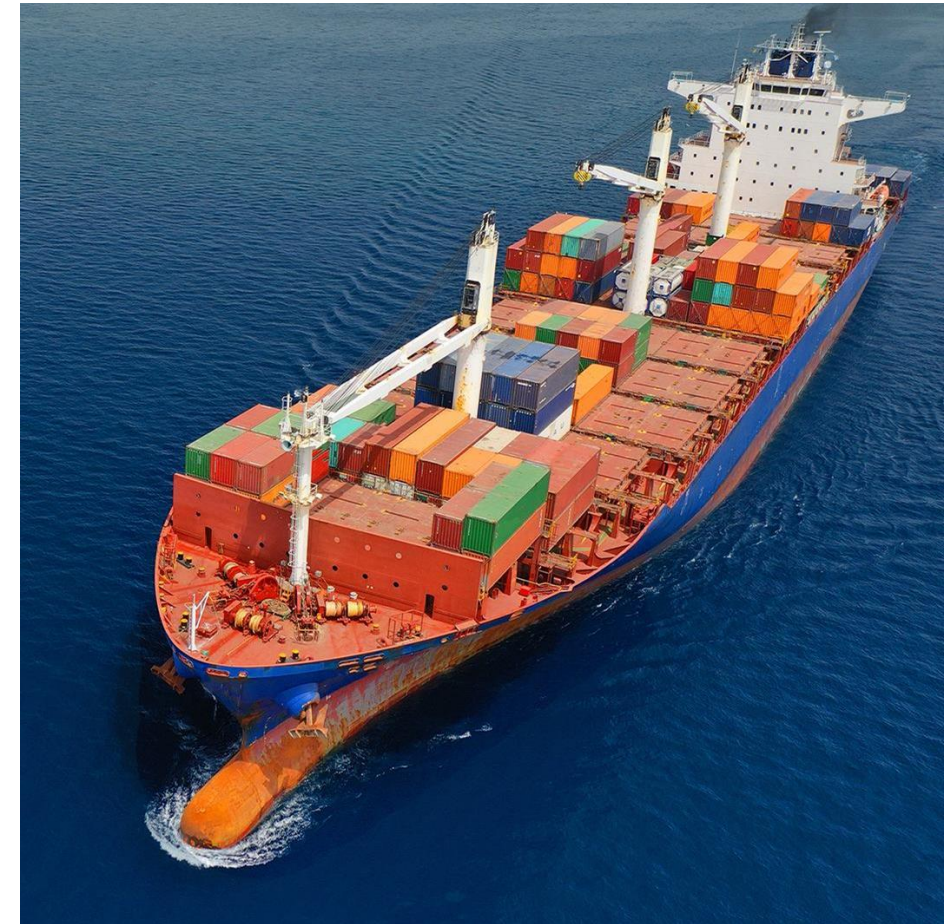


# Disclaimer

This report provides estimates on future prospects involving risk and uncertainty factors, and other factors as a result of which the performance, operation or achievements of Cargotec may substantially deviate from the estimates. Forward-looking statements relating to future prospects are subject to risks, uncertainties and assumptions, the implementation of which depends on the future business environment and other circumstances, such as the development of the coronavirus pandemic.

This presentation is to discuss Cargotec's FY 2020 results. 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. 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.



4 February 2021

# Good performance in an exceptional year

Cargotec's financial statements review 2020

Mika Vehviläinen, CEO • Mikko Puolakka, CFO

- Positive trend continued since May
- Satisfactory comparable operating profit margin
- Service business resilient
- Share of eco-efficiency sales increased
- Merger with Konecranes resolved by EGM

# Contents

- 2020 Highlights
- Market environment
- Group level development
- Business areas
- Financials, dividend proposal and outlook



# Highlights of 2020 – We secured our profitability in exceptional year

**Orders received** decreased by 16%

- Hiab and Kalmar's mobile equipment recovered towards the end of the year
- Postponements in larger orders

**Sales** decreased by 11%

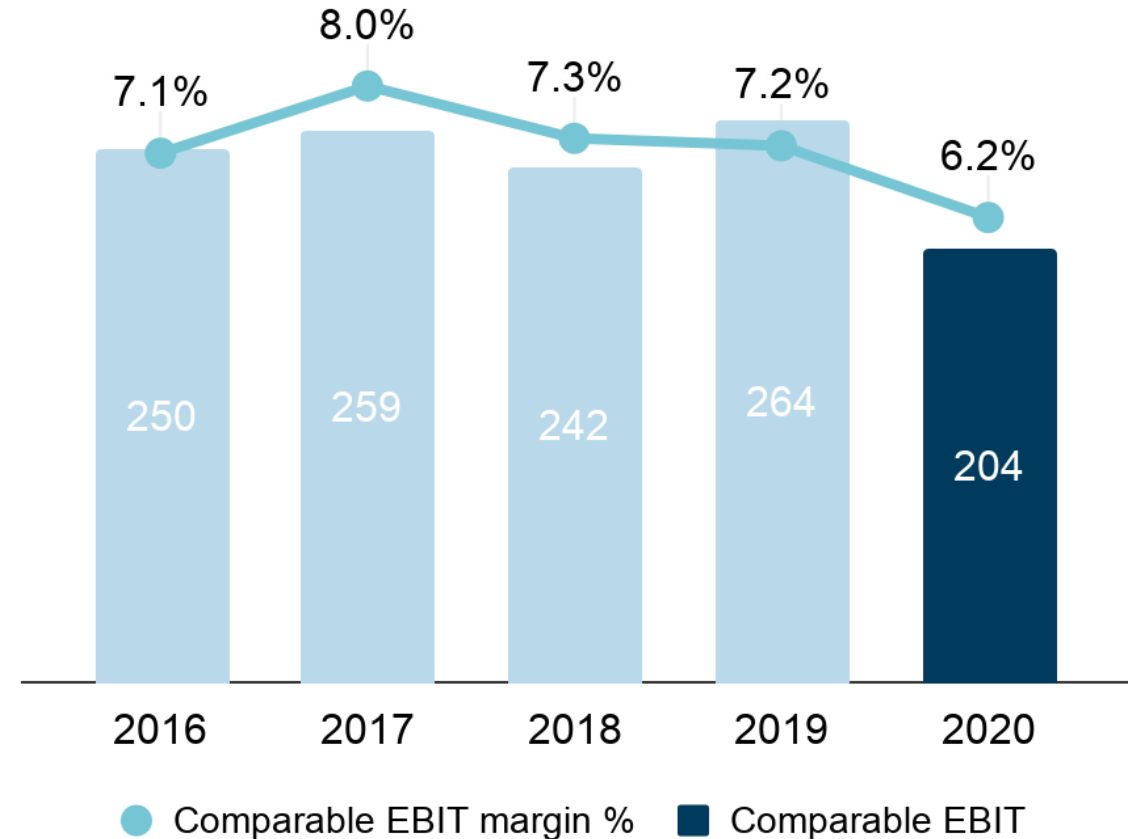
- Driven **by decline** in Hiab and Kalmar's mobile equipment
- Service sales resilient
- Share of eco-efficiency sales increased to 24%

**Comparable operating profit**

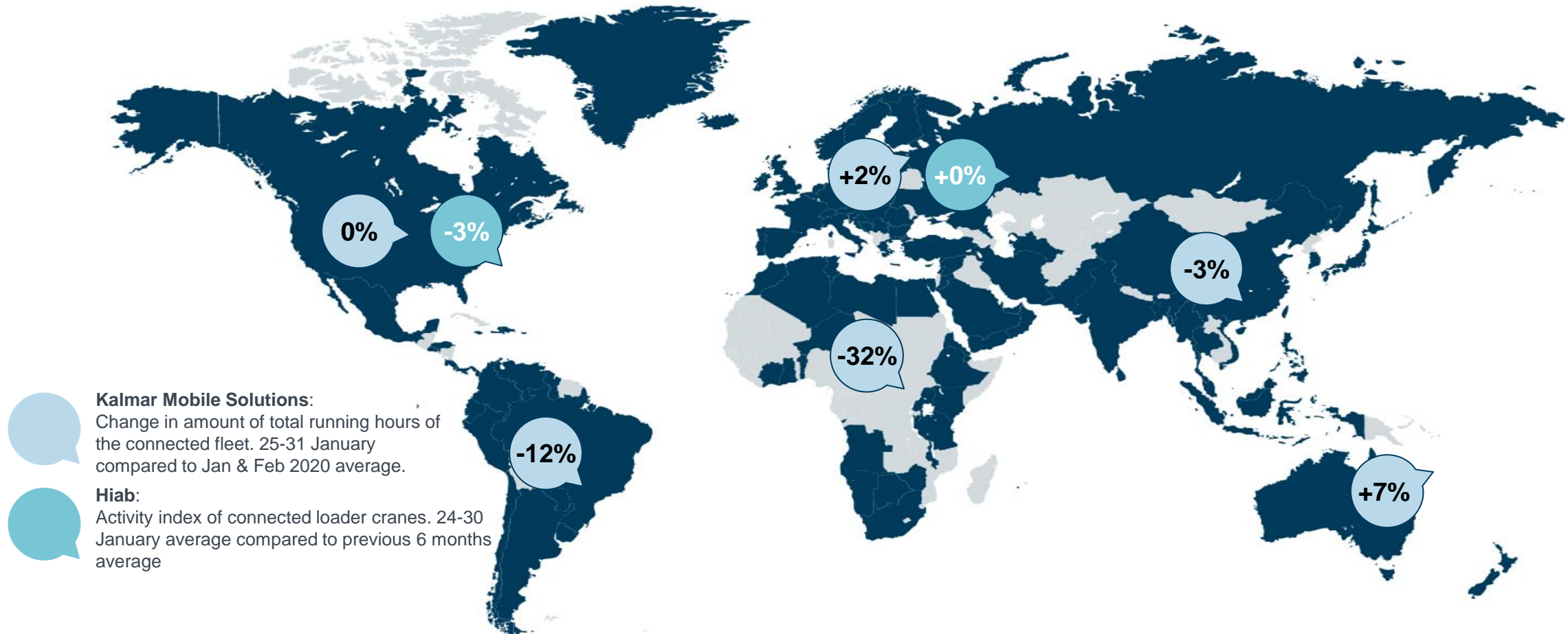
decreased by 23%

- Kalmar -45 MEUR
- Hiab -44 MEUR
- MacGregor +24 MEUR

**R&D investments** increased to MEUR 105



# Kalmar's equipment running hours in Europe above pre-covid level



**Kalmar Mobile Solutions:**  
Change in amount of total running hours of the connected fleet. 25-31 January compared to Jan & Feb 2020 average.

**Hiab:**  
Activity index of connected loader cranes. 24-30 January average compared to previous 6 months average

# Market environment

Number of containers handled back on growth track

- Q4 container throughput +2.9%
- FY 2021 estimate +8.9%

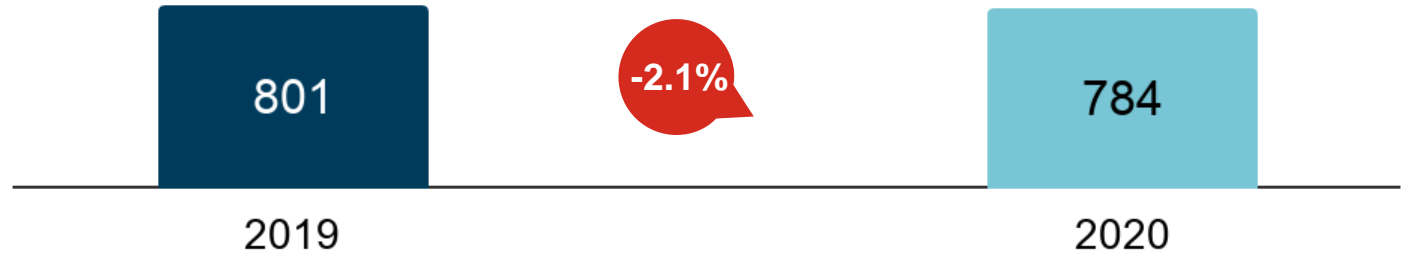
Construction activity is expected to increase in 2021

- +7.6% in Europe
- +7.8% in the US

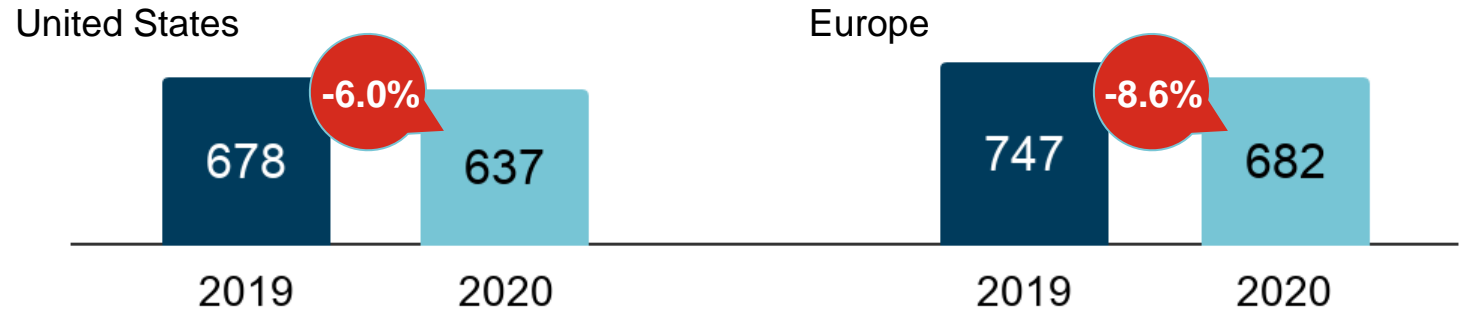
Challenging market situation continues for MacGregor

- Merchant and Offshore oil & gas vessel orders clearly below historical average
- 2021 Merchant vessel contracting estimate is 895<sup>3</sup>
- Offshore wind estimated to grow

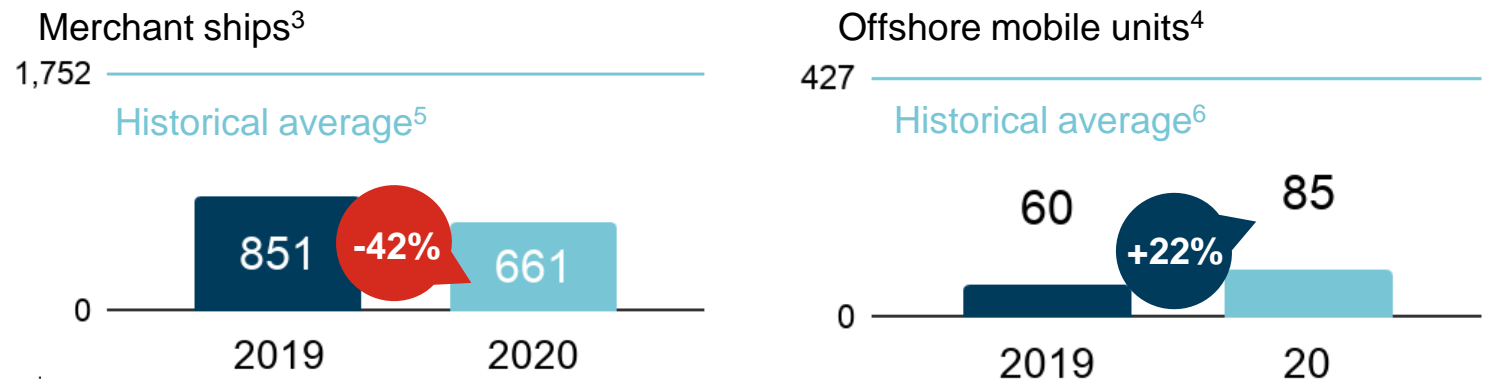
Global container throughput<sup>1</sup> – Key driver for Kalmar



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



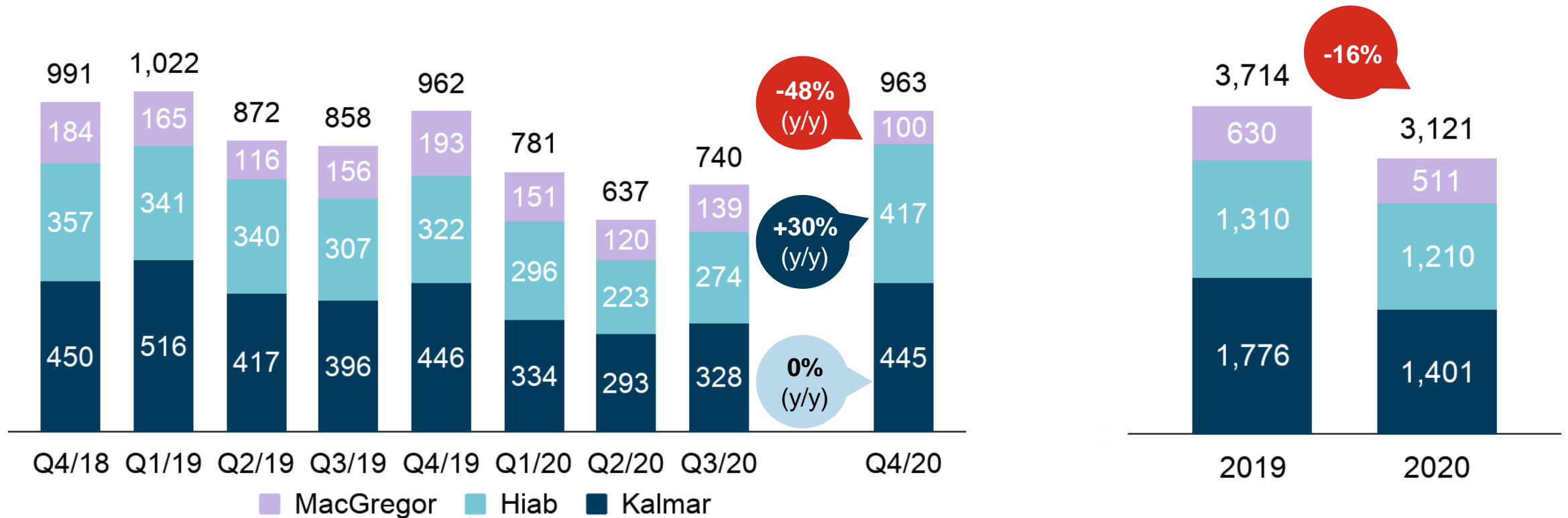
Long term contracting – Key driver for MacGregor



1) MTEU, Source: Drewry  
 2) EUR billion, Source: Oxford Economics  
 3) > 2,000 dwt/gt (excl. ofs & misc), Source: Clarkson Research  
 4) Source: Clarkson Research  
 5) Indicative 1996-2019 average  
 6) Indicative 2009-2019 average

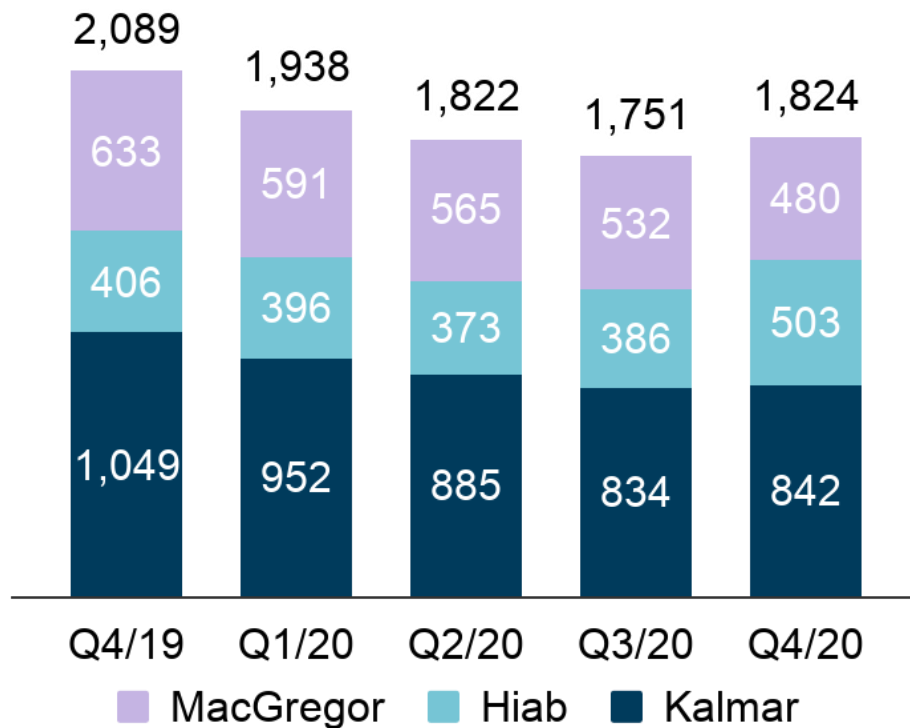
# Strong orders received in Hiab's and in Kalmar's smaller equipment in Q4

MEUR

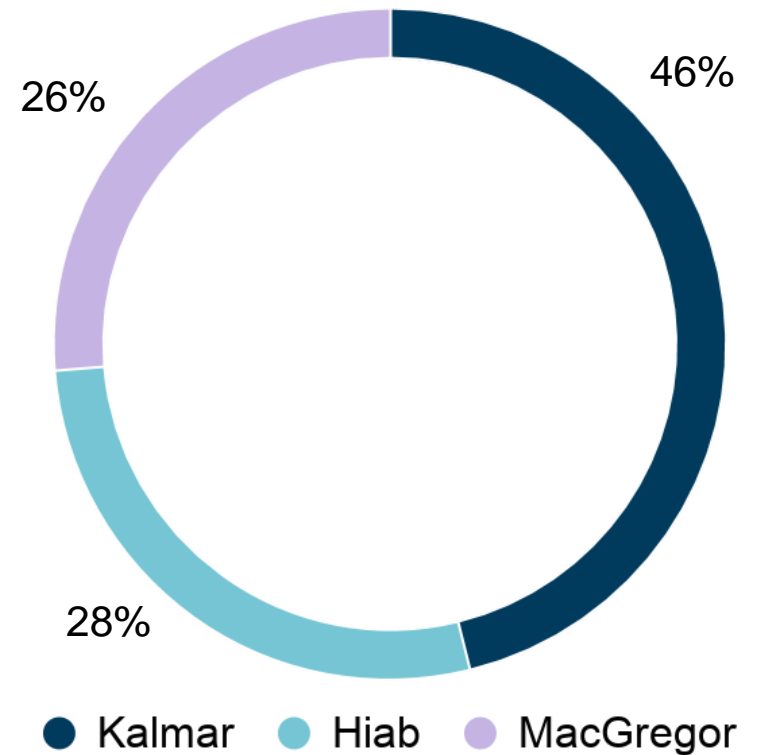


# Order book grew from the third quarter

Order book  
MEUR



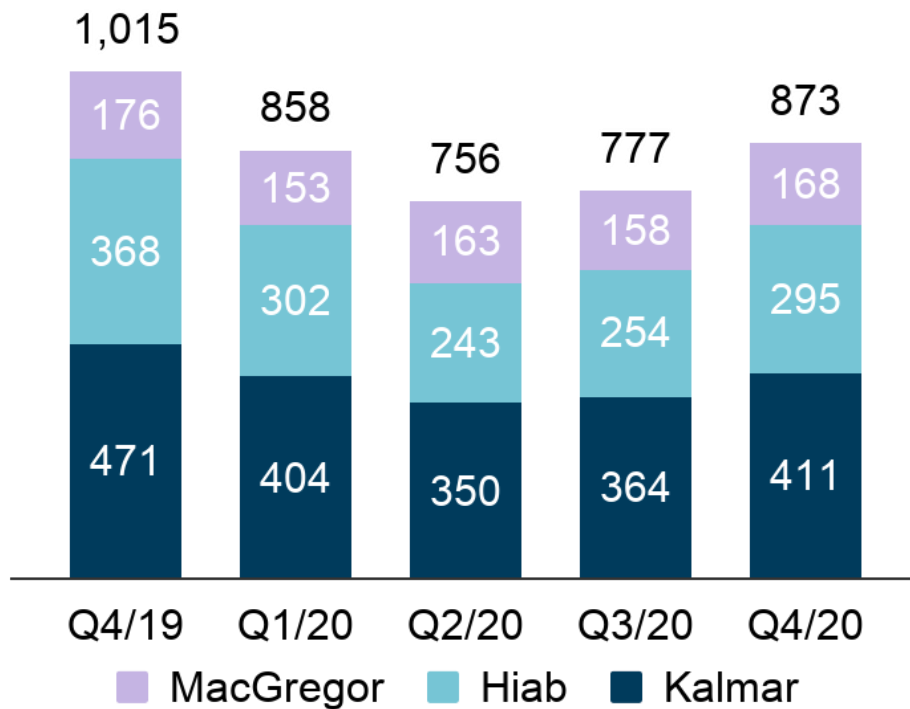
Order book by reporting  
segment, 31 Dec 2020



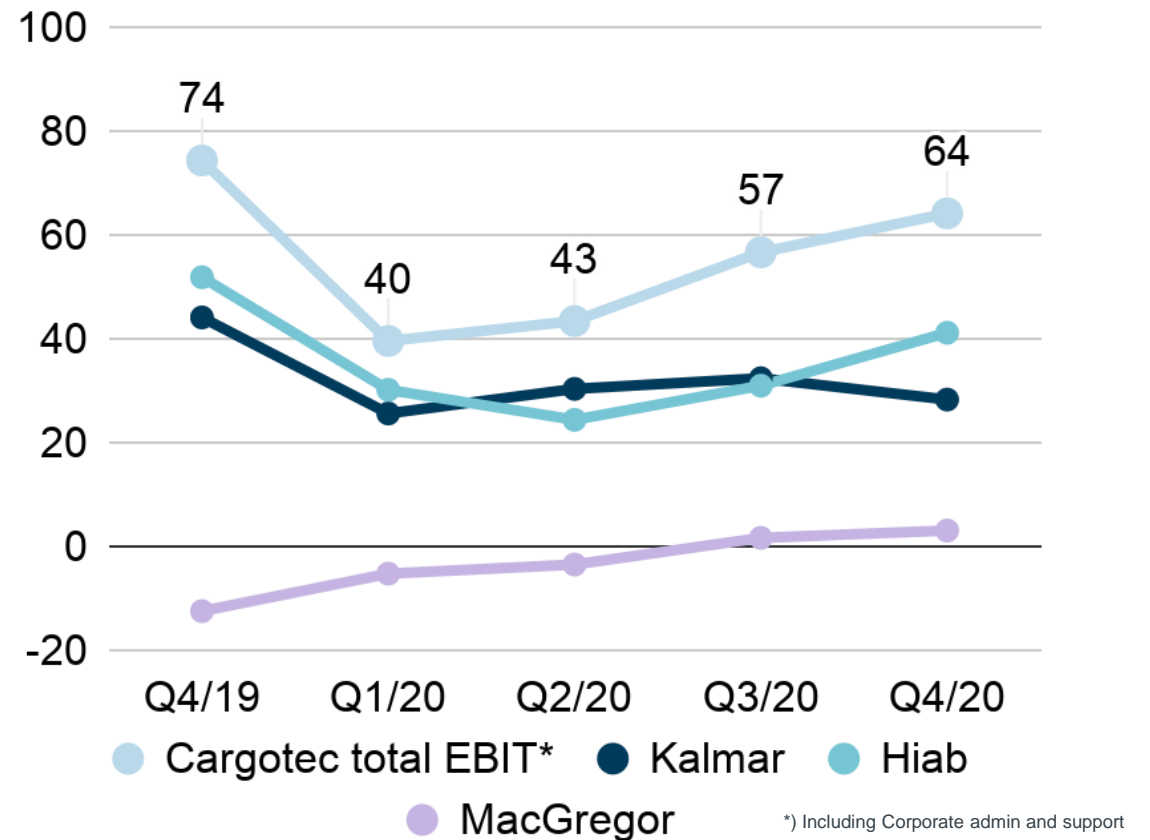


# Recovery continued in sales and comparable operating profit - Q4 the strongest quarter in 2020

## Sales MEUR



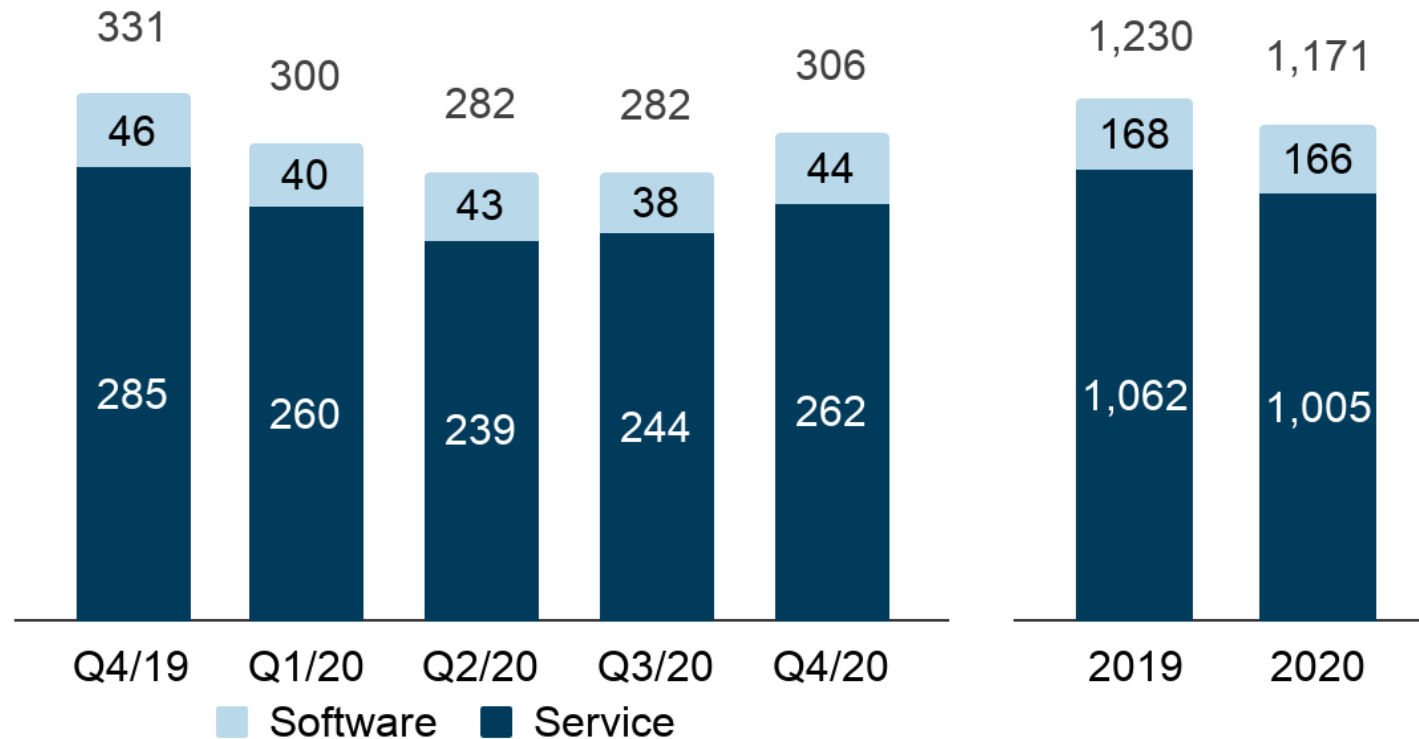
## Comparable operating profit MEUR



# Service and software business resilient

## Service and software\* sales

MEUR



Q4/2020 service sales -8%

- Kalmar -4%
- Hiab -5%
- MacGregor -18%

Software sales -5% in Q4/2020

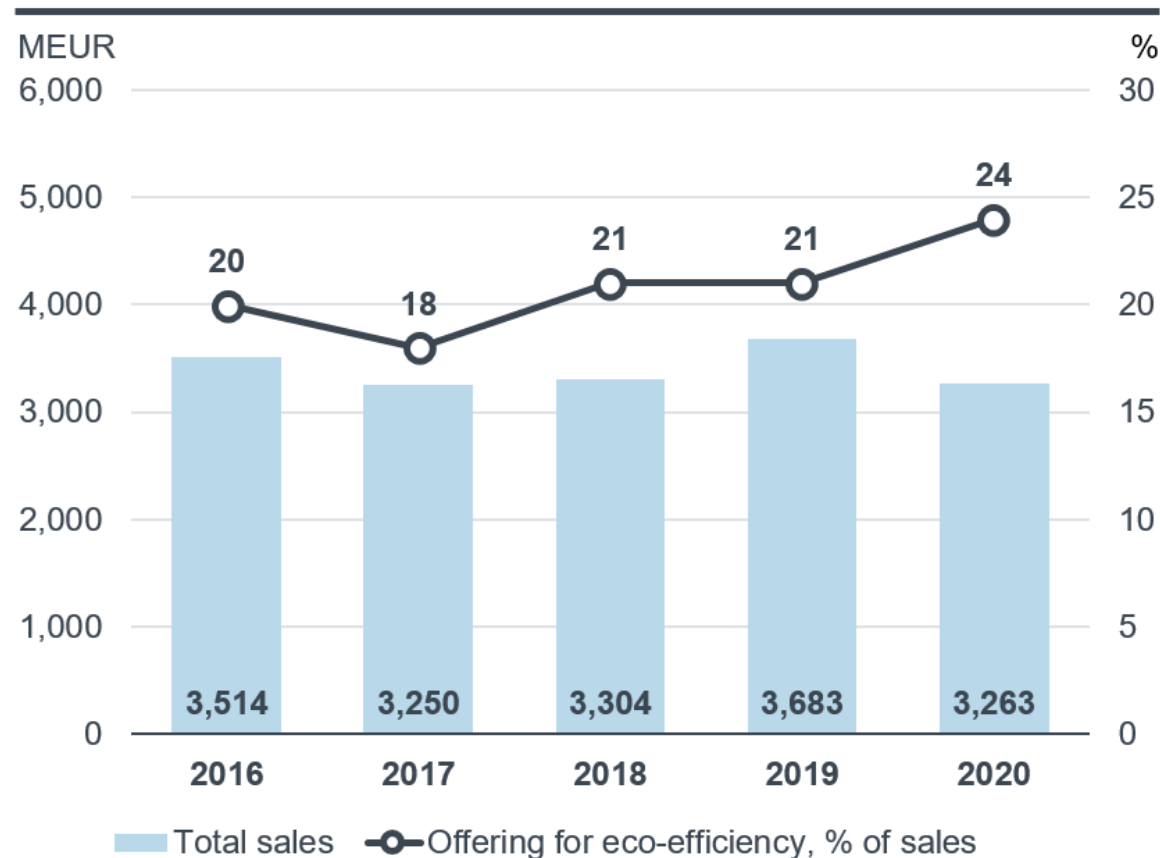
Service and software 35% of total sales

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

# Share of eco-efficiency portfolio sales increased to 24%

- Share of eco-efficiency sales increased in all business areas
- 2021 sales growth target already achieved
- Examples of orders announced in 2020:
  - 20 hybrid shuttle carriers to Port of Virginia
  - 8 fully electric medium forklift trucks to Austrian VM-HOLZ
- New product launches:
  - World's first all electric 3-wheel drive truck mounted forklift
  - Containerised ChargePod
  - Kalmar's entire portfolio becomes available as electrically powered by end of 2021

OFFERING FOR ECO-EFFICIENCY



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

# Business areas

Cargotec's financial statements  
review 2020



# Kalmar Q4 – Good progress in Mobile Equipment

Strong orders in Mobile Equipment offset by decline in Automation & Projects

Sales decreased by 13%

- Increase in Automation & Projects
- Decrease in Mobile Equipment
- Service and software resilient

Comparable operating profit decreased

- Negative sales mix
- Lower sales

On 3 Dec, BoD decided to initiate the sales process of Navis

MEUR	Q4/20	Q4/19	Change
Orders received	445	446	0%
Order book	842	1,049	-20%
Sales	411	471	-13%
Comparable operating profit	28	44	-36%
Comparable operating profit margin	6.9%	9.4%	-250bps



# Hiab Q4 – All time high in orders received

Orders received and order book surged

Sales decreased by 20%

- Service sales -5%

Comparable operating profit decreased due to lower sales

Comparable operating profit margin remained stable

- Cost savings
- Price increases

MEUR	Q4/20	Q4/19	Change
Orders received	<b>417</b>	322	30%
Order book	<b>503</b>	406	24%
Sales	<b>295</b>	368	-20%
Comparable operating profit	<b>41</b>	52	-21%
Comparable operating profit margin	<b>13.9%</b>	14.1%	-20bps



# MacGregor Q4 – Navigating the difficult market situation

Orders received decreased in Merchant, Offshore and Services

Sales decreased by 5%

- Service sales -18%

Comparable operating profit above break-even

- Productivity improvements and TTS synergies
- Increased gross margins

Productivity improvements ongoing

- 20 MEUR of cost savings achieved in 2020
- 2021 target increased to 13 MEUR

MEUR	Q4/20	Q4/19	Change
Orders received	<b>100</b>	193	-48%
Order book	<b>480</b>	633	-24%
Sales	<b>168</b>	176	-5%
Comparable operating profit	<b>3</b>	-13	124%
Comparable operating profit margin	<b>1.8%</b>	-7.1%	890bps



# Financials, dividend proposal and outlook

Cargotec's financial statements  
review 2020





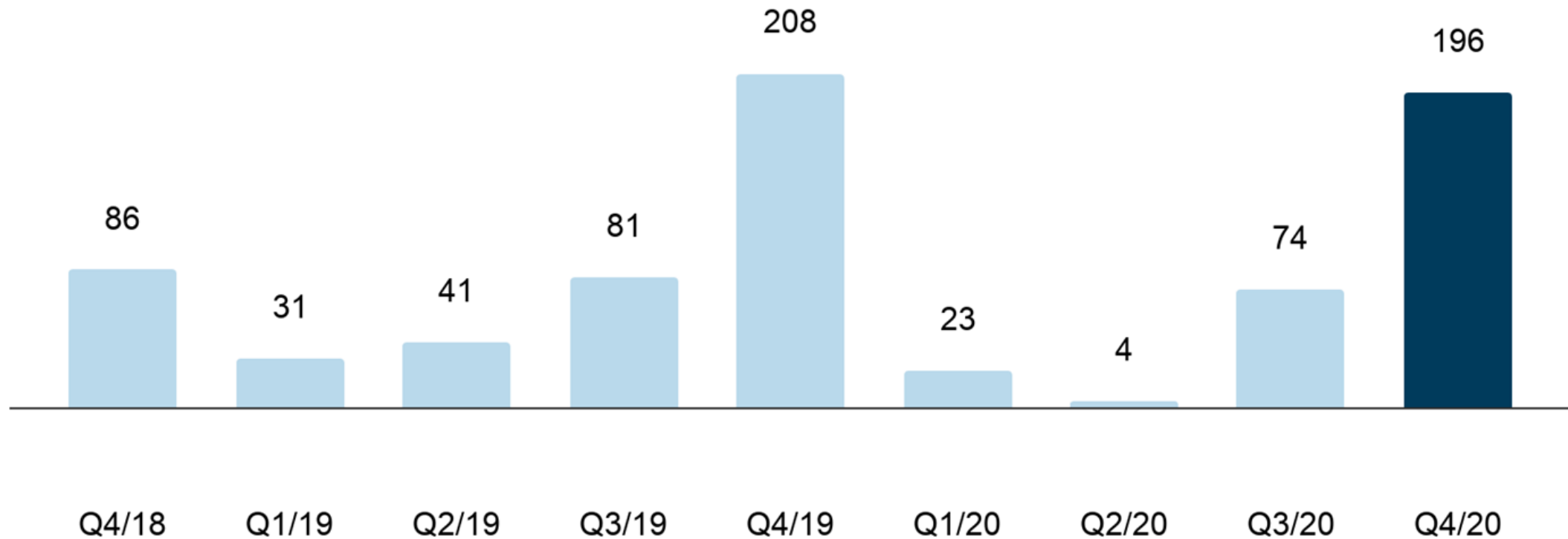
# Key figures – Relative profitability at the comparison period's level in Q4

	Q4/20	Q4/19	Change	2020	2019	Change
Orders received, MEUR	<b>963</b>	962	0%	<b>3,121</b>	3,714	-16%
Order book, MEUR	<b>1,824</b>	2,089	-13%	<b>1,824</b>	2,089	-13%
Sales, MEUR	<b>873</b>	1,015	-14%	<b>3,263</b>	3,683	-11%
Comparable operating profit, MEUR	<b>64</b>	74	-14%	<b>204</b>	264	-23%
Comparable operating profit, %	<b>7.3%</b>	7.3%	0bps	<b>6.2%</b>	7.2%	-100bps
Items affecting comparability, MEUR	<b>-47</b>	-56	17%	<b>-133</b>	-84	-58%
Operating profit, MEUR	<b>18</b>	18	-2%	<b>70</b>	180	-61%
Operating profit, %	<b>2.0%</b>	1.8%	20bps	<b>2.2%</b>	4.9%	-270bps
Net income, MEUR	<b>7</b>	0	>100%	<b>8</b>	89	-91%
Earnings per share, EUR	<b>0.10</b>	-0.00	>100%	<b>0.13</b>	1.39	-91%
Earnings per share, EUR*	<b>0.63</b>	0.51	21%	<b>1.39</b>	2.19	-36%
ROCE, %**	<b>2.8%</b>	7.3%	-450bps	<b>2.8%</b>	7.3%	-450bps

# Strong cash flow supported by net working capital reduction

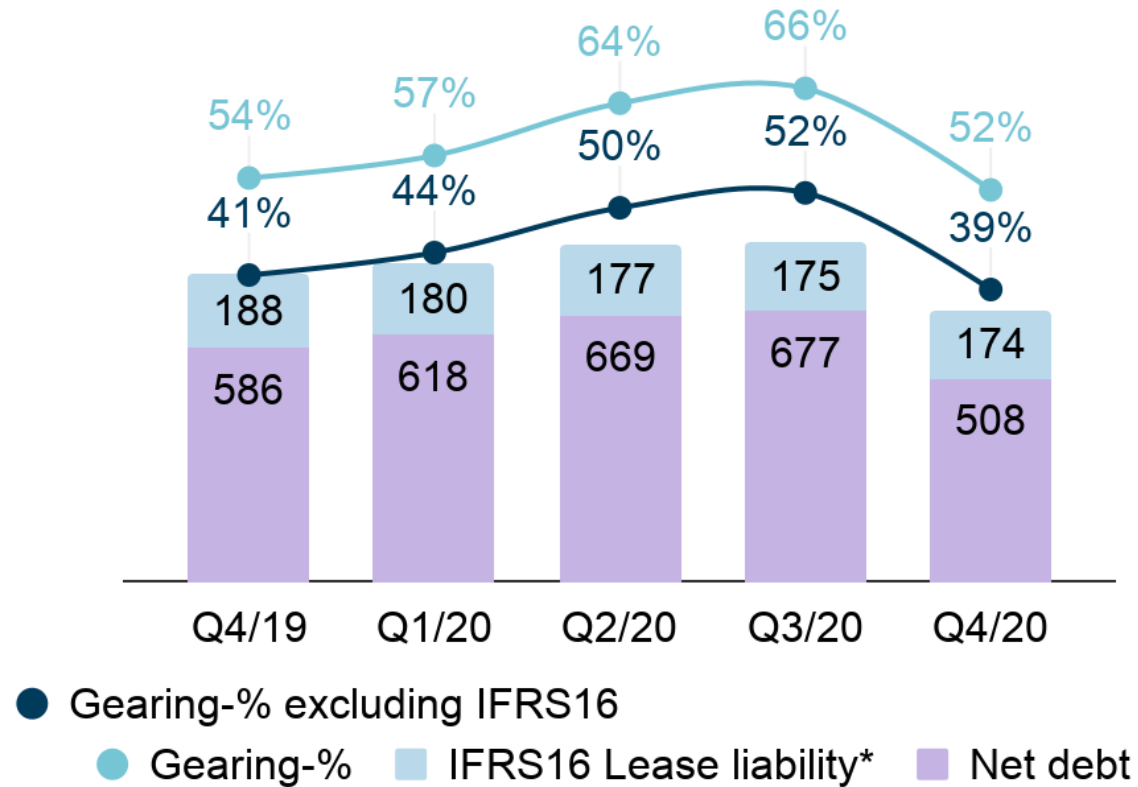
Cash flow from operations before financing items and taxes

MEUR

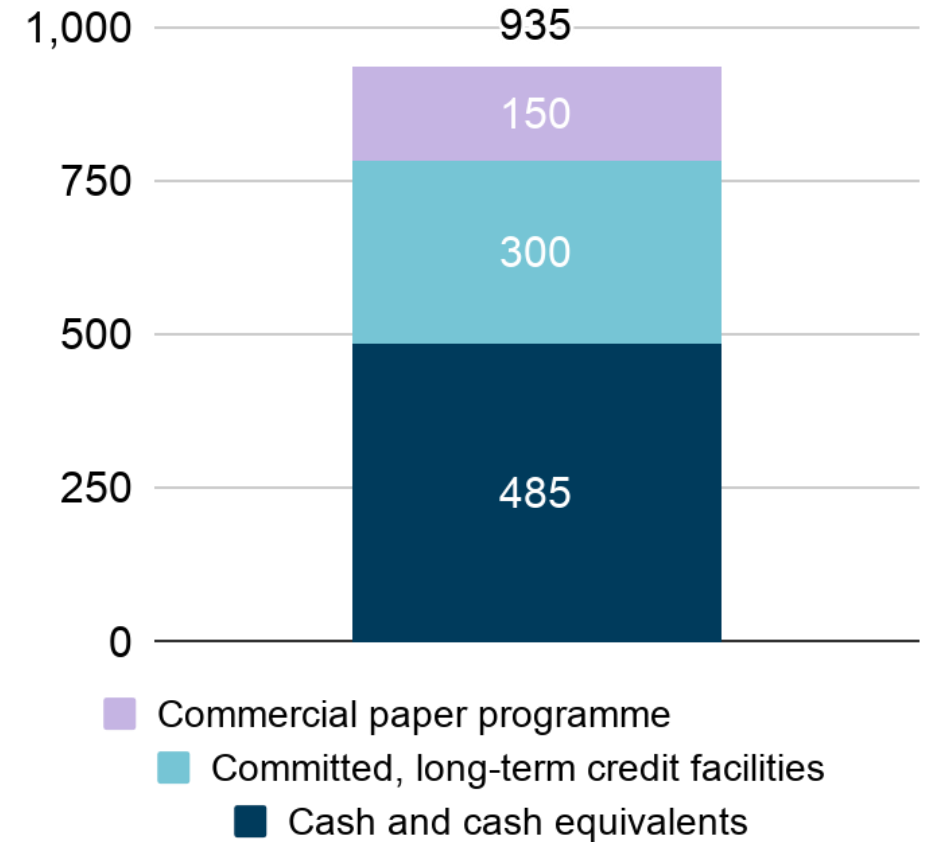


# Strong financial position and liquidity

## Net debt & gearing MEUR



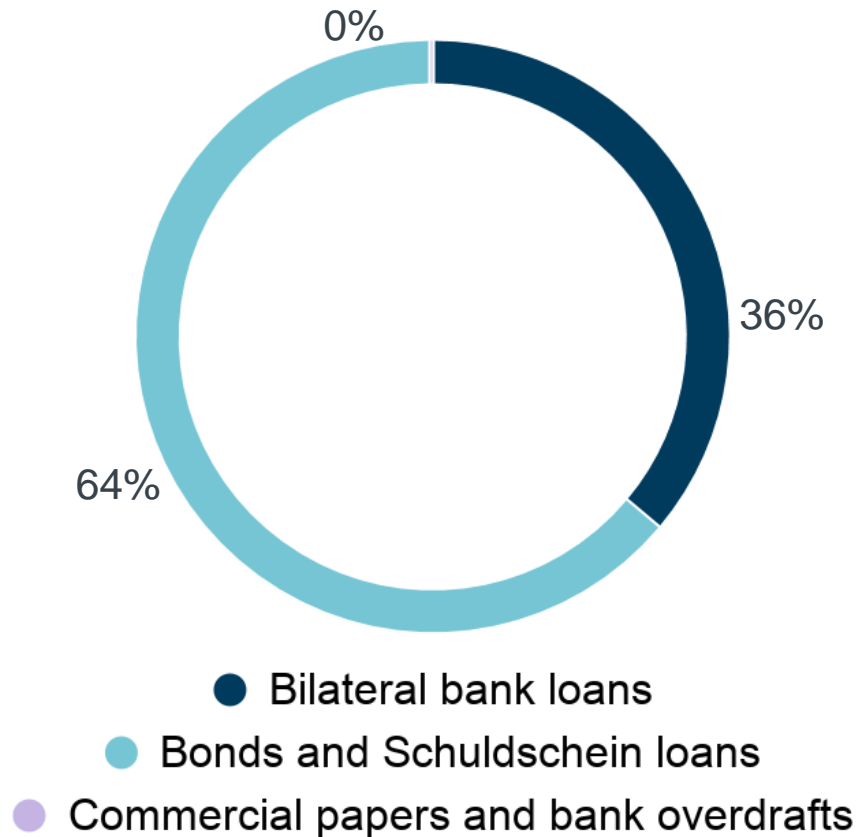
## Total liquidity, 31 December 2020



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

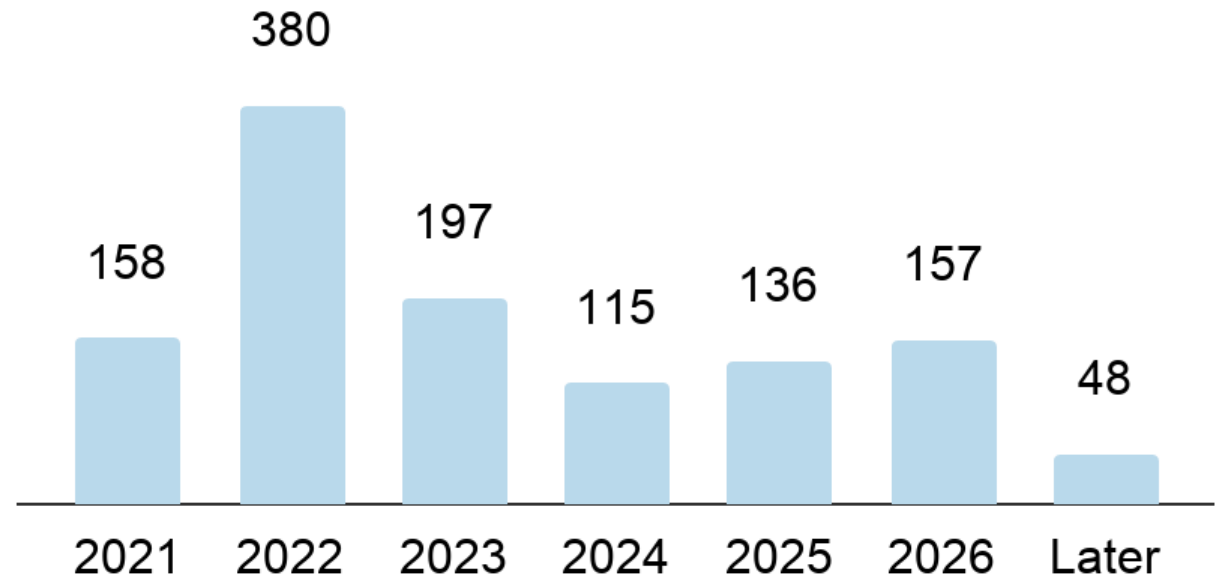
# Balanced debt portfolio

Loan structure, 31 December 2020



Repayment schedule of interest-bearing liabilities

MEUR



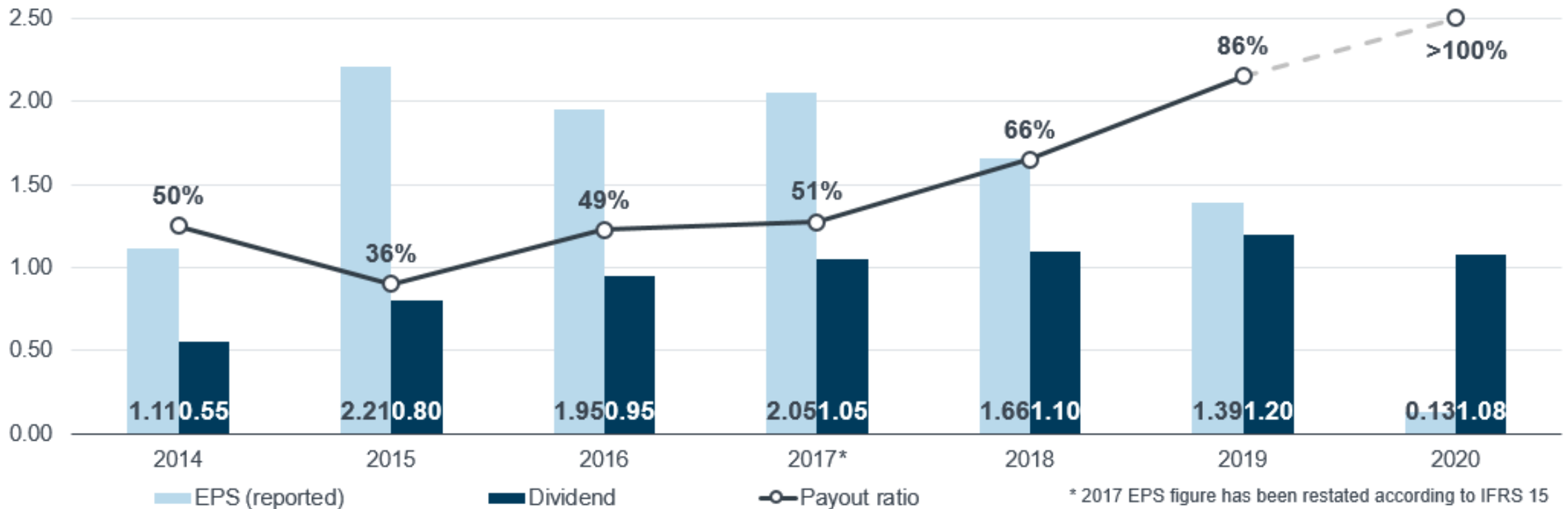
# Dividend of 1.08 EUR in 2020

Maximum of EUR 70 million profit distribution agreed in the merger plan

Cargotec's Board of Director's proposes to the AGM to be held on 23 March 2021:

- Dividend of 1.08 per class B share
- Record date 25 March 2021
- Payment date 1 April 2021

Calculated from EPS excl. items affecting comparability, maximum payout ratio for 2020 is 78%



# Outlook for 2021

Cargotec estimates 2021 comparable operating profit to improve compared to 2020 (EUR 228 million\*)



\*Cargotec changed the definition of the alternative performance measure comparable operating profit starting from 1 January 2021 to align it with the definition used in the merger prospectus. In addition to the items significantly affecting comparability, the restated comparable operating profit will also exclude the impacts of the purchase price allocation, which amounted to EUR 24 million in 2020. Comparison figure has been calculated based on the new definition. Restatement for 2020 figures will be published before Q1/21 result announcement.



# 1.5

**DEGREE  
COMPANY**

Let's reduce CO<sub>2</sub> emissions at least 50 percent by 2030.  
This is critical for limiting global warming to 1.5 degrees.

