

## Order book drove strong results

Raute's Q2 revenue and earnings were a lot higher than we estimated as performance improved thanks to the large orders received last year. Other than the impressive order book the market remains quite challenging, as reflected by the low EUR 20m Q2 order intake figure.

- Raute Q2 revenue increased by 94.5% y/y to EUR 57.1m vs our EUR 46.4m estimate as mill-sized projects' deliveries progressed. Wood Processing landed at EUR 41.8m, compared to our EUR 32.9m estimate, while Services was EUR 10.7m vs our EUR 8.3m estimate. Analyzers amounted to EUR 4.5m, compared to our EUR 5.2m estimate.
- Comparable EBITDA came in at EUR 5.4m vs our EUR 3.5m estimate whereas EBIT was EUR 3.9m vs our EUR 2.1m estimate. Fixed cost control was also good. Wood Processing comparable EBITDA increased by EUR 5m y/y as the segment's top line grew 141.3%. The EUR 1.8m Services EBITDA was also above our estimate, while Analyzers' performance was softer than we estimated due to low level of new orders and the timing of mill-scale orders' revenue recognition.
- Q2 order intake was EUR 20m, compared to our EUR 30m estimate. The figure included mainly service and modernization projects as customers remained in wait-and-see mode, however Services was a bright spot.
- Order book amounted to EUR 223m at the end of Q2 (EUR 202m a year ago).
- Raute guides FY '24 revenue to be between EUR 185-210m and comparable EBITDA between EUR 13-17m (updated on Jun 19).

### Rating + BUY

Q2'24	Actual	Evli	Year ago	Q1'24
Revenue	57.1	46.4	29.3	44.7
Wood Processing	41.8	32.9	17.3	32.0
Services	10.7	8.3	6.5	9.8
Analyzers	4.5	5.2	5.5	2.9
Comparable EBITDA	5.4	3.5	0.7	3.0
EBIT	3.9	2.1	-1.0	1.5

Share price, EUR (Last trading day's closing price) 13.30

Target price, EUR 15.0

Latest change in 24-Oct-22

Latest report on company 17-Jul-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 81

Free float, % -

Exchange rate -

Reuters code RAUTE.HE

Bloomberg code RAUTE:FH

Average daily volume, EURm 0.1

Next interim report 08-Aug-24

Web site [www.raute.com/investors](http://www.raute.com/investors)

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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%	32.3	0.22	44.7	0.1	10.1	53.5	0.10
2024E	194.0	10.1	5.2%	-28.3	1.39	9.6	0.4	6.8	-34.7	0.20
2025E	206.2	11.6	5.6%	4.6	1.46	9.1	0.3	5.6	5.6	0.40
2026E	209.6	13.4	6.4%	9.8	1.75	7.6	0.3	4.3	12.0	0.70

Market cap, EURm	81	BV per share 2024E, EUR	-27.1	CAGR EPS 2023-26, %	99.5
Net debt 2024E, EURm	-13	Price/book 2024E	1.8	CAGR sales 2023-26, %	13.0
Enterprise value, EURm	69	Dividend yield 2024E, %	1.5	ROE 2024E, %	20.1
Total assets 2024E, EURm	137	Tax rate 2024E, %	15.4	ROCE 2024E, %	20.1
Goodwill 2024E, EURm	2	Equity ratio 2024E, %	59.2	PEG, P/E 24/CAGR	0.7

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

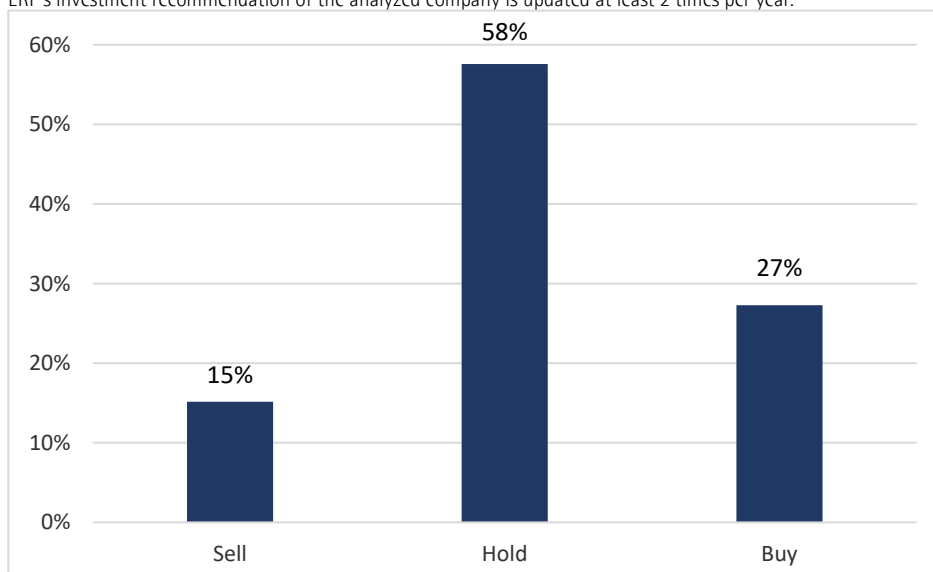
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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