

## Orders about to improve

**Raute reports Q4 results on Feb 12. Wood Processing has already demonstrated very high margins so that for now focus remains on order intake, which should be improving.**

**We expect Q4 adj. EBITDA to have gained slightly to EUR 5.5m** Wood Processing margins beat estimates throughout last year; we estimate its Q4'25 EBITDA margin at 12%, compared to the 14.5% seen over the first nine months of the year. We expect the margin to have already softened as the segment's Q4 revenue might have been lower than during the previous quarters even though still relatively high. Services lacked demand for customer upgrade investments in Q3, which reflects the general environment Raute has seen recently where smaller equipment orders have been low. Q3 however already showed some encouraging signs of higher order intake; in our view both Services and Analyzers should see some earnings gains in FY'26, while the amount of new Wood Processing orders is still the biggest question mark for now. We expect Q4 order intake to have been EUR 40m, in other words slightly better q/q but down EUR 10m y/y from the relatively high comparison figure.

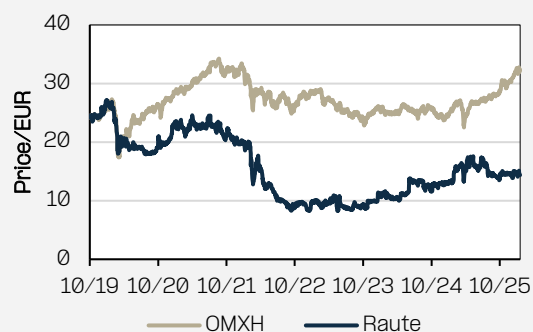
### We estimate Raute FY'26 revenue to decline by some 13%

We estimate Raute to have reached EUR 25.9m comparable EBITDA in FY'25 and expect the figure to decline by more than EUR 6m in FY'26; we estimate Services and Analyzers to remain roughly flat so that the decline is attributable to Wood Processing, for which we estimate EBITDA margin to decrease by some 300bps to 11%. This headwind is mainly due to the fact that Wood Processing FY'26 revenue is set to decline by a significant amount, perhaps about 20% y/y unless order intake soon starts to show bigger improvement. We believe Europe could contribute more equipment orders, smaller as well as larger projects, soon as many orders have already been postponed for a while and outlook is now gradually improving.

### Higher order intake could be a strong upside driver

Order intake remains the most important metric probably at least over the next couple of quarters because even if Q4 shows more encouraging signs the figure needs to continue to improve as Raute's order book is currently only around EUR 100m. European construction activity should have already seen its nadir; this may not be enough to help Raute sustain earnings growth in FY'26, but the corresponding multiple is only about 4.5x EV/EBIT. We retain our EUR 17.0 TP and BUY rating.

## Rating

**++ Buy**


<b>Share price, EUR</b> (Last trading day's closing price)	<b>14.35</b>
Target price, EUR	17.0
Latest change in recommendation	04-Feb-25
Latest report on company	31-Oct-25
Research paid by issuer:	YES
No. of shares outstanding, '000's	6 040
No. of shares fully diluted, '000's	6 040
Market cap, EURm	87
Free float, %	—
Exchange rate	—
Reuters code	RAUTE.HE
Bloomberg code	RAUTE:FH
Average daily volume, EURm	0.1
Next interim report	12-Feb-26
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**++ 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	183.5	16.9	9.2%	-22.3	2.10	6.8	0.3	3.6	-25.7%	0.60
2026E	159.9	13.8	8.6%	3.2	1.89	7.6	0.4	4.4	3.7%	0.70
2027E	167.1	15.2	9.1%	9.5	2.06	7.0	0.3	3.7	10.9%	0.75
Market cap, EURm	87		Gearing 2025E, %		-44.6 %		CAGR EPS 2024-27, %		1.4 %	
Net debt 2025E, EURm	-26		Price/book 2025E		1.5		CAGR Sales 2024-27, %		-6.5 %	
Enterprise value, EURm	60		Dividend yield 2025E, %		4.2 %		ROE 2025E, %		23.3 %	
Total assets 2025E, EURm	134		Tax rate 2025E, %		27.1 %		ROCE 2025E, %		27.6 %	
Goodwill 2025E, EURm	2		Equity ratio 2025E, %		30.7 %		PEG, P/E 25/CAGR		-2.7	

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	Q2'25	Q3'25	Q4'25e	2025e
<b>Order intake</b>	<b>203</b>	<b>139</b>	<b>316</b>	<b>36</b>	<b>20</b>	<b>15</b>	<b>50</b>	<b>121</b>	<b>15</b>	<b>12</b>	<b>38</b>	<b>40</b>	<b>105</b>
Europe	69	65	204	28	10	6	38	81	7	5	21	20	53
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	4	14	12	36
Latin America	8	8	58	3	1	2	6	11	2	2	2	5	11
Asia-Pacific	10	11	5	2	2	1	2	7	1	1	1	3	5
<b>Order book</b>	<b>158</b>	<b>84</b>	<b>266</b>	<b>259</b>	<b>223</b>	<b>188</b>	<b>184</b>	<b>184</b>	<b>146</b>	<b>115</b>	<b>108</b>	<b>104</b>	<b>104</b>
<b>Revenue</b>	<b>142</b>	<b>158</b>	<b>145</b>	<b>45</b>	<b>57</b>	<b>46</b>	<b>56</b>	<b>205</b>	<b>52</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>184</b>
Wood Processing	97	108	92	32	42	32	41	147	38	30	32	30	130
Services	30	36	33	10	11	10	12	42	10	10	9	10	39
Analyzers	15	15	20	3	5	4	4	15	4	4	4	4	15
Europe	35	68	56	17	26	28	42	114	39	33	32	31	134
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	7	6	7	29
Latin America	8	10	21	14	16	5	3	38	2	3	4	4	12
Asia-Pacific	10	9	9	1	1	1	3	6	2	1	2	2	8
<b>Comparable EBITDA</b>	<b>3</b>	<b>-2</b>	<b>9</b>	<b>3</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>20</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>26</b>
Wood Processing	-5	-10	0	1	3	4	3	11	6	4	5	4	18
Services	5	6	5	2	2	2	1	7	2	2	1	1	6
Analyzers	4	2	5	0	1	1	1	2	0	0	1	1	2
<b>EBIT</b>	<b>-2</b>	<b>-15</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>14</b>	<b>6</b>	<b>2</b>	<b>5</b>	<b>4</b>	<b>17</b>
<i>EBIT margin</i>	-1.6 %	-9.3 %	1.3 %	3 %	7 %	10 %	6 %	6.7 %	11 %	4 %	12 %	9 %	9.2 %

Source: Evli Research

RAUTE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		25	26	27	25	26	27	25	26	27
Biesse	168	5.4x	4.2x	3.4x		29.8x	12.5x		47.8x	20.5x
Duerr	1578	6.8x	6.2x	5.5x	12.3x	9.2x	8.0x	11.5x	9.9x	8.3x
Glaston	50	4.7x	4.6x	3.9x	10.3x	9.9x	7.2x	7.5x	10.9x	7.2x
Kesla	10		22.1x	7.1x			13.3x			11.9x
Konecranes	8048	10.8x	11.1x	10.3x	13.1x	13.3x	12.2x	19.8x	18.2x	16.5x
Ponsse	722	9.9x	8.7x	7.9x	18.2x	14.5x	12.1x	22.7x	19.1x	15.9x
Robit	28	7.0x	5.9x	4.9x	21.2x	11.3x	8.3x	148.2x	15.0x	9.0x
Sandvik	42734	14.4x	15.4x	14.1x	19.7x	20.1x	18.1x	30.8x	25.4x	22.6x
Valmet	5383	8.6x	8.0x	7.4x	11.7x	10.4x	9.5x	14.0x	12.1x	10.9x
Wartsila	20407	16.6x	17.8x	16.0x	20.0x	20.7x	18.4x	33.5x	30.6x	27.1x
Peer Group Average	7913	9.3x	10.4x	8.0x	15.8x	15.5x	12.0x	36.0x	21.0x	15.0x
Peer Group Median	1150	8.6x	8.4x	7.3x	15.7x	13.3x	12.2x	21.3x	18.2x	13.9x
Raute (Evli est.)	87	2.6x	3.1x	2.7x	3.6x	4.4x	3.7x	6.8x	7.6x	7.0x

Raute prem./disc. to peer median

-70 % -62 % -63 %

-77 % -67 % -70 %

-68 % -58 % -50 %

RAUTE PEER GROUP	Sales 24	Sales gr.			EBIT-%			Div. yield		
		25	26	27	25	26	27	25	26	27
Biesse	822	-18.3%	3.1%	7.2%	-0.1%	0.9%	2.1%	0.3%	0.5%	0.6%
Duerr	4314	-1.1%	1.2%	4.2%	4.4%	5.9%	6.4%	3.7%	3.9%	4.8%
Glaston	213	-2.1%	-8.1%	8.2%	3.5%	4.1%	5.2%	4.7%	5.5%	7.2%
Kesla	46	-22.6%	11.3%	15.9%	-9.2%	-1.4%	3.5%			
Konecranes	3365	25.0%	6.0%	4.9%	13.4%	13.5%	14.1%	1.8%	2.0%	2.1%
Ponsse	755	-4.7%	3.1%	6.6%	5.8%	7.0%	7.9%	2.5%	2.8%	3.1%
Robit	112	-28.2%	6.5%	6.5%	2.4%	4.7%	6.0%			
Sandvik	10062	13.5%	7.2%	7.2%	17.4%	18.8%	19.4%	1.7%	1.8%	2.0%
Valmet	5074	3.6%	7.3%	4.7%	10.0%	10.7%	11.3%	4.7%	5.0%	5.4%
Wartsila	5842	19.0%	3.6%	9.1%	11.9%	12.7%	13.2%	1.5%	1.7%	1.9%
Peer Group Average	3061	-1.6%	4.1%	7.4%	5.9%	7.7%	8.9%	2.6%	2.9%	3.4%
Peer Group Median	2094	-1.6%	4.8%	6.9%	5.1%	6.4%	7.1%	2.2%	2.4%	2.6%
Raute (Evli est.)	205	-10.3%	-12.8%	4.5%	9.2%	8.6%	9.1%	4.2%	4.9%	5.2%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	14.35 PV of Free Cash Flow	36 Long-term growth, %	2.0 % Risk-free interest rate, %	2.25 %
DCF share value	20.66 PV of Horizon value	37 WACC, %	9.2 % Market risk premium, %	5.8 %
Share price potential, %	44.0 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	2.8 %
Maximum value	21.6 Marketable securities	58 Minimum WACC, %	8.7 % Equity beta coefficient	1.25
Minimum value	19.8 Debt – dividend	–6 Maximum WACC, %	9.7 % Target debt ratio, %	20 %
Horizon value, %	51.0 % Value of stock	125 No. of shares, Mn	6.0 Effective tax rate, %	18 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	205	184	160	167	173	176	180	184	189	193	197	201
Sales growth (%)	40.7%	10.3%	–12.9%	4.5%	3.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.0%	2.0%
Operating income (EBIT)	14	17	14	15	15	16	16	17	17	17	18	18
Operating income margin %	6.7%	9.2%	8.6%	9.1%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
+ Depreciation+amort.	5	7	6	5	6	6	6	5	4	3	3	
EBITDA	19	23	19	21	20	22	22	21	21	21	21	
– Paid taxes	0	–5	–3	–3	–3	–3	–3	–3	–3	–3	–4	
– Change in NWC	–6	–40	–5	–2	–1	–1	–1	–1	–1	–1	–1	
NWC / Sales, %	–15.6%	4.5%	8.1%	8.9%	9.4%	9.8%	10.2%	10.6%	10.9%	11.3%	11.6%	
+ Change in other liabs	0											
– Operative CAPEX	–3	–2	–10	–6	–6	–6	–3	–3	–3	–3	–11	
opCAPEX / Sales, %	1.3%	0.8%	5.8%	3.9%	3.8%	3.7%	1.8%	1.8%	1.8%	1.7%	5.5%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFE	9	–23	2	10	10	11	15	14	13	13	6	81
= Discounted FCFE		–23	2	8	7	8	10	8	7	6	3	37
= DFCF min WACC		–23	2	8	8	8	10	8	7	7	3	42
= DFCF max WACC		–23	2	8	7	8	9	8	7	6	3	33

### Sensitivity analysis, EUR

		Terminal WACC				
		7.17 %	8.17 %	9.17 %	10.17 %	11.17 %
Terminal EBIT–%	7.00 %	18.58	17.38	16.42	15.63	14.95
	8.00 %	22.04	20.05	18.54	17.35	16.36
	9.00 %	25.51	22.73	20.66	19.06	17.77
	10.00 %	28.98	25.40	22.78	20.78	19.18
	11.00 %	32.45	28.08	24.91	22.49	20.60

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Net sales	44.7	57.1	46.3	56.5	204.6	51.9	43.8	43.6	44.2	183.5	159.9	167.1
EBITDA	2.9	5.3	6.2	4.8	19.1	7.3	4.5	6.3	5.4	23.4	19.4	20.7
EBITDA margin (%)	6.4%	9.2%	13.4%	8.5%	9.4%	14.0%	10.2%	14.4%	12.2%	12.8%	12.1%	12.4%
EBIT	1.5	3.9	4.8	3.5	13.7	5.9	1.9	5.1	4.0	16.9	13.8	15.2
EBIT margin (%)	3.3%	6.9%	10.4%	6.2%	6.7%	11.3%	4.4%	11.7%	9.0%	9.2%	8.6%	9.1%
Net financial items	0.2	0.6	0.4	0.3	1.4	-0.1	0.4	0.0	0.2	0.5	0.8	
Pre-tax profit	1.6	4.6	5.2	3.8	15.1	5.8	2.3	5.1	4.2	17.4	14.6	15.2
Tax	-0.4	-1.1	-0.7	-0.8	-3.0	-1.5	-1.1	-1.2	-0.9	-4.7	-3.2	-2.7
Tax rate (%)	21.7%	25.1%	13.9%	21.5%	20.0%	26.8%	47.9%	22.9%	21.4%	27.1%	21.9%	18.0%
Net profit	1.3	3.4	4.5	3.0	12.1	4.2	1.2	3.9	3.3	12.7	11.4	12.5
EPS	0.21	0.56	0.73	0.48	1.98	0.70	0.20	0.65	0.55	2.10	1.89	2.06
EPS adj. (diluted)	0.21	0.56	0.73	0.48	1.98	0.70	0.20	0.65	0.55	2.10	1.89	2.06
Dividend per share					0.55					0.60	0.70	0.75
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Wood Processing	32.0	41.8	32.2	41.2	147.2	37.9	30.4	31.6	30.2	130.1	105.4	110.7
Services	9.8	10.8	9.9	11.6	42.1	10.3	9.9	8.5	10.2	38.9	39.7	40.9
Analyzers	2.9	4.5	4.2	3.7	15.3	3.7	3.5	3.5	3.8	14.5	14.9	15.6
Total	44.7	57.1	46.3	56.5	204.6	51.9	43.8	43.6	44.2	183.5	159.9	167.1
SALES GROWTH, Y/Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Wood Processing	31.2%	140.2%	49.8%	41.6%	59.3%	18.4%	-27.3%	-1.9%	-26.7%	-11.6%	-19.0%	5.0%
Services	18.1%	66.1%	25.3%	12.6%	27.6%	5.1%	-8.3%	-14.1%	-12.1%	-7.6%	2.0%	3.0%
Analyzers	-29.3%	-18.2%	-8.7%	-36.2%	-23.5%	27.6%	-22.2%	-16.7%	2.7%	-5.2%	2.5%	5.0%
Total	21.5%	94.2%	36.2%	25.0%	40.7%	16.1%	-23.3%	-5.8%	-21.8%	-10.3%	-12.9%	4.5%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Total	1.5	3.9	4.8	3.5	13.7	5.9	1.9	5.1	4.0	16.9	13.8	15.2
Total	1.5	3.9	4.8	3.5	13.7	5.9	1.9	5.1	4.0	16.9	13.8	15.2
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	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%	4.4%	11.7%	9.0%	9.2%	8.6%	9.1%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	115.0	142.2	158.3	145.4	204.6	183.5	159.9	167.1
<i>Sales growth (%)</i>	-24.0%	23.7%	11.3%	-8.2%	40.7%	-10.3%	-12.9%	4.5%
EBITDA	1.2	2.1	-9.6	6.8	19.1	23.4	19.4	20.7
<i>EBITDA margin (%)</i>	1.1%	1.5%	-6.1%	4.7%	9.4%	12.8%	12.1%	12.4%
Depreciation	-4.0	-4.3	-5.0	-4.9	-5.4	-6.5	-5.6	-5.5
EBITA	-2.8	-2.2	-14.6	1.9	13.7	16.9	13.8	15.2
Goodwill amortization / writedown								
EBIT	-2.8	-2.2	-14.6	1.9	13.7	16.9	13.8	15.2
<i>EBIT margin (%)</i>	-2.4%	-1.6%	-9.2%	1.3%	6.7%	9.2%	8.6%	9.1%
Reported EBIT	-2.8	-2.2	-14.6	1.9	13.7	16.9	13.8	15.2
<i>EBIT margin (reported) (%)</i>	-2.4%	-1.6%	-9.2%	1.3%	6.7%	9.2%	8.6%	9.1%
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	17.4	14.6	15.2
Taxes	0.6		2.3	-0.4	-3.0	-4.7	-3.2	-2.7
Minority shares								
Net profit	-1.8	-1.7	-11.5	1.4	12.1	12.7	11.4	12.5
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	17	19	22	21	19	15	19	20
Goodwill	2	2	2	2	2	2	2	2
Right of use assets	6	10	7	6	6	5	5	5
Inventory	15	22	17	26	24	31	37	38
Receivables	34	32	32	26	25	46	40	42
Liquid funds	12	24	8	48	58	31	30	36
Total assets	86	111	92	135	136	134	136	146
Liabilities								
Shareholders' equity	40	34	23	38	50	59	67	75
Minority interest								
Convertibles								
Lease liabilities	4	8	6	7	6	5	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	39	34	35
Other interest-free debt	16	27	22	27	30	30	30	30
Total liabilities	86	111	92	135	136	134	136	146
CASH FLOW, EURm								
+ EBITDA	1	2	-10	7	19	23	19	21
- Net financial items	0	0	1	0	1	0	1	
- Taxes	-1	-1	-1	-1	-1	-5	-3	-3
- Increase in Net Working Capital	1	21	-5	30	-6	-40	-5	-2
+/- Other								
= Cash flow from operations	2	23	-14	36	14	-21	12	16
- Capex	-3	-10	-4	-4	-3	-1	-9	-7
- Acquisitions								
+ Divestments								
= Free cash flow	-2	13	-18	32	11	-22	3	9
+/- New issues/buybacks	-1	-1	0	14	0			
- Paid dividend	3			1	3	4	4	5
+/- Other	-2	5	1	-6	-1	0	-1	0
Change in cash	-11	13	-17	40	9	-26	-1	5

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	84	35	60	80	87	87	87
Net debt (excl. convertibles)	-14	5	-41	-52	-26	-26	-31
Enterprise value	70	40	19	28	60	61	56
Sales	142	158	145	205	184	160	167
EBITDA	2	-10	7	19	23	19	21
EBIT	-2	-15	2	14	17	14	15
Pre-tax	-2	-14	2	15	17	15	15
Earnings	-2	-11	1	12	13	11	12
Equity book value (excl. minorities)	34	23	38	50	59	67	75

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.5	0.3	0.1	0.1	0.3	0.4	0.3
EV/EBITDA	33.3	-4.2	2.8	1.5	2.6	3.1	2.7
EV/EBITA	-32.0	-2.8	10.1	2.1	3.6	4.4	3.7
EV/EBIT	-32.0	-2.8	10.1	2.1	3.6	4.4	3.7
EV/OCF	3.0	-2.9	0.5	2.0	-2.9	4.9	3.5
EV/FCF	4.2	-1.9	0.6	3.0	-2.6	32.5	5.8
P/FCFR	6.5	-1.9	1.9	7.0	-3.9	27.4	9.2
P/E	-48.7	-3.1	44.7	6.6	6.8	7.6	7.0
P/BV	2.5	1.5	1.6	1.6	1.5	1.3	1.2
Target EV/EBITDA					3.3	4.0	3.5
Target EV/EBIT					4.5	5.6	4.7
Target EV/FCFF					-3.4	24.3	7.6
Target P/BV					1.7	1.5	1.4
Target P/E, diluted	-50.8	-3.8	35.2	7.2	8.1	9.0	8.2

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	4.25	4.25	6.12	6.12	6.04	6.04	6.04
Number of shares (diluted, million)	4.25	4.25	6.12	6.12	6.04	6.04	6.04
EPS	-0.41	-2.70	0.22	1.98	2.10	1.89	2.06
Operating cash flow per share	5.50	-3.30	5.86	2.31	-3.46	2.05	2.65
Free cash flow per share	3.04	-4.24	5.28	1.87	-3.68	0.52	1.57
Book value per share	8.02	5.39	6.27	8.12	9.77	11.05	12.42
Dividend per share			0.10	0.55	0.60	0.70	0.75
Dividend payout ratio, %			45.3%	27.8%	28.6%	37.1%	36.3%
Dividend yield, %			1.0%	3.8%	4.2%	4.9%	5.2%
FCF yield, %	15.4%	-51.4%	53.6%	14.2%	-25.7%	3.7%	10.9%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-4.6%	-40.3%	4.4%	27.5%	23.3%	18.1%	17.6%
ROCE	-4.8%	-36.3%	4.6%	27.4%	27.6%	20.4%	20.1%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	15.5%	10.6%	18.1%	11.5%	17.0%	23.0%	23.0%
Receivables as % of sales	22.3%	20.2%	17.8%	12.2%	25.0%	25.0%	25.0%
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%	4.5%	8.1%	8.9%
Operative CAPEX/Sales, %	7.4%	2.5%	2.4%	1.3%	0.8%	5.8%	3.9%
CAPEX/sales (incl. acquisitions), %	7.4%	2.5%	2.4%	1.3%	0.8%	5.8%	3.9%
FCFF/EBITDA	7.9	2.2	4.7	0.5	-1.0	0.1	0.5
Net Debt/EBITDA, book-weighted	-6.5	-0.6	-6.1	-2.7	-1.1	-1.3	-1.5
Debt/equity, market-weighted	0.0	0.2					
Equity ratio, book-weighted	0.3	0.4	0.5	0.6	0.8	0.9	0.9
Gearing, %	-40.5%	23.6%	-108.1%	-104.4%	-44.6%	-38.7%	-41.4%

**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	10.852	12.5 %
Laakkonen Mikko Kalervo	172 225	2.471	2.9 %
eQ Finland Investment Fund	134 368	1.928	2.2 %
Mandatum Life Insurance Company Ltd.	132 574	1.902	2.2 %
Stephen Industries Inc Oy	129 687	1.861	2.1 %
Suominen Pekka Matias	117 329	1.684	1.9 %
Siivonen Osku Pekka	106 901	1.534	1.8 %
eQ Nordic Small Cap Mutual Fund	106 000	1.521	1.8 %
Kirmo Kaisa Marketta	105 421	1.513	1.7 %
Mustakallio Mika Tapani	103 678	1.488	1.7 %
Ten largest	1 864 433	26.755	30.9 %
Residual	4 175 567	59.919	69.1 %
Total	6 040 000	86.674	100%

#### EARNINGS CALENDAR

February 12, 2026	FY 2025 Results
May 07, 2026	Q1 report
August 12, 2026	Q2 report
October 30, 2026	Q3 report

#### OTHER EVENTS

#### COMPANY MISCELLANEOUS

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CFO: Ville Halttunen	Tel: +358 3 82911
IR:	

**DEFINITIONS**

<b>P/E</b>  $\frac{\text{Price per share}}{\text{Earnings per share}}$	<b>EPS</b>  $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
<b>P/BV</b>  $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	<b>DPS</b>  Dividend for the financial period per share
<b>Market cap</b>  Price per share * Number of shares	<b>OCF (Operating cash flow)</b>  EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
<b>EV (Enterprise value)</b>  Market cap + net debt + minority interest at market value – share of associated companies at market value	<b>FCF (Free cash flow)</b>  Operating cash flow – Operative CAPEX – acquisitions + divestments
<b>EV/Sales</b>  $\frac{\text{Enterprise value}}{\text{Sales}}$	<b>FCF yield, %</b>  $\frac{\text{Free cash flow}}{\text{Market cap}}$
<b>EV/EBITDA</b>  $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	<b>Operative CAPEX / Sales</b>  $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
<b>EV/EBIT</b>  $\frac{\text{Enterprise value}}{\text{Operating profit}}$	<b>Net working capital</b>  Current assets – current liabilities
<b>Net debt</b>  Interest bearing debt – financial assets	<b>Capital employed / Share</b>  $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
<b>Total assets</b>  Balance sheet total	<b>Gearing</b>  $\frac{\text{Net debt}}{\text{Equity}}$
<b>Div yield, %</b>  $\frac{\text{Dividend per share}}{\text{Price per share}}$	<b>Debt/Equity, %</b>  $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
<b>Payout ratio, %</b>  $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	<b>Equity ratio, %</b>  $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
<b>ROCE, %</b>  $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	<b>CAGR, %</b>  Cumulative annual growth rate = Average growth rate per year
<b>ROE, %</b>  $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	



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Target price compared to share price

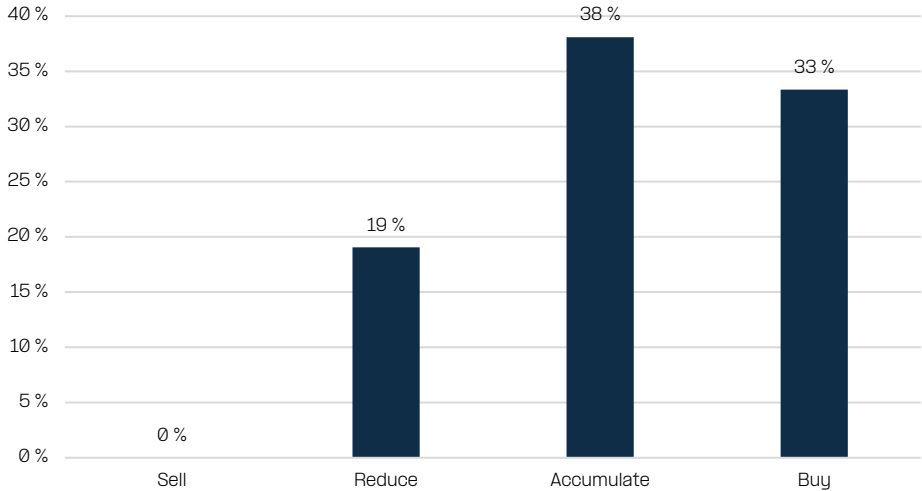
< -10 %  
-10 - 0 %  
0 - (+10) %  
> 10 %

Recommendation

SELL  
RECUDE  
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.

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

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