

2018

# Business review

January – September 2018

Inspiring  
spaces

**Martela**



## MARTELA CORPORATION'S BUSINESS REVIEW 1 JAN – 30 SEPTEMBER 2018

The January–September 2018 revenue decreased slightly from previous year's level and operating result was clearly weaker than in the comparison period. The operating result weakened due to the decrease in revenue and a lowered sales margin caused by a tightened market situation.

### July–September 2018

- Revenue was EUR 24.4 million (29.4), representing a change of -16.7 %
- Operating result was EUR 0.0 million (1.7)
- Operating result per revenue was -0.1 % (5,9 %)
- The result was EUR -0.1 million (1.5)
- Earnings per share amounted to EUR -0.03 (0.37)

### January–September 2018

- Revenue was EUR 75.3 million (80.0), representing a change of -5.9 %
- Operating result was EUR -1.9 million (0.2)
- Operating result per revenue was -2.5 % (0.2 %)
- The result for the period declined and was EUR -2.3 million (-0.4)
- Earnings per share amounted to EUR -0.55 (-0.09)

### Outlook

#### Outlook for 2018

Martela Group anticipates that its 2018 revenue and operating result will remain on the same level compared to the previous year.

### Key figures, EUR million

	2018	2017	Change	2018	2017	Change	2017
	7-9	7-9	%	1-9	1-9	%	1-12
Revenue	24.4	29.4	-16.7 %	75.3	80.0	-5.9 %	109.5
Operating result	0.0	1.7	-101.2 %	-1.9	0.2	-1111.3 %	0.3
Operating result %	-0.1 %	5.9 %		-2.5 %	0.2 %		0.2 %
Result before taxes	-0.1	1.6	-105.7 %	-2.3	-0.1		0.0
Result for the period	-0.1	1.5	-108.5 %	-2.3	-0.4		-0.6
Earnings/share,eur	-0.03	0.37	-108.5 %	-0.55	-0.09		-0.15

### Matti Rantaniemi, CEO:

“Revenue for January-September was EUR 75.3 million and decreased by 5.9% compared to previous year. Revenue increased in Norway, but decreased in Finland, Sweden and in other countries. Revenue in the third quarter 2018 was impacted by a decrease in the education market and prolonged contract negotiations in the public sector and the change of the sales channel to Martela Lifecycle –model in Sweden.



New orders in Finland and Norway continued to grow in the first nine months of 2018 compared to previous year, and declined in Sweden and in other countries.

Operating result declined significantly compared to previous year being EUR -1.9 million (0.2). This was result of decreased revenue and increased competition which resulted to lower sales margin. I don't see significant improvement in sales margin in the near future. Competitive situation will remain challenging in our main market areas. We have initiated actions to improve our sales margin in the future. In addition to these we have decided to further centralize logistic, finance and sales support functions to Finland. Objective of this change is to streamline the company's internal processes to better support customer needs. As a part of this change we have started co-operation negotiations at Martela Ab in Sweden in October. The aim of this change is to achieve EUR 0.5 million savings in operating expenses, starting from 2019. Delivery accuracy has remained on an excellent level and is considerably better than in previous year. Other expenses continued to decline compared to previous year.

Although this year has been challenging so far, the rest of the year looks better. We believe that sales in the last quarter of 2018 will improve in Finland when comparing to previous year, Norway will continue to grow and Sweden will stay on same level as last year. We will continue to focus on improving sales volumes and operating result as well as strengthening our financial position. “

## **EVENTS AFTER THE REVIEW PERIOD**

Martela Group lowered its revenue and operating result guidance for 2018 on October 12<sup>th</sup> 2018. The change was published with a stock exchange release the same day.

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Our strategic direction is defined by our mission “Better working” and our vision “People-centric workplaces”. Martela supplies user-centric workplaces where the users and their wellbeing are what matter most. We focus on the Nordic countries because, based on our common open work culture and needs, the Nordic countries are leaders in hybrid workplaces.