HALF-YEAR FINANCIAL REPORT

July 25, 2018

Panu Routila, President & CEO

Teo Ottola, CFO

Photo: Meyer Turku

AGENDA

Konecranes applied the full retrospective approach in IFRS 15 transition, and the numbers for the periods in 2017 have been restated. Please refer to note 4 for more details on the implementation of IFRS 15 and other significant accounting policies.

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Q2/18 HIGHLIGHTS

- Continued good progress in execution in Q2/18
  - Adjusted EBITA margin improved to 7.7% (6.4%)
  - Halfway mark of our synergy savings program passed, EUR 80M run-rate synergies reached by end Q2/2018
- Q2/18 result in line with our expectations
  - Continued good execution with service growth strategy, comparable currency orders and agreement base value up 7.1% and EUR 3.4M, respectively
  - In Industrial Equipment, external order growth of 2.4% with comparable currencies. Order intake growth for components accelerated in Q2, in addition to solid growth in order intake for standard cranes in EMEA.
  - In Port Solutions, the market sentiment remains at a good level. Decline in order intake mainly driven by a smaller number of orders available for Mobile Harbour Cranes.
- Demand outlook updated to reflect improved conditions in Europe and stabilizing conditions in APAC within the industrial customer segments, full-year financial guidance reiterated

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KEY FIGURES

Key figures	4-6/18	4-6/17	Change %	Change % at comparable currencies	H1/18	H1/17*	Change %	Change % at comparable currencies
Orders received, MEUR	760.9	790.2	-3.7	-0.6	1,444.0	1,524.7	-5.3	-1.5
Order book at end of period, MEUR	1,647.5	1,605.9	2.6	4.0	1,647.5	1,605.9	2.6	4.0
Sales, MEUR	772.2	796.4	-3.0	0.4	1,445.0	1,480.5	-2.4	2.0
Adj. EBITDA, MEUR	77.5	70.8	9.4		132.7	119.8	10.7	
Adj. EBITDA, %	10.0	8.9			9.2	8.1		
Adj. EBITA, MEUR	59.8	51.1	17.1		97.1	82.2	18.1	
Adj. EBITA, %	7.7	6.4			6.7	5.6		
Operating profit (EBIT), MEUR	42.0	30.0	39.8		65.8	256.4	-74.3	
Operating margin (EBIT), %	5.4	3.8			4.6	17.3		
EPS, basic, EUR	0.28	0.17	59.6		0.38	2.68	-85.7	
Free cash flow, MEUR	-22.9	84.6			-25.1	172.6		
Net debt, MEUR	641.6	542.4			641.6	542.4		

*H1/17 included a capital gain of EUR 218.4 million from the divestment of STAHL CraneSystems

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KEY FIGURES BY BUSINESS AREA

Key figures	4-6/18	4-6/17	Change %	Change % at comparable currencies	H1/18	H1/17	Change %	Change % at comparable currencies
Service								
Orders received, MEUR	256.8	251.4	2.2	7.1	495.3	497.6	-0.5	5.9
Sales, MEUR	293.3	298.7	-1.8	2.9	559.7	584.2	-4.2	1.9
Adj. EBITA, MEUR	42.4	41.2	3.1		76.3	74.6	2.2	
Adj. EBITA, %	14.5	13.8			13.6	12.8		
Industrial Equipment								
Orders received, MEUR	338.6	308.5	9.8	13.5	610.2	579.2	5.4	9.6
Sales, MEUR	285.0	295.4	-3.5	0.0	533.6	545.1	-2.1	2.3
Adj. EBITA, MEUR	6.5	6.2	5.3		13.2	5.7	129.2	
Adj. EBITA, %	2.3	2.1			2.5	1.1		
Port Solutions								
Orders received, MEUR	230.7	261.6	-11.8	-10.4	456.9	508.7	-10.2	-8.7
Sales, MEUR	243.7	237.6	2.6	4.4	444.2	419.0	6.0	8.2
Adj. EBITA, MEUR	19.3	12.9	50.1		25.5	15.5	64.8	
Adj. EBITA, %	7.9	5.4			5.7	3.7		

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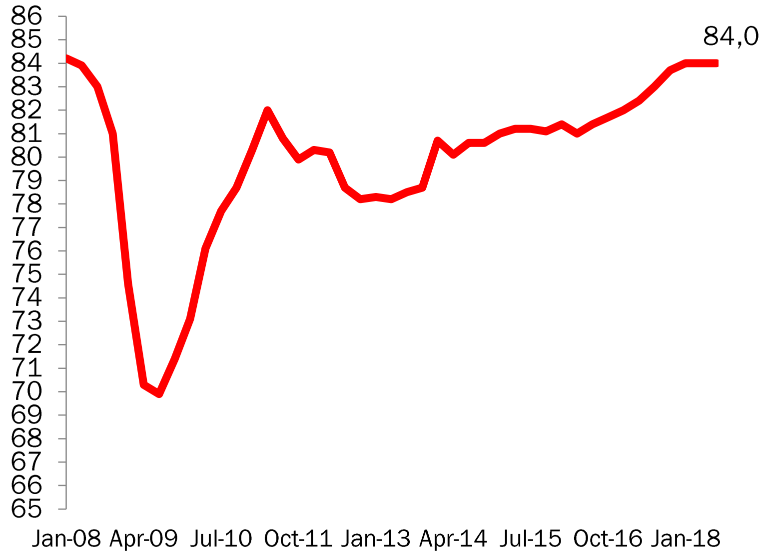
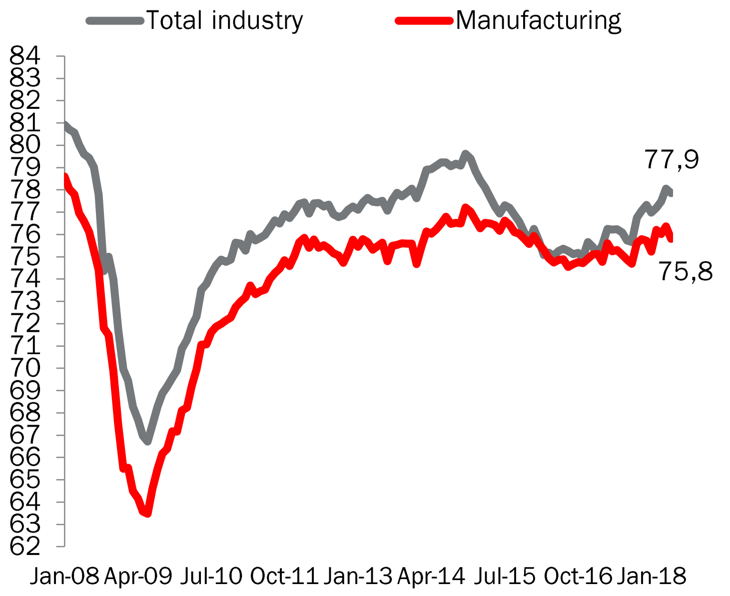
MARKET ENVIRONMENT – SERVICE AND INDUSTRIAL EQUIPMENT

Capacity utilization rate – EU



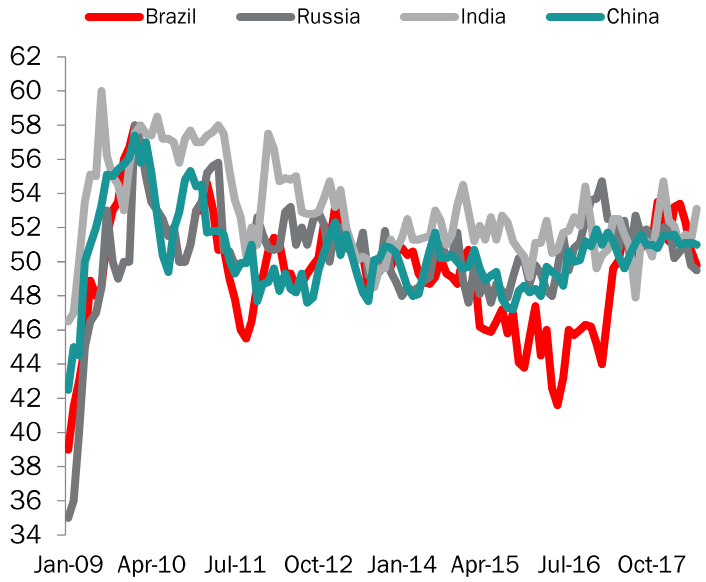
- The PMI has weakened sequentially with each month in 2018, indicating slowing growth rate in the Eurozone
- Capacity utilization rate in EU stayed approximately flat in Q2

Capacity utilization rate – USA



- Strong PMI growth in the US despite softening growth rate towards end of Q2
- Capacity utilization rates in the US declined slightly in Q2

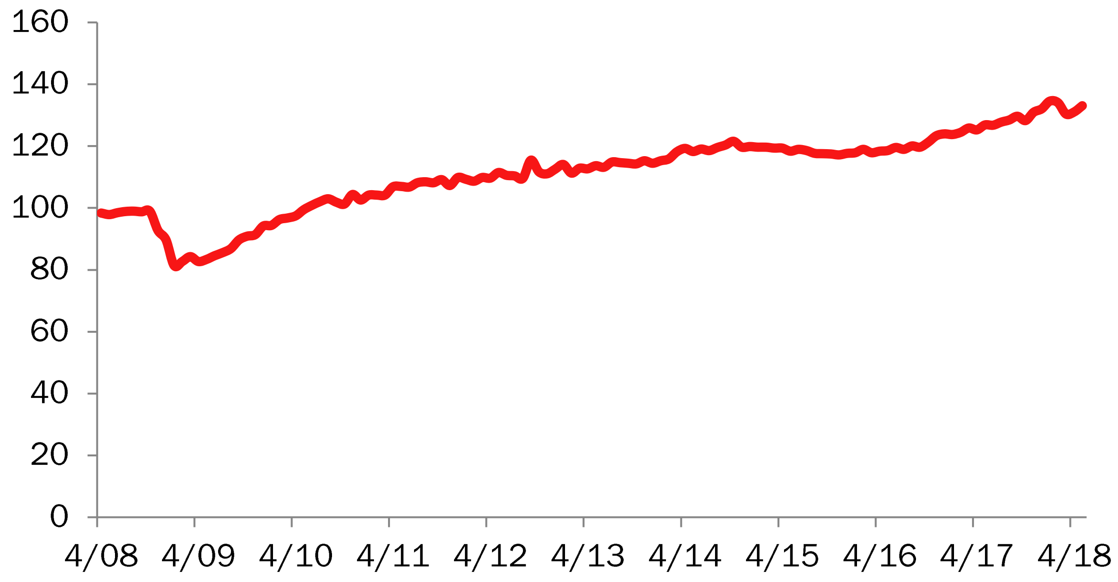
PMIs – BRIC countries



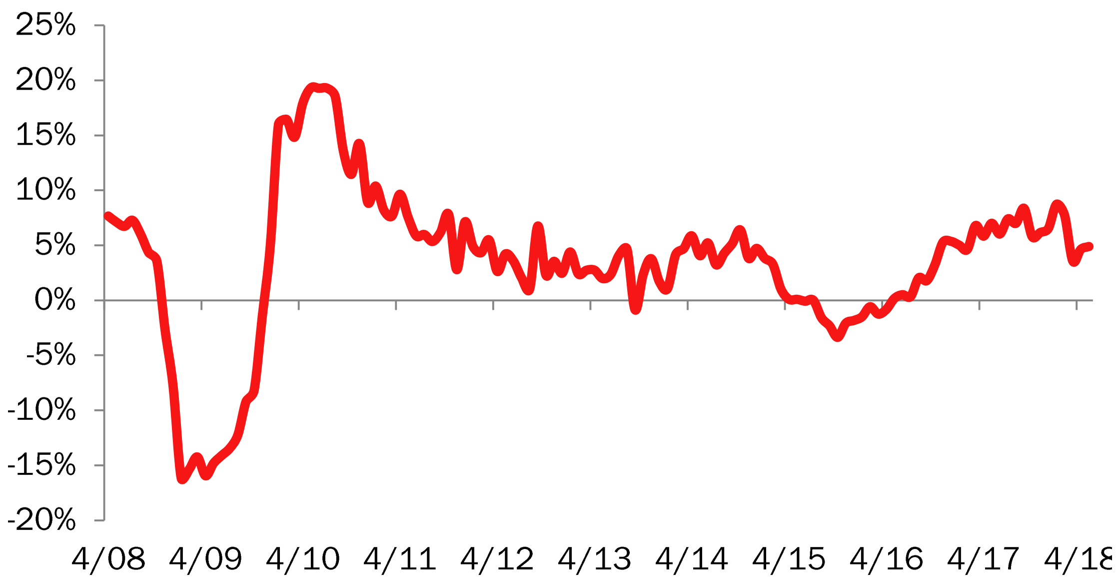
- Strong improvement in manufacturing conditions in India and marginal improvement in China
- Brazil and Russia in the contraction territory

MARKET ENVIRONMENT – PORT SOLUTIONS

RWI/ISL Container Throughput Index



Index change Y/Y



- After setting a new all-time record in February 2018, global container throughput declined in March but nearly recovered in April-May.

Source: RWI/ISL Container Throughput Index (latest data point May 2018)

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DEMAND OUTLOOK

- The demand situation in Europe and North America is improving within the industrial customer segments.
- Demand in the Asia-Pacific region continues stable.
- Global container throughput growth continues at a high level, and the prospects for orders related to container handling remain stable.

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FINANCIAL GUIDANCE

Financial guidance for 2018

- The sales in 2018 are expected to be approximately on the same level or higher than in 2017.
- We expect the adjusted EBITA margin to improve in 2018.

Additional information for 2018

- Negative impact from translation exposure mainly related to EUR/USD, approx. 2.5% on sales with the current FX rates
- Incremental MHPS acquisition-related synergy benefits of approximately EUR 50m in P&L in 2018
- Additional spending of approximately EUR 15 million on R&D and IT in 2018 to enable harmonized processes within the company and secure our long-term competitiveness
- EUR 12m net interest savings expected in 2018, related to our debt refinancing activities last year

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MHPS INTEGRATION HALFWAY – GOOD OUTLOOK TO REACH PLANNED SYNERGIES

Overall good progress with EUR 80M run-rate synergies reached by end Q2/2018, up EUR 17M since Q1/2018

- Guidance remains intact (2018: EUR 100-110M, 2019: EUR 140M)
- EUR 49M of cumulative P&L impact delivered by Q2/2018 (EUR 15M in Q2), approx. EUR 70M to be delivered by year end
- Restructuring costs estimate (EUR 130M) and Capex estimate (EUR 60M) also unchanged

Operational integration and restructuring activities progressing on many fronts – focus on Industrial Equipment

- More Industrial Equipment products with shared technology
- Implementation of shared sales management processes and CRM system, over 10 countries completed
- Good progress in Procurement-related savings, additional potential being identified
- Site restructuring in Uslar, Germany proceeding. Serial motor manufacturing will be outsourced from Uslar to outsourcing partners
- Country-level integration in Industrial Cranes and Service continues
- Legal entity consolidation progressing: 27 legal entities actioned and completed with 16 remaining

In summary, passing this halfway mark strengthens our confidence to reach the planned EBIT level run-rate synergies of EUR 140M at the end of 2019

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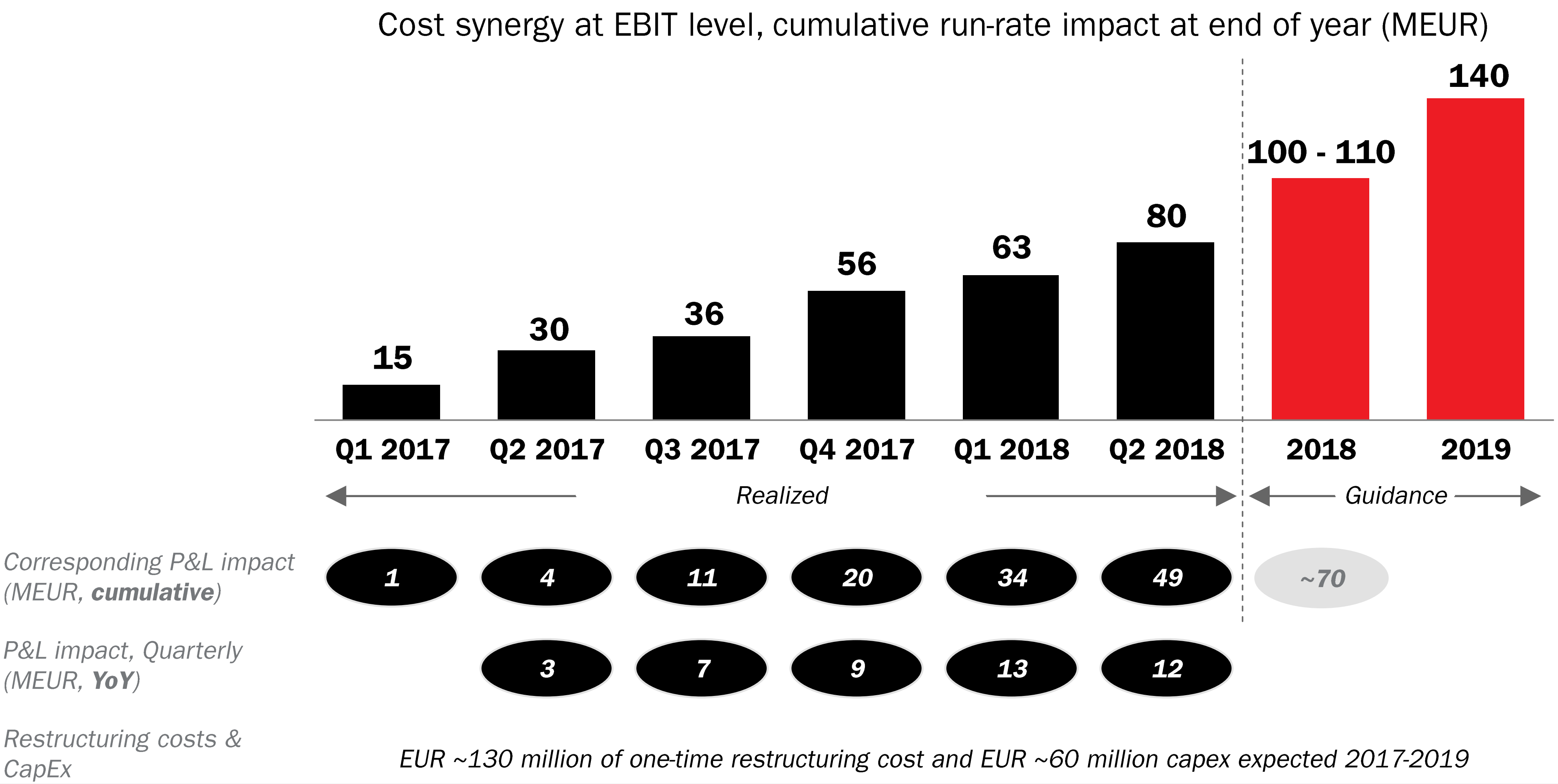
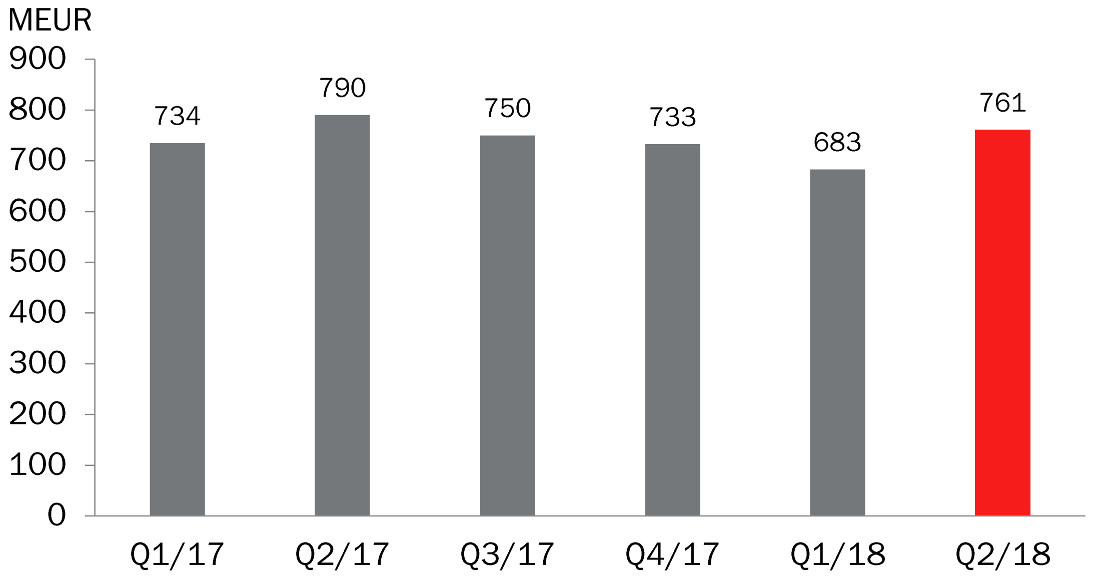
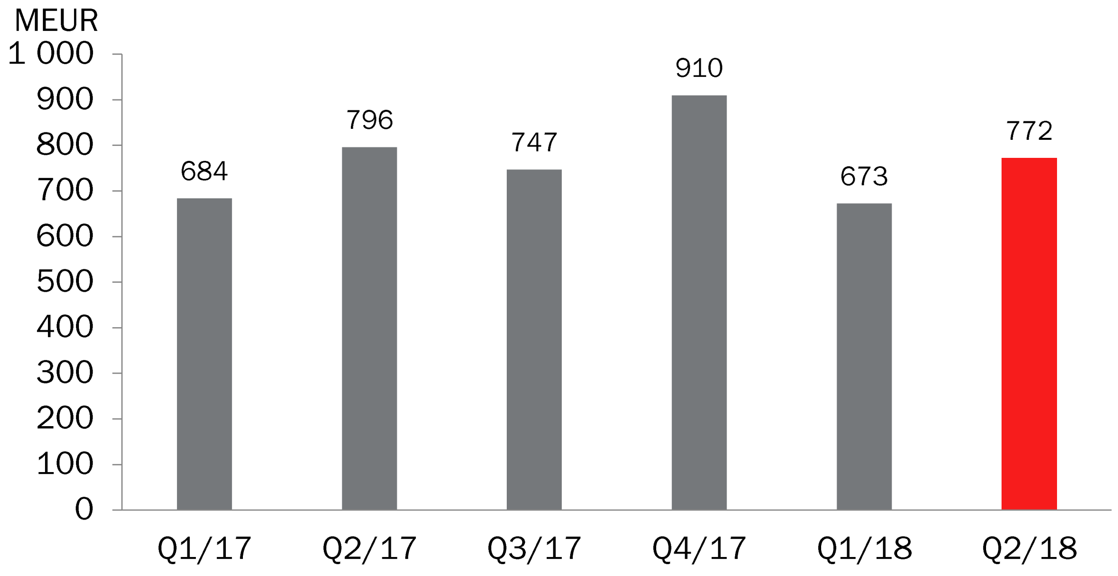
Q2 REPORTING: OVERVIEW OF REALIZED SYNERGIES AND GUIDANCE



Q2/18 GROUP ORDER INTAKE AND SALES



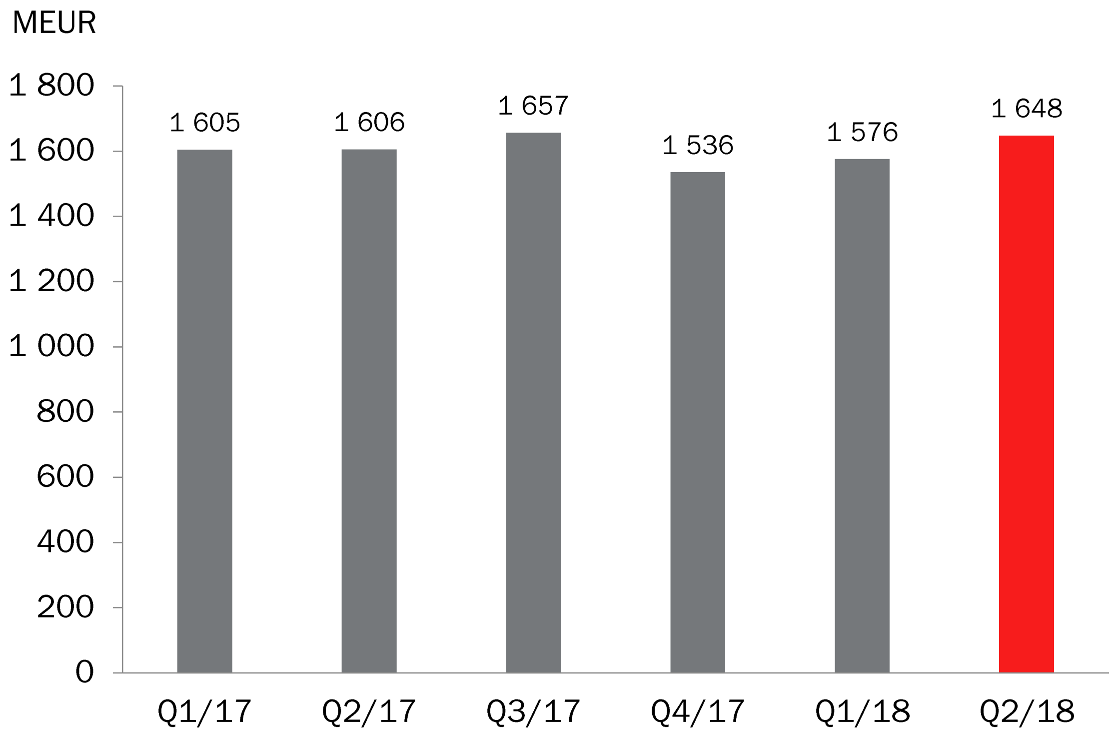


- Order intake decreased 3.7% to EUR 760.9 million (790.2), (-0.6% on a comparable currency basis)
- FX had approximately EUR 25 million negative impact on order intake in Q2
- Order intake decrease driven by Business Area Port Solutions, largely due to the timing of projects
- In Service, order intake increased 7.1% on a comparable currency basis
- Orders received grew in EMEA, but decreased in the Americas and in APAC

- Group sales decreased 3.0% to EUR 772.2 million (796.4), (+0.4% on a comparable currency basis)
- FX had approximately EUR 27 million negative impact on sales in Q2
- Both Ports Solutions and Services sales increased on a comparable currency basis, Industrial Equipment sales remained flat

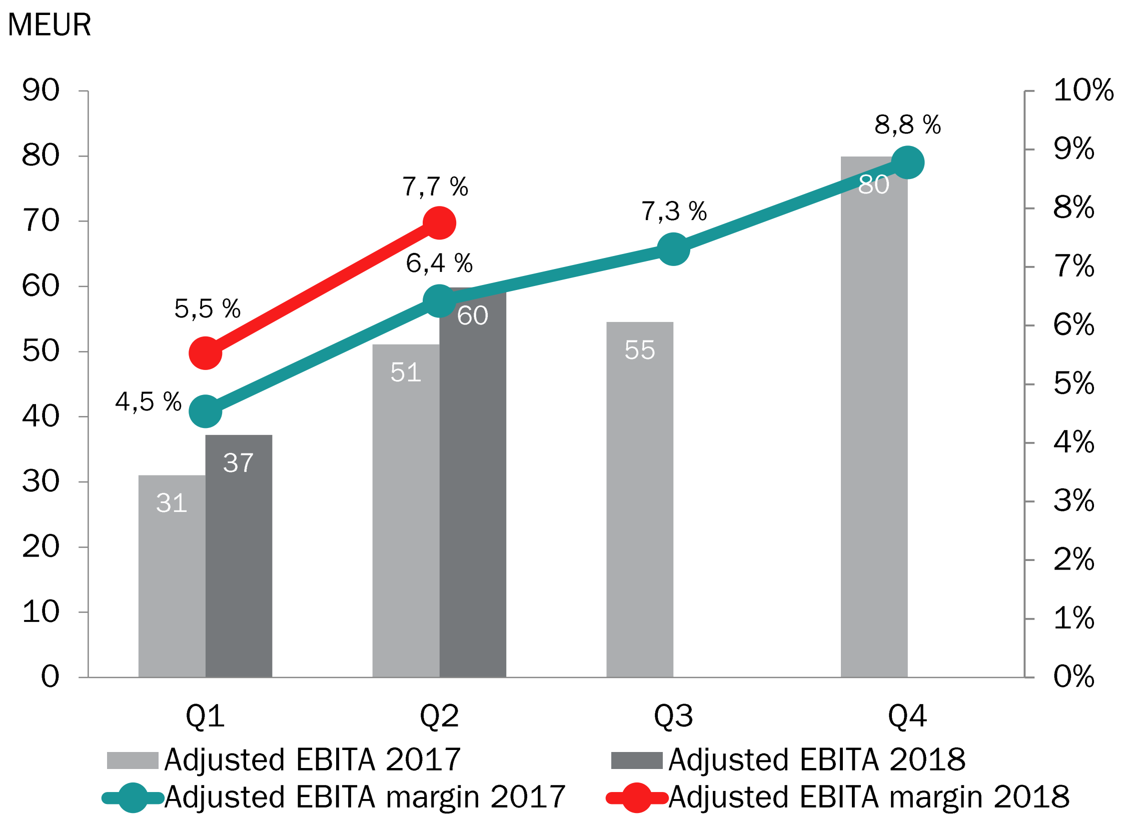
Q2/18 GROUP ORDER BOOK

- The value of the order book increased 2.6% to EUR 1,647.5 million (1,605.9), (+4.0% on a comparable currency basis)
- FX had approximately EUR 22 million negative impact on the value of the order book in Q2
- Order book increased in all business areas



Q2/18 GROUP ADJUSTED EBITA

- Group adjusted EBITA increased to EUR 59.8 million (51.1), 7.7% of sales (6.4)
- The improvement was mainly attributable to synergy cost-saving program, as well as successful delivery execution in Port Solutions
- Group level gross margin improved on a year-on-year basis



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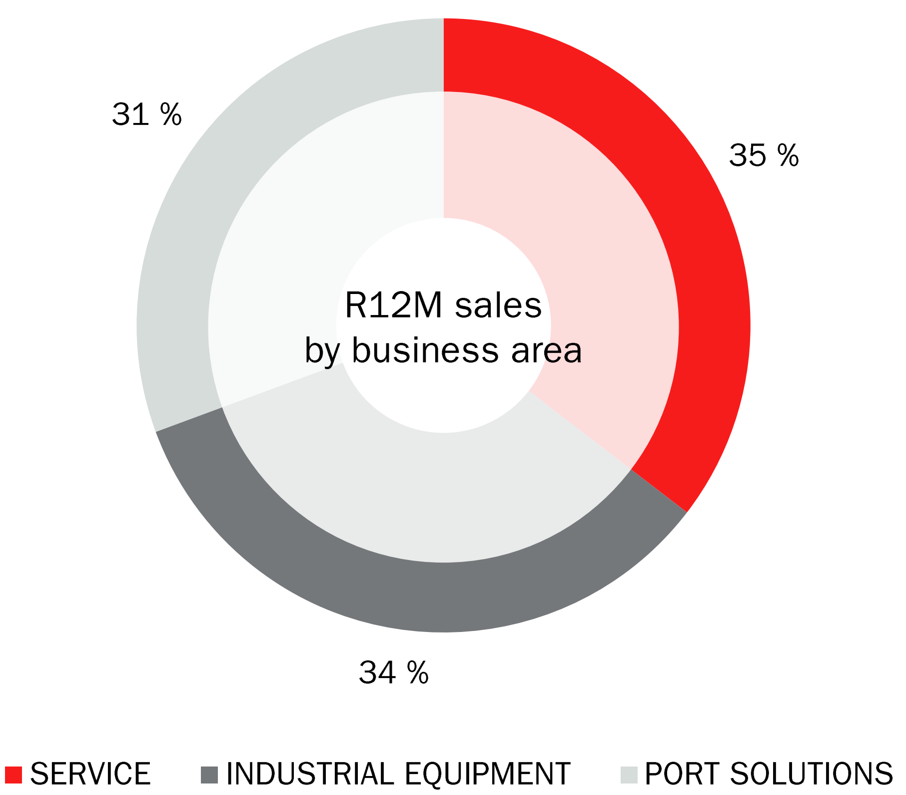
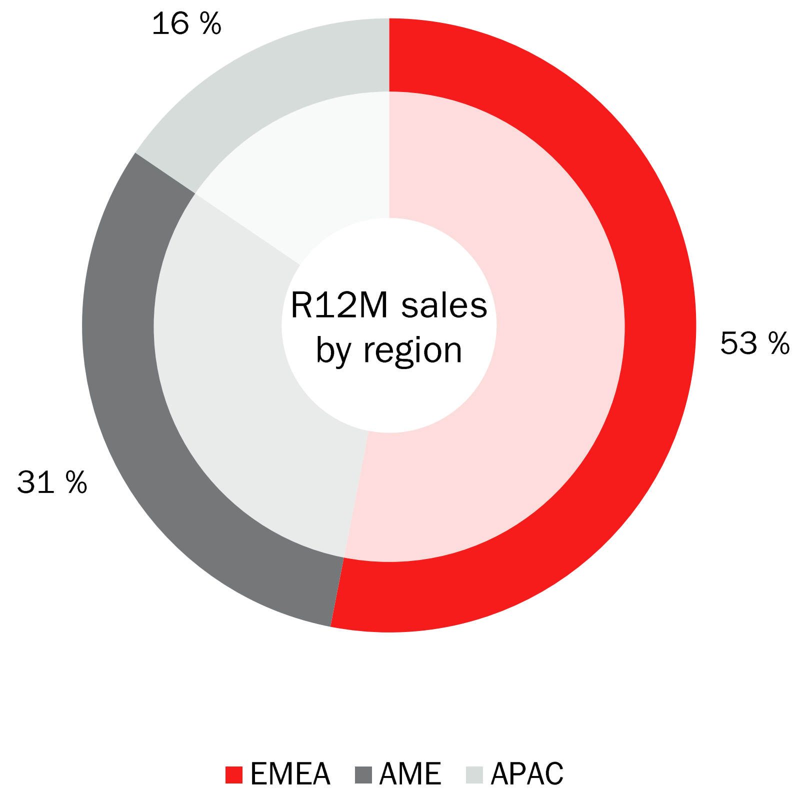
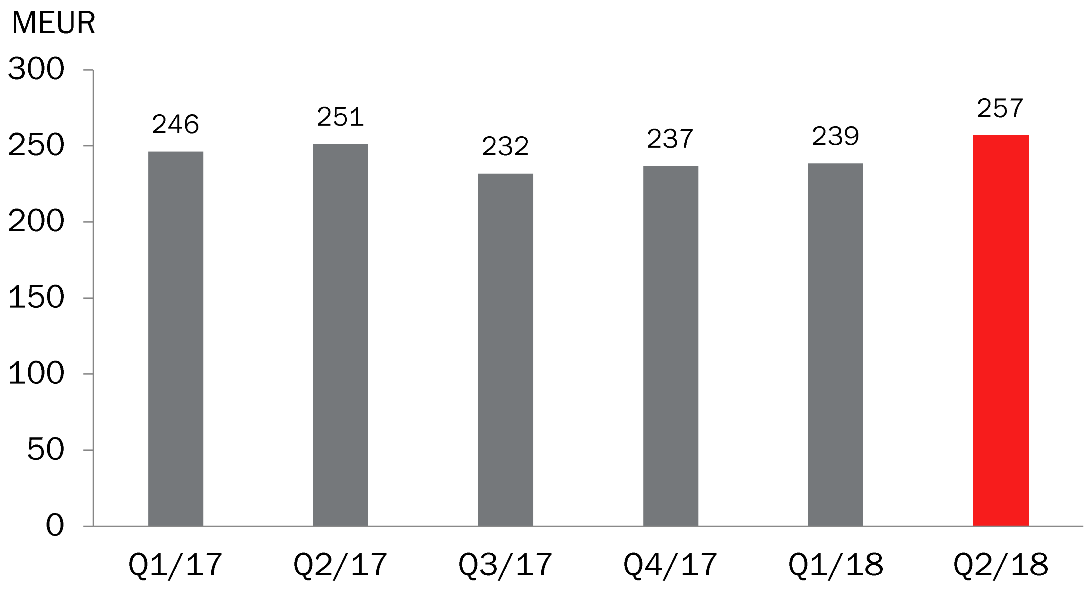
GROUP SALES BY BUSINESS AREA AND REGION

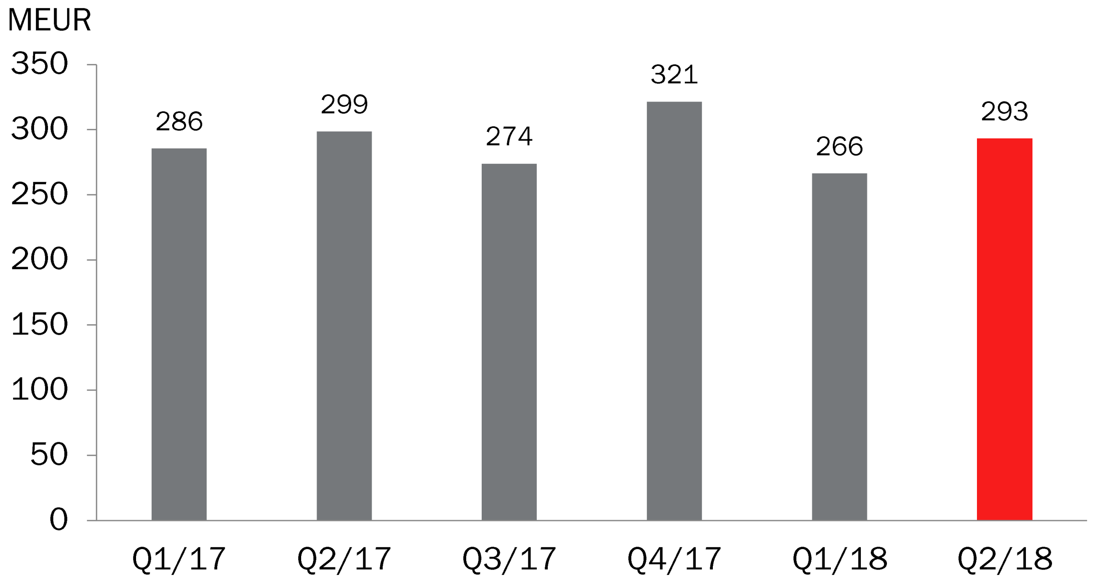




SERVICE

Q2/18 SERVICE ORDER INTAKE AND SALES





- Orders received increased 2.2% to EUR 256.8 million (251.4)
- On a comparable currency basis, orders received increased 7.1%, due to order growth in several service product categories
- Order growth driven by field service in EMEA and the Americas
- On a comparable currency basis, order intake grew in EMEA and the Americas but decreased in APAC

- Sales decreased 1.8% to EUR 293.3 million (298.7), primarily due to an adverse FX impact
- On a comparable currency basis, sales increased 2.9%
- Service sales increased in EMEA and APAC but decreased in the Americas. On a comparable currency basis, sales increased also in the Americas

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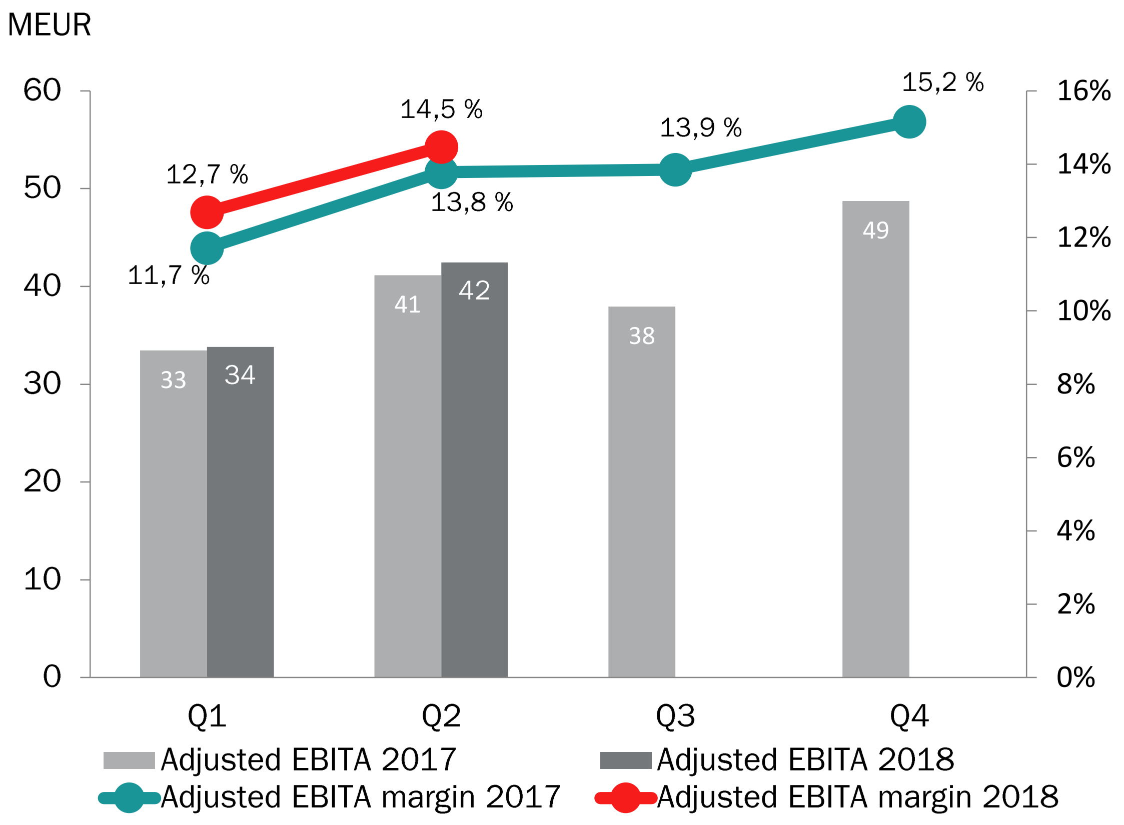
Q2/18 SERVICE ADJUSTED EBITA

- The adjusted EBITA was EUR 42.4 million (41.2) and the adjusted EBITA margin 14.5% (13.8)
- Gross margin improved on a year-on-year basis
- The improvement was mainly attributable to synergy cost savings and volume growth with comparable currencies



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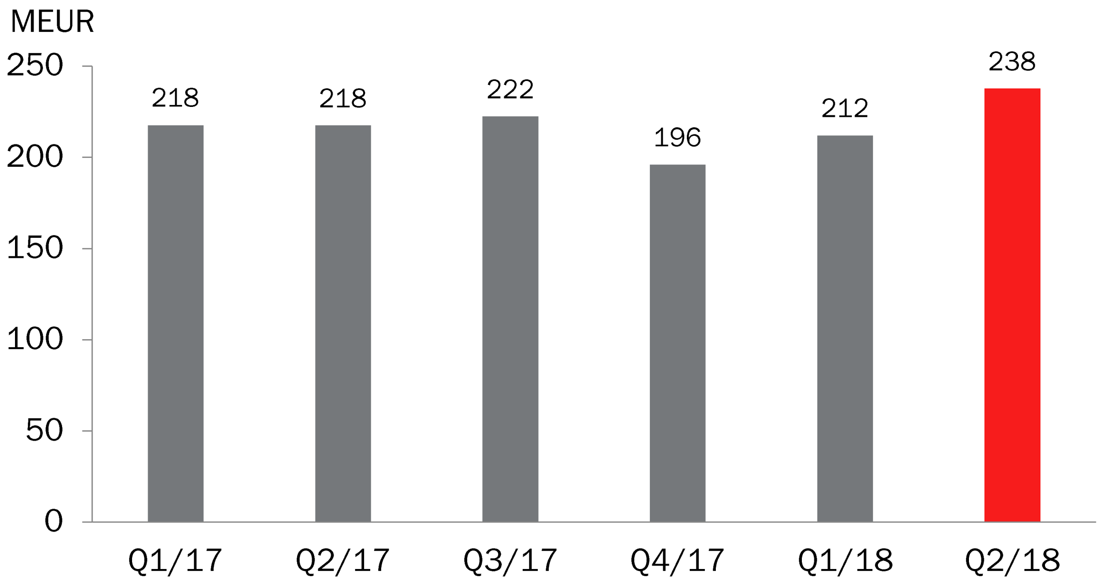
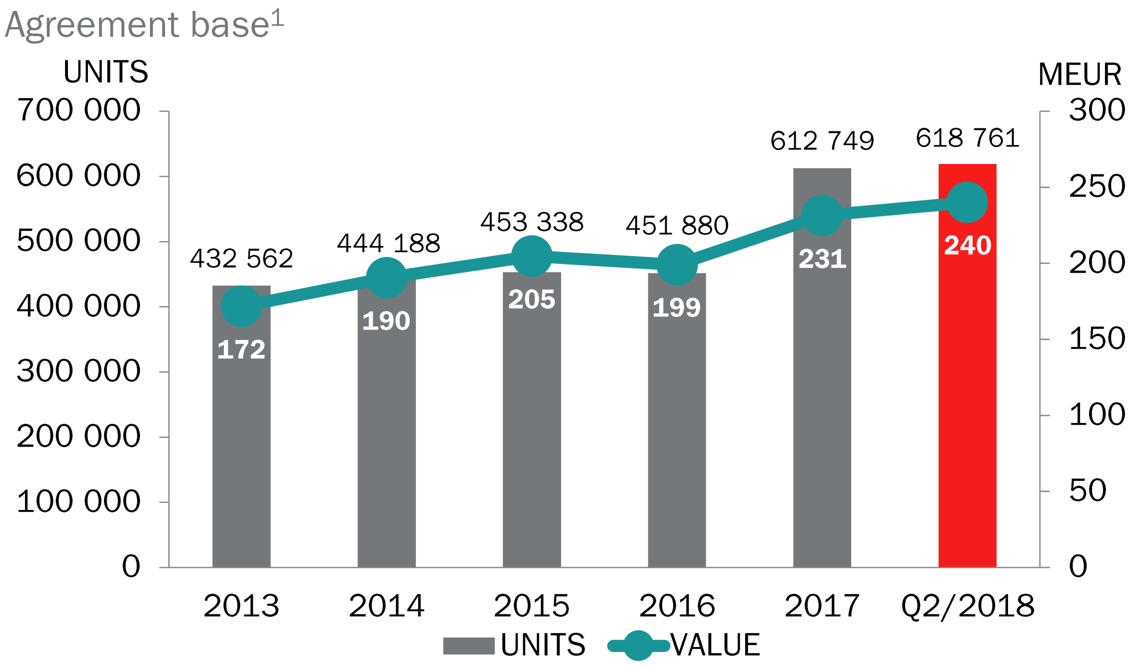
Q2/18 SERVICE ORDER BOOK AND AGREEMENT BASE





[1]2013-16 agreement base on Konecranes stand-alone basis

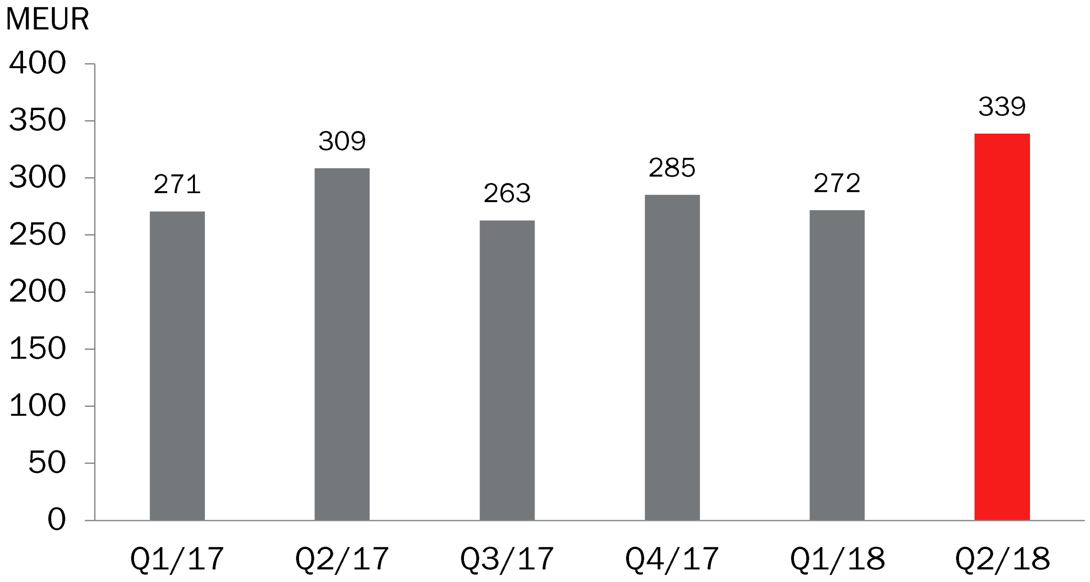
- The order book increased 9.3% year-on-year to EUR 237.8 million (217.6)
- On a comparable currency basis, the order book increased 12.0%

- Year-on-year, the annual value of the agreement base increased 1.1% on a comparable currency basis in Q2/18
- Sequentially, the annual value of the agreement base increased 2.9% on a reported basis and 1.4% in comparable currencies

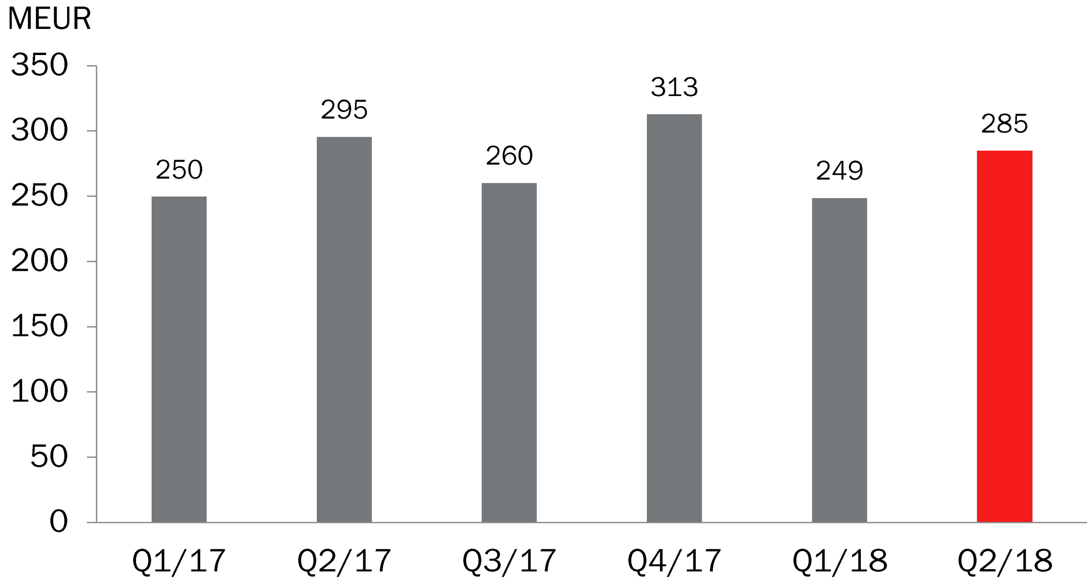
INDUSTRIAL EQUIPMENT

Q2/18 INDUSTRIAL EQUIPMENT ORDER INTAKE AND SALES

Harmonization of reporting practices had a positive Y/Y impact of EUR 7.0 million on order intake and EUR 10.5 million on internal sales.



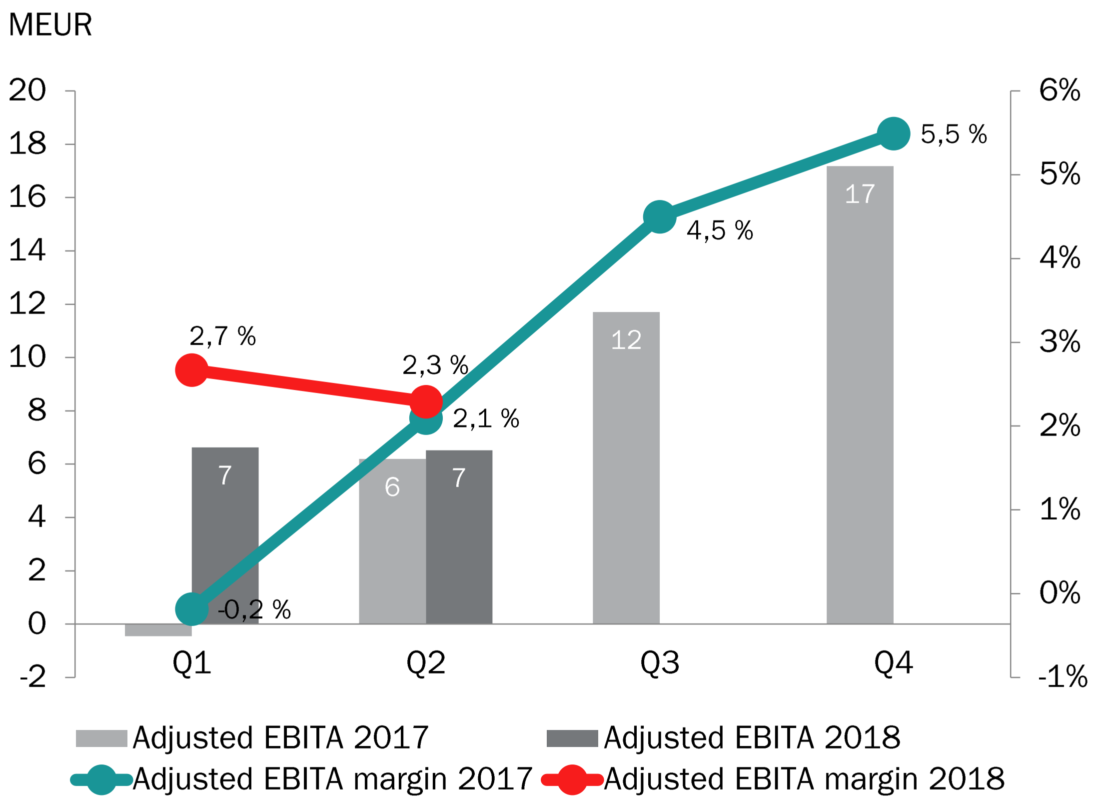
- Orders received totaled EUR 338.6 million (308.5), corresponding to an increase of 9.8%
- The increase in order intake primarily driven by an increase in internal orders. External orders grew 2.4% on a comparable currency basis
- Component order intake grew year-on-year and sequentially, partly driven by price increases which became effective in the beginning of Q3
- Order intake for industrial cranes decreased year-on-year



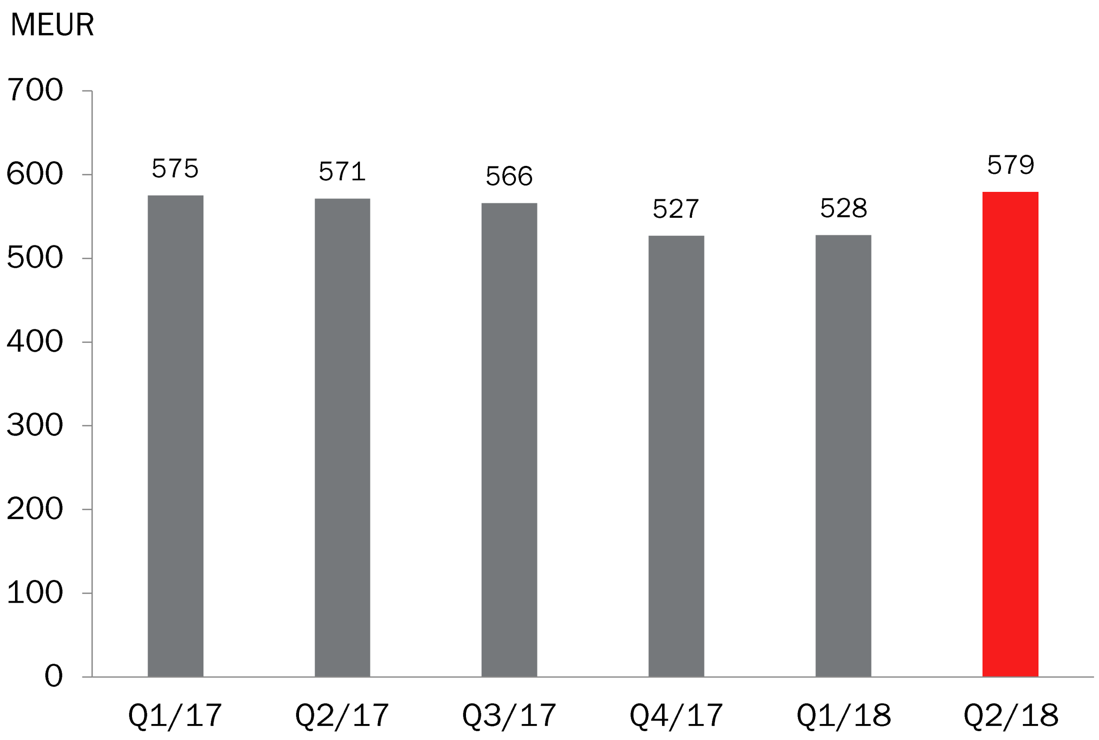
- Sales fell 3.5% to EUR 285.0 million (295.4). On a comparable currency basis, sales growth was approximately flat (0.0%)
- Reorganization of our manufacturing network led to limited temporary production delays in certain countries. The reasons for these delays, which now have been resolved, affected net sales and profitability in Q2

Q2/18 INDUSTRIAL EQUIPMENT ADJUSTED EBITA

- The adjusted EBITA was EUR 6.5 million (6.2) and the adjusted EBITA margin 2.3% (2.1)
- The improvement in the adjusted EBITA margin was mainly attributable to the synergy cost savings
- Gross margin remained approximately flat
- The production delays had a limited negative impact on profitability in Q2



Q2/18 INDUSTRIAL EQUIPMENT ORDER BOOK



- The order book increased 1.4% year-on-year to EUR 579.0 million (571.2)
- On a comparable currency basis, the order book increased 3.5%

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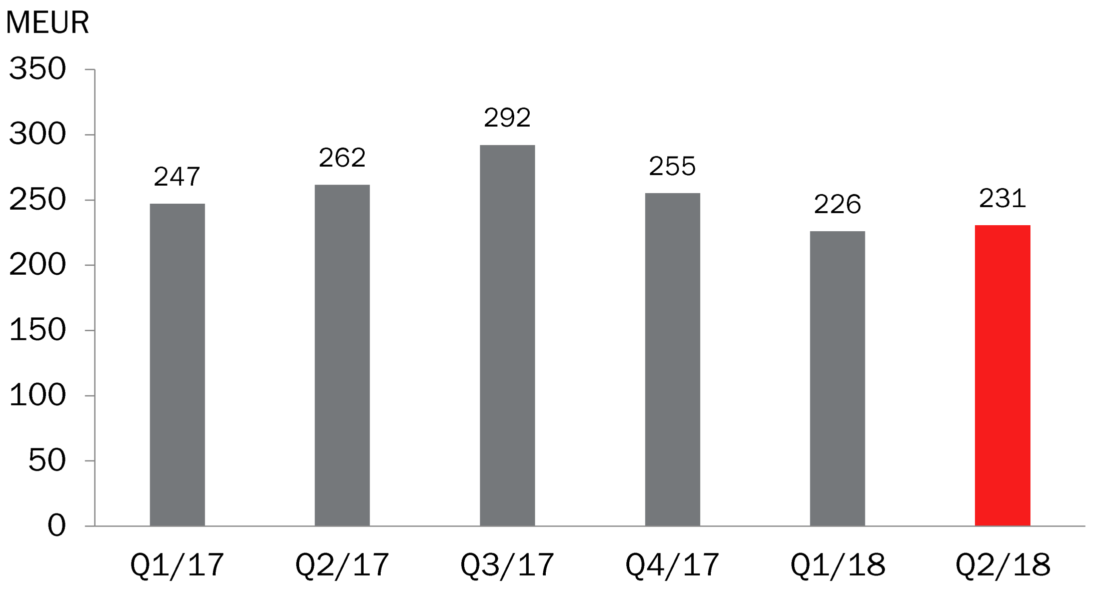
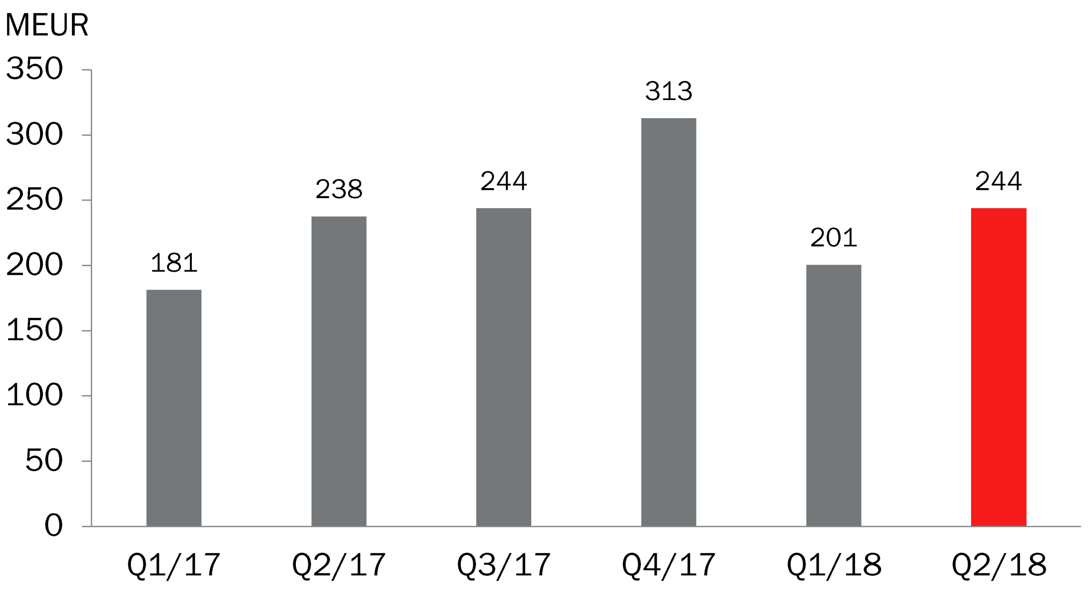
PORT SOLUTIONS

Q2/18 PORT SOLUTIONS ORDER INTAKE AND SALES



- Orders received totaled EUR 230.7 million (261.6), corresponding to a decrease of 11.8%. On a comparable currency basis, orders received decreased 10.4%.
- The decline was primarily driven by Mobile Harbor Cranes, due to the smaller number of orders available in the quarter, partly offset by a good order intake for Rubber Tyred Gantry Cranes
- Orders grew in the Americas and EMEA but fell in APAC



- Sales increased 2.6% to EUR 243.7 million (237.6). On a comparable currency basis, sales increased 4.4%, due to strong order backlog

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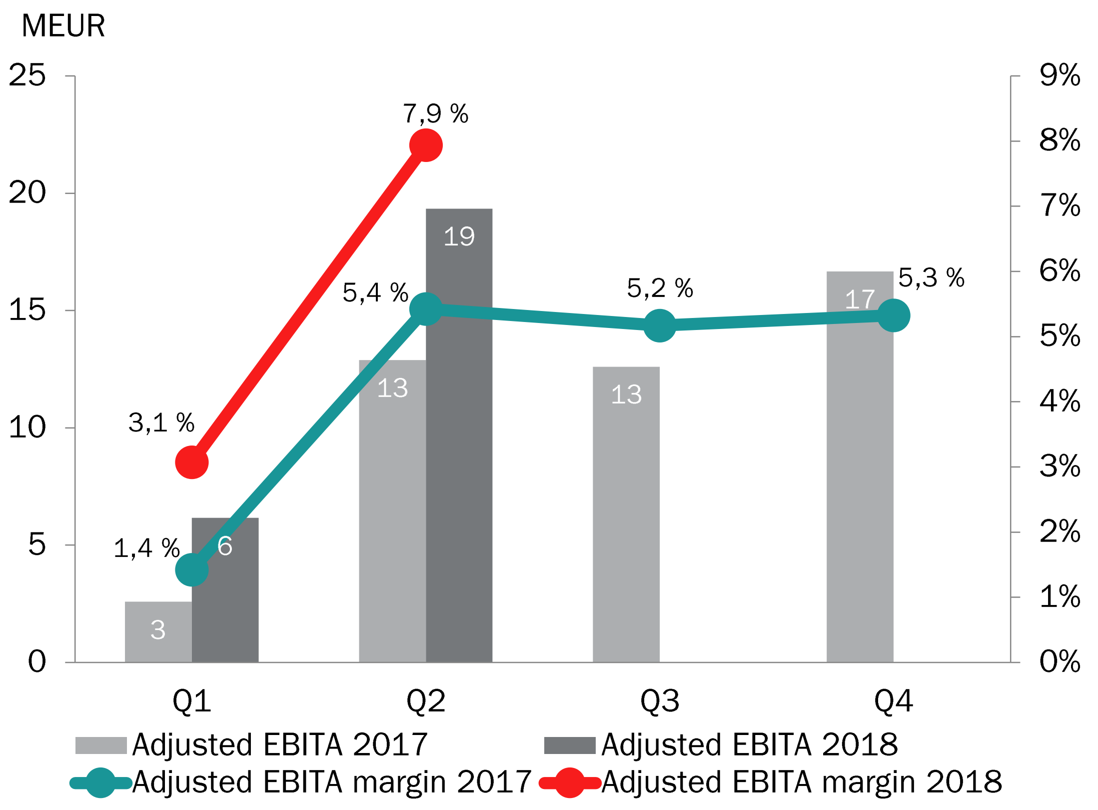
Q2/18 PORT SOLUTIONS ADJUSTED EBITA

- The adjusted EBITA was EUR 19.3 million (12.9) and the adjusted EBITA margin 7.9% (5.4)
- Gross margin increased on a year-on-year basis
- The increase in profitability resulted primarily from both a good project mix and good project execution



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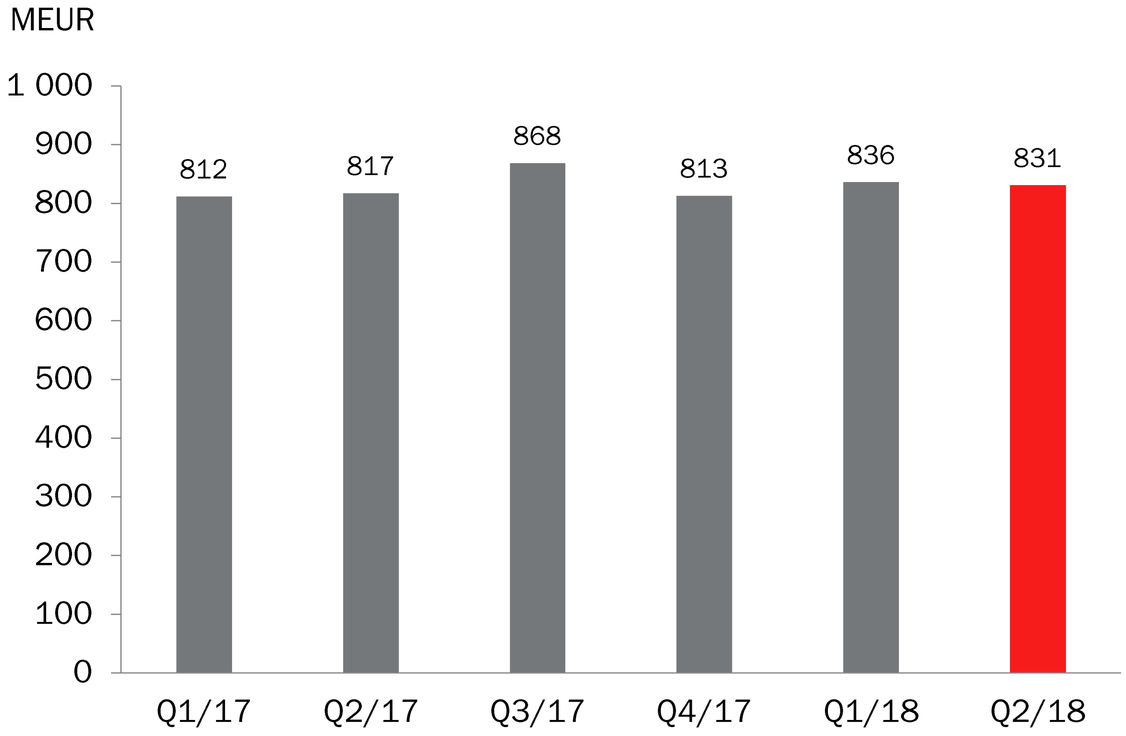
Q2/18 PORT SOLUTIONS ORDER BOOK



- The order book increased 1.7% year-on-year to EUR 830.7 million (817.2)
- On a comparable currency basis, the order book increased 2.3%

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CASH FLOW AND BALANCE SHEET

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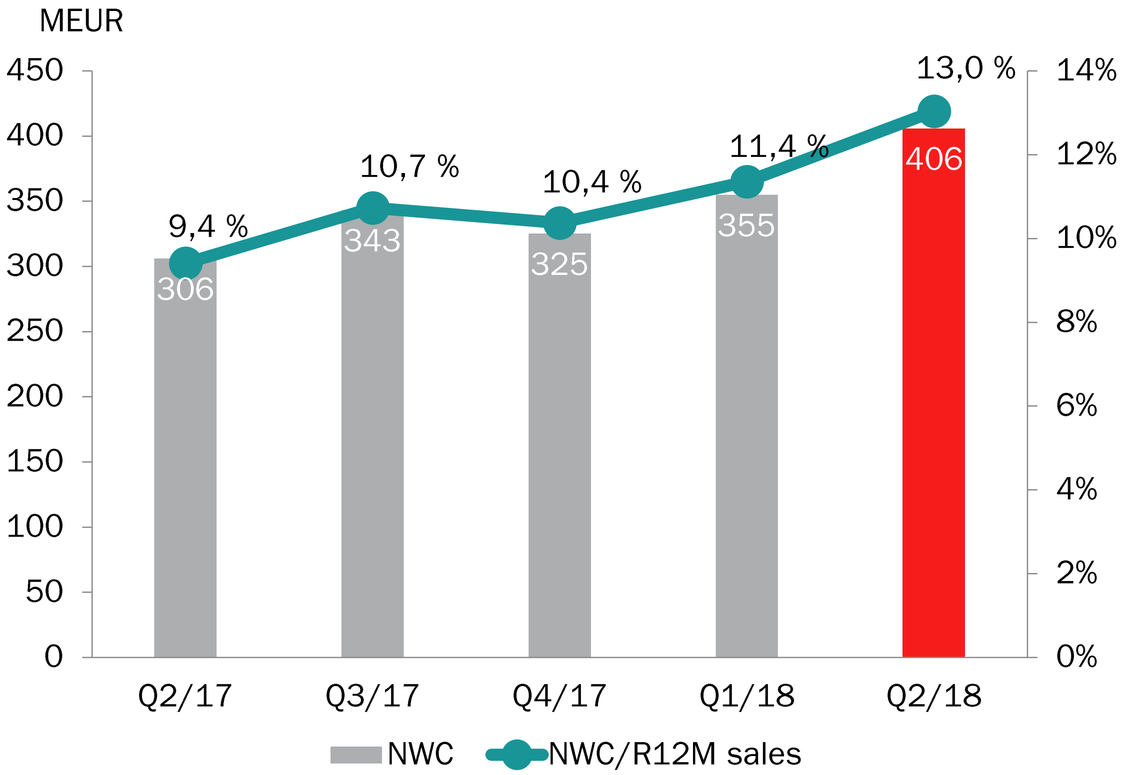
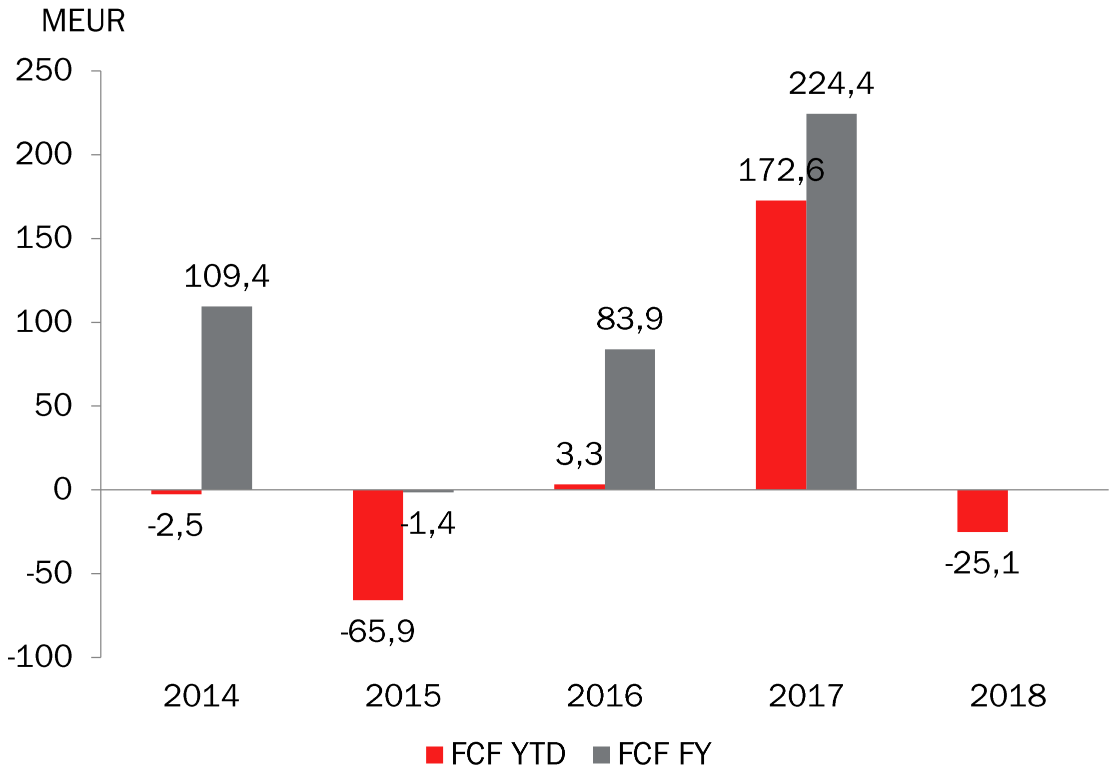
NET WORKING CAPITAL AND FREE CASH FLOW

Net working capital*



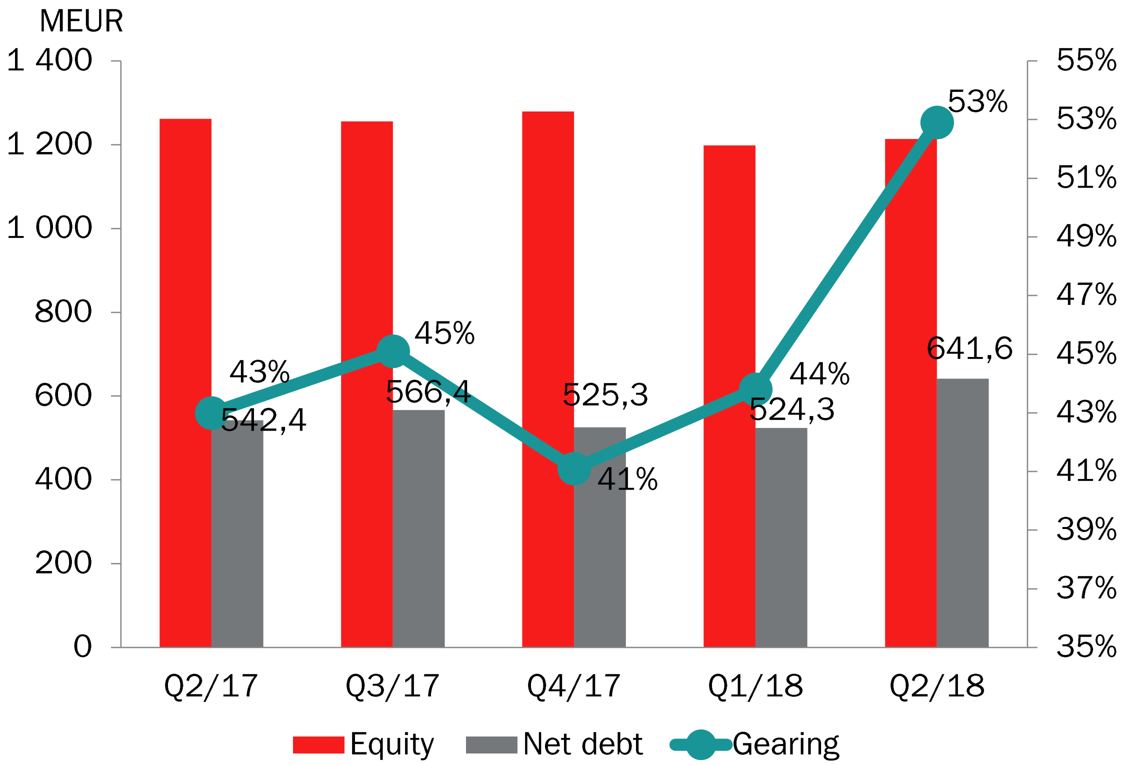
Free cash flow



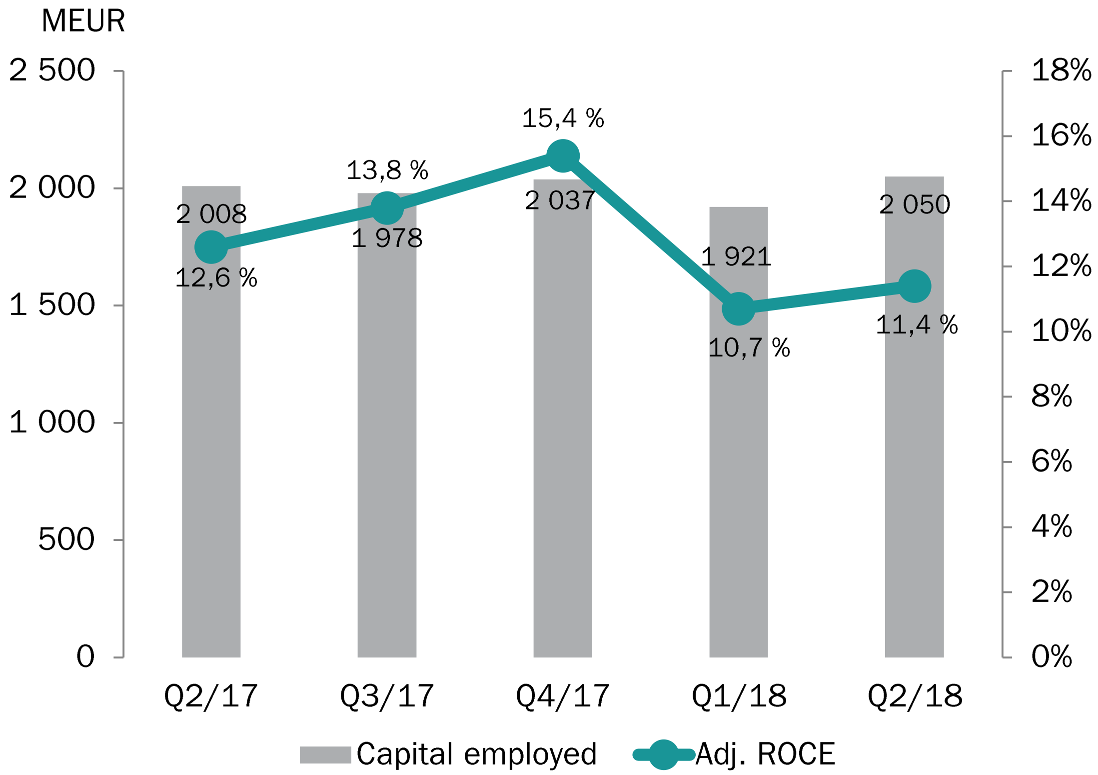
*Q1/18 excl. dividend payable of EUR 94.6 million

GEARING AND RETURN ON CAPITAL EMPLOYED

Equity, net debt and gearing



Capital employed and return on capital employed



APPENDIX


1 Overloads occurred
Latest Occurrence: Aug 15, 2015
Continue
Alerts Summary
1 Overloads
0 Emergency Stops
0 Motor Over Temperature
0 Brake Faults

STATEMENT OF INCOME

EUR million	Q2/18	Q2/17	Change %	H1/2018	H1/2017	Change %
Sales	**772.2**	**796.4**	**-3.0**	**1,445.0**	**1,480.5**	**-2.4**
Other operating income	2.0	1.5		3.2	221.9	
Materials, supplies and subcontracting	-325.5	-343.6		-587.9	-616.8	
Personnel cost	-257.0	-263.6		-504.7	-517.9	
Depreciation and impairments	-27.1	-31.4		-54.4	-59.7	
Other operating expenses	-122.7	-129.2		-235.4	-251.6	
Operating profit	**42.0**	**30.0**	**39.8**	**65.8**	**256.4**	**-74.3**
Share of associates' and joint ventures' result	-0.8	0.4		-1.4	-0.2	
Financial income	0.2	7.7		0.8	27.0	
Financial expenses	-10.0	-24.2		-22.3	-47.2	
Profit before taxes	**31.4**	**13.9**	**126.1**	**42.8**	**236.0**	**-81.8**
Taxes	-9.0	0.6		-12.2	-28.3	
PROFIT FOR THE PERIOD	**22.4**	**14.5**	**54.8**	**30.6**	**207.8**	**-85.3**

BALANCE SHEET

EUR million	30.6.2018	30.6.2017
Non-current assets		
Goodwill	905.2	918.4
Intangible assets	606.7	649.3
Property, plant and equipment	258.5	278.2
Other	208.1	201.2
Current assets		
Inventories	654.2	618.0
Receivables and other current assets	687.9	730.4
Cash and cash equivalents	195.1	197.9
Total Current assets	1,537.2	1,546.3
Total Assets	**3,515.8**	**3,593.3**

EUR million	30.6.2018	30.6.2017
Total Equity	1,213.5	1,260.8
Non-current liabilities		
Interest-bearing liabilities	591.6	647.5
Other long-term liabilities	271.5	287.0
Other	169.2	184.2
Current liabilities		
Interest-bearing liabilities	245.3	99.4
Advance payments received	329.8	389.9
Accounts payable	178.3	185.2
Other current liabilities	516.6	539.4
Total Equity and Liabilities	**3,515.8**	**3,593.3**

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CASH FLOW STATEMENT

EUR million	Q2/2018	Q2/2017	H1/2018	H1/2017
Operating income before change in net working capital	69.3	62.5	123.7	103.9
Change in net working capital	-54.2	61.6	-75.3	141.5
Cash flow from operations before financing items and taxes	15.1	124.1	48.4	245.4
Financing items and taxes	-27.6	-32.0	-57.5	-59.7
Net cash from operating activities	**-12.5**	**92.1**	**-9.1**	**185.7**
Net cash used in investing activities	-10.4	-7.5	-15.0	-512.6
Cash flow before financing activities	**-22.9**	**84.6**	**-24.0**	**-327.0**
Net cash used in financing activities	18.9	-303.6	-13.7	335.9
Change of cash and cash equivalents	-3.2	-225.6	-38.0	3.8
Free cash flow	-22.9	84.6	-25.1	172.6

KEY FIGURES

EUR million	H1/2018	H1/2017*	Change %
Earnings per share, basic (EUR)	0.38	2.68	-85.7
Earnings per share, diluted (EUR)	0.38	2.68	-85.7
Return on capital employed, %, Rolling 12 Months (R12M)	5.9	23.3	-74.7
Return on equity, %, Rolling 12 Months (R12M)	3.9	28.2	-86.2
Equity per share (EUR)	15.11	15.79	-4.3
Net debt / Adjusted EBITDA, Rolling 12 Months (R12M)	2.1	2.3	-8.7
Equity to asset ratio, %	38.1	39.4	-3.3
Investments total (excl. acquisitions), EUR million	19.2	21.2	-9.4
Average number of personnel during the period	16,265	16,278	-0.1
Average number of shares outstanding, basic	78,799,365	77,853,221	1.2
Average number of shares outstanding, diluted	78,799,365	77,853,221	1.2
Number of shares outstanding	78,823,503	78,421,906	0.5

*The comparison period included a capital gain of EUR 218.4 million from the divestment of STAHL CraneSystems

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