

Low profitability, high orders

Raute's Q1 revenue and order intake were above our estimates, however inflation had a larger negative effect than we had expected as EBIT clearly missed our estimate.

- Q1 revenue grew by 67% y/y and was EUR 41.3m, compared to our EUR 34.0m estimate. Russian revenue amounted to EUR 14m, compared to our EUR 12m estimate.
- EBIT came in at EUR -1.5m, compared to our EUR 0.2m estimate. Inflation had a significant negative effect on the results.
- Order intake amounted to EUR 36m during the quarter, compared to our EUR 29m estimate. The figure does not include any major mill projects. Project orders were EUR 16m vs our EUR 14m estimate. Service orders were EUR 20m vs our EUR 15m estimate. Especially North American orders, at EUR 15m, were high and topped our EUR 7m estimate.
- Order book stood at EUR 152m at the end of Q1, of which EUR 78m is attributable to Russia.

Rating 🟡 HOLD

Q1'22	Actual	Evli	Year ago	Q4'21
Net sales	41.3	34.0	24.8	44.1
Operating profit	-1.5	0.2	-2.8	0.5
Operating profit margin	-3.6 %	0.6 %	-11.3 %	1.2 %

Share price, EUR (Last trading day's closing price) 13.75

Target price, EUR 15.0

Latest change in recommendation 03-Mar-22

Latest report on company 26-Apr-22

Research paid by issuer: YES

No. of shares outstanding, '000's 4,249

No. of shares fully diluted, '000's 4,249

Market cap, EURm 58

Free float, % -

Exchange rate -

Reuters code RAUTE.HE

Bloomberg code RAUTE:FH

Average daily volume, EURm 0.1

Next interim report 29-Apr-22

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+ BUY 🟡 HOLD - SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2020	115.0	-2.8	-2.4%	-1.6	-0.44	-52.2	0.8	-32.6	-1.6	0.80
2021	142.2	-2.2	-1.5%	12.9	-0.41	-48.7	0.5	-32.0	15.4	0.80
2022E	130.0	-0.4	-0.3%	5.4	-0.08	-182.6	0.3	-106.5	9.3	0.75
2023E	134.7	5.5	4.1%	2.4	1.04	13.2	0.3	7.8	4.1	0.80
2024E	139.8	8.6	6.2%	5.4	1.62	8.5	0.3	4.8	9.3	0.90

Market cap, EURm	58	BV per share 2022E, EUR	-52.2	CAGR EPS 2021-24, %	0.0
Net debt 2022E, EURm	-16	Price/book 2022E	1.9	CAGR sales 2021-24, %	-0.6
Enterprise value, EURm	43	Dividend yield 2022E, %	5.5	ROE 2022E, %	-1.0
Total assets 2022E, EURm	102	Tax rate 2022E, %	20.0	ROCE 2022E, %	-1.0
Goodwill 2022E, EURm	2	Equity ratio 2022E, %	29.7	PEG, P/E 22/CAGR	0.0

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

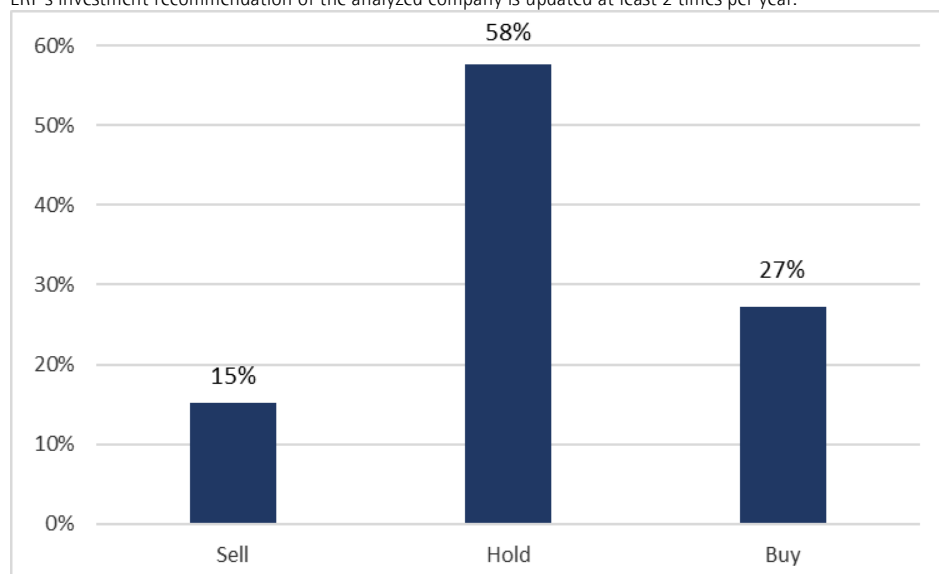
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Investment recommendations are defined as follows:

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

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Name(s) of the analyst(s): Ilvonen

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