

1 February 2024

# Record year in sales and profitability

Cargotec's Financial Statements review 2023

- Casimir Lindholm, CEO & Interim President, Kalmar
- Mikko Puolakka, CFO
- Scott Phillips, President Hiab

- Orders received in Q4 improved from Q3 and amounted to 1,015 MEUR
- Record-high operative cash flow of 544 MEUR in 2023
- MacGregor turnaround progressing according to the plan

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# Contents

- 2023 highlights
- Group level development
- Business areas
- Financials and outlook
- Q&A



# Highlights of 2023 – Step change in profitability

**Orders received** decreased by 18% to EUR 3,987 million

- Decline from a record level

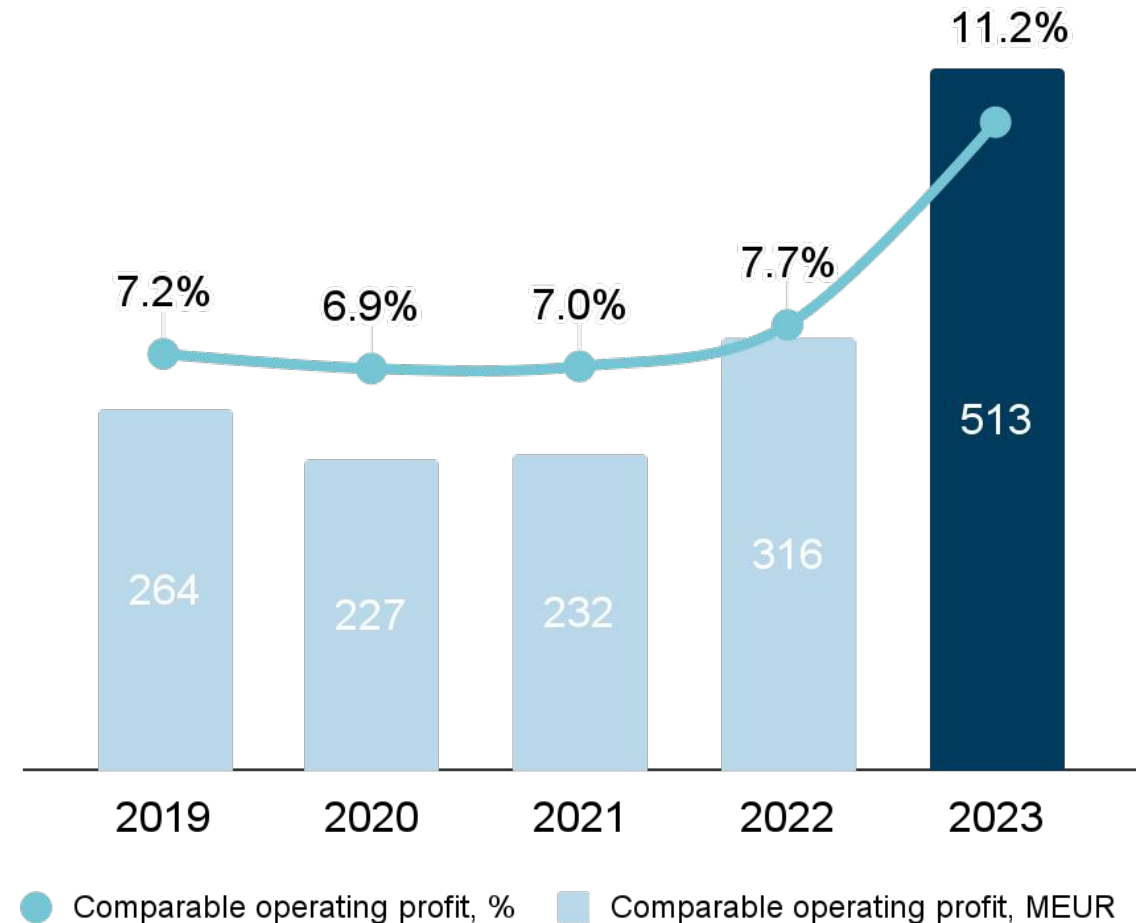
**Sales** increased by 12% to EUR 4,569 million

- Service sales increased by 9%
- Eco portfolio increased by 18%

**Comparable operating profit**

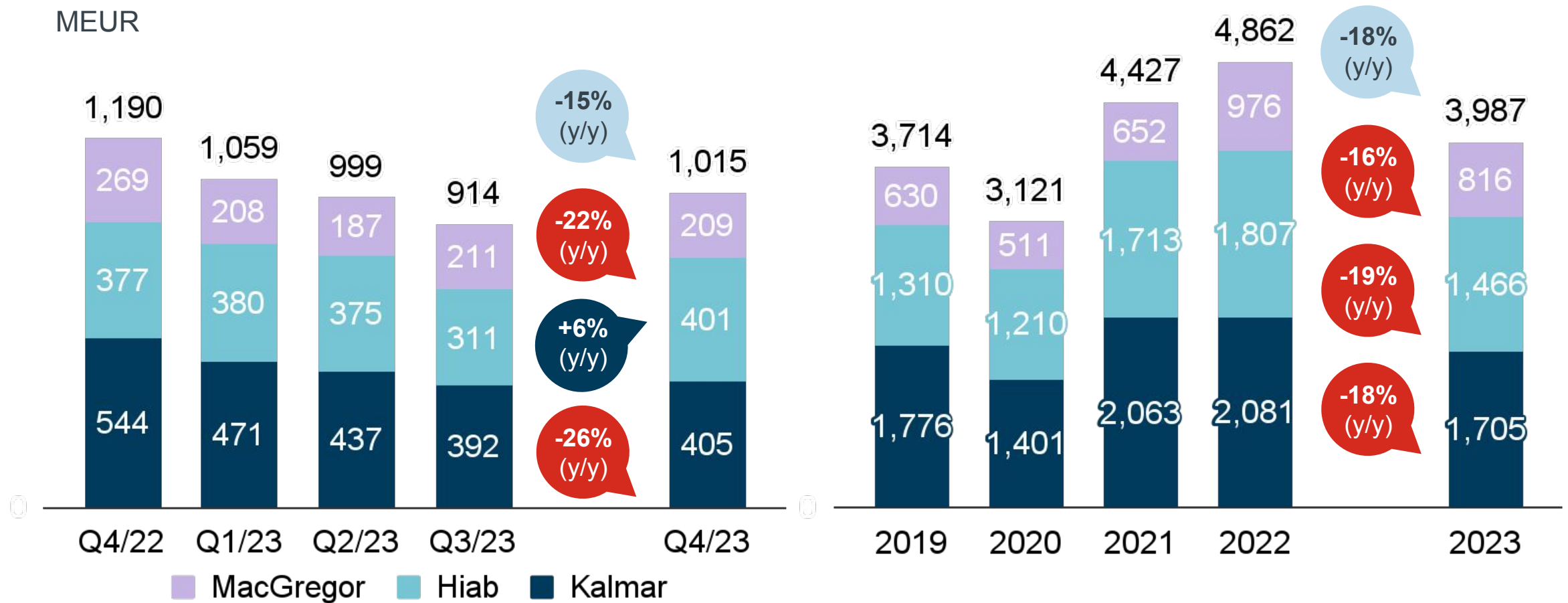
increased by 62% to EUR 513 million

- Kalmar +90 MEUR
- Hiab +31 MEUR
- MacGregor +80 MEUR



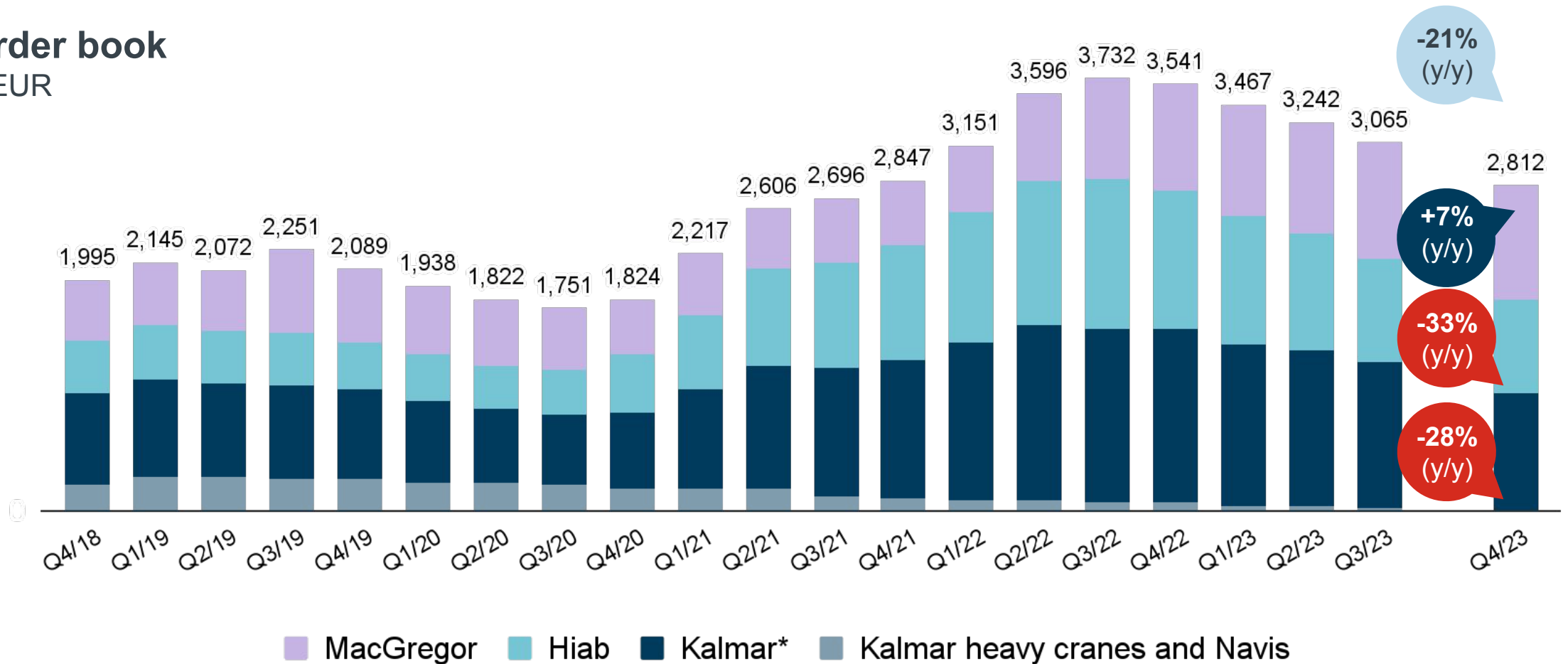
# Orders received at pre-covid level, increase from the third quarter

Orders received  
MEUR



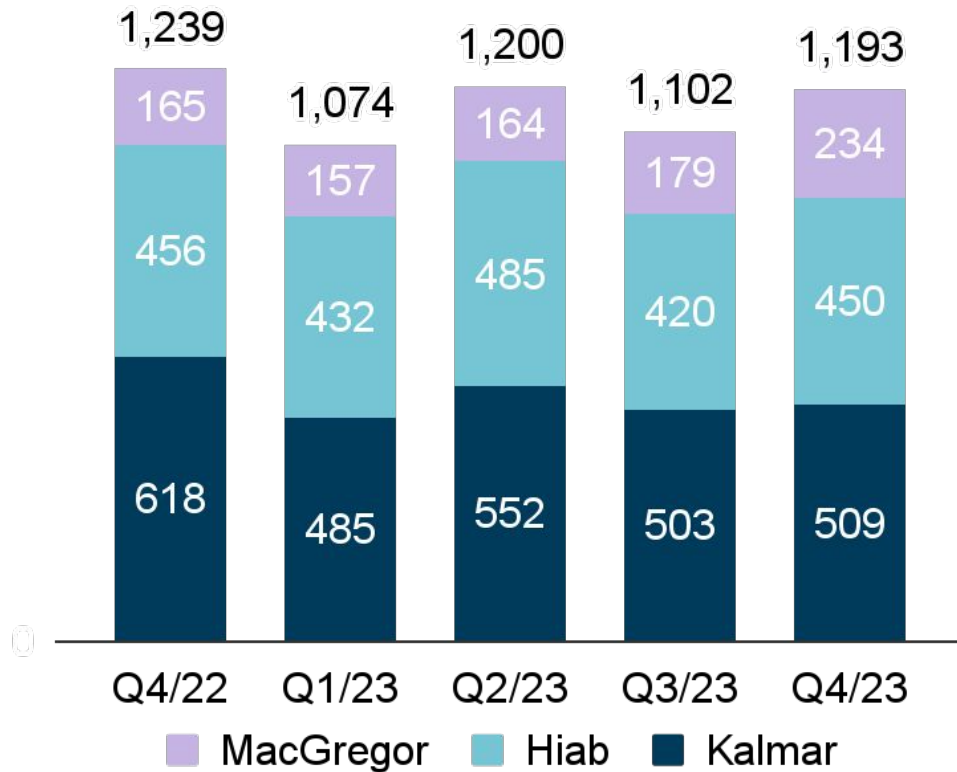
# Order book of EUR 2.8 billion gives a good starting point for 2024

Order book  
MEUR

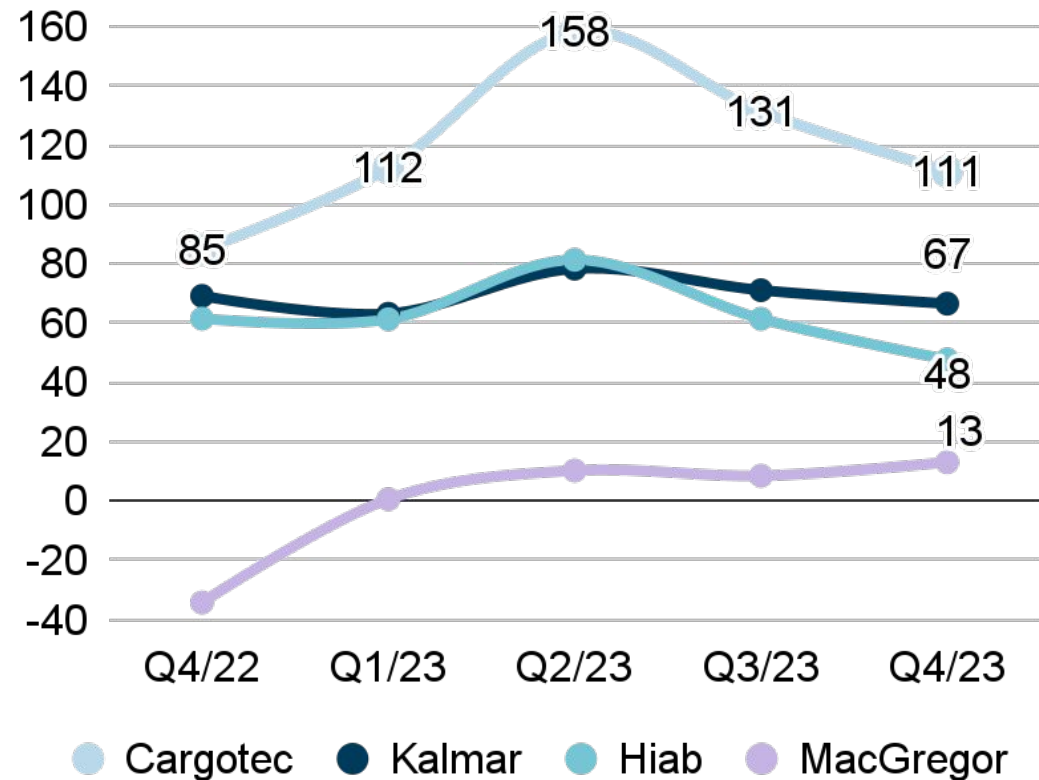


# Comparable operating profit increased despite one-off cost related to cost saving actions

## Sales MEUR



## Comparable operating profit\* MEUR



# Service sales and orders increased from 2022

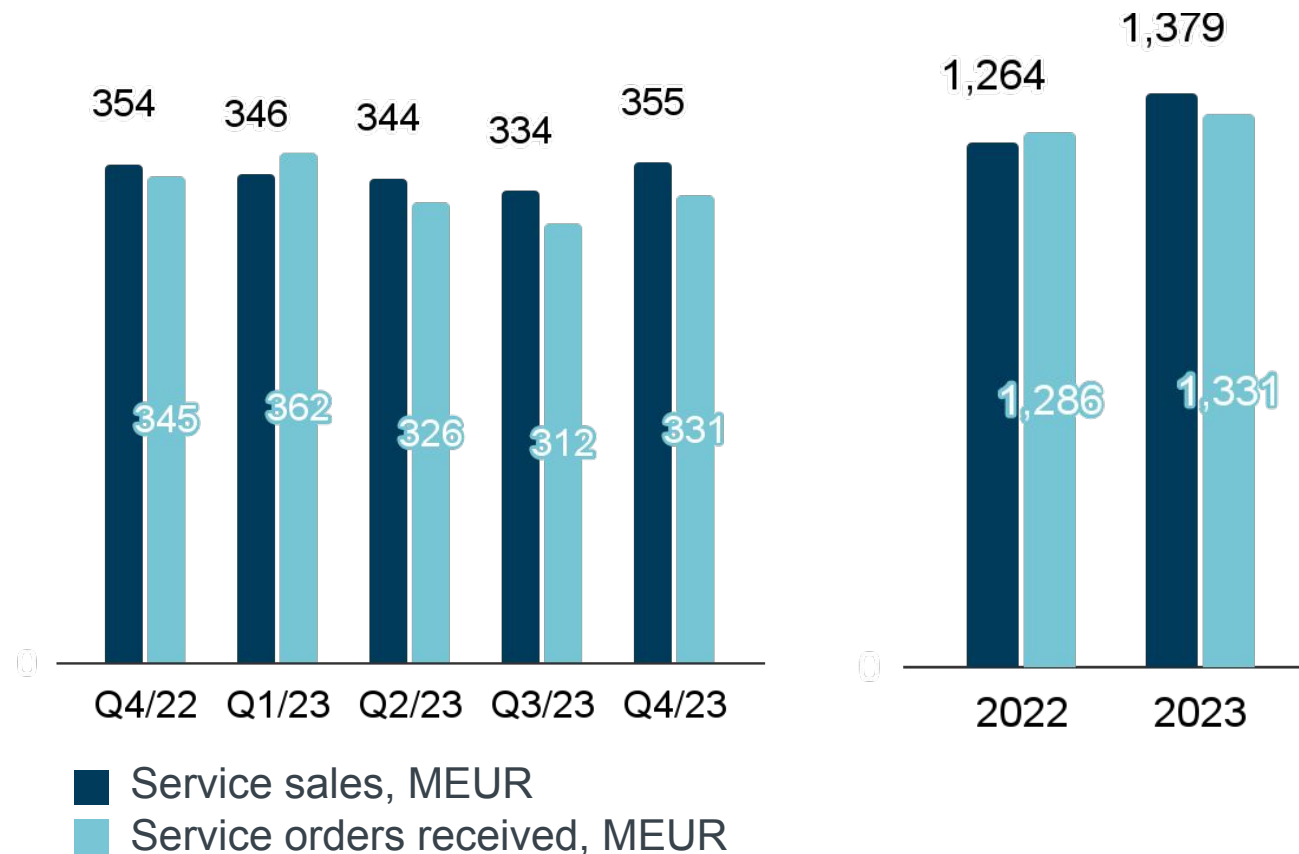
## Service orders received

- +3% in 2023
- -4% in Q4/23

## Service sales

- +9% in 2023
- +0% in Q4/23

Service share 30% of total sales





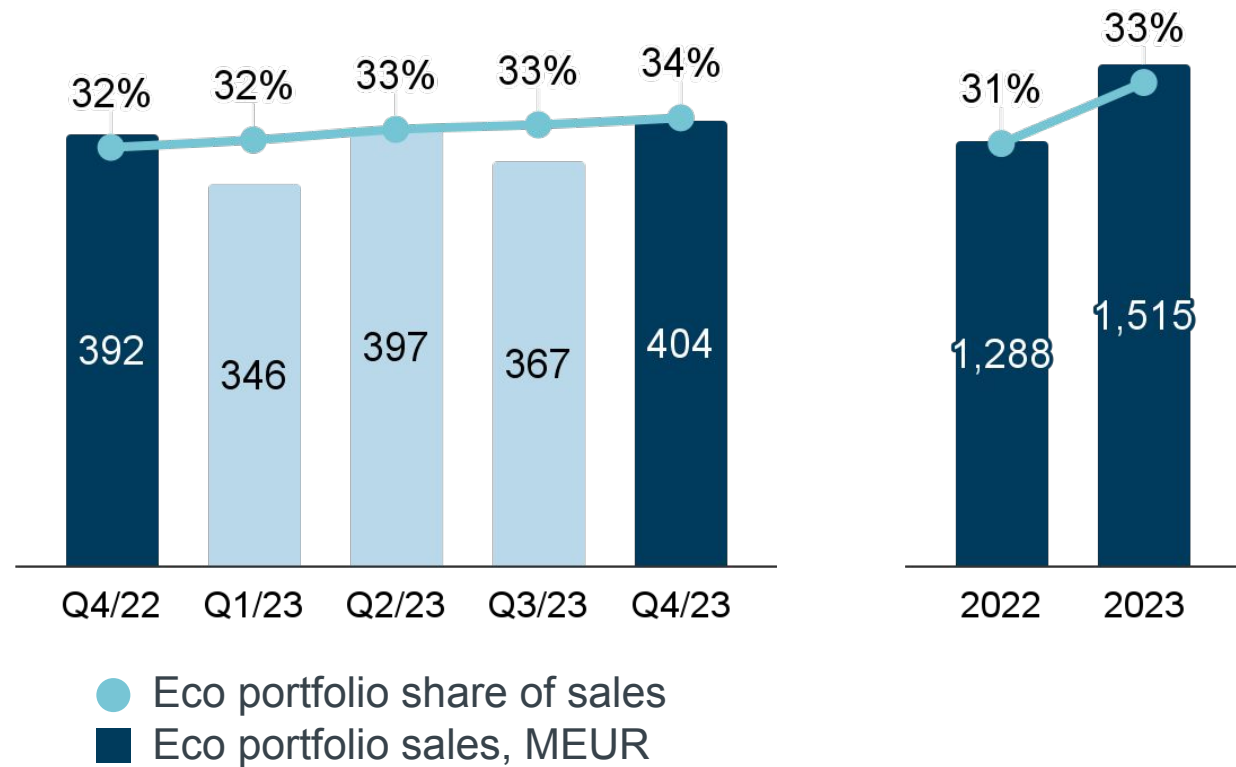
# Eco portfolio sales increased to a record level

Eco portfolio sales +18% in 2023

- Increase in climate solutions and in circular solutions
- Increase in all business areas

Eco portfolio share 33% of Cargotec's total sales in 2023

Eco portfolio sales +3% in Q4/23



# In October, we announced cost saving actions to safeguard profitability and to emerge stronger...

Continuous profitability improvements, continued R&D investment and service business growth

Scenario planning actions

Fixed cost saving actions to target **50 MEUR** annual savings in 2024 in Cargotec group, Kalmar and Hiab

## Funding the growth journey

Solving customers' sustainability challenges with high quality and innovative solutions

## Safeguard profitability

Above 10% comparable operating profit in core businesses

## Emerge stronger and more resilient

Committed to sustainability and profitable growth

# ...and we have progressed according to the plan

## Scenario planning actions

### Fixed cost saving actions to target 50 MEUR annual savings in 2024

- 10 MEUR in the group functions
- 20 MEUR in Kalmar
- 20 MEUR in Hiab
- 50% of the saving would be achieved from reduction of ~300 roles
- Estimated one-off costs 20 MEUR
  - Costs would be booked above comparable operating profit
  - 15 MEUR booked already in Q4/23, remaining part in 2024

## MacGregor turnaround

### Restructuring of MacGregor's offshore business to target 23 MEUR annual savings

- 14 MEUR realised in 2023, additional 9 MEUR in 2024
- Reduction of ~350 roles in 2023
- Restructuring costs of 13.5 MEUR in 2023



# Business areas



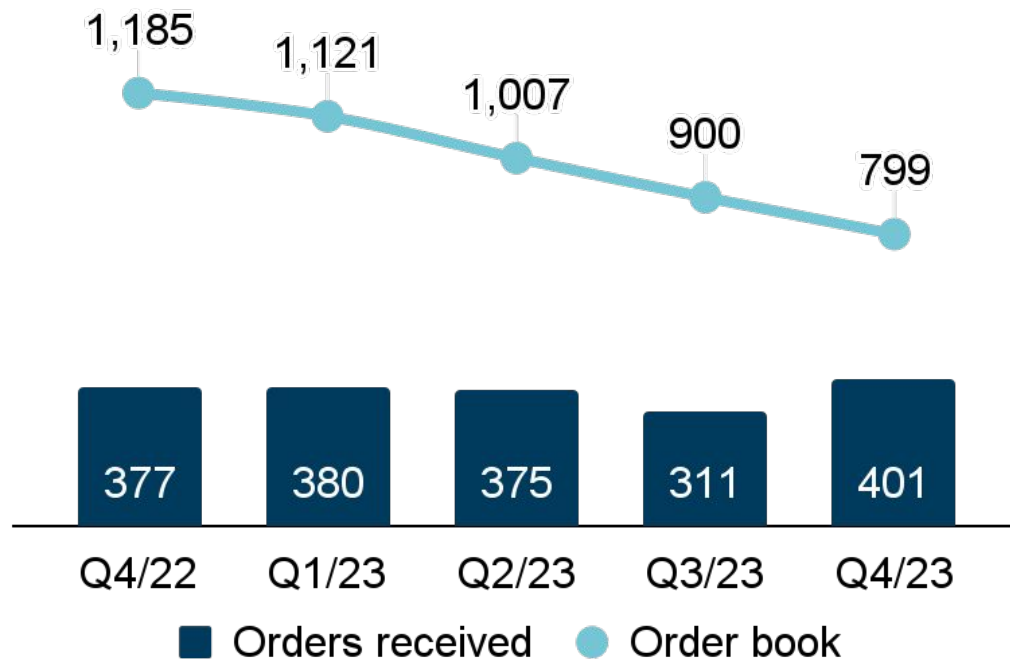
Hiab Q4/23

# Order intake improved vs prior year

- Stable demand and sales
- Operating profit impacted by one-off costs
- Cash flow increased substantially

# Stable order intake fifth quarter in a row

Orders received and order book  
MEUR

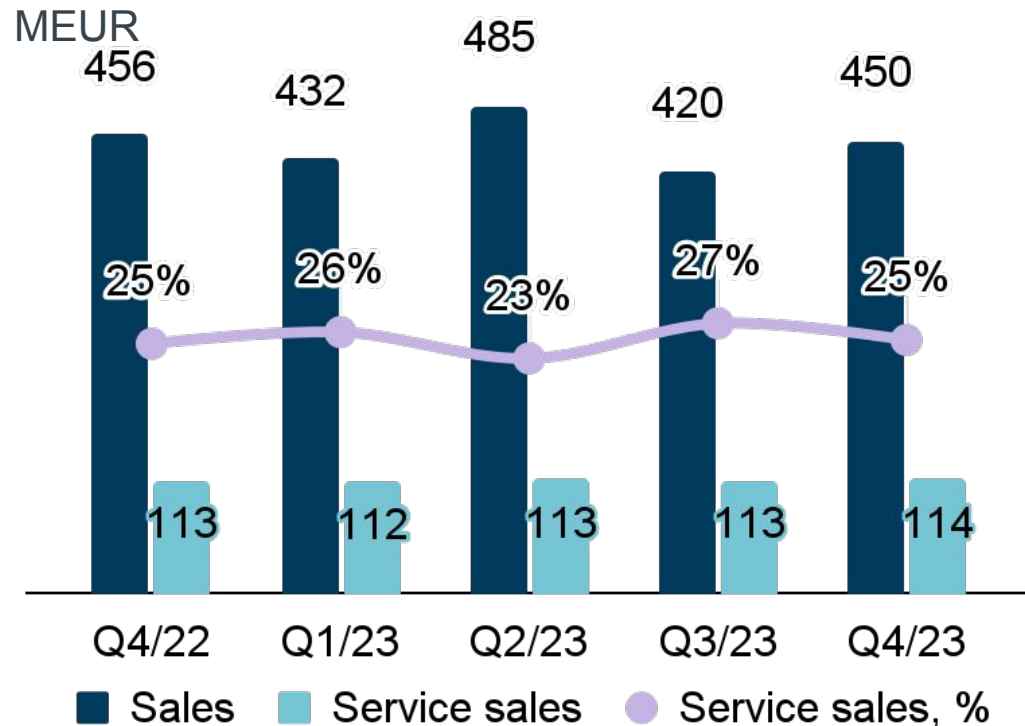


MEUR	Q4/23	Q4/22	Change
Orders received	401	377	6%
Order book	799	1,185	-33%

- Inflation and interest rates are negatively impacting orders received but truck lead times are improving
- Order book remains above historical average

# Equipment and service sales stable

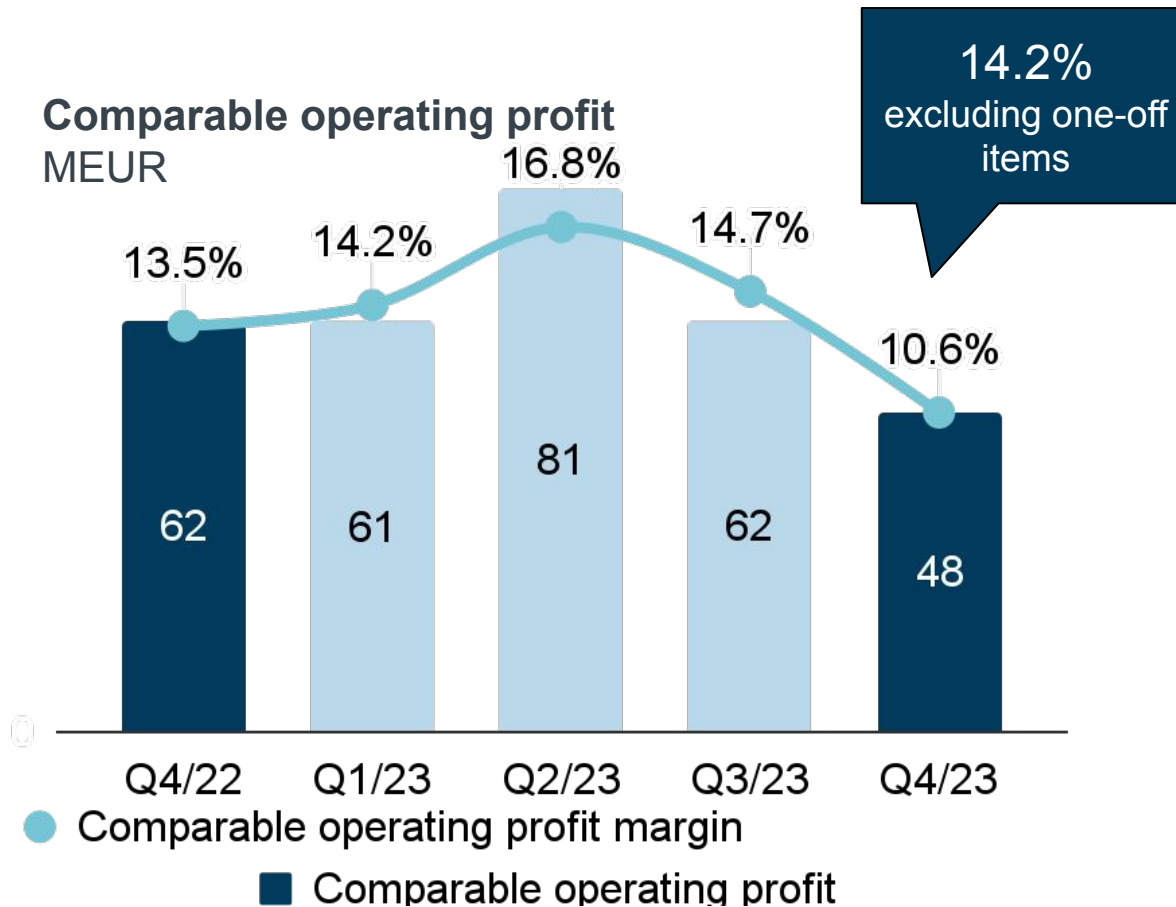
## Sales and Service sales



MEUR	Q4/23	Q4/22	Change
Sales	450	456	-1%
Service sales	114	113	0%
Service sales, %	25%	25%	0 bps

- Strong operational execution
- Service sales flat
- Supply chain continues to improve with a strong focus on supplier development

# Operating profit declined due to one off costs

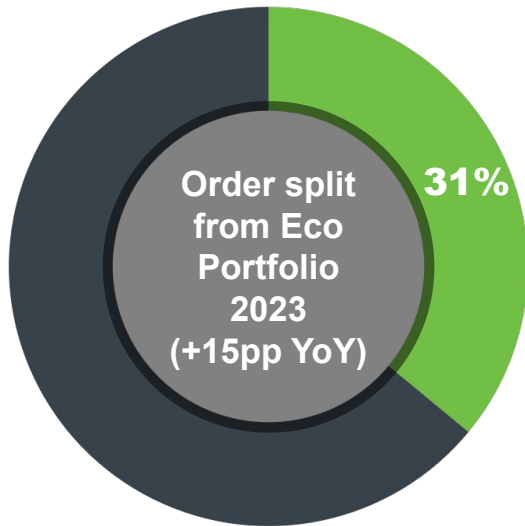


MEUR	Q4/23	Q4/22	Change
Comparable operating profit	48	62	-22%
Comparable operating profit margin	10.6%	13.5%	-290 bps

- EUR 10 million restructuring cost in line with Q3 announcement
- EUR 6 million in investments in growth



# Eco portfolio orders and solutions are growing



**+34pp YoY Increase in connected units**



## HIAB wspr Standard

### INCREASED HEALTH AND SAFETY

- ✓ Lower noise
- ✓ Lower emissions
- ✓ Less fatigue

### GREAT DRIVEABILITY AND FLEXIBILITY

- ✓ Increased driveability and operator experience
- ✓ Hybrid flexibility when needed

### EXTENDED OPERATING AREA

- ✓ Emission free zones
- ✓ Indoor and tunnel operations

### LOWER OPERATING COSTS\*\*\*

- ✓ Lower energy costs
- ✓ Higher efficiency

### EXTENDED OPERATING WINDOW

- ✓ Night time deliveries
- ✓ Start earlier or ending later

### LOWER CO<sub>2</sub> EMISSIONS\*

- ✓ Reduced carbon footprint\*\*



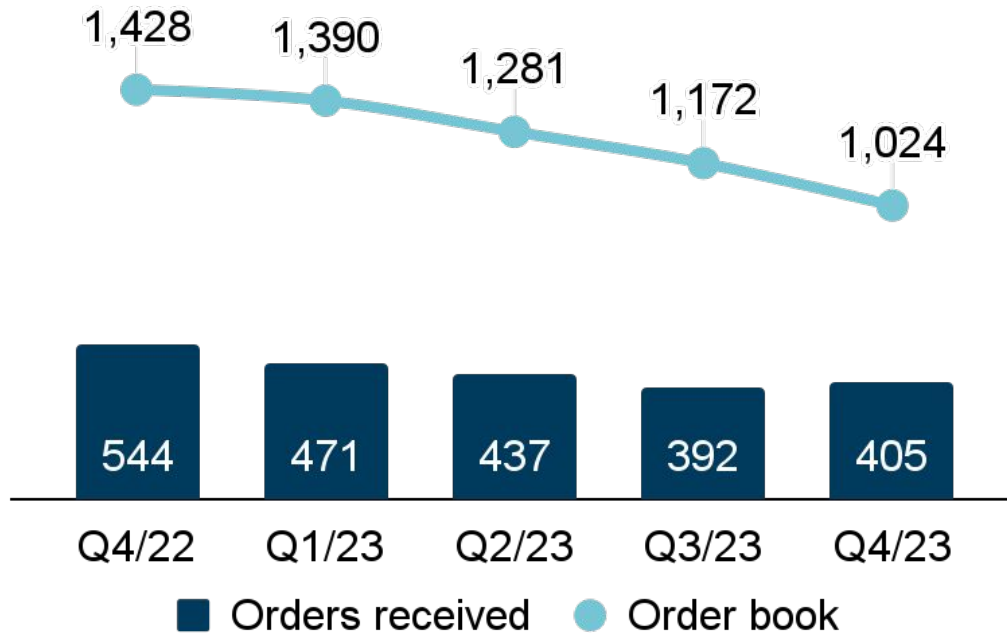
Kalmar Q4/23

# Strong finish for a record year

- Demand stabilising
- Successful delivery of order book
- Continued high profitability
- Cash flow increased substantially

# Demand stabilising, sequential improvement in orders received

Orders received and order book  
MEUR

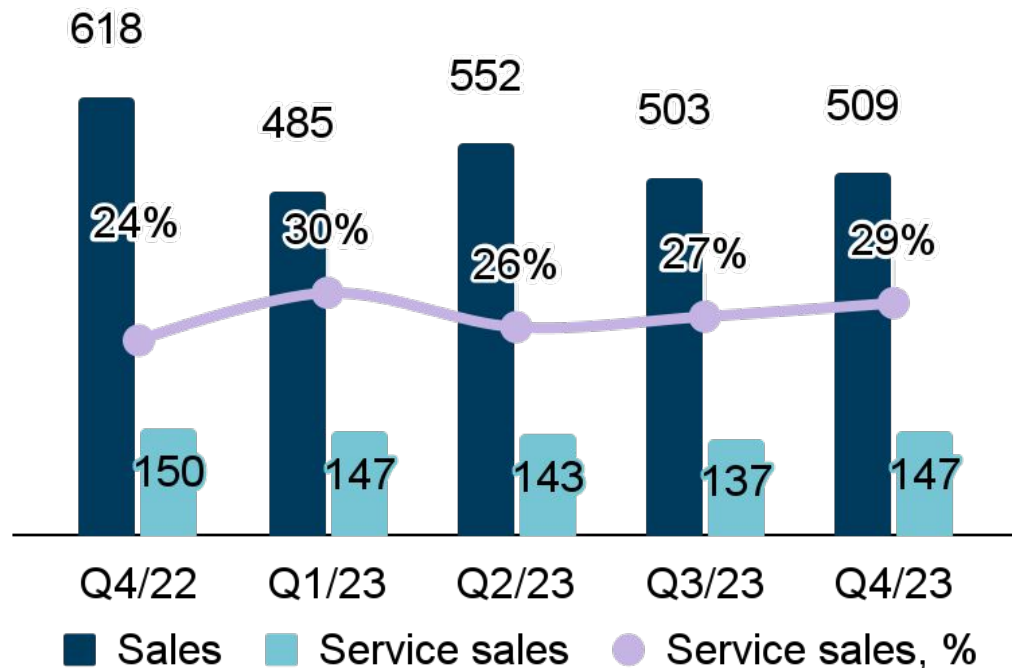


MEUR	Q4/23	Q4/22	Change
Orders received	405	544	-26%
Order book	1,024	1,428	-28%

- Continued good demand in mobile equipment used in industries and small- and mid-sized terminals
- Slow decision making in orders of larger equipment
- Destocking in distribution customer segment
- Order book gives good visibility for H1 sales

# Slower market activity visible in sales

Sales and Service sales  
MEUR

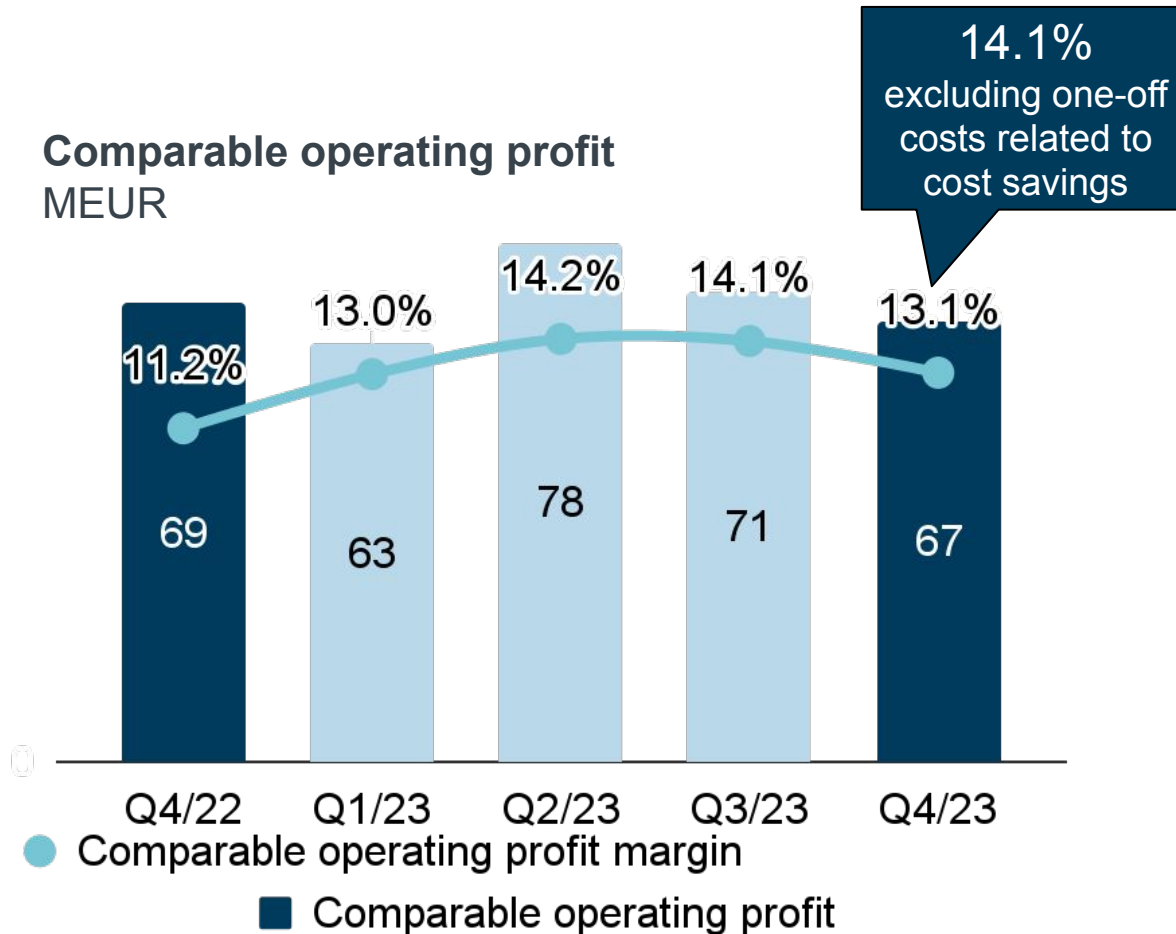


MEUR	Q4/23	Q4/22	Change
Sales	509	618	-18%
Service sales	147	150	-2%
Service sales, %	29%	24%	500 bps

- Lower order intake visible in sales
- Successful delivery of order book
- Service sales grew in constant currencies

# Improved profitability driven by successful management of inflationary pressures

Comparable operating profit  
MEUR



MEUR	Q4/23	Q4/22	Change
Comparable operating profit	67	69	-4%
Comparable operating profit margin	13.1%	11.2%	190 bps

- Favourable sales mix
- Successful management of inflationary pressures and component availability
- Heavy cranes losses reduced
- One-off costs related to cost savings had EUR 5 million impact on comparable operating profit

# Multiple milestones achieved in portfolio electrification in 2023

- Successful commercial deliveries started for Electric Reachstacker and Heavy Forklift including first repeat order
- Third of light and medium forklift orders in 2023 in electric versions
- Eco portfolio sales and share of sales increased from 2022
- Lonestar electric terminal tractor acquisition completed
- Third generation electric terminal tractor development progressing



# MacGregor Q4 – Turnaround continued to progress according to the plan

Orders received decreased

- Good demand in merchant and services
- Selective order intake in offshore

Sales increased by 42%

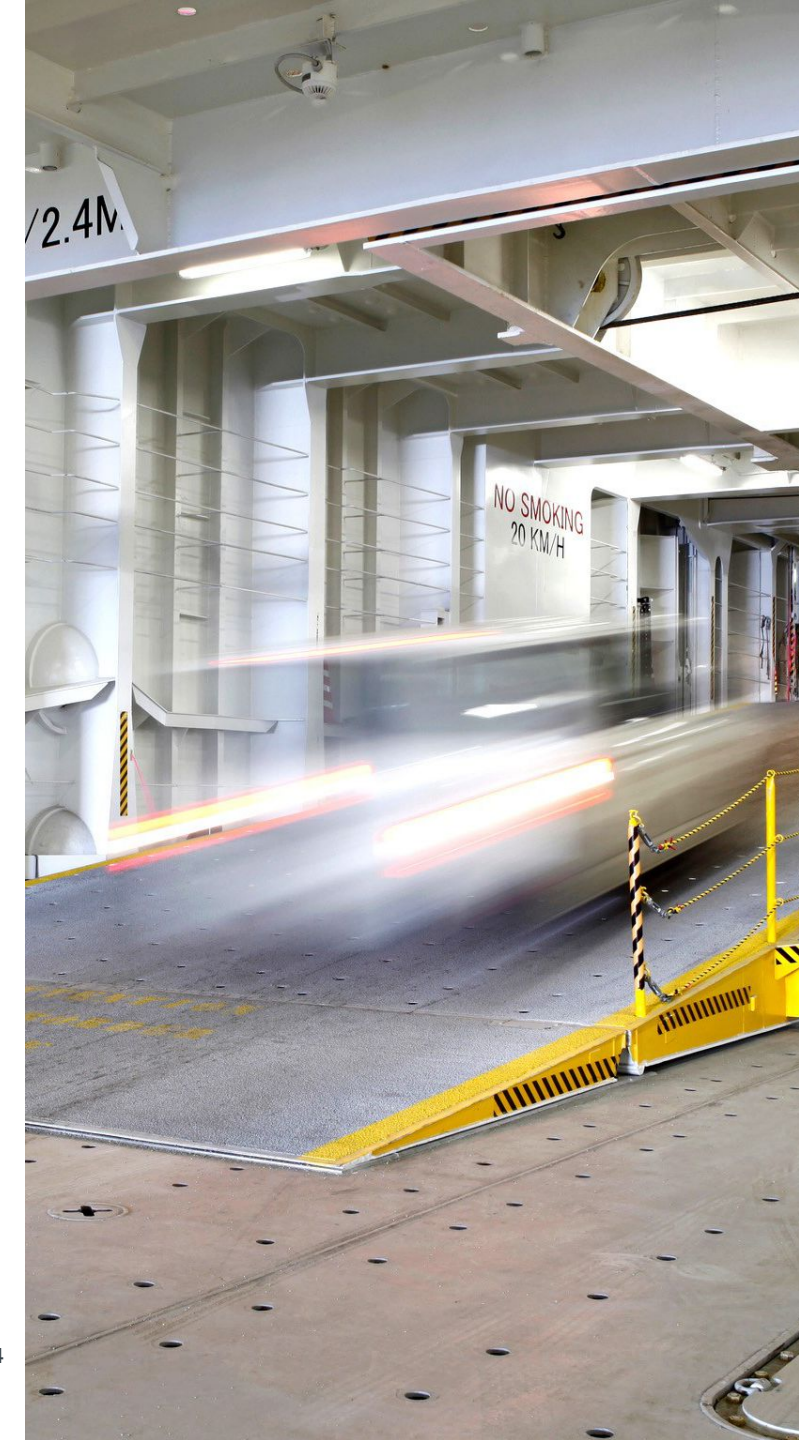
- Service sales +4%

Comparable operating profit increased

- Higher sales in merchant and services businesses
- Lower fixed costs supported by restructuring
- Significant negative one-off in offshore in the comparison period

Still challenges related to a few historical offshore projects

MEUR	Q4/23	Q4/22	Change
Orders received	<b>209</b>	269	-22%
Order book	<b>988</b>	927	7%
Sales	<b>234</b>	165	42%
Service sales, %	<b>40%</b>	55%	-1500 bps
Comparable operating profit*	<b>13</b>	-34	>100%
Comparable operating profit margin	<b>5.6%</b>	-20.7%	2630 bps





# Financials and outlook



# Financial highlights

**484**

**MEUR**

Operating profit in  
2023

**544**

**MEUR**

Cash flow from  
operations in 2023

**19.9%**

**ROCE**

(last 12 months)

**1,515**

**MEUR**

Eco portfolio sales  
in 2023

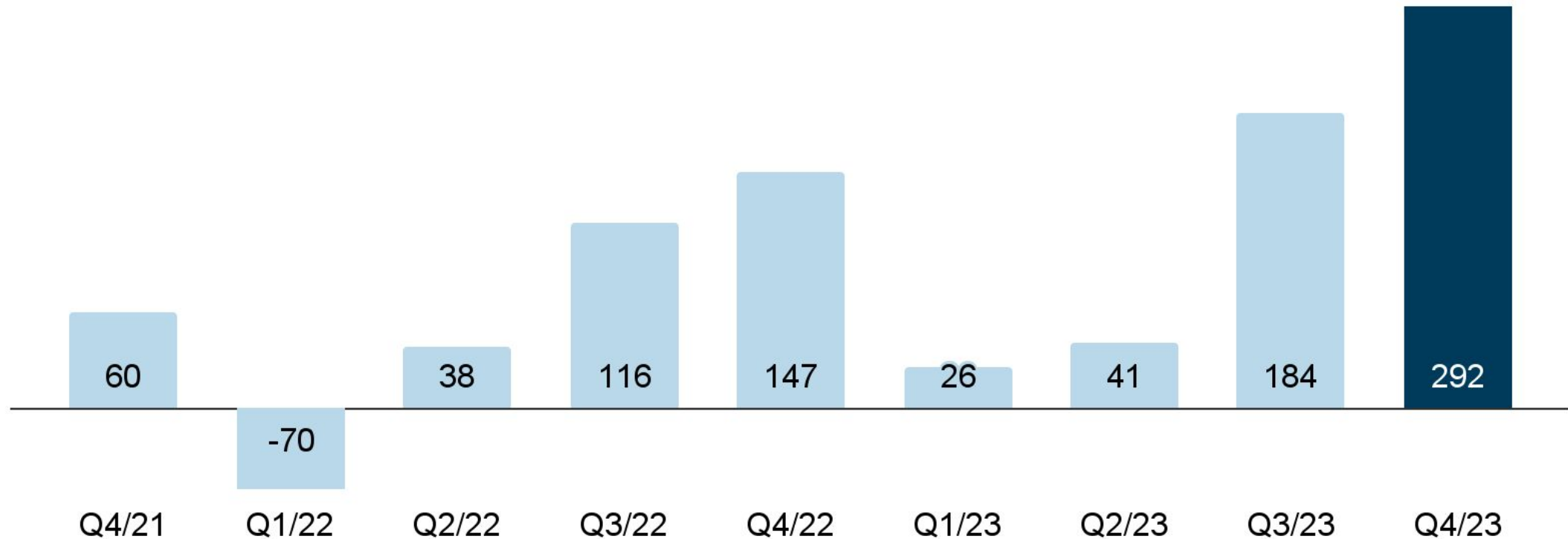
**12.8%**

Core businesses\*  
comparable  
operating profit  
margin in 2023

# Strong cash flow in Q4 driven by high EBITDA and reduction in net working capital

Cash flow from operations before financing items and taxes

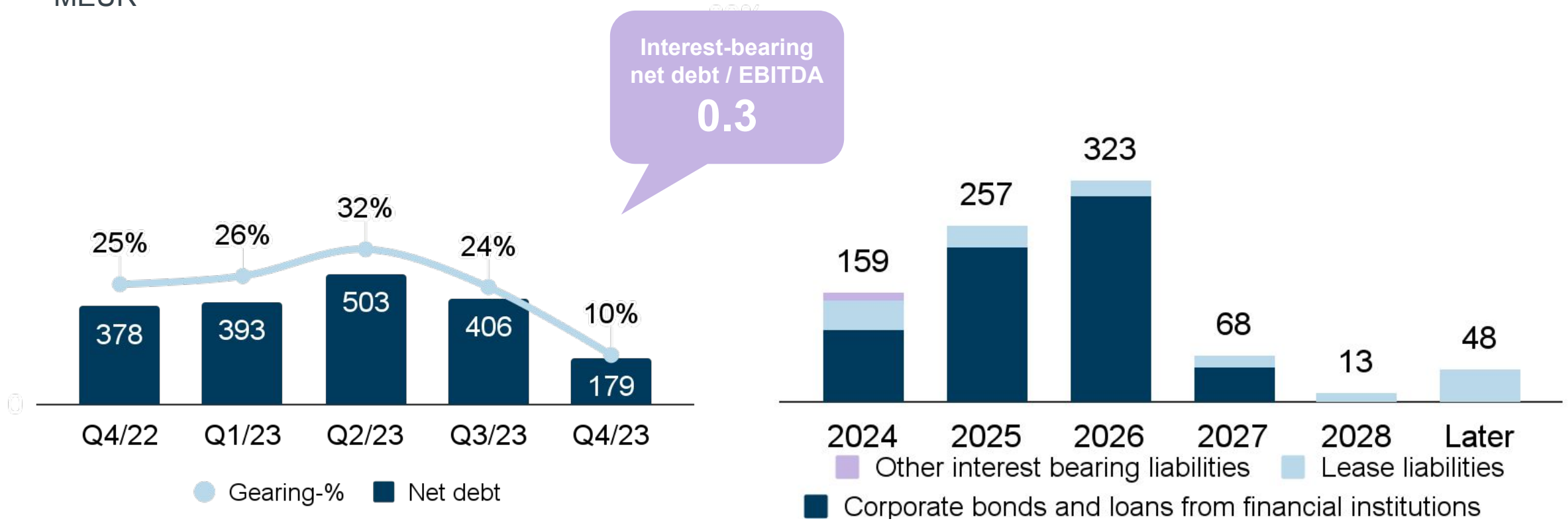
MEUR



# Strong balance sheet and balanced maturity profile

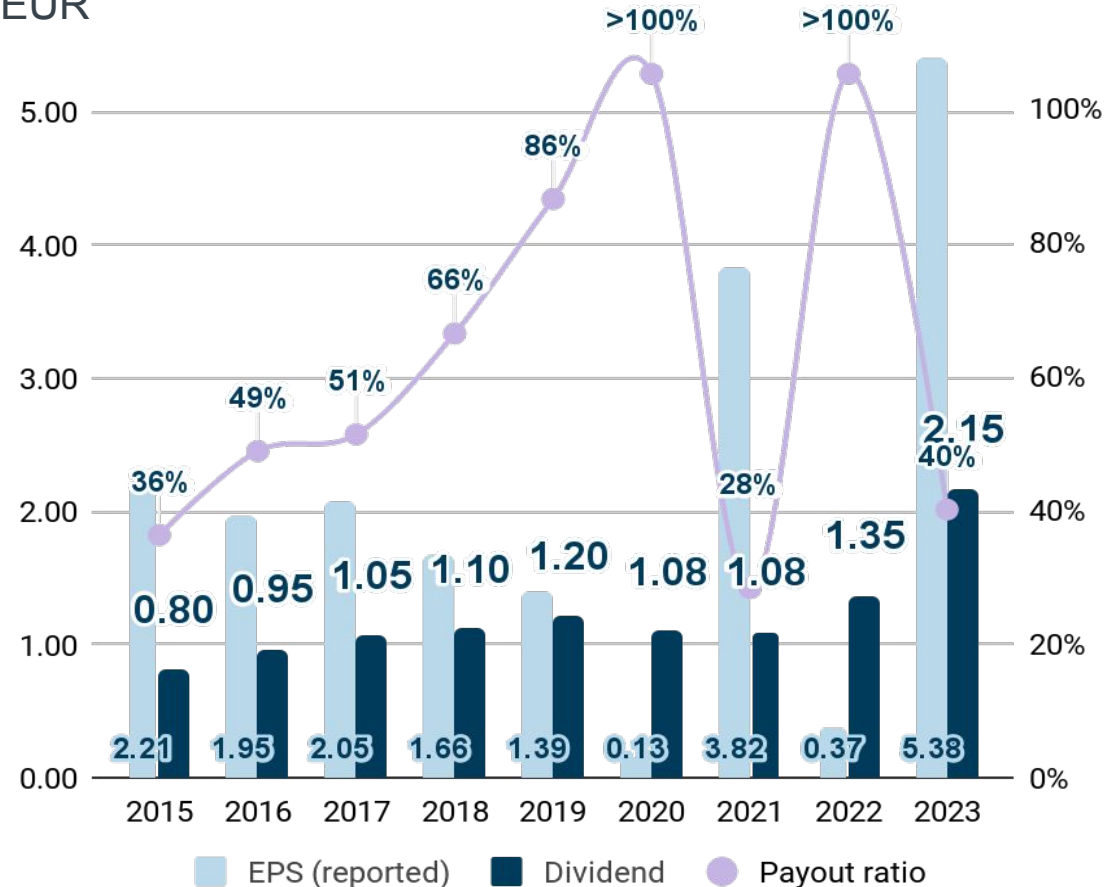
Net debt & gearing  
MEUR

Maturity profile, 31 December 2023



# Cargotec's Board of Directors proposes a record dividend of 2.15 EUR per class B share

Dividend, EPS & Payout ratio  
EUR



Cargotec's Board of Directors' dividend proposal for the AGM 30 May 2024:

- Dividend of 2.15 per class B share
- Record date 3 June 2024
- Payment date 10 June 2024

Cargotec aims for growing dividend of 30–50% of EPS

# Outlook for 2024

Cargotec estimates<sup>1</sup>:

Hiab's comparable operating profit margin in 2024 to be above 12%

Kalmar's comparable operating profit margin in 2024 to be above 11%

MacGregor's comparable operating profit in 2024 to improve from 2023 (EUR 33 million)

- 1) The business area 2024 profitability outlook is presented using the same principles which are applied in the 2023 external financial reporting.





# Kalmar demerger plan approved by Cargotec Board on 1 February



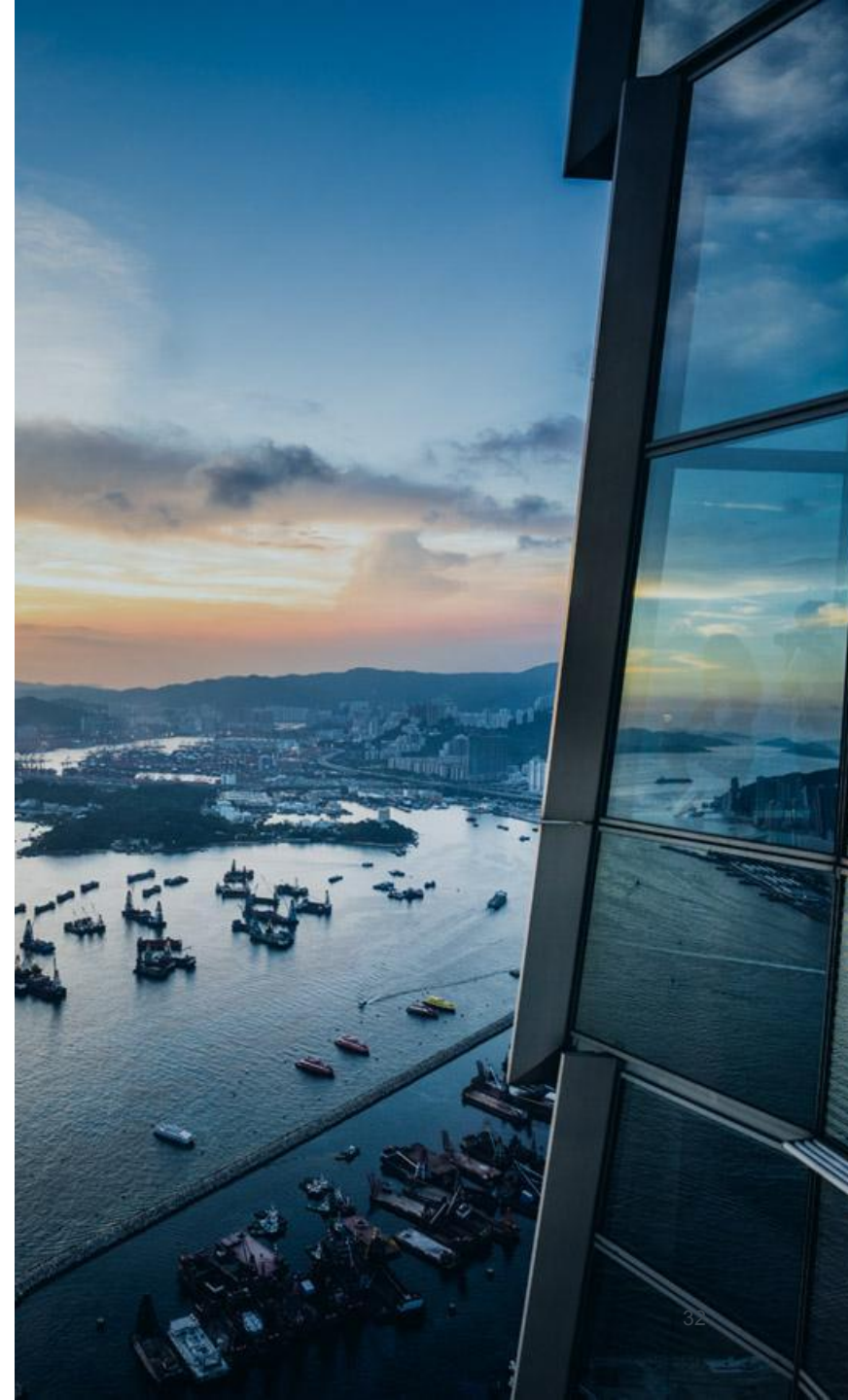
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**THE PLANNING AND EVALUATION OF THE DEMERGER HAS PROGRESSED WELL. THE BOARD OF DIRECTORS WITH THE SUPPORT OF CERTAIN MAJOR SHAREHOLDERS, HAS AFTER CAREFUL CONSIDERATION DECIDED TO PROPOSE THE SEPARATION OF KALMAR FROM CARGOTEC BY MEANS OF PARTIAL DEMERGER TO INCREASE SHAREHOLDER VALUE**

**– JAAKKO ESKOLA**  
**CARGOTEC'S CHAIR OF THE BOARD OF DIRECTORS**

# Kalmar demerger plan approved by Cargotec Board

- Cargotec's Board of Directors has approved a demerger plan concerning the separation of Kalmar into an independent listed company.
- The Demerger is subject to approval by the AGM of Cargotec to be held on 30 May 2024.
  - The prospectus, which is expected to be published by Cargotec in May 2024 before the AGM, will contain more detailed information on the Demerger and Kalmar.
- The planned completion date of the Demerger is 30 June 2024. The trading in shares of Kalmar on Nasdaq Helsinki is expected to commence on or about 1 July 2024
- Cargotec will, in parallel, continue looking for a solution for MacGregor during 2024.

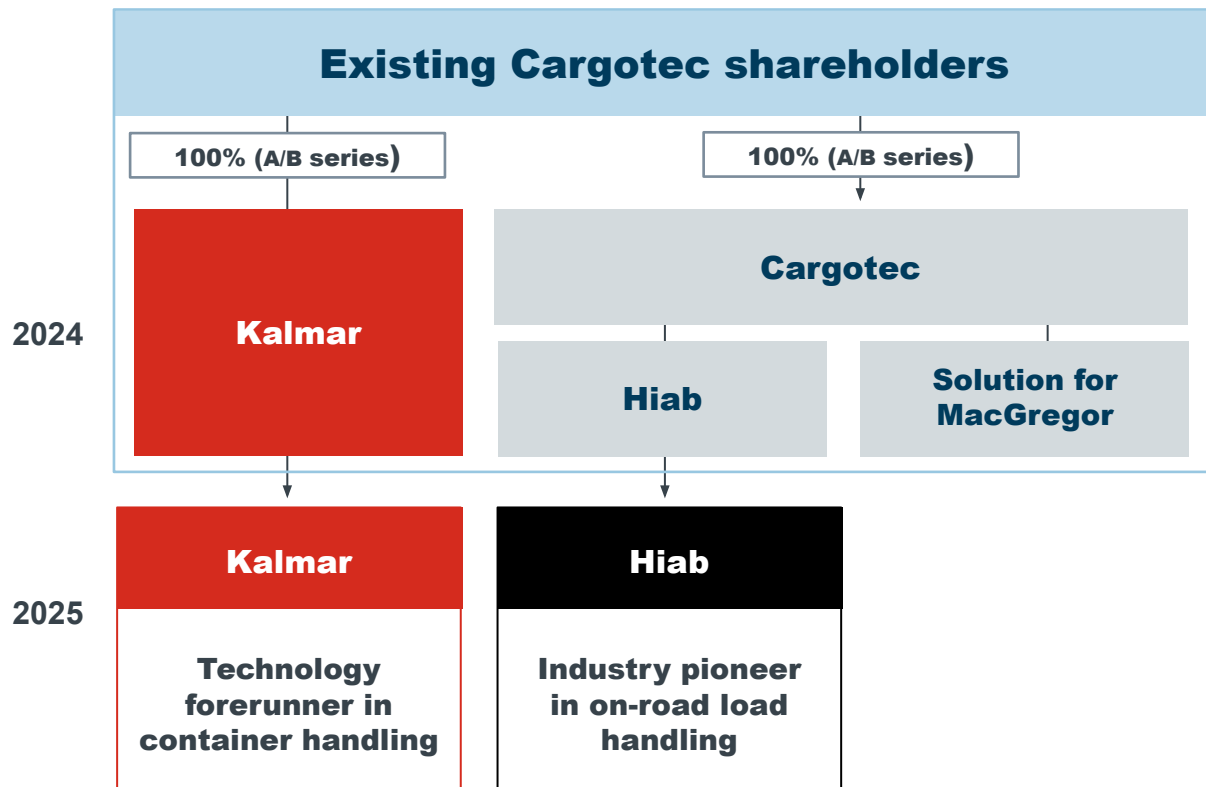




# Structure of the planned transaction

Post transaction (and MacGregor solution) Kalmar and Hiab would be separate standalone businesses

## Envisaged structure post demerger



### Listing and ownership

- Planned Kalmar listing on Nasdaq Helsinki in July 2024
- Kalmar fully owned by shareholders – no direct ownership by Cargotec

### High transaction certainty

- No investments required from shareholders
- No proceeds needed by Cargotec
- Limited dependence on capital markets

### Conditions precedent

- Shareholder approval

# Kalmar Board of Directors proposed to be elected by Cargotec Annual General Meeting

Further proposed members of the Board to be announced prior to the AGM



**CHAIR**  
**Jaakko Eskola**



**MEMBER**  
**Teresa Kemppe-Vasama**

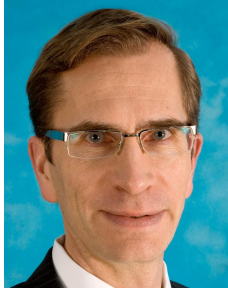


**MEMBER**  
**Tapio Kolunsarka**

# Kalmar's highly experienced and committed management team as of April 1, 2024



**Sami Niiranen**  
President & CEO  
(upon demerger)



**Sakari Ahdekivi**  
CFO



**Carina Geber-Teir**  
Head of IR &  
Communications



**Francois Guetat**  
Head of Integrated  
Supply Chain



**Mathias Höglund**  
Head of Human  
Resources  
Starting 1 May 2024



**Tommi Pettersson**  
Head of Strategy,  
Sustainability and  
Technology



**Marika Väkiparta**  
Head of  
Transformation  
Office



**Alf-Gunnar  
Karlgrén**  
Head of  
Counterbalanced



**Thor Brenden**  
Head of Terminal  
Tractors



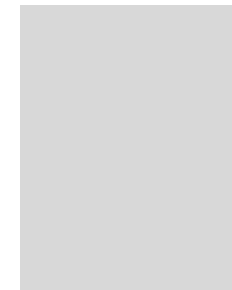
**Arto Keskinen**  
Head of Horizontal  
Transportation



**Shushu Zhang**  
Head of Bromma



**Thomas  
Malmberg**  
Head of Services

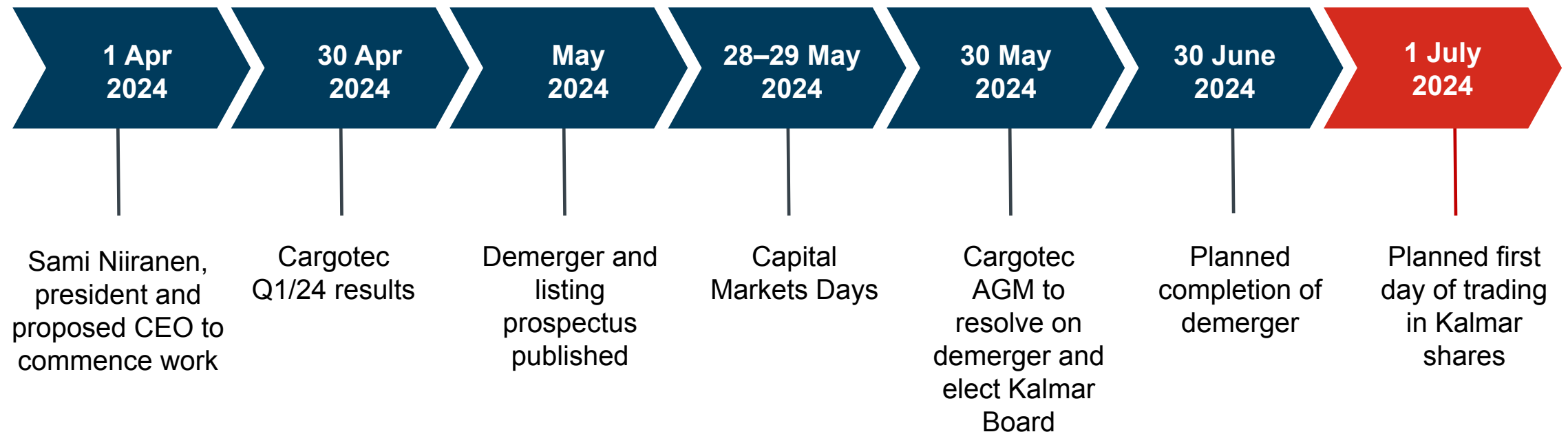


**Selected later**  
Head of Legal &  
Compliance

**150+**  
years of  
joint  
industry  
experience

# Preliminary timeline for the demerger and listing of Kalmar\*

Provided the shareholders decide to proceed with the process







# Appendix

# Key financial figures

	Q4/23	Q4/22	Change	2023	2022	Change
Orders received, MEUR	<b>1,015</b>	1,190	-15%	<b>3,987</b>	4,862	-18%
Order book, MEUR	<b>2,812</b>	3,541	-21%	<b>2,812</b>	3,541	-21%
Sales, MEUR	<b>1,193</b>	1,239	-4%	<b>4,569</b>	4,089	12%
Comparable operating profit, MEUR	<b>111</b>	85	31%	<b>513</b>	316	62%
Comparable operating profit, %	<b>9.3%</b>	6.8%	250bps	<b>11.2%</b>	7.7%	350bps
Items affecting comparability, MEUR	<b>-22</b>	-114	81%	<b>-30</b>	-210	86%
Operating profit, MEUR	<b>89</b>	-29	>100%	<b>484</b>	106	>100%
Operating profit, %	<b>7.5%</b>	-2.3%	980bps	<b>10.6%</b>	2.6%	800bps
Profit for period, MEUR	<b>61</b>	-68	>100%	<b>349</b>	23	>100%
Basic earnings per share, EUR	<b>0.92</b>	-1.04	>100%	<b>5.38</b>	0.37	>100%
Earnings per share, EUR*	<b>1.36</b>	0.96	42%	<b>5.90</b>	3.19	85%
ROCE, %**	<b>19.9%</b>	4.6%	1530bps	<b>19.9%</b>	4.6%	1530bps