

All-time high sales and comparable EBITA margin in 2023



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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.

FOURTH QUARTER HIGHLIGHTS

- Order intake EUR 926.0 million (960.3), -3.6 percent (-1.7 percent on a comparable currency basis), order intake decreased in Port Solutions, remained approximately unchanged in Industrial Equipment and increased in Service
- Service annual agreement base value EUR 318.3 million (306.9), +3.7 percent (+5.3 percent on a comparable currency basis)
- Service order intake EUR 377.9 million (359.6), +5.1 percent (+8.5 percent on a comparable currency basis)
- Order book EUR 3,040.8 million (2,901.7) at the end of December, +4.8 percent (+6.0 percent on a comparable currency basis)
- Sales EUR 1,148.9 million (1,020.9), +12.5 percent (+15.8 percent on a comparable currency basis), sales increased in Service and Port Solutions but decreased in Industrial Equipment
- Comparable EBITA margin 11.7 percent (11.6) and comparable EBITA EUR 133.8 million (118.2); the increase in the comparable EBITA margin was mainly attributable to higher sales volumes and pricing
- Operating profit EUR 121.6 million (103.0), 10.6 percent of sales (10.1), items affecting comparability totaled EUR 4.3 million (8.2), mainly comprising of restructuring costs
- Earnings per share (diluted) EUR 1.21 (0.91)
- Free cash flow EUR 166.8 million (90.8)

FINANCIAL GUIDANCE

Konecranes expects net sales to remain approximately on the same level or to increase in 2024 compared to 2023. Konecranes expects the comparable EBITA margin to remain approximately on the same level or to improve in 2024 compared to 2023.

FULL YEAR 2023 HIGHLIGHTS

- Order intake EUR 4,161.4 million (4,227.9), -1.6 percent (+0.3 percent on a comparable currency basis)
- Service order intake EUR 1,490.7 million (1,442.5), +3.3 percent (+5.8 percent on a comparable currency basis)
- Sales EUR 3,966.3 million (3,364.8), +17.9 percent (+20.5 percent on a comparable currency basis)
- Comparable EBITA margin 11.4 percent (9.5) and comparable EBITA EUR 450.7 million (318.4); the comparable EBITA margin increased in all three segments
- Operating profit EUR 402.5 million (223.2), 10.1 percent of sales (6.6), items affecting comparability totaled EUR 17.2 million (63.5), mainly comprising of restructuring costs
- Earnings per share (diluted) EUR 3.46 (1.77)
- Free cash flow EUR 511.4 million (24.6)
- Net debt EUR 365.8 million (688.3) and gearing 22.9 percent (48.0)
- The Board of Directors proposes a dividend of EUR 1.35 (1.25) per share for 2023

DEMAND OUTLOOK

Our demand environment within industrial customer segments has remained good and continues on a healthy level.

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

Key figures

	Fourth quarter			January-December		
	10-12/2023	10-12/2022	Change %	1-12/2023	1-12/2022	Change %
Orders received, MEUR ¹⁾	926.0	960.3	-3.6	4,161.4	4,227.9	-1.6
Order book at end of period, MEUR				3,040.8	2,901.7	4.8
Sales total, MEUR	1,148.9	1,020.9	12.5	3,966.3	3,364.8	17.9
Comparable EBITDA, MEUR ²⁾	154.9	140.2	10.5	535.0	406.1	31.8
Comparable EBITDA, % ²⁾	13.5%	13.7%		13.5%	12.1%	
Comparable EBITA, MEUR ²⁾	133.8	118.2	13.2	450.7	318.4	41.5
Comparable EBITA, % ²⁾	11.7%	11.6%		11.4%	9.5%	
Comparable operating profit, MEUR ²⁾	125.8	111.2	13.1	419.7	286.6	46.4
Comparable operating margin, % ²⁾	11.0%	10.9%		10.6%	8.5%	
Operating profit, MEUR	121.6	103.0	18.0	402.5	223.2	80.3
Operating margin, %	10.6%	10.1%		10.1%	6.6%	
Profit before taxes, MEUR	124.1	99.1	25.3	367.6	190.7	92.7
Net profit for the period, MEUR	96.4	72.5	32.9	275.6	138.5	98.9
Earnings per share, basic, EUR	1.22	0.91	33.6	3.48	1.77	96.2
Earnings per share, diluted, EUR	1.21	0.91	32.9	3.46	1.77	96.2
Gearing, %				22.9%	48.0%	
Net debt / Comparable EBITDA ²⁾				0.7	1.7	
Return on capital employed, %				16.4%	9.0%	
Comparable return on capital employed, % ³⁾				17.7%	13.4%	
Free cash flow, MEUR	166.8	90.8		511.4	24.6	
Average number of personnel during the period				16,503	16,563	-0.4

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

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

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

CEO Anders Svensson:

2023 was a strong year for Konecranes from start to finish. Despite the macro-concerns around us, our order intake remained on the same level as the previous year. Every quarter, our sales and comparable EBITA margin grew year-on-year. Our 2023 sales and comparable EBITA margin were both an all-time high. This is an excellent achievement, and I am proud of the hard work and commitment of our team throughout the year.

Our demand environment remained good in general in Q4, although macro indicators continued to signal weakening market conditions in many regions. Order intake decreased 1.7% year-on-year on a comparable currency basis. Our orderbook was €3.0 billion at the end of December, 6.0% 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 €1.1 billion and were 15.8% higher versus a year ago on a comparable currency basis.

Comparable EBITA margin improved slightly year-on-year and was 11.7%, mainly as a result of the higher sales and continued positive pricing impact. Profitability improved year-on-year in Port Solutions and Industrial Equipment but declined in Service. Cashflow remained strong.

Turning to our Business Segments, Service's order intake increased 8.5% year-on-year in comparable currencies. Sales increased 11.0% year-on-year in comparable currencies. The comparable EBITA margin declined year-on-year to 20.2%, mainly driven by temporarily lower productivity and sales mix. The agreement base value continued to grow and in comparable currencies was 5.3% higher at the end of Q4 versus a year ago.

Industrial Equipment's external orders increased 4.0% in comparable currencies. External sales decreased by 1.4% year-on-year in comparable currencies. However, the comparable EBITA margin increased year-on-year to 6.5%, mainly driven by pricing and our Industrial Service and Equipment optimization program that has progressed well. In full-year 2023, the positive P&L impact of the program was around €11 million in Industrial Equipment, out of which approximately €3 million came in Q4.

In Port Solutions, order intake totaled €304 million, decreasing 15.7% year-on-year in comparable currencies, but increasing from the previous quarter. Sales execution con-

tinued to improve, and sales grew 38.5% year-on-year in comparable currencies. Accordingly, comparable EBITA margin improved to 8.0%, mainly due to the higher sales volumes. Port Solutions ended the quarter with an orderbook value of over EUR 1.7 billion.

Looking into 2024, we expect the demand environment within our industrial customers to remain healthy, although market uncertainty is not over. 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, but quarterly order intake fluctuation is normal for the business, as the booking of orders depends on the timing of customer decision-making.

We have also given financial guidance for 2024. We expect our net sales and comparable EBITA margin to remain on the same level or to increase in 2024 compared to 2023. Although our sales execution has continued good, supply chains remain fragile.

Two weeks ago, we announced Konecranes' new brand identity, which supports our ambition to become a global leader in material handling solutions. We have a critical role to play in the handling of materials and goods essential for people, while also working for a decarbonized world. Our new brand promise, Konecranes moves what matters, summarizes the significant impact we are making together with our customers and stakeholders, and reflects our commitment to deliver a positive, meaningful change wherever we operate.

Overall, 2023 was strong for Konecranes. On a full-year basis, our order intake remained on the same level as in 2022 despite the increased uncertainty and macro-concerns around us. Our sales were all-time high and grew by 20.5% on a comparable currency basis, as we overcame most of our previous years' supply chain challenges. Our comparable EBITA margin improved to 11.4%, up nearly 2 percentage points from the previous year and an all-time high.

Our strong performance demonstrates that we are doing the right things as a company. We have a clear plan which we continue to execute to reach our financial targets. 2024 marks 30 years for Konecranes as a standalone company, and we will keep working hard to deliver what we have promised - further sales growth and profitability improvement - and move what matters.

Konecranes Plc's financial statement release 2023

Note: The figures presented in this report are unaudited. Unless otherwise stated, the figures in brackets in the sections below refer to the same period in the previous year.

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

MARKET REVIEW

In 2023, Konecranes' operating environment was 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 in the fourth quarter. December's PMI reading (49.0) was approximately unchanged from the end of the previous quarter, and it was the sixteenth consecutive month in contraction territory below the neutral 50 mark.

In the eurozone, the downturn in the manufacturing sector continued in the fourth quarter according to the manufacturing PMI, which had been in contraction territory in December for a year and a half. However, December's PMI (44.4) was the 7-month high. In the US, the manufacturing sector's operating conditions also continued to deteriorate in the fourth quarter. The manufacturing PMI was clearly in contraction in December (47.9) while it was marginally below the neutral 50 mark at the end of the previous quarter. In the emerging markets, December'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 fourth quarter. The capacity utilization rate was at a lower level on a year-on-year basis, and it was below the pre-COVID-19 pandemic levels. The manufacturing industry capacity utilization rate in the US stayed approximately unchanged in December. The capacity utilization rate was lower compared to the end of the previous quarter, and it was at approximately the same 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 fourth quarter compared to the historical readings although fluctuation continued. At the end of December, global container throughput was approximately one percent higher than the year before.

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

ORDERS RECEIVED

In the fourth quarter, orders received totaled EUR 926.0 million (960.3), representing a decrease of 3.6 percent. On a comparable currency basis, order intake decreased 1.7 percent. Orders received decreased in EMEA but increased in the Americas and APAC.

In Service, orders received increased 5.1 percent on a reported basis and increased 8.5 percent on a comparable currency basis. In Industrial Equipment, order intake decreased 0.8 percent on a reported basis and increased 2.0 percent on a comparable currency basis. External orders received in Industrial Equipment increased 0.7 percent on a reported basis and 4.0 percent on a comparable currency basis. In Port Solutions, order intake decreased 15.6 percent on a reported basis and 15.7 percent on a comparable currency basis.

In full year 2023, orders received totaled EUR 4,161.4 million (4,227.9), representing a decrease of 1.6 percent. On a comparable currency basis, order intake increased 0.3 percent. Orders received decreased in EMEA but increased in the Americas and APAC.

In Service, order intake increased 3.3 percent on a reported basis and 5.8 percent on a comparable currency basis. In Industrial Equipment, orders received increased 3.7 percent on a reported basis and 5.7 percent on a comparable currency basis. External orders received in Industrial Equipment increased 5.6 percent on a reported basis and 8.0 percent on a comparable currency basis. In Port Solutions, order intake decreased 11.3 percent on a reported basis and 10.1 percent on a comparable currency basis.

ORDER BOOK

At the end of December, the value of the order book totaled EUR 3,040.8 million (2,901.7), which was 4.8 percent higher compared to previous year. On a comparable currency basis, the order book increased 6.0 percent. The order book decreased 0.4 percent in Service, and increased 4.1 percent in Industrial Equipment and 6.6 percent in Port Solutions.

ORDERS RECEIVED AND NET SALES

	10-12/ 2023	10-12/ 2022	Change percent	Change % at comparable currency rates	1-12/ 2023	1-12/ 2022	Change percent	Change % at comparable currency rates
Orders received, MEUR ¹⁾	926.0	960.3	-3.6	-1.7	4,161.4	4,227.9	-1.6	0.3
Net sales, MEUR	1,148.9	1,020.9	12.5	15.8	3,966.3	3,364.8	17.9	20.5

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

SALES

In the fourth quarter, Group sales increased 12.5 percent to EUR 1,148.9 million (1,020.9). On a comparable currency basis, sales increased 15.8 percent. Sales increased 7.3 percent in Service, decreased 1.9 percent in Industrial Equipment and increased 35.6 percent in Port Solutions. Industrial Equipment's external sales decreased 4.3 percent.

In full year 2023, Group sales totaled EUR 3,966.3 million (3,364.8), representing an increase of 17.9 percent. On a comparable currency basis, sales increased 20.5 percent. Sales increased 10.9 percent in Service, 12.4 percent in Industrial Equipment and 35.0 percent in Port Solutions. Industrial Equipment's external sales increased 9.8 percent.

At the end of December, the regional breakdown of sales, calculated on a rolling 12-month basis, was as follows: EMEA 47 (51), Americas 38 (36) and APAC 14 (13) percent.

FINANCIAL RESULT

In the fourth quarter, the Group comparable EBITA increased to EUR 133.8 million (118.2). The comparable EBITA margin increased to 11.7 percent (11.6). The comparable EBITA margin was 20.2 percent (21.1) in Service, 6.5 percent (6.0) in Industrial Equipment and 8.0 percent (6.5) 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 full year 2023, the Group comparable EBITA increased to EUR 450.7 million (318.4). The comparable EBITA margin increased to 11.4 percent (9.5). The comparable EBITA margin increased in Service to 19.9 percent (18.6), in Industrial Equipment to 6.5 percent (2.7) and in Port Solutions to 7.5 percent (6.3). The increase in the Group comparable EBITA margin was mainly attributable to higher sales volumes and pricing.

In full year 2023, the consolidated comparable operating profit increased to EUR 419.7 million (286.6). The comparable operating margin increased to 10.6 percent (8.5).

In full year 2023, the consolidated operating profit totaled EUR 402.5 million (223.2). The operating profit includes items affecting comparability of EUR 17.2 million (63.5), 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 18.6 percent (17.3), in Industrial Equipment to 4.9 percent (-0.9) and in Port Solutions to 6.9 percent (3.8).

In full year 2023, depreciation and impairments totaled EUR 114.9 million (124.4). The impact arising from the purchase price allocation amortization and goodwill impairment represented EUR 30.4 million (31.8) of the depreciation and impairments.

In full year 2023, the share of the result in associated companies and joint ventures was EUR 0.8 million (0.4).

In full year 2023, financial income and expenses totaled EUR -35.7 million (-32.9). Net interest expenses accounted for EUR 29.6 million (26.1) of the sum and the remainder was mainly attributable to other financing expenses.

In full year 2023, profit before taxes was EUR 367.6 million (190.7).

In full year 2023, income tax was EUR 92.0 million (52.2). The Group's effective tax rate was 25.0 percent (27.4).

In full year 2023, net profit was EUR 275.6 million (138.5).

In full year 2023, the basic earnings per share were EUR 3.48 (1.77) and the diluted earnings per share were EUR 3.46 (1.77).

On a rolling 12-month basis, the return on capital employed was 16.4 percent (9.0) and the return on equity 18.2 percent (9.9). The comparable return on capital employed was 17.7 percent (13.4).

BALANCE SHEET

At the end of December, the consolidated balance sheet amounted to EUR 4,552.4 million (4,340.6). The total equity at the end of the reporting period was EUR 1,594.8 million (1,433.0). The total equity attributable to the equity holders of the parent company was EUR 1,594.8 million (1,432.9) or EUR 20.14 per share (18.10).

Net working capital totaled EUR 353.6 million (490.2). The decrease in net working capital resulted mainly from an increase in advance payments received. Sequentially, net working capital decreased by EUR 52.1 million.

CASH FLOW AND FINANCING

In full year 2023, net cash from operating activities was EUR 557.3 million (66.7). 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 481.9 million (23.1), which included cash inflows of EUR 6.5 million (2.6) related to sale of property, plant and equipment, EUR 9.0 million (0.1) related to divestment of Businesses, and EUR 0.5 million (0.0) related to disposal of associated companies. It included cash outflows of EUR 52.4 million (44.7) related to capital expenditures, and EUR 39.0 million (1.6) related to acquisition of Group companies.

At the end of December, interest-bearing net debt was EUR 365.8 million (688.3). Net debt decreased mainly due to higher cash flow from operating activities. The equity to asset ratio was 41.1 percent (37.9) and gearing 22.9 percent (48.0).

At the end of December, cash and cash equivalents amounted to EUR 586.6 million (413.9). 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 full year 2023, capital expenditure excluding acquisitions and joint arrangements amounted to EUR 54.4 million (37.0). The amount consisted mainly of investments in machinery and equipment, buildings, office equipment and information technology.

ACQUISITIONS AND DIVESTMENTS

In full year 2023, the cash impact of capital expenditure for acquisitions and joint arrangements was EUR -39.0 million (-1.6). The cash impact of divestment of Businesses and disposal of associated companies was EUR 9.5 million (0.1).

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 Munck Cranes AS in Norway.

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

PERSONNEL

In full year 2023, the Group had an average of 16,503 employees (16,563). On December 31, 2023 the number of personnel was 16,586 (16,522). In full year 2023, the Group's personnel increased by 64 people net.

At the end of December, the number of personnel by operating segment was as follows: Service 8,010 employees (7,802), Industrial Equipment 5,253 employees (5,529), Port Solutions 3,222 employees (3,102) and Group staff 101 employees (89).

The Group had 9,785 (9,565) employees working in EMEA, 3,335 (3,131) in the Americas and 3,466 (3,826) 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 October 31, 2023, Konecranes announced that it won the 2024 German Sustainability Award in the Lifting and Handling Technology category. The prestigious award is for climate action achievements in Germany and globally, with Konecranes one of only 20 corporate winners chosen from a list of some 6,000 companies competing across multiple categories.

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 full year 2023, sales of Konecranes' "eco portfolio", consisting of fully electrified and hybrid equipment, as well as modernizations and retrofits, totaled 56 percent of Konecranes' sales (52 percent in full-year 2022). For Service, the eco portfolio represented 18 percent of sales (17 percent in full-year 2022), for Industrial Equipment 100 percent (100 percent in full-year 2022) and for Port Solutions 57 percent (48 percent in full-year 2022). The relatively low eco portfolio share of Service is due to only modernizations and retrofits being included in the eco portfolio, although all maintenance work and spare parts aim at extending product lifecycle and increasing 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. Konecranes has activities related to its equipment sales 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. In addition, the Konecranes' service activities within both Business Areas are taxonomy-eligible for their contribution to circular economy and support the transition to circular economy and are described in the TSC 5.1 Repair, refurbishment and remanufacturing and 5.2 Sale of spare parts. These activities are, according to Article 16 of the Taxonomy Regulation, contributing substantially to a circular economy, which is one of the objectives defined in Article 9 of the Regulation.

More detailed information on Taxonomy eligibility and alignment, and the calculation method will be available in Konecranes' 2023 Annual Report.

BUSINESS SEGMENTS

SERVICE

	10-12/ 2023	10-12/ 2022	Change percent	Change % at comparable currency rates	1-12/ 2023	1-12/ 2022	Change percent	Change % at comparable currency rates
Orders received, MEUR ¹⁾	377.9	359.6	5.1	8.5	1,490.7	1,442.5	3.3	5.8
Order book, MEUR	443.5	445.5	-0.4	1.8	443.5	445.5	-0.4	1.8
Agreement base value, MEUR	318.3	306.9	3.7	5.3	318.3	306.9	3.7	5.3
Net sales, MEUR	403.5	376.0	7.3	11.0	1,490.4	1,343.3	10.9	13.6
Comparable EBITA, MEUR ²⁾	81.7	79.3	3.0		296.2	249.4	18.7	
Comparable EBITA, % ²⁾	20.2%	21.1%			19.9%	18.6%		
Purchase price allocation amortization, MEUR	-4.6	-3.6	28.4		-17.4	-14.3	22.2	
Items affecting comparability, MEUR	-0.6	-0.8			-1.9	-2.9		
Operating profit (EBIT), MEUR	76.4	74.9	2.0		276.9	232.3	19.2	
Operating profit (EBIT), %	18.9%	19.9%			18.6%	17.3%		
Personnel at the end of period	8,010	7,802	2.7		8,010	7,802	2.7	

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

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

Operational highlights in Q4 2023:

- Konecranes saw strong orders growth in Service with broad demand across multiple industries including metals, paper, transportation, aviation & aerospace, oil & gas as well as energy & power generation, both conventional and nuclear.
- Our Predictive Maintenance Engine continues to evolve and is now delivering a growing number of recommendations to help our customers improve the safety and productivity of their operations while optimizing maintenance intervals and costs.
- Konecranes secured a large order from Sweden's Oskarshamn Nuclear Power Plant to upgrade the reactor hall overhead crane which plays a crucial role in servicing the reactor and managing the removal of spent fuel casks. The upgrade of the legacy Konecranes crane not only ensures safety compliance but also meets the evolving regulatory requirements in the nuclear industry. During the two-year timeline, Konecranes will undertake engineering, manufacturing, delivery and installation of the modernization components, including a new 165-ton trolley/hoist.
- Konecranes won a substantial order to modernize the industrial cranes at Fortum Power & Heat's turbine hall in Imatra, Finland. The modernization of the two aging cranes at the Imatra Hydropower Plant will enhance performance and extend the service life of the cranes which are located within a protected historical building – requiring specialized planning to ensure the historical integrity of the power plant is preserved as well as providing a comprehensive solution for the modernization.

In the fourth quarter, order intake in Service increased 5.1 percent to EUR 377.9 million (359.6). On a comparable currency basis, orders received increased 8.5 percent. Order intake increased in field service and parts. Orders received increased in the Americas, EMEA and APAC.

The order book decreased 0.4 percent to EUR 443.5 million (445.5). On a comparable currency basis, the order book increased 1.8 percent.

The annual value of the agreement base increased 3.7 percent year-on-year to EUR 318.3 million (306.9). On a comparable currency basis, the annual value of the agreement base increased 5.3 percent. Sequentially, the annual value of the agreement base decreased 0.8 percent on a reported basis and increased 0.6 percent on a comparable currency basis.

Sales increased 7.3 percent to EUR 403.5 million (376.0). On a comparable currency basis, sales increased 11.0 percent. Sales increased in field service and parts. Sales increased in the Americas and EMEA but decreased in APAC.

The fourth-quarter comparable EBITA was EUR 81.7 million (79.3) and the comparable EBITA margin 20.2 percent (21.1). The decrease in the comparable EBITA margin was mainly attributable to temporarily lower productivity and negative sales mix. Gross margin decreased on a year-on-year basis. The operating profit was EUR 76.4 million (74.9) and the operating margin 18.9 percent (19.9).

In full year 2023, orders received totaled EUR 1,490.7 million (1,442.5), corresponding to an increase of 3.3 percent. On a comparable currency basis, orders received increased 5.8 percent.

Sales increased 10.9 percent to EUR 1,490.4 million (1,343.3). On a comparable currency basis, sales increased 13.6 percent. Sales increased in field service and parts.

The comparable EBITA was EUR 296.2 million (249.4) and the comparable EBITA margin was 19.9 percent (18.6). The increase in the comparable EBITA margin was mainly attributable to higher sales volumes and pricing. The operating profit was EUR 276.9 million (232.3) and the operating margin 18.6 percent (17.3).

INDUSTRIAL EQUIPMENT

	10-12/ 2023	10-12/ 2022	Change percent	Change % at comparable currency rates	1-12/ 2023	1-12/ 2022	Change percent	Change % at comparable currency rates
Orders received, MEUR ¹⁾	304.4	306.9	-0.8	2.0	1,442.9	1,391.6	3.7	5.7
of which external, MEUR	261.0	259.3	0.7	4.0	1,261.8	1,194.8	5.6	8.0
Order book, MEUR	892.3	857.2	4.1	6.7	892.3	857.2	4.1	6.7
Net sales, MEUR	369.7	376.9	-1.9	0.8	1,355.3	1,205.6	12.4	14.8
of which external, MEUR	320.6	335.1	-4.3	-1.4	1,173.8	1,068.8	9.8	12.3
Comparable EBITA, MEUR ²⁾	23.9	22.5	6.2		87.4	32.5	168.9	
Comparable EBITA, % ²⁾	6.5%	6.0%			6.5%	2.7%		
Purchase price allocation amortization, MEUR	-1.8	-1.8	-0.1		-7.0	-11.0	-35.8	
Items affecting comparability, MEUR	-3.7	-9.7			-13.5	-32.5		
Operating profit (EBIT), MEUR	18.4	11.0	67.3		66.9	-10.9	711.2	
Operating profit (EBIT), %	5.0%	2.9%			4.9%	-0.9%		
Personnel at the end of period	5,253	5,529	-5.0		5,253	5,529	-5.0	

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

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

Operational highlights in Q4 2023:

- The strong demand from the power generation sector throughout 2023 continued in Q4 with multiple large new equipment orders from waste to energy, nuclear, thermal, and hydropower customers. The latest significant order was for 2 large waste to energy refuse cranes from a longstanding customer and partner who also placed multiple service and parts orders during Q4.
- Konecranes secured a large order from a large power management technology company to supply thirty-seven (37) single girder bridge cranes and fourteen (14) workstation cranes.
- Konecranes received multiple large orders for new equipment in the transportation sector from both automotive as well as aviation and aerospace.
- Konecranes won its largest new equipment order for the quarter in Asia Pacific from a long-term customer and global aerospace manufacturer. This was the latest of several aviation and aerospace projects with multiple large aerospace manufacturers booked this year in EMEA and the Americas.

In the fourth quarter, Industrial Equipment's orders received totaled EUR 304.4 million (306.9), corresponding to a decrease of 0.8 percent. On a comparable currency basis, orders received increased 2.0 percent. External orders received increased 0.7 percent on a reported basis and 4.0 percent on a comparable currency basis. Order intake increased in standard cranes, process cranes and components. Orders received decreased in EMEA but increased in the Americas and APAC. Orders received was negatively impacted by the divestment of MHE-Demag's Industrial Products business.

The order book increased 4.1 percent to EUR 892.3 million (857.2). On a comparable currency basis, the order book increased 6.7 percent.

Sales decreased 1.9 percent to EUR 369.7 million (376.9). On a comparable currency basis, sales increased 0.8 percent. External sales decreased 4.3 percent on a reported basis and 1.4 percent on a comparable currency basis. Sales decreased in process cranes and components but increased in standard cranes. Sales decreased in EMEA and APAC but increased in the Americas. Sales was negatively impacted by the divestment of MHE-Demag's Industrial Products business.

The fourth-quarter comparable EBITA was EUR 23.9 million (22.5) and the comparable EBITA margin 6.5 percent (6.0). The increase in the comparable EBITA margin was mainly attributable to pricing and the optimization program. Gross margin increased on a year-on-year basis. Operating profit was EUR 18.4 million (11.0) and the operating margin 5.0 percent (2.9).

In full year 2023, orders received totaled EUR 1,442.9 million (1,391.6), corresponding to an increase of 3.7 percent. On a comparable currency basis, orders received increased 5.7 percent. External orders received increased 5.6 percent on a reported basis and 8.0 percent on a comparable currency basis. Order intake increased in standard cranes, process cranes and components.

Sales increased 12.4 percent to EUR 1,355.3 million (1,205.6). On a comparable currency basis, sales increased 14.8 percent. External sales increased 9.8 percent on a reported basis and 12.3 percent on a comparable currency basis. Sales increased in standard cranes, process cranes and components.

The comparable EBITA was EUR 87.4 million (32.5) and the comparable EBITA margin 6.5 percent (2.7). The increase in the comparable EBITA margin was mainly attributable to higher sales volumes and pricing. The operating profit was EUR 66.9 million (-10.9) and the operating margin 4.9 percent (-0.9).

PORT SOLUTIONS

	10-12/ 2023	10-12/ 2022	Change percent	Change % at comparable currency rates	1-12/ 2023	1-12/ 2022	Change percent	Change % at comparable currency rates
Orders received, MEUR ¹⁾	304.0	360.0	-15.6	-15.7	1,468.5	1,655.3	-11.3	-10.1
Order book, MEUR	1,705.0	1,599.0	6.6	6.9	1,705.0	1,599.0	6.6	6.9
Net sales, MEUR	445.3	328.4	35.6	38.5	1,370.8	1,015.0	35.0	37.6
of which service, MEUR	64.4	64.7	-0.4	3.1	233.3	226.1	3.2	5.8
Comparable EBITA, MEUR ²⁾	35.6	21.4	66.9		102.7	63.5	61.7	
Comparable EBITA, % ²⁾	8.0%	6.5%			7.5%	6.3%		
Purchase price allocation amortization, MEUR	-1.6	-1.6	0.0		-6.6	-6.6	0.0	
Items affecting comparability, MEUR	0.1	2.9			-1.1	-18.6		
Operating profit (EBIT), MEUR	34.1	22.6	50.5		95.1	38.4	147.6	
Operating profit (EBIT), %	7.7%	6.9%			6.9%	3.8%		
Personnel at the end of period	3,222	3,102	3.9		3,222	3,102	3.9	

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

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

Operational highlights in Q4 2023:

- Konecranes hosted Port Solutions days, an exclusive event for Port Solutions' customers and business partners, in Singapore in late November. The event included a good line up of expert industry speakers. The vodcasts of the event are available on Konecranes Zone platform (zone.konecranes.com).
- Lift Trucks had a strong Q4 in terms of sales and profitability, driven by good deliveries and after sales. Deliveries improved throughout the year, as most of the previous year's challenges were overcome.
- Mobile harbor cranes had a good order momentum in Q4. Customers appreciate Konecranes cost-effective and eco-efficient offering with smart crane features. Mobile harbor cranes handle all types of cargo, from containers to bulk materials.
- Port Solutions' eco portfolio's share of sales increased to 57% in 2023, reflecting Konecranes' commitment to its ambitious climate targets and its role in enabling a decarbonized world.

In the fourth quarter, Port Solutions' order intake totaled EUR 304.0 million (360.0), representing a decrease of 15.6 percent. On a comparable currency basis, orders received decreased 15.7 percent. Orders received decreased in EMEA but increased in the Americas and APAC.

The order book increased 6.6 percent to EUR 1,705.0 million (1,599.0). On a comparable currency basis, the order book increased 6.9 percent.

Sales increased 35.6 percent to EUR 445.3 million (328.4). On a comparable currency basis, sales increased 38.5 percent.

The fourth-quarter comparable EBITA was EUR 35.6 million (21.4) and the comparable EBITA margin 8.0 percent (6.5). 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 34.1 million (22.6) and the operating margin 7.7 percent (6.9).

In full year 2023, orders received totaled EUR 1,468.5 million (1,655.3), corresponding to a decrease of 11.3 percent. On a comparable currency basis, orders received decreased 10.1 percent.

Sales increased 35.0 percent to EUR 1,370.8 million (1,015.0). On a comparable currency basis, sales increased 37.6 percent.

The comparable EBITA was EUR 102.7 million (63.5) and the comparable EBITA margin 7.5 percent (6.3). 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 95.1 million (38.4) and the operating margin 6.9 percent (3.8).

GROUP OVERHEADS

In the fourth quarter, the comparable unallocated Group overhead costs and eliminations were EUR 7.3 million (4.9), representing 0.6 percent of sales (0.5).

The unallocated Group overhead costs and eliminations were EUR 7.4 million (5.6), representing 0.6 percent of sales (0.5). These included items affecting comparability of EUR 0.0 million (0.6).

In full year 2023, the comparable unallocated Group overhead costs and eliminations were EUR 35.7 million (27.0), representing 0.9 percent of sales (0.8).

The unallocated Group overhead costs and eliminations were EUR 36.4 million (36.6), representing 0.9 percent of sales (1.1). These included items affecting comparability of EUR 0.7 million (9.5).

ADMINISTRATION

Decisions of the Annual General Meeting

The Annual General Meeting was held on March 29, 2023. The meeting approved the Company's annual accounts for the fiscal year 2022, discharged the members of the Board of Directors and the CEO from liability, and approved all proposals made by the Board of Directors and its committees to the AGM.

The AGM approved the Board's proposal that a dividend of EUR 1.25 per share be distributed. The dividend was paid on 12 April 2023.

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

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

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

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

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

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

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

The AGM authorized the Board to decide on a directed issuance of shares without payment for an Employee Share Savings Plan.

The AGM authorized the Board to decide on donations.

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

Board of Directors

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

- Christoph Vitzthum, Chair of the Board
- Pasi Laine, Vice Chair of the Board
- Pauli Anttila, Member of the Board
- Ulf Liljedahl, Member of the Board
- Niko Mokka, 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 Mokka, 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 Mokkila 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 Rytsölä, 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.

Konecranes Leadership Team

In full year 2023, 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, Executive Vice President, People and Culture
- Sirpa Poitsalo, Executive 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.

On December 15, 2023, Konecranes announced that Minna Aila had been appointed Executive Vice President, Corporate Affairs & Brand, and member of the Konecranes Leadership Team. She will start at Konecranes on July 1, 2024.

SHARES AND TRADING

Share capital and shares

On December 31, 2023, the company's registered share capital totaled EUR 30.1 million. On December 31, 2023, the number of shares including treasury shares totaled 79,221,906.

Treasury shares

On December 31, 2023, Konecranes Plc was in possession of 19,656 treasury shares, which corresponds to 0.0 percent of the total number of shares, and which had on that date a market value of EUR 0.8 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 December 29, 2023, was EUR 40.78. The volume-weighted average share price in full year 2023 was EUR 33.68, the highest price being EUR 41.38 in December and the lowest EUR 28.29 in October. In full year 2023, the trading volume on the Nasdaq Helsinki totaled 49.9 million, corresponding to a turnover of approximately EUR 1,679.6 million. The average daily trading volume was 198,667 shares representing an average daily turnover of EUR 6.7 million.

On December 31, 2023, the total market capitalization of Konecranes Plc was EUR 3,230.7 million including treasury shares. The market capitalization was EUR 3,229.9 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 full year 2023, 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, shares
				Total, %		
May 16, 2023	HC Holding Oy Ab	Below 10%	0	0	0	0

RESEARCH AND DEVELOPMENT

In 2023, Konecranes' research and product development expenditure totaled EUR 51.3 (47.7) million, representing 1.3 (1.4) percent of sales. R&D expenditure includes product development projects aimed at improving the quality and cost efficiency of both products and services.

LITIGATION

Various legal actions, claims, and other proceedings are pending against the Group in different countries. These actions, claims, and other proceedings are typical for this industry and are consistent with the 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, auto liability, and other matters involving liability claims.

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 populism, 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.

Cyber security risks have increased in Konecranes' industry, as in most industries, in recent years. Potential cyberattacks against Konecranes or its suppliers may result in delivery delays and/or a decrease in profitability.

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 FULL YEAR 2023**

Date	Release
December 15, 2023	Konecranes Restricted Share Unit Plan 2017 - directed share issue
December 15, 2023	Changes in Konecranes Leadership Team: Minna Aila appointed EVP, Corporate Affairs & Brand
October 25, 2023	Konecranes Plc's Interim Report, January-September 2023: All-time high quarterly comparable EBITA margin
October 24, 2023	Konecranes Plc's financial information and AGM in 2024
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

Date	Release
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 FULL YEAR 2023

- On December 4, 2023, Konecranes announced that its material handling equipment and services support growth of Eldorado Brasil Celulose Logistica in Latin America's largest port.
- On November 20, 2023, Konecranes announced that it is to upgrade a reactor hall overhead crane at Sweden's Oskarshamn Nuclear Power Plant. The order was booked in Q4 2023.
- On November 15, 2023, Konecranes announced that it secured a 16-crane order to support environmentally sustainable scrap metal recycling rebar mill in Arkansas. The order was won in September 2023.
- On October 31, 2023, Konecranes announced that it won the 2024 German Sustainability Award for Lifting and Handling Technology.
- On October 18, 2023, Konecranes announced that a Norwegian logistics company ordered a Konecranes Generation 6 mobile harbor crane for a new terminal. The order was booked in Q3 2023.
- On October 11, 2023, Konecranes announced that its January-September 2023 interim report will be published on October 25, 2023.
- 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.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On January 2, 2024, 6,868 treasury shares were conveyed without consideration as the reward payment to the key employee participating in the Konecranes Restricted Share Unit Plan 2017. After the share delivery, Konecranes holds a total of 12,788 own shares.

On February 1, 2024, Konecranes announced that the Board of Directors had decided to establish a new Performance Share Plan 2024 for Konecranes key employees. The Plan has a three-year performance period from 2024 to 2026. The Plan has three performance criteria: the cumulative comparable Earnings per Share (EPS) for the financial years 2024–2026 with a 55 percent's weighting, the compound annual growth rate (CAGR) for Sales for the financial years 2024–2026 with a 35 percent's weighting and the CO₂ emissions from own operations for the financial years 2024–2026 with a 10 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 approximately 170 Konecranes key employees. Additional information, including essential terms and conditions of the Plan, is available in the stock exchange release dated February 1, 2024.

On February 1, 2024, Konecranes announced that the Board of Directors had decided the criterion for the measurement period 2024 of the Performance Share Plan 2022. The criterion is comparable earnings per share (EPS). Also the targets for the measurement period 2024 were decided by the Board of Directors. Additional information on the criterion is available in the stock exchange release dated February 1, 2024.

On February 1, 2024, Konecranes announced that the Board of Directors had decided to launch a new Plan Period relating to the Employee Share Savings Plan. The new Plan Period will begin on July 1, 2024, and will end on June 30, 2025. The other terms and conditions approved by the Board have been published in the stock exchange release dated February 1, 2024.

DEMAND OUTLOOK

Our demand environment within industrial customer segments has remained good and continues on a healthy level.

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 remain approximately on the same level or to increase in 2024 compared to 2023. Konecranes expects the comparable EBITA margin to remain approximately on the same level or to improve in 2024 compared to 2023.

BOARD OF DIRECTORS' PROPOSAL FOR DISPOSAL OF DISTRIBUTABLE FUNDS

The parent company's non-restricted equity is EUR 953,922,136.07, of which the net income for the year is EUR 94,993,467.37. The Group's non-restricted equity is EUR 1,516,609,000.

According to the Finnish Companies Act, the distributable funds of the company are calculated based on the parent company's non-restricted equity. For the purpose of determining the amount of the dividend, the Board of Directors has assessed the liquidity of the parent company and the economic circumstances subsequent to the end of fiscal year.

Based on such assessments, the Board of Directors proposes to the Annual General Meeting to be held on 27 March 2024 that a dividend of EUR 1.35 be paid on each share and that the remaining non-restricted equity is retained in shareholders' equity. The proposal will be included in the notice to the Annual General Meeting, which will be published during February 2024.

A PDF version of the Konecranes' full audited financial statements, including the report of the Board of Directors, and corporate governance statement will be available as pdf documents on Konecranes website on Wednesday, February 28, 2024.

Espoo, February 2, 2024
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	10-12/2023	10-12/2022	Change percent	1-12/2023	1-12/2022	Change percent
Sales	7	1,148.9	1,020.9	12.5	3,966.3	3,364.8	17.9
Other operating income		2.3	1.5		9.5	8.1	
Materials, supplies and subcontracting		-578.4	-502.9		-1,820.3	-1,510.2	
Personnel cost		-300.2	-270.8		-1,186.6	-1,091.9	
Depreciation and impairments	8	-28.8	-31.6		-114.9	-124.4	
Other operating expenses		-122.2	-114.2		-451.5	-423.2	
Operating profit		121.6	103.0	18.1	402.5	223.2	80.3
Share of associates' and joint ventures' result		0.4	-0.2		0.8	0.4	
Financial income		12.7	22.8		32.0	26.8	
Financial expenses		-10.6	-26.6		-67.7	-59.7	
Profit before taxes		124.1	99.1	25.3	367.6	190.7	92.8
Taxes	10	-27.7	-26.5		-92.0	-52.2	
PROFIT FOR THE PERIOD		96.4	72.5	32.9	275.6	138.5	99.0
Profit for the period attributable to:							
Shareholders of the parent company		96.4	72.1		275.6	140.3	
Non-controlling interest		0.0	0.4		0.0	-1.8	
Earnings per share, basic (EUR)		1.22	0.91	33.6	3.48	1.77	96.2
Earnings per share, diluted (EUR)		1.21	0.91	32.9	3.46	1.77	96.2

Consolidated statement of other comprehensive income

EUR million	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Profit for the period	96.4	72.5	275.6	138.5
Items that can be reclassified into profit or loss				
Cash flow hedges	10.8	31.4	12.5	2.0
Exchange differences on translating foreign operations	-10.9	-23.8	-17.0	-3.2
Income tax relating to items that can be reclassified into profit or loss	-2.2	-6.3	-2.5	-0.4
Items that cannot be reclassified into profit or loss				
Re-measurement gains (losses) on defined benefit plans	-15.6	62.6	-15.6	62.6
Income tax relating to items that cannot be reclassified into profit or loss	4.5	-18.7	4.5	-18.7
Other comprehensive income for the period, net of tax	-13.4	45.2	-18.1	42.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	83.1	117.7	257.5	180.8
Total comprehensive income attributable to:				
Shareholders of the parent company	83.1	117.3	257.5	183.1
Non-controlling interest	0.0	0.4	0.0	-2.3

Consolidated balance sheet

EUR million

ASSETS	Note	31.12.2023	31.12.2022
Non-current assets			
Goodwill		1,038.6	1,019.6
Intangible assets		458.1	475.4
Property, plant and equipment		359.9	345.9
Construction in progress		15.8	18.1
Investments accounted for using the equity method		6.9	7.8
Other non-current assets		0.8	0.8
Deferred tax assets		113.9	103.8
Total non-current assets		1,994.0	1,971.4
Current assets			
Inventories			
Raw material and semi-manufactured goods		412.5	395.5
Work in progress		525.7	551.9
Advance payments		57.7	45.3
Total inventories		995.9	992.7
Accounts receivable		587.5	585.6
Other receivables		31.0	32.9
Loans receivable		2.5	3.9
Income tax receivables		16.5	15.0
Contract assets	7	216.9	183.5
Other financial assets		23.5	43.7
Deferred assets		98.0	98.0
Cash and cash equivalents		586.6	413.9
Total current assets		2,558.4	2,369.2
TOTAL ASSETS		4,552.4	4,340.6

Consolidated balance sheet

EUR million

EQUITY AND LIABILITIES	Note	31.12.2023	31.12.2022
Equity attributable to equity holders of the parent company			
Share capital		30.1	30.1
Share premium		39.3	39.3
Paid in capital		752.7	752.7
Fair value reserves	14	8.8	-1.1
Translation difference		-8.7	8.3
Other reserve		71.2	67.8
Retained earnings		425.8	395.5
Net profit for the period		275.6	140.3
Total equity attributable to equity holders of the parent company		1,594.8	1,432.9
Non-controlling interest		0.0	0.1
Total equity		1,594.8	1,433.0
Non-current liabilities			
Interest-bearing liabilities	13	727.7	1,056.4
Other long-term liabilities		232.5	217.7
Provisions		19.9	19.0
Deferred tax liabilities		131.6	133.7
Total non-current liabilities		1,111.7	1,426.8
Current liabilities			
Interest-bearing liabilities	13	227.2	49.8
Advance payments received	7	668.8	564.3
Accounts payable		313.4	306.2
Provisions		101.9	93.4
Other short-term liabilities (non-interest bearing)		61.9	56.1
Other financial liabilities		11.3	15.9
Income tax liabilities		51.8	31.7
Accrued costs related to delivered goods and services		181.9	165.1
Accruals		227.7	198.3
Total current liabilities		1,845.9	1,480.8
Total liabilities		2,957.6	2,907.6
TOTAL EQUITY AND LIABILITIES		4,552.4	4,340.6

Consolidated statement of changes in equity

EUR million	Equity attributable to equity holders of the parent company				
	Share capital	Share premium	Paid in capital	Cash flow hedges	Translation difference
Balance at 1 January, 2023	30.1	39.3	752.7	-1.1	8.3
Dividends paid to equity holders					
Equity-settled share based payments					
Profit for the period					
Other comprehensive income				10.0	-17.0
Total comprehensive income				10.0	-17.0
Balance at 31 December, 2023	30.1	39.3	752.7	8.9	-8.7
Balance at 1 January, 2022	30.1	39.3	752.7	-2.7	10.9
Dividends paid to equity holders					
Equity-settled share based payments					
Profit for the period					
Other comprehensive income				1.6	-2.6
Total comprehensive income				1.6	-2.6
Balance at 31 December, 2022	30.1	39.3	752.7	-1.1	8.3

EUR million	Equity attributable to equity holders of the parent company			Non-control-ling interest	Total equity
	Other Reserve	Retained earnings	Total		
Balance at 1 January, 2023	67.8	535.8	1,432.9	0.1	1,433.0
Dividends paid to equity holders		-99.0	-99.0	0.0	-99.0
Equity-settled share based payments	3.4	0.0	3.4		3.4
Acquisitions		0.0	0.0	-0.1	-0.1
Profit for the period		275.6	275.6	0.0	275.6
Other comprehensive income		-11.1	-18.1	0.0	-18.1
Total comprehensive income	0.0	264.5	257.5	0.0	257.5
Balance at 31 December, 2023	71.2	701.3	1,594.8	0.0	1,594.8
Balance at 1 January, 2022	65.7	455.4	1,351.4	9.2	1,360.6
Dividends paid to equity holders		-98.9	-98.9	-0.3	-99.2
Equity-settled share based payments	2.1	0.0	2.1		2.1
Acquisitions		-4.8	-4.8	-6.5	-11.3
Profit for the period		140.3	140.3	-1.8	138.5
Other comprehensive income		43.8	42.8	-0.5	42.3
Total comprehensive income	0.0	184.1	183.1	-2.3	180.8
Balance at 31 December, 2022	67.8	535.8	1,432.9	0.1	1,433.0

Consolidated cash flow statement

EUR million	1-12/2023	1-12/2022
Cash flow from operating activities		
Profit for the period	275.6	138.5
Adjustments to net income		
Taxes	92.0	52.2
Financial income and expenses	35.7	32.9
Share of associates' and joint ventures' result	-0.8	-0.4
Depreciation and impairments	114.9	124.4
Profits and losses on sale of fixed assets and businesses	-0.2	-2.4
Other adjustments	3.5	-0.7
Operating income before change in net working capital	520.7	344.5
Change in interest-free current receivables	-23.0	-159.9
Change in inventories	-25.2	-264.4
Change in interest-free current liabilities	170.1	262.0
Change in net working capital	121.9	-162.3
Cash flow from operations before financing items and taxes	642.6	182.2
Interest received	49.5	28.0
Interest paid	-77.0	-56.5
Other financial income and expenses	27.3	-33.7
Income taxes paid	-85.1	-53.3
Financing items and taxes	-85.3	-115.5
NET CASH FROM OPERATING ACTIVITIES	557.3	66.7
Cash flow from investing activities		
Acquisition of Group companies, net of cash	-39.0	-1.6
Divestment of Businesses, net of cash	9.0	0.1
Proceeds from disposal of associated company	0.5	0.0
Capital expenditures	-52.4	-44.7
Proceeds from sale of property, plant and equipment	6.5	2.6
NET CASH USED IN INVESTING ACTIVITIES	-75.4	-43.6
Cash flow before financing activities	481.9	23.1
Cash flow from financing activities		
Proceeds from borrowings	0.0	600.0
Repayments of borrowings	-160.6	-331.7
Repayments of lease liability	-44.1	-44.1
Proceeds from (+), payments of (-) current borrowings	-0.4	-43.7
Change in loans receivable	0.6	-1.2
Acquired non controlling interest	-0.1	-11.0
Dividends paid to equity holders of the parent	-99.0	-98.9
Dividends paid to non-controlling interests	0.0	-0.3
NET CASH USED IN FINANCING ACTIVITIES	-303.6	69.1
Translation differences in cash	-5.6	1.0
CHANGE OF CASH AND CASH EQUIVALENTS	172.7	93.2
Cash and cash equivalents at beginning of period	413.9	320.7
Cash and cash equivalents at end of period	586.6	413.9
CHANGE OF CASH AND CASH EQUIVALENTS	172.7	93.2

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

FREE CASH FLOW (alternative performance measure)

EUR million	1-12/2023	1-12/2022
Net cash from operating activities	557.3	66.7
Capital expenditures	-52.4	-44.7
Proceeds from sale of property, plant and equipment	6.5	2.6
Free cash flow	511.4	24.6

Notes

1. CORPORATE INFORMATION

Konecranes Plc ("Konecranes Group" or "the Group") is a Finnish public limited company organized under the laws of Finland and domiciled in Hyvinkää. The company is listed on the NASDAQ Helsinki.

Konecranes is a world-leading manufacturer and servicer of cranes, lifting equipment and machine tools, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes operates internationally, with its products being manufactured in North and South America, Europe, Africa, the Middle East, and Asia and sold worldwide. Konecranes has three operating segments Service, Industrial Equipment and Port Solutions.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of Konecranes Plc for twelve months ending 31.12.2023 and 31.12.2022 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, 2023. The 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, 2023.

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

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

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

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

Notes

5. ACQUISITIONS AND DIVESTMENTS

5.1. 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 37.3 million.

The fair values of acquired businesses are as follows:

EUR million	Fair value
Intangible assets	
Clientele	14.6
Other intangible assets	1.4
Property, plant and equipment	0.4
Inventories	3.7
Accounts receivable	3.5
Total assets	23.6
Other long-term liabilities	0.4
Advances received	3.3
Accounts payable and other current liabilities	4.5
Total liabilities	8.2
Net assets	15.4
Purchase consideration, paid in cash	37.3
Goodwill	22.0
Cash flow on acquisition	
Purchase consideration, paid in cash	37.3
Transaction costs ¹⁾	0.7
Net cash flow arising on acquisition	38.1
Goodwill allocation to Cash Generating Units:	
Industrial Service	22.0
Total	22.0

¹⁾ 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
Divested assets	19.7
Liabilities	
Defined pension benefits	0.1
Advances received	9.7
Provisions	0.7
Accruals and other liabilities	0.3
Divested liabilities	10.9
Net assets derecognized	8.8
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	1-12/2023	% of total	1-12/2022	% of total
Service	1,490.7	34	1,442.5	32
Industrial Equipment	1,442.9	33	1,391.6	31
Port Solutions	1,468.5	33	1,655.3	37
./ Internal	-240.7		-261.6	
Total	4,161.4	100	4,227.9	100

Order book total ¹⁾	31.12.2023	% of total	31.12.2022	% of total
Service	443.5	15	445.5	15
Industrial Equipment	892.3	29	857.2	30
Port Solutions	1,705.0	56	1,599.0	55
Total	3,040.8	100	2,901.7	100

¹⁾ Percentage of completion deducted

Sales	1-12/2023	% of total	1-12/2022	% of total
Service	1,490.4	35	1,343.3	38
Industrial Equipment	1,355.3	32	1,205.6	34
Port Solutions	1,370.8	33	1,015.0	28
./ Internal	-250.1		-199.2	
Total	3,966.3	100	3,364.8	100

Comparable EBITA	1-12/2023	EBITA %	1-12/2022	EBITA %
	MEUR		MEUR	
Service	296.2	19.9	249.4	18.6
Industrial Equipment	87.4	6.5	32.5	2.7
Port Solutions	102.7	7.5	63.5	6.3
Group costs and eliminations	-35.7		-27.0	
Total	450.7	11.4	318.4	9.5

Operating profit (EBIT)	1-12/2023	EBIT %	1-12/2022	EBIT %
	MEUR		MEUR	
Service	276.9	18.6	232.3	17.3
Industrial Equipment	66.9	4.9	-10.9	-0.9
Port Solutions	95.1	6.9	38.4	3.8
Group costs and eliminations	-36.4		-36.6	
Total	402.5	10.1	223.2	6.6

Notes

	31.12.2023		31.12.2022	
Business segment assets	MEUR		MEUR	
Service	1,562.1		1,502.5	
Industrial Equipment	1,061.6		1,112.0	
Port Solutions	1,106.1		1,070.0	
Unallocated items	822.5		656.1	
Total	4,552.4		4,340.6	

	31.12.2023		31.12.2022	
Business segment liabilities	MEUR		MEUR	
Service	300.5		252.5	
Industrial Equipment	557.6		503.3	
Port Solutions	631.7		539.3	
Unallocated items	1,467.8		1,612.4	
Total	2,957.6		2,907.6	

Personnel (at the end of the period)	31.12.2023	% of total	31.12.2022	% of total
Service	8,010	48	7,802	47
Industrial Equipment	5,253	32	5,529	33
Port Solutions	3,222	19	3,102	19
Group staff	101	1	89	1
Total	16,586	100	16,522	100

Notes

Orders received, Quarters	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Service	377.9	359.6	374.5	378.8	359.6	369.5	366.7	346.7
Industrial Equipment	304.4	325.3	348.0	465.2	306.9	334.3	385.7	364.7
Port Solutions	304.0	231.6	420.4	512.6	360.0	457.6	407.6	430.3
./ Internal	-60.2	-63.6	-50.0	-67.0	-66.1	-73.5	-77.8	-44.2
Total	926.0	852.9	1,092.9	1,289.6	960.3	1,087.9	1,082.1	1,097.5

Order book, Quarters	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Service	443.5	476.8	477.1	461.8	445.5	490.0	457.2	396.4
Industrial Equipment	892.3	972.4	968.2	986.1	857.2	976.0	961.9	854.8
Port Solutions	1,705.0	1,832.8	1,966.1	1,833.6	1,599.0	1,586.2	1,406.4	1,233.9
Total	3,040.8	3,282.1	3,411.4	3,281.4	2,901.7	3,052.1	2,825.4	2,485.2

Sales, Quarters	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Service	403.5	368.8	364.5	353.6	376.0	347.1	319.1	301.1
Industrial Equipment	369.7	323.9	330.4	331.3	376.9	311.0	274.6	243.1
Port Solutions	445.3	374.7	278.0	272.8	328.4	273.3	237.3	176.0
./ Internal	-69.6	-62.2	-59.9	-58.4	-60.3	-46.8	-43.9	-48.1
Total	1,148.9	1,005.1	913.0	899.3	1,020.9	884.6	787.1	672.1

Comparable EBITA, Quarters	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Service	81.7	77.2	71.1	66.2	79.3	68.1	49.6	52.4
Industrial Equipment	23.9	22.9	17.9	22.7	22.5	12.5	2.7	-5.2
Port Solutions	35.6	31.1	18.2	17.7	21.4	21.0	16.0	5.2
Group costs and eliminations	-7.3	-8.0	-9.0	-11.3	-4.9	-6.3	-7.4	-8.3
Total	133.8	123.2	98.3	95.4	118.2	95.3	60.9	44.1

Comparable EBITA margin, Quarters	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Service	20.2	20.9	19.5	18.7	21.1	19.6	15.5	17.4
Industrial Equipment	6.5	7.1	5.4	6.8	6.0	4.0	1.0	-2.1
Port Solutions	8.0	8.3	6.6	6.5	6.5	7.7	6.7	2.9
Group EBITA margin total	11.7	12.3	10.8	10.6	11.6	10.8	7.7	6.6

Personnel, Quarters (at the end of the period)	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Service	8,010	7,956	7,859	7,950	7,802	7,832	7,939	7,896
Industrial Equipment	5,253	5,230	5,240	5,416	5,529	5,499	5,504	5,528
Port Solutions	3,222	3,213	3,133	3,114	3,102	3,112	3,082	3,070
Group staff	101	100	99	99	89	84	85	87
Total	16,586	16,499	16,331	16,579	16,522	16,527	16,610	16,581

Notes

6.2. Geographical areas

EUR million

Sales by market	1-12/2023	% of total	1-12/2022	% of total
Europe-Middle East-Africa (EMEA)	1,872.7	47	1,714.1	51
Americas (AME)	1,522.0	38	1,201.1	36
Asia-Pacific (APAC)	571.6	14	449.7	13
Total	3,966.3	100	3,364.8	100

Personnel by region (at the end of the period)	31.12.2023	% of total	31.12.2022	% of total
Europe-Middle East-Africa (EMEA)	9,785	59	9,565	58
Americas (AME)	3,335	20	3,131	19
Asia-Pacific (APAC)	3,466	21	3,826	23
Total	16,586	100	16,522	100

Sales by market, Quarters	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Europe-Middle East-Africa (EMEA)	487.5	487.1	438.8	459.3	586.2	452.1	374.7	301.0
Americas (AME)	456.7	393.9	350.3	321.2	307.5	312.8	310.0	270.7
Asia-Pacific (APAC)	204.7	124.1	124.0	118.8	127.2	119.7	102.4	100.4
Total	1,148.9	1,005.1	913.0	899.3	1,020.9	884.6	787.1	672.1

Personnel by region, Quarters (at the end of the period)	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022	Q3/2022	Q2/2022	Q1/2022
Europe-Middle East-Africa (EMEA)	9,785	9,743	9,598	9,628	9,565	9,564	9,678	9,708
Americas (AME)	3,335	3,298	3,249	3,201	3,131	3,120	3,108	3,034
Asia-Pacific (APAC)	3,466	3,458	3,484	3,750	3,826	3,843	3,824	3,839
Total	16,586	16,499	16,331	16,579	16,522	16,527	16,610	16,581

Notes

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

EUR million	31.12.2023	31.12.2022
The cumulative revenues of non-delivered projects	819.1	641.3
Advances received netted	602.2	457.9
Total	216.9	183.5
Gross advance received from percentage of completion method	815.0	572.2
Advances received netted	602.2	457.9
Total	212.8	114.3

Net sales recognized under the percentage of completion method amounted EUR 566.5 million in 1-12/2023 (EUR 364.6 million in 1-12/2022).

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

Advance payments received	31.12.2023	31.12.2022
Advance received from percentage of completion method (netted)	212.8	114.3
Other advance received from customers	456.0	450.1
Total	668.8	564.3

8. IMPAIRMENTS

EUR million	1-12/2023	1-12/2022
Goodwill	0.0	3.9
Property, plant and equipment	0.2	5.3
Total	0.2	9.2

Impairments of Property Plant and Equipment in 2023 relate to 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 26.4 million restructuring costs during 1-12/2023 (EUR 17.0 million in 1-12/2022) of which EUR 0.2 million was impairment of assets (EUR 2.9 million for 1-12/2022). The remaining restructuring items are reported 1-12/2023 in personnel costs (EUR 21.7 million), in other operating expenses (EUR 7.2 million) and in other operating income (EUR 2.7 million).

Notes

10. INCOME TAXES

Taxes in statement of Income	1-12/2023	1-12/2022
Local income taxes of group companies	100.3	63.8
Taxes from previous years	3.4	-0.6
Change in deferred taxes	-11.7	-11.0
Total	92.0	52.2

11. KEY FIGURES

	31.12.2023	31.12.2022	Change %
Earnings per share, basic (EUR)	3.48	1.77	96.2
Earnings per share, diluted (EUR)	3.46	1.77	96.2
Alternative Performance Measures:			
Return on capital employed, %	16.4	9.0	82.2
Comparable return on capital employed, %	17.7	13.4	32.1
Return on equity, %	18.2	9.9	83.8
Equity per share (EUR)	20.14	18.10	11.3
Gearing, %	22.9	48.0	-52.3
Net debt / Comparable EBITDA	0.7	1.7	-58.3
Equity to asset ratio, %	41.1	37.9	8.4
Investments total (excl. acquisitions), EUR million	54.4	37.0	47.0
Interest-bearing net debt, EUR million	365.8	688.3	-46.9
Net working capital, EUR million	353.6	490.2	-27.9
Average number of personnel during the period	16,503	16,563	-0.4
Average number of shares outstanding, basic	79,196,487	79,151,542	0.1
Average number of shares outstanding, diluted	79,583,067	79,508,099	0.1
Number of shares outstanding	79,202,250	79,166,599	0.0

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:	=	Non interest-bearing current assets excluding income tax receivables and other financial assets (derivatives) - Non interest-bearing current liabilities excluding income tax payables and other financial liabilities (derivatives) - long-term provisions	
Interest-bearing net debt:	=	Interest-bearing liabilities (non current and current) - cash and cash equivalents - loans receivable (non current and current)	
Average number of personnel:	=	Calculated as average of number of personnel in quarters	
Number of shares outstanding:	=	Total number of shares - treasury shares	
EBITDA:	=	Operating profit + Depreciation, amortization and impairments	
Comparable EBITA:	=	Operating profit + Amortization and impairment of Purchase Price Allocations + Transaction and integration costs + Restructuring costs + other items affecting comparability	

Notes

Reconciliation of Comparable EBITDA, EBITA and Operating profit (EBIT)	1-12/2023	1-12/2022
Comparable EBITDA	535.0	406.1
Transaction and integration costs	0.0	-8.7
Restructuring costs (excluding impairments)	-26.2	-14.1
Costs (-)/ income (+) related to the impacts of the war in Ukraine (excluding impairments of property, plant and equipment)	9.2	-35.8
Release of purchase price allocation in inventories	-0.7	0.0
EBITDA	517.3	347.6
Depreciation, amortization and impairments	-114.9	-124.4
Operating profit (EBIT)	402.5	223.2
Comparable EBITA	450.7	318.4
Purchase price allocation amortization and Goodwill impairment	-31.0	-31.8
Comparable Operating profit (EBIT)	419.7	286.6
Transaction and integration costs	0.0	-8.7
Restructuring costs	-26.4	-17.0
Costs (-)/ income (+) related to the impacts of the war in Ukraine	9.2	-37.8
Operating profit (EBIT)	402.5	223.2

Interest-bearing net debt	31.12.2023	31.12.2022
Non current interest bearing liabilities	727.7	1,056.4
Current interest bearing liabilities	227.2	49.8
Loans receivable	-2.5	-3.9
Cash and cash equivalents	-586.6	-413.9
Interest-bearing net debt	365.8	688.3

The period end exchange rates:	31.12.2023	31.12.2022	Change %
USD - US dollar	1.105	1.067	-3.5
CAD - Canadian dollar	1.464	1.444	-1.4
GBP - Pound sterling	0.869	0.887	2.1
CNY - Chinese yuan	7.851	7.358	-6.3
SGD - Singapore dollar	1.459	1.430	-2.0
SEK - Swedish krona	11.096	11.122	0.2
AUD - Australian dollar	1.626	1.569	-3.5

The period average exchange rates:	31.12.2023	31.12.2022	Change %
USD - US dollar	1.082	1.054	-2.6
CAD - Canadian dollar	1.460	1.370	-6.2
GBP - Pound sterling	0.870	0.853	-2.0
CNY - Chinese yuan	7.660	7.078	-7.6
SGD - Singapore dollar	1.453	1.451	-0.1
SEK - Swedish krona	11.474	10.626	-7.4
AUD - Australian dollar	1.629	1.517	-6.9

Notes

12. GUARANTEES, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

EUR million	31.12.2023	31.12.2022
For own commercial obligations		
Guarantees	1,088.3	862.5
Other	61.6	72.7
Total	1,149.9	935.2

Guarantees

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

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

Contingent liabilities relating to litigation

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

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

Notes

13. FINANCIAL ASSETS AND LIABILITIES

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

EUR million	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
Financial assets 31.12.2023				
Current financial assets				
Account and other receivables	0.0	0.0	621.0	621.0
Derivative financial instruments	13.6	9.9	0.0	23.5
Cash and cash equivalents	0.0	0.0	586.6	586.6
Total	13.6	9.9	1,207.6	1,231.1

Financial liabilities 31.12.2023				
Non-current financial liabilities				
Interest-bearing liabilities	0.0	0.0	727.7	727.7
Other payable	0.0	0.0	8.1	8.1
Current financial liabilities				
Interest-bearing liabilities	0.0	0.0	227.2	227.2
Derivative financial instruments	5.3	6.0	0.0	11.3
Accounts and other payable	0.0	0.0	375.3	375.3
Total	5.3	6.0	1,338.2	1,349.5

EUR million	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
Financial assets 31.12.2022				
Current financial assets				
Account and other receivables	0.0	0.0	622.5	622.5
Derivative financial instruments	12.2	31.5	0.0	43.7
Cash and cash equivalents	0.0	0.0	413.9	413.9
Total	12.2	31.5	1,036.3	1,080.0

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

Notes

During the year 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 December 2023. At the end of the fourth quarter, the Group's liquid cash reserves were EUR 586.6 million (31.12.2022: EUR 413.9 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 December 2023 (31.12.2022: unutilized).

At the end of December 2023, the outstanding short- and long-term loan portfolio consists of: EUR 400 million term loans, EUR 377 million Schuldschein loan and EUR 20 million employment pension loan. The loan portfolio contains floating and fixed rate tranches and interest swaps. The weighted average interest rate is currently 3.96% 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 22.9% (31.12.2022: 48.0%) 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 31.12.2023	Carrying amount 31.12.2022	Fair value 31.12.2023	Fair value 31.12.2022
Financial assets				
Current financial assets				
Account and other receivables	621.0	622.5	621.0	622.5
Derivative financial instruments	23.5	43.7	23.5	43.7
Cash and cash equivalents	586.6	413.9	586.6	413.9
Total	1,231.1	1,080.0	1,231.1	1,080.0
Financial liabilities				
Non-current financial liabilities				
Interest-bearing liabilities	727.7	1,056.4	734.7	1,082.4
Other payable	8.1	7.9	8.1	7.9
Current financial liabilities				
Interest-bearing liabilities	227.2	49.8	227.6	49.8
Derivative financial instruments	11.3	15.9	11.3	15.9
Accounts and other payable	375.3	362.4	375.3	362.4
Total	1,349.5	1,492.3	1,356.9	1,518.3

The management assessed that cash and short-term deposits, accounts receivable, accounts payable, bank overdrafts and other current payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates and the risk characteristics of the loan.

Notes

13.3 Hierarchy of fair values

Financial assets	31.12.2023			31.12.2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative financial instruments						
Foreign exchange forward contracts	0.0	22.9	0.0	0.0	41.9	0.0
Currency options	0.0	0.0	0.0	0.0	0.0	0.0
Commodity derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Interest rate derivatives	0.0	0.6	0.0	0.0	1.8	0.0
Total	0.0	23.5	0.0	0.0	43.7	0.0
Other financial assets						
Cash and cash equivalents	585.6	0.0	1.0	413.1	0.0	0.8
Total	585.6	0.0	1.0	413.1	0.0	0.8
Total financial assets	585.6	23.5	1.0	413.1	43.7	0.8

Financial liabilities						
Derivative financial instruments						
Foreign exchange forward contracts	0.0	11.1	0.0	0.0	15.8	0.0
Commodity derivatives	0.0	0.2	0.0	0.0	0.1	0.0
Total	0.0	11.3	0.0	0.0	15.9	0.0
Other financial liabilities						
Interest bearing liabilities	0.0	954.9	0.0	0.0	1,106.2	0.0
Other payables	0.0	0.0	1.4	0.0	0.0	0.8
Total	0.0	954.9	1.4	0.0	1,106.2	0.8
Total financial liabilities	0.0	966.1	1.4	0.0	1,122.1	0.8

14. HEDGE ACTIVITIES AND DERIVATIVES

EUR million	31.12.2023		31.12.2022	
	31.12.2023 Nominal value	Fair value	31.12.2022 Nominal value	Fair value
Foreign exchange forward contracts	1,737.3	11.9	1,609.6	26.1
Interest rate derivatives	300.0	0.6	300.0	1.8
Commodity derivatives	4.5	-0.2	1.7	-0.1
Total	2,041.8	12.2	1,911.3	27.8

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 44.7% of the Group's total hedged transaction flows. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

At the inception of these deals the Group assess whether the critical terms of the foreign currency forward contracts and interest rate swaps match the terms of the expected highly probable forecast transactions. On a quarterly basis the Group performs qualitative effectiveness test by checking that the hedging instrument is linked on the relevant assets and liabilities, projected business transactions or binding contracts according to the hedging strategy and that there are no related credit risks. Hedge ineffectiveness is recognized through profit or loss.

The cash flow hedges of the expected future sales, purchases and interest expenses in 2023 and 2022 were assessed to be highly effective and a net unrealized gain or loss, with a deferred tax asset relating to the hedging instruments, is included in OCI. The amounts recognized in OCI are shown in the table below and the reclassifications to profit or loss during the year are as shown in the consolidated statement of income.

Fair value reserve of cash flow hedges

EUR million	31.12.2023	31.12.2022
Balance as of January 1	-1.1	-2.8
Gains and losses deferred to equity (fair value reserve)	12.5	2.0
Change in deferred taxes	-2.5	-0.4
Balance as of the end of period	8.8	-1.2

15. TRANSACTIONS WITH RELATED PARTIES

EUR million	31.12.2023	31.12.2022
Sales of goods and services with associated companies and joint arrangements	18.9	25.4
Receivables from associated companies and joint arrangements	2.3	4.1
Purchases of goods and services from associated companies and joint arrangements	67.7	64.5
Liabilities to associated companies and joint arrangements	0.9	1.5

ANALYST AND PRESS BRIEFING

A live international webcast and telephone conference for analysts, investors and media will be arranged on February 2, 2024, at 11:30 a.m. EET. The Financial statement release will be presented by President and CEO Anders Svensson and CFO Teo Ottola.

Please see the press release dated January 19, 2024, for the webcast and telephone conference details.

NEXT REPORT

Konecranes Plc plans to publish its Interim report, January-March 2024 on April 25, 2024.

KONECRANES PLC

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The background of the page is an abstract composition of various geometric shapes, primarily triangles and polygons, in shades of red, orange, and pink. The shapes are layered and overlapping, creating a sense of depth and movement. The colors transition from a bright, almost white light at the top to deeper reds and oranges towards the bottom and sides. The overall effect is modern and dynamic.

Konecranes is a global leader in material handling solutions, serving a broad range of customers across multiple industries. We consistently set the industry benchmark, from everyday improvements to the breakthroughs at moments that matter most, because we know we can always find a safer, more productive and sustainable way. That's why, with around 16,600 professionals in over 50 countries, Konecranes is trusted every day to lift, handle and move what the world needs. In 2023, Group sales totalled EUR 4.0 billion. Konecranes shares are listed on Nasdaq Helsinki (symbol: KCR).

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