

RELAIS



Interim Management Statement
January-September 2023

RELAIS GROUP PLC INTERIM MANAGEMENT STATEMENT JANUARY-SEPTEMBER 2023 (UNAUDITED): STABLE AND PROFITABLE GROWTH CONTINUES

Double-digit EBITA growth percentage for the third quarter in a row this year in comparable exchange rates.

JULY-SEPTEMBER 2023 IN BRIEF

- Net sales totalled EUR 70.3 million (July-September 2022: 64.8), change +9%
- EBITA was EUR 8.4 (7.7) million, 11.9% (11.9%) of net sales, change +9%
- Comparable EBITA was EUR 8.6 (7.9) million, 12.2% (12.3%) of net sales, change +8%
- EBIT was EUR 7.5 (6.8) million, 10.7% (10.5%) of net sales, change +11%
- Comparable EBIT was EUR 7.7 (7.1) million, 11.0% (10.9%) of net sales, change +10%
- Comparable earnings per share excluding amortisation of acquisitions (undiluted) was EUR 0.30 (0.27) *
- Net cash flow from operations was EUR 4.6 (6.2) million
- The development of the EUR/SEK exchange rate had a negative impact on the Group's EBITA during the review period. At comparable exchange rates, EBITA would have been approximately EUR 0.5 (0.2) million higher than reported **)

JANUARY-SEPTEMBER 2023 IN BRIEF

- Net sales totalled EUR 203.3 million (January-September 2022: 185.5), change +10%
- EBITA was EUR 20.7 (16.8) million, 10.2% (9.1%) of net sales, change +23%
- Comparable EBITA was EUR 21.0 (17.9) million, 10.3% (9.7%) of net sales, change +17%
- EBIT was EUR 18.1 (14.3) million, 8.9% (7.7%) of net sales, change +27%
- Comparable EBIT was EUR 18.4 (15.5) million, 9.1% (8.3%) of net sales, change +19%
- Comparable earnings per share excluding amortisation of acquisitions (undiluted) was EUR 0.57 (0.55) *
- Net cash flow from operations improved significantly from previous year and was EUR 22.2 (11.6) million
- The development of the EUR/SEK exchange rate had a negative impact on the Group's EBITA during the review period. At comparable exchange rates, EBITA would have been approximately EUR 1.3 (0.5) million higher than reported **)

*) Average undiluted number of shares July-September 2023: 18,132,258 (July-September 2022: 18,132,308). January-September 2023: 18,132,258 (January-September 2022: 18,024,511).

***) The EUR/SEK impact has been calculated by converting the SEK denominated EBITA of the Swedish entities to EUR with the reporting period average EUR/SEK rate as well as the comparison period average EUR/SEK rate and comparing these two (translation difference).

Unless stated otherwise, figures in parentheses refer to the corresponding period of the previous year.

The change percentages in the tables have been calculated on exact figures before the amounts were rounded to millions of euros.

KEY FIGURES

EUR thousand unless stated otherwise	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Net Sales	70,259	64,780	203,310	185,498	260,683
Net sales growth, %	8.5%	10.3%	9.6%	12.9%	9.6%
Gross profit	32,275	28,777	93,635	83,544	117,214
Gross margin, %	45.9%	44.4%	46.1%	45.0%	45.0%
EBITDA	12,122	11,071	31,804	26,505	36,581
EBITDA margin, %	17.3%	17.1%	15.6%	14.3%	14.0%
Comparable EBITDA	12,325	11,324	32,095	27,618	39,414
Comparable EBITDA, %	17.5%	17.5%	15.8%	14.9%	15.1%
EBITA	8,392	7,684	20,720	16,797	22,980
EBITA margin, %	11.9%	11.9%	10.2%	9.1%	8.8%
Comparable EBITA	8,595	7,937	21,011	17,910	25,813
Comparable EBITA, %	12.2%	12.3%	10.3%	9.7%	9.9%
Operating profit	7,546	6,818	18,137	14,340	19,648
Operating profit margin, %	10.7%	10.5%	8.9%	7.7%	7.5%
Comparable operating profit	7,749	7,071	18,428	15,453	22,481
Comparable operating profit, %	11.0%	10.9%	9.1%	8.3%	8.6%
Profit (loss) for the period	4,345	3,691	7,462	6,341	10,075
Profit (loss) for the period margin, %	6.2%	5.7%	3.7%	3.4%	3.9%
Comparable profit (loss)	4,548	3,944	7,753	7,453	12,907
Comparable profit (loss) margin, %	6.5%	6.1%	3.8%	4.0%	5.0%
Comparable profit (loss) excluding amortisation of acquisitions	5,393	4,810	10,337	9,911	16,239
Comparable profit (loss) excluding amortisation of acquisitions margin, %	7.7%	7.4%	5.1%	5.3%	6.2%
Items affecting comparability included in profit (loss) for the period	203	253	291	1,113	2,832
Net working capital	58,367	69,685	58,367	69,685	62,551
Inventories	73,942	77,038	73,942	77,038	67,804
Free cash flow	417	4,408	15,944	7,653	24,070
Cash conversion	3.4%	39.8%	50.1%	28.9%	65.8%
Net Debt	144,412	153,260	144,412	153,260	143,544
Net Debt excl. leasing Liabilities	87,081	98,449	87,081	98,449	90,056
Net Debt to EBITDA, LTM	3.45	4.08	3.45	4.08	3.92
Net Debt (excl. Leasing Liabilities) to EBITDA, LTM	2.08	2.62	2.08	2.62	2.46
Net gearing	141.5%	151.3%	141.5%	151.3%	138.0%
Net gearing excl. leasing Liabilities	85.3%	97.2%	85.3%	97.2%	86.6%
Equity ratio	31.6%	31.8%	31.6%	31.8%	33.6%
Return on capital employed (ROCE)	-	-	10.4%	9.1%	9.4%
Return on equity (ROE)	-	-	9.7%	8.2%	9.7%
Return on assets (ROA)	-	-	8.6%	7.6%	7.8%
Earnings per share, basic (EUR) *)	0.24	0.21	0.41	0.35	0.56
Earnings per share, diluted (EUR)	0.23	0.20	0.40	0.34	0.54

Comparable earnings per share, basic (EUR)	0.25	0.22	0.43	0.41	0.72
Comparable earnings per share, diluted (EUR)	0.24	0.21	0.41	0.40	0.69
Comparable earnings per share excluding amortisation of acquisitions, basic (EUR)	0.30	0.27	0.57	0.55	0.90
Comparable earnings per share excluding amortisation of acquisitions, diluted (EUR)	0.29	0.26	0.55	0.53	0.87
Average number of employees	1,072	1,011	1,038	995	997
Personnel at the end of the period, FTE	1,078	998	1,078	998	1,009

*) The average undiluted number of shares July-September 2023: 18,132,258 (July-September 2022: 18,132,308). January-September 2023: 18,132,258 (January-September 2022: 18,024,511). The average diluted number of shares July-September 2023: 18,804,869 (July-September 2022: 18,787,677). January-September 2023: 18,800,123 (January-September 2022: 18,752,469).

2023 OUTLOOK AND LONG-TERM FINANCIAL TARGET

The Company does not provide a numeric guidance for the financial year 2023. On 2 March 2023, the company issued a revised long-term financial target, according to which the company aims to reach a proforma EBITA of EUR 50 million by the end of the year 2025. Relais considers a profit target to be more relevant in describing the shareholder value creation potential of the Company, as opposed to a net sales target. The previous financial target of the Company was to reach pro forma net sales of EUR 500 million by the end of year 2026.

CEO ARNI EKHOLM COMMENTS THE THIRD QUARTER OF 2023

“The strength of our business model was demonstrated again during the third quarter. Despite the challenging market conditions and a strong comparison period last year, we were able to achieve solid and profitable growth. In comparable exchange rates, the third quarter of 2023 was the third consecutive quarter with a double-digit EBITA growth percentage for the Group.

Relais Group aims to reach constant earnings growth with a strategy combining three reinforcing themes: stronger than market average organic growth, growth by acquisitions and implementation of operational efficiency measures. Our strategy is based on a “buy and build” model, where we actively support the acquired companies to grow their business. We help them to grow faster than the market by utilizing our in-depth knowledge of the vehicle aftermarket and the synergy benefits between the Group companies. The results during this year clearly show that we have been able to successfully pursue our value creation model.

The performance of the Group’s Technical Wholesale and Products business was strong especially in the Scandinavian markets, based on the robust customer demand, acquisitions in Denmark, Finland and Norway and the effect of price increases carried out through the year. The market situation in Finland and Baltics continued to be challenging, mainly due to the heavy competition in the spare parts market. The third quarter organic net sales growth of the Technical Wholesale and Products business was 5% at comparable exchange rates.

The positive development of our Commercial Vehicle Repair and Maintenance business continued also during the third quarter. The main growth drivers were the solid customer demand in both Finland and Sweden combined with the effect of the efficiency measures carried out last year. The capacity utilization of the workshops was at a good level and the gross profit-% continued to develop positively. The third quarter organic net sales growth of the Commercial Vehicle Repair and Maintenance business was 5% at comparable exchange rates.

The Lighting product group net sales was slightly lower than in the third quarter last year (-3% in comparable exchange rates) mainly owing to the retail customers’ more cautious pre-orders and the slow start of the e-commerce season sales in Finland. On a year-to-date level net sales has grown with 5% in comparable exchange rates, largely owing to the successful export of Strands Group products.

Acquisitions continued to be an important growth driver of Relais Group. The acquisitions carried out in Sweden and Denmark in 2022 (Skeppsbrons, SET) had a very positive effect on the profitability of the Group during the first nine months of this year. In addition, the acquisition of Adita in early 2023 strengthened the position of Startax in Finland. The latest acquisitions (AutoMateriell and Nordic Lift in Norway) was finalized in and consolidated starting from the beginning of August. We are continuing our efforts to carry out further targeted acquisitions this year in line with our growth strategy.

The outlook for the rest of the year is largely dependent on external, macroeconomic and market demand factors. Inflation is still on a high level, the dramatically risen interest rates are negatively affecting the purchase power of customers and consumers. There are also signs of increasing unemployment and layoffs in Finland and Sweden. In addition, the weakening of the Swedish krona against the euro sets pressure on our reported results, as a major part of our business is conducted in the Swedish marketplace. On the other hand, the vehicle aftermarket is defensive by nature and compared to many other businesses it is a sector with less cyclicality. The inventory and resource situation is good, allowing us to meet the customer demand for our products and services. Despite the challenging external conditions, we feel that we are well positioned to continue the successful implementation of our strategy also during the rest of the year 2023.

Finally, I want to express my warm thanks to all Relais Group team members for your strong performance during the third quarter.”

STRATEGY

Relais Group Plc is a consolidator and smart compounder with a sector focus on vehicle aftermarket in the Nordic region. We serve as a growth platform for our group companies and build them into great businesses.

We consider the value generated during the whole vehicle life cycle and are focused on the sector with biggest potential for earnings growth and least cyclicality, the aftermarket.

We create shareholder value by delivering strong earnings growth through a strategy based on three reinforcing themes:

- Acquisitions
- Organic growth
- Operational excellence

SALES

In **July-September 2023**, the Group's net sales were EUR 70.3 (64.8) million, an increase of 9%. With constant exchange rates the growth was approximately 14%.

Net sales of the Commercial Vehicle Repair and Maintenance business were EUR 21.4 (21.1) million, an increase of 1%. With constant exchange rates the growth was approximately 5%. The increase was attributable to continued strong customer demand in both Finland and Sweden combined with the positive impact of the efficiency measures initiated in 2022. The year-on-year growth was however somewhat lower than in the previous two quarters due to the strong customer demand also in the third quarter of 2022.

Net sales of the Technical Wholesale and Products business were EUR 48.9 (43.7) million, an increase of 12%. With constant exchange rates the growth was approximately 19%. Comparable sales increased in Scandinavia but mostly the increase was attributable to the sales of the acquired businesses S-E-T A/S, Adita Oy, AutoMateriell and Nordic Lift AS. In Finland and Baltics net sales were below last year's level mainly due to the heavy competition in the spare parts market.

Net sales grew in Scandinavia by 15% and in Finland and the Baltics by 1%.

On product group level sales increased the most in Equipment, 83% and in Spare Parts, 11%.

In **January-September 2023**, the Group's net sales were EUR 203.3 (185.5) million, an increase of 10%. With constant exchange rates the growth was approximately 15%.

Net sales of the Commercial Vehicle Repair and Maintenance business were EUR 68.8 (61.9) million, an increase of 11%. With constant exchange rates the growth was approximately 15%. The increase was attributable to strong customer demand in both Finland and Sweden combined with the impact of the

efficiency measures initiated in 2022. Furthermore, the sales figures of Skeppsbrons Jönköping AB were included the whole reporting period compared to five months in the comparison period.

Net sales of the Technical Wholesale and Products business were EUR 134.5 (123.6) million, an increase of 9%. With constant exchange rates the growth was approximately 15%. Comparable sales increased in Scandinavia but mostly the increase was attributable to the sales of the acquired businesses S-E-T A/S, Adita Oy, AutoMateriell and Nordic Lift AS. In Finland and Baltics net sales were below last year's level mainly due to the heavy competition in the spare parts market.

Net sales grew in Scandinavia by 14% and in Finland and the Baltics by 5%.

On product group level sales increased the most in Equipment, 38% and in Repair and Maintenance, 11%.

FINANCIALS

Financial result

In **July-September 2023**, the Group's EBITA was EUR 8.4 (7.7) million and the comparable EBITA EUR 8.6 (7.9) million. EBITA was 11.9 (11.9) % of net sales and comparable EBITA 12.2 (12.3) % of net sales. EBITA grew by 9% and comparable EBITA by 8%.

The improvement in EBITA was attributable to the profitability improvement in the Commercial Vehicle Repair and Maintenance business as well as the corporate acquisitions made in 2022 and 2023. Heavy competition in the spare parts market impacted negatively on the profitability of the Technical Wholesale and Products business in Finland and the Baltics.

The continued significant weakening of the Swedish krona in July-September had a negative impact on the Group's EBITA. At comparable exchange rates, EBITA during the review period would have been approximately EUR 0.5 (0.2) million higher than reported.

Operating profit for the reporting period was EUR 7.5 (6.8) million or 10.7 (10.5) % of net sales. Against last year the operating profit improved by 11%. The comparable operating profit was EUR 7.7 (7.1) million or 11.0 (10.9) % of net sales, an increase of 10%.

In **January-September 2023**, the Group's EBITA was EUR 20.7 (16.8) million and the comparable EBITA EUR 21.0 (17.9) million. EBITA was 10.2 (9.1) % of net sales and comparable EBITA 10.3 (9.7) % of net sales. EBITA grew by 23% and comparable EBITA by 17%.

The improvement in EBITA was attributable to the profitability improvement in the Commercial Vehicle Repair and Maintenance business as well as corporate acquisitions made in 2022 and 2023. Heavy competition in the spare parts market impacted negatively on the profitability of the Technical Wholesale and Products business in Finland and the Baltics.

The significant weakening of the Swedish krona in January-September had a negative impact on the Group's EBITA. At comparable exchange rates, EBITA during the review period would have been approximately EUR 1.3 (0.5) million higher than reported.

Operating profit for the reporting period was EUR 18.1 (14.3) million or 8.9 (7.7) % of net sales. Against last year the operating profit improved by 27%. The comparable operating profit was EUR 18.4 (15.5) million or 9.1 (8.3) % of net sales, an increase of 19%.

Net financial items were EUR -6.5 (-4.8) million of which net interest expenses were EUR -5.2 (-3.2) million. The impact of lease liabilities on interest expenses was EUR -1.2 (-1.1) million. The increase in interest expenses was attributable to the increased interest rates on interest-bearing loans. Financial items included exchange rate differences amounting to EUR -1.0 (-1.9) million, of which EUR -1.2 (-1.5) million were unrealized. The exchange rate differences were attributable to the net exchange rate difference of SEK denominated interest-bearing loans and SEK denominated group internal interest-bearing loan receivables.

The profit for the period was EUR 7.5 (6.3) million and the comparable profit for the period was EUR 7.8 (7.5) million.

Earnings per share (basic) were EUR 0.41 (0.35). The comparable earnings per share excluding amortisations of acquisitions (basic) were EUR 0.57 (0.55).

When calculating comparable alternative performance measures, transaction costs and certain additional purchase price items of company acquisitions as well as listing costs are eliminated as items affecting comparability. These items, related to the implementation of the company's strategy, can be significant and vary significantly between reporting periods. Therefore, the comparable alternative performance measures calculated in this way are considered to better describe the Group's profitability and business performance.

Balance sheet

The consolidated balance-sheet total on 30 September 2023 was EUR 322.7 (318.8) million. Non-current assets were EUR 193.4 (190.8) million, of which EUR 118.8 (117.0) million was attributable to goodwill and EUR 55.6 (53.6) million to right of use assets.

Net working capital amounted to EUR 58.4 (69.7) million and inventories were EUR 73.9 (77.0) million. The reduction in net working capital originated in increased trade and other payables and reduced inventory levels caused by operative efficiency improvement measures especially in the spare part wholesale business. Inventories acquired in connection of the acquisition of AutoMateriell and Nordic Lift as well as growth related investment in inventories in the Lighting product group on the other hand had an increasing impact on net working capital.

Cash flow and financing

In **July-September 2023** net cash from operating activities was EUR 4.6 (6.2) million. The decrease was attributable to the development in inventories of EUR -3.4 (-1.0) million caused by acquired inventories in connection with the acquisition of AutoMateriell and Nordic Lift as well as growth related increased inventories in the Lighting product group.

In **January-September 2023** net cash from operating activities was EUR 22.2 (11.6) million. The significant increase in net cash from operating activities was attributable to improved profitability especially in the Commercial Vehicle Repair and Maintenance business, to the positive development in net working capital of EUR -3.5 (-9.1) as well as to corporate acquisitions made in 2022 and 2023.

Cash flow from investing activities was EUR -6.6 (-10.8) million. Out of this EUR -4.1 (-9.7) million was related to the acquisition of subsidiary shares. In the review period these constituted the acquisition of the shares in Adita Oy in March, the additional purchase price of SEK 25 million paid to the previous owners of Strands Group AB in May in line with the share purchase agreement as well as the acquisition of the shares in Nordic Lift AS. Additionally, investments in intangible and tangible assets were made to an aggregate amount of EUR -2.7 (-1.2) million. The increase was attributable to goodwill related to the acquisition of AutoMateriell and Nordic Lift as well as operative investments in the Commercial Vehicle Repair and Maintenance business in Sweden.

Free cash flow was EUR 15.9 (7.7) million.

Cash flow from financing activities was EUR -16.6 (0.1) million. The difference consisted mainly of repayments of lease liabilities EUR -9.1 (-7.8) million, dividends paid of EUR -3.6 (-6.5) million and proceeds from non-current loans and borrowings of EUR 0.0 (16.5) million. Dividends paid were lower than in the comparison period due to that half of the dividend for the financial year 2022 will be paid in November.

Relais Group Plc agreed on 24 February 2023 with its principal bank on amendments to its senior financing agreement originally concluded in 2019 and previously amended in May 2022. The maturity of the financing agreement was extended by one year until the end of May 2025. According to the amended financing agreement the maximum financial exposure is EUR 126.9 million consisting of a maximum of EUR 104.4 million in acquisition financing, EUR 15.5 million in uncommitted senior facilities agreement and an RCF limit of EUR 7.0 million. At the end of the review period, the undrawn portion of the uncommitted senior facilities was EUR 15.5 million and of RCF limit EUR 5.6 million. At the end of 2022, the undrawn portion of the uncommitted senior facilities was EUR 15.5 million and of RCF limit EUR 4.8 million.

The Group's net debt at the end of the review period was EUR 144.4 (153.3) million and net debt excluding lease liabilities was EUR 87.1 (98.4) million. Net debt to LTM EBITDA was 3.45 (4.08) and net debt excluding lease liabilities to LTM EBITDA was 2.08 (2.62). Net gearing was 141.5 (151.3) %. Net gearing excluding lease liabilities was 85.3 (97.2) %.

The Group's cash assets at the end of the review period were EUR 12.6 (12.5) million.

The Group's total equity was EUR 102.0 (101.3) million or EUR 5.6 (5.6) per share. The equity ratio was 31.6 (31.8) %.

CHANGES IN THE GROUP STRUCTURE

On 29 March 2023, Relais Group acquired all shares in Adita Oy. Adita is a local distributor of spare parts and equipment for cars and marine use in the Helsinki region. In 2022 its net sales were EUR 5.6 million and the number of employees was 14.

Adita Oy has been consolidated into the Group's consolidated accounts starting 1 March 2023.

On 1 August Relais Group acquired the Norwegian workshop equipment business unit of NDS Group AS, comprising the assets and personnel of the AutoMateriell business and the shares in Nordic Lift AS. In 2022 the total revenue of the acquired business unit was approximately NOK 198 million and the operating profit approximately NOK 13 million.

The AutoMateriell business and Nordic Lift AS have been consolidated into the Group's consolidated accounts starting 1 August 2023.

SHARES AND SHAREHOLDERS

Share capital and number of shares

At the end of the period under review, the company's fully paid-up share capital, as recorded in the Trade Register, amounted to EUR 80,000 and the number of shares totalled 18,132,308.

The company has one class of shares, and each share entitles the shareholder to one vote at the General Meeting. No voting restrictions or limits on the number of shares that can be held are in place. The company's share does not have a nominal value. All shares provide equal entitlements to the dividend and other fund distribution (including fund distribution in dissolution situations).

Shareholdings

According to the shareholder register maintained by Euroclear Finland, Relais Group had 2,796 shareholders (2,702) at the end of the review period. Of the shares, 9.02 (10.36) % were owned by nominee-registered or non-Finnish holders.

On 30 September 2023 Relais Group held 50 of its own shares.

The company's ten² largest registered shareholders and their holdings on 30 September 2023:

Shareholder	Number of shares	%
1. Ari Salmivuori	5,368,800	29.6
2. Nordic Industry Development AB ¹	3,015,600	16.6
3. Helander Holding Oy	885,130	4.9
4. Evli Finland Small Cap Fund	665,816	3.7
5. Rausanne Oy	620,910	3.4
6. Ajanta Oy ²	469,800	2.6
7. Kauhanen Kari	435,571	2.4
8. Evli Finland Select Fund	399,850	2.2
9. Elo Mutual Insurance Company	357,813	2.0
10. Stadigh Kari	292,200	1.6
11. Finnish Industry Investment Ltd (Tesi)	223,891	1.2
Ten largest combined	12,735,381	70.2
Other shareholders	5,396,927	29.8
Total	18,132,308	100.0

¹ In Nordic Industry Development AB, control is indirectly held by Jesper Otterbeck.

² In Ajanta Oy, control is held by Ari Salmivuori. In the table below, Salmivuori and Ajanta Oy are considered as one shareholder.

On 30 September 2023, the members of the Board of Directors and the Management Team of Relais Group owned a total of 4,066,774 Relais Group shares, corresponding to approximately 22.4% of all shares and votes. The number of shares includes those held by the persons themselves as well as those held by close associates and controlled corporations.

	Shares
Arni Ekholm	67,450
Anders Borg	60,000
Johan Carlos	6,688
Juan Garcia ¹	62,050
Olli-Pekka Kallasvuo ²	84,300
Ville Mikkonen	174,800
Katri Nygård	106,050
Jesper Otterbeck ³	3,024,450
Jan Popov	67,823
Sebastian Seppänen	1,000
Jon Strand ⁴	382,163
Lars Wilsby ⁵	30,000
Total	4,066,774

¹ Owned through JG Management AB, which is controlled by Juan Garcia.

² Owned directly and through Entrada Oy, which is controlled by Olli-Pekka Kallasvuo.

³ Owned through Nordic Industry Development AB, which is controlled indirectly by Jesper Otterbeck and Otterbeck Management AB, which is controlled by Jesper Otterbeck.

⁴ Owned by Tailor Made Global Investment AB, which is controlled by Jon Strand.

⁵ Owned by Wilsby Invest AB which is controlled by Lars Wilsby.

Share trading and the company's market capitalization

In January-September 2023, a total of 852,321 Relais Group shares (2,180,581) were traded on Nasdaq Helsinki, representing 4.70 (12.03) % of the shares outstanding. The total value of the share turnover was EUR 10,151,970 (30,585,601). The lowest price of the share was EUR 9.80 (7.50), the highest was EUR 14.50 (27.70) and the average price was EUR 11.91 (14.03). At the end of September, the closing price of the share was EUR 11.15 (8.82).

The company's market capitalization on 30 September 2023 was EUR 202 (160) million.

OPTION AND INCENTIVE SCHEMES

New stock option plan for key employees

The Board of Directors of Relais Group Plc decided on 10 August 2023 to launch two new stock option plans for key employees. The options were granted and accepted by the recipients on 5 September 2023. The purpose of the stock options is to encourage the key employees to work on a long-term basis in order to increase shareholder value. In addition, the stock options aim to commit the key employees to the company.

12 individuals, including the members of the Management Team of Relais Group participate in the plan.

The maximum total number of stock options issued were 120,000 and they entitle their owners to subscribe for up to an equivalent number of new shares in total in the company or existing shares held by the company. The stock options were issued gratuitously.

The shares subscribed for with the stock options will account for a total maximum of 0.66 per cent of all the company's shares and votes after possible share subscriptions if new shares are issued in the subscription. As a result of the share subscriptions made with the stock options, the number of shares in the company may increase by a total maximum of 120,000 shares if new shares are issued in the subscription.

The share subscription price for the stock options is 15.28 euros per share, which equals the trade volume weighted average quotation of the share on Nasdaq Helsinki Ltd from 19 May 2023 to 30 June 2023, added with a premium of 15 per cent. The share subscription price will increase if the value of the share at the share subscription has increased more than 300 per cent compared to the volume weighted average quotation of the share on Nasdaq Helsinki Ltd from 19 May 2023 to 30 June 2023.

The share subscription price will be credited to the company's reserve for invested unrestricted equity. The annually paid dividends and repayment of equity per share will be deducted from the subscription price.

The share subscription period for the stock options is from 1 April 2026 to 30 June 2026.

The theoretical market value of one stock option at grant is approximately 2.07 euros. The theoretical market value of the stock options at grant is approximately EUR 248,351 in total. The theoretical market value of a stock option has been calculated by using the binomial model taking into account the subscription price of the stock option and the following input factors: share price EUR 12.90, risk-free interest rate 2.94%, validity of stock options approximately 2.89 years, volatility approximately 28.92% and the share subscription price mechanism limiting the value increase of option.

Long-term incentive plan established in 2021

Relais Group has also a share-based and cash settled long-term incentive plan for the company's management. The plan was established in February 2021. 15 individuals, including the members of the Management Team of Relais Group participate in the plan.

The rewards payable under the plan will be paid in cash based on the value of a specific number of incentive units included in the plan. The maximum aggregate number of incentive units to be settled in cash based on the Plan is 258,000 units. The incentive units are allocated to the participants free of charge. The value of each incentive unit is linked to Relais Group's share price development during the plan period. The earned reward represents a gross earning, from which the applicable payroll tax is withheld.

The incentive units allocated to the participants are divided into three separate tranches. The potential rewards payable under these tranches will be paid during the first half of the years 2023, 2024 and 2025 respectively. The threshold price of each incentive unit in each of the three tranches is the trade volume weighted average price of Relais Group's share on the First North Growth Market Finland marketplace of Nasdaq Helsinki Ltd during the last twenty-five trading days preceding March 16, 2021. The end price of each incentive unit is the trade volume weighted average price of Relais Group's share on the main list of Nasdaq Helsinki Ltd during the twenty-five trading days following the publication date of Relais Group's annual results for the year immediately preceding the year of payment, i.e., for the years 2022, 2023 and 2024 respectively. The threshold price of the incentive unit is deducted with the dividends paid between the start and end price determination periods.

The amount of the reward payable based on the Plan is limited by a maximum cap linked to the company's share price development.

No rewards were paid for the first tranche that was payable during the first half of 2023.

Stock option scheme established in 2017

On 30 September 2023, the current members of the Board of Directors owned a total of 383,450 option rights, corresponding to approximately 2.1% of the company shares and votes relating to a previous stock option scheme established in 2017. In addition, one former Board member owned a total of 375,000 option rights and the inheritors of a late board member owned a total of 18,800 option rights in this scheme. All option rights entitle their holders to the issue of a corresponding number of shares.

In total, the issued option rights entitled the option holders to the issue of a total of 777,250 shares. The current options are divided into several option series with varying subscription prices and subscription periods (2017E, 2017F and 2019E).

INVITATION TO THE WEBCAST

Relais Group's CEO Arni Ekholm and CFO Thomas Ekström will present the result to the media, investors and analysts at a webcast on 2 November 2023, at 10:00 a.m. EET. The webcast can be followed at <https://relais.videosync.fi/q3-2023-results>.

Presentation material and video will be available on the company's website at <https://relais.fi/en/investors/> after the event.

COMPARABILITY OF FINANCIAL INFORMATION

Relais Group acquired the shares of Skeppsbrons Jönköping AB on 24 May 2022 and the shares of S-E-T A/S on 12 December 2022. The 2022 reference data in this Interim Management Statement does not include the figures for the companies acquired from the period preceding the commencement of their consolidation in 2022.

Relais Group acquired the shares of Adita Oy on 29 March 2023. The 2022 reference data in this Interim Management Statement does not include the figures for Adita Oy.

Relais Group acquired the Norwegian workshop equipment business unit of NDS Group AS on 1 August 2023. The 2022 reference data in this Interim Management Statement does not include the figures for this business unit.

Relais Group Plc

Board of Directors

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Key Media

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Relais Group

Relais Group is a leading consolidator and acquisition platform on the vehicle aftermarket in the Nordic and Baltic countries. We have a sector focus in vehicle life cycle enhancement and related services. We also serve as a growth platform for the companies we own.

We are a profitable company seeking strong growth. We carry out targeted acquisitions in line with our growth strategy and want to be an active player in the consolidation of the aftermarket in our area of operation. Our acquisitions are targeted at companies having a good strategic fit with our group companies.

Our net sales in 2022 was EUR 260.7 (2021: 237.8) million. During 2022, we completed a total of three acquisitions. We employ approximately 1,000 professionals in six different countries. The Relais Group share is listed on the Main Market of Nasdaq Helsinki with the stock symbol RELAIS.

www.relais.fi

TABLE SECTION, 1 JANUARY-30 SEPTEMBER, 2023

CONSOLIDATED INCOME STATEMENT

EUR thousand	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Net sales	70,259	64,780	203,310	185,498	260,683
Other operating income	471	599	1,819	2,012	2,754
Materials and services	-37,984	-36,003	-109,675	-101,954	-143,469
Employee benefit expenses	-14,004	-12,216	-42,977	-40,403	-54,990
Depreciation, amortisation and impairments	-4,576	-4,252	-13,667	-12,165	-16,933
Other operating expenses	-6,620	-6,089	-20,674	-18,648	-28,397
Operating profit	7,546	6,818	18,137	14,340	19,648
Financial income	-968	908	2,159	3,541	4,658
Financial expenses	-558	-2,639	-8,630	-8,362	-11,113
Net financial expenses	-1,526	-1,731	-6,471	-4,820	-6,454
Profit before income taxes	6,020	5,087	11,666	9,519	13,194
Income taxes	-1,675	-1,396	-4,204	-3,179	-3,119
Profit for the financial year	4,345	3,691	7,462	6,341	10,075
Profit for the financial year attributable to					
Owners of the parent company	4,345	3,691	7,462	6,338	10,072
Non-controlling interest	0	0	0	2	2
Earnings per share					
Basic earnings per share, euro	0.24	0.21	0.41	0.35	0.56
Diluted earnings per share, euro	0.23	0.20	0.40	0.34	0.54

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

EUR thousand	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Profit for the financial year	4,345	3,691	7,462	6,341	10,075
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Foreign currency translation difference	1,675	-913	-1,880	-3,214	-4,289
Total other comprehensive income for the financial year	1,675	-913	-1,880	-3,214	-4,289
Total comprehensive income for the financial year	6,020	2,778	5,582	3,127	5,786
Total comprehensive income attributable to					
Owners of the parent company	6,020	2,779	5,582	3,134	5,796
Non-controlling interests	0	-2	0	-7	-10

CONSOLIDATED BALANCE SHEET

EUR thousand	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	13,775	14,467	15,014
Goodwill	118,835	116,972	118,163
Tangible assets	4,525	4,462	4,463
Right-of-use assets	55,598	53,627	52,312
Investments in associates	7	-	-
Deferred tax assets	590	882	579
Other non-current financial assets	71	-	73
Other non-current assets	42	438	42
Total non-current assets	193,441	190,849	190,645
Current assets			
Inventories	73,942	77,038	67,804
Current tax receivables	1,755	1,693	4,106
Other current financial asset	-	-	350
Trade and other receivables	40,942	36,696	32,752
Cash at bank and in hand	12,620	12,525	13,527
Total current assets	129,258	127,951	118,538
Total assets	322,700	318,800	309,183

EUR thousand	30 Sep 2023	30 Sep 2022	31 Dec 2022
EQUITY			
Share capital	80	80	80
Reserve for invested unrestricted equity	74,130	74,125	74,125
Translation differences	-7,788	-4,836	-5,907
Retained earnings	35,607	31,930	35,686
Equity attributable to owners of the parent company	102,029	101,299	103,983
Non-controlling interests	-	0	0
Total equity	102,029	101,299	103,983
LIABILITIES			
Non-current liabilities			
Loans from financial institutions	91,171	100,025	95,695
Lease liabilities	44,726	43,257	41,611
Other non-current financial liabilities	1,606	-	1,009
Other non-current liabilities	77	61	71
Deferred tax liabilities	5,290	5,911	5,785
Total non-current liabilities	142,869	149,254	144,171

Current liabilities			
Loans from financial institutions	6,913	10,731	7,228
Lease liabilities	12,605	11,555	11,877
Other current financial liabilities	4,940	3,040	2,513
Current tax liabilities	3,516	3,320	4,114
Trade and other payables	49,826	39,602	35,296
Total current liabilities	77,801	68,248	61,029
Total liabilities	220,670	217,501	205,199
Total equity and liabilities	322,700	318,800	309,183

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Cash flows from operating activities					
Profit for the financial year	4,345	3,691	7,462	6,341	10,075
Adjustments:					
Depreciation, amortisation and impairment losses	4,576	4,252	13,667	12,165	16,933
Financial income and expenses	2,175	1,325	5,336	3,273	4,137
Unrealised foreign exchange gains and losses	-644	398	1,143	1,547	2,316
Income tax expense	1,675	1,396	4,204	3,179	3,119
Other adjustments	150	92	657	329	2,029
Cash flows before change in net working capital	12,277	11,155	32,468	26,834	38,608
Change in net working capital:					
Change in trade and other receivables (increase (-) / decrease (+))	-6,851	-6,055	-8,197	-5,384	-1,147
Change in inventories (increase (-) / decrease (+))	-3,363	-967	-5,534	-4,062	5,123
Change in trade and other payables (increase (+) / decrease (-))	3,414	3,745	10,188	394	-4,106
Cash flows before finance items	5,477	7,878	28,925	17,781	38,479
Interest paid	-446	-356	-3,650	-2,176	-4,008
Interest received	29	23	90	64	165
Other financial items	-255	-114	-23	-247	-144
Dividends received	-	0	-	5	31
Income taxes paid	-248	-1,184	-3,103	-3,866	-5,742
Net cash from operating activities (A)	4,557	6,246	22,238	11,561	28,780
Cash flows from investing activities					
Acquisition of intangible and tangible assets	-1,707	-396	-2,686	-1,242	-1,720
Proceeds from sale of tangible and intangible assets	23	-31	187	178	176
Acquisition of subsidiaries, net of cash acquired	-893	-819	-4,124	-9,739	-14,654
Net cash used in investing activities (B)	-2,578	-1,246	-6,623	-10,803	-16,198
Cash flows from financing activities					
Proceeds from current loans and borrowings	0	3,510	0	3,510	3,500
Repayment of current loans and borrowings	-282	22	-307	-13	-3,515
Proceeds from non-current loans and borrowings	-	-	-	16,500	16,500
Repayment of non-current loans and borrowings	-	-24	-3,544	-3,347	-7,020
Dividends paid	-	-	-3,626	-6,459	-6,459

Repayment of lease liabilities	-2,944	-2,713	-9,104	-7,793	-11,243
Acquisition of non-controlling interest	-	11	-	-2,512	-2,487
Proceeds from shares subscriptions based on share options	-	-	-	207	207
Net cash from financing activities (C)	-3,225	806	-16,582	92	-10,518
Net cash from (used in) operating, investing and financing activities (A+B+C)	-1,245	5,806	-967	850	2,065
Net increase (decrease) in cash and cash equivalents	-1,245	5,806	-967	850	2,065
Cash and cash equivalents, at the beginning of the period	13,461	6,834	13,527	11,803	11,803
Effects of exchange rate fluctuations on cash held	404	-116	60	-128	-342
Cash and cash equivalents, at the end of the period	12,620	12,525	12,620	12,525	13,527

CHANGES IN THE GROUP'S EQUITY

Equity attributable to owners of the parent company							
EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-control-ling interests	Total equity
Equity 1 Jan 2023	80	74,125	-5,907	35,685	103,983	-	103,983
Comprehensive income							
Profit (loss) for the period	-	-	-	7,462	7,462	-	7,462
Change in translation differences	-	-	-1,880	-	-1,880	-	-1,880
Total comprehensive income for the financial year	-	0	-1,880	7,462	5,582	-	5,582
Transactions with owners of the parent company							
Adjustment to previous periods	-	-	-	-253	-253	-	-253
Share-based payments	-	5	-	-35	-30	-	-30
Dividend distribution	-	-	-	-7,253	-7,253	-	-7,253
Total transactions with owners of the parent company	-	5	-	-7,541	-7,536	-	-7,536
Equity 30 Sep 2023	80	74,130	-7,788	35,606	102,029	-	102,029

Equity attributable to owners of the parent company							
EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-control-ling interests	Total equity
Equity 1 Jan 2022	80	71,436	-1,632	34,232	104,117	337	104,454
Comprehensive income							
Profit (loss) for the period	-	-	-	6,338	6,338	2	6,340
Change in translation differences	-	-	-3,205	-	-3,205	-9	-3,214
Total comprehensive income for the financial year	-	0	-3,205	6,338	3,133	-7	3,127
Transactions with owners of the parent company							
Shares issues related to business combinations	-	1,168	-	-	1,168	-	1,168
Share-based payments	-	1,314	-	-	1,314	-	1,314
Shares subscribed by using option rights	-	207	-	-	207	-	207
Acquisition of non-controlling interest	-	-	-	-2,182	-2,182	-330	-2,512
Dividend distribution	-	-	-	-6,459	-6,459	-	-6,459
Total transactions with owners of the parent company	-	2,689	0	-8,640	-5,952	-330	-6,282
Equity 30 Sep 2022	80	74,125	-4,837	31,930	101,299	0	101,299

Equity attributable to owners of the parent company							
EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-control-ling interests	Total equity
Equity 1 Jan 2022	80	71,436	-1,632	34,232	104,117	337	104,454
Comprehensive income							
Profit (loss) for the period	-	-	-	10,072	10,072	2	10,075
Change in translation differences	-	-	-4,276	-	-4,276	-12	-4,288
Total comprehensive income for the financial year	-	-	-4,276	10,072	5,796	-10	5,786
Transactions with owners of the parent company							
Shares issues related to business combinations	-	1,168	-	-	1,168	-	1,168
Share-based payments	-	1,314	-	-	1,314	-	1,314
Shares subscribed by using option rights	-	207	-	-	207	-	207
Acquisition of non-controlling interest	-	-	-	-2,160	-2,160	-327	-2,487
Dividend distribution	-	-	-	-6,459	-6,459	-	-6,459
Total transactions with owners of the parent company	-	2,689	-	-8,619	-5,930	-327	-6,257
Equity 31 Dec 2022	80	74,125	-5,907	35,685	103,983	0	103,983

BASIS OF PREPARATION

The figures in the Interim management statement are unaudited and have been prepared in accordance with the International Financial Reporting Standards (IFRS) valid at the time of the release. The report is not prepared in accordance with IAS34.

SEASONALITY

The seasonality of the group's business has an impact on the demand for Relais' services, which in turn affects its net sales, net operating profit, and cash flows. Variation in seasonal temperatures, such as warm summers and cold winters, can have an effect on the demand for batteries, starter motors, and chargers as well as the need for vehicle air conditioning and heating. Furthermore, the demand for lighting products, such as LEDs and auxiliary lights, typically grows in the fall and winter months. Due to seasonal changes, Relais typically produces greater net sales in the second half of the year.

SEGMENT INFORMATION

EUR thousand	Finland& Baltics	Scandi- navia	Other	Eliminations	Total
Jan-Sep 2023					
External revenue	92,651	110,659	-	-	203,310
Internal revenue	3,823	794	262	-4,879	-
Material and services	-53,501	-60,579	-	4,405	-109,675
Gross profit	42,973	50,873	262	-473	93,635
Depreciation, amortisation and impairment	-6,684	-4,367	-33	-2,584	-13,667
Other income and expenses	-28,991	-31,166	-1,630	-44	-61,831
Operating profit	7,298	15,341	-1,400	-3,101	18,137
Financial items	15	-2,727	-3,755	-4	-6,471
Profit before income taxes	7,313	12,614	-5,155	-3,105	11,666

EUR thousand	Finland& Baltics	Scandi- navia	Other	Eliminations	Total
Jan-Sep 2022					
External revenue	88,254	97,248	-	-4	185,498
Internal revenue	5,252	559	227	-6,038	-
Material and services	-54,133	-53,456	0	5,634	-101,954
Gross profit	39,374	44,351	227	-408	83,544
Depreciation, amortisation and impairment	-6,147	-3,524	-37	-2,457	-12,165
Other income and expenses	-26,212	-27,980	-2,206	-641	-57,039
Operating profit	7,014	12,848	-2,016	-3,506	14,340
Financial items	-603	-1,959	-2,252	-7	-4,820
Profit before income taxes	6,411	10,889	-4,268	-3,513	9,519

EUR thousand	Finland& Baltics	Scandi- navia	Other	Eliminations	Total
Jan-Dec 2022					
External revenue	125,048	135,635	-	-	260,683
Internal revenue	8,378	852	330	-9,561	-
Material and services	-78,061	-74,245	0	8,837	-143,469
Gross profit	55,365	62,242	330	-724	117,214
Depreciation, amortisation and impairment	-8,244	-5,307	-49	-3,332	-16,933
Other income and expenses	-36,741	-38,624	-3,775	-1,493	-80,633
Operating profit	10,380	18,311	-3,494	-5,548	19,648
Financial items	-764	-2,682	-3,001	-7	-6,454
Profit before income taxes	9,616	15,629	-6,495	-5,555	13,194

DISAGGREGATION OF NET SALES

Consolidated net sales is disaggregated by product line and geographical market¹ in the tables below. Markets are based on the geographic location of customers.

EUR thousand	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Equipment	13,295	7,278	32,469	23,614	33,141
Lighting	15,649	17,005	40,325	40,132	62,053
Spare parts	20,676	18,571	60,836	58,976	78,925
Repair and maintenance	21,399	21,117	68,846	61,928	85,565
Other	-761	810	834	848	998
Total	70,259	64,780	203,310	185,498	260,683

EUR thousand	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Finland	29,918	29,394	86,607	82,532	116,972
Sweden	27,694	24,399	84,925	78,412	108,433
Estonia	1,269	1,065	3,763	3,391	5,158
Norway	5,150	2,061	7,763	4,471	6,343
Other countries	6,227	7,860	20,253	16,692	23,778
Total	70,259	64,780	203,310	185,498	260,683

¹ Based on customer location.

FINANCE INCOME AND EXPENSES, EFFECT OF EXCHANGE RATES

EUR thousand	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Financial income					
Foreign exchange gains	-998	826	2,068	3,149	4,200
Interest income	29	23	90	64	165
Other financial income	0	1	1	6	32
Changes in fair values	-	58	-	322	261
Financial income total	-968	908	2,159	3,541	4,658
Financial expenses					
Foreign exchange losses	1,456	-1,349	-3,111	-5,076	-6,659
Interest expenses	-1,951	-1,288	-5,297	-3,281	-4,259
Other financial expenses	-63	-2	-218	-5	-194
Other financial expenses	-	-	-4	-	-
Financial expenses total	-558	-2,639	-8,630	-8,362	-11,113
Net financial expenses	-1,526	-1,731	-6,471	-4,820	-6,454

EARNINGS PER SHARE

EUR	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Earnings per share, basic	0.24	0.21	0.41	0.35	0.56
Earnings per share, diluted	0.23	0.20	0.40	0.34	0.54
Comparable earnings per share, basic	0.25	0.22	0.43	0.41	0.72
Comparable earnings per share excluding amortisation of acquisitions, basic	0.30	0.27	0.57	0.55	0.90
Comparable earnings per share, diluted	0.24	0.21	0.41	0.40	0.69
Comparable earnings per share excluding amortisation of acquisitions, diluted	0.29	0.26	0.55	0.53	0.87

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Number of outstanding shares at the end of the period *)	18 132 258	18 132 308	18 132 258	18 132 308	18 132 308
Weighted average number of shares, basic *)	18 132 258	18 132 308	18 132 258	18 024 511	18 051 682
Weighted average number of shares, diluted	18 804 869	18 787 677	18 800 123	18 752 469	18 759 556

*) The method of calculating the number of shares has been changed from 2023. According to the new calculation method, the 50 own shares held by Relais Group are not included in the number of shares. The number of shares presented for 2022 include 50 shares held by Relais Group.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

In thousand euros unless stated otherwise	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Net sales	70,259	64,780	203,310	185,498	260,683
Materials and services	-37,984	-36,003	-109,675	-101,954	-143,469
Gross profit	32,275	28,777	93,635	83,544	117,214
Gross margin, %	45.9%	44.4%	46.1%	45.0%	45.0%
Operating profit	7,546	6,818	18,137	14,340	19,648
Items affecting comparability included in profit (loss) for the period					
Listing expenses	-	181	-	421	1,183
Transaction costs of acquisitions	203	70	291	70	182
Contingent consideration costs of acquisitions	-	1	-	621	1,467
Items affecting comparability included in profit (loss) for the period	203	253	291	1,113	2,832
Comparable operating profit	7,749	7,071	18,428	15,453	22,481
Depreciation, amortisation and impairments	4,576	4,252	13,667	12,165	16,933
EBITDA	12,122	11,071	31,804	26,505	36,581
EBITDA margin, %	17.3%	17.1%	15.6%	14.3%	14.0%
Items affecting comparability included in profit (loss) for the period	203	253	291	1,113	2,832
Comparable EBITDA	12,325	11,324	32,095	27,618	39,414
Operating profit	7,546	6,818	18,137	14,340	19,648
Amortisation of acquisitions	846	866	2,584	2,457	3,332
EBITA	8,392	7,684	20,720	16,797	22,980
EBITA margin, %	11.9%	11.9%	10.2%	9.1%	8.8%
Items affecting comparability included in profit (loss) for the period	203	253	291	1,113	2,832
Comparable EBITA	8,595	7,937	21,011	17,910	25,813
Profit (loss) for the period	4,345	3,691	7,462	6,341	10,075
Comparable profit (loss)	4,548	3,944	7,753	7,453	12,907
Comparable profit (loss) margin, %	6.5%	6.1%	3.8%	4.0%	5.0%
Amortisation of acquisitions	846	866	2,584	2,457	3,332
Comparable profit (loss) excluding amortisation of acquisitions	5,393	4,810	10,337	9,911	16,239
Comparable profit (loss) excluding Amortisation of acquisitions margin, %	7.7%	7.4%	5.1%	5.3%	6.2%
Operating cash flow before working capital changes	12,277	11,155	32,468	26,834	38,608
Repayment of lease liabilities	-2,944	-2,713	-9,104	-7,793	-11,243

Interest expenses on leases	-409	-361	-1,190	-1,093	-1,446
Change in working capital	-6,800	-3,277	-3,544	-9,053	-130
Purchase of tangible and intangible assets	-1,707	-396	-2,686	-1,242	-1,720
Free cash flow	417	4,408	15,944	7,652	24,070
Cash conversion to EBITDA	3.4%	39.8%	50.1%	28.9%	65.8%

ACCOUNTING PRINCIPLES FOR KEY FIGURES

Key figure	Definition
EBITA ¹	Operating profit + amortisation of acquisitions
Comparable EBITA ¹	Operating profit + amortisation of acquisitions + items affecting comparability included in EBITA for the period
EBITDA ¹	Operating profit + depreciation, amortisation, and impairments
Comparable EBITDA ¹	Operating profit + depreciation, amortisation, and impairments + items affecting comparability included in EBITDA for the period
Comparable operating profit ¹	Operating profit + items affecting comparability included in Operating profit for the period
Gross profit	Net sales - materials and services
Gross margin	Gross profit/net sales *100
Items affecting comparability	Listing expenses + transaction costs of acquisitions+ contingent consideration costs of acquisitions + other non-recurring expenses + tax impact of items affecting comparability
Comparable profit (loss) for the period ¹	Profit (loss) for the period + items affecting comparability included in profit (loss) for the period
Comparable profit (loss) for the period excluding amortisation of acquisitions ¹	Profit (loss) for the period + items affecting comparability included in profit (loss) for the period + amortisation of acquisitions
Comparable earnings per share, basic	Comparable profit (loss) / weighted average number of shares outstanding during the period
Comparable earnings per share, diluted	Comparable profit (loss) / weighted average number of shares outstanding during the period + dilutive potential shares
Comparable earnings per share excluding amortisation of acquisitions, basic	Comparable profit (loss) excluding amortisation of acquisitions / weighted average number of shares outstanding during the period
Comparable earnings per share excluding amortisation of acquisitions, diluted	Comparable profit (loss) excluding amortisation of acquisitions / weighted average number of shares outstanding during the period + dilutive potential shares
Earnings per share, basic	Profit (loss) for the period / weighted average number of shares outstanding during the period
Earnings per share, diluted	Profit (loss) for the period / weighted average number of shares outstanding during the period + dilutive potential shares

Net working capital	Inventories + short-term trade receivables + other receivables + prepaid expenses and accrued income - trade payables - other current liabilities - accrued expenses and deferred income
Net Debt	Loans from financial institutions + other loans + capital loans + leasing liabilities – loan receivables – receivables from Group companies – subscribed capital unpaid – cash at bank and in hand
Net debt excluding leasing liabilities	Loans from financial institutions + other loans + capital loans – loan receivables – receivables from Group companies – subscribed capital unpaid – cash at bank and in hand
Net Debt to EBITDA, LTM	Net debt / last twelve month's EBITDA
Net debt excl. leasing liabilities to EBITDA	Net debt excl. leasing liabilities / last twelve month's EBITDA
Net gearing excl. leasing liabilities	Net debt excl. leasing liabilities / Equity + minority interest
Equity ratio	Equity + minority interest / Equity and liabilities, total
Return on capital employed (ROCE)	(Operating profit + other interest and financial income - listing expenses (periodical figures have been annualized) / (Equity + minority interest + loans from financial institutions + other loans + capital loans + convertible bonds, average)
Return on equity (ROE)	Profit (loss) for the period + minority interest, (periodical figures have been annualized) / (Equity + minority interest, average)
Return on assets (ROA)	(Operating profit + other interest financial income - listing expenses (periodical figures have been annualized) / (Total assets, average)
	¹ Key measure margin, % has been calculated by dividing the measure with net sales and multiplying by 100.