

All-time high  
quarterly comparable  
EBITA margin

Interim Report  
January–September 2023

**Q3**



# All-time high quarterly comparable EBITA margin

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.

## THIRD QUARTER HIGHLIGHTS

- Order intake EUR 852.9 million (1,087.9), -21.6 percent (-18.7 percent on a comparable currency basis), order intake decreased in all three segments
- Service annual agreement base value EUR 321.0 million (315.5), +1.7 percent (+6.0 percent on a comparable currency basis)
- Service order intake EUR 359.6 million (369.5), -2.7 percent (+2.2 percent on a comparable currency basis)
- Order book EUR 3,282.1 million (3,052.1) at the end of September, +7.5 percent (+11.7 percent on a comparable currency basis)
- Sales EUR 1,005.1 million (884.6), +13.6 percent (+18.3 percent on a comparable currency basis), sales increased in all three segments
- Comparable EBITA margin 12.3 percent (10.8) and comparable EBITA EUR 123.2 million (95.3); the increase in the comparable EBITA margin was mainly attributable to higher sales volumes and pricing
- Operating profit EUR 97.2 million (91.5), 9.7 percent of sales (10.3), items affecting comparability totaled EUR 18.0 million (-7.2), mainly comprising of restructuring costs
- Earnings per share (diluted) EUR 0.88 (0.77)
- Free cash flow EUR 114.6 million (-38.2)

## 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.

## JANUARY–SEPTEMBER 2023 HIGHLIGHTS

- Order intake EUR 3,235.4 million (3,267.6). -1.0 percent (+1.0 percent on a comparable currency basis)
- Service order intake EUR 1,112.9 million (1,083.0), +2.8 percent (+5.0 percent on a comparable currency basis)
- Sales EUR 2,817.4 million (2,343.9), +20.2 percent (+22.8 percent on a comparable currency basis)
- Comparable EBITA margin 11.2 percent (8.5) and comparable EBITA EUR 316.9 million (200.2); the comparable EBITA margin increased in all three segments
- Operating profit EUR 280.9 million (120.1), 10.0 percent of sales (5.1), items affecting comparability totaled EUR 12.9 million (55.3), mainly comprising of restructuring costs
- Earnings per share (diluted) EUR 2.26 (0.86)
- Free cash flow EUR 344.6 million (-66.2)
- Net debt EUR 518.0 million (749.7) and gearing 34.3 percent (56.7)

## DEMAND OUTLOOK

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 on a high level, and long-term prospects related to global container handling remain good overall.

# Key figures

	Third quarter			January–September			R12M	1–12/2022
	7–9/2023	7–9/2022	Change %	1–9/2023	1–9/2022	Change %		
Orders received, MEUR <sup>1)</sup>	852.9	1,087.9	-21.6	3,235.4	3,267.6	-1.0	4,195.7	4,227.9
Order book at end of period, MEUR				3,282.1	3,052.1	7.5		2,901.7
Sales total, MEUR	1,005.1	884.6	13.6	2,817.4	2,343.9	20.2	3,838.4	3,364.8
Comparable EBITDA, MEUR <sup>2)</sup>	143.6	117.1	22.7	380.1	265.9	43.0	520.3	406.1
Comparable EBITDA, % <sup>2)</sup>	14.3%	13.2%		13.5%	11.3%		13.6%	12.1%
Comparable EBITA, MEUR <sup>2)</sup>	123.2	95.3	29.3	316.9	200.2	58.2	435.1	318.4
Comparable EBITA, % <sup>2)</sup>	12.3%	10.8%		11.2%	8.5%		11.3%	9.5%
Comparable operating profit, MEUR <sup>2)</sup>	115.2	84.3	36.6	293.8	175.4	67.5	405.1	286.6
Comparable operating margin, % <sup>2)</sup>	11.5%	9.5%		10.4%	7.5%		10.6%	8.5%
Operating profit, MEUR	97.2	91.5	6.2	280.9	120.1	133.8	383.9	223.2
Operating margin, %	9.7%	10.3%		10.0%	5.1%		10.0%	6.6%
Profit before taxes, MEUR	93.8	83.4	12.5	243.5	91.7	165.6	342.5	190.7
Net profit for the period, MEUR	69.9	60.0	16.5	179.2	66.0	171.5	251.7	138.5
Earnings per share, basic, EUR	0.88	0.77	14.2	2.26	0.86	162.5	3.17	1.77
Earnings per share, diluted, EUR	0.88	0.77	14.3	2.26	0.86	162.9	3.16	1.77
Gearing, %				34.3%	56.7%			48.0%
Net debt / Comparable EBITDA, R12M <sup>2)</sup>				1.0	1.9			1.7
Return on capital employed, %							15.5%	9.0%
Comparable return on capital employed, % <sup>3)</sup>							17.5%	13.4%
Free cash flow, MEUR	114.6	-38.2		344.6	-66.2		435.5	24.6
Average number of personnel during the period				16,483	16,573	-0.5		16,563

<sup>1)</sup> Previous year restated due to the change in reporting for including agreement base sales in orders received

<sup>2)</sup> Excluding items affecting comparability, see also note 11 in the summary financial statements

<sup>3)</sup> ROCE excluding items affecting comparability, see also note 11 in the summary financial statements

## CEO Anders Svensson:

***Konecranes had a strong Q3. Sales grew 18.3% year-on-year in comparable currencies. As a result, we posted an all-time high comparable EBITA margin of 12.3%, reaching our financial target range of 12–15% for the first time on a quarterly basis. The excellent Q3 performance gives us confidence to deliver further sales growth and profitability improvement despite the weaker macro-environment around us.***

Our demand environment remained good in general in Q3. Order intake decreased 18.7% year-on-year on a comparable currency basis, not due to the weakened macro-environment but rather the timing of Port Solutions' customer decision-making. Our orderbook was €3.3 billion at the end of September, 11.7% higher than a year ago on a comparable currency basis.

Our delivery capability continued at the same good level as in previous quarters. Group sales exceeded €1.0 billion and were 18.3% higher versus a year ago on a comparable currency basis. Despite the good sales execution, we continued to encounter some deliveries postponed by customers and global supply chain challenges.

As a result of the higher sales and continued positive pricing impact, we posted an all-time high Group comparable EBITA margin of 12.3%. Profitability improved year-on-year in all three Business Segments, most notably in Industrial Equipment. Also cashflow remained on a strong level.

Turning to our Business Segments, Service's order intake increased 2.2% year-on-year in comparable currencies. Sales increased 11.5% year-on-year in comparable currencies mainly due to volume growth and pricing. The comparable EBITA margin improved once again and was 20.9%. The agreement base value also continued to grow and in comparable currencies was 6.0% higher at the end of Q3 versus a year ago.

Both Industrial Equipment's external orders and external sales increased by 3.7% year-on-year in comparable currencies. Accordingly, the comparable EBITA margin increased year-on-year to 7.1%, mainly driven by higher sales due to pricing and a positive sales mix. Our Industrial Service and Equipment optimization program progressed as planned, and as a result, we booked restructuring costs of €17.5 million in Industrial Equipment at the end of the quarter.

In Port Solutions, order intake totaled €232 million, decreasing 48.5% year-on-year in comparable currencies. The decline was mainly driven by the timing of customer decision-making, especially regarding larger projects. Sales execution

improved and sales increased 40.8% year-on-year in comparable currencies. Accordingly, comparable EBITA margin broke a new record for Q3 and was 8.3%, mainly due to the higher sales volumes. Port Solutions ended the quarter with an orderbook value of over EUR 1.8 billion, providing a solid foundation for future revenues.

Our demand environment has remained good so far, although the macroeconomic indicators have signaled weakening operating conditions throughout the year. We continue to see some signs of slowing down within our industrial customer segments, but at the same time, we expect demand to remain on a healthy level. Regarding our port customers, container throughput continues to be on a high level, and long-term prospects related to container handling remain good. Our Port Solutions sales pipeline includes projects of all sizes, and we expect that Q3 was the trough for 2023 orders. That said, we do not expect Q4 orders to reach Q1–Q2 levels, as we are not expecting to sign any large projects due to the timing of customer decision-making.

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. Despite our continued good sales execution in Q3, material availability challenges are not fully over, and supply chains remain fragile.

As a natural continuation to Konecranes' purpose launched earlier this year – shaping next generation material handling for a smarter, safer and better world – we launched our new values in September. Every employee was invited to participate in the value determination process, and after months of extensive work, we now have a value set that reflects our company culture well. The four values – Putting customers first, Doing the right thing, Driving for the better, and Winning together – serve as the core foundation for our ambition to become the world leader in material handling solutions.

It has now been a year since I joined Konecranes as the President and CEO. I had high expectations when I started, and the past twelve months have only confirmed my initial positive impressions. I have traveled to multiple countries and met employees, customers, suppliers, investors and other stakeholders. The message from all these meetings has been clear: Konecranes is a great company and there is still potential for more.

This year, we have started to unlock that potential, as reflected in our strong Q3 performance. Despite the uncertainty around us, we keep working hard towards achieving our ambitious financial targets.

# Konecranes Plc's January–September 2023 Interim report

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 January–September 2023, Konecranes' operating environment was negatively impacted by economic uncertainty, high inflation, and interest rates. Supply chain conditions and delivery times improved compared to the previous year.

The world's manufacturing sector's operating conditions, according to the global manufacturing Purchasing Managers' Index (PMI), continued to weaken during the third quarter. September's PMI reading (49.1) improved slightly from the previous quarter but was the thirteenth consecutive month in contraction territory below the neutral 50 mark.

In the eurozone, the downturn in the manufacturing sector continued in the third quarter according to the manufacturing PMI, which was in contraction territory in September for the fifteenth successive month. September's PMI (43.4) was slightly higher than July's reading (42.7), which was the lowest reading since May 2020. In the US, the manufacturing sector's operating conditions also continued to deteriorate, as the manufacturing PMI was in contraction in September. However, September's PMI (49.8) was only marginally below the 50 mark and increased from the previous quarter. In the emerging markets, September's manufacturing PMI signaled improving operating conditions in India and China, but in Brazil, the PMI was in deterioration.

The manufacturing industry capacity utilization rate in the European Union decreased in the third quarter. The capacity utilization rate was at a lower level on a year-on-year basis, and it had fallen back below the pre-COVID-19 pandemic levels. The manufacturing industry capacity utilization rate in the US stayed approximately unchanged in September. The capacity utilization rate was slightly higher compared to the end of the previous quarter, and it was at a lower level on a year-on-year basis.

Global container throughput, according to the RWI/ISL Container Throughput Index, was at a relatively strong level in the third quarter compared to the historical readings although fluctuation continued. At the end of August, global

container throughput was approximately one percent higher than the year before.

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

## ORDERS RECEIVED

**In the third quarter**, orders received totaled EUR 852.9 million (1,087.9), representing a decrease of 21.6 percent. On a comparable currency basis, order intake decreased 18.7 percent. Orders received decreased in the Americas, EMEA and APAC.

In Service, orders received decreased 2.7 percent on a reported basis and increased 2.2 percent on a comparable currency basis. In Industrial Equipment, order intake decreased 2.7 percent on a reported basis and increased 1.6 percent on a comparable currency basis. External orders received in Industrial Equipment decreased 1.4 percent on a reported basis and increased 3.7 percent on a comparable currency basis. In Port Solutions, order intake decreased 49.4 percent on a reported basis and 48.5 percent on a comparable currency basis.

**In January–September**, orders received totaled EUR 3,235.4 million (3,267.6), representing a decrease of 1.0 percent. On a comparable currency basis, order intake increased 1.0 percent. Orders received decreased in EMEA and APAC but increased in the Americas.

In Service, order intake increased 2.8 percent on a reported basis and 5.0 percent on a comparable currency basis. In Industrial Equipment, orders received increased 5.0 percent on a reported basis and 6.9 percent on a comparable currency basis. External orders received in Industrial Equipment increased 7.0 percent on a reported basis and 9.2 percent on a comparable currency basis. In Port Solutions, order intake decreased 10.1 percent on a reported basis and 8.5 percent on a comparable currency basis.

## ORDER BOOK

At the end of September, the value of the order book totaled EUR 3,282.1 million (3,052.1), which was 7.5 percent higher compared to previous year. On a comparable currency basis, the order book increased 11.7 percent. The order book decreased 2.7 percent in Service and 0.4 percent in Industrial Equipment and increased 15.5 percent in Port Solutions.

## ORDERS RECEIVED AND NET SALES

	7-9/ 2023	7-9/ 2022	Change percent	Change % at comparable currency rates	1-9/ 2023	1-9/ 2022	Change percent	Change % at comparable currency rates	1-12/2022
Orders received, MEUR <sup>1)</sup>	852.9	1,087.9	-21.6	-18.7	3,235.4	3,267.6	-1.0	1.0	4,227.9
Net sales, MEUR	1,005.1	884.6	13.6	18.3	2,817.4	2,343.9	20.2	22.8	3,364.8

<sup>1)</sup> Previous year restated due to the change in reporting for including service agreement base sales in orders received

## SALES

**In the third quarter**, Group sales increased 13.6 percent to EUR 1,005.1 million (884.6). On a comparable currency basis, sales increased 18.3 percent. Sales increased 6.3 percent in Service, 4.1 percent in Industrial Equipment and 37.1 percent in Port Solutions. Industrial Equipment's external sales decreased 0.9 percent.

**In January–September**, Group sales totaled EUR 2,817.4 million (2,343.9), representing an increase of 20.2 percent. On a comparable currency basis, sales increased 22.8 percent. Sales increased 12.4 percent in Service, 18.9 percent in Industrial Equipment and 34.8 percent in Port Solutions. Industrial Equipment's external sales increased 16.3 percent.

At the end of September, the regional breakdown of sales, calculated on a rolling 12-month basis, was as follows: EMEA 51 (48), Americas 36 (37) and APAC 13 (15) percent.

## FINANCIAL RESULT

**In the third quarter**, the Group comparable EBITA increased to EUR 123.2 million (95.3). The comparable EBITA margin increased to 12.3 percent (10.8). The comparable EBITA margin was 20.9 percent (19.6) in Service, 7.1 percent (4.0) in Industrial Equipment and 8.3 percent (7.7) in Port Solutions. The increase in the Group comparable EBITA margin was mainly attributable to higher sales volumes and pricing. Gross margin stayed approximately unchanged on a year-on-year basis.

**In January–September**, the Group comparable EBITA increased to EUR 316.9 million (200.2). The comparable EBITA margin increased to 11.2 percent (8.5). The comparable EBITA margin increased in Service to 19.7 percent (17.6), in Industrial Equipment to 6.4 percent (1.2) and in Port Solutions to 7.3 percent (6.1). The increase in the Group comparable EBITA margin was mainly attributable to higher sales volumes and pricing.

In January–September, the consolidated comparable operating profit increased to EUR 293.8 million (175.4). The comparable operating margin increased to 10.4 percent (7.5).

In January–September, the consolidated operating profit totaled EUR 280.9 million (120.1). The operating profit includes items affecting comparability of EUR 12.9 million (55.3), which mainly comprised of restructuring costs, and Konecranes' final crane delivery to Russia in the second quarter with a lowering impact to items affecting comparability. The order was written off in 2022, and it was the only write-off delivered to Russia as breaching the contract would

have exposed the company to possible significant financial risk. 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 18.4 percent (16.3), in Industrial Equipment to 4.9 percent (-2.7) and in Port Solutions to 6.6 percent (2.3).

In January–September, depreciation and impairments totaled EUR 86.0 million (92.8). The impact arising from the purchase price allocation amortization and goodwill impairment represented EUR 22.6 million (24.8) of the depreciation and impairments.

In January–September, the share of the result in associated companies and joint ventures was EUR 0.4 million (0.5).

In January–September, financial income and expenses totaled EUR -37.9 million (-29.0). Net interest expenses accounted for EUR 23.9 million (15.8) 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–September, profit before taxes was EUR 243.5 million (91.7).

In January–September, income tax was EUR 64.3 million (25.7). The Group's effective tax rate was 26.4 percent (28.0).

In January–September, net profit was EUR 179.2 million (66.0).

In January–September, the basic earnings per share were EUR 2.26 (0.86) and the diluted earnings per share were EUR 2.26 (0.86).

On a rolling 12-month basis, the return on capital employed was 15.5 percent (8.4) and the return on equity 17.8 percent (10.4). The comparable return on capital employed was 17.5 percent (13.5).

## BALANCE SHEET

At the end of September, the consolidated balance sheet amounted to EUR 4,516.0 million (4,406.3). The total equity at the end of the reporting period was EUR 1,508.5 million (1,321.7). The total equity attributable to the equity holders of the parent company was EUR 1,508.5 million (1,316.7) or EUR 19.05 per share (16.63).

Net working capital totaled EUR 405.7 million (505.1). The decrease in net working capital resulted mainly from an increase in advance payments received. Sequentially, net working capital decreased by EUR 18.2 million.

## CASH FLOW AND FINANCING

In January–September, net cash from operating activities was EUR 376.3 million (-35.5). The increase in net cash from operating activities was mainly due to change in net working capital and higher operating income during the period. Cash flow before financing activities was EUR 315.5 million (-67.2), which included cash inflows of EUR 6.0 million (2.5) related to sale of property, plant and equipment, EUR 9.0 million (0.5) related to divestment of Businesses, and EUR 0.5 million (0.0) related to disposal of associated companies. It included cash outflows of EUR 37.7 million (33.2) related to capital expenditures, and EUR 38.6 million (1.6) related to acquisition of Group companies.

At the end of September, interest-bearing net debt was EUR 518.0 million (749.7). Net debt decreased mainly due to higher cash flow from operating activities. The equity to asset ratio was 39.6 percent (34.3) and gearing 34.3 percent (56.7).

At the end of September, cash and cash equivalents amounted to EUR 438.3 million (434.5). None of the Group's committed EUR 350 million back-up financing facility was in use at the end of the period.

In April 2023, Konecranes paid dividends, amounting to EUR 99.0 million or EUR 1.25 per share, to its shareholders.

## CAPITAL EXPENDITURE

In January–September, capital expenditure excluding acquisitions and joint arrangements amounted to EUR 32.1 million (25.8). The amount consisted mainly of investments in machinery and equipment, buildings, office equipment and information technology.

## ACQUISITIONS AND DIVESTMENTS

In January–September, the cash impact of capital expenditure for acquisitions and joint arrangements was EUR -38.6 million (-1.6). The cash impact of divestment of Businesses and disposal of associated companies was EUR 9.5 million (0.5).

In April 2023, Konecranes acquired the industrial and nuclear crane and crane service operations of privately held Whiting Corporation in USA. In June 2023, Konecranes acquired a small industrial crane service operation of Munch Cranes AS in Norway.

In April 2023, Konecranes divested MHE-Demag's Industrial Products business to Jebsen & Jessen.

## PERSONNEL

In January–September, the Group had an average of 16,483 employees (16,573). On September 30, 2023, the number

of personnel was 16,499 (16,527). In January–September, the Group's personnel decreased by 23 people net.

At the end of September, the number of personnel by operating segment was as follows: Service 7,956 employees (7,832), Industrial Equipment 5,230 employees (5,499), Port Solutions 3,213 employees (3,112) and Group staff 100 employees (84).

The Group had 9,743 (9,564) employees working in EMEA, 3,298 (3,120) in the Americas and 3,458 (3,843) 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.

On September 20, 2023, Konecranes announced that its ambitious sustainability work had been rewarded with a Gold rating for a third straight year from EcoVadis, one of the world's leading business sustainability rating agencies. Konecranes' actions, policies and reporting put it in the top 4% of all rated companies globally, and in the top 1% of its general-purpose machinery peers.

In January–September, sales of Konecranes' "eco portfolio", consisting of fully electrified and hybrid equipment, as well as modernizations and retrofits, totaled 55 percent of Konecranes' sales (53 percent in full-year 2022). For Service, the eco portfolio represented 17 percent of sales (16 percent in full-year 2022), for Industrial Equipment 100 percent (100 percent in full-year 2022) and for Port Solutions 55 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 life-cycle 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

	7-9/ 2023	7-9/ 2022	Change percent	Change % at comparable currency rates	1-9/ 2023	1-9/ 2022	Change percent	Change % at comparable currency rates	1-12/2022
Orders received, MEUR <sup>1)</sup>	359.6	369.5	-2.7	2.2	1,112.9	1,083.0	2.8	5.0	1,442.5
Order book, MEUR	476.8	490.0	-2.7	3.0	476.8	490.0	-2.7	3.0	445.5
Agreement base value, MEUR	321.0	315.5	1.7	6.0	321.0	315.5	1.7	6.0	306.9
Net sales, MEUR	368.8	347.1	6.3	11.5	1,086.9	967.4	12.4	14.8	1,343.3
Comparable EBITA, MEUR <sup>2)</sup>	77.2	68.1	13.3		214.5	170.1	26.1		249.4
Comparable EBITA, % <sup>2)</sup>	20.9%	19.6%			19.7%	17.6%			18.6%
Purchase price allocation amortization, MEUR	-4.6	-3.6	27.7		-12.8	-10.6	20.1		-14.3
Items affecting comparability, MEUR	-0.4	-1.2			-1.3	-2.1			-2.9
Operating profit (EBIT), MEUR	72.2	63.3	14.1		200.5	157.3	27.4		232.3
Operating profit (EBIT), %	19.6%	18.2%			18.4%	16.3%			17.3%
Personnel at the end of period	7,956	7,832	1.6		7,956	7,832	1.6		7,802

<sup>1)</sup> Previous year restated due to the change in reporting for including agreement base sales in orders received

<sup>2)</sup> Excluding items affecting comparability and purchase price allocation amortization. See also note 11 in the summary financial statements

## Operational highlights in Q3 2023:

- Deployment and implementation of the latest version of the field operative mobility tool is nearly complete. This latest version includes several features to improve the technological foundation allowing immediate and future enhancements. The goal is to create functionality to guide behavior and process adherence, provide feedback to field operatives, assist with intelligent troubleshooting, diagnosis, and repair in the field, allow for live tech support via video, etc. to create an improved employee and customer experience.
- Transportation, Aviation & Aerospace industry customers were the most active in seeking modernization solutions to improve the safety, productivity and sustainability of their equipment and businesses.

**In the third quarter**, order intake in Service decreased 2.7 percent to EUR 359.6 million (369.5). On a comparable currency basis, orders received increased 2.2 percent. Order intake decreased in field service and parts. Orders received decreased in the Americas and APAC but increased in EMEA.

The order book decreased 2.7 percent to EUR 476.8 million (490.0). On a comparable currency basis, the order book increased 3.0 percent.

The annual value of the agreement base increased 1.7 percent year-on-year to EUR 321.0 million (315.5). On a comparable currency basis, the annual value of the agreement base increased 6.0 percent. Sequentially, the annual value

of the agreement base increased 2.3 percent on a reported basis and 1.6 percent on a comparable currency basis.

Sales increased 6.3 percent to EUR 368.8 million (347.1). On a comparable currency basis, sales increased 11.5 percent. Sales increased in field service and parts. Sales increased in the Americas, EMEA and APAC.

The third-quarter comparable EBITA was EUR 77.2 million (68.1) and the comparable EBITA margin 20.9 percent (19.6). 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 72.2 million (63.3) and the operating margin 19.6 percent (18.2).

**In January–September**, orders received totaled EUR 1,112.9 million (1,083.0), corresponding to an increase of 2.8 percent. On a comparable currency basis, orders received increased 5.0 percent.

Sales increased 12.4 percent to EUR 1,086.9 million (967.4). On a comparable currency basis, sales increased 14.8 percent. Sales increased in field service and parts.

The comparable EBITA was EUR 214.5 million (170.1) and the comparable EBITA margin was 19.7 percent (17.6). The increase in the comparable EBITA margin was mainly attributable to sales growth driven by higher sales volumes and pricing. The operating profit was EUR 200.5 million (157.3) and the operating margin 18.4 percent (16.3).

## INDUSTRIAL EQUIPMENT

	7-9/ 2023	7-9/ 2022	Change percent	Change % at comparable currency rates	1-9/ 2023	1-9/ 2022	Change percent	Change % at comparable currency rates	1-12/2022
Orders received, MEUR <sup>1)</sup>	325.3	334.3	-2.7	1.6	1,138.6	1,084.7	5.0	6.9	1,391.6
of which external, MEUR	274.8	278.5	-1.4	3.7	1,000.8	935.5	7.0	9.2	1,194.8
Order book, MEUR	972.4	976.0	-0.4	5.1	972.4	976.0	-0.4	5.1	857.2
Net sales, MEUR	323.9	311.0	4.1	8.6	985.5	828.7	18.9	21.2	1,205.6
of which external, MEUR	279.4	281.9	-0.9	3.7	853.2	733.7	16.3	18.7	1,068.8
Comparable EBITA, MEUR <sup>2)</sup>	22.9	12.5	83.4		63.5	10.0	533.7		32.5
Comparable EBITA, % <sup>2)</sup>	7.1%	4.0%			6.4%	1.2%			2.7%
Purchase price allocation amortization, MEUR	-1.8	-5.7	-69.0		-5.3	-9.2	-42.6		-11.0
Items affecting comparability, MEUR	-17.5	2.8			-9.8	-22.8			-32.5
Operating profit (EBIT), MEUR	3.6	9.7	-62.3		48.5	-22.0	320.6		-10.9
Operating profit (EBIT), %	1.1%	3.1%			4.9%	-2.7%			-0.9%
Personnel at the end of period	5,230	5,499	-4.9		5,230	5,499	-4.9		5,529

<sup>1)</sup> Previous year restated due to the change in reporting for including agreement base sales in orders received

<sup>2)</sup> Excluding items affecting comparability and purchase price allocation amortization. See also note 11 in the summary financial statements

## Operational highlights in Q3 2023:

- Konecranes secured a large order from an environmentally sustainable scrap metal recycling steel rebar production company in the United States. The order includes multiple cranes including ladle, charge, rolling mill and shipping bay cranes for its new manufacturing facility. The mill plan design has an extremely low carbon footprint with up to a 50% reduction in emissions compared to other leading rebar mills with the ability to produce steel using 100% solar energy from an adjacent solar field.
- Konecranes secured a substantial order from a prominent industrial filter press manufacturer in China. The order encompasses a total of 35 cranes, featuring a mix of 5-ton and 10-ton CXT single girder cranes, 30-ton CXT double girder cranes, and a 5-ton CXT semi gantry crane. These specialized cranes are slated for use in the customers' new manufacturing facility.
- Konecranes received multiple orders from a large, global aerospace manufacturer for new equipment and modernizations in North America and Europe.

**In the third quarter**, Industrial Equipment's orders received totaled EUR 325.3 million (334.3), corresponding to a decrease of 2.7 percent. On a comparable currency basis, orders received increased 1.6 percent. External orders received decreased 1.4 percent on a reported basis and increased 3.7 percent on a comparable currency basis. Orders received was negatively impacted by the divestment of MHE-Demag's Industrial Products business. Order intake stayed approximately flat in process cranes, and increased in components and standard cranes. Orders received decreased in EMEA and APAC but increased in the Americas.

The order book decreased 0.4 percent to EUR 972.4 million (976.0). On a comparable currency basis, the order book increased 5.1 percent.

Sales increased 4.1 percent to EUR 323.9 million (311.0). On a comparable currency basis, sales increased 8.6 percent. External sales decreased 0.9 percent on a reported basis and increased 3.7 percent on a comparable currency basis. Sales increased in standard cranes and components but decreased in process cranes. Sales increased in EMEA but decreased in the Americas and APAC.

The third-quarter comparable EBITA was EUR 22.9 million (12.5) and the comparable EBITA margin 7.1 percent (4.0). The increase in the comparable EBITA margin was mainly attributable to higher sales driven by pricing, and positive sales mix. Gross margin increased on a year-on-year basis. Operating profit was EUR 3.6 million (9.7) and the operating margin 1.1 percent (3.1).

**In January–September**, orders received totaled EUR 1,138.6 million (1,084.7), corresponding to an increase of 5.0 percent. On a comparable currency basis, orders received increased 6.9 percent. External orders received increased 7.0 percent on a reported basis and 9.2 percent on a comparable currency basis. Order intake increased in standard cranes and process cranes, and remained approximately flat in components.

Sales increased 18.9 percent to EUR 985.5 million (828.7). On a comparable currency basis, sales increased 21.2 percent. External sales increased 16.3 percent on a reported basis and 18.7 percent on a comparable currency basis. Sales increased in standard cranes, process cranes and components.

The comparable EBITA was EUR 63.5 million (10.0) and the comparable EBITA margin 6.4 percent (1.2). The increase in the comparable EBITA margin was mainly attributable to higher sales volumes and pricing. The operating profit was EUR 48.5 million (-22.0) and the operating margin 4.9 percent (-2.7).

## PORT SOLUTIONS

	7-9/ 2023	7-9/ 2022	Change percent	Change % at comparable currency rates			Change % at comparable currency rates		
				1-9/ 2023	1-9/ 2022	Change percent	1-12/2022	Change percent	1-12/2022
Orders received, MEUR <sup>1)</sup>	231.6	457.6	-49.4	-48.5	1,164.5	1,295.4	-10.1	-8.5	1,655.3
Order book, MEUR	1,832.8	1,586.2	15.5	18.2	1,832.8	1,586.2	15.5	18.2	1,599.0
Net sales, MEUR	374.7	273.3	37.1	40.8	925.5	686.6	34.8	37.6	1,015.0
of which service, MEUR	60.6	56.2	7.9	12.9	168.8	161.4	4.6	7.1	226.1
Comparable EBITA, MEUR <sup>2)</sup>	31.1	21.0	48.3		67.1	42.2	59.1		63.5
Comparable EBITA, % <sup>2)</sup>	8.3%	7.7%			7.3%	6.1%			6.3%
Purchase price allocation amortization, MEUR	-1.6	-1.6	0.0		-4.9	-4.9	0.0		-6.6
Items affecting comparability, MEUR	-0.1	5.8			-1.2	-21.5			-18.6
Operating profit (EBIT), MEUR	29.4	25.1	16.9		61.0	15.8	287.0		38.4
Operating profit (EBIT), %	7.8%	9.2%			6.6%	2.3%			3.8%
Personnel at the end of period	3,213	3,112	3.2		3,213	3,112	3.2		3,102

<sup>1)</sup> Previous year restated due to the change in reporting for including agreement base sales in orders received

<sup>2)</sup> Excluding items affecting comparability and purchase price allocation amortization. See also note 11 in the summary financial statements

## Operational highlights in Q3 2023:

- Konecranes received a second order for two Ship-to-Shore (STS) cranes from the Klaipeda Container Terminal (Klaipėdos Konteinerių Terminalas) in the Port of Klaipeda, Lithuania. The terminal already operates four Konecranes STS cranes and 8 Konecranes RTG cranes. Next year Konecranes will deliver 2 more RTG cranes to this terminal which will be the first hybrid RTG cranes in the Baltic region. The terminal has been very pleased with the high productivity and reliability of the cranes.
- Konecranes received an order for 5 hybrid RTGs from Port Houston in Texas. Port Houston is continuing to hybridize RTG container handling to meet growing container traffic in an eco-efficient way. Houston's current RTG fleet consists of 116 Konecranes RTGs, of which 26 are hybrid RTGs. By early 2025, the hybrid RTG fleet will grow to 57 following this order and another one announced last October.
- Konecranes also received an order for 7 hybrid RTGs from CMA CGM Kaohsiung Terminal Co. in Taiwan. The CMA CGM Group continues to invest in new equipment for the future, and their container terminal at the Port of Kaohsiung chose Konecranes' innovative and market-leading hybrid RTGs to help streamline their operations and reduce carbon emissions.
- Also, the Puerto Bahia Colombia de Uraba, whose key shareholder is the CMA CGM Group, placed an order for 8 RTGs to a new container terminal at Puerto Antioquia, Colombia. The cranes are fully electric, powered by cable reels connected to the local grid.

**In the third quarter**, Port Solutions' order intake totaled EUR 231.6 million (457.6), representing a decrease of 49.4 percent. On a comparable currency basis, orders received decreased 48.5 percent. Orders received decreased in the Americas and EMEA but increased in APAC.

The order book increased 15.5 percent to EUR 1,832.8 million (1,586.2). On a comparable currency basis, the order book increased 18.2 percent.

Sales increased 37.1 percent to EUR 374.7 million (273.3). On a comparable currency basis, sales increased 40.8 percent.

The third-quarter comparable EBITA was EUR 31.1 million (21.0) and the comparable EBITA margin 8.3 percent (7.7). The increase in the comparable EBITA margin was mainly attributable to higher sales volumes. Gross margin decreased on a year-on-year basis. Operating profit was EUR 29.4 million (25.1) and the operating margin 7.8 percent (9.2).

**In January–September**, orders received totaled EUR 1,164.5 million (1,295.4), corresponding to a decrease of 10.1 percent. On a comparable currency basis, orders received decreased 8.5 percent.

Sales increased 34.8 percent to EUR 925.5 million (686.6). On a comparable currency basis, sales increased 37.6 percent.

The comparable EBITA was EUR 67.1 million (42.2) and the comparable EBITA margin 7.3 percent (6.1). The increase in the comparable EBITA margin was mainly attributable to higher sales volumes. Gross margin decreased on a year-on-year basis. Operating profit was EUR 61.0 million (15.8) and the operating margin 6.6 percent (2.3).

## GROUP OVERHEADS

In the third quarter, the comparable unallocated Group overhead costs and eliminations were EUR 8.0 million (6.3), representing 0.8 percent of sales (0.7).

The unallocated Group overhead costs and eliminations were EUR 8.0 million (6.6), representing 0.8 percent of sales (0.7). These included items affecting comparability of EUR 0.0 million (0.2).

In January–September, the comparable unallocated Group overhead costs and eliminations were EUR 28.3 million (22.1), representing 1.0 percent of sales (0.9).

The unallocated Group overhead costs and eliminations were EUR 29.0 million (31.0), representing 1.0 percent of sales (1.3). These included items affecting comparability of EUR 0.7 million (8.9).

## ADMINISTRATION

### Decisions of the Annual General Meeting

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 Morkkila, 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 Morkkila, 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 Pauli Anttila are deemed to be independent of the Company's significant shareholders. Niko Morkkila has been deemed to be independent of the company and its significant shareholders since May 2023.

Sami Piittisjärvi is deemed not to be independent of the Company due to his current position as an employee of Konecranes. 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.

### Shareholders' Nomination Board

On September 7, 2023, Konecranes announced the composition of the Shareholders' Nomination Board.

The following members were appointed to the Shareholders' Nomination Board:

- Reima Ryttsölä, CEO of Solidium, appointed by Solidium Oy,
- Stig Gustavson, appointed by Stig Gustavson and family,
- Markus Aho, Chief Investment Officer of Varma, appointed by Varma Mutual Pension Insurance Company, and
- Mikko Mursula, Deputy CEO, Investments of Ilmarinen, appointed by Ilmarinen Mutual Pension Insurance Company.

Christoph Vitzthum, the Chairman of the Board, serves as an expert in the Nomination Board without being a member.

The appointed Nomination Board will forward its proposals for the 2024 Annual General Meeting to the Board of Directors by January 31, 2024.

### Konecranes Leadership Team

In January–September, 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 (until September 6, 2023)
- Juha Pankakoski, Executive Vice President, Port Solutions (since September 7, 2023) and for the time being, 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 (until July 14, 2023)

On July 14, 2023, Konecranes announced that Topi Tiitola, SVP, Integration and Project Management and a member of the Konecranes Leadership Team had decided to leave the company. He stepped down from Konecranes Leadership Team on the same day.

On September 7, 2023, Konecranes announced that Juha Pankakoski had been appointed Executive Vice President, Port Solutions and member of the Konecranes Leadership Team. He started in this position on September 7, 2023, and succeeded Mika Mahlberg, Executive Vice President, Port Solutions, who stepped down from the Konecranes Leadership Team with immediate effect. Juha Pankakoski continues to lead the Technologies function until the successor for the Executive Vice President, Technologies is announced.

## SHARES AND TRADING

### Share capital and shares

On September 30, 2023, the company's registered share capital totaled EUR 30.1 million. On September 30, 2023, the number of shares including treasury shares totaled 79,221,906.

### Treasury shares

On September 30, 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 September 29, 2023, was EUR 31.46. The volume-weighted average share price in January–September was EUR 33.68, the highest price being EUR 39.62 in May and the lowest EUR 28.30 in March. In January–September, the trading volume on the Nasdaq Helsinki totaled 40.7 million, corresponding to a turnover of approximately EUR 1,370.8 million. The average daily trading volume was 215,344 shares representing an average daily turnover of EUR 7.3 million.

On September 29, 2023, the total market capitalization of Konecranes Plc was EUR 2,492.3 million including treasury

shares. The market capitalization was EUR 2,491.7 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 began 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–September, Konecranes received the following notifications of major shareholdings.

Date	Shareholder	Threshold	% of shares and voting rights	% of shares and voting rights through financial instruments	Total, %	Total, shares
May 16, 2023	HC Holding Oy Ab	Below 10%	0	0	0	0

## RISKS AND UNCERTAINTIES

Global component and labor availability challenges 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. Inflation may also increase risk for negative impact on Konecranes cash flow and result. Furthermore, high inflation can increase the likelihood of weaker demand conditions and credit losses.

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.

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 popu-

lism, patriotism, and protectionism in a number of economies. This has led and can lead to changes in supply chains as well as increases in tariffs on imported goods. These risks may result in a decrease in profitability.

Konecranes has made several acquisitions and expanded organically into new countries. A failure to integrate acquired businesses 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 risks and risk management are discussed in the Notes to the Financial Statements and the Governance Supplement to the Annual Report.

**STOCK EXCHANGE RELEASES DURING  
JANUARY–SEPTEMBER**

<b>Date</b>	<b>Release</b>
September 7, 2023	Composition of Konecranes Plc's Shareholders' Nomination Board
September 7, 2023	Changes in Konecranes Leadership Team: Juha Pankakoski appointed EVP, Port Solutions, Mika Mahlberg to leave the company
July 26, 2023	Konecranes Plc's Half-year financial report, January-June 2023: Sustained strong performance
July 14, 2023	Change in Konecranes' Leadership Team
June 15, 2023	Change in Konecranes' reporting languages starting from January 1, 2024
June 7, 2023	Changes in the Composition of the Konecranes' Shareholders' Nomination Board
May 16, 2023	Konecranes Plc: Notice pursuant to the Finnish Securities Market Act, Chapter 9, Section 10
May 10, 2023	Shaping next generation material handling for a smarter, safer and better world: Konecranes announces new financial targets
April 28, 2023	Konecranes Plc: Interim report, January-March 2023
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–SEPTEMBER**

- On September 20, 2023, Konecranes announced that its sustainability work was rewarded once again with a Gold rating from EcoVadis.
- On September 19, 2023, Konecranes announced that it won an 8 RTG order for a new container terminal in Colombia in drive for sustainable globalization. The order was booked in August 2023.
- On September 15, 2023, Konecranes announced that Port Houston ordered 5 more Konecranes RTGs, continuing its hybridization drive. The order was booked in Q3 2023.
- On August 9, 2023, Konecranes announced that it won an order in Taiwan for 7 hybrid RTGs. The order was booked in Q3 2023.
- On July 12, 2023, Konecranes announced that its January–June 2023 half-year financial report will be published on July 26, 2023.
- On June 30, 2023, Konecranes announced that CMP ordered 8 straddle carriers and 2 STS cranes from Konecranes for a new container terminal in Copenhagen. The order was booked in Q2 2023.
- On June 21, 2023, Konecranes announced that it had acquired the industrial crane service business of Norway's Munck Cranes AS to strengthen its Nordic operations.
- On June 16, 2023, Konecranes announced that it signed a EUR 350 million ESG-linked revolving credit facility.
- On June 1, 2023, Konecranes announced that the Belgian logistics company Zuidnatie ordered a Konecranes Generation 6 mobile harbor crane to raise capacity, lower emissions. The order was booked in Q2 2023.
- On May 3, 2023, Konecranes announced that Port of Virginia made an over EUR 130 million investment in 36 Konecranes Automated Stacking Cranes to improve capacity and efficiency. The order was booked in Q2 2023.
- On April 14, 2023, Konecranes announced that its Interim report, January–March 2023 will be published on April 28, 2023.
- On April 13, 2023, Konecranes announced that it supports a Cambodian port modernization with its first-ever mobile harbor crane order in the country. The order was booked in Q1 2023.
- On April 12, 2023, Konecranes announced changes in reporting its orders received and alternative performance measures.
- On April 5, 2023, Konecranes announced that it is to supply 4 cranes to Siemens Gamesa offshore wind power plant in Taiwan. The order was booked in Q1 2023.
- On April 4, 2023, Konecranes announced that it acquires Whiting Corporation's industrial and nuclear crane and crane service businesses to broaden its footprint in the North American market.

- 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.

### DEMAND OUTLOOK

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 on a high level, 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, October 25, 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	7–9/ 2023	7–9/ 2022	Change percent	1–9/ 2023	1–9/ 2022	Change percent	1–12/ 2022
<b>Sales</b>	7	<b>1,005.1</b>	<b>884.6</b>	<b>13.6</b>	<b>2,817.4</b>	<b>2,343.9</b>	<b>20.2</b>	<b>3,364.8</b>
Other operating income		1.5	3.4		7.2	6.6		8.1
Materials, supplies and subcontracting		-477.7	-392.2		-1,242.0	-1,007.3		-1,510.2
Personnel cost		-302.8	-271.9		-886.4	-821.2		-1,091.9
Depreciation and impairments	8	-28.2	-32.3		-86.0	-92.8		-124.4
Other operating expenses		-100.7	-100.2		-329.4	-309.1		-423.2
<b>Operating profit</b>		<b>97.2</b>	<b>91.5</b>	<b>6.2</b>	<b>280.9</b>	<b>120.1</b>	<b>133.8</b>	<b>223.2</b>
Share of associates' and joint ventures' result		-0.1	0.0		0.4	0.5		0.4
Financial income		3.4	21.3		19.3	45.2		26.8
Financial expenses		-6.7	-29.4		-57.2	-74.2		-59.7
<b>Profit before taxes</b>		<b>93.8</b>	<b>83.4</b>	<b>12.5</b>	<b>243.5</b>	<b>91.7</b>	<b>165.6</b>	<b>190.7</b>
Taxes	10	-23.9	-23.4		-64.3	-25.7		-52.2
<b>PROFIT FOR THE PERIOD</b>		<b>69.9</b>	<b>60.0</b>	<b>16.5</b>	<b>179.2</b>	<b>66.0</b>	<b>171.5</b>	<b>138.5</b>
<b>Profit for the period attributable to:</b>								
Shareholders of the parent company		69.9	61.2		179.2	68.2		140.3
Non-controlling interest		0.0	-1.2		0.0	-2.2		-1.8
Earnings per share, basic (EUR)		0.88	0.77	14.2	2.26	0.86	162.5	1.77
Earnings per share, diluted (EUR)		0.88	0.77	14.3	2.26	0.86	162.9	1.77

### Consolidated statement of other comprehensive income

EUR million	7–9/ 2023	7–9/ 2022	1–9/ 2023	1–9/ 2022	1–12/ 2022
<b>Profit for the period</b>	<b>69.9</b>	<b>60.0</b>	<b>179.2</b>	<b>66.0</b>	<b>138.5</b>
<b>Items that can be reclassified into profit or loss</b>					
Cash flow hedges	-6.1	-13.5	1.7	-29.4	2.0
Exchange differences on translating foreign operations	5.1	4.5	-6.1	20.7	-3.2
Income tax relating to items that can be reclassified into profit or loss	1.2	2.7	-0.3	5.9	-0.4
<b>Items that cannot be reclassified into profit or loss</b>					
Re-measurement gains (losses) on defined benefit plans	0.0	0.0	0.0	0.0	62.6
Income tax relating to items that cannot be reclassified into profit or loss	0.0	0.0	0.0	0.0	-18.7
<b>Other comprehensive income for the period, net of tax</b>	<b>0.3</b>	<b>-6.3</b>	<b>-4.8</b>	<b>-2.9</b>	<b>42.3</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>70.2</b>	<b>53.7</b>	<b>174.4</b>	<b>63.1</b>	<b>180.8</b>
<b>Total comprehensive income attributable to:</b>					
Shareholders of the parent company	70.2	54.9	174.4	65.9	183.1
Non-controlling interest	0.0	-1.2	0.0	-2.8	-2.3

# Consolidated balance sheet

EUR million

ASSETS	Note	30.9.2023	30.9.2022	31.12.2022
<b>Non-current assets</b>				
Goodwill		1,041.9	1,027.1	1,019.6
Intangible assets		467.9	483.9	475.4
Property, plant and equipment		349.3	352.5	345.9
Construction in progress		23.4	17.9	18.1
Investments accounted for using the equity method		6.8	7.3	7.8
Other non-current assets		0.8	0.8	0.8
Deferred tax assets		118.9	137.4	103.8
<b>Total non-current assets</b>		<b>2,009.0</b>	<b>2,026.7</b>	<b>1,971.4</b>
<b>Current assets</b>				
Inventories				
Raw material and semi-manufactured goods		416.0	400.9	395.5
Work in progress		662.5	598.0	551.9
Advance payments		58.1	50.5	45.3
Total inventories		1,136.5	1,049.4	992.7
Accounts receivable		553.7	526.6	585.6
Other receivables		39.2	34.2	32.9
Loans receivable		4.8	4.0	3.9
Income tax receivables		23.3	35.8	15.0
Contract assets	7	187.6	178.3	183.5
Other financial assets		22.1	17.3	43.7
Deferred assets		101.4	99.4	98.0
Cash and cash equivalents		438.3	434.5	413.9
<b>Total current assets</b>		<b>2,507.0</b>	<b>2,379.6</b>	<b>2,369.2</b>
<b>TOTAL ASSETS</b>		<b>4,516.0</b>	<b>4,406.3</b>	<b>4,340.6</b>

# Consolidated balance sheet

EUR million

EQUITY AND LIABILITIES	Note	30.9.2023	30.9.2022	31.12.2022
<b>Equity attributable to equity holders of the parent company</b>				
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	0.2	-26.3	-1.1
Translation difference		2.2	32.2	8.3
Other reserve		67.9	65.9	67.8
Retained earnings		436.9	354.6	395.5
Net profit for the period		179.2	68.2	140.3
<b>Total equity attributable to equity holders of the parent company</b>		<b>1,508.5</b>	<b>1,316.7</b>	<b>1,432.9</b>
Non-controlling interest		0.0	5.0	0.1
<b>Total equity</b>		<b>1,508.5</b>	<b>1,321.7</b>	<b>1,433.0</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	13	909.5	1,059.0	1,056.4
Other long-term liabilities		218.0	284.9	217.7
Provisions		18.8	22.9	19.0
Deferred tax liabilities		129.8	137.5	133.7
<b>Total non-current liabilities</b>		<b>1,276.0</b>	<b>1,504.3</b>	<b>1,426.8</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	13	51.6	129.3	49.8
Advance payments received	7	709.7	556.0	564.3
Accounts payable		317.2	299.0	306.2
Provisions		97.0	98.6	93.4
Other short-term liabilities (non-interest bearing)		51.1	49.3	56.1
Other financial liabilities		34.8	57.0	15.9
Income tax liabilities		51.1	34.1	31.7
Accrued costs related to delivered goods and services		194.5	170.3	165.1
Accruals		224.4	186.8	198.3
<b>Total current liabilities</b>		<b>1,731.5</b>	<b>1,580.4</b>	<b>1,480.8</b>
<b>Total liabilities</b>		<b>3,007.5</b>	<b>3,084.6</b>	<b>2,907.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,516.0</b>	<b>4,406.3</b>	<b>4,340.6</b>

# 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
<b>Balance at 1 January, 2023</b>	<b>30.1</b>	<b>39.3</b>	<b>752.7</b>	<b>-1.2</b>	<b>8.3</b>
Dividends paid to equity holders					
Equity-settled share based payments					
Profit for the period					
Other comprehensive income				1.4	-6.1
Total comprehensive income				1.4	-6.1
<b>Balance at 30 September, 2023</b>	<b>30.1</b>	<b>39.3</b>	<b>752.7</b>	<b>0.2</b>	<b>2.2</b>
<b>Balance at 1 January, 2022</b>	<b>30.1</b>	<b>39.3</b>	<b>752.7</b>	<b>-2.7</b>	<b>11.0</b>
Dividends paid to equity holders					
Equity-settled share based payments					
Profit for the period					
Other comprehensive income				-23.5	21.2
Total comprehensive income				-23.5	21.2
<b>Balance at 30 September, 2022</b>	<b>30.1</b>	<b>39.3</b>	<b>752.7</b>	<b>-26.3</b>	<b>32.2</b>

EUR million	Equity attributable to equity holders of the parent company				Total equity
	Other Reserve	Retained earnings	Total	Non-controlling interest	
<b>Balance at 1 January, 2023</b>	<b>67.8</b>	<b>535.9</b>	<b>1,432.9</b>	<b>0.1</b>	<b>1,433.0</b>
Dividends paid to equity holders		-99.0	-99.0	0.0	-99.0
Equity-settled share based payments	0.1	0.0	0.1		0.1
Acquisitions		0.0	0.0	-0.1	-0.1
Profit for the period		179.2	179.2	0.0	179.2
Other comprehensive income		0.0	-4.8	0.0	-4.8
Total comprehensive income	0.0	179.2	174.4	0.0	174.4
<b>Balance at 30 September, 2023</b>	<b>67.9</b>	<b>616.0</b>	<b>1,508.5</b>	<b>0.0</b>	<b>1,508.5</b>
<b>Balance at 1 January, 2022</b>	<b>65.7</b>	<b>455.4</b>	<b>1,351.3</b>	<b>9.2</b>	<b>1,360.5</b>
Dividends paid to equity holders		-98.9	-98.9	-0.3	-99.2
Equity-settled share based payments	0.2	0.0	0.2		0.2
Acquisitions		-1.8	-1.8	-1.2	-3.0
Profit for the period		68.2	68.2	-2.2	66.0
Other comprehensive income		0.0	-2.3	-0.5	-2.9
Total comprehensive income	0.0	68.2	65.9	-2.8	63.1
<b>Balance at 30 September, 2022</b>	<b>65.8</b>	<b>422.9</b>	<b>1,316.7</b>	<b>5.0</b>	<b>1,321.7</b>

# Consolidated cash flow statement

EUR million	1-9/2023	1-9/2022	1-12/2022
<b>Cash flow from operating activities</b>			
Profit for the period	179.2	66.0	138.5
Adjustments to net income			
Taxes	64.3	25.7	52.2
Financial income and expenses	37.9	29.0	32.9
Share of associates' and joint ventures' result	-0.4	-0.5	-0.4
Depreciation and impairments	86.0	92.8	124.4
Profits and losses on sale of fixed assets and businesses	-1.0	-2.6	-2.4
Other adjustments	-0.5	-2.9	-0.7
<b>Operating income before change in net working capital</b>	<b>365.5</b>	<b>207.5</b>	<b>344.5</b>
Change in interest-free current receivables	42.9	-41.2	-159.9
Change in inventories	-161.1	-298.2	-264.4
Change in interest-free current liabilities	195.7	198.1	262.0
<b>Change in net working capital</b>	<b>77.5</b>	<b>-141.3</b>	<b>-162.3</b>
<b>Cash flow from operations before financing items and taxes</b>	<b>443.0</b>	<b>66.1</b>	<b>182.2</b>
Interest received	32.7	18.5	28.0
Interest paid	-54.8	-36.2	-56.5
Other financial income and expenses	28.0	-36.7	-33.7
Income taxes paid	-72.6	-47.3	-53.3
<b>Financing items and taxes</b>	<b>-66.7</b>	<b>-101.7</b>	<b>-115.5</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>376.3</b>	<b>-35.5</b>	<b>66.7</b>
<b>Cash flow from investing activities</b>			
Acquisition of Group companies, net of cash	-38.6	-1.6	-1.6
Divestment of Businesses, net of cash	9.0	0.5	0.1
Proceeds from disposal of associated company	0.5	0.0	0.0
Capital expenditures	-37.7	-33.2	-44.7
Proceeds from sale of property, plant and equipment	6.0	2.5	2.6
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-60.8</b>	<b>-31.7</b>	<b>-43.6</b>
<b>Cash flow before financing activities</b>	<b>315.5</b>	<b>-67.2</b>	<b>23.1</b>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings	0.0	600.0	600.0
Repayments of borrowings	-155.7	-6.0	-331.7
Repayments of lease liability	-33.1	-34.0	-44.1
Proceeds from (+), payments of (-) current borrowings	-0.1	-289.0	-43.7
Change in loans receivable	-0.8	-1.1	-1.2
Acquired non controlling interest	-0.1	-3.0	-11.0
Dividends paid to equity holders of the parent	-99.0	-98.9	-98.9
Dividends paid to non-controlling interests	0.0	-0.3	-0.3
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-288.8</b>	<b>167.7</b>	<b>69.1</b>
Translation differences in cash	-2.3	13.4	1.0
<b>CHANGE OF CASH AND CASH EQUIVALENTS</b>	<b>24.5</b>	<b>113.8</b>	<b>93.2</b>
Cash and cash equivalents at beginning of period	413.9	320.7	320.7
Cash and cash equivalents at end of period	438.3	434.5	413.9
<b>CHANGE OF CASH AND CASH EQUIVALENTS</b>	<b>24.5</b>	<b>113.8</b>	<b>93.2</b>

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	1-9/2023	1-9/2022	1-12/2022
Net cash from operating activities	376.3	-35.5	66.7
Capital expenditures	-37.7	-33.2	-44.7
Proceeds from sale of property, plant and equipment	6.0	2.5	2.6
<b>Free cash flow</b>	<b>344.6</b>	<b>-66.2</b>	<b>24.6</b>

## 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 nine months ending 30.9.2023 and 30.9.2022 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:

#### EUR million

<b>Orders received, reported</b>	<b>Q1/2022</b>	<b>Q2/2022</b>	<b>Q3/2022</b>	<b>Q4/2022</b>	<b>1-12/2022</b>
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
<b>Total</b>	<b>1,029.6</b>	<b>1,007.8</b>	<b>1,012.5</b>	<b>879.1</b>	<b>3,928.9</b>

<b>Orders received, restated</b>	<b>Q1/2022</b>	<b>Q2/2022</b>	<b>Q3/2022</b>	<b>Q4/2022</b>	<b>1-12/2022</b>
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
<b>Total</b>	<b>1,097.5</b>	<b>1,082.1</b>	<b>1,087.9</b>	<b>960.3</b>	<b>4,227.9</b>

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

# Notes

## 5. ACQUISITIONS AND DIVESTMENTS

### 5.1. Acquisitions

Konecranes acquired in April 2023 the industrial and nuclear crane and crane service operations of privately held Whiting Corporation in USA. The purchase price for the acquired business was EUR 36.9 million.

The fair values of acquired businesses are as follows:

EUR million	Fair value
<b>Intangible assets</b>	
Clientele	14.6
Other intangible assets	1.4
Property, plant and equipment	0.4
Inventories	3.7
Accounts receivable	3.3
<b>Total assets</b>	<b>23.4</b>
<b>Other long-term liabilities</b>	<b>0.4</b>
Advances received	3.4
Accounts payable and other current liabilities	4.5
<b>Total liabilities</b>	<b>8.2</b>
<b>Net assets</b>	<b>15.2</b>
Purchase consideration, paid in cash	36.9
<b>Goodwill</b>	<b>21.8</b>
<b>Cash flow on acquisition</b>	
Purchase consideration, paid in cash	36.9
Transaction costs <sup>1)</sup>	0.7
<b>Net cash flow arising on acquisition</b>	<b>37.7</b>
<b>Goodwill allocation to Cash Generating Units:</b>	
Industrial Service	21.8
<b>Total</b>	<b>21.8</b>

<sup>1)</sup> Transaction costs of EUR 0.1 million in 2022 and EUR 0.6 million in 2023 have been expensed and are included in other operating expenses.

In June 2023 Konecranes acquired a small industrial crane service operation of Munck Cranes AS in Norway from the bankruptcy estate and paid EUR 1.7 million as purchase price for the acquired assets. The fair value of the acquired business was EUR 1.7 million for Intangible assets (clientele).

### 5.2. Divestments

In April 2023 Konecranes divested 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 sales price was EUR 9.0 million and Konecranes recorded EUR 0.2 million pre-tax profit from the transaction.

#### Carrying amounts of net assets over which control was lost:

Assets	
Property, plant and equipment	5.2
Investments accounted for using the equity method	0.6
Inventories	13.5
Other receivables	0.4
<b>Divested assets</b>	<b>19.7</b>
Liabilities	
Defined pension benefits	0.1
Advances received	9.7
Provisions	0.7
Accruals and other liabilities	0.3
<b>Divested liabilities</b>	<b>10.9</b>
<b>Net assets derecognized</b>	<b>8.8</b>
Consideration received	9.0

During the second quarter of 2023 Konecranes sold also its interests of two joint ventures in China (Jiangyin Dingli Shengshai High Tech Industrial Crane Company, Ltd and Guangzhou Techocranes Company, Ltd). The sales prices were in total EUR 0.5 million and Konecranes recorded EUR 0.2 million pre-tax losses from the transactions.

# Notes

## 6. SEGMENT INFORMATION

### 6.1. Operating segments

EUR million

Orders received	1-9/2023	% of total	1-9/2022	% of total	1-12/2022	% of total
Service	1,112.9	33	1,083.0	31	1,442.5	32
Industrial Equipment	1,138.6	33	1,084.7	31	1,391.6	31
Port Solutions	1,164.5	34	1,295.4	37	1,655.3	37
./. Internal	-180.5		-195.5		-261.6	
<b>Total</b>	<b>3,235.4</b>	<b>100</b>	<b>3,267.6</b>	<b>100</b>	<b>4,227.9</b>	<b>100</b>

Order book total <sup>1)</sup>	30.9.2023	% of total	30.9.2022	% of total	31.12.2022	% of total
Service	476.8	15	490.0	16	445.5	15
Industrial Equipment	972.4	30	976.0	32	857.2	30
Port Solutions	1,832.8	56	1,586.2	52	1,599.0	55
<b>Total</b>	<b>3,282.1</b>	<b>100</b>	<b>3,052.1</b>	<b>100</b>	<b>2,901.7</b>	<b>100</b>

<sup>1)</sup> Percentage of completion deducted

Sales	1-9/2023	% of total	1-9/2022	% of total	1-12/2022	% of total
Service	1,086.9	36	967.4	39	1,343.3	38
Industrial Equipment	985.5	33	828.7	33	1,205.6	34
Port Solutions	925.5	31	686.6	28	1,015.0	28
./. Internal	-180.5		-138.9		-199.2	
<b>Total</b>	<b>2,817.4</b>	<b>100</b>	<b>2,343.9</b>	<b>100</b>	<b>3,364.8</b>	<b>100</b>

Comparable EBITA	1-9/2023		1-9/2022		1-12/2022	
	MEUR	EBITA %	MEUR	EBITA %	MEUR	EBITA %
Service	214.5	19.7	170.1	17.6	249.4	18.6
Industrial Equipment	63.5	6.4	10.0	1.2	32.5	2.7
Port Solutions	67.1	7.3	42.2	6.1	63.5	6.3
Group costs and eliminations	-28.3		-22.1		-27.0	
<b>Total</b>	<b>316.9</b>	<b>11.2</b>	<b>200.2</b>	<b>8.5</b>	<b>318.4</b>	<b>9.5</b>

Operating profit (EBIT)	1-9/2023		1-9/2022		1-12/2022	
	MEUR	EBIT %	MEUR	EBIT %	MEUR	EBIT %
Service	200.5	18.4	157.3	16.3	232.3	17.3
Industrial Equipment	48.5	4.9	-22.0	-2.7	-10.9	-0.9
Port Solutions	61.0	6.6	15.8	2.3	38.4	3.8
Group costs and eliminations	-29.0		-31.0		-36.6	
<b>Total</b>	<b>280.9</b>	<b>10.0</b>	<b>120.1</b>	<b>5.1</b>	<b>223.2</b>	<b>6.6</b>

# Notes

	30.9.2023		30.9.2022		31.12.2022
<b>Business segment assets</b>	MEUR		MEUR		MEUR
Service	1,564.4		1,501.9		1,502.5
Industrial Equipment	1,077.0		1,112.0		1,112.0
Port Solutions	1,127.3		1,064.8		1,070.0
Unallocated items	747.3		727.5		656.1
<b>Total</b>	<b>4,516.0</b>		<b>4,406.3</b>		<b>4,340.6</b>

	30.9.2023		30.9.2022		31.12.2022
<b>Business segment liabilities</b>	MEUR		MEUR		MEUR
Service	290.3		248.0		252.5
Industrial Equipment	528.0		490.9		503.3
Port Solutions	657.2		545.3		539.3
Unallocated items	1,532.0		1,800.5		1,612.4
<b>Total</b>	<b>3,007.5</b>		<b>3,084.6</b>		<b>2,907.6</b>

<b>Personnel (at the end of the period)</b>	30.9.2023	% of total	30.9.2022	% of total	31.12.2022	% of total
Service	7,956	48	7,832	47	7,802	47
Industrial Equipment	5,230	32	5,499	33	5,529	33
Port Solutions	3,213	19	3,112	19	3,102	19
Group staff	100	1	84	1	89	1
<b>Total</b>	<b>16,499</b>	<b>100</b>	<b>16,527</b>	<b>100</b>	<b>16,522</b>	<b>100</b>

## Notes

<b>Orders received, Quarters</b>	<b>Q3/2023</b>	<b>Q2/2023</b>	<b>Q1/2023</b>	<b>Q4/2022</b>	<b>Q3/2022</b>	<b>Q2/2022</b>	<b>Q1/2022</b>
Service	359.6	374.5	378.8	359.6	369.5	366.7	346.7
Industrial Equipment	325.3	348.0	465.2	306.9	334.3	385.7	364.7
Port Solutions	231.6	420.4	512.6	360.0	457.6	407.6	430.3
./. Internal	-63.6	-50.0	-67.0	-66.1	-73.5	-77.8	-44.2
<b>Total</b>	<b>852.9</b>	<b>1,092.9</b>	<b>1,289.6</b>	<b>960.3</b>	<b>1,087.9</b>	<b>1,082.1</b>	<b>1,097.5</b>

<b>Order book, Quarters</b>	<b>Q3/2023</b>	<b>Q2/2023</b>	<b>Q1/2023</b>	<b>Q4/2022</b>	<b>Q3/2022</b>	<b>Q2/2022</b>	<b>Q1/2022</b>
Service	476.8	477.1	461.8	445.5	490.0	457.2	396.4
Industrial Equipment	972.4	968.2	986.1	857.2	976.0	961.9	854.8
Port Solutions	1,832.8	1,966.1	1,833.6	1,599.0	1,586.2	1,406.4	1,233.9
<b>Total</b>	<b>3,282.1</b>	<b>3,411.4</b>	<b>3,281.4</b>	<b>2,901.7</b>	<b>3,052.1</b>	<b>2,825.4</b>	<b>2,485.2</b>

<b>Sales, Quarters</b>	<b>Q3/2023</b>	<b>Q2/2023</b>	<b>Q1/2023</b>	<b>Q4/2022</b>	<b>Q3/2022</b>	<b>Q2/2022</b>	<b>Q1/2022</b>
Service	368.8	364.5	353.6	376.0	347.1	319.1	301.1
Industrial Equipment	323.9	330.4	331.3	376.9	311.0	274.6	243.1
Port Solutions	374.7	278.0	272.8	328.4	273.3	237.3	176.0
./. Internal	-62.2	-59.9	-58.4	-60.3	-46.8	-43.9	-48.1
<b>Total</b>	<b>1,005.1</b>	<b>913.0</b>	<b>899.3</b>	<b>1,020.9</b>	<b>884.6</b>	<b>787.1</b>	<b>672.1</b>

<b>Comparable EBITA, Quarters</b>	<b>Q3/2023</b>	<b>Q2/2023</b>	<b>Q1/2023</b>	<b>Q4/2022</b>	<b>Q3/2022</b>	<b>Q2/2022</b>	<b>Q1/2022</b>
Service	77.2	71.1	66.2	79.3	68.1	49.6	52.4
Industrial Equipment	22.9	17.9	22.7	22.5	12.5	2.7	-5.2
Port Solutions	31.1	18.2	17.7	21.4	21.0	16.0	5.2
Group costs and eliminations	-8.0	-9.0	-11.3	-4.9	-6.3	-7.4	-8.3
<b>Total</b>	<b>123.2</b>	<b>98.3</b>	<b>95.4</b>	<b>118.2</b>	<b>95.3</b>	<b>60.9</b>	<b>44.1</b>

<b>Comparable EBITA margin, Quarters</b>	<b>Q3/2023</b>	<b>Q2/2023</b>	<b>Q1/2023</b>	<b>Q4/2022</b>	<b>Q3/2022</b>	<b>Q2/2022</b>	<b>Q1/2022</b>
Service	20.9	19.5	18.7	21.1	19.6	15.5	17.4
Industrial Equipment	7.1	5.4	6.8	6.0	4.0	1.0	-2.1
Port Solutions	8.3	6.6	6.5	6.5	7.7	6.7	2.9
<b>Group EBITA margin total</b>	<b>12.3</b>	<b>10.8</b>	<b>10.6</b>	<b>11.6</b>	<b>10.8</b>	<b>7.7</b>	<b>6.6</b>

<b>Personnel, Quarters (at the end of the period)</b>	<b>Q3/2023</b>	<b>Q2/2023</b>	<b>Q1/2023</b>	<b>Q4/2022</b>	<b>Q3/2022</b>	<b>Q2/2022</b>	<b>Q1/2022</b>
Service	7,956	7,859	7,950	7,802	7,832	7,939	7,896
Industrial Equipment	5,230	5,240	5,416	5,529	5,499	5,504	5,528
Port Solutions	3,213	3,133	3,114	3,102	3,112	3,082	3,070
Group staff	100	99	99	89	84	85	87
<b>Total</b>	<b>16,499</b>	<b>16,331</b>	<b>16,579</b>	<b>16,522</b>	<b>16,527</b>	<b>16,610</b>	<b>16,581</b>

# Notes

## 6.2. Geographical areas

EUR million

Sales by market	1–9/2023	% of total	1–9/2022	% of total	1–12/2022	% of total
Europe-Middle East-Africa (EMEA)	1,385.2	49	1,127.8	48	1,714.1	51
Americas (AME)	1,065.3	38	893.5	38	1,201.1	36
Asia-Pacific (APAC)	366.9	13	322.5	14	449.7	13
<b>Total</b>	<b>2,817.4</b>	<b>100</b>	<b>2,343.9</b>	<b>100</b>	<b>3,364.8</b>	<b>100</b>

Personnel by region (at the end of the period)	30.9.2023	% of total	30.9.2022	% of total	31.12.2022	% of total
Europe-Middle East-Africa (EMEA)	9,743	59	9,564	58	9,565	58
Americas (AME)	3,298	20	3,120	19	3,131	19
Asia-Pacific (APAC)	3,458	21	3,843	23	3,826	23
<b>Total</b>	<b>16,499</b>	<b>100</b>	<b>16,527</b>	<b>100</b>	<b>16,522</b>	<b>100</b>

Sales by market, Quarters	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Europe-Middle East-Africa (EMEA)	487.1	438.8	459.3	586.2	452.1	374.7	301.0
Americas (AME)	393.9	350.3	321.2	307.5	312.8	310.0	270.7
Asia-Pacific (APAC)	124.1	124.0	118.8	127.2	119.7	102.4	100.4
<b>Total</b>	<b>1,005.1</b>	<b>913.0</b>	<b>899.3</b>	<b>1,020.9</b>	<b>884.6</b>	<b>787.1</b>	<b>672.1</b>

Personnel by region, Quarters (at the end of the period)	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Europe-Middle East-Africa (EMEA)	9,743	9,598	9,628	9,565	9,564	9,678	9,708
Americas (AME)	3,298	3,249	3,201	3,131	3,120	3,108	3,034
Asia-Pacific (APAC)	3,458	3,484	3,750	3,826	3,843	3,824	3,839
<b>Total</b>	<b>16,499</b>	<b>16,331</b>	<b>16,579</b>	<b>16,522</b>	<b>16,527</b>	<b>16,610</b>	<b>16,581</b>

# Notes

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

EUR million	30.9.2023	30.9.2022	31.12.2022
The cumulative revenues of non-delivered projects	878.9	669.8	641.3
Advances received netted	691.2	491.4	457.9
<b>Total</b>	<b>187.6</b>	<b>178.3</b>	<b>183.5</b>
Gross advance received from percentage of completion method	874.5	625.1	572.2
Advances received netted	691.2	491.4	457.9
<b>Total</b>	<b>183.2</b>	<b>133.7</b>	<b>114.3</b>

Net sales recognized under the percentage of completion method amounted EUR 390.8 million in 1–9/2023 (EUR 251.2 million in 1–9/2022).

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	30.9.2023	30.9.2022	31.12.2022
Advance received from percentage of completion method (netted)	183.2	133.7	114.3
Other advance received from customers	526.5	422.3	450.1
<b>Total</b>	<b>709.7</b>	<b>556.0</b>	<b>564.3</b>

## 8. IMPAIRMENTS

EUR million	1–9/2023	1–9/2022	1–12/2022
Goodwill	0.0	3.9	3.9
Property, plant and equipment	0.4	2.3	5.3
<b>Total</b>	<b>0.4</b>	<b>6.3</b>	<b>9.2</b>

Impairments of Property Plant and Equipment in 2023 relate to unused machines and restructuring and 2022 mainly to war in Ukraine and restructuring actions. Konecranes also conducted Goodwill impairment tests during Q3/2022 and impaired the Goodwill (EUR 3.9 million) of Agilon Cash Generating Unit due to decreased discounted cash flow projections.

## 9. RESTRUCTURING COSTS

Konecranes has recorded EUR 22.0 million restructuring costs during 1–9/2023 (EUR 5.9 million in 1–9/2022) of which EUR 0.2 million was impairment of assets (EUR 0.0 million for 1–9/2022). The remaining restructuring items are reported 1–9/2023 in personnel costs (EUR 19.6 million), in other operating expenses (EUR 4.9 million) and in other operating income (EUR 2.7 million).

# Notes

## 10. INCOME TAXES

Taxes in statement of Income	1-9/2023	1-9/2022	1-12/2022
Local income taxes of group companies	84.2	40.4	63.8
Taxes from previous years	-0.5	-1.6	-0.6
Change in deferred taxes	-19.4	-13.1	-11.0
<b>Total</b>	<b>64.3</b>	<b>25.7</b>	<b>52.2</b>

## 11. KEY FIGURES

	30.9.2023	30.9.2022	Change %	31.12.2022
Earnings per share, basic (EUR)	2.26	0.86	162.5	1.77
Earnings per share, diluted (EUR)	2.26	0.86	162.9	1.77
<b>Alternative Performance Measures:</b>				
Return on capital employed, %, Rolling 12 Months (R12M)	15.5	8.4	84.5	9.0
Comparable return on capital employed, %, Rolling 12 Months (R12M)	17.5	13.5	29.6	13.4
Return on equity, %, Rolling 12 Months (R12M)	17.8	10.4	71.2	9.9
Equity per share (EUR)	19.05	16.63	14.6	18.10
Gearing, %	34.3	56.7	-39.5	48.0
Net debt / Comparable EBITDA, Rolling 12 Months (R12M)	1.0	1.9	-47.4	1.7
Equity to asset ratio, %	39.6	34.3	15.5	37.9
Investments total (excl. acquisitions), EUR million	32.1	25.8	24.5	37.0
Interest-bearing net debt, EUR million	518.0	749.7	-30.9	688.3
Net working capital, EUR million	405.7	505.1	-19.7	490.2
Average number of personnel during the period	16,483	16,573	-0.5	16,563
Average number of shares outstanding, basic	79,194,545	79,146,467	0.1	79,151,542
Average number of shares outstanding, diluted	79,377,899	79,456,858	-0.1	79,508,099
Number of shares outstanding	79,202,250	79,166,599	0.0	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 (%):	=	$\frac{\text{Net profit for the period}}{\text{Total equity (average during the period)}}$	X 100
Return on capital employed (%):	=	$\frac{\text{Income before taxes + interest paid + other financing cost}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}}$	X 100
Comparable return on capital employed, %:	=	$\frac{\text{Comparable EBITA}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}}$	X 100
Equity to asset ratio, %:	=	$\frac{\text{Shareholders' equity}}{\text{Total amount of equity and liabilities - advance payment received}}$	X 100
Gearing, %:	=	$\frac{\text{Interest-bearing liabilities - liquid assets - loans receivable}}{\text{Total equity}}$	X 100
Equity per share:	=	$\frac{\text{Equity attributable to the shareholders of the parent company}}{\text{Number of shares outstanding}}$	
Net working capital:	=	$\begin{aligned} &\text{Non interest-bearing current assets excluding income tax receivables} \\ &\text{and other financial assets (derivatives)} \\ &- \text{Non interest-bearing current liabilities excluding income tax payables} \\ &\text{and other financial liabilities (derivatives) - long-term provisions} \end{aligned}$	
Interest-bearing net debt:	=	$\text{Interest-bearing liabilities (non current and current) - cash and cash equivalents - loans receivable (non current and current)}$	
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:	=	$\begin{aligned} &\text{Operating profit + Amortization and impairment of Purchase Price Allocations} \\ &+ \text{Transaction and integration costs + Restructuring costs} \\ &+ \text{other items affecting comparability} \end{aligned}$	

# Notes

Reconciliation of Comparable EBITDA, EBITA and Operating profit (EBIT)	1–9/2023	1–9/2022	1–12/2022
<b>Comparable EBITDA</b>	<b>380.1</b>	<b>265.9</b>	<b>406.1</b>
Transaction and integration costs	0.0	-8.7	-8.7
Restructuring costs (excluding impairments)	-21.8	-5.9	-14.1
Costs (-)/ income (+) related to the impacts of the war in Ukraine (excluding impairments of property, plant and equipment)	9.0	-38.4	-35.8
Release of purchase price allocation in inventories	-0.4	0.0	0.0
<b>EBITDA</b>	<b>366.9</b>	<b>212.9</b>	<b>347.6</b>
Depreciation, amortization and impairments	-86.0	-92.8	-124.4
<b>Operating profit (EBIT)</b>	<b>280.9</b>	<b>120.1</b>	<b>223.2</b>
<b>Comparable EBITA</b>	<b>316.9</b>	<b>200.2</b>	<b>318.4</b>
Purchase price allocation amortization and Goodwill impairment	-23.0	-24.8	-31.8
<b>Comparable Operating profit (EBIT)</b>	<b>293.8</b>	<b>175.4</b>	<b>286.6</b>
Transaction and integration costs	0.0	-8.7	-8.7
Restructuring costs	-22.0	-5.9	-17.0
Costs (-)/ income (+) related to the impacts of the war in Ukraine	9.0	-40.7	-37.8
<b>Operating profit (EBIT)</b>	<b>280.9</b>	<b>120.1</b>	<b>223.2</b>

Interest-bearing net debt	30.9.2023	30.9.2022	31.12.2022
Non current interest bearing liabilities	909.5	1,059.0	1,056.4
Current interest bearing liabilities	51.6	129.3	49.8
Loans receivable	-4.8	-4.0	-3.9
Cash and cash equivalents	-438.3	-434.5	-413.9
<b>Interest-bearing net debt</b>	<b>518.0</b>	<b>749.7</b>	<b>688.4</b>

The period end exchange rates:	30.9.2023	30.9.2022	Change %	31.12.2022
USD - US dollar	1.059	0.975	-8.0	1.067
CAD - Canadian dollar	1.423	1.340	-5.8	1.444
GBP - Pound sterling	0.865	0.883	2.1	0.887
CNY - Chinese yuan	7.735	6.937	-10.3	7.358
SGD - Singapore dollar	1.444	1.400	-3.1	1.430
SEK - Swedish krona	11.533	10.899	-5.5	11.122
AUD - Australian dollar	1.634	1.508	-7.7	1.569

The period average exchange rates:	30.9.2023	30.9.2022	Change %	31.12.2022
USD - US dollar	1.084	1.064	-1.8	1.054
CAD - Canadian dollar	1.458	1.364	-6.4	1.370
GBP - Pound sterling	0.871	0.847	-2.8	0.853
CNY - Chinese yuan	7.622	7.019	-7.9	7.078
SGD - Singapore dollar	1.453	1.463	0.7	1.451
SEK - Swedish krona	11.477	10.523	-8.3	10.626
AUD - Australian dollar	1.621	1.504	-7.2	1.517

# Notes

## 12. GUARANTEES, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

EUR million	30.9.2023	30.9.2022	31.12.2022
For own commercial obligations			
Guarantees	1,007.7	1,000.6	862.5
Other	62.7	65.5	72.7
<b>Total</b>	<b>1,070.4</b>	<b>1,066.1</b>	<b>935.2</b>

### 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	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
<b>Financial assets 30.9.2023</b>				
<b>Current financial assets</b>				
Account and other receivables	0.0	0.0	597.6	597.6
Derivative financial instruments	11.4	10.7	0.0	22.1
Cash and cash equivalents	0.0	0.0	438.3	438.3
<b>Total</b>	<b>11.4</b>	<b>10.7</b>	<b>1,036.0</b>	<b>1,058.1</b>

<b>Financial liabilities 30.9.2023</b>				
<b>Non-current financial liabilities</b>				
Interest-bearing liabilities	0.0	0.0	909.5	909.5
Other payable	0.0	0.0	8.1	8.1
<b>Current financial liabilities</b>				
Interest-bearing liabilities	0.0	0.0	51.6	51.6
Derivative financial instruments	15.4	19.5	0.0	34.8
Accounts and other payable	0.0	0.0	368.2	368.2
<b>Total</b>	<b>15.4</b>	<b>19.5</b>	<b>1,337.5</b>	<b>1,372.3</b>

EUR million	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
<b>Financial assets 30.9.2022</b>				
<b>Current financial assets</b>				
Account and other receivables	0.0	0.0	564.8	564.8
Derivative financial instruments	8.0	9.3	0.0	17.3
Cash and cash equivalents	0.0	0.0	434.5	434.5
<b>Total</b>	<b>8.0</b>	<b>9.3</b>	<b>999.3</b>	<b>1,016.6</b>

<b>Financial liabilities 30.9.2022</b>				
<b>Non-current financial liabilities</b>				
Interest-bearing liabilities	0.0	0.0	1,059.0	1,059.0
Other payable	0.0	0.0	6.4	6.4
<b>Current financial liabilities</b>				
Interest-bearing liabilities	0.0	0.0	129.3	129.3
Derivative financial instruments	38.6	18.4	0.0	57.0
Accounts and other payable	0.0	0.0	348.3	348.3
<b>Total</b>	<b>38.6</b>	<b>18.4</b>	<b>1,542.9</b>	<b>1,599.9</b>

# Notes

EUR million	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
<b>Financial assets 31.12.2022</b>				
<b>Current financial assets</b>				
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
<b>Total</b>	<b>12.2</b>	<b>31.5</b>	<b>1,036.3</b>	<b>1,080.0</b>
<b>Financial liabilities 31.12.2022</b>				
<b>Non-current financial liabilities</b>				
Interest-bearing liabilities	0.0	0.0	1,056.4	1,056.4
Other payable	0.0	0.0	7.9	7.9
<b>Current financial liabilities</b>				
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
<b>Total</b>	<b>10.7</b>	<b>5.2</b>	<b>1,476.4</b>	<b>1,492.3</b>

During the first half 2023 the Group voluntarily prepaid EUR 150 million bilateral term loan in full with its cash reserves and agreed on an extension of maturity of its 300 million term loan from 2024 to 2025. In addition, the Group signed a new EUR 350 million committed revolving credit facility that refinanced the previous EUR 400 million facility (2017–2024). The new revolving credit facility was undrawn at the end of September 2023. At the end of the third quarter, the Group's liquid cash reserves were EUR 438.3 million (30.9.2022: EUR 434.5 million). 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 September 2023 (30.9.2022: EUR 5.0 million).

At the end of September 2023, the outstanding short- and long-term loan portfolio consists of: EUR 400 million term loans, EUR 377 million Schuldschein loan and EUR 23 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 3.94% 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 34.3% (30.9.2022: 56.7%) 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:

	Carrying amount 30.9.2023	Carrying amount 30.9.2022	Carrying amount 31.12.2022	Fair value 30.9.2023	Fair value 30.9.2022	Fair value 31.12.2022
<b>Financial assets</b>						
<b>Current financial assets</b>						
Account and other receivables	597.6	564.8	622.5	597.6	564.8	622.5
Derivative financial instruments	22.1	17.3	43.7	22.1	17.3	43.7
Cash and cash equivalents	438.3	434.5	413.9	438.3	434.5	413.9
<b>Total</b>	<b>1,058.1</b>	<b>1,016.6</b>	<b>1,080.0</b>	<b>1,058.1</b>	<b>1,016.6</b>	<b>1,080.0</b>
<b>Financial liabilities</b>						
<b>Non-current financial liabilities</b>						
Interest-bearing liabilities	909.5	1,059.0	1,056.4	918.5	1,067.7	1,082.4
Other payable	8.1	6.4	7.9	8.1	6.4	7.9
<b>Current financial liabilities</b>						
Interest-bearing liabilities	51.6	129.3	49.8	51.6	129.6	49.8
Derivative financial instruments	34.8	57.0	15.9	34.8	57.0	15.9
Accounts and other payable	368.2	348.3	362.4	368.2	348.3	362.4
<b>Total</b>	<b>1,372.3</b>	<b>1,599.9</b>	<b>1,492.3</b>	<b>1,381.3</b>	<b>1,609.0</b>	<b>1,518.3</b>

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

	30.9.2023			30.9.2022			31.12.2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>									
<b>Derivative financial instruments</b>									
Foreign exchange forward contracts	0.0	18.6	0.0	0.0	17.1	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
Commodity derivatives	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest rate derivatives	0.0	3.4	0.0	0.0	0.2	0.0	0.0	1.8	0.0
<b>Total</b>	<b>0.0</b>	<b>22.1</b>	<b>0.0</b>	<b>0.0</b>	<b>17.3</b>	<b>0.0</b>	<b>0.0</b>	<b>43.7</b>	<b>0.0</b>
<b>Other financial assets</b>									
Cash and cash equivalents	437.5	0.0	0.8	431.4	0.0	3.2	413.1	0.0	0.8
<b>Total</b>	<b>437.5</b>	<b>0.0</b>	<b>0.8</b>	<b>431.4</b>	<b>0.0</b>	<b>3.2</b>	<b>413.1</b>	<b>0.0</b>	<b>0.8</b>
<b>Total financial assets</b>	<b>437.5</b>	<b>22.1</b>	<b>0.8</b>	<b>431.4</b>	<b>17.3</b>	<b>3.2</b>	<b>413.1</b>	<b>43.7</b>	<b>0.8</b>
<b>Financial liabilities</b>									
<b>Derivative financial instruments</b>									
Foreign exchange forward contracts	0.0	34.8	0.0	0.0	55.7	0.0	0.0	15.8	0.0
Commodity derivatives	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.0
<b>Total</b>	<b>0.0</b>	<b>34.8</b>	<b>0.0</b>	<b>0.0</b>	<b>57.0</b>	<b>0.0</b>	<b>0.0</b>	<b>15.9</b>	<b>0.0</b>
<b>Other financial liabilities</b>									
Interest bearing liabilities	0.0	961.1	0.0	0.0	1,188.2	0.0	0.0	1,106.2	0.0
Other payables	0.0	0.0	0.9	0.0	0.0	0.5	0.0	0.0	0.8
<b>Total</b>	<b>0.0</b>	<b>961.1</b>	<b>0.9</b>	<b>0.0</b>	<b>1,188.2</b>	<b>0.5</b>	<b>0.0</b>	<b>1,106.2</b>	<b>0.8</b>
<b>Total financial liabilities</b>	<b>0.0</b>	<b>995.9</b>	<b>0.9</b>	<b>0.0</b>	<b>1,245.3</b>	<b>0.5</b>	<b>0.0</b>	<b>1,122.1</b>	<b>0.8</b>

## 14. HEDGE ACTIVITIES AND DERIVATIVES

EUR million	30.9.2023		30.9.2022		31.12.2022	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Foreign exchange forward contracts	2,408.9	-16.2	1,590.3	-38.6	1,609.6	26.1
Interest rate derivatives	300.0	3.4	253.6	-0.9	300.0	1.8
Commodity derivatives	2.5	0.2	2.0	-0.2	1.7	-0.1
<b>Total</b>	<b>2,711.4</b>	<b>-12.7</b>	<b>1,845.9</b>	<b>-39.7</b>	<b>1,911.3</b>	<b>27.8</b>

### Derivatives not designated as hedging instruments in hedge accounting

The Group also enters into other derivatives, foreign exchange forward contracts 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 37.8% 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	30.9.2023	30.9.2022	31.12.2022
Balance as of January 1	-1.1	-2.7	-2.7
Gains and losses deferred to equity (fair value reserve)	1.7	-29.4	2.0
Change in deferred taxes	-0.3	5.9	-0.4
<b>Balance as of the end of period</b>	<b>0.2</b>	<b>-26.3</b>	<b>-1.1</b>

## 15. TRANSACTIONS WITH RELATED PARTIES

EUR million	1-9/2023	1-9/2022	1-12/2022
Sales of goods and services with associated companies and joint arrangements	14.8	17.6	25.4
Receivables from associated companies and joint arrangements	2.7	3.5	4.1
Purchases of goods and services from associated companies and joint arrangements	50.5	46.8	64.5
Liabilities to associated companies and joint arrangements	0.4	2.0	1.5

**ANALYST AND PRESS BRIEFING**

A live international webcast and telephone conference for analysts, investors and media will be arranged on October 25, 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 October 11, 2023, for the webcast and telephone conference details.

**NEXT REPORT**

Konecranes Plc plans to publish its Financial statement release 2023 on February 2, 2024.

KONECRANES PLC

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