

Oras Group maintains market position

2017 was a year of positive market development in all Oras Group markets and similar development is expected to continue. Oras Group introduced numerous novelties that were extremely well received by the customers. The company maintained its strong market position in its key markets and is confident that the renewed product offering will create positive effects in 2018. However, the ramp-up of new products required more resources than had been expected, and brought about one-time costs, which had an impact on the company's profitability.

In the Nordic region – the main area for Strategic Business Unit Oras – markets continued to expand, showing a notable growth in Sweden and more modest growth in Finland, Norway and Denmark. In Central Europe, where Strategic Business Unit Hansa holds a strong market position, the market conditions were solid.

Oras Group net sales 2017 were 249.5 M€ (245.3 M€ in 2016), showing 2% growth. Comparable operating profit of the company was 17.4 M€ (25.2), being 7.0% (10.3) of net sales, which was below expectations. Equity ratio improved further and was now at 47.8% (46.1). The balance sheet structure remained solid; balance sheet total was 237.5 M€ (243.3).

Building on the work of previous years, Oras Group's long-term product portfolio development and consolidation continued during 2017 as planned. The new product philosophy guided the product development and a high number of new products and innovations were introduced. These strengthened the competitiveness of Oras Group among installers as well as in the area of advanced sanitary fittings.

After *Pekka Kuusniemi* decided to leave the company, the Board of Directors appointed *Dr. Markus Lengauer* the President and CEO of Oras Group. He took up his position on 1 November 2017.

2018: A foundation for profitable growth

To ensure that a solid foundation for profitable growth is built, Oras Group has started projects in various fields, instead focusing solely on growth. Nevertheless, the company plans to invest more in sales and marketing than before, targeting sustainable strengthening of its brands and supporting even closer relationships with customers. The professional sales channel will remain the strategic route to market. Additionally, investments in production are planned to facilitate a higher degree of automation and to increase the competitiveness and attractiveness of Oras Group's product range.

Markus Lengauer, President and CEO, comments: "While 2017 was burdened by challenges related to the launch of many new products, we are confident that these novelties, which are well received by the market, will help us to grow the business in 2018. Sales figures for the first two months of the year and positive feedback from our core customers support this expectation. 2018

will be kind of a transition year – we will benefit from products introduced in 2017, finalize some efforts to fix internal issues related to these launches and continue presenting us as an innovative player in the field of advanced fittings. Further innovations both in the faucet and shower segment are ready and we will utilize a number of fairs during the spring to present them.”

Key figures

	2016	2017
Net sales	245.3 M€	249.5 M€
Comparable operating profit	25.2 M€	17.4 M€
Equity ratio	46.1%	47.8%
Personnel at the end of the period	1354	1413

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Oras Group is a significant European provider of sanitary fittings: the market leader in the Nordics and a leading company in Continental Europe. The company's mission is to make the use of water easy and sustainable and its vision is to become the European leader of advanced sanitary fittings. The Group has two strong brands, Oras and Hansa. Oras Group is owned by Oras Invest, a family company and an industrial owner. The domicile of Oras Ltd, the parent company of the Group, is located in Rauma, Finland, and the Group has four manufacturing sites: Burglengenfeld (Germany), Kralovice (Czech Republic), Olesno (Poland) and Rauma (Finland). Oras Group net sales were 249.5 million euro in 2017 and at the end of the period the company employed 1413 people.