

## **RAUTE**

Machinery/Finland, February 12, 2021 News Flash

## No major pickup in smaller orders

Raute's Q4 EBIT didn't meet our estimate and order intake was also a bit soft, excluding the big new Russian project. In our view significant improvement in business conditions still waits.

- Raute Q4 revenue was EUR 38.9m vs our EUR 39.0m estimate. Project deliveries amounted to EUR 28.6m, compared to our EUR 26.0m estimate. Meanwhile technology services' top line was EUR 10.3m vs our EUR 13.0m estimate.
- Q4 EBIT came in at EUR 0.8m, compared to our EUR 2.0m estimate.
- Order intake in Q4 stood at EUR 70m vs our EUR 74m estimate. Project deliveries' new orders were EUR 59m, while we expected EUR 62m. Technology services booked EUR 11m vs our EUR 12m estimate. This means there was no significant improvement in order intake from the previous quarters, excluding the EUR 55m Russian project.
- Order book stood at EUR 94m, compared to EUR 88m a year ago.
- Raute expects net sales to increase in 2021 compared to the level of the previous year. Raute expects the operating result to improve from the previous year due to growth in net sales.
- The Board of Directors proposes EUR 0.80 per share dividend distribution vs our EUR 1.47 expectation.

Rating			l	<b>SELL</b>	
Q4'20	Actual	Evli	Year ago	Q3'20	
Net sales	38.9	39.0	39.3	27.9	
-Project deliveries	28.6	26.0	24.1	18.1	
-Technology services	10.3 0.8	13.0 2.0	15.2 1.8	9.8 1.3	
Operating profit Operating profit margin	2.2 %	5.1 %	4.6 %	4.8 %	
Share price, EUR (Last traclosing price)			23.50		
Target price, EUR				20.0	
Latest change in recomi	mendation		2	2-Jan-21	
Latest report on compar	22-Jan-21				
Research paid by issuer:	YES				
' '					
No. of shares outstanding	4,249				
No. of shares fully dilute	4,249				
Market cap, EURm	100				
Free float, %				_	
Exchange rate				_	
Reuters code			1	RAUTE.HE	
Bloomberg code				RAUTE:FH	
Average daily volume, E	IIDm			0.1	
, ,	UNIII			0	
Next interim report	12-Feb-21				
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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	115.1	-0.7	-0.6%	6.2	-0.14	-163.2	0.7	-120.7	6.2	1.47	
2021E	132.0	6.4	4.9%	4.2	1.21	19.5	0.7	13.5	4.2	1.50	
2022E	137.0	8.4	6.1%	4.9	1.58	14.8	0.6	10.5	4.9	1.52	
Market ca	p, EURm		100 B	V per share 20	)20E, EUR		-36.0 CAGR	EPS 2019-2	2,%	-4.1	
Net debt 2	2020E, EURm		-15 P	rice/book 2020	DE		2.3 CAGR	sales 2019-	22, %	-3.3	
Enterprise value, EURm		84 D	Dividend yield 2020E, %			6.3 ROE 2020E, %			-1.3		
Total assets 2020E, EURm		75 T	Tax rate 2020E, %		-93.1 ROCE 2020E, %				-1.3		
Goodwill 2020E, EURm			1 E	Equity ratio 2020E, %		57.2 PEG, P/E 20/CAGR				0.0	

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

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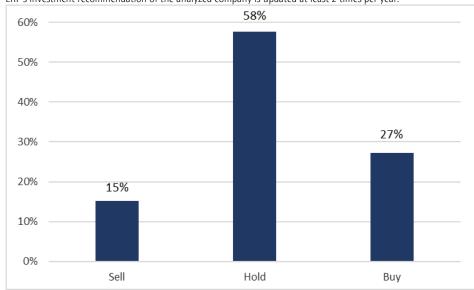
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Target price compared to share price Recommendation

< -10 % SELL -10 - (+10) % HOLD > 10 % BUY

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

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