

## Q3 remained very quiet

Raute's Q3 proved slower than we estimated as both recognized revenue and order intake fell short of our expectations.

- Raute Q3 revenue was EUR 27.9m (down by 17 % y/y), compared to our EUR 34.0m estimate. The figure was EUR 18.1m for project deliveries (compared to our EUR 21.0m expectation) and EUR 9.8m for technology services (vs our EUR 13.0m estimate).
- EBIT amounted to EUR 1.3m vs our EUR 2.1m estimate.
- Q3 order intake was EUR 11m, while we expected EUR 21m. Raute booked EUR 2m in project deliveries vs our EUR 10m estimate. Meanwhile the figure for technology services was EUR 9m, compared to our EUR 11m expectation.
- Order book stood at EUR 62m (compared to EUR 109m a year ago).

Rating				🟡 HOLD
Q3'20	Actual	Evli	Year ago	Q2'20
Net sales	27.9	34.0	33.7	24.4
-Project deliveries	18.1	21.0	16.5	14.4
-Technology services	9.8	13.0	17.2	10.0
Operating profit	1.3	2.1	1.7	-1.0
Operating profit margin	4.8 %	6.2 %	5.0 %	-4.2 %
Share price, EUR (Last trading day's closing price)				19.70
Target price, EUR				20.0
Latest change in recommendation				24-Jul-20
Latest report on company				20-Oct-20
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				84
Free float, %				-
Exchange rate				-
Reuters code				RAUTE.HE
Bloomberg code				RAUTE:FH
Average daily volume, EURm				0.1
Next interim report				29-Oct-20
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🟢 BUY 🟡 HOLD 🔴 SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2018	181.1	14.9	8.2%	-11.2	2.76	7.7	0.5	5.7	-12.4	1.40
2019	151.3	8.4	5.6%	18.0	1.80	15.0	0.7	11.8	15.7	1.45
2020E	123.2	0.7	0.6%	6.5	0.24	80.8	0.6	97.2	7.8	1.47
2021E	139.0	6.6	4.7%	4.5	1.24	15.9	0.5	10.6	5.3	1.50
2022E	144.4	9.1	6.3%	5.1	1.72	11.4	0.5	7.8	6.1	1.52
Market cap, EURm	84		BV per share 2020E, EUR	-35.4		CAGR EPS 2019-22, %	-1.4			
Net debt 2020E, EURm	-16		Price/book 2020E	1.9		CAGR sales 2019-22, %	-1.6			
Enterprise value, EURm	68		Dividend yield 2020E, %	7.5		ROE 2020E, %	2.2			
Total assets 2020E, EURm	78		Tax rate 2020E, %	9.8		ROCE 2020E, %	1.3			
Goodwill 2020E, EURm	1		Equity ratio 2020E, %	56.6		PEG, P/E 20/CAGR	0.8			

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

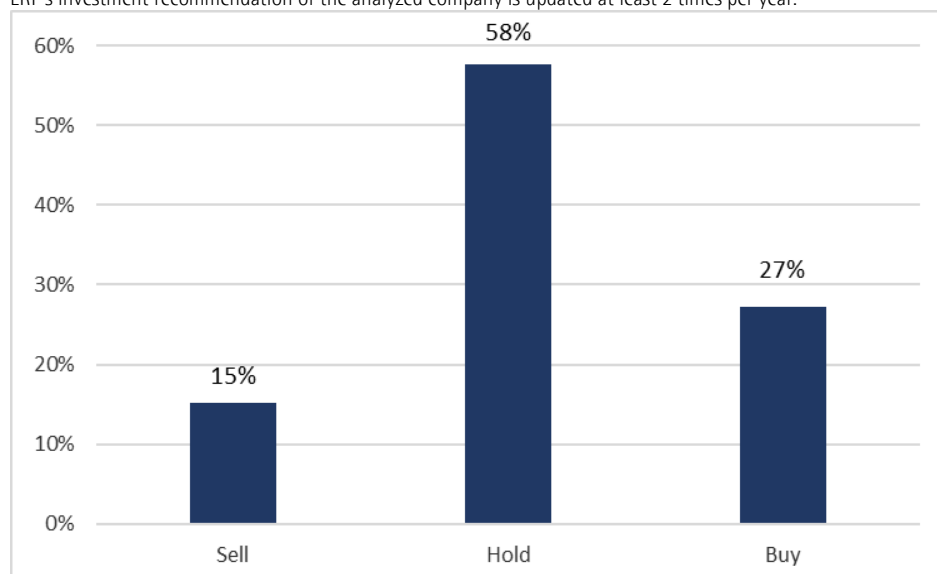
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Investment recommendations are defined as follows:

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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