

Interim Report January 1 – June 30, 2016

A photograph of Tapani Kiiski, President and CEO, in a workshop. He is wearing a blue and orange RAUTE work jacket and safety glasses, smiling as he holds up a pair of pliers. In the foreground, the back of another person's head and shoulders, also wearing a blue and orange RAUTE jacket, is visible, looking towards Kiiski. The background shows a workshop with blue tool racks and various equipment.

July 27, 2016

Tapani Kiiski, President and CEO

1-6 2016 in brief

Business environment

- No major changes with respect to Raute or Raute's customer base
 - Market situation in customer industries remained relatively good
- Brexit has no direct impact on Raute
 - May, however, have impact on Raute's customers whom the UK is an important country for export
- Demand for Raute's technology and services continued conflicting during the reporting period
 - Demand for spare parts and services at a good level
 - Invitations to tender and even active negotiations relatively high in number
 - Many customers plan actively also major investments
 - Investment decisions, however, further postponed.

Raute

- Order intake at a low level
 - Spare parts and services at a good level
- Net sales down 5% from the comparison period
- Profitability at the comparison year's level – operating result 5% of net sales
- Order book fell to a low level.

| MEUR | Q2 2016 | 1-6 2016 | 1-6 2015 |
|----------------------|------------|-------------|-------------|
| Net sales | 27,3 | 53,7 | 56,4 |
| EBIT | 1,5 | 2,9 | 3,4 |
| Order intake | 16 | 28 | 115 |
| - Project deliveries | | | |
| - Technology | 7 | 10 | 96 |
| - services | 9 | 18 | 19 |
| Order book | 32 | 32 | 100 |
| - Change | -12 | -28 | +56 |

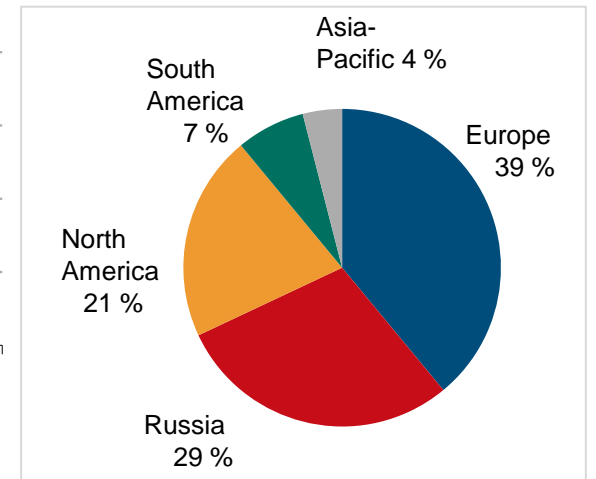
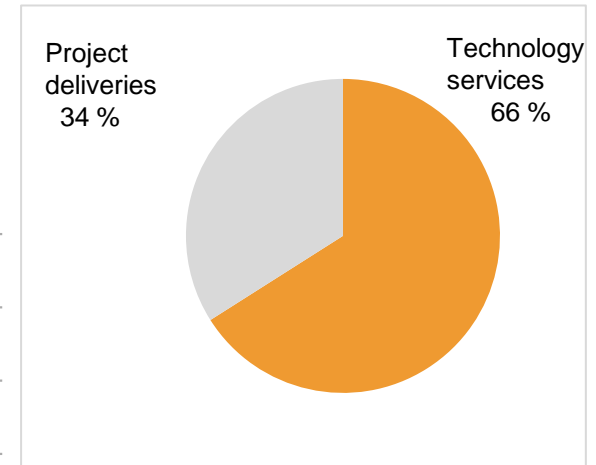
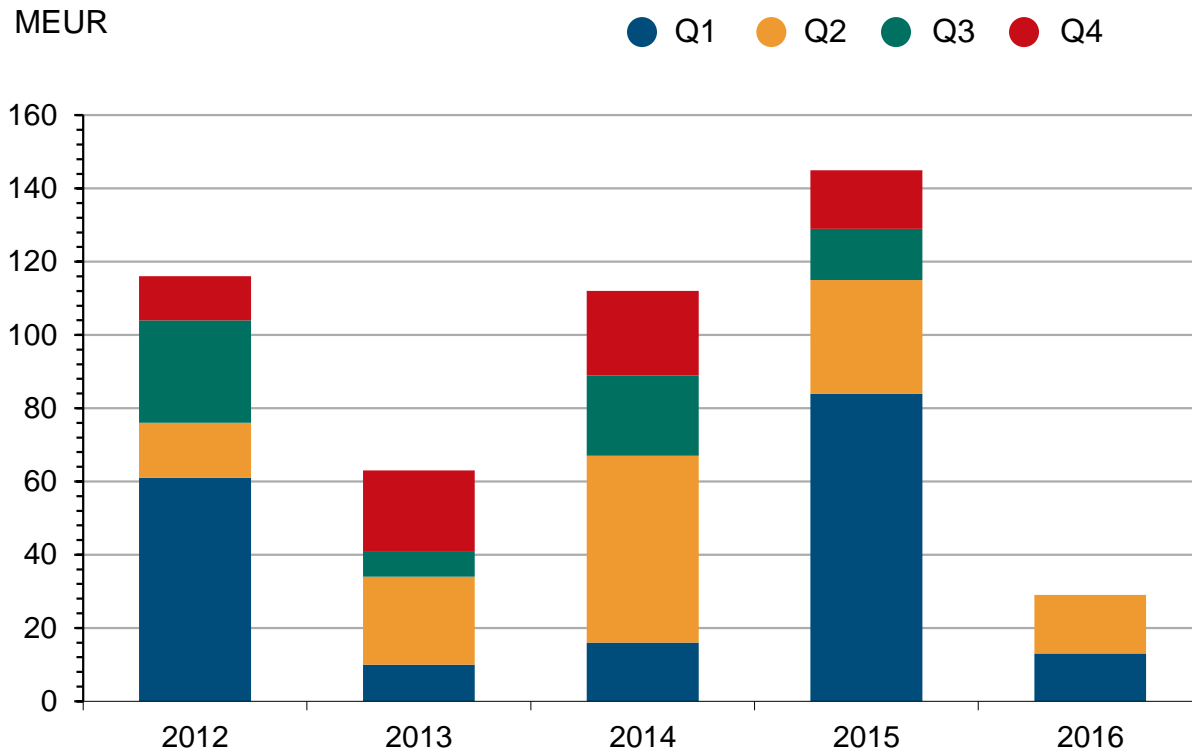
Income statement, Balance sheet and Key figures

| Income statement, MEUR | 1-6 2016 | 1-6 2015 | 2015 |
|-------------------------------|-------------|-------------|-------|
| Net sales | 53,7 | 56,4 | 127,3 |
| EBIT | 2,9 | 3,4 | 8,1 |
| Financial income and expenses | -0,1 | 0,1 | -0,0 |
| Profit before tax | 2,8 | 3,5 | 8,1 |
| Income tax | -0,6 | -0,7 | -1,4 |
| Profit for the period | 2,1 | 2,8 | 6,7 |

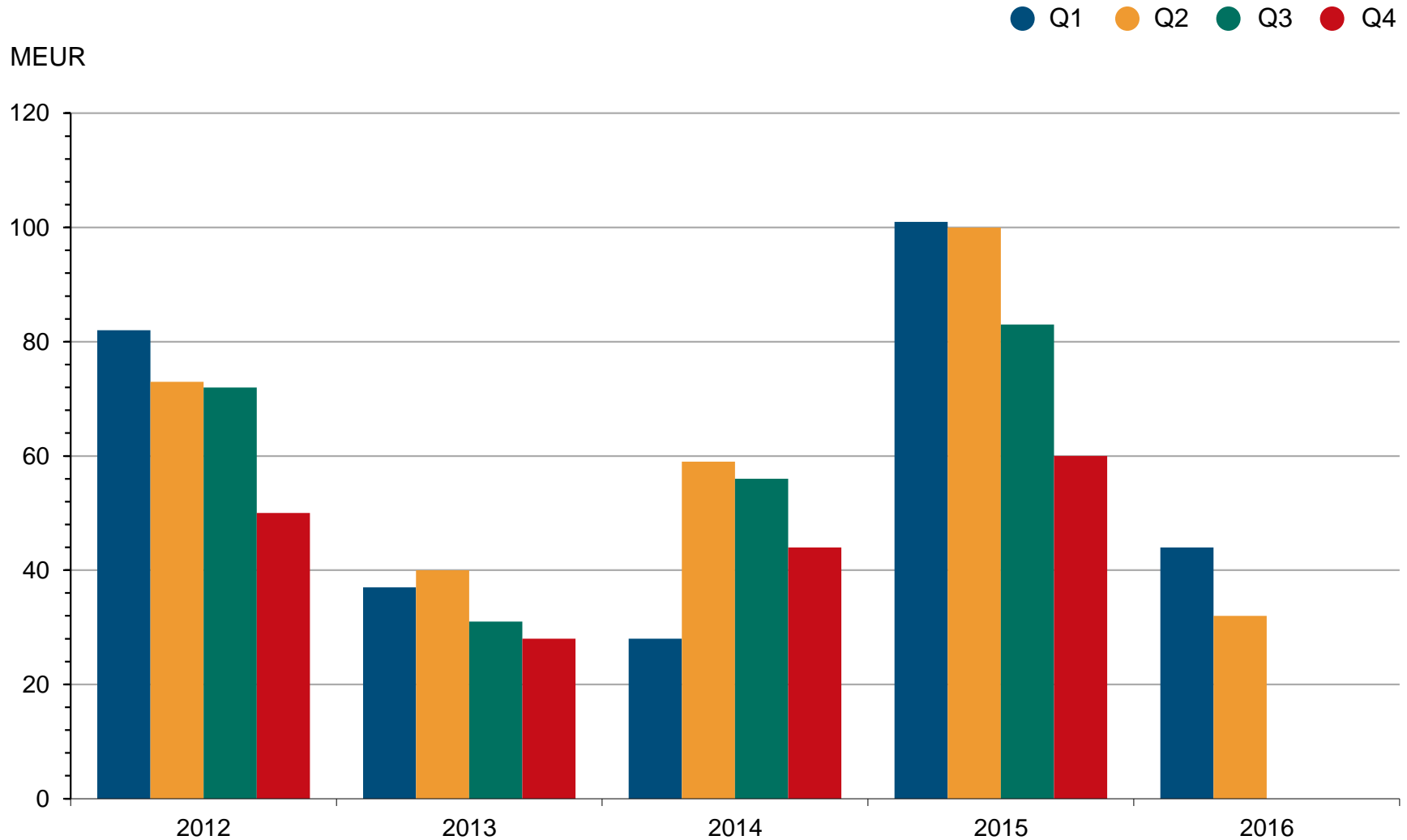
| Key figures | 1-6 2016 | 1-6 2015 | 2015 |
|---|-------------|-------------|-------|
| Earnings per share (EPS), EUR, undiluted | 0,29 | 0,43 | 1,65 |
| Operating cash flow, MEUR | -5,4 | 12,8 | 7,5 |
| Return on investment (ROI), % | 17,6 | 25,8 | 28,5 |
| Gearing, % | 16,6 | -45,7 | -16,8 |
| Equity ratio, % | 59,2 | 56,0 | 58,5 |
| Personnel, in books, on June 30 | 650 | 640 | 646 |

| Balance sheet, MEUR | 30.6. 2016 | 30.6. 2015 | 31.12. 2015 |
|---|---------------|---------------|----------------|
| Intangible assets | 1,4 | 3,0 | 1,6 |
| Property, plant and equipment | 9,3 | 7,8 | 8,5 |
| Other non-current assets | 0,7 | 0,7 | 0,7 |
| Inventories | 9,6 | 9,4 | 9,6 |
| Accounts receivables and other receivables | 34,1 | 24,2 | 34,8 |
| Cash and cash equivalents | 1,6 | 13,8 | 6,5 |
| Total assets | 56,6 | 58,9 | 61,8 |
| Equity | 29,4 | 25,5 | 29,7 |
| Non-current liabilities | 0,6 | 1,1 | 0,7 |
| Advance payments received | 7,0 | 13,3 | 11,0 |
| Current liabilities | 19,6 | 18,9 | 20,3 |
| Total equity and liabilities | 56,6 | 58,9 | 61,8 |

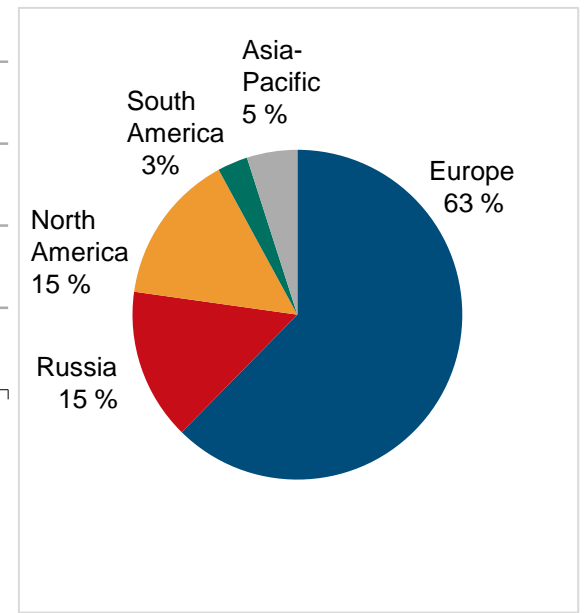
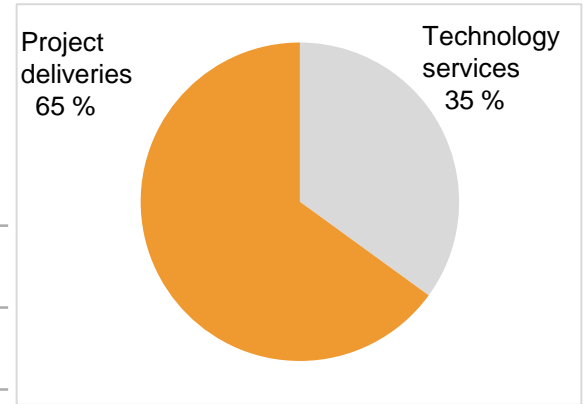
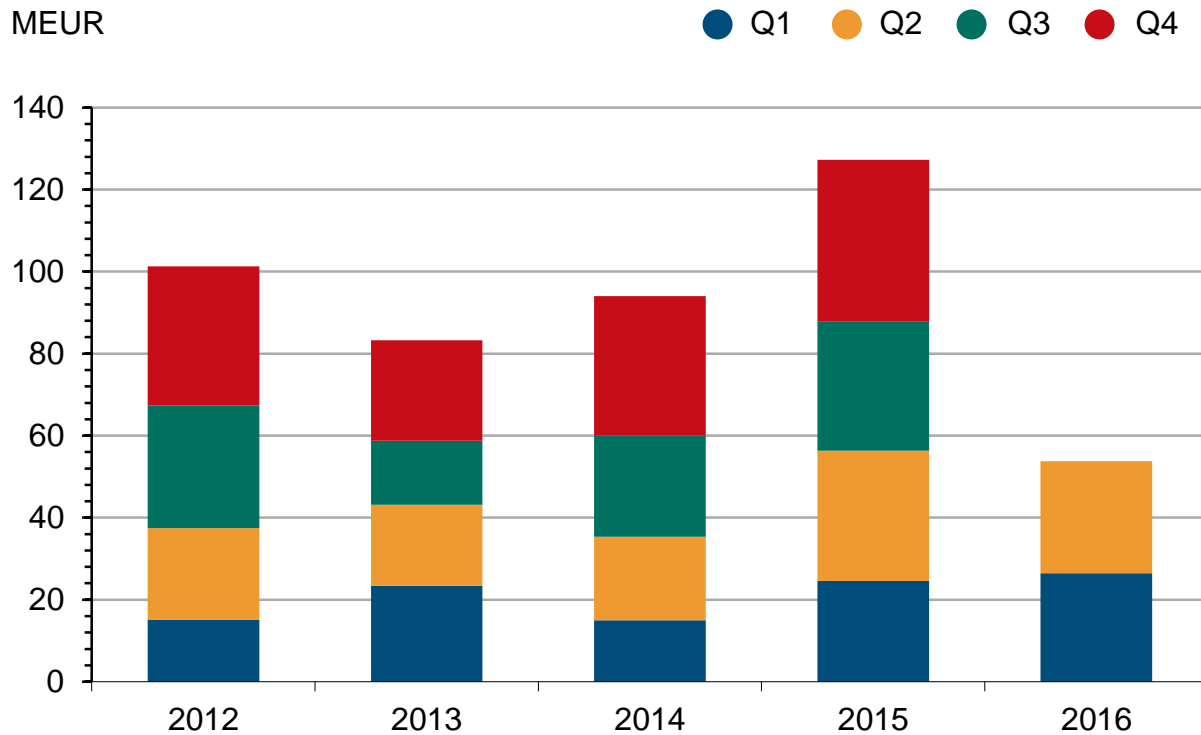
Order intake 1-6 2016



Order book



Net sales 1–6 2016

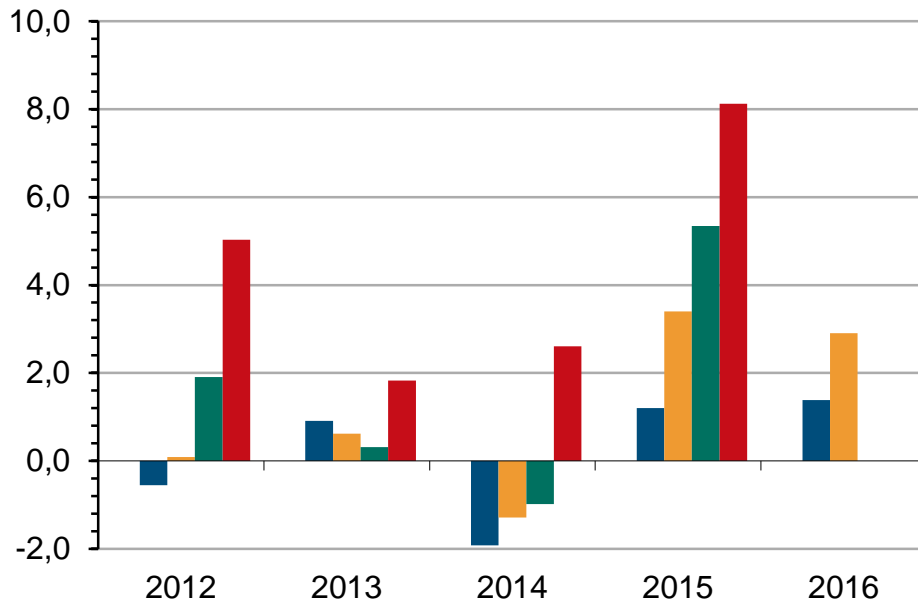


Operating profit Earnings per share

EBIT

● 1-3 ● 1-6 ● 1-9 ● 1-12

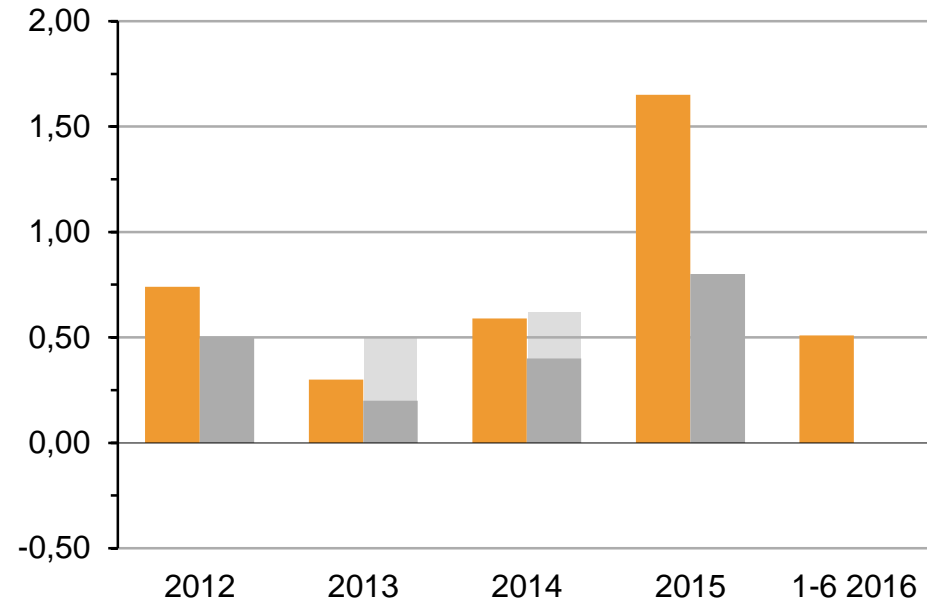
MEUR



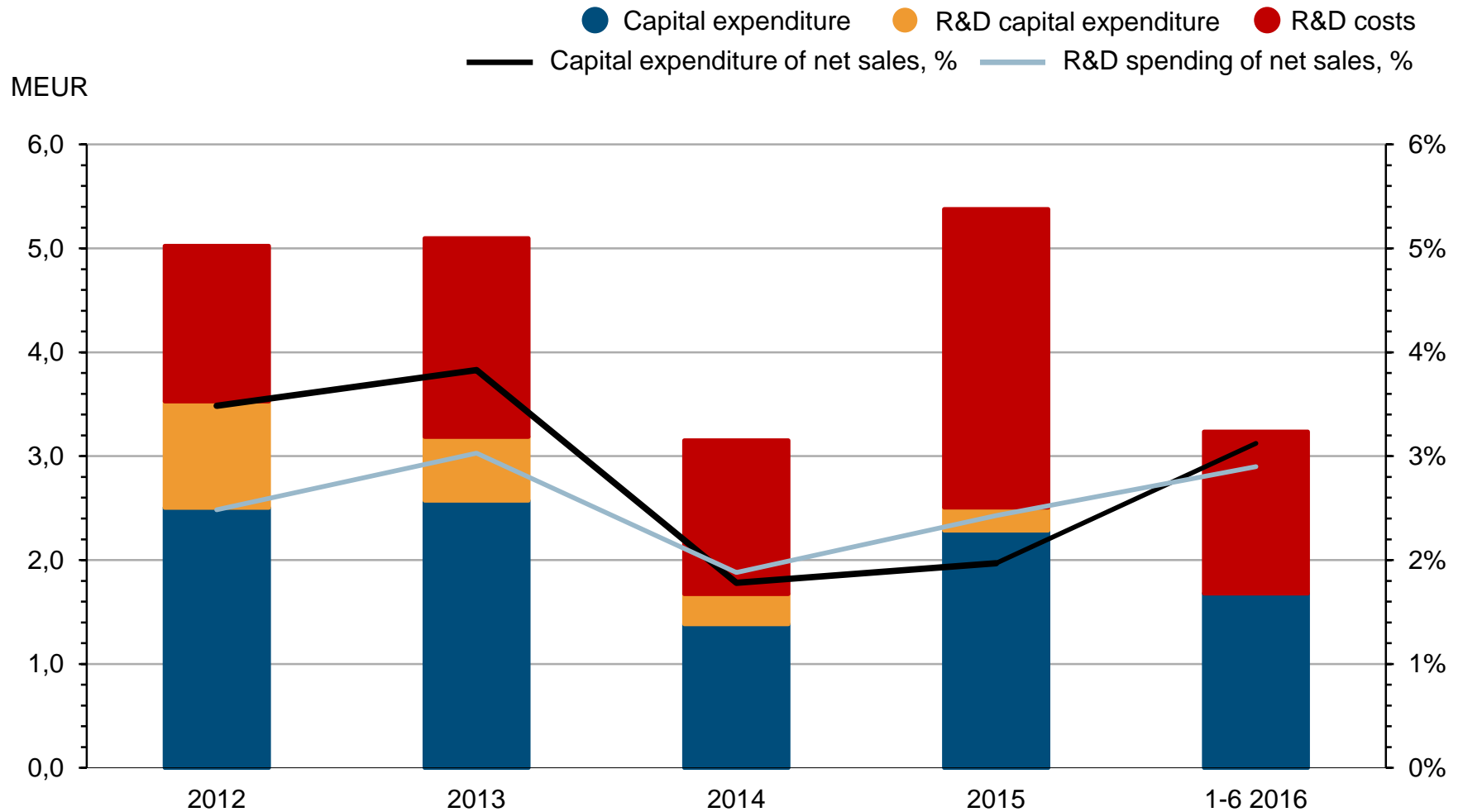
Earnings per share

● Earnings per share
● Dividend
● Return on equity

EUR

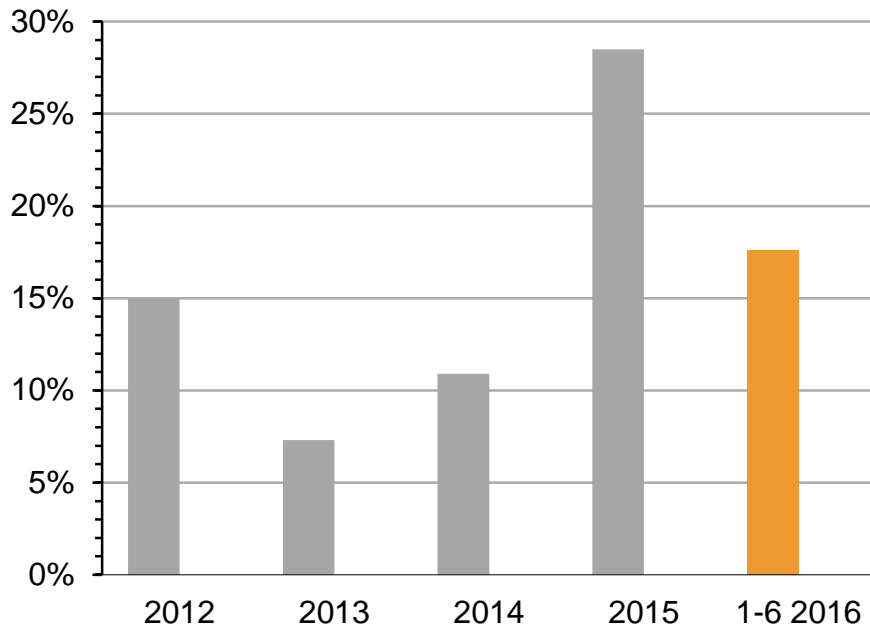


Investing in the future

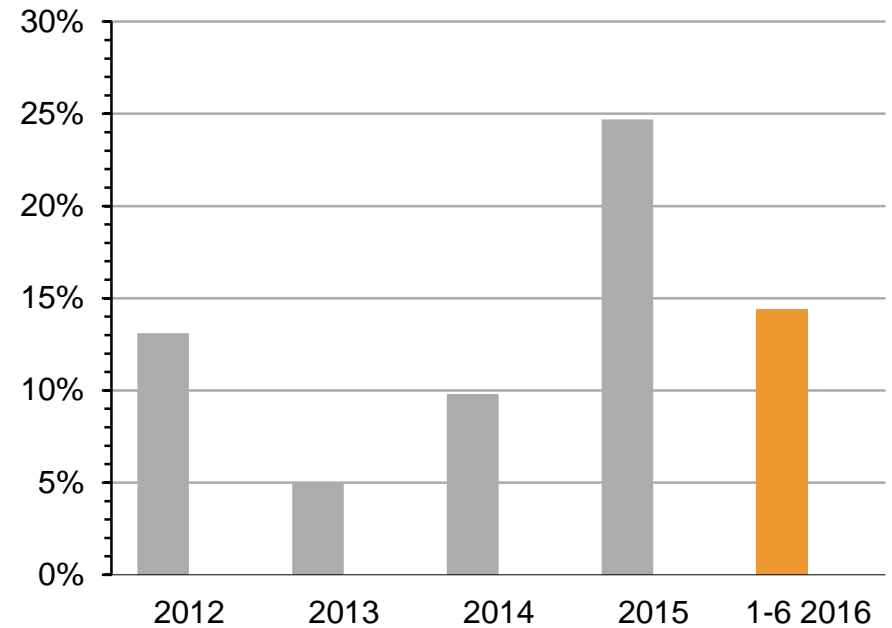


Return on investment (ROI) Return on equity (ROE)

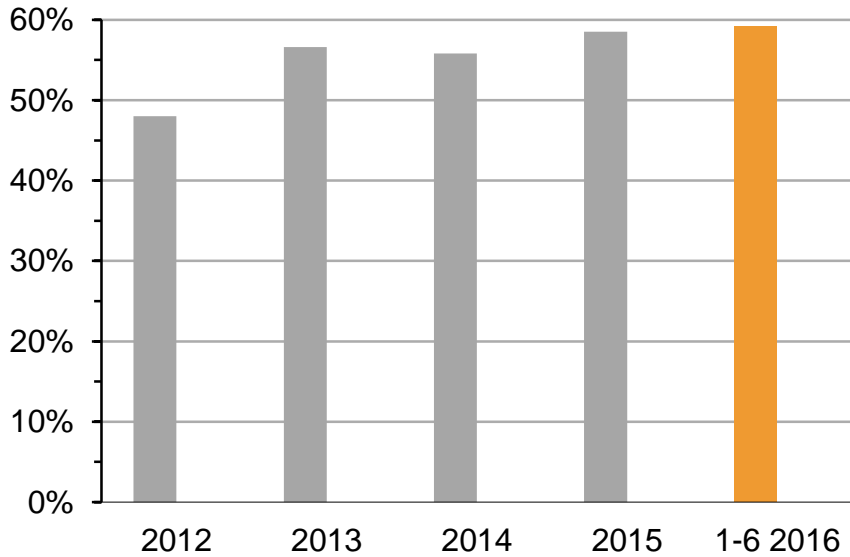
Return on investment (ROI)



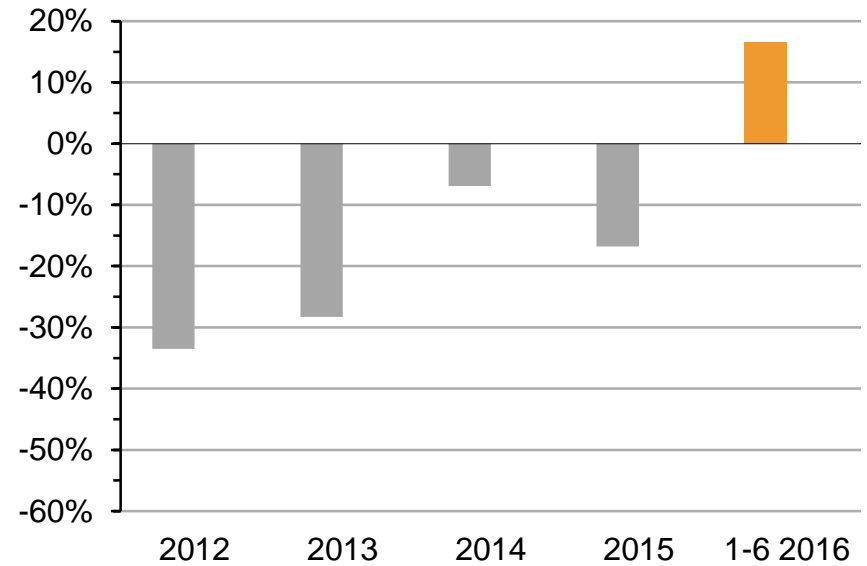
Return on equity (ROE)

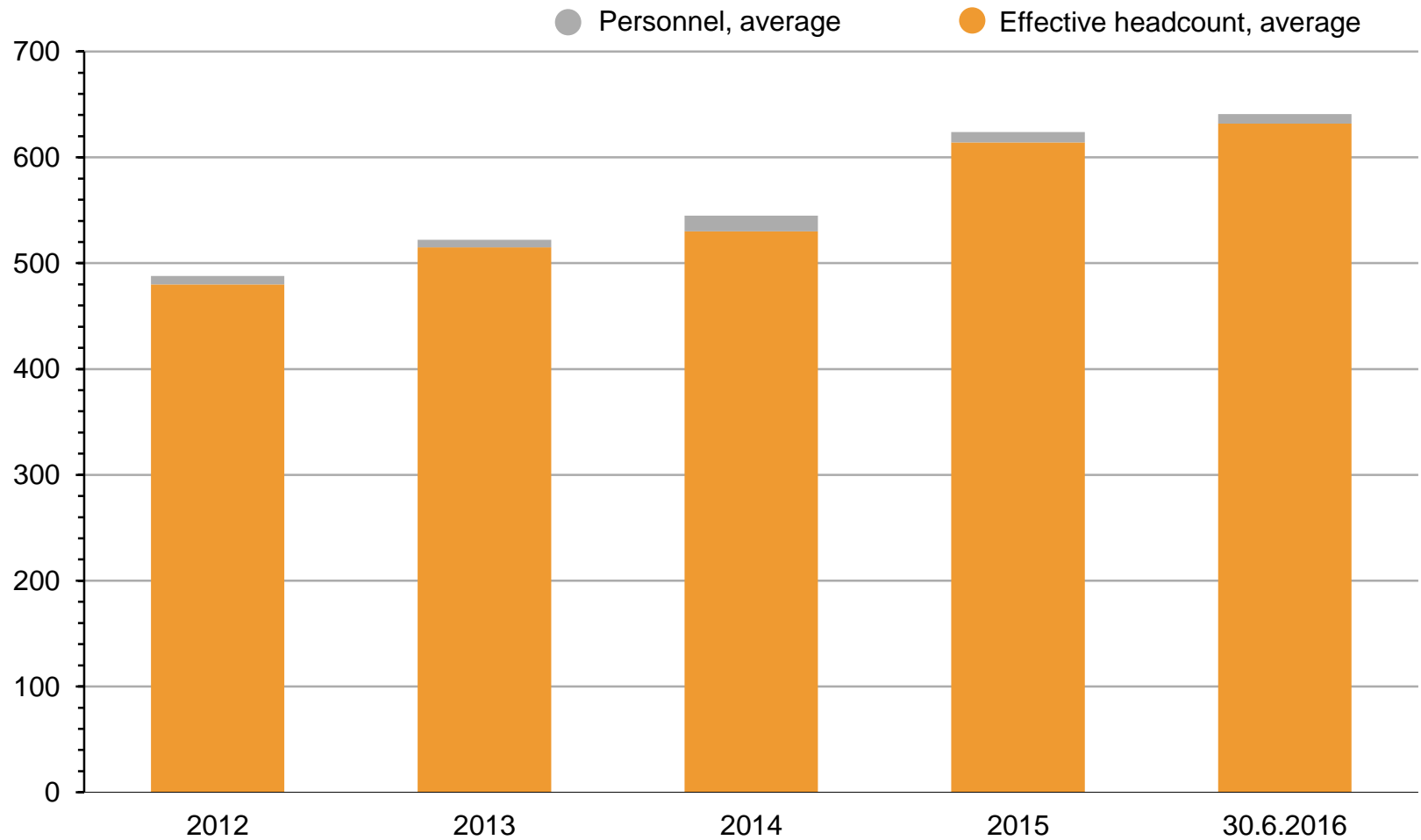


Equity ratio

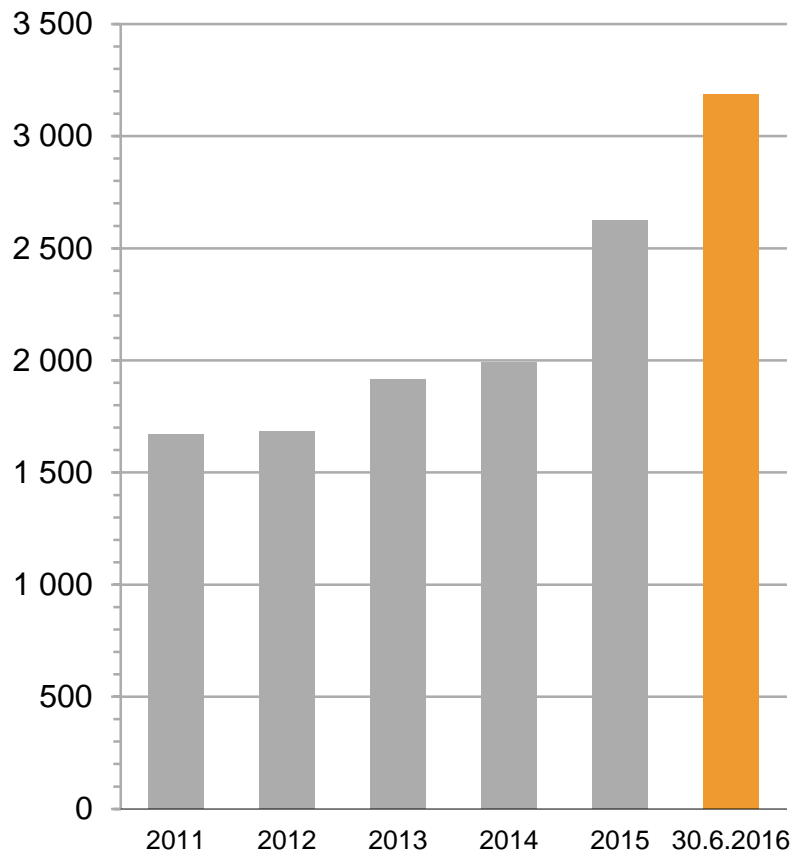


Gearing

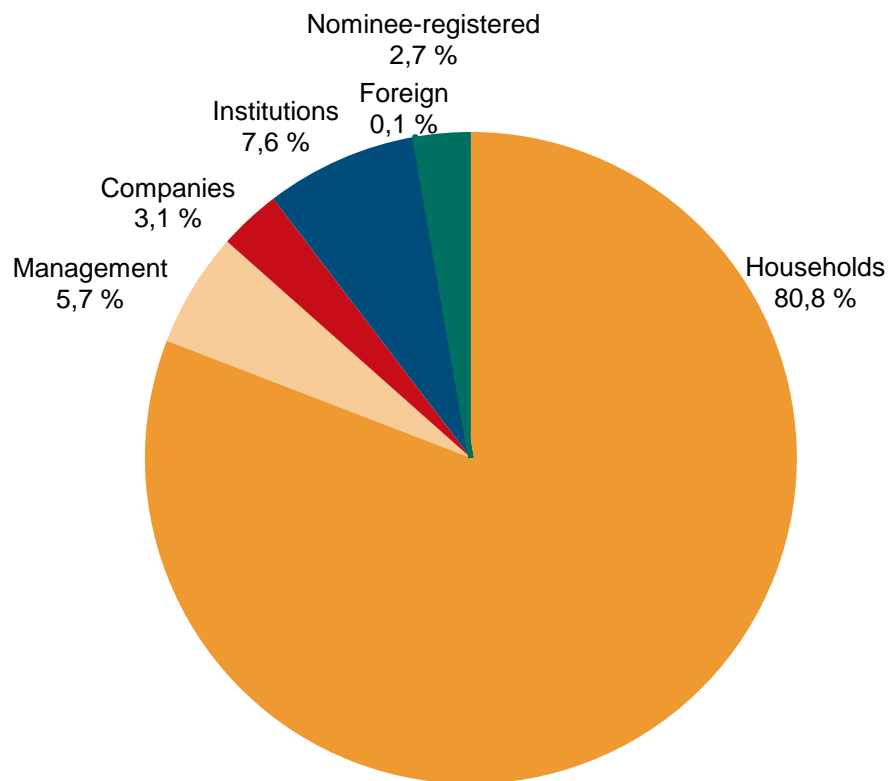




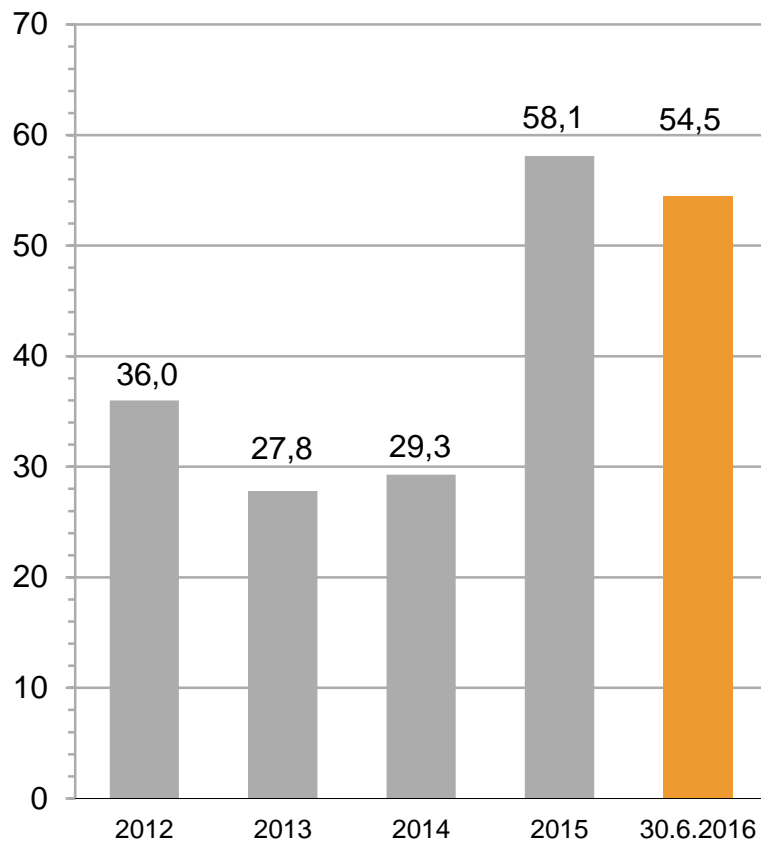
Number of shareholders



Ownership at June 30, 2016

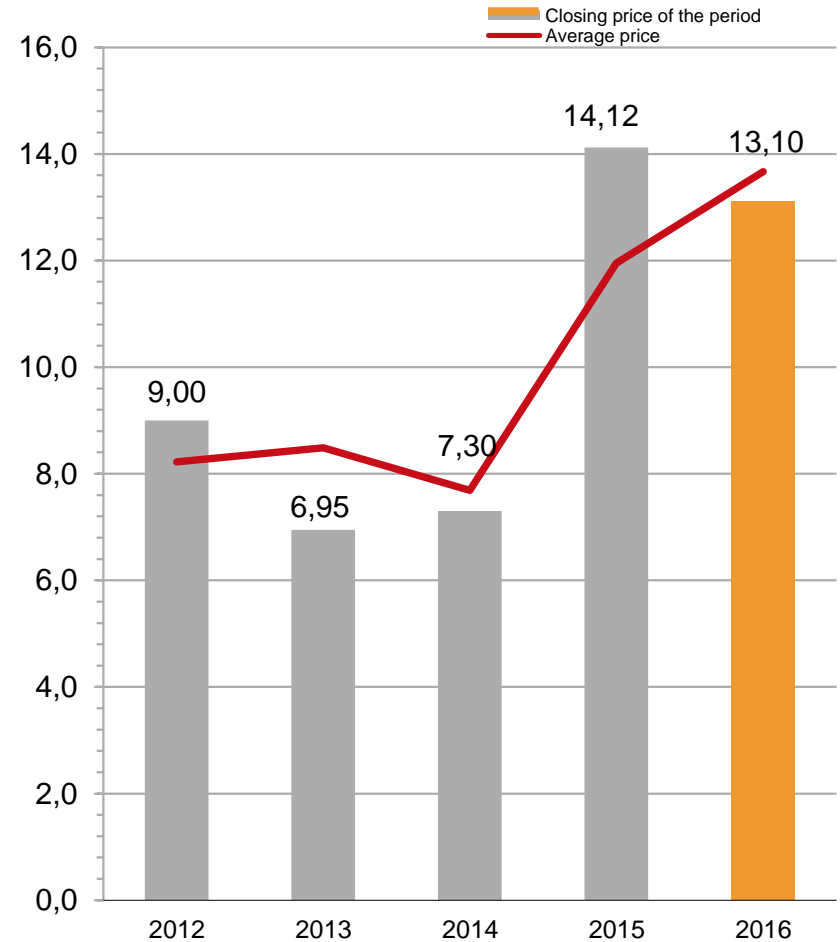


Market cap, MEUR



Series K shares valued at the value of series A shares.

Share price, EUR



Business environment

- Uncertainty continues in the global economy and financing markets
 - Creates further uncertainty in the development of the market situation of plywood and LVL industries
 - However, several mill-scale and production line investment projects in planning phase.
- Raute has estimated improvement investments in plywood and LVL industries to be at a reasonable level in 2016
 - Demand for technology services continues strong.

Raute

- After the reporting period, Raute has received a major order worth EUR 25 million.
- Raute's net sales and operating profit for 2016 are expected to remain at the same level as in 2015
 - Good opening order book
 - Forecasted development of market situation.

Contacts

Tapani Kiiski

President and CEO

+358 400 814 148

tapani.kiiski@raute.com

Arja Hakala

CFO

+358 400 710 387

arja.hakala@raute.com

Follow us online:

www.raute.com

Twitter: [@rautemachinery](https://twitter.com/rautemachinery), [@RauteCorp](https://twitter.com/RauteCorp)

LinkedIn: [Raute Oyj](https://www.linkedin.com/company/raute-oyj)

Youtube: www.youtube.com/RauteMachinery

Facebook: [Raute Corporation](https://www.facebook.com/RauteCorporation)

Instagram: [@raute_corporation](https://www.instagram.com/raute_corporation)