

Earnings to remain quite stable

Raute reports Q4 results on Feb 13. FY'24 already showed strong results, while low valuation limits downside potential.

Earnings growth to have continued y/y, but not q/q, in Q4

Raute's Q3 was stronger than expected due to Wood Processing; the segment's 11.5% EBITDA was very high partly due to seasonally lower costs and high share of modernization deliveries. The segment's EUR 32m revenue however wasn't yet very high and so we believe its EBITDA will remain above EUR 3m also in Q4. Services' strong performance is likely to continue, while Analyzers should have potential to improve going forward as there has been a lack of small equipment orders for quite some time. We estimate Wood Processing has continued to grow 35% y/y while Services may no more grow at a double-digit rate due to high comparison figures. Analyzers may still have remained a bit soft, however we estimate Raute to post 21% y/y revenue growth and a comparable EBITDA of EUR 5.5m in Q4.

Services and Analyzers can grow this year

Services and Analyzers should grow also in FY'25, the former maybe marginally and the latter significantly, while Wood Processing faces a high comparison period since many of the large projects produced significant revenue already last year. The 5 larger orders, worth a total of EUR 235m, Raute received in the past two years are substantial in the context of the total Raute addressable market and hence it will not be easy to find additional Wood Processing growth without new large orders and/or recovery in smaller order flow. We believe there's still potential for new large orders in countries like Poland (plywood & LVL), while it should only be a question of time when small orders pick up. We estimate Raute FY'25 results to remain stable as we see revenue down 4% and EBITDA decline by ca. EUR 1m.

Low earnings multiples limit downside potential

We believe Raute's FY'25 results will soften a bit from the already high comparison period, but there should still be enough market demand drivers so that a prolonged earnings decline is unlikely. Raute's valuation should in any case be low enough, as it trades only slightly above 4x EV/EBIT on our FY'24–25 estimates, so that downside potential is quite limited relative to upside. We retain our EUR 15.0 TP as our rating is BUY according to the updated rating methodology (see p. 3).

Rating ++ Buy



Share price, EUR (Last trading day's closing price)	12.95
Target price, EUR	15.0
Latest change in recommendation	04-Feb-25
Latest report on company	01-Nov-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	79
Free float, %	–
Exchange rate	–
Reuters code	RAUTE.HE
Bloomberg code	RAUTE:FH
Average daily volume, EURm	0.1
Next interim report	13-Feb-25
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++ BUY ++ ACCUMULATE ▣ REDUCE ▣ 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	202.9	14.3	7.1%	-26.4	2.09	6.2	0.3	4.5	-33.3%	0.20
2025E	194.6	13.6	7.0%	10.3	1.78	7.3	0.3	4.1	12.9%	0.40
2026E	200.6	14.9	7.4%	10.2	1.95	6.6	0.2	3.2	12.9%	0.70
Market cap, EURm	79		Gearing 2024E, %	-28.5 %		CAGR EPS 2023–26, %	106.6 %			
Net debt 2024E, EURm	-14		Price/book 2024E	1.6		CAGR Sales 2023–26, %	11.3 %			
Enterprise value, EURm	65		Dividend yield 2024E, %	1.5 %		ROE 2024E, %	28.8 %			
Total assets 2024E, EURm	144		Tax rate 2024E, %	17.0 %		ROCE 2024E, %	27.4 %			
Goodwill 2024E, EURm	2		Equity ratio 2024E, %	24.9 %		PEG, P/E 24/CAGR	-9.5			

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

Estimates and peer valuation

Raute	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e
Order intake	203	139	67	112	19	118	316	36	20	15	21	92
Europe	69	65	11	84	9	100	204	28	10	6	6	49
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	1	6
Order book	158	84	121	202	192	266	266	259	223	186	152	152
Revenue	142	158	37	29	34	45	145	45	57	46	55	203
Wood Processing	97	108	24	17	22	29	92	32	42	32	39	145
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
Comparable EBITDA	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
EBIT	-2	-15	1	-1	1	1	2	1	4	5	4	14
EBIT margin	-1.6 %	-9.3 %	2 %	-3 %	4 %	1 %	1.3 %	3 %	7 %	10 %	7 %	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	17640	15.0x	15.0x	14.2x	18.6x	18.2x	16.8x	15.0 %	16.2 %	17.0 %
Cargotec	2998	5.8x	10.5x	10.6x	7.4x	12.5x	12.6x	10.6 %	15.9 %	15.0 %
Glaston	68	4.2x	6.1x	4.7x	6.4x	7.7x	6.9x	5.2 %	5.2 %	5.7 %
Kone	25333	14.8x	15.6x	15.0x	17.8x	18.9x	18.1x	11.4 %	11.7 %	12.3 %
Konecranes	4543	6.9x	8.2x	7.5x	8.6x	9.9x	9.1x	10.7 %	12.5 %	12.8 %
Ponsse	568	8.7x	9.2x	7.3x	14.4x	19.8x	12.3x	5.7 %	4.3 %	6.8 %
Sandvik	24450	10.4x	10.2x	10.2x	14.0x	15.8x	13.4x	17.7 %	15.0 %	18.5 %
Valmet	4748	8.1x	7.5x	7.7x	10.9x	10.3x	10.1x	9.7 %	9.7 %	10.7 %
Wartsila	10406	11.9x	11.8x	10.6x	15.7x	14.2x	12.6x	8.3 %	10.5 %	11.0 %
Duerr	1618	6.1x	5.3x	5.2x	7.3x	7.9x	7.4x	6.1 %	5.7 %	6.2 %
Biesse	209	3.3x	3.5x	3.5x	7.8x	11.0x	10.2x	4.1 %	2.5 %	2.8 %
Peer Group Average	8416	8.7x	9.3x	8.8x	11.7x	13.3x	11.8x	9.5 %	9.9 %	10.8 %
Peer Group Median	4543	8.1x	9.2x	7.7x	10.9x	12.5x	12.3x	9.7 %	10.5 %	11.0 %
Raute (Evli est.)	79	2.8x	3.3x	3.0x	10.1x	4.5x	4.1x	1.3 %	7.1 %	7.0 %

Raute prem./disc. to peer median -66 % -64 % -61 % -7 % -64 % -66 % -87 % -33 % -37 %

Source FactSet, Evli Research

We have amended our rating methodology since the previous update of the stock. Please see the updated and previous methodologies below.

NEW

Target price compared to share price	Recommendation
< -10%	SELL
-10 – 0%	REDUCE
0 – (+10)%	ACCUMULATE
> 10%	BUY

OLD

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

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	12.95 PV of Free Cash Flow	53 Long-term growth, %	2.0 % Risk-free interest rate, %
DCF share value	25.08 PV of Horizon value	59 WACC, %	9.2 % Market risk premium, %
Share price potential, %	93.7 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	26.5 Marketable securities	48 Minimum WACC, %	8.7 % Equity beta coefficient
Minimum value	23.8 Debt – dividend	–7 Maximum WACC, %	9.7 % Target debt ratio, %
Horizon value, %	52.7 % Value of stock	153 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	195	201	206	211	216	220	225	231	235	240
Sales growth (%)	-8.2%	39.6%	-4.1%	3.1%	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	19	20	20	21	21	22
Operating income margin %	1.3%	7.1%	7.0%	7.4%	7.6%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
+ Depreciation+amort.	5	5	5	5	5	6	6	6	5	4	4	
EBITDA	7	20	19	20	21	24	25	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	0	-1	0	
NWC / Sales, %	25.9%	-4.9%	-4.0%	-3.5%	-3.2%	-2.9%	-2.6%	-2.3%	-2.0%	-1.8%	-1.5%	
+ Change in other liabs	0											
- Operative CAPEX	-5	-14	-4	-6	-6	-6	-6	-3	-3	-3	-11	
opCAPEX / Sales, %	2.4%	8.3%	1.9%	3.2%	3.2%	3.1%	3.1%	1.6%	1.6%	1.6%	4.8%	
- Acquisitions												
+ Divestments												
- Other items												
= FCFE	32	-25	10	10	11	13	14	18	17	17	9	129
= Discounted FCFE		-25	9	9	9	9	9	11	9	8	4	59
= DFCF min WACC		-25	9	9	9	10	10	11	10	9	4	66
= DFCF max WACC		-25	9	9	9	9	9	10	9	8	4	53

Sensitivity analysis, EUR

		Terminal WACC				
		7.15 %	8.15 %	9.15 %	10.15 %	11.15 %
Terminal EBIT-%	7.00 %	24.17	21.83	20.06	18.64	17.47
	8.00 %	28.28	25.00	22.57	20.67	19.14
	9.00 %	32.40	28.18	25.08	22.71	20.81
	10.00 %	36.51	31.35	27.59	24.74	22.49
	11.00 %	40.63	34.52	30.11	26.77	24.16

INTERIM FIGURES

EVLI ESTIMATES, EURm	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	54.8	202.9	194.6	200.6
EBITDA	2.0	0.1	2.7	2.0	6.8	2.9	5.3	6.2	5.4	19.7	18.8	20.2
<i>EBITDA margin (%)</i>	<i>5.4%</i>	<i>0.3%</i>	<i>8.0%</i>	<i>4.4%</i>	<i>4.7%</i>	<i>6.4%</i>	<i>9.2%</i>	<i>13.4%</i>	<i>9.9%</i>	<i>9.7%</i>	<i>9.7%</i>	<i>10.1%</i>
EBIT	0.9	-1.0	1.4	0.6	1.9	1.5	3.9	4.8	4.1	14.3	13.6	14.9
<i>EBIT margin (%)</i>	<i>2.3%</i>	<i>-3.5%</i>	<i>4.1%</i>	<i>1.4%</i>	<i>1.3%</i>	<i>3.3%</i>	<i>6.9%</i>	<i>10.4%</i>	<i>7.5%</i>	<i>7.1%</i>	<i>7.0%</i>	<i>7.4%</i>
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	4.1	15.4	13.6	14.9
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>	<i>43.5%</i>	<i>32.7%</i>	<i>38.1%</i>	<i>-29.1%</i>	<i>24.8%</i>	<i>21.7%</i>	<i>25.1%</i>	<i>13.9%</i>	<i>9.9%</i>	<i>17.0%</i>	<i>20.0%</i>	<i>20.0%</i>
Net profit	0.4	-0.8	1.0	0.7	1.4	1.3	3.4	4.5	3.7	12.8	10.9	11.9
EPS	0.07	-0.13	0.17	0.11	0.22	0.21	0.56	0.73	0.60	2.09	1.78	1.95
EPS adj. (diluted)	0.07	-0.13	0.17	0.11	0.22	0.21	0.56	0.73	0.60	2.09	1.78	1.95
Dividend per share					0.10					0.20	0.40	0.70
SALES, EURm	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	39.3	145.3	135.1	139.2
Services	8.3	6.5	7.9	10.3	33.0	9.8	10.8	9.9	10.7	41.2	41.8	42.9
Analyzers	4.1	5.5	4.6	5.8	20.0	2.9	4.5	4.2	4.8	16.4	17.6	18.5
Total	36.8	29.4	34.0	45.2	145.4	44.7	57.1	46.3	54.8	202.9	194.6	200.6
SALES GROWTH, Y/Y%	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%	35.1%	57.3%	-7.0%	3.0%
Services	4.9%	-29.6%	-20.6%	18.7%	-7.7%	18.1%	66.1%	25.3%	3.9%	24.9%	1.5%	2.5%
Analyzers	44.2%	70.1%	-3.2%	56.6%	37.6%	-29.3%	-18.2%	-8.7%	-17.2%	-18.0%	7.5%	5.0%
Total	-10.8%	-0.6%	-18.6%	-1.1%	-8.2%	21.5%	94.2%	36.2%	21.2%	39.6%	-4.1%	3.1%
EBIT, EURm	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	4.1	14.3	13.6	14.9
Total	0.9	-1.0	1.4	0.6	1.9	1.5	3.9	4.8	4.1	14.3	13.6	14.9
EBIT margin %	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%	7.5%	7.1%	7.0%	7.4%

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	151.3	115.0	142.2	158.3	145.4	202.9	194.6	200.6
<i>Sales growth (%)</i>	-16.5%	-24.0%	23.7%	11.3%	-8.2%	39.6%	-4.1%	3.1%
EBITDA	12.3	1.2	2.1	-9.6	6.8	19.7	18.8	20.2
<i>EBITDA margin (%)</i>	8.1%	1.1%	1.5%	-6.1%	4.7%	9.7%	9.7%	10.1%
Depreciation	-3.9	-4.0	-4.3	-5.0	-4.9	-5.4	-5.2	-5.3
EBITA	8.4	-2.8	-2.2	-14.6	1.9	14.3	13.6	14.9
Goodwill amortization / writedown								
EBIT	8.4	-2.8	-2.2	-14.6	1.9	14.3	13.6	14.9
<i>EBIT margin (%)</i>	5.6%	-2.4%	-1.6%	-9.2%	1.3%	7.1%	7.0%	7.4%
Reported EBIT	8.4	-2.8	-2.2	-14.6	1.9	14.3	13.6	14.9
<i>EBIT margin (reported) (%)</i>	5.6%	-2.4%	-1.6%	-9.2%	1.3%	7.1%	7.0%	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	15.4	13.6	14.9
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	12.8	10.9	11.9
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	16	17	19	22	21	30	29	30
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	35	36
Receivables	32	34	32	32	26	38	39	40
Liquid funds	22	12	24	8	48	23	32	40
Total assets	91	86	111	92	135	144	151	163
Liabilities								
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	54	56
Other interest-free debt	3	16	27	22	27	27	27	27
Total liabilities	91	86	111	92	135	144	151	163
CASH FLOW, EURm								
+ 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	-10	14	17
- Capex	-3	-3	-10	-4	-4	-17	-4	-6
- 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	9	8

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	96	84	35	60	79	79	79
Net debt (excl. convertibles)	-5	-14	5	-41	-14	-23	-31
Enterprise value	91	70	40	19	65	56	48
Sales	115	142	158	145	203	195	201
EBITDA	1	2	-10	7	20	19	20
EBIT	-3	-2	-15	2	14	14	15
Pre-tax	-2	-2	-14	2	15	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	3.3	3.0	2.4
EV/EBITA	-32.6	-32.0	-2.8	10.1	4.5	4.1	3.2
EV/EBIT	-32.6	-32.0	-2.8	10.1	4.5	4.1	3.2
EV/OCF	48.2	3.0	-2.9	0.5	-6.8	4.0	2.9
EV/FCF	-30.2	4.2	-1.9	0.6	-2.6	5.6	4.6
P/FCFR	-60.7	6.5	-1.9	1.9	-3.0	7.7	7.8
P/E	-52.2	-48.7	-3.1	44.7	6.2	7.3	6.6
P/BV	2.4	2.5	1.5	1.6	1.6	1.3	1.1
Target EV/EBITDA					3.9	3.6	3.0
Target EV/EBIT					5.4	5.0	4.1
Target EV/FCFF					-2.9	6.7	6.0
Target P/BV					1.8	1.5	1.3
Target P/E, diluted	-138.9	-50.8	-3.8	35.2	7.2	8.4	7.7

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	2.09	1.78	1.95
Operating cash flow per share	0.45	5.50	-3.30	5.86	-1.56	2.27	2.72
Free cash flow per share	-0.37	3.04	-4.24	5.28	-4.32	1.68	1.66
Book value per share	9.52	8.02	5.39	6.27	8.27	9.84	11.39
Dividend per share	0.80			0.10	0.20	0.40	0.70
Dividend payout ratio, %	-183.9%			45.3%	9.6%	22.5%	35.9%
Dividend yield, %	3.5%			0.8%	1.5%	3.1%	5.4%
FCF yield, %	-1.7%	15.4%	-51.4%	53.6%	-33.3%	12.9%	12.9%

Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	-4.1%	-4.6%	-40.3%	4.4%	28.8%	19.6%	18.4%
ROCE	-5.4%	-4.8%	-36.3%	4.6%	27.4%	20.5%	20.2%

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%	-4.0%	-3.5%
Operative CAPEX/Sales, %	3.0%	7.4%	2.5%	2.4%	8.3%	1.9%	3.2%
CAPEX/sales (incl. acquisitions), %	3.0%	7.4%	2.5%	2.4%	8.3%	1.9%	3.2%
FCFF/EBITDA	-2.4	7.9	2.2	4.7	-1.3	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	0.7	0.7
Gearing, %	-13.0%	-40.5%	23.6%	-108.1%	-28.5%	-38.9%	-44.7%

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	9.793	12.4 %
Laakkonen Mikko Kalervo	172 225	2.230	2.8 %
eQ Finland Investment Fund	134 368	1.740	2.2 %
Mandatum Life Insurance Company Ltd.	132 574	1.717	2.2 %
Stephen Industries Inc Oy	129 687	1.679	2.1 %
Suominen Pekka Matias	117 329	1.519	1.9 %
Siivonen Osku Pekka	106 901	1.384	1.7 %
eQ Nordic Small Cap Mutual Fund	106 000	1.373	1.7 %
Kirmo Kaisa Marketta	105 421	1.365	1.7 %
Mustakallio Mika Tapani	103 678	1.343	1.7 %
Ten largest	1 864 433	24.144	30.5 %
Residual	4 255 567	55.110	69.5 %
Total	6 120 000	79.254	100%

EARNINGS CALENDAR

February 13, 2025	FY 2024 Results
May 07, 2025	Q1 report
August 12, 2025	Q2 report
October 30, 2025	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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CFO: Ville Halttunen	Tel: +358 3 82911
IR:	

DEFINITIONS

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

Important Disclosures

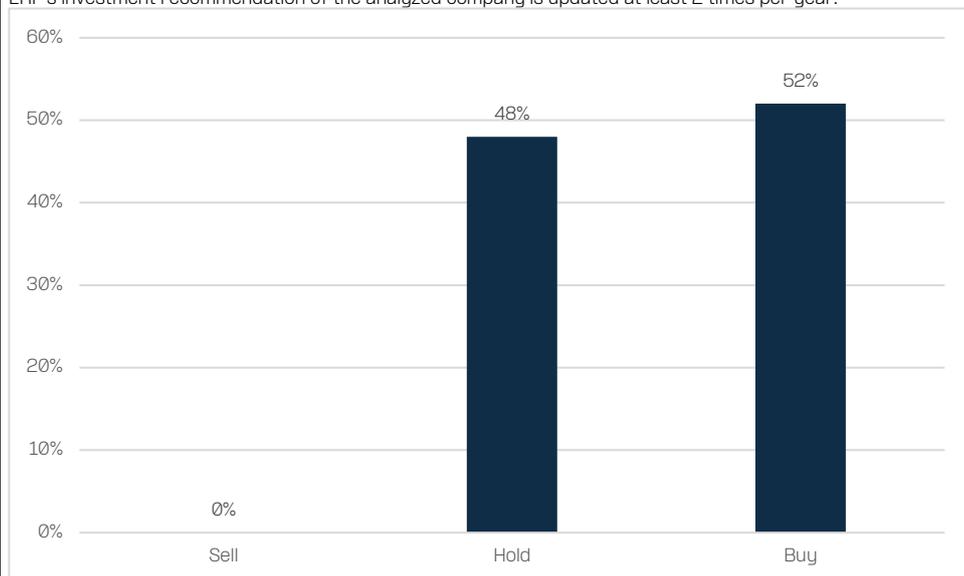
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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

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