

Corporation:	Cargotec
Title:	Q4 2019 Results
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Date:	22.10.2019
Duration:	00:48:20

Hanna-Maria Heikkinen: Today our CEO Mika Vehviläinen will start with a group development. You may have recognized that we announced also this morning the strategic review for Navis future and Mika will also go that through and after that our CFO Mikko Puolakka continue with the business areas, financials, dividend and outlook. So please Mika, time to start.

Mika Vehviläinen: Good morning from my behalf. Thank you for joining the Cargotec call today for our Q4 results. I recognize it's a very busy day so I appreciate your joining in. 2019 in many ways it was a good year for us in Cargotec. I'm satisfied with the performance of Kalmar and Hiab. Both had a strong year. Also our services and software business continued to grow well. We ended the year with a strong order book that lays good foundations for us for 2020. I'm especially pleased with the strong cash flow coming primarily from the improving supply chain situation and reduction of the networking capital as well as some advance payments coming, especially from some port automation projects. As said orders decreased, but actually pretty much stayed on the last year levels. Kalmar had a very strong year in 2018 and we came down somewhat from that one. But the Q4 was again a strong order intake for Kalmar. Hiab despite 2018 being a record year for Hiab order intake, increased orders somewhat further in 2019. MacGregor order intake increased by 9% but that came effectively from the TTS merger and on organic basis MacGregor orders decline somewhat. We had a strong revenue increase in all of our business areas and comparable and FX ratios, 10% growth, and again we actually ended the year with record high comparable operating history, highest ever in Cargotec history. And the good development happened both in Kalmar as well as in Hiab where operating profit

increased by 27%. Obviously, we are highly disappointed with the performance of the MacGregor that dragged down the group numbers in many different ways, that Mikko will discuss also further, with the total comparable operating loss of 28 million. A very disappointing year for MacGregor in that sense. When I look at the market environment first of all in 2019. 2019 the world trade and container traffic grow moderately about 2.3% and the growth expectations for 2020 is somewhat accelerated growth, about 3%. We see a good demand continuing for our automation and project-based solutions. But we saw the softening of the demand in our mobile equipment business towards the end of 2019 and we are somewhat uncertain about the demand going to 2020, especially around the industrial application space for that business. In Hiab the construction market remained strong. And actually, towards the end of the year we saw still very strong indices both in US and Europe in terms of construction index. And we expect the market to remain relatively stable going into the 2020. 2019 was a very difficult year for MacGregor in terms of the market demand. Now if you look at the estimates for the 2020, for example Clarkson estimates fairly significant ramp-up of the ship orders on 2020. We are somewhat more cautious about that one and our own plans are based on a fairly flattish demand in MacGregor moving into the 2020. As said, our orders remained at high level in 2018 and I'm pleased with our order intake during the Q4. The Hiab orders obviously came somewhat down but it's good to remember that the Q4 2018 was the record high year, or record high quarter, for Hiab demand. And actually, we see the order book going down and the improved delivery capability in Hiab, I think it will be expected that we see may be some softening in short-term order intake as our delivery times are getting shorter and our dealers and customers are getting more confidence in terms of our delivery time accuracy and shorter delivery times as well. Kalmar orders stayed at a high level at 446 million and included one significant automation order during the Q4. Our order book is actually somewhat up from the previous year and as said lays a good foundation for us for the 2020. Half of our order book is actually coming from MacGregor, from sorry, from Kalmar at this stage. Sales increased as said in all business areas and the profitability developed favourably in Hiab and in Kalmar. However, MacGregor weak performance drag down the overall group numbers. I'm also very pleased with the development we see happening in our key strategy areas in service and software sales. There services grew another 8% in 2019, primary growth coming from the Hiab and MacGregor, where MacGregor without the TTS was also growing organically in services, which is always a good indication regarding the sort of a hopeful market recovery as well. Our software sales increased by 15%. The growth primarily coming from the increase of our automation software. Overall, our services and software sales on an annual basis is now

exceeding 1.2 billion euros and constitutes 33% of our total overall revenue. So I'm very pleased how we have been able to develop this business over the last few years.

As Hanna-Maria already mentioned, we also announced today and a strategic evaluation considering the Navis business. First, I'd like to say that we are very satisfied with the performance of the Navis. During Cargotec ownership Navis has more than doubled its revenue and is EBIT positive operation today. When we have now evaluated Navis strategy and strategic options, it's clear that there are many opportunities for Navis to grow and develop into a new segments, but the question is that are those segments and opportunities aligned with our core business and are we potentially the best owner to enable Navis to take an advantage of those opportunities? It's also a very important to point out that this evaluation only concerns Navis software and the other Cargotec growing software and business development are not under the are not part of this review. If I tried to a little bit explain this further, we are still highly committed to our strategy to become the leader in intelligent cargo handling. What it means for us in practice first, if I start from the kind of the foundations, which is our products. Our products are becoming increasingly more intelligent. They will have higher and higher software competencies and composition. They will have more and more sensors. They will communicate and correlate with outside exchanging information more and more. And the products clearly are moving more and more towards semiautonomous, fully autonomous and then towards smart robotics direction. We see customer demand due to the lack of, for example, experienced operators and cost saving efforts and safety efforts driving towards that direction. At the same time, our products are also and the need for sustainable solutions is increasing clearly, and especially the electrification pace is accelerating clearly within our customer base. The moving into the smart products and more sustainable products offers us significant opportunities in the future. Secondly, these smart, intelligent robots will further coordinate and form intelligent system level solutions. A good example of that one today and already in our solution offering is automated container ports. We need more and more demand toward similar solutions in our other customer segments. We will automate not only container ports but different depots, container depots, logistics yards and other industrial applications. We see the pace accelerating around smarter products, smarter systems and much smarter sustainability, and these offer great opportunities for Cargotec. With our market position, these capabilities we have built in-house, this really gives us opportunities to further enhance our competitive edge in the markets that we are serving today. The third level that we have been surveying with the Navis is an independent software business that then coordinates systems between themselves and potentially exchange data and optimize cargo flows – sort of

ecosystem play. This is the business that is currently under review and we are looking whether we are able to sort of drive that business forward with the fairly conservative industry and are there other opportunities in Navis business development that would be better served under different ownership structure. And that's where the evaluation is at this stage. With that one, I'd like to move into the business areas and hand over to our CFO, Mikko Puolakka.

Mikko Puolakka: Thank you, Mika. Good morning also from my side. Let's start with Kalmar, where the orders were on last year's level. The automation and project orders actually grew compared to quarter four 2018, and we've got again, one sizeable automation deal in the last quarter of 2019. We also have a solid pipeline for automation and project orders going forward. The mobile equipment orders declined in the last quarter. We had strong deliveries at the end of the year, resulting a good growth in sales, 6% sales growth. Also, on full-year basis, Kalmar was able to grow sales by 6%. Service sales, growth picked up from 3% in quarter three now to 6% in quarter four 2019, and we saw good growth in all categories: spare parts, maintenance as well as in upgrades. The Kalmar quarter four comparable operating profit was 44 million euros against 51 million euros a year ago and the decline was mostly attributable to less profitable sales mix, like a higher portion of the automation and project sales compared to the mobile equipment sales. On a full year level however, Kalmar comparable operating profit was 162 million euros and this is a 13% improvement year on year. Also, the operating profit margin improved from 2018 when it was 8.9% to 9.4% now. Then moving to Hiab and in Hiab orders declined by 10%. However, in our opinion, still the quarter four order level is very good, achievement in Hiab as the comparison period orders were actually on record high level. The full year orders in Hiab grew by 4% and orders were flat if we exclude the Effer acquisition, which took place at the late part of 2018. The supply chain situation stabilized and has been stabilizing as we expected in the second half of 2019 and we have been able to reduce significantly our lead times. This is also visible in our order backlog, which is now getting back to the more normal levels. Hiab was able to grow the quarter four sales by 60%, thanks to also to the stabilizing supply situation and the growth came from all product lines and mostly from EMEA and North America. Service sales were up by 5%. And when we look the Hiab full year sales, sales were 1.35 billion euros. And here we have 18% year on year growth, so nice development there. The Hiab quarter four comparable operating profit improved almost 50% and the margin being now 14.1% for the quarter. And this improvement came from a higher sales. In Hiab, up the full year comparable operating profit was 170 million euros and this is a 27% year on year improvement. Then, moving to MacGregor. In MacGregor the orders grew by 5% but basically the underlying market is still very, very challenging. The orders excluding TTS

acquisition actually declined 8% in quarter four. If the new build market, so the equipment market has been fairly low, the positive thing is that we have been able to growth significantly the service business. With acquisitions 36% growth in service orders and also on organic basis nice growth. MacGregor sales grew 18%, but again when we exclude the TTS acquisition, the organic sales declined by 3%. Like in orders, also the service sales grew 26% and organically 2%. The quarter four profitability was disappointing, -13 million euros comparable operating profit. And this is very much related to the project cost, excessive project costs, cost overruns, then low capacity utilization in the offshore business and overall in MacGregor business weaker sales margin due to the tight competition. We have started several measures to improve the profitability and I will cover those also on the following page. So overall, we are targeting for 2020 in MacGregor to 50 million euros fixed costs savings and this is coming from the ongoing offshore restructuring as well as from the TTS integration. Overall from the TTS integration, we are expecting 25-30 million euros synergy savings, so that 12 million euros in 2020, 10 million euros in 2021 and then 5 million euros thereafter. The TTS integration cost synergies are related to the changes in roles and positions both in MacGregor as well as the TTS organization, closing facilities, getting rid of duplicate offices for example and then supply chain related savings for example in direct materials as well as in indirect purchases. We have taken also sizable measures in the offshore business in quarter four and that resulted as significant one-time costs during the quarter four. Then if we look at the overall company performance on a full year basis, our sales grew by 11% and the comparable operating profit increased 9%. On the disappointing side, we had very high items affecting comparability, 84 million euros. Out of this 55 million euros are related to MacGregor. This resulted to IFRS operating profit decline being 180 million euros versus 190 million euros year ago, and this impacted also the earnings per share. So basically 1.39 euros per share, a 16% decline year on year is very much attributable to the low profitability in MacGregor as well as the high restructuring charges. On a positive side, we had excellent cash flow in 2019, 361 million euros. So after the two years of challenges with the supply chain, we have been able to release nicely cash from the net working capital, especially inventories went down, as well as we received advance payments, especially in the second half of 2019. Our financial position is strong thanks to the very good cash flow, especially in the latter part of 2019. Our net debt declined to 774 million euros and our gearing was 54%. Excluding the IFRS16 leases, our gearing was 41%, which is below our target to maintain the gearing below 50%. The net debt to EBITDA reported was 2.5%. But again, if we exclude the IFRS16 leases our net debt to EBITDA 1.9%. It has been on these kind of levels in 2016. We don't have any major debt repayments, 150 million euros debt is maturing in the first quarter and overall next year, or this year, 271 million euros. Most of this we have already

refinanced in 2019, for example with the bond switch we issued in the second half. ROCE for 2019 was 7.3%. The main reason for the low ROCE is a very weak profitability in MacGregor as well as the restructuring charges which we have taken to turn the business around. Cargotec board proposes a 1.20 euros dividend per B share for year 2019. This is a 9% growth from 2018. The dividend would be paid in two instalments, in March as well as in October and the proposed dividend represents a 86% dividend pay-out. If we exclude the restructuring charges, then the dividend pay-out ratio is 55%. In total, the dividend pay-out would represent roughly 77 million euros dividend payment. Before going to the guidance, let's have a look on our 2020 business assumptions. We expect MacGregor's comparable operating profit to improve from the very low levels in 2019. Contributions here are the 15 million euros cost savings as well as growing the overall revenue thanks to the TTS acquisition. We have done also, we have been doing already in 2019, productivity improvements in our all other business areas as well as in the corporate functions. And we continue with those measures also in 2020 and those are expected also to improve, have a positive improvement in our profitability. We also expect to grow our service business going forward. Last year, 2019, it was 8%. Keeping in mind our service and software sales target of 1.5 billion euros. Overall, the market visibility is limited at the moment. The recent events like the coronavirus will also increase the uncertainty. This is mainly attributable to Kalmar mobile equipment as well as in Hiab. But overall, we do not expect major changes in the demand if we look compared to 2019 latter part. We incurred last year 84 million euros restructuring charges. We are expecting approximately 60 million euros restructuring costs from ongoing programs and now the reviews we have started, additional reviews, those might also change still this 60 million euros estimation as we move forward with the reviews. So our outlook for 2020 is that we expect the comparable operating profit to improve from 2019 when it was a 264 million euros. And with those words, I will then hand over back to Hanna-Maria.

Hanna-Maria Heikkinen: Thank you, Mikko. Thank you, Mika. Now there is a great opportunity to ask questions and get good answers. We will start with the potential questions from Ruoholahti. It seems like that there are no questions from Ruoholahti. So then we will continue with the international questions.

Operator: Thank you. Ladies and gentlemen, if you'd like to ask a question, please signal by pressing star one on your telephone keypad. If you're using a speaker phone, please make sure your mood function is turned off to allow your signal to reach our equipment. A voice prompt or your phone line will indicate when the line is open. Please state your name before posing the question. Once again, please press star one to ask a question. We will pause for just a moment

to allow everyone to give an opposite to think about questions. We will now take our first question.

Magnus Kruber: Hi there, Magnus Kruber with UBS. A couple of questions from me. So first thinking in Q3 in Kalmar was guided to a relatively stable mix in the business going forward and I think now in this quarter we're saw sort of quite different picture. Could you give some additional colour on that please?

Mikko Puolakka: Thanks for the good question. I would say that in quarter four in Kalmar, especially in the Kalmar automation and project business, we had higher deliveries than what we originally anticipated and in this business, we have lower profitability compared to the mobile equipment. So this is the mix, what I referred to in my part of the presentation, which has been diluting our profitability.

Magnus Kruber: Perfect. Thanks. Then in Hiab. Could you expand a little bit on what sort of year on year demand trends you saw through the core of Q4 and how Q1 has started please.

Mika Vehviläinen: We saw still the demand continuing in a good way. It's good to remember that the comparison period is very challenging. The Q4 2018 was all time high order intake well over 350 million. So the demand remains robust. But one thing that I think we need to be a little bit cautious now in the short term is the fact that we are clearly being able to ramp up our delivery capability, our on-time delivery start to be at a very high level and our lead times are getting shorter now as well. So one of the reasons for the very high order intake for example in Q4 18, clearly was the fact that people were uncertain, both the dealer as well as the direct customers, about the availability of the equipment and want to hedge with the orders. Now that we start to see continuously lowering delivery times and more accurate deliveries, I think we could expect still in the short term some order softness because effectively if you look at the order backlog that is still over 400 million in there. And just for the sort of, to simplify, if you think Hiab as a 1.2 billion business, so a 100 million a month deliveries or orders. So if you get down to a sort, at best we were in 2017 roughly at the seven weeks delivery time, but if you use a two months delivery time as an kind of an example, that would effectively mean that that would be the order backlog could be as low as 200 million and we able to still be performing at the high level. I would expect that the with the current higher performance, we should still see the order backlog actually decline somewhat where we are today. That's more to do with the delivery performance and our kind of customer engagement rather than to market demand.

From the market demand point of view, we still see sort of the demand to stay roughly at the last year's level.

Magnus Kruber: Ok. Perfect. Thank you so much. And then you may have touched on it already, but I think in the last quarter you stepped away from some service business in Q3. Have you seen any similar decisions in Q4?

Mikko Puolakka: Can you repeat your question please?

Magnus Kruber: Yes, apologies. I think in the previous quarter, you stepped away from some service business, due to low profitability. Have you made similar decisions in Q4?

Mika Vehviläinen: There has been, especially in Kalmar some clean up in terms of some of the crane upgrades related services, some of the maintenance services where we were not happy with the margins we were able to do, and that explained the overall low growth. We saw already services picking up in Q4 with the 6% increase and obviously we have seen an improvement in Kalmar's customer service and business profitability as well. So I think we have seen those effects away and I would expect another year of growth in Kalmar's services in 2020 as well.

Magnus Kruber: Perfect. Thank you as much. I'll get back in line. Thank you.

Operator: Thank you. We will now take your next question.

Johan Eliason: Good morning. This is **Johan Eliason** from Kepler Chevreux. Just some questions starting with the restructuring charges just a little bit high in this quarter and also fairly high number going forward. How much of that is related to the TTS acquisition and are the charges you are taking in relation to TTS sort of in line with what you initially planned in terms of charges when you looked at the deal? Thank you.

Mikko Puolakka: I'll take this question. So basically 84 million euros overall, items impacting comparability, and most of this 55 million euros are related to MacGregor. And in MacGregor's case, not that much yet has been related in 2019 to TTS. So as we move with the TTS integration more to the concrete implementation in 2020, then we start to see the TTS related restructuring charges, and those are partially related to this 60 million euros what I mentioned in the previous slides.

Johan Eliason: And you haven't seen the need for higher charges? Now when you have control of TTS, it's sort of in line with your already know plans or?

Mikko Puolakka: Yes. TTS integration is progressing according to the plan. We expect similar savings what we originally communicated and also the restructuring charges there are in line with our original assumptions.

Johan Eliason: Ok, good. Then on this Navis announcement. I always thought Navis was sort of a little bit of a door opener for you and also allowed you to offer this integrated automation offering to your end customer setting you apart from competitors like a Konecranes or ZPMC. Now you're thinking of divesting Navis. I can understand that some of the new developments there could fit better elsewhere, but don't you see that this is a bit threatening sort of your value proposition to your customers in the way you're offering them integrated automation solution?

Mika Vehviläinen: It's a good point, Johan. And I think it also tells how much the market has shifted now. So what you said is absolutely true that four or five years ago when Navis started to be part of Cargotec, there was an important strategic, for strategic discussions, because we very effectively are sort of steel provider, train provider, for our customers. Now with the clear development in automation, our strategic discussions on the customer even without the Navis are actually at a very high level. Also what we have seen in automation is that there doesn't seem to be a lot of need, actually I can't name a single project at the moment that would actually require what we would call a full package including the operations system, because the automation is primarily driven by the so-called brownfield implementations i.e. existing ports converting gradually into automation. All of these ports already having operating system and in many cases that is Navis system today, but from the offering point of view obviously the focus is very much on the capabilities and the competitiveness of your automation software and automation capabilities within those given projects. So that need that has served us quite well actually has sort of, you could say faded away on that sense. And when we want to develop the Navis further many of the new opportunities actually are further away and don't necessarily have the same synergy or support with our core businesses that it has some few years ago.

Johan Eliason: And then, if you look at your offering in port automation, what's your key differentiator versus for example your Finnish peers now?

Mika Vehviläinen: I think it's overall investments we have on the automation software. We have a single automation platform that we have been developing consistently and then we

adapt customer-specific applications. We feel it's very important to have a highly competent and high functionality platform in place that then enables you to do specific customization for the customers. If I look at the ports that we have now automated, for example in west coast US, we see increasingly higher performance. The customers have been able to adapt their processes and operating ways into the more automated ports and are finding continuously with increased data visibility, more opportunities to drive the productivity of the port. So we see increasingly good and reliable performance coming from our current references. And especially around the horizontal transportation, we clearly see the market moving away from what was originally a sort of leading application which was so-called AGVs into the sort of straddled based horizontal transportation that gives you a much better performance and flexibility in your operations. And there is quite a bit of demand around that one. And as I said, we had one fairly significant order again in Q4, and we see a number of opportunities in our pipeline also moving into 2020.

Johan Eliason: Ok. Excellent. And I'm just talking about in general, the pipeline for Kalmar. Do you see mobile softening a bit? Is there in any of your end segments, a specific replacement cycle of working against you or in favour of your offering in 2020 and going forward?

Mika Vehviläinen: I guess the an area that I would be most cautious about, would be the industrial applications or the heavy forklift market, depending on how the industrial demand and development happens, especially in Europe and during the 2020. And the other area of potential softness for us was towards the end of the year, and let's see how this year pans out, was around the mobile applications, mobile equipment market in China where we also saw softness towards the end of the year. Right now of course, with the coronavirus and the market is not moving at all, but it's difficult to predict how long that will prevail. Those would be probably their specific areas I would be more cautious about.

Johan Eliason: Ok. Thank you very much.

Operator: Thank you. We'll now take your next question.

Manu Rimpelä: Good morning. It's Manu Rimpelä from Nordea Markets. My first question would be on this Navis. I think you mentioned that you have 150 million of sales in 2019. And can you remind me what kind of growth rates have you had the since you acquired the asset? Also, what is the invested capital or the book value you have of that asset? I think you've invested quite a lot over the past two years developing that offering. Or has it all been taken through the P&L as a cause in your Kalmar numbers? And then finally, could you say, what is

the cost of these kind of increased investments in Kalmar? Report a bit from the Navis kind of, development of the offering.

Mika Vehviläinen: Overall over the lifetime of Cargotec ownership, Navis has doubled its revenue. The growth has been more slower in the past two years. If you look at the robust growth we have seen in software during the last two years, it's primarily coming from the automation software today. When it comes to the assets, we have not capitalized any of the R&D in Navis so there are no balance sheet items in there as such. I'm not going to comment particularly sort of business unit specific or business specific investments otherwise.

Manu Rimpelä: You're not willing to comment about the invested capital or book value of Navis today?

Mika Vehviläinen: Not at this stage.

Manu Rimpelä: Ok. Then my second question would be on Kalmar and following up on an earlier question. So I also wanted to ask about the Q3 results that you talked about the Kalmar backlog being the high quality. I'm kind of getting the sense that the strong run rate of 10%, 12 months rolling margins at the end of Q3 would be more of feel kind of a level where you think that you can remain and Q4 obviously margins and mix meekness, it's a bit of a surprise. So have you changed your comments or did we misinterpret those comments that the backlog quality was slower going into 2020?

Mika Vehviläinen: I have to admit and apologize, there is some a misunderstanding around that guidance as well. I mean overall we are very happy with the Kalmar performance in 2019, where we saw increase in revenue and increase in profitability. With the nature of the business you would expect a certain the lumpiness on that one because the project deliveries which are generally a lower margin than the mobile equipment are going up and down within the quarters and to mix keeps on shifting around that one. Obviously when I look at the 2020 now, the slow down of the mobile equipment would mean that the portion of project-based business would increase. And as such, I think, we are looking fairly stable development now in the Kalmar are moving into the 2020.

Manu Rimpelä: Ok. Can you help me to understand that if you have a worsening mix, so how do you then get it stable?

Mika Vehviläinen: Well when I look at the numbers on the Q4 level, I think that's fair. I referred to the stability level moving into the 2020 sales, so we will be probably somewhere in the

ballpark of what you look at the Q4 with the current demand. Obviously again, one needs to point out that when it comes to the mobile equipment demand, the delivery times and the visibility is shorter so that that can move into the both directions and more difficult to predict moving into 2020, whereas with the automation and projects our actually backlog pretty much covers the 2020 demand by now.

Manu Rimpelä: Ok. Final question, so should we interpret that there's a risk that Kalmar operating profits margin would not improve in 2020 if you're kind of supposed to look at the Q4 run rate and think that's kind of the level?

Mika Vehviläinen: Within the current assumptions, but I said a lot depends of course on the demand of the mobile equipment. There the visibility especially to the second half is not good.

Mikko Puolakka: Overall I would say that what quarter three type of margin is on a high side if you'll make projections for 2020. So it should be, you should use more kind of a high single digit type of margin based on the current understanding about the mix.

Manu Rimpelä: Thank you.

Operator: Thank you. Ladies and gentlemen, if you'd like to ask a question, you may press star one on your telephone keypad. We'll take our next question.

Artem Tokarenko: Good morning. That's Artem from Credit Suisse. Thank you for taking my questions. I have a question on Hiab. Could you help us with the size of, what was the headwinds in the breach in 2019 from the supply chain issues which you had, and how should we think about the Q4 strong margins and whether they are sustainable into the next year in Hiab?

Mika Vehviläinen: We still had some headwinds in 2019 especially in earlier part. It's difficult to put an exact number but I would use a sort of fair estimate of maybe about around 20 million of revenue, 20-25 million of revenue. That was still a headwind. That headwind obviously gradually decreasing throughout the year.

Artem Tokarenko: Right. Ok. Could you also reminded us, what's the split between a medium and heavy duty trucks exposure in that business and maybe talk a little bit about what gives you confidence in flattish demand outlook for Hiab given a very weak backdrop in the truck's markets?

Mika Vehviläinen: The traditionally the Hiab and business correlates very poorly with the truck demand and one needs to remember that only about, even in the most penetrated market, only one truck in 10 has some sort of lifting equipment. And the mix also varies depending on the application. So it's quite a complicated matter. But generally, we have seen truck demand going up and truck demand going down without affecting directly the Hiab demand. The single largest application for Hiab is the construction activity, but one needs to remember that also we serve, you know, retail distribution, waste management and other applications as well. But the best predictor on that generally tends to still be at a construction level activity, more so than the truck registration numbers. And when I look at the construction indexes towards the end of the year for example and predictions for the 2020, those are still showing fairly robust demand moving ahead.

Artem Tokarenko: Right. Thank you very much. And my last question is about in my MacGregor, I think previously you have been talking about break-even margins in 2020. In current market environment, is this still the targets?

Mika Vehviläinen: That's still very much the target. Thank you for the question. It's still very much the targets for the whole year 2020. Mikko already showed you the saving that we estimate and are targeting for 2020 in MacGregor. The other important element of the MacGregor is the loss-making projects we had especially in the offshore side in 2019 and we do not expect further negative bookings from. The combination of the ongoing cost savings, both from offshore as well as from the TTS integration, good together with disappearance of the negative project margins from the books in 2020 should lead us to break-even results in 2020. However, I want to point out that this will happen gradually throughout the 2020. So we still would expect MacGregor first half performance to be loss making and then gradually improving throughout the 2020 with the whole year sort of showing a break-even result.

Artem Tokarenko: Ok. Maybe a small follow-up on this. Could you help us with understanding the size of those losses on those projects?

Mikko Puolakka: In 2019, those lawsuits were double digit million number without going into an exact number. More than 10 million euros we incurred in 2019. And these together like Mika said with the cost reduction programs and TTS integration, we expect to improve the 2020 comparable operating profit.

Mika Vehviläinen: Again good to point out that our targeting for the break-even result is not counting any market improvement. The plans are based on fairly flat top line number.

Obviously, there are upside opportunities especially around the services throughout the 2020 but we do not expect the market to recover very fast.

Artem Tokarenko: Thank you very much. Thank you.

Operator: Thank you. Once again ladies and gentlemen, if you'd like to ask a question, you may press star one on your telephone keypad. It appears there are no further questions at this time. I'd like to turn the conference back to you to speaker. Thank you.

Hanna-Maria Heikkinen: Thank you. Before ending this news conference, I would like to remind you about our next event. There is a possibility to meet our colleague Stefan Lampa who is president of Kalmar mobile solutions. We are organizing event together with him, which will take place here in Helsinki on February 26 and as you may remember, Stefan has an excellent background, for instance in robotics. I think this will be excellent possibility to hear his thoughts and plans for Kalmar mobile solutions. I know that this is super busy day for all of the analysts, so thank you for active participation and I look forward to meet you in Helsinki on February 26.