

Martela Interim Report 1-9/2016

1.11.2016

**TÄSSÄ MENEE
YRITYSMUUTOKSEN
ASIAANTUNTIJA**

KYLLÄ – MUUTTAMALLA PARANEE
Parannamme työn tuottavuutta ja viihtyisyyttä, samalla
viemme halutessasi vanhat kalusteet kierrätykseen.

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Martela

JANUARY-SEPTEMBER 2016 SUMMARY

- Strategy was further refined.
- Revenue for third quarter was EUR 35,2 million, change -9.1 % (38,7) and January-September revenue was on the previous year's level EUR 94,9 million (95,3).
- The operating result for the third quarter was EUR 3.6 million (3.0) and comparable operating result at January-September was EUR 4.6 million (2.0), improved by 134,2 %.
- The cash flow from operations January-September was EUR 8.1 million (-1.0).



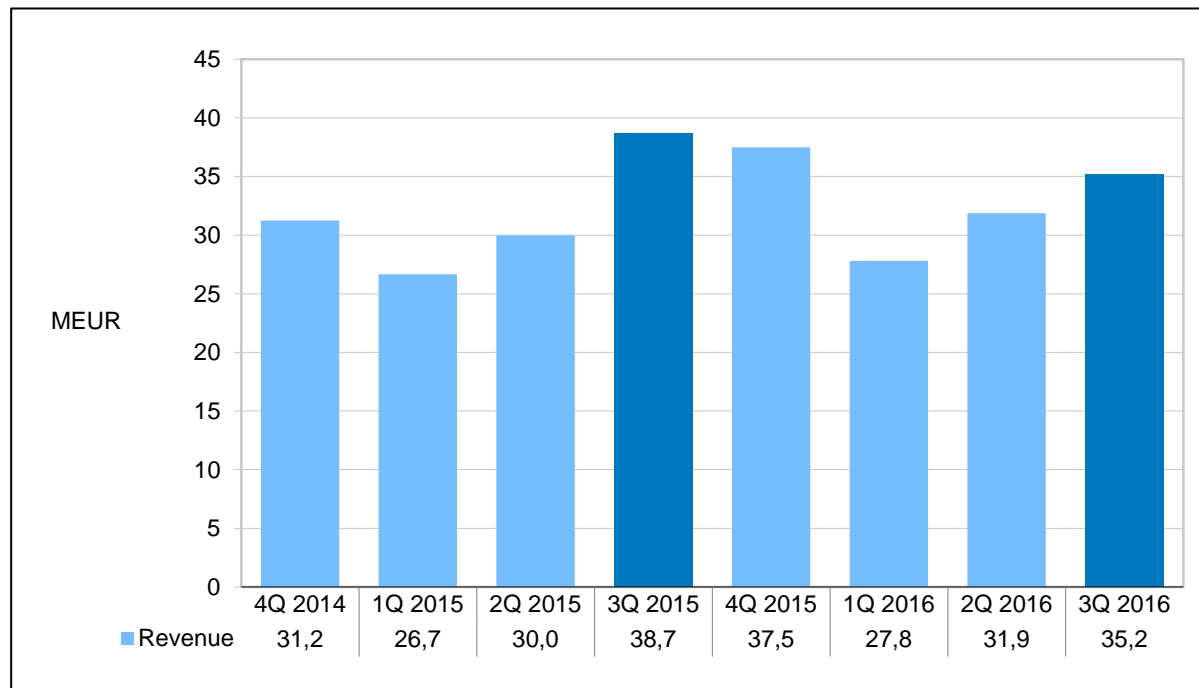
JANUARY–SEPTEMBER 2016 REVENUE

January-September Revenue on the previous year's level

January-September revenue was EUR 94.9 million (95.3)

- Finland and Sweden: Revenue improved by 5,2 %, Finnish revenue was on the previous year's level while in Sweden the corresponding figure improved year-on-year.
- International: Revenue declined by 29,4 %, in Poland and Norway revenue declined while in Russia and other international operations it grew.
- The market situation in the third quarter was similar to that of the first part of the year.
- Due to the project-based nature of the sector, forecasting short-term developments is challenging.

REVENUE



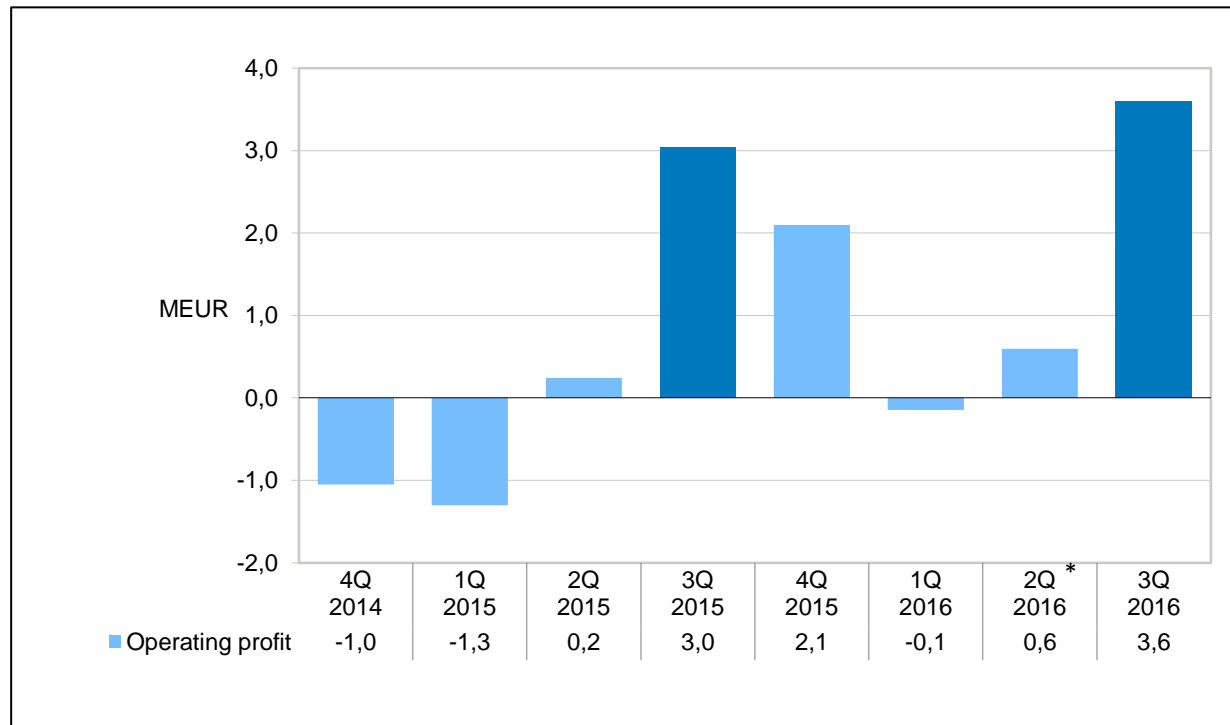
JANUARY–SEPTEMBER 2016 OPERATING RESULT

January-September operating result improved.

January-September comparable operating result was EUR 4.6 million (2.0)

- The discontinuation of Martela's own sales operations in Poland and Russia has proceed according to plan.
- The closure of the Bodafors plant and logistics centre in Sweden is also nearly completed.
- Efficiency of operations has improved.
- Due to the nature of its business, Martela's operating result accumulates mainly during the second half of the year. In 2016 this took place in the beginning of the mentioned period.

OPERATING RESULT



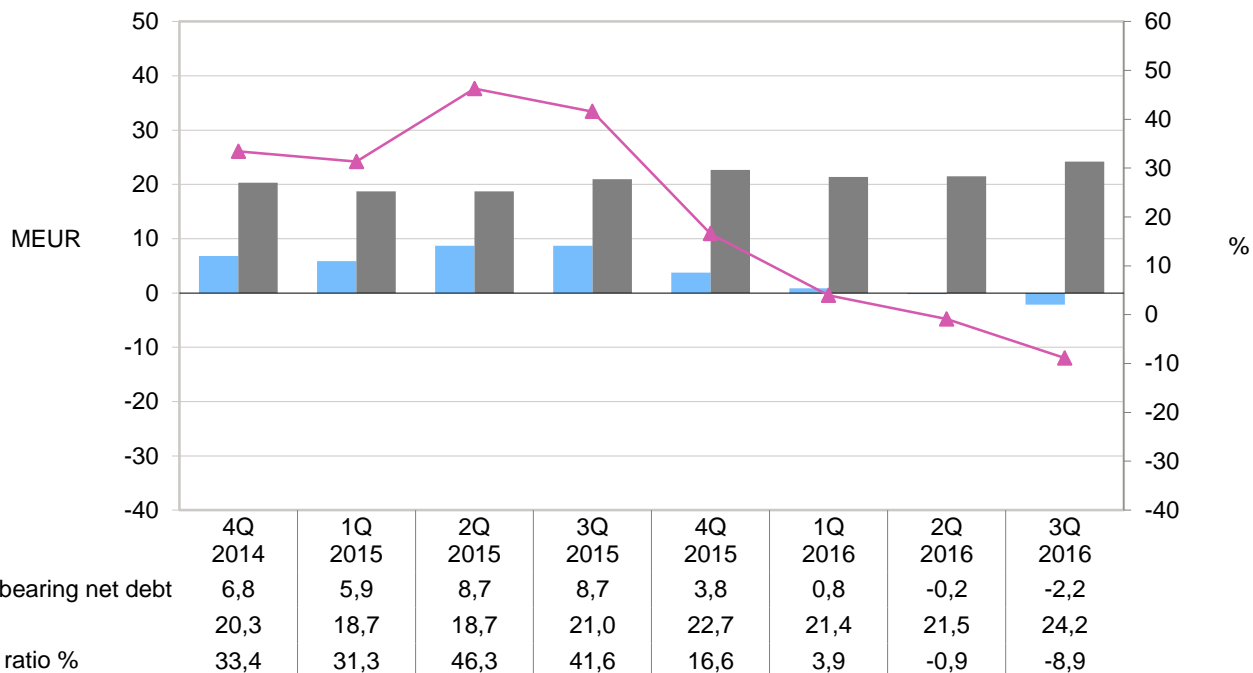
*Operating result adjusted with restructuring charges of EUR 0,6 million

JANUARY-SEPTEMBER 2016

OTHER KEY FIGURES

- The cash flow from operations on January-September was EUR 8.1 million (-1.0).
 - The cash flow was improved by the EBITDA growth and a decline in working capital.
- Result of the period January-September was EUR 2.6 million (1.0)
 - Net financial items declined to EUR 0.4 million (0,5).
 - Taxes increased and were EUR 1.0 million (0.5).
- Equity ratio was 46.3 % (36.8)
- Gearing was -8.9 % (41.6)

GEARING



MAIN FOCUS AREAS

Implementing the
Martela Lifecycle
strategy in the
Nordic countries

Improving
profitability.

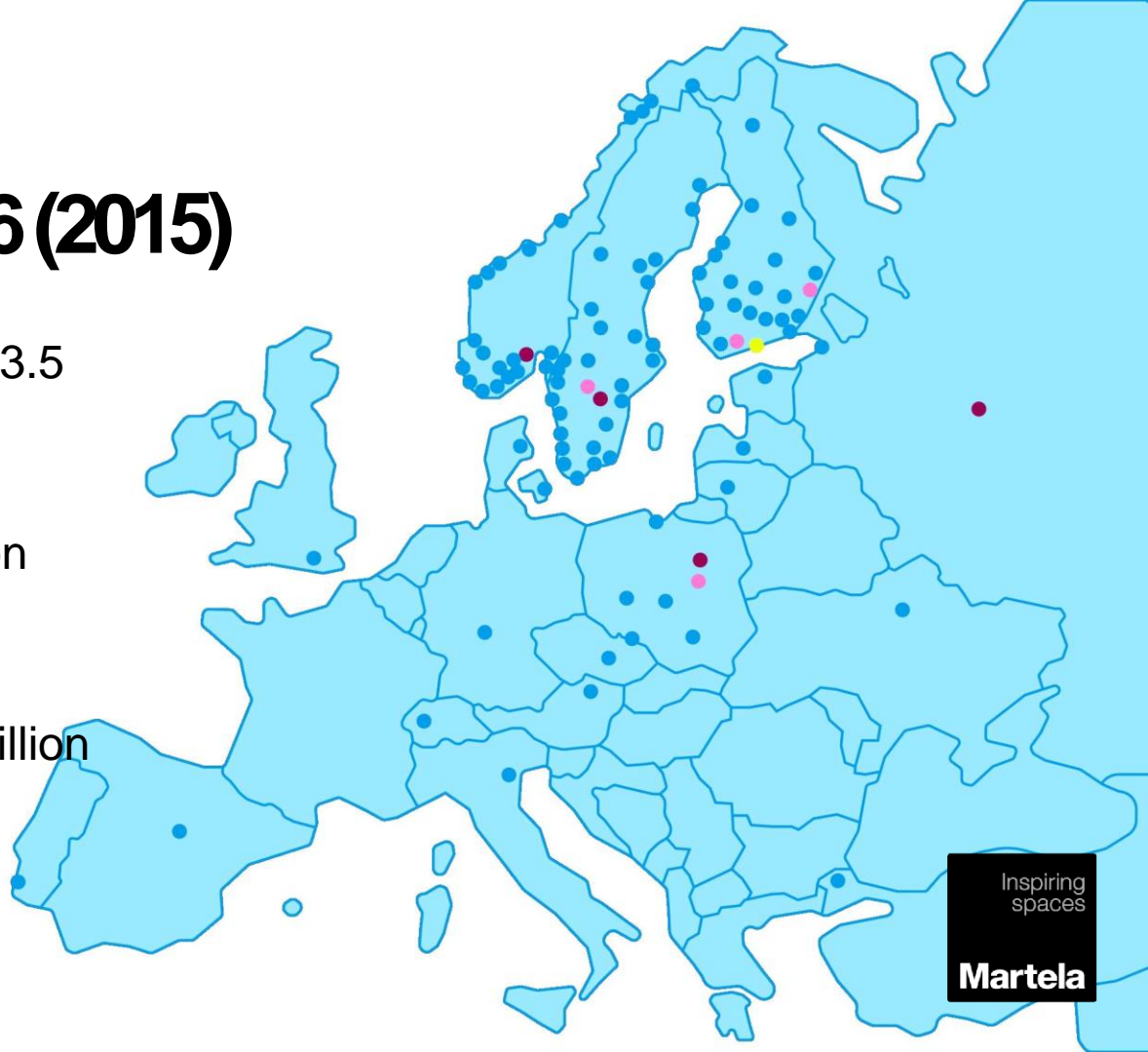
OUTLOOK FOR 2016

The outlook for 2016 has not changed. The Martela Group anticipates that its revenue in 2016 will remain at the previous year's level and its IFRS operating result will show a slight year-on-year improvement. Due to normal seasonal variations, the Group's operating result accumulates mainly during the second half of the year.

APPENDIX

REVENUE 1-9/2016 (2015)

- Finland and Sweden EUR 83.5 million (79.4), 5.2 %
- International EUR10.5 million (14.9), - 29,4 %
- Other segments EUR 0.8 million (1.0), -18.9 %



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OPERATING RESULT 1-9/ 2016 (2015)

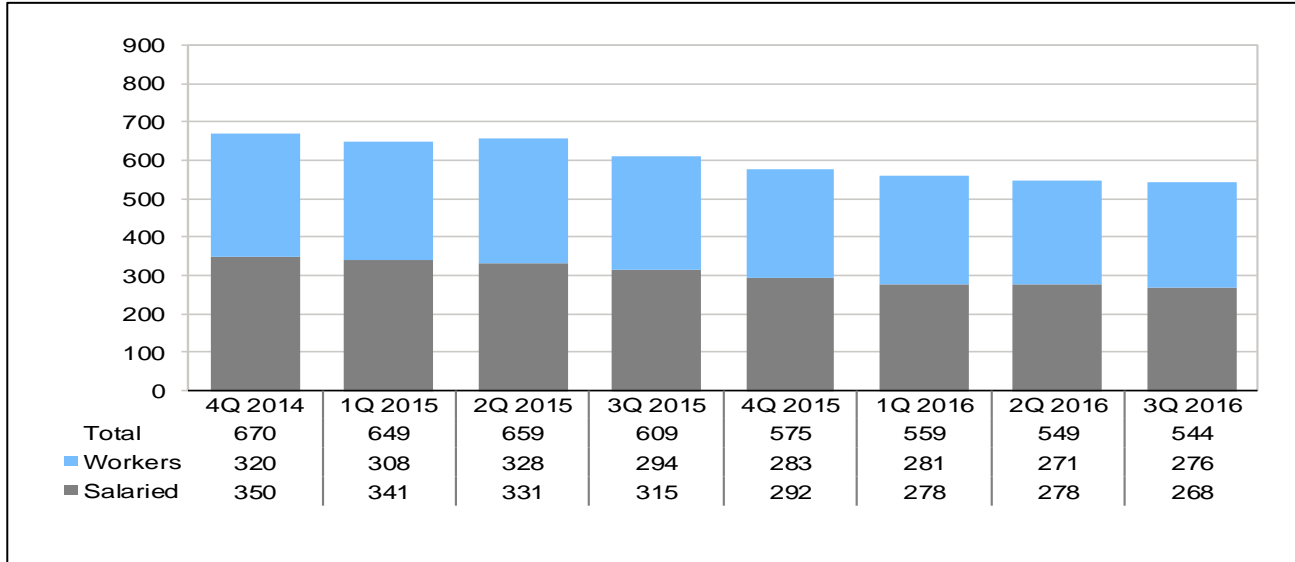
EUR million	7-9 2016	7-9 2015	1-9 2016	1-9 2015	1-12 2015
Finland & Sweden	2,7	3,0	5,4	5,0	7,7
International	-0,1	-0,4	-2,0 *	-1,8	-2,7
Other Segments	1,0	0,5	0,7	-1,2	-1,0
Total	3,6	3,0	4,1 *	2,0	4,1

*Operating result adjusted with restructuring charges of EUR 0,6 million

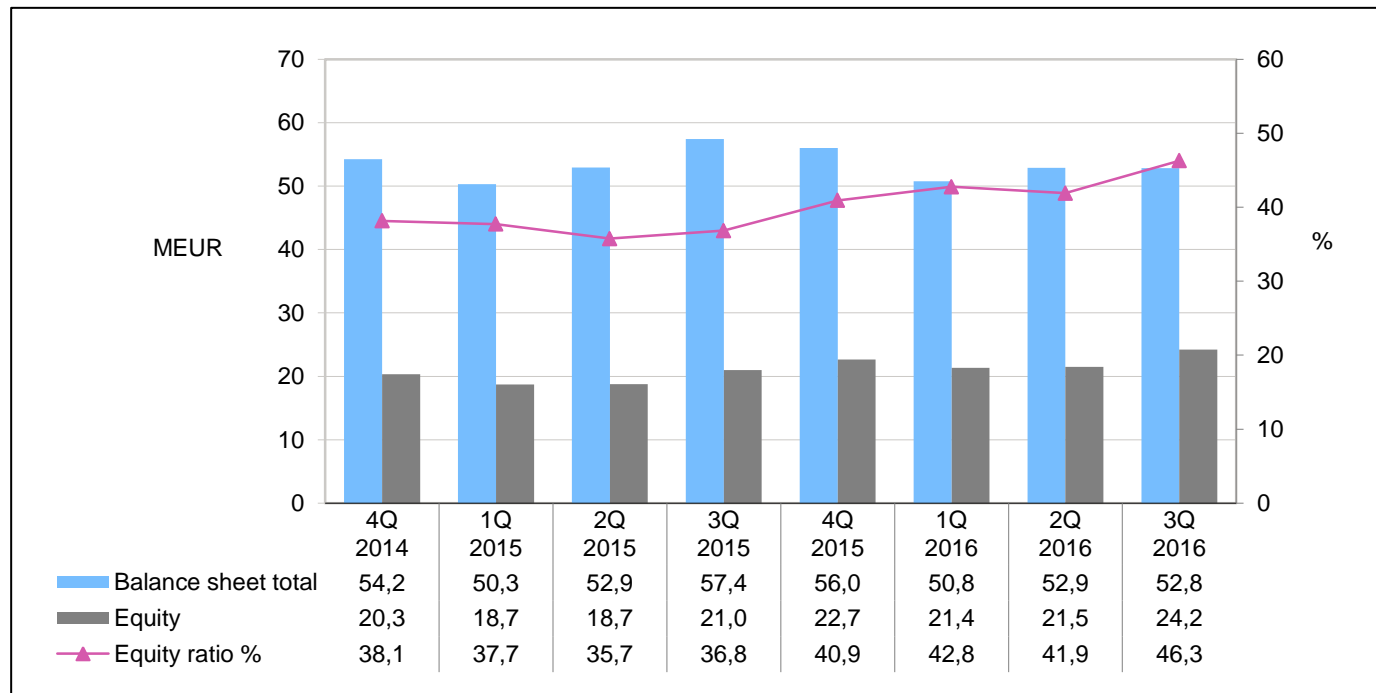
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PERSONNEL AT THE END OF PERIOD

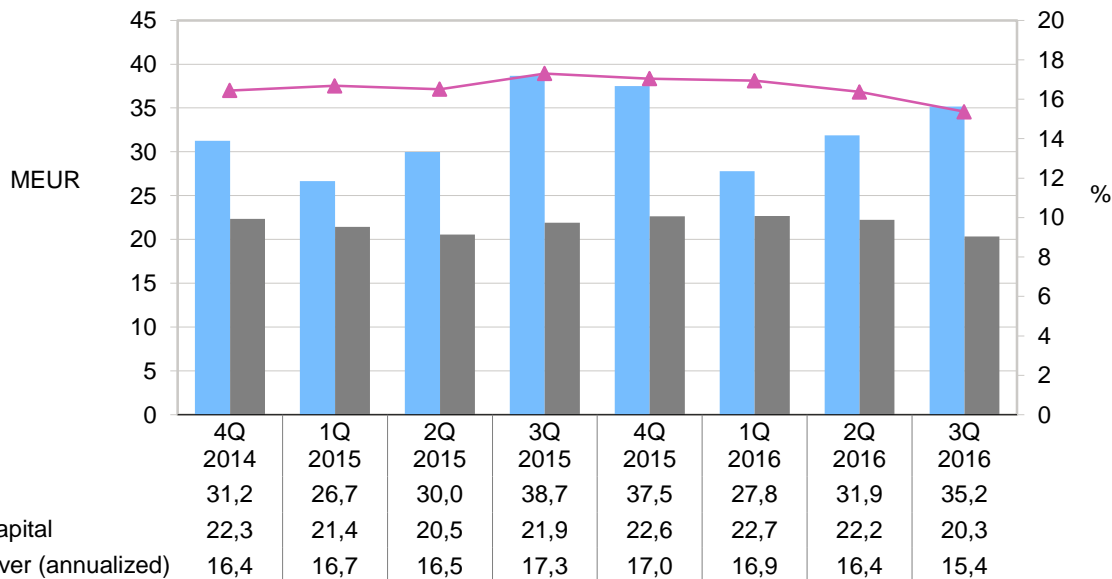


BALANCE SHEET

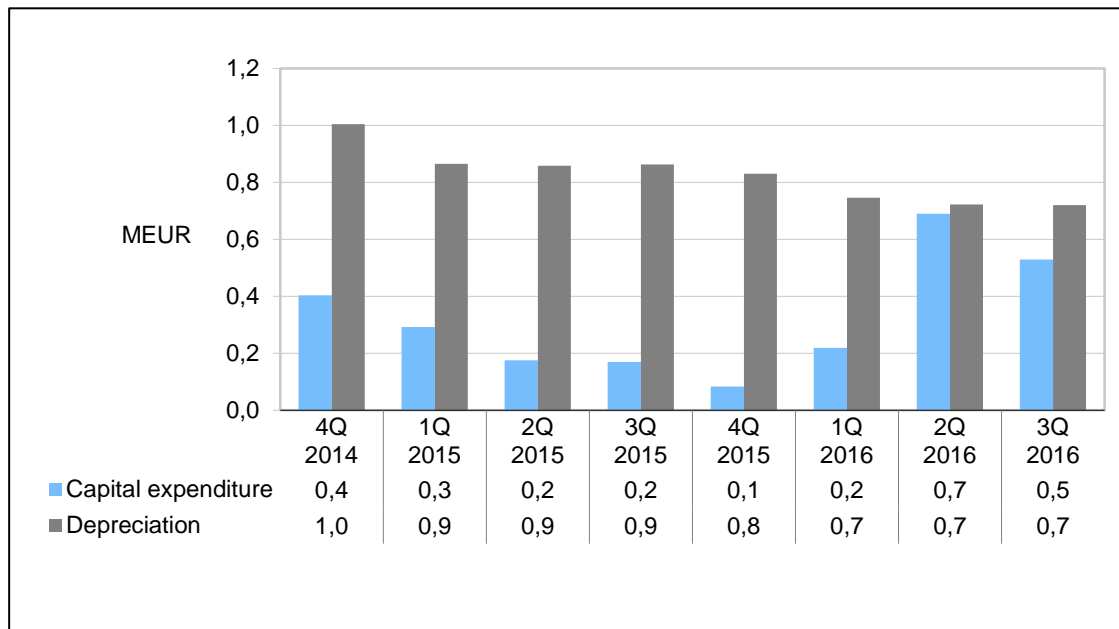


WORKING CAPITAL

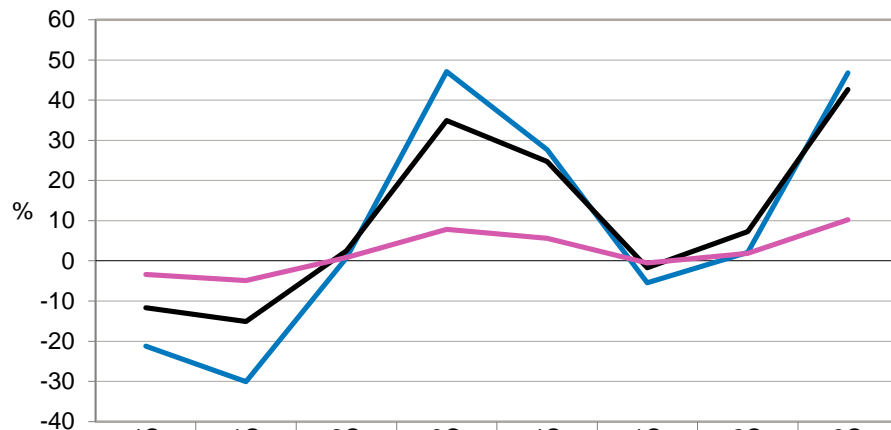
On average 12 months



CAPITAL EXPENDITURE AND DEPRECIATIONS



PROFITABILITY BY QUARTER



	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016
Return on equity	-21,2	-30,1	0,7	47,1	27,6	-5,5	2,1	46,8
Return on investment	-11,6	-15,1	2,5	34,9	24,8	-1,7	7,3	42,6
Operating profit %	-3,4	-4,9	0,8	7,9	5,6	-0,5	1,9	10,2

THANK YOU !