



20 July 2023

# Record-high profitability

Cargotec's January–June 2023 half year report

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Scott Phillips, President Hiab

- Orders received back to pre-covid level
- Strong development in sales and profitability
- Planned separation of Kalmar and Hiab progressing according to plan

# 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.

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.



# Contents

- Q2/23 highlights
- Group level development
- Business areas
- Financials and outlook
- Q&A



# Highlights of Q2/23 – Record-high comparable operating profit driven by higher deliveries

**Orders received** decreased by 28%

- Decline in all business areas compared to record-high comparison period

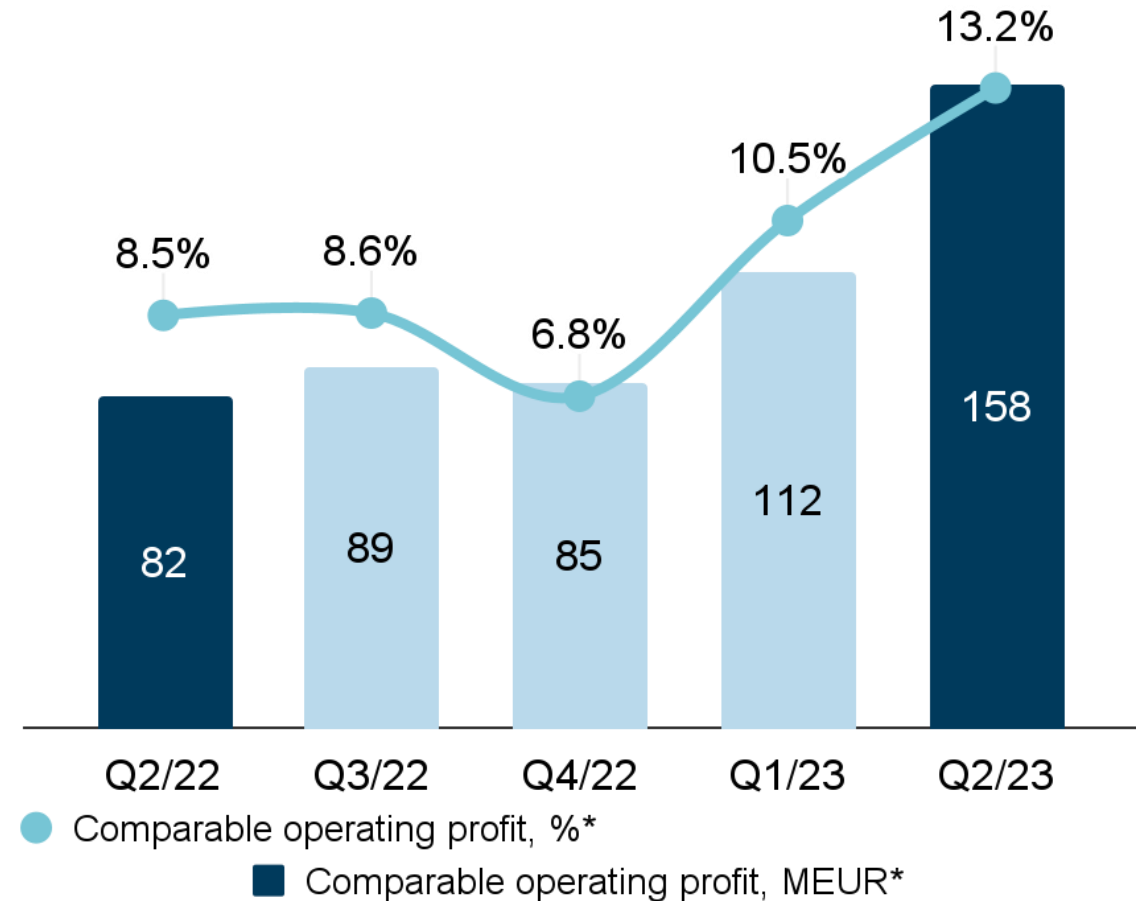
**Sales** increased by 25%

- Service sales increased by 14%
- Eco portfolio increased by 26%

**Comparable operating profit**

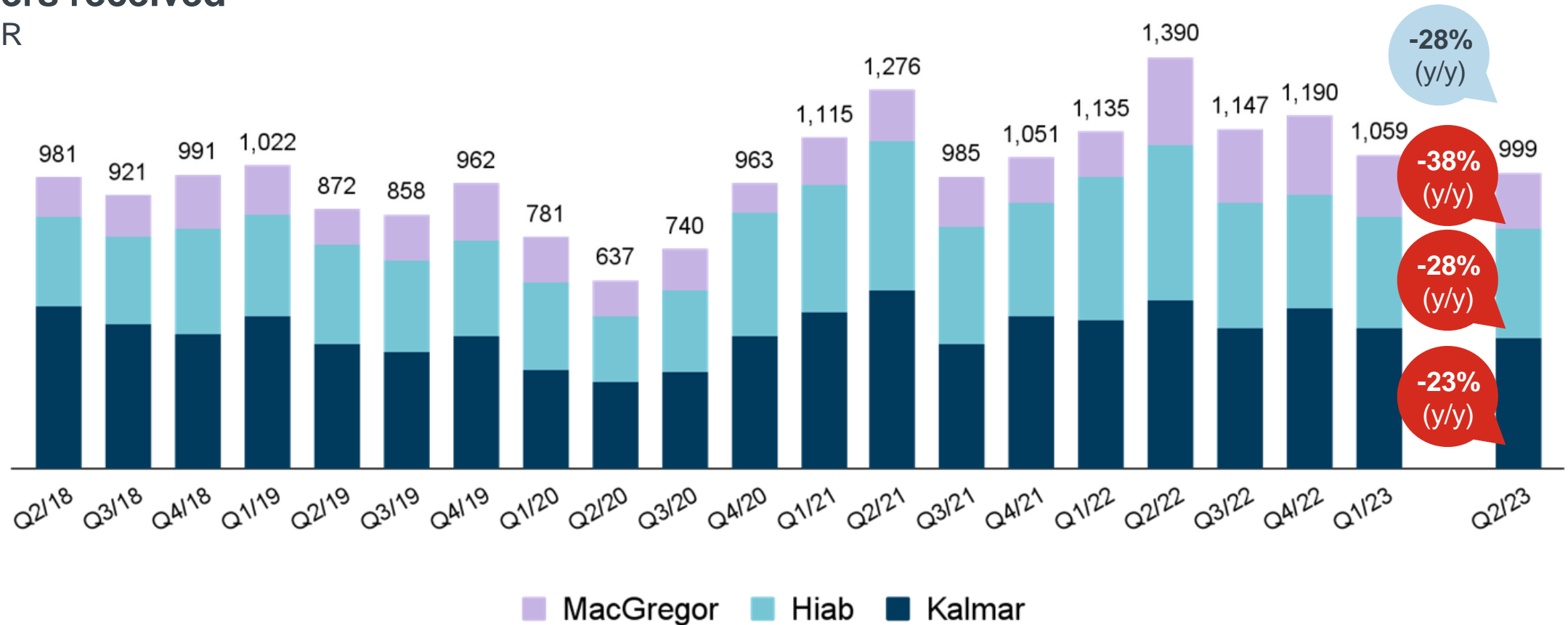
increased by 94%

- Kalmar +37 MEUR
- Hiab +19 MEUR
- MacGregor +21 MEUR



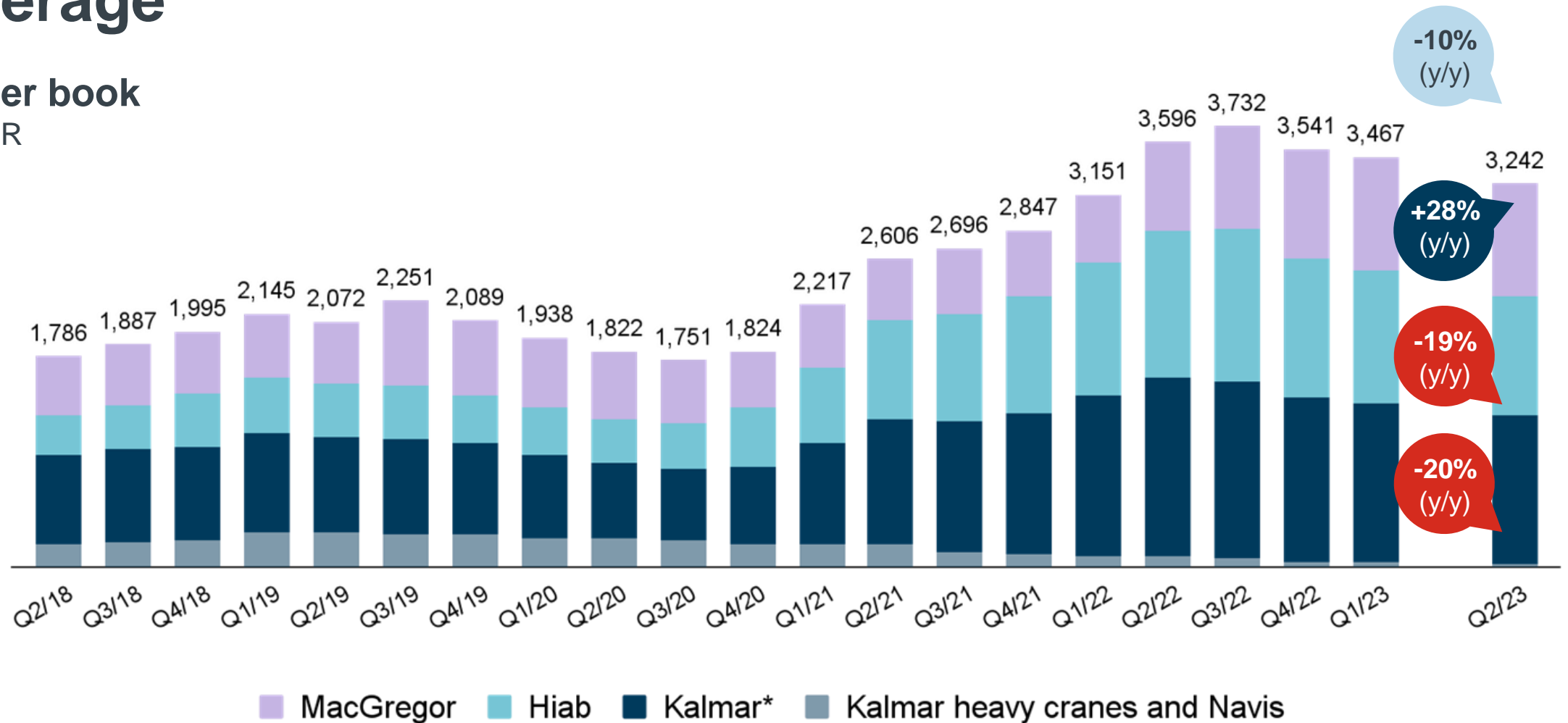
# Orders received are back to pre-covid level...

Orders received  
MEUR



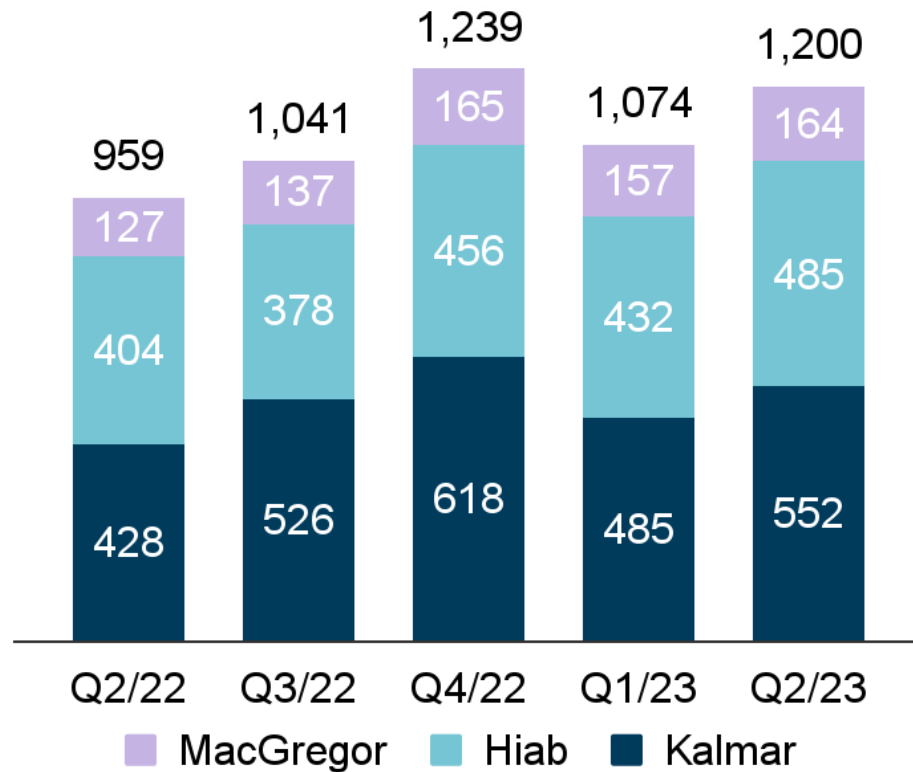
# ...but order book remains clearly above historical average

Order book  
MEUR

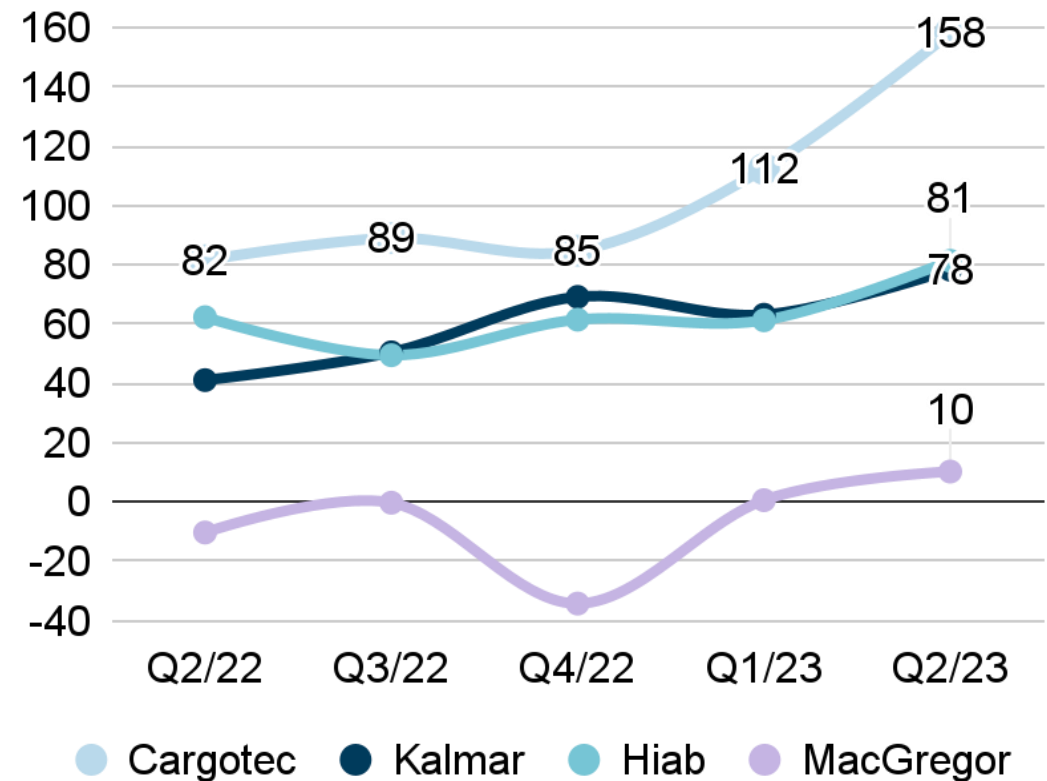


# Strong development in sales and record comparable operating profit

## Sales MEUR



## Comparable operating profit\* MEUR





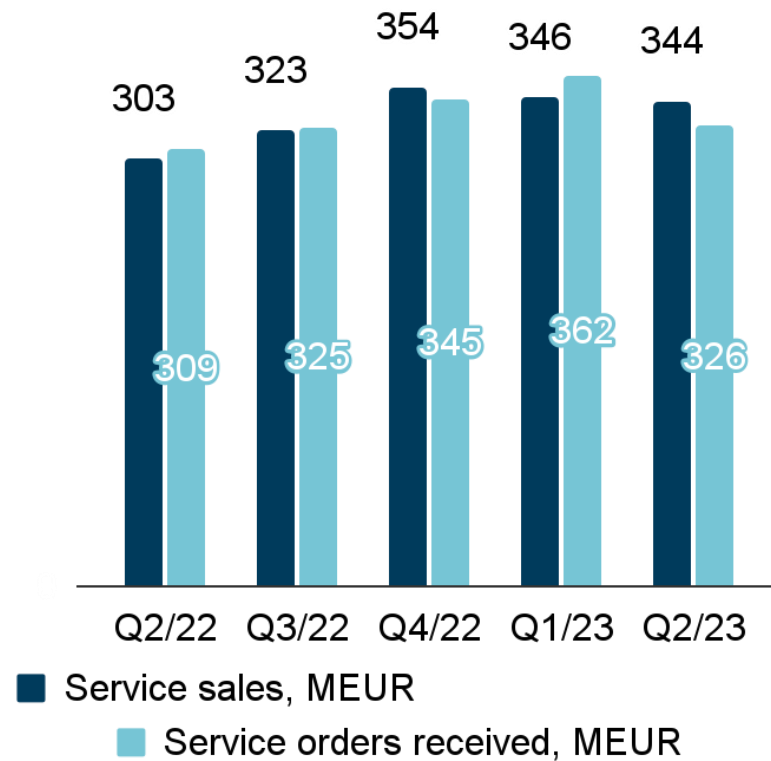
# Service orders and sales continued to grow

Service orders received +6%

Service sales +14%

- Kalmar +6%
- Hiab +14%
- MacGregor +29%

Service share 29% of total sales



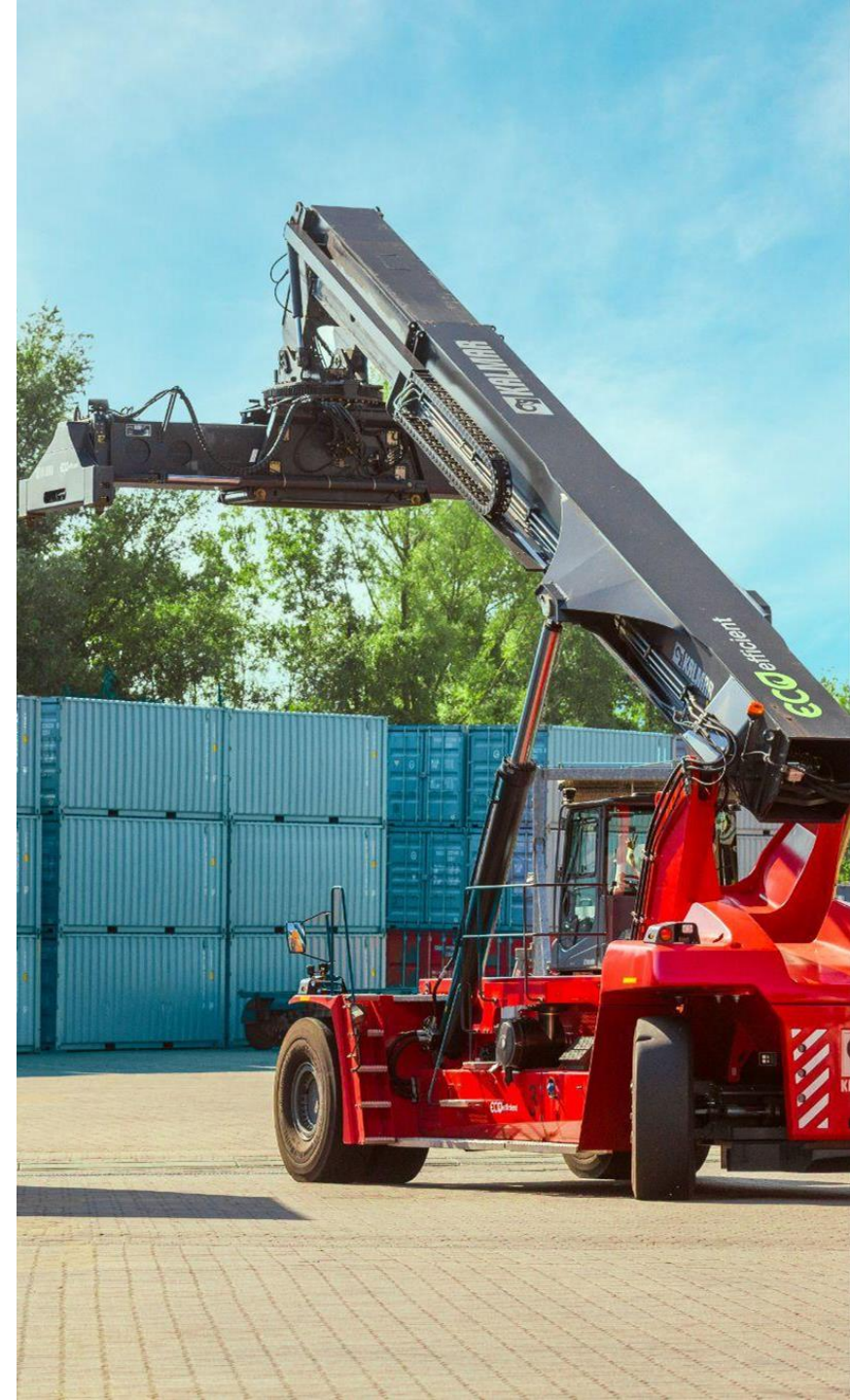
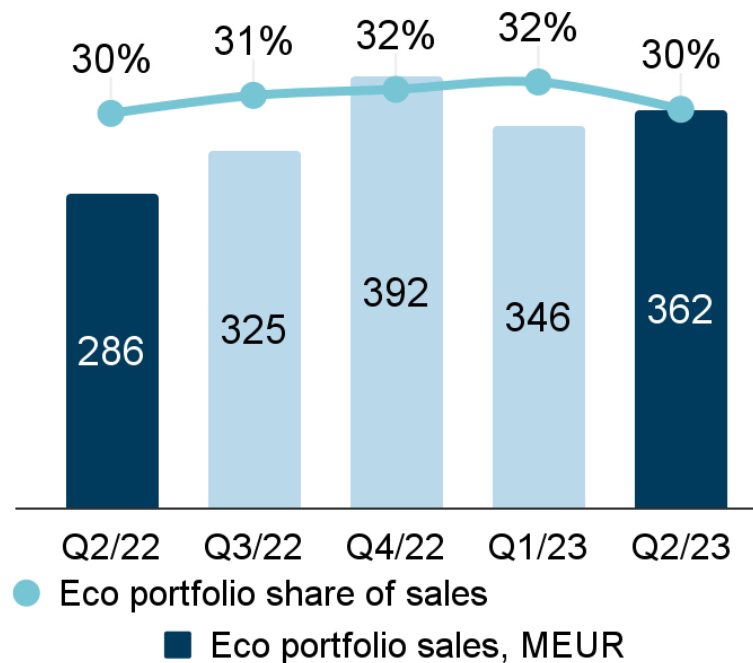


# Eco portfolio continued to grow

Eco portfolio sales +26%

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

Eco portfolio share 30% of Cargotec's total sales





# Business areas





Kalmar Q2/23

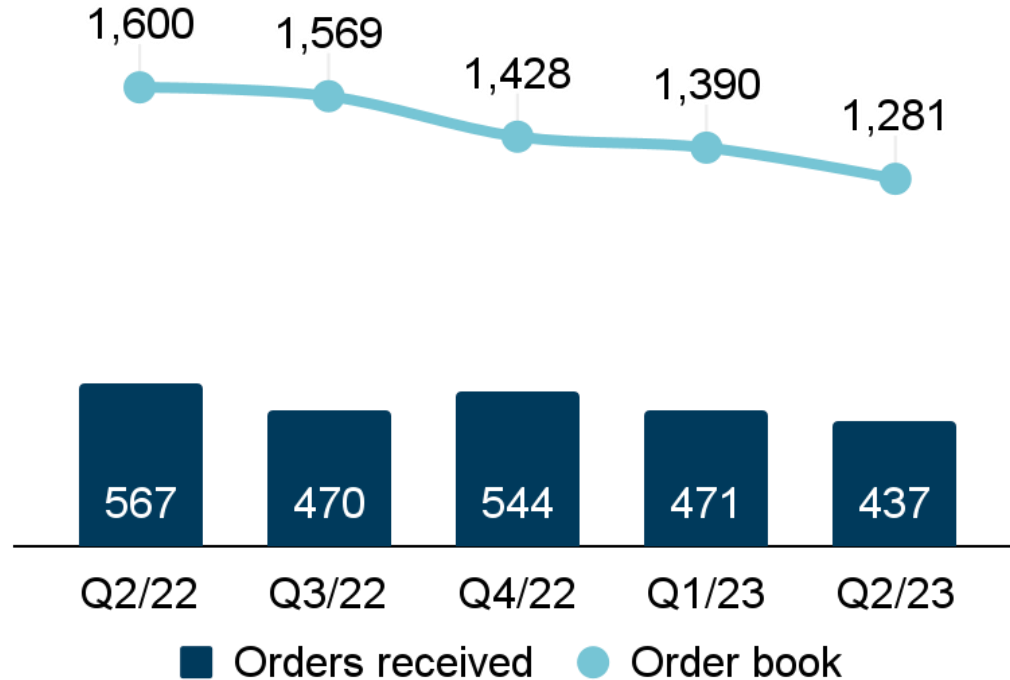
# Record comparable operating profit in Kalmar

- Margin expansion driven by higher deliveries
- New fully electric straddle carrier introduced
- Growing orders for electric portfolio
- Some softening in demand, orders back to pre-covid level



# Some slowness in customer decision making, orders back at pre-covid level

Orders received and order book  
MEUR

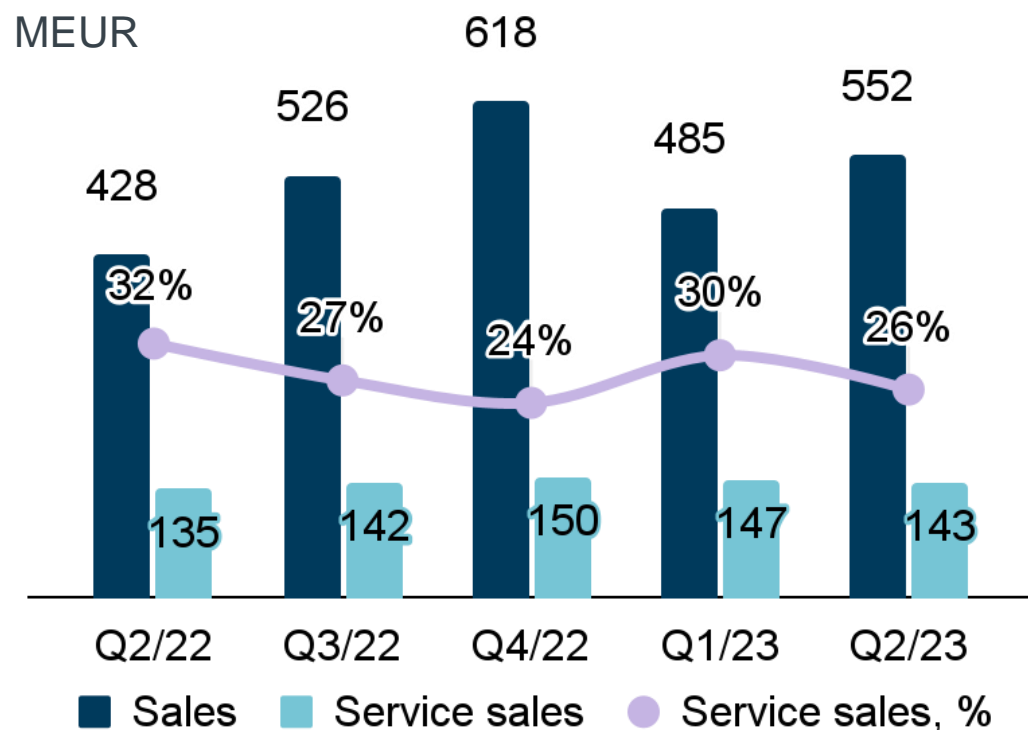


MEUR	Q2/23	Q2/22	Change
Orders received	437	567	-23%
Order book	1,281	1,600	-20%

- Decision process for larger project orders slowed down
- Service orders stable
- Single large order in comparison period
- Order book remained above historical average

# Robust execution of equipment and service delivery

## Sales and Service sales

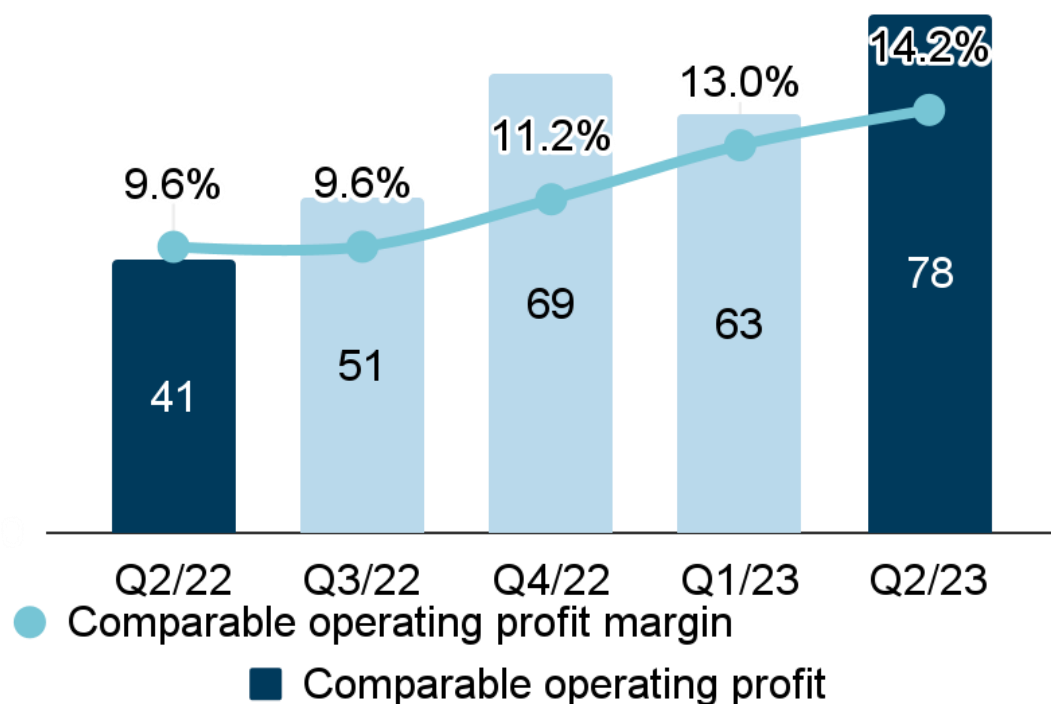


MEUR	Q2/23	Q2/22	Change
Sales	552	428	29%
Service sales	143	135	6%
Service sales, %	26%	32%	-600 bps

- Improved efficiency in supply chain management but volatility remains
- Stronger execution resulted in decreased lead times
- Higher spare part capture rate driving continued growth in service sales

# Margin expansion in Kalmar driven by higher deliveries

Comparable operating profit  
MEUR



MEUR	Q2/23	Q2/22	Change
Comparable operating profit	78	41	91%
Comparable operating profit margin	14.2%	9.6%	460 bps

- Record level operating profit and margin
- Margin supported by deliveries of semi-finished products
- Successful management of inflationary pressures and component availability
- Heavy cranes losses reduced





Hiab Q2/23

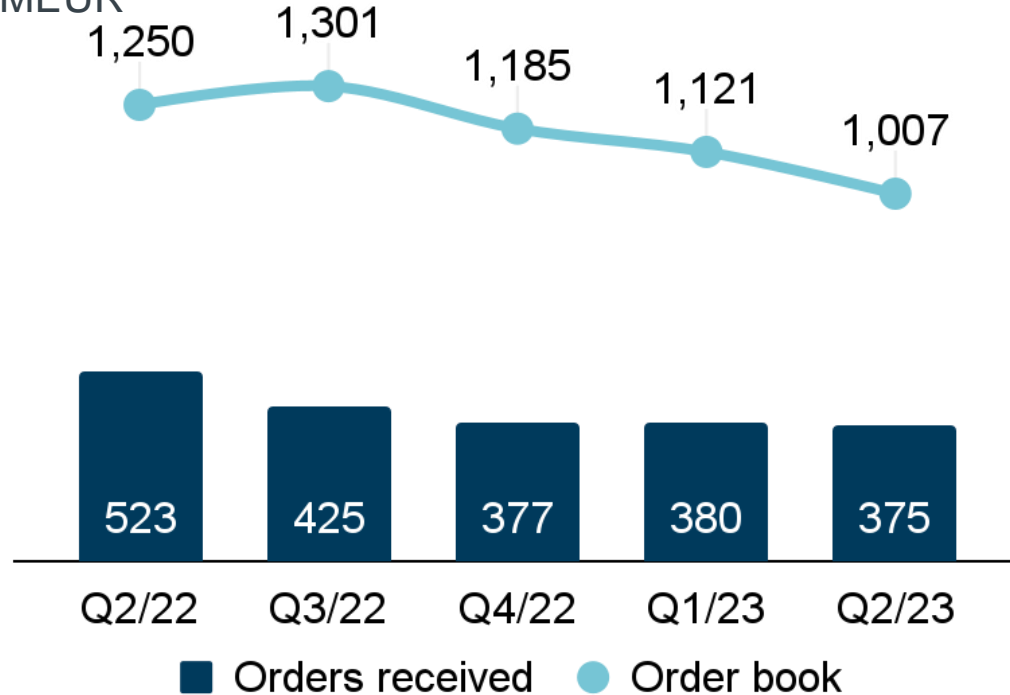
# Excellent performance in the quarter

- Order intake declined despite demand activity remained on a good level
- Sales improved both sequentially and year over year
- Operating profit improved as a result of sales growth



# Order intake declined despite demand activity remaining on a good level

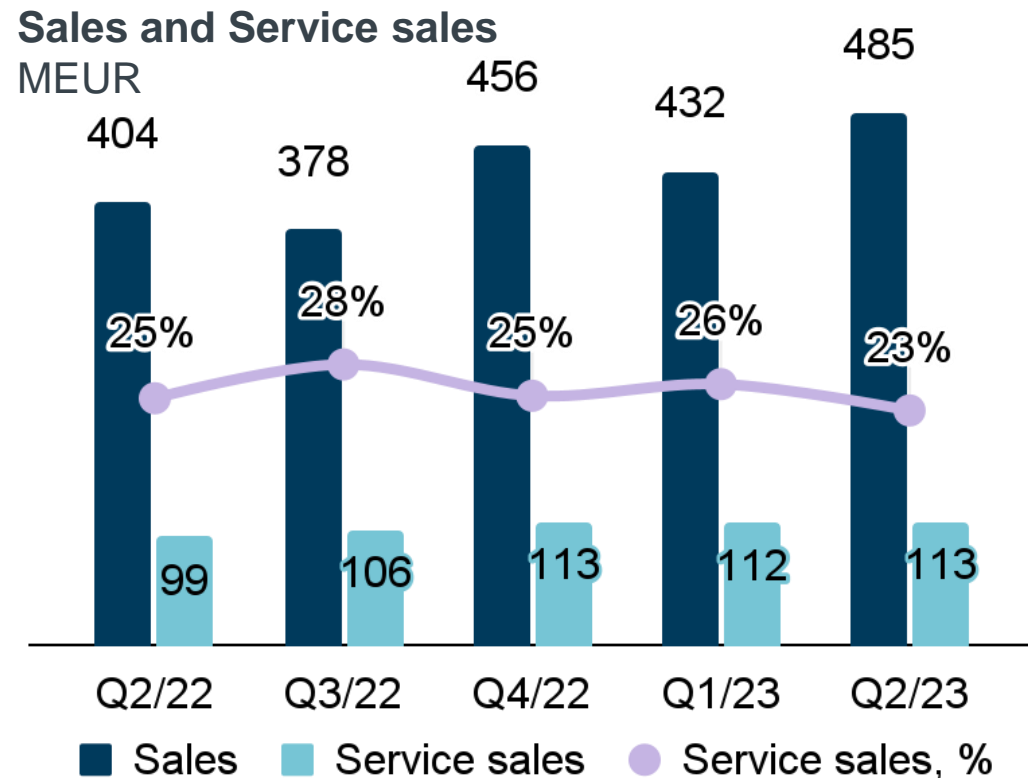
Orders received and order book  
MEUR



MEUR	Q2/23	Q2/22	Change
Orders received	375	523	-28%
Order book	1,007	1,250	-19%

- Inflation, extended truck lead times and interest rates impacting orders received
- Order book remained strong

# Hiab's equipment and services sales improved both sequentially and year over year

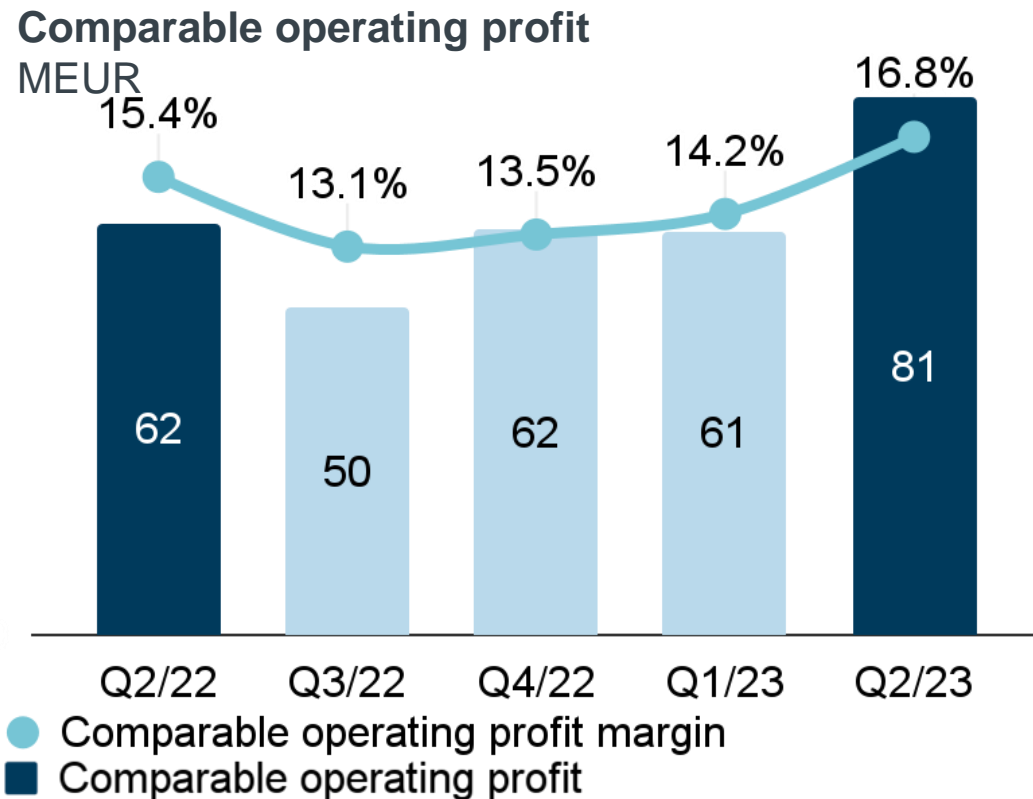


MEUR	Q2/23	Q2/22	Change
Sales	485	404	20%
Service sales	113	99	14%
Service sales, %	23%	25%	-200 bps

- Strong operational execution
- Recurring service sales increased
- Supply chain has improved but component supply remains under pressure



# Hiab's operating profit improved as a result of sales growth



MEUR	Q2/23	Q2/22	Change
Comparable operating profit	81	62	31%
Comparable operating profit margin	16.8%	15.4%	140 bps

- Sales and profitability improvements driven by higher volume
- Effectively managing inflationary pressures and controlling costs

# MacGregor Q2 – Comparable operating profit increased to 10 MEUR

Orders received decreased

- Increase in service business
- Decrease in merchant and offshore businesses

Sales increased by 29%

- Service sales +29%

Comparable operating profit increased

- Higher sales in merchant and services businesses

Restructuring of offshore business progressing

Still challenges related to historical offshore projects

MEUR	Q2/23	Q2/22	Change
Orders received	187	301	-38%
Order book	953	746	28%
Sales	164	127	29%
Service sales, %	54%	54%	0 bps
Comparable operating profit*	10	-10	>100%
Comparable operating profit margin	6.3%	-8.1%	1440 bps







# Financials and outlook



# Financial highlights

**3,242**

**MEUR**

Strong  
order book

**90%**

H1/23 comparable  
operating profit  
increase compared  
to H1/22

**151**

**MEUR**

Operating profit in  
Q2

**362**

**MEUR**

Eco portfolio sales  
in Q2

**14.7%**

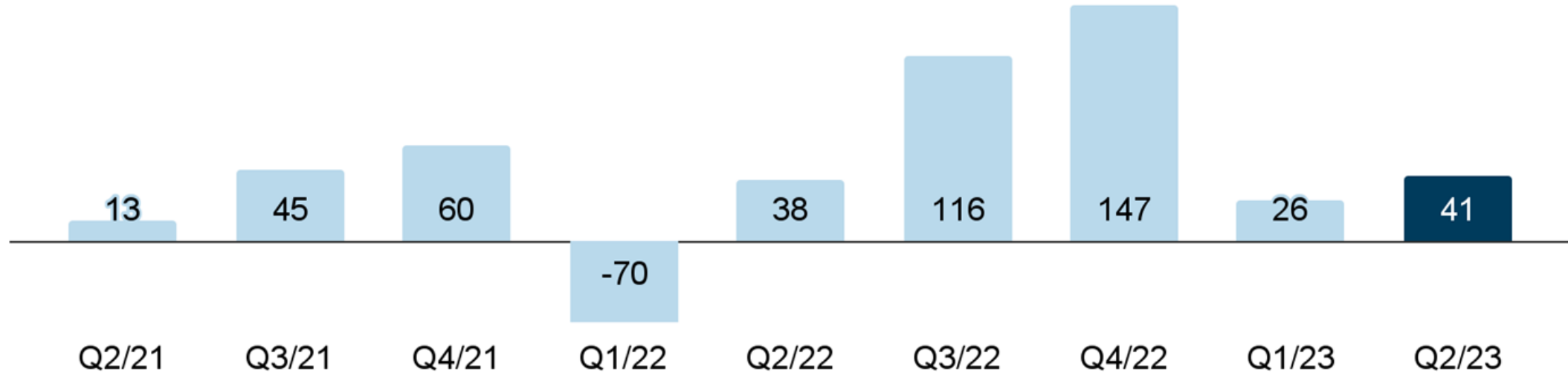
Core businesses\*  
comparable  
operating profit  
margin in Q2



# Cash flow still impacted by increase in net working capital

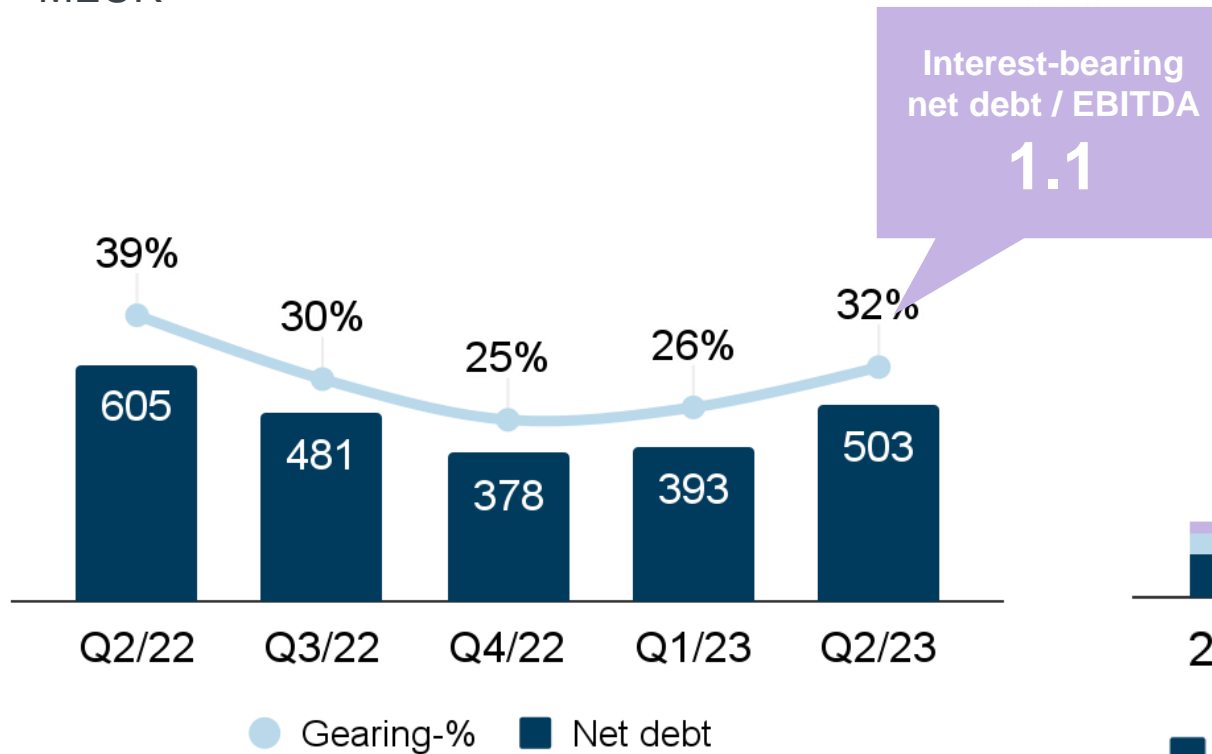
Cash flow from operations before financing items and taxes

MEUR

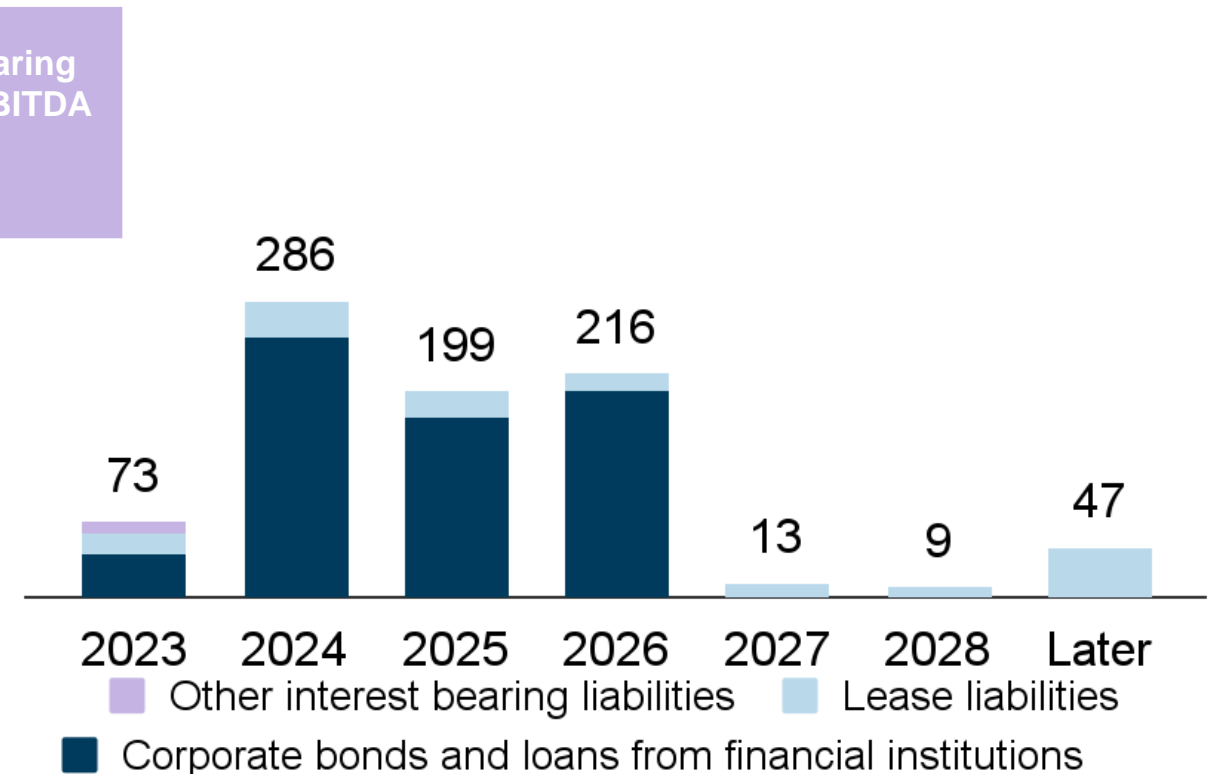


# Strong balance sheet and balanced maturity profile

Net debt & gearing  
MEUR



Maturity profile, 30 June 2023



# Outlook for 2023 unchanged

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







# Appendix



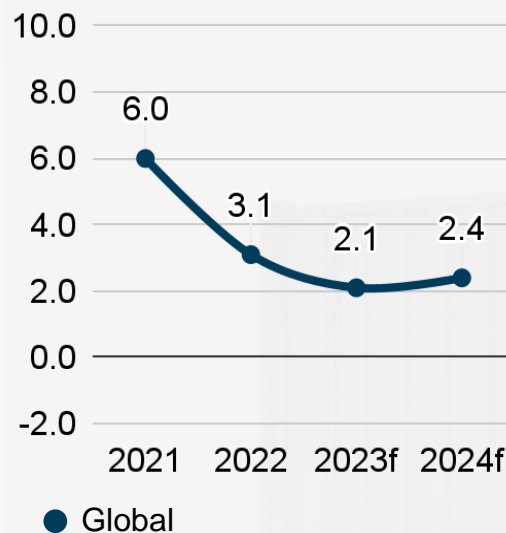


# Market environment

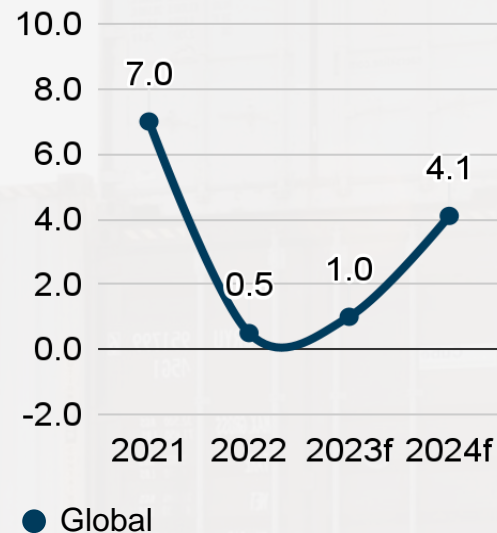
Uncertainty going forward



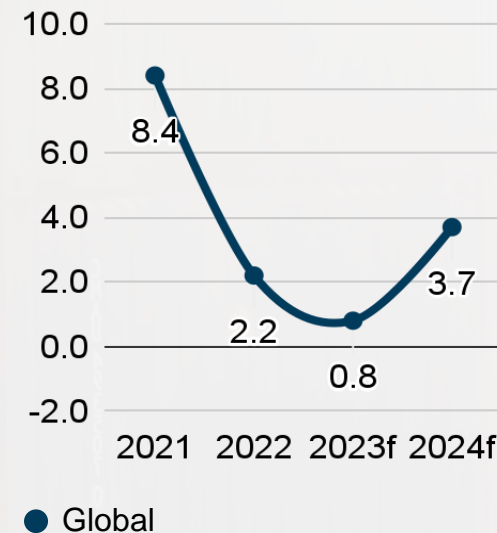
**GDP growth<sup>1</sup>, %**



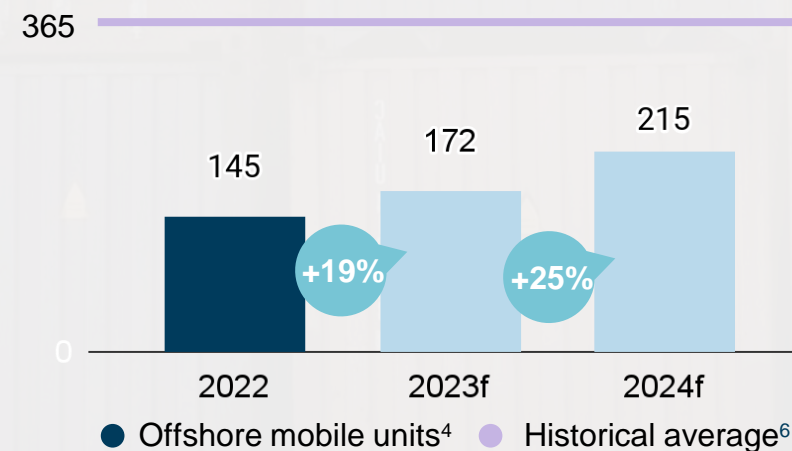
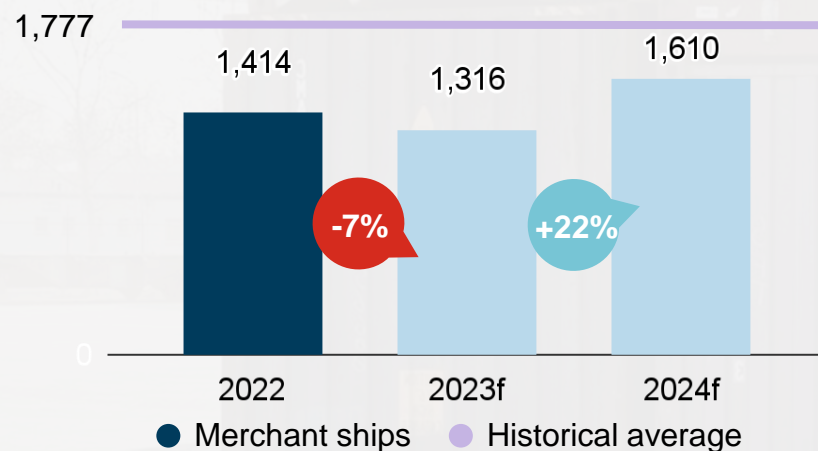
**Container throughput growth<sup>2</sup>, %**



**Manufacturing output growth<sup>3</sup>, %**



**Long term contracting<sup>4</sup> – Key driver for MacGregor**



1. World Bank, 2. Drewry, 3. Oxford Economics Global Sector Outlook Q3/2022, 4. Clarkson

# Key financial figures

	Q2/23	Q2/22	Change	Q1-Q2/23	Q1-Q2/23	Change
Orders received, MEUR	<b>999</b>	1,390	-28%	<b>2,058</b>	2,525	-19%
Order book, MEUR	<b>3,242</b>	3,596	-10%	<b>3,242</b>	3,596	-10%
Sales, MEUR	<b>1,200</b>	959	25%	<b>2,274</b>	1,810	26%
Comparable operating profit, MEUR	<b>158</b>	82	94%	<b>271</b>	142	90%
Comparable operating profit, %	<b>13.2%</b>	8.5%	470bps	<b>11.9%</b>	7.9%	400bps
Items affecting comparability, MEUR	<b>-8</b>	-34	-77%	<b>-16</b>	-58	-72%
Operating profit, MEUR	<b>151</b>	47	>100%	<b>254</b>	85	>100%
Operating profit, %	<b>12.5%</b>	5.0%	750bps	<b>11.2%</b>	4.7%	-650bps
Profit for period, MEUR	<b>108</b>	41	>100%	<b>180</b>	62	>100%
Basic earnings per share, EUR	<b>1.67</b>	0.64	>100%	<b>2.80</b>	0.97	>100%
Earnings per share, EUR*	<b>1.76</b>	0.78	>100%	<b>2.99</b>	1.36	>100%
ROCE, %**	<b>11.5%</b>	15.2%	-370bps	<b>11.5%</b>	15.2%	-370bps