

PONSSE PLC, STOCK EXCHANGE RELEASE, 11 AUGUST 2020, 9:00 a.m.

## PONSSE'S INTERIM REPORT FOR 1 JANUARY – 30 JUNE 2020

- Net sales amounted to EUR 276.4 (H1/2019 315.8) million.
- Q2 net sales amounted to EUR 131.9 (Q2/2019 172.7) million.
- Operating result totalled EUR 21.8 (H1/2019 30.4) million, equalling 7.9 (9.6) per cent of net sales.
- Q2 operating result totalled EUR 8.4 (Q2/2019 17.5) million, equalling 6.4 (10.2) per cent of net sales.
- Profit before taxes was EUR 7.0 (H1/2019 30.1) million.
- Cash flow from business operations was EUR -14.6 (2.7) million.
- Earnings per share were EUR 0.11 (0.83).
- Equity ratio was 47.9 (51.3) per cent.
- Order books stood at EUR 179.3 (361.1) million.

### PRESIDENT AND CEO JUHO NUMMELA:

The second quarter was highly challenging for Ponsse due to the coronavirus pandemic. Challenges that started from problems in the availability of components escalated rapidly into a demand crisis as a result of increased uncertainties in the markets. After the market situation deteriorated, the value of orders received during the second quarter was EUR 110.6 (168.8) million, and our order book decreased to EUR 179 million.

As a result of our fast responses, we were, however, able to adapt effectively to the unexpected situation. At the beginning of the coronavirus pandemic, problems in the availability of components were associated with our European suppliers when their factories especially in Northern Italy and Germany were forced to close their doors. Our preparations enabled us to run our production uninterrupted in one shift. Later in June, we raised the factory capacity back to its normal level. Apart from our production and maintenance personnel, our employees started to work remotely from the middle of March onwards. Despite these changes, Ponsse employees maintained their excellent level of performance, and we continued to develop our company strongly in all our functions.

The uninterrupted factory operations allowed us to maintain our net sales at a satisfactory level in the difficult situation. Ponsse's net sales during the second quarter were EUR 131.9 (172.7) million. The coronavirus pandemic had a broad impact on the operations of our customers, and the net sales of service businesses and used machine operations decreased alongside the sale of new machines. Our sales of used machines were low, especially at the beginning of the second quarter, and our stocks of used machines increased considerably during the period under review. Towards the end of the quarter, all our business areas started to clearly recover.

When business activities decreased, all our employees were subject to fixed-term layoffs and effective cost cuts during the quarter. These measures had a significant impact on our financial

performance. Ponsse's operating profit for the quarter was EUR 8.4 (17.5) million, with the operating profit rate being 6.4 (10.2) per cent. We cut our operating costs by roughly 20 per cent during the second quarter. Cumulative cash flow at the end of the second quarter was EUR -14.6 (2.7) million. There was no need to recognize through profit and loss any significant one-time items effecting operating result for the period under review and company has strong consolidated statement of financial position.

In this challenging operating environment, we will continue to normally invest in sales, maintenance and the availability of spare parts, and we will serve our customers to the best of our ability. We will focus on matters that are within our scope of influence. In particular, our investments in the development of our products continue to produce good results. Our factory in Vieremä is right on schedule and in excellent shape. Our satisfactory order book allows our factory to run in two shifts at a full capacity.

The uncertainties arising from the coronavirus pandemic have rapidly changed our operating environment and reduced demand for forest machines. Next autumn will be a challenge for us. It is important to increase our order book during the autumn to ensure normal operations, also next year.

Our priority is to protect the health of our employees, customers and other stakeholders in all conditions.

## NET SALES

Consolidated net sales for the period under review amounted to EUR 276.4 (315.8) million, which is 12.5 per cent less than in the comparison period. International business operations accounted for 76.0 (79.7) per cent of net sales.

Net sales were regionally distributed as follows: Northern Europe 42.9 (37.7) per cent, Central and Southern Europe 22.8 (21.1) per cent, Russia and Asia 11.5 (16.3) per cent, North and South America 22.1 (24.5) per cent and other countries 0.7 (0.4) per cent.

## PROFIT PERFORMANCE

The operating result amounted to EUR 21.8 (30.4) million. The operating result equalled 7.9 (9.6) per cent of net sales for the period under review. Consolidated return on capital employed (ROCE) stood at 4.8 (22.6) per cent.

Staff costs for the period totalled EUR 42.9 (48.0) million. Other operating expenses stood at EUR 24.0 (29.1) million. The net total of financial income and expenses amounted to EUR -14.8 (-0.3) million. Exchange rate gains and losses with a net effect of EUR -13.5 (0.6) million were recognised under financial items for the period. The parent company's net receivables from other Group companies stood at EUR 111.1 (106.4) million. Receivables from subsidiaries mainly consisted of trade receivables, with unregistered tax receivables from unrealised exchange rate losses from unhedged items related to the valuation of trade receivables having an impact on the Group's effective tax rate. Result for the period under review totalled EUR 2.9 (23.2) million. Diluted and undiluted earnings per share (EPS) came to EUR 0.11 (0.83).

## STATEMENT OF FINANCIAL POSITION AND FINANCING ACTIVITIES

At the end of the period under review, the total consolidated statements of financial position amounted to EUR 484.8 (403.0) million. Inventories stood at EUR 174.8 (157.1) million. Trade receivables totalled EUR 38.5 (53.0) million, while liquid assets stood at EUR 103.3 (24.2) million. Group

shareholders' equity stood at EUR 229.5 (202.2) million and parent company shareholders' equity (FAS) at EUR 215.7 (187.8) million. The amount of interest-bearing liabilities was EUR 165.0 (77.6) million. The company has ensured its liquidity by withdrawal of current loan from credit facility limit and commercial paper programme. The company has used 41 per cent of its credit facility limit. Group's loans from financial institutions are non-collateral bank loans without financial covenants. Consolidated net liabilities totalled EUR 61.7 (53.3) million, and the debt-equity ratio (net gearing) was 26.9 (26.3) per cent. The equity ratio stood at 47.9 (51.3) per cent at the end of the period under review.

Cash flow from operating activities amounted to EUR -14.6 (2.7) million. Cash flow from investment activities came to EUR -7.2 (-11.5) million.

## ORDER INTAKE AND ORDER BOOKS

Order intake for the period totalled EUR 217.4 (391.6) million, while period-end order books were valued at EUR 179.3 (361.1) million.

## DISTRIBUTION NETWORK

The subsidiaries included in the Ponsse Group are Ponsse AB, Sweden; Ponsse AS, Norway; Ponssé S.A.S., France; Ponsse UK Ltd, the United Kingdom; Ponsse Machines Ireland Ltd, Ireland, Ponsse North America, Inc., the United States; Ponsse Latin America Ltda, Brazil; Ponsse Uruguay S.A., Uruguay; OOO Ponsse, Russia; Ponsse Asia-Pacific Ltd, Hong Kong; Ponsse China Ltd, China and Epec Oy, Finland. The Group includes also the property company Ponsse Centre, Russia. Sunit Oy, Finland, is an associate in which Ponsse Plc has a holding of 34 per cent.

## R&D AND CAPITAL EXPENDITURE

Group's R&D expenses during the period under review totalled EUR 10.9 (9.6) million, of which EUR 4.4 (3.1) million was capitalised.

Capital expenditure totalled EUR 7.2 (11.7) million. It consisted in addition to capitalised R&D expenses of investments in buildings and ordinary maintenance and replacement investments for machinery and equipment.

## MANAGEMENT

A separate release was issued on 27 May 2020 regarding the changes in members of the Management Team.

The following persons were members of the Management Team: Juho Nummela, President and CEO, acting as the chairman; Petri Häkkinen, Deputy CEO, CFO; Juha Inberg, Technology and R&D Director; Tapio Mertanen, Service Director; Paula Oksman, HR Director; Tommi Väänänen, Director of Delivery Chain Process and Marko Mattila, Sales and Marketing Director. The company management has regular management liability insurance.

The area director organisation of sales is led by Marko Mattila, the Group's sales and marketing director, and Tapio Mertanen, service director. Area directors report to Jussi Hentunen, Ponsse retail network manager. Managing directors of subsidiaries and Jussi Hentunen report to Marko Mattila, Ponsse Plc's sales and marketing director.

The geographical distribution and the responsible persons are presented below:

Northern Europe:

Jani Liukkonen (Finland),  
Carl-Henrik Hammar (Sweden, Denmark and Norway) and  
Tarmo Saks (the Baltic countries).

Central and Southern Europe:

Tuomo Moilanen (Germany and Austria),  
Clément Puybaret (France),  
Janne Tarvainen (Spain and Portugal),  
Dean Robson (the United Kingdom),  
Patrick Murphy (Ireland),  
Gary Glendinning (Hungary, Romania, Slovenia, Croatia and Serbia) and  
Tarmo Saks (Poland, Czech Republic and Slovakia).

Russia and Asia:

Jaakko Laurila (Russia and Belarus),  
Janne Tarvainen (Australia and South Africa) and  
Risto Kääriäinen (China and Japan).

North and South America:

Pekka Ruuskanen (the United States),  
Eero Lukkarinen (Canada),  
Fernando Campos (Brazil) and  
Martin Toledo (Uruguay, Chile and Argentina).

## PERSONNEL

The Group had an average staff of 1,771 (1,755) during the period and employed 1,777 (1,808) people at period-end.

## SHARE PERFORMANCE

The company's registered share capital consists of 28,000,000 shares. The trading volume of Ponsse Plc shares for 1 January – 30 June 2020 totalled 2,206,888, accounting for 7.9 per cent of the total number of shares. Share turnover amounted to EUR 54.8 million, with the period's lowest and highest share prices amounting to EUR 19.36 and EUR 33.00, respectively.

At the end of the period, shares closed at EUR 25.40, and market capitalisation totalled EUR 711.2 million.

At the end of the period under review, the company held 227 treasury shares.

## ANNUAL GENERAL MEETING

A separate release was issued on 27 May 2020 regarding the authorizations given to the Board of Directors and other resolutions at the AGM.

## GOVERNANCE

In its decision-making and administration, the company observes the Finnish Limited Liability

Companies Act, other regulations governing publicly listed companies and the company's Articles of Association. The company's Board of Directors has adopted the Code of Governance that complies with the Finnish Corporate Governance Code approved by the Board of the Securities Market Association. The purpose of the code is to ensure that the company is professionally managed and that its business principles and practices are of a high ethical and professional standard.

The Code of Governance is available on Ponsse's website in the Investors section.

## RISK MANAGEMENT

Risk management is based on the company's values, as well as strategic and financial objectives. Risk management aims to support the achievement of the objectives specified in the company's strategy, as well as to ensure the financial development of the company and the continuity of its business.

Furthermore, risk management aims to identify, assess and monitor business-related risks which may influence the achievement of the company's strategic and financial goals or the continuity of its business. Decisions on the necessary measures to anticipate risks and react to observed risks are made on the basis of this information.

Risk management is a part of regular daily business, and it is also included in the management system. Risk management is controlled by the risk management policy approved by the Board.

A risk is any event that may prevent the company from reaching its objectives or that threatens the continuity of business. On the other hand, a risk may also be a positive event, in which case the risk is treated as an opportunity. Each risk is assessed on the basis of its impact and probability. Methods of risk management include avoiding, mitigating and transferring risks. Risks can also be managed by controlling and minimising their impact.

## SHORT-TERM RISK MANAGEMENT

The insecurity in the world economy may result in a decline in the demand for forest machines. The uncertainty may be increased by the volatility of developing countries' foreign exchange markets. The geopolitical situation, in particular, will increase the uncertainty through financial market operations and sanctions. Changes taking place in the fiscal and customs legislation in countries to which Ponsse exports may hamper the company's export trade or its profitability.

The coronavirus pandemic has caused rapid changes in the company's operating environment. The company's management has actively monitored and forecasted the development of the pandemic and taken preventive and corrective action to minimise its impact. Prolonging of coronavirus pandemic may have a significant impact on demand for forestry machines, and also availability of components and financing.

The parent company monitors the changes in the Group's internal and external trade receivables and the associated risk of impairment.

The key objective of the company's financial risk management policy is to manage liquidity, interest and currency risks. The company ensures its liquidity through credit limit facilities agreed with a number of financial institutions. The effect of adverse changes in interest rates is minimised by utilising credit linked to different reference rates and by concluding interest rate swaps. The effects of currency rate fluctuations are partly mitigated through derivative contracts.

## OUTLOOK FOR THE FUTURE

Ponsse issued a profit warning on 17 March 2020 to cancel its previous guidance, according to which Ponsse Group's euro-denominated operating profit in 2020 was expected to be at the same level as in 2019.

Currently, the significance of the coronavirus pandemic and its impact on Ponsse's business operations, financial position, operating results or liquidity cannot be reasonably evaluated due to the rapid development and uncertainty of the situation.

Given that it is still unclear how long the pandemic will last, we will not be providing result guidance for the current year at this point.

The Group will continue to keep costs under strict control and make investments after thorough consideration.

## PONSSE GROUP

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)

	IFRS 1-6/20	IFRS 1-6/19	IFRS 1-12/19
<b>NET SALES</b>	<b>276,408</b>	<b>315,804</b>	<b>667,402</b>
Increase (+)/decrease (-) in inventories of finished goods and work in progress	17,577	28,743	15,718
Other operating income	928	1,240	3,046
Raw materials and services	-194,189	-227,944	-447,390
Expenditure on employment-related benefits	-42,851	-47,962	-92,693
Depreciation and amortisation	-11,998	-10,400	-21,219
Other operating expenses	-24,041	-29,088	-57,563
<b>OPERATING RESULT</b>	<b>21,836</b>	<b>30,393</b>	<b>67,302</b>
Share of results of associated companies	-60	-54	305
Financial income and expenses	-14,764	-284	-1,032
<b>RESULT BEFORE TAXES</b>	<b>7,011</b>	<b>30,055</b>	<b>66,574</b>
Income taxes	-4,064	-6,870	-14,564
<b>NET RESULT FOR THE PERIOD</b>	<b>2,947</b>	<b>23,185</b>	<b>52,010</b>
<b>OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:</b>			
Translation differences related to foreign units	2,793	1,026	2,373
<b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD</b>	<b>5,740</b>	<b>24,211</b>	<b>54,383</b>
Diluted and undiluted earnings per share*	0.11	0.83	1.86
 <b>NET SALES</b>			
Increase (+)/decrease (-) in inventories of finished goods and work in progress	-4,892	9,434	
Other operating income	458	698	
Raw materials and services	-82,158	-119,347	
Expenditure on employment-related benefits	-20,224	-25,910	
Depreciation and amortisation	-5,964	-5,215	
Other operating expenses	-10,721	-14,843	
<b>OPERATING RESULT</b>	<b>8,405</b>	<b>17,536</b>	
Share of results of associated companies	-40	-15	
Financial income and expenses	213	-709	
<b>RESULT BEFORE TAXES</b>	<b>8,577</b>	<b>16,812</b>	
Income taxes	-2,445	-3,792	
<b>NET RESULT FOR THE PERIOD</b>	<b>6,133</b>	<b>13,020</b>	
 <b>OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:</b>			
Translation differences related to foreign units	950	-152	
<b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD</b>	<b>7,082</b>	<b>12,868</b>	

Diluted and undiluted earnings per share*	0.22	0.47
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)**

	IFRS 30 Jun 20	IFRS 30 Jun 19	IFRS 31 Dec 19
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	34,843	28,342	32,213
Goodwill	3,792	3,790	3,794
Property, plant and equipment	110,686	112,720	118,507
Financial assets	370	98	370
Investments in associated companies	685	491	849
Non-current receivables	1,119	2,246	1,196
Deferred tax assets	3,870	4,571	3,844
<b>TOTAL NON-CURRENT ASSETS</b>	<b>155,365</b>	<b>152,258</b>	<b>160,773</b>
<b>CURRENT ASSETS</b>			
Inventories	174,805	157,054	153,158
Trade receivables	38,486	53,040	47,171
Income tax receivables	421	459	351
Other current receivables	12,338	16,006	16,646
Cash and cash equivalents	103,348	24,229	48,704
<b>TOTAL CURRENT ASSETS</b>	<b>329,398</b>	<b>250,788</b>	<b>266,030</b>
<b>TOTAL ASSETS</b>	<b>484,763</b>	<b>403,046</b>	<b>426,803</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7,000	7,000	7,000
Other reserves	3,460	3,462	3,460
Translation differences	8,192	4,053	5,399
Treasury shares	-2	0	-2
Retained earnings	210,812	187,674	216,264
<b>EQUITY OWNED BY PARENT COMPANY</b>			
<b>SHAREHOLDERS</b>	<b>229,462</b>	<b>202,189</b>	<b>232,121</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing liabilities	48,176	47,193	48,030
Deferred tax liabilities	1,075	1,182	1,407
Other non-current liabilities	48	31	23
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>49,299</b>	<b>48,405</b>	<b>49,460</b>
<b>CURRENT LIABILITIES</b>			
Interest-bearing liabilities	116,874	30,396	33,652
Provisions	4,135	4,900	3,450
Tax liabilities for the period	1,210	2,557	3,021
Trade creditors and other current liabilities	83,784	114,599	105,099
<b>TOTAL CURRENT LIABILITIES</b>	<b>206,002</b>	<b>152,452</b>	<b>145,221</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>484,763</b>	<b>403,046</b>	<b>426,803</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)

	IFRS 1-6/20	IFRS 1-6/19	IFRS 1-12/19
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net result for the period	2,947	23,185	52,010
Adjustments:			
Financial income and expenses	14,764	285	1,032
Share of the result of associated companies	60	54	-305
Depreciation and amortisation	11,998	10,400	21,219
Income taxes	4,064	6,870	14,564
Other adjustments	-323	-589	-790
Cash flow before changes in working capital	33,511	40,204	87,730
Change in working capital:			
Change in trade receivables and other receivables	8,299	-13,201	-7,828
Change in inventories	-27,829	-28,838	-24,187
Change in trade creditors and other liabilities	-21,235	11,151	2,398
Change in provisions for liabilities and charges	685	-518	-1,968
Interest received	41	152	301
Interest paid	-632	-350	-765
Other financial items	-1,036	-475	-882
Income taxes paid	-6,411	-5,459	-11,944
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES (A)</b>	<b>-14,608</b>	<b>2,666</b>	<b>42,854</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Investments in tangible and intangible assets	-7,247	-11,661	-28,567
Proceeds from sale of tangible and intangible assets	2	128	322
<b>NET CASH FLOWS USED IN INVESTMENT ACTIVITIES (B)</b>	<b>-7,245</b>	<b>-11,533</b>	<b>-28,245</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Acquisition of treasury shares	0	0	0
Withdrawal/Repayment of current loans	83,655	5,298	7,166
Repayment of non-current loans	0	0	0
Withdrawal/Repayment of finance lease liabilities	-1,302	-1,355	-2,402
Change in non-current receivables	327	547	832
Dividends paid	-6,623	-22400	-22,400
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES (C)</b>	<b>76,058</b>	<b>-17,910</b>	<b>-16,803</b>
Change in cash and cash equivalents (A+B+C)	54,205	-26,777	-2,194
Cash and cash equivalents on 1 Jan	48,704	51,105	51,105
Impact of exchange rate changes	439	-100	-208
Cash and cash equivalents on 30 Jun/31 Dec	103,348	24,229	48,704

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR 1,000)

A = Share capital

B = Share premium and other reserves

C = Translation differences

D = Treasury shares

E = Retained earnings

F = Total shareholders' equity

	EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS					
	A	B	C	D	E	F
<b>SHAREHOLDERS' EQUITY</b>						
1 JAN 2020	7,000	3,460	5,400	-2	216,264	232,121
Translation differences			2,793			2,793
Result for the period					2,947	2,947
Total comprehensive income for the period			2,793		2,947	5,740
Dividend distribution					-8,399	-8,399
<b>SHAREHOLDERS' EQUITY</b>						
30 JUN 2020	7,000	3,460	8,193	-2	210,812	229,462
<b>SHAREHOLDERS' EQUITY</b>						
1 JAN 2019	7,000	3,462	3,027	0	186,667	200,155
Translation differences			1,026			1,026
Result for the period					23,185	23,185
Total comprehensive income for the period			1,026		23,185	24,211
Dividend distribution					-22,400	-22,400
Direct entries to retained earnings					223	223
<b>SHAREHOLDERS' EQUITY</b>						
30 JUN 2019	7,000	3,462	4,053	0	187,674	202,189

## SEGMENT INFORMATION (EUR 1,000)

## OPERATING SEGMENTS

	Central and Northern Europe	Southern Europe	Russia and Asia	North and South America	Total
1-6/2020					
Net sales of the segment	189,341	64,350	32,329	62,122	348,142
Sales between segments	-70,603	-1,210	-655	-1,096	-73,563
Unallocated sales					1,830
<b>NET SALES FROM EXTERNAL CUSTOMERS</b>	<b>118,738</b>	<b>63,139</b>	<b>31,675</b>	<b>61,026</b>	<b>276,408</b>
Operating result of the segment	2,329	8,457	996	6,783	18,565
Unallocated items					3,271
<b>OPERATING RESULT</b>	<b>2,329</b>	<b>8,457</b>	<b>996</b>	<b>6,783</b>	<b>21,836</b>

## OPERATING SEGMENTS

	Northern Europe	Central and Southern Europe	Russia and Asia	North and South America	Total
1-6/2019					
Net sales of the segment	219,206	67,520	52,007	78,913	417,647
Sales between segments	-99,993	-912	-604	-1,648	-103,157
Unallocated sales					1,315
NET SALES FROM EXTERNAL CUSTOMERS	119,213	66,608	51,403	77,265	315,804

Operating result of the segment	6,475	9,821	7,135	9,052	32,484
Unallocated items					-2,091
OPERATING RESULT	6,475	9,821	7,135	9,052	30,393

1. LEASING COMMITMENTS (EUR 1,000)	30 Jun 20	30 Jun 19	31 Dec 19
	653	1,242	858

2. CONTINGENT LIABILITIES (EUR 1,000)	30 Jun 20	30 Jun 19	31 Dec 19
Guarantees given on behalf of others	0	223	20
Responsibility of checking the VAT deductions made on real property investments	8,217	8,398	8,700
Other commitments	6	78	159
TOTAL	8,223	8,699	8,879

3. PROVISIONS (EUR 1,000)	Guarantee provision		
1 January 2020	3,450		
Provisions added	1,117		
Provisions cancelled	-432		
30 June 2020	4,135		

4. DIVIDENDS PAID (EUR 1,000)	30 Jun 20	30 Jun 19	
Dividends per share EUR 0.30 (EUR 0.80)	8,400	22,400	

5. PROPERTY, PLANT AND EQUIPMENT (EUR 1,000)	1-6/20	1-6/19	
Increase	5,354	10,905	
Decrease	-5,519	-64	
TOTAL	-165	10,841	

6. RELATED PARTY TRANSACTIONS	1-6/20	1-6/19	
Management's employment-related benefits (EUR 1,000)			
Salaries and other short-term employment-related benefits	2,247	2,520	
Benefits paid upon termination of employment	0	0	
Pension liabilities, statutory pension security	673	346	
Compensation of the members of the Board of Directors	123	123	

KEY FIGURES AND RATIOS	30 Jun 20	30 Jun 19	31 Dec 19
R&D expenditure, MEUR	10.9	9.6	19.3
Capital expenditure, MEUR	7.2	11.7	28.6
as % of net sales	2.3	3.7	4.3
Average number of employees	1,771	1,755	1,761
Order books, MEUR	179.3	361.1	256.8

Equity ratio, %	47.9	51.3	54.8
Diluted and undiluted earnings per share (EUR)	0.11	0.83	1.86
Equity per share (EUR)	8.20	7.22	8.29

## FORMULAE FOR FINANCIAL INDICATORS

Return on capital employed, %:  
 Result before taxes + financial expenses

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 Shareholder's equity + interest-bearing financial liabilities (average during the year) \* 100

Average number of employees:  
 Average of the number of personnel at the end of each month. The calculation has been adjusted for part-time employees.

Net gearing, %:  
 Interest-bearing financial liabilities – cash and cash equivalents

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 Shareholders' equity \* 100

Equity ratio, %:  
 Shareholders' equity + Non-controlling interests

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 Balance sheet total - advance payments received \* 100

Earnings per share:  
 Net result for the period - Non-controlling interests

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 Average number of shares during the accounting period, adjusted for share issues

Equity per share:  
 Shareholders' equity

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 Number of shares on the balance sheet date, adjusted for share issues

ORDER INTAKE (EUR million)	1-6/20	1-6/19	1-12/19
Ponsse Group	217.4	391.6	642.2

The stock exchange release for the interim report has been prepared observing the recognition and valuation principles of IFRS, and the requirements of IAS 34 have been complied with. The same accounting principles were observed for the closing of the books as for the annual financial statements dated 31 December 2019.

The above figures have not been audited.

The above figures have been rounded and may therefore differ from those given in the official financial statements.

This communication includes future-oriented statements that are based on the assumptions currently made by the company's management and its current decisions and plans. Although the management believes that the future expectations are well founded, there is no certainty that these expectations will prove to be correct. This is why the results may significantly deviate from the assumptions

included in the future-oriented statements as a result of, among other things, changes in the economy, markets, competitive conditions, legislation or currency exchange rates.

Vieremä, 11 August 2020

PONSSE PLC

Juho Nummela  
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*Ponsse Plc is a company specialising in the sales, manufacture, servicing and technology of cut-to-length method forest machines and is driven by genuine interest in its customers and their business. Ponsse develops and manufactures sustainable and innovative harvesting solutions based on customers' needs.*

*The company was established by forest machine entrepreneur Einari Vidgrén in 1970, and it has been a leader in timber harvesting solutions based on the cut-to-length method ever since. Ponsse is headquartered in Vieremä, Finland. The company's shares are quoted on the NASDAQ OMX Nordic List.*