

Q1

Ramirent Plc
Interim Report
January-March
2019

Solid underlying performance continued

RAMIRENT

Equipment rental at your service

Ramirent Plc's Interim Report January-March 2019

Solid underlying performance continued

January–March 2019 in brief

- Net sales EUR 163.0 (167.5) million, down by -2.7% or -0.7% at comparable exchange rates
- Comparable EBIT EUR 17.3 (21.2) million or 10.6% (12.7%) of net sales
- EBIT EUR 17.1 (21.2) million or 10.5% (12.7%) of net sales
- Comparable EPS EUR 0.11 (0.14)
- EPS EUR 0.12 (0.14)
- Comparable ROCE 15.9% (15.7%)
- ROCE 9.4% (15.1%)
- Gross capital expenditure EUR 43.3 (53.3) million
- Cash flow after investments EUR 32.0 (-13.7) million
- After the review period, Ramirent announced it had signed an agreement to acquire Stavdal AB and become the leading company in Swedish equipment rental market. The enterprise value of the transaction is approximately EUR 158 million. The closing of the transaction is expected by the end of Q3 2019

Ramirent's guidance for 2019 unchanged

In 2019, Ramirent's comparable EBIT is expected to be at approximately the same level as in 2018.

Market outlook for 2019

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 equipment rental in 2019 varies somewhat across Ramirent's geographies. In Sweden, the market demand is expected to slow down in 2019, even though there are expected to be differences between regions. In Finland, market conditions are expected to be stable. In Norway, the Baltic countries, Poland, Czech Republic and Slovakia, market conditions are expected to remain favorable.

Key figures (MEUR)	1-3/19	1-3/18	Change	1-12/18
Continuing operations				
Net sales	163.0	167.5	-2.7%	711.7
EBITDA	49.1	46.8	4.9%	202.9
% of net sales	30.1%	28.0%		28.5%
Comparable EBIT	17.3	21.2	-18.4%	106.8
% of net sales	10.6%	12.7%		15.0%
EBIT	17.1	21.2	-19.4%	66.9
% of net sales	10.5%	12.7%		9.4%
Comparable EPS, EUR	0.11	0.14	-19.0%	0.74
Comparable ROCE, %	15.9%	15.7%		16.8%
Comparable ROE, %	26.7%	24.6%		26.7%
Group including discontinued operations				
EPS, EUR	0.12	0.14	-11.1%	0.44
ROCE, %	9.4%	15.1%		10.2%
ROE, %	16.6%	24.7%		16.6%
Gross capital expenditure	43.3	53.3	-18.7%	199.5
Cash flow after investments	32.0	-13.7	n/a	40.7
Capital employed	689.8	629.8	9.5%	653.7
Net debt	423.6	351.7	20.5%	350.6
Net debt to EBITDA ratio	2.1x	1.7x	21.3%	1.7x
Net debt excluding lease liabilities	328.9	351.7	-6.5%	350.6

Ramirent's President and CEO Tapio Kolunsarka:

"Ramirent's performance continued to be solid in the first quarter of 2019, despite the strong comparable figures of the previous year. Performance in Norway, Eastern Europe and Finland remained good. However, that was not enough to fully compensate for the weakness in Sweden. Our comparable EBIT decreased to EUR 17.3 (21.2) million, or 10.6% (12.7%) of net sales. Cash flow after investments improved to EUR 32.0 (-13.7) million, driven by the completed divestment of our Danish rental operations as well as lower investments. Our comparable ROCE improved to 15.9% (15.7%).

Net sales decreased in Sweden mainly due to the divestment of the Temporary Space business. Also strong activity in large projects in the first quarter of 2018 negatively impacted the change in net sales. Our underlying equipment rental sales decreased by low single-digit percentages in the quarter, mainly in Stockholm. We continue to have a solid pipeline of large projects in Sweden and remain optimistic about the medium to long-term growth prospects of the Swedish equipment rental market.

Net sales increased strongly in Finland, partly due to the acquisition of SRV Kalusto. Performance was good in our rental operations, but profitability was negatively affected by the scaffolding business. In Norway, both sales and profit growth were solid and the previously announced restructuring has progressed as planned. Eastern European performance was stable, despite a slow January.

In March, we completed the divestment of our Danish equipment rental business. After this divestment, Ramirent has four operating segments and it operates in nine countries. We also operate in Russia and Ukraine through a 50% owned joint venture, Fortrent.

After the review period, we announced the acquisition of Stavdal AB, a general equipment rental company operating in Sweden and in the Oslo area in Norway with an enterprise value of approximately EUR 158 million. The acquisition is expected to be strongly synergistic and cash-generative. We will now redeploy funds from earlier completed divestments and strengthen our position in the Swedish equipment rental market, particularly in the growing metropolitan areas of Gothenburg and Stockholm.

Our business is in solid shape, and we continue to have opportunities for performance improvement in 2019. With our strong balance sheet and strengthening cash flow we are ready to accelerate our growth through synergistic acquisitions.”

Financial review January-March 2019

Continuing operations

Ramirent Group’s January-March net sales were approximately at the corresponding quarter’s level at comparable exchange rates. The Group’s reported net sales decreased by -2.7% to EUR 163.0 (167.5) million, both rental and service sales declined. Net sales grew in Finland, Norway and in Eastern Europe. The growth of net sales was strongest in Finland. Net sales decreased in Sweden.

Net sales by segment (MEUR)	1-3/19	1-3/18	Change	Change at comparable exchange rates	Share of group in 1-3/19
Sweden	58.1	68.6	-15.4%	-11.5%	35.7%
Finland	49.1	44.7	10.0%	10.0%	30.2%
Eastern Europe	25.9	25.7	0.9%	2.4%	15.9%
Norway	29.6	28.0	5.7%	6.9%	18.2%
Other sales and elimination of sales between segments	0.3	0.5			
Net sales, total	163.0	167.5	-2.7%	-0.7%	100.0%

The Group’s comparable EBIT decreased to EUR 17.3 (21.2) million, representing 10.6% (12.7%) of net sales. The Group’s January-March EBIT decreased to EUR 17.1 (21.2) million. EBIT improved in Norway and decreased in other segments. The decrease was strongest in Sweden mainly due to the divestment of the Temporary Space business and strong comparison figures due to large non-residential building projects in the first quarter of 2018. Depreciation of tangible assets increased to EUR 30.5 (23.6) million mainly due to the adoption of the IFRS 16 “Leases” accounting standard. The Group’s amortization charges of intangible assets were EUR 1.5 (2.0) million. Items not allocated to segments include a profit of EUR 0.7 million from the divestment of the Denmark business and transaction costs related to M&A activities of EUR -0.9 million, as well as other Group level costs and internal profit elimination of sales between segments.

The Fortrent Group’s (joint venture company in Russia and Ukraine) net result was EUR 0.8 (-0.2) million. Ramirent’s share of the net result was EUR 0.4 (-0.1) million.

Comparable EBIT by segment	1-3/19 MEUR	1-3/19 % of net sales	1-3/18 MEUR	1-3/18 % of net sales
Sweden	6.1	10.5%	11.7	17.1%
Finland	4.8	9.8%	5.1	11.5%
Eastern Europe	4.9	18.8%	5.1	19.7%
Norway	2.8	9.4%	1.2	4.1%
Unallocated items	-1.2		-1.9	
Group	17.3	10.6%	21.2	12.7%

Items affecting comparability (IACs) in EBIT (MEUR)	1-3/19	1-3/18
Sweden	-	-
Finland	-	-
Eastern Europe	-	-
Norway	-	-

Unallocated items	-0.2	-
Total	-0.2	-

Reported EBIT by segment	1-3/19 MEUR	1-3/19 % of net sales	1-3/18 MEUR	1-3/18 % of net sales
Sweden	6.1	10.5%	11.7	17.1%
Finland	4.8	9.8%	5.1	11.5%
Eastern Europe	4.9	18.8%	5.1	19.7%
Norway	2.8	9.4%	1.2	4.1%
Unallocated items	-1.5		-1.9	
Group	17.1	10.5%	21.2	12.7%

Net financial items were EUR -2.2 (-2.5) million, including EUR 0.1 (-0.2) million net effect of exchange rate gains and losses. Income taxes amounted to EUR -3.0 (-4.0) million. The result from continuing operations amounted to EUR 11.9 (14.7) million. Comparable earnings per share (EPS) was EUR 0.11 (0.14). Comparable return on capital employed (ROCE) amounted to 15.9% (15.7%). Comparable ROCE without the impact of IFRS 16 “Leases” accounting standard would have been 16.3%. Comparable return on equity (ROE) was 26.7% (24.6%). Gross capital expenditure on non-current assets for the continuing operations decreased to EUR 43.3 (51.1) million or 26.6% (30.5%) of net sales.

Discontinued operations

Net sales for the discontinued Danish operations amounted to EUR 7.1 (9.3) million and EBIT to EUR 0.6 (1.0) million, representing 8.4% (10.3%) of net sales. Net result is presented as one line in the statement of income amounted to EUR 1.5 (0.5) million.

Group including discontinued operations

Profit for the period attributable to the owners of the parent company amounted to EUR 13.4 (15.2) million. Earnings per share (EPS) was EUR 0.12 (0.14) and ROCE amounted to 9.4% (15.1%) and ROE to 16.6% (24.7%).

Gross capital expenditure on non-current assets decreased to EUR 43.3 (53.3) million or 26.6% (31.8%) of net sales. Group investments in machinery and equipment were EUR 41.1 (49.1) million. Sales of rental machinery and equipment amounted to EUR 6.2 (6.1) million, of which the continuing operations were EUR 5.9 (5.6) million. Committed investments on rental machinery amounted to EUR 57.1 (46.6) million at the end of March 2019.

Cash flow from operating activities was EUR 35.9 (33.1) million, of which the change in working capital was EUR -0.2 (-0.5) million. Cash flow from investing activities was EUR -3.9 (-46.8) million. Cash flow after investments improved to EUR 32.0 (-13.7) million mainly due to the proceeds from the divestment of the Danish operations and the adoption of the IFRS 16 “Leases” accounting standard.

Financial position

The Group’s net debt amounted to EUR 423.6 (351.7) million at the end of March 2019. The level of net debt corresponds to a gearing ratio of 165.1% (129.9%). The impact of the IFRS 16 “Leases” accounting standard on net debt was EUR 94.8 million and gearing ratio without the impact of IFRS 16 would have been 130.6%. Net debt to EBITDA ratio on a rolling 12 months’ basis was 2.1x (1.7x), remaining at a good level below Ramirent’s financial target of a maximum of 2.8x at the end of each fiscal year. Net debt to EBITDA ratio without the impact of IFRS 16 would have been 1.7x.

On January 28, 2019, Ramirent increased its domestic commercial paper programme to EUR 300 million. Previously the size of the programme was EUR 250 million. Within the programme, Ramirent can issue commercial papers having maturity of less than one year to finance Ramirent’s working capital and other short-term funding needs.

On February 7, 2019, Ramirent signed a new EUR 185 million syndicated credit facility agreement. The maturity of the revolving credit facility is five years with two one-year extension options. The credit facility will be used to re-finance a syndicated credit facility of EUR 145 million that was set to mature in 2020 and to further support Ramirent’s growth strategy. In March 2019, Ramirent repaid its unsecured senior bond of EUR 100 million that was issued in 2013.

At the end of March 2019, Ramirent had funding from a drawn committed term loan in total of EUR 75 million and undrawn committed revolving credit facilities in total of EUR 360 million under two different agreements with financial institutions and an undrawn committed term loan facility in total of EUR 50 million with the European Investment Bank. In addition, an uncommitted EUR 300 million domestic commercial paper program has been used in 2019.

The average maturity of the committed debt facilities as of March 31, 2019 was 4.3 years. Ramirent's borrowing facilities with financial institutions will mature in 2022, 2023 and 2024.

At the end of March 2019, the Group had EUR 156.0 (193.3) million of unused committed back-up credit facilities available. The average interest rate of the loan portfolio was 0.6% (1.7%). The average interest rate, including interest rate hedges, was 0.8% (1.8%). The decline in interest costs was due to the repayment of the bond.

The Group's equity as of March 31, 2019 amounted to EUR 256.5 (270.8) million and the Group's equity ratio was at 27.1% (30.9%). Non-cancellable minimum future off-balance sheet lease payments decreased to EUR 0.4 (83.1) million at the end of March 2019 due to the adoption of the IFRS 16 "Leases" accounting standard.

Group structure

On December 3, 2018, Ramirent announced that it had signed an agreement to divest its Danish equipment rental business to G.S.V. Materieludlejning A/S, Denmark's largest equipment rental company. The enterprise value of the transaction was EUR 33 million. The transaction was closed on March 20, 2019.

The divested operations have been reported as discontinued operations from the fourth quarter 2018 onwards. Their result is reported under "Result from discontinued operations" and their capital employed under "Assets held for sale" and "Liabilities associated with assets held for sale" from Q4 2018 onwards until the closing of the transaction on March 20, 2019.

On March 29, 2019 Ramirent increased its ownership in Safety Solutions Jonsereds AB from 85.7% to 96.4%. As part of the purchase price of the minority stake, Ramirent Plc conveyed a total of 336,755 of Ramirent's treasury shares without consideration to the management of Safety Solutions Jonsereds AB. The directed share issue is based on an authorization given by the Annual General Meeting held on March 17, 2016.

Review by segment

Sweden

Ramirent is the second largest equipment rental company in Sweden, serving customers through a nationwide network of 78 customer centers.

(MEUR and %)	1-3/19	1-3/18	Change	1-12/18
Net sales	58.1	68.6	-15.4%	272.2
Comparable EBIT	6.1	11.7	-48.2%	43.9
% of net sales	10.5%	17.1%		16.1%
EBIT	6.1	11.7	-48.2%	35.2
% of net sales	10.5%	17.1%		12.9%
Comparable ROCE, %	18.0%	19.0%		20.9%
ROCE, %	14.2%	19.0%		17.1%

January-March

In the first quarter of 2019, demand in the Swedish equipment rental market slowed down in the housing sector but remained solid in other sectors like road and traffic, infrastructure as well as industrial customers. Sweden's net sales decreased by -15.4% or -11.5% in comparable exchange rates. The decrease in net sales was mainly due to the divestment of the Temporary Space business as well as large non-residential building projects, which had high net sales in the first quarter of 2018. In addition, our underlying rental sales decreased by low single-digit percentages in the quarter, mainly in Stockholm.

The segment's reported and comparable EBIT decreased to EUR 6.1 (11.7) million due to the divestment of the Temporary Space business and decline in sales.

Finland

Ramirent is the largest equipment rental company in Finland, serving customers through a nationwide network of 60 customer centers.

(MEUR and %)	1-3/19	1-3/18	Change	1-12/18
Net sales	49.1	44.7	10.0%	194.1
Comparable EBIT	4.8	5.1	-6.1%	27.8
% of net sales	9.8%	11.5%		14.3%
EBIT	4.8	5.1	-6.1%	23.5
% of net sales	9.8%	11.5%		12.1%
Comparable ROCE, %	16.4%	18.7%		17.9%
ROCE, %	14.0%	18.7%		15.2%

January-March

Demand in the Finnish equipment rental market in January-March 2019 was supported by solid demand in the construction and industrial sectors. Finland's net sales grew by 10.0% due to good market activity as well as the acquisition of SRV Kalusto.

The segment's reported and comparable EBIT decreased to EUR 4.8 (5.1) million. Profitability developed favorable in the general rental business but was more than offset by a decline in the scaffolding business.

Eastern Europe

Ramirent is the largest equipment rental company in Eastern Europe serving customers through a network of 118 customer centers in the Baltic countries, Poland, the Czech Republic and Slovakia.

(MEUR and %)	1-3/19	1-3/18	Change	1-12/18
Net sales	25.9	25.7	0.9%	119.6
Comparable EBIT	4.9	5.1	-3.6%	31.0
% of net sales	18.8%	19.7%		25.9%

EBIT	4.9	5.1	-3.6%	31.0
% of net sales	18.8%	19.7%		25.9%
Comparable ROCE, %	20.5%	20.1%		21.6%
ROCE, %	20.5%	20.1%		21.6%

January-March

Demand in the equipment rental markets in Eastern Europe was supported by growth in construction activity, however the start of the year in January was slow in many markets. Eastern Europe's reported net sales were at the previous year's level and increased by 2.4% at comparable exchange rates. Net sales grew in Baltics and remained at the corresponding quarter's level in Central Europe. In the first quarter of 2019, Ramirent has opened seven new customer centers in Eastern Europe.

The segment's reported and comparable EBIT decreased to EUR 4.9 (5.1) million.

Norway

Ramirent is the largest equipment rental company in Norway serving customers through a nationwide network of 36 customer centers.

(MEUR and %)	1-3/19	1-3/18	Change	1-12/18
Net sales	29.6	28.0	5.7%	124.2
Comparable EBIT	2.8	1.2	139.5%	11.8
% of net sales	9.4%	4.1%		9.5%
EBIT	2.8	1.2	139.5%	-10.1
% of net sales	9.4%	4.1%		-8.1%
Comparable ROCE, %	11.4%	7.4%		10.4%
ROCE, %	-7.6%	8.7%		-9.4%

January-March

Overall market conditions in the Norwegian equipment rental market were positive in January-March 2019. Norway's net sales increased by 5.7% or by 6.9% at comparable exchange rates despite the divestment of the Temporary Space business. Sales growth was broad-based across all customer groups and regions.

The segment's reported and comparable EBIT increased to EUR 2.8 (1.2) million due to sales growth, a favorable product mix and continued internal efficiency improvements. The restructuring program announced in Q4 2018 progressed as planned.

Personnel, occupational safety and network

At the end of March 2019, Ramirent had 2,867 (2,853) full time equivalent employees (FTE) and Ramirent's rolling 12 months' accident frequency (LTIFR, accidents per million working hours) was 5.4 (10.1). Ramirent's target for LTIFR is to be below 5 by 2020.

Personnel and Customer centers	Personnel (FTE) Mar 31, 2019	Personnel (FTE) Mar 31, 2018	Customer centers Mar 31, 2019	Customer centers Mar 31, 2018
Sweden	858	832	78	76
Finland	591	543	60	57
Eastern Europe	780	732	118	110
Norway	377	391	36	41
Group staff	261	228	-	-
Continuing operations	2,867	2,725	292	284
Discontinued operations	-	127	-	7
TOTAL	2,867	2,853	292	291

Ramirent Performance Share Incentive Program 2016 - directed share issue

The Board of Directors of Ramirent Plc decided on February 7, 2019 on a directed share issue related to the reward payment from Ramirent Long-term Performance Share Incentive Program 2016. In the share issue, 156,471 of

Ramirent Plc's treasury shares will be conveyed without consideration to the key persons participating in the Long-term incentive program 2016 according to the terms and conditions of the program. The directed share issue was based on an authorization given by the Annual General Meeting held on March 17, 2016.

Long-term incentive plans for 2019

On December 12, 2018, Ramirent announced that Ramirent Plc's Board of Directors had resolved on two new long-term incentive plans: A Performance Share Plan 2019-2021 for the members of the Executive Management Team and a Deferred Incentive Plan 2019 for other key employees of the company.

The aim of the Performance Share Plan 2019-2021 for the Executive Management Team members 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. It also aims to retain the Executive Management Team members at the company and offer them a competitive reward plan 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 2022.

The potential reward from the Performance Share Plan 2019-2021 is based on the Group's Earnings per Share (EPS) in 2019 as well as on the Group's average Return on Capital Employed (ROCE) development in 2019-2021. The rewards to be paid on the basis of the Performance Share Plan 2019-2021 correspond to an approximate maximum total of 270,000 Ramirent Plc shares, including the proportion to be paid in cash.

The Board of Directors of Ramirent Plc also approved a new Deferred Incentive Plan 2019 to support the implementation of the company's strategy and to offer key employees a competitive reward and retention program. The Deferred Incentive Plan includes one earning period, calendar year 2019, with a lock-up period of two years whereby the potential reward will be paid in cash in 2022.

The deferred incentive plan includes approximately 150 key employees. The potential reward from the incentive plan for the earning period 2019 will be based on the participant's short-term incentive plan targets. The maximum reward of the Deferred Incentive Plan 2019 to be paid in 2022 will amount 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.

Share trading

Ramirent Plc's market capitalization at the end of March 2019 was EUR 596.2 (728.3) million. The market capitalization excluding the company's treasury shares was EUR 591.6 (724.7) million. The share price closed at EUR 5.49 (6.70). The highest quotation for the period was EUR 6.33 (8.23), and the lowest EUR 5.28 (6.63). The volume weighted average trading price was EUR 5.89 (6.71).

The value of share turnover in January-March 2019 on Nasdaq Helsinki Ltd. was EUR 75.7 (78.3) million, equivalent to 12,863,212 (10,291,838) traded Ramirent shares, i.e. 11.8% (9.5%) of Ramirent's number of shares outstanding. The average daily trading volume was 204,178 (163,363) shares, representing an average daily turnover of EUR 1,201,843 (1,243,308). Ramirent's shares are also traded outside Nasdaq Helsinki, but the company does not have detailed statistics available on this external trading.

At the end of March 2019, Ramirent Plc's share capital was EUR 25.0 million, and the number of Ramirent shares outstanding was 107,763,876 (108,170,650). In January 2019, Ramirent repurchased in total 225,600 own shares based on the authorization by the Annual General Meeting held on March 15, 2018. In December 2018, Ramirent repurchased 74,400 own shares based on the same authorization. The clearing for these shares was on January 2, 2019.

At the end of March 2019, Ramirent Plc held 933,452 (526,678) of the Company's own shares, representing 0.86% (0.48%) of the total number of Ramirent's shares.

Changes in the Executive Management Team and Board of Directors

Ramirent announced on December 3, 2018 Jukka Havia's appointment as the new Chief Financial Officer and member of the Group Executive Management Team. He joined Ramirent from Tikkurila Oy and started in his new position on April 12, 2019.

On March 29, 2019, Ramirent announced that Jonas Söderkvist, Executive Vice President, Group Business Development and a member of Ramirent's Executive Management Team, will leave the company as of April 30, 2019 to pursue his career outside Ramirent Group. Jonas Söderkvist had been working as the company's interim CFO in addition to his role as EVP, Group Business Development.

Decisions of the AGM 2019 and Board of Directors' formative meeting

Ramirent Plc's Annual General Meeting, which was held on March 14, 2019, adopted the 2018 annual financial accounts and discharged the members of the Board of Directors and the President and CEO from liability.

The Annual General Meeting resolved that a dividend of EUR 0.46 per share will be paid in two installments. The first installment of EUR 0.23 per share was paid to shareholders in April 2019. The second installment of EUR 0.23 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, 2019. The second installment is to be paid on October 3, 2019 for shareholders whose shares are registered in Euroclear Finland Ltd and on October 4, 2019 for shareholders whose shares are registered in Euroclear Sweden AB. The Board of Directors was 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.

The Annual General Meeting resolved that the number of members of the Board of Directors is six (6) members and re-elected current members Kevin Appleton, Kaj-Gustaf Bergh, Ulf Lundahl and Tobias Lönnevall. Malin Holmberg and Laura Raitio were elected as new members, all for a term that will continue until the end of the next Annual General Meeting.

The Annual General Meeting resolved that the remuneration of the members of the Board of Directors will be as follows: for the Chairman EUR 4,600 per month and additionally EUR 1,800 for attendance at Board and Committee meetings and other similar Board assignments; for the Vice-Chairman EUR 2,950 per month and additionally EUR 1,300 for attendance at board and committee meetings and other similar board assignments; for the members of the Board of Directors EUR 2,550 per month and additionally EUR 1,000 for attendance at Board and Committee meetings and other similar Board assignments.

PricewaterhouseCoopers Oy was re-elected as an auditor for the term that will continue until the end of the next Annual General Meeting.

The Annual General Meeting authorized the Board of Directors to decide on the repurchase of a maximum of 10,869,732 Company's own shares. The share repurchase authorization is valid until the next Annual General Meeting and it revokes the repurchase authorization given by the Annual General Meeting on March 15, 2018.

The Annual General Meeting resolved to amend the Articles of Association of the Company so that from paragraph 5 § will be deleted the reference that the Board of Directors will elect a Chairman from its midst, and if necessary, a Deputy Chairman, and in paragraph 9 § the reference to auditors being firms of auditors accepted by the Finnish Central Chamber of Commerce will be changed so that the auditors must be a firm of Authorized Public Accountants.

The Annual General Meeting resolved to establish a Shareholders' Nomination Board to prepare future proposals concerning the election and remuneration of the members of the Board of Directors to the General Meetings. The Nomination Board will have three (3) members and comprise of representatives nominated by the three largest shareholders of the Company. In addition, the Chairman of the Board of Directors will act in the Nomination Board as an expert member without voting right.

Ramirent Plc's Board of Directors held its formative meeting on March 14, 2019. In the meeting the Board elected Ulf Lundahl to continue as its Chairman. In the meeting the Board also decided on the composition of the Working Committee. Ulf Lundahl, Tobias Lönnevall and Laura Raitio were elected members and Ulf Lundahl was elected Chairman of the Working Committee.

Ramirent published a stock exchange release on the decisions made at the Annual General Meeting and the organization of the Board of Directors on March 14, 2019. The stock exchange release and a presentation of the members of the Board of Directors are available on Ramirent's website at www.ramirent.com.

Group financial targets 2018-2020

On February 7, 2019 the Board decided to revise the financial target for Net/EBITDA ratio from <2.5x to <2.8x at the end of each fiscal year due to implementation of the IFRS 16 "Leases" standard. All other financial targets remain unchanged.

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 for the year
Net debt to EBITDA	< 2.8x at end of each fiscal year

Risks and uncertainties

Ramirent's business, sales, results and financial position are affected by various risks and uncertainties. Ramirent has disclosed the major risks as well as its risk management practices in its Annual Report 2018, and also on Ramirent Group's website at www.ramirent.com. The following risks are considered to be the most relevant for Ramirent's business in the short-term:

Ramirent is exposed to the construction industry, which is cyclical by nature. Some indicators in the Swedish and Finnish construction market, such as the slow-down of construction activity and the decrease in the number of granted building permits, are pointing out to potential changes in demand. This can have an adverse impact on Ramirent's business. Moreover, if the economic situation of Ramirent's customers deteriorate, it can increase the level of bad debt provision.

New competitors are entering and consolidating local equipment rental markets. Taking also into account the high capital expenditures by equipment rental companies over the last years, certain product groups may face tougher competition, potentially leading to pressure on sales prices.

As the majority of the Group's business is carried out in non-euro countries, the Group results and financial position vary due to changes in exchange rates.

The increasingly digital business ecosystem also increases the possibility of business interruptions and other adverse impacts caused by cyber threats, failures in IT systems and data services as well as unsuccessful IT projects.

Ramirent actively executes its capital-efficient growth strategy and has in recent months carried out a number of divestments and acquisitions. These structural changes can generate additional costs and consume a lot of resources and time. It is also possible that all the assumptions used as the basis for these restructuring activities, are not realized as expected.

No material changes have taken place during the first quarter of 2019 in the risks described in Ramirent's 2018 Report of the Board of Directors and financial statements.

Ramirent's guidance for 2019 unchanged

In 2019, Ramirent's comparable EBIT is expected to be at approximately the same level as in 2018.

Events after the reporting period

On April 8, 2019, Ramirent announced that it had signed an agreement to acquire Stavdal AB, a general equipment rental company operating in 11 cities in Sweden and in the Oslo area in Norway. The enterprise value of the transaction is approximately EUR 158 million. The debt-free purchase price will be settled with a cash consideration of EUR 124 million and a conveyance of 5,848,341 Ramirent shares to the current owners of Stavdal. The transaction

is subject to customary closing conditions and an approval from competition authorities. The closing is expected to take place at the latest by the end of Q3 2019.

After closing of the transaction, Ramirent's Board of Directors will propose to hold an Extraordinary General Meeting where Mats Rydhede, the founder of Stavdal, is proposed to be elected as a member of Ramirent's Board of Directors for a term continuing until the end of the next Annual General Meeting.

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	1-3/19	1-3/18	1-12/18
(EUR 1,000)			
Continuing operations			
Rental sales	99,238	102,520	451,712
Service sales	57,849	59,395	237,842
Sales of equipment	5,903	5,580	22,115
Net sales	162,989	167,494	711,669
Cost of sales	-125,356	-124,910	-523,495
Gross profit	37,633	42,584	188,174
Other operating income	923	183	791
Selling, general and administrative costs	-21,833	-21,469	-90,231
Losses on disposal of businesses	-	-	-32,284
Share of result of associates and joint ventures	378	-92	438
EBIT	17,102	21,207	66,888
Financial income	58	174	648
Financial expenses	-2,283	-2,660	-11,139
Total financial income and expenses	-2,224	-2,486	-10,491
EBT	14,877	18,720	56,397
Income taxes	-3,017	-4,009	-11,530
Result from continuing operations	11,861	14,711	44,867
Discontinued operations			
Result from discontinued operations	1,529	471	2,966
Result for the period	13,390	15,182	47,833
Result for the period attributable to: Shareholders of the parent company	13,390	15,182	47,833
Total	13,390	15,182	47,833
Earnings per share (EPS) on parent company shareholders' share of result			
Basic, continuing operations, EUR	0.11	0.14	0.42
Diluted, continuing operations, EUR	0.11	0.14	0.41
Basic, discontinued operations, EUR	0.01	0.00	0.03
Diluted, discontinued operations, EUR	0.01	0.00	0.03
Basic, EUR	0.12	0.14	0.44
Diluted, EUR	0.12	0.14	0.44

Consolidated statement of comprehensive income	1-3/19	1-3/18	1-12/18
(EUR 1,000)			
Result for the period	13,390	15,182	47,833
Other comprehensive income:			

Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligation, net of tax	-	-	-1,218
Items that may be reclassified to profit or loss in subsequent periods:			
Translation differences	-683	-7,163	-9,327
Cash flow hedges, net of tax	-626	-24	-657
Portion of cash flow hedges transferred to profit or loss, net of tax	4	-	68
Share of other comprehensive income of associates and joint ventures	1,016	-273	-1,778
Total	-289	-7,460	-11,694
Other comprehensive income for the period	-289	-7,460	-12,912
Total comprehensive income for the period	13,101	7,722	34,921
Total comprehensive income for the period attributable to:			
Shareholders of the parent company	13,101	7,722	34,921
Total	13,101	7,722	34,921

Consolidated statement of financial position	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
(EUR 1,000)			
Assets			
Non-current assets			
Property, plant and equipment	537,414	546,666	515,535
Right-of-use assets	94,784	-	-
Goodwill	126,402	132,334	126,451
Other intangible assets	11,811	21,795	13,290
Investments in associates and joint ventures	7,839	7,420	6,444
Non-current financial assets	8,063	10,145	8,694
Other non-current assets	393	680	385
Deferred tax assets	1,016	960	1,038
Total non-current assets	787,721	719,999	671,837
Current assets			
Inventories	17,734	13,220	14,705
Trade and other receivables	128,301	133,308	126,508
Current tax assets	2,026	2,604	1,312
Cash and cash equivalents	9,672	7,337	10,292
Total current assets	157,733	156,470	152,817
Assets held for sale	-	-	37,933
Total assets	945,454	876,469	862,587
Equity and liabilities			
Equity			
Share capital	25,000	25,000	25,000
Revaluation fund	-1,532	-344	-910
Invested unrestricted equity fund	119,110	116,565	116,565
Retained earnings from previous years	100,561	114,376	104,308
Result for the period	13,390	15,182	47,833
Equity attributable to the parent company shareholders	256,530	270,778	292,796
Total equity	256,530	270,778	292,796

Non-current liabilities			
Deferred tax liabilities	40,571	46,853	41,133
Pension obligations	24,220	21,703	24,226
Non-current provisions	4,847	2,510	2,626
Non-current interest-bearing liabilities	124,841	174,616	74,827
Non-current lease liabilities	68,272	-	-
Other non-current liabilities	6,704	5,838	6,626
Total non-current liabilities	269,455	251,519	149,437
Current liabilities			
Trade payables and other liabilities	172,233	165,332	116,116
Current provisions	202	1,054	3,186
Current tax liabilities	6,857	3,396	9,002
Current interest-bearing liabilities	213,698	184,389	286,052
Current lease liabilities	26,480	-	-
Total current liabilities	419,469	354,172	414,356
Liabilities associated with assets held for sale	-	-	5,998
Total liabilities	688,924	605,690	569,791
Total equity and liabilities	945,454	876,469	862,587

Consolidated cash flow statement	1-3/19	1-3/18	1-12/18
(EUR 1,000)			
Cash flow from operating activities			
EBT	14,877	18,720	56,397
Adjustments			
Depreciation, amortization and impairment charges	32,038	25,639	135,999
Adjustment for proceeds from sale of used rental equipment	939	1,220	5,129
Financial income and expenses	2,224	2,486	10,491
Adjustment for proceeds from disposals of subsidiaries	-662	-	-
Other non-cash items	-2,743	-838	-5,134
Cash flow from operating activities before change in working capital	46,674	47,227	202,882
Change in working capital			
Change in trade and other receivables	-5,528	-2,611	1,727
Change in inventories	-3,891	-606	-2,244
Change in non-interest-bearing liabilities	9,182	2,744	4,840
Cash flow from operating activities before interests and taxes	46,438	46,754	207,206
Interest paid	-5,636	-5,052	-8,923
Interest received	138	50	568
Income tax paid	-6,130	-6,262	-13,631
Net cash generated from operating activities, continuing operations	34,809	35,490	185,219
Net cash flow from operating activities, discontinued operations	1,075	-2,351	3,261
Net cash flow from operating activities	35,883	33,139	188,480
Cash flow from investing activities			
Acquisition of businesses and subsidiaries, net of cash	-	-	-21,128
Investment in tangible non-current assets (rental machinery)	-30,933	-40,933	-161,354

Investment in other tangible non-current assets	-2,069	-3,935	-8,342
Investment in intangible non-current assets	-124	-165	-672
Proceeds from sale of tangible and intangible non-current assets (excluding used rental equipment)	91	59	374
Proceeds from sales of businesses and subsidiaries	-	-	48,361
Decrease of loan receivables	631	99	1,459
Received dividends	-	55	91
Net cash flow of investing activities, continuing operations	-32,404	-44,821	-141,211
Net cash flow of investing activities, discontinued operations	28,545	-1,994	-6,581
Net cash flow from investing activities	-3,859	-46,815	-147,792
Cash flow after investments	32,024	-13,675	40,688
Cash flow from financing activities			
Paid dividends	-	-	-47,463
Purchase of treasury shares	-1,700	-	-5,648
Changes in ownership interests in subsidiaries	-1,765	-	-
Borrowings and repayments of short-term debt (net)	-72,392	14,116	15,817
Borrowings of non-current debt	50,000	-	-
Principal elements of lease payments	-6,788	-	-
Net cash flow from financing activities, continuing operations	-32,644	14,116	-37,293
Net cash flow from financing activities	-32,644	14,116	-37,293
Net change in cash and cash equivalents during the financial year	-620	441	3,395
Cash at the beginning of the period	10,292	6,896	6,896
Change in cash	-620	441	3,395
Cash at the end of the period	9,672	7,337	10,292

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, 2018	25,000	-319	116,428	-48,383	217,688	310,414	-	310,414
Translation differences	-	-	-	-7,204	-	-7,204	-	-7,204
Cash flow hedges	-	-24	-	-	-	-24	-	-24
Share of other comprehensive income of associates and joint ventures	-	-	-	-273	-	-273	-	-273
Result for the period	-	-	-	-	15,182	15,182	-	15,182
Total comprehensive income for the period	-	-24	-	-7,477	15,182	7,681	-	7,681
Share based payments	-	-	-	-	141	141	-	141
Issue of treasury shares	-	-	137	-	-	137	-	137
Dividend distribution	-	-	-	-	-47,595	-47,595	-	-47,595
Total transactions with shareholders	-	-	137	-	-47,454	-47,317	-	-47,317
Equity Mar 31, 2018	25,000	-343	116,565	-55,860	185,416	270,778	-	270,778

Translation differences	-	-1	-	-2,122	-	-2,123	-	-2,123
Remeasurement of defined benefit obligation	-	-	-	-	-1,218	-1,218	-	-1,218
Cash flow hedges	-	-566	-	-	-	-566	-	-566
Share of other comprehensive income of associates and joint ventures	-	-	-	-1,505	-	-1,505	-	-1,505
Result for the period	-	-	-	-	32,651	32,651	-	32,651
Total comprehensive income for the period	-	-567	-	-3,627	31,434	27,240	-	27,240
Share based payments	-	-	-	-	293	293	-	293
Purchase of treasury shares	-	-	-	-	-5,648	-5,648	-	-5,648
Dividend distribution	-	-	-	-	132	132	-	132
Total transactions with shareholders	-	-	-	-	-5,223	-5,223	-	-5,223
Equity Jan 1, 2019	25,000	-910	116,565	-59,486	211,627	292,796	-	292,796
Translation differences	-	-	-	-683	-	-683	-	-683
Cash flow hedges	-	-622	-	-	-	-622	-	-622
Share of other comprehensive income of associates and joint ventures	-	-	-	1,016	-	1,016	-	1,016
Result for the period	-	-	-	-	13,390	13,390	-	13,390
Total comprehensive income for the period	-	-622	-	333	13,390	13,101	-	13,101
Share based payments	-	-	-	-	-719	-719	-	-719
Purchase of treasury shares	-	-	-	-	-1,700	-1,700	-	-1,700
Issue of treasury shares	-	-	2,545	-	-	2,545	-	2,545
Dividend distribution	-	-	-	-	-49,494	-49,494	-	-49,494
Total transactions with shareholders	-	-	2,545	-	-51,912	-49,367	-	-49,367
Equity Mar 31, 2019	25,000	-1,532	119,110	-59,153	173,105	256,530	-	256,530

Notes to the interim financial statements

This report has been prepared in accordance with IAS 34 “Interim financial reporting”. The accounting principles disclosed in the Group’s annual financial statements for the year ended December 31, 2018 have been applied, except for the following new and amended standards that are effective and applied from January 1, 2019:

IFRS 16 “Leases”: Ramirent has adopted IFRS 16 from January 1, 2019. The standard replaces the previous guidance in IAS 17 “Leases” and brings significant changes especially to lessee accounting. Detailed information on the impacts of the adoption of IFRS 16 is provided further in the notes section.

Other changes or amendments to other IFRS standards and IFRIC’s do not have any material impact on Ramirent’s financial reporting.

Consolidated financial statements have been presented in thousand euros unless otherwise stated. All figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

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

Key financial figures (MEUR)	1-3/19	1-3/18	1-12/18

Continuing operations			
Net sales	163.0	167.5	711.7
Change in net sales, %	-2.7%	7.8%	3.8%
EBITDA	49.1	46.8	202.9
% of net sales	30.1%	28.0%	28.5%
EBIT	17.1	21.2	66.9
% of net sales	10.5%	12.7%	9.4%
EBT	14.9	18.7	56.4
% of net sales	9.1%	11.2%	7.9%
Result for the period, continuing operations	11.9	14.7	44.9
% of net sales	7.3%	8.8%	6.3%
Gross capital expenditure	43.3	51.1	192.7
% of net sales	26.6%	30.5%	27.1%
Group including discontinued operations			
Result for the period attributable to the owners of the parent company	13.4	15.2	47.8
% of net sales	8.2%	9.1%	6.7%
Gross capital expenditure	43.3	53.3	199.5
% of net sales (as in statement of income)	26.6%	31.8%	28.0%
Capital employed at the end of period	689.8	629.8	653.7
Return on capital employed (ROCE), %	9.4%	15.1%	10.2%
Return on invested capital (ROI), %	9.5%	15.0%	10.2%
Return on equity (ROE), %	16.6%	24.7%	16.6%
Interest-bearing debt	433.3	359.0	360.9
Net debt	423.6	351.7	350.6
Net debt to EBITDA ratio	2.1x	1.7x	1.7x
Net debt excluding lease liabilities	328.9	351.7	350.6
Gearing, %	165.1%	129.9%	119.7%
Equity ratio, %	27.1%	30.9%	33.9%
Personnel, average during reporting period	2,941	2,839	2,890
Personnel at end of period (FTE)	2,867	2,853	2,905
Share-related key figures	1-3/19	1-3/18	1-12/18
Earning per share, EPS, basic (EUR)	0.12	0.14	0.44
Earning per share, EPS, diluted (EUR)	0.12	0.14	0.44
Equity per share, at end of reporting period, basic, EUR	2.38	2.50	2.72
Equity per share, at end of reporting period, diluted, EUR	2.38	2.50	2.71
Dividend per share, EUR	-	-	0.46
Payout ratio, %	-	-	103.7%
Effective dividend yield, %	-	-	8.4%
Price/earnings ratio (P/E) ¹	12.8	10.3	12.3
Highest share price, EUR	6.33	8.23	9.62
Lowest share price, EUR	5.28	6.63	5.06
Average share price, EUR	5.89	6.71	7.33
Share price at end of reporting period, EUR	5.49	6.70	5.45

Market capitalization at end of reporting period, EUR million (excluding treasury shares)	591.6	724.7	586.3
Number of shares traded (thousands)	12,863.2	10,291.8	60,037.0
Shares traded, % of total number of shares	11.8%	9.5%	55.2%
Number of shares, weighted average, basic	107,328,563	108,150,987	107,830,500
Number of shares, weighted average, diluted	107,399,256	108,365,353	108,144,543
Number of shares, at end of reporting period, basic	107,763,876	108,170,650	107,570,650
Number of shares, at end of reporting period, diluted	107,834,569	108,385,016	107,884,693

1 Rolling 12 months

Acquisitions

2019

No major acquisitions were completed in the beginning of 2019.

2018

On December 19, 2018, Ramirent announced the acquisition of the shares of Finnish based SRV Kalusto Oy and the signing of a long-term cooperation agreement on equipment rental and related services with SRV Group Plc. SRV Kalusto Oy has been acting as an internal equipment rental company in the SRV Group covering approximately one quarter of SRV's equipment rentals and related services at the construction sites and has 33 employees. The deal between Ramirent and SRV Group Plc covers a significant share of SRV's annual equipment rentals. In 2017, the net sales of SRV Kalusto Oy amounted to approximately EUR 8 million. As part of the agreement, SRV Kalusto Oy's name changed to Rami Kalusto Oy.

Disposals of subsidiaries and business operations

2019

On December 3, 2018, Ramirent announced that it will divest its Danish equipment rental business to G.S.V. Materieludlejning A/S, Denmark's largest equipment rental company. The enterprise value of the transaction is approximately EUR 33 million. The transaction was completed March 20, 2019. Following the divestment the financial figures for the Danish operations are reported as discontinued operations and are not included in the financial figures for Ramirent's continuing operations in the financial statements for 2019 and 2018. The comparative information for the statement of income has been restated accordingly. The transaction costs were EUR 1.1 million.

2018

On July 30, 2018, Ramirent announced the sale of its Temporary Space business to Procuritas Capital Investors VI Holding AB for an enterprise value of approximately EUR 53 million. The transaction was closed on November 1, 2018 and it resulted in write downs of non-current assets by EUR 29.9 million and transaction costs of EUR 1.4 million.

A specification of the disposals is presented below. The figures for the disposal of the Danish equipment rental business are preliminary.

(MEUR)	1-3/19	1-3/18	1-12/18
Total disposal consideration	31.6	-	53.6
Carrying amount of disposed net assets	-30.9	-	-83.5
Loss on disposal before income tax	0.7	-	-29.9

Details of the discontinued operations are presented below:

Statement of income	1-3/19	1-3/18	1-12/18
(MEUR)			
Net sales	7.1	8.7	38.8
EBIT	0.6	0.6	4.1
Total financial income and expenses	-0.2	-0.0	-0.0

Earnings before taxes (EBT), discontinued operations	0.4	0.6	4.1
Income taxes	-0.1	-0.1	-1.1
Result for the financial period, discontinued operations	0.3	0.5	3.0

Cash flow of the discontinued operations	1-3/19	1-3/18	1-12/18
(MEUR)			
Cash flow from operating activities	1.1	-2.4	3.3
Cash flow from investing activities	28.5	-2.0	-6.6
Cash flow from financing activities	-	-	-

Assets and liabilities of disposal group classified as held for sale	1-3/19	1-3/18	1-12/18
(MEUR)			
Assets classified as held for sale			
Intangible assets	-	-	0.4
Tangible assets	-	-	29.5
Current assets	-	-	8.0
Total assets of disposal group held for sale	-	-	37.9
Liabilities directly associated with assets classified as held for sale			
Deferred tax liabilities	-	-	1.4
Trade payables	-	-	1.2
Other non-interest bearing liabilities	-	-	3.4
Total liabilities of disposal group held for sale	-	-	6.0

Segment information

Ramirent publishes its financial information for continuing operations according to the following four operating segments: Sweden, Finland, Eastern Europe and Norway.

Net Sales	1-3/19	1-3/18	1-12/18
(MEUR)			
Sweden			
- External	57.8	68.6	271.7
- Between segments	0.2	0.0	0.6
Finland			
- External	49.1	44.6	193.8
- Between segments	0.0	0.1	0.2
Eastern Europe			
- External	25.9	25.7	119.5
- Between segments	0.0	0.0	0.1
Norway			
- External	29.6	28.0	124.2
- Between segments	0.0	-	0.0
Elimination of sales between segments	0.3	0.5	1.6
Group net sales	163.0	167.5	711.7

EBIT	1-3/19	1-3/18	1-12/18
(MEUR and % of net sales)			

Sweden	6.1	11.7	35.2
% of net sales	10.5%	17.1%	12.9%
Finland	4.8	5.1	23.5
% of net sales	9.8%	11.5%	12.1%
Eastern Europe	4.9	5.1	31.0
% of net sales	18.8%	19.7%	25.9%
Norway	2.8	1.2	-10.1
% of net sales	9.4%	4.1%	-8.1%
Unallocated items	-1.5	-1.9	-12.7
Group EBIT	17.1	21.2	66.9
% of net sales	10.5%	12.7%	9.4%

Capital employed allocated to segments	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
(MEUR)			
Sweden	225.1	210.7	193.4
Finland	204.3	147.6	171.3
Eastern Europe	163.1	134.7	149.9
Norway	120.5	111.8	95.7
Unallocated items and eliminations	-23.2	25.0	43.4
Total	689.8	629.8	653.7

Return on capital employed (ROCE) by segment	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
Sweden	14.2%	19.0%	17.1%
Finland	14.0%	18.7%	15.2%
Eastern Europe	20.5%	20.1%	21.6%
Norway	-7.6%	8.7%	-9.4%
Group	9.4%	15.1%	10.2%

Comparable return on capital employed (ROCE) by segment	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
Sweden	18.0%	19.0%	20.9%
Finland	16.4%	18.7%	17.9%
Eastern Europe	20.5%	20.1%	21.6%
Norway	11.4%	7.4%	10.4%
Group	15.9%	15.7%	16.8%

Adoption of IFRS 16 “Leases”

Ramirent has adopted IFRS 16 “Leases” from January 1, 2019 using the modified retrospective approach and has not restated the comparative information. The effect of the adoption has been recognized in the balance sheet as at 1 January 2019.

On adoption of IFRS 16 Ramirent recognized right-of-use assets and lease liabilities in relation to leases which were previously classified as operating leases under the principles of IAS 17 “Leases”. The liabilities were measured at the present value of the future lease payments, discounted using contract specific interest rates when those were available, or Ramirent’s incremental borrowing rates as of Jan 1, 2019. The incremental borrowing rate is set for each legal entity and it varies from 0.7% to 3.9%. Variable lease payments are not included in the calculation unless they relate to an index or rate. The right-of use assets were measured at the amount equal to the lease liability.

The recognized right-of-use assets relate to leased premises, rental machinery and vehicles.

Some of Ramirent’s lease contracts for premises are made for a fixed period with an extension option and some contracts are open-ended with a short notice period. The lease liability for fixed term contracts has been defined as

the present value of the remaining lease payments and the expected use of the extension option. For open-ended premises lease contracts the lease liability has been defined based on the estimated lease period.

Lease contracts for premises relate to Ramirent's customer centers, head offices and hubs and form the main part of the right-of-use asset and the lease liability. Contracts are typically made for a fixed period of 2 to 10 years and they may contain extension options. When Ramirent estimates that the extension option will be utilized, it will be included in the calculation of the right of-use-asset. The length of the lease contract varies depending on the importance of the leased premises.

Lease liability for rental machinery and vehicles leases has been measured at the present value of the remaining lease payments. Ramirent utilizes the recognition exemptions allowed in IFRS 16 for all other contracts except premises contracts and does not recognize right-of-use assets and lease liabilities for contracts in which the lease term is less than 12 month or less or for low value items.

Lease contracts for rental machinery and equipment are sometimes fixed, but mostly open-ended with short notice periods. The contacts with short notice periods are not included 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 are not included in the calculation.

From January 1, 2019 leases are recognized as right-of-use assets and corresponding lease liabilities. Lease payments are split to repayment of lease liability and interest cost. The interest cost is recognized in the statement of income over the lease period. The right-of-use asset is depreciated over the lease period on a straight-line basis.

Adoption of the new standard affects many key figures, e.g. EBITDA and EBIT increase, equity ratio and ROCE decrease and net debt and net debt to EBITDA increase. Cash flow from operating activities increases and cash flow from financing activities decreases.

Ramirent's non-cancellable operating lease commitments as at December 31, 2018 totalled EUR 88 million. The amount capitalized as a right-of-use asset and a lease liability at the transition on January 1, 2019 totalled EUR 101 million. The difference relates mainly to definition of lease term for open-ended premises contracts..

Movements in right-of-use assets	Land and buildings	Rental machinery and equipment	Vehicles	Total	Lease liabilities
(MEUR)					
Carrying value at the beginning of reporting period	88.8	2.3	9.6	100.7	100.7
Additions	-	-	0.8	0.8	0.8
Depreciation	-5.4	-0.2	-1.1	-6.7	
Payments					-6.8
Carrying value at the end of reporting period	83.3	2.1	9.4	94.8	94.8

Amounts recognized in the statement of income	Total
(MEUR)	
Depreciation on right-of-use assets	-6.7
Interest expense	-0.3
Expenses for short-term leases and low-value assets	-5.1
Total	-12.2

Impact on key figures

Segment EBIT and assets increased and ROCE decreased as a result of the adoption of IFRS 16. Segment liabilities are not impacted as interest-bearing liabilities are not included in segment liabilities. The impact on EBIT at the group level in Q1 2019 was EUR 0.1 million.

Impact on segment's capital employed	Mar 31, 2019
(MEUR)	
Sweden	30.0
Finland	31.6
Eastern Europe	11.8
Norway	18.2
Unallocated items	3.1
Total	94.8

Other notes

Change in tangible and intangible assets and investments	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
(MEUR)			
Carrying value at the beginning of reporting period	661.7	691.0	691.0
Increase of right-of-use assets	101.5	-	-
Depreciation, amortization and impairment charges	-32.0	-25.6	-136.0
Additions			
Machinery and equipment	36.3	49.1	181.2
Other tangible and intangible assets	2.2	4.1	18.3
Decreases			
Sales of rental assets	-1.0	-1.3	-5.7
Sales of other assets	-0.1	-0.2	-0.2
Disposal of businesses	-	-	-54.7
Changes in equity accounted investments	1.4	-0.4	-1.3
Classification as held for sale	-	-	-35.4
Other changes ¹	8.2	-8.6	4.5
Carrying value at the end of reporting period	778.2	708.2	661.7

¹ Other changes include translation differences and reclassifications.

Commitments and contingent liabilities	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
(MEUR)			
Suretyships	5.6	5.7	5.0
Committed investments, rental machinery	57.1	46.6	27.9
Committed investments, other	0.2	0.0	0.3
Non-cancellable minimum future operating lease payments	0.4	83.1	88.0
Group share of commitments in joint ventures	0.1	0.1	0.1
Off-balance sheet total	63.3	135.6	121.2

Obligations arising from derivative instruments	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
(MEUR)			
Interest rate swaps			
Nominal value of underlying object	185.0	115.0	155.0
Fair value of the derivative instruments	-2.1	-0.5	-1.3

Foreign currency forwards			
Nominal value of underlying object	47.5	55.9	43.9
Fair value of the derivative instruments	-0.3	0.4	0.4

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)

Mar 31, 2019	Level 1	Level 2	Level 3
(MEUR)			
Interest rate swaps	-	-2.1	-
Foreign currency forwards	-	-0.3	-

Mar 31, 2018	Level 1	Level 2	Level 3
(MEUR)			
Interest rate swaps	-	-0.5	-
Foreign currency forwards	-	0.4	-
Contingent considerations	-	-	3.0

Reconciliation of level 3 fair values	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
(MEUR)			
Carrying value Jan 1	3.5	3.1	3.1
Translation differences	-	-0.1	-0.1
Payments	-3.5	-	-
Discount interest recognized in financial expenses	-	0.1	0.6
Carrying value at the end of reporting period	0.0	3.0	3.5

Fair values versus carrying amounts of financial assets and liabilities	Carrying amount	Fair value	Carrying amount	Fair value
	Mar 31, 2019	Mar 31, 2019	Mar 31, 2018	Mar 31, 2018
(MEUR)				
Financial assets				
Non-current financial assets	8.1	8.1	10.2	10.2
Unquoted equity shares	0.1	0.1	0.1	0.1
Trade receivables	103.1	103.1	113.8	113.8
Cash and cash equivalents	9.7	9.7	7.3	7.3
Total	121.0	121.0	131.4	131.4
Financial liabilities				
Loans from financial institutions	130.5	130.5	75.2	75.2
Bond	-	-	99.8	104.0
Commercial papers	208.0	208.0	184.0	184.0

Contingent considerations and deferred payments on acquisitions	1.5	1.5	4.9	4.9
Trade payables	53.0	53.0	49.2	49.2
Total	393.1	393.1	413.1	417.2
Interest rate swaps (nominal and fair value)	185.0	-2.1	115.0	-0.5
Foreign exchange forwards (nominal and fair value)	47.5	-0.3	55.9	0.4

Reconciliation of key figures, continuing operations	1-3/19	1-3/18	1-12/18
(MEUR)			
Net Sales	163.0	167.5	711.7
Other operating income	0.9	0.2	0.8
Materials and services	-57.0	-57.9	-242.1
Employee benefit expenses	-41.7	-43.2	-173.5
Other operating expenses	-16.4	-19.7	-94.4
Share of result in associates and joint ventures	0.4	-0.1	0.4
Depreciation, amortization and impairment charges	-32.0	-25.6	-136.0
EBIT	17.1	21.2	66.9
Items affecting comparability (IACs) in EBIT:			
Restructuring measures	-	-	5.9
Divestments and asset disposals	0.2	-	34.0
Comparable EBIT	17.3	21.2	106.8
Result for the period, continuing operations	11.9	14.7	44.9
IACs before EBT	0.2	-	39.9
Tax effect of IACs	-0.2	-	-4.6
Comparable result for the period, continuing operations	11.9	14.7	80.2
Comparable ROCE:			
Comparable EBIT (R12), continuing operations	102.9	96.3	106.8
Capital employed, average	676.8	644.3	658.4
IACs affecting capital employed, average	-27.7	-32.4	-22.9
Comparable Capital employed, continuing operations, average	649.1	611.8	635.5
Comparable ROCE, %	15.9%	15.7%	16.8%
Comparable ROE:			
Comparable Result for the Period (R12), continuing operations	77.4	69.8	80.2
Equity, average	277.0	283.7	280.0
IACs affecting Equity, average	12.8	-0.3	20.1
Comparable Equity, average	289.8	283.4	300.1
Comparable ROE, %	26.7%	24.6%	26.7%
Comparable EPS:			
Comparable result for the period, continuing operations	11.9	14.7	80.2
Number of shares (in million), weighted average	107.3	108.2	107.8
Comparable EPS, EUR	0.11	0.14	0.74

	Average rates	Average rates	Average rates	Closing rates	Closing rates	Closing rates
Exchange rates applied	1-3/2019	1-3/2018	1-12/2018	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
CZK	25.6840	25.4003	25.6432	25.8020	25.4250	25.7240
DKK	7.4636	7.4467	7.4532	7.4652	7.4530	7.4673

NOK	9.7419	9.6341	9.6006	9.6590	9.6770	9.9483
PLN	4.3020	4.1792	4.2606	4.3006	4.2106	4.3014
SEK	10.4223	9.9731	10.2567	10.3980	10.2843	10.2548

DEFINITION OF KEY FINANCIAL FIGURES

EBITDA:	Operating profit before depreciation, amortization and impairment charges
EBIT:	Total of net sales and other operating income – cost of sales, selling, general and administrative costs, +/- gains and losses on disposal of businesses, share of result in associates and joint ventures and impairment of goodwill
Comparable EBIT:	EBIT – items affecting comparability in EBIT
EBT:	EBIT – total financial income and expenses
Return on capital employed (ROCE), %:	$\frac{\text{EBIT} \times 100 \text{ (rolling 12 months)}}{\text{Group or segment capital employed (average of last 5 quarter end values)}}$
Comparable return on capital employed (ROCE), %:	$\frac{(\text{EBIT} - \text{items affecting comparability in EBIT}) \times 100 \text{ (rolling 12 months)}}{\text{Group or segment capital employed} - \text{items affecting comparability in capital employed (average of last 5 quarter end values)}}$
Capital employed:	Group or segment assets – non-interest-bearing liabilities
Return on equity (ROE), %:	$\frac{\text{Result for the period} \times 100 \text{ (rolling 12 months)}}{\text{Total equity (average of last 5 quarter end values)}}$
Comparable return on equity (ROE), %:	$\frac{(\text{Result for the period} - \text{items affecting comparability}) \times 100 \text{ (rolling 12 months)}}{\text{Total equity} - \text{items affecting comparability in equity (average of last 5 quarter end values)}}$
Return on invested capital (ROI), %:	$\frac{(\text{Result before taxes} + \text{interest and other financial expenses, excluding FX differences}) \times 100 \text{ (rolling 12 months)}}{\text{Total assets} - \text{non-interest-bearing debt (average of last 5 quarter end values)}}$
Equity ratio, %:	$\frac{\text{Total equity} \times 100}{\text{Total assets} - \text{advances received}}$
Earnings per share (EPS), EUR:	$\frac{\text{Result for the period} +/- \text{non-controlling interest's share of result for the period}}{\text{Average number of shares adjusted for share issued during the financial period}}$
Comparable earnings per share (EPS), EUR:	$\frac{\text{Result for the period, continuing operations} +/- \text{non-controlling interest's share of result for the period} - \text{items affecting comparability}}{\text{Average number of shares adjusted for share issued during the financial period}}$
Shareholders' equity per share, EUR:	$\frac{\text{Equity attributable to the parent company's shareholders}}{\text{Number of shares adjusted for share issued on reporting date}}$
Payout ratio, %:	$\frac{\text{Dividend per share} \times 100}{\text{Earnings per share}}$
Net debt:	Interest-bearing debt – cash and cash equivalents
Net debt excluding lease liabilities:	Interest-bearing debt – cash and cash equivalents – lease liabilities
Net debt to EBITDA ratio:	$\frac{\text{Net debt}}{\text{Earnings before interest, taxes, depreciation and amortization (rolling 12 months)}}$
Gearing, %:	$\frac{\text{Net debt} \times 100}{\text{Total equity}}$
Dividend per share, EUR:	$\frac{\text{Dividend paid}}{\text{Number of shares on the registration date for dividend distribution}}$
Effective dividend yield, %:	$\frac{\text{Share issue adjusted dividend per share} \times 100}{\text{Share issue adjusted final trading price at the end of financial year}}$
Price/earnings ratio (P/E):	$\frac{\text{Share issue adjusted final trading price}}{\text{Earnings per share}}$

Market capitalization:	Number of shares outstanding at the end of period x closing price at the end of period
Unused committed backup credit facilities:	Undrawn committed debt facilities – issued commercial papers + cash and cash equivalents

Webcast and conference call for investment analysts and press

A briefing for investment analysts and the press will be arranged on the **Tuesday, April 30, 2019** at 10:30 a.m. Finnish time (EET) through a live webcast viewable at www.ramirent.com combined with a conference call. The briefing will be hosted by CEO Tapio Kolunsarka and CFO Jukka Havia. The dial-in numbers are: +358 9 8171 0310 (FI), +44 3333 000 804 (UK), +46 8 5664 2651 (SE), +1 631 913 1422 (US). Participant code for conference call is 29367100#. A recording of the webcast and conference call will be available at www.ramirent.com later the same day.

Financial calendar 2019

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

Half Year Financial Report 2019

July 31, 2019 at 9:00 a.m. EET

Interim report January-September 2019

October 30, 2019 at 9:00 a.m. EET

Information

Jukka Havia, Chief Financial Officer (CFO)

Tel. +358 50 355 3757, [jukka.havia\(at\)ramirent.com](mailto:jukka.havia(at)ramirent.com)

Distribution

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

April 30, 2019

**RAMIRENT PLC
Board of Directors**

RAMIRENT is a leading service company offering equipment rental for construction and other industries. Our mission is to help our customers gear up on safety and efficiency by delivering great equipment and smooth service with a smile. We have 2,800 co-workers at 292 customer centers across nine countries in Northern and Eastern Europe. In 2018, Ramirent Group sales reached a total of EUR 712 million. Ramirent is listed on the Nasdaq Helsinki (RAMI).

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**Gear
Up.**

RAMIRENT

Equipment rental at your service