

MARTELA INTERIM REPORT 1-3 / 2015

April 29th, 2015



JANUARY – MARCH 2015



Group revenue decreased clearly, EBIT remained at the same level as prior year

- Consolidated revenue for January-March was EUR 26.7 million (34.1)
 - Finland: revenue remained at the same level as previous year.
 - Poland and Russia: revenue decreased clearly compared to previous year.
 - Sweden and Norway: revenue decreased significantly compared to previous year as expected due to later timing of larger projects.
 - Market climate remains challenging in all our main market-areas.
 - Increased interest in Activity Based Office –solutions and Martela Lifecycle® -model.
- Operating result for January-March was EUR -1.3 million (-1.4)
 - Group fixed costs were lower compared to previous year due to the implemented cost saving actions.
 - Sales margin improved slightly compared to previous year due to implemented restructuring actions in the supply chain during 2014.

JANUARY – MARCH 2015



- The cost saving actions executed in 2014 are expected to meet the set target of 6 million annual savings during 2015. Approximately one third of these was already realized in 2014.
- Restructuring actions were implemented at Kidex Oy and Nummela logistics center in order to adjust the supply chain to the present market conditions.
- New cost savings plan was initiated in April. The goal is to reduce costs by an annual level of EUR 4 million.
 - Implementation by the end of 2016, after which the full impact of the savings will be felt.

Other key figures:

- The cash flow from operating activities in January-March was EUR 1.4 million (2.8)
- The equity ratio was 37.7 per cent (37.2)
- The gearing ratio was 31.3 per cent (45.4)

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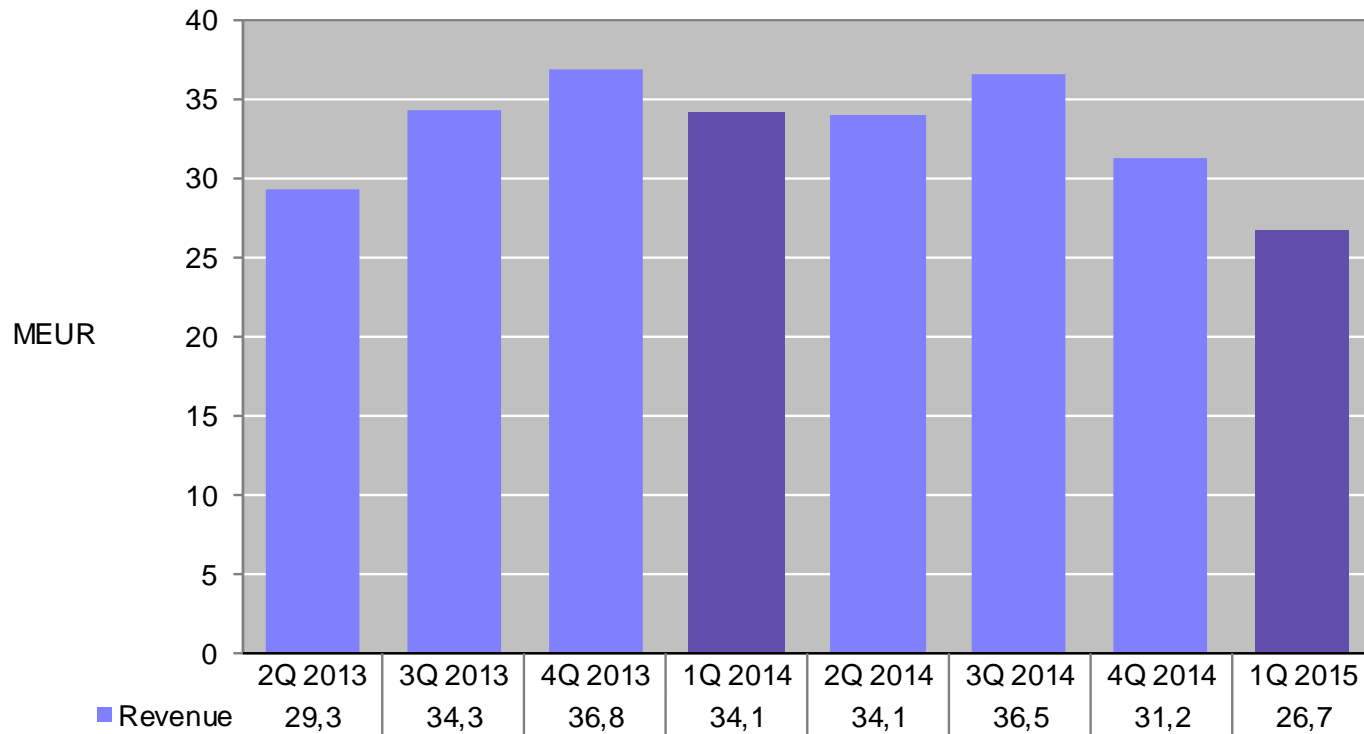
Martela

CENTRAL FOCUS AREAS

- **Improvement of profitability**
 - Continuous improvement of cost efficiency
 - Improvement of customer profitability
- **Radically simplify our operations**
 - Quote to Cash – process
 - Radical reduction of product variants
- **Implementation of Martela Lifecycle-model**
 - Development of our way of working and our portfolio to meet customer demand



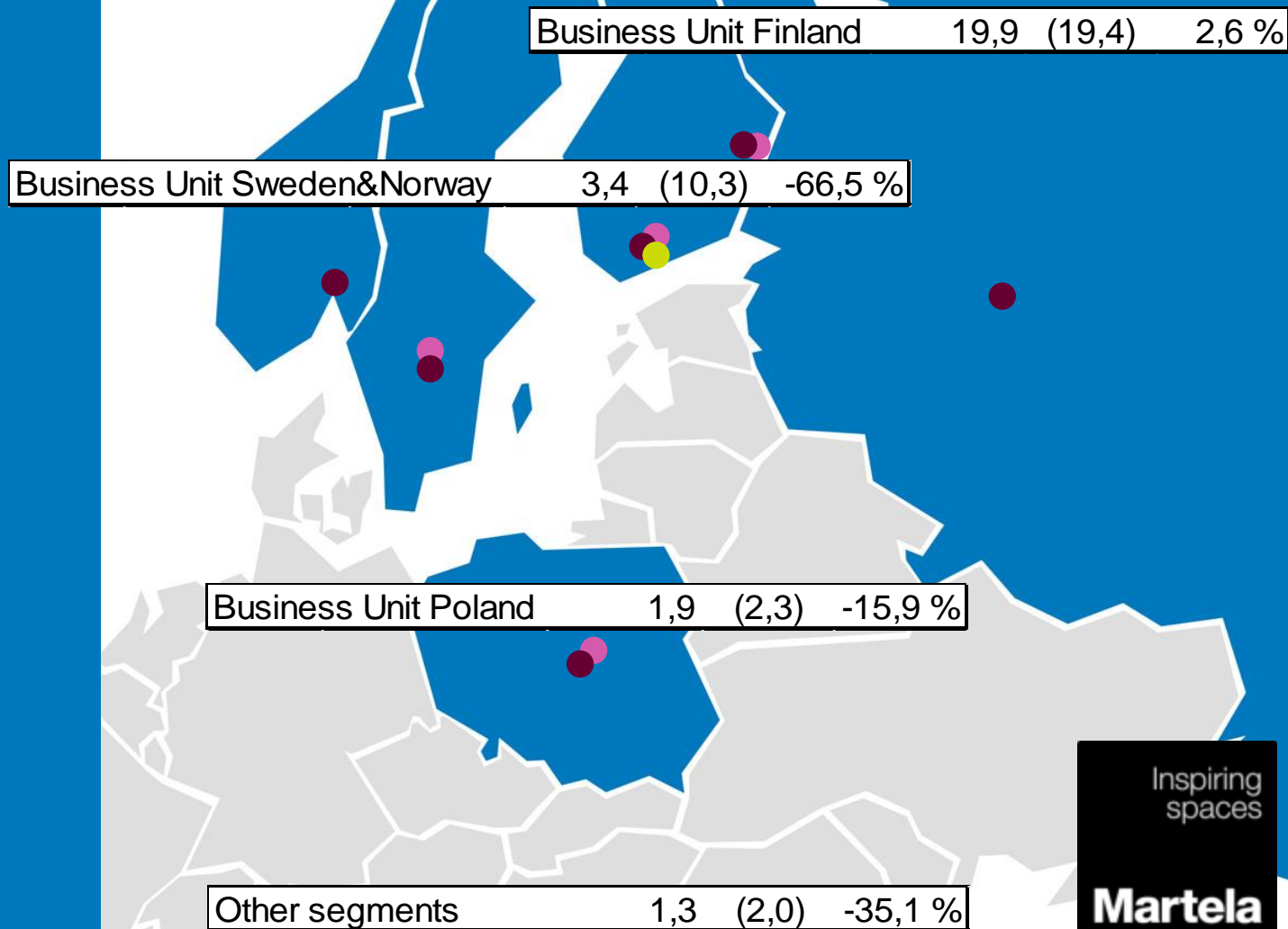
TURNOVER



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EXTERNAL REVENUE 1-3/2015 (2014)



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OPERATING PROFIT DEVELOPMENT 2015



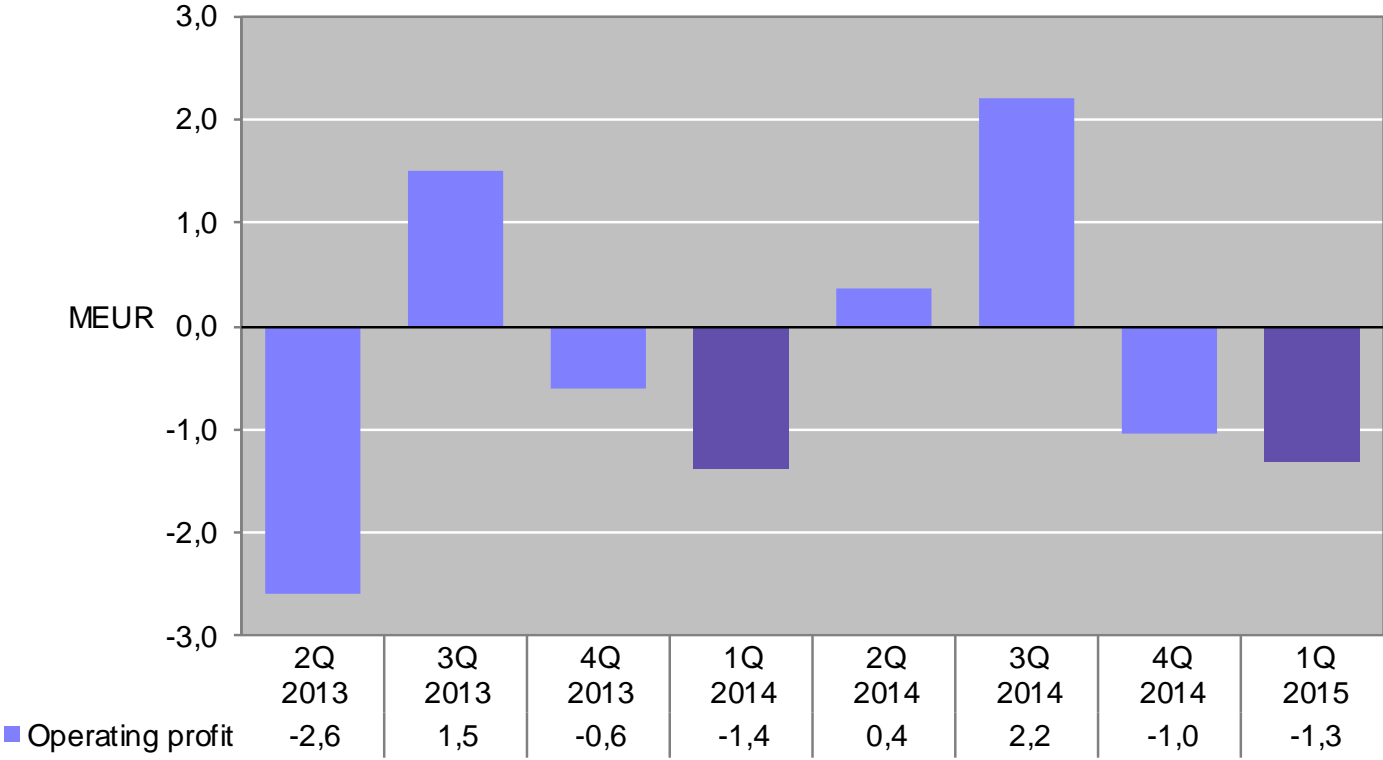
EUR million	1-3 2015	1-3* 2014	1-12* 2014
Finland	1,4	-0,4	2,8
Sweden & Norway	-0,6	0,1	-0,4
Poland	-0,5	-0,4	-1,6
Other Segments	-0,4	-0,5	0,4
Other	-1,2	-0,2	-1,1
Total	-1,3	-1,4	0,2

* The operating profit generated to Business Units from internal invoicing (included in Other Segments) has been changed for previous year in order to make the years comparable. This has caused small changes in the 2014 operating profits of the Business Units.

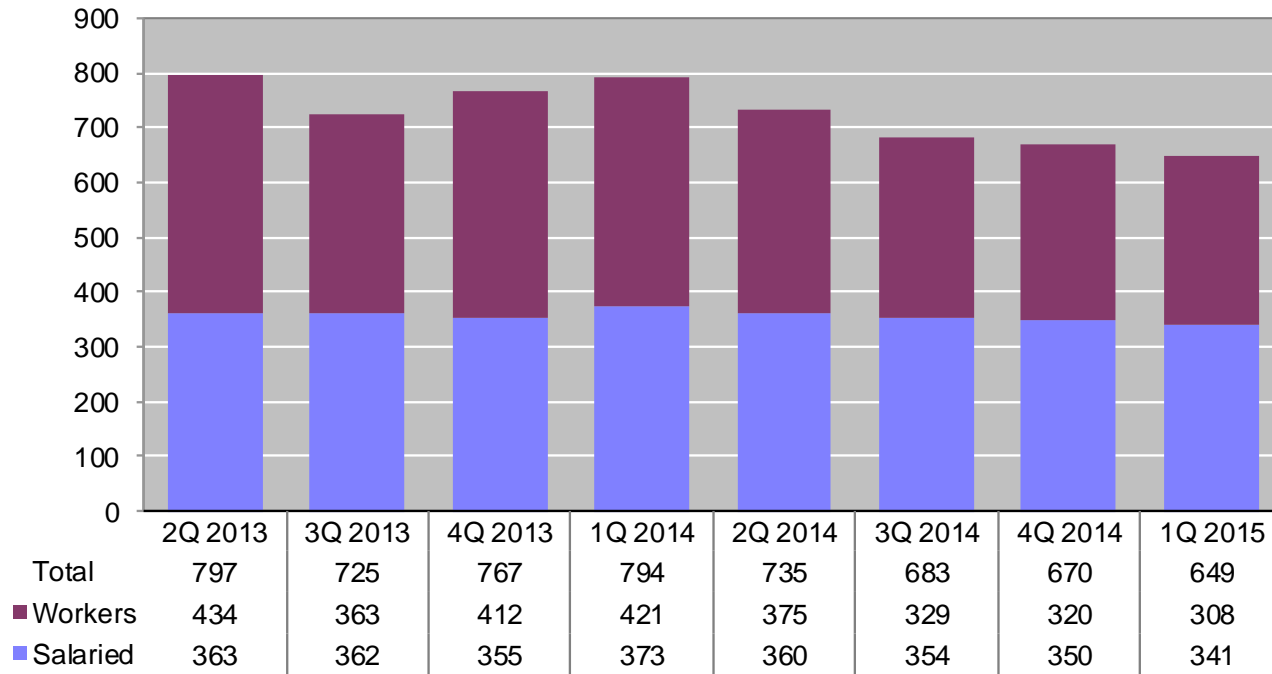
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OPERATING PROFIT



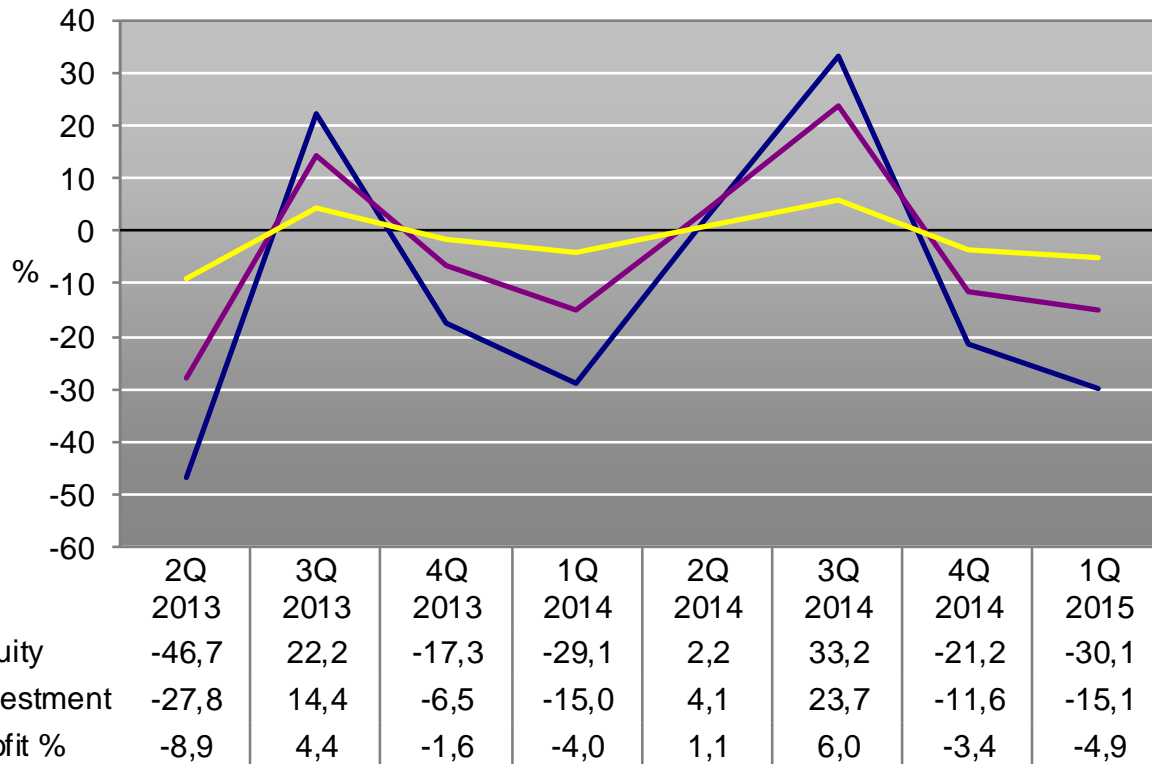
PERSONNEL AT WORK, END OF PERIOD



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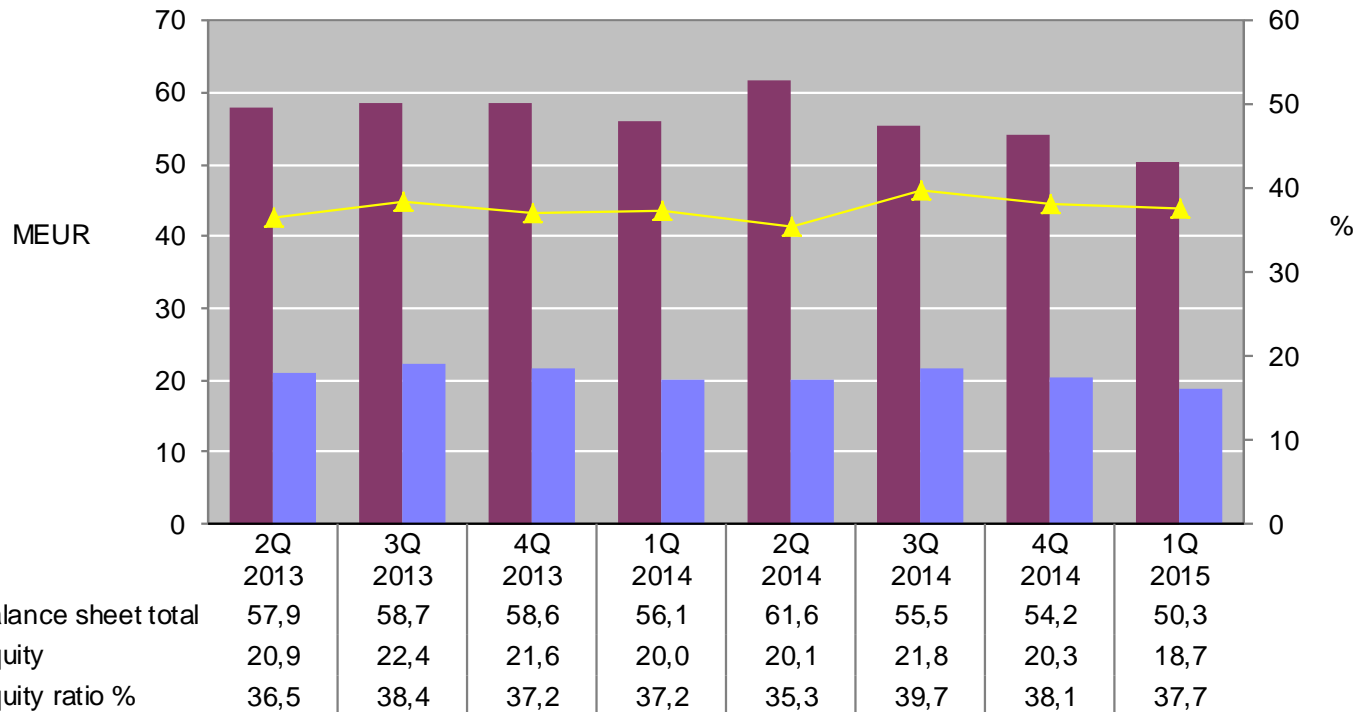
PROFITABILITY QUARTERLY



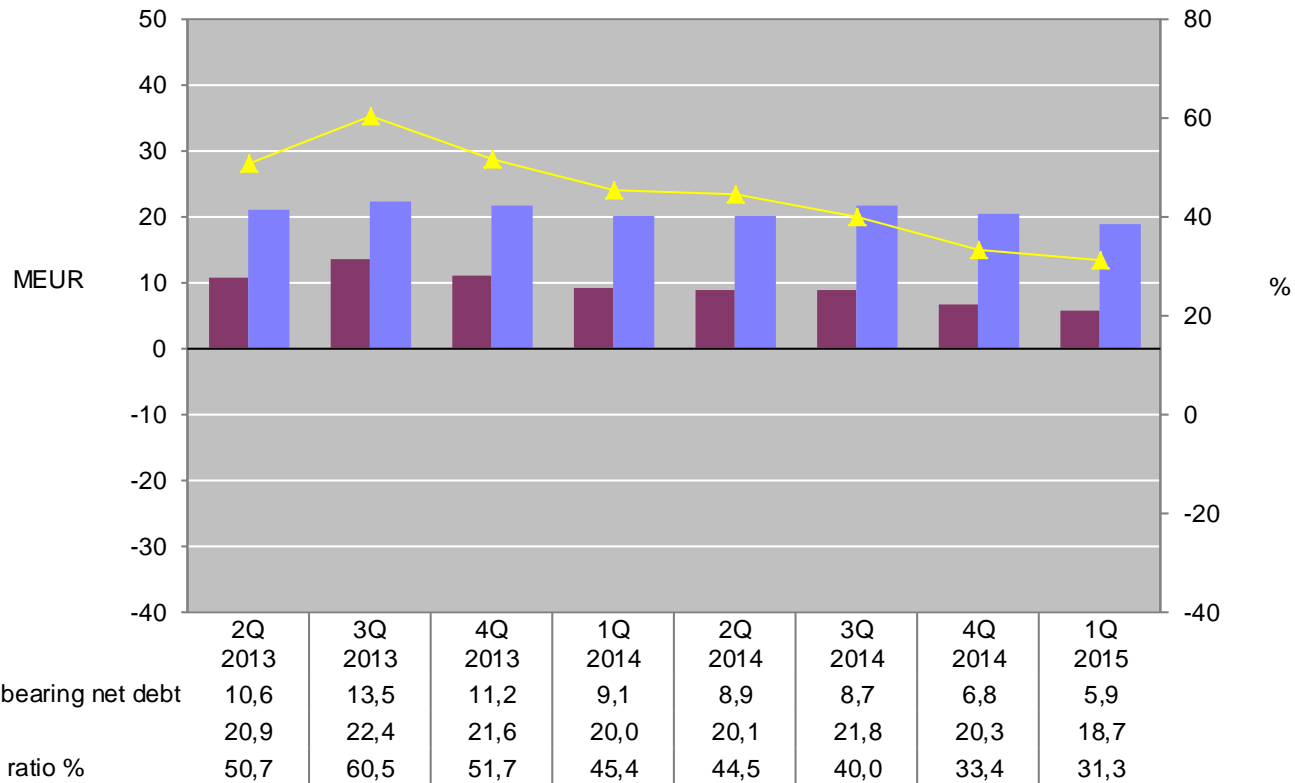
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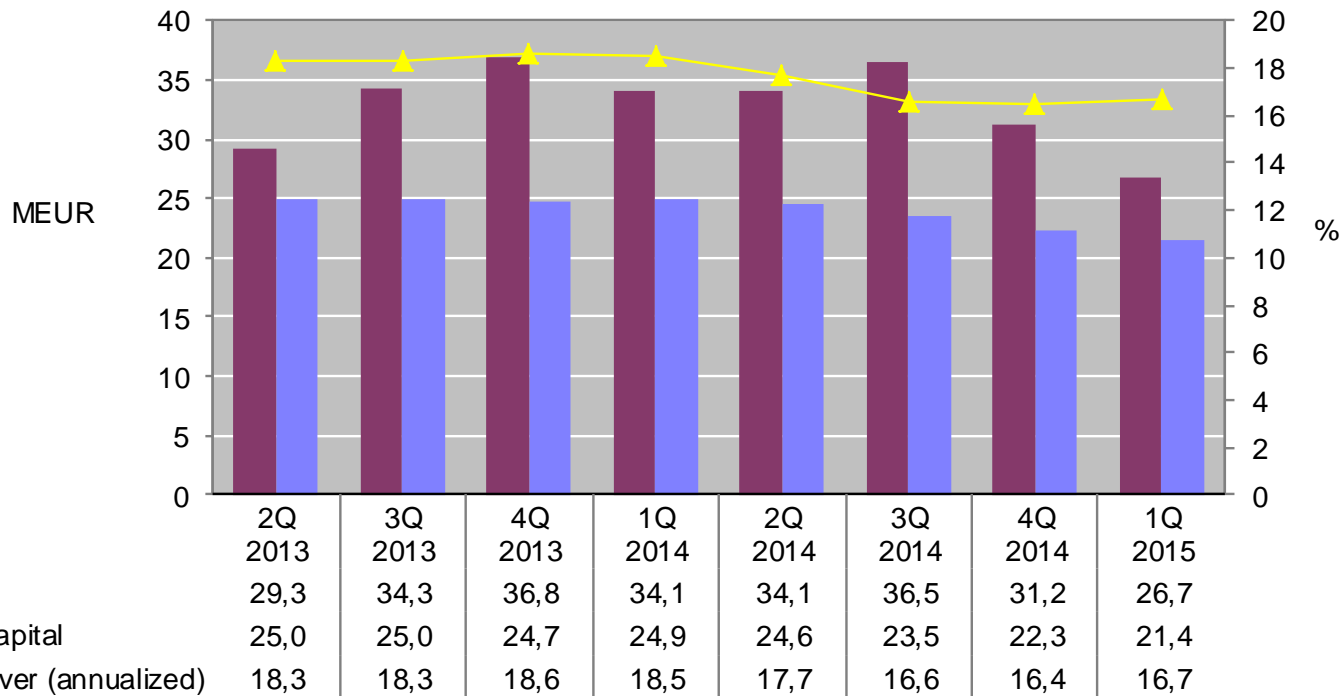
BALANCE SHEET



GEARING



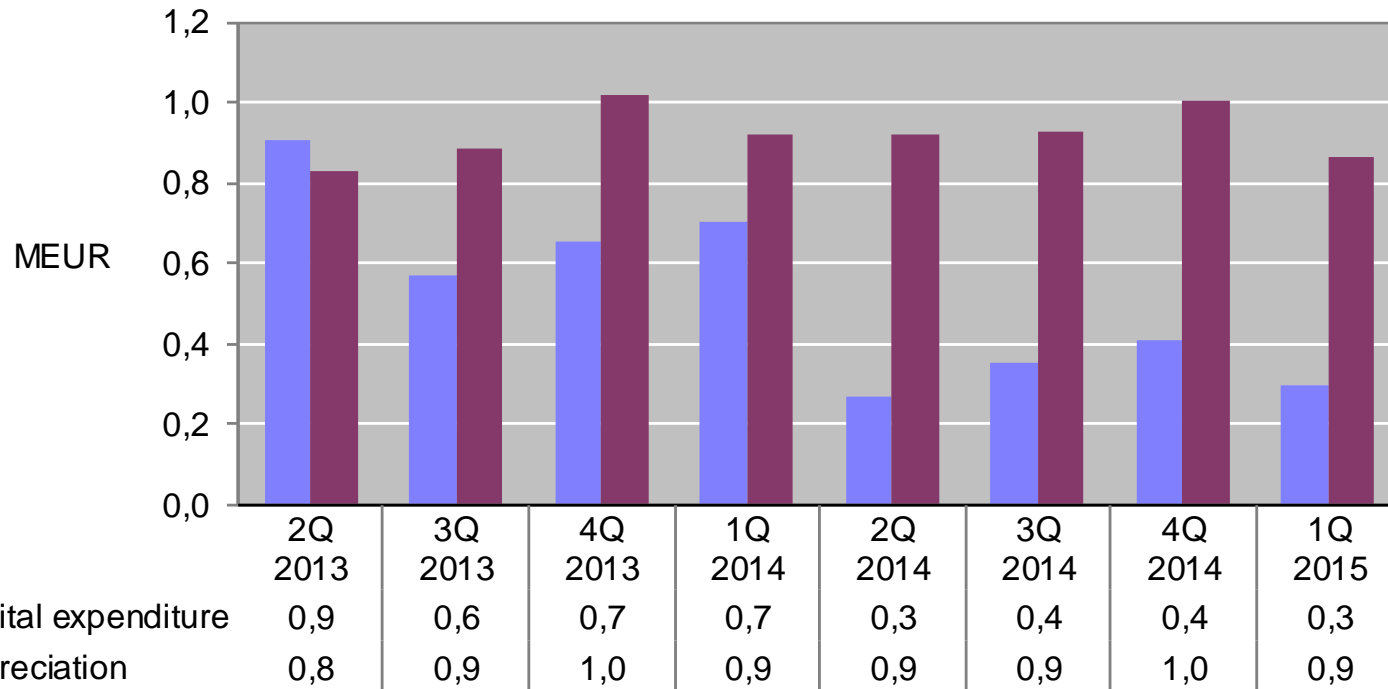
WORKING CAPITAL (AVERAGE 12 MONTHS)



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CAPITAL EXPENDITURE AND DEPRECIATION



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OUTLOOK FOR 2015

The Martela Group anticipates that its revenue in 2015 will be at the previous year's level or slightly decrease. The Group's operating result is estimated to show a slight year-on-year improvement. The Group's operating result is weighted towards the second half of the year due to normal seasonal variation, and this weighting is further emphasised by the timing of larger projects during 2015.