

# RELAIS GROUP

5/14/2025 10:20 am EEST

This is a translated version of "Ohjauspyörä on vakaa ja pyörät pyörivät" report, published on 5/14/2025



Petri Gostowski  
+358 40 821 5982  
petri.gostowski@inderes.fi



Tommi Saarinen  
+358 400530573  
tommi.saarinen@inderes.fi

INDERES CORPORATE CUSTOMER  
**COMPANY REPORT**



# Steering wheel steadied, engine runs smoothly

*Relais' Q1 figures were largely in line with our expectations in terms of operational development, and thus the positive forecast revisions for the coming years were not significant. The valuation of the share is moderate, which is why we reiterate our Accumulate recommendation and EUR 17.0 target price. The company's track record in value creation by allocating capital has been quite good in recent years, and in our opinion, the company has good prospects for continuing its successful strategy execution in the future.*

## Operational Q1 figures largely in line with our expectations

Relais' Q1 revenue was at the comparison period level at slightly below 83 MEUR, which was well in line with our forecast of just under 1% growth. Organically, revenue decreased both in the Commercial Vehicle Repair and Maintenance business and in Technical Wholesale and Products. For the latter, the what could even be called a clear decline in revenue was quite in line with our forecast, as it faced tough comparables from Q1'24, which was boosted by an exceptionally cold winter. This was offset by acquisitions, which also delivered growth well in line with our forecast. Q1 EBITA reached 9.0 MEUR, slightly exceeding our forecast. The operating result fell short of the challenging comparison period less than we had anticipated, reflecting better-than-expected Q1 profitability. This, in turn, was due to a higher-than-expected gross margin, which was supported by changes in the revenue mix, as the relative share of the Commercial Vehicle Repair and Maintenance business in revenue increased significantly year-on-year. At the bottom of the P&L, net financing expenses were significantly lower than we had expected. This is due to changes in the value of intra-group loans, which fluctuate with changes in the Swedish krona exchange rate, but these are non-cash flow related changes. As a result, Q1 adjusted earnings per share still came in clearly higher than our forecast.

## Inorganic growth likely to continue

Relais does not typically provide short-term guidance, but its financial target is to achieve a pro forma comparable EBITA of 50 MEUR by the end of the year (2024: 36.8 MEUR). With our 2026 forecast fully taking into account the recent acquisitions, we expect the company to reach an EBITA of almost 45 MEUR, so achieving the financial target requires faster earnings growth from the company than we expect. In our view, achieving the target still requires acquisitions in the remainder of the year. The company's current debt financing structure still leaves room for further acquisitions, so we expect the company to continue its inorganic growth in the near future. However, the return achieved on capital allocation is more important than absolute earnings growth, but we are confident about this, considering Relais' M&A deals in recent years and the evidence of the development of the acquired businesses.

## The value is moderate on several indicators

We have made minor operational forecast revisions for the next few years (1-5%) after the Q1 report. Based on our estimates, Relais' adjusted P/E ratios for 2025-2026 are 11x and 10x, while the corresponding EV/EBITA ratios, which take into account the balance sheet structure, are 12x and 9x. In absolute terms, we consider these valuation multiples to be moderate, and Relais' fairly stable business and thus lower-than-average risk profile justify a higher valuation in absolute terms. This moderate valuation picture is also supported by relative valuation, as the stock is priced at a discount to its key peer groups. Our cash flow model, which is also significantly above the current share price, supports our view of the stock's moderate pricing.

## Recommendation

**Accumulate**

(was Accumulate)

## Target price:

**EUR 17.00**

(was EUR 17.00)

## Share price:

EUR 15.20

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
Revenue	322.6	372.7	425.9	438.7
growth-%	13%	16%	14%	3%
EBIT adj.	36.1	39.2	44.4	46.4
EBIT-% adj.	11.2 %	10.5 %	10.4 %	10.6 %
Net income	18.5	22.7	24.9	27.0
EPS (adj.)	1.21	1.44	1.58	1.67
P/E (adj.)	11.4	10.5	9.7	9.1
P/B	2.1	2.1	1.9	1.7
Dividend yield-%	3.6 %	3.4 %	3.6 %	3.8 %
EV/EBIT (adj.)	10.8	13.0	11.1	10.3
EV/EBITDA	7.5	8.8	7.5	7.0
EV/S	1.2	1.4	1.2	1.1

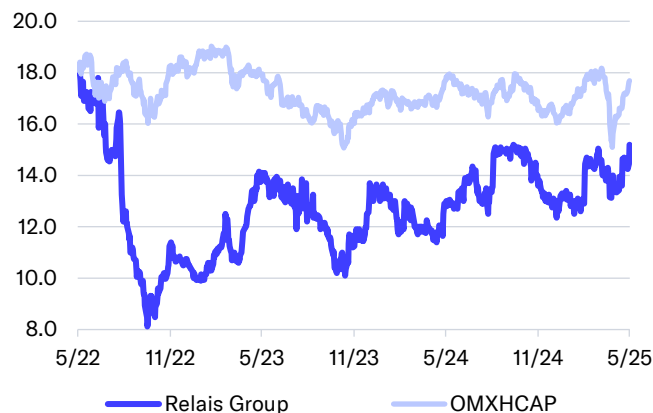
Source: Inderes

## Guidance

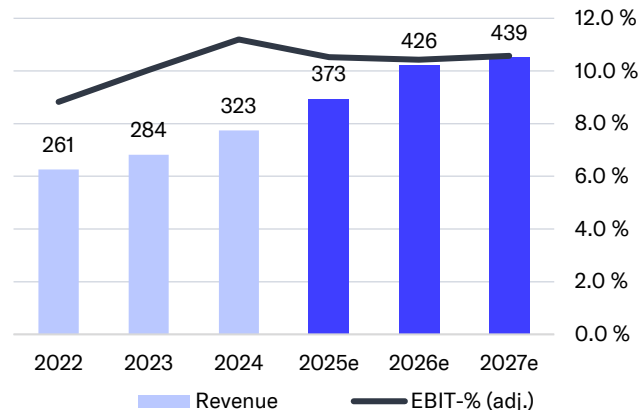
(Unchanged)

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.

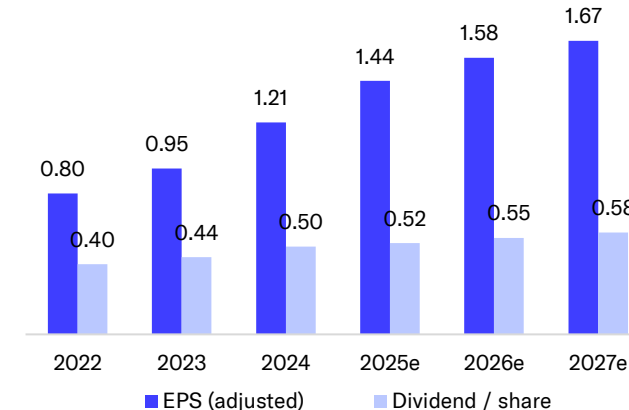
## Share price



## Revenue and EBIT-% (adj.)



## EPS and dividend



## 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	15.20	15.20	15.20
Number of shares, millions	18.2	18.3	18.4
Market cap	277	278	279
EV	508	494	476
P/E (adj.)	10.5	9.7	9.1
P/E	12.2	11.2	10.3
P/B	2.1	1.9	1.7
P/S	0.7	0.7	0.6
EV/Sales	1.4	1.2	1.1
EV/EBITDA	8.8	7.5	7.0
EV/EBIT (adj.)	13.0	11.1	10.3
Payout ratio (%)	41.7 %	40.4 %	39.4 %
Dividend yield-%	3.4 %	3.6 %	3.8 %

Source: Inderes

# Operational Q1 figures largely in line with our expectations

## Organically down and inorganically up

Relais' Q1 revenue was at the comparison period level at just under 83 MEUR. Revenue decreased organically in both business operations, while the two completed acquisitions in the Commercial Vehicle Repair and Maintenance businesses acted as a counterbalance as expected.

The revenue of the Technical Wholesale and Products business area decreased by 6% year-on-year, which is explained by sales boosted by the rather cold start to 2024. In contrast, this year's winter was quite mild and short, so the organic revenue decline was exactly in line with our expectations. The Commercial Vehicle Repair and Maintenance business grew by 12% year-on-year in Q1, driven by the acquisitions of Asennustyö M. Ahlqvist and Team Verkstad Sverige. Ahlqvist and Team Verkstad Sverige acquisitions. The growth from acquisitions in Q1 was also in line with our expectations, while organically we expected the business to continue to grow slightly.

However, the realization was -1%, but taking into account the changes in circumstances, we believe this roughly corresponds to the market development and estimate that Relais' competitiveness is in good shape.

## Profitability slightly better than expected

Relais reported Q1 EBITA of 9 MEUR, slightly exceeding our forecast of 8.5 MEUR. The Q1 gross margin increased to as high as 49.6% from 46.2% in the comparison period, which was also a greater improvement than we expected. The improvement in the gross margin is primarily driven by the increased relative share of the Commercial Vehicle Repair and Maintenance business, which has a higher margin level. This also boosted the result above our forecast, although in other operating cost items, the actual figures slightly exceeded our forecast. Overall, however, the cost structure has developed as expected.

Relais' internal loans are in Swedish krona, while debt financing is in euros. Consequently, SEK exchange rate

fluctuations affect the internal debt, leading to exchange rate gains or losses. These gains now pulled net financing expenses clearly lower than expected, which is why EPS for Q1 rose significantly above our forecast.

## Working capital slightly squeezed cash flow

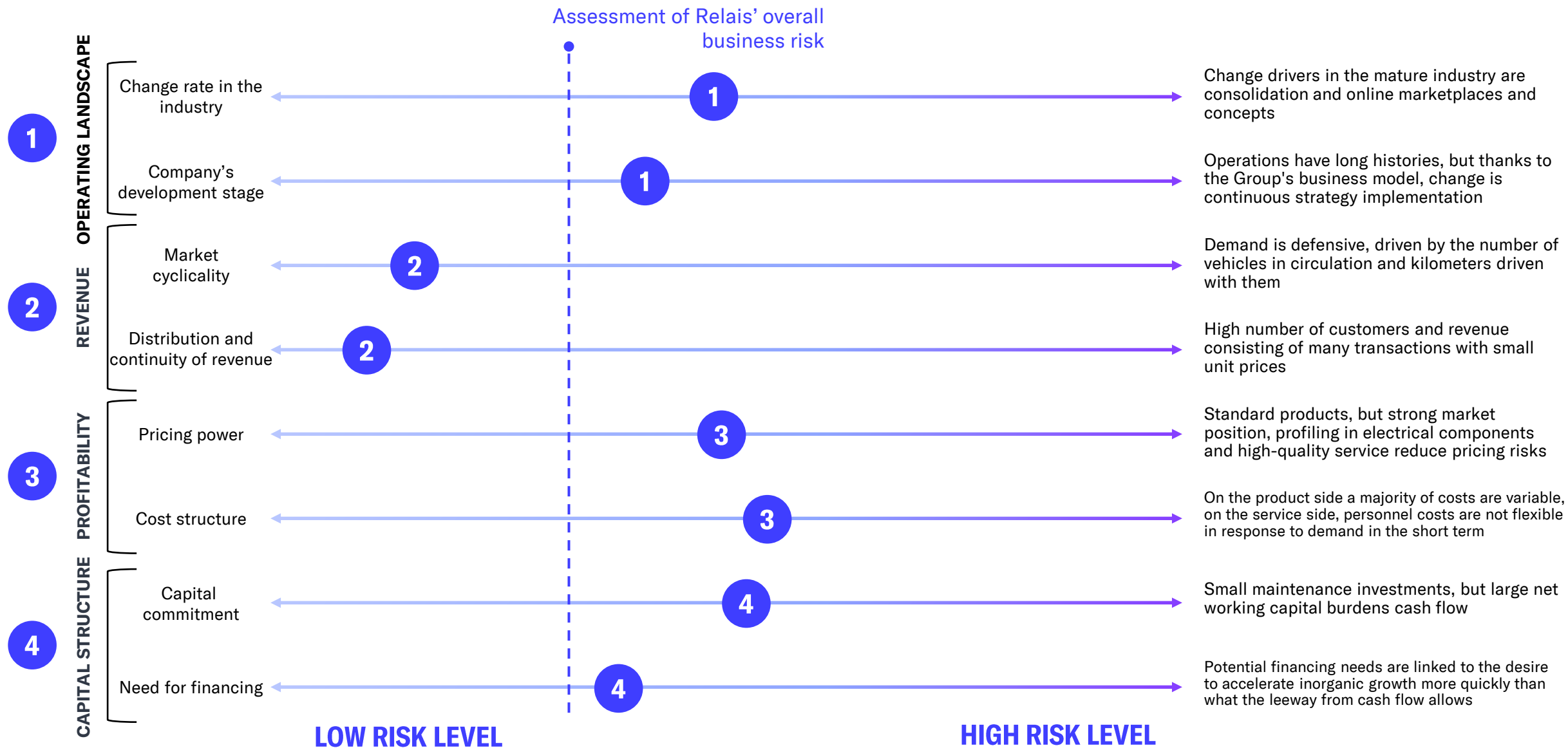
As a result of the increase in working capital, Q1 operating cash flow was 2.7 MEUR, and free cash flow after normal investments and lease payments fell to -1.7 MEUR (LTM: 16.4 MEUR). However, due to the seasonality of working capital, we give weight to the annual cash flow, and in our opinion, there have been no changes in its accumulation.

At the end of Q1, Relais' net debt was 147 MEUR (excluding lease liabilities 85 MEUR), which corresponds to 2.9x the previous 12 months' EBITDA. In our opinion, the ratio of net debt (excluding lease liabilities) to EBITA (2025e), which was 2.1x, better describes the financial position. Thus, the financial position can well withstand the additional debt from the announced acquisitions.

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes
Revenue	82.8	82.8	83.4				-1%
EBITDA	13.5	13.0	12.6				3%
EBITA	9.7	9.0	8.5				5%
PTP	5.8	7.5	6.0				25%
EPS (reported)	0.21	0.32	0.21				50%
Revenue growth-%	20.0 %	0.1 %	0.8 %				-0.8 pp
EBITA-%	11.7 %	10.8 %	10.2 %				0.6 pp

Source: Inderes

## Risk profile of the business model



# Very slight forecast changes

## Estimate revisions

- We have made fairly small changes to our estimates after the Q1 report, as we reviewed our organic growth and cost structure forecasts
- For the current year, we have lowered our organic growth forecast for the Commercial Vehicle Repair and Maintenance business to zero, reflecting strong comparison periods and the pace in the early part of the year
- The decline in the 2026 growth base was also slightly reflected in the forecast revenue level for the coming years
- The decrease in top-line forecasts was offset in our current and near-term forecasts by an increased gross margin forecast, reflecting the Q1 figures and the expected revenue distribution
- For the current year, we also made marginal revisions to the net financing expense forecasts, reflecting the realized level of interest rates. However, this is offset in the full-year forecasts by the significantly lower-than-expected net financing expenses in Q1

## Operational earnings drivers

- We forecast Relais' revenue to grow by 15.5% in 2025, reflecting the M. Ahlqvist and Team Verkstad acquisitions for the full year, as well as the Matro Group and Team Verksted acquisitions impacting H2.
- We forecast a decline of (-1%) in organic revenue for 2025, reflecting particularly strong comparison figures
- As a result of the decline in the relative share of the higher-margin product business, we expect profitability to decline this year from a fairly high comparison period level, but revenue growth will drive earnings growth
- In 2026, we forecast that the full impact of the aforementioned acquisitions will accelerate growth, in addition to which we forecast the company to grow at nearly the market growth rate of about 3%. The growth rate for 2027-2028 will also likely follow the expected market growth
- We forecast the company's profitability development to be relatively stable, with an increase in the weight of the Commercial Vehicle Repair and Maintenance business holding back profitability growth, but growth and synergies in the product business supporting profitability development

Estimate revisions	2025e	2025	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	375	373	-1%	430	426	-1%	443	439	-1%
EBITDA	56.2	58.0	3%	65.3	65.6	0%	67.4	67.6	0%
EBIT (exc. NRIs)	37.2	39.2	5%	43.8	44.4	2%	45.8	46.4	1%
EBIT	33.3	35.6	7%	39.9	40.5	2%	42.1	42.7	1%
PTP	26.9	29.6	10%	32.1	32.9	2%	34.9	35.5	2%
EPS (excl. NRIs)	1.35	1.44	7%	1.54	1.58	2%	1.64	1.67	2%
DPS	0.52	0.52	0%	0.55	0.55	0%	0.58	0.58	0%

Source: Inderes

# Investment profile

- 1 Growth orientation and preconditions to create value through acquisitions
- 2 Significant growth potential of the target market
- 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
- Relatively low liquidity of the share

# The value is moderate on several indicators

## Upside in earnings-based multiples

Based on our estimates, the 2025 EV/EBITA multiple adjusted for IFRS 16 impact is around 12x, while the corresponding P/E multiple is just under 11x. It should be noted, however, that the acquisitions of significant size have been fully reflected in the current year's balance sheet, while their impact on earnings will only be fully reflected in the 2026 earnings projections. Thus, with our 2026 forecasts, the corresponding valuation multiples are both more moderate at 9x (EV/EBITA) and 10x (P/E). In our view, 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 of the existing businesses to be moderate and believe that the above-mentioned earnings-based valuation multiples are near the bottom of the justified valuation range and we see upside in them.

## Relative valuation is at a discount

We have assembled two peer groups for Relais, one consisting of companies operating with a similar business model. The second peer group consists of so-called serial consolidators. The business models of the latter group rely in particular on value creation through active inorganic growth, based especially on the successful allocation of capital over the long term. We believe it is relevant to compare Relais' valuation to these two peer groups, as we do not believe that a valuation based on operational business alone gives value to the company's inorganic growth strategy. Relais is valued at a discount of about 9% on key metrics compared to the median of the key near-

term earnings-based valuation multiples of the peer group, which mainly consists of international automotive aftermarket companies. However, with multiples that take into account the balance sheet structure, the valuation is relatively in line. 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 its peer group of serial consolidators, as the group has experienced more rapid value creation in recent years, as can be seen in their higher returns on capital. In addition, we believe that the valuation multiples of serial consolidators are quite high. However, we feel that the valuation difference to both peer groups supports our view of the upside in the stock's valuation.

## Cash flow model at target price level

Our DCF model values the share at EUR 16.60, which is higher than the current share price. 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. Thus, we believe that the DCF indicates that the current share valuation does not include expectations of value creation from future M&A and that the pure valuation of the current business portfolio is moderate.

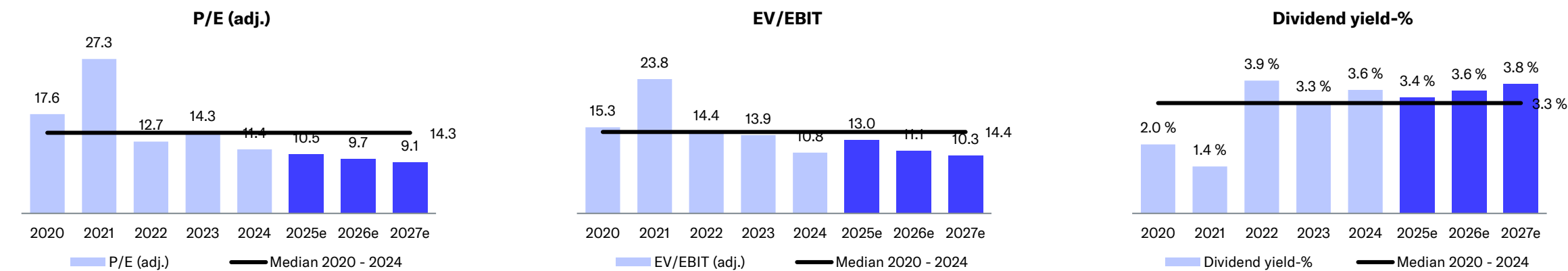
Valuation	2025e	2026e	2027e
Share price	15.20	15.20	15.20
Number of shares, millions	18.2	18.3	18.4
Market cap	277	278	279
EV	508	494	476
P/E (adj.)	10.5	9.7	9.1
P/E	12.2	11.2	10.3
P/B	2.1	1.9	1.7
P/S	0.7	0.7	0.6
EV/Sales	1.4	1.2	1.1
EV/EBITDA	8.8	7.5	7.0
EV/EBIT (adj.)	13.0	11.1	10.3
Payout ratio (%)	41.7 %	40.4 %	39.4 %
Dividend yield-%	3.4 %	3.6 %	3.8 %

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	15.20	15.20	15.20	15.20
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	277	278	279	280
EV	285	613	332	396	390	508	494	476	458
P/E (adj.)	17.6	27.3	12.7	14.3	11.4	10.5	9.7	9.1	8.9
P/E	36.9	32.5	18.4	17.8	13.4	12.2	11.2	10.3	9.9
P/B	3.6	4.5	1.8	2.2	2.1	2.1	1.9	1.7	1.5
P/S	2.0	2.0	0.7	0.9	0.8	0.7	0.7	0.6	0.6
EV/Sales	2.2	2.6	1.3	1.4	1.2	1.4	1.2	1.1	1.0
EV/EBITDA	14.9	17.0	9.1	9.1	7.5	8.8	7.5	7.0	6.7
EV/EBIT (adj.)	15.3	23.8	14.4	13.9	10.8	13.0	11.1	10.3	9.7
Payout ratio (%)	75.3 %	44.9 %	72.3 %	58.1 %	48.9 %	41.7 %	40.4 %	39.4 %	39.2 %
Dividend yield-%	2.0 %	1.4 %	3.9 %	3.3 %	3.6 %	3.4 %	3.6 %	3.8 %	3.9 %

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	1919	2684	9.5	8.5	7.9	7.1	0.5	0.5	9.0	8.1	0.3	0.3	1.4
Advance Auto Parts Inc	1797	1725	12.6	7.5	4.7	3.7	0.2	0.2	21.7	11.8	3.0	3.0	1.0
Duell	35	64	15.2	11.4	7.9	6.9	0.5	0.5	16.1	12.0	1.7	3.5	0.7
Auto Partner SA	628	743	9.2	7.7	8.2	6.8	0.6	0.6	10.2	8.2	1.0	1.0	
Genuine Parts Co	15237	19003	12.4	12.0	10.4	9.7	0.9	0.9	15.7	14.3	3.4	3.5	3.5
LKQ Corp	9757	13525	10.9	10.2	8.8	8.4	1.1	1.0	12.0	11.1	3.1	3.3	1.6
O'Reilly Automotive Inc	68704	73619	23.8	21.9	20.9	19.5	4.6	4.4	30.5	27.1			
Autozone Inc	55164	63040	18.8	17.4	16.2	15.1	3.7	3.5	24.4	21.6			
Bapcor Ltd	1020	1328	13.2	11.9	8.5	7.8	1.2	1.1	18.6	16.0	3.1	3.5	1.9
Mekonomen AB	658	1102	11.3	10.0	6.0	5.6	0.6	0.6	10.1	8.8	3.3	3.5	1.0
<b>Relais Group (Inderes)</b>	<b>277</b>	<b>508</b>	<b>13.0</b>	<b>11.1</b>	<b>8.8</b>	<b>7.5</b>	<b>1.4</b>	<b>1.2</b>	<b>10.5</b>	<b>9.7</b>	<b>3.4</b>	<b>3.6</b>	<b>2.1</b>
<b>Average</b>			<b>13.7</b>	<b>11.8</b>	<b>9.9</b>	<b>9.0</b>	<b>1.4</b>	<b>1.3</b>	<b>16.8</b>	<b>13.9</b>	<b>2.4</b>	<b>2.7</b>	<b>1.6</b>
<b>Median</b>			<b>12.5</b>	<b>10.8</b>	<b>8.3</b>	<b>7.4</b>	<b>0.8</b>	<b>0.7</b>	<b>15.9</b>	<b>11.9</b>	<b>3.0</b>	<b>3.4</b>	<b>1.4</b>
<b>Diff-% to median</b>			<b>4%</b>	<b>3%</b>	<b>5%</b>	<b>2%</b>	<b>79%</b>	<b>59%</b>	<b>-34%</b>	<b>-19%</b>	<b>12%</b>	<b>6%</b>	<b>56%</b>

# Peer group valuation 2/2

Peer group valuation	MEUR	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	9195	9905	25.8	23.2	18.6	17.0	3.2	3.1	34.4	30.0	1.2	1.3	5.5
Bergman & Beving AB	758	913	23.0	23.4	13.9	13.2	1.9	1.9	33.0	27.8	1.3	1.4	3.6
Momentum Group AB	788	842	29.5	26.5	19.9	18.0	2.8	2.6	36.8	33.4	0.9	1.0	9.9
Bufab AB	1496	1782	19.6	17.4	15.4	13.7	2.3	2.2	24.7	21.0	1.4	1.6	3.8
Addtech AB	8889	9380	37.3	34.5	27.9	26.4	4.7	4.4	50.6	45.3	0.9	1.0	12.5
Beijer Ref AB	7242	8156	23.0	21.1	18.2	16.8	2.3	2.2	31.1	27.4	1.0	1.1	3.1
Beijer Alma AB	1176	1449	15.7	13.9	11.5	10.6	2.1	2.0	19.4	16.5	1.9	2.0	2.6
Lifco AB (publ)	15578	16362	33.1	30.4	25.3	23.5	6.3	5.8	44.8	40.9	0.7	0.8	8.7
Lagercrantz Group AB	4592	4908	37.1	32.8	26.4	23.9	5.7	5.2	49.6	42.0	0.9	1.0	11.6
Volati AB	990	1269	18.7	15.8	11.5	9.9	1.6	1.5	22.3	17.5	1.1	1.5	4.9
Boreo	47	105	14.0	13.2	9.2	8.1	0.7	0.6	16.2	36.6	0.3	0.7	1.3
AddLife AB	2141	2547	33.2	29.2	16.8	15.6	2.6	2.4	55.7	42.3	0.7	0.8	4.1
Addnode Group AB (publ)	1111	1197	23.1	19.0	13.6	12.2	2.3	2.2	29.4	22.5	1.3	1.5	4.6
Instalco AB	690	1087	16.4	12.1	9.3	7.7	0.9	0.8	14.5	10.5	2.3	2.8	2.0
Seafire AB (publ)	19	41	13.2		5.2		0.5		37.8				0.4
Sdiptech AB (publ)	780	780	9.3	8.5	6.6	6.1	1.6	1.5	19.0	15.5			1.8
Fasadgruppen Group AB (publ)	124	334	9.9	7.3	6.1	5.3	0.7	0.6	4.4	3.3	3.6	4.8	0.5
Berner Industrier	93	103	14.2	12.8	9.7	9.1	1.1	1.1	19.3	17.2	2.6	2.9	3.8
<b>Relais Group (Inderes)</b>	<b>277</b>	<b>508</b>	<b>13.0</b>	<b>11.1</b>	<b>8.8</b>	<b>7.5</b>	<b>1.4</b>	<b>1.2</b>	<b>10.5</b>	<b>9.7</b>	<b>3.4</b>	<b>3.6</b>	<b>2.1</b>
<b>Average</b>			<b>22.5</b>	<b>20.5</b>	<b>15.1</b>	<b>14.3</b>	<b>2.5</b>	<b>2.5</b>	<b>31.0</b>	<b>25.8</b>	<b>1.4</b>	<b>1.7</b>	<b>4.9</b>
<b>Mediaani</b>			<b>23.0</b>	<b>20.0</b>	<b>13.9</b>	<b>13.5</b>	<b>2.3</b>	<b>2.2</b>	<b>31.1</b>	<b>24.9</b>	<b>1.2</b>	<b>1.4</b>	<b>3.8</b>
<b>Diff-% to median</b>			<b>-44%</b>	<b>-44%</b>	<b>-37%</b>	<b>-44%</b>	<b>-41%</b>	<b>-47%</b>	<b>-66%</b>	<b>-61%</b>	<b>190%</b>	<b>155%</b>	<b>-44%</b>

Source: Refinitiv / Inderes NB! The market capitalization used by Inderes does not take into account the own shares held by the company.

# 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	284.3	82.8	74.3	74.9	90.7	323	82.8	74.3	98.3	117	373	426	439	447
Technical Wholesale and Products	192	56.9	48.7	49.5	62.0	217	53.7	46.7	57.1	72.2	230	250	258	263
Commercial	91.9	25.9	25.6	25.4	28.7	106	29.1	27.6	41.3	45.0	143	176	181	184
EBITDA	43.5	13.5	11.1	13.0	14.3	51.9	13.0	10.0	16.8	18.2	58.0	65.6	67.6	68.4
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	6.0	11.5	12.8	39.2	44.4	46.4	47.0
EBIT	25.1	9.0	6.6	8.4	9.0	33.0	8.1	5.1	10.6	11.8	35.6	40.5	42.7	43.7
Relais Group	25.1	9.0	6.6	8.4	9.0	33.0	8.1	5.1	10.6	11.8	35.6	40.5	42.7	43.7
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	3.4	8.7	10.0	29.6	32.9	35.5	37.0
Taxes	-4.0	-2.0	-1.6	-1.9	0.2	-5.2	-1.6	-0.7	-1.9	-2.2	-6.5	-7.1	-7.6	-8.0
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	2.6	6.6	7.6	22.7	24.9	27.0	28.2
EPS (adj.)	0.95	0.25	0.22	0.30	0.44	1.2	0.37	0.19	0.42	0.47	1.44	1.58	1.67	1.71
EPS (rep.)	0.76	0.21	0.18	0.26	0.37	1.02	0.32	0.14	0.36	0.42	1.25	1.36	1.47	1.53

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 %	0.1 %	31.3 %	29.3 %	15.5 %	14.3 %	3.0 %	2.0 %
Adjusted EBIT growth-%	24.1 %	28.4 %	52.2 %	8.9 %	27.8 %	26.5 %	-7.4 %	-18.5 %	26.2 %	27.8 %	8.6 %	13.2 %	4.4 %	1.4 %
EBITDA-%	15.3 %	16.3 %	14.9 %	17.4 %	15.8 %	16.1 %	15.7 %	13.5 %	17.1 %	15.5 %	15.6 %	15.4 %	15.4 %	15.3 %
Adjusted EBIT-%	10.0 %	11.7 %	9.8 %	12.2 %	11.0 %	11.2 %	10.8 %	8.0 %	11.7 %	10.9 %	10.5 %	10.4 %	10.6 %	10.5 %
Net earnings-%	4.8 %	4.7 %	4.4 %	6.2 %	7.4 %	5.7 %	7.1 %	3.5 %	6.7 %	6.5 %	6.1 %	5.8 %	6.2 %	6.3 %

Source: Inderes

NB! EBIT excluding NRI is the company's reported EBITA

# 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	177	182
Inventories	74.1	83.7	96.9	104	107
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	41.4	40.6	52.2	59.6	61.0
Cash and equivalents	9.7	9.6	11.2	12.8	13.2
Balance sheet total	329	330	439	453	454

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	111	118	140	155	172
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	42.0	52.3	65.9	81.4	98.3
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	108
Interest bearing debt	21.8	19.6	34.6	28.1	26.2
Payables	46.8	53.7	67.1	76.2	78.1
Other current liabilities	5.7	4.0	4.0	4.0	4.0
Balance sheet total	329	330	439	453	454

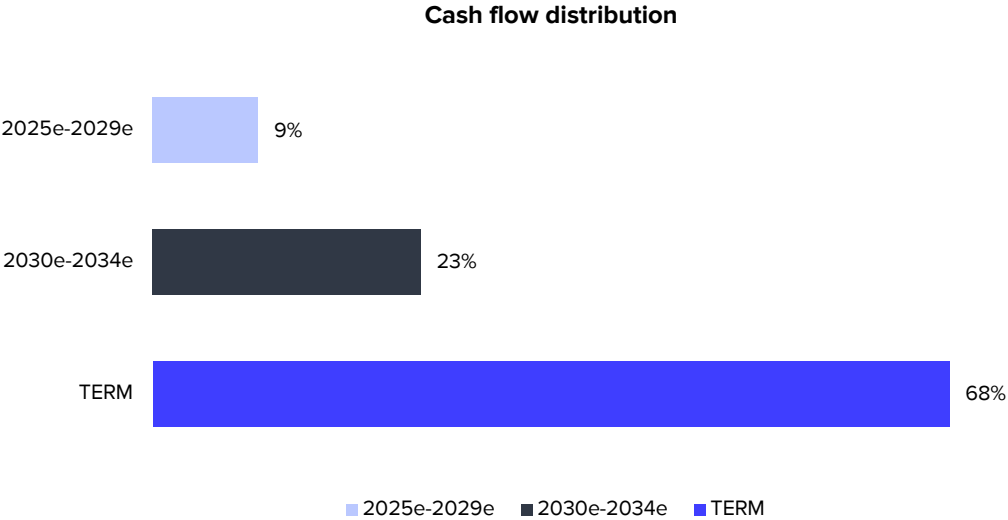
# DCF calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	13.5 %	15.5 %	14.3 %	3.0 %	2.0 %	3.0 %	3.0 %	2.8 %	2.7 %	2.5 %	2.0 %	2.0 %
EBIT-%	10.2 %	9.6 %	9.5 %	9.7 %	9.8 %	10.5 %	10.5 %	10.6 %	10.7 %	10.4 %	10.4 %	10.4 %
EBIT (operating profit)	33.0	35.6	40.5	42.7	43.7	48.4	49.8	51.7	53.6	53.4	54.5	
+ 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	-7.1	-7.6	-8.0	-9.1	-9.5	-10.1	-10.6	-10.5	-10.8	
- 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	-11.4	-5.7	-2.6	-1.8	-2.8	-2.8	-2.7	-2.7	-2.6	-2.1	
Operating cash flow	42.3	38.8	51.2	55.8	57.2	58.9	59.7	60.7	62.2	62.2	63.6	
+ 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	-23.1	
Free operating cash flow	28.5	-66.5	29.4	33.9	35.1	36.5	37.2	37.9	39.2	39.0	40.5	
+/- 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	29.4	33.9	35.1	36.5	37.2	37.9	39.2	39.0	40.5	675
Discounted FCFF		-63.3	25.9	27.6	26.4	25.4	24.0	22.6	21.6	19.9	19.1	319
Sum of FCFF present value		468	531	505	477	451	426	402	379	358	338	319
Enterprise value DCF		468										
- Interest bearing debt		-151										
+ Cash and cash equivalents		9.6										
-Minorities		-17.9										
-Dividend/capital return		-9.1										
Equity value DCF		299										
Equity value DCF per share		16.7										

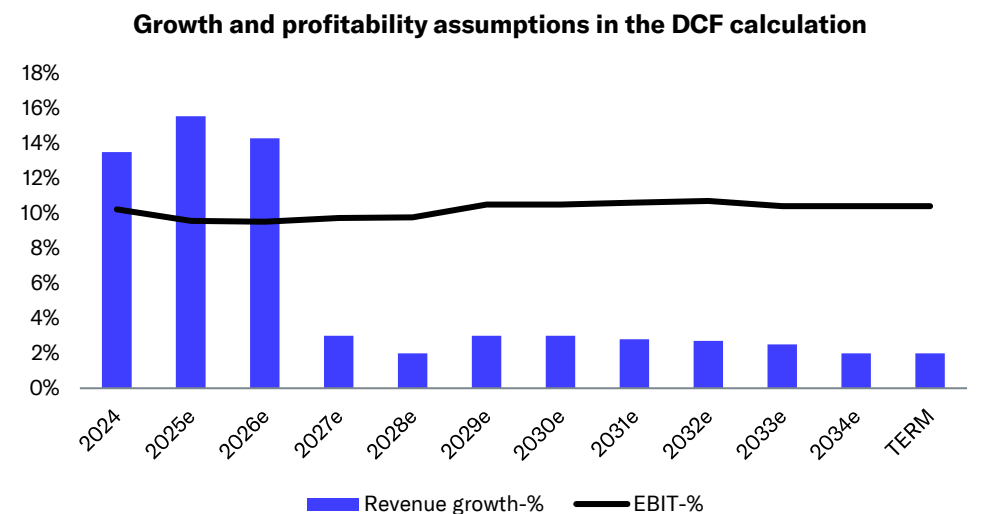
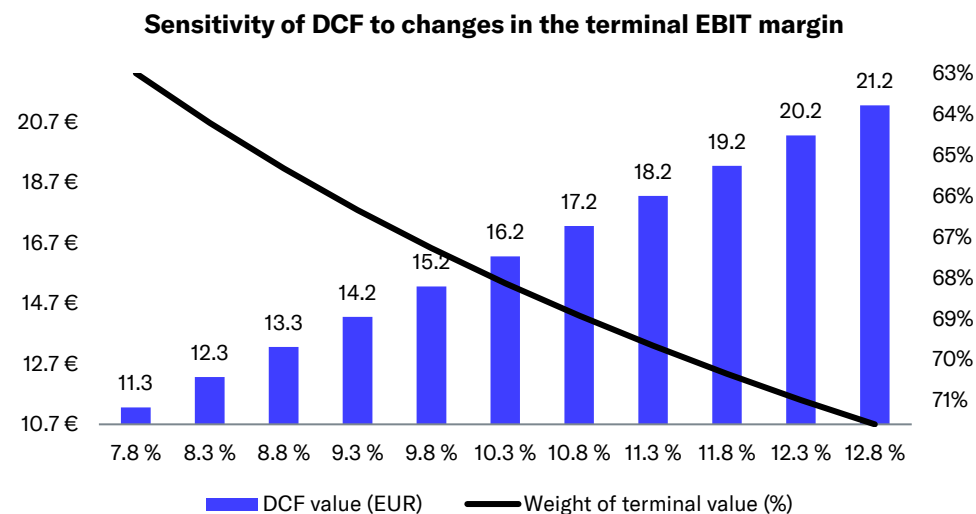
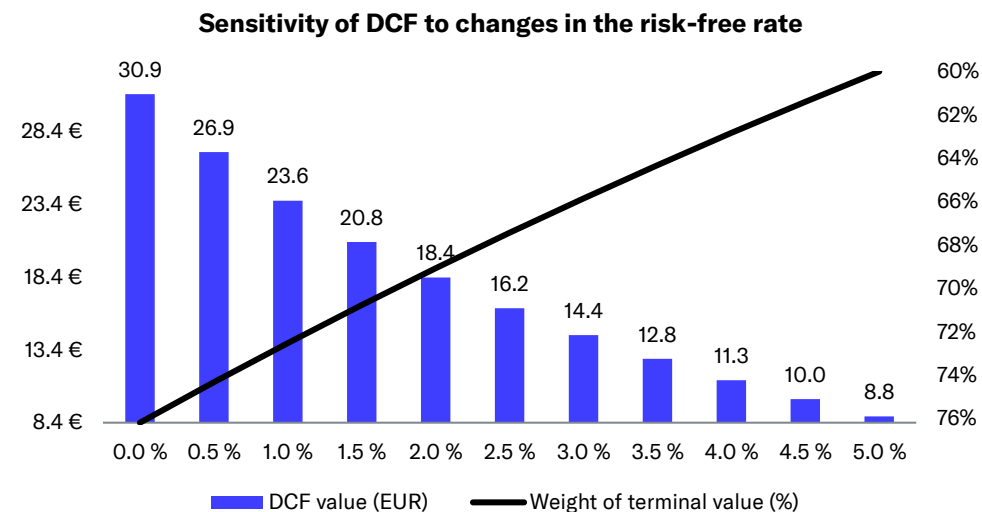
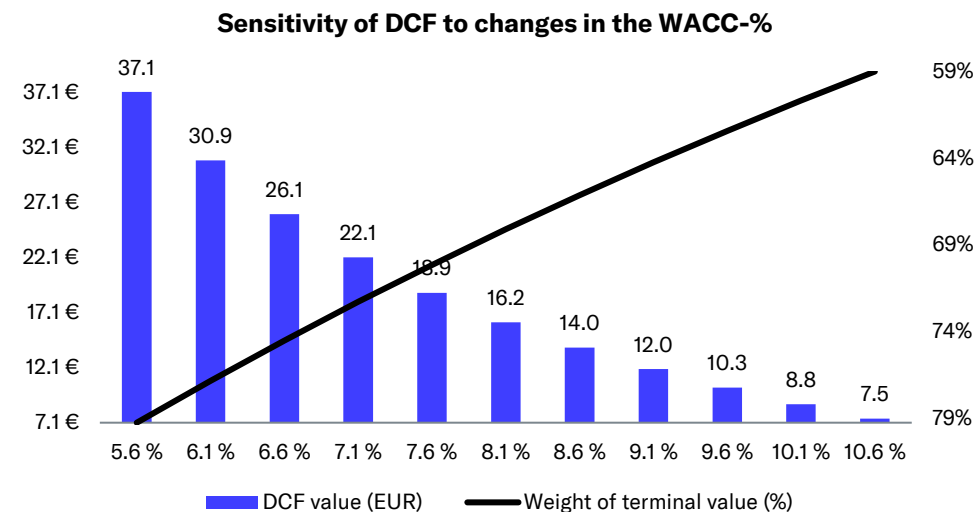
## WACC

Tax-% (WACC)	20.0 %
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.

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	260.7	284.3	322.6	372.7	425.9	EPS (reported)	0.55	0.76	1.02	1.25	1.36
EBITDA	36.6	43.5	51.9	58.0	65.6	EPS (adj.)	0.80	0.95	1.21	1.44	1.58
EBIT	19.7	25.1	33.0	35.6	40.5	OCF / share	1.64	1.82	2.33	2.13	2.80
PTP	13.1	17.7	23.8	29.6	32.9	OFCF / share	0.72	0.50	1.57	-3.65	1.61
Net Income	10.0	13.7	18.5	22.7	24.9	Book value / share	5.73	6.10	6.49	7.21	8.02
Extraordinary items	-3.3	-3.4	-3.1	-3.6	-3.9	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	439.4	452.5	Revenue growth-%	10%	9%	13%	16%	14%
Equity capital	103.9	110.7	117.6	139.7	155.1	EBITDA growth-%	2%	19%	19%	12%	13%
Goodwill	118.2	120.1	120.1	150.7	150.7	EBIT (adj.) growth-%	-11%	24%	27%	9%	13%
Net debt	147.2	151.0	141.3	213.4	200.4	EPS (adj.) growth-%	-16%	18%	28%	20%	9%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	14.0 %	15.3 %	16.1 %	15.6 %	15.4 %
EBITDA	36.6	43.5	51.9	58.0	65.6	EBIT (adj.)-%	8.8 %	10.0 %	11.2 %	10.5 %	10.4 %
Change in working capital	-1.8	-0.3	-3.5	-11.4	-5.7	EBIT-%	7.5 %	8.8 %	10.2 %	9.6 %	9.5 %
Operating cash flow	29.8	33.0	42.3	38.8	51.2	ROE-%	9.6 %	12.8 %	16.2 %	18.2 %	17.9 %
CAPEX	-16.1	-24.1	-13.7	-105.2	-21.7	ROI-%	7.5 %	9.4 %	12.2 %	11.3 %	11.1 %
Free cash flow	13.1	9.0	28.5	-66.5	29.4	Equity ratio	33.2 %	33.6 %	35.6 %	31.8 %	34.3 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	141.7 %	136.5 %	120.1 %	152.8 %	129.1 %
EV/S	1.3	1.4	1.2	1.4	1.2						
EV/EBITDA	9.1	9.1	7.5	8.8	7.5						
EV/EBIT (adj.)	14.4	13.9	10.8	13.0	11.1						
P/E (adj.)	12.7	14.3	11.4	10.5	9.7						
P/B	1.8	2.2	2.1	2.1	1.9						
Dividend-%	3.9 %	3.3 %	3.6 %	3.4 %	3.6 %						

Source: Inderes

# Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
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

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

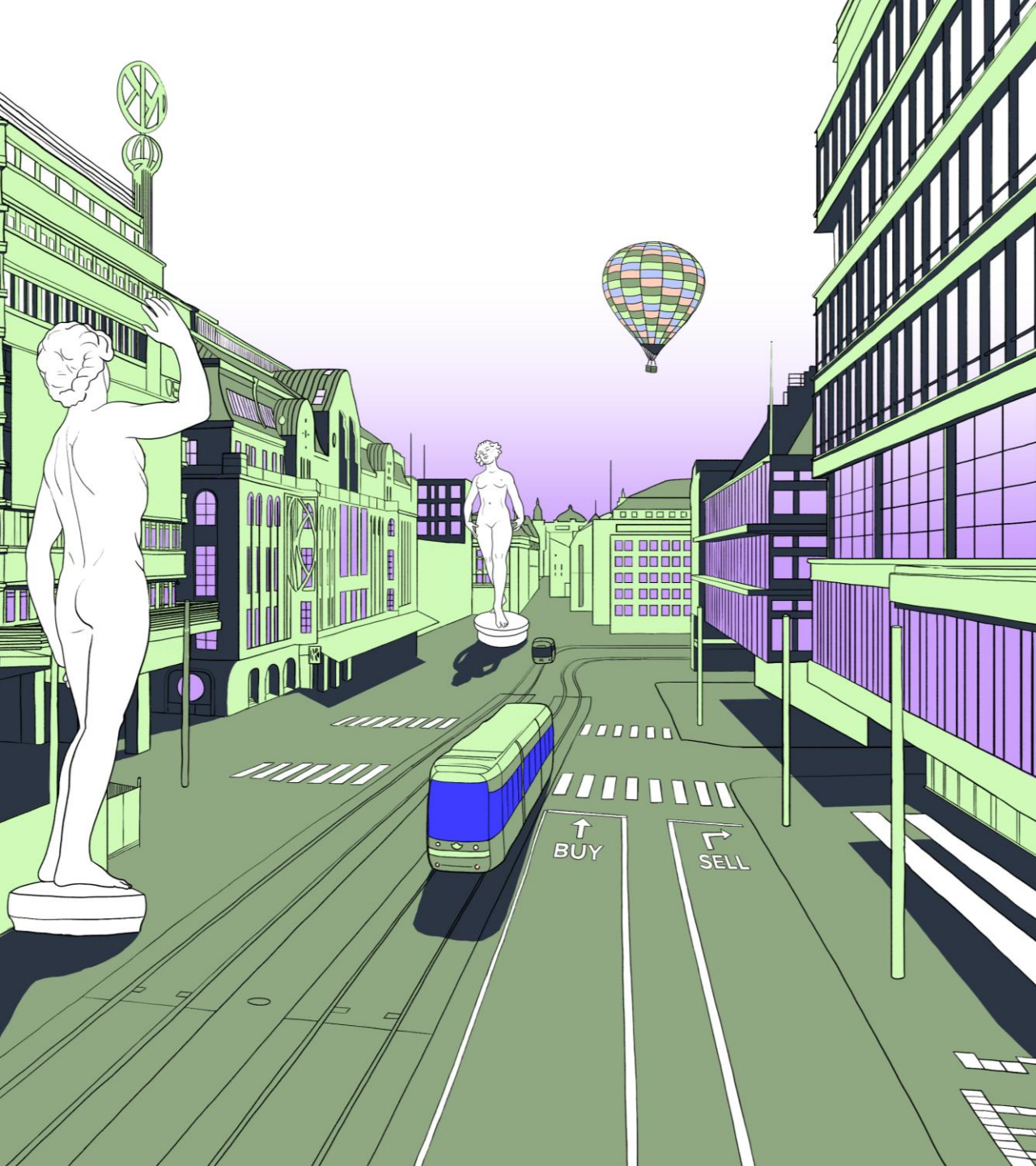
Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at [www.inderes.fi/research-disclaimer](http://www.inderes.fi/research-disclaimer).

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

## 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 €



# CONNECTING INVESTORS AND COMPANIES.

Inderes connects investors and listed companies.

We serve over 400 Nordic listed companies that want to better serve investors. The Inderes community is home to over 70,000 active investors.

We provide listed companies with solutions that enable seamless and effective investor relations. The Inderes service is built on four cornerstones for high-quality investor relations: Equity Research, Events, IR Software, and Annual General Meetings (AGM).

Inderes operates in Finland, Sweden, Norway, and Denmark and is listed on the Nasdaq First North Growth Market.

Inderes was created by investors, for investors.

## **Inderes Ab**

Vattugatan 17, 5tr  
Stockholm  
+46 8 411 43 80

## **Inderes Oyj**

Porkkalankatu 5  
00180 Helsinki  
+358 10 219 4690

[inderes.se](https://inderes.se)

[inderes.fi](https://inderes.fi)

**inde  
res.**