

High orders and stable guidance

Raute's Q4 margins were a bit lower than we estimated even if top line was higher than we expected. The EUR 50m order intake was clearly higher than we expected and was a strong result as the figure didn't include any larger orders. The prospects for a sustained market recovery seem still somewhat unclear, however Raute guides quite stable results for FY'25 at this point.

- Raute Q4 revenue grew by 24.9% y/y to EUR 56.5m vs our EUR 54.8m estimate. Wood Processing was EUR 41.1m, compared to our EUR 39.3m estimate, while Services amounted to EUR 11.6m vs our EUR 10.7m estimate. Analyzers came in at EUR 3.7m vs our EUR 4.8m estimate. Especially spare parts and on-site services demand remained strong.
- Comparable EBITDA amounted to EUR 5.1m, compared to our EUR 5.5m estimate, whereas EBIT was EUR 3.5m vs our EUR 4.1m estimate. Wood Processing EBITDA was EUR 3.3m, compared to our EUR 3.1m estimate, while Services was EUR 1.3m vs our EUR 1.7m estimate. Services' costs were temporarily higher partly due to development work to support future growth. Efficiency improvements slightly helped Analyzers' profitability.
- Q4 order intake was EUR 50m vs our EUR 21m estimate. Orders improved after a few quiet quarters even though they didn't include any mill-sized projects, however the prospects of a strong sustained market recovery are still a bit unclear.
- Order book amounted to EUR 184m at the end of Q4 (EUR 266m a year ago).
- The BoD proposes a dividend of EUR 0.55 per share to be distributed for FY'24, compared to our EUR 0.20 estimate.
- Raute guides FY'25 revenue to be between EUR 190–220m and comparable EBITDA between EUR 17–24m.

Rating ++ Buy

Q4'24	Actual	Evli	Year ago	Q3'24
Revenue	56.5	54.8	45.2	46.4
Wood Processing	41.1	39.3	29.1	32.2
Services	11.6	10.7	10.3	9.9
Analyzers	3.7	4.8	5.8	4.2
Comparable EBITDA	5.1	5.5	2.7	6.3
EBIT	3.5	4.1	0.7	4.8

Share price, EUR (Last trading day's closing price) **13.60**
Target price, EUR 15.0

Latest change in recommendation 04-Feb-25

Latest report on company 04-Feb-25

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 83

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	6.5	0.3	4.8	-31.7%	0.20
2025E	194.6	13.6	7.0%	10.3	1.78	7.7	0.3	4.4	12.3%	0.40
2026E	200.6	14.9	7.4%	10.2	1.95	7.0	0.3	3.5	12.2%	0.70
Market cap, EURm		83	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		69	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			-10.0

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

Important Disclosures

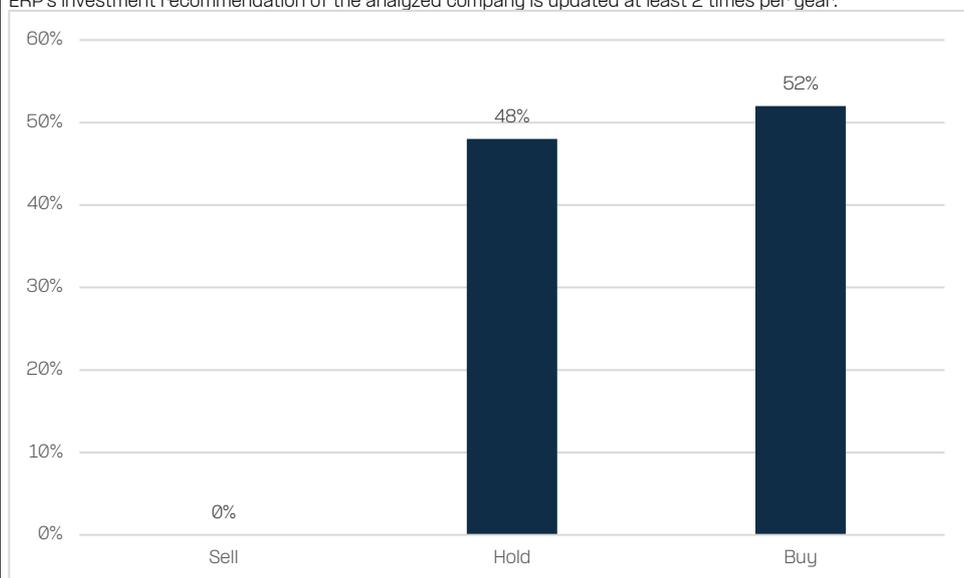
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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