EVLI

RAUTE

Machinery/ Finland, October 30, 2025
News flash

High earnings and new orders

Raute recently issued another positive profit warning, according to which FY'25 revenue will be slightly lower than previously anticipated while comparable EBITDA will remain high in absolute and especially relative terms. Q3 results were clearly better than we estimated especially in terms of EBITDA margin while the EUR 38m order intake was also a positive surprise. There's still global uncertainty affecting market demand, but it now seems Raute's order book development could stabilize soon after being on a declining trend for almost two years.

- Raute Q3 revenue declined by 5.8% y/y to EUR 43.7m, compared to our EUR 48.8m estimate. Wood Processing amounted to EUR 31.6m, vs our EUR 33.3m estimate, while Services was EUR 8.5m vs our EUR 11.3m estimate. Analyzers came in at EUR 3.5m, compared to our EUR 4.2m estimate.
- Raute comparable EBITDA landed at EUR 6.5m, vs our EUR 5.8m estimate, whereas EBIT was EUR 5.1m vs our EUR 4.3m estimate. Wood Processing EBITDA amounted to EUR 4.8m, compared to our EUR 3.6m estimate, while Services was EUR 1.2m vs our EUR 1.7m estimate. Analyzers did EUR 0.5m, compared to our EUR 0.5m estimate.
- Q3 order intake was EUR 38m, while we expected EUR 31m. Market demand is expected to recover further towards next year as European construction activity continued to improve in Q3. Some customers in North and South America have however continued to postpone their investment decisions because of the tariffs, which also affects Asian manufacturers due to their reliance on exports.
- Order book amounted to EUR 108m at the end of Q3 (EUR 188m a year ago).
- Raute guides FY'25 revenue to be in the range of EUR 175–190m and comparable EBITDA of EUR 22–27m. The guidance midpoints thus indicate Q4'25 revenue and comparable EBITDA to be respectively EUR 43.1m and EUR 4.1m.

Rating: Buy

Q3'25	Actual	Evli	Year ago	Q2'25
Revenue	43.7	48.8	46.4	43.8
Wood Processing	31.6	33.3	32.2	30.4
Services	8.5	11.3	9.9	9.9
Analyzers	3.5	4.2	4.2	3.5
Comparable EBITDA	6.5	5.8	6.3	6.5
EBIT	5.1	4.3	4.8	1.9

Share price, EUR (Last trading day's closing price)	**14.40**
Target price, EUR	17.0
Latest change in recommendation	04-Feb-25
Latest report on company	16-Oct-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	87
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	7.0	0.3	4.0	-29.5%	0.60
2026E	168.0	14.3	8.5%	6.9	1.97	7.3	0.4	4.3	7.9%	0.70
2027E	173.9	15.2	8.7%	10.1	2.06	7.0	0.3	3.6	11.6%	0.75

Market cap, EURm	87	Gearing 2025E, %	-38.9 %	CAGR EPS 2024-27, %	1.4 %
Net debt 2025E, EURm	-23	Price/book 2025E	1.5	CAGR Sales 2024-27, %	-5.3 %
Enterprise value, EURm	64	Dividend yield 2025E, %	4.2 %	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	-11.2

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

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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

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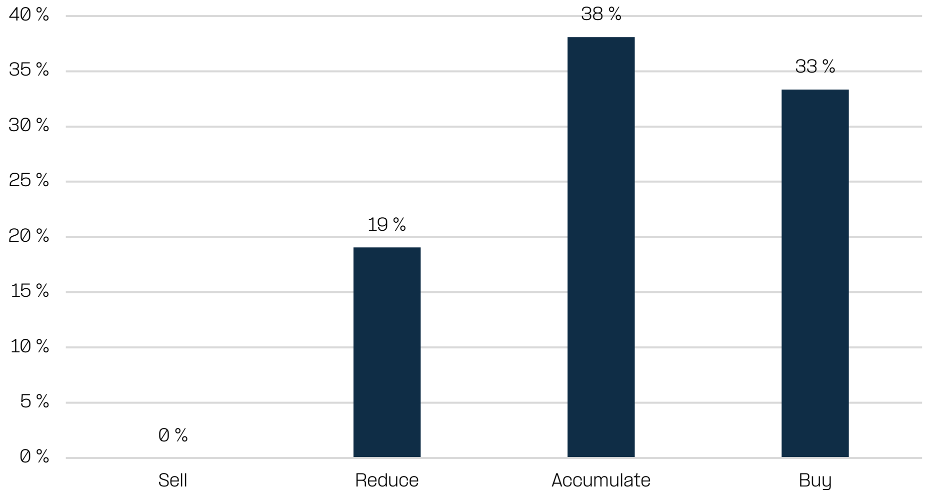

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Name(s) of the analyst(s): Joonas Ilvonen

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