

Strong margins, orders still low

Raute achieved an EBITDA margin of 15.8% in Q4'25, which it may not be able to produce again in the short-term as its revenue looks set to decline at least some more in FY'26. The EUR 5.7m comparable EBITDA topped our estimate despite revenue being significantly lower than we estimated, however the EUR 25m order intake was softer than we expected. Raute's FY'26 revenue and comparable EBITDA are to decline, as expected, although the decline could still be steeper than we previously estimated.

- Raute Q4 revenue decreased by 35.9% y/y to EUR 36.2m vs our EUR 44.2m estimate. Wood Processing came in at EUR 24.4m, compared to our EUR 30.2m estimate, and Services was EUR 9.6m vs our EUR 10.2m estimate. Analyzers amounted to EUR 2.3m vs our EUR 3.8m estimate.
- Raute comparable EBITDA was EUR 5.7m, compared to our EUR 5.5m estimate, while EBIT landed at EUR 4.4m vs our EUR 4.0m estimate. Wood Processing EBITDA was EUR 4.0m vs our EUR 3.7m estimate, whereas Services was EUR 2.0m vs our EUR 1.3m estimate. Analyzers posted EUR -0.2m, compared to our EUR 0.5m estimate. The strong margin of Wood Processing was partly due to the reversal of certain project-related cost provisions at the end of the year following stringent project cost management, while Services profitability benefited from somewhat lower operational costs.
- Q4 order intake amounted to EUR 25m vs our EUR 40m estimate. Order intake included after-sales services, modernizations, upgrades and individual value-adding machinery and analyzers.
- Order book was EUR 98m at the end of Q4 (EUR 184m a year ago).
- The BoD proposes a dividend per share of EUR 0.65 to be distributed for FY'25, compared to our EUR 0.60 estimate.
- Raute guides FY'26 revenue to be in the range of EUR 135–170m and comparable EBITDA to be between EUR 10–19m.

Rating ++ Buy

Q4'25	Actual	Evli	Year ago	Q3'25
Revenue	36.2	44.2	56.5	43.7
Wood Processing	24.4	30.2	41.1	31.6
Services	9.6	10.2	11.6	8.5
Analyzers	2.3	3.8	3.7	3.5
Comparable EBITDA	5.7	5.5	5.1	6.5
EBIT	4.4	4.0	3.5	5.1

Share price, EUR (Last trading day's closing price) **14.45**
Target price, EUR 17.0

Latest change in recommendation 04-Feb-25

Latest report on company 04-Feb-26

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	6.9	0.3	3.6	-25.5%	0.60
2026E	159.9	13.8	8.6%	3.2	1.89	7.7	0.4	4.5	3.6%	0.70
2027E	167.1	15.2	9.1%	9.5	2.06	7.0	0.3	3.7	10.8%	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	61		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		-2.8	

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

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Target price compared to share price

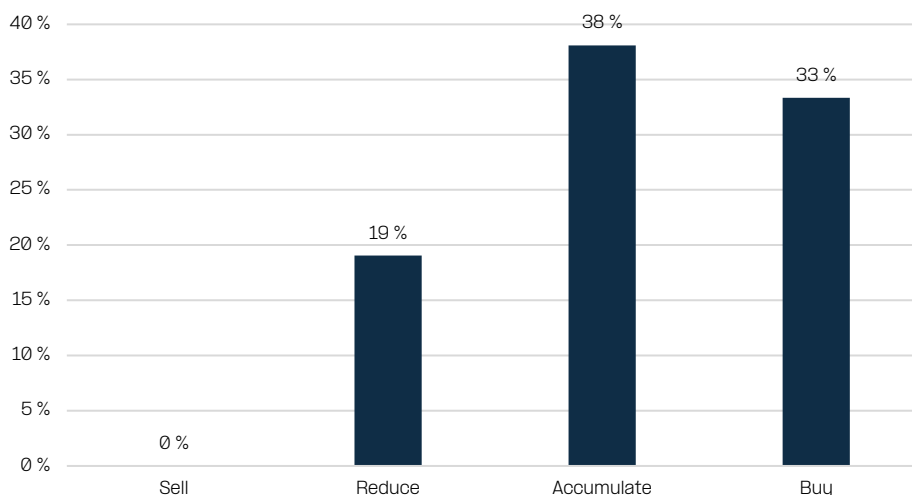
< -10 %
 -10 – 0 %
 0 – (+10) %
 > 10 %

Recommendation

SELL
 REDUCE
 ACCUMULATE
 BUY

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