Q1

BUSINESS REVIEW
1-3 | 2018

CRAMO

STRONG FIRST QUARTER FOR BOTH DIVISIONS - KBS INFRA INCLUDED FROM 1ST OF MARCH

JANUARY–MARCH 2018

- Sales EUR 175.3 (162.9) million, up by 7.6%. In local currencies, sales grew by 11.0%.
- Organic sales growth 10.4%*.
- EBITA EUR 22.3 (19.7) million or 12.7% (12.1%) of sales. Comparable EBITA EUR 23.1 (19.7) million or 13.2% (12.1%) of sales.
- Earnings per share EUR 0.33 (0.28). Comparable earnings per share EUR 0.35 (0.28).
- Cash flow from operating activities EUR 20.8 (42.3) million and cash flow after investments EUR -30.5 (5.4) million. Cash flow after investments was impacted by the acquisition of shares of KBS Infra amounting to EUR 17.8 million.

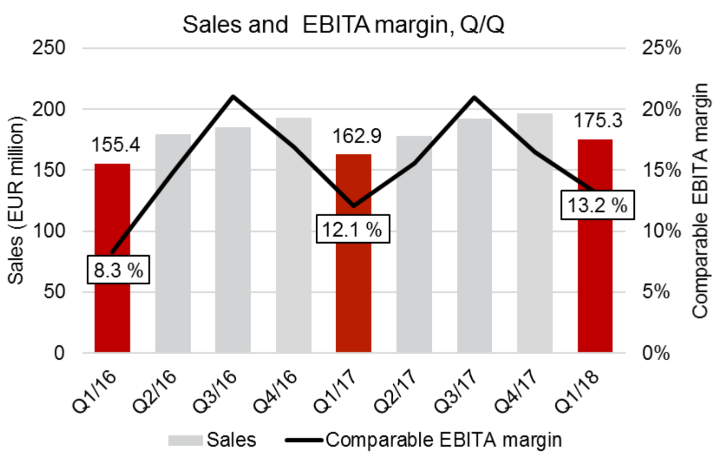
SIGNIFICANT EVENTS DURING THE FIRST QUARTER

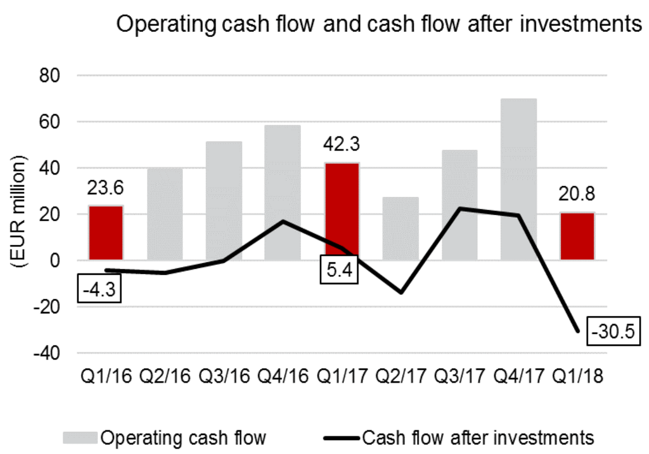
- Cramo completed the acquisition of the German construction site logistics company KBS Infra GmbH on 28 February 2018.
- The Annual General Meeting decided a dividend of EUR 0.85 per share to be paid.

GROUP 1-3/2018	EQUIPMENT RENTAL 1-3/2018	MODULAR SPACE 1-3/2018
Comparable ROE, %	Organic sales growth, %	Organic rental sales growth, %
16.9 (16.8)	**+10.2**	**+14.2**
Net debt/EBITDA	Comparable ROCE, %	Comparable ROCE, %
1.83 (1.68)	**15.2 (14.8)**	**9.8 (10.5)**

Long-Term Financial Targets, page 16

* Organic (rental) sales growth excludes the impact of acquisitions, divestments, exchange rate changes and changes in IFRS standards





KEY FIGURES

KEY FIGURES AND RATIOS (MEUR)	1-3/18	1-3/17	Change %	2017
Sales	175.3	162.9	7.6%	729.5
Comparable EBITA*	23.1	19.7	17.3%	120.0
% of sales	13.2%	12.1%		16.5%
EBITA	22.3	19.7	12.9%	120.7
% of sales	12.7%	12.1%		16.5%
Comparable profit for the period*	15.7	12.6	24.6%	83.3
Profit for the period	14.8	12.6	17.6%	84.2
Comparable earnings per share (EPS), EUR*	0.35	0.28	24.3%	1.87
Earnings per share (EPS), EUR	0.33	0.28	17.4%	1.89
ROCE, %	12.3%	11.6%		11.9%
Comparable ROCE, %*	12.3%	12.4%		11.9%
ROE, %	16.9%	15.3%		15.6%
Comparable ROE, %*	16.9%	16.8%		15.4%
Net debt / EBITDA	1.83	1.68		1.65
Net interest-bearing liabilities	430.1	381.3	12.8%	382.3
Gross capital expenditure (incl. acquisitions)	76.5	35.4	115.9%	213.9
of which acquisitions/business combinations	41.0	0.6		9.4
Cash flow from operating activities	20.8	42.3	-50.9%	186.5
Cash flow after investments	-30.5	5.4		33.1
Average number of personnel (FTE)	2 581	2 570	0.4%	2 538

* Items affecting comparability, see page 12-13

CEO'S COMMENT

The first quarter result shows a good start to the year 2018. The Group's organic sales growth accelerated to 10.4% driven by both business divisions. Comparable EBITA improved by 17.3% to EUR 23.1 million. Profitability improved within all the Group's segments. During Q1, we successfully completed the acquisition of the German construction site logistics company KBS Infra. At the same time, the strategic assessment of the Modular space business is proceeding as we are analysing a possible separation of the divisions into two legal entities.

The demand for equipment rental stayed on a good level in all segment countries. Particularly ER Scandinavia delivered strong first quarter results in a market environment where the growth seems to be slowing down. In Sweden, sales increased by 9.9% in local currency compared to the previous year, supported by large, ongoing projects. The performance of ER Central Europe was supported by the acquired KBS Infra, which was consolidated in the figures for the first time from the 1st of March onwards.

Year 2017 was challenging for our Modular Space division. We focused on improving project management and profitability especially in Finland and Germany, to increase the efficiency and utilise the growth potential of the whole segment. I am pleased to see that the reorganisational changes among other implemented actions paid off. The Modular Space division showed a robust 14.2% organic rental sales growth and EBITA improved by 35.2%. Finland contributed particularly positively to EBITA growth, while the performance of Germany was not yet on a satisfying level.

The growth in the Swedish construction market, especially in the residential sector and Stockholm metropolitan area, is flattening out from a high level, but we still see active markets in other regions in Sweden. We continue to benefit from large projects outside the residential sector. We are constantly following our investment levels in order to adapt to changes in demand.

Leif Gustafsson, Cramo Group's President and CEO

MARKET OUTLOOK

The construction market outlook for the year 2018 is mainly positive in Cramo's operating countries. Growth is still expected, but in many countries the growth that accelerated in 2017 is predicted to level out. According to the latest Euroconstruct and Forecon estimates, the construction market will grow approximately 3.5% in Sweden, Norway and Finland and 1.0–1.5% in Austria and Germany. For the Czech Republic, Slovakia, Hungary and Poland, Euroconstruct estimates on average 9.3% market growth. Forecon's construction market growth estimate for the Baltic states is 3.4%. The Russian construction market is expected to grow by 5%. The local Sverige's Byggindustrier is projecting 2% growth for the Swedish construction market in 2018 according to their latest estimate in March. The Confederation of the Finnish Construction Industries kept their forecast unchanged, indicating that the construction market in Finland will grow by approximately 2%, supported by residential and repair construction.

The European Rental Association (ERA) forecasts that the equipment rental market will grow in 2018 in all of Cramo's operating countries that are within the scope of ERA's forecast. Forecon estimates the equipment rental market to grow by approximately 7–8% in Finland, 3% in Sweden and 2% in Estonia and Lithuania in 2018.

GROUP'S FIRST QUARTER

In January-March, group sales grew by 7.6% (11.0% in local currencies) to EUR 175.3 (162.9) million. Sales growth was positively affected by the acquisitions, particularly KBS Infra, and adoption of IFRS 15 standard, which increased sales by EUR 3.7 and 3.8 million respectively. The divestment of the Danish equipment rental operations and Latvian and Kaliningrad operations in 2017 decreased sales by EUR 5.9 million compared to previous year, while the impact of the exchange rate changes on sales was EUR -4.9 million. Group organic sales growth was 10.4% supported by all segments. ER Scandinavia and Modular Space particularly delivered strong first quarter organic sales.

In the first quarter, comparable EBITA increased by 17.3% to EUR 23.1 (19.7) million and was 13.2% (12.1%) of sales. Profitability was improved in all segments. Adoption of the IFRS 15 increased the portion of rental related sales in the Group's and Modular Space's sales and, therefore, had a negative impact on gross and EBITA-margin.

First quarter of the year is seasonally the lowest quarter regarding cash flow. In January-March, cash flow from operations came to EUR 20.8 (42.3) million. Compared to previous year, operative cash flow was negatively affected by timing of bond interest payments (EUR 3.7 million) as well as periodic fluctuation in net working capital, mainly due to the timing of Easter. Cash flow after investments was EUR -30.5 (5.4) million, of which EUR -17.8 million was related to the acquisition of shares of KBS Infra. Comparable return on capital employed came to 12.3% (12.4%). Net debt/EBITDA increased to 1.83 (1.68) mainly due to increased net debt followed by KBS Infra acquisition. Comparable return on equity was above our long-term financial target level and stood at 16.9% (16.8%).

Cramo Group's capital expenditure during the quarter was EUR 76.5 (35.4) million. In the Equipment Rental division, investments were increased to EUR 62.4 (20.3) million. The impact of the acquisition of KBS Infra on capital expenditure was EUR 41.0 million. Purchase price allocation of KBS Infra acquisition is still preliminary. In the Modular Space division, investments were below last year's level, totalling EUR 13.5 (14.3) million.

NEW IFRS STANDARDS AND STANDARD CHANGES

The Group has adopted three new standards and amendments to standards; IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, that have come into effect as from 1 January 2018. IFRS 9 replaced the guidance in IAS 39, IFRS 15 replacing standards IAS 18 and IAS 11 including related interpretations. The Group has adopted amendments to IFRS 2 Share-based payments, that have come into effect as from 1 January 2018.

The impacts of IFRS 9 on the Group's consolidated financial statements were related to the introduced expected credit loss model and the effect of recalculating amortised cost related to issued bond refinancing. The expected credit loss model increased the amount of bad debt provision by EUR 0.1 million, decreasing retained earnings by the same amount.

Cramo Group decided to refinance its Bond in 2016. The change in IFRS 9 standard states that the amortised cost of modified financial liabilities shall be calculated by discounting the contractual cash flows using the original effective interest rate instead of a new one. The effect of recalculating the amortised cost increased the retained earnings by EUR 3.2 million and decreased the amount of bond in financial liabilities by the same amount. Impact on finance net was EUR 0.2 million in the first quarter. Full year finance net will increase approximately EUR 0.8 million due to IFRS9.

The impacts of IFRS 15 on the Group's consolidated financial statements were mainly related to the long-term modular space project agreements with significant service and rental charges and revenues. The timing of the recognition of certain services changed making the recognition happen at an earlier stage than before. The standard's guidance also led to the treatment of contractual receivables and payables as a net position. There was no material net impact as transition bookings outcome, as formerly service costs and related revenue activated on balance sheets were recorded in the opening balance of retained earnings. As the comparison figures are not restated, IFRS 15 accounting standard adoption increased sales by EUR 3.8 million. The impact on EBITA was immaterial, and the EBITA margin decreased slightly due to higher sales.

The Group has adopted amendments to IFRS 2 Share-based payments, that have come into effect as from 1 January 2018. Previously the cash-settled share-based payments were recognised as liabilities, but according to the amendments, they are now recognised in equity. This increased the retained earnings by EUR 3.1 million and decreased liabilities by the same amount.

PERFORMANCE BY BUSINESS DIVISIONS AND SEGMENTS

Cramo Group's business segments are Equipment Rental Scandinavia, Equipment Rental Finland and Eastern Europe, Equipment Rental Central Europe and Modular Space. Equipment Rental and Modular Space form two business divisions.

ER

TOTAL

GOOD FIRST-QUARTER FOR EQUIPMENT RENTAL

The Equipment Rental business division's first-quarter sales increased by 4.3% (7.6% in local currencies) to EUR 143.3 (137.4) million, supported by good demand in all of Cramo's main markets. The acquired KBS Infra Group was consolidated in the figures from March onwards, increasing sales by EUR 3.0 million. The comparison period included sales of EUR 5.8 million from the divested equipment rental operations. All segments, and especially Scandinavia, contributed to strong organic sales growth of 10.2%.

January-March profitability and return on capital employed (ROCE) increased substantially year-on-year, mainly due to higher sales. Comparable EBITA improved by 12.4% and came to EUR 17.3 (15.4) million or 12.1% (11.2%) of sales. In January–March, items affecting comparability amounted to EUR 0.9 million relating to transaction costs of KBS Infra.

Key figures

(MEUR)	1-3/18	1-3/17	Change %	2017
Sales	143.3	137.4	4.3 %	603.7
EBITA	16.5	15.4	6.8 %	103.1
% of sales	11.5 %	11.2 %		17.1 %
Comparable EBITA	17.3	15.4	12.4 %	102.5
% of sales	12.1 %	11.2 %		17.0 %
ROCE	15.1 %	14.0 %		15.5 %
Comparable ROCE	15.2 %	14.8 %		15.4 %

ER

SCANDINAVIA*

STRONG START TO THE YEAR – ORGANIC SALES GREW AND PROFITABILITY IMPROVED

In Scandinavia, the first-quarter sales were on a previous year level (+5.0% in local currencies) totalling EUR 92.2 (92.2) million despite the divestment of all the assets of Danish equipment rental operations at the end of August 2017. The segment's organic sales growth was strong 11.1%. In Sweden, sales increased by 4.7% (9.9% in local currency) supported by strong market activity and large projects. Also, in Norway sales developed positively driven by good demand and high utilisation rates.

January-March comparable EBITA increased by 6.4% and totalled EUR 16.7 (15.7) million. Profitability improved followed by increased organic sales.

In Sweden, the market demand continued still on a high level during the first quarter. The local Sverige's Byggindustrier decreased its latest growth estimate for 2018 from 4 to 2%, indicating that the strongest growth trend especially in the residential building sector is expected to level out. In Norway, the market demand has picked up and is supported by a growing economy and construction market.

Key figures

(MEUR)	1-3/18	1-3/17	Change %	2017
Sales	92.2	92.2	0.0 %	380.1
EBITA	16.7	15.7	6.4 %	71.5
% of sales	18.2 %	17.1 %		18.8 %
Comparable EBITA	16.7	15.7	6.4 %	72.7
% of sales	18.2 %	17.1 %		19.1 %
ROCE	19.0 %	16.8 %		18.8 %
Comparable ROCE	19.3 %	17.7 %		19.1 %

* At the end of the period, the Equipment Rental Scandinavia segment includes operations in Sweden and Norway. Danish operations were divested on 31 August 2017.

ER

FINLAND AND EASTERN EUROPE*

GOOD PERFORMANCE CONTINUED AS SALES GREW AND PROFITABILITY IMPROVED

In Finland and Eastern Europe, first-quarter sales increased by 5.5% (5.3% in local currencies) to EUR 32.3 (30.7) million. Sales grew despite the divestment of the Latvian and Kaliningrad operations, completed on 1 August 2017. Organic sales growth for the segment was 8.9%, particularly driven by accelerated sales in Poland, Estonia and Lithuania. In Finland, sales were on a good level and increased by 3.9% compared to last year.

January-March comparable EBITA grew by 11.7% and was EUR 2.4 (2.2) million or 7.5% (7.1%) of sales. Profitability improved mainly as a result of the good development of sales.

The positive market development continued in Finland, especially in the Helsinki metropolitan area, and also in other large cities. In Estonia and Poland, performance has improved strongly following the favourable market development and high demand. In Lithuania, demand continues on a good level and Cramo has improved its market position through an expanded depot network.

The EBITA of Finland and Eastern Europe includes Cramo's share of its joint venture Fortrent's net result in Russia and Ukraine. Fortrent's net result amounted to EUR -0.2 (0.2) million. Cramo's share of the consolidated net result was EUR -0.1 (0.1) million.

Key figures

(MEUR)	1-3/18	1-3/17	Change %	2017
Sales	32.3	30.7	5.5 %	143.0
EBITA	2.4	2.2	11.7 %	27.0
% of sales	7.5 %	7.1 %		18.9 %
Comparable EBITA	2.4	2.2	11.7 %	25.2
% of sales	7.5 %	7.1 %		17.6 %
ROCE	14.3 %	12.3 %		14.3 %
Comparable ROCE	13.4 %	13.4 %		13.3 %

* At the end of the period, the Equipment Rental Finland and Eastern Europe segment includes operations in Finland, Poland, Estonia and Lithuania and Fortrent Group. The Latvian and Kaliningrad operations were divested on 1 August 2017.

ER

CENTRAL EUROPE*

IMPROVING PERFORMANCE SUPPORTED BY KBS INFRA ACQUISITION

In Central Europe, first-quarter sales increased by 29.2% (or 28.3% in local currencies) and amounted to EUR 18.7 (14.5) million. Sales were affected by acquisitive growth of KBS Infra, which increased sales by EUR 3.0 million. Organic sales growth for the segment was 7.5%, particularly driven by Czech and Slovakia having a very positive start to the year. Organic rental sales increased by 5.1%.

In January-March, the segment's comparable EBITA developed positively compared to last year totalling EUR -1.8 (-2.5) million. KBS contributed positively to the segment's profit and profitability. In January–March, items affecting comparability amounted to EUR 0.9 million relating to transaction costs of KBS Infra. ROCE was periodically diluted by the KBS Infra acquisition.

In Germany, the equipment rental market sentiment has been positive during the first quarter and the outlook also looks stable. In the Czech Republic and Slovakia, the growth in building construction and equipment rental demand is expected to continue being on a very good level in the beginning of the year.

Cramo completed the acquisition of the German construction site logistics company KBS Infra GmbH on 28 February 2018. KBS Infra is a leading, high-quality construction site logistics company in Germany, with estimated sales of EUR 32 million in 2017. The transaction strengthened Cramo's business position in the Central European market and expanded its business model by offering value-adding services. Going forward, the segment's performance is expected to be supported by the gross-selling potential of KBS Infra.

Key figures

(MEUR)	1-3/18	1-3/17	Change %	2017
Sales	18.7	14.5	29.2 %	80.5
EBITA	-2.7	-2.5		4.4
% of sales	-14.4 %	-17.6 %		5.5 %
Comparable EBITA	-1.8	-2.5		4.4
% of sales	-9.7 %	-17.6 %		5.5 %
ROCE	3.6 %	5.1 %		4.7 %
Comparable ROCE	4.4 %	5.1 %		4.7 %

* The Equipment Rental Central Europe segment includes operations in Germany, Austria, Hungary, the Czech Republic and Slovakia.

MODULAR SPACE*

STRONG PROFITABILITY GROWTH SUPPORTED BY PERFORMANCE IMPROVEMENT ACTIONS

The Modular Space division's first-quarter rental sales and total sales increased by 13.3% (16.5% in local currency) and 25.2% (28.7% in local currency), respectively. Total sales were positively impacted by the adoption of IFRS 15 accounting standard. Organic sales growth rates stood at strong 14.2% for rental sales and 11.2% for total sales. Good project sales performance during the last quarter of 2017 supported the increase in rental sales.

January-March EBITA for Modular Space increased by 35.2% and amounted to EUR 8.5 (6.3) and EBITA margin improved to 26.4% (24.4%). The increase in profitability was mainly attributable to higher rental sales as well as performance improvement actions carried out in 2017. Finland contributed particularly positively to EBITA growth, while the performance in Germany was not yet on a satisfying level.

Demand for modular space projects was on a good level in all the division's countries during the quarter. Strong market growth continued within the school and daycare customer segments. The outlook for the rental market development is seen unchanged; over 10% growth is expected for Sweden and Finland and 5–10% for Denmark and Germany. The outlook for the Norwegian modular space market is stable. In December 2017, Cramo announced that it is assessing strategic alternatives for the Modular Space (Cramo Adapteo) business including a potential demerger and separate listing of Cramo Adapteo.

Key figures

(MEUR)	1-3/18	1-3/17	Change %	2017
Rental sales	22.6	20.0	13.3 %	83.8
Sales	32.1	25.7	25.2 %	126.5
EBITA	8.5	6.3	35.2 %	28.8
% of sales	26.4 %	24.4 %		22.8 %
Comparable EBITA	8.5	6.3	35.2 %	28.8
% of sales	26.4 %	24.4 %		22.8 %
ROCE	9.8 %	10.5 %		9.1 %
Comparable ROCE	9.8 %	10.5 %		9.1 %

* The Modular Space segment includes operations in Sweden, Finland, Norway, Denmark, Germany, Lithuania and Estonia.

GROUP INFORMATION

CONSOLIDATED STATEMENT OF INCOME (MEUR)	1-3/18	1-3/17	1-12/17
Sales	**175.3**	**162.9**	**729.5**
Other operating income	4.4	4.9	19.4
Materials and services	-59.1	-51.4	-240.4
Employee benefit expenses	-39.4	-39.1	-157.7
Other operating expenses	-30.8	-30.1	-119.7
Share of profit / loss of joint ventures	-0.1	0.1	1.1
EBITDA	**50.4**	**47.3**	**232.2**
Depreciation and impairment on tangible assets	-28.1	-27.6	-111.5
EBITA	**22.3**	**19.7**	**120.7**
% of sales	**12.7 %**	**12.1 %**	**16.5 %**
Amortisation and impairment resulting from acquisitions	-0.9	-0.8	-3.4
Operating profit (EBIT)	**21.3**	**18.9**	**117.3**
% of sales	**12.2 %**	**11.6 %**	**16.1 %**
Finance costs (net)	-2.8	-3.0	-12.0
Profit before taxes	**18.5**	**15.9**	**105.2**
% of sales	**10.5 %**	**9.8 %**	**14.4 %**
Income taxes	-3.7	-3.3	-21.0
Profit for the period	**14.8**	**12.6**	**84.2**
% of sales	**8.4 %**	**7.7 %**	**11.5 %**
Attributable to:			
Owners of the parent company	14.8	12.6	84.2
Profit attributable to owners of the parent company			
Earnings per share, undiluted, EUR	0.33	0.28	1.89
Earnings per share, diluted, EUR	0.33	0.28	1.88

CONSOLIDATED BALANCE SHEET (MEUR)	31 Mar 2018	31 Mar 2017	31 Dec 2017
ASSETS			
Non-current assets			
Tangible assets	811.9	755.0	794.4
Goodwill	148.7	148.2	145.6
Other intangible assets	65.8	62.7	60.2
Deferred tax assets	15.2	14.0	13.7
Investments in joint ventures	6.7	8.5	7.1
Loan receivables	10.1	12.6	10.2
Trade and other receivables	2.7	1.3	0.9
Total non-current assets	**1 061.4**	**1 002.3**	**1 032.0**
Current assets			
Inventories	10.0	9.6	9.1
Trade and other receivables	155.1	128.7	146.6
Income tax receivables	3.9	5.7	3.6
Derivative financial instruments	0.3	0.4	0.8
Cash and cash equivalents	4.8	3.1	2.6
Total current assets	**175.0**	**147.5**	**162.6**
TOTAL ASSETS	**1 236.4**	**1 149.8**	**1 194.6**
EQUITY AND LIABILITIES			
Total equity	**521.9**	**502.2**	**557.4**
Non-current liabilities			
Interest-bearing liabilities	318.8	322.0	296.8
Derivative financial instruments	7.4	9.4	7.8
Deferred tax liabilities	82.1	76.1	79.8
Retirement benefit liabilities	1.9	1.6	1.9
Other non-current liabilities	3.3	2.8	1.9
Total non-current liabilities	**413.4**	**411.9**	**388.3**
Current liabilities			
Interest-bearing liabilities	116.1	62.4	88.2
Derivative financial instruments	1.5	0.4	0.7
Trade and other payables [1)]	180.6	171.4	156.6
Income tax liabilities [1)]	1.8	1.2	2.8
Provisions	1.1	0.2	0.7
Total current liabilities	**301.1**	**235.6**	**249.0**
Total liabilities	**714.5**	**647.5**	**637.2**
TOTAL EQUITY AND LIABILITIES	**1 236.4**	**1 149.8**	**1 194.6**

1) Due to a classification change in comparative figures in current liabilities, trade and other payables for the period 1-12/2017 decreased by EUR 1.8 million and Income tax liability has increased accordingly.

CONSOLIDATED CASH FLOW STATEMENT (MEUR)	1-3/18	1-3/17	2017
Cash flow from operating activities			
Profit before taxes	18.5	15.9	105.2
Non-cash adjustments	28.9	27.3	111.3
Change working capital 1)	-12.3	5.4	-9.5
Cash flow before financial items and taxes	**35.0**	**48.6**	**207.0**
Net financial items 2)	-8.4	-1.9	-8.0
Income taxes paid 3)	-5.8	-4.4	-12.5
Net cash flow from operating activities	**20.8**	**42.3**	**186.5**
Cash flow from investing activities			
Investments in tangible and intangible assets	-39.7	-43.9	-201.9
Sale of tangible and intangible assets	6.2	8.0	29.5
Acquisition of subsidiaries and business operations, net of cash acquired	-17.8	-1.0	-9.1
Disposal of subsidiaries and business operations, net of cash			28.0
Net cash flow from investing activities	**-51.3**	**-36.9**	**-153.4**
Cash flow after investments	**-30.5**	**5.4**	**33.1**
Cash flow from financing activities			
Change in interest-bearing receivables	0.1	0.4	2.8
Repayment of finance lease liabilities	-0.4	-0.6	-1.6
Change in interest-bearing liabilities	32.9	-11.2	-7.1
Dividends paid			-33.3
Net cash flow from financing activities	**32.6**	**-11.4**	**-39.3**
Change in cash and cash equivalents	**2.1**	**-6.0**	**-6.2**
Cash and cash equivalents at period start	2.6	9.1	9.1
Cash and cash equivalents related to disposals	0.1	0.0	-0.2
Exchange differences	0.0	0.0	-0.1
Cash and cash equivalents at period end	**4.8**	**3.1**	**2.6**

1) Comparative periods 1-3/17 and 1-12/17 include reclassification of interest liability to net financial items amounting to EUR 0.3 million and EUR 3.7 million respectively. In addition, for the comparative period 1-12/17, there is a reclassification of income tax liability to Income taxes paid amounting to EUR 1.8 million. As a result, cash flow before financial items and taxes decreased by EUR 5.3 million in comparative period 1-12/17 and net financial items and income taxes paid decreased accordingly. The corresponding impact for the period 1-3/17 was EUR 0.3 million. In total, the net cash flow from operating activities for the comparative periods remained unchanged.
2) For the comparative periods 1-3/17 and 1-12/17, Net financial items include EUR 0.3 million and EUR 3.7 million from reclassification of bond interest liability from change of working capital.
3) For the comparative periods 1-12/17, Income taxes paid include EUR 1.8 million from reclassification of corporate income tax liability in Estonia from change of working capital.

SEGMENT INFORMATION

Sales (MEUR)	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia	92.2	92.2	380.1
Equipment Rental, Finland and Eastern Europe	32.3	30.7	143.0
Equipment Rental, Central Europe	18.7	14.5	80.5
Eliminations	0.0	0.0	0.0
Equipment Rental	**143.3**	**137.4**	**603.7**
Modular Space	**32.1**	**25.7**	**126.5**
Non-allocated & eliminations	-0.1	-0.1	-0.6
Group	**175.3**	**162.9**	**729.5**

EBITA (MEUR)	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia	16.7	15.7	71.5
Equipment Rental, Finland and Eastern Europe	2.4	2.2	27.0
Equipment Rental, Central Europe	-2.7	-2.5	4.4
Eliminations	0.0	0.0	0.1
Equipment Rental	**16.5**	**15.4**	**103.1**
Modular Space	**8.5**	**6.3**	**28.8**
Non-allocated & eliminations	-2.7	-2.0	-11.2
Group	**22.3**	**19.7**	**120.7**

EBITA margin	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia	18.2 %	17.1 %	18.8 %
Equipment Rental, Finland and Eastern Europe	7.5 %	7.1 %	18.9 %
Equipment Rental, Central Europe	-14.4 %	-17.6 %	5.5 %
Equipment Rental	**11.5 %**	**11.2 %**	**17.1 %**
Modular Space	**26.4 %**	**24.4 %**	**22.8 %**
Group	**12.7 %**	**12.1 %**	**16.5 %**

IACs*) in EBITA (MEUR)	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia 1)			-1.1
Equipment Rental, Finland and Eastern Europe 2)			1.8
Equipment Rental, Central Europe 3)	-0.9		
Equipment Rental	**-0.9**		**0.6**
Modular Space			
Non-allocated & eliminations			
Group	**-0.9**		**0.6**

*) IAC = Items affecting comparability

1) In Equipment rental Scandinavia, items affecting to comparability of EBITA were EUR -1.1 million in 2017. Items were related to loss on sale of equipment rental business in Denmark.

2) In Equipment rental Finland and Eastern Europe, items affecting to comparability of EBITA were EUR 1.8 million in 2017. Items were related to gain on sale of Latvian and Kaliningrad operations.

3) In Equipment rental Central Europe, items affecting comparability of EBITA in January -March 2018 amounted to EUR 0.9 million relating to transaction costs of KBS Infra.

Comparable EBITA (MEUR)	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia	16.7	15.7	72.7
Equipment Rental, Finland and Eastern Europe	2.4	2.2	25.2
Equipment Rental, Central Europe	-1.8	-2.5	4.4
Eliminations	0.0	0.0	0.1
Equipment Rental	**17.3**	**15.4**	**102.5**
Modular Space	**8.5**	**6.3**	**28.8**
Non-allocated & eliminations	-2.7	-2.0	-11.2
Group	**23.1**	**19.7**	**120.0**

Comparable EBITA margin	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia	18.2 %	17.1 %	19.1 %
Equipment Rental, Finland and Eastern Europe	7.5 %	7.1 %	17.6 %
Equipment Rental, Central Europe	-9.7 %	-17.6 %	5.5 %
Equipment Rental	**12.1 %**	**11.2 %**	**17.0 %**
Modular Space	**26.4 %**	**24.4 %**	**22.8 %**
Group	**13.2 %**	**12.1 %**	**16.5 %**

EBIT (MEUR)	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia	16.2	15.2	69.4
Equipment Rental, Finland and Eastern Europe	2.2	1.9	25.9
Equipment Rental, Central Europe	-2.8	-2.6	4.3
Eliminations	0.0	0.0	0.1
Equipment Rental	**15.6**	**14.6**	**99.8**
Modular Space	**8.4**	**6.3**	**28.6**
Non-allocated & Eliminations	-2.7	-2.0	-11.2
Group	**21.3**	**18.9**	**117.3**

EBIT margin	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia	17.6 %	16.5 %	18.3 %
Equipment Rental, Finland and Eastern Europe	6.7 %	6.2 %	18.1 %
Equipment Rental, Central Europe	-15.0 %	-17.8 %	5.4 %
Equipment Rental	**10.9 %**	**10.6 %**	**16.5 %**
Modular Space	**26.2 %**	**24.4 %**	**22.6 %**
Group	**12.2 %**	**11.6 %**	**16.1 %**

IACs*) in EBIT (MEUR)	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia 1)			-1.1
Equipment Rental, Finland and Eastern Europe 2)			1.8
Equipment Rental, Central Europe 3)	-0.9		
Equipment Rental	**-0.9**		**0.6**
Modular Space			
Non-allocated & eliminations			
Group	**-0.9**		**0.6**

*) IAC = Items affecting comparability

1) In Equipment rental Scandinavia, items affecting to comparability of EBIT were EUR -1.1 million in 2017. Items were related to loss on sale of equipment rental business in Denmark.

2) In Equipment rental Finland and Eastern Europe, items affecting to comparability of EBIT were EUR 1.8 million in 2017. Items were related to gain on sale of Latvian and Kaliningrad operations.

3) In Equipment rental Central Europe, items affecting comparability of EBIT in January -March 2018 amounted to EUR 0.9 million relating to transaction costs of KBS Infra.

Comparable EBIT (MEUR)	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia	16.2	15.2	70.5
Equipment Rental, Finland and Eastern Europe	2.2	1.9	24.2
Equipment Rental, Central Europe	-1.9	-2.6	4.3
Equipment Rental	**16.5**	**14.6**	**99.2**
Modular Space	**8.4**	**6.3**	**28.6**
Group	**22.2**	**18.9**	**116.6**

Comparable EBIT margin	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia	17.6 %	16.5 %	18.6 %
Equipment Rental, Finland and Eastern Europe	6.7 %	6.2 %	16.9 %
Equipment Rental, Central Europe	-10.4 %	-17.8 %	5.4 %
Equipment Rental	**11.5 %**	**10.6 %**	**16.4 %**
Modular Space	**26.2 %**	**24.4 %**	**22.6 %**
Group	**12.7 %**	**11.6 %**	**16.0 %**

Capital employed (MEUR)	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia	366.0	374.2	366.1
Equipment Rental, Finland and Eastern Europe 1)	185.1	180.6	189.9
Equipment Rental, Central Europe	135.6	90.1	91.3
Eliminations	-0.2	-0.3	-0.2
Equipment Rental 1)	**686.5**	**644.6**	**647.1**
Modular Space	**333.4**	**297.6**	**333.6**
Non-allocated & Eliminations	-5.8	-4.3	21.9
Group 1)	**1 014.1**	**937.9**	**1 002.6**

1) Due to a classification change in comparative figures in current liabilities, trade and other payables for the period 1-12/2017 decreased by EUR 1.8 million and Income tax liability has increased accordingly.

Sales by country (MEUR)	1-3/18	1-3/17	2017
ER Sweden	75.4	72.0	307.2
MS Sweden	14.8	12.9	60.2
Eliminations	-0.1	-0.1	-0.6
Sweden	**90.1**	**84.7**	**366.8**
ER Finland	23.1	22.3	98.5
MS Finland	7.3	6.0	32.2
Finland	**30.4**	**28.3**	**130.7**
ER Germany	14.9	11.3	61.7
MS Germany	3.3	2.5	11.3
Germany	**18.2**	**13.8**	**73.0**
ER Norway	16.8	15.4	59.6
MS Norway	1.4	1.4	7.5
Norway	**18.2**	**16.8**	**67.1**
Other countries	18.5	19.3	91.9
Group	**175.3**	**162.9**	**729.5**

Reconciliation of Group EBITA to profit before taxes (MEUR)	1-3/18	1-3/17	2017
Group EBITA	**22.3**	**19.7**	**120.7**
Amortisation and impairment resulting from acquisitions and disposals	-0.9	-0.8	-3.4
Operating profit	**21.3**	**18.9**	**117.3**
Net finance items	-2.8	-3.0	-12.0
Profit before taxes	**18.5**	**15.9**	**105.2**

Depreciation and impairment on tangible assets (MEUR)	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia	-11.4	-12.3	-47.8
Equipment Rental, Finland and Eastern Europe	-6.9	-6.7	-27.8
Equipment Rental, Central Europe	-4.5	-3.9	-15.9
Equipment Rental	**-21.9**	**-22.1**	**-88.1**
Modular Space	**-5.7**	**-5.1**	**-21.5**
Non-allocated & Eliminations	-0.5	-0.4	-2.0
Group	**-28.1**	**-27.6**	**-111.5**

Gross Capital Expenditure (MEUR)	1-3/18	1-3/17	2017
Equipment Rental, Scandinavia	13.9	12.1	78.5
Equipment Rental, Finland and Eastern Europe	5.8	5.9	42.2
Equipment Rental, Central Europe	42.8	2.3	25.1
Equipment Rental	**62.4**	**20.3**	**145.8**
Modular Space	**13.5**	**14.3**	**66.1**
Non-allocated & Eliminations	0.6	0.8	2.0
Group	**76.5**	**35.4**	**213.9**

Modular space order book (MEUR)	31 Mar 2018	31 Mar 2017	31 Dec 2016
Value of outstanding orders for modular space	157.4	145.4	155.4
Value of orders for modular space rental sales	123.9	117.2	122.5
Value of orders for modular space other sales	33.4	28.2	32.9

Sales growth specification by segments						
Sales (MEUR)	ER Scandinavia	ER Finland and Eastern Europe	ER Central	ER total	MS total	Group
Q1/2017	**92.2**	**30.7**	**14.5**	**137.4**	**25.7**	**162.9**
Acquisitions		0.0	3.0	3.1	0.6	3.7
Divestments	-4.8	-1.0		-5.8	-0.1	-5.9
Organic growth	9.2	2.6	1.1	12.9	2.8	15.8
Exchange rate changes	-4.4	0.1	0.1	-4.2	-0.7	-4.9
IFRS 15 impact					3.8	3.8
Q1/2018	**92.2**	**32.3**	**18.7**	**143.3**	**32.1**	**175.3**

STRATEGY 2017–2020

SHAPE AND SHARE

We will capture the potential in our markets:

- We enable Cramo people to achieve top performance
- We significantly stretch our core business models
- We rapidly grow Modular Space in selected European markets
- We establish game changing offerings in sharing resources

STRATEGY 2017–2020

FINANCIAL TARGETS

Based on the Shape and Share strategy, Cramo has set financial targets for 2017-2020. The financial targets are set separately for the Equipment Rental and Modular Space business divisions as well as for the Cramo Group. Financial targets (on average, during the period) are:

GROUP
Return on equity (ROE) > 15%
Net debt / EBITDA < 3
Dividend approx. 40% of annual earnings per share (EPS)

EQUIPMENT RENTAL
Organic sales growth > Market
ROCE > 14.5%

MODULAR SPACE
Double digit organic rental sales growth
ROCE > 12.5%

ROCE = EBIT (rolling 12 months)/capital employed (average start and end of period)

In 2018, Cramo will publish its Half Year Financial Report and Q3 Business Review as follows:

- **26 July 2018: Half Year Financial Report for January-June 2018**
- **26 October 2018: Business Review for January-September 2018**

This is not an interim report as specified in the IAS 34 standard. The company complies with half-yearly reporting according to the Finnish Securities Markets Act and discloses business reviews for the first three- and nine-month periods of the year, in which key information regarding the company's financial situation and development will be presented. The financial information presented in this business review is unaudited.

MORE INFORMATION

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