

Q1 2015 INTERIM REPORT

April 29, 2015

Pekka Lundmark, President and CEO

Teo Ottola, CFO



HIGHLIGHTS OF Q1/15

- + Strong order intake
- + Service contract base value exceeded EUR210m
- + Service profitability continued to improve
- Equipment profitability
- Cash flow, however, largely due to timing issues
- Trading conditions remained soft in emerging markets

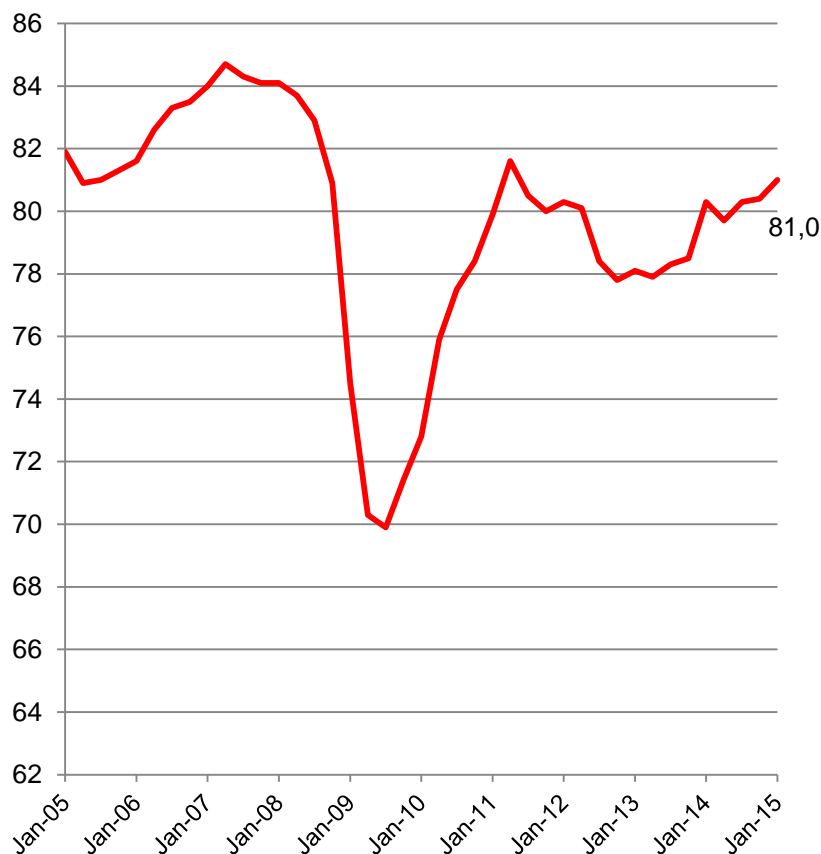
Q1 ORDERS RECEIVED Y/Y	EMEA	AME	APAC
SERVICE			
EQUIPMENT			

KEY FIGURES

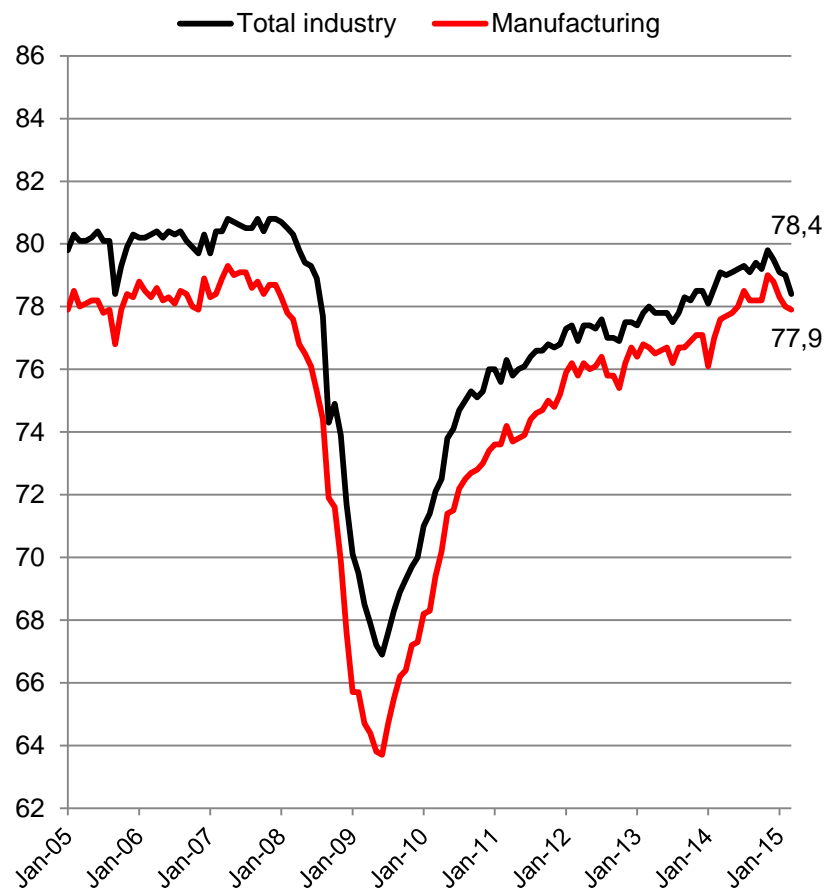
KEY FIGURES	Q1 2015	Q1 2014	Chg %	Chg % FX adj.
Orders received, MEUR	518.8	439.3	+18.1	+9.5
Order book at end of period, MEUR	1,111.1	937.9	+18.5	+8.7
Net sales, MEUR	474.9	427.3	+11.1	+2.6
EBITDA excluding restructuring costs, MEUR	25.8	25.1	+2.9	
EBITDA excluding restructuring costs, %	5.4%	5.9%		
Operating profit (EBIT) excluding restructuring costs, MEUR	14.2	15.6	-9.0	
Operating margin (EBIT) excluding restructuring costs, %	3.0%	3.6%		
EPS, basic, EUR	0.10	0.15	-35.4	
Free cash flow, MEUR	-62.6	-32.6		
Return on capital employed %, Rolling 12 Months	15.6%	11.4%		

CAPACITY UTILIZATION: EU27 AND USA

Capacity utilisation of manufacturing in EU

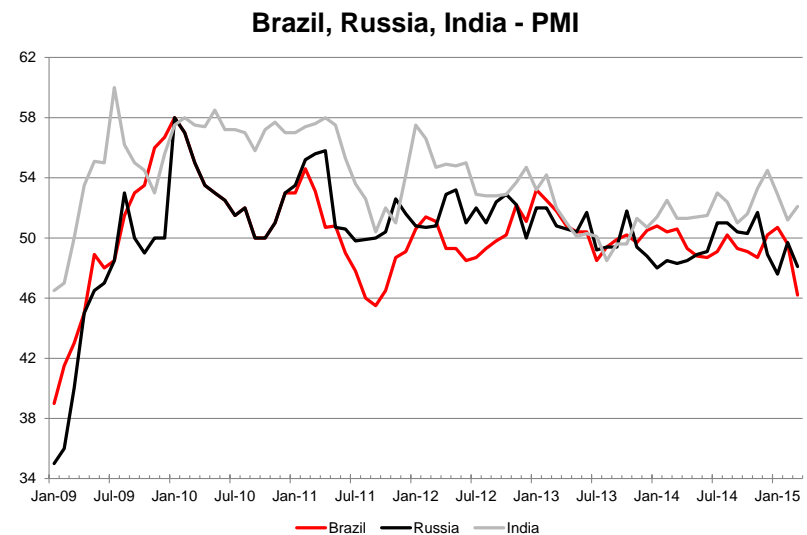
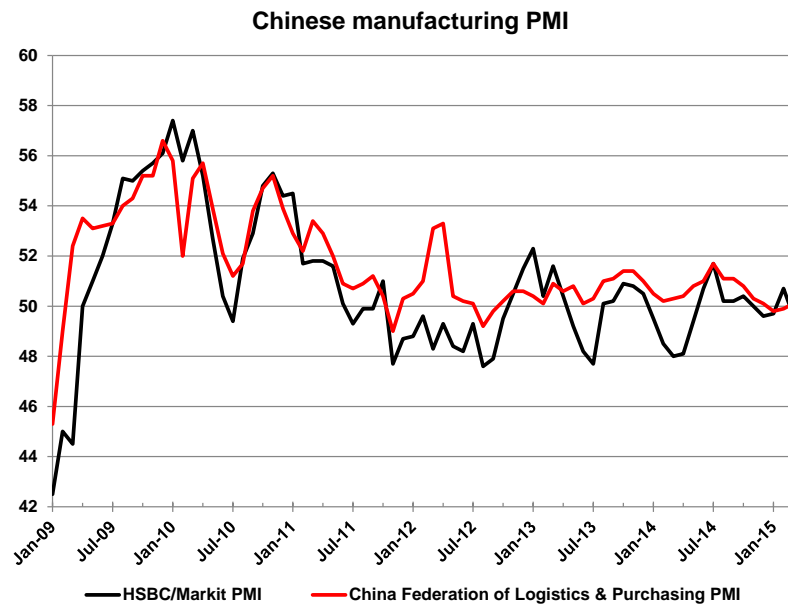


Capacity utilisation in the USA



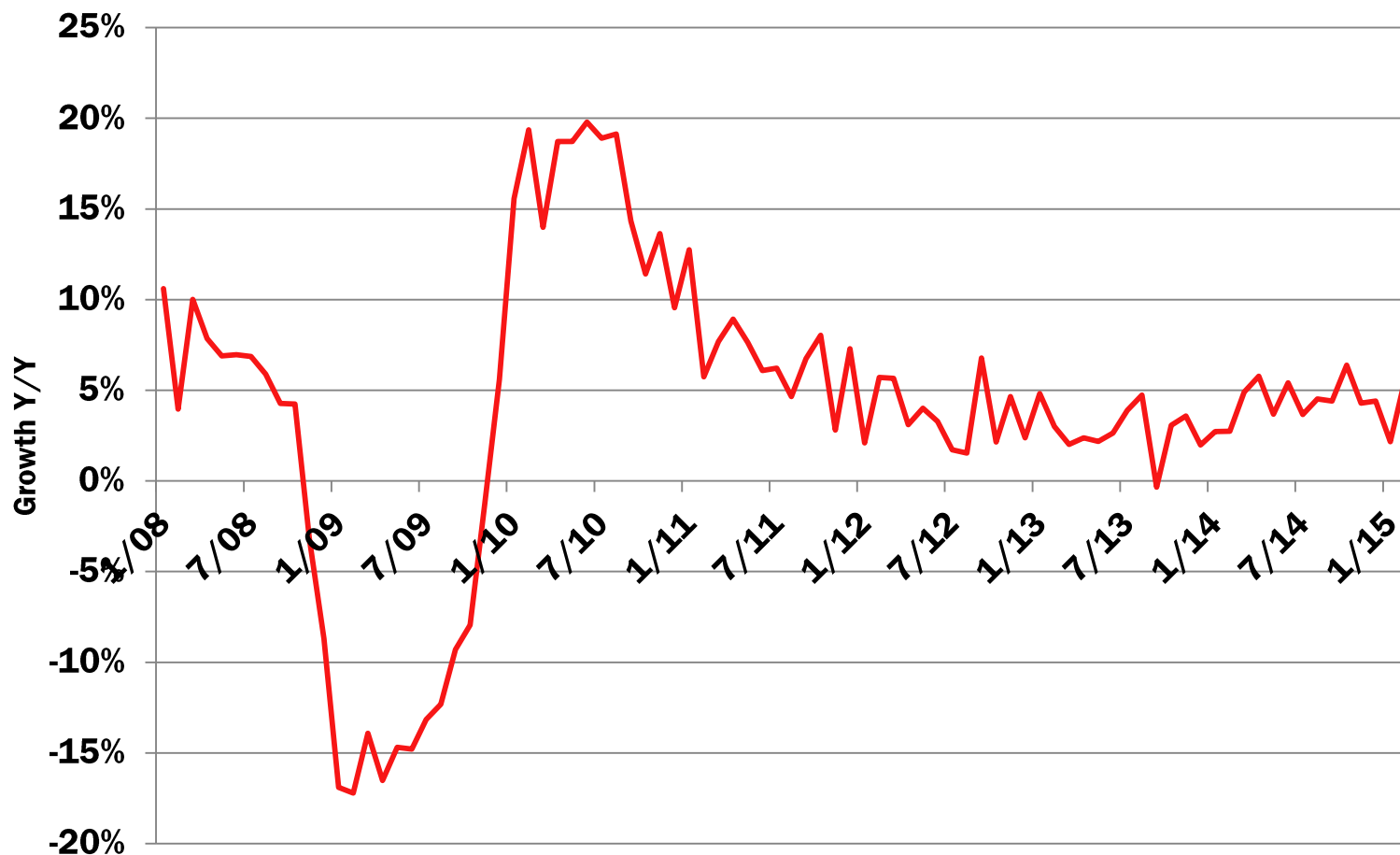
SOURCES: Eurostat (latest data point Q1/15), Federal Reserve Bank of St. Louis (March 2015)

PMI'S IN THE BRIC COUNTRIES



SOURCES: HSBC/Markit (latest data point March 2015)

CONTAINER THROUGHPUT



Source: RWI/ISL Container Throughput Index (latest data point February 2015)

MARKET OUTLOOK AND FINANCIAL GUIDANCE AS OF APRIL 29, 2015

Market outlook

- European customers are still cautious about investing, but the number of inquiries is increasing.
- In the U.S., the market outlook remains generally positive, but the industrial production indicators are suggesting some softening of the growth rate.
- The near-term market outlook in emerging markets remains uncertain.
- Continued contract base growth bodes well for the future of the service business.
- The quarterly Equipment order intake may fluctuate due to the timing of the large port crane projects.

Financial guidance

- Based on the order book, service contract base, and the near-term demand outlook, the year 2015 sales are expected to be higher than in 2014.
- We expect the 2015 operating profit, excluding restructuring costs, to improve from 2014.

CHANGES IN PERSONNEL AND RESTRUCTURING COSTS

- Group headcount at year-end 2014
- Personnel change due to restructuring programs
- New, mainly Service-related, recruitment in the USA and Africa
- Group headcount at end-Q1/15

11,982 persons

~ -140 persons

~ +60 persons

11,905 persons

- Change in Service
- Change in Equipment

+22 persons

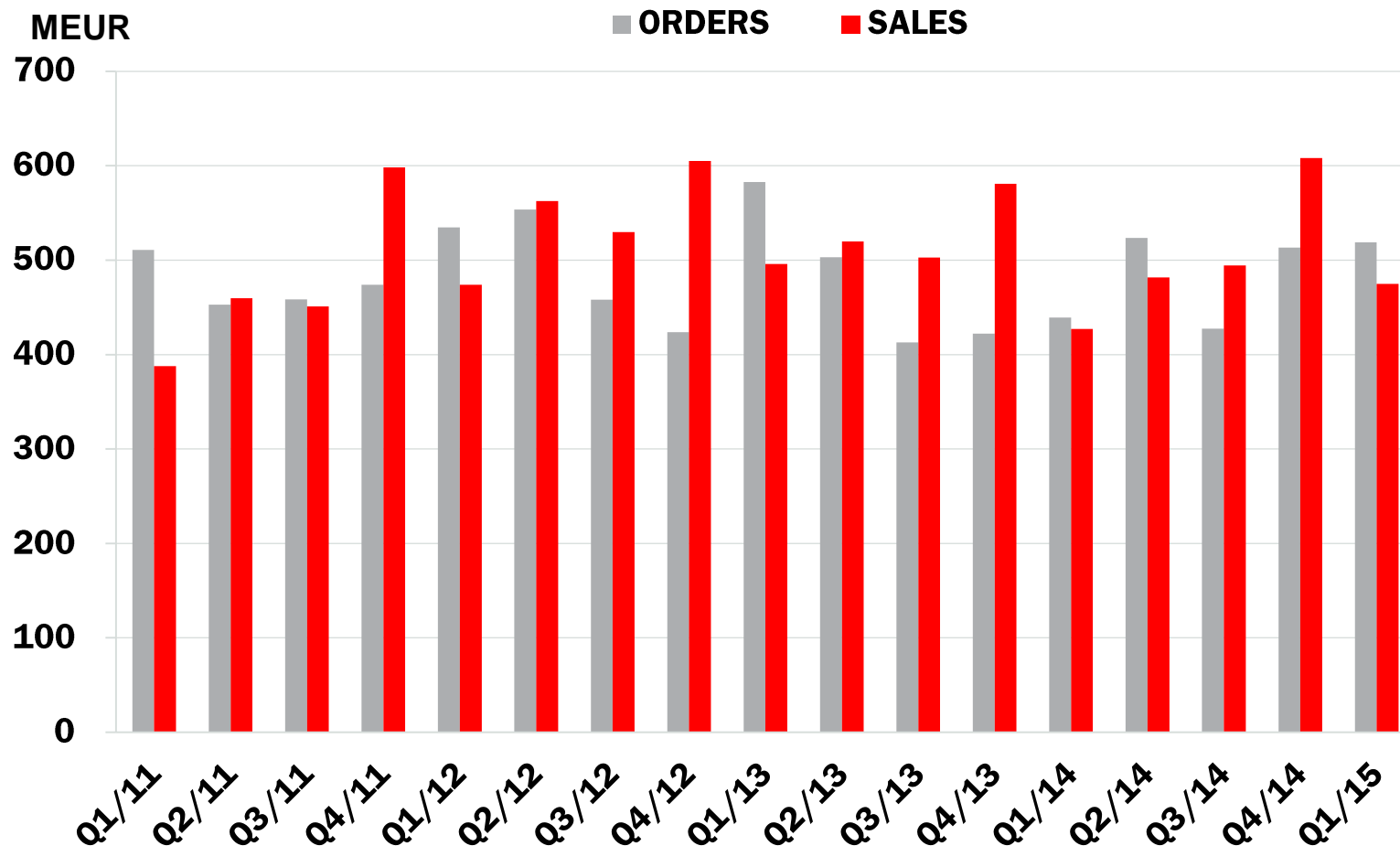
-95 persons

- Restructuring costs

EUR2.3m (0.4)

GROUP ORDERS AND NET SALES

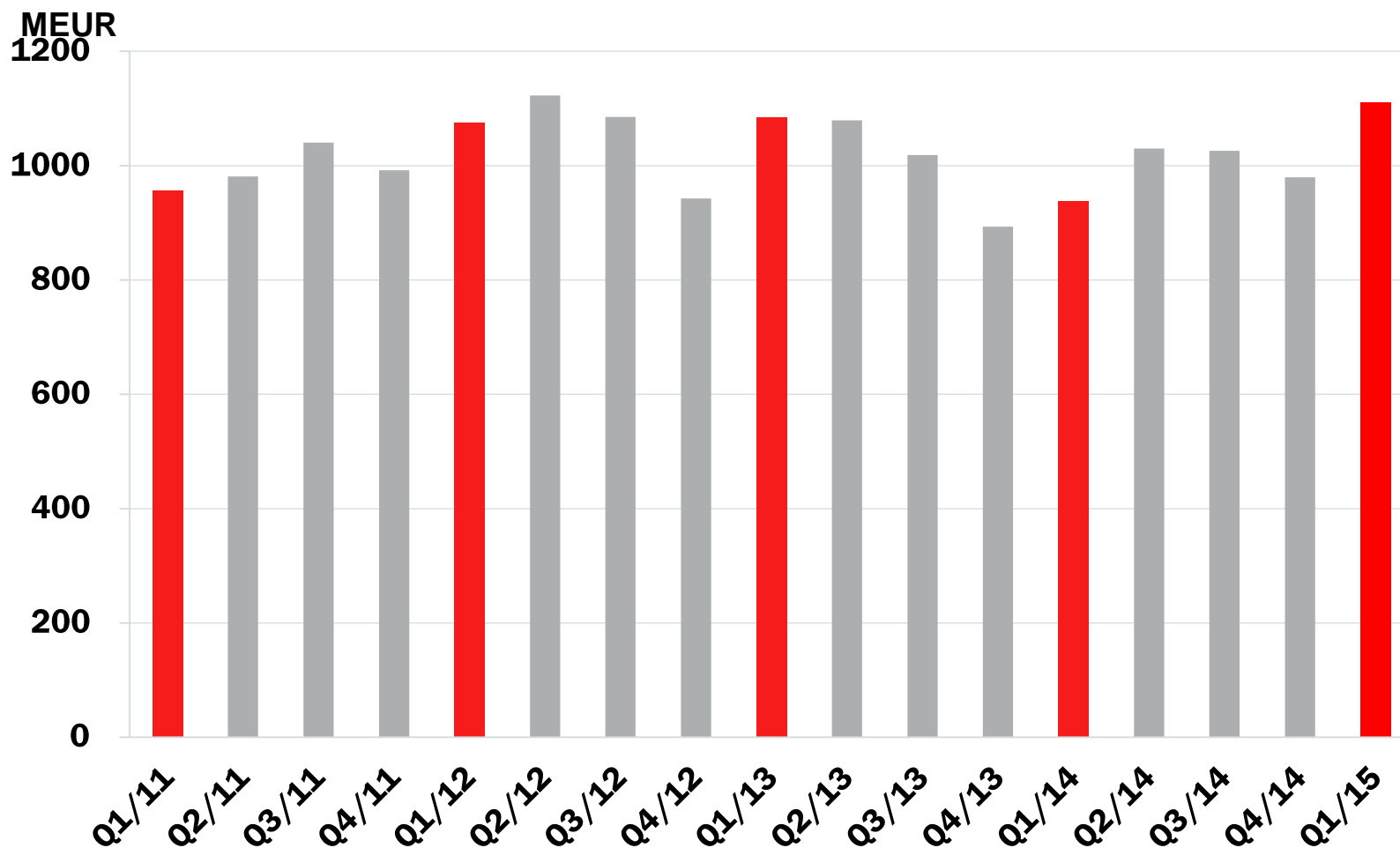
Q1 Orders: 518.8 (439.3) MEUR, +18.1%* | Net sales: 474.9 (427.3) MEUR, +11.1%**



*+9.5% at comparable currencies, **2.6% at comparable currencies

GROUP ORDER BOOK

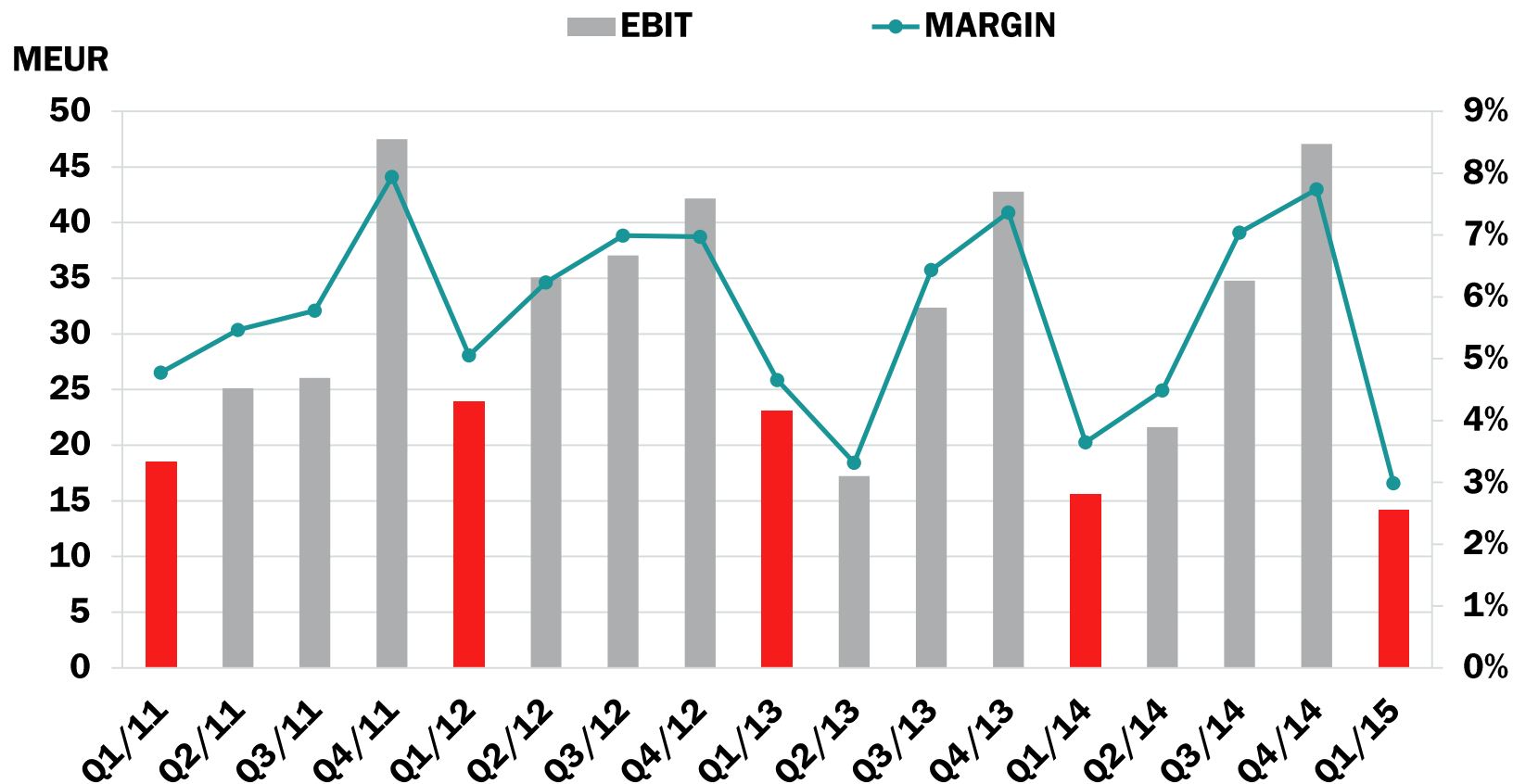
Q1 Order book: 1,111.1 (937.9) MEUR, +18.5%*



*+8.7% at comparable currencies

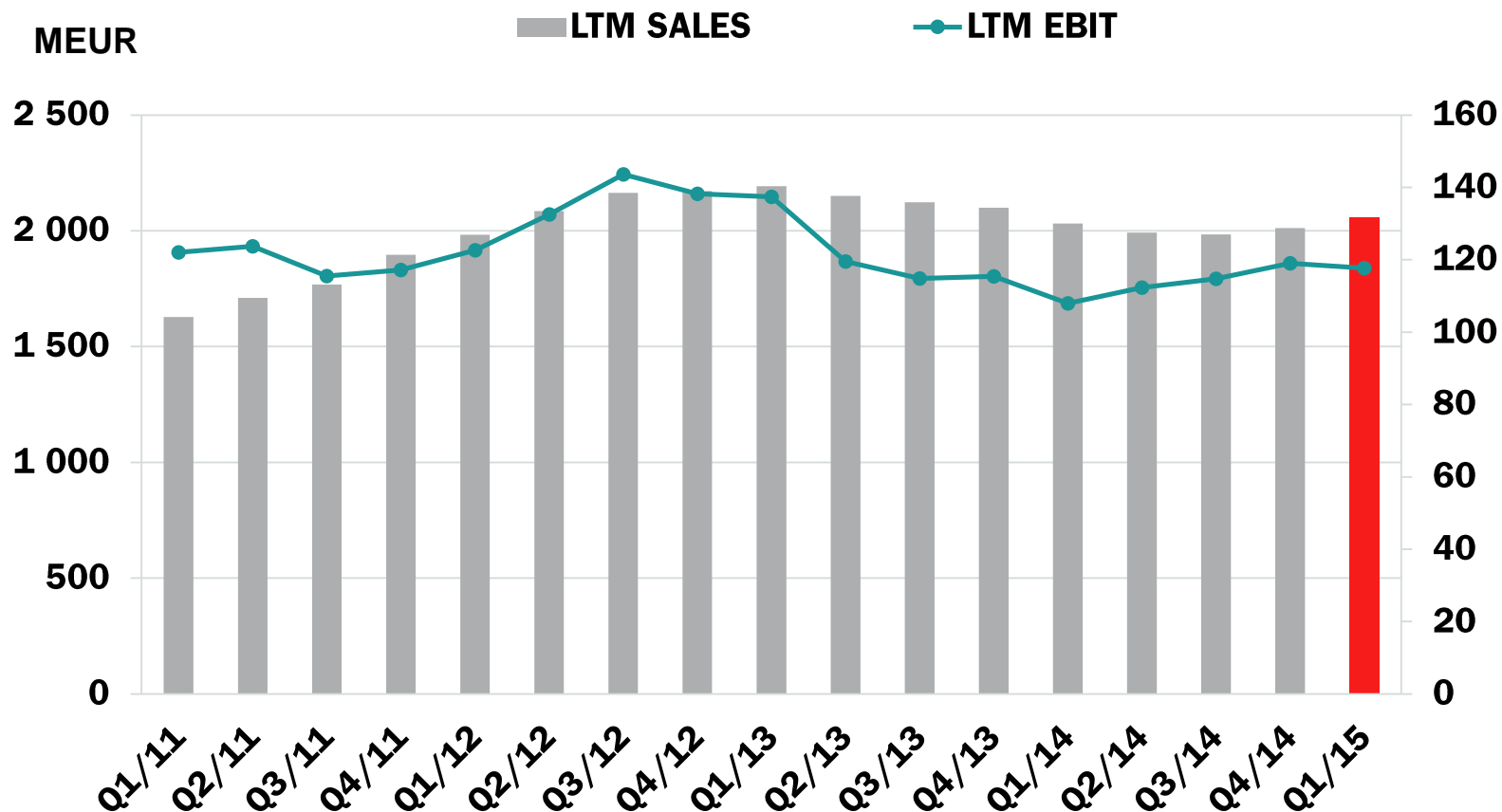
GROUP EBIT & MARGIN

Q1 EBIT: 14.2 (15.6) MEUR, -9.0% | MARGIN: 3.0% (3.6%), excluding restructuring costs

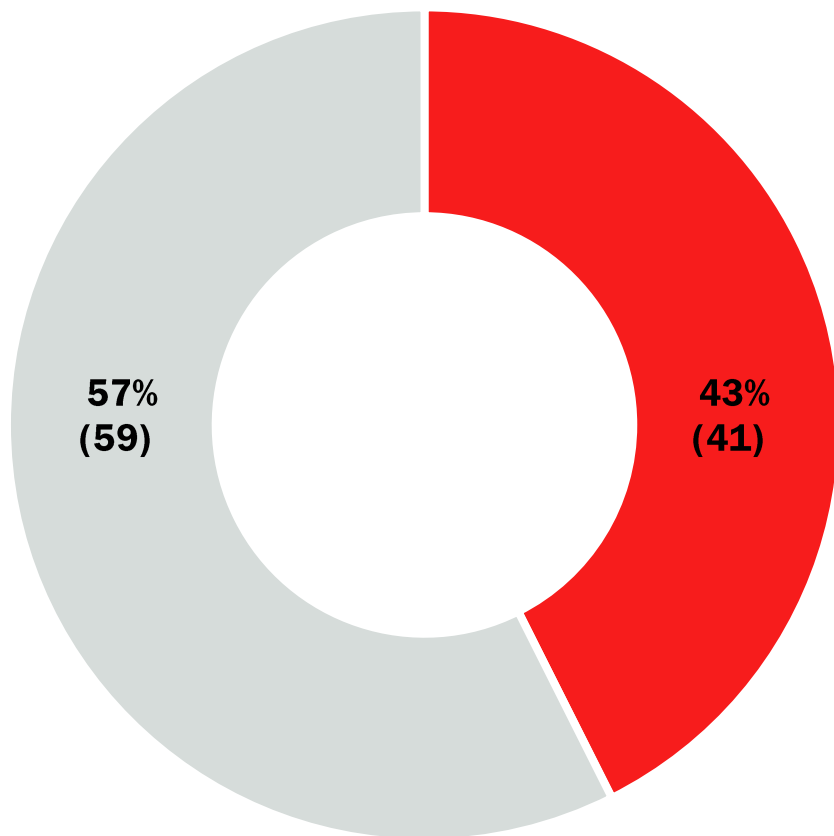


GROUP NET SALES AND EBIT

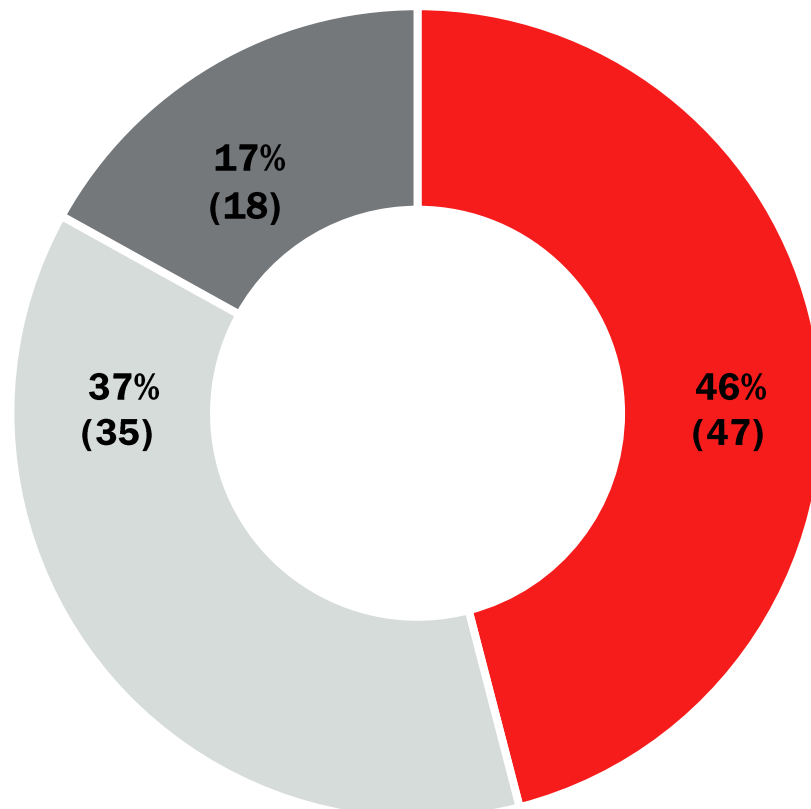
**R12M Sales: 2,059.0 (2,031.0) MEUR, +1.4% | EBIT: 117.7 (108.0) MEUR, +9.0%,
excluding restructuring costs**



SALES SPLIT BY BUSINESS AREA & REGION



- SERVICE
- EQUIPMENT



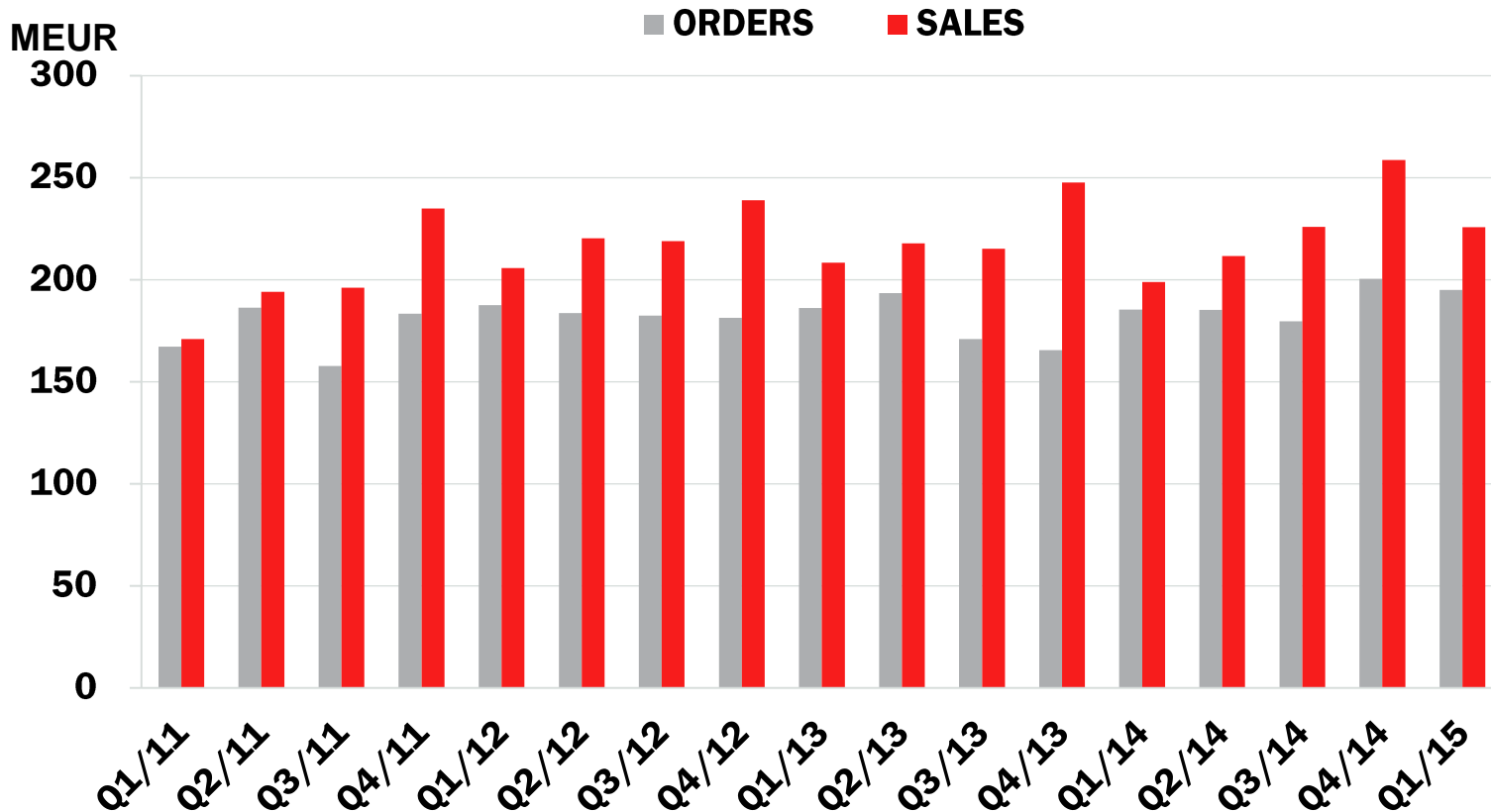
- EMEA
- AME
- APAC



SERVICE

SERVICE ORDERS AND NET SALES

Q1 Orders: 195.0 (185.4) MEUR, +5.2%* | Sales: 225.8 (199.0) MEUR, +13.5%**

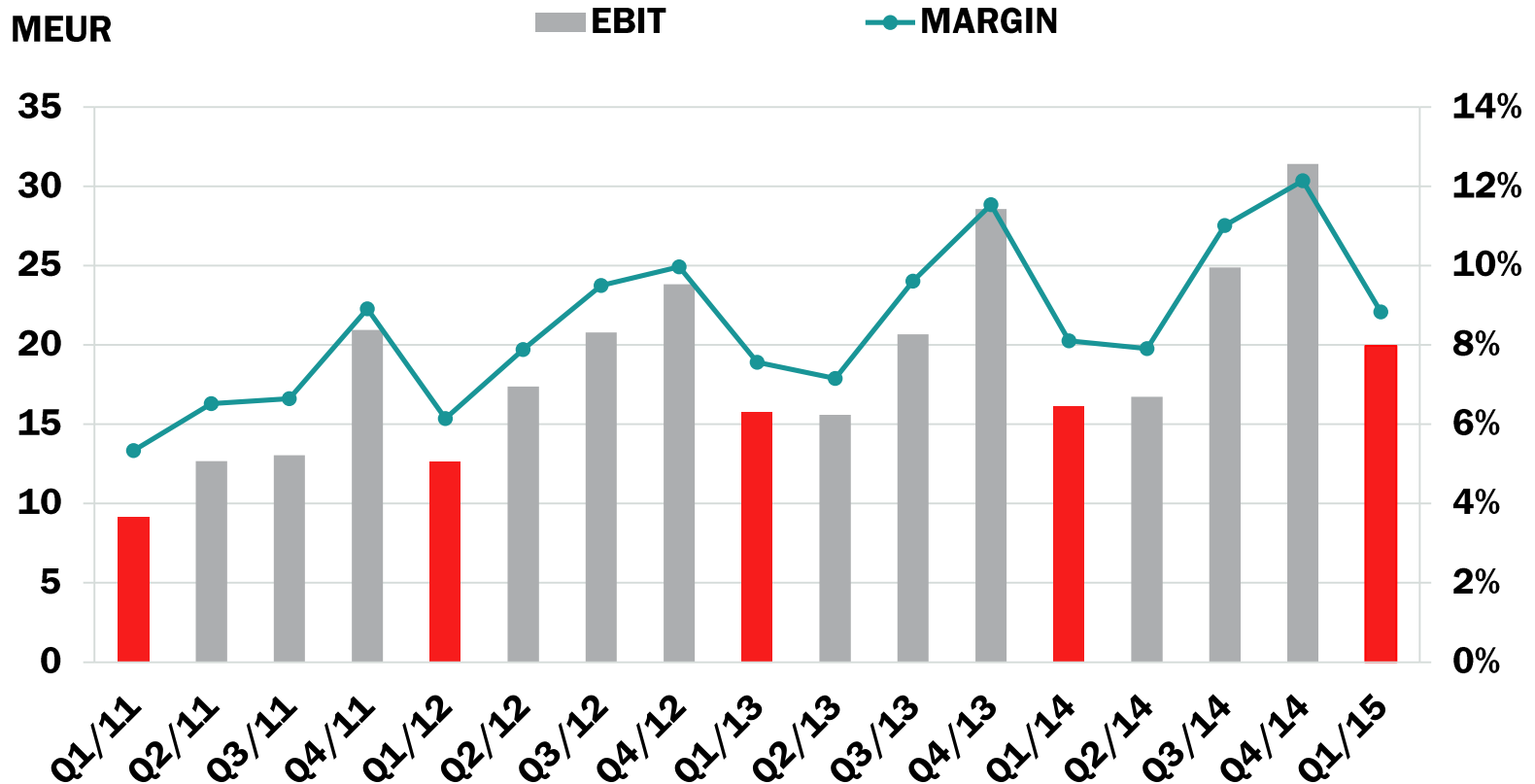


- At comparable currencies, order intake decreased Y/Y due to lower modernization orders
- Sales grew in the Americas and Asia-Pacific but declined in EMEA
- Parts sales continued to grow faster than field service sales

*4.2% at comparable currencies, **+3.5% at comparable currencies

SERVICE EBIT & MARGIN

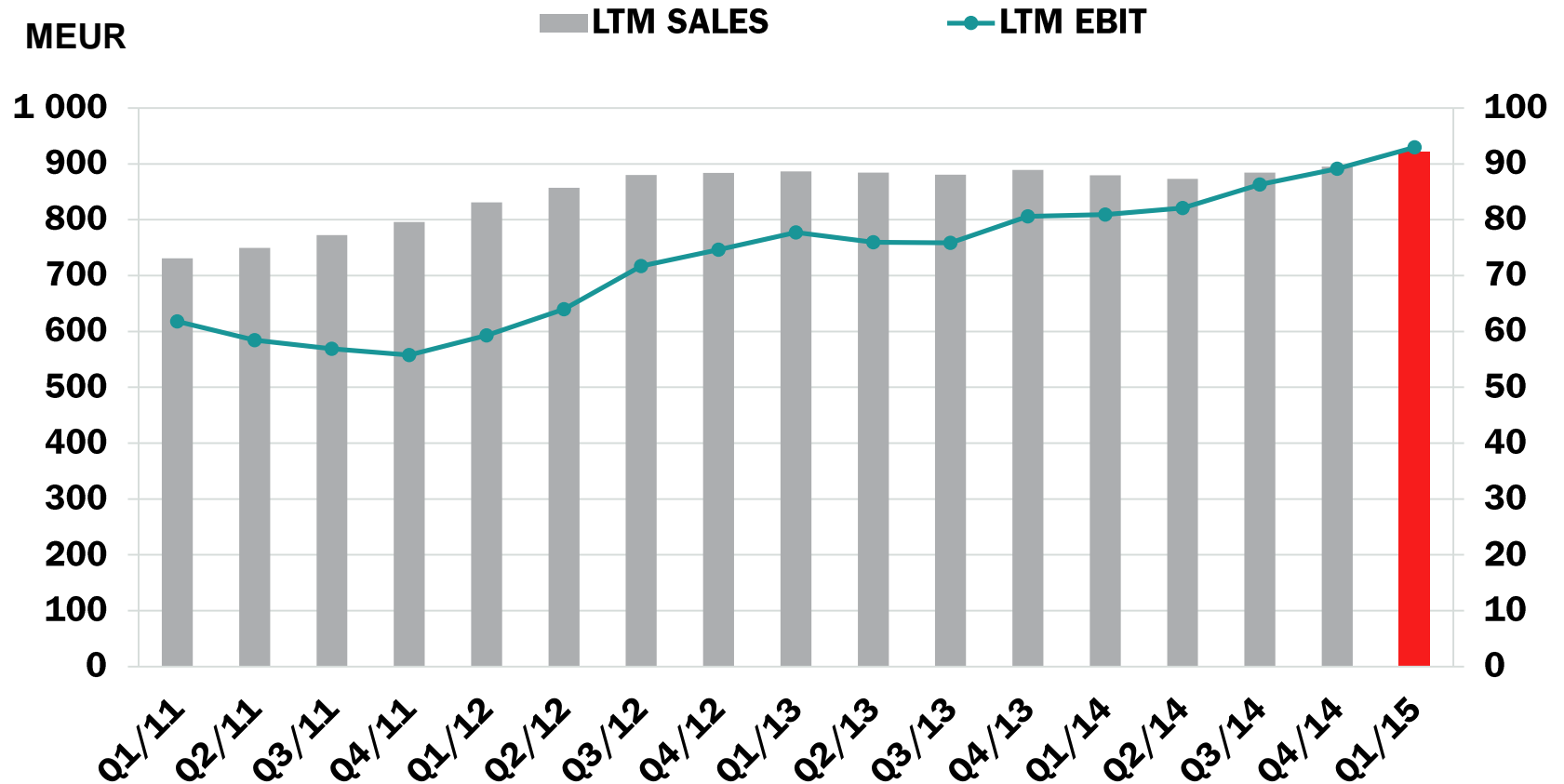
Q1 EBIT: 19.9 (16.1) MEUR, +23.7% | MARGIN: 8.8% (8.1%), excluding restructuring costs



- EBIT margin improved on higher sales and gross margin

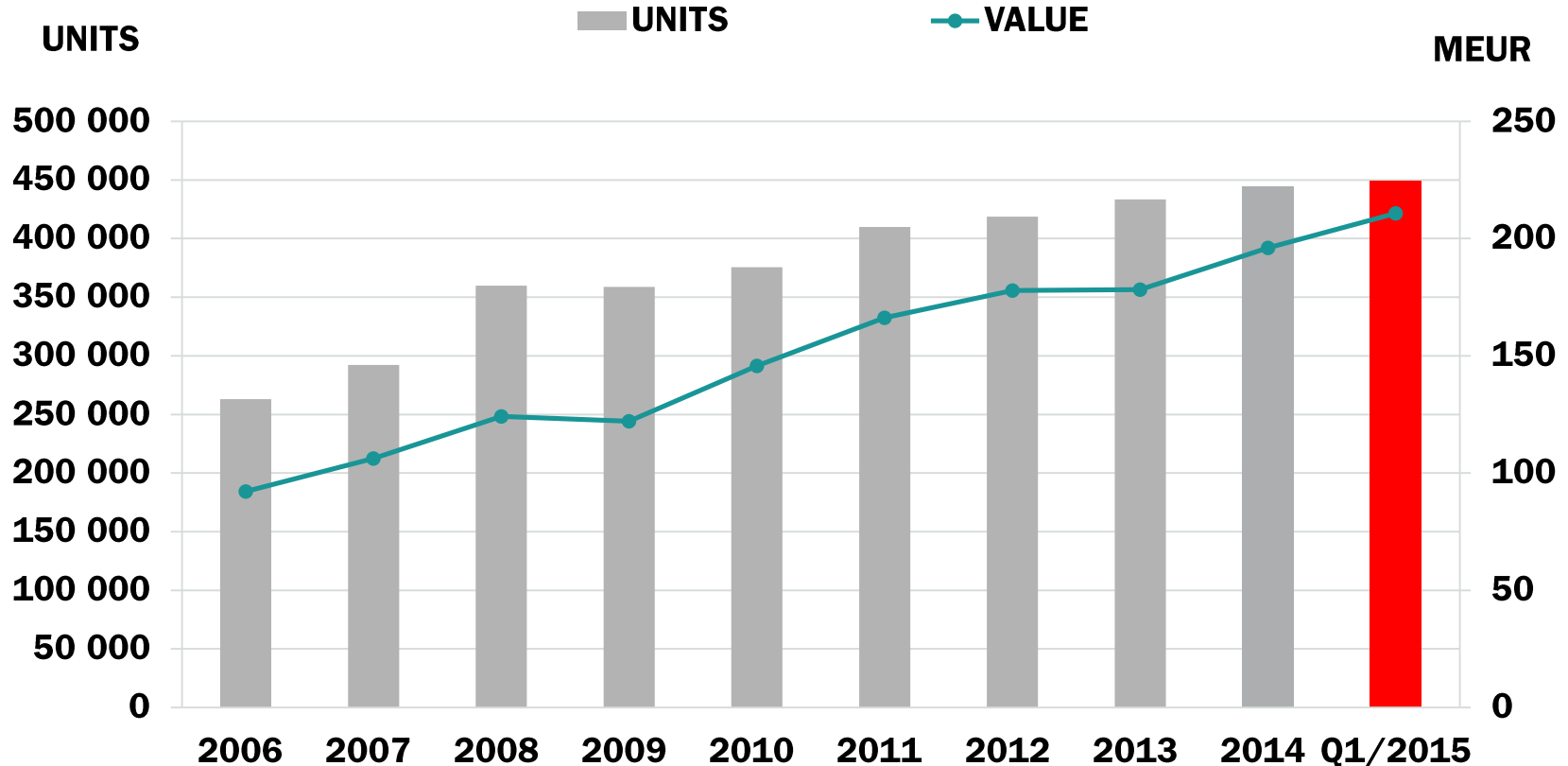
SERVICE NET SALES AND EBIT

**R12M Sales: 921.9 (879.7) MEUR, +4.8% | EBIT: 92.9 (80.9) MEUR, +14.8%,
excluding restructuring costs**



SERVICE CONTRACT BASE

Q1 CB: 449 (439) thousand units, +2.3% | Annual value 211 (183) MEUR, +15.5%*

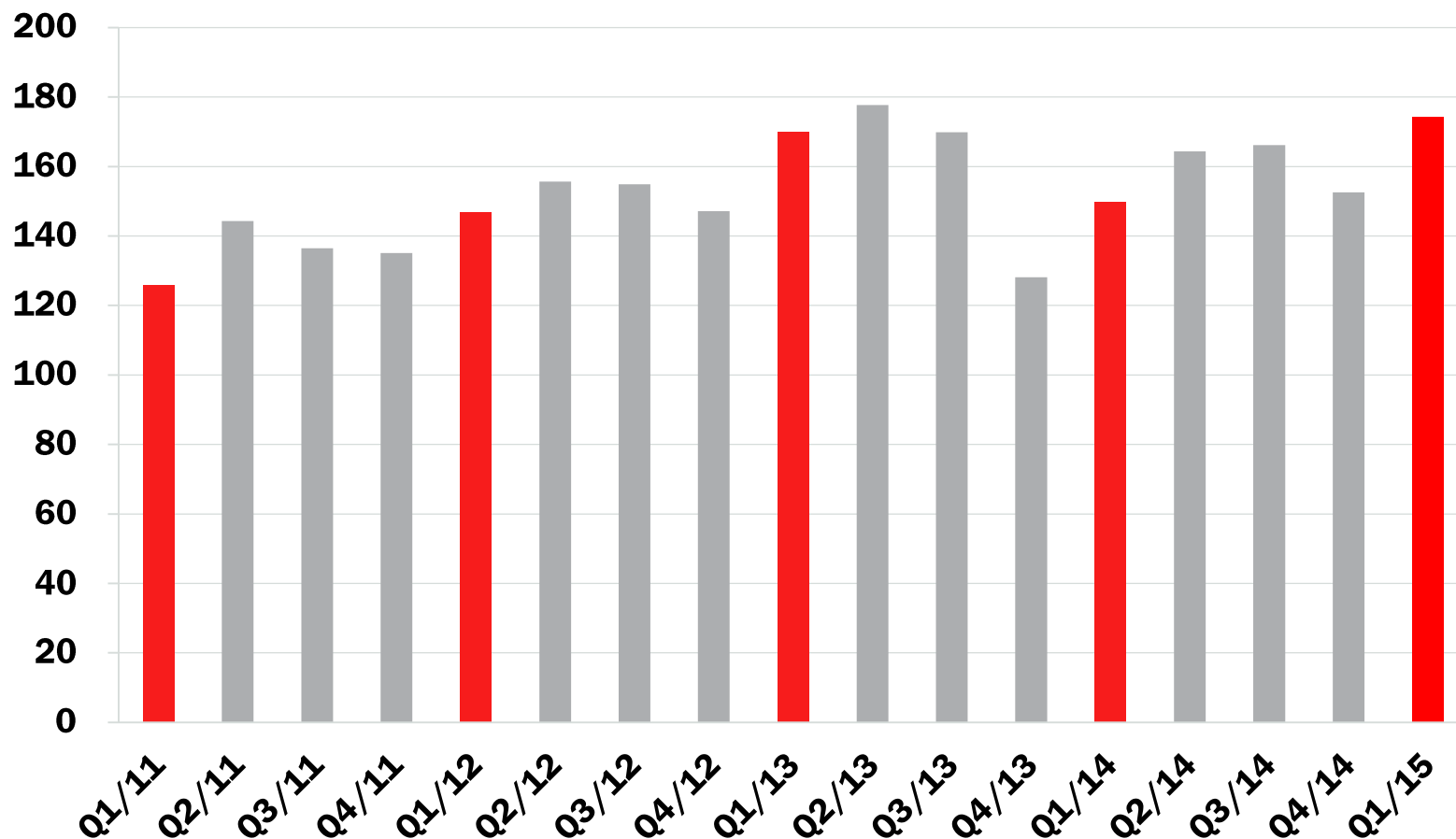


*+3.9% at comparable currencies

SERVICE ORDER BOOK

Q1 Order book: 174.3 (149.6) MEUR, +16.5%*

MEUR



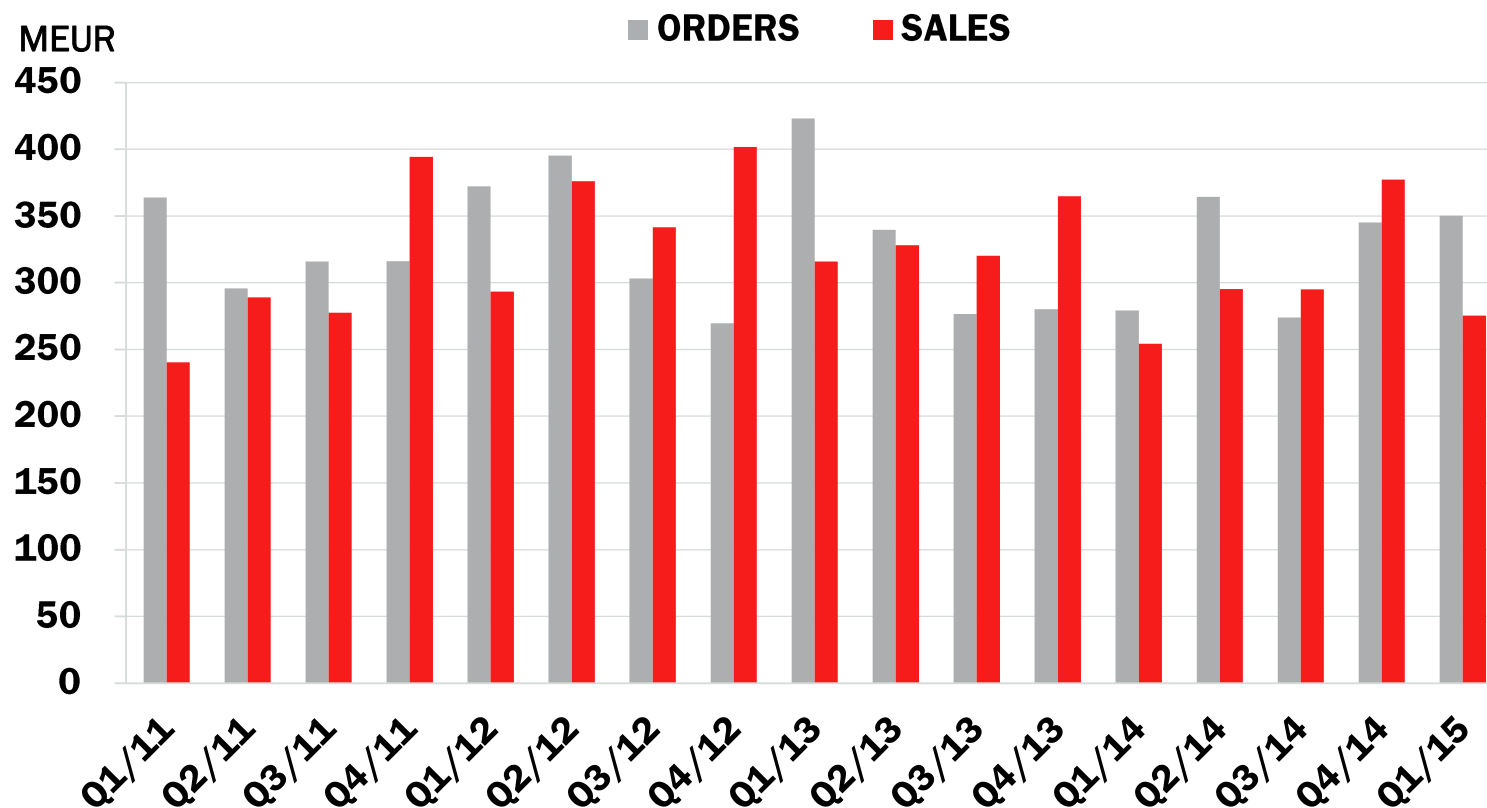
*+2.0% at comparable currencies

A photograph of two men in a large industrial space, likely a warehouse or factory. They are looking up at a large yellow Konecranes crane. The man on the left is wearing a red jacket and a white hard hat with a red 'C' logo, and he is pointing his right hand towards the crane. The man on the right is wearing a blue hard hat and a dark green jacket. The crane has a black motor unit with a fan and a yellow warning label that says 'KONECRANES'. A yellow hook with a '2.0t' label is visible hanging from the crane. A red banner with the word 'EQUIPMENT' is overlaid on the right side of the image.

EQUIPMENT

EQUIPMENT ORDERS AND NET SALES

Q1 Orders: 350.1 (279.2) MEUR, +25.4%* | Net sales: 275.4 (254.3) MEUR, +8.3%**

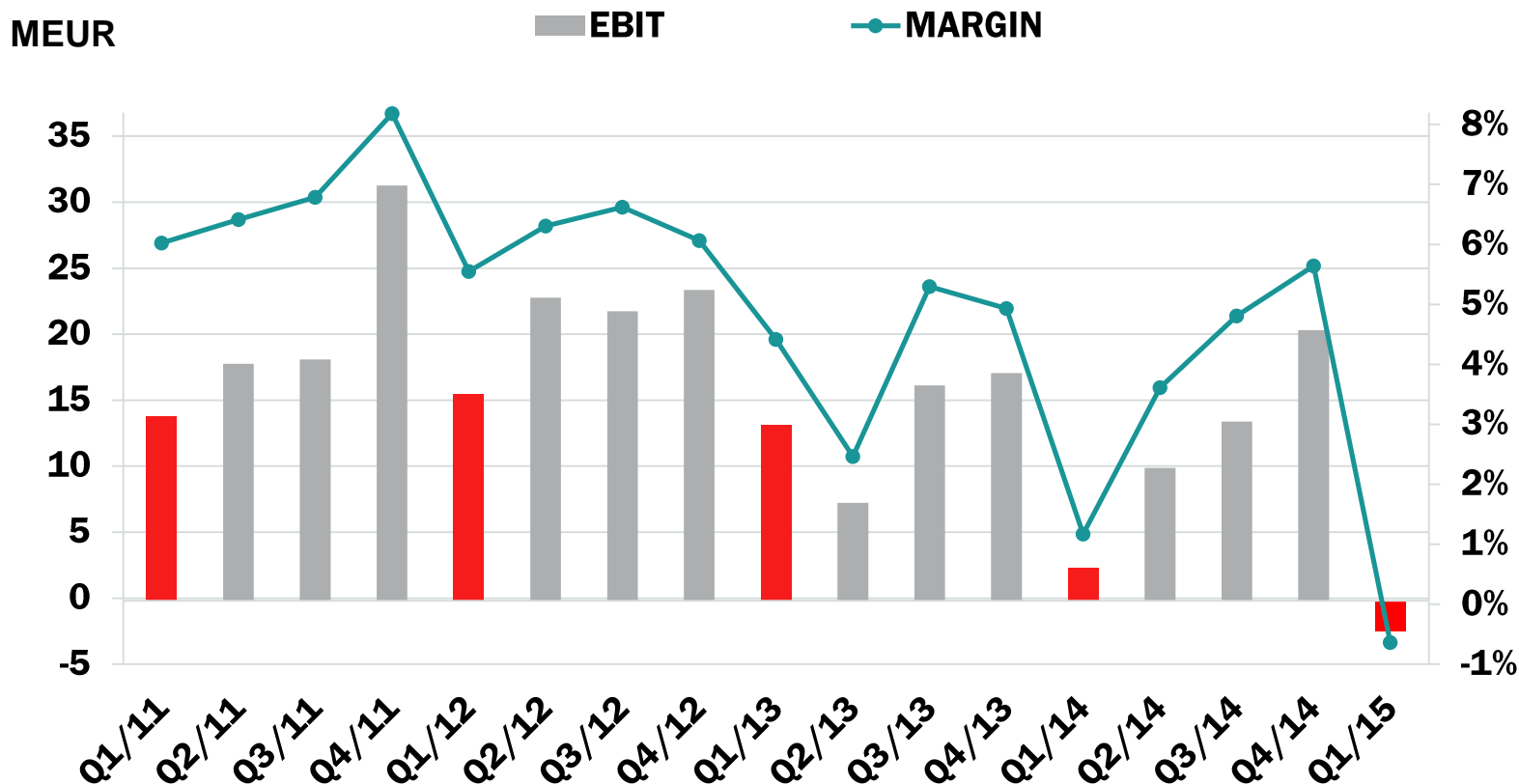


- Orders grew in the Americas and APAC but were at previous year's level in EMEA
- Port cranes saw the strongest increase, and the orders for lift trucks and industrial cranes increased as well Y/Y; component orders decreased Y/Y

*+17.5% at comparable currencies, **+0.8% at comparable currencies

EQUIPMENT EBIT & MARGIN

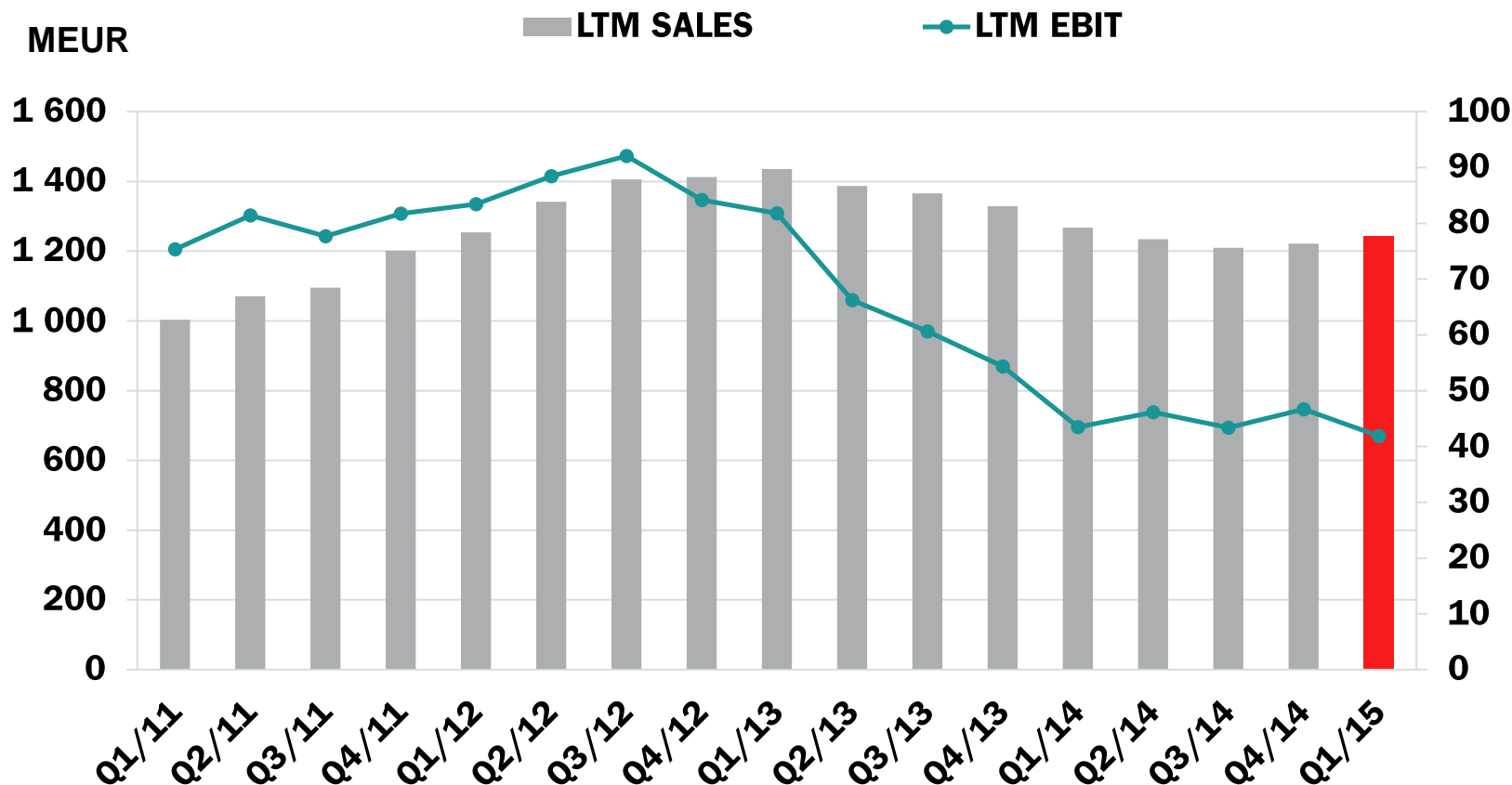
Q1 EBIT: -2.3 (2.5) MEUR, -193.6% | MARGIN: -0.8% (1.0%), excluding restructuring costs



- EBIT margin was affected by low volume and unfavorable sales mix
- Amortization related to new IT systems increased
- Currency benefits not yet visible in the EBIT

EQUIPMENT NET SALES AND EBIT

**R12M Sales: 1,242.8 (1,267.6) MEUR, -2.0% | EBIT: 41.9 (43.5) MEUR, -3.7%,
excluding restructuring costs**



EQUIPMENT ORDER BOOK

Q1 Order book: 936.8 (788.3) MEUR, +18.8%*

MEUR

1200

1000

800

600

400

200

0

Q1/11 Q2/11 Q3/11 Q4/11 Q1/12 Q2/12 Q3/12 Q4/12 Q1/13 Q2/13 Q3/13 Q4/13 Q1/14 Q2/14 Q3/14 Q4/14 Q1/15

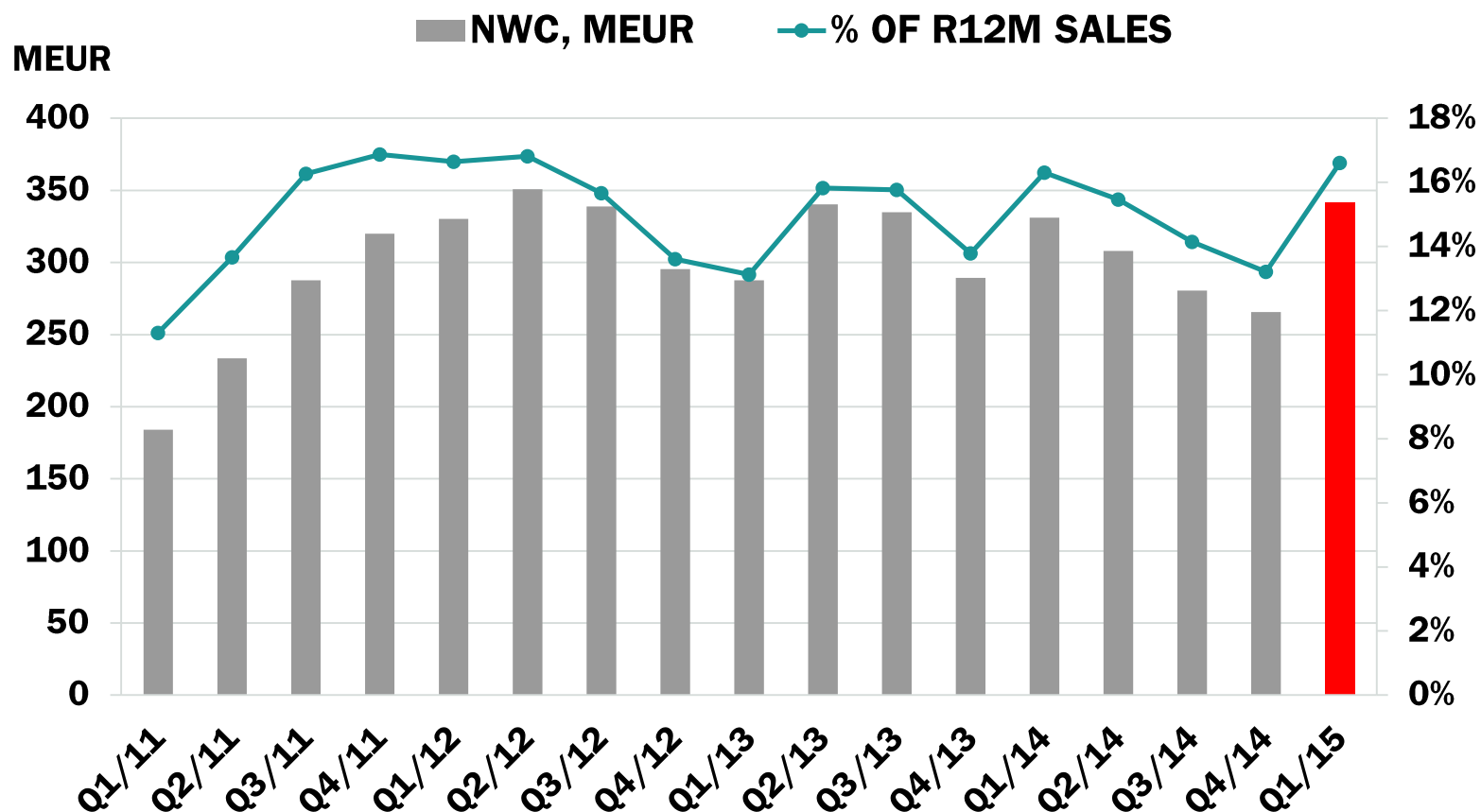
*+10.0% at comparable currencies



BALANCE SHEET AND CASH FLOW

NET WORKING CAPITAL

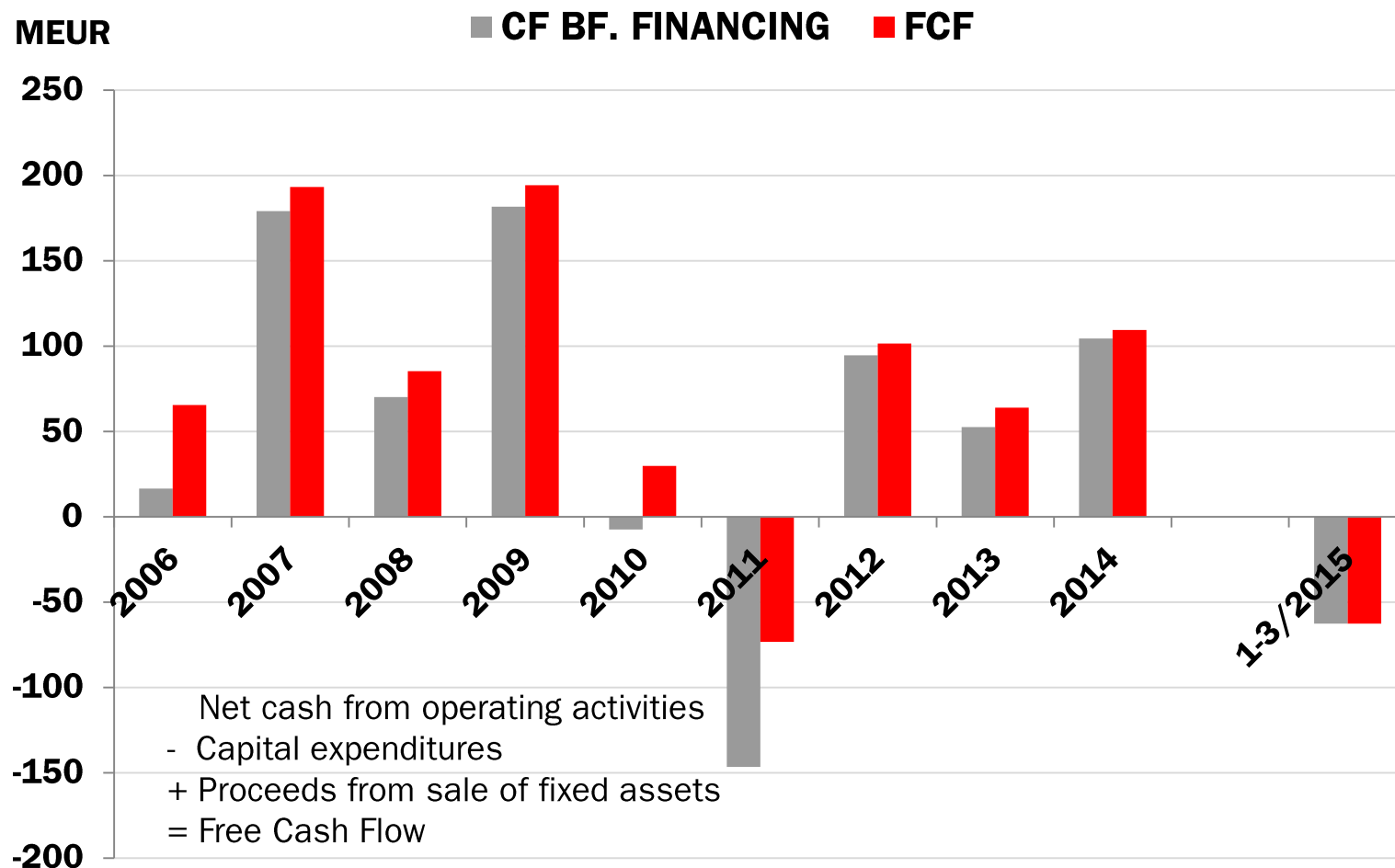
Q1 NWC: 341.9 (331.2) MEUR | 16.6% (16.3%) of R12M sales



Q1/15 excl. dividend liability of EUR61, Q1/14 excl. dividend liability of EUR 61 million, Q1/13 excl. dividend liability of EUR 61 million, Q1/12 excl. dividend liability of EUR 57 million, Q1/11 excl. dividend liability of EUR 60 million

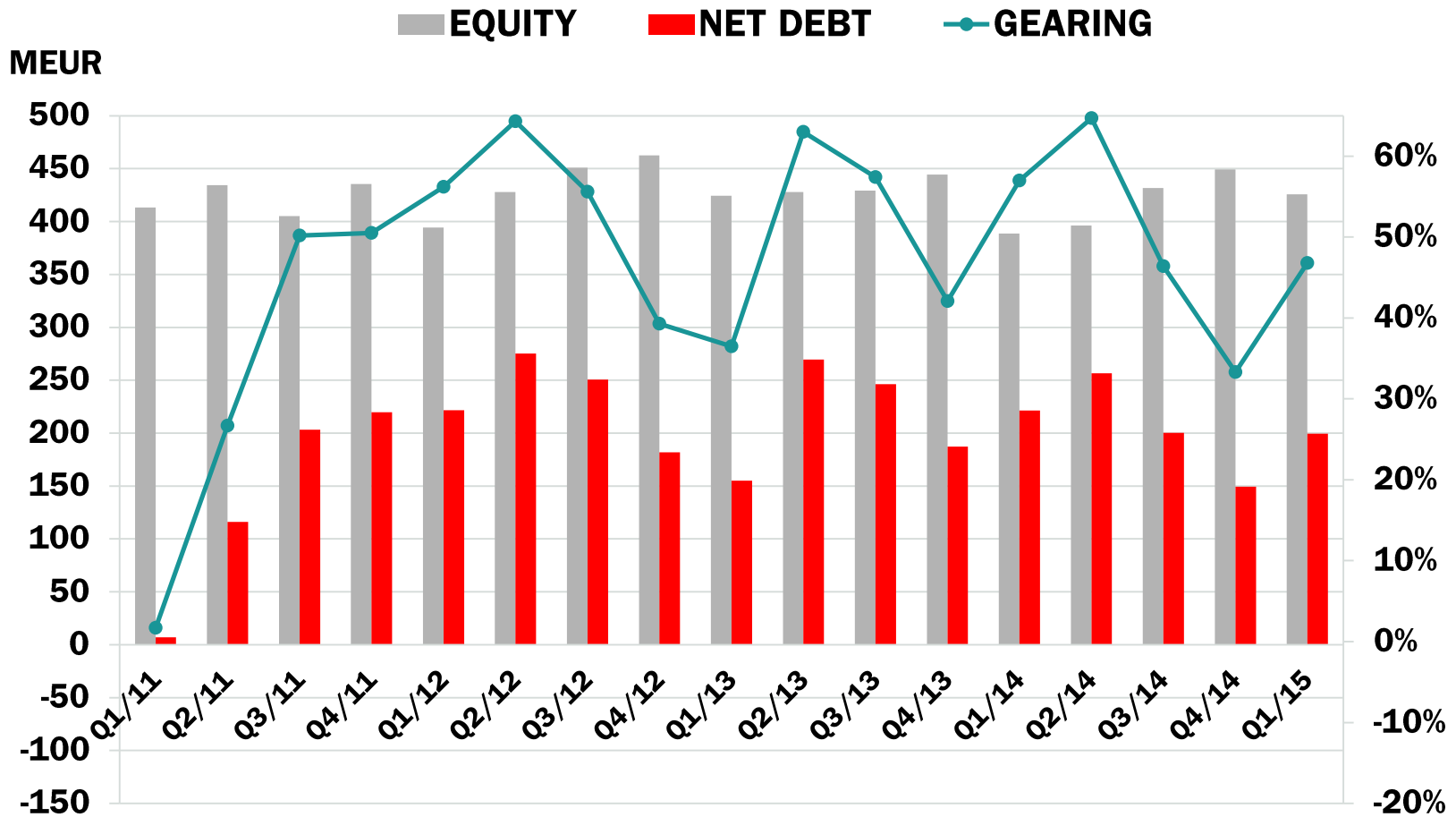
CF BEFORE FINANCING ACTIVITIES AND FCF

Q1 CF BF. FINANCING: -62.6 (-32.7) MEUR | FCF: -62.6 (-32.6) MEUR



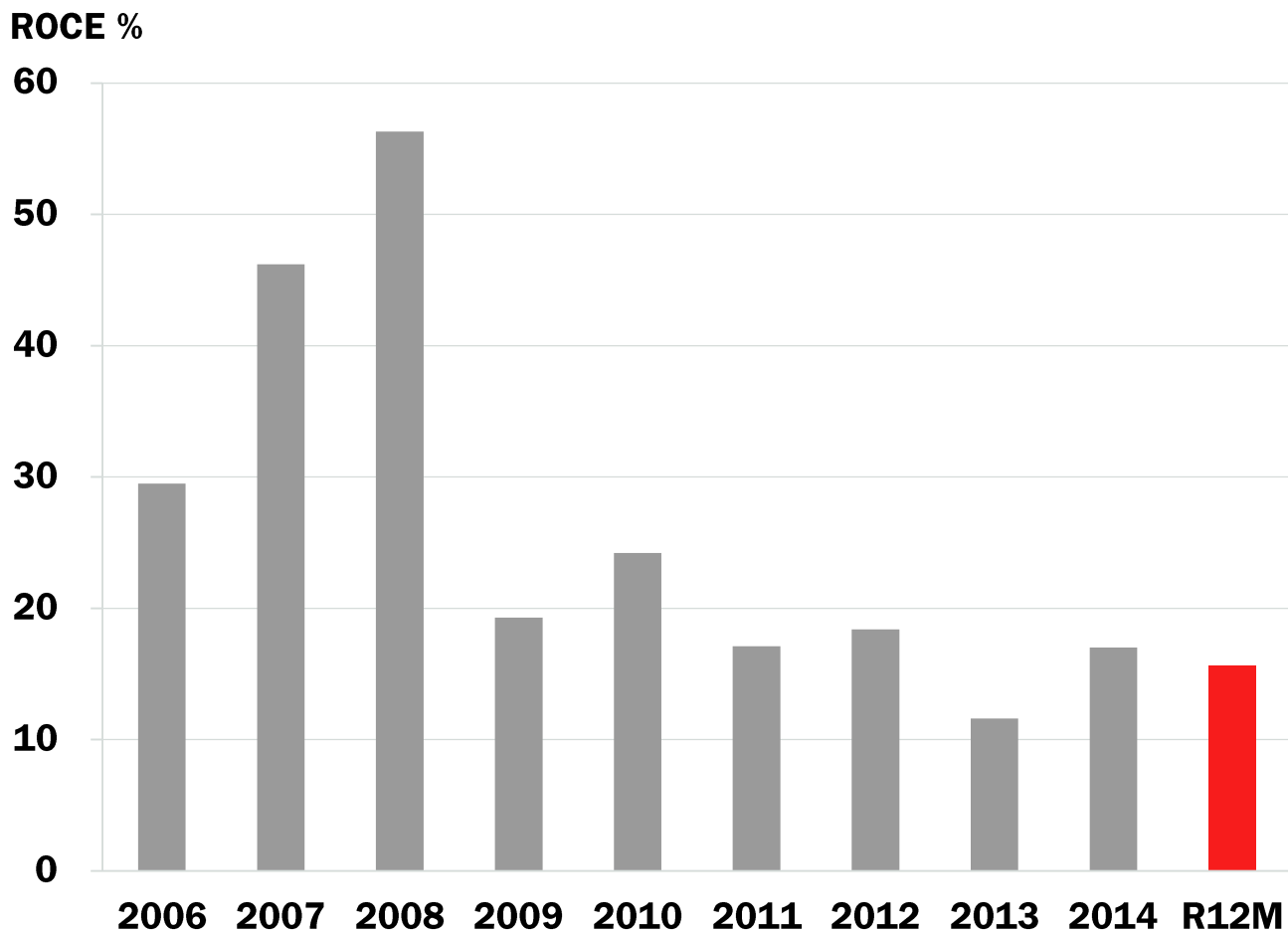
GEARING

Q1 Equity: 425.7 (388.7) MEUR | Net debt: 199.4 (221.5) MEUR | Gearing: 46.8% (57.0%)



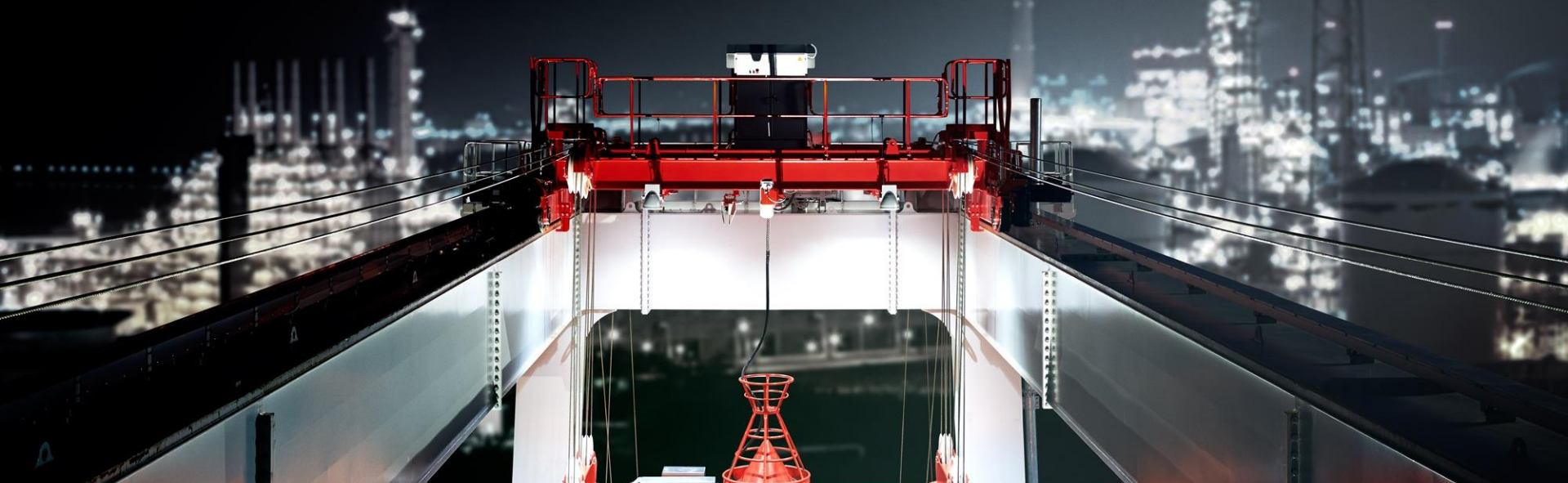
RETURN ON CAPITAL EMPLOYED

R12M ROCE: 15.6% (11.4%)





**NOT JUST LIFTING
THINGS, BUT ENTIRE
BUSINESSES**



A close-up photograph of a male worker wearing a white hard hat with a red 'C' logo and clear safety glasses. He is looking intently at an open electrical control panel. The panel contains various components, including terminal blocks with red and white wires, and two digital displays. The worker is wearing an orange high-visibility jacket. A red rectangular box is overlaid on the top right of the image, containing the word 'APPENDIXES' in white capital letters.

APPENDIXES

STATEMENT OF INCOME

MEUR	Q1/15	Q1/14	% Change
Sales	474.9	427.3	11.1
Other operating income	0.3	0.5	
Depreciation and impairments	-12.8	-9.5	
Other operating expenses	-450.6	-403.2	
Operating profit	11.8	15.2	-21.9
Share of associates' and joint ventures' result	1.3	1.0	
Financial income and expenses	-5.1	-3.5	
Profit before taxes	8.1	12.7	-36.4
Taxes	-2.5	-4.0	
Net profit for the period	5.6	8.7	-35.5

BALANCE SHEET

MEUR	March 31, 2015	March 31, 2014	MEUR	March 31, 2015	March 31, 2014
Non-current assets	518.9	479.5	Equity	425.7	388.7
Inventories	390.8	353.8	Non-current liabilities	281.0	222.0
Other current assets	535.2	566.1	Provisions	49.0	45.7
Cash and cash equivalents	147.6	141.5	Current liabilities	836.9	884.3
Total assets	1,592.5	1,540.8	Total equity and liabilities	1,592.5	1,540.8

CASH FLOW STATEMENT

MEUR	Q1/15	Q1/14
Operating income before change in net working capital	26.4	25.3
Change in net working capital	-58.9	-43.7
Financing items and taxes	-21.8	-6.5
Net cash from operating activities	-54.4	-24.9
Cash flow from investing activities	-8.2	-7.8
Cash flow before financing activities	-62.6	-32.7
Proceeds from options exercised and share issues	11.8	0.5
Change in interest-bearing debt	95.2	43.7
Dividends paid to equity holders of the parent	0.0	0.0
Net cash used in financing activities	106.9	44.2
Translation differences in cash	5.3	-2.3
Change of cash and cash equivalents	49.7	9.2
Cash and cash equivalents at beginning of period	97.9	132.2
Cash and cash equivalents at end of period	147.6	141.5
Change of cash and cash equivalents	49.7	9.2

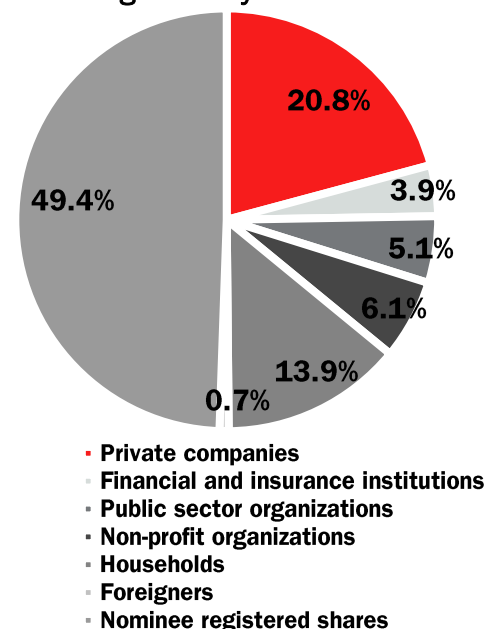
KEY FIGURES

MEUR	Q1/2015	Q1/2014	% Change
Earnings per share, basic, EUR	0.10	0.15	-35.4
Earnings per share, diluted, EUR	0.10	0.15	-35.3
Return on capital employed %, R12M	15.6	11.4	
Return on equity %, R12M	16.3	11.6	
Equity per share, EUR	7.27	6.61	10.0
Current ratio	1.2	1.1	
Gearing (%)	46.8	57.0	
Solidity (%)	30.2	29.6	
EBITDA, MEUR	24.6	24.7	-0.2
Investments total (excl. acquisitions), MEUR	6.7	9.2	-27.2
Interest-bearing net debt, MEUR	199.4	221.5	-10.0
Net working capital, MEUR	280.4	270.4	3.7
Personnel at end of period	11,905	11,911	-0,1
Personnel on average during the period	11,944	11,872	0.6
Average number of shares outstanding, basic	58,008,475	57,849,496	0.3
Average number of shares outstanding, diluted	58,099,609	58,054,089	0.1
Number of shares outstanding	58,540,700	57,874,421	1.2

THE LARGEST SHAREHOLDERS

Largest shareholders on March 31, 2015	Number of shares	% of all shares
1 HTT KCR Holding Oy Ab	6,870,568	10.9
2 Gustavson Stig, Chairman of the Board of Konecranes and family *)	2,076,208	3.3
3 Varma Mutual Pension Insurance Company	1,190,275	1.9
4 Nordea Investment Funds	806,918	1.3
5 Sigrid Jusélius Foundation	638,500	1.0
6 The Local Government Pensions Institution	598,542	1.0
7 Folkhälsan Samfundet i Svenska Finland	535,600	0.9
8 The State Pension Fund	525,000	0.8
9 Ilmarinen Mutual Pension Insurance Company	501,603	0.8
10 Danske Capital Funds	336,000	0.5
Konecranes Plc's treasury shares	4,676,635	7.4
Nominee registered shares	31,247,281	49.4
Other shareholders	13,269,212	21.0
Total number of shares	63,272,342	100.00

Market cap EUR 1,722.7 million
excluding treasury shares



Trading information

- Listing: NASDAX OMX Helsinki
- Date of listing: March 27, 1996
- Segment: Large Cap
- Sector: Industrials
- Trading code: KCR1V
- 1-3/15 average daily trading volume 222,074 shares, EUR 6.5 million

*) Konecranes Plc has on December 28, 2011 received information according to which the Chairman of the company's Board of Directors Stig Gustavson has donated all of his shares in Konecranes Plc to his near relatives retaining himself for life the voting rights and right to dividend attached to the donated shares. The donation encompasses in total 2,069,778 shares which corresponds to approximately 3.27 percent of all of the company's shares and voting rights.

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