

## Revenue and EBIT low, orders high

Raute's Q2 revenue and EBIT were clearly worse than we expected, however order intake was well above our estimate. It is always unclear how well single quarter order intake extrapolates, but if new orders remain near the EUR 40m level seen in Q2 Raute will be able to fill the gap left by Russian business relatively quickly.

- Q2 revenue declined by 16.5% y/y and amounted to EUR 29.6m vs our EUR 38.0m estimate. Project revenue was EUR 12.7m, compared to our EUR 23.0m estimate, while services revenue was EUR 16.9m vs our EUR 15.0m estimate.
- EBIT was EUR -15.1m vs our EUR -10.7m estimate. The result was burdened not only by the write-offs related to Russian projects but inefficiencies due to the reorganization of work. Cost inflation remained a significant profitability headwind.
- Order intake came in at EUR 40m, compared to our EUR 30m estimate. Project orders were EUR 21m vs our EUR 15m estimate, while services orders amounted to EUR 19m vs our EUR 15m estimate. There were no single large orders, however modernization orders were at a high level and included a significant EUR 10m Latvian order.
- Order book was EUR 104m at the end of Q2, including EUR 16m in Russian orders.

Rating				🟡 HOLD
Q2'22	Actual	Evli	Year ago	Q1'22
Net sales	29.6	38.0	35.5	41.3
-Project deliveries	12.7	23.0	19.2	26.4
-Technology services	16.9	15.0	16.2	14.9
Operating profit	-15.1	-10.7	-1.7	-1.5
Operating profit margin	-51.0 %	-28.2 %	-4.9 %	-3.6 %
Share price, EUR (Last trading day's closing price)				10.30
Target price, EUR				11.0
Latest change in recommendation				03-Mar-22
Latest report on company				18-Jul-22
Research paid by issuer:				YES
No. of shares outstanding, '000's				4,249
No. of shares fully diluted, '000's				4,249
Market cap, EURm				44
Free float, %				-
Exchange rate				-
Reuters code				RAUTE.HE
Bloomberg code				RAUTE:FH
Average daily volume, EURm				0.1
Next interim report				22-Jul-22
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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
2020	115.0	-2.8	-2.4%	-1.6	-0.44	-52.2	0.8	-32.6	-1.6	0.80
2021	142.2	-2.2	-1.5%	12.9	-0.41	-48.7	0.5	-32.0	15.4	0.80
2022E	146.3	-10.6	-7.2%	-7.4	-2.01	-5.1	0.3	-3.8	-17.0	0.75
2023E	141.2	4.8	3.4%	4.6	0.90	11.5	0.3	8.3	10.5	0.80
2024E	146.6	6.8	4.6%	3.8	1.27	8.1	0.3	5.8	8.8	0.90
Market cap, EURm	44		BV per share 2022E, EUR		-13.4		CAGR EPS 2021-24, %		0.0	
Net debt 2022E, EURm	-3		Price/book 2022E		2.0		CAGR sales 2021-24, %		1.0	
Enterprise value, EURm	41		Dividend yield 2022E, %		7.3		ROE 2022E, %		-30.3	
Total assets 2022E, EURm	111		Tax rate 2022E, %		17.1		ROCE 2022E, %		-23.9	
Goodwill 2022E, EURm	2		Equity ratio 2022E, %		19.9		PEG, P/E 22/CAGR		0.0	

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

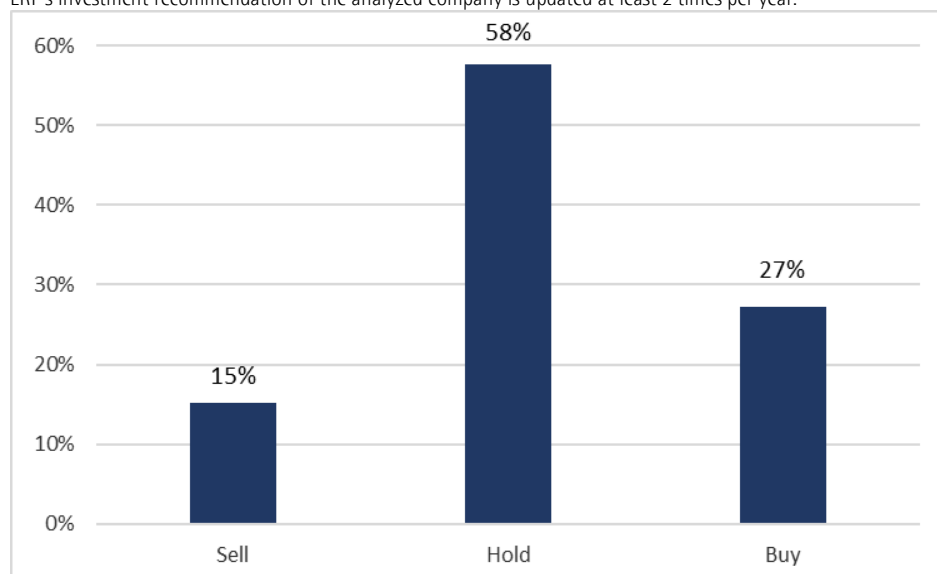
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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