

Revenue and EBIT above estimates

Raute's Q3 top line and profitability topped our estimates. Inflation pressures eased up a bit while Western demand remained high.

- Q3 revenue grew by 10% y/y to EUR 41.8m, compared to our EUR 34.0m estimate. Project revenue was EUR 22.6m, compared to our EUR 19.0m estimate, while services revenue amounted to EUR 19.2m vs our EUR 15.0m estimate.
- EBIT amounted to EUR 1.4m vs our EUR -0.3m estimate. The remaining Russian project deliveries had a neutral profitability effect. The worst inflation pressures seem to have eased, but inflation remained a challenge in Q3. Component availability is still weak.
- Order intake was EUR 35m, compared to our EUR 38m estimate. Project orders were EUR 24m vs our EUR 20m estimate, while services orders amounted to EUR 11m, compared to our EUR 18m estimate. Modernization orders declined from the comparison period. Overall Western demand remained good, especially in North America.
- Order book amounted to EUR 94m at the end of Q3, of which EUR 6m was attributable to Russia.

Rating

HOLD

Q3'22	Actual	Evli	Year ago	Q2'22
Net sales	41.8	34.0	37.9	29.6
-Project deliveries	22.6	19.0	23.1	12.7
-Technology services	19.2	15.0	14.7	16.9
Operating profit	1.4	-0.3	1.7	-15.1
Operating profit margin	3.3 %	-0.9 %	4.6 %	-51.0 %

Share price, EUR (Last trading day's closing price) **8.98**

Target price, EUR **9.0**

Latest change in recommendation **03-Mar-22**

Latest report on company **19-Oct-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 **38**

Free float, % **-**

Exchange rate **-**

Reuters code **RAUTE.HE**

Bloomberg code **RAUTE:FH**

Average daily volume, EURm **0.1**

Next interim report **21-Oct-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	0.00
2022E	140.9	-16.3	-11.6%	-11.3	-3.28	-2.7	0.3	-2.2	-29.6	0.00
2023E	137.9	4.3	3.1%	3.6	0.80	11.2	0.2	7.5	9.4	0.80
2024E	145.6	7.1	4.9%	3.5	1.34	6.7	0.2	4.5	9.1	0.90
Market cap, EURm	38		BV per share 2022E, EUR		-12.5		CAGR EPS 2021-24, %		0.0	
Net debt 2022E, EURm	-3		Price/book 2022E		1.9		CAGR sales 2021-24, %		0.8	
Enterprise value, EURm	36		Dividend yield 2022E, %		0.0		ROE 2022E, %		-51.4	
Total assets 2022E, EURm	107		Tax rate 2022E, %		14.4		ROCE 2022E, %		-37.7	
Goodwill 2022E, EURm	2		Equity ratio 2022E, %		18.7		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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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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