

Q3: strong  
performance  
and execution  
continued

Interim Report  
January–September 2021

**Q3**



## Q3: strong performance and execution continued

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

### THIRD QUARTER HIGHLIGHTS

- Order intake EUR 713.7 million (565.5), +26.2 percent (+25.1 percent on a comparable currency basis), driven by order intake increases in all three Business Areas
- Service annual agreement base value increased 2.8 percent (+1.5 percent on a comparable currency basis) to EUR 286.7 million (278.8). Service order intake was EUR 257.9 million (218.9), +17.8 percent (+16.8 percent on a comparable currency basis)
- Order book EUR 1,997.4 million (1,742.8) at the end of September, +14.6 percent (+13.3 percent on a comparable currency basis)
- Sales EUR 773.6 million (767.9), +0.7 percent (+0.1 percent on a comparable currency basis), sales increased in Business Areas Service and Port Solutions but decreased in Industrial Equipment
- Adjusted EBITA margin 10.0 percent (10.4) and adjusted EBITA EUR 77.4 million (80.1); the decrease was mainly driven by temporary personnel cost savings in the comparison period
- Operating profit EUR 49.9 million (40.3), 6.4 percent of sales (5.2), restructuring and merger related costs totaled EUR 19.4 million (30.9)
- Earnings per share (diluted) EUR 0.40 (0.33)
- Free cash flow EUR 39.0 million (81.4).

### FINANCIAL GUIDANCE

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

### JANUARY–SEPTEMBER 2021 HIGHLIGHTS

- Order intake EUR 2,283.2 million (1,884.0), +21.2 percent (+22.8 percent on a comparable currency basis)
- Service order intake EUR 770.6 million (694.1), +11.0 percent (+13.4 percent on a comparable currency basis)
- Sales EUR 2,236.8 million (2,242.1), -0.2 percent (+1.1 percent on a comparable currency basis)
- Adjusted EBITA margin 8.9 percent (7.1) and adjusted EBITA EUR 199.0 million (158.7); the adjusted EBITA margin improved in all three Business Areas
- Operating profit EUR 134.0 million (90.8), 6.0 percent of sales (4.0), restructuring and merger related costs totaled EUR 40.1 million (41.0)
- Earnings per share (diluted) EUR 0.99 (0.85)
- Free cash flow EUR 72.0 million (188.9)
- Net debt EUR 592.8 million (742.7) and gearing 46.7 percent (61.5).

### FOURTH QUARTER DEMAND OUTLOOK

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

In Europe and North America, the demand environment within the industrial customer segments continues stable. In Asia-Pacific, the demand environment remains below the pre-COVID-19 level outside China.

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

# Key figures

	Third quarter			January–September			R12M	1–12/2020
	7–9/2021	7–9/2020	Change %	1–9/2021	1–9/2020	Change %		
Orders received, MEUR	713.7	565.5	26.2	2,283.2	1,884.0	21.2	3,126.5	2,727.3
Order book at end of period, MEUR				1,997.4	1,742.8	14.6		1,715.5
Sales total, MEUR	773.6	767.9	0.7	2,236.8	2,242.1	-0.2	3,173.6	3,178.9
Adjusted EBITDA, MEUR <sup>1)</sup>	98.6	103.2	-4.5	264.1	232.2	13.7	388.6	356.7
Adjusted EBITDA, % <sup>1)</sup>	12.7%	13.4%		11.8%	10.4%		12.2%	11.2%
Adjusted EBITA, MEUR <sup>2)</sup>	77.4	80.1	-3.4	199.0	158.7	25.4	301.1	260.8
Adjusted EBITA, % <sup>2)</sup>	10.0%	10.4%		8.9%	7.1%		9.5%	8.2%
Adjusted operating profit, MEUR <sup>1)</sup>	69.2	71.2	-2.7	174.1	131.8	32.1	267.1	224.9
Adjusted operating margin, % <sup>1)</sup>	9.0%	9.3%		7.8%	5.9%		8.4%	7.1%
Operating profit, MEUR	49.9	40.3	23.7	134.0	90.8	47.6	217.0	173.8
Operating margin, %	6.4%	5.2%		6.0%	4.0%		6.8%	5.5%
Profit before taxes, MEUR	43.1	35.6	21.1	110.9	94.1	17.9	187.1	170.3
Net profit for the period, MEUR	31.4	25.9	21.2	78.2	67.7	15.4	133.3	122.9
Earnings per share, basic, EUR	0.40	0.33	21.6	0.99	0.85	15.4	1.68	1.54
Earnings per share, diluted, EUR	0.40	0.33	21.6	0.99	0.85	15.4	1.68	1.54
Interest-bearing net debt/Equity, %				46.7%	61.5%			46.1%
Net debt/Adjusted EBITDA, R12M <sup>1)</sup>				1.5	2.2			1.6
Return on capital employed, %							9.3%	8.3%
Adjusted return on capital employed, % <sup>3)</sup>							13.1%	11.1%
Free cash flow, MEUR	39.0	81.4		72.0	188.9		249.2	366.1
Average number of personnel during the period				16,638	17,068	-2.5		17,027

<sup>1)</sup> Excluding adjustments, see also note 10 in the summary financial statements

<sup>2)</sup> Excluding adjustments and purchase price allocation amortization, see also note 10 in the summary financial statements

<sup>3)</sup> ROCE excluding adjustments, see also note 10 in the summary financial statements

## President and CEO Rob Smith:

***Konecranes delivered an impressively resilient result in Q3. We worked hard to mitigate the impact of global component availability issues and reported an adjusted EBITA margin of 10.0% - our second highest Q3 profitability ever. Thanks to our record-high order book and the continued strong commitment and performance across our whole organization, I am confident in our plans in place to deliver the sales and adjusted EBITA margin growth we expect for full-year 2021.***

In Q3, overall market sentiment continued to be good and similar to the previous quarter, although COVID-19 related market volatility is not over. Year-on-year, Konecranes' Q3 order intake grew 25.1% in comparable currencies, reflecting the impact on last year's Q3 of the COVID-19 pandemic and resulting lockdowns. Once again, we saw good order intake in our short-cycle products.

Component availability, customer delays and other supply chain constraints continued to affect our sales in Q3, with a quarterly impact of approximately EUR 60 million. As a result, our Q3 sales increased only marginally year-on-year. Due to our strong year-to-date order intake and sales delays, our order book broke a new record of EUR 1,997.4 million at the end of September.

Our Q3 adjusted EBITA margin was 10.0%, which is an excellent achievement given global component and other supply chain issues and the disruptions the pandemic is still causing in many countries. We ended 0.4 percentage points behind last year's record-high Q3 adjusted EBITA margin mainly due to temporary factors that had a positive impact on our personnel expenses a year-ago.

As for our Q3 performance by each business, Service order intake improved by 16.8% year-on-year in comparable currencies, and orders grew in all three regions. Although component shortages and logistics delays impacted Service sales, the adjusted EBITA margin was 18.9%, an all-time high for Q3. The agreement base value grew by 1.5% from the previous year in comparable currencies, continuing to demonstrate the resiliency of our Service growth engine during the pandemic.

Industrial Equipment's external order intake grew by 32.1% in comparable currencies. Net sales continued to be impacted by customer delays and supply chain constraints, and as a result, Industrial Equipment's adjusted EBITA margin was 4.4%, 0.6 percentage points behind the previous year. We continued to make good progress with our strategic initiatives.

In Port Solutions activity remained high within ports, but after three straight quarters of exceptionally strong cumulative orders, the lumpy nature of our project business and timing

of customers' decision-making led to lower Q3 orders in comparison to the previous quarters. Overall, in our view, the long-term prospects related to container handling orders remain good. Despite the generally good sales execution in Port Solutions, mobile equipment sales were impacted by component shortages, and as a result, Port Solutions' adjusted EBITA margin totaled 6.3% and was behind last year.

We have updated our demand outlook for Q4 to reflect the current market sentiment, and we reiterate our full-year guidance for 2021 despite the supply chain challenges that have impacted us since the beginning of this year. We expect our net sales to increase in full-year 2021 compared to 2020 and our full-year adjusted EBITA margin to improve from 2020. As for the component availability issues, customer delays and other supply chain constraints, we expect them to continue in Q4 and into 2022. Building upon our successful MHE-Demag and MHPS integrations, and to enhance customer focus and drive further efficiencies, we plan to assess even closer collaboration between our Service and Industrial Equipment Business Areas.

Our announced merger with Cargotec is progressing well – merger control filings and integration planning teams are making good headway. In August, Konecranes and Cargotec received an unconditional approval for the planned merger from the State Administration for Market Regulation, the competition authority in China. Over the summer, several competition authorities, including the European Commission, the UK Competition and Markets Authority (CMA) and the US Department of Justice opened phase II reviews of the merger. The dialogue and cooperation with all relevant competition authorities continues to be good, and Konecranes and Cargotec are actively working on addressing concerns raised by some competition authorities and considering ways to mitigate some of these concerns. We are confident that the merger will be completed by the end of H1 2022, and until all merger closing conditions are met and the deal is completed, both companies continue to operate fully separately and independently.

Q4 will be my last quarter as the President and CEO of Konecranes, and I am fully committed to Konecranes continuing its exciting track record of outstanding performance for our customers, employees, investors and other stakeholders. When I joined the company, I said Konecranes was a great company with an impressive heritage, exceptional qualities, and talented people, and I stand behind those words. I am proud of all the progress and the achievements Konecranes has made and will continue to make, and the company has a bright and promising future. Together with Cargotec, Konecranes will create a global leader in sustainable material flow.

# Konecranes Plc's January–September 2021 Interim report

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

## MARKET REVIEW

The world's manufacturing sector, according to the aggregated J.P. Morgan Global Manufacturing Purchasing Managers' Index (PMI), continued clearly in expansion territory above the 50.0 mark in the third quarter, indicating improving operating conditions. In September, the PMI was at 54.1 and unchanged from August's six-month low. Although the improvement pace had slowed down, September was the 15th successive month signalling expansion.

In the eurozone, manufacturing sector operating conditions continued strong improvement also in the third quarter. Towards the end of the quarter, the PMI was impacted by supply-side constraints. September's 58.6 PMI was a further step down from 61.4 in August and the largest drop since the steep decline in the beginning of the COVID-19 pandemic in April 2020. Within the region, all country-specific PMIs remained in expansion territory although the quarter-on-quarter expansion rate slowdown was widespread, and the most visible in the Netherlands and Germany. The UK manufacturing PMI remained in expansion territory in the third quarter but unlike the eurozone, the PMI fell further in the end of the quarter and September's PMI hit a seven-month low of 57.1. The manufacturing industry capacity utilization rate in the European Union exceeded the pre-COVID level in the second quarter and in the third, it climbed further upwards, although it still remained behind highs touched in 2018.

In the US, the manufacturing sector's PMI reading continued to indicate substantial improvement in operating conditions in the third quarter. In the end of the quarter, material and labour shortages slowed the improvement pace and the PMI was at 60.7 in September. The US manufacturing capacity utilization rate reached the pre-pandemic level at the end of the second quarter while it ended the third at similar readings. Unlike the European Union, the capacity utilization rate was not yet at the recent peaks of mid-2018.

As for emerging markets, China's manufacturing sector operating conditions stabilized to a PMI reading of 50.0 in September after slight deterioration in August. In Brazil, the Manufacturing PMI continued in expansion territory and ended the quarter clearly above the 50 mark. In India, the Manufacturing PMI began the quarter in expansion, but the improvement slowed down towards September. In Rus-

sia, manufacturing sector operating conditions deteriorated slightly in September and it was the fourth successive month below the 50 mark.

Global container throughput, according to the RWI/ISL Container Throughput Index, started 2021 at a high level and increased further upward in the end of the first quarter. The global container throughput remained steady at around the same level until August, when the index rose to a new record high. At the end of August, global container throughput was approximately 10 percent higher than the year before.

Regarding raw material prices, at the end of the third quarter both steel and copper prices were clearly above the previous year's levels. The average EUR/USD exchange rate was approximately 6 percent higher compared to the year-ago period.

## ORDERS RECEIVED

In the third quarter, orders received totaled EUR 713.7 million (565.5), representing an increase of 26.2 percent. On a comparable currency basis, order intake increased 25.1 percent. Orders received increased in the Americas, EMEA and APAC.

In Service, orders received increased 17.8 percent on a reported basis and 16.8 percent on a comparable currency basis. In Industrial Equipment, order intake increased 27.8 percent on a reported basis and 26.5 percent on a comparable currency basis. External orders received in Industrial Equipment increased 33.5 percent on a reported basis and 32.1 percent on a comparable currency basis. In Port Solutions, order intake increased 28.7 percent on a reported basis and 27.8 percent on a comparable currency basis.

In January–September, orders received totaled EUR 2,283.2 million (1,884.0), representing an increase of 21.2 percent. On a comparable currency basis, order intake increased 22.8 percent. Orders received increased in the Americas, EMEA and APAC.

In Service, order intake increased 11.0 percent on a reported basis and 13.4 percent on a comparable currency basis. In Industrial Equipment, orders received increased 21.4 percent on a reported basis and 23.4 percent on a comparable currency basis. External orders received in Industrial Equipment increased 25.2 percent on a reported basis and 27.4 percent on a comparable currency basis. In Port Solutions, order intake increased 28.3 percent on a reported basis and 28.1 percent on a comparable currency basis.

**ORDERS RECEIVED AND NET SALES**

	7-9/ 2021	7-9/ 2020	Change percent	Change % at comparable currency rates	1-9/ 2021	1-9/ 2020	Change percent	Change % at comparable currency rates	1-12/2020
Orders received, MEUR	713.7	565.5	26.2	25.1	2,283.2	1,884.0	21.2	22.8	2,727.3
Net sales, MEUR	773.6	767.9	0.7	0.1	2,236.8	2,242.1	-0.2	1.1	3,178.9

**ORDER BOOK**

At the end of September, the value of the order book totaled EUR 1,997.4 million (1,742.8), which was 14.6 percent higher compared to previous year. On a comparable currency basis, the order book increased 13.3 percent. The order book increased 27.4 percent in Service, 11.7 percent in Industrial Equipment and 13.4 percent in Port Solutions.

**SALES**

In the third quarter, Group sales increased 0.7 percent to EUR 773.6 million (767.9). On a comparable currency basis, sales increased 0.1 percent. Sales increased 0.5 percent in Service and 2.1 percent in Port Solutions but decreased 0.9 percent in Industrial Equipment. Industrial Equipment's external sales decreased 0.6 percent.

In January–September, Group sales totaled EUR 2,236.8 million (2,242.1), representing a decrease of 0.2 percent. On a comparable currency basis, sales increased 1.1 percent. Sales decreased 0.2 percent in Service and 6.2 percent in Industrial Equipment but increased 3.4 percent in Port Solutions. Industrial Equipment's external sales decreased 4.1 percent.

At the end of September, the regional breakdown of sales, calculated on a rolling 12-month basis, was as follows: EMEA 54 (52), Americas 31 (33) and APAC 15 (16) percent.

**FINANCIAL RESULT**

In the third quarter, the Group adjusted EBITA decreased to EUR 77.4 million (80.1). The adjusted EBITA margin decreased to 10.0 percent (10.4). The adjusted EBITA margin was 18.9 percent (18.7) in Service, 4.4 percent (5.0) in Industrial Equipment and 6.3 percent (7.1) in Port Solutions. The decrease in the Group adjusted EBITA margin was driven by temporary personnel cost savings in the comparison period. Gross margin improved on a year-on-year basis.

In January–September, the Group adjusted EBITA increased to EUR 199.0 million (158.7). The adjusted EBITA margin increased to 8.9 percent (7.1). The adjusted EBITA margin increased in Service to 17.5 percent (16.5), in Industrial Equipment to 2.3 percent (0.9) and in Port Solutions to 7.0 percent (4.4). The increase in the Group adjusted EBITA margin was mainly attributable to continued focus on stra-

tegic initiatives and cost management as well as improved project management execution.

In January–September, the consolidated adjusted operating profit increased to EUR 174.1 million (131.8). The adjusted operating margin increased to 7.8 percent (5.9).

In January–September, the consolidated operating profit totaled EUR 134.0 million (90.8). The operating profit includes adjustments of EUR 40.1 million (41.0), which are mainly comprised of transaction and integration costs and restructuring costs. The operating margin increased in Service to 16.0 percent (14.4), in Industrial Equipment to 0.3 percent (-0.7) and in Port Solutions to 6.3 percent (0.0).

In January–September, depreciation and impairments totaled EUR 90.3 million (100.0). The impact arising from the purchase price allocations for acquisitions represented EUR 24.9 million (27.0) of the depreciation and impairments.

In January–September, the share of the result in associated companies and joint ventures was EUR 0.1 million (20.9). The higher share of the result in associated companies and joint ventures in 2020 was mainly due to the acquisition of MHE-Demag in the beginning of 2020.

In January–September, financial income and expenses totaled EUR -23.3 million (-17.7). Net interest expenses accounted for EUR 13.3 million (15.6) of the sum and the remainder was mainly attributable to realized and unrealized exchange rate differences related to the hedging of future cash flows, which are not included in the hedge accounting, and other financing expenses.

In January–September, profit before taxes was EUR 110.9 million (94.1).

In January–September, income taxes were EUR 32.7 million (26.3). The Group's effective tax rate was 29.5 percent (28.0).

In January–September, net profit was EUR 78.2 million (67.7).

In January–September, the basic earnings per share were EUR 0.99 (0.85) and the diluted earnings per share were EUR 0.99 (0.85).

On a rolling 12-month basis, the return on capital employed was 9.3 percent (7.9) and the return on equity 10.8 percent (9.3). The adjusted return on capital employed was 13.1 percent (10.8).

## BALANCE SHEET

At the end of September, the consolidated balance sheet amounted to EUR 3,789.7 million (4,104.2). The total equity at the end of the reporting period was EUR 1,268.3 million (1,207.5) or EUR 15.91 per share (15.15). The total equity attributable to the equity holders of the parent company was EUR 1,259.4 million (1,198.9).

Net working capital totaled EUR 403.3 million (425.4). Sequentially, net working capital increased by EUR 11.3 million. The sequential increase in net working capital resulted mainly from an increase in inventories.

## CASH FLOW AND FINANCING

Net cash from operating activities in January–September was EUR 92.1 million (219.0). The decrease in net cash from operating activities was mainly due to change in net working capital during the period. Cash flow before financing activities was EUR 72.0 million (64.8), which included cash inflows of EUR 9.5 million (1.5) related to sale of property, plant and equipment, and cash outflows of EUR 0.0 million (124.1) related to acquisition of Group companies and EUR 29.5 million (31.6) related to capital expenditure.

At the end of September, interest-bearing net debt was EUR 592.8 million (742.7). Net debt decreased mainly due to the strong operating cashflow and working capital development in the fourth quarter of 2020. The equity to asset ratio was 37.1 percent (32.8) and the gearing 46.7 percent (61.5).

At the end of September, cash and cash equivalents amounted to EUR 257.7 million (522.4). None of the Group's committed EUR 400 million back-up financing facility was in use at the end of the period.

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

## CAPITAL EXPENDITURE

Capital expenditure in January–September, excluding acquisitions and joint arrangements, amounted to EUR 32.1 million (25.9). The amount consisted mainly of investments in machinery and equipment, buildings, office equipment and information technology.

## ACQUISITIONS AND DIVESTMENTS

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

## PERSONNEL

In January–September, the Group had an average of 16,638 employees (17,068). On September 30, the number of personnel was 16,540 (16,957). In January–September, the Group's personnel decreased by 322 people net.

At the end of September, the number of personnel by Business Area was as follows: Service 7,819 employees (8,051), Industrial Equipment 5,594 employees (5,772), Port Solutions 3,039 employees (3,021) and Group staff 88 (113).

The Group had 9,569 (9,817) employees working in EMEA, 2,958 (2,880) in the Americas and 4,013 (4,260) in APAC.

## SUSTAINABILITY

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

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

In January–September sales of our “eco portfolio”, consisting of fully electrified and hybrid equipment, as well as modernizations and retrofits, totaled 49 percent of Konecranes' sales (55 percent in full-year 2020). For Service, the eco portfolio represented 15 percent of sales (16 percent in full-year 2020), for Industrial Equipment 100 percent (100 percent in full-year 2020) and for Port Solutions 41 percent (53 percent in full-year 2020). The relatively low eco portfolio share of Service is due to only modernizations and retrofits being included in the eco portfolio, although all maintenance work and spare parts aim at extending product lifecycle and increased resource-efficiency.

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

## BUSINESS AREAS

## SERVICE

	7-9/ 2021	7-9/ 2020	Change percent	Change % at comparable currency rates	1-9/ 2021	1-9/ 2020	Change percent	Change % at comparable currency rates	1-12/2020
Orders received, MEUR	257.9	218.9	17.8	16.8	770.6	694.1	11.0	13.4	927.8
Order book, MEUR	293.1	230.2	27.4	25.3	293.1	230.2	27.4	25.3	213.4
Agreement base value, MEUR	286.7	278.8	2.8	1.5	286.7	278.8	2.8	1.5	275.7
Net sales, MEUR	296.0	294.6	0.5	-0.4	873.1	874.7	-0.2	1.9	1,190.0
Adjusted EBITA, MEUR <sup>1)</sup>	56.1	55.1	1.8		152.7	144.6	5.7		205.2
Adjusted EBITA, % <sup>1)</sup>	18.9%	18.7%			17.5%	16.5%			17.2%
Purchase price allocation amortization, MEUR	-3.9	-4.0	3.6		-11.6	-12.1	3.6		-16.1
Adjustments, MEUR	-0.1	-1.2			-1.0	-6.5			-7.7
Operating profit (EBIT), MEUR	52.1	49.9	4.5		140.1	126.0	11.2		181.4
Operating profit (EBIT), %	17.6%	16.9%			16.0%	14.4%			15.2%
Personnel at the end of period	7,819	8,051	-2.9		7,819	8,051	-2.9		8,062

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

## Operational highlights in Q3 2021:

- Multi plant maintenance agreement was renewed and expanded with a major automotive manufacturer.
- Sales of Service's digital service offering, including the recently launched CheckApp self-service application for daily crane inspections and the digitized Slings and Accessories Inspection, has continued to accelerate.

**In the third quarter**, order intake in Service increased 17.8 percent to EUR 257.9 million (218.9). On a comparable currency basis, orders received increased 16.8 percent. Both field service orders and parts orders increased. Order intake increased in the Americas, EMEA and APAC.

The order book increased 27.4 percent to EUR 293.1 million (230.2). On a comparable currency basis, the order book increased 25.3 percent.

The annual value of the agreement base increased 2.8 percent year-on-year to EUR 286.7 million (278.8). On a comparable currency basis, the annual value of the agreement base increased 1.5 percent. Sequentially, the annual value of the agreement base increased 1.4 percent on a reported basis and 1.0 percent on a comparable currency basis.

Sales increased 0.5 percent to EUR 296.0 million (294.6). On a comparable currency basis, sales decreased 0.4 percent. Parts sales increased but field service sales

decreased. Sales increased in the Americas but decreased in EMEA and APAC.

The third-quarter adjusted EBITA was EUR 56.1 million (55.1) and the adjusted EBITA margin 18.9 percent (18.7). The increase in the adjusted EBITA margin was mainly attributable to improved productivity and positive sales mix. Gross margin improved on a year-on-year basis. The operating profit was EUR 52.1 million (49.9) and the operating margin 17.6 percent (16.9).

**In January–September**, orders received totaled EUR 770.6 million (694.1), corresponding to an increase of 11.0 percent. On a comparable currency basis, orders received increased 13.4 percent.

Sales decreased 0.2 percent to EUR 873.1 million (874.7). On a comparable currency basis, sales increased 1.9 percent. Field service sales decreased but parts sales increased.

The adjusted EBITA was EUR 152.7 million (144.6) and the adjusted EBITA margin was 17.5 percent (16.5). The increase in the adjusted EBITA margin was mainly attributable to improved productivity and efficient cost management in both variable and fixed costs. The operating profit was EUR 140.1 million (126.0) and the operating margin 16.0 percent (14.4).



## INDUSTRIAL EQUIPMENT

	7-9/ 2021	7-9/ 2020	Change percent	Change % at comparable currency rates	1-9/ 2021	1-9/ 2020	Change percent	Change % at comparable currency rates	1-12/2020
Orders received, MEUR	289.8	226.8	27.8	26.5	898.0	739.9	21.4	23.4	981.2
of which external, MEUR	258.1	193.3	33.5	32.1	791.3	632.3	25.2	27.4	849.1
Order book, MEUR	747.3	669.1	11.7	9.9	747.3	669.1	11.7	9.9	598.8
Net sales, MEUR	267.7	270.1	-0.9	-1.2	756.6	806.6	-6.2	-4.4	1,120.1
of which external, MEUR	234.4	235.9	-0.6	-0.9	666.1	694.7	-4.1	-2.2	973.8
Adjusted EBITA, MEUR <sup>1)</sup>	11.7	13.4	-12.8		17.4	7.3	137.3		25.4
Adjusted EBITA, % <sup>1)</sup>	4.4%	5.0%			2.3%	0.9%			2.3%
Purchase price allocation amortization, MEUR	-2.7	-3.1	14.3		-8.1	-9.4	13.4		-12.5
Adjustments, MEUR	-4.5	-3.2			-7.3	-3.7			-8.6
Operating profit (EBIT), MEUR	4.6	7.1	-35.9		1.9	-5.8	133.6		4.3
Operating profit (EBIT), %	1.7%	2.6%			0.3%	-0.7%			0.4%
Personnel at the end of period	5,594	5,772	-3.1		5,594	5,772	-3.1		5,720

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

## Operational highlights in Q3 2021:

- Konecranes won an order from the thyssenkrupp Marine Systems shipyard to supply 14 process cranes for a shipbuilding hall in Kiel, Germany. The cranes will come with numerous features to increase performance, service life and, in particular, precision. The double-girder crane systems will be installed in the new production halls, which is being developed into an international center of excellence for submarine production. The order was booked in July 2021.
- In October 2021, the “Big Blue” crane, manufactured in Manitowoc by Broadwind Heavy Fabrications for Konecranes, won the 2021 Coolest Thing Made in Wisconsin competition. The crane is capable of lifting 140-ton loads and it will serve the U.S. Navy.

**In the third quarter**, Industrial Equipment’s orders received totaled EUR 289.8 million (226.8), corresponding to an increase of 27.8 percent. On a comparable currency basis, orders received increased 26.5 percent. External orders received increased 33.5 percent on a reported basis and 32.1 percent on a comparable currency basis. Order intake increased in standard cranes, process cranes and components. Orders received increased in the Americas, EMEA and APAC.

The order book increased 11.7 percent to EUR 747.3 million (669.1). On a comparable currency basis, the order book increased 9.9 percent.

Sales decreased 0.9 percent to EUR 267.7 million (270.1). On a comparable currency basis, sales decreased 1.2 percent. External sales decreased 0.6 percent on a reported basis and 0.9 percent on a comparable currency basis. The sales decrease was mainly due to delivery chal-

lenges caused by customer delays, component availability issues, and other supply chain challenges. Sales decreased in standard cranes and process cranes but increased in components. Sales decreased in the Americas and APAC but increased in EMEA.

The third-quarter adjusted EBITA was EUR 11.7 million (13.4) and the adjusted EBITA margin 4.4 percent (5.0). The decrease in the adjusted EBITA margin was mainly attributable to temporary personnel cost savings in the comparison period and lower sales. Gross margin improved on a year-on-year basis. Operating profit was EUR 4.6 million (7.1) and the operating margin 1.7 percent (2.6).

**In January–September**, orders received totaled EUR 898.0 million (739.9), corresponding to an increase of 21.4 percent. On a comparable currency basis, orders received increased 23.4 percent. External orders received increased 25.2 percent on a reported basis and 27.4 percent on a comparable currency basis. Order intake increased in standard cranes, process cranes and components.

Sales decreased 6.2 percent to EUR 756.6 million (806.6). On a comparable currency basis, sales decreased 4.4 percent. External sales decreased 4.1 percent on a reported basis and 2.2 percent on a comparable currency basis. Sales decreased in standard cranes and process cranes but increased in components.

The adjusted EBITA was EUR 17.4 million (7.3) and the adjusted EBITA margin 2.3 percent (0.9). The increase in the adjusted EBITA margin was mainly attributable to continued progress on strategic initiatives, improved sales mix, and cost management. The operating profit was EUR 1.9 million (-5.8) and the operating margin 0.3 percent (-0.7).

## PORT SOLUTIONS

	7-9/ 2021	7-9/ 2020	Change percent	Change % at comparable currency rates	1-9/ 2021	1-9/ 2020	Change percent	Change % at comparable currency rates	1-12/2020
Orders received, MEUR	210.2	163.3	28.7	27.8	757.8	590.8	28.3	28.1	994.5
Order book, MEUR	957.0	843.6	13.4	12.8	957.0	843.6	13.4	12.8	903.2
Net sales, MEUR	255.5	250.2	2.1	1.5	734.9	710.7	3.4	3.3	1,066.0
of which service, MEUR	48.8	37.6	29.8	28.5	131.0	123.6	6.0	7.1	167.9
Adjusted EBITA, MEUR <sup>1)</sup>	16.0	17.8	-10.2		51.1	31.1	64.5		59.7
Adjusted EBITA, % <sup>1)</sup>	6.3%	7.1%			7.0%	4.4%			5.6%
Purchase price allocation amortization, MEUR	-1.6	-1.8	10.1		-5.2	-5.5	5.6		-7.3
Adjustments, MEUR	0.7	-22.9			0.3	-25.7			-24.4
Operating profit (EBIT), MEUR	15.0	-6.9	318.7		46.3	-0.1	38,292.8		28.0
Operating profit (EBIT), %	5.9%	-2.8%			6.3%	0.0%			2.6%
Personnel at the end of period	3,039	3,021	0.6		3,039	3,021	0.6		2,970

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

## Operational highlights in Q3 2021:

- Konecranes has received strong interest and the first orders for the new eco-efficient Generation 6 Mobile Harbor Cranes following the launch of the new crane portfolio in end of the second quarter.
- Nempont in Turkey ordered 10 Konecranes Noell Rubber-Tired Gantry (RTG) cranes to handle growing container traffic. Nempont is building a new container yard and a new berth for mega container vessels, and the new RTGs will be fundamental to its productivity. The order was booked in July and the cranes will be delivered in October 2022.

**In the third quarter**, Port Solutions' order intake totaled EUR 210.2 million (163.3), representing an increase of 28.7 percent. On a comparable currency basis, orders received increased 27.8 percent. Orders received increased in the Americas, EMEA and APAC.

The order book increased 13.4 percent to EUR 957.0 million (843.6). On a comparable currency basis, the order book increased 12.8 percent.

Sales increased 2.1 percent to EUR 255.5 million (250.2). On a comparable currency basis, sales increased 1.5 percent.

The third-quarter adjusted EBITA was EUR 16.0 million (17.8) and the adjusted EBITA margin 6.3 percent (7.1). The decrease in the adjusted EBITA margin was mainly attributable to temporary personnel cost savings in the comparison period. Gross margin improved on a year-on-year basis. Operating profit was EUR 15.0 million (-6.9) and the operating margin 5.9 percent (-2.8).

**In January–September**, orders received totaled EUR 757.8 million (590.8), corresponding to an increase of 28.3 percent. On a comparable currency basis, orders received increased 28.1 percent.

Sales increased 3.4 percent to EUR 734.9 million (710.7). On a comparable currency basis, sales increased 3.3 percent.

The adjusted EBITA was EUR 51.1 million (31.1) and the adjusted EBITA margin 7.0 percent (4.4). The increase in the adjusted EBITA margin was mainly attributable to improved project management execution, higher sales, and cost management. Gross margin improved on a year-on-year basis. Operating profit was EUR 46.3 million (-0.1) and the operating margin 6.3 percent (0.0).

### Group overheads

In the third quarter, the adjusted unallocated Group overhead costs and eliminations were EUR 6.3 million (6.1), representing 0.8 percent of sales (0.8).

The unallocated Group overhead costs and eliminations were EUR 21.8 million (9.8), representing 2.8 percent of sales (1.3). These included merger related costs and restructuring costs of EUR 15.5 million (3.6).

In January–September, the adjusted unallocated Group overhead costs and eliminations were EUR 22.3 million (24.2), representing 1.0 percent of sales (1.1).

The unallocated Group overhead costs and eliminations were EUR 54.3 million (29.3), representing 2.4 percent of sales (1.3). These included merger related costs and restructuring costs of EUR 32.0 million (5.1).

### COVID-19 impact on Konecranes

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

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

In January–September, all Konecranes factories were in operation except for some sites in APAC which have been closed during parts of the second and third quarters. At the end of September, all Konecranes factories were in operation.

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

Some customer payment delays have occurred, but the impact has not been significant. Konecranes has further enhanced payment collection and credit control. Inventory levels have increased due to customer delivery delays, component availability, and logistics issues.

The worldwide demand picture remains subject to volatility due to the COVID-19 pandemic. There are still uncertainties regarding the COVID-19 pandemic and related component

availability issues as well as other supply chain constraints. It is too early to estimate how long and to what extent they will impact Konecranes' business and performance.

### ADMINISTRATION

#### Merger of Konecranes Plc and Cargotec Corporation

On October 1, 2020 Konecranes Plc ("Konecranes") and Cargotec Corporation ("Cargotec") announced that their respective Boards of Directors signed a combination agreement and a merger plan ("the Merger Plan") to combine the two companies through a merger ("the Merger").

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

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

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

On July 2, 2021 Konecranes and Cargotec confirmed that they had filed for approval in many of the jurisdictions where the transaction requires regulatory review. The various competition authorities, including the European Commission ("EC"), the UK Competition and Markets Authority, the US Department of Justice, and the Chinese State Administration for Market Regulation, were reviewing the proposed Merger at the date of the announcement. The EC opened a Phase II review in connection with the planned Merger on July 2, 2021. The Phase II review continues during H2/2021.

On August 6, 2021 it was announced that the Boards of Directors of Konecranes and Cargotec had agreed to select Mr. Mika Vehviläinen as the President and CEO of the Future Company, and the Board of Directors of Cargotec had made the appointment accordingly. The appointment of Mika Vehviläinen will become effective upon completion of the Transaction. Mika Vehviläinen has served as Cargotec's CEO since 2013.

On August 10, 2021 Konecranes announced that Konecranes and Cargotec had received an unconditional approval for their planned merger from the State Administration for Market Regulation, the competition authority in China.

The completion of the Merger is subject to necessary merger control approvals having been obtained and other conditions to completion having been fulfilled. In addition to the European Commission, the UK Competition and Markets Authority and the US Department of Justice have opened phase II reviews of the Merger. The dialogue and cooperation with all relevant competition authorities continues to be good, and Konecranes and Cargotec are actively working on addressing concerns raised by some competition authorities and consider ways to mitigate some of these concerns. The companies are confident that the approvals are received to allow the Merger to be completed by the end of H1/2022. Until completion, both companies will operate fully separately and independently.

Konecranes and Cargotec update the total cost estimate in connection with the merger to be approximately EUR 100 million. The estimate presented in the half year financial reports on 28 July 2021 was approximately EUR 70 million. The costs consist mostly of expenses related to financial reporting, legal matters, and advisory services (excluding the estimated transaction costs of the refinancing and integration planning). A considerable part of the total costs and the cost estimate increase are related to the processes for applying for the necessary merger control approvals for the merger. The cost estimate will be refined as the competition authority processes progress.

Additional information on the Merger is available in the stock exchange releases dated October 1, 2020, December 3, 2020, December 18, 2020, July 2, 2021, August 6, 2021, and August 10, 2021 available on the Konecranes website, as well as on the merger website [www.sustainablematerial-flow.com](http://www.sustainablematerial-flow.com).

### Decisions of the Annual General Meeting

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

### Board of Directors

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

- Christoph Vitzthum, Chairman of the Board
- Päivi Rekonen, Member of the Board
- Janina Kugel, Member of the Board
- Ulf Liljedahl, Member of the Board
- Per Vegard Nerseeth, Member of the Board
- Niko Mokka, Member of the Board
- Janne Martin, Member of the Board (resigned from the Board of Directors on July 27, 2021)

The term of office ends at the closing of the Annual General Meeting in 2022.

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

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

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

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

### Konecranes Leadership Team

In January–September 2021, Konecranes Leadership Team consisted of

- Rob Smith, President and CEO (until 31 December 2021)
- Teo Ottola, CFO, Deputy CEO
- Fabio Fiorino, Executive Vice President, Business Area Service
- Carolin Paulus, Executive Vice President, Business Area Industrial Equipment
- Mika Mahlberg, Executive Vice President, Business Area Port Solutions
- Juha Pankakoski, Executive Vice President, Technologies
- Anneli Karkovirta, Senior Vice President, Human Resources (from 30 August 2021)
- Timo Leskinen, Senior Vice President, Human Resources (until 29 August 2021)
- Sirpa Poitsalo, Senior Vice President, General Counsel
- Topi Tiitola, Senior Vice President, Integration and Project Management Office

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

30 September 2021. From August 30, 2021 until his departure, he acted as Senior Advisor.

On August 6, 2021 Konecranes announced that President and CEO Rob Smith had decided to leave the company. He will leave Konecranes on 31 December 2021. The company's CFO, Teo Ottola, who also serves as Deputy CEO, will be acting as the interim CEO from 1 January 2022 until the completion of the planned merger between Konecranes and Cargotec Corporation.

On August 27, 2021 Konecranes announced that Anneli Karkovirta had been appointed Senior Vice President, Human Resources and member of the Konecranes Leadership Team effective August 30, 2021.

### Shareholders' Nomination Board

On September 20, 2021 Konecranes announced the composition of the Shareholders' Nomination Board.

The Shareholders' Nomination Board is comprised of one member appointed by each of the four largest shareholders of Konecranes Plc. The shareholders entitled to appoint a member are determined on the basis of the shareholders' register of the Company maintained by Euroclear Finland Ltd. on 31 August each year.

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

- Peter Therman, Deputy Chairman of the Board of Directors of Hartwall Capital, appointed by HC Holding Oy Ab with 7,931,238 shares,
- Pauli Anttila, Investment Director of Solidium Oy, appointed by Solidium Oy with 6,744,506 shares,
- Mikko Mursula, Chief Investment Officer of Ilmarinen, appointed by Ilmarinen Mutual Pension Insurance Company with 2,465,000 shares, and
- Stig Gustavson, appointed by Stig Gustavson and family with 2,366,157 shares.

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

The appointed Nomination Board will forward its proposals for the 2022 Annual General Meeting to the Board of Directors by 31 January 2022.

## SHARES AND TRADING

### Share capital and shares

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

### Treasury shares

On September 30, 2021, Konecranes Plc was in possession of 87,447 treasury shares, which corresponds to 0.1 percent of the total number of shares, and which had on that date a market value of EUR 3.0 million.

### Market capitalization and trading volume

The closing price for the Konecranes shares on the Nasdaq Helsinki on September 30, 2021 was EUR 34.77. The volume-weighted average share price in January–September was EUR 36.52, the highest price being EUR 42.31 in September and the lowest EUR 28.80 in January. In January–September, the trading volume on the Nasdaq Helsinki totaled 32.9 million, corresponding to a turnover of approximately EUR 1,203.1 million. The average daily trading volume was 174,328 shares representing an average daily turnover of EUR 6.4 million.

In addition, according to Fidessa, approximately 49.0 million shares were traded on other trading venues (e.g. multilateral trading facilities and bilateral OTC trades) in January–September.

On September 30, 2021, the total market capitalization of Konecranes Plc was EUR 2,754.5 million including treasury shares. The market capitalization was EUR 2,751.5 million excluding treasury shares.

### Performance share plan 2021

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

The criterion for the measurement period 2021 is adjusted earnings per share (EPS). The EPS target for the first measurement period was also resolved by the Board of Directors.

The target group of the Plan for the performance period 2021–2023 consists of a maximum of 170 key employees of the Konecranes group.

Additional information, including essential terms and conditions of the Plan, is available in the stock exchange release dated February 3, 2021.

### Employee share savings plan

On March 30, 2021, Konecranes announced that the Board of Directors had decided to launch a new Plan Period relating to the Employee Share Savings Plan. The new Plan Period began on July 1, 2021 and will end on June 30, 2022. The other terms and conditions of the Plan Period 2021–2022 approved by the Board on March 30, 2021 have been published in the stock exchange release on the same day.

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

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

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

### NOTIFICATIONS OF MAJOR SHAREHOLDINGS

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

### RISKS AND UNCERTAINTIES

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

Global component availability issues and other global supply chain constraints may lead to production and customer delivery delays and have a negative impact on Konecranes sales and cash flow.

Konecranes operates in emerging countries that face political, economic, and regulatory uncertainties. Adverse

changes in the operating environment of these countries may result in currency losses, elevated delivery costs, or loss of assets. Konecranes operates a crane factory in Zaporozhye, Ukraine.

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

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

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

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

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

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

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

**STOCK EXCHANGE RELEASES  
DURING JANUARY–SEPTEMBER**

<b>Date</b>	<b>Release</b>
September 20, 2021	Composition of the Shareholders' Nomination Board of Konecranes Plc
August 27, 2021	Konecranes appoints Anneli Karkovirta Senior Vice President, Human Resources
August 10, 2021	State Administration for Market Regulation has approved the merger between Konecranes and Cargotec in China
August 6, 2021	Mika Vehviläinen selected as President and CEO of the Future Company as from completion of the merger between Konecranes and Cargotec
August 6, 2021	President and CEO Rob Smith to leave Konecranes
July 28, 2021	Konecranes Plc: Half-year financial report January–June 2021
July 27, 2021	Change in Konecranes Board of Directors
July 2, 2021	The European Commission commences Phase II review of the merger between Konecranes and Cargotec; completion of the merger expected by the end of H1/2022
July 1, 2021	Change in Konecranes Leadership Team
April 28, 2021	Konecranes Plc: Interim Report January–March 2021
March 30, 2021	The Board of Directors of Konecranes Plc decided to continue the Employee Share Savings Plan
March 30, 2021	Konecranes Plc: Board of Directors' organizing meeting
March 30, 2021	Resolutions of Konecranes Plc's Annual General Meeting of shareholders
March 5, 2021	Konecranes Plc's Annual Report 2020 published
March 1, 2021	Notice to the Annual General Meeting of Konecranes Plc
February 4, 2021	Konecranes Plc: Financial statement release 2020
February 3, 2021	The Board of Directors of Konecranes Plc has resolved to establish a new performance share plan
January 20, 2021	Proposals to the Annual General Meeting made by Konecranes Plc's Shareholders' Nomination Board and Certain Shareholders

**CORPORATE PRESS RELEASES  
DURING JANUARY–SEPTEMBER**

- On September 23, 2021, Konecranes announced that an Italian terminal operator ordered two Konecranes Gottwald Mobile Harbor Cranes to keep pace with material handling demand. The first order was placed in March 2021, and the option for a second was exercised in August.
- On September 22, 2021, Konecranes announced that its sustainability work was rewarded with first Gold rating from EcoVadis.
- On September 13, 2021, Konecranes announced that it won a 14-crane order from thyssenkrupp Marine Systems for Kiel shipyard. The order was booked in July 2021.
- On September 9, 2021, Konecranes announced that Goeyvaerts ordered two Konecranes Generation 6 Mobile Harbor Cranes to meet growing rental demand. The order was booked in July 2021.
- On August 19, 2021, Konecranes announced that a Brazilian terminal ordered three new Konecranes Generation 6 Mobile Harbor Cranes to increase capacity, competitiveness. The order was booked in June 2021.
- On July 29, 2021, Konecranes announced that it won its first customer for EPA-approved new diesel-to-hybrid conversion technology.
- On July 14, 2021, Konecranes announced that its January–June 2021 half-year financial report will be published on July 28, 2021.
- On June 16, 2021, Konecranes announced that it launched a new generation of energy-efficient mobile harbor cranes as global trade accelerates.
- On May 26, 2021, Konecranes announced that it received a \$43.5 million portal jib order from the US Navy. The order was booked in May 2021.
- On April 19, 2021, Konecranes announced that Nokia and Edzcom will deploy a 5G SA private wireless network to support Konecranes' advanced R&D work.
- On April 14, 2021, Konecranes announced that Georgia Ports Authority ordered 28 Konecranes container cranes as larger ship traffic grows. The order for 20 RTG cranes was booked in Q1 2021, and the order for 8 STS cranes was booked in Q4 2020.
- On April 14, 2021, Konecranes announced that its January–March 2021 interim report will be published on April 28, 2021.
- On April 1, 2021, Konecranes announced that an Italian terminal ordered a Konecranes Gottwald Mobile Harbor Crane to increase productivity and lower environmental impact. The order was booked in Q1 2021.
- On March 31, 2021, Konecranes announced that the Konecranes lift trucks now support renewable, fossil-free diesel.
- On March 26, 2021, Konecranes announced that a Nigerian port ordered two Konecranes Gottwald Mobile Harbor Cranes for greater flexibility to match growing demand. The order was booked in January 2021.

- On March 25, 2021, Konecranes announced that it will deliver 17 next-generation S-series cranes to a wind power producer in Estonia. The order was booked in February 2021.
- On March 12, 2021, Konecranes announced that Ports America Chesapeake ordered 15 eco-efficient hybrid RTGs from Konecranes. The order was booked in January 2021.
- On March 10, 2021, Konecranes announced that a Danish port ordered a Konecranes Gottwald Mobile Harbor Crane to improve performance, meet demand. The order was booked in Q1 2021.
- On February 26, 2021, Konecranes announced that the Europe's largest iron ore producer LKAB picked Konecranes for Service technology, polar precision.
- On February 9, 2021, Konecranes announced that five hybrid Konecranes RTGs were ordered by Norfolk Southern in the US. This order was booked in December 2020.
- On February 5, 2021, Konecranes announced that in the first quarter of 2021, it won an order for two eco-efficient Konecranes Gottwald Model 8 Cranes on Barge from China.
- On February 1, 2021, Konecranes announced that the President and CEO commented on first year in the role.
- On January 28, 2021, Konecranes announced that it had closed the syndication of the merger financing arrangement.
- On January 21, 2021, Konecranes announced that its financial statement release 2020 will be published on February 4, 2021.
- On January 18, 2021, Konecranes announced that DP World Antwerp Gateway ordered fleet of Automated Stacking Cranes from Konecranes. This order was booked in December 2020.

#### **FOURTH QUARTER DEMAND OUTLOOK**

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

In Europe and North America, the demand environment within the industrial customer segments continues stable. In Asia-Pacific, the demand environment remains below the pre-COVID-19 level outside China.

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

#### **FINANCIAL GUIDANCE**

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

Espoo, October 28, 2021

Konecranes Plc

Board of Directors



**Important Notice**

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

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

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

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

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

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

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

# Consolidated statement of income

EUR million	Note	7–9/ 2021	7–9/ 2020	Change percent	1–9/ 2021	1–9/ 2020	Change percent	1–12/ 2020
<b>Sales</b>	6	<b>773.6</b>	<b>767.9</b>	<b>0.7</b>	<b>2,236.8</b>	<b>2,242.1</b>	<b>-0.2</b>	<b>3,178.9</b>
Other operating income		3.3	2.7		9.1	6.4		10.7
Materials, supplies and subcontracting		-343.6	-354.2		-948.3	-992.2		-1,473.0
Personnel cost		-245.5	-249.9		-766.7	-762.5		-993.5
Depreciation and impairments	7	-29.6	-32.5		-90.3	-100.0		-130.0
Other operating expenses		-108.3	-93.7		-306.7	-303.1		-419.3
<b>Operating profit</b>		<b>49.9</b>	<b>40.3</b>	<b>23.7</b>	<b>134.0</b>	<b>90.8</b>	<b>47.6</b>	<b>173.8</b>
Share of associates' and joint ventures' result		0.0	0.0		0.1	20.9		21.2
Financial income		1.1	18.0		18.2	28.5		38.6
Financial expenses		-7.9	-22.7		-41.5	-46.2		-63.2
<b>Profit before taxes</b>		<b>43.1</b>	<b>35.6</b>	<b>21.1</b>	<b>110.9</b>	<b>94.1</b>	<b>17.9</b>	<b>170.4</b>
Taxes	9	-11.7	-9.7		-32.7	-26.3		-47.5
<b>PROFIT FOR THE PERIOD</b>		<b>31.4</b>	<b>25.9</b>	<b>21.2</b>	<b>78.2</b>	<b>67.7</b>	<b>15.4</b>	<b>122.9</b>
<b>Profit for the period attributable to:</b>								
Shareholders of the parent company		31.5	25.8		78.0	67.5		122.2
Non-controlling interest		-0.1	0.1		0.2	0.2		0.7
Earnings per share, basic (EUR)		0.40	0.33	21.9	0.99	0.85	15.4	1.54
Earnings per share, diluted (EUR)		0.40	0.33	21.9	0.99	0.85	15.4	1.54

## Consolidated statement of other comprehensive income

EUR million	7–9/ 2021	7–9/ 2020	1–9/ 2021	1–9/ 2020	1–12/ 2020
<b>Profit for the period</b>	<b>31.4</b>	<b>25.9</b>	<b>78.2</b>	<b>67.7</b>	<b>122.9</b>
<b>Items that can be reclassified into profit or loss</b>					
Cash flow hedges	-4.1	5.8	-11.2	5.7	8.1
Exchange differences on translating foreign operations	4.0	-5.7	14.2	-14.7	-15.8
Income tax relating to items that can be reclassified into profit or loss	0.8	-1.2	2.2	-1.1	-1.6
<b>Items that cannot be reclassified into profit or loss</b>					
Re-measurement gains (losses) on defined benefit plans	0.0	0.0	0.0	0.0	-18.8
Income tax relating to items that cannot be reclassified into profit or loss	0.0	0.0	0.0	0.0	5.9
<b>Other comprehensive income for the period, net of tax</b>	<b>0.7</b>	<b>-1.1</b>	<b>5.2</b>	<b>-10.2</b>	<b>-22.2</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>32.1</b>	<b>24.8</b>	<b>83.4</b>	<b>57.5</b>	<b>100.7</b>
<b>Total comprehensive income attributable to:</b>					
Shareholders of the parent company	32.3	24.8	83.0	57.8	100.4
Non-controlling interest	-0.1	0.0	0.3	-0.2	0.3

# Consolidated balance sheet

EUR million

ASSETS	Note	30.9.2021	30.9.2020	31.12.2020
<b>Non-current assets</b>				
Goodwill		1,020.4	1,018.8	1,016.7
Intangible assets		509.0	544.3	536.0
Property, plant and equipment		327.1	338.0	341.8
Advance payments and construction in progress		17.5	24.6	20.0
Investments accounted for using the equity method		6.6	6.3	6.5
Other non-current assets		0.8	0.8	0.8
Deferred tax assets		124.4	119.7	118.9
<b>Total non-current assets</b>		<b>2,005.8</b>	<b>2,052.5</b>	<b>2,040.7</b>
<b>Current assets</b>				
Inventories				
Raw material and semi-manufactured goods		314.7	306.8	289.8
Work in progress		444.3	454.1	336.6
Advance payments		23.5	17.2	18.4
Total inventories		782.4	778.2	644.8
Accounts receivable		454.1	459.4	489.2
Other receivables		30.8	35.6	29.1
Loans receivable		2.5	0.7	1.8
Income tax receivables		23.6	37.4	13.4
Receivable arising from percentage of completion method	6	132.5	119.9	102.3
Other financial assets		3.5	24.3	21.2
Deferred assets		96.7	73.8	82.1
Cash and cash equivalents		257.7	522.4	591.9
<b>Total current assets</b>		<b>1,783.9</b>	<b>2,051.7</b>	<b>1,975.8</b>
<b>TOTAL ASSETS</b>		<b>3,789.7</b>	<b>4,104.2</b>	<b>4,016.5</b>

# Consolidated balance sheet

EUR million

EQUITY AND LIABILITIES	Note	30.9.2021	30.9.2020	31.12.2020
<b>Equity attributable to equity holders of the parent company</b>				
Share capital		30.1	30.1	30.1
Share premium		39.3	39.3	39.3
Paid in capital		752.7	752.7	752.7
Fair value reserves	13	-2.9	4.1	6.0
Translation difference		2.4	-10.6	-11.6
Other reserve		63.2	57.4	58.0
Retained earnings		296.6	258.4	245.3
Net profit for the period		78.0	67.5	122.2
<b>Total equity attributable to equity holders of the parent company</b>		<b>1,259.4</b>	<b>1,198.9</b>	<b>1,242.0</b>
Non-controlling interest		8.9	8.6	9.1
<b>Total equity</b>		<b>1,268.3</b>	<b>1,207.5</b>	<b>1,251.1</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	12	444.6	937.0	859.7
Other long-term liabilities		305.1	286.0	306.4
Provisions		21.1	17.2	18.4
Deferred tax liabilities		138.0	149.4	143.6
<b>Total non-current liabilities</b>		<b>908.7</b>	<b>1,389.7</b>	<b>1,328.1</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	12	408.5	328.7	311.1
Advance payments received	6	372.2	417.7	352.3
Accounts payable		244.0	211.1	201.6
Provisions		113.7	153.0	142.6
Other short-term liabilities (non-interest bearing)		47.0	52.2	61.2
Other financial liabilities		12.5	7.4	5.5
Income tax liabilities		26.2	16.8	18.5
Accrued costs related to delivered goods and services		202.3	144.8	165.3
Accruals		186.1	175.2	179.2
<b>Total current liabilities</b>		<b>1,612.7</b>	<b>1,507.0</b>	<b>1,437.3</b>
<b>Total liabilities</b>		<b>2,521.4</b>	<b>2,896.7</b>	<b>2,765.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,789.7</b>	<b>4,104.2</b>	<b>4,016.5</b>

# Consolidated statement of changes in equity

EUR million	Equity attributable to equity holders of the parent company				
	Share capital	Share premium	Paid in capital	Cash flow hedges	Translation difference
<b>Balance at 1 January, 2021</b>	<b>30.1</b>	<b>39.3</b>	<b>752.7</b>	<b>6.0</b>	<b>-11.6</b>
Dividends paid to equity holders					
Equity-settled share based payments					
Profit for the period					
Other comprehensive income				-9.0	14.0
Total comprehensive income				-9.0	14.0
<b>Balance at 30 September, 2021</b>	<b>30.1</b>	<b>39.3</b>	<b>752.7</b>	<b>-2.9</b>	<b>2.4</b>
<b>Balance at 1 January, 2020</b>	<b>30.1</b>	<b>39.3</b>	<b>752.7</b>	<b>-0.5</b>	<b>3.7</b>
Dividends paid to equity holders					
Equity-settled share based payments					
Profit for the period					
Other comprehensive income				4.5	-14.3
Total comprehensive income				4.5	-14.3
<b>Balance at 30 September, 2020</b>	<b>30.1</b>	<b>39.3</b>	<b>752.7</b>	<b>4.0</b>	<b>-10.6</b>

EUR million	Equity attributable to equity holders of the parent company				Total equity
	Other Reserve	Retained earnings	Total	Non-controlling interest	
<b>Balance at 1 January, 2021</b>	<b>58.0</b>	<b>367.5</b>	<b>1,242.0</b>	<b>9.1</b>	<b>1,251.1</b>
Dividends paid to equity holders		-69.6	-69.6	-0.2	-69.8
Equity-settled share based payments	5.2	0.0	5.2		5.2
Acquisitions		-1.2	-1.2	-0.4	-1.6
Profit for the period		78.0	78.0	0.2	78.2
Other comprehensive income		0.0	5.1	0.2	5.2
Total comprehensive income	0.0	78.0	83.0	0.3	83.4
<b>Balance at 30 September, 2021</b>	<b>63.2</b>	<b>374.6</b>	<b>1,259.4</b>	<b>8.9</b>	<b>1,268.3</b>
<b>Balance at 1 January, 2020</b>	<b>58.8</b>	<b>353.4</b>	<b>1,237.5</b>	<b>9.2</b>	<b>1,246.7</b>
Dividends paid to equity holders		-95.0	-95.0	-0.3	-95.2
Equity-settled share based payments	-1.5	0.0	-1.5		-1.5
Acquisitions		0.0	0.0	0.0	0.0
Profit for the period		67.5	67.5	0.2	67.7
Other comprehensive income		0.0	-9.8	-0.4	-10.2
Total comprehensive income	0.0	67.5	57.7	-0.2	57.5
<b>Balance at 30 September, 2020</b>	<b>57.3</b>	<b>325.9</b>	<b>1,198.8</b>	<b>8.6</b>	<b>1,207.5</b>

# Consolidated cash flow statement

EUR million	1–9/2021	1–9/2020	1–12/2020
<b>Cash flow from operating activities</b>			
Profit for the period	78.2	67.7	122.9
Adjustments to net income			
Taxes	32.7	26.3	47.5
Financial income and expenses	23.3	17.7	24.6
Share of associates' and joint ventures' result	-0.1	-20.9	-21.2
Depreciation and impairments	90.3	100.0	130.0
Profits and losses on sale of fixed assets and businesses	-3.9	-1.2	-2.2
Other adjustments	7.5	-0.6	0.8
<b>Operating income before change in net working capital</b>	<b>227.9</b>	<b>188.9</b>	<b>302.4</b>
Change in interest-free current receivables	22.3	133.6	115.7
Change in inventories	-127.0	-90.2	42.4
Change in interest-free current liabilities	37.4	16.8	-33.1
<b>Change in net working capital</b>	<b>-67.4</b>	<b>60.3</b>	<b>125.0</b>
<b>Cash flow from operations before financing items and taxes</b>	<b>160.5</b>	<b>249.2</b>	<b>427.4</b>
Interest received	9.1	14.9	21.9
Interest paid	-22.4	-28.0	-36.8
Other financial income and expenses	-11.0	13.5	20.7
Income taxes paid	-44.2	-30.5	-26.1
<b>Financing items and taxes</b>	<b>-68.5</b>	<b>-30.2</b>	<b>-20.3</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>92.1</b>	<b>219.0</b>	<b>407.1</b>
<b>Cash flow from investing activities</b>			
Acquisition of Group companies, net of cash	0.0	-124.1	-124.1
Capital expenditures	-29.5	-31.6	-43.8
Proceeds from sale of property, plant and equipment	9.5	1.5	2.8
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-20.0</b>	<b>-154.1</b>	<b>-165.1</b>
<b>Cash flow before financing activities</b>	<b>72.0</b>	<b>64.8</b>	<b>242.0</b>
<b>Cash flow from financing activities</b>			
Proceeds from non-current borrowings	0.0	151.7	151.8
Repayments of non-current borrowings	-2.9	-2.5	-5.4
Repayments of lease liability	-31.1	-31.5	-42.5
Proceeds from (+), payments of (-) current borrowings	-304.7	70.7	-20.0
Change in loans receivable	-0.7	0.2	-1.0
Acquired non controlling interest	-1.6	0.0	0.0
Dividends paid to equity holders of the parent	-69.6	-95.0	-95.0
Dividends paid to non-controlling interests	-0.2	-0.3	-0.3
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-410.8</b>	<b>93.4</b>	<b>-12.4</b>
Translation differences in cash	4.6	-14.0	-15.9
<b>CHANGE OF CASH AND CASH EQUIVALENTS</b>	<b>-334.2</b>	<b>144.2</b>	<b>213.7</b>
Cash and cash equivalents at beginning of period	591.9	378.2	378.2
Cash and cash equivalents at end of period	257.7	522.4	591.9
<b>CHANGE OF CASH AND CASH EQUIVALENTS</b>	<b>-334.2</b>	<b>144.2</b>	<b>213.7</b>

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

**FREE CASH FLOW (alternative performance measure)**

EUR million	1-9/2021	1-9/2020	1-12/2020
Net cash from operating activities	92.1	219.0	407.1
Capital expenditures	-29.5	-31.6	-43.8
Proceeds from sale of property, plant and equipment	9.5	1.5	2.8
<b>Free cash flow</b>	<b>72.0</b>	<b>188.9</b>	<b>366.1</b>

## Notes

### 1. CORPORATE INFORMATION

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

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

### 2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of Konecranes Plc for nine months ending 30.9.2021 and 30.9.2020 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). As such, they do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements as of December 31, 2020. The unaudited interim condensed consolidated financial statements including notes thereto are presented in millions of euros and all values are rounded to the nearest million (€ 000 000) except when otherwise indicated.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in accordance with IFRS requires management to make estimates and judgments that affect the valuation of reported assets and liabilities and other information, such as contingent liabilities and recognition of income and expenses in the statement of income. These assumptions, estimates and judgments are based on management’s historical experience, best knowledge about the events and other factors, such as expectations on future events, which are assessed to be reasonable in the given circumstances. Although these estimates and judgments are based on the management’s best understanding of current events and circumstances, actual results may differ from the estimates. Possible changes in estimates and assumptions are recognized in the financial reporting period the estimate or assumption is changed.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The Company’s accounting policies adopted in the preparation of the 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, 2020.

# Notes

## 5. SEGMENT INFORMATION

### 5.1. Operating segments

EUR million

Orders received by Business Area	1–9/2021	% of total	1–9/2020	% of total	1–12/2020	% of total
Service <sup>1)</sup>	770.6	32	694.1	34	927.8	32
Industrial Equipment	898.0	37	739.9	37	981.2	34
Port Solutions <sup>1)</sup>	757.8	31	590.8	29	994.5	34
./. Internal	-143.2		-140.8		-176.1	
<b>Total</b>	<b>2,283.2</b>	<b>100</b>	<b>1,884.0</b>	<b>100</b>	<b>2,727.3</b>	<b>100</b>

<sup>1)</sup> Excl. Service Agreement Base

Order book total <sup>2)</sup>	30.9.2021	% of total	30.9.2020	% of total	31.12.2020	% of total
Service	293.1	15	230.2	13	213.4	12
Industrial Equipment	747.3	37	669.1	38	598.8	35
Port Solutions	957.0	48	843.6	48	903.2	53
<b>Total</b>	<b>1,997.4</b>	<b>100</b>	<b>1,742.8</b>	<b>100</b>	<b>1,715.5</b>	<b>100</b>

<sup>2)</sup> Percentage of completion deducted

Sales by Business Area	1–9/2021	% of total	1–9/2020	% of total	1–12/2020	% of total
Service	873.1	37	874.7	37	1,190.0	35
Industrial Equipment	756.6	32	806.6	34	1,120.1	33
Port Solutions	734.9	31	710.7	30	1,066.0	32
./. Internal	-127.8		-149.9		-197.2	
<b>Total</b>	<b>2,236.8</b>	<b>100</b>	<b>2,242.1</b>	<b>100</b>	<b>3,178.9</b>	<b>100</b>

Adjusted EBITA by Business Area	1–9/2021	EBITA %	1–9/2020	EBITA %	1–12/2020	EBITA %
	MEUR		MEUR		MEUR	
Service	152.7	17.5	144.6	16.5	205.2	17.2
Industrial Equipment	17.4	2.3	7.3	0.9	25.4	2.3
Port Solutions	51.1	7.0	31.1	4.4	59.7	5.6
Group costs and eliminations	-22.3		-24.2		-29.5	
<b>Total</b>	<b>199.0</b>	<b>8.9</b>	<b>158.7</b>	<b>7.1</b>	<b>260.8</b>	<b>8.2</b>

Operating profit (EBIT) by Business Area	1–9/2021	EBIT %	1–9/2020	EBIT %	1–12/2020	EBIT %
	MEUR		MEUR		MEUR	
Service	140.1	16.0	126.0	14.4	181.4	15.2
Industrial Equipment	1.9	0.3	-5.8	-0.7	4.3	0.4
Port Solutions	46.3	6.3	-0.1	0.0	28.0	2.6
Group costs and eliminations	-54.3		-29.3		-40.0	
<b>Total</b>	<b>134.0</b>	<b>6.0</b>	<b>90.8</b>	<b>4.0</b>	<b>173.8</b>	<b>5.5</b>



## Notes

	30.9.2021		30.9.2020		31.12.2020
<b>Business segment assets</b>	MEUR		MEUR		MEUR
Service	1,414.0		1,424.4		1,409.7
Industrial Equipment	950.1		930.0		916.5
Port Solutions	903.5		932.2		854.2
Unallocated items	522.2		817.5		836.1
<b>Total</b>	<b>3,789.7</b>		<b>4,104.2</b>		<b>4,016.5</b>

	30.9.2021		30.9.2020		31.12.2020
<b>Business segment liabilities</b>	MEUR		MEUR		MEUR
Service	207.3		190.5		192.5
Industrial Equipment	387.7		356.5		356.4
Port Solutions	434.1		439.4		415.0
Unallocated items	1,492.2		1,910.3		1,801.5
<b>Total</b>	<b>2,521.4</b>		<b>2,896.7</b>		<b>2,765.4</b>

<b>Personnel by Business Area (at the end of the period)</b>	30.9.2021	% of total	30.9.2020	% of total	31.12.2020	% of total
Service	7,819	47	8,051	47	8,062	48
Industrial Equipment	5,594	34	5,772	34	5,720	34
Port Solutions	3,039	18	3,021	18	2,970	18
Group staff	88	1	113	1	110	1
<b>Total</b>	<b>16,540</b>	<b>100</b>	<b>16,957</b>	<b>100</b>	<b>16,862</b>	<b>100</b>

# Notes

## Orders received by Business Area, Quarters

	Q3/2021	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Service <sup>1)</sup>	257.9	257.5	255.2	233.6	218.9	209.1	266.1
Industrial Equipment	289.8	331.5	276.7	241.3	226.8	234.9	278.2
Port Solutions <sup>1)</sup>	210.2	272.1	275.5	403.7	163.3	184.2	243.2
./. Internal	-44.2	-54.4	-44.7	-35.3	-43.6	-46.7	-50.5
<b>Total</b>	<b>713.7</b>	<b>806.7</b>	<b>762.8</b>	<b>843.3</b>	<b>565.5</b>	<b>581.5</b>	<b>737.0</b>

<sup>1)</sup> Excl. Service Agreement Base

## Order book by Business Area, Quarters

	Q3/2021	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Service	293.1	273.0	254.5	213.4	230.2	249.8	256.9
Industrial Equipment	747.3	718.4	663.2	598.8	669.1	725.4	754.5
Port Solutions	957.0	983.3	949.0	903.2	843.6	929.4	949.9
<b>Total</b>	<b>1,997.4</b>	<b>1,974.8</b>	<b>1,866.7</b>	<b>1,715.5</b>	<b>1,742.8</b>	<b>1,904.5</b>	<b>1,961.3</b>

## Sales by Business Area, Quarters

	Q3/2021	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Service	296.0	298.7	278.3	315.3	294.6	276.5	303.7
Industrial Equipment	267.7	260.6	228.4	313.6	270.1	269.9	266.6
Port Solutions	255.5	243.5	236.0	355.3	250.2	207.9	252.6
./. Internal	-45.6	-43.5	-38.7	-47.3	-47.0	-49.7	-53.3
<b>Total</b>	<b>773.6</b>	<b>759.3</b>	<b>704.0</b>	<b>936.8</b>	<b>767.9</b>	<b>704.7</b>	<b>769.6</b>

## Adjusted EBITA by Business Area, Quarters

	Q3/2021	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Service	56.1	50.3	46.4	60.6	55.1	47.6	41.9
Industrial Equipment	11.7	5.4	0.3	18.1	13.4	4.5	-10.6
Port Solutions	16.0	17.3	17.8	28.7	17.8	13.3	0.0
Group costs and eliminations	-6.3	-7.7	-8.2	-5.3	-6.1	-7.9	-10.2
<b>Total</b>	<b>77.4</b>	<b>65.3</b>	<b>56.2</b>	<b>102.1</b>	<b>80.1</b>	<b>57.5</b>	<b>21.1</b>

## Adjusted EBITA margin by Business Area, Quarters

	Q3/2021	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Service	18.9	16.8	16.7	19.2	18.7	17.2	13.8
Industrial Equipment	4.4	2.1	0.1	5.8	5.0	1.7	-4.0
Port Solutions	6.3	7.1	7.5	8.1	7.1	6.4	0.0
<b>Group EBITA margin total</b>	<b>10.0</b>	<b>8.6</b>	<b>8.0</b>	<b>10.9</b>	<b>10.4</b>	<b>8.2</b>	<b>2.7</b>

## Personnel by Business Area, Quarters (at the end of the period)

	Q3/2021	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Service	7,819	7,913	7,957	8,062	8,051	8,271	8,657
Industrial Equipment	5,594	5,593	5,626	5,720	5,772	5,874	6,030
Port Solutions	3,039	2,943	2,945	2,970	3,021	3,017	3,052
Group staff	88	86	86	110	113	108	111
<b>Total</b>	<b>16,540</b>	<b>16,535</b>	<b>16,614</b>	<b>16,862</b>	<b>16,957</b>	<b>17,270</b>	<b>17,850</b>

# Notes

## 5.2. Geographical areas

### EUR million

Sales by market	1–9/2021	% of total	1–9/2020	% of total	1–12/2020	% of total
Europe-Middle East-Africa (EMEA)	1,186.6	53	1,165.4	52	1,703.9	54
Americas (AME)	721.6	32	725.7	32	976.6	31
Asia-Pacific (APAC)	328.7	15	351.1	16	498.4	16
<b>Total</b>	<b>2,236.8</b>	<b>100</b>	<b>2,242.1</b>	<b>100</b>	<b>3,178.9</b>	<b>100</b>

Personnel by region (at the end of the period)	30.9.2021	% of total	30.9.2020	% of total	31.12.2020	% of total
Europe-Middle East-Africa (EMEA)	9,569	58	9,817	58	9,688	57
Americas (AME)	2,958	18	2,880	17	2,964	18
Asia-Pacific (APAC)	4,013	24	4,260	25	4,210	25
<b>Total</b>	<b>16,540</b>	<b>100</b>	<b>16,957</b>	<b>100</b>	<b>16,862</b>	<b>100</b>

Sales by market, Quarters	Q3/2021	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Europe-Middle East-Africa (EMEA)	409.2	403.8	373.6	538.5	402.0	359.3	404.1
Americas (AME)	255.4	238.2	228.0	250.9	231.4	230.5	263.8
Asia-Pacific (APAC)	108.9	117.3	102.5	147.3	134.5	114.9	101.6
<b>Total</b>	<b>773.6</b>	<b>759.3</b>	<b>704.0</b>	<b>936.8</b>	<b>767.9</b>	<b>704.7</b>	<b>769.6</b>

Personnel by region, Quarters (at the end of the period)	Q3/2021	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020	Q1/2020
Europe-Middle East-Africa (EMEA)	9,569	9,509	9,561	9,688	9,817	9,923	10,131
Americas (AME)	2,958	2,993	2,967	2,964	2,880	3,002	3,200
Asia-Pacific (APAC)	4,013	4,033	4,086	4,210	4,260	4,345	4,519
<b>Total</b>	<b>16,540</b>	<b>16,535</b>	<b>16,614</b>	<b>16,862</b>	<b>16,957</b>	<b>17,270</b>	<b>17,850</b>

# Notes

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

EUR million	30.9.2021	30.9.2020	31.12.2020
The cumulative revenues of non-delivered projects	637.8	629.7	554.6
Advances received netted	505.3	509.8	452.3
<b>Total</b>	<b>132.5</b>	<b>119.9</b>	<b>102.3</b>
Gross advance received from percentage of completion method	556.7	573.9	510.0
Advances received netted	505.3	509.8	452.3
<b>Total</b>	<b>51.4</b>	<b>64.1</b>	<b>57.7</b>

Net sales recognized under the percentage of completion method amounted EUR 314.0 million in 1–9/2021 (EUR 386.5 million in 1–9/2020).

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

Advance payments received	30.9.2021	30.9.2020	31.12.2020
Advance received from percentage of completion method (netted)	51.4	64.1	57.7
Other advance received from customers	320.8	353.6	294.6
<b>Total</b>	<b>372.2</b>	<b>417.7</b>	<b>352.3</b>

## 7. IMPAIRMENTS

EUR million	1–9/2021	1–9/2020	1–12/2020
Property, plant and equipment	0.3	1.0	0.0
<b>Total</b>	<b>0.3</b>	<b>1.0</b>	<b>0.0</b>

All impairments in 2021 and 2020 relate to restructuring actions.

## 8. RESTRUCTURING COSTS

Konecranes has recorded EUR 7.7 million restructuring costs during 1–9/2021 (EUR 37.8 million in 1–9/2020) of which EUR 0.3 million was impairment of assets (EUR 1.0 million for 1–9/2020). The remaining EUR 8.6 million of restructuring cost is reported 1–9/2021 in personnel costs (EUR 9.2 million) and in other operating expenses (EUR 3.5 million) and profits on disposal of assets in other operating income (EUR 5.3 million).

## 9. INCOME TAXES

Taxes in statement of Income	1–9/2021	1–9/2020	1–12/2020
Local income taxes of group companies	38.1	29.9	51.7
Taxes from previous years	2.3	-2.9	-3.3
Change in deferred taxes	-7.7	-0.7	-1.0
<b>Total</b>	<b>32.7</b>	<b>26.3</b>	<b>47.5</b>

# Notes

## 10. KEY FIGURES

	30.9.2021	30.9.2020	Change %	31.12.2020
Earnings per share, basic (EUR)	0.99	0.85	15.4	1.54
Earnings per share, diluted (EUR)	0.99	0.85	15.4	1.54
<b>Alternative Performance Measures:</b>				
Return on capital employed, %, Rolling 12 Months (R12M)	9.3	7.9	17.7	8.3
Adjusted return on capital employed, %, Rolling 12 Months (R12M)	13.1	10.8	21.3	11.1
Return on equity, %, Rolling 12 Months (R12M)	10.8	9.3	16.1	9.8
Equity per share (EUR)	15.91	15.15	5.0	15.69
Gearing, %	46.7	61.5	-24.1	46.1
Net debt / Adjusted EBITDA, Rolling 12 Months (R12M)	1.5	2.2	-31.8	1.6
Equity to asset ratio, %	37.1	32.8	13.1	34.1
Investments total (excl. acquisitions), EUR million	32.1	25.9	23.9	42.8
Interest-bearing net debt, EUR million	592.8	742.7	-20.2	577.1
Net working capital, EUR million	403.3	425.4	-5.2	337.2
Average number of personnel during the period	16,638	17,068	-2.5	17,027
Average number of shares outstanding, basic	79,134,459	79,058,519	0.1	79,077,608
Average number of shares outstanding, diluted	79,134,459	79,058,519	0.1	79,077,608
Number of shares outstanding	79,134,459	79,134,459	0.0	79,134,459

# Notes

## Calculation of Alternative Performance Measures

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

Return on equity (%):	=	$\frac{\text{Net profit for the period}}{\text{Total equity (average during the period)}}$	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
Adjusted return on capital employed (%):	=	$\frac{\text{Adjusted EBITA}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}}$	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 + deferred tax assets (excluding Purchase Price Allocation) - Non interest-bearing current liabilities - deferred tax liabilities (excluding Purchase Price Allocation) - provisions	
Interest-bearing net debt:	=	Interest-bearing liabilities (non current and current) - cash and cash equivalents - loans receivable (non current and current)	
Average number of personnel:	=	Calculated as average of number of personnel in quarters	
Number of shares outstanding:	=	Total number of shares - treasury shares	
EBITDA:	=	Operating profit + Depreciation, amortization and impairments	
Adjusted EBITA:	=	Operating profit + Amortization and impairment of Purchase Price Allocations + Transaction and integration costs + Restructuring costs	

# Notes

<b>Reconciliation of adjusted EBITDA, EBITA and Operating profit (EBIT)</b>	<b>1–9/2021</b>	<b>1–9/2020</b>	<b>1–12/2020</b>
<b>Adjusted EBITDA</b>	<b>264.1</b>	<b>232.2</b>	<b>356.7</b>
Transaction and integration costs	-32.3	-3.2	-8.5
Restructuring costs (excluding impairments)	-7.5	-36.9	-42.6
Release of MHE-Demag purchase price allocation in inventories	0.0	-1.4	-1.8
<b>EBITDA</b>	<b>224.3</b>	<b>190.7</b>	<b>303.8</b>
Depreciation, amortization and impairments	-90.3	-100.0	-130.0
<b>Operating profit (EBIT)</b>	<b>134.0</b>	<b>90.8</b>	<b>173.8</b>
<b>Adjusted EBITA</b>	<b>199.0</b>	<b>158.7</b>	<b>260.8</b>
Purchase price allocation amortization	-24.9	-27.0	-35.9
<b>Adjusted Operating profit (EBIT)</b>	<b>174.1</b>	<b>131.8</b>	<b>224.9</b>
Transaction and integration costs	-32.3	-3.2	-8.5
Restructuring costs	-7.7	-37.8	-42.6
<b>Operating profit (EBIT)</b>	<b>134.0</b>	<b>90.8</b>	<b>173.8</b>

<b>Interest-bearing net debt</b>	<b>30.9.2021</b>	<b>30.9.2020</b>	<b>31.12.2020</b>
Non current interest bearing liabilities	444.6	937.0	859.7
Current interest bearing liabilities	408.5	328.7	311.1
Loans receivable	-2.5	-0.7	-1.8
Cash and cash equivalents	-257.7	-522.4	-591.9
<b>Interest-bearing net debt</b>	<b>592.8</b>	<b>742.7</b>	<b>577.1</b>

<b>The period end exchange rates:</b>	<b>30.9.2021</b>	<b>30.9.2020</b>	<b>Change %</b>	<b>31.12.2020</b>
USD - US dollar	1.158	1.171	1.1	1.227
CAD - Canadian dollar	1.475	1.568	6.3	1.563
GBP - Pound sterling	0.861	0.912	6.0	0.899
CNY - Chinese yuan	7.485	7.972	6.5	8.023
SGD - Singapore dollar	1.576	1.604	1.7	1.622
SEK - Swedish krona	10.168	10.571	4.0	10.034
AUD - Australian dollar	1.610	1.644	2.1	1.590

<b>The period average exchange rates:</b>	<b>30.9.2021</b>	<b>30.9.2020</b>	<b>Change %</b>	<b>31.12.2020</b>
USD - US dollar	1.196	1.125	-5.9	1.142
CAD - Canadian dollar	1.497	1.522	1.7	1.530
GBP - Pound sterling	0.864	0.885	2.5	0.890
CNY - Chinese yuan	7.736	7.866	1.7	7.875
SGD - Singapore dollar	1.602	1.564	-2.4	1.574
SEK - Swedish krona	10.153	10.558	4.0	10.486
AUD - Australian dollar	1.577	1.663	5.5	1.655

# Notes

## 11. GUARANTEES, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

EUR million	30.9.2021	30.9.2020	31.12.2020
For own commercial obligations			
Guarantees	733.5	595.6	580.2
Other	53.8	25.7	33.4
<b>Total</b>	<b>787.3</b>	<b>621.3</b>	<b>613.6</b>

### Guarantees

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

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

### Contingent liabilities relating to litigation

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

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



# Notes

## 12. FINANCIAL ASSETS AND LIABILITIES

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

EUR million	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
<b>Financial assets 30.9.2021</b>				
<b>Current financial assets</b>				
Account and other receivables	0.0	0.0	487.4	487.4
Derivative financial instruments	1.4	2.1	0.0	3.5
Cash and cash equivalents	0.0	0.0	257.7	257.7
<b>Total</b>	<b>1.4</b>	<b>2.1</b>	<b>745.2</b>	<b>748.6</b>

<b>Financial liabilities 30.9.2021</b>				
<b>Non-current financial liabilities</b>				
Interest-bearing liabilities	0.0	0.0	444.6	444.6
Other payable	0.0	0.0	10.5	10.5
<b>Current financial liabilities</b>				
Interest-bearing liabilities	0.0	0.0	408.5	408.5
Derivative financial instruments	5.5	7.0	0.0	12.5
Accounts and other payable	0.0	0.0	291.0	291.0
<b>Total</b>	<b>5.5</b>	<b>7.0</b>	<b>1,154.6</b>	<b>1,167.1</b>

EUR million	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
<b>Financial assets 30.9.2020</b>				
<b>Current financial assets</b>				
Account and other receivables	0.0	0.0	495.7	495.7
Derivative financial instruments	6.2	18.1	0.0	24.3
Cash and cash equivalents	0.0	0.0	522.4	522.4
<b>Total</b>	<b>6.2</b>	<b>18.1</b>	<b>1,018.1</b>	<b>1,042.4</b>

<b>Financial liabilities 30.9.2020</b>				
<b>Non-current financial liabilities</b>				
Interest-bearing liabilities	0.0	0.0	937.0	937.0
Other payable	0.0	0.0	5.1	5.1
<b>Current financial liabilities</b>				
Interest-bearing liabilities	0.0	0.0	328.7	328.7
Derivative financial instruments	3.8	3.6	0.0	7.4
Accounts and other payable	0.0	0.0	263.3	263.3
<b>Total</b>	<b>3.8</b>	<b>3.6</b>	<b>1,534.1</b>	<b>1,541.6</b>

# Notes

EUR million	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
<b>Financial assets 31.12.2020</b>				
<b>Current financial assets</b>				
Account and other receivables	0.0	0.0	520.1	520.1
Derivative financial instruments	7.7	13.4	0.0	21.2
Cash and cash equivalents	0.0	0.0	591.9	591.9
<b>Total</b>	<b>7.7</b>	<b>13.4</b>	<b>1,112.0</b>	<b>1,133.2</b>
<b>Financial liabilities 31.12.2020</b>				
<b>Non-current financial liabilities</b>				
Interest-bearing liabilities	0.0	0.0	859.7	859.7
Other payable	0.0	0.0	7.2	7.2
<b>Current financial liabilities</b>				
Interest-bearing liabilities	0.0	0.0	311.1	311.1
Derivative financial instruments	1.9	3.7	0.0	5.5
Accounts and other payable	0.0	0.0	262.7	262.7
<b>Total</b>	<b>1.9</b>	<b>3.7</b>	<b>1,440.8</b>	<b>1,446.3</b>

During the second and third quarter 2021, Group prepaid EUR 150 million of its term loans and at the end of September, the Group's liquid cash reserves were EUR 257.7 million (30.9.2020: EUR 522.4 million). For safeguarding the Group's cash position, the Group has established EUR 400 million committed revolving credit facility with an international loan syndication (2017–2024), which remained undrawn at the end of September 2021. In addition, the Group may draw short term financing from the domestic commercial paper markets within the EUR 500 million limit, for which EUR 30 million was utilized at the end of September 2021 (30.9.2020: EUR 268 million).

At the end of September 2021, the outstanding short- and long-term loans were: EUR 250 million term loans, EUR 150 million Schuldschein loan, EUR 250 million bond and EUR 33 million employment pension loan. In addition, an undrawn EUR 465 million committed merger financing related facility (originally EUR 635 million) remained in place. The Schuldschein loan and term loans contains floating and fixed rate tranches and the bond yield is fixed with annual coupon payment. The weighted average interest rate for these loans and the bond is currently 1.28% per annum. The Group is in compliance with the quarterly monitored financial covenant (interest-bearing net debt/equity). No specific securities have been given for the loans. The Group continues to have healthy interest-bearing net debt / equity ratio of 46.7% (30.9.2020: 61.5%) which is in compliance with the financial covenants the Group has to comply with.

Derivatives are initially recorded in the balance sheet at fair value and subsequently measured at fair value at each balance sheet date. All derivatives are carried as assets when fair value is positive and liabilities when fair value is negative. Derivative instruments that are not designated as hedges (hedge accounting) are measured at fair value, and the change in fair value is recognized in the consolidated statement of income. When the derivative is designated as a hedge (hedge accounting) the effective part of the change in fair value is recognized in other comprehensive income. Any ineffective part is recognized in the consolidated statement of income. The foreign exchange forward contracts are measured based on the closing date's observable spot exchange rates and the quoted yield curves of the respective currencies. Interest rate swaps are measured based on present value of the cash flows, which are discounted based on the quoted yield curves.

# Notes

## 12.2 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial assets and liabilities:

	Carrying amount 30.9.2021	Carrying amount 30.9.2020	Carrying amount 31.12.2020	Fair value 30.9.2021	Fair value 30.9.2020	Fair value 31.12.2020
<b>Financial assets</b>						
<b>Current financial assets</b>						
Account and other receivables	487.4	495.7	520.1	487.4	495.7	520.1
Derivative financial instruments	3.5	24.3	21.2	3.5	24.3	21.2
Cash and cash equivalents	257.7	522.4	591.9	257.7	522.4	591.9
<b>Total</b>	<b>748.6</b>	<b>1,042.4</b>	<b>1,133.2</b>	<b>748.6</b>	<b>1,042.4</b>	<b>1,133.2</b>
<b>Financial liabilities</b>						
<b>Non-current financial liabilities</b>						
Interest-bearing liabilities	444.6	937.0	859.7	447.2	941.4	864.6
Other payable	10.5	5.1	7.2	10.5	5.1	7.2
<b>Current financial liabilities</b>						
Interest-bearing liabilities	408.5	328.7	311.1	410.7	328.7	311.2
Derivative financial instruments	12.5	7.4	5.5	12.5	7.4	5.5
Accounts and other payable	291.0	263.3	262.7	291.0	263.3	262.7
<b>Total</b>	<b>1,167.1</b>	<b>1,541.6</b>	<b>1,446.3</b>	<b>1,171.9</b>	<b>1,546.0</b>	<b>1,451.3</b>

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

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

# Notes

## 12.3 Hierarchy of fair values

	30.9.2021			30.9.2020			31.12.2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>									
<b>Derivative financial instruments</b>									
Foreign exchange forward contracts	0.0	3.5	0.0	0.0	24.3	0.0	0.0	21.2	0.0
Currency options	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>3.5</b>	<b>0.0</b>	<b>0.0</b>	<b>24.3</b>	<b>0.0</b>	<b>0.0</b>	<b>21.2</b>	<b>0.0</b>
<b>Other financial assets</b>									
Cash and cash equivalents	257.7	0.0	0.0	522.4	0.0	0.0	591.9	0.0	0.0
<b>Total</b>	<b>257.7</b>	<b>0.0</b>	<b>0.0</b>	<b>522.4</b>	<b>0.0</b>	<b>0.0</b>	<b>591.9</b>	<b>0.0</b>	<b>0.0</b>
<b>Total financial assets</b>	<b>257.7</b>	<b>3.5</b>	<b>0.0</b>	<b>522.4</b>	<b>24.3</b>	<b>0.0</b>	<b>591.9</b>	<b>21.2</b>	<b>0.0</b>
<b>Financial liabilities</b>									
<b>Derivative financial instruments</b>									
Foreign exchange forward contracts	0.0	12.5	0.0	0.0	7.4	0.0	0.0	5.5	0.0
Interest rate derivative	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>12.5</b>	<b>0.0</b>	<b>0.0</b>	<b>7.4</b>	<b>0.0</b>	<b>0.0</b>	<b>5.5</b>	<b>0.0</b>
<b>Other financial liabilities</b>									
Interest bearing liabilities	0.0	853.1	0.0	0.0	1,265.8	0.0	0.0	1,170.8	0.0
Other payables	0.0	0.0	3.0	0.0	0.0	0.3	0.0	0.0	0.7
<b>Total</b>	<b>0.0</b>	<b>853.1</b>	<b>3.0</b>	<b>0.0</b>	<b>1,265.8</b>	<b>0.3</b>	<b>0.0</b>	<b>1,170.8</b>	<b>0.7</b>
<b>Total financial liabilities</b>	<b>0.0</b>	<b>865.6</b>	<b>3.0</b>	<b>0.0</b>	<b>1,273.2</b>	<b>0.3</b>	<b>0.0</b>	<b>1,176.3</b>	<b>0.7</b>

## 13. HEDGE ACTIVITIES AND DERIVATIVES

EUR million	30.9.2021	30.9.2021	30.9.2020	30.9.2020	31.12.2020	31.12.2020
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Foreign exchange forward contracts	913.1	-9.0	1,183.1	16.8	1,052.2	15.6
Currency options	0.0	0.0	10.3	0.0	0.0	0.0
Interest rate derivative	86.4	-0.1	0.0	0.0	0.0	0.0
<b>Total</b>	<b>999.5</b>	<b>-9.1</b>	<b>1,193.3</b>	<b>16.8</b>	<b>1,052.2</b>	<b>15.6</b>

### Derivatives not designated as hedging instruments

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

# Notes

## CASH FLOW HEDGES

### Foreign currency risk

Foreign exchange forward, option and interest rate derivative contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales and purchases and receivables in US dollar. These forecast transactions are highly probable, and they comprise about 22.2% of the Group's total hedged transaction flows. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

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

The cash flow hedges of the expected future sales and purchases in 2021 and 2020 were assessed to be highly effective and a net unrealized loss, with a deferred tax asset relating to the hedging instruments, is included in OCI. The amounts recognized in OCI are shown in the table below and the reclassifications to profit or loss during the year are as shown in the consolidated statement of income.

### Fair value reserve of cash flow hedges

EUR million	30.9.2021	30.9.2020	31.12.2020
Balance as of January 1	6.0	-0.5	-0.5
Gains and losses deferred to equity (fair value reserve)	-11.2	5.7	8.1
Change in deferred taxes	2.2	-1.1	-1.6
<b>Balance as of the end of period</b>	<b>-2.9</b>	<b>4.1</b>	<b>6.0</b>

## 14. TRANSACTIONS WITH RELATED PARTIES

EUR million	1-9/2021	1-9/2020	1-12/2020
Sales of goods and services with associated companies and joint arrangements	13.7	13.7	20.0
Receivables from associated companies and joint arrangements	4.2	3.8	4.3
Purchases of goods and services from associated companies and joint arrangements	38.7	37.6	48.7
Liabilities to associated companies and joint arrangements	1.9	1.3	0.8

# Notes

## 15. MERGER PLAN WITH CARGOTEC

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

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

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

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

The completion of the Merger is subject to necessary merger control approvals having been obtained and other conditions to completion having been fulfilled. In July, The European Commission and the UK Competition and Markets Authority (CMA) opened Phase II reviews in connection with the planned Transaction. Also, the US Department of Justice has opened phase II review of the merger. Konecranes and Cargotec continue to work closely with all relevant authorities to demonstrate the rationale of the planned merger. The Phase II reviews continue during H2/2021. The companies are confident that the approvals are received to allow completion of the transaction by the end of H1/2022.

**ANALYST AND PRESS BRIEFING**

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

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

**NEXT REPORT**

Konecranes Plc plans to publish Financial Statement Release 2021 on February 3, 2022.

KONECRANES PLC

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**FURTHER INFORMATION**

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Konecranes is a world-leading group of Lifting Businesses™, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes provides productivity enhancing lifting solutions as well as services for lifting equipment of all makes. In 2020, Group sales totaled EUR 3.2 billion. The Group has around 16,500 employees in 50 countries. Konecranes shares are listed on the Nasdaq Helsinki (symbol: KCR).

[www.konecranes.com](http://www.konecranes.com)

