

## Only missing some new orders

Raute's margins were again higher than we estimated, however orders were still soft relative to our expectations.

### Strong margins but order intake remained on the low side

Raute's EUR 36m Q4 revenue was lower than our EUR 44m estimate mostly due to Wood Processing, yet the segment's record-high 16% EBITDA margin drove Raute's EUR 5.7m comparable EBITDA a bit above our EUR 5.5m estimate. Wood Processing is unlikely to repeat such a margin performance at least for a while as there were exceptional items due to the reversal of cost provisions. Meanwhile Services EBITDA was also higher than we estimated, but Analyzers was clearly softer. The EUR 25m order intake remained on the soft side as Raute's customers in Europe and North America are still mostly waiting to make their investment decisions. From this perspective LVL and birch plywood have strong outlooks, while softwood plywood is having more challenges.

### We make some downward revisions to our estimates

Raute should still be as competitive in smaller equipment orders as it is in larger mill-scale projects, but the prolonged spell of low equipment orders might be one reason why the FY'26 comparable EBITDA guidance has a lower end of EUR 10m as pricing may need some dynamism. We consequently lower our FY'26 comparable EBITDA estimate by some EUR 2m to EUR 17.8m, implying 11.5% EBITDA margin on our EUR 155m estimated revenue. We trim our FY'26 Wood Processing EBITDA margin estimate slightly to 10.5% due to a bit lower revenue outlook as Q4'25 orders were softer than we expected.

### Improving new orders could still drive upside later this year

Raute's orders weren't yet as high as we estimated, but we believe EBITDA should soon be able to start trending higher than the EUR 14.5m guidance midpoint (or 9.5% margin on the EUR 152.5m revenue midpoint) suggests as construction activity in Europe seems to be past its lowest point; Raute is also starting to be statistically due another mill-scale order soon as the last mill expansion project was booked in Q1'24. Raute is valued slightly above 5x EV/EBIT on our FY'26 estimates; the multiple could rise to close to 6x if new orders remain lower than we expect, but there's also scope for the multiple to turn lower again next year. Our new TP is EUR 15.0 (17.0); our rating is now ACCUMULATE (BUY).

### Rating

+ Accumulate



Share price, EUR (Last trading day's closing price)	14.15
Target price, EUR	15.0
Latest change in recommendation	13–Feb–26
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	85
Free float, %	—
Exchange rate	—
Reuters code	RAUTE.HE
Bloomberg code	RAUTE:FH
Average daily volume, EURm	0.1
Next interim report	07–May–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
2024	204.6	13.7	6.7%	11.4	1.98	6.6	0.1	2.1	14.2%	0.55
2025	175.6	17.3	9.8%	-10.1	2.14	7.1	0.3	3.1	-11.1%	0.65
2026E	154.9	12.0	7.8%	-10.3	1.59	8.9	0.4	5.2	-12.1%	0.70
2027E	161.8	13.7	8.5%	8.3	1.82	7.8	0.4	4.2	9.7%	0.75
2028E	167.1	14.2	8.5%	9.1	1.84	7.7	0.3	3.7	10.6%	0.56
Market cap, EURm		85	Gearing 2026E, %			-37.2 %	CAGR EPS 2025–28, %		-4.8 %	
Net debt 2026E, EURm	-24		Price/book 2026E			1.3	CAGR Sales 2025–28, %		-16 %	
Enterprise value, EURm	62		Dividend yield 2026E, %			5.0 %	ROE 2026E, %		15.8 %	
Total assets 2026E, EURm	120		Tax rate 2026E, %			25.0 %	ROCE 2026E, %		17.2 %	
Goodwill 2026E, EURm	2		Equity ratio 2026E, %			35.7 %	PEG, P/E 26/CAGR		11	

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

## Estimates and peer valuation

Raute EURm	2021	2022	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e
<b>Order intake</b>	<b>203</b>	<b>139</b>	<b>316</b>	<b>121</b>	<b>15</b>	<b>12</b>	<b>38</b>	<b>25</b>	<b>90</b>	<b>33</b>	<b>32</b>	<b>43</b>	<b>41</b>	<b>149</b>
Europe	69	65	204	81	7	5	21	10	43	21	20	25	25	91
Russia	79	3	0	0	0	0	0	0	0	0	0	0	0	0
North America	37	51	48	22	6	4	14	7	31	7	7	13	12	39
Latin America	8	8	58	11	2	2	2	1	6	2	3	3	2	10
Asia-Pacific	10	11	5	7	1	1	1	7	10	3	2	2	2	9
<b>Order book</b>	<b>158</b>	<b>84</b>	<b>266</b>	<b>184</b>	<b>146</b>	<b>115</b>	<b>108</b>	<b>98</b>	<b>98</b>	<b>94</b>	<b>87</b>	<b>92</b>	<b>92</b>	<b>92</b>
<b>Revenue</b>	<b>142</b>	<b>158</b>	<b>145</b>	<b>205</b>	<b>52</b>	<b>44</b>	<b>44</b>	<b>36</b>	<b>176</b>	<b>37</b>	<b>38</b>	<b>38</b>	<b>41</b>	<b>155</b>
Wood Processing	97	108	92	147	38	30	32	24	124	24	25	25	27	101
Services	30	36	33	42	10	10	9	10	38	10	10	10	10	40
Analyzers	15	15	20	15	4	4	4	2	13	3	3	4	4	14
Europe	35	68	56	114	39	33	32	26	129	25	26	26	28	105
Russia	70	33	15	0	0	0	0	0	0	0	0	0	0	0
North America	20	38	44	46	10	7	6	6	28	7	7	7	8	29
Latin America	8	10	21	38	2	3	4	3	12	3	3	3	3	12
Asia-Pacific	10	9	9	6	2	1	2	1	7	2	2	2	2	8
<b>Comparable EBITDA</b>	<b>3</b>	<b>-2</b>	<b>9</b>	<b>20</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>26</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>18</b>
Wood Processing	-5	-10	0	11	6	4	5	4	18	3	2	3	3	11
Services	5	6	5	7	2	2	1	2	7	1	2	2	1	6
Analyzers	4	2	5	2	0	0	1	0	1	0	0	0	0	1
<b>EBIT</b>	<b>-2</b>	<b>-15</b>	<b>2</b>	<b>14</b>	<b>6</b>	<b>2</b>	<b>5</b>	<b>4</b>	<b>17</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>12</b>
EBIT margin	-16 %	-9.3 %	13 %	6.7 %	11 %	4 %	12 %	12 %	9.8 %	7 %	7 %	8 %	8 %	7.7 %

Source: Evli Research

RAUTE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		25	26	27	25	26	27	25	26	27
Biesse	173	5.4x	4.3x	3.4x	30.5x	12.8x		49.0x	21.0x	
Duerr	1640	6.8x	6.3x	5.7x	12.3x	9.4x	8.3x	12.0x	10.3x	8.7x
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	7482	10.9x	10.3x	9.5x	13.1x	12.5x	11.3x	18.2x	17.3x	15.5x
Ponsse	739	9.9x	9.1x	8.1x	18.2x	15.3x	12.6x	23.2x	20.3x	16.5x
Robit	27	7.0x	5.7x	4.8x	21.2x	11.0x	8.1x	142.0x	14.4x	8.7x
Sandvik	45489	14.4x	16.3x	14.9x	19.9x	21.2x	19.1x	32.7x	27.1x	24.0x
Valmet	5219	8.5x	7.9x	7.2x	11.7x	10.4x	9.3x	15.6x	12.1x	10.8x
Wartsila	20872	15.6x	17.7x	16.0x	19.3x	20.7x	18.4x	33.5x	31.1x	27.5x
Peer Group Average	8170	9.2x	10.4x	8.1x	15.7x	15.7x	12.0x	35.6x	21.4x	15.2x
Peer Group Median	1190	8.5x	8.5x	7.2x	15.7x	12.5x	12.0x	20.7x	17.3x	13.7x
Raute (Evli est.)	85	2.3x	3.5x	2.9x	3.1x	5.2x	4.2x	7.1x	8.9x	7.8x
Raute prem./disc. to peer median		-73 %	-59 %	-59 %	-80 %	-59 %	-65 %	-66 %	-48 %	-43 %

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 %	3.6 %	3.8 %	4.6 %
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	24.5%	4.5%	5.7%	13.3 %	13.4 %	14.0 %	2.3 %	2.5 %	2.7 %
Ponsse	755	-4.7%	2.0%	7.2%	5.8 %	6.9 %	7.8 %	2.5 %	2.8 %	3.0 %
Robit	112	-28.2%	6.5%	6.5%	2.4 %	4.7 %	6.0 %			
Sandvik	10062	13.5%	7.1%	7.2%	17.2 %	18.8 %	19.5 %	1.6 %	1.7 %	1.9 %
Valmet	5074	5.6%	0.8%	5.4%	9.8 %	10.9 %	11.5 %	4.8 %	4.8 %	5.4 %
Wartsila	5842	18.3%	2.0%	8.4%	12.0 %	13.0 %	13.5 %	3.0 %	1.8 %	2.0 %
Peer Group Average	3061	-1.5%	3.0%	7.6%	5.9 %	7.7 %	9.0 %	2.8 %	2.9 %	3.4 %
Peer Group Median	2094	-1.6%	2.6%	7.2%	5.1 %	6.4 %	7.1 %	2.7 %	2.6 %	2.9 %
Raute (Evli est.)	205	-14.2%	-11.8%	4.5%	9.8 %	7.7 %	8.5 %	4.3 %	4.9 %	5.3 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	14.15 PV of Free Cash Flow	51 Long-term growth, %	2.0 % Risk-free interest rate, %	2.25 %
DCF share value	19.45 PV of Horizon value	29 WACC, %	9.2 % Market risk premium, %	5.8 %
Share price potential, %	37.4 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	2.8 %
Maximum value	20.3 Marketable securities	40 Minimum WACC, %	8.7 % Equity beta coefficient	1.25
Minimum value	18.7 Debt – dividend	–2 Maximum WACC, %	9.7 % Target debt ratio, %	20 %
Horizon value, %	36.2 % Value of stock	117 No. of shares, Mn	6.0 Effective tax rate, %	18 %

DCF valuation, EURm	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	TERMINAL
Net sales	176	155	162	167	171	175	179	183	187	191	195	199
Sales growth (%)	-14.2%	-11.8%	4.5%	3.2%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.0%	2.0%
Operating income (EBIT)	17	12	14	14	15	16	16	16	17	17	18	18
Operating income margin %	9.8%	7.8%	8.5%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
+ Depreciation+amort.	6	6	6	6	6	7	5	4	3	3	3	3
EBITDA	24	18	20	20	22	22	21	20	20	20	20	21
- Paid taxes	-2	-3	-2	-3	-3	-3	-3	-3	-3	-3	-3	-4
- Change in NWC	-29	-20	-2	-1	-1	-1	-1	-1	-1	-1	-1	-1
NWC / Sales, %	-16%	10.9%	11.5%	11.9%	12.2%	12.5%	12.8%	13.1%	13.3%	13.6%	13.8%	13.8%
+ Change in other liabs	1											
- Operative CAPEX	-6	-6	-7	-7	-7	-3	-3	-3	-3	-3	-3	-11
opCAPEX / Sales, %	1.6%	3.7%	4.3%	4.2%	4.1%	1.9%	1.8%	1.8%	1.8%	1.7%	1.7%	5.8%
- Acquisitions												
+ Divestments												
- Other items												
= FOFF	-13	-11	9	9	11	15	13	13	13	13	5	68
= Discounted FCF	-10	7	7	8	10	8	7	6	6	6	2	29
= DFCF min WACC	-10	7	7	8	10	8	7	7	6	6	2	32
= DFCF max WACC	-10	7	7	8	10	8	7	6	6	6	2	26

## Sensitivity analysis, EUR

Terminal WACC					
	7.17 %	8.17 %	9.17 %	10.17 %	11.17 %
Terminal EBIT-%	7.00 %	17.23	16.34	15.59	14.95
	8.00 %	20.44	18.79	17.52	16.49
	9.00 %	23.65	21.25	19.45	18.04
	10.00 %	26.86	23.70	21.38	19.58
	11.00 %	30.07	26.15	23.30	21.13

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Net sales	51.9	43.8	43.6	36.3	175.6	37.4	38.2	38.3	41.0	154.9	161.8	167.1
EBITDA	7.3	4.5	6.3	5.5	23.6	4.1	4.2	4.6	4.7	17.6	19.7	20.4
EBITDA margin (%)	14.0%	10.2%	14.4%	15.3%	13.4%	11.0%	11.0%	12.0%	11.5%	11.4%	12.2%	12.2%
EBIT	5.9	1.9	5.1	4.4	17.3	2.7	2.8	3.2	3.3	12.0	13.7	14.2
EBIT margin (%)	11.3%	4.4%	11.7%	12.0%	9.8%	7.2%	7.3%	8.4%	8.1%	7.8%	8.5%	8.5%
Net financial items	-0.1	0.4	0.0	0.0	0.3	0.2	0.2	0.2	0.2	0.8	-0.3	-0.3
Pre-tax profit	5.8	2.3	5.1	4.4	17.6	2.9	3.0	3.4	3.5	12.8	13.4	13.9
Tax	-15	-11	-12	-8	-4.7	-0.8	-0.8	-0.8	-0.8	-3.2	-2.4	-2.8
Tax rate (%)	26.8%	47.9%	22.9%	19.3%	26.5%	27.6%	26.7%	23.5%	22.9%	25.0%	18.0%	20.0%
Net profit	4.2	1.2	3.9	3.5	12.9	2.1	2.2	2.6	2.7	9.6	11.0	11.1
EPS	0.70	0.20	0.65	0.59	2.14	0.35	0.36	0.43	0.45	1.59	1.82	1.84
EPS adj. (diluted)	0.70	0.20	0.65	0.59	2.14	0.35	0.36	0.43	0.45	1.59	1.82	1.84
Dividend per share					0.65					0.70	0.75	0.56
SALES, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Wood Processing	37.9	30.4	31.6	24.4	124.3	24.0	25.0	25.0	27.0	101.0	106.1	109.8
Services	10.3	9.9	8.5	9.6	38.3	10.2	9.9	9.8	10.3	40.2	41.4	42.4
Analyzers	3.7	3.5	3.5	2.3	13.0	3.2	3.3	3.5	3.7	13.7	14.4	14.9
Total	51.9	43.8	43.6	36.3	175.6	37.4	38.2	38.3	41.0	154.9	161.8	167.1
SALES GROWTH, Y/Y%	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Wood Processing	18.4%	-27.3%	-1.9%	-40.8%	-15.6%	-36.7%	-17.8%	-20.9%	10.7%	-18.7%	5.0%	3.5%
Services	5.1%	-8.3%	-14.1%	-17.2%	-9.0%	-10%	-10%	15.3%	7.3%	5.0%	3.0%	2.5%
Analyzers	27.6%	-22.2%	-16.7%	-37.8%	-15.0%	-13.5%	-5.7%	60.9%	5.4%	5.0%	3.5%	3.5%
Total	16.1%	-23.3%	-5.8%	-35.8%	-14.2%	-27.9%	-12.8%	-12.2%	13.0%	-11.8%	4.5%	3.2%
EBIT, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Total	5.9	1.9	5.1	4.4	17.3	2.7	2.8	3.2	3.3	12.0	13.7	14.2
Total	5.9	1.9	5.1	4.4	17.3	2.7	2.8	3.2	3.3	12.0	13.7	14.2
EBIT margin %	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
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	11.3%	4.4%	11.7%	12.0%	9.8%	7.2%	7.3%	8.4%	8.1%	7.8%	8.5%	8.5%

<b>INCOME STATEMENT, EURm</b>	2021	2022	2023	2024	2025	2026E	2027E	2028E
Sales	142.2	158.3	145.4	204.6	175.6	154.9	161.8	167.1
<i>Sales growth (%)</i>	23.7%	11.3%	-8.2%	40.7%	-14.2%	-11.8%	4.5%	3.2%
EBITDA	2.1	-9.6	6.8	19.1	23.6	17.6	19.7	20.4
<i>EBITDA margin (%)</i>	15%	-6.1%	4.7%	9.4%	13.4%	11.4%	12.2%	12.2%
Depreciation	-4.3	-5.0	-4.9	-5.4	-6.3	-5.6	-6.0	-6.2
EBITA	-2.2	-14.6	1.9	13.7	17.3	12.0	13.7	14.2
Goodwill amortization / writedown								
EBIT	-2.2	-14.6	1.9	13.7	17.3	12.0	13.7	14.2
<i>EBIT margin (%)</i>	-1.6%	-9.2%	1.3%	6.7%	9.8%	7.8%	8.5%	8.5%
Reported EBIT	-2.2	-14.6	1.9	13.7	17.3	12.0	13.7	14.2
<i>EBIT margin (reported) (%)</i>	-1.6%	-9.2%	1.3%	6.7%	9.8%	7.8%	8.5%	8.5%
Net financials	0.5	0.8	-0.1	1.4	0.3	0.8	-0.3	-0.3
Pre-tax profit	-17	-13.8	1.8	15.1	17.6	12.8	13.4	13.9
Taxes			2.3	-0.4	-3.0	-4.7	-3.2	-2.4
Minority shares								
Net profit	-17	-11.5	1.4	12.1	12.9	9.6	11.0	11.1
Cash NRIs								
Non-cash NRIs								
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	19	22	21	19	19	20	21	21
Goodwill	2	2	2	2	2	2	2	2
Right of use assets	10	7	6	6	2	2	2	2
Inventory	22	17	26	24	15	36	37	38
Receivables	32	32	26	25	27	24	25	26
Liquid funds	24	8	48	58	40	36	37	38
Total assets	111	92	135	136	107	120	125	129
Liabilities								
Shareholders' equity	34	23	38	50	58	64	70	77
Minority interest								
Convertibles								
Lease liabilities	8	6	7	6	2	2	2	2
Deferred taxes		0	0	0	0	0	0	0
Interest bearing debt	2	7				10	7	4
Non-interest bearing current liabilities	39	34	63	50	24	21	22	23
Other interest-free debt	27	22	27	30	22	22	22	22
Total liabilities	111	92	135	136	107	120	125	129
<b>CASH FLOW, EURm</b>								
+ EBITDA	2	-10	7	19	24	18	20	20
- Net financial items	0	1	0	1	0	1	0	0
- Taxes	-1	-1	-1	-1	-2	-3	-2	-3
- Increase in Net Working Capital	21	-5	30	-6	-29	-20	-2	-1
+/- Other								
= Cash flow from operations	23	-14	36	14	-7	-5	15	16
- Capex	-10	-4	-4	-3	-3	-6	-7	-7
- Acquisitions								
+ Divestments								
= Free cash flow	13	-18	32	11	-10	-10	8	9
+/- New issues/buybacks	-1	0	14	0	-1			
- Paid dividend				1	3	4	5	3
+/- Other	5	1	-6	-1	-3	10	-2	-3
Change in cash	13	-17	40	9	-17	-5	2	1

KEY FIGURES	2022	2023	2024	2025	2026E	2027E	2028E
M-cap	35	60	80	91	85	85	85
Net debt (excl. convertibles)	5	-41	-52	-38	-24	-28	-32
Enterprise value	40	19	28	53	62	58	53
Sales	158	145	205	176	155	162	167
EBITDA	-10	7	19	24	18	20	20
EBIT	-15	2	14	17	12	14	14
Pre-tax	-14	2	15	18	13	13	14
Earnings	-11	1	12	13	10	11	11
Equity book value (excl. minorities)	23	38	50	58	64	70	77
Valuation multiple	2022	2023	2024	2025	2026E	2027E	2028E
EV/Sales	0.3	0.1	0.1	0.3	0.4	0.4	0.3
EV/EBITDA	-4.2	2.8	1.5	2.3	3.5	2.9	2.6
EV/EBITA	-2.8	10.1	2.1	3.1	5.2	4.2	3.7
EV/EBIT	-2.8	10.1	2.1	3.1	5.2	4.2	3.7
EV/OCF	-2.9	0.5	2.0	-7.3	-13.5	3.8	3.3
EV/FCF	-1.9	0.6	3.0	-4.0	-5.5	6.7	5.7
P/FCFR	-1.9	1.9	7.0	-9.0	-8.3	10.3	9.4
P/E	-3.1	44.7	6.6	7.1	8.9	7.8	7.7
P/BV	1.5	1.6	1.6	1.6	1.3	1.2	1.1
Target EV/EBITDA					3.8	3.2	2.9
Target EV/EBIT					5.6	4.6	4.1
Target EV/FOCF					-6.5	7.6	6.4
Target P/BV					1.4	1.3	1.2
Target P/E, diluted	-3.8	35.2	7.2	8.1	9.4	8.2	8.2
Per share measures	2022	2023	2024	2025	2026E	2027E	2028E
Number of shares (million)	4.25	6.12	6.12	6.04	6.04	6.04	6.04
Number of shares (diluted, million)	4.25	6.12	6.12	6.04	6.04	6.04	6.04
EPS	-2.70	0.22	1.98	2.14	1.59	1.82	1.84
Operating cash flow per share	-3.30	5.86	2.31	-1.20	-0.76	2.53	2.65
Free cash flow per share	-4.24	5.28	1.87	-1.68	-1.71	1.38	1.51
Book value per share	5.39	6.27	8.12	9.60	10.54	11.66	12.75
Dividend per share	0.10	0.55	0.65	0.70	0.75	0.56	
Dividend payout ratio, %	45.3%	27.8%	30.4%	44.0%	41.2%	30.4%	
Dividend yield, %	1.0%	4.2%	4.6%	5.0%	5.3%	4.0%	
FCF yield, %	-51.4%	53.6%	14.2%	-11.1%	-12.1%	9.7%	10.6%
Efficiency measures	2022	2023	2024	2025	2026E	2027E	2028E
ROE	-40.3%	4.4%	27.5%	24.0%	15.8%	16.4%	15.1%
ROCE	-36.3%	4.6%	27.4%	29.2%	17.2%	17.3%	17.1%
Financial ratios	2022	2023	2024	2025	2026E	2027E	2028E
Inventories as % of sales	10.6%	18.1%	11.5%	8.8%	23.0%	23.0%	23.0%
Receivables as % of sales	20.2%	17.8%	12.2%	15.6%	15.7%	15.7%	15.7%
Non-int. bearing liabilities as % of sales	21.4%	43.1%	24.4%	13.6%	13.6%	13.6%	13.6%
NWC/sales, %	-4.6%	-25.9%	-15.6%	-1.6%	10.9%	11.5%	11.9%
Operative CAPEX/Sales, %	2.5%	2.4%	1.3%	1.6%	3.7%	4.3%	4.2%
CAPEX/sales (incl. acquisitions), %	2.5%	2.4%	1.3%	1.6%	3.7%	4.3%	4.2%
FCFF/EBITDA	2.2	4.7	0.5	-0.6	-0.6	0.4	0.5
Net Debt/EBITDA, book-weighted	-0.6	-6.1	-2.7	-1.6	-1.3	-1.4	-1.6
Debt/equity, market-weighted	0.2				0.1	0.1	0.0
Equity ratio, book-weighted	0.4	0.5	0.6	1.2	1.0	1.1	1.1
Gearing, %	23.6%	-108.1%	-104.4%	-65.5%	-37.2%	-39.4%	-41.9%

**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	756 250	10.701	12.5 %
Laakkonen Mikko Kalervo	172 225	2.437	2.9 %
eQ Finland Investment Fund	134 368	1.901	2.2 %
Mandatum Life Insurance Company Ltd.	132 574	1.876	2.2 %
Stephen Industries Inc Oy	129 687	1.835	2.1 %
Suominen Pekka Matias	117 329	1.660	1.9 %
Siivonen Osku Pekka	106 901	1.513	1.8 %
eQ Nordic Small Cap Mutual Fund	106 000	1.500	1.8 %
Kirmo Kaisa Marketta	105 421	1.492	1.7 %
Mustakallio Mika Tapani	103 678	1.467	1.7 %
Ten largest	1 864 433	26.382	30.9 %
Residual	4 175 567	59.084	69.1 %
<b>Total</b>	<b>6 040 000</b>	<b>85.466</b>	<b>100%</b>

**EARNINGS CALENDAR**

May 07, 2026 Q1 report  
 August 12, 2026 Q2 report  
 October 30, 2026 Q3 report

**OTHER EVENTS**
**COMPANY MISCELLANEOUS**

CEO: Mika Saariaho  
 CFO: Ville Halttunen  
 IR:

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 Tel: +358 3 82911

## 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>  $\text{Price per share} * \text{Number of shares}$	<b>OCF (Operating cash flow)</b>  $\text{EBITDA} - \text{Net financial items} - \text{Taxes} - \text{Increase in working capital} - \text{Cash NRIs} \pm \text{Other adjustments}$
<b>EV (Enterprise value)</b>  $\text{Market cap} + \text{net debt} + \text{minority interest at market value} - \text{share of associated companies at market value}$	<b>FCF (Free cash flow)</b>  $\text{Operating cash flow} - \text{Operative CAPEX} - \text{acquisitions} + \text{divestments}$
<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>  $\text{Current assets} - \text{current liabilities}$
<b>Net debt</b>  $\text{Interest bearing debt} - \text{financial assets}$	<b>Capital employed / Share</b>  $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
<b>Total assets</b>  $\text{Balance sheet total}$	<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>  $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt} \text{ (average)}}$	<b>CAGR, %</b>  Cumulative annual growth rate = Average growth rate per year
<b>ROE, %</b>  $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions} \text{ (average)}}$	

**Important Disclosures**

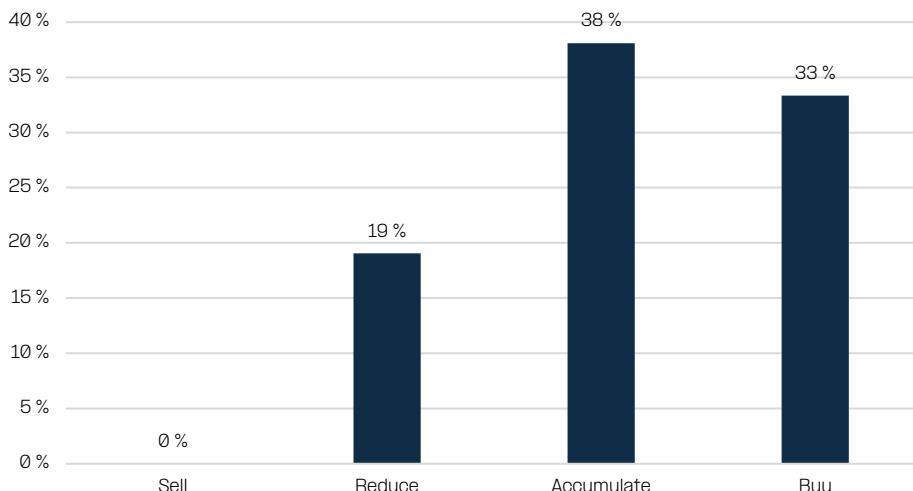
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – 0 %	REDUCE
0 – (+10) %	ACCUMULATE
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Name(s) of the analyst(s): Joonas Iivonen

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