

Order intake above our estimates

Raute's Q1 remained low in terms of revenue and profitability but order intake grew by some 20% y/y due to mid-size production line and modernization orders.

- Raute Q1 revenue was EUR 24.8m vs our EUR 34.0m estimate.
- Q1 EBIT amounted to EUR -2.5m, compared to our EUR 1.6m expectation.
- Order intake amounted to EUR 30m vs our EUR 22m estimate. Project deliveries' orders were EUR 11m (EUR 14m a year ago), compared to our EUR 10m estimate. Meanwhile technology services orders were EUR 19m (EUR 11m a year ago) vs our EUR 12m estimate. Technology services' order intake grew by 83% y/y thanks to modernization orders.
- Order book stood at EUR 98m at the end of Q1, compared to EUR 92m a year ago.
- Raute's full-year outlook remains unchanged as net sales is to increase and operating profit to improve.

Rating 🟡 HOLD				
Q1'21	Actual	Evli	Year ago	Q4'20
Net sales	24.8	34.0	23.8	38.9
Operating profit	-2.5	1.6	-3.0	0.8
Operating profit margin	-10.1 %	4.7 %	-12.6 %	2.2 %
Share price, EUR (Last trading day's closing price)	22.80			
Target price, EUR	21.0			
Latest change in recommendation	22-Apr-21			
Latest report on company	22-Apr-21			
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	97			
Free float, %	-			
Exchange rate	-			
Reuters code	RAUTE.HE			
Bloomberg code	RAUTE:FH			
Average daily volume, EURm	0.1			
Next interim report	29-Apr-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
2019	151.3	8.4	5.6%	18.0	1.80	15.0	0.7	11.8	15.7	1.45
2020	115.0	-1.9	-1.7%	-0.7	-0.22	-101.6	0.8	-48.0	-0.7	0.80
2021E	134.0	6.0	4.5%	0.4	1.13	20.2	0.7	15.8	0.4	0.85
2022E	139.0	8.1	5.8%	5.3	1.52	15.0	0.7	11.5	5.5	0.90
2023E	144.1	8.9	6.2%	4.4	1.67	13.6	0.6	10.4	4.6	0.95
Market cap, EURm	97		BV per share 2021E, EUR		-5.4		CAGR EPS 2020-23, %		0.0	
Net debt 2021E, EURm	-2		Price/book 2021E		2.3		CAGR sales 2020-23, %		7.8	
Enterprise value, EURm	95		Dividend yield 2021E, %		3.7		ROE 2021E, %		11.7	
Total assets 2021E, EURm	96		Tax rate 2021E, %		20.0		ROCE 2021E, %		12.0	
Goodwill 2021E, EURm	2		Equity ratio 2021E, %		43.4		PEG, P/E 21/CAGR		1.0	

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

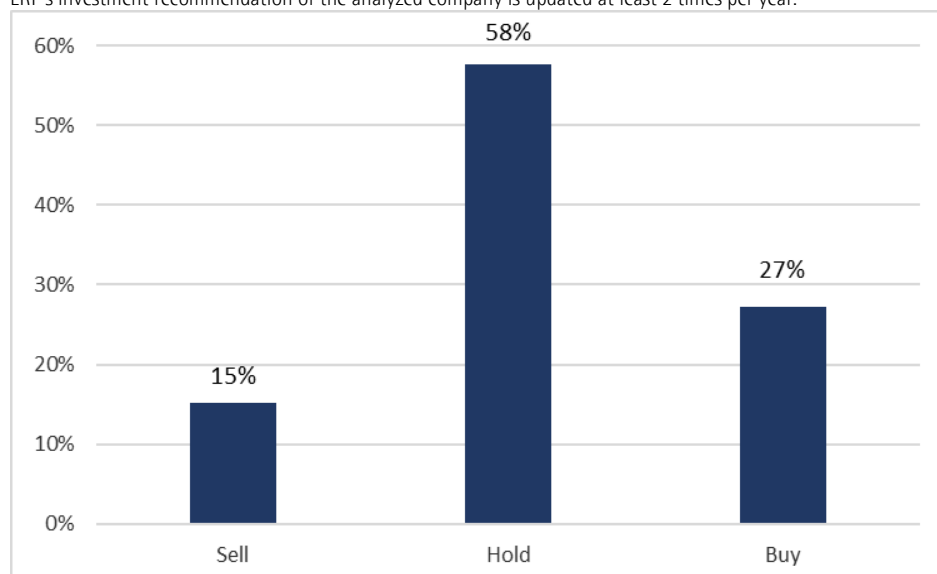
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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