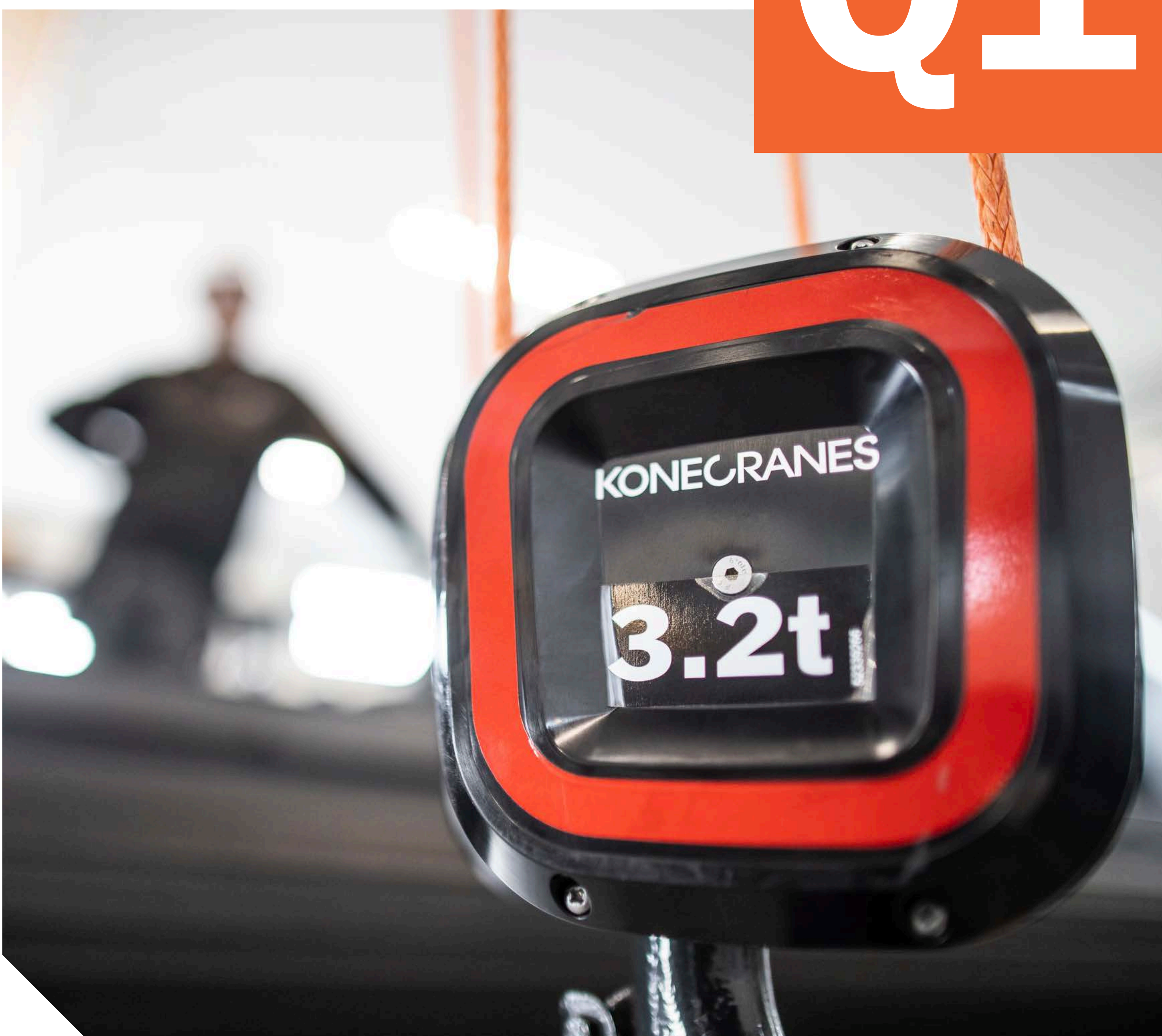
KONECRANES
Lifting Businesses™

Strong results in all Business Segments

Interim Report
January–March 2023

Q1



Strong results in all Business Segments

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

Konecranes has made changes in reporting its orders received and net working capital. The previous year's figures presented in this report have been restated and are fully comparable with the current year figures.

FIRST QUARTER HIGHLIGHTS

- Order intake EUR 1,289.6 million (1,097.5), +17.5 percent (+17.0 percent on a comparable currency basis), order intake increased in all three segments
- Service annual agreement base value EUR 311.1 million (300.7), +3.5 percent (+4.2 percent on a comparable currency basis)
- Service order intake EUR 378.8 million (346.7), +9.2 percent (+8.0 percent on a comparable currency basis)
- Order book EUR 3,281.4 million (2,485.2) at the end of March, +32.0 percent (+32.8 percent on a comparable currency basis)
- Sales EUR 899.3 million (672.1), +33.8 percent (+33.0 percent on a comparable currency basis), sales increased in all three segments
- Comparable EBITA margin 10.6 percent (6.6) and comparable EBITA EUR 95.4 million (44.1); the increase in the comparable EBITA margin was mainly attributable to higher sales volumes and pricing
- Operating profit EUR 85.8 million (-19.5), 9.5 percent of sales (-2.9), items affecting comparability totaled EUR 2.6 million (56.7), mainly comprising of restructuring costs
- Earnings per share (diluted) EUR 0.66 (-0.26)
- Free cash flow EUR 116.0 million (2.6)
- Net debt EUR 586.1 million (545.3) and gearing 42.3 percent (40.3)

SECOND QUARTER DEMAND OUTLOOK

The worldwide demand picture remains subject to volatility and uncertainty.

Our demand environment within industrial customer segments has remained good and continues on a healthy level, despite the weakened global macro indicators and some signs of weakening in all three regions.

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

FINANCIAL GUIDANCE

Konecranes expects net sales to increase in full-year 2023 compared to 2022. Konecranes expects the full-year 2023 comparable EBITA margin to improve from 2022.

Key figures

	1–3/2023	1–3/2022	Change percent	R12M	1–12/2022
Orders received, MEUR [1]	1,289.6	1,097.5	17.5	4,419.9	4,227.9
Order book at end of period, MEUR	3,281.4	2,485.2	32.0		2,901.7
Sales total, MEUR	899.3	672.1	33.8	3,592.0	3,364.8
Comparable EBITDA, MEUR [2]	117.9	66.3	77.8	457.7	406.1
Comparable EBITDA, % [2]	13.1%	9.9%		12.7%	12.1%
Comparable EBITA, MEUR [2]	95.4	44.1	116.4	369.7	318.4
Comparable EBITA, % [2]	10.6%	6.6%		10.3%	9.5%
Comparable operating profit, MEUR [2]	88.4	37.1	137.9	337.9	286.6
Comparable operating margin, % [2]	9.8%	5.5%		9.4%	8.5%
Operating profit, MEUR	85.8	-19.5	539.0	328.5	223.2
Operating margin, %	9.5%	-2.9%		9.1%	6.6%
Profit before taxes, MEUR	72.2	-29.4	345.6	292.3	190.7
Net profit for the period, MEUR	52.7	-21.3	347.3	212.5	138.5
Earnings per share, basic, EUR	0.67	-0.26	356.6	2.70	1.77
Earnings per share, diluted, EUR	0.66	-0.26	357.3	2.69	1.77
Gearing, %	42.3%	40.3%			48.0%
Net debt / Comparable EBITDA, R12M [2]	1.3	1.4			1.7
Return on capital employed, %				14.0%	9.0%
Comparable return on capital employed, % [3]				16.1%	13.4%
Free cash flow, MEUR	116.0	2.6		138.0	24.6
Average number of personnel during the period	16,551	16,577	-0.2		16,563

1) Previous year restated due to including agreement base sales in orders received
2) Excluding items affecting comparability, see also note 11 in the summary financial statements
3) ROCE excluding items affecting comparability, see also note 11 in the summary financial statements

CEO Anders Svensson:

Konecranes had a record-breaking Q1 result powered by strong performance from all three Business Segments. Our ability to deliver strong earnings was the result of better-than-expected orders, improved delivery capability and a positive pricing impact. As a result, we reached a record-high Q1 comparable EBITA margin of 10.6%.

Order intake increased 17.0% year-on-year on a comparable currency basis and totaled nearly €1.3 billion, an all-time high. Orders received grew in all three Business Segments. Short-cycle orders remained on a good level.

Our delivery capability continued to improve in Q1 despite the sequential sales decline. Group sales totaled €899 million and were 33% higher versus a year ago on a comparable currency basis. This was an excellent achievement given the continued fragility of global supply chains.

At the end of March, our orderbook was nearly €3.3 billion, 32.8% higher than a year ago on a comparable currency basis. The increase reflects the strong order intake during the quarter.

As a result of the good sales execution and positive pricing impact, we posted a record-high Q1 comparable EBITA margin of 10.6%. Profitability improved in all three business segments, most notably in Industrial Equipment.

Turning to our Business Segments, Service's order intake increased 8.0% year-on-year in comparable currencies. Sales increased 16.0% year-on-year in comparable currencies mainly thanks to volume growth and pricing. The comparable EBITA margin improved once again and was 18.7%. The agreement base value also continued to grow and was 4.2% higher in comparable currencies at the end of Q1 versus a year ago.

Industrial Equipment's external orders grew 23.6% year-on-year in comparable currencies. Growth was supported by a large portal jib crane order in the US. External sales increased 37.1% in comparable currencies following the improved delivery capability. Accordingly, the comparable EBITA margin increased year-on-year to 6.8%, mainly driven by sales volumes. The record-high Q1 profitability also reflected the impact of the price increases that were implemented last year.

In Port Solutions, the market environment remained favorable. A record order intake of €513 million included our largest-ever rubber-tired gantry crane order. Sales increased 56.5% year-on-year in comparable currencies, as the previous year's sales were unusually low mainly due to orderbook timing. Also comparable EBITA margin improved to 6.5%. Following the record-high Q1 order intake, Port Solutions ended the quarter with an all-time high orderbook of €1.8 billion.

Regarding the market outlook for the remainder of 2023, market volatility and uncertainty will continue. While Q1 demand was better than expected, we continue to see some signs of slowing down within our industrial customer segments but expect our demand to remain on a healthy level.

We reiterate our financial guidance for 2023. We expect our net sales to increase in full-year 2023 compared to 2022 and our full-year comparable EBITA margin to improve from 2022. We also note that despite our high Q1 sales, material availability challenges are not over and supply chains remain fragile.

Regarding Konecranes' long-term competitiveness, we have continued our Industrial Service and Equipment optimization actions. They cover several areas and functions, such as go-to-market model, product platform harmonization, streamlining of manufacturing and logistics, and business support functions. The progress has been good, and we raise the expected annual comparable EBITA impact to €40–50 million from the earlier €30–35 million. Accordingly, the related restructuring costs are expected to be somewhat higher, in the range of €30–40 million euros.

In the first quarter, we also announced the divestment of MHE-Demag's Industrial Products (IPD) business, allowing us to sharpen our focus on lifting equipment and services in Southeast Asia as well as globally. The transaction was closed in April and will have a €30–35 million negative impact on Industrial Equipment's and €7–8 million on Service's annual sales. The profitability impact and costs related to the transaction are included in the Industrial Service and Equipment optimization program.

In addition, in early April, we announced the acquisition of Whiting Corporation's industrial and nuclear crane and crane service businesses to strengthen our presence in the strategically important North American market. The acquisition will give Konecranes access to Whiting's large installed base and will have a positive impact of some €30 million on Service's annual sales.

Overall, I am very pleased with our Q1 performance. Strong results in what has historically been our seasonally weakest quarter – and amid volatile market conditions – reflect our capabilities as a company and put us well on track to deliver the sales and profitability growth we expect for the full-year 2023. We continue our hard work and focus on performance, and will provide an update on Konecranes' strategic direction and financial targets on our Capital Markets Day on May 10, 2023.

Konecranes Plc
Interim report January–March 2023

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.

Konecranes has made changes in reporting its orders received and net working capital. The previous year's figures presented in this report have been restated and are fully comparable with the current year figures.

MARKET REVIEW

In the first quarter of 2023, the global manufacturing sector was negatively impacted by high inflation and economic uncertainty while supply chains continued to recover.

The world's manufacturing sector's operating conditions, according to the global manufacturing Purchasing Managers' Index (PMI), were in contraction at the end of the first quarter of 2023. March's PMI of 49.6 was slightly weaker than the previous reading of 49.9 in February. Despite March was the seventh consecutive month in contraction territory below the neutral 50 mark, the PMI was at a higher level than at the end of 2022.

In the eurozone, March's manufacturing PMI was in deterioration with a reading of 47.3, the lowest reading in four months. In the US, March's manufacturing PMI was in contraction with a reading of 49.2. Contrary to the eurozone, the PMI improved from February. In the emerging markets, March's manufacturing PMI was in expansion territory in India. In China, it was at the 50.0 no-change mark while in Brazil, the PMI was in deterioration.

The manufacturing industry capacity utilization rate in the European Union decreased in the first quarter. The capacity utilization rate was at a lower level on a year-on-year basis, and it continued at approximately on the same level as prior to the start of the COVID-19 pandemic. The manufacturing industry capacity utilization rate in the US decreased in March. It remained above the year-end level, but it was at a lower level on a year-on-year basis.

Global container throughput, according to the RWI/ISL Container Throughput Index, began 2023 at a relatively strong level compared to the historical readings although fluctuation continued. At the end of February, global container throughput was approximately two percent lower than the year before.

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

ORDERS RECEIVED

In the first quarter, orders received totaled EUR 1,289.6 million (1,097.5), representing an increase of 17.5 percent. On a comparable currency basis, order intake increased 17.0 percent. Orders received increased in the Americas, EMEA, and APAC.

In Service, orders received increased 9.2 percent on a reported basis and 8.0 percent on a comparable currency basis. In Industrial Equipment, order intake increased 27.5 percent on a reported basis and 26.3 percent on a comparable currency basis. External orders received in Industrial Equipment increased 24.9 percent on a reported basis and 23.6 percent on a comparable currency basis. In Port Solutions, order intake increased 19.1 percent on a reported basis and 20.0 percent on a comparable currency basis.

ORDERS RECEIVED AND NET SALES

	1–3/2023	1–3/2022	Change percent	Change % at comparable currency rates	1–12/2022
Orders received, MEUR [1]	1,289.6	1,097.5	17.5	17.0	4,227.9
Net sales, MEUR	899.3	672.1	33.8	33.0	3,364.8

[1)] Previous year restated due to including service agreeement base sales in orders received.

ORDER BOOK

At the end of March, the value of the order book totaled EUR 3,281.4 million (2,485.2), which was 32.0 percent higher compared to previous year. On a comparable currency basis, the order book increased 32.8 percent. The order book increased 16.5 percent in Service, 15.4 percent in Industrial Equipment and 48.6 percent in Port Solutions.

SALES

In the first quarter, Group sales increased 33.8 percent to EUR 899.3 million (672.1). On a comparable currency basis, sales increased 33.0 percent. Sales increased 17.4 percent in Service, 36.3 percent in Industrial Equipment and 55.0 percent in Port Solutions. Industrial Equipment's external sales increased 38.7 percent.

At the end of March, the regional breakdown of sales, calculated on a rolling 12-month basis, was as follows: EMEA 52 (50), Americas 35 (34) and APAC 13 (16) percent.

FINANCIAL RESULT

In the first quarter, the Group comparable EBITA increased to EUR 95.4 million (44.1). The comparable EBITA margin increased to 10.6 percent (6.6). The comparable EBITA margin was 18.7 percent (17.4) in Service, 6.8 percent (-2.1) in Industrial Equipment and 6.5 percent (2.9) in Port Solutions. The increase in the Group comparable EBITA margin was mainly attributable to higher sales volumes and pricing. Gross margin improved slightly on a year-on-year basis.

In January–March, the consolidated comparable operating profit increased to EUR 88.4 million (37.1). The comparable operating margin increased to 9.8 percent (5.5).

In January–March, the consolidated operating profit totaled EUR 85.8 million (-19.5). The operating profit includes items affecting comparability of EUR 2.6 million (56.7), which mainly comprised of restructuring costs. In the comparison period, the items affecting comparability consisted mainly of costs related to the impacts of the war in Ukraine. Year-on-year, the operating margin increased in Service to 17.7 percent (16.1), in Industrial Equipment to 6.1 percent (-12.2) and in Port Solutions to 6.0 percent (-11.4).

In January–March, depreciation and impairments totaled EUR 29.5 million (31.8). The impact arising from the purchase price allocation amortization and goodwill impairment represented EUR 7.0 million (6.9) of the depreciation and impairments.

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

In January–March, financial income and expenses totaled EUR -13.6 million (-9.8). Net interest expenses accounted for EUR 9.9 million (3.0) of the sum and the remainder was mainly attributable to realized and unrealized exchange rate differences related to the hedging of future cash flows, which are not included in the hedge accounting, and other financing expenses.

In January–March, profit before taxes was EUR 72.2 million (-29.4).

In January–March, income tax was EUR 19.5 million (income tax income 8.1). The Group's effective tax rate was 27.0 percent (27.5).

In January–March, net profit was EUR 52.7 million (-21.3).

In January–March, the basic earnings per share were EUR 0.67 (-0.26) and the diluted earnings per share were EUR 0.66 (-0.26).

On a rolling 12-month basis, the return on capital employed was 14.0 percent (7.1) and the return on equity 15.5 percent (8.4). The comparable return on capital employed was 16.1 percent (13.4).

BALANCE SHEET

At the end of March, the consolidated balance sheet amounted to EUR 4,343.6 million (3,987.7). The total equity at the end of the reporting period was EUR 1,387.0 million (1,351.5). The total equity attributable to the equity holders of the parent company was EUR 1,387.0 million (1,343.5) or EUR 17.51 per share (16.98).

Net working capital totaled EUR 375.1 million (322.8). The increase in net working capital resulted mainly from an increase in inventories. The net working capital includes EUR 99.0 million of dividend payable. Sequentially, net working capital decreased by EUR 53.0 million excluding the dividend payable and an acquisition advance in deferred assets.

CASH FLOW AND FINANCING

In January–March, net cash from operating activities was EUR 128.6 million (13.1). The increase in net cash from operating activities was mainly due to higher operating income during the period. Cash flow before financing activities was EUR 116.0 million (2.6), which included cash inflows of EUR 2.4 million (0.1) related to sale of property, plant and equipment. It included cash outflows of EUR 15.1 million (10.6) related to capital expenditure.

At the end of March, interest-bearing net debt was EUR 586.1 million (545.3). Net debt increased mainly due to lower cash flow from operating activities during 2022. The equity to asset ratio was 37.5 percent (38.5) and gearing 42.3 percent (40.3).

At the end of March, cash and cash equivalents amounted to EUR 368.4 million (351.6). None of the Group's committed EUR 400 million back-up financing facility was in use at the end of the period.

CAPITAL EXPENDITURE

In January–March, capital expenditure excluding acquisitions and joint arrangements amounted to EUR 9.4 million (6.3). The amount consisted mainly of investments in machinery and equipment, buildings, office equipment and information technology.

ACQUISITIONS AND DIVESTMENTS

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

PERSONNEL

In January–March, the Group had an average of 16,551 employees (16,577). On March 31, 2023, the number of personnel was 16,579 (16,581). In January–March, the Group's personnel increased by 57 people net.

At the end of March, the number of personnel by operating segment was as follows: Service 7,950 employees (7,896), Industrial Equipment 5,416 employees (5,528), Port Solutions 3,114 employees (3,070) and Group staff 99 employees (87).

The Group had 9,628 (9,708) employees working in EMEA, 3,201 (3,034) in the Americas and 3,750 (3,839) in APAC.

SUSTAINABILITY

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

In January–March, sales of Konecranes' "eco portfolio", consisting of fully electrified and hybrid equipment, as well as modernizations and retrofits, totaled 50 percent of Konecranes' sales (53 percent in full-year 2022). For Service, the eco portfolio represented 16 percent of sales (16 percent in full-year 2022), for Industrial Equipment 100 percent (100 percent in full-year 2022) and for Port Solutions 40 percent (49 percent in full-year 2022). 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. For Port Solutions, the eco portfolio share is impacted by sales mix and timing of project revenues.

Konecranes has activities that qualify as environmentally sustainable according to the EU Taxonomy Regulation. The activities are eligible according to the technical screening criteria for climate change mitigation. Konecranes has activities that are in the scope of Technical Screening Criteria (TSC) 3.6. Manufacture of other low carbon technologies.

These activities are, according to Article 16 of the Taxonomy Regulation, enabling substantial contribution towards climate change mitigation, which is one of the objectives defined in Article 9 of the Regulation.

More detailed information on Taxonomy eligibility and the calculation method is available in Konecranes' 2022 Annual Report.

BUSINESS SEGMENTS

SERVICE

	1–3/2023	1–3/2022	Change percent	Change % at comparable currency rates	1–12/2022
Orders received, MEUR [1]	378.8	346.7	9.2	8.0	1,442.5
Order book, MEUR	461.8	396.4	16.5	17.1	445.5
Agreement base value, MEUR	311.1	300.7	3.5	4.2	306.9
Net sales, MEUR	353.6	301.1	17.4	16.0	1,343.3
Comparable EBITA, MEUR [2]	66.2	52.4	26.4		249.4
Comparable EBITA, % [2]	18.7%	17.4%			18.6%
Purchase price allocation amortization, MEUR	-3.6	-3.5	2.3		-14.3
Items affecting comparability, MEUR	0.0	-0.4			-2.9
Operating profit (EBIT), MEUR	62.6	48.5	29.1		232.3
Operating profit (EBIT), %	17.7%	16.1%			17.3%
Personnel at the end of period	7,950	7,896	0.7		7,802

1) Previous year restated due to the change in reporting for including agreement base sales in orders received
2) Excluding items affecting comparability and purchase price allocation amortization. See also note 11 in the summary financial statements

Operational highlights in Q1 2023:

- The initial implementation of Konecranes' next generation digital tools in planning and technician mobility has started with the aim of improving the user experience and technician productivity.
- The successful roll-out of Konecranes' Digital Services continues while preparing for the full roll-out of the renewed Service Programs that are better tailored to different customer segments and needs.

In the first quarter, order intake in Service increased 9.2 percent to EUR 378.8 million (346.7). On a comparable currency basis, orders received increased 8.0 percent. Both field service orders and parts orders increased. Order intake increased in the Americas, EMEA, and APAC.

The order book increased 16.5 percent to EUR 461.8 million (396.4). On a comparable currency basis, the order book increased 17.1 percent.

The annual value of the agreement base increased 3.5 percent year-on-year to EUR 311.1 million (300.7). On a comparable currency basis, the annual value of the agreement base increased 4.2 percent. Sequentially, the annual value of the agreement base increased 1.4 percent on a reported basis and 2.2 percent on a comparable currency basis.

Sales increased 17.4 percent to EUR 353.6 million (301.1). On a comparable currency basis, sales increased 16.0 percent. Both field service sales and parts sales increased. Sales increased in the Americas, EMEA, and APAC.

The first-quarter comparable EBITA was EUR 66.2 million (52.4) and the comparable EBITA margin 18.7 percent (17.4). The increase in the comparable EBITA margin was mainly attributable to sales growth driven by higher sales volumes and pricing. Gross margin increased on a year-on-year basis. The operating profit was EUR 62.6 million (48.5) and the operating margin 17.7 percent (16.1).

INDUSTRIAL EQUIPMENT

	1–3/2023	1–3/2022	Change percent	Change % at comparable currency rates	1–12/2022
Orders received, MEUR [1]	465.2	364.7	27.5	26.3	1,391.6
of which external, MEUR	415.2	332.6	24.9	23.6	1,194.8
Order book, MEUR	986.1	854.8	15.4	16.0	857.2
Net sales, MEUR	331.3	243.1	36.3	35.0	1,205.6
of which external, MEUR	286.7	206.7	38.7	37.1	1,068.8
Comparable EBITA, MEUR [2]	22.7	-5.2	536.1		32.5
Comparable EBITA, % [2]	6.8%	-2.1%			2.7%
Purchase price allocation amortization, MEUR	-1.8	-1.8	0.1		-11.0
Items affecting comparability, MEUR	-0.8	-22.6			-32.5
Operating profit (EBIT), MEUR	20.1	-29.6	168.1		-10.9
Operating profit (EBIT), %	6.1%	-12.2%			-0.9%
Personnel at the end of period	5,416	5,528	-2.0		5,529

1) Previous year restated due to the change in reporting for including agreement base sales in orders received
2) Excluding items affecting comparability and purchase price allocation amortization. See also note 11 in the summary financial statements

Operational highlights in Q1 2023:

- In the first quarter, Konecranes received a large portal jib crane order from the US Navy. It was the fourth recurring order, the first one being announced in December 2019.
- The Demag DVR wire rope hoist based on Konecranes' global platform has been successfully launched. Orders are developing well, and first deliveries are starting. The DVR is aimed at improving the competitiveness and profitability of the Demag brand.

In the first quarter, Industrial Equipment's orders received totaled EUR 465.2 million (364.7), corresponding to an increase of 27.5 percent. On a comparable currency basis, orders received increased 26.3 percent. External orders received increased 24.9 percent on a reported basis and 23.6 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 increased 15.4 percent to EUR 986.1 million (854.8). On a comparable currency basis, the order book increased 16.0 percent.

Sales increased 36.3 percent to EUR 331.3 million (243.1). On a comparable currency basis, sales increased 35.0 percent. External sales increased 38.7 percent on a reported basis and 37.1 percent on a comparable currency basis. Sales increased in standard cranes, process cranes, and components. Sales increased in the Americas, EMEA, and APAC.

The first-quarter comparable EBITA was EUR 22.7 million (-5.2) and the comparable EBITA margin 6.8 percent (-2.1). The increase in the comparable EBITA margin was mainly attributable to higher sales volumes and price increases implemented in 2022. Gross margin increased on a year-on-year basis. Operating profit was EUR 20.1 million (-29.6) and the operating margin 6.1 percent (-12.2).

PORT SOLUTIONS

	1–3/2023	1–3/2022	Change percent	Change % at comparable currency rates	1–12/2022
Orders received, MEUR [1]	512.6	430.3	19.1	20.0	1,655.3
Order book, MEUR	1,833.6	1,233.9	48.6	49.6	1,599.0
Net sales, MEUR	272.8	176.0	55.0	56.5	1,015.0
of which service, MEUR	55.1	51.1	8.0	7.4	226.1
Comparable EBITA, MEUR [2]	17.7	5.2	243.1		63.5
Comparable EBITA, % [2]	6.5%	2.9%			6.3%
Purchase price allocation amortization, MEUR	-1.6	-1.6	0.0		-6.6
Items affecting comparability, MEUR	0.2	-23.6			-18.6
Operating profit (EBIT), MEUR	16.3	-20.1	181.2		38.4
Operating profit (EBIT), %	6.0%	-11.4%			3.8%
Personnel at the end of period	3,114	3,070	1.4		3,102

1) Previous year restated due to the change in reporting for including agreement base sales in orders received
2) Excluding items affecting comparability and purchase price allocation amortization. See also note 11 in the summary financial statements

Operational highlights in Q1 2023:

- In the first quarter, the Georgia Ports Authority in Savannah, Georgia, USA, ordered 55 hybrid Konecranes Rubber-Tired Gantry (RTG) cranes as part of the expansion of its existing container operations at the Ocean Terminal facility. The order is Konecranes' largest-ever for RTGs. The Georgia Ports Authority (GPA) was the first customer for the Konecranes RTG when it was introduced in 1995. Over the years, the GPA has ordered 288 Konecranes RTGs including the 55 now on order for Ocean Terminal.
- In the first quarter, Konecranes received an order from Algeco, Germany, for 4 award-winning E-VER fully electric heavy forklifts for their operation to build smart modules for houses, schools, offices etc. Algeco has been placing recurring orders with Konecranes, the first one dating back to 2014.

In the first quarter, Port Solutions' order intake totaled EUR 512.6 million (430.3), representing an increase of 19.1 percent. On a comparable currency basis, orders received increased 20.0 percent. Orders received increased in the Americas, EMEA, and APAC.

The order book increased 48.6 percent to EUR 1,833.6 million (1,233.9). On a comparable currency basis, the order book increased 49.6 percent.

Sales increased 55.0 percent to EUR 272.8 million (176.0). On a comparable currency basis, sales increased 56.5 percent.

The first-quarter comparable EBITA was EUR 17.7 million (5.2) and the comparable EBITA margin 6.5 percent (2.9). The increase in the comparable EBITA margin was mainly attributable to higher sales volumes. Gross margin was approximately flat on a year-on-year basis. Operating profit was EUR 16.3 million (-20.1) and the operating margin 6.0 percent (-11.4).

GROUP OVERHEADS

In the first quarter, the comparable unallocated Group overhead costs and eliminations were EUR 11.3 million (8.3), representing 1.3 percent of sales (1.2).

The unallocated Group overhead costs and eliminations were EUR 13.3 million (18.4), representing 1.5 percent of sales (2.7). These included items affecting comparability of EUR 2.0 million (10.1).

ADMINISTRATION

Decisions of the Annual General Meeting

The Annual General Meeting was held on March 29, 2023. The meeting approved the Company's annual accounts for the fiscal year 2022, discharged the members of the Board of Directors and the 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 1.25 per share be distributed. The dividend was paid on 12 April 2023.

The AGM approved the Remuneration report. The resolution by the AGM on approval of the Remuneration report is advisory.

The AGM approved the Shareholders' Nomination Board's proposal that the annual remuneration for the Board of Directors and the meeting fees for the committees and meetings of the Board of Directors remain unchanged, and that the annual remuneration for the Chairman of the Board of Directors and the meeting fee of the Chairman of the Audit Committee are increased.

The AGM approved the Shareholders' Nomination Board's proposal that the number of members of the Board of Directors shall be nine. The current Board members Pauli Anttila, Pasi Laine, Ulf Liljedahl, Niko Mokkila, Sami Piittisjärvi, Päivi Rekonen, Helene Svahn and Christoph Vitzthum were re-elected, and Gun Nilsson was elected as a new member. Christoph Vitzthum was elected as Chairman of the Board of Directors and Pasi Laine was elected as Vice Chairman of the Board of Directors.

The AGM approved the Board's proposal that Ernst & Young Oy be re-elected as the Company's auditor. The remuneration will be paid according to an invoice approved by the Company.

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

The AGM authorized the Board to decide on the issuance of shares as well as on the issuance of special rights entitling to shares.

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

The AGM authorized the Board to decide on a directed issuance of shares without payment for an employee share savings plan.

The AGM authorized the Board to decide on donations.

The resolutions of the AGM have been published in the stock exchange release dated March 29, 2023.

Board of Directors

The Board of Directors elected in the Annual General Meeting 2023 consists of

- Christoph Vitzthum, Chair of the Board
- Pasi Laine, Vice Chair of the Board
- Pauli Anttila, Member of the Board
- Ulf Liljedahl, Member of the Board
- Niko Mokkila, Member of the Board
- Gun Nilsson, Member of the Board
- Päivi Rekonen, Member of the Board
- Helene Svahn, Member of the Board
- Sami Piittisjärvi, Member of the Board

The term of office ends at the closing of the Annual General Meeting in 2024.

On March 29, 2023, 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 Chair of the Audit Committee, and Niko Mokkila, Gun Nilsson and Päivi Rekonen as Committee members. Christoph Vitzthum was elected Chair of the Human Resources Committee, and Pauli Anttila, Pasi Laine and Helene Svahn as Committee members.

All Board members with the exception of Sami Piittisjärvi are deemed to be independent of the Company and all Board members with the exception of Niko Mokkila and Pauli Anttila are deemed to be independent of the Company's significant shareholders.

Sami Piittisjärvi is deemed not to be independent of the Company due to his current position as an employee of Konecranes. 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. Pauli Anttila is deemed not to be independent of a significant shareholder of the Company based on his current position as Investment Director and Member of the Management Team at Solidium Oy.

Konecranes Leadership Team

In January–March, Konecranes Leadership Team consisted of

- Anders Svensson, President and CEO
- Teo Ottola, CFO, Deputy CEO
- Fabio Fiorino, Executive Vice President, Industrial Service and Equipment
- Mika Mahlberg, Executive Vice President, Port Solutions
- Juha Pankakoski, Executive Vice President, Technologies
- Anneli Karkovirta, Senior Vice President, People and Culture
- 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 March 31, 2023, the company's registered share capital totaled EUR 30.1 million. On March 31, 2023, the number of shares including treasury shares totaled 79,221,906.

Treasury shares

On March 31, 2023, Konecranes Plc was in possession of 19,656 treasury shares, which corresponds to 0.0 percent of the total number of shares, and which had on that date a market value of EUR 0.6 million.

On February 28, 2023, 35,651 treasury shares were conveyed without consideration as the delivery of matching shares to the employees participating in the savings period 2019–2020 of the Konecranes Employee Share Savings Plan.

Market capitalization and trading volume

The closing price for the Konecranes shares on the Nasdaq Helsinki on March 31, 2023, was EUR 30.84. The volume-weighted average share price in January–March was EUR 30.77, the highest price being EUR 33.72 in March and the lowest EUR 28.30 in March. In January–March, the trading volume on the Nasdaq Helsinki totaled 10.2 million, corresponding to a turnover of approximately EUR 314.3 million. The average daily trading volume was 159,636 shares representing an average daily turnover of EUR 4.9 million.

On March 31, 2023, the total market capitalization of Konecranes Plc was EUR 2,443.2 million including treasury shares. The market capitalization was EUR 2,442.6 million excluding treasury shares.

Performance Share Plans 2021, 2022 and 2023

On February 1, 2023, Konecranes announced that the Board of Directors had decided to establish a new Performance Share Plan 2023 for Konecranes key employees. The Plan has a three-year performance period from 2023 to 2025. The Plan has two performance criteria: the cumulative comparable Earnings per Share (EPS) for the financial years 2023–2025 with a 60 percent's weighting and the compound annual growth rate (CAGR) for Sales for the financial years 2023–2025 with a 40 percent's weighting. The targets for the three-year performance period have also been decided by the Board of Directors. The target group of the Plan consists of a maximum of 170 Konecranes key employees. Additional information, including essential terms and conditions of the Plan, is available in the stock exchange release published on February 1, 2023.

On February 1, 2023, Konecranes announced that the Board of Directors had decided the criterion for the measurement period 2023 of the Performance Share Plans 2021 and 2022. The criterion is comparable earnings per Share (EPS). The targets for the measurement period 2023 were also decided by the Board of Directors. Additional information is available in the stock exchange release published on February 1, 2023.

Additional information, including essential terms and conditions of the Plan 2021 is available in the stock exchange release published on February 3, 2021, and for the Plan 2022 in the stock exchange release published on March 30, 2022.

Employee Share Savings Plan

On February 1, 2023, Konecranes announced that the Board of Directors had decided to launch a new Plan Period relating to the Employee Share Savings Plan. The new plan period will begin on July 1, 2023, and will end on June 30, 2024. Additional information, including the other terms and conditions of the Plan Period is available in the stock exchange release published on February 1, 2023.

NOTIFICATIONS OF MAJOR SHAREHOLDINGS

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

RISKS AND UNCERTAINTIES

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

Global component and labor availability issues and other global supply chain constraints may lead to production and customer delivery delays and have a negative impact on Konecranes sales and cash flow. Accelerated inflation may increase risk for negative impact on Konecranes cash flow and result.

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

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

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

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

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

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

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

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

STOCK EXCHANGE RELEASES DURING JANUARY–MARCH

Date	Release
March 29, 2023	Konecranes Plc: Board of Directors' organizing meeting
March 29, 2023	Resolutions of Konecranes Plc's Annual General Meeting of shareholders
February 28, 2023	Konecranes Plc's Annual Report 2022 published
February 22, 2023	Konecranes Employee Share Savings Plan 2019 - directed share issue
February 10, 2023	Konecranes Plc's Board of Directors convenes the Annual General Meeting 2023
February 2, 2023	Proposals by the Board of Directors to the Annual General Meeting 2023
February 2, 2023	Konecranes Plc: Financial statement release 2022
February 1, 2023	The Board of Directors of Konecranes Plc has decided to continue the Employee Share Savings Plan
February 1, 2023	The Board of Directors of Konecranes Plc has decided the criterion for the measurement period 2023 of the Performance Share Plans 2021 and 2022
February 1, 2023	The Board of Directors of Konecranes Plc has decided to establish a new Performance Share Plan

CORPORATE PRESS RELEASES DURING JANUARY–MARCH

On March 31, 2023, Konecranes announced that Guinea's Winning Logistics bolsters its bauxite handling fleet with two more Konecranes barge cranes. The order was booked in Q1 2023.

On March 30, 2023, Konecranes sent an invitation to its Capital Markets Day 2023 on May 10, 2023.

On March 30, 2023, Konecranes announced that its new Zero4 program will receive EUR 70 million from Business Finland to unlock industrial productivity.

On March 29, 2023, Konecranes announced that Georgia Ports Authority ordered 55 hybrid Konecranes RTGs as part of major capacity increase in the Port of Savannah. The order was booked in Q1 2023.

On March 16, 2023, Konecranes announced that it powers LTC Group's material handling in the Middle East with a 21-crane and service contract. The order was booked in Q1 2023.

On March 15, 2023, Konecranes announced that it had started to deliver its final cranes to Russia for a European customer.

On February 20, 2023, Konecranes announced that it is to divest MHE-Demag Industrial Products business to Jebsen & Jessen Group.

On January 19, 2023, Konecranes announced that its Financial statement release 2022 will be published on February 2, 2023.

SECOND QUARTER DEMAND OUTLOOK

The worldwide demand picture remains subject to volatility and uncertainty.

Our demand environment within industrial customer segments has remained good and continues on a healthy level, despite the weakened global macro indicators and some signs of weakening in all three regions.

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

FINANCIAL GUIDANCE

Konecranes expects net sales to increase in full-year 2023 compared to 2022. Konecranes expects the full-year 2023 comparable EBITA margin to improve from 2022.

Espoo, April 28, 2023
Konecranes Plc
Board of Directors

Important Notice

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

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

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

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

Consolidated statement of income

EUR million	Note	1–3/2023	1–3/2022	Change percent	1–12/2022
Sales	7	**899.3**	**672.1**	**33.8**	**3,364.8**
Other operating income		2.9	1.1		8.1
Materials, supplies and subcontracting		-378.9	-283.9		-1,510.2
Personnel cost		-291.3	-273.0		-1,091.9
Depreciation and impairments	8	-29.5	-31.8		-124.4
Other operating expenses		-116.7	-104.0		-423.2
Operating profit		**85.8**	**-19.5**	**539.0**	**223.2**
Share of associates' and joint ventures' result		0.0	0.0		0.4
Financial income		5.4	6.1		26.8
Financial expenses		-19.0	-15.9		-59.7
Profit before taxes		**72.2**	**-29.4**	**345.6**	**190.7**
Taxes	10	-19.5	8.1		-52.2
PROFIT FOR THE PERIOD		**52.7**	**-21.3**	**347.3**	**138.5**
Profit for the period attributable to:					
Shareholders of the parent company		52.7	-20.5		140.3
Non-controlling interest		0.0	-0.8		-1.8
Earnings per share, basic (EUR)		0.67	-0.26	356.6	1.77
Earnings per share, diluted (EUR)		0.66	-0.26	357.3	1.77

Consolidated statement of other comprehensive income

EUR million	1–3/2023	1–3/2022		1–12/2022
Profit for the period	**52.7**	**-21.3**		**138.5**
Items that can be reclassified into profit or loss				
Cash flow hedges	7.8	0.9		2.0
Exchange differences on translating foreign operations	-4.8	9.0		-3.2
Income tax relating to items that can be reclassified into profit or loss	-1.6	-0.2		-0.4
Items that cannot be reclassified into profit or loss				
Re-measurement gains (losses) on defined benefit plans	0.0	0.0		62.6
Income tax relating to items that cannot be reclassified into profit or loss	0.0	0.0		-18.7
Other comprehensive income for the period, net of tax	**1.4**	**9.7**		**42.3**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**54.1**	**-11.6**		**180.8**
Total comprehensive income attributable to:				
Shareholders of the parent company	54.1	-10.3		183.1
Non-controlling interest	0.0	-1.3		-2.3

Consolidated balance sheet

EUR million

ASSETS	Note	31.3.2023	31.3.2022	31.12.2022
Non-current assets				
Goodwill		1,017.9	1,023.3	1,019.6
Intangible assets		466.9	494.4	475.4
Property, plant and equipment		337.9	334.4	345.9
Construction in progress		23.6	15.2	18.1
Investments accounted for using the equity method		7.3	6.7	7.8
Other non-current assets		0.8	0.8	0.8
Deferred tax assets		105.4	131.4	103.8
Total non-current assets		**1,959.7**	**2,006.3**	**1,971.4**
Current assets				
Inventories				
Raw material and semi-manufactured goods		407.2	373.6	395.5
Work in progress		601.8	449.8	551.9
Advance payments		43.3	26.2	45.3
Total inventories		1,052.3	849.5	992.7
Accounts receivable		541.0	452.9	585.6
Other receivables		33.7	30.5	32.9
Loans receivable		4.1	2.7	3.9
Income tax receivables		17.4	20.0	15.0
Contract assets	6	189.3	165.6	183.5
Other financial assets		20.0	7.3	43.7
Deferred assets		134.2	101.2	98.0
Cash and cash equivalents		368.4	351.6	413.9
Total current assets		**2,360.4**	**1,981.4**	**2,369.2**
Assets held for sale	5	**23.5**	**0.0**	**0.0**
TOTAL ASSETS		**4,343.6**	**3,987.7**	**4,340.6**

Consolidated balance sheet

EUR million

EQUITY AND LIABILITIES	**Note**	**31.3.2023**	**31.3.2022**	**31.12.2022**
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	14	5.1	-2.0	-1.1
Translation difference		3.5	20.5	8.3
Other reserve		66.8	68.2	67.8
Retained earnings		436.9	455.3	395.5
Net profit for the period		52.7	-20.5	140.3
Total equity attributable to equity holders of the parent company		**1,387.0**	**1,343.5**	**1,432.9**
Non-controlling interest		0.0	7.9	0.1
Total equity		**1,387.0**	**1,351.5**	**1,433.0**
Non-current liabilities				
Interest-bearing liabilities	13	904.8	446.8	1,056.4
Other long-term liabilities		217.3	286.2	217.7
Provisions		19.8	21.4	19.0
Deferred tax liabilities		132.4	141.2	133.7
Total non-current liabilities		**1,274.3**	**895.5**	**1,426.8**
Current liabilities				
Interest-bearing liabilities	13	53.8	452.9	49.8
Advance payments received	7	636.4	473.1	564.3
Accounts payable		322.0	268.4	306.2
Provisions		91.7	103.0	93.4
Other short-term liabilities (non-interest bearing)		58.5	55.7	56.1
Other financial liabilities		8.2	14.9	15.9
Income tax liabilities		47.9	17.4	31.7
Accrued costs related to delivered goods and services		166.3	178.4	165.1
Accruals		285.9	177.1	198.3
Total current liabilities		**1,670.7**	**1,740.7**	**1,480.8**
Liabilities directly attributable to assets held for sale	5	**11.5**	**0.0**	**0.0**
Total liabilities		**2,956.6**	**2,636.2**	**2,907.6**
TOTAL EQUITY AND LIABILITIES		**4,343.6**	**3,987.7**	**4,340.6**

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, 2023	**30.1**	**39.3**	**752.7**	**-1.1**	**8.3**
Dividends paid to equity holders					
Equity-settled share based payments					
Profit for the period					
Other comprehensive income				6.2	-4.8
Total comprehensive income				6.2	-4.8
Balance at 31 March, 2023	**30.1**	**39.3**	**752.7**	**5.1**	**3.5**
Balance at 1 January, 2022	**30.1**	**39.3**	**752.7**	**-2.7**	**11.0**
Dividends paid to equity holders					
Equity-settled share based payments					
Profit for the period					
Other comprehensive income				0.7	9.5
Total comprehensive income				0.7	9.5
Balance at 31 March, 2022	**30.1**	**39.3**	**752.7**	**-2.0**	**20.5**

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, 2023	**67.8**	**535.7**	**1,432.9**	**0.1**	**1,433.0**
Dividends paid to equity holders		-99.0	-99.0	0.0	**-99.0**
Equity-settled share based payments	-1.0	0.0	-1.0		**-1.0**
Acquisitions		0.0	0.0	-0.1	**-0.1**
Profit for the period		52.7	52.7	0.0	**52.7**
Other comprehensive income		0.0	1.4	0.0	**1.4**
Total comprehensive income	0.0	52.7	54.1	0.0	**54.1**
Balance at 31 March, 2023	**66.8**	**489.4**	**1,387.0**	**0.0**	**1,387.0**
Balance at 1 January, 2022	**65.7**	**455.4**	**1,351.3**	**9.2**	**1,360.5**
Dividends paid to equity holders		0.0	0.0	0.0	**0.0**
Equity-settled share based payments	2.5	0.0	2.5		**2.5**
Acquisitions		0.0	0.0	0.0	**0.0**
Profit for the period		-20.5	-20.5	-0.8	**-21.3**
Other comprehensive income		0.0	10.3	-0.5	**9.7**
Total comprehensive income	0.0	-20.5	-10.3	-1.3	**-11.6**
Balance at 31 March, 2022	**68.1**	**434.9**	**1,343.5**	**7.9**	**1,351.5**

Consolidated cash flow statement

EUR million	1–3/2023	1–3/2022	1–12/2022
Cash flow from operating activities			
Profit for the period	52.7	-21.3	138.5
Adjustments to net income			
Taxes	19.5	-8.1	52.2
Financial income and expenses	13.6	9.8	32.9
Share of associates' and joint ventures' result	0.0	0.0	-0.4
Depreciation and impairments	29.5	31.8	124.4
Profits and losses on sale of fixed assets and businesses	-0.8	0.5	-2.4
Other adjustments	-2.4	2.5	-0.7
Operating income before change in net working capital	**112.1**	**15.3**	**344.5**
Change in interest-free current receivables	19.5	28.3	-159.9
Change in inventories	-81.4	-116.2	-264.4
Change in interest-free current liabilities	74.1	117.1	262.0
Change in net working capital	**12.1**	**29.2**	**-162.3**
Cash flow from operations before financing items and taxes	**124.3**	**44.5**	**182.2**
Interest received	9.3	3.6	28.0
Interest paid	-16.1	-5.4	-56.5
Other financial income and expenses	22.0	-16.4	-33.7
Income taxes paid	-10.9	-13.2	-53.3
Financing items and taxes	**4.4**	**-31.3**	**-115.5**
NET CASH FROM OPERATING ACTIVITIES	**128.6**	**13.1**	**66.7**
Cash flow from investing activities			
Acquisition of Group companies, net of cash	0.0	0.0	-1.6
Divestment of Businesses, net of cash	0.0	0.0	0.1
Capital expenditures	-15.1	-10.6	-44.7
Proceeds from sale of property, plant and equipment	2.4	0.1	2.6
NET CASH USED IN INVESTING ACTIVITIES	**-12.6**	**-10.5**	**-43.6**
Cash flow before financing activities	**116.0**	**2.6**	**23.1**
Cash flow from financing activities			
Proceeds from borrowings	0.0	0.0	600.0
Repayments of borrowings	-152.7	-0.7	-331.7
Repayments of lease liability	-10.8	-10.6	-44.1
Proceeds from (+), payments of (-) current borrowings	3.7	34.6	-43.7
Change in loans receivable	-0.2	0.1	-1.2
Acquired non controlling interest	-0.1	0.0	-11.0
Dividends paid to equity holders of the parent	0.0	0.0	-98.9
Dividends paid to non-controlling interests	0.0	0.0	-0.3
NET CASH USED IN FINANCING ACTIVITIES	**-160.1**	**23.4**	**69.1**
Translation differences in cash	-1.4	4.9	1.0
CHANGE OF CASH AND CASH EQUIVALENTS	**-45.5**	**30.9**	**93.2**
Cash and cash equivalents at beginning of period	413.9	320.7	320.7
Cash and cash equivalents at end of period	368.4	351.6	413.9
CHANGE OF CASH AND CASH EQUIVALENTS	**-45.5**	**30.9**	**93.2**

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

FREE CASH FLOW (alternative performance measure)

EUR million	1–3/2023	1–3/2022	1–12/2022
Net cash from operating activities	128.6	13.1	66.7
Capital expenditures	-15.1	-10.6	-44.7
Proceeds from sale of property, plant and equipment	2.4	0.1	2.6
Free cash flow	**116.0**	**2.6**	**24.6**

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 Service, Industrial Equipment and Port Solutions.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of Konecranes Plc for three months ending 31.3.2023 and 31.3.2022 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, 2022. 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.

Notes

4. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2022.

Changes in reporting

Konecranes has changed some terminology in the reporting. Adjusted EBITA has been renamed as Comparable EBITA and Adjustments are now Items affecting comparability. The contents of these items are still the same.

Konecranes has also changed the reporting of orders received and net working capital for 2023. Orders received includes now also the sales from the agreement base for the corresponding period. Net working capital formula was changed to meet better the net working capital definition in cash flow statement by excluding tax and other financial assets and liabilities. New net working capital formula can be found in note 11. The reported and restated 2022 information is as follows:

Orders received, reported	**Q1/2022**	**Q2/2022**	**Q3/2022**	**Q4/2022**	**1–12/2022**
Service	283.1	297.2	298.3	283.2	1,161.9
Industrial Equipment	364.1	384.8	334.0	306.2	1,389.2
Port Solutions	426.6	403.5	453.6	355.7	1,639.5
./. Internal	-44.2	-77.8	-73.5	-66.1	-261.6
Total	**1,029.6**	**1,007.8**	**1,012.5**	**879.1**	**3,928.9**

Orders received, restated	**Q1/2022**	**Q2/2022**	**Q3/2022**	**Q4/2022**	**1–12/2022**
Service	346.7	366.7	369.5	359.6	1,442.5
Industrial Equipment	364.7	385.7	334.3	306.9	1,391.6
Port Solutions	430.3	407.6	457.6	360.0	1,655.3
./. Internal	-44.2	-77.8	-73.5	-66.1	-261.6
Total	**1,097.5**	**1,082.1**	**1,087.9**	**960.3**	**4,227.9**

	Q1/2022	**Q2/2022**	**Q3/2022**	**Q4/2022**
Net working capital, reported	422.8	473.8	578.5	581.2
Net working capital, restated	322.8	381.0	505.1	490.2

Notes

5. ACQUISITIONS AND DIVESTMENTS

5.1 Assets held for sale

Konecranes announced in February 2023 the planned divestment of MHE-Demag's Industrial Products business, which rents material handling products and offers equipment like dock levellers and car park systems, to Jebsen & Jessen. The Industrial Product business unit operates in Australia, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. The transaction is expected to close during April 2023 and the expected sales price is approximately EUR 12 million.

The associated group of assets and liabilities of the Industrial Product business has been reported in the consolidated balance sheet at 31.3.2023 separately as held for sale and valued at fair value.

Major classes of assets and liabilities of Industrial Product business classified as held for sale are, as follows:

MEUR

Assets	**31.3.2023**
Property, plant and equipment	6.1
Investments accounted for using the equity method	0.6
Inventories	16.3
Other receivables	0.6
Assets held for sale	**23.5**

Liabilities	**31.3.2023**
Advances received	10.3
Accruals and other liabilities	1.2
Liabilities directly attributable to assets held for sale	**11.5**

The assets and liabilities are mainly reported in Industrial Equipment segment.

Notes

6. SEGMENT INFORMATION

6.1. Operating segments

EUR million

Orders received	1–3/2023	% of total	1–3/2022	% of total	1–12/2022	% of total
Service	378.8	28	346.7	30	1,442.5	32
Industrial Equipment	465.2	34	364.7	32	1,391.6	31
Port Solutions	512.6	38	430.3	38	1,655.3	37
./. Internal	-67.0		-44.2		-261.6	
Total	**1,289.6**	**100**	**1,097.5**	**100**	**4,227.9**	**100**

Order book total [1]	31.3.2023	% of total	31.3.2022	% of total	31.12.2022	% of total
Service	461.8	14	396.4	16	445.5	15
Industrial Equipment	986.1	30	854.8	34	857.2	30
Port Solutions	1,833.6	56	1,233.9	50	1,599.0	55
Total	**3,281.4**	**100**	**2,485.2**	**100**	**2,901.7**	**100**

[1] *Percentage of completion deducted*

Sales	1–3/2023	% of total	1–3/2022	% of total	1–12/2022	% of total
Service	353.6	37	301.1	42	1,343.3	38
Industrial Equipment	331.3	35	243.1	34	1,205.6	34
Port Solutions	272.8	28	176.0	24	1,015.0	28
./. Internal	-58.4		-48.1		-199.2	
Total	**899.3**	**100**	**672.1**	**100**	**3,364.8**	**100**

Comparable EBITA	1–3/2023 MEUR	EBITA %	1–3/2022 MEUR	EBITA %	1–12/2022 MEUR	EBITA %
Service	66.2	18.7	52.4	17.4	249.4	18.6
Industrial Equipment	22.7	6.8	-5.2	-2.1	32.5	2.7
Port Solutions	17.7	6.5	5.2	2.9	63.5	6.3
Group costs and eliminations	-11.3		-8.3		-27.0	
Total	**95.4**	**10.6**	**44.1**	**6.6**	**318.4**	**9.5**

Operating profit (EBIT)	1–3/2023 MEUR	EBIT %	1–3/2022 MEUR	EBIT %	1–12/2022 MEUR	EBIT %
Service	62.6	17.7	48.5	16.1	232.3	17.3
Industrial Equipment	20.1	6.1	-29.6	-12.2	-10.9	-0.9
Port Solutions	16.3	6.0	-20.1	-11.4	38.4	3.8
Group costs and eliminations	-13.3		-18.4		-36.6	
Total	**85.8**	**9.5**	**-19.5**	**-2.9**	**223.2**	**6.6**

Notes

Business segment assets	31.3.2023 MEUR	31.3.2022 MEUR	31.12.2022 MEUR
Service	1,531.9	1,440.8	1,502.5
Industrial Equipment	1,089.9	971.2	1,112.0
Port Solutions	1,100.3	968.8	1,070.0
Unallocated items	621.4	606.9	656.1
Total	**4,343.6**	**3,987.7**	**4,340.6**

Business segment liabilities	31.3.2023 MEUR	31.3.2022 MEUR	31.12.2022 MEUR
Service	253.4	214.4	252.5
Industrial Equipment	507.0	420.2	503.3
Port Solutions	610.8	491.1	539.3
Unallocated items	1,585.4	1,510.6	1,612.4
Total	**2,956.6**	**2,636.2**	**2,907.6**

Personnel (at the end of the period)	31.3.2023	% of total	31.3.2022	% of total	31.12.2022	% of total
Service	7,950	48	7,896	48	7,802	47
Industrial Equipment	5,416	33	5,528	33	5,529	33
Port Solutions	3,114	19	3,070	19	3,102	19
Group staff	99	1	87	1	89	1
Total	**16,579**	**100**	**16,581**	**100**	**16,522**	**100**

Notes

Orders received, Quarters	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Service	378.8	359.6	369.5	366.7	346.7
Industrial Equipment	465.2	306.9	334.3	385.7	364.7
Port Solutions	512.6	360.0	457.6	407.6	430.3
./. Internal	-67.0	-66.1	-73.5	-77.8	-44.2
Total	**1,289.6**	**960.3**	**1,087.9**	**1,082.1**	**1,097.5**

Order book, Quarters	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Service	461.8	445.5	490.0	457.2	396.4
Industrial Equipment	986.1	857.2	976.0	961.9	854.8
Port Solutions	1,833.6	1,599.0	1,586.2	1,406.4	1,233.9
Total	**3,281.4**	**2,901.7**	**3,052.1**	**2,825.4**	**2,485.2**

Sales, Quarters	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Service	353.6	376.0	347.1	319.1	301.1
Industrial Equipment	331.3	376.9	311.0	274.6	243.1
Port Solutions	272.8	328.4	273.3	237.3	176.0
./. Internal	-58.4	-60.3	-46.8	-43.9	-48.1
Total	**899.3**	**1,020.9**	**884.6**	**787.1**	**672.1**

Comparable EBITA, Quarters	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Service	66.2	79.3	68.1	49.6	52.4
Industrial Equipment	22.7	22.5	12.5	2.7	-5.2
Port Solutions	17.7	21.4	21.0	16.0	5.2
Group costs and eliminations	-11.3	-4.9	-6.3	-7.4	-8.3
Total	**95.4**	**118.2**	**95.3**	**60.9**	**44.1**

Comparable EBITA margin, Quarters	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Service	18.7	21.1	19.6	15.5	17.4
Industrial Equipment	6.8	6.0	4.0	1.0	-2.1
Port Solutions	6.5	6.5	7.7	6.7	2.9
Group EBITA margin total	**10.6**	**11.6**	**10.8**	**7.7**	**6.6**

Personnel, Quarters (at the end of the period)	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Service	7,950	7,802	7,832	7,939	7,896
Industrial Equipment	5,416	5,529	5,499	5,504	5,528
Port Solutions	3,114	3,102	3,112	3,082	3,070
Group staff	99	89	84	85	87
Total	**16,579**	**16,522**	**16,527**	**16,610**	**16,581**

Notes

6.2. Geographical areas

EUR million

Sales by market	**1–3/2023**	% of total	**1–3/2022**	% of total	**1–12/2022**	% of total
Europe-Middle East-Africa (EMEA)	459.3	51	301.0	45	1,714.1	51
Americas (AME)	321.2	36	270.7	40	1,201.1	36
Asia-Pacific (APAC)	118.8	13	100.4	15	449.7	13
Total	**899.3**	**100**	**672.1**	**100**	**3,364.8**	**100**

Personnel by region (at the end of the period)	**31.3.2023**	% of total	**31.3.2022**	% of total	**31.12.2022**	% of total
Europe-Middle East-Africa (EMEA)	9,628	58	9,708	59	9,565	58
Americas (AME)	3,201	19	3,034	18	3,131	19
Asia-Pacific (APAC)	3,750	23	3,839	23	3,826	23
Total	**16,579**	**100**	**16,581**	**100**	**16,522**	**100**

Sales by market, Quarters	**Q1/2023**	**Q4/2022**	**Q3/2022**	**Q2/2022**	**Q1/2022**
Europe-Middle East-Africa (EMEA)	459.3	586.2	452.1	374.7	301.0
Americas (AME)	321.2	307.5	312.8	310.0	270.7
Asia-Pacific (APAC)	118.8	127.2	119.7	102.4	100.4
Total	**899.3**	**1,020.9**	**884.6**	**787.1**	**672.1**

Personnel by region, Quarters (at the end of the period)	**Q1/2023**	**Q4/2022**	**Q3/2022**	**Q2/2022**	**Q1/2022**
Europe-Middle East-Africa (EMEA)	9,628	9,565	9,564	9,678	9,708
Americas (AME)	3,201	3,131	3,120	3,108	3,034
Asia-Pacific (APAC)	3,750	3,826	3,843	3,824	3,839
Total	**16,579**	**16,522**	**16,527**	**16,610**	**16,581**

Notes

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

EUR million	31.3.2023	31.3.2022	31.12.2022
The cumulative revenues of non-delivered projects	716.5	681.2	641.3
Advances received netted	527.2	515.6	457.9
Total	**189.3**	**165.6**	**183.5**
Gross advance received from percentage of completion method	673.2	630.0	572.2
Advances received netted	527.2	515.6	457.9
Total	**146.0**	**114.3**	**114.3**

Net sales recognized under the percentage of completion method amounted EUR 194.0 million in 1–3/2023 (EUR 25.2 million in 1–3/2022).

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

Advance payments received	31.3.2023	31.3.2022	31.12.2022
Advance received from percentage of completion method (netted)	146.0	114.3	114.3
Other advance received from customers	490.4	358.7	450.1
Total	**636.4**	**473.1**	**564.3**

8. IMPAIRMENTS

EUR million	1–3/2023	1–3/2022	1–12/2022
Goodwill	0.0	0.0	3.9
Property, plant and equipment	0.2	2.7	5.3
Total	**0.2**	**2.7**	**9.2**

Impairments of Property Plant and Equipment in 2023 relate to unused machines and 2022 mainly to war in Ukraine and restructuring actions.

9. RESTRUCTURING COSTS

Konecranes has recorded EUR 2.0 million restructuring costs during 1–3/2023 (EUR 0.2 million in 1–3/2022) of which EUR 0.0 million was impairment of assets (EUR 0.0 million for 1–3/2022). The remaining restructuring items are reported 1–3/2023 in personnel costs (EUR 0.1 million), in other operating expenses (EUR 3.3 million) and in other operating income (EUR 1.4 million).

10. INCOME TAXES

Taxes in statement of Income	1–3/2023	1–3/2022	1–12/2022
Local income taxes of group companies	24.0	3.7	63.8
Taxes from previous years	0.7	0.1	-0.6
Change in deferred taxes	-5.2	-11.9	-11.0
Total	**19.5**	**-8.1**	**52.2**

Notes

11. KEY FIGURES

	31.3.2023	31.3.2022	Change %	31.12.2022
Earnings per share, basic (EUR)	0.67	-0.26	356.6	1.77
Earnings per share, diluted (EUR)	0.66	-0.26	357.3	1.77
Alternative Performance Measures:				
Return on capital employed, %, Rolling 12 Months (R12M)	14.0	7.1	97.2	9.0
Comparable return on capital employed, %, Rolling 12 Months (R12M)	16.1	13.4	20.1	13.4
Return on equity, %, Rolling 12 Months (R12M)	15.5	8.4	84.5	9.9
Equity per share (EUR)	17.51	16.98	3.1	18.10
Gearing, %	42.3	40.3	5.0	48.0
Net debt / Comparable EBITDA, Rolling 12 Months (R12M)	1.3	1.4	-7.1	1.7
Equity to asset ratio, %	37.5	38.5	-2.6	37.9
Investments total (excl. acquisitions), EUR million	9.4	6.3	48.9	37.0
Interest-bearing net debt, EUR million	586.1	545.3	7.5	688.3
Net working capital, EUR million	375.1	322.8	16.2	490.2
Average number of personnel during the period	16,551	16,577	-0.2	16,563
Average number of shares outstanding, basic	79,178,879	79,134,459	0.1	79,151,542
Average number of shares outstanding, diluted	79,381,748	79,544,776	-0.2	79,508,099
Number of shares outstanding	79,202,250	79,134,459	0.1	79,166,599

Notes

Calculation of Alternative Performance Measures

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

Return on equity (%): $= \frac{\text{Net profit for the period}}{\text{Total equity (average during the period)}} \times 100$

Return on capital employed (%): $= \frac{\text{Income before taxes + interest paid + other financing cost}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}} \times 100$

Comparable return on capital employed, %: $= \frac{\text{Comparable EBITA}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}} \times 100$

Equity to asset ratio, % $= \frac{\text{Shareholders' equity}}{\text{Total amount of equity and liabilities - advance payment received}} \times 100$

Gearing, %: $= \frac{\text{Interest-bearing liabilities - liquid assets - loans receivable}}{\text{Total equity}} \times 100$

Equity per share: $= \frac{\text{Equity attributable to the shareholders of the parent company}}{\text{Number of shares outstanding}}$

Net working capital: = Non interest-bearing current assets excluding income tax receivables and other financial assets (derivatives) – Non interest-bearing current liabilities excluding income tax payables and other financial liabilities (derivatives) – long-term 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

Comparable EBITA: = Operating profit + Amortization and impairment of Purchase Price Allocations + Transaction and integration costs + Restructuring costs + other items affecting comparability

Notes

Reconciliation of Comparable EBITDA, EBITA and Operating profit (EBIT)	1–3/2023	1–3/2022	1–12/2022
Comparable EBITDA	**117.9**	**66.3**	**406.1**
Transaction and integration costs	0.0	-9.9	-8.7
Restructuring costs (excluding impairments)	-2.0	0.2	-14.1
Costs related to the impacts of the war in Ukraine (excluding impairments to property, plant and equipment)	-0.6	-44.3	-35.8
EBITDA	**115.3**	**12.3**	**347.6**
Depreciation, amortization and impairments	-29.5	-31.8	-124.4
Operating profit (EBIT)	**85.8**	**-19.5**	**223.2**
Comparable EBITA	**95.4**	**44.1**	**318.4**
Purchase price allocation amortization and goodwill impairment	-7.0	-6.9	-31.8
Comparable Operating profit (EBIT)	**88.4**	**37.1**	**286.6**
Transaction and integration costs	0.0	-9.9	-8.7
Restructuring costs	-2.0	0.2	-17.0
Costs related to the impacts of the war in Ukraine	-0.6	-46.9	-37.8
Operating profit (EBIT)	**85.8**	**-19.5**	**223.2**

Interest-bearing net debt	31.3.2023	31.3.2022	31.12.2022
Non current interest bearing liabilities	904.8	446.8	1,056.4
Current interest bearing liabilities	53.8	452.9	49.8
Loans receivable	-4.1	-2.7	-3.9
Cash and cash equivalents	-368.4	-351.6	-413.9
Interest-bearing net debt	**586.1**	**545.3**	**688.4**

The period end exchange rates:	31.3.2023	31.3.2022	Change %	31.12.2022
USD - US dollar	1.088	1.110	2.1	1.067
CAD - Canadian dollar	1.474	1.390	-5.7	1.444
GBP - Pound sterling	0.879	0.846	-3.8	0.887
CNY - Chinese yuan	7.476	7.040	-5.8	7.358
SGD - Singapore dollar	1.446	1.503	3.9	1.430
SEK - Swedish krona	11.281	10.337	-8.4	11.122
AUD - Australian dollar	1.627	1.483	-8.8	1.569

The period average exchange rates:	31.3.2023	31.3.2022	Change %	31.12.2022
USD - US dollar	1.073	1.122	4.6	1.054
CAD - Canadian dollar	1.451	1.421	-2.1	1.370
GBP - Pound sterling	0.883	0.837	-5.3	0.853
CNY - Chinese yuan	7.342	7.123	-3.0	7.078
SGD - Singapore dollar	1.430	1.517	6.1	1.451
SEK - Swedish krona	11.203	10.481	-6.4	10.626
AUD - Australian dollar	1.570	1.550	-1.3	1.517

Notes

12. GUARANTEES, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

EUR million	31.3.2023	31.3.2022	31.12.2022
For own commercial obligations			
Guarantees	1,063.4	796.0	862.5
Other	66.4	45.4	72.7
Total	**1,129.7**	**841.4**	**935.2**

Guarantees

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

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

Contingent liabilities relating to litigation

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

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

Notes

13. FINANCIAL ASSETS AND LIABILITIES

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

EUR million **Financial assets 31.3.2023**	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	578.9	578.9
Derivative financial instruments	9.3	10.7	0.0	20.0
Cash and cash equivalents	0.0	0.0	368.4	368.4
Total	**9.3**	**10.7**	**947.3**	**967.3**

Financial liabilities 31.3.2023				
Non-current financial liabilities				
Interest-bearing liabilities	0.0	0.0	904.8	904.8
Other payable	0.0	0.0	7.6	7.6
Current financial liabilities				
Interest-bearing liabilities	0.0	0.0	53.8	53.8
Derivative financial instruments	5.3	2.8	0.0	8.2
Accounts and other payable	0.0	0.0	380.6	380.6
Total	**5.3**	**2.8**	**1,346.8**	**1,355.0**

EUR million **Financial assets 31.3.2022**	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	486.1	486.1
Derivative financial instruments	1.6	5.7	0.0	7.3
Cash and cash equivalents	0.0	0.0	351.6	351.6
Total	**1.6**	**5.7**	**837.7**	**845.0**

Financial liabilities 31.3.2022				
Non-current financial liabilities				
Interest-bearing liabilities	0.0	0.0	446.8	446.8
Other payable	0.0	0.0	8.1	8.1
Current financial liabilities				
Interest-bearing liabilities	0.0	0.0	452.9	452.9
Derivative financial instruments	8.3	6.6	0.0	14.9
Accounts and other payable	0.0	0.0	324.0	324.0
Total	**8.3**	**6.6**	**1,231.8**	**1,246.7**

Notes

EUR million Financial assets 31.12.2022	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	622.5	622.5
Derivative financial instruments	12.2	31.5	0.0	43.7
Cash and cash equivalents	0.0	0.0	413.9	413.9
Total	**12.2**	**31.5**	**1,036.3**	**1,080.0**

Financial liabilities 31.12.2022				
Non-current financial liabilities				
Interest-bearing liabilities	0.0	0.0	1,056.4	1,056.4
Other payable	0.0	0.0	7.9	7.9
Current financial liabilities				
Interest-bearing liabilities	0.0	0.0	49.8	49.8
Derivative financial instruments	10.7	5.2	0.0	15.9
Accounts and other payable	0.0	0.0	362.4	362.4
Total	**10.7**	**5.2**	**1,476.4**	**1,492.3**

During the first quarter 2023 the Group voluntarily prepaid EUR 150 million bilateral term loan in full with its cash reserves. At the end of the quarter, the Group's liquid cash reserves were EUR 368.4 million (31.3.2022: EUR 351.6 million). For safeguarding the Group's cash position, the Group has established EUR 400 million committed revolving credit facility with an international loan syndication (2017–2024), which remained undrawn at the end of March 2023. In addition, the Group may draw short term financing from the domestic commercial paper markets within the EUR 500 million limit, which was unutilized at the end of March 2023 (31.3.2022: EUR 80 million).

At the end of March 2023, the outstanding short- and long-term loan portfolio consists of: EUR 400 million term loans, EUR 377 million Schuldschein loan and EUR 25 million employment pension loan. The loan portfolio contains floating and fixed rate tranches and interest swaps. The weighted average interest rate for these loans is at the end of period 3.22% per annum. The Group is in compliance with the quarterly monitored financial covenant (gearing). No specific securities have been given for the loans. The Group continues to have healthy gearing ratio of 42.3% (31.3.2022: 40.3%) 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

13.2 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 **31.3.2023**	Carrying amount **31.3.2022**	Carrying amount **31.12.2022**	Fair value **31.3.2023**	Fair value **31.3.2022**	Fair value **31.12.2022**
Current financial assets						
Account and other receivables	578.9	486.1	622.5	578.9	486.1	622.5
Derivative financial instruments	20.0	7.3	43.7	20.0	7.3	43.7
Cash and cash equivalents	368.4	351.6	413.9	368.4	351.6	413.9
Total	**967.3**	**845.0**	**1,080.0**	**967.3**	**845.0**	**1,080.0**

Financial liabilities						
Non-current financial liabilities						
Interest-bearing liabilities	904.8	446.8	1,056.4	954.2	448.8	1,082.4
Other payable	7.6	8.1	7.9	7.6	8.1	7.9
Current financial liabilities						
Interest-bearing liabilities	53.8	452.9	49.8	53.8	453.6	49.8
Derivative financial instruments	8.2	14.9	15.9	8.2	14.9	15.9
Accounts and other payable	380.6	324.0	362.4	380.6	324.0	362.4
Total	**1,355.0**	**1,246.6**	**1,492.3**	**1,404.3**	**1,249.3**	**1,518.3**

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

13.3 Hierarchy of fair values

	31.3.2023			31.3.2022			31.12.2022		
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	18.5	0.0	0.0	6.7	0.0	0.0	41.9	0.0
Currency options	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fuel oil derivative	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0
Interest rate derivative	0.0	1.4	0.0	0.0	0.0	0.0	0.0	1.8	0.0
Total	**0.0**	**20.0**	**0.0**	**0.0**	**7.3**	**0.0**	**0.0**	**43.7**	**0.0**
Other financial assets									
Cash and cash equivalents	366.6	0.0	1.8	351.6	0.0	0.0	413.1	0.0	0.8
Total	**366.6**	**0.0**	**1.8**	**351.6**	**0.0**	**0.0**	**413.1**	**0.0**	**0.8**
Total financial assets	**366.6**	**20.0**	**1.8**	**351.6**	**7.3**	**0.0**	**413.1**	**43.7**	**0.8**
Financial liabilities									
Derivative financial instruments									
Foreign exchange forward contracts	0.0	8.1	0.0	0.0	14.0	0.0	0.0	15.8	0.0
Interest rate derivative	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0
Fuel oil derivative	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Total	**0.0**	**8.2**	**0.0**	**0.0**	**14.9**	**0.0**	**0.0**	**15.9**	**0.0**
Other financial liabilities									
Interest bearing liabilities	0.0	958.6	0.0	0.0	899.6	0.0	0.0	1,106.2	0.0
Other payables	0.0	0.0	0.5	0.0	0.0	0.8	0.0	0.0	0.8
Total	**0.0**	**958.6**	**0.5**	**0.0**	**899.6**	**0.8**	**0.0**	**1,106.2**	**0.8**
Total financial liabilities	**0.0**	**966.8**	**0.5**	**0.0**	**914.5**	**0.8**	**0.0**	**1,122.1**	**0.8**

14. HEDGE ACTIVITIES AND DERIVATIVES

EUR million	**31.3.2023** Nominal value	**31.3.2023** Fair value	**31.3.2022** Nominal value	**31.3.2022** Fair value	**31.12.2022** Nominal value	**31.12.2022** Fair value
Foreign exchange forward contracts	1,482.8	10.4	1,261.2	-7.3	1,609.6	26.1
Currency options	20.0	0.0	0.0	0.0	0.0	0.0
Interest rate derivative	300.0	1.4	90.6	-0.8	300.0	1.8
Fuel oil derivative	1.2	0.0	1.4	0.5	1.7	-0.1
Total	**1,804.0**	**11.8**	**1,353.2**	**-7.6**	**1,911.3**	**27.8**

Derivatives not designated as hedging instruments in hedge accounting

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

Notes

CASH FLOW HEDGES

Foreign currency risk

Foreign exchange forward contracts and interest rate swaps measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales and purchases in US dollar and interest expenses. These forecast transactions are highly probable, and they comprise about 42.3% 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 and interest rate swaps 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, purchases and interest expenses in 2023 and 2022 were assessed to be highly effective and a net unrealized gain or loss, with a deferred tax asset relating to the hedging instruments, is included in OCI. The amounts recognized in OCI are shown in the table below and the reclassifications to profit or loss during the year are as shown in the consolidated statement of income.

Fair value reserve of cash flow hedges

EUR million	31.3.2023	31.3.2022	31.12.2022
Balance as of January 1	-1.1	-2.7	-2.7
Gains and losses deferred to equity (fair value reserve)	7.8	0.9	2.0
Change in deferred taxes	-1.6	-0.2	-0.4
Balance as of the end of period	**5.1**	**-2.0**	**-1.1**

15. TRANSACTIONS WITH RELATED PARTIES

EUR million	1–3/2023	1–3/2022	1–12/2022
Sales of goods and services with associated companies and joint arrangements	4.6	4.6	25.4
Receivables from associated companies and joint arrangements	3.4	3.4	4.1
Purchases of goods and services from associated companies and joint arrangements	16.7	14.6	64.5
Liabilities to associated companies and joint arrangements	3.9	2.1	1.5

16. SUBSEQUENT EVENTS

Konecranes acquired April 1st, 2023 the industrial and nuclear crane and crane service operations of privately held Whiting Corporation in USA. The business being acquired has some 130 employees in 7 locations. The purchase price for the acquired business was approximately EUR 37 million.

ANALYST AND PRESS BRIEFING

A live international webcast and telephone conference for analysts, investors and media will be arranged on April 28, 2023, at 11:30 a.m. EEST. The Interim report will be presented by President and CEO Anders Svensson and CFO Teo Ottola.

Please see the press release dated April 14, 2023, for the webcast and telephone conference details.

NEXT REPORT

Konecranes Plc plans to publish its Half-year financial report, January–June 2023 on July 26, 2023.

KONECRANES PLC

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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 2022, Group sales totaled EUR 3.4 billion. The Group has approximately 16,600 employees in around 50 countries. Konecranes shares are listed on the Nasdaq Helsinki (symbol: KCR).

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