

Investor Newsletter

March 1, 2019

Raute Corporation – Financial statements January 1 - December 31, 2018

- The Group's net sales amounted to EUR 181.0 million (MEUR 148.1), up 22% on the comparison year. Order intake, at EUR 167 million (MEUR 155), was at a very good level and increased by 8%. The order book at the end of the year stood at EUR 95 million (MEUR 110).
- Operating profit amounted to EUR 14.9 million (MEUR 11.2), up 34%. The result before taxes was EUR 14.9 million (MEUR 11.1). Profit for the financial year was EUR 11.8 million (MEUR 9.0).
- Undiluted earnings per share were EUR 2.78 (EUR 2.13) and diluted earnings per share were EUR 2.76 (EUR 2.11).
- Fourth-quarter net sales amounted to EUR 54.2 million and the operating result was EUR 3.4 million. Order intake was EUR 28 million.
- The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 1.40 (EUR 1.25) per share be paid for the financial year 2018.
- Raute's net sales and operating profit for 2019 are expected to remain at the level of the previous year.

Toimitusjohtaja Tapani Kiiski: Fourth record year in a row

Our strong performance continued in the final quarter of the year, and we reached a record full-year result on many indicators for the fourth consecutive year. Our Q4 and full-year net sales were record-high. In addition to increasing our capacity and streamlining our operations, both our own organization and our entire partner network showed excellent flexibility. During the final quarter, capacity costs and preparing for the end-phase costs of a few projects lowered our relative profitability. Despite this, we are satisfied with our performance. In project business, even large quarterly variations are the norm.

During the final part of the year, no major new projects were started up despite active negotiations. For the full year, order intake was at an all-time high level, and our order book in early 2019 is strong. This is one more reason to be satisfied with the past year. The high order intake shows that our competitiveness is strong.

Demand for our technology and services alike remains good. The focus is increasingly shifting to customers that are new to Raute

and to their new types of needs. We also expect our customers' decision-making, project implementation and progress to become more challenging from our perspective. We will continue investing in the development of our technology and our service offering and in our ability to serve the changing customer base both with products tailored to customer needs and by increasing our local presence. I am confident about our competitiveness and service capability even in a somewhat new situation.

Thanks to a strong existing order book, sustained brisk demand and our competitiveness-enhancing development projects, I believe that our solid performance will continue and that we will maintain last year's record level in both net sales and operating profit also in the current year.

Outlook for 2019

Due to the high order book and sustained brisk demand, we estimate that both Raute's net sales and operating profit will remain at the level of the preceding year in 2019



I would like to express my sincerest thanks for the past year to everyone who made our success possible: to Raute's customers for their invaluable cooperation and trust, to our personnel for their outstanding work and strong commitment to executing major workloads, to our shareholders for their continued confidence in us, and to all our other partners for the part they played in furthering Raute's development and success.

Tapani Kiiski, President and CEO

Annual General Meeting 2019

Raute Corporation's shareholders are invited to attend the company's Annual General Meeting, which will be held on Tuesday, April 2, 2019, at 6 p.m. at Sibelius Hall, Ankkurikatu 7, Lahti, Finland. The reception of the registered participants and the distribution of ballots will begin at 5 p.m.

To be entitled to attend the Annual General Meeting, shareholders must be registered in the shareholders' register maintained by Euroclear Finland Ltd on March 21, 2019. A shareholder whose shares are registered in his or her personal book-entry account is registered in the shareholders' register of the Company.

Shareholders who wish to participate in the Annual General Meeting should register for the meeting by no later than 4:00 p.m. on Thursday, March 28, 2019. Registration for the meeting can take place in writing to Raute Corporation, P.O. Box 69, FI-15551 Nastola, Finland; by email to eija.salminen@raute.com; by fax to +358 3 829 3200 or by calling Eija Salminen at +358 3 829 3302.

Appointments Committee's proposal regarding composition of Raute Corporation's Board of Directors

Raute Corporation's Appointments Committee has informed that it will propose to the Annual General Meeting convening on 2 April 2019 that the number of the Board members is six. The Appointments Committee proposes that Ms. Laura Raitio, Lic.Tech. (Forest products technology) be elected as Chairman of the Board of Directors, Mr. Mika Mustakallio, M.Sc. (Econ.), be re-elected as Vice Chairman of the Board of Directors and Mr. Joni Bask, M.Sc. (Eng.), Mr. Pekka Suominen, M. Sc. (Econ.), and Mr. Patrick von Essen, M.Sc. (Eng.) be re-elected as members of the Board of Directors. The Appointments Committee also proposes that Mr. Ari Harmaala will be elected as a new member of the Board of Directors. The proposed persons have given their consent to the election. The current Chairman of the Board, Mr. Erkki Pehu-Lehtonen has informed that he is not available for re-election.

Mr. Ari Harmaala, Engineer, Construction technology, born in 1961, who has been proposed as a new member of the Board of Directors, is Senior Vice President, Sales and Customership and Management Team member of Metsä Fibre Oy since 2011. Prior to that he worked for Metso Paper in China 2002–2011, latest as President of Metso Paper (China) Co., Ltd in 2004–2011. Before that he held senior business and sales management positions at Valmet in 1987–2002, for instance in Singapore and Thailand. Mr. Ari Harmaala is Board Member of EPIS, European Pulp Industry Sector since 2016.

The Appointments Committee further proposes that the remunerations to the Board members will be 48,000 euros to the Chairman of the Board and 24,000 euros to the Board members for the term of office.

Raute Corporation's Appointments Committee consists of Chairman of the Board Mr. Erkki Pehu-Lehtonen, Vice-Chairman Mr. Mika Mustakallio and Board member Mr. Pekka Suominen.

Invitation to the Annual General Meeting has been published on February 28, 2019 at the company's website www.raute.com.

Publications

Raute Corporation's audited **Consolidated financial statements, Corporate Governance Statement, Non-financial Information Statement and Remuneration Statement and Report for 2018** have been published on February 14, 2019.

Raute's **Annual report 2018** has been published on February 27, 2019.

Financial statements, the above mentioned reports and Annual report 2018 are available at our website www.raute.com > Investors > Publications.

Printed Annual report will be mailed to 200 largest shareholders.

You can order printed Financial statements and/or Annual report by emailing to ir@raute.com or by phoning at +358 (0)3 829 11.



Calendar 2019

April 2, 2019

Raute Corporation's Annual General Meeting will be held in Lahti on Tuesday, April 2, 2019.

April 4 – May 3, 2019

Silent period

May 3, 2019

Interim report January 1 – March 31, 2019

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