Q4

Financial Statements Bulletin 2018.

Another year of strong improvement

The divestment of Danish equipment rental business affected the figures

RAMIRENT

Equipment rental at your service

Ramirent Plc's Financial Statements Bulletin 2018

Another year of strong improvement – The divestment of Danish equipment rental business affected the figures

October–December 2018 in brief

- Net sales EUR 188.6 (189.7) million at the corresponding quarter's level, growth 1.5% at comparable exchange rates
- Comparable EBIT EUR 23.6 (23.4) million or 12.5% (12.3%) of net sales
- EBIT EUR 14.3 (24.7) million or 7.6% (13.0%) of net sales
- Comparable EPS EUR 0.17 (0.17)
- EPS EUR 0.12 (0.16)
- On December 3, 2018, Ramirent announced that it had signed an agreement to divest its Danish equipment rental business. The enterprise value of the transaction is approximately EUR 33 million. The business to be divested is reported as discontinued operations and is included in the income statement separately from the continuing operations as one line both in 2017 and in 2018
- Items affecting comparability in the fourth quarter include restructuring costs of EUR 4.8 million related to the network of hubs and customer centers in Norway

January–December 2018 in brief

- Net sales EUR 711.7 (685.5) million, up by 3.8% or 6.9% at comparable exchange rates
- Comparable EBIT EUR 106.8 (89.4) million or 15.0% (13.0%) of net sales
- EBIT EUR 66.9 (90.7) million or 9.4% (13.2%) of net sales
- Comparable EPS EUR 0.74 (0.59)
- EPS EUR 0.44 (0.59)
- Comparable ROCE 16.8% (14.4%)
- ROCE 10.2% (14.0%)
- Gross capital expenditure EUR 199.5 (166.4) million, including the EUR 21 million acquisition of SRV Kalusto Oy
- Cash flow after investments EUR 40.7 (51.6) million
- Expenses recognized in relation to divestments and restructuring measures total EUR 39.9 million
- The Board of Directors proposes to increase the dividend to EUR 0.46 (0.44) per share

Ramirent's guidance for 2019

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 and in Norway, market conditions are expected to be stable. In the Baltic countries, Poland, Czech Republic and Slovakia, the market conditions are expected to remain favorable.

Key figures (MEUR)	10–12/18	10–12/17	Change	1–12/18	1–12/17	Change
Continuing operations						
Net sales	188.6	189.7	-0.6%	711.7	685.5	3.8%
EBITDA	42.2	53.2	-20.5%	202.9	200.7	1.1%
% of net sales	22.4%	28.0%		28.5%	29.3%	
Comparable EBIT	23.6[1]	23.4[4]	1.1%	106.8[1]	89.4[4]	19.4%
% of net sales	12.5%	12.3%		15.0%	13.0%	
EBIT	14.3	24.7	-42.2%	66.9	90.7	-26.3%
% of net sales	7.6%	13.0%		9.4%	13.2%	
Comparable EPS, EUR[2]	0.17[3]	0.17[4]	0.3%	0.74[3]	0.59[4]	26.3%
Comparable ROCE, %[2&5]				16.8%	14.4%	
Comparable ROE, %[2&5]				26.7%	21.7%	
Group including discontinued operations						
EPS, EUR	0.12	0.16	-29.8%	0.44	0.59	-24.5%
ROCE, %[2&5]				10.2%	14.0%	
ROE, %[2&5]				16.6%	22.0%	
Gross capital expenditure	46.1	31.0	48.6%	199.5	166.4	19.9%
Cash flow after investments	52.3	53.6	-2.4%	40.7	51.6	-21.2%
Capital employed				653.7	654.4	-0.1%
Net debt				350.6	337.9	3.7%
Net debt to EBITDA ratio				1.7x	1.7x	2.6%

1 Excluding IACs of EUR -9.4 million in 10-12/2018 and EUR -39.9 million in 1-12/2018
2 The comparable EPS and comparable ROE are calculated based on Result from continuing operations. The comparable ROCE is calculated based on capital employed in continuing operations (excluding Denmark)
3 Excluding IACs of EUR -9.4 million adjusted with tax impact EUR 3.2 million in 10-12/2018 and EUR -39.9 million adjusted with tax impact of EUR 5.3 million in 1-12/2018
4 Excluding IACs of EUR 1.3 million in 10-12/2017 and 1-12/2017
5 Capital component of key figure is calculated as the average of the 5 previous quarter end values

Ramirent’s President and CEO Tapio Kolunsarka:

“Ramirent’s performance continued solidly in the fourth quarter. Despite last year’s high comparison figures and the sale of Temporary Space during the quarter, we managed to grow our top line in comparable currencies by 1.5%. Our comparable EBIT and comparable EBIT-margin were slightly above the previous year’s level and comparable ROCE reached 16.8%, already exceeding our 2020 target level. Our performance varied somewhat by segment. Our Eastern European business continued to grow its net sales and to further improve its profitability. Also in Norway, our profit improvement continued and we saw strong growth in equipment rental. In Finland, our performance was stable with net sales and comparable EBIT being at the previous year’s level. In Sweden, we continued to see positive sales development in our core equipment rental and service business albeit at slower rate than before. At comparable exchange rates, the net sales in Sweden were at the previous year’s level. However, Sweden’s comparable EBIT decreased mainly due to Temporary Space divestment as well as adverse currency translation effect.

In the quarter, we carried out several initiatives to improve and strengthen our business portfolio. In November, we closed the divestment of our Temporary Space business and in December, we announced the divestment of our Danish equipment rental business. These divestments enable us to better focus on our core business of equipment rental and related services and re-invest capital to areas where we see higher returns. An example of this was the signing of a long-term cooperation agreement with SRV Group and the acquisition of SRV Kalusto Oy's entire share capital. The transactions with SRV further strengthens our leading position in the Finnish market. We also initiated a further performance improvement plan in Norway, where we continue to see further possibilities for profit improvement.

Looking back at the financial year 2018, I am proud of our organization’s achievements. We achieved solid sales growth with strong improvements in profitability in all of our operating segments and took several actions to shape our business portfolio to be more capital-efficient. Despite the fast organic sales growth, we were able to deliver positive cash flow after investments for the second year in a row. All of this is reflected in the Board’s proposal to increase dividend from the financial year 2018 to EUR 0.46 (0.44) per share.

Entering into 2019, Ramirent's business is in an excellent position - we have a strong balance sheet and a clear, capital-efficient strategy, which is geared towards generating high returns and positive cash flow after investments. I remain confident about our organization's ability to execute and find further avenues to improve the performance of our core business. Growth in the Nordic construction markets is expected to be slower in 2019. However, we see opportunities for continued further growth in Eastern Europe, which became our second largest segment in terms of profits during 2018. As our execution and balance sheet are both in strong shape, we are also increasingly open for acquisitions to boost the growth of our rental business."

Financial review October-December 2018

Continuing operations

In October-December, Ramirent Group's net sales grew by 1.5% at comparable exchange rates. Ramirent Group's reported net sales were at the corresponding quarter's level. Net sales grew in Eastern Europe and were at the corresponding quarter's level in Finland and in Norway. At comparable exchange rates, net sales were at the corresponding quarter's level also in Sweden. The Group's service sales grew and rental sales were at the corresponding quarter's level.

Net sales by segment (MEUR)	10–12/18	10–12/17	Change	Change at comparable exchange rates	Share of group in 10–12/18
Sweden	69.0	72.3	-4.5%	0.7%	36.7%
Finland	52.6	52.5	0.2%	0.2%	28.0%
Eastern Europe	31.3	29.6	5.7%	6.4%	16.6%
Norway	35.2	35.2	-0.0%	0.7%	18.7%
Other sales and elimination of sales between segments	0.4	0.2			
Net sales, total	188.6	189.7	-0.6%	1.5%	100.0%

The Group's comparable EBIT was at the corresponding quarter's level at EUR 23.6 (23.4) million, representing 12.5% (12.3%) of net sales. Comparable EBIT improved in Norway and especially in Eastern Europe. The Group's October-December EBIT decreased to EUR 14.3 (24.7) million due to restructuring in Norway and costs related to divestments. Depreciation of tangible assets was EUR 25.3 (26.5) million and the Group's amortization charges of intangible assets were EUR 2.6 (2.0) million. Items not allocated to segments include divestments related costs and write-downs of assets of EUR 2.5 million as well as other Group level net costs and internal profit elimination of sales between segments.

The Fortrent Group's (joint venture company in Russia and Ukraine) net result was EUR 0.2 (0.7) million. Ramirent's share of the net result was EUR 0.1 (0.3) million.

Comparable EBIT by segment	10–12/18 MEUR	10–12/18 % of net sales	10–12/17 MEUR	10–12/17 % of net sales
Sweden	9.1	13.2%	10.1	13.9%
Finland	6.6	12.5%	6.6	12.5%
Eastern Europe	7.5	24.1%	5.7	19.4%
Norway	4.0	11.4%	3.2	9.1%
Unallocated items	-3.6		-2.2	
Group	23.6	12.5%	23.4	12.3%

Items affecting comparability (IACs) in EBIT (MEUR)	10–12/18	10–12/17
Sweden	1.3	–
Finland	-0.0	–
Eastern Europe	–	–

Norway	-7.3	1.3
Unallocated items	-3.4	–
Total	-9.4	1.3

Reported EBIT by segment	10–12/18 MEUR	10–12/18 % of net sales	10–12/17 MEUR	10–12/17 % of net sales
Sweden	10.4	15.1%	10.1	13.9%
Finland	6.6	12.5%	6.6	12.5%
Eastern Europe	7.5	24.1%	5.7	19.4%
Norway	-3.3	-9.3%	4.5	12.8%
Unallocated items	-7.0		-2.2	
Group	14.3	7.6%	24.7	13.0%

Net financial items were EUR -3.2 (-3.5) million, including EUR -0.8 (-0.9) million net effect of exchange rate gains and losses. Income taxes amounted to EUR 0.0 (-2.0) million. Result from the continuing operations decreased to EUR 11.0 (19.2) million. Comparable earnings per share EPS was EUR 0.17 (0.17). Ramirent Group's October-December gross capital expenditure on non-current assets for the continuing operations increased to EUR 44.5 (27.6) million or 23.6% (14.5%) of net sales.

Discontinued operations

Net sales for the discontinued Danish operations amounted to EUR 10.2 (10.5) million. EBIT improved to EUR 1.8 (-1.7) million, representing 17.1% (-16.4%) of net sales. Net result presented as one line in the statement of income amounted to EUR 1.4 (-1.5) million.

Group including discontinued operations

Result for the period attributable to the owners of the parent company decreased to EUR 12.4 (17.7) million. Earnings per share (EPS) was EUR 0.12 (0.16). The result for the period and the earnings per share (EPS) decrease were due to expenses related to the divestment of Ramirent's Temporary Space business.

Ramirent Group's October-December gross capital expenditure on non-current assets increased to EUR 46.1 (31.0) million or 24.4% (16.3%) of net sales. The Group's investments in machinery and equipment were EUR 34.9 (28.8) million. In December, Ramirent announced the acquisition of SRV Kalusto Oy. The enterprise value of the transaction was EUR 21 million.

Ramirent Group's October-December cash flow from operating activities was EUR 47.9 (73.6) million, of which the change in working capital was EUR 9.2 (11.8) million. Cash flow from investing activities was EUR 4.4 (-20.0) million. Cash flow after investments amounted to EUR 52.3 (53.6) million.

Financial review January-December 2018

Continuing operations

Ramirent Group's January-December net sales grew by 6.9% at comparable exchange rates. Net sales grew in all segments. Sales growth was strongest in Eastern Europe and Sweden. Both rental and service sales contributed to the Group's growth while sales of used equipment declined. The Group's reported net sales increased by 3.8% to EUR 711.7 (685.5) million.

Net sales by segment (MEUR)	1–12/18	1–12/17	Change	Change at comparable exchange rates	Share of group in 1–12/18
Sweden	272.2	260.3	4.6%	11.3%	38.3%
Finland	194.1	191.5	1.4%	1.4%	27.3%
Eastern Europe	119.6	111.0	7.8%	7.6%	16.8%
Norway	124.2	121.2	2.5%	5.4%	17.5%

Other sales and elimination of sales between segments	1.6	1.5				
Net sales, total	711.7	685.5	3.8%		6.9%	100.0%

The Group's comparable EBIT increased to EUR 106.8 (89.4) million, representing 15.0% (13.0%) of net sales. All segments clearly improved their comparable EBIT. The improvement was particularly strong in Eastern Europe, Norway and Sweden. The Group's January-December EBIT decreased to EUR 66.9 (90.7) million, mainly due to costs related to the divestment of Ramirent's Temporary Space business and restructuring costs in Norway. Depreciation of tangible assets was EUR 112.3 (102.1) million and the Group's amortization charges of intangible assets were EUR 23.7 (7.9) million. These figures include EUR 29.3 million of depreciation and amortization due to the divestment of the Temporary Space business. Items not allocated to segments include divestments related costs and write-downs of EUR 4.0 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 1.0 (2.0) million. Ramirent's share of the net result was EUR 0.5 (1.0) million.

Comparable EBIT by segment	1–12/18 MEUR	1–12/18 % of net sales	1–12/17 MEUR	1–12/17 % of net sales
Sweden	43.9	16.1%	36.4	14.0%
Finland	27.8	14.3%	25.3	13.2%
Eastern Europe	31.0	25.9%	23.5	21.2%
Norway	11.8	9.5%	8.7	7.1%
Unallocated items	-7.6		-4.4	
Group	106.8	15.0%	89.4	13.0%

Items affecting comparability (IACs) in EBIT (MEUR)	1–12/18	1–12/17
Sweden	-8.7	–
Finland	-4.3	–
Eastern Europe	–	–
Norway	-21.8	1.3
Unallocated items	-5.1	–
Total	-39.9	1.3

Reported EBIT by segment	1–12/18 MEUR	1–12/18 % of net sales	1–12/17 MEUR	1–12/17 % of net sales
Sweden	35.2	12.9%	36.4	14.0%
Finland	23.5	12.1%	25.3	13.2%
Eastern Europe	31.0	25.9%	23.5	21.2%
Norway	-10.1	-8.1%	10.0	8.2%
Unallocated items	-12.7		-4.4	
Group	66.9	9.4%	90.7	13.2%

Net financial items were EUR -10.5 (-12.3) million, including EUR -0.6 (-1.4) million net effect of exchange rate gains and losses. Income taxes amounted to EUR -11.5 (-13.6) million. Result from the continuing operations amounted to EUR 44.9 (64.8) million. Comparable earnings per share (EPS) was EUR 0.74 (0.59). Comparable return on capital employed (ROCE) amounted to 16.8% (14.4%) and comparable return on equity (ROE) to 26.7% (21.7%). Gross capital expenditure on non-current assets for the continuing operations increased to EUR 192.7 (154.9) million or 27.1% (22.6%) of net sales.

Discontinued operations

Net sales for the discontinued Danish operations amounted to EUR 38.8 (38.2) million, being close to the previous year's level. EBIT improved significantly to EUR 4.1 (-1.4) million, representing 10.7% (-3.6%) of net sales. Net result presented as one line in the statement of income amounted to EUR 3.0 (-1.3) million.

In the balance sheet, assets held for sale were EUR 37.9 million and liabilities held for sale EUR 6.0 million.

Group including discontinued operations

Profit for the period attributable to the owners of the parent company amounted to EUR 47.8 (63.5) million. Earnings per share (EPS) was EUR 0.44 (0.59) and ROCE amounted to 10.2% (14.0%) and ROE to 16.6% (22.0%).

Gross capital expenditure on non-current assets increased to EUR 199.5 (166.4) million or 28.0% (24.3%) of net sales. Group investments in machinery and equipment increased to EUR 181.2 (153.2) million. Sales of rental machinery and equipment amounted to EUR 22.1 (29.0) million. Committed investments on rental machinery amounted to EUR 27.9 (23.6) million at the end of December 2018.

Cash flow from operating activities was EUR 188.5 (199.8) million, of which the change in working capital was EUR 4.3 (0.9) million. Cash flow from investing activities was EUR -147.8 (-148.2) million. Cash flow after investments amounted to EUR 40.7 (51.6) million.

Financial position

The Group's net debt amounted to EUR 350.6 (337.9) million at the end of December 2018. The level of net debt corresponds to a gearing ratio of 119.7% (109.2%). Net debt to EBITDA ratio on a rolling 12 months' basis was 1.7x (1.7x), remaining on a good level below Ramirent's financial target of a maximum of 2.5x at the end of each fiscal year.

At the end of December 2018, Ramirent had funding from a drawn committed term loan in total of EUR 75.0 million and undrawn committed revolving credit facilities in total of EUR 320.0 million under two different agreements with financial institutions and undrawn committed term loan facility in total of EUR 50.0 million with European Investment Bank. Ramirent issued an unsecured senior bond of EUR 100.0 million in 2013. In addition, an uncommitted EUR 250.0 million domestic commercial paper program has been used in 2018.

The average maturity of the committed debt facilities as of December 31, 2018 was 2.6 years. Ramirent's borrowing facilities with financial institutions will mature in 2020, 2022, 2023 and 2024. The bond will mature in 2019.

At the end of December 2018, the Group had EUR 194.2 (208.9) million of unused committed back-up credit facilities available. The average interest rate of the loan portfolio was 1.6% (1.8%). The average interest rate, including interest rate hedges, was 1.8% (1.9%).

The Group's equity as of December 31, 2018 amounted to EUR 292.8 (309.5) million and the Group's equity ratio was at 33.9% (36.2%). Non-cancellable minimum future off-balance sheet lease payments amounted to EUR 88.0 (82.0) million at the end of December 2018 and were related mainly to premises.

Group structure

On July 30, 2018, Ramirent announced the divestment 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. With 18 employees in Sweden, Norway, Finland and Denmark, Ramirent's Temporary Space business had sales of approximately EUR 30 million and an EBIT of EUR 3.5 million in 2017.

Following the announcement, all assets and liabilities relating to the Temporary Space business were classified as held for sale in accordance with IFRS 5. Until the closing of the divestment on November 1, 2018, the Temporary Space business was included in Ramirent's consolidated income statement. In accordance with the requirements of IFRS 5, the non-current assets were not depreciated/amortized after the divestment decision.

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 is approximately EUR 33 million. The closing is expected to take place at the beginning of 2019 and is subject to customary closing conditions and approval from competition authorities. Ramirent's 130 employees in Denmark will continue their employment in the sold business as per the closing date of the transaction.

The divested operations will be reported as discontinued operations in 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 transaction.

On December 19, 2018, Ramirent announced that it had signed a long-term co-operation agreement with SRV Group Plc. As part of the arrangement, Ramirent acquired SRV’s internal equipment rental company SRV Kalusto Oy's entire share capital. The enterprise value of the transaction was EUR 21 million.

On December 20, 2018, Ramirent announced that it had completed the review of strategic options for Fortrent, a joint venture owned by Ramirent and Cramo. As an outcome of the analysis, Fortrent's strategic focus in the future will be on Russian operations, optimizing cash flow generation and debt repayment to its owners. Consequently, Fortrent's Ukrainian operations will be closed during 2019. The restructuring costs are approximately EUR 0.5 million. In 2018, Fortrent's total sales amounted to EUR 29.9 million, whereof the share of Ukrainian business was EUR 2.4 million. The ownership of Fortrent will remain unchanged.

Review by segment

Ramirent Group's reportable segments as of January 1, 2018 were Sweden, Finland, Eastern Europe, Norway and Denmark. The new Eastern Europe segment was formed by joining the former segments Baltics and Europe Central. The comparative figures in the report were restated according to the new structure.

On December 3, 2018, Ramirent announced that it had signed an agreement to divest its Danish equipment rental business. The Danish operations to be divested will be reported as discontinued operations in the fourth quarter 2018 onwards. Their result is reported under "Result from discontinued operations" for both 2018 and for 2017 and their capital employed under "Assets held for sale" and "Liabilities held for sale" from Q4 2018 onwards until the closing of transaction. Thus, as of October 1, 2018, Ramirent has four reportable segments: Sweden, Finland, Eastern Europe and Norway.

Sweden

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

(MEUR and %)	10–12/18	10–12/17	Change	1–12/18	1–12/17	Change
Net sales	69.0	72.3	-4.5%	272.2	260.3	4.6%
Comparable EBIT	9.1[1]	10.1	-9.6%	43.9[1]	36.4	20.5%
% of net sales	13.2%	13.9%		16.1%	14.0%	
EBIT	10.4	10.1	3.7%	35.2	36.4	-3.3%
% of net sales	15.1%	13.9%		12.9%	14.0%	
Comparable ROCE (%)				20.9%	17.3%	
ROCE (%)				17.1%	17.3%	

1 Excluding IACs of EUR 1.3 million in 10-12/2018 and EUR -8.7 million in 1-12/2018

October-December

Demand in the Swedish equipment rental market continued at a good level. Sweden's net sales decreased by -4.5%, mainly due to the weaker currency. However, at comparable exchange rates, net sales were at the corresponding quarter's level despite the effect of the Temporary Space business divestment.

The segment's comparable EBIT decreased to EUR 9.1 (10.1) million, mainly due to the divestment of the Temporary Space business as well as the adverse currency translation effect. The segment's EBIT increased to EUR 10.4 (10.1) million.

January-December

Demand in the Swedish equipment rental market was supported by high activity in the construction sector. Sweden's net sales increased by 4.6% or 11.3% at comparable exchange rates. The positive net sales development was due to growth in rental sales in all regions and strong growth in service sales due to large non-residential building projects.

The segment's comparable EBIT increased to EUR 43.9 (36.4) million. Good volume growth, improved operational efficiency as well as cost control measures contributed to improved comparable EBIT. The segment's EBIT decreased to EUR 35.2 (36.4) million due to costs related to the divestment of Ramirent's Temporary Space business.

Finland

Ramirent is the largest equipment rental company in Finland, serving customers through a nationwide network of 58 customer centers.

(MEUR and %)	10–12/18	10–12/17	Change	1–12/18	1–12/17	Change
Net sales	52.6	52.5	0.2%	194.1	191.5	1.4%
Comparable EBIT	6.6[1]	6.6	0.5%	27.8[1]	25.3	9.8%
% of net sales	12.5%	12.5%		14.3%	13.2%	
EBIT	6.6	6.6	0.1%	23.5	25.3	-7.2%
% of net sales	12.5%	12.5%		12.1%	13.2%	
Comparable ROCE (%)				17.9%	18.3%	
ROCE (%)				15.2%	18.3%	

1 Excluding IACs of EUR -0.03 million in 10-12/2018 and EUR -4.3 million in 1-12/2018

October-December

Demand in the Finnish equipment rental market in the fourth quarter remained at a good level. Finland's net sales remained at the previous year's level. The sales mix was good and both rental and service sales grew. However, the sales of used rental equipment decreased.

The segment's comparable EBIT was at the corresponding quarter's level at EUR 6.6 (6.6) million. The comparable EBIT was positively influenced by the good sales mix and continued internal efficiency improvements but this was offset by somewhat weakened price level. The segment's EBIT was EUR 6.6 (6.6) million.

January-December

Demand in the Finnish equipment rental market in January-December 2018 was supported by solid demand in the construction and industrial sectors. Finland's net sales grew by 1.4% due to good development in large projects both in construction and industry sectors.

The segment's comparable EBIT increased to EUR 27.8 (25.3) million supported by volume growth and cost efficiency. The segment's EBIT decreased to EUR 23.5 (25.3) million due to expenses related to the divestment of Ramirent's Temporary Space business.

Eastern Europe

Ramirent is the largest equipment rental company in Eastern Europe serving customers through a network of 111 customer centers in the Baltic countries, Poland, the Czech Republic and Slovakia.

(MEUR and %)	10–12/18	10–12/17	Change	1–12/18	1–12/17	Change
Net sales	31.3	29.6	5.7%	119.6	111.0	7.8%
Comparable EBIT	7.5	5.7	31.8%	31.0	23.5	32.0%
% of net sales	24.1%	19.4%		25.9%	21.2%	
EBIT	7.5	5.7	31.8%	31.0	23.5	32.0%
% of net sales	24.1%	19.4%		25.9%	21.2%	
Comparable ROCE (%)				21.6%	18.9%	
ROCE (%)				21.6%	18.9%	

October-December

Demand in the Eastern European equipment rental market was strong in all market areas. Eastern Europe's net sales growth was 5.7% or 6.4% at comparable exchange rates. All market areas contributed to the growth. Growth was strongest in the Baltic countries. The rental sales growth was good also in Poland, but slower activity in scaffolding business continued to impact the growth.

The segment's EBIT improved from the comparable period and was EUR 7.5 (5.7) million. EBIT improvement was due to good sales volumes, improved sales mix and improved price realization.

January-December

Overall good demand in the equipment rental markets in Eastern Europe continued to be supported by the growth in construction activity. Eastern Europe's net sales increased by 7.8% or by 7.6% at comparable exchange rates. Sales developed positively across all the segment's market areas. Growth was strongest in the Baltic countries. In 2018, Ramirent opened 4 new customer centers in Eastern Europe.

The segment's EBIT increased to EUR 31.0 (23.5) million. EBIT improved as a result of good sales volumes, favorable sales mix, improved price realization and cost efficiency measures. All the segment's market areas significantly improved their EBIT.

Norway

Ramirent is the largest equipment rental company in Norway serving customers through a nationwide network of 40 customer centers.

(MEUR and %)	10–12/18	10–12/17	Change	1–12/18	1–12/17	Change
Net sales	35.2	35.2	-0.0%	124.2	121.2	2.5%
Comparable EBIT	4.0[1]	3.2[2]	25.4%	11.8[1]	8.7[2]	36.2%
% of net sales	11.4%	9.1%		9.5%	7.1%	
EBIT	-3.3	4.5	-172.7%	-10.1	10.0	n/a
% of net sales	-9.3%	12.8%		-8.1%	8.2%	
Comparable ROCE (%)				10.4%	6.9%	
ROCE (%)				-9.4%	8.2%	

1 Excluding IACs of EUR -7.3 million in 10-12/2018 and -21.8 million 1-12/2018
2 Excluding IACs of EUR 1.3 million in 10-12/2017 and in 1-12/2017

October-December

Overall market conditions in the Norwegian equipment rental market remained positive in the fourth quarter and our rental and service sales development was strong. Norway's net sales were at the corresponding quarter's level despite tough comparison figures due to EUR 5.6 million from the sale of a large installed Temporary Space site in the fourth quarter 2017 as well as the divestment of the Temporary Space business in November 2018.

In the fourth quarter, the segment's comparable EBIT increased to EUR 4.0 (3.2) million, driven by strong equipment rental and service sales growth, good sales mix and continued internal efficiency improvements. The segment's EBIT decreased to EUR -3.3 (4.5) million mainly due to expenses related to the divestment of Ramirent's Temporary Space business and restructuring costs related to the network of hubs and customer centers.

January-December

Overall market conditions in the Norwegian equipment rental market were positive in January-December 2018. Norway's net sales increased by 2.5% or by 5.4% at comparable exchange rates. Sales growth was broad-based across all customer groups. Growth was strong especially in the greater Oslo area.

The segment's comparable EBIT increased to EUR 11.8 (8.7) million due to sales growth and continued internal efficiency improvements. The segment's EBIT decreased to EUR -10.1 (10.0) million due to costs related to the divestment of Ramirent's Temporary Space business and restructuring costs.

Personnel, occupational safety and network

At the end of December 2018, Ramirent had 2,905 (2,820) full time equivalent employees (FTE) and Ramirent's rolling 12 months' accident frequency (LTIFR, accidents per million working hours) was 8.1 (7.9). Ramirent's target for LTIFR is to be below 5 by 2020.

Personnel and Customer centers	Personnel (FTE) Dec 31, 2018	Personnel (FTE) Dec 31, 2017	Customer centers Dec 31, 2018	Customer centers Dec 31, 2017
Sweden	838	831	78	79
Finland	564	535	58	57
Eastern Europe	752	715	111	108
Norway	375	396	40	42
Group staff[1]	249	212	–	–
Continuing operations	2,777	2,690	287	286
Discontinued operations	128	130	7	7
TOTAL	2,905	2,820	294	293

1 Group Staff includes employees of Ramirent Plc, Ramirent Internal Services AB, Safety Solutions Jonsereds AB, Ramirent Shared Services AS and the site module assembly plant in Tallinn, Estonia.

Settlement of the long-term incentive plan 2015

The Board of Directors of Ramirent Plc decided on February 8, 2018 on a directed share issue related to the reward payment from Ramirent's Long-term Performance Share Incentive Program 2015. In the share issue, 24,925 of Ramirent Plc's treasury shares were conveyed on March 13, 2018, without consideration as reward payment to the key persons participating in the Ramirent Long-term Performance Share Incentive Program 2015 according to the terms and conditions of the program. The reward represented Matching shares earned on the basis of share ownership. No Performance shares were earned in the plan on the basis of the earning criteria. More detailed information about the terms and conditions of the program is available in a stock exchange release published on February 12, 2015. 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 targets 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 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 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.

Share trading

Ramirent Plc's market capitalization at the end of December 2018 was EUR 592.4 (848.9) million. Excluding the company's treasury shares, the market capitalization was EUR 586.3 (844.6) million. The share price closed at EUR 5.45 (7.81). The highest quotation for the period was EUR 9.62 (9.50), and the lowest EUR 5.06 (6.76). The volume weighted average trading price was EUR 7.33 (8.15).

The value of share turnover in January-December 2018 was EUR 439.8 (400.1) million, equivalent to 60,036,990 (49,345,011) traded Ramirent shares, i.e. 55.8% (45.6%) of Ramirent's number of shares outstanding. The average daily trading volume was 240,148 (196,594) shares, representing an average daily turnover of EUR 1,759,365 (1,593,984).

At the end of December 2018, Ramirent Plc's share capital was EUR 25.0 million, and the number of Ramirent shares outstanding was 107,570,650 (108,145,725). In June 2018, Ramirent repurchased 600,000 own shares based on the authorization by the Annual General Meeting held on March 15, 2018. At the end of December 2018, Ramirent Plc held 1,126,678 (551,603) of the Company's own shares, representing 1.04% (0.51%) of the total number of Ramirent's shares. In December, Ramirent repurchased 74,400 own shares based on the same authorization. The clearing for these shares was on January 2, 2019.

Changes in the Executive Management Team and Board of Directors

On August 17, 2018 Ramirent announced the appointment of Jonas Söderkvist as Executive Vice President, Group Business Development as of September 1, 2018. In this newly formed position Söderkvist is responsible for Group Strategy, M&A, New Business Development, IT and Digitalization.

On August 17, 2018 Ramirent also announced the appointment of Erik Bengtsson as Executive Vice President, Sweden & Denmark, Group Fleet and Sourcing as of September 1, 2018. Bengtsson had been a member of Ramirent Board of Directors since 2017, but as a result of this appointment he left the Board at the end of August 2018.

On October 9, 2018, Ramirent announced that Executive Vice President and CFO Pierre Brorsson will leave the company due to personal reasons as of October 9, 2018. Jonas Söderkvist, Executive Vice President, Group Business Development, will serve as the company's interim CFO as of October 9, 2018.

On December 3, 2018 Ramirent announced that Jukka Havia has been appointed Chief Financial Officer and a member of the Ramirent Executive Management Team. He will take up the position latest on May 1, 2019. Havia will join Ramirent from Tikkurila Oyj, a leading Nordic paint company, where he has been working as a CFO since 2010.

Decisions of the AGM 2018 and Board of Directors' formative meeting

Ramirent Plc's Annual General Meeting (AGM) 2018 was held on March 15, 2018. Ramirent published a stock exchange releases on the decisions made at the Annual General Meeting and the organization of the Board of Directors on March 15, 2018. The stock exchange releases and a presentation of the members of the Board of Directors are available on Ramirent's website at www.ramirent.com.

Group strategy and financial targets 2018-2020

The key building blocks of the "Capital efficient profitable growth in the core" strategy for 2018-2020:

Winning in the small and medium-sized business sector

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

Becoming large customers' supplier of choice

We want to further strengthen our strong position and become 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 to 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 our 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.

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	< 2.5x at end of each fiscal year

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

Risk management and business risks

The purpose of Ramirent's risk management is to provide the Board and management with reasonable assurance of the achievement of the Company's objectives related to strategy and operations, the reliability and correctness of financial reporting and compliance with the relevant regulations and internal policies. Ramirent's risk management activities are continuous and embedded in the business and the design and implementation of internal controls is an integrated part of risk management. Key risk management activities are described in the Risk Management Policy and for financial risks in the Finance Policy. The policies regarding risk management are based on the commonly accepted controls framework (COSO 2013) and standard ISO 31000:2009 (Risk Management).

The management of business operations and common functions is responsible for the execution of risk management. Finance managers in each segment are responsible for coordination of the risk management. Group Finance coordinates the overall risk management process, analyses the risks and responses as well as prepares risk reporting for CFO and CEO oversight and for Working Committee and Board reporting. Every employee must know and manage the risks in their areas of responsibility.

Ramirent has developed a uniform risk assessment and reporting model. Risk identification is based on business objectives and opportunities. Risks are prioritized based on their significance by assessing the financial impact and the probability of realization. When assessing the impact, the reputation, well-being of people and environment are assessed in addition to the financial impact.

Risks are discussed within the risk management steering group at segment, common function and group level. Group Finance prepares a Group Risk Report, on which the CEO comments and presents to the Executive Management Team, the Working Committee and the Board. The Board discusses the most significant risks and uncertainties.

Key risks and uncertainties

Economic cycles and competition

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 closely follows the economic cycle and maintains a large and diverse customer base and a readiness to change. Ramirent operates in a highly competitive business environment where new entrants may easily establish competitive advantage over Ramirent. Ramirent keeps a strong focus on the implementation of actions according to its strategy of attracting both large and small-medium-sized businesses.

Supply chain
New opportunities have been identified to improve the efficiency and service levels in supply chain. Ramirent is building the rental industry's best performing supply chain.

IT security and services
A growing risk of IT security or failure to control the IT services and solutions operations to meet the business demands may cause business interruptions. Ramirent is running a group-wide digitalization program and developing security management.

Non-compliance with laws and regulations
Ramirent operates in different markets and countries and is exposed to changes in local laws and regulations as well as non-compliance, which may occur due to insufficient knowledge. Ramirent operates a decentralized business model, whereby local management is responsible for the establishment of control over local reporting and group instructions are given to ensure sufficient control over group reporting quality.

Misconduct and fraud
Misconduct and fraud by employees or external parties may occur even though the Code of Conduct is publicly available, introduced to every new employee and regularly covered through trainings by managers and HR. SpeakUp Line is made available for external parties on local homepages and for internal parties on the intranet. Everyone is encouraged to speak up on any misconduct noticed or suspected, either in person or anonymously, and all cases are investigated.

Financial risks
Ramirent is exposed to financial risks such as foreign currency, interest rate, liquidity and funding risks. Financial risk management actions aim to secure sufficient funding for operational needs and minimize the funding costs and the effects of changes in foreign exchange rates and interest rates. 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 Ramirent's 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 to reduce the risk. A credit risk exists, as the customers may fail to fulfill their commitments towards Ramirent. Ramirent's business units continuously assess the credit risks of the sales activities and the creditworthiness of the customers by taking into account the customer's financial position and past experiences. Advance payments, deposits and third party guarantees are taken to mitigate the risk.

Corporate responsibility, non-financial information

Ramirent's business model
We want to help our customers to improve their safety and efficiency and support sustainable operations. By sharing and re-using equipment and machines through rental, Ramirent takes an important role in the building of the circular economy. A 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.

Ramirent's sustainability approach 'Share to Succeed' focuses on safety and safety offering, employee engagement and leadership, modern low emission equipment, safe and efficient use of chemicals and responsible business practices. Our sustainability approach is aligned with the Ramirent strategy.

Managing sustainability
Ramirent's annual sustainability agenda is carried out by our Health, Safety, Environment and Quality (HSEQ) Board headed by Head of Process Efficiency and Quality. Our segments make annual plans for monitoring their KPIs. Group HSEQ, HR functions and the Executive Management Team follow the KPIs regularly. The Executive Management Team is responsible for setting and managing sustainability targets at Group level. The Ramirent Board of Directors also monitors sustainability themes. In terms of daily work, sustainability is the responsibility of line management. The HR Board and the HSEQ Board steer the work and bring segments and common functions together. Both HSEQ Board and HSEQ Forum support operating countries in HSEQ related topics. They prepare development projects, share best practices within the Group and monitor the KPIs.

Our ISO multisite certification (including OHSAS 18001 standards) and our quality management system define our key business processes, responsibilities, policies, principles and tools.

Management systems at the end of 2018	
Finland, Sweden, the Baltic Countries, Denmark, Norway	Ramirent quality management system multisite certification (ISO 9001, ISO 14001, OHSAS 18001)
Czech Republic	ISO 9001, ISO 14001
Poland	ISO 14001, OHSAS 18001
Slovakia	ISO 9001, ISO 14001

Responsible business practices

Our work at Ramirent is based on laws and regulations as well as best business practices, which are documented in group-level policies and principles, and local procedures, templates and practice guides. These are continuously developed to reflect existing business circumstances, risks and guide the way of conducting business.

Key policies and principles

Ramirent has implemented the following policies: Code of Conduct, Quality Policy, Occupational Health, Safety and Environmental Policy, Risk Management Policy, Internal Control Policy, Finance Policy, Insider Policy, Decision Making Policy, Signature Policy, Bonus Policy, Competition Compliance Policy, Compliance Policy, Fraud and Anti-Corruption Policy, Privacy Policy.

Development in 2018

Privacy Policy related to GDPR regulations was newly introduced in 2018. Changes were introduced in: Quality, Occupational Health, Safety and Environmental Policy, Risk Management Policy and Finance Policy.

SpeakUp Line

SpeakUp Line gives everyone an opportunity to report, anonymously or under their own name, upon harassment, financial misconduct or any other fraudulent activity suspected or identified. The service is available in the local languages of our operating countries. All reports are investigated by an independent Internal Audit function and appropriate measures will be taken. Cases are reported to Executive Management, Ramirent's Board of Directors and its Working Committee.

Global Compact

Ramirent joined the United Nations' Global Compact initiative in 2015. Our sustainability reporting fulfills the principles of human rights, labor standards, environment and anti-corruption.

Corporate Governance

Ramirent complies with the Finnish Corporate Governance Code 2015 set by the Securities Market Association, as well as with the Finnish Companies Act, other applicable legislation and Ramirent's Articles of Association. More information is available in the Ramirent Financial Statements and at www.ramirent.com.

Safety

Safety is a top priority for Ramirent. We aim to help making 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 among its business partners and customers by providing training in matters related to the safe use of machines and equipment and building a safe working environment.

Ramirent develops tools and practices to help construction projects 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 user data collected from customer project sites throughout the year, Ramirent has developed new products with improved, unique safety features.

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 develops 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 to increase its personnel's competence levels in areas that are strategically important to the Group and will at the same time ensure employee engagement. An example of that is the Ramirent Academy, an internal competence development program. In terms of recruiting, Ramirent is among the many companies for whom digitalization brings new demands regarding the skills of our employees.

Ramirent has defined good leadership behaviors and aim at creating a Great Place to Work and a first-class customer experience at all levels. Our leadership behaviors have been implemented in all our operating countries in 2018. All persons in managerial positions participated in leadership behaviors workshops.

Employee and social matters related risk management
Ramirent's Human Resources (HR) board and Health, Safety, Environmental and Quality (HSEQ) board together manage and develop key areas related to staff as well as health and safety risks in operations. Ramirent has developed and implemented internal controls to mitigate employee-related key risks, established relevant transfers of risk where mitigation is not possible, and insured against certain unforeseen and unexpected events. Risks related to employee competence and engagement are monitored in annual RamiEar employee surveys. Annual development discussions play a key role in supporting the well-being and engagement of Ramirent employees.

At 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 high-quality and safe working clothes and safety equipment and has instructed employees and business partners on Ramirent sites to follow all safety instructions. Instructions and training are provided to employees and customers regarding the safe use of our machinery and equipment to avoid any personal injury.

Human rights, anti-corruption and bribery
In our daily behavior, we respect human rights such as freedom of thought, opinion, expression, religion and the right to assemble peacefully, as well as freedom from any discrimination based on race, age, nationality, gender or sexual orientation. These core principles of the United Nations Global Compact and International Labour Organization are the basis for Ramirent's business conduct as well as other internal rules and practices. We promote a workplace where we approach each other with a smile and service attitude. We maintain a safe, healthy and well-managed work environment.

In 2018, no violations of human rights, corruption or bribery were identified. Preventing human rights violations, corruption and bribery is our target also in the future. To achieve this target, we continuously communicate to our employees and business partners about the Code of Conduct principles. Every new employee and business partner must sign the Code of Conduct before engaging into business. Lack of compliance is continuously followed up and highlighted by HR. The vendors' compliance to human rights is evaluated during the tendering process. If non-compliance is identified, corrective actions are taken.

Environmental matters
Resource efficiency is at the very core of our business, as renting and sharing equipment reduces the environmental burden. Ramirent offers environmentally sustainable solutions that also make financial sense. We look for innovative ways of helping our customers reduce their environmental impact and strive to minimize our own environmental footprint. Our focus areas include optimization of transports, energy efficiency, modern low emission equipment, safe and efficient use of chemicals, water and waste management.

Our quality management system includes key procedures related to environmental issues and covers instructions for environmental impact assessments, use of chemicals, waste management and transport of hazardous chemicals. For example, we measure the energy efficiency of our operations, comply with energy efficiency laws and set local KPIs and actions. In 2018, a new strategic KPI on environmental incident and near misses was introduced and followed up on a monthly and quarterly basis at group and segment level. In waste management, we improve cooperation with partners to ensure high quality. We follow the development of laws and regulations, continuously adjust our routines, and keep our employees and customers well informed.

Fleet lifecycle management

All Ramirent machines have a target useful life span. We strive to improve our existing fleet according to new technological or legislative developments. We ensure our employees obtain sufficient supplier training for machinery and equipment operations and remain knowledgeable in order to train our customers. There are regular maintenance and service programs for all fleet. When a fleet item comes to the end of its life, we evaluate whether a refurbishment is possible and reasonable. The refurbishment program may extend the life of a fleet item up to five years.

Optimized transportation

Ramirent's most significant environmental footprint is caused by transportation. Ramirent's target is to optimize transportation in order to improve customer service, cost-efficiency and be eco-efficient. With the careful planning of logistics, we can deliver equipment from the supplier directly to our customer's worksite. We optimize our hub structure and further improve our transportation efficiency by optimizing routes and increasing the role of centralized warehousing in geographically dense areas. We aim to reach the same sales levels with a smaller fleet capacity. This also supports our capital-efficient growth target.

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 environmental requirements extend from our own activity also to our suppliers, so that our customers know that our offering fulfills environmental standards. Ramirent's environmental risk management is based on Group level policies.

Ramirent's HSEQ board manages environmental risks and takes proactive measures to mitigate them. Ramirent's segments have developed and implemented locally internal controls to mitigate key environmental risks. The environmental risk management practices cover physical inspection of sites, properties and control activities as well as data analysis and follow up of KPIs on a regular basis.

Procurement

Ramirent has approximately 18,000 suppliers. We carry out careful supplier selection during tenders, which always involve environmental criteria such as environmental management systems, resource efficiency and ethical standards. Other selection criteria include, for example, the company profile, quality, reliability, logistics, product development, degree of technological leadership, competence, lifecycle support, productivity, sourcing chain, as well as a financial evaluation. Emission levels are also increasingly considered when procuring new machines.

We have defined guidelines for supply chain management at Group level, while the daily management and operations are carried out locally. Also, guidance on which suppliers to use is provided for all customer centers. Continuous review of the vast supplier base is carried out through regular audits.

Ramirent's key non-financial KPIs			
Indicator	**Target level**	**2018**	**2017**
Safe place to work (LTIFR)[1]	LTIFR <5 by 2020	8.1	7.9
Leadership quality (Leadership Index)[2]	Top quartile of companies by 2020	74.8	74.4
Employee engagement (Engagement Index)[2]	Top quartile of companies by 2020	83.9	83.0
Safety offering (Safety offering sales, %)	Increase sales >7% per annum	12.4	12.8
Environmental incidents	No major incidents	0	n/a

Other non-financial KPIs			
Indicator	**Target level**	**2018**	**2017**
Personnel distribution by gender	Increase % of female employees	16/84%	16/84%
Violations of human rights, corruption or bribery	None	0	0
Recycled waste of total waste	50%	88%	84%

Total amount of waste, T[3]	Declining	5.6	4.5
Overall electricity consumption, MWh/sales[4]	Declining	19.8	19.6
Total number of chemicals used	Maintain level	1,060	1,054

1 LTIFR - Lost time incident frequency rate, incidents per million working hours
2 2018 outcome is from the RamiEar employee survey in November 2018 and the comparable 2017 figure from the January 2018 survey.
3 Excluding Eastern Europe, per net sales
4 In customer centers, hubs and offices, per net sales

Sustainability information measurement principles

Environment, health, safety and quality data is collected at customer centers and hubs by dedicated people. Country HR and HSEQ functions are responsible for collecting the data for each country using local and group-wide data systems. The Group HR and HSEQ functions compile the group-wide data.

Capacity changes

The total number of customer centers and hubs varied during the year depending on new openings and closures of some locations. Also, the demand for Ramirent services affect the environmental figures, such as the amount of waste.

GRI referenced reporting

Ramirent's sustainability reporting references the following GRI Standards disclosures:

302-1 Energy consumption within the organization
306-2 Waste by type and disposal method: total weight of non-hazardous waste
403-2 Hazard identification, risk assessment, and incident investigation
405-1 Diversity of governance bodies and employees: gender diversity
403-9 Work-related injuries: LTIFR
404-2 Programs for upgrading employee skills
414-2 Negative social impacts in the supply chain and actions taken: number of suppliers assessed for social impacts

Ramirent's guidance for 2019

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

Proposal of the Board on the use of distributable funds

The parent company's distributable equity on December 31, 2018 amounted to EUR 203,787,962.10 of which the net result from the financial year 2018 is EUR 10,785,661.58.

The Board of Directors has decided to propose to the Annual General Meeting that a dividend of EUR 0.46 per share be paid based on the adopted balance sheet for the financial year ended on December 31, 2018. The dividend shall be paid in two installments. The first 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 March 18, 2019. The first installment is to be paid on April 4, 2019 for shareholders whose shares are registered in Euroclear Finland Ltd and on April 5, 2019 for shareholders whose shares are registered in Euroclear Sweden AB. 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 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 will issue a Corporate Governance Statement for the financial year 2018 as a separate report. It will be available in Ramirent's Annual Report 2018 and on the company's web page at www.ramirent.com.

Events after the reporting period

On January 28, 2019, Ramirent Plc 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 Plc signed 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 for general corporate purposes. After the re-financing, Ramirent has committed long-term senior credit facilities of EUR 485 million in total and a short-term unsecured bond of EUR 100 million. On December 31, 2018, Ramirent's net debt was EUR 350.6 million.

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

Annual General Meeting 2019

Ramirent's Annual General Meeting 2019 will be held on March 14, 2019 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	10–12/18	10–12/17	1–12/18	1–12/17
(EUR 1,000)				
Continuing operations				
Rental sales	118,207	117,275	451,712	432,449
Service sales	65,123	61,148	237,842	224,069
Sales of equipment	5,229	11,318	22,115	28,977
Net sales	188,559	189,741	711,669	685,495
Cost of sales	-146,060	-145,290	-523,495	-516,203
Gross profit	42,500	44,450	188,174	169,292
Other operating income	281	1,526	791	2,108
Selling, general and administrative costs	-26,854	-21,616	-90,231	-81,655
Losses on disposal of businesses	-1,764	–	-32,284	–
Share of result of associates and joint ventures	100	327	438	994
EBIT	14,263	24,688	66,888	90,739
Financial income	150	108	648	660
Financial expenses	-3,399	-3,613	-11,139	-13,005
Total financial income and expenses	-3,249	-3,505	-10,491	-12,345
EBT	11,015	21,183	56,397	78,393
Income taxes	17	-1,976	-11,530	-13,597
Result from continuing operations	11,032	19,207	44,867	64,796
Discontinued operations				
Result from discontinued operations	1,402	-1,461	2,966	-1,344
Result for the period	12,433	17,746	47,833	63,452
Result for the period attributable to:				
Shareholders of the parent company	12,433	17,746	47,833	63,452
Total	12,433	17,746	47,833	63,452
Earnings per share (EPS) on parent company shareholders' share of result				
Basic, continuing operations, EUR	0.10	0.18	0.42	0.60
Diluted, continuing operations, EUR	0.10	0.18	0.41	0.60
Basic, discontinued operations, EUR	0.01	-0.01	0.03	-0.01
Diluted, discontinued operations, EUR	0.01	-0.01	0.03	-0.01
Basic, EUR	0.12	0.16	0.44	0.59
Diluted, EUR	0.11	0.16	0.44	0.58

Consolidated statement of comprehensive income	10–12/18	10–12/17	1–12/18	1–12/17
(EUR 1,000)				
Result for the period	12,433	17,746	47,833	63,452

Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit obligation, net of tax	-1,218	-845	-1,218	-1,312
Items that may be reclassified to profit or loss in subsequent periods:				
Translation differences	-2,553	-5,241	-9,327	-8,643
Cash flow hedges, net of tax	-487	103	-657	219
Portion of cash flow hedges transferred to profit or loss, net of tax	68	–	68	–
Share of other comprehensive income of associates and joint ventures	-580	-293	-1,778	-1,290
Total	**-3,552**	**-5,431**	**-11,694**	**-9,714**
Other comprehensive income for the period	**-4,769**	**-6,276**	**-12,912**	**-11,026**
Total comprehensive income for the period	**7,664**	**11,470**	**34,921**	**52,426**
Total comprehensive income for the period attributable to:				
Shareholders of the parent company	7,664	11,470	34,921	52,426
Total	**7,664**	**11,470**	**34,921**	**52,426**

Consolidated statement of financial position	Dec 31, 2018	Dec 31, 2017
(EUR 1,000)		
Assets		
Non-current assets		
Property, plant and equipment	515,535	524,768
Goodwill	126,451	134,660
Other intangible assets	13,290	23,800
Investments in associates and joint ventures	6,444	7,785
Non-current financial assets	8,694	10,242
Other non-current assets	385	739
Deferred tax assets	1,038	1,154
Total non-current assets	**671,837**	**703,148**
Current assets		
Inventories	14,705	12,718
Trade and other receivables	126,508	130,585
Current tax assets	1,312	2,572
Cash and cash equivalents	10,292	6,896
Total current assets	**152,817**	**152,772**
Assets held for sale	37,933	–
Total assets	**862,587**	**855,920**
Equity and liabilities		
Equity		
Share capital	25,000	25,000
Revaluation fund	-910	-231
Invested unrestricted equity fund	116,565	116,428
Retained earnings from previous years	104,308	104,871
Result for the period	47,833	63,452

Equity attributable to the parent company shareholders	292,796	309,520
Total equity	292,796	309,520
Non-current liabilities		
Deferred tax liabilities	41,133	47,987
Pension obligations	24,226	22,357
Non-current provisions	2,626	2,563
Non-current interest-bearing liabilities	74,827	174,559
Other non-current liabilities	6,626	4,968
Total non-current liabilities	149,437	252,434
Current liabilities		
Trade payables and other liabilities	116,116	116,557
Current provisions	3,186	2,634
Current tax liabilities	9,002	4,501
Current interest-bearing liabilities	286,052	170,273
Total current liabilities	414,356	293,965
Liabilities associated with assets held for sale	5,998	–
Total liabilities	569,791	546,400
Total equity and liabilities	862,587	855,920

Consolidated cash flow statement	**10–12/18**	**10–12/17**	**1–12/18**	**1–12/17**
(EUR 1,000)				
Cash flow from operating activities				
EBT	11,015	21,183	56,397	78,393
Adjustments				
Depreciation, amortization and impairment charges	27,969	28,463	135,999	109,944
Adjustment for proceeds from sale of used rental equipment	1,175	5,753	5,129	11,170
Financial income and expenses	3,249	3,505	10,491	12,345
Adjustment for proceeds from disposals of subsidiaries	–	-1,269	–	-1,269
Other adjustments	-3,422	3,672	-5,134	4,630
Cash flow from operating activities before change in working capital	39,985	61,307	202,882	215,214
Change in working capital				
Change in trade and other receivables	18,392	11,645	1,727	-11,523
Change in inventories	903	-450	-2,244	-1,745
Change in non-interest-bearing liabilities	-10,044	624	4,840	14,142
Cash flow from operating activities before interests and taxes	49,235	73,126	207,206	216,088
Interest paid	-1,696	-1,260	-8,923	-9,831
Interest received	183	306	568	572
Income tax paid	-1,317	2,781	-13,631	-6,193
Net cash generated from operating activities, continuing operations	46,405	74,952	185,219	200,637
Net cash flow from operating activities, discontinued operations	1,502	-1,339	3,261	-797
Net cash flow from operating activities	47,908	73,614	188,480	199,840
Cash flow from investing activities				

Acquisition of businesses and subsidiaries, net of cash	-21,128	-292	-21,128	-1,001
Investment in tangible non-current assets (rental machinery)	-20,532	-29,968	-161,354	-140,962
Investment in other tangible non-current assets	-1,557	-1,751	-8,342	-10,064
Investment in intangible non-current assets	-285	-608	-672	-2,759
Proceeds from sale of tangible and intangible non-current assets (excluding used rental equipment)	82	76	374	356
Proceeds from sales of businesses and subsidiaries	48,361	15,114	48,361	15,114
Decrease of loan receivables	1,006	1,177	1,459	2,773
Received dividends	–	–	91	121
Net cash flow of investing activities, continuing operations	5,948	-16,251	-141,211	-136,423
Net cash flow of investing activities, discontinued operations	-1,520	-3,744	-6,581	-11,783
Net cash flow from investing activities	**4,428**	**-19,996**	**-147,792**	**-148,205**
Cash flow after investments	**52,336**	**53,618**	**40,688**	**51,634**
Cash flow from financing activities				
Paid dividends	-23,666	-21,629	-47,463	-43,228
Purchase of treasury shares	–	–	-5,648	–
Changes in ownership interests in subsidiaries	–	–	–	-911
Borrowings and repayments of short-term debt (net)	-30,812	-26,194	15,817	9,847
Repayments of non-current debt	–	–	–	-12,015
Net cash flow from financing activities, continuing operations	-54,477	-47,824	-37,293	-46,308
Net cash flow from financing activities	**-54,477**	**-47,824**	**-37,293**	**-46,308**
Net change in cash and cash equivalents during the financial year	**-2,142**	**5,794**	**3,395**	**5,327**
Cash at the beginning of the period	12,433	1,102	6,896	1,570
Change in cash	-2,142	5,794	3,395	5,327
Cash at the end of the period	10,292	6,896	10,292	6,896

*The accounting practices for preparing the cash flow statement have been improved to better reflect the paid amount of investments. The comparative periods have been restated accordingly.

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, 2017	**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
Adoption of IFRS 9 and amended IFRS 2	–	-88	–	–	982	894	–	894
Equity Jan 1, 2018	25,000	-319	116,428	-48,383	217,688	310,414	–	310,414
Translation differences	–	-1	–	-9,326	–	-9,327	–	-9,327
Remeasurement of defined benefit obligation	–	–	–	–	-1,218	-1,218	–	-1,218
Cash flow hedges	–	-590	–	–	–	-590	–	-590
Share of other comprehensive income of associates and joint ventures	–	–	–	-1,778	-	-1,778	–	-1,778
Result for the period	–	–	–	–	47,833	47,833	–	47,833
Total comprehensive income for the period	–	-591	–	-11,103	46,615	34,921	–	34,921
Share based payments	–	–	–	–	434	434	–	434
Purchase of treasury shares	–	–	–	–	-5,648	-5,648	–	-5,648
Issue of treasury shares	–	–	137	–	–	137	–	137
Dividend distribution	–	–	–	–	-47,463	-47,463	–	-47,463
Total transactions with shareholders	–	–	137	–	-52,676	-52,539	–	-52,539
Equity Dec 31, 2018	25,000	-910	116,565	-59,486	211,627	292,796	–	292,796

Notes to the 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, 2017 have been applied, except for the following new and amended standards that are effective and applied from January 1, 2018:

IFRS 15 Revenue from contracts with customers: Revenue recognition in accordance with IFRS 15 has not resulted in any material differences in the timing of the revenue recognition or in the amounts to be recognized, compared to the previous principles. The standard was adopted using the full retrospective method.

IFRS 9 Financial instruments: The new standard effects on the classification and measurement of financial instruments. Following the adoption of IFRS 9 available for sale financial assets have been reclassified as financial assets measured at fair value through profit or loss. Ramirent has adopted an expected credit loss impairment model for recognizing impairment on trade receivables. The effect of the adoption of IFRS 9, EUR -0.3 million, was recognized as a transition adjustment to the opening equity of January 1, 2018.

Amendment to IFRS 2 Share based payment transactions: The main effect to Ramirent is the requirement to account for the full incentive plan as equity settled when Ramirent is obliged to withhold an amount that relates to personal taxes and pay that amount to the tax authority. The effect of the adoption of IFRS 2, EUR 1.2 million, was recognized as a transition adjustment to the opening equity of January 1, 2018.

Ramirent has adopted IFRS 16 "Leases" from January 1, 2019 using the modified retrospective approach which does not require restatement of the comparative periods. The cumulative impact of implementation is accounted for as an adjustment in the opening equity. IFRS 16 requires that lease contracts are recognized in the balance sheet as assets and interest bearing liabilities. Lease expenses in the income statement are replaced by depreciation and interest cost. Adoption of the new standard will effect many key figures, e.g. EBITDA and EBIT will increase, equity ratio and ROCE % will decrease and net debt and net debt to EBITDA will increase.

IFRS 16 increases the number of leases that are recognized as an asset and a liability in the lessee's balance sheet. Ramirent's operating leases relate mainly to premises and premises lease contracts form main part of the right of use asset in the balance sheet. 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. Short-term premises lease agreements and premises lease agreements with indefinite term and short termination period are included in the calculation of the right-of-use asset based on the estimated lease period. Other short-term leases and leases for which the underlying asset is of low value are not be included in the calculation of the right-of-use asset and a lease liability. Split-rent and re-rent agreements are often short-term or include variable lease payments and such agreements are not be included in the calculation. Ramirent has not identified any service contracts that include lease elements.

As at the reporting date Ramirent has non-cancellable operating lease commitments of EUR 88.0 million. The group estimates that approximately 1-5% of these relate to payments for short-term and low value leases which will not be capitalized but recognized on a straight-line basis as an expense in profit or loss. As the short term premises lease contracts as well as premises lease agreements with indefinite term and short termination period are be included in the calculation of the right-of-use asset, the total amount to be capitalized will be higher than the current off balance lease commitment. According to Group's impact analysis the amount to be capitalized as a right-of-use asset and a lease liability at the transition on January 1, 2019 will approximately EUR 110 million. The impact on EBIT is estimated to be positive, EUR 1.4 million on annual bases.

The classification of expenses in the consolidated statement of income is changed to be function based from January 1, 2018. The comparative information in the report has been changed accordingly. In the function based statement of income costs directly associated with generating revenues are included in cost of sales. Cost of sales includes direct material costs and employee benefit expenses as well as also indirect costs that can be attributed to generating revenue, such as depreciation and amortization of assets used by the operations.

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	**10–12/18**	**10–12/17**	**1–12/18**	**1–12/17**
(MEUR)				
Continuing operations				
Net sales	188.6	189.7	711.7	685.5
Change in net sales, %	-0.6%	5.1%	3.8%	3.1%
EBITDA	42.2	53.2	202.9	200.7
% of net sales	22.4%	28.0%	28.5%	29.3%
EBITA	16.9	26.7	90.5	98.6
% of net sales	9.0%	14.1%	12.7%	14.4%
EBIT	14.3	24.7	66.9	90.7
% of net sales	7.6%	13.0%	9.4%	13.2%
EBT	11.0	21.2	56.4	78.4
% of net sales	5.8%	11.2%	7.9%	11.4%
Result for the period, continuing operations	11.0	19.2	44.9	64.8
% of net sales	5.9%	10.1%	6.3%	9.5%
Gross capital expenditure	44.5	27.6	192.7	154.9
% of net sales	23.6%	14.5%	27.1%	22.6%
Group including discontinued operations				
Result for the period attributable to the owners of the parent company	12.4	17.7	47.8	63.5
% of net sales	6.6%	9.4%	6.7%	9.3%
Gross capital expenditure	46.1	31.0	199.5	166.4
% of net sales (as in statement of income)	24.4%	16.3%	28.0%	24.3%
Capital employed at the end of period			653.7	654.4
Return on capital employed, ROCE %			10.2%	14.0%
Return on invested capital, ROI %			10.2%	13.9%

Return on equity, ROE %			16.6%	22.0%
Interest-bearing debt			360.9	344.8
Net debt			350.6	337.9
Net debt to EBITDA ratio			1.7x	1.7x
Gearing, %			119.7%	109.2%
Equity ratio, %			33.9%	36.2%
Personnel, average during reporting period			2,890	2,774
Personnel at end of period (FTE)			2,905	2,820

Share-related key figures	**10–12/18**	**10–12/17**	**1–12/18**	**1–12/17**
Earning per share, EPS, basic (EUR)	0.12	0.16	0.44	0.59
Earning per share, EPS, diluted (EUR)	0.11	0.16	0.44	0.58
Equity per share, at end of reporting period, basic, EUR			2.72	2.86
Equity per share, at end of reporting period, diluted, EUR			2.71	2.85
Dividend per share, EUR			0.46	0.44
Payout ratio, %			103.7%	74.9%
Effective dividend yield, %			8.4%	5.6%
Price/earnings ratio (P/E)[1]			12.3	13.3
Highest share price, EUR			9.62	9.50
Lowest share price, EUR			5.06	6.76
Average share price, EUR			7.33	8.15
Share price at end of reporting period, EUR			5.45	7.81
Market capitalization at end of reporting period, EUR million (excluding treasury shares)			586.3	844.6
Number of shares traded (thousands)			60,037.0	49,345.0
Shares traded, % of total number of shares			55.2%	45.4%
Number of shares, weighted average, basic			107,830,500	108,010,139
Number of shares, weighted average, diluted			108,144,543	108,481,975
Number of shares, at end of reporting period, basic			107,570,650	108,145,725
Number of shares, at end of reporting period, diluted			107,884,693	108,617,561

1 Rolling 12 months

Acquisitions

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 fourth of SRV's equipment rentals and related services at the construction sites and has currently 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.

No major acquisitions were executed in 2017.

A summary of the impact acquisitions is presented below.

Consideration	2018	2017
(MEUR)		
Cash	21.0	–
Total consideration	21.0	–

Recognized amounts of identifiable net assets acquired and liabilities assumed	2018	2017
(MEUR)		
Assets		
Non-current assets		
Property, plant & equipment		
Land	0.2	–
Buildings	1.1	–
Machinery & equipment	13.5	–
Intangible non–current assets	2.4	–
Current assets		
Cash	0.3	–
Other current assets	1.4	–
Total assets	18.9	–
Liabilities		
Deferred tax liabilities	–2.5	–
Interest-bearing liabilities	–	–
Non-interest-bearing liabilities	–1.0	–
Total liabilities	–3.5	–
Total identifiable net assets	15.5	–
Goodwill	5.5	–

Disposals of subsidiaries and business operations

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.

Details of the sale are presented below:

(MEUR)	2018	2017
Total disposal consideration	53.6	-
Carrying amount of disposed net assets	–83.5	-
Transaction costs	–1.4	-
Loss on disposal before income tax	–31.3	-

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 is estimated to be completed in the beginning of 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 2018. The comparative information has been restated accordingly. The transaction did not have any significant impact on Ramirent Group's financial result.

On November 1, 2017 Ramirent finalized the agreement for the sale and lease back of the Norwegian real estate company C6 Invest AS. The company owns Ramirent's hub in Enebakk, Norway. The sales transaction resulted in EUR 1.3 million capital gain that was recognized for 2017. The lease back agreement is interpreted as an operating lease.

Statement of income	**2018**	**2017**
(MEUR)		
Net sales	38.8	38.2
EBIT	4.1	−1.4
Total financial income and expenses	−0.0	−0.0
Earnings before taxes (EBT), discontinued operations	4.1	−1.4
Income taxes	−1.1	0.1
Result for the financial period, discontinued operations	3.0	−1.3

Cash flow of the discontinued operations	**2018**	**2017**
(MEUR)		
Cash flow from operating activities	3.3	−0.8
Cash flow from investing activities	−6.6	−11.8
Cash flow from financing activities	–	–

Assets and liabilities of disposal group classified as held for sale	**2018**	**2017**
(MEUR)		
The following assets and liabilities were reclassified as held for sale in relation to the discontinued operations as at 31 December 2018:		
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	**10–12/18**	**10–12/17**	**1–12/18**	**1–12/17**
(MEUR)				
Sweden				
- External	69.0	72.1	271.7	259.5
- Between segments	0.0	0.2	0.6	0.9
Finland				
- External	52.5	52.4	193.8	191.3
- Between segments	0.1	0.2	0.2	0.2
Eastern Europe				
- External	31.3	29.6	119.5	110.9
- Between segments	-0.0	0.0	0.1	0.1
Norway				

- External	35.2	35.0	124.2	121.1
- Between segments	-0.0	0.2	0.0	0.2
Elimination of sales between segments	0.4	0.2	1.6	1.5
Group net sales	188.6	189.8	711.7	685.5

EBITA	**10–12/18**	**10–12/17**	**1–12/18**	**1–12/17**
(MEUR and % of net sales)				
Sweden	11.3	10.9	45.5	39.5
% of net sales	16.3%	15.1%	16.7%	15.2%
Finland	6.9	6.9	25.2	26.5
% of net sales	13.0%	13.1%	13.0%	13.9%
Eastern Europe	7.6	5.8	31.4	23.7
% of net sales	24.4%	19.7%	26.3%	21.4%
Norway	-3.1	5.2	-1.1	12.5
% of net sales	-8.7%	14.7%	-0.9%	10.3%
Unallocated items	-5.8	-2.1	-10.5	-3.7
Group EBITA	16.9	26.7	90.5	98.6
% of net sales	9.0%	14.1%	12.7%	14.4%

EBIT	**10–12/18**	**10–12/17**	**1–12/18**	**1–12/17**
(MEUR and % of net sales)				
Sweden	10.4	10.1	35.2	36.4
% of net sales	15.1%	13.9%	12.9%	14.0%
Finland	6.6	6.6	23.5	25.3
% of net sales	12.5%	12.5%	12.1%	13.2%
Eastern Europe	7.5	5.7	31.0	23.5
% of net sales	24.1%	19.4%	25.9%	21.2%
Norway	-3.3	4.5	-10.1	10.0
% of net sales	-9.3%	12.8%	-8.1%	8.2%
Unallocated items	-7.0	-2.2	-12.7	-4.4
Group EBIT	14.3	24.7	66.9	90.7
% of net sales	7.6%	13.0%	9.4%	13.2%

Capital employed allocated to segments	**Dec 31, 2018**	**Dec 31, 2017**
(MEUR)		
Sweden	193.4	212.7
Finland	171.3	144.8
Eastern Europe	149.9	129.3
Norway	95.7	101.5
Unallocated items and eliminations	43.4	66.1
Total	653.7	654.4

Return on capital employed (ROCE %) by segment	**Dec 31, 2018**	**Dec 31, 2017**
Sweden	17.1%	17.3%
Finland	15.2%	18.3%
Eastern Europe	21.6%	18.9%
Norway	-9.4%	8.2%
Group	10.2%	14.0%

Comparable return on capital employed (ROCE %) by segment	**Dec 31, 2018**	**Dec 31, 2017**
Sweden	20.9%	17.3%

Finland	17.9%	18.3%
Eastern Europe	21.6%	18.9%
Norway	10.4%	6.9%
Group	15.9%	13.7%

Other notes

Change in tangible and intangible assets and investments	Dec 31, 2018	Dec 31, 2017
(MEUR)		
Carrying value Jan 1	691.0	671.8
Depreciation, amortization and impairment charges	-136.0	-116.1
Additions		
Machinery and equipment	181.2	153.5
Other tangible and intangible assets	18.3	13.0
Decreases		
Sales of rental assets	-5.7	-11.1
Sales of other assets	-0.2	-13.1
Disposal of businesses	-54.7	–
Changes in equity accounted investments	-1.3	-0.3
Classification as held for sale	-35.4	–
Other changes[1]	4.5	-6.5
Carrying value at the end of reporting period	661.7	691.0

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

Commitments and contingent liabilities	Dec 31, 2018	Dec 31, 2017
(MEUR)		
Suretyships	5.0	4.8
Committed investments	28.2	23.7
Non-cancellable minimum future operating lease payments	88.0	82.0
Group share of commitments in joint ventures	0.1	0.1
Off-balance sheet total	121.2	110.7

Obligations arising from derivative instruments	Dec 31, 2018	Dec 31, 2017
(MEUR)		
Interest rate swaps		
Nominal value of underlying object	155.0	115.0
Fair value of the derivative instruments	-1.3	-0.5
Foreign currency forwards		
Nominal value of underlying object	43.9	58.3
Fair value of the derivative instruments	0.4	-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, 2018	**Level 1**	**Level 2**	**Level 3**
(MEUR)			
Interest rate swaps	–	-1.3	–
Foreign currency forwards	–	0.4	–
Contingent considerations	–	–	3.5

Dec 31, 2017	**Level 1**	**Level 2**	**Level 3**
(MEUR)			
Interest rate swaps	–	-0.5	–
Foreign currency forwards	–	-0.3	–
Contingent considerations	–	–	3.1

Reconciliation of level 3 fair values	**Dec 31, 2018**	**Dec 31, 2017**
(MEUR)		
Carrying value Jan 1	3.1	3.9
Translation differences	-0.1	-0.1
Payments	–	-1.8
Discount interest recognized in financial expenses	0.6	1.1
Carrying value at the end of reporting period	3.5	3.1

Fair values versus carrying amounts of financial assets and liabilities	**Carrying amount Dec 31, 2018**	**Fair value Dec 31, 2018**	**Carrying amount Dec 31, 2017**	**Fair value Dec 31, 2017**
(MEUR)				
Financial assets				
Non-current financial assets	8.7	8.7	10.2	10.2
Unquoted equity shares	0.1	0.1	0.1	0.1
Trade receivables	106.9	106.9	115.0	115.0
Cash and cash equivalents	10.3	10.3	6.9	6.9
Total	126.0	126.0	132.1	132.1
Financial liabilities				
Loans from financial institutions	75.9	75.9	77.0	77.0
Bond	100.0	100.9	99.8	104.3
Commercial papers	185.0	185.0	168.0	168.0
Contingent considerations and deferred payments on acquisitions	5.1	5.1	5.0	5.0
Trade payables	39.4	39.4	40.3	40.3
Total	405.4	406.3	390.1	394.7
Interest rate swaps (nominal and fair value)	155.0	-1.3	115.0	-0.5
Foreign exchange forwards (nominal and fair value)	43.9	0.4	58.3	-0.3

Reconciliation of key figures, continuing operations	10–12/18	10–12/17	1–12/18	1–12/17
(MEUR)				
Net Sales	188.6	189.7	711.7	685.5
Other operating income	0.3	1.5	0.8	2.1
Materials and services	-67.1	-68.1	-242.1	-235.5
Employee benefit expenses	-48.2	-46.5	-173.5	-167.8
Other operating expenses	-31.5	-23.9	-94.4	-84.6
Share of result in associates and joint ventures	0.1	0.3	0.4	1.0
Depreciation, amortization and impairment charges	-28.0	-28.5	-136.0	-109.9
EBIT	14.3	24.7	66.9	90.7
Items affecting comparability (IACs) in EBIT:				
Restructuring measures	5.4	–	5.9	–
Divestments and asset disposals (tangible assets)	2.5	-1.3	17.9	-1.3
Divestments and asset disposals (intangible assets)	1.4	–	16.1	–
Comparable EBIT	23.6	23.4	106.8	89.4
Result for the period, continuing operations	11.0	19.2	44.9	64.8
IACs before EBT	9.3	-1.3	39.9	-1.3
Tax effect of IACs	-2.5	–	-4.6	–
Comparable result for the period, continuing operations	17.8	17.9	80.2	63.5
Comparable ROCE:				
Comparable EBIT (R12), continuing operations			106.8	89.4
Capital employed, average			658.4	647.3
IACs affecting capital employed, average			-22.9	-28.0
Comparable Capital employed, continuing operations, average			635.5	619.3
Comparable ROCE (%),			16.8%	14.4%
Comparable ROE:				
Comparable Result for the Period (R12), continuing operations			80.2	63.5
Equity, average			280.0	289.1
IACs affecting Equity, average			20.1	2.9
Comparable Equity, average			300.1	292.0
Comparable ROE (%)			26.7%	21.7%
Comparable EPS:				
Comparable result for the period, continuing operations	17.8	17.9	80.2	63.5
Number of shares (in million), weighted average	107.8	108.0	107.8	108.0
Comparable EPS, EUR	0.17	0.17	0.74	0.59

Exchange rates applied	Average rates 1–12/2018	Average rates 1–12/2017	Closing rates Dec 31, 2018	Closing rates Dec 31, 2017
CZK	25.6432	26.3272	25.7240	25.5350
DKK	7.4532	7.4387	7.4673	7.4449
NOK	9.6006	9.3286	9.9483	9.8403
PLN	4.2606	4.2563	4.3014	4.1770
SEK	10.2567	9.6369	10.2548	9.8438

DEFINITION OF KEY FINANCIAL FIGURES

EBITDA:	Operating profit before depreciation, amortization and impairment charges
EBITA:	Operating profit before amortization and impairment of intangible assets
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 %:	$\frac{\text{EBIT x 100 (rolling 12 months)}}{\text{Group or segment capital employed (average of last 5 quarter end values)}}$
Comparable return on capital employed, ROCE %:	$\frac{\text{(EBIT – items affecting comparability in EBIT) x 100 (rolling 12 months)}}{\text{Group or segment capital employed – items affecting comparability in capital employed (average of last 5 quarter end values)}}$
Capital employed:	Group or segment assets – non-interest-bearing liabilities
Return on equity, ROE %:	$\frac{\text{Result for the period x 100 (rolling 12 months)}}{\text{Total equity (average of last 5 quarter end values)}}$
Comparable return on equity, ROE %:	$\frac{\text{(Result for the period – items affecting comparability) x 100 (rolling 12 months)}}{\text{Total equity – items affecting comparability in equity (average of last 5 quarter end values)}}$
Return on invested capital, ROI %:	$\frac{\text{(Result before taxes + interest and other financial expenses, excluding FX differences) x 100 (rolling 12 months)}}{\text{Total assets – non-interest-bearing debt (average of last 5 quarter end values)}}$
Equity ratio %:	$\frac{\text{Total equity x 100}}{\text{Total assets – advances received}}$
Earnings per share, EPS (EUR):	$\frac{\text{Result for the period +/- non-controlling interest's share of result for the period}}{\text{Average number of shares adjusted for share issued during the financial period}}$
Comparable earnings per share, EPS (EUR):	$\frac{\text{Result for the period +/- non-controlling interest's share of result for the period – items affecting comparability}}{\text{Average number of shares adjusted for share issued during the financial period}}$
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 %:	$\frac{\text{Dividend per share x 100}}{\text{Earnings per share}}$
Net debt:	Interest-bearing debt – cash and cash equivalents
Net debt to EBITDA ratio:	$\frac{\text{Net debt}}{\text{Earnings before interest, taxes, depreciation and amortization (rolling 12 months)}}$
Gearing %:	$\frac{\text{Net debt x 100}}{\text{Total equity}}$
Dividend per share EUR:	$\frac{\text{Dividend paid}}{\text{Number of shares on the registration date for dividend distribution}}$
Effective dividend yield %:	$\frac{\text{Share issue adjusted dividend per share x 100}}{\text{Share issue adjusted final trading price at the end of financial year}}$
Price/earnings ratio:	$\frac{\text{Share issue adjusted final trading price}}{\text{Earnings per share}}$
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

Audiocast and conference call for investment analysts and press

A briefing for investment analysts and the press will be arranged on Friday February 8, 2019 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 interim CFO Jonas Söderkvist. The dial-in numbers are FI: +358 981 710 310, SE: +46 856 642 651, UK: +44 333 300 0804, US: +1 63 1913 1422. Participant code for conference call is 82639391#. A recording of the audiocast and teleconference 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.

Annual General Meeting	March 14, 2019
Interim report January-March 2019	April 30, 2019 at 9:00 a.m. EET
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

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Distribution

Nasdaq Helsinki, Main news media, www.ramirent.com

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

February 8, 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 2,905 co-workers at 294 customer centers across 10 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).
Ramirent – Gear Up. Equipment rental at your service

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