

Investor Newsletter

April 10, 2018

Decisions of Raute Corporation's Annual General Meeting 2018

Raute Corporation's Annual General Meeting on 22 March 2018 confirmed the Financial Statements for 1 January to 31 December 2017 and discharged the members of the Board of Directors and President and CEO from liability.

The Annual General Meeting decided according to the proposal of the Board of Directors to distribute a dividend of EUR 1.25 per a series A and K share, with the payment date 4 April 2018. The record date was 26 March 2018.

The Annual General Meeting elected the Board of Directors for the next term of office ending at the Annual General Meeting in 2019. Mr. Erkki Pehu-Lehtonen was elected Chairman of the Board of Directors, Mr. Mika Mustakallio was elected Vice-Chairman of the Board of Directors and Mr. Joni Bask, Ms. Laura Raitio, Mr. Pekka Suominen and Mr. Patrick von Essen were elected members of the Board of Directors.

The Annual General Meeting elected authorized public accountants PricewaterhouseCoopers Oy as auditors with Mr. Markku Launis (Authorized Public Accountant) as the principal auditor.

The Annual General Meeting decided that the remuneration to the Chairman of the Board continues to be 40,000 euros and to the Vice-Chairman of the Board and Board members 20,000 euros for the term of office. The Board members' traveling expenses will be compensated according to the company's travel policy. The compensation to the company's auditors will be paid on the basis of reasonable invoicing approved by the company.

The Annual General Meeting decided to authorize the Board to decide on the repurchase of a maximum of 400,000 Raute Corporation's series A shares using assets from the company's non-restricted equity, which would lead to a decrease in the company's distributable assets.

The authorization entitles the Board to acquire the company's series A shares to be used for the development of the company's capital structure, as consideration for funding or carrying out any acquisitions or other arrangements, or to be otherwise disposed of or cancelled.

The purchase consideration paid for shares purchased by virtue of the authorization shall be based on the price of the series A share in public trading so that the minimum price of acquired shares is the lowest market price quoted in public trading during the term of validity of the authorization and the maximum price, correspondingly, the highest market price quoted in public trading during the term of validity of the authorization.

The authorization includes the right to acquire shares other than in proportion to the holdings of the shareholders. A targeted repurchase of the company's own shares can take place, for example, by acquiring shares in public trading in markets where, according to regulations, the company is permitted to engage in the trade of its own shares. Repurchasing shares in public trading as mentioned above or otherwise in a targeted way, requires that the company has a weighty financial reason to do so.

The stock exchange release as a whole concerning AGM decisions is available at raute.com.

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

The company's Board of Directors has decided on the starting up of the second individual plan (LTI Plan 2018–2020) for the performance and share value based long-term incentive program for the top management, decided on February 15, 2017.

Raute's adjusted financial information for the financial year 2017 due to the adoption of the new IFRS 15 standard

On March 27, 2018 Olli-Pekka Vanhanen took over as Raute's CFO and Arja Hakala as Group Vice President, Strategy

Read more at: raute.com

**Raute's Interim Report
January 1 – March 31, 2018
will be published
on April 27, 2018.**

Follow us online:



Raute as an investment

Raute is a financially sound small-cap company with a background of family ownership. Its series A shares have been quoted on the Nasdaq Helsinki Ltd since 1994. The company operates globally and is among the leaders in its field.

Raute is a technology and service company that operates worldwide and a part of the wood-processing value chain. Raute generates added value for its customers' businesses by supplying solutions to facilitate profitable and environmentally sustainable production of wood products.

Raute offers customers solutions for the productions of veneer, plywood, LVL (Laminated Veneer Lumber) and sawn timber. Solutions consist of machinery and equipment and services supporting their efficient use. Veneer, plywood and LVL are used mainly in construction and furniture as well as in the transport vehicle and packaging industries.

Raute' solutions const of project deliveries and technology services:

Project deliveries

- Complete production plants, production lines and individual machines and equipment
- Automation, machine vision applications and measuring technology

Technology services

- Maintenance and spare parts services
- Modernizations
- Consulting and business development.

Raute's markets

Raute operates in the growing global market. The use of wood as raw material is on the rise which contributes to a high demand for wood products technology products and services. The increasing use of renewable wood, higher environmental awareness and greater role of the emerging markets combined with rising energy

prices will boost demand for and competitiveness of Raute's solutions.

Raute is a global market leader

Raute is a global market leader as a machinery supplier for new capacity in the plywood and LVL industry. Our market share of all machine investments in the plywood industry is estimated at 15–20 percent. Raute has a particularly strong market position in the LVL industry, as more than half of the LVL manufactured in the world is produced with machines supplied by Raute.

Raute has a clear strategy

Focus of the entire market continues to shift towards emerging markets:

- China and the rest of Asia
- Russia
- South America.

The share of veneer based products originating from these areas in relation to global production will increase.

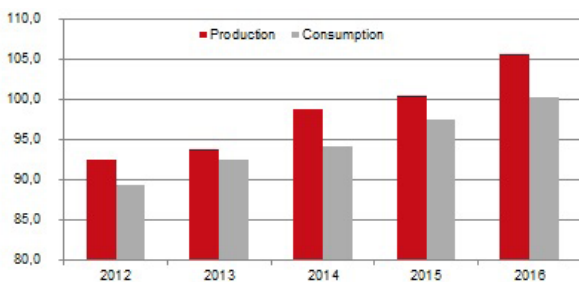
The plywood and LVL industries' investments in the traditional western markets, with their high cost and price levels, will increasingly focus on projects to raise the efficiency of existing production capacity and improve competitiveness, while little new capacity is being constructed.

Raute's goal is to maintain its global market situation and be the first technology partner and service provider to its customer industries.

Dividend policy

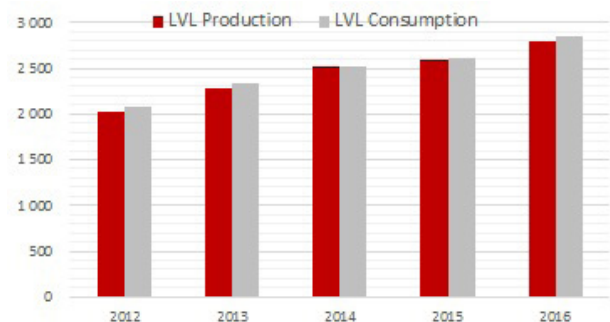
Raute exercises an active dividend policy. Its aim is to ensure competitive returns for its investors. Dividend payment takes into account future investment needs and the goal of maintaining a solid equity ratio. Due to the nature of the project business, the dividend is not directly tied to the annual result.

Plywood production and consumption 2012–2016 (million m³)



Source: Indufor

LVL production and consumption 2012–2016 (1,000 m³)



Source: Raute

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 lumber. The technology offering covers the entire production process of veneer, plywood and LVL and special measurement equipment for lumber. 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. Its other production plants are in Kajaani, Finland, the Vancouver area of Canada, in the Shanghai area of China and in Pullman, WA, USA. Raute's net sales in 2017 were EUR 148.6 million. The Group's headcount at the end of 2017 was 704. More information on the company can be found at www.raute.com.

