

Western markets hold up well

We make some cuts to our estimates after Raute's Q4 report, but the bigger picture remains largely unchanged.

Bottom line and new orders a bit soft, but no major news

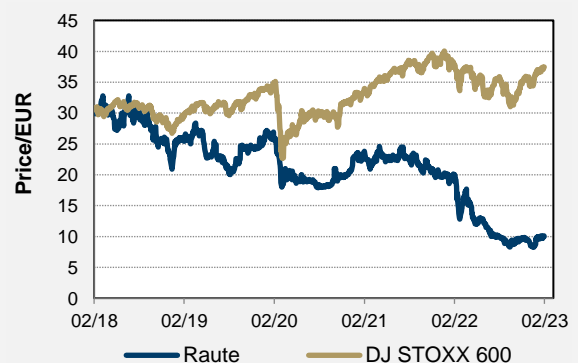
Raute's EUR 45.7m Q4 revenue grew 4% y/y and was clearly above our EUR 38.0m estimate. The EUR 0.5m Q4 EBIT was soft relative to our EUR 0.7m estimate, despite the high revenue figure, as inflation still limited projects' profitability; Services revenue continued to grow y/y, but there were changes in mix and certain delivery challenges. The EUR 28m Q4 order intake lacked modernization orders and was soft relative to EUR 36m estimate, however there seem to have been no significant negative changes in market demand since Q3.

We revise our FY '23 revenue estimate down to EUR 133m

Raute's earnings recovery path continues without major surprises, however we revise our estimates down as Q4 order intake was lower than we expected; the company begins the year with slightly lower order book than we estimated. European plywood investments (particularly within birch) should remain high, but we estimate European and North American revenues to remain roughly flat this year (both almost doubled in FY '22); there is more scope for growth in Latin America and Asia-Pacific, but these markets have traditionally been more marginal for Raute. We likewise expect the Services and Analyzers businesses to remain stable in FY '23, whereas the missing Russian revenue could leave Wood Processing top line down by 20%.

We now estimate FY '23 EBIT at EUR 2.5m (prev. EUR 5.3m)

Raute's guidance doesn't seem challenging from profitability perspective as the minimum implies comparable EBITDA of only ca. EUR 6m (Raute's comparable EBITDA amounted to EUR 8.7m in H2'22); further growth this year in Europe and North America within smaller equipment orders may not be that easy but a larger (European) order, should it materialize in early FY '23, could add a significant amount of revenue and thus help Raute specify its guidance upwards. Raute's high operating leverage works both ways, but in our view comparable EBITDA of around EUR 8m should be achievable this year even if revenue declines by some 15%. The 17.5x EV/EBIT multiple, on our updated FY '23 estimates, is not low but acceptable given earnings potential in the long-term. We retain our EUR 11 TP and BUY rating.

Rating BUY


Share price, EUR (Last trading day's closing price) 10.00

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 42

Free float, % -

Exchange rate -

Reuters code RAUTE.HE

Bloomberg code RAUTE:FH

Average daily volume, EURm 0.1

Next interim report 25-Apr-23

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+ BUY □ HOLD - 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
2021	142.2	-2.2	-1.5%	12.9	-0.41	-48.7	0.5	-32.0	15.4	0.00
2022	158.3	-14.6	-9.2%	-18.0	-2.70	-3.1	0.3	-2.8	-51.4	0.00
2023E	133.1	2.5	1.9%	3.8	0.47	21.2	0.3	17.6	9.0	0.20
2024E	139.6	5.8	4.2%	8.0	1.09	9.2	0.3	6.3	18.9	0.80
2025E	144.4	7.8	5.4%	4.9	1.47	6.8	0.2	4.5	11.6	0.88
Market cap, EURm	42			Gearing 2023E, %	5.9			CAGR EPS 2022-25, %	0.0	
Net debt 2023E, EURm	1			Price/book 2023E	1.7			CAGR sales 2022-25, %	-3.0	
Enterprise value, EURm	44			Dividend yield 2023E, %	2.0			ROE 2023E, %	8.4	
Total assets 2023E, EURm	84			Tax rate 2023E, %	20.0			ROCE 2023E, %	7.3	
Goodwill 2023E, EURm	2			Equity ratio 2023E, %	29.8			PEG, P/E 23/CAGR	0.3	

Estimates and valuation

Raute	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23e	Q2'23e	Q3'23e	Q4'23e	2023e
Order intake	30	65	58	50	203	36	40	35	28	139	32	35	34	31	132
Order book	98	129	150	158	158	152	104	94	84	84	84	90	91	83	83
Revenue	25	35	38	44	142	41	30	42	46	158	32	29	33	39	133
Wood Processing	17	23	26	31	97	31	17	27	33	108	21	18	20	27	86
Services	6	8	7	8	30	8	9	10	9	36	8	8	9	8	33
Analyzers	2	4	4	5	15	3	3	5	4	15	3	3	4	4	14
Europe	4	8	10	12	35	15	14	21	18	69	15	14	16	20	65
Russia	15	17	19	19	70	14	2	6	11	33	2	1	1	0	4
North America	3	5	5	7	20	9	9	9	12	39	9	8	9	12	38
Latin America	1	2	2	2	8	2	2	3	3	10	3	3	4	4	14
Asia-Pacific	1	3	3	4	10	2	2	3	3	9	3	3	3	3	12
Comparable EBITDA	-2	0	3	2	3	0	-11	6	3	-2	2	2	2	2	8
Wood Processing	-2	-2	1	-1	-5	-1	-12	2	1	-10	1	0	1	1	2
Services	1	1	2	1	5	1	1	3	1	6	1	1	1	1	4
Analyzers	0	1	1	2	4	0	0	2	1	2	1	1	1	1	2
EBIT	-3	-2	2	1	-2	-1	-15	1	1	-15	0	1	1	1	3
EBIT margin	-11 %	-5 %	5 %	1 %	-1.6 %	-4 %	-51 %	3 %	1 %	-9.3 %	1 %	2 %	2 %	2 %	1.9 %

Source: Evli Research

RAUTE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Alfa Laval AB	12982	14.9x	14.1x	13.3x	20.1x	17.7x	16.2x	13.1 %	14.8 %	15.6 %
Cargotec	3160	10.2x	6.8x	6.8x	9.7x	8.8x	8.8x	8.0 %	9.4 %	9.4 %
Glaston	86	5.8x	4.8x	4.3x	9.0x	7.7x	6.8x	4.6 %	5.4 %	5.7 %
Kone	25539	19.1x	17.9x	15.7x	23.2x	21.9x	18.6x	9.9 %	10.7 %	12.1 %
Konecranes Oyj	2547	7.7x	7.5x	7.0x	10.8x	9.7x	9.0x	8.2 %	9.0 %	9.5 %
Ponsse	742	9.6x	9.0x	8.1x	14.6x	12.8x	11.2x	6.9 %	8.0 %	8.8 %
Sandvik	24459	10.5x	10.9x	10.4x	14.9x	14.4x	13.4x	16.8 %	18.5 %	19.4 %
Valmet	5914	7.8x	8.7x	8.3x	11.0x	11.2x	10.4x	8.9 %	10.2 %	10.8 %
Wartsila	5621	9.0x	10.3x	8.8x	15.1x	13.3x	11.2x	5.8 %	7.6 %	8.5 %
Peer Group Average	9005	10.5x	10.0x	9.2x	14.3x	13.1x	11.7x	9.1 %	10.4 %	11.1 %
Peer Group Median	5621	9.6x	9.0x	8.3x	14.6x	12.8x	11.2x	8.2 %	9.4 %	9.5 %
Raute (Evli est.)	42	-4.2x	6.0x	3.5x	-2.8x	17.6x	6.3x	-9.2 %	1.9 %	4.2 %

Raute prem./disc. to peer median

-144 % -33 % -58 % -119 % 38 % -44 % -212 % -80 % -56 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	10.00 PV of Free Cash Flow	45 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	17.17 PV of Horizon value	33 WACC, %	9.2 Market risk premium, %	5.8
Share price potential, %	71.7 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	18.4 Marketable securities	8 Minimum WACC, %	8.7 Equity beta coefficient	1.25
Minimum value	16.1 Debt - dividend	-13 Maximum WACC, %	9.7 Target debt ratio, %	20
Horizon value, %	42.1 Value of stock	73 Nr of shares, Mn	4.2 Effective tax rate, %	20

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	158	133	140	144	148	151	154	158	161	165	168	172
<i>Sales growth, %</i>	<i>11.3</i>	<i>-15.9</i>	<i>4.9</i>	<i>3.5</i>	<i>2.3</i>	<i>2.3</i>	<i>2.3</i>	<i>2.3</i>	<i>2.3</i>	<i>2.3</i>	<i>2.0</i>	<i>2.0</i>
Operating income (EBIT)	-15	3	6	8	11	11	11	11	11	12	12	12
<i>Operating income margin, %</i>	<i>-9.2</i>	<i>1.9</i>	<i>4.2</i>	<i>5.4</i>	<i>7.5</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>	<i>7.0</i>
+ Depreciation+amort.	5	5	5	4	4	4	5	5	5	4	4	
EBITDA	-10	7	11	12	15	15	15	16	16	16	15	
- Paid taxes	0	0	-1	-2	-2	-2	-2	-2	-2	-2	-2	
- Change in NWC	-5	2	-1	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>-4.6</i>	<i>-7.2</i>	<i>-6.5</i>	<i>-5.9</i>	<i>-5.6</i>	<i>-5.3</i>	<i>-5.0</i>	<i>-4.6</i>	<i>-4.3</i>	<i>-4.0</i>	<i>-3.8</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-7	-7	-1	-5	-5	-5	-5	-5	-3	-3	-7	
<i>opCAPEX / Sales, %</i>	<i>2.5</i>	<i>4.0</i>	<i>0.6</i>	<i>3.5</i>	<i>3.3</i>	<i>3.3</i>	<i>3.3</i>	<i>3.3</i>	<i>2.1</i>	<i>2.1</i>	<i>4.4</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	-22	3	8	5	8	8	8	8	10	10	5	78
= Discounted FCFF		2	7	4	6	5	5	4	5	4	2	33
= DFCF min WACC		2	7	4	6	5	5	5	5	5	2	37
= DFCF max WACC		2	7	4	6	5	5	4	5	4	2	29

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1E	2023Q2E	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	41.3	29.6	41.8	45.7	158.3	32.0	29.1	33.0	39.0	133.1	139.6	144.4
EBITDA	-0.3	-13.8	2.6	1.8	-9.6	1.5	1.7	2.0	2.1	7.3	10.6	12.0
<i>EBITDA margin (%)</i>	<i>-0.6</i>	<i>-46.7</i>	<i>6.3</i>	<i>4.0</i>	<i>-6.1</i>	<i>4.7</i>	<i>5.8</i>	<i>6.1</i>	<i>5.4</i>	<i>5.5</i>	<i>7.6</i>	<i>8.3</i>
EBIT	-1.5	-15.1	1.4	0.6	-14.6	0.3	0.5	0.8	0.9	2.5	5.8	7.8
<i>EBIT margin (%)</i>	<i>-3.6</i>	<i>-51.0</i>	<i>3.4</i>	<i>1.3</i>	<i>-9.2</i>	<i>0.9</i>	<i>1.7</i>	<i>2.4</i>	<i>2.3</i>	<i>1.9</i>	<i>4.2</i>	<i>5.4</i>
Net financial items	0.3	-0.3	0.0	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	-1.2	-15.4	1.4	1.4	-13.8	0.3	0.5	0.8	0.9	2.5	5.8	7.8
Tax	-0.1	2.5	-0.1	0.0	2.3	-0.1	-0.1	-0.2	-0.2	-0.5	-1.2	-1.6
<i>Tax rate (%)</i>	<i>-5.1</i>	<i>16.0</i>	<i>9.6</i>	<i>-2.4</i>	<i>16.7</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-1.2	-12.9	1.2	1.5	-11.5	0.2	0.4	0.6	0.7	2.0	4.6	6.2
EPS	-0.29	-3.04	0.29	0.34	-2.70	0.06	0.09	0.15	0.17	0.47	1.09	1.47
EPS adjusted (diluted no. of shares)	-0.29	-3.04	0.29	0.34	-2.70	0.06	0.09	0.15	0.17	0.47	1.09	1.47
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.80	0.88
SALES, EURm												
Wood Processing	30.5	17.1	27.1	33.3	108.0	21.0	17.5	20.0	27.0	85.5	90.6	94.3
Services	7.9	9.2	9.9	8.7	35.8	8.0	8.3	9.0	8.0	33.3	34.3	35.2
Analyzers	2.8	3.2	4.8	3.7	14.5	3.0	3.2	4.0	4.0	14.2	14.6	14.9
Total	41.3	29.6	41.8	45.7	158.3	32.0	29.1	33.0	39.0	133.1	139.6	144.4
SALES GROWTH, Y/Y %												
Wood Processing	84.4	-26.3	2.2	7.2	11.0	-31.2	2.3	-26.1	-18.9	-20.8	6.0	4.0
Services	27.0	9.7	33.7	8.2	18.8	1.2	-9.7	-9.5	-7.8	-6.8	3.0	2.5
Analyzers	43.9	-14.6	19.6	-26.7	-1.5	5.5	-0.4	-15.7	8.0	-2.1	2.5	2.5
Total	66.7	-16.5	10.2	3.6	11.3	-22.5	-1.7	-21.0	-14.6	-15.9	4.9	3.5
EBIT, EURm												
Total	-1.5	-15.1	1.4	0.6	-14.6	0.3	0.5	0.8	0.9	2.5	5.8	7.8
Total	-1.5	-15.1	1.4	0.6	-14.6	0.3	0.5	0.8	0.9	2.5	5.8	7.8
EBIT margin, %												
Total	-3.6	-51.0	3.4	1.3	-9.2	0.9	1.7	2.4	2.3	1.9	4.2	5.4

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	181.1	151.3	115.0	142.2	158.3	133.1	139.6	144.4
<i>Sales growth (%)</i>	<i>21.9</i>	<i>-16.5</i>	<i>-24.0</i>	<i>23.7</i>	<i>11.3</i>	<i>-15.9</i>	<i>4.9</i>	<i>3.5</i>
EBITDA	17.4	12.3	1.2	2.1	-9.6	7.3	10.6	12.0
<i>EBITDA margin (%)</i>	<i>9.6</i>	<i>8.1</i>	<i>1.1</i>	<i>1.5</i>	<i>-6.1</i>	<i>5.5</i>	<i>7.6</i>	<i>8.3</i>
Depreciation	-2.5	-3.9	-4.0	-4.3	-5.0	-4.8	-4.8	-4.2
EBITA	14.9	8.4	-2.8	-2.2	-14.6	2.5	5.8	7.8
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	14.9	8.4	-2.8	-2.2	-14.6	2.5	5.8	7.8
<i>EBIT margin (%)</i>	<i>8.2</i>	<i>5.6</i>	<i>-2.4</i>	<i>-1.5</i>	<i>-9.2</i>	<i>1.9</i>	<i>4.2</i>	<i>5.4</i>
Reported EBIT	14.9	8.4	-2.8	-2.2	-14.6	2.5	5.8	7.8
<i>EBIT margin (reported) (%)</i>	<i>8.2</i>	<i>5.6</i>	<i>-2.4</i>	<i>-1.5</i>	<i>-9.2</i>	<i>1.9</i>	<i>4.2</i>	<i>5.4</i>
Net financials	0.0	0.8	0.3	0.5	0.8	0.0	0.0	0.0
Pre-tax profit	14.9	9.2	-2.5	-1.7	-13.8	2.5	5.8	7.8
Taxes	-3.2	-1.6	0.6	0.0	2.3	-0.5	-1.2	-1.6
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	11.7	7.6	-1.8	-1.7	-11.5	2.0	4.6	6.2
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET, EURm								
Assets								
Fixed assets	15	16	17	19	22	23	19	20
Goodwill	1	1	2	2	2	2	2	2
Right of use assets	7	7	6	10	7	6	7	7
Inventory	14	12	15	22	17	14	15	15
Receivables	52	32	34	32	32	27	28	29
Liquid funds	13	22	12	24	8	6	12	14
Total assets	103	91	86	111	92	84	87	92
Liabilities								
Shareholder's equity	47	50	40	34	23	25	29	32
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	7	5	4	8	6	6	7	7
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	1	2	2	2	7	2	0	0
Non-interest bearing current liabilities	46	31	23	39	34	28	30	31
Other interest-free debt	1	3	16	27	22	22	22	22
Total liabilities	103	91	86	111	92	84	87	92
CASH FLOW, EURm								
+ EBITDA	17	12	1	2	-10	7	11	12
- Net financial items	0	1	0	0	1	0	0	0
- Taxes	-3	-1	-1	-1	-1	0	-1	-2
- Increase in Net Working Capital	-23	10	1	21	-5	2	-1	0
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	-8	21	2	23	-14	9	9	10
- Capex	-4	-3	-3	-10	-4	-5	-1	-5
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-11	18	-2	13	-18	4	8	5
+/- New issues/buybacks	1	1	-1	-1	0	0	0	0
- Paid dividend	-5	-6	-6	-3	0	0	-1	-3
+/- Other	-2	-4	-2	5	1	-5	-1	0
Change in cash	-17	9	-11	13	-17	-1	6	2

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	114	96	84	35	42	42	42
Net debt (excl. convertibles)	-15	-5	-14	5	1	-6	-7
Enterprise value	99	91	70	40	44	37	35
Sales	151	115	142	158	133	140	144
EBITDA	12	1	2	-10	7	11	12
EBIT	8	-3	-2	-15	3	6	8
Pre-tax	9	-2	-2	-14	3	6	8
Earnings	8	-2	-2	-11	2	5	6
Equity book value (excl. minorities)	50	40	34	23	25	29	32
Valuation multiples							
EV/sales	0.7	0.8	0.5	0.3	0.3	0.3	0.2
EV/EBITDA	8.1	73.6	33.3	-4.2	6.0	3.5	2.9
EV/EBITA	11.8	-32.6	-32.0	-2.8	17.6	6.3	4.5
EV/EBIT	11.8	-32.6	-32.0	-2.8	17.6	6.3	4.5
EV/OCF	4.7	48.2	3.0	-2.9	4.8	4.2	3.5
EV/FCFF	6.3	-30.2	4.2	-1.9	16.6	4.4	6.8
P/FCFE	6.4	-60.7	6.5	-1.9	11.1	5.3	8.6
P/E	15.0	-52.2	-48.7	-3.1	21.2	9.2	6.8
P/B	2.3	2.4	2.5	1.5	1.7	1.5	1.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	6.6	3.9	3.3
Target EV/EBIT	0.0	0.0	0.0	0.0	19.3	7.1	5.1
Target EV/FCF	0.0	0.0	0.0	0.0	12.5	5.1	8.0
Target P/B	0.0	0.0	0.0	0.0	1.9	1.6	1.5
Target P/E	0.0	0.0	0.0	0.0	23.4	10.1	7.5
Per share measures							
Number of shares	4,249	4,249	4,249	4,249	4,249	4,249	4,249
Number of shares (diluted)	4,249	4,249	4,249	4,249	4,249	4,249	4,249
EPS	1.80	-0.44	-0.41	-2.70	0.47	1.09	1.47
Operating cash flow per share	4.96	0.45	5.50	-3.30	2.16	2.08	2.34
Free cash flow per share	4.23	-0.37	3.04	-4.24	0.90	1.89	1.16
Book value per share	11.65	9.52	8.02	5.39	5.86	6.75	7.42
Dividend per share	1.45	0.80	0.00	0.00	0.20	0.80	0.88
Dividend payout ratio, %	80.7	-183.9	0.0	0.0	42.5	73.3	60.0
Dividend yield, %	5.4	3.5	0.0	0.0	2.0	8.0	8.8
FCF yield, %	15.7	-1.6	15.4	-51.4	9.0	18.9	11.6
Efficiency measures							
ROE	15.9	-4.1	-4.6	-40.3	8.4	17.3	20.7
ROCE	15.1	-5.4	-4.8	-36.3	7.3	17.1	21.2
Financial ratios							
Inventories as % of sales	8.2	13.1	15.5	10.6	10.6	10.6	10.6
Receivables as % of sales	20.9	29.2	22.3	20.2	20.2	20.2	20.2
Non-interest bearing liabilities as % of sales	20.5	20.2	27.1	21.4	21.4	21.4	21.4
NWC/sales, %	7.0	8.3	-8.3	-4.6	-7.2	-6.5	-5.9
Operative CAPEX/sales, %	2.1	3.0	7.3	2.5	4.0	0.6	3.5
CAPEX/sales (incl. acquisitions), %	2.1	3.0	7.3	2.5	4.0	0.6	3.5
FCFF/EBITDA	1.3	-2.4	7.9	2.2	0.4	0.8	0.4
Net debt/EBITDA, book-weighted	-1.3	-4.2	-6.5	-0.6	0.2	-0.5	-0.6
Debt/equity, market-weighted	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Equity ratio, book-weighted	54.6	46.9	30.8	24.9	29.8	32.8	34.4
Gearing, %	-31.0	-13.0	-40.5	23.6	5.9	-19.9	-22.9

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	500,000	5.000	11.8%
Mandatum Life Unit-Linked	138,302	1.383	3.3%
Laakkonen Mikko Kalervo	119,919	1.199	2.8%
Suominen Pekka	110,429	1.104	2.6%
Siivonen Osku Pekka	104,179	1.042	2.5%
Kirmo Kaisa Marketta	104,021	1.040	2.4%
Suominen Tiina Sini-Maria	100,856	1.009	2.4%
Keskiahio Kaija Leena	84,716	0.847	2.0%
Mustakallio Mika Tapani	83,270	0.833	2.0%
Särkijärvi Anna Riitta	82,489	0.825	1.9%
Ten largest	1,428,181	14.282	34%
Residual	2,821,067	28.211	66%
Total	4,249,248	42.492	100%

EARNINGS CALENDAR	
April 25, 2023	Q1 report
July 27, 2023	Q2 report
October 26, 2023	Q3 report
OTHER EVENTS	

COMPANY MISCELLANEOUS	
CEO: Mika Saariaho	Rautetie 2, FI-15550 Nastola
CFO: Minna Yrjönmäki	Tel: +358 3, 82,911
IR:	

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	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	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 per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

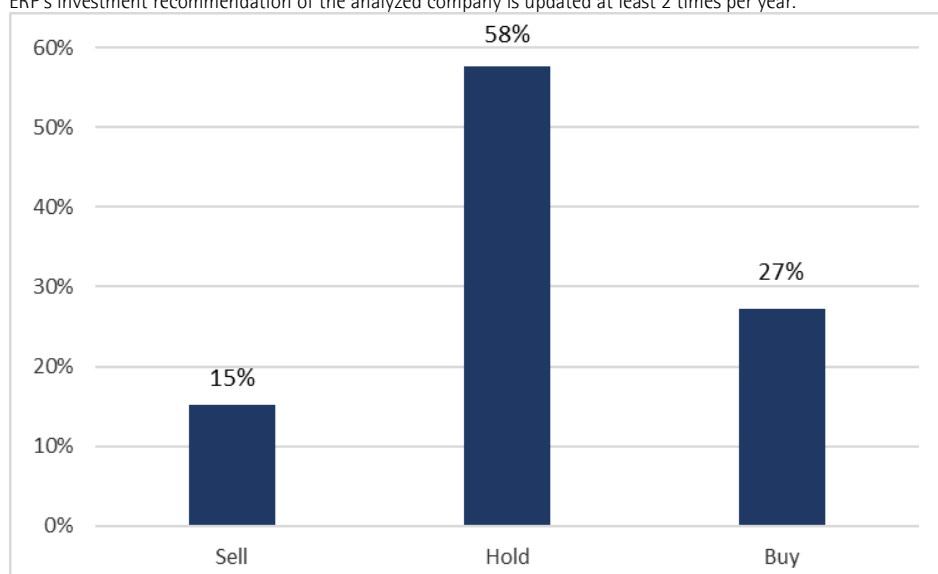
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Investment recommendations are defined as follows:

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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