

CEO Mika Vehviläinen

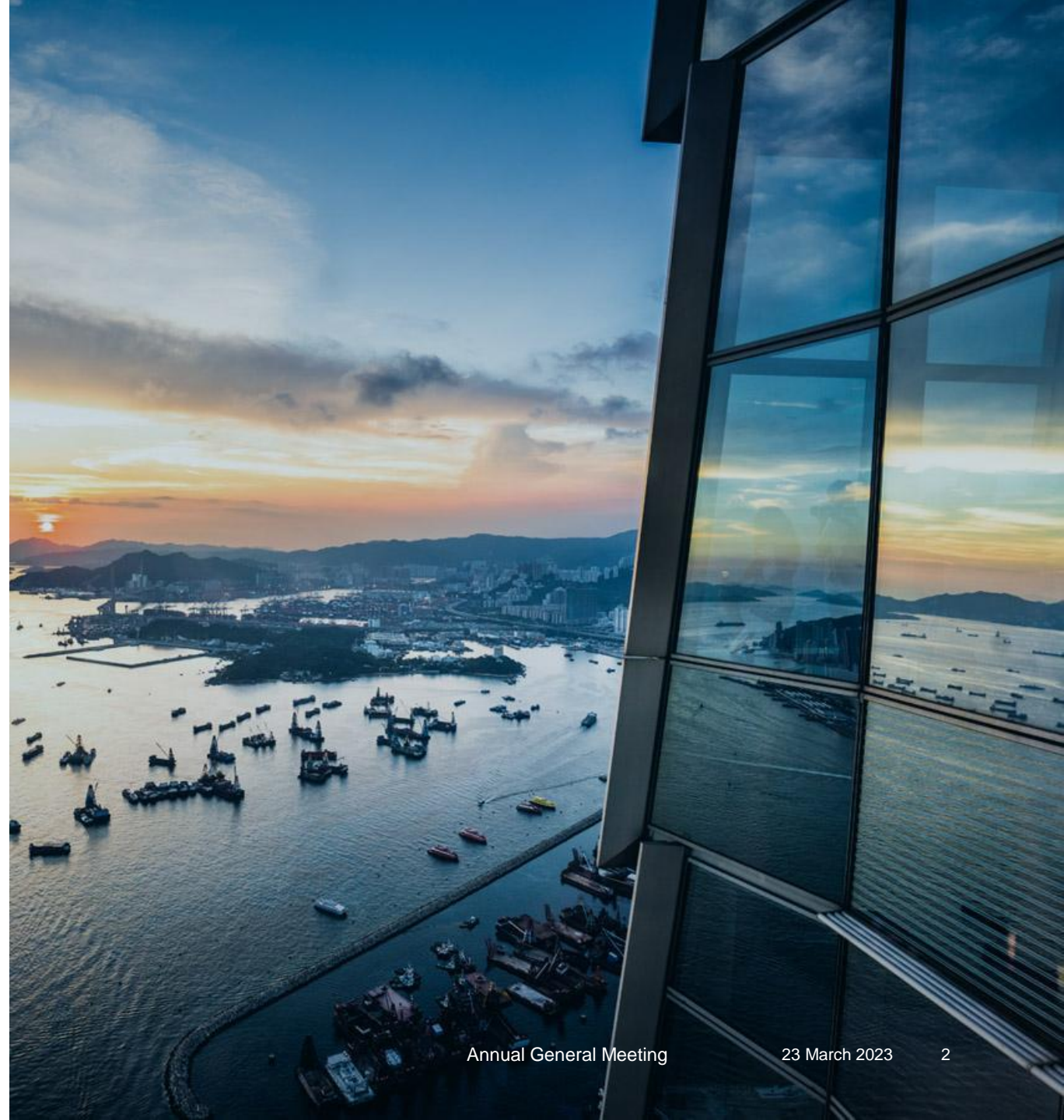
# Annual General Meeting 2023

23 March 2023

# Safe harbour statement

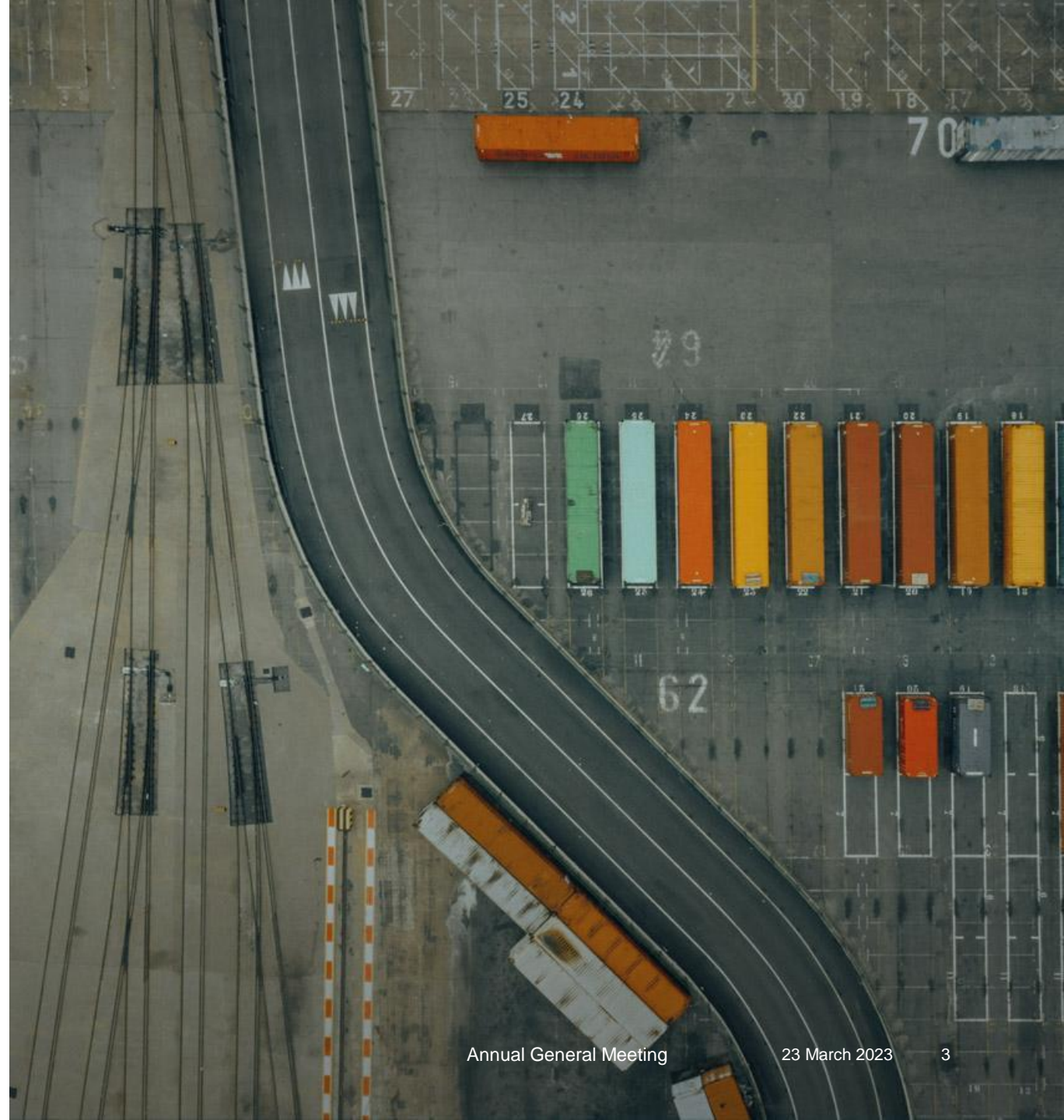
## Disclaimer

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.



# Contents

- 2022 highlights
- Cargotec's refocused strategy
- 2022 financials
- Dividend and outlook



# Highlights from 2022:

## What went well

- Refocused strategy launched, **we grow by solving our customers' sustainability challenges.**
- **We published new targets for our Core Businesses**, setting sustainability targets alongside with our financial targets
- Orders received, sales and comparable operating profit at **record levels**
- **Positive development continued** at Hiab and Kalmar

## Challenges we faced

- **Several global crises characterised the year**
- **Supply chain challenges** limited sales and profitability growth
- Offshore wind power product development **cost overruns and portfolio rationalisation** had a negative impact on MacGregor's results
- CO2 emissions increased by 5% in Cargotec's value chain due to increase in sales, despite decrease in emission intensity

Kalmar  
**ROBOTIC**  
portfolio

On 30 March 2022, Cargotec announced that it refocuses for higher financial performance through sustainability and growth in profitable core businesses



# We have already reached significant milestones in the new strategy

Strategic evaluation of MacGregor business



Plan to exit heavy cranes business in Kalmar

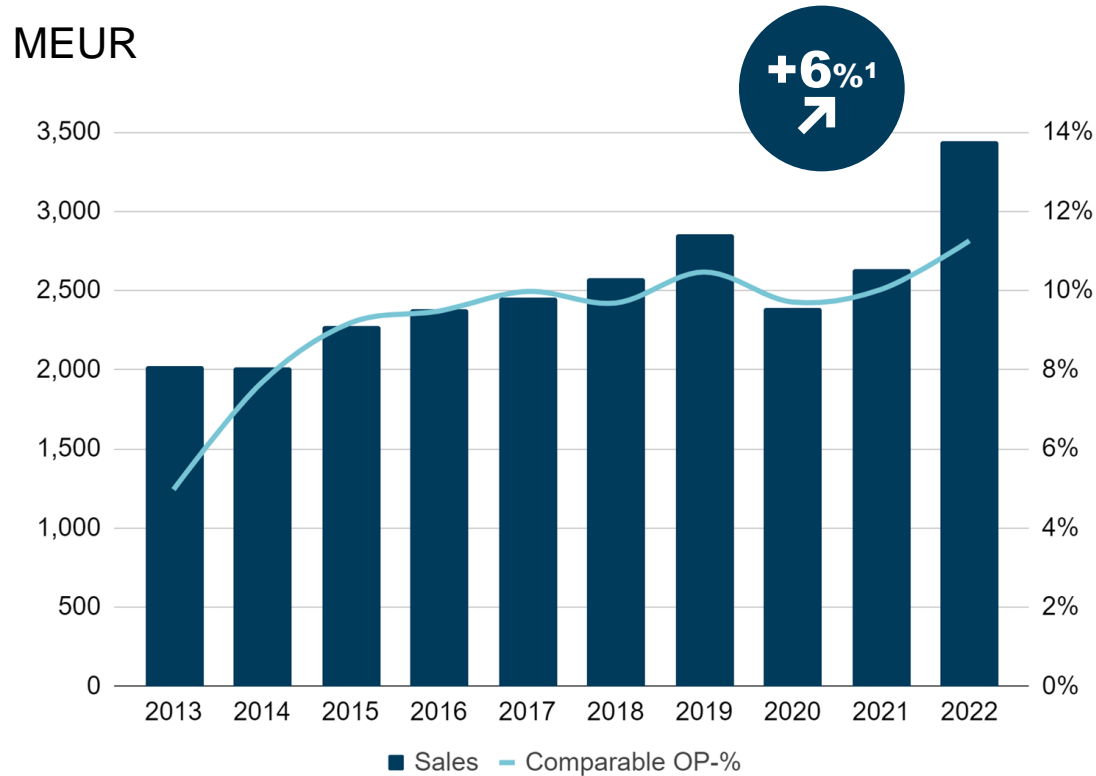


Review of operational model to support refocused group

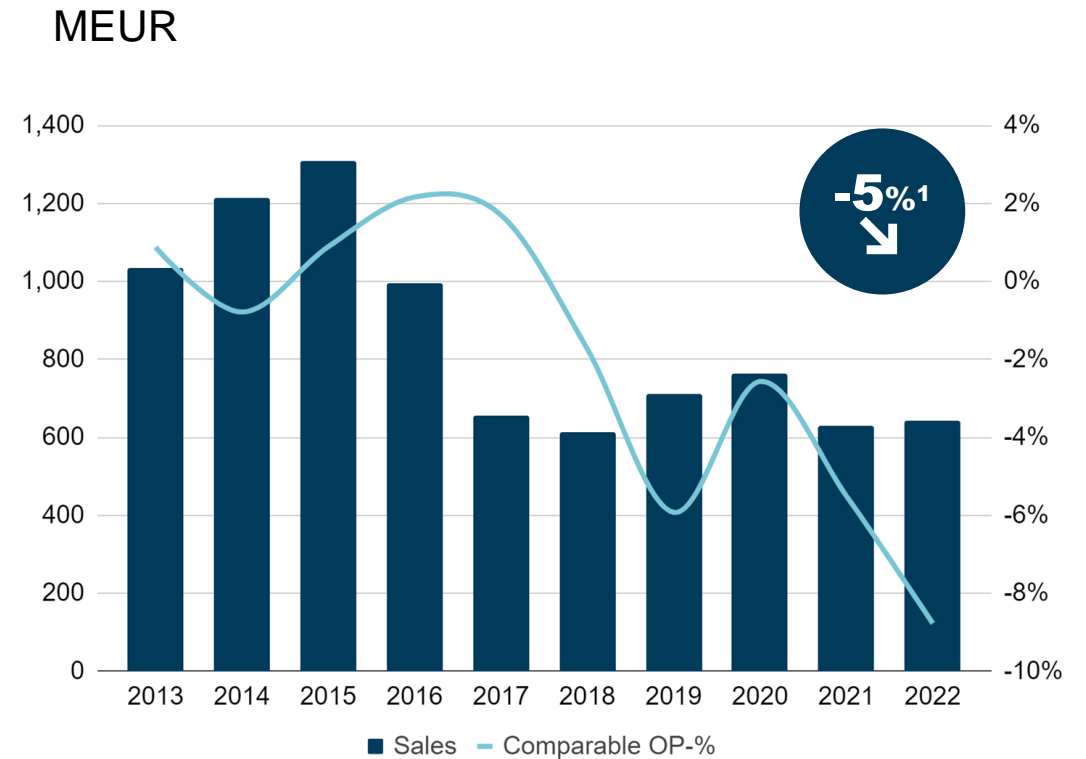


# Core businesses are growing with stable profitability...

## CORE BUSINESS



## NON-CORE BUSINESS\*



**We want to participate  
in solving global  
challenges together  
with our customers**





By solving our customers' sustainability challenges, we will



Make the industry more **sustainable**



**Grow faster**  
than the market



Significantly  
improve our  
**profitability**

# Our strategy for profitable growth centers on sustainability



**Investing in innovation** to be sustainability leader



Driving **increasing recurring revenues**



Actively seeking **organic and inorganic growth**



Aiming for **highest ESG standards** in our industry

Strong market positions

Leading brands

Leadership & people

# Concrete actions in our strategic focus areas



**Investing in innovation**  
to be sustainability leader

Kalmar announced a collaboration to develop a hydrogen powered Ottawa TT.



Driving **increasing recurring revenues**

Kalmar signed a comprehensive five-year service agreement with a Swedish steel producer



Actively seeking **organic and inorganic growth**

Hiab acquired Olsbergs, technology leader in high performance controllers and valves

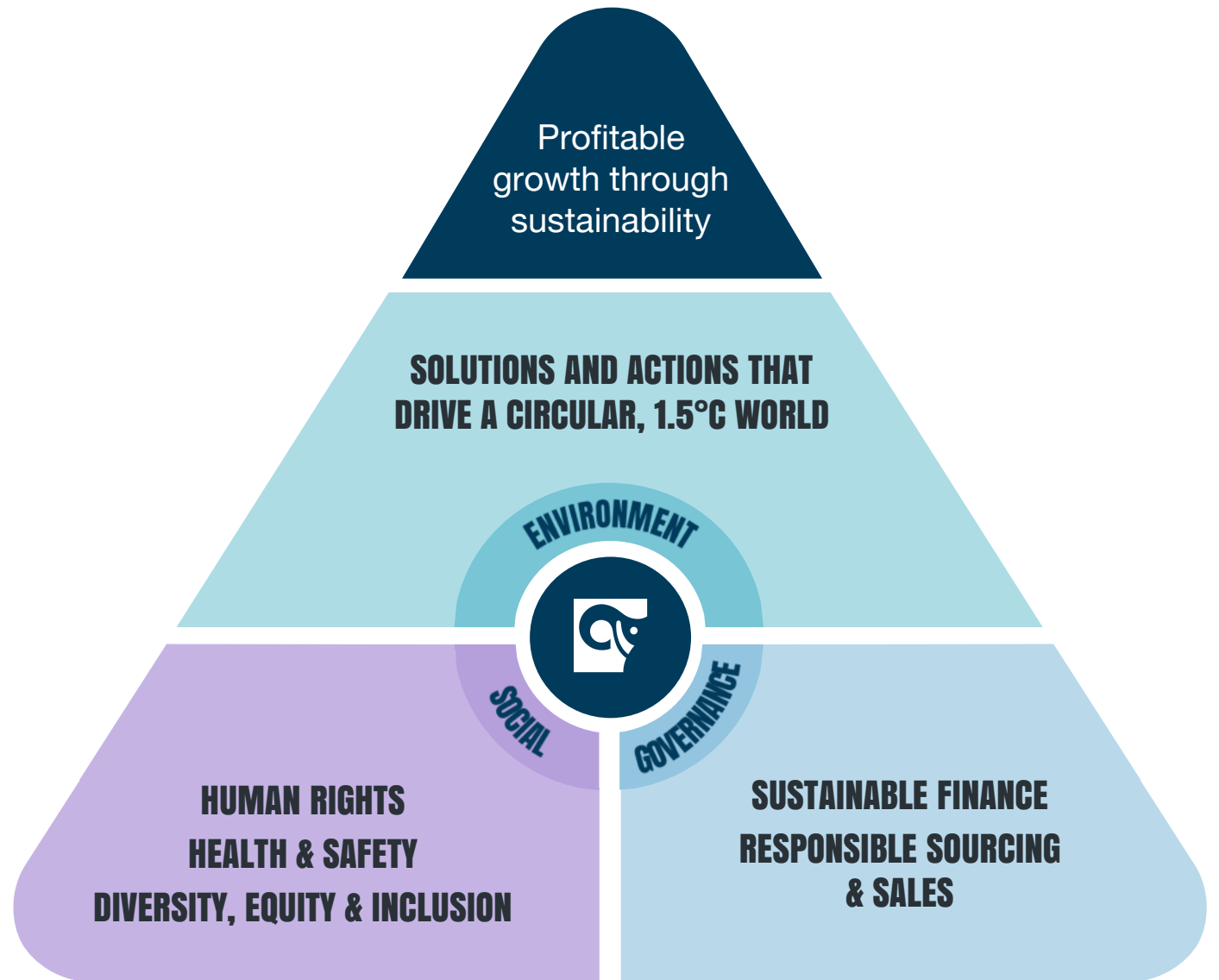


Aiming for **highest ESG standards** in our industry

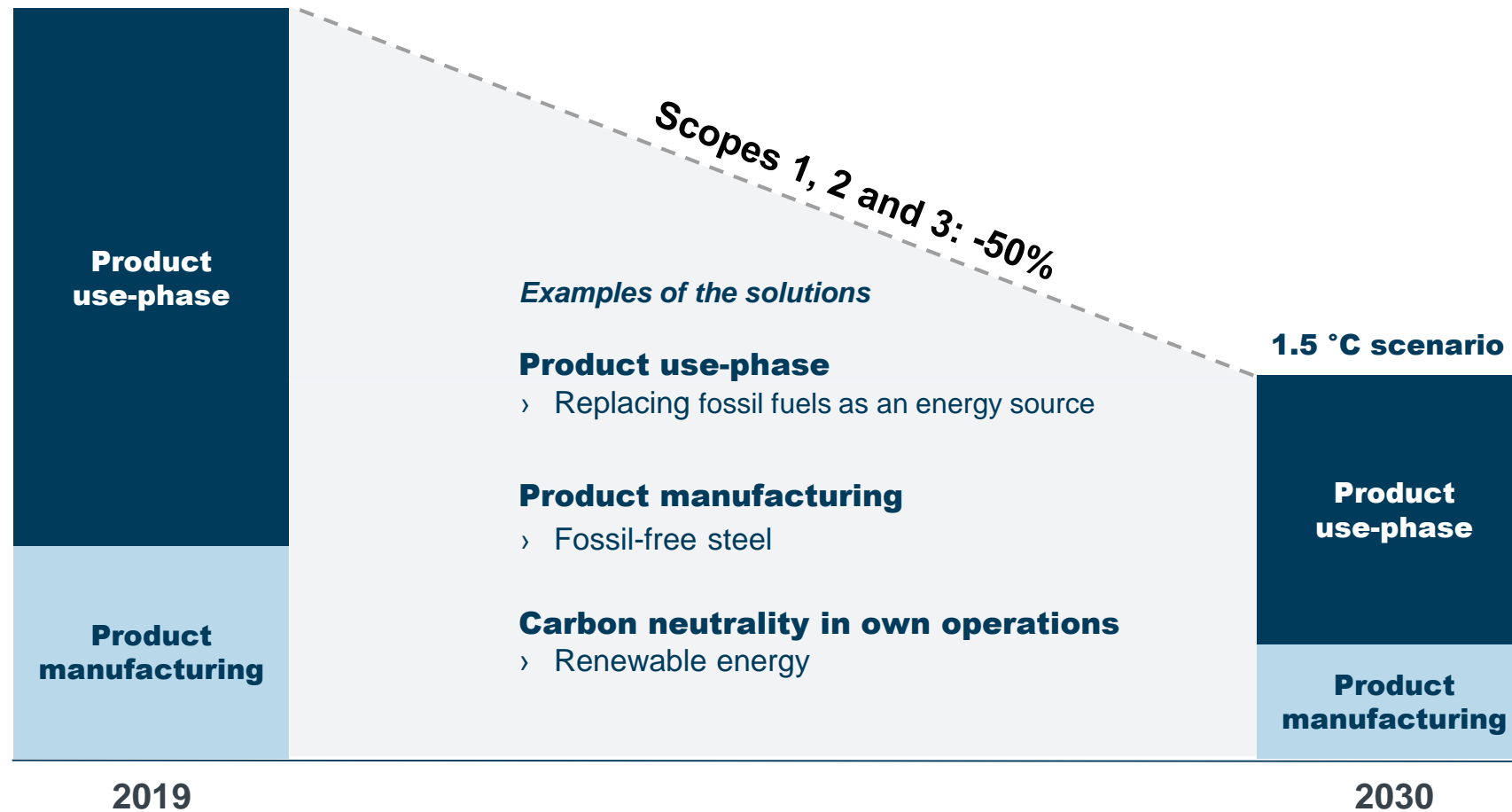
Cargotec signs 330 MEUR sustainability - linked revolving credit facility



# We aim for highest ESG standards in our industry



# Cargotec is committed to 1.5 °C climate scenario



# Cargotec's performance targets for its core businesses

**Eco portfolio: double sales growth**  
compared to traditional products

**Sales growth faster than market<sup>1</sup>**

**Reduce CO<sub>2</sub> emissions in our value chain<sup>2</sup>**

2025: **-25%** | 2030: **-50%**

**Comparable operating profit**

2025: **12%** | 2030: **15%**

Growing dividend  
**30-50% EPS**

Gearing below  
**50%**

# Financial information 2022



# Highlights of 2022 – Core businesses' comparable operating profit increased to EUR 388 million

**Orders received** increased by 10%

- Strong orders in all businesses

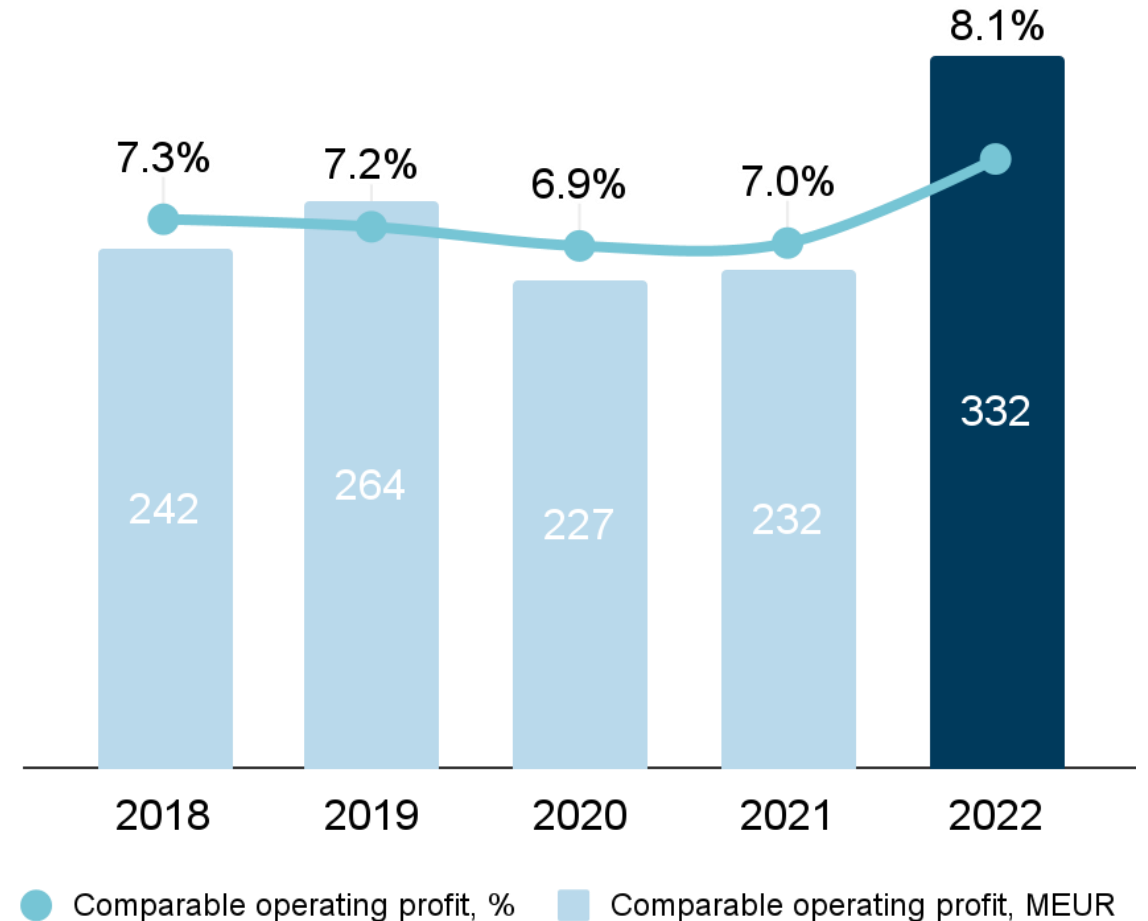
**Sales** increased by 23%

- Service sales increased by 17%
- Services share of total sales: 31%
- Eco portfolio sales increased by 54%

**Comparable operating profit**

increased by 43%

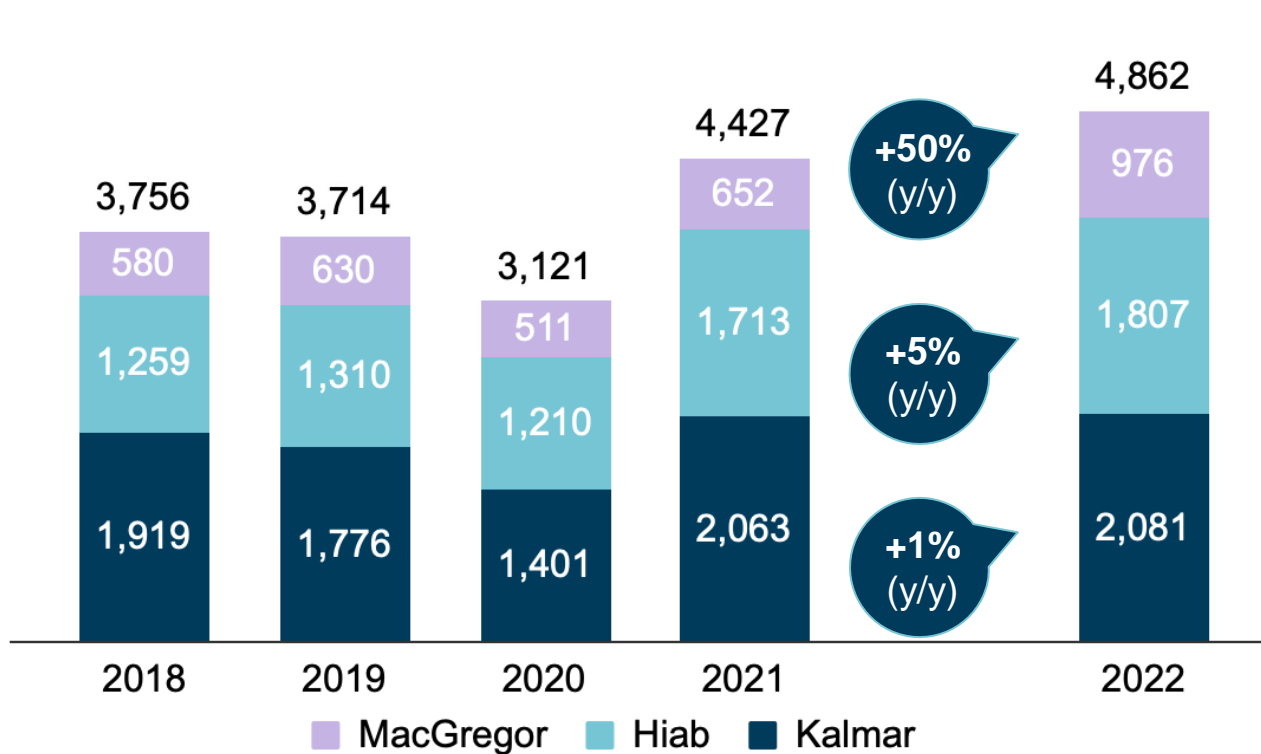
- Kalmar +70 MEUR
- Hiab +58 MEUR
- MacGregor -21 MEUR



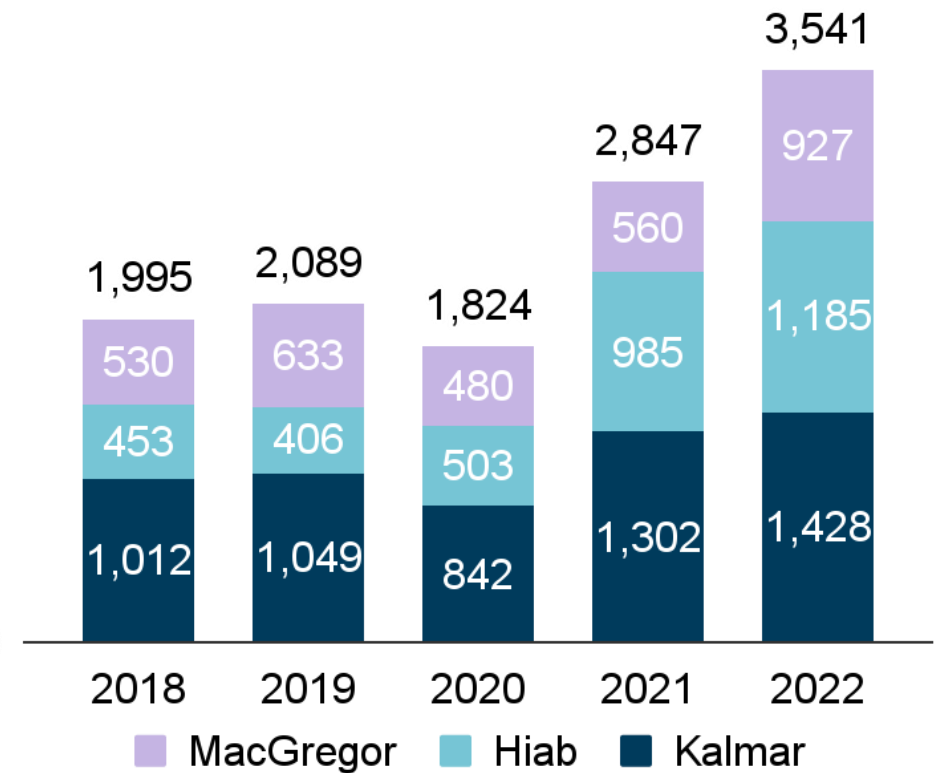


# Orders received improved in all businesses

Orders received  
MEUR



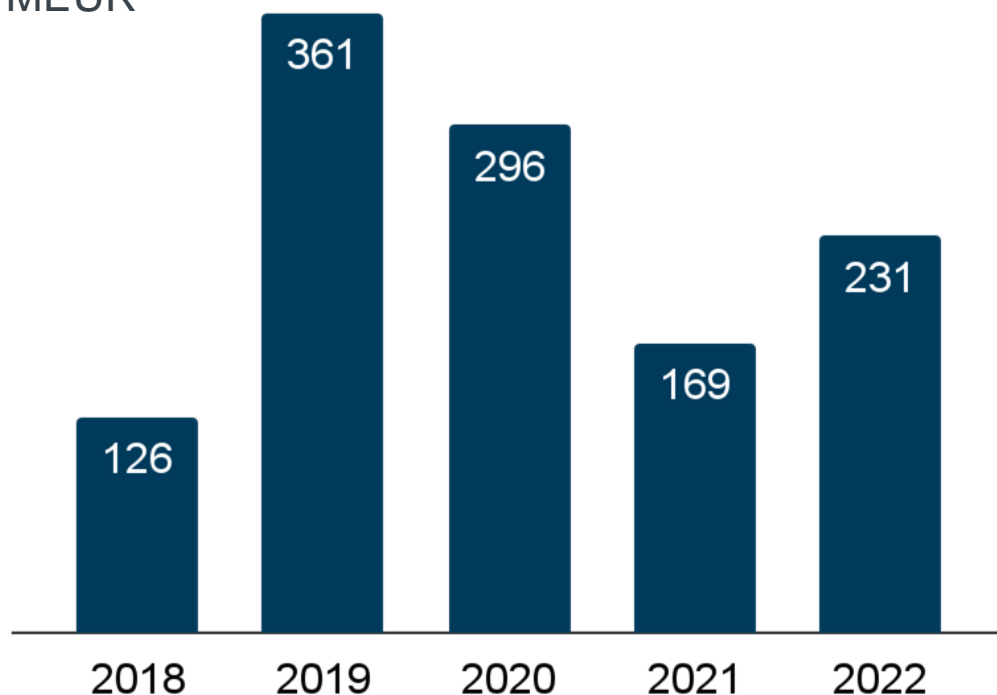
Order book  
MEUR



# Strong balance sheet, cash flow affected by increased inventories

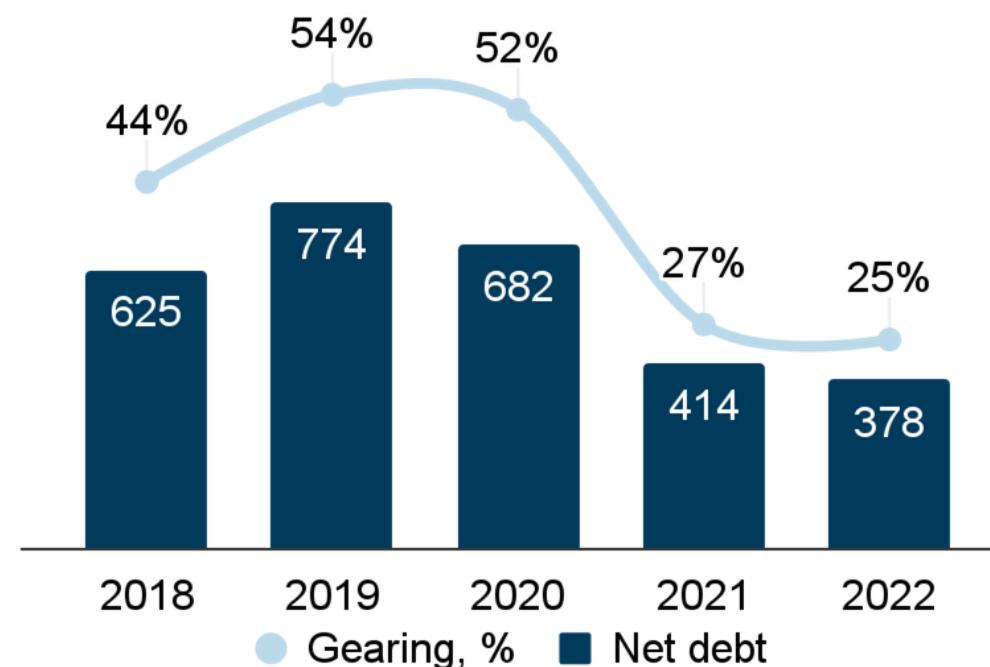
## Cash flow from operations\*

MEUR



## Net debt & gearing

MEUR

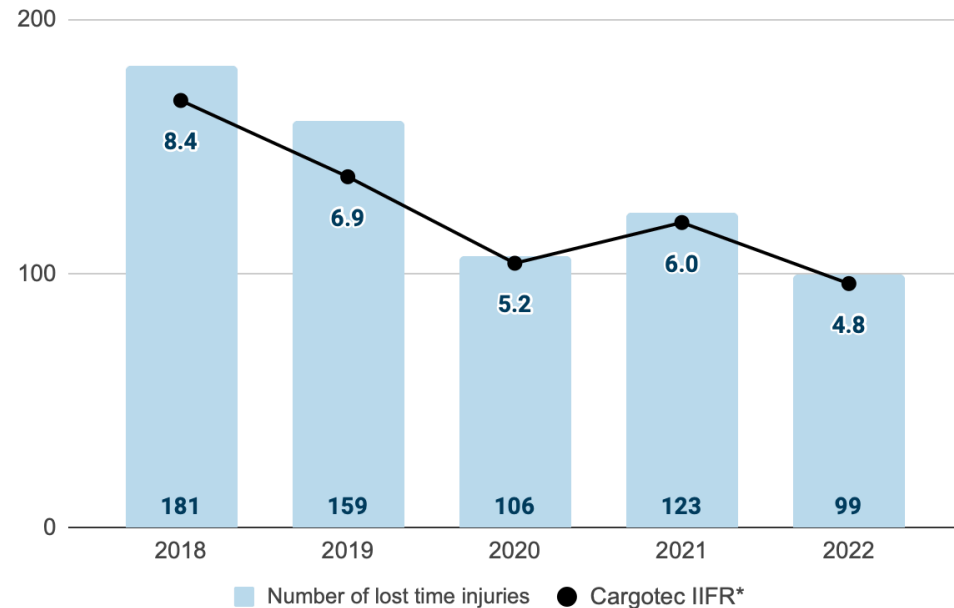


# Key figures from 2022

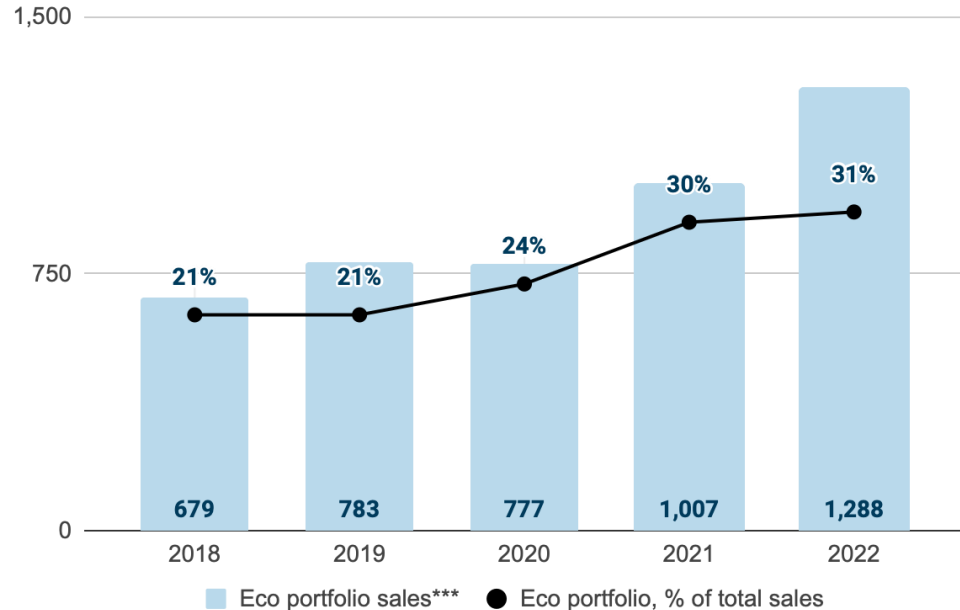
	2022	2021	Change
Orders received, MEUR	4,862	4,427	10%
Order book, MEUR	3,541	2,847	24%
Sales, MEUR	4,089	3,315	23%
Comparable operating profit, MEUR	332	232	44%
Comparable operating profit, %	8.1%	7.0%	110bps
Items affecting comparability, MEUR	-226	124	<-100%
Operating profit, MEUR	106	356	-70%
Operating profit, %	2.6%	10.7%	-810bps
Net income, MEUR	23	247	-91%
Basic earnings per share, EUR	0.37	3.82	-90%
Earnings per share, EUR*	3.37	2.37	42%
ROCE, %**	4.6%	14.5%	-990bps

# Cargotec continued to improve safety while employee favorability remained at a high level

## Industrial injury frequency rate\*



## Eco portfolio sales MEUR



## Compass Employee Engagement survey

Overall favourability of all answers in 2022\*\*

**75 %**

## Change in CO2 emissions, 2022

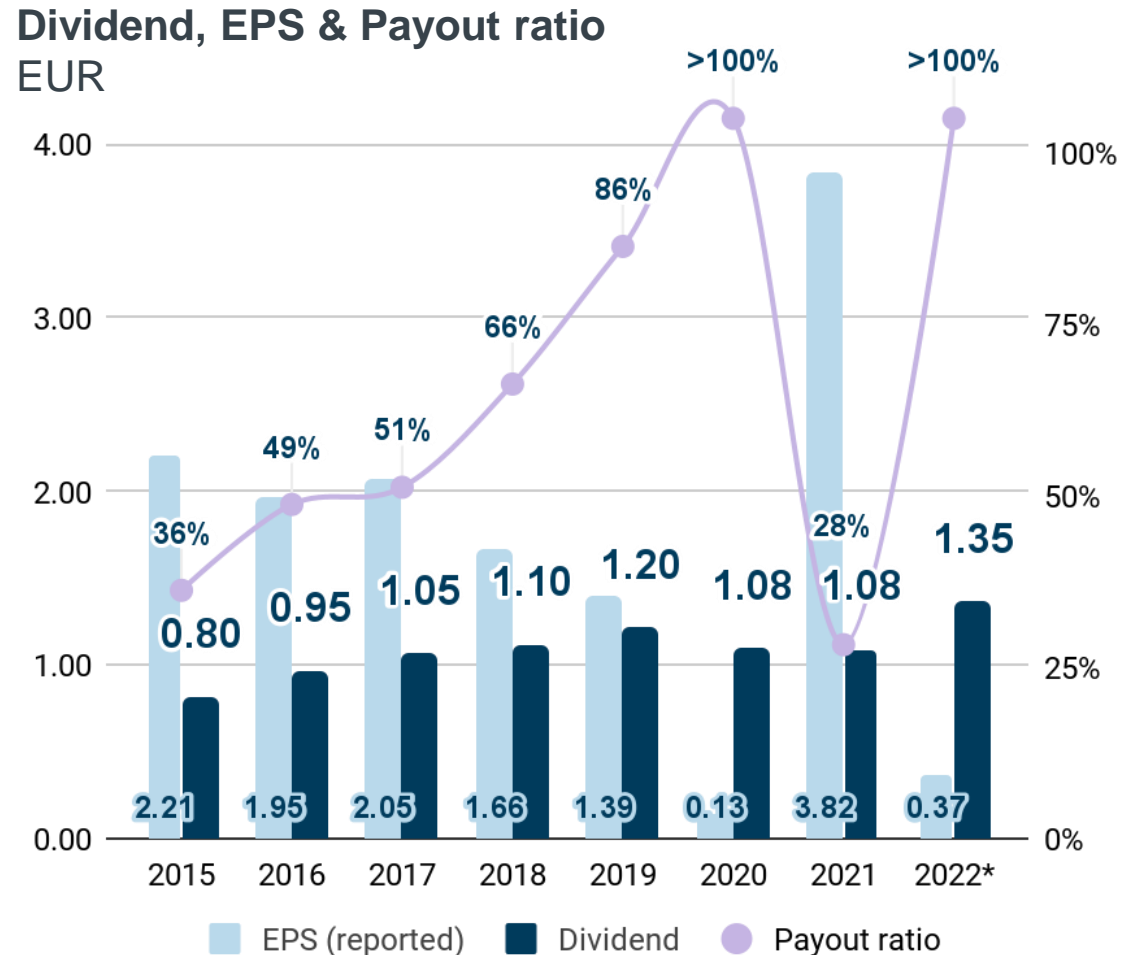
Decrease in emission intensity was not enough to compensate higher emissions due to the increase in sales

**+5 %**

# Dividend and outlook for 2023



# Dividend proposal 1.35€ per class B share from 2022



- Cargotec's Board of Directors dividend proposal to the AGM:
  - Dividend of 1.35 per class B share
  - Record date 27 March 2023
  - Payment date 4 April 2023
- EPS excl. items affecting comparability was EUR 3.37
- Calculated from EPS excl. items affecting comparability, payout ratio for 2022 is 40%

# Outlook for 2023

Cargotec estimates its core businesses<sup>1</sup> 2023 comparable operating profit to improve from 2022 (EUR 384<sup>2</sup> million) and MacGregor's comparable operating profit in 2023 to be positive (EUR -47<sup>2</sup> million)<sup>3</sup>

1) Core businesses = Hiab + Kalmar excluding heavy port cranes and including all group costs

2) Cargotec changed the definition of the alternative performance measure comparable operating profit starting from 1 January 2023. The restated comparable operating profit will also include the impacts of the purchase price allocation, which amounted to EUR 4 million in the core business and EUR 12 million in MacGregor in 2022. Comparison figure has been calculated based on the new definition. Restatement for 2022 figures will be published before Q1/23 result announcement.

3) Cargotec's outlook for 2023 does not include the comparable operating profit of Kalmar heavy cranes business which will be discontinued



# An investment in Cargotec is an investment in a more sustainable future

Growing by making customer's operations **more sustainable**

Business in diversified **attractive growth** segments and markets

**Significant installed base** for growing service business

**Solid track record** of 6% annual growth and a journey towards 12% EBIT in core businesses

Dividend policy **30-50%**, growing annually



# We have been bold in shaping our strategy for value creation

**PAST**

**PRESENT**

**FUTURE**

2013

2018

2020

2022

**Product  
leadership**

**Service  
leadership**

**Leader in  
intelligent  
cargo  
handling**

**Leader in  
sustainable  
cargo flow**

**Sustainability  
leadership  
through  
empowered  
businesses**



# Thank you!

