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2018

**Financial  
Statement Release**  
January 1 – December 31

## 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.

### TAPANI KIISKI, PRESIDENT AND CEO: 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.

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.

## FOURTH QUARTER OF 2018

### Order intake and order book

The order intake in the fourth quarter, EUR 28 million (MEUR 60), was at a reasonably good level.

Technology services accounted for EUR 19 million (MEUR 20) of the order intake.

The order book declined during the final quarter of the year by EUR 27 million, but nevertheless ended the period at a strong EUR 95 million (MEUR 110).

### Net sales

Fourth-quarter net sales reached a record-high level, at EUR 54.2 million (MEUR 39.4). Technology services accounted for EUR 16.6 million (MEUR 13.0) and 31 percent (33%) of the quarter's net sales.

### Result and profitability

Operating profit in the fourth quarter was EUR 3.4 million positive (MEUR 3.1 positive) and accounted for 6.3 percent (7.8%) of net sales.

The profit was EUR 2.9 million positive (MEUR 2.7). Undiluted earnings per share were EUR 0.68 (EUR 0.64) and diluted earnings per share were EUR 0.67 (EUR 0.63).

## RAUTE CORPORATION – FINANCIAL STATEMENTS RELEASE JANUARY 1–DECEMBER 31, 2018

### BUSINESS ENVIRONMENT

#### Market situation in customer industries

Raute's customers in the plywood and LVL (Laminated Veneer Lumber) industries are engaged in the manufacture of wood products used in investment projects and are thus highly affected by fluctuations in construction, housing-related consumption, international trade and transportation.

The situation in the global economy and the financial markets during 2018 did not change considerably with respect to Raute. However, the economic outlook became more uncertain towards the end of the year and the risk of the uncertainty spreading to international trade policy increased.

Many of Raute's established and traditional customers have invested heavily during the past few years and demand for our technology is partially shifting towards new types of customer accounts.

### Demand for wood products technology and technology services

Thanks to a good economic and market situation, investment activity among Raute's customers has remained high. Enquiry activity for new capacity projects and larger projects involving replacement and efficiency-boosting investments has remained at a good level, and trade is being actively negotiated.

Demand is especially strong in industrialized market areas, Europe, North America and Russia. Demand among major South American customers has somewhat picked up. Demand has been lower in emerging markets in Asia, including China, and in South America, but these markets are also showing growing interest towards Raute's offering, which opens up opportunities for new customer accounts.

Demand for maintenance and spare parts services remained at a good level, which is an indication of the 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 that cover 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.

The good market situation is reflected in the volume of new orders Raute has received. The order intake in 2018 was at a very good level, amounting to EUR 167 million (MEUR 155). The most significant new orders were received already earlier in the year: a EUR 23 million order for an LVL mill expansion in Finland, and a EUR 20 million order for LVL line equipment in North-East Asia.

Of new orders, 46 percent came from Europe (39%), 18 percent from Russia (32%), 15 percent from North America (23%), 14 percent from Asia-Pacific (1%) and 7 percent 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.

The order intake for project deliveries stood at EUR 106 million (MEUR 96), up 10 percent. The order intake for technology services amounted to EUR 61 million (MEUR 58), an increase of 5 percent on the comparison period.

At the end of 2018, the order book, EUR 95 million (MEUR 110), continued to be strong. Part of the order book is scheduled for 2020.

### COMPETITIVE POSITION

Raute's competitive position has remained unchanged and is strong. Raute's solutions help customers in securing their delivery and service capabilities throughout the life cycle of the production process or a part thereof. In such investments, the supplier's overall expertise and extensive and diverse technology and service offering play a key role. The competitive edge provided by Raute plays a major role when customers select their cooperation partners. Raute's strong financial position and 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

The Group's net sales in 2018 amounted to EUR 181.0 million (MEUR 148.1). Net sales grew 22 percent on 2017. Growth in net sales is attributed to both the good existing order book and the large number of orders received during the year.

Net sales were generated by project deliveries and technology services related to the wood products technology business.

Net sales for project deliveries totaled EUR 126 million (MEUR 99), up 28 percent from the previous year. Project deliveries accounted for 70 percent (67%) of total net sales. The plywood industry's share of the net sales of project deliveries was 67 percent (83%), while the LVL industry's share was 33 percent (17%).

Net sales for technology services totaled EUR 55 million (MEUR 49). Net sales grew 11 percent from the previous year, and its share of total net sales fell to 30 percent (33%), due to the strong growth in project deliveries. Growth was distributed across the different product areas.

Of the total net sales for 2018, Europe accounted for 43 percent (56%), Russia for 26 percent (24%), North America for 18 percent (14%), Asia-Pacific for 10 percent (2%), and South America for 3 percent (4%).

## RESULT AND PROFITABILITY

The Group's operating profit for 2018 was EUR 14.9 million positive (MEUR 11.2 positive) and accounted for 8.2 percent of net sales (7.5%). Operating profit grew 34 percent, mainly due to net sales growth.

Undiluted earnings per share were EUR 2.78 (EUR 2.13) and diluted earnings per share were EUR 2.76 (EUR 2.11). Return on investment was 34.6 percent (29.5%) and return on equity 27.6 percent (24.4%).

## CASH FLOW AND BALANCE SHEET

The Group's financial position remained strong throughout the year. At the end of the financial year, the Group's cash and cash equivalents exceeded interest-bearing liabilities by EUR 12.3 million (MEUR 29.3). At the end of the financial year, gearing was -26 percent (-74%) and the equity ratio was 62 percent (64%).

The Group's cash and cash equivalents amounted to EUR 13.4 million (MEUR 30.7) at the end of 2018. The change in cash and cash equivalents during the financial year was EUR 17.3 million negative (MEUR 6.9 positive). Operating cash flow was EUR 7.6 million negative (MEUR 18.4 positive). Cash flow from investment activities was EUR 4.2 million negative (MEUR 5.8 negative). Cash flow from financing activities was EUR 5.6 million negative (MEUR 5.7 negative), including dividend payment of EUR 5.3 million.

The Group's balance sheet total at the end of 2018 stood at EUR 96.4 million (MEUR 87.0). Fluctuations in balance sheet working capital items and the key figures based on them are due to differences in the timing of customer payments and the cost accumulation from project deliveries, which is typical of the project business.

Interest-bearing liabilities amounted to EUR 1.1 million (MEUR 1.4) at the end of 2018.

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.

The parent company Raute Corporation is prepared for future working capital needs and has long-term credit facility agreements with four Nordic banks totaling EUR 23.0 million. The main covenants of the credit facilities are an equity ratio of >30% and gearing of <100%. Of the credit facilities, EUR 22.9 million remained unused at the end of the financial year.

## LOANS TO RELATED PARTIES AND OTHER LIABILITIES

Other liabilities are presented in the figures section of this report.

## EVENTS DURING THE REPORTING PERIOD

Raute Corporation published stock exchange releases on the following events in 2018:

January 29, 2018 Raute received orders worth approximately EUR 23 million to Finland

February 9, 2018 Raute receives order worth almost 20 million euros from North-East Asia

March 6, 2018 Disposal of Raute Corporation's own shares

March 22, 2018 Second plan for Raute's top management remuneration system, LTI 2018–2020, takes off

March 22, 2018 Decisions of Raute Corporation's Annual General Meeting 2018

March 23, 2018 Changes in Raute Group's Executive Board as of March 27, 2018

September 17, 2018 Positive profit warning: Raute Corporation's net sales for 2018 will increase and operating profit for 2018 will improve compared to 2017

November 12, 2018 Changes in Raute Group's Executive Board

November 14, 2018 Raute to terminate Liquidity Providing agreement

November 27, 2018 Change in Raute Group's Executive Board.

## RESEARCH AND DEVELOPMENT

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.

Opportunities provided by digitalization are also an essential part of R&D activities.

In 2018, the Group's research and development costs totaled EUR 3.7 million (MEUR 3.2) and were 2.1 percent of net sales (2.2%).

2018 was research-focused, and the results will be launched in 2019 in the form of new technologies and products. Product development resulted in several minor pieces of equipment that improve the performance of drying and layup lines and will be applied both as part of new deliveries and as modernization products for existing lines. Stack and veneer conveyors were designed for new customer needs and manufacturing technologies. The development of digitalization products was continued especially to support service and maintenance operations, and a web portal was launched for customers. Raute also launched a new online store for spare parts that automatically adapts to customer-specific needs.

## INVESTMENTS

The Group's investments in 2018 totaled EUR 4.4 million (MEUR 7.0). The investments include EUR 0.3 million in capitalized development costs (MEUR 0.1).

## DEVELOPMENT OF OPERATIONS

In 2018, strategic development projects focused on improving competitiveness and delivery capabilities and on developing the service business and digitalization products. The use of Lean methods as development tools was also expanded to the company's various main processes during the year.

## HUMAN RESOURCES

The Group's headcount at the end of 2018 was 772 (704). Finnish Group companies accounted for 65 percent (68%) of employees, North American companies for 19 percent (17%), Chinese companies for 10 percent (11%), and other sales and maintenance companies for 6 percent (4%).

Converted to full-time employees ("effective headcount"), the average number of employees during the financial year was 725 (660). Salaries and remunerations paid by the Group totaled EUR 38.8 million (MEUR 33.6). This figure does not include expenses resulting from the stock option and share incentive plans.

The Group continued to develop the competence of its personnel and increase their commitment to the company. Six percent (3%) of the payroll was invested in personnel training. In 2018, our key focus areas in HR development were the improvement of leadership and the organization-wide strengthening of our highly responsible operating culture that strives for first-class quality. Other competence-development activities were implemented through, among other things, a systematic mentor program and training organized based on identified needs. Through the RauteACADEMY learning system adopted in 2017, our personnel have had the chance to participate independently in training involving different topics, with a focus on occupational safety, the Code of Conduct, strategy and technology.

## REMUNERATION

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

### SHARE-BASED INCENTIVE PLANS

A total of EUR 257 thousand (EUR 595 thousand) was recognized as an expense for the share-based incentive plans during the financial year. From the share plans in force at the end of the financial year, EUR 763 thousand (EUR 240 thousand) was allocated to the invested non-restricted equity reserve.

#### Share-based incentive plan 2014–2018

The Board of Directors of Raute Corporation resolved in February 2014 to implement a Performance Share Plan 2014–2018 for the Group's senior management. The three three-year share plans included in the incentive plan commenced in 2014, 2015 and 2016. The earnings criteria were earnings per share (EPS) and growth in net sales. The bonus accrued from the last earnings period 2016, totaling EUR 536 thousand, was paid to 12 members of the Group's senior management on March 6, 2018. The vesting period ended at the end of 2018.

#### Share-based incentive plan 2017–2022

In February 2017, the Board of Directors of Raute Corporation resolved to implement a new performance-based, share-value-based, long-term incentive plan for the Group's senior management. The purpose of the plan is to align the objectives of the owners and management in order to develop the company's value, and to commit management to achieving the company's strategic goals by offering a competitive long-term incentive plan.

The Performance Share Plan is made up of three three-year plans that begin every year. A single plan may consist of either a three-year earnings period or a one-year earnings period and the subsequent two-year vesting period. The possible bonus earned by virtue of a single plan shall be paid at the end of the three-year plan in question. The earnings opportunity is limited such that the value of the bonus, at the time of payment, to be paid to a participant based on a single three-year plan can be no more than double the value of the maximum earnings opportunity allocated to him/her when the plan commenced.

The company's Board of Directors decides separately on when each plan commences, the length of its earnings period, the performance targets, the persons entitled to participate in the plan and the earnings opportunity.

LTI Plan 2017–2019 commenced at the start of 2017. The plan consists of a one-year earnings period and the subsequent two-year vesting period. The performance targets are earnings per share (EPS) and growth in net sales. At the end of the financial year, the plan covered a total of 12 persons belonging to the Group's senior management and the accrued bonuses totaled 25,623 Raute Corporation's series A shares. The bonuses will be paid in spring 2020 as Raute's series A shares, less the amount needed to cover the taxes and tax-like payments resulting from the shares.

LTI Plan 2018–2020 commenced at the start of 2018. The plan is made up of two parts. The first part consists of a three-year earnings period. Its weight is 80 per cent of the whole plan and the performance target is Total Shareholder Return (TSR) proportionate to the selected peer group. The second part consists of a one-year earnings period and the subsequent two-year vesting period. Its weight is 20 per cent of the whole plan and the performance target is Earnings Per Share (EPS). Any bonuses possibly accruing from both parts will be paid in spring 2021 as Raute's series A shares, less the amount needed to cover the taxes and tax-like payments resulting from the shares. The LTI 2018–2020 plan covers 11 persons belonging to the Group's senior management.

## SOCIETY AND THE ENVIRONMENT

Responsibility is one of the values that guide Raute's operations. Raute aims to systematically develop its products and services to be environmentally sound while also reducing the environmental impacts of its own operations. The Group abides by the principles of good corporate

citizenship, taking into consideration nature and its protection, and how society as a whole operates, while respecting local cultures and valuing diversity. Raute's Board of Directors has presented to the company the Code of Conduct which guides the personnel to act responsibly in accordance with Raute's values.

Raute delivers technology for the wood products industry, which uses renewable raw materials. Most of the products manufactured using Raute's machinery have a long life, and the carbon stored in wood products has a positive impact on the achievement of climate targets. An increase in the use of sustainably produced wood, for example, in construction is among the most important means of achieving climate targets. Raute's product development focuses on improving the resource efficiency of the machinery in order to reduce the overall environmental impacts of the production chain. Raute's machinery typically has a very long life, and the majority of emissions arise during the operational phase of the machines.

Raute focuses particularly on developing the occupational safety of its products.

In Raute's own operations, environmental matters and occupational safety are managed according to the principles of continuous improvement. The main production unit in Nastola is certified according to the ISO 14001 (environmental management system) and ISO 9001 (quality management system) standards. The operations and ethical principles of the partner and subcontractor network are also subjected to systematic inspection.

Raute aims to continuously improve occupational safety, reduce energy consumption, decrease the volume of waste, and develop the working environment.

## SEASONAL FLUCTUATIONS IN BUSINESS

The Group's net sales and working capital fluctuate every quarter due to different types of project deliveries and their schedules. Business operations do not involve regular seasonal changes.

## RISKS AND RISK MANAGEMENT

The Group's identified key risk areas relate to the nature of the business, the business environment, financing, damage or loss and information security. The fluctuations in demand resulting from economic

cycles and delivery and technology risks have been identified as the Group's most significant business risks.

Risks in the near term continue to be driven by the uncertainty relating to the global economic situation and the development of the financial markets, as well as by international political instability. The most significant risks for Raute in the near term are related to the completion of the high order book, and especially the major mill-scale projects that are in the implementation phase, in accordance with the schedule determined in the contract terms, and the sufficiency and availability of skilled resources.

The Group has no ongoing legal proceedings or other disputes in progress that might materially affect the continuity of business operations, nor is the Board of Directors aware of any other legal risks related to the Group's operations that might have such an effect.

## Business risks

### Impact of economic cycles on business operations

Raute's business operations are characterized by the sensitivity of investment demand to fluctuations in the global economy and the financial markets, and the cyclical nature of project business. The impact of changes in demand on the Group's result is reduced by increasing the share of technology services, increasing operations in market areas with a small current market share, developing products for customer segments in which the Group has a weaker market position, and developing the partner network.

### Deliveries and technology

The bulk of Raute's business operations consists of project deliveries, which expose the company to risks caused by customer-specific solutions related to each customer's end product, production methods or raw materials. At the quotation and negotiation phase, the company has to take risks relating to the promised performance figures and make estimates of implementation costs.

Raute invests heavily in product development. The developmental phase for new technologies involves the risk that the project will not lead to a technologically or commercially acceptable solution. The functionality and capacity of new solutions produced as a result of development work cannot be fully verified until the solutions can be tested under production conditions in conjunction with the first customer deliveries.

Contract, product liability, implementation, cost and capacity risks are managed using project management procedures that comply with the company's ISO-certified quality system. Technology risks are reduced by the conditions of delivery contracts and by restricting the number of simultaneous first deliveries.

### Emerging markets

Raute's objective is to increase its local business, for example, in China and Russia, where, besides opportunities, companies face risks typical to emerging markets.

### The company's reputation

Raute is at risk of being part of a business chain that involves corruption, bribery or money laundering without its knowledge, even though it regularly inspects its business partners with respect to, for example, international sanction lists and export restrictions. The realization of these risks may result in legal consequences, and the company's reputation and financial position may suffer.

It is possible that players who do not respect Raute's principles related to human rights or the basic rights of employees operate in the international supply chain. Such cases may damage the company's reputation and interrupt the supply chain if the infraction is severe enough to warrant an end to the co-operation.

### Payment fraud

Raute is repeatedly exposed to the risk of payment fraud. The company faces the risk of a fraud attempt bypassing the payment transaction control points and damaging the company financially.

### Data security

Information security risks are managed according to a defined information security policy.

### Human resources

Competence retention and development and good management of the sufficiency of human resources are particularly important in cyclical business. Continuity is ensured by monitoring the development of the age structure, implementing systematic human resources management and investing in well-being at work.

### Financing risks

The most significant financing risks in the Group's international business operations are default risks and currency risks related to counter-

parties. The Group is also exposed to liquidity, refinancing, interest rate and price risks.

The default risk relating to customers' solvency is managed through payment terms and by covering the unpaid sum with bank guarantees, letters of credit or other suitable securities. The Group's liquid assets are mainly held in banks in the Nordic countries. The credit losses recognized during the 2018 financial year amounted to EUR 84 thousand (EUR 3 thousand).

The Group's main currency is the euro. The most significant currency risks result from the following currencies: Chinese yuan (CNY), Russian ruble (RUB), Canadian dollar (CAD) and US dollar (USD). The main hedging instruments used are foreign currency forward contracts. Currency clauses are included in quotations to hedge against currency risks during the quotation period. Depending on the case, currency risks related to preliminary sales contracts are hedged with currency option contracts.

The Group has prepared for fluctuating working capital requirements and possible disturbances in the availability of money through long-term credit facility agreements with four Nordic banks.

### Risks of damage or loss

Raute's most significant single risks concerning material damage and business interruption loss are a fire, a serious machine breakdown and an IT system breakdown or malfunction at the Nastola main production unit, where the production, planning, financial, and ERP systems serving the Group's key technologies are centrally located. Precautions against such risks have been taken by means of back-up systems and insurance policies, but the serious realization of such a risk would cause significant damage to Raute's operations.

Other risks of damage or loss include occupational safety risks, which are managed by means of active risk-prevention measures, such as continuous personnel training and investigation of all near-miss situations. Occupational safety and ergonomics are under continuous development.

Raute's production operations do not have significant direct environmental impacts. The main production unit in Nastola is situated in a groundwater zone. A chemical or fuel leak in a groundwater zone could cause environmental damage, financial costs and disturbances in production. The Nastola main unit has an ISO-certified environmental

system in place, and special attention has been paid to chemical safety. Other units also aim to adhere to the principles of the environmental system.

The Group hedges against risks of damage or loss by assessing its facilities and processes in terms of risk management and by maintaining emergency plans.

Global and local insurance programs are checked regularly as part of overall risk management. The objective is to use insurance policies to sufficiently hedge against all risks that are reasonable to handle through insurance due to economical or other reasons.

### Organization of risk management

Raute's risk management policy is approved by the Board of Directors. The Board is responsible for organizing internal control and risk management, and for monitoring their efficiency.

The Executive Board defines the Group's general risk management principles and operating policies and defines the boundaries of the organization's powers. The President and CEO and the CFO regularly report significant risks to the Board.

The Group's President and CEO controls the implementation of the risk management principles in the entire Group, while the Presidents of the Group companies are responsible for risk management in their respective companies. The members of the Group's Executive Board are responsible for their own areas of responsibility across company boundaries.

Raute has no separate internal auditing organization. The Controller function oversees the annual internal control plan, develops internal control and risk management procedures together with the operative leadership, and monitors compliance with risk management principles, operational policies and powers.

### SHAREHOLDERS

The number of shareholders totaled 4,797 at the beginning of the year and 5,046 at the end of the financial year. Series K shares were held by 54 private individuals (55) at the end of the financial year. Nominée-registered shares accounted for 5.3 percent (4.0%) of shares. The company did not receive any flagging notifications in 2018.

The Board of Directors, the President and CEO as well as the Executive Board held altogether 259,558 company shares, equaling 6.1 percent (6.0%) of the company shares and 11.6 percent (11.6%) of the votes on December 31, 2018.

### AUDITORS

At Raute Corporation's Annual General Meeting on March 22, 2018, the authorized public accounting company PricewaterhouseCoopers was chosen as auditor with Authorized Public Accountant Markku Louni as the principal auditor.

### CORPORATE GOVERNANCE

Raute Corporation's Corporate Governance Statement and the company's remuneration statement will be published at the same time as the financial statements.

### CORPORATE GOVERNANCE STATEMENT

Raute Corporation's Board of Directors has reviewed Raute Corporation's Corporate Governance Statement for 2018 according to chapter 7, section 7 of the Finnish Securities Markets Act and the Finnish Corporate Governance Code 2015 for listed companies issued by the Securities Market Association on October 1, 2015. The statement has been drawn up separately from the Report of the Board of Directors.

### NON-FINANCIAL STATEMENT

Raute Corporation's Board of Directors has addressed Raute Corporation's non-financial statement for 2018 (in accordance with Directive 2014/95/EU of the European Parliament and Council) as a statement separate from the Report of the Board of Directors.

### BOARD OF DIRECTORS AND PRESIDENT AND CEO

The Annual General Meeting elects the Chairman and Vice-Chairman for the Board of Directors, and 3–5 Board members.

At the Annual General Meeting held on March 22, 2018, Mr. Erkki Pehu-Lehtonen was elected Chairman of the Board of Raute Corporation, Mr. Mika Mustakallio Vice-Chair, and Mr. Joni Bask, Ms. Laura Raitio, Mr. Pekka Suominen, and Mr. Patrick von Essen were elected as Board members.

The Board of Directors appoints the President and CEO and confirms the terms of his or her employment, including fringe benefits.

Mr. Tapani Kiiski, Licentiate in Technology, continued as Raute Corporation's President and CEO. He was appointed as Raute Corporation's President and CEO on March 16, 2004. As agreed in the executive contract, the term of notice is six months, and the severance pay equals twelve months' salary.

Raute Corporation's Articles of Association do not grant any unusual authorizations to the Board of Directors, or to the President and CEO.

Any decisions on changes to the Articles of Association or an increase in share capital are made in compliance with the regulations of the effective Companies Act.

### EXECUTIVE BOARD

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

- Tapani Kiiski, President and CEO, Chairman – Sales and technology services
- Arja Hakala, Group Vice President, Finance, CFO – Finance and administration until March 26, 2018; Group Vice President, Strategy – Business development as of March 27, 2018
- Marko Hjelt, Group Vice President, Human Resources – Human resources and competence development
- Mika Hyysti, Group Vice President, Technology – Technology, products and R&D
- Timo Kangas, Group Vice President, EMEA – Market area EMEA
- Antti Laulainen, Group Vice President, Technology Services and Sales Management – Technology services and sales management until November 12, 2018
- Petri Stregell, Group Vice President, Supply Chain – Sourcing and production
- Olli-Pekka Vanhanen, Group Vice President, Finance, CFO – Finance and administration as of March 27, 2018.

Mr. Olli-Pekka Vanhanen left the CFO position on February 1, 2019 to join another employer. On the same date, Ms. Tarja Järvinen started as the Group Vice President, Finance, CFO.

## SHARES

The number of Raute Corporation's shares at the end of 2018 totaled 4,263,194 (4,249,248), of which 991,161 (991,161) were series K shares (ordinary share, 20 votes/share) and 3,272,033 (3,258,087) 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 section 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. In 2018, 879,655 shares were traded (845,672) worth altogether EUR 25.1 million (MEUR 19.2). The number of shares traded represents 27 percent (26%) of all listed series A shares. The average price of a series A share was EUR 28.58 (EUR 22.70). The highest closing price of the year was EUR 34.90 and the lowest EUR 20.50.

The company's market capitalization at the end of 2018 totaled EUR 90.8 million (MEUR 123.2), with series K shares valued at the closing price of series A shares, EUR 21.30 (EUR 29.00), on December 31, 2018.

The market making agreement signed by Raute Corporation with Nordea Bank Ab (publ) in compliance with the Liquidity Providing (LP) requirements issued by Nasdaq Helsinki Ltd expired on December 8, 2018.

Other share-related information is presented in the figures section of this report.

## RAUTE CORPORATION'S 2010 STOCK OPTIONS

The subscription period for Raute Corporation's series C 2010 stock options ended on March 31, 2018.

## RAUTE'S DIVIDEND POLICY

Raute exercises an active dividend policy. Its aim is to ensure compet-

itive returns for its investors. Dividend payment takes into account future investment needs and the goal of maintaining a solid equity ratio. Due to the nature of the project business, the dividend is not directly tied to the annual result.

## DISTRIBUTION OF PROFIT FOR THE 2017 FINANCIAL YEAR

The Annual General Meeting held on March 22, 2018 decided to pay a dividend of EUR 1.25 per share for the financial year 2017. The total amount of dividends is EUR 5,320,473.75, with series A shares accounting for EUR 4,081,522.50 and series K shares for EUR 1,238,951.25. The dividend payment date was April 4, 2018.

## AUTHORIZATION OF REPURCHASE AND DISPOSAL OF OWN SHARES

The Annual General Meeting held on March 22, 2018 authorized the company's Board of Directors to decide on the repurchase of Raute Corporation series A shares with assets from the company's non-restricted equity and to decide on a directed issue of a maximum of 400,000 shares. The Board of Directors did not exercise the authorization in 2018.

The company did not possess company shares at the end of the financial period or hold them as security.

## EVENTS AFTER THE FINANCIAL YEAR

Raute Corporation published stock exchange releases on the following events in 2019:

January 2, 2019 Third plan for Raute's top management remuneration system, LTI 2019–2021, takes off

January 15, 2019 Positive profit warning: Raute Corporation's 2018 net sales and operating profit will increase clearly compared to 2017

## PUBLICATION OF THE FINANCIAL STATEMENTS AND ANNUAL REPORT 2018

Raute Corporation's consolidated financial statements 2018 will be published on February 14, 2019. Raute Corporation's Annual Report 2018 will be published the week of February 25th.

## ANNUAL GENERAL MEETING 2019

Raute Corporation's Annual General Meeting for 2019 will be held at Lahti's Sibelius Hall on Tuesday April 2, 2019 at 6:00 p.m. A shareholder who wishes to include an issue in Raute Corporation's Annual General Meeting's agenda shall notify the company thereof in writing no later than February 21, 2019.

## BOARD OF DIRECTORS' PROPOSAL CONCERNING PROFIT DISTRIBUTION, DIVIDEND EUR 1.40 PER SHARE

On December 31, 2018, the parent company Raute Corporation's distributable funds totaled EUR 43,954 thousand, of which EUR 19,691 thousand represents the profit for the financial year 2018.

The Board of Directors will propose to Raute Corporation's Annual General Meeting, to be held on April 2, 2019, that a dividend of EUR 1.40 per share be paid to holders of series A and K shares for the financial year 2018, and that the remainder of the distributable funds be retained in equity.

On the date of the profit distribution proposal, the number of shares entitled to a dividend is 4,263,194 shares, which amounts to total dividends of EUR 5,968 thousand. Shareholders who are registered in the shareholders' register maintained by Euroclear Finland Ltd on the record date for dividend distribution, April 4, 2019, are entitled to a dividend. The dividend payment date would be April 11, 2019.

No material changes have taken place in the company's financial position after the end of the financial year. The company has good liquidity, and in the Board of Directors' view, the proposed profit distribution does not pose a risk to solvency.

## 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.



# Consolidated statement of income

Financial statements release 2018  
February 14, 2019

Raute Corporation's Board of Directors has on February 14, 2019 reviewed the financial statements release for January 1 – December 31, 2018, and approved it to be published. According to the Finnish Companies Act, shareholders may approve or reject the financial statements at the Annual General Meeting arranged after the statements have been issued. The Annual General Meeting also has the opportunity to make changes to the financial statements.

The figures for the financial year 2018 and 2017 presented in the tables section of the financial statements release have been audited. The presented interim report figures have not been audited.

## CONSOLIDATED STATEMENT OF INCOME

EUR 1 000	1.10.– 31.12.2018	Restated 1.10.– 31.12.2017	1.1.– 31.12.2018	Restated 1.1.– 31.12.2017
<b>NET SALES</b>	<b>54 166</b>	<b>39 367</b>	<b>180 993</b>	<b>148 064</b>
<b>Change in inventories of finished goods and work in progress</b>	<b>-335</b>	<b>943</b>	<b>3 069</b>	<b>2 054</b>
<b>Other operating income</b>	<b>197</b>	<b>-190</b>	<b>692</b>	<b>96</b>
Materials and services	-31 996	-21 183	-103 781	-80 721
Employee benefits expense	-12 813	-11 437	-46 944	-41 036
Depreciation and amortization	-585	-702	-2 487	-2 633
Impairments	-38	-	-38	-
Other operating expenses	-5 185	-3 738	-16 582	-14 653
<b>Total operating expenses</b>	<b>-50 617</b>	<b>-37 060</b>	<b>-169 832</b>	<b>-139 042</b>
<b>OPERATING PROFIT</b>	<b>3 410</b>	<b>3 060</b>	<b>14 922</b>	<b>11 171</b>
<b>% of net sales</b>	<b>6,3</b>	<b>7,8</b>	<b>8,2</b>	<b>7,5</b>
Financial income	40	5	346	359
Financial expenses	-75	-39	-356	-411
<b>Financial expenses, net</b>	<b>-35</b>	<b>-34</b>	<b>-10</b>	<b>-51</b>
<b>PROFIT BEFORE TAX</b>	<b>3 375</b>	<b>3 026</b>	<b>14 912</b>	<b>11 120</b>
<b>% of net sales</b>	<b>6,2</b>	<b>7,7</b>	<b>8,2</b>	<b>7,5</b>
Income taxes	-480	-328	-3 076	-2 141
<b>PROFIT FOR THE PERIOD</b>	<b>2 895</b>	<b>2 698</b>	<b>11 836</b>	<b>8 979</b>
<b>% of net sales</b>	<b>5,3</b>	<b>6,9</b>	<b>6,5</b>	<b>6,1</b>
<b>Profit for the period attributable to</b>				
Equity holders of the Parent company	2 895	2 698	11 836	8 979
<b>Earnings per share for profit attributable to Equity holders of the Parent company, EUR</b>				
Undiluted earnings per share	0,68	0,64	2,78	2,13
Diluted earnings per share	0,67	0,63	2,76	2,11

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1 000	1.10.– 31.12.2018	Restated 1.10.– 31.12.2017	1.1.– 31.12.2018	Restated 1.1.– 31.12.2017
<b>PROFIT FOR THE PERIOD</b>	<b>2 895</b>	<b>2 698</b>	<b>11 836</b>	<b>8 979</b>
<b>Other comprehensive income items:</b>				
<b>Items that may be subsequently reclassified to profit or loss</b>				
Changes in the fair value of available-for-sale investments	-	452	-	193
Hedge accounting	-119	189	-73	-31
Exchange differences on translating foreign operations	414	-6	356	-183
Income taxes related to these items	68	-129	10	-32
<b>Comprehensive income items for the period, net of tax</b>	<b>363</b>	<b>507</b>	<b>293</b>	<b>-52</b>
<b>COMPREHENSIVE PROFIT FOR THE PERIOD</b>	<b>3 258</b>	<b>3 205</b>	<b>12 129</b>	<b>8 927</b>
<b>Comprehensive profit for the period attributable to</b>				
Equity holders of the Parent company	3 258	3 205	12 129	8 927
<b>Shares, 1 000 pcs</b>				
Adjusted average number of shares	4 263	4 240	4 260	4 225
Adjusted average number of shares, diluted	4 294	4 274	4 290	4 259

## CONSOLIDATED BALANCE SHEET

EUR 1 000	31.12.2018	Restated 31.12.2017
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	1 035	1 035
Other intangible assets	2 500	2 548
Property, plant and equipment	11 612	9 948
Other financial assets	1 185	923
Deferred tax assets	35	410
<b>Total non-current assets</b>	<b>16 368</b>	14 865
<b>Current assets</b>		
Inventories	14 383	11 010
Accounts receivables and other receivables	52 256	30 363
Income tax receivable	-	45
Cash and cash equivalents	13 375	30 724
<b>Total current assets</b>	<b>80 014</b>	72 142
<b>TOTAL ASSETS</b>	<b>96 382</b>	87 006

## CONSOLIDATED BALANCE SHEET

EUR 1 000	31.12.2018	Restated 31.12.2017
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Equity holders of the Parent company</b>		
Share capital	8 256	8 256
Fair value reserve and other reserves	7 164	7 156
Exchange differences	1 015	659
Retained earnings	18 239	14 321
Profit for the financial year	11 836	8 979
<b>Total equity</b>	<b>46 509</b>	39 372
<b>Non-current liabilities</b>		
Provisions	605	707
Deferred tax liability	-	86
<b>Total non-current liabilities</b>	<b>605</b>	793
<b>Current liabilities</b>		
Provisions	1 595	1 378
Current interest-bearing liabilities	1 079	1 413
Current advance payments received	21 006	25 739
Income tax liability	992	829
Trade payables and other liabilities	24 595	17 481
<b>Total current liabilities</b>	<b>49 268</b>	46 841
<b>Total liabilities</b>	<b>49 872</b>	47 634
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>96 382</b>	87 006

# Consolidated statement of cash flows

Financial statements release 2018  
February 14, 2019

## CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1 000	1.1.–31.12.2018	1.1.–31.12.2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Proceeds from customers	164 339	167 370
Other operating income	611	50
Payments to suppliers and employees	-170 127	-145 131
<b>Cash flow before financial items and taxes</b>	<b>-5 177</b>	<b>22 289</b>
Interest paid from operating activities	-119	-277
Dividends received from operating activities	249	120
Interest received from operating activities	20	7
Other financing items from operating activities	48	-298
Income taxes paid from operating activities	-2 584	-3 408
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>-7 562</b>	<b>18 432</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	-3 612	-2 874
Business transaction	-769	-3 193
Proceeds from sale of property, plant and equipment and intangible assets	230	117
Proceeds from sale of investments	-	182
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>-4 151</b>	<b>-5 768</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	59	207
Proceeds from current borrowings	1 093	4 413
Repayments of current borrowings	-1 427	-6 136
Dividends paid	-5 320	-4 220
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>-5 595</b>	<b>-5 736</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-17 309</b>	<b>6 928</b>
increase (+)/decrease (-)		
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR*</b>	<b>30 724</b>	<b>23 769</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-17 309</b>	<b>6 928</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH</b>	<b>-40</b>	<b>27</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR*</b>	<b>13 375</b>	<b>30 724</b>
<b>CASH AND CASH EQUIVALENTS IN THE BALANCE SHEET AT THE END OF THE FINANCIAL YEAR*</b>		
Cash and cash equivalents	13 375	30 724
<b>TOTAL</b>	<b>13 375</b>	<b>30 724</b>

\*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

EUR 1 000	Share capital	Invested non-restricted equity reserve	Other reserves	Exchange differences	Retained earnings	To the equity holders of the Parent company	TOTAL EQUITY
<b>EQUITY at Dec. 31, 2017, ORIGINALLY PRESENTED</b>	<b>8 256</b>	<b>5 652</b>	<b>1 504</b>	<b>659</b>	<b>23 623</b>	<b>39 694</b>	<b>39 694</b>
Changes in accounting principles, IFRS 15	-	-	-	-	-322	-322	-322
<b>EQUITY at Dec. 31, 2017, RESTATED</b>	<b>8 256</b>	<b>5 652</b>	<b>1 504</b>	<b>659</b>	<b>23 301</b>	<b>39 372</b>	<b>39 372</b>
Changes in accounting principles, IFRS 9	-	-	-	-	-104	-104	-104
Changes in accounting principles, IFRS 2	-	-	117	-	-	117	117
<b>EQUITY at Jan. 1, 2018, RESTATED</b>	<b>8 256</b>	<b>5 652</b>	<b>1 621</b>	<b>659</b>	<b>23 197</b>	<b>39 385</b>	<b>39 385</b>
<b>Comprehensive profit for the financial year</b>							
Profit for the financial year	-	-	-	-	11 836	11 836	11 836
Other comprehensive income items:							
Hedging reserve	-	-	-73	-	-	-73	-73
Exchange differences on translating foreign operations	-	-	-	356	-	356	356
Income taxes related to these items	-	-	10	-	-	10	10
<b>Total comprehensive profit for the financial year</b>	<b>-</b>	<b>-</b>	<b>-63</b>	<b>356</b>	<b>11 836</b>	<b>12 129</b>	<b>12 129</b>
Transfer of gain on disposals of equity investments at fair value through other comprehensive income to retained earnings	-	-	-362	-	362	0	0
<b>Transactions with owners</b>							
Share-options exercised	-	59	-	-	-	59	59
Equity-settled share-based transactions	-	-	257	-	-	257	257
Dividends	-	-	-	-	-5 320	-5 320	-5 320
<b>Total transactions with owners</b>	<b>0</b>	<b>59</b>	<b>257</b>	<b>0</b>	<b>-4 958</b>	<b>-5 005</b>	<b>-5 005</b>
<b>EQUITY at Dec. 31, 2018</b>	<b>8 256</b>	<b>5 711</b>	<b>1 453</b>	<b>1 015</b>	<b>30 075</b>	<b>46 509</b>	<b>46 509</b>

## COMPARISON YEAR, RESTATED

EUR 1 000	Share capital	Invested non-restricted equity reserve	Other reserves	Exchange differences	Retained earnings	To the equity holders of the Parent company	TOTAL EQUITY
<b>EQUITY at Jan. 1, 2017</b>	<b>8 256</b>	<b>5 445</b>	<b>1 132</b>	<b>842</b>	<b>18 543</b>	<b>34 217</b>	<b>34 217</b>
<b>Comprehensive profit for the financial year</b>							
Profit for the financial year, restated	-	-	-	-	8 979	8 979	8 979
Other comprehensive income items:							
Changes in the fair value of available-for-sale investments	-	-	193	-	-	193	193
Hedging reserve	-	-	-31	-	-	-31	-31
Exchange differences on translating foreign operations	-	-	-	-183	-	-183	-183
Income taxes related to these items	-	-	-32	-	-	-32	-32
<b>Total comprehensive profit for the financial year</b>	<b>-</b>	<b>-</b>	<b>131</b>	<b>-183</b>	<b>8 979</b>	<b>8 927</b>	<b>8 927</b>
<b>Transactions with owners</b>							
Share-options exercised	-	207	-	-	-	207	207
Equity-settled share-based transactions	-	-	240	-	-	240	240
Dividends	-	-	-	-	-4 220	-4 220	-4 220
<b>Total transactions with owners</b>	<b>0</b>	<b>207</b>	<b>240</b>	<b>0</b>	<b>-4 220</b>	<b>-3 773</b>	<b>-3 773</b>
<b>EQUITY at Dec. 31, 2017, RESTATED</b>	<b>8 256</b>	<b>5 652</b>	<b>1 504</b>	<b>659</b>	<b>23 301</b>	<b>39 372</b>	<b>39 372</b>

**NOTES TO THE FINANCIAL STATEMENTS RELEASE****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. Raute's solutions include a comprehensive range of machinery and also 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 financial statements release 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 financial statements release for January 1 – December 31, 2018 has been prepared in accordance with standard IAS 34 Interim Financial Reporting. The financial statements release does not contain full notes and other information presented in the financial statements. Raute Corporation's financial statements with full notes will be published on February 14, 2019.

Raute Corporation's financial statements release for January 1 – December 31, 2018 has been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations released accepted for application in the European Union. The financial statements release has been drawn up according to the same accounting principles as in the consolidated financial statements for 2017, except for the adoption of new and revised standards effective as of January 1, 2018 or later.

Raute Group has adopted the standard IFRS 15 Revenue from contracts with customers as of January 1, 2018. Raute's products and services have been classified as performance obligations to be satisfied at a point in time and performance obligations to be satisfied over time under the standard. The new standards have been adopted by using the full retrospective method. The new rules have been adopted according to the transition rules and the figures of the comparison period have been restated. Raute Group has presented on March 23, 2018, with a separate release the impacts of the standard. The adoption of the standard had a negative impact of EUR 552 thousand to the revenue of the comparison period 2017. The adoption of the standard decreased operating profit by EUR 402 thousand and profit for the financial year by EUR 322 thousand. The change in the standard had a negative effect of EUR 322 thousand to the equity of Raute Group and increased the total balance of the balance sheet by EUR 149 thousand.

Raute Group has adopted the standard IFRS 9 Financial instruments as of January 1, 2018. The adoption of the standard has had an impact on the credit loss model of financial assets, which is based on expected credit losses. The standard has also impacted the classification and measurement of financial assets and liabilities and hedge accounting guidance. According to the standard, all share investments which have been previously classified as available-for-sale financial assets are recognized at fair value through comprehensive income. These changes of the standard have not had significant effects on classification and recognition of financial assets. The expected credit loss provision amount of EUR 0.1 million has been recognized as an adjustment to the Group's opening balance sheet equity. During the financial year, the change in the expected credit loss was EUR -28 thousand. The deferred tax related to this item has been recognized during the financial year.

IFRS 2 Share-based payments -standard has been adopted non-retrospectively applying the simplified approach of the standard. The standard includes guidance on the basis of preparation when a share-based payment plan has a net settlement payment and Raute Group has an obligation to withhold a tax from the payment. The bonuses of this share reward have been recognized entirely as equity-settled share-based payments as of January 1, 2018. An expense adjustment related to these share-based payments has increased the Group's opening balance sheet equity by EUR 0.1 million. The corresponding item decreased the item Trade and other payables in liabilities by EUR 0.1 million.

When preparing the financial statements release 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 estimate.

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

IFRS 16 standard Leases shall be effective on January 1, 2019. Raute Group shall adopt the standard starting on January 1, 2019 applying the simplified retrospective approach and comparative information will not be restated. As a result of the implementation of the standard change, the leases of premises and production facilities leased by Raute Group will be recognized in the balance sheet. According to the standard, the leases that include the right-of-use of the leased asset are recognized in the item Property, plant and equipment in the lessor's balance sheet. A lessor shall recognize an asset based on the right-of-use of the asset and a lease liability based on the obligation to pay lease rent. The associated rental cost is replaced by depreciation calculated on the fixed asset and interest expense on the lease liability. In addition, the standard has an impact on the notes presented in the financial statements and key figures presented in the 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. 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, therefore the breakdown of the Group's net sales into purely product and service sales cannot be reliably presented.

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 financial year, the Group had two (2) customers, whose customized share of the Group's net sales temporarily exceeded ten percent.

EUR 1 000	2018	%	Restated 2017	%
<b>Net sales by market area</b>				
EMEA (Europe and Africa)	<b>76 968</b>	<b>43</b>	81 952	56
CIS (Russia)	<b>47 757</b>	<b>26</b>	35 365	24
NAM (North America)	<b>32 168</b>	<b>18</b>	21 115	14
APAC (Asia-Pacific)	<b>18 438</b>	<b>10</b>	3 429	2
LAM (South America)	<b>5 662</b>	<b>3</b>	6 202	4
<b>TOTAL</b>	<b>180 993</b>	<b>100</b>	148 064	100

Finland accounted for 15 percent (17 %) of net sales.

EUR 1 000	2018	Restated 2017
<b>Specification of net sales</b>		
Performance obligations to be satisfied over time	<b>149 460</b>	118 115
Performance obligations to be satisfied at a point in time	<b>31 533</b>	29 949
<b>TOTAL</b>	<b>180 993</b>	148 064
Project revenues entered as income from performance obligations to be satisfied over time currently undelivered	<b>202 848</b>	135 322
Amount of performance obligations to be satisfied over time not yet entered as income (order book)	<b>88 037</b>	104 728
<b>Balance sheet items of undelivered projects</b>		
Projects in which the value by percentage of completion exceeds advance payments invoiced		
- aggregate amount of costs incurred and recognized profits less recognized losses	<b>140 536</b>	88 318
- advance payments received	<b>99 313</b>	67 913
<b>Current customer contract assets</b>	<b>41 223</b>	20 405
Projects in which advance payments invoiced exceed the value by percentage of completion		
- aggregate amount of costs incurred and recognized profits less recognized losses	<b>60 676</b>	46 388
- advance payments received	<b>78 602</b>	68 846
<b>Current customer contract liabilities</b>	<b>17 926</b>	22 458
<b>Advance payments included in current liabilities in the balance sheet</b>		
Current customer contract liabilities	<b>17 926</b>	22 458
Other advance payments received	<b>3 080</b>	3 281
<b>Total</b>	<b>21 006</b>	25 739
<b>Advance payments of the customer contracts included in inventories in the balance sheet</b>		
Advance payments paid	<b>1 017</b>	659
<b>Total</b>	<b>1 017</b>	659

	2018	2017
<b>Number of personnel</b>		
Effective, on average, persons	725	660
On average, persons	748	682
In books at Dec. 31, persons	772	704
Personnel working abroad at the end of the financial year	267	222
Personnel working abroad, %	34,6	31,5

#### 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.

EUR 1 000	2018	2017
<b>Research and development costs</b>		
Research and development costs for the financial year	-3 735	-3 237
Amortization of previously capitalized development costs	-125	-223
Development costs recognized as an asset in the balance sheet	275	123
Research and development costs recognized as an expense before impairments for the financial year	-3 585	-3 338
Impairments of capitalized development costs	-38	-
Research and development costs recognized as an expense for the financial year	-3 623	-3 338

EUR 1 000	2018	2017
<b>Other intangible assets</b>		
Acquisition cost at the beginning of the financial year	14 799	13 391
Exchange rate differences	-1	-48
Additions	468	1 750
Reclassification between items	119	-295
<b>Acquisition cost at the end of the financial year</b>	<b>15 384</b>	14 799
Accumulated depreciation and amortization at the beginning of the financial year	-12 250	-12 038
Exchange rate differences	1	42
Accumulated depreciation and amortization of disposals and reclassifications	-	565
Impairments	-38	-
Depreciation and amortization for the financial year	-597	-820
<b>Accumulated depreciation and amortization at the end of the financial year</b>	<b>-12 884</b>	-12 250
<b>Book value of Other intangible assets, at the beginning of the financial year</b>	<b>2 548</b>	1 353
<b>Book value of Other intangible assets, at the end of the financial year</b>	<b>2 500</b>	2 548
<b>Property, plant and equipment</b>		
Acquisition cost at the beginning of the financial year	50 134	48 657
Exchange rate differences	-316	-596
Additions	3 916	2 623
Disposals	-225	-97
Reclassification between items	-119	-452
<b>Acquisition cost at the end of the financial year</b>	<b>53 391</b>	50 134
Accumulated depreciation and amortization at the beginning of the financial year	-40 186	-39 077
Exchange rate differences	294	520
Accumulated depreciation and amortization of disposals and reclassifications	4	183
Depreciation and amortization for the financial year	-1 890	-1 813
<b>Accumulated depreciation and amortization at the end of the financial year</b>	<b>-41 778</b>	-40 186
<b>Book value of Property, plant and equipment, at the beginning of the financial year</b>	<b>9 948</b>	9 580
<b>Book value of Property, plant and equipment, at the end of the financial year</b>	<b>11 612</b>	9 948

#### Business transaction Metriguard Technologies, Inc.

On April 3, 2017, Raute Corporation acquired the business of Metriguard, Inc. in the USA. Metriguard sells and maintains measuring equipment for the veneer and plywood industry and for sawmills on a global scale. The production of the company has been centralized in Pullman, Washington. Metriguard's business will be continued under Raute's new US subsidiary, Metriguard Technologies, Inc., whose financial information will be reported as part of Raute's wood products technology segment.

The acquisition has been implemented as an asset purchase, including Metriguard's intangible assets, working capital and fixed assets, except real estate. Metriguard, Inc.'s personnel transferred in the business transaction. The purchase price is paid in two installments. A base purchase price of USD 3.1 million has been paid at closing. The additional earn-out payment based on net sales for a 12-month period following closing of the transaction was paid on October 9, 2018. The final earn-out payment was confirmed to be USD 880 thousand.

Fair values of the acquisition, thousand euros	3.4.2017
Intangible assets	1 407
Tangible assets	94
Inventory	1 368
Sales receivables and other receivables	310
Trade payables and other payables	-178
<b>Net identifiable assets acquired</b>	<b>3 002</b>
<b>Goodwill</b>	<b>1 035</b>
<b>Net assets acquired</b>	<b>4 037</b>

#### Purchase consideration, thousand euros

Cash paid on Apr. 3, 2017	2 911
Contingent consideration on Oct. 9, 2018	769
<b>Total purchase consideration</b>	<b>3 681</b>

The cash flow effect of the business transaction in the financial year was EUR 769 thousand.



### Financial assets

At the end of the financial year December 31, 2018, the fair value of the financial assets categorized at fair value on hierarchy level 3 was EUR 1 185 thousand.

EUR 1 000	31.12.2018	31.12.2017
<b>Current interest-bearing liabilities</b>		
Partial payments of financial loans	1 079	1 413
<b>TOTAL</b>	<b>1 079</b>	<b>1 413</b>

### Maturities of the interest-bearing financial liabilities at December 31, 2018

	Current	Non-current	Total
Financial loans	1 079	-	1 079
<b>TOTAL</b>	<b>1 079</b>	<b>-</b>	<b>1 079</b>

EUR 1 000	31.12.2018	31.12.2017
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### Derivatives

#### Nominal values of forward contracts in foreign currency

Economic hedging		
- Related to financing	961	492
- Related to the hedging of net sales	7 369	3 228
Hedge accounting		
- Related to the hedging of net sales	5 723	12 716

#### Fair values of forward contracts in foreign currency

Economic hedging		
- Related to financing	-35	52
- Related to the hedging of net sales	-120	27
Hedge accounting		
- Related to the hedging of net sales	-200	-18

EUR 1 000	31.12.2018	31.12.2017
<b>Pledged assets and contingent liabilities</b>		
<b>On behalf of the Parent company</b>		
Business mortgages	-	8 274
<b>Mortgage agreements on behalf of subsidiaries</b>		
Financial loans	1 079	1 413
Other obligations	116	313
Business mortgages	-	1 726
Other credit guarantee arrangements	1 195	-
<b>Commercial bank guarantees on behalf of the Parent company and subsidiaries</b>		
	25 925	25 728
<b>Other own obligations</b>		
Rental liabilities maturing within one year	1 513	1 297
Rental liabilities maturing in one to five years	2 629	2 773
<b>Total</b>	<b>4 143</b>	<b>4 070</b>

### Share-based payments

The subscription period for Raute Corporation's 2010 C stock options has ended on March 31, 2018.

A total of 13,946 Raute's series A shares have been subscribed for with Raute's stock options 2010 C during the financial year. The new shares have been registered in the Trade Register on February 26, 2018 and May 8, 2018.

On December 31, 2018 the company's share capital is EUR 8,256,316 and the number of company's shares 4,263,194 pieces.

An expense of EUR 257 thousand was recognized for the share rewards to the income statement during the financial year.

No share rewards have been paid based on the long-term performance share-based incentive plan 2014-2018 for the Group's senior management during the financial year.

### Distribution of the profit for the financial year 2017

Raute Corporation's Annual General Meeting held on March 22, 2018, decided, according to the Board of Directors' proposal, to distribute a dividend of EUR 1.25 per share to be paid for series A and K shares, a total of EUR 5,320 thousand. The dividend payment date was April 4, 2018.

### 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	31.12.2018	Restated 31.12.2017
<b>Wood products technology</b>		
Net sales	180 993	148 064
Operating profit	14 922	11 171
Assets	96 382	87 006
Liabilities	49 872	47 634
Capital expenditure	4 384	6 962

EUR 1 000	31.12.2018	%	Restated 31.12.2017	%
<b>Assets of the wood products technology segment by geographical location</b>				
Finland	83 494	87	77 541	89
North America	7 850	8	5 693	7
China	3 635	4	2 511	3
Russia	1 038	1	1 007	1
South America	224	0	128	0
Other	141	0	127	0
<b>TOTAL</b>	<b>96 382</b>	<b>100</b>	87 006	100

EUR 1 000	31.12.2018	%	31.12.2017	%
<b>Capital expenditure of the wood products technology segment by geographical location</b>				
Finland	3 508	80	4 283	62
North America	707	16	2 663	38
China	99	2	-	-
Russia	46	1	13	0
South America	22	1	1	0
Other	2	0	1	0
<b>TOTAL</b>	<b>4 384</b>	<b>100</b>	6 962	100

**Exchange rates used in the consolidation of subsidiaries**

<b>Income statement, euros</b>	<b>1.1.–31.12.2018</b>	1.1.–31.12.2017
CNY (Chinese yuan)	7,8074	7,6266
RUB (Russian rouble)	74,0551	65,8806
CAD (Canadian dollar)	1,5302	1,4644
USD (US dollar)	1,1815	1,1292
SGD (Singapore dollar)	1,5928	1,5583
CLP (Chilean peso)	757,0688	732,3058
<b>Balance sheet, euros</b>	<b>31.12.2018</b>	31.12.2017
CNY (Chinese yuan)	7,8751	7,8073
RUB (Russian rouble)	79,7153	69,3920
CAD (Canadian dollar)	1,5605	1,5039
USD (US dollar)	1,1450	1,1993
SGD (Singapore dollar)	1,5591	1,6024
CLP (Chilean peso)	795,4900	751,8129

**The Board of Directors' proposal for dividend distribution and measures concerning the result of 2018**

The Board of Directors will propose to Raute Corporation's Annual General Meeting 2019, to be held on April 2, 2019, that a dividend of EUR 1.40 per share be paid for the financial year 2018, and that the remainder of the distributable funds be retained in equity.

At the date of the proposal for profit distribution, there is a total of 4,263,194 shares entitled for the dividend, i.e. the total amount of dividends is EUR 5,968 thousand.

## FINANCIAL DEVELOPMENT

	31.12.2018	Restated 31.12.2017
Change in net sales, %	22,2	30,9
Exported portion of net sales, %	84,6	82,6
Operating profit, % of net sales	8,2	7,5
Return on investment, (ROI), %	34,6	29,5
Return on equity, (ROE), %	27,6	24,4
Interest-bearing net liabilities, EUR million	-12,3	-29,3
Gearing, %	-26,4	-74,4
Equity ratio, %	61,7	64,3
Gross capital expenditure, EUR million	4,4	7,0
% of net sales	2,4	4,7
Research and development costs, EUR million	3,7	3,2
% of net sales	2,1	2,2
Order book, EUR million	95	110
Order intake, EUR million	167	155

## SHARE-RELATED DATA

	2018	Restated 2017
Earnings per share, (EPS), undiluted, EUR	2,78	2,13
Earnings per share, (EPS), diluted, EUR	2,76	2,11
Equity to share, EUR	10,82	9,27
Dividend per series A share, EUR	1,40*	1,25
Dividend per series K share, EUR	1,40*	1,25
Dividend per profit, %	50,4*	58,8
Effective dividend return, %	6,6*	4,3
Price/earnings ratio (P/E ratio)	7,67	13,65
<i>* The Board of Directors' proposal to the Annual General Meeting.</i>		
<b>Development in share price (series A shares)</b>		
Lowest share price for the financial year, EUR	20,50	16,84
Highest share price for the financial year, EUR	34,90	30,52
Average share price for the financial year, EUR	28,58	22,70
Share price at the end of the financial year, EUR	21,30	29,00
<b>Market value of capital stock</b>		
Series K shares, EUR million*	21,1	28,7
Series A shares, EUR million	69,7	94,5
Total, EUR million	90,8	123,2
<i>*Series K shares valued at the value of series A shares.</i>		
<b>Trading of the company's shares (series A shares)</b>		
Trading of shares, pcs	879 655	845 672
Trading of shares, EUR million	25,1	19,2
<b>Number of shares</b>		
- Series K shares, ordinary shares (20 votes/share)	991 161	991 161
- Series A shares (1 vote/share)	3 272 033	3 258 087
Total	4 263 194	4 249 248
Number of shares, weighted average, 1 000 pcs	4 260	4 225
Number of shares, diluted, 1 000 pcs	4 290	4 259
<b>Number of shareholders</b>	<b>5 046</b>	4 797

# Development of quarterly results

Financial statements release 2018  
February 14, 2019

## DEVELOPMENT OF QUARTERLY RESULTS

EUR 1 000	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Rolling 1.1.2018– 31.12.2018	Rolling restated 1.1.2017– 31.12.2017
<b>NET SALES</b>	<b>35 272</b>	<b>43 667</b>	<b>47 888</b>	<b>54 166</b>	<b>180 993</b>	<b>148 064</b>
Change in inventories of finished goods and work in progress	1 230	1 574	600	-335	3 069	2 054
<b>Other operating income</b>	<b>65</b>	<b>293</b>	<b>137</b>	<b>197</b>	<b>692</b>	<b>96</b>
Materials and services	-18 174	-26 271	-27 339	-31 996	-103 781	-80 721
Employee benefits expense	-11 246	-11 568	-11 316	-12 813	-46 944	-41 036
Depreciation and amortization	-650	-635	-617	-585	-2 487	-2 633
Impairments	-	-	-	-38	-38	-
Other operating expenses	-3 743	-3 903	-3 751	-5 185	-16 582	-14 653
<b>Total operating expenses</b>	<b>-33 813</b>	<b>-42 377</b>	<b>-43 024</b>	<b>-50 617</b>	<b>-169 832</b>	<b>-139 042</b>
<b>OPERATING PROFIT</b>	<b>2 754</b>	<b>3 156</b>	<b>5 602</b>	<b>3 410</b>	<b>14 922</b>	<b>11 171</b>
<b>% of net sales</b>	<b>7,8</b>	<b>7,2</b>	<b>11,7</b>	<b>6,3</b>	<b>8,2</b>	<b>7,5</b>
Financial income	225	72	9	40	346	359
Financial expenses	-64	-107	-109	-75	-356	-411
<b>Financial expenses, net</b>	<b>160</b>	<b>-36</b>	<b>-100</b>	<b>-35</b>	<b>-10</b>	<b>-51</b>
<b>PROFIT BEFORE TAX</b>	<b>2 914</b>	<b>3 121</b>	<b>5 502</b>	<b>3 375</b>	<b>14 912</b>	<b>11 120</b>
<b>% of net sales</b>	<b>8,3</b>	<b>7,1</b>	<b>11,5</b>	<b>6,2</b>	<b>8,2</b>	<b>7,5</b>
Income taxes	-659	-748	-1 189	-480	-3 076	-2 141
<b>PROFIT FOR THE PERIOD</b>	<b>2 256</b>	<b>2 372</b>	<b>4 313</b>	<b>2 895</b>	<b>11 836</b>	<b>8 979</b>
<b>% of net sales</b>	<b>6,4</b>	<b>5,4</b>	<b>9,0</b>	<b>5,3</b>	<b>6,5</b>	<b>6,1</b>
<b>Attributable to</b>						
Equity holders of the Parent company	2 256	2 372	4 313	2 895	11 836	8 979
<b>Earnings per share, EUR</b>						
Undiluted earnings per share	0,53	0,56	1,01	0,68	2,78	2,13
Diluted earnings per share	0,53	0,55	1,01	0,67	2,76	2,11
<b>Shares, 1 000 pcs</b>						
Adjusted average number of shares	4 248	4 263	4 263	4 263	4 260	4 225
Adjusted average number of shares, diluted	4 267	4 284	4 290	4 294	4 290	4 259
	<b>Q1 2018</b>	<b>Q2 2018</b>	<b>Q3 2018</b>	<b>Q4 2018</b>	<b>Rolling 1.1.2018– 31.12.2018</b>	<b>Rolling restated 1.1.2017– 31.12.2017</b>
<b>FINANCIAL DEVELOPMENT QUARTERLY</b>						
Order intake during the period, EUR million	68	28	42	28	167	155
Order book at the end of the period, EUR million	142	127	121	95	95	110

## 20 LARGEST SHAREHOLDERS AT DECEMBER 31, 2018 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	-	494 546	494 546	11,6	494 546	2,1
2. Mandatum Life Unit-Linked	-	131 396	131 396	3,1	131 396	0,6
3. Laakkonen Mikko Kalervo	-	119 919	119 919	2,8	119 919	0,5
4. Suominen Pekka	48 000	62 429	110 429	2,6	1 022 429	4,4
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	52 856	100 856	2,4	1 012 856	4,4
8. Keskiäho 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	500	60 980	1,4	1 210 100	5,2
12. Mustakallio Marja Helena	46 740	12 547	59 287	1,4	947 347	4,1
13. Mustakallio Ulla Sinikka	47 740	10 730	58 470	1,4	965 530	4,2
14. Särkijärvi Anu Riitta	12 000	43 256	55 256	1,3	283 256	1,2
15. Särkijärvi Timo Juha	12 000	43 256	55 256	1,3	283 256	1,2
16. Suominen Jukka Matias	24 960	27 964	52 924	1,2	527 164	2,3
17. Keskinäinen työeläkevakuutus-yhtiö 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. Keskiäho Iita Marjaana	24 780	19 094	43 874	1,0	514 694	2,2
<b>Total</b>	<b>635 200</b>	<b>1 317 618</b>	<b>1 952 818</b>	<b>45,8</b>	<b>14 021 618</b>	<b>60,7</b>

## 20 LARGEST SHAREHOLDERS AT DECEMBER 31, 2018 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	500	60 980	1,4	1 210 100	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	48 000	62 429	110 429	2,6	1 022 429	4,4
7. Suominen Tiina Sini-Maria	48 000	52 856	100 856	2,4	1 012 856	4,4
8. Mustakallio Ulla Sinikka	47 740	10 730	58 470	1,4	965 530	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. Keskiäho 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	1 820	34 795	0,8	661 320	2,9
14. Keskiäho Vesa Heikki	29 680	-	29 680	0,7	593 600	2,6
15. Keskiäho 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. Keskiäho Iita Marjaana	24 780	19 094	43 874	1,0	514 694	2,2
18. Sundholm Göran	-	494 546	494 546	11,6	494 546	2,1
19. Kultanen Leea Annikka	21 595	8 031	29 626	0,7	439 931	1,9
20. Molander Sole	20 160	-	20 160	0,5	403 200	1,7
<b>Total</b>	<b>776 465</b>	<b>897 973</b>	<b>1 674 438</b>	<b>39,3</b>	<b>16 427 273</b>	<b>71,1</b>

## 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
<b>Management's holding at December 31, 2018</b>						
The Board of Directors, the Group's President and CEO and Executive Board*						
	127 890	131 668	259 558	6,1	2 689 468	11,6
<b>Total</b>	<b>127 890</b>	<b>131 668</b>	<b>259 558</b>	<b>6,1</b>	<b>2 689 468</b>	<b>11,6</b>

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

<b>Nominee-registered shares at December 31, 2018</b>						
	-	226 542	226 542	5,3	226 542	1,0

RAUTE CORPORATION

Board of Directors

BRIEFING ON FEBRUARY 14, 2019 AT 2 P.M.:

A briefing will be organized for analysts, investors and the media on February 14, 2019 at 2 p.m. at Scandic Simonkenttä Hotel, Balsa-Freda cabinet, Simonkatu 9, Helsinki. The financial statements will be presented by Mr. Tapani Kiiski, President and CEO, and Ms. Tarja Järvinen, CFO.

FINANCIAL RELEASES IN 2019:

Raute's half-year report and two interim reports will be published as follows:

- Interim report January–March on Friday, May 3, 2019
- Half-year report January–June on Wednesday, July 31, 2019
- Interim report January–September on Wednesday, October 31, 2019.

Raute Corporation's consolidated financial statements will be published on February 14, 2019. Raute Corporation's Annual Report 2018 will be published the week of February 25th.

Raute Corporation's Annual General Meeting will be held in Lahti, at Sibelius Hall on Tuesday, April 2, 2019 at 6:00 p.m.

FURTHER INFORMATION:

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Ms. Tarja Järvinen, Group Vice President, Finance, CFO, Raute Corporation, mobile phone +358 40 658 3562

DISTRIBUTION:

Nasdaq Helsinki Ltd, main media, [www.raute.com](http://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 the Nastola area of Lahti, Finland. The company's other production plants are located in Kajaani, Finland, the Vancouver area of Canada, the Shanghai area of China and in Pullman, Washington, USA. Raute's net sales in 2018 were EUR 181.0 million. The Group's headcount at the end of 2018 was 772. More information about the company can be found at [www.raute.com](http://www.raute.com).



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