KONECRANES
Lifting Businesses™

Strong orders and fourth consecutive quarterly adjusted EBITA-% record

Half-year financial report
January–June 2021

H1

Strong orders and fourth consecutive quarterly adjusted EBITA-% record

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

SECOND QUARTER HIGHLIGHTS

- Order intake EUR 806.7 million (581.5), +38.7 percent (+41.1 percent on a comparable currency basis), driven by order intake increases in all three Business Areas
- Service annual agreement base value stayed approximately the same (0.0 percent in reported currencies) but increased 1.2 percent on a comparable currency basis to EUR 282.8 million (282.9). Service order intake was EUR 257.5 million (209.1), +23.1 percent (+26.2 percent on a comparable currency basis)
- Order book EUR 1,974.8 million (1,904.5) at the end of June, +3.7 percent (+4.8 percent on a comparable currency basis)
- Sales EUR 759.3 million (704.7), +7.7 percent (+10.0 percent on a comparable currency basis), sales increased in Business Areas Service and Port Solutions but decreased in Industrial Equipment
- Adjusted EBITA margin 8.6 percent (8.2) and adjusted EBITA EUR 65.3 million (57.5); the increase was driven by higher sales as well as continued focus on strategic initiatives
- Operating profit EUR 46.6 million (42.7), 6.1 percent of sales (6.1), restructuring and transaction costs totaled EUR 10.4 million (5.9)
- Earnings per share (diluted) EUR 0.36 (0.38)
- Free cash flow EUR 15.4 million (53.7).

JANUARY–JUNE 2021 HIGHLIGHTS

- Order intake EUR 1,569.5 million (1,318.5), +19.0 percent (+21.8 percent on a comparable currency basis)
- Service order intake EUR 512.7 million (475.2), +7.9 percent (+11.7 percent on a comparable currency basis)
- Sales EUR 1,463.3 million (1,474.2), -0.7 percent (+1.7 percent on a comparable currency basis)
- Adjusted EBITA margin 8.3 percent (5.3) and adjusted EBITA EUR 121.6 million (78.6); the adjusted EBITA margin improved in all three Business Areas
- Operating profit EUR 84.1 million (50.5), 5.8 percent of sales (3.4), restructuring and transaction costs totaled EUR 20.7 million (10.1)
- Earnings per share (diluted) EUR 0.59 (0.53)
- Free cash flow EUR 33.0 million (107.5)
- Net debt EUR 624.4 million (770.2) and gearing 50.6 percent (62.8).

THIRD QUARTER DEMAND OUTLOOK

The worldwide demand picture remains subject to volatility due to the COVID-19 pandemic.

In Europe, the current demand environment within the industrial customer segments has reached the pre-COVID-19 level, while in North America the demand environment is still behind the pre-COVID-19 level. In Asia-Pacific, the demand environment remains below the pre-COVID-19 level outside China.

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

FINANCIAL GUIDANCE

Konecranes expects net sales to increase in full-year 2021 compared to 2020. Konecranes expects the full-year 2021 adjusted EBITA margin to improve from 2020.

Key figures

	Second quarter			First half year				
	4–6/2021	4–6/2020	Change %	1–6/2021	1–6/2020	Change %	R12M	1–12/2020
Orders received, MEUR	806.7	581.5	38.7	1,569.5	1,318.5	19.0	2,978.3	2,727.3
Order book at end of period, MEUR				1,974.8	1,904.5	3.7		1,715.5
Sales total, MEUR	759.3	704.7	7.7	1,463.3	1,474.2	-0.7	3,168.0	3,178.9
Adjusted EBITDA, MEUR [1)]	86.5	83.0	4.1	165.5	129.0	28.3	393.2	356.7
Adjusted EBITDA, % [1)]	11.4%	11.8%		11.3%	8.8%		12.4%	11.2%
Adjusted EBITA, MEUR [2)]	65.3	57.5	13.5	121.6	78.6	54.7	303.8	260.8
Adjusted EBITA, % [2)]	8.6%	8.2%		8.3%	5.3%		9.6%	8.2%
Adjusted operating profit, MEUR [1)]	57.0	48.5	17.5	104.8	60.6	72.9	269.1	224.9
Adjusted operating margin, % [1)]	7.5%	6.9%		7.2%	4.1%		8.5%	7.1%
Operating profit, MEUR	46.6	42.7	9.3	84.1	50.5	66.8	207.5	173.8
Operating margin, %	6.1%	6.1%		5.8%	3.4%		6.5%	5.5%
Profit before taxes, MEUR	41.1	42.4	-3.0	67.8	58.5	15.9	179.6	170.3
Net profit for the period, MEUR	28.4	30.3	-6.3	46.8	41.8	11.8	127.8	122.9
Earnings per share, basic, EUR	0.36	0.38	-6.6	0.59	0.53	11.4	1.60	1.54
Earnings per share, diluted, EUR	0.36	0.38	-6.6	0.59	0.53	11.4	1.60	1.54
Interest-bearing net debt/Equity, %				50.6%	62.8%			46.1%
Net debt/Adjusted EBITDA, R12M [1)]				1.6	2.3			1.6
Return on capital employed, %							8.8%	8.3%
Adjusted return on capital employed, % [3)]							13.0%	11.1%
Free cash flow, MEUR	15.4	53.7		33.0	107.5		291.6	366.1
Average number of personnel during the period				16,670	17,105	-2.5		17,027

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

President and CEO Rob Smith:

Konecranes reported its fourth consecutive quarter of record profitability, powered by solid sales growth and high performance across the whole organization. Strong first-half orders, especially in our short-cycle products, together with continuing traction from strategic initiatives give us good momentum for the latter half of the year.

Overall market sentiment continued to improve in Q2 compared to the previous quarters, though COVID-19 related market volatility is not over. Activity remained high in the port sector and continued to improve with our industrial customers, and at end-June our order book was at a record high. Sequentially, orders received in the quarter increased by over EUR 43 million and totaled EUR 806.7 million. Year-on-year, Konecranes' Q2 order intake grew 41.1% in comparable currencies, as last year's Q2 marked the peak of the COVID-19 pandemic and lockdowns from a global perspective. We saw once again good order growth in our short-cycle products.

Component availability and other supply chain constrains continued to affect sales in Q2, with a quarterly impact of approximately EUR 35 million. However, sales still grew by 10.0% year-on-year in comparable currencies and increased in Port Solutions and Service but remained at the previous year's level in Industrial Equipment. As a result, and in line with our expectations for the full year, H1 sales exceeded last year's H1 sales in comparable currencies and were 0.7% behind last year's level in reported currencies.

Our Q2 adjusted EBITA margin was 8.6%, marking the fourth quarter in row with an all-time high adjusted EBITA margin for the quarter in question. This is an excellent achievement given the pandemic is still disrupting many countries, and there are global component and other supply chain issues. I would like to thank our employees for their hard work, and our suppliers and customers for their close collaboration during the quarter.

COVID-19 and the global component shortage are not the only events recently impacting our operations. Two weeks ago, one of our biggest factories, Wetter, was affected by the flooding catastrophe in Germany. While no employees were injured, there was some physical damage at the site, and we expect to close the production gap within a month. We have many employees living in the region, and our thoughts and sympathies are with them, their family members and communities.

As for our Q2 performance by each business, Service order intake improved by 26.2% year-on-year in comparable currencies, and orders grew in all three regions. Despite year-on-year sales growth, component shortages and logistics delays impacted Service sales and also the sales mix, and as a result, the adjusted EBITA margin was 16.8%, a decrease of 0.4 percentage points versus a year ago. The agreement base value grew by 1.2% from the previous year in comparable currencies, continuing to demonstrate the resiliency of our Service growth engine during the pandemic.

Industrial Equipment's external order intake grew by 48.4% in comparable currencies. Net sales were impacted by supply chain constrains resulting from COVID-19, component shortages and logistics delays. The good profitability trajectory continued: Industrial Equipment's adjusted EBITA margin was 2.1%, improving by 0.4 percentage points from the previous year, mainly driven by the favorable sales mix as well as continued good progress with our strategic initiatives, especially in the process crane business.

In Port Solutions, the previous quarters' good order momentum continued, and order intake grew 47.9% from the previous year in comparable currencies. Lift Trucks, Straddle Carriers, Solutions and Port Service had a strong order intake. Port Solutions' adjusted EBITA margin increased by 0.7 percentage points to 7.1%, driven by higher sales and our project management excellence initiative.

While we expect market volatility to continue due to the pandemic, we have updated our demand outlook for Q3 to reflect the current market sentiment. We reiterate our full-year guidance for 2021 despite the supply chain challenges which impacted net sales in H1 and continue to impact operations in Q3. We expect to overcome these challenges, with net sales to increase in full-year 2021 compared to 2020, and given our performance track record and the ongoing positive impact of our strategic initiatives, we expect our full-year adjusted EBITA margin to improve from 2020.

Our announced merger with Cargotec is progressing well – merger control filings and integration planning teams are making good headway. In the beginning of July the European Commission opened a Phase II merger control review, which is a common step for sizeable global transactions. Shortly after that, the UK Competition and Markets Authority (CMA) referred the planned merger for a Phase II investigation under its fast track procedure. Phase II will enable the European Commission and the CMA to consider the merger in further detail, and Konecranes and Cargotec continue to closely cooperate with all relevant authorities to demonstrate the rationale of the planned merger. Both companies continue to operate fully separately and independently until all merger closing conditions are met and the deal is completed.

The merger is fully aligned with Konecranes' strategic plans and growth ambitions, and we are confident that the merger will be completed by the end of H1 2022. Together with Cargotec we will create a global leader in sustainable material flow.

Konecranes Plc's half-year financial report January–June 2021

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, according to the aggregated J.P. Morgan Global Manufacturing Purchasing Managers' Index (PMI), remained clearly in expansion territory above the 50.0 mark during the entire first half of 2021, indicating improving operating conditions. The PMI was at 55.5 in June, the 12th successive month signalling expansion. June's reading was only slightly down from 56.0 in May.

In the eurozone, manufacturing sector operating conditions continued to improve in the second quarter, and the PMI of 63.4 in June marked the fourth successive record-high. Within the region, all country-specific PMIs were in expansion territory with the Netherlands, Austria and Germany having the highest figures. The UK manufacturing PMI remained well in expansion territory in the second quarter, although June's PMI figure of 63.9 marked a small drop from May's record-high of 65.6. The manufacturing industry capacity utilization rate in the European Union exceeded the pre-COVID level in the second quarter, although it still remained behind highs touched in 2018.

In the US, the manufacturing sector's PMI reading continued to climb further into expansion territory, indicating continued growth in the second quarter. In June, the PMI was unchanged from the previous record-high of 62.1 in May. The US manufacturing capacity utilization rate reached the pre-pandemic level at the end of the second quarter, but similarly to the European Union, was not yet approaching the recent peaks of mid-2018.

As for emerging markets, China's manufacturing sector operating conditions continued in expansion territory in the second quarter, and the Manufacturing PMI ended the first half of the year at 51.3. In Brazil, the Manufacturing PMI continued its growth and it rose to 56.4 in June. In India, the Manufacturing PMI started the second quarter in expansion but weakened in May and fell below 50 in June. In Russia, manufacturing sector operating conditions were in expansion until June, when the PMI dropped below 50.

Global container throughput, according to the RWI/ISL Container Throughput Index, started 2021 steady at a high level and in the second quarter continued to trend further upward. At the end of May, global container throughput was approximately 24 percent higher than the year before. The increase on a year-on-year basis was exceptionally high due to the comparison period being at the height of the coronavirus pandemic.

Regarding raw material prices, at the end of the second quarter both steel and copper prices were clearly above the previous year's levels. The average EUR/USD exchange rate was approximately 9 percent higher compared to the year-ago period.

ORDERS RECEIVED

In the second quarter, orders received totaled EUR 806.7 million (581.5), representing an increase of 38.7 percent. On a comparable currency basis, order intake increased 41.1 percent. Orders received increased in the Americas, EMEA and APAC.

In Service, orders received increased 23.1 percent on a reported basis and 26.2 percent on a comparable currency basis. In Industrial Equipment, order intake increased 41.1 percent on a reported basis and 44.3 percent on a comparable currency basis. External orders received in Industrial Equipment increased 45.0 percent on a reported basis and 48.4 percent on a comparable currency basis. In Port Solutions, order intake increased 47.7 percent on a reported basis and 47.9 percent on a comparable currency basis.

In January–June, orders received totaled EUR 1,569.5 million (1,318.5), representing an increase of 19.0 percent. On a comparable currency basis, order intake increased 21.8 percent. Orders received increased in the Americas and EMEA but decreased in APAC.

In Service, order intake increased 7.9 percent on a reported basis and 11.7 percent on a comparable currency basis. In Industrial Equipment, orders received increased 18.5 percent on a reported basis and 22.0 percent on a comparable currency basis. External orders received in Industrial Equipment increased 21.5 percent on a reported basis and 25.3 percent on a comparable currency basis. In Port Solutions, order intake increased 28.1 percent on a reported basis and 28.2 percent on a comparable currency basis.

ORDERS RECEIVED AND NET SALES, MEUR

	4–6/ 2021	4–6/ 2020	Change percent	Change % at comparable currency rates	1–6/ 2021	1–6/ 2020	Change percent	Change % at comparable currency rates	1–12/2020
Orders received, MEUR	806.7	581.5	38.7	41.1	1,569.5	1,318.5	19.0	21.8	2,727.3
Net sales, MEUR	759.3	704.7	7.7	10.0	1,463.3	1,474.2	-0.7	1.7	3,178.9

ORDER BOOK

At the end of June, the value of the order book totaled EUR 1,974.8 million (1,904.5), which was 3.7 percent higher compared to previous year. On a comparable currency basis, the order book increased 4.8 percent. The order book increased 9.3 percent in Service and 5.8 percent in Port Solutions but decreased 1.0 percent in Industrial Equipment.

SALES

In the second quarter, Group sales increased 7.7 percent to EUR 759.3 million (704.7). On a comparable currency basis, sales increased 10.0 percent. Sales increased 8.0 percent in Service and 17.1 percent in Port Solutions but decreased 3.4 percent in Industrial Equipment. Industrial Equipment's external sales decreased 1.0 percent.

In January–June, Group sales totaled EUR 1,463.3 million (1,474.2), representing a decrease of 0.7 percent. On a comparable currency basis, sales increased 1.7 percent. Sales decreased 0.5 percent in Service and 8.9 percent in Industrial Equipment but increased 4.1 percent in Port Solutions. Industrial Equipment's external sales decreased 5.9 percent.

At the end of June, the regional breakdown of sales, calculated on a rolling 12-month basis, was as follows: EMEA 54 (52), Americas 30 (34) and APAC 16 (14) percent.

FINANCIAL RESULT

In the second quarter, the Group adjusted EBITA increased to EUR 65.3 million (57.5). The adjusted EBITA margin increased to 8.6 percent (8.2). The adjusted EBITA margin was 16.8 percent (17.2) in Service, 2.1 percent (1.7) in Industrial Equipment and 7.1 percent (6.4) in Port Solutions. The increase in the Group adjusted EBITA margin was driven by higher sales as well as continued focus on strategic initiatives. Gross margin improved on a year-on-year basis.

In January–June, the Group adjusted EBITA increased to EUR 121.6 million (78.6). The adjusted EBITA margin increased to 8.3 percent (5.3). The adjusted EBITA margin increased in Service to 16.8 percent (15.4), in Industrial Equipment to 1.2 percent (-1.1) and in Port Solutions to 7.3 percent (2.9). The increase in the Group adjusted EBITA margin was mainly attributable to continued focus on strategic initiatives and cost management as well as improved project management execution.

In January–June, the consolidated adjusted operating profit increased to EUR 104.8 million (60.6). The adjusted operating margin increased to 7.2 percent (4.1).

In January–June, the consolidated operating profit totaled EUR 84.1 million (50.5). The operating profit includes adjustments of EUR 20.7 million (10.1), which are mainly comprised of transaction and integration costs and restructuring costs. The operating margin increased in Service to 15.2 percent (13.1), in Industrial Equipment to -0.5 percent (-2.4) and in Port Solutions to 6.5 percent (1.5).

In January–June, depreciation and impairments totaled EUR 60.7 million (67.5). The impact arising from the purchase price allocations for acquisitions represented EUR 16.7 million (18.0) of the depreciation and impairments.

In January–June, the share of the result in associated companies and joint ventures was EUR 0.1 million (21.0). The higher share of the result in associated companies and joint ventures in 2020 was mainly due to the acquisition of MHE-Demag in the beginning of 2020.

In January–June, financial income and expenses totaled EUR -16.5 million (-13.0). Net interest expenses accounted for EUR 9.6 million (10.9) of the sum.

In January–June, profit before taxes was EUR 67.8 million (58.5).

In January–June, income taxes were EUR 21.0 million (16.7). The Group's effective tax rate was 31.0 percent (28.5).

In January–June, net profit was EUR 46.8 million (41.8).

In January–June, the basic earnings per share were EUR 0.59 (0.53) and the diluted earnings per share were EUR 0.59 (0.53).

On a rolling 12-month basis, the return on capital employed was 8.8 percent (6.5) and the return on equity 10.4 percent (7.4). The adjusted return on capital employed was 13.0 percent (10.2).

BALANCE SHEET

At the end of June, the consolidated balance sheet amounted to EUR 3,809.6 million (4,157.5). The total equity at the end of the reporting period was EUR 1,234.6 million (1,226.8) or EUR 15.49 per share (15.39). The total equity attributable to the equity holders of the parent company was EUR 1,225.6 million (1,217.9).

Net working capital totaled EUR 392.0 million (449.5). Sequentially, excluding the dividend payable at the end of March, net working capital increased by EUR 39.8 million. The sequential increase in net working capital resulted mainly from an increase in inventories.

CASH FLOW AND FINANCING

Net cash from operating activities in January–June was EUR 45.8 million (130.5). The decrease in net cash from operating activities was mainly due to change in net working capital during the period. Cash flow before financing activities was EUR 33.0 million (-16.6), which included cash inflows of EUR 7.5 million (1.2) related to sale of property, plant and equipment, and cash outflows of EUR 0.0 million (124.1) related to acquisition of Group companies and EUR 20.3 million (24.2) related to capital expenditure.

At the end of June, interest-bearing net debt was EUR 624.4 million (770.2). Net debt decreased mainly due to the strong operating cashflow and working capital development in 2020. The equity to asset ratio was 35.7 percent (32.9) and the gearing 50.6 percent (62.8).

At the end of June, cash and cash equivalents amounted to EUR 328.5 million (503.9). None of the Group's committed EUR 400 million back-up financing facility was in use at the end of the period.

In April 2021, Konecranes paid dividends, amounting to EUR 69.6 million or EUR 0.88 per share, to its shareholders.

CAPITAL EXPENDITURE

Capital expenditure in January–June, excluding acquisitions and joint arrangements, amounted to EUR 17.0 million (20.2). The amount consisted mainly of investments in machinery and equipment, buildings, office equipment and information technology.

ACQUISITIONS AND DIVESTMENTS

In January–June, the cash impact of capital expenditure for acquisitions and joint arrangements was EUR 0.0 million (-124.1).

PERSONNEL

In January–June, the Group had an average of 16,670 employees (17,105). On June 30, the number of personnel was 16,535 (17,270). In January–June, the Group's personnel decreased by 327 people net.

At the end of June, the number of personnel by Business Area was as follows: Service 7,913 employees (8,271), Industrial Equipment 5,593 employees (5,874), Port Solutions 2,943 employees (3,017) and Group staff 86 (108).

The Group had 9,509 (9,923) employees working in EMEA, 2,993 (3,002) in the Americas and 4,033 (4,345) 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.

Konecranes signed the Science Based Targets Initiative (SBTi) commitment letter in late-2020. Konecranes is already systematically focusing on reducing its carbon footprint and charting emissions from its supply chain as well as from the products and solutions provided for customers; committing to the SBTi takes these efforts to the next level. In January–June, Konecranes has worked on defining new climate targets for its operations, reinforcing the company's commitment to mitigate climate risks, cut emissions and enhance low-carbon portfolio. The new climate targets for 2030 are expected to be published during the second half of 2021.

In January–June sales of our "eco portfolio", consisting of fully electrified and hybrid equipment, as well as modernizations and retrofits, totaled 49 percent of Konecranes' sales (54 percent in full-year 2020). For Service, the eco portfolio represented 15 percent of sales (16 percent in full-year 2020), for Industrial Equipment 100 percent (100 percent in full-year 2020) and for Port Solutions 42 percent (53 percent in full-year 2020). 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 lifecycle and increased resource-efficiency.

Konecranes is currently working on defining its product portfolio's EU Taxonomy alignment.

BUSINESS AREAS

SERVICE

	4–6/ 2021	4–6/ 2020	Change percent	Change % at comparable currency rates	1–6/ 2021	1–6/ 2020	Change percent	Change % at comparable currency rates	1–12/2020
Orders received, MEUR	257.5	209.1	23.1	26.2	512.7	475.2	7.9	11.7	927.8
Order book, MEUR	273.0	249.8	9.3	11.0	273.0	249.8	9.3	11.0	213.4
Agreement base value, MEUR	282.8	282.9	0.0	1.2	282.8	282.9	0.0	1.2	275.7
Net sales, MEUR	298.7	276.5	8.0	11.2	577.0	580.2	-0.5	3.1	1,190.0
Adjusted EBITA, MEUR [1)]	50.3	47.6	5.6		96.7	89.5	8.0		205.2
Adjusted EBITA, % [1)]	16.8%	17.2%			16.8%	15.4%			17.2%
Purchase price allocation amortization, MEUR	-3.9	-4.0	-3.7		-7.8	-8.1	-3.7		-16.1
Adjustments,MEUR	-0.4	-2.2			-0.9	-5.3			-7.7
Operating profit (EBIT), MEUR	46.0	41.4	11.0		88.0	76.1	15.6		181.4
Operating profit (EBIT), %	15.4%	15.0%			15.2%	13.1%			15.2%
Personnel at the end of period	7,913	8,271	-4.3		7,913	8,271	-4.3		8,062

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

Operational highlights in Q2 2021:

- Sales of Service's digital service offering, including the recently launched CheckApp self-service application for daily crane inspections and the digitized Slings and Accessories Inspection, has continued to accelerate.
- The integration of MHE-Demag's Service business is progressing to plan and implementation of oneKonecranes IT processes and systems has been successfully launched in three of MHE-Demag countries with the others to follow.

In the second quarter, order intake in Service increased 23.1 percent to EUR 257.5 million (209.1). On a comparable currency basis, orders received increased 26.2 percent. Both field service orders and parts orders increased. Order intake increased in the Americas, EMEA and APAC.

The order book increased 9.3 percent to EUR 273.0 million (249.8). On a comparable currency basis, the order book increased 11.0 percent.

The annual value of the agreement base stayed approximately the same with a change of 0.0 percent year-on-year to EUR 282.8 million (282.9). On a comparable currency basis, the annual value of the agreement base increased 1.2 percent. Sequentially, the annual value of the agreement base decreased 0.3 percent on a reported basis but stayed approximately the same with a change of 0.0 percent on a comparable currency basis.

Sales increased 8.0 percent to EUR 298.7 million (276.5). On a comparable currency basis, sales increased 11.2 percent. Both field service sales and parts sales increased. Sales increased in the Americas, EMEA and APAC.

The second-quarter adjusted EBITA was EUR 50.3 million (47.6) and the adjusted EBITA margin 16.8 percent (17.2). The decrease in the adjusted EBITA margin was mainly attributable to a weaker sales mix due to component shortages. The comparison period also included temporary factors with a positive impact on personnel costs. Gross margin declined on a year-on-year basis. The operating profit was EUR 46.0 million (41.4) and the operating margin 15.4 percent (15.0).

In January–June, orders received totaled EUR 512.7 million (475.2), corresponding to an increase of 7.9 percent. On a comparable currency basis, orders received increased 11.7 percent.

Sales decreased 0.5 percent to EUR 577.0 million (580.2). On a comparable currency basis, sales increased 3.1 percent. Both field service sales and parts sales stayed approximately unchanged.

The adjusted EBITA was EUR 96.7 million (89.5) and the adjusted EBITA margin was 16.8 percent (15.4). The increase in the adjusted EBITA margin was mainly attributable to efficient cost management in both variable and fixed costs. The operating profit was EUR 88.0 million (76.1) and the operating margin 15.2 percent (13.1).

INDUSTRIAL EQUIPMENT

	4–6/ 2021	4–6/ 2020	Change percent	Change % at comparable currency rates	1–6/ 2021	1–6/ 2020	Change percent	Change % at comparable currency rates	1–12/2020
Orders received, MEUR	331.5	234.9	41.1	44.3	608.2	513.1	18.5	22.0	981.2
of which external, MEUR	287.5	198.3	45.0	48.4	533.2	438.9	21.5	25.3	849.1
Order book, MEUR	718.4	725.4	-1.0	1.3	718.4	725.4	-1.0	1.3	598.8
Net sales, MEUR	260.6	269.9	-3.4	-0.8	488.9	536.4	-8.9	-6.0	1,120.1
of which external, MEUR	228.9	231.3	-1.0	1.8	431.6	458.8	-5.9	-2.9	973.8
Adjusted EBITA, MEUR [1]	5.4	4.5	20.5		5.7	-6.1	194.0		25.4
Adjusted EBITA, % [1]	2.1%	1.7%			1.2%	-1.1%			2.3%
Purchase price allocation amortization, MEUR	-2.7	-3.1	-13.3		-5.5	-6.3	-13.0		-12.5
Adjustments,MEUR	-1.1	-1.2			-2.9	-0.5			-8.6
Operating profit (EBIT), MEUR	1.6	0.2	789.1		-2.6	-12.9	79.7		4.3
Operating profit (EBIT), %	0.6%	0.1%			-0.5%	-2.4%			0.4%
Personnel at the end of period	5,593	5,874	-4.8		5,593	5,874	-4.8		5,720

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

Operational highlights in Q2 2021:

- Konecranes received its second portal jib order from the US Navy, part of a deal initially announced in December 2019. The order, worth $43.5 million, was booked in May 2021 and the jib will be delivered to the Pearl Harbor Naval Shipyard. The US Navy has the option for 5 additional portal jib cranes over the next 5 years, putting the potential total value of the agreement at around $330 million.
- In the second quarter, a process crane with a record-breaking span of 106 meters was ordered by a European aviation industry customer. It will be the largest Demag branded crane ever built. The double-girder, multi suspended crane will have four hoists on a rotating trolley capable of synchronized lifting for maximal load capacity. The crane will be equipped with semi-automation technology, smart features, and additional industry-specific solutions to deliver high performance and reliability.

In the second quarter, Industrial Equipment's orders received totaled EUR 331.5 million (234.9), corresponding to an increase of 41.1 percent. On a comparable currency basis, orders received increased 44.3 percent. External orders received increased 45.0 percent on a reported basis and 48.4 percent on a comparable currency basis. Order intake increased in standard cranes, process cranes and components. Orders received increased in the Americas and EMEA but decreased in APAC.

The order book decreased 1.0 percent to EUR 718.4 million (725.4). On a comparable currency basis, the order book increased 1.3 percent.

Sales decreased 3.4 percent to EUR 260.6 million (269.9). On a comparable currency basis, sales decreased 0.8 percent. External sales decreased 1.0 percent on a reported basis but increased 1.8 percent on a comparable currency basis. Sales decreased in standard cranes and process cranes but increased in components. Sales decreased in the Americas but increased in EMEA and APAC.

The second-quarter adjusted EBITA was EUR 5.4 million (4.5) and the adjusted EBITA margin 2.1 percent (1.7). The increase in the adjusted EBITA margin was mainly attributable to favourable sales mix and continued progress on strategic initiatives especially in the process cranes business. Gross margin improved on a year-on-year basis. Operating profit was EUR 1.6 million (0.2) and the operating margin 0.6 percent (0.1).

In January–June, orders received totaled EUR 608.2 million (513.1), corresponding to an increase of 18.5 percent. On a comparable currency basis, orders received increased 22.0 percent. External orders received increased 21.5 percent on a reported basis and 25.3 percent on a comparable currency basis. Order intake increased in standard cranes, process cranes and components.

Sales decreased 8.9 percent to EUR 488.9 million (536.4). On a comparable currency basis, sales decreased 6.0 percent. External sales decreased 5.9 percent on a reported basis and 2.9 percent on a comparable currency basis. Sales decreased in standard cranes and process cranes but increased in components.

The adjusted EBITA was EUR 5.7 million (-6.1) and the adjusted EBITA margin 1.2 percent (-1.1). The increase in the adjusted EBITA margin was mainly attributable to continued progress on strategic initiatives, improved sales mix and cost management. The operating profit was EUR -2.6 million (-12.9) and the operating margin -0.5 percent (-2.4).

PORT SOLUTIONS

	4–6/ 2021	4–6/ 2020	Change percent	Change % at comparable currency rates	1–6/ 2021	1–6/ 2020	Change percent	Change % at comparable currency rates	1–12/2020
Orders received, MEUR	272.1	184.2	47.7	47.9	547.6	427.4	28.1	28.2	994.5
Order book, MEUR	983.3	929.4	5.8	5.9	983.3	929.4	5.8	5.9	903.2
Net sales, MEUR	243.5	207.9	17.1	17.2	479.5	460.5	4.1	4.3	1,066.0
of which service, MEUR	45.2	40.4	11.7	13.7	82.2	86.0	-4.4	-2.5	167.9
Adjusted EBITA, MEUR [1)]	17.3	13.3	30.7		35.1	13.3	164.8		59.7
Adjusted EBITA, % [1)]	7.1%	6.4%			7.3%	2.9%			5.6%
Purchase price allocation amortization, MEUR	-1.7	-1.8	-7.0		-3.5	-3.7	-3.3		-7.3
Adjustments,MEUR	0.0	-1.3			-0.4	-2.9			-24.4
Operating profit (EBIT), MEUR	15.6	10.2	53.5		31.2	6.8	361.7		28.0
Operating profit (EBIT), %	6.4%	4.9%			6.5%	1.5%			2.6%
Personnel at the end of period	2,943	3,017	-2.5		2,943	3,017	-2.5		2,970

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

Operational highlights in Q2 2021:

- Konecranes launched its sixth generation of mobile harbor cranes, refreshing and reinforcing its industry-leading portfolio as global trade accelerates and the industry seeks more sustainable lifting solutions to reduce its climate impact. The new Generation 6 high-performance model portfolio, engineered for electric power and with a more durable design, marks the first comprehensive revamp of Konecranes Gottwald's mobile harbor crane portfolio in 15 years.
- Strong order momentum in the Lift Trucks business continued for a second consecutive quarter. Order highlights also included E-VER electric forklift orders, and June marked a new record for monthly Lift Truck orders

In the second quarter, Port Solutions' order intake totaled EUR 272.1 million (184.2), representing an increase of 47.7 percent. On a comparable currency basis, orders received increased 47.9 percent. Orders received increased in the Americas, EMEA and APAC.

The order book increased 5.8 percent to EUR 983.3 million (929.4). On a comparable currency basis, the order book increased 5.9 percent.

Sales increased 17.1 percent to EUR 243.5 million (207.9). On a comparable currency basis, sales increased 17.2 percent.

The second-quarter adjusted EBITA was EUR 17.3 million (13.3) and the adjusted EBITA margin 7.1 percent (6.4). The increase in the adjusted EBITA margin was mainly attributable to higher sales and improved project management execution. Gross margin declined on a year-on-year basis. Operating profit was EUR 15.6 million (10.2) and the operating margin 6.4 percent (4.9).

In January–June, orders received totaled EUR 547.6 million (427.4), corresponding to an increase of 28.1 percent. On a comparable currency basis, orders received increased 28.2 percent.

Sales increased 4.1 percent to EUR 479.5 million (460.5). On a comparable currency basis, sales increased 4.3 percent.

The adjusted EBITA was EUR 35.1 million (13.3) and the adjusted EBITA margin 7.3 percent (2.9). The increase in the adjusted EBITA margin was mainly attributable to improved project management execution, higher sales and cost management. Gross margin improved on a year-on-year basis. Operating profit was EUR 31.2 million (6.8) and the operating margin 6.5 percent (1.5).

Group overheads

In the second quarter, the adjusted unallocated Group overhead costs and eliminations were EUR 7.7 million (7.9), representing 1.0 percent of sales (1.1).

The unallocated Group overhead costs and eliminations were EUR 16.7 million (9.2), representing 2.2 percent of sales (1.3). These included merger related transaction costs and restructuring costs of EUR 9.0 million. In April–June 2020, these included restructuring costs of EUR 1.3 million.

In January–June, the adjusted unallocated Group overhead costs and eliminations were EUR 16.0 million (18.1), representing 1.1 percent of sales (1.2).

The unallocated Group overhead costs and eliminations were EUR 32.4 million (19.6), representing 2.2 percent of sales (1.3). These included merger related transaction costs and restructuring costs of EUR 16.5 million. In January–June 2020, these included restructuring costs of EUR 1.5 million.

COVID-19 impact on Konecranes

Demand conditions have been recovering since the beginning of the second half of 2020, but the COVID-19 pandemic continues to impact Konecranes. Overall, the pandemic has made the demand environment uncertain, which has impacted order intake. Additionally, physical restrictions on the daily conduct of people and businesses have led to lower revenue recognition.

Net sales were impacted by COVID-19 in all three Business Areas in the first half of 2021. COVID-19 has not led to major order cancellations in any of the three Business Areas. In addition to physical restrictions, the pandemic has led to component availability and logistics issues that impacted Konecranes' sales negatively during the first and second quarter. Konecranes has not seen major changes in its supplier network.

In January–June, all Konecranes factories were in operation except for one site in India which was closed for a period of several weeks. At the end of June, all Konecranes factories were in operation.

The impact of COVID-19 on the Group's profitability has been mitigated through almost real-time demand-supply balancing and cost management actions. For example, these have included temporary layoffs, reduced working hours and streamlined spending. Permanent cost adjustments have also been made.

Some customer payment delays have occurred, but the impact has not been significant. Konecranes has further enhanced payment collection and credit control.

The worldwide demand picture remains subject to volatility due to the COVID-19 pandemic. There are still uncertainties regarding the COVID-19 pandemic, and it is too early to estimate how long and to what extent they will impact Konecranes' business and performance.

ADMINISTRATION

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 signed a combination agreement and a merger plan ("the Merger Plan") to combine the two companies through a merger ("the Merger").

On December 3, 2020 Konecranes announced that the Finnish Financial Supervisory Authority had approved the merger prospectus concerning the combination of Konecranes Plc and Cargotec Corporation.

On December 18, 2020 Konecranes held an Extraordinary General Meeting ("EGM") that approved the Merger in accordance with the Merger Plan. In order to prevent the spread of the COVID-19 pandemic, the EGM was arranged without the physical presence of shareholders or their proxy representatives. Cargotec's Extraordinary General Meeting was held on the same day and resolved to approve the Merger.

Pursuant to the Merger Plan, Konecranes shall be merged into Cargotec through an absorption merger so that all assets and liabilities of Konecranes shall be transferred without a liquidation procedure to Cargotec and Konecranes will be dissolved. The shareholders of Konecranes will receive new shares in Cargotec as merger consideration in proportion to their existing shareholdings as described in more detail in the Merger Plan.

On July 2, 2021 Konecranes announced that Konecranes and Cargotec confirmed that they have filed for approval in many of the jurisdictions where the transaction requires regulatory review. The various competition authorities, including the European Commission ("EC"), the UK Competition and Markets Authority, the US Department of Justice, and the Chinese State Administration for Market Regulation, were reviewing the proposed Merger at the date of the announcement. The EC announced on July 2, 2021 that it had opened a Phase II review in connection with the planned Merger.

The completion of the Merger is subject to necessary merger control approvals having been obtained and other conditions to completion having been fulfilled. The companies are confident that the approvals are received to allow the Merger to be completed by the end of H1/2022. Until completion, both companies will operate fully separately and independently.

Konecranes and Cargotec update the total cost estimate in connection with the merger to approximately EUR 70 million. The original estimate presented in the prospectus published on December 3, 2020 was approximately EUR 50 million. The costs consist mostly of expenses related to financial reporting, legal matters and advisory services (excluding the estimated transaction costs of the refinancing and integration planning). A considerable part of the total costs, and the cost estimate increase, are related to the processes for applying for the necessary merger control approvals for the merger.

Additional information on the Merger is available in the stock exchange releases dated October 1, 2020, December 3, 2020, December 18, 2020, and July 2, 2021 available on the Konecranes website, as well as on the merger website www.sustainablematerialflow.com.

Decisions of the Annual General Meeting

The Annual General Meeting of Konecranes Plc (”Konecranes” or the ”Company”) was held on Tuesday 30 March 2021. In order to prevent the spread of the COVID-19 pandemic, the Annual General Meeting was held without shareholders' and their proxy representatives' presence at the meeting venue. The meeting approved the Company's annual accounts for the fiscal year 2020, discharged the members of the Board of Directors and the persons who had served as CEO from liability, and approved all proposals made by the Board of Directors and its committees to the AGM.

The AGM approved the Board's proposal that a dividend of EUR 0.88 per share be paid from the distributable assets of the parent Company. The dividend was paid to shareholders who on the record date of the dividend payment 1 April 2021 were registered as shareholders in the Company's shareholders' register maintained by Euroclear Finland Ltd. The dividend was paid on 13 April 2021.

The AGM approved the Board's proposal and authorized the Board of Directors to resolve, before the completion of the Merger, on an extra distribution of funds to be paid either from the Company's reserve for invested unrestricted equity as a return of equity or from its retained earnings as a dividend or as a combination of both so that the total maximum amount of funds to be distributed under the authorization would amount to EUR 158,268,918 corresponding to EUR 2.00 per share. The authorization is in force until the opening of the following Annual General Meeting of the Company. The Company will separately publish its Board of Directors' resolution to distribute funds based on the authorization and will simultaneously confirm the applicable record and payment dates. Funds paid on the basis of the authorization will be paid to shareholders who are registered as shareholders in the Company's shareholders' register maintained by Euroclear Finland Oy on the record date of the payment.

The AGM decided to approve the Konecranes Remuneration Report covering the remuneration of the members of the Board of Directors, President & CEO and Deputy CEO in 2020. The resolution by the Annual General Meeting on the Remuneration report is advisory.

The AGM confirmed that the amount of annual remuneration payable to the members of the Board other than the employee representative be unchanged as follows: the remuneration to the Chairman of the Board is EUR 140,000, the remuneration to the Vice Chairman of the Board is EUR 100,000 in the event that a Vice Chairman is elected by the Board, and the remuneration to the other Board members is EUR 70,000. In case the term of office of a Board member ends before the closing of the Annual General Meeting in 2022, he or she is entitled to the prorated amount of the annual remuneration calculated on the basis of his or her actual term in office. The AGM furthermore approved that the Chairmen of the Audit Committee and the Human Resources Committee are entitled to a compensation of EUR 3,000 and the other Board members are entitled to a compensation of EUR 1,500 per each attended committee meeting. No remuneration will be paid to Board members employed by the Company, in accordance with the agreement on employee representation between Konecranes and its employees. Travel expenses for all Board members, including the employee Board member, will be compensated against receipt.

The AGM approved the proposal of the Company's shareholders HC Holding Oy Ab, Solidium Oy and Ilmarinen Mutual Pension Insurance Company, that the number of members of the Board of Directors shall be seven (7). The Board members Ms. Janina Kugel, Mr. Ulf Liljedahl, Mr. Janne Martin, Mr. Niko Mokkila Mr. Per Vegard Nerseth, Ms. Päivi Rekonen and Mr. Christoph Vitzthum were re-elected for a term of office ending at the closing of the Annual General Meeting in 2022, and Christoph Vitzthum was elected as Chairman of the Board of Directors.

The AGM decided to re-elect Ernst & Young Oy as the Company's auditor for a term expiring at the end of the Annual General Meeting following the election.

The AGM authorized the Board of Directors to decide on the repurchase of the Company's own shares and/or on the acceptance as pledge of the Company's own shares.

The AGM authorized the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act.

The AGM authorized the Board of Directors to decide on the transfer of the Company's own shares.

The AGM authorized the Board of Directors to decide on a directed share issue without payment needed for the continuation of the Share Savings Plan that the Annual General Meeting 2012 decided to launch.

The AGM authorized the Board of Directors to decide on donations in the aggregate maximum amount of EUR 200,000 to be given to universities, institutions of higher education or to other non-profit or similar purposes.

The resolutions of the Konecranes Annual General Meeting have been published in the stock exchange release dated March 30, 2021.

Board of Directors

The Board of Directors elected in the Annual General Meeting 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 Mokkila, 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.

On March 30, 2021 Konecranes announced that the Board had held its first meeting. The Board decided to continue with an Audit Committee and a Human Resources Committee.

Ulf Liljedahl was elected Chairman of the Audit Committee, and Niko Mokkila and Päivi Rekonen as Committee members. Janina Kugel was elected Chairwoman of the Human Resources Committee, and Per Vegard Nerseth and Christoph Vitzthum as Committee members.

All Board members with the exception of Janne Martin are deemed to be independent of the Company and all Board members with the exception of Niko Mokkila are deemed to be independent of the Company's significant shareholders. Janne Martin was deemed not to be independent of the Company due to his position as an employee of Konecranes and Niko Mokkila is deemed not to be independent of a significant shareholder of the Company based on his current position as Managing Director at Hartwall Capital Oy Ab.

Konecranes Leadership Team

In January–June 2021, Konecranes Leadership Team consisted of

- Rob Smith, President and CEO
- Teo Ottola, CFO, Deputy CEO
- Fabio Fiorino, Executive Vice President, Business Area Service
- Carolin Paulus, Executive Vice President, Business Area Industrial Equipment
- Mika Mahlberg, Executive Vice President, Business Area Port Solutions
- Juha Pankakoski, Executive Vice President, Technologies
- Timo Leskinen, Senior Vice President, Human Resources (until 30 September 2021)
- Sirpa Poitsalo, Senior Vice President, General Counsel
- Topi Tiitola, Senior Vice President, Integration and Project Management Office

SHARES AND TRADING

Share capital and shares

On June 30, 2021 the company's registered share capital totaled EUR 30.1 million. On June 30, 2021, the number of shares including treasury shares totaled 79,221,906.

Treasury shares

On June 30, 2021, 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 3.1 million.

Market capitalization and trading volume

The closing price for the Konecranes shares on the Nasdaq Helsinki on June 30, 2021 was EUR 35.52. The volume-weighted average share price in January–June was EUR 36.05, the highest price being EUR 41.71 in April and the lowest EUR 28.80 in January. In January–June, the trading volume on the Nasdaq Helsinki totaled 19.1 million, corresponding to a turnover of approximately EUR 689.6 million. The average daily trading volume was 155,521 shares representing an average daily turnover of EUR 5.6 million.

In addition, according to Fidessa, approximately 31.1 million shares were traded on other trading venues (e.g. multilateral trading facilities and bilateral OTC trades) in January–June.

On June 30, 2021, the total market capitalization of Konecranes Plc was EUR 2,814.0 million including treasury shares. The market capitalization was EUR 2,810.9 million excluding treasury shares.

Performance share plan 2021

On February 3, 2021, Konecranes announced that the Board of Directors had resolved to establish a new Performance Share Plan 2021. The Plan has a performance period from 2021 to 2023 with three separate measurement periods and separate targets for 2021, 2022 and 2023.

The criterion for the measurement period 2021 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 2021–2023 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 February 3, 2021.

Employee share savings plan

On March 30, 2021, 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 began on July 1, 2021 and will end on June 30, 2022. The other terms and conditions of the Plan Period 2021–2022 approved by the Board on March 30, 2021 have been published in the stock exchange release on the same day.

Other share-based incentive plans and Employee Share Savings Plan periods

Konecranes has currently several long-term incentive plans, Performance Share Plans, active and a Restricted Share Unit Plan 2020. In addition, Konecranes has currently several Employee Share Savings plan periods active or on a waiting period.

Information on Konecranes' long-term incentive plans, the Employee Share Savings Plan, and the Restricted Share Unit Plan is available in the Remuneration Report 2020 and on the Konecranes Investors website https://investors.konecranes.com

NOTIFICATIONS OF MAJOR SHAREHOLDINGS

In January–June, 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 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.

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 Zaporozhye, Ukraine.

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 amount 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–JUNE

Date	Release
April 28, 2021	Konecranes Plc: Interim Report January–March 2021
March 30, 2021	The Board of Directors of Konecranes Plc decided to continue the Employee Share Savings Plan
March 30, 2021	Konecranes Plc: Board of Directors' organizing meeting
March 30, 2021	Resolutions of Konecranes Plc's Annual General Meeting of shareholders
March 5, 2021	Konecranes Plc's Annual Report 2020 published
March 1, 2021	Notice to the Annual General Meeting of Konecranes Plc
February 4, 2021	Konecranes Plc: Financial statement release 2020
February 3, 2021	The Board of Directors of Konecranes Plc has resolved to establish a new performance share plan
January 20, 2021	Proposals to the Annual General Meeting made by Konecranes Plc's Shareholders' Nomination Board and Certain Shareholders

CORPORATE PRESS RELEASES DURING JANUARY–JUNE

On June 16, 2021, Konecranes announced that it launched a new generation of energy-efficient mobile harbor cranes as global trade accelerates.

On May 26, 2021, Konecranes announced that it received a $43.5 million portal jib order from the US Navy. The order was booked in May 2021.

On April 19, 2021, Konecranes announced that Nokia and Edzcom will deploy a 5G SA private wireless network to support Konecranes' advanced R&D work.

On April 14, 2021, Konecranes announced that Georgia Ports Authority ordered 28 Konecranes container cranes as larger ship traffic grows. The order for 20 RTG cranes was booked in Q1 2021, and the order for 8 STS cranes was booked in Q4 2020.

On April 14, 2021, Konecranes announced that its January–March 2021 interim report will be published on April 28, 2021.

On April 1, 2021, Konecranes announced that an Italian terminal ordered a Konecranes Gottwald Mobile Harbor Crane to increase productivity and lower environmental impact. The order was booked in Q1 2021.

On March 31, 2021, Konecranes announced that the Konecranes lift trucks now support renewable, fossil-free diesel.

On March 26, 2021, Konecranes announced that a Nigerian port ordered two Konecranes Gottwald Mobile Harbor Cranes for greater flexibility to match growing demand. The order was booked in January 2021.

On March 25, 2021, Konecranes announced that it will deliver 17 next-generation S-series cranes to a wind power producer in Estonia. The order was booked in February 2021.

On March 12, 2021, Konecranes announced that Ports America Chesapeake ordered 15 eco-efficient hybrid RTGs from Konecranes. The order was booked in January 2021.

On March 10, 2021, Konecranes announced that a Danish port ordered a Konecranes Gottwald Mobile Harbor Crane to improve performance, meet demand. The order was booked in Q1 2021.

On February 26, 2021, Konecranes announced that the Europe's largest iron ore producer LKAB picked Konecranes for Service technology, polar precision.

On February 9, 2021, Konecranes announced that five hybrid Konecranes RTGs were ordered by Norfolk Southern in the US. This order was booked in December 2020.

On February 5, 2021, Konecranes announced that in the first quarter of 2021, it won an order for two eco-efficient Konecranes Gottwald Model 8 Cranes on Barge from China.

On February 1, 2021, Konecranes announced that the President and CEO commented on first year in the role.

On January 28, 2021, Konecranes announced that it had closed the syndication of the merger financing arrangement.

On January 21, 2021, Konecranes announced that its financial statement release 2020 will be published on February 4, 2021.

On January 18, 2021, Konecranes announced that DP World Antwerp Gateway ordered fleet of Automated Stacking Cranes from Konecranes. This order was booked in December 2020.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On July 1, 2021, Konecranes announced that Timo Leskinen, SVP for Human Resources and a member of the Konecranes Leadership Team, had decided to leave the company and will take a position at another company. He will leave Konecranes on 30 September 2021.

On July 2, 2021, Konecranes confirmed together with Cargotec that the two companies had filed for approval in many of the jurisdictions where the transaction requires regulatory review. The various competition authorities, including the European Commission ("EC"), the UK Competition and Markets Authority, the US Department of Justice and the Chinese State Administration for Market Regulation, are currently reviewing the proposed Transaction.

The EC opened on July 2, 2021 a Phase II review in connection with the planned Transaction. The companies expect that the Phase II review will continue during H2/2021. The companies are confident that the approvals are received to allow completion of the Transaction by the end of H1/2022. Until completion, both companies will operate fully separately and independently. For additional information, please see the stock exchange release dated July 2, 2021.

On July 27, 2021, Konecranes announced that Janne Martin, an employee representative and a member of Konecranes Board of Directors, had resigned from the Konecranes Board of Directors, as he had decided to leave the company to take a position at another company. In accordance with the agreement on employee representation between Konecranes and its employees, an employee representative will need to resign from the Konecranes Board of Directors when he is no longer employed by the company.

THIRD QUARTER DEMAND OUTLOOK

The worldwide demand picture remains subject to volatility due to the COVID-19 pandemic.

In Europe, the current demand environment within the industrial customer segments has reached the pre-COVID-19 level, while in North America the demand environment is still behind the pre-COVID-19 level. In Asia-Pacific, the demand environment remains below the pre-COVID-19 level outside China.

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

FINANCIAL GUIDANCE

Konecranes expects net sales to increase in full-year 2021 compared to 2020. Konecranes expects the full-year 2021 adjusted EBITA margin to improve from 2020.

Espoo, July 28, 2021
Konecranes Plc
Board of Directors

Important Notice

Securities laws in the United States and in other jurisdictions restrict Konecranes from discussing or disclosing any information with respect to the contemplated merger of Konecranes and Cargotec (the "Merger") further to the information disclosed in this report. Further information regarding the Merger can be found at https://sustainablematerialflow.com/. Until the completion of the Merger, Cargotec and Konecranes will carry out their respective businesses as separate and independent companies. The information contained in this report concerns only Konecranes.

The Merger and the merger consideration securities have not been and will not be registered under the U.S. Securities Act, and may not be offered, sold or delivered within or into the United States, except pursuant to an applicable exemption of, or in a transaction not subject to, the U.S. Securities Act.

The information in this report is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction and it does not constitute an offer of or an invitation by or on behalf of, Konecranes, or any other person, to purchase any securities.

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	4–6/ 2021	4–6/ 2020	Change percent	1–6/ 2021	1–6/ 2020	Change percent	1–12/ 2020
Sales	6	**759.3**	**704.7**	**7.7**	**1,463.3**	**1,474.2**	**-0.7**	**3,178.9**
Other operating income		3.0	1.6		5.8	3.7		10.7
Materials, supplies and subcontracting		-322.4	-293.5		-604.6	-638.0		-1,473.0
Personnel cost		-260.2	-244.5		-521.1	-512.6		-993.5
Depreciation and impairments	7	-29.5	-34.0		-60.7	-67.5		-130.0
Other operating expenses		-103.7	-91.6		-198.4	-209.4		-419.3
Operating profit		**46.6**	**42.7**	**9.3**	**84.1**	**50.5**	**66.8**	**173.8**
Share of associates' and joint ventures' result		0.0	-0.1		0.1	21.0		21.2
Financial income		0.9	10.1		12.9	10.5		38.6
Financial expenses		-6.4	-10.3		-29.3	-23.4		-63.2
Profit before taxes		**41.2**	**42.4**	**-2.9**	**67.8**	**58.5**	**15.9**	**170.4**
Taxes	9	-12.8	-12.1		-21.0	-16.7		-47.5
PROFIT FOR THE PERIOD		**28.4**	**30.3**	**-6.3**	**46.8**	**41.8**	**11.8**	**122.9**
Profit for the period attributable to:								
Shareholders of the parent company		28.3	30.2		46.5	41.7		122.2
Non-controlling interest		0.1	0.1		0.3	0.2		0.7
Earnings per share, basic (EUR)		0.36	0.38	-6.6	0.59	0.53	11.4	1.54
Earnings per share, diluted (EUR)		0.36	0.38	-6.6	0.59	0.53	11.4	1.54

Consolidated statement of other comprehensive income

EUR million	4–6/ 2021	4–6/ 2020		1–6/ 2021	1–6/ 2020		1–12/ 2020
Profit for the period	**28.4**	**30.3**		**46.8**	**41.8**		**122.9**
Items that can be reclassified into profit or loss							
Cash flow hedges	3.1	3.0		-7.1	-0.1		8.1
Exchange differences on translating foreign operations	0.6	-0.8		10.1	-9.1		-15.8
Income tax relating to items that can be reclassified into profit or loss	-0.6	-0.6		1.4	0.0		-1.6
Items that cannot be reclassified into profit or loss							
Re-measurement gains (losses) on defined benefit plans	0.0	0.0		0.0	0.0		-18.8
Income tax relating to items that cannot be reclassified into profit or loss	0.0	0.0		0.0	0.0		5.9
Other comprehensive income for the period, net of tax	**3.1**	**1.7**		**4.5**	**-9.1**		**-22.2**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**31.5**	**32.0**		**51.2**	**32.7**		**100.7**
Total comprehensive income attributable to:							
Shareholders of the parent company	31.4	32.0		50.8	33.0		100.4
Non-controlling interest	0.1	0.0		0.5	-0.3		0.3

Consolidated balance sheet

EUR million

ASSETS	Note	30.6.2021	30.6.2020	31.12.2020
Non-current assets				
Goodwill		1,018.8	1,021.5	1,016.7
Intangible assets		516.8	556.2	536.0
Property, plant and equipment		324.6	350.8	341.8
Advance payments and construction in progress		23.4	23.0	20.0
Investments accounted for using the equity method		6.6	6.4	6.5
Other non-current assets		0.8	0.8	0.8
Deferred tax assets		124.8	127.8	118.9
Total non-current assets		**2,015.8**	**2,086.5**	**2,040.7**
Current assets				
Inventories				
Raw material and semi-manufactured goods		294.7	338.2	289.8
Work in progress		422.1	449.0	336.6
Advance payments		22.7	21.8	18.4
Total inventories		739.5	808.9	644.8
Accounts receivable		449.1	442.5	489.2
Other receivables		32.9	36.8	29.1
Loans receivable		1.9	0.9	1.8
Income tax receivables		19.9	34.6	13.4
Receivable arising from percentage of completion method	6	118.0	146.1	102.3
Other financial assets		5.2	15.6	21.2
Deferred assets		98.9	81.6	82.1
Cash and cash equivalents		328.5	503.9	591.9
Total current assets		**1,793.9**	**2,071.0**	**1,975.8**
TOTAL ASSETS		**3,809.6**	**4,157.5**	**4,016.5**

Consolidated balance sheet

EUR million

EQUITY AND LIABILITIES	Note	30.6.2021	30.6.2020	31.12.2020
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	0.4	-0.5	6.0
Translation difference		-1.7	-4.9	-11.6
Other reserve		61.7	57.7	58.0
Retained earnings		296.6	301.9	245.3
Net profit for the period		46.5	41.7	122.2
Total equity attributable to equity holders of the parent company		**1,225.6**	**1,217.9**	**1,242.0**
Non-controlling interest		9.1	8.8	9.1
Total equity		**1,234.6**	**1,226.8**	**1,251.1**
Non-current liabilities				
Interest-bearing liabilities	12	445.5	941.2	859.7
Other long-term liabilities		303.8	287.0	306.4
Provisions		20.8	20.4	18.4
Deferred tax liabilities		140.6	151.0	143.6
Total non-current liabilities		**910.7**	**1,399.6**	**1,328.1**
Current liabilities				
Interest-bearing liabilities	12	509.3	333.8	311.1
Advance payments received	6	347.8	425.6	352.3
Accounts payable		234.2	234.4	201.6
Provisions		122.0	134.2	142.6
Other short-term liabilities (non-interest bearing)		53.3	50.8	61.2
Other financial liabilities		9.5	7.9	5.5
Income tax liabilities		22.6	20.1	18.5
Accrued costs related to delivered goods and services		194.9	151.1	165.3
Accruals		170.6	173.2	179.2
Total current liabilities		**1,664.3**	**1,531.1**	**1,437.3**
Total liabilities		**2,575.0**	**2,930.7**	**2,765.4**
TOTAL EQUITY AND LIABILITIES		**3,809.6**	**4,157.5**	**4,016.5**

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, 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				-5.6	10.0
Total comprehensive income				-5.6	10.0
Balance at 30 June, 2021	**30.1**	**39.3**	**752.7**	**0.4**	**-1.7**
Balance at 1 January, 2020	**30.1**	**39.3**	**752.7**	**-0.5**	**3.7**
Dividends paid to equity holders					
Equity-settled share based payments					
Profit for the period					
Other comprehensive income				-0.1	-8.6
Total comprehensive income				-0.1	-8.6
Balance at 30 June, 2020	**30.1**	**39.3**	**752.7**	**-0.6**	**-4.9**

EUR million	Equity attributable to equity holders of the parent company				
	Other Reserve	Retained earnings	Total	Non-controlling interest	Total equity
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	-0.2	**-69.8**
Equity-settled share based payments	3.7	0.0	3.7		**3.7**
Acquisitions		-1.2	-1.2	-0.4	**-1.6**
Profit for the period		46.5	46.5	0.3	**46.8**
Other comprehensive income		0.0	4.3	0.2	**4.5**
Total comprehensive income	0.0	46.4	50.7	0.5	**51.2**
Balance at 30 June, 2021	**61.7**	**343.1**	**1,225.6**	**9.1**	**1,234.6**
Balance at 1 January, 2020	**58.8**	**353.4**	**1,237.5**	**9.2**	**1,246.7**
Dividends paid to equity holders		-51.4	-51.4	0.0	**-51.4**
Equity-settled share based payments	-1.1	0.0	-1.1		**-1.1**
Acquisitions		0.0	0.0	0.0	**0.0**
Profit for the period		41.7	41.7	0.2	**41.8**
Other comprehensive income		0.0	-8.7	-0.4	**-9.1**
Total comprehensive income	0.0	41.7	33.0	-0.3	**32.7**
Balance at 30 June, 2020	**57.7**	**343.6**	**1,217.9**	**8.9**	**1,226.8**

Consolidated cash flow statement

EUR million	1–6/2021	1–6/2020	1–12/2020
Cash flow from operating activities			
Profit for the period	46.8	41.8	122.9
Adjustments to net income			
Taxes	21.0	16.7	47.5
Financial income and expenses	16.5	13.0	24.6
Share of associates' and joint ventures' result	-0.1	-21.0	-21.2
Depreciation and impairments	60.7	67.5	130.0
Profits and losses on sale of fixed assets and businesses	-2.1	-0.7	-2.2
Other adjustments	5.3	-0.8	0.8
Operating income before change in net working capital	**148.1**	**116.5**	**302.4**
Change in interest-free current receivables	30.9	136.5	115.7
Change in inventories	-87.6	-114.8	42.4
Change in interest-free current liabilities	3.0	18.3	-33.1
Change in net working capital	**-53.7**	**39.9**	**125.0**
Cash flow from operations before financing items and taxes	**94.4**	**156.4**	**427.4**
Interest received	5.4	11.8	21.9
Interest paid	-17.2	-22.8	-36.8
Other financial income and expenses	-6.5	4.3	20.7
Income taxes paid	-30.3	-19.2	-26.1
Financing items and taxes	**-48.6**	**-25.8**	**-20.3**
NET CASH FROM OPERATING ACTIVITIES	**45.8**	**130.5**	**407.1**
Cash flow from investing activities			
Acquisition of Group companies, net of cash	0.0	-124.1	-124.1
Capital expenditures	-20.3	-24.2	-43.8
Proceeds from sale of property, plant and equipment	7.5	1.2	2.8
NET CASH USED IN INVESTING ACTIVITIES	**-12.8**	**-147.1**	**-165.1**
Cash flow before financing activities	**33.0**	**-16.6**	**242.0**
Cash flow from financing activities			
Proceeds from non-current borrowings	0.0	151.6	151.8
Repayments of non-current borrowings	-2.8	-2.5	-5.4
Repayments of lease liability	-21.4	-20.7	-42.5
Proceeds from (+), payments of (-) current borrowings	-204.0	73.9	-20.0
Change in loans receivable	-0.1	0.0	-1.0
Acquired non controlling interest	-1.6	0.0	0.0
Dividends paid to equity holders of the parent	-69.6	-51.4	-95.0
Dividends paid to non-controlling interests	-0.2	0.0	-0.3
NET CASH USED IN FINANCING ACTIVITIES	**-299.7**	**150.8**	**-12.4**
Translation differences in cash	3.2	-8.5	-15.9
CHANGE OF CASH AND CASH EQUIVALENTS	**-263.4**	**125.7**	**213.7**
Cash and cash equivalents at beginning of period	591.9	378.2	378.2
Cash and cash equivalents at end of period	328.5	503.9	591.9
CHANGE OF CASH AND CASH EQUIVALENTS	**-263.4**	**125.7**	**213.7**

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	1–6/2021	1–6/2020	1–12/2020
Net cash from operating activities	45.8	130.5	407.1
Capital expenditures	-20.3	-24.2	-43.8
Proceeds from sale of property, plant and equipment	7.5	1.2	2.8
Free cash flow	**33.0**	**107.5**	**366.1**

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 30.6.2021 and 30.6.2020 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, 2020. 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.

4. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies adopted in the preparation of the audited interim condensed consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2020.

Notes

5. SEGMENT INFORMATION

5.1. Operating segments

EUR million

Orders received by Business Area	1–6/2021	% of total	1–6/2020	% of total	1–12/2020	% of total
Service [1]	512.7	31	475.2	34	927.8	32
Industrial Equipment	608.2	36	513.1	36	981.2	34
Port Solutions [1]	547.6	33	427.4	30	994.5	34
./. Internal	-99.0		-97.2		-176.1	
Total	**1,569.5**	**100**	**1,318.5**	**100**	**2,727.3**	**100**

[1] *Excl. Service Agreement Base*

Order book total [2]	30.6.2021	% of total	30.6.2020	% of total	31.12.2020	% of total
Service	273.0	14	249.8	13	213.4	12
Industrial Equipment	718.4	36	725.4	38	598.8	35
Port Solutions	983.3	50	929.4	49	903.2	53
Total	**1,974.8**	**100**	**1,904.5**	**100**	**1,715.5**	**100**

[2] *Percentage of completion deducted*

Sales by Business Area	1–6/2021	% of total	1–6/2020	% of total	1–12/2020	% of total
Service	577.0	37	580.2	37	1,190.0	35
Industrial Equipment	488.9	32	536.4	34	1,120.1	33
Port Solutions	479.5	31	460.5	29	1,066.0	32
./. Internal	-82.2		-102.9		-197.2	
Total	**1,463.3**	**100**	**1,474.2**	**100**	**3,178.9**	**100**

Adjusted EBITA by Business Area	1–6/2021 MEUR	EBITA %	1–6/2020 MEUR	EBITA %	1–12/2020 MEUR	EBITA %
Service	96.7	16.8	89.5	15.4	205.2	17.2
Industrial Equipment	5.7	1.2	-6.1	-1.1	25.4	2.3
Port Solutions	35.1	7.3	13.3	2.9	59.7	5.6
Group costs and eliminations	-16.0		-18.1		-29.5	
Total	**121.6**	**8.3**	**78.6**	**5.3**	**260.8**	**8.2**

Operating profit (EBIT) by Business Area	1–6/2021 MEUR	EBIT %	1–6/2020 MEUR	EBIT %	1–12/2020 MEUR	EBIT %
Service	88.0	15.2	76.1	13.1	181.4	15.2
Industrial Equipment	-2.6	-0.5	-12.9	-2.4	4.3	0.4
Port Solutions	31.2	6.5	6.8	1.5	28.0	2.6
Group costs and eliminations	-32.4		-19.6		-40.0	
Total	**84.1**	**5.8**	**50.5**	**3.4**	**173.8**	**5.5**

Notes

Business segment assets	30.6.2021 MEUR	30.6.2020 MEUR	31.12.2020 MEUR
Service	1,419.1	1,447.9	1,409.7
Industrial Equipment	931.6	966.5	916.5
Port Solutions	881.9	930.5	854.2
Unallocated items	577.1	812.6	836.1
Total	**3,809.6**	**4,157.5**	**4,016.5**

Business segment liabilities	30.6.2021 MEUR	30.6.2020 MEUR	31.12.2020 MEUR
Service	200.9	189.0	192.5
Industrial Equipment	376.7	371.3	356.4
Port Solutions	416.1	450.6	415.0
Unallocated items	1,581.3	1,919.8	1,801.5
Total	**2,575.0**	**2,930.7**	**2,765.4**

Personnel by Business Area (at the end of the period)	30.6.2021	% of total	30.6.2020	% of total	31.12.2020	% of total
Service	7,913	48	8,271	48	8,062	48
Industrial Equipment	5,593	34	5,874	34	5,720	34
Port Solutions	2,943	18	3,017	17	2,970	18
Group staff	86	1	108	1	110	1
Total	**16,535**	**100**	**17,270**	**100**	**16,862**	**100**

Notes

Orders received by Business Area, Quarters	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Service [1]	257.5	255.2	233.6	218.9	209.1	266.1
Industrial Equipment	331.5	276.7	241.3	226.8	234.9	278.2
Port Solutions [1]	272.1	275.5	403.7	163.3	184.2	243.2
./. Internal	-54.4	-44.7	-35.3	-43.6	-46.7	-50.5
Total	**806.7**	**762.8**	**843.3**	**565.5**	**581.5**	**737.0**

[1] *Excl. Service Agreement Base*

Order book by Business Area, Quarters	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Service	273.0	254.5	213.4	230.2	249.8	256.9
Industrial Equipment	718.4	663.2	598.8	669.1	725.4	754.5
Port Solutions	983.3	949.0	903.2	843.6	929.4	949.9
Total	**1,974.8**	**1,866.7**	**1,715.5**	**1,742.8**	**1,904.5**	**1,961.3**

Sales by Business Area, Quarters	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Service	298.7	278.3	315.3	294.6	276.5	303.7
Industrial Equipment	260.6	228.4	313.6	270.1	269.9	266.6
Port Solutions	243.5	236.0	355.3	250.2	207.9	252.6
./. Internal	-43.5	-38.7	-47.3	-47.0	-49.7	-53.3
Total	**759.3**	**704.0**	**936.8**	**767.9**	**704.7**	**769.6**

Adjusted EBITA by Business Area, Quarters	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Service	50.3	46.4	60.6	55.1	47.6	41.9
Industrial Equipment	5.4	0.3	18.1	13.4	4.5	-10.6
Port Solutions	17.3	17.8	28.7	17.8	13.3	0.0
Group costs and eliminations	-7.7	-8.2	-5.3	-6.1	-7.9	-10.2
Total	**65.3**	**56.2**	**102.1**	**80.1**	**57.5**	**21.1**

Adjusted EBITA margin by Business Area, Quarters	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Service	16.8	16.7	19.2	18.7	17.2	13.8
Industrial Equipment	2.1	0.1	5.8	5.0	1.7	-4.0
Port Solutions	7.1	7.5	8.1	7.1	6.4	0.0
Group EBITA margin total	**8.6**	**8.0**	**10.9**	**10.4**	**8.2**	**2.7**

Personnel by Business Area, Quarters (at the end of the period)	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Service	7,913	7,957	8,062	8,051	8,271	8,657
Industrial Equipment	5,593	5,626	5,720	5,772	5,874	6,030
Port Solutions	2,943	2,945	2,970	3,021	3,017	3,052
Group staff	86	86	110	113	108	111
Total	**16,535**	**16,614**	**16,862**	**16,957**	**17,270**	**17,850**

Notes

5.2. Geographical areas

EUR million

Sales by market	1–6/2021	% of total	1–6/2020	% of total	1–12/2020	% of total
Europe-Middle East-Africa (EMEA)	777.3	53	763.3	52	1,703.9	54
Americas (AME)	466.2	32	494.3	34	976.6	31
Asia-Pacific (APAC)	219.8	15	216.6	15	498.4	16
Total	**1,463.3**	**100**	**1,474.2**	**100**	**3,178.9**	**100**

Personnel by region (at the end of the period)	30.6.2021	% of total	30.6.2020	% of total	31.12.2020	% of total
Europe-Middle East-Africa (EMEA)	9,509	58	9,923	57	9,688	57
Americas (AME)	2,993	18	3,002	17	2,964	18
Asia-Pacific (APAC)	4,033	24	4,345	25	4,210	25
Total	**16,535**	**100**	**17,270**	**100**	**16,862**	**100**

Sales by market, Quarters	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Europe-Middle East-Africa (EMEA)	403.8	373.6	538.5	402.0	359.3	404.1
Americas (AME)	238.2	228.0	250.9	231.4	230.5	263.8
Asia-Pacific (APAC)	117.3	102.5	147.3	134.5	114.9	101.6
Total	**759.3**	**704.0**	**936.8**	**767.9**	**704.7**	**769.6**

Personnel by region, Quarters (at the end of the period)	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Europe-Middle East-Africa (EMEA)	9,509	9,561	9,688	9,817	9,923	10,131
Americas (AME)	2,993	2,967	2,964	2,880	3,002	3,200
Asia-Pacific (APAC)	4,033	4,086	4,210	4,260	4,345	4,519
Total	**16,535**	**16,614**	**16,862**	**16,957**	**17,270**	**17,850**

Notes

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

EUR million	30.6.2021	30.6.2020	31.12.2020
The cumulative revenues of non-delivered projects	632.5	650.8	554.6
Advances received netted	514.5	504.6	452.3
Total	**118.0**	**146.1**	**102.3**
Gross advance received from percentage of completion method	558.5	555.8	510.0
Advances received netted	514.5	504.6	452.3
Total	**44.0**	**51.1**	**57.7**

Net sales recognized under the percentage of completion method amounted EUR 239.3 million in 1–6/2021 (EUR 250.1 million in 1–6/2020).

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	30.6.2021	30.6.2020	31.12.2020
Advance received from percentage of completion method (netted)	44.0	51.1	57.7
Other advance received from customers	303.9	374.5	294.6
Total	**347.8**	**425.6**	**352.3**

7. IMPAIRMENTS

There were no impairements during the reported periods.

8. RESTRUCTURING COSTS

Konecranes has recorded EUR 3.6 million restructuring costs during 1–6/2021 (EUR 10.1 million in 1–6/2020) of which EUR 0.0 million was impairment of assets (EUR 0.0 million for 1–6/2020). The remaining EUR 3.6 million of restructuring cost is reported 1–6/2021 in personnel costs (EUR 4.8 million) and in other operating expenses (EUR 2.0 million) and profits on disposal of assets in other operating income (EUR 3.2 million).

9. INCOME TAXES

Taxes in statement of Income	1–6/2021	1–6/2020	1–12/2020
Local income taxes of group companies	26.5	24.8	51.7
Taxes from previous years	1.3	-2.9	-3.3
Change in deferred taxes	-6.8	-5.2	-1.0
Total	**21.0**	**16.7**	**47.5**

Notes

10. KEY FIGURES

	30.6.2021	30.6.2020	Change %	31.12.2020
Earnings per share, basic (EUR)	0.59	0.53	11.4	1.54
Earnings per share, diluted (EUR)	0.59	0.53	11.4	1.54
Alternative Performance Measures:				
Return on capital employed, %, Rolling 12 Months (R12M)	8.8	6.5	35.4	8.3
Adjusted return on capital employed, %, Rolling 12 Months (R12M)	13.0	10.2	27.5	11.1
Return on equity, %, Rolling 12 Months (R12M)	10.4	7.4	40.5	9.8
Equity per share (EUR)	15.49	15.39	0.6	15.69
Gearing, %	50.6	62.8	-19.4	46.1
Net debt / Adjusted EBITDA, Rolling 12 Months (R12M)	1.6	2.3	-30.4	1.6
Equity to asset ratio, %	35.7	32.9	8.5	34.1
Investments total (excl. acquisitions), EUR million	17.0	20.2	-15.6	42.8
Interest-bearing net debt, EUR million	624.4	770.2	-18.9	577.1
Net working capital, EUR million	392.0	449.5	-12.8	337.2
Average number of personnel during the period	16,670	17,105	-2.5	17,027
Average number of shares outstanding, basic	79,134,459	79,020,478	0.1	79,077,608
Average number of shares outstanding, diluted	79,134,459	79,020,478	0.1	79,077,608
Number of shares outstanding	79,134,459	79,133,459	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 (%):	=	Net profit for the period / Total equity (average during the period)	X 100
Return on capital employed (%):	=	Income before taxes + interest paid + other financing cost / Total amount of equity and liabilities - non-interest bearing debts (average during the period)	X 100
Adjusted return on capital employed (%):	=	Adjusted EBITA / Total amount of equity and liabilities - non-interest bearing debts (average during the period)	X 100
Equity to asset ratio, %:	=	Shareholders' equity / Total amount of equity and liabilities - advance payment received	X 100
Gearing, %:	=	Interest-bearing liabilities - liquid assets - loans receivable / Total equity	X 100
Equity per share:	=	Equity attributable to the shareholders of the parent company / 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	
EBITA:	=	Operating profit + Amortization and impairment of Purchase Price Allocations	

Notes

Reconciliation of adjusted EBITDA, EBITA and Operating profit (EBIT)	1–6/2021	1–6/2020	1–12/2020
Adjusted EBITDA	**165.5**	**129.0**	**356.7**
Transaction and integration costs	-17.1	0.0	-8.5
Restructuring costs (excluding impairments)	-3.6	-10.1	-42.6
Release of MHE-Demag purchase price allocation in inventories	0.0	-0.9	-1.8
EBITDA	**144.9**	**117.9**	**303.8**
Depreciation, amortization and impairments	-60.7	-67.5	-130.0
Operating profit (EBIT)	**84.1**	**50.5**	**173.8**
Adjusted EBITA	**121.6**	**78.6**	**260.8**
Purchase price allocation amortization	-16.7	-18.0	-35.9
Adjusted Operating profit (EBIT)	**104.8**	**60.6**	**224.9**
Transaction and integration costs	-17.1	0.0	-8.5
Restructuring costs	-3.6	-10.1	-42.6
Operating profit (EBIT)	**84.1**	**50.5**	**173.8**

Interest-bearing net debt	30.6.2021	30.6.2020	31.12.2020
Non current interest bearing liabilities	445.5	941.2	859.7
Current interest bearing liabilities	509.3	333.8	311.1
Loans receivable	-1.9	-0.9	-1.8
Cash and cash equivalents	-328.5	-503.9	-591.9
Interest-bearing net debt	**624.4**	**770.2**	**577.1**

The period end exchange rates:	30.6.2021	30.6.2020	Change %	31.12.2020
USD - US dollar	1.188	1.120	-5.8	1.227
CAD - Canadian dollar	1.472	1.532	4.1	1.563
GBP - Pound sterling	0.858	0.912	6.3	0.899
CNY - Chinese yuan	7.674	7.922	3.2	8.023
SGD - Singapore dollar	1.598	1.565	-2.1	1.622
SEK - Swedish krona	10.111	10.495	3.8	10.034
AUD - Australian dollar	1.585	1.634	3.1	1.590

The period average exchange rates:	30.6.2021	30.6.2020	Change %	31.12.2020
USD - US dollar	1.205	1.102	-8.6	1.142
CAD - Canadian dollar	1.503	1.503	0.0	1.530
GBP - Pound sterling	0.868	0.874	0.8	0.890
CNY - Chinese yuan	7.795	7.749	-0.6	7.875
SGD - Singapore dollar	1.606	1.541	-4.0	1.574
SEK - Swedish krona	10.131	10.663	5.3	10.486
AUD - Australian dollar	1.562	1.679	7.4	1.655

Notes

11. GUARANTEES, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

EUR million	30.6.2021	30.6.2020	31.12.2020
For own commercial obligations			
Guarantees	662.4	611.9	580.2
Other	48.3	30.9	33.4
Total	**710.7**	**642.8**	**613.6**

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 **Financial assets 30.6.2021**	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
Current financial assets				
Account and other receivables	0.0	0.0	483.9	483.9
Derivative financial instruments	1.5	3.6	0.0	5.2
Cash and cash equivalents	0.0	0.0	328.5	328.5
Total	**1.5**	**3.6**	**812.4**	**817.6**

Financial liabilities 30.6.2021				
Non-current financial liabilities				
Interest-bearing liabilities	0.0	0.0	445.5	445.5
Other payable	0.0	0.0	8.8	8.8
Current financial liabilities				
Interest-bearing liabilities	0.0	0.0	509.3	509.3
Derivative financial instruments	3.3	6.2	0.0	9.5
Accounts and other payable	0.0	0.0	287.5	287.5
Total	**3.3**	**6.2**	**1,251.2**	**1,260.7**

EUR million **Financial assets 30.6.2020**	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
Current financial assets				
Account and other receivables	0.0	0.0	480.2	480.2
Derivative financial instruments	2.7	12.9	0.0	15.6
Cash and cash equivalents	0.0	0.0	503.9	503.9
Total	**2.7**	**12.9**	**984.1**	**999.7**

Financial liabilities 30.6.2020				
Non-current financial liabilities				
Interest-bearing liabilities	0.0	0.0	941.2	941.2
Other payable	0.0	0.0	5.0	5.0
Current financial liabilities				
Interest-bearing liabilities	0.0	0.0	333.8	333.8
Derivative financial instruments	3.5	4.4	0.0	7.9
Accounts and other payable	0.0	0.0	285.2	285.2
Total	**3.5**	**4.4**	**1,565.2**	**1,573.1**

Notes

EUR million Financial assets 31.12.2020	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
Current financial assets				
Account and other receivables	0.0	0.0	520.1	520.1
Derivative financial instruments	7.7	13.4	0.0	21.2
Cash and cash equivalents	0.0	0.0	591.9	591.9
Total	**7.7**	**13.4**	**1,112.0**	**1,133.2**

Financial liabilities 31.12.2020				
Non-current financial liabilities				
Interest-bearing liabilities	0.0	0.0	859.7	859.7
Other payable	0.0	0.0	7.2	7.2
Current financial liabilities				
Interest-bearing liabilities	0.0	0.0	311.1	311.1
Derivative financial instruments	1.9	3.7	0.0	5.5
Accounts and other payable	0.0	0.0	262.7	262.7
Total	**1.9**	**3.7**	**1,440.8**	**1,446.3**

During the second quarter 2021, Group prepaid EUR 50 million of its term loans and at the end of June, the Group's liquid cash reserves were EUR 328.5 million (30.6.2020: EUR 503.9 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 June 2021. In addition, the Group may draw short term financing from the domestic commercial paper markets within the EUR 500 million limit, for which EUR 30 million was utilized at the end of June 2021 (30.6.2020: EUR 273 million).

At the end of June 2021, the outstanding short- and long-term loans were: EUR 350 million term loans, EUR 150 million Schuldschein loan, EUR 250 million bond and EUR 33 million employment pension loan. In addition, an undrawn EUR 465 million committed merger financing related facility (originally EUR 635 million) remained in place. 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 1.29% per annum. The Group is in compliance with the quarterly monitored financial covenant (interest-bearing net debt/equity). No specific securities have been given for the loans. The Group continues to have healthy interest-bearing net debt / equity ratio of 50.6% (30.6.2020: 62.8%) 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:

Financial assets	Carrying amount 30.6.2021	Carrying amount 30.6.2020	Carrying amount 31.12.2020	Fair value 30.6.2021	Fair value 30.6.2020	Fair value 31.12.2020
Current financial assets						
Account and other receivables	483.9	480.2	520.1	483.9	480.2	520.1
Derivative financial instruments	5.2	15.6	21.2	5.2	15.6	21.2
Cash and cash equivalents	328.5	503.9	591.9	328.5	503.9	591.9
Total	**817.6**	**999.7**	**1,133.2**	**817.6**	**999.7**	**1,133.2**

Financial liabilities						
Non-current financial liabilities						
Interest-bearing liabilities	445.5	941.2	859.7	447.4	943.3	864.6
Other payable	8.8	5.0	7.2	8.8	5.0	7.2
Current financial liabilities						
Interest-bearing liabilities	509.3	333.8	311.1	512.5	333.8	311.2
Derivative financial instruments	9.5	7.9	5.5	9.5	7.9	5.5
Accounts and other payable	287.5	285.2	262.7	287.5	285.2	262.7
Total	**1,260.7**	**1,573.1**	**1,446.3**	**1,265.7**	**1,575.2**	**1,451.3**

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

	30.6.2021			30.6.2020			31.12.2020		
Financial assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative financial instruments									
Foreign exchange forward contracts	0.0	5.2	0.0	0.0	14.8	0.0	0.0	21.2	0.0
Currency options	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0
Total	**0.0**	**5.2**	**0.0**	**0.0**	**15.6**	**0.0**	**0.0**	**21.2**	**0.0**
Other financial assets									
Cash and cash equivalents	328.5	0.0	0.0	503.9	0.0	0.0	591.9	0.0	0.0
Total	**328.5**	**0.0**	**0.0**	**503.9**	**0.0**	**0.0**	**591.9**	**0.0**	**0.0**
Total financial assets	**328.5**	**5.2**	**0.0**	**503.9**	**15.6**	**0.0**	**591.9**	**21.2**	**0.0**
Financial liabilities									
Derivative financial instruments									
Foreign exchange forward contracts	0.0	9.4	0.0	0.0	7.9	0.0	0.0	5.5	0.0
Interest rate derivative	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**9.5**	**0.0**	**0.0**	**7.9**	**0.0**	**0.0**	**5.5**	**0.0**
Other financial liabilities									
Interest bearing liabilities	0.0	954.8	0.0	0.0	1,275.0	0.0	0.0	1,170.8	0.0
Other payables	0.0	0.0	2.3	0.0	0.0	0.2	0.0	0.0	0.7
Total	**0.0**	**954.8**	**2.3**	**0.0**	**1,275.0**	**0.2**	**0.0**	**1,170.8**	**0.7**
Total financial liabilities	**0.0**	**964.3**	**2.3**	**0.0**	**1,282.9**	**0.2**	**0.0**	**1,176.3**	**0.7**

13. HEDGE ACTIVITIES AND DERIVATIVES

EUR million	**30.6.2021** Nominal value	**30.6.2021** Fair value	**30.6.2020** Nominal value	**30.6.2020** Fair value	**31.12.2020** Nominal value	**31.12.2020** Fair value
Foreign exchange forward contracts	1,196.6	-4.3	1,144.3	6.9	1,052.2	15.6
Currency options	0.0	0.0	84.7	0.8	0.0	0.0
Interest rate derivative	84.1	-0.1	0.0	0.0	0.0	0.0
Total	**1,280.7**	**-4.3**	**1,229.0**	**7.7**	**1,052.2**	**15.6**

Derivatives not designated as hedging instruments

The Group enters into other 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, option 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 26.4% 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 2021 and 2020 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	30.6.2021	30.6.2020	31.12.2020
Balance as of January 1	6.0	-0.5	-0.5
Gains and losses deferred to equity (fair value reserve)	-7.1	-0.1	8.1
Change in deferred taxes	1.4	0.0	-1.6
Balance as of the end of period	**0.4**	**-0.5**	**6.0**

14. TRANSACTIONS WITH RELATED PARTIES

EUR million	30.6.2021	30.6.2020	31.12.2020
Sales of goods and services with associated companies and joint arrangements	7.8	7.3	20.0
Receivables from associated companies and joint arrangements	3.2	3.8	4.3
Purchases of goods and services from associated companies and joint arrangements	22.3	25.8	48.7
Liabilities to associated companies and joint arrangements	1.8	1.5	0.8

Notes

15. MERGER PLAN WITH CARGOTEC

On October 1, 2020 Konecranes Plc ("Konecranes") and Cargotec Corporation ("Cargotec") announced that their respective Boards of Directors signed a combination agreement (the "Combination Agreement") and a merger plan to combine the two companies through a merger (the "Future Company"). The EGM on December 18, 2020 approved the merger of Konecranes into Cargotec in accordance with the merger plan signed by the Boards of Directors of Konecranes and Cargotec on 1 October 2020 and approved the Merger Plan.

The customer industries of the Future Company will include container handling, manufacturing, transportation, construction and engineering, paper and pulp, metals productions, mining, power, chemicals and marine industries.The Future Company's name will be determined and announced at a later stage. Pursuant to the merger plan, the Board of Directors of Cargotec will propose to the shareholders' general meeting of Cargotec to be convened prior to the completion of the merger that the articles of association of Cargotec will be amended in connection with the registration of the execution of the merger to contain a new name of the Future Company. The location of the headquarters of the Future Company will be decided later.

The proposed combination will be implemented as a statutory absorption merger whereby Konecranes will be merged into Cargotec. Prior to or in connection with the completion of the merger, Cargotec will issue new shares without payment to the shareholders of Cargotec in proportion to their existing shareholding by issuing two (2) new class A shares for each class A share and two (2) new class B shares for each class B share, including new shares to be issued to Cargotec for its treasury shares. Upon completion, Konecranes' shareholders will receive as merger consideration 0.3611 new class A shares and 2.0834 new class B shares in Cargotec for each share they hold in Konecranes on the record date. This implies that Konecranes shareholders would own approximately 50 percent of the shares and votes of the Future Company, and Cargotec shareholders would own approximately 50 percent of the shares and votes of the Future Company. In addition to the merger consideration shares, all the existing class A shares of Cargotec will be listed on Nasdaq Helsinki in connection with the merger.

The Konecranes Annual General meeting approved the Board's proposal and authorized the Board of Directors to resolve, before the completion of the Merger, on an extra distribution of funds to be paid either from the Konecranes' reserve for invested unrestricted equity as a return of equity or from its retained earnings as a dividend or as a combination of both so that the total maximum amount of funds to be distributed under the authorization would amount to EUR 158,268,918 corresponding to EUR 2.00 per share. The authorization is in force until the opening of the following Annual General Meeting of Konecranes. The extra distribution of funds will be paid in addition to the ordinary distribution(s). Konecranes and Cargotec have obtained necessary commitments for the financing of the completion of the merger.

The completion of the Merger is subject to necessary merger control approvals having been obtained and other conditions to completion having been fulfilled. The European Commission has in July opened a Phase II review in connection with the planned Transaction. The Phase II review is a common step in the European Commission merger review of global transactions of this size. Phase II will enable the European Commission to consider the contemplated transaction in further detail. Konecranes and Cargotec will continue to work closely and in active dialogue with the relevant authorities including the European Commission allowing to mitigate or eliminate preliminary concerns that the European Commission has raised. The companies expect that the Phase II review will continue during H2/2021. The companies are confident that the approvals are received to allow completion of the transaction by the end of H1/2022.

ANALYST AND PRESS BRIEFING

A live international telephone conference for analysts, investors and media will be held on July 28, 2021, at 10:30 a.m. EEST. The half-year financial report will be presented by Konecranes' President and CEO Rob Smith and CFO Teo Ottola.

Please see the press release dated July 14, 2021 for the conference call details.

NEXT REPORT

Konecranes Plc plans to publish Interim report January–September 2021 on October 28, 2021.

KONECRANES PLC

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FURTHER INFORMATION

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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 2020, Group sales totaled EUR 3.2 billion. The Group has around 16,500 employees in 50 countries. Konecranes shares are listed on the Nasdaq Helsinki (symbol: KCR).

www.konecranes.com