

RELAIS GROUP

10/23/2025 11:33 am EEST

This is a translated version of "Pellin alla odotetunlaisesti
vääntöä" report, published on 31.8.2024



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INDERES CORPORATE CUSTOMER
COMPANY REPORT



Torque under the hood, as expected

Relais' performance in Q3 was operationally slightly better than we anticipated, as its wholesale operations achieved strong organic growth despite subdued market development. In line with our slightly raised overall estimates, we are raising our target price for Relais to EUR 19.0 (was EUR 18.5) The share is currently moderately valued, so we reiterate our Accumulate recommendation.

Organic growth is going strong

Relais' Q3 revenue grew by as much as 35% year-on-year to 101 MEUR, which exceeded our 97 MEUR estimate. The majority of the growth came from acquisitions, [particularly the TVH acquisition](#), which bolstered the Repair and Maintenance business area. We view the wholesale market development in operating countries as relatively stable, against which the 7% organic growth in the Technical Wholesale and Products business area was a strong performance and another sign of its competitiveness. This is also why our estimates were exceeded. At the same time, the slight organic decline in revenue in Repair and Maintenance reflects, in our view, the subdued market situation rather than company-specific factors.

The operating result adjusted for amortization of acquisitions (EBITA) for Q3'25 was 8.8 MEUR, which was below our forecast. However, this is attributable to the amortization of acquisition-related fair-value adjustments (1.7 MEUR), which would have brought the result quite in line with our forecast when adjusted. Taking this into account, the earnings development of the underlying businesses was largely in line with our expectations. We have adjusted this non-recurring PPA amortization in line with other similar amortizations, resulting in adjusted earnings per share of EUR 0.37 for Q3, which is again well in line with our forecast.

We made minor upward revisions to our forecasts

Following the Q3 report, we have made slight positive adjustments to our growth estimates, raising our expected trend for organic growth in the Technical Wholesale and Products business area, as it delivered surprisingly positive results. These were also reflected in the operational earnings forecasts for the coming years, which rose by 5% at the EBITA level. However, slightly higher net financing cost projections offset some of this, resulting in just a 3% change in projected earnings per share. Relais' financial position is quite good (net debt/EBITA 2.4x according to our calculations), enabling the company to make considered and selective acquisitions and thus continue allocating capital in line with its strategy. We expect the new CEO to continue with this proven company playbook, and we do not expect the upcoming strategy update to bring any significant changes to the big picture.

Price tag is cheap

The P/E and EV/EBITA multiples for next year, which fully account for the acquisitions Relais has already made and are therefore more relevant, are just under 11x and just over 9x. In our opinion, these multiples are quite reasonable and there is upside given Relais' operational business and track record in capital allocation. Relais is valued roughly in line with companies engaged in similar businesses, whereas compared to serial acquirers, the valuation is at a significant discount. In our opinion, Relais' justified valuation lies somewhere between these two peer groups. Thus, when viewed through the lens of peer valuation, we believe that the current valuation level does not reflect value created through capital allocation. Given the company's track record and financial position, we believe it is reasonable to rely on its continuation, so we find the risk-reward ratio of the stock is attractive.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 19.00

(was EUR 18.50)

Share price:

EUR 16.75

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	322.6	386.8	445.5	458.8
growth-%	13%	20%	15%	3%
EBIT adj.	36.1	39.0	47.8	49.7
EBIT-% adj.	11.2 %	10.1 %	10.7 %	10.8 %
Net Income	18.5	18.0	24.2	25.9
EPS (adj.)	1.21	1.35	1.54	1.62
P/E (adj.)	11.4	12.4	10.9	10.4
P/B	2.1	1.7	1.6	1.5
Dividend yield-%	3.6 %	3.1 %	3.3 %	3.5 %
EV/EBIT (adj.)	10.8	13.1	10.5	9.8
EV/EBITDA	7.5	8.7	7.2	6.9
EV/S	1.2	1.3	1.1	1.1

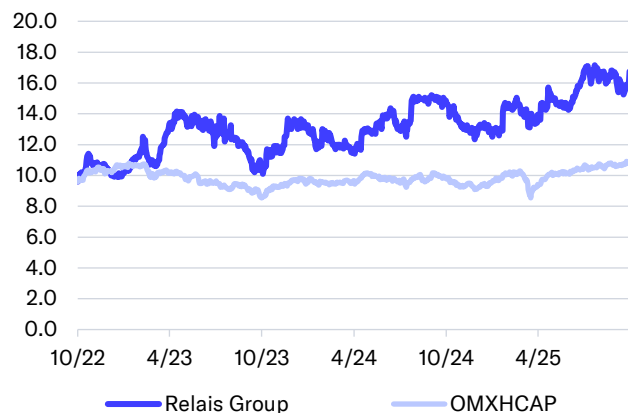
Source: Inderes

Guidance

(Unchanged)

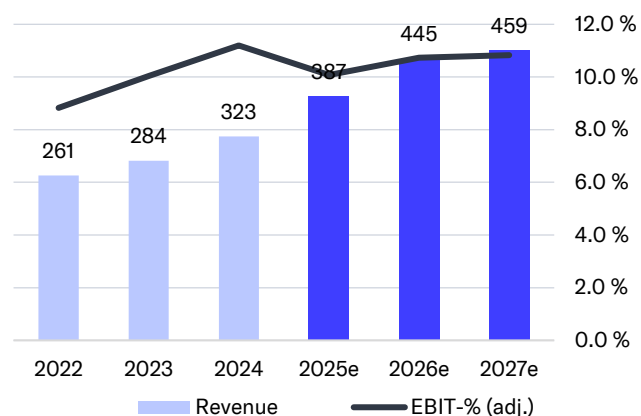
Relais Group does not provide a numeric guidance for the financial year 2025. The company has a long-term financial target published on February 3, 2023, according to which it aims to reach a proforma comparable EBITA of 50 MEUR by the end of the year 2025.

Share price



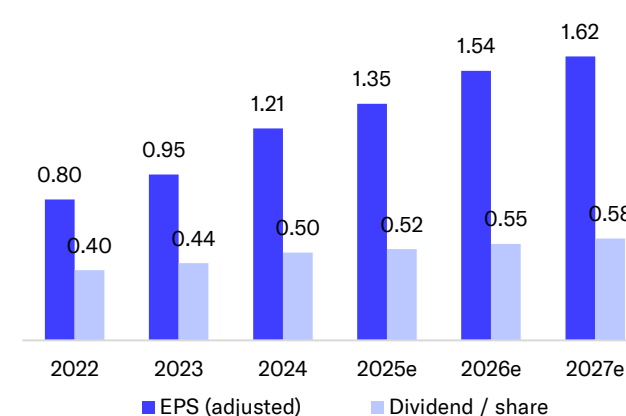
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



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
- Low liquidity of the stock

Valuation	2025e	2026e	2027e
Share price	16.75	16.75	16.75
Number of shares, millions	18.2	18.3	18.4
Market cap	305	306	307
EV	510	502	489
P/E (adj.)	12.4	10.9	10.4
P/E	17.7	14.5	13.6
P/B	1.7	1.6	1.5
P/S	0.8	0.7	0.7
EV/Sales	1.3	1.1	1.1
EV/EBITDA	8.7	7.2	6.9
EV/EBIT (adj.)	13.1	10.5	9.8
Payout ratio (%)	52.7 %	41.5 %	41.1 %
Dividend yield-%	3.1 %	3.3 %	3.5 %

Source: Inderes

Organic growth is going strong

Organic growth offered a positive surprise

As expected, acquisitions drove Relais' 35% revenue growth in Q3, but organic revenue growth offered a positive surprise. At the country level, Q3 was a continuation of recent developments, with the Scandinavian markets driving organic growth, although Finland and the Baltics also gained momentum, in contrast to before.

Revenue from the Technical Wholesale and Products business grew by 21% in Q3, surpassing our 15% forecast. As anticipated, this growth was largely driven by revenue contributed from the TVH acquisition as well as the Matro Group acquisition. However, organic growth of 7% was also a key driver of growth, exceeding our zero-estimate based on our understanding of market developments. Management comments indicate that organic growth was driven by strong starts in lighting sales, as well as product sales to workshops in Sweden and Norway.

Repair and Maintenance operations grew by an impressive 65%, driven by inorganic growth. Organically, its revenue declined by 3%, which was partly due to weak demand for trailer repair services in Finland and Sweden.

Result on track with our expectations, taking into account non-recurring items

Relais' EBITA in Q3 was 8.8 MEUR, thus falling short of our estimate. However, it should be noted that EBITA was burdened by amortization of inventory fair-value adjustments in connection with acquisitions, totaling 1.7 MEUR in Q3. Therefore, the earnings performance of the purely underlying businesses corresponded quite well with our forecast. We have adjusted this one-time PPA amortization in the same way as other similar amortizations. Based on this, as well as the unsurprising lower lines overall, adjusted EPS settled at EUR 0.37 per share, which is well in line with our estimate.

Working capital has eaten into cash flow

By the end of Q3'25, Relais' cash flow from operating activities was only 9.1 MEUR due to net working capital commitments and an increase in non-operating cash flow-related items. Consequently, organic free cash flow is significantly negative after IFRS 16 amortization, but the company's cash flow is typically strong in Q4. Nevertheless, free cash flow growth has been sluggish, and strengthening it going forward is critical for the company to continue allocating capital to growth.

Total net debt, excluding IFRS 16 liabilities, was 103.2 MEUR for the review period. This corresponds to a multiple of 2.2x relative to our 2026 EBITA forecast, which fully takes into account the acquisitions made. However, this figure does not yet include the 14 MEUR acquisition of Wetteri Auto, which took place in October and raises the figure to 2.4x. In our view, this remains well within the comfort zone, indicating that the financial position still allows for acquisitions in the short term.

Estimates	Q3'24	Q3'25	Q3'25e	Q3'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes
Revenue	74.9	101	97.4				4%
EBITDA	13.0	14.4	15.9				-9%
EBITA	9.1	8.8	10.4				-15%
PTP	6.5	4.4	6.5				-33%
EPS (adj.)	0.30	0.37	0.36				2%
Revenue growth-%	6.6 %	34.9 %	30.1 %				4.8 pp
EBITA-%	12.2 %	8.7 %	10.6 %				-1.9 pp

Source: Inderes

We made minor upward revisions to our forecasts

Estimate revisions

- In light of Relais' faster-than-expected organic growth, we have slightly increased our short- and medium-term revenue estimates
- We raised our short-term relative growth estimates for Technical Wholesale and Products, reflecting the better-than-expected trend and the company's market commentary
- However, the main driver of the increase in revenue estimates was the larger-than-expected outcome in Q3
- The upward revisions to our revenue estimates also flowed through to our operational earnings estimates, although we also made small positive adjustments to our gross margin estimates
- In line with the balance sheet structure and Q3 level, we slightly raised our net financing cost estimates for the coming years, which offset some of the increase in operational earnings estimates

Operational earnings drivers

- We estimate that Relais' revenue will grow by 20% in 2025, 1 pp of which is due to organic growth, and the remainder is due to completed acquisitions
- In 2026, revenue growth will continue to be primarily driven by acquisitions, though we expect more robust economic development to strengthen organic growth drivers. Thus, in our 2026 estimates, organic growth accelerates to 3%, with growth in both business areas
- Our 2025 EBITA estimate is 39 MEUR, but it should be noted that it only partially reflects the acquisitions made
- Our 2026 EBITA estimate is 47.8 MEUR, fully accounting for the completed acquisitions, which is only slightly below the company's financial target of 50 MEUR in comparable pro forma EBITA
- In terms of its financial position, Relais still has room for add-on acquisitions, but we consider continuous value creation through capital allocation to be more important than achieving the target

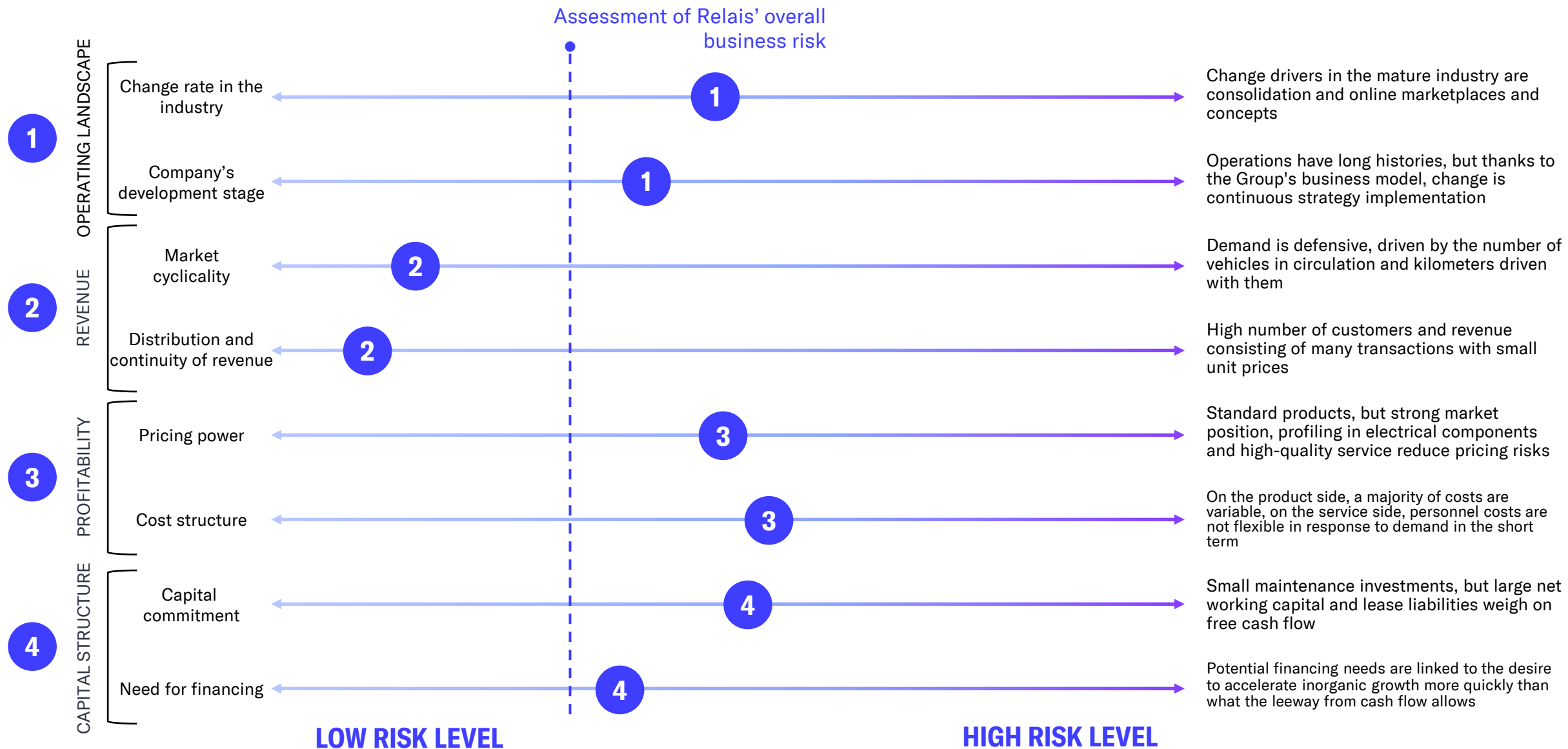
Estimate revisions	2025e	2025	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	382	387	1%	441	445	1%	454	459	1%
EBITDA	58.6	58.8	0%	67.2	69.4	3%	68.7	71.3	4%
EBIT (exc. NRIs)	38.9	39.0	0%	45.6	47.8	5%	47.1	49.7	5%
EBIT	33.6	33.7	0%	38.6	40.8	6%	40.1	42.7	6%
PTP	24.4	23.4	-4%	31.0	32.0	3%	33.1	34.1	3%
EPS (excl. NRIs)	1.27	1.35	6%	1.49	1.54	3%	1.57	1.62	3%
DPS	0.52	0.52	0%	0.55	0.55	0%	0.58	0.58	0%

Source: Inderes

Relais Interim Report January–September 2025



Risk profile of the business model



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

Price tag is cheap

Next year's multiples are not demanding

Acquisitions of significant size that Relais has already made have been fully reflected in the current year's balance sheet, while their impact on earnings will only be fully visible in next year's earnings projections. Therefore, we believe the 2026 valuation multiples are a more relevant benchmark than this year's figures. Based on 2026 estimates, the EV/EBITA multiple adjusted for the IFRS 16 effects is just over 9x and the corresponding adjusted P/E multiple is around 11x. We consider these to be quite moderate for current businesses and see a slight upside in them.

As far as we can tell, the value creation potential of Relais, in line with its business model, consists of two components: These are the existing businesses while the value creation potential of the acquisition strategy is another component. We consider the current valuation to be reasonable based on current operations alone, and therefore the current valuation does not set any expectations for value creation through capital reallocation. Thus, in our view, the current valuation offers an attractive opportunity for additional purchases in Relais' long-term growth story.

Relative valuation supports upside

We apply two peer groups to Relais, one of which consists of companies operating with a similar business model and the other of so-called serial consolidators. The business models of the latter peer group rely especially on value creation through active capital reallocation, which is especially based on successful acquisitions. In our view, it is relevant to compare Relais's valuation to both of these peer groups on a relative basis, as a valuation based solely

on operational business does not, in our view, give credit to the company's historical track record of capital allocation capabilities. Using earnings multiples, Relais is in practice valued in line with the median of a peer group consisting of international companies operating in the automotive aftermarket. In absolute terms, we believe this peer group is fairly valued, and we believe Relais' valuation is reasonable. Compared to a peer group of serial consolidators, the share is valued at a discount of just above 50% using valuation multiples for the coming years. In our view, Relais should be valued at a discount to serial consolidators, as the group has experienced more rapid value creation in recent years, as can be seen in their on average higher returns on capital. In addition, we believe that the valuation multiples of serial consolidators are quite high. We believe Relais should be valued in between its peer groups, so the relative valuation supports our view on the share's upside.

DCF slightly below target price

Our DCF model indicates a share value of EUR 18.5. In our view, the cash flow model is well suited for valuing Relais's existing business due to its stable nature, but it does not measure the value creation of capital reallocation. We believe that our cash flow model indicates that the current share valuation does not include expectations of value creation from future arrangements, whereas Relais' historical track record, in our view, to some extent supports relying on this.

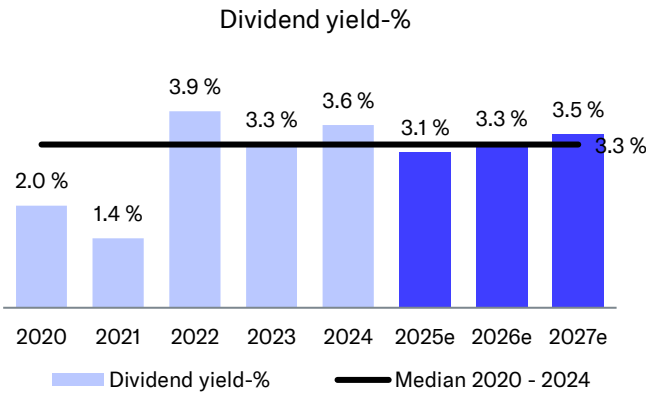
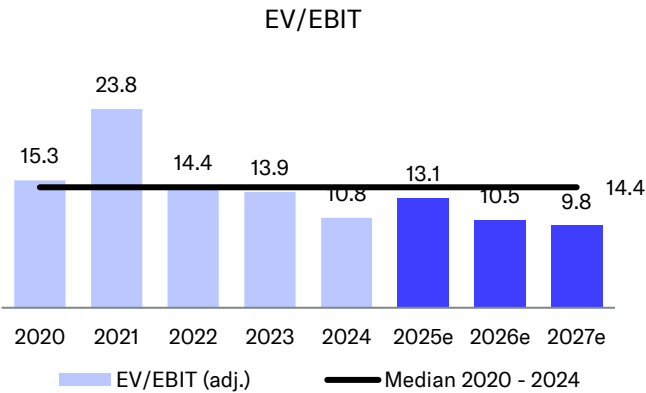
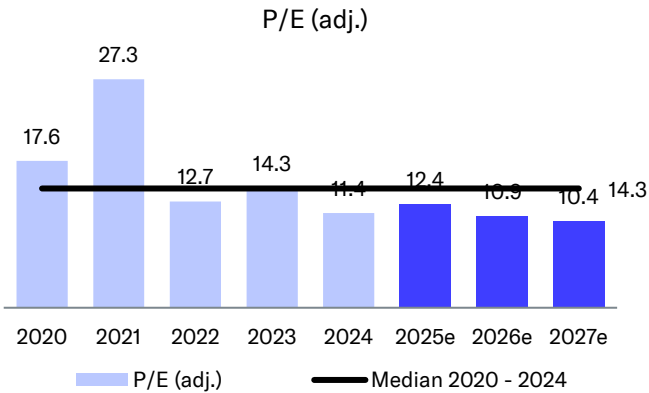
Valuation	2025e	2026e	2027e
Share price	16.75	16.75	16.75
Number of shares, millions	18.2	18.3	18.4
Market cap	305	306	307
EV	510	502	489
P/E (adj.)	12.4	10.9	10.4
P/E	17.7	14.5	13.6
P/B	1.7	1.6	1.5
P/S	0.8	0.7	0.7
EV/Sales	1.3	1.1	1.1
EV/EBITDA	8.7	7.2	6.9
EV/EBIT (adj.)	13.1	10.5	9.8
Payout ratio (%)	52.7 %	41.5 %	41.1 %
Dividend yield-%	3.1 %	3.3 %	3.5 %

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	16.75	16.75	16.75	16.75
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	305	306	307	309
EV	285	613	332	396	390	510	502	489	475
P/E (adj.)	17.6	27.3	12.7	14.3	11.4	12.4	10.9	10.4	10.0
P/E	36.9	32.5	18.4	17.8	13.4	17.7	14.5	13.6	12.9
P/B	3.6	4.5	1.8	2.2	2.1	1.7	1.6	1.5	1.4
P/S	2.0	2.0	0.7	0.9	0.8	0.8	0.7	0.7	0.7
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	8.7	7.2	6.9	6.6
EV/EBIT (adj.)	15.3	23.8	14.4	13.9	10.8	13.1	10.5	9.8	9.5
Payout ratio (%)	75.3 %	44.9 %	72.3 %	58.1 %	48.9 %	52.7 %	41.5 %	41.1 %	40.7 %
Dividend yield-%	2.0 %	1.4 %	3.9 %	3.3 %	3.6 %	3.1 %	3.3 %	3.5 %	3.6 %

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 Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Inter Cars SA	1827	2578	9.1	8.1	7.6	6.7	0.5	0.5	9.5	8.1	0.3	0.3	1.3
Advance Auto Parts Inc	2861	2977	18.3	11.1	7.5	6.1	0.4	0.4	31.7	19.7	1.8	1.8	1.6
Duell	18	39	19.3	16.6	7.3	5.8	0.3	0.3		10.7		1.1	0.4
Auto Partner SA	559	649	8.4	7.0	7.5	6.2	0.6	0.5	11.3	9.6	1.1	1.1	1.7
Genuine Parts Co	16125	19887	14.3	13.1	11.3	10.5	1.0	0.9	17.6	15.9	3.1	3.2	3.9
LKQ Corp	6780	10363	9.0	8.5	7.5	7.1	0.9	0.8	9.8	8.9	4.3	4.6	1.2
O'Reilly Automotive Inc	74079	78927	26.5	24.4	23.2	21.5	5.2	4.9	34.4	30.7			
Autozone Inc	57535	64933	20.5	20.2	17.6	17.1	4.0	3.7	27.2	26.0			
Bapcor Ltd	477	873	9.9	12.0	6.1	6.8	0.8	0.8	10.1	13.2	46.3	4.3	0.9
Mekonomen AB	392	1026	12.9	9.8	6.6	5.4	0.6	0.6	11.1	6.5	3.8	4.6	0.7
Relais Group (Inderes)	305	510	13.1	10.5	8.7	7.2	1.3	1.1	12.4	10.9	3.1	3.3	1.7
Average			14.8	13.1	10.2	9.3	1.4	1.3	18.1	14.9	8.6	2.6	1.4
Median			13.6	11.5	7.5	6.8	0.7	0.7	11.3	11.9	3.1	2.5	1.2
Diff-% to median			-4%	-9%	16%	7%	87%	62%	10%	-9%	1%	31%	41%

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

Peer group valuation (2/2)

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Relais Group OYJ	296	522	14.6	11.7	8.8	7.3	1.4	1.2	14.8	11.9	3.2	3.6	1.9
Indutrade AB	8622	9404	24.9	23.2	18.6	17.1	3.2	3.0	32.8	29.0	1.2	1.3	5.3
Bergman & Beving AB	794	981	24.5	28.4	14.8	14.9	2.1	2.2	34.6	33.5	1.3	1.3	3.7
Momentum Group AB	742	811	30.2	26.4	19.7	17.6	2.8	2.6	40.7	35.3	0.9	1.1	9.6
Bufab AB	1683	1975	22.4	19.6	17.2	15.4	2.7	2.5	30.1	24.5	1.1	1.3	4.3
Addtech AB	7763	8262	33.0	29.0	24.7	21.9	4.1	3.8	44.5	37.6	1.0	1.2	11.0
Beijer Ref AB	7139	8067	22.7	21.0	18.2	16.9	2.3	2.2	30.9	27.0	1.0	1.1	3.1
Beijer Alma AB	1384	1682	18.8	15.7	13.5	11.8	2.4	2.3	21.4	19.2	1.7	1.8	3.1
Lifco AB (publ)	13286	14221	30.3	27.2	22.9	20.8	5.6	5.2	44.6	39.3	0.8	0.8	7.5
Lagercrantz Group AB	4090	4450	33.9	30.0	24.0	22.1	5.2	4.7	43.9	38.7	1.0	1.1	10.4
Volati AB	873	1155	19.3	14.3	13.4	10.7	1.5	1.4	22.3	15.2	0.7	1.2	3.5
Boreo	47	108	15.4	13.5	9.4	8.3	0.7	0.6	20.5	10.9			1.1
AddLife AB	2093	2530	33.2	27.7	16.9	15.5	2.6	2.5	42.5	31.5	0.7	0.9	4.1
Addnode Group AB (publ)	1423	1528	27.0	22.2	16.6	14.2	2.9	2.7	37.8	29.7	1.1	1.1	5.7
Instalco AB	634	1035	16.5	12.4	9.4	7.7	0.8	0.8	13.9	10.3	2.5	3.0	1.9
Seafire AB (publ)	26	45	20.3	10.9	6.4	5.4	0.5	0.5	13.4	8.7			0.5
Sdipotech AB (publ)	630	630	9.4	7.2	5.6	5.2	1.3	1.2	25.9	12.3			1.5
Fasadgruppen Group AB (publ)	150	355	8.0	6.1	5.2	5.0	0.7	0.6	5.8	3.8	5.9	7.9	0.6
Berner Industrier	115	129	16.1	14.7	11.1	10.7	1.4	1.3	21.5	19.4	2.3	2.6	4.6
Relais Group (Inderes)	305	510	13.1	10.5	8.7	7.2	1.3	1.1	12.4	10.9	3.1	3.3	1.7
Average			23.0	19.8	15.2	13.7	2.5	2.3	29.8	24.4	1.5	1.8	4.7
Median			22.7	21.0	16.6	14.9	2.4	2.3	30.9	27.0	1.1	1.2	4.1
Diff-% to median			-42%	-50%	-48%	-51%	-45%	-51%	-60%	-60%	190%	181%	-58%

Source: Refinitiv / Inderes. Note: The market value used by Inderes does not take into account treasury shares held by the company

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	284	82.8	74.3	74.9	90.7	323	82.8	82.9	101	120	387	445	459	468
Technical Wholesale and Products	192	56.9	48.7	49.5	62.0	217	53.7	51.2	59.8	72.8	238	261	269	274
Repair and Maintenance	91.9	25.9	25.6	25.4	28.7	106	29.1	31.7	41.3	47.2	149	185	190	194
EBITDA	43.5	13.5	11.1	13.0	14.3	51.9	13.0	11.8	14.4	19.6	58.8	69.4	71.3	71.9
Depreciation	-18.4	-4.5	-4.5	-4.6	-5.3	-18.9	-4.9	-5.5	-7.3	-7.3	-25.0	-28.6	-28.6	-28.9
EBIT (excl. NRI)	28.6	9.7	7.3	9.1	10.0	36.1	9.0	7.2	8.8	14.0	39.0	47.8	49.7	50.0
EBIT	25.1	9.0	6.6	8.4	9.0	33.0	8.1	6.3	7.1	12.2	33.7	40.8	42.7	43.0
Relais Group	25.1	9.0	6.6	8.4	9.0	33.0	8.1	6.3	7.1	12.2	33.7	40.8	42.7	43.0
Net financial items	-7.4	-3.1	-1.7	-1.9	-2.5	-9.2	-0.6	-4.4	-2.7	-2.6	-10.3	-8.8	-8.6	-7.2
PTP	17.7	5.8	4.9	6.5	6.5	23.8	7.5	1.9	4.4	9.6	23.4	32.0	34.1	35.8
Taxes	-4.0	-2.0	-1.6	-1.9	0.2	-5.2	-1.6	-0.4	-1.0	-2.1	-5.2	-6.9	-7.3	-7.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.2	-0.3	-0.9	-0.9	-0.9
Net earnings	13.7	3.9	3.3	4.6	6.7	18.5	5.9	1.5	3.3	7.3	18.0	24.2	25.9	27.2
EPS (adj.)	0.95	0.25	0.22	0.30	0.44	1.21	0.38	0.15	0.37	0.46	1.35	1.54	1.62	1.68
EPS (rep.)	0.76	0.21	0.18	0.26	0.37	1.02	0.32	0.08	0.18	0.36	0.94	1.15	1.24	1.30

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	9.0 %	20.0 %	15.8 %	6.6 %	12.0 %	13.5 %	0.1 %	11.6 %	34.9 %	32.4 %	19.9 %	15.2 %	3.0 %	2.0 %
Adjusted EBIT growth-%	24.1 %	28.4 %	52.2 %	8.9 %	27.8 %	26.5 %	-7.4 %	-1.5 %	-3.4 %	39.9 %	7.9 %	22.6 %	4.0 %	0.6 %
EBITDA-%	15.3 %	16.3 %	14.9 %	17.4 %	15.8 %	16.1 %	15.7 %	14.2 %	14.2 %	16.3 %	15.2 %	15.6 %	15.5 %	15.4 %
Adjusted EBIT-%	10.0 %	11.7 %	9.8 %	12.2 %	11.0 %	11.2 %	10.8 %	8.7 %	8.7 %	11.7 %	10.1 %	10.7 %	10.8 %	10.7 %
Net earnings-%	4.8 %	4.7 %	4.4 %	6.2 %	7.4 %	5.7 %	7.1 %	1.8 %	3.3 %	6.1 %	4.6 %	5.4 %	5.6 %	5.8 %

Source: Inderes

Note: EBIT excluding NRI is the EBITA reported by the company.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	204	196	297	294	290
Goodwill	120	120	152	152	152
Intangible assets	13.1	12.0	35.8	31.0	26.3
Tangible assets	65.8	61.7	108	109	110
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	169	185	193
Inventories	74.1	83.7	101	109	112
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	41.4	40.6	54.2	62.4	63.8
Cash and equivalents	9.7	9.6	14.7	13.5	16.7
Balance sheet total	329	330	467	479	483

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	111	118	184	196	208
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	42.0	52.3	60.4	72.0	84.7
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	50.0	50.0	50.0
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	184	174	164
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	180	170	160
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	98.6	109	111
Interest bearing debt	21.8	19.6	25.0	25.0	25.0
Payables	46.8	53.7	69.6	79.7	81.7
Other current liabilities	5.7	4.0	4.0	4.0	4.0
Balance sheet total	329	330	467	479	483

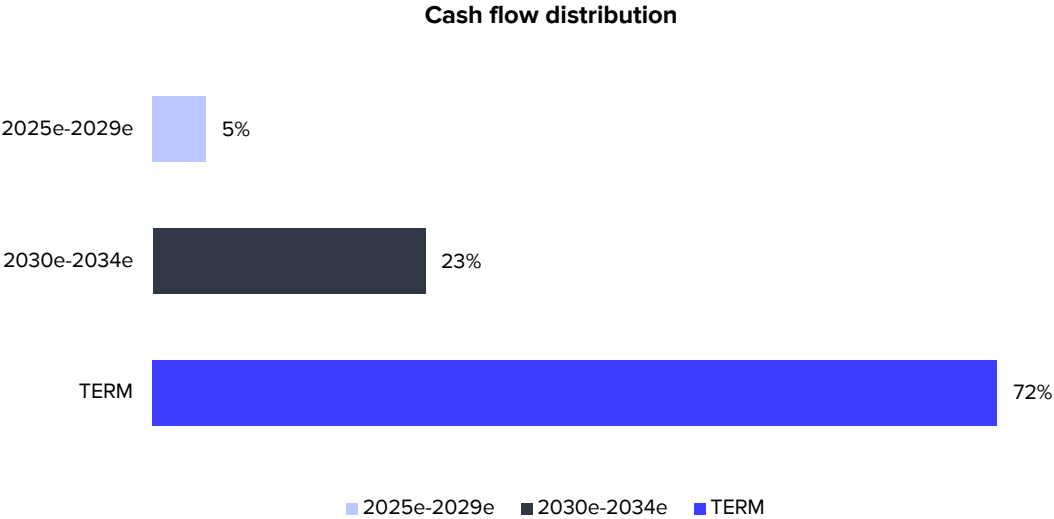
DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	13.5 %	19.9 %	15.2 %	3.0 %	2.0 %	3.0 %	3.0 %	2.8 %	2.7 %	2.5 %	2.0 %	2.0 %
EBIT-%	10.2 %	8.7 %	9.2 %	9.3 %	9.2 %	10.5 %	10.5 %	10.6 %	10.7 %	10.4 %	10.4 %	10.4 %
EBIT (operating profit)	33.0	33.7	40.8	42.7	43.0	50.6	52.1	54.1	56.1	55.9	57.0	
+ Depreciation	18.9	25.0	28.6	28.6	28.9	27.9	27.5	27.7	27.7	27.8	27.9	
- Paid taxes	-4.0	-5.2	-6.9	-7.3	-7.7	-9.4	-9.7	-10.1	-10.6	-10.5	-10.7	
- Tax, financial expenses	-2.0	-2.3	-1.9	-1.8	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	
+ 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	-14.5	-6.7	-2.8	-1.9	-2.9	-3.0	-2.9	-2.8	-2.7	-2.2	
Operating cash flow	42.3	36.8	54.0	59.4	60.7	64.8	65.4	67.3	68.9	68.9	70.4	
+ 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	-126	-24.7	-25.3	-26.3	-26.4	-27.5	-27.6	-28.1	-28.4	-29.7	
Free operating cash flow	28.5	-89.4	29.3	34.1	34.4	38.4	37.9	39.8	40.7	40.5	40.8	
+/- 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	-89.4	29.3	34.1	34.4	38.4	37.9	39.8	40.7	40.5	40.8	721
Discounted FCFF		-88.1	26.8	28.9	27.1	28.0	25.7	25.0	23.8	22.0	20.5	363
Sum of FCFF present value		502	590	564	535	508	480	454	429	405	383	363
Enterprise value DCF		502										
- Interest bearing debt		-151										
+ Cash and cash equivalents		9.6										
-Minorities		-14.8										
-Dividend/capital return		-9.1										
Equity value DCF		337										
Equity value DCF per share		18.5										

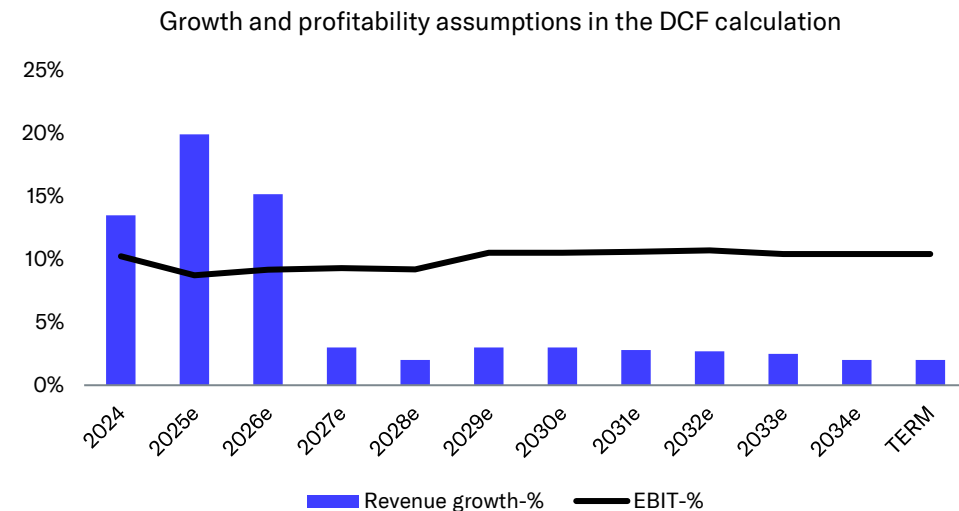
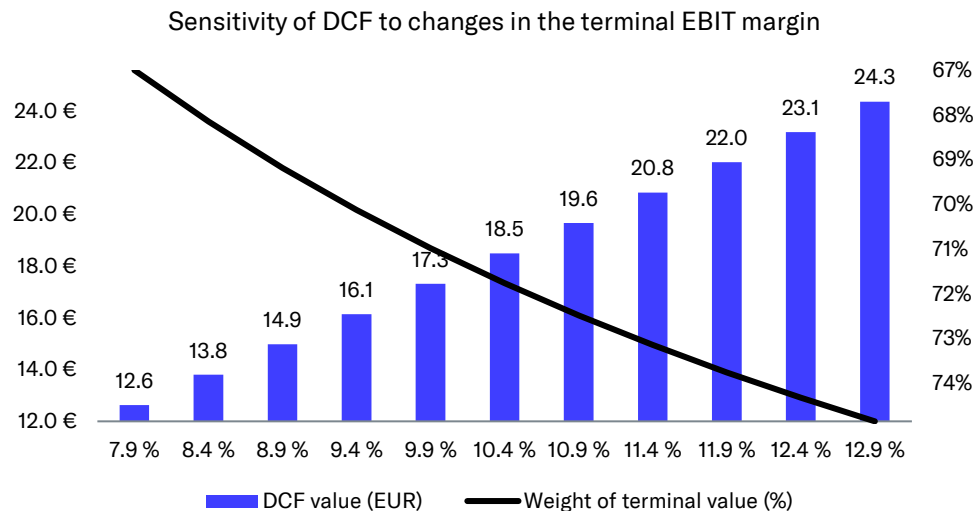
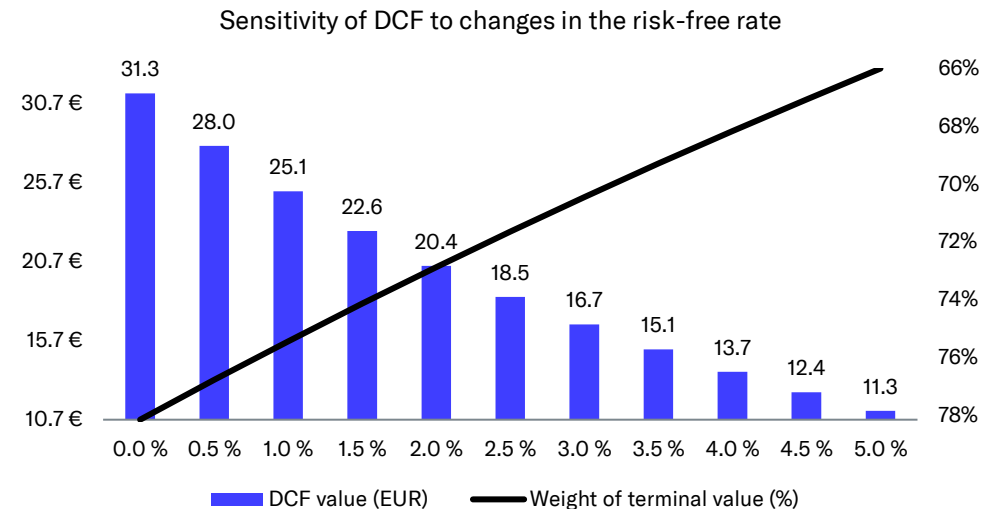
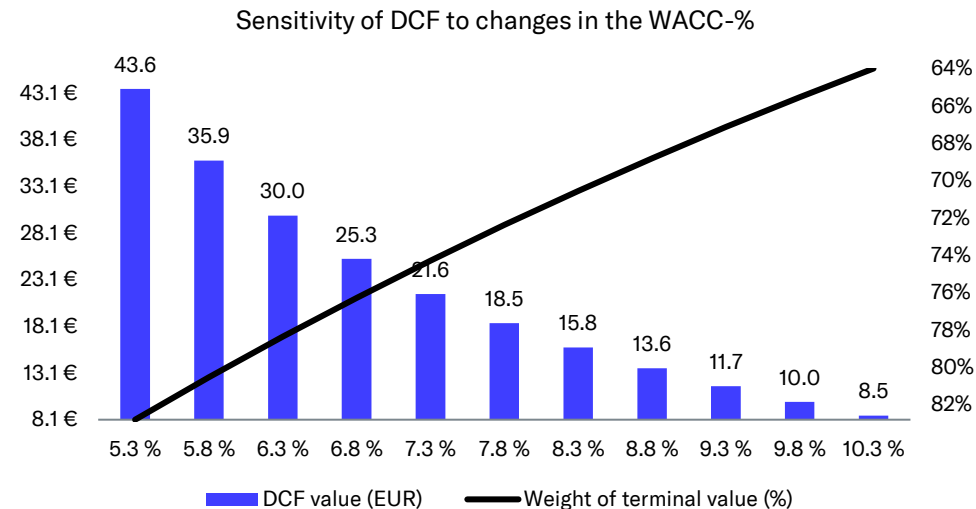
WACC

Tax-% (WACC)	21.5 %
Target debt ratio (D/(D+E))	35.0 %
Cost of debt	5.0 %
Equity Beta	1.3
Market risk premium	4.75%
Liquidity premium	1.4 %
Risk free interest rate	2.5 %
Cost of equity	9.8 %
Weighted average cost of capital (WACC)	7.8 %

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.

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	260.7	284.3	322.6	386.8	445.5	EPS (reported)	0.55	0.76	1.02	0.94	1.15
EBITDA	36.6	43.5	51.9	58.8	69.4	EPS (adj.)	0.80	0.95	1.21	1.35	1.54
EBIT	19.7	25.1	33.0	33.7	40.8	OCF / share	1.64	1.82	2.33	2.02	2.95
PTP	13.1	17.7	23.8	23.4	32.0	OFCF / share	0.72	0.50	1.57	-4.91	1.60
Net Income	10.0	13.7	18.5	18.0	24.2	Book value / share	5.73	6.10	6.49	9.65	10.25
Extraordinary items	-3.3	-3.4	-3.1	-5.2	-7.0	Dividend / share	0.40	0.44	0.50	0.52	0.55
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	312.8	329.1	330.2	466.9	478.6	Revenue growth-%	10%	9%	13%	20%	15%
Equity capital	103.9	110.7	117.6	184.2	195.8	EBITDA growth-%	2%	19%	19%	13%	18%
Goodwill	118.2	120.1	120.1	151.8	151.8	EBIT (adj.) growth-%	-11%	24%	27%	8%	23%
Net debt	147.2	151.0	141.3	190.3	181.5	EPS (adj.) growth-%	-16%	18%	28%	12%	14%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	14.0 %	15.3 %	16.1 %	15.2 %	15.6 %
EBITDA	36.6	43.5	51.9	58.8	69.4	EBIT (adj.)-%	8.8 %	10.0 %	11.2 %	10.1 %	10.7 %
Change in working capital	-1.8	-0.3	-3.5	-14.5	-6.7	EBIT-%	7.5 %	8.8 %	10.2 %	8.7 %	9.2 %
Operating cash flow	29.8	33.0	42.3	36.8	54.0	ROE-%	9.6 %	12.8 %	16.2 %	12.3 %	13.3 %
CAPEX	-16.1	-24.1	-13.7	-126.2	-24.7	ROI-%	7.5 %	9.4 %	12.2 %	10.3 %	10.5 %
Free cash flow	13.1	9.0	28.5	-89.4	29.3	Equity ratio	33.2 %	33.6 %	35.6 %	39.5 %	40.9 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	141.7 %	136.5 %	120.1 %	103.3 %	92.7 %
EV/S	1.3	1.4	1.2	1.3	1.1						
EV/EBITDA	9.1	9.1	7.5	8.7	7.2						
EV/EBIT (adj.)	14.4	13.9	10.8	13.1	10.5						
P/E (adj.)	12.7	14.3	11.4	12.4	10.9						
P/B	1.8	2.2	2.1	1.7	1.6						
Dividend-%	3.9 %	3.3 %	3.6 %	3.1 %	3.3 %						

Source: Inderes

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

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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 €
8/12/2025	Accumulate	18.50 €	16.55 €
8/15/2025	Accumulate	18.50 €	17.15 €
9/25/2025	Accumulate	18.50 €	16.50 €
10/23/2025	Accumulate	19.00 €	16.75 €



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