



# Global Leader in Sustainable Cargo Flow

Investor Presentation – Q4/2022

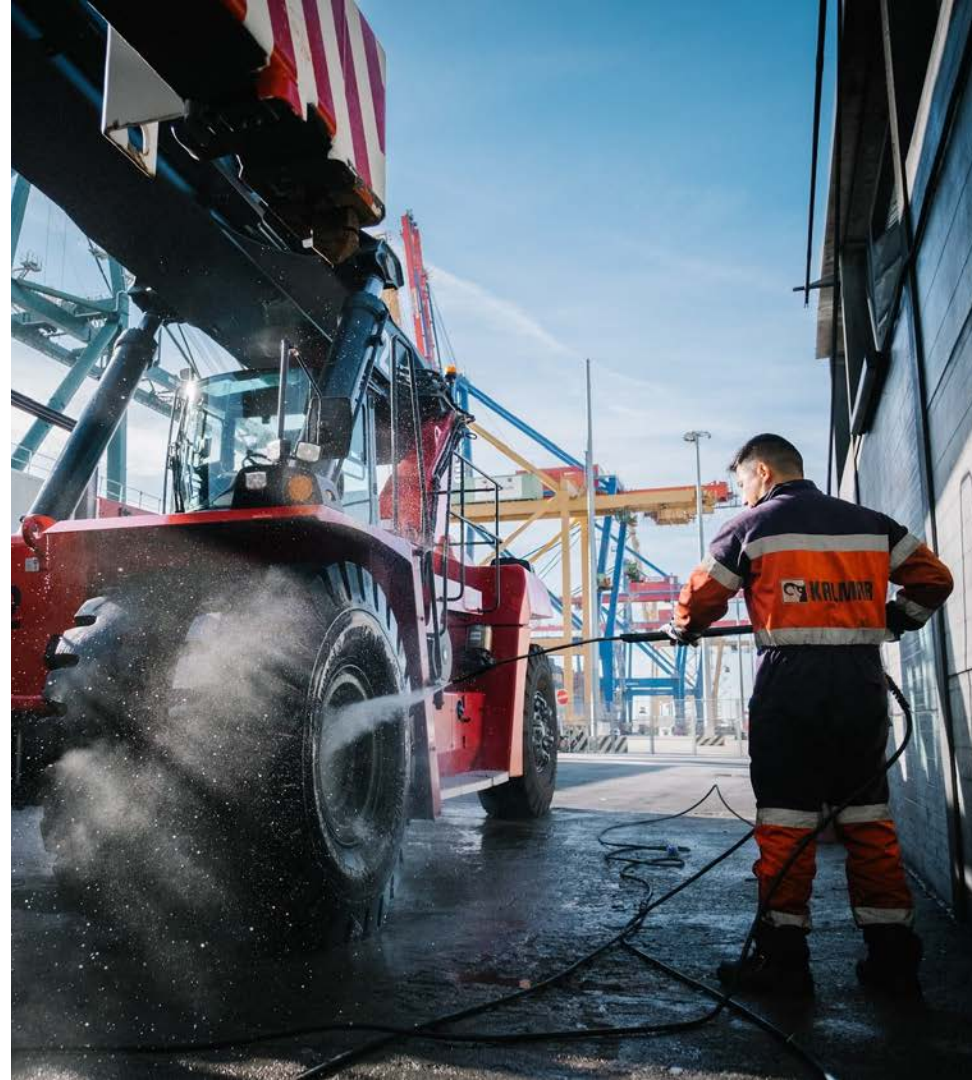
# Disclaimer

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All the discussion topics presented during the session and in the attached material are still in the planning phase. The final impact on the personnel, for example on the duties of the existing employees, will be specified only after the legal requirements of each affected function/ country have been fulfilled in full, including possible informing and/or negotiation obligations in each function / country.

# Content

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

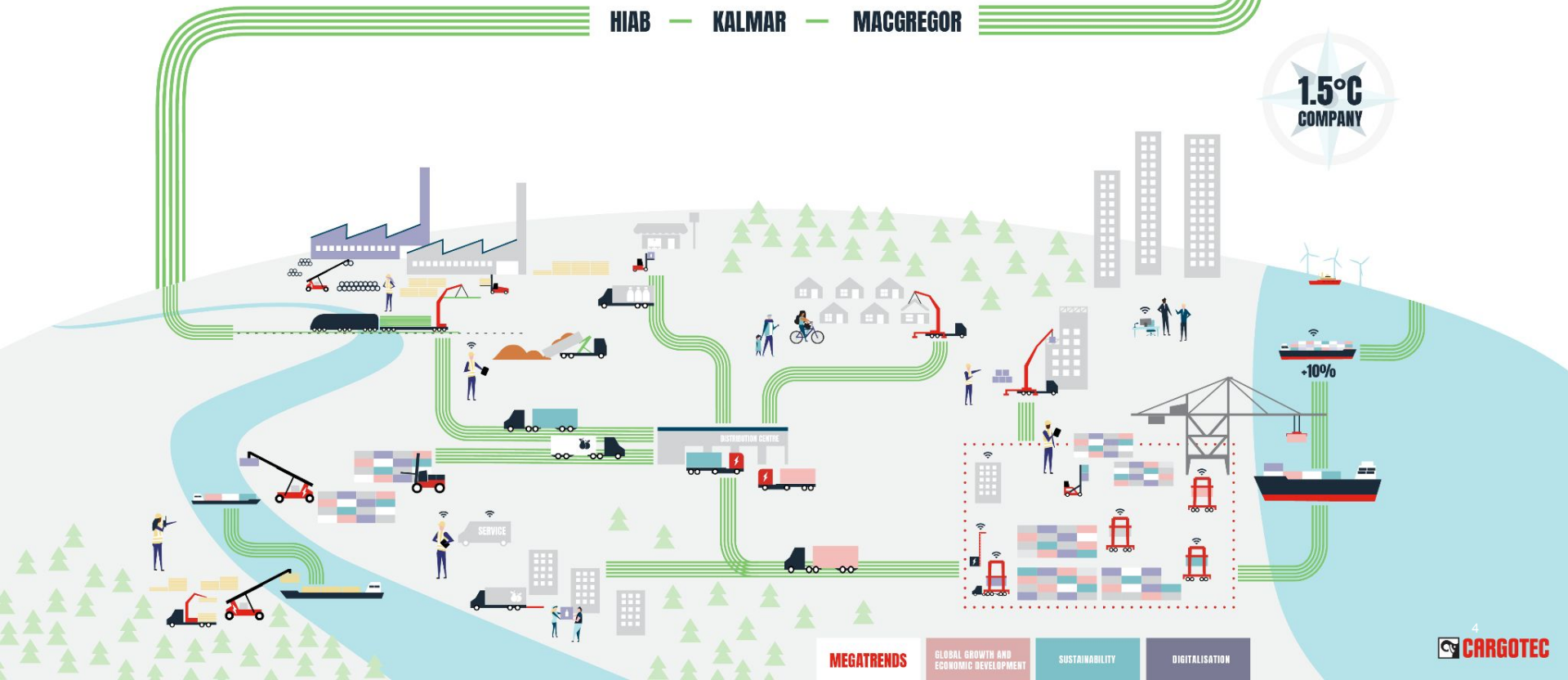




# GLOBAL LEADER IN SUSTAINABLE CARGO FLOW

HIAB — KALMAR — MACGREGOR

1.5°C  
COMPANY



MEGATRENDS

GLOBAL GROWTH AND  
ECONOMIC DEVELOPMENT

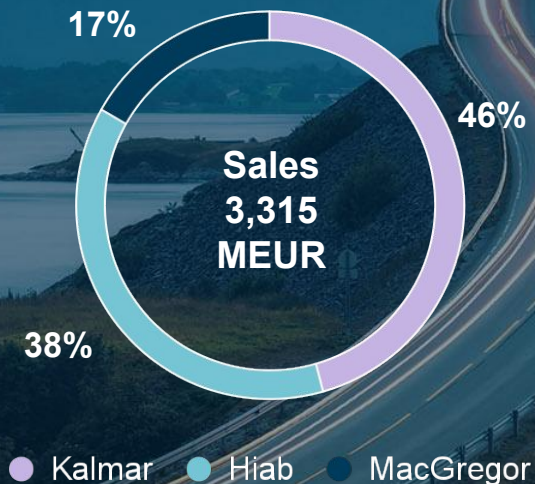
SUSTAINABILITY

DIGITALISATION



# Cargotec today based on 2021 figures

Sales: **EUR 3,315 million**  
Comparable operating profit:  
**7.0%** (EUR 232 million)  
Service sales: **32%**



Sales: EUR **1,512** million  
Comparable operating profit:  
**7.9%** (EUR 120 million)



Sales: EUR **1,250** million  
Comparable operating profit:  
**13.3%** (EUR 166 million)



Sales: EUR **553** million  
Comparable operating profit:  
**-2.7%** (EUR -15 million)

# Kalmar ROBOTIC portfolio

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



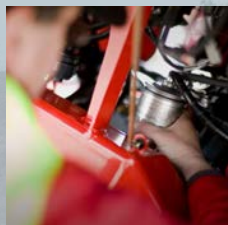


# Our future core business portfolio focuses on high margin solutions and recurring business

## Core Businesses



Equipment



Services



Mobile  
Equipment



Shuttle &  
Straddle carriers



Services and  
automation

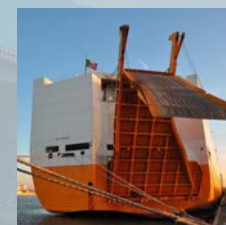


Bromma

## Exit



Heavy cranes  
=  
ASC, RTG, RMG,  
STS



Equipment



Services



# Focus on core businesses will take Cargotec profitability to next level

## CORE BUSINESS

- SALES  
**3.1b€**
- COMPARABLE OP  
**340M€** (10.8%)
- SERVICE SALES  
**919M€** (29%)
- ECO PORTFOLIO share of total sales **26%**



## NON-CORE BUSINESS\*

- SALES  
**0.6b€**
- COMPARABLE OP  
**-51M€** (-8.3%)
- SERVICE SALES  
**280M€** (46%)
- ECO PORTFOLIO share of total sales **8%**

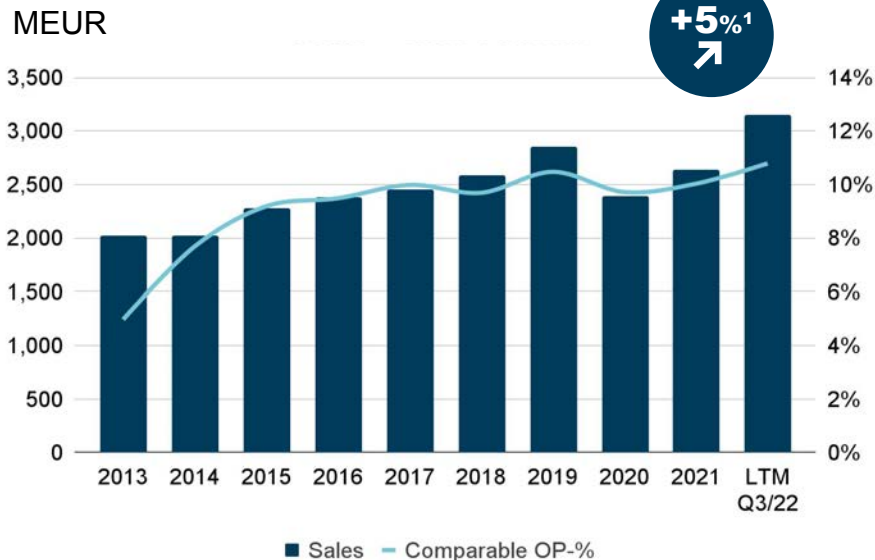


## CARGOTEC TODAY

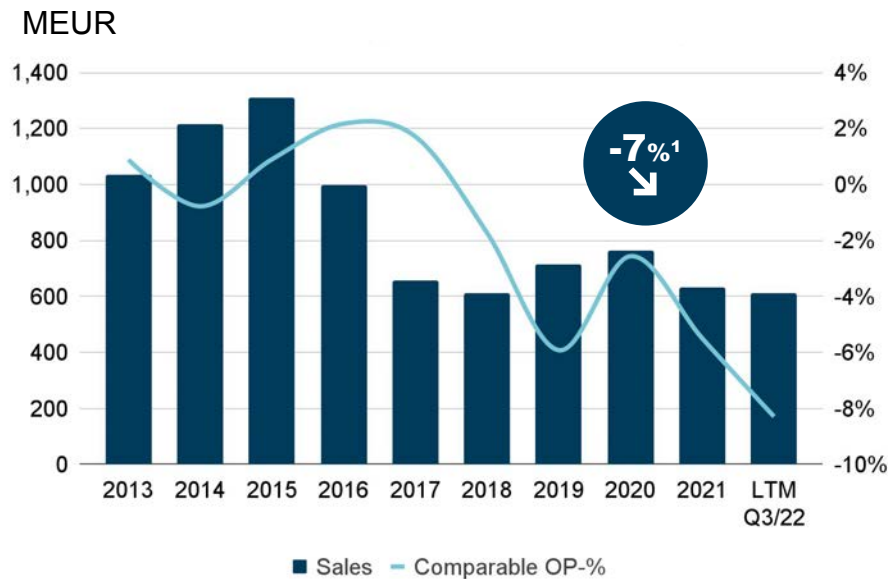
- SALES  
**3.7b€**
- COMPARABLE OP  
**289M€** (7.7%)
- SERVICE SALES  
**1,199M€** (32%)
- ECO PORTFOLIO share of total sales **23%**

# Core businesses are growing with stable profitability...

## CORE BUSINESS



## NON-CORE BUSINESS\*



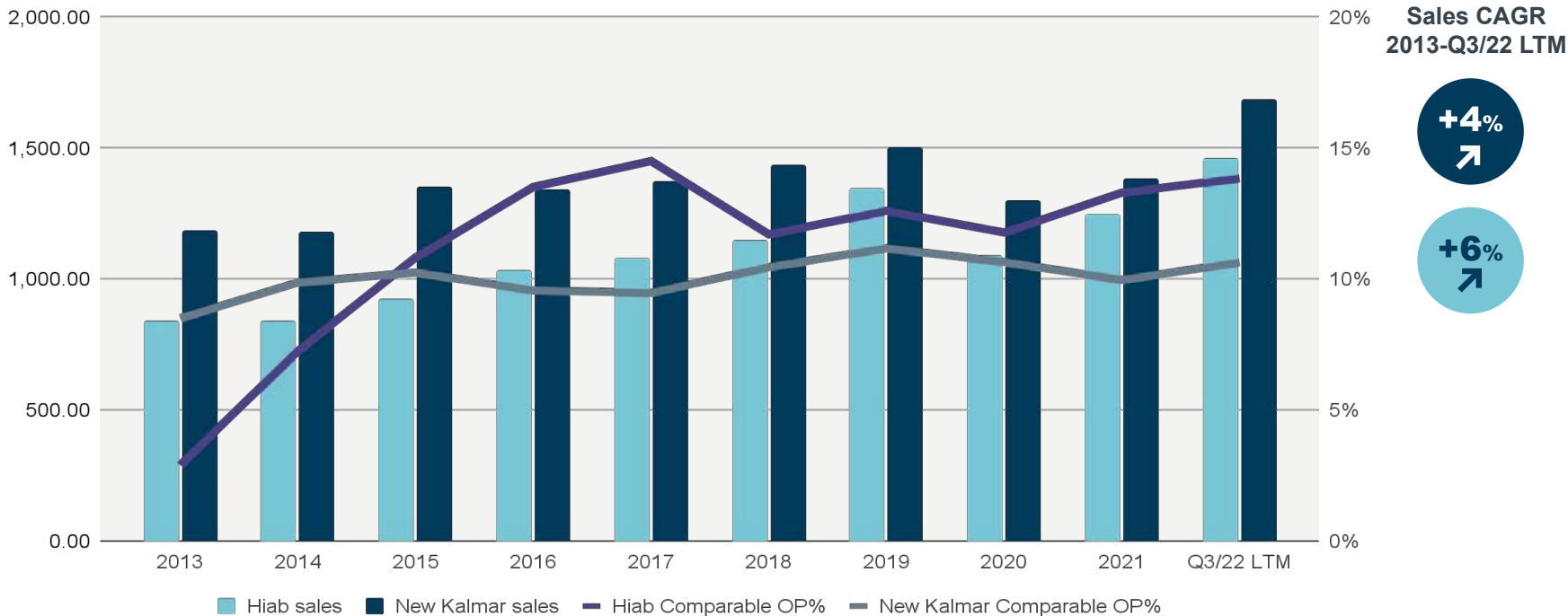
1) Sales CAGR 2013-Q3/22 LTM

\*) Kalmar heavy cranes and MacGregor

All figures management estimates

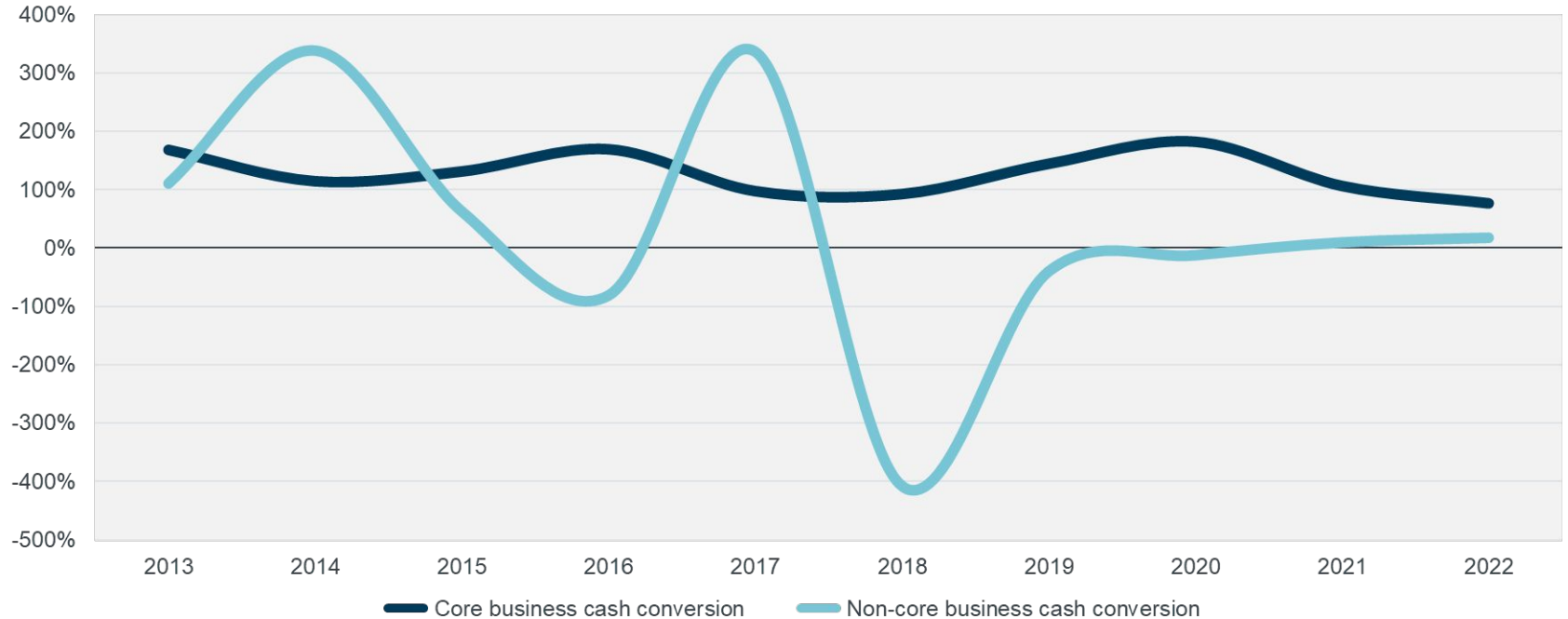
# ...with both consistently delivering double digit profitability

MEUR

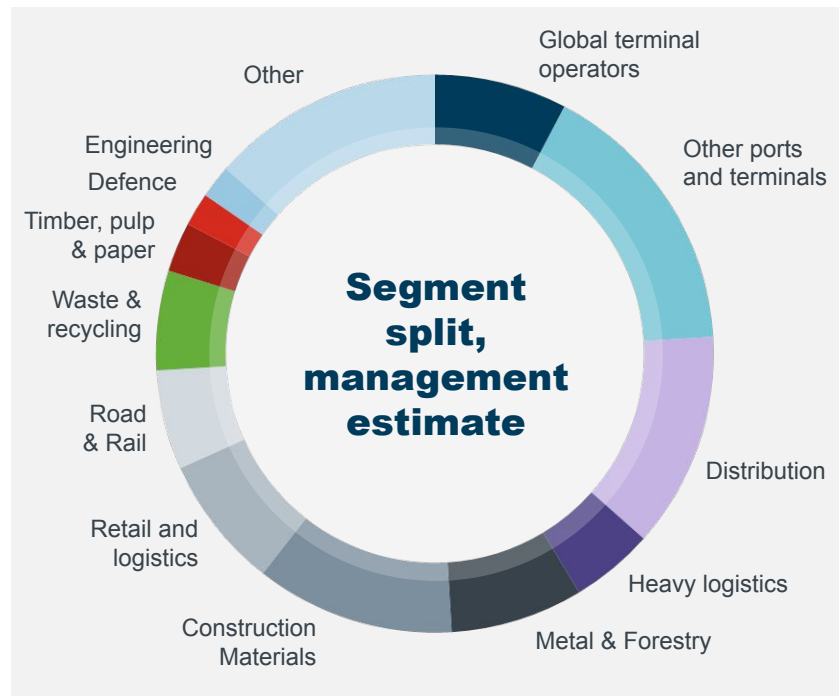
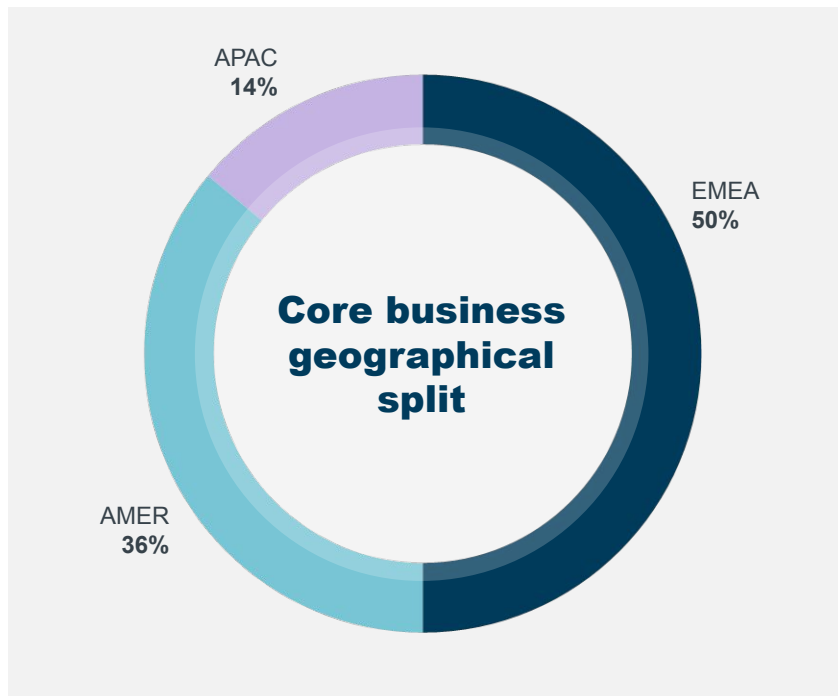




# Solid cash conversion\* in core businesses over the cycle



# Well diversified core businesses are in attractive markets and segments



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





By solving our  
customers' sustainability  
challenges, we will



Make the industry more **sustainable**



**Grow faster**  
than the market



Significantly  
improve our  
**profitability**

# Our strategy for profitable growth centers on sustainability



**Investing in innovation** to be sustainability leader



Driving **increasing recurring revenues**



Actively seeking **organic and inorganic growth**



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

Strong market positions

Leading brands

Leadership & people



# We will continue investing in innovation to be the sustainability leader in our industry



**80 MEUR**  
of R&D  
investments  
annually<sup>1</sup>

Focus on  
**electrification,**  
**robotics** and  
**digitalisation**

Helping  
customers with  
**operator  
shortage** and  
**emission  
reduction**

Accelerating eco  
portfolio growth  
**>90%**  
Since 2017<sup>2</sup>



# We drive increasing recurring revenues when we serve our customers



**Fast growing and highly profitable service business**

**5%**

CAGR<sup>1</sup>

**180MEUR**

COMPARABLE OPERATING PROFIT<sup>2</sup>

**920MEUR**

SALES<sup>2</sup>

Accelerated growth from digitalisation and spare part capture rates

**Focus on equipment businesses with short replacement cycle**

**New recurring revenue models**

# We have multiple organic and inorganic growth opportunities



## GROWTH FOCUS

Strengthening our portfolio and filling white spots in the offering

ORGANIC

M&A



Eco portfolio



New services related to our core offerings



New applications for our products



Enter new developing markets



Seek to grow in adjacent segments



## PORTFOLIO CRITERIA

### Market

Adjacent to core businesses

Growing

Niche

### Business

Recurring Equipment business

High technology

Service potential

Attractive market position

**Capability to fill the performance targets**



We aim for highest ESG standards in our industry  
and we have solid foundation in place



E

ENVIRONMENTAL

**Our  
promise**

1.5°  
commitment

**Proof**

SSAB  
collaboration



S

SOCIAL

Safe and inclusive  
value chain

Kalmar AutoStrad Smart Safety

G

GOVERNANCE

Transparent and  
ethical governance

Management remuneration tied  
to sustainability performance



# Cargotec's performance targets for its core businesses

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

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

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

2025: **-25%**

2030: **-50%**

**Comparable operating profit**

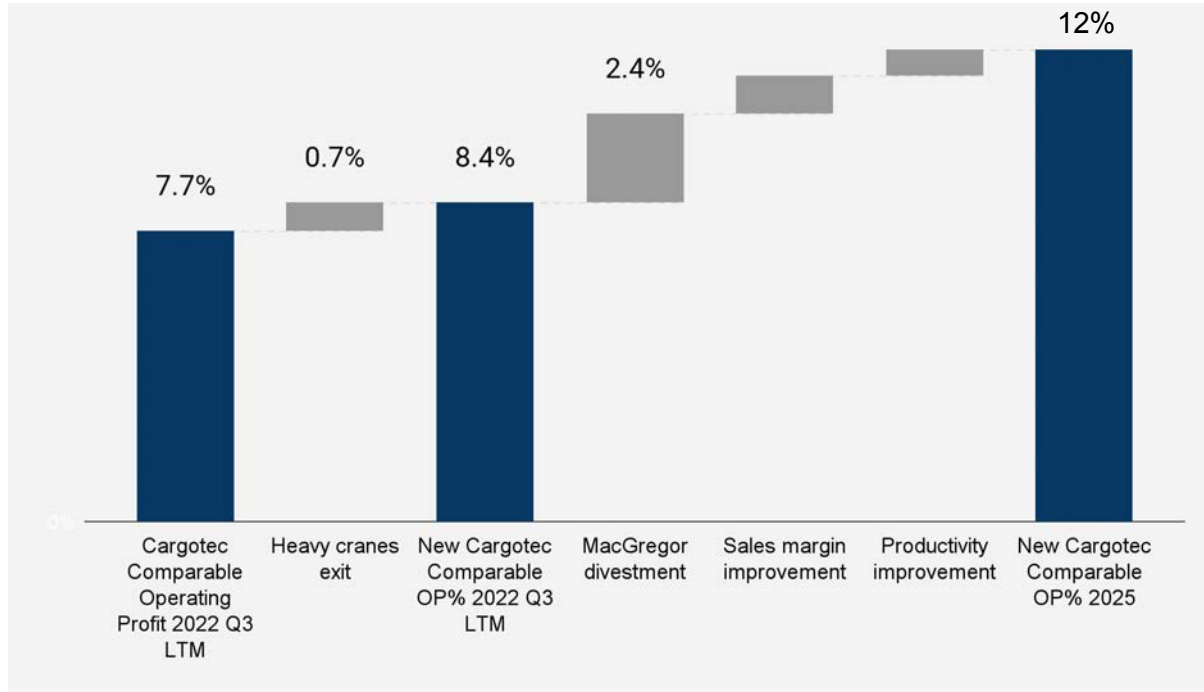
2025: **12%**

2030: **15%**

Growing dividend  
**30-50% EPS**

Gearing below  
**50%**

# These are the key levers for higher performance up to 2025



## Levers for higher profitability:

### Sales margin improvement

- › Supply chain developments
- › Service growth (capture rates, digital solutions, eCommerce)
- › Eco portfolio sales growth

### Productivity

- › Kalmar, Hiab and shared services operational excellence programs, investments in assembly operations



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

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


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

**Significant installed base** for growing service business

**Solid track record** of delivering 5% annual growth and 10% EBIT

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





## Kalmar heavy cranes exit at final stages

- Asset deal completion in Q4/2022
- Stopping significant annual losses (20M€ in 2021)
- 80M€ orderbook, 80% delivered by the end of 2023
- Expecting small negative impact in Kalmar profitability in 2023
- Last 5 year restructuring costs 43M€

# MacGregor strategic evaluation completed

- MacGregor will not be part of Cargotec's portfolio in the future
- From a value creation perspective, the timing for divestment is not ideal
  - Financial market uncertainty
  - Early phase of turnaround
- Sep 2022 orderbook 861M€, supporting 2023 revenue and profitability improvement
- New Offshore restructuring program launched
  - Target 12M€ annual cost reduction
  - Majority of the reductions effective in 2023, starting from Q2 onwards
- Cargotec is expecting MacGregor's sales and comparable profit to improve in 2023 compared to 2022



# Appendix



# Cargotec has currently three business areas

**Sales:**  
**EUR 3,315 million**  
**EBIT: 7.0%**

## **Kalmar**

Sales: **EUR 1,512 million**  
EBIT: **7.9%** (EUR 120 million)

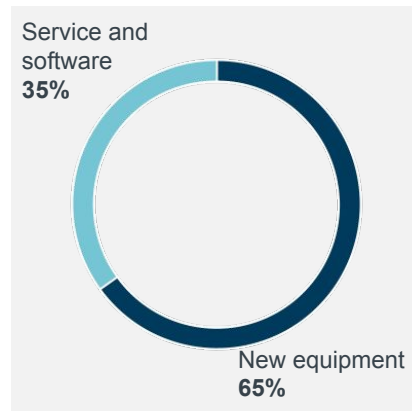
## **Hiab**

Sales: **EUR 1,250 million**  
EBIT: **13.3%** (EUR 166 million)

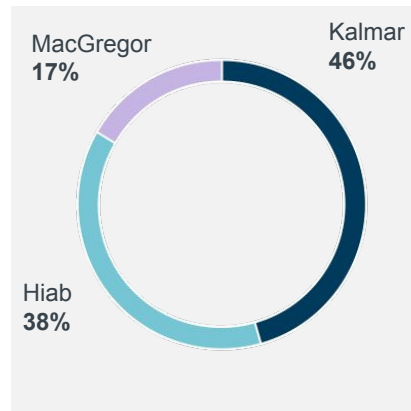
## **MacGregor**

Sales: **EUR 553 million**  
EBIT: **-2.7%** (EUR -15 million)

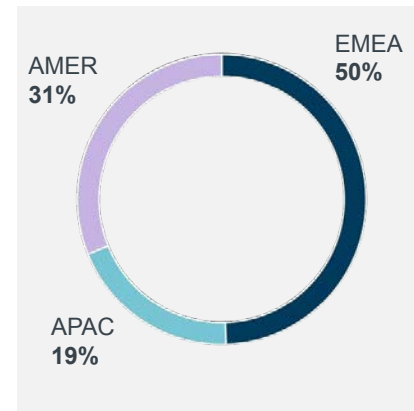
**Sales split: new  
equipment vs service  
and software**



**Sales by  
business area**



**Sales by  
geographical area**



## **Strengths we are building upon**

Leading market positions  
in all segments

Strong brands

Loyal customers

Leading in technology



# Kalmar

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

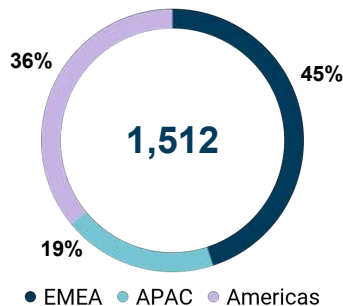
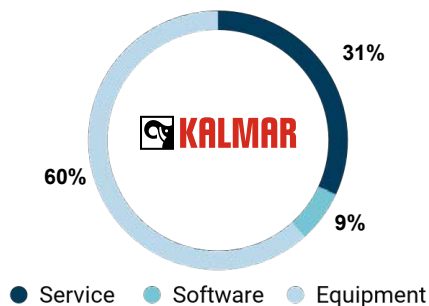
Kalmar offers industry shaping, eco-efficient cargo handling equipment and automated terminal solutions, software and support services. Kalmar has a broad range of customers that operate ports and terminals, or work within the logistics and industrial categories.

Number of personnel  
**4,876**

Sales  
**MEUR 1,512**

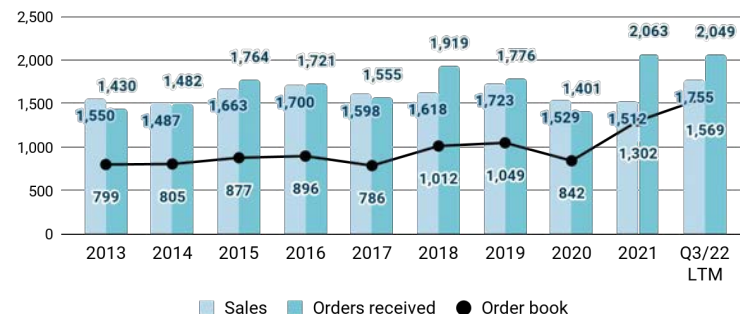
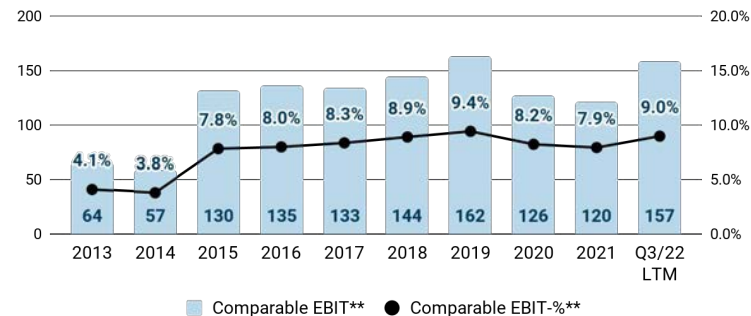
Service and software sales  
(% of sales)

Geographical sales split



## Development of historical financials

MEUR







Setting the standards  
in counterbalanced  
container handlers.



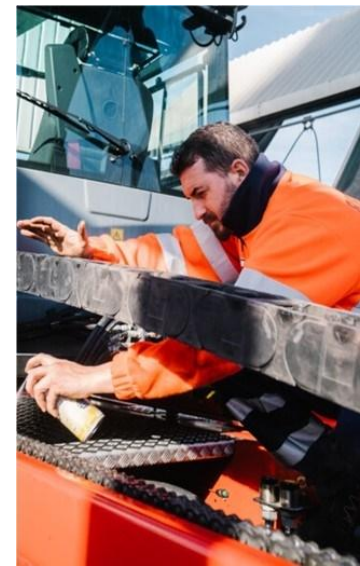
Most selling  
terminal tractor  
in North America.



Market leader  
in hybrid and electric  
shuttle &  
straddle carriers.



Global leader  
in Bromma  
spreaders.



Lifecycle services  
and parts for all  
customer segments.

# A leading brand in mobile equipment, horizontal transportation and services



Ports &  
terminals



Distribution



Forestry



Metal



Heavy  
logistics

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

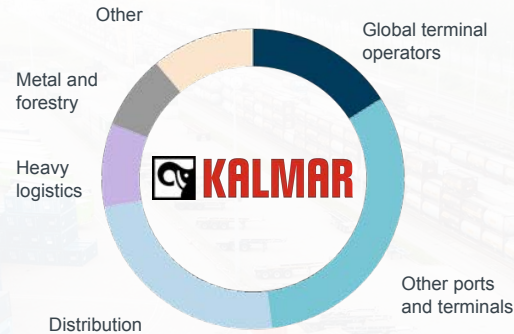


# After exiting loss making heavy cranes business, Kalmar is well diversified and profitable...

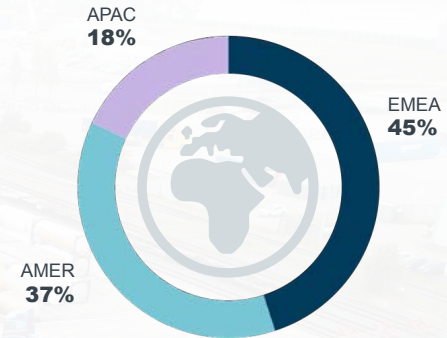
Services share of sales<sup>1</sup>



Sales by customer segment, management estimate<sup>1</sup>



Geographical sales split<sup>1</sup>



Sales<sup>2</sup>  
**MEUR 1,688**

Average sales growth<sup>3</sup>  
**4%**

Comparable operating Profit<sup>2</sup>  
**MEUR 180 / 10.6%**

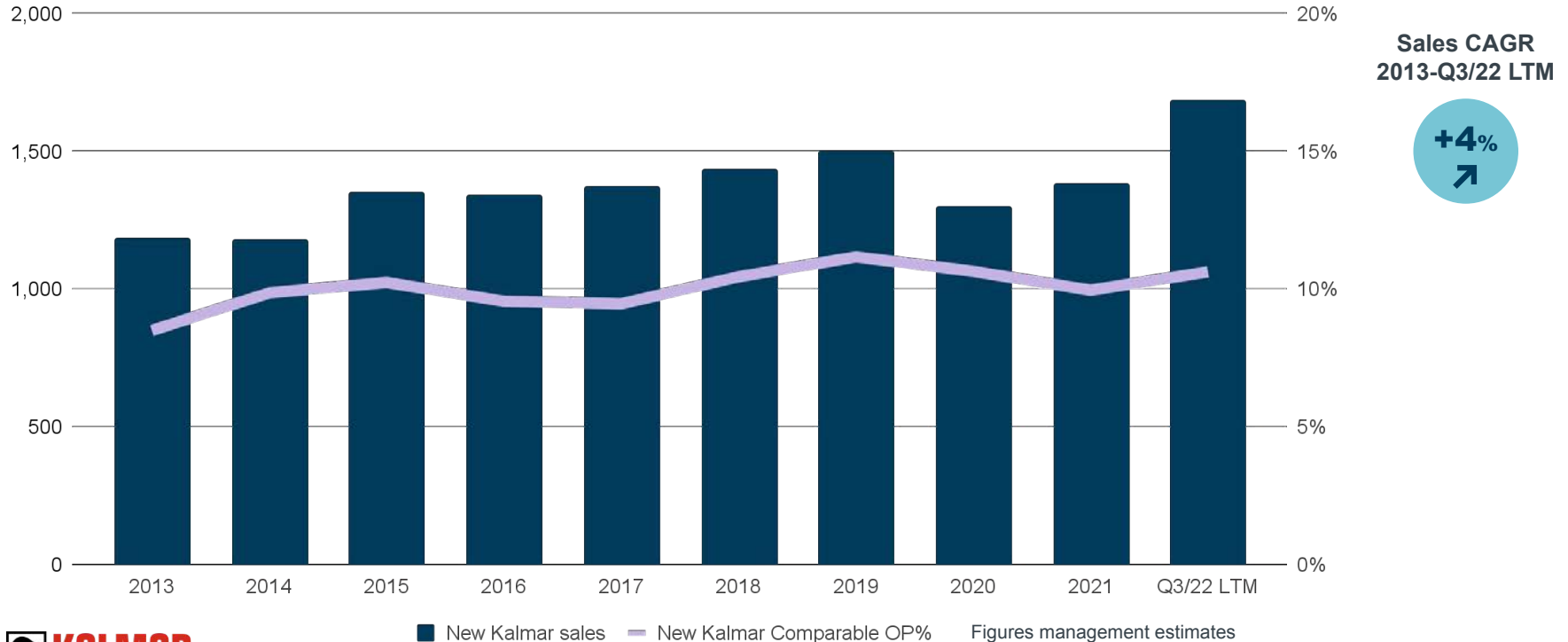
Operating profit<sup>2</sup>  
**MEUR 166 / 9.8%**

Personnel<sup>2</sup>  
**5,044**






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

MEUR



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

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

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



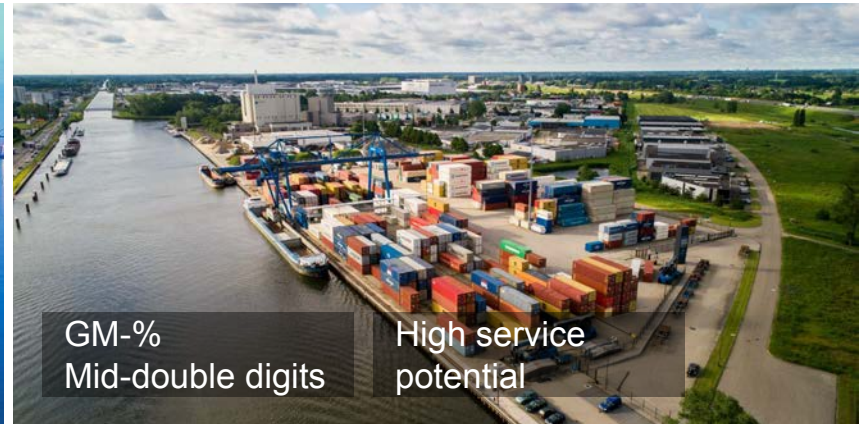


# Kalmar's focus is shifting from large terminals to medium and small terminals

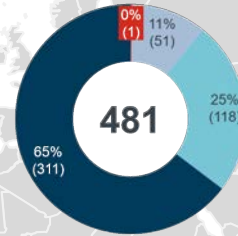
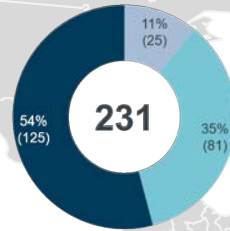
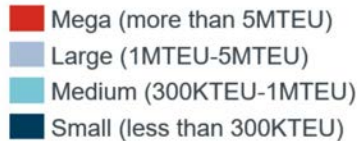
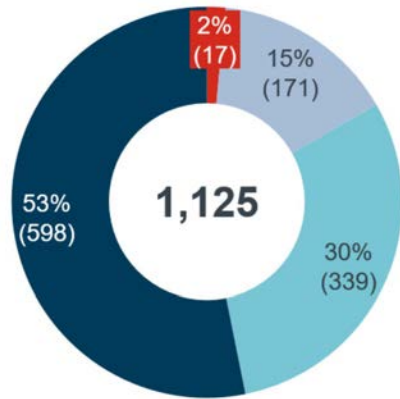
## MEGA TERMINALS



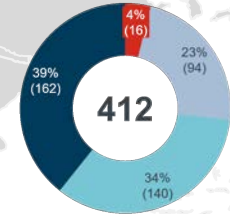
## MEDIUM AND SMALL TERMINALS



# Over 80% of global sea terminals are small or medium sized, driving demand for mobile equipment and horizontal transportation



Smaller terminal demand driven by changes in logistic chain, not only by global trade growth.



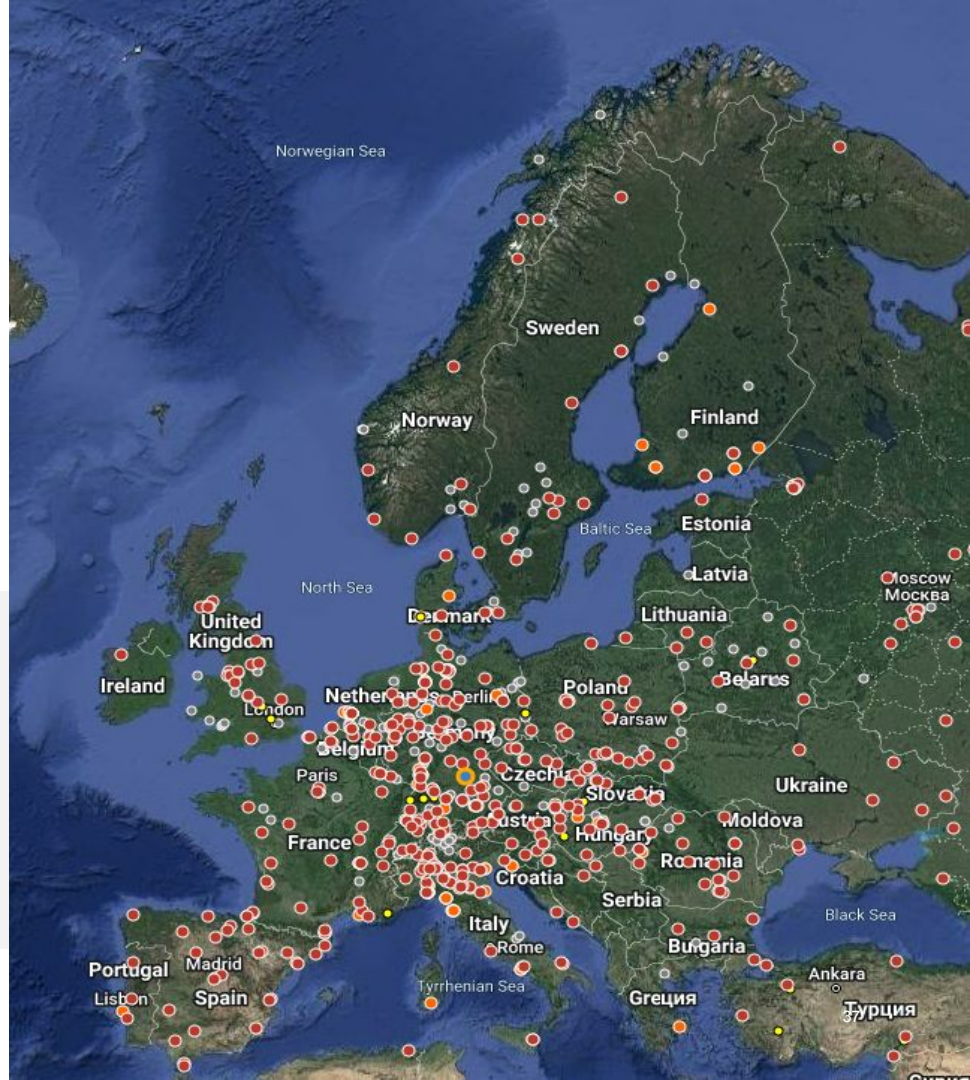
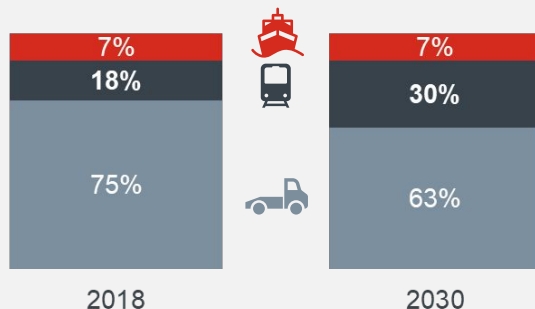
Most of

# Europe's +500

intermodal terminals or depots  
operate with Mobile Equipment

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

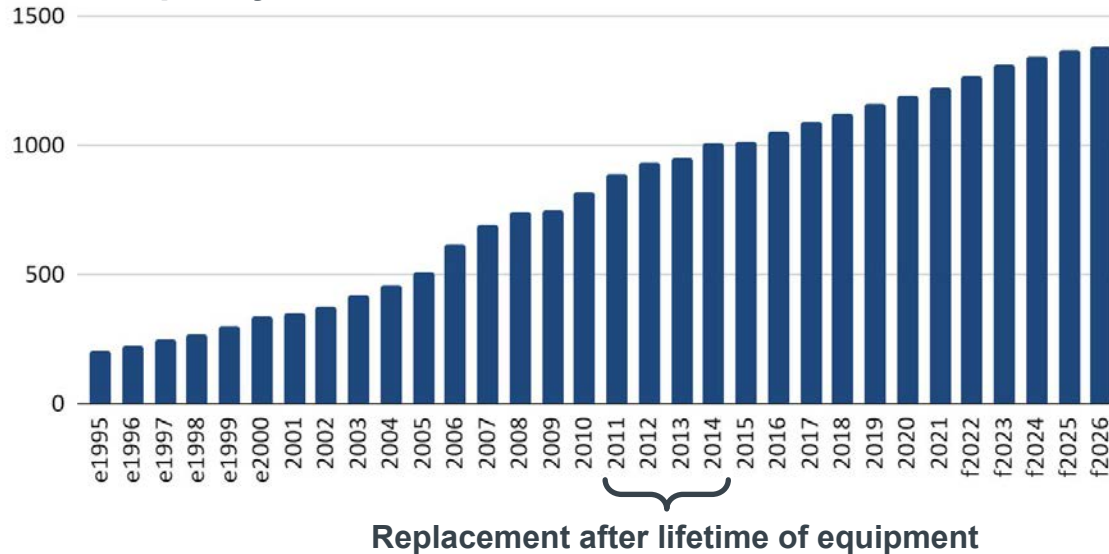
Land freight  
modal share  
2018-2030





# The current replacement market size for the Kalmar equipment is EUR 2.5B€ annually and the market is expected to double in the next decade

## Total Capacity MTEU

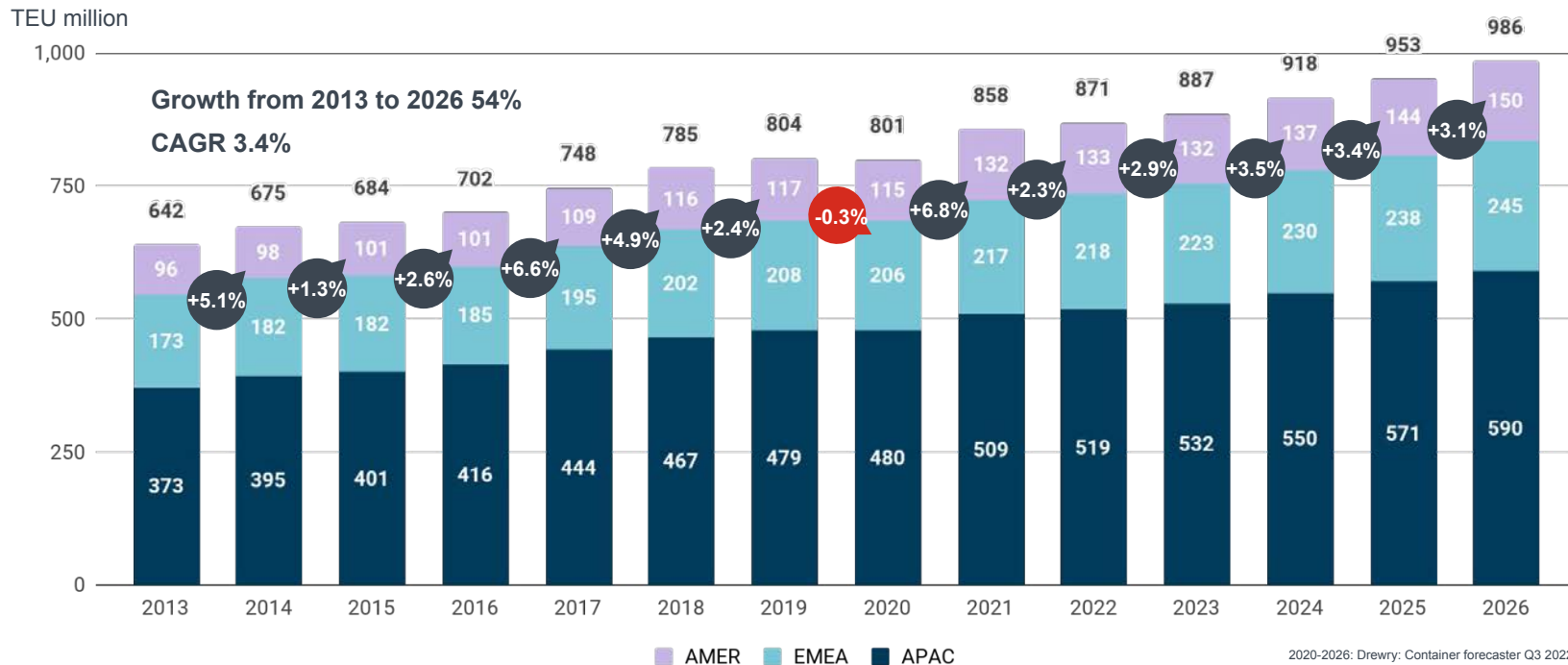


The replacement market will grow in coming years, as the container terminal capacity has expanded significantly during the last two decades.

### Average lifetime of type of equipment:

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

# Container throughput is estimated to continue to grow



2020-2026: Drewry: Container forecaster Q3 2022  
 2019: Drewry: Container forecaster Q4 2021  
 2018: Drewry: Container forecaster Q4 2019  
 2016-2017: Drewry: Container forecaster Q2 2019  
 2015: Drewry: Container forecaster Q2 2018

2013-2014: Drewry Global Container Terminal Operators Annual Report 2013

We are seeing

# STRONG

development in the Kalmar services

5 year parts  
sales CAGR\*:  
**5%**

Service sales  
are **1/3** of total  
Kalmar  
revenue

Service OP  
growth is  
**twice** that of  
sales growth\*

Number of  
equipment  
under service  
contracts:  
**>3700**

Share of parts  
sold through  
e-commerce:  
**45%**

Enabled by 1,300 Kalmar technicians in 35+ countries worldwide &  
an active installed base of >65,000 units globally.



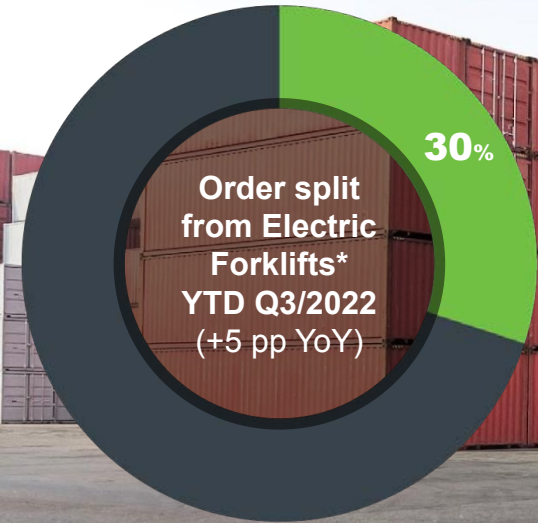
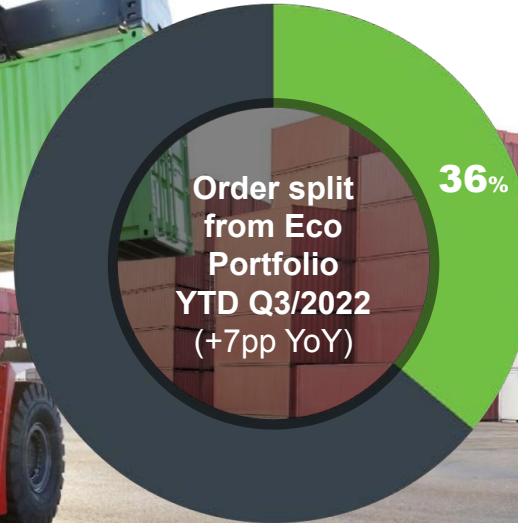
# Spare Parts will continue to grow in an Electric Future

Share of electric units in Kalmar installed base



Share of electric units in Kalmar installed base will grow over the decade. Parts potential to stay relatively unaffected during the time frame due to installed base size growth and long mechanical lifetime of our machines.

# Eco Portfolio orders are growing





# Strong interest in the new Kalmar Electric Reachstacker

“The new Kalmar Electric Reachstacker will play a key role in helping us to achieve our target of zero emissions by 2030. Our investments in electrification, hybrid solutions and biodiesel will enable us to reduce our emissions by 56% in 2022.

**Kurt A. Ommundsen**, CEO Westport Norway

## 5 year total cost of ownership comparison

94%

Eco  
reachstacker

100%

Gloria  
reachstacker

80%

Electric  
reachstacker,  
587 kWh  
battery



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



New Kalmar continues on the path of

# PROFITABLE GROWTH

## GROWING MARKETS

- Robust & growing equipment replacement market
- Increased customer demand for zero emission solutions

## FASTER THAN MARKET GROWTH

- Portfolio aimed at growing small/medium sized terminals
- Eco portfolio growth twice that of the traditional products

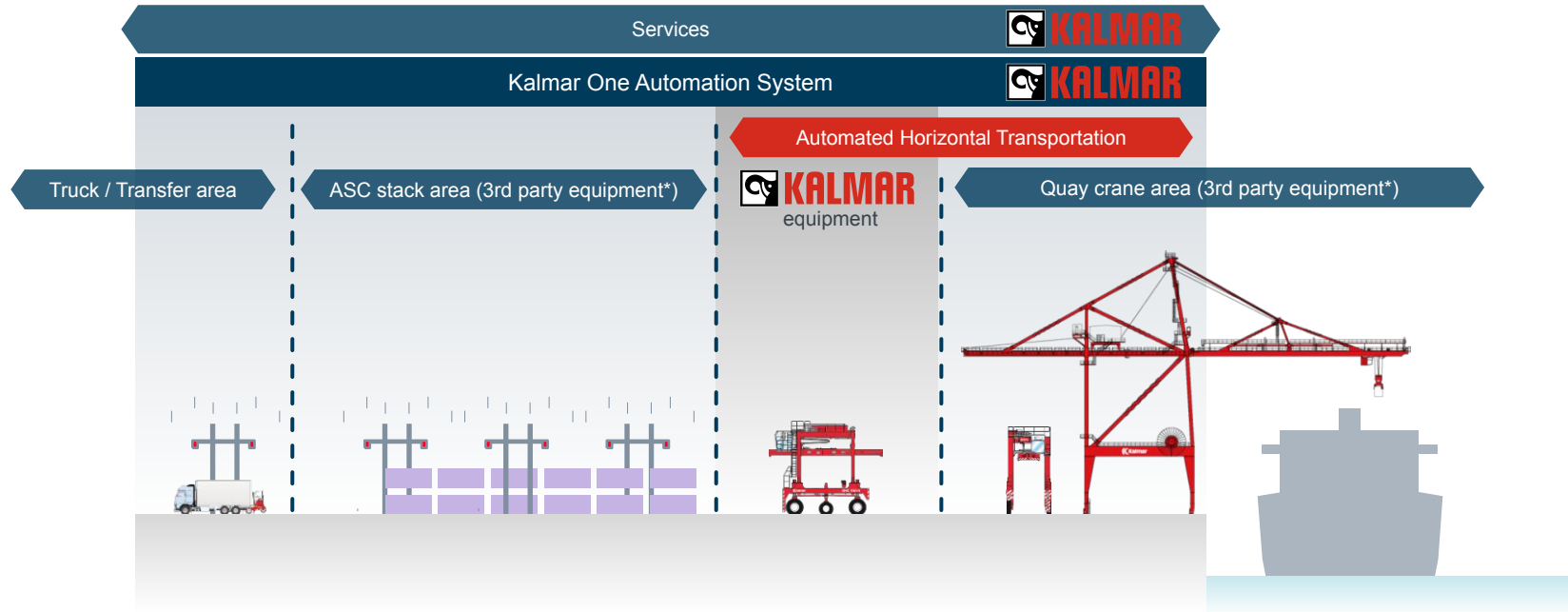
## SALES MARGIN IMPROVEMENT

- Increasing service sales and operating margins
- Systematic spare parts capture rate increase

## STEP CHANGE IN PRODUCTIVITY

- Operational performance transformation program
- Lean implementation across the organization

# Kalmar provides integrated port automation solutions, services and horizontal transportation equipment





# Hiab



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

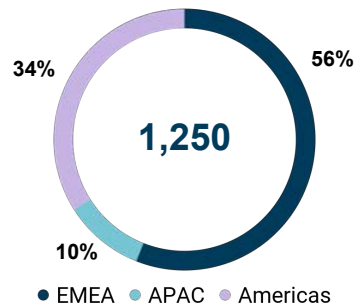
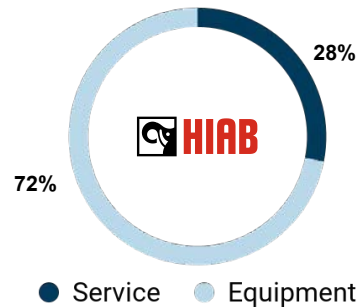
Hiab is the world's leading provider of on-road load handling equipment, intelligent services, smart and connected solutions. Its customers range from single truck owners to international fleet operators across a wide variety of industries.

Number of personnel  
**3,585**

Sales  
**MEUR 1,250**

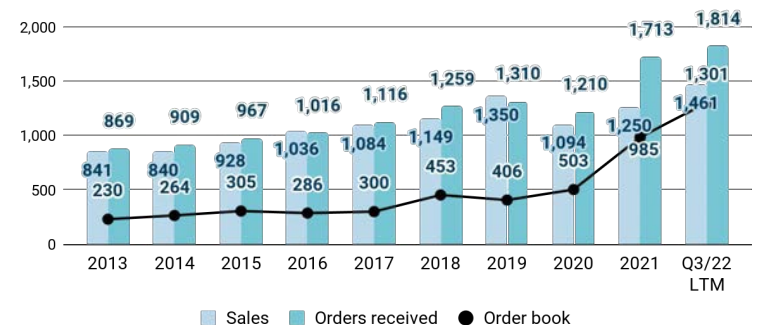
Service sales  
(% of sales)

Geographical sales split



## Development of historical financials

MEUR



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

Sales<sup>2</sup>  
**MEUR 1,461**

Average sales growth<sup>3</sup>  
**6%**

Comparable operating Profit<sup>2</sup>  
**202 MEUR / 13.8%**

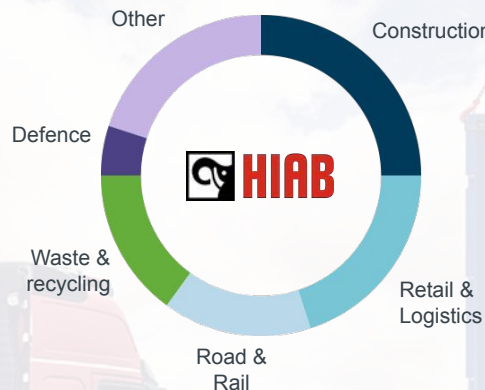
Operating profit<sup>2</sup>  
**MEUR 190 / 13.0%**

Personnel<sup>2</sup>  
**3,716**

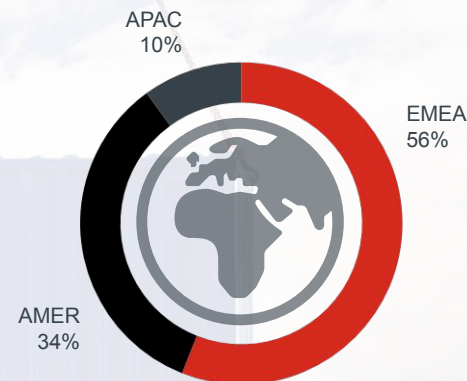
Services share of sales<sup>1</sup>



Sales by customer segment, management estimate<sup>1</sup>



Geographical sales split<sup>1</sup>



1) 2021 figures  
2) Q3/22 LTM  
3) CAGR, 2013-Q3/22 LTM



# MULTI-BRAND STRATEGY WITH MARKET SEGMENT LEADING BRANDS



## DEMOUNTABLES

MULTILIFT  
GALFAB



## TRUCK MOUNTED FORKLIFTS

MOFFETT  
PRINCETON



## LOADER CRANES

HIAB  
EFFER  
ARGOS



## FORESTRY & RECYCLING

LOGLIFT  
JONSERED



## TAIL LIFTS

WALTCO  
DEL  
ZEPRO



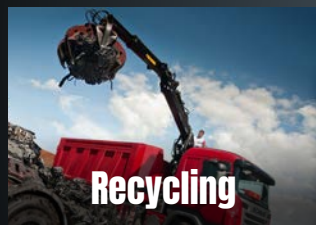
## SERVICES

PROCARE  
HIPERFORM

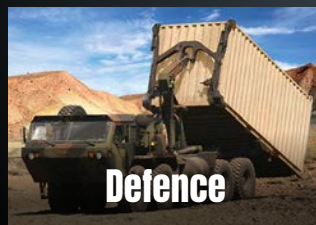
# SERVING A LARGE VARIETY OF DIVERSE CUSTOMERS IN ESSENTIAL INDUSTRIES



**SINGLE TRUCK OWNER**












**FLEETS**



**RENTAL**



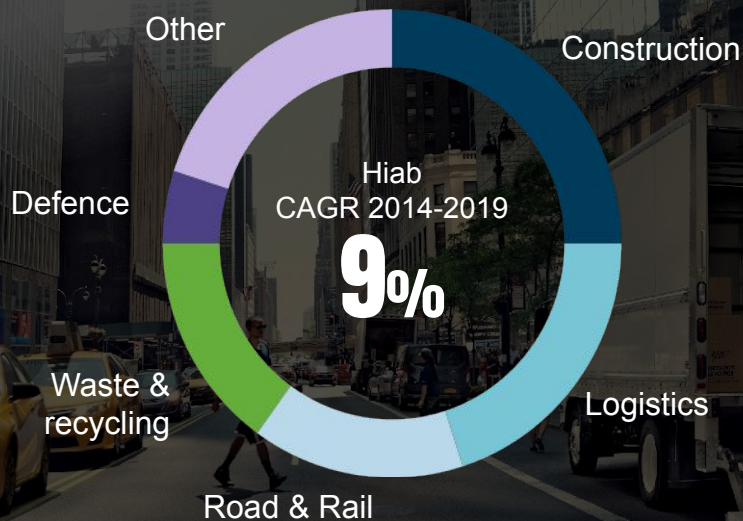
# HIAB IS THE LEADER IN THE MARKETS WE OPERATE

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



# WE WILL CONTINUE TO GROW **IN ATTRACTIVE** **AND RESILIENT SEGMENTS**

**UNDERLYING MARKET 2014-2019 GREW BY 1%  
WHILE HIAB SALES GREW 9%...**

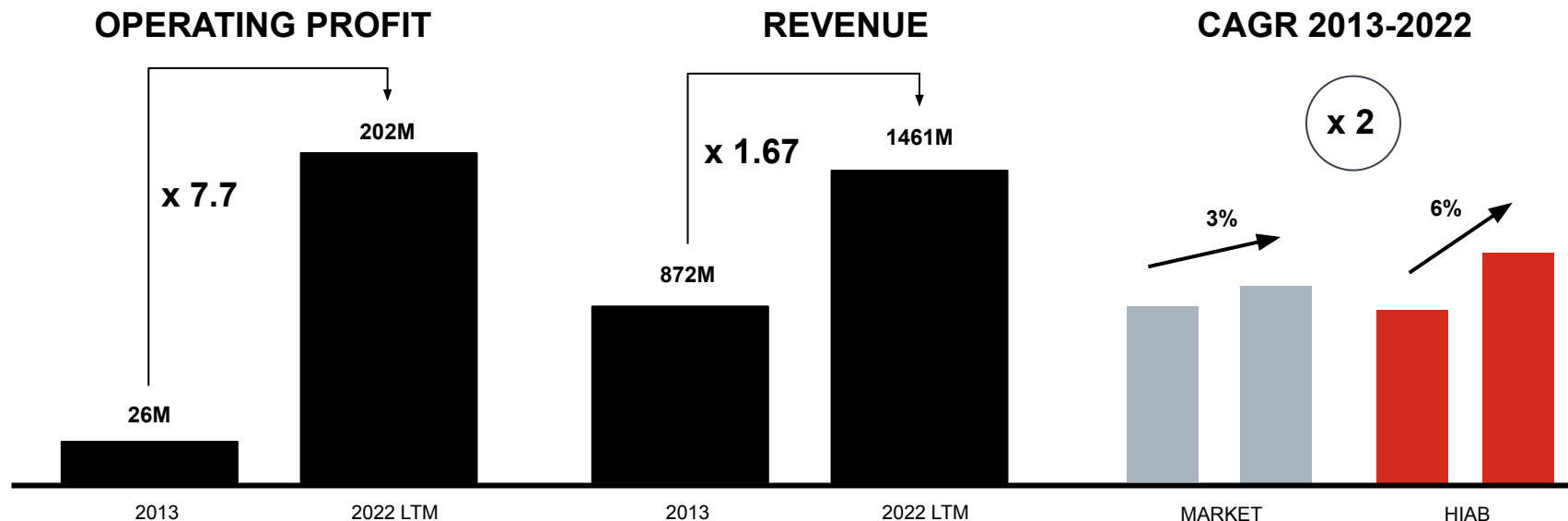


**WE WILL SELECT ATTRACTIVE MARKETS WHERE  
WE CAN CLEARLY DIFFERENTIATE**

**UNDERLYING MARKET  
CAGR 2022-2025**

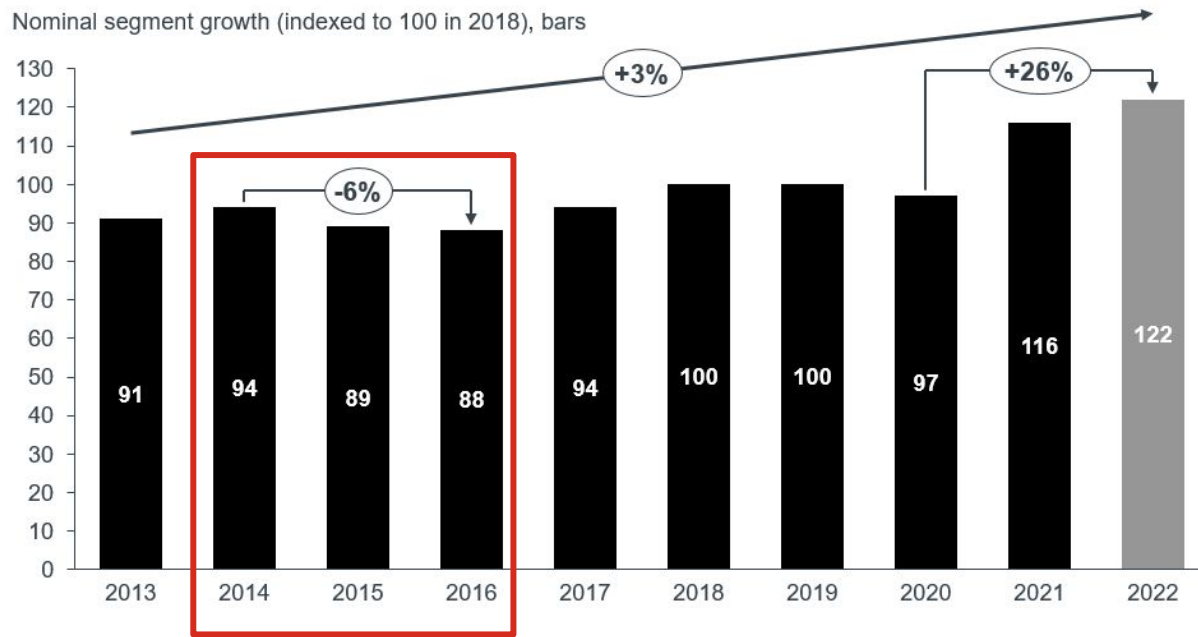
**5%**

# TURNAROUND TO **RESILIENT PROFITABLE GROWTH**



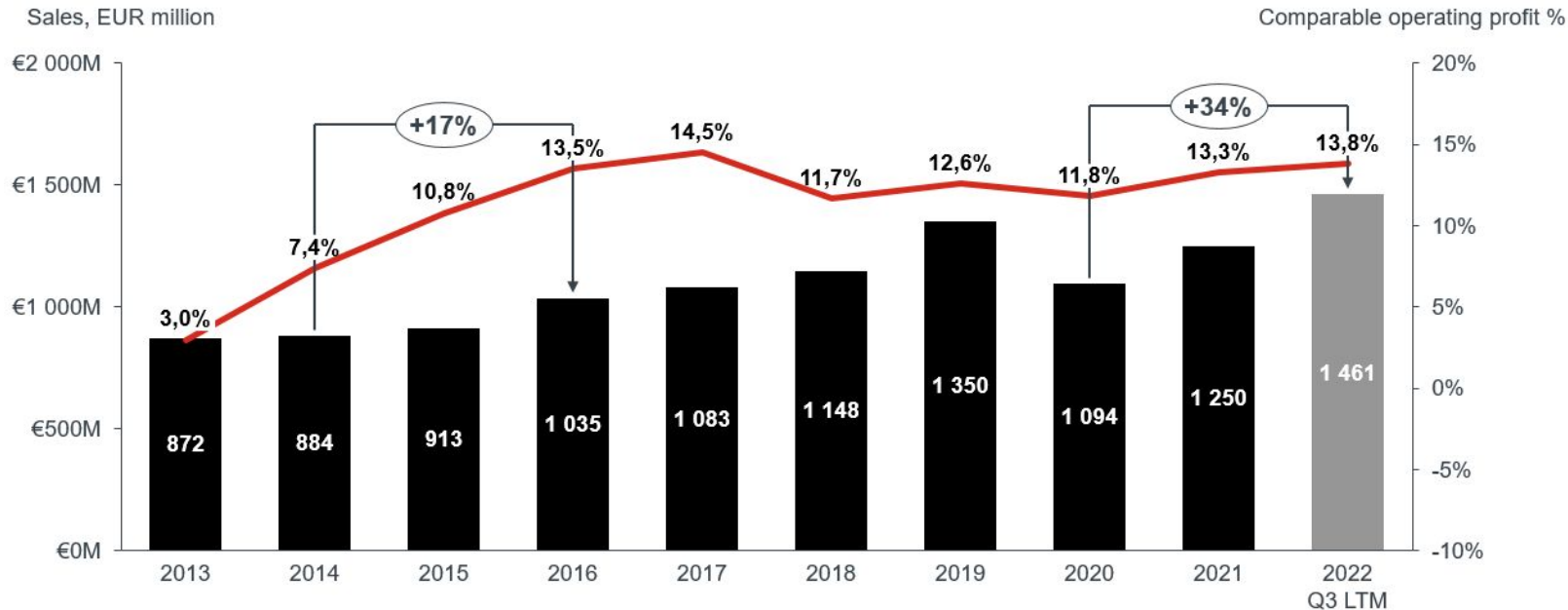
**Resilient in COVID-19 period. Double digit returns in last 8 years. 13.8% OP 2022 LTM.**

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

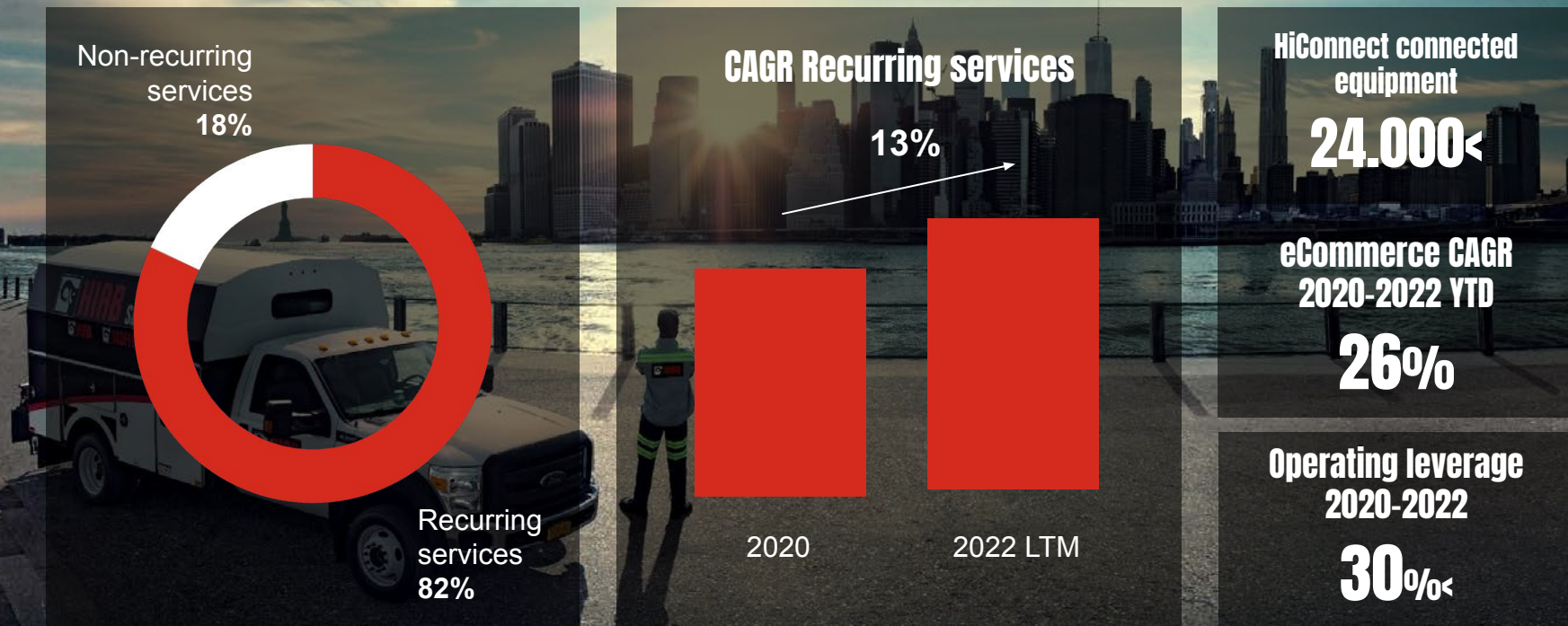




# ...WHILE WE HAVE PROVEN TRACK-RECORD BY GROWING TWICE THE MARKET GROWTH **AND SUSTAINING HIGH PROFITABILITY DURING DOWNTURNS**



# HIAB SERVICES RESILIENT **PROFITABLE GROWTH**



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





# ECO PORTFOLIO SALES 23% OF TOTAL REVENUES IN 2022 (JAN-SEP)

## ELECTRIC MOFFETTS



## ePTO



## CYCLONE TANK

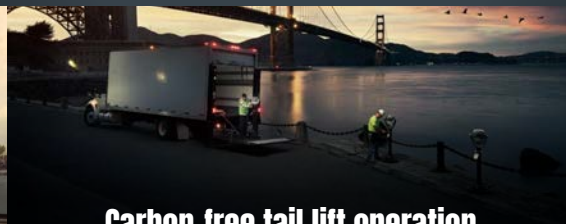


# ECO PORTFOLIO GROWTH +225%

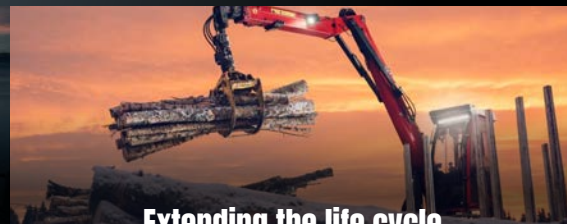
(Jan-Sep 2022/2021)



## VARIABLE HYDRAULIC PUMPS



## SOLAR CHARGING

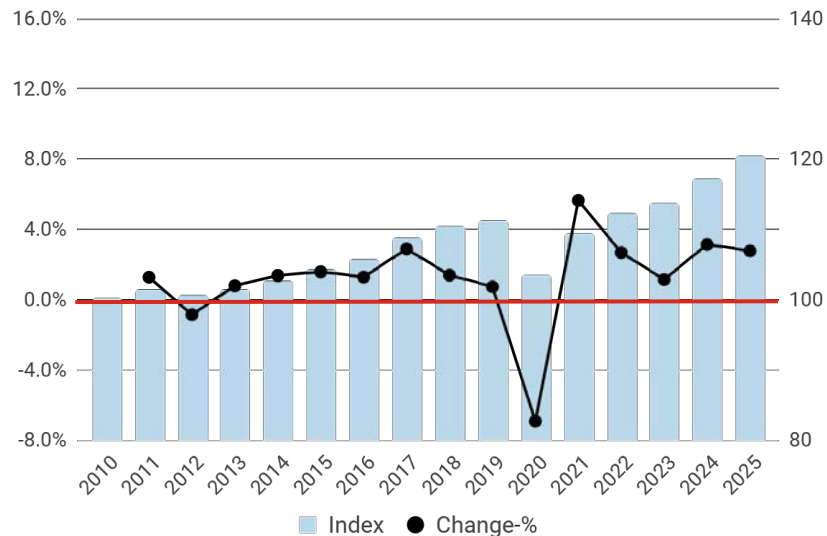


## REFURBISHED EQUIPMENT

# Construction output driving growth opportunity

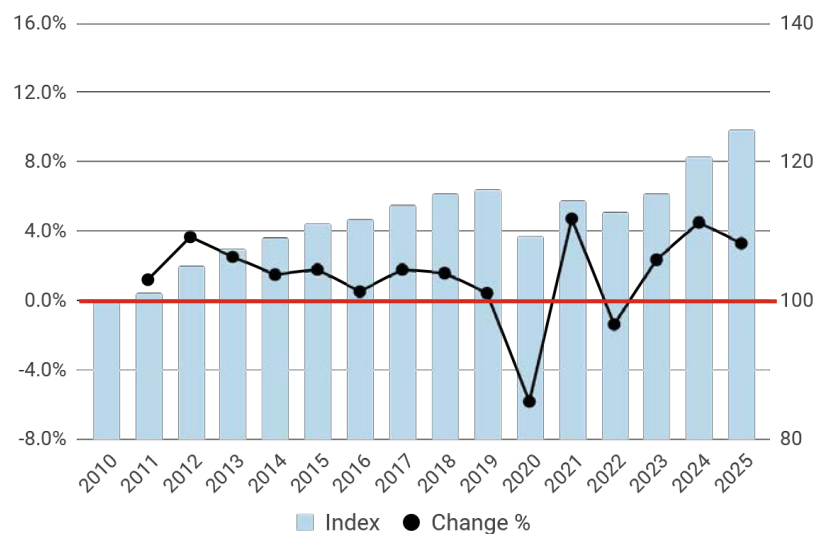
## EMEA construction output

y/y change (%)



## AMER construction output

y/y change (%)



Oxford Economics: Industry output forecast  
09/2022

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

**Great business with STRONG BRANDS**

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

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

**Building foundation for EXECUTION EXCELLENCE**

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

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





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

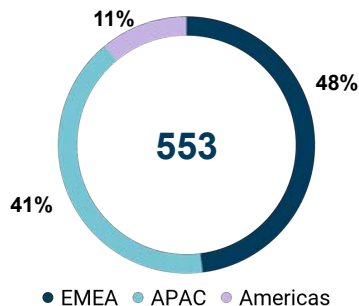
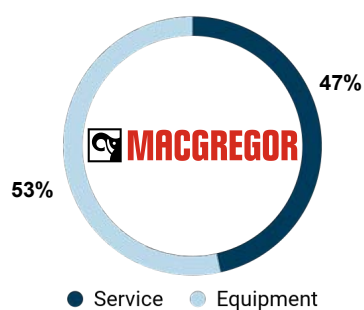
MacGregor offers engineering and lifetime service solutions for merchant cargo and passenger vessels; the offshore oil and gas and renewable energy sectors; fishing, research and marine-resource vessels; naval operations and logistics vessels, and ports and terminals.

Number of personnel  
**1,909**

Sales  
**MEUR 553**

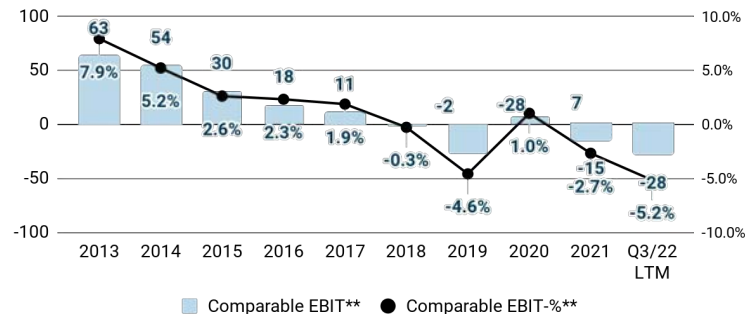
Service sales  
(% of sales)

Geographical sales split



## Development of historical financials

MEUR



# MacGregor has strong growth prospects, but does not fit within our refocused strategic direction

**Global leader** in sustainable maritime cargo and load handling solutions

**Strong growth prospects** driven by positive cycle development, increasing energy prices, offshore wind growth and carbon capture

**Does not fit** to our strategic direction due to new focus on recurring businesses

Based on Cargotec's BoD decision on 14 November:

**MacGregor will not be part of Cargotec's portfolio in the future** but the timing from a value creation perspective, the timing for divestment is not ideal due to financial market uncertainty and early phase of turnaround



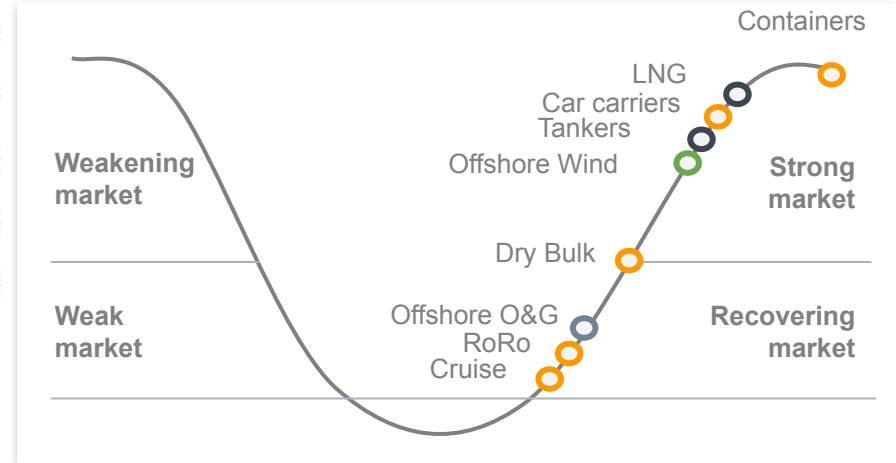


# MacGregor's market outlook is positive despite year-on-year decline in merchant vessel contracting

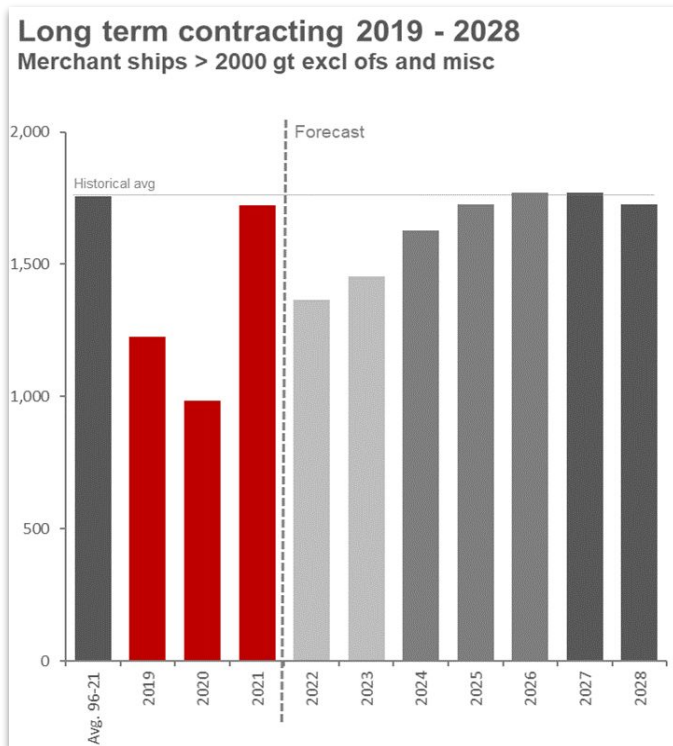
## Merchant ships market trends



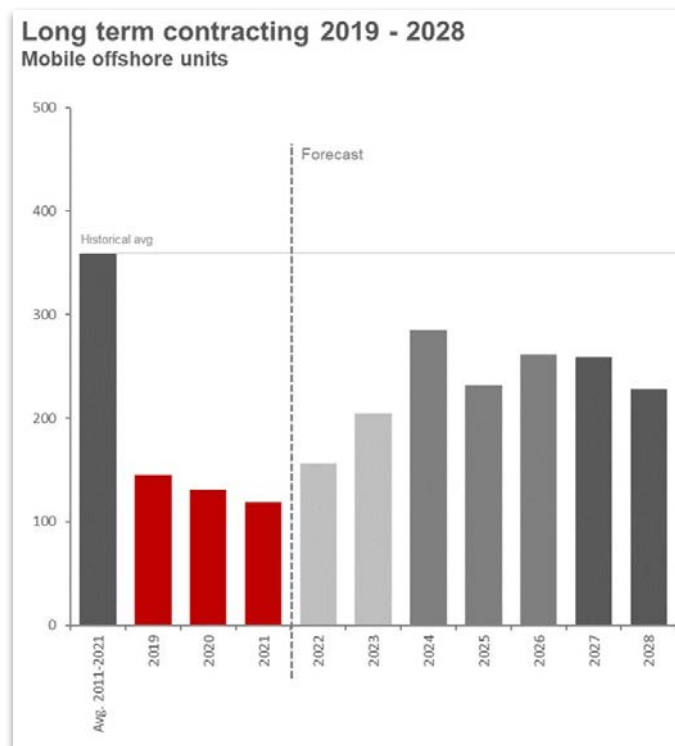
## Market cycle position (indicative)



# Merchant Ships and Offshore contracting outlook positive



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



Offshore wind drives contracting of dedicated offshore wind vessels, and also a wider range of other mobile offshore units.

# Examples of MacGregor offering

Intelligent solutions



RoRo equipment



Hatch covers, container lashings



## Services



Electric cranes



Horizon Gangways



Colibri cranes





# Q3 2022 Strong performance continued in core businesses

- All-time high comparable operating profit
- Orders received increased in all businesses
- Supply chain challenges and market uncertainties are expected to continue
- Outlook for 2022 specified

# Highlights of Q3/22 – All-time high comparable operating profit

**Orders received** increased by 16%

- Strong orders in all businesses
- MacGregor orders +50%

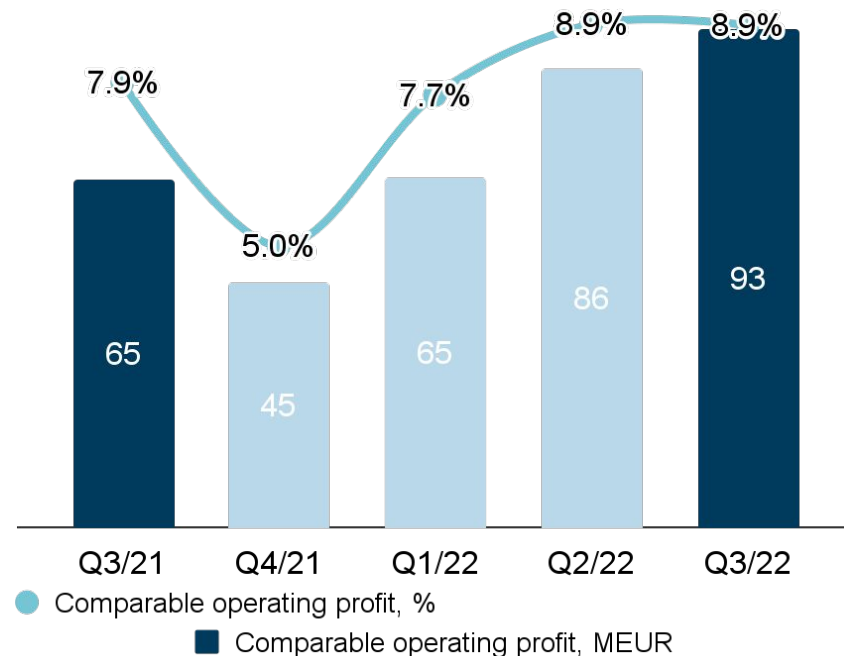
**Sales** increased by 27%

- Driven by core businesses
- Service sales increased by 22%
- Eco portfolio sales doubled to 27% of total sales

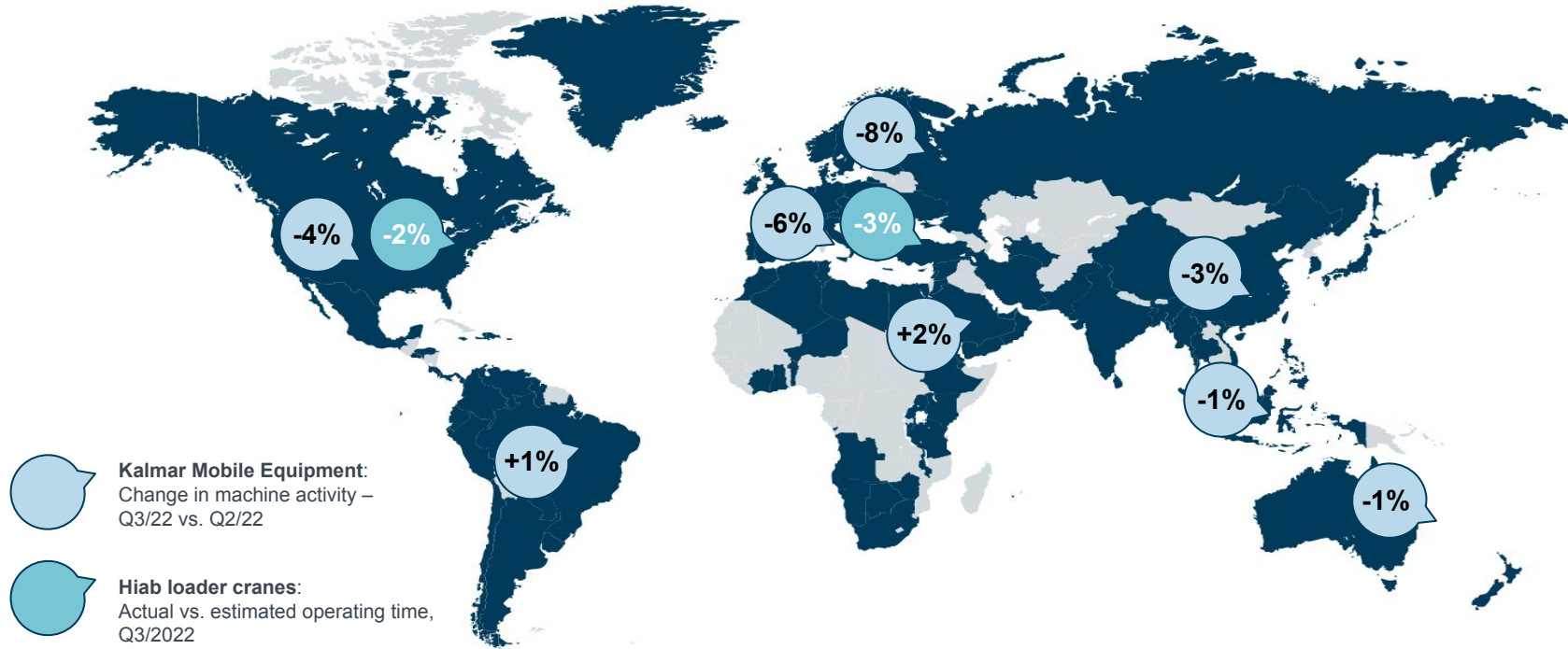
**Comparable operating profit**

increased by 43%

- Kalmar +21 MEUR
- Hiab +8 MEUR
- MacGregor 0 MEUR



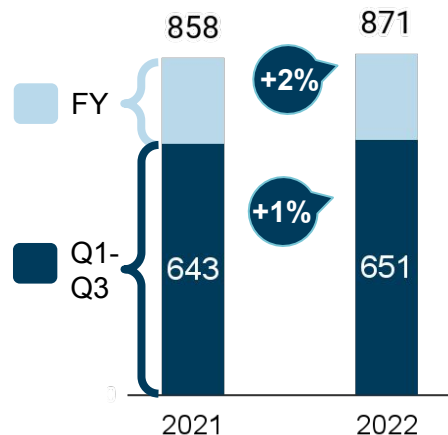
# Slight decline in equipment running hours from high first half level





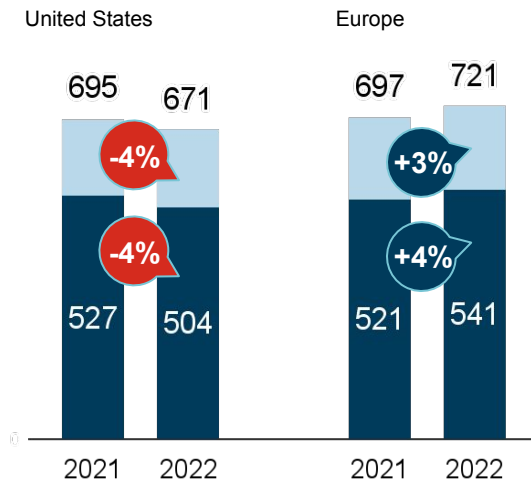
# Market environment - slower growth, economic uncertainty increasing

## Global container throughput<sup>1</sup> – Key driver for Kalmar



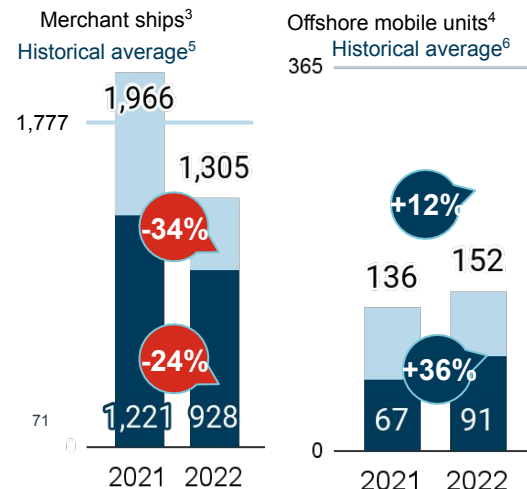
- Modest growth continues

## Construction output<sup>2</sup> – Key driver for Hiab



- Modest growth expected for 2022 in Europe, US declining

## Long term contracting – Key driver for MacGregor

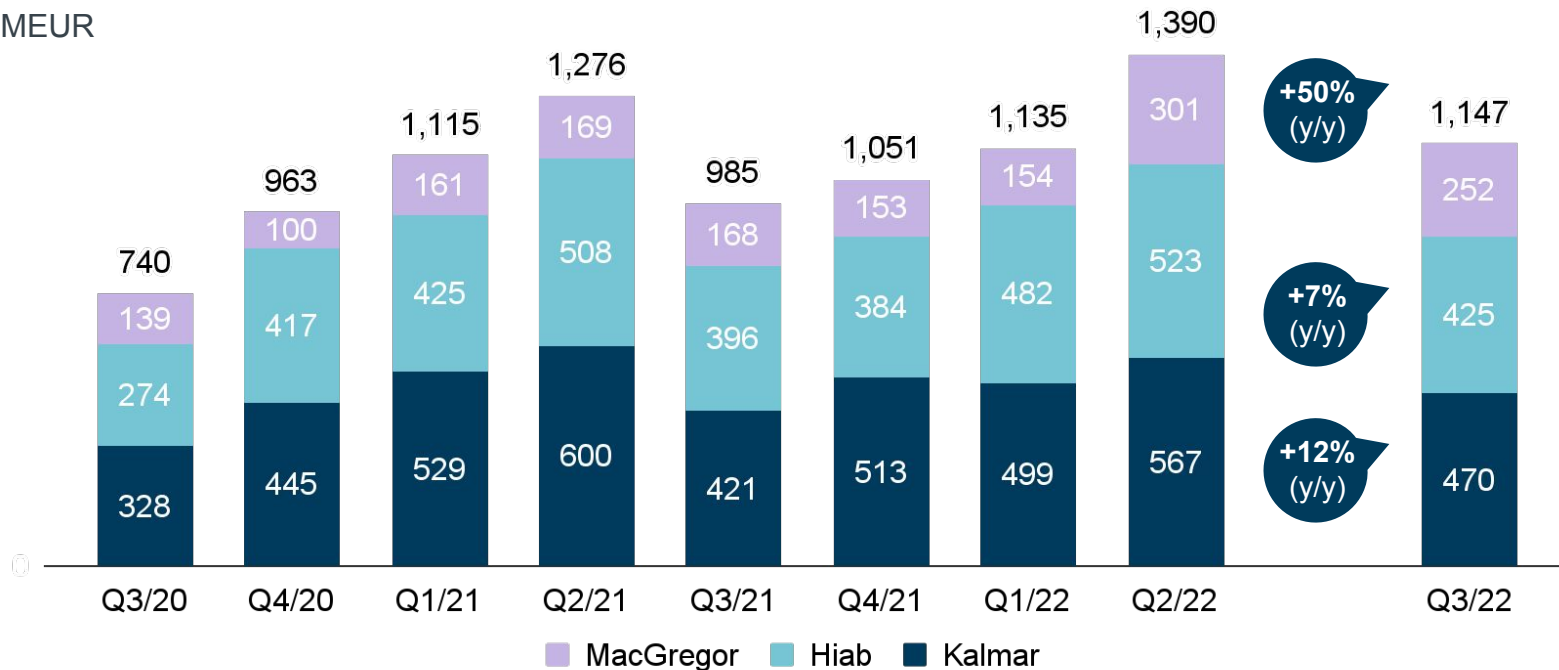


- Positive market outlook despite short term decline in merchant vessel contracting

# Orders received increased in all businesses

## Orders received

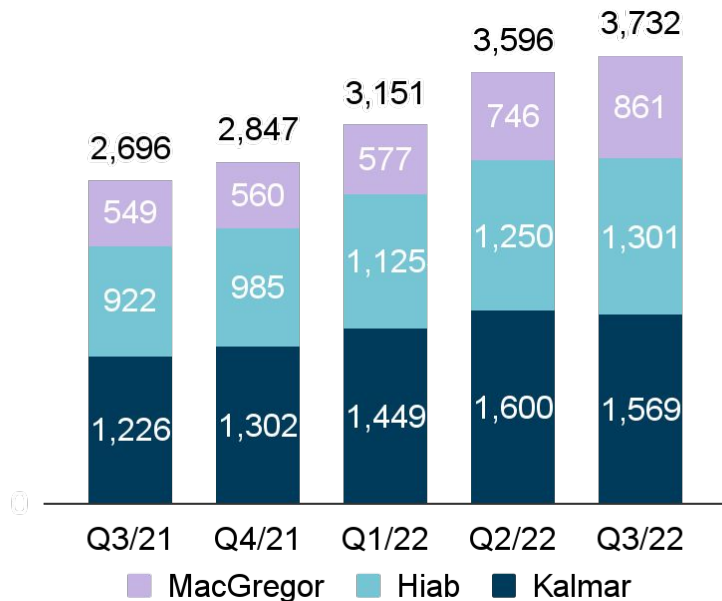
MEUR



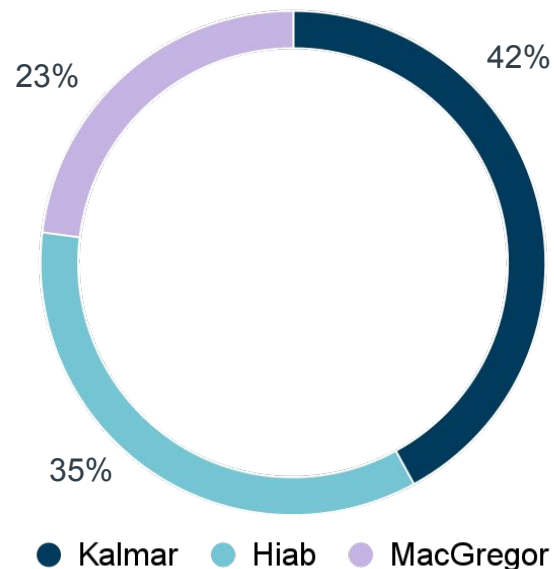
# Order book at all-time high level

## Order book

MEUR



## Order book by reporting segment, 30 September 2022

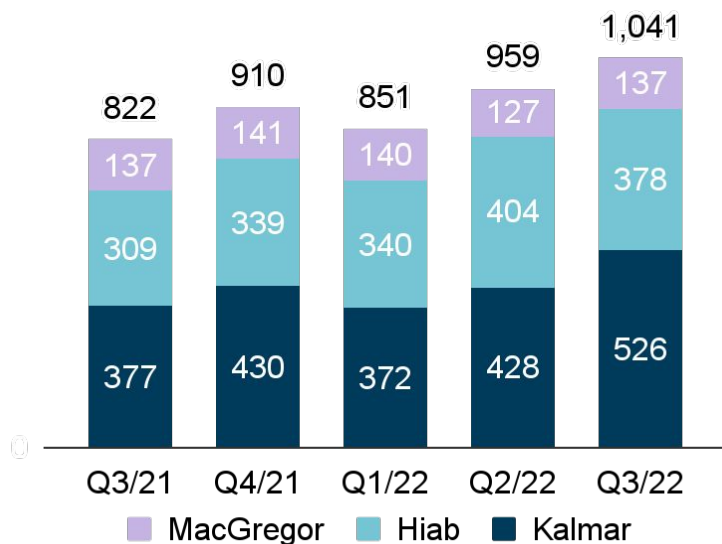




# Record high sales and comparable operating profit

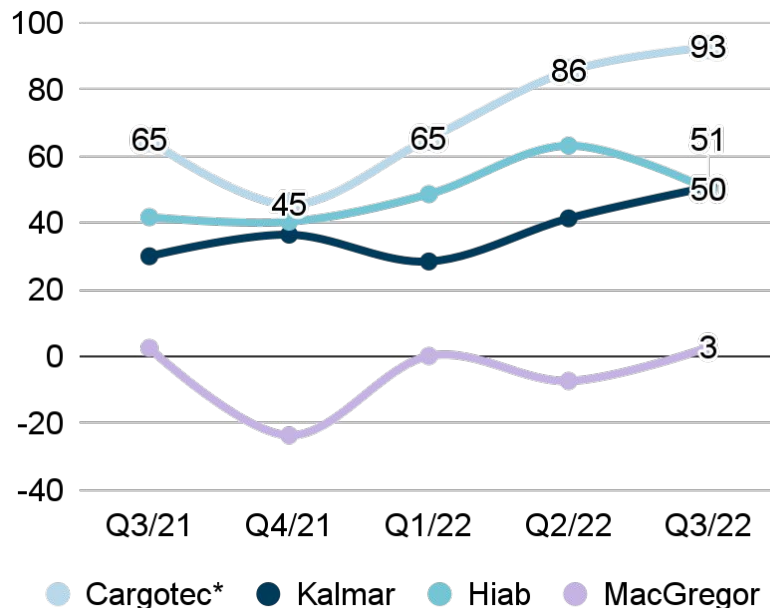
## Sales

MEUR



## Comparable operating profit

MEUR



\*) Including Corporate admin and support

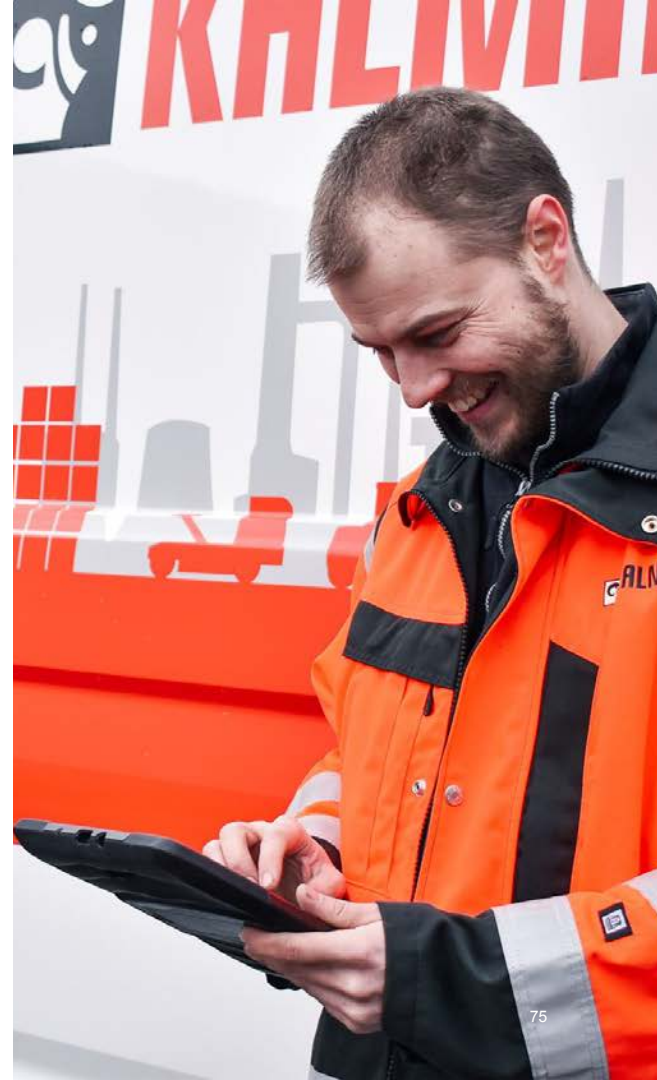
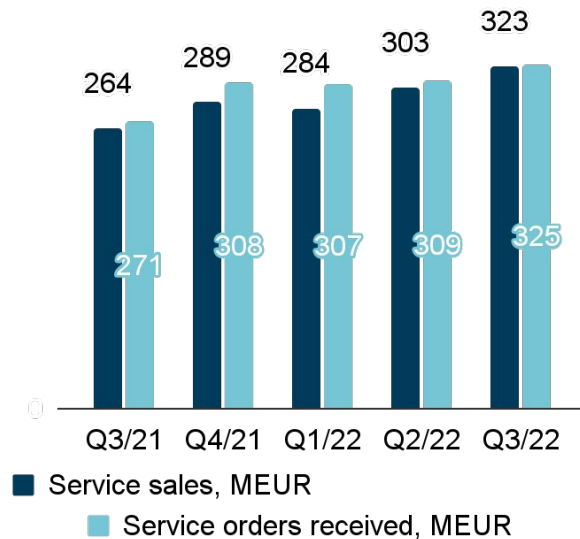
# Another record quarter for service business

Service orders received +20%

Service sales +22%

- Kalmar +24%
- Hiab +21%
- MacGregor +21%

Service share 31% of total sales



# Kalmar Q3 – Excellent quarter

Demand continued at a high level

- Robust mobile equipment demand

Sales increased by 40%

- Service sales +24%
- Supply chain challenges continue

Comparable operating profit increased

- Higher sales

MEUR	Q3/22	Q3/21	Change
Orders received	470	421	12%
Order book	1,569	1,226	28%
Sales	526	377	40%
Service sales, %	27%	30%	-300 bps
Comparable operating profit	51	30	69%
Comparable operating profit margin	9.7%	8.0%	170 bps





# Hiab Q3 – Strong quarter despite typical seasonal weakness

Strong demand continued

Sales increased by 23%

- Service sales +21%
- Growth in equipment deliveries, supply chain and truck chassis availability challenges continue

Comparable operating profit increased

- Higher sales

MEUR	Q3/22	Q3/21	Change
Orders received	425	396	7%
Order book	1,301	922	41%
Sales	378	309	23%
Service sales, %	28%	28%	0 bps
Comparable operating profit	50	42	20%
Comparable operating profit margin	13.2%	13.5%	-30 bps



# MacGregor Q3 – Surge in orders received and order book

## Orders received surged

- Driven by increase in merchant vessels

## Sales stable

- Service sales +21%
- Increase in merchant vessels and decrease in offshore sector

## Comparable operating profit stable

- Higher sales in services and merchant vessels
- Lower sales in offshore
- Investments in offshore wind

MEUR	Q3/22	Q3/21	Change
Orders received	252	168	50%
Order book	861	549	57%
Sales	137	137	0%
Service sales, %	55%	46%	900 bps
Comparable operating profit	3	3	7%
Comparable operating profit margin	2.0%	1.8%	20 bps



# Financial highlights

**3,732**

**MEUR**

Record order book

**31%**

Q1-Q3/22  
comparable  
operating profit  
increase from  
Q1-Q3/21

**-43**

**MEUR**

Items affecting  
comparability in  
Q3

**696**

**MEUR**

Eco portfolio sales  
in Q1-Q3/22

**10.6%**

Core businesses\*  
comparable  
operating profit  
margin in Q3



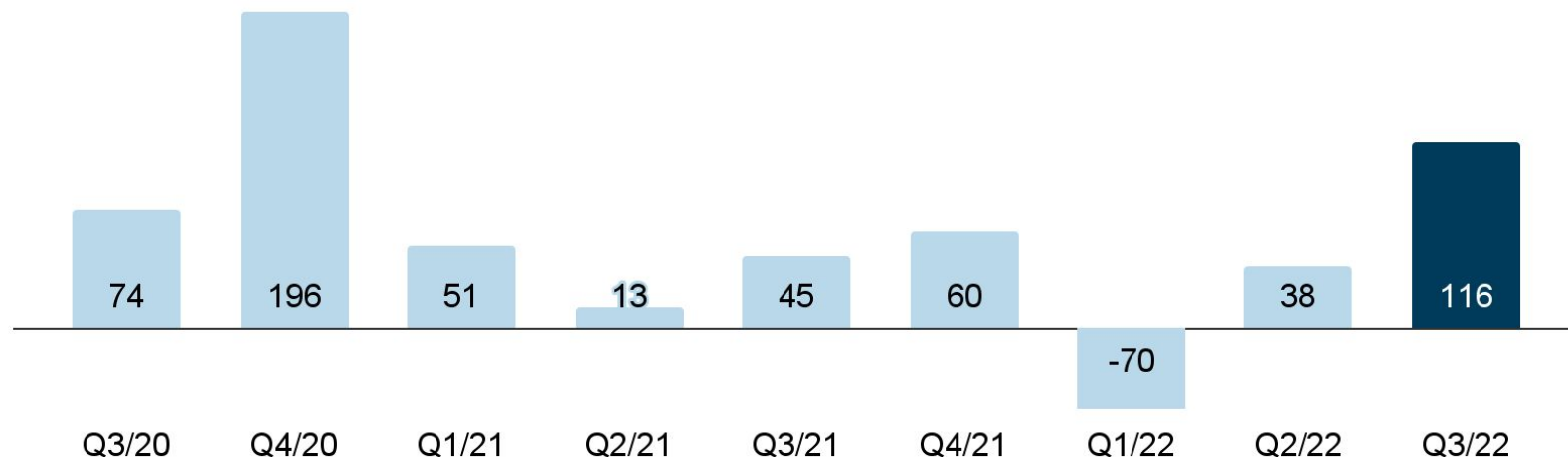
# Key figures – Comparison period included significant gain from disposal of Navis software business

	Q3/22	Q3/21	Change	Q1-Q3/22	Q1-Q3/21	Change
Orders received, MEUR	<b>1,147</b>	985	16%	<b>3,672</b>	3,377	9%
Order book, MEUR	<b>3,732</b>	2,696	38%	<b>3,732</b>	2,696	38%
Sales, MEUR	<b>1,041</b>	822	27%	<b>2,850</b>	2,405	19%
Comparable operating profit, MEUR	<b>93</b>	65	43%	<b>243</b>	186	31%
Comparable operating profit, %	<b>8.9%</b>	7.9%	100bps	<b>8.5%</b>	7.7%	80bps
Items affecting comparability, MEUR	<b>-43</b>	213	<-100%	<b>-109</b>	161	-167%
Operating profit, MEUR	<b>50</b>	278	-82%	<b>135</b>	347	-61%
Operating profit, %	<b>4.8%</b>	33.8%	-2900bps	<b>4.7%</b>	14.4%	-970bps
Net income, MEUR	<b>29</b>	219	-87%	<b>91</b>	255	-64%
Earnings per share, EUR	<b>0.45</b>	3.40	-87%	<b>1.41</b>	3.95	-64%
Earnings per share, EUR*	<b>0.91</b>	0.91	0%	<b>2.36</b>	2.00	18%
ROCE, %**	<b>5.8%</b>	14.3%	-850bps	<b>5.8%</b>	14.3%	-850bps

# Advance payments and reduction in account receivable supported our operative cash flow

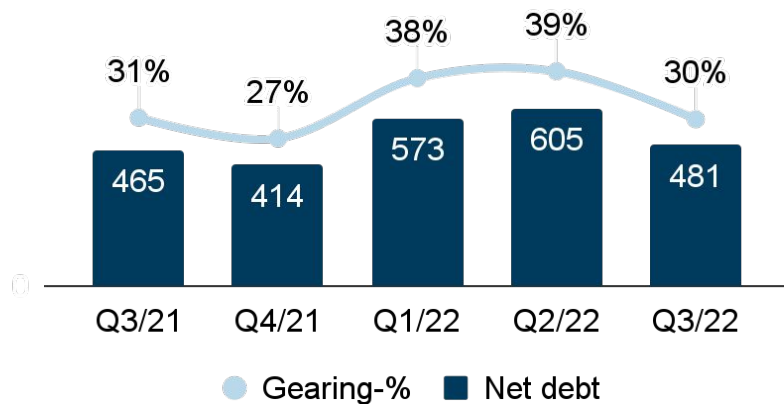
Cash flow from operations before financing items and taxes

MEUR

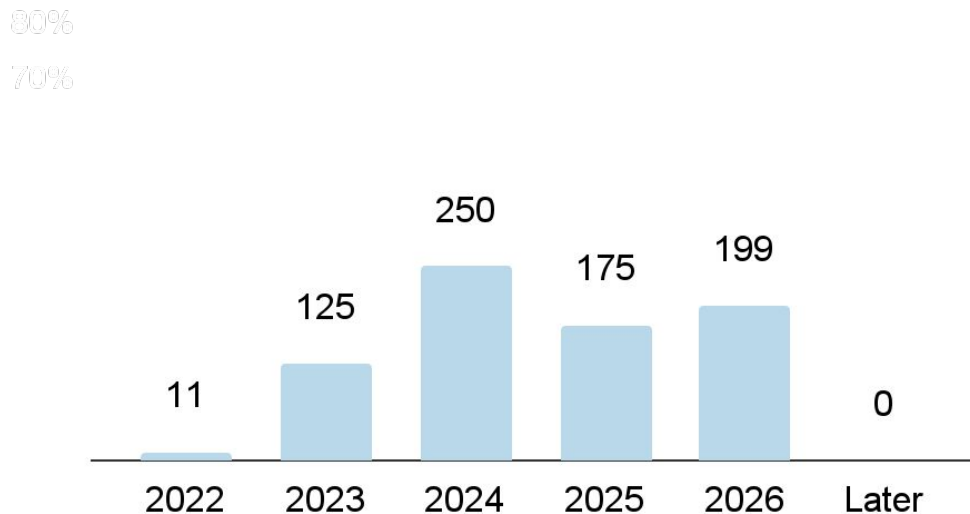


# Gearing improvement driven by good cash flow

Net debt & gearing  
MEUR



Maturity profile, 30 September 2022





# Market leading technology and services driving growth

**Grow in core and adjacent businesses & markets**

Hiab launches RAIL series — a full range of railway loader cranes



**Solve customer challenges in climate change and sustainability**

+500 Kalmar hybrid straddle- and shuttle carriers ordered



**Invest in industry innovation and transformation**

World's first hooklift made from fossil-free steel



**Expand lifecycle services**

Hiab launched HiPerform, a new total service solution for optimised performance





# Financials



# Outlook for 2022 specified

Cargotec estimates  
its 2022 comparable  
operating profit  
to improve EUR  
88–118 million  
compared to 2021  
(from EUR 232  
million to EUR  
320–350 million)





# We have successfully navigated through an exceptional operating environment...

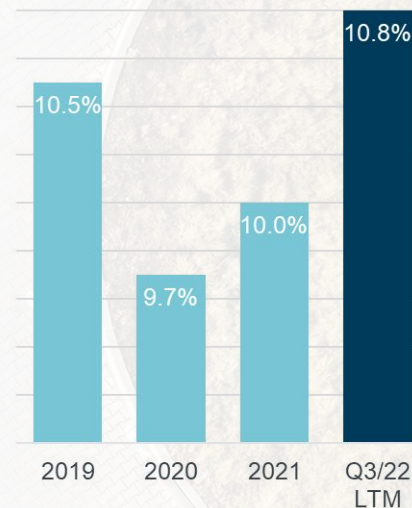
## What we have seen in the markets

- Macroeconomic uncertainty
- Covid-19 impact on 2020 deliveries, sales down 20%
- Supply chain shortcomings, rapid input cost increases
- Geopolitical tensions

## How we have responded

- We reduced our monthly costs by 10 MEUR in 4 weeks by implementing Plan B actions
- Securing deliveries - NWC increase by 180M€ since Dec 2020
- Sales price increases >20% since Jan 2021
- Further geographical distribution of supply base
- Exit from Russia, expanding assembly in the USA

## Core business comparable OP



# ...and we are prepared for different future scenarios

Observe early signals - monitor customer demand and equipment utilization

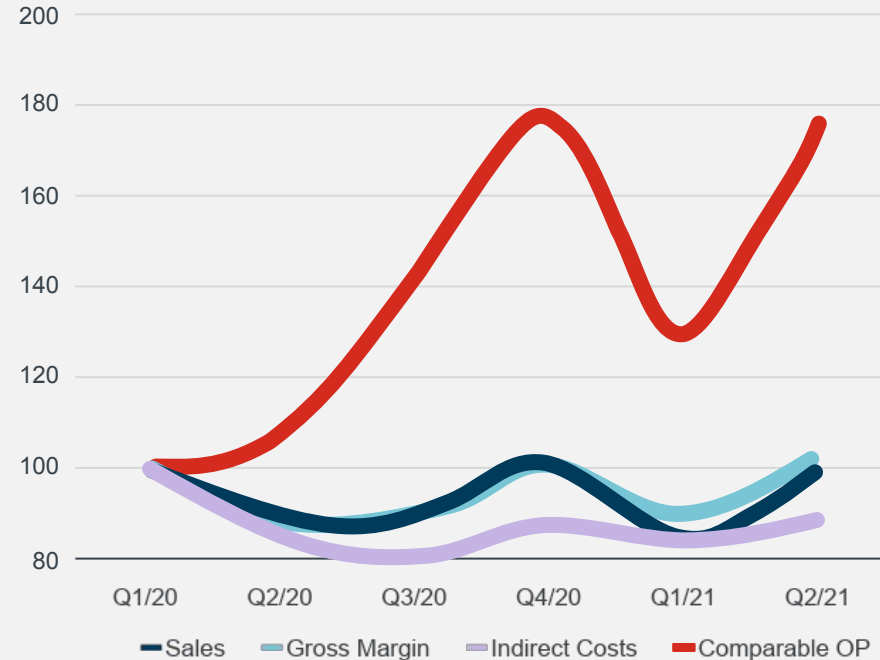
Rapid cost base adjustment enabled by scenario plans, like

- › maintaining core businesses operating profit margin above 10% with 25% sales decline

Utilize momentum for offensive actions, like M&A

## Actions to reduce fixed costs reduction compensated for the lost gross margin

Index Q1/20 = 100





# We will continue to allocate capital to growth, sustainability and shareholder returns



## GROWTH

Cash spent on core business  
acquisitions in 2013-2022  
**EUR 105 million**



## SUSTAINABILITY

Core business R&D  
2018-2022  
**EUR 323 million**  
(2.4% of sales)



## SHAREHOLDER RETURNS

Paid dividends 2013-2021  
**EUR 505 million**  
(52% of net income)



# Examples of recent acquisitions and partnerships



A premier designer and manufacturer of waste handling equipment

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

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

Acquisition enables growth in the US and in the waste segment



Global leader in the heavy cranes segment

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

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

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



Autonomous driving technology start-up

California, US  
Partnership in 2022  
BA: Kalmar  
Kalmar became minority shareholder

Speeds up the development and launch of robotic mobile equipment solutions

In the initial phase, focus on the autonomous driving functionality Kalmar's autonomous terminal tractor



# Our R&D efforts are focused on digitalisation, robotics and transitioning to green energy



MATURITY

EXAMPLE



## Digitalisation



Quite mature

Mature data driven offering

In-house digital platform

HiPerform



## Green energy



Booming

Geared up for battery electric truck adoption

Transforming offering from diesel to electric

World's first fully electric truck mounted forklift offering



## Robotics



Early adaptors

From assistive towards autonomy

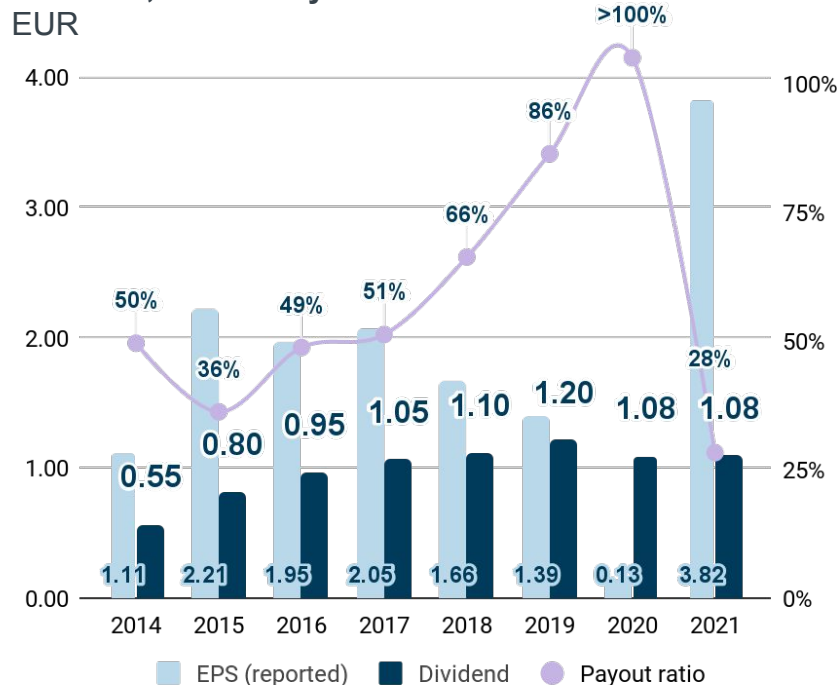
Robo TT prototype

HiVision for demountables

# Cargotec aims for growing dividend of 30-50% of EPS



Dividend, EPS & Payout ratio



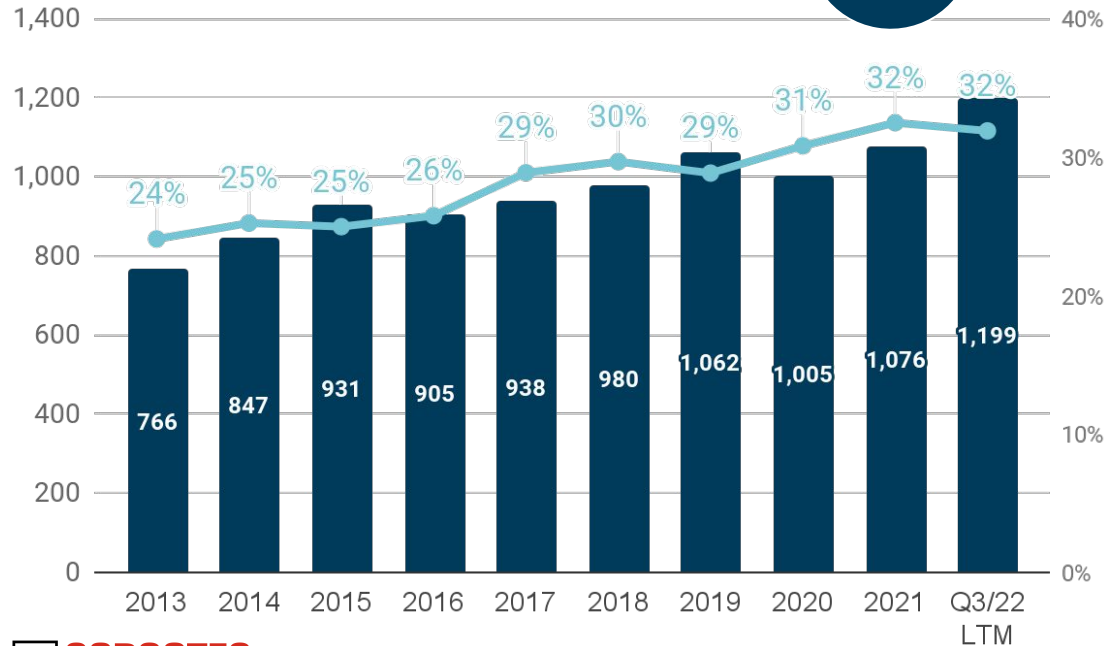
- Cargotec's AGM held on 17 March 2022 approved:
  - Dividend of 1.08 per class B share
  - Record date 21 March 2022
  - Payment date 28 March 2022
- 2021 EPS includes gain from Navis disposal
  - Calculated from EPS excl. items affecting comparability, payout ratio for 2021 is 46%



# Service business continues to grow

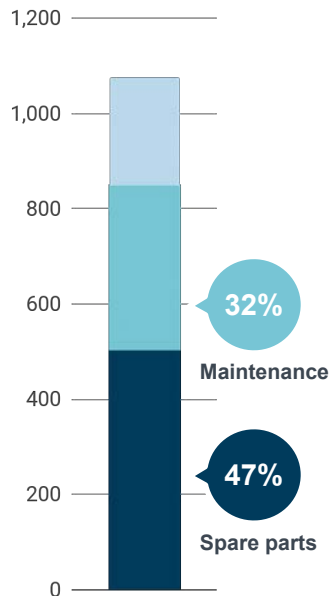
## Service sales

MEUR

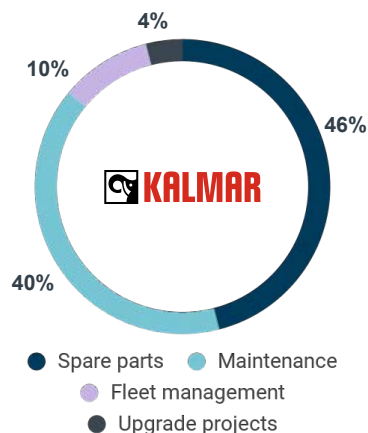


# Spare parts and maintenance form majority of our service sales

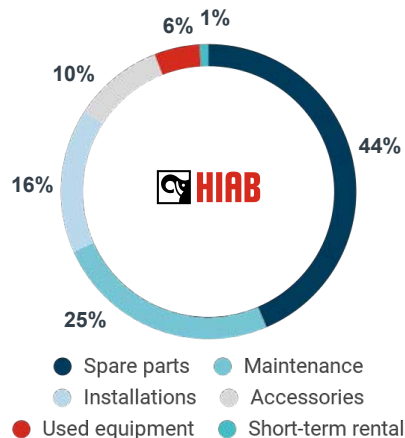
**Service sales:**  
**EUR 1,076 million**  
**32% of total sales**



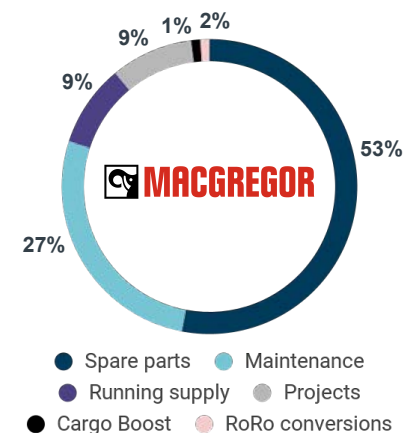
Kalmar	MEUR, %	
Service orders received	502	24%
Service sales	468	31%



Hiab	MEUR, %	
Service orders received	361	21%
Service sales	351	28%



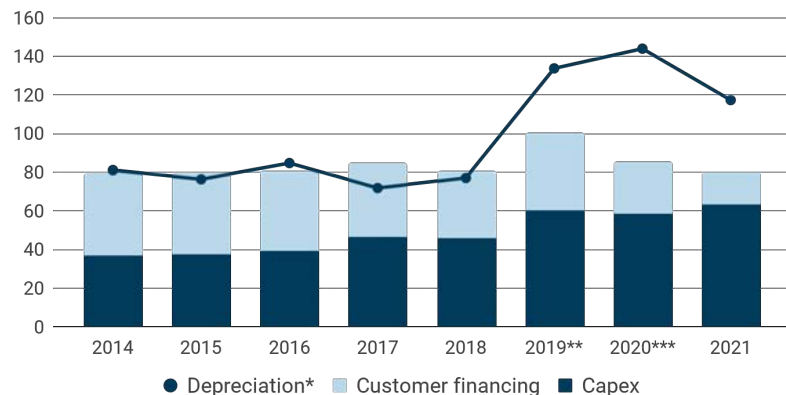
MacGregor	MEUR, %	
Service orders received	299	46%
Service sales	257	47%



# Capex and R&D

## Capital expenditure

MEUR

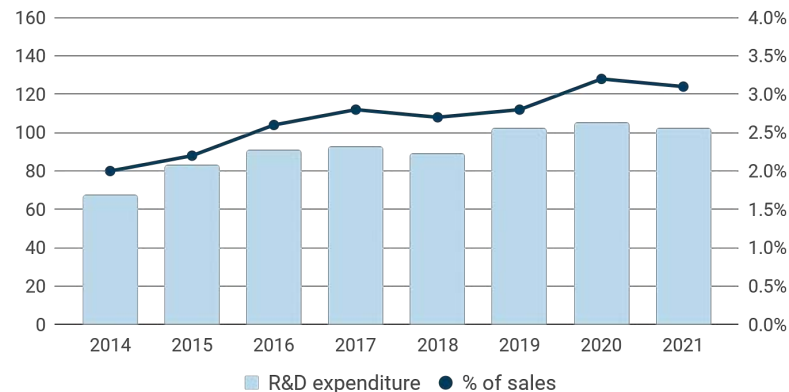


### Main capex investments:

- Kalmar innovation centre in Ljungby, Sweden
- Investments in multi-assembly units in Kalmar and Hiab
- Intangible assets, such as global systems to improve efficiency in operational activities and support functions

## Research and development

MEUR



### R&D investments focused on

- Themes supporting our climate targets such as digitalisation, electrification and automation
- Competitiveness and cost efficiency of products

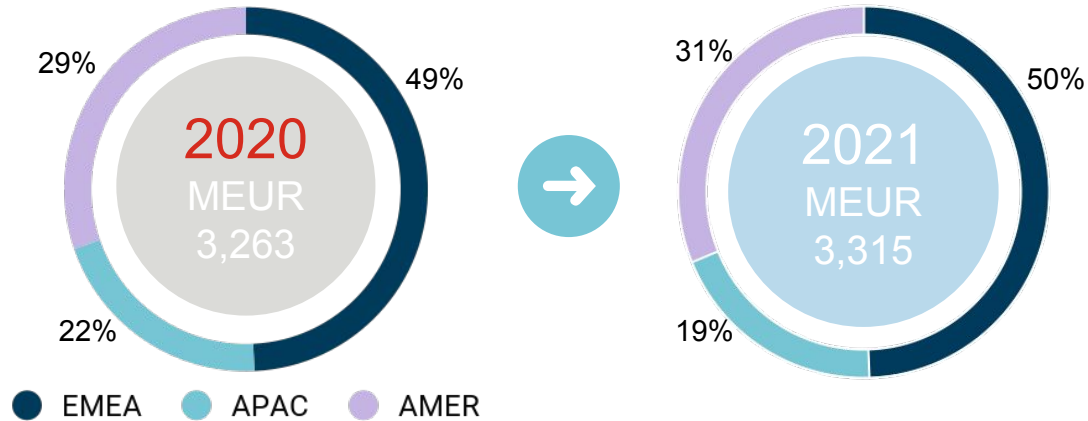
\*) Including amortisations and impairments

\*\*) depreciation increased due to IFRS 16 implementation

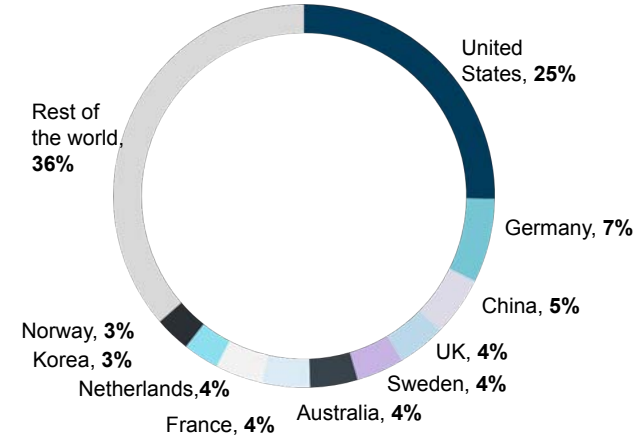
\*\*\*) depreciation includes impairments worth EUR 16 of which EUR 16 has been booked as restructuring costs



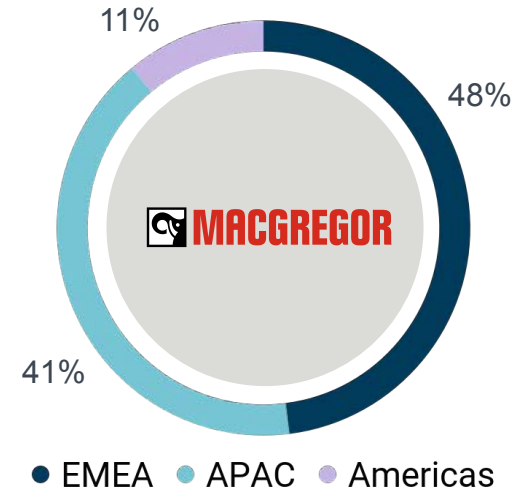
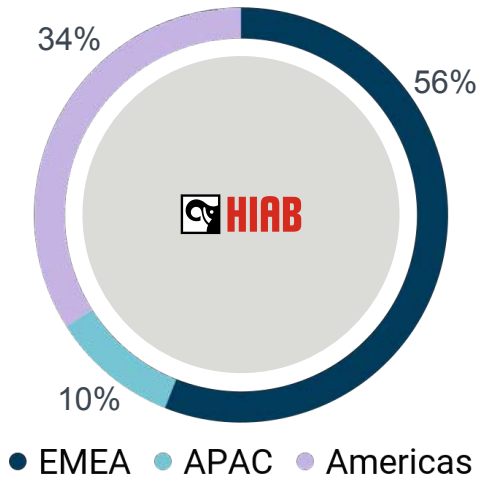
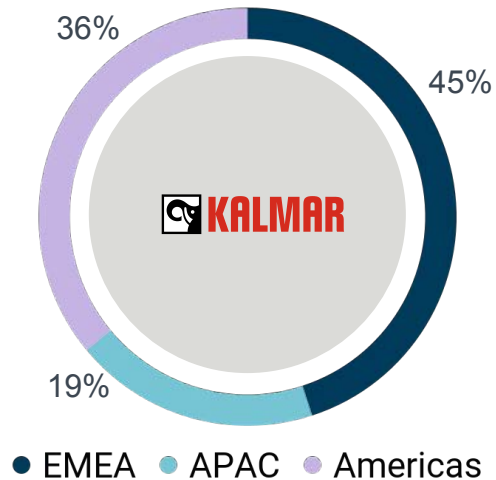
# Well diversified geographical sales mix



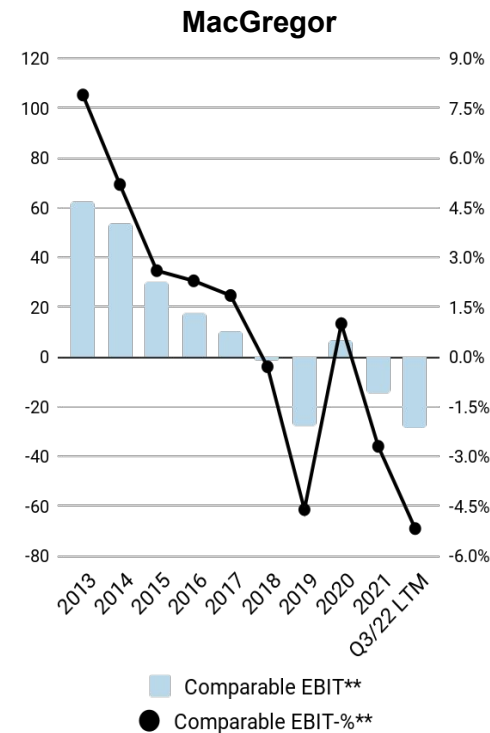
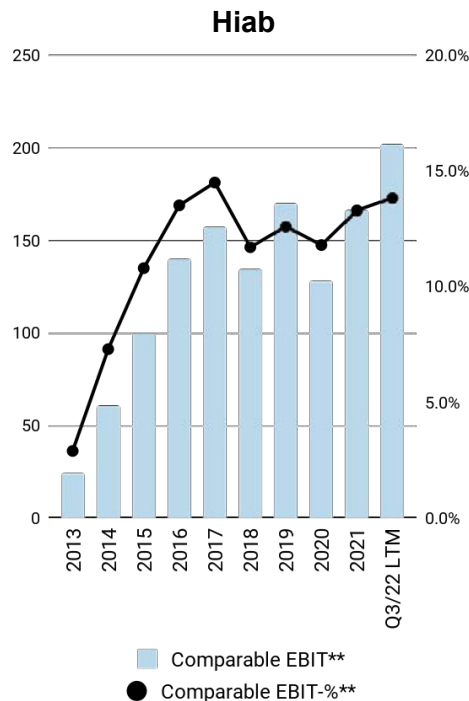
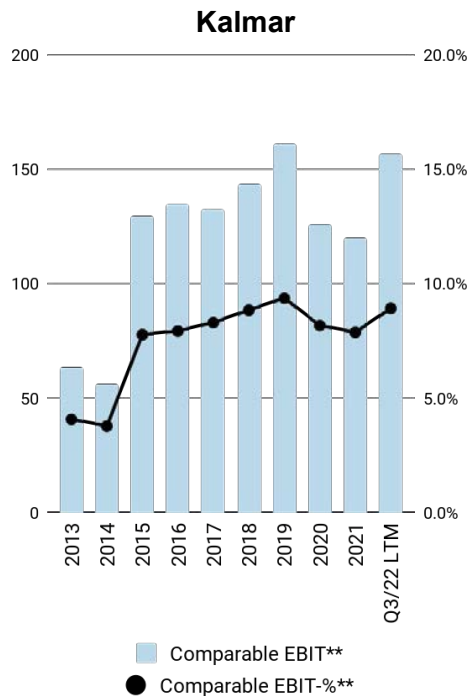
## Top-10 countries by customer location



# Sales by geographical segment by business area 2021

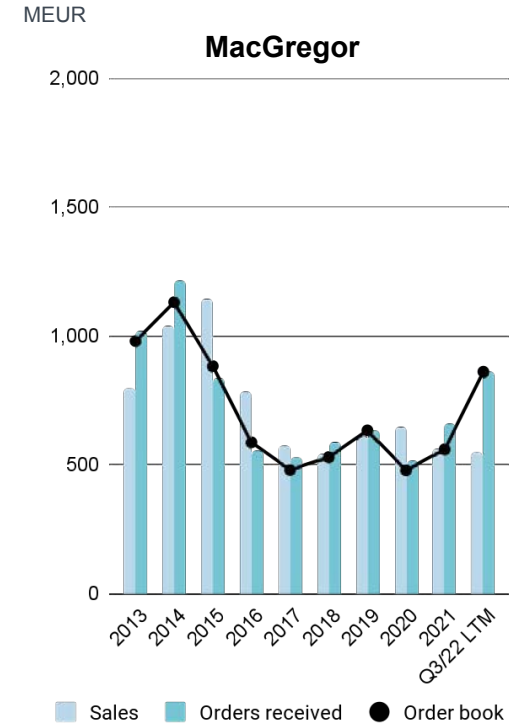
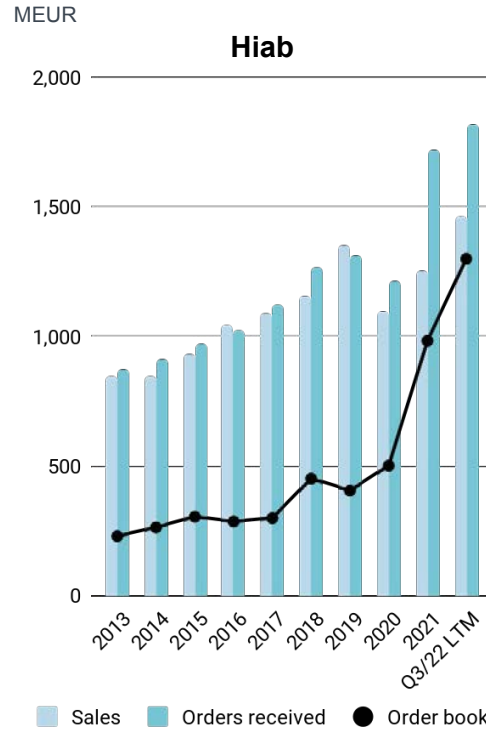
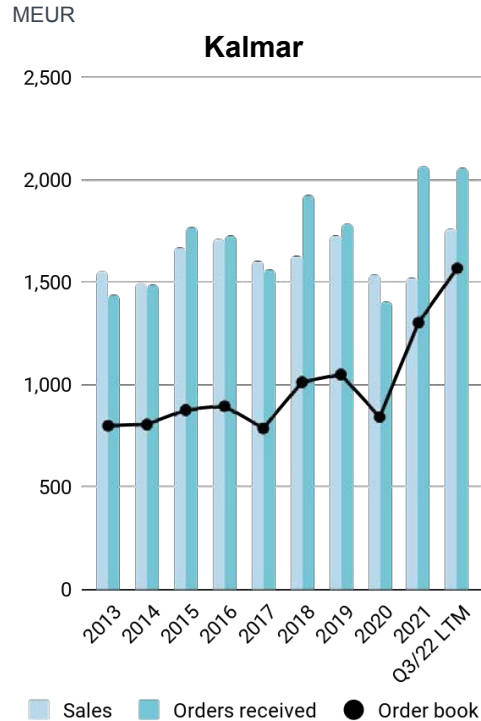


# Comparable operating profit development

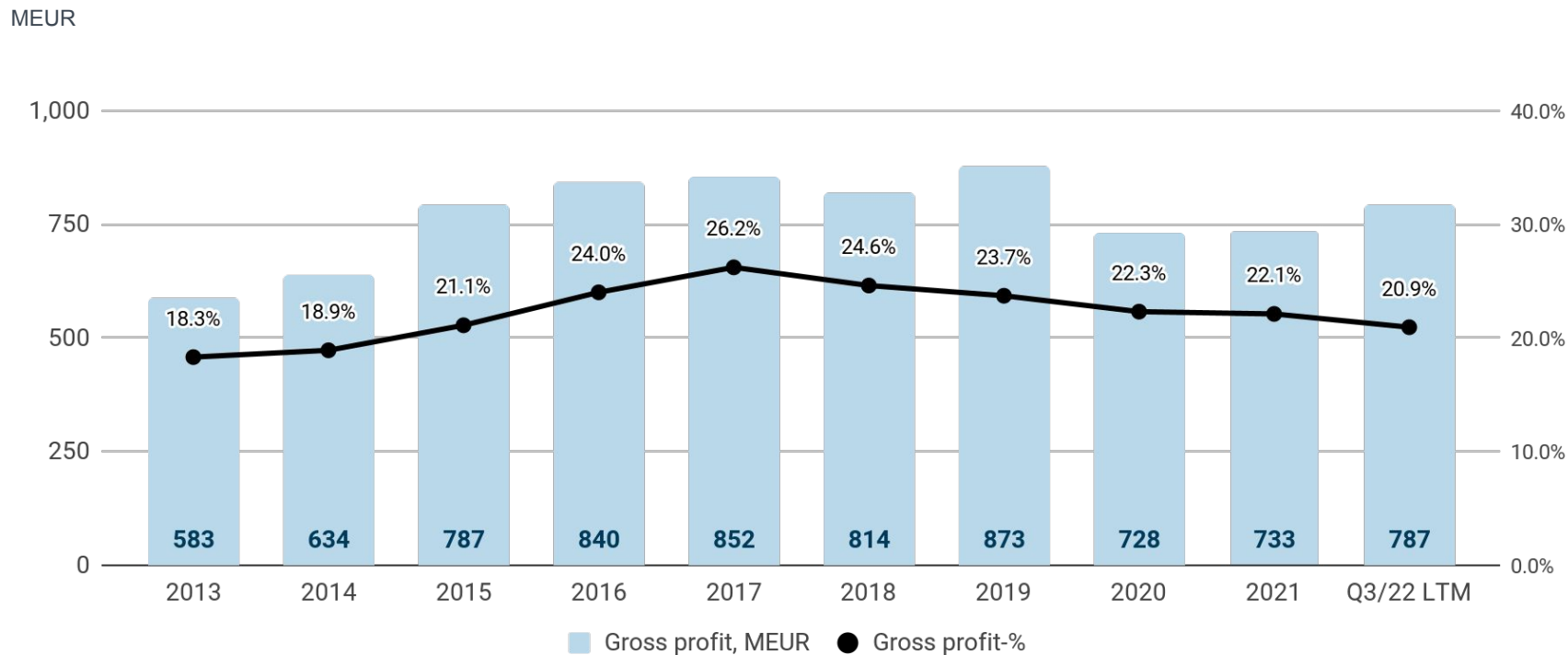




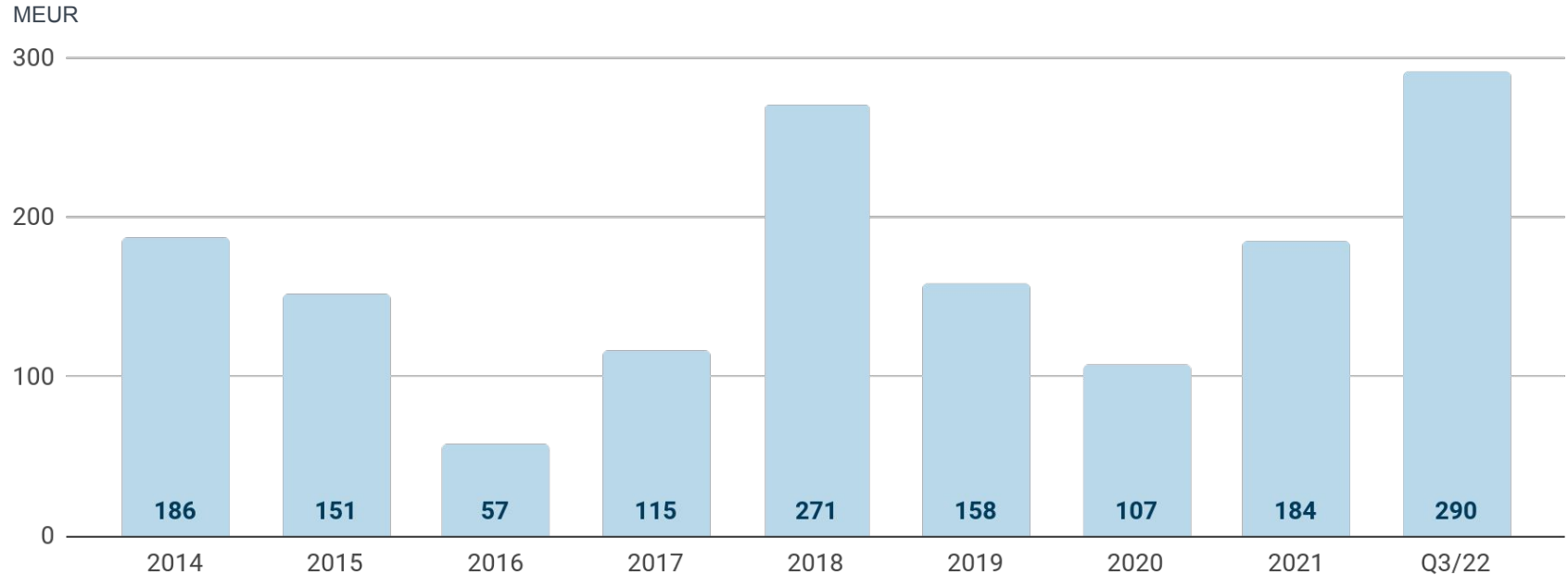
# Sales and orders received development



# Gross profit development

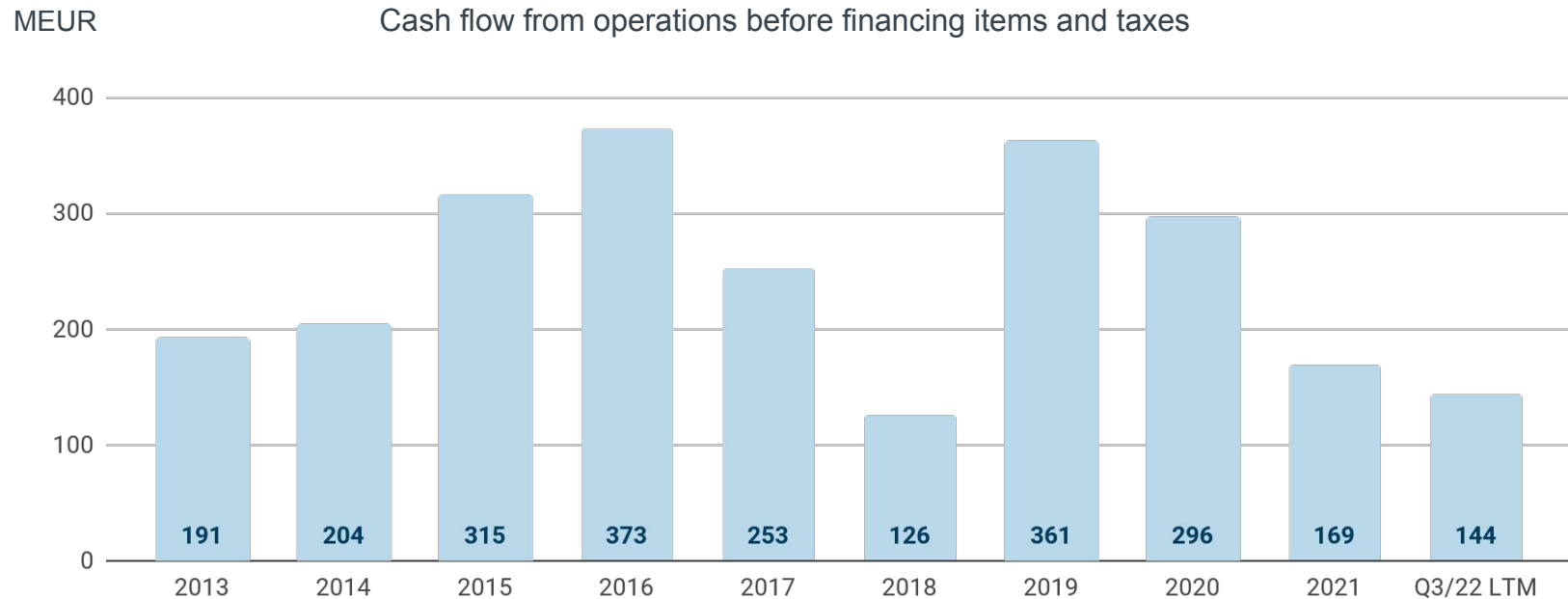


# Net working capital development





# Strong cash flow



# Income statement

## Q3 2022

MEUR	Q3/22	Q3/21	Q1-Q3/22	Q1-Q3/21	2021
Net income for the period	28.9	219.5	90.8	254.9	246.7

### Other comprehensive income

*Items that cannot be reclassified to statement of income:*

Actuarial gains (+) / losses (-) from defined benefit plans	0.6	0.2	2.4	-0.1	-0.5
Gains (+) / losses (-) on designated share investments measured at fair value	-3.4	4.5	-9.8	0.4	14.2
Taxes relating to items that cannot be reclassified to statement of income	-0.1	0.0	-0.4	0.0	0.0

*Items that can be reclassified to statement of income:*

Gains (+) / losses (-) on cash flow hedges	-58.6	-11.3	-116.9	-21.3	-9.5
Gains (+) / losses (-) on cash flow hedges transferred to statement of income	41.3	1.4	73.6	7.6	-3.9
Translation differences	23.7	16.7	64.5	46.6	65.9
Taxes relating to items that can be reclassified to statement of income	2.2	1.4	5.9	2.3	2.3
Share of other comprehensive income of associates and JV, net of tax	1.6	-0.2	1.2	-1.9	-0.3
<b>Other comprehensive income, net of tax</b>	<b>7.2</b>	<b>12.7</b>	<b>20.5</b>	<b>33.7</b>	<b>68.3</b>

<b>Comprehensive income for the period</b>	<b>36.1</b>	<b>232.1</b>	<b>111.3</b>	<b>288.6</b>	<b>315.0</b>
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### Comprehensive income for the period attributable to:

Equity holders of the parent	36.1	232.0	111.5	288.3	314.6
Non-controlling interest	0.0	0.1	-0.3	0.2	0.4
<b>Total</b>	<b>36.1</b>	<b>232.1</b>	<b>111.3</b>	<b>288.6</b>	<b>315.0</b>

# Balance sheet 30 September 2022

ASSETS, MEUR	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>Non-current assets</b>				
Goodwill		977.1	963.4	966.8
Other intangible assets		154.4	174.9	172.6
Property, plant and equipment		425.9	416.2	409.5
Investments in associated companies and joint ventures	16	75.0	78.0	73.7
Share investments	16	3.3	37.9	36.6
Loans receivable and other interest-bearing assets*	11	11.0	11.7	12.6
Deferred tax assets		142.3	132.4	129.7
Derivative assets	12	1.2	-	1.0
Other non-interest-bearing assets		8.8	16.8	8.4
<b>Total non-current assets</b>		<b>1,799.2</b>	<b>1,831.4</b>	<b>1,811.0</b>
<b>Current assets</b>				
Inventories		1,089.6	737.7	792.9
Loans receivable and other interest-bearing assets*	11	6.1	3.6	3.6
Income tax receivables		39.7	28.3	31.8
Derivative assets	12	22.5	9.1	10.8
Accounts receivable and other non-interest-bearing assets		985.3	883.3	888.3
Cash and cash equivalents*	11	431.5	589.6	488.8
<b>Total current assets</b>		<b>2,574.6</b>	<b>2,251.5</b>	<b>2,216.3</b>
<b>Total assets</b>		<b>4,373.7</b>	<b>4,082.9</b>	<b>4,027.3</b>

\*Included in interest-bearing net debt.

EQUITY AND LIABILITIES, MEUR	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>Equity attributable to the equity holders of the parent</b>				
Share capital		64.3	64.3	64.3
Share premium account		98.0	98.0	98.0
Translation differences		19.2	-64.5	-45.2
Fair value reserves		-43.2	-8.9	-7.0
Reserve for invested non-restricted equity		52.8	54.0	54.0
Retained earnings		1,395.3	1,374.6	1,380.1
<b>Total equity attributable to the equity holders of the parent</b>		<b>1,586.4</b>	<b>1,517.5</b>	<b>1,544.3</b>
Non-controlling interest		1.0	2.6	2.7
<b>Total equity</b>		<b>1,587.5</b>	<b>1,520.1</b>	<b>1,547.0</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities*	11	879.3	876.5	876.1
Deferred tax liabilities		19.9	32.6	26.9
Pension obligations		110.5	114.2	112.9
Provisions		5.7	3.8	6.5
Other non-interest-bearing liabilities		75.7	68.6	68.3
<b>Total non-current liabilities</b>		<b>1,091.0</b>	<b>1,095.7</b>	<b>1,090.6</b>
<b>Current liabilities</b>				
Current portion of interest-bearing liabilities*	11	39.1	184.3	34.8
Other interest-bearing liabilities*	11	11.1	8.9	8.6
Provisions		169.0	95.3	103.3
Advances received		338.1	199.5	217.2
Income tax payables		45.7	61.3	37.6
Derivative liabilities	12	45.8	12.3	6.8
Accounts payable and other non-interest-bearing liabilities		1,046.4	905.4	981.3
<b>Total current liabilities</b>		<b>1,695.2</b>	<b>1,467.0</b>	<b>1,389.6</b>
<b>Total equity and liabilities</b>		<b>4,373.7</b>	<b>4,082.9</b>	<b>4,027.3</b>

\*Included in interest-bearing net debt.

# Cash flow statement

## Q3 2022

MEUR	Note	Q3/22	Q3/21	Q1-Q3/22	Q1-Q3/21	2021
<b>Net cash flow from operating activities</b>						
Net income for the period		28.9	219.5	90.8	254.9	246.7
Depreciation, amortisation and impairment	8	27.4	27.4	88.6	86.6	117.4
Financing items		6.8	5.6	15.3	19.1	22.7
Taxes	9	14.3	53.1	28.8	73.5	86.4
Change in net working capital		40.0	-16.8	-137.1	-79.2	-60.1
Other adjustments		-1.2	-243.4	-2.5	-245.2	-243.7
<b>Cash flow from operations before financing items and taxes</b>		<b>116.1</b>	<b>45.3</b>	<b>84.0</b>	<b>109.6</b>	<b>169.3</b>
Cash flow from financing items and taxes		-8.0	-20.4	-49.7	-74.3	-113.1
<b>Net cash flow from operating activities</b>		<b>108.1</b>	<b>25.0</b>	<b>34.3</b>	<b>35.3</b>	<b>56.2</b>
<b>Net cash flow from investing activities</b>						
Acquisitions of businesses, net of cash acquired	15	-	-2.4	0.1	0.9	-2.2
Disposals of businesses, net of cash sold	15	12.7	307.8	14.2	308.1	354.5
Investments in associated companies and joint ventures	16	-0.9	-	-0.9	-1.9	-1.9
Cash flow from investing activities, other items		8.1	-8.7	-10.6	-11.3	-15.9
<b>Net cash flow from investing activities</b>		<b>19.9</b>	<b>296.7</b>	<b>2.8</b>	<b>295.8</b>	<b>334.5</b>
<b>Net cash flow from financing activities</b>						
Treasury shares acquired		-	-	-1.2	-3.4	-3.4
Repayments of lease liabilities		-11.1	-9.6	-32.1	-30.5	-40.6
Repayments of long-term borrowings		-	-100.0	-	-100.0	-250.0
Proceeds from short-term borrowings		-1.3	-2.5	2.5	1.1	1.9
Repayments of short-term borrowings		-0.9	-18.8	-2.2	-30.8	-30.5
Profit distribution		-0.3	0.0	-70.4	-69.8	-69.8
<b>Net cash flow from financing activities</b>		<b>-13.6</b>	<b>-131.0</b>	<b>-103.4</b>	<b>-233.4</b>	<b>-392.4</b>
<b>Change in cash and cash equivalents</b>		<b>114.4</b>	<b>190.8</b>	<b>-66.3</b>	<b>97.7</b>	<b>-1.7</b>
Cash and cash equivalents, and bank overdrafts at the beginning of period		311.7	391.5	488.2	482.3	482.3
Effect of exchange rate changes		3.9	5.0	8.2	6.9	7.5
Cash and cash equivalents included in assets held for sale		-	-0.2	-	-	-
<b>Cash and cash equivalents, and bank overdrafts at the end of period</b>		<b>430.0</b>	<b>587.0</b>	<b>430.0</b>	<b>587.0</b>	<b>488.2</b>
Bank overdrafts at the end of period		1.4	2.7	1.4	2.7	0.6
<b>Cash and cash equivalents at the end of period</b>		<b>431.5</b>	<b>589.6</b>	<b>431.5</b>	<b>589.6</b>	<b>488.8</b>



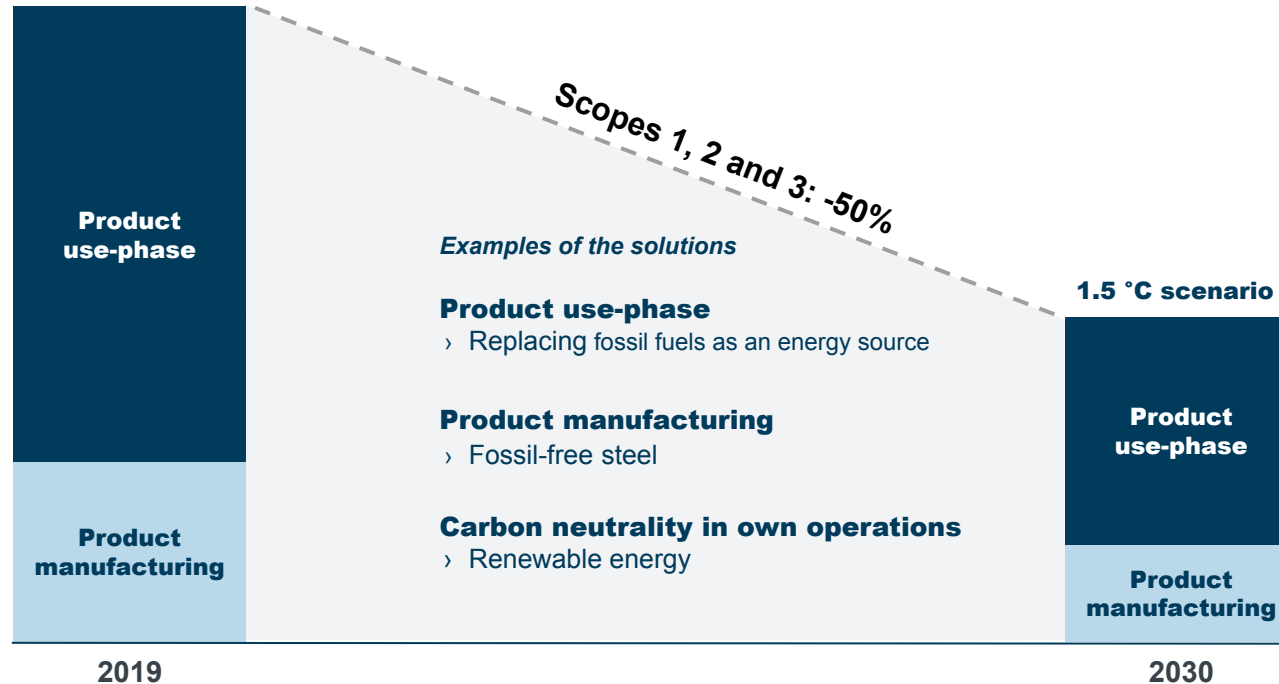


# Sustainability as a growth driver

# We aim for highest ESG standards in our industry



# Intelligent cargo handling is the solution to cut CO2 emissions in our value chain by 50%...



# Data-based action plan to go forward

## Progress so far 2019 - 2022

### Product use-phase

- Electric version available in all product categories
- >30% of forklift orders fully-electric
- 100% diesel-driven equipment HVO compatible
- Hiab volumes scaling up in electrical offering
- Eco portfolio aligned with the EU Taxonomy

### Product manufacturing

- MULTILIFT pilot with SSAB
- Over 40 suppliers engaged

### Carbon neutral own operations

- Hudiksvall site net zero in own operations

## Identified short-term activities 2022 - 2025

### Product use-phase

- Transform the market more towards low-carbon solutions
- Accelerate the volumes of electric cranes
- Ramp up the volumes of high voltage fully-electric equipment
- Further develop eco offering

### Product manufacturing

- Explore opportunities in low-carbon steel
- Develop climate and circular solutions

### Carbon neutral own operations

- Grow the share of renewable energy
- Improve energy efficiency

## Long-term ambition 2025 - 2030

### Product use-phase

- >50% of cargo and load handling equipment sold are zero CO2
- Improve the energy efficiency of zero-emission equipment
- Eco offering generates the majority of sales

### Product manufacturing

- Increase the share of fossil-free steel
- Steer circular and low-carbon value chain

### Carbon neutral own operations

- Become carbon neutral in own operations in line with the science-based target ambition

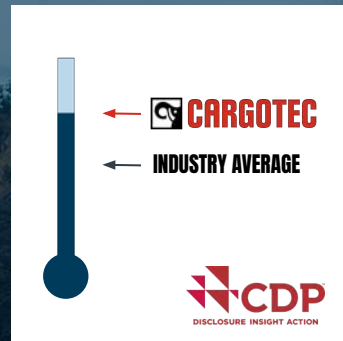
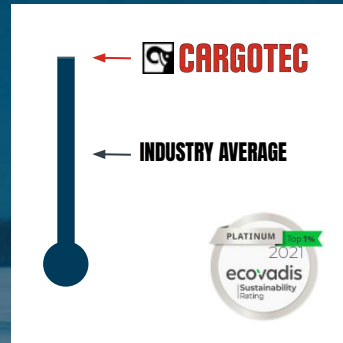
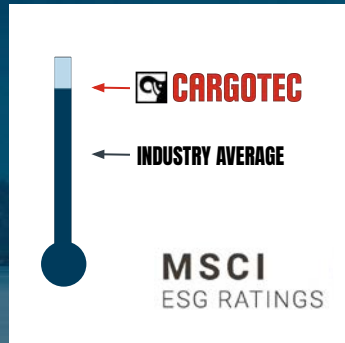


# Cargotec's carbon footprint 2019 (baseline)



\* Estimated based on spend

# Validated actions in creating a positive societal impact



Cargotec's positive impact builds from our role as a responsible corporate citizen and employer as well as from the key role of our solutions and services in society.

## Society and trade

As a key player in world trade, we secure the delivery of everyday necessities to millions of people and provide sustainable, safe and efficient material flows.

## Knowledge

Cargotec's business can have a positive impact on both the creation and distribution of knowledge, as well as in providing a knowledge infrastructure.

## People, health and safety

Cargotec provides fair and just working environments with ethical working practices and equal opportunities for its employees.

## Climate and environment

For Cargotec, managing our environmental impact is a priority, lying at the heart of our operations. There is no denying that Cargotec's business requires environmental resources to operate, and an environmental footprint is created in all steps of our value chain.





# Electrification offers significant growth opportunities

## Examples



Electric version available in all Cargotec's product categories



Three fully electric truck mounted forklift versions available



Over third of forklift orders in fully electric versions\*



World's first fully electric reach stacker

Customer ROI

**3-5**  
years\*\*

Rapidly  
increasing

**Demand**

Lower total cost

Customers'  
sustainability  
targets

Higher sales price and margin



100% electric



Less CO2  
emissions



Less  
noise



Less  
vibrations



Zero local  
emissions

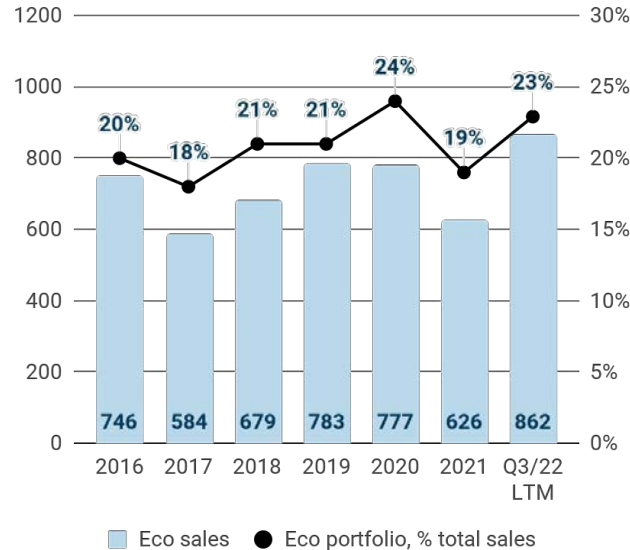
# Cargotec reports eco portfolio sales on quarterly basis

Eco portfolio includes products and services that enhance customers' sustainability, for example fully electric equipment

In 2022, Cargotec aims to revise the eco portfolio criteria to align with the EU taxonomy

**100%**

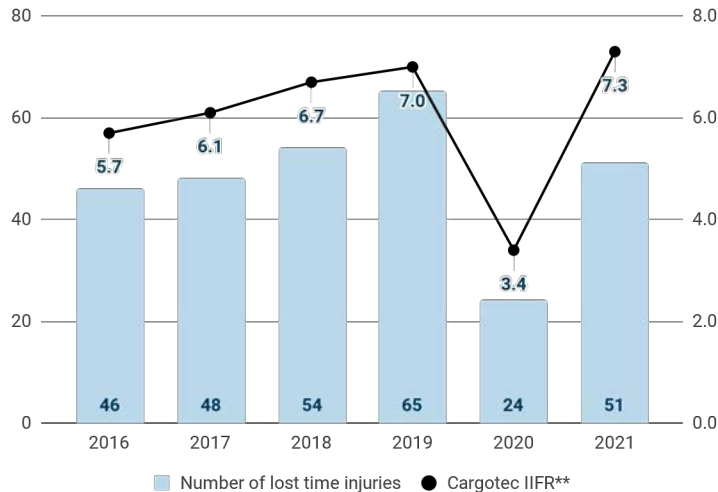
of Cargotec's revenues in 2021 were taxonomy eligible



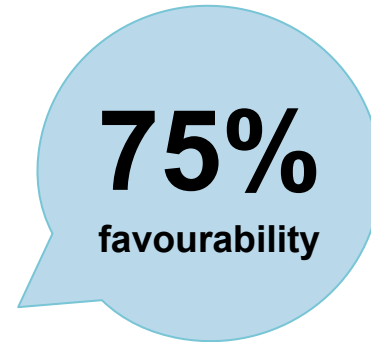


# Employee favourability increased, while safety performance in 2021 was a disappointment

## Industrial injury frequency rate\*



## Compass Employee Engagement survey



Overall favourability of all answers in 2021 improved\*\*\*



# Governance

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



**Mika Vehviläinen**  
CEO



**Mikko Puolakka**  
CFO



**Michel van Roozendaal**  
President, Kalmar



**Scott Phillips**  
President, Hiab



**Leif Byström**  
President, MacGregor



**Outi Aaltonen**  
SVP, General Counsel



**Carina Geber-Teir**  
SVP, Communications



**Mikael Laine**  
SVP, Strategy



**Soili Mäkinen**  
SVP, CIO



**Mikko Pelkonen**  
SVP, Human Resources

# Board of Directors



**Jaakko Eskola**  
Chair, b. 1958



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



**Teresa Kemppi-Vasama**  
Member, b. 1970



**Johanna Lamminen**  
Member, b. 1966



**Casimir Lindholm**  
Member, b. 1971



**Kaisa Oikkonen**  
Member, b. 1964



**Teuvo Salminen**  
Member, b. 1954



**Heikki Soljama**  
Member, b. 1954

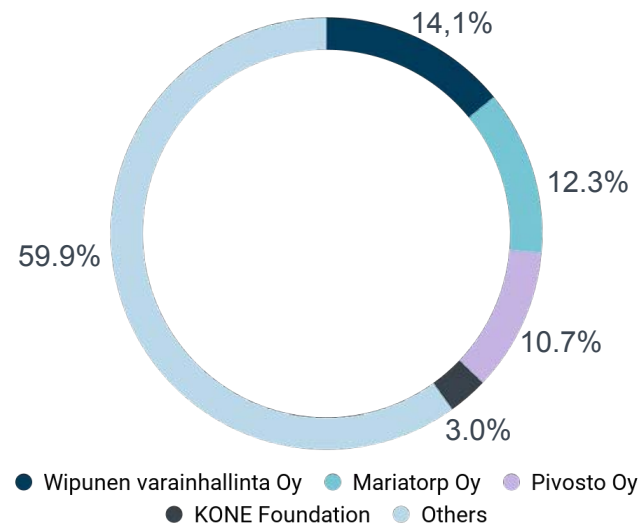


# Largest shareholders

## 30 September 2022

		% of shares	% of votes
1	Wipunen varainhallinta Oy	14.1	23.7
2	Mariatorp Oy	12.3	22.9
3	Pivosto Oy	10.7	22.2
4	KONE Foundation	3.0	5.5
5	Ilmarinen Mutual Pension Insurance Company	2.1	0.9
6	The State Pension Fund	1.0	0.4
7	Varma Mutual Pension Insurance Company	1.0	0.4
8	Elo Mutual Pension Insurance Company	1.0	0.4
9	Herlin Heikki Juho Kustaa	0.6	0.3
10	Nurminen Minna Kirsti	0.5	0.2
<b>Nominee registered and non-Finnish holders</b>		<b>27.74%</b>	
<b>Total number of shareholders</b>		<b>42,001</b>	

% of shares



Wipunen varainhallinta Oy is a company controlled by Ilkka Herlin, Mariatorp Oy a company controlled by Heikki Herlin and Pivosto Oy a company controlled by Ilona Herlin.

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

## Next upcoming IR events

12 December	Analyst Christmas lunch
11 January	Q4/22 Pre-silent call
2 February	Financial statements release 2022

## Investor relations contact information

Meeting requests:

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Tel. +358 40 570 1878

