

Double-digit margins to stay

Raute's FY'25 results are likely to prove so strong that earnings will decline next year, but the low valuation is undemanding enough for further likely upside.

Q1 strength driven by a very high Wood Processing margin

Raute's EUR 51.9m Q1 revenue wasn't quite as high as our EUR 53.3m estimate due to the equipment side, but the EUR 7.4m comparable EBITDA beat our EUR 5.9m estimate thanks to the 14.5% Wood Processing EBITDA. The margin was impressive especially in the sense that the EUR 37.9m revenue wasn't even the highest level the segment has seen. There were no one-offs boosting the figure, yet such a margin may not be repeatable again soon as Wood Processing top line is likely to trend down unless new orders pick up this year, and the EUR 15m order intake was clearly lower than we estimated. We revise our FY'26 revenue estimates down due to the low orders but raise our margin estimates thanks to the performance of Wood Processing. Our EBITDA estimate changes are hence quite small.

Double-digit EBITDA margins should remain

We estimate Wood Processing to generate EUR 16m of EBITDA this year, or a margin of 11.5%, a gain of EUR 5m y/y even though we see its FY'25 top line already down by 4%. We cut our FY'26 revenue estimate due to the low order levels, but in our view Wood Processing could still make some EUR 11–12m EBITDA next year assuming revenue of roughly EUR 120m. Services and Analyzers should together be able to make another EUR 9–10m so that Raute EBITDA would stay comfortably above EUR 20m even if earnings might decline then by around EUR 4–5m. In our view Raute FY'26 revenue could decline by about 10%, although the already long period of low smaller equipment orders could also mean there will be some pent-up demand.

Low multiples offer some more upside opportunities

The trade war and tariffs don't seem to have any direct effect on Raute's operations, but the situation is postponing market recovery since plywood demand and pricing mostly face headwinds. We estimate Raute FY'25 EBITDA at almost EUR 26m, on which basis the EV/EBIT multiple is some 3.5x. The multiple would increase to above 4x next year as earnings headwinds are likely due to the high comparison figures building up now while the order book is trending down. We nonetheless consider the low multiples very undemanding. We retain our EUR 19.0 TP and BUY rating.

Rating

++ Buy



Share price, EUR (Last trading day's closing price) **15.75**
Target price, EUR 19.0

Latest change in recommendation 04-Feb-25

Latest report on company 14-Feb-25

Research paid by issuer: YES

No. of shares outstanding, '000's 6 120

No. of shares fully diluted, '000's 6 120

Market cap, EURm 96

Free float, % –

Exchange rate –

Reuters code RAUTE.HE

Bloomberg code RAUTE:FH

Average daily volume, EURm 0.1

Next interim report 12-Aug-25

Web site www.raute.com/investors

Analyst Joonas Ilvonen

E-mail joonas.ilvonen@evli.com

Telephone +358 44 430 9071

++ 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	201.3	19.9	9.9%	-22.8	2.64	6.0	0.4	3.6	-23.6%	0.60
2026E	184.2	15.7	8.5%	10.0	2.17	7.2	0.3	4.1	10.4%	0.70
2027E	188.9	16.2	8.6%	11.6	2.17	7.3	0.3	3.5	12.1%	0.75
Market cap, EURm	96		Gearing 2025E, %		-41.2 %		CAGR EPS 2024–27, %		3.1 %	
Net debt 2025E, EURm	-26		Price/book 2025E		1.5		CAGR Sales 2024–27, %		-2.6 %	
Enterprise value, EURm	71		Dividend yield 2025E, %		3.8 %		ROE 2025E, %		28.8 %	
Total assets 2025E, EURm	141		Tax rate 2025E, %		20.8 %		ROCE 2025E, %		31.5 %	
Goodwill 2025E, EURm	2		Equity ratio 2025E, %		31.2 %		PEG, P/E 25/CAGR		-0.9	

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

Estimates and peer valuation

Raute EURm	2021	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e
Order intake	203	139	316	36	20	15	50	121	15	38	34	41	128
Europe	69	65	204	28	10	6	38	81	7	20	15	20	62
Russia	79	3	0	0	0	0	0	0	0	0	0	0	0
North America	37	51	48	4	7	6	5	22	6	10	12	13	41
Latin America	8	8	58	3	1	2	6	11	2	5	5	5	17
Asia-Pacific	10	11	5	2	2	1	2	7	1	3	2	3	9
Order book	158	84	266	259	223	186	184	184	146	130	116	110	110
Revenue	142	158	145	45	57	46	56	205	52	54	48	48	201
Wood Processing	97	108	92	32	42	32	41	147	38	39	32	33	142
Services	30	36	33	10	11	10	12	42	10	11	11	11	42
Analyzers	15	15	20	3	5	4	4	15	4	5	5	4	17
Europe	35	68	56	17	26	28	42	114	39	35	28	26	128
Russia	70	33	15	0	0	0	0	0	0	0	0	0	0
North America	20	38	44	11	14	12	9	46	10	12	10	13	45
Latin America	8	10	21	14	16	5	3	38	2	5	7	6	20
Asia-Pacific	10	9	9	1	1	1	3	6	2	2	3	3	10
Comparable EBITDA	3	-2	9	3	5	6	5	20	7	7	6	6	26
Wood Processing	-5	-10	0	1	3	4	3	11	6	4	3	3	16
Services	5	6	5	2	2	2	1	7	2	2	2	2	7
Analyzers	4	2	5	0	1	1	1	2	0	1	1	1	3
EBIT	-2	-15	2	1	4	5	3	14	6	5	4	4	20
<i>EBIT margin</i>	-1.6 %	-9.3 %	1.3 %	3 %	7 %	10 %	6 %	6.7 %	11 %	10 %	9 %	9 %	9.9 %

Source: Evli Research

RAUTE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		24	25	26	24	25	26	24	25	26
Biesse	187	3.5x	4.2x	2.7x	12.4x	27.9x	6.0x	2.2 %	1.0 %	3.9 %
Hiab	2710	11.6x	9.6x	9.1x	13.1x	11.4x	10.8x	15.1 %	14.5 %	14.6 %
Duerr	1464	5.3x	4.6x	4.0x	7.5x	6.6x	5.5x	5.5 %	6.0 %	6.8 %
Glaston	56	5.0x	4.3x	3.4x	7.7x	6.9x	5.8x	5.1 %	5.1 %	5.8 %
Kesla	14	13.7x	15.1x	7.6x		17.0x			3.5 %	
Konecranes	4689	8.0x	7.6x	7.1x	9.6x	9.5x	8.7x	12.4 %	12.3 %	13.0 %
Ponsse	758	7.8x	8.4x	7.7x	15.4x	14.0x	11.9x	4.9 %	7.1 %	7.9 %
Robit	29	7.2x	6.2x	5.0x	18.6x	12.1x	8.5x	2.8 %	4.5 %	6.0 %
Sandvik	23271	10.0x	10.2x	9.7x	15.6x	13.8x	12.8x	15.0 %	17.8 %	18.4 %
Valmet	4922	7.7x	8.3x	7.2x	10.4x	10.4x	9.6x	9.6 %	10.5 %	10.8 %
Wartsila	9796	11.2x	9.6x	9.0x	13.3x	11.4x	10.5x	10.9 %	11.1 %	11.4 %
Peer Group Average	4354	8.3x	8.0x	6.6x	12.4x	12.8x	9.0x	8.3 %	8.5 %	9.9 %
Peer Group Median	1464	7.8x	8.3x	7.2x	12.8x	11.4x	9.1x	7.5 %	7.1 %	9.4 %
Raute (Evli est.)	96	1.5x	2.8x	3.0x	2.1x	3.6x	4.1x	6.7 %	9.9 %	8.5 %

Raute prem./disc. to peer median

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	15.75 PV of Free Cash Flow	48 Long-term growth, %	2.0 % Risk-free interest rate, %	2.25 %
DCF share value	22.34 PV of Horizon value	36 WACC, %	9.2 % Market risk premium, %	5.8 %
Share price potential, %	41.8 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	2.8 %
Maximum value	23.3 Marketable securities	58 Minimum WACC, %	8.7 % Equity beta coefficient	1.25
Minimum value	21.4 Debt – dividend	–6 Maximum WACC, %	9.7 % Target debt ratio, %	20 %
Horizon value, %	42.9 % Value of stock	137 No. of shares, Mn	6.1 Effective tax rate, %	18 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	205	201	184	189	194	199	203	208	213	217	222	226
Sales growth (%)	40.7%	–1.6%	–8.5%	2.5%	2.9%	2.3%	2.3%	2.3%	2.3%	2.3%	2.0%	2.0%
Operating income (EBIT)	14	20	16	16	17	18	18	19	19	20	20	20
Operating income margin %	6.7%	9.9%	8.5%	8.6%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
+ Depreciation+amort.	5	6	6	6	6	7	7	5	4	4	3	
EBITDA	19	25	21	23	23	25	25	24	23	23	23	
– Paid taxes	0	–4	–3	–3	–3	–4	–4	–4	–4	–4	–4	
– Change in NWC	–6	–42	2	–1	–1	–1	–1	–1	–1	–1	–1	
NWC / Sales, %	–15.6%	4.9%	4.6%	5.0%	5.4%	5.8%	6.1%	6.4%	6.7%	7.0%	7.3%	
+ Change in other liabs	0											
– Operative CAPEX	–3	–3	–11	–7	–7	–7	–3	–3	–3	–3	–12	
opCAPEX / Sales, %	1.3%	1.4%	5.7%	3.7%	3.8%	3.7%	1.6%	1.6%	1.6%	1.6%	5.6%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	9	–23	9	12	11	13	17	16	15	15	6	85
= Discounted FCFF		–22	8	9	8	9	11	9	8	7	3	36
= DFCF min WACC		–22	8	9	8	9	11	9	8	7	3	41
= DFCF max WACC		–22	8	9	8	8	10	9	7	7	2	33

Sensitivity analysis, EUR

		Terminal WACC				
		7.17 %	8.17 %	9.17 %	10.17 %	11.17 %
Terminal EBIT–%	7.00 %	20.06	18.88	17.92	17.10	16.40
	8.00 %	23.73	21.69	20.13	18.88	17.85
	9.00 %	27.39	24.49	22.34	20.65	19.30
	10.00 %	31.05	27.30	24.54	22.43	20.75
	11.00 %	34.71	30.10	26.75	24.20	22.20

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	44.7	57.1	46.3	56.5	204.6	51.9	54.1	47.6	47.7	201.3	184.2	188.9
EBITDA	2.9	5.3	6.2	4.8	19.1	7.3	6.6	5.8	5.8	25.5	21.3	22.5
EBITDA margin (%)	6.4%	9.2%	13.4%	8.5%	9.4%	14.0%	12.2%	12.2%	12.2%	12.7%	11.6%	11.9%
EBIT	1.5	3.9	4.8	3.5	13.7	5.9	5.2	4.4	4.4	19.9	15.7	16.2
EBIT margin (%)	3.3%	6.9%	10.4%	6.2%	6.7%	11.3%	9.6%	9.2%	9.2%	9.9%	8.5%	8.6%
Net financial items	0.2	0.6	0.4	0.3	1.4	-0.1	0.2	0.2	0.2	0.5	0.8	
Pre-tax profit	1.6	4.6	5.2	3.8	15.1	5.8	5.4	4.6	4.6	20.4	16.5	16.2
Tax	-0.4	-1.1	-0.7	-0.8	-3.0	-1.5	-0.9	-0.9	-0.9	-4.2	-3.2	-2.9
Tax rate (%)	21.7%	25.1%	13.9%	21.5%	20.0%	26.8%	16.7%	19.6%	19.6%	20.8%	19.4%	18.0%
Net profit	1.3	3.4	4.5	3.0	12.1	4.2	4.5	3.7	3.7	16.1	13.3	13.3
EPS	0.21	0.56	0.73	0.48	1.98	0.69	0.74	0.60	0.60	2.64	2.17	2.17
EPS adj. (diluted)	0.21	0.56	0.73	0.48	1.98	0.69	0.74	0.60	0.60	2.64	2.17	2.17
Dividend per share					0.55					0.60	0.70	0.75
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Wood Processing	32.0	41.8	32.2	41.2	147.2	37.9	38.8	32.3	32.7	141.7	123.3	125.7
Services	9.8	10.8	9.9	11.6	42.1	10.3	10.6	10.7	10.8	42.4	43.2	44.5
Analyzers	2.9	4.5	4.2	3.7	15.3	3.7	4.7	4.6	4.2	17.2	17.7	18.6
Total	44.7	57.1	46.3	56.5	204.6	51.9	54.1	47.6	47.7	201.3	184.2	188.9
SALES GROWTH, Y/Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Wood Processing	31.2%	140.2%	49.8%	41.6%	59.3%	18.4%	-7.2%	0.3%	-20.6%	-3.7%	-13.0%	2.0%
Services	18.1%	66.1%	25.3%	12.6%	27.6%	5.1%	-1.9%	8.1%	-6.9%	0.7%	2.0%	3.0%
Analyzers	-29.3%	-18.2%	-8.7%	-36.2%	-23.5%	27.6%	4.4%	9.5%	13.5%	12.4%	3.0%	5.0%
Total	21.5%	94.2%	36.2%	25.0%	40.7%	16.1%	-5.3%	2.8%	-15.6%	-1.6%	-8.5%	2.5%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Total	1.5	3.9	4.8	3.5	13.7	5.9	5.2	4.4	4.4	19.9	15.7	16.2
Total	1.5	3.9	4.8	3.5	13.7	5.9	5.2	4.4	4.4	19.9	15.7	16.2
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	3.3%	6.9%	10.4%	6.2%	6.7%	11.3%	9.6%	9.2%	9.2%	9.9%	8.5%	8.6%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	115.0	142.2	158.3	145.4	204.6	201.3	184.2	188.9
<i>Sales growth (%)</i>	-24.0%	23.7%	11.3%	-8.2%	40.7%	-1.6%	-8.5%	2.5%
EBITDA	1.2	2.1	-9.6	6.8	19.1	25.5	21.3	22.5
<i>EBITDA margin (%)</i>	1.1%	1.5%	-6.1%	4.7%	9.4%	12.7%	11.6%	11.9%
Depreciation	-4.0	-4.3	-5.0	-4.9	-5.4	-5.6	-5.6	-6.3
EBITA	-2.8	-2.2	-14.6	1.9	13.7	19.9	15.7	16.2
Goodwill amortization / writedown								
EBIT	-2.8	-2.2	-14.6	1.9	13.7	19.9	15.7	16.2
<i>EBIT margin (%)</i>	-2.4%	-1.6%	-9.2%	1.3%	6.7%	9.9%	8.5%	8.6%
Reported EBIT	-2.8	-2.2	-14.6	1.9	13.7	19.9	15.7	16.2
<i>EBIT margin (reported) (%)</i>	-2.4%	-1.6%	-9.2%	1.3%	6.7%	9.9%	8.5%	8.6%
Net financials	0.3	0.5	0.8	-0.1	1.4	0.5	0.8	
Pre-tax profit	-2.5	-1.7	-13.8	1.8	15.1	20.4	16.5	16.2
Taxes	0.6		2.3	-0.4	-3.0	-4.2	-3.2	-2.9
Minority shares								
Net profit	-1.8	-1.7	-11.5	1.4	12.1	16.1	13.3	13.3
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	17	19	22	21	19	17	22	22
Goodwill	2	2	2	2	2	2	2	2
Right of use assets	6	10	7	6	6	6	5	5
Inventory	15	22	17	26	24	34	33	34
Receivables	34	32	32	26	25	48	44	45
Liquid funds	12	24	8	48	58	31	37	45
Total assets	86	111	92	135	136	141	147	157
Liabilities								
Shareholders' equity	40	34	23	38	50	62	72	81
Minority interest								
Convertibles								
Lease liabilities	4	8	6	7	6	6	5	5
Deferred taxes			0	0	0	0	0	0
Interest bearing debt	2	2	7					
Non-interest bearing current liabilities	23	39	34	63	50	42	39	40
Other interest-free debt	16	27	22	27	30	30	30	30
Total liabilities	86	111	92	135	136	141	147	157
CASH FLOW, EURm								
+ EBITDA	1	2	-10	7	19	25	21	23
- Net financial items	0	0	1	0	1	1	1	
- Taxes	-1	-1	-1	-1	-1	-4	-3	-3
- Increase in Net Working Capital	1	21	-5	30	-6	-42	2	-1
+/- Other								
= Cash flow from operations	2	23	-14	36	14	-20	20	19
- Capex	-3	-10	-4	-4	-3	-3	-10	-7
- Acquisitions								
+ Divestments								
= Free cash flow	-2	13	-18	32	11	-23	10	12
+/- New issues/buybacks	-1	-1	0	14	0			
- Paid dividend	3			1	3	4	4	5
+/- Other	-2	5	1	-6	-1	0	0	0
Change in cash	-11	13	-17	40	9	-26	6	7

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	84	35	60	80	96	96	96
Net debt (excl. convertibles)	-14	5	-41	-52	-26	-32	-39
Enterprise value	70	40	19	28	71	64	57
Sales	142	158	145	205	201	184	189
EBITDA	2	-10	7	19	25	21	23
EBIT	-2	-15	2	14	20	16	16
Pre-tax	-2	-14	2	15	20	17	16
Earnings	-2	-11	1	12	16	13	13
Equity book value (excl. minorities)	34	23	38	50	62	72	81

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.5	0.3	0.1	0.1	0.4	0.3	0.3
EV/EBITDA	33.3	-4.2	2.8	1.5	2.8	3.0	2.5
EV/EBITA	-32.0	-2.8	10.1	2.1	3.6	4.1	3.5
EV/EBIT	-32.0	-2.8	10.1	2.1	3.6	4.1	3.5
EV/OCF	3.0	-2.9	0.5	2.0	-3.5	3.1	3.1
EV/FCF	4.2	-1.9	0.6	3.0	-3.0	7.2	4.8
P/FCFR	6.5	-1.9	1.9	7.0	-4.2	9.6	8.3
P/E	-48.7	-3.1	44.7	6.6	6.0	7.2	7.3
P/BV	2.5	1.5	1.6	1.6	1.5	1.3	1.2
Target EV/EBITDA					3.6	4.0	3.4
Target EV/EBIT					4.6	5.4	4.7
Target EV/FCFF					-4.0	8.4	6.6
Target P/BV					1.9	1.6	1.4
Target P/E, diluted	-50.8	-3.8	35.2	7.2	7.2	8.7	8.8

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	4.25	4.25	6.12	6.12	6.12	6.12	6.12
Number of shares (diluted, million)	4.25	4.25	6.12	6.12	6.12	6.12	6.12
EPS	-0.41	-2.70	0.22	1.98	2.64	2.17	2.17
Operating cash flow per share	5.50	-3.30	5.86	2.31	-3.28	3.34	3.04
Free cash flow per share	3.04	-4.24	5.28	1.87	-3.72	1.63	1.90
Book value per share	8.02	5.39	6.27	8.12	10.21	11.78	13.25
Dividend per share			0.10	0.55	0.60	0.70	0.75
Dividend payout ratio, %			45.3%	27.8%	22.8%	32.2%	34.6%
Dividend yield, %			1.0%	3.5%	3.8%	4.4%	4.8%
FCF yield, %	15.4%	-51.4%	53.6%	14.2%	-23.6%	10.4%	12.1%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-4.6%	-40.3%	4.4%	27.5%	28.8%	19.8%	17.3%
ROCE	-4.8%	-36.3%	4.6%	27.4%	31.5%	21.6%	19.8%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	15.5%	10.6%	18.1%	11.5%	17.0%	18.0%	18.0%
Receivables as % of sales	22.3%	20.2%	17.8%	12.2%	24.0%	24.0%	24.0%
Non-int. bearing liabilities as % of sales	27.1%	21.4%	43.1%	24.4%	21.0%	21.0%	21.0%
NWC/sales, %	-8.3%	-4.6%	-25.9%	-15.6%	4.9%	4.6%	5.0%
Operative CAPEX/Sales, %	7.4%	2.5%	2.4%	1.3%	1.4%	5.7%	3.7%
CAPEX/sales (incl. acquisitions), %	7.4%	2.5%	2.4%	1.3%	1.4%	5.7%	3.7%
FCFF/EBITDA	7.9	2.2	4.7	0.5	-0.9	0.4	0.5
Net Debt/EBITDA, book-weighted	-6.5	-0.6	-6.1	-2.7	-1.0	-1.5	-1.8
Debt/equity, market-weighted	0.0	0.2					
Equity ratio, book-weighted	0.3	0.4	0.5	0.6	0.8	0.8	0.8
Gearing, %	-40.5%	23.6%	-108.1%	-104.4%	-41.2%	-44.5%	-48.6%

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	756 250	11.911	12.4 %
Laakkonen Mikko Kalervo	172 225	2.713	2.8 %
eQ Finland Investment Fund	134 368	2.116	2.2 %
Mandatum Life Insurance Company Ltd.	132 574	2.088	2.2 %
Stephen Industries Inc Oy	129 687	2.043	2.1 %
Suominen Pekka Matias	117 329	1.848	1.9 %
Siivonen Osku Pekka	106 901	1.684	1.7 %
eQ Nordic Small Cap Mutual Fund	106 000	1.669	1.7 %
Kirmo Kaisa Marketta	105 421	1.660	1.7 %
Mustakallio Mika Tapani	103 678	1.633	1.7 %
Ten largest	1 864 433	29.365	30.5 %
Residual	4 255 567	67.025	69.5 %
Total	6 120 000	96.390	100%

EARNINGS CALENDAR

August 12, 2025	Q2 report
October 30, 2025	Q3 report

OTHER EVENTS
COMPANY MISCELLANEOUS

CEO: Mika Saariaho	Rautatie 2, FI-15550 Nastola
CFO: Ville Halttunen	Tel: +358 3 82911
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 $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	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 rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

Important Disclosures

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. The valuation assumptions used are sensitive to changes and can significantly affect fair values. A change of a single percentage point in any used assumption could affect fair values by more than +/-20%. Recommendations and changes by analysts are available at [Analysts' recommendations and ratings revisions](#).

Investment recommendations are defined as follows:

Target price compared to share price

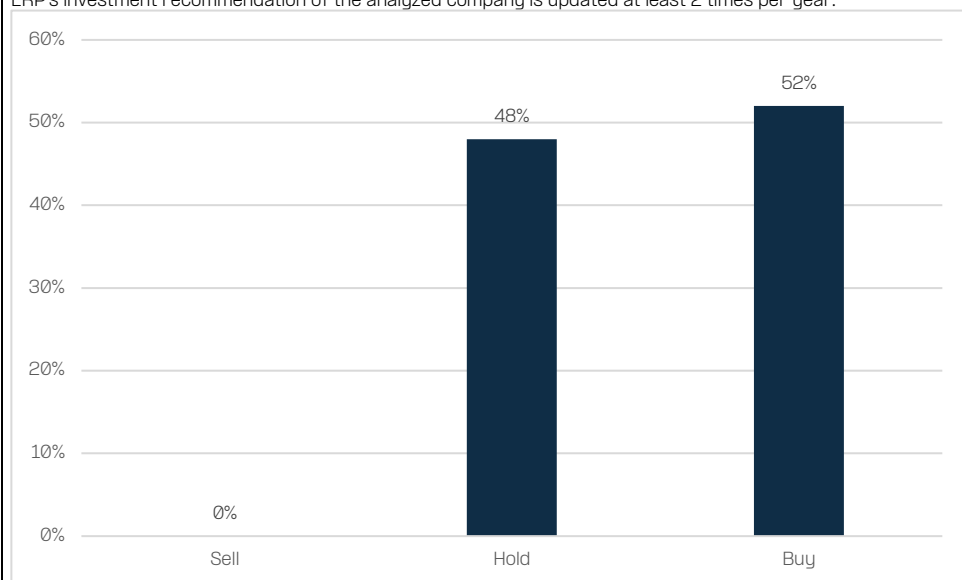
< -10 %
 -10 - 0 %
 0 - (+10) %
 > 10 %

Recommendation

SELL
 RECODE
 ACCUMULATE
 BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage on the 23rd of October, 2024. If recommendation is not given, it is not mentioned here. As ERP is currently updating its ratings methodology, the graph will be updated in due time to reflect the changes.

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

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Plc. Production of the investment recommendation has been concluded on [8.5.2025, 8:35]. This report has been published on [8.5.2025, 9:00].

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

According to ERP's best knowledge, the issuer(s) of the securities does/(do) not hold in excess of 5% of the total issued share capital of the issuer(s).

Neither ERP nor any company within the Evli Group have managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making or liquidity providing services.

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied directly or indirectly to investment banking transactions or other services performed by Evli Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers FactSet and Bloomberg, stock–exchange releases from the companies and other company news, and publicly available online sources. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Plc is not registered as a broker–dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli Bank is not a member of the Financial Industry Regulatory Authority ("FINRA"). It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered in U.S. by Auerbach Grayson & Company, LLC (Auerbach Grayson) to Major U.S. Institutional Investors and is not available to, and should not be used by, any U.S. person or entity that is not a Major U.S. Institutional Investor. Auerbach Grayson is a broker–dealer registered with the U.S. Securities and Exchange Commission and is a member of the FINRA. U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Auerbach Grayson. The securities of non–U.S. issuers may not be registered with or subject to SEC reporting and other requirements.

ERP is not a supervised entity but its parent company Evli Plc is supervised by the Finnish Financial Supervision Authority.

Contact information**SALES, TRADING AND RESEARCH****Equity Sales & Trading**

Joachim Dannberg (head)	+358 9 4766 9123
Aleksi Jalava	+358 9 4766 9123
Pasi Väisänen	+358 9 4766 9123

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
----------------	------------------

Equity Research

Jerker Salokivi (head)	+358 9 4766 9149
Joonas Ilvonen	+358 44 430 9071
Atte Jortikka	+358 40 054 3725
Atte Pitkälampi	+358 44 047 6597

EVLI

EVLI PLC

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

EVLI PLC.**STOCKHOLMSFILIAL**

Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000