Q4

A STEP-CHANGE IMPROVEMENT IN PERFORMANCE AND STRONG CASH-FLOW

RAMIRENT

FINANCIAL STATEMENTS BULLETIN FOR JANUARY - DECEMBER 2017

More than machines

RAMIRENT PLC'S FINANCIAL STATEMENTS BULLETIN 2017

A STEP-CHANGE IMPROVEMENT IN PERFORMANCE AND STRONG CASH FLOW

Note! Figures in brackets, unless otherwise indicated, refer to the corresponding period a year earlier.

OCTOBER–DECEMBER 2017 IN BRIEF

- Net sales EUR 200.3 (180.5) million, up by 11.0% or 11.9% at comparable exchange rates
- Comparable EBITA was EUR 26.4[1] (21.1) million or 13.2%[1] (11.7%) of net sales; EBITA was 25.1 (21.2) million or 12.5% (11.7%) of net sales
- Comparable EBIT was EUR 24.3[3] (19.2) million or 12.1%[3] (10.6%) of net sales; EBIT was EUR 23.0 (19.2) million or 11.5% (10.6%) of net sales
- Gross capital expenditure EUR 31.0 (47.0) million
- Cash flow after investments EUR 53.6 (11.1) million

JANUARY–DECEMBER 2017 IN BRIEF

- Net sales EUR 723.7 (665.2) million, up by 8.8% or 9.3% at comparable exchange rates
- Comparable EBITA was EUR 99.0[1] (68.1[2]) million or 13.7%[1] (10.2%[2]) of net sales; EBITA was EUR 97.7 (59.2) million or 13.5% (8.9%) of net sales
- Comparable EBIT was EUR 90.6[3] (59.0[2]) million or 12.5%[3] (8.9%[2]) of net sales; EBIT was EUR 89.3 (38.4) million or 12.3% (5.8%) of net sales
- Comparable EPS was EUR 0.59[4] (0.35[6]); EPS was EUR 0.59 (0.20)
- Comparable ROCE was 13.8%[4] (9.3%); ROCE was 13.8% (6.2%)
- Gross capital expenditure EUR 166.4 (190.8) million
- Cash flow after investments EUR 51.6 (−20.7) million
- The Board of Directors proposes to increase the dividend to EUR 0.44 (0.40) per share

1 Excluding items affecting comparability (IACs) of EUR –1.3 million in Q4 2017 and 1-12/2017
2 Excluding IACs of EUR –8.9 million in 1–12/2016
3 Excluding IACs of EUR –20.6 million in 1–12/2016
4 Excluding IACs of EUR –1.3 million adjusted with tax impact of EUR 0.6 million in Q4 2017 and in 1-12/2017
5 Excluding IACs adjusted with tax impact of EUR 0.1 million in Q4 2016
6 Excluding IACs of EUR –20.6 million adjusted with tax impact of EUR 4.6 million in 1–12/2016

RAMIRENT'S GUIDANCE FOR 2018

In 2018, Ramirent's comparable EBIT is expected to increase from the level in 2017.

MARKET OUTLOOK FOR 2018

Ramirent's market outlook is based on the available forecasts disclosed by local construction and industry associations in its operating countries.

The demand outlook for the start of 2018 looks favorable for equipment rental across Ramirent's diverse customer base and geographies. In Finland, market conditions in the equipment rental market are expected to continue to be favorable. In Sweden, continued strong momentum in the construction sector is expected to maintain the demand for equipment rental going into 2018, although the medium-term outlook is more uncertain and the risk level is elevated. The Danish and Norwegian equipment rental markets are estimated to remain fairly stable. In the Baltic countries, Poland, Czech Republic and Slovakia, the market conditions for equipment rental are expected to remain favorable.

KEY FIGURES (MEUR AND %)	10–12/17	10–12/16	CHANGE	1–12/17	1–12/16	CHANGE
Net sales	200.3	180.5	11.0%	723.7	665.2	8.8%
EBITDA	53.1	47.9	11.0%	205.5	169.0	21.6%
% of net sales	26.5%	26.5%		28.4%	25.4%	
Comparable EBITA	26.4[1]	21.1	24.9%	99.0[1]	68.1[2]	45.3%
% of net sales	13.2%	11.7%		13.7%	10.2%	
EBITA	25.1	21.2	18.5%	97.7	59.2	65.0%
% of net sales	12.5%	11.7%		13.5%	8.9%	
Comparable EBIT	24.3[1]	19.2	26.7%	90.6[1]	59.0[3]	53.7%
% of net sales	12.1%	10.6%		12.5%	8.9%	
EBIT	23.0	19.2	19.6%	89.3	38.4	133.0%
% of net sales	11.5%	10.6%		12.3%	5.8%	
Comparable EPS, EUR	0.17[4]	0.11[5]	49.1%	0.59[4]	0.35[6]	68.2%
EPS, EUR	0.16	0.12	41.1%	0.59	0.20	186.7%
Gross capital expenditure	31.0	47.0	−34.1%	166.4	190.8	−12.8%
Cash flow after investments	53.6	11.1	n/a	51.6	−20.7	n/a
Capital employed, end of period				654.4	645.0	1.5%
Comparable ROCE, %				13.8%	9.3%	
ROCE, %				13.8%	6.2%	
Comparable ROE, %				20.6%	12.1%	
ROE, %				20.9%	7.2%	
Net debt				337.9	345.8	−2.3%
Net debt to EBITDA ratio				1.6x	2.0x	−19.6%

1 Excluding items affecting comparability (IACs) of EUR –1.3 million in Q4 2017 and 1-12/2017
2 Excluding IACs of EUR –8.9 million in 1–12/2016
3 Excluding IACs of EUR –20.6 million in 1–12/2016
4 Excluding IACs of EUR –1.3 million adjusted with tax impact of EUR 0.6 million in Q4 2017 and in 1-12/2017
5 Excluding IACs adjusted with tax impact of EUR 0.1 million in Q4 2016
6 Excluding IACs of EUR –20.6 million adjusted with tax impact of EUR 4.6 million in 1–12/2016

RAMIRENT'S PRESIDENT AND CEO TAPIO KOLUNSARKA ON Q4 AND FULL YEAR 2017 RESULTS:

"Entering 2017, we had a single target for the year: to achieve a step-change improvement in our financial performance in all our operating segments. With 2017 now behind us, I have every reason to be proud of the accomplishments of the Ramirent team. Our comparable EBITA grew by 45% to EUR 99.0 million and EBITA margin strengthened to 13.7% from previous year's 10.2%. All our segments improved their comparable financial performance and particularly gratifying was the strong profit comeback of Sweden and Europe Central segments. Successful turnaround in our low-performing units has been an important factor in improving our profitability. I would like to thank all Ramirenters for their focused and disciplined efforts in 2017.

We also achieved the fastest sales growth at comparable exchange rates, 9.3%, since 2012 and succeeded well in growing our key priority areas: rental sales and sales to small and medium-sized customers. Demand conditions were favorable across our markets. There were clear improvements in market activity in the Baltics and Europe Central, taking their combined share of the Group's total operating profit to one quarter.

During the fourth quarter, our execution remained strong despite temporarily higher fixed costs. I was particularly satisfied with the improved comparable EBITA and margin development in all segments, including also Denmark and Norway exceeding the 10% comparable EBITA margin level in the quarter.

Cash flow after investments for the full year improved to EUR 51.6 million from previous year's EUR -20.7 million and our ROCE improved to 13.8% from previous year's 6.2%. Considering the fast sales growth in 2017, our strong cash generation underlines our ability to grow capital-efficiently.

We presented our renewed strategy and financial targets for 2018-2020 at our Capital Markets Day in December 2017. We aim for capital-efficient and profitable growth in our core, the construction equipment rental business, and we are determined to reach a 16% ROCE by 2020 and grow our EPS (CAGR) during 2018-2020 at a double-digit rate.

After a step-change improvement in performance achieved in 2017, we look confidently to the future. The demand outlook for the start of 2018 looks favorable across Ramirent's diverse customer base and geographies, and there is still much to be gained by improving our internal operations. Our new financial targets and the strategic focus on capital-efficiency constitute our recipe for creating value for Ramirent shareholders in the coming years. In line with this, Ramirent's Board of Directors has today proposed that the dividend for 2017 be increased to 0.44 (0.40) per share, which represents a payout ratio of 75%."

FINANCIAL REVIEW OCTOBER–DECEMBER 2017

Ramirent Group's October–December net sales grew by 11.9% at comparable exchange rates supported by overall good weather conditions in the quarter. All segments contributed to sales growth and growth was strongest in Europe Central, the Baltics, Sweden and Norway. Sales growth was good in Finland and also in Denmark. Net sales were positively impacted by a single large sale of an installed Temporary Space site in Norway of EUR 5.6 million. The Group's reported net sales grew by 11.0% to EUR 200.3 (180.5) million.

NET SALES BY SEGMENT	10–12/17	10–12/16	CHANGE	CHANGE AT COMPARABLE EXCHANGE RATES	SHARE OF GROUP IN 10–12/17
FINLAND	52.5	49.4	6.3%	6.3%	26.2%
SWEDEN	72.3	64.6	11.8%	12.5%	36.0%
NORWAY	35.2	31.5	11.7%	17.4%	17.5%
DENMARK	11.2	10.3	9.4%	9.4%	5.6%
BALTICS	11.2	9.3	19.8%	19.8%	5.6%
EUROPE CENTRAL	18.4	15.7	17.3%	13.7%	9.2%
Elimination of sales between segments	−0.5	−0.3			
NET SALES, TOTAL	200.3	180.5	11.0%	11.9%	100.0%

EBITDA increased by 11.0% from the previous year and amounted to EUR 53.1 (47.9) million in the quarter. EBITDA margin remained at previous year's level at 26.5% (26.5%) of net sales. Depreciation of tangible assets amounted to EUR 28.0 (26.7) million.

The Group's October–December comparable EBITA was at EUR 26.4 (21.1) million, representing 13.2% (11.7%) of net sales and reported EBITA EUR 25.1 (21.2) million or 12.5% (11.7%) of net sales. The Group's profitability improvement was based on strong volume growth and good progress in many areas including turnaround actions in non-performing units. Comparable EBITA improved in all segments, and also Denmark and Norway exceeded the 10% comparable EBITA margin level. Higher fixed costs mainly due to increased personnel costs and bonus provisions had a negative impact on EBITA.

Items affecting comparability in 2017 included EUR 2.6 million restructuring charges in Denmark and a non-comparable gain of EUR 1.3 million in Norway segment. The comparison period was affected by EUR 0.5 million of reorganization costs in Europe Central and reclassification of loans in Fortrent Group had a positive effect of EUR 0.5 million.

The Fortrent Group's net sales increased by 8.1% and amounted to EUR 8.5 (7.8) million or at comparable exchange rates increased by 10.3%. Fortrent's EBITA increased to EUR 1.3 (1.2) million or 15.3% (14.9%) of net sales. Good development in rental sales improved the sales mix and contributed positively to EBITA. Fortrent's net result was EUR 0.7 (1.8) million. Ramirent's share of the net result was EUR 0.3 (0.9) million in the quarter. On December 1, 2017, Ramirent announced the start of a process to explore strategic options for the equally-held joint venture company Fortrent between Ramirent and Cramo, including a potential sale.

COMPARABLE EBITA BY SEGMENT	10–12/17 MEUR	10–12/17 % OF NET SALES	10–12/16 MEUR	10–12/16 % OF NET SALES
FINLAND	6.9	13.1%	5.8	11.8%
SWEDEN	10.9	15.1%	9.7	15.1%
NORWAY	3.9	11.0%	2.1	6.8%
DENMARK	1.4	12.7%	0.6	6.3%
BALTICS	2.3	20.6%	1.8	18.8%
EUROPE CENTRAL	3.5	19.1%	2.3	14.8%
Unallocated items	−2.5		−1.3	
GROUP	26.4[1]	13.2%	21.1[2]	11.7%

1 The Group's reported EBITA was EUR 25.1 million in Q4 2017

2 The Group's reported EBITA was EUR 21.2 million in Q4 2016

ITEMS AFFECTING COMPARABILITY (IACS) IN EBITA (MEUR)	10–12/17	10–12/16
NORWAY	1.3	–
DENMARK	−2.6	–
EUROPE CENTRAL	–	−0.5
Unallocated items	–	0.5
TOTAL	−1.3	0.0

Amortizations amounted to EUR 2.1 (2.0) million. Group EBIT improved to EUR 23.0 (19.2) million, representing 11.5% (10.6%) of net sales. Net financial items were EUR −3.5 (−3.0) million, including EUR -0.9 (-0.1) million net effect of exchange rate gains and losses. Income taxes amounted to EUR −1.7 (−3.8) million. Profit for the period attributable to the owners of the parent company increased to EUR 17.7 (12.5) million and earnings per share (EPS) improved to 0.16 (0.12).

Ramirent Group's October-December gross capital expenditure on non-current assets decreased to EUR 31.0 (47.0) million or 15.5% (26.0%) of net sales. The Group's investments in machinery and equipment decreased to EUR 28.8 (33.9) million. There were no acquisitions made in the quarter.

Ramirent Group's October-December cash flow from operating activities was EUR 70.0 (57.1) million, of which the change in working capital was EUR 8.8 (−0.3) million. Cash flow from investing activities was EUR −16.3 (−46.0) million. Cash flow after investments increased significantly to EUR 53.6 (11.1) million. The sale and leaseback transaction of the Enebakk hub facility in Norway contributed to the cash flow increase by EUR 15.1 million.

SIGNIFICANT EVENTS DURING THE QUARTER

On November 1, 2017, Ramirent finalized the sale and leaseback transaction of Ramirent's hub facility located in Enebakk in Norway resulting in a non-comparable capital gain of EUR 1.3 million that was recognized in the fourth quarter.

On November 30, 2017, Ramirent announced its renewed strategy and financial targets for 2018-2020 adhead of its Capital Markets Day the following day.

On November 30, 2017, Ramirent announced the start of a process to explore strategic options for its Temporary Space business, including a potential sale.

On December 1, 2017, Ramirent announced the start of a process to explore strategic options for the joint venture company Fortrent that could include a sale of the joint venture company. The joint venture company is equally held between Ramirent and Cramo.

On December 4, 2017, The European Investment Bank (EIB) and Ramirent signed a EUR 50 million loan agreement. The EIB loan underlines the strength and sustainability of Ramirent's business model.

FINANCIAL REVIEW JANUARY–DECEMBER 2017

Ramirent Group's January–December net sales grew by 9.3% at comparable exchange rates, being the fastest growth rate since 2012. Net sales grew in all segments except in Denmark. Comparable sales growth was strongest in Europe Central, Baltics and Sweden. Sales growth was also good in Finland. Sales development was positive in our key priority areas: rental sales and sales to small and medium-sized customers. The Group's reported net sales increased by 8.8% to EUR 723.7 (665.2) million.

NET SALES BY SEGMENT	1–12/17	1–12/16	CHANGE	CHANGE AT COMPARABLE EXCHANGE RATES	OF GROUP IN 1–12/17
FINLAND	191.5	180.4	6.1%	6.1%	26.4%
SWEDEN	260.3	237.0	9.8%	11.8%	35.9%
NORWAY	121.2	120.2	0.8%	1.2%	16.7%
DENMARK	41.0	41.7	−1.6%	−1.7%	5.7%
BALTICS	40.8	34.4	18.6%	18.6%	5.6%
EUROPE CENTRAL	70.2	55.8	25.8%	23.0%	9.7%
Elimination of sales between segments	−1.4	−4.4			
NET SALES, TOTAL	723.7	665.2	8.8%	9.3%	100.0%

January–December EBITDA increased to EUR 205.5 (169.0) million. The EBITDA margin was 28.4% (25.4%) of net sales. Comparable depreciation of tangible assets was EUR 107.8 (103.9) million and including IACs EUR 107.8 (109.8) million.

The Group's January–December comparable EBITA increased to EUR 99.0 (68.1) million, representing 13.7% (10.2%) of net sales and reported EBITA increased to EUR 97.7 (59.2) million or 13.5% (8.9%) of net sales. Sales growth, a good sales mix and progress in turnaround actions in non-performing units contributed to improved EBITA. All our segments improved their comparable EBITA and particularly gratifying was the strong profit comeback of Sweden and Europe Central segments. Items affecting comparability in 2017 included EUR −2.6 million restructuring charges in Denmark and a non-comparable capital gain of EUR 1.3 million in Norway. In the comparison period, items affecting comparability in EBITA included asset write-downs, reorganization costs and the derecognition of an earn-out liability in total of EUR −8.9 million.

The share of Fortrent's (joint venture company in Russia and Ukraine) net result to Ramirent has been reported since January 1, 2017 under the Group's unallocated items. The Fortrent Group's net sales rose by 8.9% and amounted to EUR 31.8 (29.2) million or at comparable exchange rates decreased by 1.1%. In Russia, demand was strongest in Moscow and in new regions, while low construction activity impacted negatively on sales in St. Petersburg. In Ukraine, net sales increased supported by increased construction activity.

Fortrent's EBITA was EUR 4.4 (3.2) million or 13.9% (11.1%) of net sales. Good development in rental sales improved the sales mix and contributed positively to EBITA. Fortrent's net result was EUR 2.0 (2.8) million. The 2016 net result included EUR 1.0 million items affecting comparability related to loan reclassification in Fortrent Group. Ramirent's share of the net result was EUR 1.0 (1.3) million. The 2016 share of the consolidated net result includes items affecting comparability of EUR 0.5 million. On December 1, 2017, Ramirent announced the start of a process to explore strategic options for the equally-held joint venture company Fortrent between Ramirent and Cramo, including a potential sale.

COMPARABLE EBITA BY SEGMENT	1–12/17 MEUR	1–12/17 % OF NET SALES	1–12/16 MEUR	1–12/16 % OF NET SALES
FINLAND	26.5	13.9%	23.0	12.7%
SWEDEN	39.5	15.2%	28.8	12.1%
NORWAY	11.2	9.3%	7.6	6.3%
DENMARK	3.0	7.3%	2.3	5.5%
BALTICS	8.6	21.0%	5.8	16.8%
EUROPE CENTRAL	15.2	21.6%	4.4	7.9%
Unallocated items	−5.0		−3.7	
GROUP	99.0[1]	13.7%	68.1[2]	10.2%

1 The Group's reported EBITA was EUR 97.7 million in 2017
2 The Group's reported EBITA was EUR 59.2 million in 2016

ITEMS AFFECTING COMPARABILITY (IACS) IN EBITA (MEUR)	1–12/17	1–12/16
FINLAND	–	1.0
SWEDEN	–	−2.4
NORWAY	1.3	−5.9
DENMARK	−2.6	–
EUROPE CENTRAL	–	−0.5
Unallocated items	–	−1.2
TOTAL	−1.3	−8.9

During 2017 the Group's comparable amortizations were EUR 8.4 (9.3) million and including IACs reported amortization and impairment charges were EUR 8.4 (20.9) million. The Group's comparable EBIT increased to EUR 90.6 (59.0) million, representing 12.5% (8.9%) of net sales. Reported EBIT increased to EUR 89.3 (38.4) million, representing 12.3% (5.8%) of net sales.

Net financial items were EUR −12.4 (−10.2) million, including EUR −1.4 (0.8) million net effects of exchange rate gains and losses. Income taxes amounted to EUR −13.5 (−6.3) million. Profit for the period attributable to the owners of the parent company amounted to EUR 63.5 (22.1) million and earnings per share (EPS) was 0.59 (0.20). Comparable Return on capital employed (ROCE) amounted to 13.8% (9.3%) and comparable return on equity (ROE) to 20.6% (12.1%). Return on capital employed (ROCE) amounted to 13.8% (6.2%) and return on equity (ROE) to 20.9% (7.2%).

Ramirent Group's January–December gross capital expenditure on non-current assets decreased to EUR 166.4 (190.8) million or 23.0% (28.7%) of net sales. Group investments in machinery and equipment decreased to EUR 153.5 (165.6) million. Sales of rental machinery and equipment amounted to EUR 30.8 (25.4) million. Committed investments on rental machinery amounted to EUR 23.7 (30.5) million at the end of 2017.

The Group's January–December cash flow from operating activities increased to EUR 202.2 (168.0) million, of which the change in working capital was EUR 3.9 (6.6) million. Cash flow from investing activities was EUR −150.6 (−188.6) million. Cash flow after investments amounted to EUR 51.6 (−20.7) million. The sale and leaseback transaction of the Enebakk hub facility in Norway contributed to the cash flow increase by EUR 15.1 million. Ramirent invested EUR 3.2 million in 2017 to building the hub facility.

FINANCIAL POSITION

The Group's net debt decreased and amounted to EUR 337.9 (345.8) million at the end of 2017. The level of net debt corresponds to a gearing ratio of 109.2% (116.2%). Net debt to EBITDA ratio on a rolling 12 months' basis was 1.6x (2.0x) remaining well below Ramirent's financial target of a maximum of 2.5x at the end of each fiscal year. At the end of 2017, the Group had EUR 208.9 (153.9) million of unused committed back-up credit facilities available. The average interest rate of the loan portfolio was 1.8% (1.9%). The average interest rate including interest rate hedges was 1.9% (2.0%).

The Group's equity attributable to the parent company shareholders amounted to EUR 309.5 (297.6) million and the Group's equity ratio was at 36.2% (35.9%). Non-cancellable minimum future off-balance sheet lease payments amounted to EUR 82.0 (82.1) million at the end of 2017, which related mainly to premises.

GROUP STRUCTURE

In January 2017, Ramirent's Norwegian subsidiary, Ramirent Module Systems AS, was merged to the parent company Ramirent AS in Norway.

In May 2017, Ramirent increased its ownership in its Swedish subsidiary, Safety Solutions Jonsereds AB, to 85.7%.

In November 2017, Ramirent finalized the sale of its Norwegian subsidiary, C6 Invest AS, the company owning Ramirent's hub facility located in Enebakk, and entered into a lease agreement for the premises.

REVIEW BY SEGMENT

CHANGE IN SEGMENT REPORTING

As of January 1, 2017 the share of Fortrent Group's net result to Ramirent has been reported under Group unallocated items not affecting any operating segment. Previously this item was reported under segment Europe East, which was renamed segment Baltics as it contained only operations of the Baltic States after this change. The comparative figures have been restated accordingly in the report. As of January 1, 2018 segments Baltics and Europe Central will be combined to one segment, Eastern Europe.

FINLAND

Ramirent is the largest equipment rental company in Finland serving customers through a nationwide network of 57 customer centers.

(MEUR AND %)	10–12/17	10–12/16	CHANGE	1–12/17	1–12/16	CHANGE
Net sales	52.5	49.4	6.3%	191.5	180.4	6.1%
Comparable EBITA	6.9	5.8	18.5%	26.5	23.0[1]	15.5%
% of net sales	13.1%	11.8%		13.9%	12.7%	
EBITA	6.9	5.8	18.5%	26.5	24.0	10.7%
% of net sales	13.1%	11.8%		13.9%	13.3%	
Comparable ROCE (%)				19.1%	18.0%	
ROCE (%)				19.1%	18.8%	

1 Excluding items affecting comparability (IACs) of EUR 1.0 million in 1-12/2016

OCTOBER-DECEMBER

Demand remained strong in the Finnish equipment rental market in the quarter. Net sales growth was good in Finland at 6.3%, supported by favorable weather conditions. Healthy development in both rental and service sales contributed to the sales growth.

The segment continued its steady improvement in profitability. EBITA improved to EUR 6.9 (5.8) million. The EBITA improvement was a result of good volume growth.

JANUARY-DECEMBER

The strong momentum in the Finnish equipment rental market continued throughout the year supported by growing new residential construction especially in urban growth centers and large non-residential construction projects.

Finland segment's net sales grew by 6.1% supported by solid demand in the construction and industrial sectors. The share of service sales grew in the sales mix driven by several large ongoing projects both in the construction and industry sector. Good sales growth among small and medium-sized customers was achieved during the year.

The segment's comparable EBITA increased to EUR 26.5 (23.0) million and reported EBITA to EUR 26.5 (24.0) million driven by good volume growth and cost savings.

SWEDEN

Ramirent is the second largest equipment rental company in Sweden serving customers through a nationwide network of 79 customer centers.

(MEUR AND %)	10-12/17	10-12/16	CHANGE	1-12/17	1-12/16	CHANGE
Net sales	72.3	64.6	11.8%	260.3	237.0	9.8%
Comparable EBITA	10.9	9.7	12.0%	39.5	28.8[1]	37.3%
% of net sales	15.1%	15.1%		15.2%	12.1%	
EBITA	10.9	9.7	12.0%	39.5	26.4	49.5%
% of net sales	15.1%	15.1%		15.2%	11.1%	
Comparable ROCE (%)				17.6%	12.2%	
ROCE (%)				17.6%	11.0%	

1 Excluding IACs of EUR -2.4 million in 1-12/2016

OCTOBER-DECEMBER

Demand in the Swedish equipment rental market remained strong. Sweden's net sales growth was 11.8% or 12.5% at comparable exchange rates. Growth was further supported by strong growth among small and medium-sized businesses and continued good progress in large projects.

The segment's EBITA rose to EUR 10.9 (9.7) million. The EBITA improvement was mainly a result of strong volume growth. Higher personnel costs and bonus provisions had a negative impact on EBITA in the quarter.

JANUARY-DECEMBER

Overall market conditions in the Swedish equipment rental market were strong supported by the robust momentum in the construction sector. Sweden segment's net sales increased by 9.8% or 11.8% at comparable exchange rates. The positive net sales development was supported by healthy growth especially in rental sales and sales towards small and medium-sized customers.

The segment's comparable EBITA increased significantly to EUR 39.5 (28.8) million. Volume growth, favorable business mix, and improved equipment supply chain performance all contributed to improved EBITA. Reported EBITA was EUR 39.5 (26.4) million.

NORWAY

Ramirent is the largest equipment rental company in Norway serving customers through a nationwide network of 42 customer centers.

(MEUR AND %)	10-12/17	10-12/16	CHANGE	1-12/17	1-12/16	CHANGE
Net sales	35.2	31.5	11.7%	121.2	120.2	0.8%
Comparable EBITA	3.9[1]	2.1	82.0%	11.2[1]	7.6[2]	48.0%
% of net sales	11.0%	6.8%		9.3%	6.3%	
EBITA	5.2	2.1	142.8%	12.5	1.7	n/a
% of net sales	14.7%	6.8%		10.3%	1.4%	
Comparable ROCE (%)				7.4%	4.1%	
ROCE (%)				8.8%	-1.2%	

1 Excluding IACs of EUR 1.3 million in Q4/2017 and 1-12/2017
2 Excluding IACs of EUR -5.9 million in 1-12/2016

OCTOBER-DECEMBER

Demand in the equipment rental market was fair in the quarter. Norway segment's net sales increased strongly by 11.7% or 17.4% at comparable exchange rates driven mainly by the sale of a large installed Temporary Space site to the customer to the amount of EUR 5.6 million. Service sales also developed favorably in the quarter.

Profitability continued to improve in the segment. The segment's comparable EBITA increased to EUR 3.9 (2.1) million. EBITA improved as a result of a good sales mix, continued good cost efficiency and progress in turnaround actions related to the Oslo scaffolding and Temporary Space businesses. Reported EBITA amounted to EUR 5.2 (2.1) million. The sale and leaseback transaction of Ramirent's hub facility located in Enebakk was finalized on November 1, 2017. As a result of the sale, a non-comparable capital gain of EUR 1.3 million was recognized in the quarter.

JANUARY-DECEMBER

Overall market conditions in the Norwegian equipment rental market improved in the second half of the year after the relatively weak first half. Norway segment's net sales increased slightly by 0.8% or 1.2% at comparable exchange rates. Sales developed positively especially among small and medium sized customers during the year. The sale of a large installed Temporary Space site to the customer to the amount of EUR 5.6 million also contributed to the segment's net sales.

The segment's comparable EBITA increased to EUR 11.2 (7.6) million. Despite modest sales growth, comparable EBITA improved as a result of an improved sales mix and continuous improvement in cost efficiency. Reorganization actions to improve the competitiveness of the scaffolding and the Temporary Space businesses progressed during the year and supported EBITA. Reported EBITA rose to EUR 12.5 (1.7) million and included a capital gain of EUR 1.3 million for the sale and leaseback of Enebakk hub facility.

RAMIRENT

DENMARK

Ramirent is the third largest equipment rental company in Denmark serving customers through a network of 7 customer centers.

(MEUR AND %)	10-12/17	10-12/16	CHANGE	1-12/17	1-12/16	CHANGE
Net sales	11.2	10.3	9.4%	41.0	41.7	−1.6%
Comparable EBITA	1.4[1]	0.6	119.1%	3.0[1]	2.3	30.0%
% of net sales	12.7%	6.3%		7.3%	5.5%	
EBITA	−1.2	0.6	−281.5%	0.4	2.3	−83.4%
% of net sales	−10.5%	6.3%		0.9%	5.5%	
Comparable ROCE (%)				7.9%	6.4%	
ROCE (%)				−0.3%	6.4%	

1 Excluding IACs of EUR -2.6 million in Q4/2017 and 1-12/2017

OCTOBER-DECEMBER

Demand in the Danish equipment rental market improved in the quarter. Denmark segment's net sales rose by 9.4% or 9.4% at comparable exchange rates driven by strengthened sales force and good progress in large projects.

The segment's comparable EBITA more than doubled in the quarter and amounted to EUR 1.4 (0.6) million. Strong volume growth and continued good cost efficiency were the main drivers behind the strong EBITA improvement. To further drive profitability improvement in the segment, a restructuring of the customer center network was successfully implemented and the sales force was reorganized. Six customer centers were closed in the quarter and related restructuring charges of EUR −2.6 million were booked. The restructuring charges mainly related to the termination of leases of customer center facilities. Reported EBITA amounted to EUR −1.2 (0.6) million.

JANUARY- DECEMBER

Overall market conditions in the Danish equipment rental market were stable during the year. Denmark segment's net sales declined slightly by −1.6% or −1.7% at comparable exchange rates. Sales declined mainly due to lower sales of used equipment.

Despite modest volume development, the segment's comparable EBITA improved to EUR 3.0 (2.3) million due to good sales mix, better price realization and cost efficiency. As part of the strategy of intensifying efforts to turnaround low-performing units, Ramirent initiated at the end of the year a restructuring of the Danish customer center network and sales force, which was successfully completed. The related restructuring charge of EUR −2.6 million was mainly due to the termination of leases of customer center facilities. Reported EBITA amounted to EUR 0.4 (2.3) million.

BALTICS

Ramirent is the largest equipment rental company in Baltics serving customers through a network of 44 customer centers nationwide in Estonia, Latvia and Lithuania. The segment was previously called Europe East which also included Ramirent's share of Russia and Ukraine-based joint venture Fortrent Group's net result.

(MEUR AND %)	10–12/17	10–12/16	CHANGE	1–12/17	1–12/16	CHANGE
Net sales	11.2	9.3	19.8%	40.8	34.4	18.6%
Comparable EBITA	2.3	1.8	30.5%	8.6	5.8	47.9%
% of net sales	20.6%	18.9%		21.0%	16.8%	
EBITA	2.3	1.8	30.5%	8.6	5.8	47.9%
% of net sales	20.6%	18.9%		21.0%	16.8%	
Comparable ROCE (%)				15.5%	11.4%	
ROCE (%)				15.5%	11.4%	

OCTOBER-DECEMBER

Activity continued to improve in the equipment rental markets in the Baltic States. Baltics segment's net sales increased by 19.8%. Sales grew in all Baltic States supported by good weather conditions. Growth was especially strong in Latvia driven by a pick-up in construction activity.

The segment's EBITA increased to EUR 2.3 (1.8) million. Strong volume growth, favorable sales mix, better price realization and continued good cost efficiency contributed to the EBITA improvement.

JANUARY-DECEMBER

Overall demand development improved in the equipment rental markets in the Baltic States supported by recovery in construction activity. Baltics segment's net sales increased by 18.6%. All three Baltic States contributed to the sales growth driven by good development in rental sales. Sales growth was especially strong in Latvia.

The segment's EBITA increased to EUR 8.6 (5.8) million. EBITA improved as a result of strong volume growth, a favorable sales mix and cost efficiency.

EUROPE CENTRAL

Ramirent is the largest equipment rental company in Europe Central serving customers through a network of 64 customer centers in Poland, Slovakia and the Czech Republic.

(MEUR AND %)	10–12/17	10–12/16	CHANGE	1–12/17	1–12/16	CHANGE
Net sales	18.4	15.7	17.3%	70.2	55.8	25.8%
Comparable EBITA	3.5	2.3[1]	51.7%	15.2	4.4[1]	245.9%
% of net sales	19.1%	14.8%		21.6%	7.9%	
EBITA	3.5	1.8	90.9%	15.2	3.9	288.0%
% of net sales	19.1%	11.7%		21.6%	7.0%	
Comparable ROCE (%)				21.9%	7.2%	
ROCE (%)				21.9%	6.4%	

1 Excluding IACs of EUR -0.5 million in Q4 2016

OCTOBER-DECEMBER

Demand for equipment rental was at a good level in all countries in the segment and especially in Poland as a result of accelerating construction activity. Europe Central segment's strong net sales growth continued. Net sales growth was 17.3% or 13.7% at comparable exchange rates supported by good weather conditions. Net sales grew in all the segments' countries.

The segment's profitability improvement continued. The segment's comparable EBITA increased significantly to EUR 3.5 (2.3) million. Reported EBITA was EUR 3.5 (1.8) million. EBITA improved based on strong volume growth, a favorable sales mix and cost efficiency.

JANUARY-DECEMBER

Overall market conditions improved across the Europe Central segment. The equipment rental market in Poland was supported by accelerating construction activity during the year. In Slovakia demand for equipment rental was supported by good underlying market activity while recovery in construction activity supported demand in the Czech Republic.

Europe Central segment's net sales growth was strong, being 25.8% or 23.0% at comparable exchange rates. The strong growth was enabled by new fleet capacity and solid operational execution. All countries contributed to sales growth. The sales mix developed favorably across all countries driven by strong rental sales growth especially among the small and medium-sized customers.

The segment's comparable EBITA increased significantly to EUR 15.2 (4.4) million. Reported EBITA was EUR 15.2 (3.9) million. Strong volume growth, favorable business mix, cost efficiency and solid execution of reorganization actions all boosted EBITA.

PERSONNEL, OCCUPATIONAL SAFETY AND NETWORK

At the end of 2017, Ramirent had 2,820 (2,686) full time equivalent employees (FTE) and Ramirent's rolling 12 months' accident frequency (LTI, accidents per million working hours) was 7.9 (9.3). Ramirent's target for LTIF is to be below 5 by 2020.

PERSONNEL AND CUSTOMER CENTERS	PERSONNEL (FTE) DEC 31, 2017	PERSONNEL (FTE) DEC 31, 2016	CUSTOMER CENTERS DEC 31, 2017	CUSTOMER CENTERS DEC 31, 2016
FINLAND	535	519	57	56
SWEDEN	831	760	79	78
NORWAY	396	397	42	42
DENMARK	130	138	7	13
BALTICS	276	253	44	43
EUROPE CENTRAL	440	446	64	58
Group staff[1]	212	173	–	–
TOTAL	2,820	2,686	293	290

1 Group Staff includes also employees of Ramirent's site module assembly plant in Tallinn, Estonia

GROUP STRATEGY AND FINANCIAL TARGETS

Ramirent launched its new strategy and financial targets for 2018-2020 on November 30, 2017. With the new strategy, Ramirent aims to focus on capital efficient profitable growth in its core business - construction equipment rental and related services. Consequently, Ramirent also announced starting to explore strategic options for its Temporary Space business, including a potential sale. The key building blocks of the **"Capital Efficient Profitable Growth in the Core**" strategy are the following:

Winning in the small and medium-sized business sector

Our share among small and medium-sized businesses (SMBs) is still below our average and we aim to win in this sector by further improving our customer experience and availability.

Becoming the large customer's supplier of choice

We want to further strengthen our strong position and become the large customers' supplier of choice by providing advanced total solutions that improve safety, productivity and sustainability in construction and other industries. Ramirent has a market-leading offering in what it takes to help construction businesses improve their productivity.

Building the industry's best performing supply chain

We will make a step-change improvement in our availability, delivery accuracy and supply chain efficiency by 2020 by developing and digitizing our processes. There is sizable untapped potential in our supply chain management.

Tightening performance management of low-performing units

We will strive to have no units nor customer centers delivering below 10% EBIT by 2020 and implement clear performance management standards in the company.

Growing capital efficiently

We will seek above-average growth rates in capital-light product categories and raise our capital efficiency through supply chain improvements and by optimizing the replacement investments. We aim to grow min. 2% p.a. before the effect of growth investments.

Becoming a great place to work by focusing on leadership and safety

To raise our performance and pursue the updated strategy and financial targets, we want to create a great place to work by developing the Ramirent leadership culture and our safety standards to be top-quartile by 2020.

The new financial targets to support our strategy execution are as follows:

RAMIRENT'S FINANCIAL TARGETS FOR 2018-2020

Indicator	Target level
EPS growth (CAGR)	double digit % over 2018-2020
ROCE	16% by the end of 2020
Dividend payout ratio	> 50% of net profit
Net debt to EBITDA	< 2.5x at end of each fiscal year

KEY BUSINESS RISKS AND RISK MANAGEMENT

At Ramirent, risk is the potential for loss or harm or the diminished opportunity for gain, that can adversely affect the achievement of Ramirent objectives. The purpose of risk management is to provide key stakeholders with reasonable assurance of achievement of objectives as well as reliability of financial and operative reporting and compliance with associated laws, regulations and internal policies. Risks described below are the key risks to which Ramirent and its shareholders are exposed to.

Changes in the demand of customer industries and economic cycles may happen fast and have a negative impact on the construction market as well as on Ramirent's operations and financial position. Ramirent strives to reduce the risk by maintaining a large and diversified customer base which cover a wide range of industries. The construction sector is the largest customer sector for Ramirent.

Ramirent operates in a highly competitive business environment where new entrants may establish competitive advantage over Ramirent. Ramirent aims to further improve its competitive position through the dual focus in its new strategy for both large as well as small and medium-sized businesses recognizing their different needs. Further opportunities to improve the efficiency and service levels in fleet management and supply chain can be seen. Ramirent aims to optimize the process flow, the fleet assortment, maximize fleet availability and utilization and further reduce operational costs. Ramirent also aims to develop rental industry's best performing supply chain.

Ramirent recognizes the dependencies on information technology services and solutions. Ramirent focuses on further improving its information technology solutions and information security management to avoid interruptions, exposure to data loss and compromised confidentiality or usability of information. Ramirent recognizes the risk of misconduct in our business. The SpeakUp Line is available on all group and local homepages and intranet. All employees and third parties are continuously reminded and encouraged to speak up in person or anonymously on any misconduct matters. All identified matters are investigated and responsible persons will be made accountable.

Ramirent has a decentralized organization model, which implies autonomy in its business units. Ramirent operates in different markets and countries, and recognizes the risk of non-compliance with the local laws and regulations. Managing business in such an organization imposes requirements on reporting and control, which may be cumbersome for the organization. Ramirent has developed communication and training on Group reporting instructions, and continues to improve reporting quality. Further development of internal controls for end-to-end processes is progressing.

The Board of Directors has approved the Risk Management Policy. The Risk Management Policy has been developed based on the COSO ERM Framework, the ISO 31000 standard “Risk Management - Principles and Guidelines” and corporate governance best practices. The Risk Management Policy is the basis for other policies in Ramirent, including the Internal Control Policy. Risk management is embedded in business processes and continuous. Regular risk assessments are conducted in different areas of business and results incorporated into overall group-wide risk assessment. The reporting to the Board is quarterly. An essential part of the risk management is to maintain and develop appropriate insurance coverage of our fleet. Group insures personnel, financial, operative, strategic and hazard risks, which after risk management measures remain above Group´s risk retention limit and are cost-effective to insure.

Ramirent is subject to certain financial risks such as foreign currency, interest rate, liquidity and funding risks. The financial risk management in Ramirent strives to secure sufficient funding for operational needs and to minimize the funding costs and the effects of changes in foreign exchange rates, interest rates and other financial risks cost-effectively. Fluctuations in currency exchange rates can significantly affect Ramirent’s financial result. The effect of exchange rate fluctuations is visible when translating the net sales and financial results of our subsidiaries outside the Eurozone to euros. Changes in exchange rates may increase or decrease net sales or results. Hedging operations are managed by Group Treasury. Credit risk is defined as the possibility of a customer not fulfilling its commitments towards Ramirent. Ramirent’s business units are responsible for credit risks related to sales activities and assess the credit quality of their customers by taking into account the customer’s financial position, past experience and other relevant factors. When appropriate, advance payments, deposits, letters of credit and third party guarantees are used to mitigate credit risks. Customer credit risks in Ramirent are diversified as trade receivables are generated by a large number of customers.

CORPORATE RESPONSIBILITY, NON-FINANCIAL INFORMATION

RAMIRENT’S BUSINESS MODEL

Ramirent’s key to improving productivity for its customers is through circularity by sharing resources and knowledge. By sharing and re-using equipment and machines through rental, Ramirent supports the creation of a circular economy. Smooth flow of machines, services and information leads to improved productivity and minimized environmental impact. Key elements of how Ramirent improves productivity are through maximizing safety, operational excellence, and high availability of equipment and services. Sharing resources and information leads also to improved ways of working, improved product features, new innovations and ideas. Ramirent’s supply chain management plays an important role in achieving a smooth flow of machines, services and information. Ramirent’s responsible business practices form the foundation of all operations.

RAMIRENT

RAMIRENT'S KEY NON-FINANCIAL KPI'S FOR ITS BUSINESS

Great and Safe Place to Work	Target level	2017	2016
Leadership quality (Leadership Index)	Top quartile of companies by 2020	74.4[1]	70.7[1]
Employee engagement (Engagement Index)	Top quartile of companies by 2020	83.0[1]	80.0[1]
Safe place to work (LTIF)[2]	LTIF <5 by 2020	7.9	9.3

Environmental KPIs	Target level	2017	2016
Total amount of waste, T[3]	Declining	3,670	4,108
Overall electricity consumption, MWh[4]	Declining	14,431	14,673

1 2017 outcome is from the RamiEar employee survey of January 2018 and the comparable 2016 figure from the January 2017 survey.
2 LTIF - Accidents per million working hours
3 Excl. Baltics & Europe Central
4 In customer centers, hubs, office by segment

EMPLOYEE MATTERS

Ramirent is committed to making Ramirent a "Great Place to Work" that has motivated and engaged employees with skills to deliver operational excellence. Ramirent aims to become a Great Place To Work by developing its leadership and safety culture. Ramirent wants to serve as an example in directing the industry towards more conscious and modern leadership, where equal opportunities are available for everyone. Ramirent continuously strives for developing work environment safety, job satisfaction and employee engagement with zero tolerance for any kind of discrimination or harassment. Ramirent aims for consistent performance management combined with fair reward and recognition.

Employee competence and engagement

Ramirent aims for increasing personnel's competence levels in areas that are strategically important for the Group which will at the same time ensure employee engagement. Ramirent Academy is the Group's internal competence development program, focusing on increasing the personnel's competence level in areas that are strategically important for the Group. Ramirent's Management Trainee Program ensures that we have capable managers to take the company further. In terms of recruiting, Ramirent is among the many companies to whom digitalization brings new demands on the skills of our employees. We are also looking to hire individuals with a background in the retail sector, as similar commercial skills are sought after also for our customer center employees. Ramirent's leadership behaviors define what good leadership at Ramirent should look like and aim at creating a Great Place to Work and a first class customer experience at all levels.

Occupational health and safety

Safety is a top priority for Ramirent. We aim to make the construction industry safer. As a company serving a large customer base in the construction and general manufacturing industry, Ramirent actively promotes safety culture within the organization and business partners, and to all customers by providing training in matters related to safe use of machines and equipment, and building a safe working environment. Ramirent continuously develops tools and practices to help construction projects to be run safely and efficiently in every phase and be completed on time and within budget. Ramirent's own R&D work specializes in safety, in particular, fall protection and traffic safety. Based on the vast machine user data collected from customer project sites throughout the year, Ramirent has developed new products with improved unique safety features.

Employee and social matters related risk management

Together the Ramirent Human Resources Board and Health, Safety, Environmental and Quality (HSEQ) board manage and develop key areas related to Ramirent's staff as well as health and safety risks in Ramirent's operations. Ramirent has developed and implemented internal controls to mitigate the employee related key risks, established relevant transfers of risk where mitigation is not possible and insured certain unforeseen and unexpected events.

Risks related to employee competence and engagement are monitored in annual RamiEar employee surveys. Annual development discussions of personnel have a key role in supporting the well-being and engagement of Ramirent employees. In Ramirent we recognize potential hazard categories of accidents, physical, chemical, biological hazards as well as physical and psychosocial work load. Examples of hazard risks include situations where employees need to work outside in difficult weather conditions or operate non-standard and complex machinery.

The social and employee related risk management practices cover physical inspection of sites, fleet, workspaces and control activities (monitoring of overtime, supervision, medical inspection, internal audits) as well as data analysis and follow up of key performance indicators on a regular basis. Ramirent has invested in good, high-quality and safe working clothes and safety equipment and instructed employees and business partners on Ramirent sites to follow safety instructions. Instructions and training is provided to employees and customers in regards to the safe use of our machinery and equipment to avoid any personal damages.

HUMAN RIGHTS, ANTI-CORRUPTION AND BRIBERY

In Ramirent we show respect for human rights. Ramirent Code of Conduct sets forth the key principles of the UN Global Compact which in short are: supporting the protection of human rights, freedom of association and collective bargaining, free labor and undertaking initiatives to promote greater environmental responsibility and working against corruption in all forms. The key principles of conduct at Ramirent are: equality, respect, integrity and confidentiality. The purpose of Code of Conduct is to guide the decisions, procedures and systems of Ramirent in a way that contributes to the welfare of its key stakeholders, and respects the rights of all constituents affected by its operations. The Code is applicable to all Ramirent employees, directors, subcontractors and suppliers working with the Ramirent Group. All employees are introduced to the Code at the start of the employment. Conduct matters are also part of annual professional development discussions with the supervisor and surveyed in the RamiEar group-wide employee survey. Results are analyzed and subject for next year development and training programs.

Ramirent’s SpeakUp Line is also available for reporting of all suspected violations of human rights or any fraudulent activity. In 2017 no violations of human rights were identified. Zero violations of human rights is also the target for the future. Ramirent continues to improve its policies and practices to better guide employees and business partners as well as to invest into development and education of employees. Key risks related to violation of human rights are similar to the risks mentioned in social and employee related matters. Further risks are potential violations against the freedom of association, right for collective bargaining, unequal treatment of people as well as unfair pay for the employees or subcontractors. Ramirent evaluates the respect for human rights in the tendering process when selecting subcontractors and business partners. The human rights related risk is evaluated as part of regular HR and HSEQ risk management practices and quarterly as part of overall Enterprise Risk Management process.

Ramirent aims to work against corruption in all its forms, including extortion and bribery, according to key principles of the UN Global Conduct. Fraud and Anti-Corruption Policy as well as Compliance Policy have been developed in 2017 to help in communicating these issues to all staff. The implementation of these policies is proceeding during 2018 with internal process improvements, Group wide communication and development of follow-up process and KPIs. Ramirent Code of Conduct gives behavioral guidance and sets basis for addressing corruption and bribery. The Code of Conduct is an important tool in our work to prevent misconduct. Violations of the Ramirent Code of Conduct are reported to Ramirent’s Executive Management Team. Ramirent Supplier Code of Conduct is in development for 2018.

Key risks in equipment rental business include fraudulent use of our equipment, fraudulent invoicing from vendors and subcontractors, customer fraud, manipulation of bidding and sourcing processes and bribery of customers.

Managing fraud, corruption and bribery risks is continuous and embedded in Ramirent's business processes. Ramirent is developing the design and implementation for the internal controls system in order to optimize the follow-up activities and ensure better and holistic assurance to the Board. The segment management is working locally on improving the implementation of the key control points in Ramirent end-to-end processes as well as further formalizing the controls and their follow-up.

Ramirent uses the SpeakUp Line to report on suspected anti-corruption and bribery related issues. The Internal Audit function acts as the owner of the line with regular follow-up of messages in it and reports to the Working Committee on the findings. Regular communication to promote and encourage employees and external parties to speak up on fraud and corruption as well as other matters will continue. Policies, procedures and practices are being developed based on the findings.

ENVIRONMENTAL MATTERS

Ramirent is committed to sustainability from the ground up. Resource efficiency is the very core of our business, as renting and sharing equipment reduces the environmental burden. Ramirent continuously strives to minimize our daily environmental footprint in everything we do. Ramirent offers environmentally sustainable solutions that also make financial sense and we are always looking for innovative ways of helping our customers reduce their environmental impact. The RamiWay includes key procedures related to environmental issues and covers instructions for environmental impact assessments, use of chemicals, waste management and transports of hazardous chemicals. We train our employees and customers' staff on environmental issues on a continuous basis. We follow the development of the rules and regulations, modify our routines and methods according to the changing conditions and inform our customers continuously, e.g. in common projects. Our environmental focus areas include optimization of transports, energy-efficiency, safe and efficient use of chemicals, and water and waste management.

Environmental risk management

The key environmental risks for Ramirent include operating own premises, handling fleet, repair and maintenance, transportation and disposals of fleet, manufacturing, mobilization and demobilization of modules and scaffolding as well as managing project sites. The requirements concerning environment extend from our own activity also to our suppliers, so that our customers know that our offering fulfills the environmental standards.

Ramirent environmental risk management is based on Group level policies. Ramirent's Health, Safety, Environmental and Quality (HSEQ) Board manages the environmental risks and takes proactive measures to mitigate them. Based on this, Ramirent segments have developed and implemented locally internal controls to mitigate key environmental risks. Ramirent has established relevant transfers of risk where mitigation is not possible and maintains insurance cover for unforeseen and unexpected events. The environmental risk management practices cover physical inspection of sites, properties and control activities as well as data analysis and follow up of key performance indicators on a regular basis.

LONG-TERM INCENTIVE PLANS

SETTLEMENT OF THE LONG-TERM INCENTIVE PLAN 2014

On February 16, 2017, the Board of Directors of Ramirent Plc decided on a directed share issue for the reward payment from the Ramirent long-term incentive plan 2014. A total of 18,920 of Ramirent Plc's treasury shares were conveyed without consideration to the key employees participating in the Ramirent Long-term Incentive Program 2014 under the terms and conditions of the plan.

LONG-TERM INCENTIVE PLAN 2018

On December 14, 2017, Ramirent Plc's Board of Directors resolved on two new long-term incentive plans: A Performance Share Plan 2018-2020 for the members of the Executive Management Team and a Deferred Incentive Plan 2018 for other key employees of the company.

The aim of the Performance Share Plan 2018-2020 for the Executive Management Team is to align the objectives of the shareholders and the Executive Management Team Members in order to increase the value of the company in the long-term, to retain the Executive Management Team Members at the company, and to offer them a competitive reward plan that is based on earning and accumulating the company's shares. The potential reward from this plan will be paid partly in the company's shares and partly in cash in 2021. The cash proportion is intended to cover taxes arising from the reward to the plan participants. The potential reward from the Performance Share Plan 2018-2020 will be based on the participant's short-term incentive plan targets in 2018 as well as on the Group's cumulative EPS development in 2018-2020. The rewards to be paid on the basis of the Performance Share Plan 2018-2020 correspond to an approximate maximum total of 270,000 Ramirent Plc shares including also the proportion to be paid in cash.

The aim of the new Deferred Incentive Plan 2018 for other key employees of the company is to maximally support the implementation of the company's renewed strategy and to offer key employees a competitive reward and retention program. The Deferred Incentive Plan includes one earning period, calendar year 2018, with a lock-up period of two years whereby the potential reward will be paid in cash in 2021. The incentive plan includes approximately 160 key employees. The potential reward from the incentive plan for the earning period 2018 will be based on the participant's short-term incentive plan targets. The maximum reward of the Deferred Incentive Plan 2018 to be paid in 2021 will amount up to approximately EUR 2.6 million. The members of the Executive Management Team are not included in the target group of the Deferred Incentive Plan as they are part of the Performance Share Plan where the potential reward is paid in Ramirent shares.

CONVEYANCE OF TREASURY SHARES

The Board of Directors of Ramirent Plc decided on 16 February 2017 on a directed share issue for the reward payment from the Long-term incentive program 2014. In the share issue 18,920 Ramirent Plc’s treasury shares were issued and conveyed without consideration to the key persons participating in the program. In addition, a total of 228,344 of Ramirent Plc’s treasury shares were conveyed without consideration to the management of Ramirent’s subsidiary Safety Solutions Jonsereds AB as a part of the purchase price for the non-controlling interest.

The Board of Directors of Ramirent Plc decided on May 9, 2017 on a directed share issue of 149,147 of Ramirent Plc’s treasury shares conveyed to the minority shareholders of Ramirent’s subsidiary Safety Solutions Jonsereds AB as part of the purchase price for the non-controlling interest.

The value of the issued shares, EUR 2,477,013 was recognized in the invested unrestricted equity fund.

DECISIONS OF THE ANNUAL GENERAL MEETING 2017 AND BOARD OF DIRECTORS' ORGANISING MEETING

Ramirent’s Annual General Meeting (AGM) 2017, which was held on March 16, 2017 adopted the 2016 annual financial accounts and discharged the members of the Board of Directors and the President and CEO from liability. The Annual General Meeting approved a dividend of EUR 0.40 per share to be paid in two equal installments of EUR 0.20 per share. The first installment of the dividend was paid to shareholders in April 2017 and the second installment in October 2017.

The number of members of the Board of Directors was confirmed to be seven. Kevin Appleton, Kaj-Gustaf Bergh, Ulf Lundahl, Tobias Lönnevall and Susanna Renlund were re-elected as members of the Board of Directors and Ann Carlsson and Erik Bengtsson were elected as new Board members. In the formative meeting, the Board elected Ulf Lundahl to continue as Chairman and Susanna Renlund as Deputy Chairman.

The following remuneration for the Board was approved by the AGM: for the Chairman EUR 3,800 per month and additionally EUR 1,600 for attendance at meetings; for the Vice-Chairman EUR 2,500 per month and additionally EUR 1,300 for attendance at meetings; and for the members EUR 2,250 per month and additionally EUR 1,000 for attendance at meetings.

PricewaterhouseCoopers Oy ("PwC") was re-elected as the company's auditor with APA Ylva Eriksson as principally responsible auditor for the term that will continue until the end of the next AGM.

The AGM authorized the Board of Directors to decide on the repurchase of a maximum of 10,869,732 Company's own shares. The authorization is valid until the Annual General Meeting 2018.

SHARE TRADING

Ramirent Plc's market capitalization at the end of 2017 was EUR 848.9 (803.3) million. Excluding the company's treasury shares, the market capitalization was EUR 844.6 (796.3) million. The share price closed at EUR 7.81 (7.39). The highest quotation for the period was EUR 9.50 (7.91), and the lowest EUR 6.76 (5.05). The volume weighted average trading price was EUR 8.15 (6.51).

The value of share turnover in 2017 was EUR 400.1 (361.7) million, equivalent to 49,345,011 (55,577,242) traded Ramirent shares, i.e. 45.6% (51.6%) of Ramirent's number of shares outstanding. The average daily trading volume was 196,594 (219,673) shares, representing an average daily turnover of EUR 1,593,984 (1,429,797).

At the end of 2017, Ramirent Plc's share capital was EUR 25.0 million, and the number of Ramirent shares outstanding was 108,145,725 (107,749,314). Ramirent Plc held 551,603 (948,014) of the Company's own shares at the end of 2017, representing 0.51% (0.87%) of the total number of Ramirent's shares. No own shares were acquired during 2017.

RAMIRENT'S GUIDANCE FOR 2018

In 2018, Ramirent's comparable EBIT is expected to increase from the level in 2017.

PROPOSAL OF THE BOARD ON THE USE OF DISTRIBUTABLE FUNDS

The parent company's distributable equity on December 31, 2017 amounted to EUR 245,975,831.02 of which the net result from the financial year 2017 is EUR 15,926,255.72.

The Board of Directors has decided to propose to the Annual General Meeting that a dividend of EUR 0.44 per share be paid based on the adopted balance sheet for the financial year ended on December 31, 2017. The dividend shall be paid in two installments. The first installment of EUR 0.22 per share will be paid to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date for dividend payment 19 March 2018. The first installment is to be paid on April 4, 2018 for shareholders whose shares are registered in Euroclear Finland Ltd and on April 5, 2018 for shareholders whose shares are registered in Euroclear Sweden AB. The second installment of EUR 0.22 per share will be paid to shareholders registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date for dividend payment September 18, 2018. The second installment is to be paid on October 3, 2018 for shareholders whose shares are registered in Euroclear Finland Ltd and on October 4, 2018 for shareholders whose shares are registered in Euroclear Sweden AB. The Board of Directors is authorized to set a new dividend record date and payment date for the second installment of the dividend, in case the rules and regulations of the Finnish book-entry system would be changed, or otherwise so require, prior to the payment of the second installment of the dividend.

CORPORATE GOVERNANCE STATEMENT

Ramirent has issued a Corporate Governance Statement for financial year 2017 as a separate report which is available in Ramirent's Annual Report 2017 and on the company's web page at www.ramirent.com

ANNUAL GENERAL MEETING 2018

Ramirent's Annual General Meeting 2018 will be held on March 15, 2018 at 10:00 a.m. at Group headquarters, Tapulikaupungintie 37, Helsinki, Finland. The reception of persons who have registered for the meeting and the distribution of voting tickets will commence at 09:00 a.m.

FORWARD–LOOKING STATEMENTS

Certain statements in this report, which are not historical facts, including, without limitation, those regarding expectations for general economic development and market situation; regarding customer industry profitability and investment willingness; regarding Company growth, development and profitability; regarding cost savings; regarding fluctuations in exchange rates and interest levels; regarding the success of pending and future acquisitions and restructurings; and statements preceded by "believes," "expects," "anticipates," "foresees" or similar expressions are forward–looking statements. These statements are based on current expectations and currently known facts. Therefore, they involve risks and uncertainties that may cause actual results to differ materially from results currently expected by the Company. In conjunction with the strategy process, Ramirent's Board of Directors assesses the need to revise the financial targets. Changes in financial targets are published as a stock exchange release. Based on its financial targets and the current market outlook, Ramirent gives a general outlook for the current financial year in conjunction with the full year report and interim reports. The outlook is given for the entire year and not for each quarter.

TABLES

CONSOLIDATED STATEMENT OF INCOME	10–12/17	10–12/16	1–12/17	1–12/16
(EUR 1,000)				
Rental sales	123,424	112,304	455,401	417,168
Service sales	65,085	60,766	237,514	222,616
Sales of equipment	11,750	7,405	30,779	25,380
NET SALES	200,259	180,475	723,694	665,164
Other operating income	1,554	369	2,193	2,297
Materials and services	−72,393	−67,234	−251,377	−245,875
Employee benefit expenses	−49,450	−43,319	−178,295	−164,950
Other operating expenses	−27,185	−23,317	−91,720	−88,894
Share of result of associates and joint ventures	327	887	994	1,309
Depreciation, amortization and impairment charges	−30,152	−28,660	−116,145	−130,697
EBIT	22,961	19,201	89,345	38,353
Financial income	2,944	909	8,712	9,179
Financial expenses	−6,454	−3,949	−21,091	−19,428
Total financial income and expenses	−3,511	−3,039	−12,379	−10,249
EBT	19,450	16,162	76,966	28,104
Income taxes	−1,704	−3,769	−13,514	−6,273
RESULT FOR THE PERIOD	17,746	12,392	63,452	21,832
Result for the period attributable to:				
Shareholders of the parent company	17,746	12,542	63,452	22,081
Non-controlling interests	–	−150	–	−249
TOTAL	17,746	12,392	63,452	21,832
Earnings per share (EPS) on parent company shareholders' share of result				
Basic, EUR	0.16	0.12	0.59	0.20
Diluted, EUR	0.16	0.12	0.58	0.20

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	10–12/17	10–12/16	1–12/17	1–12/16
(EUR 1,000)				
RESULT FOR THE PERIOD	17,746	12,392	63,452	21,832
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit obligation, net of tax	−845	1,554	−1,312	−940
Items that may be reclassified to profit or loss in subsequent periods:				
Translation differences	−5,241	−180	−8,643	−3,285
Cash flow hedges, net of tax	103	516	219	323
Share of other comprehensive income of associates and joint ventures	−293	1,173	−1,290	3,348

TOTAL	–5,431	1,509	–9,714	385
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	–6,276	3,063	–11,026	–555
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11,470	15,455	52,426	21,277
Total comprehensive income for the period attributable to:				
Shareholders of the parent company	11,470	15,605	52,426	21,526
Non-controlling interests	–	–150	–	–249
TOTAL	11,470	15,455	52,426	21,277

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	DEC 31, 2017	DEC 31, 2016
(EUR 1,000)		
ASSETS		
NON-CURRENT ASSETS		
Goodwill	134,660	138,499
Other intangible assets	23,800	29,668
Property, plant and equipment	524,768	495,334
Investments in associates and joint ventures	7,785	8,082
Non-current receivables	10,892	13,751
Available-for-sale financial assets	89	101
Deferred tax assets	1,154	578
TOTAL NON-CURRENT ASSETS	703,148	686,013
CURRENT ASSETS		
Inventories	12,718	11,194
Trade and other receivables	130,585	124,428
Current tax assets	2,572	6,850
Cash and cash equivalents	6,896	1,570
TOTAL CURRENT ASSETS	152,772	144,041
TOTAL ASSETS	855,920	830,054
EQUITY AND LIABILITIES		
EQUITY		
Share capital	25,000	25,000
Revaluation fund	–231	–443
Invested unrestricted equity fund	116,428	113,951
Retained earnings from previous years	104,871	136,979
Result for the period	63,452	22,081
Equity attributable to the parent company shareholders	309,520	297,568
TOTAL EQUITY	309,520	297,568
NON-CURRENT LIABILITIES		
Deferred tax liabilities	47,987	47,427
Pension obligations	22,357	20,005
Non-current provisions	2,563	589
Non-current interest-bearing liabilities	174,559	186,991
Other non-current liabilities	4,968	4,749

TOTAL NON-CURRENT LIABILITIES	252,434	259,762
CURRENT LIABILITIES		
Trade payables and other liabilities	116,557	108,579
Current provisions	2,634	1,834
Current tax liabilities	4,501	1,885
Current interest-bearing liabilities	170,273	160,426
TOTAL CURRENT LIABILITIES	293,965	272,724
TOTAL LIABILITIES	546,400	532,486
TOTAL EQUITY AND LIABILITIES	855,920	830,054

CONSOLIDATED CASH FLOW STATEMENT	10–12/17	10–12/16	1–12/17	1–12/16
(EUR 1,000)				
CASH FLOW FROM OPERATING ACTIVITIES				
EBT	19,450	16,162	76,966	28,104
Adjustments				
Depreciation, amortization and impairment charges	30,152	28,660	116,145	130,697
Adjustment for proceeds from sale of used rental equipment	5,828	2,791	11,429	8,992
Financial income and expenses	3,511	3,039	12,379	10,249
Adjustment for proceeds from disposals of subsidiaries	−1,269		−1,269	
Other adjustments	1,633	3,700	−1,898	306
Cash flow from operating activities before change in working capital	59,305	54,352	213,752	178,348
Change in working capital				
Change in trade and other receivables	12,317	994	−10,836	−10,377
Change in inventories	−533	575	−1,827	1,711
Change in non-interest-bearing liabilities	−2,952	−1,835	16,604	15,280
Cash flow from operating activities before interests and taxes	68,138	54,086	217,693	184,962
Interest paid	−1,261	−245	−9,836	−8,024
Interest received	307	292	576	826
Income tax paid	2,781	3,016	−6,193	−9,815
NET CASH FLOW FROM OPERATING ACTIVITIES	69,966	57,150	202,241	167,951
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of businesses and subsidiaries, net of cash	−292	−710	−1,001	−835
Investment in tangible non-current assets (rental machinery)	−30,062	−33,721	−155,138	−165,836
Investment in other tangible non-current assets	−1,754	−11,968	−10,072	−21,716
Investment in intangible non-current assets	−608	−1,062	−2,759	−3,256
Proceeds from sale of tangible and intangible non-current assets (excluding used rental equipment)	76	460	356	579
Proceeds from sales of subsidiaries	15,114	–	15,114	–
Loan receivables, increase, decrease and other changes	1,178	870	2,773	2,340
Proceeds from sale of associated companies	–	84	–	84
Received dividends	–	31	121	31
NET CASH FLOW FROM INVESTING ACTIVITIES	−16,348	−46,016	−150,606	−188,609
CASH FLOW AFTER INVESTMENTS	53,618	11,134	51,635	−20,658

CASH FLOW FROM FINANCING ACTIVITIES				
Paid dividends	−21,629	–	−43,228	−43,100
Changes in ownership interests in subsidiaries	–	–	−911	−1,441
Borrowings and repayments of short-term debt (net)	−26,194	−18,764	9,847	70,181
Borrowings of non-current debt	–	75,162	–	87,561
Repayments of non-current debt	–	−70,356	−12,015	−91,543
NET CASH FLOW FROM FINANCING ACTIVITIES	−47,824	−13,957	−46,308	21,658
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	5,794	−2,823	5,327	999
Cash at the beginning of the period	1,102	4,393	1,570	571
Change in cash	5,794	−2,823	5,327	999
Cash at the end of the period	6,896	1,570	6,896	1,570

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR 1,000)	Share capital	Revaluation fund	Invested unrestricted equity fund	Translation differences	Retained earnings	Equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
EQUITY Jan 1, 2016	**25,000**	**−770**	**113,862**	**−38,514**	**219,309**	**318,886**	**199**	**319,085**
Translation differences	–	5	–	−3,290	–	−3,285	–	−3,285
Remeasurement of defined benefit obligation	–	–	–	–	−940	−940	–	−940
Cash flow hedges	–	323	–	–	–	323	–	323
Share of other comprehensive income of associates and joint ventures	–	–	–	3,348	–	3,348	–	3,348
Result for the period	–	–	–	–	22,081	22,081	−249	21,832
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**–**	**328**	**–**	**57**	**21,141**	**21,526**	**−249**	**21,277**
Share based payments	–	–	–	–	217	217	–	217
Issue of treasury shares	–	–	89	–	–	89	–	89
Dividend distribution	–	–	–	–	−43,100	−43,100	–	−43,100
Acquisition of subsidiary with non-controlling interests	–	–	–	–	−50	−50	50	–
TOTAL TRANSACTIONS WITH SHAREHOLDERS	**–**	**–**	**89**	**–**	**−42,933**	**−42,844**	**50**	**−42,793**
EQUITY Dec 31, 2016	**25,000**	**−443**	**113,951**	**−38,457**	**197,517**	**297,568**	**–**	**297,568**
Translation differences	–	−7	–	−8,636	–	−8,643	–	−8,643
Remeasurement of defined benefit obligation	–	–	–	–	−1,312	−1,312	–	−1,312
Cash flow hedges	–	219	–	–	–	219	–	219
Share of other comprehensive income of associates and joint ventures	–	–	–	−1,290	-	−1,290	–	−1,290
Result for the period	–	–	–	–	63,452	63,452	–	63,452
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**–**	**211**	**–**	**−9,926**	**62,140**	**52,426**	**–**	**52,426**
Share based payments	–	–	–	–	277	277	–	277
Issue of treasury shares	–	–	2,477	–	–	2,477	–	2,477
Dividend distribution	–	–	–	–	−43,228	−43,228	–	−43,228
TOTAL TRANSACTIONS WITH SHAREHOLDERS	**–**	**–**	**2,477**	**–**	**−42,951**	**−40,474**	**–**	**−40,474**
EQUITY Dec 31, 2017	**25,000**	**−231**	**116,428**	**−48,383**	**216,706**	**309,520**	**–**	**309,520**

NOTES TO THE FINANCIAL STATEMENTS

This financial statements bulletin has been prepared in accordance with IAS 34 Interim financial reporting. The accounting principles described in the Group's annual financial statements for the year ended December 31, 2017 have also been applied when preparing the Financial Statements Bulletin.

Consolidated financial statements have been presented in thousand euros unless otherwise stated. Due to rounding the sum of individual figures may differ from the totals. The figures in parentheses refer to the previous financial year.

The financial information in this interim report has not been audited.

Implementation of new IFRS standards

IFRS 15 Revenue from contracts with customers

Ramirent will adopt IFRS 15 ”Revenue from contracts with customers” from January 1, 2018 using the full retrospective method in accordance with IAS 8. IFRS 15 standard introduces a five phase model to be applied in revenue recognition. According to the standard revenue recognition is based on transfer of control. This may affect the timing of revenue recognition and amounts that are recognized, compared to current principles in accordance with IAS 18. Ramirent has identified the following revenue streams for its operations:

1. Rental sales (63 % of net sales in 2017)
2. Service sales (28 % of net sales in 2017)
3. Sales of equipment (4 % of net sales in 2017)
4. Sales of inventories (5 % of net sales in 2017)

All Ramirent operating segments provide rental and services to their customers and sell equipment and inventories, but the sales mix can be different between operating segments and varies from year to year. Primary activity in Ramirent relates to rental business, which is in scope of IAS 17 Leases and later, when effective, in scope of IFRS 16. IFRS 15 does not have any effect on net sales that are in scope of Leases standard. IFRS 15 shall be applied to services sales, sales of used rental equipment and inventories. IFRS 15 has thus effect to approximately 40% of Ramirent’s sales.

Services are provided related to rental of machinery and equipment and separately. They comprise a wide range of different kinds of services, e.g. work site planning, logistics, on-site support, training and assembly and disassembly services. In the assessment it was concluded that IFRS 15 does not change the current practice for recognizing revenue from services.

Sales of equipment comprise sales of used machinery and equipment that Ramirent has held for rental to others and sells in the course of its ordinary activities. Sales of inventories comprise sales of fuel, merchandise and consumables. In the assessment it was concluded that IFRS 15 does not change the current practice for recognizing revenue from sales of used rental equipment and inventories.

According to IFRS 15 transaction prices in the contracts shall be allocated to performance obligations based on stand-alone selling prices. Under IAS 18 Ramirent has considered rental and services in a contract as separately identifiable components and allocated revenues to them separately. There is not any significant difference to the allocation under IFRS 15. Ramirent’s contracts with customers that are in scope of IFRS 15 do not include variable considerations or any significant financing components. In Ramirent costs related either to incremental costs of obtaining a contract with a customer or costs to fulfil a contract have not been identified.

Implementation of IFRS 15 will not result in any material differences in the timing of the revenue recognition or in the amounts to be recognized, compared to the current principles. IFRS 15 will have an effect on both qualitative and quantitative disclosures in the financial statements which will be increasing and be more detailed compared to the current disclosures.

<u>IFRS 9 Financial instruments</u>
Ramirent will adopt IFRS 9 ”Financial instruments” from January 1, 2018. The new standard introduces new requirements for the classification and measurement of financial instruments, impairment of financial instruments and hedge accounting. The standard introduces a new, expected credit loss model that will require more timely recognition of expected credit losses. The Group has prepared a model for calculating expected credit losses in accordance with IFRS 9. There will not be any significant impact on valuation of Ramirent’s financial instruments but there will be some impact on presentation and disclosures.

Ramirent has decided that available for sale financial assets will be classified as assets measured at fair value through profit or loss. Ramirent’s has elected not to restate comparative periods but to recognize the effect of the adoption of IFRS 9 as a transition adjustment to the opening equity of January 1, 2018.

<u>IFRS 16 Leases</u>
Ramirent will adopt IFRS 16 “Leases” from January 1, 2019. The standard will significantly increase the amount of leases that will be recognized as an asset and a liability in the lessee’s balance sheet. Ramirent is currently analyzing the impacts of the new standard. IFRS 16 requires that lessees capitalize most leases as a right-of-use asset in the balance sheet and recognize a liability to cover the lease payments. The standard also requires to recognize depreciation on the right-of-use asset and interest expense on the lease liability instead of operating lease expense. The standard includes recognition exemptions for short-term leases and leases for which the underlying asset is of low value. Ramirent has preliminarily elected not to calculate a right-of-use asset and a lease liability for short-term leases and leases for which the underlying asset is of low value.

Ramirent’s operating leases relate mainly to premises. The rest of the lease agreements relate to split-rental and re-rental agreements of rental machinery and leases of equipment and vehicles in own use. The length of premises agreements varies from short-term to more than ten years. Ramirent’s preliminary plan is not to include short-term lease agreements and lease agreements with indefinite term and short termination period related to premises in the calculation of the right-of-use asset. Split-rent and re-rent agreements are often short-term or include variable lease payments and such agreements will not be included in the calculation. For lessors guidance related to classification of leases as finance leases and operating leases in the currently effective IAS 17 is materially the same also in the new IFRS 16.

The standard will affect primarily the accounting for the group’s operating leases. As at the reporting date, the group has non-cancellable operating lease commitments of EUR 82.0 million. The group estimates that approximately 5-10% of these relate to payments for short-term and low value leases which will be recognised on a straight-line basis as an expense in profit or loss.

However, the group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. Ramirent continues the impact analysis during 2018.

Segment information
Segment information is presented according to the IFRS standards. Items below EBIT i.e. financial items and taxes are not allocated to the segments. As of January 1, 2017 the share of Fortrent Group’s net result to Ramirent is reported under Group’s unallocated items not affecting any operating segment. Previously this item was reported under segment Europe East. After this change, segment Europe East only contained operations of the three Baltic countries and was therefore renamed as Baltics segment. The comparative figures have been restated accordingly in the report.

Service sales
Service sales comprise assembly and disassembly work, transportation as well as sales of fuel and merchandise.

KEY FINANCIAL FIGURES	10–12/17	10–12/16	1–12/17	1–12/16
(MEUR)				
Net sales	200.3	180.5	723.7	665.2
Change in net sales, %	11.0%	5.9%	8.8%	4.6%
EBITDA	53.1	47.9	205.5	169.0
% of net sales	26.5%	26.5%	28.4%	25.4%
EBITA	25.1	21.2	97.7	59.2
% of net sales	12.5%	11.7%	13.5%	8.9%
EBIT	23.0	19.2	89.3	38.4
% of net sales	11.5%	10.6%	12.3%	5.8%
EBT	19.5	16.2	77.0	28.1
% of net sales	9.7%	9.0%	10.6%	4.2%
Result for the period attributable to the owners of the parent company	17.7	12.5	63.5	22.1
% of net sales	8.9%	6.9%	8.8%	3.3%
Gross capital expenditure	31.0	47.0	166.4	190.8
% of net sales	15.5%	26.0%	23.0%	28.7%
Capital employed at the end of period			654.4	645.0
Return on capital employed, ROCE %			13.8%	6.2%
Return on invested capital, ROI %			13.6%	6.4%
Return on equity, ROE %			20.9%	7.2%
Interest-bearing debt			344.8	347.4
Net debt			337.9	345.8
Net debt to EBITDA ratio			1.6x	2.0x
Gearing, %			109.2%	116.2%
Equity ratio, %			36.2%	35.9%
Personnel, average during reporting period			2,774	2,706
Personnel at end of period (FTE)			2,820	2,686

SHARE-RELATED KEY FIGURES	10–12/17	10–12/16	1–12/17	1–12/16
Earnings per share, EPS, basic (EUR)	0.16	0.12	0.59	0.20
Earnings per share, EPS, diluted (EUR)	0.16	0.12	0.58	0.20
Equity per share, at end of reporting period, basic, EUR			2.86	2.76
Equity per share, at end of reporting period, diluted, EUR			2.85	2.76
Dividend per share, EUR			0.44	0.40
Payout ratio, %			75%	195%
Effective dividend yield, %			5.6%	5.4%
Price/earnings ratio (P/E)[1]			13.3	36.1
Highest share price, EUR			9.50	7.91
Lowest share price, EUR			6.76	5.05
Average share price, EUR			8.15	6.51
Share price at end of reporting period, EUR			7.81	7.39
Market capitalization at end of reporting period, EUR million			844.6	796.3

RAMIRENT

Number of shares traded (thousands)			49,345.0	55,577.2
Shares traded, % of total number of shares			45.4%	51.1%
Number of shares, weighted average, basic			108,010,139	107,747,243
Number of shares, weighted average, diluted			108,481,975	107,747,243
Number of shares, at end of reporting period, basic			108,145,725	107,749,314
Number of shares, at end of reporting period, diluted			108,617,561	107,749,314

1 Rolling 12 months

NET SALES	10–12/17	10–12/16	1–12/17	1–12/16
(MEUR)				
FINLAND				
- Net sales (external)	52.4	49.4	191.3	180.1
- Inter-segment sales	0.2	0.0	0.2	0.3
SWEDEN				
- Net sales (external)	72.1	64.4	259.5	236.7
- Inter-segment sales	0.2	0.2	0.9	0.4
NORWAY				
- Net sales (external)	35.0	31.5	121.1	117.0
- Inter-segment sales	0.2	0.0	0.2	3.2
DENMARK				
- Net sales (external)	11.2	10.2	41.0	41.3
- Inter-segment sales	0.0	0.0	0.0	0.4
BALTICS				
- Net sales (external)	11.1	9.3	40.8	34.4
- Inter-segment sales	0.0	0.0	0.1	0.0
EUROPE CENTRAL				
- Net sales (external)	18.4	15.7	70.1	55.7
- Inter-segment sales	−0.0	0.0	0.1	0.1
Eliminations of sales between segments	−0.5	−0.3	−1.4	−4.4
GROUP NET SALES	200.3	180.5	723.7	665.2

EBIT	10–12/17	10–12/16	1–12/17	1–12/16
(MEUR and % of net sales)				
FINLAND	6.6	5.6	25.3	22.6
% of net sales	12.5%	11.3%	13.2%	12.6%
SWEDEN	10.1	8.9	36.4	22.1
% of net sales	13.9%	13.7%	14.0%	9.3%
NORWAY	4.5	1.7	10.0	−1.4
% of net sales	12.8%	5.5%	8.2%	−1.2%
DENMARK	−1.3	0.5	−0.1	1.8
% of net sales	−11.7%	5.3%	−0.2%	4.4%
BALTICS	2.2	1.7	8.5	5.7
% of net sales	20.2%	18.7%	20.7%	16.6%
EUROPE CENTRAL	3.5	1.8	15.0	3.8
% of net sales	18.9%	11.6%	21.4%	6.8%
Unallocated items	−2.6	−1.1	−5.7	−16.3
GROUP EBIT	23.0	19.2	89.3	38.4
% of net sales	11.5%	10.6%	12.3%	5.8%

CAPITAL EMPLOYED ALLOCATED TO SEGMENTS	DEC 31, 2017	DEC 31, 2016
(MEUR)		
FINLAND	144.8	120.2
SWEDEN	212.7	202.1
NORWAY	101.5	125.4
DENMARK	32.1	30.7
BALTICS	56.5	52.7
EUROPE CENTRAL	72.9	64.2
Unallocated items and eliminations	34.0	49.7
TOTAL	654.4	645.0

RETURN ON CAPITAL EMPLOYED (ROCE %) BY SEGMENT	DEC 31, 2017	DEC 31, 2016
(%)		
FINLAND	19.1%	18.8%
SWEDEN	17.6%	11.0%
NORWAY	8.8%	−1.2%
DENMARK	−0.3%	6.4%
BALTICS	15.5%	11.4%
EUROPE CENTRAL	21.9%	6.4%
GROUP	13.8%	6.2%

COMPARABLE RETURN ON CAPITAL EMPLOYED (ROCE %) BY SEGMENT	DEC 31, 2017	DEC 31, 2016
(%)		
FINLAND	19.1%	18.0%
SWEDEN	17.6%	12.2%
NORWAY	7.4%	4.1%
DENMARK	7.9%	6.4%
BALTICS	15.5%	11.4%
EUROPE CENTRAL	21.9%	7.2%
GROUP	13.8%	9.3%

CHANGE IN TANGIBLE AND INTANGIBLE ASSETS AND INVESTMENTS	DEC 31, 2017	DEC 31, 2016
(MEUR)		
Carrying value Jan 1	671.7	616.1
Depreciation, amortization and impairment charges	−116.1	−130.7
Additions		
Machinery and equipment	153.5	165.6
Other tangible and intangible assets	13.0	25.2
Decreases		
Sales of rental assets	−11.1	−9.0
Sales of other assets	−13.1	−0.6
Changes in equity accounted investments	−0.3	4.6
Other[1]	-6.4	0.5
Carrying value at the end of reporting period	691.1	671.7

1 Other includes translation differences, reclassifications and changes in estimated considerations for acquisitions

COMMITMENTS AND CONTINGENT LIABILITIES	DEC 31, 2017	DEC 31, 2016

(MEUR)		
Other pledged assets	–	0.1
Suretyships	4.8	3.0
Committed investments	23.7	30.5
Non-cancellable minimum future operating lease payments	82.0	82.1
Group share of commitments in joint ventures	0.1	0.1
Off-balance sheet total	110.7	115.8

OBLIGATIONS ARISING FROM DERIVATIVE INSTRUMENTS	DEC 31, 2017	DEC 31, 2016
(MEUR)		
Interest rate swaps		
Nominal value of underlying object	115.0	97.7
Fair value of the derivative instruments	−0.5	−0.7
Foreign currency forwards		
Nominal value of underlying object	58.3	61.1
Fair value of the derivative instruments	−0.3	−0.3

FAIR VALUED FINANCIAL ASSETS LEVELS

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

DEC 31, 2017	LEVEL 1	LEVEL 2	LEVEL 3
(MEUR)			
Interest rate swaps	–	−0.5	–
Foreign currency forwards	–	−0.3	–
Contingent considerations	–	–	3.1

DEC 31, 2016	LEVEL 1	LEVEL 2	LEVEL 3
(MEUR)			
Interest rate swaps	–	−0.7	–
Foreign currency forwards	–	−0.3	–
Contingent considerations	–	–	3.9

RECONCILIATION OF LEVEL 3 FAIR VALUES	DEC 31, 2017	DEC 31, 2016
(MEUR)		
Carrying value Jan 1	3.9	10.1
Translation differences	−0.1	0.1
Payments	−1.8	−1.4
Reclassification as deferred payment	–	−4.2
Recognized in other operating income	–	−1.0
Discount interest recognized in financial expenses	1.1	0.3
Carrying value at the end of reporting period	3.1	3.9

FAIR VALUES VERSUS CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES	CARRYING AMOUNT DEC 31, 2017	FAIR VALUE DEC 31, 2017	CARRYING AMOUNT DEC 31, 2016	FAIR VALUE DEC 31, 2016
(MEUR)				
FINANCIAL ASSETS				
Non-current loan receivables	10.2	10.2	12.9	12.9
Available-for-sale investments	0.1	0.1	0.1	0.1
Trade receivables	115.0	115.0	108.7	108.7
Cash and cash equivalents	6.9	6.9	1.6	1.6
Total	132.1	132.1	123.3	123.3
FINANCIAL LIABILITIES				
Loans from financial institutions	77.0	77.0	92.8	92.8
Bond	99.8	104.3	99.6	106.2
Commercial papers	168.0	168.0	155.0	155.0
Contingent considerations and deferred payments on acquisitions	5.0	5.0	7.4	7.4
Trade payables	40.3	40.3	33.0	33.0
Total	390.1	394.7	387.9	394.4
Interest rate swaps (nominal and fair value)	115.0	−0.5	97.7	−0.7
Foreign exchange forwards (nominal and fair value)	58.3	−0.3	61.1	−0.3

ITEMS AFFECTING COMPARABILITY (IAC)	10–12/17	10–12/16	1–12/17	1–12/16
(MEUR)				
EBIT	23.0	19.2	89.3	38.4
Amortization	−2.1	−2.0	−8.4	−20.9
EBITA	25.1	21.2	97.7	59.2
Items affecting comparability (IACs) in EBITA:				
Write-downs of tangible assets	–	–	–	5.9
Projects reassessments	–	–	–	2.2
Recognized accruals and provisions	2.6	0.5	2.6	2.4
Reclassification of loans	–	−0.5	–	−0.5
Gain on sales of subsidiary shares	−1.3		−1.3	–
Derecognition of continent consideration liabilities	–	–	–	−1.0
Comparable EBITA	26.4	21.1	99.0	68.1
Amortization	−2.1	−2.0	−8.4	−20.9
Items affecting comparability (IACs) after EBITA:				
Write-downs of intangible assets	–	–	–	10.9

Write-downs of investments	–	–	–	0.8
Comparable EBIT	24.3	19.2	90.6	59.0
EBT	19.5	16.2	77.0	28.1
Income taxes	−1.7	−3.8	−13.5	−6.3
Non-controlling interests	0.0	0.1	0.0	0.2
IACs before EBT	1.3	−0.0	1.3	20.6
Tax effect of IACs	−0.6	−0.1	−0.6	−4.6
Comparable Result for the Period for Shareholders	18.5	12.4	64.2	38.1
Comparable ROCE (%):				
Comparable EBIT			90.6	59.0
Capital employed, average			649.4	622.7
IACs affecting capital employed, average			8.8	8.8
Comparable Capital employed, average			658.2	631.5
Comparable ROCE (%)			13.8%	9.3%
Comparable ROE (%):				
Comparable Result for the Period			64.2	38.1
Equity, average			303.6	308.3
IACs affecting Equity, average			8.4	6.2
Comparable Equity, average			311.9	314.5
Comparable ROE (%)			20.6%	12.1%
Comparable EPS:				
Comparable Result for the Period for Shareholders	18.5	12.4	64.2	38.1
Number of shares (in million), weighted average	108.0	107.7	108.0	107.7
Comparable EPS, EUR	0.17	0.11	0.59	0.35

EXCHANGE RATES APPLIED	AVERAGE RATES 1–12/2017	AVERAGE RATES 1–12/2016	CLOSING RATES DEC 31, 2017	CLOSING RATES DEC 31, 2016
CZK	26.3272	27.0343	25.5350	27.0210
DKK	7.4387	7.4454	7.4449	7.4344
NOK	9.3286	9.2927	9.8403	9.0863
PLN	4.2563	4.3636	4.1770	4.4103
SEK	9.6369	9.4673	9.8438	9.5525

DEFINITION OF KEY FINANCIAL FIGURES

EBITDA: Operating profit before depreciation, amortization and impairment charges

EBITA: Operating profit before amortization and impairment of intangible assets

Comparable EBITA: Operating profit before amortization and impairment of intangible assets - items affecting comparability in EBITA

Return on capital employed, ROCE %:

EBIT x 100 (rolling 12 months)
____
Group or segment capital employed (average over the financial period)

(EBIT - items affecting comparability in EBIT) x 100 (rolling 12 months)
____

Comparable return on capital employed, ROCE %:	Group or segment capital employed - items affecting comparability in capital employed (average over the financial period)
Capital employed:	Group or segment assets - non-interest-bearing liabilities
Return on equity, ROE %:	Result for the period x 100 (rolling 12 months) / Total equity (average over the financial period)
Comparable return on equity, ROE %:	(Result for the period - items affecting comparability) x 100 (rolling 12 months) / Total equity - items affecting comparability in equity (average over the financial period)
Return on invested capital, ROI %:	(Result before taxes + interest and other financial expenses, excluding FX differences) x 100 (rolling 12 months) / Total assets - non-interest-bearing debt (average over the financial period)
Equity ratio %:	Total equity x 100 / Total assets - advances received
Earnings per share, EPS (EUR):	Result for the period +/- non-controlling interest's share of result for the period / Average number of shares adjusted for share issued during the financial period
Comparable earnings per share, EPS (EUR):	Result for the period +/- non-controlling interest's share of result for the period - items affecting comparability / Average number of shares adjusted for share issued during the financial period
Shareholders' equity per share EUR:	Equity attributable to the parent company's shareholders / Number of shares adjusted for share issued on reporting date
Payout ratio %:	Dividend per share x 100 / Earnings per share
Net debt:	Interest-bearing debt - cash and cash equivalents
Net debt to EBITDA ratio:	Net debt / Earnings before interest, taxes, depreciation and amortization (rolling 12 months)
Gearing %:	Net debt x 100 / Total equity
Dividend per share EUR:	Dividend paid / Number of shares on the registration date for dividend distribution
Effective dividend yield %:	Share-issued-adjusted dividend per share x 100 / Share-issued-adjusted final trading price at the end of financial year
Price/earnings ratio:	Share-issued-adjusted final trading price / Earnings per share
Market capitalization:	Number of shares outstanding at the end of period x closing price at the end of period

AUDIOCAST AND CONFERENCE CALL FOR INVESTMENT ANALYSTS AND PRESS

A briefing for investment analysts and the press will be arranged on **Thursday, February 8, 2018 at 10:30 a.m. Finnish time (EET)** through a live audiocast viewable at www.ramirent.com combined with a conference call. The briefing will be hosted by CEO Tapio Kolunsarka and CFO Pierre Brorsson. The dial–in numbers are: +358 981 710 495 (FI), +46 856 642 702 (SE), +44 203 194 0552 (UK), , +1 855 716 15 97 (US). A recording of the audiocast and teleconference will be available at www.ramirent.com later the same day.

FINANCIAL CALENDAR 2018

Ramirent observes a silent period during 30 days prior to the publication of annual and interim financial results.

Annual General Meeting	**March 15**
Interim report January–March	**May 9**
Half Year Financial Report	**August 8**
Interim report January–September	**November 7**

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The financial information in this stock exchange release has not been audited.

February 8, 2018

RAMIRENT PLC
Board of Directors

Ramirent is a leading equipment rental group combining the best equipment, services and know-how into rental solutions that simplify customer's business. Ramirent serves a broad range of customer sectors including construction, industry, services, the public sector and households. Ramirent has operations in the Nordic countries and in Eastern Europe. In 2017, Ramirent Group sales totalled EUR 724 million. The Group has 2,820 employees in 293 customer centers in 10 countries. Ramirent is listed on the NASDAQ Helsinki (RMR1V).

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