

Waiting for higher order intake

Raute reports Q2 results on Aug 12. This year will set another earnings record, while the focus now turns to new orders.

Some further cost measures taken

Raute's Q1 EBITDA may have been so strong, due to Wood Processing, that it might not be topped for a while as order book likely continued to decline in Q2 since market recovery was further postponed by the trade war. Raute also recently decided to close its Chinese production facility as even its least-advanced product category wasn't cheap enough for the market. The Chinese market thus doesn't seem to hold much potential for Raute in the foreseeable future, but the company still has at least a few interesting markets in the APAC region. The decision will save Raute some EUR 2m in annual fixed costs. We expect Raute to have booked new orders for more than EUR 30m in Q2, which would be an improvement compared to recent pace but still rather modest. Q2 faces high comparison figures in terms of revenue while earnings remained relatively low last year, reflecting the recent developments of Wood Processing. We estimate Raute's Q2 revenue to have declined 6% y/y but expect adj. EBITDA to have gained EUR 1.3m y/y to EUR 6.7m.

Very high Wood Processing comparison figures for next year

Currently Raute has enough order book so that its FY'25 revenue should hit EUR 200m with an EBITDA margin of about 12%. FY'26 top line could however fall at a double-digit rate unless new orders pick up soon. We estimate FY'26 revenue to fall by 10%, as Wood Processing could decline even faster than that, while we see EBITDA margin down about 100bps. Raute is set to post record-high H1'25 earnings, while H2 is already likely to decline from this record by some EUR 2m. It will not be easy to turn Wood Processing back to growth in the short-term since the comparison figures are so high, but Services should remain stable or growing while Analyzers has rather low comparison figures and more long-term potential.

New orders could surprise and drive upside towards FY'26

Raute upgraded guidance twice last year; we believe there will not be another revision this year, but earnings are to remain very high. The focus is thus mostly on the level of new orders, and a positive surprise would act as a catalyst since Raute's earnings multiples have remained very modest for a while. Raute is valued below 4x EV/EBIT on our FY'25 estimates and still below 5x next year. We retain our EUR 19.0 TP and BUY rating.

Rating

++ Buy


Share price, EUR (Last trading day's closing price) **16.10**
Target price, EUR 19.0

Latest change in recommendation 04-Feb-25
 Latest report on company 08-May-25
 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 99
 Free float, % —
 Exchange rate —
 Reuters code RAUTE.HE
 Bloomberg code RAUTE:FH
 Average daily volume, EURm 0.1
 Next interim report 12-Aug-25
 Web site www.raute.com/investors

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++ BUY ++ ACCUMULATE + REDUCE - - 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
2023	145.4	1.9	1.3%	32.3	0.22	44.7	0.1	10.1	53.6%	0.10
2024	204.6	13.7	6.7%	11.4	1.98	6.6	0.1	2.1	14.2%	0.55
2025E	201.8	19.9	9.9%	-24.9	2.64	6.1	0.4	3.8	-25.3%	0.60
2026E	181.7	15.5	8.5%	7.4	2.14	7.5	0.4	4.6	7.5%	0.70
2027E	185.6	16.1	8.7%	11.7	2.16	7.5	0.3	4.0	11.8%	0.75
Market cap, EURm	99		Gearing 2025E, %		-37.8 %		CAGR EPS 2024-27, %		2.9 %	
Net debt 2025E, EURm	-24		Price/book 2025E		1.6		CAGR Sales 2024-27, %		-3.2 %	
Enterprise value, EURm	75		Dividend yield 2025E, %		3.7 %		ROE 2025E, %		28.8 %	
Total assets 2025E, EURm	141		Tax rate 2025E, %		20.8 %		ROCE 2025E, %		31.5 %	
Goodwill 2025E, EURm	2		Equity ratio 2025E, %		31.2 %		PEG, P/E 25/CAGR		-0.9	

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

Estimates and peer valuation

Raute EURm	2021	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e
Order intake	203	139	316	36	20	15	50	121	15	36	35	41	127
Europe	69	65	204	28	10	6	38	81	7	19	16	20	62
Russia	79	3	0	0	0	0	0	0	0	0	0	0	0
North America	37	51	48	4	7	6	5	22	6	9	12	13	40
Latin America	8	8	58	3	1	2	6	11	2	5	5	5	17
Asia-Pacific	10	11	5	2	2	1	2	7	1	3	2	3	9
Order book	158	84	266	259	223	186	184	184	146	128	115	108	108
Revenue	142	158	145	45	57	46	56	205	52	54	48	48	202
Wood Processing	97	108	92	32	42	32	41	147	38	39	33	33	143
Services	30	36	33	10	11	10	12	42	10	11	11	11	42
Analyzers	15	15	20	3	5	4	4	15	4	5	4	4	17
Europe	35	68	56	17	26	28	42	114	39	35	28	26	128
Russia	70	33	15	0	0	0	0	0	0	0	0	0	0
North America	20	38	44	11	14	12	9	46	10	12	10	13	45
Latin America	8	10	21	14	16	5	3	38	2	5	7	6	20
Asia-Pacific	10	9	9	1	1	1	3	6	2	2	3	3	10
Comparable EBITDA	3	-2	9	3	5	6	5	20	7	7	6	6	26
Wood Processing	-5	-10	0	1	3	4	3	11	6	4	3	3	16
Services	5	6	5	2	2	2	1	7	2	2	2	2	7
Analyzers	4	2	5	0	1	1	1	2	0	1	1	1	3
EBIT	-2	-15	2	1	4	5	3	14	6	5	4	4	20
<i>EBIT margin</i>	-1.6 %	-9.3 %	1.3 %	3 %	7 %	10 %	6 %	6.7 %	11 %	10 %	9 %	9 %	9.8 %

Source: Evli Research

RAUTE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		24	25	26	24	25	26	24	25	26
Biesse	194	3.5x	5.3x	4.5x	12.1x	63.8x	21.2x	2.2 %	0.5 %	1.4 %
Hiab	3787	11.7x	13.2x	12.6x	14.0x	15.5x	14.7x	13.9 %	15.2 %	15.4 %
Duerr	1547	5.6x	6.9x	5.3x	9.8x	11.4x	8.5x	4.2 %	4.4 %	5.6 %
Glaston	53	5.0x	4.4x	3.6x	10.1x	9.2x	6.3x	3.9 %	3.9 %	5.5 %
Kesla	10	13.7x	23.8x	7.6x			15.9x		-1.6 %	3.0 %
Konecranes	5787	8.0x	9.3x	8.8x	9.6x	11.5x	10.7x	12.4 %	12.3 %	13.0 %
Ponsse	887	7.8x	10.6x	9.1x	15.3x	18.3x	14.4x	4.9 %	6.5 %	7.9 %
Robit	25	7.2x	7.4x	5.6x	18.6x	20.5x	10.9x	2.8 %	2.6 %	4.6 %
Sandvik	26239	10.0x	11.9x	11.1x	15.6x	16.1x	14.5x	15.0 %	17.6 %	18.4 %
Valmet	5814	7.6x	9.3x	8.3x	10.1x	12.5x	10.7x	9.9 %	10.3 %	11.2 %
Wartsila	14287	11.2x	13.8x	12.8x	13.3x	16.3x	14.8x	10.9 %	11.4 %	11.8 %
Peer Group Average	5330	8.3x	10.6x	8.1x	12.9x	19.5x	13.0x	8.0 %	7.6 %	8.9 %
Peer Group Median	1547	7.8x	9.3x	8.3x	12.7x	15.8x	14.4x	7.4 %	6.5 %	7.9 %
Raute (Evli est.)	99	1.5x	2.9x	3.4x	2.1x	3.8x	4.6x	6.7 %	9.8 %	8.5 %

Raute prem./disc. to peer median

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	16.10 PV of Free Cash Flow	44 Long-term growth, %	2.0 % Risk-free interest rate, %
DCF share value	21.54 PV of Horizon value	36 WACC, %	9.2 % Market risk premium, %
Share price potential, %	33.8 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	22.5 Marketable securities	58 Minimum WACC, %	8.7 % Equity beta coefficient
Minimum value	20.7 Debt – dividend	–6 Maximum WACC, %	9.7 % Target debt ratio, %
Horizon value, %	45.5 % Value of stock	132 No. of shares, Mn	6.1 Effective tax rate, %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	205	202	182	186	192	196	200	205	210	214	219	223
Sales growth (%)	40.7%	–1.4%	10.0%	2.2%	3.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.0%	2.0%
Operating income (EBIT)	14	20	16	16	16	18	18	18	19	19	20	20
Operating income margin %	6.7%	9.9%	8.5%	8.7%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
+ Depreciation+amort.	5	6	6	6	6	7	7	5	4	3	3	
EBITDA	19	25	21	22	23	24	25	23	23	23	23	
– Paid taxes	0	–4	–3	–3	–3	–4	–4	–4	–4	–4	–4	
– Change in NWC	–6	–44	–1	–1	–1	–1	–1	–1	–1	–1	–1	
NWC / Sales, %	–15.6%	6.0%	7.3%	7.7%	8.2%	8.5%	8.9%	9.2%	9.5%	9.9%	10.1%	
+ Change in other liabs	0											
– Operative CAPEX	–3	–3	–11	–7	–7	–7	–3	–3	–3	–3	–12	
opCAPEX / Sales, %	1.3%	1.4%	5.5%	3.7%	3.8%	3.7%	1.7%	1.6%	1.6%	1.6%	5.6%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	9	–25	6	12	11	13	17	15	15	15	6	83
= Discounted FCFF		–25	5	10	8	9	11	9	8	7	3	36
= DFCF min WACC		–25	6	10	8	9	11	9	8	7	3	41
= DFCF max WACC		–25	5	9	8	8	10	8	7	7	2	33

Sensitivity analysis, EUR

		Terminal WACC				
		7.17 %	8.17 %	9.17 %	10.17 %	11.17 %
Terminal EBIT–%	7.00 %	19.14	18.01	17.09	16.31	15.63
	8.00 %	22.82	20.83	19.31	18.10	17.10
	9.00 %	26.49	23.65	21.54	19.89	18.56
	10.00 %	30.16	26.47	23.76	21.69	20.03
	11.00 %	33.83	29.29	25.99	23.48	21.50

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	44.7	57.1	46.3	56.5	204.6	51.9	53.9	48.4	47.6	201.8	181.7	185.6
EBITDA	2.9	5.3	6.2	4.8	19.1	7.3	6.6	5.8	5.8	25.5	21.1	22.3
EBITDA margin (%)	6.4%	9.2%	13.4%	8.5%	9.4%	14.0%	12.2%	12.0%	12.2%	12.6%	11.6%	12.0%
EBIT	1.5	3.9	4.8	3.5	13.7	5.9	5.2	4.4	4.4	19.9	15.5	16.1
EBIT margin (%)	3.3%	6.9%	10.4%	6.2%	6.7%	11.3%	9.7%	9.1%	9.2%	9.9%	8.5%	8.7%
Net financial items	0.2	0.6	0.4	0.3	1.4	-0.1	0.2	0.2	0.2	0.5	0.8	
Pre-tax profit	1.6	4.6	5.2	3.8	15.1	5.8	5.4	4.6	4.6	20.4	16.3	16.1
Tax	-0.4	-1.1	-0.7	-0.8	-3.0	-1.5	-0.9	-0.9	-0.9	-4.2	-3.2	-2.9
Tax rate (%)	21.7%	25.1%	13.9%	21.5%	20.0%	26.8%	16.7%	19.6%	19.6%	20.8%	19.6%	18.0%
Net profit	1.3	3.4	4.5	3.0	12.1	4.2	4.5	3.7	3.7	16.1	13.1	13.2
EPS	0.21	0.56	0.73	0.48	1.98	0.69	0.74	0.60	0.60	2.64	2.14	2.16
EPS adj. (diluted)	0.21	0.56	0.73	0.48	1.98	0.69	0.74	0.60	0.60	2.64	2.14	2.16
Dividend per share					0.55					0.60	0.70	0.75
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Wood Processing	32.0	41.8	32.2	41.2	147.2	37.9	38.8	33.3	32.7	142.7	121.3	123.1
Services	9.8	10.8	9.9	11.6	42.1	10.3	10.6	10.7	10.8	42.4	43.2	44.5
Analyzers	2.9	4.5	4.2	3.7	15.3	3.7	4.5	4.4	4.1	16.7	17.1	18.0
Total	44.7	57.1	46.3	56.5	204.6	51.9	53.9	48.4	47.6	201.8	181.7	185.6
SALES GROWTH, Y/Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Wood Processing	31.2%	140.2%	49.8%	41.6%	59.3%	18.4%	-7.2%	3.4%	-20.6%	-3.1%	-15.0%	1.5%
Services	18.1%	66.1%	25.3%	12.6%	27.6%	5.1%	-1.9%	8.1%	-6.9%	0.7%	2.0%	3.0%
Analyzers	-29.3%	-18.2%	-8.7%	-36.2%	-23.5%	27.6%		4.8%	10.8%	9.2%	2.5%	5.0%
Total	21.5%	94.2%	36.2%	25.0%	40.7%	16.1%	-5.6%	4.5%	-15.8%	-1.4%	-10.0%	2.2%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Total	1.5	3.9	4.8	3.5	13.7	5.9	5.2	4.4	4.4	19.9	15.5	16.1
Total	1.5	3.9	4.8	3.5	13.7	5.9	5.2	4.4	4.4	19.9	15.5	16.1
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	3.3%	6.9%	10.4%	6.2%	6.7%	11.3%	9.7%	9.1%	9.2%	9.9%	8.5%	8.7%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	115.0	142.2	158.3	145.4	204.6	201.8	181.7	185.6
<i>Sales growth (%)</i>	-24.0%	23.7%	11.3%	-8.2%	40.7%	-1.4%	-10.0%	2.2%
EBITDA	1.2	2.1	-9.6	6.8	19.1	25.5	21.1	22.3
<i>EBITDA margin (%)</i>	1.1%	1.5%	-6.1%	4.7%	9.4%	12.6%	11.6%	12.0%
Depreciation	-4.0	-4.3	-5.0	-4.9	-5.4	-5.6	-5.6	-6.2
EBITA	-2.8	-2.2	-14.6	1.9	13.7	19.9	15.5	16.1
Goodwill amortization / writedown								
EBIT	-2.8	-2.2	-14.6	1.9	13.7	19.9	15.5	16.1
<i>EBIT margin (%)</i>	-2.4%	-1.6%	-9.2%	1.3%	6.7%	9.9%	8.5%	8.7%
Reported EBIT	-2.8	-2.2	-14.6	1.9	13.7	19.9	15.5	16.1
<i>EBIT margin (reported) (%)</i>	-2.4%	-1.6%	-9.2%	1.3%	6.7%	9.9%	8.5%	8.7%
Net financials	0.3	0.5	0.8	-0.1	1.4	0.5	0.8	
Pre-tax profit	-2.5	-1.7	-13.8	1.8	15.1	20.4	16.3	16.1
Taxes	0.6		2.3	-0.4	-3.0	-4.2	-3.2	-2.9
Minority shares								
Net profit	-1.8	-1.7	-11.5	1.4	12.1	16.1	13.1	13.2
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	17	19	22	21	19	17	22	22
Goodwill	2	2	2	2	2	2	2	2
Right of use assets	6	10	7	6	6	6	5	5
Inventory	15	22	17	26	24	34	36	37
Receivables	34	32	32	26	25	50	45	46
Liquid funds	12	24	8	48	58	29	33	40
Total assets	86	111	92	135	136	141	146	156
Liabilities								
Shareholders' equity	40	34	23	38	50	62	72	81
Minority interest								
Convertibles								
Lease liabilities	4	8	6	7	6	6	5	5
Deferred taxes			0	0	0	0	0	0
Interest bearing debt	2	2	7					
Non-interest bearing current liabilities	23	39	34	63	50	42	38	39
Other interest-free debt	16	27	22	27	30	30	30	30
Total liabilities	86	111	92	135	136	141	146	156
CASH FLOW, EURm								
+ EBITDA	1	2	-10	7	19	25	21	22
- Net financial items	0	0	1	0	1	1	1	
- Taxes	-1	-1	-1	-1	-1	-4	-3	-3
- Increase in Net Working Capital	1	21	-5	30	-6	-44	-1	-1
+/- Other								
= Cash flow from operations	2	23	-14	36	14	-22	17	18
- Capex	-3	-10	-4	-4	-3	-3	-10	-7
- Acquisitions								
+ Divestments								
= Free cash flow	-2	13	-18	32	11	-25	7	12
+/- New issues/buybacks	-1	-1	0	14	0			
- Paid dividend	3			1	3	4	4	5
+/- Other	-2	5	1	-6	-1	0	-1	0
Change in cash	-11	13	-17	40	9	-28	3	7

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	84	35	60	80	99	99	99
Net debt (excl. convertibles)	-14	5	-41	-52	-24	-27	-35
Enterprise value	70	40	19	28	75	71	64
Sales	142	158	145	205	202	182	186
EBITDA	2	-10	7	19	25	21	22
EBIT	-2	-15	2	14	20	16	16
Pre-tax	-2	-14	2	15	20	16	16
Earnings	-2	-11	1	12	16	13	13
Equity book value (excl. minorities)	34	23	38	50	62	72	81

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.5	0.3	0.1	0.1	0.4	0.4	0.3
EV/EBITDA	33.3	-4.2	2.8	1.5	2.9	3.4	2.9
EV/EBITA	-32.0	-2.8	10.1	2.1	3.8	4.6	4.0
EV/EBIT	-32.0	-2.8	10.1	2.1	3.8	4.6	4.0
EV/OCF	3.0	-2.9	0.5	2.0	-3.4	4.1	3.5
EV/FCF	4.2	-1.9	0.6	3.0	-2.9	11.5	5.4
P/FCFR	6.5	-1.9	1.9	7.0	-3.9	13.3	8.4
P/E	-48.7	-3.1	44.7	6.6	6.1	7.5	7.5
P/BV	2.5	1.5	1.6	1.6	1.6	1.4	1.2
Target EV/EBITDA					3.6	4.2	3.7
Target EV/EBIT					4.7	5.7	5.1
Target EV/FCFF					-3.7	12.0	7.0
Target P/BV					1.9	1.6	1.4
Target P/E, diluted	-50.8	-3.8	35.2	7.2	7.2	8.9	8.8

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	4.25	4.25	6.12	6.12	6.12	6.12	6.12
Number of shares (diluted, million)	4.25	4.25	6.12	6.12	6.12	6.12	6.12
EPS	-0.41	-2.70	0.22	1.98	2.64	2.14	2.16
Operating cash flow per share	5.50	-3.30	5.86	2.31	-3.62	2.86	3.02
Free cash flow per share	3.04	-4.24	5.28	1.87	-4.08	1.21	1.91
Book value per share	8.02	5.39	6.27	8.12	10.21	11.75	13.21
Dividend per share			0.10	0.55	0.60	0.70	0.75
Dividend payout ratio, %			45.3%	27.8%	22.8%	32.7%	34.8%
Dividend yield, %			1.0%	3.4%	3.7%	4.4%	4.7%
FCF yield, %	15.4%	-51.4%	53.6%	14.2%	-25.3%	7.5%	11.8%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-4.6%	-40.3%	4.4%	27.5%	28.8%	19.5%	17.3%
ROCE	-4.8%	-36.3%	4.6%	27.4%	31.5%	21.3%	19.7%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	15.5%	10.6%	18.1%	11.5%	17.0%	20.0%	20.0%
Receivables as % of sales	22.3%	20.2%	17.8%	12.2%	25.0%	25.0%	25.0%
Non-int. bearing liabilities as % of sales	27.1%	21.4%	43.1%	24.4%	21.0%	21.0%	21.0%
NWC/sales, %	-8.3%	-4.6%	-25.9%	-15.6%	6.0%	7.3%	7.7%
Operative CAPEX/Sales, %	7.4%	2.5%	2.4%	1.3%	1.4%	5.5%	3.7%
CAPEX/sales (incl. acquisitions), %	7.4%	2.5%	2.4%	1.3%	1.4%	5.5%	3.7%
FCFF/EBITDA	7.9	2.2	4.7	0.5	-1.0	0.3	0.5
Net Debt/EBITDA, book-weighted	-6.5	-0.6	-6.1	-2.7	-0.9	-1.3	-1.6
Debt/equity, market-weighted	0.0	0.2					
Equity ratio, book-weighted	0.3	0.4	0.5	0.6	0.8	0.8	0.8
Gearing, %	-40.5%	23.6%	-108.1%	-104.4%	-37.8%	-38.0%	-43.0%

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	12.176	12.4 %
Laakkonen Mikko Kalervo	172 225	2.773	2.8 %
eQ Finland Investment Fund	134 368	2.163	2.2 %
Mandatum Life Insurance Company Ltd.	132 574	2.134	2.2 %
Stephen Industries Inc Oy	129 687	2.088	2.1 %
Suominen Pekka Matias	117 329	1.889	1.9 %
Siivonen Osku Pekka	106 901	1.721	1.7 %
eQ Nordic Small Cap Mutual Fund	106 000	1.707	1.7 %
Kirmo Kaisa Marketta	105 421	1.697	1.7 %
Mustakallio Mika Tapani	103 678	1.669	1.7 %
Ten largest	1 864 433	30.017	30.5 %
Residual	4 255 567	68.515	69.5 %
Total	6 120 000	98.532	100%

EARNINGS CALENDAR

August 12, 2025	Q2 report
October 30, 2025	Q3 report

OTHER EVENTS
COMPANY MISCELLANEOUS

CEO: Mika Saariaho	Rautatie 2, FI-15550 Nastola
CFO: Ville Halttunen	Tel: +358 3 82911
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 $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	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 rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

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

Recommendation	Percentage
Sell	0 %
Reduce	19 %
Accumulate	38 %
Buy	33 %

The graph above shows the distribution of ERP's recommendations of companies under coverage on the 16th of May, 2025. If recommendation is not given, it is not mentioned here.

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

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