

Wood Processing dragged EBITDA

Raute's Q4 figures were slightly mixed relative to our estimates as Services and Analyzers performed better than we expected while Wood Processing EBITDA declined by EUR 1m due to growth strategy development projects. Raute's revenue landed above our estimate whereas profitability fell short.

- Raute Q4 revenue decreased by 1.1% y/y to EUR 45.2m vs our EUR 44.0m estimate. Wood Processing landed at EUR 29.1m, compared to our EUR 30.8m estimate, while Services was EUR 10.3m vs our EUR 8.9m estimate. Analyzers came in at EUR 5.8m, compared to our EUR 4.3m estimate.
- Comparable EBITDA amounted to EUR 2.7m vs our EUR 3.2m estimate, while EBIT was EUR 0.7m vs our EUR 1.8m estimate. Wood Processing profitability was slightly below expectations as costs were elevated due to growth strategy development projects. Wood Processing comparable EBITDA declined by EUR 1m y/y while Services improved by EUR 0.8m and Analyzers by EUR 0.2m. Spare parts demand was moderate while there was increased demand for other services.
- Q4 order intake was EUR 118m, compared to our EUR 123m estimate.
- Order book was EUR 266m at the end of Q4 (EUR 84m a year ago).
- Raute guides FY '24 revenue in the range of EUR 170-195m and comparable EBITDA of EUR 10-14m, which are in line with our estimates.
- The BoD proposes a dividend per share of EUR 0.10 to be distributed for FY '23, compared to our EUR 0.20 estimate.

Rating + BUY

Q4'23	Actual	Evli	Year ago	Q3'23
Revenue	45.2	44.0	45.7	34.0
Wood Processing	29.1	30.8	33.3	21.5
Services	10.3	8.9	8.7	8.0
Analyzers	5.8	4.3	3.7	4.6
Comparable EBITDA	2.7	3.2	2.7	3.0
EBIT	0.7	1.8	0.5	1.4

Share price, EUR (Last trading day's closing price) 11.00

Target price, EUR 13.0

Latest change in 24-Oct-22

Latest report on company 09-Feb-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 67

Free float, % -

Exchange rate -

Reuters code RAUTE.HE

Bloomberg code RAUTE:FH

Average daily volume, EURm 0.1

Next interim report 15-Feb-24

Web site www.raute.com/investors

Analyst Joonas Ilvonen

E-mail joonas.ilvonen@evli.com

Telephone +358 44 430 9071

+ 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
2021	142.2	-2.2	-1.5%	12.9	-0.41	-48.7	0.5	-32.0	15.4	0.00
2022	158.3	-14.6	-9.2%	-18.0	-2.70	-3.1	0.3	-2.8	-51.4	0.00
2023E	144.2	3.0	2.1%	5.0	0.37	29.7	0.4	17.1	7.4	0.20
2024E	179.4	8.6	4.8%	-1.5	1.09	10.1	0.3	6.3	-2.3	0.40
2025E	197.1	11.3	5.7%	3.9	1.42	7.7	0.3	4.6	5.8	0.50

Market cap, EURm	67	BV per share 2023E, EUR	-38.8	CAGR EPS 2022-25, %	0.0
Net debt 2023E, EURm	-16	Price/book 2023E	1.6	CAGR sales 2022-25, %	7.6
Enterprise value, EURm	51	Dividend yield 2023E, %	1.8	ROE 2023E, %	7.0
Total assets 2023E, EURm	103	Tax rate 2023E, %	23.5	ROCE 2023E, %	7.0
Goodwill 2023E, EURm	2	Equity ratio 2023E, %	40.4	PEG, P/E 23/CAGR	0.4

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

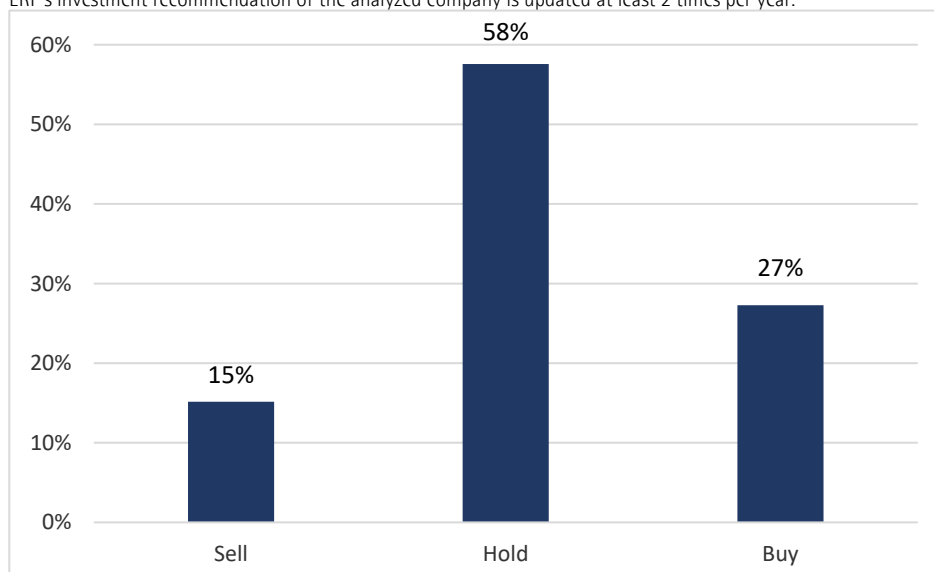
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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Contact information

SALES, TRADING AND RESEARCH

Equity, ETF and Derivatives Sales

Joachim Dannberg +358 9 4766 9123
Ari Laine +358 9 4766 9115
Kimmo Lijja +358 9 4766 9130

Trading

Lauri Vehkaluoto (Head) +358 9 4766 9120
Pasi Väisänen +358 9 4766 9120
Antti Kässi +358 9 4766 9120
Miika Ronkanen +358 9 4766 9120

Structured Investments

Heikki Savijoki +358 9 4766 9726
Aki Lakkisto +358 9 4766 9123

Equity Research

Atte Jortikka +358 40 054 3725
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205

EVLI

EVLI PLC

Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

EVLI PLC, STOCKHOLMSFILIAL

Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000