



# Unlocking further shareholder value

SEB Nordic Seminar  
10 January 2024, Copenhagen  
Casimir Lindholm, CEO

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# Cargotec is in a great position to create further shareholder value

Refocus on core businesses for higher financial performance

Planned separation of Kalmar and Hiab to unlock shareholder value

Continued growth in sales and profitability in Q3

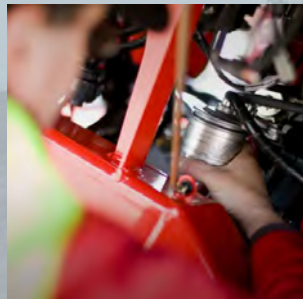
# Our core businesses focus on high margin solutions and recurring business

## Core Businesses

 **HIAB**



Equipment



Services

 **KALMAR**



Mobile Equipment



Shuttle & Straddle carriers



Services and automation



Bromma

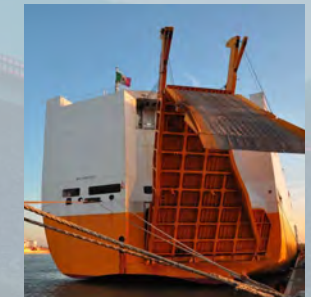
## Exit

 **KALMAR**



Heavy cranes & End-to-end automation projects

 **MAGGREGOR**



Equipment

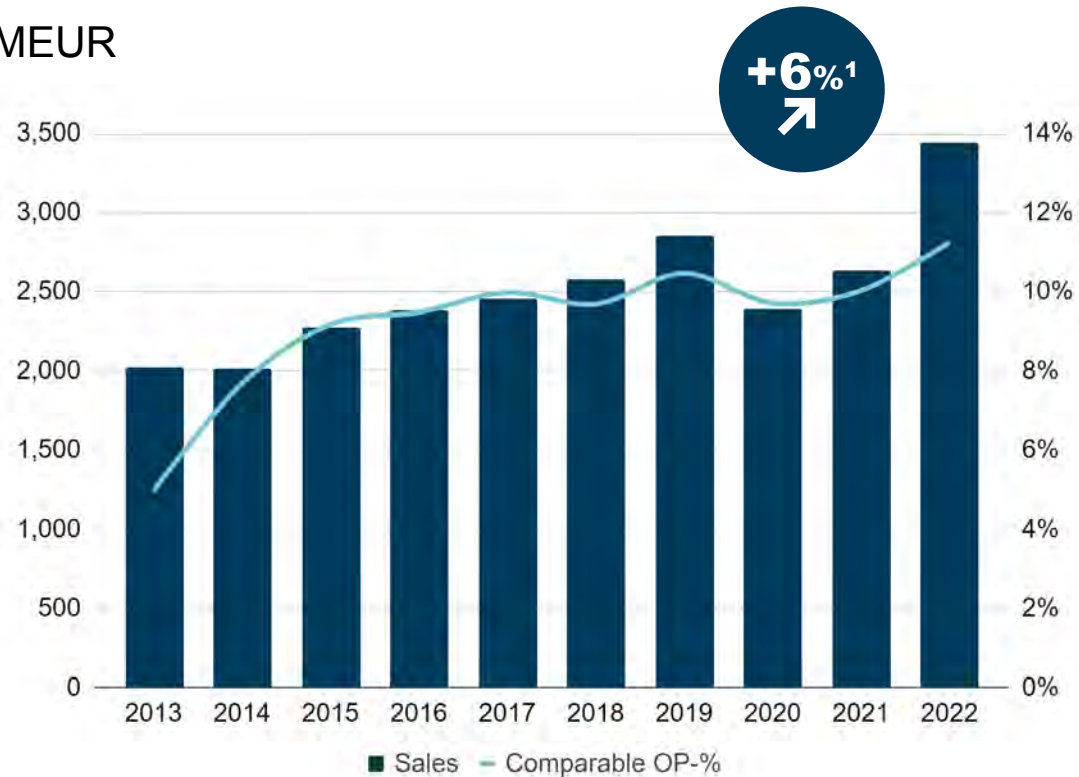


Services

# Core businesses are growing with stable profitability...

## CORE BUSINESS

MEUR



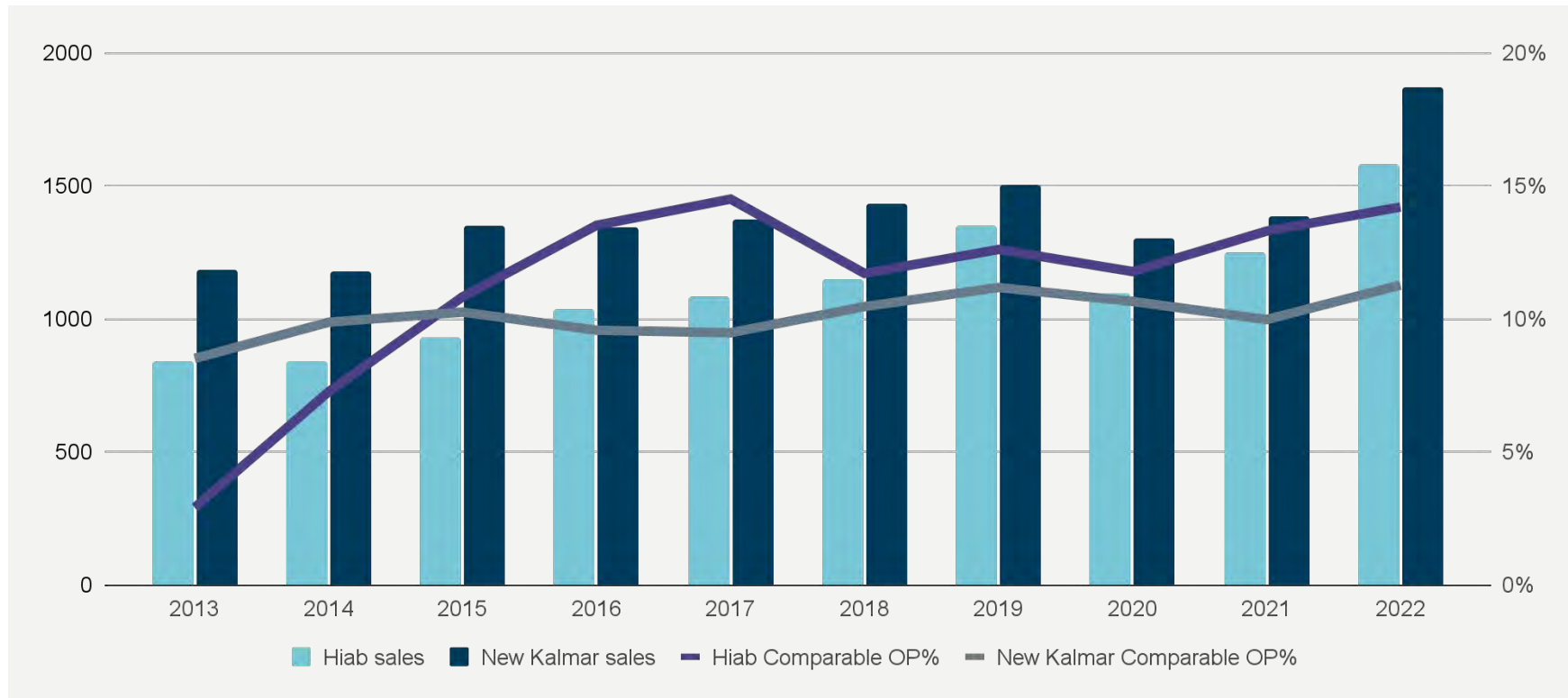
## NON-CORE BUSINESS\*

MEUR



# ...with both consistently delivering double digit profitability

MEUR



Sales CAGR  
2013-2022

**+5%**  
↗

**+7%**  
↗



Announced on 27 April 2023:

# Cargotec plans to separate Kalmar and Hiab



“

**Cargotec Board has decided to investigate and initiate a process to potentially separate its core businesses Kalmar and Hiab into two focused world-leading standalone listed companies to unlock shareholder value**



# Strategic rationale of the planned separation: Logical next step to capture full business potential

1

**Unlocks the full potential** of Kalmar and Hiab with more distinctive strategies and investment stories

2

**Increases attractiveness** and facilitates fair valuation of the businesses with currently limited cross-selling and operational synergies

3

**Allows faster organic and inorganic growth** thanks to a more tailored capital allocation strategy and flexible access to external capital

4

**Enhances Kalmar's and Hiab's business performance** through higher agility, decisiveness and stronger management focus

5

**Simplifies structures and improves the governance** of the separate businesses and provides greater transparency and accountability

# Limited overlap between the businesses – across end-markets, sales & distribution channels and technological focus



Technology forerunner in container handling and heavy logistics with strong market positions, geared to grow by making the industry electrified and more sustainable

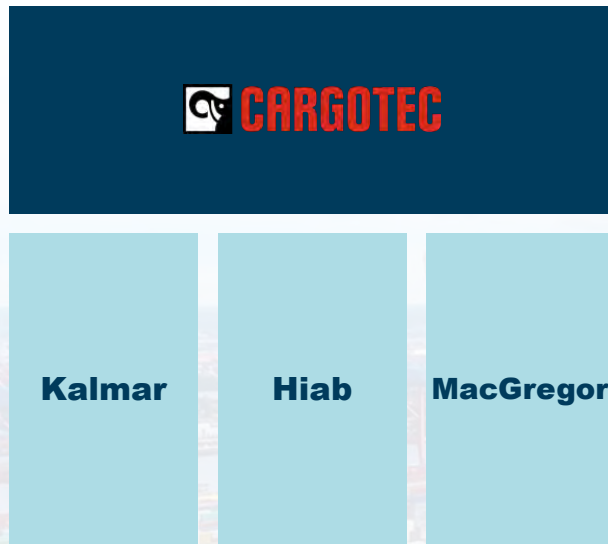


Industry pioneer in on-road load handling with a strong track record of profitable growth and attractive M&A potential

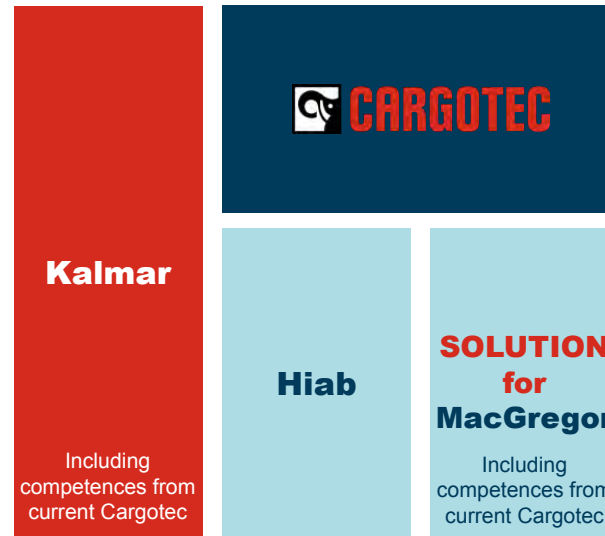


# Plan is to create two standalone listed companies

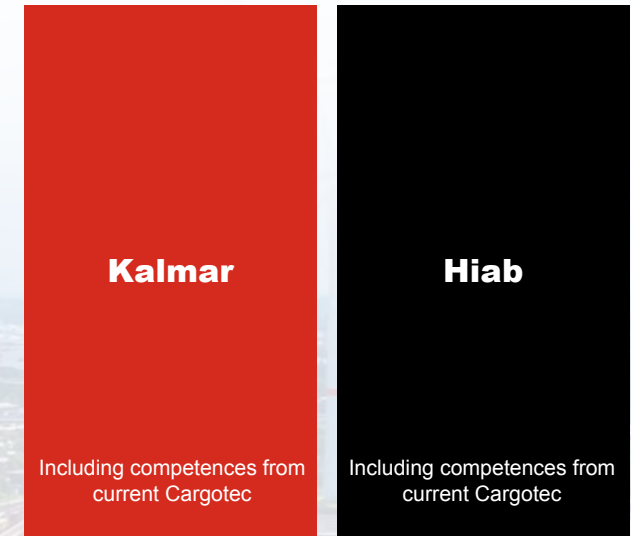
## Today



## Intended transition period 2023-2024

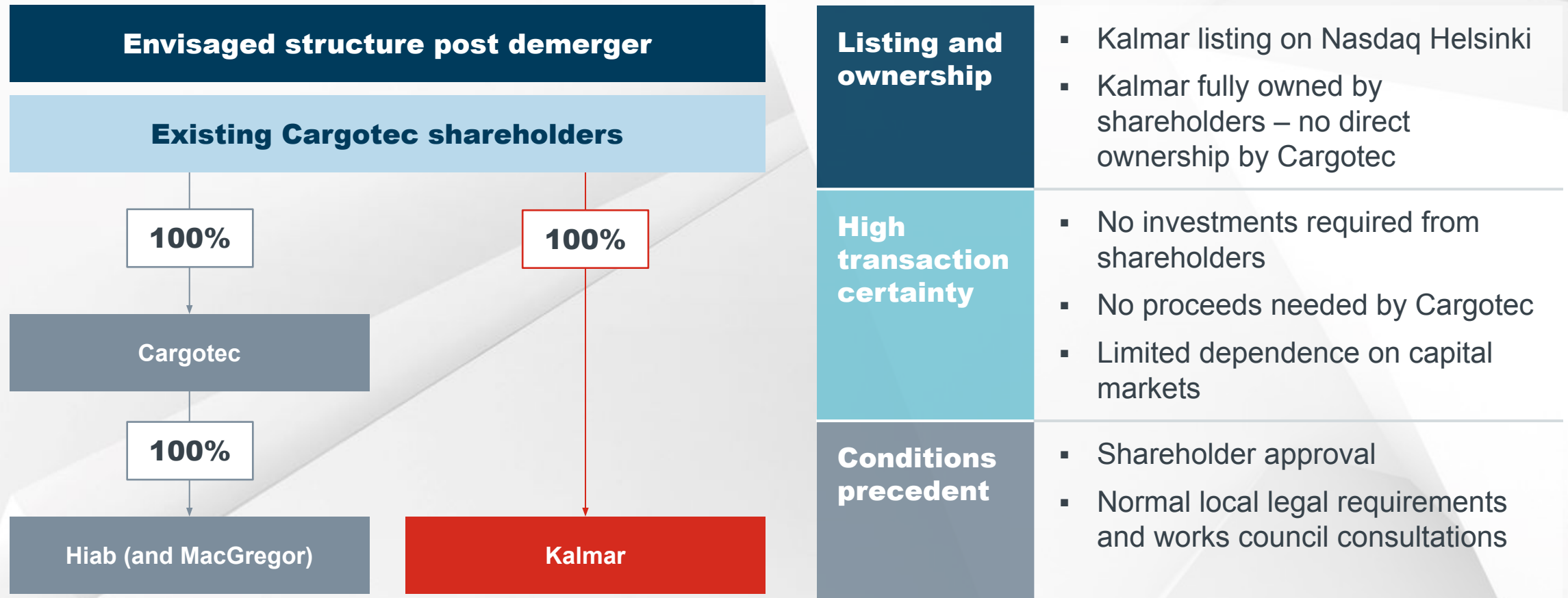


## Targeted structure 2025+



# Structure of the planned transaction

Post transaction (and MacGregor divestment) Kalmar and Hiab would be separate standalone businesses



26 October 2023

# Growth continued in sales and profitability

Cargotec's Interim Report January–September 2023

- Delayed decision making impacted orders received
- Actions planned to target 50 MEUR cost savings
- Planned separation of Kalmar and Hiab progressing according to plan, Pekka Ala-Pietilä no longer available for standalone Kalmar Board

# Highlights of Q3/23 – Comparable operating profit increased in all business areas

**Orders received** decreased by 20%

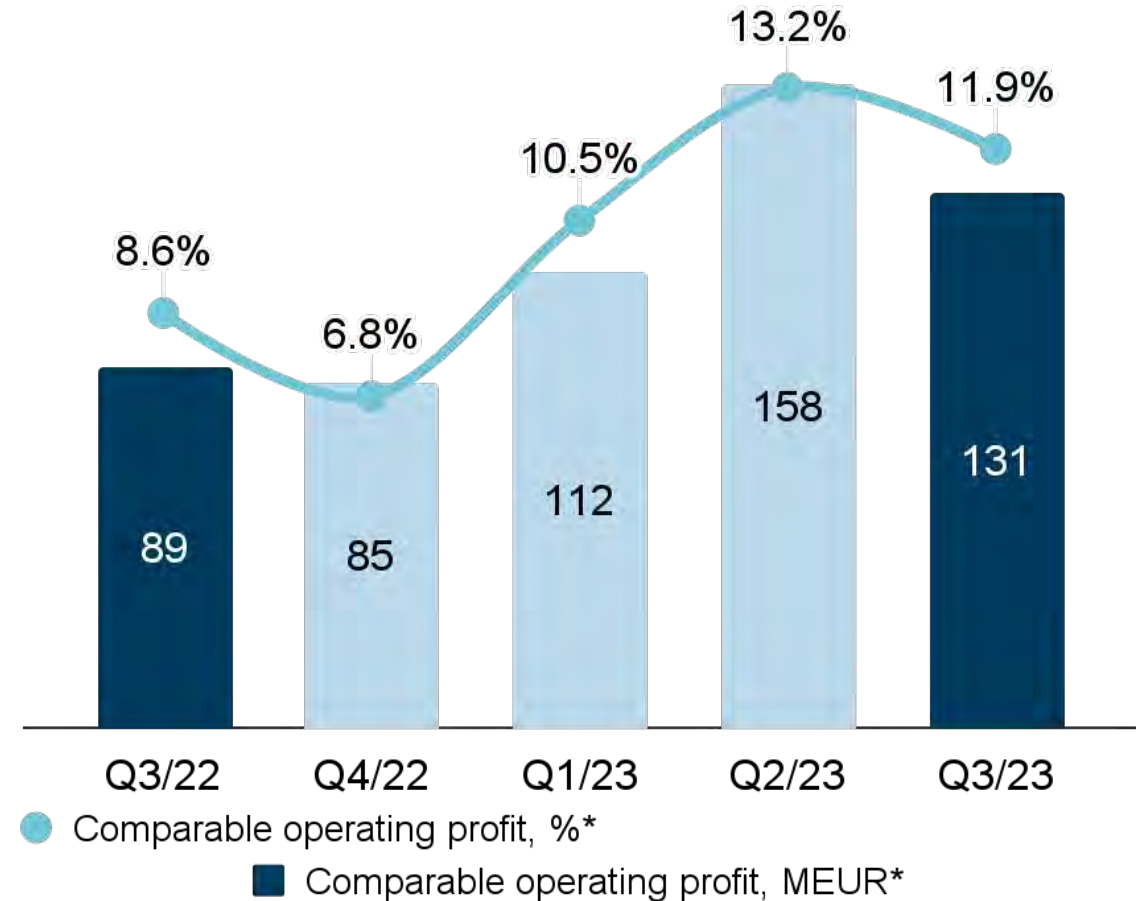
- Decline in all business areas

**Sales** increased by 6%

- Service sales increased by 3%
- Eco portfolio increased by 13%

**Comparable operating profit** increased by 48%

- Kalmar +21 MEUR
- Hiab +12 MEUR
- MacGregor +9 MEUR



# Safeguarding our profitability and emerging stronger

Continuous profitability improvements, continued R&D investment and service business growth

Scenario planning actions

Planned fixed cost saving actions to target **50 MEUR** annual savings in Cargotec group, Kalmar and Hiab\*

## Funding the growth journey

Solving customers' sustainability challenges with high quality and innovative solutions

## Safeguard profitability

Above 10% comparable operating profit in core businesses

## Emerge stronger and more resilient

Committed to sustainability and profitable growth

\*subject to local legal requirements and works council consultations

# In parallel with the planned new cost savings, we are executing MacGregor turnaround

## Scenario planning actions

### Planned fixed cost saving actions to target 50 MEUR annual savings in 2024\*

- 10 MEUR in the group functions
- 20 MEUR in Kalmar
- 20 MEUR in Hiab
- 50% of the saving would be achieved from reduction of maximum of 350 roles globally
- Estimated one-off costs 20 MEUR
  - Costs would be booked above comparable operating profit
  - Booking of the costs is dependent on the timing and outcome of the personnel negotiations

## MacGregor turnaround

### Ongoing restructuring of MacGregor's offshore business to target 23 MEUR annual savings

- 14 MEUR to realise already in 2023, additional 9 MEUR in 2024
- Reduction of 280 roles in sequences
- Estimated restructuring costs approximately 20 MEUR in 2023

\*subject to local legal requirements and works council consultations



# Outlook for 2023 unchanged

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

- 1) Core businesses = Hiab + Kalmar excluding heavy port cranes and including all group costs
- 2) Cargotec has changed the definition of the alternative performance measure comparable operating profit starting from 1 January 2023. Comparison figures have been calculated based on the new definition. Additional information about the definition is presented in the stock exchange release published on 4 April 2023.
- 3) Cargotec's outlook for 2023 does not include the comparable operating profit of Kalmar heavy cranes business which will be discontinued



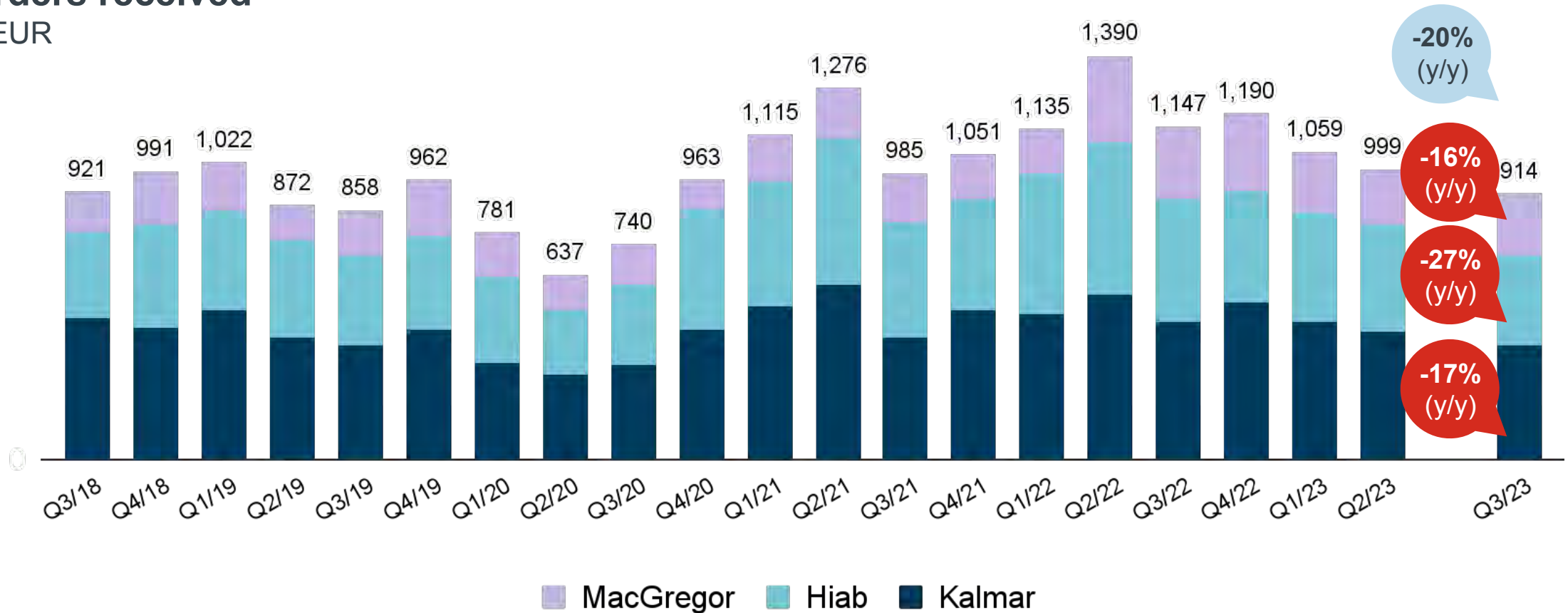




# Appendix

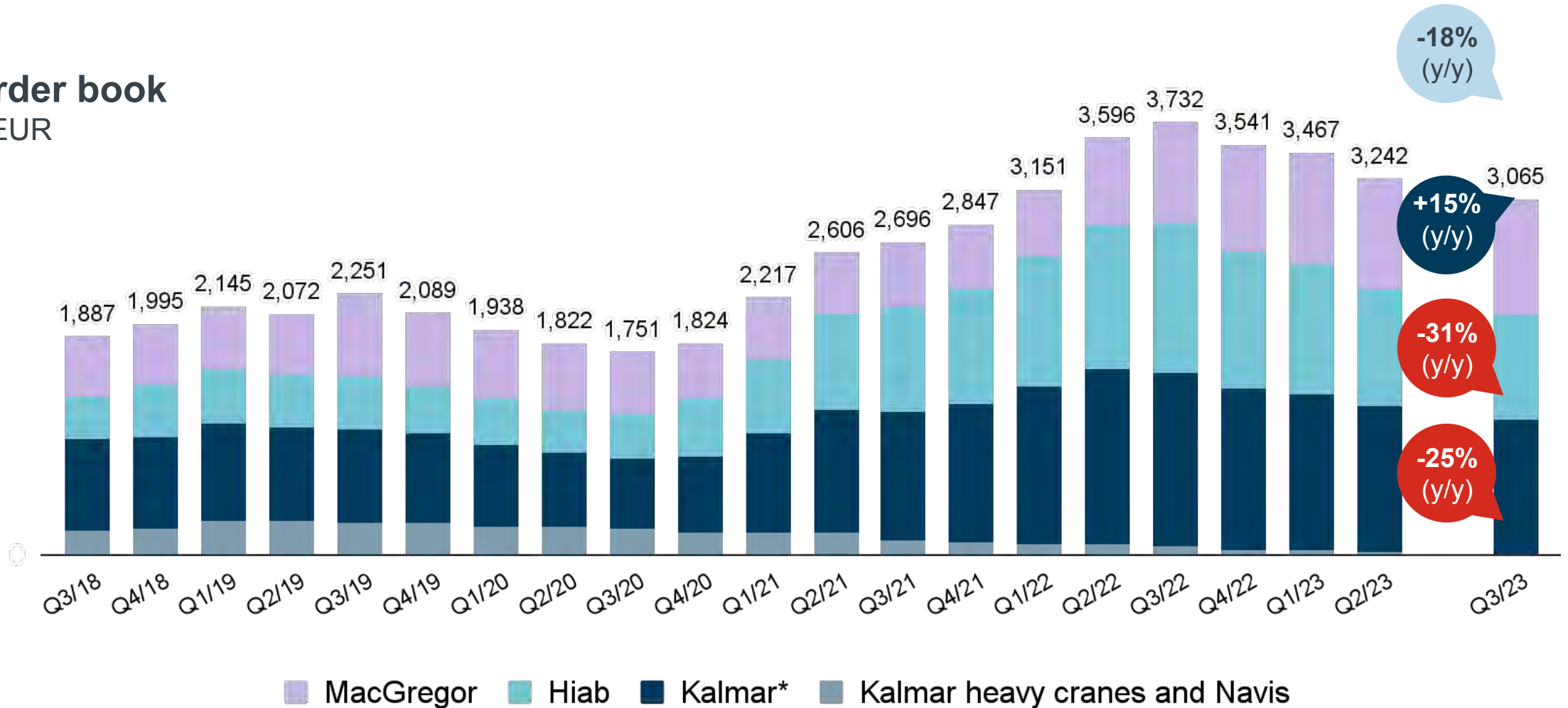
# Orders received are back to pre-covid level...

## Orders received MEUR



# ...but order book remains above historical average

## Order book MEUR



-18%  
(y/y)

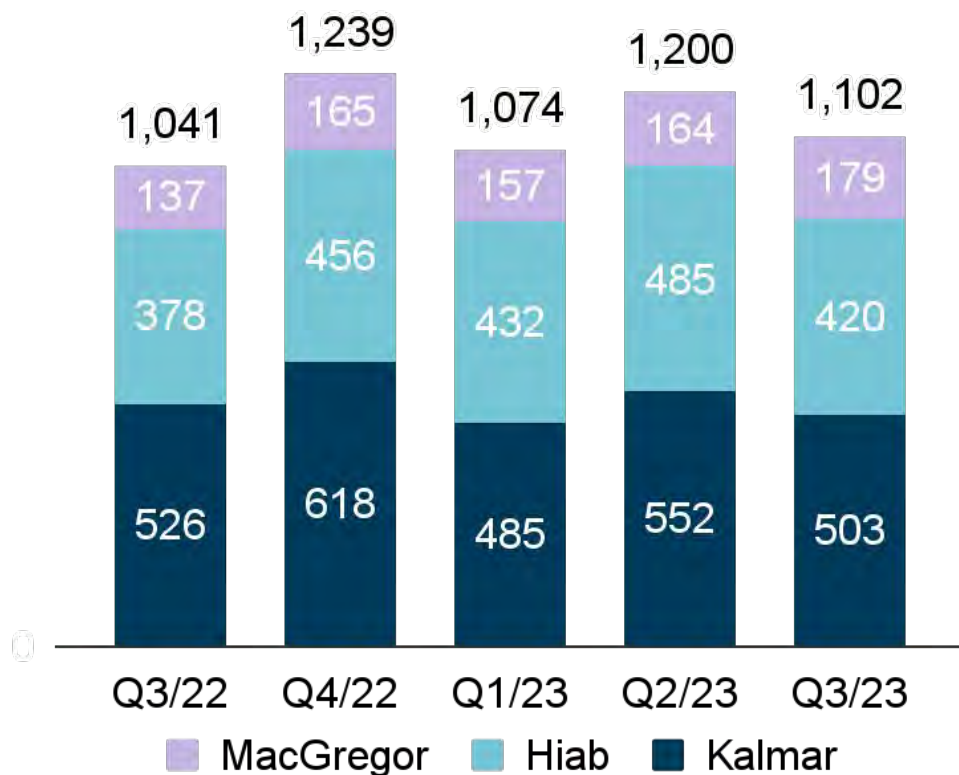
+15%  
(y/y)

-31%  
(y/y)

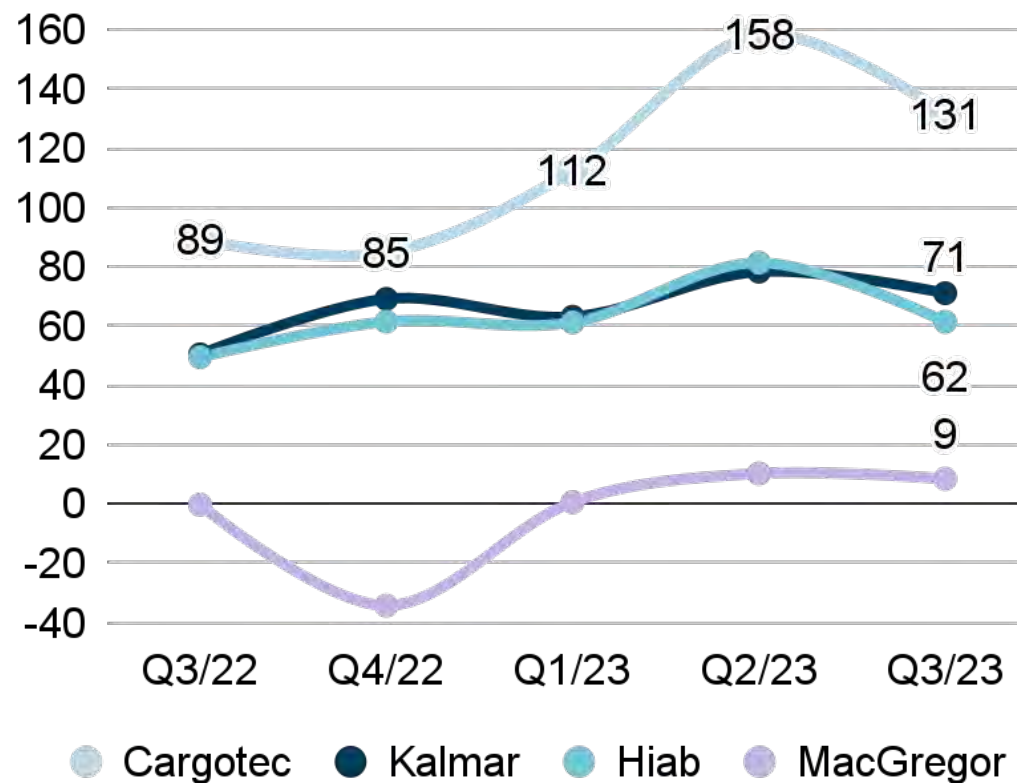
-25%  
(y/y)

# Comparable operating profit increased in all business areas

## Sales MEUR



## Comparable operating profit\* MEUR



\*\*) Including corporate admin and support

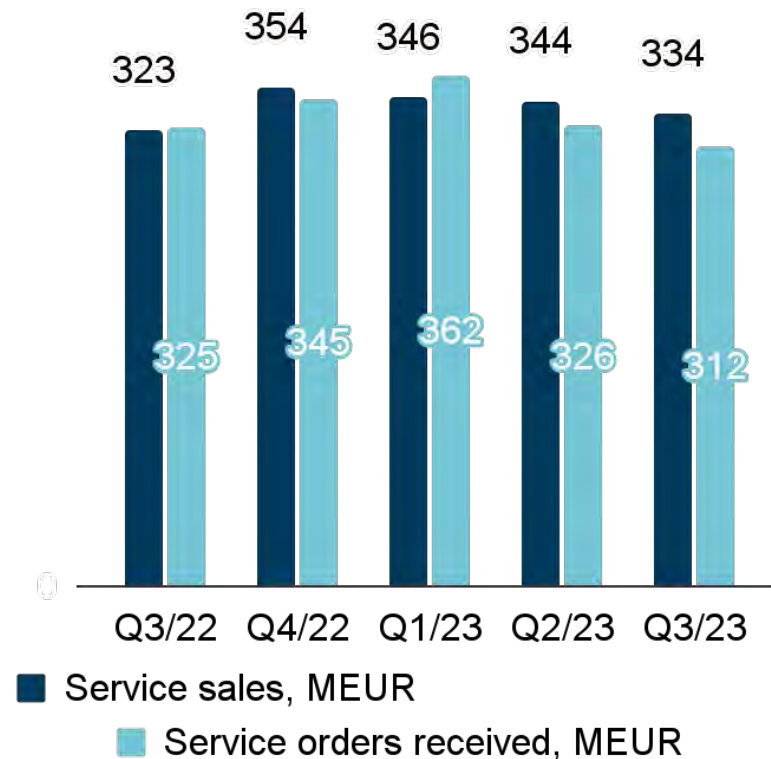
# Service sales continued to grow

Service orders received -4%

Service sales +3%

- Kalmar -4%
- Hiab +7%
- MacGregor +12%

Service share 30% of total sales

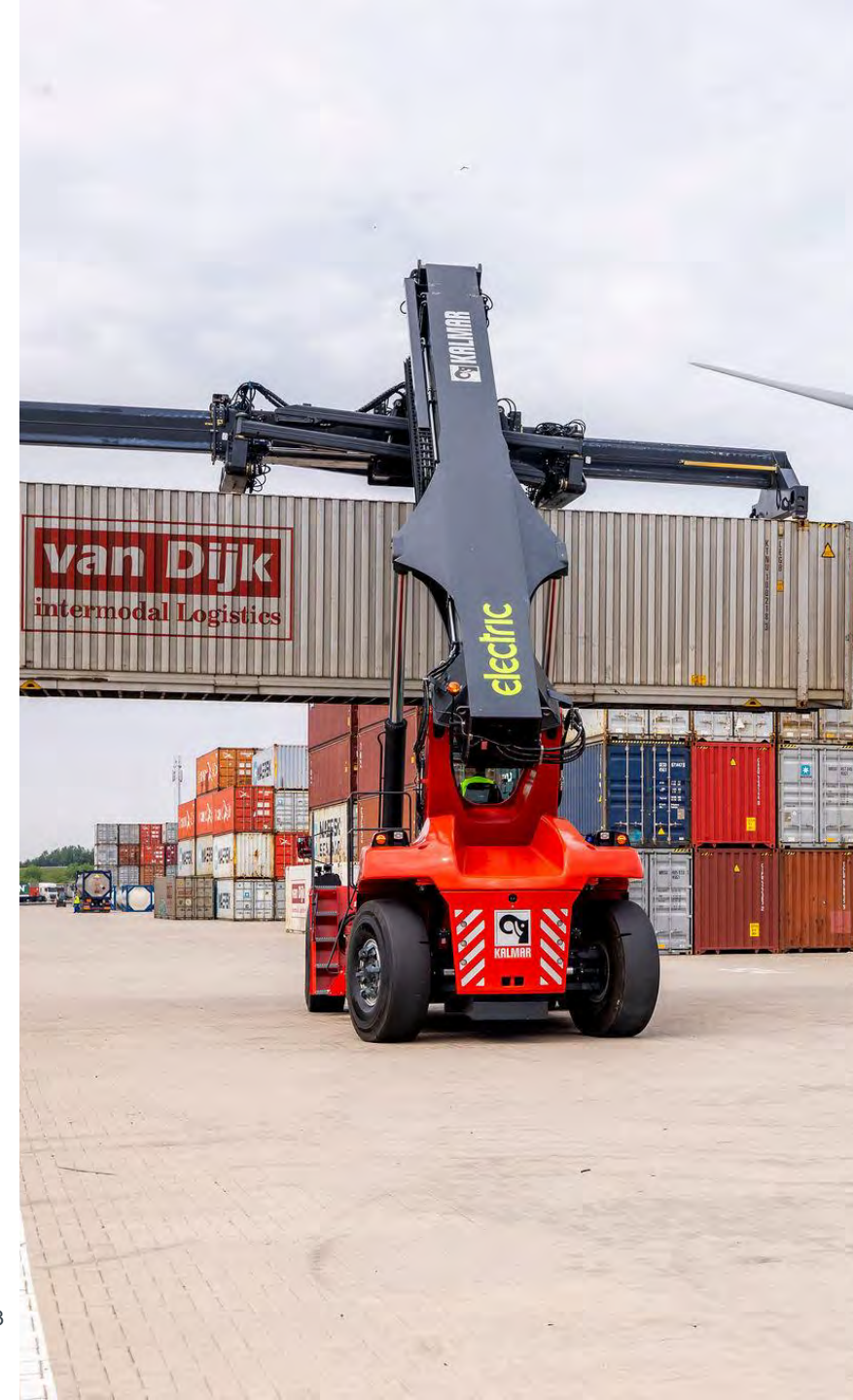
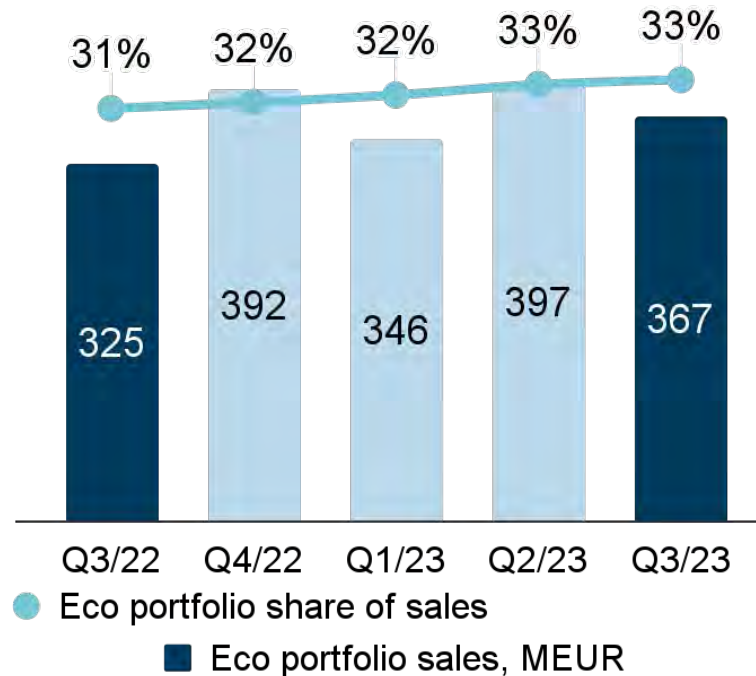


# Eco portfolio continued to grow faster than conventional sales

Eco portfolio sales +13%

- Increase in climate solutions and in circular solutions
- Increase in all business areas

Eco portfolio share 33% of Cargotec's total sales





# Business areas

Hiab Q3/23

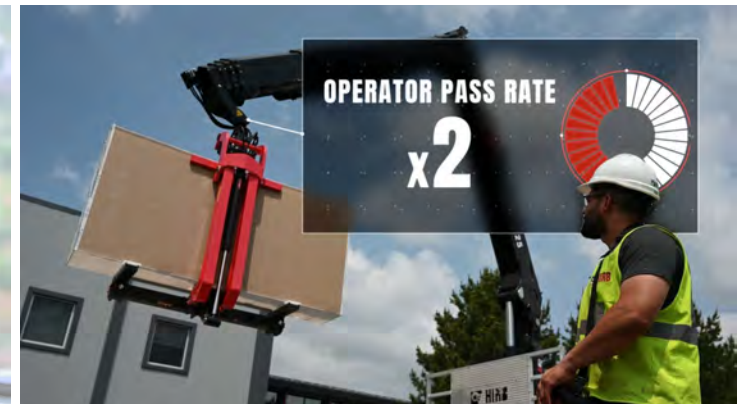
# Continued strong execution

- Delayed decision making impacted order intake
- Equipment and service sales improved
- Operating profit improved as a result of sales growth

# Highlights of new solutions launched in Q3

## HiSkill

Virtual operator training simulator  
launched in the US



# Typical seasonality in order intake combined with some continued delays in decision making

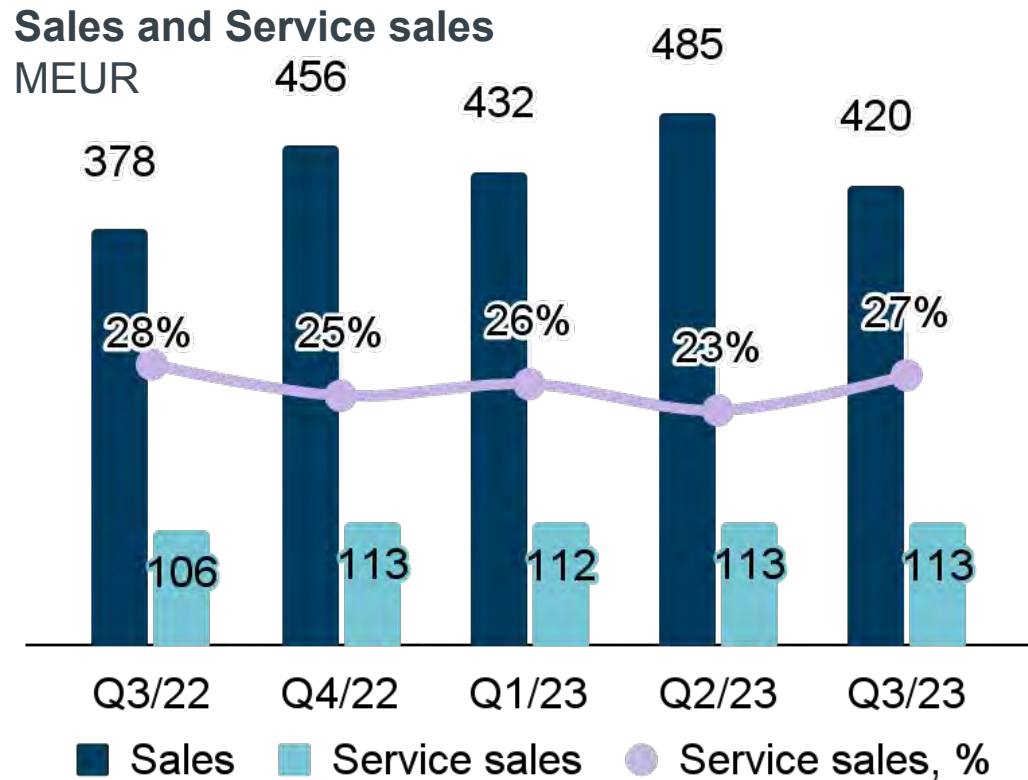
Orders received and order book



MEUR	Q3/23	Q3/22	Change
Orders received	311	425	-27%
Order book	900	1,301	-31%

- Inflation, extended truck lead times and interest rates impacting orders received
- Order book remained at a good level

# Hiab's equipment and services sales improved

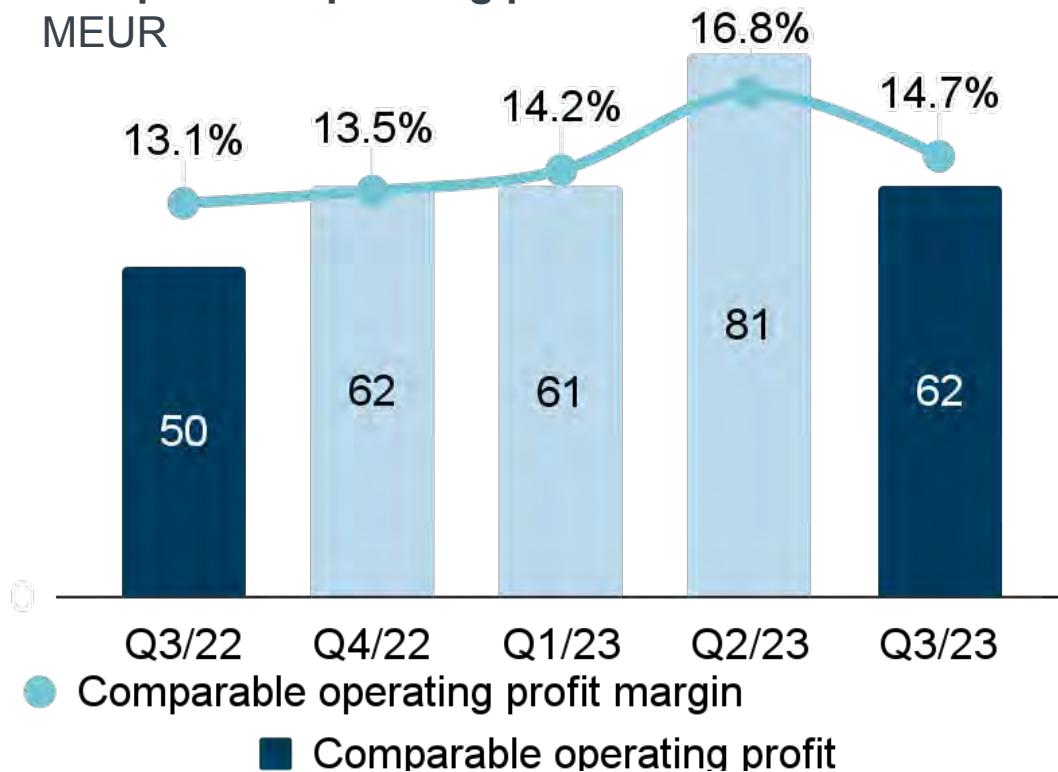


MEUR	Q3/23	Q3/22	Change
Sales	420	378	11%
Service sales	113	106	7%
Service sales, %	27%	28%	-100 bps

- Strong operational execution
- Supply chain has improved but component supply remains constrained
- Service sales continued to increase

# Hiab's operating profit improved as a result of sales growth

Comparable operating profit  
MEUR



MEUR	Q3/23	Q3/22	Change
Comparable operating profit	62	50	24%
Comparable operating profit margin	14.7%	13.1%	160 bps

- Profit improved due to both higher volumes and margin improvement
- Effectively managing inflationary pressures

An aerial view of a shipping yard filled with stacks of colorful containers (blue, green, red, orange) from various companies like CMA CGM, Evergreen, and Seaco. A red terminal tractor is visible in the center, moving a container. The ground is marked with yellow numbers.

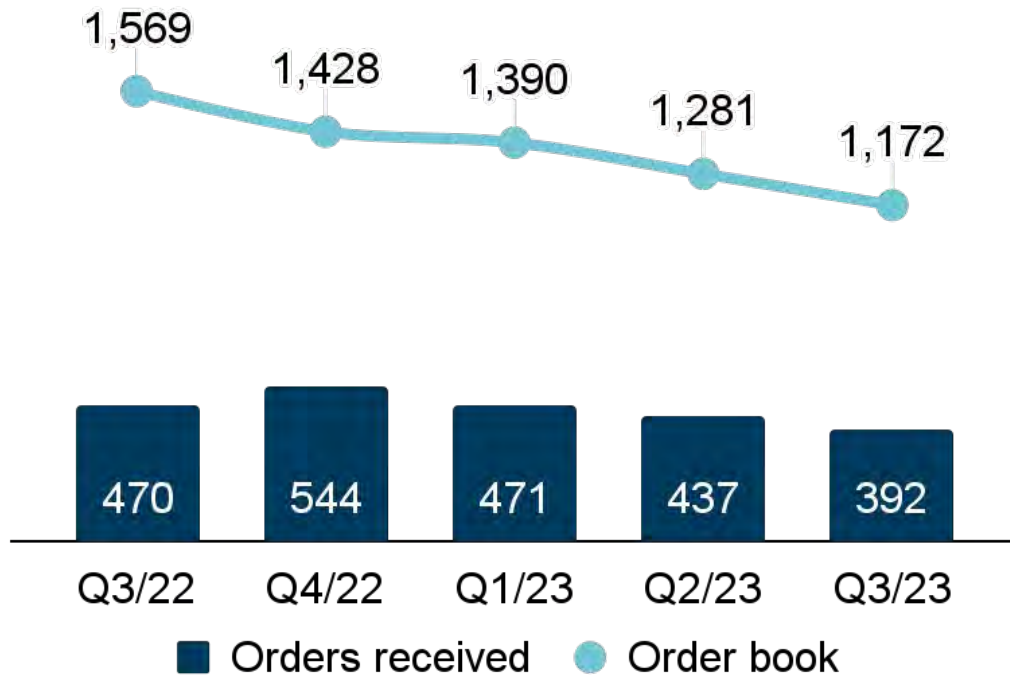
Kalmar Q3/23

# Continued high profitability in Kalmar

- Mixed demand picture, slower market activity started gradually to impact sales
- Successful management of inflationary pressures
- Lonestar electric terminal tractor acquisition completed

# Mixed demand picture

Orders received and order book  
MEUR



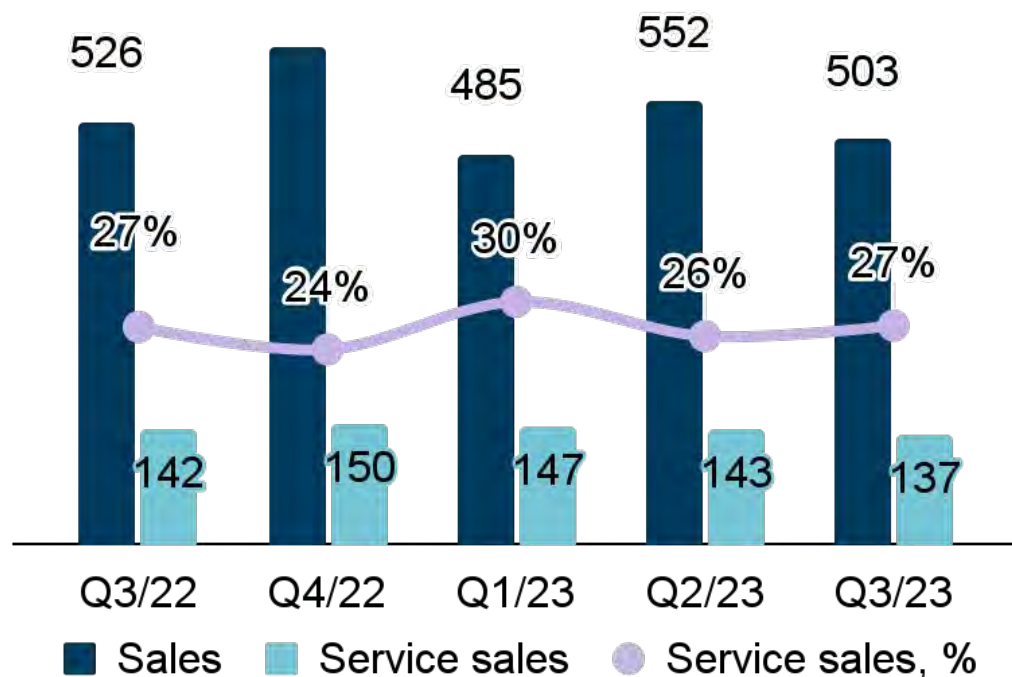
MEUR	Q3/23	Q3/22	Change
Orders received	392	470	-17%
Order book	1,172	1,569	-25%

- Destocking in distribution customer segment
- Slow decision making in orders of larger equipment
- Continued good demand in mobile equipment used in industries and small- and mid-sized terminals
- Order book remained above historical average



# Slower market activity started gradually to impact sales

Sales and Service sales  
MEUR

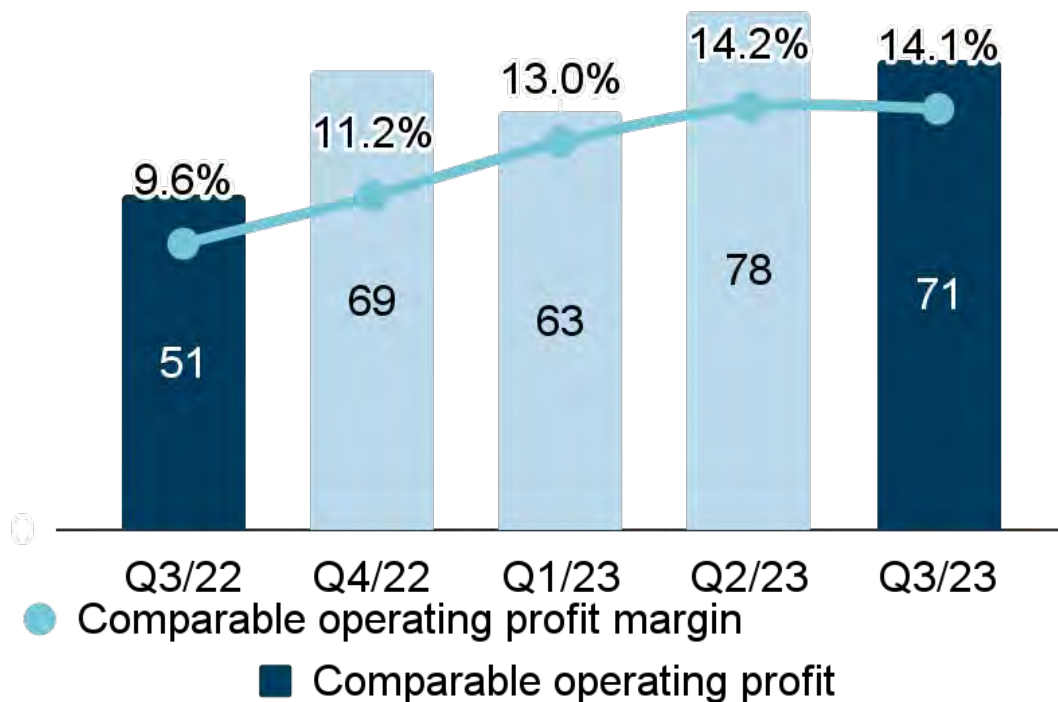


MEUR	Q3/23	Q3/22	Change
Sales	503	526	-4%
Service sales	137	142	-4%
Service sales, %	27%	27%	0 bps

- Lower order intake gradually visible in sales
- Destocking impacting spare part sales

# Improved profitability driven by successful management of inflationary pressures

Comparable operating profit  
MEUR



MEUR	Q3/23	Q3/22	Change
Comparable operating profit	71	51	41%
Comparable operating profit margin	14.1%	9.6%	450 bps

- Favorable sales mix
- Successful management of inflationary pressures and component availability
- Heavy cranes losses reduced

# Highlights of new solutions launched in Q3

- Kalmar has acquired the product rights of the electric terminal tractor product line from Lonestar Specialty Vehicles
- LSV will transfer the immaterial assets for Kalmar and act as Kalmar's contract manufacturing partner
- The new product line, named **Kalmar TX**, will be available in the Americas region
- Transaction closed on 1 September 2023
- The transaction will not have a significant impact on Kalmar's sales in 2023



# MacGregor Q3 – MacGregor turnaround progressing

Orders received decreased

- Good demand in merchant and services
- Selective order intake in offshore

Sales increased by 31%

- Service sales +12%

Comparable operating profit increased

- Higher sales in merchant and services businesses and lower fixed costs supported by ongoing restructuring

Still challenges related to historical offshore projects

MEUR	Q3/23	Q3/22	Change
Orders received	211	252	-16%
Order book	993	861	15%
Sales	179	137	31%
Service sales, %	47%	55%	-800 bps
Comparable operating profit*	9	0	>100%
Comparable operating profit margin	4.8%	-0.1%	490 bps





# Financials and outlook

# Financial highlights

**3,065**

**MEUR**

Strong  
order book

**184**

**MEUR**

Cash flow in Q3

**14.8%**

**ROCE**

Q3  
(last 12 months)

**367**

**MEUR**

Eco portfolio sales  
in Q3

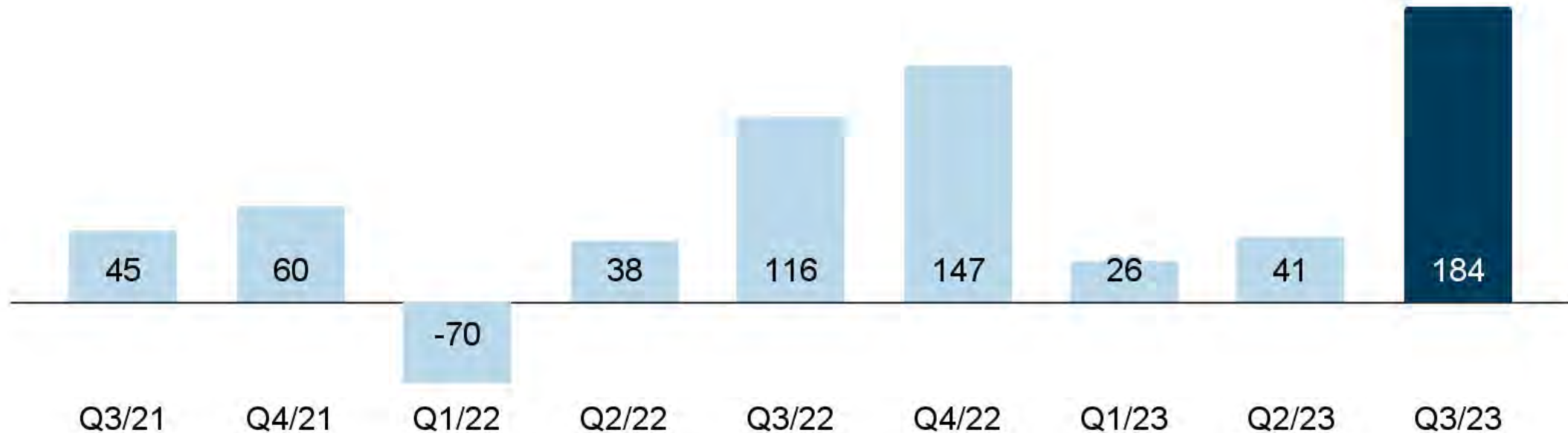
**13.8%**

Core businesses\*  
comparable  
operating profit  
margin in Q3

# Strong cash flow in Q3 driven by good profitability and reduction in accounts receivable

Cash flow from operations before financing items and taxes

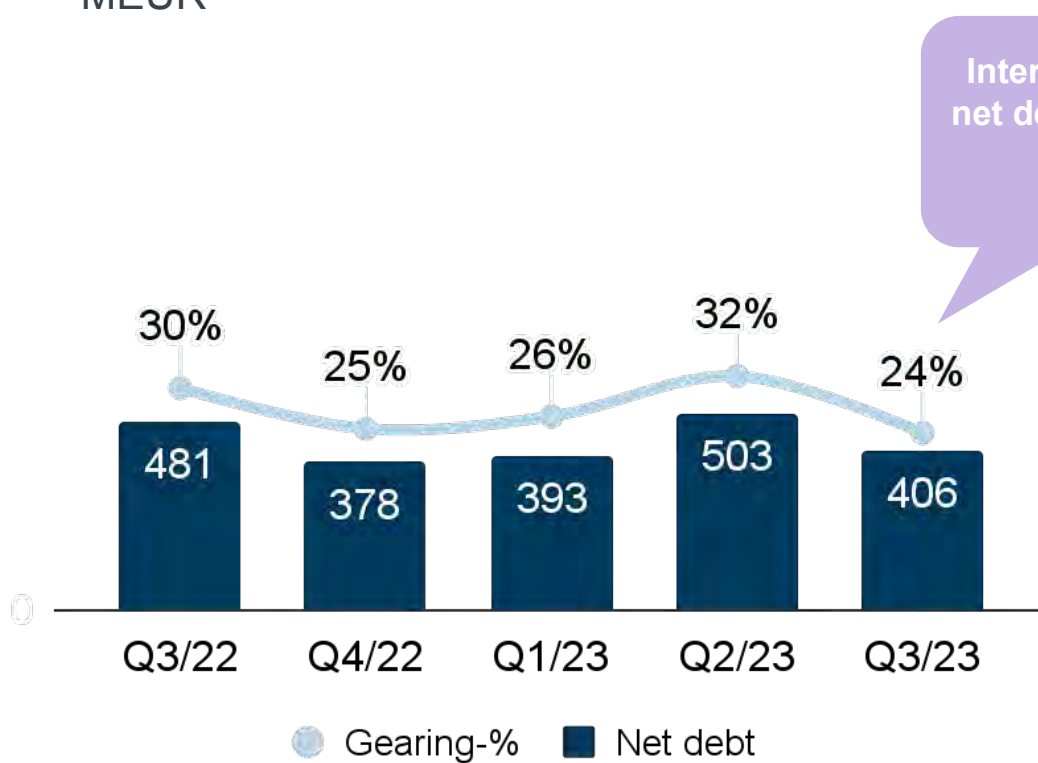
MEUR



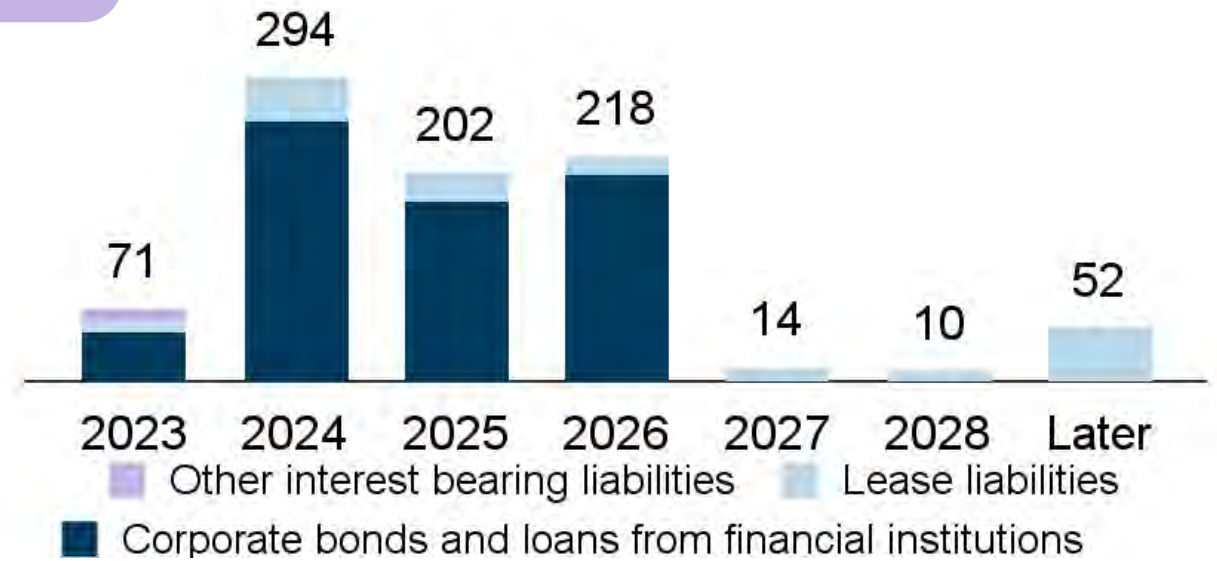
# Strong balance sheet and balanced maturity profile

Net debt & gearing  
MEUR

Maturity profile, 30 September 2023



Interest-bearing net debt / EBITDA  
**0.7**



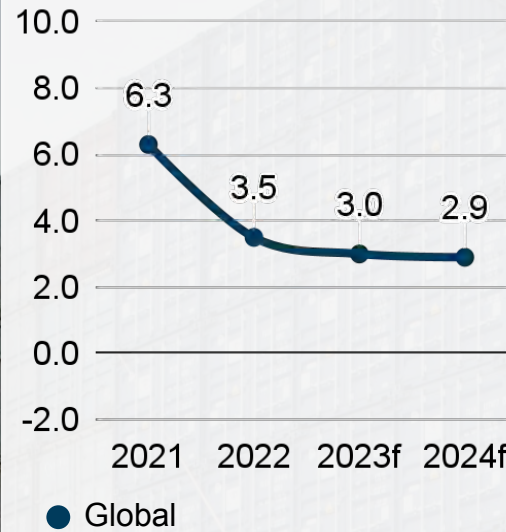


# Market environment

Uncertainty going forward



GDP growth<sup>1</sup>, %



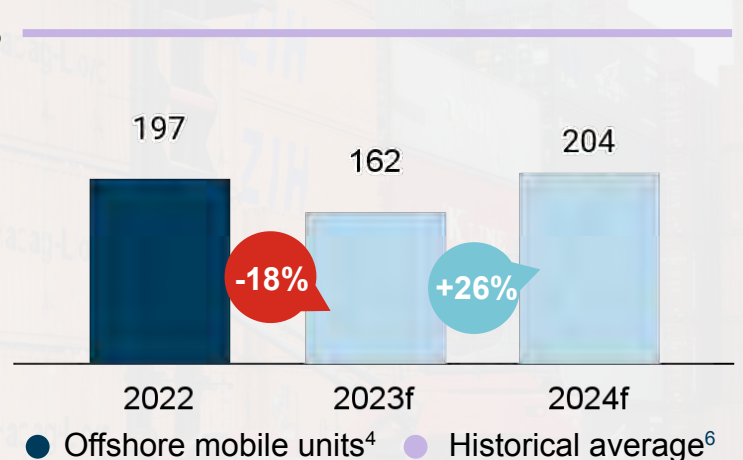
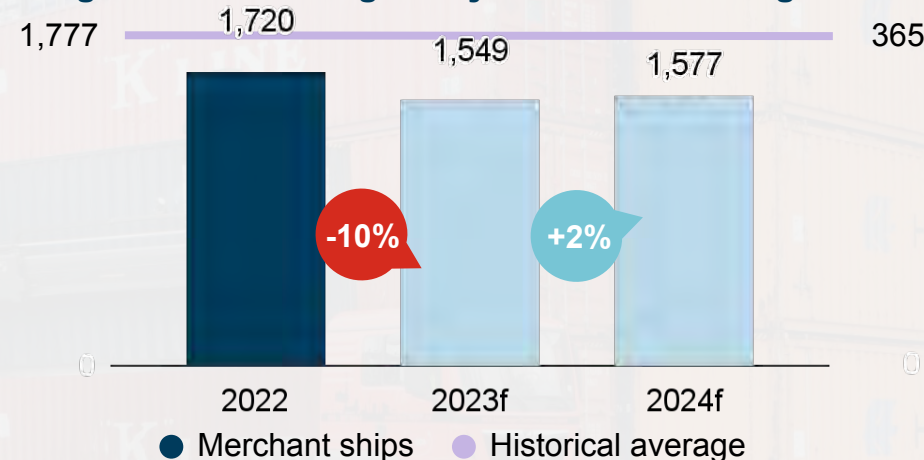
Container throughput growth<sup>2</sup>, %



Manufacturing output growth<sup>3</sup>, %



Long term contracting<sup>4</sup> – Key driver for MacGregor



1.IMF, 2.Drewry, 3.Oxford Economics Global Sector Outlook Q3/2022, 4.Clarkson



# Key financial figures

	Q3/23	Q3/22	Change	Q1-Q3/23	Q1-Q3/22	Change
Orders received, MEUR	<b>914</b>	1,147	-20%	<b>2,972</b>	3,672	-19%
Order book, MEUR	<b>3,065</b>	3,732	-18%	<b>3,065</b>	3,732	-18%
Sales, MEUR	<b>1,102</b>	1,041	6%	<b>3,375</b>	2,850	18%
Comparable operating profit, MEUR	<b>131</b>	89	48%	<b>402</b>	232	74%
Comparable operating profit, %	<b>11.9%</b>	8.6%	330bps	<b>11.9%</b>	7.9%	400bps
Items affecting comparability, MEUR	<b>9</b>	-39	>100%	<b>-7</b>	-97	92%
Operating profit, MEUR	<b>140</b>	50	>100%	<b>395</b>	135	>100%
Operating profit, %	<b>12.7%</b>	4.8%	790bps	<b>11.7%</b>	4.7%	700bps
Profit for period, MEUR	<b>107</b>	29	>100%	<b>287</b>	91	>100%
Basic earnings per share, EUR	<b>1.66</b>	0.45	>100%	<b>4.46</b>	1.41	>100%
Earnings per share, EUR*	<b>1.56</b>	0.87	79%	<b>4.55</b>	2.24	>100%
ROCE, %**	<b>14.8%</b>	5.8%	900bps	<b>14.8%</b>	5.8%	900bps