

Record-high orders in a challenging market environment

Interim Report
January–March 2022

Q1



Record-high orders in a challenging market environment

The figures presented in this report are unaudited. Figures in brackets, unless otherwise stated, refer to the same period a year earlier.

FIRST QUARTER HIGHLIGHTS

- Order intake EUR 1,029.6 million (762.8), +35.0 percent (+32.4 percent on a comparable currency basis), driven by order intake increases in all three Business Areas
- Service annual agreement base value increased 6.0 percent (+2.6 percent on a comparable currency basis) to EUR 300.7 million (283.6). Service order intake was EUR 283.1 million (255.2), +10.9 percent (+6.9 percent on a comparable currency basis)
- Order book EUR 2,485.2 million (1,866.7) at the end of March, +33.1 percent (+30.7 percent on a comparable currency basis)
- Sales EUR 672.1 million (704.0), -4.5 percent (-6.7 percent on a comparable currency basis), sales increased in Business Areas Service and Industrial Equipment but decreased in Port Solutions
- Adjusted EBITA margin 6.6 percent (8.0) and adjusted EBITA EUR 44.1 million (56.2); the decrease in the adjusted EBITA margin was mainly attributable to lower sales, and cost inflation in Industrial Equipment
- Operating profit EUR -19.5 million (37.5), -2.9 percent of sales (5.3), adjustments totaled EUR 56.7 million (10.3), mainly comprised of costs related to the impacts of the war in Ukraine and merger related costs
- Earnings per share (diluted) EUR -0.26 (0.23)
- Free cash flow EUR 2.6 million (17.7)
- Net debt EUR 545.3 million (569.2) and gearing 40.3 percent (47.4)
- Impacts of the war in Ukraine: EUR 78.9 million of Russian orders written off and EUR 32.1 million of Russian sales reversed, result impact of the sales reversal and the impairments of assets in Ukraine EUR 46.9 million negative on the operating profit level, full amount included in adjustments
- The Board of Directors proposes a dividend of EUR 1.25 (0.88) per share for 2021

SECOND QUARTER DEMAND OUTLOOK

The worldwide demand picture remains subject to volatility due to the war in Ukraine having increased inflation and material availability concerns. Also the COVID-19 pandemic continues.

In Europe and North America, the demand environment within the industrial customer segments is on a healthy level. In Asia-Pacific, the demand environment remains below Europe and North America.

Global container throughput continues high, and long-term prospects related to global container handling remain good overall.

FINANCIAL GUIDANCE

Konecranes expects net sales to increase in full-year 2022 compared to 2021. Konecranes expects the full-year 2022 adjusted EBITA margin to improve from 2021.

Key figures

	1-3/2022	1-3/2021	Change percent	R12M	1-12/2021
Orders received, MEUR	1,029.6	762.8	35.0	3,442.3	3,175.5
Order book at end of period, MEUR	2,485.2	1,866.7	33.1		2,036.8
Sales total, MEUR	672.1	704.0	-4.5	3,153.9	3,185.7
Adjusted EBITDA, MEUR ¹⁾	66.3	79.0	-16.1	386.1	398.9
Adjusted EBITDA, % ¹⁾	9.9%	11.2%		12.2%	12.5%
Adjusted EBITA, MEUR ²⁾	44.1	56.2	-21.7	300.0	312.2
Adjusted EBITA, % ²⁾	6.6%	8.0%		9.5%	9.8%
Adjusted operating profit, MEUR ¹⁾	37.1	47.8	-22.3	268.4	279.1
Adjusted operating margin, % ¹⁾	5.5%	6.8%		8.5%	8.8%
Operating profit, MEUR	-19.5	37.5	-152.1	162.9	220.0
Operating margin, %	-2.9%	5.3%		5.2%	6.9%
Profit before taxes, MEUR	-29.4	26.6	-210.3	136.5	192.5
Net profit for the period, MEUR	-21.3	18.4	-215.9	107.7	147.4
Earnings per share, basic, EUR	-0.26	0.23	-212.9	1.37	1.86
Earnings per share, diluted, EUR	-0.26	0.23	-212.3	1.36	1.85
Interest-bearing net debt / Equity, %	40.3%	47.4%			39.8%
Net debt / Adjusted EBITDA, R12M ¹⁾	1.4	1.5			1.4
Return on capital employed, %				7.1%	9.3%
Adjusted return on capital employed, % ³⁾				13.4%	13.4%
Free cash flow, MEUR	2.6	17.7		122.6	137.7
Average number of personnel during the period	16,577	16,738	-1.0		16,625

¹⁾ Excluding adjustments, see also note 10 in the summary financial statements

²⁾ Excluding adjustments and purchase price allocation amortization, see also note 10 in the summary financial statements

³⁾ ROCE excluding adjustments, see also note 10 in the summary financial statements

Interim CEO Teo Ottola:

Konecranes' Q1 was mixed. We booked record-high orders, but at the same time our profitability declined. The war in Ukraine appalled us all, and we are deeply concerned for our 400+ Ukrainian employees and their families. Given the increased inflation and material availability concerns, the war has made the market conditions even more volatile and unpredictable. We continue our hard work and performance focus, and with our record-high order book there remains a lot to achieve.

Despite the geopolitical tensions and the pandemic, the overall market sentiment continued good in Q1, and on Group level, our order intake was record-high. Year-on-year, Konecranes' Q1 orders received grew 32.4% in comparable currencies and surpassed €1 billion. Order intake in our short-cycle products returned to a growth path and was better than expected.

Timing of customer deliveries, component availability and other supply chain constraints affected our revenues in Q1, and our sales decreased 6.7% year-on-year in comparable currencies. As a result of our record-high order intake, our order book broke again a new record of EUR 2,485 million at the end of March.

Our adjusted EBITA margin declined year-on-year to 6.6%. The decline was driven by the delayed sales, our Industrial Equipment business being affected by the inflation and the timing of our Port Solutions deliveries. Service continued its positive profitability trajectory and posted an all-time high Q1 adjusted EBITA margin.

Service order intake improved by 6.9% year-on-year in comparable currencies. Although sales were impacted by supply chain issues, good profitability development continued with an adjusted EBITA margin of 17.4%. The agreement base value grew by 2.6% from the previous year in comparable currencies, exceeding €300 million.

Industrial Equipment's external order intake grew by 31.6% in comparable currencies. Customer delays and supply chain constraints continued, but external sales decreased slightly in comparable currencies mainly because of the reversed Russian sales. Adjusted EBITA margin declined year-on-year and was -2.1%, mainly driven by the inflation and delayed sales.

Activity remained high within ports, and Port Solutions' orders grew by 55.1% in comparable currencies, totaling €427 million. However, sales were impacted by timing of customer deliveries. Also component shortages continued especially in our mobile equipment business, and the impact became visible even in our project business. As a result, adjusted EBITA margin totaled 2.9%.

The war in Ukraine has impacted our business and operations, and our personnel. We have over 400 employees in Ukraine, and Konecranes has supported them and their families throughout the war. The safety and wellbeing of our Ukrainian

employees and their families are our number one priority. The resilience, courage and strength of our Ukrainian employees has been remarkable, and I am impressed by the sincere help and support demonstrated by Konecranes employees around the world, especially in Ukraine's neighboring countries.

After the war started, production was stopped at our factory in Zaporizhzhia, and we have redirected production to our other manufacturing sites. We have also decided to not take any new business from Russia. Following our decision, in Q1, we wrote off €79 million of orders booked from Russia and reversed €32 million of Russian project revenues recognized prior to 2022. In addition, as the uncertainty level remains high, we have impaired the balance sheet values of our Ukrainian assets. The EBIT impact of these impairments and the cancelled project sales was approximately €47 million and the full amount has been included in our adjustments.

We expect the market volatility and uncertainty to continue due to the ongoing war. In addition, the pandemic and related lockdowns continue to impact global supply chains. We have updated our demand outlook for Q2 to reflect the current market sentiment. Although the demand environment is now healthy, we do not expect another record-high order quarter. We reiterate our full-year guidance and expect our net sales to increase in full-year 2022 compared to 2021 and our full-year adjusted EBITA margin to improve from 2021. As for the inflation, component availability and other supply chain constraints, we expect them to continue and to impact our performance this year.

Following the cancellation of our planned merger with Cargotec on March 29, 2022, we postponed our Annual General Meeting scheduled for the next day. As a result, the dividend payments were also postponed. The AGM is planned to be held on June 15, and Konecranes Board of Directors is proposing a dividend of EUR 1.25 per share. The AGM will be convened, and the proposals published, as soon as possible.

To further strengthen our role as the global lifting leader, we announced today that we will focus our Service and Industrial Equipment Business Areas under one leadership starting from June 1, 2022. This decision follows the assessment of closer collaboration between the two Business Areas, which was started in October last year. Fabio Fiorino, currently EVP, Service, will lead the two businesses, and the operating model will be developed further. Bringing the two Business Areas closer to one another will improve Konecranes' customer experience and will simplify our industrial business model and strategy.

Considering everything that has occurred, Konecranes' Q1 was indeed eventful and mixed. I am proud of the commitment of our people, which continues high. We have maintained and will maintain our focus on business excellence, continuous improvement, and sustainability, and delivering the best for our customers.

Konecranes Plc

Interim report January–March 2022

Note: The figures presented in this report are unaudited. Unless otherwise stated, the figures in brackets in the sections below refer to the same period in the previous year.

MARKET REVIEW

The world's manufacturing sector's operating conditions, according to the global manufacturing Purchasing Managers' Index (PMI), were in expansion in March for the twenty-first consecutive month although at the slowest pace since September 2020. In the eurozone, the PMI signaled expansion in the first quarter. It dropped to 56.5 in March, and it was impacted by the war in Ukraine, supply chain pressures, and rising inflation. In the US, operating conditions in the manufacturing sector improved in January–March. At the end of the quarter, the PMI reading rose to 58.8 despite supply chain bottlenecks and cost pressures. In the emerging markets, March's PMI was in expansion territory in Brazil and India whereas in China, it was in deterioration as it was negatively impacted by COVID-19.

The manufacturing industry capacity utilization rate in the European Union remained steady in the first quarter of 2022. It was at a similar level as at the end of 2021 and remained slightly above the pre-COVID level. The US manufacturing capacity utilization rate continued to rise in the beginning of 2022. At the end of the first quarter, the capacity utilization rate in the US had increased slightly above the recent peaks of mid-2018.

Global container throughput, according to the RWI/ISL Container Throughput Index, began 2022 at a relatively

strong level although it was lower than it had been during 2021 due to the decline in the end of the year. The global container throughput dropped further in February and the fluctuation witnessed in 2021 continued. At the end of February, global container throughput was approximately 4 percent higher than the year before.

Regarding raw material prices, at the end of the first quarter both steel and copper prices were above the previous year's levels. The average EUR/USD exchange rate was approximately 7 percent lower compared to the year-ago period.

ORDERS RECEIVED

In the first quarter, orders received totaled EUR 1,029.6 million (762.8), representing an increase of 35.0 percent. On a comparable currency basis, order intake increased 32.4 percent. Orders received increased in the Americas, EMEA and APAC.

In Service, orders received increased 10.9 percent on a reported basis and 6.9 percent on a comparable currency basis. In Industrial Equipment, order intake increased 31.6 percent on a reported basis and 28.4 percent on a comparable currency basis. External orders received in Industrial Equipment increased 35.1 percent on a reported basis and 31.6 percent on a comparable currency basis. In Port Solutions, order intake increased 54.8 percent on a reported basis and 55.1 percent on a comparable currency basis.

ORDERS RECEIVED AND NET SALES

	1–3/2022	1–3/2021	Change percent	Change % at comparable currency rates	1–12/2021
Orders received, MEUR	1,029.6	762.8	35.0	32.4	3,175.5
Net sales, MEUR	672.1	704.0	-4.5	-6.7	3,185.7

ORDER BOOK

At the end of March, the value of the order book totaled EUR 2,485.2 million (1,866.7), which was 33.1 percent higher compared to previous year. On a comparable currency basis, the order book increased 30.7 percent. The order book increased 55.8 percent in Service, 28.9 percent in Industrial Equipment and 30.0 percent in Port Solutions.

SALES

In the first quarter, Group sales decreased 4.5 percent to EUR 672.1 million (704.0). On a comparable currency basis, sales decreased 6.7 percent. Sales increased 8.2 percent in Service and 6.4 percent in Industrial Equipment but decreased 25.4 percent in Port Solutions. Industrial Equipment's external sales increased 2.0 percent.

At the end of March, the regional breakdown of sales, calculated on a rolling 12-month basis, was as follows: EMEA 50 (54), Americas 34 (30) and APAC 16 (16) percent.

FINANCIAL RESULT

In the first quarter, the Group adjusted EBITA decreased to EUR 44.1 million (56.2). The adjusted EBITA margin decreased to 6.6 percent (8.0). The adjusted EBITA margin was 17.4 percent (16.7) in Service, -2.1 percent (0.1) in Industrial Equipment and 2.9 percent (7.5) in Port Solutions. The decrease in the Group adjusted EBITA margin was mainly attributable to lower sales, and cost inflation in Industrial Equipment. Gross margin improved on a year-on-year basis.

In January–March, the consolidated adjusted operating profit decreased to EUR 37.1 million (47.8). The adjusted operating margin decreased to 5.5 percent (6.8).

In January–March, the consolidated operating profit totaled EUR -19.5 million (37.5). The operating profit includes adjustments of EUR 56.7 million (10.3), which are mainly comprised of costs related to the impacts of the war in Ukraine, and merger related transaction and integration costs. The operating margin increased in Service to 16.1 percent (15.1) but decreased in Industrial Equipment to -12.2 percent (-1.9) and in Port Solutions to -11.4 percent (6.6).

In January–March, depreciation and impairments totaled EUR 31.8 million (31.3). The impact arising from the purchase price allocations for acquisitions represented EUR 6.9 million (8.5) of the depreciation and impairments.

In January–March, the share of the result in associated companies and joint ventures was EUR 0.0 million (0.1).

In January–March, financial income and expenses totaled EUR -9.8 million (-11.0). Net interest expenses accounted for EUR 3.0 million (5.0) of the sum and the remainder was mainly attributable to realized and unrealized exchange rate differences related to the hedging of future cash flows, which are not included in the hedge accounting, and other financing expenses.

In January–March, profit before taxes was EUR -29.4 million (26.6).

In January–March, income tax income was EUR 8.1 million (income tax expense 8.3). The Group's effective tax rate was 27.5 percent (31.0).

In January–March, net profit was EUR -21.3 million (18.4).

In January–March, the basic earnings per share were EUR -0.26 (0.23) and the diluted earnings per share were EUR -0.26 (0.23).

On a rolling 12-month basis, the return on capital employed was 7.1 percent (8.9) and the return on equity 8.4 percent (10.6). The adjusted return on capital employed was 13.4 percent (12.8).

BALANCE SHEET

At the end of March, the consolidated balance sheet amounted to EUR 3,987.7 million (3,879.6). The total equity at the end of the reporting period was EUR 1,351.5 million (1,200.8). The total equity attributable to the equity holders of the parent company was EUR 1,343.5 million (1,191.7) or EUR 16.98 per share (15.06).

Net working capital totaled EUR 422.8 million (282.6). The increase in net working capital was mainly due to the EUR 69.6 million of dividend payable included in the comparison period's net working capital. Sequentially, net working capital decreased by EUR 1.8 million.

CASH FLOW AND FINANCING

In January–March, net cash from operating activities was EUR 13.1 million (23.0). The decrease in net cash from operating activities was mainly due to lower operating income. Cash flow before financing activities was EUR 2.6 million (17.7), which included cash inflows of EUR 0.1 million (2.6) related to sale of property, plant and equipment, and cash outflows of EUR 0.0 million (0.0) related to acquisition of Group companies and EUR 10.6 million (8.0) related to capital expenditure.

At the end of March, interest-bearing net debt was EUR 545.3 million (569.2). The equity to asset ratio was 38.5 percent (33.8) and gearing 40.3 percent (47.4).

At the end of March, cash and cash equivalents amounted to EUR 351.6 million (447.6). None of the Group's committed EUR 400 million back-up financing facility was in use at the end of the period.

CAPITAL EXPENDITURE

In January–March, capital expenditure excluding acquisitions and joint arrangements amounted to EUR 6.3 million (7.5). The amount consisted mainly of investments in machinery and equipment, buildings, office equipment and information technology.

ACQUISITIONS AND DIVESTMENTS

In January–March, the cash impact of capital expenditure for acquisitions and joint arrangements was EUR 0.0 million (0.0).

PERSONNEL

In January–March, the Group had an average of 16,577 employees (16,738). On March 31, the number of personnel was 16,581 (16,614). In January–March, the Group's personnel increased by 8 people net.

At the end of March, the number of personnel by Business Area was as follows: Service 7,896 employees (7,957), Industrial Equipment 5,528 employees (5,626), Port Solutions 3,070 employees (2,945) and Group staff 87 (86).

The Group had 9,708 (9,561) employees working in EMEA, 3,034 (2,967) in the Americas and 3,839 (4,086) in APAC.

SUSTAINABILITY

Konecranes makes lifting and material flows more productive and sustainable and works for a decarbonized and circular world for customers and society.

On February 1, 2022, Konecranes presented new climate targets in line with the Paris Agreement limiting global warming to 1.5°C. The new climate targets cover emissions in both Konecranes' own operations and its value chain and support Konecranes' efforts to cut emissions, further develop its low-carbon portfolio and mitigate climate risks. The targets have been validated by Science Based Targets initiative (SBTi).

Konecranes' new Science Based 1.5°C climate targets are:

- For Scope 1 and 2 greenhouse gas (GHG) targets, Konecranes is committed to reduce its carbon emissions by 50 percent by 2030
- For scope 3, Konecranes aims to reduce absolute carbon emissions by 50 percent by 2030, encompassing the use of sold products and steel related purchases. This covers more than 70 percent of the value chain emissions.

In January–March, sales of Konecranes' "eco portfolio", consisting of fully electrified and hybrid equipment, as well as modernizations and retrofits, totaled 42 percent of Konecranes' sales (50 percent in full-year 2021). For Service, the eco portfolio represented 15 percent of sales (16 percent in full-year 2021), for Industrial Equipment 100 percent (100 percent in full-year 2021) and for Port Solutions 20 percent (42 percent in full-year 2021). The relatively low eco portfolio share of Service is due to only modernizations and retrofits being included in the eco portfolio, although all maintenance work and spare parts aim at extending product life-cycle and increased resource-efficiency. For Port Solutions, the eco portfolio share is impacted by sales mix and timing of project revenues.

Konecranes has activities that qualify as environmentally sustainable according to the EU Taxonomy Regulation. Taxonomy-eligible products represented 14 percent of Konecranes' revenue in full-year 2021. More detailed information on Taxonomy eligibility and the calculation method is available in Konecranes' 2021 Annual Report.

BUSINESS AREAS**SERVICE**

	1–3/2022	1–3/2021	Change percent	Change % at comparable currency rates	1–12/2021
Orders received, MEUR	283.1	255.2	10.9	6.9	1,078.3
Order book, MEUR	396.4	254.5	55.8	50.0	343.5
Agreement base value, MEUR	300.7	283.6	6.0	2.6	290.4
Net sales, MEUR	301.1	278.3	8.2	4.5	1,205.3
Adjusted EBITA, MEUR ¹⁾	52.4	46.4	13.0		222.4
Adjusted EBITA, % ¹⁾	17.4%	16.7%			18.5%
Purchase price allocation amortization, MEUR	-3.5	-3.9	-9.2		-15.5
Adjustments, MEUR	-0.4	-0.5			-2.0
Operating profit (EBIT), MEUR	48.5	42.0	15.5		204.9
Operating profit (EBIT), %	16.1%	15.1%			17.0%
Personnel at the end of period	7,896	7,957	-0.8		7,890

¹⁾ Excluding adjustments and purchase price allocation amortization. See also note 10 in the summary financial statements.

Operational highlights in Q1 2022:

- Service agreement base value set a new record of over EUR 300 million at the end of the first quarter and continued its solid growth. Sequentially, the agreement base value increased 3.5 percent and the growth was driven by all three regions.
- Year-on-year profitability expansion continued in Q1 2022. Service adjusted EBITA margin set a new Q1 quarterly profitability record of 17.4 percent on the back of accelerating sales growth and successful cost management.

In the first quarter, order intake in Service increased 10.9 percent to EUR 283.1 million (255.2). On a comparable currency basis, orders received increased 6.9 percent. Both field service orders and parts orders increased. Order intake increased in the Americas and EMEA but decreased in APAC.

The order book increased 55.8 percent to EUR 396.4 million (254.5). On a comparable currency basis, the order book increased 50.0 percent.

The annual value of the agreement base increased 6.0 percent year-on-year to EUR 300.7 million (283.6). On a comparable currency basis, the annual value of the agreement base increased 2.6 percent. Sequentially, the annual value of the agreement base increased 3.5 percent on a reported basis and 1.7 percent on a comparable currency basis.

Sales increased 8.2 percent to EUR 301.1 million (278.3). On a comparable currency basis, sales increased 4.5 percent. Both field service sales and parts sales increased. Sales increased in the Americas, EMEA and APAC.

The first-quarter adjusted EBITA was EUR 52.4 million (46.4) and the adjusted EBITA margin 17.4 percent (16.7). The increase in the adjusted EBITA margin was mainly attributable to sales growth and successful cost management. Gross margin stayed approximately the same on a year-on-year basis. The operating profit was EUR 48.5 million (42.0) and the operating margin 16.1 percent (15.1).

INDUSTRIAL EQUIPMENT

	1-3/2022	1-3/2021	Change percent	Change % at comparable currency rates	1-12/2021
Orders received, MEUR	364.1	276.7	31.6	28.4	1,172.5
of which external, MEUR	331.9	245.6	35.1	31.6	1,033.7
Order book, MEUR	854.8	663.2	28.9	24.4	709.9
Net sales, MEUR	243.1	228.4	6.4	3.1	1,088.7
of which external, MEUR	206.7	202.7	2.0	-1.5	960.2
Adjusted EBITA, MEUR ¹⁾	-5.2	0.3	-1,797.0		38.0
Adjusted EBITA, % ¹⁾	-2.1%	0.1%			3.5%
Purchase price allocation amortization, MEUR	-1.8	-2.7	-35.7		-10.8
Adjustments, MEUR	-22.6	-1.8			-8.5
Operating profit (EBIT), MEUR	-29.6	-4.2	597.1		18.7
Operating profit (EBIT), %	-12.2%	-1.9%			1.7%
Personnel at the end of period	5,528	5,626	-1.7		5,516

¹⁾ Excluding adjustments and purchase price allocation amortization. See also note 10 in the summary financial statements.

Operational highlights in Q1 2022:

- In the first quarter, Konecranes received a large portal jib crane order from the US Navy. It was the third recurring order, the first one being announced in December 2019. The order was booked in January 2022.
- Konecranes booked several large process crane orders from key customer segments including Paper and Forest, Waste to Energy and Biomass, and Automotive industries. The orders underline Konecranes' strong offering and technology leadership in demanding process crane solutions.

In the first quarter, Industrial Equipment's orders received totaled EUR 364.1 million (276.7), corresponding to an increase of 31.6 percent. On a comparable currency basis, orders received increased 28.4 percent. External orders received increased 35.1 percent on a reported basis and 31.6 percent on a comparable currency basis. Order intake increased in standard cranes, process cranes and components. Orders received increased in the Americas, EMEA and APAC. Order intake was negatively impacted by orders written off due to the impact of the war in Ukraine.

The order book increased 28.9 percent to EUR 854.8 million (663.2). On a comparable currency basis, the order book increased 24.4 percent.

Sales increased 6.4 percent to EUR 243.1 million (228.4). On a comparable currency basis, sales increased 3.1 percent. External sales increased 2.0 percent on a reported basis but decreased 1.5 percent on a comparable currency basis. Sales increased in standard cranes and components but decreased in process cranes. Sales increased in the Americas but decreased in EMEA and APAC. The sales decrease in EMEA was attributable to revenue recognition reversal due to the impact of the war in Ukraine.

The first-quarter adjusted EBITA was EUR -5.2 million (0.3) and the adjusted EBITA margin -2.1 percent (0.1). The decrease in the adjusted EBITA margin was mainly attributable to cost inflation and delayed sales. Gross margin decreased on a year-on-year basis. Operating profit was EUR -29.6 million (-4.2) and the operating margin -12.2 percent (-1.9).

PORT SOLUTIONS

	1–3/2022	1–3/2021	Change percent	Change % at comparable currency rates	1–12/2021
Orders received, MEUR	426.6	275.5	54.8	55.1	1,112.7
Order book, MEUR	1,233.9	949.0	30.0	29.9	983.5
Net sales, MEUR	176.0	236.0	-25.4	-25.3	1,072.9
of which service, MEUR	51.1	37.0	37.9	35.7	181.9
Adjusted EBITA, MEUR ¹⁾	5.2	17.8	-70.9		79.9
Adjusted EBITA, % ¹⁾	2.9%	7.5%			7.4%
Purchase price allocation amortization, MEUR	-1.6	-1.8	-10.3		-6.8
Adjustments, MEUR	-23.6	-0.4			1.7
Operating profit (EBIT), MEUR	-20.1	15.6	-229.1		74.8
Operating profit (EBIT), %	-11.4%	6.6%			7.0%
Personnel at the end of period	3,070	2,945	4.2		3,083

¹⁾ Excluding adjustments and purchase price allocation amortization. See also note 10 in the summary financial statements.

Operational highlights in Q1 2022:

- In Q1, Konecranes received its second largest order ever from the Port of Savannah, owned and operated by Georgia Ports Authority (GPA). The order includes 7 ship-to-shore cranes and 15 rubber-tired gantry cranes.
- The world's first fully electric, battery-driven mobile harbor crane is now operating in Skellefteå, Sweden. Skellefteå, where batteries for electric cars are soon being produced, wanted an all-electric crane for the port to match their new standards in terms of environmental friendliness and sustainability. This Konecranes Gottwald mobile harbor crane is powered at the quay by electricity from the port grid. Instead of a traditional diesel engine, battery power is used to move the crane within the port causing no local CO2 emissions and the crane is also very quiet.
- STI Chile – San Antonio Terminal Internacional (STI) continues to make investments to increase its capacity and has chosen Konecranes as its container handling trucks going forward. In Q1, 13 Konecranes Liftace Reach Stackers and one Konecranes Liftace Empty Container Handler were ordered, with an option in the contract to purchase 2–3 additional Reach Stackers.
- Konecranes launched the new Automated High-Bay Container Storage concept at the Modex 2022 expo in Atlanta, USA, at the end of March. Meant for logistics and distribution centers, this new storage system for containers can handle large quantities of containers, stacking them up to 14 high. This greatly reduces the need for land and gives the ability to grow without relocating.

In the first quarter, Port Solutions' order intake totaled EUR 426.6 million (275.5), representing an increase of 54.8 percent. On a comparable currency basis, orders received increased 55.1 percent. Orders received increased in the Americas, EMEA and APAC. Order intake was negatively impacted by orders written off due to the impact of the war in Ukraine.

The order book increased 30.0 percent to EUR 1,233.9 million (949.0). On a comparable currency basis, the order book increased 29.9 percent.

Sales decreased 25.4 percent to EUR 176.0 million (236.0). On a comparable currency basis, sales decreased 25.3 percent. Sales was partly negatively impacted by revenue recognition reversal due to the impact of the war in Ukraine.

The first-quarter adjusted EBITA was EUR 5.2 million (17.8) and the adjusted EBITA margin 2.9 percent (7.5). The decrease in the adjusted EBITA margin was mainly attributable to lower sales. The comparison period included a provision release of EUR 5 million. Gross margin improved on a year-on-year basis. Operating profit was EUR -20.1 million (15.6) and the operating margin -11.4 percent (6.6).

Group overheads

In the first quarter, the adjusted unallocated Group overhead costs and eliminations were EUR 8.3 million (8.2), representing 1.2 percent of sales (1.2).

The unallocated Group overhead costs and eliminations were EUR 18.4 million (15.8), representing 2.7 percent of sales (2.2). These included adjustments of EUR 10.1 million (7.5), consisting mainly of merger related costs.

The impact of the war in Ukraine on Konecranes

Konecranes operates a crane and component factory in Zaporizhzhia, in the south-eastern part of Ukraine. The factory is one of the Industrial Equipment supply factories for crane components and a crane manufacturing unit for Eastern Europe deliveries. It also offers extra capacity for Konecranes' western crane deliveries specialized in large steel structures. The factory has approximately 350 employees.

In addition, Konecranes has approximately 70 people working in crane service, port service, spare parts, and industrial crane sales operations mainly in Odessa, Mariupol and Zaporizhzhia.

Konecranes has supported its employees and their families based in Ukraine throughout the war and continues to pay salaries and wages to the Ukrainian employees. The safety and well-being of Konecranes' employees based in Ukraine, and their families, are a number one priority for Konecranes.

The production at the Ukrainian factory was stopped immediately after the war started. The planned production has been redirected to other Konecranes manufacturing sites. This has generated and will continue to generate additional operating costs mainly within Business Area Industrial Equipment. In the first quarter, these costs totaled approximately EUR 1 million.

As the level of uncertainty regarding Konecranes' operations in Ukraine remains high due to the ongoing war, Konecranes impaired all Ukraine related assets, including inventories and receivables, in the first quarter. The impact of the impairments on operating profit was approximately EUR 7.7 million negative.

Konecranes condemns Russia's aggression towards Ukraine and has decided not to take any new business from Russia. As a result of this decision, Konecranes wrote off EUR 78.9 million of orders from Russia and reversed EUR 32.1 million of sales to Russia in the first quarter. Out of the cancelled sales, EUR 18.9 million was in Port Solutions and EUR 13.2 million in Industrial Equipment. The orders had been booked and the project revenues recognized prior to 2022. Accordingly, the impact on order book was EUR 65.6 million negative. The impact of the cancelled sales on operating profit was approximately EUR 39.1 million negative, out of which EUR 23.9 million in Port Solutions and EUR 15.2 million in Industrial Equipment. The full amount has been included in adjustments.

After the order write-off, at the end of March, Konecranes order book included EUR 4.4 million of orders from Russia

and the Service agreement base value included EUR 4.3 million of service agreements from Russia.

The war has increased market volatility and uncertainty by increasing cost inflation and global material availability concerns and other supply chain issues. It is too early to estimate how long and to what extent they will impact Konecranes' business and performance.

COVID-19 impact on Konecranes

The worldwide demand picture remains subject to volatility due to the COVID-19 pandemic. Tight lockdowns and restrictions, impacting Konecranes' supply chains, continue to be applied in some areas and regions to prevent the virus from spreading. There remain uncertainties regarding the COVID-19 pandemic and related component availability issues as well as other supply chain constraints. It is too early to estimate how long and to what extent they will impact Konecranes' business and performance.

ADMINISTRATION

Abandonment of the planned merger of Konecranes Plc and Cargotec Corporation

On October 1, 2020, Konecranes Plc ("Konecranes") and Cargotec Corporation ("Cargotec") announced that their respective Boards of Directors had signed a combination agreement and a merger plan ("the Merger Plan") to combine the two companies through a merger ("the Merger").

On March 29, 2022, Konecranes announced that the UK Competition & Markets Authority ("CMA") had blocked the merger. According to the CMA's final report issued on the same day, the remedies - which had been accepted by the European Commission ("EC") - would not be effective in addressing the CMA's concerns and thus the planned merger between Konecranes and Cargotec could not be completed. The completion of the planned merger would have required approvals from all relevant competition authorities. Thus, Konecranes and Cargotec decided to cancel the planned merger and immediately ceased the pursuit of the merger and the related processes and continue to operate separately as fully independent companies.

By the end of first quarter 2022, Konecranes has booked EUR 66 million of merger related transaction and integration planning costs.

Konecranes' Strategy and next steps following the abandonment of the planned merger and postponement of the Annual General Meeting 2022

On March 29, 2022, Konecranes announced that following the abandonment of the planned merger with Cargotec and to ensure shareholder rights, Konecranes cancelled the Annual General Meeting scheduled for March 30, 2022. In the announcement, Konecranes commented on its strategy and next steps. Konecranes continues to focus on developing its business and value-creation potential on a stand-

alone basis. The Konecranes Board of Directors has started the search for a new CEO. Konecranes plans to host a Capital Markets Day in the autumn 2022 and its exact date will be announced later.

Board of Directors

The Board of Directors elected in the Annual General Meeting 2021 consists of

- Christoph Vitzthum, Chairman of the Board
- Päivi Rekonen, Member of the Board
- Janina Kugel, Member of the Board
- Ulf Liljedahl, Member of the Board
- Per Vegard Nerseth, Member of the Board
- Niko Mokka, Member of the Board
- Janne Martin, Member of the Board (resigned from the Board of Directors on July 27, 2021)

The term of office ends at the closing of the Annual General Meeting in 2022.

Konecranes Leadership Team

In January–March, Konecranes Leadership Team consisted of

- Teo Ottola, CFO, Deputy CEO (also interim CEO since January 1, 2022)
- Fabio Fiorino, Executive Vice President, Business Area Service
- Carolin Paulus, Executive Vice President, Business Area Industrial Equipment (to leave Konecranes on May 31, 2022)
- Mika Mahlberg, Executive Vice President, Business Area Port Solutions
- Juha Pankakoski, Executive Vice President, Technologies
- Anneli Karkovirta, Senior Vice President, Human Resources
- Sirpa Poitsalo, Senior Vice President, General Counsel
- Topi Tiitola, Senior Vice President, Integration and Project Management Office

As announced on March 29, 2022, the Konecranes Board of Directors has started the search for a new CEO.

SHARES AND TRADING

Share capital and shares

On March 31, 2022, the company's registered share capital totaled EUR 30.1 million. On March 31, 2022, the number of shares including treasury shares totaled 79,221,906.

Treasury shares

On March 31, 2022, Konecranes Plc was in possession of 87,447 treasury shares, which corresponds to 0.1 percent of the total number of shares, and which had on that date a market value of EUR 2.4 million.

Market capitalization and trading volume

The closing price for the Konecranes shares on the Nasdaq Helsinki on March 31, 2022, was EUR 27.97. The volume-weighted average share price in January–March was EUR 31.92, the highest price being EUR 38.43 in January and the lowest EUR 24.41 in March. In January–March, the trading volume on the Nasdaq Helsinki totaled 18.9 million, corresponding to a turnover of approximately EUR 602.0 million. The average daily trading volume was 299,306 shares representing an average daily turnover of EUR 9.6 million.

In addition, according to Fidessa, approximately 31.3 million shares were traded on other trading venues (e.g. multilateral trading facilities and bilateral OTC trades) in January–March.

On March 31, 2022, the total market capitalization of Konecranes Plc was EUR 2,215.8 million including treasury shares. The market capitalization was EUR 2,213.4 million excluding treasury shares.

Performance Share Plans 2020, 2021 and 2022

On February 3, 2022, Konecranes announced that Board of Directors had resolved adjusted earnings per Share (EPS) as the criterion for 2022, which is the third measurement period of the Performance Share Plan 2020 and the second measurement period of the Performance Share Plan 2021. Adjustments to the EPS include defined restructuring costs, mergers and acquisitions related deal costs and other unusual items.

Additional information, including essential terms and conditions of the Plan 2020 are available in a stock exchange release published on July 23, 2020, and those of the Plan 2021 in a stock exchange release published on February 3, 2021.

On March 30, 2022, Konecranes announced that the Board of Directors had resolved to establish a new Performance Share Plan 2022. The Plan has a performance period from 2022 to 2024 with three separate measurement periods and separate targets for 2022, 2023 and 2024.

The criterion for the measurement period 2022 is adjusted earnings per Share (EPS). The EPS target for the first measurement period was also resolved by the Board of Directors.

The target group of the Plan for the performance period 2022–2024 consists of a maximum of 170 key employees of the Konecranes group.

Additional information, including essential terms and conditions of the Plan, is available in the stock exchange release dated March 30, 2022.

Employee Share Savings Plan

On March 30, 2022, Konecranes announced that the Board of Directors had decided to launch a new Plan Period relating to the Employee Share Savings Plan. The new Plan Period will begin on August 1, 2022, and will end on June 30, 2023. The other terms and conditions of the Plan Period 2022–2023 approved by the Board on March 30, 2022, have been published in the stock exchange release on the same day.

NOTIFICATIONS OF MAJOR SHAREHOLDINGS

In January–March, Konecranes did not receive notifications of major shareholdings.

RISKS AND UNCERTAINTIES

Global pandemics, such as COVID-19, have and may have a negative impact on Konecranes' customers and its own operations. Physical restrictions on the daily conduct of people and businesses can lead to lower revenue recognition and adversely impact cash flow. Physical restrictions may also lead to component availability and other supply chain issues and inventory obsolescence. Furthermore, global pandemics can increase the likelihood of weaker demand conditions and, as a result, may lead to overcapacity, impairment of assets and credit losses.

Global component availability issues and other global supply chain constraints may lead to production and customer delivery delays and have a negative impact on Konecranes sales and cash flow.

Konecranes operates in emerging countries that face political, economic, and regulatory uncertainties. Adverse changes in the operating environment of these countries may result in currency losses, elevated delivery costs, or loss of assets. Konecranes operates a crane factory in Zaporizhzhia, Ukraine. In Q1 2022, Konecranes impaired all Ukraine related assets as the level of uncertainty regarding Konecranes' operations in Ukraine remains high due to the ongoing war.

The operations in emerging countries have had a negative impact on the aging structure of accounts receivable and may increase credit losses or the need for higher provisions for doubtful accounts.

Political risks and uncertainties have also increased outside the emerging countries due to the emergence of populism, patriotism, and protectionism in a number of Western economies. This has led and can lead to further increases in tariffs on imported goods, such as components that Konecranes manufactures centrally before exporting them to most of the countries in which it operates. The resulting tariffs may result in a decrease in profitability.

Konecranes has made several acquisitions and expanded organically into new countries. A failure to integrate the acquired businesses, MHPS and MHE-Demag in particular, or grow newly established operations may result in a decrease in profitability and impairment of goodwill and other assets.

One of the key strategic initiatives of Konecranes is oneKONECRANES. This initiative involves a major capital expenditure on information systems. A higher-than-expected development or implementation costs, or a failure to extract business benefits from new processes and systems may lead to an impairment of assets or decrease in profitability.

Konecranes delivers projects, which involve risks related, for example, to engineering and project execution with Konecranes' suppliers. A failure to plan or manage these projects may lead to higher-than-estimated costs or disputes with customers.

Challenges in financing, e.g. due to currency fluctuations, may force customers to postpone projects or even cancel the existing orders. Konecranes intends to avoid incurring costs for major projects under construction in excess of advance payments. However, it is possible that the cost-related commitments in some projects temporarily exceed the number of advance payments.

The Group's other risks are presented in the Notes to the Financial Statements and the Governance Supplement to the Annual Report.

STOCK EXCHANGE RELEASES DURING JANUARY–MARCH

Date	Release
March 30, 2022	The Board of Directors of Konecranes Plc has resolved to establish a new Performance Share Plan
March 30, 2022	The Board of Directors of Konecranes Plc decided to continue the Employee Share Savings Plan
March 29, 2022	Konecranes comments on its strategy and next steps following the abandonment of the planned merger and cancels its Annual General Meeting scheduled for March 30, 2022
March 29, 2022	The UK CMA blocks the merger between Konecranes and Cargotec and thus the Companies have Jointly Decided to Cancel the Planned Merger
February 28, 2022	Konecranes Plc's Annual Report 2021 published
February 25, 2022	Notice to the Annual General Meeting of Konecranes Plc
February 24, 2022	The European Commission Conditionally Approved the Proposed Merger; the Completion Remains Subject to Further Authority Approvals
February 3, 2022	Proposals by the board of directors to the annual general meeting 2022
February 3, 2022	The Board of Directors of Konecranes Plc has resolved the criterion for the measurement period 2022 of the Performance Share Plans 2020 and 2021
February 3, 2022	Konecranes Plc: Financial statement release 2021
February 3, 2022	Konecranes and Cargotec provide an update on planned merger: Remedy requirements are more complex than expected, dialogue with relevant competition authorities continues
January 28, 2022	Konecranes Plc's Shareholders' Nomination Board's proposals for the composition and compensation of the Board of Directors

CORPORATE PRESS RELEASES DURING JANUARY–MARCH

On February 1, 2022, Konecranes presented new climate targets in line with limiting global warming to 1.5°C.

On January 26, 2022, Konecranes announced that it provides 17 Automated Rubber-Tired Gantry Cranes in fully integrated solution for Port of Felixstowe. The order was booked in Q4 2021.

On January 20, 2022, Konecranes announced that its financial statement release 2021 will be published on February 3, 2022.

On January 10, 2022, Konecranes announced that it partnered with Pesmel to supply automated warehouse container handling systems.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On April 21, 2022, Konecranes published a stock exchange release and commented on the impacts of the war in Ukraine on its business and financial performance. The same information is available in this January–March 2022 Interim Report.

On April 26, 2022, Konecranes announced the plans to arrange the Annual General Meeting on June 15, 2022. The Board had also decided its dividend proposal and proposes a dividend of EUR 1.25 per share.

On April 27, 2022, Konecranes announced that Business Areas Service and Industrial Equipment would be focused under the same leadership from June 1, 2022, onwards. Fabio Fiorino, currently EVP, BA Service will lead both Business Areas. Carolin Paulus, currently EVP, BA Industrial Equipment, has decided to leave Konecranes on May 31, 2022.

SECOND QUARTER DEMAND OUTLOOK

The worldwide demand picture remains subject to volatility due to the war in Ukraine having increased inflation and material availability concerns. Also the COVID-19 pandemic continues.

In Europe and North America, the demand environment within the industrial customer segments is on a healthy level. In Asia-Pacific, the demand environment remains below Europe and North America.

Global container throughput continues high, and long-term prospects related to global container handling remain good overall.

FINANCIAL GUIDANCE

Konecranes expects net sales to increase in full-year 2022 compared to 2021. Konecranes expects the full-year 2022 adjusted EBITA margin to improve from 2021.

Espoo, April 27, 2022
Konecranes Plc
Board of Directors

Important Notice

The information in this report contains forward-looking statements, which are information on Konecranes' current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. All statements other than statements of historical fact included herein are forward-looking statements including, without limitation, those regarding:

- expectations for general economic development and market situation,
- expectations for general developments in the industry,
- expectations regarding customer industry profitability and investment willingness,
- expectations for company growth, development, and profitability,
- expectations regarding market demand for Konecranes' products and services,
- expectations regarding the successful completion of acquisitions on a timely basis and Konecranes' ability to achieve the set targets and synergies,
- expectations regarding competitive conditions and
- expectations regarding cost savings.

These statements may include, without limitation, any statements preceded by, followed by or including words such as “target,” “believe,” “expect,” “aim,” “intend,” “may,” “anticipate,” “estimate,” “plan,” “project,” “will,” “can have,” “likely,” “should,” “would,” “could” and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond Konecranes' control that could cause Konecranes' actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Konecranes' present and future business strategies and the environment in which it will operate in the future.

Information in this report, including but not limited to forward-looking statements, applies only as of the date of this document and is not intended to give any assurances as to future results.

Consolidated statement of income

EUR million	Note	1–3/2022	1–3/2021	Change percent	1–12/2021
Sales	6	672.1	704.0	-4.5	3,185.7
Other operating income		1.1	2.7		11.3
Materials, supplies and subcontracting		-283.9	-282.2		-1,413.0
Personnel cost		-273.0	-261.0		-1,023.5
Depreciation and impairments	7	-31.8	-31.3		-120.1
Other operating expenses		-104.0	-94.8		-420.4
Operating profit		-19.5	37.5	-152.1	220.0
Share of associates' and joint ventures' result		0.0	0.1		0.3
Financial income		6.1	16.2		28.6
Financial expenses		-15.9	-27.2		-56.4
Profit before taxes		-29.4	26.6	-210.3	192.5
Taxes	9	8.1	-8.3		-45.1
PROFIT FOR THE PERIOD		-21.3	18.4	-215.9	147.4
Profit for the period attributable to:					
Shareholders of the parent company		-20.5	18.2		146.9
Non-controlling interest		-0.8	0.2		0.5
Earnings per share, basic (EUR)		-0.26	0.23	-212.9	1.86
Earnings per share, diluted (EUR)		-0.26	0.23	-212.3	1.85

Consolidated statement of other comprehensive income

EUR million	1–3/2022	1–3/2021	1–12/2021
Profit for the period	-21.3	18.4	147.4
Items that can be reclassified into profit or loss			
Cash flow hedges	0.9	-10.1	-11.0
Exchange differences on translating foreign operations	9.0	9.5	22.8
Income tax relating to items that can be reclassified into profit or loss	-0.2	2.0	2.2
Items that cannot be reclassified into profit or loss			
Re-measurement gains (losses) on defined benefit plans	0.0	0.0	17.6
Income tax relating to items that cannot be reclassified into profit or loss	0.0	0.0	-5.8
Other comprehensive income for the period, net of tax	9.7	1.4	25.8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-11.6	19.8	173.2
Total comprehensive income attributable to:			
Shareholders of the parent company	-10.3	19.4	172.6
Non-controlling interest	-1.3	0.4	0.6

Consolidated balance sheet

EUR million

ASSETS	Note	31.3.2022	31.3.2021	31.12.2021
Non-current assets				
Goodwill		1,023.3	1,019.9	1,022.1
Intangible assets		494.4	525.5	503.1
Property, plant and equipment		334.4	339.9	339.3
Advance payments and construction in progress		15.2	20.8	10.9
Investments accounted for using the equity method		6.7	6.6	6.8
Other non-current assets		0.8	0.8	0.8
Deferred tax assets		131.4	127.6	120.2
Total non-current assets		2,006.3	2,041.0	2,003.2
Current assets				
Inventories				
Raw material and semi-manufactured goods		373.6	295.4	324.6
Work in progress		449.8	376.1	380.7
Advance payments		26.2	18.6	21.1
Total inventories		849.5	690.1	726.4
Accounts receivable		452.9	437.1	492.1
Other receivables		30.5	31.0	25.3
Loans receivable		2.7	2.0	2.8
Income tax receivables		20.0	15.5	16.2
Contract assets from percentage of completion method	6	165.6	113.0	161.3
Other financial assets		7.3	6.0	3.6
Deferred assets		101.2	96.3	94.2
Cash and cash equivalents		351.6	447.6	320.7
Total current assets		1,981.4	1,838.6	1,842.6
TOTAL ASSETS		3,987.7	3,879.6	3,845.8

Consolidated balance sheet

EUR million

EQUITY AND LIABILITIES	Note	31.3.2022	31.3.2021	31.12.2021
Equity attributable to equity holders of the parent company				
Share capital		30.1	30.1	30.1
Share premium		39.3	39.3	39.3
Paid in capital		752.7	752.7	752.7
Fair value reserves	13	-2.0	-2.1	-2.7
Translation difference		20.5	-2.3	11.0
Other reserve		68.2	59.2	65.7
Retained earnings		455.3	296.6	308.4
Net profit for the period		-20.5	18.2	146.9
Total equity attributable to equity holders of the parent company		1,343.5	1,191.7	1,351.4
Non-controlling interest		7.9	9.1	9.2
Total equity		1,351.5	1,200.8	1,360.6
Non-current liabilities				
Interest-bearing liabilities	12	446.8	854.9	447.1
Other long-term liabilities		286.2	303.7	289.0
Provisions		21.4	19.7	20.7
Deferred tax liabilities		141.2	141.8	142.6
Total non-current liabilities		895.5	1,320.1	899.4
Current liabilities				
Interest-bearing liabilities	12	452.9	163.8	418.0
Advance payments received	6	473.1	328.8	344.7
Accounts payable		268.4	224.4	255.4
Provisions		103.0	129.8	105.4
Other short-term liabilities (non-interest bearing)		55.7	55.3	53.2
Other financial liabilities		14.9	18.4	16.9
Income tax liabilities		17.4	25.8	23.0
Accrued costs related to delivered goods and services		178.4	176.5	178.3
Accruals		177.1	235.8	190.9
Total current liabilities		1,740.7	1,358.6	1,585.8
Total liabilities		2,636.2	2,678.7	2,485.2
TOTAL EQUITY AND LIABILITIES		3,987.7	3,879.6	3,845.8

Consolidated statement of changes in equity

EUR million	Equity attributable to equity holders of the parent company				
	Share capital	Share premium	Paid in capital	Cash flow hedges	Translation difference
Balance at 1 January, 2022	30.1	39.3	752.7	-2.7	11.0
Dividends paid to equity holders					
Equity-settled share based payments					
Profit for the period					
Other comprehensive income				0.7	9.5
Total comprehensive income				0.7	9.5
Balance at 31 March, 2022	30.1	39.3	752.7	-2.0	20.5
Balance at 1 January, 2021	30.1	39.3	752.7	6.0	-11.6
Dividends paid to equity holders					
Equity-settled share based payments					
Profit for the period					
Other comprehensive income				-8.1	9.3
Total comprehensive income				-8.1	9.3
Balance at 31 March, 2021	30.1	39.3	752.7	-2.1	-2.3

EUR million	Equity attributable to equity holders of the parent company				Total equity
	Other Reserve	Retained earnings	Total	Non-controlling interest	
Balance at 1 January, 2022	65.7	455.4	1,351.3	9.2	1,360.6
Dividends paid to equity holders		0.0	0.0	0.0	0.0
Equity-settled share based payments	2.5	0.0	2.5		2.5
Acquisitions		0.0	0.0	0.0	0.0
Profit for the period		-20.5	-20.5	-0.8	-21.3
Other comprehensive income		0.0	10.3	-0.5	9.7
Total comprehensive income	0.0	-20.5	-10.3	-1.3	-11.6
Balance at 31 March, 2022	68.1	434.9	1,343.5	7.9	1,351.5
Balance at 1 January, 2021	58.0	367.5	1,242.0	9.1	1,251.1
Dividends paid to equity holders		-69.6	-69.6	0.0	-69.6
Equity-settled share based payments	1.2	0.0	1.2		1.2
Acquisitions		-1.2	-1.2	-0.4	-1.6
Profit for the period		18.2	18.2	0.2	18.4
Other comprehensive income		0.0	1.2	0.2	1.4
Total comprehensive income	0.0	18.1	19.4	0.4	19.8
Balance at 31 March, 2021	59.2	314.8	1,191.7	9.1	1,200.8

Consolidated cash flow statement

EUR million	1–3/2022	1–3/2021	1–12/2021
Cash flow from operating activities			
Profit for the period	-21.3	18.4	147.4
Adjustments to net income			
Taxes	-8.1	8.3	45.1
Financial income and expenses	9.8	11.0	27.8
Share of associates' and joint ventures' result	0.0	-0.1	-0.3
Depreciation and impairments	31.8	31.3	120.1
Profits and losses on sale of fixed assets and businesses	0.5	-1.2	-4.2
Other adjustments	2.5	2.1	10.1
Operating income before change in net working capital	15.3	69.7	346.0
Change in interest-free current receivables	28.3	54.3	-28.0
Change in inventories	-116.2	-37.4	-65.3
Change in interest-free current liabilities	117.1	-49.0	-5.7
Change in net working capital	29.2	-32.2	-99.0
Cash flow from operations before financing items and taxes	44.5	37.5	247.0
Interest received	3.6	3.0	13.1
Interest paid	-5.4	-5.1	-28.1
Other financial income and expenses	-16.4	-1.7	-16.2
Income taxes paid	-13.2	-10.7	-47.4
Financing items and taxes	-31.3	-14.5	-78.6
NET CASH FROM OPERATING ACTIVITIES	13.1	23.0	168.4
Cash flow from investing activities			
Acquisition of Group companies, net of cash	0.0	0.0	0.0
Capital expenditures	-10.6	-8.0	-40.5
Proceeds from sale of property, plant and equipment	0.1	2.6	9.8
NET CASH USED IN INVESTING ACTIVITIES	-10.5	-5.4	-30.7
Cash flow before financing activities	2.6	17.7	137.7
Cash flow from financing activities			
Proceeds from non-current borrowings	0.0	0.0	0.0
Repayments of non-current borrowings	-0.7	-2.0	-5.6
Repayments of lease liability	-10.6	-10.8	-42.6
Proceeds from (+), payments of (-) current borrowings	34.6	-151.2	-296.4
Change in loans receivable	0.1	-0.1	-1.0
Acquired non controlling interest	0.0	-1.6	-1.6
Dividends paid to equity holders of the parent	0.0	0.0	-69.6
Dividends paid to non-controlling interests	0.0	0.0	-0.2
NET CASH USED IN FINANCING ACTIVITIES	23.4	-165.7	-417.0
Translation differences in cash	4.9	3.8	8.1
CHANGE OF CASH AND CASH EQUIVALENTS	30.9	-144.3	-271.2
Cash and cash equivalents at beginning of period	320.7	591.9	591.9
Cash and cash equivalents at end of period	351.6	447.6	320.7
CHANGE OF CASH AND CASH EQUIVALENTS	30.9	-144.3	-271.2

The effect of changes in exchange rates has been eliminated by converting the beginning balance at the rates current on the last day of the reporting period.

FREE CASH FLOW (alternative performance measure)

EUR million	1-3/2022	1-3/2021	1-12/2021
Net cash from operating activities	13.1	23.0	168.4
Capital expenditures	-10.6	-8.0	-40.5
Proceeds from sale of property, plant and equipment	0.1	2.6	9.8
Free cash flow	2.6	17.7	137.7

Notes

1. CORPORATE INFORMATION

Konecranes Plc (“Konecranes Group” or “the Group”) is a Finnish public limited company organized under the laws of Finland and domiciled in Hyvinkää. The company is listed on the NASDAQ Helsinki.

Konecranes is a world-leading manufacturer and servicer of cranes, lifting equipment and machine tools, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes operates internationally, with its products being manufactured in North and South America, Europe, Africa, the Middle East, and Asia and sold worldwide. Konecranes has three operating segments, which it calls Business Areas: Business Area Service, Business Area Industrial Equipment and Business Area Port Solutions.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of Konecranes Plc for three months ending 31.3.2022 and 31.3.2021 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). As such, they do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements as of December 31, 2021. The unaudited interim condensed consolidated financial statements including notes thereto are presented in millions of euros and all values are rounded to the nearest million (€ 000 000) except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in accordance with IFRS requires management to make estimates and judgments that affect the valuation of reported assets and liabilities and other information, such as contingent liabilities and recognition of income and expenses in the statement of income. These assumptions, estimates and judgments are based on management’s historical experience, best knowledge about the events and other factors, such as expectations on future events, which are assessed to be reasonable in the given circumstances. Although these estimates and judgments are based on the management’s best understanding of current events and circumstances, actual results may differ from the estimates. Possible changes in estimates and assumptions are recognized in the financial reporting period the estimate or assumption is changed.

The war in Ukraine

Konecranes has reviewed the risks related to the war in Ukraine for the effects to assets and ongoing projects and impaired the values of property, plant and equipment (EUR 2.7 million), inventories (EUR 4.4 million) and receivables (EUR 0.6 million) in Ukraine due to the circumstances, which indicated that the carrying amount is unlikely to be recoverable. Konecranes has also recorded additional provisions to the inventories and receivables in Russia (EUR 0.2 million) and for the projects to Russia (EUR 39.1 million), which includes EUR 32.2 million reversal to the sales. See also paragraph The impact of the war in Ukraine on Konecranes.

4. SIGNIFICANT ACCOUNTING POLICIES

The Company’s accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2021.

Notes

5. SEGMENT INFORMATION

5.1. Operating segments

EUR million

Orders received by Business Area	1-3/2022	% of total	1-3/2021	% of total	1-12/2021	% of total
Service ¹⁾	283.1	26	255.2	32	1,078.3	32
Industrial Equipment	364.1	34	276.7	34	1,172.5	35
Port Solutions ¹⁾	426.6	40	275.5	34	1,112.7	33
./. Internal	-44.2		-44.7		-188.0	
Total	1,029.6	100	762.8	100	3,175.5	100

¹⁾ Excl. Service Agreement Base

Order book total ²⁾	31.3.2022	% of total	31.3.2021	% of total	31.12.2021	% of total
Service	396.4	16	254.5	14	343.5	17
Industrial Equipment	854.8	34	663.2	36	709.9	35
Port Solutions	1,233.9	50	949.0	51	983.5	48
Total	2,485.2	100	1,866.7	100	2,036.8	100

²⁾ Percentage of completion deducted

Sales by Business Area	1-3/2022	% of total	1-3/2021	% of total	1-12/2021	% of total
Service	301.1	42	278.3	37	1,205.3	36
Industrial Equipment	243.1	34	228.4	31	1,088.7	32
Port Solutions	176.0	24	236.0	32	1,072.9	32
./. Internal	-48.1		-38.7		-181.1	
Total	672.1	100	704.0	100	3,185.7	100

Adjusted EBITA by Business Area	1-3/2022		1-3/2021		1-12/2021	
	MEUR	EBITA %	MEUR	EBITA %	MEUR	EBITA %
Service	52.4	17.4	46.4	16.7	222.4	18.5
Industrial Equipment	-5.2	-2.1	0.3	0.1	38.0	3.5
Port Solutions	5.2	2.9	17.8	7.5	79.9	7.4
Group costs and eliminations	-8.3		-8.2		-28.1	
Total	44.1	6.6	56.2	8.0	312.2	9.8

Operating profit (EBIT) by Business Area	1-3/2022		1-3/2021		1-12/2021	
	MEUR	EBIT %	MEUR	EBIT %	MEUR	EBIT %
Service	48.5	16.1	42.0	15.1	204.9	17.0
Industrial Equipment	-29.6	-12.2	-4.2	-1.9	18.7	1.7
Port Solutions	-20.1	-11.4	15.6	6.6	74.8	7.0
Group costs and eliminations	-18.4		-15.8		-78.4	
Total	-19.5	-2.9	37.5	5.3	220.0	6.9

Notes

	31.3.2022		31.3.2021		31.12.2021
Business segment assets	MEUR		MEUR		MEUR
Service	1,440.8		1,419.5		1,422.6
Industrial Equipment	971.2		915.4		926.6
Port Solutions	968.8		855.5		900.4
Unallocated items	606.9		689.2		596.2
Total	3,987.7		3,879.6		3,845.8

	31.3.2022		31.3.2021		31.12.2021
Business segment liabilities	MEUR		MEUR		MEUR
Service	214.4		188.0		212.7
Industrial Equipment	420.2		361.1		376.6
Port Solutions	491.1		400.1		405.8
Unallocated items	1,510.6		1,729.5		1,490.2
Total	2,636.2		2,678.7		2,485.2

Personnel by Business Area (at the end of the period)	31.3.2022	% of total	31.3.2021	% of total	31.12.2021	% of total
Service	7,896	48	7,957	48	7,890	48
Industrial Equipment	5,528	33	5,626	34	5,516	33
Port Solutions	3,070	19	2,945	18	3,083	19
Group staff	87	1	86	1	84	1
Total	16,581	100	16,614	100	16,573	100

Notes

Orders received by Business Area, Quarters	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
Service ¹⁾	283.1	307.7	257.9	257.5	255.2
Industrial Equipment	364.1	274.5	289.8	331.5	276.7
Port Solutions ¹⁾	426.6	354.9	210.2	272.1	275.5
./ Internal	-44.2	-44.8	-44.2	-54.4	-44.7
Total	1,029.6	892.3	713.7	806.7	762.8

¹⁾ Excl. Service Agreement Base

Order book by Business Area, Quarters	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
Service	396.4	343.5	293.1	273.0	254.5
Industrial Equipment	854.8	709.9	747.3	718.4	663.2
Port Solutions	1,233.9	983.5	957.0	983.3	949.0
Total	2,485.2	2,036.8	1,997.4	1,974.8	1,866.7

Sales by Business Area, Quarters	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
Service	301.1	332.2	296.0	298.7	278.3
Industrial Equipment	243.1	332.1	267.7	260.6	228.4
Port Solutions	176.0	337.9	255.5	243.5	236.0
./ Internal	-48.1	-53.3	-45.6	-43.5	-38.7
Total	672.1	948.9	773.6	759.3	704.0

Adjusted EBITA by Business Area, Quarters	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
Service	52.4	69.7	56.1	50.3	46.4
Industrial Equipment	-5.2	20.6	11.7	5.4	0.3
Port Solutions	5.2	28.8	16.0	17.3	17.8
Group costs and eliminations	-8.3	-5.8	-6.3	-7.7	-8.2
Total	44.1	113.2	77.4	65.3	56.2

Adjusted EBITA margin by Business Area, Quarters	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
Service	17.4	21.0	18.9	16.8	16.7
Industrial Equipment	-2.1	6.2	4.4	2.1	0.1
Port Solutions	2.9	8.5	6.3	7.1	7.5
Group EBITA margin total	6.6	11.9	10.0	8.6	8.0

Personnel by Business Area, Quarters (at the end of the period)	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
Service	7,896	7,890	7,819	7,913	7,957
Industrial Equipment	5,528	5,516	5,594	5,593	5,626
Port Solutions	3,070	3,083	3,039	2,943	2,945
Group staff	87	84	88	86	86
Total	16,581	16,573	16,540	16,535	16,614

Notes

5.2. Geographical areas

EUR million

Sales by market	1–3/2022	% of total	1–3/2021	% of total	1–12/2021	% of total
Europe-Middle East-Africa (EMEA)	301.0	45	373.6	53	1,645.9	52
Americas (AME)	270.7	40	228.0	32	1,042.2	33
Asia-Pacific (APAC)	100.4	15	102.5	15	497.7	16
Total	672.1	100	704.0	100	3,185.7	100

Personnel by region (at the end of the period)	31.3.2022	% of total	31.3.2021	% of total	31.12.2021	% of total
Europe-Middle East-Africa (EMEA)	9,708	59	9,561	58	9,683	58
Americas (AME)	3,034	18	2,967	18	3,016	18
Asia-Pacific (APAC)	3,839	23	4,086	25	3,874	23
Total	16,581	100	16,614	100	16,573	100

Sales by market, Quarters	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
Europe-Middle East-Africa (EMEA)	301.0	459.3	409.2	403.8	373.6
Americas (AME)	270.7	320.5	255.4	238.2	228.0
Asia-Pacific (APAC)	100.4	169.1	108.9	117.3	102.5
Total	672.1	948.9	773.6	759.3	704.0

Personnel by region, Quarters (at the end of the period)	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
Europe-Middle East-Africa (EMEA)	9,708	9,683	9,569	9,509	9,561
Americas (AME)	3,034	3,016	2,958	2,993	2,967
Asia-Pacific (APAC)	3,839	3,874	4,013	4,033	4,086
Total	16,581	16,573	16,540	16,535	16,614

Notes

6. CONTRACT ASSETS AND LIABILITIES (Percentage of completion method and advances received)

EUR million	31.3.2022	31.3.2021	31.12.2021
The cumulative revenues of non-delivered projects	681.2	585.9	682.8
Advances received netted	515.6	472.9	521.5
Total	165.6	113.0	161.3
Gross advance received from percentage of completion method	630.0	521.2	593.8
Advances received netted	515.6	472.9	521.5
Total	114.3	48.3	72.3

Net sales recognized under the percentage of completion method amounted EUR 25.2 million in 1–3/2022 (EUR 103.3 million in 1–3/2021).

Contract assets relate to receivable arising from percentage of completion method. Net asset balances are balances where the sum of contract costs, recognized profits and recognized losses exceed progress billings. Where progress billings exceed the sum of contract costs, recognized profits and recognized losses these liabilities are included in the line item contract liabilities.

Advance payments received	31.3.2022	31.3.2021	31.12.2021
Advance received from percentage of completion method (netted)	114.3	48.3	72.3
Other advance received from customers	358.7	280.6	272.4
Total	473.1	328.8	344.7

7. IMPAIRMENTS

EUR million	1–3/2022	1–3/2021	1–12/2021
Property, plant and equipment	2.7	0.0	0.3
Total	2.7	0.0	0.3

Impairments in 2022 relate to war in Ukraine and in 2021 to restructuring actions.

8. RESTRUCTURING COSTS

Konecranes has recorded EUR 0.2 million restructuring income during 1–3/2022 (EUR 3.4 million expenses in 1–3/2021) of which EUR 0.0 million was impairment of assets (EUR 0.0 million for 1–3/2021). The remaining restructuring items are reported 1–3/2022 in personnel costs (EUR 0.4 million income) and in other operating expenses (EUR 0.2 million expenses).

9. INCOME TAXES

Taxes in statement of Income	1–3/2022	1–3/2021	1–12/2021
Local income taxes of group companies	3.7	14.7	47.7
Taxes from previous years	0.1	1.1	1.4
Change in deferred taxes	-11.9	-7.5	-3.9
Total	-8.1	8.3	45.1

Notes

10. KEY FIGURES

	31.3.2022	31.3.2021	Change %	31.12.2021
Earnings per share, basic (EUR)	-0.26	0.23	-212.9	1.86
Earnings per share, diluted (EUR)	-0.26	0.23	-212.3	1.85
Alternative Performance Measures:				
Return on capital employed, %, Rolling 12 Months (R12M)	7.1	8.9	-20.2	9.3
Adjusted return on capital employed, %, Rolling 12 Months (R12M)	13.4	12.8	4.7	13.4
Return on equity, %, Rolling 12 Months (R12M)	8.4	10.6	-20.8	11.3
Equity per share (EUR)	16.98	15.06	12.7	17.08
Gearing, %	40.3	47.4	-15.0	39.8
Net debt / Adjusted EBITDA, Rolling 12 Months (R12M)	1.4	1.5	-6.7	1.4
Equity to asset ratio, %	38.5	33.8	13.9	38.9
Investments total (excl. acquisitions), EUR million	6.3	7.5	-15.7	49.8
Interest-bearing net debt, EUR million	545.3	569.2	-4.2	541.6
Net working capital, EUR million	422.8	282.6	49.6	424.5
Average number of personnel during the period	16,577	16,738	-1.0	16,625
Average number of shares outstanding, basic	79,134,459	79,134,459	0.0	79,134,459
Average number of shares outstanding, diluted	79,544,776	79,134,459	0.5	79,606,960
Number of shares outstanding	79,134,459	79,134,459	0.0	79,134,459

Notes

Calculation of Alternative Performance Measures

Konecranes presents Alternative Performance Measures to reflect the underlying business performance and to enhance comparability between financial periods. Alternative Performance measures should not be considered as a substitute for measures of performance in accordance with the IFRS.

Return on equity (%):	=	$\frac{\text{Net profit for the period}}{\text{Total equity (average during the period)}}$	X 100
Return on capital employed (%):	=	$\frac{\text{Income before taxes + interest paid + other financing cost}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}}$	X 100
Adjusted return on capital employed (%):	=	$\frac{\text{Adjusted EBITA}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}}$	X 100
Equity to asset ratio, %	=	$\frac{\text{Shareholders' equity}}{\text{Total amount of equity and liabilities - advance payment received}}$	X 100
Gearing, %:	=	$\frac{\text{Interest-bearing liabilities - liquid assets - loans receivable}}{\text{Total equity}}$	X 100
Equity per share:	=	$\frac{\text{Equity attributable to the shareholders of the parent company}}{\text{Number of shares outstanding}}$	
Net working capital:	=	Non interest-bearing current assets + deferred tax assets (excluding Purchase Price Allocation) - Non interest-bearing current liabilities - deferred tax liabilities (excluding Purchase Price Allocation) - provisions	
Interest-bearing net debt:	=	Interest-bearing liabilities (non current and current) - cash and cash equivalents - loans receivable (non current and current)	
Average number of personnel:	=	Calculated as average of number of personnel in quarters	
Number of shares outstanding:	=	Total number of shares - treasury shares	
EBITDA:	=	Operating profit + Depreciation, amortization and impairments	
Adjusted EBITA:	=	Operating profit + Amortization and impairment of Purchase Price Allocations + Transaction and integration costs + Restructuring costs + other items affecting to comparability	

Notes

Reconciliation of adjusted EBITDA, EBITA and Operating profit (EBIT)	1–3/2022	1–3/2021	1–12/2021
Adjusted EBITDA	66.3	79.0	398.9
Transaction and integration costs	-9.9	-6.9	-47.8
Restructuring costs (excluding impairments)	0.2	-3.4	-11.0
Costs related to the impacts of the war in Ukraine (excluding impairments to property, plant and equipment)	-44.3	0.0	0.0
EBITDA	12.3	68.8	340.1
Depreciation, amortization and impairments	-31.8	-31.3	-120.1
Operating profit (EBIT)	-19.5	37.5	220.0
Adjusted EBITA	44.1	56.2	312.2
Purchase price allocation amortization	-6.9	-8.5	-33.2
Adjusted Operating profit (EBIT)	37.1	47.8	279.1
Transaction and integration costs	-9.9	-6.9	-47.8
Restructuring costs	0.2	-3.4	-11.3
Costs related to the impacts of the war in Ukraine	-46.9	0.0	0.0
Operating profit (EBIT)	-19.5	37.5	220.0

Interest-bearing net debt	31.3.2022	31.3.2021	31.12.2021
Non current interest bearing liabilities	446.8	854.9	447.1
Current interest bearing liabilities	452.9	163.8	418.0
Loans receivable	-2.7	-2.0	-2.8
Cash and cash equivalents	-351.6	-447.6	-320.7
Interest-bearing net debt	545.3	569.2	541.6

The period end exchange rates:	31.3.2022	31.3.2021	Change %	31.12.2021
USD - US dollar	1.110	1.173	5.6	1.133
CAD - Canadian dollar	1.390	1.478	6.4	1.439
GBP - Pound sterling	0.846	0.852	0.7	0.840
CNY - Chinese yuan	7.040	7.681	9.1	7.195
SGD - Singapore dollar	1.503	1.577	4.9	1.528
SEK - Swedish krona	10.337	10.238	-1.0	10.250
AUD - Australian dollar	1.483	1.541	3.9	1.562

The period average exchange rates:	31.3.2022	31.3.2021	Change %	31.12.2021
USD - US dollar	1.122	1.204	7.3	1.183
CAD - Canadian dollar	1.421	1.525	7.3	1.483
GBP - Pound sterling	0.837	0.873	4.4	0.860
CNY - Chinese yuan	7.123	7.805	9.6	7.629
SGD - Singapore dollar	1.517	1.605	5.8	1.589
SEK - Swedish krona	10.481	10.121	-3.4	10.146
AUD - Australian dollar	1.550	1.559	0.6	1.575

Notes

11. GUARANTEES, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

EUR million	31.3.2022	31.3.2021	31.12.2021
For own commercial obligations			
Guarantees	796.0	678.8	783.0
Other	45.4	38.4	55.1
Total	841.4	717.2	838.2

Guarantees

The guarantees are related to the fact that from time to time Konecranes provides customers with guarantees that guarantee the Company's obligations pursuant to the applicable customer contract. In sale of investment goods (machinery) the typical guarantees are the following:

- tender guarantees (bid bonds) given to the customer to secure the bidding process
- advance payment guarantees given to the customer to secure their down payment for project
- performance guarantees to secure customers over the Company's own performance in customer contracts, and
- warranty period guarantees to secure the correction of defects during the warranty period.

Contingent liabilities relating to litigation

Various legal actions, claims and other proceedings are pending against the Group in various countries. These actions, claims and other proceedings are typical for this industry and consistent with a global business offering that encompasses a wide range of products and services. These matters involve contractual disputes, warranty claims, product liability (including design defects, manufacturing defects, failure to warn and asbestos legacy), employment, vehicles and other matters involving claims of general liability.

While the final outcome of these matters cannot be predicted with certainty, Konecranes is of the opinion, based on the information available to date and considering the grounds presented for such claims, the available insurance coverage and the reserves made, that the outcome of such actions, claims and other proceedings, if unfavorable, would not have a material, adverse impact on the financial condition of the Group.

Notes

12. FINANCIAL ASSETS AND LIABILITIES

12.1. Carrying amount of financial assets and liabilities in the balance sheet

EUR million	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
Financial assets 31.3.2022				
Current financial assets				
Account and other receivables	0.0	0.0	486.1	486.1
Derivative financial instruments	1.6	5.7	0.0	7.3
Cash and cash equivalents	0.0	0.0	351.6	351.6
Total	1.6	5.7	837.7	845.0
Financial liabilities 31.3.2022				
Non-current financial liabilities				
Interest-bearing liabilities	0.0	0.0	446.8	446.8
Other payable	0.0	0.0	8.1	8.1
Current financial liabilities				
Interest-bearing liabilities	0.0	0.0	452.9	452.9
Derivative financial instruments	8.3	6.6	0.0	14.9
Accounts and other payable	0.0	0.0	324.0	324.0
Total	8.3	6.6	1,231.8	1,246.7

EUR million	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
Financial assets 31.3.2021				
Current financial assets				
Account and other receivables	0.0	0.0	470.1	470.1
Derivative financial instruments	2.7	3.3	0.0	6.0
Cash and cash equivalents	0.0	0.0	447.6	447.6
Total	2.7	3.3	917.7	923.6
Financial liabilities 31.3.2021				
Non-current financial liabilities				
Interest-bearing liabilities	0.0	0.0	854.9	854.9
Other payable	0.0	0.0	8.3	8.3
Current financial liabilities				
Interest-bearing liabilities	0.0	0.0	163.8	163.8
Derivative financial instruments	6.9	11.5	0.0	18.4
Accounts and other payable	0.0	0.0	279.7	279.7
Total	6.9	11.5	1,306.7	1,325.1

Notes

EUR million	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
Financial assets 31.12.2021				
Current financial assets				
Account and other receivables	0.0	0.0	520.2	520.2
Derivative financial instruments	1.5	2.1	0.0	3.6
Cash and cash equivalents	0.0	0.0	320.7	320.7
Total	1.5	2.1	840.9	844.5
Financial liabilities 31.12.2021				
Non-current financial liabilities				
Interest-bearing liabilities	0.0	0.0	447.1	447.1
Other payable	0.0	0.0	10.5	10.5
Current financial liabilities				
Interest-bearing liabilities	0.0	0.0	418.0	418.0
Derivative financial instruments	7.0	9.9	0.0	16.9
Accounts and other payable	0.0	0.0	308.6	308.6
Total	7.0	9.9	1,184.2	1,201.1

At the end of first quarter 2022, the Group's liquid cash reserves were EUR 351.6 million (31.3.2021: EUR 447.6 million). For safeguarding the Group's cash position, the Group has established EUR 400 million committed revolving credit facility with an international loan syndication (2017–2024), which remained undrawn at the end of March 2022. In addition, the Group may draw short term financing from the domestic commercial paper markets within the EUR 500 million limit, for which EUR 80 million was utilized at the end of March 2022 (31.3.2021: EUR 30 million).

At the end of March 2022, the outstanding short- and long-term loans were: EUR 323 million term loans, EUR 77 million Schuldschein loan, EUR 250 million bond and EUR 30 million employment pension loan. The merger related EUR 392 million committed financing facility (originally EUR 635 million) was cancelled in full at the end of the first quarter. The Schuldschein loan and term loans contains floating and fixed rate tranches and the bond yield is fixed with annual coupon payment. The weighted average interest rate for these loans and the bond is currently 1.21% per annum. The Group is in compliance with the quarterly monitored financial covenant (gearing). No specific securities have been given for the loans. The Group continues to have healthy gearing ratio of 40.3% (31.3.2021: 47.4%) which is in compliance with the financial covenants the Group has to comply with.

Derivatives are initially recorded in the balance sheet at fair value and subsequently measured at fair value at each balance sheet date. All derivatives are carried as assets when fair value is positive and liabilities when fair value is negative. Derivative instruments that are not designated as hedges (hedge accounting) are measured at fair value, and the change in fair value is recognized in the consolidated statement of income. When the derivative is designated as a hedge (hedge accounting) the effective part of the change in fair value is recognized in other comprehensive income. Any ineffective part is recognized in the consolidated statement of income. The foreign exchange forward contracts are measured based on the closing date's observable spot exchange rates and the quoted yield curves of the respective currencies. Interest rate swaps are measured based on present value of the cash flows, which are discounted based on the quoted yield curves.

Notes

12.2 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial assets and liabilities:

	Carrying amount 31.3.2022	Carrying amount 31.3.2021	Carrying amount 31.12.2021	Fair value 31.3.2022	Fair value 31.3.2021	Fair value 31.12.2021
Financial assets						
Current financial assets						
Account and other receivables	486.1	470.1	520.2	486.1	470.1	520.2
Derivative financial instruments	7.3	6.0	3.6	7.3	6.0	3.6
Cash and cash equivalents	351.6	447.6	320.7	351.6	447.6	320.7
Total	845.0	923.6	844.5	845.0	923.6	844.5
Financial liabilities						
Non-current financial liabilities						
Interest-bearing liabilities	446.8	854.9	447.1	448.8	860.7	448.3
Other payable	8.1	8.3	10.5	8.1	8.3	10.5
Current financial liabilities						
Interest-bearing liabilities	452.9	163.8	418.0	453.6	164.1	419.1
Derivative financial instruments	14.9	18.4	16.9	14.9	18.4	16.9
Accounts and other payable	324.0	279.7	308.6	324.0	279.7	308.6
Total	1,246.6	1,325.1	1,201.0	1,249.3	1,331.1	1,203.4

The management assessed that cash and short-term deposits, accounts receivable, accounts payable, bank overdrafts and other current payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates and the risk characteristics of the loan.

Notes

12.3 Hierarchy of fair values

	31.3.2022			31.3.2021			31.12.2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets									
Derivative financial instruments									
Foreign exchange forward contracts	0.0	6.7	0.0	0.0	6.0	0.0	0.0	3.5	0.0
Fuel oil derivative	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Interest rate derivative	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	7.3	0.0	0.0	6.0	0.0	0.0	3.6	0.0
Other financial assets									
Cash and cash equivalents	351.6	0.0	0.0	447.6	0.0	0.0	320.7	0.0	0.0
Total	351.6	0.0	0.0	447.6	0.0	0.0	320.7	0.0	0.0
Total financial assets	351.6	7.3	0.0	447.6	6.0	0.0	320.7	3.6	0.0
Financial liabilities									
Derivative financial instruments									
Foreign exchange forward contracts	0.0	14.0	0.0	0.0	18.4	0.0	0.0	16.9	0.0
Interest rate derivative	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	14.9	0.0	0.0	18.4	0.0	0.0	16.9	0.0
Other financial liabilities									
Interest bearing liabilities	0.0	899.6	0.0	0.0	1018.8	0.0	0.0	865.1	0.0
Other payables	0.0	0.0	0.8	0.0	0.0	1.6	0.0	0.0	3.0
Total	0.0	899.6	0.8	0.0	1,018.8	1.6	0.0	865.1	3.0
Total financial liabilities	0.0	914.5	0.8	0.0	1,037.1	1.6	0.0	882.0	3.0

13. HEDGE ACTIVITIES AND DERIVATIVES

EUR million	31.3.2022	31.3.2022	31.3.2021	31.3.2021	31.12.2021	31.12.2021
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Foreign exchange forward contracts	1,261.2	-7.3	1,126.3	-12.4	1,060.1	-13.4
Interest rate derivative	90.6	-0.8	0.0	0.0	88.4	0.0
Fuel oil derivative	1.4	0.5	0.0	0.0	1.4	0.1
Total	1,353.2	-7.6	1,126.3	-12.4	1,149.9	-13.3

Derivatives not designated as hedging instruments

The Group also enters into other derivatives, foreign exchange or currency options with the intention of reducing the risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Notes

CASH FLOW HEDGES

Foreign currency risk

Foreign exchange forward and interest rate derivative contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales and purchases and receivables in US dollar. These forecast transactions are highly probable, and they comprise about 39.9% of the Group's total hedged transaction flows. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

At the inception of these deals the Group assess whether the critical terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. On a quarterly basis the Group performs qualitative effectiveness test by checking that the hedging instrument is linked on the relevant assets and liabilities, projected business transactions or binding contracts according to the hedging strategy and that there are no related credit risks. Hedge ineffectiveness is recognized through profit or loss.

The cash flow hedges of the expected future sales and purchases in 2022 and 2021 were assessed to be highly effective and a net unrealized loss, with a deferred tax asset relating to the hedging instruments, is included in OCI. The amounts recognized in OCI are shown in the table below and the reclassifications to profit or loss during the year are as shown in the consolidated statement of income.

Fair value reserve of cash flow hedges

EUR million	31.3.2022	31.3.2021	31.12.2021
Balance as of January 1	-2.7	6.0	6.0
Gains and losses deferred to equity (fair value reserve)	0.9	-10.1	-11.0
Change in deferred taxes	-0.2	2.0	2.2
Balance as of the end of period	-2.0	-2.1	-2.7

14. TRANSACTIONS WITH RELATED PARTIES

EUR million	1-3/2022	1-3/2021	1-12/2021
Sales of goods and services with associated companies and joint arrangements	4.6	3.5	18.0
Receivables from associated companies and joint arrangements	3.4	4.5	3.3
Purchases of goods and services from associated companies and joint arrangements	14.6	10.4	53.6
Liabilities to associated companies and joint arrangements	2.1	1.2	1.7

ANALYST AND PRESS BRIEFING

A live international telephone conference for analysts, investors and media will be held on April 27, 2022, at 11:30 a.m. EEST. The interim report will be presented by Konecranes' CFO and interim CEO Teo Ottola.

Please see the press release dated April 13, 2022, for the conference call details.

NEXT REPORT

Konecranes Plc plans to publish its half-year financial report January–June 2022 on July 27, 2022.

KONECRANES PLC

Kiira Fröberg
Vice President, Investor Relations

FURTHER INFORMATION

Kiira Fröberg,
Vice President, Investor Relations,
tel. +358 (0) 20 427 2050

DISTRIBUTION

Nasdaq Helsinki
Major media
www.konecranes.com

Konecranes is a world-leading group of Lifting Businesses™, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes provides productivity enhancing lifting solutions as well as services for lifting equipment of all makes. In 2021, Group sales totaled EUR 3.2 billion. The Group has approximately 16,600 employees in around 50 countries. Konecranes shares are listed on the Nasdaq Helsinki (symbol: KCR).

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