Disclaimer

This report provides estimates on future prospects involving risk and uncertainty factors, and other factors as a result of which the performance, operation or achievements of Cargotec may substantially deviate from the estimates. Forward-looking statements relating to future prospects are subject to risks, uncertainties and assumptions, the implementation of which depends on the future business environment and other circumstances, such as the development of the coronavirus pandemic.

This presentation is to discuss Cargotec's Q3 2020 results. Securities laws in the United States and in other jurisdictions restrict Cargotec from discussing or disclosing information with respect to the contemplated merger with Konecranes Plc. Information regarding the contemplated merger can be found at www.sustainablematerialflow.com. Until the completion of the merger Cargotec and Konecranes will carry out their respective businesses as separate and independent companies. The information contained in this presentation concerns only Cargotec.

The merger and the merger consideration securities have not been and will not be registered under the U.S. Securities Act, and may not be offered, sold or delivered within or into the United States, except pursuant to an applicable exemption of, or in a transaction not subject to, the U.S. Securities Act.

22 October 2020

Performance improved from the second quarter

- Orders received, sales and comparable operating profit improved, remain below comparison period

Cargotec's January–September 2020 interim report

Mika Vehviläinen, CEO • Mikko Puolakka, CFO

Contents

- Group level development
- COVID-19 situation
- Market environment
- Business areas
- Financials and outlook

Highlights of Q3/2020 – Cost savings and productivity improvements enhanced profitability

Orders received decreased by 14%

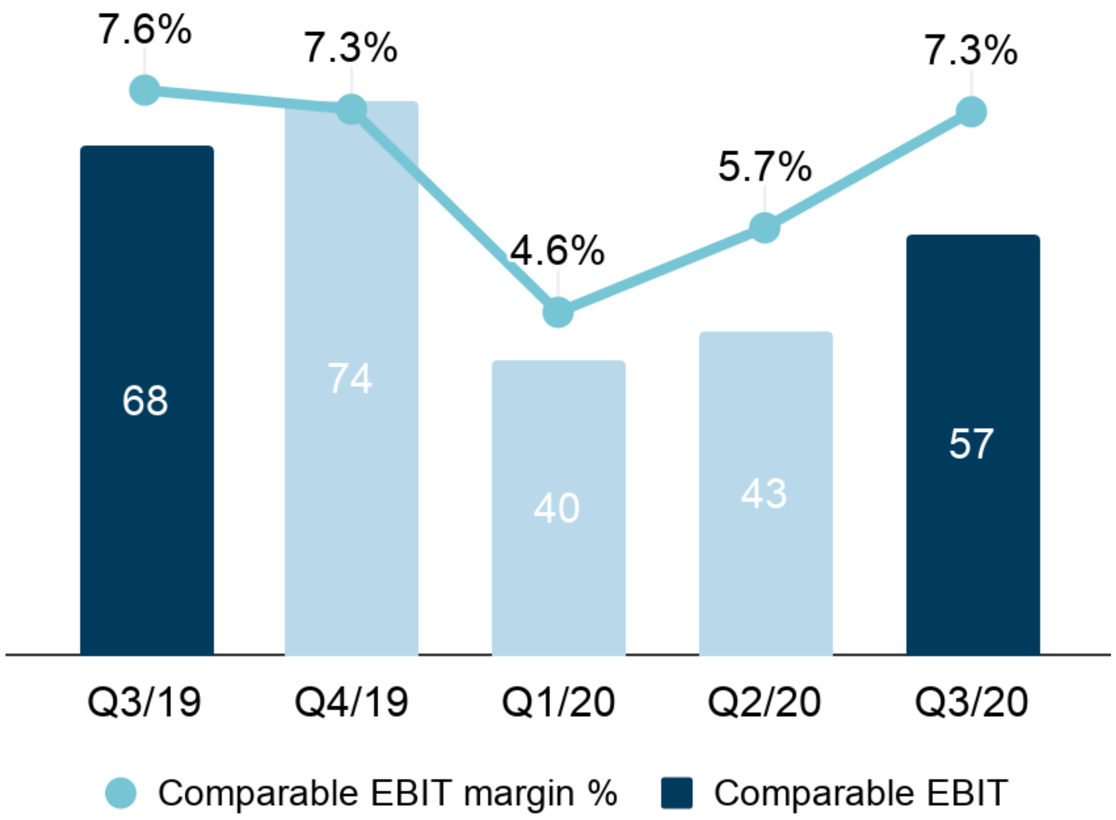
- +16% compared to Q2/2020

Sales decreased by 14%

- +3% compared to Q2/2020

Comparable operating profit decreased by 17%

- Kalmar -15 MEUR
- Hiab -3 MEUR
- MacGregor +7 MEUR
- +31% compared to Q2/2020



The coronavirus pandemic impact was less significant in Q3/2020

Safety of our personnel and customers top priority

From temporary to permanent productivity measures

- Cost savings resulted to savings of approximately 10 MEUR per month
- Same cost saving level expected to continue in Q4
- Internal headcount reduction of over 800 during Q1-Q3/2020

Demand recovering but not back to normal

- Uncertainty and restrictions set by authorities continued to delay decision making especially in larger investments
- No major order cancellations
- Services and software resilient

Our delivery capability back to normal

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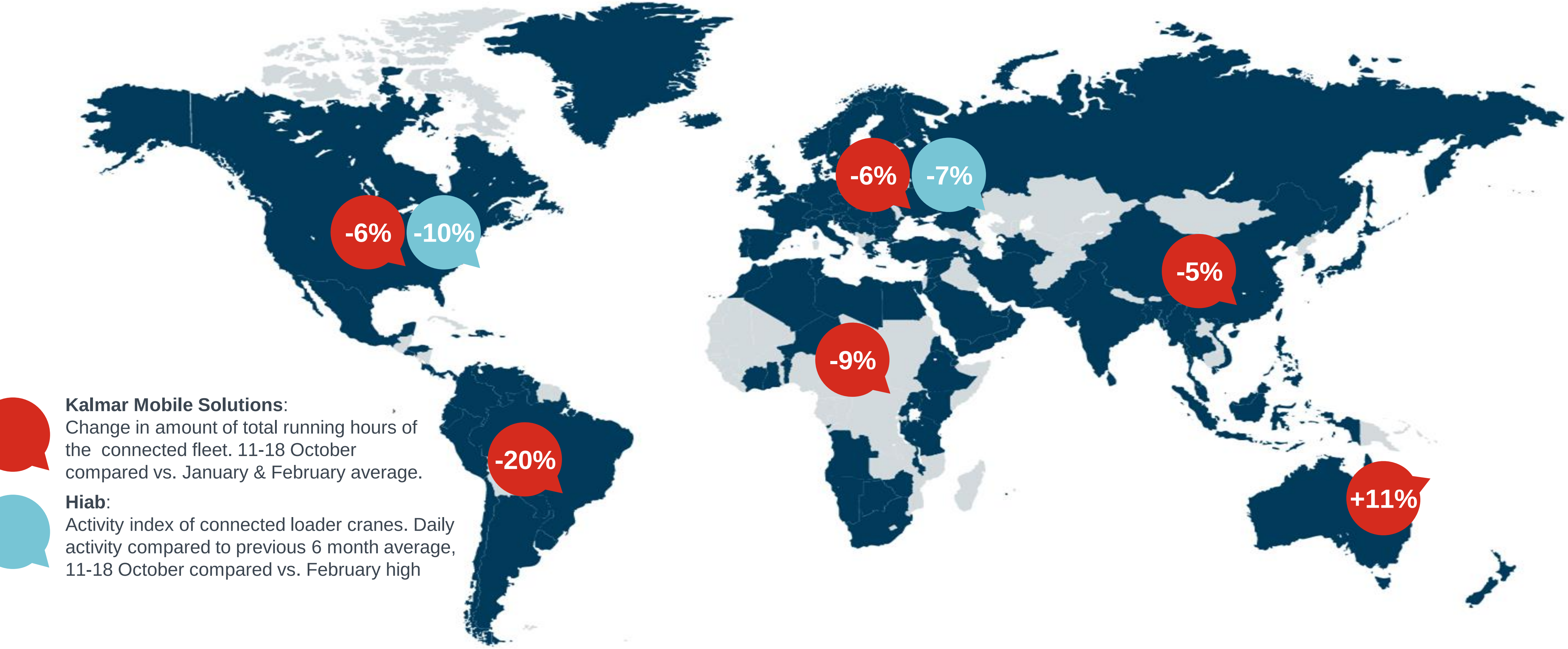
Gradual improvement in equipment running hours in US and Europe



Kalmar Mobile Solutions:
Change in amount of total running hours of the connected fleet. 11-18 October compared vs. January & February average.

Hiab:
Activity index of connected loader cranes. Daily activity compared to previous 6 month average, 11-18 October compared vs. February high

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Market environment

Number of containers handled at ports declined

- Estimates upgraded during Q3
- FY 2021 estimate +6.6%

Construction activity increased from Q2/2020

- +12.1% in Europe
- +5.4% in the US

Challenging market situation continues for MacGregor

- Merchant and Offshore oil & gas vessel orders clearly below historical average
- Offshore wind estimated to grow

Global container throughput[1] – Key driver for Kalmar

Construction output[2] – Key driver for Hiab

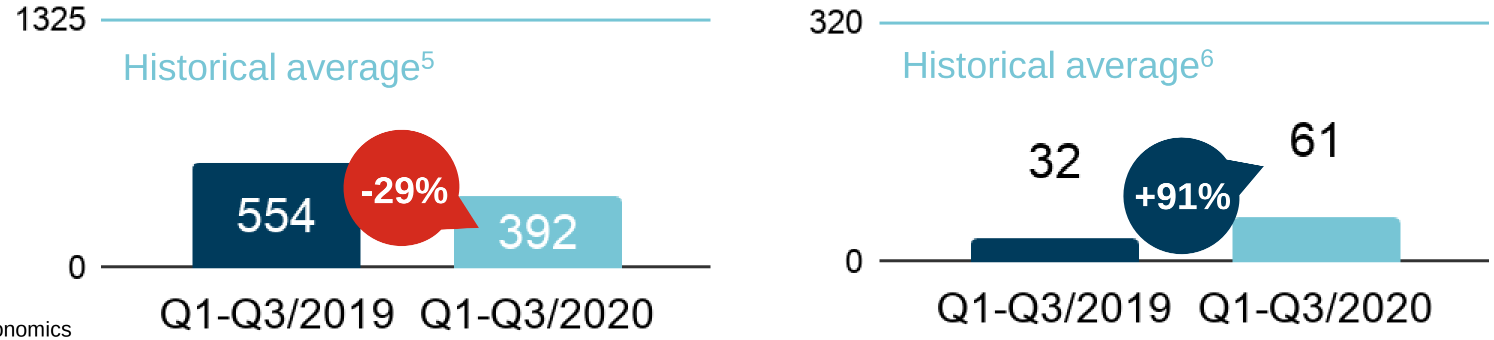
United States

Europe

Long term contracting – Key driver for MacGregor

Merchant ships[3]

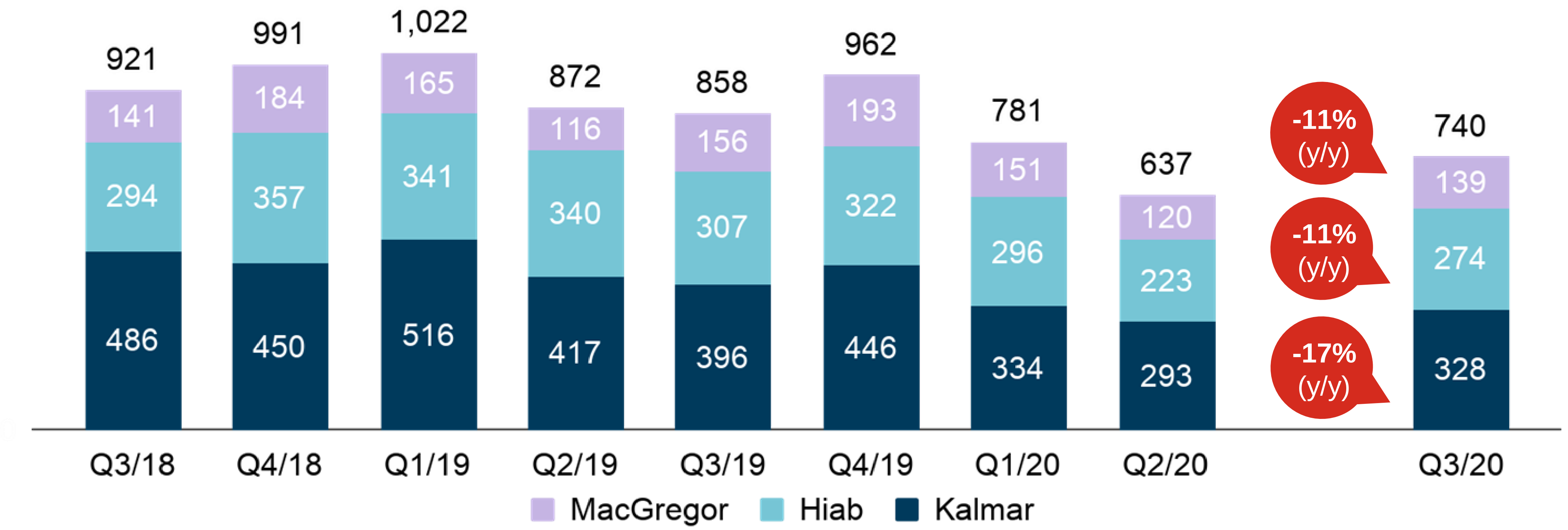
Offshore mobile units[4]



1) MTEU, Source: Drewry
2) EUR billion, Source: Oxford Economics
3) > 2,000 dwt/gt (excl. ofs & misc), Source: Clarkson Research
4) Source: Clarkson Research
5) Indicative 1996-2019 average
6) Indicative 2009-2019 average

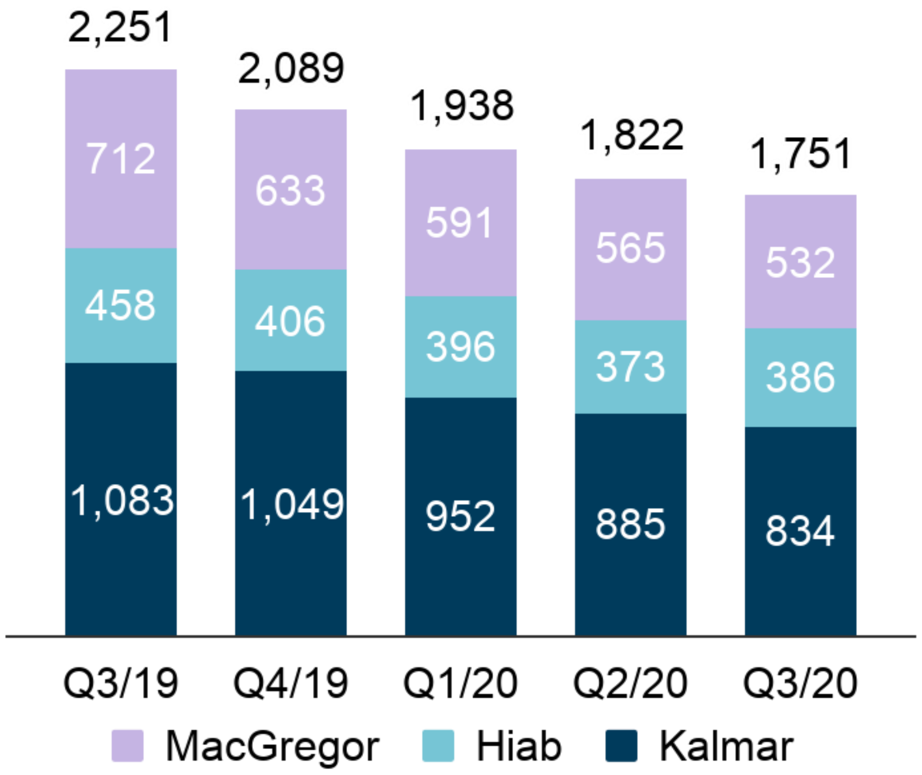
Orders received recovered after bottoming in Q2/2020

MEUR

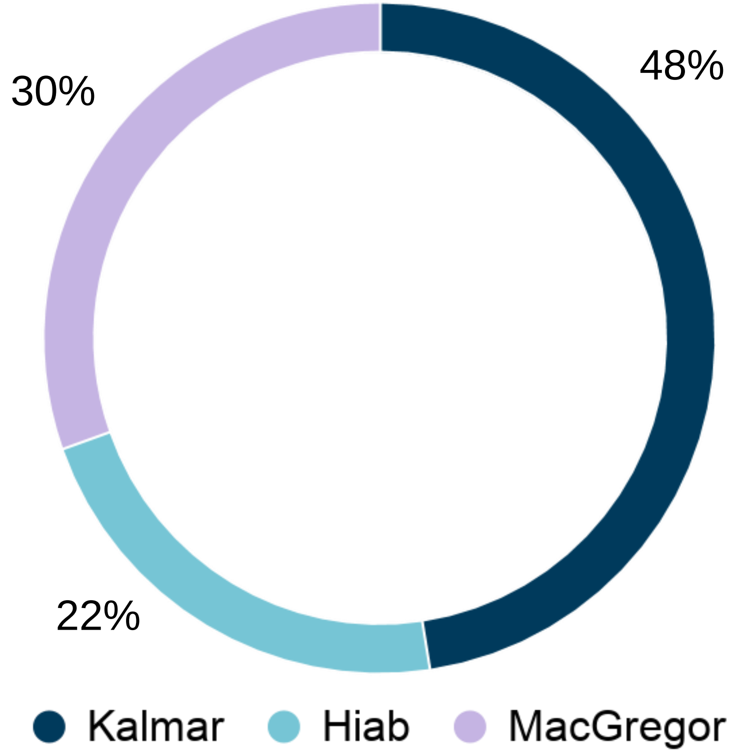


Hiab order book turned back to growth

Order book
MEUR



Order book by reporting segment, Q3 2020



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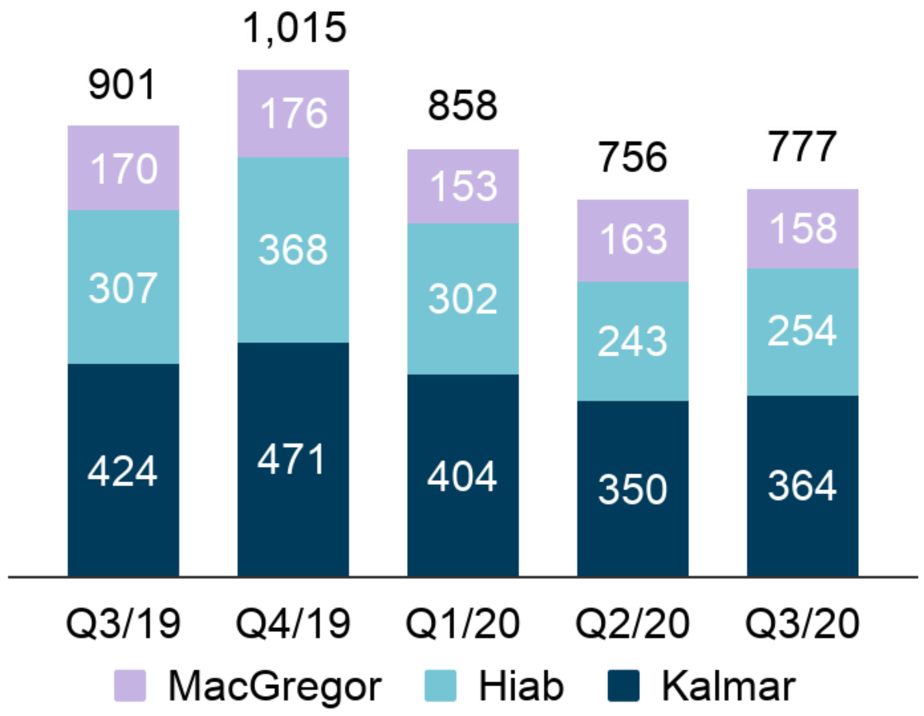
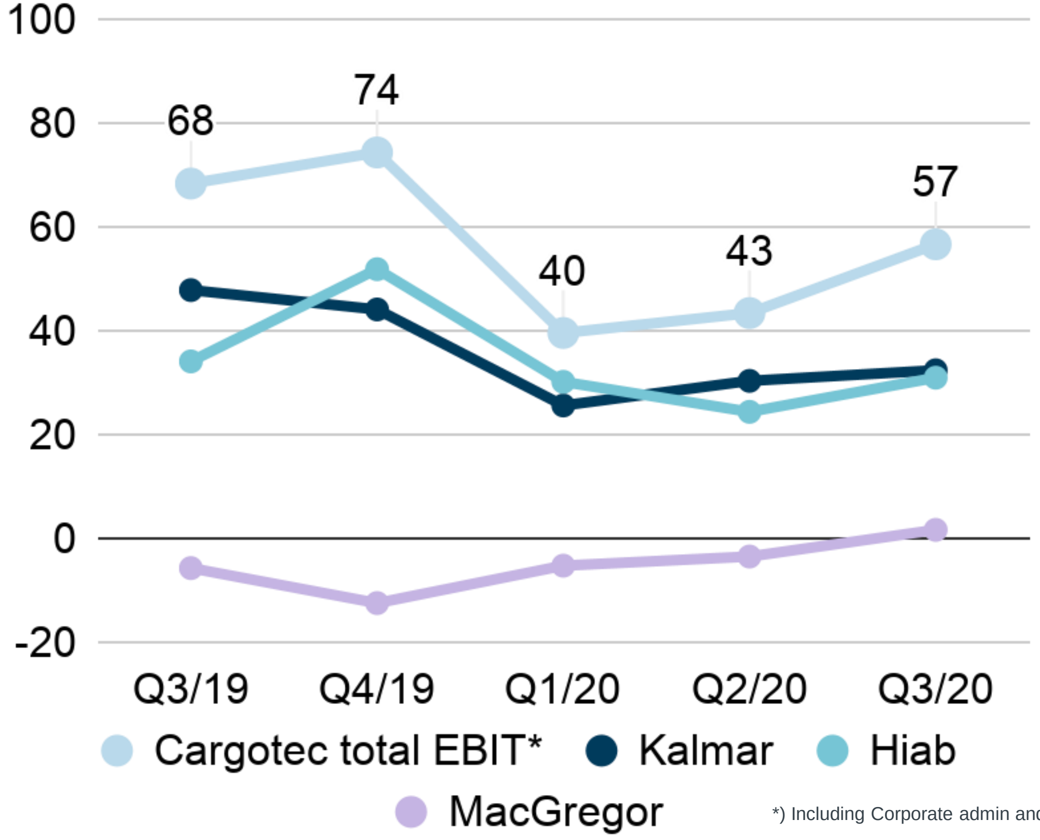
Positive trend in comparable operating profit and sales continued

Sales
MEUR



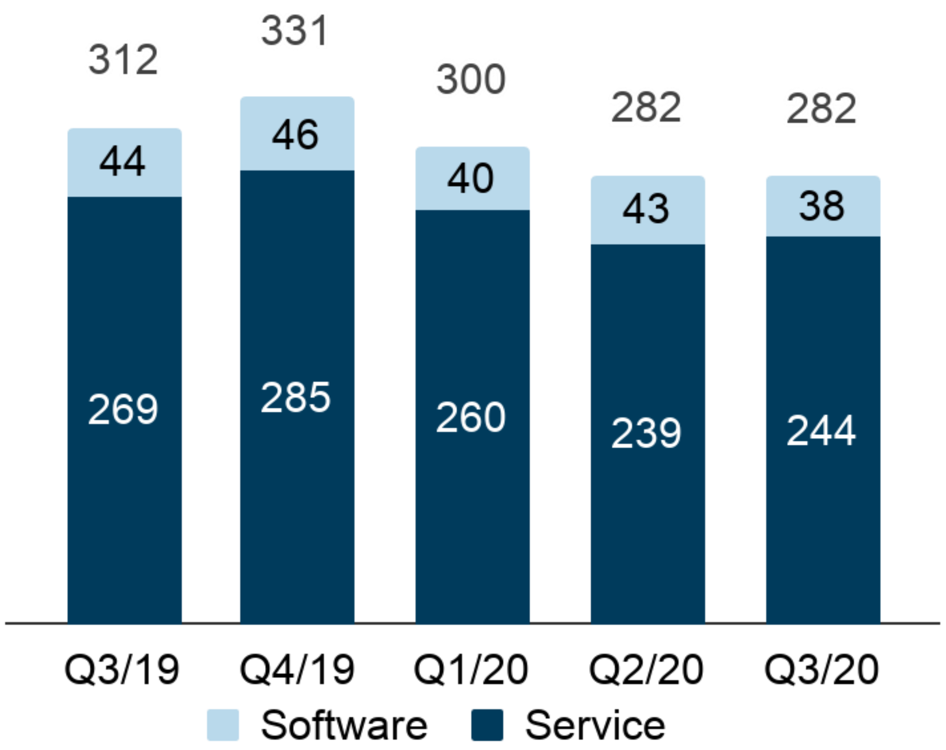
Comparable operating profit
MEUR



*) Including Corporate admin and support

Service business resilient

Service and software* sales
MEUR



*Software sales defined as strategic business unit Navis and automation software

Q3/2020 service sales -9%

- Kalmar -9%
- Hiab -7%
- MacGregor -13%

Software sales -12%

Service and software 36% of total sales

Business areas

Cargotec's January–September 2020 interim report

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Kalmar Q3 – Profitability supported by strong Mobile Equipment result

Orders received declined
- Order decline especially in Automation and Projects
- Both Automation & Projects and Mobile solutions improved compared to Q2/2020

Sales increased in Automation and Projects, decreased in Mobile Equipment

Service sales decreased by 9%, software sales decreased by 12%

Comparable operating profit decreased
- Lower sales
- Costs from Automation & Projects reorganisation

Comparable operating profit margin was supported by cost savings and improved gross margin in Mobile Equipment

MEUR	**Q3/20**	Q3/19	Change
Orders received	**328**	396	-17%
Order book	**834**	1,083	-23%
Sales	**364**	424	-14%
Comparable operating profit	**32**	48	-32%
Comparable operating profit margin	**8.9%**	11.3%	-240bps

Hiab Q3 – Comparable operating profit margin increased

Orders received and sales decreased

- Service sales decreased by 7%

Comparable operating profit decreased 3 MEUR due to lower volumes

Comparable operating profit margin increased

- Productivity improvement and temporary cost savings
- Higher gross profit margins

MEUR	Q3/20	Q3/19	Change
Orders received	274	307	-11%
Order book	386	458	-16%
Sales	254	307	-17%
Comparable operating profit	31	34	-9%
Comparable operating profit margin	12.2%	11.1%	110bps

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MacGregor Q3 – TTS synergies and productivity actions visible in result

Orders received decreased in Offshore and Services

Sales decreased by 7%

- Service sales -13%

Comparable operating profit returned above break-even

- Cost savings achieved through restructurings
- Higher gross margins due to improved project execution

Productivity improvements ongoing

- FY 2020 cost savings target increased to 20 MEUR
- 14 MEUR of cost savings achieved during Q1–Q3, remaining 6 MEUR expected for Q4

MEUR	**Q3/20**	Q3/19	Change
Orders received	**139**	156	-11%
Order book	**532**	712	-25%
Sales	**158**	170	-7%
Comparable operating profit	**2**	-6	> 100%
Comparable operating profit margin	**1.0%**	-3.4%	440bps

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Financials and outlook

Cargotec's January-September 2020 interim report

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Key figures – Q3 relative profitability remained close to 2019 level

	Q3/20	Q3/19	Change	**Q1-Q3/20**	Q1-Q3/19	Change
Orders received, MEUR	**740**	858	-14%	**2,158**	2,752	-22%
Order book, MEUR	**1,751**	2,251	-22%	**1,751**	2,251	-22%
Sales, MEUR	**777**	901	-14%	**2,391**	2,669	-10%
Comparable operating profit, MEUR	**57**	68	-17%	**140**	190	-27%
Comparable operating profit, %	**7.3%**	7.6%	-30bps	**5.8%**	7.1%	-130bps
Items affecting comparability, MEUR	**-11**	-10	-4%	**-87**	-28	< -100%
Operating profit, MEUR	**46**	58	-21%	**53**	162	-67%
Operating profit, %	**5.9%**	6.4%	-50bps	**2.2%**	6.1%	-390bps
Net income, MEUR	**27**	30	-10%	**1**	90	-98%
Earnings per share, EUR	**0.41**	0.46	-11%	**0.03**	1.39	-98%
Earnings per share, EUR*	**0.76**	0.56	36%	**0.77**	1.68	-54%
ROCE, %**	**2.8%**	9.0%	-620bps	**2.8%**	9.0%	-620bps

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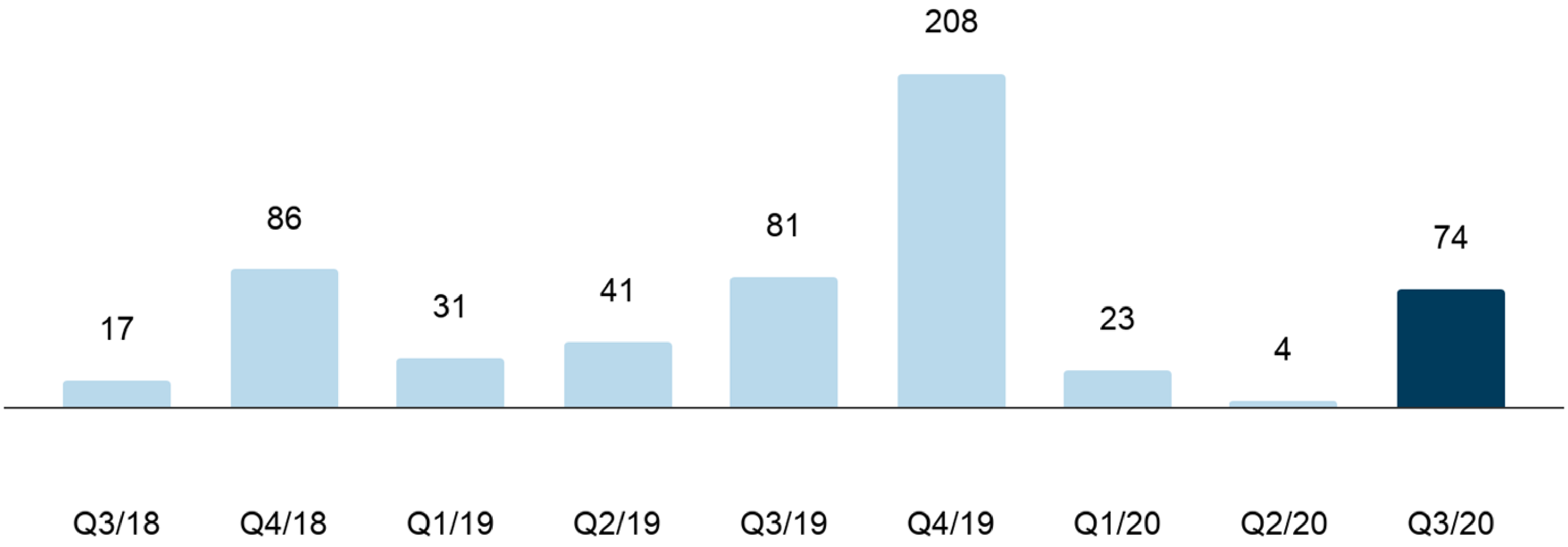
*) Excluding items affecting comparability and adjusted with related tax effect

**) ROCE (return on capital employed), last 12 months

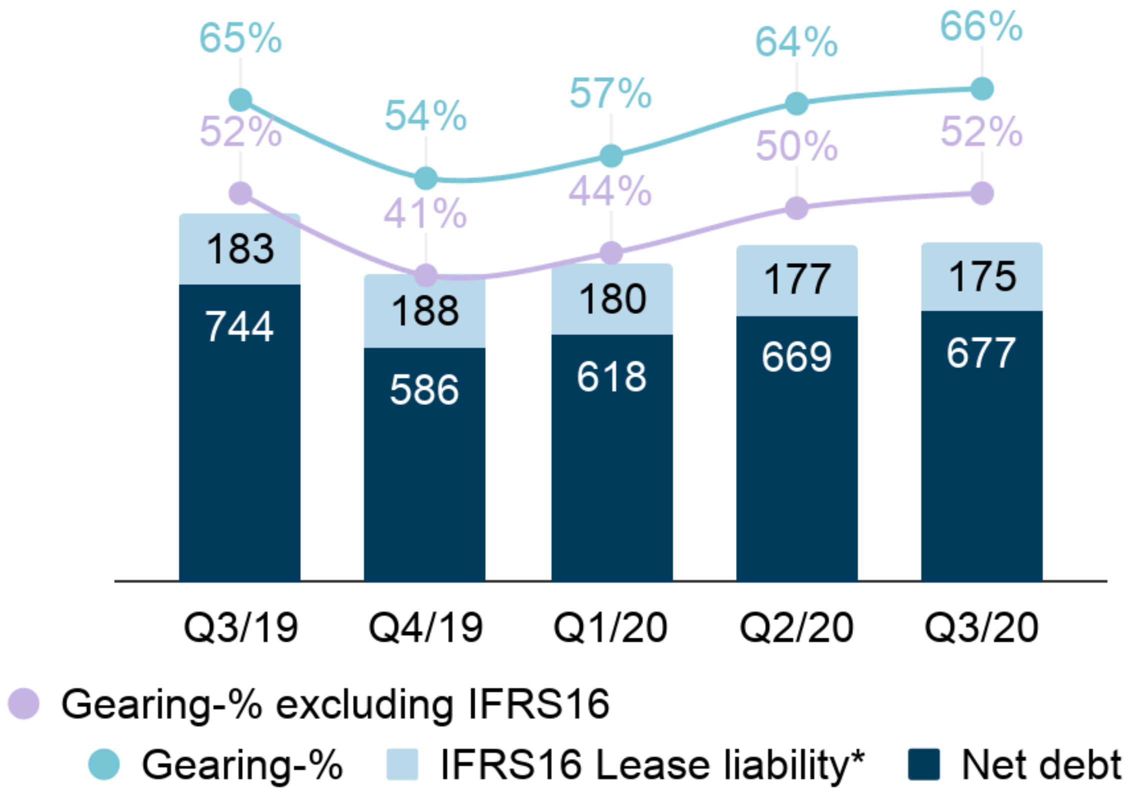
Strong cash flow

Cash flow from operations before financing items and taxes
MEUR

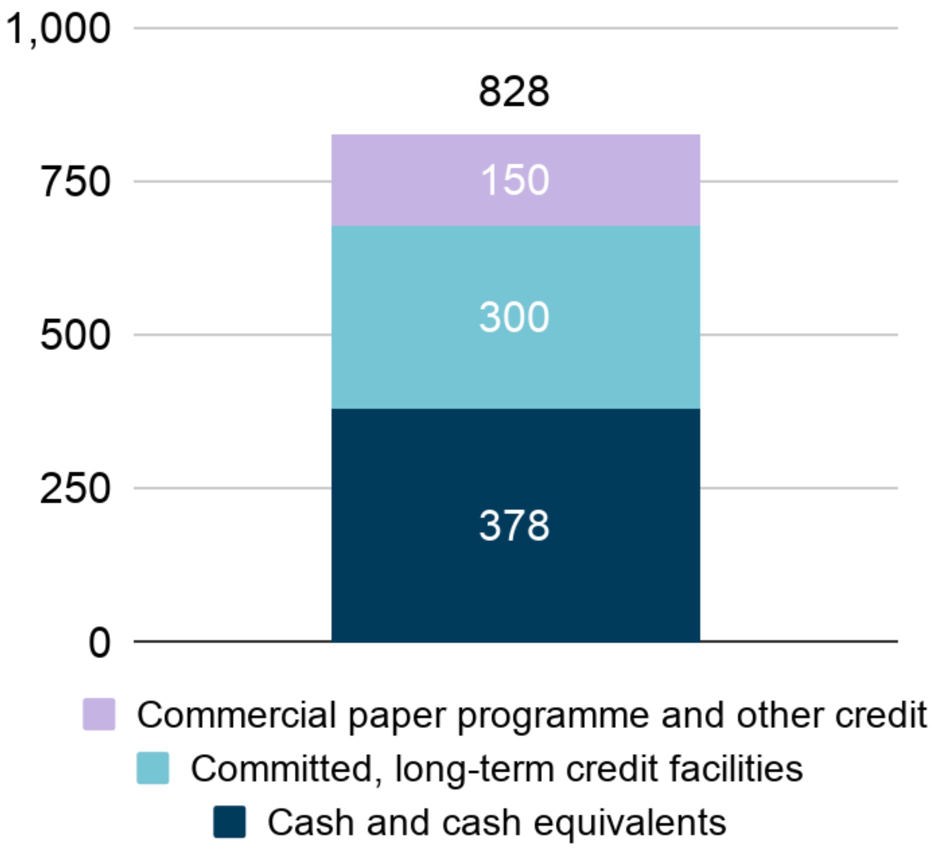


Strong financial position and liquidity

Net debt & gearing
MEUR



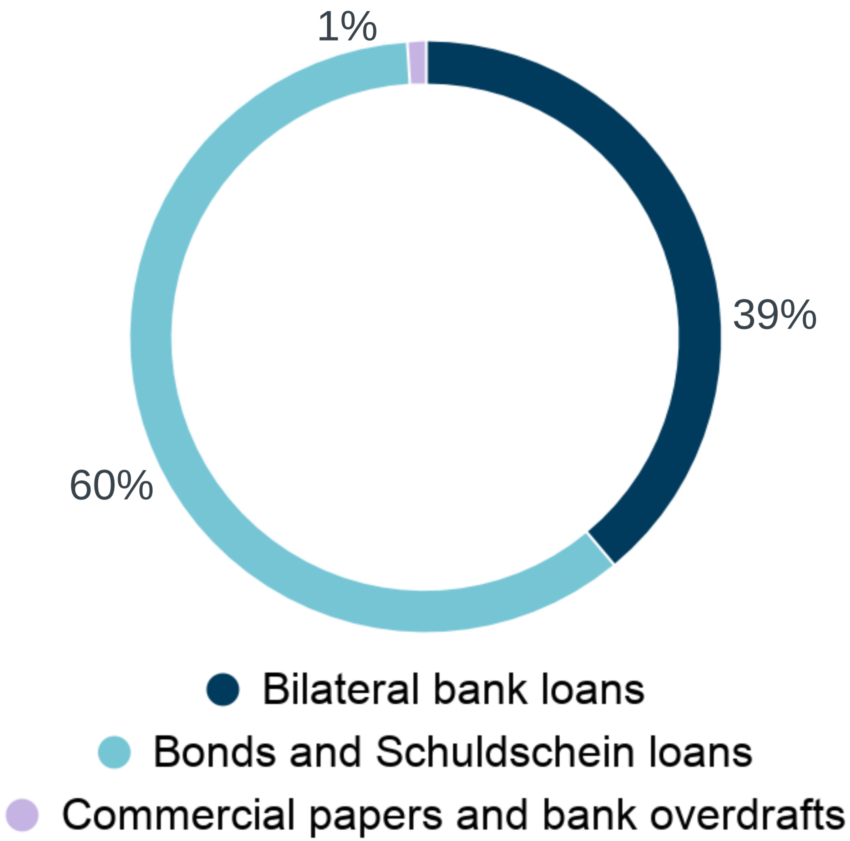
Total liquidity, 30 September 2020



*Cargotec adopted the IFRS 16 standard on 1 Jan 2019.

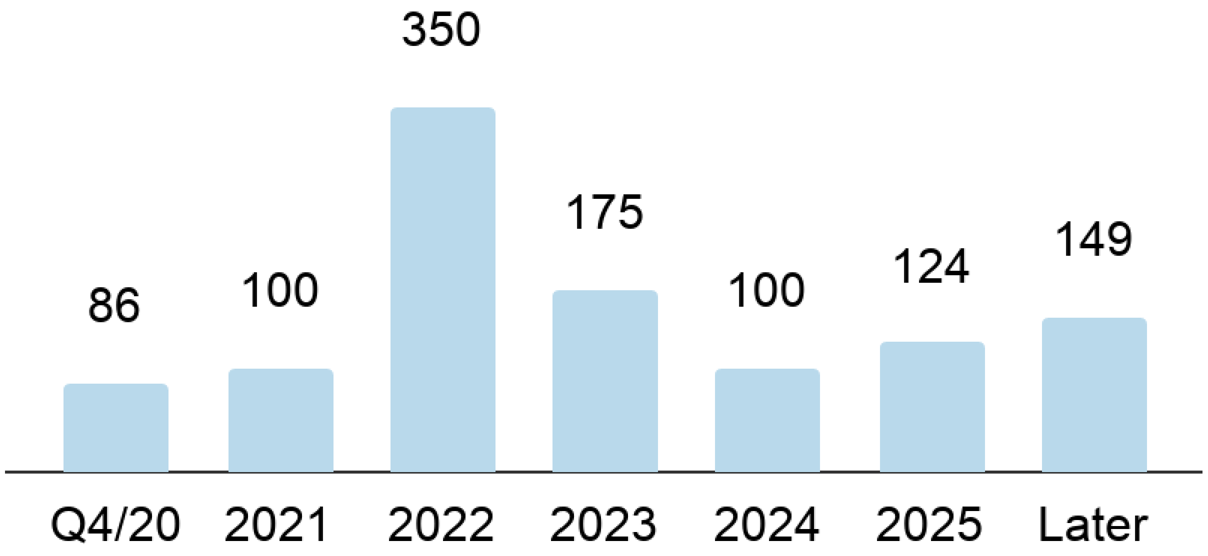
Balanced debt portfolio

Loan structure, 30 September 2020



Repayment schedule of interest-bearing liabilities excluding finance lease

MEUR



Outlook for 2020

Cargotec estimates H2/2020 comparable operating profit to increase compared to H1/2020 (EUR 82.9 million).


1.5
DEGREE
COMPANY
Let's reduce CO_2 emissions at least 50 percent by 2030.
This is critical for limiting global warming to 1.5 degrees.

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