



# Global Leader in Sustainable Cargo Flow

Investor Presentation – Q1/2024

# Disclaimer

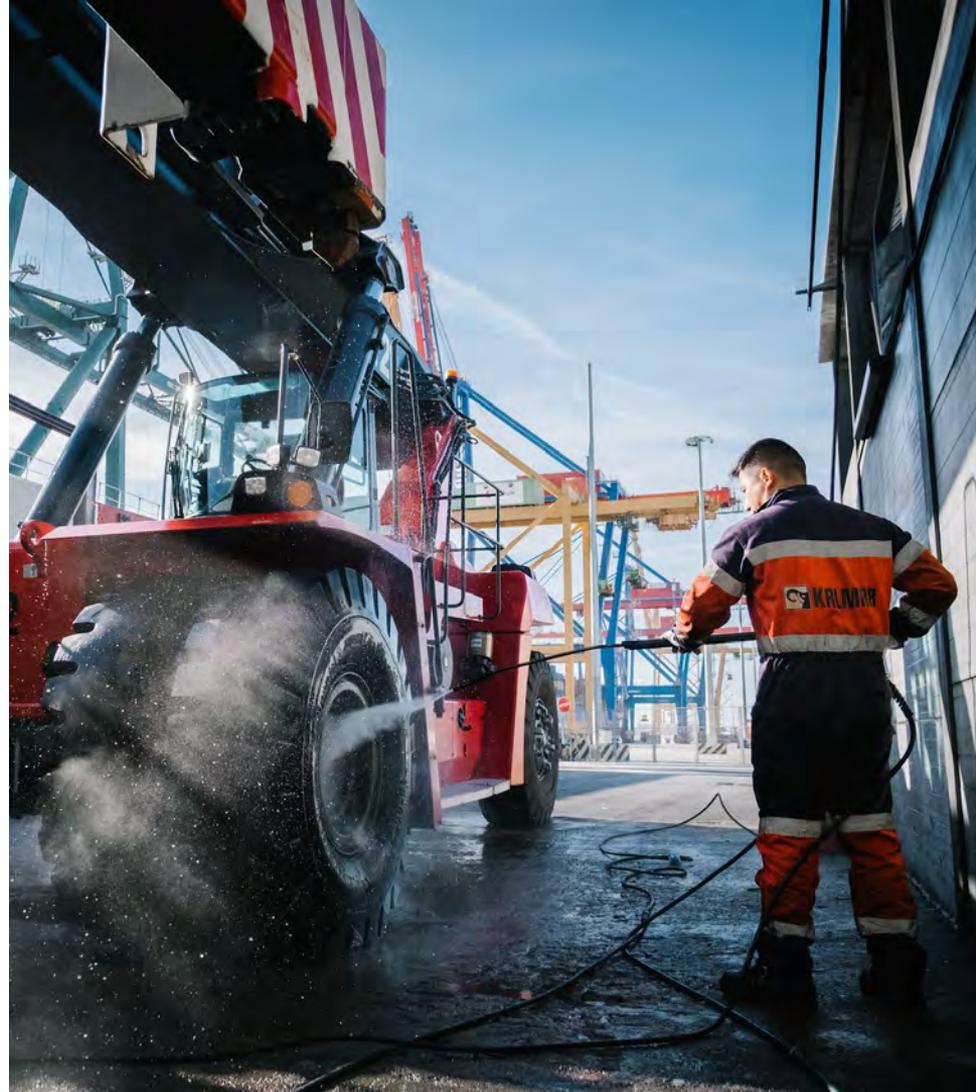
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The Information includes estimates relating to the benefits expected to arise from the planned partial demerger, which are based on a number of assumptions and judgments. The assumptions relating to the estimated benefits arising from the planned partial demerger are inherently uncertain and are subject to a wide variety of significant business, economic, regulatory and competitive risks and uncertainties that could cause the actual benefits arising from the planned partial demerger to differ materially from the estimates in this presentation. Further, there can be no certainty that the planned partial demerger will be completed in the manner and timeframe described in this presentation, or at all. 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.

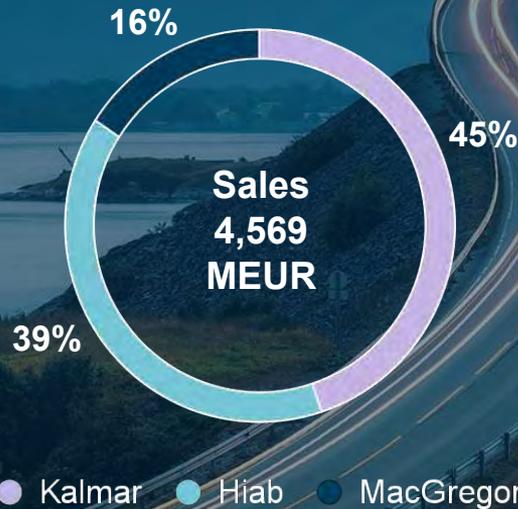
# Content

1. Global Leader in Sustainable Cargo Flow
2. Business areas  
Kalmar  
Hiab  
MacGregor
3. Recent development
4. Financials
5. Sustainability as a growth driver
6. Governance



# Cargotec today based on 2023 figures

Sales: **EUR 4,569 million**  
Comparable operating profit:  
**11.2%** (EUR 513 million)  
Service sales: **30%**



Sales: EUR **2,050** million  
Comparable operating profit:  
**13.6%** (EUR 279 million)



Sales: EUR **1,787** million  
Comparable operating profit:  
**14.1%** (EUR 252 million)



Sales: EUR **733** million  
Comparable operating profit:  
**4.5%** (EUR 33 million)

# Our core businesses focus on high margin solutions and recurring business

## Core Businesses\*

 **HIAB**



Equipment



Services

 **KALMAR**



Mobile  
Equipment



Shuttle carriers



Services



Bromma

## Exit\*\*

 **KALMAR**



Heavy cranes  
&  
end-to-end  
automation  
projects

## Solution in 2024

 **MACGREGOR**



Equipment &  
Solutions

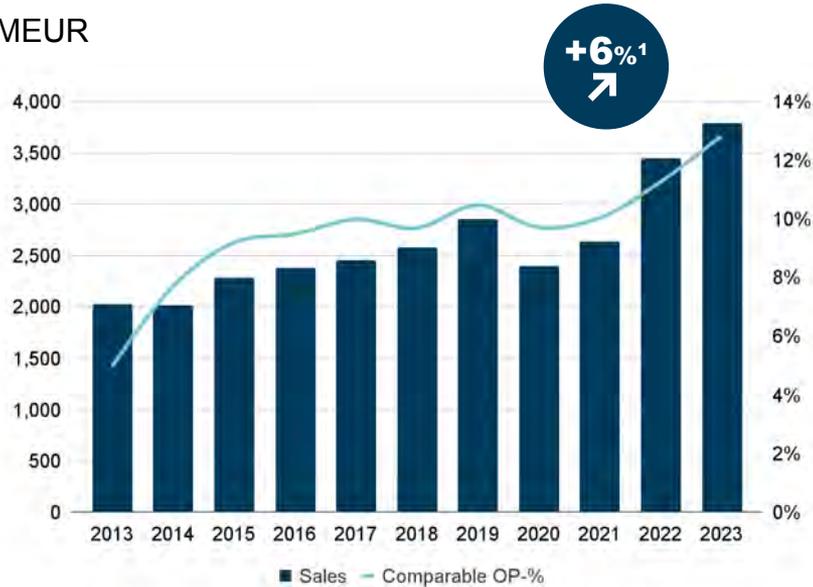


Services

# Core businesses are growing with stable profitability...

## CORE BUSINESS

MEUR



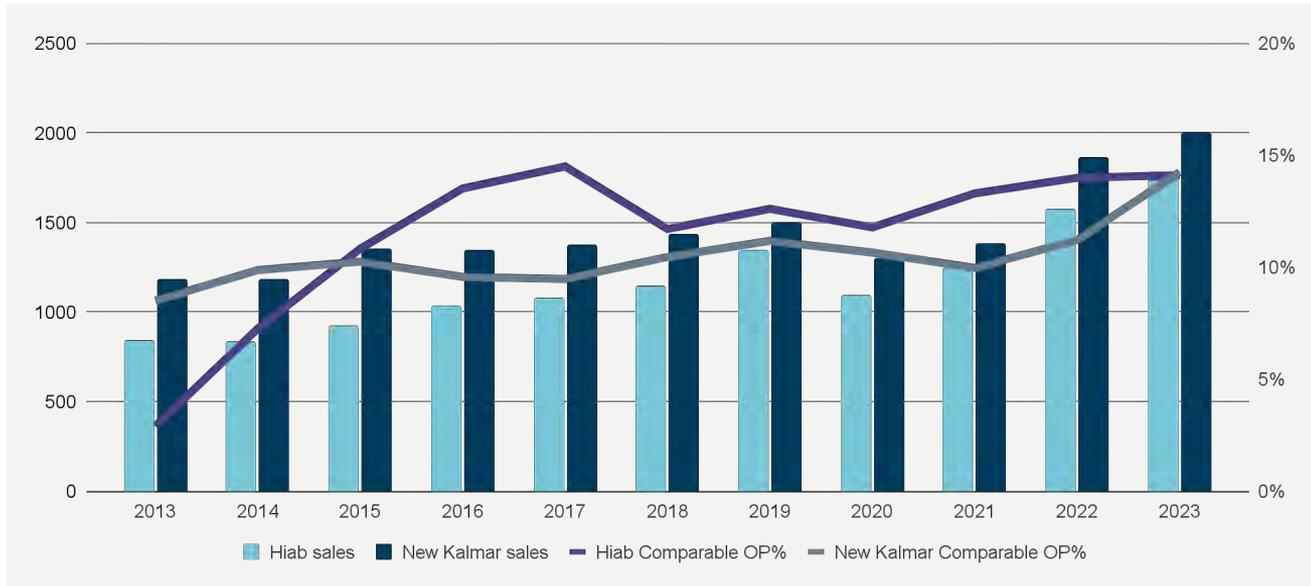
## NON-CORE BUSINESS\*

MEUR



# ...with both consistently delivering double digit profitability

MEUR



Sales CAGR  
2013-2023

+5%  
↗

+7%  
↗



**In April 2023,  
Cargotec Board decided to  
investigate and initiate a process  
to potentially separate its core  
businesses Kalmar and Hiab  
into two focused world-leading  
standalone listed companies  
to unlock shareholder value**

# Strategic rationale of the planned separation: Logical next step to capture full business potential

- 1 Unlocks the full potential** of Kalmar and Hiab with more distinctive strategies and investment stories
- 2 Increases attractiveness** and facilitates fair valuation of the businesses with currently limited cross-selling and operational synergies
- 3 Allows faster organic and inorganic growth** thanks to a more tailored capital allocation strategy and flexible access to external capital
- 4 Enhances Kalmar's and Hiab's business performance** through higher agility, decisiveness and stronger management focus
- 5 Simplifies structures and improves the governance** of the separate businesses and provides greater transparency and accountability

# Limited overlap between the businesses – across end-markets, sales & distribution channels and technological focus



Technology forerunner in container handling and heavy logistics with strong market positions, geared to grow by making the industry electrified and more sustainable

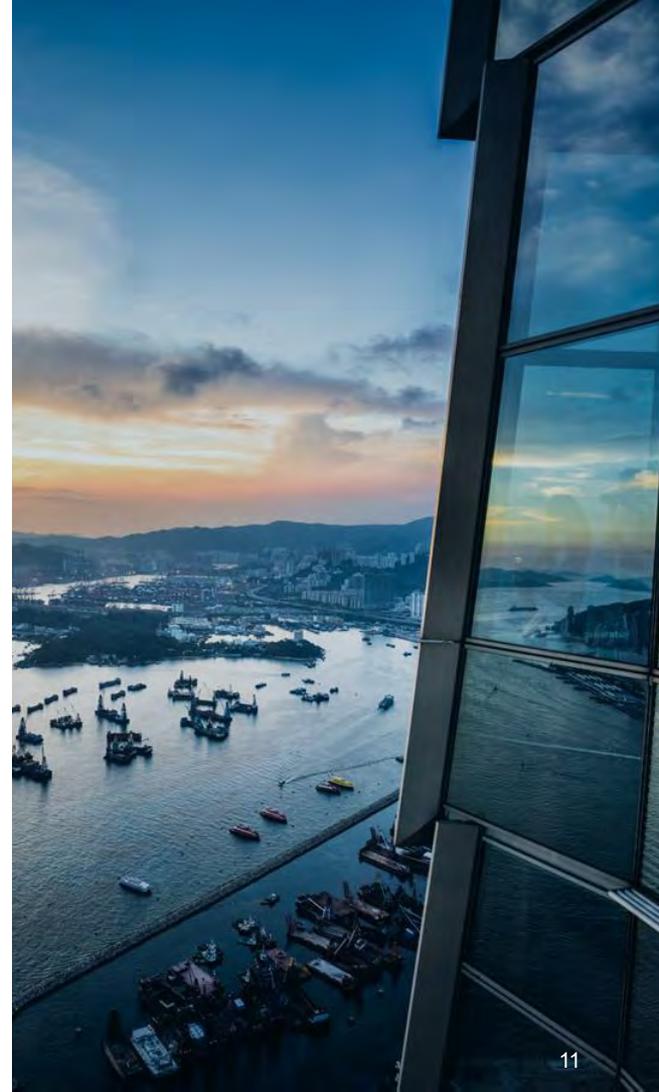


Industry pioneer in on-road load handling with a strong track record of profitable growth and attractive M&A potential



# Kalmar demerger plan approved by Cargotec Board on 1 February 2024

- 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.
- Certain major shareholders of Cargotec have indicated their support for the proposed Demerger

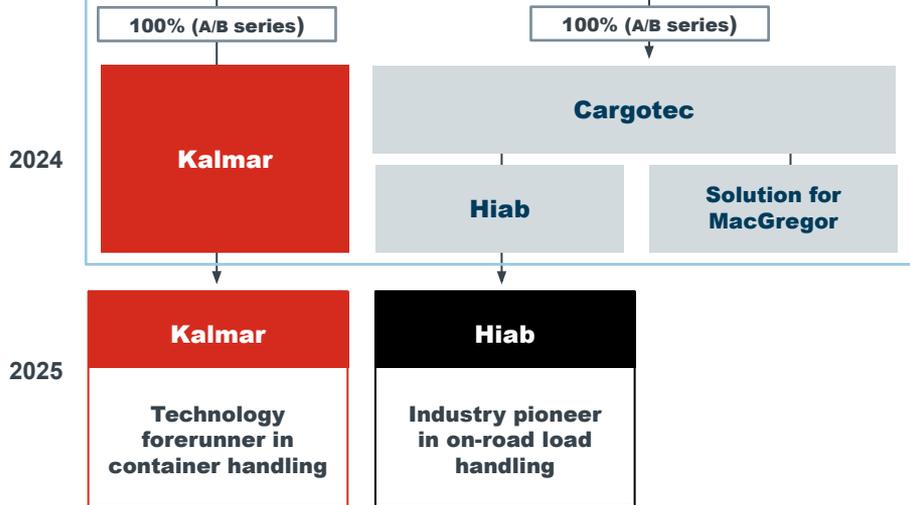


# Structure of the planned transaction

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

## Envisaged structure post demerger

### Existing Cargotec shareholders



### 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 Kemppi-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



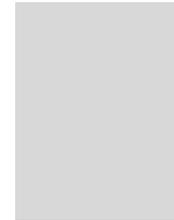
**Arto Keskinen**  
Head of Horizontal  
Transportation



**Shushu Zhang**  
Head of Bromma



**Thomas  
Malmberg**  
Head of Services

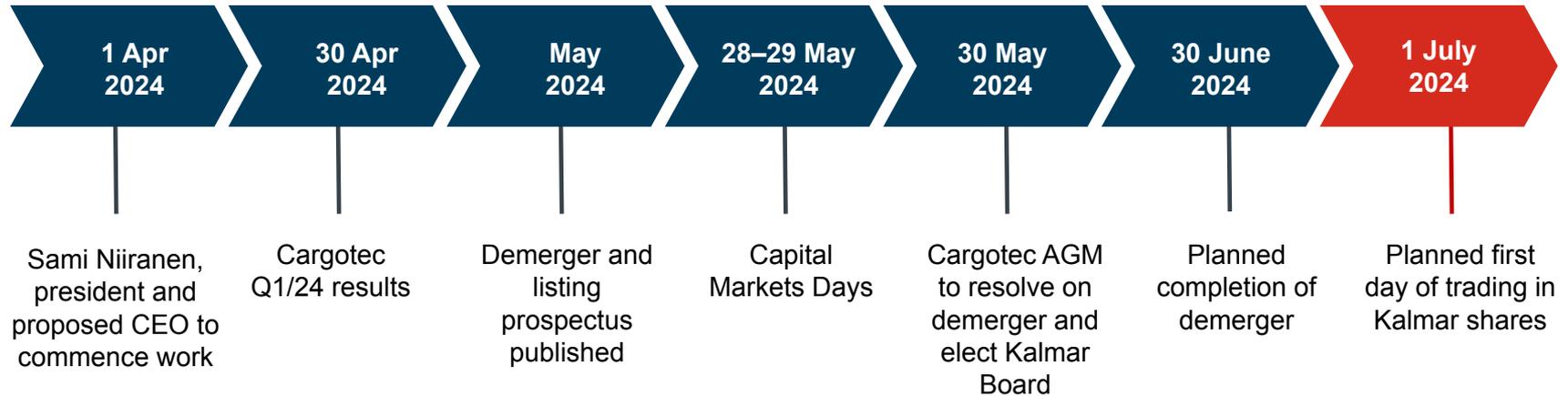


**Selected later**  
Head of Legal &  
Compliance

**150+**  
years of  
joint  
industry  
experience

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

Provided the shareholders decide to proceed with the process



# Major strategic events in reshaping Cargotec since 2020





# Appendix



# Kalmar

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

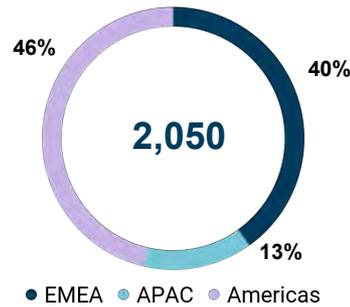
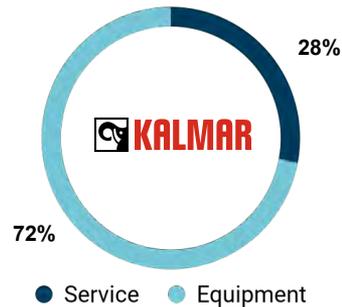
Kalmar is the global leader in sustainable cargo handling for ports, terminals, distribution centres and heavy industry.

Number of personnel  
**4,907**

Sales  
**MEUR 2,050**

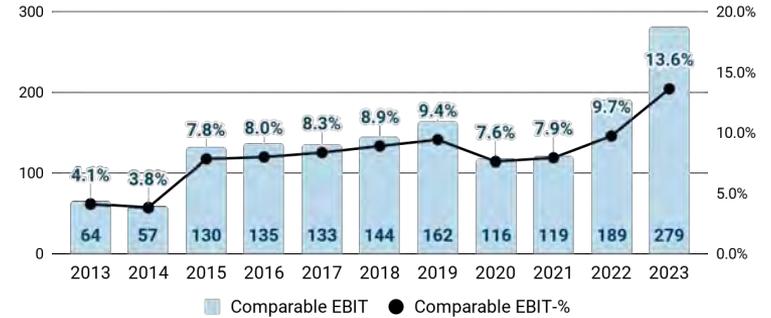
Service and software sales  
(% of sales)

Geographical sales split



## Development of historical financials

MEUR





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

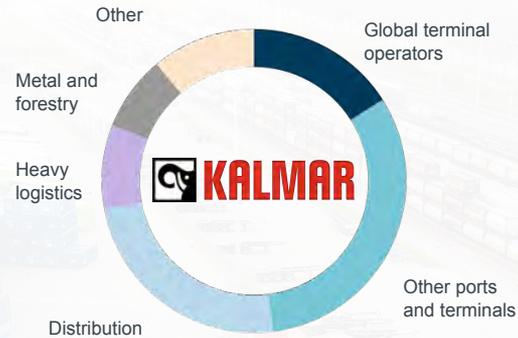
**We are serving a large variety of customer segments around the world...**

# After exiting loss making heavy cranes business, Kalmar is well diversified and profitable...

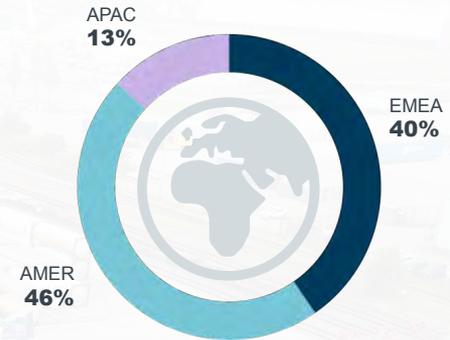
Services share of sales<sup>1</sup>



Sales by customer segment, management estimate<sup>2</sup>



Geographical sales split<sup>1</sup>



Sales<sup>1</sup>  
**MEUR 2,050**

Average sales growth<sup>3</sup>  
**5%**

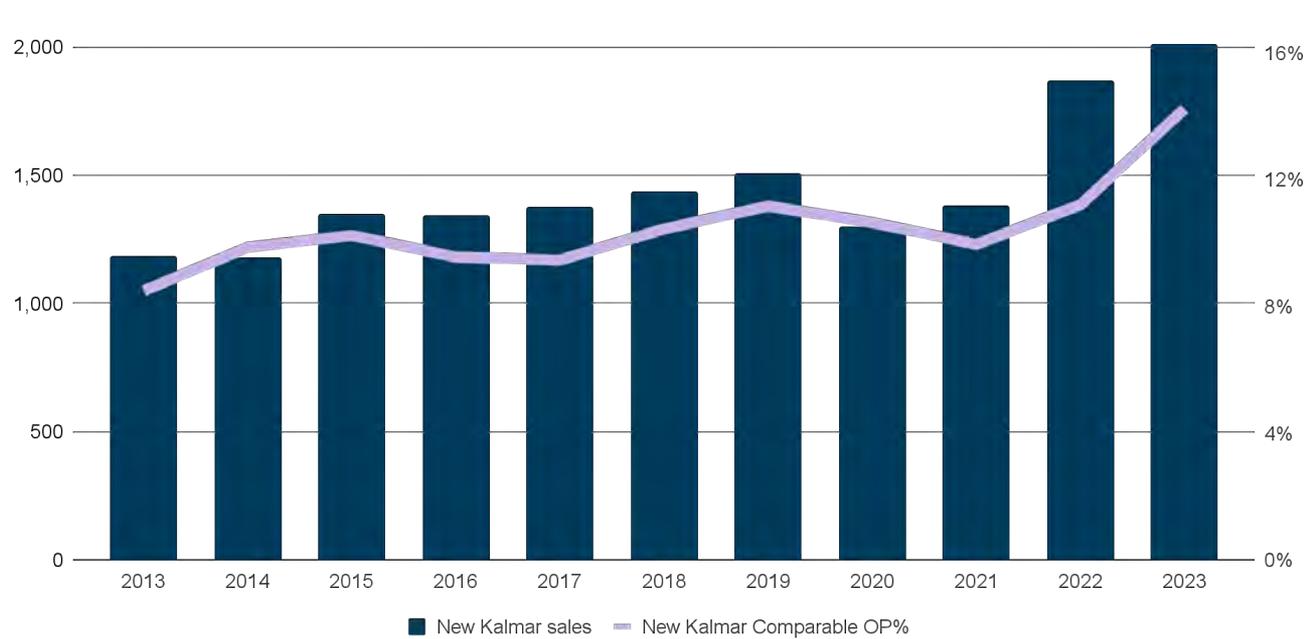
Comparable operating profit<sup>1</sup>  
**MEUR 279 / 13.6%**

Operating profit<sup>1</sup>  
**MEUR 264 / 12.9%**

Personnel  
**4,907**

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

MEUR



Sales CAGR  
2013-2023



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

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

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

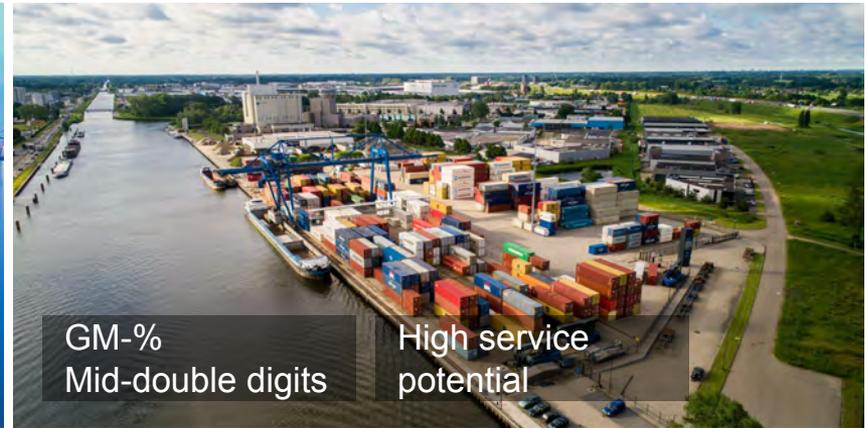


# Kalmar's focus is shifting from large terminals to medium and small terminals

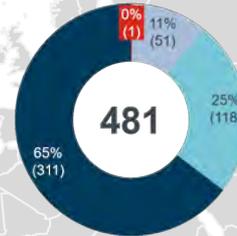
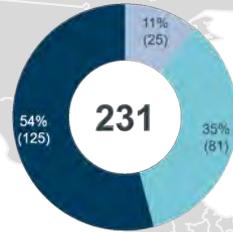
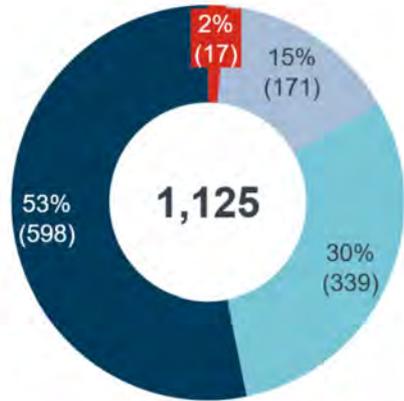
## MEGA TERMINALS



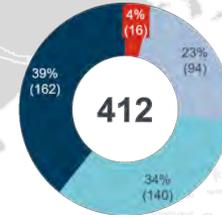
## MEDIUM AND SMALL TERMINALS



# 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)

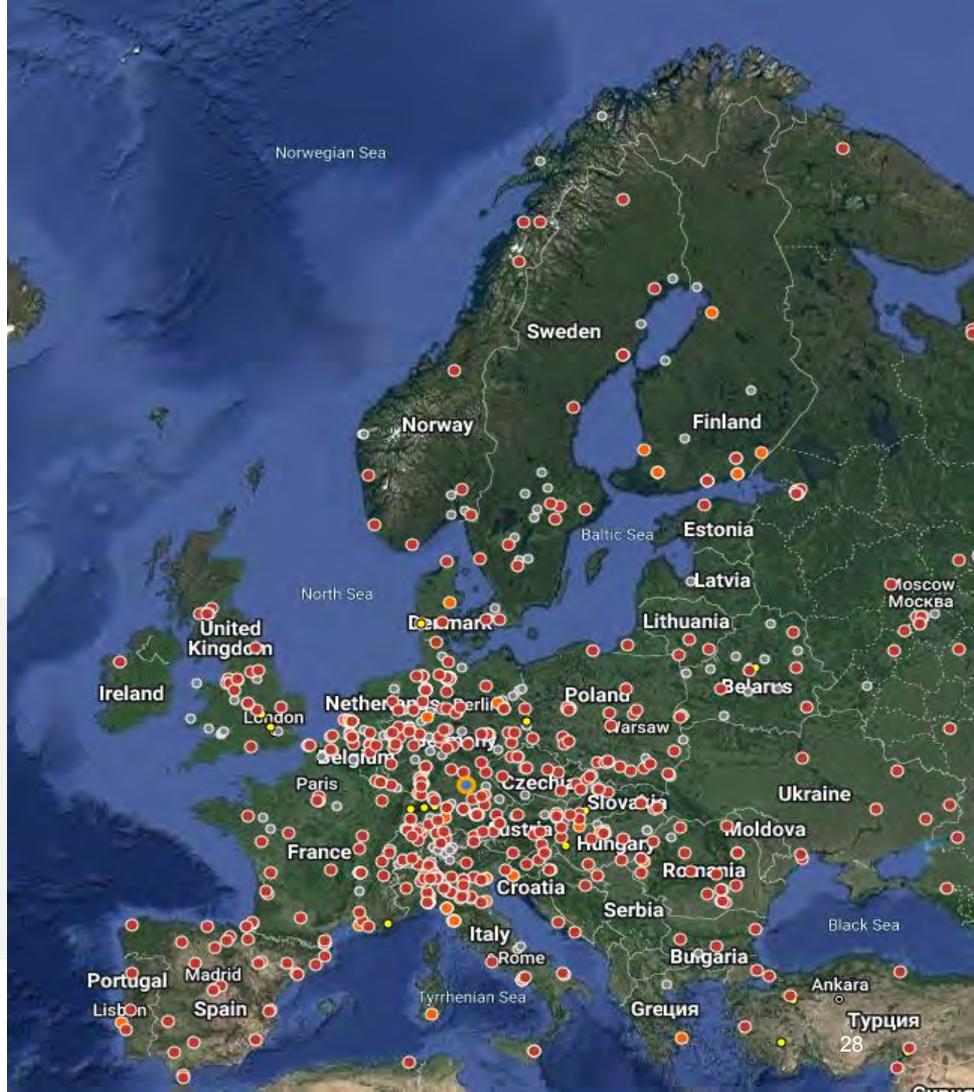
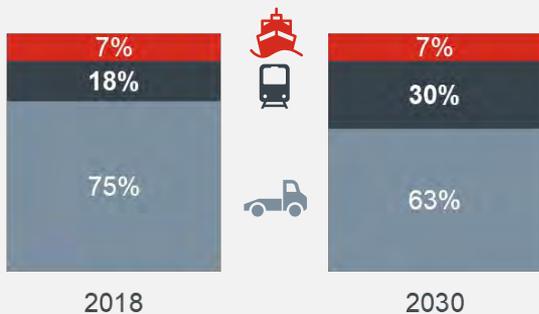
Most of

# Europe's +500

intermodal terminals or depots  
operate with Mobile Equipment

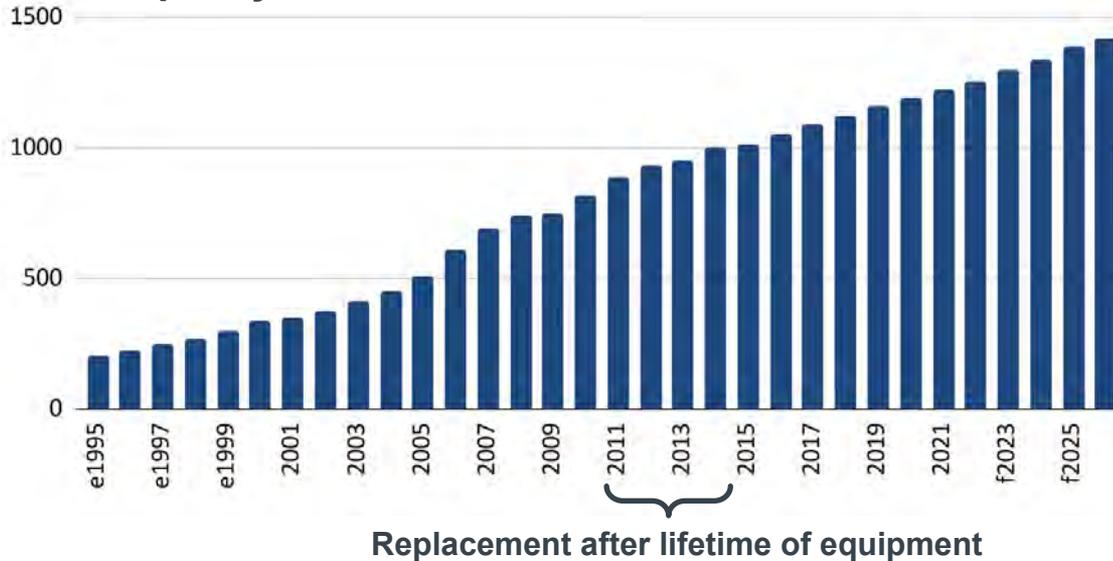
EU has ambition to increase share of rail freight  
from 18% to 30% by 2030. That would mean  
doubling the transport volumes on rail and higher  
utilisation of intermodal terminals and equipment

Land freight  
modal share  
2018-2030



# 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

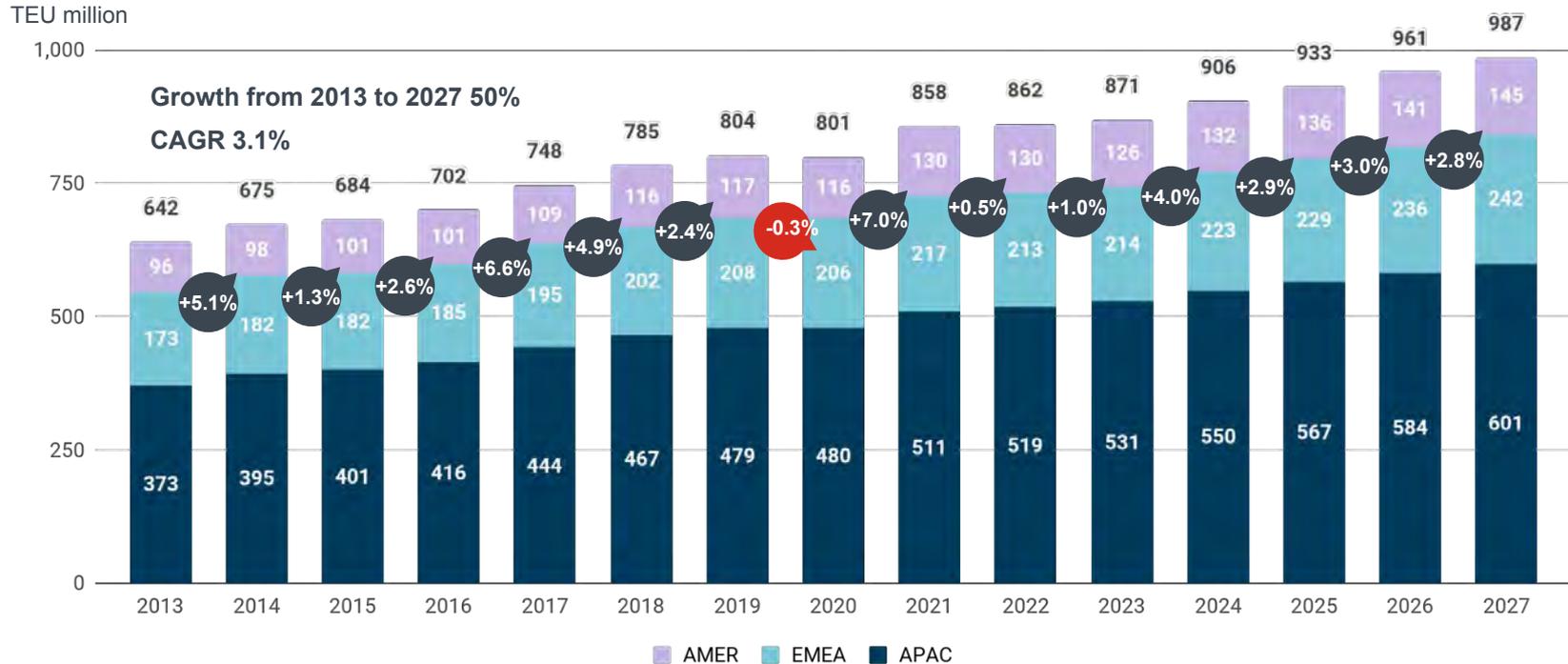


The replacement market will grow in coming years, as the container terminal capacity has expanded significantly during the last two decades.

### Average lifetime of type of equipment:

- Straddle Carriers
  - Shuttle Carriers
- } 8-10 years
- Reachstackers
  - Empty Container Handlers
  - Terminal Tractors
- } 8 years

# Container throughput is estimated to continue to grow



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.

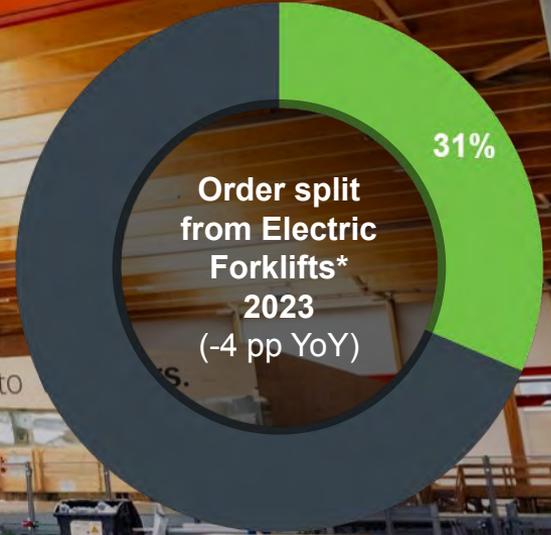
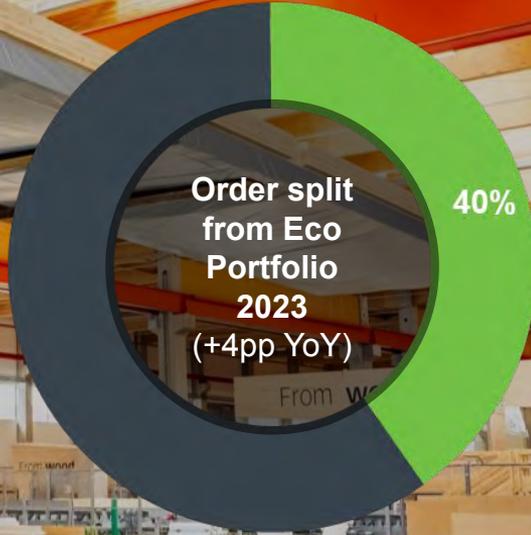
# Spare Parts will continue to grow in an Electric Future

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.

# Eco Portfolio orders are growing



\*) Light & Medium electric forklifts

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

**89%**

Eco reachstacker

**100%**

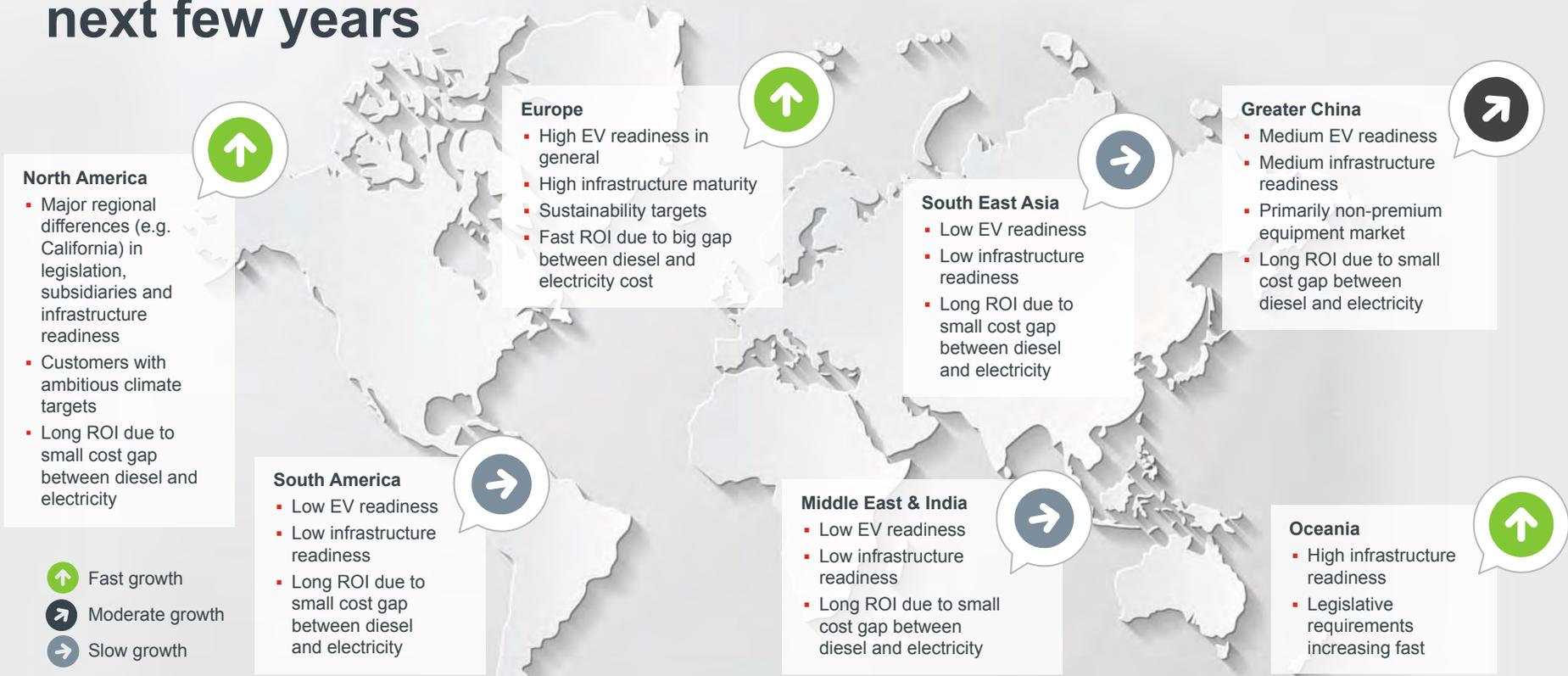
Gloria reachstacker

**77%**

Electric reachstacker (326 kWh battery)

No charger included

# Projected market demand for electric equipment in the next few years



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

# Hiab



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

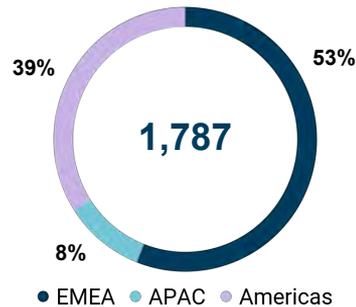
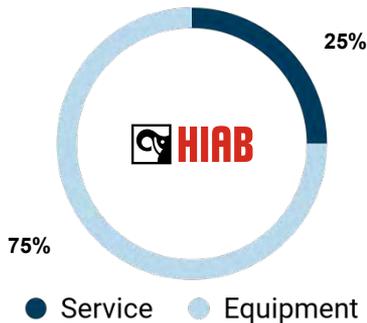
Hiab is the leading provider of smart and sustainable on-road load handling solutions with customers operating in logistics, construction and a variety of industries.

Number of personnel  
**3,877**

Sales  
**MEUR 1,787**

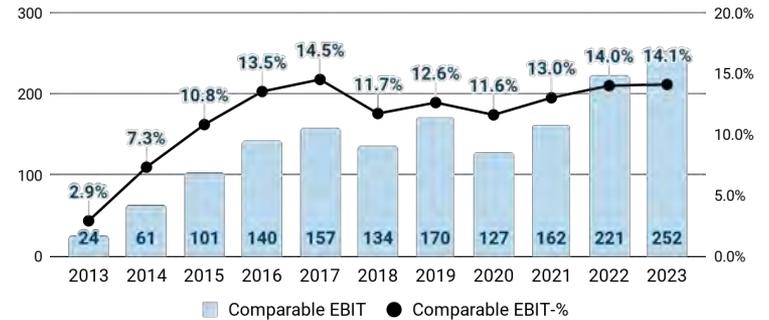
Service sales  
(% of sales)

Geographical sales split



## Development of historical financials

MEUR



# MULTI-BRAND STRATEGY WITH MARKET SEGMENT LEADING BRANDS



## DEMOUNTABLES

MULTILIFT  
GALFAB



## TRUCK MOUNTED FORKLIFTS

MOFFETT  
PRINCETON



## LOADER CRANES

HIAB  
EFFER  
ARGOS



## FORESTRY & RECYCLING

LOGLIFT  
JONSERED



## TAIL LIFTS

WALTCO  
DEL  
ZEPRO



## SERVICES

PROCARE  
HIPERFORM

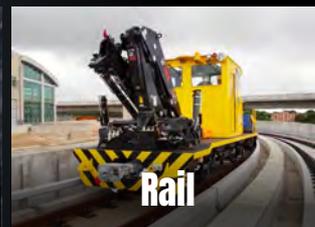
# SERVING A LARGE VARIETY OF DIVERSE CUSTOMERS IN ESSENTIAL INDUSTRIES



**SINGLE TRUCK OWNER**



**FLEETS**



**RENTAL**



# HIAB IS A GLOBAL MARKET LEADER IN ON-ROAD LOAD HANDLING SOLUTIONS

Sales  
MEUR 1,787

Average sales growth<sup>1</sup>  
7%

Comparable operating Profit  
252 MEUR / 14.1%

Operating profit  
MEUR 252 / 14.1%

Personnel  
3,877

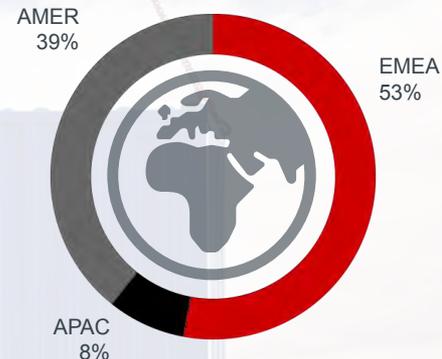
Services share of sales



Sales by customer segment, management estimate<sup>2</sup>



Geographical sales split



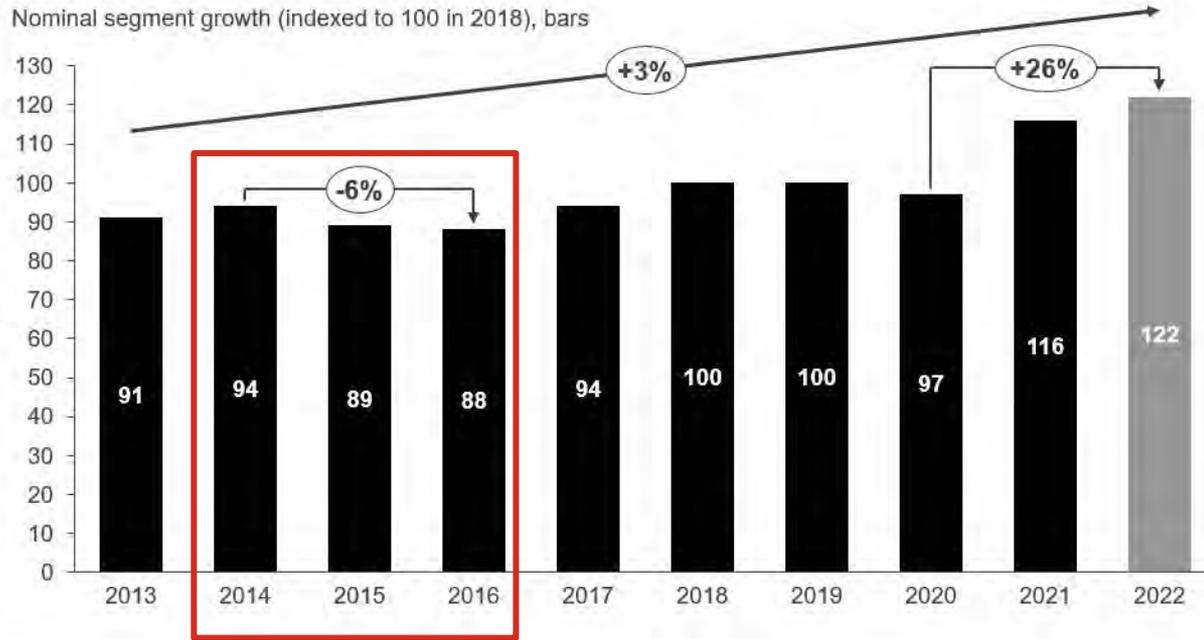
2022 figures

1) CAGR 2013-2023  
2) 2021 figures

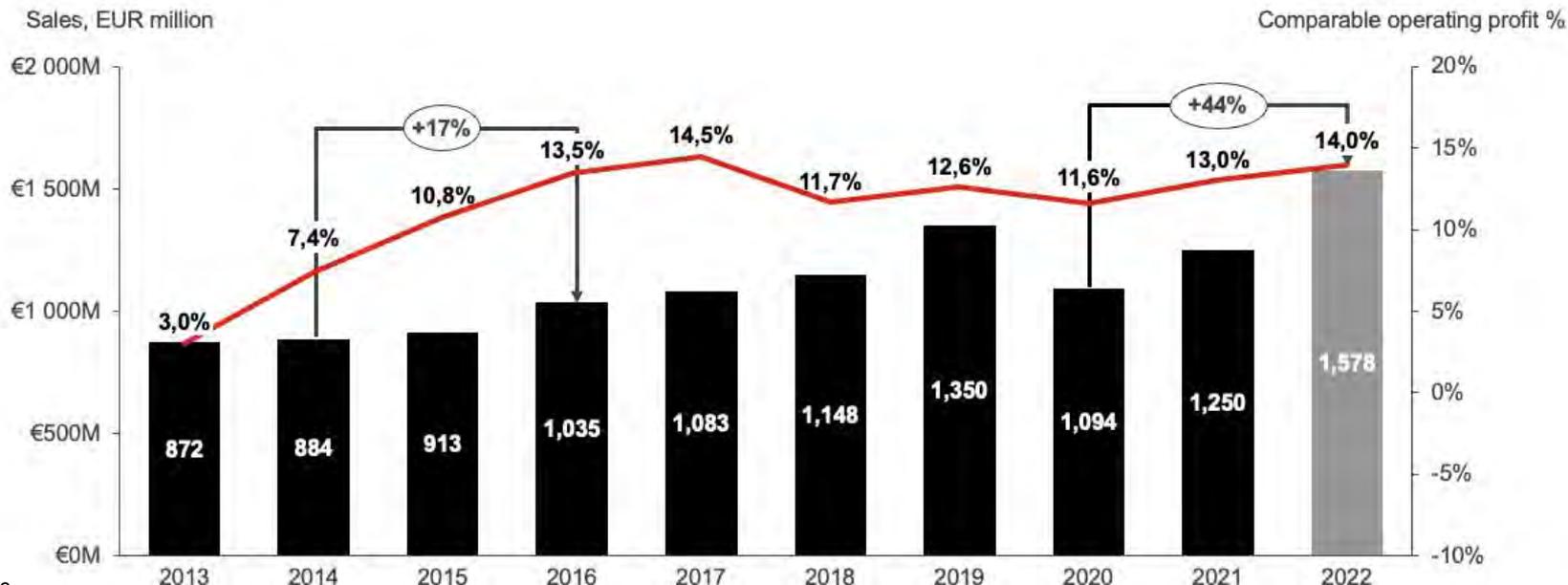
# HIAB IS THE LEADER IN THE MARKETS WE OPERATE

	MARKET SIZE* (EUR million)	KEY SEGMENTS	GLOBAL MARKET POSITION	KEY COMPETITORS
DEMOUNTABLES	~770	Waste & recycling, Defence	#1 in World	 
FORESTRY & RECYCLING CRANES	~615	Forestry, Waste & recycling	#2 in world	 
LOADER CRANES	~1,700	Construction, Logistics	#1–2 in the world	 
TAIL LIFTS	~1,200	Retail, Last mile	#2 in US #1 in Nordics	  
TRUCK MOUNTED FORKLIFTS	~315	Last mile, Logistics, construction	#1 globally	
SERVICES	Hiab Installed base 170,000 units	All	>45% capture rate	

# OUR UNDERLYING MARKET HAS GROWN +3% CAGR 2013-2021 WITH A SIGNIFICANT DIP OF 6% IN 2014-2016...



# ...WHILE WE HAVE PROVEN TRACK-RECORD BY GROWING TWICE THE MARKET GROWTH AND SUSTAINING HIGH PROFITABILITY DURING DOWNTURNS



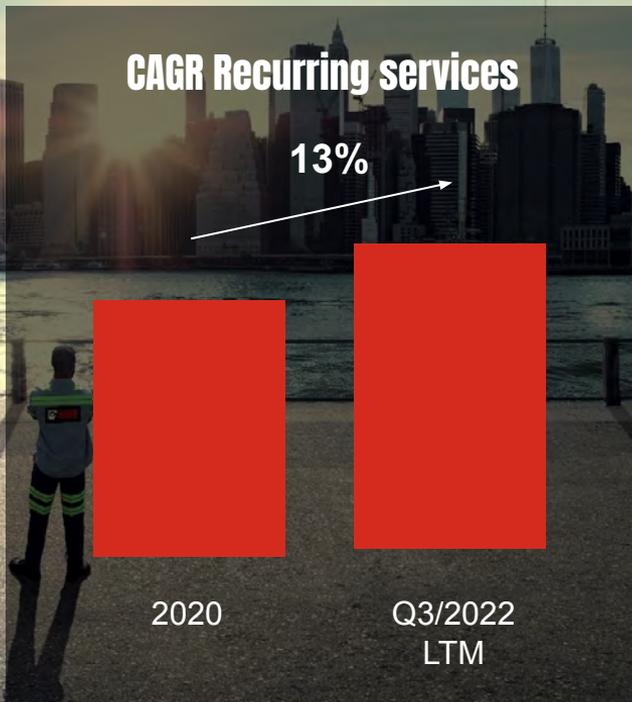
Source: Cargotec reported financials 2011-2022



Acquisitions



# HIAB SERVICES RESILIENT **PROFITABLE GROWTH**



Up to  
**10%**

longer outreach

**More**

lifts per day

Up to  
**15%**

lighter

**Easiest to operate**

New SPACEevo control system

**Sustainability**

ePTO and ready for  
electric trucks

**Uptime & reliability**

Remote monitoring  
and diagnostics

**SETTING THE INDUSTRY STANDARD**

# LOADER CRANES POSSESS GREAT POTENTIAL FOR FURTHER GROWTH AS CUSTOMERS REQUIRE MORE FLEXIBLE SOLUTIONS



# ECO PORTFOLIO 31% OF TOTAL ORDERS IN 2023

## ELECTRIC MOFFETTS



## ePTO



## CYCLONE TANK

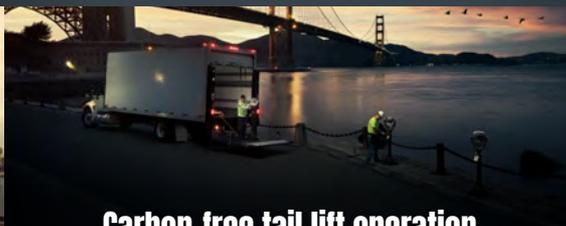


# ECO PORTFOLIO GROWTH +15pp

(orders received y-on-y)



## VARIABLE HYDRAULIC PUMPS



## SOLAR CHARGING



## REFURBISHED EQUIPMENT

# **STRONG FOUNDATION** **TO DELIVER LONG TERM GROWTH AND VALUE CREATION**

Great business with **STRONG BRANDS**

Expanded presence in **ATTRACTIVE, FAST GROWING**  
**MARKETS** and **SEGMENTS**

Strengthening our resilience and customer  
centricity through **SERVICE EXCELLENCE**

Building foundation for **EXECUTION EXCELLENCE**

Setting industry standard in **SAFETY,**  
**PRODUCTIVITY** and **SUSTAINABILITY**

Investing in long-term profitable growth  
THROUGH **INNOVATIONS** AND **M&A**



# MacGregor

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

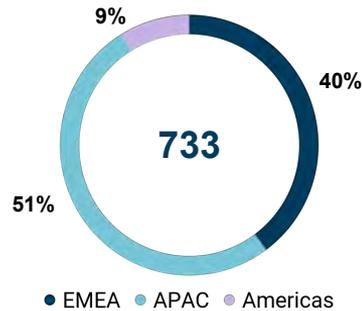
MacGregor is the leader in sustainable maritime cargo and load handling with a strong portfolio of products, services and solutions.

Number of personnel  
**1,853**

Sales  
**MEUR 733**

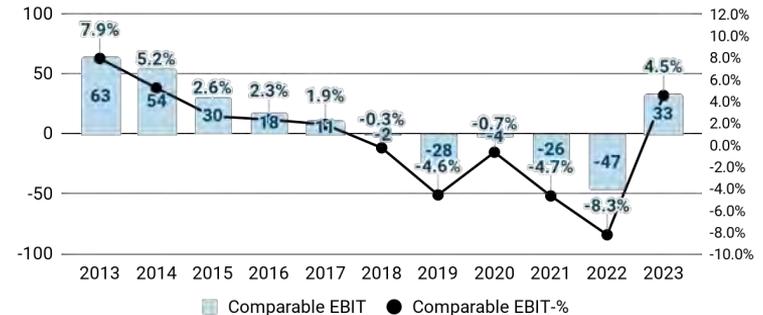
Service sales  
(% of sales)

Geographical sales split



## Development of historical financials

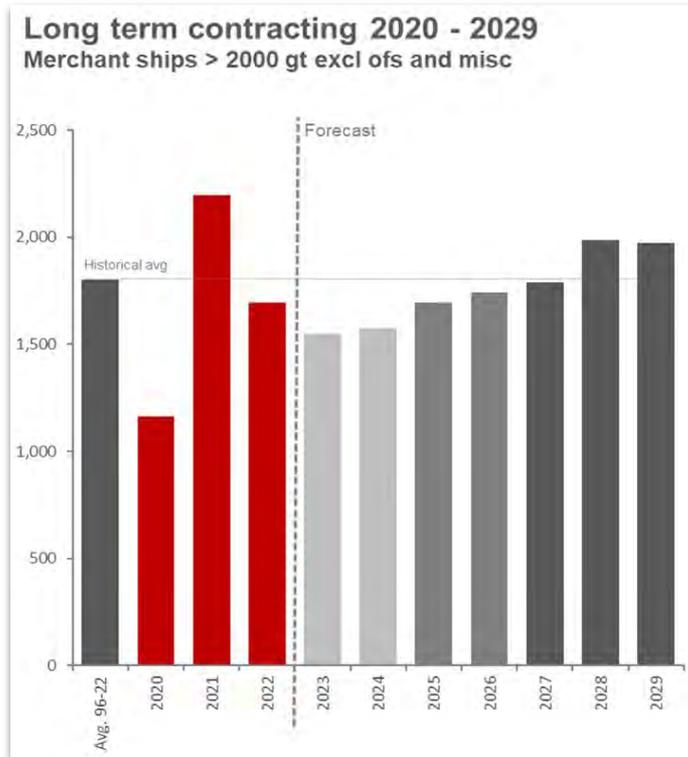
MEUR



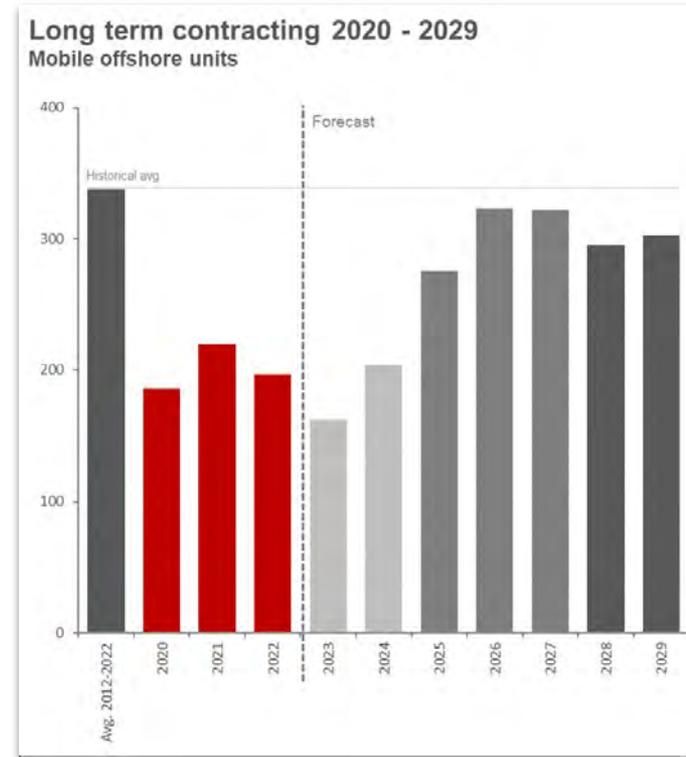
\*2022 figures

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

# Merchant Ships and Offshore contracting outlook positive



Environmental regulation with accelerating energy efficiency requirement drives merchant ships contracting.



Energy transition and increased energy security requirement drive mobile offshore unit contracting.

# Examples of MacGregor offering

Intelligent solutions



RoRo equipment



Hatch covers, container lashings



## Services



Electric cranes



Horizon Gangways



Colibri cranes

# Recent performance

# Highlights of 2023 – Step change in profitability

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

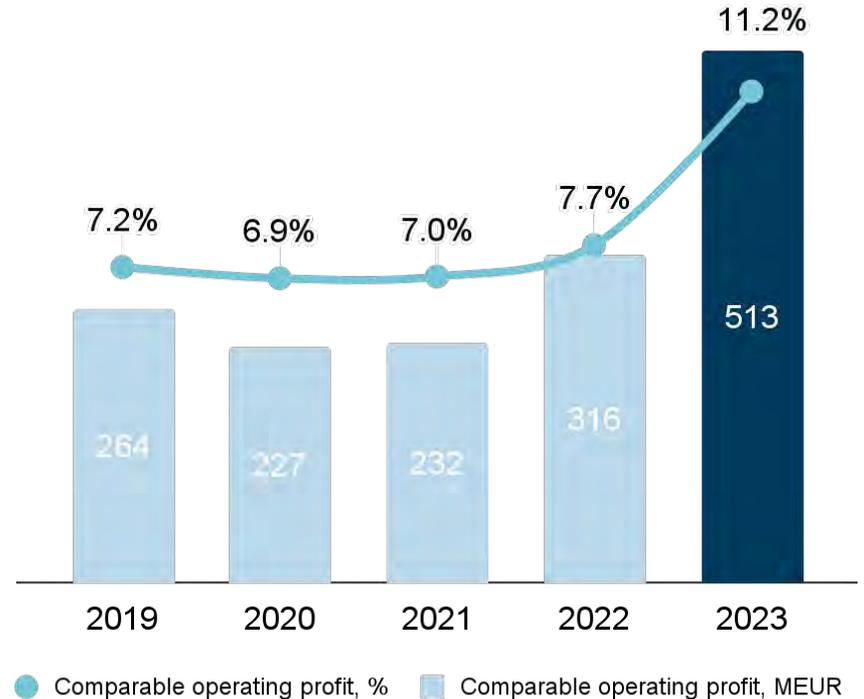
- Decline from a record level

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

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

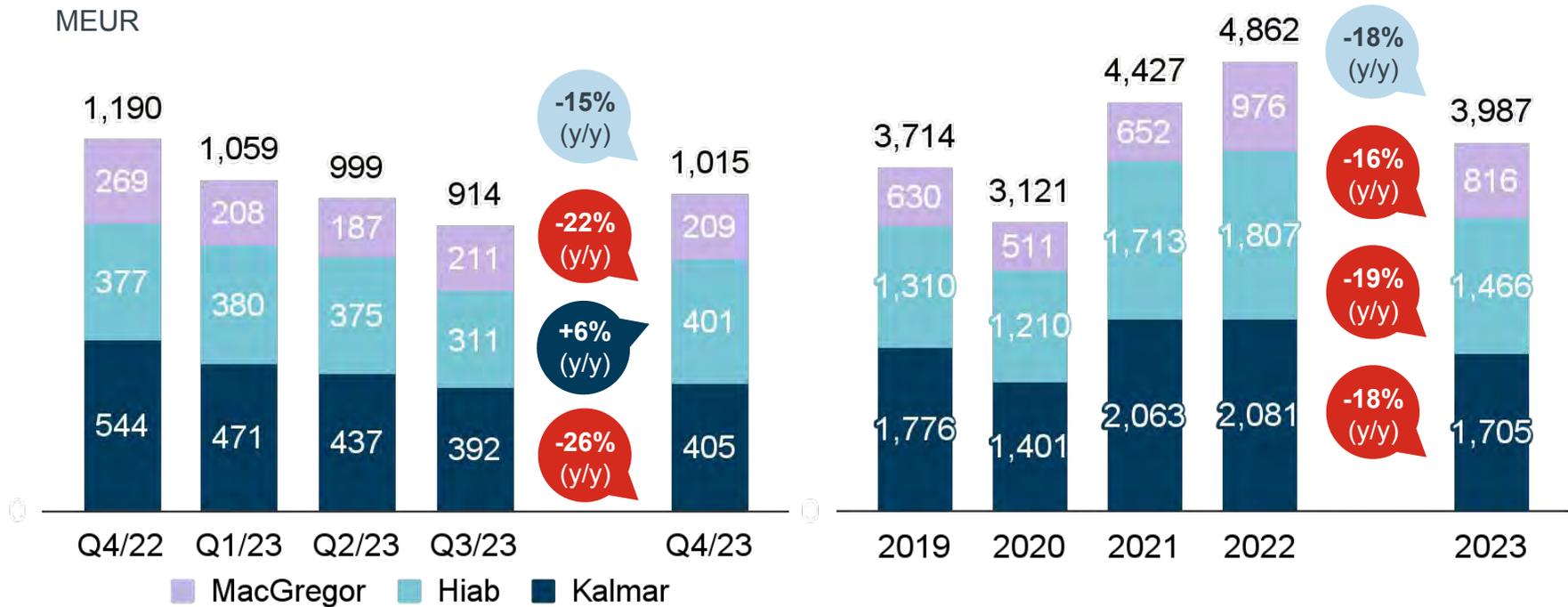
**Comparable operating profit** increased by 62% to EUR 513 million

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



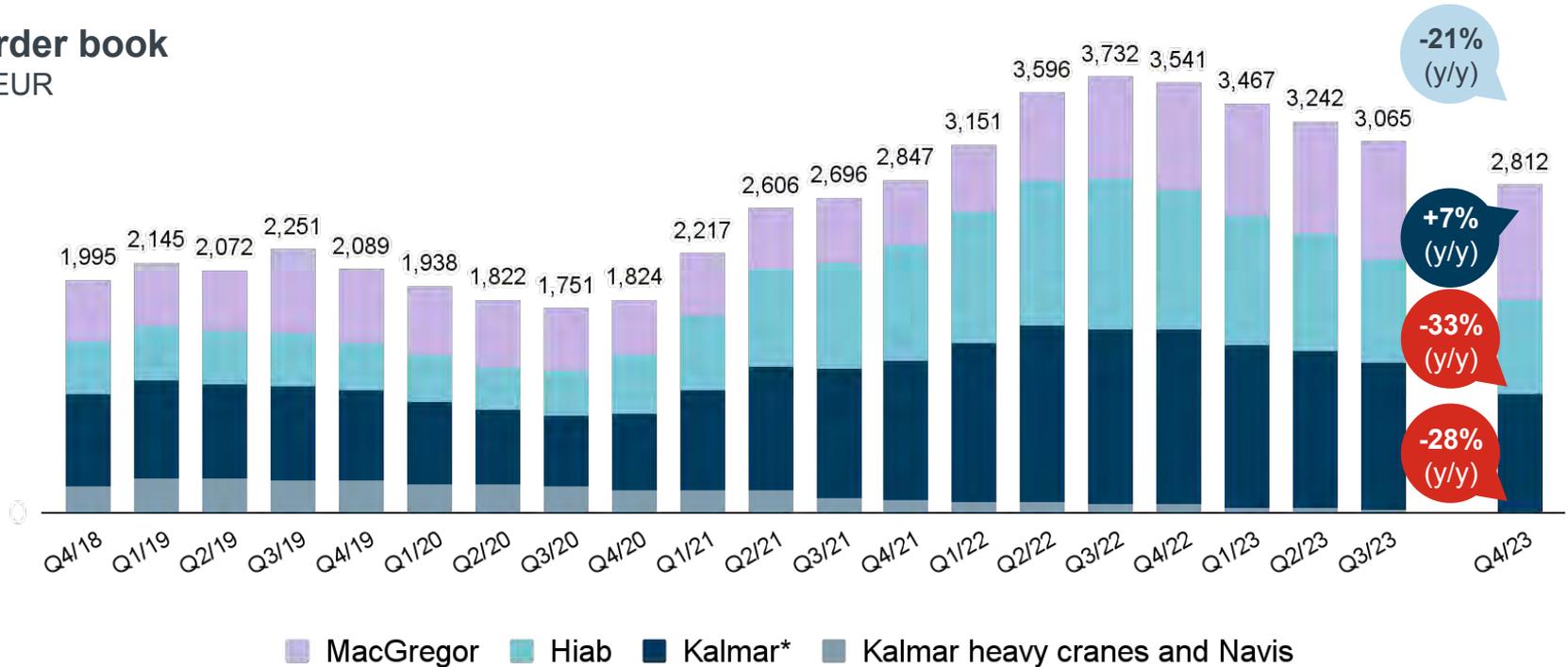
# Orders received at pre-covid level, increase from the third quarter

Orders received  
MEUR



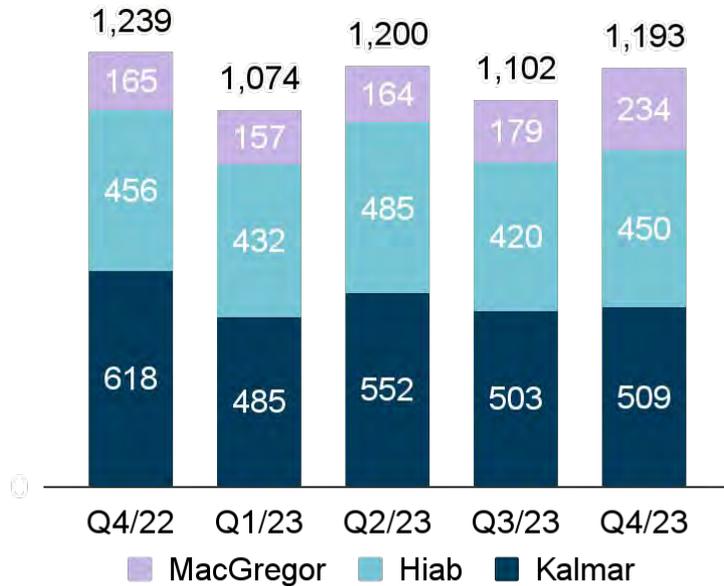
# Order book of EUR 2.8 billion gives a good starting point for 2024

## Order book MEUR

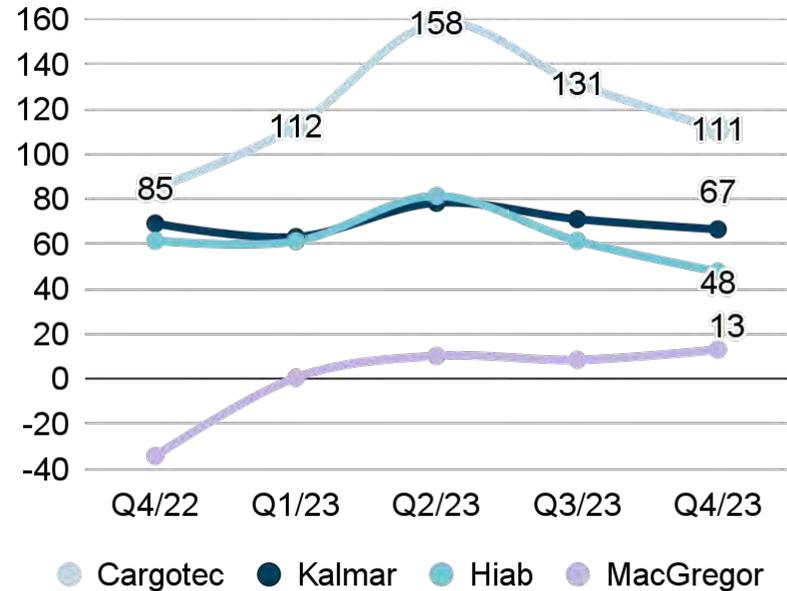


# Comparable operating profit increased despite one-off cost related to cost saving actions

## Sales MEUR



## Comparable operating profit\* MEUR



# Service sales and orders increased from 2022

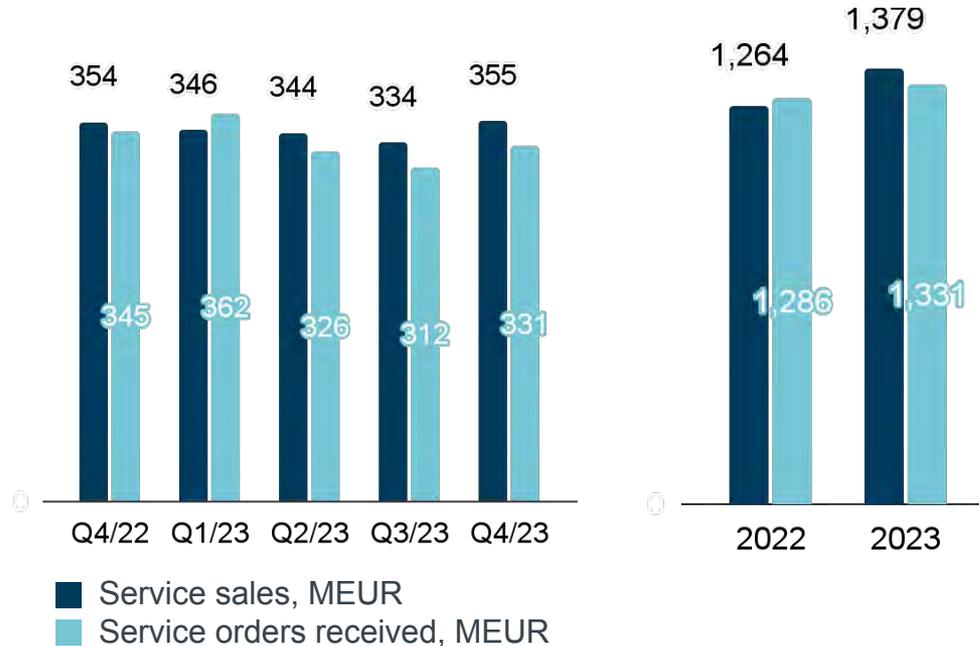
## Service orders received

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

## Service sales

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

Service share 30% of total sales



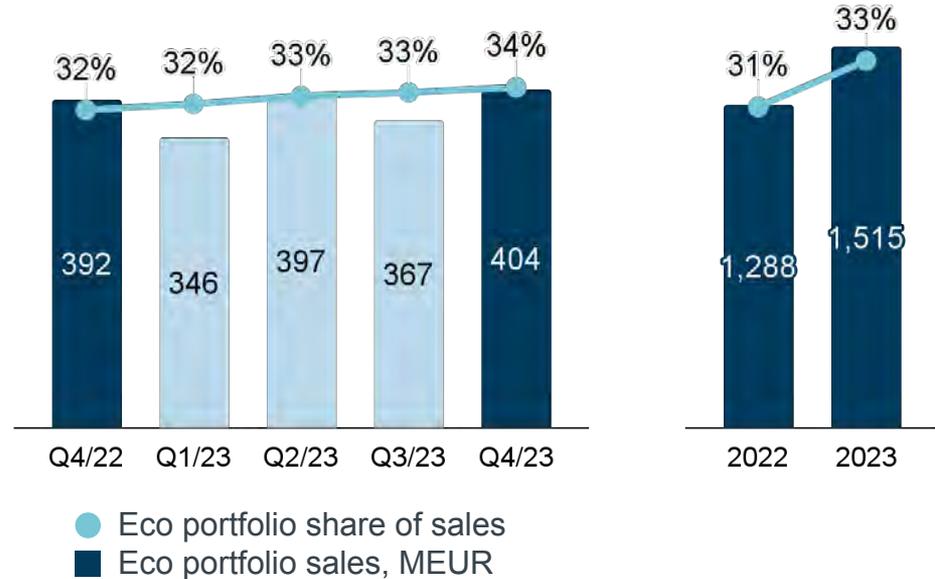
# Eco portfolio sales increased to a record level

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

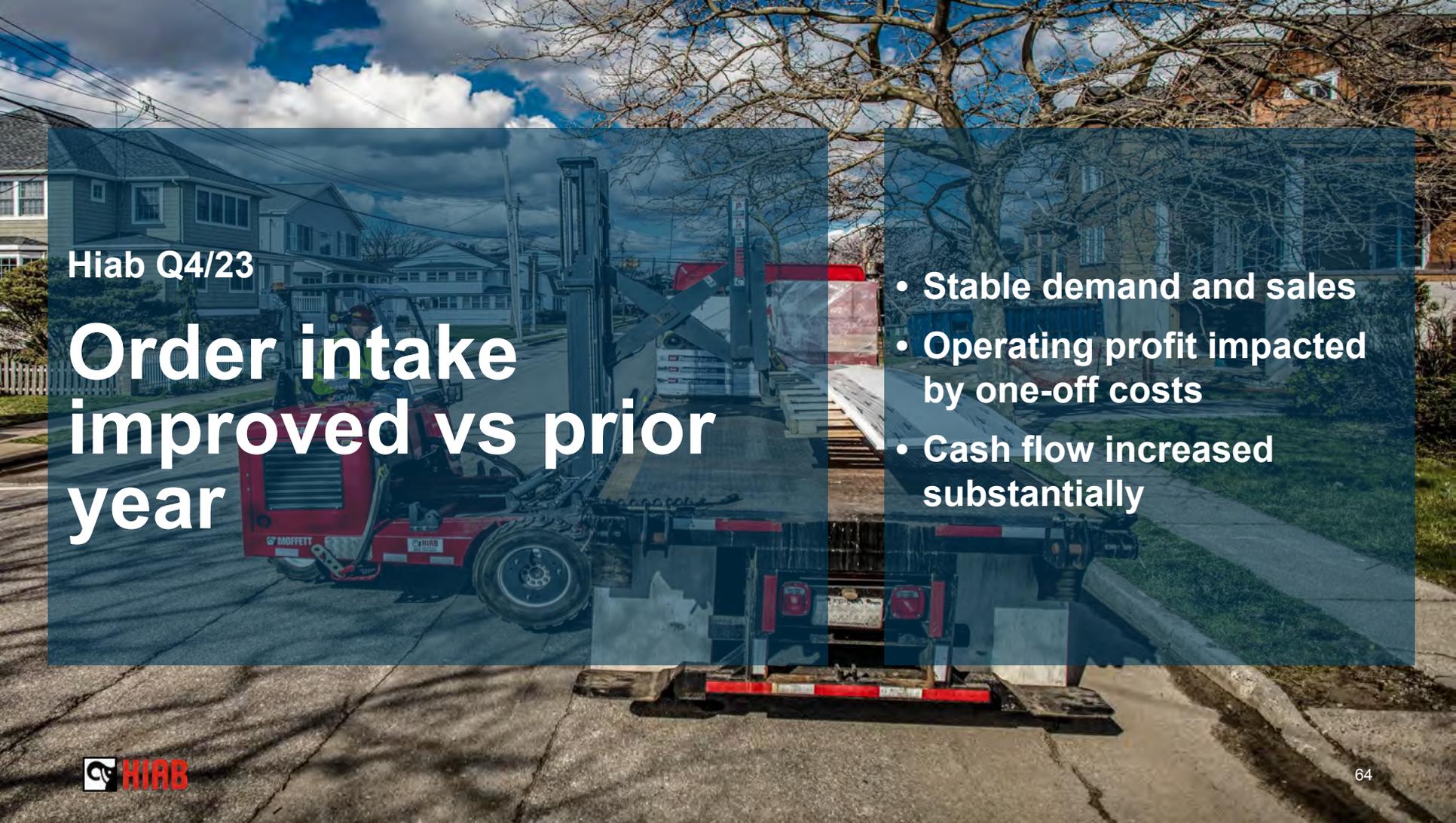
## MacGregor turnaround

### 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

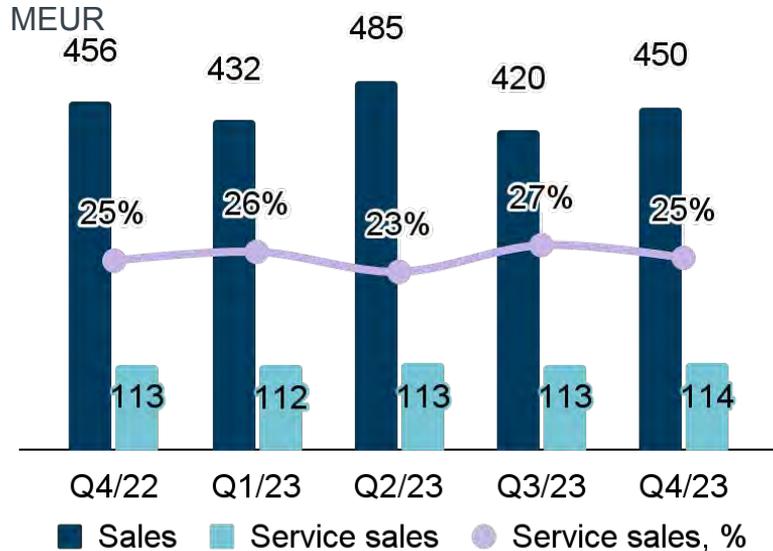


MEUR	Q4/23	Q4/22	Change
Orders received	401	377	6%
Order book	799	1,185	-33%

- 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

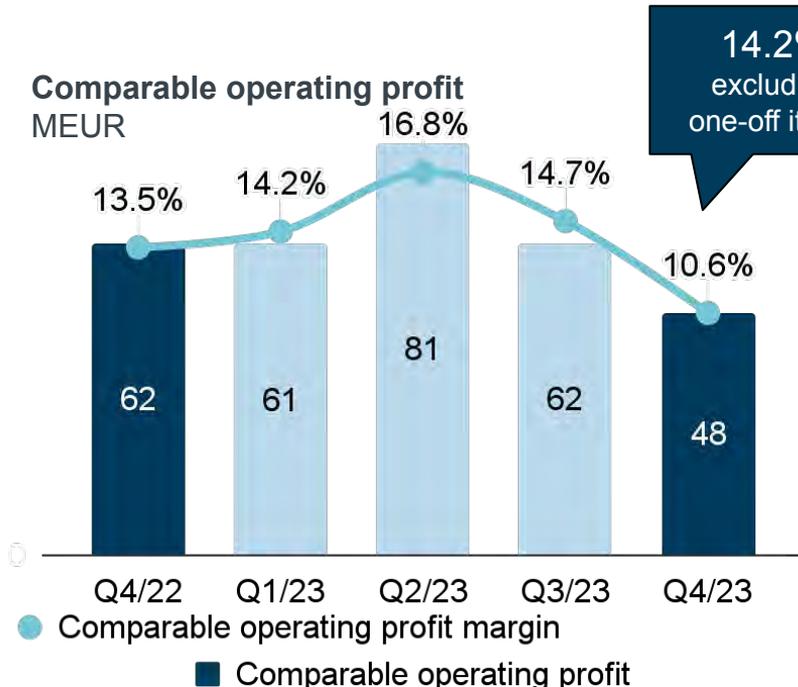
## Sales and Service sales



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

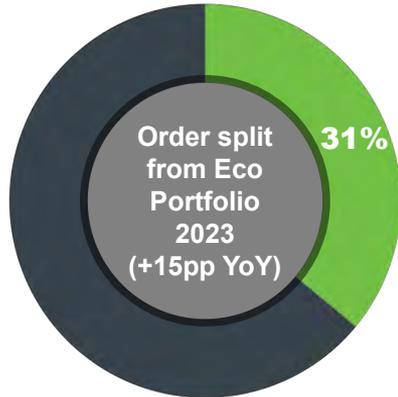


14.2%  
excluding  
one-off items

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

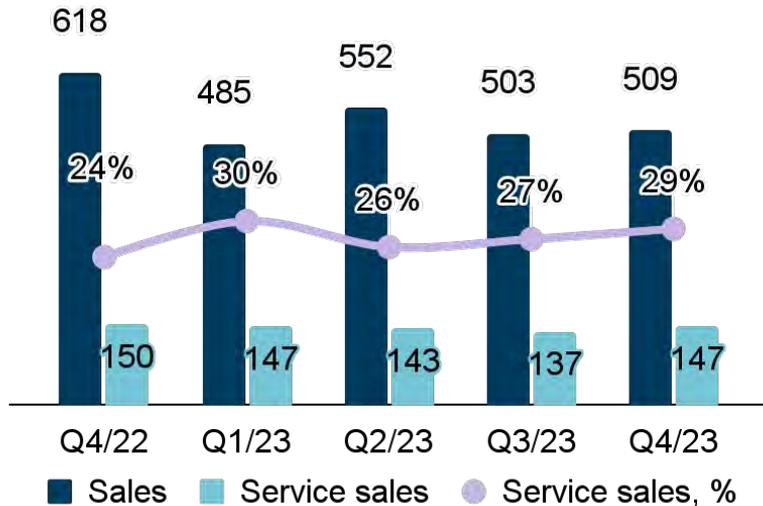


MEUR	Q4/23	Q4/22	Change
Orders received	405	544	-26%
Order book	1,024	1,428	-28%

- 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

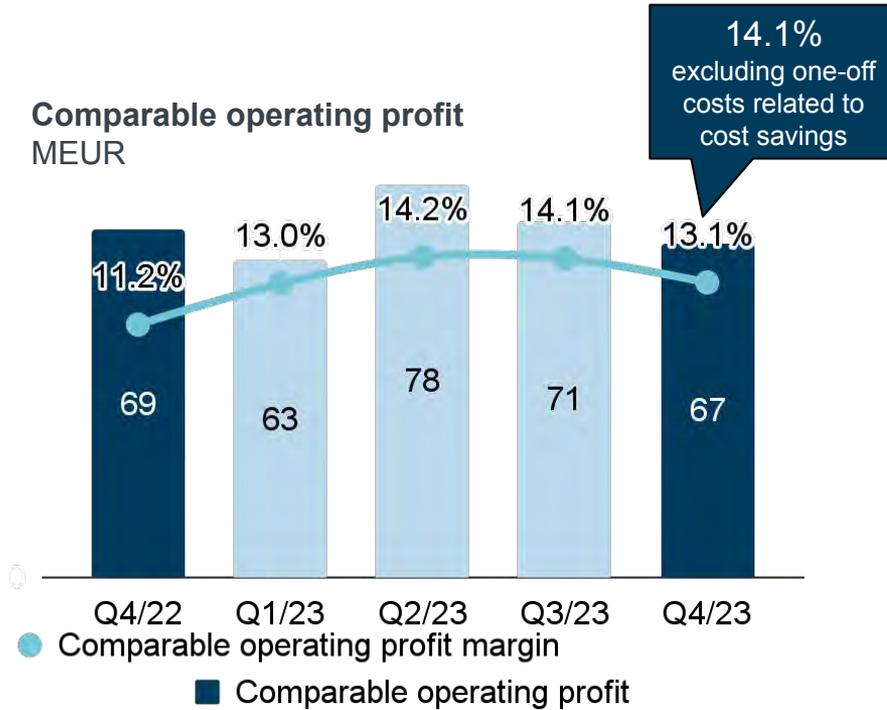


MEUR	Q4/23	Q4/22	Change
Sales	509	618	-18%
Service sales	147	150	-2%
Service sales, %	29%	24%	500 bps

- 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%

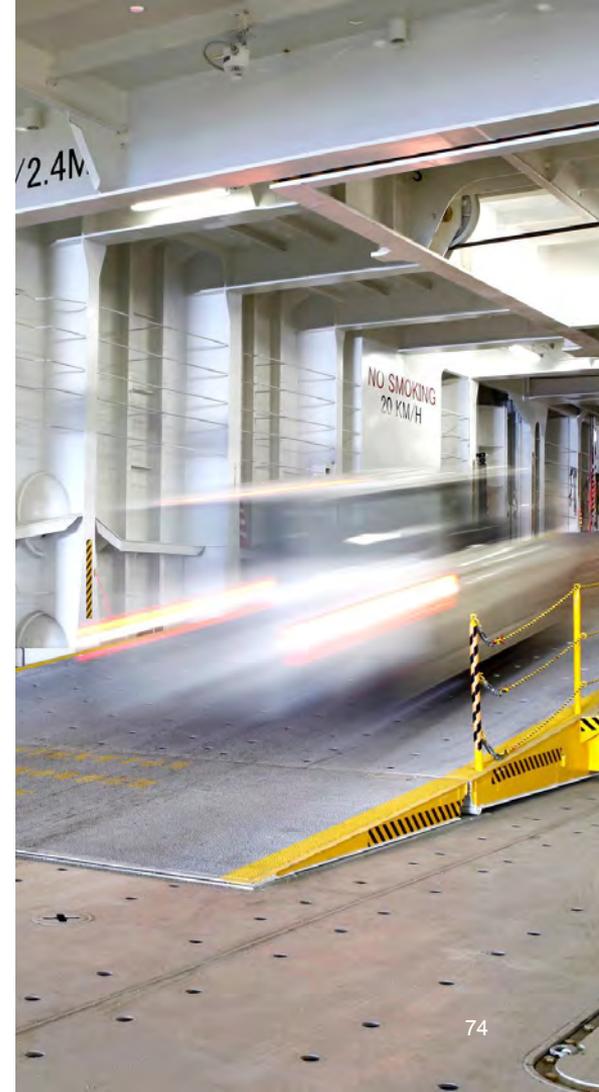
- Service sales +4%

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	209	269	-22%
Order book	988	927	7%
Sales	234	165	42%
Service sales, %	40%	55%	-1500 bps
Comparable operating profit*	13	-34	>100%
Comparable operating profit margin	5.6%	-20.7%	2630 bps





# Financials and outlook

# 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.



# 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

# 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

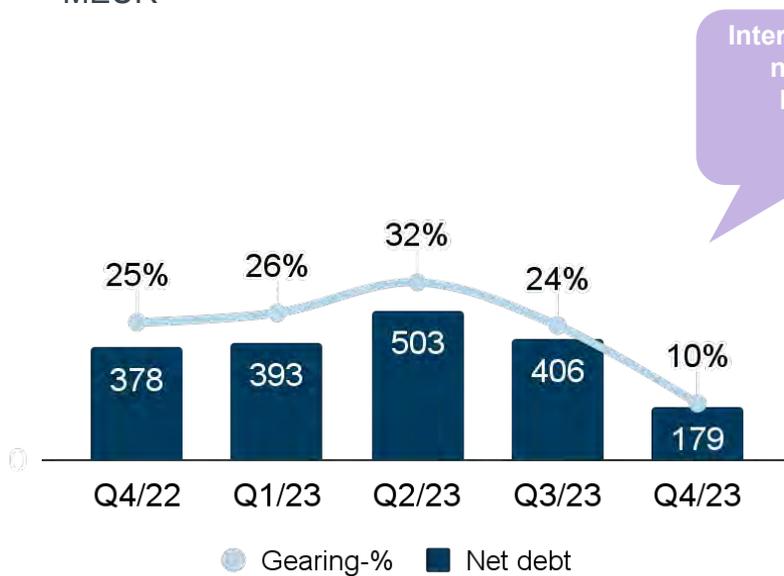
# Strong cash flow in Q4 driven by high EBITDA and reduction in net working capital

Cash flow from operations before financing items and taxes  
MEUR

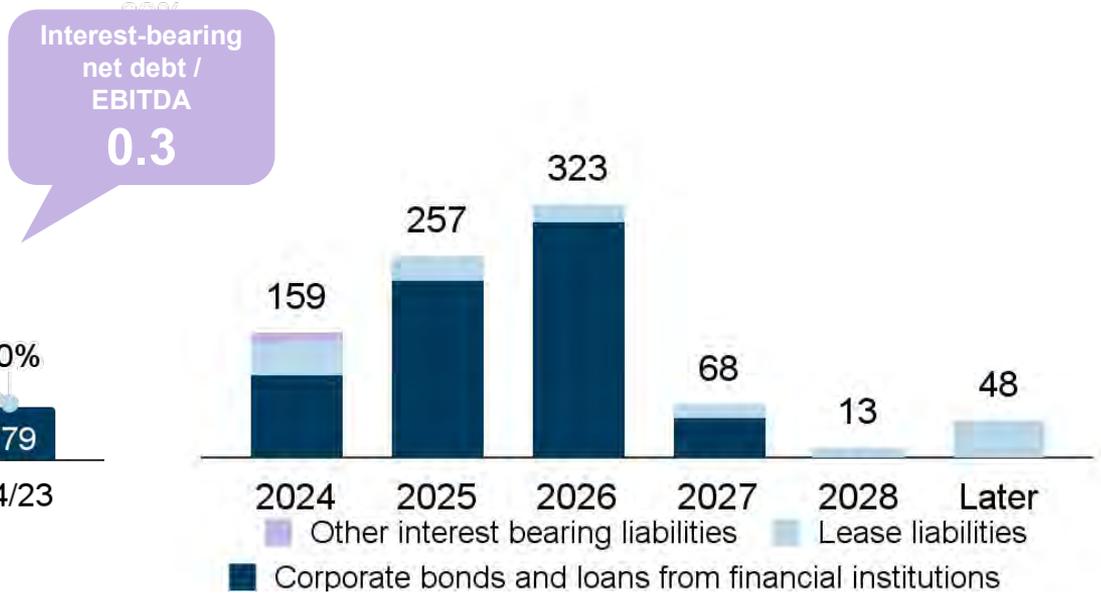


# Strong balance sheet and balanced maturity profile

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:

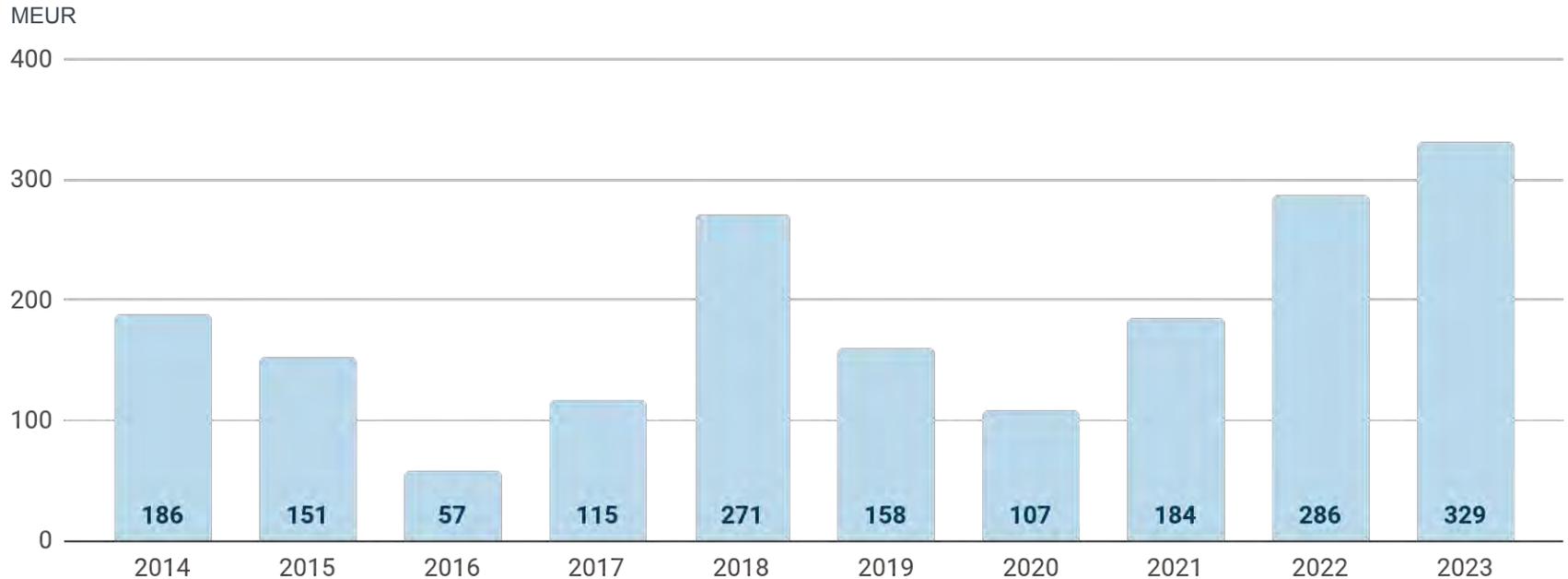
- Dividend of 2.15 per class B share
- Record date 3 June 2024
- Payment date 10 June 2024

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

# Gross profit development



# Net working capital development



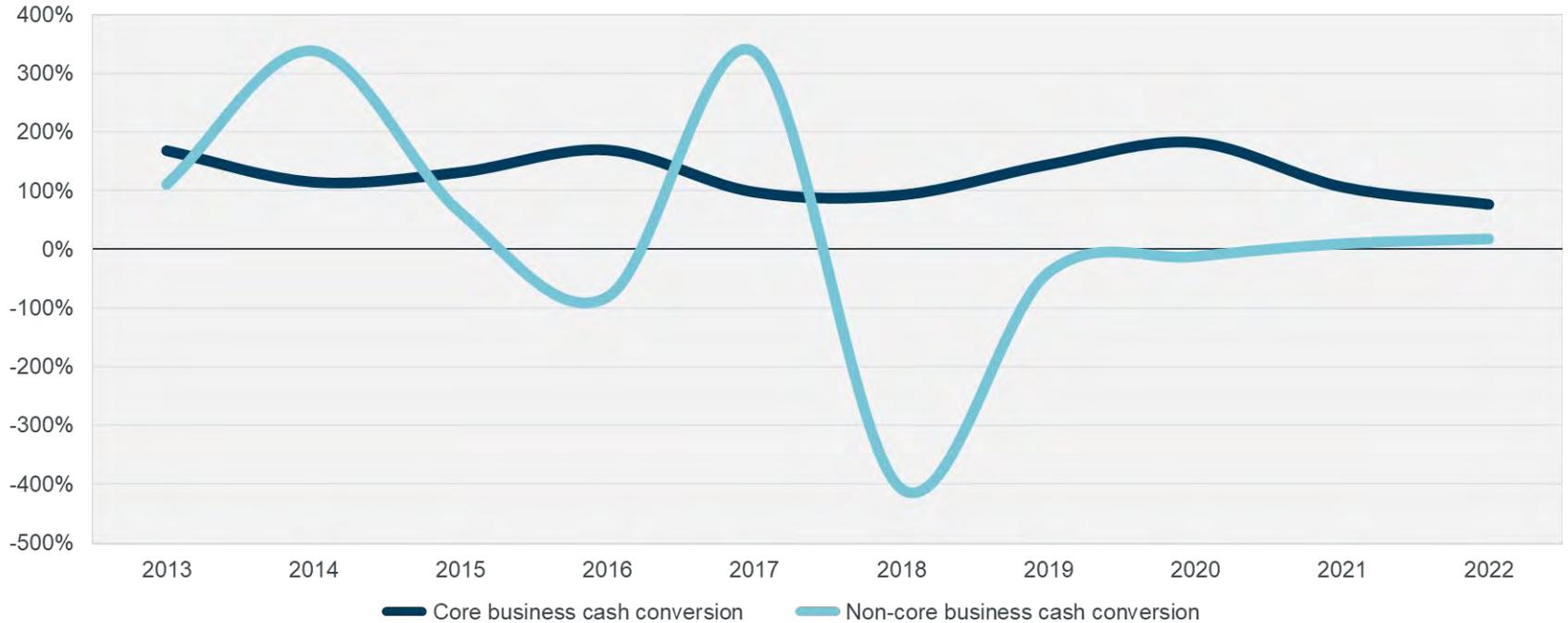
# Record cash flow in 2023

MEUR

Cash flow from operations before financing items and taxes



# Solid cash conversion\* in core businesses over the cycle



# Income statement

## Q4 2023

MEUR	Note	Q4/23	Q4/22	2023	2022
<b>Sales</b>	5	<b>1,193.4</b>	<b>1,238.5</b>	<b>4,568.8</b>	<b>4,088.6</b>
Cost of goods sold		-909.6	-996.4	-3,463.5	-3,230.5
<b>Gross profit</b>		<b>283.8</b>	<b>242.1</b>	<b>1,105.3</b>	<b>858.1</b>
Gross profit, %		23.8%	19.5%	24.2%	21.0%
Selling and marketing expenses		-58.9	-52.9	-213.5	-199.9
Research and development expenses		-29.6	-28.0	-98.3	-99.8
Administration expenses		-93.8	-85.6	-309.4	-279.7
Restructuring costs	7	-6.7	-36.1	-14.6	-91.3
Other operating income		9.3	11.8	39.9	51.9
Other operating expenses		-19.6	-82.0	-36.7	-140.2
Share of associated companies' and joint ventures' net result		4.5	2.0	11.1	7.0
<b>Operating profit</b>		<b>89.0</b>	<b>-28.8</b>	<b>483.8</b>	<b>106.1</b>
Operating profit, %		7.5%	-2.3%	10.6%	2.6%
Finance income		4.5	1.6	12.0	4.4
Finance expenses		-11.6	-13.4	-42.8	-31.6
<b>Profit before taxes</b>		<b>81.9</b>	<b>-40.6</b>	<b>453.0</b>	<b>79.0</b>
Profit before taxes, %		6.9%	-3.3%	9.9%	1.9%
Income taxes	9	-20.6	-27.0	-104.3	-55.8
<b>Profit for the period</b>		<b>61.3</b>	<b>-67.6</b>	<b>348.7</b>	<b>23.2</b>
Profit for the period, %		5.1%	-5.5%	7.6%	0.6%
<b>Profit for the period attributable to:</b>					
Shareholders of the parent company		59.2	-67.3	346.9	23.9
Non-controlling interest		2.1	-0.3	1.8	-0.7
<b>Total</b>		<b>61.3</b>	<b>-67.6</b>	<b>348.7</b>	<b>23.2</b>
<b>Earnings per share for profit attributable to the shareholders of the parent company:</b>					
Basic earnings per share, EUR		0.92	-1.04	5.38	0.37
Diluted earnings per share, EUR		0.93	-1.04	5.37	0.37

# Balance sheet 31 December 2023

ASSETS, MEUR	Note	31 Dec 2023	31 Dec 2022
<b>Non-current assets</b>			
Goodwill		878.1	892.1
Intangible assets		118.4	124.8
Property, plant and equipment		444.9	420.0
Investments in associated companies and joint ventures	16	76.6	74.6
Share investments	16	0.0	0.0
Loans receivable and other interest-bearing assets	11	0.1	4.5
Deferred tax assets		122.2	128.6
Derivative assets	12	–	1.1
Other non-interest-bearing assets		5.8	7.2
<b>Total non-current assets</b>		<b>1,646.0</b>	<b>1,652.9</b>
<b>Current assets</b>			
Inventories		1,033.8	1,013.3
Loans receivable and other interest-bearing assets*	11	3.4	2.8
Income tax receivables		18.5	39.0
Derivative assets	12	54.0	39.5
Accounts receivable		723.8	734.7
Contract assets		47.3	104.0
Other non-interest-bearing assets		164.9	151.2
Cash and cash equivalents*	11	684.7	451.9
<b>Total current assets</b>		<b>2,730.4</b>	<b>2,536.4</b>
<b>Total assets</b>		<b>4,376.5</b>	<b>4,189.3</b>

\*Included in interest-bearing net debt.



EQUITY AND LIABILITIES, MEUR	Note	31 Dec 2023	31 Dec 2022
<b>Equity attributable to the shareholders of the parent company</b>			
Share capital		64.3	64.3
Share premium		98.0	98.0
Translation differences		-56.4	-34.0
Fair value reserves		-2.5	-3.5
Reserve for invested unrestricted equity		35.3	52.8
Retained earnings		1,613.6	1,350.0
<b>Total equity attributable to the shareholders of the parent company</b>		<b>1,752.3</b>	<b>1,527.6</b>
Non-controlling interest		1.5	0.7
<b>Total equity</b>		<b>1,753.8</b>	<b>1,528.3</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities*	11	708.2	750.9
Deferred tax liabilities		21.9	30.6
Pension obligations		89.0	82.2
Provisions		5.6	6.4
Other non-interest-bearing liabilities		87.1	74.8
<b>Total non-current liabilities</b>		<b>911.8</b>	<b>944.9</b>
<b>Current liabilities</b>			
Current portion of interest-bearing liabilities*	11	142.9	74.9
Other interest-bearing liabilities*	11	15.6	11.7
Provisions		154.9	176.2
Income tax payables		54.3	62.9
Derivative liabilities	12	26.0	7.4
Accounts Payable		511.2	617.1
Contract liabilities		374.5	291.1
Other non-interest-bearing liabilities		431.5	484.8
<b>Total current liabilities</b>		<b>1,710.9</b>	<b>1,716.1</b>
<b>Total equity and liabilities</b>		<b>4,376.5</b>	<b>4,189.3</b>

\*Included in interest-bearing net debt.

The notes are an integral part of the financial statements review.

# Cash flow statement Q4 2023

MEUR	Note	Q4/23	Q4/22	2023	2022
<b>Net cash flow from operating activities</b>					
Profit for the period		61.3	-67.6	348.7	23.2
Depreciation, amortisation and impairment	8	28.7	115.3	114.9	203.9
Finance income and expenses		7.1	11.8	30.8	27.2
Income taxes	9	20.6	27.0	104.3	55.8
Change in non-interest bearing receivables		102.9	-21.6	35.8	-112.6
Change in non-interest bearing liabilities		-38.7	41.1	-50.5	283.2
Change in inventories		110.7	49.3	-31.8	-238.9
Change in net working capital		174.9	68.8	-46.5	-68.3
Other adjustments		-0.4	-8.1	-8.0	-10.6
<b>Cash flow from operations before finance items and taxes</b>		<b>292.1</b>	<b>147.2</b>	<b>544.2</b>	<b>231.2</b>
Interest received		4.4	1.5	11.9	4.3
Interest paid		-7.4	-4.7	-25.3	-19.4
Dividends received		—	—	—	0.2
Other finance items		-29.4	-10.1	-10.1	-6.7
Income taxes paid		-11.6	-7.8	-84.7	-49.2
<b>Net cash flow from operating activities</b>		<b>248.1</b>	<b>126.2</b>	<b>435.9</b>	<b>160.4</b>
<b>Net cash flow from investing activities</b>					
Acquisitions of businesses, net of cash acquired	15	-0.5	-0.1	-25.7	-0.1
Disposals of businesses, net of cash sold	15	4.0	0.9	11.1	15.1
Investments in associated companies and joint ventures	16	—	—	—	-0.9
Investments in intangible assets and property, plant and equipment		-21.9	-19.7	-81.1	-66.2
Disposals of intangible assets and property, plant and equipment		9.7	10.5	31.6	25.3
Cash flow from investing activities, other items		-1.2	11.7	2.4	32.8
<b>Net cash flow from investing activities</b>		<b>-10.0</b>	<b>3.3</b>	<b>-61.8</b>	<b>6.1</b>

MEUR	Note	Q4/23	Q4/22	2023	2022
<b>Net cash flow from financing activities</b>					
Treasury shares acquired		—	—	-17.5	-1.2
Repayments of lease liabilities		-12.7	-11.0	-46.9	-43.1
Proceeds from long-term borrowings		50.9	—	50.9	—
Repayments of long-term borrowings		-38.2	-87.5	-38.2	-87.5
Proceeds from short-term borrowings		-2.3	-2.5	10.6	—
Repayments of short-term borrowings		-3.9	-1.1	-3.9	-3.3
Dividends paid		—	—	-87.3	-70.4
<b>Net cash flow from financing activities</b>		<b>-6.2</b>	<b>-102.1</b>	<b>-132.1</b>	<b>-205.5</b>
<b>Change in cash and cash equivalents</b>					
		<b>232.0</b>	<b>27.3</b>	<b>242.0</b>	<b>-39.0</b>
Cash and cash equivalents, and bank overdrafts at the beginning of period					
		447.5	430.0	445.4	488.2
Effect of exchange rate changes					
		1.4	-12.0	-6.6	-3.8
<b>Cash and cash equivalents, and bank overdrafts at the end of period</b>					
		<b>680.8</b>	<b>445.4</b>	<b>680.8</b>	<b>445.4</b>
Bank overdrafts at the end of period					
		3.8	6.5	3.8	6.5
<b>Cash and cash equivalents at the end of period</b>					
		<b>684.7</b>	<b>451.9</b>	<b>684.7</b>	<b>451.9</b>

# Service business continues to grow

## Service sales

MEUR



5%  
CAGR



# 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%**

# Examples of recent acquisitions and partnerships



A premier designer and manufacturer of waste handling equipment

United States  
Acquired in 2021  
BA: Hiab  
Sales in 2021:  
USD ~30 million

Added roll -off hoist, a cable lift, to Hiab's portfolio

Acquisition enables growth in the US and in the waste segment



Global leader in the heavy cranes segment

Italy  
Acquired in 2018  
BA: Hiab  
Sales in 2018:  
EUR ~97 million

Complemented Hiab's loader cranes portfolio and expanded the offering in heavy cranes

Acquisition strengthened Hiab's position in Effer's core market areas



a Hiab company

Industry-leading hydraulic and remote system designer & manufacturer

Sweden  
Acquired in 2022  
BA: Hiab  
Headcount in 2022:  
~100 employees

Further accelerates the development of integrated design solutions of our loader cranes. Olsbergs' competence in valve and remote control technology strengthens our technology leadership.

# We have multiple organic and inorganic growth opportunities



<b>GROWTH FOCUS</b>	<b>ORGANIC</b>	<b>M&amp;A</b>
Strengthening our portfolio and filling white spots in the offering	✓	✓
Eco portfolio	✓	✓
New services related to our core offerings	✓	
New applications for our products	✓	
Enter new developing markets	✓	✓
Seek to grow in adjacent segments		✓

## PORTFOLIO CRITERIA

### Market

Adjacent to core businesses

Growing

Niche

### Business

Recurring Equipment business

High technology

Service potential

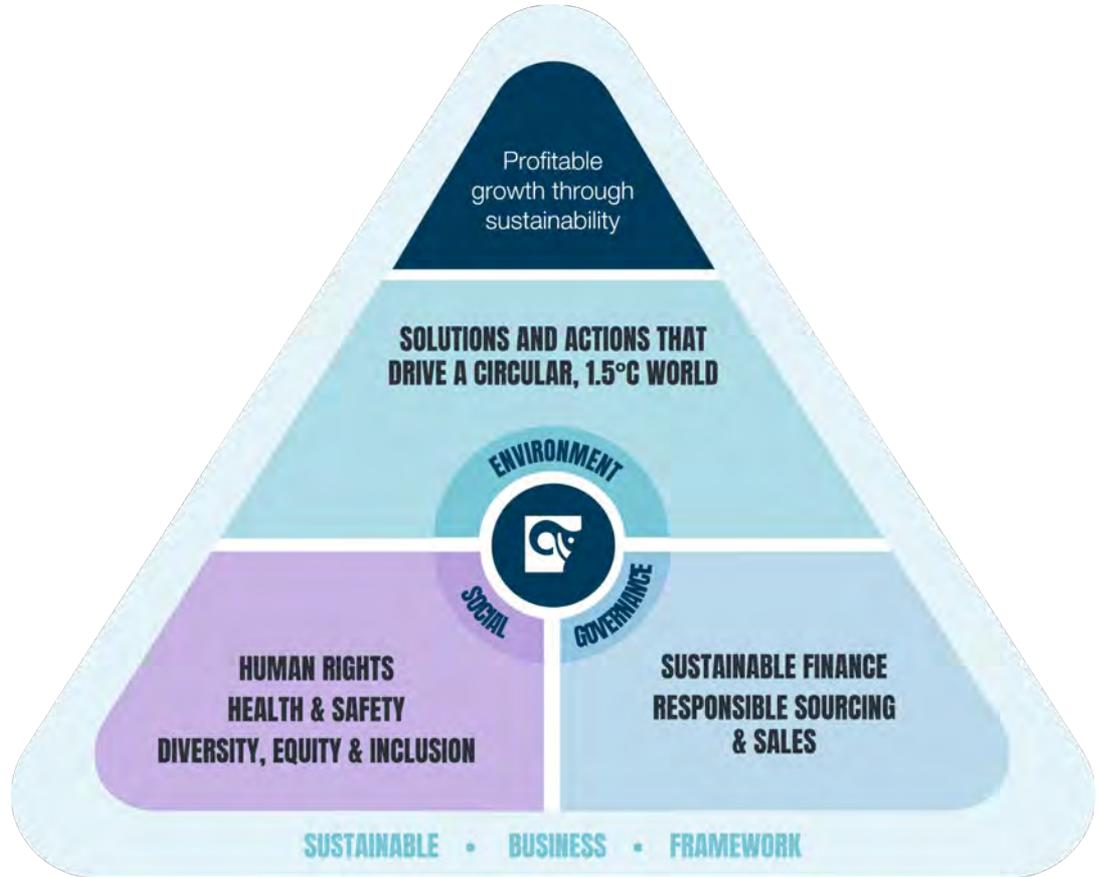
Attractive market position

**Capability to fill the performance targets**

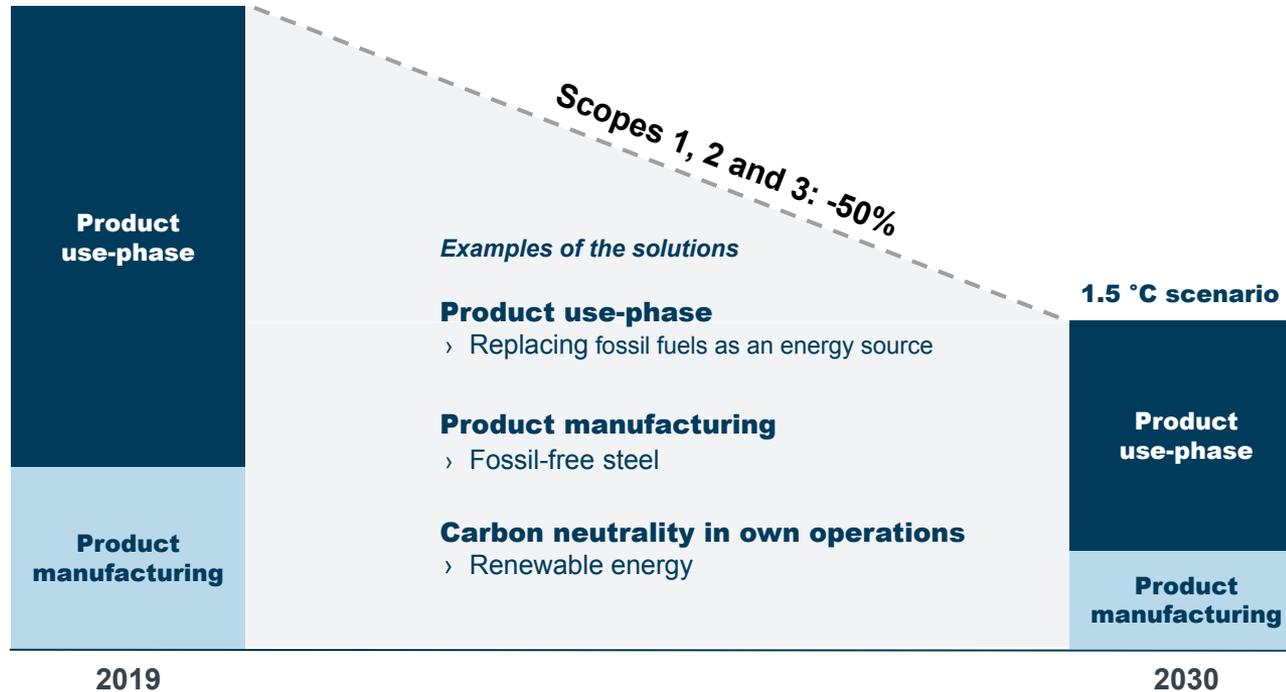


# Sustainability as a growth driver

**We aim for the highest ESG standards in our industry.**



# Intelligent cargo handling is the solution to cut CO<sub>2</sub> emissions in our value chain by 50%



# HOW WE WILL GET THERE: OUR PLAN

## Progress so far

## >>> 2025

## >>> 2030

Developed climate roadmap.  
Examples of actions include:



Kalmar fully electric product offering

Hiab ePTO and eMOFFETT offerings

MULTILIFT pilot with SSAB

Hudiksvall site net zero

Further develop eco offering, improve energy efficiency

Transform the market towards low-carbon solutions

Explore opportunities in low-carbon steel

Grow the share of renewable energy

Eco offering generates the majority of sales

Increase the share of fossil-free steel

Become carbon neutral in own operations

# CARGOTEC'S CARBON FOOTPRINT 2023

PURCHASED GOODS\*  
Scope 3 upstream

**32%**



Steel structures	Other
<b>58%</b>	<b>42%</b>

OWN OPERATIONS  
Scopes 1 & 2

**1%**



Diesel consumption	Electricity consumption	Other
<b>39%</b>	<b>30%</b>	<b>31%</b>

USE OF SOLD PRODUCTS  
Scope 3 downstream

**64%**



Kalmar	Hiab	MacGregor
<b>71%</b>	<b>22%</b>	<b>7%</b>

# A life cycle assessment calculates the environmental impacts of a product

Life cycle assessment (LCA) is a methodology for quantitatively assessing climate and other environmental impacts throughout the life cycle of a product, process, or service.

**End-of-life**  
Disposal or recycling

**Raw material extraction**

**Product use**  
Repair and maintenance

**Distribution**

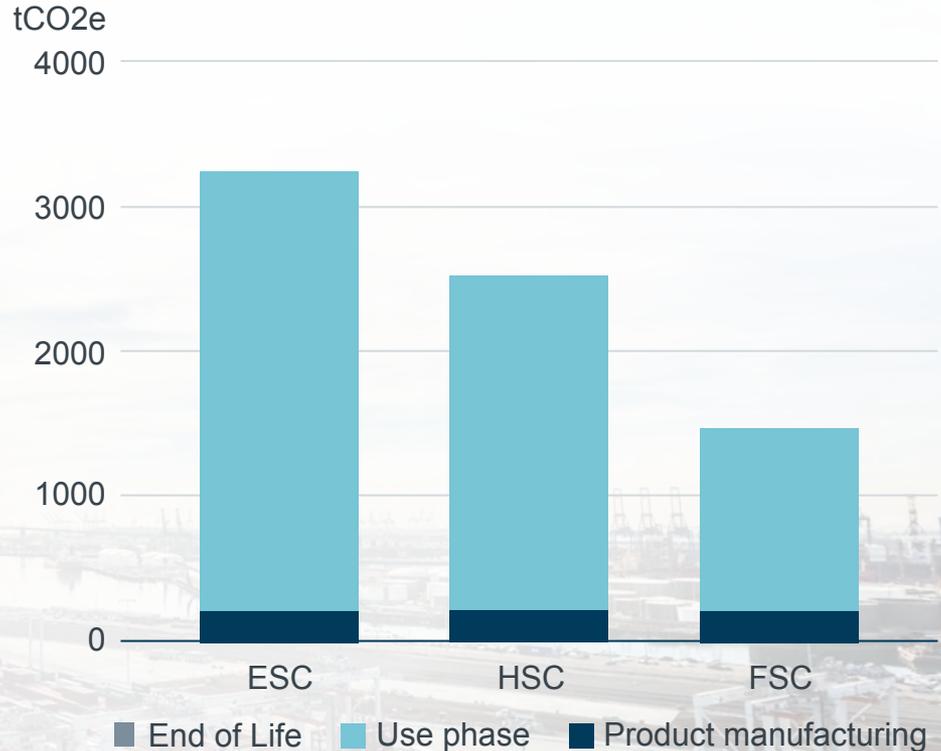
**Manufacturing**



Our LCAs are based on the internationally recognised ISO 14067 standard.

All our eco portfolio equipment have third-party reviewed LCAs in place

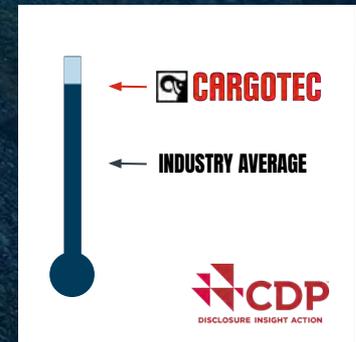
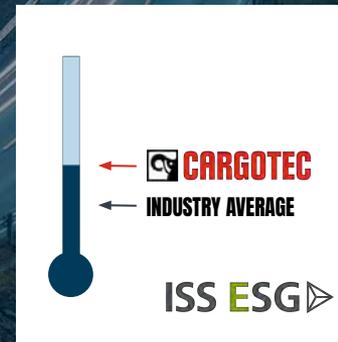
Life-cycle greenhouse gas savings of Straddle Carrier FSC -52% and HSC -24%



ESC: diesel-electric; HSC: hybrid; FSC: fast-charge electric

# Validated actions in creating a positive societal impact

Rating	Scale	Score	Year
CDP	D- to A	A-	2022
Ecovadis	Bronze, Silver, Gold, Platinum	Gold	2022
ISS ESG	D- to A+	C+	2022
MSCI ESG	CCC to AAA	AA	2022



# Our eco portfolio has two main tasks

Our eco portfolio helps us grow by solving customers' sustainability challenges. It has two tasks: reduce emissions and drive growth.

**Reduce emissions**

**Drive growth**

The eco portfolio includes two categories of solutions:

CIRCULAR SOLUTIONS

CLIMATE SOLUTIONS

The portfolio's climate solutions are aligned with the EU Taxonomy (considered sustainable in the eyes of the regulation).

» Low and zero-emission equipment & software that enables the equipment's emission saving

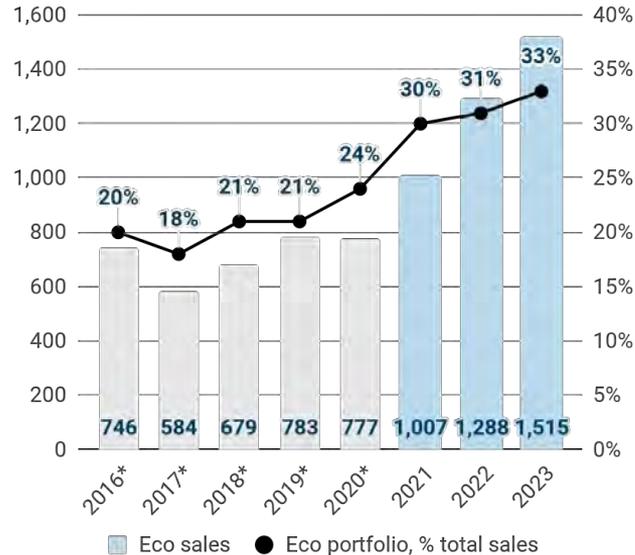


Services and spare parts that keep the equipment in operation for longer



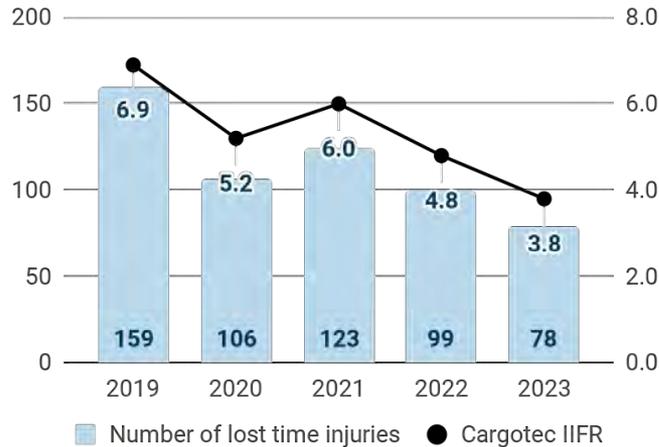
# Cargotec reports eco portfolio sales on quarterly basis

Cargotec's eco portfolio consists of products and services that enhance customers' sustainability with tangible environmental benefits, such as fully electric equipment.

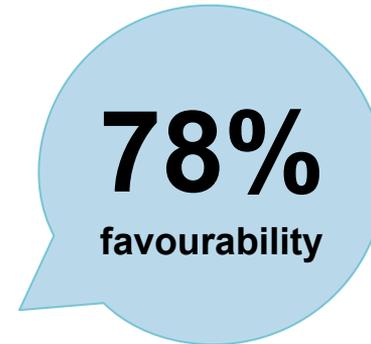


# Cargotec continued to improve safety while employee favorability remained at a high level

## Industrial injury frequency rate\*\*



## Compass Employee Engagement survey 2023





# Governance

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



**Casimir Lindholm**  
CEO  
Interim President, Kalmar



**Mikko Puolakka**  
CFO



**Scott Phillips**  
President, Hiab



**Leif Byström**  
President, MacGregor



**Mikael Laine**  
SVP, Strategy  
Interim COO, Kalmar



**Outi Aaltonen**  
SVP, General Counsel



**Carina Geber-Teir**  
SVP, Communications  
Until 1.4.2024



**Soili Mäkinen**  
SVP, Sustainable  
Business Development



**Mikko Pelkonen**  
SVP, Human Resources



**Sami Niiranen**  
President, Kalmar  
as of 1.4.2024

# Board of Directors



**Jaakko Eskola**  
Chair, b. 1958



**Ilkka Herlin**  
Vice Chair, b. 1959



**Raija-Leena  
Hankonen-Nyblom**  
Member, b. 1960



**Teresa Kemppi-Vasama**  
Member, b. 1970  
Member of Demerger Committee



**Tapio Kolunsarka**  
Member, b. 1975  
Member of Demerger Committee



**Johanna Lamminen**  
Member, b. 1966



**Kaisa Oikkonen**  
Member, b. 1964



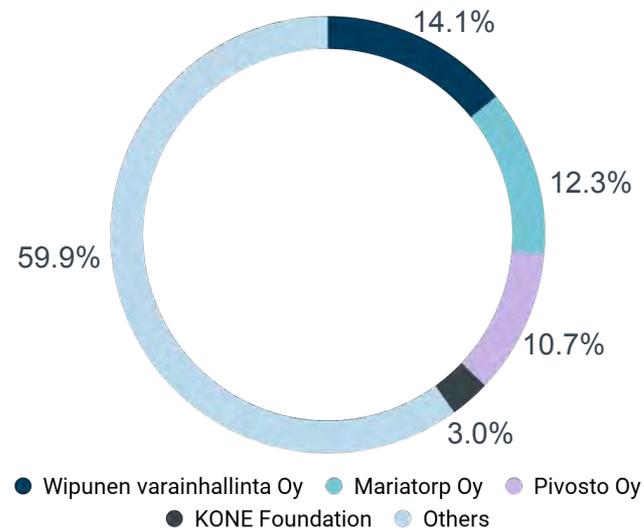
**Ritva Sotamaa**  
Member, b. 1963

# Largest shareholders

## 31 January 2024

		% 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	Ilmarinen Mutual Pension Insurance Company	2.5	1.1
6	Elo Mutual Pension Insurance Company	1.3	0.5
7	The State Pension Fund	1.2	0.5
8	Varma Mutual Pension Insurance Company	1.0	0.4
9	Cargotec Oyj	0.6	0.3
10	Herlin Heikki Juho Kustaa	0.6	0.3
<b>Nominee registered and non-Finnish holders</b>		<b>28.94%</b>	
<b>Total number of shareholders</b>		<b>37,936</b>	

% of shares



# For more information, call us or visit our IR-page

## Next upcoming IR events

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30 April 2024

Q1 Results

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28-29 May 2024

Capital Market Days

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## Investor relations contact information

Meeting requests:

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