



# **CAPITAL MARKETS DAY 2022**

15 November, 2022

Helsinki, Finland

[cargotec.com/cmd22](https://cargotec.com/cmd22)

# Agenda

13.30	Getting fit and futureproof for profitable growth	Mika Vehviläinen - CEO
13.50	Hiab - Lifting the value for customers, shareholders and colleagues	Scott Phillips - President, Hiab
14.20	Q&A	Mika Vehviläinen & Scott Phillips
14.30	Coffee break and Hiab videos	
14.45	New Kalmar: Focus on performance and resilience	Michel van Roozendaal, President - Kalmar
15.15	Q&A	Mika Vehviläinen & Michel van Roozendaal
15.25	Step change in resilience and financial performance	Mikko Puolakka - CFO
15.45	Q&A	All speakers
16.00	Coffee break and Kalmar videos	
16.15	Breakout sessions: Sustainability - Actions above all Accelerated service growth Solving customer challenges with innovation and technology	Päivi Koivisto Michaël Bruninx, Thomas Malmborg Pekka Mikkola, Tommi Pettersson
17.30	Closing remarks	Mika Vehviläinen - CEO
18.00	Dinner with management	

# 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.

**NEXT UP:**



**MIKA VEHVILÄINEN**

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CEO, Cargotec



**CAPITAL MARKETS  
DAY 2022**

**#CargotecCMD22**



Cargotec Capital Markets Day

15 November 2022

# New Cargotec: Getting fit and futureproof for profitable growth

CEO Mika Vehviläinen

# We have been bold in shaping our strategy for value creation

## PAST

2013

**Product  
leadership**

2018

**Service  
leadership**

2020

**Leader in  
intelligent  
cargo  
handling**

## PRESENT

2022

**Leader in  
sustainable  
cargo flow**

## FUTURE

**Sustainability  
leadership  
through  
empowered  
businesses**

# Kalmar ROBOTIC portfolio



Accelerated transition towards more profitable  
and futureproof business started in March



# We have already reached significant milestones in the new strategy

Strategic evaluation of MacGregor business



Plan to exit heavy cranes business in Kalmar



Review of operational model to support refocused group



**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



**80MEUR**  
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>

**920 MEUR**  
SALES<sup>2</sup>

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

**New recurring revenue models**

**180 MEUR**

COMPARABLE OPERATING PROFIT<sup>2</sup>

**Accelerated growth from digitalisation and spare part capture rates**

# We have multiple organic and inorganic growth opportunities



GROWTH FOCUS	ORGANIC	M&A
Strengthening our portfolio and filling white spots in the offering	✓	✓
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%**

## Growing by solving customers sustainability challenges



**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

## Step change in resilience and financial performance

**NEXT UP:**



**SCOTT PHILLIPS**

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President, Hiab



**CAPITAL MARKETS  
DAY 2022**

**#CargotecCMD22**

# Lifting the value for CUSTOMERS, SHAREHOLDERS and COLLEAGUES. setting the industry standard for SAFETY, SUSTAINABILITY and PRODUCTIVITY.

Cargotec capital markets day 2022

Scott Phillips  
BA President Hiab





# **HIAB CREATES VALUE FOR CUSTOMERS AND SHAREHOLDERS**

**solving customer challenges  
in safety and sustainability**

**Extensive service network to  
partner with our customers**

**delivering the significant  
growth and productivity  
potential**

# GLOBAL MEGATRENDS SUPPORT DEMAND DRIVEN GROWTH **AND PROVIDES THE OPPORTUNITY TO PIONEER AND SHAPE THE FUTURE OF LOAD HANDLING**

**TREND**

Urbanisation

GDP growth

Population growth

**INDUSTRY CHALLENGES**

Safety

Reducing CO<sub>2</sub>

Productivity

Operator shortage

# 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%**

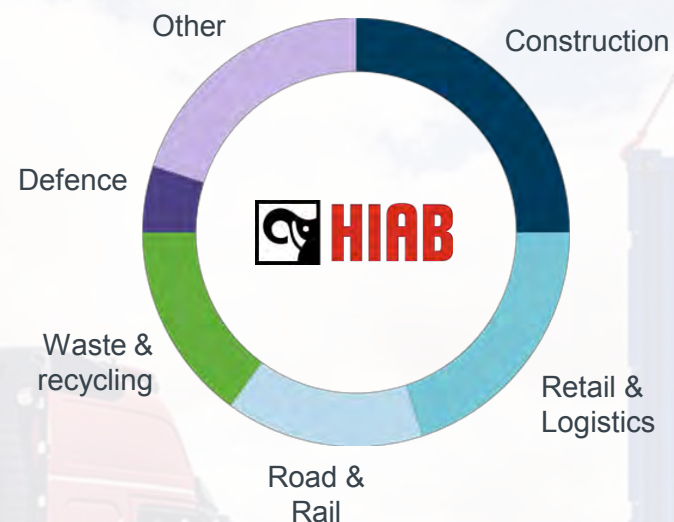
Operating profit<sup>2</sup>  
**MEUR 190 / 13.0%**

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

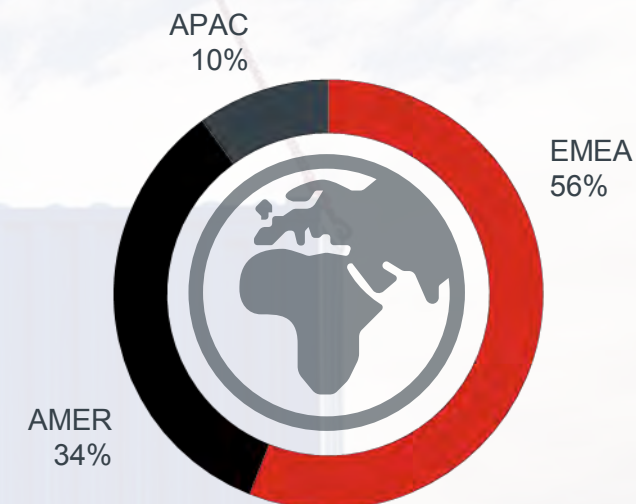
Services share of sales<sup>1</sup>



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



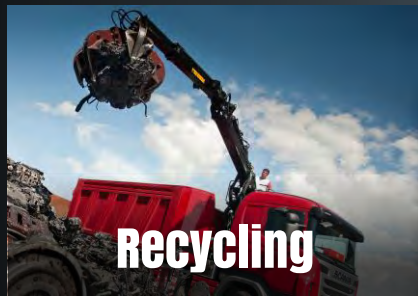
Geographical sales split<sup>1</sup>



# SERVING A LARGE VARIETY OF DIVERSE CUSTOMERS IN ESSENTIAL INDUSTRIES



  
**SINGLE TRUCK OWNER**



  
**FLEETS**



  
**RENTAL**



# MULTI-BRAND STRATEGY WITH MARKET SEGMENT LEADING BRANDS



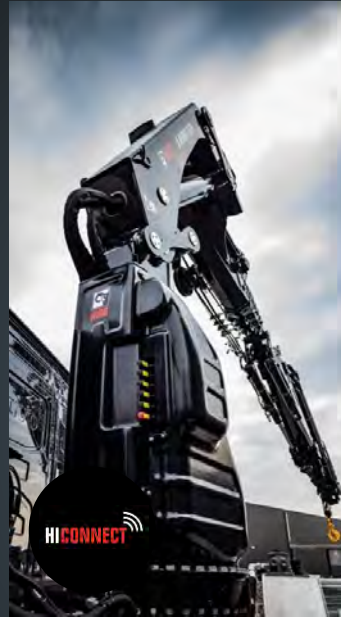
## DEMOUNTABLES

MULTILIFT  
GALFAB



## TRUCK MOUNTED FORKLIFTS

MOFFETT  
PRINCETON



## LOADER CRANES

HIAB  
EFFER  
ARGOS



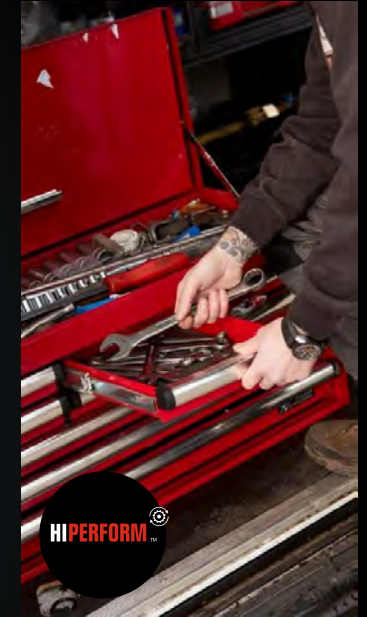
## FORESTRY & RECYCLING

LOGLIFT  
JONSERED



## TAIL LIFTS









WALTCO  
DEL  
ZEPRO



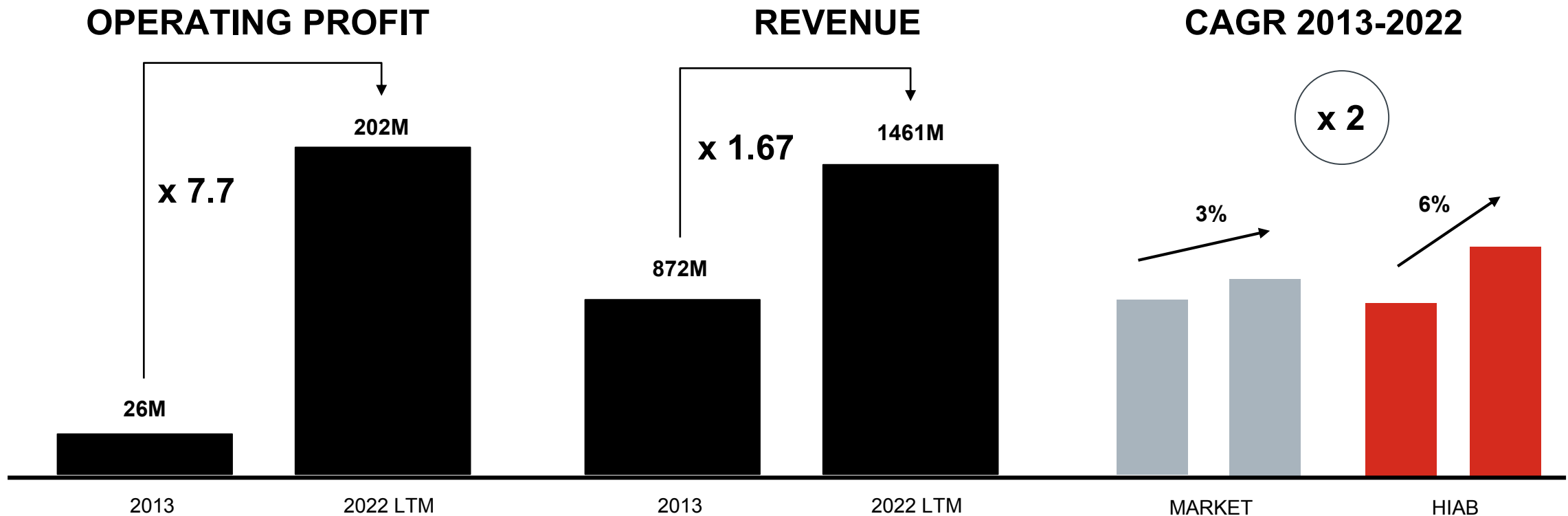
## SERVICES

PROCARE  
HIPERFORM

# 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	

# TURNAROUND TO **RESILIENT PROFITABLE GROWTH**



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

# FIVE STRATEGIC PRIORITIES TO DELIVER ON OUR AMBITIONS



**Profitable growth to #1-2 position  
in select markets and applications**




**Industry-leading  
Customer Experience**

**EASY  
TO DO  
BUSINESS  
WITH**

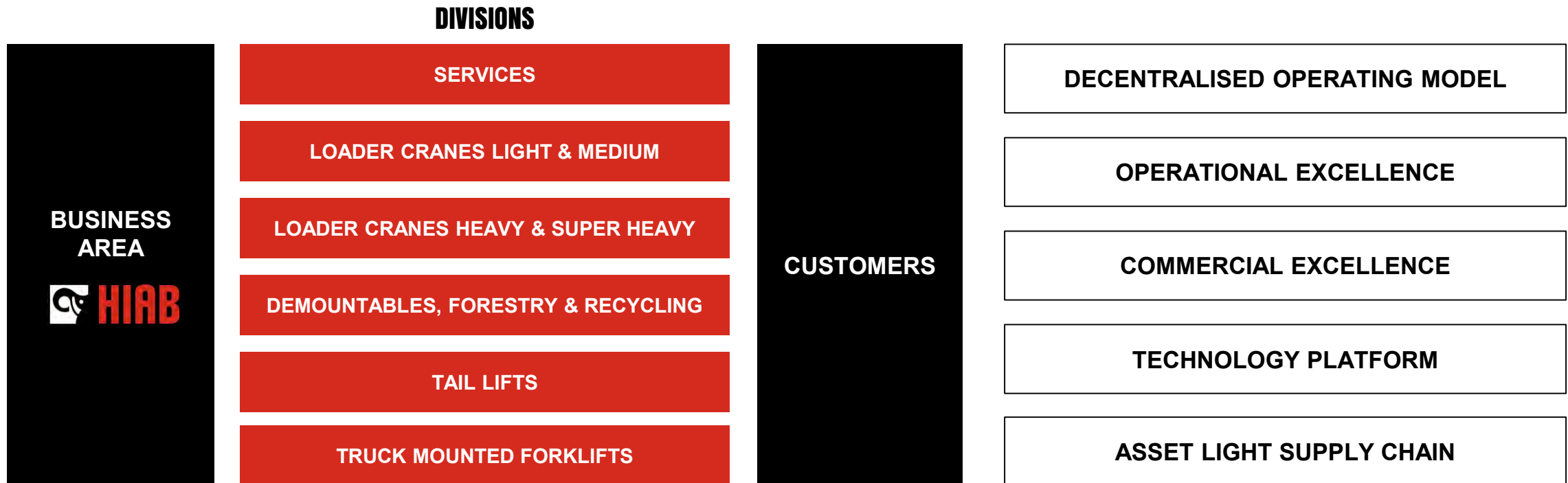


**Sustainability and safety**



**Employees First culture**

# THE HIAB EXECUTION MODEL **TRANSPARENCY, ACCOUNTABILITY, AGILITY**



- Divisions with hosted Customer Support Centers
- Full responsibility for P&L and balance sheet
- Transparency in cost and performance
- Decision making close to customers
- Strategy owned by divisions
- Develop strong leaders

# AS INDUSTRY LEADER AND PREFERRED PARTNER WE PROVIDE A PREMIUM

## Preferred Partner

### Deep segment and application expertise

“

“Hiab seems to know what is truly important from a driver’s perspective. **They really have a lot of knowledge and act as true partners.**”

Contractor, Customer

“

“Hiab engages very well with the operators of their equipment. **Hiab is very keen on giving the operators what they want and are truly listening to their customers’ feedback.**”

Ex Fleet Director, Customer

## Premium Products

### High quality products and innovative solutions

“

“We chose Hiab as it has **better functionality and it is easier to operate than competition**, thanks to features like Automatic Sequence Control.”

Procurement director, Customer

“

“For instance in defence, **Hiab is miles ahead of competition.** Their solutions are much more advanced and tailored to the needs of this industry.”

Former Global Buyer, Customer

## Peace of Mind

### Worldwide service network

“

“Hiab service is always very quick which means my truck is not standing still for too long. This gives me assurance that **even if things break down, Hiab has got me covered.**”

Owner, Customer

“

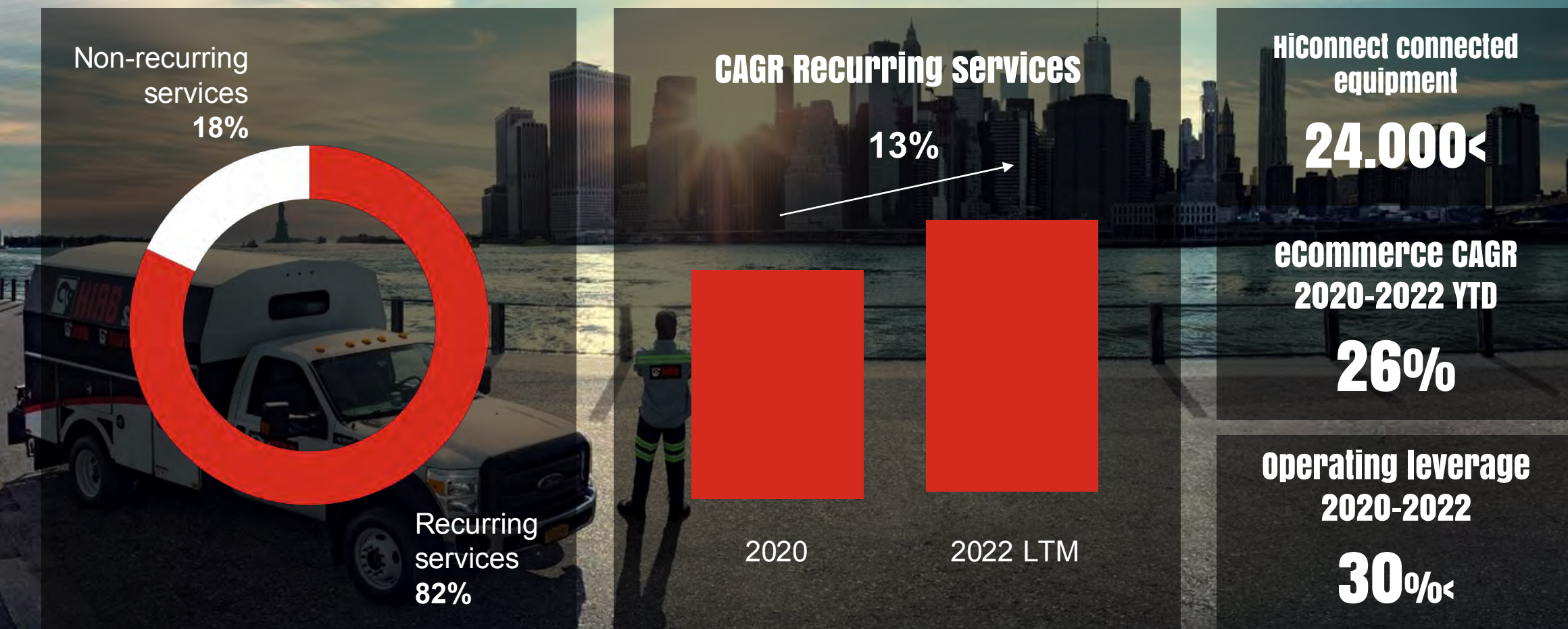
“I am truly amazed by Hiab HiConnect and believe it could be a game-changer.”

Former Fleet Director, Customer

94%

Likelihood to repurchase Hiab

# HIAB SERVICES RESILIENT **PROFITABLE GROWTH**



# HIAB IS LEADING IN SOLVING FOR GLOBAL INDUSTRY TRENDS



## PERFORMANCE & QUALITY BY DESIGN

Productivity by advanced materials, motion controls, patented boom structure



## SERVICE NETWORK & OFFERING

Dense service network, remote monitoring, predictive maintenance



## ELECTRIFICATION & DIGITALISATION

Expanding our eco-portfolio  
Connected equipment



## CONTROL SYSTEM

New SPACEevo control system platform, easiest to operate

**Platform and competence in place to continuously improve customer value and shape the future of load handling**

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

## ELECTRIC MOFFETTS



## ePTO



## CYCLONE TANK

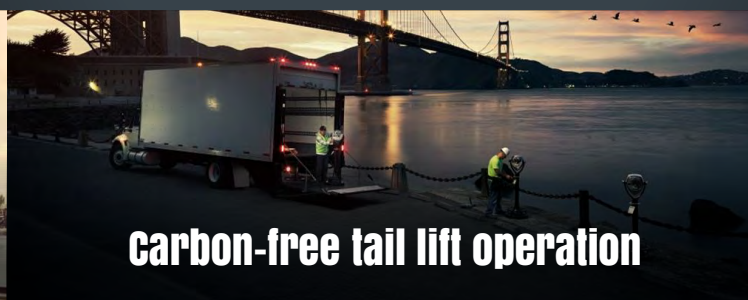


# ECO PORTFOLIO GROWTH +225%

(Jan-Sep 2022/2021)



## VARIABLE HYDRAULIC PUMPS



## SOLAR CHARGING



## REFURBISHED EQUIPMENT

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



Up to  
**10%**

longer outreach

**More**

lifts per day

Up to  
**15%**

lighter

**Easiest to operate**

New SPACEevo control system

**Sustainability**

ePTO and ready for  
electric trucks

**Uptime & reliability**

Remote monitoring  
and diagnostics

**SETTING THE INDUSTRY STANDARD**



# IN THE FUTURE OUR DIVISIONS **WILL CREATE VALUE THROUGH SERVING OUR CUSTOMERS WITH THEIR SPECIFIC STRENGTHS**



## DEMOUNTABLES

- › 50% longer lifespan
- › 30% emission reduction
- › Patented HiVision™ driver assist
- › Autonomous, high speed



## TRUCK MOUNTED FORKLIFTS

- › Fully electric portfolio
- › Best-in-class safety
- › Patented remote control



## LOADER CRANES

- › 14% lighter
- › 10% more lifting capacity
- › SPACEevo control system
- › Epto and electric truck ready
- › Patented boom structure



## FORESTRY & RECYCLING

- › Strongest equipment with longest outreach
- › Designed for operations in harsh conditions



## TAIL LIFTS

- › Innovative solution codesigned with the manufacturers of freight, van and truck bodies
- › Solar Powered

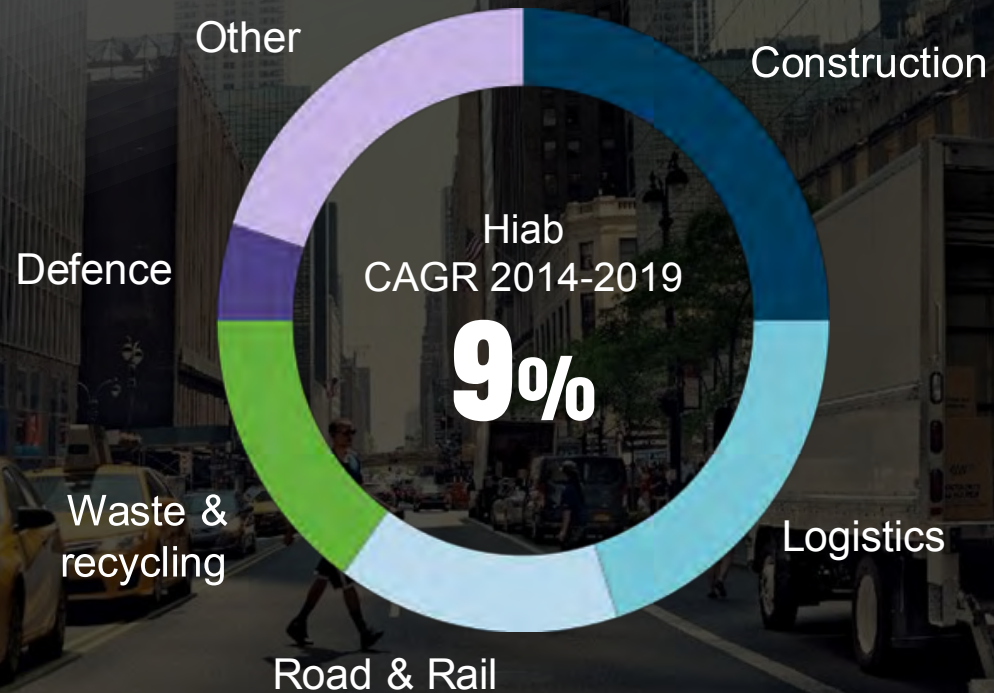


## SERVICES

- › 65% e-commerce adaptation
- › Hiperform digital solutions
- › Total solutions (applications tools & installations)

# 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%**

# **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**

A long-exposure photograph of a city street at dusk. In the foreground, a dark-colored Hiab service van is driving towards the viewer. The van has 'HIAB SERVICE' written on its side and a license plate that reads 'JA 178 EH'. The background features a dense urban landscape with several modern, curved glass-fronted buildings. The sky is a mix of blue and orange from the setting sun. Light trails from other vehicles are visible on the road, and the buildings' windows are illuminated.

**Lifting the value for  
CUSTOMERS, SHAREHOLDERS and COLLEAGUES.  
Setting the industry standard for  
SAFETY, SUSTAINABILITY and PRODUCTIVITY.**

# BUILT TO PERFORM



HIAB • JONSERED • LOGLIFT • EFFER • ARGOS • MULTILIFT • MOFFETT • WALTCO • DEL • ZEPRO

**NEXT UP:**



**MICHEL VAN ROOZENDAAL**

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President, Kalmar



**CAPITAL MARKETS  
DAY 2022**

**#CargotecCMD22**



Cargotec Capital Markets Day  
15 November 2022

# New Kalmar: Focus on performance and resilience

Michel van Roozendaal  
President, Kalmar

# NEW KALMAR in brief

**Repositioned equipment portfolio, focusing on profitable segments with solid underlying growth trends.**

**Resilient over-the-cycle profitability through service growth.**

**Industry #1, with leading position in electric heavy material handling equipment.**

**Intensified focus on operational performance & lean transformation. Leading to step change in profitability**



# STRONG PORTFOLIO

focusing on profitable segments.

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





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...**

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

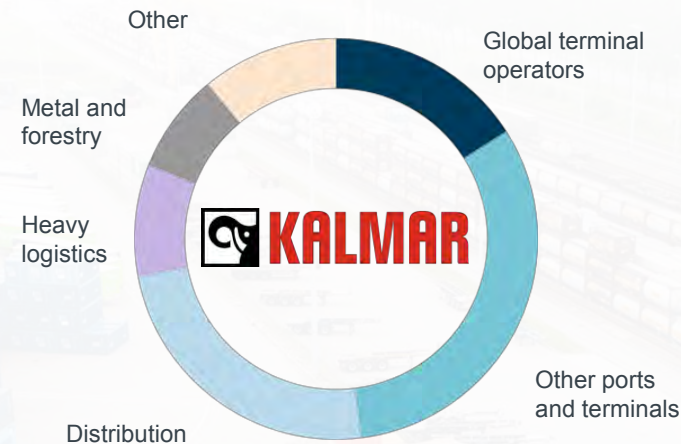
		MARKET SIZE* (EUR million)	KEY SEGMENTS	GLOBAL POSITION & MEDIUM TERM MARKET TREND	KEY COMPETITORS
REACHSTACKERS AND ECH'S		~900	Ports & Terminals, Heavy Logistics	#1 in Europe →	 <b>SANY</b>  <b>KONECRANES</b>
FORKLIFT TRUCKS		~1,100	Heavy Logistics, Metal, Forestry, Ports & Terminals	#1 in Europe*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

# We are well diversified, profitable and growing...

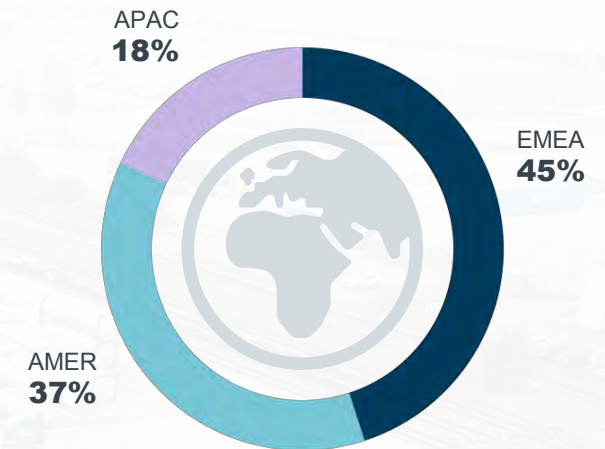
Services share of sales<sup>1</sup>



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%**

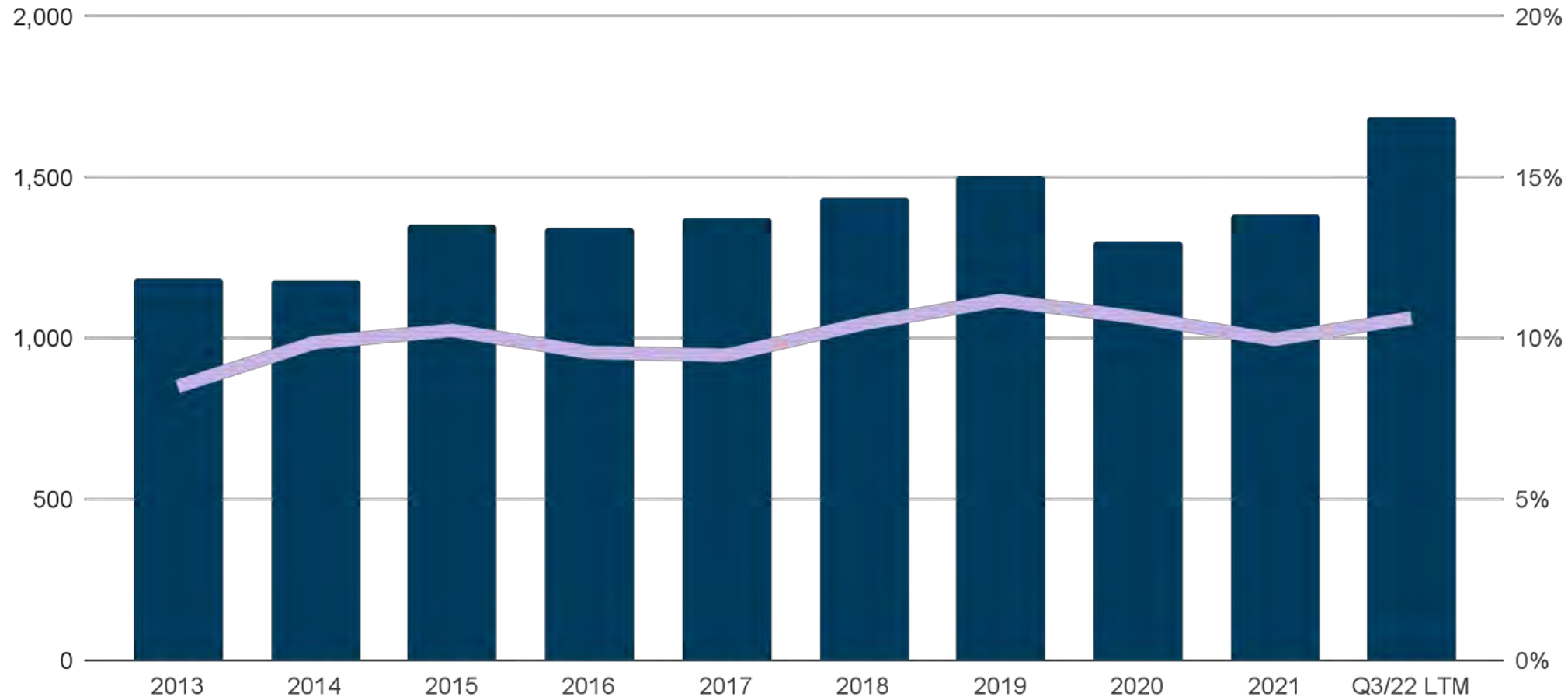
Comparable operating Profit<sup>2</sup>  
**MEUR 180 / 10.6%**

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



Sales CAGR 2013-  
Q3/22 LTM

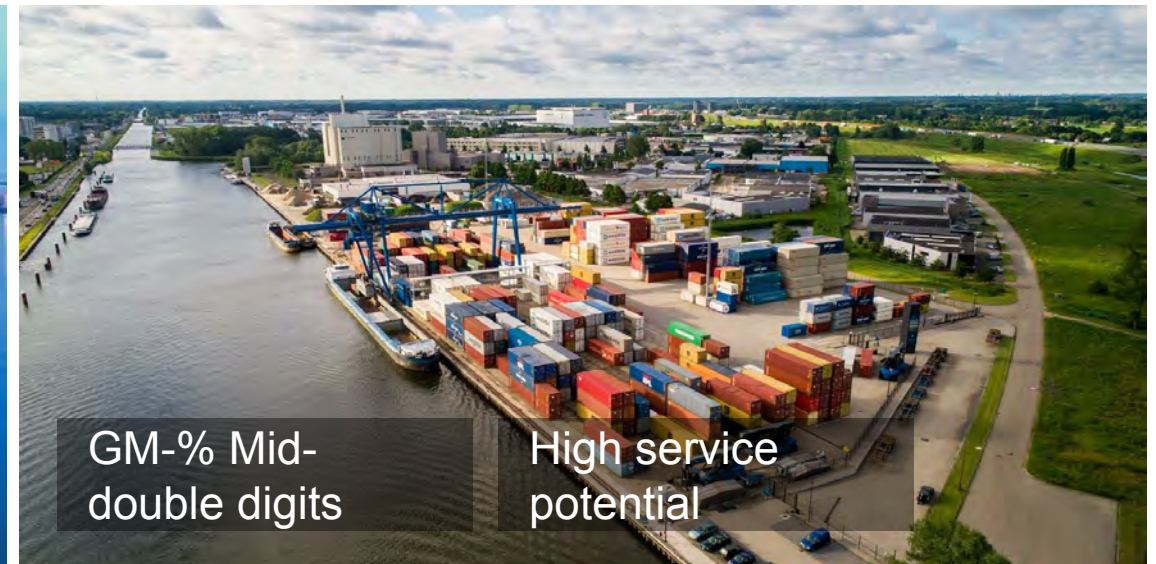
+4%  
↗

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

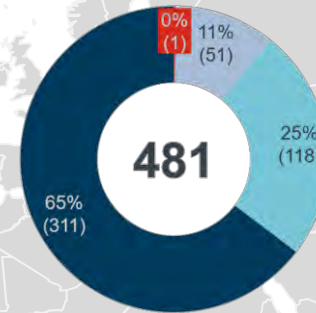
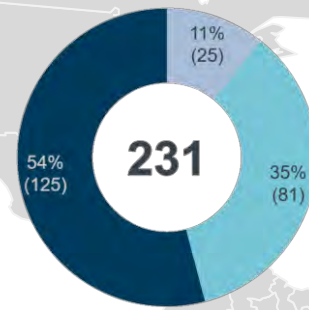
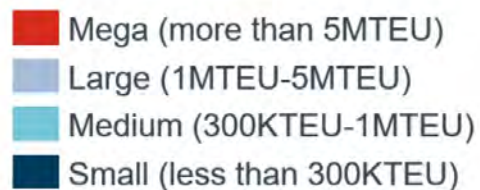
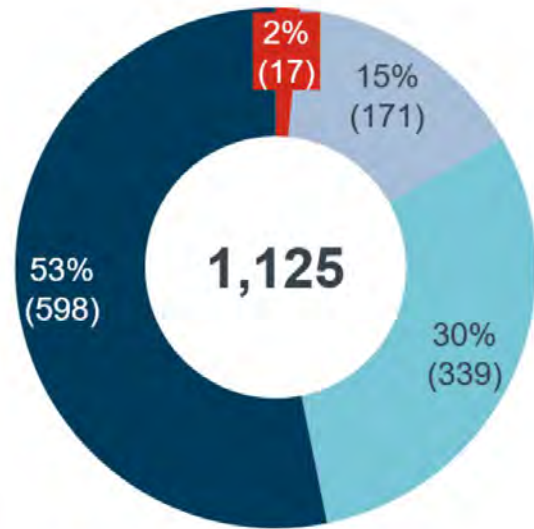
## MEGA TERMINALS



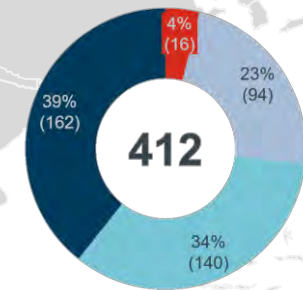
## MEDIUM AND SMALL TERMINALS



# 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.

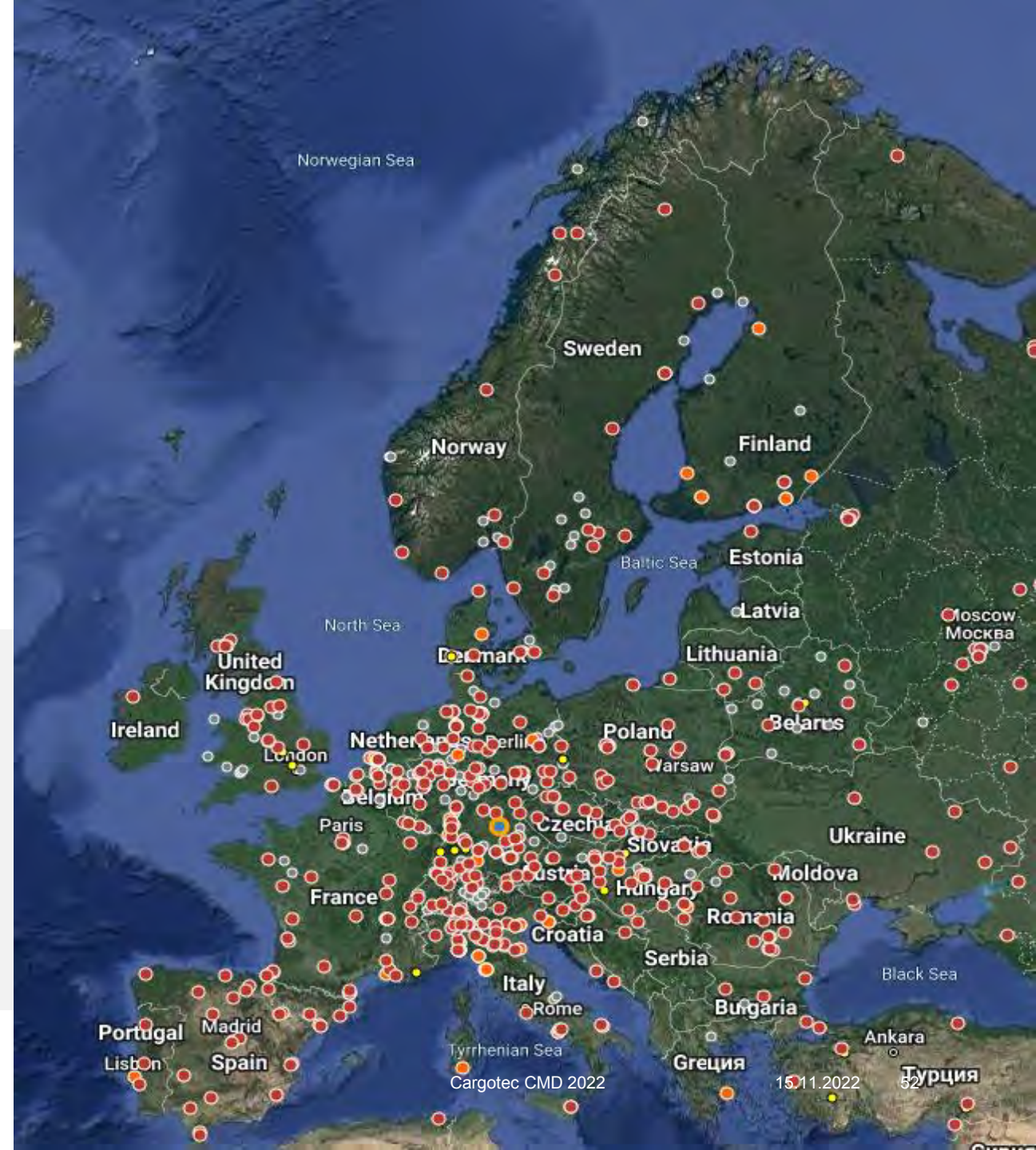
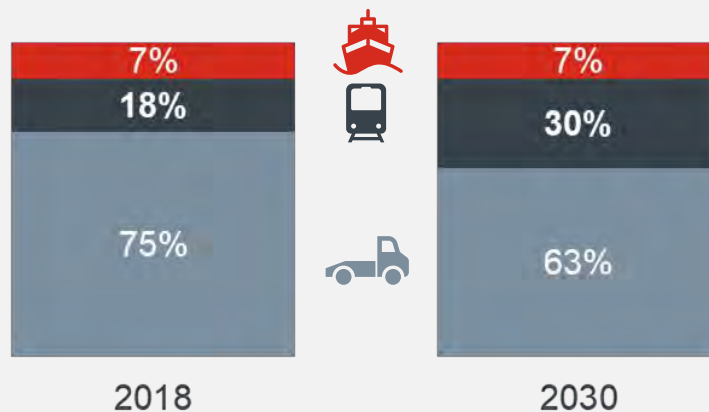


# Most of **Europe's +500**

intermodal terminals or depots  
operate with Mobile Equipment

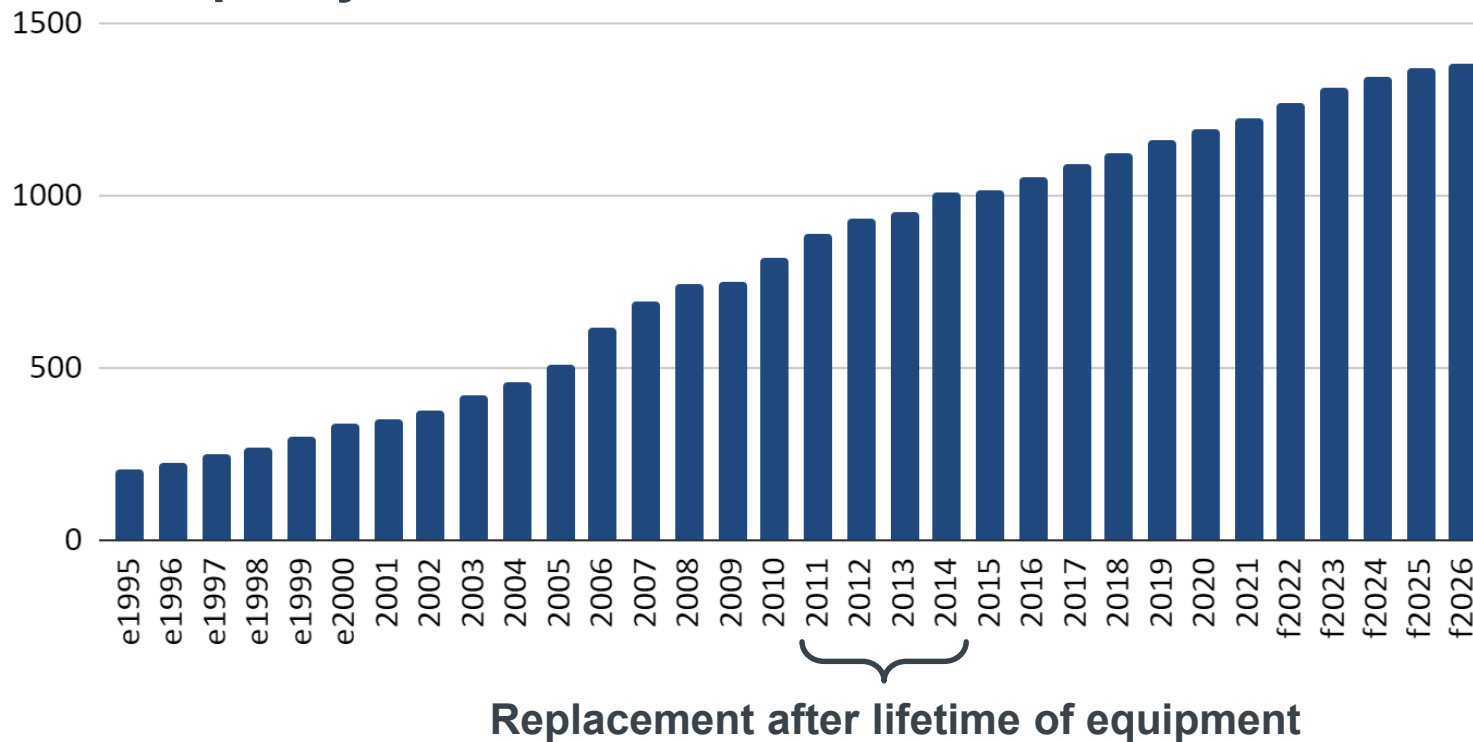
EU has ambition to increase share of rail freight  
from 18% to 30% by 2030. That would mean  
doubling the transport volumes on rail and  
higher utilisation of intermodal terminals and  
equipment

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

# Our customers trust Kalmar to deliver reliable and high quality equipment and services to keep cargo moving

“ Kalmar has been the preferred container handling equipment supplier to Sociedad Portuaria Regional de Cartagena in Colombia since 2005. We rely upon the quality of the equipment and mostly the superb after sales support provided by the supplier.

**Captain Alfonso Salas Trujillo**  
Managing Director SPRC/Contecar

“ We took delivery of our first Kalmar unit in 2002, and it is still running flawlessly. Over the years Kalmar has always been willing to listen, adapt and provide us with solutions that meet our requirements without compromising on capacity and quality. Currently we have 72 Kalmar units operational and 21 units on order. We are very much looking forward to welcoming these new machines to our fleet.

**Mr. Anderson M Mtalaki**  
General Manager Engineering Services,  
Kenya Port Authorities (KPA)

Service

Strong

# SERVICE PERFORMANCE

leveraging a large installed base.



Maintenance & Service




Upgrades & Refurbishments



Digital & remote services

Kalmar  
**SERVICE**  
portfolio



Spare Parts



Used Equipment



Consulting & Training



# 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.

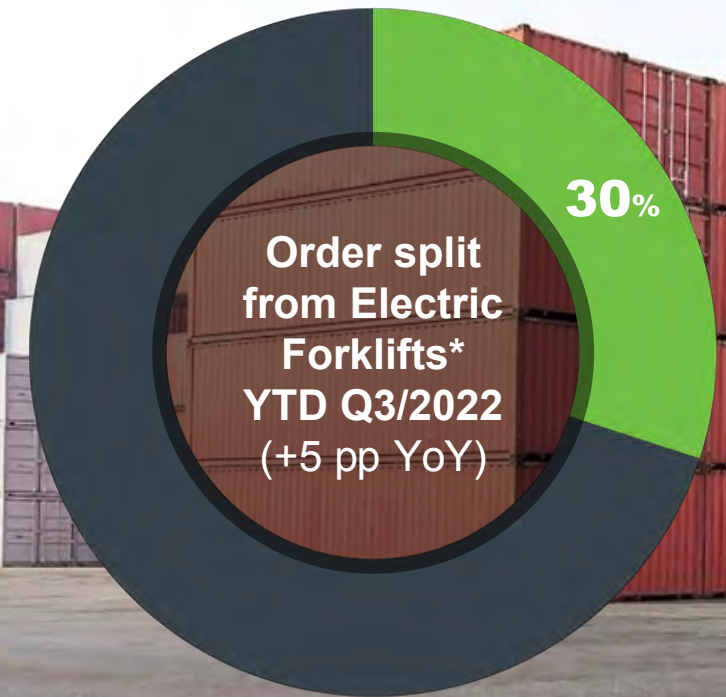
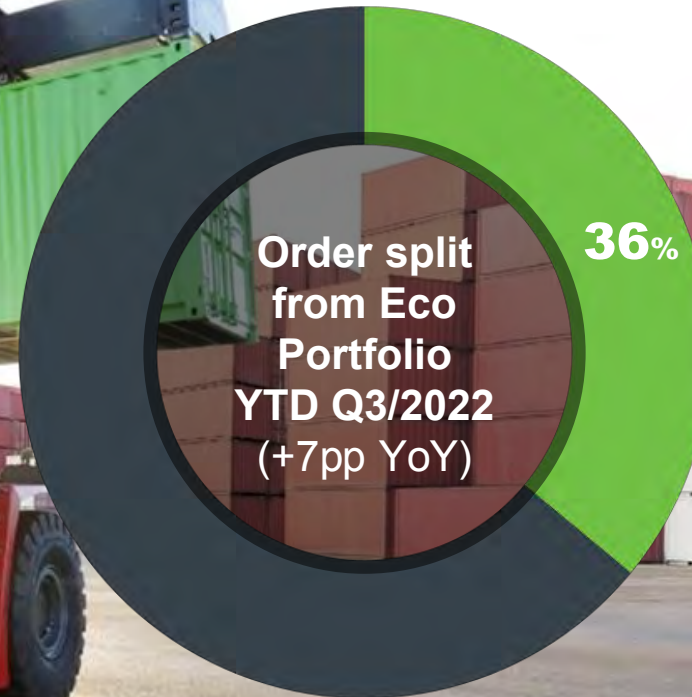


Committed to  
**SUSTAINABILITY**  
to grow faster than the market.

Kalmar is the only supplier with a  
*fully electric portfolio*



# 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

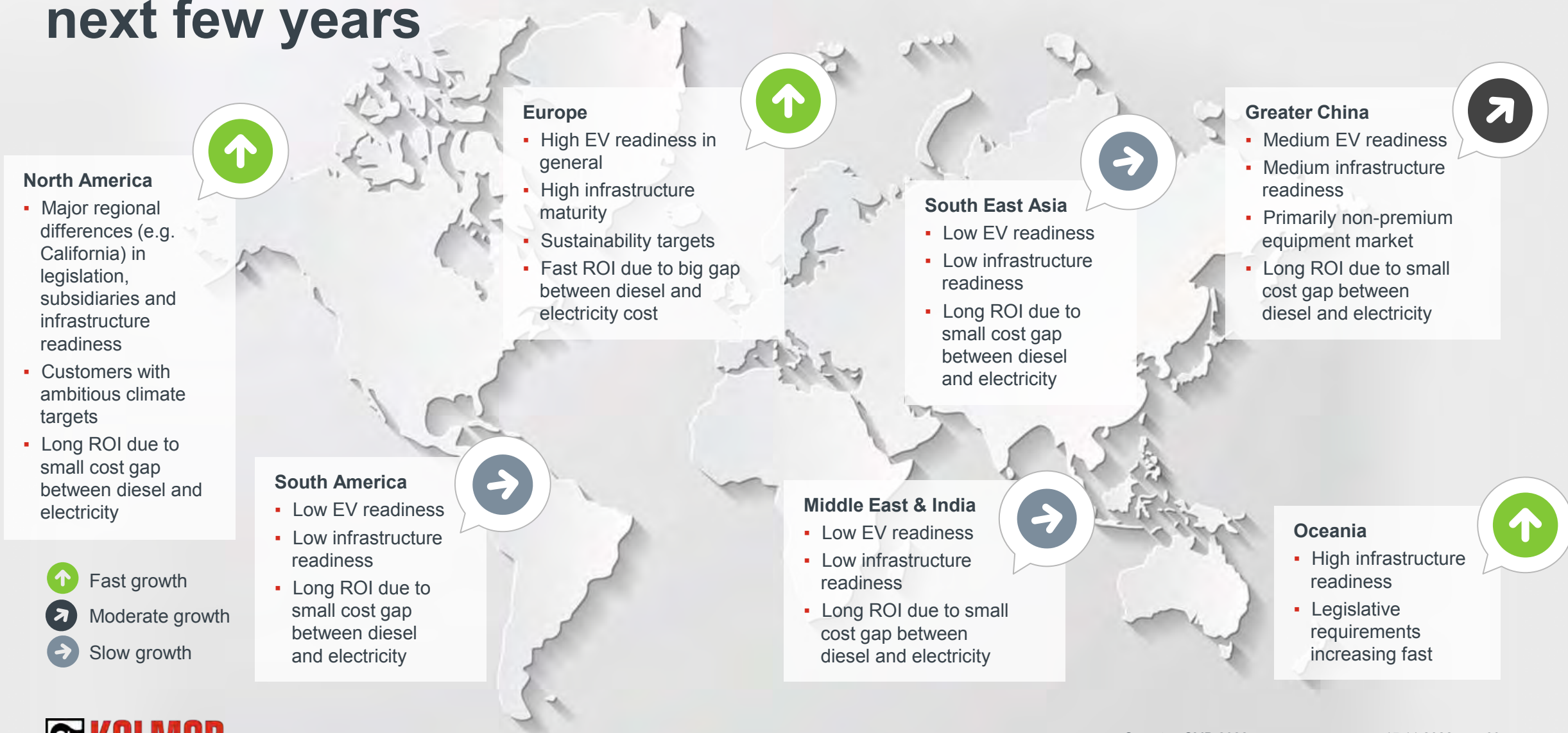
100%

Gloria  
reachstacker

80%

Electric  
reachstacker,  
587 kWh  
battery

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



A long line of Kalmar Hybrid Straddle Carriers is parked in a row on a paved surface. The carriers are blue with red and white striped safety markings on the front. They are arranged in a perspective view, receding into the distance. The background shows an industrial setting with a cloudy sky and some structures.

# Kalmar Hybrid Straddle Carrier is a proven solution - over 500 units sold globally

Over 400 000 tonnes of CO2 reductions over the lifecycle of the equipment compared to diesel alternatives.

Kalmar leads the industry in

# ELECTRIFICATION



**Leveraging all  
Kalmar  
businesses to  
drive rapid  
electrification.**



**30% of total  
equipment  
volumes  
electric & hybrid  
by 2027.**



**Eco portfolio  
to grow twice  
the pace of other  
products.**



**Electrification  
is a prerequisite  
for large-scale  
robotic solutions.**



Focus on

# OPERATIONAL PERFORMANCE

and Lean transformation.

# PERFORMANCE PRINCIPLES

Kalmar's key internal margin expansion levers:

**1** **LEAN mindset**

**AVOIDING UNNECESSARY COMPLEXITY &  
ELIMINATING WASTE**

**2** **Driving performance through  
a transformation with focus on:**

**COMMERCIAL  
EXCELLENCE**

**SERVICE GROWTH**

**PRODUCT COST**

**INDIRECT COST**

**OPERATING MODEL &  
OPTIMIZED RESOURCE FOOTPRINT**

# LEAN Ottawa Plant

41% improvement in terminal tractor output between Q2/22 - Q3/22





# SUMMARY

Focus on performance and resilience.

# 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



**NEXT UP:**



**MIKKO PUOLAKKA**

---

CFO, Cargotec



**CAPITAL MARKETS  
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# Step change in resilience and financial performance

Mikko Puolakka, CFO

# 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

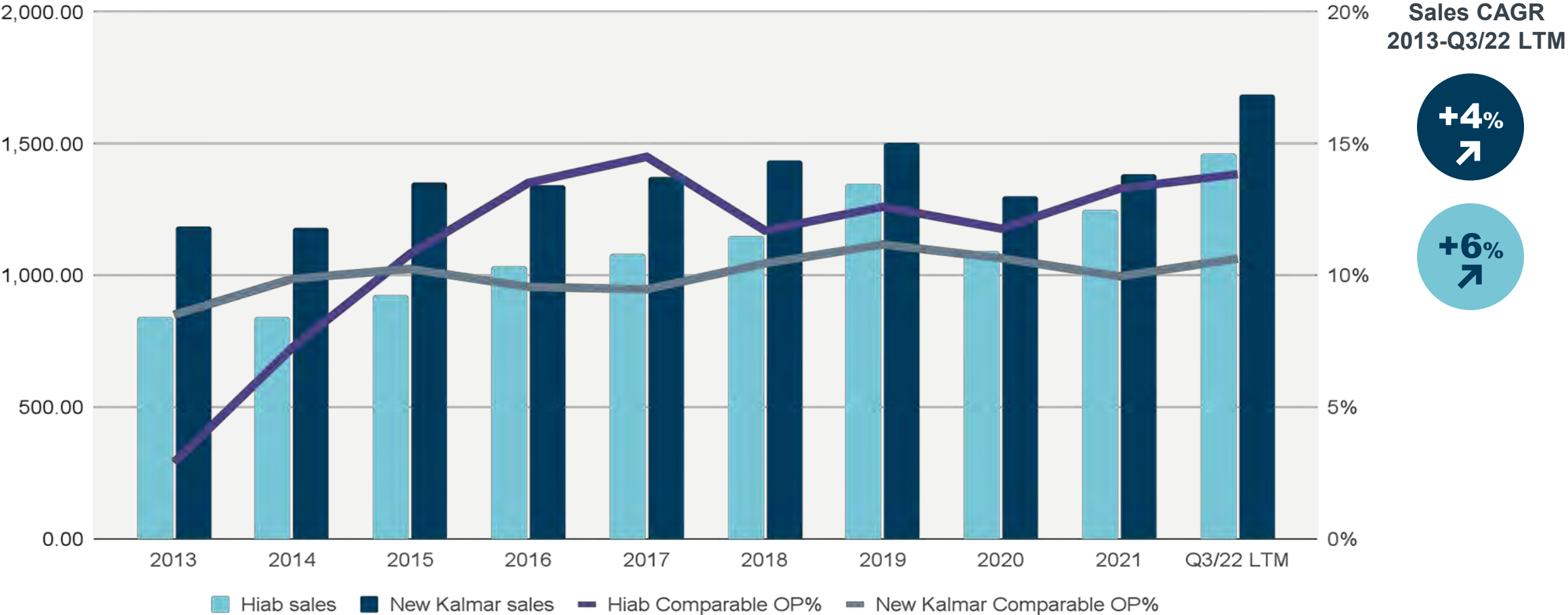


## NON-CORE BUSINESS\*

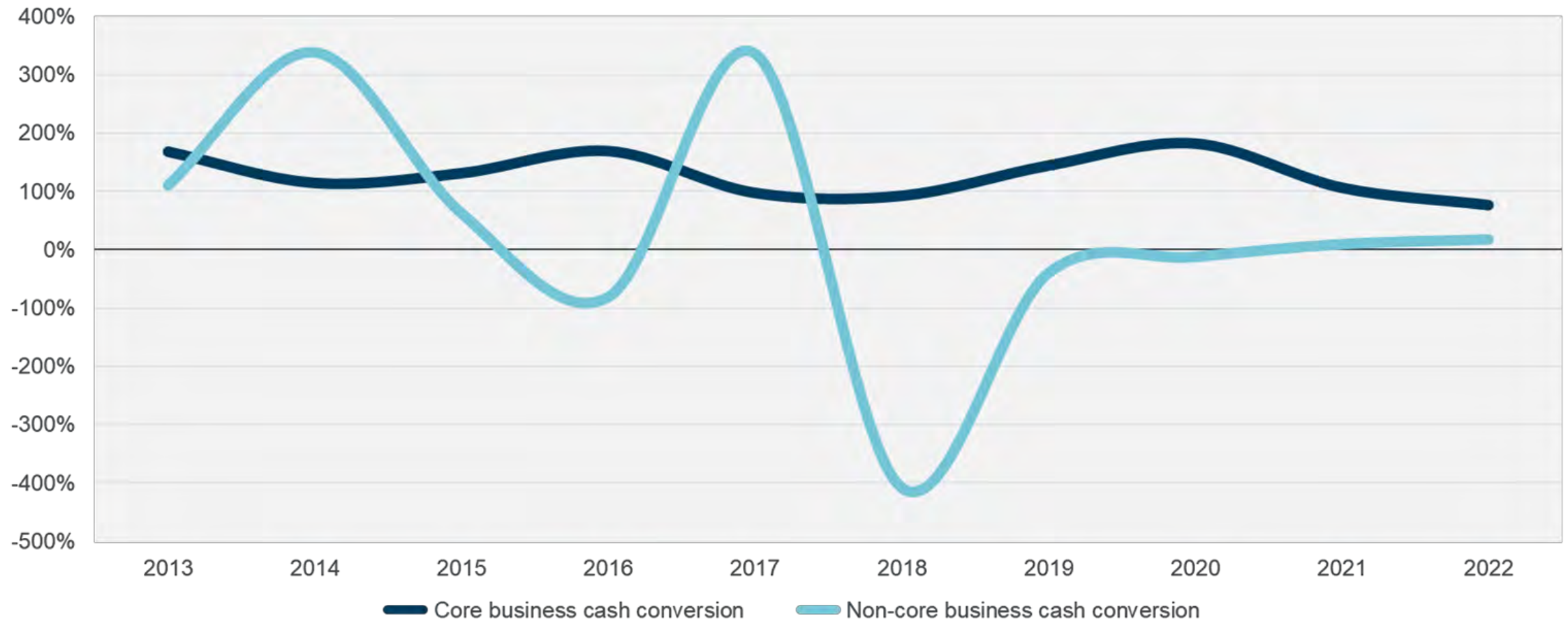



# ...with both consistently delivering double digit profitability

MEUR



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





# Kalmar heavy cranes exit at final stages

- Asset deal completion in Q4/2022
- Stopping significant annual losses (20M€ in 2021)
- 80M€ order book, 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

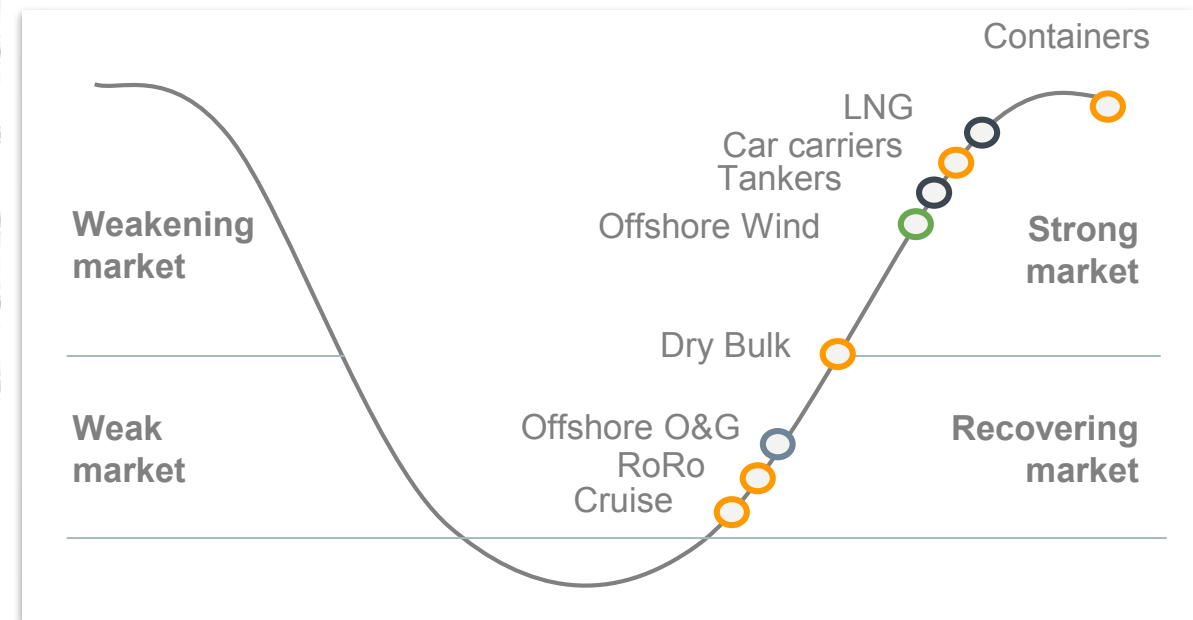
- MacGregor will not be part of Cargotec's portfolio in the future
- From a value creation perspective, the timing for divestment is not ideal
  - Financial market uncertainty
  - Early phase of turnaround
- Sep 2022 order book 861M€, supporting 2023 revenue and profitability improvement
- New Offshore 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

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

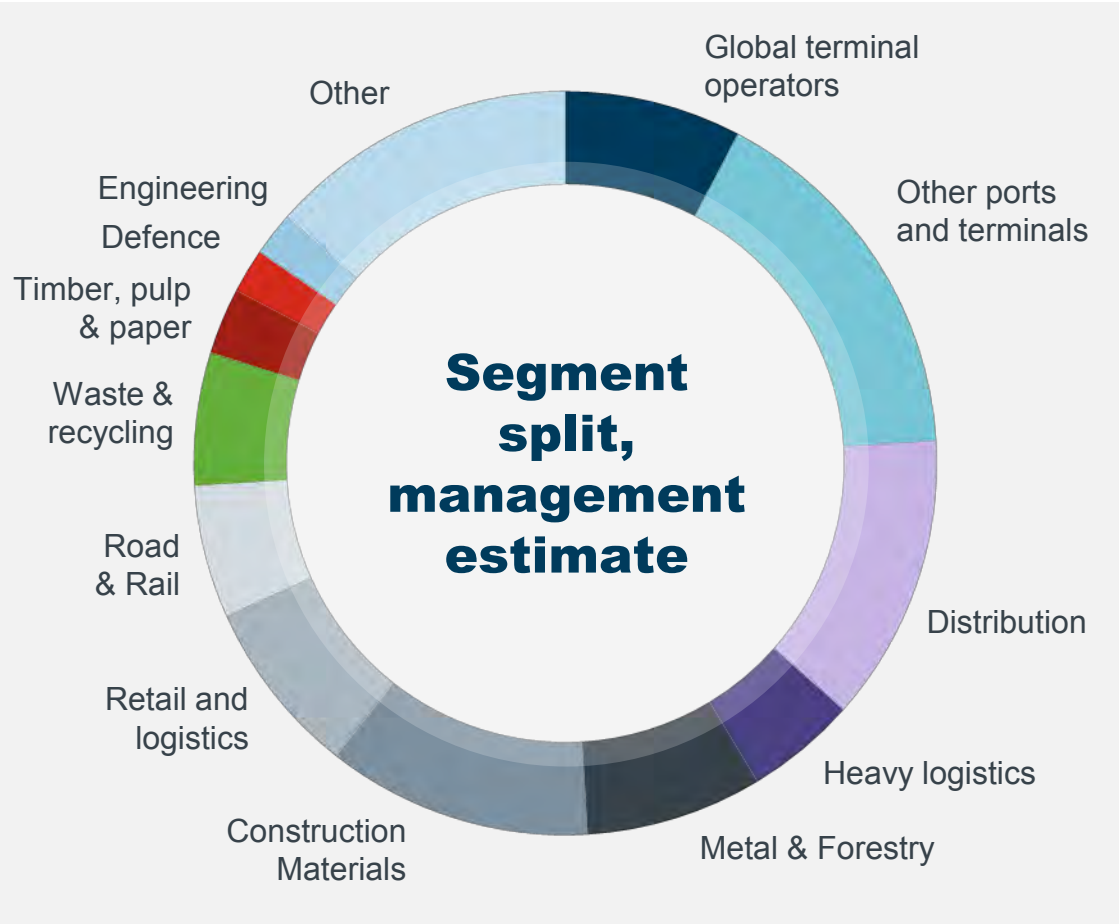
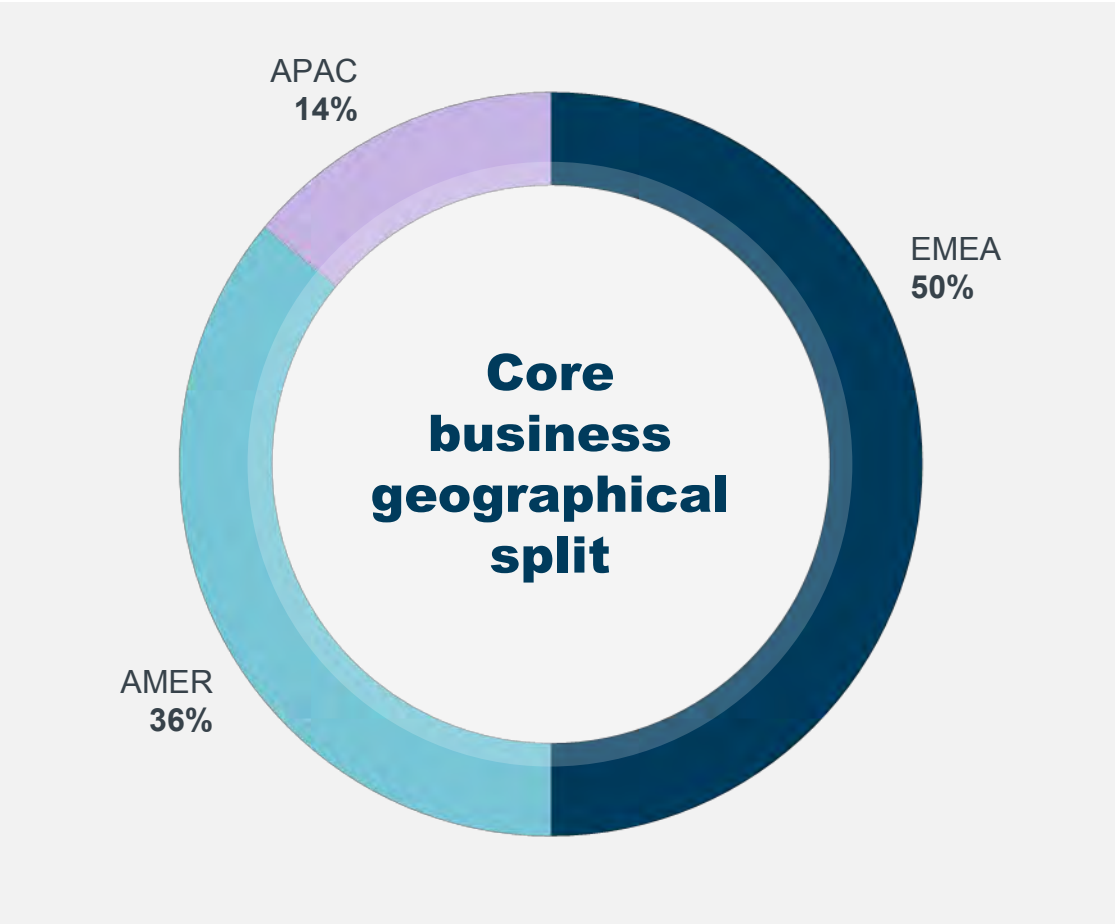
## Merchant ships market trends



## Market cycle position (indicative)



# Well diversified core businesses are in attractive markets and segments



# Agility and resilience of our business has increased over the years

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022



Core business Service revenue growth from 2013 to 2022 340M€

Focus on core businesses

Consolidation of European assembly operations

Asset light business model

Supply chain improvements

Exit Rainbow-Cargotec Industries JV

Investments in Dundalk, Streetsboro and Ottawa

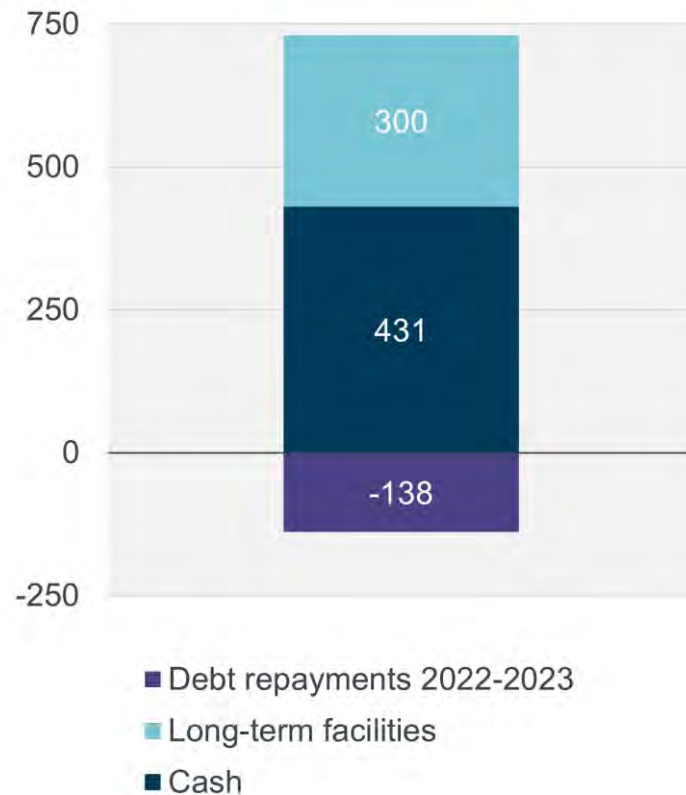
Establishment of shared service center (Cargotec Business Services)

Continuous improvement

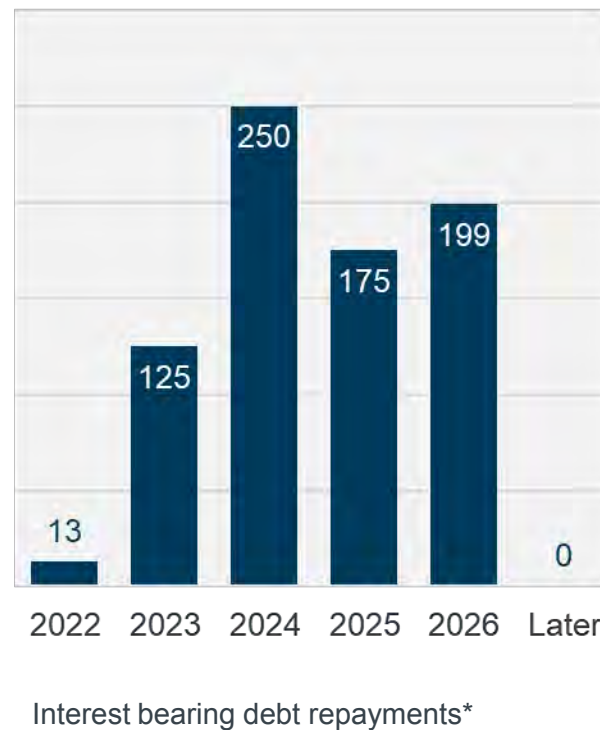
Hiab & Kalmar agility actions

# We have a strong balance sheet supporting our performance targets

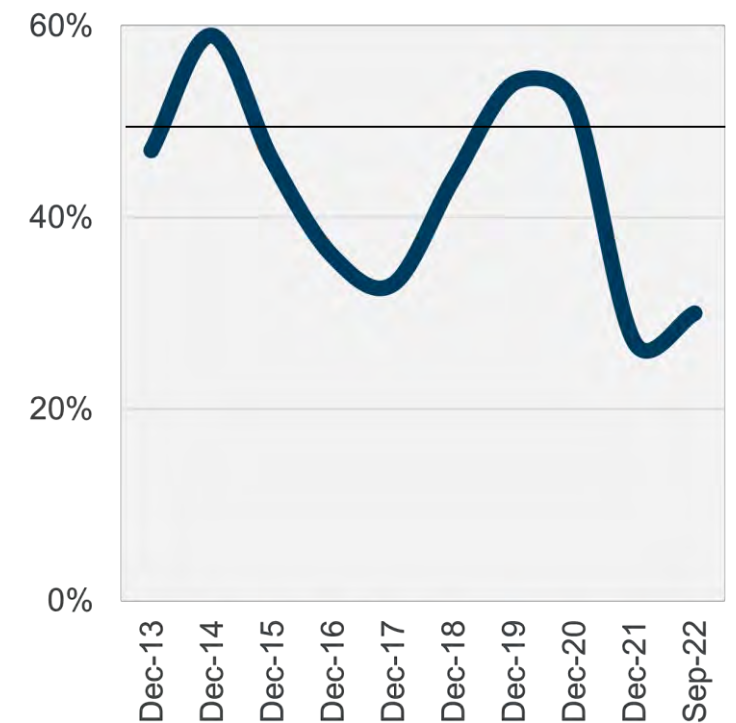
## Strong liquidity, MEUR\*



## Healthy maturity profile, MEUR



## Gearing below 50% target



IFRS16 lease liabilities included in gearing calculation from 2019 onwards

# 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)

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

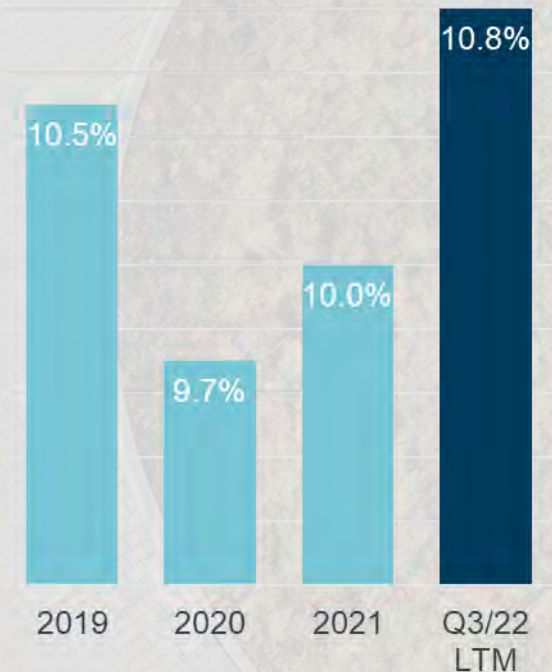
## What we have seen in the markets

- 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 businesses comparable OP



Figures management estimates

Cargotec CMD 2022

15.11.2022

85

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

Observe early signals - monitor customer demand and equipment utilization

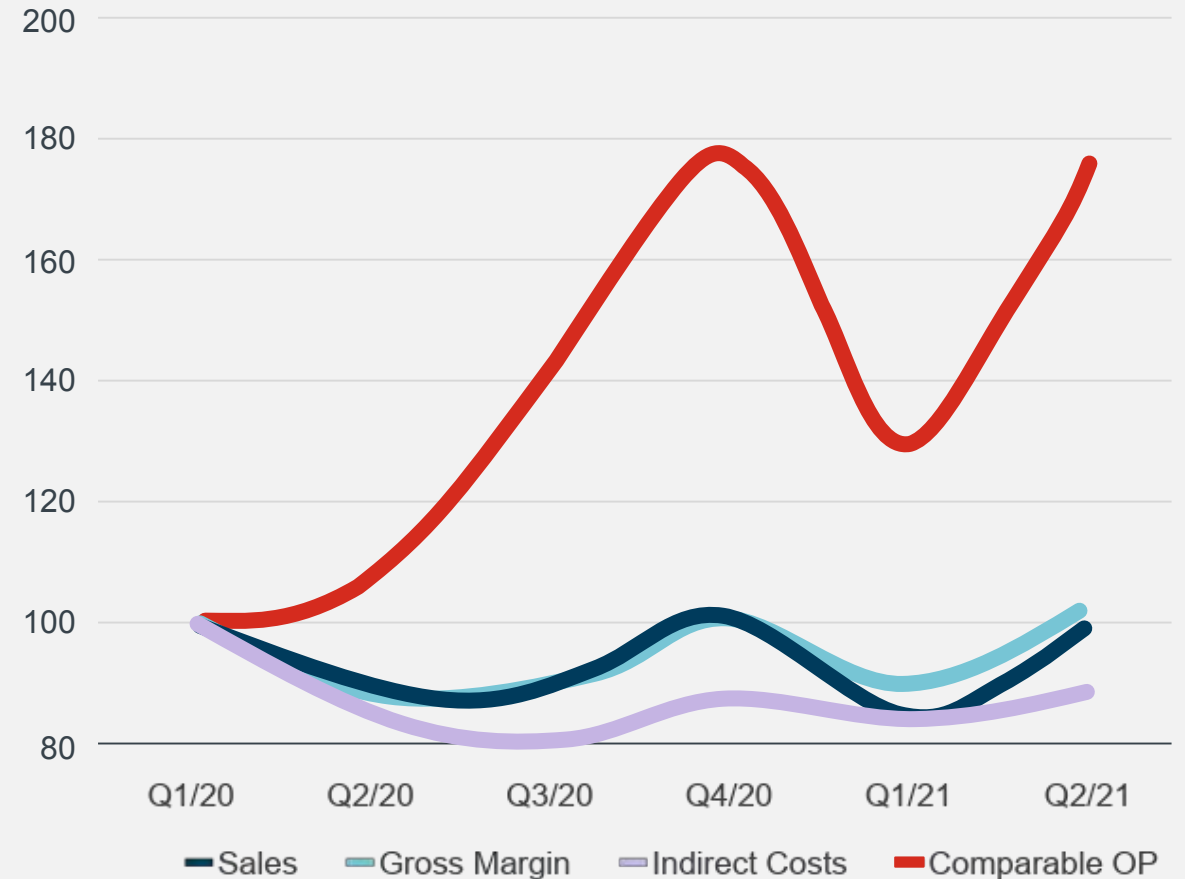
Rapid cost base adjustment enabled by scenario plans, like

- › 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



# 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%**

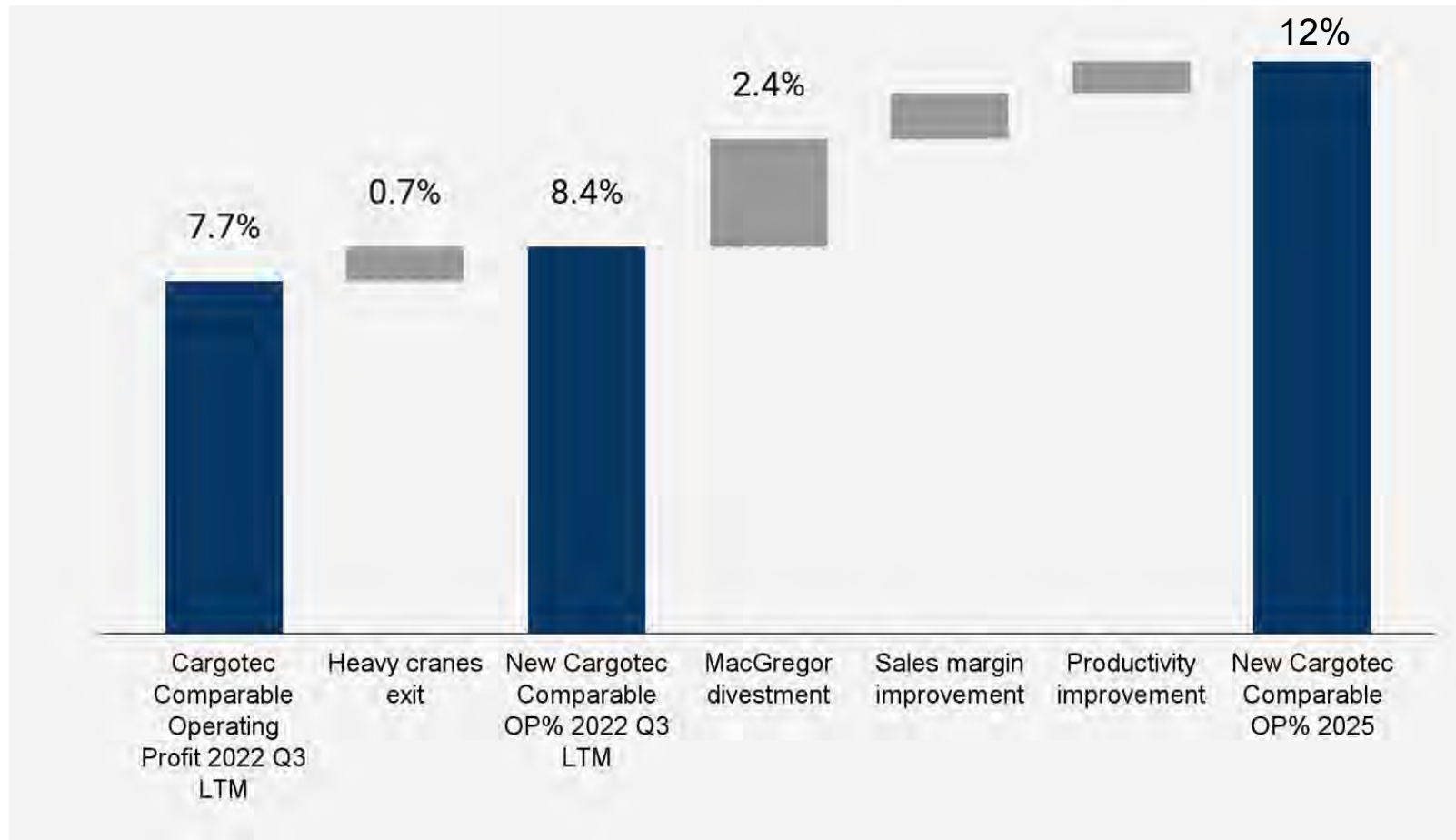
**Comparable operating profit**

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



**NEXT UP:**



**PÄIVI KOIVISTO**

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VP, Sustainability  
Cargotec



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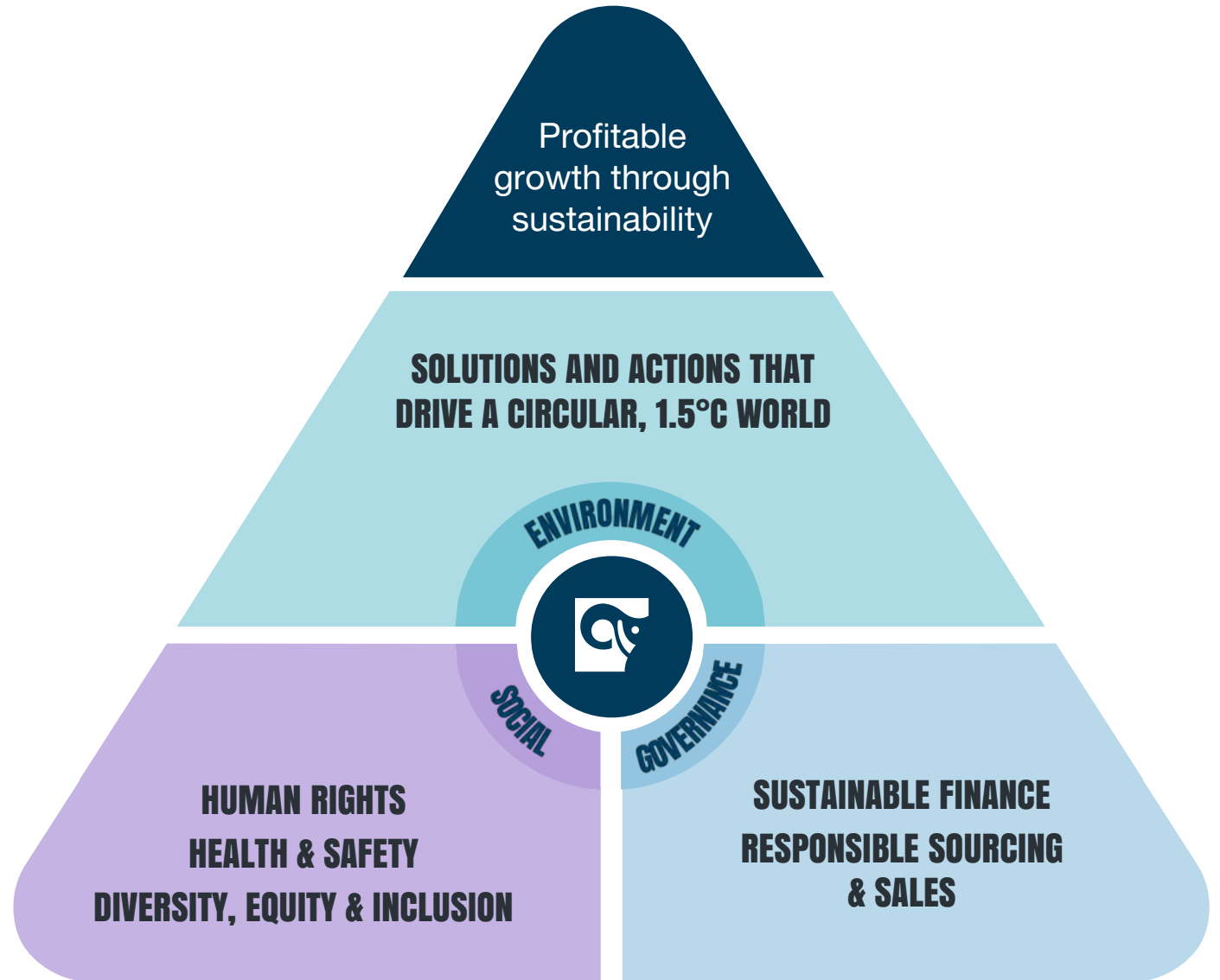
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# **Sustainability - Actions Above All**

**Päivi Koivisto, VP Sustainability**

# We aim for highest ESG standards in our industry



# Cargotec's performance targets for its core businesses

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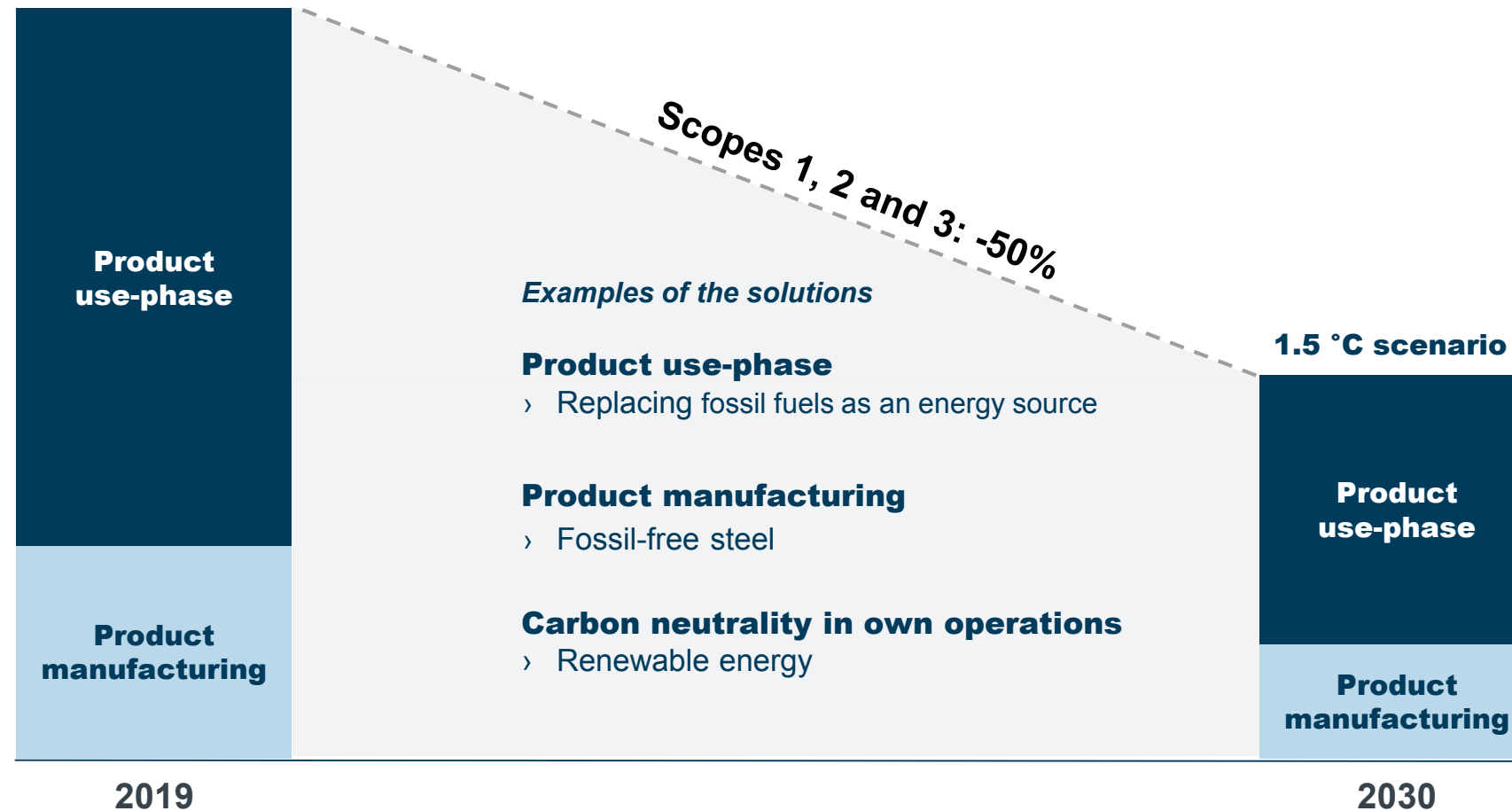
**Comparable operating profit**

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Growing dividend  
**30-50% EPS**

Gearing below  
**50%**

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



# ...and we have a clear, data-based action plan to go forward

Progress so far	2022 - 2025	2025 - 2030
Kalmar fully electric product offering  Hiab ePTO and eMoffett offerings	Further develop eco offering, improve energy efficiency  Transform the market towards low-carbon solutions	Eco offering generates the majority of sales
MULTILIFT pilot with SSAB	Explore opportunities in low-carbon steel	Increase the share of fossil-free steel
Hudiksvall site net zero	Grow the share of renewable energy	Become carbon neutral in own operations

**NEXT UP:**



**MICHAEL BRUNINX**

---

SVP, Services  
Hiab



**THOMAS MALMBORG**

---

SVP, Services  
Kalmar



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A man with a beard, wearing an orange high-visibility shirt, is working on the engine of a blue truck. He is looking down at the engine components, and his hands are visible near the engine. The background shows the side of the truck and some industrial structures.

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# Accelerated service growth

**Thomas Malmberg** - Senior Vice President, Services - Kalmar

**Michaël Bruninx** - Senior Vice President, Services - Hiab

Systematic growth in

# CAPTURE RATE

Forecasted capture rate 2025: **37%**



Installed  
base



Connectivity



Supply Chain  
Transformation



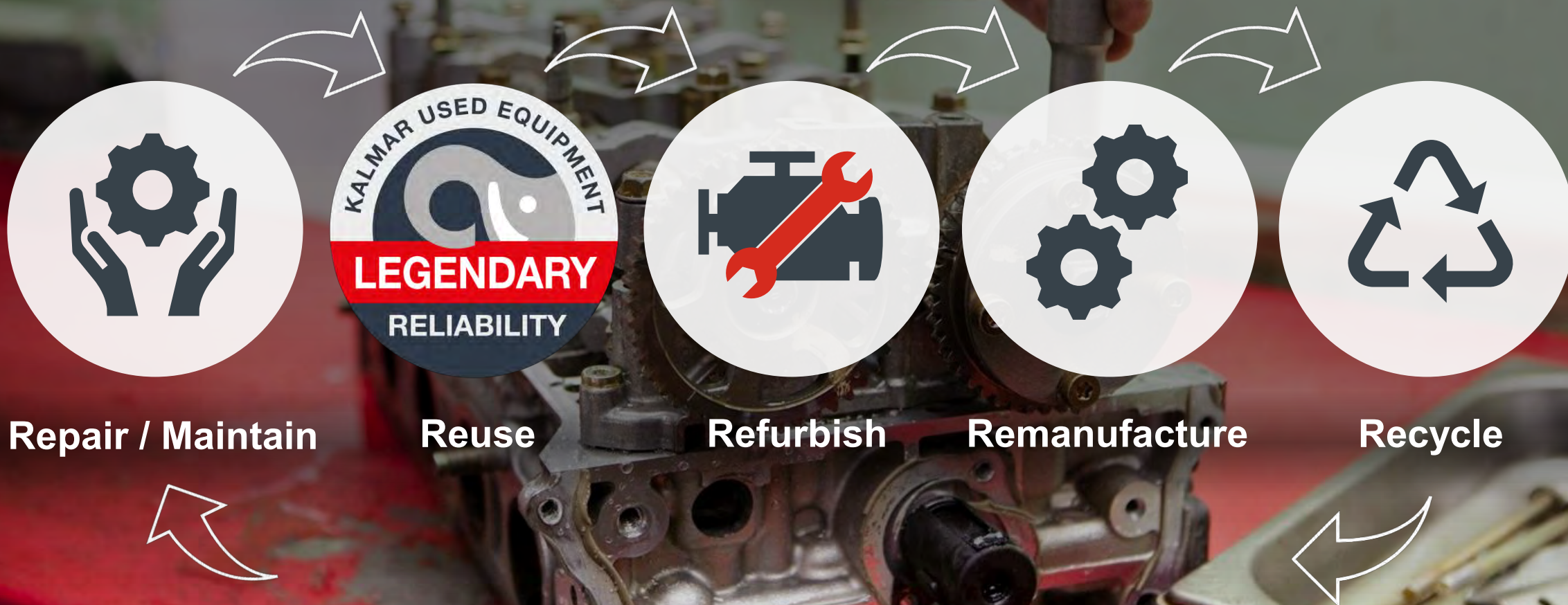
Growing E-  
commerce



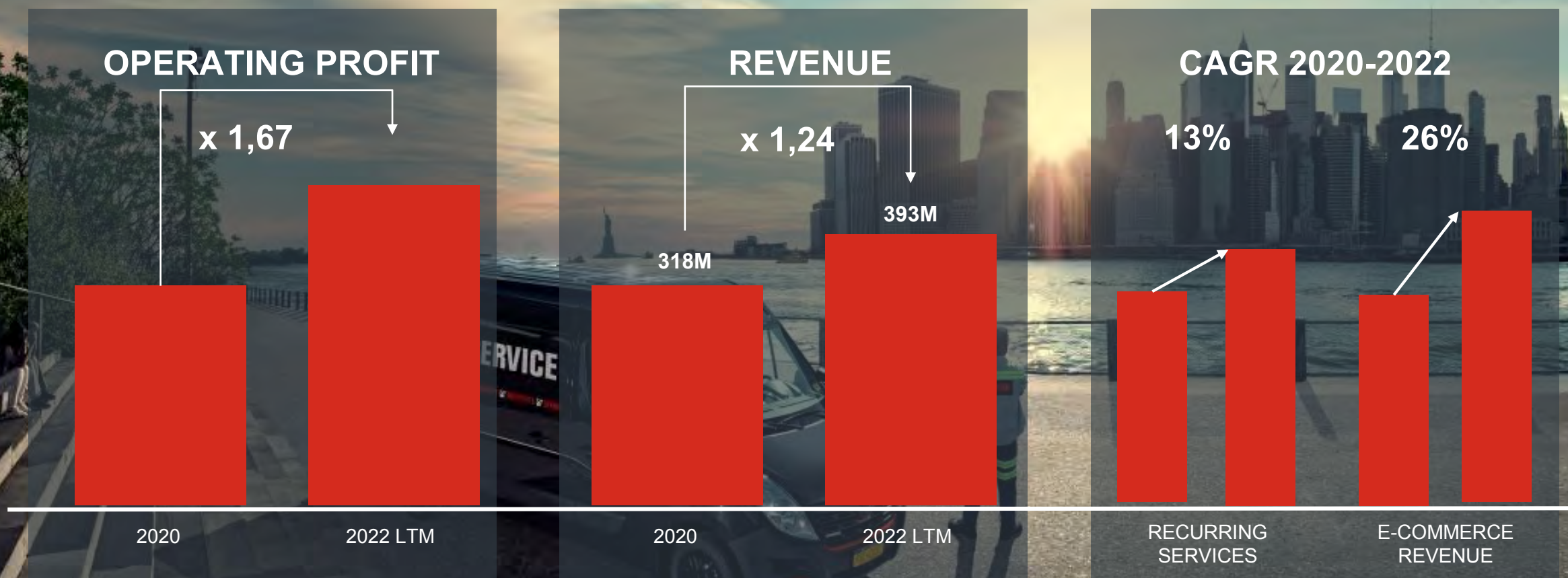
Reducing  
Portfolio  
Complexity

Kalmar Services

# LIFECYCLE earnings



# HIAB SERVICES RESILIENT PROFITABLE GROWTH



**Recurring services 80%+. operating leverage 2020-2022LTM 30%+**

# HIAB SERVICES GROWING STEADILY WITH **SOLID PROFIT LEVERAGE**

**GROWING  
INSTALLED BASE**  
**175.000<**  
Excluding tail lifts

**CONNECTED  
HIAB FLEET**  
**24.000<**

**OPERATIONAL  
EXCELLENCE**

**DEALER  
DEVELOPMENT &  
DIGITAL LEADS**

**E-COMMERCE  
ADAPTATION**  
**65%<**

**FORECASTED CAPTURE RATE 2025: 50%<, OP LEVERAGE 30%<**

Cargotec Services will

# GROW

faster in the future.



**Leverage  
Installed  
Base**



**Lifecycle  
earnings**



**Digital  
services**



**NEXT UP:**



**TOMMI PETTERSSON**

---

VP, Strategy,  
Sustainability &  
Technology, Kalmar



**PEKKA MIKKOLA**

---

Director, Autonomous  
Technologies, Hiab



**CAPITAL MARKETS  
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# **Solving customer challenges with innovation and technology**

**Tommi Pettersson** - Vice President, Strategy, Sustainability & Technology - Kalmar

**Pekka Mikkola** - Director, Autonomous Technologies - Hiab

# Kalmar: focusing on digitalisation, robotics and transitioning to green energy

MATURITY

EXAMPLE



## Digitalisation

Quite mature

In-house digital platform



## Green energy

Booming

Transforming offering from diesel to electric



## Robotics

Early adaptors

Robo TT prototype

# Kalmar: aiming for industry leadership in robotics and automation

## TARGET POSITION

Technology leader in robotics and automation solutions

## AT THE RIGHT TIME

Segment specific customer offering

Using the learnings from terminal automation on how and when to invest

Being on the driver's seat on the future

Benefiting our large installed base and customer relationships

## KEEPING DISRUPTIVE COMPETITION AWAY

Selected partnerships to complement in-house solutions

Investment supporting all businesses

## BUILDING THE FOUNDATION

In-house competencies

Partnerships

Electrification

Common architecture

# Hiab: the innovation leader in its industry



## Digitalisation

Mature data driven offering



## Green energy

Geared up for battery electric truck adoption



## Robotics

From assistive towards autonomy

HiPerform

World's first fully electric truck mounted forklift offering

HiVision for demountables

# Hiab: investing in robotised load handling to address driver shortage, productivity and safety

## Definition

- › Automation to autonomous -> human-robot interaction and mixed traffic
- › Innovation of our company is more on the autonomous load handling than autonomous driving, combining mobility and manipulation of loads
- › New capabilities and IPR in software like perception, localization, obstacle avoidance, and manipulator control for load handling

## Motivation

- › Driver shortage gets worse, difficult to attract younger generation
- › Safety & productivity are high on customer agenda
- › Moving to driverless logistics modes is a systemic transformation

## Way forward & enablers

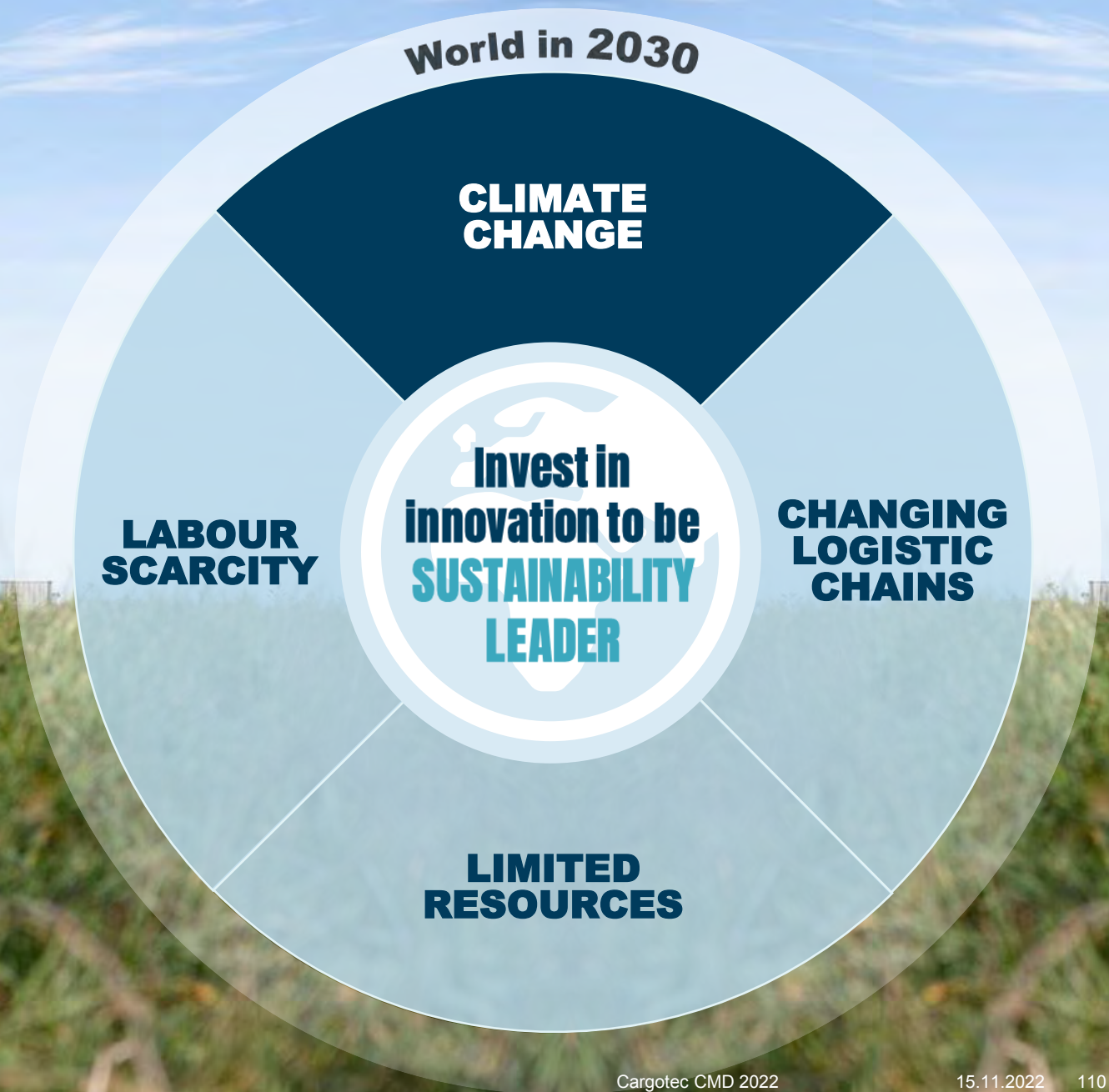
- › Industrial environments (ODD) enable us to scale capability horizontally and improve return on investment
- › Automotive volumes push sensor & compute hardware down
- › Cloud-based workflows enable massive but cost efficient data collection

# Investing in innovation to support our customers

**Digitalisation**

**Electrification**

**Robotics**



**THANK YOU**