



CAPITAL MARKETS DAY 2022

15 November, 2022

Helsinki, Finland

cargotec.com/cmd22

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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.



Cargotec Capital Markets Day
15 November 2022

New Kalmar: Focus on performance and resilience

Michel van Roozendaal
President, Kalmar

NEW KALMAR in brief

Repositioned equipment portfolio, focusing on profitable segments with solid underlying growth trends.

Resilient over-the-cycle profitability through service growth.

Industry #1, with leading position in electric heavy material handling equipment.

Intensified focus on operational performance & lean transformation. Leading to step change in profitability



STRONG PORTFOLIO

focusing on profitable segments.

Kalmar is the only global heavy material handling equipment supplier with a *fully electric portfolio!*





Setting the standards in counterbalanced container handlers.



Most selling terminal tractor in North America.



Market leader in hybrid and electric shuttle & straddle carriers.



Global leader in Bromma spreaders.



Lifecycle services and parts for all customer segments.

A leading brand in mobile equipment, horizontal transportation and services



Ports & terminals



Distribution



Forestry



Metal



Heavy logistics

We are serving a large variety of customer segments around the world...

..and have a leading market position in all core segments

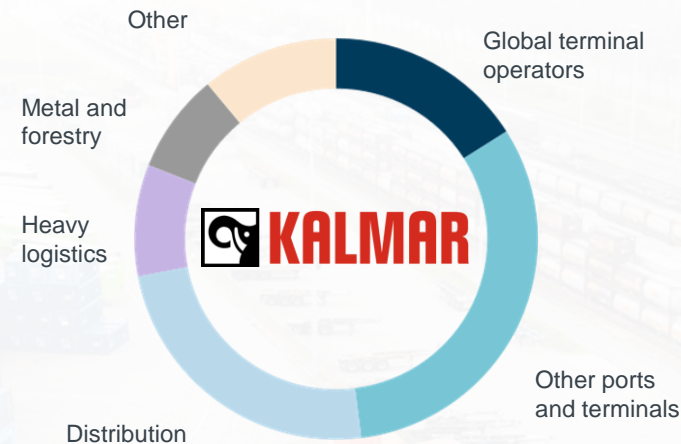
	MARKET SIZE* (EUR million)	KEY SEGMENTS	GLOBAL POSITION & MEDIUM TERM MARKET TREND	KEY COMPETITORS
REACHSTACKERS AND ECH'S 	~900	Ports & Terminals, Heavy Logistics	#1 in Europe →	 SANY  HYSTER-YALE KONECRANES
FORKLIFT TRUCKS 	~1,100	Heavy Logistics, Metal, Forestry, Ports & Terminals	#1 in Europe* →	 HYSTER-YALE  TAYLOR KONECRANES
TERMINAL TRACTORS 	~1,300	Distribution, Ports & Terminals	#1 in US →	 TERBERG  TICO
BROMMA SPREADERS 	~300	Ports & Terminals	#1 globally →	 ZPMC  ELME  RAM SPREADERS
STRADDLE AND SHUTTLE CARRIERS 	~500	Ports & Terminals	#1 globally →	KONECRANES  ZPMC
SERVICES 	Large	Ports & Terminals, Heavy Logistics, Metal, Forestry	>25% parts capture rate →	 TVH + Other equipment manufacturers

We are well diversified, profitable and growing...

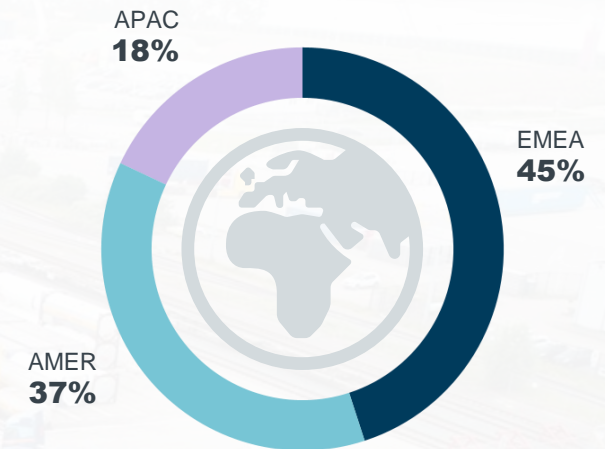
Services share of sales¹



Sales by customer segment, management estimate¹



Geographical sales split¹



Sales²
MEUR 1,688

Average sales growth³
4%

Comparable operating Profit²
MEUR 180 / 10.6%

Operating profit²
MEUR 166 / 9.8%

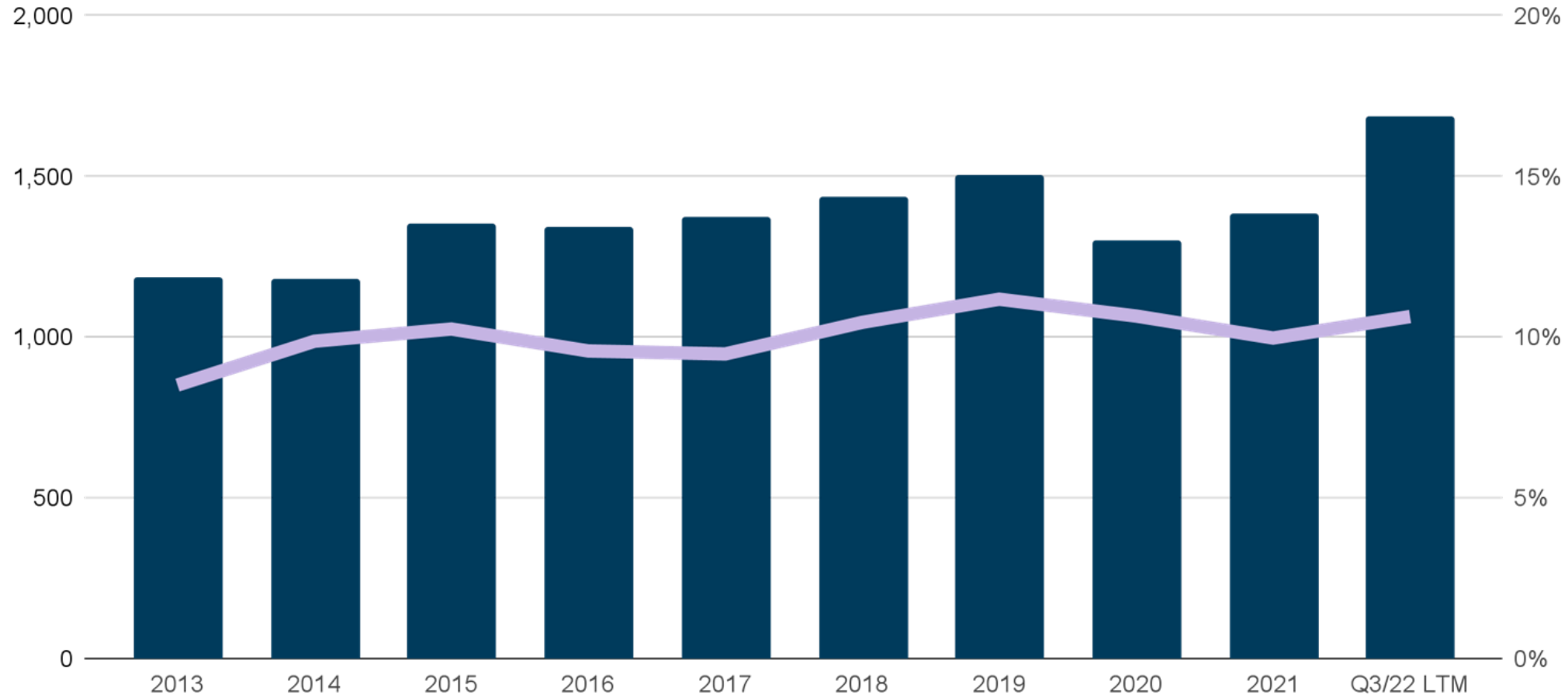
Personnel²
5,044



1) Management estimate, 2021 figures, new Kalmar = Kalmar excluding divested heavy cranes and Navis businesses
2) Q3/22 LTM, management estimate
3) CAGR, 2013-Q3/22 LTM, management estimate, new Kalmar, excluding divestments

...with steady growth supported by a robust replacement market and segment diversification

MEUR



Sales CAGR 2013-
Q3/22 LTM

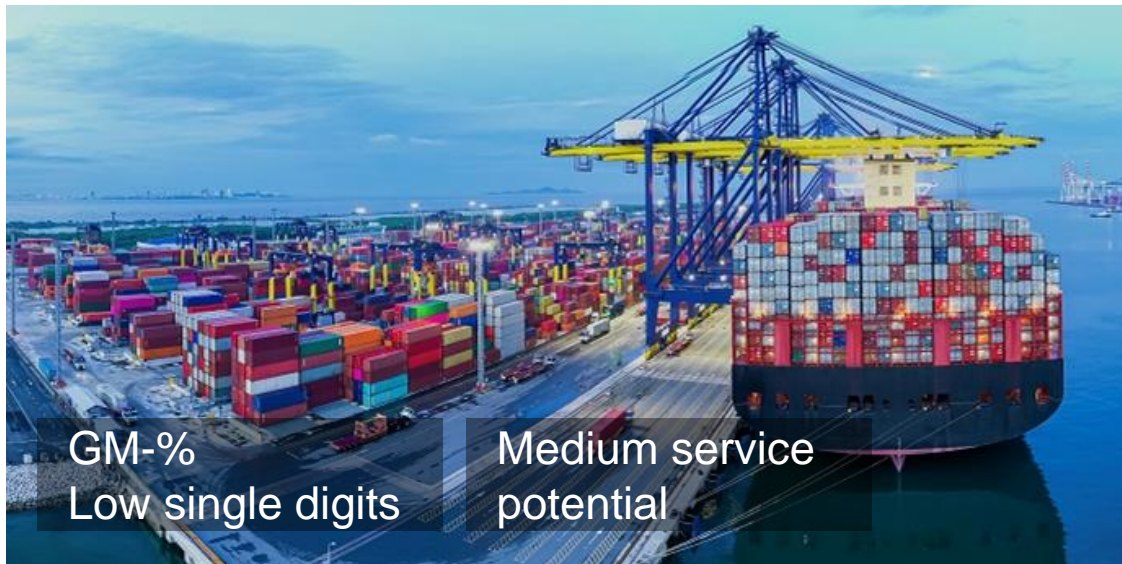
+4%
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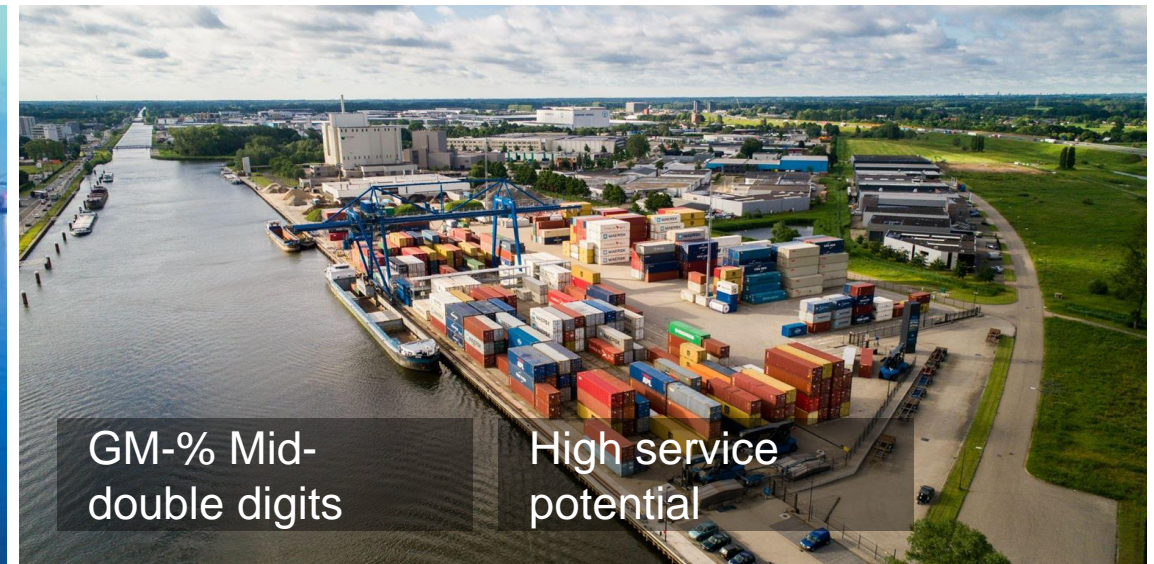
■ New Kalmar sales — New Kalmar Comparable OP%
Figures management estimates

Kalmar's focus is shifting from large terminals to medium and small terminals

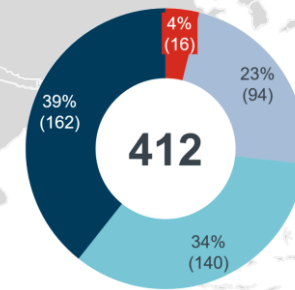
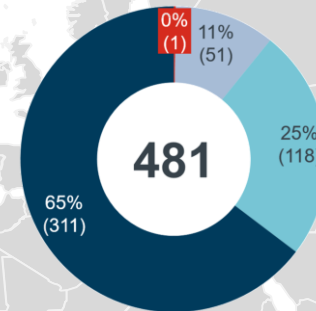
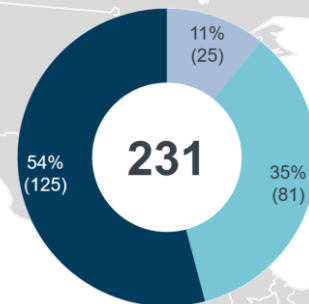
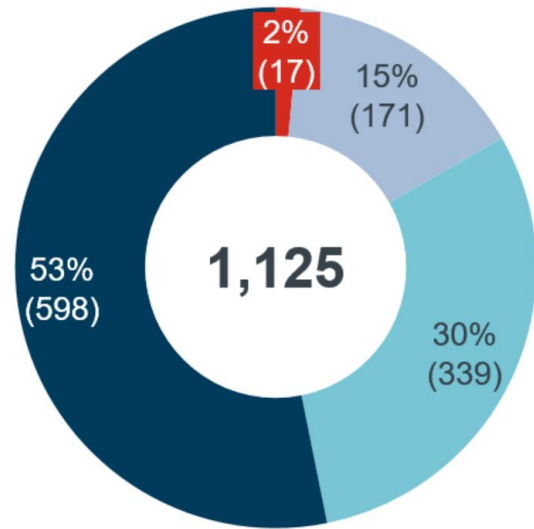
MEGA TERMINALS



MEDIUM AND SMALL TERMINALS



Over 80% of global sea terminals are small or medium sized, driving demand for mobile equipment and horizontal transportation

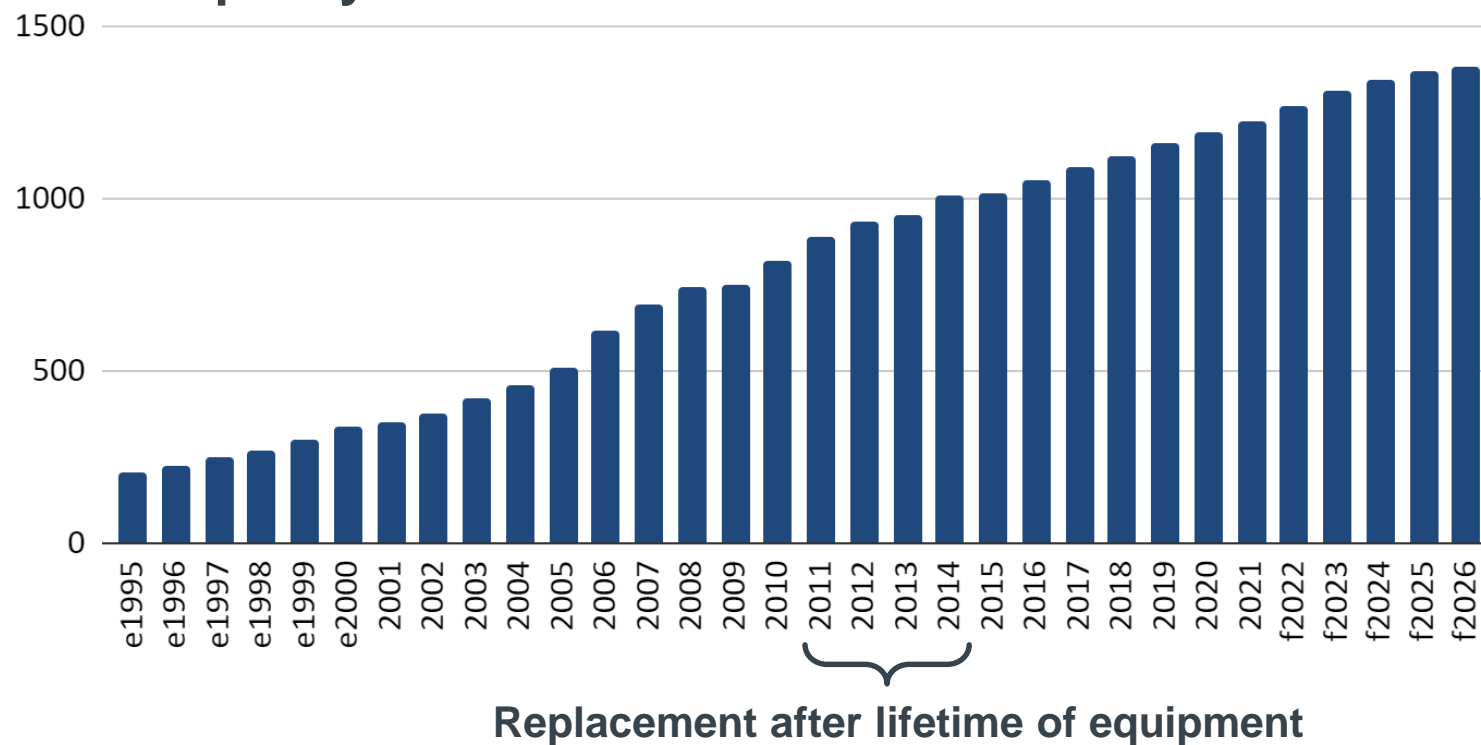


Smaller terminal demand driven by changes in logistic chain, not only by global trade growth.

- Mega (more than 5MTEU)
- Large (1MTEU-5MTEU)
- Medium (300KTEU-1MTEU)
- Small (less than 300KTEU)

The current replacement market size for the Kalmar equipment is EUR 2.5B€ annually and the market is expected to double in the next decade

Total Capacity MTEU



The replacement market will grow in coming years, as the container terminal capacity has expanded significantly during the last two decades.

Average lifetime of type of equipment:

- Straddle Carriers
 - Shuttle Carriers
 - Reachstackers
 - Empty Container Handlers
 - Terminal Tractors
- 8-10 years (for Straddle Carriers and Shuttle Carriers)
- 8 years (for Empty Container Handlers and Terminal Tractors)



Source: Drewry reports: Global Container Terminal Operators 2001-2016 Note: 1995-2000 capacity is estimation based on the assumption that the utilisation rate has been between 70-72% in that period. 2022-2026 forecast based on Drewry's Global container terminal operators report, published in Q3 2022

Our customers trust Kalmar to deliver reliable and high quality equipment and services to keep cargo moving

“ Kalmar has been the preferred container handling equipment supplier to Sociedad Portuaria Regional de Cartagena in Colombia since 2005. We rely upon the quality of the equipment and mostly the superb after sales support provided by the supplier.

Captain Alfonso Salas Trujillo
Managing Director SPRC/Contecar

“ We took delivery of our first Kalmar unit in 2002, and it is still running flawlessly. Over the years Kalmar has always been willing to listen, adapt and provide us with solutions that meet our requirements without compromising on capacity and quality. Currently we have 72 Kalmar units operational and 21 units on order. We are very much looking forward to welcoming these new machines to our fleet.

Mr. Anderson M Mtalaki
General Manager Engineering Services,
Kenya Port Authorities (KPA)

Service

Strong

SERVICE PERFORMANCE

leveraging a large installed base.



Maintenance & Service

Upgrades & Refurbishments

Digital & remote services

Kalmar
SERVICE
portfolio

Spare Parts

Used Equipment

Consulting & Training



We are seeing

STRONG

development in the Kalmar services

5 year parts sales CAGR*:
5%

Service sales are **1/3** of total Kalmar revenue

Service OP growth is **twice** that of sales growth*

Number of equipment under service contracts:
>3700

Share of parts sold through e-commerce:
45%

Enabled by 1,300 Kalmar technicians in 35+ countries worldwide & an active installed base of >65,000 units globally.

Spare Parts will continue to grow in an Electric Future

Share of electric units in Kalmar installed base



Share of electric units in Kalmar installed base will grow over the decade. Parts potential to stay relatively unaffected during the time frame due to installed base size growth and long mechanical lifetime of our machines.



Committed to

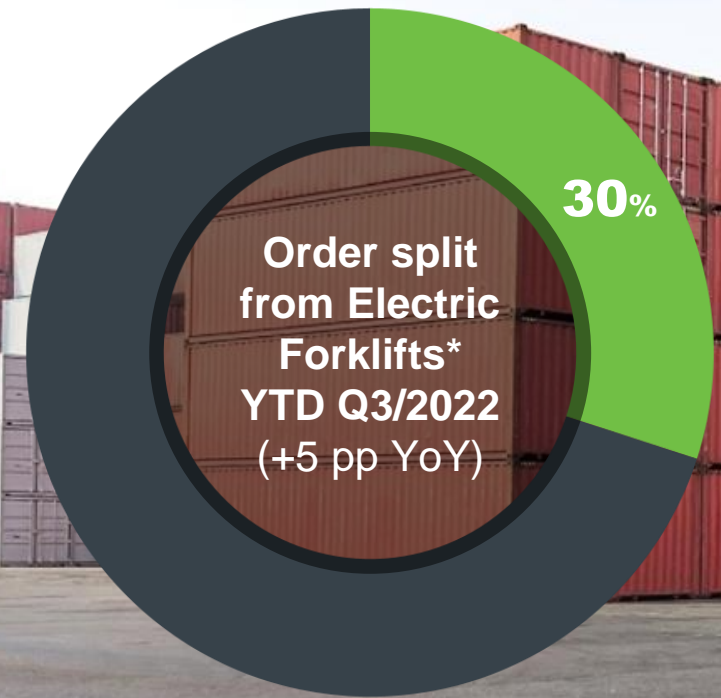
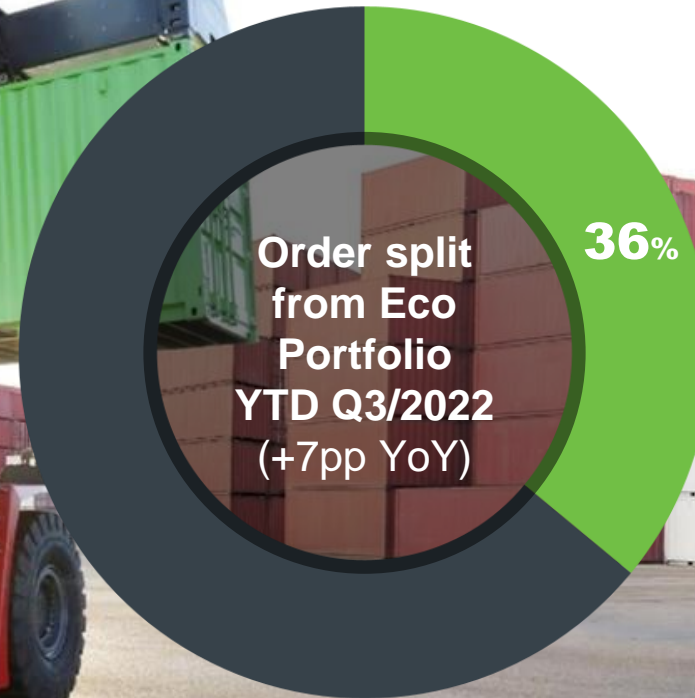
SUSTAINABILITY

to grow faster than the market.

Kalmar is the only supplier with a *fully electric portfolio*



Eco Portfolio orders are growing

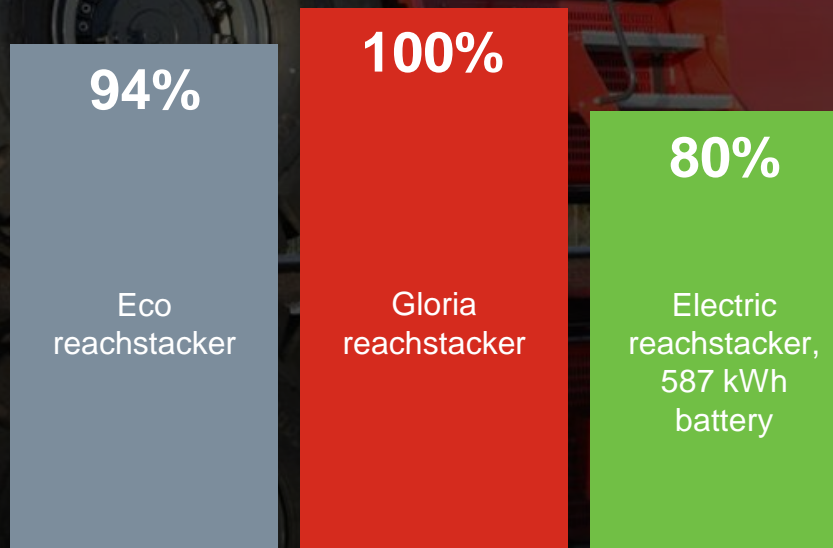


Strong interest in the new Kalmar Electric Reachstacker

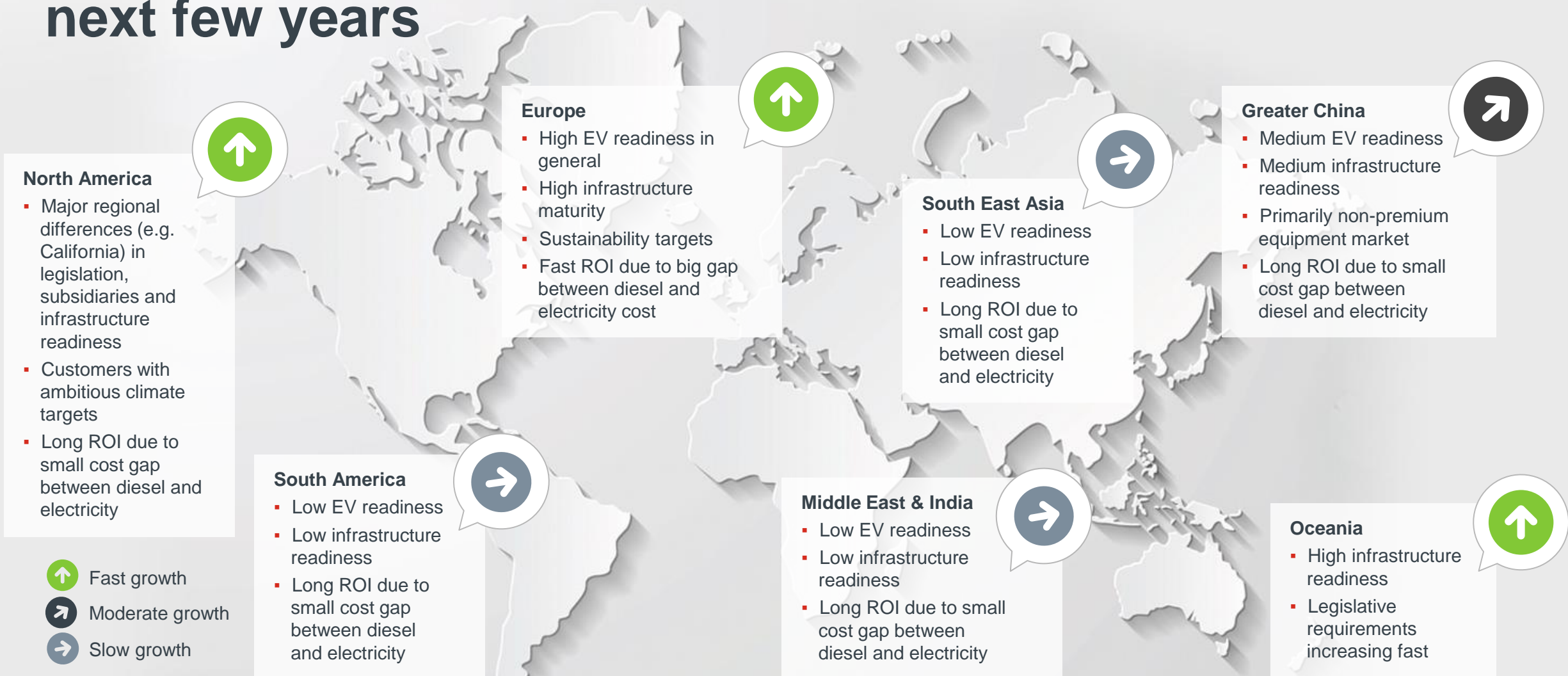
“ The new Kalmar Electric Reachstacker will play a key role in helping us to achieve our target of zero emissions by 2030. Our investments in electrification, hybrid solutions and biodiesel will enable us to reduce our emissions by 56% in 2022.

Kurt A. Ommundsen, CEO Westport Norway

5 year total cost of ownership comparison



Projected market demand for electric equipment in the next few years



A long line of blue Kalmar Hybrid Straddle Carriers is parked in a port yard. The carriers are arranged in a row, extending into the distance. Each carrier has a red and white striped safety barrier on its front. The background shows a cloudy sky and industrial structures.

Kalmar Hybrid Straddle Carrier is a proven solution - over 500 units sold globally

Over 400 000 tonnes of CO2 reductions over the lifecycle of the equipment compared to diesel alternatives.

Kalmar leads the industry in

ELECTRIFICATION



Leveraging all Kalmar businesses to drive rapid electrification.



30% of total equipment volumes electric & hybrid by 2027.



Eco portfolio to grow twice the pace of other products.



Electrification is a prerequisite for large-scale robotic solutions.



Focus on

OPERATIONAL PERFORMANCE

and Lean transformation.

PERFORMANCE PRINCIPLES

Kalmar's key internal margin expansion levers:

1 LEAN mindset

AVOIDING UNNECESSARY COMPLEXITY &
ELIMINATING WASTE

2 Driving performance through
a transformation with focus on:

COMMERCIAL
EXCELLENCE

SERVICE GROWTH

PRODUCT COST

INDIRECT COST

OPERATING MODEL &
OPTIMIZED RESOURCE FOOTPRINT

LEAN Ottawa Plant

41% improvement in terminal tractor output between Q2/22 - Q3/22



 **Lean Focus**



SUMMARY

Focus on performance and resilience.

New Kalmar continues on the path of

PROFITABLE GROWTH

GROWING MARKETS

- Robust & growing equipment replacement market
- Increased customer demand for zero emission solutions

FASTER THAN MARKET GROWTH

- Portfolio aimed at growing small/medium sized terminals
- Eco portfolio growth twice that of the traditional products

SALES MARGIN IMPROVEMENT

- Increasing service sales and operating margins
- Systematic spare parts capture rate increase

STEP CHANGE IN PRODUCTIVITY

- Operational performance transformation program
- Lean implementation across the organization

