

Wood Processing earnings improve

Raute reports Q1 results on May 3. We estimate earnings to improve over the course of the year, driven by the order book.

Q1 earnings still a bit soft yet will trend up over the year

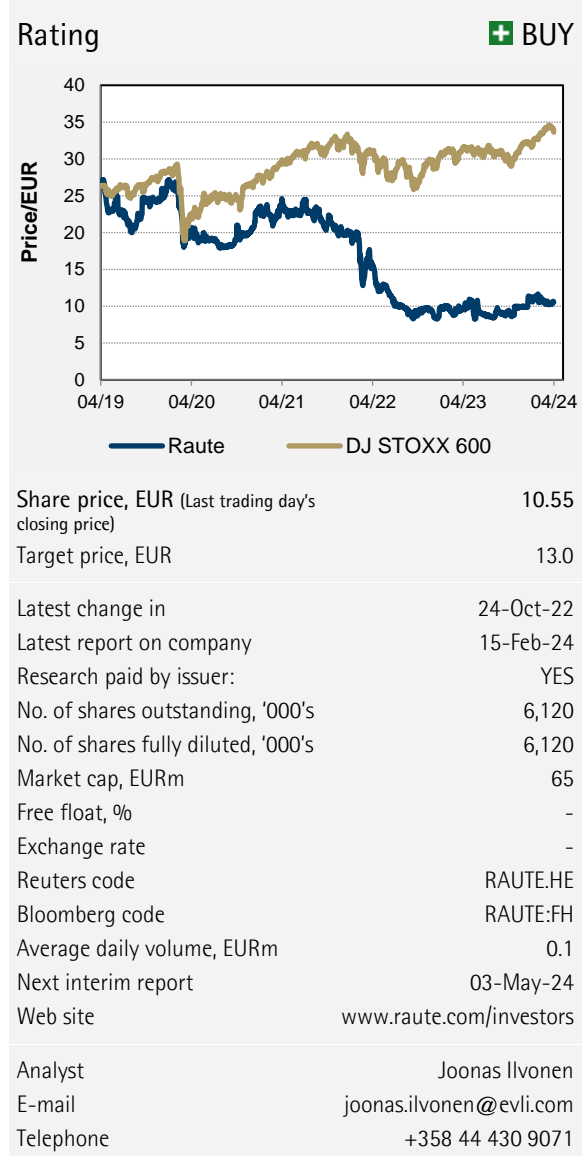
Raute recently added another larger EUR 20m Latvian order, which speaks for the company's strong positioning in Europe. The Finnish political strikes seen in Q1 are likely to have affected operations at least to some extent, but we still expect Q1 revenue to have grown by 14% y/y to EUR 42m as the comparison period had only EUR 24m in Wood Processing revenue (whereas we estimate, in line with guidance, FY '24 Wood Processing revenue to top EUR 130m). Wood Processing Q1'24 figures would still nonetheless have been relatively modest even without the strikes as we estimate Raute's order book of some EUR 270m (of which five larger orders made up EUR 237m) takes until around H2'24 to turn in more significant amounts of the large projects' revenue.

We estimate EUR 12.7m comparable EBITDA for the year

We estimate Q1 comparable EBITDA at EUR 2.6m, in other words slightly down from the EUR 2.8m comparison figure as development costs still limit Wood Processing earnings. Political strikes were known to happen in Finland, but their scope was a surprise and so Q1 figures are likely to have remained a bit modest. Raute issued its FY '24 guidance before the latest Latvian order was signed; some of the project will be delivered already this year and hence could support Raute close to the upper ends of the EUR 170-195m revenue and EUR 10-14m comparable EBITDA ranges. We would in any case estimate Raute's revenue to top EUR 200m in FY '25, if not already this year, as Wood Processing has its order book to deliver. We estimate EBITDA to decline by some EUR 1m for both Services and Analyzers while we see Wood Processing up by EUR 5m as its revenue should gain by about EUR 40m this year.

We estimate FY '25 comparable EBITDA to gain some EUR 4m

Given that Raute has secured a very high order book in a market that's still soft in Europe we expect growth to extend at least until next year as changes to small order demand are more likely to be positive than negative. We estimate FY '25 revenue to grow by 10% and EBITDA by another EUR 4m. Raute's below 7x EV/EBIT multiple, on our FY '24 estimates, is thus quite modest. We retain our EUR 13.0 TP and BUY rating.



+ 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	0.00
2023	145.4	1.9	1.3%	32.4	0.23	43.5	0.1	9.9	53.6	0.10
2024E	186.0	7.6	4.1%	-27.6	0.94	11.2	0.3	6.8	-42.8	0.20
2025E	204.5	11.5	5.6%	3.9	1.45	7.3	0.2	4.2	6.1	0.40
2026E	209.6	13.4	6.4%	9.3	1.75	6.0	0.2	3.1	14.5	0.77
Market cap, EURm		65	Gearing 2024E, %			-30.3	CAGR EPS 2023-26, %			97.7
Net debt 2024E, EURm		-13	Price/book 2024E			1.5	CAGR sales 2023-26, %			13.0
Enterprise value, EURm		51	Dividend yield 2024E, %			1.9	ROE 2024E, %			14.0
Total assets 2024E, EURm		132	Tax rate 2024E, %			21.8	ROCE 2024E, %			15.7
Goodwill 2024E, EURm		2	Equity ratio 2024E, %			59.8	PEG, P/E 24/CAGR			0.4

Estimates and valuation

Raute	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e
Order intake	203	139	67	112	19	118	316	49	32	29	33	143
Europe	69	65	11	84	9	100	204	32	12	15	13	72
Russia	79	3	0	0	0	0	0	0	0	0	0	0
North America	37	51	3	25	6	14	48	13	15	9	16	53
Latin America	8	8	52	2	3	1	58	2	3	3	2	10
Asia-Pacific	10	11	1	1	1	2	5	2	2	2	2	8
Order book	158	84	121	202	192	266	266	273	259	240	223	223
Revenue	142	158	37	29	34	45	145	42	46	48	50	186
Wood Processing	97	108	24	17	22	29	92	29	33	34	37	133
Services	30	36	8	7	8	10	33	8	8	8	8	33
Analyzers	15	15	4	6	5	6	20	5	5	5	5	20
Europe	35	68	18	10	13	15	56	17	19	22	25	83
Russia	70	33	5	4	3	3	15	0	0	0	0	0
North America	20	38	10	8	11	15	44	12	13	11	15	51
Latin America	8	10	2	3	6	11	21	11	12	13	8	44
Asia-Pacific	10	9	3	4	1	2	9	2	2	2	2	8
Comparable EBITDA	3	-2	3	1	3	3	9	3	3	3	4	13
Wood Processing	-5	-10	1	-2	1	0	0	1	1	1	2	5
Services	5	6	1	1	2	2	5	1	1	1	1	4
Analyzers	4	2	1	2	1	1	5	1	1	1	1	4
EBIT	-2	-15	1	-1	1	1	2	1	2	2	2	8
<i>EBIT margin</i>	-1.6 %	-9.3 %	2 %	-3 %	4 %	1 %	1.3 %	3 %	4 %	5 %	5 %	4.1 %

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	15072	15.0x	14.1x	13.4x	18.6x	17.3x	16.1x	15.0 %	15.6 %	16.2 %
Cargotec	3996	5.9x	8.6x	7.9x	7.4x	10.8x	9.7x	10.6 %	10.0 %	10.9 %
Glaston	75	4.7x	4.4x	4.0x	6.4x	7.4x	6.3x	5.2 %	5.3 %	5.9 %
Kone	22562	14.8x	13.3x	12.4x	17.8x	15.9x	14.7x	11.4 %	12.1 %	12.6 %
Konecranes	3818	6.9x	7.5x	7.2x	8.5x	9.3x	8.9x	10.8 %	11.0 %	11.4 %
Ponsse	649	8.7x	8.7x	7.5x	14.4x	14.3x	11.3x	5.7 %	6.6 %	7.8 %
Sandvik	25605	10.4x	11.4x	10.5x	14.0x	15.5x	13.5x	17.8 %	17.2 %	19.1 %
Valmet	4571	8.1x	7.6x	7.2x	10.9x	10.5x	9.6x	9.7 %	9.8 %	10.7 %
Wartsila	8927	11.9x	10.9x	9.7x	15.7x	13.6x	12.0x	8.3 %	9.7 %	10.2 %
Duerr	1589	6.1x	5.5x	4.7x	7.3x	8.3x	6.8x	6.1 %	5.4 %	6.3 %
Biesse	322	3.4x	3.3x	3.1x	7.2x	7.1x	5.9x	4.4 %	3.9 %	4.6 %
Peer Group Average	7926	8.7x	8.7x	8.0x	11.7x	11.8x	10.4x	9.5 %	9.7 %	10.5 %
Peer Group Median	3996	8.1x	8.6x	7.5x	10.9x	10.8x	9.7x	9.7 %	9.8 %	10.7 %
Raute (Evli est.)	65	2.8x	4.1x	2.9x	9.9x	6.8x	4.2x	1.3 %	4.1 %	5.6 %

Raute prem./disc. to peer median

-66 % -52 % -61 % -9 % -38 % -56 % -87 % -58 % -48 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	10.55 PV of Free Cash Flow	46 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	21.27 PV of Horizon value	42 WACC, %	9.2 Market risk premium, %	5.8
Share price potential, %	101.6 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	22.4 Marketable securities	48 Minimum WACC, %	8.7 Equity beta coefficient	1.25
Minimum value	20.3 Debt - dividend	-7 Maximum WACC, %	9.7 Target debt ratio, %	20
Horizon value, %	47.8 Value of stock	130 Nr of shares, Mn	6.1 Effective tax rate, %	20

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	145	186	204	210	214	219	224	229	234	239	244	249
<i>Sales growth, %</i>	-8.2	27.9	9.9	2.5	2.1	2.3	2.3	2.3	2.3	2.3	2.0	2.0
Operating income (EBIT)	2	8	12	13	16	19	20	21	21	22	22	22
<i>Operating income margin, %</i>	1.3	4.1	5.6	6.4	7.2	8.5	9.0	9.0	9.0	9.0	9.0	9.0
+ Depreciation+amort.	5	5	5	7	7	7	8	8	5	4	4	
EBITDA	7	12	17	21	23	26	28	28	26	26	26	
- Paid taxes	-1	-2	-2	-3	-3	-4	-4	-4	-4	-4	-4	
- Change in NWC	30	-25	-1	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	-25.9	-6.7	-5.4	-5.1	-4.8	-4.5	-4.3	-4.0	-3.7	-3.5	-3.3	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-4	-11	-8	-8	-8	-8	-8	-3	-3	-3	-14	
<i>opCAPEX / Sales, %</i>	2.4	7.0	4.3	3.9	3.8	3.8	3.8	1.6	1.5	1.5	5.8	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	32	-26	5	10	11	14	15	21	18	18	7	99
= Discounted FCFF		-24	4	8	8	9	9	11	9	8	3	42
= DFCF min WACC		-24	4	8	8	9	9	12	10	9	3	48
= DFCF max WACC		-24	4	7	8	9	9	11	9	8	3	38

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1E	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	36.8	29.4	34.0	45.2	145.4	42.1	45.7	47.8	50.4	186.0	204.5	209.6
EBITDA	2.0	0.1	2.7	2.0	6.8	2.4	3.0	3.4	3.6	12.4	16.7	20.6
<i>EBITDA margin (%)</i>	<i>5.4</i>	<i>0.3</i>	<i>7.9</i>	<i>4.5</i>	<i>4.7</i>	<i>5.7</i>	<i>6.6</i>	<i>7.1</i>	<i>7.1</i>	<i>6.7</i>	<i>8.2</i>	<i>9.8</i>
EBIT	0.9	-1.0	1.4	0.7	1.9	1.2	1.8	2.2	2.4	7.6	11.5	13.4
<i>EBIT margin (%)</i>	<i>2.3</i>	<i>-3.5</i>	<i>4.0</i>	<i>1.5</i>	<i>1.3</i>	<i>2.9</i>	<i>3.9</i>	<i>4.6</i>	<i>4.8</i>	<i>4.1</i>	<i>5.6</i>	<i>6.4</i>
Net financial items	-0.1	-0.2	0.3	-0.1	-0.1	-0.1	0.0	0.0	0.0	-0.2	-0.4	0.0
Pre-tax profit	0.8	-1.2	1.7	0.6	1.8	1.1	1.8	2.2	2.4	7.4	11.1	13.4
Tax	-0.3	0.4	-0.6	0.2	-0.4	-0.4	-0.4	-0.4	-0.4	-1.6	-2.2	-2.7
<i>Tax rate (%)</i>	<i>43.5</i>	<i>32.7</i>	<i>38.6</i>	<i>-26.1</i>	<i>24.3</i>	<i>36.4</i>	<i>22.9</i>	<i>18.6</i>	<i>17.0</i>	<i>21.8</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0.4	-0.8	1.0	0.7	1.4	0.7	1.4	1.8	2.0	5.8	8.9	10.7
EPS	0.07	-0.13	0.17	0.12	0.23	0.11	0.22	0.29	0.32	0.94	1.45	1.75
EPS adjusted (diluted no. of shares)	0.07	-0.13	0.17	0.12	0.23	0.11	0.22	0.29	0.32	0.94	1.45	1.75
Dividend per share	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.20	0.40	0.77
SALES, EURm												
Wood Processing	24.4	17.4	21.5	29.1	92.4	29.2	32.7	34.3	36.9	133.1	149.1	152.8
Services	8.3	6.5	7.9	10.3	33.0	8.2	7.9	8.3	8.2	32.6	33.6	34.2
Analyzers	4.1	5.5	4.6	5.8	20.0	4.7	5.1	5.2	5.3	20.3	21.8	22.6
Total	36.8	29.4	34.0	45.2	145.4	42.1	45.7	47.8	50.4	186.0	204.5	209.6
SALES GROWTH, Y/Y %												
<i>Wood Processing</i>	<i>-20.1</i>	<i>1.6</i>	<i>-20.6</i>	<i>-12.6</i>	<i>-14.5</i>	<i>19.7</i>	<i>87.9</i>	<i>59.5</i>	<i>26.8</i>	<i>44.0</i>	<i>12.0</i>	<i>2.5</i>
<i>Services</i>	<i>4.9</i>	<i>-29.6</i>	<i>-20.6</i>	<i>18.7</i>	<i>-7.7</i>	<i>-1.2</i>	<i>21.5</i>	<i>5.1</i>	<i>-20.4</i>	<i>-1.2</i>	<i>3.0</i>	<i>2.0</i>
<i>Analyzers</i>	<i>44.2</i>	<i>70.1</i>	<i>-3.2</i>	<i>56.6</i>	<i>37.6</i>	<i>14.6</i>	<i>-7.3</i>	<i>13.0</i>	<i>-8.6</i>	<i>1.5</i>	<i>7.5</i>	<i>3.5</i>
<i>Total</i>	<i>-10.8</i>	<i>-0.6</i>	<i>-18.6</i>	<i>-1.1</i>	<i>-8.2</i>	<i>14.4</i>	<i>55.4</i>	<i>40.6</i>	<i>11.5</i>	<i>27.9</i>	<i>9.9</i>	<i>2.5</i>
EBIT, EURm												
Total	0.9	-1.0	1.4	0.7	1.9	1.2	1.8	2.2	2.4	7.6	11.5	13.4
Total	0.9	-1.0	1.4	0.7	1.9	1.2	1.8	2.2	2.4	7.6	11.5	13.4
EBIT margin, %												
<i>Total</i>	<i>2.3</i>	<i>-3.5</i>	<i>4.0</i>	<i>1.5</i>	<i>1.3</i>	<i>2.9</i>	<i>3.9</i>	<i>4.6</i>	<i>4.8</i>	<i>4.1</i>	<i>5.6</i>	<i>6.4</i>

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	151.3	115.0	142.2	158.3	145.4	186.0	204.5	209.6
<i>Sales growth (%)</i>	<i>-16.5</i>	<i>-24.0</i>	<i>23.7</i>	<i>11.3</i>	<i>-8.2</i>	<i>27.9</i>	<i>9.9</i>	<i>2.5</i>
EBITDA	12.3	1.2	2.1	-9.6	6.8	12.4	16.7	20.6
<i>EBITDA margin (%)</i>	<i>8.1</i>	<i>1.1</i>	<i>1.5</i>	<i>-6.1</i>	<i>4.7</i>	<i>6.7</i>	<i>8.2</i>	<i>9.8</i>
Depreciation	-3.9	-4.0	-4.3	-5.0	-4.9	-4.8	-5.2	-7.2
EBITA	8.4	-2.8	-2.2	-14.6	1.9	7.6	11.5	13.4
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	8.4	-2.8	-2.2	-14.6	1.9	7.6	11.5	13.4
<i>EBIT margin (%)</i>	<i>5.6</i>	<i>-2.4</i>	<i>-1.5</i>	<i>-9.2</i>	<i>1.3</i>	<i>4.1</i>	<i>5.6</i>	<i>6.4</i>
Reported EBIT	8.4	-2.8	-2.2	-14.6	1.9	7.6	11.5	13.4
<i>EBIT margin (reported) (%)</i>	<i>5.6</i>	<i>-2.4</i>	<i>-1.5</i>	<i>-9.2</i>	<i>1.3</i>	<i>4.1</i>	<i>5.6</i>	<i>6.4</i>
Net financials	0.8	0.3	0.5	0.8	-0.1	-0.2	-0.4	0.0
Pre-tax profit	9.2	-2.5	-1.7	-13.8	1.8	7.4	11.1	13.4
Taxes	-1.6	0.6	0.0	2.3	-0.4	-1.6	-2.2	-2.7
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	7.6	-1.8	-1.7	-11.5	1.4	5.8	8.9	10.7
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET, EURm								
Assets								
Fixed assets	16	17	19	22	21	28	31	31
Goodwill	1	2	2	2	2	2	2	2
Right of use assets	7	6	10	7	6	8	9	9
Inventory	12	15	22	17	26	34	37	38
Receivables	32	34	32	32	26	33	36	37
Liquid funds	22	12	24	8	48	21	25	32
Total assets	91	86	111	92	135	132	145	155
Liabilities								
Shareholder's equity	50	40	34	23	38	44	51	59
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	5	4	8	6	7	8	9	9
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	2	2	2	7	0	0	0	0
Non-interest bearing current liabilities	31	23	39	34	63	52	57	59
Other interest-free debt	3	16	27	22	27	27	27	27
Total liabilities	91	86	111	92	135	132	145	155
CASH FLOW, EURm								
+ EBITDA	12	1	2	-10	7	12	17	21
- Net financial items	1	0	0	1	0	0	0	0
- Taxes	-1	-1	-1	-1	-1	-2	-2	-3
- Increase in Net Working Capital	10	1	21	-5	30	-25	-1	0
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	21	2	23	-14	36	-15	13	17
- Capex	-3	-3	-10	-4	-4	-13	-9	-8
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	18	-2	13	-18	32	-28	4	9
+/- New issues/buybacks	1	-1	-1	0	14	0	0	0
- Paid dividend	-6	-6	-3	0	0	-1	-1	-2
+/- Other	-4	-2	5	1	-6	2	1	0
Change in cash	9	-11	13	-17	40	-27	4	7

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	96	84	35	60	65	65	65
Net debt (excl. convertibles)	-5	-14	5	-41	-13	-16	-23
Enterprise value	91	70	40	19	51	49	42
Sales	115	142	158	145	186	204	210
EBITDA	1	2	-10	7	12	17	21
EBIT	-3	-2	-15	2	8	12	13
Pre-tax	-2	-2	-14	2	7	11	13
Earnings	-2	-2	-11	1	6	9	11
Equity book value (excl. minorities)	40	34	23	38	44	51	59
Valuation multiples							
EV/sales	0.8	0.5	0.3	0.1	0.3	0.2	0.2
EV/EBITDA	73.6	33.3	-4.2	2.8	4.1	2.9	2.0
EV/EBITA	-32.6	-32.0	-2.8	9.9	6.8	4.2	3.1
EV/EBIT	-32.6	-32.0	-2.8	9.9	6.8	4.2	3.1
EV/OCF	48.2	3.0	-2.9	0.5	-3.5	3.9	2.4
EV/FCFF	-30.2	4.2	-1.9	0.6	-2.0	9.6	4.4
P/FCFE	-60.7	6.5	-1.9	1.9	-2.3	16.5	6.9
P/E	-52.2	-48.7	-3.1	43.5	11.2	7.3	6.0
P/B	2.4	2.5	1.5	1.6	1.5	1.3	1.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.4	3.8	2.8
Target EV/EBIT	0.0	0.0	0.0	0.0	8.7	5.5	4.2
Target EV/FCF	0.0	0.0	0.0	0.0	-2.4	16.3	6.1
Target P/B	0.0	0.0	0.0	0.0	1.8	1.6	1.3
Target P/E	0.0	0.0	0.0	0.0	13.8	9.0	7.4
Per share measures							
Number of shares	4,249	4,249	4,249	6,120	6,120	6,120	6,120
Number of shares (diluted)	4,249	4,249	4,249	6,120	6,120	6,120	6,120
EPS	-0.44	-0.41	-2.70	0.23	0.94	1.45	1.75
Operating cash flow per share	0.45	5.50	-3.30	5.86	-2.37	2.06	2.85
Free cash flow per share	-0.37	3.04	-4.24	5.29	-4.52	0.64	1.52
Book value per share	9.52	8.02	5.39	6.27	7.11	8.36	9.71
Dividend per share	0.80	0.00	0.00	0.10	0.20	0.40	0.77
Dividend payout ratio, %	-183.9	0.0	0.0	44.1	21.3	27.6	44.1
Dividend yield, %	3.5	0.0	0.0	0.9	1.9	3.8	7.3
FCF yield, %	-1.6	15.4	-51.4	53.6	-42.8	6.1	14.5
Efficiency measures							
ROE	-4.1	-4.6	-40.3	4.5	14.0	18.8	19.4
ROCE	-5.4	-4.8	-36.3	4.7	15.7	19.8	20.8
Financial ratios							
Inventories as % of sales	13.1	15.5	10.6	18.1	18.1	18.1	18.1
Receivables as % of sales	29.2	22.3	20.2	17.7	17.7	17.7	17.7
Non-interest 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	-6.7	-5.4	-5.1
Operative CAPEX/sales, %	3.0	7.3	2.5	2.4	7.0	4.3	3.9
CAPEX/sales (incl. acquisitions), %	3.0	7.3	2.5	2.4	7.0	4.3	3.9
FCFF/EBITDA	-2.4	7.9	2.2	4.7	-2.1	0.3	0.5
Net debt/EBITDA, book-weighted	-4.2	-6.5	-0.6	-6.1	-1.1	-0.9	-1.1
Debt/equity, market-weighted	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	46.9	30.8	36.6	50.2	59.8	59.2	61.7
Gearing, %	-13.0	-40.5	23.6	-108.1	-30.3	-31.0	-38.3

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	7.978	12.4%
Laakkonen Mikko Kalervo	172,225	1.817	2.8%
eQ Nordic Small Cap Mutual Fund	138,000	1.456	2.3%
Mandatum Life Insurance Company Ltd.	130,105	1.373	2.1%
Stephen Industries Inc Oy	129,687	1.368	2.1%
Relander Pär-Gustaf	123,700	1.305	2.0%
Suominen Pekka Matias	117,329	1.238	1.9%
Siivonen Osku Pekka	106,901	1.128	1.7%
Kirimo Kaisa Marketta	105,421	1.112	1.7%
eQ Finland Investment Fund	105,000	1.108	1.7%
Ten largest	1,884,618	19.883	31%
Residual	4,235,382	44.683	69%
Total	6,120,000	64.566	100%

EARNINGS CALENDAR

May 03, 2024	Q1 report
August 08, 2024	Q2 report
October 31, 2024	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Mika Saariaho	Rautetie 2, FI-15550 Nastola
CFO: Ville Halttunen	Tel: +358 3, 82,911
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	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	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 per year

<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
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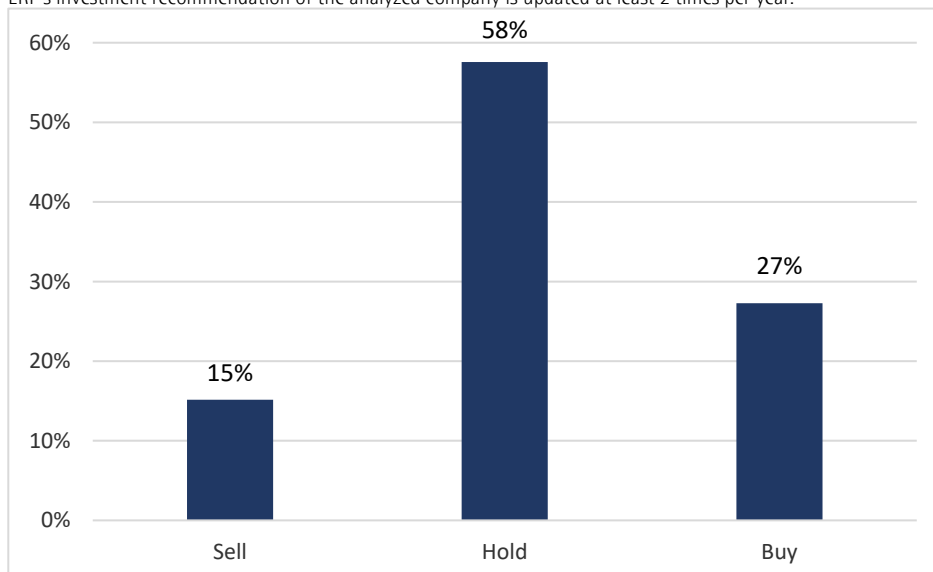
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Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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