



Half-year Report
1.1.–30.6.2022

RAUTE CORPORATION – HALF-YEAR REPORT JANUARY 1–JUNE 30, 2022

- The Group's net sales amounted to EUR 70.9 million (60.2), 18% above the comparison period. EUR 16.1 million of the net sales came from revenue recognized from the Russian order book.
- Operating loss was EUR -16.6 million (-4.5). The result before taxes was EUR -16.5 million (-4.1). The loss was impacted by approximately EUR -9 million from write-downs related to winding down the Russian business as well as one-time items of approximately EUR -2 million.
- Earnings per share were EUR -3.31 (-0.87), and diluted earnings per share EUR -3.31 (-0.87).
- Net sales in the second quarter were EUR 29.6 million and operating loss was EUR -15.1 million. Order intake in the second quarter was EUR 40 million. The order book at the end of the reporting period stood at EUR 104 million (129). The order book includes EUR 16 million in orders from Russia which constitutes the remaining part of the Russian order book after the controlled wind-down of Russian agreements.

Guidance statement for 2022

On June 22, 2022, Raute Corporation's Board of Directors issued a revised earnings guidance for 2022. The Board of Directors now expects Raute's 2022 operating profit to stay significantly negative and below last year's level. Raute's operating profit for 2021 was -2.2 million euros.

Petri Strengell, Interim CEO: Second quarter result heavily impacted by Russian business wind-down, high material costs continue to hamper profitability

Overall demand during the quarter has remained quite high. Our sales efforts are now directed to the rest of the world as new contracts with Russian customers have not been made since early this year. Demand in EMEA region has continued on a good level, and we have also seen some additional demand as there is an increased need to produce plywood outside of Russia. E.g. Eastern Europe market seems positive and we have some good opportunities in the region. Activity in China is picking up as well, following the covid-lockdowns, but situation there remains unpredictable.

Order intake for 2022 amounts now to EUR 75 million of which EUR 40 million have been received in the second quarter. This number does not include any major mill projects. Order intake includes EUR 2.4 million orders from Russia that were received in the beginning of the year. We are happy to see that we can start to fill in the gap left by the Russian sales with new business elsewhere and have received a healthy amount of new orders. The new orders are also fairly balanced between mid-sized single production line orders or modernization orders and technology services which is a good and positive trend.

Originally our order book for 2022 included a significant amount from projects in Russia. Since the end of February the Russian business has been gradually scaling down, in accordance with sanctions and local laws and regulations in both countries. We have analyzed the prerequisites for the execution of each project including the contractual commitments, sanctions, and changing impacts on logistics, financing and payment transactions, and we continue to adjust our order book to reflect the outcome.

Following this analysis, our order book fell significantly in the second quarter and is now EUR 104 million. This amount includes EUR 16 million for the Russian market, majority of which is planned to be delivered in 2022. The order book for other markets amounts now to EUR 88 million and has increased by 18% since Q1, which is a positive achievement.

Our net sales in the second quarter were EUR 29.6 million, 17% below comparison period. This decrease reflects the cancellation of several projects to Russia. However, our sales to other markets have grown over 50% since last year, growing especially in North America and EMEA.

Second quarter business and operations have been strongly impacted by the needed reorganizing of delivery projects across the company. This has led to inefficiencies in our internal work, but towards the end of the quarter we believe the worst to be over. From Q3 onwards we can steer our focus on future opportunities and challenges.

Our profitability has been negatively impacted from scaling down the deliveries to Russia during H1 2022. The direct negative impact from the Russian projects is estimated to amount to approximately EUR 9 million which has been recognized in the second quarter reporting. Further additional costs from inefficiencies caused by the reorganization and lower loading have impacted Q2 result as well.

Covid-related lockdowns in Shanghai closed our operations for nearly three months, occurring at the same time when we were transferring our Chinese production from Shanghai to Chang-

zhou. This transition will be completed in Q3 and is expected to improve efficiencies and lower our cost base. The transfer resulted in one-time costs for severances and moving costs. Severance costs were also recognized for group management in Q2. In total the impact from these events was approximately EUR 2 million costs for the period.

Strong increases in purchase prices and freight costs as experienced in Q1 have continued similarly into Q2 and are causing margin pressure. In addition, poor availability of components and resulting cost inflation also cause delays in our customer deliveries and continue to keep our business outside of Russia loss-making at the moment. Some stabilization in prices has started to be visible and we are implementing more rigorous tools to pass the increases to our customers. Still the uncertain situation prevails in the immediate future.

As announced in June, to mitigate the impacts of underlying negative drivers, we will strengthen our development program to improve competitiveness and profitability, targeting margin improvement and cost efficiencies during 2022 and 2023. Provided that the current market conditions remain largely as today, we expect the situation to stabilize during H2 2022 and profitability to start improving.

The geopolitical situation has driven Raute into a difficult position, straining our resources temporarily, but I believe that we start to be largely in the driver's seat again and can steer the company in the right direction. We need to work all together to find the right way and I would like to thank all our people for their dedication, effort and commitment to the company during this special period.

SECOND QUARTER OF 2022

Order intake and order book

The total order intake in the second quarter, EUR 40 million (65), was at a good level. Of the order intake, the largest was a significant modernization package to Stiga RM in Latvia with total contractual value of about EUR 10 million.

Technology services accounted for EUR 19 million (18) of the order intake. Especially modernization orders grew vs the comparison period.

The order book decreased during the second quarter by EUR 48 million, because of the scope cancellations and reservations for Russian projects and amounted to EUR 104 million at the end of the period (129). The order book includes EUR 16 million orders from Russia.

Net sales

Second-quarter net sales amounted to EUR 29.6 million (35.5). Technology services net sales, EUR 17 million (16), has continued to grow driven by modernization projects. Technology services accounted for 57 % (46) of net sales.

Result and profitability

Operating profit for the second quarter was EUR - 15.1 million (- 1.7) and accounted for -51.0 % (-4.9) of net sales. The result before taxes was EUR -15.4 million (-1.4), and earnings per share were EUR -3.03 (-0.23).

BUSINESS ENVIRONMENT

Update of the impacts of the Russian military actions on Raute's business operations in Russia

Raute condemns Russia's attack on Ukraine. The attack and resulting sanctions have a significant impact on Raute's business operations in Russia as Raute has ongoing projects for several different Russian customers. On March 4, 2022, we announced that we do not enter into new contracts with Russian parties. Set sanctions prohibit several deliveries to Russia. With customers or deliveries that are not under sanctions, Raute has started a controlled wind-down of existing agreements through completing or changing the scope of deliveries or ending the contract. As a result of the wind-down activities, Raute's order book for Russian customers has significantly reduced during

Q2 and was EUR 16 million on June 30, 2022. The remaining order book still includes risks in case the controlled wind-down of remaining contracts turns out not to be possible. Raute's assets in rubles in Russia were equal to approximately one million euros on June 30, 2022 and the assets were mainly related to the local maintenance business in Russia. Raute has no currency hedging related to Russian ruble.

Market situation in customer industries

Raute's customers in the veneer, plywood and LVL (Laminated Veneer Lumber) industries are engaged in the manufacture of wood products used in investment projects and are thus affected by fluctuations in construction, housing-related consumption, international trade, and transportation. We expect that the trend-like growth in wood construction will create demand for our customers and indirectly for Raute, strengthening our long-term growth opportunities.

Market situation and outlook in the global economy and the financial markets that became uncertain in Q1 due to the military action begun by Russia and the resulting sanctions have slightly stabilized in Q2 but remain uncertain. Higher inflation caused by the rise in raw material and transport costs, and poor availability of certain materials and components increase uncertainty and weaken the outlook, but this has not yet weakened demand for Raute's customers' products. Restrictions imposed due to the Covid-19 pandemic and its other direct impacts have mainly disappeared in Raute's market area, except from a few Asian markets, China in particular.

Demand for wood products technology and technology services

Demand for Raute's technology and services has been strong in the developed markets of Europe and North America. However, likelihood for economic downturn seems higher in Europe whereas North American demand continues stronger. In the emerging markets in Asia, with the exception of China, and in South America, demand was lower than in the developed markets, and market feel is uncertain. China's demand continues very low due to its strict Covid-19 measures and reduced industry financing.

Investment activity among Raute's customers remained good. The reporting period's order intake was relatively good, but it did not include any large capacity orders.

Demand for maintenance and spare parts services has been very good, indicating generally good capacity utilization rates of Raute's customers' production plants.

ORDER INTAKE AND ORDER BOOK

Raute serves the wood products industry with a full-service concept that is based on technology solutions covering the customer's entire production process and services throughout their life cycle. Raute's business consists of project deliveries and technology services. Project deliveries encompass projects from individual machine or production line deliveries to deliveries of all the machines and equipment belonging to a mill's production process. Additionally, Raute's full-service concept includes comprehensive technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations, as well as consulting, training, reconditioned machinery and digital services.

Market situation has continued in a reasonable level leading to order intake during the reporting period at EUR 75 million (95). The order intake consisted of individual production line project deliveries, modernizations and technology services.

Order intake 2022 includes 3 % from Russia (14), 52 % from Europe (53), 27 % from North America (20), 13 % from Asia-Pacific (8) and 5 % from South America (5). Sometimes even strong fluctuations in the distribution of new orders between the various market areas are typical for project-focused business.

Order intake in technology services amounted to EUR 39 million (37), up 5 % on the comparison period.

The order book decreased during the second quarter by EUR 48 million. The order book at the end of the reporting period was EUR 104 million (129), of which EUR 16 million are in orders from Russia.

COMPETITIVE POSITION

Raute's competitive position has remained unchanged and is strong. Raute's solutions help customers secure their delivery and service capabilities throughout the life cycle of the production process or a part thereof. Raute's solutions also offer the

markets the most environmentally friendly production process, thanks to the efficient use of raw materials and additives and low energy consumption. In such investments, the supplier's overall expertise and extensive and diverse technology offering play an important role. The competitive edge provided by Raute plays a major role when customers select their cooperation partners. Raute's long-term dedication to serving selected customer industries also enhance its credibility and improve its competitive position as a company that carries out long-term investment projects.

NET SALES

Net sales for the reporting period totaled EUR 70.9 million (60.2), increase of 18 % from the comparison period. Sales include EUR 16.1 million from Russia. Sales to other markets have grown significantly being 92 % above comparison period. The growth in net sales was strongest for technology services.

Of the net sales during the reporting period, Russia accounted for 23 % (53), Europe for 42 % (21), North America for 25 % (14), South America for 6 % (6), and Asia-Pacific for 4 % (6). Russia's share results from the order book in the Russian market after the adjustments from renegotiations with customers, within the limits set by the sanctions.

RESULT AND PROFITABILITY

Operating loss during the reporting period was EUR -16.6 million (-4.5) and accounted for -23.4 % (-7.4) of net sales. The operating loss resulted from the write-downs and cancellations of projects for Russian market of approximately EUR 9 million, one-time items related to Chinese lockdown, production transfer and severance costs of approximately EUR 2 million and significant material cost inflation and freight cost increases. We continued with our investments in product development, marketing and digitalization.

The result before taxes for the reporting period was EUR -16.5 million (-4.1). The result for the reporting period was EUR -14.1 million (-3.7). Undiluted earnings per share were EUR -3.31 (-0.87).

CASH FLOW AND BALANCE SHEET

The Group's financial position weakened slightly during the period as a result of the poor profitability. At the end of the reporting period, gearing was -33 % (-27), and the equity ratio was 34 % (46).

The Group's cash and cash equivalents amounted to EUR 15.4 million (18.1) at the end of the reporting period. Operating cash flow was EUR -4.3 million (13.2). Cash flow from investment activities totaled EUR -3.7 million (-2.5). Cash flow from financing activities was EUR -1.0 million negative (-4.2).

Interest-bearing liabilities amounted to EUR 8.7 million (9.0) at the end of the reporting period. The sum consisted entirely of liabilities for right-of-use assets.

The parent company Raute Corporation has a EUR 10 million commercial paper program, which allows the company to issue commercial papers maturing in less than one year, none of which was outstanding on the balance sheet date.

The parent company Raute Corporation is prepared for future working capital needs and has long-term credit facility agreements with two Nordic banks totaling EUR 20.5 million, none of which were used during the reporting period. The main covenants of the credit facilities are an equity ratio of >30% and gearing of <80%.

EVENTS DURING THE REPORTING PERIOD

Raute Corporation published stock exchange releases on the following events in 2022:

January 25, 2022: Profit warning: Raute Corporation's operating profit for 2021 will remain at the level of 2020 due to the new agenda decision issued by IFRIC on IT cloud services

February 11, 2022: New long-term incentive plan based on performance, share value and growth established for Raute's senior management and selected key persons

March 2, 2022: Raute Corporation to withdraw its financial guidance for 2022

March 4, 2022: The impacts of the Russian military actions on Raute's business operations in Russia

April 19, 2022: Raute Corporation's President and CEO Tapani Kiiski leaves his position

May 5, 2022: Changes in Raute Group's Executive Board

May 24, 2022: Raute Corporation's Board of Directors appoints Mika Saariaho as a new President and CEO

June 22, 2022: Raute to book provisions for write-offs related to Russian business, strengthen its performance improvement program, and issue new guidance

RESEARCH AND DEVELOPMENT COSTS AND CAPITAL EXPENDITURE

Raute is a leading technology supplier for the plywood and LVL industries and focuses strongly on the development of increasingly efficient, productive, safe and environmentally friendly manufacturing technology and supporting measurement and machine vision applications. New opportunities provided by digitalization are also an essential part of R&D activities.

Research and development costs in the reporting period amounted to EUR 3.2 million (2.5), representing 4.5 % of net sales (4.2).

The Group's capital expenditure during the period was EUR 3.7 million (2.6) and accounted for 5.2 % (4.3) of net sales. Key investments in the period were the extensive renewal project for our IT and ERP systems as well as set up of new production site in Changzhou, China.

PERSONNEL AND OCCUPATIONAL SAFETY

At the end of the reporting period, the Raute Group had 793 (817) employees. Group companies outside Finland accounted for 32 % (31) of employees.

In full-time-equivalent terms ("effective headcount"), the average number of employees was 799 (774) during the reporting period.

The Group is continuously developing the competence of its personnel to increase their commitment to the company. Approximately one percent (1%) of the payroll is invested in personnel training. One of the key strategic priorities for personnel development continued to be training for the needs of the new IT system.

Occupational safety has improved from 2021 continuing a longer term downward trend. The total number of lost-time injuries YTD was four. The accident frequency (LTIF) was 5.4 (10.4).

SHARES

The number of Raute Corporation's shares at the end of the reporting period totaled 4,263,194 (4,263,194), of which 991,161 (991,161) were series K shares (ordinary share, 20 votes/share) and 3,272,033 (3,272,033) were series A shares (1 vote/share). Series K and A shares confer equal rights to dividends and company assets.

Series K shares can be converted to series A shares under the terms set out in Article 3 of the Articles of Association. If an ordinary share is transferred to a new owner who has not previously held series K shares, the new owner must notify the Board of Directors of this in writing and without delay. In this kind of situation, other holders of series K shares have the right to redeem the series K share under the terms specified in Article 4 of the Articles of Association.

Raute Corporation's series A shares are listed on Nasdaq Helsinki Ltd. The trading code is RAUTE.

The company's market capitalization at the end of the reporting period was EUR 48.6 million (95.1), with series K shares valued at the closing price of series A shares for the reporting period, i.e. EUR 11.40 (22.30).

REMUNERATION

The Annual General Meeting approved, on March 31, 2022, the Remuneration Report for Governing Bodies proposed by the Board of Directors. The resolution is advisory.

The Group has remuneration systems in place that cover the entire personnel.

Share-based incentive plans

The Group has valid long-term share-based incentive plans based on performance.

The company decided to launch a new long-term incentive plan based on performance, share value and growth (LTI Plan 2022–2024) on February 11, 2022.

The terms and conditions of the incentive plans are available on the company's website. More detailed and up-to-date information is presented on the company's website.

SHAREHOLDERS

The number of shareholders totaled 6,009 at the beginning of the year and 5,914 at the end of the reporting period. Series K shares were held by 55 private individuals (54) at the end of the reporting period. Nominee-registered shares accounted for 2.0% (2.2) of shares. The company did not receive any flagging notifications during the reporting period.

The Board of Directors, the President and CEO as well as the Executive Board held altogether 140,277 company shares, equaling 3.3% (6.0) of the company shares and 8.9% (11.6) of the voting rights at the end of the reporting period.

CORPORATE GOVERNANCE

Raute Corporation complies with the Finnish Corporate Governance Code 2020 for listed companies issued by the Securities Market Association on September 19, 2019, except for the deviation from Recommendation 15 concerning the appointment of members to the Appointments Committee.

EXECUTIVE BOARD

Raute Group's Executive Board and the members' areas of responsibility:

Petri Strengell, President and CEO, Chairman, Executive Vice President, COO – Sales and customer excellence, supply chain and quality, ICT

Kurt Bossuyt, Executive Vice President, Services – Services market

Marko Hjelt, Executive Vice President, Human Resources – People excellence, safety

Mika Hyysti, Executive Vice President, CTO – Innovations, products and services, and R&D

Timo Kangas, Executive Vice President, Power – Power market

Jani Roivainen, Executive Vice President, Metrix – Metrix market

Jukka Siiriäinen, Executive Vice President, Grow – Grow market

Minna Yrjönmäki, Executive Vice President, CFO - Finance, business support and sustainability

ANNUAL GENERAL MEETING 2022

Raute Corporation's Annual General Meeting was held on March 31, 2022. More detailed information on the decisions of the Annual General Meeting can be found in the stock exchange release issued on March 31, 2022.

DISTRIBUTION OF PROFIT FOR THE 2021 FINANCIAL YEAR

The Annual General Meeting on March 31, 2021 decided that no dividend be paid for the financial year 2021 by a resolution of the Annual General Meeting and that the distributable assets be transferred to equity. The Annual General Meeting, however, decided to authorize the Board of Directors to decide, at its discretion, on the payment of a total dividend of no more than EUR 0.80 per share for series A and K shares. The authorization is valid until the beginning of the company's following Annual General Meeting. Unless the Board of Directors, for a legitimate reason, decides otherwise, the possible dividend is paid in one installment during the validity of the authorization. The Board of Directors will make a separate decision on the payment of dividend. The company will disclose such decision separately and confirm the record date and the payment date for the dividend in connection thereto. The dividend paid based on the Board of Directors' decision will be paid to shareholders who, on the record date for the dividend payment in question, are registered in the company's register of shareholders maintained by Euroclear Finland Ltd.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period.

BOARD OF DIRECTORS AND BOARD COMMITTEES

At the Annual General Meeting held on March 31, 2022, Ms. Laura Raitio was elected Chair of the Board, Mr. Mika Mustakallio was elected Vice-Chair, and Mr. Joni Bask, Mr. Ari Harmaala, Mr. Petri Perttula, Mr. Ari Piik, and Mr. Patrick von Essen were elected as Board members. The Board of Directors' term of office will continue until the 2023 Annual General Meeting.

Based on the evaluation of independence by the Board of Directors, Chair of the Board Ms. Laura Raitio and members Mr. Joni Bask, Mr. Ari Harmaala, Mr. Petri Perttula, Mr. Ari Piik and Mr. Patrick von Essen are independent of the company. Vice-Chair of the Board of Directors Mr. Mika Mustakallio is not estimated to be independent of the company, as he has served on the Board of Directors for more than ten years. Chair of the Board Ms. Laura Raitio and three Board members, Mr. Ari Harmaala, Mr. Petri Perttula, and Mr. Patrick von Essen, are independent of major shareholders.

Raute Corporation's Board of Directors has an Appointments Committee. The Appointments Committee is chaired by Ms. Laura Raitio, and its members are Mr. Mika Mustakallio and Mr. Pekka Suominen. Due to the company's ownership structure, it has been considered, in deviation from recommendation 15 of the Finnish Corporate Governance Code 2020 for listed companies issued by the Securities Market Association on September 19, 2019, that it is justified that a representative of a large shareholder group who is not a member of the Board of Directors is a member of the Appointments Committee.

The Audit Committee's tasks are handled by the Board of Directors.

BUSINESS RISKS

The most important short-term risk for Raute continues to be Raute's exposure to Russia. Following the numerous renegotiations with Russian customers, the risk position has been reduced since previous quarter and the outstanding order book for Russia now amounts to EUR 16 million. The remaining order book is still vulnerable to changes in regulation, sanctions and financial transactions. The changing sanctions result in uncertainty in our ability to operate in line with our contracts and recognize revenue from our order book in progress. As a result of the latest sanction package, a large part of Raute's technology and services has fallen under the scope of the sanctions.

Aside from the political risk, the most significant short-term risks for Raute are related to the input price inflation and availability of raw materials, components and freight.

Restrictions resulting from the pandemic caused by Covid-19 may continue to have a negative impact on Raute's outlook also in the future, but to a lesser extent than in the two previous years.

Raute is subject to geopolitical and macroeconomic conditions, where currently prevailing high inflation and increasing interest rates may give cause to economical downturn. Such a downturn would likely impact Raute's operations and reduce underlying demand.

OUTLOOK FOR 2022

On June 22, 2022, Raute Corporation's Board of Directors issued a revised earnings guidance for 2022. The Board of Directors now expects Raute's 2022 operating profit to stay significantly negative and below last year's level. Raute's operating profit for 2021 was -2.2 million euros.

CONSOLIDATED STATEMENT OF INCOME

Raute Corporation's Board of Directors has approved this half-year report for January 1– June 30, 2022 to be published.

The figures for the financial year 2021 presented in the figures section of the half-year report have been audited. The presented interim financial report figures have not been audited.

CONSOLIDATED STATEMENT OF INCOME

	1.4.– 30.6.2022	1.4.– 30.6.2021	1.1.– 30.6.2022	1.1.– 30.6.2021	1.1.– 31.12.2021
EUR 1,000					
NET SALES	29 590	35 453	70 865	60 212	142 212
Change in inventories of finished goods and work in progress	663	904	46	1 897	-2 233
Other operating income	68	11	68	179	437
Materials and services	-24 038	-19 649	-47 902	-32 271	-74 324
Employee benefits expense	-14 388	-12 358	-26 486	-23 658	-44 517
Depreciation, amortization and impairments	-1 278	-1 110	-2 526	-2 083	-4 315
Other operating expenses	-5 709	-4 984	-10 634	-8 761	-19 504
Total operating expenses	-45 413	-38 100	-87 548	-66 773	-142 661
OPERATING RESULT	-15 092	-1 732	-16 570	-4 485	-2 244
% of net sales	-51,0	-4,9	-23,4	-7,4	-1,6
Financial income	-173	541	699	748	998
Financial expenses	-107	-175	-659	-342	-525
Financial expenses, net	-280	366	40	405	472
RESULT BEFORE TAX	-15 372	-1 366	-16 530	-4 080	-1 772
% of net sales	-51,9	-3,9	-23,3	-6,8	-1,2
Income taxes	2 458	391	2 398	354	-3
RESULT FOR THE PERIOD	-12 914	-975	-14 132	-3 726	-1 775
% of net sales	-43,6	-2,8	-19,9	-6,2	-1,2
Result for the period attributable to					
Equity holders of the Parent	-12 914	-975	-14 132	-3 726	-1 775
Earnings per share for profit attributable to Equity holders of the Parent company, EUR					
Undiluted earnings per share	-3,03	-0,23	-3,31	-0,87	-0,42
Diluted earnings per share	-3,03	-0,23	-3,31	-0,87	-0,42

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1.4.– 30.6.2022	1.4.– 30.6.2021	1.1.– 30.6.2022	1.1.– 30.6.2021	1.1.– 31.12.2021
EUR 1,000					
RESULT FOR THE PERIOD	-12 914	-975	-14 132	-3 726	-1 775
Other comprehensive income items					
Items that will not be reclassified to profit or loss					
Changes in the fair value of financial assets at fair value through other comprehensive income	-260	-	-	-260	-
Items that may be subsequently reclassified to profit or loss					
Hedging reserve, hedge accounting	-110	0	-315	-27	-62
Exchange differences on translating foreign operations	485	-38	709	347	56
Income taxes related to these items	51	0	51	0	83
Comprehensive income items for the period, net of tax	166	-38	185	320	-339
COMPREHENSIVE RESULT FOR THE PERIOD	-12 748	-1 013	-13 947	-2 955	-2 114
Comprehensive result for the period attributable to					
Equity holders of the Parent company	-12 748	-1 013	-13 947	-2 955	-2 114
Shares, 1 000 pcs					
Adjusted average number of shares	4 263	4 263	4 263	4 263	4 263
Adjusted average number of shares, diluted	4 263	4 263	4 263	4 263	4 263

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET

EUR 1,000	30.6.2022	30.6.2021	31.12.2021
ASSETS			
Non-current assets			
Goodwill			
	1 714	1 714	1 714
Other intangible assets	8 460	4 118	6 400
Property, plant and equipment	11 684	11 360	11 489
Right of use assets	8 344	7 102	10 064
Other financial assets	768	1 548	1 019
Accounts receivables	23	0	-
Deferred tax assets	4 242	1 817	1 853
Total non-current assets	35 235	27 660	32 538
Current assets			
Inventories	23 354	18 801	22 009
Accounts receivables and other receivables	34 905	44 549	31 629
Income tax receivable	28	415	143
Cash and cash equivalents	15 366	18 093	24 357
Total current assets	73 653	81 859	78 138
TOTAL ASSETS	108 887	109 518	110 676

CONSOLIDATED BALANCE SHEET

EUR 1,000	30.6.2022	30.6.2021	31.12.2021
EQUITY AND LIABILITIES			
Equity attributable to Equity holders of the Parent company			
Share capital			
	8 256	8 256	8 256
Fair value reserve and other reserves	6 267	7 161	6 791
Exchange differences	1 822	1 054	548
Retained earnings	17 904	19 778	20 238
Profit for the period	-14 132	-3 725	-1 775
Total equity	20 118	32 523	34 064
Non-current liabilities			
Deferred tax liability	19	46	228
Lease liability	7 238	5 355	8 493
Provisions	0	0	207
Total non-current liabilities	7 257	5 401	8 928
Current liabilities			
Current interest-bearing liabilities	0	1 670	2 071
Lease liability	1 448	1 942	1 549
Current advance payments received	49 340	36 539	33 764
Income tax liability	491	370	624
Trade payables and other liabilities	27 479	27 896	27 044
Provisions	2 752	3 177	2 632
Total current liabilities	81 511	71 593	67 685
Total liabilities	88 769	76 995	76 612
TOTAL EQUITY AND LIABILITIES	108 887	109 518	110 676

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	1.1.–30.6.2022	1.1.–30.6.2021	1.1.–31.12.2021
CASH FLOW FROM OPERATING ACTIVITIES			
Proceeds from customers	84 993	71 552	160 037
Other operating income	51	179	-
Payments to suppliers and employees	-89 585	-58 244	-135 940
Cash flow before financial items and taxes	-4 541	13 488	24 097
Interest paid from operating activities	-43	-101	-147
Dividends received from operating activities	676	711	745
Interest received from operating activities	14	14	33
Other financing items from operating activities	-795	-271	-292
Income taxes paid from operating activities	403	-678	-433
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	-4 286	13 163	24 003
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	-3 679	-2 612	-6 297
Proceeds from sale of property, plant and equipment and intangible assets	6	109	-
Payment for acquisition of subsidiary, net of cash acquired	0	0	-
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	-3 673	-2 503	-6 297
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from current borrowings	-	-	-
Repayments of current borrowings	-	-	-
Repayments of lease liability	-1 013	-788	-1 752
Dividends paid	0	-3 411	-3 411
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	-1 013	-4 198	-5 163
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	-8 972	6 462	12 543
increase (+)/decrease (-)			
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	24 357	11 601	11 601
NET CHANGE IN CASH AND CASH EQUIVALENTS	-8 972	6 462	12 543
EFFECTS OF EXCHANGE RATE CHANGES ON CASH	-19	30	213
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	15 366	18 093	24 357
CASH AND CASH EQUIVALENTS IN THE BALANCE SHEET AT THE END OF THE PERIOD*			
Cash and cash equivalents	15 366	18 093	24 357
TOTAL	15 366	18 093	24 357

*Cash and cash equivalents comprise cash and bank receivables, which will be due within the following three months' period.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 1,000	Invested Share capital	non-restricted capital	Invested equity reserve	Other reserves	Exchange differences	Retained earnings	To the equity holders of the Parent company	TOTAL EQUITY
EQUITY at Jan. 1, 2022	8 256	5 711	1 080	548	18 469	34 064	34 064	
Comprehensive profit for the period								
Profit for the period	-	-	-	-	-	-14 132	-14 132	-14 132
Other comprehensive income items:								
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	-260	-	-	-	-260	-260
Hedging reserve	-	-	-315	-	-	-	-315	-315
Exchange differences on translating foreign operations	-	-	-	1 274	-	-565	709	709
Income taxes related to these items	-	-	51	-	-	-	51	51
Total comprehensive profit for the period	0	0	-524	1 274	-14 697	-13 947	-13 947	
Transactions with equity holders								
Equity-settled share-based transactions	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Total transactions with equity holders	0	0	0	0	0	0	0	
EQUITY at June 30, 2022	8 256	5 711	556	1 822	3 772	20 119	20 119	

COMPARISON PERIOD

EUR 1,000	Invested Share capital	non-restricted capital	Invested equity reserve	Other reserves	Exchange differences	Retained earnings	To the equity holders of the Parent company	TOTAL EQUITY
EQUITY at Jan. 1, 2021	8 256	5 711	1 476	353	23 790	39 587	39 587	
Comprehensive profit for the period								
Profit for the period	-	-	-	-	-	-3 725	-3 725	-3 725
Other comprehensive income items:								
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	0	0
Hedging reserve	-	-	-27	-	-	-	-27	-27
Exchange differences on translating foreign operations	-	-	-	701	-	-603	98	98
Income taxes related to these items	-	-	-	-	-	-	0	0
Total comprehensive profit for the period	0	0	-27	701	-4 328	-3 654	-3 654	
Transactions with equity holders								
Equity-settled share-based transactions	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-3 411	-3 411	-3 411
Total transactions with equity holders	0	0	0	0	-3 411	-3 411	-3 411	
EQUITY at June 30, 2021	8 256	5 711	1 450	1 054	16 052	32 523	32 523	

NOTES TO THE HALF-YEAR REPORT

General information

Raute Group is a globally operating technology and service company serving the wood products industry, with core competence in selected wood products manufacturing processes. Raute's customers are companies operating in the wood products industry that manufacture veneer, plywood, LVL and sawn timber.

Raute's full-service concept is based on product life-cycle management and includes project deliveries and technology services. Raute's technology offering covers machinery and equipment for the customer's entire production process. In addition to a broad range of machines and equipment, Raute's solutions cover technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations as well as consulting, training, reconditioned machinery and digital services.

Raute Group's Parent company, Raute Corporation, is a Finnish public limited liability company established in accordance with Finnish law (Business ID FI01490726). Its series A shares are quoted on Nasdaq Helsinki Ltd, under Industrials. Raute Corporation is domiciled in Lahti. The address of its registered office is Rautetie 2, FI-15550 Nastola, and its postal address is P.O. Box 69, FI-15551 Nastola.

All of the figures presented in the half-year report are in thousand euro, unless otherwise stated. Due to the rounding of the figures in the financial statement tables, the sums of figures may deviate from the sum total presented in the table. Figures in parentheses refer to the corresponding figures in the comparison period.

Basis of preparation

Raute Corporation's half-year report for January 1–June 30, 2022 has been prepared in accordance with standard IAS 34 Interim Financial Reporting.

The half-year report does not contain full notes and other information presented in the financial statements, and therefore the half-year report should be read in conjunction with the Financial statements published for 2021.

Raute Corporation's half-year report for January 1–June 30, 2022 has been prepared in accordance with the International Financial Reporting Standards, IFRS, accepted for application in the European Union, including related interpretations. The half-year report has been drawn up according to the same accounting principles as in the consolidated financial statements for 2021.

When preparing the half-year report in compliance with International Financial Reporting Standards, the company management has made estimates and assumptions. In addition, the management has exercised its judgment in selecting and applying the accounting policies. The forward-looking estimates and assumptions have been based on management's best knowledge at the reporting date, and they comprise risks and uncertainties, therefore actual results may differ from these estimates.

IFRS standards that have been published and will be valid in future financial periods

Standards for future periods will not be expected to have a significant impact on Raute Corporation's Consolidated financial statements

Net sales

Raute serves the wood products industry with a full-service concept based on service that encompasses the entire life cycle of the delivered equipment. Raute's business consists of project deliveries and technology services. Project deliveries encompass projects from individual machine or production line deliveries to deliveries of all the machines and equipment belonging to a mill's production process.

Additionally, Raute's full-service concept includes comprehensive technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations, as well as consulting, training, reconditioned machinery and digital services. Project deliveries and modernizations related to technology services include both product and service sales, making it impossible to give a reliable presentation of the breakdown of the Group's net sales into purely product and service sales.

Large mill or production line scale delivery projects can temporarily increase the share of an individual customer of the Group's net sales to more than 10 percent. At the end of the reporting period, the Group had one customer (2), whose customized share of the Group's net sales temporarily exceeded ten percent.

EUR 1,000	1.1.– 30.6.2022		1.1.– 30.6.2021		1.1.– 31.12.2021	
		%		%		%
Net sales by market area						
EMEA (Europe and Africa)	29 453	42	12 860	21	34 851	25
NAM (North America)	17 981	25	8 535	14	20 063	14
CIS (Russia)	16 074	23	31 647	53	69 779	49
LAM (South America)	4 038	6	3 756	6	7 816	5
APAC (Asia-Pacific area)	3 318	4	3 414	6	9 703	7
TOTAL	70 865	100	60 212	100	142 212	100

Finland accounted for 7 percent (9%) of net sales

EUR 1,000	1.1.– 30.6.2022	1.1.– 30.6.2021	1.1.– 31.12.2021
Specification of net sales			
Performance obligations to be satisfied over time	49 913	43 385	102 981
Performance obligations to be satisfied at a point in time	20 952	16 827	39 231
TOTAL	70 865	60 212	142 212
Project revenues entered as income from performance obligations to be satisfied over time currently undelivered			
	186 298	109 551	140 394
Amount of performance obligations to be satisfied over time not yet entered as income (order book)	91 483	119 099	150 786
Balance sheet items of undelivered projects			
Projects in which the value by percentage of completion exceeds advance payments invoiced			
- aggregate amount of costs incurred and recognized profits less recognized losses	100 066	82 200	62 861
- advance payments received	83 031	61 422	47 787
Current customer contract assets	17 035	20 778	15 074
Projects in which advance payments invoiced exceed the value by percentage of completion			
- aggregate amount of costs incurred and recognized profits less recognized losses	86 783	30 793	77 096
- advance payments received	140 366	62 225	106 910
Current customer contract liabilities	53 583	31 463	29 814
Advance payments included in current liabilities in the balance sheet			
Current customer contract assets	53 583	31 463	29 814
Current customer contract liabilities	4 243	5 076	3 950
Total	49 340	36 539	33 764
Advance payments of the customer contracts included in inventories in the balance sheet			
Advance payments paid	3 993	2 878	6 578
Total	3 993	2 878	6 578

EUR 1,000	30.6.2022	30.6.2021	31.12.2021
Research and development costs			
Research and development costs for the period	-3 213	-2 351	-5 257
Amortization of previously capitalized development costs	-	-	-
Development costs recognized as an asset in the balance sheet	-	-187	338
Research and development costs recognized as an expense before impairments for the period	-3 213	-2 538	-4 919
Impairments of capitalized development costs		-	-
Research and development costs recognized as an expense for the period	-3 213	-2 538	-4 919

EUR 1,000	30.6.2022	30.6.2021	31.12.2021
Right-of-use assets			
Book value at the beginning of the period	10 063	6 496	5 917
Changes	-1 057	-	-
Exchange rate differences	383	-11	153
Additions	24	1 405	5 770
Depreciation for the period	-1 069	-788	-1 775
Book value at the end of the period	8 343	7 102	10 063

	30.6.2022	30.6.2021	31.12.2021
Goodwill			
Goodwill at the beginning of the period	1 714	1 714	1 714
Increases	-	-	-
Goodwill at the end of the period	1 714	1 714	1 714

EUR 1,000	30.6.2022	30.6.2021	31.12.2021
Other intangible assets			
Acquisition cost at the beginning of the period	16 144	12 492	12 492
Exchange rate differences	7	7	14
Additions	2 462	245	3 474
Reclassification between items	0	865	163
Acquisition cost at the end of the period	18 612	15 503	16 144
Accumulated depreciation and amortization at the beginning of the period	-9 743	-9 197	-9 197
Exchange rate differences	-7	-7	-26
Reclassification between items	-	-	0
Depreciation and amortization for the period	-402	-286	-520
Accumulated depreciation and amortization at the end of the period	-10 152	-9 490	-9 743
Book value of Other intangible assets, at the beginning of the period	6 400	3 295	3 295
Book value of Other intangible assets, at the end of the period	8 460	6 013	6 400
Property, plant and equipment			
Acquisition cost at the beginning of the period	66 456	54 990	63 635
Changes	-1 078	-	-
Exchange rate differences	638	508	466
Additions	1 217	1 391	8 593
Disposals	0	-124	-120
Reclassification between items	0	-813	-6 118
Acquisition cost at the end of the period	67 232	55 952	66 456
Accumulated depreciation and amortization at the beginning of the period	-44 905	-44 088	-46 816
Changes	7	-	-
Exchange rate differences	-151	-452	-178
Reclassification between items	-64	-	5 895
Depreciation and amortization for the period	-2 091	-1 019	-3 808
Accumulated depreciation and amortization at the end of the period	-47 204	-45 559	-44 905
Book value of Property, plant and equipment, at the beginning of the period	21 552	10 902	16 820
Book value of Property, plant and equipment, at the end of the period	20 028	10 393	21 552

Financial assets and liabilities

At the end of the reporting period June 30, 2022, the fair value of the financial assets categorized at fair value hierarchy level 3 was EUR 720 thousand. The item includes the investments in unquoted shares which have been classified as financial assets at fair value through other comprehensive income. Derivative contracts have been classified as financial assets and liabilities at fair value through profit or loss. The fair value of these derivative contracts is based on the price available from the market data, but instruments are not traded in an active market. At the end of the period, the fair value of the derivative contracts classified as financial assets was EUR 13 thousand and the fair value of the derivative contracts classified as financial liability EUR -323 thousand. The Group's interest-bearing liabilities include a lease liability amount of EUR 8,687 thousand due to the adoption of the standard IFRS 16 Leases, at the end of the reporting period.

EUR 1,000	30.6.2022	30.6.2021	31.12.2021
Financial liabilities			
Non-current interest-bearing liabilities			
Lease liabilities	7 238	5 355	8 493
TOTAL	7 238	5 355	8 493
Current interest-bearing liabilities			
Partial payments of financial loans	-	1 904	2 071
Lease liabilities	1 448	1 708	1 549
TOTAL	1 448	3 612	3 620
EUR 1,000	30.6.2022	30.6.2021	31.12.2021
Derivatives			
Nominal values of forward contracts in foreign currency			
Hedge accounting			
- Related to the hedging of net sales	7 650	3 559	1 212
Derivatives which do not meet the criteria of hedge accounting			
- Related to financing	0	757	0
- Related to the hedging of net sales	0	4 214	8 052
Fair values of forward contracts in foreign currency			
Hedge accounting			
- Related to the hedging of net sales	-310	-18	-41
Derivatives which do not meet the criteria of hedge accounting			
- Related to financing	0	-5	0
- Related to the hedging of net sales	0	20	-128

EUR 1,000	30.6.2022	30.6.2021	31.12.2021
Pledged assets and contingent liabilities			
Mortgage agreements on behalf of subsidiaries			
Financial loans	-	1 942	2 071
Other obligations	-	-	-
Other credit guarantee arrangements	-	1 942	2 071
Commercial bank guarantees on behalf of the Parent company and subsidiaries			
	19 364	12 347	15 344
Off-balance sheet leases			
Rental liabilities maturing within one year	79	78	87
Rental liabilities maturing in one to five years	88	16	88
Total	168	94	175

Share-based payments

The company decided to launch a new performance-based, share-value-based, long-term incentive plan, LTI Plan 2022–2024, on February 11, 2022.

Distribution of the profit for the financial year 2021

Raute Corporation's Annual General Meeting was held on March 31, 2022. The Annual General Meeting decided according to the proposal of the Board of Directors that no dividend be paid for the financial year 2021 by a resolution of the Annual General Meeting and that the distributable assets be transferred to equity. The Annual General Meeting decided, however, to authorize the Board of Directors to decide, at its discretion, on the payment of a total dividend of no more than EUR 0.80 per share for series A and K shares. The authorization will be valid until the beginning of the company's following Annual General Meeting.

Segment information

Continuing operations of Raute Group belong to the wood products technology segment. Raute Corporation's Board of Directors is the chief operating decision maker that is responsible for assigning resources to the operating segment and assessing its result.

Due to Raute's business model, operational nature and administrative structure, the operational segment to be reported as wood products technology segment is comprised of the whole Group and the information on the segment is consistent with that of the Group. Segment reporting follows the principles of presentation of the consolidated financial statements.

EUR 1,000	30.6.2022		30.6.2021		31.12.2021	
Wood products technology						
Net sales	70 865		60 212		142 212	
Operating profit	-16 570		-4 485		-2 244	
Assets	108 887		109 518		110 676	
Liabilities	88 769		76 995		76 612	
Capital expenditure	3 679		1 636		6 297	
EUR 1,000	30.6.2022	%	30.6.2021	%	31.12.2021	%
Assets of the wood products technology segment by geographical location						
Finland	80 979	74	94 834	87	82 413	74
North America	14 438	13	8 656	8	15 903	14
China	10 649	10	3 735	3	9 772	9
Russia	2 140	2	1 743	2	1 916	2
South America	351	0	260	0	297	0
Other	330	0	290	0	374	0
Total	108 887	100	109 518	100	110 675	100
EUR 1,000	30.6.2022	%	30.6.2021	%	31.12.2021	%
Capital expenditure of the wood products technology segment by geographical location						
Finland	2 797	76	1 501	92	5 308	84
North America	24	1	70	4	215	3
China	849	23	0	0	756	12
Russia	0	0	13	1	11	0
South America	0	0	6	0	5	0
Other	9	0	46	3	2	0
Total	3 679	100	1 636	100	6 297	100

	30.6.2022	30.6.2021	31.12.2021	Exchange rates used in the consolidation of subsidiaries		
				1.1.– 30.6.2022	1.1.– 30.6.2021	1.1.– 31.12.2021
Number of personnel						
Effective, on average, persons	799	774	780			
On average, persons	810	783	788	77,7054	89,6125	87,2392
In books at the end of the period, persons	793	817	802	1,3906	1,5041	1,4836
Personnel working abroad at the end of the period	250	252	255	1,094	1,2057	1,1835
Personnel working abroad, %	31,5	30,8	31,8	1,4925	1,6061	1,589692
				902,3767	868,17	897,3633
Pledges on behalf of the company's management						
No loans have been granted to the company's management.						
No pledges have been given or other commitments made on behalf of the company's management and shareholders.						
				Balance sheet, euros	30.6.2022	30.6.2021
				CNY (Chinese juan)	6,9624	7,6742
				RUB (Russian rouble)	56,999	86,7725
				CAD (Canadian dollar)	1,3425	1,4722
				USD (US dollar)	1,0387	1,1884
				SGD (Singapore dollar)	1,4483	1,5976
				CLP (Chilean peso)	960,9	875,23
						964,4400

FINANCIAL DEVELOPMENT	30.6.2022	30.6.2021	31.12.2021	SHARE-RELATED DATA	30.6.2022	30.6.2021	31.12.2021
Change in net sales, %	17,7	25,0	23,7	Earnings per share, (EPS), undiluted, EUR	-3,31	-0,87	-0,42
Exported portion of net sales, %	93,2	90,5	91,8	Earnings per share, (EPS), diluted, EUR	-3,31	-0,87	-0,42
Operating result, % of net sales	-23,4	-5,8	-1,6	Equity to share, EUR	4,72	7,63	8,12
Return on investment, (ROI), %	-84,7	-12,0	-2,7	Dividend per series A share, EUR	-	-	0–0,80*
Return on equity, (ROE), %	-104,3	-14,7	-4,8	Dividend per series K share, EUR	-	-	0–0,80*
Interest-bearing net liabilities, EUR million	-6,7	-9,1	-12,2	Dividend per profit, %	-	-	0– -190,5*
Gearing, %	-33,2	-26,5	-35,9	Effective dividend return, %	-	-	0–4,0*
Equity ratio, %	33,8	46,0	44,3	Price/earnings ratio (P/E ratio)	-	-	-47,14
Gross capital expenditure, EUR million	3,7	2,6	6,3	The Annual General Meeting authorized the Board of Directors to decide on the payment of a total dividend of no more than EUR 0.80 per share for series A and K shares.			
% of net sales	5,2	4,3	4,4				
Research and development costs, EUR million	3,2	2,5	4,9	Development in share price (series A shares)			
% of net sales	4,5	4,2	3,5	Lowest share price for the period, EUR	11,40	20,90	19,50
Order book, EUR million	104	129	158	Highest share price for the period, EUR	20,40	24,80	24,90
Order intake, EUR million	75	95	203	Average share price for the period, EUR	15,54	22,82	22,28
In addition to IFRS Key ratios, Raute Group publishes some commonly used financial key ratios (alternative performance measures). Calculation of key ratios has been presented in the annual financial statements.				Share price at the end of the period, EUR	11,40	22,30	19,80
				Market value of capital stock			
				- Series K shares, EUR million**	11,3	22,1	19,6
				- Series A shares, EUR million	37,3	73,0	64,8
				Total, EUR million	48,6	95,1	84,4
				*Series K shares valued at the value of series A shares.			
				Trading of the company's shares (series A shares)			
				Trading of shares, pcs	293 476	297 660	591 208
				Trading of shares, EUR million	4,55	6,80	13,2
				Number of shares			
				- Series K shares, ordinary shares (20 votes/share)	991 161	991 161	991 161
				- Series A shares (1 vote/share)	3 272 033	3 272 033	3 272 033
				Total	4 263 194	4 263 194	4 263 194
				Number of shares, weighted average, 1 000 pcs	4 263	4 263	4 263
				Number of shares, diluted, 1 000 pcs	4 263	4 263	4 263
				Number of shareholders			
					5 914	6 101	6 009

DEVELOPMENT OF QUARTERLY RESULTS

DEVELOPMENT OF QUARTERLY RESULTS

EUR 1,000	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Rolling 1.7.2021– 30.6.2022	Rolling 1.7.2020– 30.6.2021
NET SALES	37 900	44 100	41 274	29 590	152 864	127 051
Change in inventories of finished goods and	-3 787	-343	-617	663	-4 084	5 965
Other operating income	22	236	-1	68	325	314
Materials and services	-18 187	-23 866	-23 864	-24 038	-89 955	-74 149
Employee benefits expense	-8 435	-12 424	-12 097	-14 388	-47 344	-42 090
Depreciation, amortization and impairments	-1 096	-1 136	-1 248	-1 278	-4 758	-4 223
Other operating expenses	-4 691	-6 051	-4 925	-5 709	-21 376	-15 950
Total operating expenses	-32 409	-43 480	-42 135	-45 413	-163 437	-136 412
OPERATING PROFIT	1 726	516	-1 478	-15 092	-14 328	-3 082
% of net sales	4,6	1,2	-3,6	-51,0	-9,4	-2,4
Financial income	74	176	872	-173	949	849
Financial expenses	-72	-111	-552	-107	-842	-576
Financial expenses, net	2	65	320	-280	107	272
PROFIT BEFORE TAX	1 728	581	-1 158	-15 372	-14 221	-2 810
% of net sales	4,6	1,3	-2,8	-51,9	-9,3	-2,2
Income taxes	-526	169	-60	2 458	2 041	502
TOTAL PROFIT FOR THE PERIOD	1 202	750	-1 218	-12 914	-12 180	-2 308
% of net sales	3,2	1,7	-3,0	-43,6	-8,0	-1,8
Attributable to						
Equity holders of the Parent company	1 202	750	-1 218	-12 914	-12 180	-2 308
Earnings per share, EUR						
Undiluted earnings per share	0,28	0,18	-0,29	-3,03	-2,86	-0,54
Diluted earnings per share	0,28	0,18	-0,29	-3,03	-2,86	-0,54
Shares, 1 000 pcs						
Adjusted average number of shares	4 263	4 263	4 263	4 263	4 263	4 263
Adjusted average number of shares, diluted	4 263	4 263	4 263	4 263	4 263	4 263
FINANCIAL DEVELOPMENT QUARTERLY	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Rolling 1.7.2021– 30.6.2022	Rolling 1.7.2020– 30.6.2021
Order intake during the period, EUR million	58	50	36	40	184	176
Order book at the end of the period, EUR million	150	158	152	104	104	129

SHAREHOLDERS

20 LARGEST SHAREHOLDERS AT JUNE 30, 2022 BY NUMBER OF SHARES

	Number of series K shares	Number of series A shares	Total number of shares	% of total shares	Total number of votes	% of voting rights
1. Sundholm Göran	-	500 000	500 000	11,7	500 000	2,2
2. Laakkonen Mikko Kalervo	-	119 919	119 919	2,8	119 919	0,5
3. Suominen Pekka Matias	48 000	62 429	110 429	2,6	1 022 429	4,4
4. Mandatum Henkivakuutus-osakeyhtiö	-	108 257	108 257	2,5	108 257	0,5
5. Siivonen Osku Pekka	50 640	53 539	104 179	2,4	1 066 339	4,6
6. Kirmo Kaisa Marketta	55 680	48 341	104 021	2,4	1 161 941	5,0
7. Suominen Tiina Sini-Maria	48 000	50 491	98 491	2,3	1 010 491	4,4
8. Keskiaho Kaija Leena	33 600	51 116	84 716	2,0	723 116	3,1
9. Mustakallio Mika Tapani	62 100	21 170	83 270	2,0	1 263 170	5,5
10. Särkijärvi Anna Riitta	60 480	22 009	82 489	1,9	1 231 609	5,3
11. Mustakallio Kari Pauli	60 480	-	60 480	1,4	1 209 600	5,2
12. Mustakallio Marja Helena	46 740	12 547	59 287	1,4	947 347	4,1
13. Särkijärvi Anu Riitta	12 000	43 256	55 256	1,3	283 256	1,2
14. Särkijärvi Timo Juha	12 000	43 256	55 256	1,3	283 256	1,2
15. Mustakallio Ulla Sinikka	47 740	5 946	53 686	1,3	960 746	4,2
16. Suominen Jukka Matias	24 960	27 964	52 924	1,2	527 164	2,3
17. Keskinäinen työeläke-vakuutusyhtiö Varma	-	51 950	51 950	1,2	51 950	0,2
18. Relander Pär-Gustaf	-	51 000	51 000	1,2	51 000	0,2
19. Suominen Jussi	48 000	-	48 000	1,1	960 000	4,2
20. Keskiaho Ilta Marjaana	24 780	17 094	41 874	1,0	512 694	2,2
Total	635 200	1 290 284	1 925 484	45,2	13 994 284	60,6

20 LARGEST SHAREHOLDERS AT JUNE 30, 2022 BY NUMBER OF VOTES

	Number of series K shares	Number of series A shares	Total number of shares	% of total shares	Total number of votes	% of voting rights
1. Mustakallio Mika Tapani	62 100	21 170	83 270	2,0	1 263 170	5,5
2. Särkijärvi Anna Riitta	60 480	22 009	82 489	1,9	1 231 609	5,3
3. Mustakallio Kari Pauli	60 480	-	60 480	1,4	1 209 600	5,2
4. Kirmo Kaisa Marketta	55 680	48 341	104 021	2,4	1 161 941	5,0
5. Siivonen Osku Pekka	50 640	53 539	104 179	2,4	1 066 339	4,6
6. Suominen Pekka Matias	48 000	62 429	110 429	2,6	1 022 429	4,4
7. Suominen Tiina Sini-Maria	48 000	50 491	98 491	2,3	1 010 491	4,4
8. Mustakallio Ulla Sinikka	47 740	5 946	53 686	1,3	960 746	4,2
9. Suominen Jussi	48 000	-	48 000	1,1	960 000	4,2
10. Mustakallio Marja Helena	46 740	12 547	59 287	1,4	947 347	4,1
11. Keskiaho Kaija Leena	33 600	51 116	84 716	2,0	723 116	3,1
12. Mustakallio Hanna Leena	32 975	5 565	38 540	0,9	665 065	2,9
13. Mustakallio Jukka Jeremias	32 975	-	32 975	0,8	659 500	2,9
14. Keskiaho Vesa Heikki	29 680	-	29 680	0,7	593 600	2,6
15. Keskiaho Juha-Pekka	27 880	5 716	33 596	0,8	563 316	2,4
16. Suominen Jukka Matias	24 960	27 964	52 924	1,2	527 164	2,3
17. Keskiaho Ilta Marjaana	24 780	17 094	41 874	1,0	512 694	2,2
18. Sundholm Göran	-	500 000	500 000	11,7	500 000	2,2
19. Kultanen Leea Annikka	21 595	8 031	29 626	0,7	439 931	1,9
20. Piik Ari Aarne Juhani	20 855	418	21 273	0,5	417 518	1,8
Total	777 160	892 376	1 669 536	39,2	16 435 576	71,2

MANAGEMENT'S SHAREHOLDING AND NOMINEE-REGISTERED SHARES

	Number of series K shares	Number of series A shares	Total number of shares	% of total shares	Total number of votes	% of voting rights
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Management's holding at June 30, 2022

The Board of Directors, The Group's President and CEO and Executive Board*

100 745 39 532 140 277 3,3 2 054 432 8,9

Total

100 745 **39 532** **140 277** **3,3** **2 054 432** **8,9**

*The figures include the holdings of their own, minor children and control entities.

Nominee-registered shares at June 30, 2022

- 84 160 84 160 2,0 84 160 0,4

RAUTE CORPORATION
Board of Directors

BRIEFING ON JULY 22, 2022 AT 2 P.M.:

A briefing will be organized for analysts, investors and the media on July 22, 2022 at 2 p.m. at Scandic Simonkenttä Hotel, Tapiola cabinet, Simonkatu 9, Helsinki. The half-year report will be presented by Mr. Petri Strengell, Interim President and CEO, and Ms. Minna Yrjönmäki, Interim CFO. The event can also be watched online via Teams. We will send a Teams link to those who have registered by email; registrations at ir@raute.com. The event will be recorded, and the recording can be viewed on Raute's website www.raute.com later on the same day, July 22, 2022.

NEXT INTERIM REPORT:

Raute Corporation's interim report for January 1–September 30, 2022 will be published on Friday, October 21, 2022.

FURTHER INFORMATION:

Mr. Petri Strengell, Interim President and CEO, tel. +358 40 758 6580

Ms. Minna Yrjönmäki, Interim CFO, tel. +358 40 570 2067

DISTRIBUTION:

Nasdaq Helsinki Ltd, main media, www.raute.com

RAUTE IN BRIEF:

Raute is a technology and service company that operates worldwide. Raute's customers are companies operating in the wood products industry that manufacture veneer, plywood, LVL (Laminated Veneer Lumber) and sawn timber. Its technology offering covers the entire production process for veneer, plywood and LVL and special measurement equipment for sawn timber. As a supplier of mill-scale projects, Raute is a global market leader both in the plywood and LVL industries. Additionally, Raute's full-service concept includes technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations. Raute's head office is located in Lahti, Finland. The company's other production plants are located in Kajaani, Finland, the Vancouver area of Canada, Changzhou, China and in Pullman, Washington, USA. Raute's net sales in 2021 were EUR 142.2 million. The Group's headcount at the end of 2021 was 802. More information about the company can be found at www.raute.com.



Raute Corporation

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