




# Refocusing for higher financial performance through sustainability and growth in profitable core businesses

CEO, MIKA VEHVILÄINEN  
30 March 2022

# Disclaimer

Although forward-looking statements contained in this presentation are based upon what management of the company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. These statements are not guarantees of future performance and undue reliance should not be placed on them. The company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.

All the discussion topics presented during the session and in the attached material are still in the planning phase. The final impact on the personnel, for example on the duties of the existing employees, will be specified only after the legal requirements of each affected function/ country have been fulfilled in full, including possible informing and/or negotiation obligations in each function / country.



# Refocusing for higher financial performance through sustainability and growth in profitable core businesses

# Our strategic direction remains the same...

## PURPOSE

**SMARTER CARGO FLOW FOR A BETTER EVERYDAY**

## VISION

**Global Leader in Sustainable Cargo Flow**

## BREAKTHROUGH OBJECTIVES

**Sustainability**

**Profitable Growth**

## CONCRETE TARGET

**Reduce 1 million tonnes of CO<sub>2</sub> equivalent by 2024**

### WHERE TO WIN

**Grow in core and adjacent businesses & markets**

**Solve customer challenges in climate change and sustainability**

**Invest in industry innovation and transformation**

**Expand lifecycle services**

### HOW WE MEASURE

**Financial performance**

**Absolute CO2 reduction**

**Share of sales of eco-offering**

**Leadership index**

**Customer satisfaction scores**

...but we plan to further focus our business

ACCELERATE **HIAB**  
GROWTH

FOCUS **KALMAR**  
TOWARDS MOBILE  
SOLUTIONS

EVALUATE  
STRATEGIC  
OPTIONS FOR  
**MACGREGOR**

Kalmar  
**ROBOTIC**  
portfolio

We will support our customers with  
lifecycle services as well as  
market leading equipment and technology



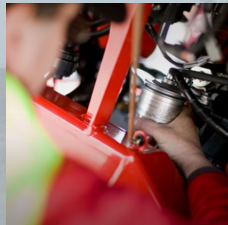
# Our future business portfolio would focus on high margin solutions and recurring business

## Core Businesses

 **HIAB**



Equipment



Services

 **KALMAR**



Mobile  
Equipment



Shuttle &  
Straddle carriers



Services and  
automation



Bromma

## Exit planning

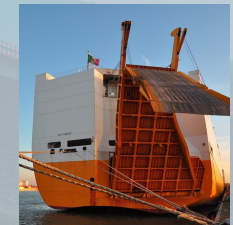
 **KALMAR**



ASC, RTG, RMG,  
STS

## Under evaluation

 **MACGREGOR**



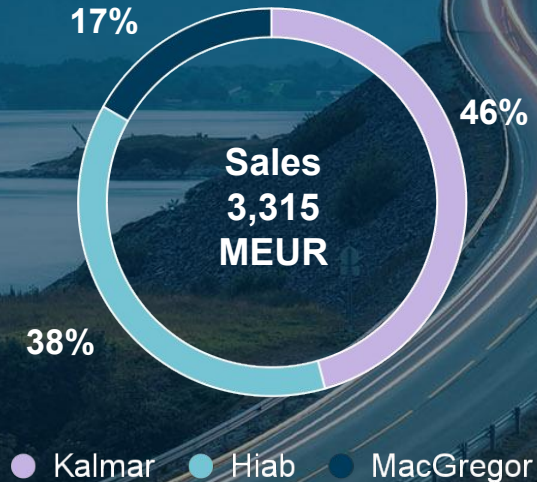
Equipment



Services

# Cargotec today based on 2021 figures

Sales: **EUR 3,315 million**  
Comparable operating profit:  
**7.0%** (EUR 232 million)  
Gearing: **27%**



Sales: EUR **1,512** million  
Comparable operating profit:  
**7.9%** (EUR 120 million)



Sales: EUR **1,250** million  
Comparable operating profit:  
**13.3%** (EUR 166 million)



Sales: EUR **553** million  
Comparable operating profit:  
**-2.7%** (EUR -15 million)



# These profitable core businesses represent 80% of the current group

## **HIAB**

Sales **EUR 1,250 million**  
Comparable operating profit: **13.3%**  
Order book: **EUR 985 million**

## **KALMAR** Core Business

Sales: **EUR 1,365 billion**  
Comparable operating profit: **10.1%**  
Order book: **EUR 1,151 million**

Sales  
3,315  
**MEUR\***

Order book  
2,847  
**MEUR\***

## **MACGREGOR**

Sales **EUR 553 million**  
Comparable operating profit: **-2.7%**  
Order book: **EUR 560 million**

## **KALMAR** Heavy cranes

Sales: **EUR 97 million**  
Comparable operating profit: **-20.8%**  
Order book: **EUR 151 million**

2021 figures,  
management estimates

\*Cargotec total

# Refocused Cargotec - Balanced portfolio of sustainable and profitable businesses

Indicative group structure, management estimates based on 2021 figures

Sales  
EUR **2.6** billion

Comparable  
operating profit  
**10.1%**

Service sales  
**31%**



Sales: EUR 1,250 million  
Comparable operating profit:  
**13.3%**  
Service sales: **28%**



Sales: EUR 1,365 million  
Comparable operating profit:  
**10.1%**  
Service sales: **33%**

# Hiab is one of the fastest growing Nordic industrials

**Solid track record** of delivering profitable growth

**#1 or #2 market position** in most product categories globally

**Strategy** to grow organically at twice the rate of the market

**Growing services and digital offering** are key to delivering differentiated customer experience

**Focus on electrification and robotics** catalyzing growth, creating a sustainable future

**Multiple M&A opportunities** in the pipeline



# We plan to shift the focus of Kalmar towards highly profitable mobile solutions

**Kalmar Mobile Solutions** is a solid cash generating ~10% EBIT business

**#1 or #2 market position** in most product categories

**Mobile equipment demand** is driven by smaller and intermodal terminals, distribution segment and vast installed base supporting also service growth

**Future growth** from solving customer challenges in climate change with electrification, automation and digitalisation

**Focus automation investments** on straddle & shuttle carriers and robotisation of mobile equipment

**Planning to exit\*** from the loss making heavy cranes business



# MacGregor has strong growth prospects, but does not fit within our refocused strategic direction

**Global leader** in sustainable maritime cargo and load handling solutions

**Strong growth prospects** driven by positive cycle development, increasing energy prices, offshore wind growth and carbon capture

**Significant business transformation** successfully completed

**Does not fit** to our strategic direction due to new focus on recurring businesses

**Evaluation of strategic options** including potential sale\* of MacGregor, inclusive of its merchant, offshore and services businesses



# Going forward - planned actions within next 12 months

Initiate strategic evaluation of MacGregor business

Plan to exit heavy cranes business in Kalmar

Plan review of operational model to support refocused group

Prioritise capital allocation on:

Accelerating  
M&A  
pipeline

Continuing R&D  
investments in  
Electrification, Robotics  
and Digitalisation

Maintaining strong focus  
on Mission Climate  
actions

# Committed and capable Leadership Team ready to deliver on the strategy



**Mika Vehviläinen**  
CEO



**Mikko Puolakka**  
CFO



**Michel van Roozendaal**  
President, Kalmar  
Mobile Solutions



**Antti Kaunonen**  
President, Kalmar  
Automation Solutions



**Scott Phillips**  
President, Hiab



**Leif Byström**  
President, MacGregor



**Outi Aaltonen**  
SVP, General Counsel



**Carina Geber-Teir**  
SVP, Communications



**Mikael Laine**  
SVP, Strategy




**Soili Mäkinen**  
SVP, CIO



**Mikko Pelkonen**  
SVP, Human Resources

# Outlook for 2022 remains unchanged

Cargotec estimates  
2022 comparable  
operating profit   
to improve  
compared to 2021  
(EUR 232 million)





# Refocused Cargotec is an attractive investment opportunity

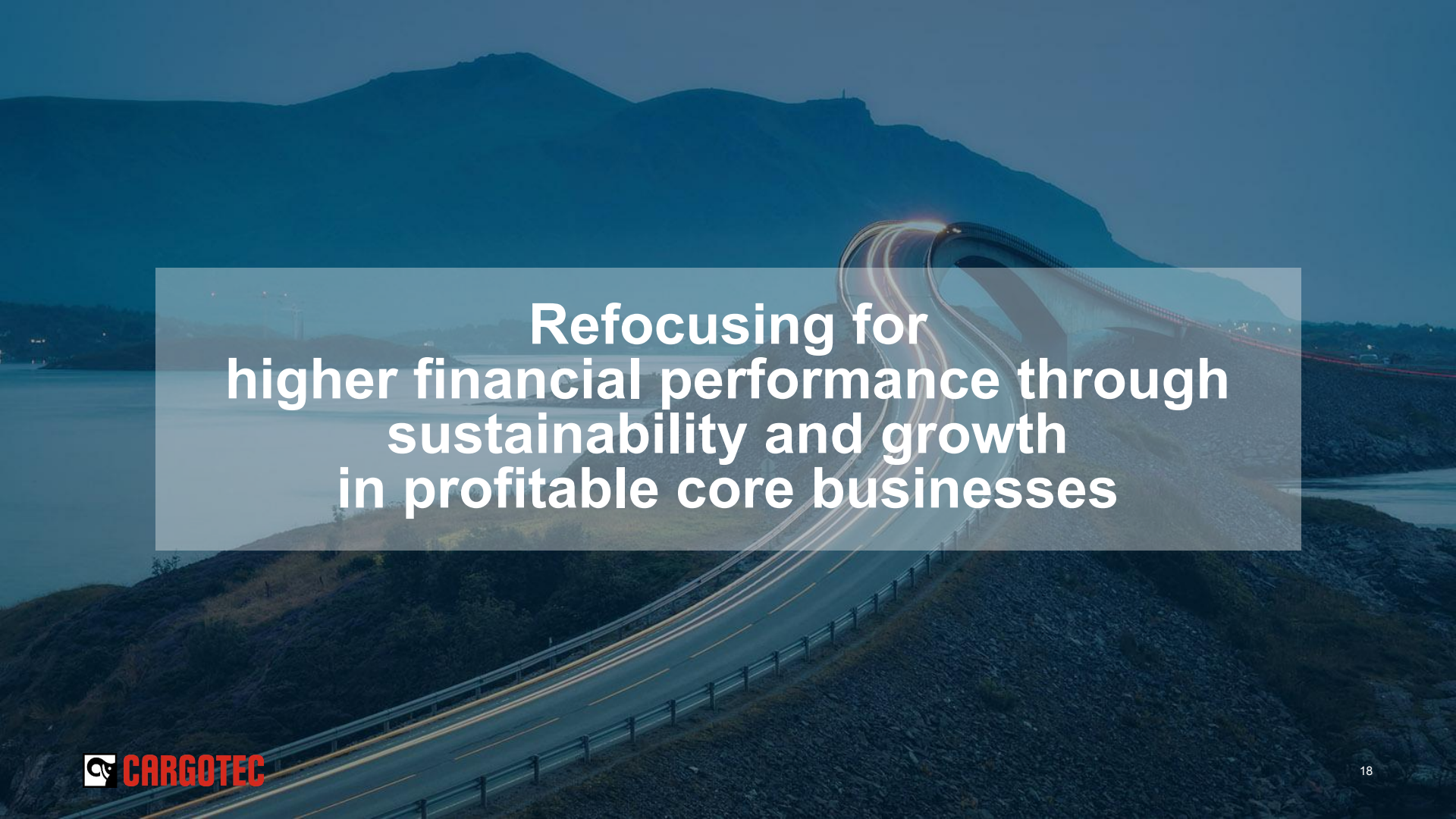
**#1 or #2 market positions in structurally attractive and growing markets**

**Strong balance sheet and highly profitable businesses**

**Climate change as a business opportunity through electrification, robotisation and digitalisation**

**Growing service business**

**Ambitious climate targets**



**Refocusing for  
higher financial performance through  
sustainability and growth  
in profitable core businesses**



# Appendix

# Cargotec has currently three business areas

**Sales:**  
**EUR 3,315 million**  
**EBIT: 7.0%**

## **Kalmar**

Sales: **EUR 1,512 million**  
EBIT: **7.9%** (EUR 120 million)

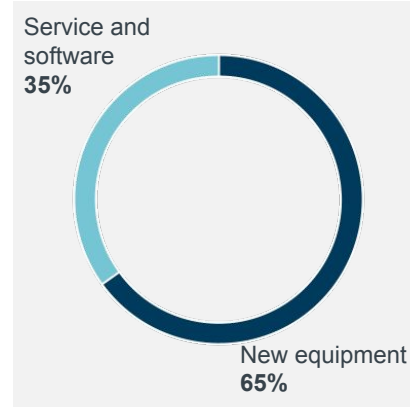
## **Hiab**

Sales: **EUR 1,250 million**  
EBIT: **13.3%** (EUR 166 million)

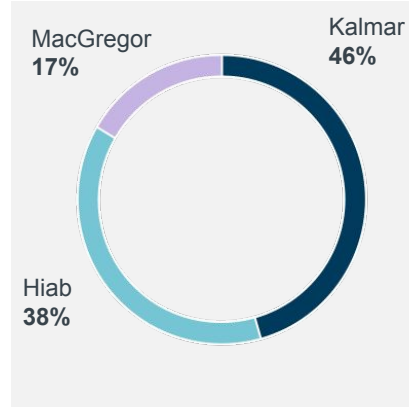
## **MacGregor**

Sales: **EUR 553 million**  
EBIT: **-2.7%** (EUR -15 million)

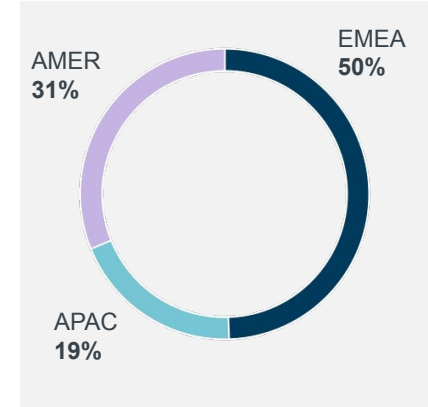
**Sales split: new  
equipment vs service  
and software**



**Sales by  
business area**



**Sales by  
geographical area**



## **Strengths we are building upon**

Leading market positions  
in all segments

Strong brands

Loyal customers

Leading in technology



# Kalmar

# Kalmar is in unique position to benefit from the growth prospects in electrification and port automation

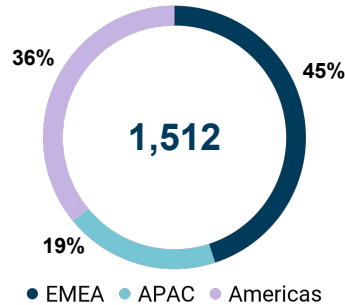
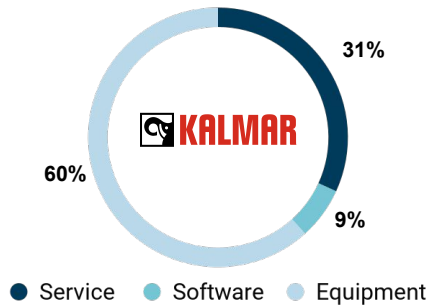
Kalmar offers cargo handling equipment and automated terminal solutions, software and services used in ports, terminals, distribution centres and various industries.

Number of personnel  
**4,876**

Sales  
**MEUR 1,512**

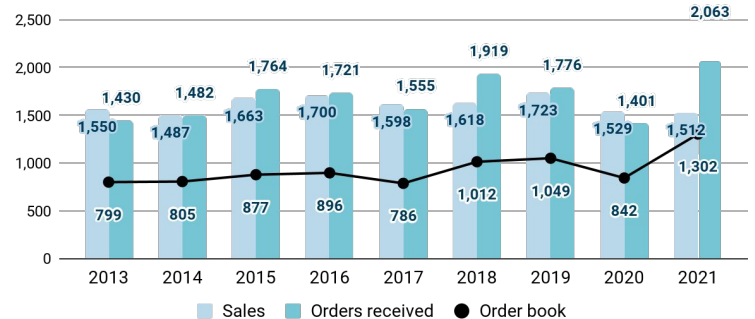
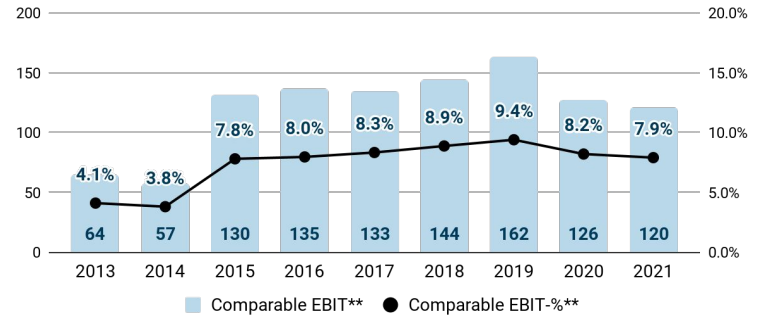
Service and software sales  
(% of sales)

Geographical sales split



## Development of historical financials

MEUR



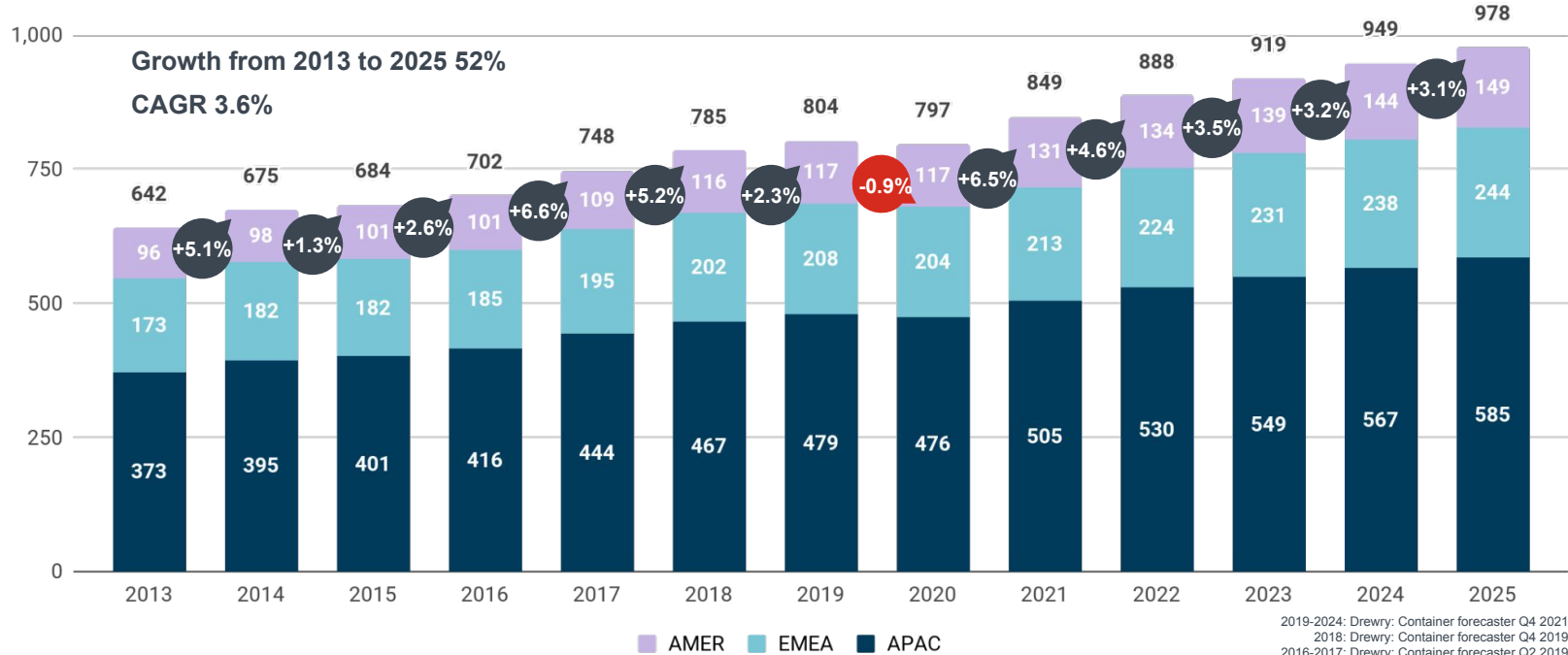
# Kalmar has leading market position in all core segments

		MARKET SIZE* (EUR billion)	KEY SEGMENTS	GLOBAL POSITION & MEDIUM TERM MARKET TREND	KEY COMPETITORS
REACHSTACKERS AND ECH'S		~0.8	Ports & Terminals, Heavy Logistics	#1 in Europe →	 <b>SANY</b>  <b>HYSTER-YALE</b> <b>KONECRANES</b>
FORKLIFT TRUCKS		~0.7*	Heavy Logistics, Metal, Forestry, Ports & Terminals	#1 in Europe* →	 <b>HYSTER-YALE</b>  <b>TAYLOR</b>
TERMINAL TRACTORS		~1.3	Distribution, Ports & Terminals	#1 in US →	 <b>TERBERG</b>  <b>TICO</b>
BROMMA SPREADERS		~0.2	Ports & Terminals	#1 globally →	 <b>ZPMC</b>  <b>ELMI</b>  <b>FRAM SPREADERS</b>
STRADDLE AND SHUTTLE CARRIERS		~0.3	Ports & Terminals	#1 globally →	 <b>KONECRANES</b>  <b>LIEBHERR</b>  <b>ZPMC</b>  <b>TCM Logisnext</b>
SERVICES		~8	Ports & Terminals, Heavy Logistics, Metal, Forestry	~6% market share →	 <b>TVH</b> + Other equipment manufacturers

\*Medium and heavy forklift trucks

# Container throughput is estimated to continue to grow

TEU million



2019-2024: Drewry: Container forecaster Q4 2021  
 2018: Drewry: Container forecaster Q4 2019  
 2016-2017: Drewry: Container forecaster Q2 2019  
 2015: Drewry: Container forecaster Q2 2018

2013-2014 Drewry Global Container Terminal Operators Annual Report 2013



# Hiab



# Hiab is a global market leader in on-road load handling solutions

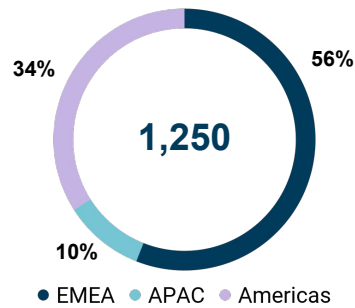
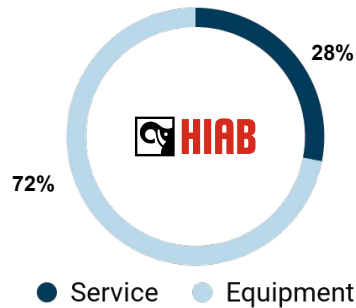
Hiab's class-leading load handling offering includes loader cranes, forestry and recycling cranes, truck mounted forklifts, skiploaders and hooklifts, and tail lifts as well as intelligent services and smart and connected solutions. Hiab's customers come from a broad range of industries and segments.

Number of personnel  
**3,585**

Sales  
**MEUR 1,250**

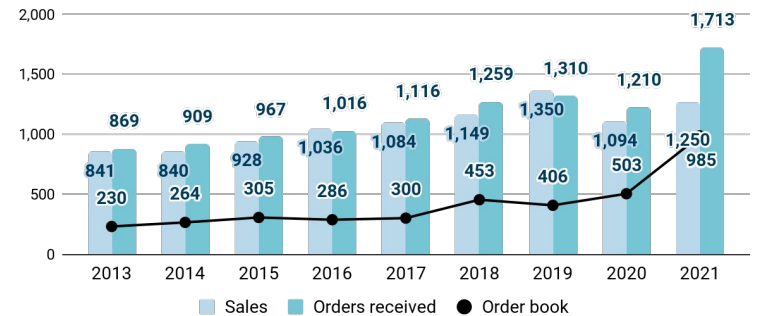
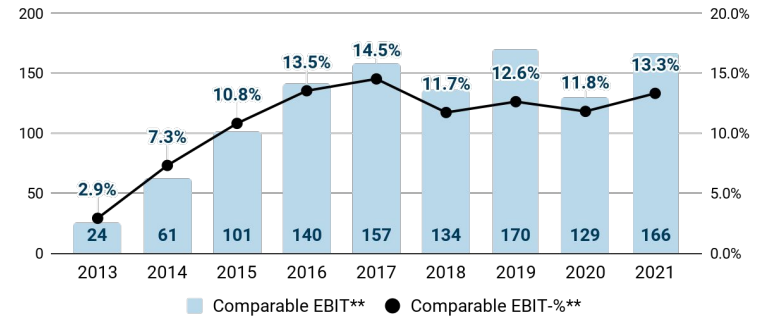
Service sales  
(% of sales)

Geographical sales split



## Development of historical financials

MEUR



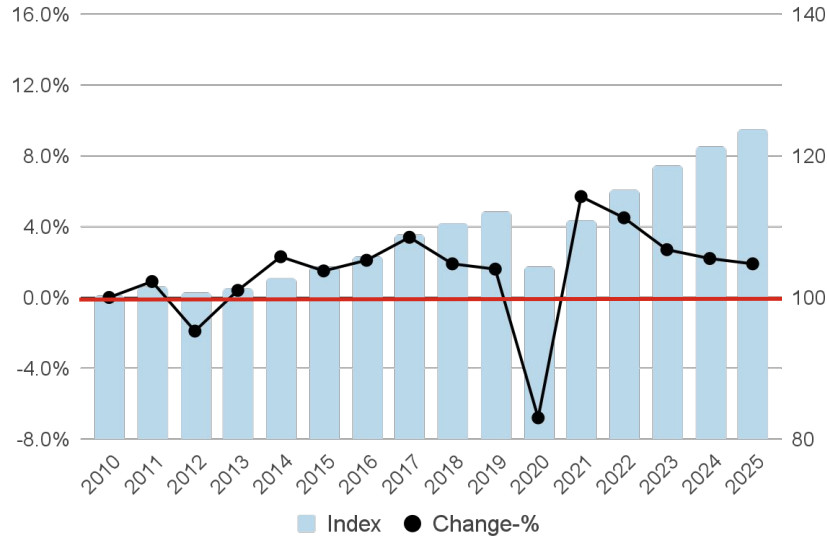
# Strong global market position: One global competitor, most are focused niche players

		MARKET SIZE* (EUR billion)	KEY SEGMENTS	HIAB GLOBAL POSITION & TREND	KEY COMPETITORS
LOADER CRANES		~1.5	Construction and Logistics	#2 ↗	 
TAIL LIFTS		~0.9	Retail Industry and Logistics	#3 →	 
DEMOUNTABLES		~0.6	Waste and Recycling, Defense	#1 ↗	 
TRUCK MOUNTED FORKLIFTS		~0.3	Construction and Logistics	#1 →	 
FORESTRY & RECYCLING CRANES		~0.3	Timber, Pulp, Paper & Recycling	#2 →	 

# Construction output driving growth opportunity

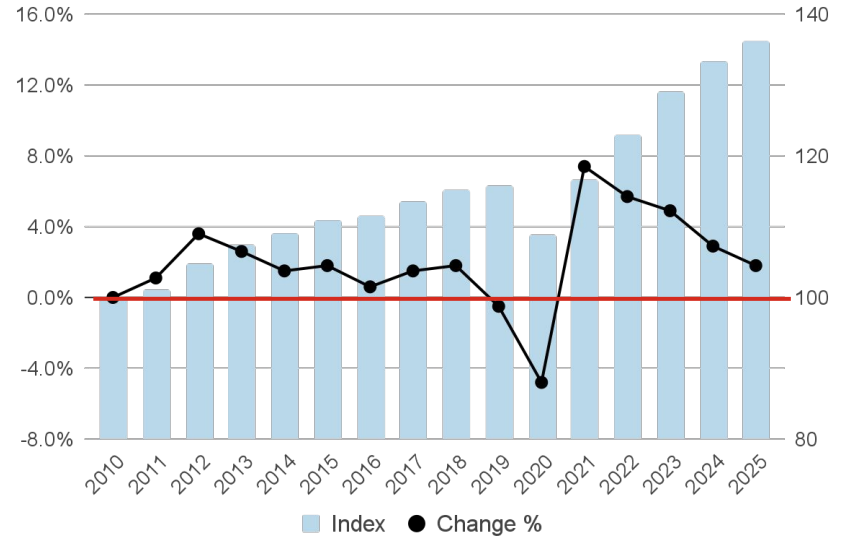
## EMEA construction output

y/y change (%)



## AMER construction output

y/y change (%)



Oxford Economics: Industry output forecast  
12/2021



# MacGregor

# MacGregor is a world-leading provider of intelligent maritime cargo and load handling solutions

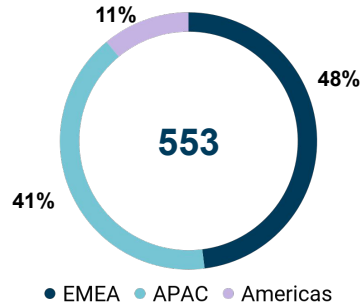
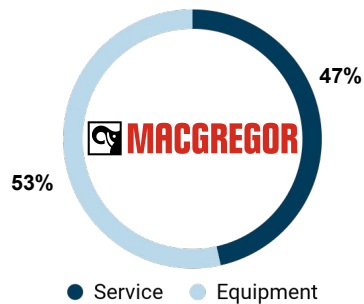
MacGregor offers engineering and lifetime service solutions for merchant cargo and passenger vessels; the offshore oil and gas and renewable energy sectors; fishing, research and marine-resource vessels; naval operations and logistics vessels, and ports and terminals.

Number of personnel  
**1,909**

Sales  
**MEUR 553**

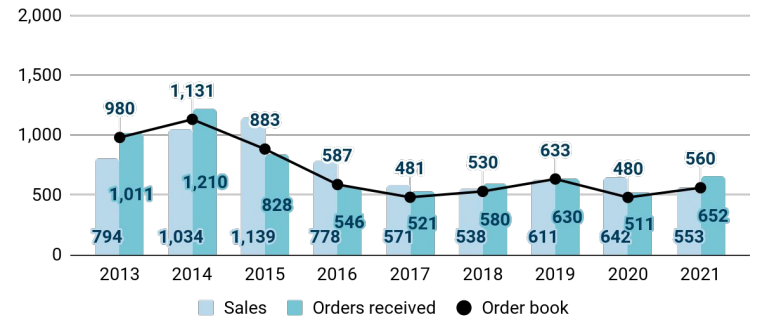
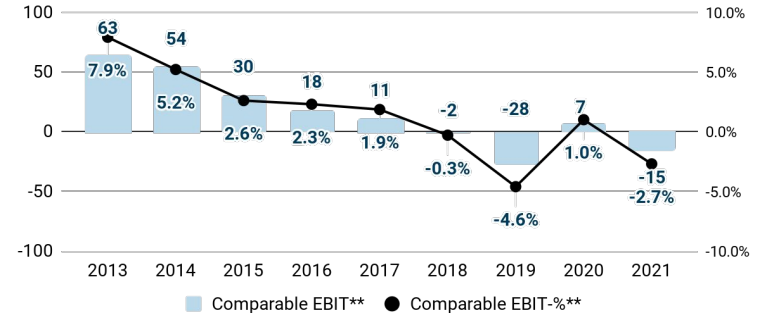
Service sales  
(% of sales)

Geographical sales split



## Development of historical financials

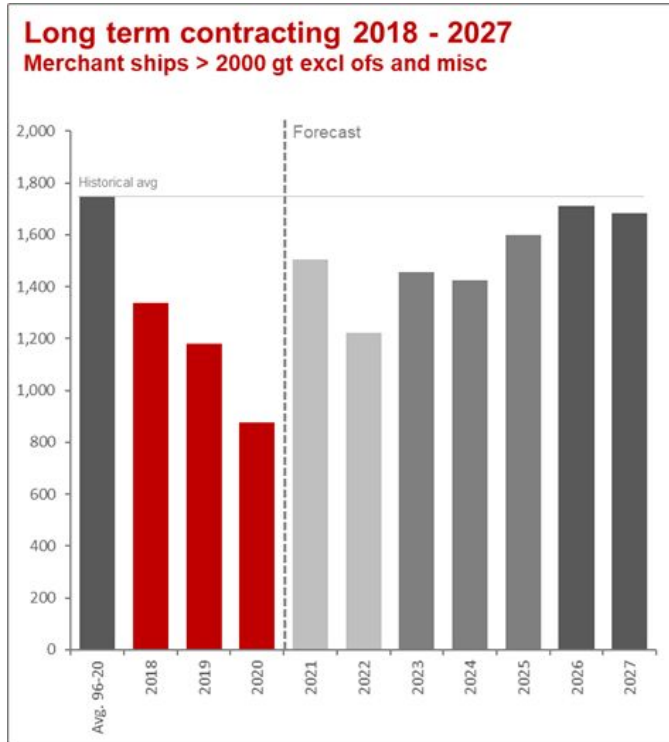
MEUR



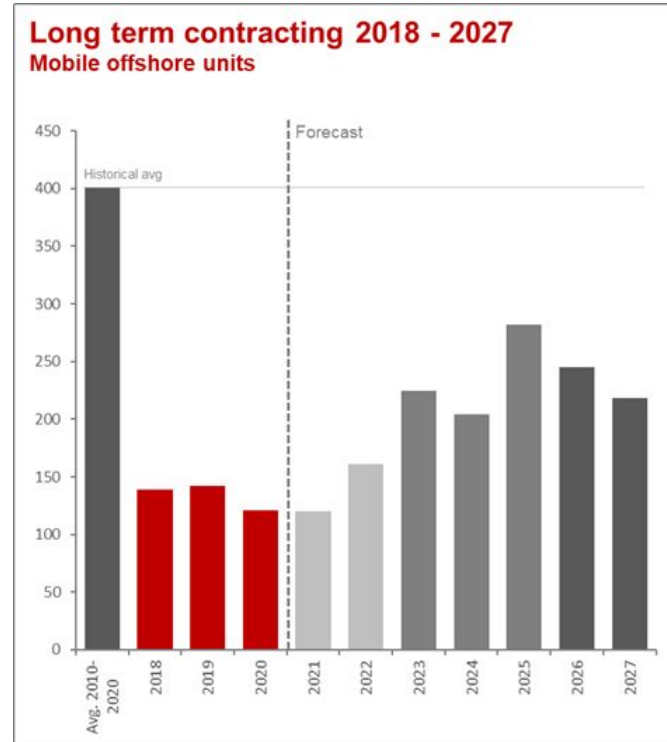
\*2021 figures

\*\* definition changed 2021, figures 2020 onwards according to the new definition

# Merchant Ships and Offshore contracting outlook improving



Environmental regulation with accelerating energy efficiency requirement drives merchant ships contracting



Offshore wind drives contracting of dedicated offshore wind vessels, and also a wider range of other mobile offshore units.



# Financials

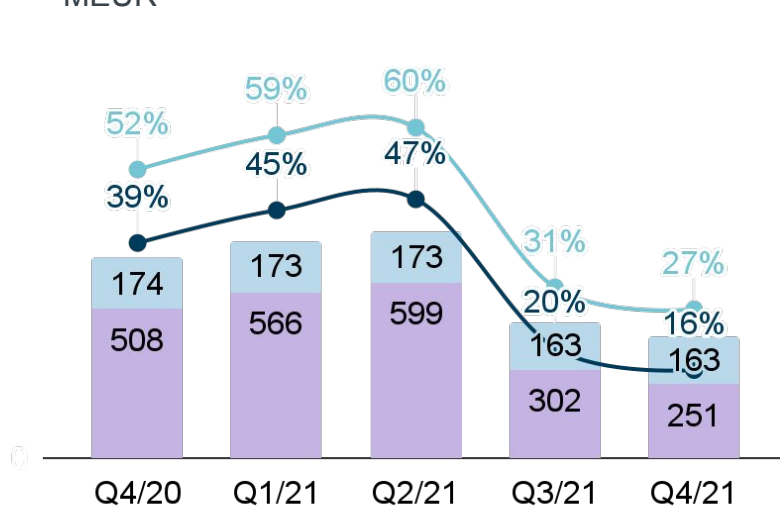


# Key figures – Gain from sale of Navis business had significant impact on 2021 operating profit

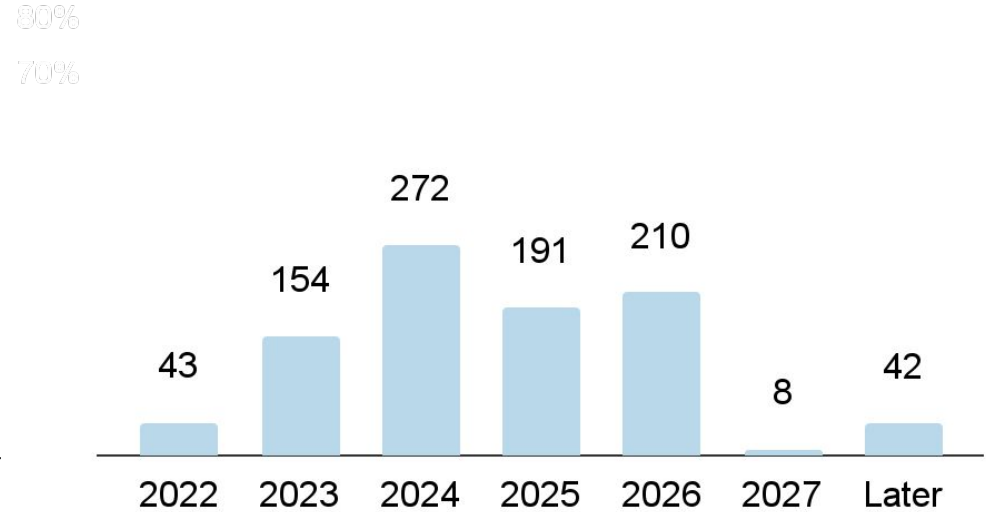
	Q4/21	Q4/20	Change	2021	2020	Change
Orders received, MEUR	<b>1,051</b>	963	9%	<b>4,427</b>	3,121	42%
Order book, MEUR	<b>2,847</b>	1,824	56%	<b>2,847</b>	1,824	56%
Sales, MEUR	<b>910</b>	873	4%	<b>3,315</b>	3,263	2%
Comparable operating profit, MEUR	<b>45</b>	70	-35%	<b>232</b>	227	2%
Comparable operating profit, %	<b>5.0%</b>	8.0%	-300bps	<b>7.0%</b>	6.9%	10bps
Items affecting comparability, MEUR	<b>-37</b>	-52	29%	<b>124</b>	-156	>100%
Operating profit, MEUR	<b>8</b>	18	-53%	<b>356</b>	70	>100%
Operating profit, %	<b>0.9%</b>	2.0%	-110bps	<b>10.7%</b>	2.2%	850bps
Net income, MEUR	<b>-8</b>	7	<-100%	<b>247</b>	8	>100%
Earnings per share, EUR	<b>-0.13</b>	0.10	<-100%	<b>3.82</b>	0.13	>100%
Earnings per share, EUR*	<b>0.35</b>	0.70	-50%	<b>2.37</b>	1.61	47%
ROCE, %**	<b>14.5%</b>	2.8%	1170bps	<b>14.5%</b>	2.8%	1170bps

# Strong financial position and balanced maturity profile

Net debt & gearing  
MEUR



Maturity profile, 31 December 2021

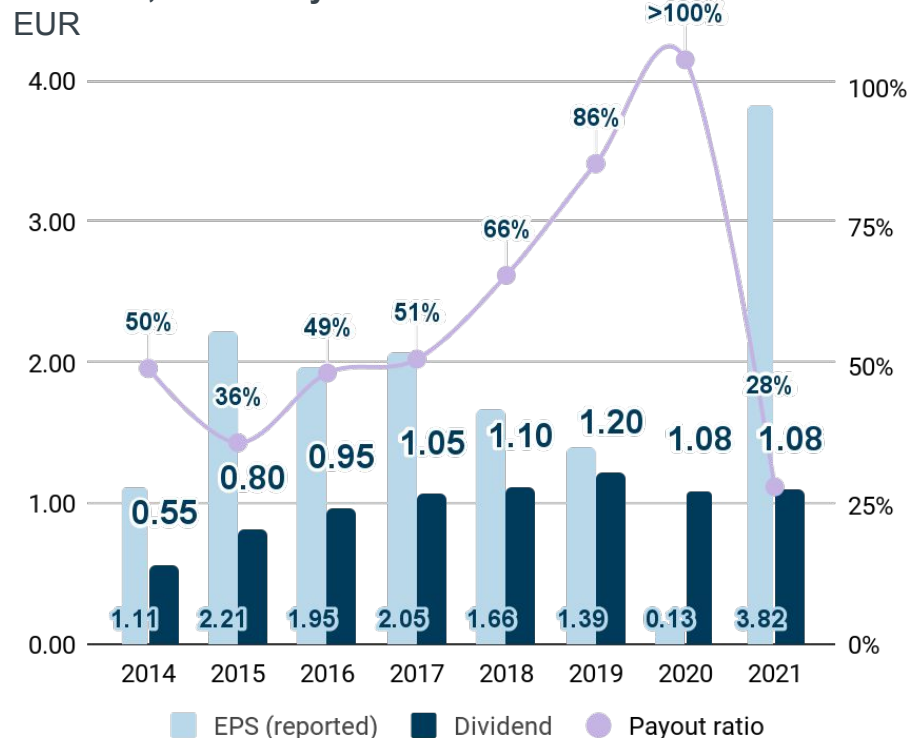


● Gearing-% excluding IFRS16

- Gearing-%
- IFRS16 Lease liability\*
- Net debt\* excluding IFRS 16 Lease liability

# Dividend of 1.08 EUR in 2021

Dividend, EPS & Payout ratio



- Maximum of EUR 70 million profit distribution in the Combination agreement
- Cargotec's AGM held on 17 March 2022 approved:
  - Dividend of 1.08 per class B share
  - Record date 21 March 2022
  - Payment date 28 March 2022
- 2021 EPS includes gain from Navis disposal <sup>35</sup>
  - Calculated from EPS excl. items affecting comparability, payout ratio for 2021 is 46%

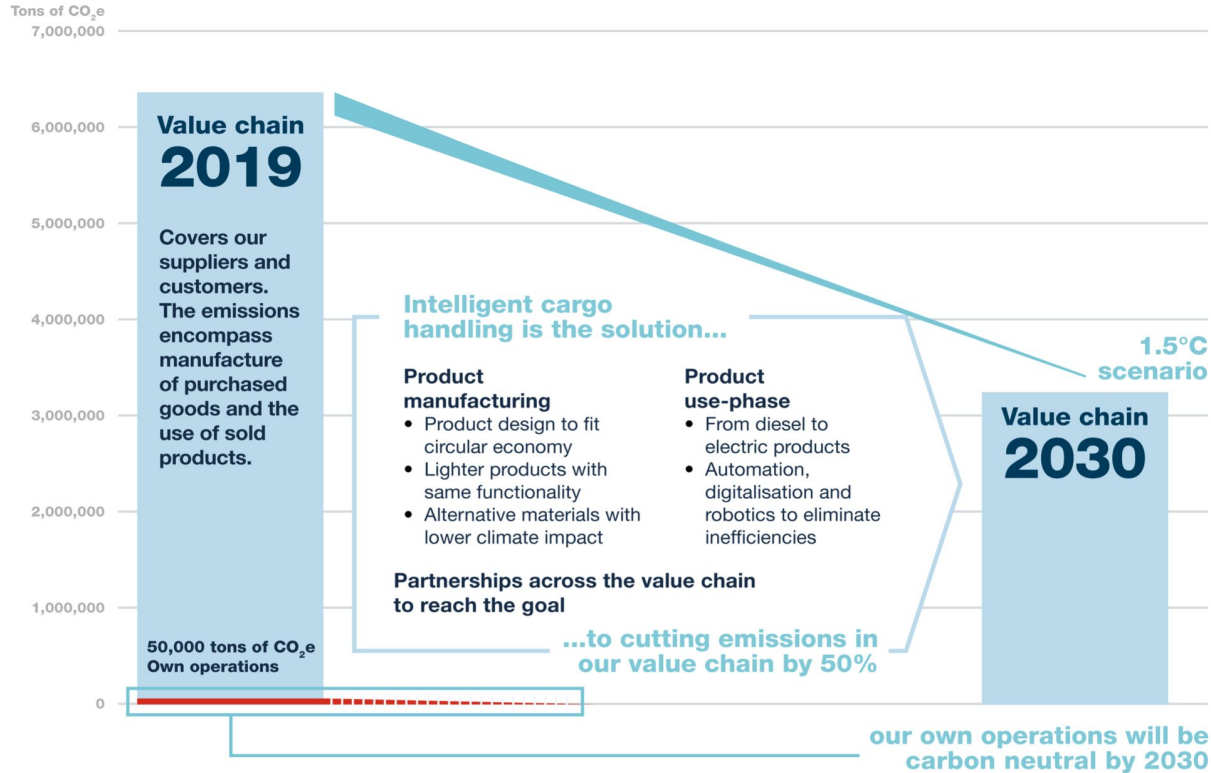


# Governance and sustainability

# We create value for all stakeholders by being a 1.5 degree company



# Our target is to cut emissions by 50% by 2030 in the whole value chain

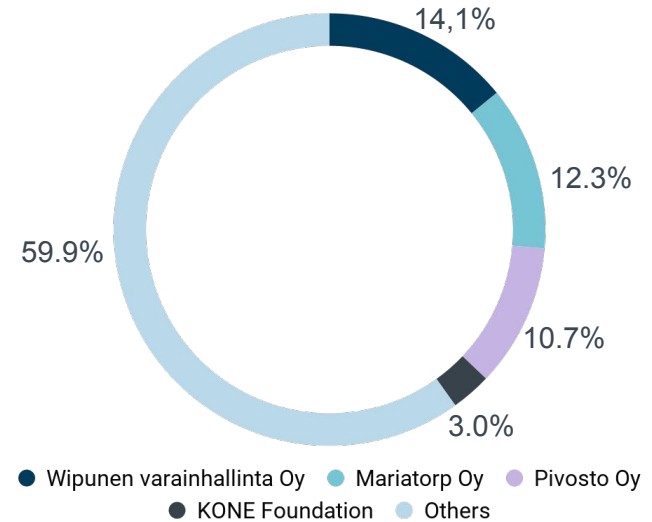


# Largest shareholders

## 31 February 2021

		% of shares	% of votes
1	Wipunen varainhallinta Oy	14.1	23.7
2	Mariatorp Oy	12.3	22.9
3	Pivosto Oy	10.7	22.2
4	KONE Foundation	3.0	5.5
5	Varma Mutual Pension Insurance Company	1.8	0.8
6	Ilmarinen Mutual Pension Insurance Company	1.7	0.7
7	The State Pension Fund	1.0	0.4
8	Elo Mutual Pension Insurance Company	0.9	0.4
9	Herlin Heikki Juho Kustaa	0.6	0.3
10	Sigrid Jusélius Foundation	0.5	0.2
<b>Nominee registered and non-Finnish holders</b>		<b>27.68%</b>	
<b>Total number of shareholders</b>		<b>40,291</b>	

% of shares



Wipunen varainhallinta Oy is a company controlled by Ilkka Herlin, Mariatorp Oy a company controlled by Heikki Herlin and Pivosto Oy a company controlled by Ilona Herlin.

# For more information, call us or visit our [IR-page](#)

## Next upcoming IR events

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4 April 2022 CFO pre-silent call

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27 April 2022 Q1 interim report

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## Investor relations contact information

### Meeting requests:

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