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**FINANCIAL
STATEMENTS**

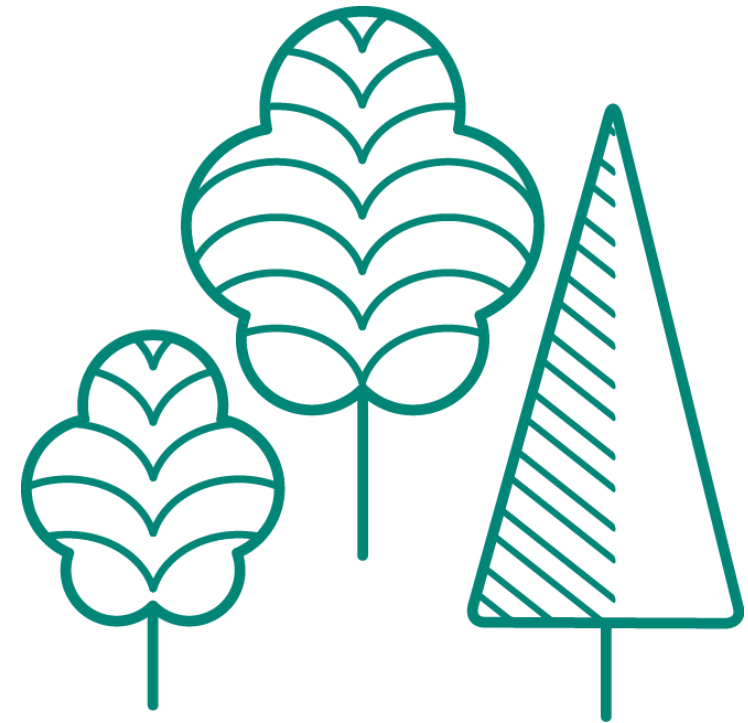
Tapani Kiiski, President and CEO
February 13, 2020



Market situation

Business environment 2019

- Uncertainty increased in both the global economy and our customers' markets
- Our demand focused on strategic new capacity projects, as well as minor improvements and services
- Demand for spare parts and maintenance services grew substantially



Raute and the markets

Raute – Order intake

- Order intake at a good level
 - › Raute receives largest single order ever, MEUR 58, from Russian Segezha Group
- Growth in orders from emerging markets
- More than earlier new orders to Asia and South America
- Order book at a good level, at MEUR 88

	Q4	2019
Order intake, MEUR	17	148
• Project deliveries	4	98
• Technology services	13	50
Change-%		
• Project deliveries	-56%	-8%
• Technology services	-31%	-18%

Raute 2019 in brief

Raute 2019 in brief

- Net sales decreased from the previous year, timing of new orders
- The result was burdened by unforeseen challenges resulting from the record-high workload in 2018
- Operating profit declined from the previous year



Key figures	Q4	2019
Net sales, MEUR	39,3	151,3
• Project deliveries	24,1	85,6
• Technology services	15,2	65,7
Change-%	-28%	-16%
Operating profit	1,8	8,5
Operating profit-%	4,6	5,6
Order book, MEUR	88	88
Change, MEUR	-21	-7

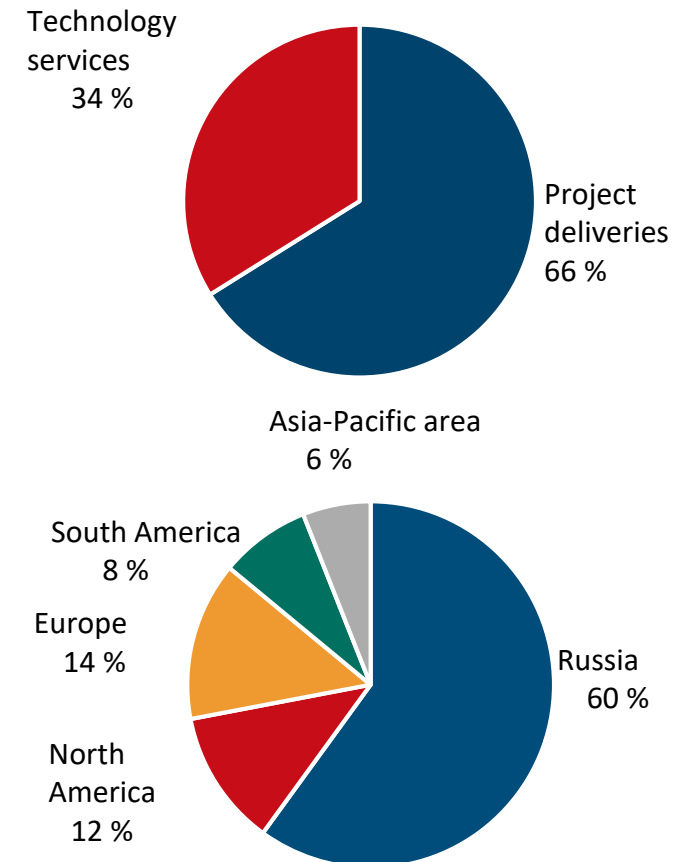
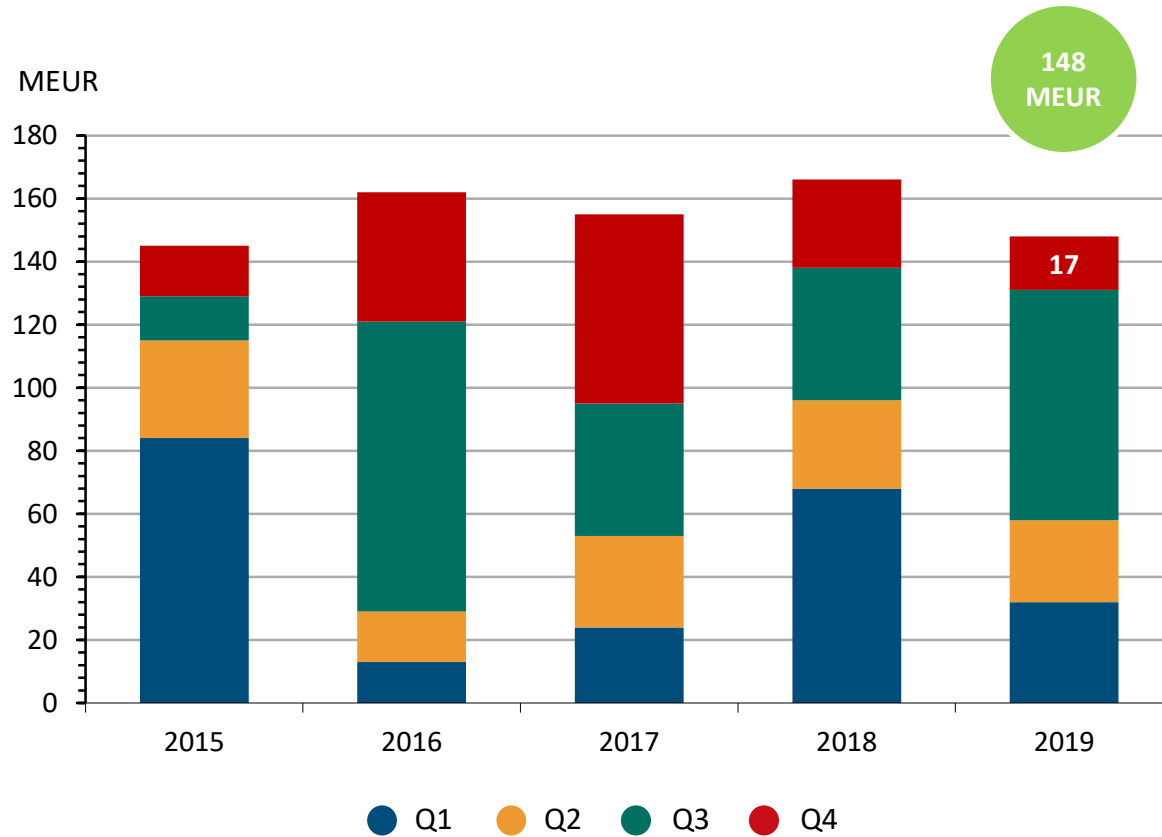
Income statement, Balance sheet and Key ratios

Income statement, MEUR	2019	2018
Net sales	151,3	181,0
Operating profit	8,5	14,9
Financial expenses, net	0,8	-0,0
Profit before tax	9,3	14,9
Income taxes	-1,6	-3,1
Profit for the financial year	7,7	11,8

Key ratios	2019	2018
Earnings per share (EPS), undiluted, EUR	1,80	2,78
Cash flow from operating activities, MEUR	18,6	-7,6
Return on investment (ROI), %	18,1	34,6
Return on equity (ROE), %	16,0	27,6
Gearing, %	-28,1	-26,4
Equity ratio, %	62,9	61,7
Personnel at the end of the period (in books)	778	772

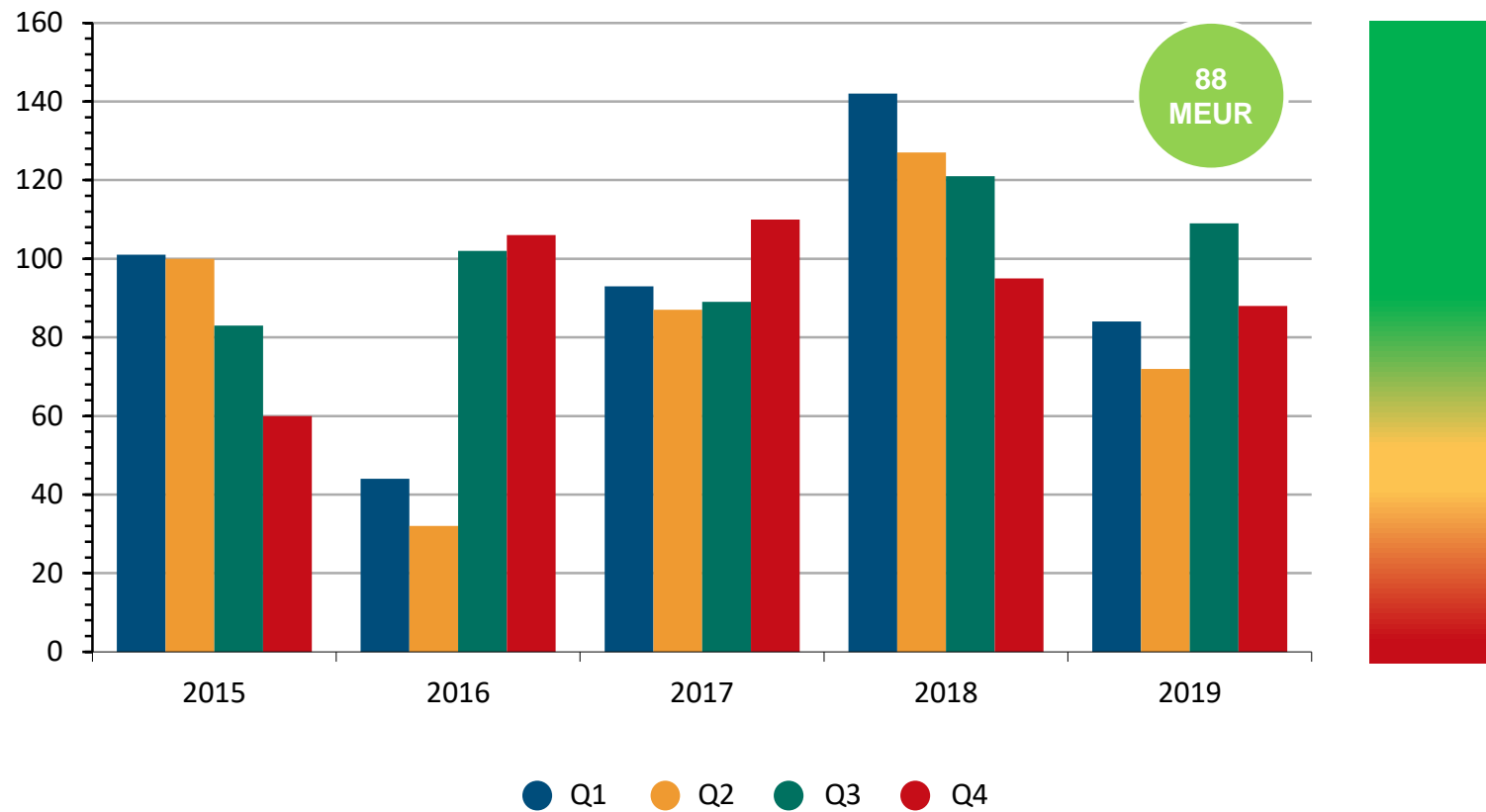
Balance sheet, MEUR	31.12.2019	31.12.2018
Goodwill	1,0	1,0
Other intangible assets	2,7	2,5
Property, plant and equipment	10,9	11,6
Right-of-use assets	6,9	-
Other non-current assets	2,8	1,2
Inventories	12,4	14,6
Accounts receivables and other receivables	31,7	52,3
Cash and cash equivalents	22,4	13,4
Total assets	90,7	96,4
Equity	49,5	46,5
Non-current liabilities	6,1	0,6
Advance payments received	12,0	21,0
Current liabilities	23,0	28,3
Total equity and liabilities	90,7	96,4

Order intake

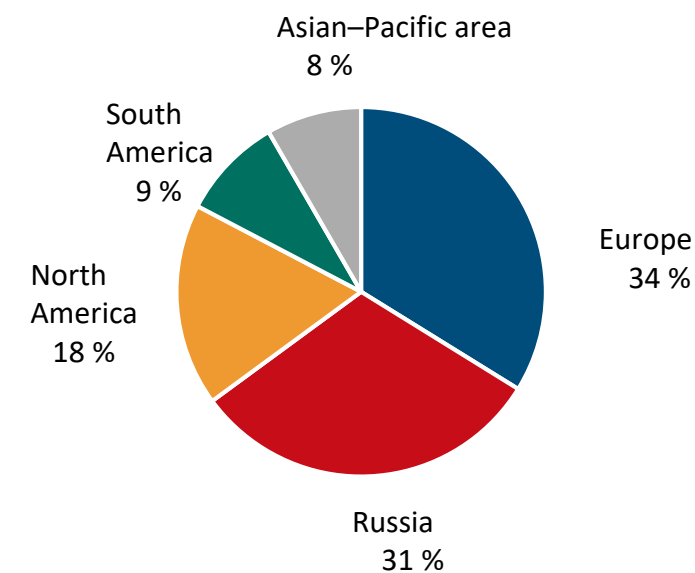
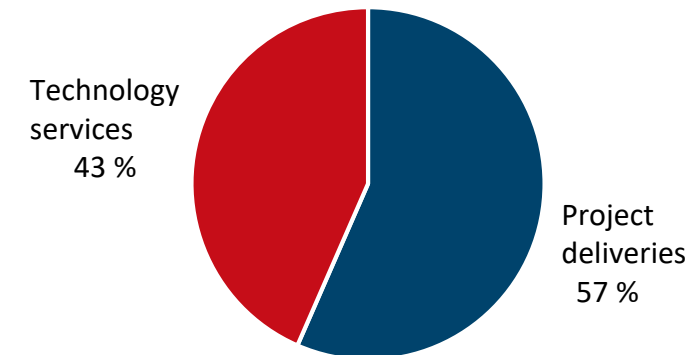
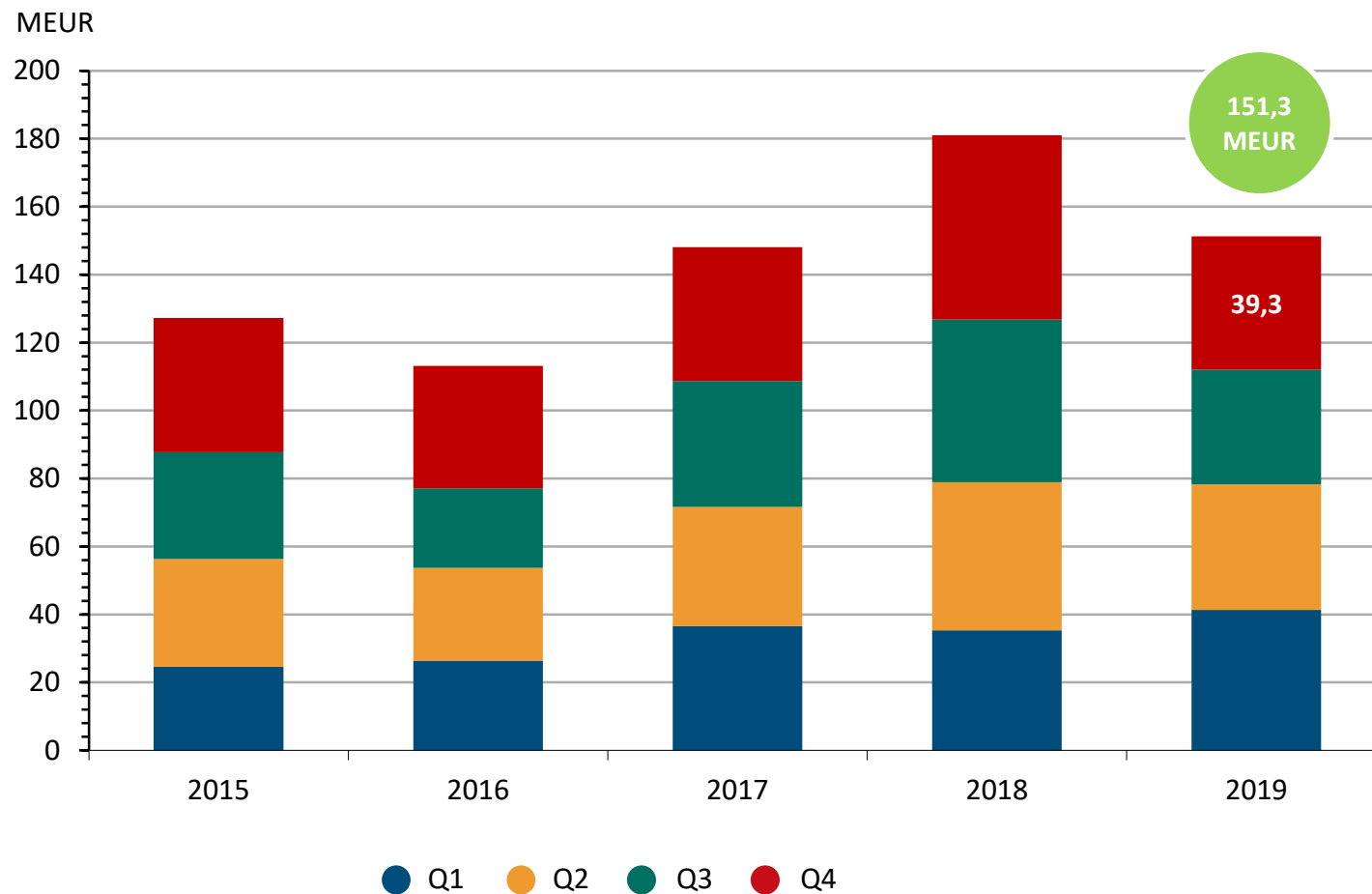


Order book

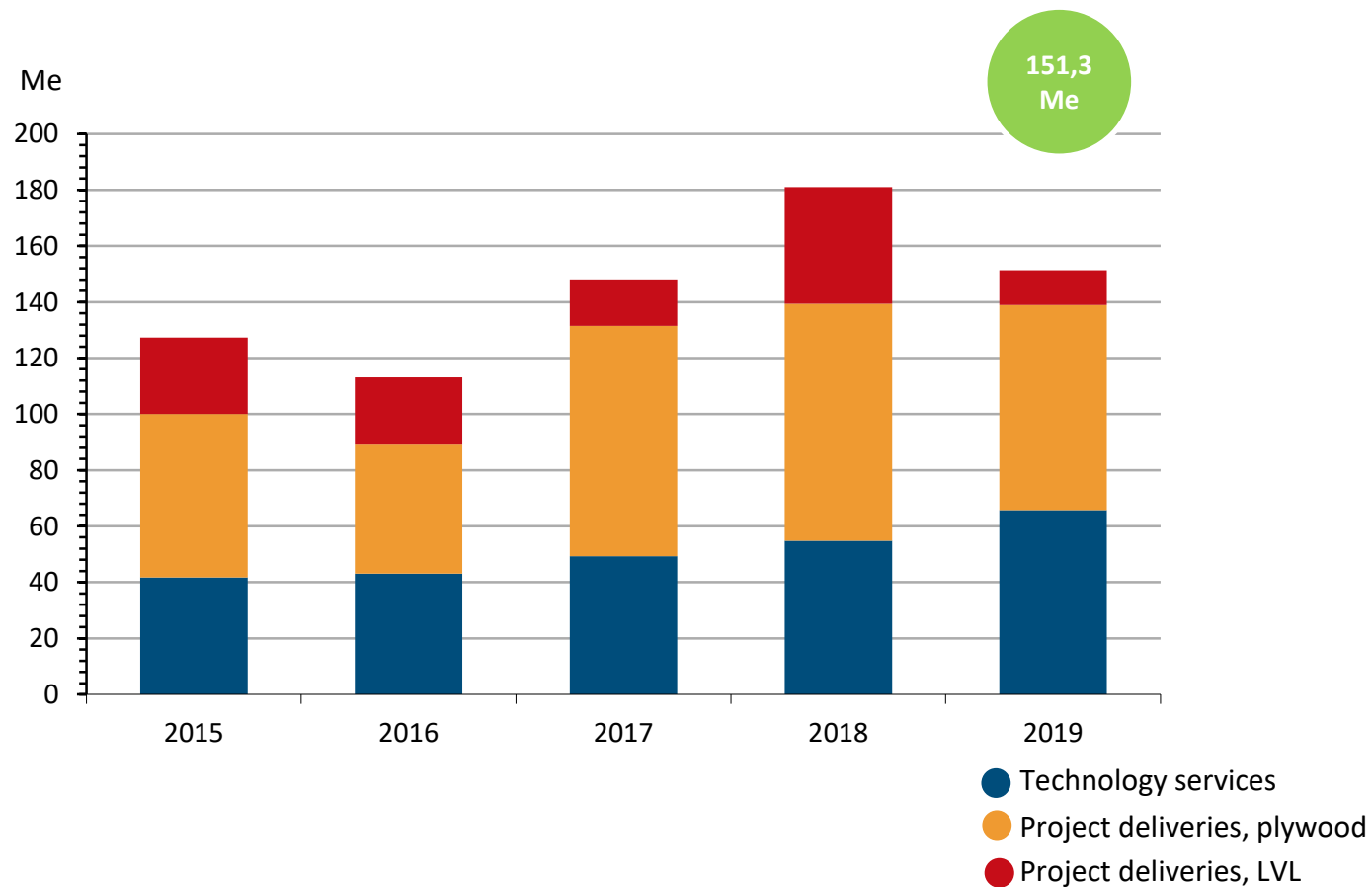
MEUR



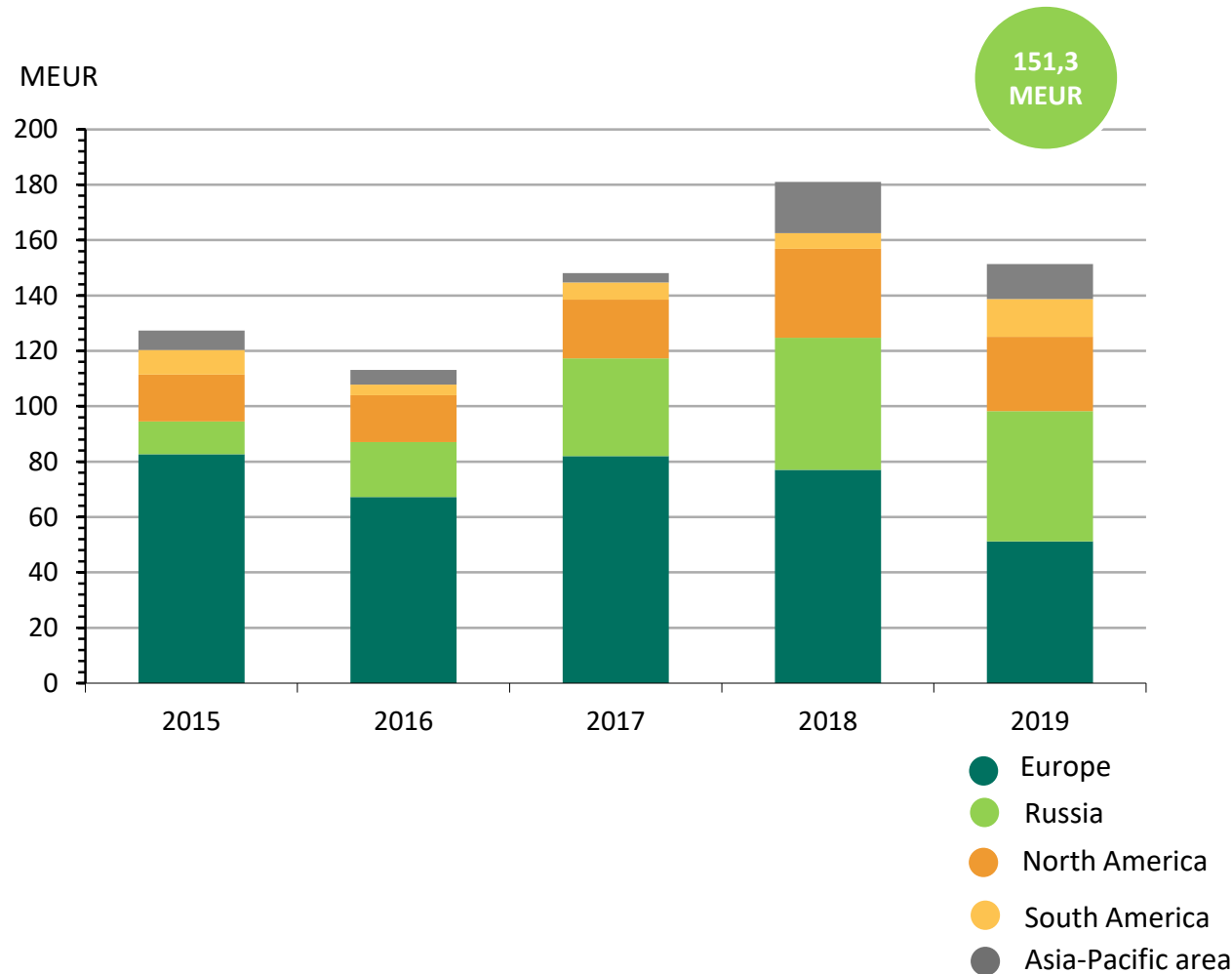
Net sales



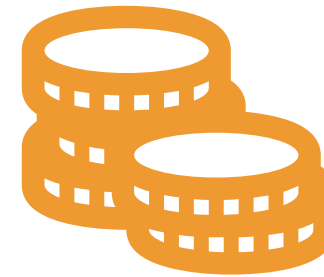
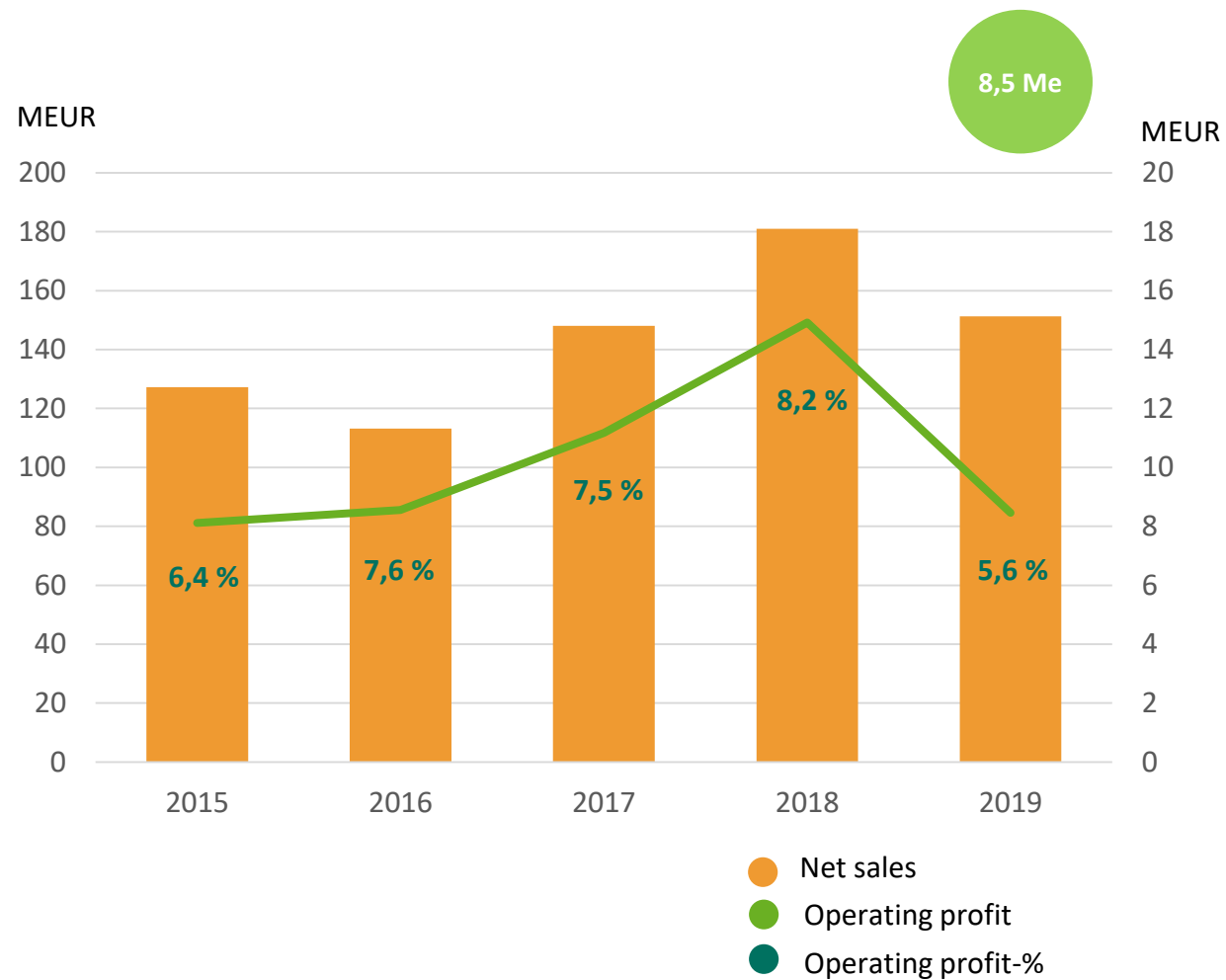
Net sales development, Project deliveries and Technology services



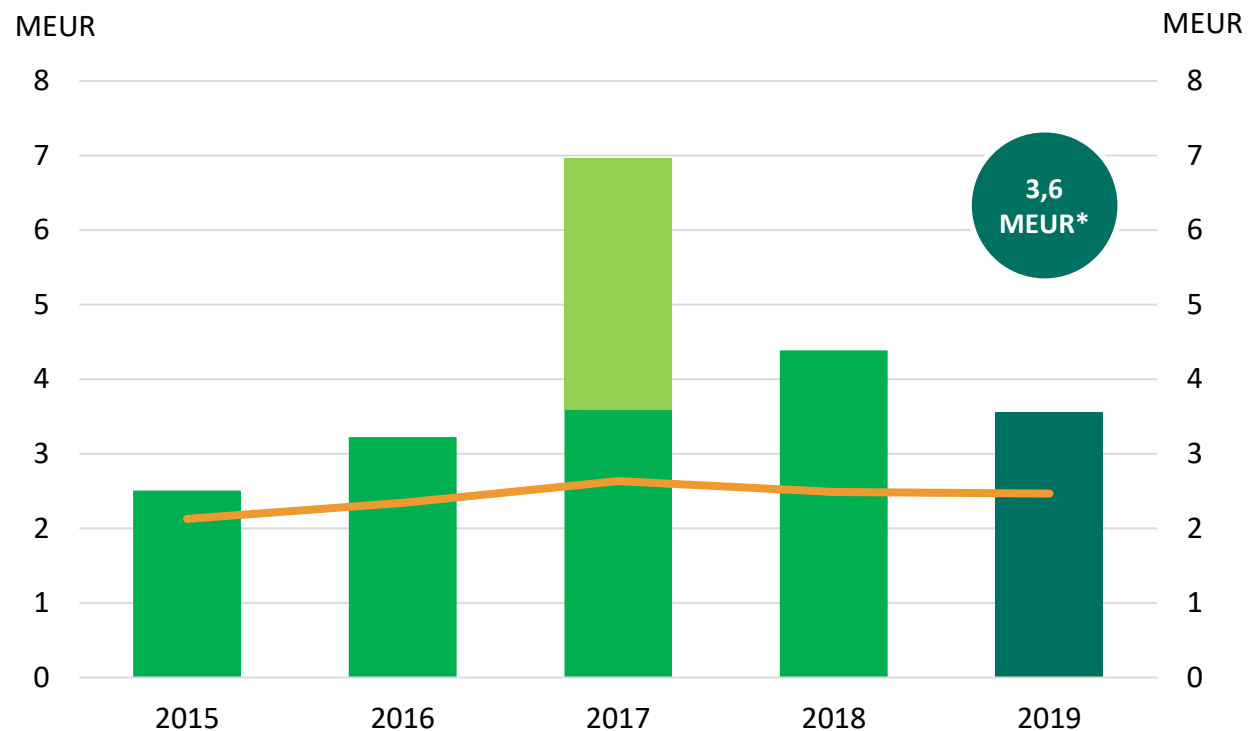
Net sales development, Market areas



Net sales and Operating profit

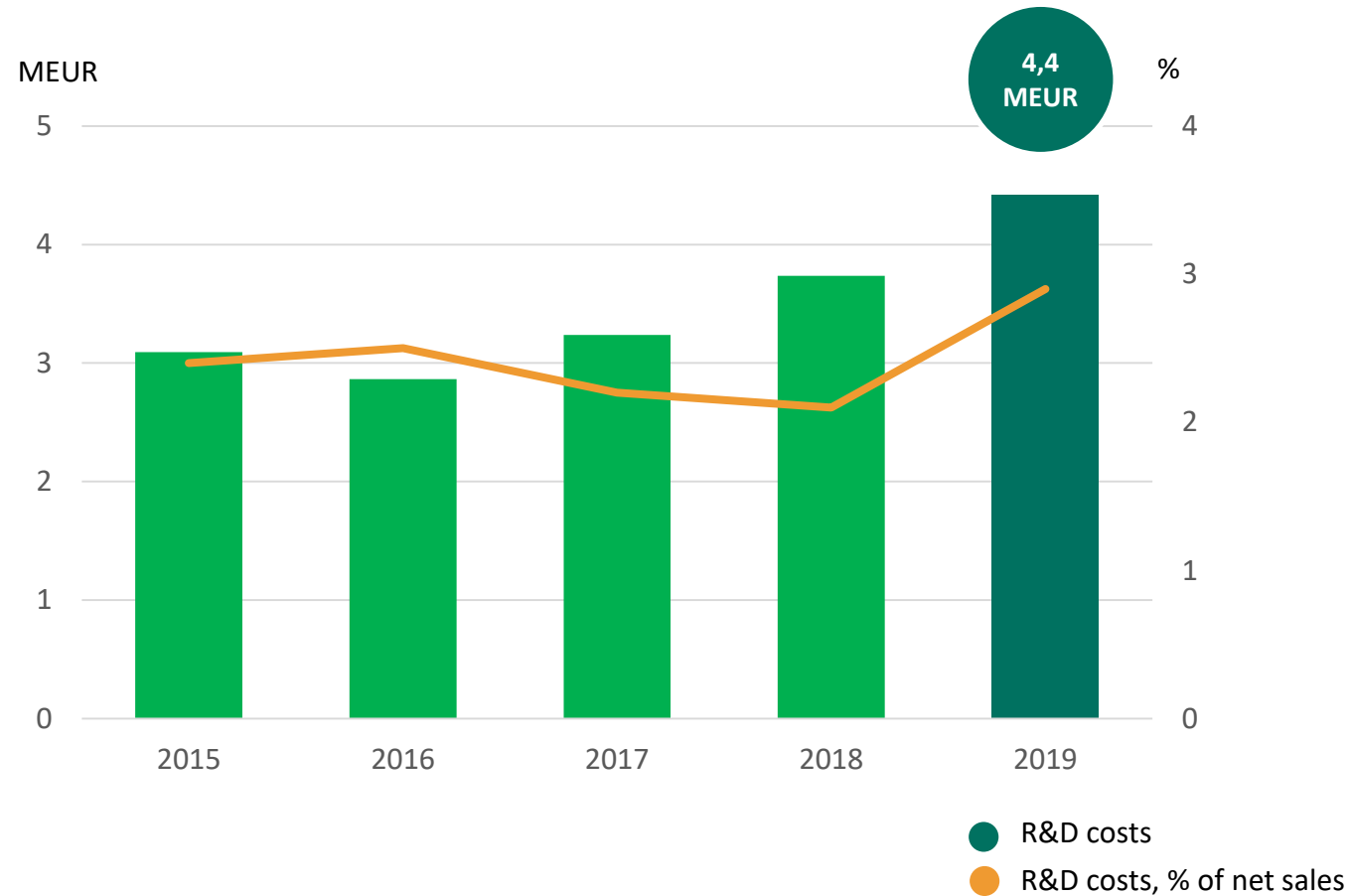


Capital expenditure and Depreciation and amortization

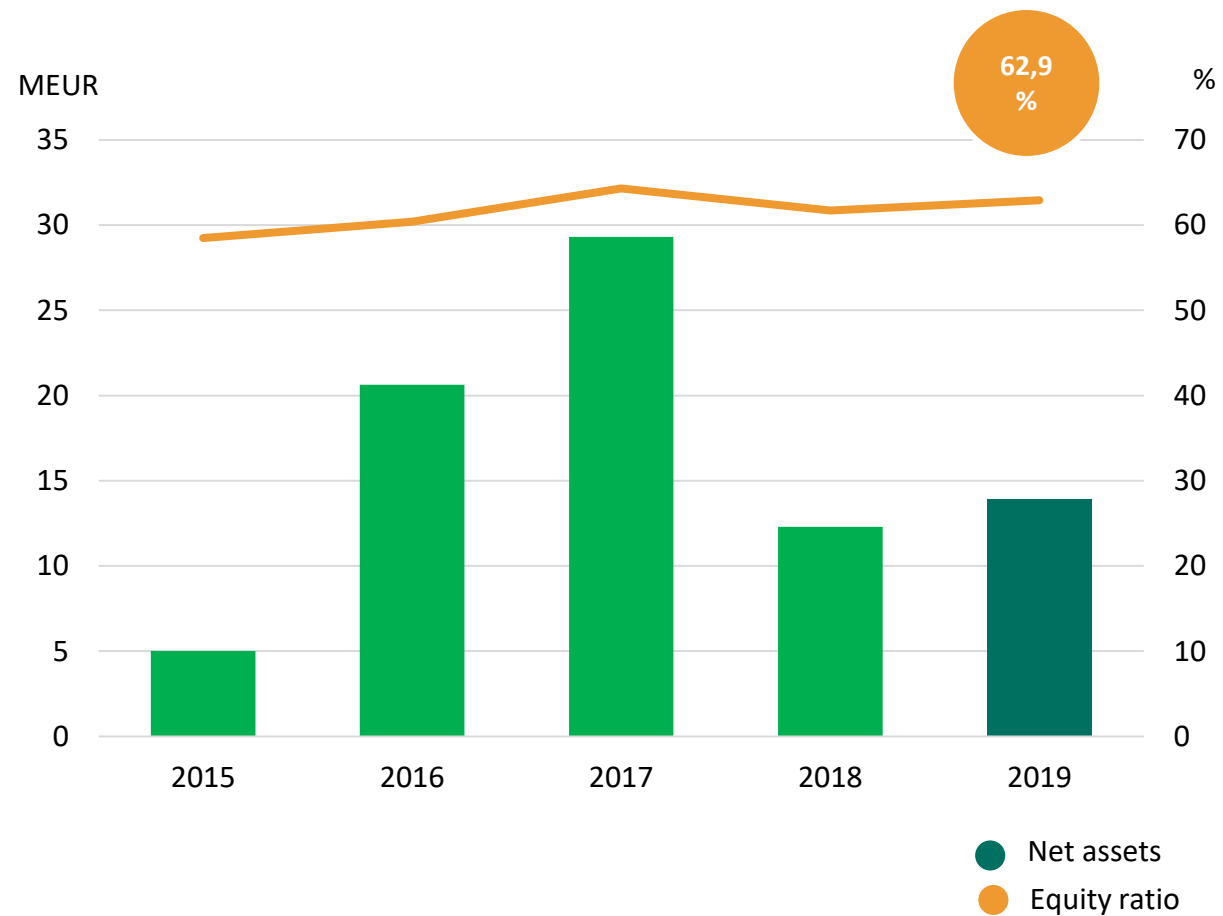


- *Capital expenditure, incl. MEUR 0.6 investment of a broken machine tool with insurance settlement
- Metriguard
- Depreciation and amortization, excl. depreciation from right-of-use assets

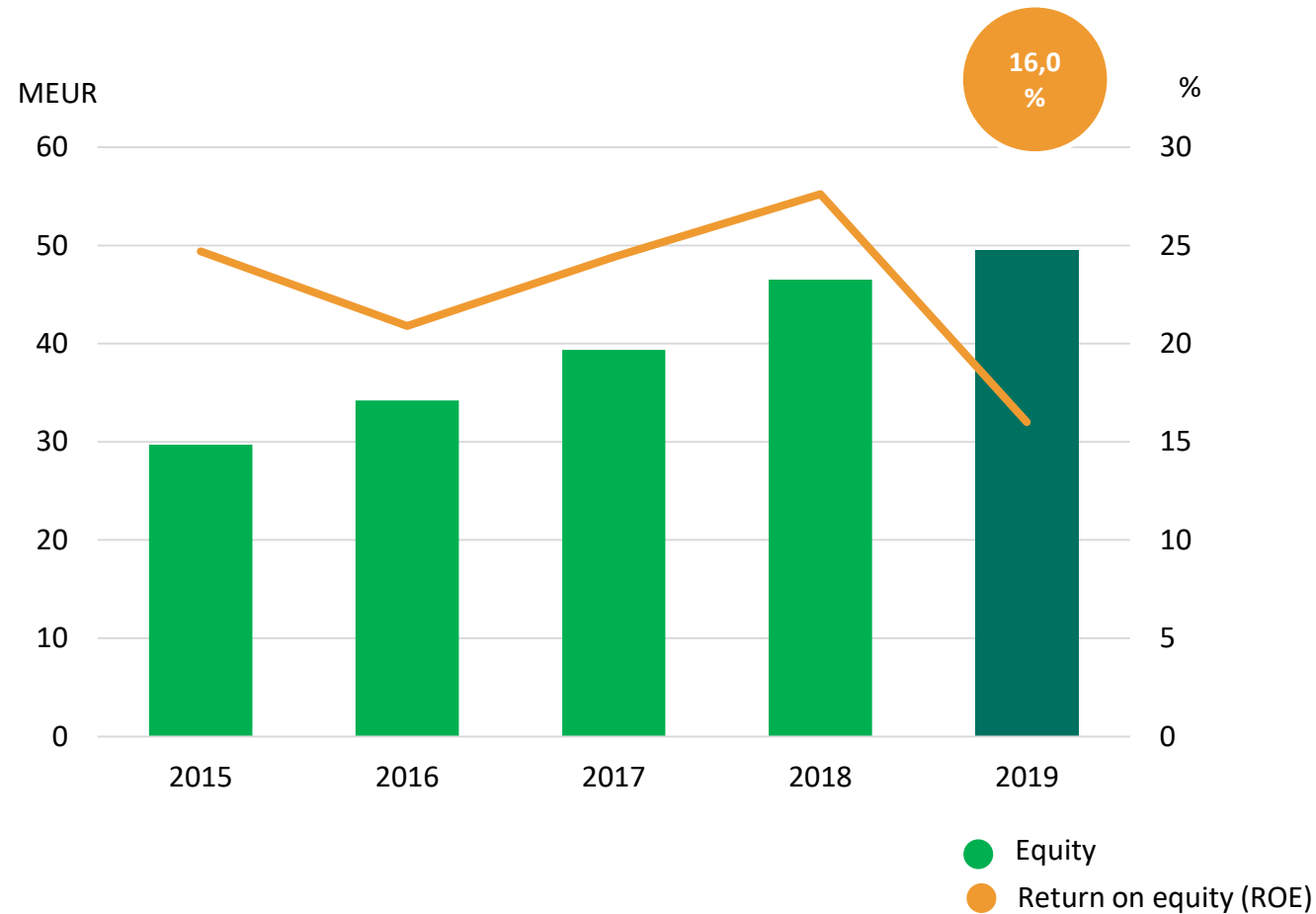
Research and Development



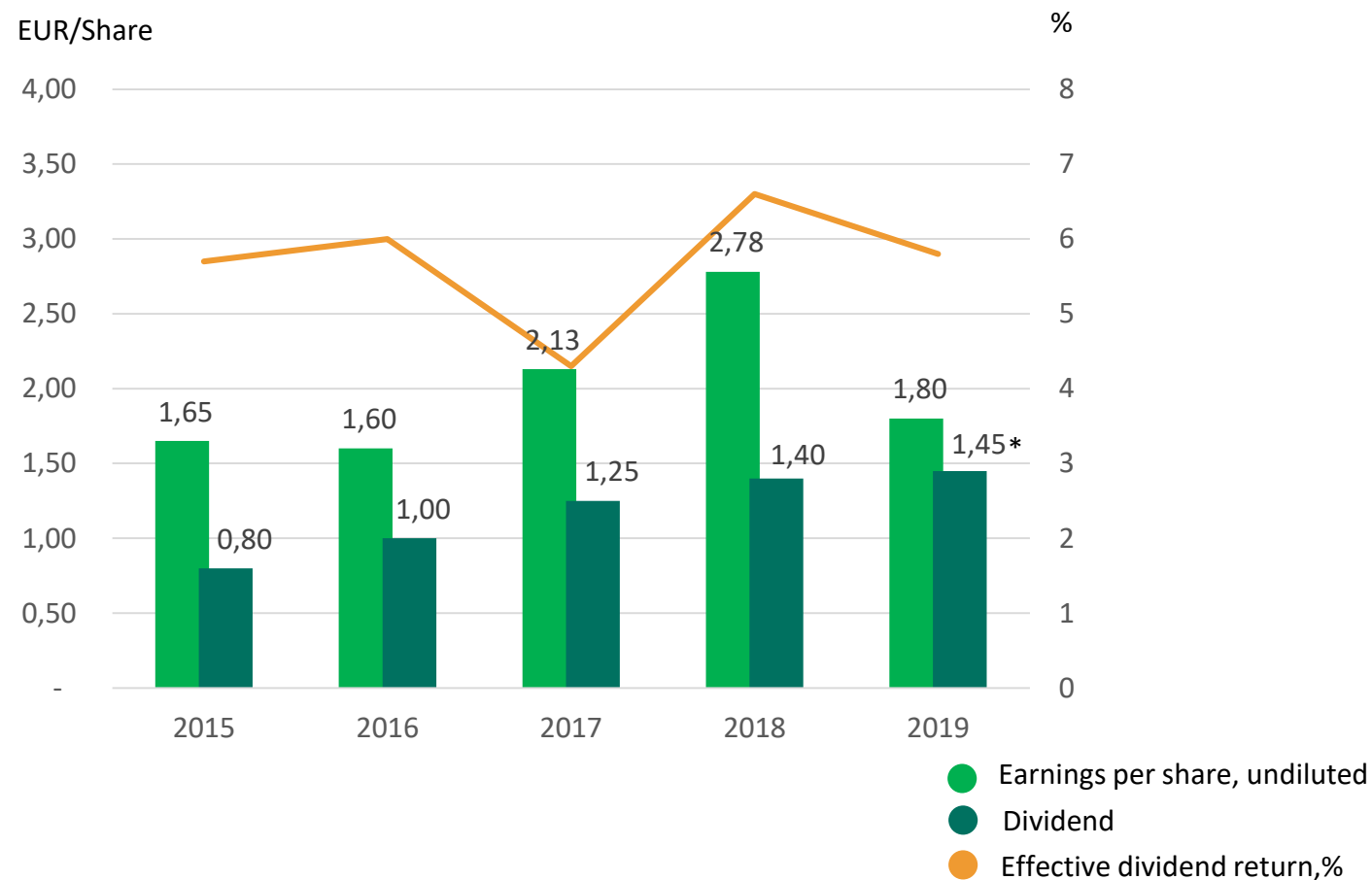
Net assets and Equity ratio



Equity and Return on equity (ROE)



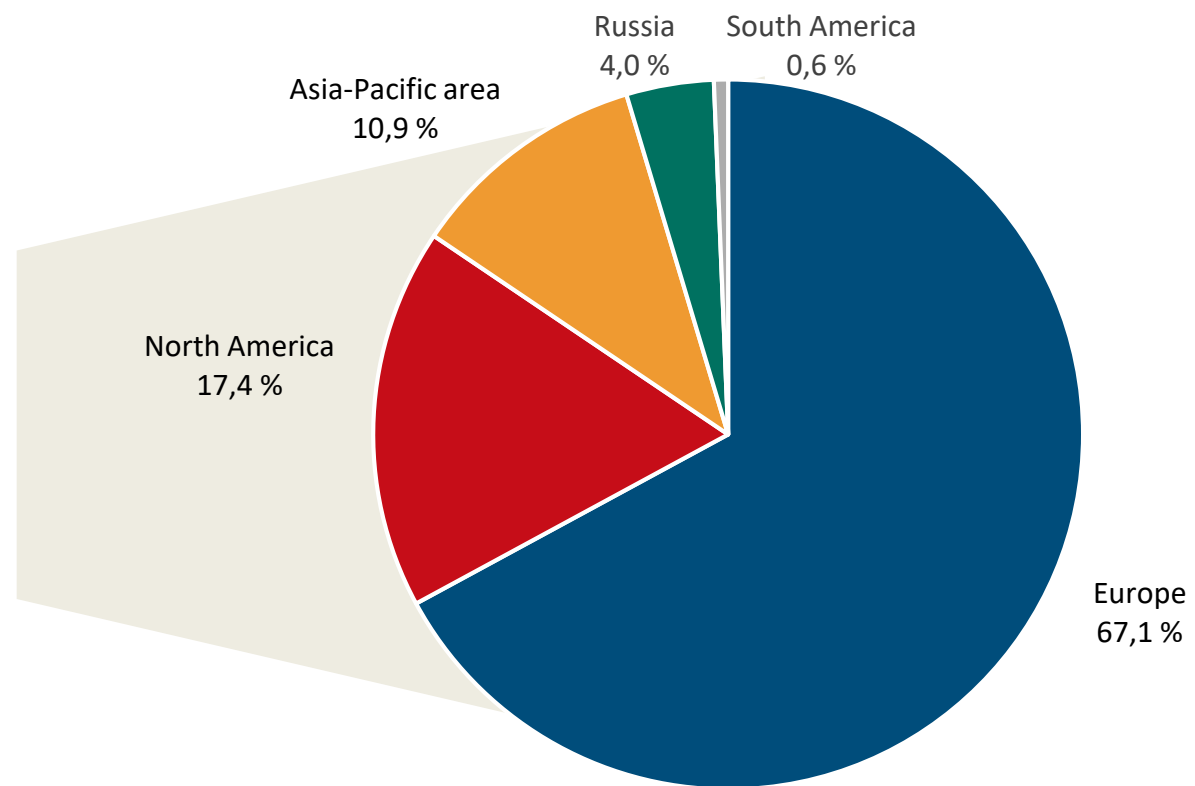
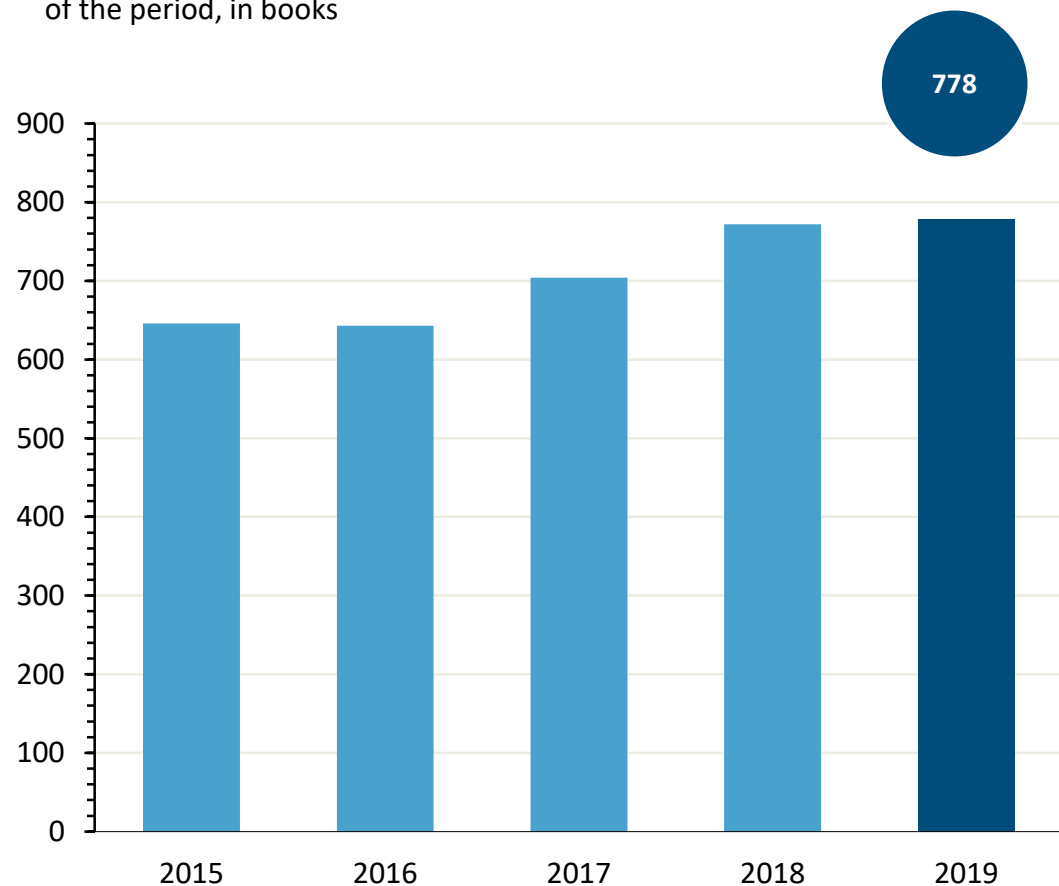
Earnings per share and Dividend



*Board of Directors' proposal to the Annual General Meeting to be held on 31 March 2020

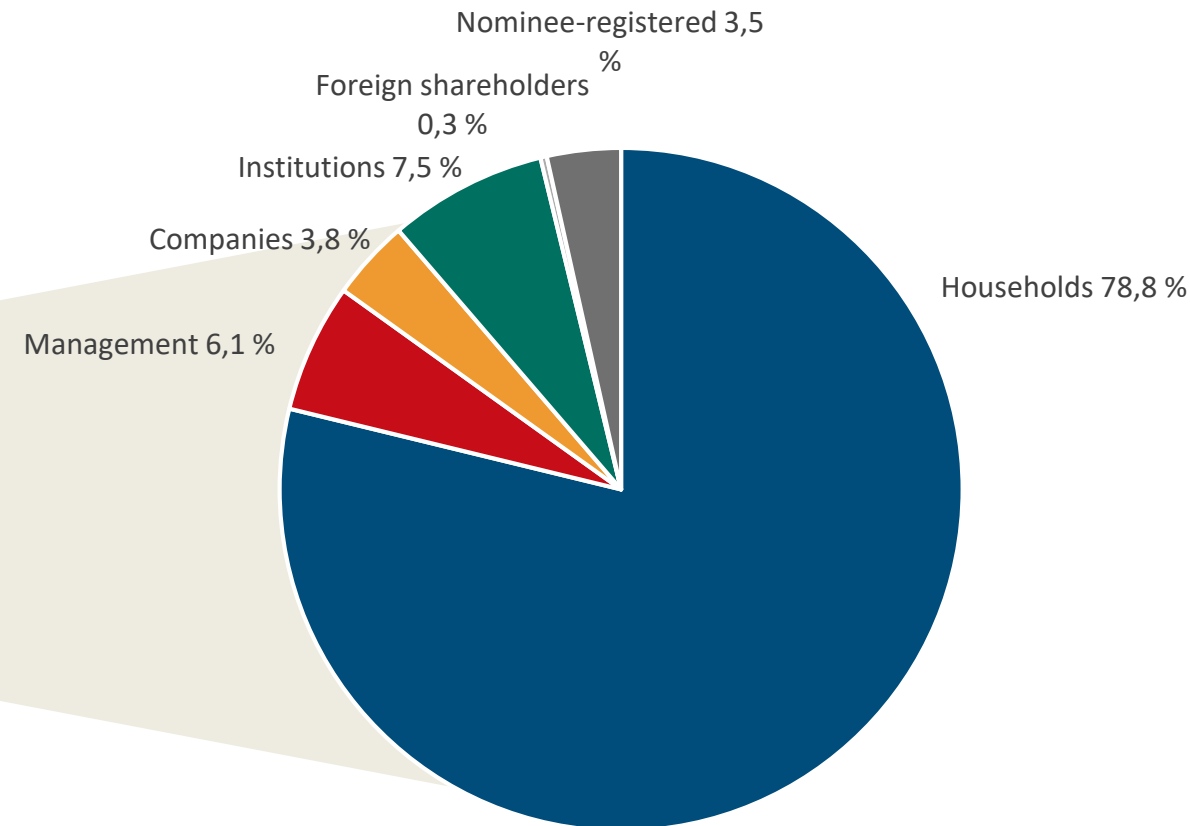
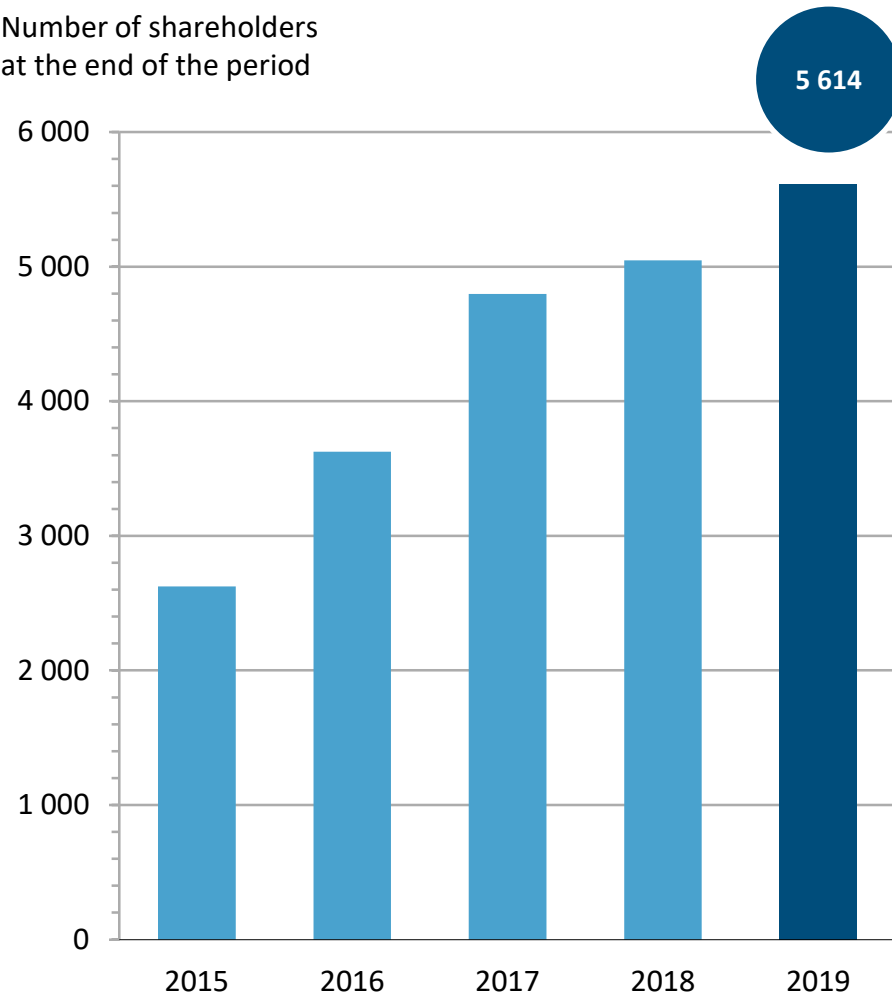
Personnel

Headcount at the end of the period, in books



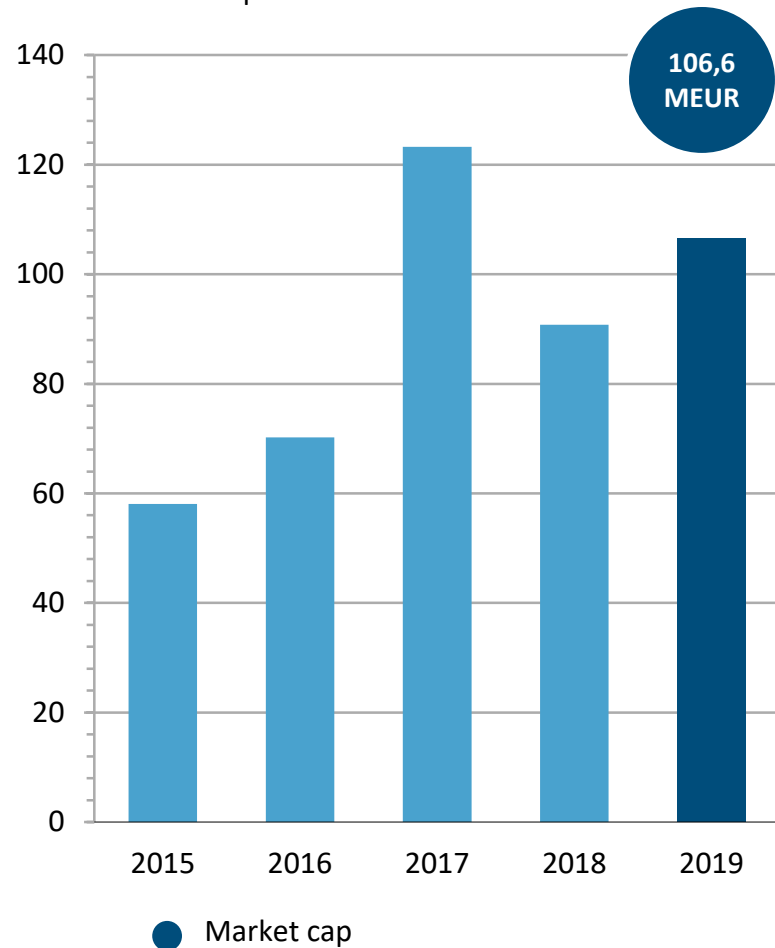
Shareholders

Number of shareholders at the end of the period

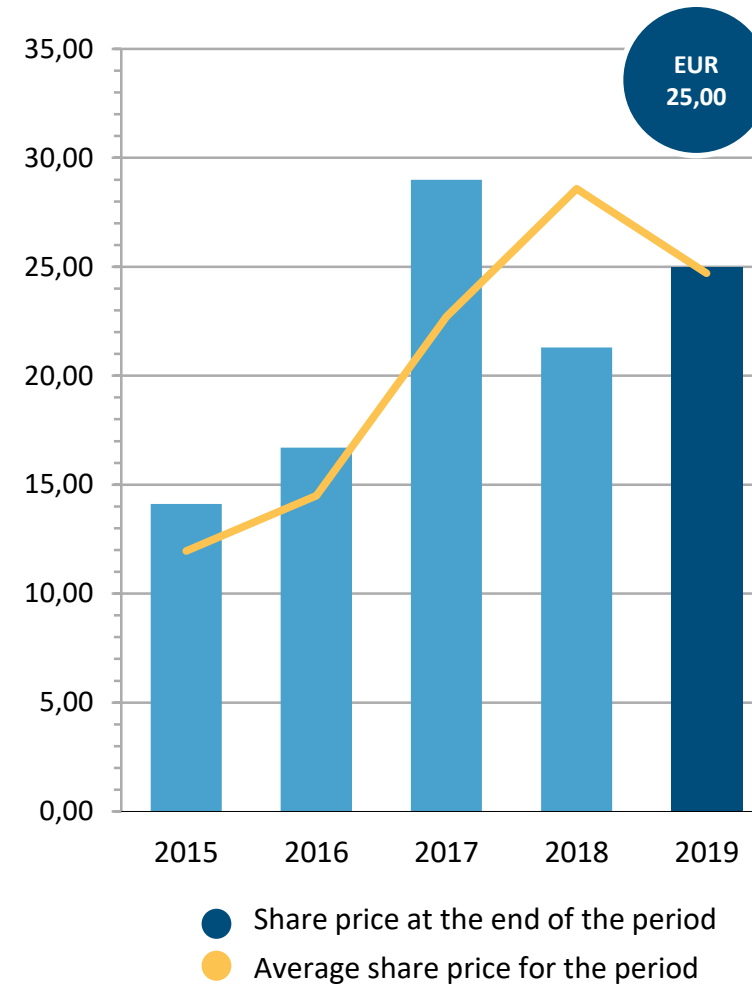


Market cap and Share price

MEUR
at the end of the period



EUR
at the end of the period



Outlook for 2020

Business environment

- Uncertainty in the markets continues
- Demand was strongest in emerging markets. Demand in developed markets is levelling out
- Our new management structure launched in 2019 meets the challenges posed by evolving markets and strengthens our position as an industry-leading technology and service provider
- Demand for technology services, particularly spare parts and maintenance, continues to be steady

Raute

- Raute's net sales for 2020 are expected to be at the previous year's level.
- The operating profit is expected to weaken from the previous year
 - structural change in the market and adapting to it
 - investments in marketing, product development and digitalization

Further information

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