

Order intake a bit soft in Q4

Raute's Q4 revenue was clearly higher than we estimated, whereas EBIT was on the soft side especially considering the strong top line. The EUR 28m in new orders was also softer than we expected. Raute revealed a new reporting structure and guides FY '23 revenue to be above EUR 130m and comparable EBITDA margin of above 4%.

- Raute Q4 revenue was EUR 45.7m vs our EUR 38.0m estimate. Top line grew by 4% y/y. Raute revealed a new reporting structure, according to which Wood Processing generated EUR 33.3m, Services EUR 8.7m and Analyzers EUR 3.7m in Q4.
- EBIT came in at EUR 0.5m, compared to our EUR 0.7m estimate. Comparable EBITDA was EUR 2.7m, of which EUR 1.1m was attributable to Analyzers. Wood Processing generated EUR 0.9m and Services EUR 0.7m.
- Q4 order intake amounted to EUR 28m, while we estimated EUR 36m.
- Order book amounted to EUR 84m at the end of Q4, including EUR 4m attributable to Russia.
- The BoD proposes (as expected) that no dividend is to be paid for the year.
- Raute guides FY '23 revenue to be above EUR 130m and comparable EBITDA margin of above 4%.

Rating				BUY
Q4'22	Actual	Evli	Year ago	Q3'22
Net sales	45.7	38.0	44.1	41.8
Operating profit	0.5	0.7	0.5	1.4
Operating profit margin	1.1 %	1.8 %	1.1 %	3.3 %
Share price, EUR (Last trading day's closing price)				10.10
Target price, EUR				11.0
Latest change in recommendation				24-Oct-22
Latest report on company				08-Feb-23
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				43
Free float, %				-
Exchange rate				-
Reuters code				RAUTE.HE
Bloomberg code				RAUTE:FH
Average daily volume, EURm				0.1
Next interim report				14-Feb-23
Web site				www.raute.com/investors
Analyst				Joonas Ilvonen
E-mail				joonas.ilvonen@evli.com
Telephone				+358 44 430 9071

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	150.6	-14.5	-9.6%	-15.6	-2.91	-3.5	0.3	-3.1	-36.3	0.00
2023E	139.2	5.3	3.8%	5.0	1.00	10.1	0.3	7.5	11.6	0.40
2024E	145.7	7.7	5.3%	9.2	1.46	6.9	0.2	4.2	21.4	0.80
Market cap, EURm	43		BV per share 2022E, EUR		8.1		CAGR EPS 2021-24, %		0.0	
Net debt 2022E, EURm	2		Price/book 2022E		2.0		CAGR sales 2021-24, %		0.8	
Enterprise value, EURm	45		Dividend yield 2022E, %		0.0		ROE 2022E, %		-44.4	
Total assets 2022E, EURm	118		Tax rate 2022E, %		14.7		ROCE 2022E, %		-30.9	
Goodwill 2022E, EURm	2		Equity ratio 2022E, %		18.4		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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Contact information

SALES, TRADING AND RESEARCH

Equity, ETF and Derivatives Sales

Joachim Dannberg +358 9 4766 9123
Ari Laine +358 9 4766 9115
Kimmo Lilja +358 9 4766 9130

Trading

Lauri Vehkaluoto (Head) +358 9 4766 9120
Pasi Väisänen +358 9 4766 9120
Antti Kässi +358 9 4766 9120
Miika Ronkanen +358 9 4766 9120

Structured Investments

Heikki Savijoki +358 9 4766 9726
Aki Lakkisto +358 9 4766 9123

Equity Research

Jonas Forslund +358 9 4766 9314
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149
Teemu Reiman +358 40 352 6175

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205



EVLI BANK PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Fax +358 9 634 382
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI BANK PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000
Fax +46 (0)8 407 8001