Q3 2017 INTERIM REPORT

October 25, 2017
Panu Routila, President & CEO
Teo Ottola, CFO

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Lifting Businesses™

AGENDA

This presentation contains comparisons to both the Konecranes' historical figures and the combined company figures. Historical figures relate to Konecranes' stand-alone financial information as reported for 2016 (including the divested STAHL CraneSystems business).

To provide a basis for comparison, this presentation also contains, under separate headings, the comparisons to combined company's financial information on an Unaudited basis estimated by the management for 2016. This financial information has been prepared to reflect the financial results of the combined company as if it had been operating as such for the full financial year 2016. The comparable combined company's operations comprise Konecranes' operations without the divested STAHL CraneSystems business, but include the acquired MHPS business. See "Basis of preparation for comparable combined company" for further information.

Comparable combined company's financial information applies an assumed situation and does not therefore reflect the true financial position or the result of the company during 2016. The previous year's order book for MHPS included deliveries for the next 12 months only.

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Q3/17 HIGHLIGHTS

Comparison to combined company figures

- Comparable combined company adjusted EBITA margin expanded by 1.4 percentage points on a year-on-year basis, despite the sales that were lower than a year ago
  - Clear adj. EBITA margin improvement in all business areas
- Order intake growth continued, +9.4 percent year-on-year
  - In Port Solutions, orders grew for several product lines
  - Prioritizing focus on laying the foundation for the combined operations; order intake in Business Area Service and Business Area Industrial Equipment was lower than a year ago
- Year-end 2017 run-rate of MHPS cost synergies increased to EUR50m (45)
  - 2017 P&L impact specified to EUR20m (15-20m), year-end 2019 cost synergy run-rate target of EUR140m intact

KEY FIGURES

Key figures	Q3/17	Q3/16 combined	Change %	1-9/17	1-9/16 combined	Change %	1-9/16 historical	Change %
Orders received, MEUR	750.1	685.3	9.4	2,274.8	2,103.8	8.1	1,325.6	71.6
Order book at end of period, MEUR	1,656.6	1,467.9	12.9	1,656.6	1,467.9	12.9	987.7	67.7
Sales, MEUR	746.2	803.8	-7.2	2,226.4	2,307.4	-3.5	1,505.0	47.9
Adj. EBITDA, MEUR	72.2	65.3	10.2	191.5	153.7	24.7	126.8	51.0
Adj. EBITDA, %	9.7%	8.1%		8.6%	6.7%		8.4%	
Adj. EBITA, MEUR	54.4	47.1	15.6	136.3	98.3	38.6	91.7	48.6
Adj. EBITA, %	7.3%	5.9%		6.1	4.3%		6.1%	
Operating profit (EBIT), MEUR	6.8			262.9			53.9	387.7
Operating margin (EBIT), %	0.9%			11.8%			3.6%	
EPS, basic, EUR	-0.06			2.62			0.46	475.7
Free cash flow, MEUR	-6.2			166.4			29.7	
Net debt, MEUR	566.4			566.4			183.5	

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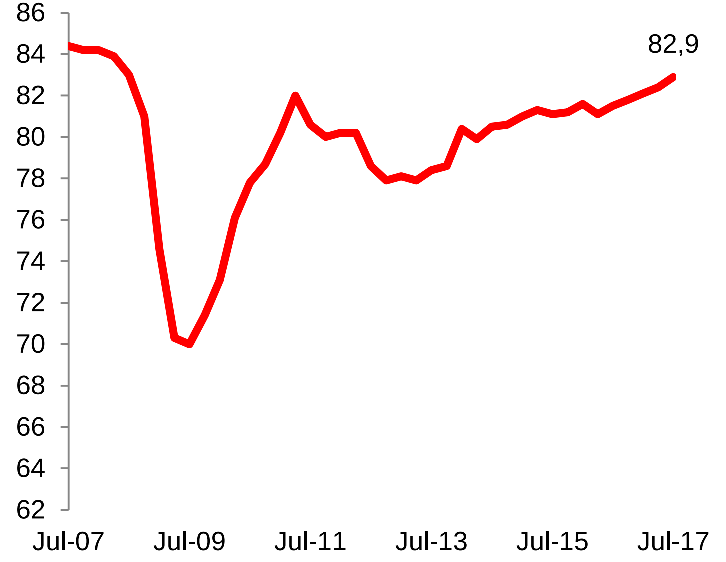
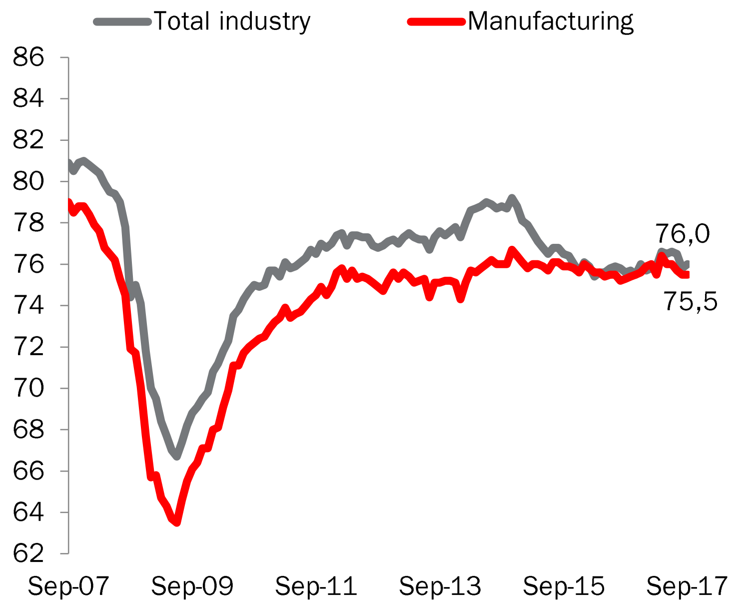
MARKET ENVIRONMENT – SERVICE AND INDUSTRIAL EQUIPMENT

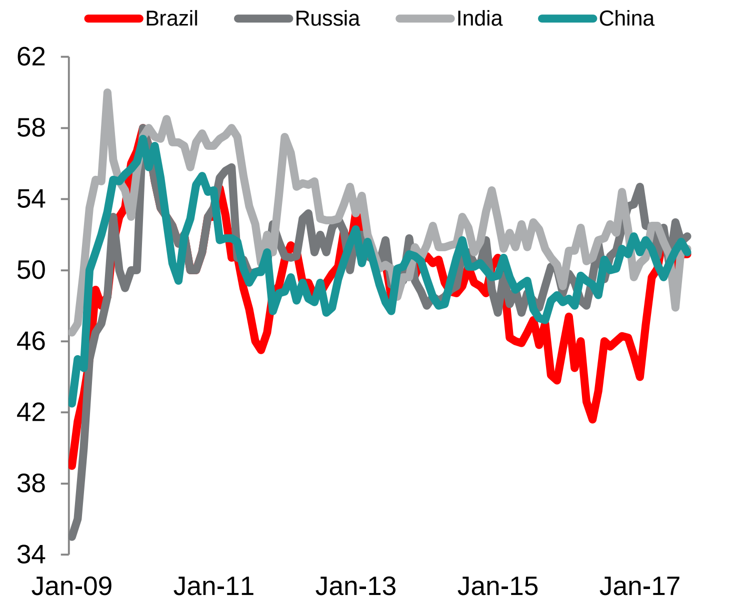
Capacity utilization rate – EU



Capacity utilization rate – USA



PMIs – BRIC countries



Konecranes view

- Demand for equipment and services was softer than in H1/17, some timing issues
- Demand remained mixed in the Americas
- Demand improvement continued in Asia-Pacific

Sources: Eurostat (latest data point Q3/17), Federal Reserve Bank of St. Louis (September 2017), Markit (September 2017)

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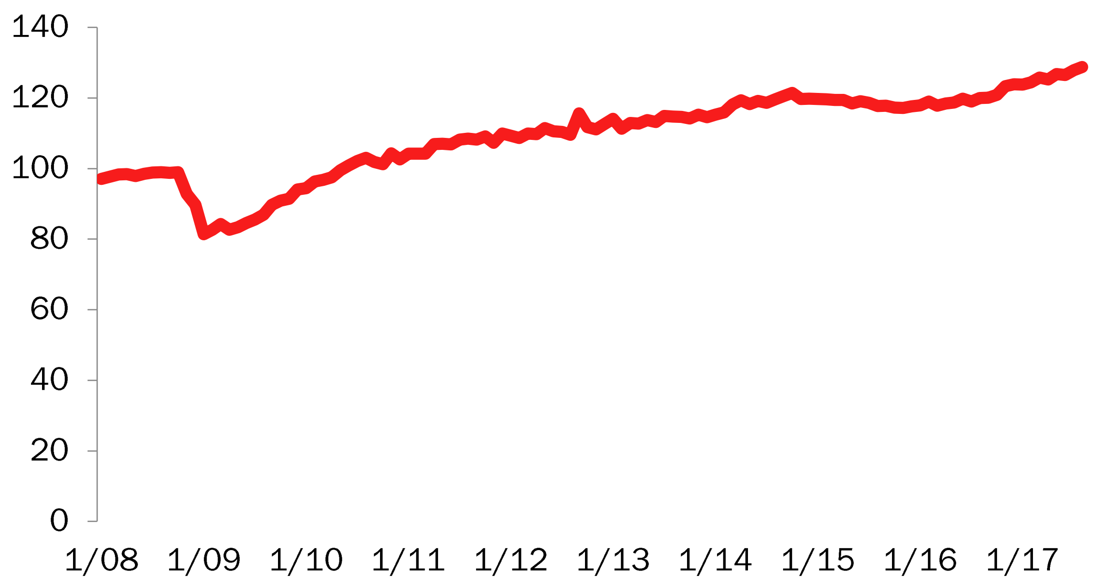
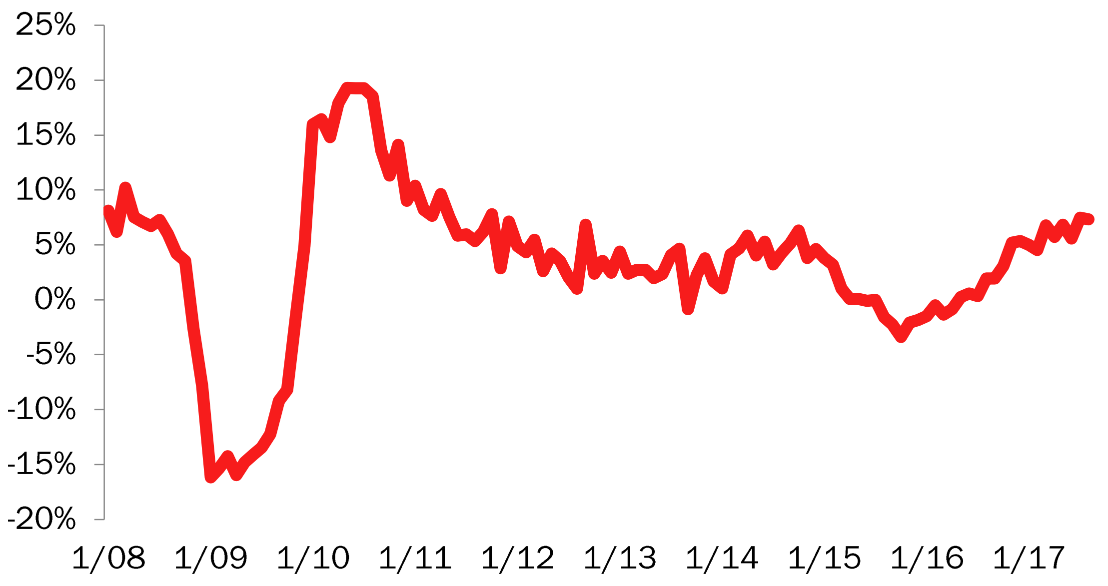
MARKET ENVIRONMENT – PORT SOLUTIONS

RWI/ISL Container Throughput Index



- Small and medium-sized orders improved for several product lines

Index change Y/Y



- Demand increased in the Americas and Asia-Pacific

Source: RWI/ISL Container Throughput Index (latest data point August 2017)

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MARKET OUTLOOK

- Economic indicators related to manufacturing industries continue to be strong.
- Demand situation in Europe is stable within the industrial customer segments.
- Business activity in the North American manufacturing industry remains mixed.
- Demand in Asia-Pacific is showing signs of bottoming out.
- Global container throughput growth has improved and the prospects for the small and medium-sized orders related to container handling have strengthened.

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FINANCIAL GUIDANCE

New financial guidance

- The sales in 2017 are expected to be lower than the comparable combined company sales in 2016 (EUR 3,278 million).
- We expect the adjusted EBITA to total EUR 205-225 million in 2017 (comparable combined company's adjusted EBITA was EUR 184 million in 2016).
- The comparable combined company's operations comprise Konecranes' operations without the divested STAHL CraneSystems business, but include the acquired MHPS business. See the stock exchange releases published on April 10, 2017 and April 13, 2017 for further financial information including the basis of preparation for comparable combined company.

Previous financial guidance

- The sales in 2017 are expected to be close to or lower than the comparable combined company sales in 2016 (EUR 3,278 million).
- We expect the adjusted EBITA to total EUR 205-225 million in 2017 (comparable combined company's adjusted EBITA was EUR 184 million in 2016).
- The comparable combined company's operations comprise Konecranes' operations without the divested STAHL CraneSystems business, but include the acquired MHPS business. See the stock exchange releases published on April 10, 2017 and April 13, 2017 for further financial information including the basis of preparation for comparable combined company.

INTEGRATION ACTIVITIES AHEAD OF PLAN – WE UPGRADE OUR 2017 RUN-RATE GUIDANCE TO EUR 50 MILLION

Integration activities update

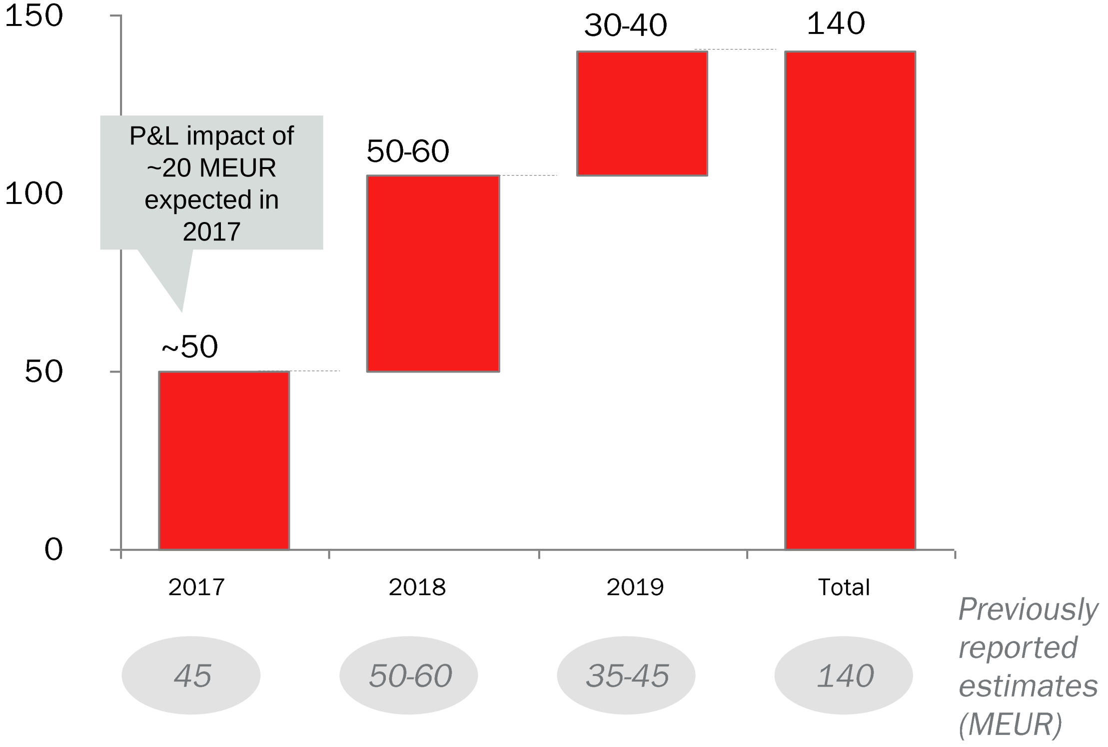
- 36 MEUR of run-rate cost synergies implemented by Q3/17
- 50 MEUR of run-rate cost synergies expected to be implemented by year end
- 20 MEUR P/L impact expected in 2017

Main activities in 2017:

- Closure of a number of industrial crane plants
  - Solon, USA (manufacturing only, offices to remain)
  - Shanghai, China
  - Previously announced: Chakan, IND; Johannesburg, RSA; Salzburg, AUT; Dietlikon, SUI; Edmonton, CAN
- Lentigione, ITA, lift truck site closure agreed locally
- First legal entities merged for leaner operations
- Joint Go-to-Market plans done and practical actions agreed
- Focus moving to detail plans for 2018

Renewed guidance on synergy run-rate

Estimated cost synergy at EBIT level, run-rate impact at end of year (MEUR)



EUR ~130 million of one-time restructuring cost and EUR ~60 million capex expected 2017-2019

SYNERGY SOURCES REMAIN INTACT BUT SPEED OF IMPLEMENTATION INCREASED

	Main levers	Initial synergy estimate
Commercial	• Go-to-market and sales channel optimization • Combined product portfolio optimization and cross-sales	~ 15 - 25 MEUR
Technology and product platforms	• Product platform and module harmonization • Technology and R&D portfolio and footprint optimization	~ 20 - 30 MEUR
Manufacturing operations	• Plant closure and capacity utilization optimization • In- and out-sourcing for cost and quality gains • Global supplier network optimization, scale and harmonization • Efficiency gains through roll-out of lean production best practices	~ 50 - 70 MEUR
Service operations	• US Branch network consolidation mostly implemented, other geographies in planning • Spare parts distribution center and network optimization	~ 15 - 20 MEUR
Organization and support	• Mgmt and back office scale, organization structure optimization • IT: infra, support, HW and business application harmonization	~ 15 - 20 MEUR
Total		140 MEUR

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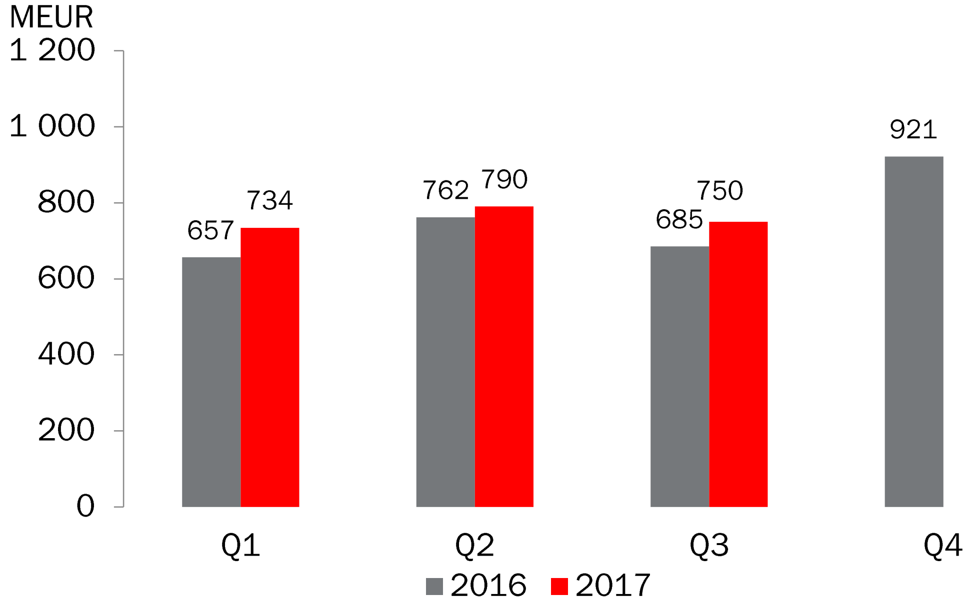
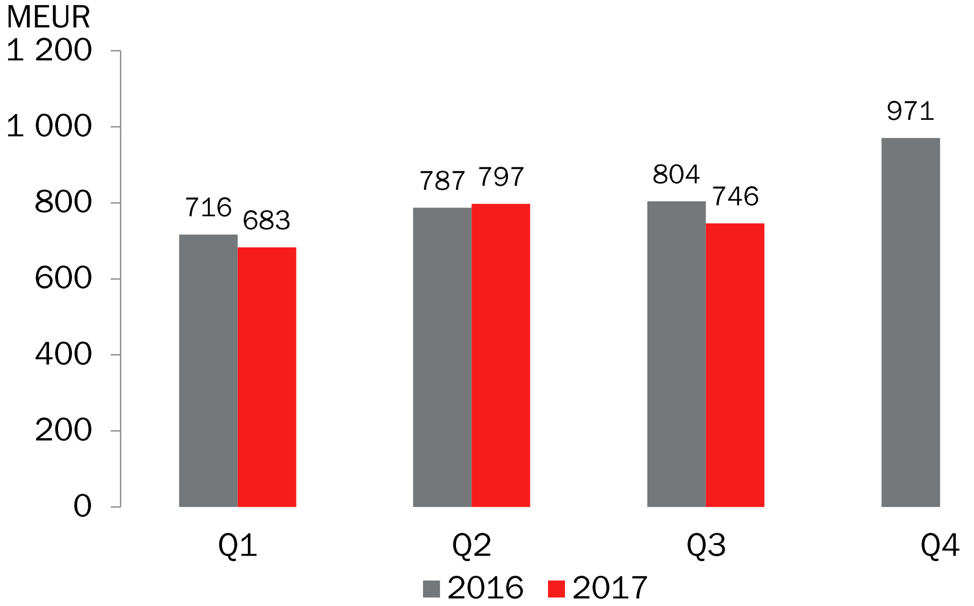
Q3/17 GROUP ORDER INTAKE AND SALES

Comparable order intake



- Orders received EUR 750.1 million (685.3), +9.4 percent
- Orders received increased in Port Solutions, but decreased in Service and in Industrial Equipment
- Orders grew in the AME and APAC, but were lower in EMEA

Comparable sales



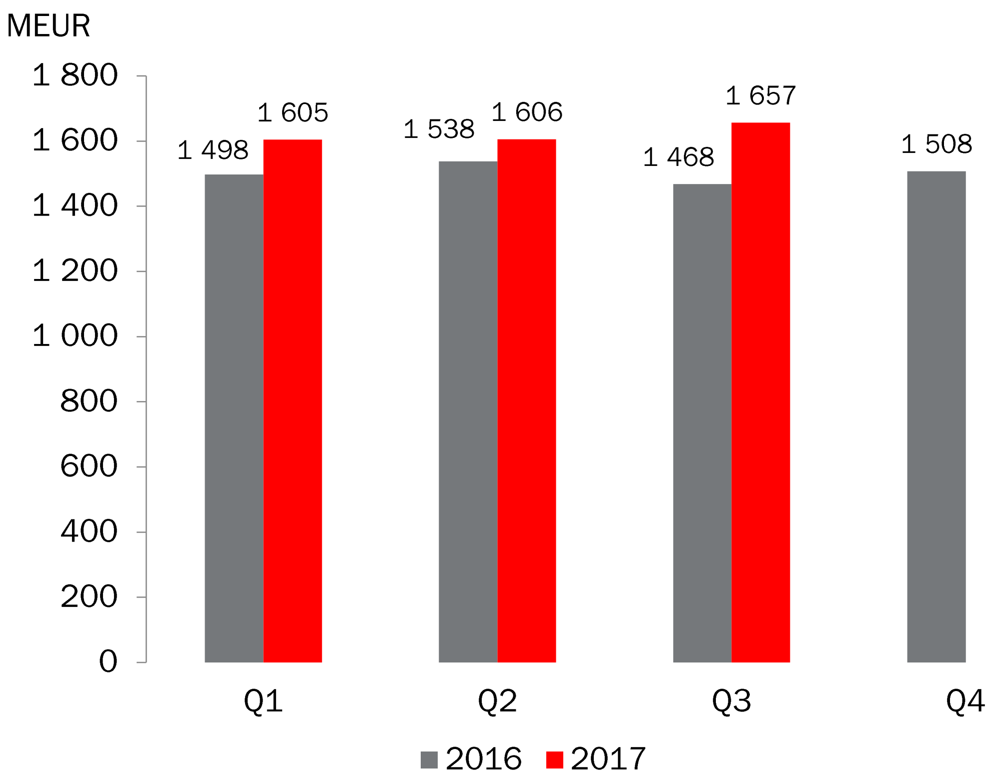
- Group sales decreased by 7.2 percent to EUR 746.2 million (803.8).
- Sales fell in all business areas

Q3/17 GROUP ORDER BOOK

Comparison to combined company figures

- Order book at the end of September EUR 1,656.6 million (1,467.9), +12.9%
- Order book growth related to Business Area Port Solutions and Business Area Industrial Equipment
- The previous year's order book for MHPS included deliveries for the next 12 months only

Combined order book



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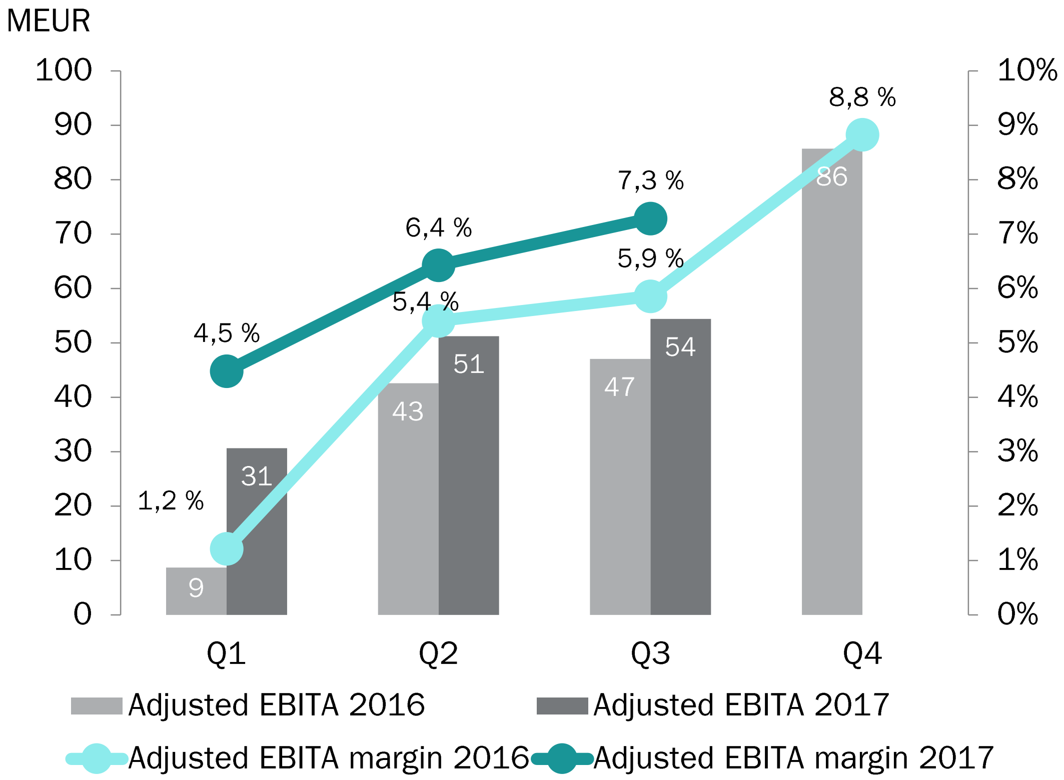
Q3/17 GROUP ADJUSTED EBITA

Comparison to combined company figures

- Adjusted EBITA EUR 54.4 million (47.1), 7.3 percent of sales (5.9)
- Despite the decrease in sales, the Group adjusted EBITA margin improved mainly thanks to the cost-saving measures implemented in 2016-2017, as well as successful delivery execution
- Gross margin improved and fixed costs were lower on a year-on-year basis

Comparable adjusted EBITA



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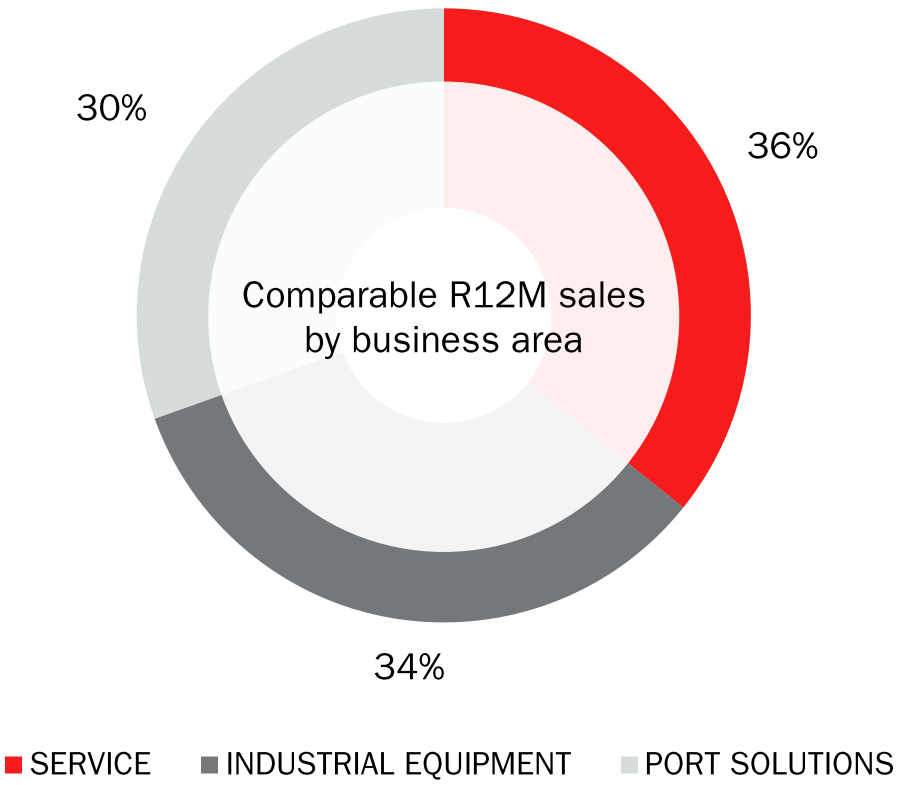
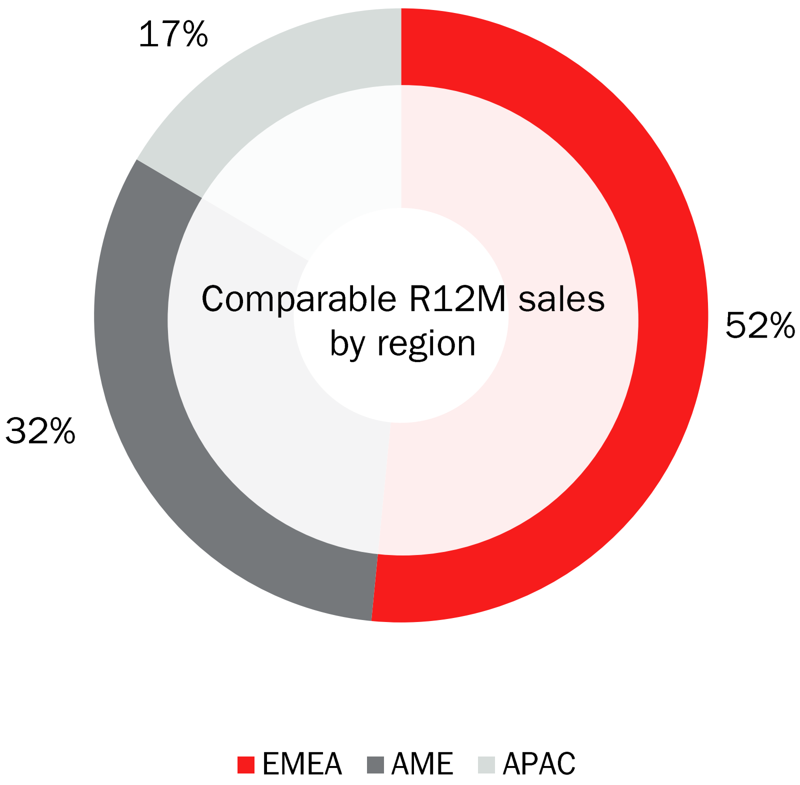
GROUP SALES BY BUSINESS AREA AND REGION

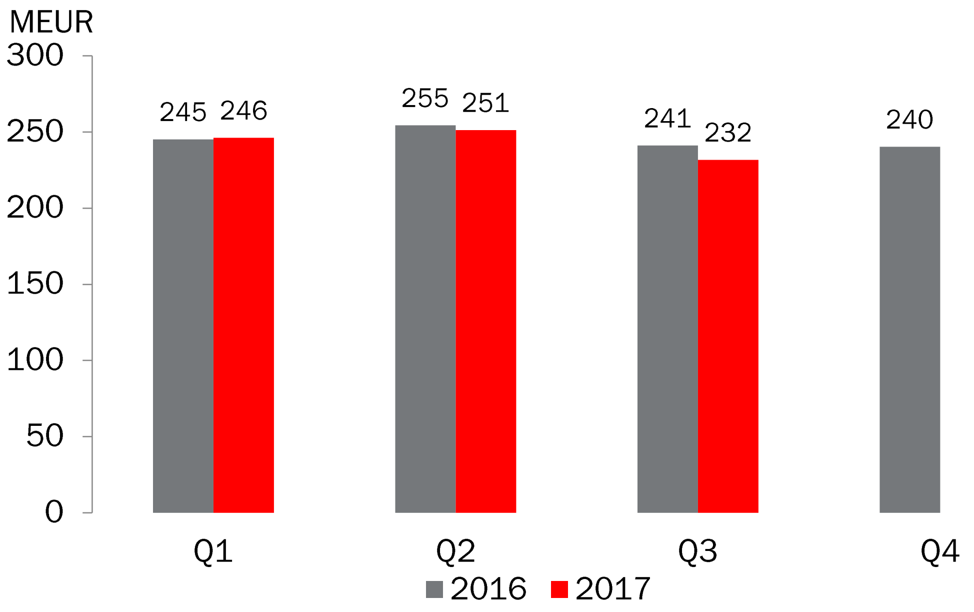




SERVICE

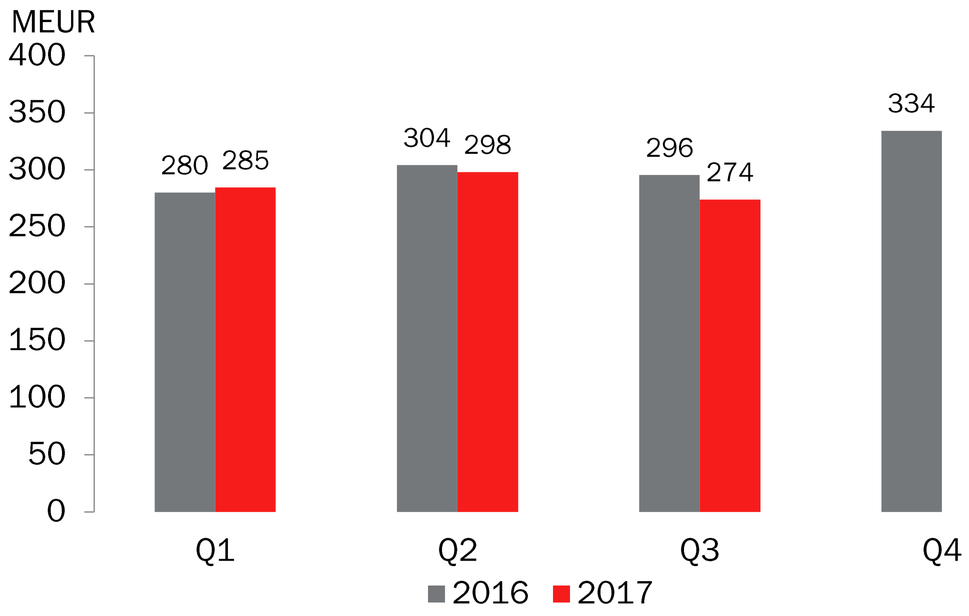
Q3/17 SERVICE ORDER INTAKE AND SALES

Comparable order intake



- Orders received decreased by 3.9 percent to EUR 231.8 million (241.2)

Comparable sales



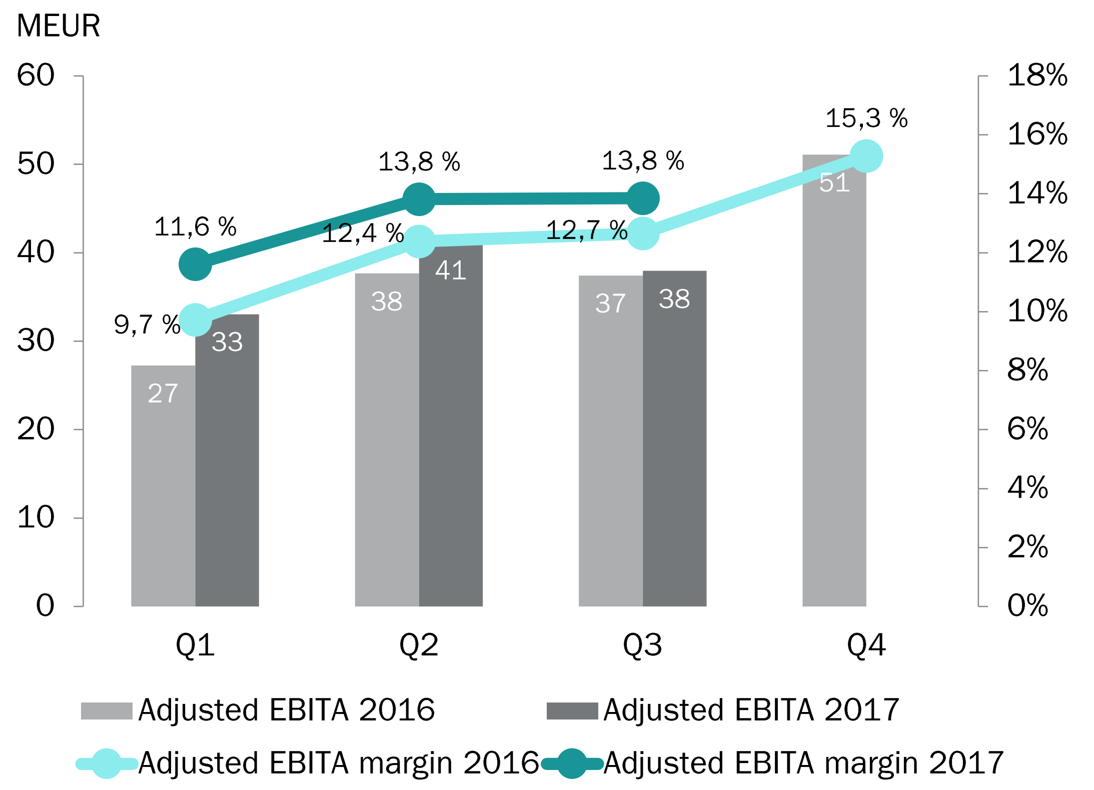
- Sales fell by 7.3 percent to EUR 274.0 million (295.5), largely due to the discontinuation of certain underperforming operations and negative FX effect
- Sales decreased in all regions, parts outperformed field service

Q3/17 SERVICE ADJUSTED EBITA

Comparison to combined company figures

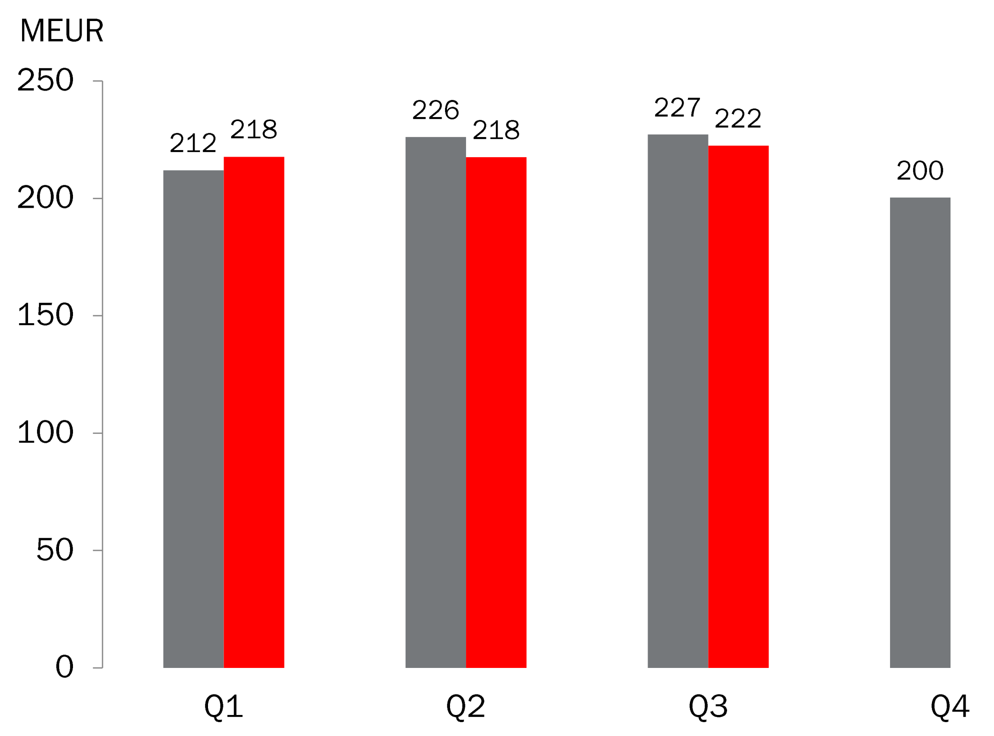
- The third-quarter adjusted EBITA was EUR 37.9 million (37.4) and the adjusted EBITA margin 13.8 percent (12.7)
- The adjusted EBITA improved thanks to the positive sales mix, better productivity, and lower fixed costs

Comparable adjusted EBITA

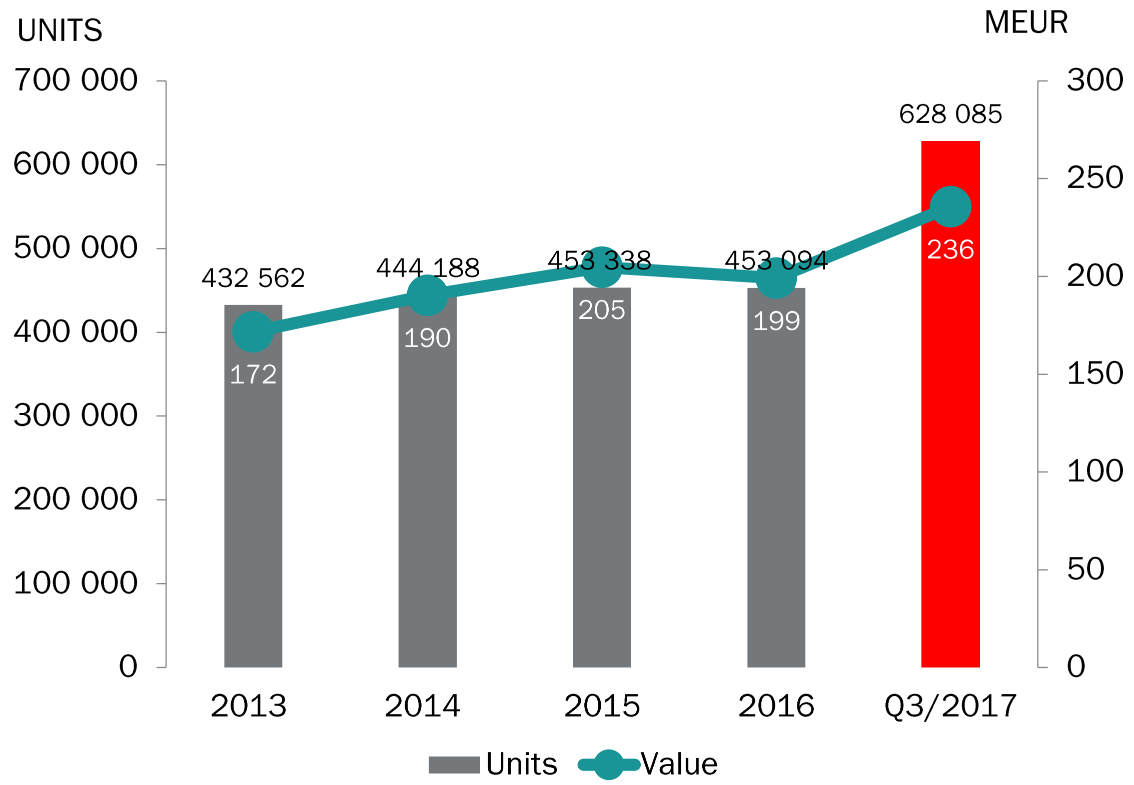


Q3/17 SERVICE ORDER BOOK AND AGREEMENT BASE

Combined order book



Agreement base*



*2013-16 agreement base on Konecranes stand-alone basis

INDUSTRIAL EQUIPMENT

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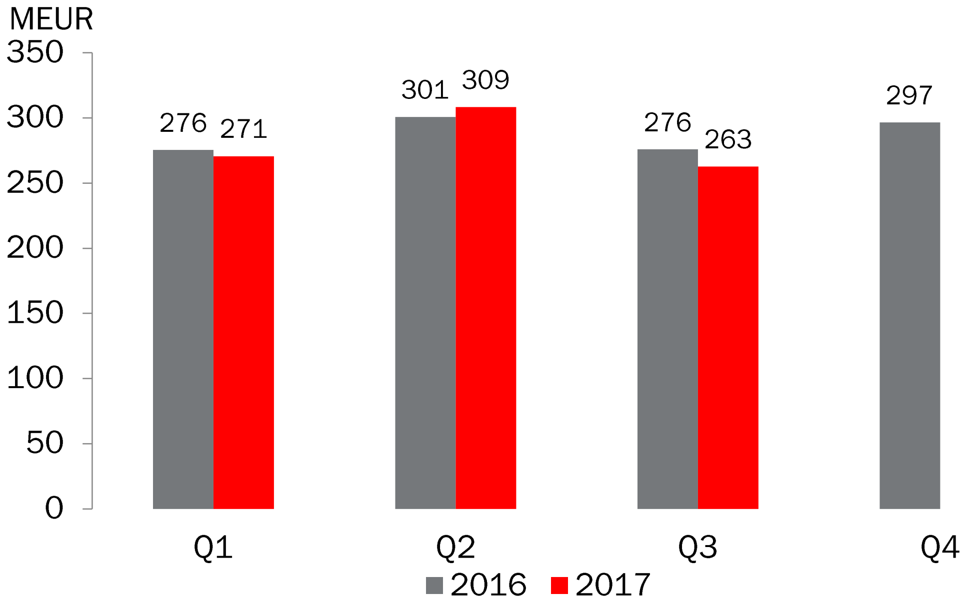
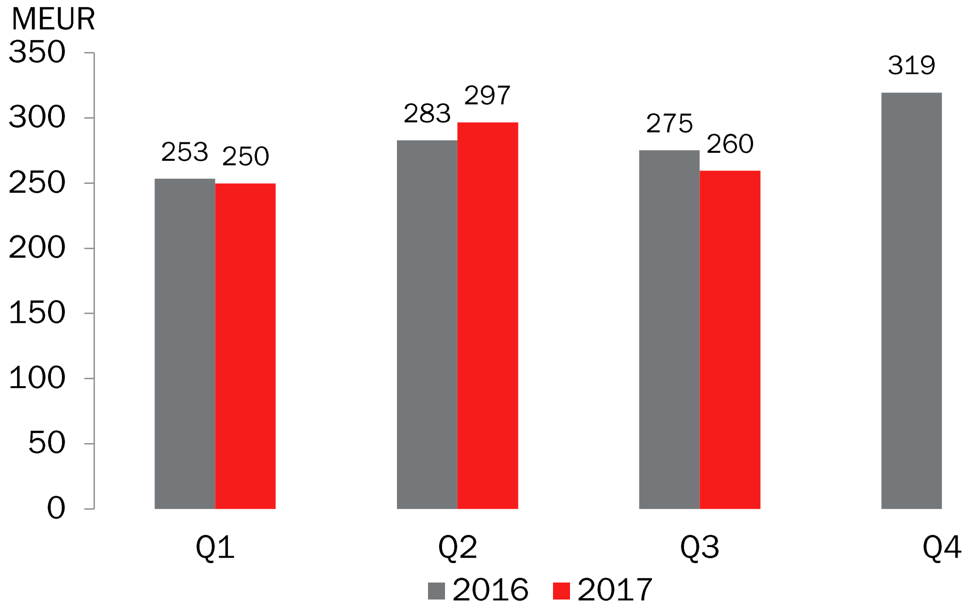
Q3/17 INDUSTRIAL EQUIPMENT ORDER INTAKE AND SALES

Comparable order intake



Comparable sales



- Orders received totaled EUR 262.8 million (275.9), -4.7 percent
- The decrease in orders was related to EMEA and the Americas
- Crane component orders fell short from the previous year’s level, but industrial cranes orders were roughly on a par

- Sales declined by 5.7 percent to EUR 259.5 million (275.2)

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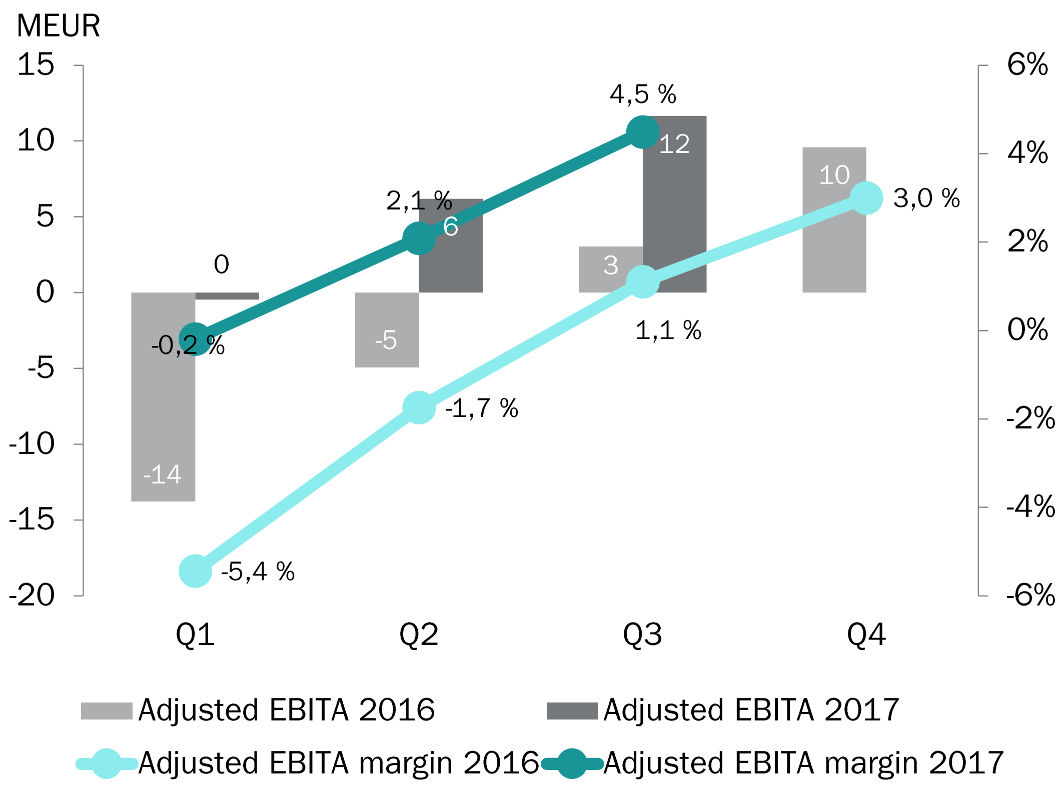
Q3/17 INDUSTRIAL EQUIPMENT ADJUSTED EBITA

Comparison to combined company figures

- The third-quarter adjusted EBITA was EUR 11.7 million (3.0) and the adjusted EBITA margin 4.5 percent (1.1)
- The improvement in adjusted EBITA margin related mainly to the cost-saving measures implemented in 2016-2017, as well as successful deliveries
- Gross margin improved and fixed costs were lower on a year-on-year basis

Comparable adjusted EBITA



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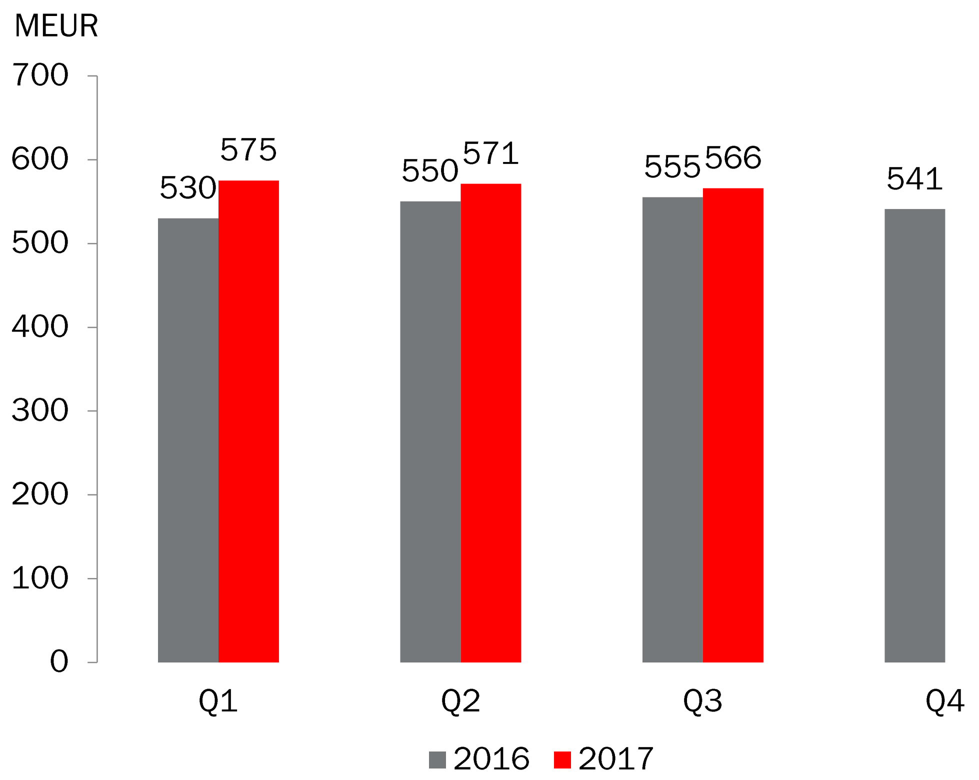
Q3/17 INDUSTRIAL EQUIPMENT ORDER BOOK

Combined order book



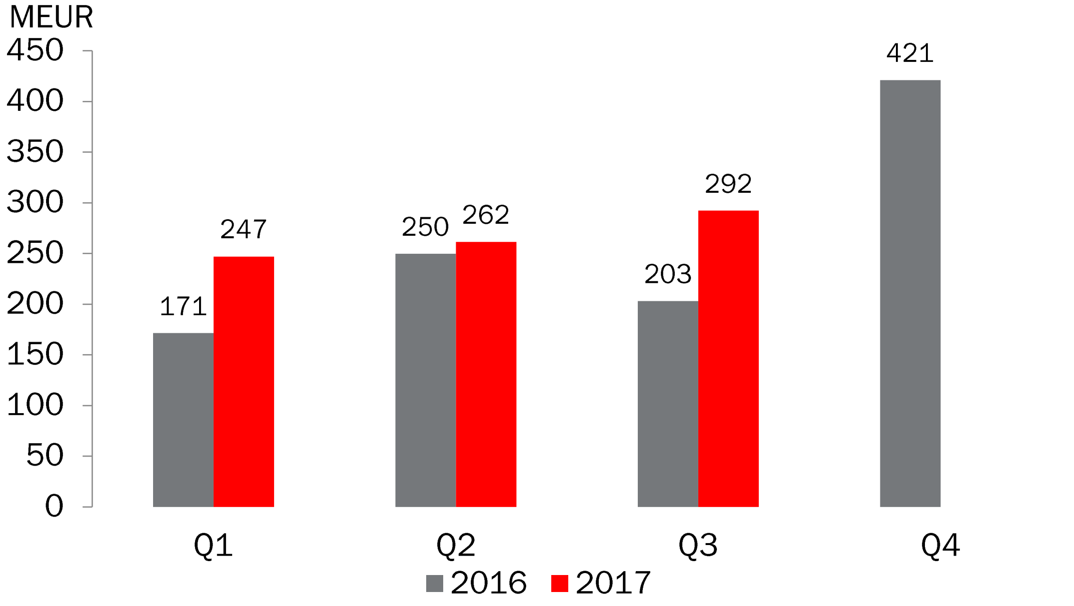
Comparison to combined company figures

- The order book increased by 1.9 percent from a year before to EUR 565.7 million (555.1)

PORT SOLUTIONS

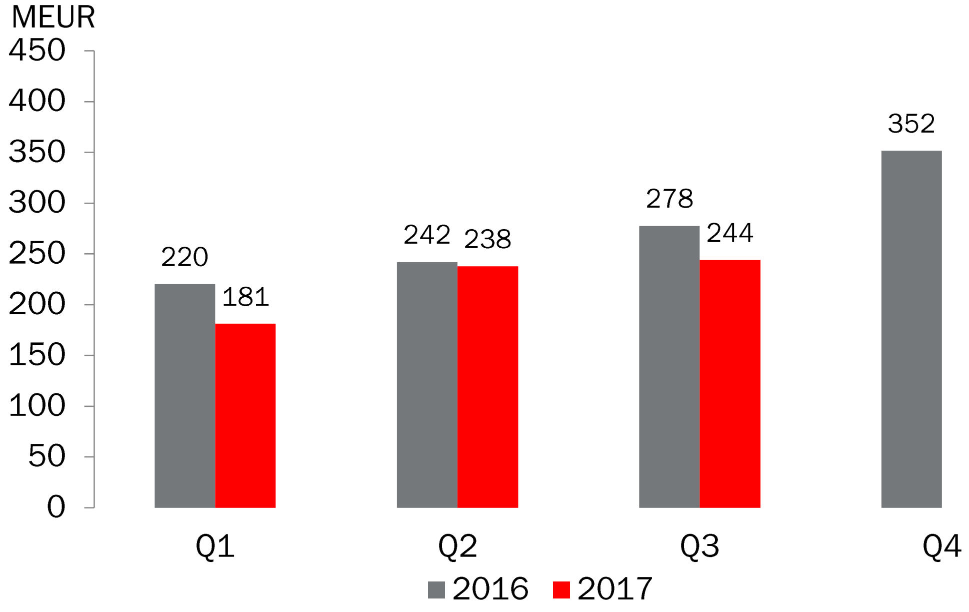
Q3/17 PORT SOLUTIONS ORDER INTAKE AND SALES

Comparable order intake



- Orders totaled EUR 292.2 million (203.0), +43.9 percent
- Orders grew in AME and APAC, whereas orders were roughly on a par in EMEA; order growth related to mobile harbor cranes, straddle carriers, ship-to-shore cranes, lift trucks, and services

Comparable sales



- Sales fell by 12.1 percent to EUR 244.0 million (277.6)
- The decrease in sales related to the timing of deliveries and exceptionally high sales of certain products in the comparison period

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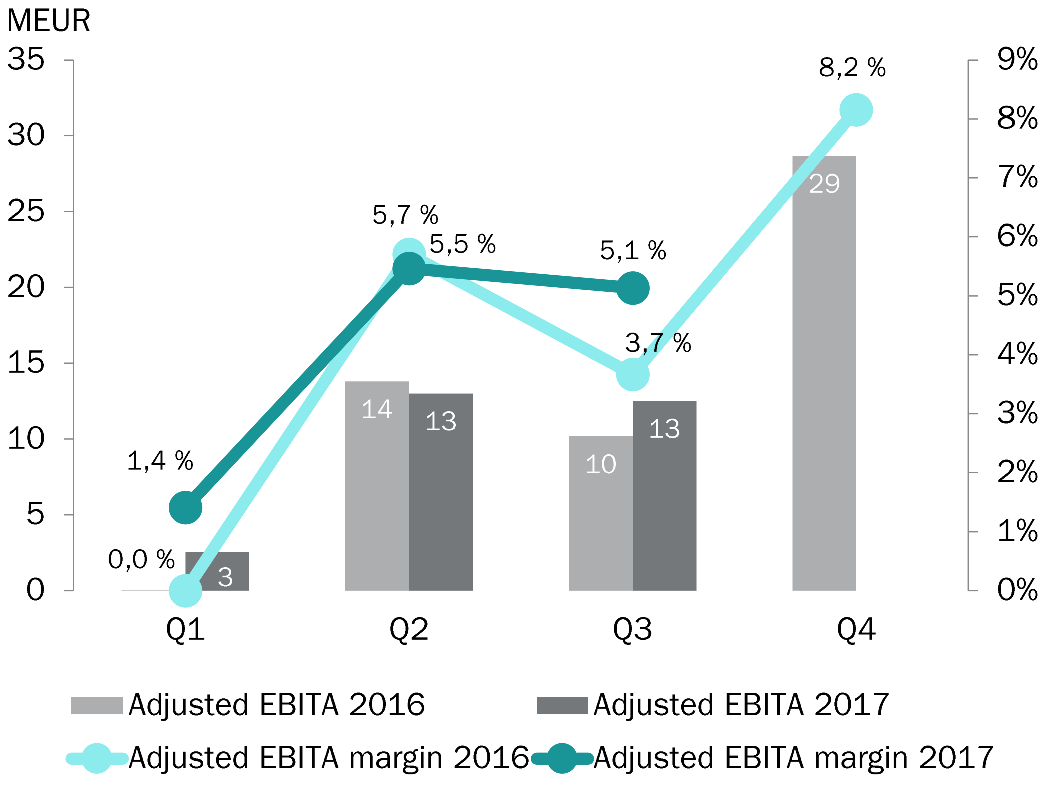
Q3/17 PORT SOLUTIONS ADJUSTED EBITA

Comparison to combined company figures

- Adjusted EBITA was EUR 12.5 million (10.2) and the adjusted EBITA margin 5.1 percent (3.7).
- The adjusted EBITA margin was supported by cost-saving measures implemented in 2016-2017, improved delivery execution leading to better than expected margins from some completed projects, as well as sales growth in certain products
- Gross margin improved and fixed costs were lower on a year-on-year basis.

Comparable adjusted EBITA



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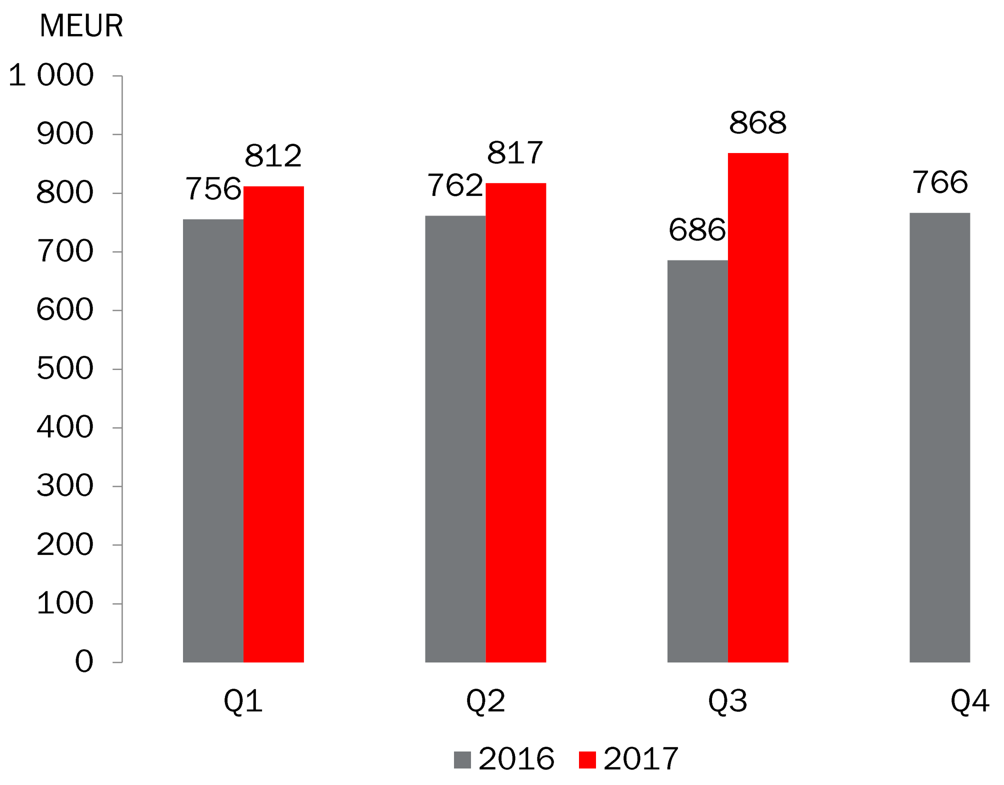
Q3/17 PORT SOLUTIONS ORDER BOOK

Combined order book



Comparison to combined company figures

- The order book increased by 26.7 percent from a year before to EUR 868.4 million (685.6)
- The order book for most of our new Konecranes Gottwald and Konecranes Noell products continued to strengthen
- Order book for deliveries scheduled for the fourth quarter of 2017 is approximately EUR 50 million lower compared to the corresponding situation a year ago

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CASH FLOW AND BALANCE SHEET

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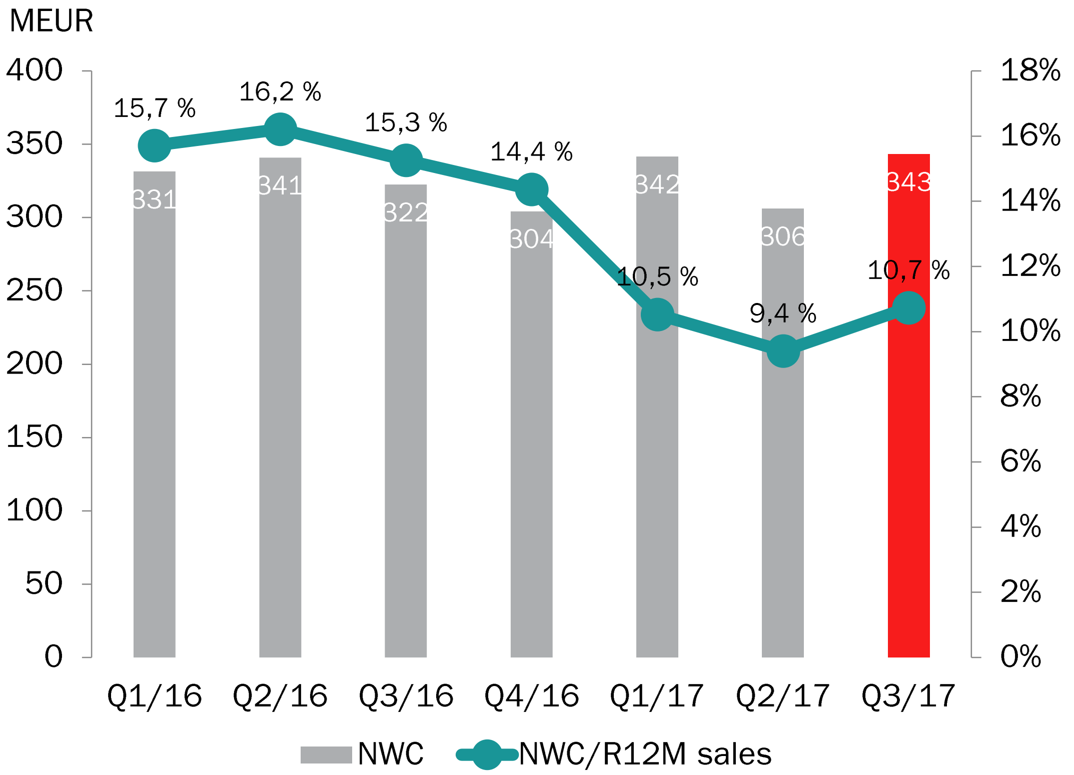
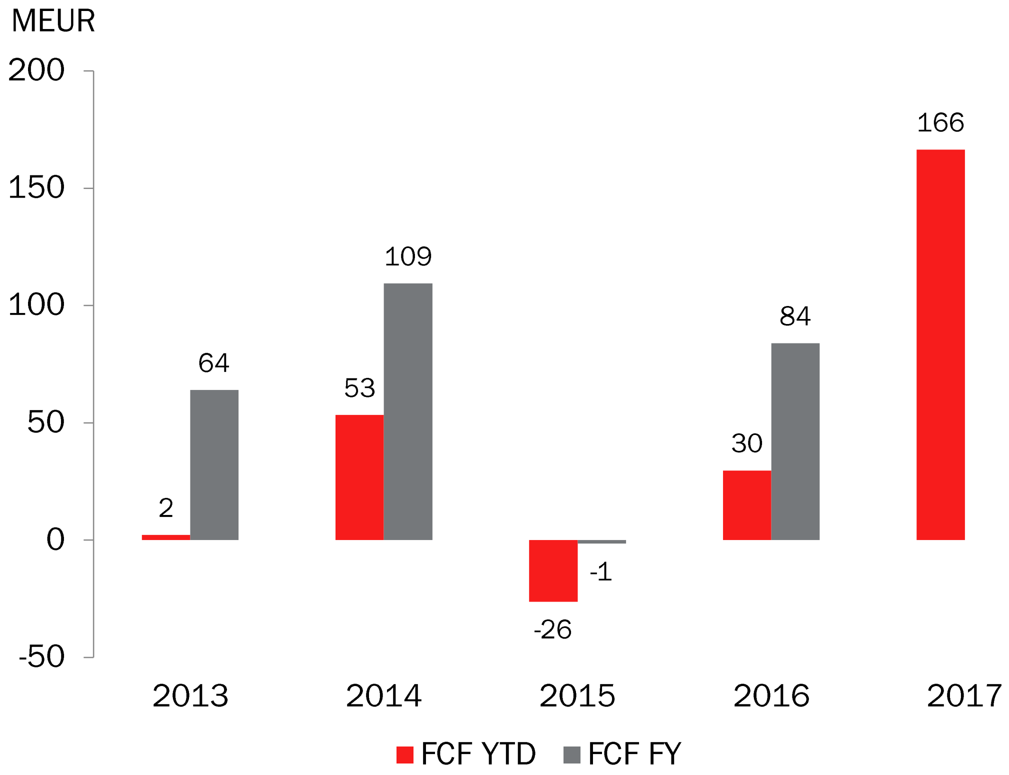
NET WORKING CAPITAL AND FREE CASH FLOW

Net working capital*



*Q1/17 excl. dividend liability of EUR 82 million, Q1/16 excl. dividend liability of EUR 62 million
Q1-Q3/17 R12M sales for comparable combined company

Free cash flow



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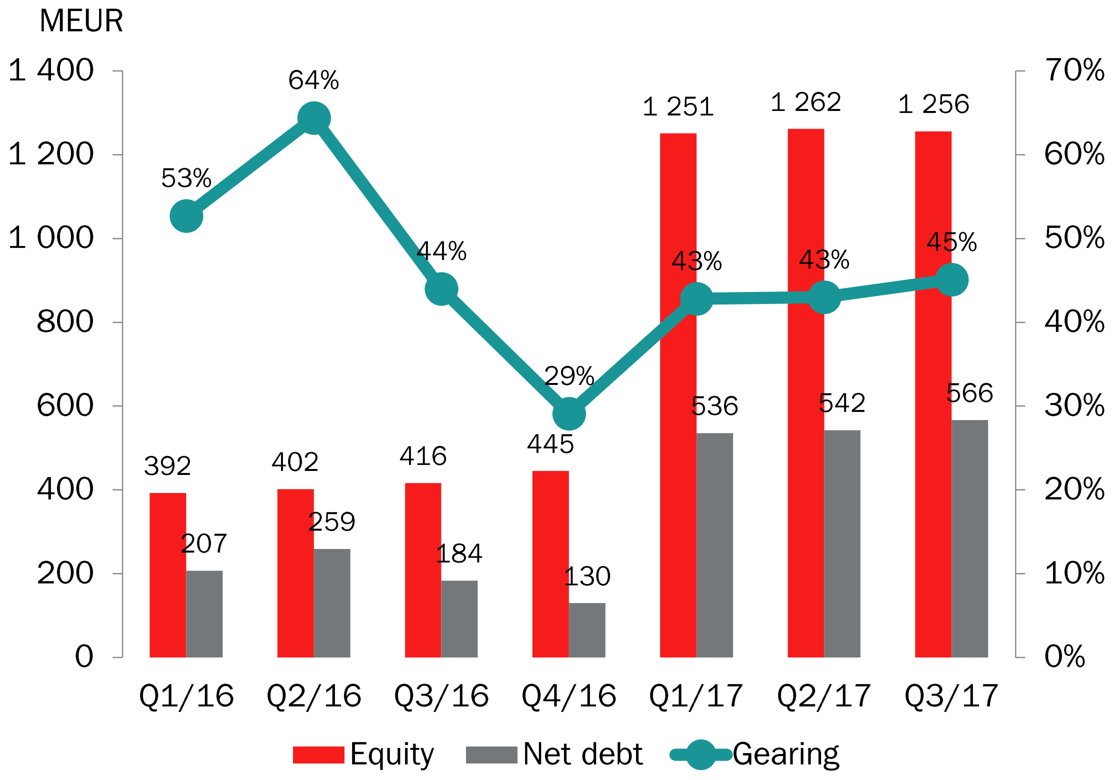
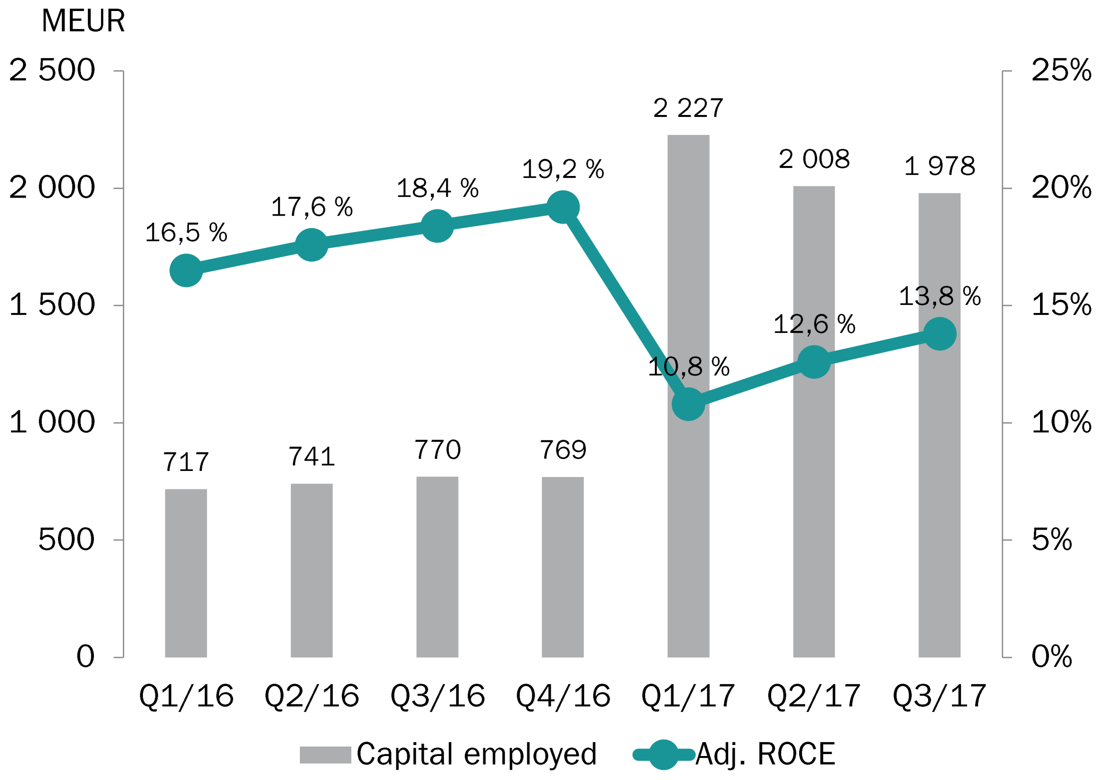
GEARING AND RETURN ON CAPITAL EMPLOYED

Equity, net debt and gearing



Capital employed and return on capital employed



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December 14: presentations from CEO, CFO and business area heads

We will start with lunch at 11.30 and finish by 17.30 to allow fly in and out during the day

December 15: site visit to Demag factory in Wetter

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	Q3/17	Q3/16	Change %	1-9/2017	1-9/2016	Change %
Sales	**746.2**	**517.6**	**44.2**	**2,226.4**	**1,505.0**	**47.9**
Other operating income	2.9	3.1		224.8	14.0	
Materials, supplies and subcontracting	-348.4	-242.5		-965.2	-673.2	
Personnel cost	-242.8	-159.2		-760.7	-491.4	
Depreciation and impairments	-27.9	-12.3		-87.6	-41.0	
Other operating expenses	-123.2	-81.8		-374.8	-259.5	
Operating profit	**6.8**	**25.0**	**-72.7**	**262.9**	**53.9**	**387.7**
Share of associates' and joint ventures' result	-0.3	0.9		-0.5	5.7	
Gain on disposal of investment in associated company	0.0	5.8		0.0	5.8	
Financial income	5.6	0.3		32.7	0.9	
Financial expenses	-17.0	-10.6		-64.2	-29.6	
Profit before taxes	**-4.8**	**21.3**	**-122.7**	**230.9**	**36.6**	**530.2**
Taxes	0.6	-5.4		-27.7	-9.9	
PROFIT FOR THE PERIOD	**-4.2**	**15.8**	**-126.8**	**203.2**	**26.7**	**659.7**

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BALANCE SHEET

EUR million	30.9.2017	30.9.2016
Non-current assets		
Goodwill	919.0	84.3
Intangible assets	638.4	98.6
Property, plant and equipment	265.5	126.3
Other	203.3	86.5
Current assets		
Inventories	626.6	345.0
Accounts receivable	475.4	300.7
Other current assets	232.7	164.7
Cash and cash equivalents	155.6	166.7
Assets held for sale	0.0	104.2
Total Assets	**3,516.5**	**1,477.0**

EUR million	30.9.2017	30.9.2016
Total Equity	1,255.8	416.2
Non-current liabilities		
Interest-bearing liabilities	648.2	54.9
Other long-term liabilities	280.7	39.4
Other	183.1	30.6
Current liabilities		
Interest-bearing liabilities	74.5	299.0
Advance payments received	334.8	171.3
Accounts payable	174.8	91.4
Other current liabilities	564.4	285.2
Liabilities directly attributable to assets held for sale	0.0	88.5
Total Equity and Liabilities	**3,516.5**	**1,477.0**

CASH FLOW STATEMENT

EUR million	Q3/2017	Q3/2016	1-9/2017	1-9/2016
Operating income before change in net working capital	24.0	42.6	127.6	98.8
Change in net working capital	-26.6	21.2	115.6	8.7
Cash flow from operations before financing items and taxes	-2.6	63.8	243.2	107.5
Financing items and taxes	0.4	-30.4	-59.4	-60.0
Net cash from operating activities	**-2.2**	**33.4**	**183.8**	**47.6**
Acquisition of Group companies, net of cash	-9.7	-0.2	-731.7	-0.2
Divestment of businesses, net of cash	-9.1	0.0	213.4	0.0
Proceeds from disposal of associated company	0.0	47.8	0.0	47.8
Capital expenditures	-4.2	-7.5	-18.9	-19.1
Proceeds from sale of property, plant and equipment	0.3	0.6	1.5	1.3
Cash flow before financing activities	**-24.9**	**74.0**	**-351.8**	**77.2**
Net cash used in financing activities	-15.3	16.3	320.5	12.8
Change of cash and cash equivalents	-42.3	89.9	-38.5	89.6
Free cash flow	**-6.2**	**26.5**	**166.4**	**29.7**

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KEY FIGURES

EUR million	1-9/2017	1-9/2016	Change %
Earnings per share, basic (EUR)	2.62	0.46	475.7
Earnings per share, diluted (EUR)	2.62	0.46	475.7
Return on capital employed, %, Rolling 12 Months (R12M)	21.8	10.9	100.0
Return on equity, %, Rolling 12 Months (R12M)	25.6	9.3	175.3
Equity per share (EUR)	15.67	7.08	121.3
Net debt / Adjusted EBITDA, Rolling 12 Months (R12M)	2.2	1.0	120.0
Equity to assets ratio, %	39.5	32.0	23.4
Investments total (excl. acquisitions), EUR million	27.8	22.4	24.3
Average number of personnel during the period	15,307	11,509	33.0
Average number of shares outstanding, basic	78,109,755	58,747,279	33.0
Average number of shares outstanding, diluted	78,109,755	58,747,279	33.0
Number of shares outstanding	78,756,145	58,751,009	34.1

BASIS OF PREPARATION FOR COMPARABLE COMBINED COMPANY

The comparable combined company financial information is based on management's estimates and is for illustrative purposes only. The comparable combined company financial information gives an indication of the combined company's key figures assuming the activities were included in the same company from the beginning of 2016.

The comparable combined company financial information is based on a hypothetical situation and should not be viewed as pro forma financial information as the differences in accounting principles have not been taken into account. The unaudited comparable combined company financial information is based on Konecranes Group's financial statements for the financial year 2016 (adjusted for restructuring costs, transaction costs and received insurance indemnity) according to IFRS and Terex Corporation's ("Terex") MHPS segment unaudited special purpose carve-out financial information for the financial year 2016 (adjusted for non-recurring items such as restructuring costs and impairments of goodwill and trademarks) according to USGAAP. The corporation allocations of Terex Group have been adjusted in MHPS income statement to illustrate the situation as the Group had been combined at the beginning of 2016.

Since the financial information for MHPS has been prepared on a carve-out basis, this does not necessarily reflect what the results of its operations would have been had MHPS operated as an independent company and had it presented stand-alone financial information under IFRS during the period provided. Moreover, the carve-out financial information may not be indicative of the MHPS's future performance of the operating activities aggregated within Konecranes.

Konecranes is unable to present a reconciliation of the comparable combined company financial information as the MHPS' financials have been calculated according to USGAAP and using different accounting principles than Konecranes and because Terex has categorized MHPS as a discontinued operation in 2016.

KONECRANES

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