

An aerial photograph of a complex highway interchange with multiple lanes and a central pond. The image is used as a background for the slide.

Bankers meeting, 4 December 2020

# Becoming the leader in intelligent cargo handling

# Disclaimer

Although forward-looking statements contained in this presentation are based upon what management of the company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. These statements are not guarantees of future performance and undue reliance should not be placed on them. The company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.

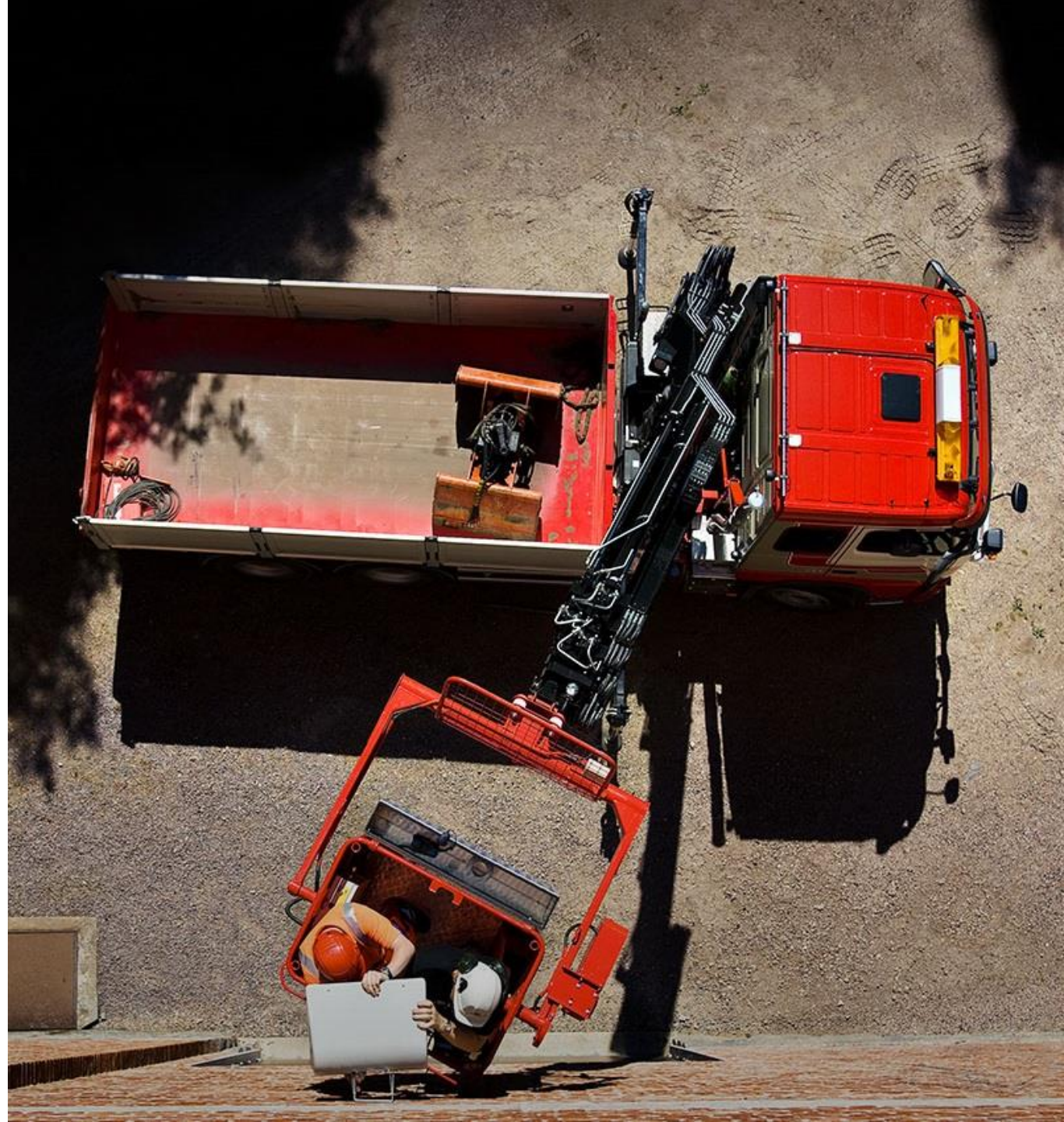
All the discussion topics presented during the session and in the attached material are still in the planning phase. The final impact on the personnel, for example on the duties of the existing employees, will be specified only after the legal requirements of each affected function/ country have been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

Securities laws in the United States and in other jurisdictions restrict Cargotec from discussing or disclosing information with respect to the contemplated merger with Konecranes Plc that furthermore and in all circumstances is subject to approvals of competition authorities.. Information regarding the contemplated merger can be found at [www.sustainablematerialflow.com](http://www.sustainablematerialflow.com). Until the completion of the merger Cargotec and Konecranes will carry out their respective businesses as separate and independent companies. The information contained in this presentation concerns only Cargotec.

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

# Content

1. Cargotec in brief
2. Credit highlights
3. Kalmar
4. Hiab
5. MacGregor
6. Recent progress and financials
7. Appendix



# Cargotec in brief



# Strong global player with well-balanced business

**Sales:**  
**EUR 3,683 million**  
**EBIT: 7.2%**

## Kalmar

Sales: **EUR 1,723 million**  
EBIT: **9.4%** (EUR 161.8 million)

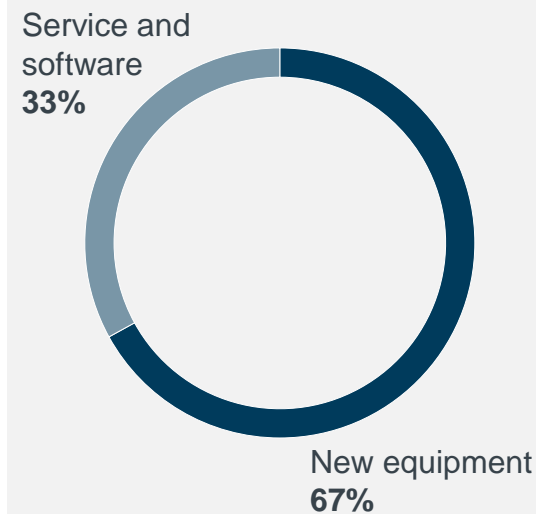
## Hiab

Sales: **EUR 1,350 million**  
EBIT: **12.6%** (EUR 170.2 million)

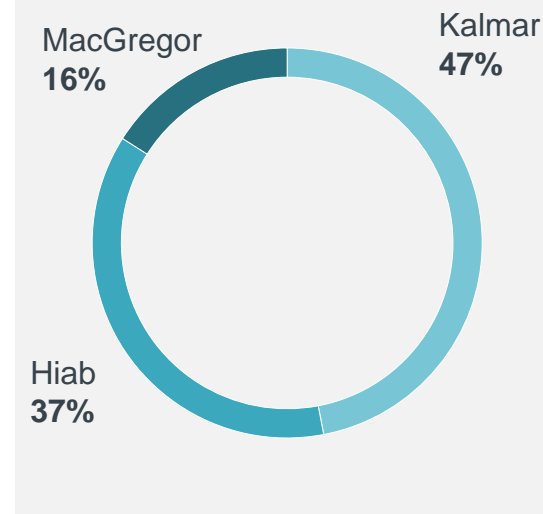
## MacGregor

Sales: **EUR 611 million**  
EBIT: **-4.6%** (EUR -28.2 million)

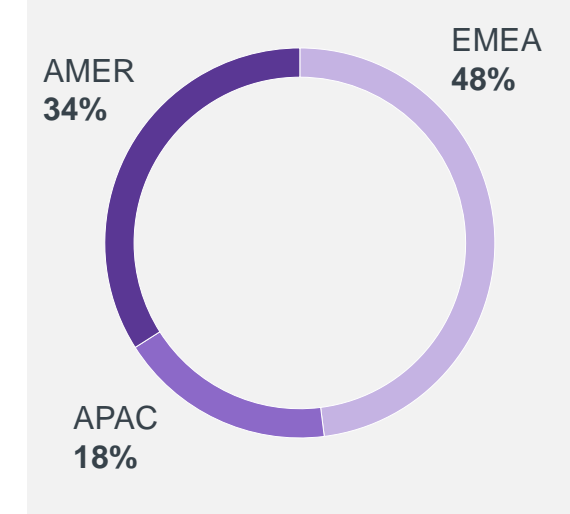
**Sales split: new  
equipment vs service  
and software**



**Sales by  
business areas**



**Sales by  
geographical area**



## Strengths we are building upon

Leading market positions  
in all segments

Strong brands

Loyal customers

Leading in technology

# Key competitors

Cargotec is a leading player in all of its business areas

## Global main competitors



## Other competitors



# Credit highlights



# Credit highlights

1. Technology leader and strong market positions, leading brands in markets with long term growth potential
2. Our vision is to become the global leader in intelligent cargo handling
3. Growing service & software business and asset-light business model are increasing stability
4. Capitalising global opportunities for future automation and software growth
5. On track for profitability improvement and to reach financial targets
6. Clear focus on sustainability



# 1. Technology leader and strong market positions, leading brands in markets with long term growth potential

## Global megatrends

- Globalisation and trade growth
- Urbanisation
- Growing middle class

## Growth drivers

- Container throughput growth
- Construction activity
- Automation
- Digitalisation

## Competitive advantages

- Strong brands
- Full automation offering
- Technology leadership

## Market position

- #1 or #2 in all major segments

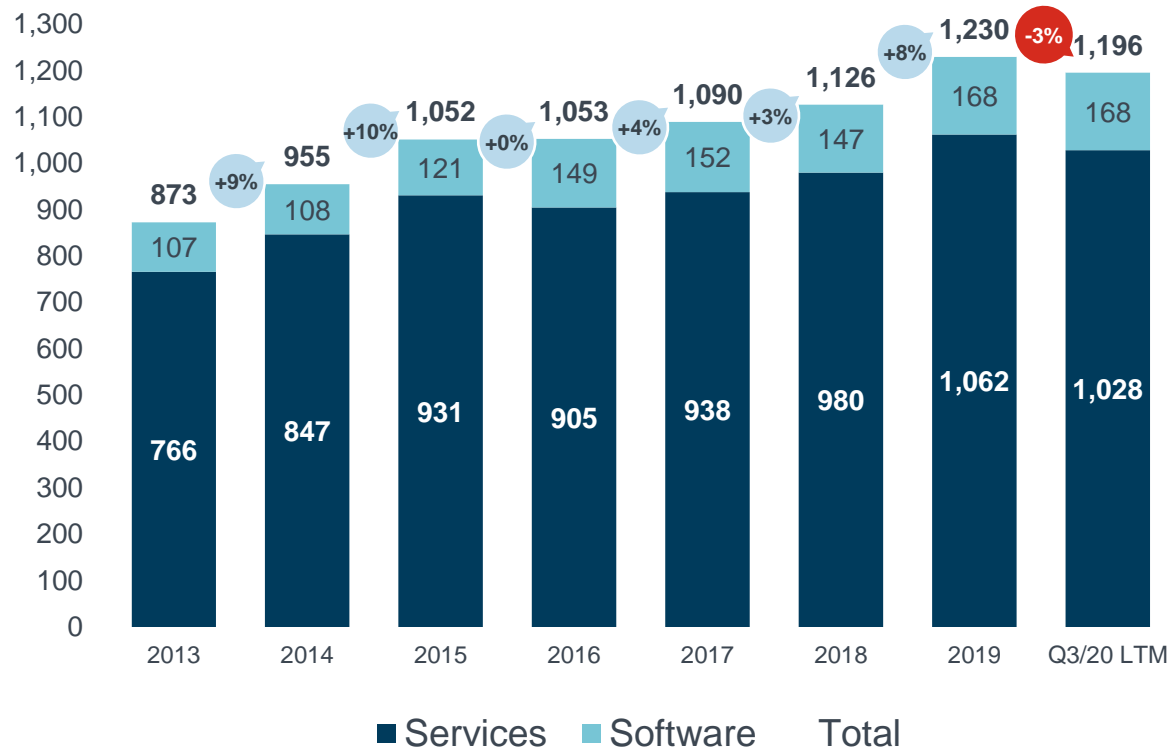
## 2. Our vision is to become the global leader in intelligent cargo handling

VISION	GLOBAL LEADER IN INTELLIGENT CARGO HANDLING	
<b>MUST-WIN BATTLES</b>	<b>WIN THROUGH CUSTOMER CENTRICITY</b>  We help our customers achieve their goals by aligning our offering and way of working to serve them better.	<b>ACCELERATE DIGITALISATION</b>  We build and expand our digital solutions to offer a great customer experience and more efficient business processes.
	<b>ADVANCE IN SERVICES</b>  We extend our offering towards intelligent solutions that enable us to serve our customers wide across their lifecycle.	<b>PRODUCTIVITY FOR GROWTH</b>  We focus on activities that add value and benefit our customers and us by developing our business operations and common platforms.

### 3. Growing service & software business and asset-light business model are increasing stability

#### Service and software\* sales

MEUR



#### Asset-light business model with a flexible cost structure

- Kalmar and Hiab: efficient assembly operation
- MacGregor: efficient project management and engineering office: > 90% of manufacturing and 30% of design and engineering capacity outsourced
- No in-house component manufacturing

#### Next steps to increase service and software sales:

- Improve service offering through digital solutions
- Build on Navis position as industry leader
- Increase spare parts capture rates
- Boost service contract attachment rates

# 4. Capitalising global opportunities for future automation and software growth

## Industry trends support growth in port automation:

- Only 40 terminals (out of 1,200 terminals) are automated or semi-automated currently globally
- Ships are becoming bigger and the peak loads have become an issue
- Increasing focus on safety
- Customers require decreasing energy usage and zero emission ports
- Optimum efficiency, space utilization and reduction of costs are increasingly important
- Shortage and cost of trained and skilled labour pushes terminals to automation

## Significant possibility in port software:

- Container value chain is very inefficient: total value of waste and inefficiency estimated at ~EUR 17bn
- Over 50% of port software market is in-house, in long term internal solutions not competitive
- Navis has leading position in port ERP

## Customers consider their automation decisions carefully

- Shipping line consolidation
- Utilisation rates of the existing equipment base
- Container throughput volumes
- Efficiency of the automation solutions

## Automation creates significant cost savings\*

Labour costs	60% less labour costs
Total costs	24% less costs
Profit increase	125%



\* Change when manual terminal converted into an automated operation

# 5. Clear plan for profitability improvement and to reach financial targets

## Growth

Target to grow faster than market

- Megatrends and strong market position supporting organic growth
- M&A potential

## Service and software

Targeting service and software sales 40% of net sales, minimum EUR 1.5 billion in 3-5 years\*

## Balance sheet and dividend

Target gearing < 50% and increasing dividend in the range of 30-50% of EPS, dividend paid twice a year

## Profitability

Target 10% operating profit and 15% ROCE in 3-5 years\*

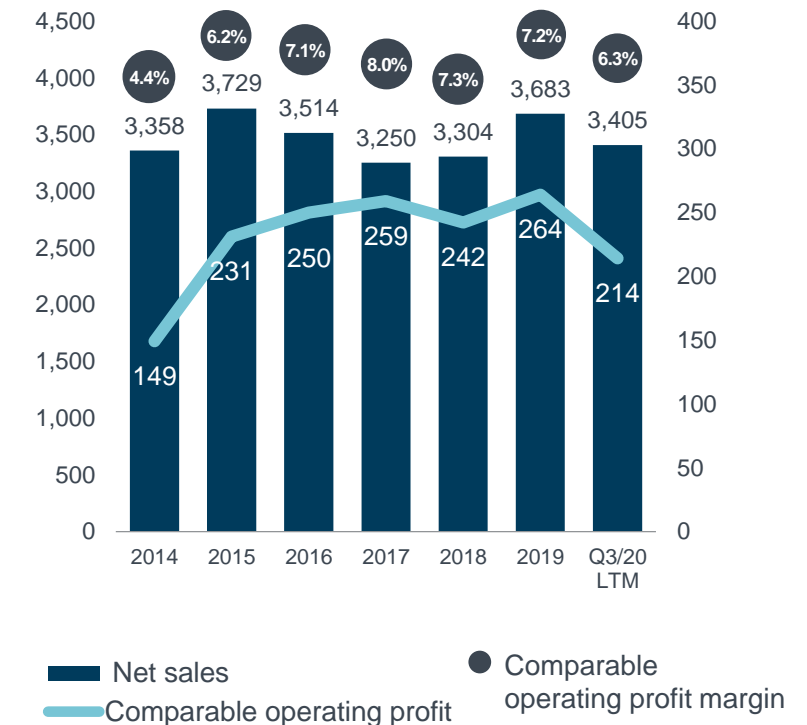
Higher service and software sales key driver for profitability improvement

Cost savings actions:

- 2020 EUR 30 million (indirect purchasing and new Business Services operations)

Product re-design and improved project management

## Sales and comparable operating profit development

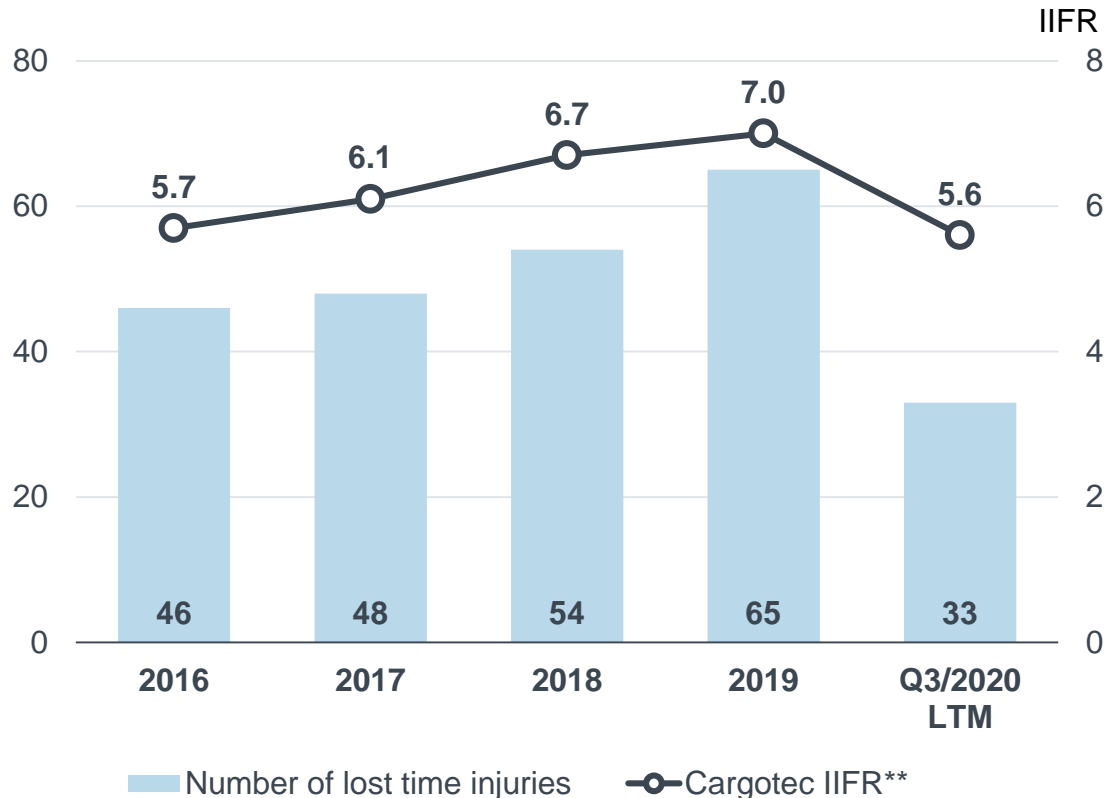


\*Target announced in September 2017

**Our ambition, approved by The Science Based Targets initiative, is to reduce Cargotec's greenhouse gas emissions by 50% across all the three emission scopes by 2030, from 2019 base year. Cargotec's internal goal is to become carbon neutral in its own operations which goes beyond the required ambition level of the Science Based Targets initiative.**

# Eco-efficiency portfolio targets double sales growth compared tradional equipment

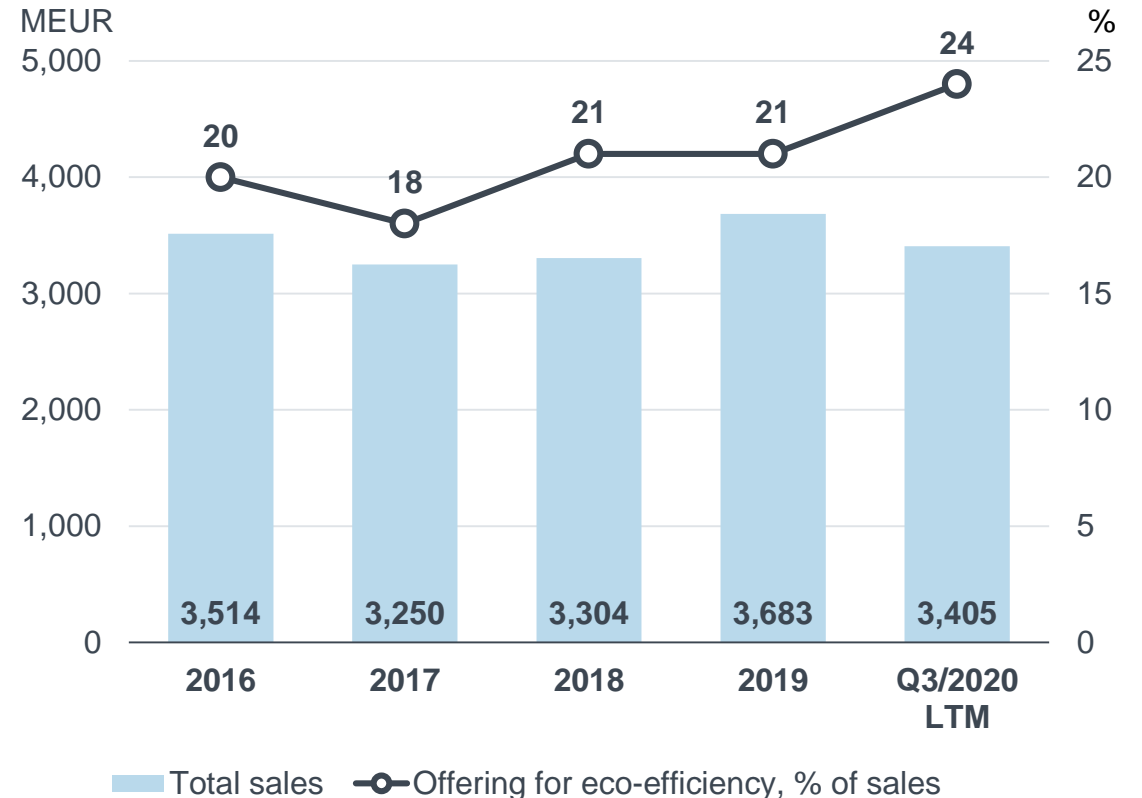
INDUSTRIAL INJURY FREQUENCY RATE\*



\*Cargotec assembly sites

\*\* Number of injuries permillion worked hours

OFFERING FOR ECO-EFFICIENCY



\*The 2016 share of sales is a company estimate and the figure has not been audited

# Kalmar



# Kalmar is in unique position to benefit from the growth prospects in port automation and software

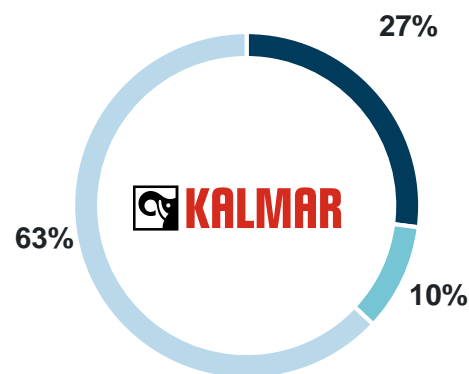
Kalmar offers cargo handling equipment and automated terminal solutions, software and services used in ports, terminals, distribution centres and various industries.

Number of personnel  
**5,542**

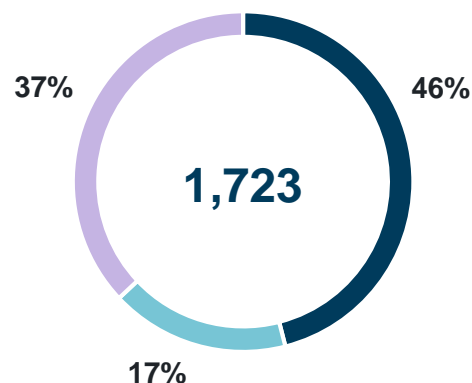
Sales  
**MEUR 1,723**

Service and software sales  
(% of sales)

Geographical sales split



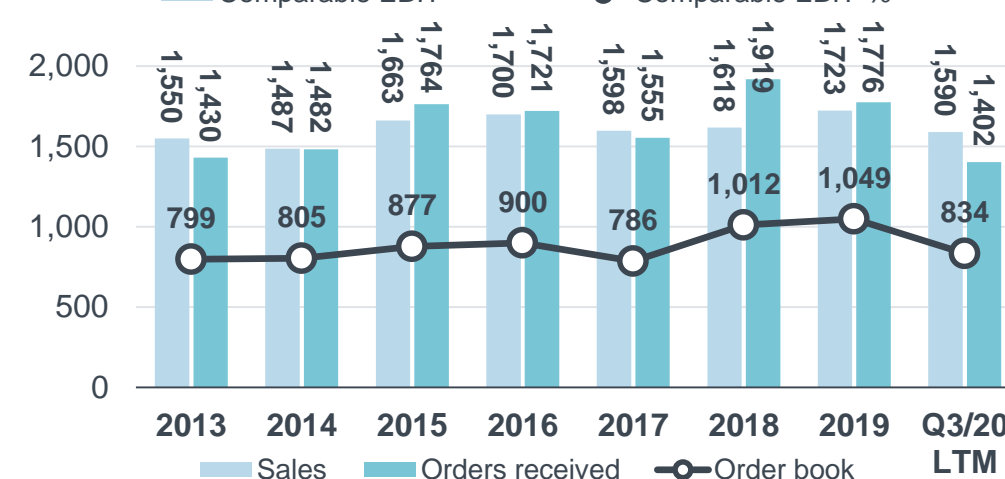
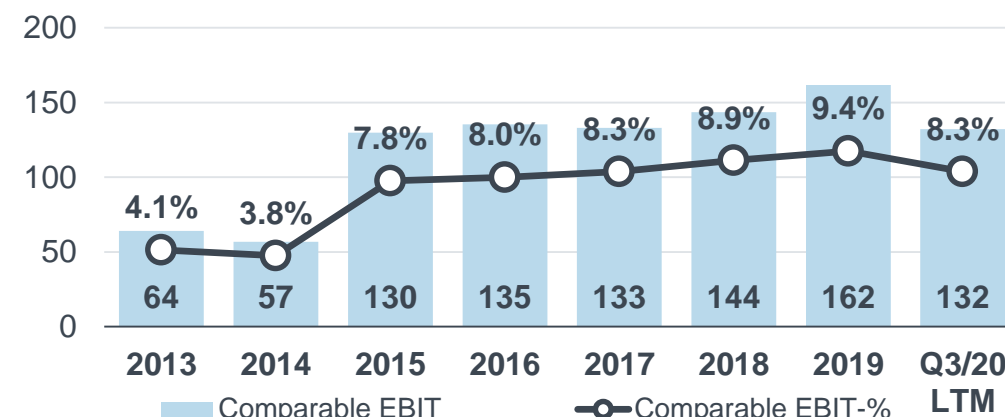
■ Service ■ Software ■ Equipment



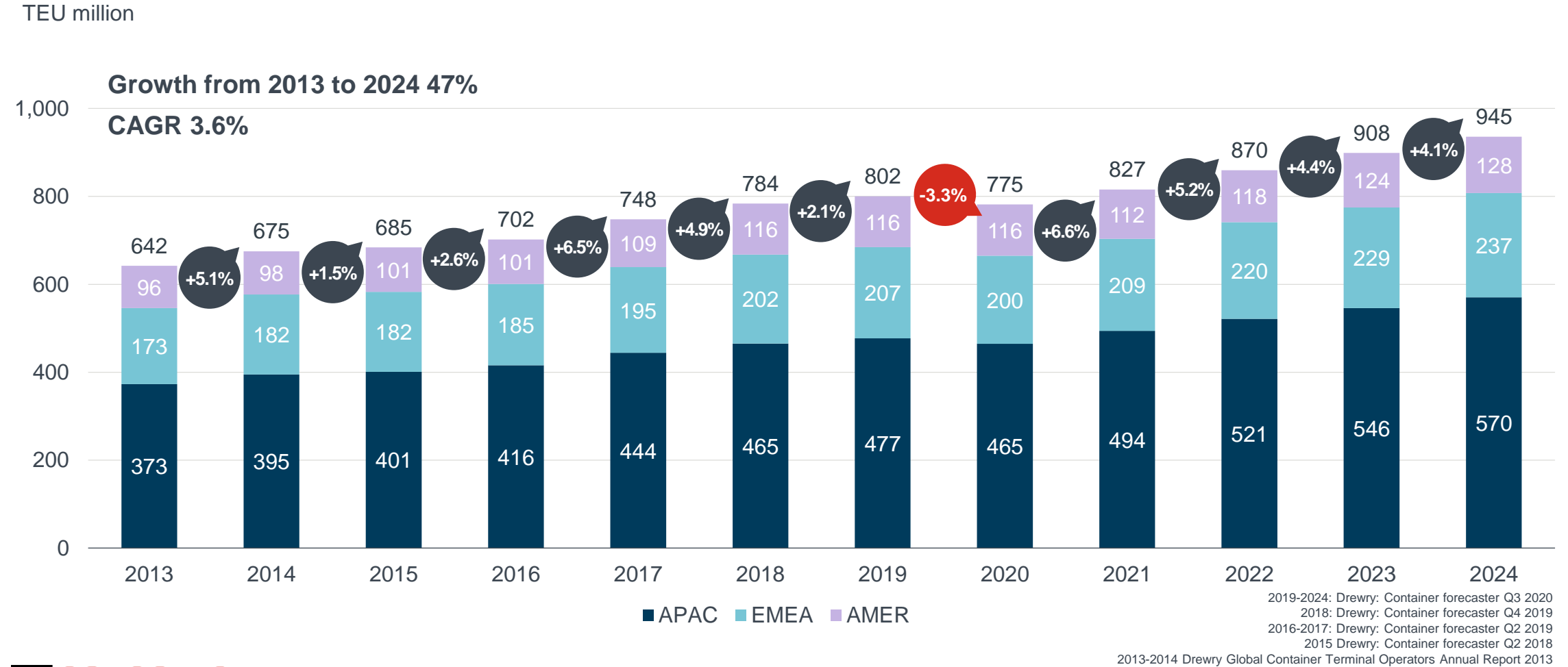
■ EMEA ■ APAC ■ Americas

## Development of historical financials

MEUR



# Container throughput to be impacted by COVID-19 situation but forecasted to recover



# Hiab



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

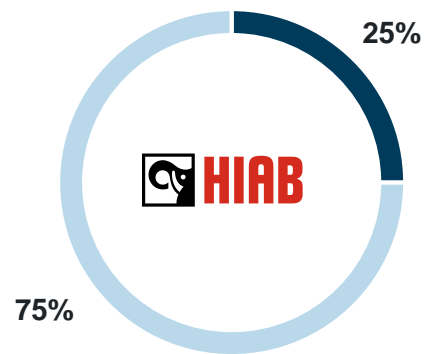
Hiab's class-leading load handling offering includes loader cranes, forestry and recycling cranes, truck mounted forklifts, skiploaders and hooklifts, and tail lifts as well as intelligent services and smart and connected solutions. Hiab's customers come from a broad range of industries and segments.

Number of personnel  
**3,549**

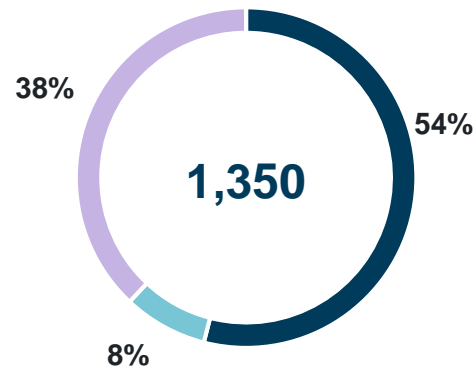
Sales  
**MEUR 1,350**

Service sales  
(% of sales)

Geographical sales split



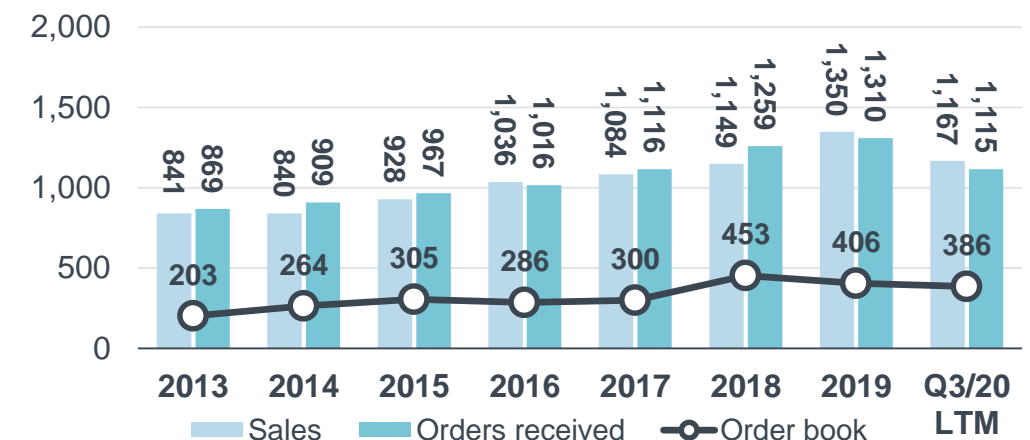
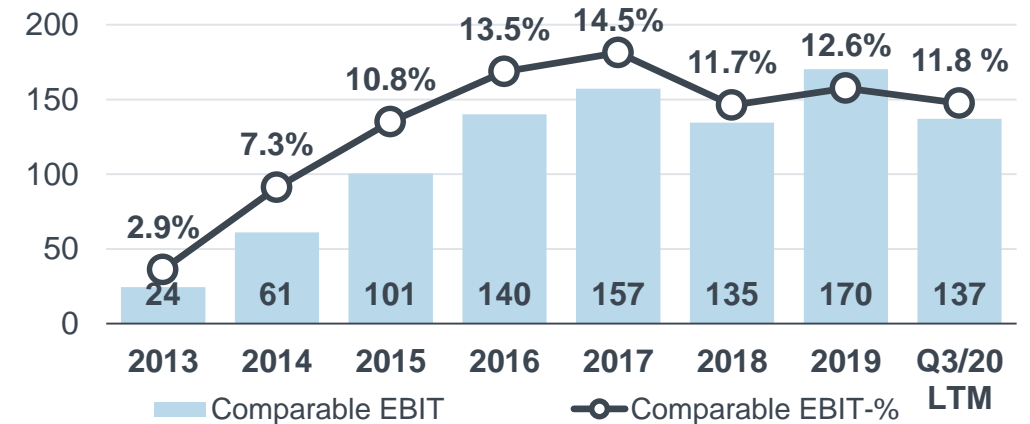
■ Service ■ Equipment



■ EMEA ■ APAC ■ Americas

## Development of historical financials

MEUR



\*2019 figures

Bankers meeting

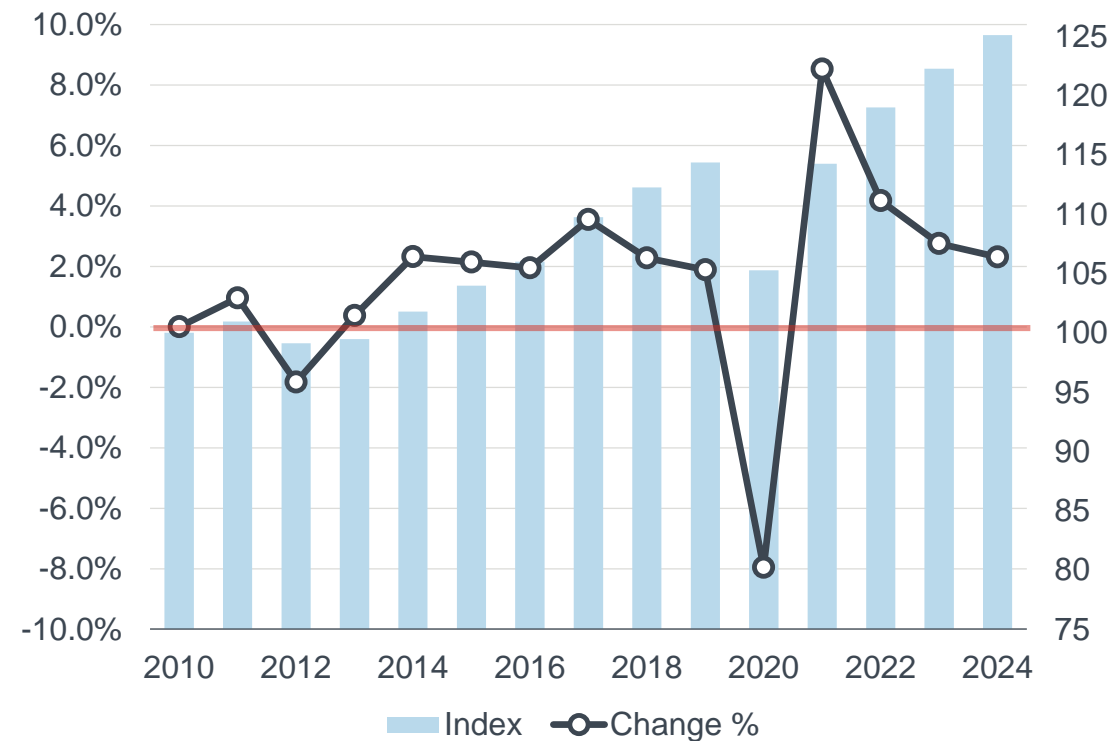
4 December 2020

20

# Construction output driving growth opportunity

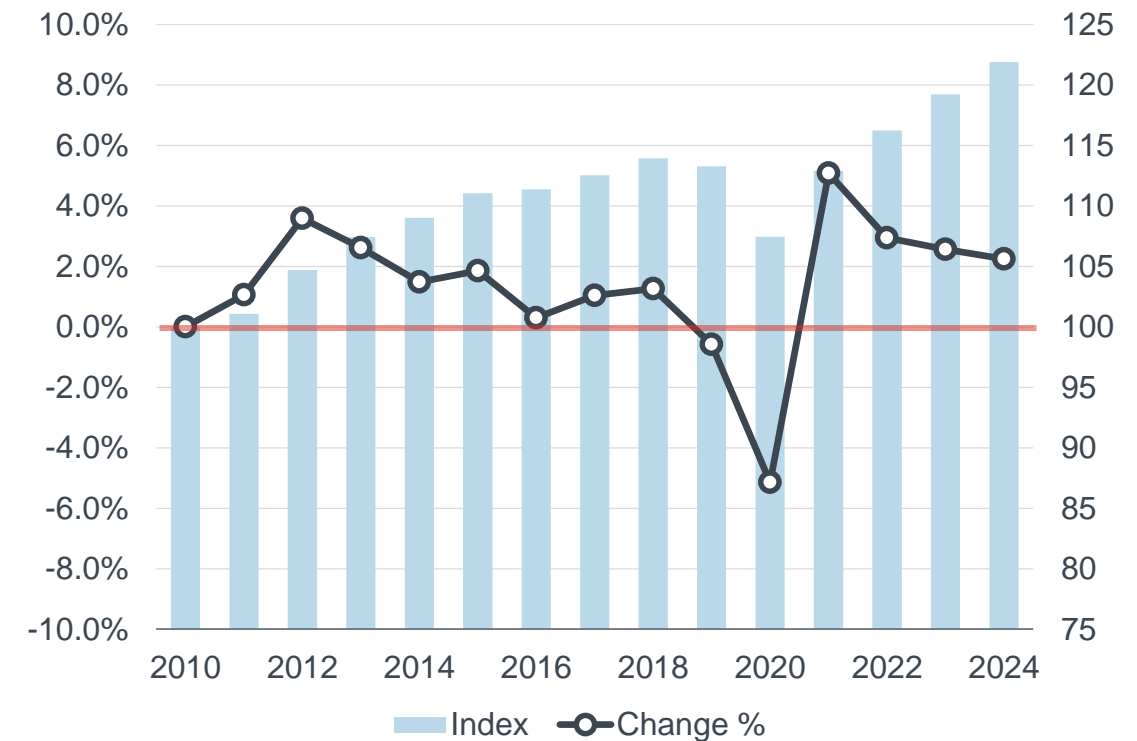
## EMEA construction output

y/y change (%)



## AMER construction output

y/y change (%)



Oxford Economics: Industry output forecast  
9/2020

# MacGregor



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

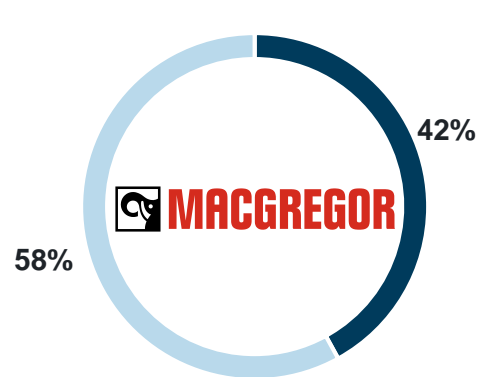
MacGregor offers engineering and lifetime service solutions for merchant cargo and passenger vessels; the offshore oil and gas and renewable energy sectors; fishing, research and marine-resource vessels; naval operations and logistics vessels, and ports and terminals.

Number of personnel  
**2,038**

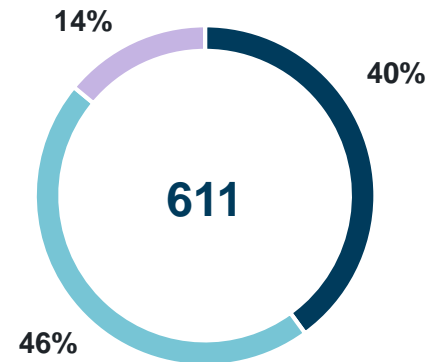
Sales  
**MEUR 611**

Service sales  
(% of sales)

Geographical sales split



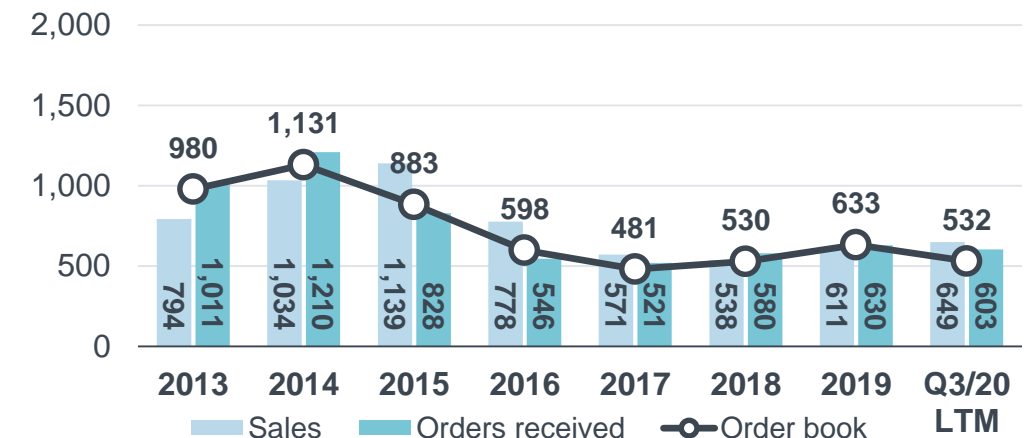
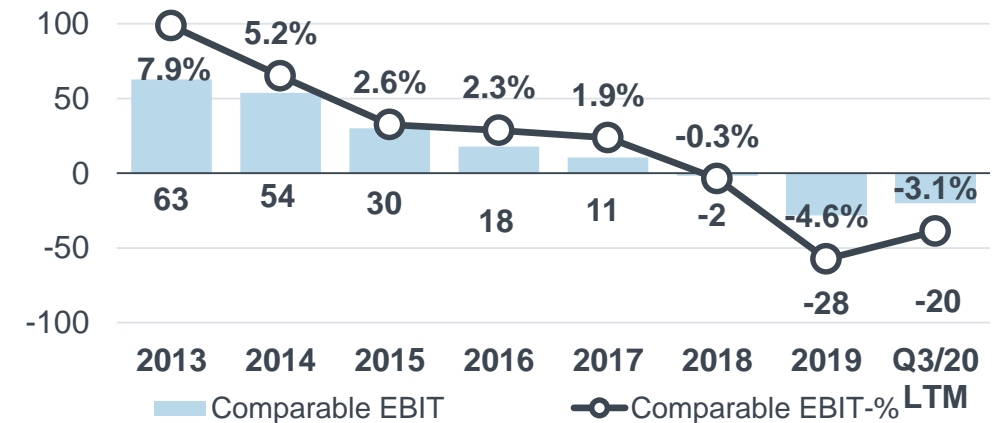
■ Service ■ Equipment



■ EMEA ■ APAC ■ Americas

## Development of historical financials

MEUR



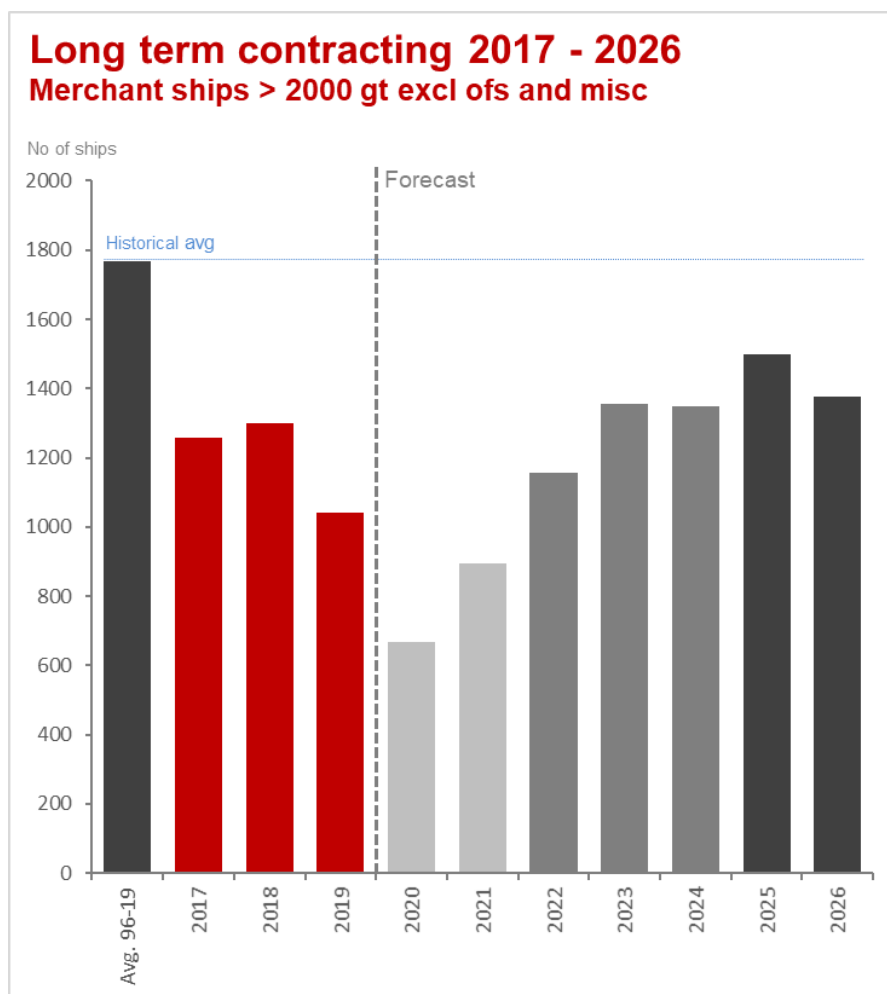
\*2019 figures

Bankers meeting

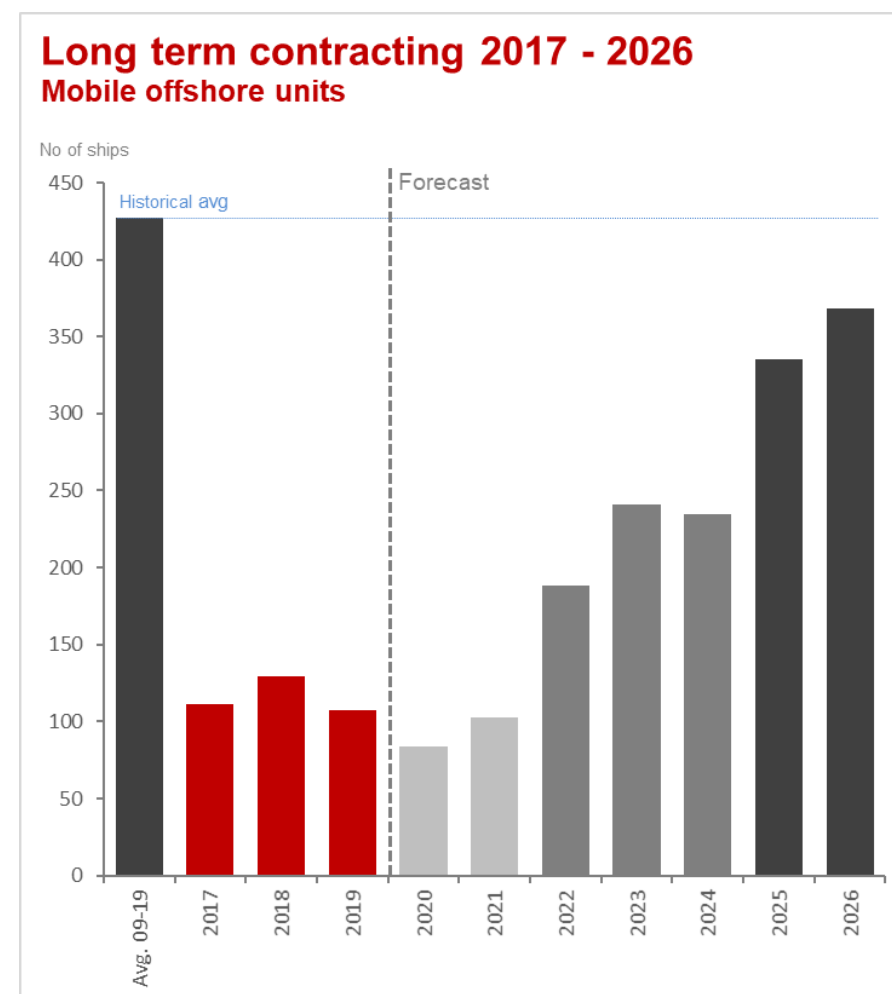
4 December 2020

23

# Merchant Ships and Offshore contracting – short-term challenges



Merchant ships contracting expected to improve in line with accelerated fleet renewal driven by shipping decarbonisation.



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

# Recent progress and financials



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

**Orders received** decreased by 14%

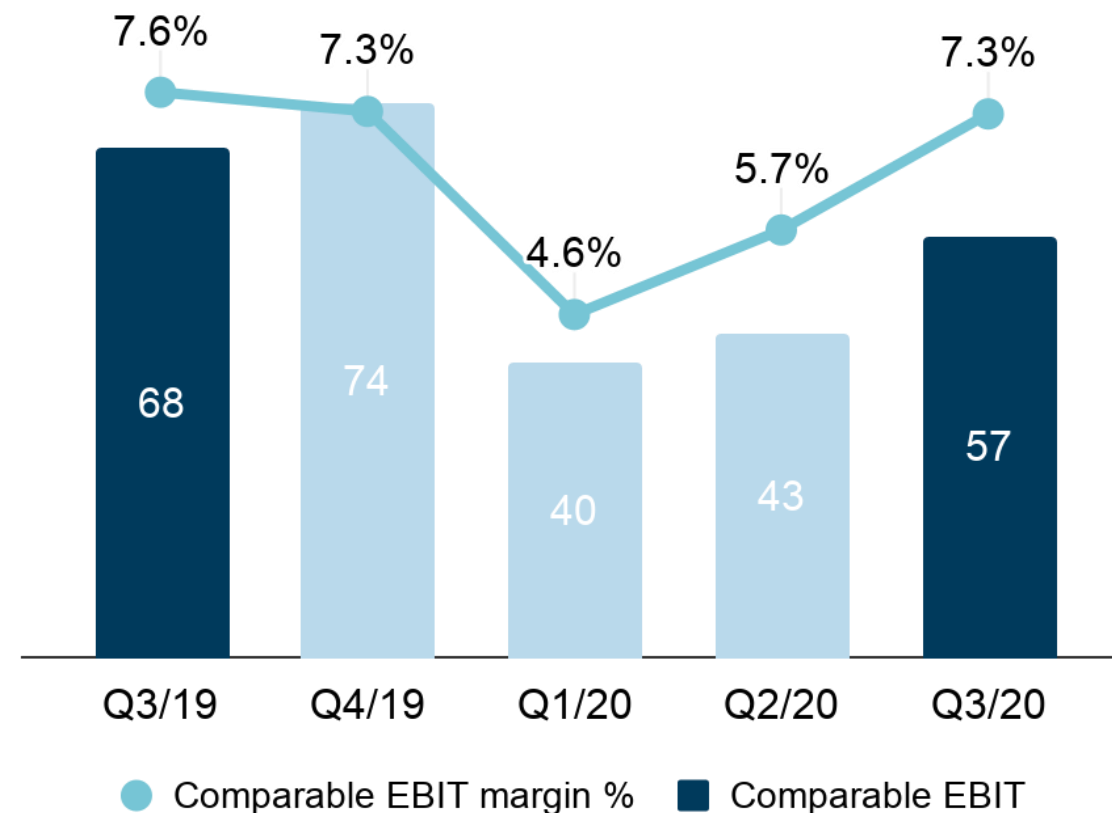
- +16% compared to Q2/2020

**Sales** decreased by 14%

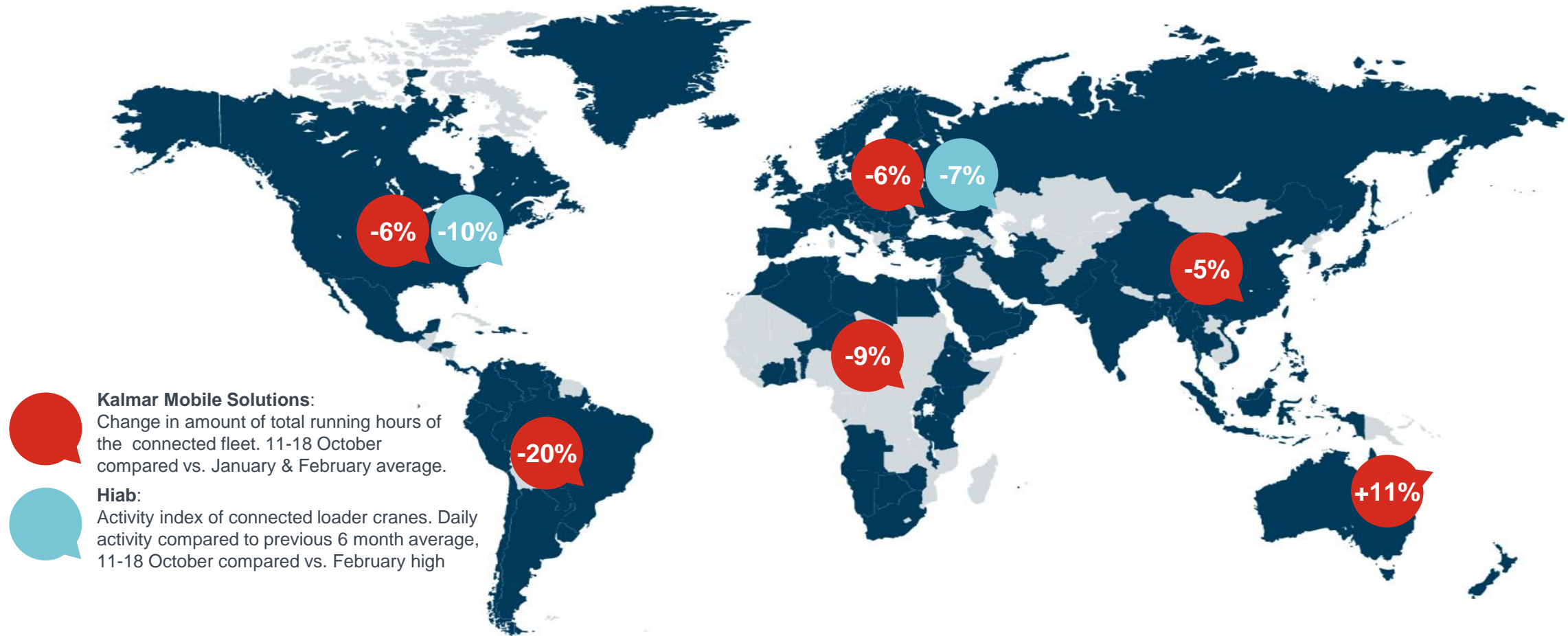
- +3% compared to Q2/2020

**Comparable operating profit** decreased by 17%

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



# Gradual improvement in equipment running hours in US and Europe

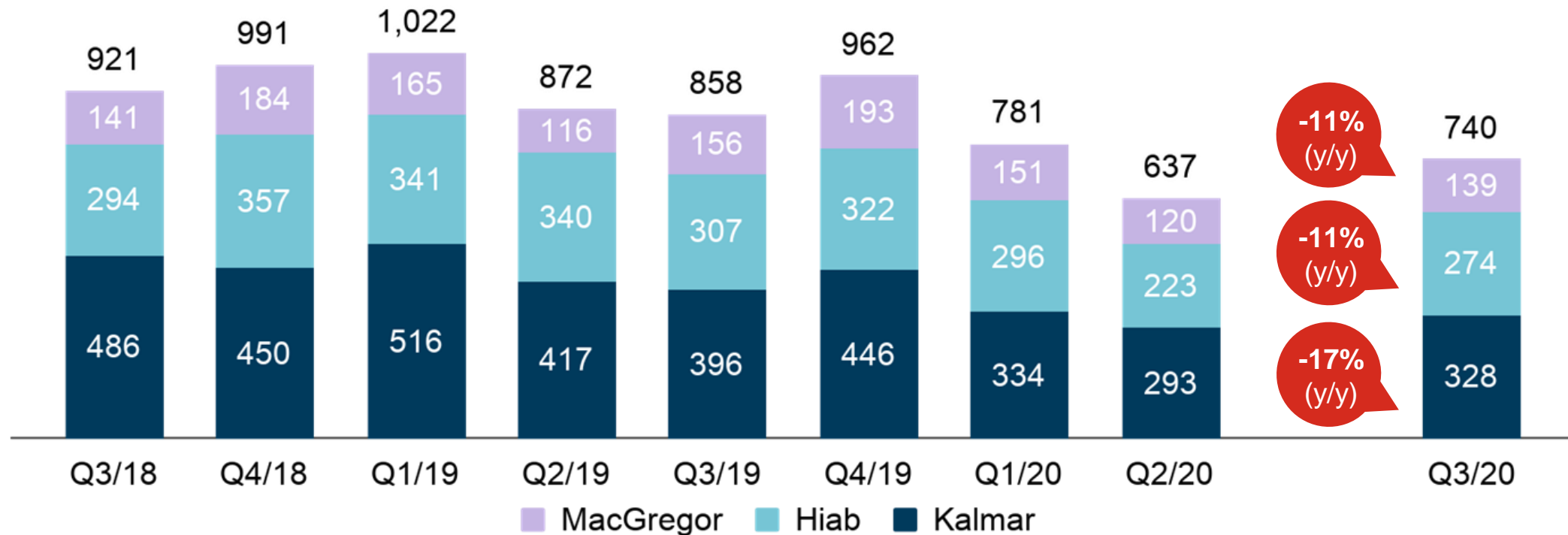


**Kalmar Mobile Solutions:**  
Change in amount of total running hours of the connected fleet. 11-18 October compared vs. January & February average.

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

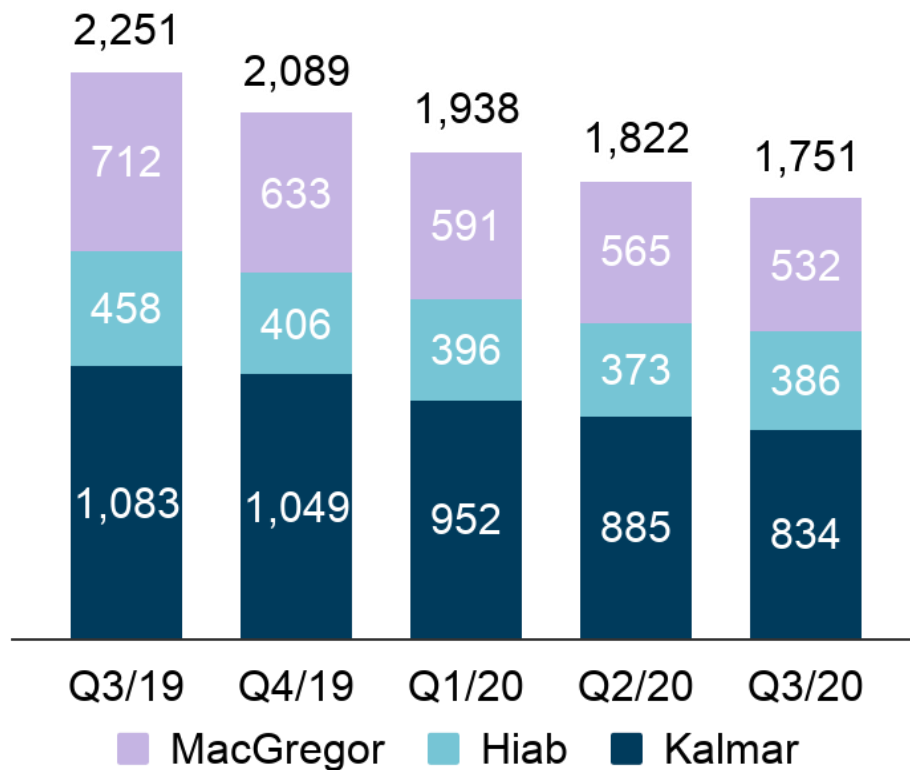
# Orders received recovered after bottoming in Q2/2020

MEUR

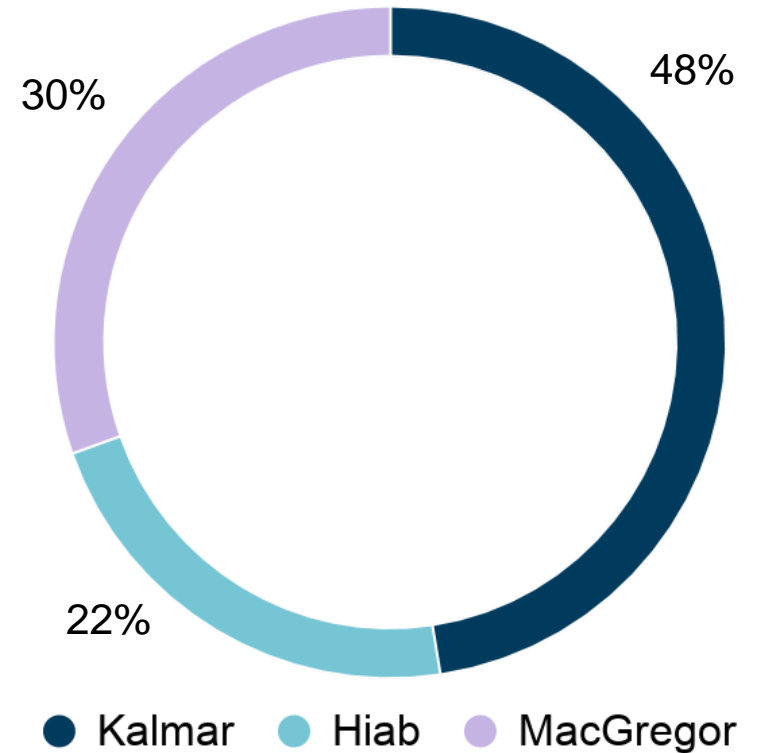


# Hiab order book turned back to growth

Order book  
MEUR



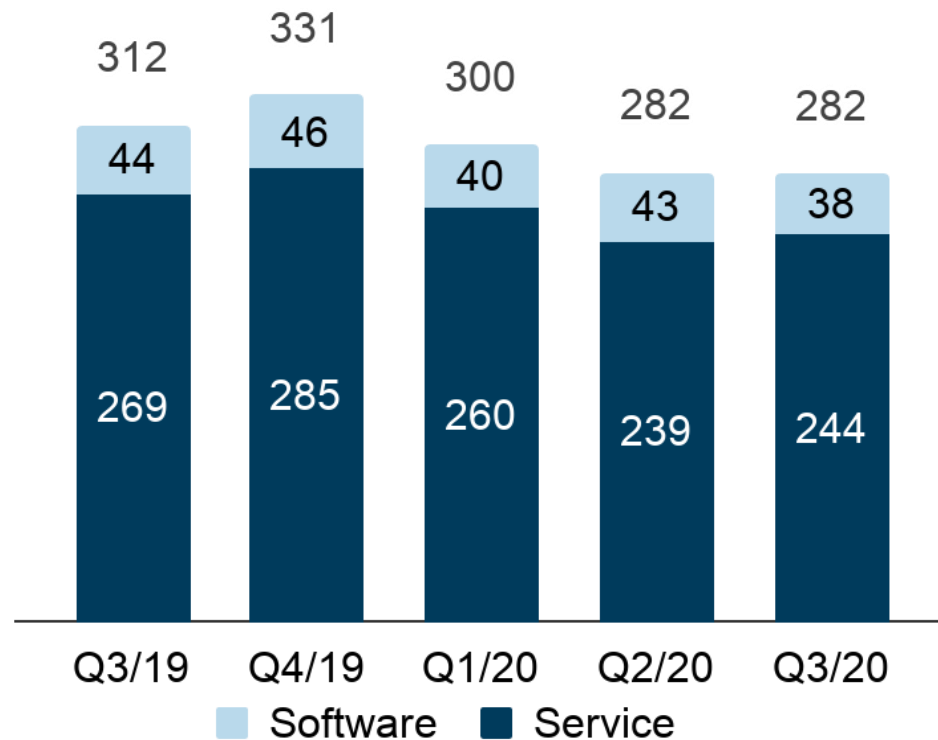
Order book by reporting  
segment, Q3 2020



# Service business resilient

## Service and software\* sales

MEUR



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

Q3/2020 service sales -9%

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

Software sales -12%

Service and software 36% of total sales

# Kalmar Q3 – Profitability supported by strong Mobile Equipment result

## Orders received declined

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

Sales increased in Automation and Projects, decreased in Mobile Equipment

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

## Comparable operating profit decreased

- Lower sales
- Costs from Automation & Projects reorganisation

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

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



# Hiab Q3 – Comparable operating profit margin increased

Orders received and sales decreased

- Service sales decreased by 7%

Comparable operating profit decreased 3 MEUR due to lower volumes

Comparable operating profit margin increased

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

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



# MacGregor Q3 – TTS synergies and productivity actions visible in result

Orders received decreased in Offshore and Services

Sales decreased by 7%

- Service sales -13%

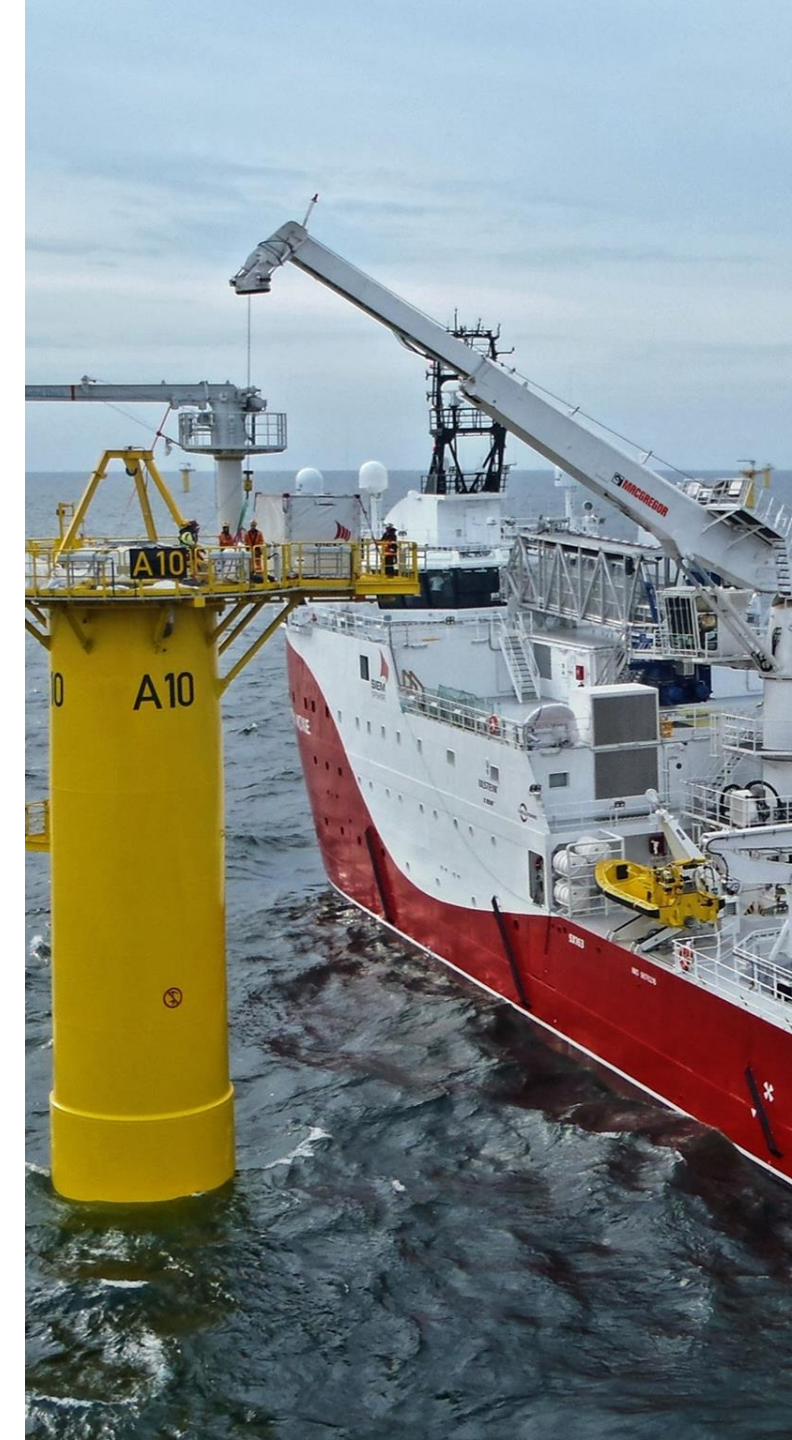
Comparable operating profit returned above break-even

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

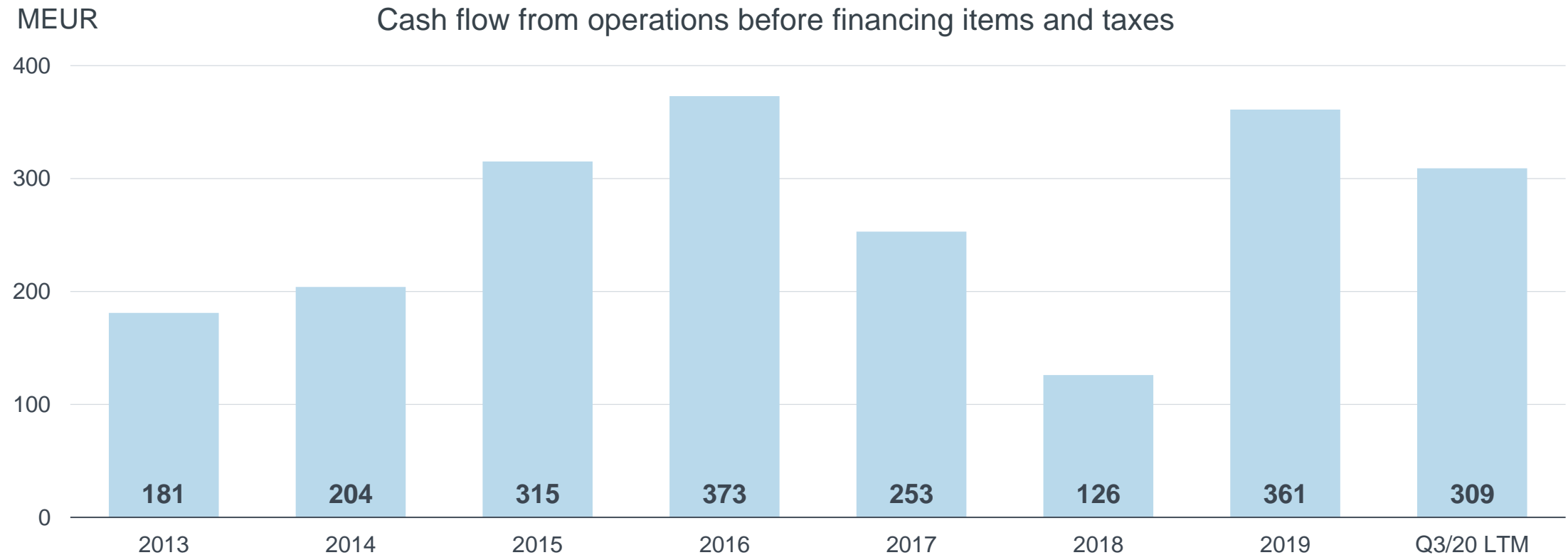
Productivity improvements ongoing

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

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

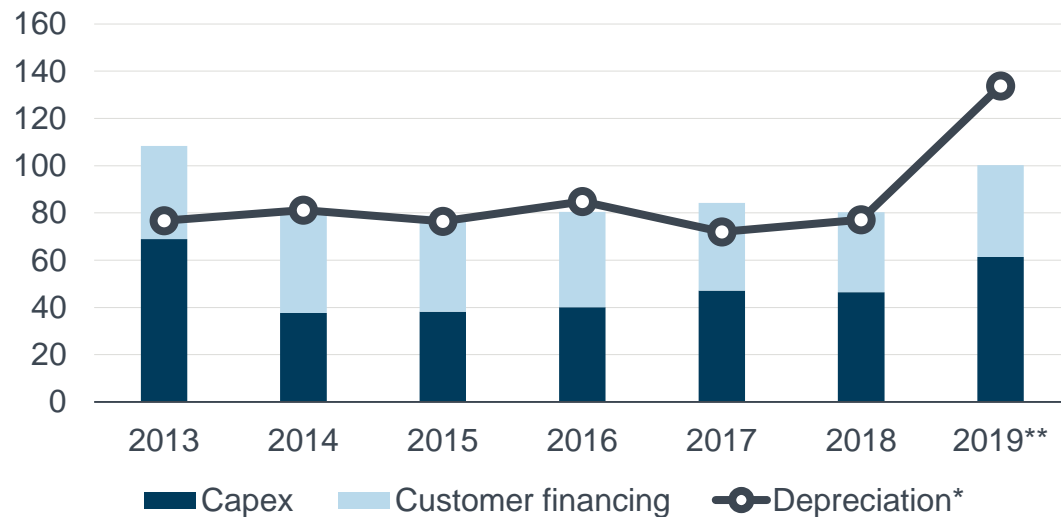


# Cash flow from operations development



# Capex and R&D

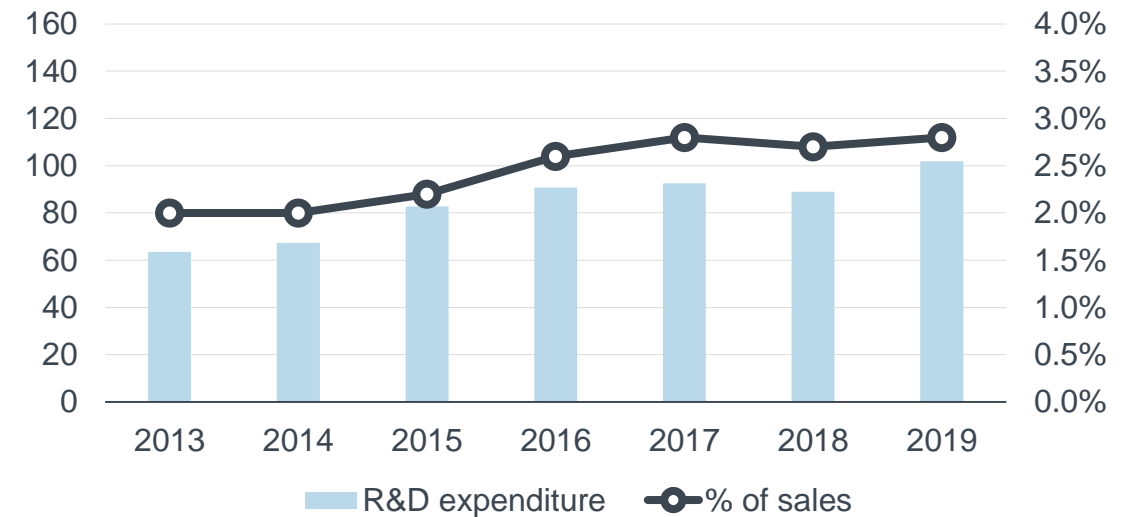
## Capital expenditure



### 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



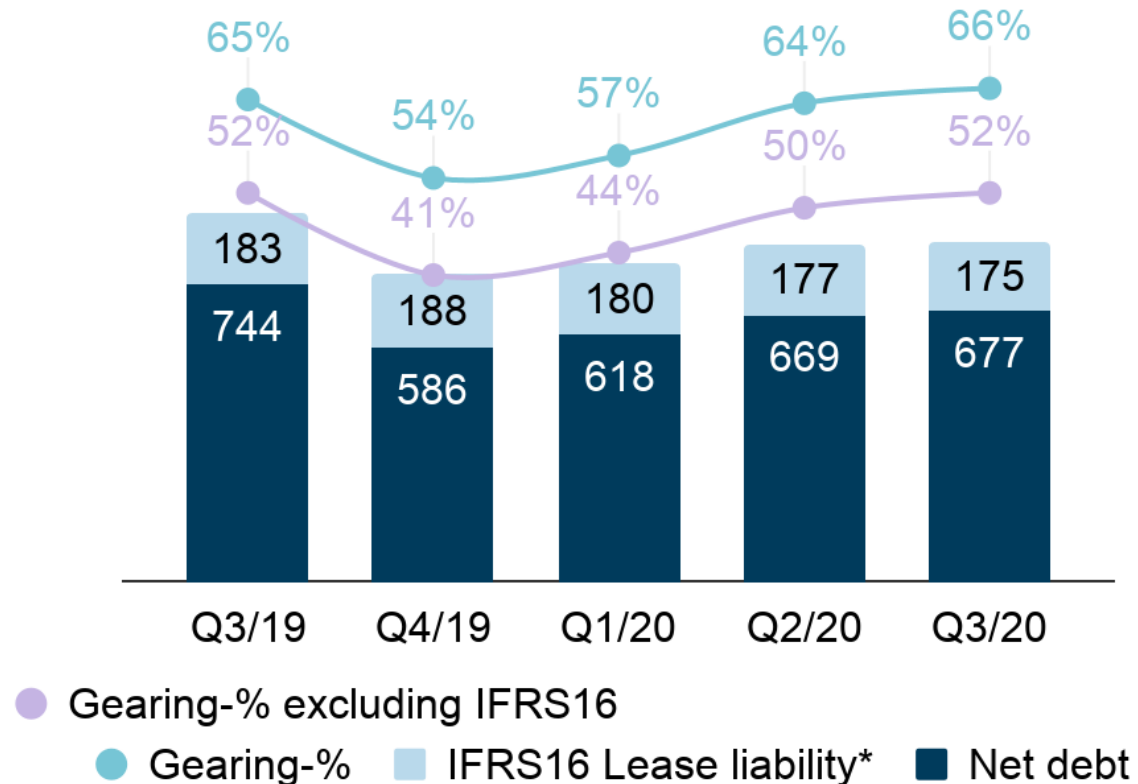
### R&D investments focused on

- Digitalisation
- Competitiveness, cost efficiency and eco-efficiency of products

\*) Including amortisations and impairments  
 \*\*) depreciation increased due to IFRS 16 implementation

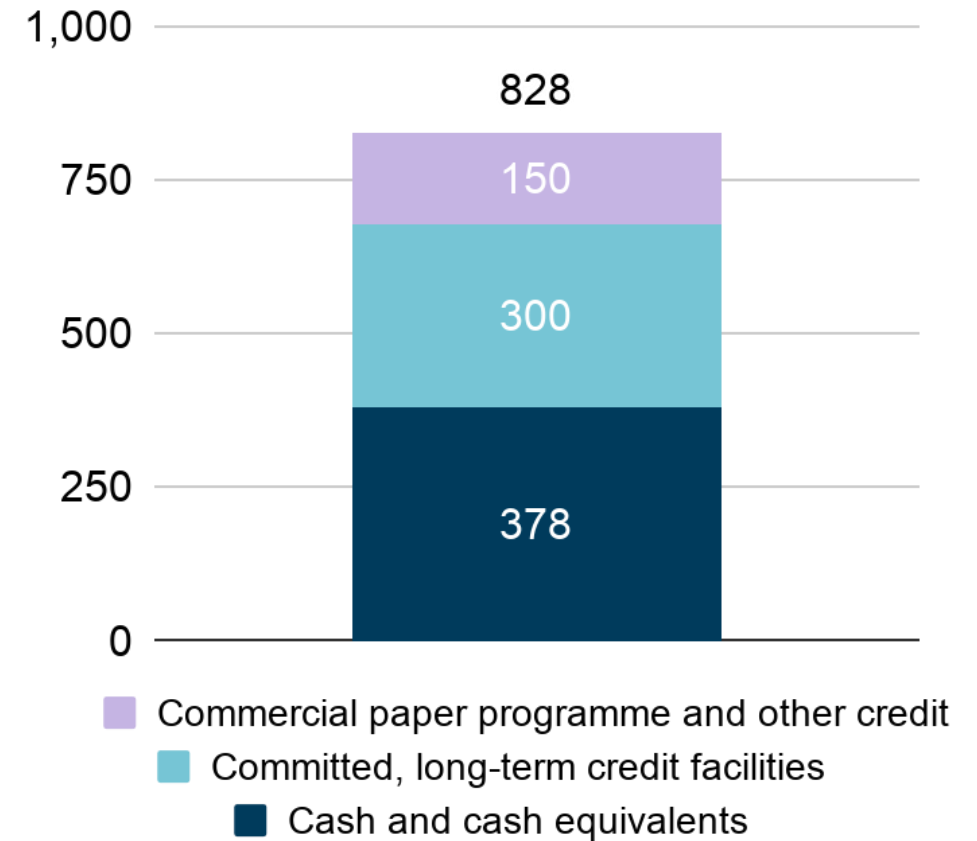
# Strong financial position and liquidity

Net debt & gearing  
MEUR



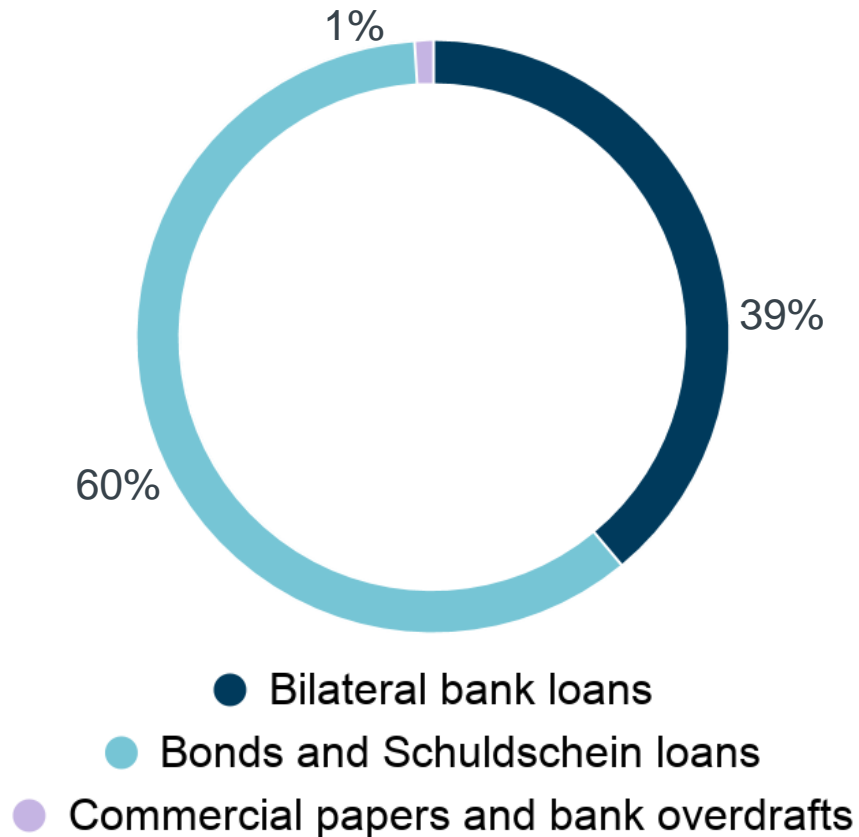
\*Cargotec adopted the IFRS 16 standard on 1 Jan 2019.

Total liquidity, 30 September 2020

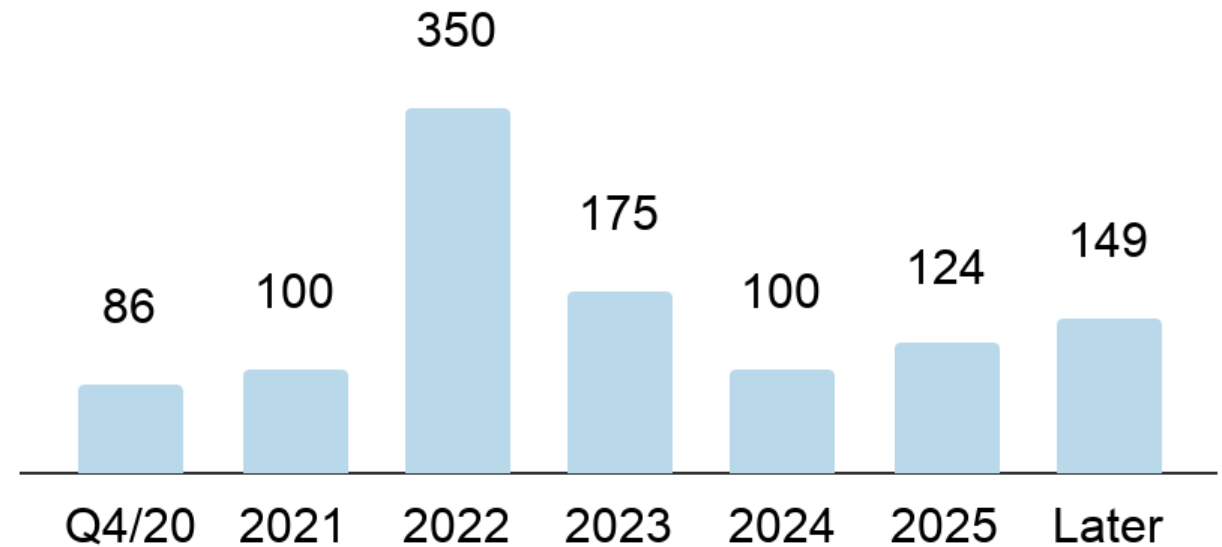


# Balanced debt portfolio

Loan structure, 30 September 2020



Repayment schedule of interest-bearing liabilities excluding finance lease  
MEUR

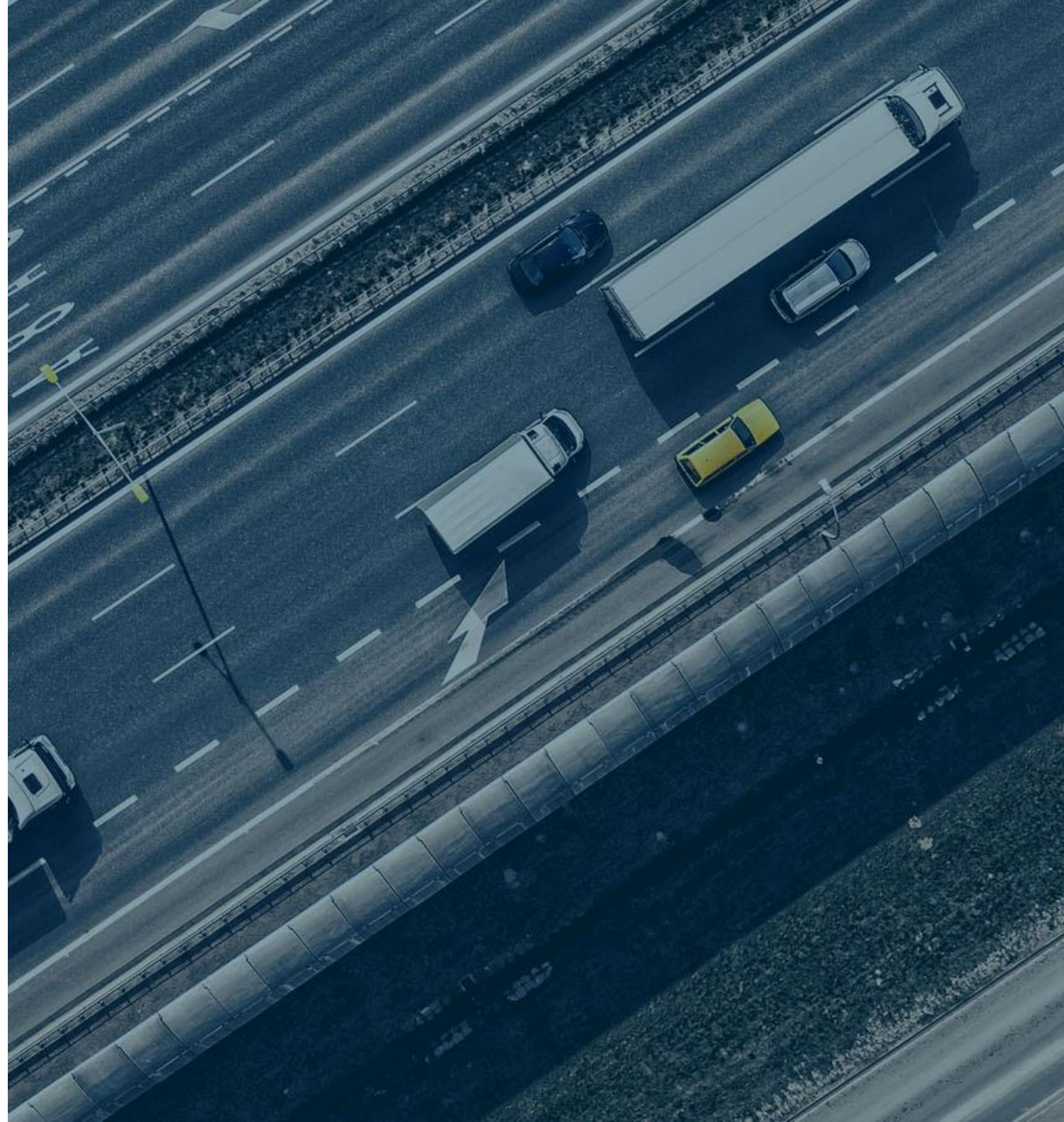


# Outlook for 2020

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



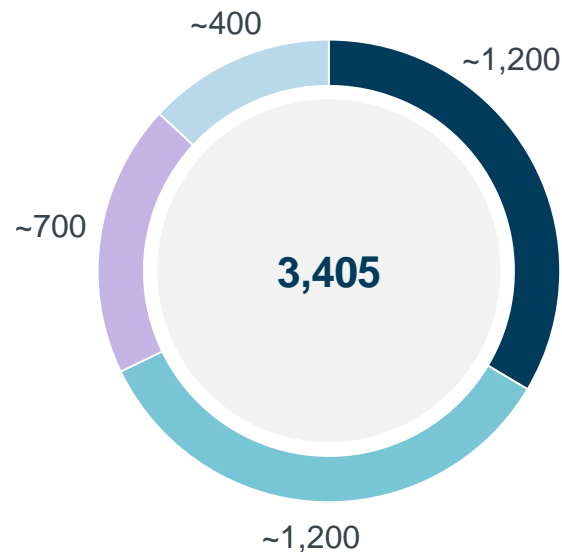
# Appendix



# Currently two businesses performing well

## Net sales Q3/2020, LTM\*

EUR million \*\*



Kalmar software (Navis) and Automation and Projects division

MacGregor

Hiab

Kalmar equipment and service (excluding Automation and Projects Division & Navis)

Trend in orders, LTM



-3%

-17%



Profitability: comparable EBIT margin, LTM

Low profitability

**-3.1%**

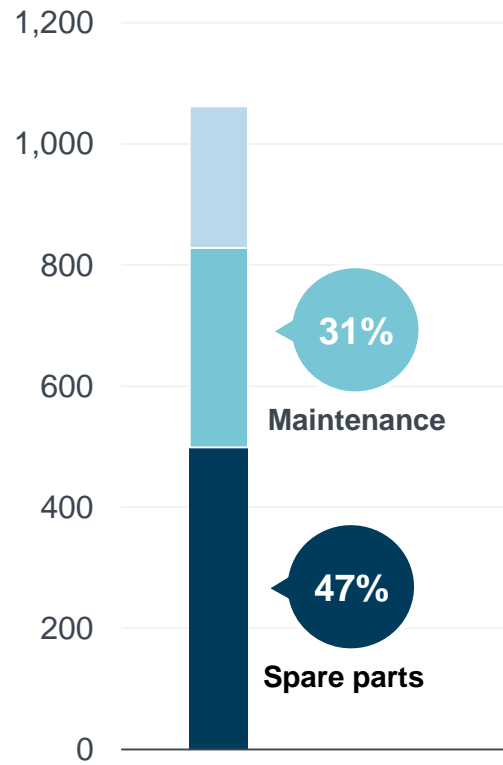
**11.8%**

Low double digit

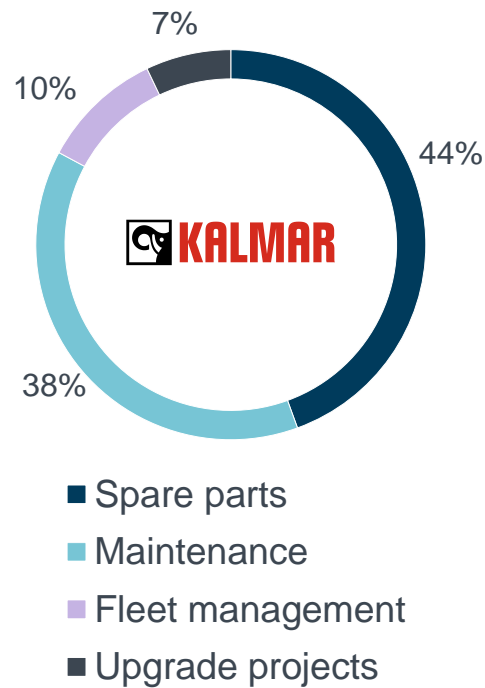
\* LTM = Last 12 months  
\*\* Figures rounded to closest 50 million

# Service sales growth on track towards our targets

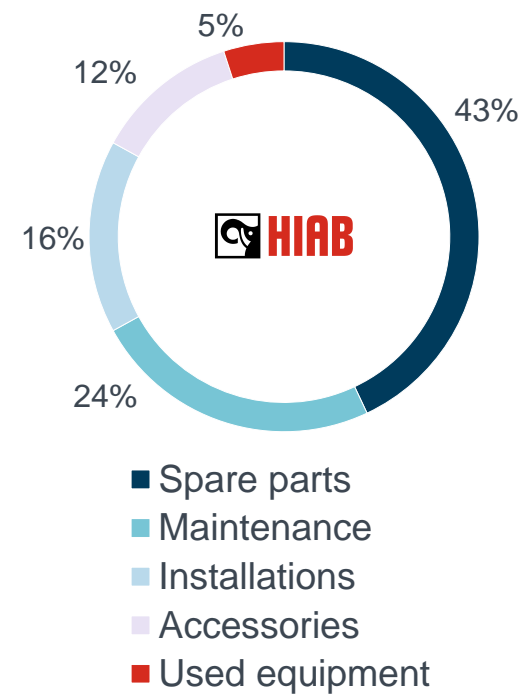
**Service sales:**  
**EUR 1,062 million**  
**29% of total sales**



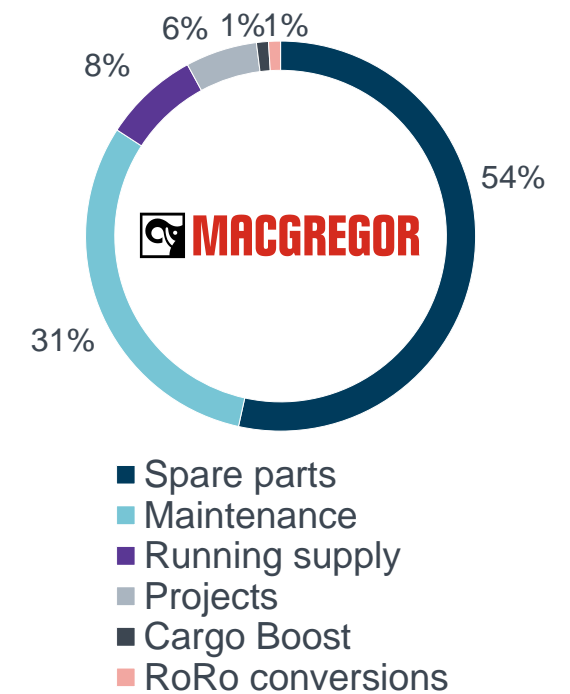
Kalmar	MEUR, %
Service orders received	473 27%
Service sales	464 27%



Hiab	MEUR, %
Service orders received	336 26%
Service sales	343 25%



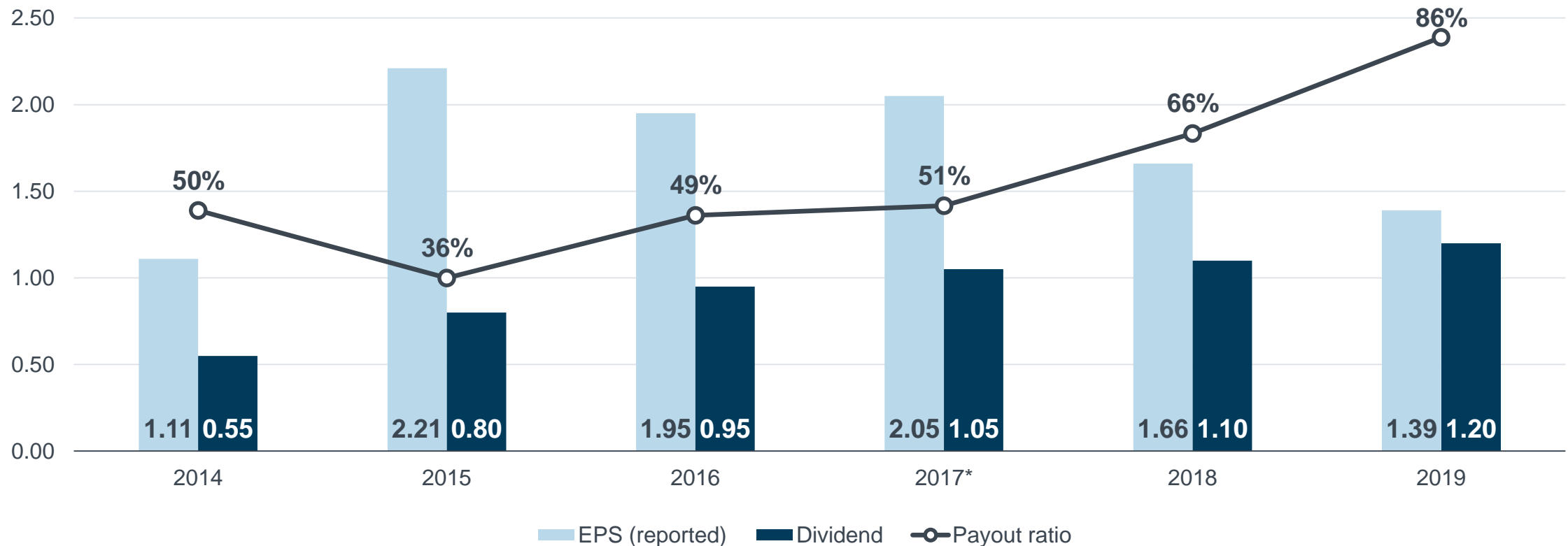
MacGregor	MEUR, %
Service orders received	271 43%
Service sales	255 42%



# Dividend of 1.20 EUR in 2019

Cargotec's AGM held on 27 May 2020 approved that :

- The dividend will be paid in two instalments.
- The first instalment is EUR 0.60 per B class share and was paid directly based on the decision of the AGM
- The second instalment of EUR 0.60 per B class share was paid on 3 September
- Calculated from EPS excl. items affecting comparability, payout ratio for 2019 is 55%.



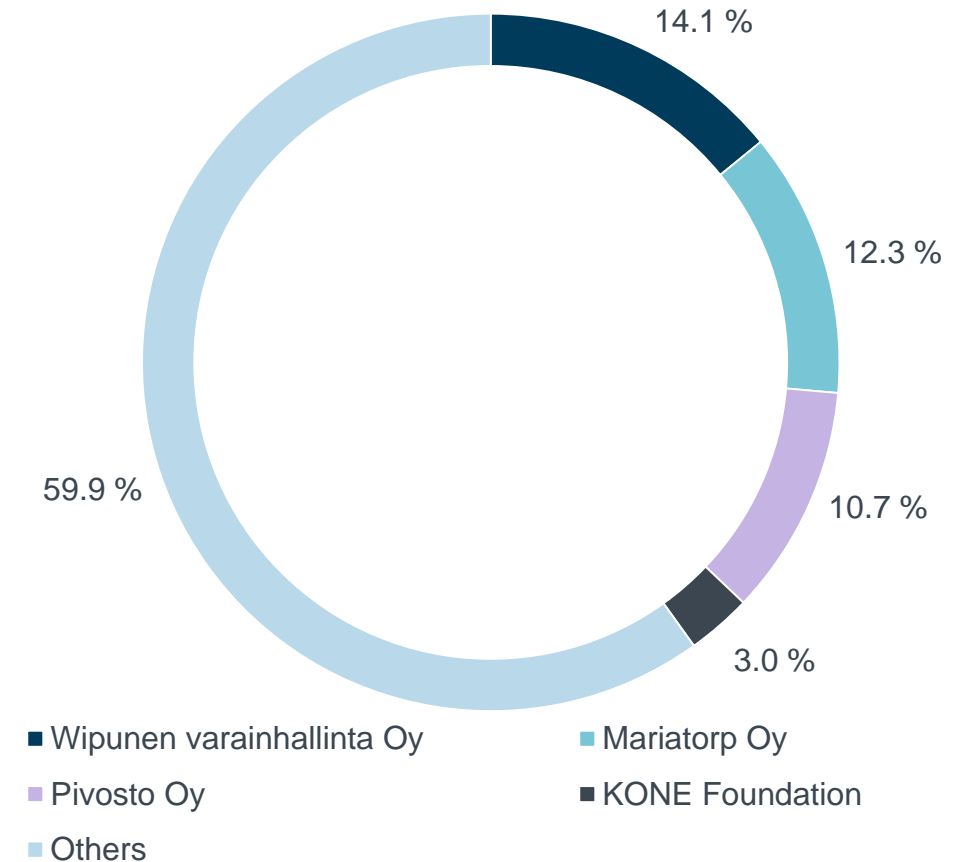
\* 2017 EPS figure has been restated according to IFRS 15

# Largest shareholders

## 30 October 2020

		% 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	2.4	1.0
6.	The State Pension Fund	1.2	0.5
7.	Elo Mutual Pension Insurance Company	1.2	0.5
8.	Varma Mutual Pension Insurance Company	1.0	0.4
9.	Mandatum Life Insurance Company Ltd.	0.9	0.4
10.	Herlin Heikki Juho Kustaa	0.6	0.3
Nominee registered and non-Finnish holders		25.06	
Total number of shareholders		37,009	

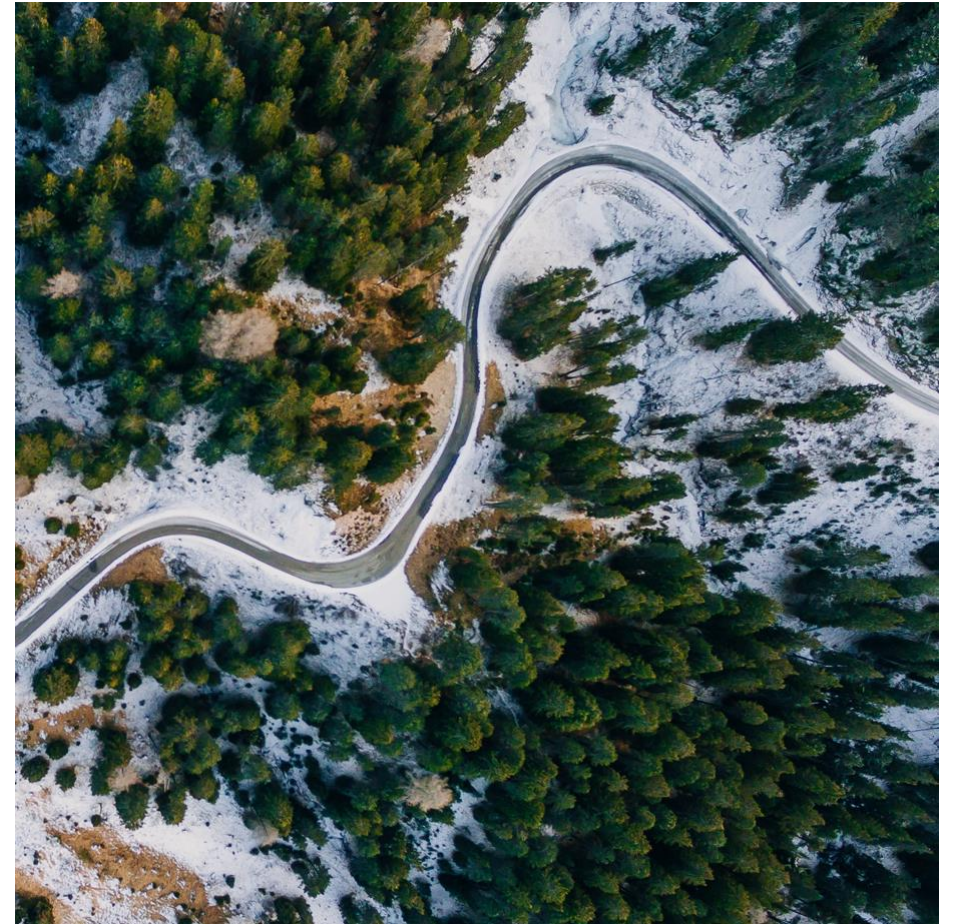
% of shares



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.

# Cargotec to evaluate strategic options for Navis business

- Cargotec will review **alternative development paths** including new ownership structures and a potential sale of Navis business
- The aim of the strategic evaluation is to secure best possible **growth and value creation** for the next development phase for Navis
- Cargotec's investment since 2011 has enabled Navis to become the market leader in terminal operating systems (TOS), and **more than doubled revenue to EUR 115 million** in 2019
- Cargotec's other software business will not be part of the evaluation



# Examples of our wide equipment offering



Reachstacker



Straddle carrier



Loader crane



Truck-mounted forklift



Cranes



Marine self-unloaders



Terminal tractor



Container handler



Hooklift, Skiploader



Taillift



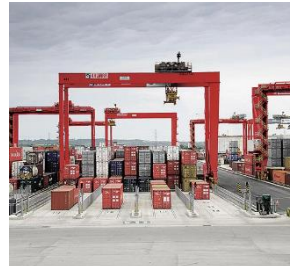
Hatch covers,  
container lashings



Offshore load handling



Forklift truck



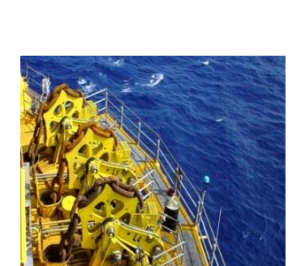
Automatic stacking crane



Recycling and forestry cranes



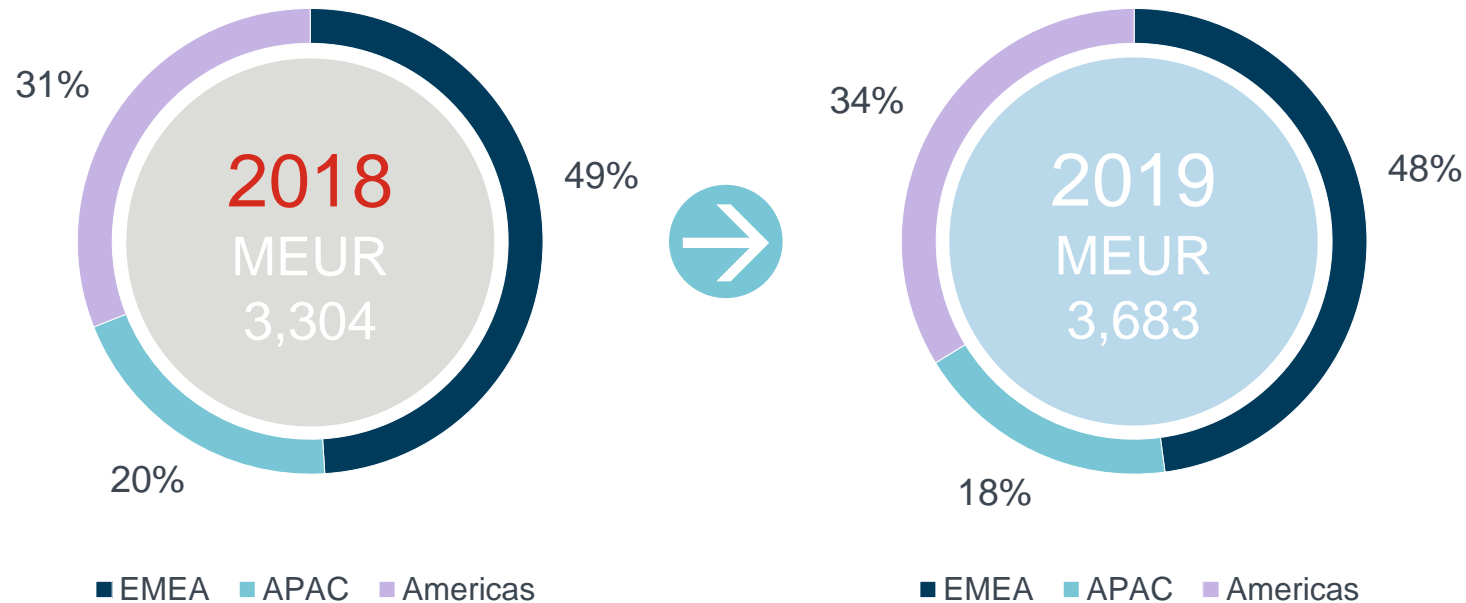
Deck machinery



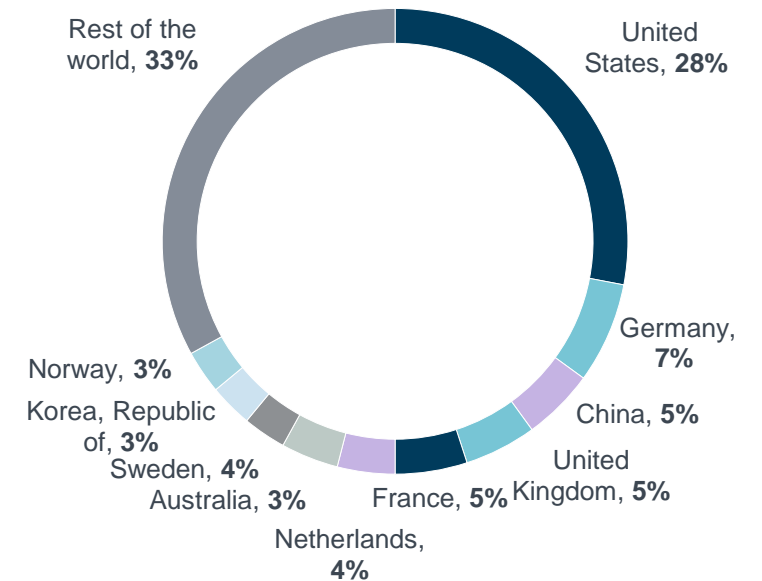
Mooring systems



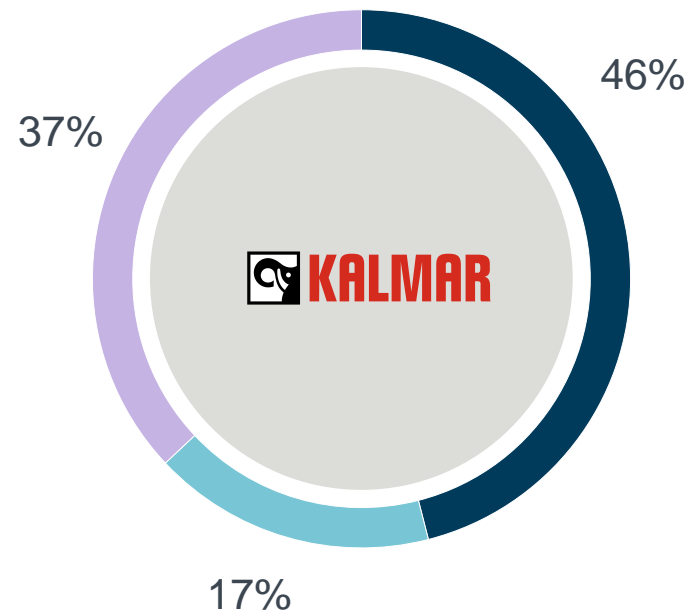
# Well diversified geographical sales mix



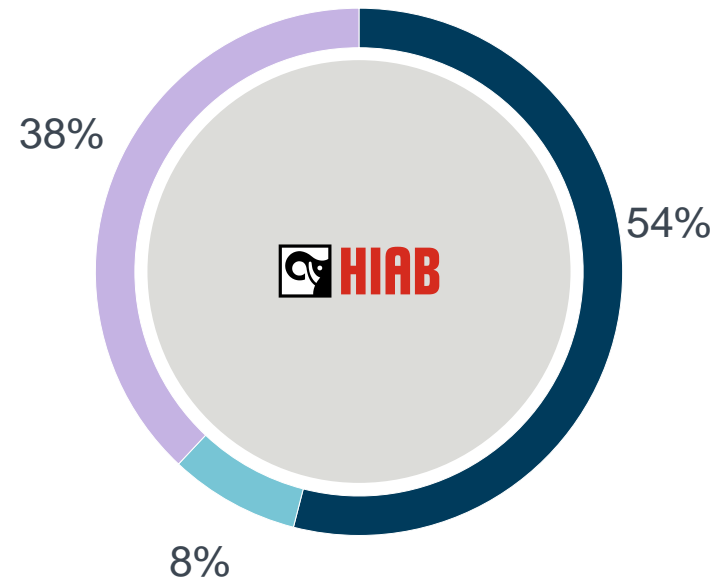
## Top-10 countries by customer location



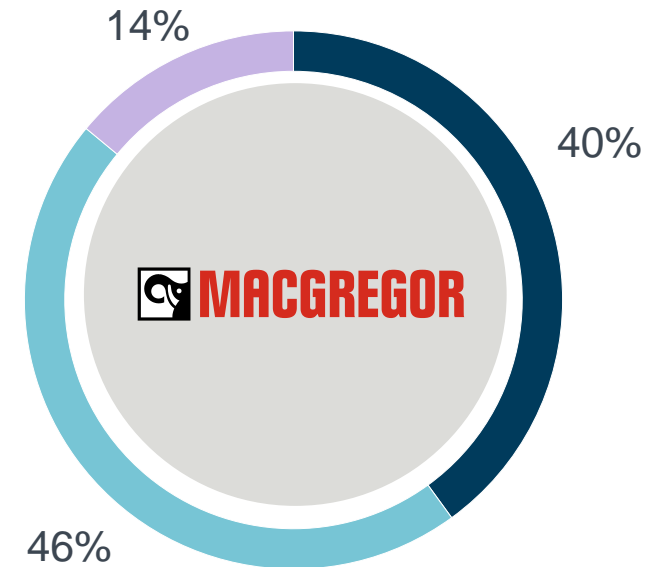
# Sales by geographical segment by business area 2019



■ EMEA ■ APAC ■ Americas



■ EMEA ■ APAC ■ Americas

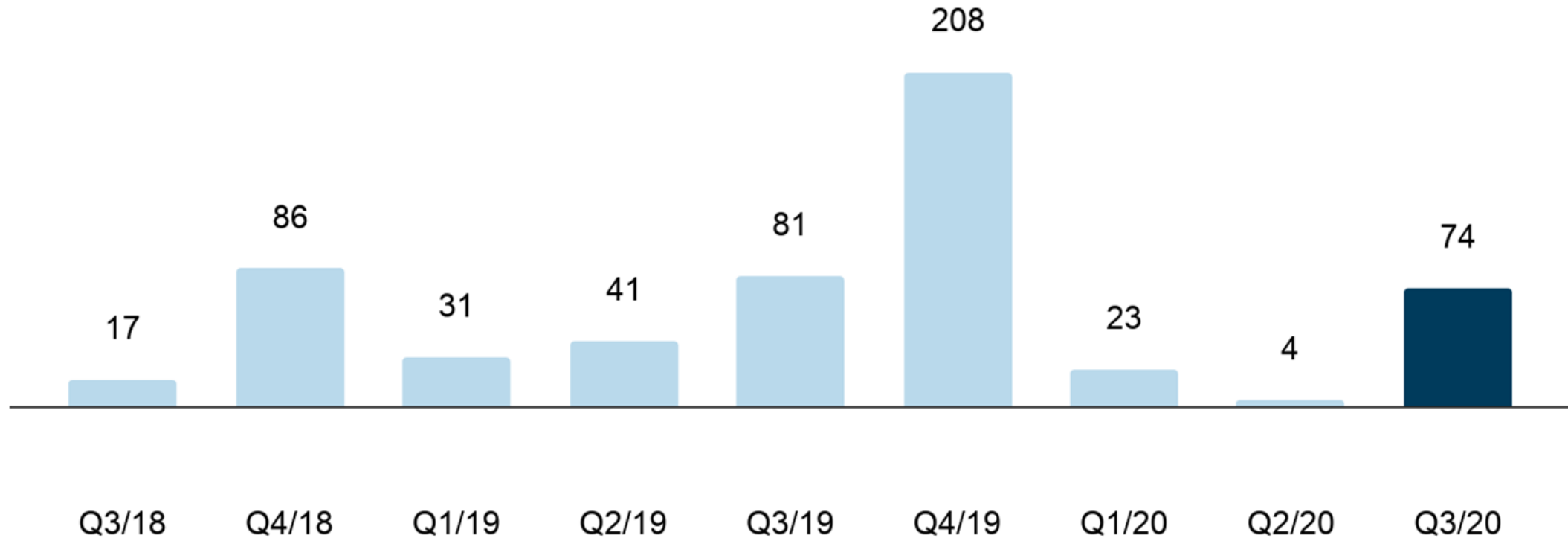


■ EMEA ■ APAC ■ Americas

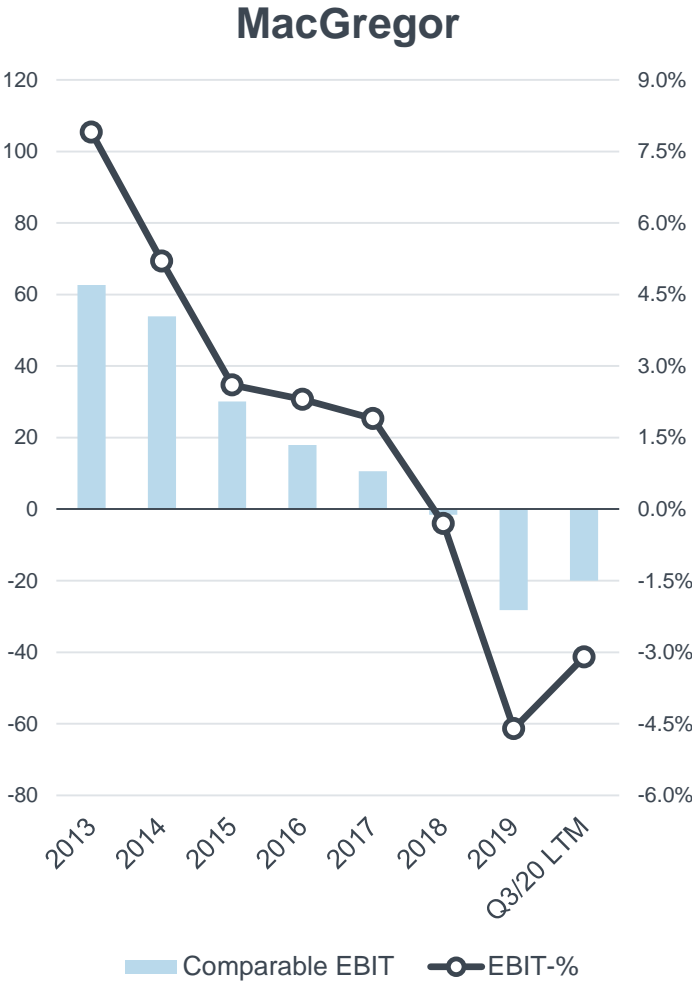
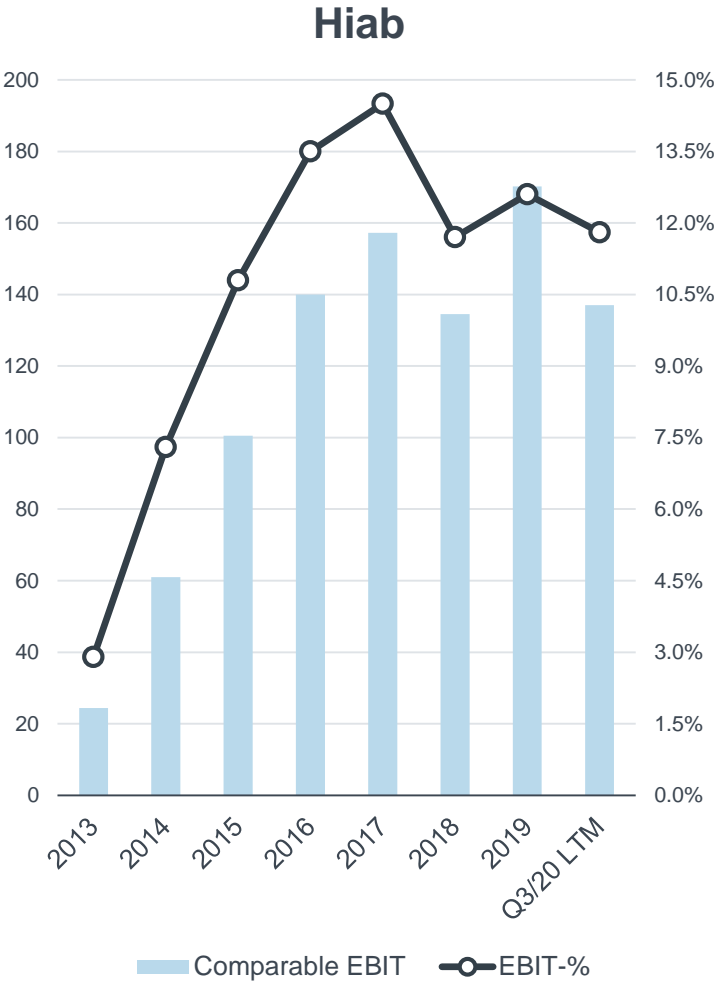
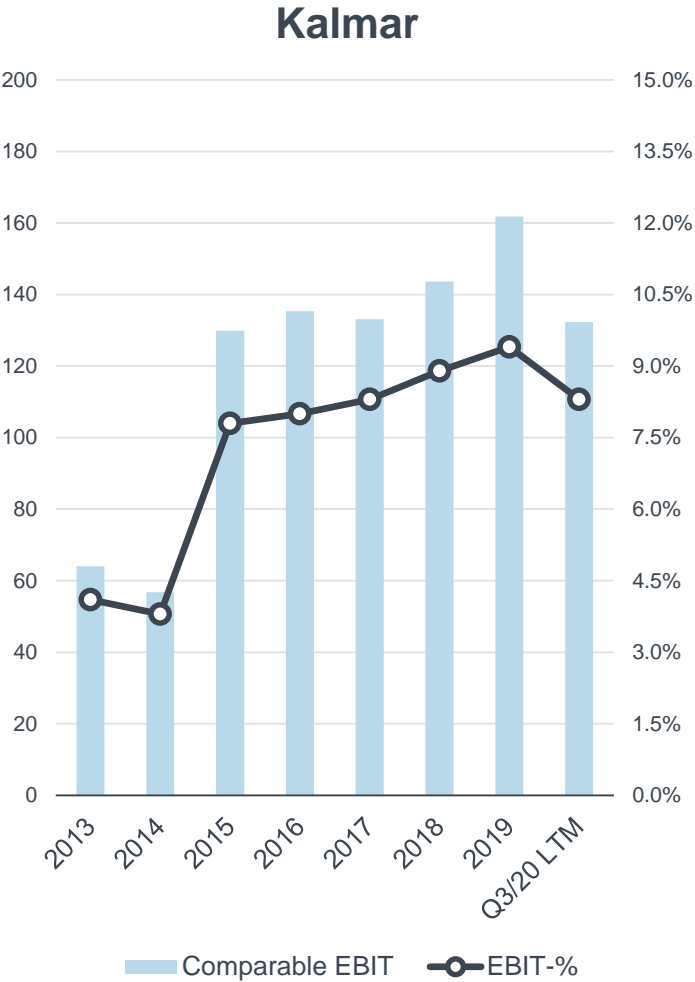
# Strong cash flow

Cash flow from operations before financing items and taxes

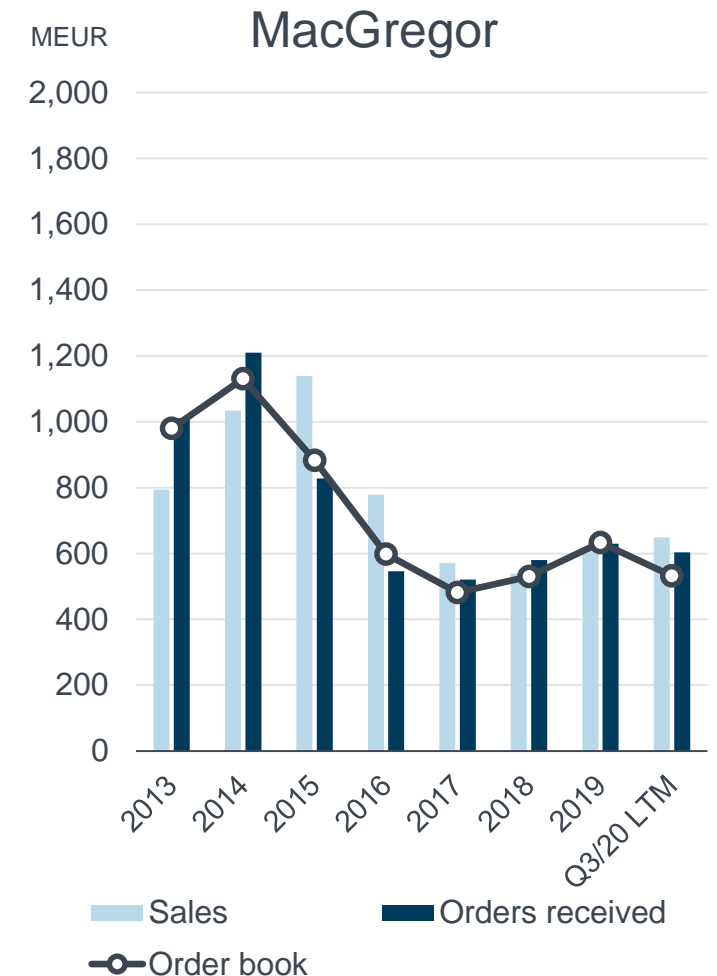
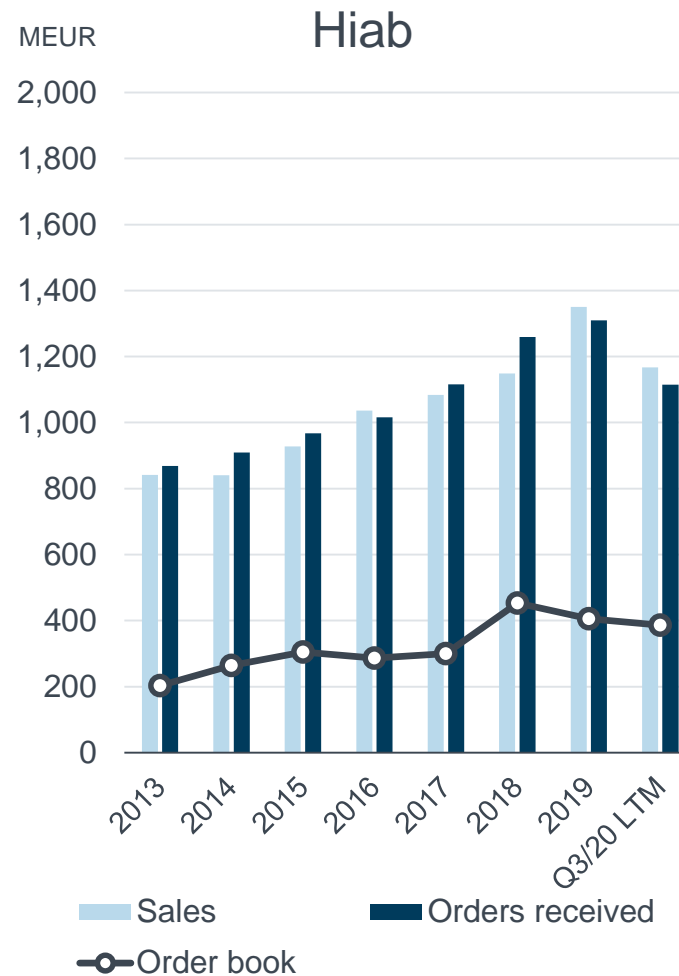
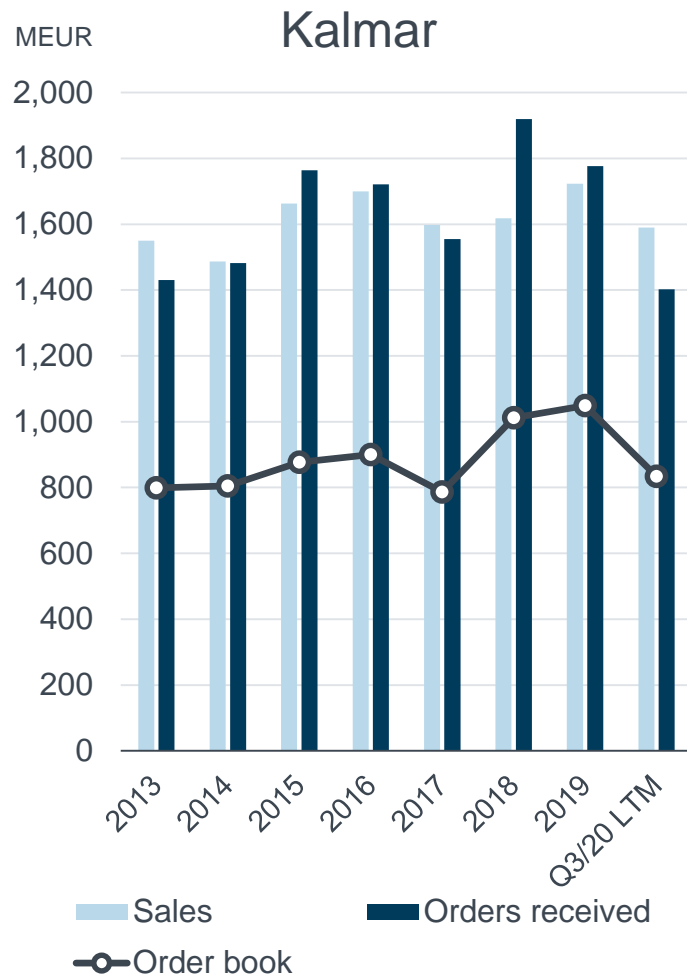
MEUR



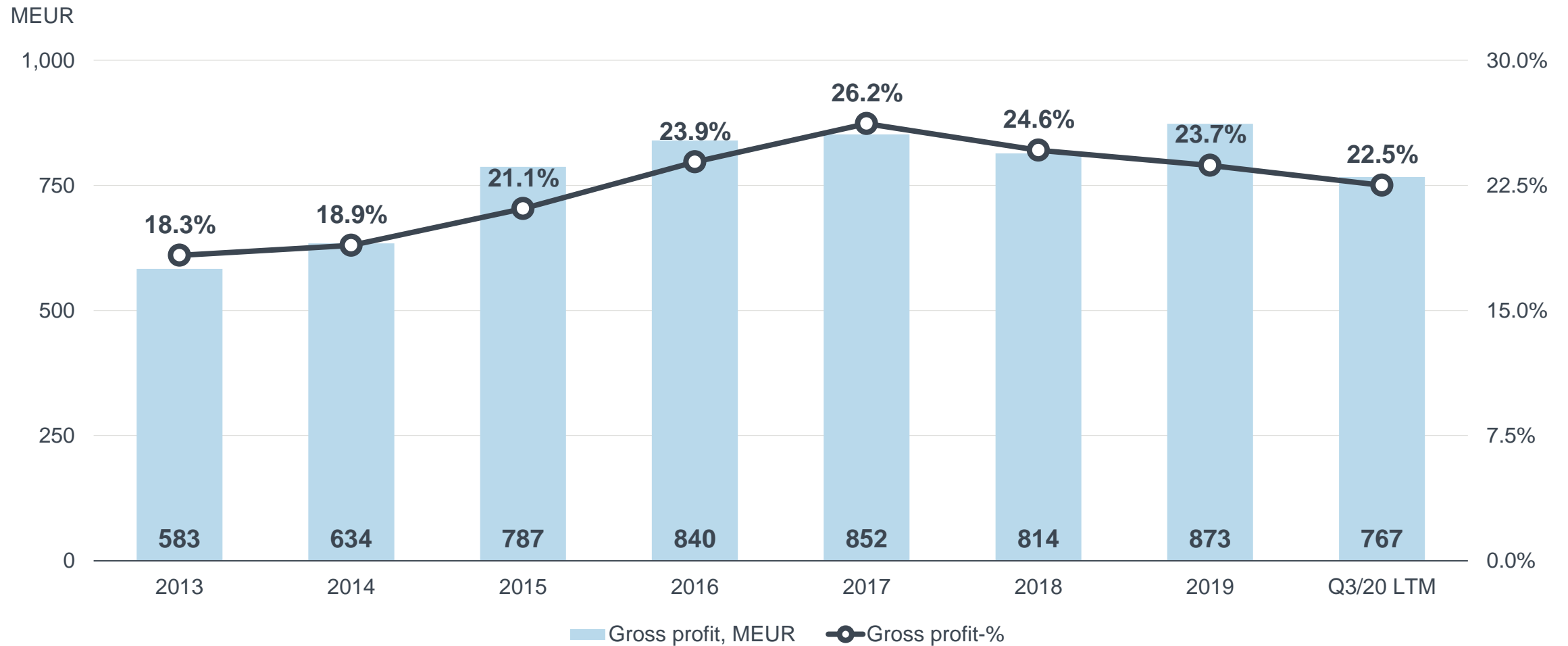
# Comparable operating profit development



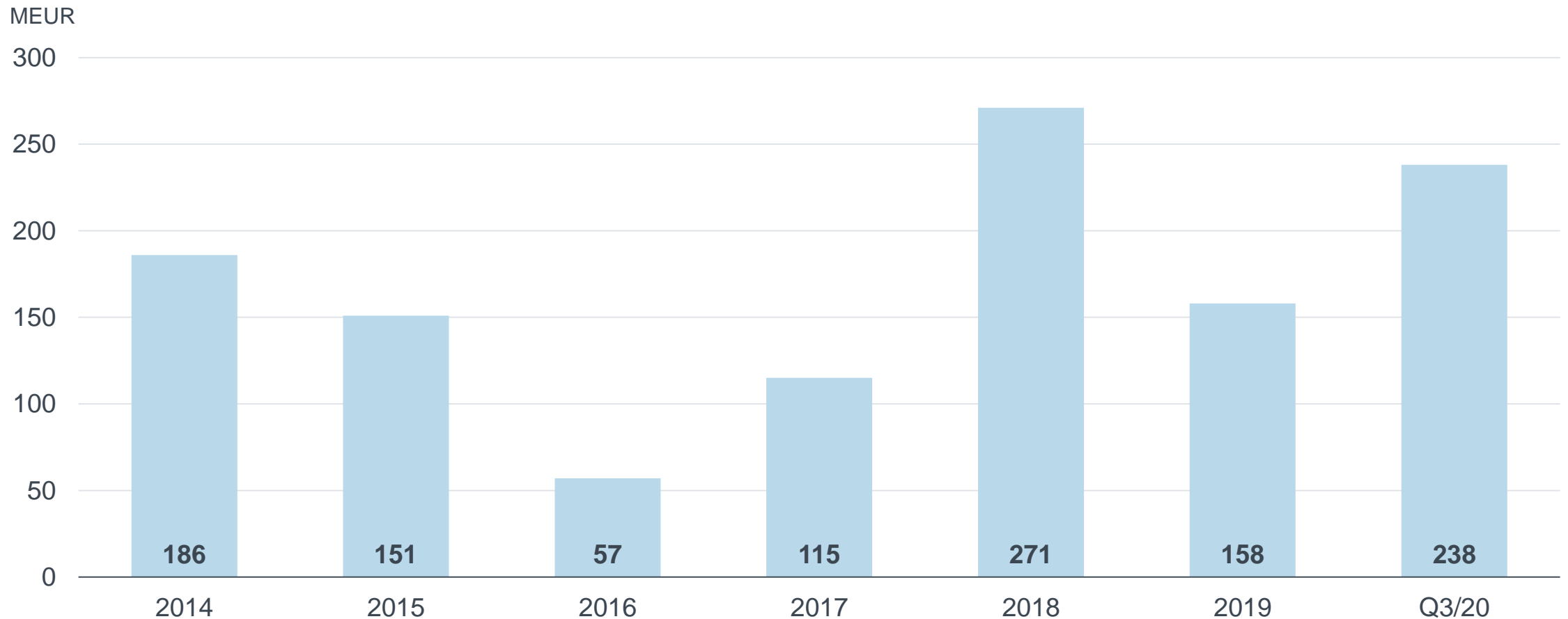
# Sales and orders received development



# Gross profit development



# Net working capital increased due to decrease in accounts payable and in advances received



# Kalmar provides integrated port automation solutions also after potential divestment of Navis

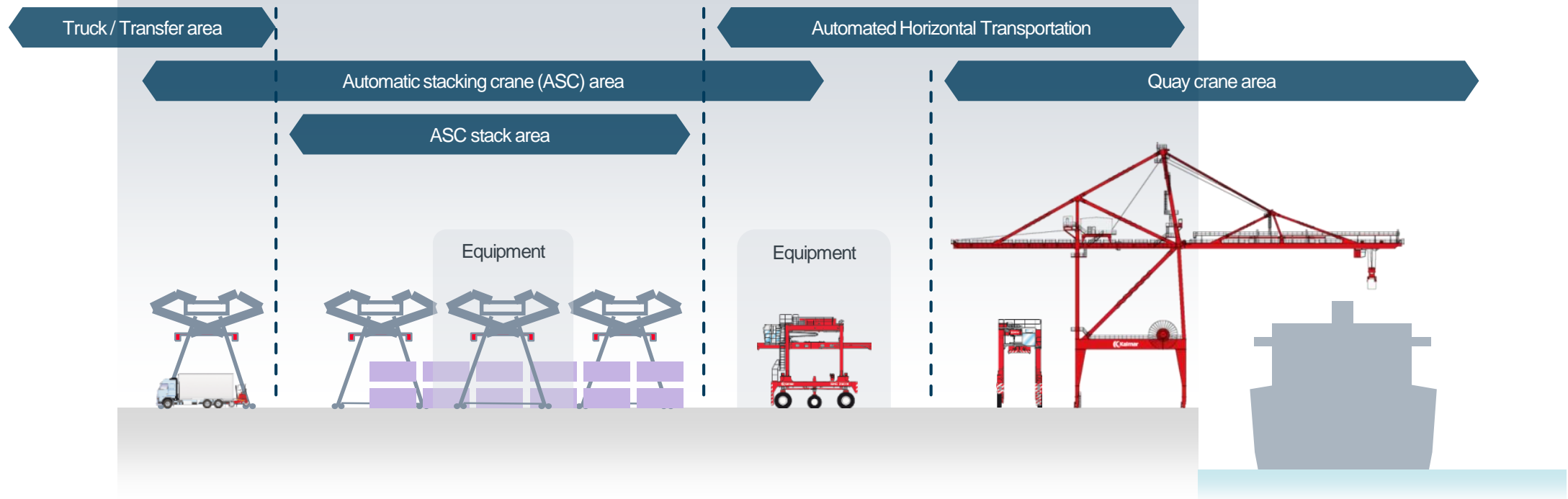
Terminal Operating System (TOS) coordinates and optimizes the planning and management of container and equipment moves

navis®

Kalmar provides integrated port automation solutions including software, services and a wide range of cargo handling equipment

 **KALMAR**

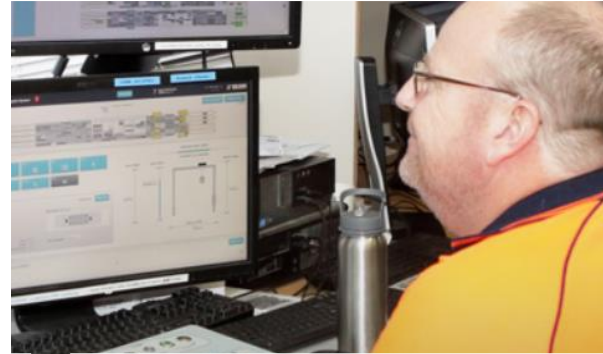
Terminal Logistic System (TLS)



# Services provide Kalmar's biggest medium-term growth opportunity



Equipment & Projects  
**20-30%**



Software  
**20-30%**



Services  
**3-5%**

Market  
share






Market  
size

**6B€**

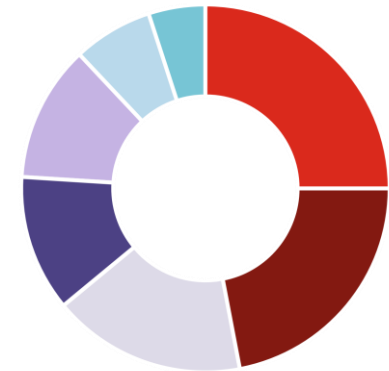
**0.5-1B€**

**8B€**

# Hiab has strong global market position and customers across diverse industries

		MARKET SIZE* (EUR billion)	KEY SEGMENTS	HIAB GLOBAL POSITION & TREND
LOADER CRANES		~1.5	Construction and Logistics	#2 ↗
TAIL LIFTS		~0.9	Retail Industry and Logistics	#2 ↗
DEMOUNTABLES		~0.6	Waste and Recycling, Defense	#1 ↗
TRUCK MOUNTED FORK LIFTS		~0.3	Construction and Logistics	#1 →
FORESTRY & RECYCLING CRANES		~0.3	Timber, Pulp, Paper & Recycling	#2 →

Industry segment indicative sales mix 2018



Most important segments

- Construction and Building Material
- Delivery Logistic
- Waste & Recycling
- Timber, Paper & Pulp
- Defense Logistic
- Road & Rail
- Other

# Demand growth of Hiab's solutions is supported by attractive megatrends

## MEGA TRENDS



- **Urbanisation** and **Consumption** growth driving needs for efficiency
- **Digitalisation** and **Connectivity** enabling new **business** solutions

## MARKET GROWTH



- **North America** and main **European** markets continue to grow
- **Developing markets** strong load handling equipment penetration potential

## KEY SEGMENTS



- **Construction, Waste & Recycling, Logistics** and **Governmental** business segments show continued growth projection

## PRODUCT OFFERING



- **New applications** market and segment growth potential
- Developing for increasing demand in **Electrification** and **Automation**

## SERVICE SOLUTIONS



- Growing demand for comprehensive **life-cycle service offerings** and tailored **business solutions**

# MacGregor is an active leader in all maritime segments

~2/3 of sales

~1/3 of sales

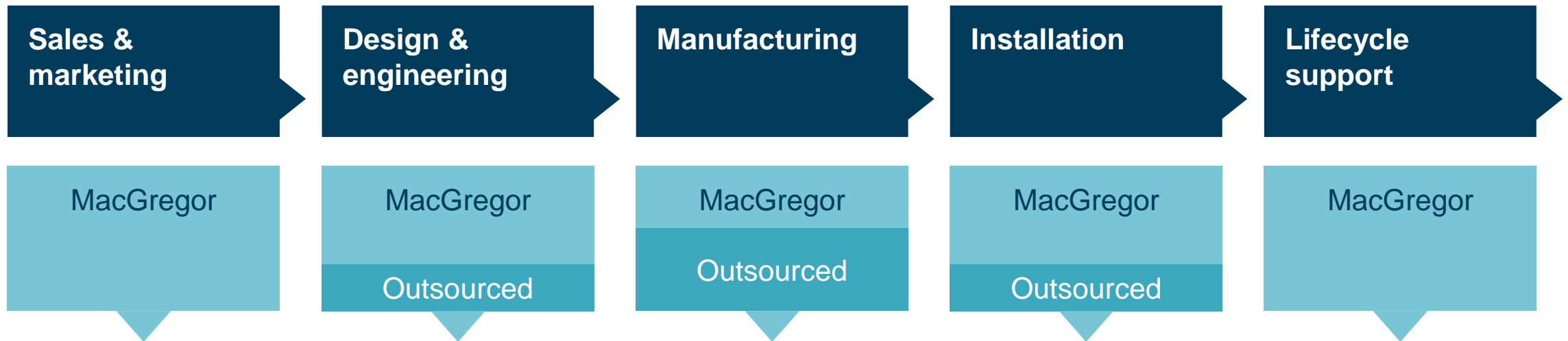
Merchant Cargo Flow <b>MARKET POSITION #1</b>	Marine People Flow <b>#1</b>	Naval Logistics and Operations <b>#1-2</b>	Offshore Energy <b>#1</b>	Marine Resources & Structures <b>#1-2</b>
<ul style="list-style-type: none"> <li>▪ Container cargo</li> <li>▪ Bulk cargo</li> <li>▪ General cargo</li> <li>▪ Liquid cargo</li> <li>▪ RoRo cargo</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ferry</li> <li>▪ Cruise</li> <li>▪ Superyachts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Naval &amp; Military Supplies Logistics</li> <li>▪ Naval &amp; Military Operations Support</li> <li>▪ Ship-to-ship transfer</li> </ul>	<ul style="list-style-type: none"> <li>▪ Oil &amp; Gas</li> <li>▪ Renewables</li> </ul>	<ul style="list-style-type: none"> <li>▪ Research</li> <li>▪ Fishery</li> <li>▪ Aquaculture</li> <li>▪ Mining</li> </ul>

## Lifecycle Services



Picture: Equinor

# MacGregor's asset-light business model gives flexibility



Cost-efficient scaling

**90%** of manufacturing outsourced

**30%** of design and engineering capacity outsourced

# Planned MacGregor cost savings

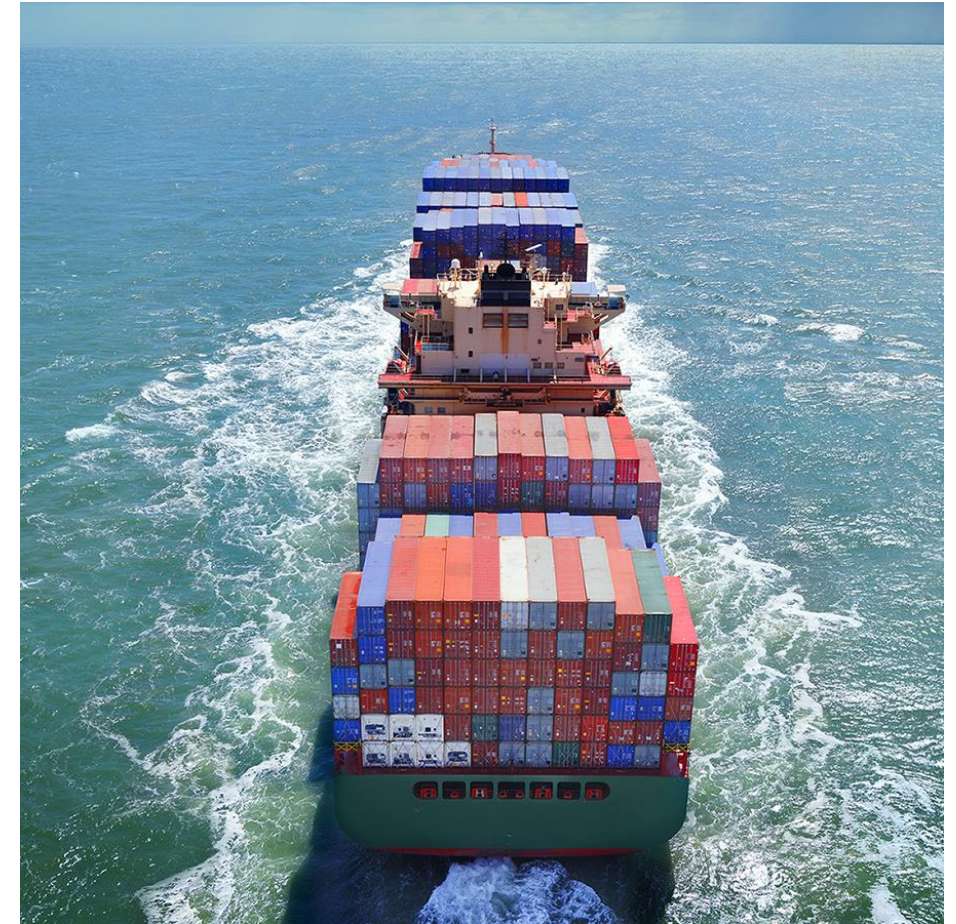
The potential cost savings in 2020 are estimated to be around EUR 20 million. 14 MEUR from cost savings achieved during Q1-Q3, remaining 6 MEUR expected for Q4

Potential cost savings from the TTS integration

- EUR ~12 million in 2020
- EUR ~10 million in 2021
- EUR ~5 million in 2022–2024

TTS integration cost synergy components

- Roles/Positions
- Facilities
- Supply chain



# Income statement

## Q3 2020

MEUR	Note	Q3/20	Q3/19	Q1-Q3/20	Q1-Q3/19	2019
<b>Sales</b>	5	<b>776.6</b>	<b>901.3</b>	<b>2,390.6</b>	<b>2,668.6</b>	<b>3,683.4</b>
Cost of goods sold		-602.0	-691.1	-1,863.1	-2,035.2	-2,810.3
<b>Gross profit</b>		<b>174.5</b>	<b>210.2</b>	<b>527.5</b>	<b>633.4</b>	<b>873.1</b>
<i>Gross profit, %</i>		22.5%	23.3%	22.1%	23.7%	23.7%
Other operating income		13.3	8.4	39.7	24.8	33.5
Selling and marketing expenses		-44.6	-56.5	-148.0	-175.8	-238.4
Research and development expenses		-22.2	-23.7	-78.6	-75.2	-105.6
Administration expenses		-56.8	-61.8	-176.2	-193.2	-269.3
Restructuring costs	7	-12.6	-10.0	-91.1	-26.6	-80.1
Other operating expenses		-8.0	-7.7	-25.1	-23.3	-33.8
Costs and expenses		-130.9	-151.3	-479.3	-469.4	-693.7
Share of associated companies' and joint ventures' net income		2.1	-1.0	4.6	-2.1	0.6
<b>Operating profit</b>		<b>45.8</b>	<b>57.9</b>	<b>52.8</b>	<b>162.0</b>	<b>180.0</b>
<i>Operating profit, %</i>		5.9%	6.4%	2.2%	6.1%	4.9%
Financing income		0.2	1.5	2.4	3.6	4.0
Financing expenses		-7.7	-9.3	-25.3	-27.9	-38.1
<b>Income before taxes</b>		<b>38.3</b>	<b>50.0</b>	<b>29.9</b>	<b>137.7</b>	<b>145.9</b>
<i>Income before taxes, %</i>		4.9%	5.6%	1.3%	5.2%	4.0%
Income taxes	9	-11.7	-20.3	-28.5	-48.0	-56.5
<b>Net income for the period</b>		<b>26.6</b>	<b>29.7</b>	<b>1.4</b>	<b>89.7</b>	<b>89.4</b>
<i>Net income for the period, %</i>		3.4%	3.3%	0.1%	3.4%	2.4%

### Net income for the period attributable to:

Equity holders of the parent		26.6	29.7	1.6	89.6	89.4
Non-controlling interest		0.0	0.0	-0.2	0.1	0.0
<b>Total</b>		<b>26.6</b>	<b>29.7</b>	<b>1.4</b>	<b>89.7</b>	<b>89.4</b>

### Earnings per share for profit attributable to the equity holders of the parent:

Earnings per share, EUR		0.41	0.46	0.03	1.39	1.39
Diluted earnings per share, EUR		0.41	0.46	0.03	1.39	1.39

# Balance sheet 30 Sept 2020

ASSETS, MEUR	Note	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Non-current assets</b>				
Goodwill		1,025.4	1,041.9	1,058.5
Other intangible assets		258.1	299.1	296.1
Property, plant and equipment		446.4	471.0	489.7
Investments in associated companies and joint ventures	16	53.7	112.6	120.8
Share investments	16	38.4	0.3	0.3
Loans receivable and other interest-bearing assets*	11	26.6	28.2	29.1
Deferred tax assets		125.5	128.1	131.2
Derivative assets	12	0.0	-	-
Other non-interest-bearing assets		11.5	9.9	10.3
<b>Total non-current assets</b>		<b>1,985.6</b>	<b>2,091.2</b>	<b>2,136.0</b>
<b>Current assets</b>				
Inventories		704.2	834.0	713.0
Loans receivable and other interest-bearing assets*	11	1.5	1.2	1.3
Income tax receivables		27.8	41.1	24.1
Derivative assets	12	13.7	10.9	8.5
Accounts receivable and other non-interest-bearing assets		801.6	878.1	924.3
Cash and cash equivalents*	11	378.0	388.2	420.2
<b>Total current assets</b>		<b>1,926.9</b>	<b>2,153.5</b>	<b>2,091.4</b>
<b>Total assets</b>		<b>3,912.4</b>	<b>4,244.6</b>	<b>4,227.4</b>

EQUITY AND LIABILITIES, MEUR	Note	30 Sep 2020	30 Sep 2019	31 Dec 2019
<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		-102.7	-24.4	-33.2
Fair value reserves		-5.3	-20.4	-9.1
Reserve for invested non-restricted equity		57.4	57.4	57.4
Retained earnings		1,180.3	1,258.8	1,247.1
<b>Total equity attributable to the equity holders of the parent</b>		<b>1,291.9</b>	<b>1,433.6</b>	<b>1,424.5</b>
Non-controlling interest		2.3	2.8	2.8
<b>Total equity</b>		<b>1,294.2</b>	<b>1,436.5</b>	<b>1,427.3</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities*	11	1,082.9	967.5	953.3
Deferred tax liabilities		40.1	33.5	39.1
Pension obligations		110.8	93.5	110.4
Provisions		6.4	7.8	7.0
Derivative liabilities	12	0.0	-	-
Other non-interest-bearing liabilities		64.0	64.5	66.0
<b>Total non-current liabilities</b>		<b>1,304.2</b>	<b>1,166.8</b>	<b>1,175.8</b>
<b>Current liabilities</b>				
Current portion of interest-bearing liabilities*	11	141.6	230.2	233.0
Other interest-bearing liabilities*	11	32.9	146.8	38.1
Provisions		99.0	92.7	114.3
Advances received		242.5	258.4	306.3
Income tax payables		19.0	16.9	21.1
Derivative liabilities	12	8.9	22.6	11.8
Accounts payable and other non-interest-bearing liabilities		770.2	873.8	899.8
<b>Total current liabilities</b>		<b>1,314.0</b>	<b>1,641.4</b>	<b>1,624.3</b>
<b>Total equity and liabilities</b>		<b>3,912.4</b>	<b>4,244.6</b>	<b>4,227.4</b>

\*Included in interest-bearing net debt.

# Cash flow statement

## Q3 2020

MEUR	Q3/20	Q3/19	Q1-Q3/20	Q1-Q3/19	2019
<b>Net cash flow from operating activities</b>					
Net income for the period	26.6	29.7	1.4	89.7	89.4
Depreciation, amortisation and impairment	33.4	32.1	108.2	90.2	133.8
Financing items	7.5	7.9	22.8	24.3	34.1
Taxes	11.7	20.3	28.5	48.0	56.5
Change in net working capital	-2.9	-10.3	-88.0	-100.7	50.4
Other adjustments	-2.2	1.0	27.5	1.6	-3.2
<b>Cash flow from operations before financing items and taxes</b>	<b>74.1</b>	<b>80.8</b>	<b>100.5</b>	<b>153.1</b>	<b>361.1</b>
Cash flow from financing items and taxes	-20.6	-13.2	-50.8	-69.2	-57.6
<b>Net cash flow from operating activities</b>	<b>53.5</b>	<b>67.5</b>	<b>49.7</b>	<b>83.8</b>	<b>303.5</b>
<b>Net cash flow from investing activities</b>					
Acquisitions of businesses, net of cash acquired	-0.2	-103.0	-11.8	-107.0	-109.5
Disposals of businesses, net of cash sold	0.7	-	2.0	-	0.3
Cash flow from investing activities, other items	-4.9	-6.2	-15.1	-30.6	-41.4
<b>Net cash flow from investing activities</b>	<b>-4.5</b>	<b>-109.2</b>	<b>-24.9</b>	<b>-137.5</b>	<b>-150.6</b>
<b>Net cash flow from financing activities</b>					
Treasury shares acquired	-	-	-	-2.2	-2.2
Repayments of lease liabilities	-11.0	-11.3	-32.9	-32.0	-45.5
Proceeds from long-term borrowings	-	248.2	249.5	298.2	298.1
Repayments of long-term borrowings	-0.0	-0.0	-198.6	-151.8	-168.3
Proceeds from short-term borrowings	17.6	155.1	99.6	270.1	271.6
Repayments of short-term borrowings	-70.2	-105.0	-100.9	-145.0	-257.8
Profit distribution	-39.0	-	-74.2	-35.6	-71.0
<b>Net cash flow from financing activities</b>	<b>-102.6</b>	<b>286.9</b>	<b>-57.4</b>	<b>201.6</b>	<b>24.9</b>
<b>Change in cash and cash equivalents</b>	<b>-53.6</b>	<b>245.2</b>	<b>-32.6</b>	<b>147.9</b>	<b>177.8</b>
Cash and cash equivalents, and bank overdrafts at the beginning of period	429.0	131.4	409.8	225.5	225.5
Effect of exchange rate changes	-5.6	3.7	-7.5	7.0	6.6
<b>Cash and cash equivalents, and bank overdrafts at the end of period</b>	<b>369.8</b>	<b>380.3</b>	<b>369.8</b>	<b>380,3</b>	<b>409.8</b>
Bank overdrafts at the end of period	8.3	7.8	8.3	7.8	10.4
<b>Cash and cash equivalents at the end of period</b>	<b>378.0</b>	<b>388.2</b>	<b>378.0</b>	<b>388.2</b>	<b>420.2</b>

# CARGOTEC IS COMMITTED TO THE 1.5 DEGREES CLIMATE GOAL

