

RELAIS GROUP

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



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

INDERES CORPORATE CUSTOMER

COMPANY REPORT



Against strong Q1 comparison figures

Relais will publish its Q1 results on Tuesday next week. As the conditions in the comparison period were favorable, the company is going against strong numbers, which we do not expect to be achieved in the first quarter despite the acquisitions. We have incorporated the recent acquisitions into our forecasts, which reflect a significant increase in our forecasts for the current and especially the coming years. Given the quality of the properties and the purchase prices paid, we believe their value creation potential is quite good. Thus, we raise our target price to EUR 17.0 (was EUR 16.5), but due to the recent rise in the share price, we lower our recommendation to Accumulate (was Buy).

Excellent conditions in the comparison period

We forecast Relais's Q1 revenue to increase slightly above the comparison period to 83.4 MEUR. The revenue growth in our forecasts is driven by the acquisitions of Asennustyö M. Ahlqvist and Team Verkstad Sverige in the repair and maintenance business. In addition, we expect the Commercial Vehicle Repair and Maintenance business to have remained at roughly the market growth rate of 2% organic growth. Against this backdrop, we forecast that the reported growth of the business reaches 16% as a whole. At the same time, however, we expect revenue in the Technical Wholesale and Products business to have decreased organically by 6%. This reflects the rather favorable winter conditions in the reference period, i.e., a cold winter, whereas this year's winter was quite mild.

Reflecting the decline in revenue from the higher-margin product business and, on the other hand, a slightly changed revenue distribution due to acquisitions, we forecast that Relais' EBIT excluding PPA amortization decreased from a fairly good level in the comparison period to 8.5 MEUR, which corresponds to a 1.5pp decline year-on-year. However, reflecting the exceptionally high net financing expenses in the comparison

period, we forecast Q1 reported EPS to reach the comparison period level of EUR 0.21 per share.

Acquisitions included in forecasts

Relais does not usually provide guidance, but its financial target of 50 MEUR pro forma comparable EBITA sets the bar for the current year. In this report, we have included in our forecasts the Matro Group and Team Verksted Holding acquisitions announced in April, which the company expects to be reflected in its figures from the second half of this year. Against this backdrop, our EBITA forecast for the current year rose by 11% to just over 37 MEUR, while our corresponding forecast for next year, which rose by 25%, settled at just short of 44 MEUR. Therefore, the company's financial target is not very far off after the announced acquisitions, and we would consider keeping it unchanged quite unsurprising at this point of the year.

Upside in the valuation

Based on our forecasts, the P/E ratios adjusted for goodwill amortization for 2025-2026 are approximately 11x and 9x, and the corresponding EV/EBITA ratios are roughly 12x and 9x. In our view, the earnings-based valuation for the next few years is moderate, considering that the recent large-scale acquisitions will not be fully reflected in the results until next year. With our updated forecasts, Relais is also valued at a discount (8%) relative to its industry peers, while the valuation difference is even remarkably large compared to serial consolidators operating with a similar business model. This overall attractive valuation is also supported by our cash flow model, which is at our target price level. Thus, in our view, Relais' acquisition-driven growth story can still be accessed with a fairly cheap price tag.

Recommendation

Accumulate
(was Buy)

Target price:
EUR 17.00
(was EUR 16.50)

Share price:
EUR 14.45

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	322.6	375.5	430.2	443.1
growth-%	13%	16%	15%	3%
EBIT adj.	36.1	37.2	43.8	45.8
EBIT-% adj.	11.2 %	9.9 %	10.2 %	10.3 %
Net Income	18.5	20.7	24.3	26.5
EPS (adj.)	1.21	1.35	1.54	1.64

P/E (adj.)	11.4	10.7	9.4	8.8
P/B	2.1	2.0	1.8	1.7
Dividend yield-%	3.6 %	3.6 %	3.8 %	4.0 %
EV/EBIT (adj.)	10.8	13.3	11.0	10.1
EV/EBITDA	7.5	8.8	7.4	6.9
EV/S	1.2	1.3	1.1	1.0

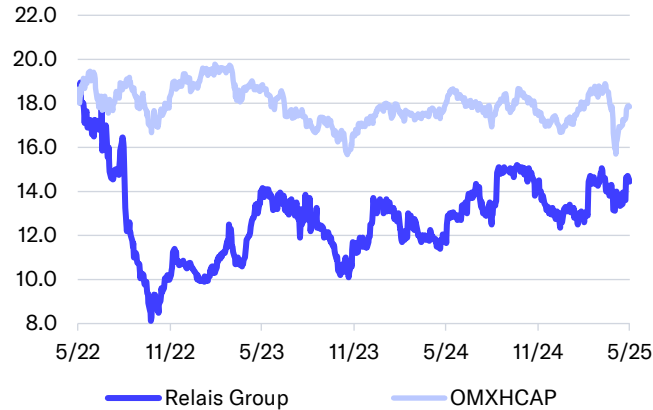
Source: Inderes

Guidance

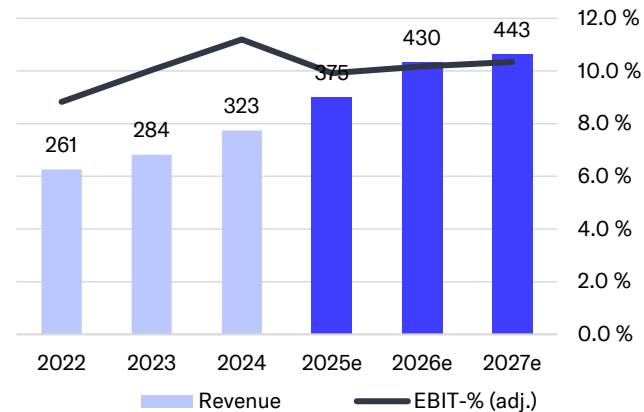
(Unchanged)

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.

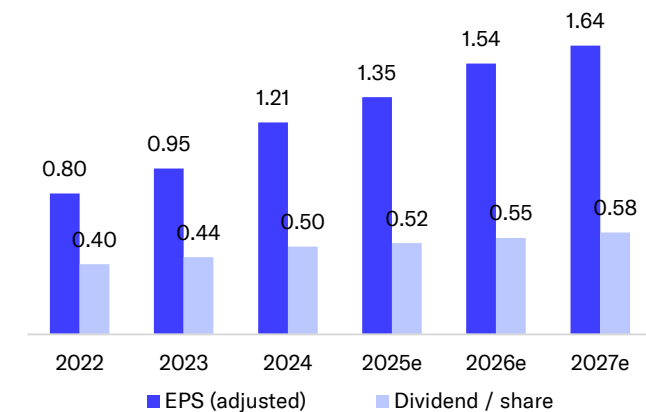
Share price



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	14.45	14.45	14.45
Number of shares, millions	18.2	18.3	18.4
Market cap	263	264	265
EV	496	483	465
P/E (adj.)	10.7	9.4	8.8
P/E	12.7	10.9	10.0
P/B	2.0	1.8	1.7
P/S	0.7	0.6	0.6
EV/Sales	1.3	1.1	1.0
EV/EBITDA	8.8	7.4	6.9
EV/EBIT (adj.)	13.3	11.0	10.1
Payout ratio (%)	45.8 %	41.3 %	40.2 %
Dividend yield-%	3.6 %	3.8 %	4.0 %

Source: Inderes

Excellent conditions in the comparison period

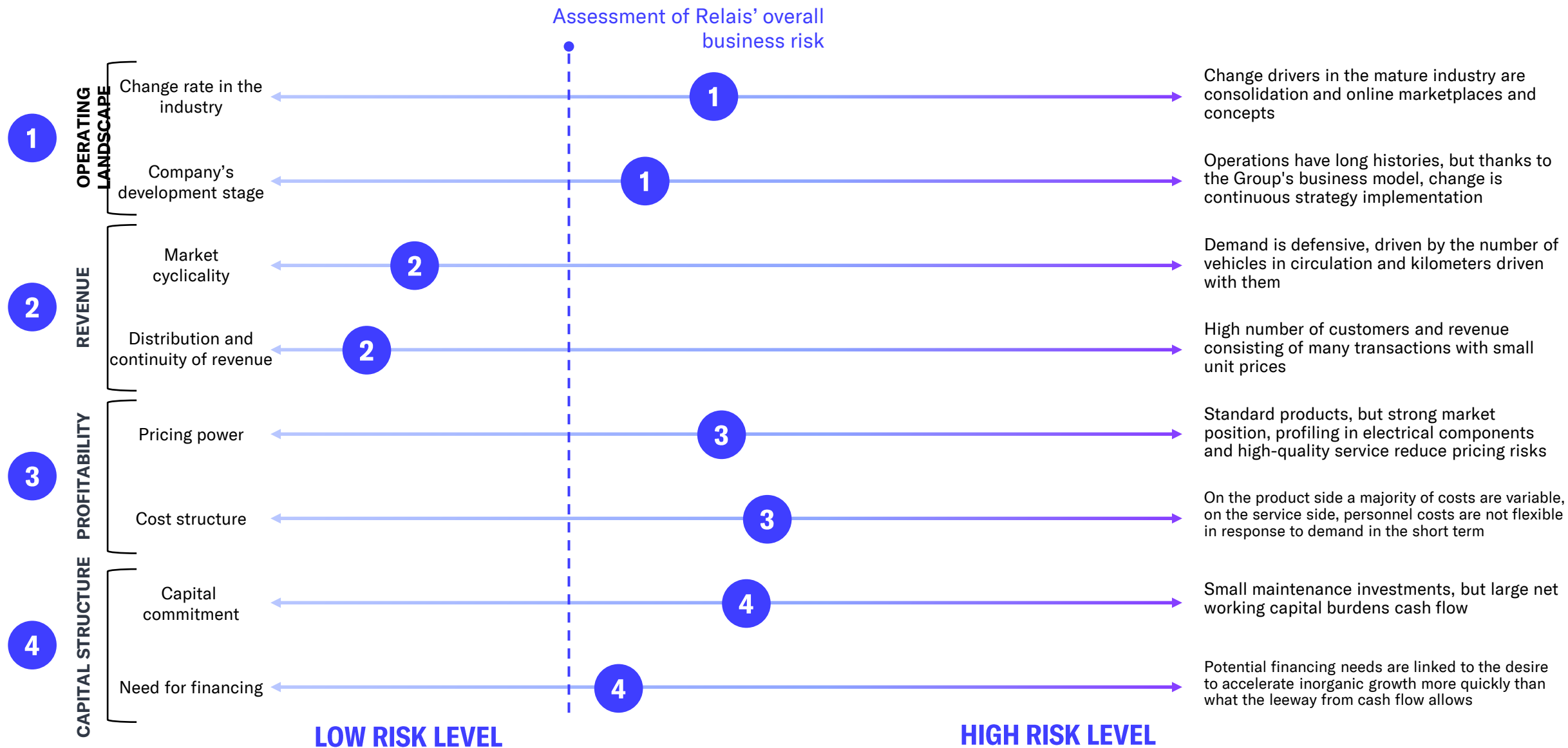
Q1 estimates

- We forecast Relais' Q1 revenue to have grown by 1%, reflecting a decline in organic revenue and slightly higher growth from acquisitions
- We forecast that revenue has decreased organically in the Technical Wholesale and Products business, which grew strongly in the comparison period The business benefited from a rather harsh winter in the comparison period, while this year's winter was short and mild
- Inorganically, we expect revenue to have increased in the Commercial Vehicle Repair and Maintenance business, reflecting two acquisitions
- We forecast profitability to have decreased significantly year-on-year, i.e., by 1.5 percentage points, which reflects the structurally lower profitability of the service business and its larger share of Q1 revenue
- We also estimate that efficiency in the comparison period was supported to some extent by the rapid strengthening of demand due to the severe winter
- In the comparison period, the company recorded non-cash flow related net financing expenses from exchange rate fluctuations, which is why we expect net financing expenses for Q1'25 to decrease significantly and EPS to be flat year-on-year

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Inderes
Revenue	82.8		83.4			375
EBITDA	13.5		12.6			56.2
EBITA	9.7		8.5			37.2
PTP	5.8		6.0			26.9
EPS (adj.)	0.25		0.27			1.35
Revenue growth-%	20.0 %		0.8 %			16.4 %
EBITA-%	11.7 %		10.2 %			9.9 %

Source: Inderes

Risk profile of the business model



Acquisitions included in forecasts

Activity in capital allocation

April was an active month for Relais in terms of capital allocation, with the Strands Group acquiring 70% of the Belgian [Matro Group](#). At the end of the month, Relais took another significant growth step in the Nordic region, expanding its Commercial Vehicle Repair and Maintenance business in Norway with the acquisition of [Team Verksted holding](#), while at the same time expanding its distribution business. All in all, thanks to these acquisitions, the company allocated a good 39 MEUR of capital to acquisitions. We had estimated the funds available for acquisitions at the end of fiscal year 2024 to be 30 MEUR, in addition to which Relais' free cash flow will generate more resources for inorganic growth. Thus, the company's financial position is likely to enable M&A transactions to be carried out well at the end of H1'25. The company also negotiated 18-month bridge financing for the acquisition of Team Verksted Holding, which means that there is still room to maneuver in the financing situation after these

arrangements.

Acquired businesses are of high quality

The acquired businesses are quite similar to Relais' current businesses, and in general their capital intensity is moderate, which supports the conditions for value creation. In particular, the conditions for value creation through organic growth of Matro Group are excellent, as its business model has a high capital turnover and its profitability has also been at a fairly high level. When examining the acquisition at the enterprise value of the deal, we estimate the immediate return on invested capital to be at a low double-digit level, but we believe that Relais is capable of growing the entity organically with a high return on capital, which will strengthen the return on capital of the entire Group.

The purchase of TVH was inexpensive in terms of its (2024) purchase price, and the nature of the repair shop and maintenance business ties up very little capital. In

terms of return on capital, this compensates for the lower profitability of its product business. Thus, we estimate it will clearly reach a double-digit return on invested capital already with the capital employed at the enterprise value of the arrangement.

Acquisitions included in forecasts

Relais has estimated that both acquisitions will be completed in June, which is why we have included them in our forecasts from July onwards. Against this backdrop, they were only partially reflected in our 2025 revenue and earnings forecasts, while their full impact will be visible from 2026 onwards. Our forecasts do not currently include assumptions about synergies from the TVH acquisition, which Relais estimates could be as high as 2.5 MEUR. This would further increase the value creation of the arrangement, and in our view, the return on allocated capital would have the potential to reach even about 20%, which is a quite high level.

Estimate revisions	2025e	2025	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	330	375	14%	343	430	25%	353	443	25%
EBITDA	50.4	56.2	12%	52.2	65.3	25%	54.1	67.4	24%
EBIT (exc. NRIs)	33.6	37.2	11%	35.1	43.8	25%	37.0	45.8	24%
EBIT	29.7	33.3	12%	31.2	39.9	28%	33.3	42.1	27%
PTP	23.9	26.9	12%	25.9	32.1	24%	28.5	34.9	22%
EPS (excl. NRIs)	1.25	1.35	8%	1.32	1.54	17%	1.41	1.64	16%
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

Upside in the valuation

Inorganic earnings growth pushes multiples to moderate levels next year

We forecast an EV/EBITA adjusted for IFRS16 effects in 2025 of around 12x, while the corresponding P/E ratio is 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 projections. Thus, our 2025 projections both have corresponding valuation multiples of a more moderate 9x. 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.

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 an average discount of around 8% on key metrics relative to the median of key

earnings-based valuation multiples for the next few years for the peer group of companies operating mainly in the international automotive aftermarket the valuation of which we feel is at a sensible level overall. 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 updated DCF model shows a share value of EUR 17.0, which is also in line with our target 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.

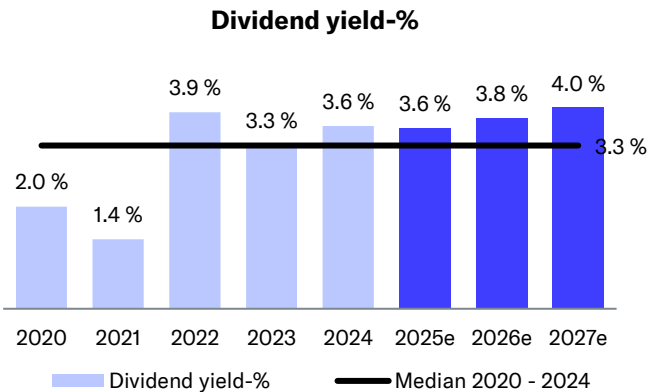
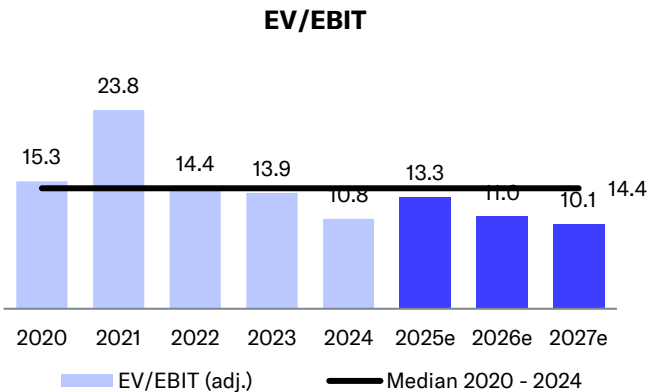
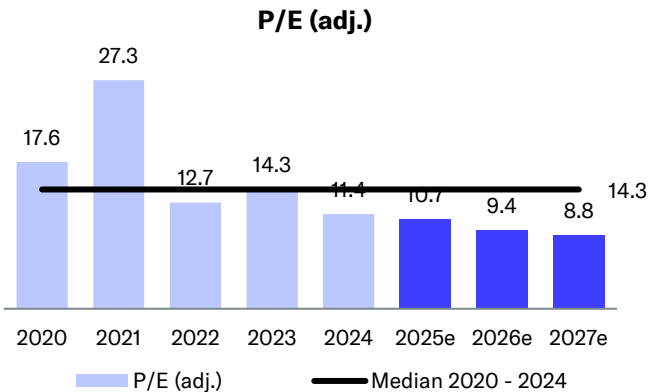
Valuation	2025e	2026e	2027e
Share price	14.45	14.45	14.45
Number of shares, millions	18.2	18.3	18.4
Market cap	263	264	265
EV	496	483	465
P/E (adj.)	10.7	9.4	8.8
P/E	12.7	10.9	10.0
P/B	2.0	1.8	1.7
P/S	0.7	0.6	0.6
EV/Sales	1.3	1.1	1.0
EV/EBITDA	8.8	7.4	6.9
EV/EBIT (adj.)	13.3	11.0	10.1
Payout ratio (%)	45.8 %	41.3 %	40.2 %
Dividend yield-%	3.6 %	3.8 %	4.0 %

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	14.45	14.45	14.45	14.45
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	263	264	265	266
EV	285	613	332	396	390	496	483	465	444
P/E (adj.)	17.6	27.3	12.7	14.3	11.4	10.7	9.4	8.8	8.7
P/E	36.9	32.5	18.4	17.8	13.4	12.7	10.9	10.0	9.8
P/B	3.6	4.5	1.8	2.2	2.1	2.0	1.8	1.7	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	1.0	1.0
EV/EBITDA	14.9	17.0	9.1	9.1	7.5	8.8	7.4	6.9	6.2
EV/EBIT (adj.)	15.3	23.8	14.4	13.9	10.8	13.3	11.0	10.1	9.7
Payout ratio (%)	75.3 %	44.9 %	72.3 %	58.1 %	48.9 %	45.8 %	41.3 %	40.2 %	40.5 %
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

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	1909	2670	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	1678	1608	11.9	7.0	4.4	3.4	0.2	0.2	20.6	11.0	3.1	3.2	0.9
Duell	34	63	14.8	11.1	7.8	6.7	0.5	0.5	15.5	11.5	1.8	3.7	0.6
Auto Partner SA	610	725	9.0	7.6	8.0	6.7	0.6	0.6	10.0	8.0	1.0	1.0	
Genuine Parts Co	14528	18219	12.3	11.8	10.2	9.5	0.9	0.8	15.3	13.9	3.5	3.6	3.5
LKQ Corp	8983	12676	10.4	9.8	8.4	8.1	1.0	1.0	11.2	10.5	3.3	3.6	1.5
O'Reilly Automotive Inc	69865	74681	24.6	22.7	21.7	20.2	4.8	4.5	31.6	28.2			
Autozone Inc	55699	63416	19.3	18.0	16.7	15.5	3.8	3.6	25.2	22.3			
Bapcor Ltd	986	1292	12.9	11.6	8.3	7.6	1.1	1.1	18.0	15.6	3.2	3.6	1.9
Mekonomen AB	653	1095	11.1	9.9	5.9	5.6	0.6	0.6	9.9	8.7	3.3	3.6	1.0
Relais Group (Inderes)	263	496	13.3	11.0	8.8	7.4	1.3	1.1	10.7	9.4	3.6	3.8	2.0
Average			13.6	11.8	9.9	9.0	1.4	1.3	16.6	13.8	2.4	2.8	1.5
Median			12.1	10.5	8.1	7.3	0.7	0.7	15.4	11.2	3.2	3.6	1.4
Diff-% to median			10%	5%	8%	1%	78%	57%	-30%	-17%	14%	7%	51%

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/Sales		P/E		Dividend yield-%		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
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	8736	9444	24.7	22.2	17.8	16.3	3.1	2.9	31.9	27.7	1.2	1.4	5.3
Bergman & Beving AB	767	921	23.2	21.4	14.1	12.9	2.0	1.9	33.5	27.3	1.3	1.4	3.7
Momentum Group AB	754	808	28.4	25.5	19.1	17.4	2.7	2.5	35.9	32.1	0.9	1.0	9.5
Bufab AB	1362	1647	17.8	15.7	14.4	13.0	2.2	2.0	22.5	19.1	1.5	1.7	3.5
Addtech AB	8239	8728	34.8	32.2	26.1	24.6	4.4	4.1	47.1	42.2	0.9	1.1	11.6
Beijer Ref AB	6896	7807	22.0	20.2	17.5	16.1	2.2	2.1	29.7	26.2	1.0	1.1	3.0
Beijer Alma AB	1103	1375	15.0	13.2	11.0	10.1	2.0	1.9	18.3	15.7	2.0	2.2	2.5
Lifco AB (publ)	14764	15546	31.6	29.0	24.2	22.4	6.0	5.5	42.6	38.9	0.7	0.8	8.3
Lagercrantz Group AB	4320	4635	35.2	31.1	25.0	22.7	5.4	4.9	46.9	39.6	1.0	1.1	11.0
Volati AB	964	1242	18.3	15.5	12.1	10.2	1.5	1.5	21.8	17.1	1.1	1.5	4.8
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	2156	2561	33.5	29.5	17.0	15.8	2.6	2.5	56.3	42.8	0.7	0.8	4.2
Addnode Group AB (publ)	1059	1145	22.1	18.2	13.1	11.7	2.2	2.1	28.2	21.6	1.3	1.6	4.4
Instalco AB	667	1062	16.1	11.9	9.1	7.6	0.8	0.8	14.1	10.2	2.4	2.9	2.0
Seafire AB (publ)	21	42	13.6		5.4		0.5		40.6				0.4
Sdiptech AB (publ)	771	771	9.1	8.4	6.5	6.0	1.5	1.4	17.6	14.9			1.7
Fasadgruppen Group AB (publ)	100	296	8.7	6.9	5.7	4.9	0.6	0.6	4.6	3.2	8.9	11.9	0.4
Relais Group (Inderes)	263	496	13.3	11.0	8.8	7.4	1.3	1.1	10.7	9.4	3.6	3.8	2.0
Average			22.1	20.1	14.9	14.1	2.5	2.4	30.7	25.2	1.8	2.2	4.7
Median			22.1	20.2	14.2	13.0	2.2	2.1	30.8	26.2	1.2	1.4	3.9
Diff-% to median			-40%	-45%	-38%	-43%	-40%	-47%	-65%	-64%	204%	174%	-48%

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

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	284.3	82.8	74.3	74.9	90.7	323	83.4	74.9	99.3	118	375	430	443	452
Technical Wholesale and Products	192	56.9	48.7	49.5	62.0	217	53.5	46.7	57.6	72.2	230	251	258	263
Commercial Vehicle Repair and Maintenance	91.9	25.9	25.6	25.4	28.7	106	30.0	28.1	41.8	45.6	145	179	185	189
EBITDA	43.5	13.5	11.1	13.0	14.3	51.9	12.6	10.3	16.4	16.9	56.2	65.3	67.4	71.2
Depreciation	-18.4	-4.5	-4.5	-4.6	-5.3	-18.9	-5.1	-5.2	-6.3	-6.4	-22.9	-25.4	-25.2	-28.6
EBIT (excl. NRI)	28.6	9.7	7.3	9.1	10.0	36.1	8.5	6.1	11.1	11.5	37.2	43.8	45.8	45.9
EBIT	25.1	9.0	6.6	8.4	9.0	33.0	7.5	5.2	10.1	10.5	33.3	39.9	42.1	42.6
Relais Group	25.1	9.0	6.6	8.4	9.0	33.0	7.5	5.2	10.1	10.5	33.3	39.9	42.1	42.6
Net financial items	-7.4	-3.1	-1.7	-1.9	-2.5	-9.2	-1.5	-1.5	-1.7	-1.7	-6.5	-7.7	-7.3	-6.7
PTP	17.7	5.8	4.9	6.5	6.5	23.8	6.0	3.7	8.4	8.8	26.9	32.1	34.9	35.9
Taxes	-4.0	-2.0	-1.6	-1.9	0.2	-5.2	-2.1	-1.2	-2.5	0.0	-5.8	-6.9	-7.5	-7.7
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	3.9	2.5	5.8	8.6	20.7	24.3	26.5	27.3
EPS (adj.)	0.95	0.25	0.22	0.30	0.44	1.2	0.27	0.19	0.37	0.52	1.35	1.54	1.64	1.66
EPS (rep.)	0.76	0.21	0.18	0.26	0.37	1.02	0.21	0.14	0.32	0.47	1.14	1.33	1.44	1.48

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	9.0 %	20.0 %	15.8 %	6.6 %	12.0 %	13.5 %	0.8 %	0.8 %	32.6 %	29.9 %	16.4 %	14.6 %	3.0 %	2.0 %
Adjusted EBIT growth-%	24.1 %	28.4 %	52.2 %	8.9 %	27.8 %	26.5 %	-12.1 %	-16.0 %	21.7 %	14.6 %	3.1 %	17.5 %	4.7 %	0.2 %
EBITDA-%	15.3 %	16.3 %	14.9 %	17.4 %	15.8 %	16.1 %	15.1 %	13.8 %	16.5 %	14.3 %	15.0 %	15.2 %	15.2 %	15.7 %
Adjusted EBIT-%	10.0 %	11.7 %	9.8 %	12.2 %	11.0 %	11.2 %	10.2 %	8.2 %	11.2 %	9.7 %	9.9 %	10.2 %	10.3 %	10.2 %
Net earnings-%	4.8 %	4.7 %	4.4 %	6.2 %	7.4 %	5.7 %	4.7 %	3.3 %	5.8 %	7.3 %	5.5 %	5.7 %	6.0 %	6.0 %

Source: Inderes NB! EBIT excluding NRIs is company's reported EBITA

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	204	196	279	275	272
Goodwill	120	120	151	151	151
Intangible assets	13.1	12.0	21.3	19.6	18.2
Tangible assets	65.8	61.7	105	103	101
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	161	179	183
Inventories	74.1	83.7	97.6	105	109
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	41.4	40.6	52.6	60.2	61.6
Cash and equivalents	9.7	9.6	11.3	12.9	13.3
Balance sheet total	329	330	440	453	455

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	111	118	138	153	169
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	42.0	52.3	63.9	78.8	95.2
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	108	112	112
Interest bearing debt	21.8	19.6	36.8	30.9	29.1
Payables	46.8	53.7	67.6	77.0	78.9
Other current liabilities	5.7	4.0	4.0	4.0	4.0
Balance sheet total	329	330	440	453	455

DCF-calculation

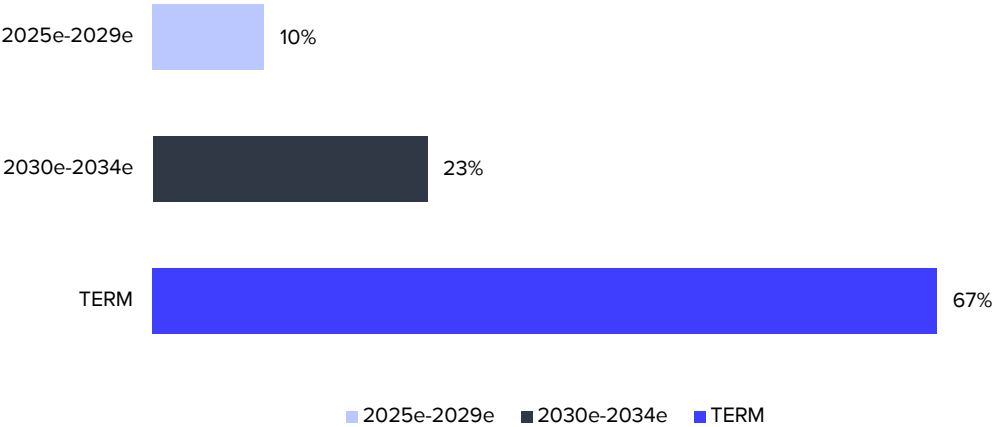
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	13.5 %	16.4 %	14.6 %	3.0 %	2.0 %	3.0 %	3.0 %	2.8 %	2.7 %	2.5 %	2.0 %	2.0 %
EBIT-%	10.2 %	8.9 %	9.3 %	9.5 %	9.4 %	10.3 %	10.3 %	10.5 %	10.5 %	10.3 %	10.3 %	10.3 %
EBIT (operating profit)	33.0	33.3	39.9	42.1	42.6	47.9	49.4	51.8	53.2	53.4	54.5	
+ Depreciation	18.9	22.9	25.4	25.2	28.6	27.6	25.9	24.6	24.1	23.7	23.5	
- Paid taxes	-4.0	-5.8	-6.9	-7.5	-7.7	-9.0	-9.4	-10.1	-10.5	-10.5	-10.8	
- Tax, financial expenses	-2.0	-1.4	-1.7	-1.6	-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	-12.0	-6.0	-2.7	-1.8	-2.8	-2.9	-2.8	-2.7	-2.6	-2.1	
Operating cash flow	42.3	37.0	50.7	55.7	60.2	62.5	61.8	62.5	63.0	63.1	64.2	
+ 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	-24.2	
Free operating cash flow	28.5	-68.2	29.0	33.8	38.0	40.1	39.3	39.6	40.0	39.8	40.0	
+/- 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	-68.2	29.0	33.8	38.0	40.1	39.3	39.6	40.0	39.8	40.0	667
Discounted FCFF		-64.8	25.5	27.5	28.6	27.9	25.3	23.6	22.0	20.3	18.8	314
Sum of FCFF present value		469	534	508	481	452	424	399	375	353	333	314
Enterprise value DCF		469										
- Interest bearing debt		-151										
+ Cash and cash equivalents		9.6										
-Minorities		-17.3										
-Dividend/capital return		0.0										
Equity value DCF		310										
Equity value DCF per share		17.0										

WACC

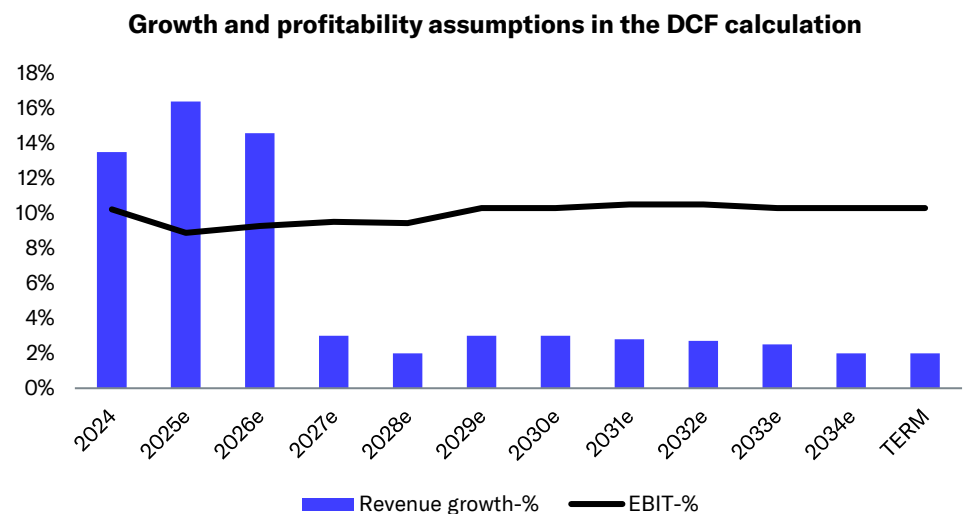
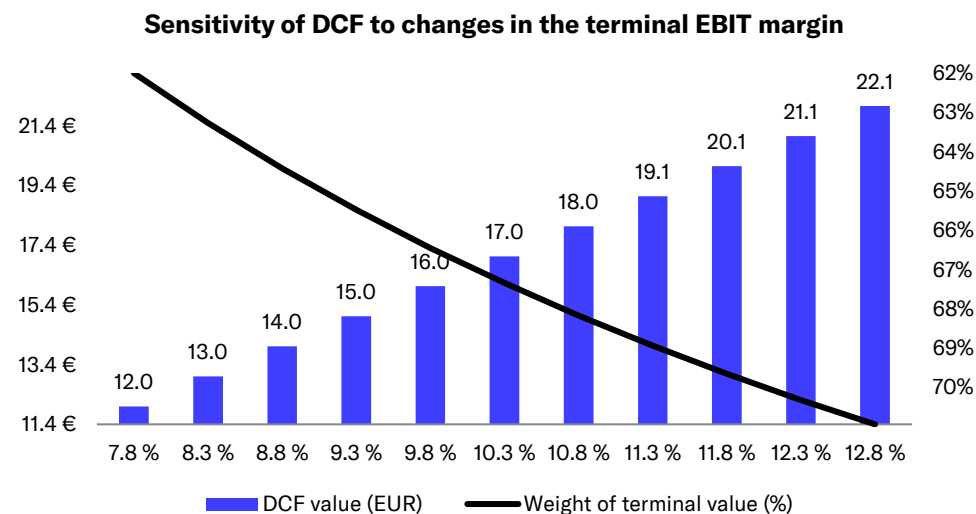
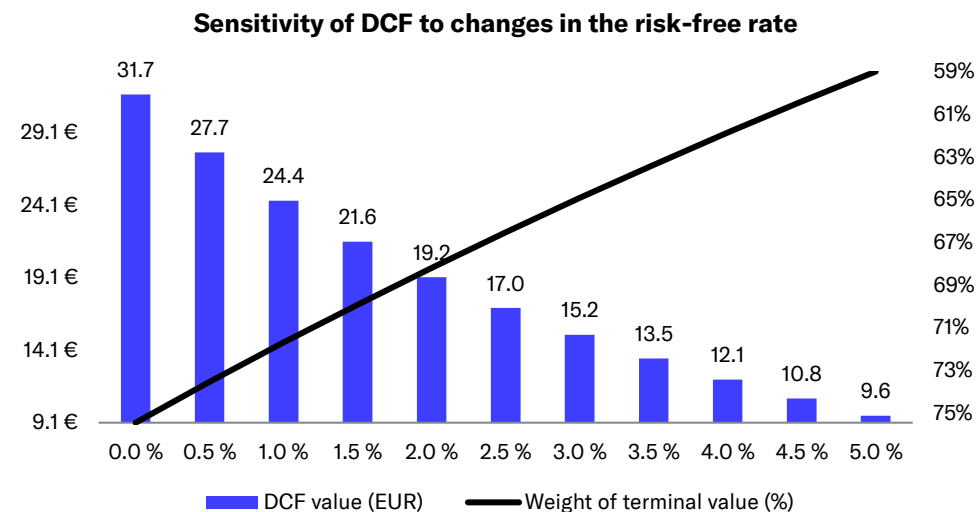
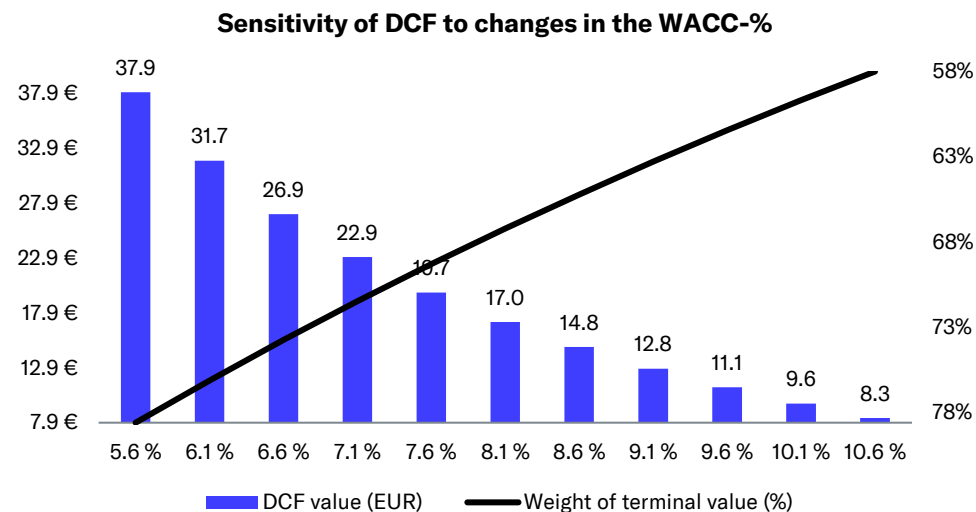
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.0 %
Equity Beta	1.2
Market risk premium	4.75%
Liquidity premium	1.2 %
Risk free interest rate	2.5 %
Cost of equity	9.3 %
Weighted average cost of capital (WACC)	8.1 %

Source: Inderes

Cash flow distribution



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	375.5	430.2	EPS (reported)	0.55	0.76	1.02	1.14	1.33
EBITDA	36.6	43.5	51.9	56.2	65.3	EPS (adj.)	0.80	0.95	1.21	1.35	1.54
EBIT	19.7	25.1	33.0	33.3	39.9	OCF / share	1.64	1.82	2.33	2.03	2.77
PTP	13.1	17.7	23.8	26.9	32.1	OFCF / share	0.72	0.50	1.57	-3.74	1.59
Net Income	10.0	13.7	18.5	20.7	24.3	Book value / share	5.73	6.10	6.49	7.10	7.88
Extraordinary items	-3.3	-3.4	-3.1	-3.9	-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	440.1	453.5	Revenue growth-%	10%	9%	13%	16%	15%
Equity capital	103.9	110.7	117.6	137.7	152.6	EBITDA growth-%	2%	19%	19%	8%	16%
Goodwill	118.2	120.1	120.1	150.7	150.7	EBIT (adj.) growth-%	-11%	24%	27%	3%	18%
Net debt	147.2	151.0	141.3	215.5	203.0	EPS (adj.) growth-%	-16%	18%	28%	12%	14%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	14.0 %	15.3 %	16.1 %	15.0 %	15.2 %
EBITDA	36.6	43.5	51.9	56.2	65.3	EBIT (adj.)-%	8.8 %	10.0 %	11.2 %	9.9 %	10.2 %
Change in working capital	-1.8	-0.3	-3.5	-12.0	-6.0	EBIT-%	7.5 %	8.8 %	10.2 %	8.9 %	9.3 %
Operating cash flow	29.8	33.0	42.3	37.0	50.7	ROE-%	9.6 %	12.8 %	16.2 %	16.8 %	17.8 %
CAPEX	-16.1	-24.1	-13.7	-105.2	-21.7	ROI-%	7.5 %	9.4 %	12.2 %	10.5 %	10.9 %
Free cash flow	13.1	9.0	28.5	-68.2	29.0	Equity ratio	33.2 %	33.6 %	35.6 %	31.3 %	33.6 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	141.7 %	136.5 %	120.1 %	156.5 %	133.0 %
EV/S	1.3	1.4	1.2	1.3	1.1						
EV/EBITDA	9.1	9.1	7.5	8.8	7.4						
EV/EBIT (adj.)	14.4	13.9	10.8	13.3	11.0						
P/E (adj.)	12.7	14.3	11.4	10.7	9.4						
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

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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

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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	Buu	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 €



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Inderes Ab

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

Inderes Oyj

Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.se

inderes.fi

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