

# Interim Report Q1 2023

Mika Saariaho, President and CEO  
28 April 2023



# Where are we now

- ✓ Good start of the year in challenging environment
  - M€ 49.6 mill order for Lumin as a highlight of the quarter; active discussions on other new mill orders and modernizations
  - Single line orders and services impacted by market uncertainties
  - Sales at good level and profitability improving
  - All Business Units profitable
- ✓ New strategy and financial targets for 2028 announced
  - Profitable growth and ESG role in focus
  - External reporting changed to include new reporting segments
- ✓ Actions taken to strengthen the balance sheet
  - Directed share issue completed early April
  - Preparations ongoing for rights issue in May
  - Junior loan arrangements under consideration



# Raute Q1 / 2023 in brief

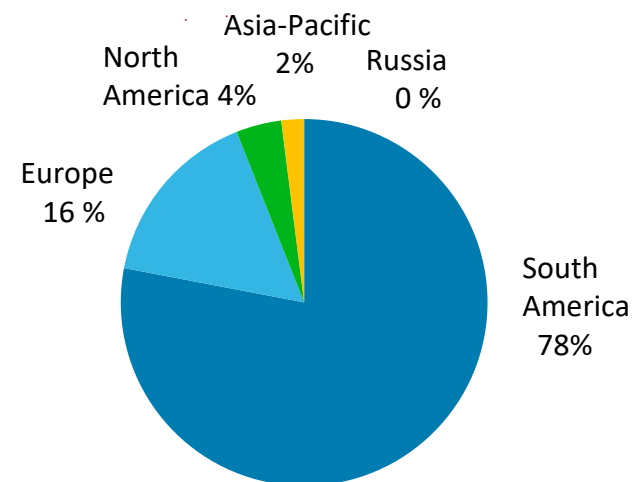
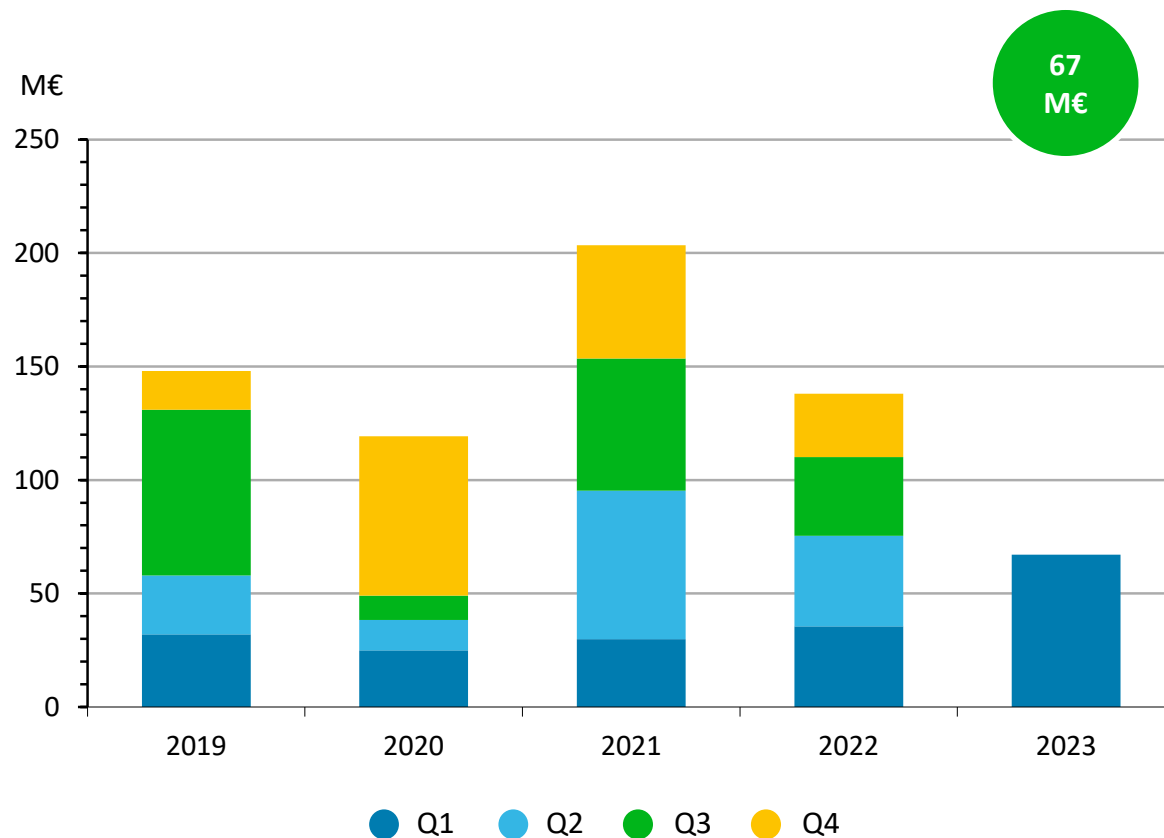
- Q1 Net sales 11% below previous year
  - › Wood Processing 20% below previous year due to high proportion of Russia in 2022
  - › Analyzers growth strong
  - › Services growing steadily
- Q1 Comparable EBITDA strong at 7.7% margin
  - › Improving margins from projects
  - › Reduced cost pressure
  - › Controlled wind-down of Russian projects
- Operating result positive for the quarter
  - › China market area restructuring costs M€ -0.6 included
- Development program to improve competitiveness and profitability proceeding on target

Key figures	Q1 2023	Q1 2022	Q1-Q4 2022
Net sales, M€	<b>36,8</b>	<b>41,3</b>	158,3
Comparable EBITDA, M€	<b>2,8</b>	<b>-0,1</b>	-2,3
Comparable EBITDA-%	<b>7,7</b>	<b>0</b>	-1,4
Operating result, M€	<b>0,9</b>	<b>-1,5</b>	-14,6
Order intake, M€	<b>67</b>	<b>36</b>	138
Order book, M€	<b>121<sup>*</sup></b>	<b>152</b>	84

*\* of which 3 remaining from Russia*

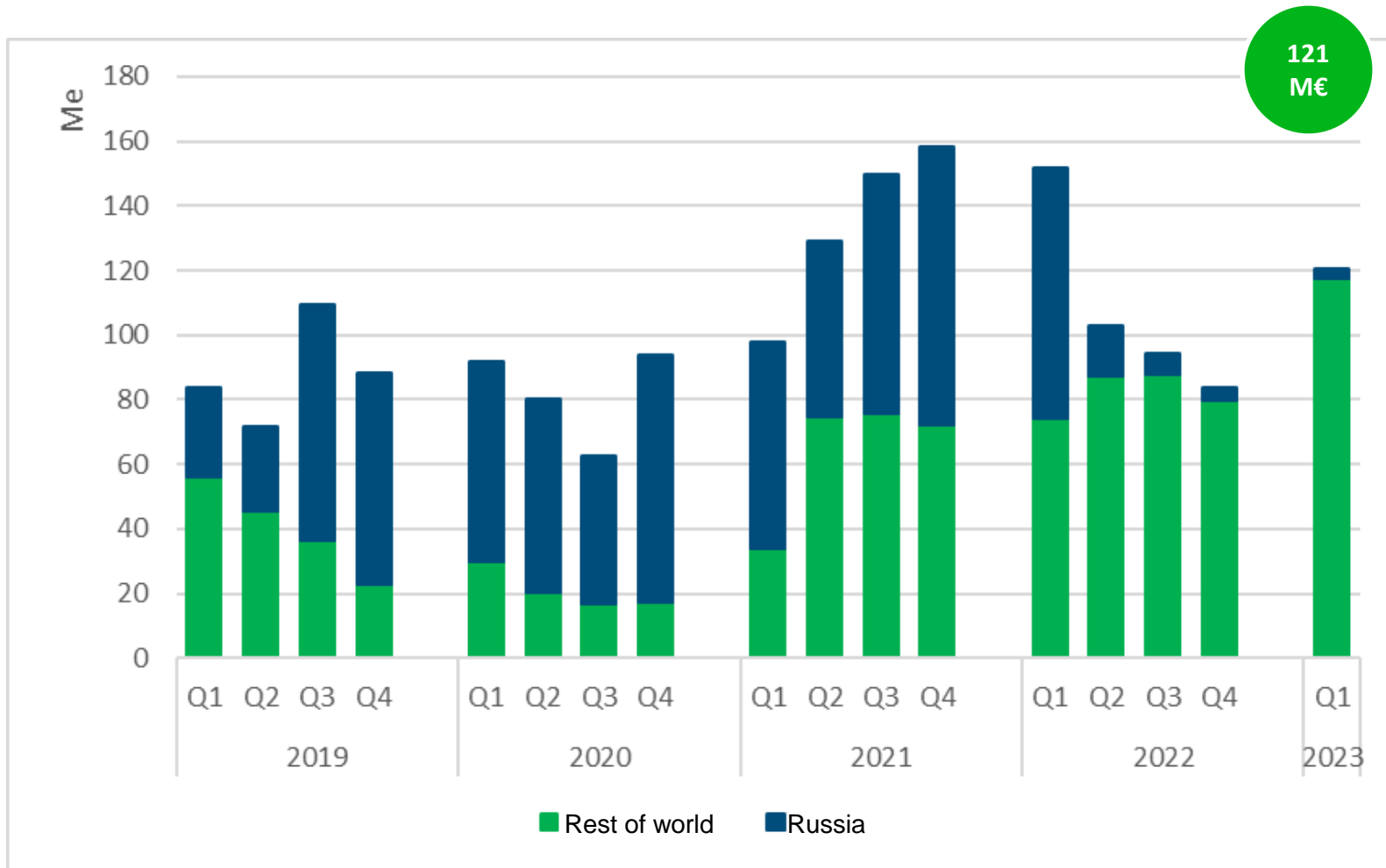


# Order intake



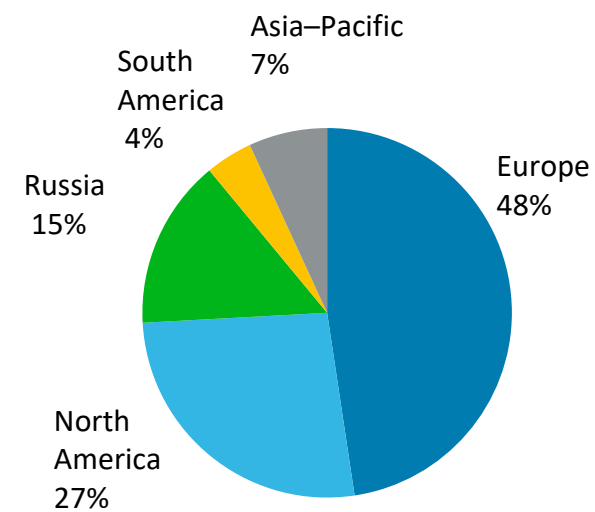
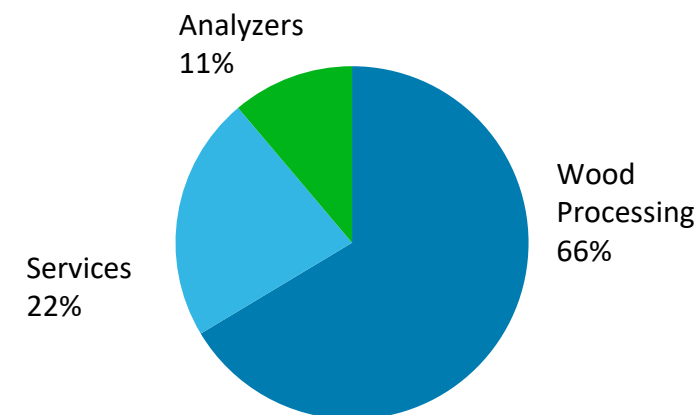
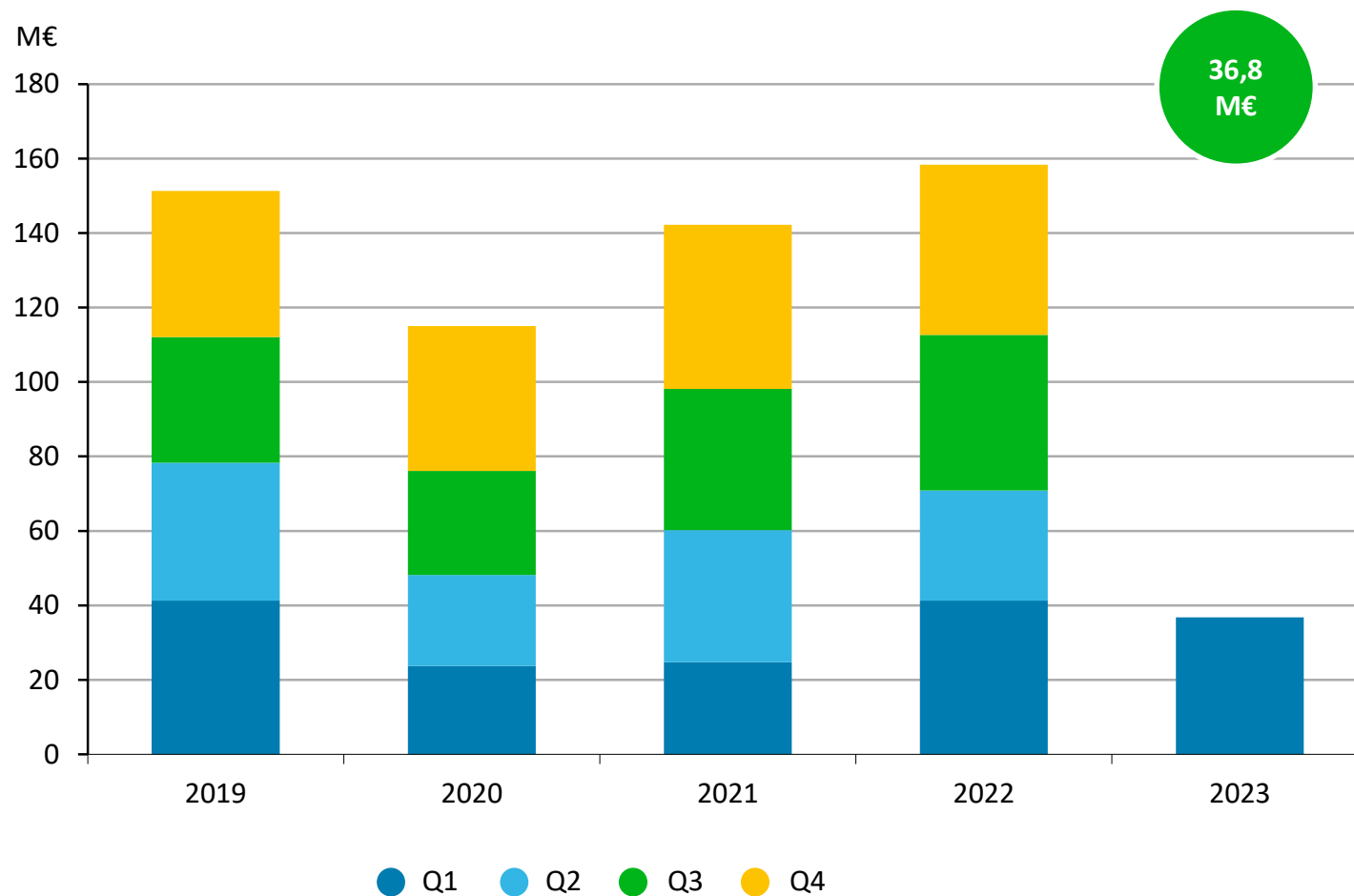
- Mill-size order for Lumin 49.6 M€ received in March (in Q1 numbers)
- Latvijas Finieris Verems order of 29 M€ received in April (not in Q1 numbers)

# Order book

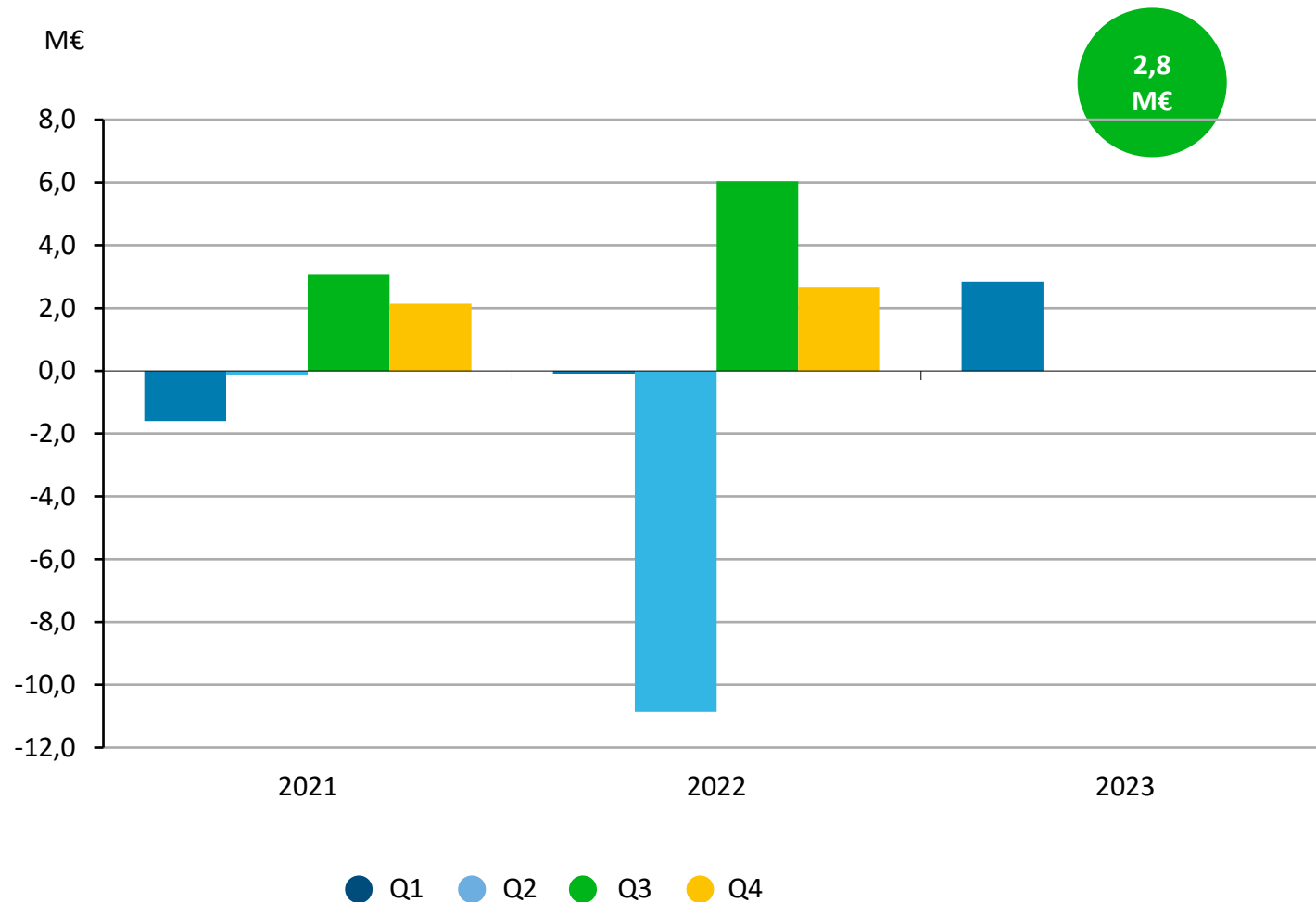


- Order book growing thanks to mill-size order received
- Slow quarter for other orders
- Remaining order book for Russia M€ 3

# Net sales

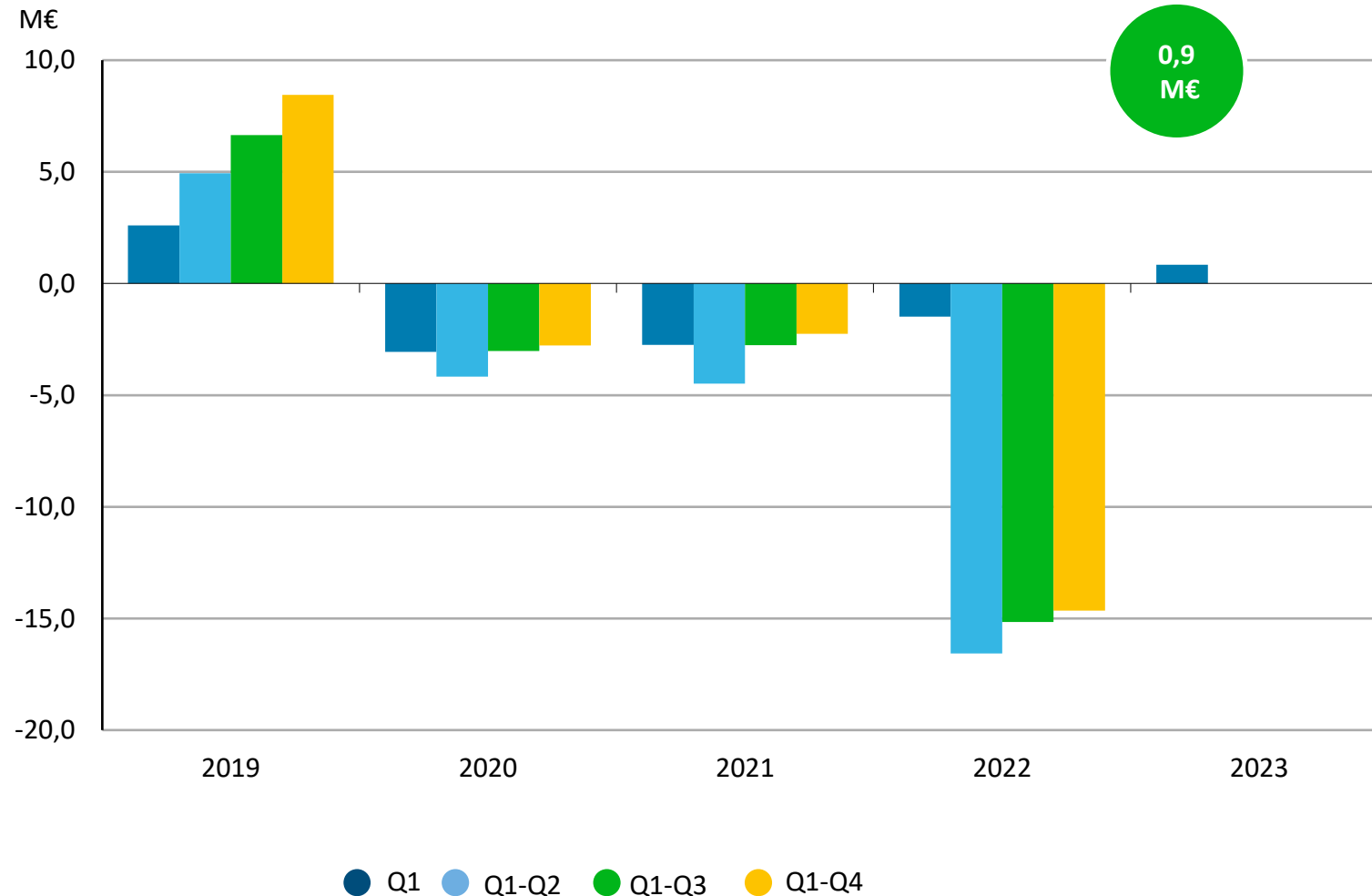


# Comparable EBITDA



- Q1 Comparable EBITDA M€ 2.8 and margin 7.7%
- Comparable EBITDA impacted by
  - Improving margins and reduced cost pressure
  - Controlled wind-down of remaining Russian order book proceeding

# Operating profit (YTD)

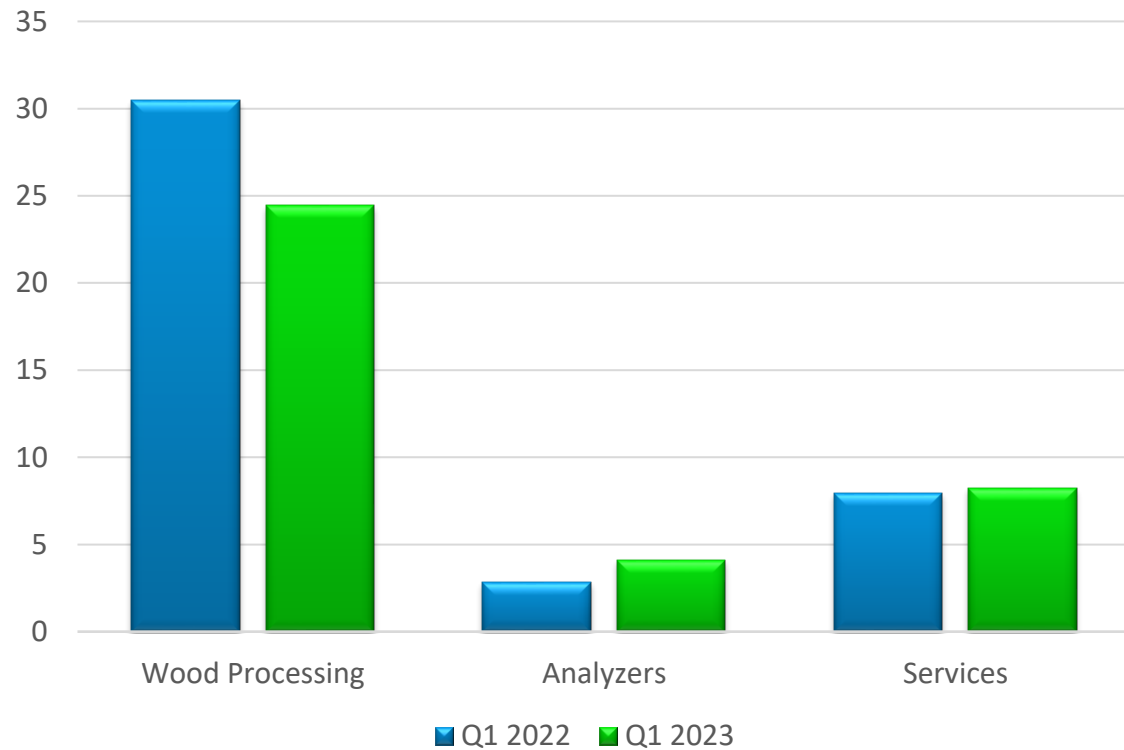


- Q1 operating profit M€ 0.9
- Operating profit negatively impacted by
  - Shanghai market area closure costs (M€ -0.6)
  - Cloud-based ERP implementation costs (M€ -0.3)

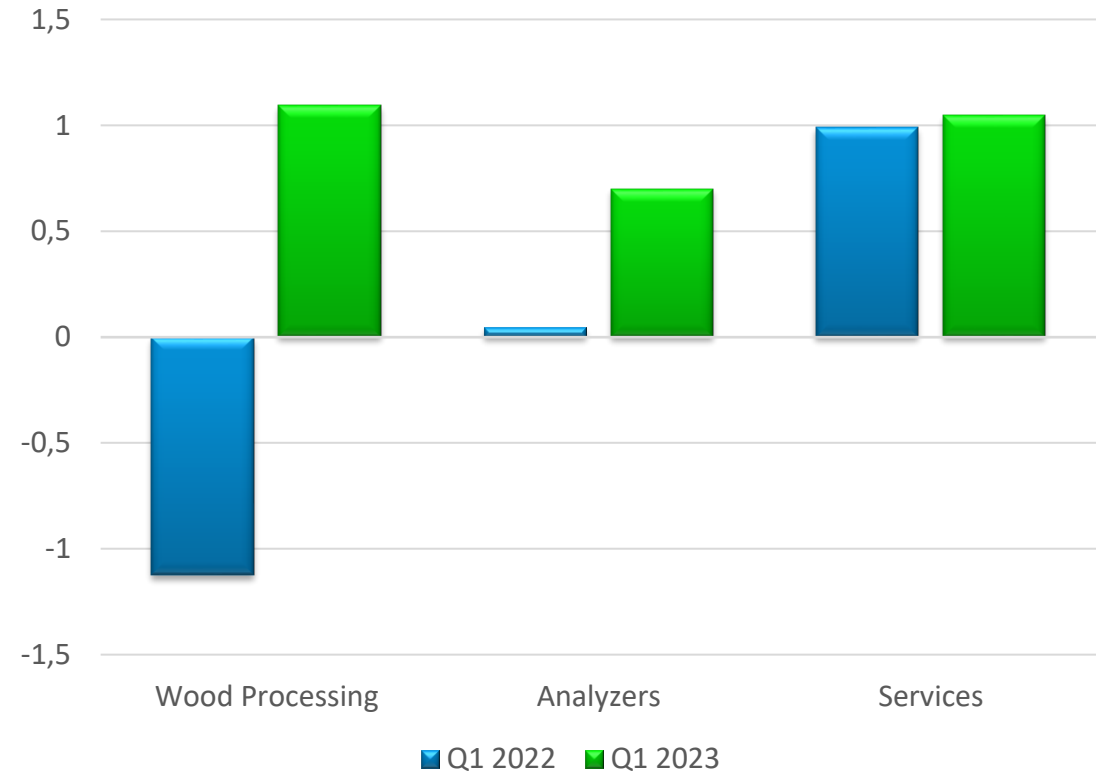


# Segment performance

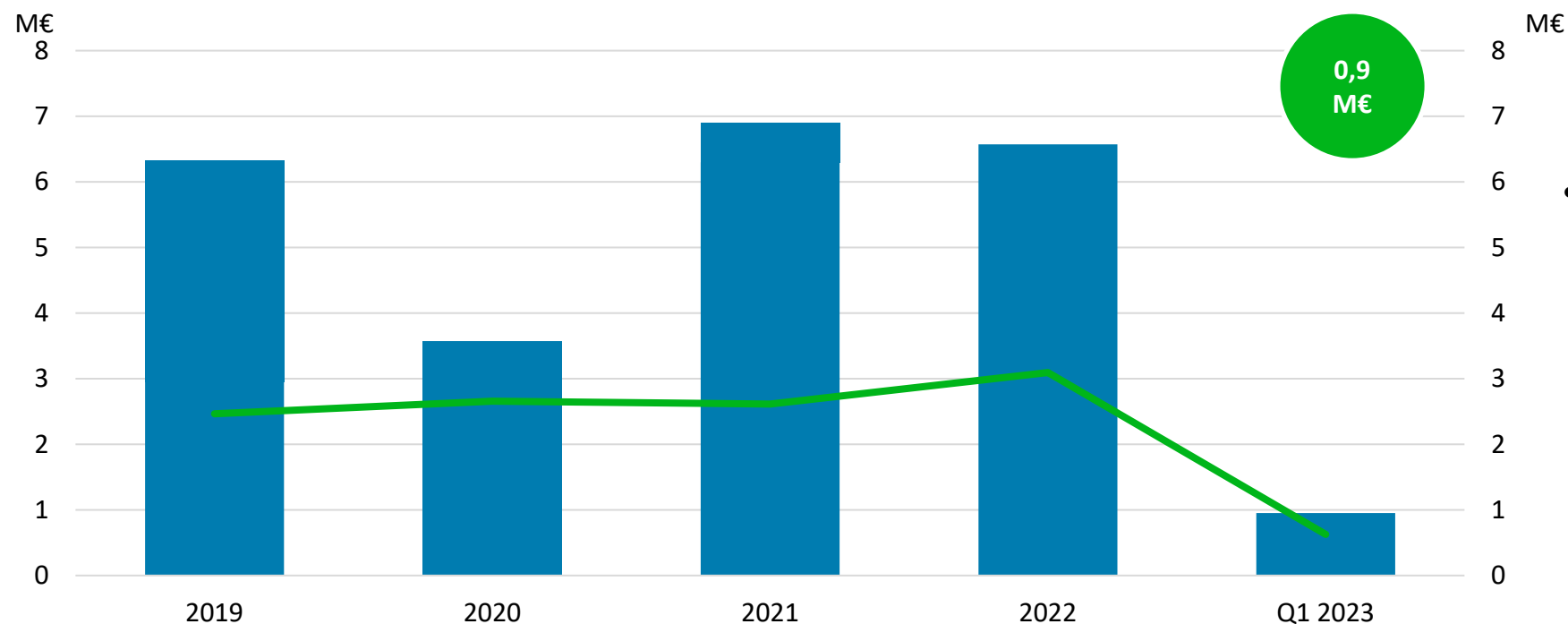
## Net Sales



## Comparable EBITDA



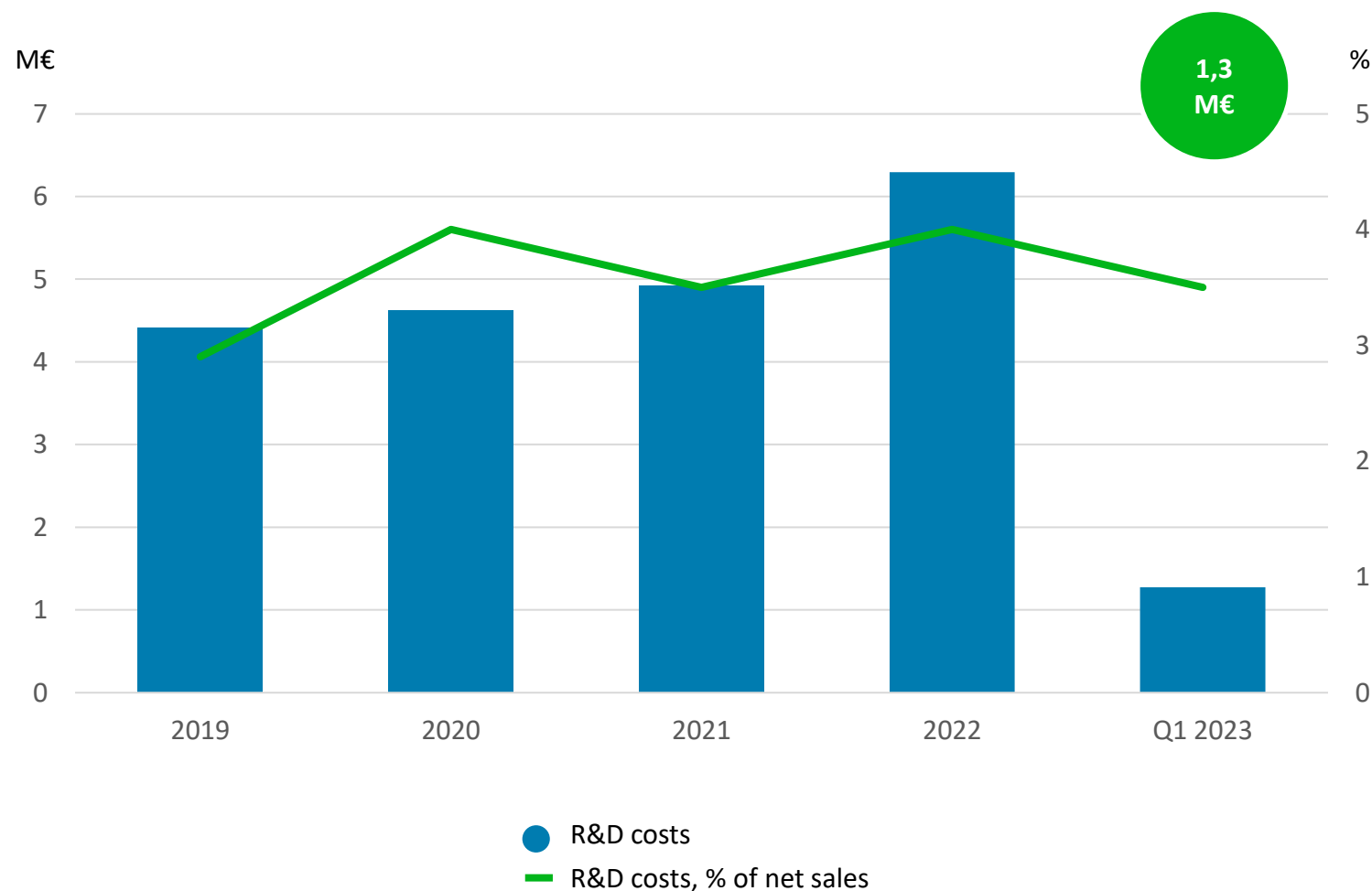
# Capital expenditure and Depreciation and amortization



- Key items in Capex include renewal project for ICT and ERP systems

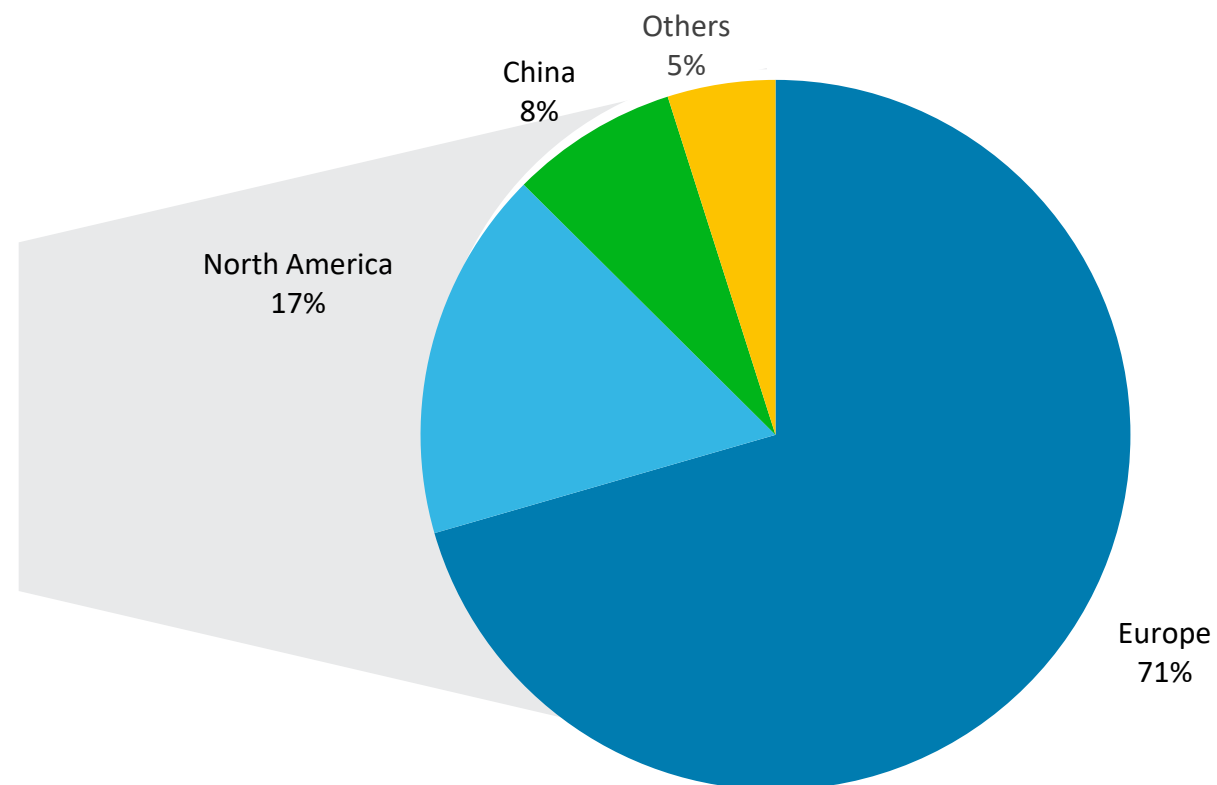
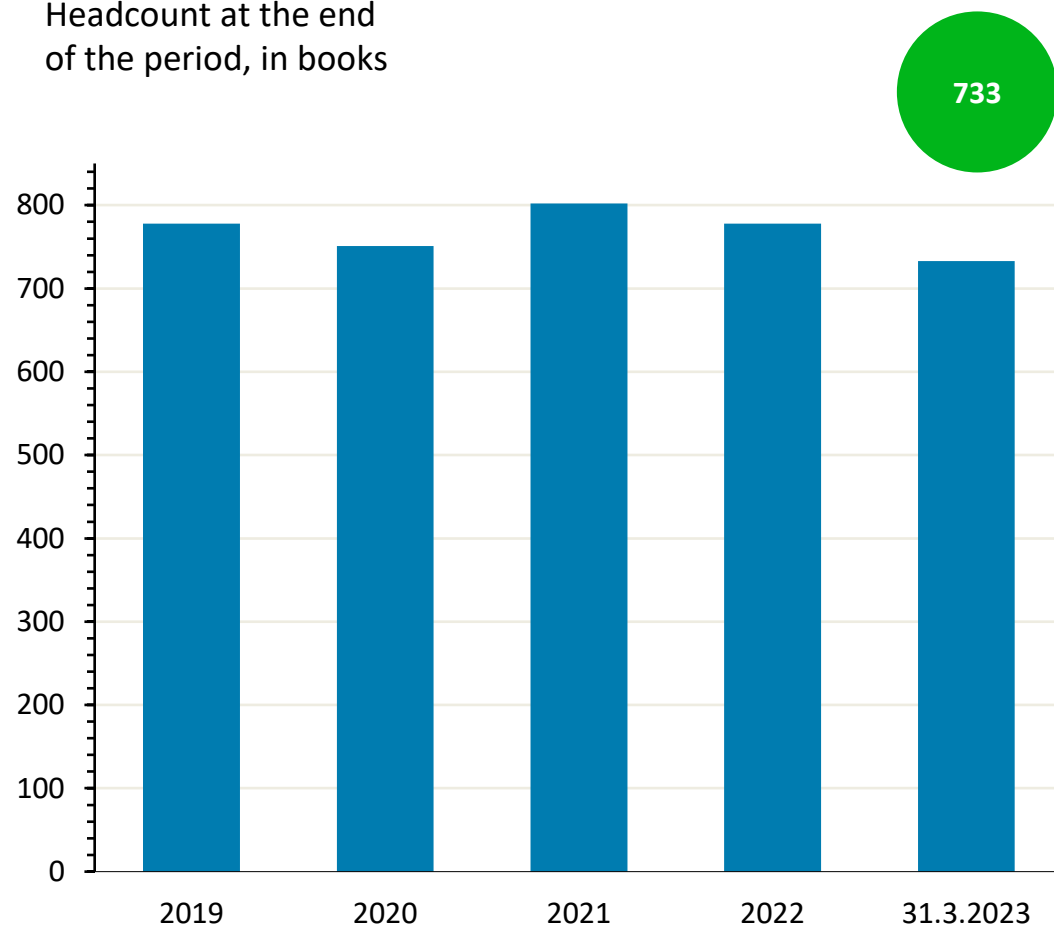
● Capital expenditure  
— Depreciation and amortization, excl. depreciation from right-of-use assets

# Research and Development

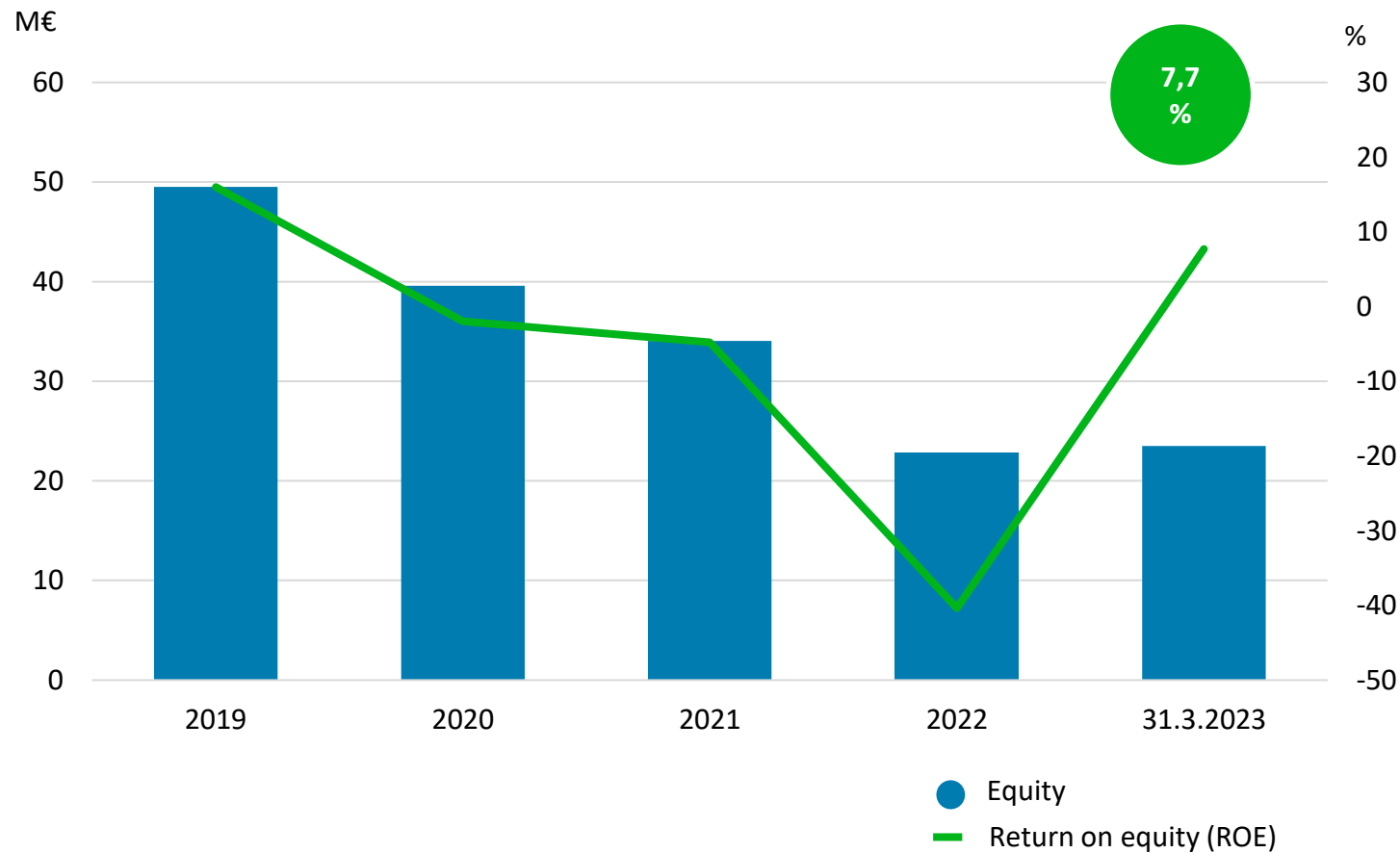


# Personnel

Headcount at the end  
of the period, in books

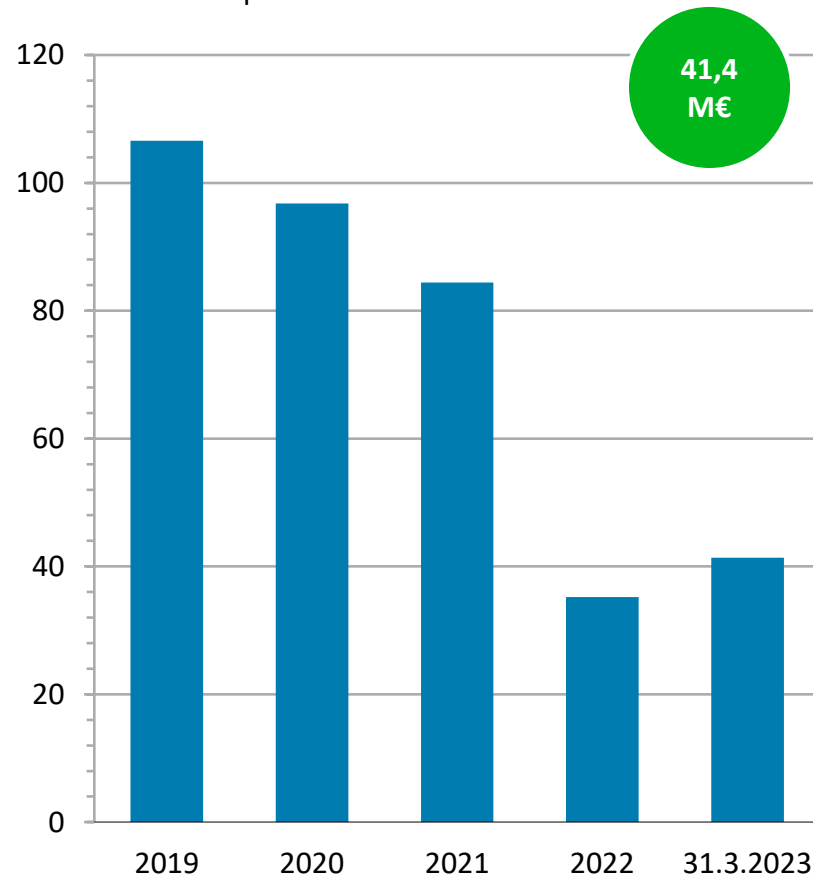


# Equity and Return on equity (ROE)



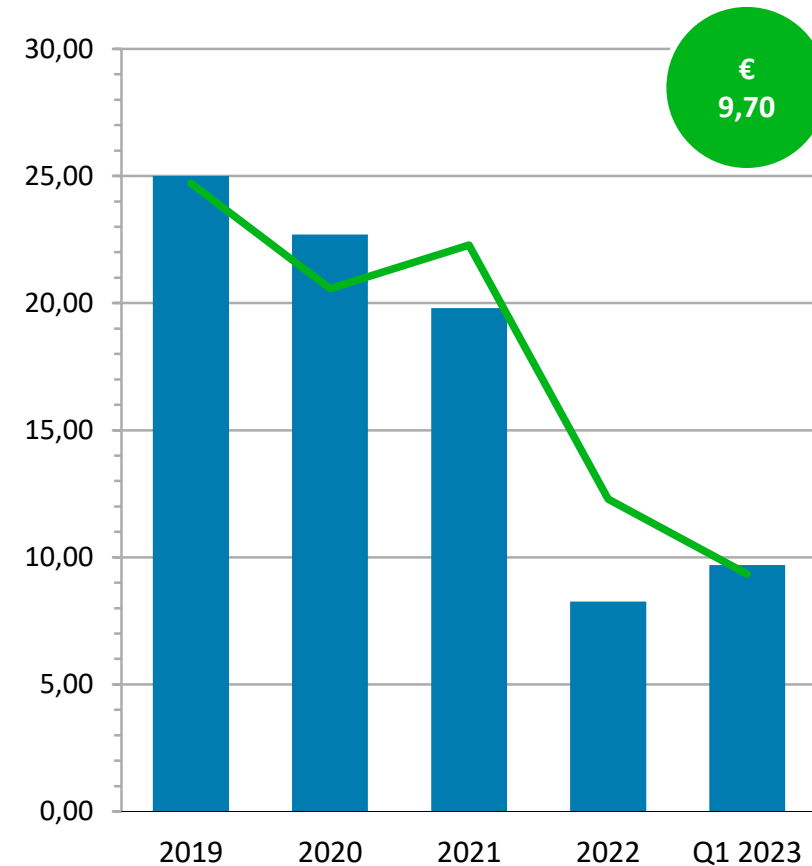
# Market capitalization and Share price

M€  
at the end of the period



● Market cap

€,  
at the end of the period



● Share price at the end of the period  
— Average share price for the period



# Income statement, Balance sheet and Key ratios

Income statement, M€	Q1 2023	Q1 2022	2022
Net sales	36,8	41,3	158,3
Operating result	0,9	-1,5	-14,6
Financial expenses, net	-0,1	0,3	0,8
Result before tax	0,8	-1,2	-13,8
Income taxes	-0,3	-0,1	2,3
Result for the period	0,4	-1,2	-11,5

Key ratios	Q1 2023	Q1 2022	2022
Earnings per share (EPS), undiluted, €	0,10	-0,29	-2,70
Cash flow from operating activities, M€	8,6	-4,9	-13,4
Return on investment (ROI), %	13,9	-15,4	-29,9
Return on equity (ROE), %	7,7	-14,6	-40,4
Gearing, %	-3,7	-18,8	29,4
Equity ratio, %	41,4	43,7	36,6
Personnel at the end of the period (in books)	733	821	778

Balance sheet, M€	31.3. 2023	31.12. 2022
Goodwill	1,7	1,7
Other intangible assets	10,0	9,4
Property, plant and equipment	10,6	11,2
Right-of-use assets	7,1	7,5
Other non-current assets	5,6	5,9
Inventories	15,6	16,7
Accounts receivables and other receivables	37,9	32,0
Cash and cash equivalents	8,1	7,6
<b>Total assets</b>	<b>96,6</b>	<b>92,1</b>
Equity	23,5	22,9
Non-current liabilities	6,2	6,5
Advance payments received	39,7	29,6
Current liabilities	27,1	33,1
<b>Total equity and liabilities</b>	<b>96,6</b>	<b>92,1</b>

Interest-bearing net debt	-0,9	6,7
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# Outlook for 2023

## Business environment

- Looking ahead in 2023, market situation expected to continue uncertain, although principal interest to Raute's solutions so-far remaining quite good
- Earlier announced mill-size project opportunity (size appr. 45 M€) still under discussion
- High inflation, as experienced last year, now smoothing out. However, poor availability of certain materials and components still impacting the outlook

## Raute

- ERP-system go-live at main site in Nastola scheduled for Q2. Minor disturbance on business operations possibly realizing in the beginning
- Wind-down of Russian operations to continue with limited local support for project start-ups
- Updated guidance for 2023: Raute's 2023 net sales are expected to be above M€ 150 and Comparable EBITDA margin to be above 4%

# Raute strategy 2028







## Our purpose

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We are the partner to future-proof the wood industry. With our unique solutions, we drive change and promote resource-efficient society.



## Our Promise

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**MAKING  
WOOD  
MATTER**



# Strategic themes 2023–2028

**Increase  
profitability and  
decrease volatility**

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**Exceed market  
growth and  
expand offering**

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**Drive ESG agenda in our industry**

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# Strategic themes of Raute's business units



## Raute close to the customer

- **Wood Processing** – Profitability improvement, geographical expansion and increasing modernizations
- **Services** – Expansion of the global network of services and offering of digital services
- **Analyzers** – New software solutions that utilize artificial intelligence for a wider range of end products (EWP)



# Financial targets 2023–2028

Net sales over

**250**

EUR million including  
both organic and  
inorganic growth

**40 %**

Services and Analyzers  
relative share of the  
Group's net sales

Comparable EBITDA  
margin

**12 %**

on average over cycle

Equity ratio over

**40 %**

**Dividend policy: stable and sustainable dividend over different market conditions.**

# Further information

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