

RAUTE

Machinery/Finland, October 22, 2021 News Flash

Profitability improved

Raute reached an already reasonable EUR 1.9m EBIT in Ω 3. Both revenue and profitability beat our estimates. Ω 3 order intake did not quite reach our estimate, but Raute's order book touched an all-time high of EUR 150m.

- Raute's Q3 revenue grew by 36% y/y to EUR 37.9m vs our EUR 36.0m estimate. Project deliveries amounted to EUR 23.1m, compared to our EUR 21.5m estimate. Technology services' top line was EUR 14.8m vs our EUR 14.5m estimate. Raute estimates maintenance service sales to have been even higher without the pandemic travel restrictions.
- Q3 EBIT amounted to EUR 1.9m, compared to our EUR 1.4m estimate. The 5.1% operating margin topped our 3.9% estimate. The result was also weakened by a few unexpected cost items, including a large expense related to the repair of an important machine tool at Raute's Nastola plant.
- Order intake was EUR 58m vs our EUR 63m estimate. Project deliveries orders amounted to EUR 37m while we expected EUR 46m. Technology services orders were EUR 21m, compared to our EUR 17m estimate. Modernization projects helped services' order intake.
- Order book amounted to EUR 150m at the end of Q3 (EUR 62m a year ago).
- Raute guides revenue to increase and operating profit to improve this year (unchanged).

Rating				 BUY	
Q3'21	Actual	Evli	Year ago	Q2'21	
Net sales	37.9	36.0	27.9	35.5	
-Project deliveries	23.1	21.5	18.1	19.2	
-Technology services	14.8	14.5	9.8	16.3	
Operating profit Operating profit margin	1.9 5.1 %	1.4 3.9 %	1.3 4.8 %	-1.0 -2.9 %	
Share price, EUR (Last tra			22.40		
Target price, EUR				26.5	
Latest change in recomn	14-Jul-21				
Latest report on compan	19-0ct-21				
Research paid by issuer:	YFS				
' '	. 25				
No. of shares outstandin	4,249				
No. of shares fully dilute	4,249				
Market cap, EURm	95				
Free float, %	_				
Exchange rate	_				
Reuters code	RAUTE.HE				
Bloomberg code	RAUTE:FH				
J					
Average daily volume, El	0.1				
Next interim report	22-0ct-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	135.3	-0.2	-0.1%	-4.8	-0.02	-951.8	0.7	-490.8	-5.0	0.85
2022E	162.7	10.5	6.5%	-1.3	1.98	11.3	0.6	9.8	-1.4	0.90
2023E	168.8	11.8	7.0%	6.3	2.22	10.1	0.6	8.5	6.6	0.95
Market cap, EURm 95		95 l	BV per share 20	21E, EUR		8.1 CAGR	EPS 2020-2	3, %	0.0	
Net debt 2021E, EURm 3		Price/book 2021E		2.6 CAGR sales 2020-23, %			13.6			
Enterprise value, EURm 98		Dividend yield 2021E, %		3.8 ROE 2021E, %			-0.3			
Total assets 2021E, EURm 97		97	Tax rate 2021E, % 1		150.0 ROCE 2021E, %			-0.4		
Goodwill 2021E, EURm 2		Equity ratio 2021E, %		38.0 PEG, P/E 21/CAGR			0.0			

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

Important Disclosures

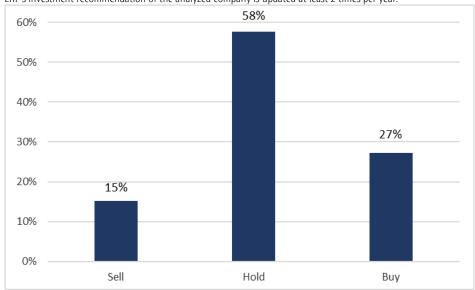
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Target price compared to share price Recommendation

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

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

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