

## High earnings valued low

Raute's Q3 earnings were already very strong, and although new order softness persists valuation also remains very low.

### Q3 earnings very high, Q4 unlikely to repeat despite growth

Raute produced very strong Q3 margins even when Wood Processing revenue was more than EUR 5m below our estimate. Wood Processing EBITDA margin gained 400bps q/q, while its revenue was down EUR 10m, due to seasonality issues and high share of modernization deliveries as well as lower fixed costs. Raute has also improved its project pricing practices, so even if it may not be able to repeat similar margins very soon there's still an upward margin trend. Wood Processing led Raute's EUR 6.3m comparable EBITDA clearly above our EUR 5.0m estimate, while Services and Analyzers performed largely as we expected.

### Growth may not continue in FY'25, but sales mix could improve

We expect Wood Processing Q4 earnings to decline a bit q/q, to around Q2 levels, although its revenue is likely to grow. Services performance should continue to hold, while we believe Analyzers' Q4 figures will decline due to the high comparison period and continued order softness. Construction market softness still limits new orders, which is at least to some extent related to the political uncertainty around the POTUS election; North America still has better demand outlook than Europe despite the extended period of low orders. We believe Q4 orders could already show modest q/q gains, but they are likely to remain rather low. It looks like Wood Processing may find growth hard next year, however Services and Analyzers have potential for stable or even improving volumes. This would lead to a favorable change in sales mix even though Wood Processing could already achieve a rather impressive 8% EBITDA margin this year.

### FY'25 earnings could decline, but multiples are also very low

Raute is valued slightly above 4x EV/EBIT on our FY'24 estimates, and the picture isn't much different next year as we estimate the high backlog and gradually improving demand help keep revenue and earnings rather stable then. We estimate FY'25 revenue to decline 3% and earnings down by some EUR 1m. Our new TP is EUR 15.0 (16.0) as there are still risks related to next year's volumes since small equipment orders remain low, but the very moderate earnings multiples mitigate these risks.

Rating ++ Buy



Share price, EUR (Last trading day's closing price) **12.75**  
Target price, EUR 15.0

Latest change in recommendation 24-Oct-22

Latest report on company 23-Oct-24

Research paid by issuer: YES

No. of shares outstanding, '000's 6 120

No. of shares fully diluted, '000's 6 120

Market cap, EURm 78

Free float, % -

Exchange rate -

Reuters code RAUTE.HE

Bloomberg code RAUTE:FH

Average daily volume, EURm 0.1

Next interim report

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++ BUY    ◻ HOLD    - SELL

### KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2022	158.3	-14.6	-9.2%	-18.0	-2.70	-3.1	0.3	-2.8	-51.4%	
2023	145.4	1.9	1.3%	32.3	0.22	44.7	0.1	10.1	53.6%	0.10
2024E	203.2	14.4	7.1%	-26.4	2.11	6.0	0.3	4.4	-33.8%	0.20
2025E	197.5	13.7	6.9%	9.6	1.79	7.1	0.3	4.0	12.3%	0.40
2026E	204.3	15.1	7.4%	10.1	1.97	6.5	0.2	3.2	13.0%	0.70
Market cap, EURm			78	Gearing 2024E, %		-28.4 %	CAGR EPS 2023-26, %			107.6 %
Net debt 2024E, EURm		-14	Price/book 2024E		1.5	CAGR Sales 2023-26, %				12.0 %
Enterprise value, EURm		64	Dividend yield 2024E, %		1.6 %	ROE 2024E, %				29.0 %
Total assets 2024E, EURm		144	Tax rate 2024E, %		16.8 %	ROCE 2024E, %				27.6 %
Goodwill 2024E, EURm		2	Equity ratio 2024E, %		24.9 %	PEG, P/E 24/CAGR				-8.6

All the important disclosures can be found on the last pages of this report.

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	12.75 PV of Free Cash Flow	52 Long-term growth, %	2.0 % Risk-free interest rate, %
DCF share value	24.81 PV of Horizon value	58 WACC, %	9.2 % Market risk premium, %
Share price potential, %	94.6 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	26.2 Marketable securities	48 Minimum WACC, %	8.7 % Equity beta coefficient
Minimum value	23.5 Debt – dividend	–7 Maximum WACC, %	9.7 % Target debt ratio, %
Horizon value, %	52.7 % Value of stock	152 No. of shares, Mn	6.1 Effective tax rate, %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	145	203	198	204	210	215	220	225	230	235	240	244
Sales growth (%)	–8.2%	39.8%	–2.8%	3.4%	2.8%	2.3%	2.3%	2.3%	2.3%	2.3%	2.0%	2.0%
Operating income (EBIT)	2	14	14	15	16	18	20	20	21	21	22	22
Operating income margin %	1.3%	7.1%	6.9%	7.4%	7.5%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
+ Depreciation+amort.	5	5	5	5	6	6	6	6	5	4	4	
EBITDA	7	20	19	20	21	24	26	26	25	25	25	
– Paid taxes	–1	–2	–3	–3	–3	–4	–4	–4	–4	–4	–4	
– Change in NWC	30	–28	–2	–1	–1	0	0	0	–1	–1	0	
NWC / Sales, %	25.9%	–4.9%	–3.7%	–3.3%	–2.9%	–2.6%	–2.4%	–2.1%	–1.8%	–1.6%	–1.3%	
+ Change in other liabs	0											
– Operative CAPEX	–5	–14	–4	–6	–6	–6	–7	–3	–3	–3	–11	
opCAPEX / Sales, %	2.4%	8.4%	2.1%	3.3%	3.2%	3.1%	3.1%	1.6%	1.6%	1.5%	4.8%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFE	32	–25	9	10	11	13	15	18	17	17	9	130
= Discounted FCFE		–24	8	9	9	9	9	11	9	8	4	58
= DFCF min WACC		–24	8	9	9	10	10	11	10	9	4	65
= DFCF max WACC		–24	8	9	8	9	9	10	9	8	4	52

### Sensitivity analysis, EUR

		Terminal WACC				
		7.15 %	8.15 %	9.15 %	10.15 %	11.15 %
Terminal EBIT-%	7.00 %	23.91	21.58	19.80	18.39	17.23
	8.00 %	28.02	24.74	22.31	20.41	18.88
	9.00 %	32.14	27.91	24.81	22.43	20.54
	10.00 %	36.26	31.07	27.31	24.45	22.19
	11.00 %	40.37	34.24	29.81	26.47	23.85

## Estimates and valuation

Raute	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e
<b>Order intake</b>	203	139	67	112	19	118	316	36	20	15	23	94
Europe	69	65	11	84	9	100	204	28	10	6	7	50
Russia	79	3	0	0	0	0	0	0	0	0	0	0
North America	37	51	3	25	6	14	48	4	7	6	12	29
Latin America	8	8	52	2	3	1	58	3	1	2	2	8
Asia-Pacific	10	11	1	1	1	2	5	2	2	1	2	7
<b>Order book</b>	158	84	121	202	192	266	266	259	223	186	154	154
<b>Revenue</b>	142	158	37	29	34	45	145	45	57	46	55	203
Wood Processing	97	108	24	17	22	29	92	32	42	32	40	146
Services	30	36	8	7	8	10	33	10	11	10	11	41
Analyzers	15	15	4	6	5	6	20	3	5	4	5	16
Europe	35	68	18	10	13	15	56	17	26	28	29	101
Russia	70	33	5	4	3	3	15	0	0	0	0	0
North America	20	38	10	8	11	15	44	11	14	12	15	52
Latin America	8	10	2	3	6	11	21	14	16	5	9	44
Asia-Pacific	10	9	3	4	1	2	9	1	1	1	2	6
<b>Comparable EBITDA</b>	3	-2	3	1	3	3	9	3	5	6	6	20
Wood Processing	-5	-10	1	-2	1	0	0	1	3	4	3	11
Services	5	6	1	1	2	2	5	2	2	2	2	7
Analyzers	4	2	1	2	1	1	5	0	1	1	1	2
<b>EBIT</b>	-2	-15	1	-1	1	1	2	1	4	5	4	14
<i>EBIT margin</i>	-1.6 %	-9.3 %	2 %	-3 %	4 %	1 %	1.3 %	3 %	7 %	10 %	8 %	7.1 %

Source: Evli Research

RAUTE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		23	24	25	23	24	25	23	24	25
Alfa Laval AB	16719	15.0x	15.2x	13.7x	18.6x	18.4x	16.3x	15.0 %	16.1 %	16.9 %
Cargotec	3553	5.8x	10.3x	9.8x	7.4x	11.7x	11.6x	10.6 %	12.2 %	12.2 %
Glaston	71	4.2x			6.4x			5.2 %	5.2 %	5.7 %
Kone	26011	14.8x	15.9x	14.8x	17.8x	19.4x	17.8x	11.4 %	11.8 %	12.4 %
Konecranes	5018	6.9x	8.5x	8.3x	8.6x	10.2x	10.1x	10.7 %	12.4 %	12.8 %
Ponsse	638	8.7x	10.3x	8.1x	14.4x	22.3x	13.7x	5.7 %	4.3 %	6.7 %
Sandvik	22569	10.4x	11.1x	10.0x	14.0x	16.6x	13.0x	17.7 %	15.1 %	18.5 %
Valmet	4330	8.1x	7.6x	7.1x	10.9x	10.8x	9.6x	9.7 %	9.4 %	10.4 %
Wartsila	10315	11.9x	12.0x	10.4x	15.7x	14.6x	12.5x	8.3 %	10.5 %	11.0 %
Duerr	1475	6.1x	5.7x	5.1x	7.3x	8.2x	7.4x	6.1 %	5.7 %	6.1 %
Biesse	214	3.3x	3.6x	3.6x	7.8x	10.6x	10.1x	4.1 %	2.7 %	2.9 %
Peer Group Average	8265	8.7x	10.0x	9.1x	11.7x	14.3x	12.2x	9.5 %	9.6 %	10.5 %
Peer Group Median	4330	8.1x	10.3x	9.1x	10.9x	13.1x	12.0x	9.7 %	10.5 %	11.0 %
Raute (Evli est.)	78	2.8x	3.2x	2.9x	10.1x	4.4x	4.0x	1.3 %	7.1 %	6.9 %

Raute prem./disc. to peer median

-66 % -69 % -68 % -7 % -66 % -66 % -87 % -32 % -37 %

Source FactSet, Evli Research

**INTERIM FIGURES**

<b>EVLI ESTIMATES, EURm</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Net sales	36.8	29.4	34.0	45.2	145.4	44.7	57.1	46.3	55.1	203.2	197.5	204.3
EBITDA	2.0	0.1	2.7	2.0	6.8	2.9	5.3	6.2	5.5	19.8	18.9	20.5
<i>EBITDA margin (%)</i>	5.4%	0.3%	8.0%	4.4%	4.7%	6.4%	9.2%	13.4%	10.0%	9.7%	9.6%	10.0%
EBIT	0.9	-1.0	1.4	0.6	1.9	1.5	3.9	4.8	4.2	14.4	13.7	15.1
<i>EBIT margin (%)</i>	2.3%	-3.5%	4.1%	1.4%	1.3%	3.3%	6.9%	10.4%	7.6%	7.1%	6.9%	7.4%
Net financial items	-0.1	-0.2	0.3	-0.1	-0.1	0.2	0.6	0.4	-0.1	1.1		
Pre-tax profit	0.8	-1.2	1.7	0.5	1.8	1.6	4.6	5.2	4.2	15.5	13.7	15.1
Tax	-0.3	0.4	-0.6	0.2	-0.4	-0.4	-1.1	-0.7	-0.4	-2.6	-2.7	-3.0
<i>Tax rate (%)</i>	43.5%	32.7%	38.1%	-29.1%	24.8%	21.7%	25.1%	13.9%	9.6%	16.8%	20.0%	20.0%
Net profit	0.4	-0.8	1.0	0.7	1.4	1.3	3.4	4.5	3.8	12.9	11.0	12.1
EPS	0.07	-0.13	0.17	0.11	0.22	0.21	0.56	0.73	0.61	2.11	1.79	1.97
EPS adj. (diluted)	0.07	-0.13	0.17	0.11	0.22	0.21	0.56	0.73	0.61	2.11	1.79	1.97
Dividend per share					0.10					0.20	0.40	0.70
<b>SALES, EURm</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Wood Processing	24.4	17.4	21.5	29.1	92.4	32.0	41.8	32.2	39.8	145.8	138.5	143.4
Services	8.3	6.5	7.9	10.3	33.0	9.8	10.8	9.9	10.6	41.1	41.5	42.5
Analyzers	4.1	5.5	4.6	5.8	20.0	2.9	4.5	4.2	4.7	16.3	17.5	18.4
Total	36.8	29.4	34.0	45.2	145.4	44.7	57.1	46.3	55.1	203.2	197.5	204.3
<b>SALES GROWTH, Y/Y %</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Wood Processing	-20.1%	1.6%	-20.6%	-12.6%	-14.5%	31.2%	140.2%	49.8%	36.8%	57.8%	-5.0%	3.5%
Services	4.9%	-29.6%	-20.6%	18.7%	-7.7%	18.1%	66.1%	25.3%	2.9%	24.6%	1.0%	2.5%
Analyzers	44.2%	70.1%	-3.2%	56.6%	37.6%	-29.3%	-18.2%	-8.7%	-19.0%	-18.5%	7.5%	5.0%
Total	-10.8%	-0.6%	-18.6%	-1.1%	-8.2%	21.5%	94.2%	36.2%	21.9%	39.8%	-2.8%	3.4%
<b>EBIT, EURm</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Total	0.9	-1.0	1.4	0.6	1.9	1.5	3.9	4.8	4.2	14.4	13.7	15.1
Total	0.9	-1.0	1.4	0.6	1.9	1.5	3.9	4.8	4.2	14.4	13.7	15.1
<b>EBIT margin %</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Total	100.0%	-100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	2.3%	-3.5%	4.1%	1.4%	1.3%	3.3%	6.9%	10.4%	7.6%	7.1%	6.9%	7.4%

<b>INCOME STATEMENT, EURm</b>	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	151.3	115.0	142.2	158.3	145.4	203.2	197.5	204.3
<i>Sales growth (%)</i>	-16.5%	-24.0%	23.7%	11.3%	-8.2%	39.8%	-2.8%	3.4%
EBITDA	12.3	1.2	2.1	-9.6	6.8	19.8	18.9	20.5
<i>EBITDA margin (%)</i>	8.1%	1.1%	1.5%	-6.1%	4.7%	9.7%	9.6%	10.0%
Depreciation	-3.9	-4.0	-4.3	-5.0	-4.9	-5.4	-5.2	-5.4
EBITA	8.4	-2.8	-2.2	-14.6	1.9	14.4	13.7	15.1
Goodwill amortization / writedown								
EBIT	8.4	-2.8	-2.2	-14.6	1.9	14.4	13.7	15.1
<i>EBIT margin (%)</i>	5.6%	-2.4%	-1.6%	-9.2%	1.3%	7.1%	6.9%	7.4%
Reported EBIT	8.4	-2.8	-2.2	-14.6	1.9	14.4	13.7	15.1
<i>EBIT margin (reported) (%)</i>	5.6%	-2.4%	-1.6%	-9.2%	1.3%	7.1%	6.9%	7.4%
Net financials	0.8	0.3	0.5	0.8	-0.1	1.1		
Pre-tax profit	9.2	-2.5	-1.7	-13.8	1.8	15.5	13.7	15.1
Taxes	-1.6	0.6		2.3	-0.4	-2.6	-2.7	-3.0
Minority shares								
Net profit	7.6	-1.8	-1.7	-11.5	1.4	12.9	11.0	12.1
Cash NRIs								
Non-cash NRIs								
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	16	17	19	22	21	30	30	31
Goodwill	1	2	2	2	2	2	2	2
Right of use assets	7	6	10	7	6	9	9	9
Inventory	12	15	22	17	26	37	36	37
Receivables	32	34	32	32	26	38	40	41
Liquid funds	22	12	24	8	48	23	32	40
Total assets	91	86	111	92	135	144	152	164
<b>Liabilities</b>								
Shareholders' equity	50	40	34	23	38	51	60	70
Minority interest								
Convertibles								
Lease liabilities	5	4	8	6	7	9	9	9
Deferred taxes	0			0	0	0	0	0
Interest bearing debt	2	2	2	7				
Non-interest bearing current liabilities	31	23	39	34	63	57	55	57
Other interest-free debt	3	16	27	22	27	27	27	27
Total liabilities	91	86	111	92	135	144	152	164
<b>CASH FLOW, EURm</b>								
+ EBITDA	12	1	2	-10	7	20	19	20
- Net financial items	1	0	0	1	0	1		
- Taxes	-1	-1	-1	-1	-1	-3	-3	-3
- Increase in Net Working Capital	10	1	21	-5	30	-28	-2	-1
+/- Other								
= Cash flow from operations	21	2	23	-14	36	-9	14	17
- Capex	-3	-3	-10	-4	-4	-17	-4	-7
- Acquisitions								
+ Divestments								
= Free cash flow	18	-2	13	-18	32	-26	10	10
+/- New issues/buybacks	1	-1	-1	0	14			
- Paid dividend	6	3			1	1	2	4
+/- Other	-4	-2	5	1	-6	2	0	0
Change in cash	9	-11	13	-17	40	-25	8	8

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	96	84	35	60	78	78	78
Net debt (excl. convertibles)	-5	-14	5	-41	-14	-23	-30
Enterprise value	91	70	40	19	64	55	48
Sales	115	142	158	145	203	198	204
EBITDA	1	2	-10	7	20	19	20
EBIT	-3	-2	-15	2	14	14	15
Pre-tax	-2	-2	-14	2	16	14	15
Earnings	-2	-2	-11	1	13	11	12
Equity book value (excl. minorities)	40	34	23	38	51	60	70

Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
EV/Sales	0.8	0.5	0.3	0.1	0.3	0.3	0.2
EV/EBITDA	73.6	33.3	-4.2	2.8	3.2	2.9	2.3
EV/EBITA	-32.6	-32.0	-2.8	10.1	4.4	4.0	3.2
EV/EBIT	-32.6	-32.0	-2.8	10.1	4.4	4.0	3.2
EV/OCF	48.2	3.0	-2.9	0.5	-6.7	4.0	2.8
EV/FCF	-30.2	4.2	-1.9	0.6	-2.6	5.9	4.6
P/FCFR	-60.7	6.5	-1.9	1.9	-3.0	8.2	7.7
P/E	-52.2	-48.7	-3.1	44.7	6.0	7.1	6.5
P/BV	2.4	2.5	1.5	1.6	1.5	1.3	1.1
Target EV/EBITDA					3.9	3.7	3.0
Target EV/EBIT					5.4	5.0	4.1
Target EV/FCFF					-2.9	7.2	6.1
Target P/BV					1.8	1.5	1.3
Target P/E, diluted	-138.9	-50.8	-3.8	35.2	7.1	8.4	7.6

Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares (million)	4.25	4.25	4.25	6.12	6.12	6.12	6.12
Number of shares (diluted, million)	4.25	4.25	4.25	6.12	6.12	6.12	6.12
EPS	-0.44	-0.41	-2.70	0.22	2.11	1.79	1.97
Operating cash flow per share	0.45	5.50	-3.30	5.86	-1.54	2.23	2.74
Free cash flow per share	-0.37	3.04	-4.24	5.28	-4.31	1.56	1.65
Book value per share	9.52	8.02	5.39	6.27	8.28	9.87	11.45
Dividend per share	0.80			0.10	0.20	0.40	0.70
Dividend payout ratio, %	-183.9%			45.3%	9.5%	22.3%	35.5%
Dividend yield, %	3.5%			0.8%	1.6%	3.1%	5.5%
FCF yield, %	-1.7%	15.4%	-51.4%	53.6%	-33.8%	12.3%	13.0%

Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	-4.1%	-4.6%	-40.3%	4.4%	29.0%	19.7%	18.5%
ROCE	-5.4%	-4.8%	-36.3%	4.6%	27.6%	20.6%	20.3%

Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
Inventories as % of sales	13.1%	15.5%	10.6%	18.1%	18.0%	18.0%	18.0%
Receivables as % of sales	29.3%	22.3%	20.2%	17.8%	18.5%	20.0%	20.0%
Non-int. bearing liabilities as % of sales	20.2%	27.1%	21.4%	43.1%	28.0%	28.0%	28.0%
NWC/sales, %	8.3%	-8.3%	-4.6%	-25.9%	-4.9%	-3.7%	-3.3%
Operative CAPEX/Sales, %	3.0%	7.4%	2.5%	2.4%	8.4%	2.1%	3.3%
CAPEX/sales (incl. acquisitions), %	3.0%	7.4%	2.5%	2.4%	8.4%	2.1%	3.3%
FCFF/EBITDA	-2.4	7.9	2.2	4.7	-1.2	0.5	0.5
Net Debt/EBITDA, book-weighted	-4.2	-6.5	-0.6	-6.1	-0.7	-1.2	-1.5
Debt/equity, market-weighted	0.0	0.0	0.2				
Equity ratio, book-weighted	0.5	0.3	0.4	0.5	0.6	0.6	0.7
Gearing, %	-13.0%	-40.5%	23.6%	-108.1%	-28.4%	-37.7%	-43.4%

**COMPANY DESCRIPTION:** Raute offers production lines, machinery and services for the entire production process of veneer and veneer-based products, which include plywood and laminated veneer lumber (LVL). The company's strategy is premised on a complementary offering of veneer production technology and services. Raute has differentiated itself through technological leadership and the ability to supply complete plywood and LVL production processes. Raute delivers most of its equipment in a tailored project-driven fashion to a global customer base consisting of hundreds of plywood and LVL mills. Raute has its main production plant in Lahti, Finland, however the company also operates a global sales and services network. Raute is a global leader in its niche market.

**INVESTMENT CASE:** Raute is the most technologically sophisticated vendor and a market leader within its niche. In our view this set-up will not change as current competition lags quite far behind and larger capital goods companies are unlikely to enter the relatively small market. Predicting Raute's project delivery flow is not easy and a single large project can make up a significant portion of a given calendar year's activity. Services growth might help to smooth financial performance, however project deliveries will always remain crucially important for Raute's success.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Sundholm Göran Wilhelm	756 250	9.642	12.4 %
Laakkonen Mikko Kalervo	172 225	2.196	2.8 %
eQ Finland Investment Fund	134 368	1.713	2.2 %
Mandatum Life Insurance Company Ltd.	132 574	1.690	2.2 %
Stephen Industries Inc Oy	129 687	1.654	2.1 %
Suominen Pekka Matias	117 329	1.496	1.9 %
Siivonen Osku Pekka	106 901	1.363	1.7 %
eQ Nordic Small Cap Mutual Fund	106 000	1.351	1.7 %
Kirmo Kaisa Marketta	105 421	1.344	1.7 %
Mustakallio Mika Tapani	103 678	1.322	1.7 %
Ten largest	1 864 433	23.772	30.5 %
Residual	4 255 567	54.258	69.5 %
Total	6 120 000	78.030	100%

#### EARNINGS CALENDAR

#### OTHER EVENTS

#### COMPANY MISCELLANEOUS

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CFO: Ville Halttunen  
IR:

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Tel: +358 3 82911

## DEFINITIONS

<b>P/E</b>  $\frac{\text{Price per share}}{\text{Earnings per share}}$	<b>EPS</b>  $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
<b>P/BV</b>  $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	<b>DPS</b>  Dividend for the financial period per share
<b>Market cap</b>  Price per share * Number of shares	<b>OCF (Operating cash flow)</b>  EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
<b>EV (Enterprise value)</b>  Market cap + net debt + minority interest at market value – share of associated companies at market value	<b>FCF (Free cash flow)</b>  Operating cash flow – Operative CAPEX – acquisitions + divestments
<b>EV/Sales</b>  $\frac{\text{Enterprise value}}{\text{Sales}}$	<b>FCF yield, %</b>  $\frac{\text{Free cash flow}}{\text{Market cap}}$
<b>EV/EBITDA</b>  $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	<b>Operative CAPEX / Sales</b>  $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
<b>EV/EBIT</b>  $\frac{\text{Enterprise value}}{\text{Operating profit}}$	<b>Net working capital</b>  Current assets – current liabilities
<b>Net debt</b>  Interest bearing debt – financial assets	<b>Capital employed / Share</b>  $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
<b>Total assets</b>  Balance sheet total	<b>Gearing</b>  $\frac{\text{Net debt}}{\text{Equity}}$
<b>Div yield, %</b>  $\frac{\text{Dividend per share}}{\text{Price per share}}$	<b>Debt/Equity, %</b>  $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
<b>Payout ratio, %</b>  $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	<b>Equity ratio, %</b>  $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
<b>ROCE, %</b>  $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	<b>CAGR, %</b>  Cumulative annual growth rate = Average growth rate per year
<b>ROE, %</b>  $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

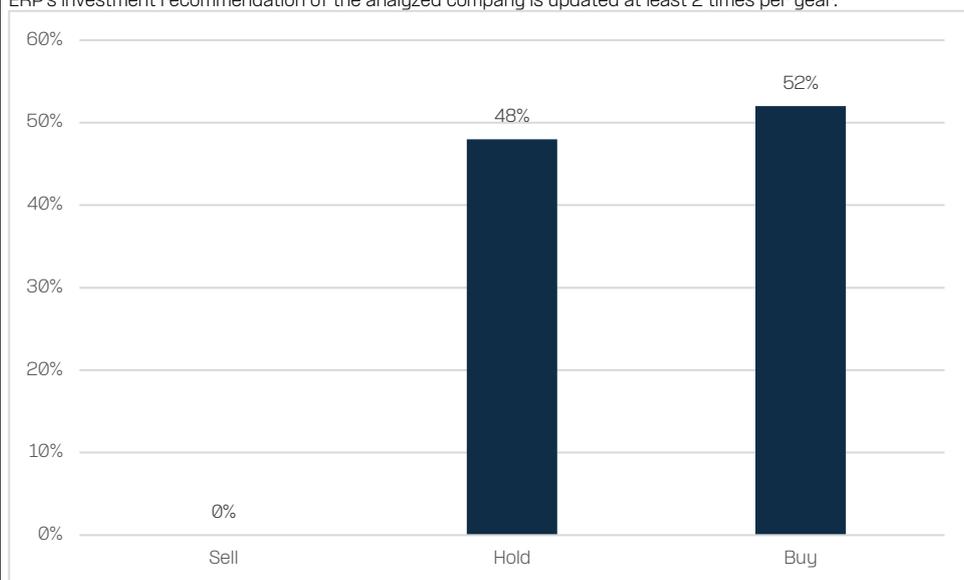
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Joonas Iivonen

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