

Order book to bottom out soon

Raute reports Q3 results on Oct 30. Earnings are likely to peak at least temporarily this year, but multiples also don't imply big expectations for new orders. A turning point in the order backlog decline trend could yet drive upside soon.

Wood Processing earnings are peaking this year

Raute has already achieved very impressive results in terms of operating margins, especially thanks to Wood Processing. These results were delivered on the back of the five larger equipment orders the company received around two years ago, while new order intake has been quite weak most of the time for more than a year now. Raute's FY'24 EBITDA margin of 10% wasn't bad, and this year the company is likely to hit about 13% even if H2 already sees some weakening. The lack of recent orders implies Raute's FY'26 top line could fall at a double-digit rate as Wood Processing might decline by roughly a fifth. We estimate Q3 revenue at EUR 48.8m, up 5% y/y, while we see comparable EBITDA down by EUR 0.5m y/y to EUR 5.8m.

European orders have been weak, but should stabilize soon

Wood Processing is unlikely to reach 14% EBITDA margins again very soon since its order book is declining, but in our view a level of roughly 10% could still be attainable next year assuming some recovery in new smaller equipment orders will be seen over H2'25. We continue to expect Raute's FY'26 EBITDA to decline by some EUR 5m due to Wood Processing, while Services and Analyzers should still be in position for incremental gains. Raute's quarterly new order intake averaged only EUR 14m in H1'25; we expect pent-up demand to have helped the Q3 figure to EUR 31m, which wouldn't still be a particularly high figure on an annual basis. Europe should drive order recovery soon as it has seen such low levels for quite a long time now.

Multiples imply very cautious expectations

Raute is valued only around 4x EV/EBIT on our FY'25–26 estimates; in our view there doesn't necessarily have to be any very big positive order intake surprise for share price gains since expectations already appear so low. We estimate FY'26 EBITDA will be down to about EUR 20m, or below 12% margin. In our view H2'25 new orders are almost certainly going to improve by at least some amount relative to the very quiet H1, and while we still estimate order backlog to decline over H2 the trend could already turn before the year ends. Our new TP is EUR 17.0 (18.0) as we retain BUY rating.

Rating

++ Buy


Share price, EUR (Last trading day's closing price) **14.00**
Target price, EUR 17.0

Latest change in recommendation 04-Feb-25

Latest report on company 13-Aug-25

Research paid by issuer: YES

No. of shares outstanding, '000's 6 040

No. of shares fully diluted, '000's 6 040

Market cap, EURm 85

Free float, % —

Exchange rate —

Reuters code RAUTE.HE

Bloomberg code RAUTE:FH

Average daily volume, EURm 0.1

Next interim report 30-Oct-25

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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	195.4	16.2	8.3%	-25.7	2.06	6.8	0.3	3.8	-30.4%	0.60
2026E	168.0	14.3	8.5%	6.9	1.97	7.1	0.3	4.1	8.1%	0.70
2027E	173.9	15.2	8.7%	10.1	2.06	6.8	0.3	3.5	12.0%	0.75
Market cap, EURm	85		Gearing 2025E, %		-38.9 %		CAGR EPS 2024–27, %		1.4 %	
Net debt 2025E, EURm	-23		Price/book 2025E		1.4		CAGR Sales 2024–27, %		-5.3 %	
Enterprise value, EURm	62		Dividend yield 2025E, %		4.3 %		ROE 2025E, %		22.9 %	
Total assets 2025E, EURm	136		Tax rate 2025E, %		26.3 %		ROCE 2025E, %		26.4 %	
Goodwill 2025E, EURm	2		Equity ratio 2025E, %		30.1 %		PEG, P/E 25/CAGR		-10.9	

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	Q2'25	Q3'25e	Q4'25e	2025e
Order intake	203	139	316	36	20	15	50	121	15	12	31	41	99
Europe	69	65	204	28	10	6	38	81	7	5	17	20	49
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	4	7	13	30
Latin America	8	8	58	3	1	2	6	11	2	2	5	5	13
Asia-Pacific	10	11	5	2	2	1	2	7	1	1	2	3	6
Order book	158	84	266	259	223	186	184	184	146	115	97	87	87
Revenue	142	158	145	45	57	46	56	205	52	44	49	51	195
Wood Processing	97	108	92	32	42	32	41	147	38	30	33	35	136
Services	30	36	33	10	11	10	12	42	10	10	11	12	43
Analyzers	15	15	20	3	5	4	4	15	4	4	4	4	16
Europe	35	68	56	17	26	28	42	114	39	33	31	29	132
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	7	8	13	38
Latin America	8	10	21	14	16	5	3	38	2	3	7	6	17
Asia-Pacific	10	9	9	1	1	1	3	6	2	1	3	3	9
Comparable EBITDA	3	-2	9	3	5	6	5	20	7	7	6	6	25
Wood Processing	-5	-10	0	1	3	4	3	11	6	4	4	3	17
Services	5	6	5	2	2	2	1	7	2	2	2	2	7
Analyzers	4	2	5	0	1	1	1	2	0	0	1	1	2
EBIT	-2	-15	2	1	4	5	3	14	6	2	4	4	16
<i>EBIT margin</i>	-1.6 %	-9.3 %	1.3 %	3 %	7 %	10 %	6 %	6.7 %	11 %	4 %	9 %	8 %	8.3 %

Source: Evli Research

RAUTE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		25	26	27	25	26	27	25	26	27
Biesse	215	6.0x	5.0x	4.2x	272.6x	25.2x	15.6x	470.4x	42.8x	26.1x
Duerr	1337	6.5x	5.1x	4.6x	12.3x	8.1x	7.0x	10.4x	7.9x	6.7x
Glaston	47	4.8x	3.8x	3.4x	11.2x	7.3x	5.9x	8.8x	8.0x	6.2x
Kesla	10	26.2x	7.5x	5.7x		15.7x	9.6x		19.8x	7.8x
Konecranes	5394	8.5x	8.0x	7.5x	10.5x	9.8x	9.0x	13.9x	12.8x	11.6x
Ponsse	767	9.2x	8.2x	7.6x	15.6x	12.9x	11.4x	20.8x	17.3x	15.0x
Robit	25	7.4x	5.4x	4.5x	19.8x	10.0x	7.4x	134.8x	10.8x	6.9x
Sandvik	30777	13.5x	12.5x	11.7x	18.3x	16.3x	15.0x	22.4x	19.7x	17.9x
Valmet	5018	8.3x	7.3x	6.8x	11.1x	9.2x	8.5x	13.3x	10.8x	9.9x
Wartsila	15446	15.0x	14.0x	12.9x	17.8x	16.2x	14.8x	26.4x	24.0x	21.9x
Peer Group Average	5904	10.5x	7.7x	6.9x	43.2x	13.1x	10.4x	80.1x	17.4x	13.0x
Peer Group Median	1052	8.4x	7.4x	6.3x	15.6x	11.4x	9.3x	20.8x	15.0x	10.7x
Raute (Evli est.)	85	2.7x	2.9x	2.5x	3.8x	4.1x	3.5x	6.8x	7.1x	6.8x

Raute prem./disc. to peer median

-68 % -60 % -60 % -76 % -64 % -63 % -67 % -53 % -37 %

RAUTE PEER GROUP	Sales 24	Sales gr.			EBIT-%			Div. yield		
		25	26	27	25	26	27	25	26	27
Biesse	822	-18.3%	4.5%	5.8%	0.1 %	1.4 %	2.1 %	0.3 %	0.6 %	0.5 %
Duerr	4314	-1.2%	2.6%	4.4%	3.8 %	5.6 %	6.3 %	3.7 %	4.8 %	5.8 %
Glaston	213	-2.5%	-2.0%	5.7%	3.1 %	4.9 %	5.7 %	6.2 %	7.1 %	8.4 %
Kesla	46	-12.8%	13.7%	7.2%	-1.7 %	3.0 %	4.6 %		1.7 %	3.4 %
Konecranes	3365	25.6%	2.5%	4.7%	12.5 %	13.1 %	13.7 %	2.6 %	2.9 %	3.1 %
Ponsse	755	-1.3%	4.8%	5.1%	6.8 %	7.8 %	8.5 %	2.4 %	2.7 %	2.9 %
Robit	112	-24.0%	7.5%	8.5%	2.7 %	5.0 %	6.2 %		2.6 %	3.4 %
Sandvik	10062	7.9%	5.8%	5.6%	17.6 %	18.7 %	19.2 %	2.2 %	2.4 %	2.6 %
Valmet	5074	3.8%	7.1%	4.5%	10.2 %	11.6 %	12.1 %	5.1 %	5.4 %	5.7 %
Wartsila	5842	20.5%	6.0%	5.9%	11.5 %	11.9 %	12.3 %	1.9 %	2.1 %	2.3 %
Peer Group Average	3061	-0.2%	5.2%	5.7%	6.7 %	8.3 %	9.1 %	3.0 %	3.2 %	3.8 %
Peer Group Median	2094	-1.2%	5.3%	5.7%	5.3 %	6.7 %	7.4 %	2.5 %	2.6 %	3.2 %
Raute (Evli est.)	205	-4.5%	-14.0%	3.5%	8.3 %	8.5 %	8.7 %	4.3 %	5.0 %	5.4 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	14.00 PV of Free Cash Flow	38 Long-term growth, %	2.0 % Risk-free interest rate, %
DCF share value	20.92 PV of Horizon value	37 WACC, %	9.2 % Market risk premium, %
Share price potential, %	49.4 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	21.9 Marketable securities	58 Minimum WACC, %	8.7 % Equity beta coefficient
Minimum value	20.1 Debt – dividend	–6 Maximum WACC, %	9.7 % Target debt ratio, %
Horizon value, %	49.3 % Value of stock	126 No. of shares, Mn	6.0 Effective tax rate, %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	205	195	168	174	180	184	188	192	196	201	205	209
Sales growth (%)	40.7%	–4.5%	–14.0%	3.5%	3.2%	2.3%	2.3%	2.3%	2.3%	2.3%	2.0%	2.0%
Operating income (EBIT)	14	16	14	15	15	17	17	17	18	18	18	19
Operating income margin %	6.7%	8.3%	8.5%	8.7%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
+ Depreciation+amort.	5	7	6	6	6	6	6	5	4	3	3	
EBITDA	19	23	20	21	21	23	23	22	22	21	22	
– Paid taxes	0	–4	–3	–3	–3	–3	–3	–3	–4	–4	–4	
– Change in NWC	–6	–43	–1	–1	–1	–1	–1	–1	–1	–1	–1	
NWC / Sales, %	–15.6%	5.5%	7.0%	7.6%	8.1%	8.5%	8.9%	9.2%	9.6%	9.9%	10.2%	
+ Change in other liabs	0											
– Operative CAPEX	–3	–3	–10	–6	–7	–7	–3	–3	–3	–3	–11	
opCAPEX / Sales, %	1.3%	1.2%	5.8%	3.8%	3.8%	3.7%	1.8%	1.7%	1.7%	1.7%	5.5%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	9	–26	5	10	10	12	16	14	14	14	6	82
= Discounted FCFF		–26	5	8	8	8	10	8	7	7	3	37
= DFCF min WACC		–26	5	9	8	8	10	8	8	7	3	41
= DFCF max WACC		–26	5	8	8	8	10	8	7	6	2	33

Sensitivity analysis, EUR

		Terminal WACC				
		7.17 %	8.17 %	9.17 %	10.17 %	11.17 %
Terminal EBIT–%	7.00 %	18.77	17.58	16.62	15.82	15.13
	8.00 %	22.31	20.30	18.77	17.55	16.55
	9.00 %	25.84	23.01	20.92	19.29	17.97
	10.00 %	29.37	25.73	23.07	21.02	19.40
	11.00 %	32.91	28.45	25.21	22.75	20.82

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	44.7	57.1	46.3	56.5	204.6	51.9	43.8	48.8	50.9	195.4	168.0	173.9
EBITDA	2.9	5.3	6.2	4.8	19.1	7.3	4.5	5.7	5.5	22.9	19.9	21.0
<i>EBITDA margin (%)</i>	<i>6.4%</i>	<i>9.2%</i>	<i>13.4%</i>	<i>8.5%</i>	<i>9.4%</i>	<i>14.0%</i>	<i>10.2%</i>	<i>11.7%</i>	<i>10.8%</i>	<i>11.7%</i>	<i>11.8%</i>	<i>12.0%</i>
EBIT	1.5	3.9	4.8	3.5	13.7	5.9	1.9	4.3	4.1	16.2	14.3	15.2
<i>EBIT margin (%)</i>	<i>3.3%</i>	<i>6.9%</i>	<i>10.4%</i>	<i>6.2%</i>	<i>6.7%</i>	<i>11.3%</i>	<i>4.4%</i>	<i>8.8%</i>	<i>8.1%</i>	<i>8.3%</i>	<i>8.5%</i>	<i>8.7%</i>
Net financial items	0.2	0.6	0.4	0.3	1.4	-0.1	0.4	0.2	0.2	0.7	0.8	
Pre-tax profit	1.6	4.6	5.2	3.8	15.1	5.8	2.3	4.5	4.3	16.9	15.1	15.2
Tax	-0.4	-1.1	-0.7	-0.8	-3.0	-1.5	-1.1	-0.9	-0.9	-4.4	-3.2	-2.7
<i>Tax rate (%)</i>	<i>21.7%</i>	<i>25.1%</i>	<i>13.9%</i>	<i>21.5%</i>	<i>20.0%</i>	<i>26.8%</i>	<i>47.9%</i>	<i>20.0%</i>	<i>20.9%</i>	<i>26.3%</i>	<i>21.2%</i>	<i>18.0%</i>
Net profit	1.3	3.4	4.5	3.0	12.1	4.2	1.2	3.6	3.4	12.4	11.9	12.5
EPS	0.21	0.56	0.73	0.48	1.98	0.70	0.20	0.60	0.56	2.06	1.97	2.06
EPS adj. (diluted)	0.21	0.56	0.73	0.48	1.98	0.70	0.20	0.60	0.56	2.06	1.97	2.06
Dividend per share					0.55					0.60	0.70	0.75
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Wood Processing	32.0	41.8	32.2	41.2	147.2	37.9	30.4	33.3	34.8	136.4	107.8	111.5
Services	9.8	10.8	9.9	11.6	42.1	10.3	9.9	11.3	11.8	43.3	44.2	45.5
Analyzers	2.9	4.5	4.2	3.7	15.3	3.7	3.5	4.2	4.3	15.7	16.1	16.9
Total	44.7	57.1	46.3	56.5	204.6	51.9	43.8	48.8	50.9	195.4	168.0	173.9
SALES GROWTH, Y/Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Wood Processing	31.2%	140.2%	49.8%	41.6%	59.3%	18.4%	-27.3%	3.4%	-15.5%	-7.3%	-21.0%	3.5%
Services	18.1%	66.1%	25.3%	12.6%	27.6%	5.1%	-8.3%	14.1%	1.7%	2.9%	2.0%	3.0%
Analyzers	-29.3%	-18.2%	-8.7%	-36.2%	-23.5%	27.6%	-22.2%		16.2%	2.6%	2.5%	5.0%
Total	21.5%	94.2%	36.2%	25.0%	40.7%	16.1%	-23.3%	5.4%	-9.9%	-4.5%	-14.0%	3.5%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Total	1.5	3.9	4.8	3.5	13.7	5.9	1.9	4.3	4.1	16.2	14.3	15.2
Total	1.5	3.9	4.8	3.5	13.7	5.9	1.9	4.3	4.1	16.2	14.3	15.2
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	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%	4.4%	8.8%	8.1%	8.3%	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	195.4	168.0	173.9
<i>Sales growth (%)</i>	-24.0%	23.7%	11.3%	-8.2%	40.7%	-4.5%	-14.0%	3.5%
EBITDA	1.2	2.1	-9.6	6.8	19.1	22.9	19.9	21.0
<i>EBITDA margin (%)</i>	1.1%	1.5%	-6.1%	4.7%	9.4%	11.7%	11.8%	12.0%
Depreciation	-4.0	-4.3	-5.0	-4.9	-5.4	-6.7	-5.6	-5.8
EBITA	-2.8	-2.2	-14.6	1.9	13.7	16.2	14.3	15.2
Goodwill amortization / writedown								
EBIT	-2.8	-2.2	-14.6	1.9	13.7	16.2	14.3	15.2
<i>EBIT margin (%)</i>	-2.4%	-1.6%	-9.2%	1.3%	6.7%	8.3%	8.5%	8.7%
Reported EBIT	-2.8	-2.2	-14.6	1.9	13.7	16.2	14.3	15.2
<i>EBIT margin (reported) (%)</i>	-2.4%	-1.6%	-9.2%	1.3%	6.7%	8.3%	8.5%	8.7%
Net financials	0.3	0.5	0.8	-0.1	1.4	0.7	0.8	
Pre-tax profit	-2.5	-1.7	-13.8	1.8	15.1	16.9	15.1	15.2
Taxes	0.6		2.3	-0.4	-3.0	-4.4	-3.2	-2.7
Minority shares								
Net profit	-1.8	-1.7	-11.5	1.4	12.1	12.4	11.9	12.5
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	17	19	22	21	19	15	20	21
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	33	35	37
Receivables	34	32	32	26	25	49	42	44
Liquid funds	12	24	8	48	58	28	31	37
Total assets	86	111	92	135	136	136	138	148
Liabilities								
Shareholders' equity	40	34	23	38	50	59	67	75
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	41	35	37
Other interest-free debt	16	27	22	27	30	30	30	30
Total liabilities	86	111	92	135	136	136	138	148
CASH FLOW, EURm								
+ EBITDA	1	2	-10	7	19	23	20	21
- 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	-43	-1	-1
+/- Other								
= Cash flow from operations	2	23	-14	36	14	-23	17	17
- Capex	-3	-10	-4	-4	-3	-2	-10	-7
- Acquisitions								
+ Divestments								
= Free cash flow	-2	13	-18	32	11	-26	7	10
+/- 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	-29	2	6

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	84	35	60	80	85	85	85
Net debt (excl. convertibles)	-14	5	-41	-52	-23	-26	-32
Enterprise value	70	40	19	28	62	58	53
Sales	142	158	145	205	195	168	174
EBITDA	2	-10	7	19	23	20	21
EBIT	-2	-15	2	14	16	14	15
Pre-tax	-2	-14	2	15	17	15	15
Earnings	-2	-11	1	12	12	12	12
Equity book value (excl. minorities)	34	23	38	50	59	67	75

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.5	0.3	0.1	0.1	0.3	0.3	0.3
EV/EBITDA	33.3	-4.2	2.8	1.5	2.7	2.9	2.5
EV/EBITA	-32.0	-2.8	10.1	2.1	3.8	4.1	3.5
EV/EBIT	-32.0	-2.8	10.1	2.1	3.8	4.1	3.5
EV/OCF	3.0	-2.9	0.5	2.0	-2.6	3.5	3.1
EV/FCF	4.2	-1.9	0.6	3.0	-2.3	10.7	5.1
P/FCFR	6.5	-1.9	1.9	7.0	-3.3	12.3	8.4
P/E	-48.7	-3.1	44.7	6.6	6.8	7.1	6.8
P/BV	2.5	1.5	1.6	1.6	1.4	1.3	1.1
Target EV/EBITDA					3.5	3.8	3.4
Target EV/EBIT					4.9	5.4	4.7
Target EV/FCFF					-3.1	11.2	7.0
Target P/BV					1.7	1.5	1.4
Target P/E, diluted	-50.8	-3.8	35.2	7.2	8.3	8.6	8.2

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	4.25	4.25	6.12	6.12	6.04	6.04	6.04
Number of shares (diluted, million)	4.25	4.25	6.12	6.12	6.04	6.04	6.04
EPS	-0.41	-2.70	0.22	1.98	2.06	1.97	2.06
Operating cash flow per share	5.50	-3.30	5.86	2.31	-3.87	2.74	2.77
Free cash flow per share	3.04	-4.24	5.28	1.87	-4.25	1.14	1.68
Book value per share	8.02	5.39	6.27	8.12	9.73	11.10	12.46
Dividend per share			0.10	0.55	0.60	0.70	0.75
Dividend payout ratio, %			45.3%	27.8%	29.1%	35.5%	36.3%
Dividend yield, %			1.0%	3.9%	4.3%	5.0%	5.4%
FCF yield, %	15.4%	-51.4%	53.6%	14.2%	-30.4%	8.1%	12.0%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-4.6%	-40.3%	4.4%	27.5%	22.9%	18.9%	17.5%
ROCE	-4.8%	-36.3%	4.6%	27.4%	26.4%	21.0%	20.0%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	15.5%	10.6%	18.1%	11.5%	17.0%	21.0%	21.0%
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%	5.5%	7.0%	7.6%
Operative CAPEX/Sales, %	7.4%	2.5%	2.4%	1.3%	1.2%	5.8%	3.8%
CAPEX/sales (incl. acquisitions), %	7.4%	2.5%	2.4%	1.3%	1.2%	5.8%	3.8%
FCFF/EBITDA	7.9	2.2	4.7	0.5	-1.2	0.3	0.5
Net Debt/EBITDA, book-weighted	-6.5	-0.6	-6.1	-2.7	-1.0	-1.3	-1.5
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%	-38.9%	-38.9%	-42.5%

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	10.588	12.5 %
Laakkonen Mikko Kalervo	172 225	2.411	2.9 %
eQ Finland Investment Fund	134 368	1.881	2.2 %
Mandatum Life Insurance Company Ltd.	132 574	1.856	2.2 %
Stephen Industries Inc Oy	129 687	1.816	2.1 %
Suominen Pekka Matias	117 329	1.643	1.9 %
Siivonen Osku Pekka	106 901	1.497	1.8 %
eQ Nordic Small Cap Mutual Fund	106 000	1.484	1.8 %
Kirmo Kaisa Marketta	105 421	1.476	1.7 %
Mustakallio Mika Tapani	103 678	1.451	1.7 %
Ten largest	1 864 433	26.102	30.9 %
Residual	4 175 567	58.458	69.1 %
Total	6 040 000	84.560	100%

EARNINGS CALENDAR

October 30, 2025

Q3 report

OTHER EVENTS
COMPANY MISCELLANEOUS

CEO: Mika Saariaho
 CFO: Ville Halttunen
 IR:

Rautatie 2, FI-15550 Nastola
 Tel: +358 3 82911

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

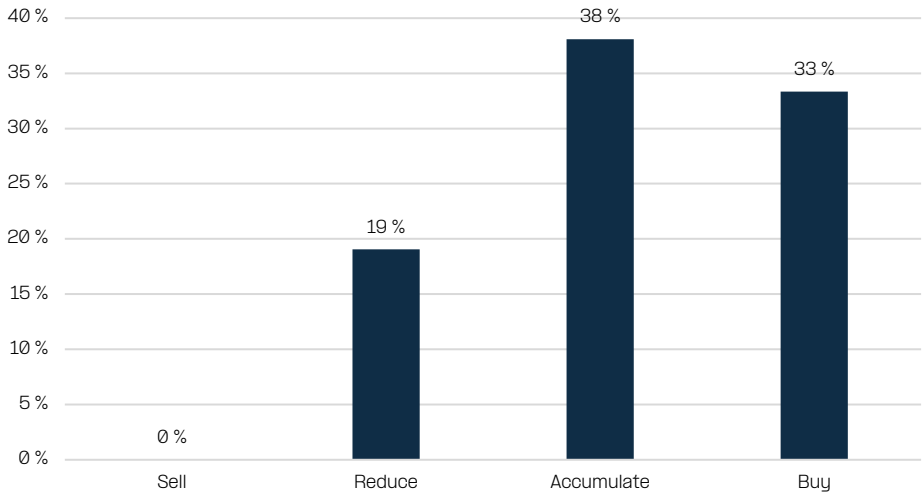
< -10 %
-10 - 0 %
0 - (+10) %
> 10 %

Recommendation

SELL
RECUDE
ACCUMULATE
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.



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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