

# Q3

panostaja

INTERIM REPORT

November 2015–July 2016

September 1, 2016



## PANOSTAJA OYJ'S INTERIM REPORT November 1, 2015–July 31, 2016

### May 1, 2016–July 31, 2016 (3 months)

- KotiSun's growth continued in the review period, with net sales increasing by 32% from the reference period in the previous year.
- Grano's net sales for the review period increased more than 17% from the reference period in the previous year. The main reason behind this is the acquisition of Multiprint Group in June 2015.
- The market situation remained challenging in many investment targets. Net sales increased in four of the eight targets. Net sales for the Group as a whole increased by 9.5% and stood at MEUR 41.6 (MEUR 37.9).
- EBIT improved in four of the eight investment targets, and the EBIT of the entire Group increased from MEUR 1.0 to MEUR 2.4.
- Earnings per share (undiluted) were 1.2 cents (-1.0 cents).
- MEUR 4.7 after expenses was confirmed as the final additional purchase price for the sale of Flexim Security. Panostaja's share of the amount stood at MEUR 3.3 before taxes. In the second quarter, Panostaja estimated the additional purchase price to be MEUR 4.0, with Panostaja's share before taxes standing at MEUR 2.8.

### November 1, 2015–July 31, 2016 (9 months)

- The market situation remained challenging in almost every investment target. Net sales increased in five of the eight investment targets. For the Group as a whole, net sales in the review period increased by 22% from the same period last year, standing at MEUR 126.8 (MEUR 104.1).
- EBIT improved in four of the eight investment targets, and the EBIT of the entire Group increased from MEUR 4.2 to MEUR 6.4.
- Earnings per share (undiluted) were 3.9 cents (-3.5 cents).

### Outlook for the 2016 financial period

Panostaja keeps its result management issued on December 11, 2015 unaltered. The Group's EBIT is expected to improve substantially over the course of the 2016 financial period.

### CEO Juha Sarsama:

"There was still significant variation in the profitability development of the investment targets in the third quarter of the financial period. KotiSun maintained its strong profitability development. On the other hand, the extremely poor profitability development of Takoma and Heatmasters continued. Despite the improvement in profit and loss, Grano, too, demonstrated slightly weaker development than expected as we have been unable to proceed with our efforts to increase efficiency due to structural challenges. These hindrances will be removed in the final quarter. Overall, the Group's EBIT increased to MEUR 2.4 from the previous year's MEUR 1.0.

In terms of the financial picture, we have not seen a substantial change compared to the previous quarter. During the financial period, there have been some positive signs in Finland's economic situation with regard to construction in particular, but the climate remains uncertain. Various threat scenarios

related to the development of the global economy, political risks, the collapse of raw material prices and the financial markets still cause uncertainty that affects economic development in Europe and Finland. The overall economic situation remains challenging, which is reflected in almost all of our investment targets.

The corporate acquisitions market, as a whole, was active in the period under review, and the availability of new opportunities has remained high. However, discussions regarding the acquisition of new investment targets are often lengthy processes. In addition to this, the competition for some of the corporate acquisition opportunities is fierce. We are actively exploring new investment opportunities, but at this stage of the financial period it is no longer likely that we will reach our earlier goal of making two new investments before the end of the period at the valuation levels we thought plausible.”

## Investment targets

### Grano



Grano is the leading provider of digital printing services in Finland.

Grano's net sales for the review period increased more than 40% from the previous year. The main reason behind this is the acquisition of Multiprint Group in June 2015. Grano's EBIT increased from MEUR 2.9 to MEUR 5.9, which is 9.1% of the net sales (6.1%). The third quarter result for the reference year includes MEUR 1.5 in costs related to the acquisition of Multiprint.

Grano's market situation remains challenging. The exception to this is construction-related services. There are also significant regional differences in the market situation.

During the review period, the company implemented a strategy mobilization tour as well as carried out and prepared growth measures particularly in relation to digital business operations. In addition to this, a wide variety of development projects were kicked off in the third quarter.

Micromedia's marketing logistics operations were acquired immediately after the review period. The deal solidifies Grano's position as a comprehensive service provider.

MEUR	3 months	3 months	9 months	9 months	12
	5/16-7/16	5/15-7/15	11/15-7/16	11/14-7/15	11/14-10/15
Net sales, MEUR	20.8	17.9	65.4	46.5	69.9
EBIT, MEUR	1.6	0.2	5.9	2.9	5.9
Net liabilities	36.2	37.0	36.2	37.0	37.2
Panostaja's shareholding	51.9%				

### KotiSun

KotiSun provides heating, water and sewer renovations for detached houses.



KotiSun's net sales for the review period increased by 30% compared to the previous year. This growth was partly accelerated by the sewer business that has been part of the operations since the beginning of the financial period. In the review period, significant equipment investment was made in the wake of increased sales.

Profitability has remained good. EBIT for the review period grew from the reference period's MEUR 2.8 to MEUR 3.9. EBIT in the review period was encumbered by the difference of MEUR -0.5 between the values of KotiSun Oy's additional purchase price and the estimated value on the balance sheet date (Q1 2015).

There were no changes in the market situation during the review period, and demand for KotiSun's services has remained good.

MEUR	3 months	3 months	9 months	9 months	12 months
	5/16-7/16	5/15-7/15	11/15-7/16	11/14-7/15	11/14-10/15
Net sales, MEUR	7.9	6.0	22.0	17.0	23.7
EBIT, MEUR	1.4	1.0	3.9	2.8	4.2
Net liabilities	8.3	7.7	8.3	7.7	8.2
Panostaja's shareholding	57.3%				

## Megaklinikka



Megaklinikka provides dental care with an entirely new concept.

Megaklinikka's net sales for the review period stood at MEUR 3.4 while its EBIT was MEUR -0.9. Megaklinikka was acquired in March 2015, so the data for the reference year are from a period of five months. The profit/loss for the review period is encumbered by the costs of the initial phase of the dental care model with monthly payments, which was implemented at the beginning of the financial period. Furthermore, notable investments were made in marketing over the course of the review period, and the preparations of the Stockholm clinic created additional expenses.

The demand has remained poor in Helsinki. As regards state-reimbursed dental care, visits in Helsinki dropped by some 8% from the previous year between May and July. The decline in demand is partially due to the reductions in KELA reimbursements that came into effect at the beginning of the year.

In the third quarter, Megaklinikka and the municipality of Kirkkonummi entered into an agreement on an ERP system service for oral health care. Prior to this, Megaklinikka won the competitive bidding held by the City of Jyväskylä for the procurement of an ERP system for oral health care and agreed upon expanding the operations with ten new treatment rooms. Earlier, during the review period, the City of Joensuu also implemented the ERP system for a trial period. The system has garnered widespread interest and its prospects are good.

The construction work of the Stockholm clinic has proceeded on schedule, and the clinic will be opened in September.

MEUR	3 months	3 months	9 months	9 months	12 months
	5/16-7/16	5/15-7/15	11/15-7/16	11/14-7/15	11/14-10/15
Net sales, MEUR	1.1	1.3	3.4	2.2	3.4
EBIT, MEUR	-0.2	-0.2	-0.9	-0.3	-0.5
Net liabilities	4.2	2.7	4.2	2.7	3.2
Panostaja's shareholding	74.8%				

### Takoma



Takoma manufactures mechanical power transmission components.

Takoma's net sales in the review period fell by 18% from the previous year due to the highly challenging market situation. Fixed costs and working capital were optimized and lay-offs were utilized widely. Despite the adaptation measures, EBIT plunged to a clear loss.

The marine industry and offshore sectors are in decline. The slightly improved demand in industry does not yield a sufficient number of orders to rectify the situation. The challenging market has resulted in a MEUR 2.9 decline in Takoma's order book, which is a decrease of 51% from the review period.

MEUR	3 months	3 months	9 months	9 months	12 months
	5/16-7/16	5/15-7/15	11/15-7/16	11/14-7/15	11/14-10/15
Net sales, MEUR	2.3	2.8	8.3	10.1	13.2
EBIT, MEUR	-0.3	-0.1	-0.8	-0.4	-0.7
Net liabilities	4.2	4.3	4.2	4.3	4.2
Panostaja's shareholding	63.1%				

### Selog



Selog is the largest wholesaler of ceiling materials in Finland.

In the review period, Selog's net sales and profitability remained at the level of the previous year.

The market has picked up slightly but the effects on interior construction will take some time to materialize.

MEUR	3 months	3 months	9 months	9 months	12 months
	5/16-7/16	5/15-7/15	11/15-7/16	11/14-7/15	11/14-10/15
Net sales, MEUR	2.8	2.7	7.6	7.4	9.9
EBIT, MEUR	0.2	0.2	0.5	0.4	0.5
Net liabilities	0.4	0.6	0.4	0.6	0.9
Panostaja's shareholding	60.0%				

### Helakeskus



Helakeskus is an important wholesaler of furniture fittings in Finland.

As a result of the slow July, Helakeskus' net sales in the review period fell slightly behind the previous year, but operational profitability remained the same.

In the review period, the company centralized its operations and divested its construction fitting business by selling the Rakennushelasto Oy shares to the acting management. The sale resulted in a MEUR 0.3 write-down, which has already been entered in the second quarter result as a valuation loss.

Some signs of revitalization can be seen in the field of construction. The customer order book and future prospects give hope for a slight increase in net sales. The focus of construction has shifted heavily to project construction at the expense of new single-family houses, for example. The company has been successful in following customer needs and adapting to their rapid changes and new challenges.

MEUR	3 months	3 months	9 months	9 months	12 months
	5/16-7/16	5/15-7/15	11/15-7/16	11/14-7/15	11/14-10/15
Net sales, MEUR	2.3	2.5	7.4	7.8	10.4
EBIT, MEUR	0.2	0.2	0.1	0.4	0.7
Net liabilities	5.4	6.3	5.4	6.3	6.4
Panostaja's shareholding	95.3%				

**KL-Varaosat**

KL-Varaosat is a wholesaler and retailer of MB, BMW and Volvo parts.

KL-Varaosat's net sales for the review period increased 13% from the previous year. Profitability also increased clearly over the reference year.

The prospects for trade and services improved slightly during the third quarter, along with consumer confidence. However, this development was not yet mirrored by the company's sales volumes.

The expansions of the product range and the network of operating locations, which were implemented between 2014 and 2015, have developed as planned. These areas still have plenty of development potential based on the large number of cars covered by the areas of the new locations and the new brand. The wide reform of online services, which is currently under way within the company, has proceeded as planned.

MEUR	3 months	3 months	9 months	9 months	12 months
	5/16-7/16	5/15-7/15	11/15-7/16	11/14-7/15	11/14-10/15
Net sales, MEUR	3.2	3.0	9.6	8.5	11.8
EBIT, MEUR	0.2	0.2	0.7	0.2	0.5
Net liabilities	1.7	2.4	1.7	2.4	2.2
Panostaja's shareholding	75.0%				

**Heatmasters**

Heatmasters provides metal heat treatment services and technology.

Heatmasters' net sales for the review period were almost 40% lower than in the previous year. The poor demand primarily results from a very low invoicing level of some of the main customers as well as the fact that almost all investment projects have been postponed. In addition to this, the start-up costs of the new units (HM Scandinavia, HM Inc, Turku) and the inverter device's product development costs encumber the EBIT. Due to the low demand, efforts will be made to streamline the operations and the lay-offs will be continued as applicable.

A new service center was opened in Turku. HM Inc. was opened in the Houston area in Texas earlier during the review period. The distribution network of the equipment business was expanded to the Netherlands, France and North Africa.

MEUR	3 months	3 months	9 months	9 months	12 months
	5/16-7/16	5/15-7/15	11/15-7/16	11/14-7/15	11/14-10/15
Net sales, MEUR	1.2	1.8	3.2	5.0	6.3
EBIT, MEUR	-0.2	0.1	-0.7	0.2	0.1

Net liabilities	0.4	-0.3	0.4	-0.3	-0.9
Panostaja's shareholding	80.0%				

## FINANCIAL DEVELOPMENT November 1, 2015–July 31, 2016

### Key figures Panostaja Group

MEUR	Q3	Q3	9 months	9 months	12 months
	5/16- 7/16	5/15- 7/15	11/15- 7/16	11/14- 7/15	11/14- 10/15
Net sales, MEUR	41.6	37.9	126.8	104.1	148.2
EBIT, MEUR	2.4	1.0	6.4	4.2	7.3
Profit before taxes, MEUR	1.9	0.1	4.8	2.0	3.4
Profit/loss for the financial period, MEUR	1.7	0.2	6.2	0.0	13.5
Earnings per share, undiluted (EUR)	0.01	-0.01	0.04	-0.04	0.14
Equity per share (EUR)	0.73	0.57	0.73	0.57	0.74
Operating cash flow (MEUR)	0.5	3.8	5.0	9.6	8.0

### MAY 2016–JULY 2016

During the review period, the Group's net sales increased by 9.5% and stood at MEUR 41.6 (MEUR 37.9). The impact of the corporate acquisitions on the MEUR 3.6 growth in net sales stood at MEUR 2.4. Export amounted to MEUR 0.6, or 1.5% (MEUR 0.1, or 0.3%), of net sales. Net sales increased in four of the eight investment targets.

EBIT improved from MEUR 1.0 to MEUR 2.4. EBIT improved in four of the eight investment targets. The development of the net sales and EBIT has been commented on for each respective investment target.

The profit for the review period was MEUR 1.7 (MEUR 0.2). An additional purchase price related to the sale of Flexim Security in the amount of MEUR 0.5 (after taxes and expenses) has been recorded in the period's profit/loss. In the previous quarters, additional purchase price was already recorded in the amount of MEUR 3.2.

### NOVEMBER 2015–JULY 2016



Net sales for the review period increased by 22% and were MEUR 126.8 (MEUR 104.1). The impact of the corporate acquisitions on the MEUR 22.6 growth in net sales stood at MEUR 18.8. Export amounted to MEUR 2.6, or 2.1% (MEUR 4.6, or 3.8%), of net sales. Net sales increased in five of the eight investment targets.

EBIT improved from MEUR 4.2 to MEUR 6.4. EBIT improved in four of the eight investment targets. The development of the net sales and EBIT has been commented on for each respective investment target.

The profit for the review period was MEUR 6.2 (MEUR 0.0). The period's profit/loss includes the recording of a MEUR 3.7 (after taxes and expenses) additional purchase price related to the sale of Flexim Security.

The income statement for operations discontinued during the reference period has been separated from the income statement for continuing operations and the profit/loss for them is presented in accordance with the IFRS standards in the row 'Earnings from discontinued operations.'

#### Distribution of net sales by segment

MEUR	Q3	Q3	9 months	9 months	12 months
	5/16- 7/16	5/15- 7/15	11/15- 7/16	11/14- 7/15	11/14- 10/15
<b>Net sales</b>					
Grano	20.8	17.9	65.4	46.5	69.9
KotiSun	7.9	6.0	22.0	17.0	23.7
Takoma	2.3	2.8	8.3	10.1	13.2
Selog	2.8	2.7	7.6	7.4	9.9
Helakeskus	2.3	2.5	7.4	7.8	10.4
KL-Varaosat	3.2	3.0	9.6	8.5	11.8
Heatmasters	1.2	1.8	3.2	5.0	6.3
Megaklinikka	1.1	1.3	3.4	2.2	3.4
Others	0.0	0.0	0.0	0.0	0.0
Eliminations	-0.1	0.0	-0.1	-0.3	-0.3
Group in total	41.6	37.9	126.8	104.1	148.2

#### Distribution of EBIT by segment

MEUR	Q3	Q3	9 months	9 months	12 months
------	----	----	----------	----------	-----------

EBIT	5/16- 7/16	5/15- 7/15	11/15- 7/16	11/14- 7/15	11/14- 10/15
Grano	1.6	0.2	5.9	2.9	5.9
KotiSun	1.4	1.0	3.9	2.8	4.2
Takoma	-0.3	-0.1	-0.8	-0.4	-0.7
Selog	0.2	0.2	0.5	0.4	0.5
Helakeskus	0.2	0.2	0.1	0.4	0.7
KL-Varaosat	0.2	0.2	0.7	0.2	0.5
Heatmasters	-0.2	0.1	-0.7	0.2	0.1
Megaklinikka	-0.2	-0.2	-0.9	-0.3	-0.5
Others	-0.6	-0.8	-2.2	-2.1	-3.3
Group in total	2.4	1.0	6.4	4.2	7.3

Panostaja Group's business operations for the period under review are reported in nine segments, which are Grano, Kotisun, Takoma, Selog, Helakeskus, KL-Varaosat, Heatmasters, Megaklinikka and Others (parent company and associated companies).

There were no significant changes in the net sales of the Others segment. In the review period, three associated companies, Juuri Partners Oy, Ecosir Group Oy and Spectra Yhtiöt Oy, issued reports to the parent company. The impact on profit/loss of the reported associated companies in the review period was MEUR 0.1 (MEUR -0.2), which is presented in a separate row in the consolidated income statement.

## PERSONNEL

	July 31, 2016	July 31, 2015	Change	October 31, 2015
Average number of employees	1,302	1,312	-1%	1,176
Employees at the end of the review period	1,364	1,511	-10%	1,239

Employees in each segment at the end of the review period	July 31, 2016	July 31, 2015	Change	October 31, 2015
Grano	763	782	-2%	775
Flexim	0	263	-100%	0
KotiSun	277	131	111%	139
Takoma	84	91	-8%	90
Selog	14	14	0%	14

Helakeskus	26	32	-19%	28
KL-Varaosat	51	51	0%	47
Heatmasters	50	49	2%	51
Megaklinikka	90	89	1%	86
Others	9	9	0%	9
Group in total	1,364	1,511	-10%	1,239

The Group's number of employees was increased by the Multiprint arrangement and Megaklinikka, which was purchased in the previous financial period. Flexim, which was sold in the previous financial period, is still included in the Group's reference figures. At the end of the review period, Panostaja Group employed a total of 1,364 persons, while the average number of personnel during the review period was 1,302. During the review period, Panostaja continued to develop its personnel in line with its strategy.

## INVESTMENTS AND FINANCE

Panostaja signed agreements for a financing package worth a total of MEUR 30.0 on December 8, 2015. The package consists of MEUR 20.0 in loans and a MEUR 10.0 acquisition limit. The loans are secured debt loans. The 20.0 million in loans were withdrawn during the review period.

Over the course of the review period, Panostaja repaid the MEUR 15.0 convertible subordinated loan.

The financial position and investment resources of Panostaja's parent company are good, which enables new investments. The parent company's funds, financial securities and liquid fund shares stood at MEUR 15.4. In addition to this, the parent company has a MEUR 10.0 corporate acquisition limit for implementing corporate acquisitions.

The Group's operating cash flow deteriorated and was MEUR 5.0 (MEUR 9.6). Liquidity remained good. The Group's liquid assets were MEUR 27.5 (October 31, 2015: MEUR 30.6) and interest-bearing net liabilities were MEUR 49.6 (October 31, 2015: MEUR 45.7). The gearing ratio increased and stood at 73.4% (October 31, 2015: 65.2%). The increase in the gearing ratio was mainly due to the distribution of dividends from the investment targets during the review period. The Group's net financial expenses for the review period were MEUR -1.7 (MEUR -1.9), or 1.3% (1.8%) of net sales.

The Group's gross capital expenditure for the review period was MEUR 7.0 (MEUR 29.9), or 5.5% (28.8%) of net sales. Investments were mainly targeted at corporate acquisitions as well as tangible and intangible assets.

Financial position MEUR	July 31, 2016	July 31, 2015	October 31, 2015
Interest-bearing liabilities	81.3	83.5	79.8
Interest-bearing receivables	4.2	4.1	3.5
Cash and cash equivalents	27.5	20.8	30.6

Interest-bearing net liabilities	49.6	58.7	45.7
Equity (belonging to the parent company's shareholders as well as minority shareholders)	67.6	56.6	70.1
Gearing ratio, %	73.4	103.6	65.2
Equity ratio, %	37.3	30.4	37.5
Return on equity, %	11.9	0.0	23.0
Return on investment, %	9.2	4.1	12.4

### GROUP STRUCTURE CHANGES

There were no changes to the Group structure during the review period.

### SHARE PRICE DEVELOPMENT AND SHARE OWNERSHIP

Panostaja Oyj's share closing rate fluctuated between EUR 0.81 (lowest quotation) and EUR 0.91 (highest quotation) during the third quarter. In the period under review, a total of 1,644,326 shares were exchanged, which amounts to 3.2% of the share capital. The July 2016 share closing rate was EUR 0.89. The market value of the company's share capital at the end of July 2016 was MEUR 46.8 (MEUR 45.5). At the end of July 2016, the company had 3,615 shareholders (3,640).

Development of share exchange	3Q/2016	3Q/2015	1-3Q/2016	1-3Q/2015	2015
Shares exchanged, 1,000 pcs	1,644	1,495	4,951	5,492	6,508
% of share capital	3.2	2.9	9.6	10.7	12.7

Share	July 31, 2016	July 31, 2015	October 31,
Shares in total, 1,000 pcs	52,533	51,733	51,733
Own shares, 1,000 pcs	368	356	342
Closing rate	0.89	0.88	0.96
Market value (MEUR)	46.8	45.5	44.5
Shareholders	3,615	3,640	3,660

## ADMINISTRATION AND GENERAL MEETING

Panostaja Oyj's Annual General Meeting was held on February 2, 2016 in Tampere. The number of Board Members was confirmed at six and the following persons were elected to the Board for the term ending at the end of the next Annual General Meeting: Jukka Ala-Mello, Eero Eriksson, Mikko Koskenkorva, Antero (Antti) Virtanen and Hannu Tarkkonen were re-elected and Tarja Pääkkönen was included as a new member.

The audit firm PricewaterhouseCoopers Oy and Authorized Public Accountant Markku Launis were elected as auditors for the period that ends at the end of the Annual General Meeting following the election. The audit firm PricewaterhouseCoopers Oy has stated that Authorized Public Accountant Lauri Kallaskari will serve as the chief responsible public accountant.

The General Meeting confirmed the financial statements and consolidated financial statements presented for the financial year November 1, 2014–October 31, 2015 and resolved that shareholders be paid a dividend of EUR 0.05 per share.

The Meeting also resolved that the Board be authorized to decide, at its discretion, on the potential distribution of assets to shareholders, should the company's financial status permit this, either as dividends or as repayment of capital from the invested unrestricted equity fund. The maximum distribution of assets performed on the basis of this authorization totals EUR 4,700,000. The authorization includes the right of the Board to decide on all other terms and conditions relating to said asset distribution. The authorization will remain valid until the beginning of the next Annual General Meeting. The General Meeting granted exemption from liability to the members of the Board and to the CEO.

The General Meeting resolved that the remuneration of the Board of Directors remain unchanged and that the Chairman of the Board be paid EUR 40,000 as compensation for the term that ends at the end of the next Annual General Meeting, and that the other members of the Board each be paid a compensation of EUR 20,000 for the same period. It was further resolved at the General Meeting that approximately 40% of the compensation remitted to the members of the Board be paid on the basis of the share issue authorization given to the Board, by issuing company shares to each Board member if the Board member does not own more than one percent (1%) of the company's shares on the date of the General Meeting. If the holding of a Board member on the date of the Meeting is over one percent (1%) of all company shares, the compensation will be paid in full in monetary form. Furthermore, the General Meeting decided that the travel expenses of the Board members will also be paid based on the maximum amount specified in the valid grounds for payment of travel expenses ordained by the Finnish Tax Administration.

In addition, the Board was authorized to decide on the acquisition of the company's own shares in one or more installments so that the number of the company's own shares to be acquired may not exceed 5,100,000 in total, which corresponds to about 9.86% of the company's total stock of shares. By virtue of the authorization, the company's own shares may be obtained using unrestricted equity only. The company's own shares may be acquired at the date-of-acquisition price in public trading arranged by NASDAQ Helsinki Oy or otherwise at the prevailing market price. The Board of Directors will decide how the company's own shares are to be acquired. The company's own shares may be acquired not following the proportion of ownership of the shareholders (directed acquisition). The authorization issued at the Annual General Meeting of February 5, 2015 to decide on the acquisition of the company's own shares is cancelled by this authorization. The authorization will remain valid until August 2, 2017.

Immediately upon the conclusion of the General Meeting, the company's Board held an organizing meeting in which Jukka Ala-Mello was elected Chairman and Eero Eriksson Vice Chairman.

The Board of Directors has not used the authorization granted by the Annual Meeting to acquire the company's own shares during the review period.

## SHARE CAPITAL AND THE COMPANY'S OWN SHARES

At the close of the review period, Panostaja Oyj's share capital was EUR 5,568,681.60. The total number of shares is 52,533,110.

Under the authorization provided by the Annual General Meeting, Panostaja Oyj's Board of Directors decided on May 4, 2016 to carry out a free-of-charge share issue of 800,000 shares, pursuant to Chapter 9, Section 20 of the Limited Liability Companies Act, to the company itself. This was to ensure that the company holds a sufficient number of its own shares for securing the commitment of key personnel and for other purposes decided on by the Board of Directors. The new shares were recorded in the Trade Register on May 6, 2016.

During the review period, Panostaja sold 700,000 of its own shares to Management Team members as part of the long-term share-based incentive and commitment scheme.

The total number of shares held by the company at the end of the review period was 368,370 individual shares (at the beginning of the review period: 342,398). The number of the company's own shares corresponded to 0.7% of the number of shares and votes at the end of the entire review period.

In accordance with the decisions by the General Meeting on February 5, 2015 and by the Board, Panostaja Oyj relinquished a total of 32,800 individual shares as share bonuses to the company management on December 11, 2015. On December 11, 2015, the company relinquished to the Board members a total of 13,483 shares, on March 4, 2016, a total of 13,793 shares, and on June 3, 2016, a total of 13,952 shares, for a grand total of 41,228 shares as meeting compensation.

## **EQUITY CONVERTIBLE SUBORDINATED LOAN AND HYBRID LOAN**

The convertible subordinated loan of 2011 was paid back in full over the course of the review period.

On May 27, 2013, the Group issued an equity convertible subordinated loan to the value of MEUR 7.5. The equity convertible subordinated loan has no maturity date, but the Group is entitled, but not obliged, to redeem the loan within four years. Based on the contract, the annual interest is 9.75%. Interest is only paid if the company decides to distribute dividends. If dividends are not distributed, the Group will decide separately on the payment of interest. In the consolidated financial statements, the loan is classified as equity and interest is presented as dividend.

On May 27, 2016, Panostaja Oyj paid hybrid loan interest in the amount of MEUR 0.7.

## **EVENTS AFTER THE REVIEW PERIOD**

No significant events after the review period.

## MARKET PROSPECTS

The financial situation and atmosphere in Finland as well as the threats related to the development of the global economy, political risks, the development of raw material prices and the financial market have largely kept the markets in a poor state. The drop in the price of oil has slowed down investments significantly in the off-shore sector. The impact of the poor market situation has been particularly strong on investment targets serving the technology industry. Over the course of the year, the construction industry has shown signs of revitalized demand. Although the financial situation of companies in the SME sector has worsened due to increasing regulation, financing is available for good projects. The corporate acquisitions market, as a whole, was active in the period under review, and the availability of new opportunities has remained high.

## THE MOST SIGNIFICANT SHORT-TERM BUSINESS RISKS AND RISK MANAGEMENT

Risk management is part of the Panostaja Group's management and monitoring systems. Panostaja aims to identify and monitor changes in the business environment and general market situation of its investment targets, to react to them and to utilize the business opportunities that they present. Risk is classified as factors that may endanger or impede Panostaja or the investment targets owned by it from achieving strategic objectives, improvement in profit and the financial position or business continuity, or that may otherwise cause significant consequences for Panostaja, its owners, investment targets, personnel or other stakeholder groups. A more detailed report on Panostaja's risk management policy and the most significant risks was published in the 2015 annual report. Financial risks are discussed in greater detail in the Notes to the 2015 Financial Statements.

**Market risks, general:** General market risks are mainly tied to the uncertainty resulting from Finland's economic situation and the development of the global economy, political risks, the collapse of raw material prices, the prolonged instability of the financial market and the possible effects these factors may have on achieving the goals set for the investment targets. The change in the financial markets and the tightening on credit issue may hamper the realization of corporate acquisitions and the availability of finance for working capital.

**Market risks, operating fields of the investment targets:** The instability of the overall economic situation has led to a decline in customer demand as well as the postponement of investments, which may result in a need for consolidated goodwill write-downs. Economic prospects in the fields of the existing investment targets are strongly tied to the prospects of customer enterprises. Expectations for the financial situation are still characterized by uncertainty and poor forecastability. The prospects in Panostaja's investment targets vary from positive to weak. Panostaja regularly assesses the risks for each investment target and, based on the updated risk assessment, takes the necessary remedial action.

**Strategic risks:** Panostaja represents the Finnish SME sector extensively. The net sales are divided among eight investment targets with a varying cyclical nature. The Group's business structure partially evens out economic fluctuations. In spite of this, general and target-specific market risks can, however, affect the Group's result and financial development. In the investment targets, the expected market situation is taken into account by adapting operations and costs to market demand and by safeguarding the financial position. In changes in the global economy, Panostaja also sees opportunities to improve its

market position, for example through corporate acquisitions. The crises in Russia, Ukraine and Syria do not have direct effects on Panostaja Group, but their protraction is negatively affecting demand on the domestic Finnish market and thereby the development of Panostaja's profit and financial position.

**Financial risks:** As a consequence of its operations, the Group is exposed to many financial risks. The aim of risk management is to limit the adverse effects of changes in financial markets on the result and financial development of the Group. The Group's revenue and operative cash flows are mainly independent of fluctuations in market interest rates. The interest risk of the Group mainly constitutes borrowing, which is spread over variable and fixed-interest loans. Some of the investment targets use interest rate swaps and interest rate ceiling agreements. The Group mainly operates in the eurozone and so is only exposed to foreign exchange risks resulting from changes in exchange rates to a slight degree. Credit loss risks continue to represent a significant uncertainty factor in some of the investment targets. This risk is increased by the tightness of credit issued to SMEs.

#### **Corporate acquisitions:**

Panostaja actively seeks SMEs and endeavors to create value through organic growth, corporate acquisitions and correctly-timed divestments. The market still provides sufficient opportunities for corporate acquisitions, and Panostaja aims to implement its strategy by means of controlled acquisitions in current investment targets, and new potential targets are also being actively studied. Preparation for divestments is being continued as part of the ownership strategies of investment targets. Risks related to corporate acquisitions are managed by investing carefully according to specific investment criteria, conducting in-depth analyses of the target companies and target markets, and ensuring the efficiency of integration processes. Panostaja has specified harmonized guidelines and a corporate acquisitions process for the preparation and implementation of corporate acquisitions.

**Non-life risks:** Non-life risks are managed in Panostaja Group through insurance and Group guidelines, which set policy for the different areas.

**Operative risks:** On September 30, 2014, Pirkanmaa District Court confirmed the reorganization programs of Takoma Oyj and Takoma Gears Oy. The confirmation of the reorganization program provides an opportunity to develop the operations of Takoma Gears Oy. Changes concerning Takoma may, however, continue to cause needs for one-time write-downs. Takoma's failure to implement the reorganization program is not expected to cause changes to Panostaja Group's operating conditions.

## **OUTLOOK FOR THE 2016 FINANCIAL PERIOD**

In accordance with its strategy, Panostaja is actively focusing on increasing shareholder value in the investment targets it owns. The development of shareholder value will be constantly monitored as part of a changing operating environment, and decisions on the development or divestment of investment targets will be made in order to maximize shareholder value. Active development of shareholder value, the effective allocation of capital and good financing opportunities for corporate acquisitions create a solid foundation for operational expansion.

The corporate acquisitions market, as a whole, was active in the period under review, and the availability of new opportunities has remained high. The need for SMEs to utilize ownership arrangements and growth opportunities persists and, with the companies' own active operations supplementing external procurement opportunities, there are still a sufficient number of corporate acquisition opportunities in the markets. Panostaja's intention is to implement its strategy during the financial period by investing in 1-2 new targets, and to make corporate acquisitions in the current investment targets of choice. At this stage of the financial period, however, making two investments before the end of the period is unlikely.



Divestment possibilities will also be assessed actively, and slightly more widely than before, as part of the ownership strategies of the investment targets.

Economic prospects in the business areas of the current investment targets continue to be marred by the uncertainty and poor predictability of the general economic development. The prospects in Panostaja's investment targets vary from positive to weak. Despite the uncertain market situation, the growth and development measures implemented support the development of the investment targets.

Panostaja keeps its result management issued on December 11, 2015 unaltered. The Group's EBIT is expected to improve substantially over the course of the 2016 financial period.

Panostaja Oyj

Board of Directors

For further information, contact CEO Juha Sarsama: tel. +358 (0)40 774 2099.

Panostaja Oyj

Juha Sarsama

Managing Director

All forecasts and assessments presented in this interim report bulletin are based on the current outlook of the Panostaja and the views of the management of the various investment targets with regard to the state of the economy and its development. The results attained may be substantially different.

## **ACCOUNTING PRINCIPLES**

This financial statement bulletin has been prepared in compliance with the IFRS accounting and valuation principles based on the IAS 34 standard.

The information in the interim report has not been audited.

**INCOME STATEMENT**

<b>EUR 1,000</b>	<b>3 months</b>	<b>3 months</b>	<b>9 months</b>	<b>9</b>	<b>12</b>
	5/16- 7/16	5/15- 7/15	11/15- 7/16	11/14- 7/15	11/14- 10/15
Net sales	41,554	37,946	126,776	104,130	148,218
Other operating income	108	5	1,196	302	674
Costs in total	39,284	36,992	121,567	100,239	141,569
Depreciations, amortizations and impairment	1,844	1,650	5,420	4,007	6,049
Operating profit	2,377	959	6,405	4,193	7,323
Financial income and expenses	-536	-853	-1,650	-1,916	-3,832
Share of associated company profits	60	-21	78	-239	-53
Profit before taxes	1,901	86	4,833	2,038	3,437
Income taxes	-763	-743	-2,415	-2,010	277
Profit/loss from continuing operations	1,138	-658	2,418	28	3,714
Profit/loss from discontinued operations	542	813	3,742	-268	9,535
Profit/loss from discontinued operations	0	0	0	250	250
Profit/loss for the financial period	1,680	155	6,160	11	13,499
Attributable to					
shareholders of the parent company	778	-386	2,459	-1,352	7,834

minority shareholders	902	541	3,701	1,363	5,665
Earnings per share from continuing operations EUR, undiluted	0.005	-0.021	-0.012	-0.034	0.008
Earnings per share from continuing operations €, diluted	0.005	-0.021	-0.012	-0.034	0.008
Earnings per share from discontinued operations EUR, undiluted	0.007	0.011	0.051	-0.001	0.133
Earnings per share from discontinued operations EUR, undiluted	0.007	0.010	0.040	-0.001	0.118
Earnings per share from continuing and discontinued operations EUR, undiluted	0.012	-0.010	0.039	-0.035	0.141
Earnings per share from continuing and discontinued operations EUR, diluted	0.012	-0.010	0.039	-0.035	0.138
<b>EXTENSIVE INCOME STATEMENT</b>					
Items of the extensive income statement	1,680	155	6,160	11	8,234
Translation differences	8	50	8	50	-79
Extensive income statement for the period	1,688	205	6,168	61	8,155
Attributable to					
shareholders of the parent company	786	-336	2,467	-1,302	2,490
minority shareholders	902	541	3,701	1,363	5,665

**BALANCE SHEET**

	July 31, 2016	July 31, 2015	October 31, 2015
<b>EUR 1,000</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	78,874	75,998	78,042
Other intangible assets	9,776	11,589	11,252

Property, plant and equipment	12,005	9,668	10,167
Interests in associated companies	3,731	3,381	3,666
Deferred tax assets	5,924	2,517	5,911
Other non-current assets	7,666	9,489	6,861
<b>Non-current assets total</b>	<b>117,976</b>	<b>112,642</b>	<b>115,898</b>
<b>Current assets</b>			
Stocks	11,025	12,622	12,596
Trade receivables and other non-interest bearing receivables	25,446	21,993	29,042
Financial assets at fair value through profit and loss	0	9,300	6,606
Cash and cash equivalents	27,476	11,519	24,001
<b>Current assets total</b>	<b>63,948</b>	<b>55,435</b>	<b>72,245</b>
Held-for-sale non-current asset items	0	18,457	
<b>ASSETS IN TOTAL</b>	<b>181,924</b>	<b>186,533</b>	<b>188,143</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to parent company shareholders			
Share capital	5,569	5,569	5,569
Share premium account	4,646	4,646	4,646
Invested unrestricted equity fund	13,248	12,590	12,602
Equity convertible loan	7,390	7,390	7,390
Translation difference	-132	-122	-124
Retained earnings	6,988	-1,205	7,992
Total	37,709	28,867	38,075
Minority interest	29,874	27,772	32,001
<b>Equity total</b>	<b>67,582</b>	<b>56,639</b>	<b>70,076</b>
Liabilities			

Deferred tax liabilities	1,622	1,927	1,836
Non-current liabilities	75,234	54,085	59,825
Current liabilities	37,486	43,706	41,407
Equity convertible subordinated loan		14,757	15,000
<b>Liabilities total</b>	<b>114,341</b>	<b>99,718</b>	<b>118,067</b>
Held-for-sale non-current liabilities	0	15,419	0
<b>EQUITY AND LIABILITIES IN TOTAL</b>	<b>181,924</b>	<b>186,533</b>	<b>188,143</b>

**CASH FLOW STATEMENT**

	July 31, 2016	July 31, 2015	October 31, 2015
<b>EUR 1,000</b>			
Operating net cash flow	5,023	9,590	7,981
Investment net cash flow	-1,609	-29,359	-26,908
Loans drawn	30,574	48,463	46,936
Loans repaid	-29,349	-24,358	-33,199
Share issue	581	252	23,241
Disposal of own shares	65	49	73
Dividends paid and capital repayments	-8,410	-3,087	-3,267
Finance net cash flow	-6,539	21,319	33,784
Change in cash flows	-3,125	1 550	14,857

EUR 1,000	Share capital	Share premium account	Invested unrestricted equity fund	Translation differences	Earnings	Other funds	Minority shareholders' interest	Total
-----------	---------------	-----------------------	-----------------------------------	-------------------------	----------	-------------	---------------------------------	-------

<b>Equity</b>	5,569	4,646	14,569	-152	95	7,390	15,378	47,495
<b>November 1, 2014</b>								
Profit for the financial period						-1,103	1,513	410
Profit and costs recorded during the financial period, total						-1,103	1,513	410
Dividends paid							-1,189	-1,189
Repayment of capital			-2,047					-2,047
Interest on equity convertible loan						-731		-731
Disposal of own shares			49					49
Reward scheme			6					6
Translation differences				31	19			50
Other changes								
Share of minority shareholders created from the merging of businesses						-150	14,817	14,667
Sales of shares in subsidiaries that have led to loss of controlling interest							-101	-101
Share of minority shareholders created from subsidiary acquisition						998	-2,847	-1,849
Other changes in equity, total			-1,922	31	136		10,680	8,855
<b>Equity</b>								
<b>July 31, 2015</b>	5,569	4,646	12,577	-121	-872	7,390	27,571	56,760
<b>Equity</b>								
<b>October 31, 2015</b>	5,569	4,646	12,602	-124	7,992	7,390	32,001	70,076
Error correction * Adjustment of convertible subordinated loan interests						-176		

**Adjusted equity**

<b>November 1, 2015</b>	5,569	4,646	12,602	-124	7,816	7,390	32,001	69,900
Profit for the financial period					2,459		3,701	6,160
Profit and costs recorded during the financial period, total					2,459		3,701	6,160
Share issue			581					581
Dividends paid					-2,562			-2,562
Dividend distribution to minority shareholders							-5,850	-5,850
Interest on equity convertible loan					-731			-731
Disposal of own shares			65					65
Translation differences				-8	16			8
Sales of shares in subsidiaries that have led to loss of controlling interest							-96	-96
Share of minority shareholders created from subsidiary acquisition							118	118
Acquisitions of minority shares					-10		-3	-13
Other changes in equity, total			646	-8	-3,287	0	-5,828	-8,477
<b>Equity</b>								
<b>July 31, 2016</b>	5,569	4,646	13,248	-132	6,988	7,390	29,874	67,582

**KEY FIGURES**

	July 31, 2016	July 31, 2015	October 31, 2015
<b>EUR 1,000</b>			
Equity per share (EUR)	0.73	0.57	0.74
Earnings per share, undiluted (EUR)	0.04	-0.03	0.14
Earnings per share, diluted (EUR)	0.04	-0.03	0.14
Average number of shares during financial period, 1,000 pcs.	51,589	51,342	51,373

Number of shares at end of financial period, 1,000 pcs.	52,533	51,733	51,733
Share issues/CL exchanges during financial period, 1,000 pcs.	800		
Number of shares, 1,000, diluted	51,589	58,160	58,191
Return on equity, %	11.9	1.0	23.0
Return on investment, %	9.3	4.5	12.4
Gross capital expenditure To permanent assets, MEUR	7.0	29.9	54.9
% of net sales	5.5%	28.8%	37.0%
Interest-bearing liabilities	81.3	83.5	79.8
Equity ratio (%)	37.3	30.4	37.5
Average number of employees	1,302	1,312	1,176

The formulae for calculating key figures are presented in the financial statements for the 2015 financial period.

### ACQUIRED BUSINESSES

No new business operations were acquired in the review period.

### GROUP DEVELOPMENT BY QUARTER MEUR

	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14
Net sales	41.6	44.5	40.7	44.1	37.9	34.6	31.6	34.8
Other operating income	0.1	0.6	0.5	0.4	0.0	0.2	0.1	0.2
Costs in total	39.3	42.4	39.9	41.3	37.0	32.5	30.7	31.6
Depreciations, amortizations and impairment	1.8	1.9	1.7	2.0	1.7	1.2	1.1	1.2
EBIT	2.4	2.7	1.3	3.1	1.0	2.3	1.0	3.5
Finance items	-0.5	-0.4	-0.7	-1.9	-0.9	-0.5	-0.5	-0.8
Share of associated company profits	0.1	0.0	0.0	0.2	0.0	-0.1	-0.1	0.2
Profit before taxes	1.9	2.3	0.6	1.4	0.1	1.7	0.3	2.8
Taxes	-0.8	-1.1	-0.6	2.3	-0.7	-0.8	-0.5	-1.5
Profit from continuing operations	1.1	1.2	0.0	3.7	-0.7	0.9	-0.2	1.3



Profit/loss from discontinued operations	0.5	1.6	1.6	9.8	0.8	-0.6	-0.5	0.5
Profit/loss from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.6
Profit for the period	1.7	2.8	1.6	13.5	0.2	0.6	-0.7	2.4
Minority interest	0.9	1.5	1.3	4.3	0.5	0.6	0.2	1.4
Parent company shareholder interest	0.8	1.3	0.4	9.2	-0.4	0.0	-1.0	1.0

<b>GUARANTEES GIVEN</b>	July 31, 2016	July 31, 2015	October 31, 2015
Guarantees given on behalf of Group companies			
Enterprise mortgages	85,082	90,316	97,544
Pledges given	123,687	36,939	123,064
Other liabilities	8,923	4,122	11,101
Other rental agreements			
In one year	5,673	10,707	7,911
In over one year but within five years maximum	11,711	15,857	13,526
In over five years	1,347	1,236	1,112
Total	18,731	27,800	22,549

## SEGMENT INFORMATION

The names of Panostaja Group's business segments have changed in the 2016 financial period. The segment names are based on the names of the businesses serving as the investment targets. The contents of the segments have remained as before.

Panostaja Group's segmentation is based on investment targets that provide a variety of products and services and that are in the Group's majority ownership. The investment targets in which Panostaja has a majority holding form the company's business segments, in addition to which the Others segment has been defined to report on the Group's parent company, including associated companies and non-allocated items.

**SEGMENT NAMES**

<b>Previous name</b>	<b>Current name</b>
Digital Printing Services	Grano
Building Technology Renovation	KotiSun
Takoma	Takoma
Ceiling Materials	Selog
Fittings	Helakeskus
Spare Parts for Motor Vehicles	KL-Varaosat
Heat Treatment	Heatmasters
Oral Health Care	Megaklinikka
Others	Others

**NET SALES**

11/15-7/16

11/14-7/15

11/14-10/15

**EUR 1,000**

Grano	65,351	46,505	69,882
KotiSun	22,045	16,955	23,712
Takoma	8,303	10,076	13,182
Selog	7,584	7,442	9,867
Helakeskus	7,388	7,764	10,365
KL-Varaosat	9,611	8,487	11,804
Heatmasters	3,167	4,980	6,300
Megaklinikka	3,438	2,174	3,386
Others	6	0	13
Eliminations	-118	-253	-293
Group in total	126,776	104,130	148,218

**EBIT****EUR 1,000**

11/15-7/16

11/14-7/15

11/14-10/15

Grano	5,921	2,855	5,931
KotiSun	3,884	2,809	4,192
Takoma	-823	-363	-680
Selog	455	442	529

Helakeskus	111	439	657
KL-Varaosat	652	188	472
Heatmasters	-705	215	60
Megaklinikka	-894	-318	-548
Others	-2,196	-2,074	-3,290
Group in total	6,405	4,193	7,323

**DEPRECIATIONS**

<b>EUR 1,000</b>	11/15-7/16	11/14-7/15	11/14-10/15
Grano	-3,106	-2,297	-3,404
KotiSun	-731	-352	-734
Takoma	-488	-491	-649
Selog	-151	-153	-205
Helakeskus	-74	-115	-150
KL-Varaosat	-80	-82	-116
Heatmasters	-186	-229	-304
Megaklinikka	-548	-241	-400
Others	-56	-46	-87
Group in total	-5,420	-4,007	-6,049

**NET LIABILITIES**

<b>EUR 1,000</b>	11/15-7/16	11/14-7/15	11/14-10/15
Grano	36,196	36,969	37,242
KotiSun	8,341	7,727	8,179
Takoma	4,215	4,309	4,248

Selog	442	583	907
Helakeskus	5,400	6,319	6,374
KL-Varaosat	1,654	2,360	2,163
Heatmasters	422	-290	-857
Megaklinikka	4,239	2,730	3,159
Parent company	-6,747	-3,533	-3,827
Eliminations	-4,582	1,490	-11,910
Group in total	49,580	58,662	45,678

**SEGMENT INFORMATION BY  
QUARTER  
NET SALES, MEUR**

	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14
Grano	20.8	23.3	21.2	23.4	17.9	14.9	13.7	15.8
KotiSun	7.9	7.6	6.5	6.8	6.0	5.8	5.2	4.9
Takoma	2.3	2.9	3.2	3.1	2.8	3.2	4.0	4.6
Selog	2.8	2.5	2.3	2.4	2.7	2.4	2.3	2.6
Helakeskus	2.3	2.8	2.4	2.6	2.5	2.8	2.4	2.6
KL-Varaosat	3.2	3.3	3.2	3.3	3.0	2.9	2.6	2.9
Heatmasters	1.2	1.1	0.9	1.3	1.8	1.8	1.4	1.6
Megaklinikka	1.1	1.2	1.1	1.2	1.3	0.9	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eliminations	-0.1	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1
Group in total	41.6	44.5	40.7	44.1	37.9	34.6	31.6	34.8

**SEGMENT INFORMATION BY  
QUARTER  
EBIT, MEUR**

	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14
Grano	1.6	3.0	1.3	3.1	0.2	1.8	0.8	2.6
KotiSun	1.4	1.3	1.2	1.4	1.0	1.1	0.7	0.6
Takoma	-0.3	-0.3	-0.2	-0.3	-0.1	-0.3	0.0	0.2
Selog	0.2	0.1	0.1	0.1	0.2	0.1	0.1	0.0

Helakeskus	0.2	-0.2	0.1	0.2	0.2	0.1	0.1	0.3
KL-Varaosat	0.2	0.2	0.2	0.3	0.2	0.0	0.0	0.2
Heatmasters	-0.2	-0.2	-0.3	-0.2	0.1	0.2	-0.1	-0.1
Megaklinikka	-0.2	-0.4	-0.3	-0.2	-0.2	-0.1	0.0	0.0
Others	-0.6	-0.8	-0.8	-1.2	-0.8	-0.7	-0.7	-0.4
Group in total	2.4	2.7	1.3	3.1	1.0	2.3	1.0	3.5

Panostaja is an investment company developing Finnish SMEs in the role of an active majority shareholder. The company aims to be the most sought-after partner for business owners selling their companies as well as for the best managers and investors. Together with its partners, Panostaja increases the Group's shareholder value and creates Finnish success stories.

Panostaja has a majority holding in eight investment targets. Grano Oy forms Finland's largest company offering digital printing services and publication and production services. Heatmasters Group offers heat treatment services for metals in Finland and internationally, and produces, develops and markets heat treatment technology. KL-Varaosat Oy is an importer, wholesale dealer and retailer of original spare parts and supplies for Mercedes Benz, BMW and Volvo cars. KotiSun Oy is Finland's leading company in service water and heating network building technology renovations for houses. Megaklinikka Oy is a company providing oral health care services. The company is a dental clinic offering a completely new kind of service concept. Suomen Helakeskus Oy is a major wholesale dealer concentrating on construction and furniture fittings. Selog Oy is a specialty supplier and wholesaler of ceiling materials. Takoma Oyj is a listed engineering workshop.