

Improved results despite headwinds

Raute's Q1 results were a bit better than we estimated despite certain operational issues caused by political strikes in Finland as well as somewhat unfavorable sales mix due to a low Analyzers revenue.

- Raute Q1 revenue grew by 21.4% y/y to EUR 44.7m, compared to our EUR 42.1m estimate. Wood Processing amounted to EUR 32.0m vs our EUR 29.2m estimate whereas Services was EUR 9.8m, compared to our EUR 8.2m estimate. Analyzers landed at EUR 2.9m vs our EUR 4.7m estimate. The 30% y/y fall in Analyzers revenue was partly due to timing of revenue recognition as well as some delays in certain project deliveries. There were no particular big surprises within Wood Processing and Services as political strikes' impact was mitigated.
- Comparable EBITDA was EUR 3.0m, compared to our EUR 2.6m estimate. EBIT came in at EUR 1.5m vs our EUR 1.2m estimate. Political strikes had some negative impact on profitability. Wood Processing comparable EBITDA was EUR 1.2m, clearly above our EUR 0.6m estimate. Services' profitability was also twice what we estimated, while Analyzers fell behind as its result was slightly negative.
- Q1 order intake amounted to EUR 36m vs our EUR 49m estimate as smaller orders remained quite low. Market uncertainty has continued, affecting demand for new production lines and modernizations.
- Order book was EUR 259m at the end of Q1 (EUR 121m a year ago).
- Raute guides FY '24 revenue to be between EUR 170-195m and comparable EBITDA between EUR 10-14m (unchanged).

Rating				+ BUY
Q1'24	Actual	Evli	Year ago	Q4'23
Revenue	44.7	42.1	36.8	45.2
Wood Processing	32.0	29.2	24.4	29.1
Services	9.8	8.2	8.3	10.3
Analyzers	2.9	4.7	4.1	5.8
Comparable EBITDA	3.0	2.6	2.8	2.7
EBIT	1.5	1.2	0.9	0.7
Share price, EUR (Last trading day's closing price)				10.20
Target price, EUR				13.0
Latest change in				24-Oct-22
Latest report on company				17-Apr-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				62
Free float, %				-
Exchange rate				-
Reuters code				RAUTE.HE
Bloomberg code				RAUTE:FH
Average daily volume, EURm				0.1
Next interim report				03-May-24
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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
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	10.9	0.3	6.5	-44.3	0.20
2025E	204.5	11.5	5.6%	3.9	1.45	7.0	0.2	4.0	6.3	0.40
2026E	209.6	13.4	6.4%	9.3	1.75	5.8	0.2	3.0	14.9	0.77
Market cap, EURm	62		BV per share 2024E, EUR		-30.3		CAGR EPS 2023-26, %		97.7	
Net debt 2024E, EURm	-13		Price/book 2024E		1.4		CAGR sales 2023-26, %		13.0	
Enterprise value, EURm	49		Dividend yield 2024E, %		2.0		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	

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

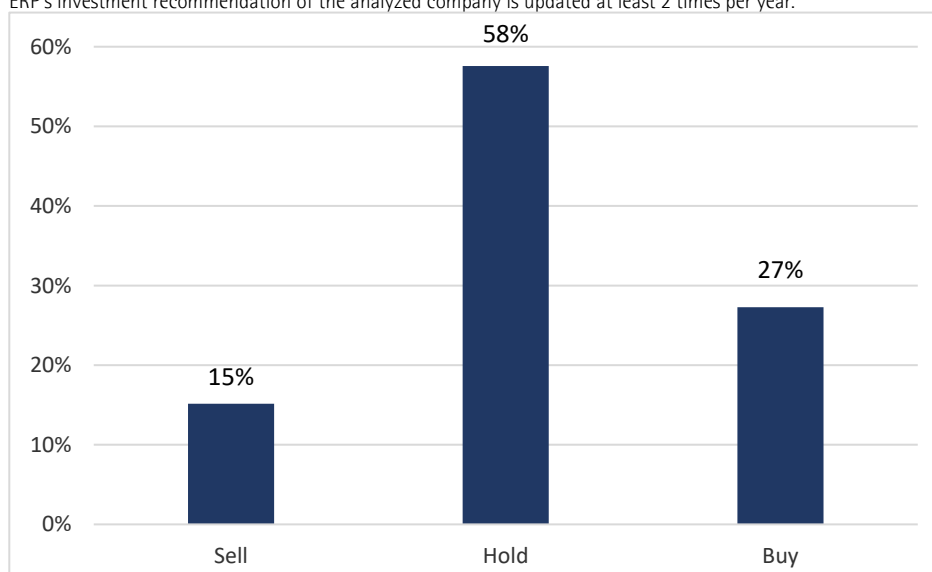
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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