

RELAIS GROUP

2/14/2025 6:20 EET

This is a translated version of "Orgaanista kasvua joka puolella"
report, published on 2/14/2025



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INDERES CORPORATE CUSTOMER
COMPANY REPORT



Organic growth on all fronts

Relais' broad-based organic growth in Q4 exceeded our expectations. Compared to last year's exceptionally cold winter, the mild weather in 2025 will make it difficult to achieve growth in the first part of the year, but overall we expect the company to continue its good operational performance in the future. We believe Relais has a strong track record of disciplined execution of its acquisition-driven strategy, which positions the company well to continue to create shareholder value through moderately valued acquisitions. We believe that the low valuation of the stock now provides a good buying opportunity. Therefore, we reiterate our EUR 16.5 target price and raise our recommendation to Buy (was Accumulate).

Organic growth was robust

In Q4, Relais' revenue grew by 12% to 90.7 MEUR, exceeding our 87 MEUR estimate. The estimate beat was driven by broad-based organic growth (9%), which was above our expectations. Relais' Q4 EBITA amounted to 10 MEUR, exceeding our forecast of 9.3 MEUR on a revenue-driven basis. With both depreciation and financial expenses exceeding our forecast, Q4 EPS adjusted for goodwill amortization was around our forecast of EUR 0.44. Although the proposed dividend of EUR 0.5 was higher than our expectations, EUR 0.2 of the dividend will remain payable at the end of 2025 at the discretion of the board of directors. In our assessment, this is a legitimate way for the company to maintain flexibility for acquisitions.

Accelerating the pace of acquisitions

In line with its guidance policy, Relais did not provide guidance for the financial year just started, but the company expects market demand to remain stable in 2025. The company's long-term target for the financial year 2025 is a pro forma EBITA of 50 MEUR, including the EBITA generated by the businesses acquired during the financial year. Our forecast for Relais in

FY'2025 is 34 MEUR, which would require not only excellent operational performance but also an acceleration of the acquisition pace to reach this target. We estimate that the capital available for acquisitions under Relais' current facilities agreement will be around 50 MEUR by the end of FY'2025, taking into account the dividend payment and our estimated cash flow from operations in FY'2025. Thus, we estimate that achieving this target will require additional debt financing, which does not appear to be an insurmountable challenge given the company's operational track record, current gearing and increasing debt capacity from inorganic growth. The company has emphasized in its commentary that shareholder value is a top priority in M&A, and we also see good evidence of value-creating acquisitions by Relais. These factors reinforce our confidence in the company's ability to allocate capital.

Low valuation and value-creating strategy a good combination

According to our forecasts, the P/E ratios adjusted for goodwill amortization for 2025-2026 are 11x and the EV/EBITA ratios are 10-9x. In our view, the absolute valuation multiples for the coming years are favorable. The stock is valued at a slight discount to its industry peers, while the stock is valued at a significant discount to the serial consolidator peer group. In our view, a reasonable level of valuation lies somewhere in between these peer groups, so we believe that relative valuation supports our view of low valuation. The value implied by our cash flow model is EUR 16.5. We think the company has the potential to create significant value through its acquisition-driven strategy, which we believe is starting to show convincing evidence of working. We therefore believe that the low valuation level offers a good opportunity to jump on board the share.

Recommendation

Buy
(was Accumulate)

Target price:

EUR 16.50

(was EUR 16.50)

Share price:

14.10

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	322.6	330.7	343.9	354.2
growth-%	13%	2%	4%	3%
EBIT adj.	36.1	34.2	35.5	37.4
EBIT-% adj.	11.2 %	10.4 %	10.3 %	10.6 %
Net Income	18.5	19.3	20.4	22.5
EPS (adj.)	1.21	1.28	1.33	1.43
P/E (adj.)	11.4	11.1	10.6	9.9
P/B	2.1	2.0	1.8	1.7
Dividend yield-%	3.6 %	3.7 %	3.9 %	4.1 %
EV/EBIT (adj.)	10.8	11.3	10.6	9.7
EV/EBITDA	7.5	7.6	7.1	6.6
EV/S	1.2	1.2	1.1	1.0

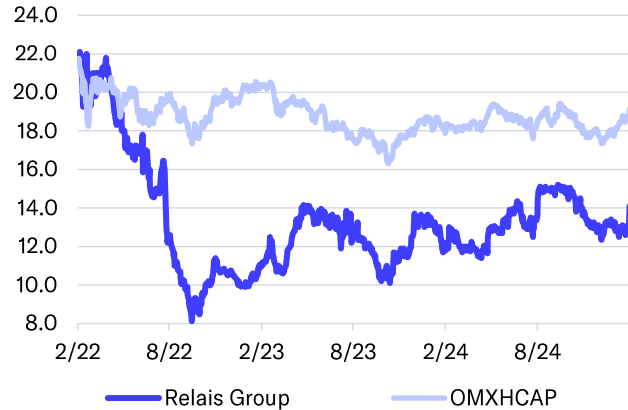
Source: Inderes

Guidance

(New guidance)

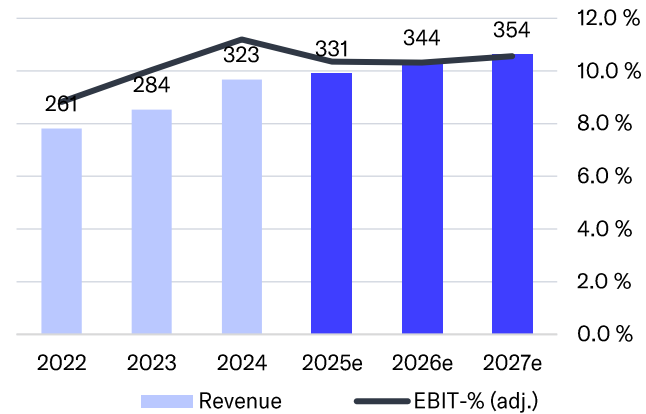
Relais Group does not provide a numeric guidance for the financial year 2025. The company has a long-term financial target published on February 3, 2023, according to which it aims to reach a proforma comparable EBITA of 50 MEUR by the end of the year 2025.

Share price



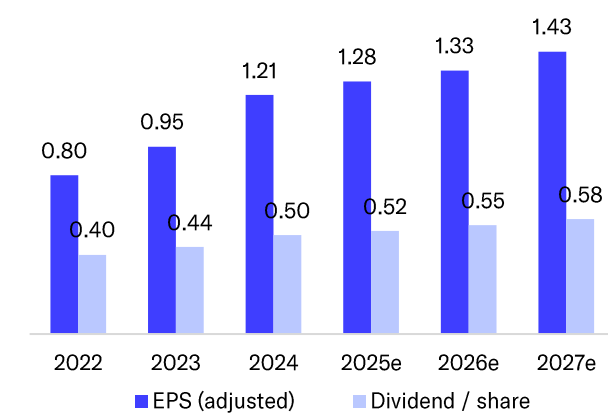
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

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

Risk factors

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

Valuation	2025e	2026e	2027e
Share price	14.10	14.10	14.10
Number of shares, millions	18.2	18.3	18.4
Market cap	257	257	257
EV	387	376	362
P/E (adj.)	11.1	10.6	9.9
P/E	13.3	12.6	11.5
P/B	2.0	1.8	1.7
P/S	0.8	0.7	0.7
EV/Sales	1.2	1.1	1.0
EV/EBITDA	7.6	7.1	6.6
EV/EBIT (adj.)	11.3	10.6	9.7
Payout ratio (%)	49.0 %	49.2 %	47.4 %
Dividend yield-%	3.7 %	3.9 %	4.1 %

Source: Inderes

Organic growth better than we dared to expect

Organic growth rate was a positive surprise

In Q4, Relais' revenue grew by 12% to 90.7 MEUR, exceeding our 87 MEUR estimate. The estimate beat was driven by higher-than-expected organic growth (9%), with both reporting segments growing more strongly than we had forecast. In the Technical Wholesale and Products segment, equipment and lighting achieved organic growth of around 10%, with the season being even more concentrated in Q4 than usual. We estimate that the 10% organic growth in Q4 in the Repair and Maintenance business indicates continued market share gains, supported by a lower price point than competitors (branded service centers). The performance by market area was also stable, with both Finland & Baltics and Scandinavia achieving organic growth of 9% and 7%, respectively. Approximately 3% of the revenue increase was due to acquisitions, which was in line with our expectations.

Lower lines in line with our predictions

Relais' Q4 EBITA amounted to 10 MEUR, exceeding our forecast of 9.3 MEUR. The overperformance in profitability was mainly due to a higher level of revenue than we had forecast. In the cost structure, the better-than-expected gross profit and faster-than-expected wage growth offset each other. On the whole, this development is in line with expectations, as Relais's revenue is increasingly made up of Repair and Maintenance activities (32% of revenue), which have a higher gross margin profile and higher personnel intensity than Wholesale and Products. With both depreciation and financial expenses exceeding our forecast, Q4 EPS adjusted for goodwill amortization was around our forecast of EUR 0.44.

Balance sheet offers leverage

Cash flow from operating activities, adjusted for the repayment of lease liabilities, was around 13 MEUR in Q4,

supported by the release of working capital. The reporting period coincided with the payments of dividends and the previously announced acquisitions, as a result of which Relais' net debt decreased by 5 MEUR from the previous quarter to 141 MEUR. The ratio of EBITDA to net debt was 2.7x at the end of the financial year, which we estimate gave the company a good 30 MEUR of firepower for acquisitions at the end of the financial year, taking into account the announced dividend of 0.5 EUR per share under the current facilities agreements. However, the company left an EUR 0.2 (4 MEUR) portion of the dividend to be decided at a later date, which gives a little more room for maneuver for acquisitions. Even considering the cash flow generated by Relais during 2025 (around 20 MEUR), we estimate that the pro forma EBITA target of 50 MEUR is beyond the company's reach without additional financing. However, we estimate that the company may be able to obtain this from financiers through debt financing.

Estimates MEUR / EUR	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus		Difference (%)	2024
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	ACT.
Revenue	80.9	90.7	86.9	-			4%	319
EBITDA	11.8	14.3	13.3	13.5	13.3	13.9	8%	50.8
EBITA	7.8	10.0	9.3	-			7%	35.4
PTP	6.0	6.5	6.5	7.0	6.5	7.4	0%	23.7
EPS (adj.)	0.39	0.44	0.40	0.40	0.36	0.41	9%	1.17
DPS	0.44	0.50	0.45	0.47	0.45	0.48	11%	0.45
Revenue growth-%	7.7 %	12.0 %	7.3 %				4.7 pp	13.5 %
EBITA-%	9.7 %	11.0 %	10.7 %				0.3 pp	11.1 %

Source: Inderes & Bloomberg, 3 analysts (consensus)

Mainly fine-tuning of forecasts

Estimate revisions

- We revised our EBITA forecasts for the financial years 2025 and 2026 upwards by 3% and 4%, respectively
- Compared to last year's exceptionally cold winter, the mild weather so far in 2025 will make it difficult to achieve growth in the current financial year, leading us to revise our H1'25 revenue and earnings forecasts downwards
- The downward revision of estimates for early 2025 was offset by upward revisions for H2'25, driven by the company's better-than-expected strike rate in Q4'24
- We revised our depreciation forecasts upwards due to the much higher-than-expected Q4 outcome, which had a negative impact on our EBITA forecasts, while our EBITDA forecasts were of course unaffected
- Our forecasts do not include acquisitions, which Relais will very likely make as early as 2025, in line with its strategy

Operational earnings drivers:

- **In 2025**, we estimate Relais' revenue will grow by just under 3% to 331 MEUR
- We expect organic growth to remain at zero, reflecting the challenging H1 comparison period
- We forecast the EBITA margin at 10.4%, lower than in the financial year just ended, due to a less favorable sales mix, higher depreciation and a slightly increased operating cost structure compared to the excellent comparison period
- **In 2026**, we expect market share gains from a lower price point than competitors (branded service) in Repair and Maintenance to help drive revenue growth to just under 4%
- We also expect Wholesale and Products to return to 4% growth after a slower year
- We estimate that the scalability potential of the business model's operating profit is moderate from the good level achieved, and we therefore expect the EBITA margin to settle at around 10% in the coming years, even after 2025.

Estimate revisions	2024e	2024	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	319	323	1%	325	331	2%	335	344	3%
EBITDA	50.8	51.9	2%	49.1	51.0	4%	50.1	52.6	5%
EBIT (exc. NRIs)	35.4	36.1	2%	33.3	34.2	3%	34.2	35.5	4%
EBIT	32.5	33.0	2%	30.1	30.4	1%	31.0	31.6	2%
PTP	23.7	23.8	0%	24.5	24.6	0%	25.5	26.2	3%
EPS (excl. NRIs)	1.17	1.21	3%	1.22	1.28	5%	1.26	1.33	6%
DPS	0.45	0.50	11%	0.46	0.52	13%	0.48	0.55	15%

Source: Inderes

Relais Financial Statements Review 2024



Value creation potential comes cheap

Level of valuation multiples not overwhelming

We forecast an EV/EBITA adjusted for IFRS16 effects in 2024 of 10x, while the corresponding P/E ratio is 11x. For our 2025 earnings projections, the valuation multiples are also 10x and 11x. 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 favorable and believe that the above-mentioned earnings-based valuation multiples are near the bottom of the justified valuation range. We estimate that the capital available for acquisitions under Relais' current facilities agreement will be around 50 MEUR by the end of FY'2025, taking into account the dividend payment and our estimate of Relais' cash flow from operations in FY'2025, which provides room for inorganic growth in the short term. The borrowing power of the business allows for additional debt of this magnitude, although the indebtedness would then be at the upper end of the comfort limit. Thus, we continue to see the conditions for the company to create value inorganically, with the conditions being enhanced by cash flow.

Multiples below peer groups

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 7% 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 around 55% 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.

Upside to DCF value

Our updated DCF model indicates a share value of EUR 16.5. The weakness of the cash flow model is that the model does not consider inorganic growth. However, the model is well-suited for valuing existing businesses. Thus this valuation metric, in our view, 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.

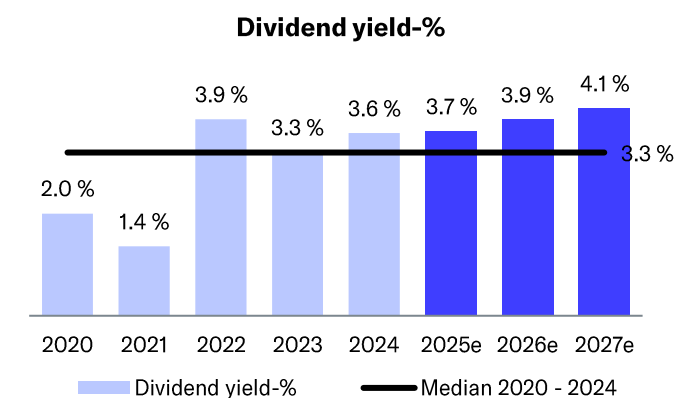
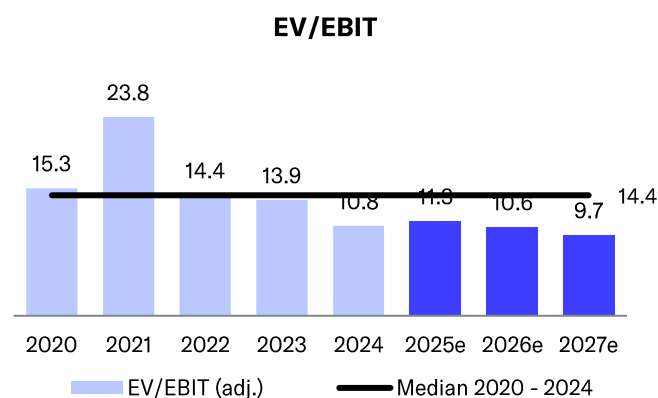
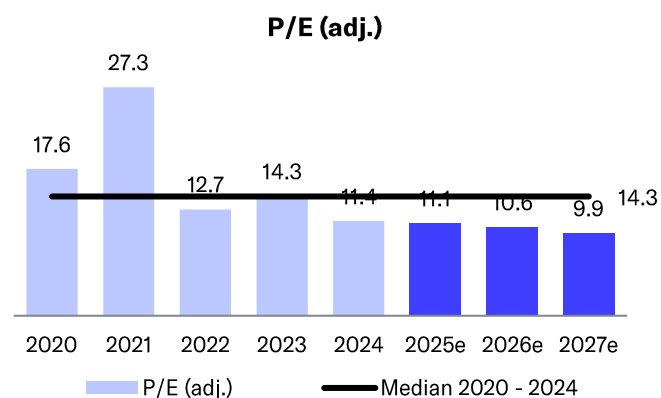
Valuation	2025e	2026e	2027e
Share price	14.10	14.10	14.10
Number of shares, millions	18.2	18.3	18.4
Market cap	257	257	257
EV	387	376	362
P/E (adj.)	11.1	10.6	9.9
P/E	13.3	12.6	11.5
P/B	2.0	1.8	1.7
P/S	0.8	0.7	0.7
EV/Sales	1.2	1.1	1.0
EV/EBITDA	7.6	7.1	6.6
EV/EBIT (adj.)	11.3	10.6	9.7
Payout ratio (%)	49.0 %	49.2 %	47.4 %
Dividend yield-%	3.7 %	3.9 %	4.1 %

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	14.10	14.10	14.10	14.10
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	257	257	257	257
EV	285	613	332	396	389	387	376	362	350
P/E (adj.)	17.6	27.3	12.7	14.3	11.4	11.1	10.6	9.9	9.6
P/E	36.9	32.5	18.4	17.8	13.4	13.3	12.6	11.5	10.9
P/B	3.6	4.5	1.8	2.2	2.1	2.0	1.8	1.7	1.6
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	1.2	1.1	1.0	1.0
EV/EBITDA	14.9	17.0	9.1	9.1	7.5	7.6	7.1	6.6	6.6
EV/EBIT (adj.)	15.3	23.8	14.4	13.9	10.8	11.3	10.6	9.7	9.1
Payout ratio (%)	75.3 %	44.9 %	72.3 %	58.1 %	48.9 %	49.0 %	49.2 %	47.4 %	46.3 %
Dividend yield-%	2.0 %	1.4 %	3.9 %	3.3 %	3.6 %	3.7 %	3.9 %	4.1 %	4.3 %

Source: Inderes



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	2003	2692	9.8	8.8	8.2	7.3	0.5	0.5	10.1	8.9	0.2	0.9	1.5
Advance Auto Parts Inc	2735	4011	22.4	14.7	9.4	7.7	0.5	0.5	30.5	15.8	2.1	2.1	1.2
Duell	35	60	12.0	10.0	6.6	6.3	0.5	0.4	16.4	11.4	2.1	3.6	0.7
Auto Partner SA	622	722	8.8	7.4	7.4	6.2	0.6	0.6	9.9	8.0	1.0	1.0	
Genuine Parts Co	16387	19799	11.8	11.0	9.9	9.1	0.9	0.8	14.6	13.4	3.4	3.6	3.4
LKQ Corp	9555	13395	9.6	9.1	7.8	7.5	1.0	0.9	10.6	9.7	3.3	3.4	1.4
O'Reilly Automotive Inc	73383	78580	23.5	21.8	20.8	19.4	4.6	4.4	30.0	26.7			
Autozone Inc	55538	63933	17.5	16.3	15.1	14.1	3.5	3.3	22.5	19.9			
Bapcor Ltd	1022	1399	12.7	11.5	8.4	7.8	1.1	1.1	17.0	15.1	3.3	3.7	1.8
Mekonomen AB	677	1066	10.7	9.8	6.1	5.7	0.6	0.6	9.7	8.5	3.2	3.5	1.1
Relais Group (Inderes)	257	387	11.3	10.6	7.6	7.1	1.2	1.1	11.1	10.6	3.7	3.9	2.0
Average			13.9	12.0	10.0	9.1	1.4	1.3	17.1	13.7	2.3	2.7	1.6
Median			11.9	10.5	8.3	7.6	0.7	0.7	15.5	12.4	2.7	3.5	1.4
Diff-% to median			-5%	1%	-8%	-6%	60%	55%	-29%	-15%	39%	13%	42%

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
Indutrade AB	10207	10934	27.0	24.5	19.9	18.3	3.6	3.3	36.5	32.1	1.1	1.2	6.2
Bergman & Beving AB	778	936	24.2	21.9	14.6	13.2	2.1	2.0	35.1	28.7	1.3	1.4	3.8
Momentum Group AB	779	828	29.5	28.0	20.3	19.4	3.0	3.4	36.4	34.1	0.8	0.9	9.6
Bufab AB (publ)	1527	1825	20.0	17.3	16.4	14.4	2.4	2.3	25.6	20.9	1.3	1.6	3.9
Addtech AB	8033	8549	34.0	31.4	25.9	24.2	4.3	4.1	46.7	40.9	0.9	1.1	11.6
Beijer Ref AB (publ)	7496	8371	22.8	20.8	18.4	16.9	2.4	2.2	30.7	26.8	1.0	1.1	3.3
Beijer Alma AB	1012	1255	13.8	12.5	10.0	9.4	1.9	1.8	18.0	14.8	2.2	2.3	2.3
Lifco AB (publ)	14732	15538	31.5	28.5	24.2	22.1	6.1	5.5	46.5	40.6	0.7	0.8	8.5
Lagercrantz Group AB	4366	4670	39.0	33.0	26.3	23.7	5.5	5.0	46.2	38.8	0.9	1.0	11.1
Volati Ab	876	1117	16.2	14.6	11.0	10.1	1.4	1.4	18.8	15.8	1.2	1.4	4.3
Boreo	29	90	14.9	14.9	9.0	8.1	0.7	0.7	11.2	7.3	0.5	1.6	0.6
AddLife AB	1884	2304	31.7	27.1	15.7	14.5	2.4	2.2	53.4	39.1	0.7	0.9	3.8
Addnode Group AB	1356	1449	24.5	21.6	15.3	14.2	2.7	2.5	33.3	27.9	1.2	1.3	5.6
Instalco AB	772	1128	15.2	12.0	9.4	8.2	0.9	0.9	15.4	11.5	2.2	2.7	2.3
Seafire AB	20	38	10.7		4.8		0.5		19.1				0.3
Sdiptech AB	710	710	8.1	7.3	5.9	5.3	1.4	1.3	14.9	12.2			1.6
Fasadgruppen Group AB	103	248	6.1	5.3	4.3	3.9	0.5	0.5	3.9	3.1	8.1	9.9	0.5
Relais Group (Inderes)	257	387	11.3	10.6	7.6	7.1	1.2	1.1	11.1	10.6	3.7	3.9	2.0
Average			22.1	20.4	15.0	14.4	2.5	2.5	29.5	25.3	1.6	2.0	4.7
Median			23.5	21.6	15.5	14.4	2.4	2.2	32.0	27.9	1.0	1.2	3.8
Diff-% to median			-52%	-51%	-51%	-50%	-51%	-51%	-65%	-62%	260%	221%	-47%

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	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	284.3	82.8	74.3	74.9	90.7	323	84.0	75.3	78.2	93.1	331	344	354	361
Technical Wholesale and Products	192	56.9	48.7	49.5	62.0	217	54.0	47.2	51.0	63.9	216	225	231	236
Repair and Maintenance	91.9	25.9	25.6	25.4	28.7	106	30.0	28.1	27.2	29.2	115	119	123	125
EBITDA	43.5	13.5	11.1	13.0	14.3	51.9	13.1	10.5	12.8	14.6	51.0	52.6	54.5	53.2
Depreciation	-18.4	-4.5	-4.5	-4.6	-5.3	-18.9	-5.1	-5.2	-5.2	-5.3	-20.7	-21.0	-20.8	-18.2
EBIT (excl. NRI)	28.6	9.7	7.3	9.1	10.0	36.1	9.0	6.3	8.6	10.4	34.2	35.5	37.4	38.3
EBIT	25.1	9.0	6.6	8.4	9.0	33.0	8.0	5.3	7.6	9.4	30.4	31.6	33.7	35.0
Relais Group	25.1	9.0	6.6	8.4	9.0	33.0	8.0	5.3	7.6	9.4	30.4	31.6	33.7	35.0
Net financial items	-7.4	-3.1	-1.7	-1.9	-2.5	-9.2	-1.5	-1.5	-1.4	-1.3	-5.8	-5.4	-4.9	-4.4
PTP	17.7	5.8	4.9	6.5	6.5	23.8	6.4	3.9	6.2	8.0	24.6	26.2	28.8	30.6
Taxes	-4.0	-2.0	-1.6	-1.9	0.2	-5.2	-2.2	-1.3	-1.8	0.0	-5.2	-5.8	-6.3	-6.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	13.7	3.9	3.3	4.6	6.7	18.5	4.3	2.6	4.4	8.0	19.3	20.4	22.5	23.9
EPS (adj.)	0.95	0.25	0.22	0.30	0.44	1.2	0.29	0.20	0.29	0.50	1.28	1.33	1.43	1.47
EPS (rep.)	0.76	0.21	0.18	0.26	0.37	1.02	0.24	0.14	0.24	0.44	1.06	1.12	1.22	1.29

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 %	1.5 %	1.5 %	4.4 %	2.7 %	2.5 %	4.0 %	3.0 %	2.0 %
Adjusted EBIT growth-%	24.1 %	28.4 %	52.2 %	8.9 %	27.8 %	26.5 %	-7.3 %	-13.5 %	-5.8 %	3.5 %	-5.2 %	3.6 %	5.4 %	2.4 %
EBITDA-%	15.3 %	16.3 %	14.9 %	17.4 %	15.8 %	16.1 %	15.5 %	14.0 %	16.4 %	15.7 %	15.4 %	15.3 %	15.4 %	14.7 %
Adjusted EBIT-%	10.0 %	11.7 %	9.8 %	12.2 %	11.0 %	11.2 %	10.7 %	8.4 %	11.0 %	11.1 %	10.4 %	10.3 %	10.6 %	10.6 %
Net earnings-%	4.8 %	4.7 %	4.4 %	6.2 %	7.4 %	5.7 %	5.1 %	3.5 %	5.6 %	8.6 %	5.8 %	5.9 %	6.3 %	6.6 %

Source: Inderes

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

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	200	196	192	188	184
Goodwill	120	120	120	120	120
Intangible assets	13.1	12.0	10.3	8.6	7.2
Tangible assets	65.8	61.7	59.4	57.3	55.1
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	0.0	1.6	1.6	1.6	1.6
Current assets	129	134	141	146	150
Inventories	74.1	83.7	84.3	87.7	90.3
Other current assets	4.0	0.0	0.0	0.0	0.0
Receivables	41.4	40.6	46.3	48.1	49.2
Cash and equivalents	9.7	9.6	9.9	10.3	10.6
Balance sheet total	329	330	332	334	334

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	111	118	128	139	151
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	42.0	52.3	62.6	73.5	85.9
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	0.0	0.0	0.0
Non-current liabilities	143	135	100	90.1	90.1
Deferred tax liabilities	4.2	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	139	130	100.0	90.0	90.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.1	5.0	0.1	0.1	0.1
Current liabilities	75.3	77.3	104	105	93.0
Interest bearing debt	21.8	19.6	40.6	39.4	26.0
Payables	46.8	53.7	59.5	61.6	63.0
Other current liabilities	6.7	4.0	4.0	4.0	4.0
Balance sheet total	329	330	332	334	334

DCF-calculation

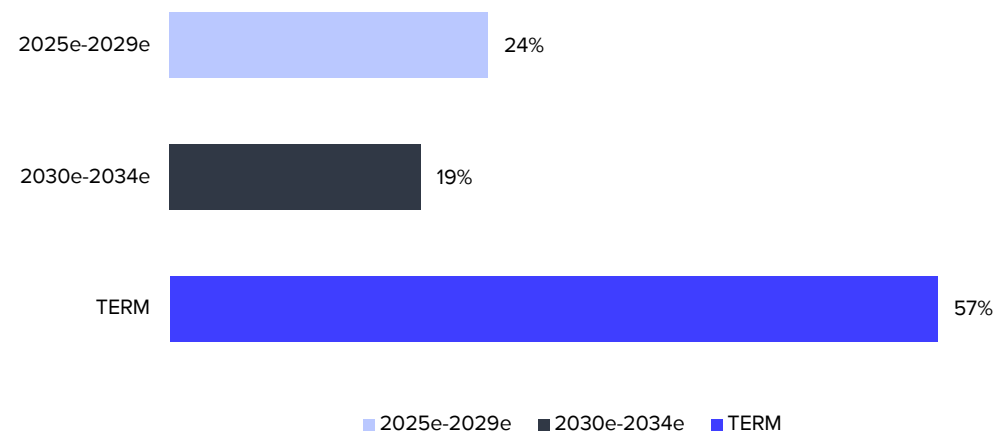
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	13.5 %	2.5 %	4.0 %	3.0 %	2.0 %	3.0 %	3.0 %	2.8 %	2.7 %	2.5 %	2.0 %	2.0 %
EBIT-%	10.2 %	9.2 %	9.2 %	9.5 %	9.7 %	11.0 %	11.0 %	10.8 %	10.6 %	10.5 %	10.5 %	10.5 %
EBIT (operating profit)	33.0	30.4	31.6	33.7	35.0	40.9	42.2	42.6	42.9	43.6	44.4	
+ Depreciation	18.9	20.7	21.0	20.8	18.2	16.6	16.7	16.6	16.8	17.0	17.2	
- Paid taxes	-11.0	-5.2	-5.8	-6.3	-6.7	-8.1	-8.4	-8.4	-8.5	-8.7	-8.8	
- Tax, financial expenses	-2.0	-1.2	-1.2	-1.1	-1.0	-0.9	-0.9	-0.9	-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	-0.5	-0.5	-3.2	-2.2	-1.5	-2.7	-2.8	-2.7	-2.3	-2.2	-1.8	
Operating cash flow	38.4	44.0	42.5	44.9	44.0	45.9	46.8	47.0	48.0	48.8	50.0	
+ Change in other long-term liabilities	4.9	-4.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-13.7	-15.9	-17.2	-17.3	-17.3	-17.6	-17.7	-17.8	-17.8	-17.7	-18.4	
Free operating cash flow	29.5	23.2	25.3	27.6	26.6	28.2	29.1	29.3	30.1	31.1	31.6	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	29.5	23.2	25.3	27.6	26.6	28.2	29.1	29.3	30.1	31.1	31.6	540
Discounted FCFF		21.7	21.9	22.2	19.8	19.4	18.5	17.3	16.5	15.7	14.8	253
Sum of FCFF present value		441	419	397	375	356	336	318	300	284	268	253
Enterprise value DCF		441										
- Interest bearing debt		-150										
+ Cash and cash equivalents		9.6										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		301										
Equity value DCF per share		16.5										

WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.1
Market risk premium	4.75%
Liquidity premium	1.10%
Risk free interest rate	2.5 %
Cost of equity	9.0 %
Weighted average cost of capital (WACC)	8.0 %

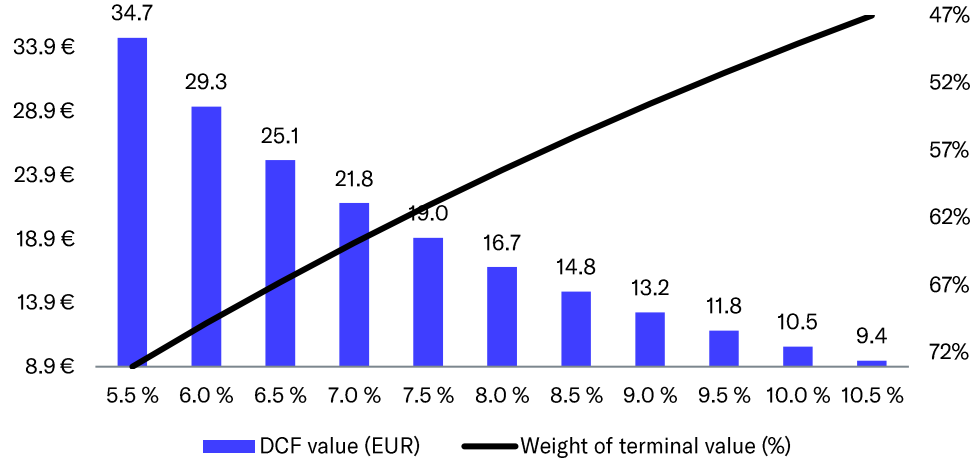
Source: Inderes

Cash flow distribution

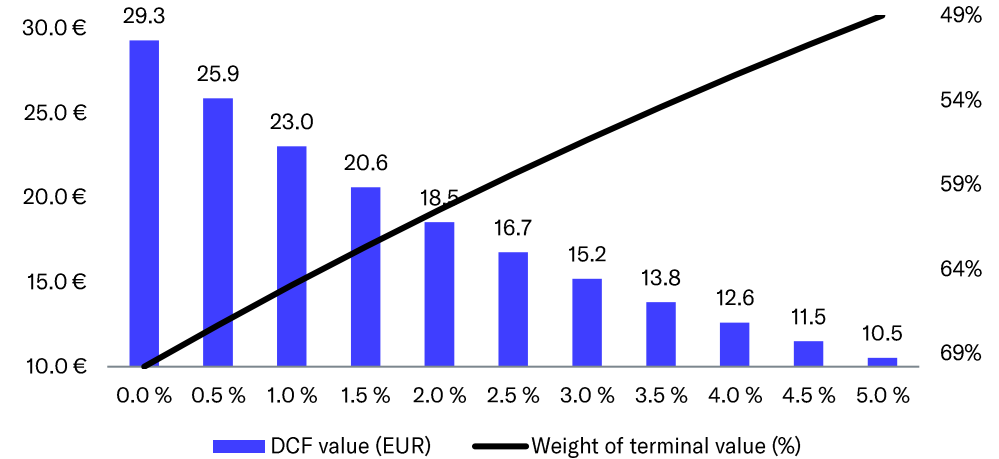


DCF sensitivity calculations and key assumptions in graphs

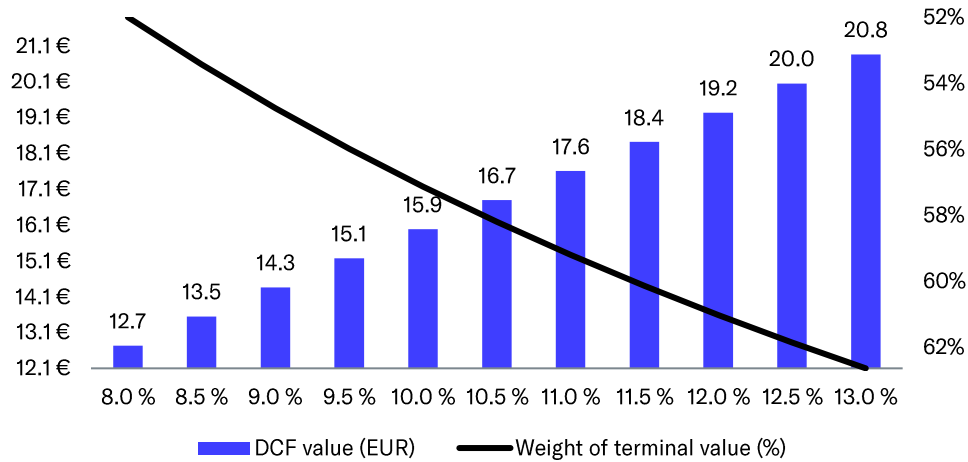
Sensitivity of DCF to changes in the WACC-%



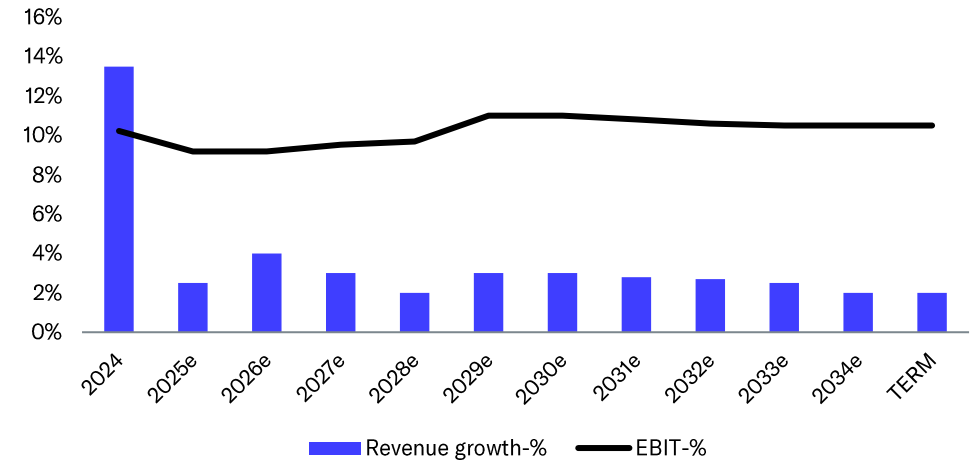
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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	330.7	343.9	EPS (reported)	0.55	0.76	1.02	1.06	1.12
EBITDA	36.6	43.5	51.9	51.0	52.6	EPS (adj.)	0.80	0.95	1.21	1.28	1.33
EBIT	19.7	25.1	33.0	30.4	31.6	OCF / share	1.64	1.82	2.12	2.42	2.32
PTP	13.1	17.7	23.8	24.6	26.2	FCF / share	0.72	0.49	1.63	1.28	1.38
Net Income	10.0	13.7	18.5	19.3	20.4	Book value / share	5.73	6.10	6.49	7.02	7.59
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	330.3	332.1	333.9	Revenue growth-%	10%	9%	13%	2%	4%
Equity capital	103.9	110.7	117.6	127.8	138.8	EBITDA growth-%	2%	19%	19%	-2%	3%
Goodwill	118.2	120.1	120.2	120.2	120.2	EBIT (adj.) growth-%	-11%	24%	27%	-5%	4%
Net debt	147.2	151.0	140.3	130.7	119.1	EPS (adj.) growth-%	-16%	18%	28%	6%	4%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	14.0 %	15.3 %	16.1 %	15.4 %	15.3 %
EBITDA	36.6	43.5	51.9	51.0	52.6	EBIT (adj.)-%	8.8 %	10.0 %	11.2 %	10.4 %	10.3 %
Change in working capital	-1.8	-3.3	-0.5	-0.5	-3.2	EBIT-%	7.5 %	8.8 %	10.2 %	9.2 %	9.2 %
Operating cash flow	29.8	33.0	38.4	44.0	42.5	ROE-%	9.6 %	12.8 %	16.2 %	15.7 %	15.3 %
CAPEX	-16.1	-24.1	-13.7	-15.9	-17.2	ROI-%	7.5 %	9.4 %	12.2 %	11.3 %	11.8 %
Free cash flow	13.1	9.0	29.5	23.2	25.3	Equity ratio	33.2 %	33.6 %	35.6 %	38.5 %	41.6 %
						Gearing	141.7 %	136.5 %	119.3 %	102.2 %	85.8 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	1.3	1.4	1.2	1.2	1.1						
EV/EBITDA	9.1	9.1	7.5	7.6	7.1						
EV/EBIT (adj.)	14.4	13.9	10.8	11.3	10.6						
P/E (adj.)	12.7	14.3	11.4	11.1	10.6						
P/B	1.8	2.2	2.1	2.0	1.8						
Dividend-%	3.9 %	3.3 %	3.6 %	3.7 %	3.9 %						

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	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 €



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