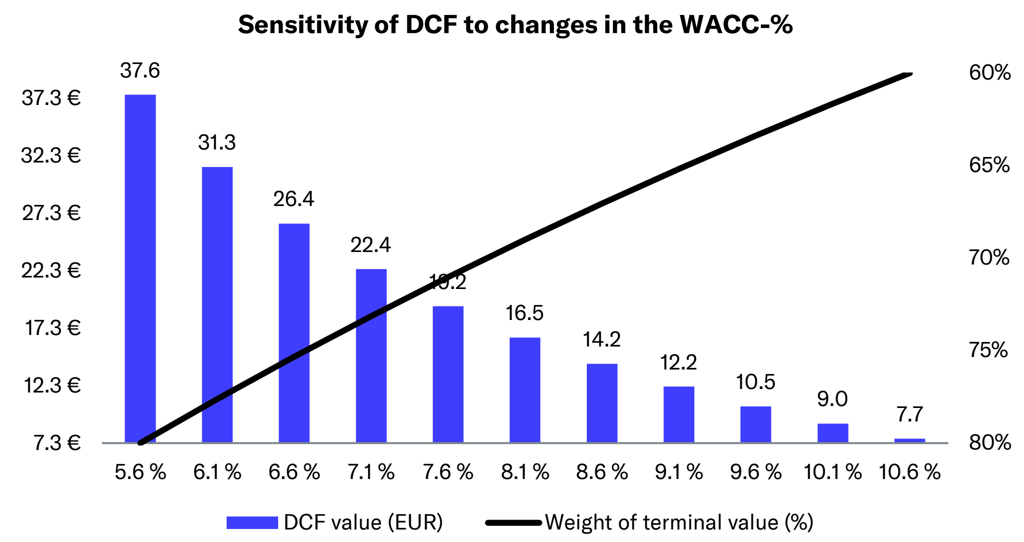
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	13.5 %	15.4 %	13.3 %	3.0 %	2.0 %	3.0 %	3.0 %	2.8 %	2.7 %	2.5 %	2.0 %	2.0 %
EBIT-%	10.2 %	9.5 %	9.3 %	9.4 %	9.5 %	10.5 %	10.5 %	10.6 %	10.7 %	10.4 %	10.4 %	10.4 %
EBIT (operating profit)	**33.0**	**35.4**	**39.3**	**41.0**	**42.0**	**47.9**	**49.4**	**51.2**	**53.1**	**52.9**	**54.0**	
+ Depreciation	18.9	22.4	25.1	24.9	24.7	23.7	23.4	22.8	22.8	22.9	22.9	
- Paid taxes	-4.0	-6.5	-6.8	-7.3	-7.6	-9.0	-9.4	-10.0	-10.5	-10.4	-10.7	
- Tax, financial expenses	-2.0	-1.3	-1.6	-1.5	-1.4	-1.3	-1.2	-1.0	-0.9	-0.9	-0.9	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-3.5	-11.3	-5.0	-2.6	-1.8	-2.7	-2.8	-2.7	-2.7	-2.6	-2.1	
Operating cash flow	**42.3**	**38.7**	**50.9**	**54.5**	**55.9**	**58.6**	**59.4**	**60.3**	**61.8**	**61.8**	**63.2**	
+ Change in other long-term liabilities	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-13.7	-105.2	-21.7	-21.9	-22.1	-22.4	-22.5	-22.9	-23.0	-23.2	-22.9	
Free operating cash flow	**28.5**	**-66.5**	**29.2**	**32.6**	**33.7**	**36.2**	**36.9**	**37.5**	**38.8**	**38.6**	**40.3**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	28.5	-66.5	29.2	32.6	33.7	36.2	36.9	37.5	38.8	38.6	40.3	673
Discounted FCFF		**-63.8**	**25.9**	**26.7**	**25.6**	**25.4**	**24.0**	**22.5**	**21.6**	**19.9**	**19.1**	**320**
Sum of FCFF present value		467	531	505	478	452	427	403	381	359	339	320
Enterprise value DCF		**467**										
- Interest bearing debt		-151										
+ Cash and cash equivalents		9.6										
-Minorities		-17.0										
-Dividend/capital return		-9.1										
Equity value DCF		**300**										
Equity value DCF per share		**16.7**										

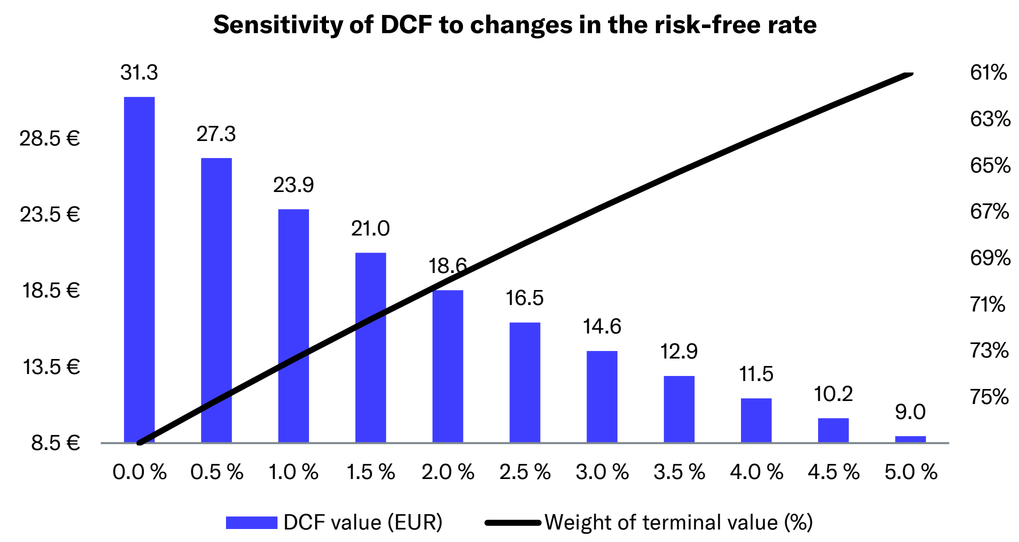
WACC	
Tax-% (WACC)	21.5 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	4.0 %
Equity Beta	1.2
Market risk premium	4.75%
Liquidity premium	1.2 %
Risk free interest rate	2.5 %
Cost of equity	**9.3 %**
Weighted average cost of capital (WACC)	**8.1 %**

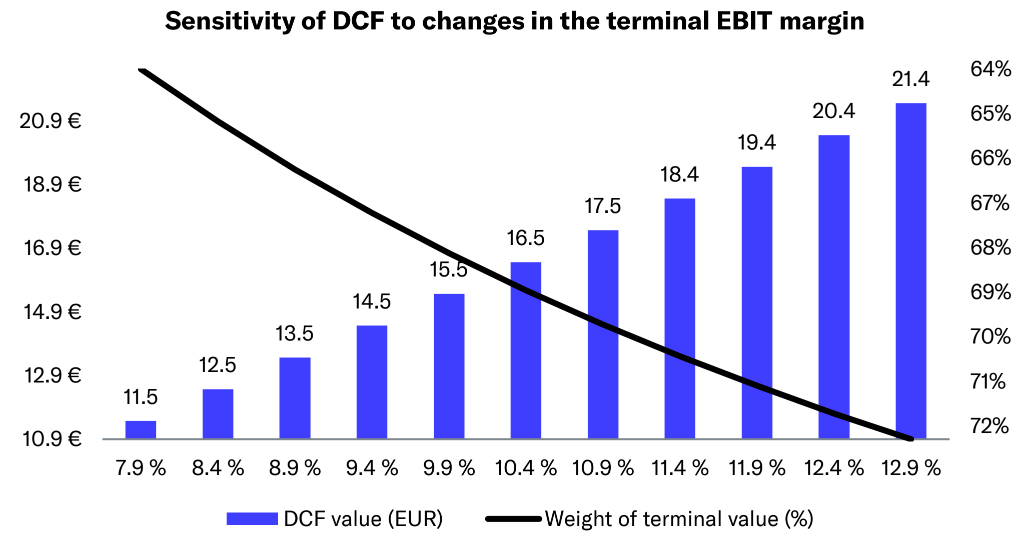
Source: Inderes

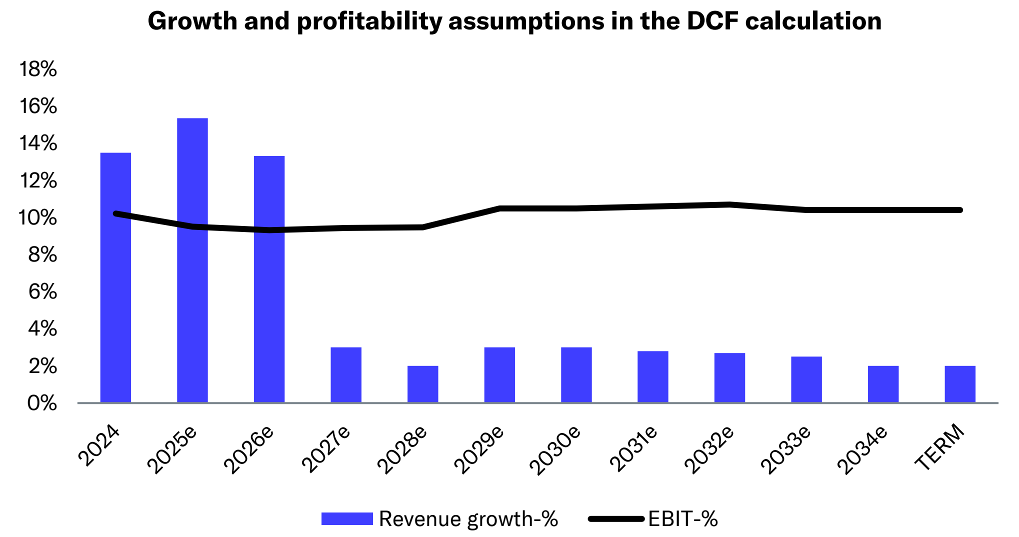


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	**204**	**196**	**279**	**276**	**273**
Goodwill	120	120	151	151	151
Intangible assets	13.1	12.0	21.6	19.9	18.5
Tangible assets	65.8	61.7	105	104	102
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.9	0.9	0.1	0.1	0.1
Deferred tax assets	4.0	1.6	1.6	1.6	1.6
Current assets	**125**	**134**	**160**	**175**	**180**
Inventories	74.1	83.7	96.8	103	106
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	41.4	40.6	52.1	59.0	60.4
Cash and equivalents	9.7	9.6	11.2	12.7	13.0
Balance sheet total	**329**	**330**	**439**	**451**	**453**

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**111**	**118**	**140**	**154**	**170**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	42.0	52.3	65.8	80.2	95.8
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	68.5	65.2	65.2	65.2	65.2
Minorities	0.0	0.0	8.5	8.5	8.5
Non-current liabilities	**144**	**135**	**194**	**189**	**174**
Deferred tax liabilities	5.2	4.0	4.0	4.0	4.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	139	131	190	185	170
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	0.1	0.0	0.0	0.0	0.0
Current liabilities	**74.3**	**77.3**	**106**	**108**	**109**
Interest bearing debt	21.8	19.6	34.6	28.3	27.6
Payables	46.8	53.7	67.0	75.5	77.3
Other current liabilities	5.7	4.0	4.0	4.0	4.0
Balance sheet total	**329**	**330**	**439**	**451**	**453**

Summary

Income statement	2022	2023	2024	2025e	2026e
Revenue	260.7	284.3	322.6	**372.2**	**421.7**
EBITDA	36.6	43.5	51.9	**57.8**	**64.4**
EBIT	19.7	25.1	33.0	**35.4**	**39.3**
PTP	13.1	17.7	23.8	**29.4**	**31.6**
Net Income	10.0	13.7	18.5	**22.5**	**23.9**
Extraordinary items	-3.3	-3.4	-3.1	**-3.6**	**-3.9**

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	312.8	329.1	330.2	**439.2**	**450.8**
Equity capital	103.9	110.7	117.6	**139.5**	**154.0**
Goodwill	118.2	120.1	120.1	**150.7**	**150.7**
Net debt	147.2	151.0	141.3	**213.5**	**200.6**

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	36.6	43.5	51.9	**57.8**	**64.4**
Change in working capital	-1.8	-0.3	-3.5	**-11.3**	**-5.0**
Operating cash flow	29.8	33.0	42.3	**38.7**	**50.9**
CAPEX	-16.1	-24.1	-13.7	**-105.2**	**-21.7**
Free cash flow	13.1	9.0	28.5	**-66.5**	**29.2**

Valuation multiples	2022	2023	2024	2025e	2026e
EV/S	1.3	1.4	1.2	**1.3**	**1.1**
EV/EBITDA	9.1	9.1	7.5	**8.5**	**7.4**
EV/EBIT (adj.)	14.4	13.9	10.8	**12.6**	**11.1**
P/E (adj.)	12.7	14.3	11.4	**10.0**	**9.5**
P/B	1.8	2.2	2.1	**2.0**	**1.8**
Dividend-%	3.9 %	3.3 %	3.6 %	**3.6 %**	**3.8 %**

Source: Inderes

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)	0.55	0.76	1.02	**1.24**	**1.31**
EPS (adj.)	0.80	0.95	1.21	**1.43**	**1.52**
OCF / share	1.64	1.82	2.33	**2.13**	**2.79**
OFCF / share	0.72	0.50	1.57	**-3.65**	**1.60**
Book value / share	5.73	6.10	6.49	**7.20**	**7.96**
Dividend / share	0.40	0.44	0.50	**0.52**	**0.55**

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	10%	9%	13%	**15%**	**13%**
EBITDA growth-%	2%	19%	19%	**11%**	**11%**
EBIT (adj.) growth-%	-11%	24%	27%	**8%**	**11%**
EPS (adj.) growth-%	-16%	18%	28%	**19%**	**6%**
EBITDA-%	14.0 %	15.3 %	16.1 %	**15.5 %**	**15.3 %**
EBIT (adj.)-%	8.8 %	10.0 %	11.2 %	**10.5 %**	**10.2 %**
EBIT-%	7.5 %	8.8 %	10.2 %	**9.5 %**	**9.3 %**
ROE-%	9.6 %	12.8 %	16.2 %	**18.1 %**	**17.3 %**
ROI-%	7.5 %	9.4 %	12.2 %	**11.2 %**	**10.7 %**
Equity ratio	33.2 %	33.6 %	35.6 %	**31.8 %**	**34.2 %**
Gearing	141.7 %	136.5 %	120.1 %	**153.0 %**	**130.3 %**

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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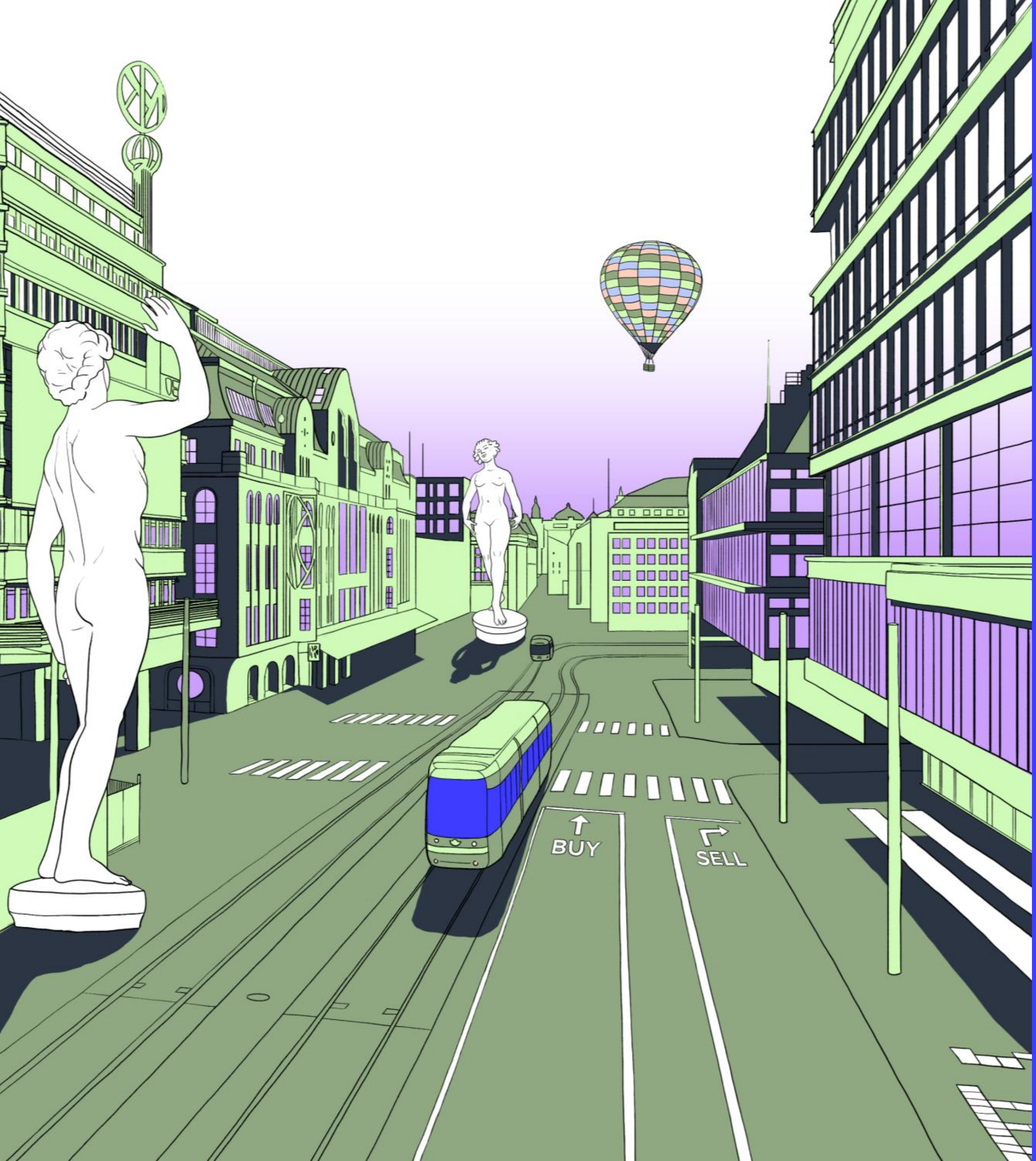
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
4/4/2022	Accumulate	24.00 €	21.00 €
5/13/2022	Accumulate	20.00 €	18.00 €
8/9/2022	Accumulate	14.50 €	13.25 €
8/12/2022	Accumulate	14.00 €	12.20 €
11/9/2022	Buy	13.00 €	10.45 €
11/11/2022	Buy	13.50 €	10.95 €
3/1/2023	Accumulate	13.50 €	11.50 €
3/3/2023	Accumulate	13.50 €	12.50 €
5/5/2023	Accumulate	15.50 €	14.00 €
5/30/2023	Accumulate	15.50 €	13.15 €
8/11/2023	Accumulate	15.50 €	13.15 €
11/3/2023	Buy	15.50 €	11.35 €
3/7/2024	Buy	15.00 €	12.65 €
5/9/2024	Buy	15.00 €	12.50 €
6/5/2024	Buy	15.00 €	12.70 €
8/15/2024	Accumulate	16.50 €	14.45 €
11/8/2024	Accumulate	16.50 €	14.50 €
2/14/2025	Buy	16.50 €	14.10 €
4/8/2025	Buy	16.50 €	13.12 €
5/6/2025	Accumulate	17.00 €	14.45 €
5/14/2025	Accumulate	17.00 €	15.20 €
6/19/2025	Accumulate	17.00 €	14.40 €



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