

An aerial photograph of a dark asphalt road winding through a dense, lush green forest. A logging truck, loaded with logs, is driving on the road. The text 'Creating a global leader in sustainable material flow' is overlaid in large white letters.

# Creating a global leader in sustainable material flow

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# Safe harbour statement

## Disclaimer

This presentation is not an offer of merger consideration shares to be issued if the merger is approved in the United States and it is not intended for distribution in or into the United States or in any other jurisdiction in which such distribution would be prohibited by applicable law. The merger consideration shares have not been and will not be registered under the U.S. Securities Act of 1933 (the “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 Securities Act.

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This presentation does not constitute a notice to an EGM or a merger prospectus. Any decision with respect to the proposed statutory absorption merger of Konecranes into Cargotec should be made solely on the basis of information to be contained in the actual notices to the EGM of Konecranes and Cargotec, as applicable, and the merger prospectus related to the merger as well as on an independent analysis of the information contained therein. You should consult the merger prospectus for more complete information about Cargotec, Konecranes, their respective subsidiaries, their respective securities and the merger.

This presentation includes “forward-looking statements” that are based on present plans, estimates, projections and expectations and are not guarantees of future performance. They are based on certain expectations and assumptions, which, even though they seem to be reasonable at present, may turn out to be incorrect. Shareholders should not rely on these forward-looking statements. Numerous factors may cause the actual results of operations or financial condition of the future company to differ materially from those expressed or implied in the forward-looking statements. Neither Cargotec nor Konecranes, nor any of their respective affiliates, advisors or representatives or any other person undertakes any obligation to review or confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation.

This presentation includes estimates relating to the synergy benefits expected to arise from the merger and the combination of the business operations of Cargotec and Konecranes as well as the related integration costs, which have been prepared by Cargotec and Konecranes and are based on a number of assumptions and judgments. Such estimates present the expected future impact of the merger and the combination of the business operations of Cargotec and Konecranes on the future company’s business, financial condition and results of operations. The assumptions relating to the estimated synergy benefits and related integration costs are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause the actual synergy benefits from the merger and the combination of the business operations of Cargotec and Konecranes, if any, and related integration costs to differ materially from the estimates in this presentation. Further, there can be no certainty that the merger will be completed in the manner and timeframe described in this presentation, or at all.

# Strategic rationale



# The Future Company at a Glance

Sales<sup>1</sup> of  
**EUR 7.0bn**



Comparable  
operating profit<sup>1</sup> of  
**EUR 565mn**



**800+**  
service locations  
around the world



**28,700<sup>2</sup>**  
people across  
>50 countries



## Our customer industries



Container  
handling



Manufacturing



Transportation



Construction  
& engineering



Paper & pulp



Metals  
productions



Mining



Power



Chemicals



Marine

Notes: 1) 2019 figures. Comparable operating profit = operating profit + items significantly affecting comparability + purchase price allocation impacts

2) As per 30 September 2020



# The Future Company. Well positioned in full material flow

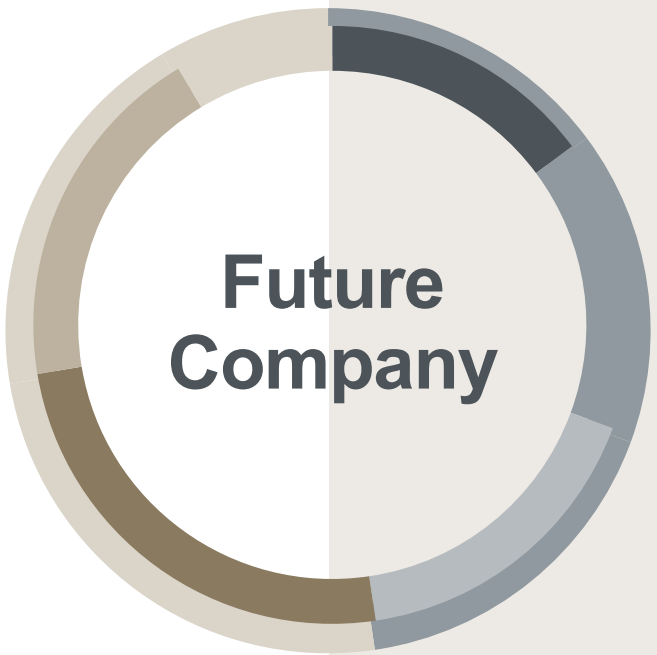
Segments	MacGregor	Hiab	Kalmar	Port Solutions	Industrial Equipment	Industrial Service
						
Key offering	<p>Deck equipment including general purpose cranes for ships as well as hatch covers and other on-deck equipment</p> <p>Bulk handling systems and Related services</p> <p>Spares, lifecycle care and advanced services</p>	<p>Truck-mounted forklifts</p> <p>Hooklifts &amp; skiploaders</p> <p>Loader, forestry and recycling cranes</p> <p>Tail lifts</p> <p>Spares, lifecycle care and advanced services (Hiab ProCare)</p>	<p>Mobile equipment incl. lift trucks, straddle carriers and tractors</p> <p>Cranes for containers in ports and terminals</p> <p>Spares, lifecycle care and modernizations</p> <p>Navis software for terminal operations and marine cargo optimization</p>	<p>Cranes for containers in marine/inland terminals: Mobile Harbour Cranes (MHC) for bulk/container</p> <p>Mobile equipment incl. lift trucks, straddle carriers and AGVs</p> <p>Spares, lifecycle care and modernizations</p> <p>TBA port operation consultancy and for terminal operation</p>	<p>Overhead cranes and hazardous environment cranes and hoists</p> <p>Lifting systems</p>	<p>Spares, lifecycle care and modernizations of industrial equipment (both Konecranes' and 3<sup>rd</sup> parties')</p> <p>Advanced digital services, telemetry and remote monitoring (TRUCONNECT)</p>
	<b>#1</b> in deck machinery	<b>#1-2</b> in on-road load handling	<b>#2</b> in container port equipment	<b>#3</b> in container port equipment	<b>#1</b> in industrial cranes and hoists	<b>#1</b> in industrial crane services (own and 3 <sup>rd</sup> party)

# Unaudited pro forma key figures

## Cargotec

- MacGregor
- Hiab
- Kalmar

Sales <sup>1</sup>	Comparable Operating profit <sup>1</sup>	People <sup>2</sup>
EUR 3,683mn	EUR 286mn	11,800
Gearing <sup>2</sup> 65.8%		
Equity ratio <sup>2</sup> 35.3%		



## Konecranes

- Port Solutions
- Industrial Equipment
- Industrial Service

Sales <sup>1</sup>	Comparable Operating profit <sup>1</sup>	People <sup>2</sup>
EUR 3,327mn	EUR 280mn	17,000
Gearing <sup>2</sup> 61.5%		
Equity ratio <sup>2</sup> 32.8%		

Sales <sup>1</sup>	Comparable Operating profit <sup>1</sup>	People <sup>2</sup>
EUR 7,010mn	EUR 565mn	28,700
Gearing <sup>2</sup> 57.0%		Equity ratio <sup>2</sup> 38.0%

Notes: 1) 2019 figures. Comparable operating profit = operating profit + items significantly affecting comparability + purchase price allocation impacts  
2) As per 30 September 2020

# The Future Company. Serving customers globally

Americas

1.2bn — 1.1bn

2.3bn

EMEA

1.8bn — 1.7bn

3.5bn

APAC

0.7bn — 0.5bn

1.2bn

EUR, 2019

Cargotec regional sales

Konecranes regional sales

# Addressing the world's sustainability challenges

## Decarbonization

~30% of global CO<sub>2</sub> emissions are linked to material flow

Our customers are increasingly seeking green solutions to decarbonize their operations – and are making significant **sustainability commitments**



## Productivity and efficiency

Increasing **intelligence** in operations is a challenge facing all our customers from ports to warehouses and manufacturing sites



## Safety

Safety is the **#1 priority** for our customers

We aim for zero harm work environments and look for solutions from technology providers with **smart safety features** and **automation**



## Maximizing lifetime value

Enhancing lifetime value of equipment and solutions through services, new delivery models (e.g., as-a-service models) and circularity is critical for our industries





# Creating a global leader in sustainable material flow

Unlocking value together



Being the lifecycle partner for our customers



Solving the sustainability challenge through innovation



Positioning us well to grow in material flow



Creating and combining a team of top global talent



# Unlocking value for our shareholders

Above-market sales growth

Reaching **>10%** Initial comparable operating profit margin\*

Cost synergies of **EUR >100mn**

Gearing **<50%\*\***

Expected to be achieved in full within 3 years from completion

\*Comparable operating profit = operating profit + items affecting comparability + purchase price allocation impact

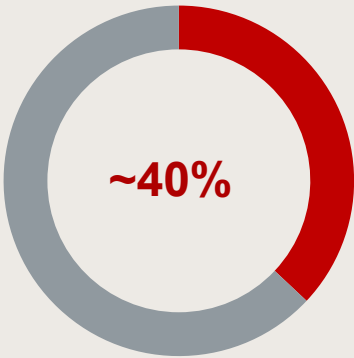
\*\*Can be temporarily higher



# Being the lifecycle partner for our customers

Broad service network

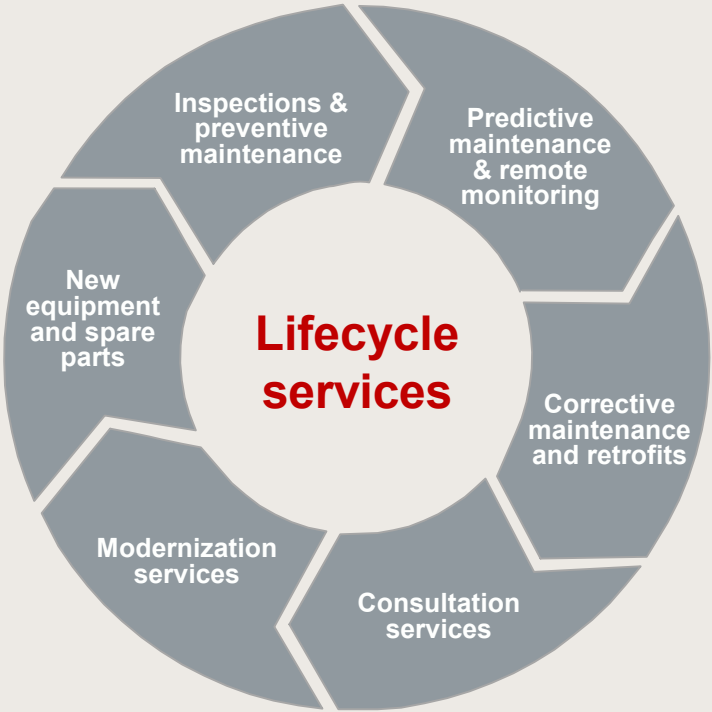
Share of service sales, 2019



800+ locations

8,500+ service personnel

Lifecycle partner to our customers



Intelligent service technology

Remote monitoring offering

Machine learning / AI

Enabled by digital tools

Sales, planning and technical support platforms



# Solving the sustainability challenge through innovation

## Electrification

Towards fully electric equipment



Fully electric offering in ports, terminals, and mobile equipment

Fully electric cranes offering in the industrial cranes business

Fully electric road and sea solutions

## Automation and robotics

Towards fully automated equipment



Container terminal solutions

Process crane solutions

Inventory management and warehousing solutions

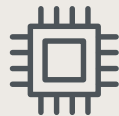
Smart safety features

Remote operating solutions

Autonomous operations to minimize human error

## Digitalization

Towards connected, remote controlled and dynamically optimized operations



Remote monitoring, controlling and optimization of operations

Customer portal

Strong software offering



# Positioning us well to grow in material flow

Core equipment offering

Lifecycle services

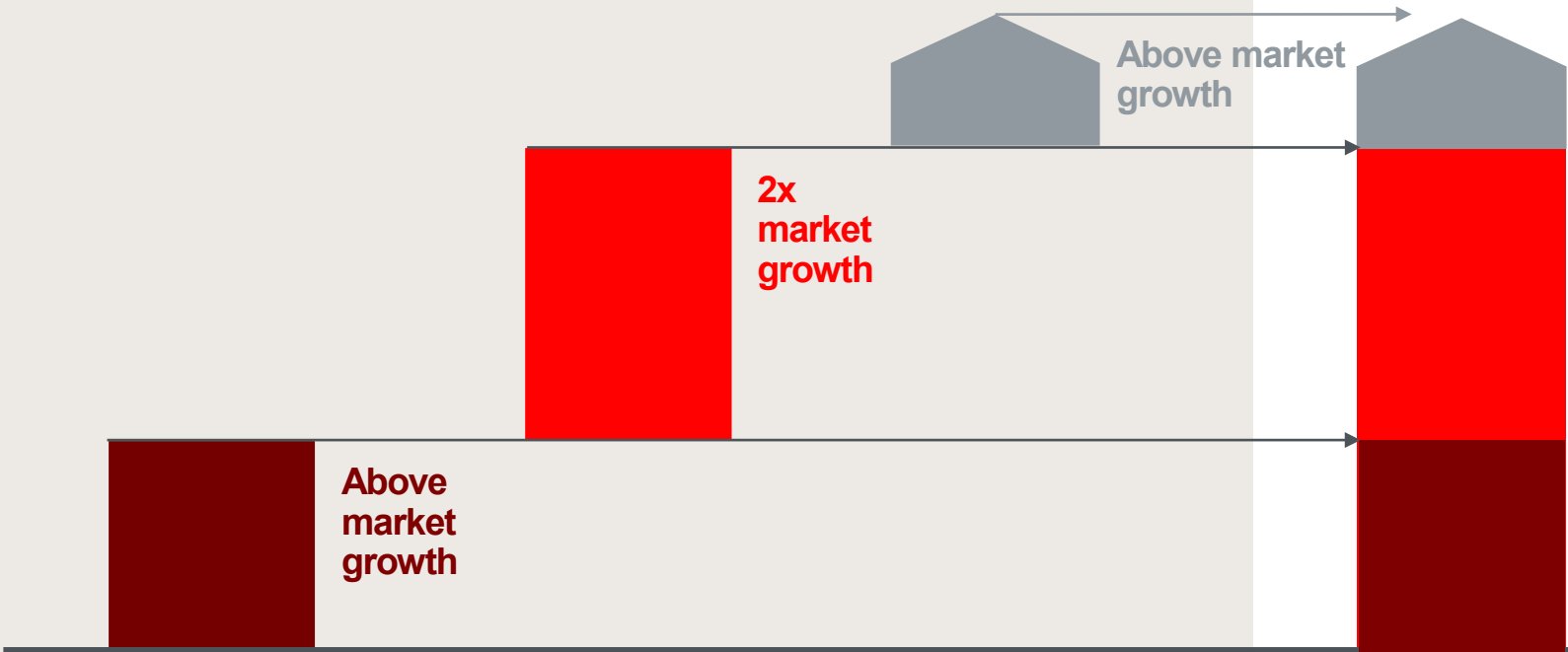
Growth around the core

Growth target

Sustainability and innovation

Own and 3<sup>rd</sup> party, new services

M&A and organic



# Creating and combining a team of top global talent



**Purpose-driven company committed to ethical conduct and fair treatment**

**Focus on employee engagement, diversity and inclusion, based on strong Nordic heritage**

**Uncompromising focus on safety**

**Increased investment in sustainability and innovation**

**Enhanced career opportunities and high people development focus**

**World-class leadership and talent**

**Attractive employer with leading brands in our industries**



# Merger in Brief



# Konecranes to merge into Cargotec

## **Konecranes to merge into Cargotec through a statutory absorption merger**

- Cargotec will be the surviving entity

## **Cargotec's shares will be split 3 for 1 prior to completion**

- Cargotec A shares will increase from 9,526,089 to 28,578,267
- Cargotec B shares will increase from 55,182,079 to 165,546,237 (of which 674,520 in treasury)

## **As merger consideration, Konecranes shareholders will receive new shares in Cargotec**

- for each Konecranes share 0.3611 new Cargotec A shares (28,575,453 new shares)
- for each Konecranes share 2.0834 new Cargotec B shares (164,868,731 new shares)

## **50/50 ownership of both shares and votes**

- Cargotec and Konecranes shareholders to both own approximately 50% of the shares and votes
- All A class shares will be listed on the Nasdaq Helsinki in connection with the merger (existing A shares and merger consideration shares)
- A class shares can be converted into B class shares at a 1 for 1 ratio upon written request

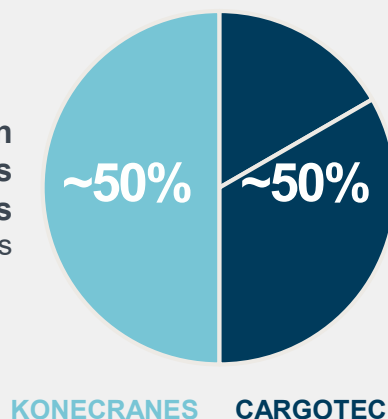
## **The shareholders of Konecranes to receive an extra distribution of funds prior to completion**

- Konecranes will propose to its AGM, to be held in 2021, an extra distribution of profits in the total amount of EUR 158 million or EUR 2.00 per share, to be paid before the combination is completed

# ~50/50 post merger ownership of both shares and votes

## A SHARES

Merger consideration  
shares for Konecranes  
shareholders  
28,575,453 new shares



**Current Cargotec A Shares**  
9,526,089 shares excl. treasury

**Cargotec A Shares split 3 for 1**  
19,052,178 new shares from share split  
increasing shares to **28,578,267** excl. treasury

## FUTURE COMPANY

A shares	57,153,720
B shares	329,740,448
Treasury B shares	674,520
<b>TOTAL SHARES</b>	<b>387,568,688</b>

## EXAMPLE

from Cargotec shareholder's perspective

CURRENT  
OWNERSHIP

**100**  
Cargotec A  
(100 votes)\*

**100**  
Cargotec B  
(10 votes)\*

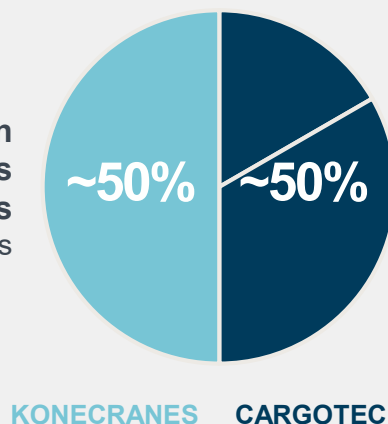
POST MERGER  
OWNERSHIP

**300**  
A shares  
(300 votes)\*

**300**  
B shares  
(30 votes)\*

## B SHARES

Merger consideration  
shares for Konecranes  
shareholders  
164,868,731 new shares



**Current Cargotec B Shares**  
54,957,239 shares excl. treasury

**Cargotec B Shares split 3 for 1**  
109,914,478 new shares from share split  
increasing shares to **164,871,717** excl. treasury



# Governance of the Future Company

## Future Board

**Equal number of Board members from both Cargotec and Konecranes**

- **Cargotec:** Ilkka Herlin, Tapio Hakakari, Kaisa Olkkonen and Teuvo Salminen
- **Konecranes:** Christoph Vitzthum, Janina Kugel, Ulf Liljedahl and Niko Mokka
- **Chairman:** Christoph Vitzthum

## Future CEO

**The President and CEO will be appointed and announced at a later stage**

- The Boards of Directors of Cargotec and Konecranes will jointly make the decision on the appointment of the President and CEO before the completion of the merger

## Nomination Board

**It is proposed that a Shareholders' General Meeting of Cargotec, to be held before completion, will appoint Shareholders' Nomination Board for the Future Company, and approve its Charter**

## Future name

**The name of the Future Company will be determined and announced at a later stage**

## Support

**The merger is unanimously recommended by both Boards and has a strong shareholder support**

- **Board support:** The merger is unanimously recommended by the Boards of Directors of Cargotec and Konecranes to their respective shareholders
- **Irrevocable undertakings:** Shareholders holding on 30 November 2020 in aggregate approximately 45.4% of the outstanding shares and approximately 76.6% of the votes in Cargotec, and shareholders holding in aggregate approximately 28.3% of the outstanding shares and votes in Konecranes, have undertaken, subject to certain customary conditions, to attend the respective EGMs and vote in favour of the merger

# HC Holding and Solidium will be new entrants into top 10 owners

<b>Illustrative combined ownership (based on information as at 30 November 2020)</b>	<b>Shares, %</b>	<b>Votes, %</b>
1. Wipunen varainhallinta oy	7.1%	11.9%
2. Mariatorp Oy	6.2%	11.5%
3. Pivosto Oy	5.4%	11.1%
4. HC Holding Oy Ab	5.0%	5.0%
5. Solidium Oy	4.3%	4.3%
6. Ilmarinen Mutual Pension Insurance Company	2.6%	1.9%
7. Varma Mutual Pension Insurance Company	1.7%	1.4%
8. KONE Foundation	1.5%	2.8%
9. Elo Mutual Pension Insurance Company	1.3%	0.9%
10. The State Pension Fund	1.0%	0.6%
<b>Top 10 total</b>	<b>36.0%</b>	<b>51.4%</b>
Other shareholders	64.0%	48.6%
<b>Total number of shares outstanding</b>	<b>100.0%</b>	<b>100.0%</b>

# Expected completion by the end of 2021



Cargotec will publish further information on the merger control proceedings in due course during the process



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# Company's management's answers to advance questions of the shareholders



