

MARTELA'S BUSINESS REVIEW FOR JANUARY - MARCH 2018

Revenue improved slightly in Q1 2018 compared to same period in previous year.

CEO MATTI RANTANIEMI:

Revenue increased in Finnish markets, remained on the same level in Norway and decreased in Sweden when compared to the same period in the previous year. New orders increased both in Finland and in Norway when compared to same period in previous year. There were no material changes in the market conditions, even though the competition in all market areas has tightened.

First quarter operating result was impacted by the sale of a land area in Finland, increase in sales costs, especially through increased activities in exhibitions and customer events, expenses related to the IT system and large recycling projects. Total impact from these non-recurring items to Q1 2018 operating result was 0.2 million euro.

Implementation of the new IT system has progressed as planned and Group's delivery reliability has improved compared to previous year. We will further improve and strengthen the systems functionalities in order to better meet the customer and personnel needs.

January-March 2018

Key figures, EUR million

	2018	2017	Change	2017
	1-3	1-3	%	1-12
Revenue	25,3	24,8	3,4 %	109,5
Operating result	-0,9	-0,6		0,3
Operating result %	-3,6 %	-2,5 %		0,2 %
Result before taxes	-1,1	-0,7		0,0
Result for the period	-1,1	-0,6		-0,6
Earnings/share, eur	-0,27	-0,16		-0,15

Outlook for 2018

Martela Group's outlook for 2018 has remained unchanged and the Company anticipates that its revenue and operating result in 2018 will improve compared to the previous year. Due to normal seasonal variations, the Group's operating result accumulates during the second half of the year.

Events after the review period

On April 25, 2018 Martela announced that current CFO Riittä Järnstedt will leave the company effective immediately. Company also announced that it has signed a co-operation agreement with Talent Pro Oy. As part of the co-operation agreement Mr Kalle Lehtonen (born 1974) shall begin as interim CFO and management team member effective immediately. Mr. Lehtonen has several years experience in various financial managerial positions and he has previously worked in e.g. ABB, Aldata Solutions and Ruukki Group Plc.

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Our strategic direction is defined by our mission “Better working” and our vision “People-centric workplaces”. Martela provides people centric workplaces where the users and their wellbeing are in the core. We focus on the Nordic countries, as the Nordic countries are forerunner in hybrid working environments with common open work culture background and needs.