

Investor Newsletter

June 18, 2020

Raute strengthens its knowhow in digitalization by acquiring majority holding in Hiottu Oy

(Published on June 16, 2020)

Raute Corporation has today signed an agreement on the acquisition of the majority of the share capital in Oulu-based Hiottu Oy. The shareholders employed by Hiottu will continue working for the company.

Hiottu, established in 2005, is a company offering software services with special knowhow in various machine vision solutions and other system solutions for demanding industrial environment. Hiottu's services include software consulting and project management, machine vision programming and systems, industrial programming, and web programming.

Hiottu Oy complements Raute's knowhow in digitalization and the acquisition of the company is part of the previously reported investment in digitalization. Hiottu has previously been Raute's cooperation partner. Hiottu's net sales in 2019 were EUR 0.8 million and it employs 11 persons.

Hiottu's business will be continued as a separate limited company in Oulu and all employees will continue in the company as former employees. Like previously, Hiottu continues to serve also customers outside the Raute Group. Ms. Satu Lapinlampi continues as Managing Director of the company.

The acquisition is carried out as a share transaction, after which Raute's holds 80 percent of the company shares. Mr. Kari Lapinlampi, one of the founders of the company, holds 20 percent of the company after this transaction and will remain with the company, too. The terms of acquiring also the minority holding through an additional agreement after a transition period have been agreed on in the terms and conditions of the agreement closed today.

Tapani Kiiski, President and CEO says: "The acquisition of Hiottu is an investment in the digitalization in line with our strategy and it strengthens for its part Raute's excellent machine vision knowhow. Hiottu will be part of our Metrix business, which includes also Mecano Group Oy and Metriguard Inc which have been acquired previously."

This transaction has no impact on Raute's outlook for 2020. Raute's net sales for 2020 are expected to decrease compared to 2019 and operating profit is expected to weaken clearly year-on-year.

Raute to initiate cooperation negotiations

(Published on June 15, 2020)

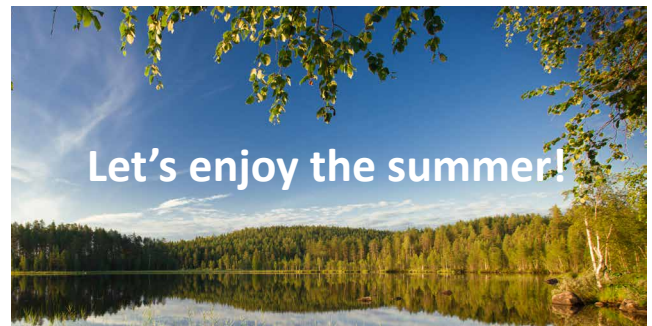
Raute Corporation has initiated negotiations in accordance with the Act on Co-operation within Undertakings concerning measures to adapt its operations in Finland, i.e. in Nastola, Lahti, and Kajaani. The purpose of the negotiations is to adapt operations to the financial and production-related situation resulting from the declined order book and actions preventing work to be done due to the operational restrictions (e.g. in travelling) because of the coronavirus pandemic.

The adaptation measures concern all salaried and senior salaried employees of Raute Finland and there are totally 333 employees within the cooperation negotiations. Raute estimates that the initiated negotiations concern temporary layoffs for at most 90 days, and the temporary layoffs will concern about half of the employees within these negotiations. The company estimates that there is no need to terminate employment contracts.

Adaptation measures will be carried out also in Raute's units outside Finland according to the local practice and order book.

The initiated negotiations do not indicate any change in the previously disclosed outlook for 2020. Raute's net sales for 2020 are expected to decrease compared to 2019 and operating profit is expected to weaken clearly year-on-year.

Raute's half-year financial report January 1–June 30 will be published on Thursday July 23, 2020.



Let's enjoy the summer!

