GROWTH CONTINUED IN SALES AND PROFITABILITY

CARGOTEC'S INTERIM REPORT

JANUARY–SEPTEMBER 2023

CARGOTEC

Cargotec's interim report January-September 2023: Growth continued in sales and profitability

- Orders received totalled EUR 914 (1,147) million in Q3, impacted by delayed customer decision making
- Sales increased by 6 percent and comparable operating profit by 48 percent in Q3
- Actions planned to target EUR 50 million cost savings
- Planned separation of Kalmar and Hiab progressing according to plan, Pekka Ala-Pietilä no longer available as the proposed Chair of the standalone Kalmar Board due to personal reasons

July–September 2023 in brief: Continued high profitability

- Orders received decreased by 20 percent and totalled EUR 914 (1,147) million.
- Order book amounted to EUR 3,065 (31 Dec 2022: 3,541) million at the end of the period.
- Sales increased by 6 percent and totalled EUR 1,102 (1,041) million.
- Service sales increased by 3 percent and totalled EUR 334 (323) million.
- Service sales represented 30 (31) percent of consolidated sales.
- Eco portfolio sales increased by 13 percent and totalled EUR 367 (325) million.
- Eco portfolio sales represented 33 (31) percent of consolidated sales.
- Operating profit was EUR 140 (50) million, representing 12.7 (4.8) percent of sales. The operating profit includes items affecting comparability worth EUR 9 (-39) million.
- Comparable operating profit increased by 48 percent and amounted to EUR 131 (89) million, representing 11.9 (8.6) percent of sales.
- Cash flow from operations before finance items and taxes totalled EUR 184 (116) million.
- Profit for the period amounted to EUR 107 (29) million.
- Basic earnings per share was EUR 1.66 (0.45).

January–September 2023 in brief: Record profitability and cash flow

- Orders received decreased by 19 percent and totalled EUR 2,972 (3,672) million.
- Order book amounted to EUR 3,065 (31 Dec 2022: 3,541) million at the end of the period.
- Sales increased by 18 percent and totalled EUR 3,375 (2,850) million.
- Service sales increased by 13 percent and totalled EUR 1,024 (910) million.
- Service sales represented 30 (32) percent of consolidated sales.
- Eco portfolio sales increased by 24 percent and totalled EUR 1,111 (896) million.
- Eco portfolio sales represented 33 (31) percent of consolidated sales.
- Operating profit was EUR 395 (135) million, representing 11.7 (4.7) percent of sales. The operating profit includes items affecting comparability worth EUR -7 (-97) million.
- Comparable operating profit increased by 74 percent and amounted to EUR 402 (232) million, representing 11.9 (8.1) percent of sales.
- Cash flow from operations before finance items and taxes totalled EUR 252 (84) million.
- Profit for the period amounted to EUR 287 (91) million.
- Basic earnings per share was EUR 4.46 (1.41).

Outlook for 2023 unchanged

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

[1] Hiab and Kalmar excluding heavy cranes and including corporate administration and support functions.
[2] Cargotec has changed the definition of the alternative performance measure comparable operating profit starting from 1 January 2023. Comparison figures have been calculated based on the new definition. Additional information about the definition is presented in the stock exchange release published on 4 April 2023.
[3] The outlook for 2023 does not include the comparable operating profit of Kalmar's heavy crane business which will be discontinued.

Cargotec's key figures

MEUR	Q3/23	Q3/22	Change	Q1–Q3/23	Q1–Q3/22	Change	2022
Orders received	914	1,147	-20%	2,972	3,672	-19%	4,862
Service orders received	312	325	-4%	1,000	941	6%	1,286
Order book, end of period	3,065	3,732	-18%	3,065	3,732	-18%	3,541
Sales	1,102	1,041	6%	3,375	2,850	18%	4,089
Service sales	334	323	3%	1,024	910	13%	1,264
Service sales, % of sales	30%	31%		30%	32%		31%
Eco portfolio sales	367	325	13%	1,111	896	24%	1,288
Eco portfolio sales, % of sales	33%	31%		33 %	31%		31%
Operating profit	140.3	50.0	> 100%	394.8	134.9	> 100%	106.1
Operating profit, %	12.7%	4.8%		11.7 %	4.7%		2.6%
Comparable operating profit	131.5	89.1	48%	402.2	231.6	74%	316.4
Comparable operating profit, %	11.9%	8.6%		11.9%	8.1%		7.7%
Profit before taxes	134.3	43.2	> 100%	371.1	119.6	> 100%	79.0
Cash flow from operations before finance items and taxes	184.4	116.1	59%	252.1	84.0	> 100%	231.2
Profit for the period	107.1	28.9	> 100%	287.3	90.8	> 100%	23.2
Basic earnings per share, EUR	1.66	0.45	> 100%	4.46	1.41	> 100%	0.37
Interest-bearing net debt, end of period	406	481	-16%	406	481	-16%	378
Gearing, %	24.2%	30.3%		24.2%	30.3%		24.8%
Interest-bearing net debt / EBITDA*	0.7	1.8		0.7	1.8		1.2
Return on capital employed (ROCE), last 12 months, %	14.8%	5.8%		14.8 %	5.8%		4.6%
Personnel, end of period	11,786	11,525	2%	11,786	11,525	2%	11,526

* Last 12 months' EBITDA

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 16 million in 2022. Of these items, EUR 1 million were related to Kalmar, EUR 3 million to Hiab, and EUR 12 million to MacGregor. Additional information regarding the changed definition is presented in the stock exchange release published on 4 April 2023.

Cargotec's eco portfolio criteria has been revised and the 2022 eco portfolio sales has been restated accordingly.

Cargotec has revised its second quarter 2023 eco portfolio sales. Initially reported EUR 362 million has been revised to EUR 397 million which represented 33 percent of Cargotec's consolidated sales in the second quarter.

Cargotec's President and CEO Casimir Lindholm: Robust execution continued in the third quarter in an increasingly complex business environment

In the big picture, the third quarter was a continuation of the first half of the year. We are operating in an increasingly complex business environment due to geopolitical uncertainty, high interest rates and low consumer confidence. With larger investments in particular, we saw our customers postpone their investment decisions. Our orders received decreased to EUR 914 million, a 20 percent decline from the comparison period. We kept harvesting on our large order book collected in the past two years when the order intake was exceptionally high. Our operational execution was at a good level and sales increased by 6 percent to EUR 1,102 million. Eco portfolio sales continued to grow faster, by 13 percent, representing 33 percent of total sales in the quarter. Driven by higher sales and successful management of inflationary pressures and costs, our comparable operating profit improved by 48 percent to EUR 131 million.

In Kalmar, the demand picture was mixed and orders received declined by 17 percent. Demand for smaller mobile equipment used in small and midsized terminals and industrial operations remained at a good level while our distribution-related product categories were impacted by destocking. With larger equipment, the customer decision making remained slow. Kalmar's sales decreased by 4 percent to EUR 503 million. The sales decline was however more than offset by a more favourable sales mix, successful management of inflationary pressures and reduced heavy cranes related losses with comparable operating profit improving by 41 percent to EUR 71 million.

In Hiab, orders received continued to be affected by delayed customer decision making, stemming from high inflation and interest rates as well as extended truck chassis delivery times. Hiab's order book remained at a good level. Hiab's sales increased from the comparison period by 11 percent to EUR 420 million, driving its comparable operating profit up by 24 percent to EUR 62 million.

In MacGregor, the demand was healthy in merchant and service businesses. Despite orders received decreasing by 16 percent against a strong comparison period, MacGregor's order book increased to EUR 993 million. The strong order book is gradually starting to convert into sales and in Q3, sales increased by 31 percent to EUR 179 million. MacGregor's turnaround is progressing and Q3 was another quarter with positive comparable operating profit and improved profitability, especially in merchant and services businesses. However, we still have challenges related to offshore projects we have committed to in the past. We continue to look for a solution for MacGregor in 2024.

Separation of our core businesses Kalmar and Hiab into two world-leading standalone companies is progressing according to the previously communicated plan. We will provide more details on the progress of the planned demerger earliest in conjunction with the full year 2023 result release.

We are fully focusing on executing our business. In the past two years, our main focus has been on delivering the order book, which reached an all-time high level a year ago. We have been working with continuous profitability improvements, invested in R&D, eco portfolio development and in the service business growth. We have also updated our action plans to be ready for different market scenarios.

In the past quarters, our orders received have returned back to pre-COVID levels and our order book has declined by EUR 500 million. Hence, we are planning to initiate new cost saving actions in Cargotec group, Kalmar and Hiab to achieve EUR 50 million annual fixed cost savings in 2024. Half of the cost savings would come from a reduction of a maximum of 350 roles globally. The planned actions play a part in funding our growth journey based on helping our customers to solve their sustainability challenges with our innovative, high quality solutions. By embracing these actions, we would emerge stronger and more resilient.

Despite prevailing market uncertainty, I feel confident about our future. We have made significant progress in many areas and with the cost saving actions, combined with continuous improvements and investments, we aim to safeguard our profitability and keep our core businesses' comparable operating profit above 10 percent even in challenging market conditions. For 2023, our outlook is unchanged. We estimate that core businesses' 2023 comparable operating profit improves from 2022 (EUR 384 million) and MacGregor's comparable operating profit would be positive (EUR -47 million).

Reporting segments' key figures

Orders received

MEUR	Q3/23	Q3/22	Change	Q1–Q3/23	Q1–Q3/22	Change	2022
Kalmar	392	470	-17%	1,300	1,537	-15%	2,081
Hiab	311	425	-27%	1,065	1,430	-25%	1,807
MacGregor	211	252	-16%	606	706	-14%	976
Internal orders	0	0		0	0		0
Total	**914**	**1,147**	**-20%**	**2,972**	**3,672**	**-19%**	**4,862**

Order book

MEUR	30 Sep 2023	31 Dec 2022	Change
Kalmar	1,172	1,428	-18%
Hiab	900	1,185	-24%
MacGregor	993	927	7%
Internal order book	1	1	
Total	**3,065**	**3,541**	**-13%**

Sales

MEUR	Q3/23	Q3/22	Change	Q1–Q3/23	Q1–Q3/22	Change	2022
Kalmar	503	526	-4%	1,540	1,325	16%	1,943
Hiab	420	378	11%	1,336	1,122	19%	1,578
MacGregor	179	137	31%	499	403	24%	569
Internal sales	0	0		0	-1		-1
Total	**1,102**	**1,041**	**6%**	**3,375**	**2,850**	**18%**	**4,089**

Operating profit

MEUR	Q3/23	Q3/22	Change	Q1–Q3/23	Q1–Q3/22	Change	2022
Kalmar	64.1	39.2	63%	205.3	75.1	> 100%	142.1
Hiab	61.5	49.6	24%	204.4	155.7	31%	217.1
MacGregor	24.3	-25.8	> 100%	25.2	-46.5	> 100%	-190.2
Corporate administration and support functions	-9.6	-13.1	27%	-40.1	-49.4	19%	-62.9
Total	**140.3**	**50.0**	**> 100%**	**394.8**	**134.9**	**> 100%**	**106.1**

Comparable operating profit*

MEUR	Q3/23	Q3/22	Change	Q1–Q3/23	Q1–Q3/22	Change	2022
Kalmar	71.2	50.5	41%	212.8	119.9	77%	189.2
Hiab	61.5	49.6	24%	204.3	159.4	28%	220.9
MacGregor	8.5	-0.2	> 100%	19.5	-13.2	> 100%	-47.5
Corporate administration and support functions	-9.7	-10.8	10%	-34.4	-34.5	0%	-46.3
Total	**131.5**	**89.1**	**48%**	**402.2**	**231.6**	**74%**	**316.4**

*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 16 million in 2022. Of these items, EUR 1 million were related to Kalmar, EUR 3 million to Hiab, and EUR 12 million to MacGregor. Additional information regarding the changed definition is presented in the stock exchange release published on 4 April 2023.

Telephone conference for analysts, investors and media

A live international telephone conference for analysts, investors and media will be arranged on the publishing day at 10:00 a.m. EEST. The event will be held in English. The report will be presented by President and CEO of Cargotec, Interim President of Kalmar Casimir Lindholm, CFO Mikko Puolakka, and President of Hiab Scott Phillips. The presentation material will be available at www.cargotec.com by the latest 9:30 a.m. EEST.

To ask questions, please join the teleconference by registering via the following link: https://palvelu.flik.fi/teleconference/?id=1009462. After the registration, the conference phone numbers and a conference ID to access the conference will be provided. Questions can be presented during the conference.

The event can also be viewed as a live webcast at https://cargotec.videosync.fi/2023-q3. The conference call will be recorded and an on-demand version of the conference will be published at Cargotec's website later during the day.

Note that by dialling to the conference call, the participant agrees that personal information such as name and company name will be collected.

For further information, please contact:

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Cargotec (Nasdaq Helsinki: CGCBV) enables smarter cargo flow for a better everyday with its leading cargo handling solutions and services. Cargotec's business areas Kalmar, Hiab and MacGregor are pioneers in their fields. Through their unique position in ports, at sea and on roads, they optimise global cargo flows and create sustainable customer value. Cargotec has signed the United Nations Global Compact Business Ambition for 1.5°C. The company's sales in 2022 totalled approximately EUR 4.1 billion and it employs around 11,800 people. www.cargotec.com

Cargotec's interim report January–September 2023

The interim 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.

Operating environment

The business environment in which Cargotec operates is increasingly complex, stemming from high interest rates and inflation, volatility of the financial markets, fear of recession, continued supply chain bottlenecks, growing geopolitical tensions, and sluggish growth estimates. However, many of our customers and partners are performing well.

The demand for Cargotec's core businesses Hiab and Kalmar is influenced by the development of the global GDP per capita. According to the International Monetary Fund’s (IMF) world economic outlook published in October 2023, global growth is forecast to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. For advanced economies (a group of countries which includes several key Cargotec markets, such as the United States, the United Kingdom and Germany), the expected slowdown is from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024.[4]

The demand for MacGregor’s cargo and load handling solutions is impacted by the level of merchant ship contracting, which by the end of the third quarter amounted to 1,127 (928).[5] Based on firm ordering this year, the merchant ship 2023 order forecast is upgraded from the previous report's estimate 1,316 to 1,549 units (actual 2022: 1,720).[6] In the offshore sector, the number of new contracts in the third quarter was 92 (148)[5]. Energy transition and securing energy supply combined with high energy prices drive investments in offshore wind, also boosting offshore oil & gas. The amount of new vessel contracting is still expected to remain modest, with offshore wind and replacement ordering being the key drivers. The offshore newbuild contracting forecast for 2023 is 162 (actual 2022: 197).[6] In the coming years, tightening climate regulation will encourage investments in the fleet renewal and upgrade. This is expected to create demand for solutions supporting ship operators’ energy efficiency and emissions reductions targets.

[4] International Monetary Fund: World Economic Outlook, October 2023

[5] Clarkson Research, October 2023, excluding late registrations

[6] Clarkson Research, September 2023

Financial performance

Orders received and order book

MEUR	Q3/23	Q3/22	Change	Q1–Q3/23	Q1–Q3/22	Change	2022
Orders received	914	1,147	-20%	2,972	3,672	-19%	4,862
Service orders received	312	325	-4%	1,000	941	6%	1,286
Order book, end of period	3,065	3,732	-18%	3,065	3,732	-18%	3,541

In the third quarter of 2023, orders received decreased by 20 percent from the comparison period and totalled EUR 914 (1,147) million. Orders received decreased in all business areas. Service orders received decreased by 4 percent and totalled EUR 312 (325) million.

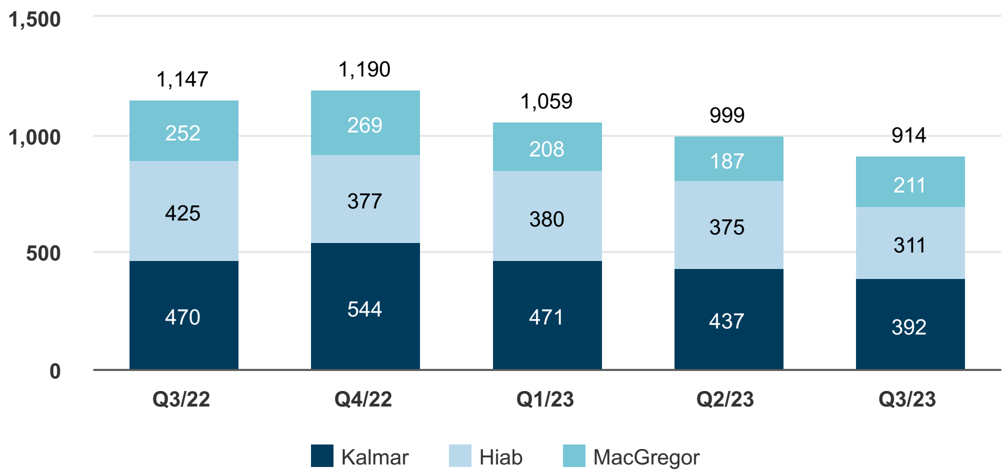
In January–September, orders received decreased by 19 percent from the comparison period and totalled EUR 2,972 (3,672) million. Orders received decreased in all business areas. Service orders received increased by 6 percent and totalled EUR 1,000 (941) million.

The order book decreased by 13 percent from the end of 2022, and at the end of the third quarter it totalled EUR 3,065 (31 Dec 2022: 3,541) million. Kalmar's order book totalled EUR 1,172 (1,428) million, representing 38 (40) percent, Hiab's EUR 900 (1,185) million or 29 (34) and MacGregor's EUR 993 (927) million or 33 (26) percent of the consolidated order book.

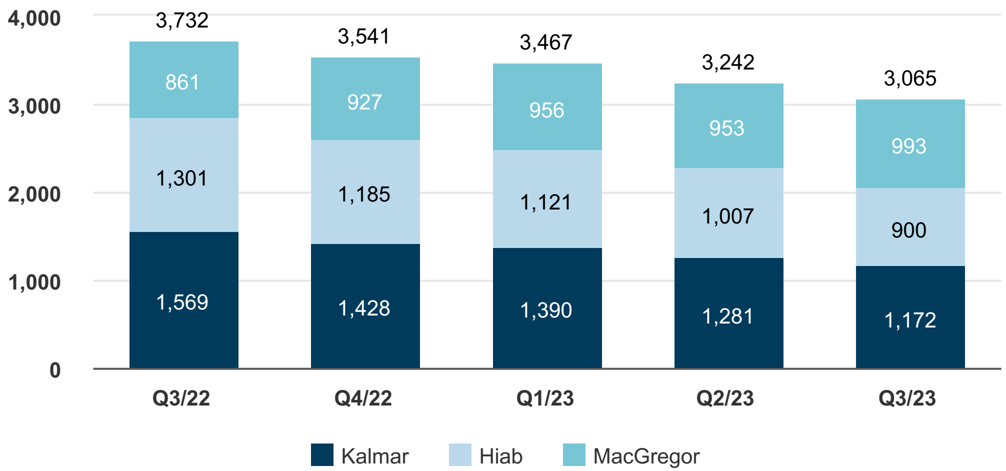
In geographical terms, the share of orders received in the third quarter was 47 (40) percent in EMEA and 26 (36) percent in the Americas. Asia-Pacific's share of orders received was 27 (24) percent.

In January–September, the share of orders received was 46 (43) percent in EMEA and 32 (35) in the Americas. Asia-Pacific's share of orders received was 22 (22) percent.

Orders received, MEUR



Order book, MEUR



Sales

MEUR	Q3/23	Q3/22	Change	Q1–Q3/23	Q1–Q3/22	Change	2022
Sales	1,102	1,041	6%	3,375	2,850	18%	4,089
Service sales	334	323	3%	1,024	910	13%	1,264
Eco portfolio sales	367	325	13%	1,111	896	24%	1,288

In the third quarter of 2023, sales increased from the comparison period by 6 percent and amounted to EUR 1,102 (1,041) million. Sales increased in Hiab and MacGregor and decreased in Kalmar. Service sales increased by 3 percent from the comparison period and totalled EUR 334 (323) million, representing 30 (31) percent of consolidated sales.

In January–September, sales increased from the comparison period by 18 percent and amounted to EUR 3,375 (2,850) million. Sales increased in all businesses. Service sales increased by 13 percent from the comparison period and totalled EUR 1,024 (910) million, representing 30 (32) percent of consolidated sales.

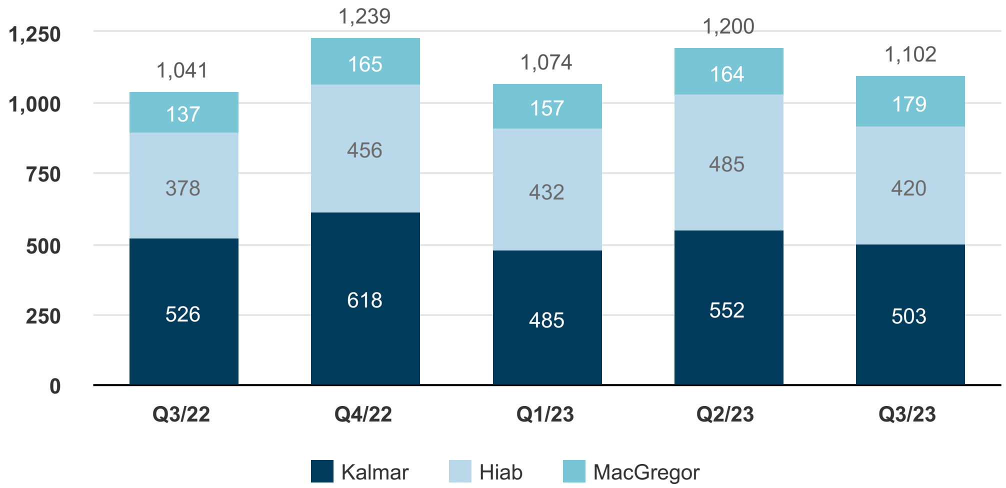
Eco portfolio sales increased by 13 percent in the third quarter and totalled EUR 367 (325) million, representing 33 (31) percent of consolidated sales. Eco portfolio sales increased in both climate change mitigation and transition to circular economy categories and in all business areas.

In January–September, eco portfolio sales increased by 24 percent and totalled EUR 1,111 (896) million, representing 33 (31) percent of consolidated sales.[7]

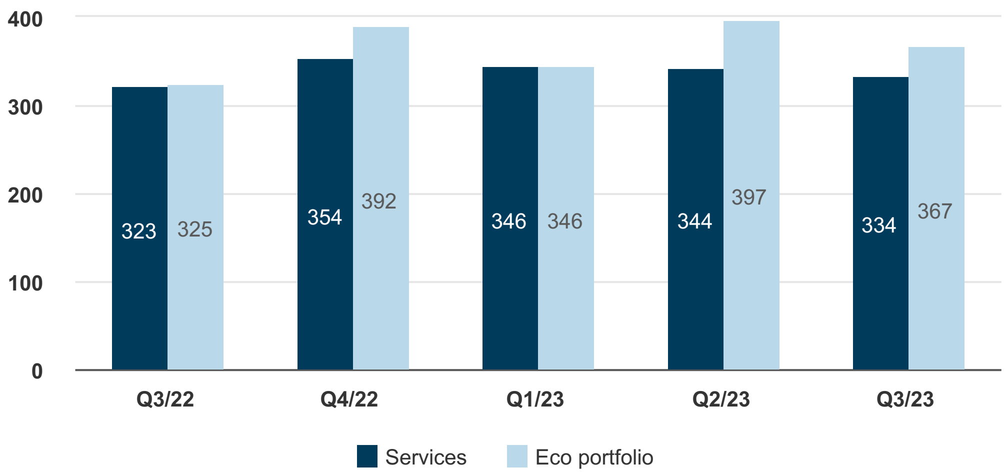
Sales increased in all geographical areas in the third quarter. EMEA's share of consolidated sales was 43 (45) percent, Americas' 39 (38) percent and Asia-Pacific's 18 (17) percent.

In January–September, EMEA's share of consolidated sales was 45 (48) percent, Americas' 39 (36) percent and Asia-Pacific's 16 (16) percent.

Sales, MEUR

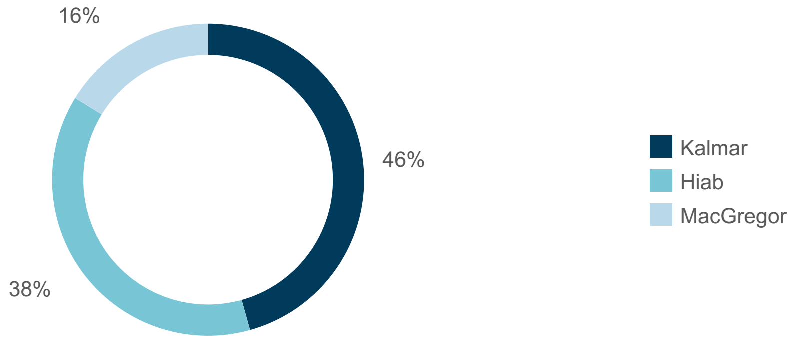


Service and eco portfolio sales, MEUR

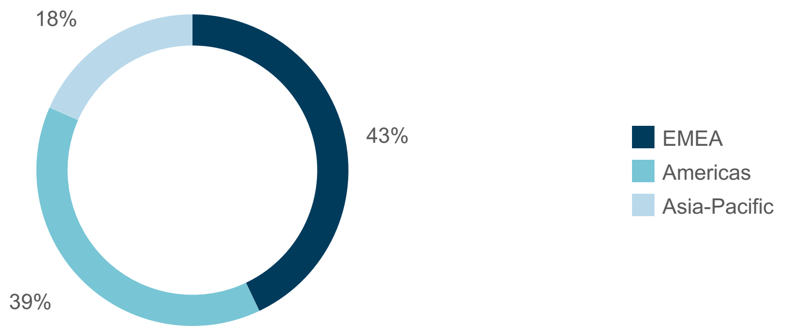


[7] Cargotec has revised its second quarter 2023 eco portfolio sales. The initially reported EUR 362 million has been revised to EUR 397 million which represented 33 percent of Cargotec's consolidated sales in the second quarter.

Sales by business area Q3/2023, %



Sales by geographical area Q3/2023, %



Financial result

Operating profit and comparable operating profit

MEUR	Q3/23	Q3/22	Change	Q1–Q3/23	Q1–Q3/22	Change	2022
Operating profit	140.3	50.0	> 100%	394.8	134.9	> 100%	106.1
Operating profit, %	12.7%	4.8%		11.7%	4.7%		2.6%
Comparable operating profit	131.5	89.1	48%	402.2	231.6	74%	316.4
Comparable operating profit, %	11.9%	8.6%		11.9%	8.1%		7.7%

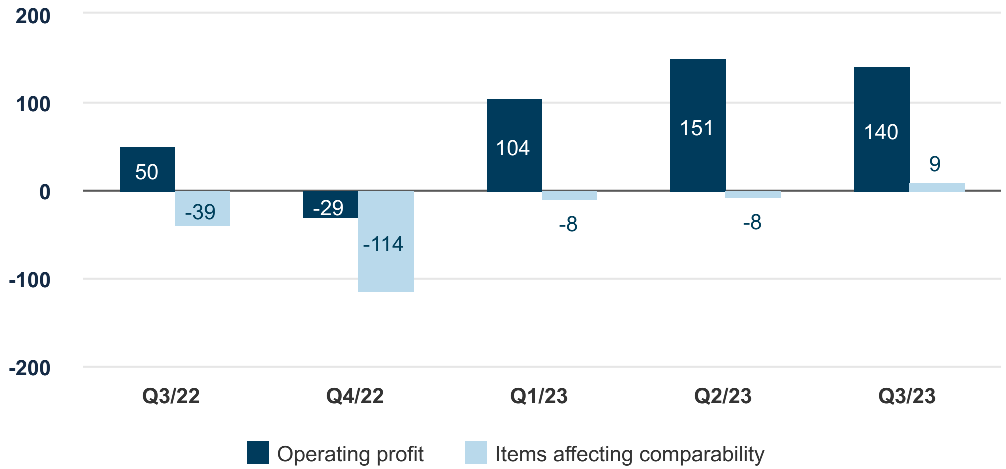
Operating profit for the third quarter totalled EUR 140 (50) million. The operating profit includes items affecting comparability worth of EUR 9 (-39) million. EUR -7 (-11) million of the items were related to Kalmar, EUR 0 (0) million to Hiab, EUR 16 (-26) million to MacGregor and EUR 0 (-2) million to corporate administration and support functions. Of the items affecting comparability, EUR -6 (0) million were related to planning of the potential separation of Kalmar and Hiab and were booked in Kalmar. More information regarding items affecting comparability is available in Note 7, Comparable operating profit.

In the third quarter of 2022, Cargotec and its subsidiary MacGregor USA, Inc. made a voluntary self-disclosure to US authorities regarding compliance with certain export regulations related to information management in the context of MacGregor's US Government business in 2022. MacGregor then booked an approximately EUR 18 million provision to cover possible consequences. During the third quarter of 2023, relevant US authorities resolved the matter without monetary penalty, and Cargotec is thereby releasing the provision. This has been booked as an EUR 18 million item affecting comparability in the third quarter 2023.

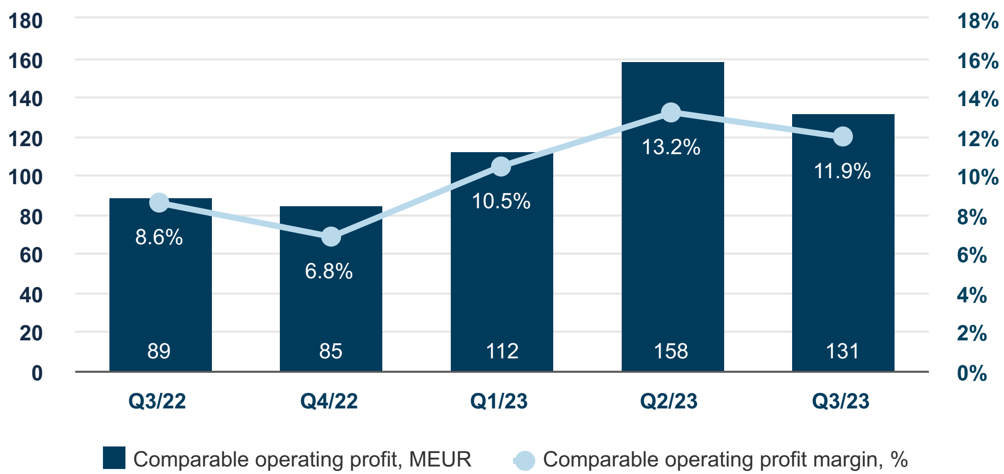
January–September operating profit totalled EUR 395 (135) million. The operating profit includes items affecting comparability worth EUR -7 (-97) million. EUR -7 (-45) million of the items were related to Kalmar, EUR 0 (-4) million to Hiab, EUR 6 (-33) million to MacGregor and EUR -6 (-15) million to corporate administration and support functions. Of the items affecting comparability, EUR -12 (0) million were related to planning of the potential separation of Kalmar and Hiab.

More information regarding items affecting comparability is available in Note 7, Comparable operating profit.

Operating profit and items affecting comparability, MEUR



Comparable operating profit, MEUR, Comparable operating profit margin, %



Comparable operating profit for the third quarter increased by 48 percent and totalled EUR 131 (89) million, representing 11.9 (8.6) percent of sales. The comparable operating profit increase was driven by higher sales and successful management of inflationary pressures and costs.

January–September comparable operating profit increased by 74 percent and totalled EUR 402 (232) million, representing 11.9 (8.1) percent of sales. The comparable operating profit increase was driven by higher sales, successful management of inflationary pressures and costs as well as progress in MacGregor turnaround.

Net finance expenses and net income

Net interest expenses for interest-bearing debt and assets for the third quarter totalled EUR 3 (4) million. Net finance expenses totalled EUR 6 (7) million.

January–September net interest expenses for interest-bearing debt and assets totalled EUR 11 (10) million. Net finance expenses totalled EUR 24 (15) million. The increase in group financing expenses was driven by interest rate differences related to hedging.

Profit for the third quarter totalled EUR 107 (29) million, and basic earnings per share was EUR 1.66 (0.45).

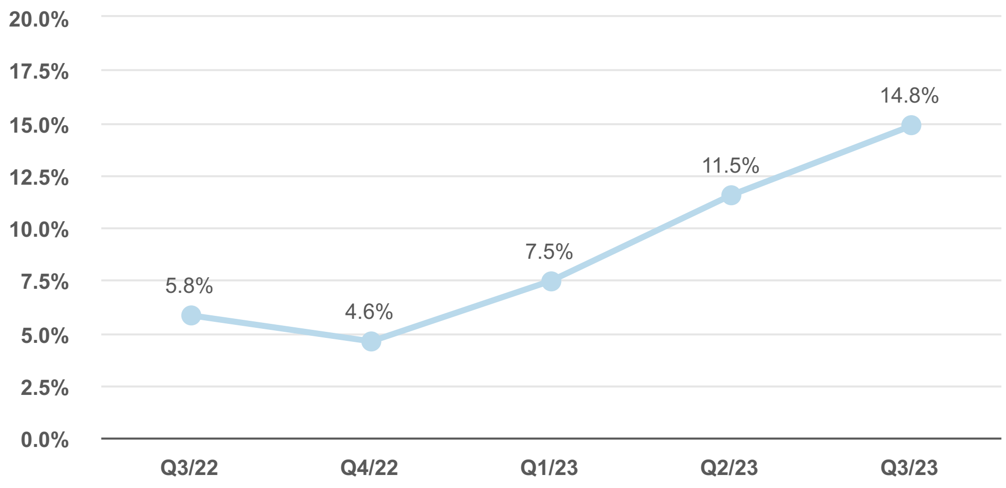
January–September profit totalled EUR 287 (91) million, and basic earnings per share was EUR 4.46 (1.41).

Balance sheet, cash flow and financing

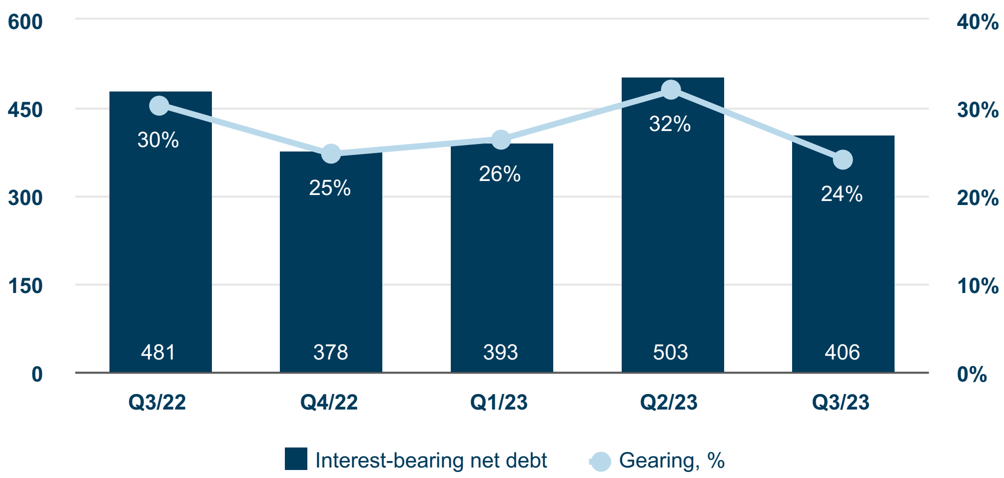
The consolidated balance sheet total was EUR 4,312 (31 Dec 2022: 4,189) million at the end of the third quarter. Equity attributable to the equity holders of the parent was EUR 1,680 (1,528) million, representing EUR 26.13 (23.69) per share. Property, plant and equipment on the balance sheet amounted to EUR 438 (420) million and intangible assets to EUR 1,006 (1,017) million.

Return on equity (ROE, last 12 months) was 13.4 (31 Dec 2022: 1.5) percent at the end of the third quarter and return on capital employed (ROCE, last 12 months) was 14.8 (4.6) percent. The improvement in ROCE was driven by higher profitability in all three business areas.

Return on capital employed (ROCE, last 12 months)



Interest-bearing net debt, MEUR, Gearing, %



Cash flow from operating activities before financial items and taxes totalled EUR 252 (84) million during January–September. Cash flow was particularly strong in the third quarter, driven by good profitability and reduction in accounts receivable.

Cargotec's liquidity position is strong. The liquidity reserves, consisting of cash and cash equivalents and an undrawn EUR 330 million long-term revolving credit facility, totalled EUR 782 million on 30 September 2023 (31 Dec 2022: 782). In addition to the liquidity reserves, Cargotec had access to a EUR 150 million commercial paper programme, of which undrawn EUR 150 (150) million, as well as undrawn bank overdraft facilities, totalling EUR 95 (95) million.

The company's liquidity requirement – repayments of interest-bearing liabilities due within the following 12 months – totalled EUR 352 (87) million, which includes EUR 42 (37) million lease liabilities.

At the end of the third quarter, the interest-bearing debt amounted to EUR 862 (31 Dec 2022: 838) million, of which EUR 177 (165) million was in lease liabilities. Of the interest-bearing debt, EUR 352 (87) million was current and EUR 509 (751) million non-current debt. The average interest rate of interest-bearing liabilities, excluding on-balance sheet lease liabilities, was 2.8 (2.1) percent. Cash and cash equivalents, loans receivable, and other interest-bearing assets totalled EUR 455 (459) million. Interest-bearing net debt totalled EUR 406 (378) million.

At the end of the third quarter, Cargotec's equity to assets ratio was 42.5 (31 Dec 2022: 39.2) percent. Gearing was 24.2 (24.8) percent.

Impacts of currencies and structural changes

	Orders received		Sales	
MEUR	**Q3**	**Q1-Q3**	**Q3**	**Q1-Q3**
2022	**1,147**	**3,672**	**1,041**	**2,850**
Organic growth in constant currencies, %	-17%	-17%	10%	21%
Impact of changes in exchange rates, %	-4%	-2%	-5%	-3%
Structural changes, %	0%	0%	0%	0%
Total change, %	**-20%**	**-19%**	**6%**	**18%**
2023	**914**	**2,972**	**1,102**	**3,375**

In the third quarter of 2023, orders received decreased organically in constant currencies by 17 percent. Changes in exchange rates had a 4 percentage point negative effect on Cargotec's orders received. Structural changes had a 0 percentage point impact on Cargotec's orders received. In constant currencies, sales increased organically by 10 percent. Changes in exchange rates had a 5 percentage point negative effect and structural changes a 0 percentage point effect on Cargotec's sales.

In January–September, orders received decreased organically in constant currencies by 17 percent. Changes in exchange rates had a 2 percentage point negative effect on Cargotec's orders received. Structural changes had a 0 percentage point impact on Cargotec's orders received. In constant currencies, sales increased organically by 21 percent. Changes in exchange rates had a 3 percentage point negative effect on Cargotec's sales. Structural changes had a 0 percentage point positive effect on Cargotec's sales.

Corporate topics

Research and development

Research and product development expenditure in January–September totalled EUR 68 (71) million, representing 2.0 (2.5) percent of sales. Research and development investments were focused on solutions supporting climate targets such as digitalisation, electrification, and robotisation as well as projects that aim to improve the competitiveness and cost efficiency of products. During the third quarter, research and development efforts focused for example on the following:

Kalmar

During the third quarter, Kalmar announced that it has been awarded the IEC 62443-4-1 certification for its Kalmar One automation system. With the certification, Kalmar became the first ports and terminals industry solution provider to receive cybersecurity certification for its automation system for all port and terminal equipment. The certification is part of a series of standards that specify the process requirements for the secure development of products used in industrial automation and control systems (IACS).

During the quarter, the first Kalmar Electric Straddle Carrier with high energy battery was successfully commissioned and made operational for factory testing. Kalmar electric straddle carriers with high-energy batteries were added to Kalmar's rapidly growing portfolio of battery powered equipment this summer.

Hiab

In the US, Hiab launched HiSkill, a cost-efficient, safe and realistic virtual training simulator for HIAB loader crane operators. With HiSkill, operators can learn the basics of crane operation without the risk of personal injury or damage to equipment, or to the surrounding environment. HiSkill also provides actionable improvement suggestions by tracking and analysing operator movements.

MacGregor

For EU-funded projects MOSES and AEGIS, MacGregor has developed an autonomous container loading and discharging solution that comprises an automated onboard crane operating system and a new container supply chain software platform, the Voyage and Container Optimisation Platform. During the third quarter, with the MOSES and AEGIS projects drawing to a close, MacGregor's solution was successfully tested at a facility in Örnsköldsvik, Sweden.

MacGregor's fully automatic twistlock ACV-1 was introduced during spring and the commercial activities around it started during the third quarter. The ACV-1 twistlock is easy and safe to use. Benefiting from decades of experience MacGregor has in cargo securing operations, the ACV-1 is designed to meet the requirements of operational and classification societies.

Capital expenditure

Capital expenditure, excluding acquisitions and customer financing, totalled EUR 71 (62) million in January–September. Investments in customer financing were EUR 30 (24) million. Depreciation, amortisation and impairment amounted to EUR 86 (89) million. The amount includes impairments worth EUR 2 (1) million.

Acquisitions and divestments in 2023

On 24 August, Kalmar announced that it has signed an agreement to acquire the product rights of the electric terminal tractor product line from Lonestar Specialty Vehicles (LSV) in the United States. As part of the transaction, LSV will transfer the immaterial assets for Kalmar and act as Kalmar's contract manufacturing partner for the acquired electric terminal tractor product range. Completed on 1 September 2023, the transaction will not have a significant impact on Kalmar's sales in 2023.

Cargotec is actively developing and maintaining an M&A pipeline. The aim of potential M&A would be to strengthen Cargotec's portfolio and to complement the offering, enter new developing markets and seek growth in adjacent segments.

Information regarding acquisitions and divestments is available in Note 15, Acquisitions and disposals.

Operational restructurings

Restructuring costs in the third quarter amounted to EUR 2 (15) million and to EUR 8 (55) million in January–September. The restructuring costs in January–September were related to the restructuring programme in MacGregor, where 280 roles will be reduced in sequences, targeting EUR 23 million annual cost savings compared to 2022. Out of the total savings, EUR 14 million is estimated to be realised in 2023. WIth the restructuring, Cargotec is aiming to turn around MacGregor's offshore business.

Cargotec plans to initiate new cost saving actions in Cargotec group, Kalmar and Hiab with the objective to achieve EUR 50 million annual fixed cost savings in 2024. The aim of the cost saving actions is to proactively adjust to an increasingly complex and challenging market environment.

Out of the planned total savings of EUR 50 million, EUR 10 million is planned to be achieved in the group, EUR 20 million in Kalmar and EUR 20 million in Hiab. Half of the cost savings would come from a reduction of a maximum of 350 roles globally. As the planning progresses, Cargotec will engage and work closely with its employees and employee representatives to ensure that they are fully informed and consulted about the proposals. Processes and timelines will vary in different countries and functions.

Estimated one-off costs of the planned actions are approximately EUR 20 million. Booking of the costs is dependent on the timing and outcome of the personnel negotiations. Costs would be booked above comparable operating profit.

For the year 2023, Cargotec estimates to book EUR 20 million restructuring costs of ongoing restructuring programmes in MacGregor. The full year estimate for items affecting comparability is EUR -35 million including restructuring costs, costs related to planning of the potential separation of Kalmar and Hiab and the provision release in MacGregor. The cost estimate may be subject to change. The costs related to the planned savings programme in Cargotec group, Kalmar and Hiab would not be booked as items affecting comparability.

More information regarding restructuring costs and other items affecting comparability is available in Note 7, Comparable operating profit.

Personnel

Cargotec employed 11,786 (31 Dec 2022: 11,526) people at the end of the third quarter. The average number of employees during January–September was 11,707 (1–12/2022: 11,405).

Vision and strategy

Cargotec's vision is to become the global leader in sustainable cargo flow. The breakthrough objectives are sustainability and profitable growth.

In accordance with its strategy, Cargotec will focus on sustainable and profitable growth on its core businesses Hiab and Kalmar by solving customers' sustainability challenges. The core businesses will support customers with lifecycle services as well as with market leading equipment and technologies. Automated, robotised and zero emission equipment help Kalmar and Hiab customers to overcome sustainability challenges.

Performance targets for core businesses[8]

Cargotec's performance targets reflect the company's strategy and ambition to grow profitably by solving customers' sustainability challenges. Performance targets are set for core businesses Kalmar and Hiab and were announced on 15 November 2022:

- Eco portfolio sales: double the growth compared to traditional products
- Reduce CO_2 emissions in Cargotec's value chain[9] by 25% by 2025 and by 50% by 2030
- Sales growth faster than market[10]
- Comparable operating profit 12% by 2025 and 15% by 2030.

Cargotec also aims for a growing dividend 30–50% of EPS and to keep gearing below 50%.

[8] Core businesses = Cargotec excluding MacGregor and Kalmar heavy cranes business
[9] Scope 1,2 & 3, compared to 2019
[10] Global GDP, IMF World Economic Outlook, current prices

CARGOTEC

Core businesses' key figures

MEUR	Q3/23	Q3/22	Change	Q1–Q3/23	Q1–Q3/22	Change	2022
Orders received	702	895	-22%	2,365	2,954	-20%	3,874
Service orders received	236	243	-3%	743	704	6%	961
Order book, end of period	2,065	2,794	-26%	2,065	2,794	-26%	2,566
Sales	909	890	2%	2,842	2,400	18%	3,445
Service sales	250	248	1%	765	699	9%	962
Service sales, % of sales	27%	28%		27%	29%		28 %
Eco portfolio sales	294	268	10%	902	735	23%	1,056
Eco portfolio sales, % of sales	32%	30%		32%	31%		31 %
Operating profit	118.1	90.9	30%	375.2	232.8	61%	352.5
Operating profit, %	13.0%	10.2%		13.2%	9.7%		10.2 %
Comparable operating profit	125.0	93.6	34%	387.9	260.8	49%	384.3
Comparable operating profit, %	13.8%	10.5%		13.6%	10.9%		11.2 %

Core businesses = Cargotec excluding MacGregor and Kalmar heavy cranes business. Includes corporate administration and support functions.

In the third quarter of 2023, sales of Cargotec's core businesses increased from the comparison period by 2 percent and amounted to EUR 909 (890) million. Eco portfolio sales of the core businesses increased by 10 percent and totalled EUR 294 (268) million, representing 32 (30) percent of core businesses' consolidated sales. The comparable operating profit of Cargotec's core businesses increased by 34 percent and amounted to EUR 125 (94) million. In the third quarter, the comparable operating profit margin of the core businesses was 13.8 (10.5).

In January–September, sales of Cargotec's core businesses increased from the comparison period by 18 percent and amounted to EUR 2,842 (2,400) million. Eco portfolio sales of the core businesses increased by 23 percent and totalled EUR 902 (735) million, representing 32 (31) percent of core businesses' consolidated sales. The comparable operating profit of Cargotec's core businesses increased by 49 percent and amounted to EUR 388 (261) million. The comparable operating profit margin of Cargotec's core businesses was 13.6 (10.9) in January–September.

Planned separation of Kalmar and Hiab

On 27 April 2023, Cargotec announced that its Board of Directors had decided to investigate and initiate a process to potentially separate Cargotec's core businesses Kalmar and Hiab into two standalone companies. Cargotec's intention would be to separate Kalmar as a new listed company by means of a partial demerger from Cargotec. The planning of the potential partial demerger is intended to take place during 2023 and, if carried out, the potential execution and separate listing of Kalmar on Nasdaq Helsinki, Finland, would take place in 2024.

The planned partial demerger would be a logical next step in Cargotec's previously announced aim to increase the independence of its businesses. Based on its initial assessment, Cargotec's Board of Directors estimates that the separation of Kalmar and Hiab could unlock shareholder value by allowing both businesses to pursue sustainable profitable growth opportunities independently.

The planning of the considered partial demerger has progressed in line with previously communicated timeline and objectives. As part of the demerger planning process, Cargotec Board of Directors decided in August that it would propose for the forthcoming Annual General meeting that the Chair of the Board of the proposed standalone Kalmar would be Pekka Ala-Pietilä and that current Cargotec Board members Teresa Kemppi-Vasama and Tapio Kolunsarka would be elected as members of the Board of standalone Kalmar.

In addition, Pekka Ala-Pietilä was appointed to serve as consultant for Cargotec to assist in the forming of standalone Kalmar until the consummation of the proposed demerger. However, Pekka Ala-Pietilä has informed the Board that he is not available for these roles any longer, due to personal reasons.

To support the listing readiness preparations, the Board decided in August to establish a new external Demerger Committee to oversee the preparations for listing readiness and corporate governance matters for the potential standalone Kalmar. The Demerger Committee consisted of Pekka Ala-Pietilä, Teresa Kemppi-Vasama and Tapio Kolunsarka. Hence, as Pekka Ala-Pietilä is no longer available, the Demerger committee will consist of Teresa Kemppi-Vasama and Tapio Kolunsarka going forward.

The Board has initiated the process to identify a new Chair of the Board candidate as well as additional Board member candidates for the standalone Kalmar and a search for a permanent CEO of Kalmar as part of the planned demerger process.

Teresa Kemppi-Vasama and Tapio Kolunsarka will also continue to serve as members of the Cargotec Board.

The planning of the considered partial demerger will continue throughout 2023. Cargotec is currently implementing a large organisational change and moving the majority of group employees to the business areas. More details on the progress of the planned demerger will be provided earliest in the conjunction with the full year 2023 result release. In parallel, Cargotec's focus remains to continue to look for a solution for MacGregor during 2024.

At the end of the quarter, costs related to planning of the planned separation of Kalmar and Hiab amounted to EUR 12 (0) million. Of the costs, EUR 7 million is booked in Kalmar and EUR 6 million in corporate administration and support functions.

Sustainability

During the third quarter, Cargotec finalised its updated Sustainability Policy. Compared to the previous policy, the updated one takes a much broader perspective on the company's material topics, and its structure is aligned with Cargotec's sustainability agenda. The updated policy includes commitments on the following topics: climate change, circular economy, human rights, health and safety, diversity, equity and inclusion (DE&I), sustainable finance and responsible sourcing. The policy is published on Cargotec's website and applies to all Cargotec employees (including the employees of our subsidiaries and business areas) as well as suppliers and other business partners according to contract terms.

In January 2023, the EU's Corporate Sustainability Reporting Directive (CSRD) came into force. To prepare for the CSRD, Cargotec initiated a group-wide project to raise awareness of the upcoming reporting requirements and how they can be utilised to drive successful business transformation. As part of the project, Cargotec has been working on comprehending its current reporting capabilities and readiness to report in accordance with the European Sustainability Reporting Standards (ESRS). To clarify the reporting scope, Cargotec initiated a double materiality assessment during the second quarter. The assessment was finalised during Q3 and considers both the company's impact and financial materiality. The CSRD will replace the existing EU Non-Financial Reporting Directive (NFRD), which applies to Cargotec.

Cargotec's eco portfolio criteria was revised in 2022, based on the EU Taxonomy criteria, and all eco portfolio sales are reported in accordance with the revised criteria. In the third quarter of 2023, eco portfolio sales increased by 13 percent and totalled EUR 367 (325) million, representing 33 (31) percent of consolidated sales. Eco portfolio sales increased in both climate change mitigation and transition to circular economy categories, and in all business areas.

In January–September, the eco portfolio sales increased by 24 percent and totalled EUR 1,111 (896) million, representing 33 (31) percent of consolidated sales.[11]

At the end of the third quarter, Cargotec's safety performance, measured by rolling 12 months industrial injury frequency rate (IIFR), was 3.9 (5.1). The IIFR in Cargotec's assembly sites was 2.7 (6.3), while it was 4.7 (4.4) in non-assembly operations. The target for 2023 is to have an IIFR rate below 4.0 in all operations.

Leadership Team

On 16 August 2023, Cargotec announced that, as part of the demerger planning and listing readiness, Cargotec's Board of Directors has decided to strengthen the Presidency of Kalmar, and has agreed with Michel Van Roozendaal that he will step down as President of Kalmar and as member of Cargotec leadership team effective immediately. Following this, the Board appointed Cargotec's President and CEO Casimir Lindholm to also act as interim President of Kalmar until the search for a permanent CEO of Kalmar has been completed as part of the planned demerger process. In addition, Mikael Laine, SVP Strategy, will act as interim COO of Kalmar business area in addition to his current role.

On 30 September 2023, Cargotec's Leadership Team consisted of Casimir Lindholm, President and CEO and interim President, Kalmar; Mikko Puolakka, Executive Vice President, CFO; Mikko Pelkonen, Senior Vice President, Human Resources; Mikael Laine, Senior Vice President, Strategy and interim COO, Kalmar; Soili Mäkinen, Senior Vice President, Sustainable Business Development; Outi Aaltonen, General Counsel; Carina Geber-Teir, Senior Vice President, Communications; Scott Phillips, President, Hiab; and Leif Byström, President, MacGregor.

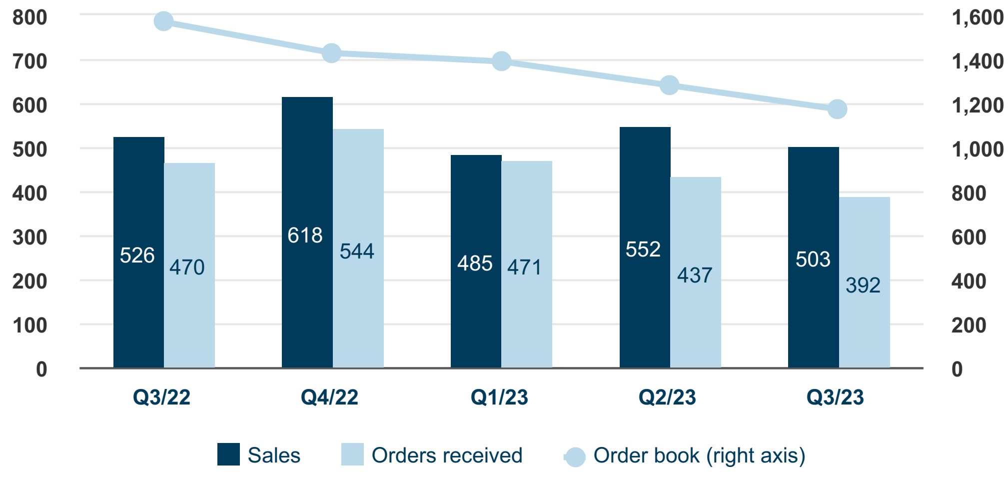
[11] Cargotec has revised its second quarter 2023 eco portfolio sales. The initially reported EUR 362 million has been revised to EUR 397 million which represented 33 percent of Cargotec's consolidated sales in the second quarter.

Reporting segments

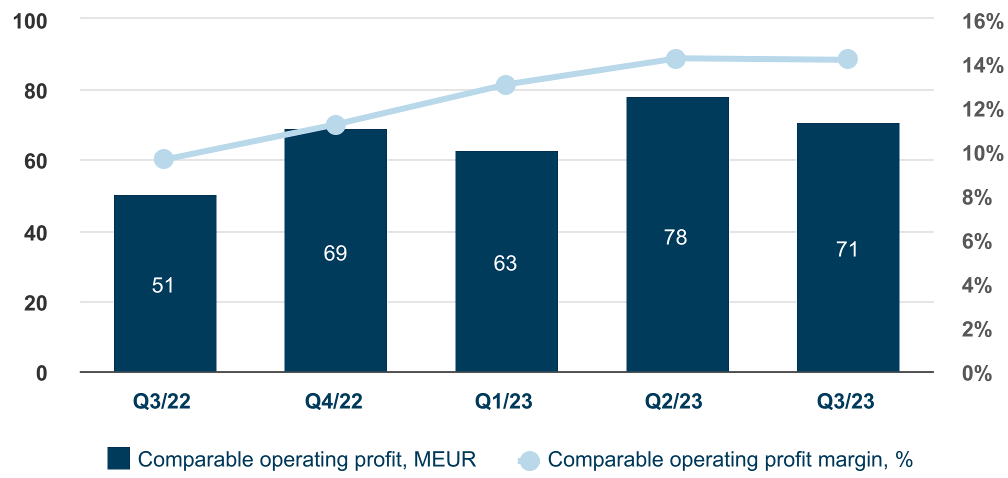
Kalmar

MEUR	Q3/23	Q3/22	Change	Q1–Q3/23	Q1–Q3/22	Change	2022
Orders received	392	470	-17%	1,300	1,537	-15%	2,081
Order book, end of period	1,172	1,569	-25%	1,172	1,569	-25%	1,428
Sales	503	526	-4%	1,540	1,325	16%	1,943
Service sales	137	142	-4%	427	402	6%	551
% of sales	27%	27%		28%	30%		28%
Operating profit	64.1	39.2	63%	205.3	75.1	> 100%	142.1
% of sales	12.7%	7.5%		13.3%	5.7%		7.3%
Comparable operating profit	71.2	50.5	41%	212.8	119.9	77%	189.2
% of sales	14.1%	9.6%		13.8%	9.1%		9.7%
Personnel, end of period	5,101	5,044	1%	5,101	5,044	1%	5,012

Sales, orders received, order book, MEUR



Comparable operating profit, MEUR, Comparable operating profit margin, %



Kalmar's orders received in the third quarter decreased by 17 percent from the comparison period and totalled EUR 392 (470) million. Demand of mobile equipment used in industrial operations and small and mid-sized terminals was at a good level, while orders received declined in solutions sold to large port and distribution customer segments. Service orders received decreased. Compared to the comparison period, orders received decreased in the Americas, and increased in EMEA and Asia-Pacific.

Major orders received by Kalmar in the third quarter included:

- ten hybrid straddle carriers to Patrick Terminals in Melbourne, Australia
- six hybrid straddle carriers to Rotterdam Short Sea Terminals in Netherlands
- four hybrid straddle carriers to GMP Le Havre in France.

Kalmar's orders received in January–September decreased by 15 percent and totalled EUR 1,300 (1,537) million.

Kalmar's order book decreased by 18 percent from the end of 2022, totalling EUR 1,172 (31 Dec 2022:1,428) million at the end of the third quarter.

Kalmar's third quarter sales decreased by 4 percent from the comparison period and totalled EUR 503 (526) million. Service sales decreased by 4 percent and totalled EUR 137 (142) million, representing 27 (27) percent of sales.

Kalmar's January–September sales increased by 16 percent from the comparison period and totalled EUR 1,540 (1,325) million. Service sales increased by 6 percent and totalled EUR 427 (402) million, representing 28 (30) percent of sales.

Kalmar's third quarter operating profit totalled EUR 64 (39) million. The operating profit includes EUR -7 (-11) million in items affecting comparability, which were mainly related to planning of the potential separation of Kalmar and Hiab. The comparable operating profit amounted to EUR 71 (51) million, representing 14.1 (9.6) percent of sales. The comparable operating profit increased due to successful management of inflationary pressures, favourable sales mix and smaller losses related to heavy cranes business, which will be discontinued.

Kalmar's January–September operating profit totalled EUR 205 (75) million. The operating profit includes EUR -7 (-45) million in items affecting comparability, which were mainly related to planning of the potential separation of Kalmar and Hiab. The comparable operating profit amounted to EUR 213 (120) million, representing 13.8 (9.1) percent of sales. The comparable operating profit increased due to higher sales,successful management of inflationary pressures and component availability, as well as smaller losses related to heavy cranes business, which will be discontinued.

Excluding the heavy cranes business, Kalmar sales in the third quarter would have been EUR 489 (512) million, operating profit EUR 66 (54) million, and comparable operating profit EUR 73 (55) million.

In January–September, Kalmar sales excluding the heavy cranes business would have been EUR 1,505 (1,278) million, operating profit EUR 211 (126) million, and comparable operating profit EUR 218 (136) million. At the end of the third quarter, the order book of Kalmar heavy cranes was EUR 8 million, the majority of which is planned to be delivered in 2023.

Hiab

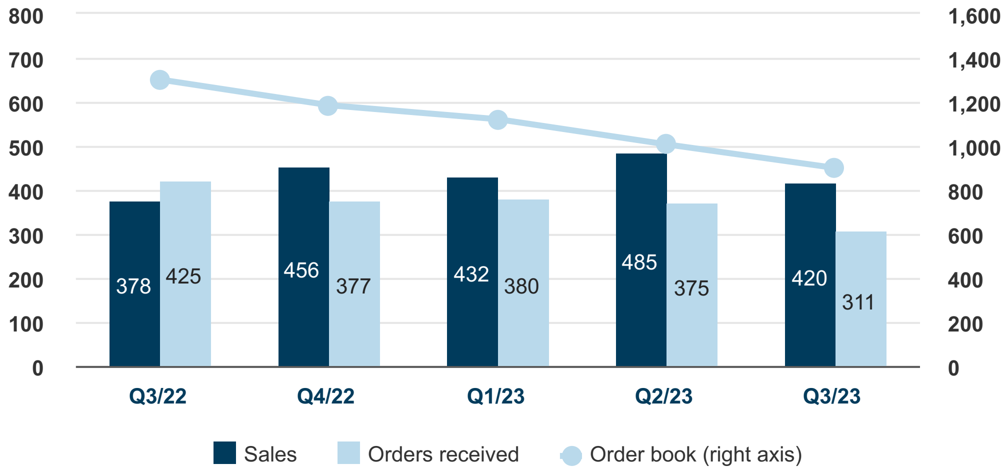
MEUR	Q3/23	Q3/22	Change	Q1–Q3/23	Q1–Q3/22	Change	2022
Orders received	311	425	-27%	1,065	1,430	-25%	1,807
Order book, end of period	900	1,301	-31%	900	1,301	-31%	1,185
Sales	420	378	11%	1,336	1,122	19%	1,578
Service sales	113	106	7%	339	298	14%	411
% of sales	27%	28%		25%	27%		26%
Operating profit	61.5	49.6	24%	204.4	155.7	31%	217.1
% of sales	14.7%	13.1%		15.3%	13.9%		13.8%
Comparable operating profit	61.5	49.6	24%	204.3	159.4	28%	220.9
% of sales	14.7%	13.1%		15.3%	14.2%		14.0%
Personnel, end of period	3,972	3,716	7%	3,972	3,716	7%	3,778

Hiab's orders received in the third quarter decreased by 27 percent from the comparison period and totalled EUR 311 (425) million. Orders received were impacted by continued delayed decision making. Service orders received increased. Compared to the comparison period, orders received decreased in all geographical areas.

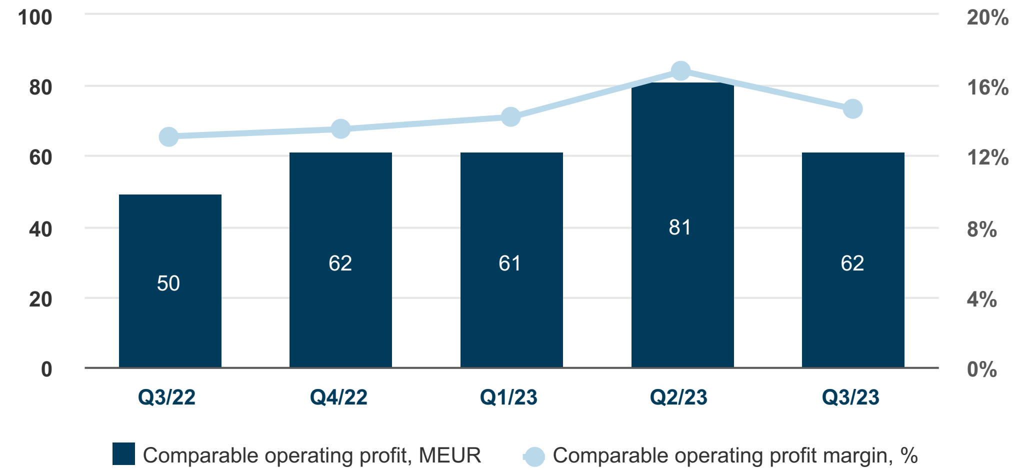
Major orders received by Hiab in the third quarter included:

- EUR 4.5 million order for MOFFETT truck mounted forklifts with ProCare service agreements to Belgium, France, Germany, and the Netherlands.

Sales, orders received, order book, MEUR



Comparable operating profit, MEUR, Comparable operating profit margin, %



Hiab’s orders received in January–September decreased by 25 percent and totalled EUR 1,065 (1,430) million.

Hiab’s order book decreased by 24 percent from the end of 2022, totalling EUR 900 (31 Dec 2022: 1,185) million at the end of the third quarter.

Hiab’s third quarter sales increased by 11 percent and totalled EUR 420 (378) million. Service sales increased by 7 percent and amounted to EUR 113 (106) million, representing 27 (28) percent of sales.

Hiab’s January–September sales increased by 19 percent and totalled EUR 1,336 (1,122) million. Service sales increased by 14 percent and amounted to EUR 339 (298) million, representing 25 (27) percent of sales.

Hiab’s third quarter operating profit increased from the comparison period by 24 percent and totalled EUR 62 (50) million. The operating profit includes EUR 0 (0) million in items affecting comparability. The comparable operating profit amounted to EUR 62 (50) million, representing 14.7 (13.1) percent of sales. Hiab’s comparable operating profit increased due to higher sales and effective management of inflationary pressures.

Hiab’s January–September operating profit increased from the comparison period by 31 percent and totalled EUR 204 (156) million. The operating profit includes EUR 0 (-4) million in items affecting comparability. The comparable operating profit amounted to EUR 204 (159) million, representing 15.3 (14.2) percent of sales. Hiab’s comparable operating profit increased due to higher sales and effective management of inflationary pressures.

MacGregor

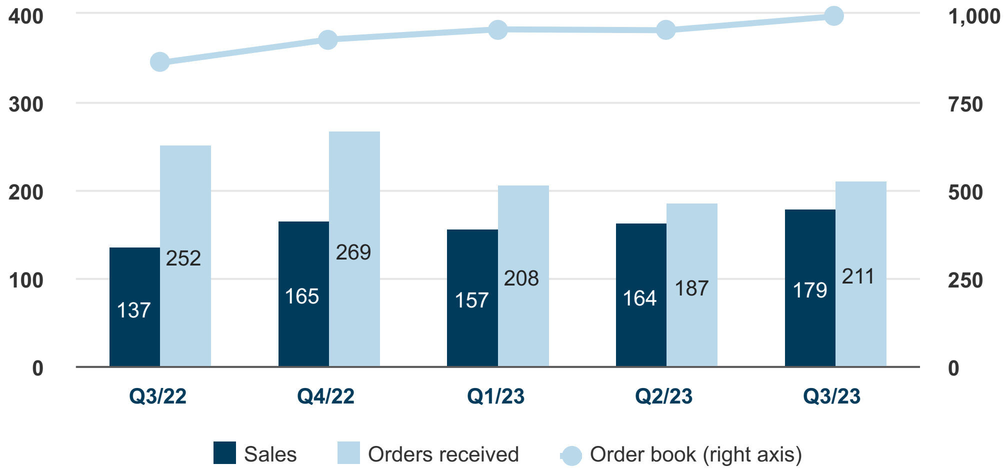
MEUR	Q3/23	Q3/22	Change	Q1–Q3/23	Q1–Q3/22	Change	2022
Orders received	211	252	-16%	606	706	-14%	976
Order book, end of period	993	861	15%	993	861	15%	927
Sales	179	137	31%	499	403	24%	569
Service sales	85	75	12%	260	210	23%	301
% of sales	47%	55%		52%	52%		53%
Operating profit	24.3	-25.8	> 100%	25.2	-46.5	> 100%	-190.2
% of sales	13.6%	-18.9%		5.0%	-11.5%		-33.4%
Comparable operating profit	8.5	-0.2	> 100%	19.5	-13.2	> 100%	-47.5
% of sales	4.8%	-0.1%		3.9%	-3.3%		-8.3%
Personnel, end of period	1,945	1,954	0%	1,945	1,954	0%	1,978

MacGregor's orders received in the third quarter decreased by 16 percent from the comparison period to EUR 211 (252) million. Compared to the comparison period, orders received decreased in Asia-Pacific and Americas, and increased in EMEA. Of the orders, around 90 percent relate to merchant ships and 10 percent to the offshore sector. Service orders received decreased.

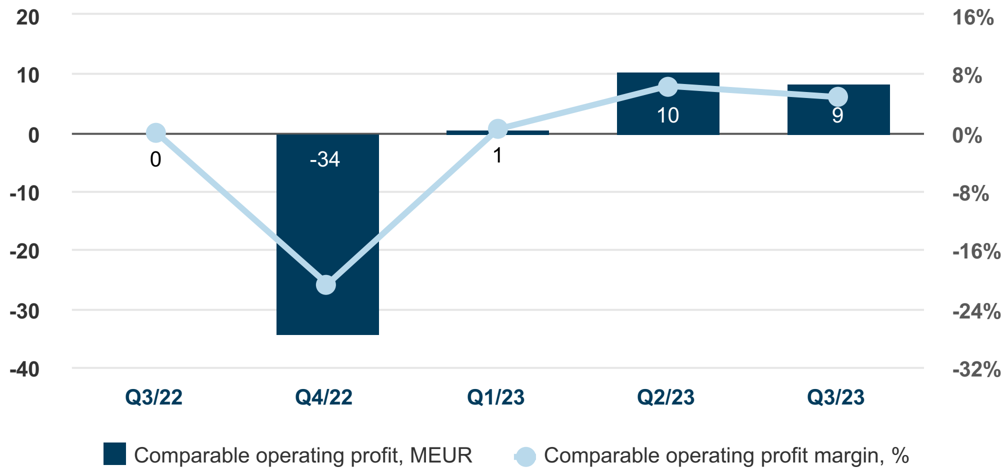
Major orders received by MacGregor in the third quarter included:

- more than EUR 25 million order for general cargo cranes for ten 84,500 dwt multipurpose vessels built in Asia
- design and deliver the key components consisting of external and internal ramps, covers, electrically operated doors, and liftable car decks, as well as installation support for two of the world's first methanol-fueled Pure Car and Truck Carriers (PCTC) in China.

Sales, orders received, order book, MEUR



Comparable operating profit, MEUR, Comparable operating profit margin, %



MacGregor’s orders received in January–September decreased by 14 percent and totalled EUR 606 (706) million.

MacGregor’s order book increased by 7 percent from the end of 2022, totalling EUR 993 (31 Dec 2022: 927) million at the end of the third quarter. Of the order book, around 90 percent relate to merchant ships and 10 percent to the offshore sector.

MacGregor’s third quarter sales increased by 31 percent and amounted to EUR 179 (137) million. Service sales increased by 12 percent and totalled EUR 85 (75) million, representing 47 (55) percent of sales.

MacGregor’s January–September sales increased by 24 percent and amounted to EUR 499 (403) million. Service sales increased by 23 percent and totalled EUR 260 (210) million, representing 52 (52) percent of sales.

MacGregor’s operating profit for the third quarter totalled EUR 24 (-26) million. Operating profit includes EUR 16 (-26) million in items affecting comparability related to the ongoing restructuring programme and to the provision release. Comparable operating profit increased and totalled EUR 9 (0) million, representing 4.8 (-0.1) percent of sales. Comparable operating profit increased due to higher sales in service and merchant businesses, smaller losses related to offshore business, and cost savings.

MacGregor’s January–September operating profit totalled EUR 25 (-47) million. Operating profit includes EUR 6 (-33) million in items affecting comparability related to the ongoing restructuring programme and to the provision release. Comparable operating profit increased and totalled EUR 20 (-13) million, representing 3.9 (-3.3) percent of sales. Comparable operating profit increased due to higher sales in service and merchant businesses, smaller losses related to offshore business, and cost savings.

In the third quarter of 2022, Cargotec and its subsidiary MacGregor USA, Inc. made a voluntary self-disclosure to US authorities regarding compliance with certain export regulations related to information management in the context of MacGregor’s US Government business in 2022. MacGregor then booked an approximately EUR 18 million provision to cover possible consequences. During the third quarter of 2023, relevant US authorities resolved the matter without monetary penalty, and Cargotec is thereby releasing the provision. This has been booked as an EUR 18 million item affecting comparability in the third quarter 2023.

As announced on 14 November 2022, MacGregor will not be part of Cargotec’s portfolio in the future. Cargotec will continue to focus on a turnaround of the business and to look for a solution for MacGregor in 2024.

Offshore wind constitutes a very attractive business opportunity. However, development of offshore wind-related new technologies has been challenging and caused additional costs. MacGregor still has challenges with related projects and the offshore wind business is loss making. Despite low sales, MacGregor's business in the merchant ship segment and service business has been profitable. Excluding the offshore wind business, MacGregor's comparable operating profit margin in January–September would have been around 10 percent.

Shares and trading

Share capital, own shares and share issue

Cargotec Corporation’s share capital totalled EUR 64,304,880 at the end of September 2023. The number of class B shares was 55,182,079, while the number of class A shares totalled 9,526,089.

On 23 March 2023, Cargotec’s Board of Directors decided on a directed share issue related to the reward payments for share-based incentive programmes. The share reward payments are related to the performance period 2020–2022 of Cargotec's share-based incentive programme, 2020–2022 restricted shares programme, first instalment of the restricted share programme 2022–2024 and first instalment of the restricted share unit programme 2022–2024.

In the share issue, 224,797 own class B shares held by the company were transferred on Friday 31 March 2023 without consideration to the key employees participating in the share-based incentive programmes in accordance with the programme-specific terms and conditions. More detailed information about the launch and the terms and conditions of these programmes are available in the stock exchange releases published on 6 February 2020 and 13 May 2022.

The decision on the directed share issue is based on the authorisation granted to the Board of Directors by the Annual General Meeting on 23 March 2023. According to the authorisation, the Board of Directors can decide on a share issue amounting to a maximum of 952,000 class A shares and 5,448,000 class B shares.

On 20 July 2023, Cargotec announced that the Board of Directors has decided to exercise the authorisation of the Annual General Meeting on 23 March 2023 to repurchase the company's own shares. According to the decision, Cargotec will repurchase 400,000 class B shares to be used as reward payments for Cargotec's share-based incentive programmes. The shares will be purchased at public trading on Nasdaq Helsinki Ltd. at the market price. According to the authorisation given to the Board of Directors by the Annual General Meeting, the maximum amount of shares that can be acquired is 952,000 class A shares and 5,448,000 class B shares. Cargotec repurchased 400,000 own shares at an average price of EUR 42.8460 between 21 July – 18 August 2023.

At the end of September 2023, Cargotec held a total of 407,043 own class B shares, accounting for 0.63 percent of the total number of shares and 0.27 percent of the total number of votes. The number of outstanding class B shares totalled 54,775,036.

Share-based incentive programmes

In April 2023, Cargotec’s Board of Directors decided to establish a new share-based incentive programme for the Group key employees. The reward from the new Restricted Share Unit Programme 2023–2025 is conditional on the achievement of strategic goals set by the Board of Directors. In addition, the reward is based on a valid employment or service and the continuity of the employment or service. The reward is paid at the beginning of 2025. The shares received as a reward from the programme may not be sold, transferred, pledged or otherwise assigned during a lock-up period which ends six months after the reward payment.

The programme is intended for approximately 50 Cargotec Group’s key employees, including selected Leadership Team members. The rewards to be allocated on the basis of the Programme will amount up to an approximate maximum total of 268,750 Cargotec Corporation class B shares.

In February 2023, Cargotec’s Board of Directors resolved to establish a new share-based incentive programme directed to the key employees of Cargotec. The performance share programme includes calendar years 2023–2025 as a performance period. The performance period includes three measuring periods of one calendar year. For each measuring period, the Board of Directors will annually resolve the performance criteria and the required performance levels for each criterion. The 2023–2025 performance share programme is directed to approximately 100 key employees, including the members of Cargotec Leadership Team.

For the key employees of the business areas Kalmar and Hiab, the potential reward of the programme from the measuring period 2023 will be based on the business areas' earnings per share (EPS). For the Cargotec Corporate key employees, the performance criteria is Cargotec's earnings per share (EPS). The rewards to be paid on the basis of the performance period 2023–2025 will amount up to an approximate maximum total of 200,000 Cargotec's class B shares.

After the end of the performance period, the Board of Directors will confirm the cumulative amount of rewards earned from the measuring periods and potential rewards from the performance period 2023–2025 will be paid partly in Cargotec's class B shares and partly in cash in 2026. As a rule, no reward will be paid, if a key employee's employment or service ends before the reward payment.

In addition, The Board of Directors of Cargotec Corporation has resolved to establish a new restricted shares programme for calendar years 2023–2025. As a part of total compensation, additional restricted share grants can be allocated for selected key employees. The rewards to be paid on the basis of the programme will amount up to an approximate maximum total of 24,000 Cargotec’s class B shares.

The performance share programme, approved by the Board of Directors in 2020, includes three performance periods, of which the period for calendar years 2020–2022 has ended and periods

2021–2023 and 2022–2024 are ongoing. Each performance period includes one to three measuring periods. One measuring period can be three calendar years at maximum, which is the total length of one performance period. For the measuring periods, the Board of Directors will annually resolve the length, the performance criteria supporting the implementation of the strategy and the required performance levels for each criterion. Sustainability is an important part of the target setting and rewarding of the key employees.

For the performance period of 2021–2023, the potential reward of the third measuring period 2023 will be based on the eco portfolio share in orders received for the key employees of the business areas Kalmar, Hiab and MacGregor. For Cargotec Corporate key employees, the performance criterion is Cargotec's eco portfolio share in orders received.

For the performance period of 2022–2024, the potential reward of the second measuring period 2023 will be based on the business areas' service gross profit for the key employees of the business areas Kalmar, Hiab and MacGregor. For Cargotec Corporate key employees, the performance criterion will be Cargotec's service gross profit.

In addition, Cargotec has a share-based incentive programme for the Group key employees established in May 2022.

Market capitalisation and trading

Trading on Nasdaq Helsinki Oy[12]	Q1–Q3/23	Q1–Q3/22
Total market value of class B shares, MEUR[13]	2,172	1,709
Market capitalisation of class A and B shares at the end of the period, MEUR[14]	2,552	2,002
Closing price of class B share, EUR[15]	39.66	31.10
Volume-weighted average price of class B share, EUR	46.39	34.03
Highest quotation of class B share, EUR	55.15	48.46
Lowest quotation of class B share, EUR	38.06	24.90
Trading volume, million class B shares	17	36
Turnover of class B shares, MEUR	793	1,229

At the end of the period, the number of registered shareholders was 38,485. The number of Finnish household shareholders was 36,579, corresponding to around 17 percent ownership of Cargotec's listed B shares. At the end of the period, around 30 percent of Cargotec's listed B shares were nominee registered or held by non-Finnish holders.

Short-term risks and uncertainties

Developments in the global economy and cargo flows have a direct effect on Cargotec's operating environment and customers' willingness to invest. Changes in the global economy and supply chains, geopolitical tensions and wars, energy availability, sanctions and trade wars can have an impact on global flow of goods and therefore on the demand of Cargotec's solutions.

Disruptions in supply chains, problems with the availability of raw materials and energy, high inflation, high interest rates, weak consumer confidence, as well as increased uncertainty are slowing down economic growth.

The above risk factors have affected Cargotec's operations. The order intake during the reporting period did not reach the level of the comparison period while still continuing volatility in the supply chain affected the availability of raw materials and components, slowing down the production process, increasing inventories and delaying the delivery of finished products and the recording of sales revenue. Component availability problems as well as increased labour and energy costs elevate manufacturing costs and increase challenges to control costs and pass them on to the prices of end products.

In a changing market situation, demand for Cargotec's solutions might be lower than in the previous years. Customers may also try to postpone or cancel orders. Despite planned cost savings, lower production volumes could impact Cargotec's profitability margins negatively. There is also uncertainty related to achieving the planned cost savings.

Deterioration of the global economic outlook and access to finance as well as increases in interest rates can lead to economic and financial difficulties among Cargotec's customers. In some cases their financial position may rapidly deteriorate significantly or even lead to insolvency. The turnover, availability, and cost of skilled personnel can create disturbances to Cargotec and its supplier operations.

Container traffic growth rate and a possible slowdown or contraction in global economic growth may in the longer term have an effect on the demand of Kalmar's cargo handling solutions. Kalmar's project executions face risks related to schedule, cost and delivery guarantees.

In addition to economic growth, for example, Hiab's demand is also impacted by the development of the construction market. Economic uncertainty as well as high prices and interest rates, and the availability challenges of building materials can have a negative effect on construction activity,

[12] Class B shares were also traded in several alternative marketplaces.
[13] At the end of the period, excluding own shares held by the company.
[14] Excluding own shares held by the company, unlisted class A shares are valued at the average price of class B shares on the last trading day of the period.
[15] On the last trading day of the period.

which in turn can negatively impact the demand for Hiab's solutions. A significant share of Hiab's orders are from the United States. Even though the cash flows are hedged for the existing order book, the weakening of the US dollar could in the longer term weaken Hiab's results. Similarly, a stronger dollar can improve Hiab's results. The Hiab solutions are installed on trucks, and the truck delivery bottlenecks can have a negative impact on Hiab's sales development.

MacGregor's market development is affected by the tightening emission regulation for ships and related uncertainty. The increases in the new vessel construction costs and high amounts of order bookings at shipyards may slow down new vessel orders, and the recent drop in container shipping rates may increase ship operators' reluctance to make new investments. Global decarbonisation targets have led to a fall in investments by the oil industry, which has long been reflected in decreased offshore vessel investments. However, increase in contracting for wind turbine installations and service vessels is estimated to partly compensate that in the future. Project executions face risks related to schedule, cost and delivery guarantees, especially those related to offshore business and new product developments. Downward revision of market estimates or rising interest rates could result in an impairment of MacGregor's goodwill.

In November 2022, Cargotec's Board of Directors concluded that MacGregor will not be part of Cargotec's portfolio in the future. Taking into account MacGregor's losses in recent years and significant project cost overruns in the offshore business, in the sale alternative the buyer's view of the company's value may differ significantly from Cargotec's estimate, which could result in an write-down of MacGregor's book value. In April 2023, Cargotec announced that its Board of Directors had decided to investigate and initiate a process to potentially separate Cargotec's core businesses Kalmar and Hiab into two standalone companies. The planned actions can include risks related to the retention of skilled personnel, customer relationships, the execution of potential transactions, and costs, for example.

Cargotec is exposed to climate-related risks via environmental, regulatory and technological changes, and due to the commitments it has made to reduce emissions. Evaluation of the financial impacts of climate change on Cargotec is complicated because the occurrence and timing of the resulting effects are difficult to predict, let alone quantify. To reduce emissions generated in its supply chain, Cargotec must reduce emissions through its whole supply chain from raw materials to components and manufacturing, which may result in changes in the suppliers used, limit the number of potential suppliers, and increase costs.

Reaching the set emission targets requires efforts in every aspect of Cargotec's business. In addition to being exposed to climate-related risks, the ongoing transition process causes new risks, the realisation of which can have significant financial effects. These effects can lead, for example, to impairments of assets due to the shortened life cycles of products, as well as additional costs related to the introduction of new technologies, which may arise in product development, the realisation of project risks, the growth of inventories, and new types of warranty defects.

Cargotec is involved in certain legal disputes, investigations and trials. The interpretation of international agreements and legislation may weaken the predictability of the end results of legal disputes and trials.

Risks regarding Cargotec's acquisitions are related to, for example, the knowledge of the local markets, authority processes, customers, corporate culture, integration, costs, achieving targets, as well as key employees.

Information security risks are also materially related to Cargotec's operations. A cyber attack on systems that are critical to the operations of the company, its customers or suppliers can disrupt operational stability, lead to a decrease in sales and damage Cargotec's reputation, for example.

There are also ethical risks related to the industries and the geographical scope where Cargotec operates. Cargotec has increased actions to ensure compliance with its business guidelines, regulations and ethical principles. Related internal processes are constantly being developed.

More information on risks is available at www.cargotec.com, under Investors > Governance > Internal control and risk management.

Events after the reporting period

There were no material events after the reporting period.

Outlook for 2023 unchanged

Cargotec estimates its core businesses'[16] 2023 comparable operating profit to improve from 2022 (EUR 384[17] million) and MacGregor's comparable operating profit in 2023 to be positive (EUR -47[17] million).[18]

Helsinki, 25 October 2023
Cargotec Corporation
Board of Directors

This interim report is unaudited.

[16] Hiab and Kalmar excluding heavy cranes and including corporate administration and support functions.

[17] Cargotec has changed the definition of the alternative performance measure comparable operating profit starting from 1 January 2023. Comparison figures have been calculated based on the new definition. Additional information about the definition is presented in the stock exchange release published on 4 April 2023.

[18] The outlook for 2023 does not include the comparable operating profit of Kalmar's heavy crane business which will be discontinued.

Consolidated statement of income

MEUR	Note	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Sales	5	**1,101.5**	**1,040.5**	**3,375.5**	**2,850.1**	**4,088.6**
Cost of goods sold		-836.6	-829.4	-2,554.0	-2,234.1	-3,230.5
Gross profit		**265.0**	**211.1**	**821.5**	**616.0**	**858.1**
Gross profit, %		24.1%	20.3%	24.3%	21.6%	21.0%
Selling and marketing expenses		-50.3	-49.3	-154.5	-146.9	-199.9
Research and development expenses		-22.4	-22.7	-68.7	-71.8	-99.8
Administration expenses		-64.5	-68.8	-215.7	-194.1	-279.7
Restructuring costs	7	-2.5	-15.2	-7.9	-55.2	-91.3
Other operating income		11.1	17.6	30.6	40.1	51.9
Other operating expenses		1.1	-24.7	-17.1	-58.2	-140.2
Share of associated companies' and joint ventures' net result		2.8	2.1	6.6	5.0	7.0
Operating profit		**140.3**	**50.0**	**394.8**	**134.9**	**106.1**
Operating profit, %		12.7%	4.8%	11.7%	4.7%	2.6%
Finance income		3.0	1.0	7.5	2.9	4.4
Finance expenses		-8.9	-7.8	-31.2	-18.2	-31.6
Profit before taxes		**134.3**	**43.2**	**371.1**	**119.6**	**79.0**
Profit before taxes, %		12.2%	4.2%	11.0%	4.2%	1.9%
Income taxes	9	-27.3	-14.3	-83.7	-28.8	-55.8
Profit for the period		**107.1**	**28.9**	**287.3**	**90.8**	**23.2**
Profit for the period, %		9.7%	2.8%	8.5%	3.2%	0.6%
Profit for the period attributable to:						
Shareholders of the parent company		107.2	28.9	287.7	91.2	23.9
Non-controlling interest		-0.1	0.0	-0.4	-0.4	-0.7
Total		**107.1**	**28.9**	**287.3**	**90.8**	**23.2**
Earnings per share for profit attributable to the shareholders of the parent company:						
Basic earnings per share, EUR		1.66	0.45	4.46	1.41	0.37
Diluted earnings per share, EUR		1.65	0.45	4.44	1.41	0.37

The notes are an integral part of the interim report.

Consolidated statement of comprehensive income

MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Profit for the period	**107.1**	**28.9**	**287.3**	**90.8**	**23.2**
Other comprehensive income					
Items that cannot be reclassified to statement of income:					
Actuarial gains (+) / losses (-) from defined benefit plans	-0.1	0.6	0.8	2.4	27.7
Gains (+) / losses (-) on designated share investments measured at fair value	—	-3.4	—	-9.8	-11.0
Taxes relating to items that cannot be reclassified to statement of income	0.0	-0.1	-0.2	-0.4	-5.6
Items that can be reclassified to statement of income:					
Gains (+) / losses (-) on cash flow hedges	-9.5	-58.6	-12.6	-116.9	-59.3
Gains (+) / losses (-) on cash flow hedges transferred to statement of income	2.1	41.3	-2.8	73.6	65.9
Translation differences	18.0	23.7	-26.1	64.5	11.3
Taxes relating to items that can be reclassified to statement of income	1.6	2.2	2.5	5.9	-2.3
Share of other comprehensive income of associates and JV, net of tax	0.0	1.6	0.7	1.2	-0.8
Other comprehensive income, net of tax	**12.2**	**7.2**	**-37.6**	**20.5**	**25.8**
Comprehensive income for the period	**119.2**	**36.1**	**249.8**	**111.3**	**49.0**
Comprehensive income for the period attributable to:					
Shareholders of the parent company	119.4	36.1	250.1	111.5	49.7
Non-controlling interest	-0.1	0.0	-0.4	-0.3	-0.6
Total	**119.2**	**36.1**	**249.8**	**111.3**	**49.0**

The notes are an integral part of the interim report.

Consolidated balance sheet

ASSETS, MEUR	Note	30 Sep 2023	30 Sep 2022	31 Dec 2022
Non-current assets				
Goodwill		879.0	977.1	892.1
Intangible assets		126.7	154.4	124.8
Property, plant and equipment		438.4	425.9	420.0
Investments in associated companies and joint ventures	16	72.0	75.0	74.6
Share investments	16	0.0	3.3	0.0
Loans receivable and other interest-bearing assets	11	0.2	11.0	4.5
Deferred tax assets		129.2	142.3	128.6
Derivative assets	12	1.1	1.2	1.1
Other non-interest-bearing assets		6.9	8.8	7.2
Total non-current assets		**1,653.3**	**1,799.2**	**1,652.9**
Current assets				
Inventories		1,148.0	1,089.6	1,013.3
Loans receivable and other interest-bearing assets*	11	3.4	6.1	2.8
Income tax receivables		28.5	39.7	39.0
Derivative assets	12	15.3	22.5	39.5
Accounts receivable		761.4	711.9	734.7
Contract assets		74.1	117.0	104.0
Other non-interest-bearing assets		176.4	156.4	151.2
Cash and cash equivalents*	11	451.8	431.5	451.9
Total current assets		**2,658.9**	**2,574.6**	**2,536.4**
Total assets		**4,312.3**	**4,373.7**	**4,189.3**

*Included in interest-bearing net debt.

EQUITY AND LIABILITIES, MEUR	Note	30 Sep 2023	30 Sep 2022	31 Dec 2022
Equity attributable to the shareholders of the parent company				
Share capital		64.3	64.3	64.3
Share premium		98.0	98.0	98.0
Translation differences		-60.0	19.2	-34.0
Fair value reserves		-15.6	-43.2	-3.5
Reserve for invested unrestricted equity		35.3	52.8	52.8
Retained earnings		1,558.1	1,395.3	1,350.0
Total equity attributable to the shareholders of the parenty company		**1,680.1**	**1,586.4**	**1,527.6**
Non-controlling interest		0.0	1.0	0.7
Total equity		**1,680.1**	**1,587.5**	**1,528.3**
Non-current liabilities				
Interest-bearing liabilities*	11	509.3	879.3	750.9
Deferred tax liabilities		26.4	19.9	30.6
Pension obligations		81.4	110.5	82.2
Provisions		5.2	5.7	6.4
Other non-interest-bearing liabilities		82.8	75.7	74.8
Total non-current liabilities		**705.1**	**1,091.0**	**944.9**
Current liabilities				
Current portion of interest-bearing liabilities*	11	329.5	39.1	74.9
Other interest-bearing liabilities*	11	22.7	11.1	11.7
Provisions		152.1	169.0	176.2
Income tax payables		56.7	45.7	52.9
Derivative liabilities	12	28.0	45.8	7.4
Accounts Payable		545.8	593.1	617.1
Contract liabilities		362.3	338.1	291.1
Other non-interest-bearing liabilities		429.9	453.3	484.8
Total current liabilities		**1,927.0**	**1,695.2**	**1,716.1**
Total equity and liabilities		**4,312.3**	**4,373.7**	**4,189.3**

*Included in interest-bearing net debt.
The notes are an integral part of the interim report.

Consolidated statement of changes in equity

MEUR	Attributable to the shareholders of the parent company: Share capital	Share premium	Translation differences	Fair value reserves	Reserve for invested unrestricted equity	Retained earnings	Total	Non-controlling interest	Total equity
Equity 1 Jan 2023	**64.3**	**98.0**	**-34.0**	**-3.5**	**52.8**	**1,350.0**	**1,527.6**	**0.7**	**1,528.3**
Profit for the period						287.7	287.7	-0.4	287.3
Cash flow hedges				-12.1			-12.1	–	-12.1
Translation differences			-26.1				-26.1	0.0	-26.1
Actuarial gains and losses from defined benefit plans						0.6	0.6	–	0.6
Comprehensive income for the period*	**–**	**–**	**-26.1**	**-12.1**	**–**	**288.3**	**250.1**	**-0.4**	**249.8**
Dividends paid						-86.9	-86.9	-0.3	-87.3
Treasury shares acquired					-17.5		-17.5		-17.5
Share-based payments*						6.8	6.8		6.8
Transactions with owners of the company	**–**	**–**	**–**	**–**	**-17.5**	**-80.1**	**-97.6**	**-0.3**	**-98.0**
Transactions with non-controlling interests						–	–	–	–
Equity 30 Sep 2023	**64.3**	**98.0**	**-60.0**	**-15.6**	**35.3**	**1,558.1**	**1,680.1**	**–**	**1,680.1**
Equity 1 Jan 2022	**64.3**	**98.0**	**-45.2**	**-7.0**	**54.0**	**1,380.1**	**1,544.3**	**2.7**	**1,547.0**
Profit for the period						91.2	91.2	-0.4	90.8
Cash flow hedges				-36.2			-36.2	–	-36.2
Translation differences			64.4				64.4	0.1	64.5
Actuarial gains and losses from defined benefit plans						1.9	1.9	–	1.9
Gains and losses on designated share investments measured at fair value						-9.8	-9.8		-9.8
Comprehensive income for the period*	**–**	**–**	**64.4**	**-36.2**	**–**	**83.3**	**111.5**	**-0.3**	**111.3**
Dividends paid						-69.5	-69.5	-0.9	-70.4
Treasury shares acquired					-1.2		-1.2		-1.2
Share-based payments*						1.6	1.6		1.6
Transactions with owners of the company	**–**	**–**	**–**	**–**	**-1.2**	**-67.9**	**-69.1**	**-0.9**	**-70.0**
Transactions with non-controlling interests						-0.3	-0.3	-0.5	-0.8
Equity 30 Sep 2022	**64.3**	**98.0**	**19.2**	**-43.2**	**52.8**	**1,395.3**	**1,586.4**	**1.0**	**1,587.5**

*Net of tax
The notes are an integral part of the interim report.

Consolidated statement of cash flows

MEUR	Note	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Net cash flow from operating activities						
Profit for the period		126.2	28.9	287.3	90.8	23.2
Depreciation, amortisation and impairment	8	29.5	27.4	86.3	88.6	203.9
Finance income and expenses		6.0	6.8	23.7	15.3	27.2
Income taxes	9	8.2	14.3	83.7	28.8	55.8
Change in net working capital		18.6	40.0	-221.4	-137.1	-68.3
Other adjustments		-4.0	-1.2	-7.6	-2.5	-10.6
Cash flow from operations before finance items and taxes		**184.4**	**116.1**	**252.1**	**84.0**	**231.2**
Cash flow from financing items and taxes		-25.1	-8.0	-64.2	-49.7	-70.7
Net cash flow from operating activities		**159.3**	**108.1**	**187.8**	**34.3**	**160.4**
Net cash flow from investing activities						
Acquisitions of businesses, net of cash acquired	15	-9.5	—	-25.2	0.1	-0.1
Disposals of businesses, net of cash sold	15	—	12.7	7.0	14.2	15.1
Investments in associated companies and joint ventures	16	—	-0.9	—	-0.9	-0.9
Cash flow from investing activities, other items		-14.1	8.1	-33.6	-10.6	-8.0
Net cash flow from investing activities		**-23.6**	**19.9**	**-51.8**	**2.8**	**6.1**

MEUR	Note	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Net cash flow from financing activities						
Treasury shares acquired		-17.1	—	-17.5	-1.2	-1.2
Repayments of lease liabilities		-11.8	-11.1	-34.1	-32.1	-43.1
Repayments of long-term borrowings		—	—	—	—	-87.5
Proceeds from short-term borrowings		6.3	-1.3	12.9	2.5	—
Repayments of short-term borrowings		0.0	-0.9	0.0	-2.2	-3.3
Dividends paid		-0.3	-0.3	-87.3	-70.4	-70.4
Net cash flow from financing activities		**-23.0**	**-13.6**	**-126.0**	**-103.4**	**-205.5**
Change in cash and cash equivalents		**112.7**	**114.4**	**10.1**	**-66.3**	**-39.0**
Cash and cash equivalents, and bank overdrafts at the beginning of period		335.5	311.7	445.4	488.2	488.2
Effect of exchange rate changes		-0.7	3.9	-7.9	8.2	-3.8
Cash and cash equivalents, and bank overdrafts at the end of period		**447.5**	**430.0**	**447.5**	**430.0**	**445.4**
Bank overdrafts at the end of period		4.3	1.4	4.3	1.4	6.5
Cash and cash equivalents at the end of period		**451.8**	**431.5**	**451.8**	**431.5**	**451.9**

The notes are an integral part of the interim report.

Notes to the interim report

1. General information

Cargotec Corporation (1927402-8) is a limited liability company domiciled in Helsinki, Finland. The registered address is Porkkalankatu 5, 00180 Helsinki, Finland. Cargotec Corporation and its subsidiaries form the Cargotec Group (later referred to as Cargotec or company). Cargotec Corporation's class B shares are quoted on Nasdaq Helsinki since 1 June 2005.

2. Accounting principles

The interim report has been prepared according to IAS 34 Interim Financial Reporting. The accounting policies adopted are consistent with those of the annual financial statements for 2022 and comply with changes in IAS/IFRS standards effective from 1 January 2023 that had no material impact on the interim report.

All figures presented have been rounded, which may cause, for example, the sum of individual figures to deviate from the presented sum total.

Amendments to IAS/IFRS standards published in 2023

Amendments to IAS 12, International Tax Reform—Pillar Two Model Rules

Pillar 2 is the OECD's initiative to address tax challenges related to the digitalisation of the global economy by introducing Global Anti-Base Erosion (GloBE) rules and a related 15% global minimum tax. The European Union's Council Directive (EU) 2022/2523 entered into force in December 2022, according to which the EU Member States shall transpose the GloBE rules into their domestic law by 31 December 2023.

According to the IASB's published amendments to IAS 12, Cargotec has applied the exception provided in IAS 12 paragraph 4A and has neither recognised nor disclosed information about deferred tax assets or liabilities related to Pillar 2 income taxes.

Pillar 2 rules have been enacted, but are not yet in effect for the financial year 2023, in several countries where Cargotec has operations, including Finland where Cargotec Corporation is incorporated. Based on the initial impact analysis, income taxes in relation to Pillar 2 are not estimated to have a material impact on the income taxes of the group.

Amendments to IAS 7 and IFRS 7, Supplier Finance Arrangements.

The amendment instructs to provide more information about the use of supplier financing arrangements, their scope, and the effect on the reported figures. Cargotec has supplier financing arrangements with certain financiers and its suppliers. In these arrangements, the term of payment for Cargotec's trade payables is extended, and the suppliers receive payment faster than under normal terms of payment. The amendment becomes effective 1 January 2024 and is not estimated to have a significant impact on Cargotec's reporting.

Amendments to IAS 21, Lack of Exchangeability

The amendment provides guidance for identifying a situation where a currency cannot be considered freely exchangeable and instructs in these situations to take this into account in the exchange rate used in reporting and to provide additional information on the matter. The amendment becomes effective 1 January 2025 and is not estimated to have a significant impact on Cargotec's reporting.

3. Prevailing economic uncertainty

Developments in the global economy and cargo flows have a direct effect on Cargotec’s operating environment and customers’ willingness to invest. Changes in the global economy and supply chains, geopolitical tensions and wars, energy availability, sanctions and trade wars can have an impact on global flow of goods and therefore on the demand of Cargotec’s solutions.

Disruptions in supply chains, problems with the availability of raw materials and energy, high inflation, high interest rates, weak consumer confidence, as well as increased uncertainty are slowing down economic growth.

The above risk factors have affected Cargotec's operations. The order intake during the reporting period did not reach the level of the comparison period while still continuing volatility in the supply chain affected the availability of raw materials and components, slowing down the production process, increasing inventories and delaying the delivery of finished products and the recording of sales revenue. Component availability problems as well as increased labour and energy costs elevate manufacturing costs and increase challenges to control costs and pass them on to the prices of end products.

In a changing market situation, demand for Cargotec’s solutions might be lower than in the previous years. Customers may also try to postpone or cancel orders. Despite rigorous scenario planning, lower production volumes could impact Cargotec’s profitability margins negatively.

Deterioration of the global economic outlook and access to finance as well as increases in interest rates can lead to economic and financial difficulties among Cargotec's customers. In some cases their financial position may rapidly deteriorate significantly or even lead to insolvency. The turnover, availability, and cost of skilled personnel can create disturbances to Cargotec and its supplier operations.

Cargotec's sales to Russia, Belarus, and Ukraine have been low. Cargotec complies with the sanctions imposed on Russia and is retrieving from the country, however, it is difficult to estimate when it can be finalised. In May 2023, Hiab sold its Russian subsidiary Hiab RUS LLC to the company's executive management. At the time of reporting, the assets of Cargotec's Russian subsidiary totalled EUR 5.9 million, which mainly consisted of cash and cash equivalents. In addition, Cargotec's subsidiaries outside of Russia had trade receivables from Russia totalling EUR 0.9 million. Cargotec has a provision of EUR 4.0 million related to the above-mentioned balance sheet items.

MacGregor goodwill impairment testing

MacGregor's goodwill impairment testing was renewed on 30 September 2023 due to the low level of MacGregor's recoverable amount in relation to the assets being tested. Cargotec announced in November 2022 that it has decided that MacGregor will not be part of Cargotec's portfolio in the future. Cargotec will continue to focus on a turnaround of the business and to look for a solution for MacGregor in 2024. As a result of the decision, the recoverable amount of the MacGregor segment is determined in the goodwill impairment testing based on the fair value less costs to sell. The testing indicated that the recoverable amount exceeded the tested assets by a EUR 213.8 million (December 31, 2022: EUR 63.4 million impairment) mainly due to changes in the tested items. The post-tax WACC (weighted average cost of capital) used in the testing was 8.2 (9.0) percent.

Based on the performed impairment testing, no impairment loss has been recorded. However, MacGregor's recoverable amount remains low relative to testable assets and is sensitive to changes in WACC and forecasts. In addition, in the sale alternative, the refinement of MacGregor's fair value may lead to a further impairment of goodwill.

The goodwill of the MacGregor segment was EUR 379.5 (December 31, 2022: 392.6) million at the time of reporting. As part of MacGregor's impairment testing, sensitivity analyses have been performed for the key assumptions based on three different scenarios. The changes tested in the analyses are a 2 percentage point increase in the discount rate in the first scenario, a 10 percent decrease in turnover and a 2 percentage point decrease in operating profit margin throughout the estimation period in the second scenario, and the combined effect of the previous scenarios in the third scenario. The results of the sensitivity analysis are presented in the table below.

MacGregor goodwill sensitivity analysis

		Sensitivity analysis scenarios and results		
		Scenario 1	Scenario 2	Scenario 3
	Recoverable amount in excess of book value of assets, MEUR	WACC +2 percentage points	Sales -10 percent and operating profit -2 percentage points	Sales -10 percent, operating profit -2 percentage points and WACC +2 percentage points
30 Sep 2023	213.8	No impairment*	Impairment**	Impairment
31 Dec 2022	0.0	Impairment*	Impairment**	Impairment

*Threshold for impairment was WACC +5.7 percentage points (31 Dec 2022: any increase in WACC).
**Threshold for impairment was estimation period sales -10 percent and operating profit -1.9 percentage points (31 Dec 2022: any decline in estimation period sales or operating profit).

Due to the current level of excess value of MacGregor's recoverable amount compared to the book value of assets, should the scenarios considered in the sensitivity analysis realise, the amount to be written off would be; EUR 0 (31 Dec 2022: 142) million in the first scenario, EUR 9 (257) million in the second, and EUR 72 (306) million in the third.

Goodwill impairment testing of Kalmar and Hiab

As part of the annual goodwill impairment testing, the recoverable amounts of the Kalmar and Hiab segments were determined based on value in use. The pre-tax WACC used in the testing was 12.3 (2022: 13.9) percent for Kalmar and 11.6 (2022: 13.7) percent for Hiab. Based on the testing, no impairment was recorded in the goodwill of either segment, nor did any of the sensitivity analyses indicate an impairment. Sensitivity analyses were performed based on the same principles as the sensitivity analyses performed for MacGregor described above.

Financial risks related to climate change

Cargotec is exposed to climate-related risks via environmental, regulatory and technological changes, and due to the commitments it has made to reduce emissions. Evaluation of the financial impacts of climate change on Cargotec is complicated because the occurrence and timing of the resulting effects are difficult to predict, let alone quantify. To reduce emissions generated in its supply chain, Cargotec must reduce emissions through its whole supply chain from raw materials to components and manufacturing, which may result in changes in the suppliers used, limit the number of potential suppliers, and increase costs.

Reaching the set emission targets requires efforts in every aspect of Cargotec's business. In addition to being exposed to climate-related risks, the ongoing transition process causes new risks, the realisation of which can have significant financial effects. These effects can lead, for example, to impairments of assets due to the shortened life cycles of products, as well as additional costs related to the introduction of new technologies, which may arise in product development, the realisation of project risks, the growth of inventories, and new types of warranty defects.

More information about the effects of climate-related risks on Cargotec and Cargotec's commitments to reduce its carbon dioxide emissions is given in the 2022 annual report.

4. Segment information

Sales, MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Kalmar	503	526	1,540	1,325	1,943
Hiab	420	378	1,336	1,122	1,578
MacGregor	179	137	499	403	569
Internal sales	0	0	0	-1	-1
Total	**1,102**	**1,041**	**3,375**	**2,850**	**4,089**

Sales by geographical area, MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
EMEA	473	465	1,517	1,365	1,922
Americas	426	397	1,306	1,019	1,478
Asia-Pacific	203	178	553	466	688
Total	**1,102**	**1,041**	**3,375**	**2,850**	**4,089**

Sales by geographical area, %	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
EMEA	43%	45%	45%	48%	47%
Americas	39%	38%	39%	36%	36%
Asia-Pacific	18%	17%	16%	16%	17%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Operating profit and EBITDA, MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Kalmar	64.1	39.2	205.3	75.1	142.1
Hiab	61.5	49.6	204.4	155.7	217.1
MacGregor	24.3	-25.8	25.2	-46.5	-190.2
Corporate administration and support functions	-9.6	-13.1	-40.1	-49.4	-62.9
Operating profit	**140.3**	**50.0**	**394.8**	**134.9**	**106.1**
Depreciation, amortisation and impairment*	29.5	27.4	86.3	88.6	203.9
EBITDA	**169.8**	**77.4**	**481.0**	**223.6**	**310.1**

*Includes the effects of allocating the acquisition cost of businesses	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Kalmar	-0.2	-0.2	-0.6	-0.7	-0.9
Hiab	-0.8	-0.5	-2.3	-2.6	-3.3
MacGregor	-1.7	-2.9	-5.2	-8.7	-11.5
Effects of allocating the acquisitions cost of businesses in total	**-2.7**	**-3.6**	**-8.2**	**-11.9**	**-15.7**

Operating profit, %	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Kalmar	12.7%	7.5%	13.3%	5.7%	7.3%
Hiab	14.7%	13.1%	15.3%	13.9%	13.8%
MacGregor	13.6%	-18.9%	5.0%	-11.5%	-33.4%
Cargotec	12.7%	4.8%	11.7%	4.7%	2.6%

Items affecting comparability, MEUR**	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Kalmar					
Restructuring costs	-0.5	-10.2	-0.9	-43.5	-41.4
Other items affecting comparability	-6.6	-1.1	-6.6	-1.3	-5.7
Items affecting comparability, total	**-7.1**	**-11.3**	**-7.5**	**-44.8**	**-47.0**

Hiab	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Restructuring costs	0.0	0.3	0.1	-3.4	-3.6
Other items affecting comparability	0.0	-0.2	0.0	-0.2	-0.3
Items affecting comparability, total	**0.0**	**0.1**	**0.1**	**-3.6**	**-3.9**

MacGregor	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Restructuring costs	-2.0	-5.0	-7.1	-7.5	-44.8
Other items affecting comparability	17.8	-20.6	12.8	-25.9	-97.9
Items affecting comparability, total	**15.8**	**-25.6**	**5.7**	**-33.3**	**-142.7**

Corporate administration and support functions	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Restructuring costs	0.0	-0.3	0.0	-0.8	-1.5
Other items affecting comparability	0.1	-2.0	-5.7	-14.1	-15.1
Items affecting comparability total	**0.1**	**-2.3**	**-5.7**	**-14.9**	**-16.6**

Total	**8.8**	**-39.1**	**-7.4**	**-96.6**	**-210.2**

Comparable operating profit, MEUR**	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Kalmar	71.2	50.5	212.8	119.9	189.2
Hiab	61.5	49.6	204.3	159.4	220.9
MacGregor	8.5	-0.2	19.5	-13.2	-47.5
Corporate administration and support functions	-9.7	-10.8	-34.4	-34.5	-46.3
Total	**131.5**	**89.1**	**402.2**	**231.6**	**316.4**

Comparable operating profit, %**	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Kalmar	14.1%	9.6%	13.8%	9.1%	9.7%
Hiab	14.7%	13.1%	15.3%	14.2%	14.0%
MacGregor	4.8%	-0.1%	3.9%	-3.3%	-8.3%
Cargotec	**11.9%**	**8.6%**	**11.9%**	**8.1%**	**7.7%**

**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 16 million in 2022. Of these items, EUR 1 million were related to Kalmar, EUR 3 million to Hiab, and EUR 12 million to MacGregor. Additional information regarding the changed definition is presented in the stock exchange release published on 4 April 2023.

Orders received, MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Kalmar	392	470	1,300	1,537	2,081
Hiab	311	425	1,065	1,430	1,807
MacGregor	211	252	606	706	976
Internal orders received	0	0	0	0	0
Total	**914**	**1,147**	**2,972**	**3,672**	**4,862**

Orders received by geographical area, MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
EMEA	431	454	1,368	1,591	2,052
Americas	239	413	950	1,297	1,712
Asia-Pacific	244	280	654	785	1,099
Total	**914**	**1,147**	**2,972**	**3,672**	**4,862**

Orders received by geographical area, %	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
EMEA	47%	40%	46%	43%	42%
Americas	26%	36%	32%	35%	35%
Asia-Pacific	27%	24%	22%	22%	23%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Order book, MEUR	30 Sep 2023	30 Sep 2022	31 Dec 2022
Kalmar	1,172	1,569	1,428
Hiab	900	1,301	1,185
MacGregor	993	861	927
Internal order book	1	1	1
Total	**3,065**	**3,732**	**3,541**

Number of employees at the end of period	30 Sep 2023	30 Sep 2022	31 Dec 2022
Kalmar	5,101	5,044	5,012
Hiab	3,972	3,716	3,778
MacGregor	1,945	1,954	1,978
Corporate administration and support functions	768	811	758
Total	**11,786**	**11,525**	**11,526**

Average number of employees	Q1–Q3/23	Q1–Q3/22	2022
Kalmar	5,063	4,972	4,979
Hiab	3,929	3,675	3,697
MacGregor	1,958	1,915	1,928
Corporate administration and support functions	757	809	801
Total	**11,707**	**11,372**	**11,405**

5. Revenue from contracts with customers

Cargotec, MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Equipment sales	756	705	2,314	1,906	2,778
Service sales	334	323	1,024	910	1,264
Software sales	12	12	37	34	47
Total sales	**1,102**	**1,041**	**3,375**	**2,850**	**4,089**
Recognised at a point in time*	981	932	3,020	2,579	3,630
Recognised over time*	120	109	355	271	459

Kalmar, MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Equipment sales	354	371	1,077	890	1,344
Service sales	137	142	427	402	551
Software sales	12	12	37	34	47
Total sales	**503**	**526**	**1,540**	**1,325**	**1,943**
Recognised at a point in time*	448	456	1,339	1,175	1,665
Recognised over time*	56	69	201	151	278

Hiab, MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Equipment sales	307	273	998	824	1,167
Service sales	113	106	339	298	411
Total sales	**420**	**378**	**1,336**	**1,122**	**1,578**
Recognised at a point in time	416	375	1,326	1,112	1,565
Recognised over time	4	3	11	10	14

MacGregor, MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Equipment sales	94	61	239	193	268
Service sales	85	75	260	210	301
Total sales	**179**	**137**	**499**	**403**	**569**
Recognised at a point in time	118	101	355	293	402
Recognised over time	61	36	144	111	167

* In the first quarter of 2023 there has been made regrouping of EUR 4 million and in the second quarter regrouping of EUR 11 million between sales recognised at a point in time and sales recognised over time.

6. Share-based payments

In April 2023, Cargotec's Board of Directors decided to establish a new share-based incentive programme for the Group key employees. The reward from the new Restricted Share Unit Programme 2023–2025 is conditional on the achievement of strategic goals set by the Board of Directors. In addition, the reward is based on a valid employment or service and the continuity of the employment or service. The reward is paid at the beginning of 2025. The shares received as a reward from the programme may not be sold, transferred, pledged or otherwise assigned during a lock-up period which ends six months after the reward payment. The programme is intended for approximately 50 Cargotec Group's key employees, including selected Leadership Team members. The rewards to be allocated on the basis of the Programme will amount up to an approximate maximum total of 268,750 Cargotec Corporation class B shares. In addition, a cash proportion is included in the reward to cover taxes and tax-related costs arising from the reward.

In February 2023, Cargotec's Board of Directors resolved to establish a new share-based incentive programme directed to the key employees of Cargotec. The performance share programme includes calendar years 2023–2025 as a performance period. The performance period includes three measuring periods of one calendar year. For each measuring period, the Board of Directors will annually resolve the performance criteria and the required performance levels for each criterion. The 2023–2025 performance share programme is directed to approximately 100 key employees, including the members of Cargotec Leadership Team. For the key employees of the business areas Kalmar and Hiab, the potential reward of the programme from the measuring period 2023 will be based on the business areas' earnings per share (EPS). For the Cargotec Corporate key employees, the performance criteria is Cargotec's earnings per share (EPS). The rewards to be paid on the basis of the performance period 2023–2025 will amount up to an approximate maximum total of 200,000 Cargotec's class B shares. In addition, the rewards include cash proportions that are intended to cover taxes and tax-related costs arising from the reward to the key employees..

After the end of the performance period, the Board of Directors will confirm the cumulative amount of rewards earned from the measuring periods and potential rewards from the performance period 2023–2025 will be paid partly in Cargotec's class B shares and partly in cash in 2026. As a rule, no reward will be paid, if a key employee's employment or service ends before the reward payment.

In addition, The Board of Directors of Cargotec Corporation has resolved to establish a new restricted shares programme for calendar years 2023–2025. As a part of total compensation, additional restricted share grants can be allocated for selected key employees. The rewards to be paid on the basis of the programme will amount up to an approximate maximum total of 24,000 Cargotec’s class B shares. In addition, the rewards include cash proportions that are intended to cover taxes and tax-related costs arising from the reward to the key employees.

The performance share programme, approved by the Board of Directors in 2020, includes three performance periods, of which the period for calendar years 2020–2022 has ended and periods 2021–2023 and 2022–2024 are ongoing. Each performance period includes one to three measuring periods. One measuring period can be three calendar years at maximum, which is the total length of one performance period. For the measuring periods, the Board of Directors will annually resolve the length, the performance criteria supporting the implementation of the strategy and the required performance levels for each criterion. Sustainability is an important part of the target setting and rewarding of the key employees.

For the performance period of 2021–2023, the potential reward of the third measuring period 2023 will be based on the eco portfolio share in orders received for the key employees of the business areas Kalmar, Hiab and MacGregor. For Cargotec Corporate key employees, the performance criterion was Cargotec’s eco portfolio share in orders received.

For the performance period of 2022–2024, the potential reward of the second measuring period 2023 will be based on the business areas’ service gross profit for the key employees of the business areas Kalmar, Hiab and MacGregor. For Cargotec Corporate key employees, the performance criterion will be Cargotec’s service gross profit.

In addition, Cargotec has a share-based incentive programme for the Group key employees established in May 2022.

7. Comparable operating profit

MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Operating profit	**140.3**	**50.0**	**394.8**	**134.9**	**106.1**
Restructuring costs					
Employment termination costs	0.6	1.7	2.8	3.3	9.4
Impairments of owned non-current assets *	—	—	—	—	23.6
Impairments of inventories	-0.5	1.8	-0.5	1.8	5.0
Restructuring-related disposals of businesses**	—	0.1	0.6	0.4	0.4
Other restructuring costs***	2.3	11.6	5.0	49.7	53.0
Restructuring costs, total	**2.5**	**15.2**	**7.9**	**55.2**	**91.3**
Other items affecting comparability					
Expenses related to business acquisitions or disposals****	0.0	0.9	0.5	5.6	4.5
Merger plan with Konecranes Plc	—	0.1	—	9.6	9.6
Planning of the partial demerger	6.5	—	12.3	—	—
Impairment of MacGregor's goodwill (additional information in note 3)	—	—	—	—	63.4
Other costs *****	-17.8	22.9	-13.3	26.3	41.4
Other items affecting comparability, total	**-11.3**	**23.9**	**-0.5**	**41.4**	**118.9**
Comparable operating profit	**131.5**	**89.1**	**402.2**	**231.6**	**316.4**

* During the fourth quarter of 2022, Cargotec reviewed MacGregor's offering, ongoing projects and growth estimates. Based on the review, the company decided to discontinue the business activities related to fishery and research vessels as well as offshore mooring solutions, and a total of EUR 37 million was booked as restructuring costs. This includes a EUR 25 million write-down of intangible assets.

** Additional information regarding disposals of businesses is presented in note 15, Acquisitions and disposals.

*** Other restructuring costs include contract termination costs (other than employment contracts), costs arising from outsourcing or transferring operations to new locations, maintenance costs of vacant and in the future redundant premises for Cargotec, gains and losses on sale of intangible assets and property, plant and equipment that relate to sold or discontinued operations as well as costs for the group-wide reorganisation of support functions.

Year 2022 includes a EUR 4.7 million impairment provision to assets that relate to Cargotec's business in Russia. In addition, during the third quarter of 2022 Cargotec reversed revenues and recognised impairments related to its ongoing long-term projects to be delivered to Russia in a total of EUR 3.7 million. Kalmar booked in the second quarter of 2022 a EUR 25 million and in the third quarter a EUR 11 million restructuring cost related to the plans to transfer the heavy crane immaterial rights to Rainbow Industries Co. Ltd. (RIC) in China and to ramp down the heavy cranes business. From heavy cranes business ramp down costs, EUR 31 million is included to other restructuring costs.

**** Additional information regarding disposals of businesses is presented in note 15, Acquisitions and disposals and note 16, Joint ventures and associated companies. MacGregor booked in the second quarter of 2022 a total of EUR 4 million impairments into the values of its two Chinese joint venture holdings.

***** In the third quarter of 2022, Cargotec and its subsidiary MacGregor USA, Inc. made a voluntary self-disclosure to US authorities regarding compliance with certain export regulations related to information management in the context of MacGregor's US Government business in 2022. MacGregor then booked an approximately EUR 18 million provision to cover possible consequences. During the third quarter of 2023, relevant US authorities resolved the matter without monetary penalty, and Cargotec is thereby releasing the provision. This has been booked as an EUR 18 million item affecting comparability in the third quarter 2023. Additionally in 2022, EUR 14 million were recorded in expert and other expenses related to Cargotec's refocused strategy.

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 16 million in 2022. Of these items, EUR 1 million were related to Kalmar, EUR 3 million to Hiab, and EUR 12 million to MacGregor. Additional information regarding the changed definition is presented in the stock exchange release published on 4 April 2023.

8. Capital expenditure, depreciation, amortisation and impairment

Capital expenditure, MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Owned assets					
Intangible assets	1.0	0.5	3.1	3.3	4.8
Land and buildings	1.9	0.5	3.1	2.2	2.7
Machinery and equipment	15.9	13.8	53.0	40.9	58.7
Right-of-use assets					
Land and buildings	14.1	5.0	24.4	29.6	32.8
Machinery and equipment	5.6	2.7	17.5	9.7	14.7
Total	**38.4**	**22.5**	**101.1**	**85.8**	**113.6**

Depreciation, amortisation and impairment, MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Owned assets					
Goodwill	—	—	—	—	63.4
Intangible assets	4.2	5.3	12.6	16.8	47.8
Land and buildings	1.4	1.5	4.6	4.4	4.0
Machinery and equipment	11.1	10.3	33.9	33.1	44.2
Right-of-use assets					
Land and buildings	8.4	6.5	22.2	22.6	29.2
Machinery and equipment	4.5	3.8	13.0	11.7	15.3
Total	**29.5**	**27.4**	**86.3**	**88.6**	**203.9**

9. Taxes in statement of income

MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Current year tax expense	24.8	21.4	88.3	58.5	79.9
Change in current year's deferred tax assets and liabilities	1.7	-2.7	-4.2	-13.7	-12.4
Tax expense for previous years	0.8	-4.4	-0.4	-16.0	-11.7
Total	**27.3**	**14.3**	**83.7**	**28.8**	**55.8**

10. Net working capital

MEUR	30 Sep 2023	30 Sep 2022	31 Dec 2022
Inventories	1,148.0	1,089.6	1,013.3
Operative derivative assets	32.7	62.5	44.5
Accounts receivable	761.4	711.9	734.7
Contract assets	74.1	117.0	104.0
Other operative non-interest-bearing assets	182.0	164.1	154.6
Working capital assets	**2,198.3**	**2,145.0**	**2,051.0**
Provisions	-157.3	-174.7	-182.6
Operative derivative liabilities	-41.7	-114.4	-38.4
Pension obligations	-81.4	-110.5	-82.2
Accounts payable	-545.8	-593.1	-617.1
Contract liabilities	-362.3	-338.1	-291.1
Other operative non-interest-bearing liabilities	-504.6	-523.9	-553.4
Working capital liabilities	**-1,693.1**	**-1,854.7**	**-1,764.7**
Total	**505.2**	**290.3**	**286.2**

Assets and liabilities that are not allocated to business operations are not included in net working capital. Unallocated assets comprise loans and other interest-bearing receivables, cash and cash equivalents, income tax receivables, deferred tax assets, deferred interests, deferred considerations on disposals, and derivatives designated as hedges of future treasury transactions. Unallocated liabilities comprise loans and other interest-bearing liabilities, income tax payables, deferred tax liabilities, accrued interests, deferred considerations on acquisitions, dividend liabilities, and derivatives designated as hedges of future treasury transactions..

11. Interest-bearing net debt and liquidity

MEUR	30 Sep 2023	30 Sep 2022	31 Dec 2022
Interest-bearing liabilities	861.5	929.5	837.5
Lease liabilities included in interest-bearing liabilities	177.3	170.0	164.6
Loans receivable and other interest-bearing assets	-3.6	-17.1	-7.3
Cash and cash equivalents	-451.8	-431.5	-451.9
Interest-bearing net debt*	**406.1**	**481.0**	**378.3**
Equity	1,680.1	1,587.5	1,528.3
Gearing	**24.2%**	**30.3%**	**24.8%**

MEUR	Q3/23	Q3/22	2022
Operating profit, last 12 months	366.0	143.2	106.1
Depreciation, amortisation and impairment, last 12 months	201.6	119.4	203.9
EBITDA, last 12 months	**567.6**	**262.6**	**310.1**
Interest-bearing net debt / EBITDA, last 12 months*	**0.7**	**1.8**	**1.2**

The fair values of interest-bearing assets and liabilities are not significantly different from their carrying amounts.

MEUR	30 Sep 2023	30 Sep 2022	31 Dec 2022
Cash and cash equivalents	451.8	431.5	451.9
Committed long-term undrawn revolving credit facilities	330.0	300.0	330.0
Repayments of interest-bearing liabilities in the following 12 months	-352.2	-50.3	-86.6
Liquidity	**429.6**	**681.2**	**695.3**

12. Derivatives

Fair values of derivative financial instruments

	Positive fair value	Negative fair value	Net fair value	Net fair value	Net fair value
MEUR	30 Sep 2023	30 Sep 2023	30 Sep 2023	30 Sep 2022	31 Dec 2022
Non-current					
Equity warrants	1.1	—	1.1	1.2	1.1
Total non-current	**1.1**	**—**	**1.1**	**1.2**	**1.1**
Current					
Currency forwards, cash flow hedge accounting	1.1	13.5	-12.3	-14.1	17.5
Currency forwards, other	14.2	14.5	-0.3	-9.2	14.6
Total current	**15.3**	**28.0**	**-12.6**	**-23.3**	**32.1**
Total derivatives	**16.5**	**28.0**	**-11.5**	**-22.1**	**33.2**

Financial assets and liabilities recognised at fair value through profit and loss comprise mainly currency derivatives. The recurring measurement of these instruments at fair value is based on commonly applied valuation methods and uses observable market-based variables. Therefore, these measurements are categorised in the fair value hierarchy as level 2 fair values.

Nominal values of derivative financial instruments

MEUR	30 Sep 2023	30 Sep 2022	31 Dec 2022
Currency forward contracts	3,880.2	3,878.6	4,305.3
Cash flow hedge accounting	2,368.1	2,687.0	2,687.6
Other	1,512.1	1,191.6	1,617.8
Equity warrants			
Total	**3,880.2**	**3,878.6**	**4,305.3**

The derivatives have been recognised at gross fair values on the balance sheet, as the netting agreements related to derivatives allow unconditional netting only in the occurrence of credit events but not in a normal situation. The group has not given or received collateral related to derivatives from the counterparties.

13. Commitments

MEUR	30 Sep 2023	30 Sep 2022	31 Dec 2022
Customer financing	8.5	10.9	10.0
Off-balance sheet leases	8.6	4.1	6.1
Other contingent liabilities	1.1	0.9	1.1
Total	**18.2**	**15.9**	**17.2**

Cargotec Corporation has guaranteed obligations of Cargotec companies arising from ordinary course of business. The total amount of these guarantees on 30 Sep 2023 was EUR 449.0 (30 Sep 2022: 536.7 and 31 Dec 2022: 471.0) million.

Contingent liabilities are related to guarantees given by Cargotec in the ordinary course of business for the delivery of products and services. Guarantees are provided in different ways including direct guarantees, bank guarantees, and performance bonds. Various Group entities are parties to legal actions and claims which arise in the ordinary course of business. While the outcome of some of these matters cannot precisely be foreseen, they are not expected to result in a significant loss to the Group.

Commitments related to leases include commitments related to off-balance sheet leases and on-balance sheet leases not yet commenced, and residual value risk related to equipment sold under customer finance arrangements and accounted for as leases.

14. Related party transactions

Cargotec's related parties include the parent company Cargotec Corporation and its subsidiaries, associated companies and joint ventures. Related parties include also the members of the Board of Directors, the CEO and other members of the Leadership Team, their close family members and entities controlled directly or indirectly by them. In addition, major shareholders with more than 20 percent ownership of shares or of the total voting rights in the company, are included in related parties.

Transactions with associated companies and joint ventures

MEUR	Q3/23	Q3/22	Q1–Q3/23	Q1–Q3/22	2022
Sale of products and services					
Associated companies	0.0	–	0.0	–	–
Joint ventures	1.3	0.1	2.5	0.8	5.6
Total	**1.3**	**0.1**	**2.5**	**0.8**	**5.6**
Purchase of products and services					
Associated companies	0.0	–	0.1	–	0.0
Joint ventures	3.1	2.2	9.0	3.3	5.1
Total	**3.1**	**2.2**	**9.1**	**3.3**	**5.0**
Finance income					
Associated companies	–	0.1	0.1	0.4	0.5
Total	**–**	**0.1**	**0.1**	**0.4**	**0.5**
Dividends received					
Joint ventures	–	–	–	–	0.2
Total	**–**	**–**	**–**	**–**	**0.2**

Transactions with associated companies and joint ventures are carried out at market prices.

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Balances with associated companies and joint ventures

MEUR	30 Sep 2023	30 Sep 2022	31 Dec 2022
Loans receivable			
Associated companies	–	11.8	5.4
Total	**–**	**11.8**	**5.4**
Accounts receivable			
Associated companies	–	0.0	0.0
Joint ventures	3.5	0.3	0.2
Total	**3.5**	**0.3**	**0.2**
Accounts payable			
Associated companies	–	0.0	0.0
Joint ventures	2.6	2.1	2.0
Total	**2.6**	**2.1**	**2.0**

Acquisitions and disposals with related parties are presented in note 15, Acquisitions and disposals.

Cargotec did not have other material business transactions with its related parties than those presented above.

15. Acquisitions and disposals

Acquisitions in 2023

In September, Kalmar acquired the product rights for the product line of electric terminal tractors from Lonestar Specialty Vehicles (LSV) in the United States for a purchase price of 9.5 million euros. The transaction included intangible assets related to the technology of the product line and prototype machines. In addition, Kalmar signed a manufacturing contract with LSV for the production of the acquired electric terminal tractor product range. The acquisition is treated as an asset acquisition.

Hiab acquired in January the share capitals of Olsbergs Hydraulics Aktiebolag and Olsbergs Electronics AB at a purchase price of EUR 19.1 million of which the EUR 1.9 million share is conditional and paid later. Olsbergs is the technological leader in the design and manufacture of hydraulic valves and remote control systems. Its solutions are used to manoeuvre Hiab's truck mounted loader cranes and forestry cranes. Via acquisition, Hiab is insourcing these components and has better capabilities to further develop them in an integrated manner with other crane components. In determining the fair values, EUR 3.3 million of intangible assets and EUR 4.9 million of goodwill, which is not tax deductible, were identified. As a result of the acquisition, approximately 100 employees transferred to Hiab.

Acquired net assets and goodwill related to Olsbergs acquisition, MEUR MEUR	
Intangible assets	3.3
Property, plant and equipment	13.6
Inventories	4.7
Accounts receivable and other non-interest-bearing receivables	3.3
Cash and cash equivalents	0.9
Accounts payable and other non-interest-bearing liabilities	-1.9
Interest-bearing liabilities	-8.2
Deferred tax liabilities	-1.6
Net assets	**14.1**
Purchase price, payable in cash	17.1
Purchase price, conditional	1.9
Total consideration	**19.1**
Goodwill	**4.9**
Purchase price, paid in cash	17.1
Cash and cash equivalents acquired, including overdrafts	-0.9
Cash flow impact	**16.2**

Disposals in 2023

In May, Hiab sold its Russian subsidiary Hiab RUS LLC to the company's executive management. The company has mainly sold Hiab equipment and related services to the Russian market. The transaction had no material effect on the reported figures.

Disposals in 2022

In January, Hiab sold its Ukrainian subsidiary Cargotec Ukraine LLC to the company's executive management. The company has mainly sold Hiab equipment to the Ukrainian market. The transaction had no material effect on the reported figures.

16. Joint ventures and associated companies

Changes in joint ventures and associated companies in 2023

In April, Hiab completed the closure of the joint venture Sinotruk Hiab (Shandong) Equipment Co., Ltd. Termination of the company had no material profit impact.

The sale of TTS Hua Hai Ships Equipment (Shanghai) Co., Ltd. (THH) to CSSC was completed in March. The transaction had no material profit impact.

Changes in joint ventures and associated companies in 2022

In March, MacGregor restructured its holdings in Cyprus by selling its 30 percent ownership in the associated company J.L. Jumbo Logistics Limited, and by increasing its ownership in the subsidiary Hatlapa (Eastmed) Limited to 100 percent by acquiring 30 percent of the share capital. In total, transactions resulted in a net cash outflow of EUR 0.7 million.

Additionally, MacGregor is finalising changes to its two Chinese joint ventures, which it acquired as part of the acquisition of TTS and that are jointly owned with China State Shipbuilding Corporation (CSSC).

Regarding TTS Hua Hai Ships Equipment (Shanghai) Co., Ltd. (THH), MacGregor is selling its ownership to CSSC. The sales contract has been signed and the deal is awaiting for authority approval. The transaction is expected to be closed during the first quarter of 2023. With the transaction, THH will cease manufacturing and selling hatch covers in China under the TTS brand. MacGregor has recognised an impairment of EUR 2.0 million in the value of its holding, and reimbursement of EUR 2.4 million from the use of the TTS brand during the year 2022, which have been included in other items affecting comparability. The balance sheet value of the holding in the joint venture was EUR 6.5 (31.12.2021: 9.0) million on the reporting date and the sale of ownership is not expected to have a material impact on profit or loss. The consolidation of THH using the equity method has ended in 2022.

Regarding TTS Bohai Machinery (Dalian) Co., Ltd. (TBH), MacGregor and CSSC have transferred the business of the joint venture to CSSC MacGregor Marine Equipment Co., Ltd. (CMME), a joint venture established in 2021. With the transfer, the liquidation process of TBH is underway. In June, MacGregor recorded an impairment of EUR 2.0 million in the value of its holding, which has been included in other items affecting comparability. Additionally, EUR 0.5 million of intangible assets and EUR 3.4 million of goodwill included in the carrying value of TBH were transferred to the carrying value of CMME. The balance sheet value of the holding in the joint venture was EUR 4.3 (31.12.2021: 10.2) million on the reporting date and liquidation of the company is not expected to have a material impact on profit or loss. The consolidation of TBH using the equity method has ended in 2022.

Hiab continued its preparations for the closure of the joint venture Sinotruk Hiab (Shandong) Equipment Co., Ltd. During the first quarter of 2022, Hiab repaid the loan of EUR 2.8 million it had guaranteed for the joint venture, which had a cost impact of EUR 1.4 million.

17. Events after the reporting period

There were no material events after the reporting period.

Key exchange rates for euro

Closing rates	30 Sep 2023	30 Sep 2022	31 Dec 2022
SEK	11.533	10.899	11.122
USD	1.059	0.975	1.067

Average rates	Q3/23	Q3/22	2022
SEK	11.458	10.518	10.626
USD	1.080	1.064	1.056

Key figures

		Q1-Q3/23	Q1-Q3/22	2022
Equity / share	EUR	26.13	24.60	23.69
Equity to asset ratio	%	42.5%	39.3%	39.2%
Interest-bearing net debt	MEUR	406.1	481.0	378.3
Interest-bearing net debt / EBITDA, last 12 months		0.7	1.8	1.2
Gearing	%	24.2%	30.3%	24.8%
Return on equity (ROE), last 12 months	%	13.4%	5.3%	1.5%
Return on capital employed (ROCE), last 12 months	%	14.8%	5.8%	4.6%

Additional information regarding interest-bearing net debt and gearing is disclosed in note 11, Interest-bearing net debt and liquidity.

Calculation of key figures

IFRS key figures

Basic earnings per share (EUR)	=	Profit attributable to the shareholders of the parent company / Average number of outstanding shares during the period
Diluted earnings per share (EUR)	=	Profit attributable to the shareholders of the parent company / Average number of diluted outstanding shares during the period

Alternative performance measures

According to the ESMA Guidelines on Alternative Performance Measures, an Alternative Performance Measure (APM) is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. In addition to IFRS key figures, Cargotec uses the following alternative performance measures:

Key figure		Definition	Reason for use	Reconciliation
Operating profit (MEUR and % of sales)	=	Sales - cost of goods sold - selling and marketing expenses - research and development expenses - administration expenses - restructuring costs + other operating income - other operating expenses + share of associated companies' and joint ventures' result	Operating profit is used to measure business profitability. It describes the profitability of the business before taking into account financial items and taxes.	Statement of income
Comparable operating profit (MEUR and % of sales)	=	Operating profit excluding items significantly affecting comparability	Comparable operating profit is used to monitor and forecast profit development and set related targets. It is calculated by excluding items significantly affecting comparability from operating profit, which makes it easier to compare the profitability of the business at different time periods.	Note 7. Comparable operating profit

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Items significantly affecting comparability (MEUR)	=	Items significantly affecting comparability include, in addition to restructuring costs, mainly capital gains and losses, gains and losses related to acquisitions and disposals, acquisition and integration costs including during years 2020-2022 costs related to the merger plan with Konecranes Plc, impairments and reversals of impairments of assets, insurance benefits, and expenses related to legal proceedings.	Factor used to calculate Comparable operating profit.	Note 7. Comparable operating profit
Cash flow from operations before financing items and taxes	=	Profit for the period + depreciation, amortisation and impairment + finance income and expenses + taxes + other adjustments + changes in net working capital	Represents cash flow from operations after income from sales less operating expenses. Measures the company's ability to meet its financial commitments, including interest payments, taxes, investments, and equity and debt payments. Used to monitor and forecast business performance.	Statement of cash flows
Interest- bearing net debt/EBITDA, last 12 months	=	$\frac{\text{Interest-bearing net debt}}{\text{EBITDA, last 12 months}}$	Used to measure corporate capital structure and financial capacity.	Note 11, Interest-bearing net debt and liquidity
Interest- bearing net debt (MEUR)	=	Interest-bearing liabilities (non-current interest-bearing liabilities + current portion of interest-bearing liabilities + current other interest-bearing liabilities) - interest-bearing receivables (non-current and current loans receivable and other interest-bearing assets) - cash and cash equivalents +/- foreign currency hedge of corporate bonds	Interest-bearing net debt represents Cargotec's indebtedness. Used to monitor capital structure and as a factor to calculate Interest-bearing net debt / EBITDA and Gearing.	Note 11, Interest-bearing net debt and liquidity
EBITDA (MEUR), last 12 months	=	Operating profit + depreciation, amortisation and impairment, last 12 months	Factor used to calculate Interest-bearing net debt / EBITDA.	Note 11, Interest-bearing net debt and liquidity
Net working capital (MEUR)	=	Inventories + operative derivative assets + accounts receivable + contract assets + other operative non-interest-bearing assets - provisions - operative derivative liabilities - pension obligations - accounts payable - contract liabilities - other operative non-interest-bearing liabilities	Net working capital is used to follow the amount of capital needed for the business to operate. It does not include financing items, taxes nor non-current assets. Used also as a factor to calculate Operative capital employed.	Note 10, Net working capital
Investments	=	Additions to intangible assets and property, plant and equipment including owned assets and right- of-use assets, excluding assets acquired through business combinations	Investments refer to money used to acquire long-term assets. Used as a factor in cash flow calculation.	Note 8, Capital expenditure, depreciation and amortisation

Return on equity (ROE) (%), last 12 months	= 100 x	Profit for the period, last 12 months / Total equity (average for the last 12 months)	Represents the rate of return that shareholders receive on their investments.	Profit for the period: Statement of income; Total equity: Balance sheet
Return on capital employed (ROCE) (%), last 12 months	= 100 x	Profit before taxes + finance expenses, last 12 months / Total assets - non-interest-bearing debt (average for the last 12 months)	Represents relative profitability or the rate of return that has been received on capital employed requiring interest or other return.	Profit before taxes and finance expenses: Statement of income; Total assets and non-interest-bearing debt: Balance sheet
Non-interest-bearing debt	=	Total assets - total equity - non-current interest-bearing liabilities - current portion of interest-bearing liabilities - current other interest-bearing liabilities	Used as a factor to calculate Return on capital employed (ROCE).	Balance sheet
Equity to asset ratio	= 100 x	Total equity / Total assets - contract liabilities	Used to measure solvency and describe the share of the company's assets financed by equity.	Balance sheet
Gearing (%)	= 100 x	Interest-bearing net debt / Total equity	Represents the company's indebtedness by measuring the amount of interest-bearing debt in proportion to equity capital. Some of Cargotec's loan agreements include a covenant restricting the corporate capital structure, measured by gearing.	Note 11, Interest-bearing net debt and liquidity

In the calculation of the balance sheet related key figures, the assets held for sale and liabilities related to assets held for sale are included in the applicable account groups, even though in the balance sheet they are presented on one row.

Quarterly key figures

Cargotec		Q3/23	Q2/23	Q1/23	Q4/22	Q3/22
Orders received	MEUR	914	999	1,059	1,190	1,147
Service orders received	MEUR	312	326	362	345	325
Order book	MEUR	3,065	3,242	3,467	3,541	3,732
Sales	MEUR	1,102	1,200	1,074	1,239	1,041
Service sales	MEUR	334	344	346	354	323
Service sales, % of sales	%	30%	29%	32%	29%	31%
Eco portfolio sales	MEUR	367	397	346	392	325
Eco portfolio sales, % of sales	%	33%	33%	32%	32%	31%
Operating profit	MEUR	140.3	150.5	104.0	-28.8	50.0
Operating profit	%	12.7%	12.5%	9.7%	-2.3%	4.8%
Comparable operating profit*	MEUR	131.5	158.3	112.4	84.8	89.1
Comparable operating profit*	%	11.9%	13.2%	10.5%	6.8%	8.6%
Basic earnings per share	EUR	1.66	1.67	1.13	-1.04	0.45

Kalmar		Q3/23	Q2/23	Q1/23	Q4/22	Q3/22
Orders received	MEUR	392	437	471	544	470
Order book	MEUR	1,172	1,281	1,390	1,428	1,569
Sales	MEUR	503	552	485	618	526
Service sales	MEUR	137	143	147	150	142
Comparable operating profit*	MEUR	71.2	78.4	63.2	69.2	50.5
Comparable operating profit*	%	14.1%	14.2%	13.0%	11.2%	9.6%

Hiab		Q3/23	Q2/23	Q1/23	Q4/22	Q3/22
Orders received	MEUR	311	375	380	377	425
Order book	MEUR	900	1,007	1,121	1,185	1,301
Sales	MEUR	420	485	432	456	378
Service sales	MEUR	113	113	112	113	106
Comparable operating profit*	MEUR	61.5	81.4	61.4	61.6	49.6
Comparable operating profit*	%	14.7%	16.8%	14.2%	13.5%	13.1%

MacGregor		Q3/23	Q2/23	Q1/23	Q4/22	Q3/22
Orders received	MEUR	211	187	208	269	252
Order book	MEUR	993	953	956	927	861
Sales	MEUR	179	164	157	165	137
Service sales	MEUR	85	88	87	91	75
Comparable operating profit*	MEUR	8.5	10.3	0.7	-34.2	-0.2
Comparable operating profit*	%	4.8%	6.3%	0.4%	-20.7%	-0.1%

*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 16 million in 2022. Of these items, EUR 1 million were related to Kalmar, EUR 3 million to Hiab, and EUR 12 million to MacGregor. Additional information regarding the changed definition is presented in the stock exchange release published on 4 April 2023.

Cargotec has revised its second quarter 2023 eco portfolio sales. Initially reported EUR 362 million has been revised to EUR 397 million which represented 33 percent of Cargotec's consolidated sales in the second quarter.