



January 1–
September 30,
2020
INTERIM REPORT

RAUTE CORPORATION – INTERIM REPORT JANUARY 1–SEPTEMBER 30, 2020

- The Group's net sales, EUR 76.1 million (MEUR 112.0), decreased 32.1% from the comparison period. Order intake was EUR 49 million (MEUR 130).
- Operating result amounted to EUR -2.7 million (MEUR 6.6), down 141% on the comparison period. The result before taxes was EUR -2.3 million (MEUR 6.7).
- Earnings per share were EUR -0.54 (EUR 1.27), and diluted earnings per share were EUR -0.54 (EUR 1.26).
- Net sales for the third quarter were EUR 27.9 million and operating result was EUR 1.3 million. Order intake was EUR 11 million in the third quarter. The order book at the end of the reporting period amounted to EUR 62 million (MEUR 109).
- Raute's net sales for 2020 are expected to decrease compared to 2019 and operating profit is expected to weaken clearly year-on-year.

TAPANI KIISKI, PRESIDENT AND CEO: OUR NEGOTIATION EFFORTS IN SUMMER WERE REWARDED WITH A MAJOR ORDER IN OCTOBER

Our third-quarter net sales were low, but our result was nevertheless positive. The low net sales can be attributed to a large extent to the more difficult delivery of installation supervision, commissioning and maintenance services caused by the travel restrictions. In our North American locations, we were forced to continue our adaptation measures for several weeks. In this respect, the situation in our locations in Finland and China was better.

Uncertainty caused by the coronavirus pandemic continued to have a strong effect on our customers' investment decisions and thus on our order intake. Our order book remains, however, on a good level. Q1's relatively good order intake included orders that had, for the most part, been negotiated almost fully before the start of the corona crisis. In Q2 and Q3, many of our customers put off their plans and orders, based on the uncertainty of their market situations. The number of actual cancellations was low, however, so when the situation settles, I anticipate that the postponed projects may restart, perhaps even at short notice.

In early October, we successfully concluded long and, due to the circumstances, exceptional negotiations and confirmed an order worth almost EUR 55 million to Russia. As a result, our outlook for 2021 clearly strengthened, but the transaction will not have an impact on this year's outlook. There is generally active demand and project planning in Russia. China was the only market area in which activity has returned to a somewhat normal level. Our mill in China was operating normally and our customers' projects continued to move forward. Nevertheless, this did not result in major orders in Q3. Project preparation is also active in Europe and North America, but decision-making is exceptionally uncertain.

As we have consolidated in our main locations the kind of expertise that is often required for special maintenance, project installation supervision and commissioning, the travel restrictions inconvenienced us and our customers globally. In spite of this, we successfully carried out a variety of these services with the help of remote work arrangements. In my estimate, the restrictions will unfortunately persist, and this is why we will increase our local resources where possible and invest in performing these services remotely. The overall impact of the coronavirus pandemic on our net sales and especially our operating profit can be characterized as substantial.

The impact of the coronavirus pandemic on the market development highlights the importance of our strategic goals – growing the emerging market share, developing the technology service business and investing in digitalization. We will thus continue to focus on product development, marketing and digitalization. Our strong balance sheet, market position and long-standing customer accounts are important competitive advantages and enablers of this type of long-term work. We will succeed when our personnel, customers and other partners work together and we will come out of this crisis as a stronger and more agile Raute.

It is clear that our targeted net sales and operating profit for this year will not be met in these conditions. We would like to repeat our estimate given on April 24th: our net sales will fall and operating profit will weaken clearly year-on-year.

THIRD QUARTER OF 2020

Order intake and order book

The total order intake during the third quarter was low, coming to EUR 11 million (MEUR 73). Even in light of the market situation, it can be described as adequate at best. No mill-scale projects were started up, and our orders do not include major individual new production capacity projects. The consequences of the global coronavirus pandemic have postponed the progress and decision-making of our customers' projects.

Technology services accounted for EUR 9 million (MEUR 8) of the order intake.

The order book declined during the third quarter by EUR 18 million, but nevertheless ended the period at a healthy EUR 62 million (MEUR 109).

Net sales

Third-quarter net sales amounted to EUR 27.9 million (MEUR 33.7). Technology services' share of the total net sales was low, EUR 10 million (MEUR 17), due to a lack of major modernization projects. Technology services accounted for 35 percent (51%) of net sales.

Result and profitability

Operating profit in the third quarter was EUR 1.3 million positive (MEUR 1.7 positive) and accounted for 4.8 percent (5.1%) of net sales. The result was EUR 0.8 million positive (MEUR 1.4 positive), and earnings per share were EUR 0.18 (EUR +0.33).

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BUSINESS ENVIRONMENT

Market situation in customer industries

Raute's customers in the veneer, 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. We expect that the trend-like growth in wood construction will create demand for our customers and indirectly for Raute, strengthening our long-term growth opportunities.

In the third quarter, the situation and outlook in the global economy and the financial markets deteriorated as a whole.

Before the start of the pandemic, we had estimated that the market situation had improved slightly. Soon after the pandemic broke out, the situation took a clear turn for the worse and, so far, has not taken a new turn for the better. We do not expect the situation to improve significantly before the pandemic is under control.

Demand for wood products technology and technology services

Many of Raute's established and traditional customers have invested heavily in recent years. During the past year, this traditional customer base has mostly returned to lower investment volumes. The measures to contain the corona crisis have further slowed down the implementation and decision-making involved in the investments of this traditional customer base in particular. As a result, the demand for our technology shifted towards new customer accounts.

Overall, investment activity among Raute's customers weakened from what it has been in recent years, and the weakening was intensified by the spread of the coronavirus pandemic and its countermeasures. In the reporting period, the number of new transactions was adequate at best, even in view of the situation.

In Russia, demand remained active. However, forecasting the realization and timing of projects is more difficult than before. In the emerging markets of Asia and South America, the coronavirus pandemic had an exceptionally strong effect, and the markets came practically to a halt. China was the only exception. Following the break caused by the coronavirus countermeasures, demand in China has recovered rapidly and projects already being planned have been picked up again. Interest in Raute's offering grew in these markets, but it did not lead to major orders during the summer. Project planning was active in Europe and North America, but decision-making was slow and uncertain.

Demand for maintenance and spare parts services remained good, which is an indication of the generally good capacity utilization rates of Raute's customers' production plants. In Finland, the lengthy industrial actions at our customers' plants caused a temporary lull in the demand for spare parts and maintenance services at the start of the year. After this, the travel restrictions resulting from the coronavirus pandemic have prevented us from carrying out the majority of our maintenance services as planned.

ORDER INTAKE AND ORDER BOOK

Raute serves the wood products industry with a full-service concept that is based on technology solutions covering 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 and the related services. 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, re-conditioned machinery and digital services.

The uncertainty and weakening of the market situation are reflected in the volume of new orders Raute has received. The order intake during the reporting period was adequate in view of the situation and amounted to EUR 49 million (MEUR 130). The order intake consisted of small and medium-sized individual production line project deliveries and modernizations. No mill-scale projects were started up.

Of new orders, 34 percent came from Russia (66%), 32 percent from Europe (11%), 15 percent from North America (11%), 11 percent from Asia-Pacific (5%) and 8 percent from South America (7%). Sometimes even strong fluctuations in the distribution of new orders between the various market areas are typical for project-focused business.

Order intake in technology services amounted to EUR 26 million (MEUR 37), 30 percent down from the comparison period due to a lack in relatively large-sized modernization orders.

Year on year, the order book declined by EUR 47 million during the third quarter. The order book at the end of the reporting period, EUR 62 million (MEUR 109), remained strong. Part of the order book is scheduled for 2021.

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 offering play a key role. The competitive edge provided by Raute plays a major role when customers select their cooper-

ation 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

Net sales for the reporting period totaled EUR 76.1 million (MEUR 112.0), down 32.1 percent from the comparison period. The dramatic decline in net sales was expected and caused by a low order intake, the planned timing of the order book and the impacts of the coronavirus epidemic.

Of the total net sales for the reporting period, Russia accounted for 50 percent (30%), Europe for 24 percent (38%), North America for 12 percent (18%), South America for 8 percent (8%), and Asia-Pacific for 6 percent (6%).

Technology services accounted for 39 percent (45%) of the Group's total net sales and amounted to EUR 30 million (MEUR 51).

RESULT AND PROFITABILITY

Operating profit for the reporting period was EUR 2.7 million negative (MEUR 6.6 positive) and accounted for -3.6 percent of net sales (5.9%). Operating profit fell 141 percent largely due to a decline in net sales and the already-reported investments in product development, marketing and digitalization. The limitations put in place for travel and on our Chinese plant's operations due to the coronavirus pandemic also caused our result to fall more than expected as the pandemic persisted and the impacts shifted to other market areas, in particular North America.

The profit before tax for the reporting period was EUR 2.3 million negative (MEUR 6.7 positive). The profit for the reporting period was EUR 2.3 million negative (MEUR 5.4 positive). Earnings per share (undiluted) were EUR -0.54 (EUR 1.27).

CASH FLOW AND BALANCE SHEET

The Group's financial position remained good. At the end of the reporting period, gearing was -17 percent (-30%). At the end of the reporting period, the equity ratio was 62 percent (65%). 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.

The Group's cash and cash equivalents amounted to EUR 15.0 million (MEUR 23.0) at the end of the reporting period. Operating cash flow was EUR 3.8 million positive (MEUR 19.7 positive). Cash flow from investment activities was EUR 4.3 million negative (MEUR 3.0 negative). Cash flow from financing activities was EUR 6.2 million negative (MEUR 7.0 negative), including dividend payments of EUR 6.2 million.

Interest-bearing liabilities amounted to EUR 8.2 million (MEUR 8.5) at the end of the reporting period.

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 facility, EUR 23.0 million remained unused at the end of the reporting period.

EVENTS DURING THE REPORTING PERIOD

Raute Corporation published stock exchange releases on the following events:

- February 12, 2020 New plan for Raute's top management long-term incentive plan, LTI 2020-2022, commences
- April 24, 2020 Raute's profit outlook for 2020 weakened
- June 15, 2020 Raute to initiate cooperation negotiations
- June 16, 2020 Raute Corporation strengthens its knowhow in digitalization by acquiring majority holding in Hiottu Oy
- June 23, 2020 Cooperation negotiations concluded at Raute

In June, a solar power plant was started up at Raute's main production plant in Nastola, Lahti. Its electricity output is expected to supply 30% of a typical workday's electricity consumption at the Nastola plant.

RESEARCH AND DEVELOPMENT COSTS AND CAPITAL EXPENDITURE

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.

Research and development costs in the reporting period amounted to EUR 3.2 million (MEUR 3.1), representing 4.2 percent of net sales (2.8%).

Capital expenditure during the period came to EUR 5.2 million (MEUR 2.1) and accounted for 6.9 percent (1.9%) of net sales.

PERSONNEL

At the end of the reporting period, the Group's personnel numbered 749 (783). Group companies outside Finland accounted for 33 percent (34%) of employees.

Converted to full-time employees ("effective headcount"), the average number of employees was 747 (763) during the reporting period.

In our North American locations, we had to adjust the number of our personnel in part due to the lower demand caused by the coronavirus pandemic and in part due to restrictions to our operations put in place by the authorities. At our head office in Nastola, we implemented small-scale temporary lay-offs for our salaried employees in late summer and early fall, due to the reduced amount of work resulting from order book scheduling.

Occupational safety improved during the reporting period compared to 2019. The total number of lost-time injuries was eight, all non-serious cases. The LTIF figure was 8.6 (13.6 in 2019). Four Raute employees at separate locations came down with Covid-19 caused by the coronavirus, but the spread of the infections was prevented effectively. Those who fell ill have recovered.

SHARES

The number of Raute Corporation's shares at the end of the reporting period totaled 4,263,194, of which 991,161 were series K shares (ordinary share, 20 votes/share) and 3,272,033 were 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. Other holders of series K shares have the right to redeem the 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.

The company's market capitalization at the end of the reporting period was EUR 77.8 million (MEUR 95.9), with series K shares valued at the closing price of series A shares for the reporting period, i.e. EUR 18.25 (EUR 22.50).

REMUNERATION

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

Share-based incentive plans

The Group has valid long-term share-based incentive plans based on performance.

The company decided to launch a new performance-based, share-value-based, long-term incentive plan, LTI Plan 2020–2022, on February 12, 2020.

The terms and conditions of the incentive plans are available on the company's website. More detailed and up-to-date information is presented in the Remuneration Statement on the company's website.

SHAREHOLDERS

The number of shareholders totaled 5,614 at the beginning of the year and 6,005 at the end of the reporting period. Series K shares were held by 54 private individuals (54) at the end of the reporting period. Nominee-registered shares accounted for 2.7 percent (3.4%) of shares. The company did not receive any flagging notifications during the reporting period.

The Board of Directors, the President and CEO as well as the Executive Board held altogether 259,929 company shares, equaling 6.1 percent (6.1%) of the company shares and 11.6 percent (11.6%) of the votes at the end of the reporting period.

CORPORATE GOVERNANCE

As of January 1, 2020, Raute Corporation complies with the Finnish Corporate Governance Code 2020 for listed companies issued by the Securities Market Association on September 19, 2019.

EXECUTIVE BOARD

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

Tapani Kiiski, President and CEO, Chairman – Sales
Kurt Bossuyt, Group Vice President, Basic Services – Basic Services market
Marko Hjelt, Group Vice President, Human Resources – People excellence, safety
Mika Hyysti, Group Vice President, CTO – Innovations, products and services, and R&D
Tarja Järvinen, Group Vice President, CFO – Finance, ICT, other business support
Timo Kangas, Group Vice President, Power – Power market
Jani Roivainen, Group Vice President, Metrix – Metrix market
Jukka Siiriäinen, Group Vice President, Grow – Grow market
Petri Strengell, Group Vice President, COO – Supply chain and quality.

ANNUAL GENERAL MEETING 2020

Raute Corporation's Annual General Meeting was held on March 31, 2020. More detailed information on the decisions of the Annual General Meeting can be found in the stock exchange release issued on March 31, 2020.

DISTRIBUTION OF PROFIT FOR THE 2019 FINANCIAL YEAR

The Annual General Meeting held on March 31, 2020 decided to pay a dividend of EUR 1.45 per share for the financial year 2019. The total amount of dividends is EUR 6.2 million, with series A shares accounting for EUR 4,744,447.85 and series K shares for EUR 1,437,183.45. The dividend payment date was April 9, 2020.

BOARD OF DIRECTORS AND BOARD COMMITTEES

At the Annual General Meeting held on March 31, 2020, Ms. Laura Raitio was elected Chair of the Board, Mr. Mika Mustakallio was elected Vice Chair, and Mr. Joni Bask, Mr. Ari Harmaala, Mr. Pekka Suominen, and Mr. Patrick von Essen were elected as Board members. The Board of Directors' term of office will continue until the 2021 Annual General Meeting.

Based on the evaluation of independence by the Board of Directors, Chair of the Board Ms. Laura Raitio and members Mr. Joni Bask, Mr. Ari Harmaala, Mr. Pekka Suominen and Mr. Patrick von Essen are independent of the company. Vice Chair of the Board of Directors Mr. Mika Mustakallio is not estimated to be independent of the company, as he has served on the Board of Directors for more than ten years. Chair of the Board Ms. Laura Raitio and two Board members, Mr. Ari Harmaala and Mr. Patrick von Essen, are independent of major shareholders.

Raute Corporation's Board of Directors has an Appointments Committee. The Appointments Committee is chaired by Ms. Laura Raitio and its members are Mr. Mika Mustakallio and Mr. Pekka Suominen. The Audit Committee's tasks are handled by the Board of Directors.

EVENTS AFTER THE REPORTING PERIOD

Raute Corporation published stock exchange releases on the following events after the reporting period:

October 16, 2020 Raute received orders worth approximately EUR 55 million to Russia.

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, international political instability and the economic slowdown caused by the measures taken to combat the coronavirus pandemic. The most significant risks for Raute in the near term are related to the development of the market and demand situation.

The restrictions resulting from the coronavirus pandemic that spread across the globe from China also caused Raute's outlook to fall. The full implications are still impossible to see. The impacts on customers' investment appetite and decision-making are already apparent globally. The ramifications of Finland's contentious collective agreement round carried out in spring are likely to also impact the investment appetite of Raute's customers.

OUTLOOK FOR 2020

Regardless of the strong order book, we forecast that Raute's net sales will fall in 2020 from the previous year's level as a result of uncertainty in demand and the order intake for the remainder of the year. We expect the operating profit to clearly weaken from last year, as disclosed earlier, due to a shift in the markets and the costs for adapting to this, and due to investments in marketing, product development and digitalization and falling net sales.

On October 16, 2020 Raute announced a major order worth EUR 55 million to Russia. The received order will not have an effect on Raute's profit outlook for 2020, but it will improve and strengthen the 2021 outlook.

CONSOLIDATED STATEMENT OF INCOME

Raute Corporation's Board of Directors has approved this Interim financial report for January 1 – September 30, 2020 to be published.

The figures for the financial year 2019 presented in the figures section of the Interim financial report have been audited. The presented interim financial report figures have not been audited.

CONSOLIDATED STATEMENT OF INCOME

EUR 1,000	1.7.– 30.9.2020	1.7.– 30.9.2019	1.1.– 30.9.2020	1.1.– 30.9.2019	1.1.– 31.12.2019
NET SALES	27 905	33 749	76 060	112 040	151 297
Change in inventories of finished goods and work in progress	76	-1 310	-864	-2 238	-2 030
Other operating income	50	-47	116	173	343
Materials and services	-14 634	-15 166	-36 858	-55 229	-76 081
Employee benefits expense	-8 334	-10 751	-29 223	-33 621	-45 793
Depreciation, amortization and impairments	-1 141	-941	-3 040	-2 965	-3 854
Other operating expenses	-2 594	-3 824	-8 891	-11 513	-15 428
Total operating expenses	-26 702	-30 682	-78 013	-103 328	-141 156
OPERATING PROFIT	1 329	1 709	-2 701	6 647	8 454
% of net sales	4,8	5,1	-3,6	5,9	5,6
Financial income	5	6	640	322	1 099
Financial expenses	-71	-47	-258	-242	-300
Financial expenses, net	-66	-41	383	80	799
PROFIT BEFORE TAX	1 263	1 668	-2 318	6 727	9 253
% of net sales	4,5	4,9	-3,0	6,0	6,1
Income taxes	-483	-263	5	-1 299	-1 565
PROFIT FOR THE PERIOD	780	1 405	-2 313	5 427	7 687
% of net sales	2,8	4,2	-3,0	4,8	5,1
Profit for the period attributable to					
Equity holders of the Parent company	780	1 405	-2 313	5 427	7 687
Earnings per share for profit attributable to Equity holders of the Parent company, EUR					
Undiluted earnings per share	0,18	0,33	-0,54	1,27	1,80
Diluted earnings per share	0,18	0,33	-0,54	1,26	1,79

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	1.7.– 30.9.2020	1.7.– 30.9.2019	1.1.– 30.9.2020	1.1.– 30.9.2019	1.1.– 31.12.2019
PROFIT FOR THE PERIOD	780	1 405	-2 313	5 427	7 687
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Changes in the fair value of financial assets at fair value through other comprehensive income	-	1 565	-	1 565	1 565
Hedging reserve, hedge accounting	-120	134	-122	347	283
Exchange differences on translating foreign operations	406	-101	-504	8	-66
Income taxes related to these items	24	-157	24	-178	-178
Comprehensive income items for the period, net of tax	310	1 441	-602	1 742	1 604
COMPREHENSIVE PROFIT FOR THE PERIOD	1 090	2 846	-2 916	7 170	9 291
Comprehensive profit for the period attributable to					
Equity holders of the Parent company	1 090	2 846	-2 916	7 170	9 291
Shares, 1 000 pcs					
Adjusted average number of shares	4 263	4 263	4 263	4 263	4 263
Adjusted average number of shares, diluted	4 284	4 300	4 284	4 300	4 287

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET

EUR 1,000	30.9.2020	30.9.2019	31.12.2019
ASSETS			
Non-current assets			
Goodwill	1 714	1 035	1 035
Other intangible assets	4 195	2 377	2 655
Property, plant and equipment	11 048	11 925	10 854
Right of use assets	6 291	7 373	6 936
Other financial assets	3 047	2 750	2 741
Deferred tax assets	315	7	13
Total non-current assets	26 610	25 467	24 235
Current assets			
Inventories	19 150	13 706	12 360
Accounts receivables and other receivables	18 724	27 165	30 981
Income tax receivable	1 433	948	715
Cash and cash equivalents	15 001	23 043	22 360
Total current assets	54 308	64 862	66 417
TOTAL ASSETS	80 918	90 329	90 651

CONSOLIDATED BALANCE SHEET

EUR 1,000	30.9.2020	30.9.2019	31.12.2019
EQUITY AND LIABILITIES			
Equity attributable to Equity holders of the Parent company			
Share capital	8 256	8 256	8 256
Fair value reserve and other reserves	8 565	9 097	8 505
Exchange differences	445	1 024	949
Retained earnings	25 606	24 106	24 106
Profit for the period	-2 313	5 427	7 687
Total equity	40 557	47 910	49 502
Non-current liabilities			
Lease liability	4 891	5 918	5 495
Deferred tax liability	16	33	77
Provisions	344	593	543
Total non-current liabilities	5 250	6 545	6 115
Current liabilities			
Current interest-bearing liabilities	1 869	1 093	1 502
Lease liability	1 400	1 455	1 441
Current advance payments received	15 382	16 232	12 005
Income tax liability	331	469	903
Trade payables and other liabilities	13 198	14 801	16 597
Provisions	2 931	1 825	2 587
Total current liabilities	35 111	35 875	35 034
Total liabilities	40 362	42 419	41 149
TOTAL EQUITY AND LIABILITIES	80 918	90 329	90 651

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	1.1.–30.9.2020	1.1.–30.9.2019	1.1.–31.12.2019
CASH FLOW FROM OPERATING ACTIVITIES			
Proceeds from customers	88 205	130 094	167 313
Other operating income	116	169	248
Payments to suppliers and employees	-83 908	-107 886	-146 690
Cash flow before financial items and taxes	4 412	22 377	20 872
Interest paid from operating activities	-83	-37	-67
Dividends received from operating activities	640	293	814
Interest received from operating activities	8	18	22
Other financing items from operating activities	-238	-89	-194
Income taxes paid from operating activities	-917	-2 894	-2 846
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	3 822	19 668	18 602
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	-3 891	-3 091	-3 319
Proceeds from sale of property, plant and equipment and intangible assets	147	59	68
Payment for acquisition of subsidiary, net of cash acquired	-512	-	-
Proceeds from sale of investments	-	-	88
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	-4 255	-3 032	-3 162
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from current borrowings	1 498	-	1 506
Repayments of current borrowings	-1 500	-	-1 087
Increase in lease liability	666	-	-
Repayments of lease liability	-664	-1 031	-931
Dividends paid	-6 182	-5 968	-5 968
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	-6 182	-7 000	-6 480
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	-6 615	9 636	8 960
increase (+)/decrease (-)			
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	22 360	13 375	13 375
NET CHANGE IN CASH AND CASH EQUIVALENTS	-6 615	9 636	8 960
EFFECTS OF EXCHANGE RATE CHANGES ON CASH	-743	32	26
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	15 002	23 043	22 360
CASH AND CASH EQUIVALENTS IN THE BALANCE SHEET AT THE END OF THE PERIOD*			
Cash and cash equivalents	15 002	23 043	22 360
TOTAL	15 002	23 043	22 360

*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

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
EQUITY at Jan. 1, 2020	8 256	5 711	2 794	949	31 794	49 502	49 502
Comprehensive profit for the period							
Profit for the period	-	-	-	-	-2 313	-2 313	-2 313
Other comprehensive income items:							
Hedging reserve	-	-	-122	-	-	-122	-122
Exchange differences on translating foreign operations	-	-	-	-504	-	-504	-504
Income taxes related to these items	-	-	24	-	-	24	24
Total comprehensive profit for the period	-	-	-97	-504	-2 313	-2 916	-2 916
Transactions with equity holders							
Equity-settled share-based transactions	-	-	157	-	-	157	157
Dividends	-	-	-	-	-6 182	-6 182	-6 182
Total transactions with equity holders	-	-	157	-	-6 182	-6 025	-6 025
EQUITY at September 30, 2020	8 256	5 711	2 854	445	23 293	40 557	40 557

COMPARISON PERIOD

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
EQUITY at Jan. 1, 2019	8 256	5 711	1 453	1 015	30 075	46 509	46 509
Comprehensive profit for the period							
Profit for the financial period	-	-	-	-	5 427	5 427	5 427
Other comprehensive income items:							
Changes in the fair value of available-for-sale investments	-	-	1 565	-	-	1 565	1 565
Hedging reserve	-	-	347	-	-	347	347
Exchange differences on translating foreign operations	-	-	-	8	-	8	8
Income taxes related to these items	-	-	-178	-	-	-178	-178
Total comprehensive profit for the period	-	-	1 734	8	5 427	7 170	7 170
Transactions with owners							
Equity-settled share-based transactions	-	-	199	-	-	199	199
Dividends	-	-	-	-	-5 968	-5 968	-5 968
Total transactions with owners	0	0	199	0	-5 968	-5 770	-5 770
EQUITY at September 30, 2019	8 256	5 711	3 386	1 024	29 534	47 910	47 910

NOTES

NOTES TO THE INTERIM FINANCIAL REPORT

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. In addition to a broad range of machines and equipment, Raute's solutions cover 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 Interim financial report 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 Interim financial report for January 1 – September 30, 2020 has been prepared in accordance with standard IAS 34 Interim Financial Reporting.

The Interim financial report does not contain full notes and other information presented in the financial statements. Raute Corporation's Interim financial report will be published on October 29, 2020.

Raute Corporation's Interim financial report for January 1 – September 30, 2020 has been prepared in accordance with the International Financial Reporting Standards, IFRS, accepted for application in the European Union, including related interpretations. The Interim financial report has been drawn up according to the same accounting principles as in the consolidated financial statements for 2019.

When preparing the Interim financial report 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 estimates.

Acquisition of a subsidiary

Raute Corporation signed on June 16, 2020 an agreement on the acquisition of the majority of the share capital in Oulu-based Hiottu Oy. Hiottu 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's business will be continued as a separate limited company in Oulu and all employees will continue in the company as former employees. Hiottu Oy's financial information will be reported as part of Raute's wood products technology segment. 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. The fair values of the balance sheet items recognized in the acquisition are preliminary.

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

Other published and future standards will not be expected to have a significant impact on Raute Corporation's 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.

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 and reconditioned machinery. Project deliveries and modernizations related to technology services include both product and service sales, making it impossible to give a reliable presentation of the breakdown of the Group's net sales into purely product and service sales.

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 ten percent. At the end of the reporting period, the Group had one customer, whose customized share of the Group's net sales temporarily exceeded ten percent.

EUR 1,000	1.1.– 30.9.2020	%	1.1.– 30.9.2019	%	1.1.– 31.12.2019	%
Net sales by market area						
CIS (Russia)	38 060	50	34 059	30	47 060	31
EMEA (Europe and Africa)	18 063	24	42 787	38	51 173	34
NAM (North America)	9 297	12	19 567	18	26 852	18
LAM (South America)	6 025	8	9 273	8	13 580	9
APAC (Asia-Pacific area)	4 616	6	6 353	6	12 632	8
TOTAL	76 060	100	112 040	100	151 297	100

Finland accounted for 6 percent (13 %) of net sales.

EUR 1,000	30.9.2020	30.9.2019	31.12.2019
Specification of net sales			
Performance obligations to be satisfied over time	52 686	83 430	108 861
Performance obligations to be satisfied at a point in time	23 374	28 610	42 436
TOTAL	76 060	112 040	151 297
Project revenues entered as income from performance obligations to be satisfied over time currently undelivered	111 289	160 654	127 400
Amount of performance obligations to be satisfied over time not yet entered as income (order book)	54 802	104 392	84 246
Balance sheet items of undelivered projects			
Projects in which the value by percentage of completion exceeds advance payments invoiced			
- aggregate amount of costs incurred and recognized profits less recognized losses	79 633	102 469	89 878
- advance payments received	71 141	85 447	72 185
Current customer contract assets	8 492	17 023	17 694
Projects in which advance payments invoiced exceed the value by percentage of completion			
- aggregate amount of costs incurred and recognized profits less recognized losses	33 812	58 303	38 366
- advance payments received	45 267	68 878	43 253
Current customer contract liabilities	11 455	10 575	4 887
Advance payments included in current liabilities in the balance sheet			
Current customer contract liabilities	11 455	10 575	4 887
Other advance payments received	3 927	5 657	7 118
Total	15 382	16 232	12 005
Advance payments of the customer contracts included in inventories in the balance sheet			
Advance payments paid	3 830	1 014	602
Total	3 830	1 014	602

EUR 1,000	30.9.2020	30.9.2019	31.12.2019
Research and development costs			
Research and development costs for the period	-3 224	-3 131	-4 419
Amortization of previously capitalized development costs	-	-342	-
Development costs recognized as an asset in the balance sheet	272	134	163
Research and development costs recognized as an expense before impairments for the period	-2 952	-3 339	-4 256
Impairments of capitalized development costs	-	-134	-
Research and development costs recognized as an expense for the period	-2 952	-3 473	-4 256

EUR 1,000	30.9.2020	30.9.2019	31.12.2019
Right-of-use assets			
Book value, at the beginning of the period	6 936	7 391	7 391
Exchange rate differences	-269	271	191
Increases	666	752	743
Depreciation for the period	-1 042	-1 041	-1 389
Book value, at the end of the period	6 291	7 373	6 936

Right-of-use assets are included in balance sheet item Property, plant and equipment

EUR 1,000	30.9.2020	30.9.2019	31.12.2019
Goodwill			
Goodwill, at the beginning of the period	1 035	1 035	1 035
Increases	679	-	-
Goodwill, at the end of the period	1 714	1 035	1 035

EUR 1,000	30.9.2020	30.9.2019	31.12.2019
Other intangible assets			
Acquisition cost at the beginning of the period	11 229	15 384	15 384
Exchange rate differences	-4	3	2
Additions	1 990	334	85
Disposals	-	-	-
Reclassification between items	0	-5 772	-4 242
Acquisition cost at the end of the period	13 216	9 948	11 229
Accumulated depreciation and amortization at the beginning of the period	-8 574	-12 884	-12 884
Exchange rate differences	2	-2	-1
Accumulated depreciation and amortization of disposals and reclassifications	-	5 772	-477
Impairments	-	-134	-
Depreciation and amortization for the period	-448	-324	4 787
Accumulated depreciation and amortization at the end of the period	-9 021	-7 571	-8 574
Book value of Other intangible assets, at the beginning of the period	2 655	2 500	2 500
Book value of Other intangible assets, at the end of the period	4 195	2 377	2 655
Property, plant and equipment			
Acquisition cost at the beginning of the period	55 188	53 391	53 391
Exchange rate differences	-598	-18	611
Additions	1 886	1 751	2 521
Disposals	-90	-69	-779
Reclassification between items	4	2	-556
Acquisition cost at the end of the period	56 390	55 059	55 188
Accumulated depreciation and amortization at the beginning of the period	-44 334	-41 778	-41 778
Exchange rate differences	541	96	-546
Accumulated depreciation and amortization of disposals and reclassifications	-	14	17
Depreciation and amortization for the period	-1 550	-1 466	-2 026
Accumulated depreciation and amortization at the end of the period	-45 343	-43 133	-44 334
Book value of Property, plant and equipment, at the beginning of the period	10 854	11 612	11 612
Book value of Property, plant and equipment, at the end of the period	11 048	11 925	10 854

Financial assets and liabilities

At the end of the period September 30, 2020, the fair value of the financial assets categorized at fair value hierarchy level 3 was EUR 2,741 thousand. The item includes the investments in unquoted shares which have been classified as financial assets at fair value through other comprehensive income. Derivative contracts have been classified as financial assets and liabilities at fair value through profit or loss. The fair value of these derivative contracts is based on the price available from the market data, but instruments are not traded in an active market. At the end of the period September 30, 2020, the fair value of the derivative contracts classified as financial assets was EUR 27 thousand and the fair value of the derivative contracts classified as financial liability EUR 43 thousand. The Group's interest-bearing liabilities include a lease liability amount of EUR 6,291 due to the adoption of the standard IFRS 16 Leases, at the end of the reporting period.

EUR 1,000	30.9.2020	30.9.2019	31.12.2019
Financial liabilities			
Non-current interest-bearing liabilities			
Lease liabilities	4 891	5 918	5 495
TOTAL	4 891	5 918	5 495
Current interest-bearing liabilities			
Partial payments of financial loans	1 869	1 093	1 502
Lease liabilities	1 400	1 455	1 441
TOTAL	3 269	2 548	2 943

EUR 1,000	30.9.2020	30.9.2019	31.12.2019
Derivatives			
Nominal values of forward contracts in foreign currency			
Hedge accounting			
- Related to the hedging of net sales	319	2 836	1 578
Derivatives which do not meet the criteria of hedge accounting			
- Related to financing	769	827	801
- Related to the hedging of net sales	3 525	8 213	6 432
Fair values of forward contracts in foreign currency			
Hedge accounting			
- Related to the hedging of net sales	1	-19	7
Derivatives which do not meet the criteria of hedge accounting			
- Related to financing	4	-2	15
- Related to the hedging of net sales	-21	-86	47

EUR 1,000	30.9.2020	30.9.2019	31.12.2019
Pledged assets and contingent liabilities			
Mortgage agreements on behalf of subsidiaries			
Financial loans	1 869	1 079	1 502
Other obligations	-	159	991
Other credit guarantee arrangements	1 869	-	2 493
Commercial bank guarantees on behalf of the Parent company and subsidiaries	43 856	8 357	17 767
Off-balance sheet leases			
Rental liabilities maturing within one year	90	107	95
Rental liabilities maturing in one to five years	40	71	56
Total	129	177	151

Share-based payments

An expense of EUR 62 thousand was recognized for the share rewards to the income statement during the reporting period.

No share rewards have been paid based on the long-term performance share-based incentive plan for the Group's senior management during the reporting period.

The company decided to launch a new performance-based, share-value-based, long-term incentive plan, LTI Plan 2020–2022, on February 12, 2020.

Distribution of the profit for the financial year 2019

Raute Corporation's Annual General Meeting was held on March 31, 2020. The Annual General Meeting decided, according to the Board of Directors' proposal, to distribute a dividend of EUR 1.45 per share to be paid for series A and K shares, a total of EUR 6,182 thousand. The dividend payment date was April 9, 2020.

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	30.9.2020	30.9.2019	31.12.2019
Wood products technology			
Net sales	76 060	112 040	151 297
Operating profit	-2 701	6 647	8 454
Assets	80 918	90 329	90 651
Liabilities	40 362	42 419	41 149
Capital expenditure	5 248	2 084	2 956

EUR 1,000	30.9.2020	%	30.9.2019	%	31.12.2019	%
Assets of the wood products technology segment by geographical location						
Finland	63 781	79	75 635	84	75 882	84
North America	10 229	13	8 954	10	8 397	9
China	5 131	6	3 882	4	4 378	5
Russia	1 244	2	1 460	2	1 662	2
South America	279	0	238	0	194	0
Other	255	0	159	0	138	0
Total	80 918	100	90 329	100	90 651	100

EUR 1,000	30.9.2020	%	30.9.2019	%	31.12.2019	%
Capital expenditure of the wood products technology segment by geographical location						
Finland	5 172	98	1 962	94	2 751	93
North America	37	1	66	3	81	3
China	33	1	31	1	48	2
Russia	2	0	24	1	26	1
South America	4	0	-	-	26	1
Other	1	0	-	-	24	1
Total	5 248	100	2 084	100	2 956	100

	30.9.2020	30.9.2019	31.12.2019
Number of personnel			
Effective, on average, persons	747	763	761
On average, persons	764	785	784
In books at the end of the period, persons	749	783	778
Personnel working abroad at the end of the period	246	267	260
Personnel working abroad, %	32,8	34,1	33,4

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.

Exchange rates used in the consolidation of subsidiaries

	1.1.– 30.9.2020	1.1.– 30.9.2019	1.1.– 31.12.2019
Income statement, euros			
CNY (Chinese yuan)	7,8614	7,7119	7,7339
RUB (Russian rouble)	79,8960	73,0958	72,4593
CAD (Canadian dollar)	1,5212	1,4938	1,4857
USD (US dollar)	1,1241	1,1237	1,1196
SGD (Singapore dollar)	1,5629	1,5332	1,5272
CLP (Chilean peso)	900,9233	770,0110	786,2516
Balance sheet, euros			
CNY (Chinese yuan)	7,9720	7,7784	7,8205
RUB (Russian rouble)	91,7763	70,7557	69,9563
CAD (Canadian dollar)	1,5676	1,4426	1,4598
USD (US dollar)	1,1708	1,0889	1,1234
SGD (Singapore dollar)	1,6035	1,5060	1,5111
CLP (Chilean peso)	920,7300	794,3100	832,3500

FINANCIAL DEVELOPMENT

FINANCIAL DEVELOPMENT	30.9.2020	30.9.2019	31.12.2019
Change in net sales, %	-32,1	-11,7	-16,4
Exported portion of net sales, %	93,7	86,9	88,3
Operating result, % of net sales	-3,6	5,9	5,6
Return on investment, (ROI), %	-5,3	17,9	18,1
Return on equity, (ROE), %	-6,8	15,3	16,0
Interest-bearing net liabilities, EUR million	-6,8	-14,6	-13,9
Gearing, %	-16,9	-30,4	-28,1
Equity ratio, %	61,9	64,7	62,9
Gross capital expenditure, EUR million	5,2	2,1	3,0
% of net sales	6,9	1,9	2,0
Research and development costs, EUR million	3,2	3,1	4,4
% of net sales	4,2	2,8	2,9
Order book, EUR million	62	109	88
Order intake, EUR million	49	130	148

In addition to IFRS Key ratios, Raute Group publishes some commonly used financial key ratios (alternative performance measures). Calculation of key ratios has been presented in the annual financial statements.

SHARE-RELATED DATA	30.9.2020	30.9.2019	31.12.2019
Earnings per share, (EPS), undiluted, EUR	-0,54	1,27	1,80
Earnings per share, (EPS), diluted, EUR	-0,54	1,26	1,79
Equity to share, EUR	9,51	11,24	11,61
Dividend per series A share, EUR	-	-	1,45
Dividend per series K share, EUR	-	-	1,45
Dividend per profit, %	-	-	80,4
Effective dividend return, %	-	-	5,8
Price/earnings ratio (P/E ratio)	-	-	13,86
Development in share price (series A shares)			
Lowest share price for the period, EUR	17,40	20,00	20,00
Highest share price for the period, EUR	27,40	28,70	28,70
Average share price for the period, EUR	20,83	24,80	24,71
Share price at the end of the period, EUR	18,25	22,50	25,00
Market value of capital stock			
- Series K shares, EUR million*	18,1	22,3	24,8
- Series A shares, EUR million	59,7	73,6	81,8
Total, EUR million	77,8	95,9	106,6
*Series K shares valued at the value of series A shares.			
Trading of the company's shares (series A shares)			
Trading of shares, pcs	461 211	398 415	503 305
Trading of shares, EUR million	9,6	9,9	12,4
Number of shares			
- Series K shares, ordinary shares (20 votes/share)	991 161	991 161	991 161
- Series A shares (1 vote/share)	3 272 033	3 272 033	3 272 033
Total	4 263 194	4 263 194	4 263 194
Number of shares, weighted average, 1 000 pcs	4 263	4 263	4 263
Number of shares, diluted, 1 000 pcs	4 284	4 300	4 287
Number of shareholders	6 005	5 585	5 614

DEVELOPMENT OF QUARTERLY RESULTS

DEVELOPMENT OF QUARTERLY RESULTS

EUR 1,000	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Rolling 1.10.2019– 30.9.2020	Rolling 1.10.2018– 30.9.2019
NET SALES	39 258	23 779	24 377	27 905	115 318	166 205
Change in inventories of finished goods and work in progress	208	-622	-318	76	-656	-2 574
Other operating income	170	85	-19	50	287	370
Materials and services	-20 852	-10 286	-11 938	-14 634	-57 710	-87 225
Employee benefits expense	-12 172	-11 448	-9 441	-8 334	-41 395	-46 460
Depreciation, amortization and impairments	-889	-962	-937	-1 141	-3 929	-3 538
Other operating expenses	-3 915	-3 550	-2 747	-2 594	-12 807	-16 643
Total operating expenses	-37 829	-26 246	-25 064	-26 702	-115 841	-153 867
OPERATING PROFIT	1 807	-3 005	-1 024	1 329	-893	10 135
% of net sales	4,6	-12,6	-4,2	4,8	-0,8	6,1
Financial income	777	170	465	5	1 418	362
Financial expenses	-59	-54	-133	-71	-316	-317
Financial expenses, net	719	117	332	-66	1 101	45
PROFIT BEFORE TAX	2 526	-2 888	-692	1 263	208	10 180
% of net sales	6,4	-12,1	-2,8	4,5	0,2	6,1
Income taxes	-266	653	-165	-483	-261	-1 790
TOTAL PROFIT FOR THE PERIOD	2 260	-2 235	-857	780	-52	8 390
% of net sales	5,8	-9,4	-3,5	2,8	0,0	5,0
Attributable to						
Equity holders of the Parent company	2 260	-2 235	-857	780	-52	8 390
Earnings per share, EUR						
Undiluted earnings per share	0,53	-0,52	-0,20	0,18	-0,01	1,97
Diluted earnings per share	0,53	-0,52	-0,20	0,18	-0,01	1,95
Shares, 1 000 pcs						
Adjusted average number of shares	4 263	4 263	4 263	4 263	4 263	4 263
Adjusted average number of shares, diluted	4 278	4 281	4 283	4 284	4 284	4 300
	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Rolling 1.10.2019– 30.9.2020	Rolling 1.10.2018– 30.9.2019
FINANCIAL DEVELOPMENT QUARTERLY						
Order intake during the period, EUR million	17	25	13	11	66	159
Order book at the end of the period, EUR million	88	92	80	62	62	109

SHAREHOLDERS

20 LARGEST SHAREHOLDERS AT SEPTEMBER 30, 2020 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	-	500 000	500 000	11,7	500 000	2,2
2. Mandatum Henkivakuutus- osakeyhtiö	-	138 302	138 302	3,2	138 302	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	-	60 480	1,4	1 209 600	5,2
12. Mustakallio Marja Helena	46 740	12 547	59 287	1,4	947 347	4,1
13. Särkijärvi Anu Riitta	12 000	43 256	55 256	1,3	283 256	1,2
14. Särkijärvi Timo Juha	12 000	43 256	55 256	1,3	283 256	1,2
15. Mustakallio Ulla Sinikka	47 740	7 240	54 980	1,3	962 040	4,2
16. Suominen Jukka Matias	24 960	27 964	52 924	1,2	527 164	2,3
17. Keskinäinen työeläke- vakuutusyhtiö 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 Ilta Marjaana	24 780	19 094	43 874	1,0	514 694	2,2
Total	635 200	1 325 988	1 961 188	46,0	14 029 988	60,7

20 LARGEST SHAREHOLDERS AT SEPTEMBER 30, 2020 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	-	60 480	1,4	1 209 600	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	7 240	54 980	1,3	962 040	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 Jere- mias	32 975	-	32 975	0,8	659 500	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 Ilta Marjaana	24 780	19 094	43 874	1,0	514 694	2,2
18. Sundholm Göran	-	500 000	500 000	11,7	500 000	2,2
19. Kultanen Leea Annikka	21 595	8 031	29 626	0,7	439 931	1,9
20. Piik Ari	20 855	418	21 273	0,5	417 518	1,8
Total	777 160	898 035	1 675 195	39,3	16 441 235	71,2

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
Management's holding at September 30, 2020						
The Board of Directors, The Group's President and CEO and Executive Board*	127 890	132 039	259 929	6,1	2 689 839	11,6
Total	127 890	132 039	259 929	6,1	2 689 839	11,6

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

Nominee-registered shares at September 30, 2020

-	117 091	117 091	2,7	117 091	0,5
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RAUTE CORPORATION
Board of Directors

PRESENTATION OF THE INTERIM REPORT ONLINE ON OCTOBER 29, 2020, AT 2:00 PM:

Analysts, investors and the media can watch the presentation of the Interim Report online on October 29, 2020 starting at 2 p.m. with MS Teams. The Teams link will be sent to registered participants by email. Registrations to ir@raute.com.

The interim report will be presented by Mr. Tapani Kiiski, President and CEO, and Ms. Tarja Järvinen, CFO. Analysts, investors and the media can send in advance questions related to the Interim Report to the email address ir@raute.com on October 29, 2020 until 2.30 p.m., after which President and CEO Tapani Kiiski and Group Vice President, CFO Tarja Järvinen will answer the sent questions in a live Interim Report presentation up until around 3 p.m. There will also be an opportunity to present questions through Teams and the Teams chat channel.

President and CEO Tapani Kiiski has also reserved time for answering questions over the phone after the Interim Report presentation, starting at 3 p.m. The phone number is +358 400 814148.

FINANCIAL RELEASES IN 2021:

Raute Corporation will publish a release on its financial statements for 2020 on Friday, February 12, 2021.

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

- Interim report January–March on Thursday, April 29, 2021
- Half-year report January–June on Friday, July 23, 2021
- Interim report January–September on Friday, October 22, 2021.

Raute Corporation's Annual General Meeting is scheduled to be held in Lahti on Wednesday March 31, 2021.

FURTHER INFORMATION:

Mr. Tapani Kiiski, President and CEO, Raute Corporation, mobile phone +358 400 814 148

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

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 2019 were EUR 151.3 million. The Group's headcount at the end of 2019 was 778. More information about the company can be found at www.raute.com.



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