

Investor presentation, April 2021

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.

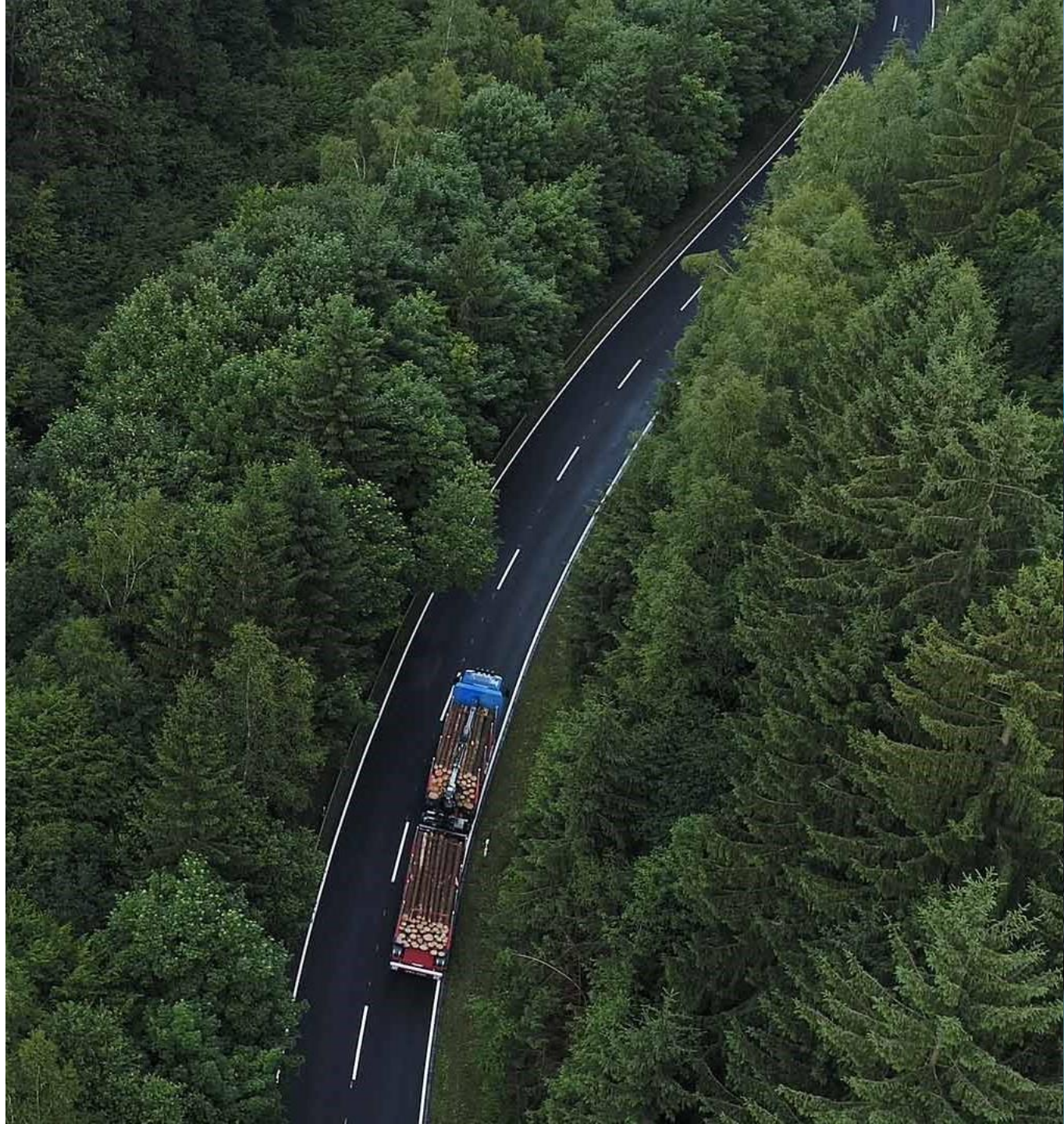
All the discussion topics presented during the session and in the attached material are still in the planning phase. The final impact on the personnel, for example on the duties of the existing employees, will be specified only after the legal requirements of each affected function/ country have been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

Merger with Konecranes

On 1 October 2020, Cargotec and Konecranes [announced](#) that their respective Boards of Directors have signed a combination agreement and a merger plan to combine the two companies through a merger. Read more on the merger website www.sustainablematerialflow.com



Why invest in Cargotec?



♥ Our target:
To become the leader in intelligent cargo handling

Every 4th container in the WORLD is moved by Kalmar solution

♥ Several favorable megatrends support our growth prospects

- DIGITALISATION
- GLOBALISATION
- TRADE GROWTH
- URBANISATION
- GROWING MIDDLE CLASS

CONTAINER TRAFFIC
PORT AUTOMATION

MARKET POSITION
#1, #2
IN MAJOR SEGMENTS

CONSTRUCTION ACTIVITY

MARKET POSITION
#1, #2
IN MAJOR SEGMENTS

SHIP BUILDING

MARKET POSITION
#1, #2
IN MAJOR SEGMENTS

Every other ship in the WORLD has MacGregor equipment on board

♥♥ We have strong brands and a loyal global customer base



● Transformation from equipment provider into a leader in intelligent cargo handling



● Unique position to benefit from the growth prospects in port automation and software



Currently, only 40 of the world's 1200 terminals are automated or semi-automated. Port automation increases energy and cost efficiency as well as employee safety.

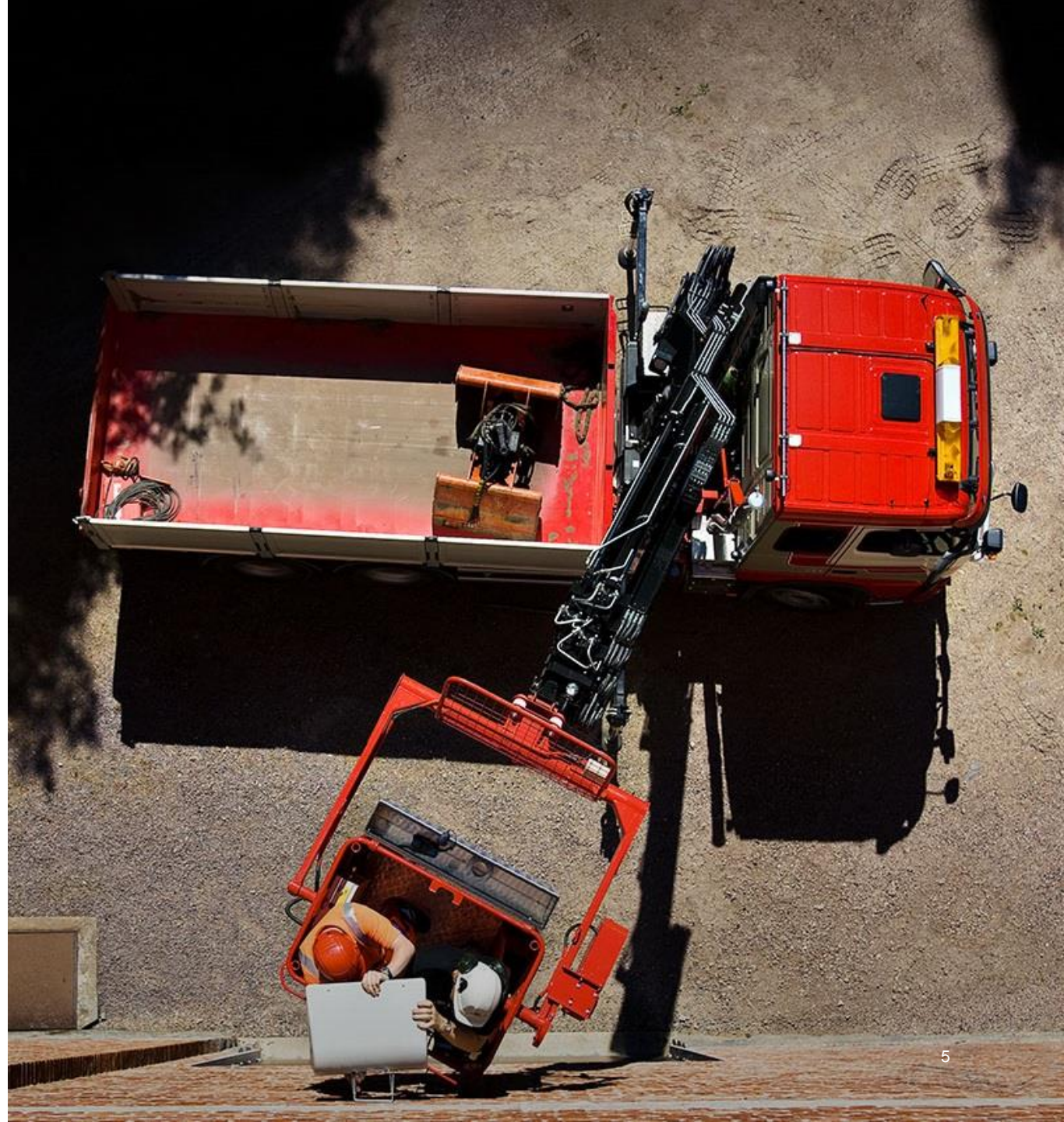
● Growing services and software business increase stability of our business

€ Financial targets

- Grow faster than the market
- Increase service and software sales to 40% of net sales, min. EUR 1.5 billion in 3-5 years
- Target 10% operating profit and 15% ROCE in 3-5 years
- Target gearing <50% and increasing dividend in the range of 30-50% of EPS, to be paid twice a year

Content

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



Cargotec in brief



Strong global player with well-balanced business

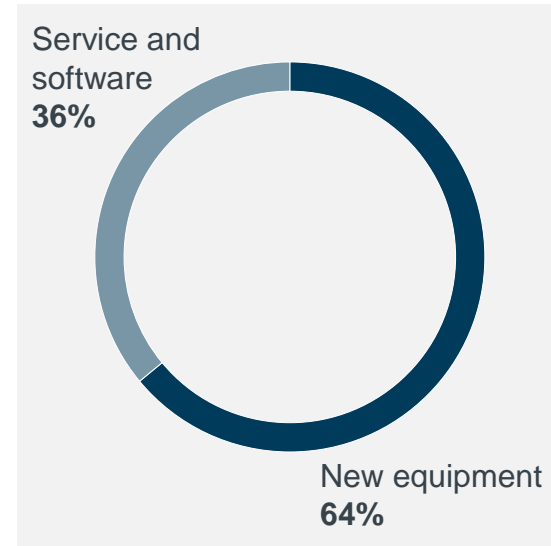
Sales:
EUR 3,263 million
EBIT: 6.2%

Kalmar
 Sales: **EUR 1,529 million**
 EBIT: **7.6%** (EUR 116 million)

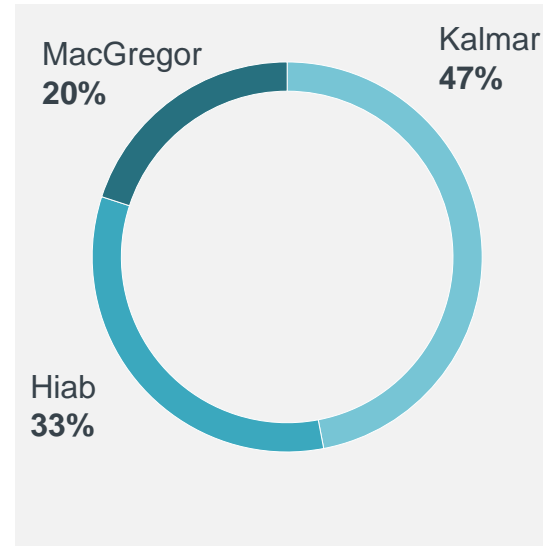
Hiab
 Sales: **EUR 1,094 million**
 EBIT: **11.6%** (EUR 126 million)

MacGregor
 Sales: **EUR 642 million**
 EBIT: **-0.7%** (EUR -4 million)

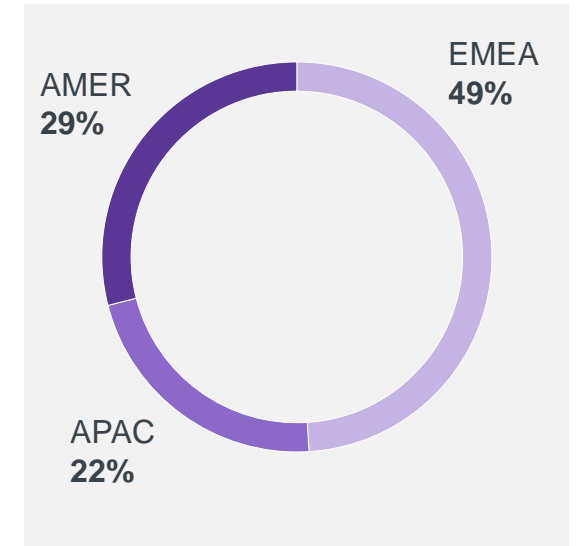
Sales split: new equipment vs service and software



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



KONGSBERG

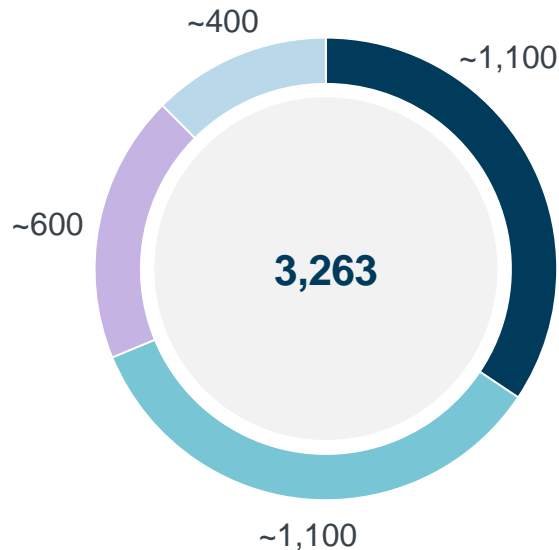
Other competitors



Currently two businesses performing well

Net sales Q4/2020, LTM*

EUR million **



- Kalmar equipment & service
- Hiab
- Kalmar APD and software
- MacGregor

	Trend in orders, LTM	Profitability: comparable EBIT margin, LTM
Kalmar software (Navis) and Automation and Projects division	↘	Low profitability
MacGregor	-19%	-0.7%
Hiab	-8%	11.6%
Kalmar equipment and service (excluding Automation and Projects Division & Navis)	→	Low double digit

* LTM = Last 12 months

** Figures rounded to closest 100 million

Investment highlights



Investment highlights: Why invest in Cargotec?

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



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

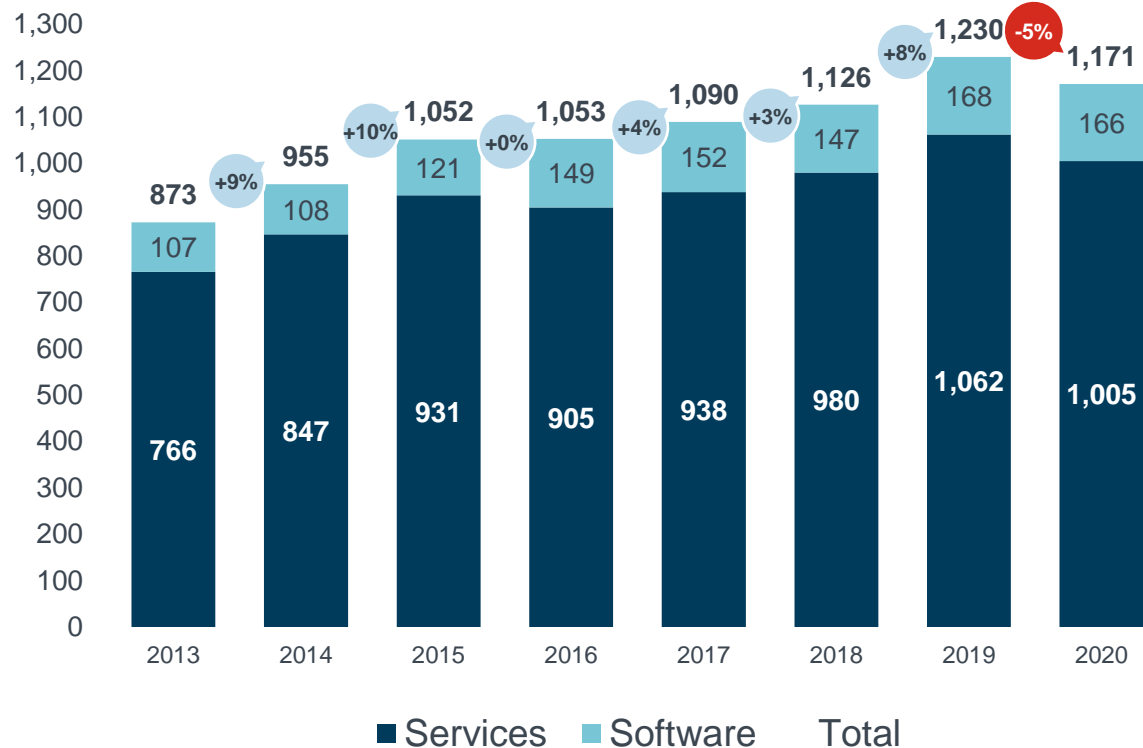
2. Our vision is to become the global leader in intelligent cargo handling

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

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*

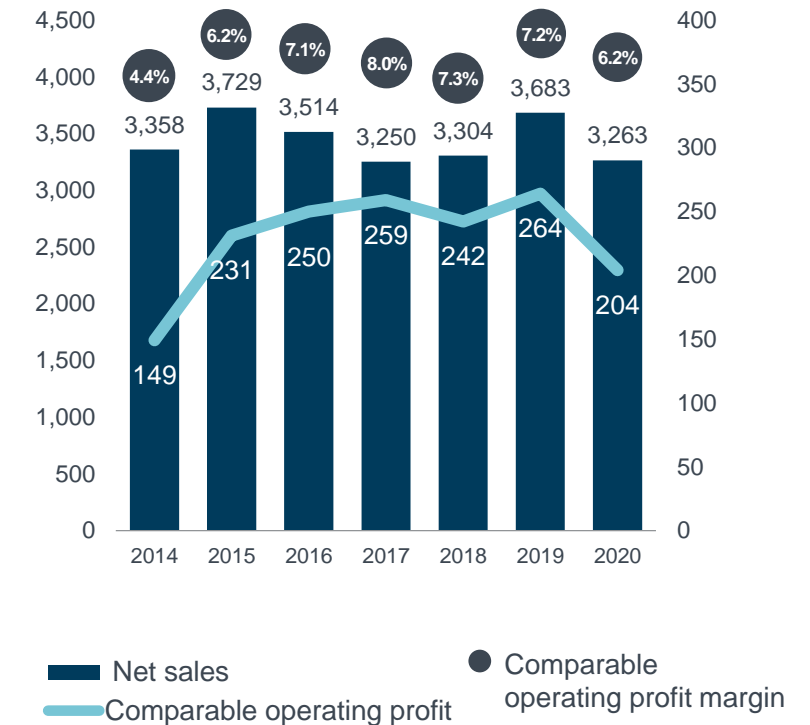
Higher service and software sales key driver for profitability improvement

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

Kalmar



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

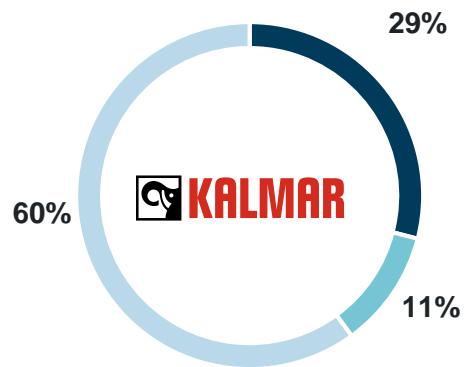
Kalmar offers cargo handling equipment and automated terminal solutions, software and services used in ports, terminals, distribution centres and various industries.

Number of personnel
5,526

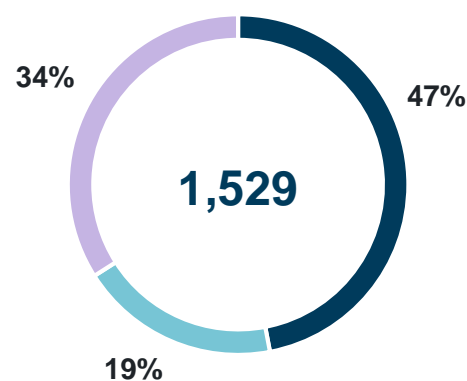
Sales
MEUR 1,529

Service and software sales
(% of sales)

Geographical sales split



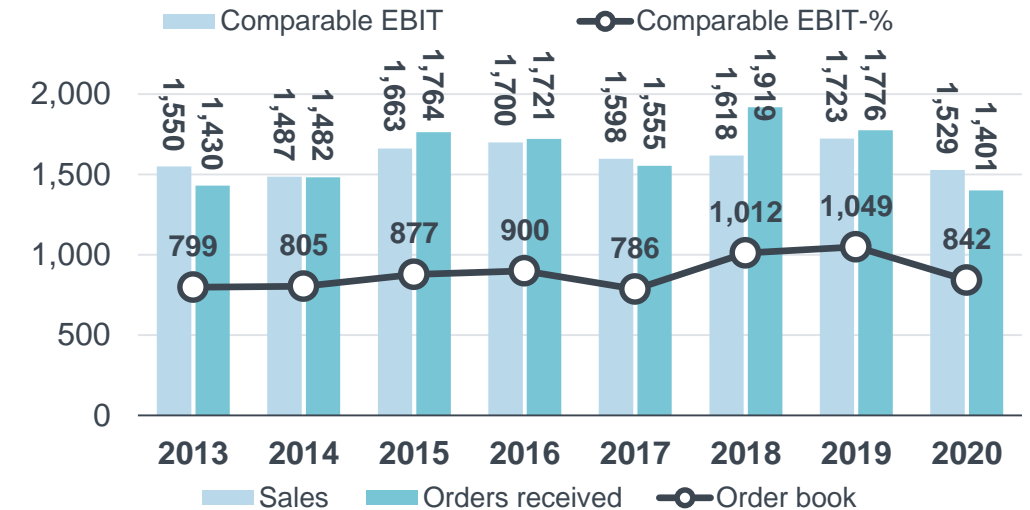
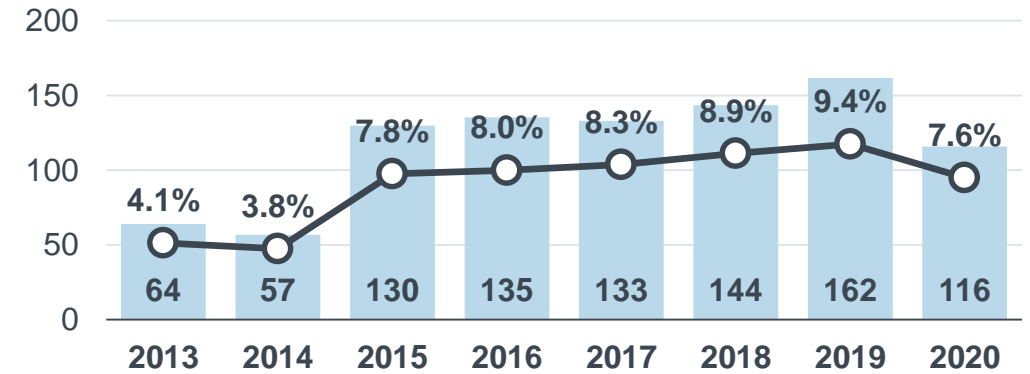
■ Service ■ Software ■ Equipment



■ EMEA ■ APAC ■ Americas

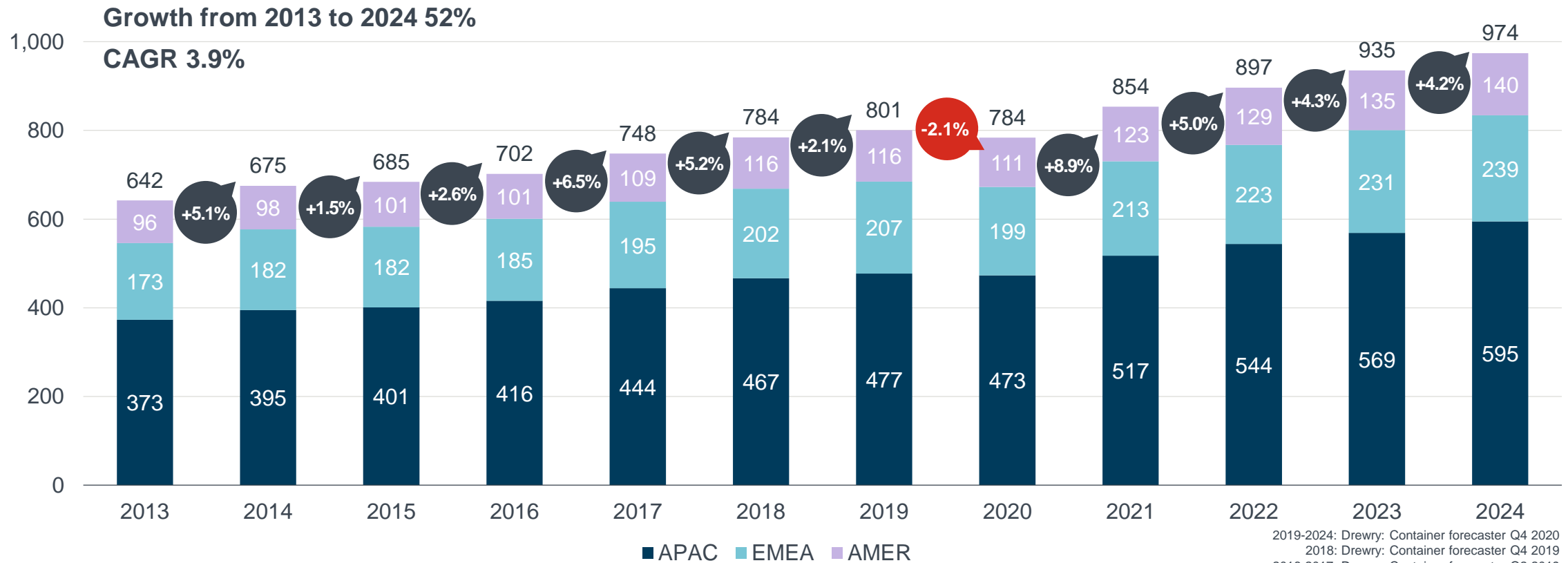
Development of historical financials

MEUR



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

TEU million



2019-2024: Drewry: Container forecaster Q4 2020
 2018: Drewry: Container forecaster Q4 2019
 2016-2017: Drewry: Container forecaster Q2 2019
 2015 Drewry: Container forecaster Q2 2018

2013-2014 Drewry Global Container Terminal Operators Annual Report 2013

Kalmar provides integrated port automation solutions also after divestment of Navis

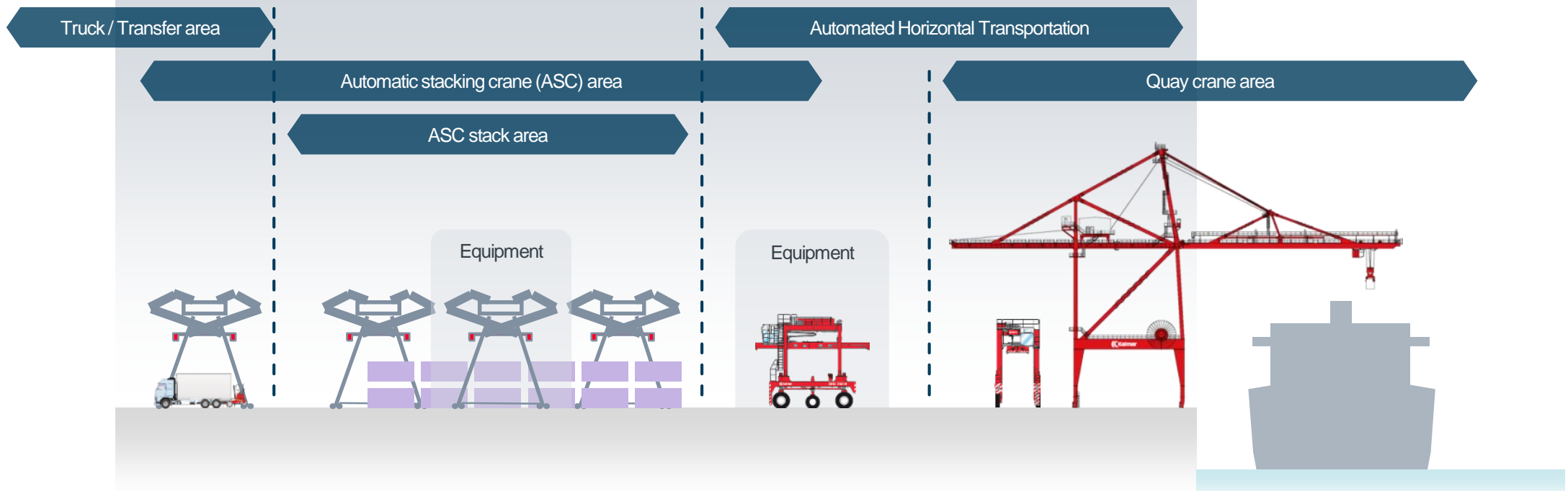
Terminal Operating System (TOS) coordinates and optimizes the planning and management of container and equipment moves



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



Terminal Logistic System (TLS)



A red Kalmar truck with a crane is lifting a white DB Schenker trailer. The truck is positioned in a yard with other containers and buildings in the background. The crane is extended upwards, holding the trailer. The DB Schenker logo is visible on the side of the trailer.

Robotics as an opportunity

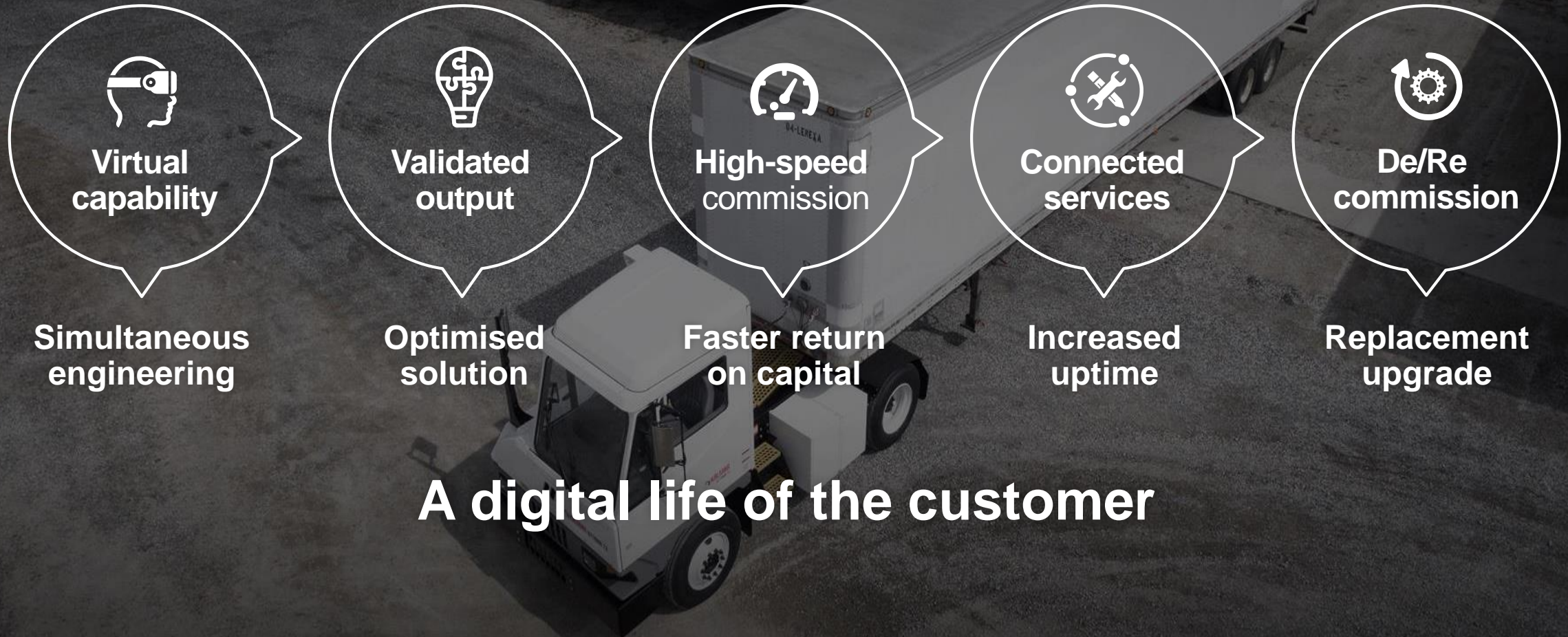
AUTOMATED SOLUTION

ROBOTICS FUNCTIONALITY

Digitalisation • Autonomous • Electrification

KALMAR EQUIPMENT

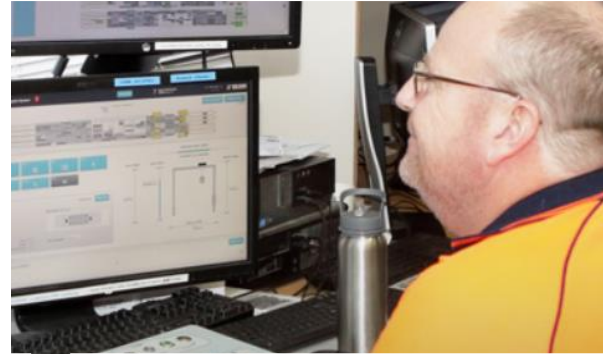
Towards new business models



Services provide our biggest medium-term growth opportunity



Equipment & Projects
20-30%



Software
20-30%



Services
3-5%

Market
share

Market
size

6B€

0.5-1B€

8B€

Automation deals highlight our successful investments in automation

Kalmar and Navis to deliver world-first intermodal automation solution to Sydney, Australia

Greenfield intermodal terminal, Qube's Moorebank Logistics Park

- First fully automated intermodal terminal in the world

Kalmar OneTerminal contract, including Navis N4 TOS

All equipment can be operated electrically on local solar power

Order value EUR 80 million, booked in Q2 2018

Fully digitalised and autonomous container handling solution with software and services to Yara

Solution enables autonomous, cost efficient and emission-free operations of the Yara Birkeland container ship in Norway



Hiab



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

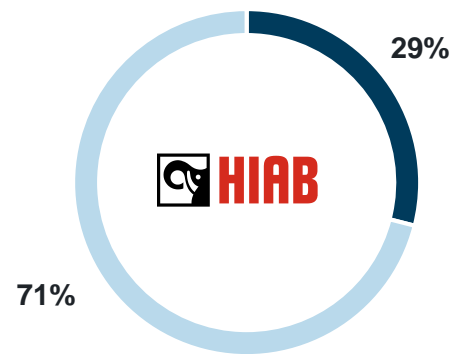
Hiab's class-leading load handling offering includes loader cranes, forestry and recycling cranes, truck mounted forklifts, skiploaders and hooklifts, and tail lifts as well as intelligent services and smart and connected solutions. Hiab's customers come from a broad range of industries and segments.

Number of personnel
3,390

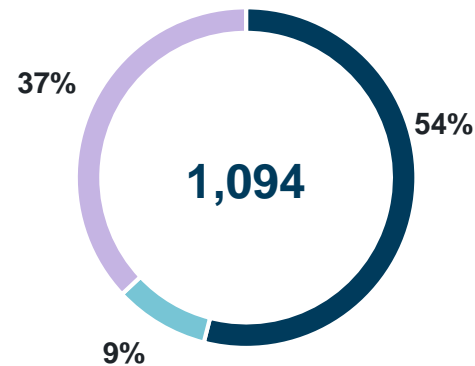
Sales
MEUR 1,094

Service sales
(% of sales)

Geographical sales split



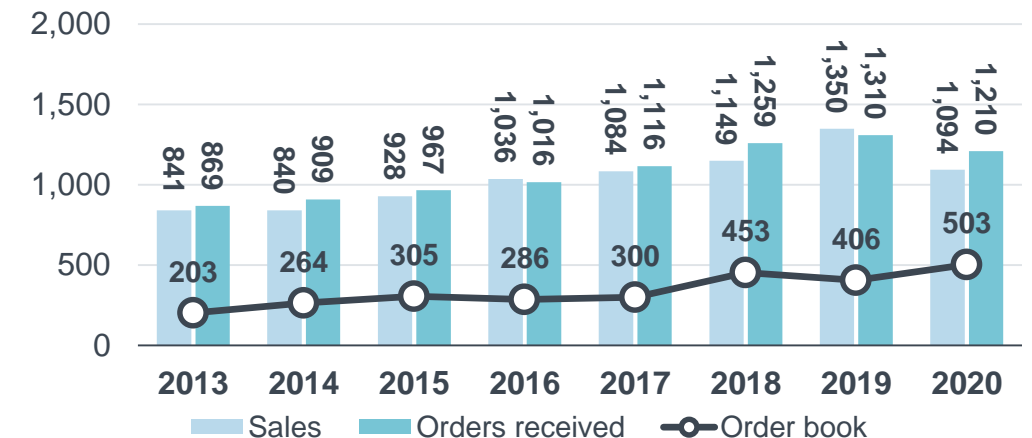
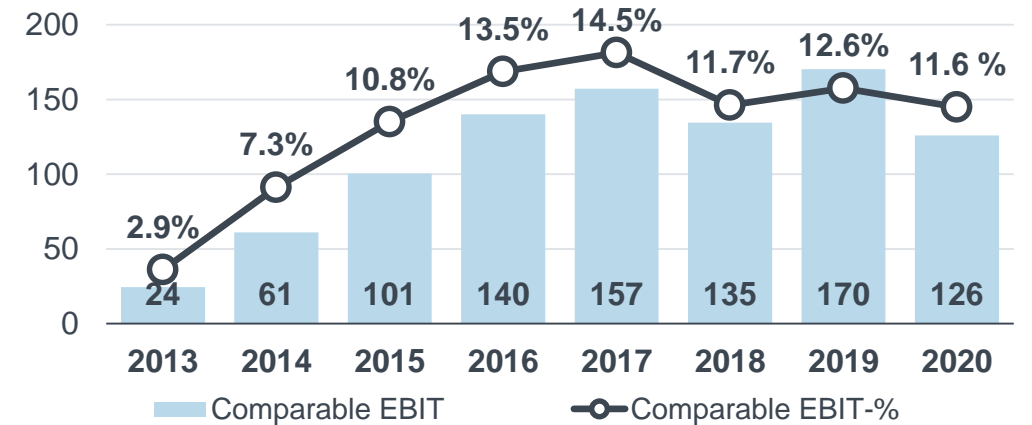
■ Service ■ Equipment



■ EMEA ■ APAC ■ Americas

Development of historical financials

MEUR



*2020 figures

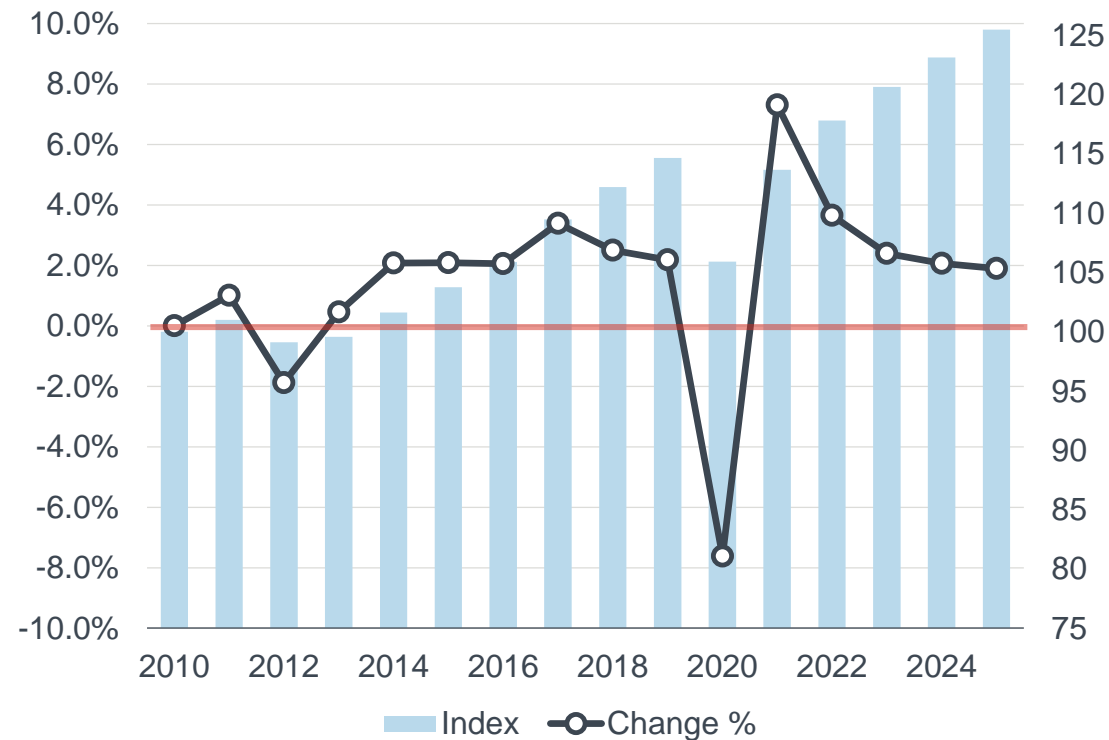
Investor presentation

April 2021 26

Construction output driving growth opportunity

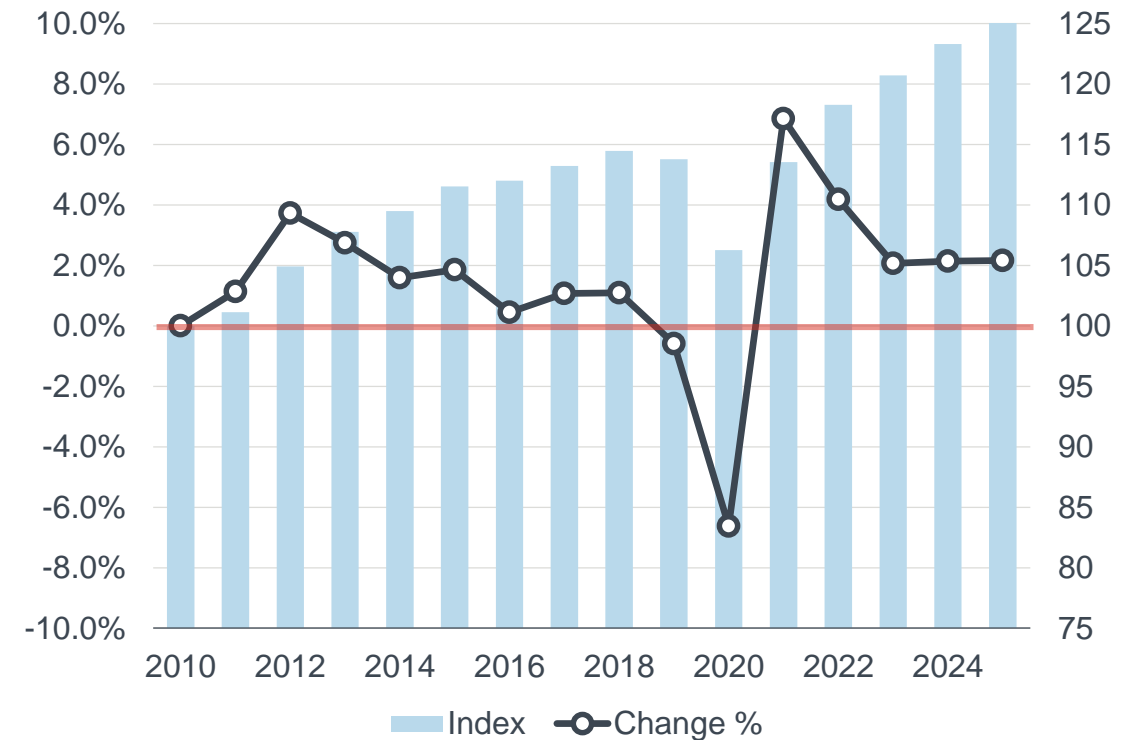
EMEA construction output

y/y change (%)






AMER construction output

y/y change (%)

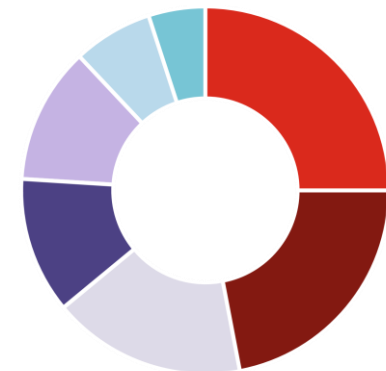


Oxford Economics: Industry output forecast
12/2020

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

Attractive megatrends and growth drivers

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**

Hiab's key growth drivers



Cranes

Gain market share in big loader cranes and crane core markets



Tail lifts

Enter fast growing emerging markets and standardise and globalise business model



Truck-mounted forklifts

Accelerate penetration in North America and Europe



Services

Increase spare parts capture rates driven by connectivity and e-commerce

MacGregor



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

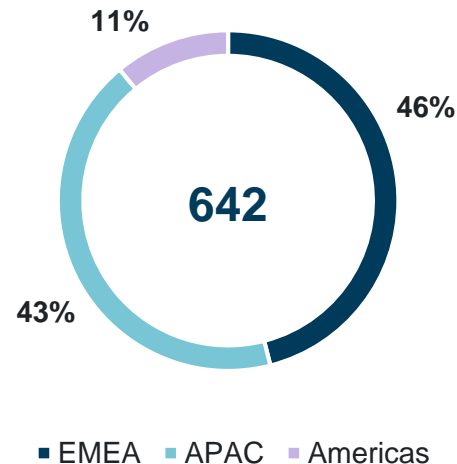
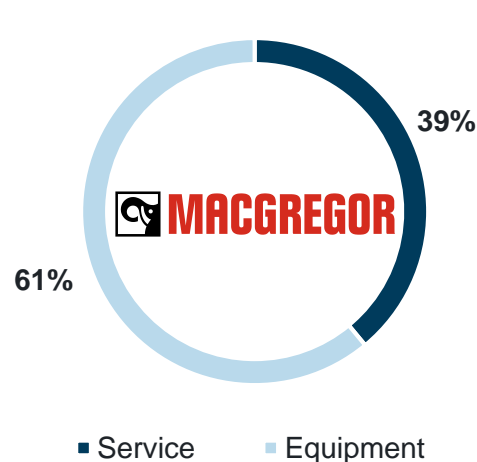
MacGregor offers engineering and lifetime service solutions for merchant cargo and passenger vessels; the offshore oil and gas and renewable energy sectors; fishing, research and marine-resource vessels; naval operations and logistics vessels, and ports and terminals.

Number of personnel
1,987

Sales
MEUR 642

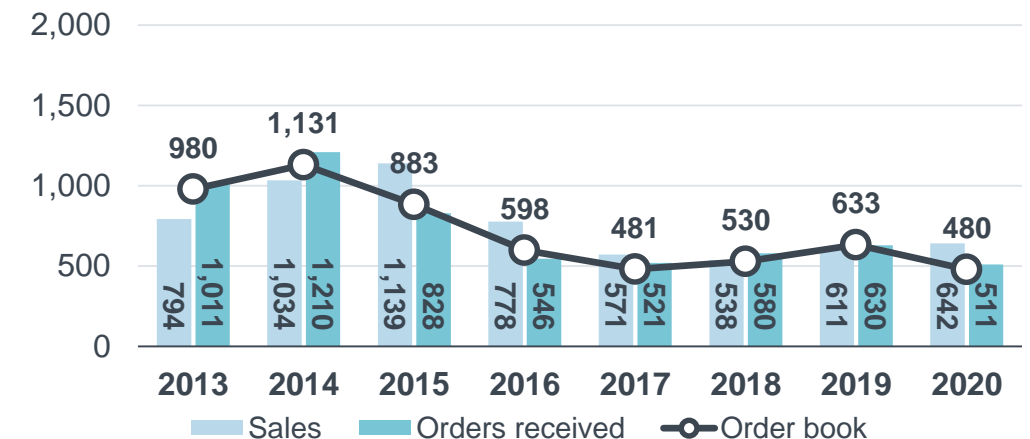
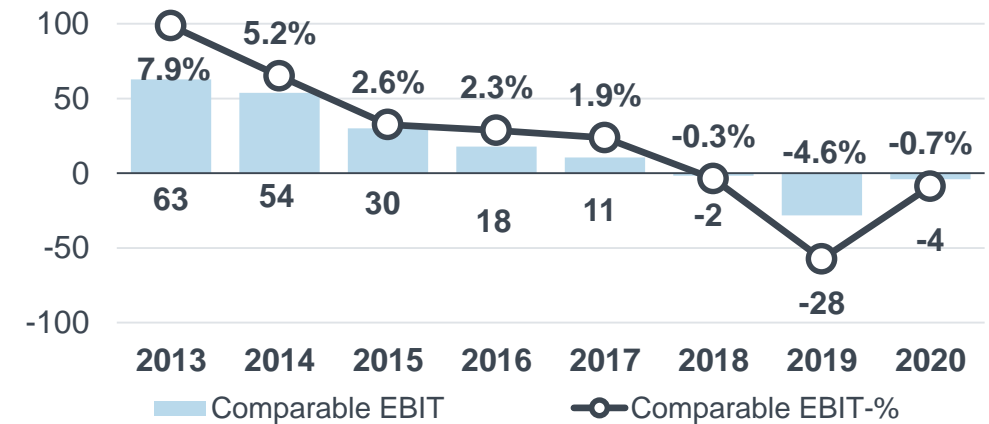
Service sales
(% of sales)

Geographical sales split



Development of historical financials

MEUR



*2019 figures

Investor presentation

April 2021

32

We are an active leader in all maritime segments

~2/3 of sales

~1/3 of sales

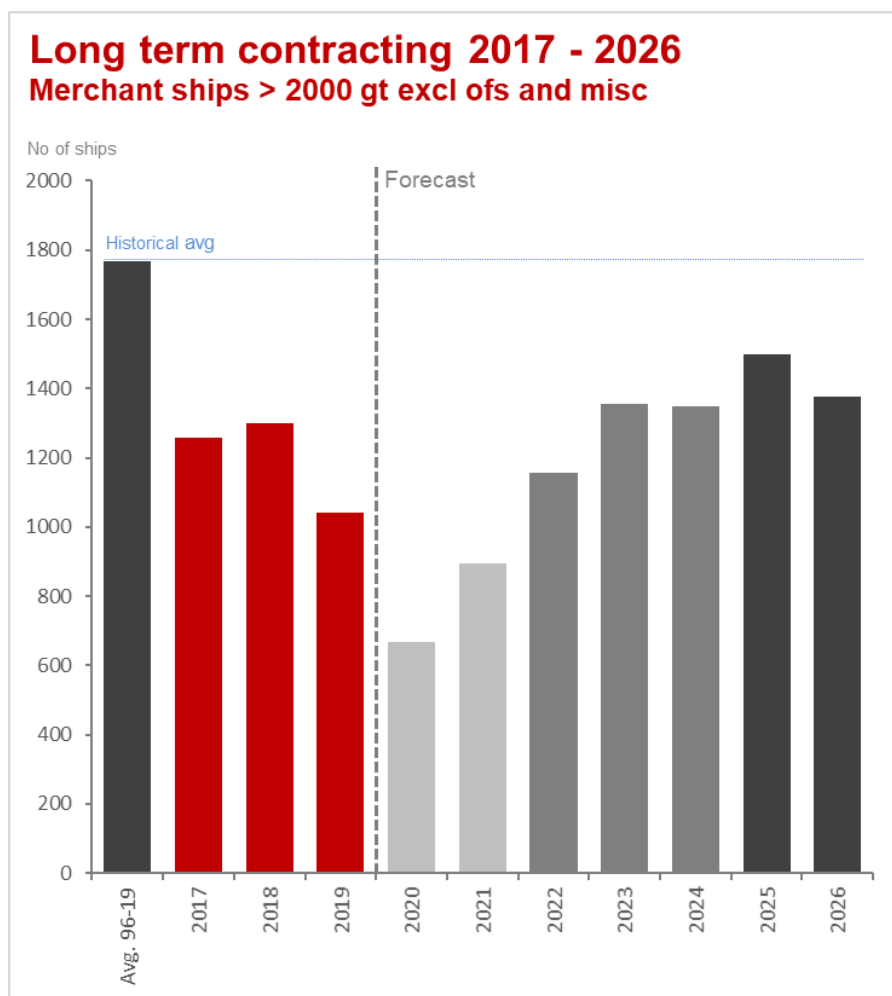
<p>Merchant Cargo Flow</p> <p>MARKET POSITION #1</p>	<p>Marine People Flow</p> <p>#1</p>	<p>Naval Logistics and Operations</p> <p>#1-2</p>	<p>Offshore Energy</p> <p>#1</p>	<p>Marine Resources & Structures</p> <p>#1-2</p>
<ul style="list-style-type: none"> ▪ Container cargo ▪ Bulk cargo ▪ General cargo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

Lifecycle Services

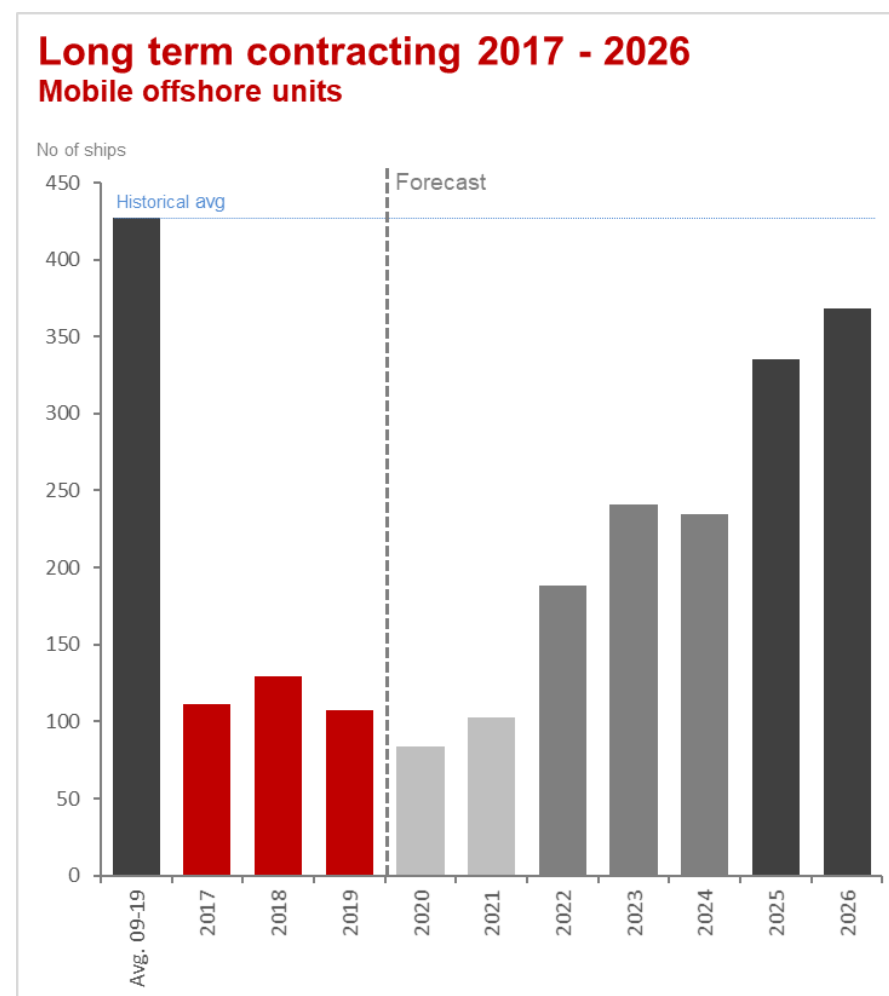


Picture: Equinor

Merchant Ships and Offshore contracting – short-term challenges

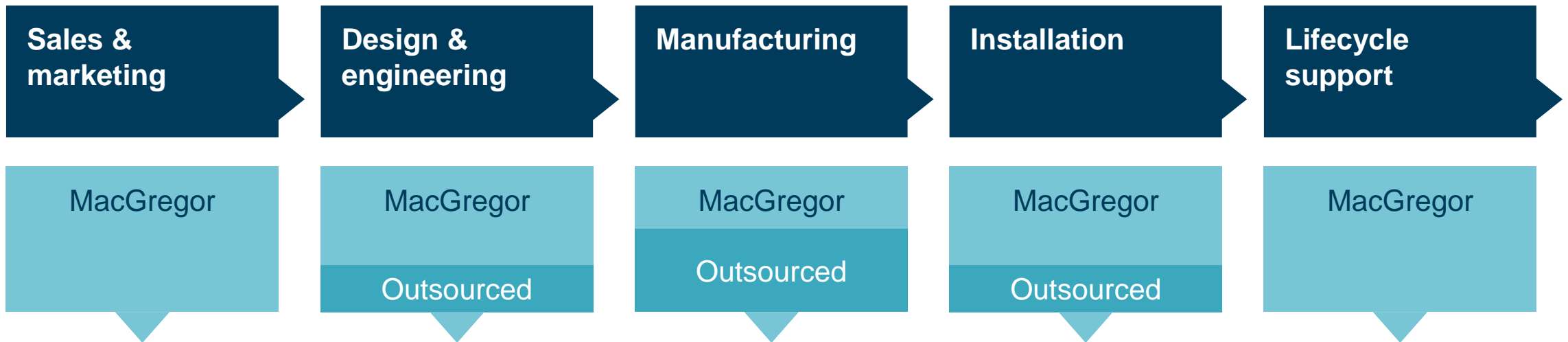


Merchant ships contracting expected to improve in line with accelerated fleet renewal driven by shipping decarbonisation.



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

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

Potential cost savings from restructuring and the TTS integration

- EUR ~20 million achieved in 2020
- EUR ~13 million in 2021
- EUR ~5 million in 2022–2024

TTS integration cost synergy components

- Roles/Positions
- Facilities
- Supply chain



Recent progress



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%

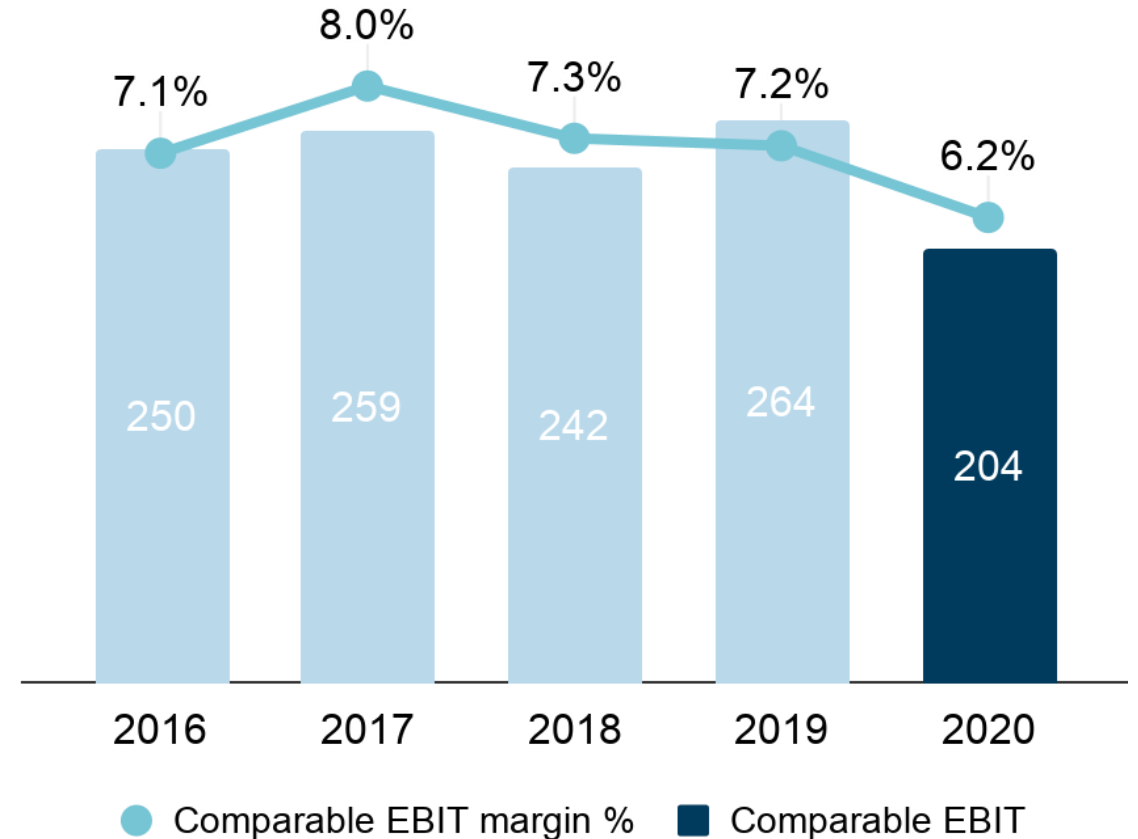
- Driven **by decline** in Hiab and Kalmar's mobile equipment
- Service sales resilient
- Share of eco-efficiency sales increased to 24%

Comparable operating profit

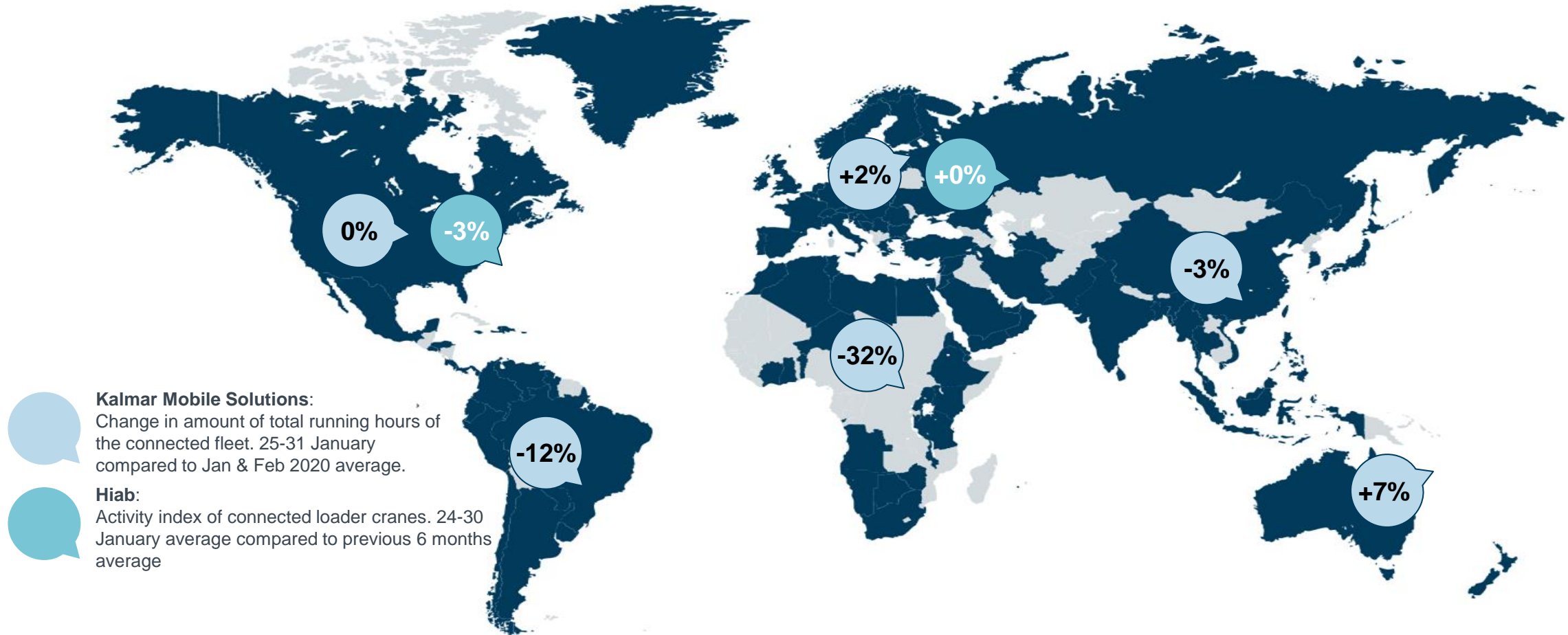
decreased by 23%

- 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%

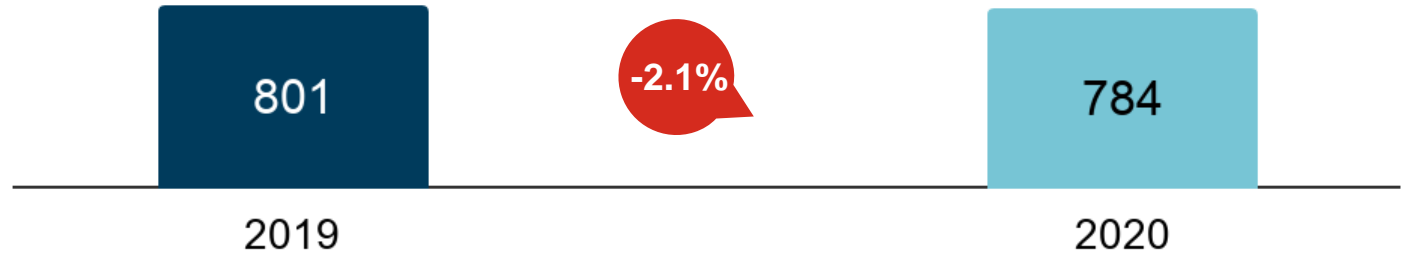
Construction activity is expected to increase in 2021

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

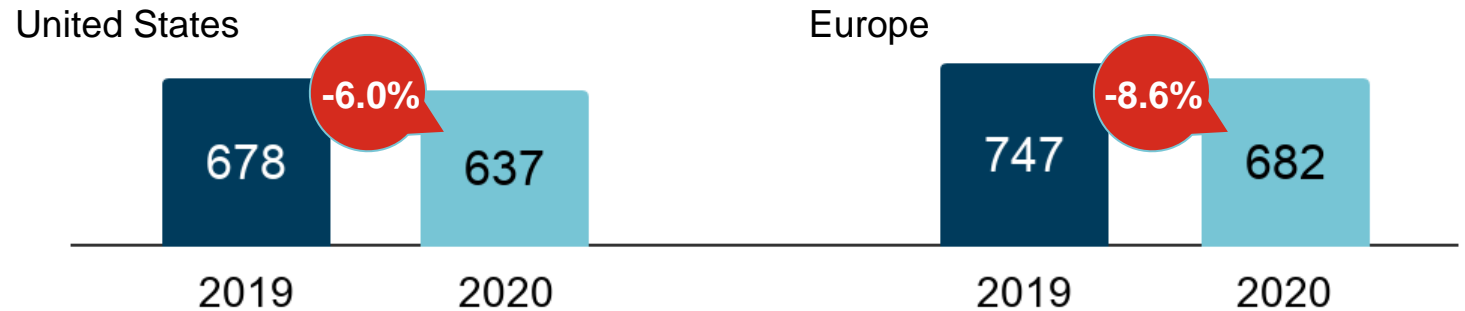
Challenging market situation continues for MacGregor

- Merchant and Offshore oil & gas vessel orders clearly below historical average
- 2021 Merchant vessel contracting estimate is 895³
- Offshore wind estimated to grow

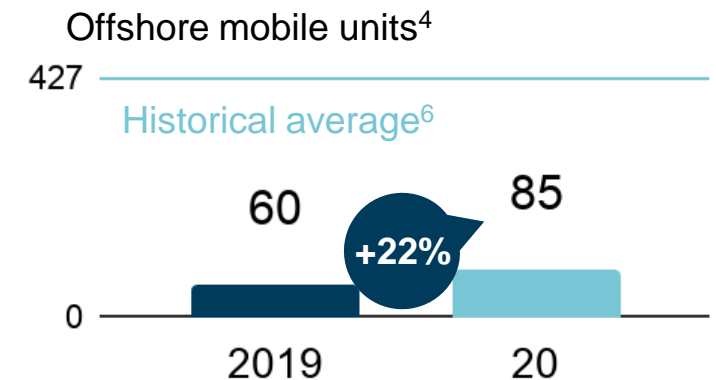
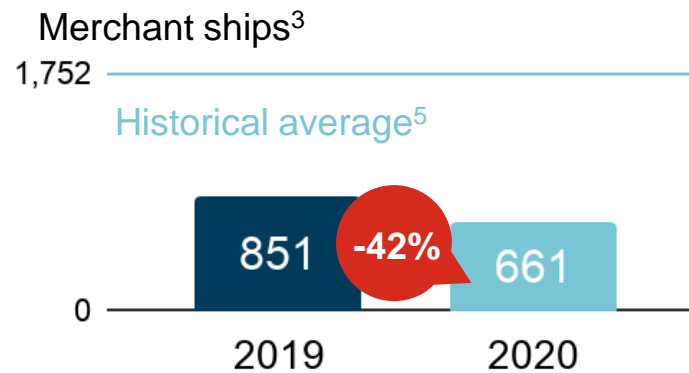
Global container throughput¹ – Key driver for Kalmar



Construction output² – Key driver for Hiab



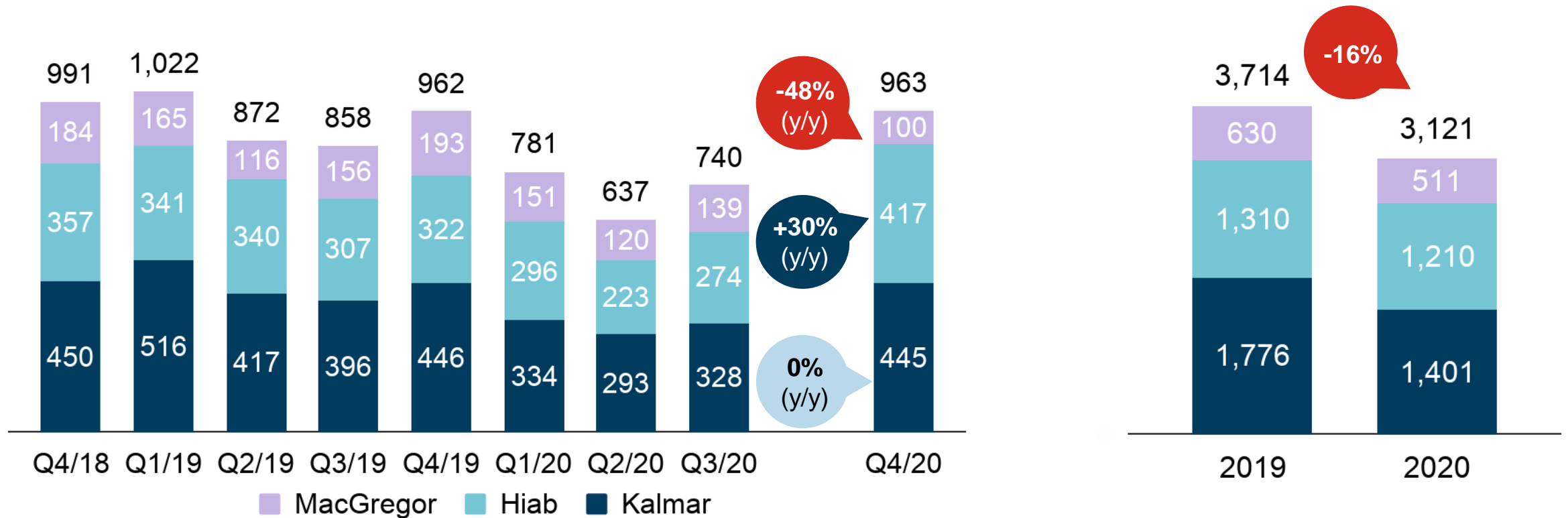
Long term contracting – Key driver for MacGregor



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

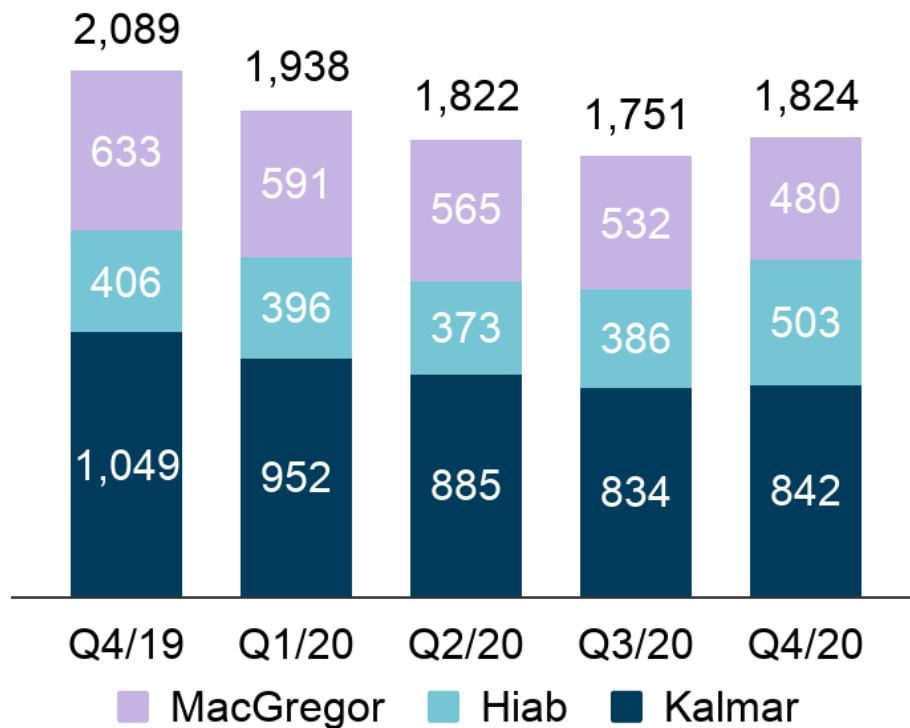
Strong orders received in Hiab's and in Kalmar's smaller equipment in Q4

MEUR

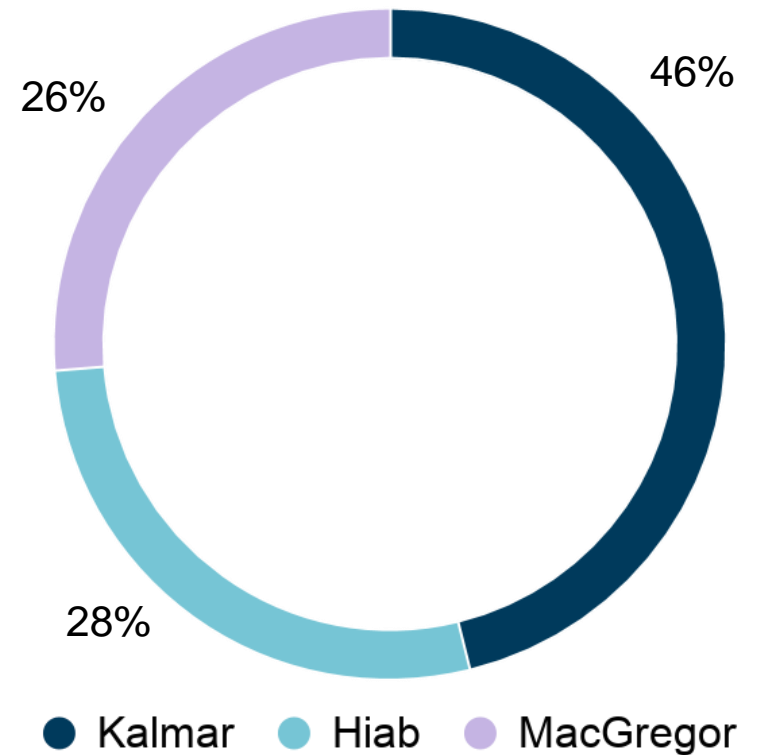


Order book grew from the third quarter

Order book
MEUR

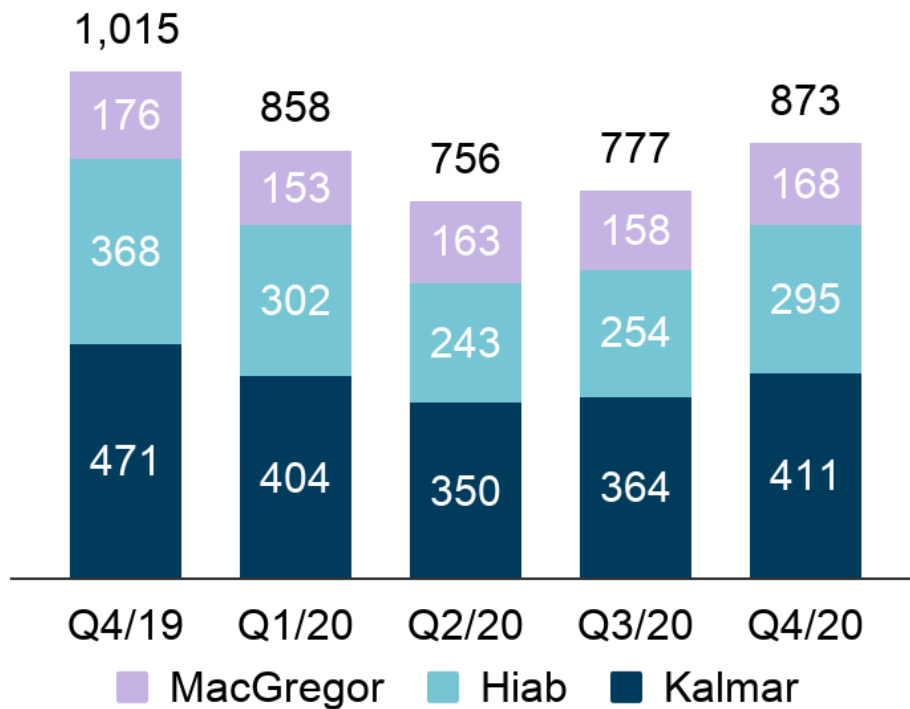


Order book by reporting
segment, 31 Dec 2020

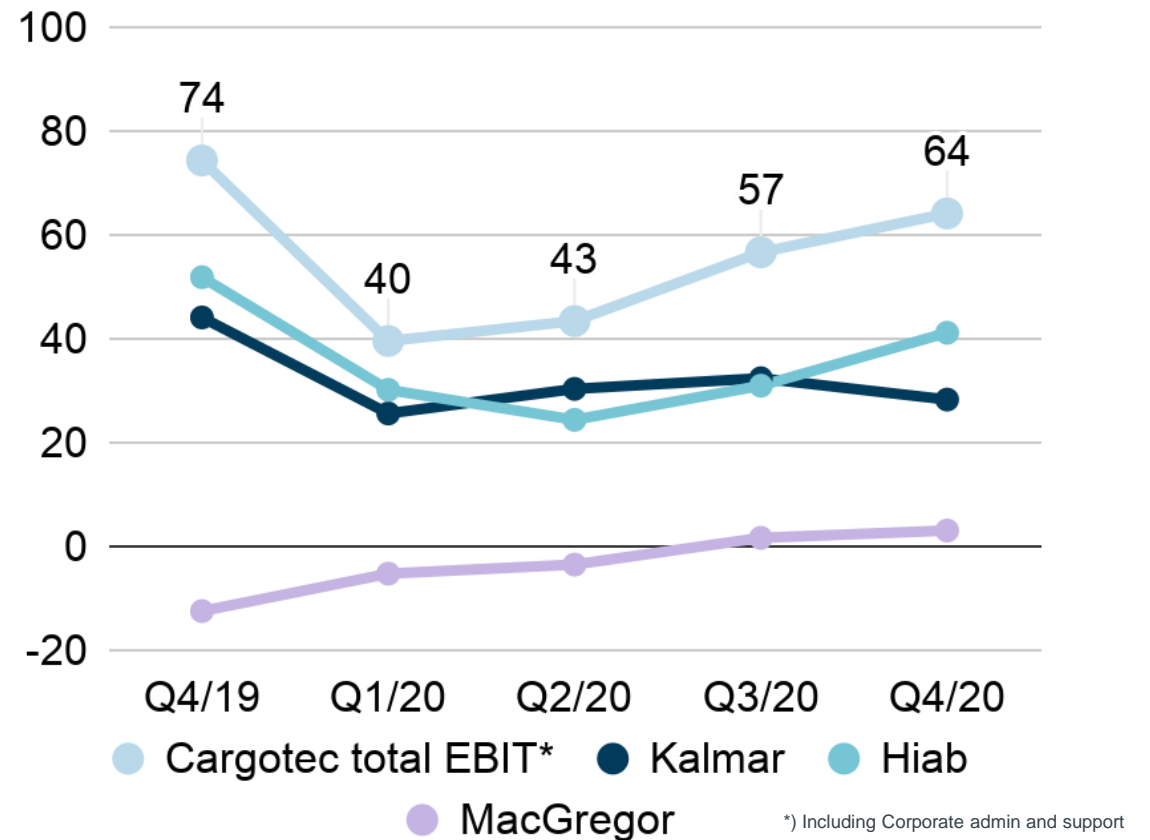


Recovery continued in sales and comparable operating profit - Q4 the strongest quarter in 2020

Sales MEUR



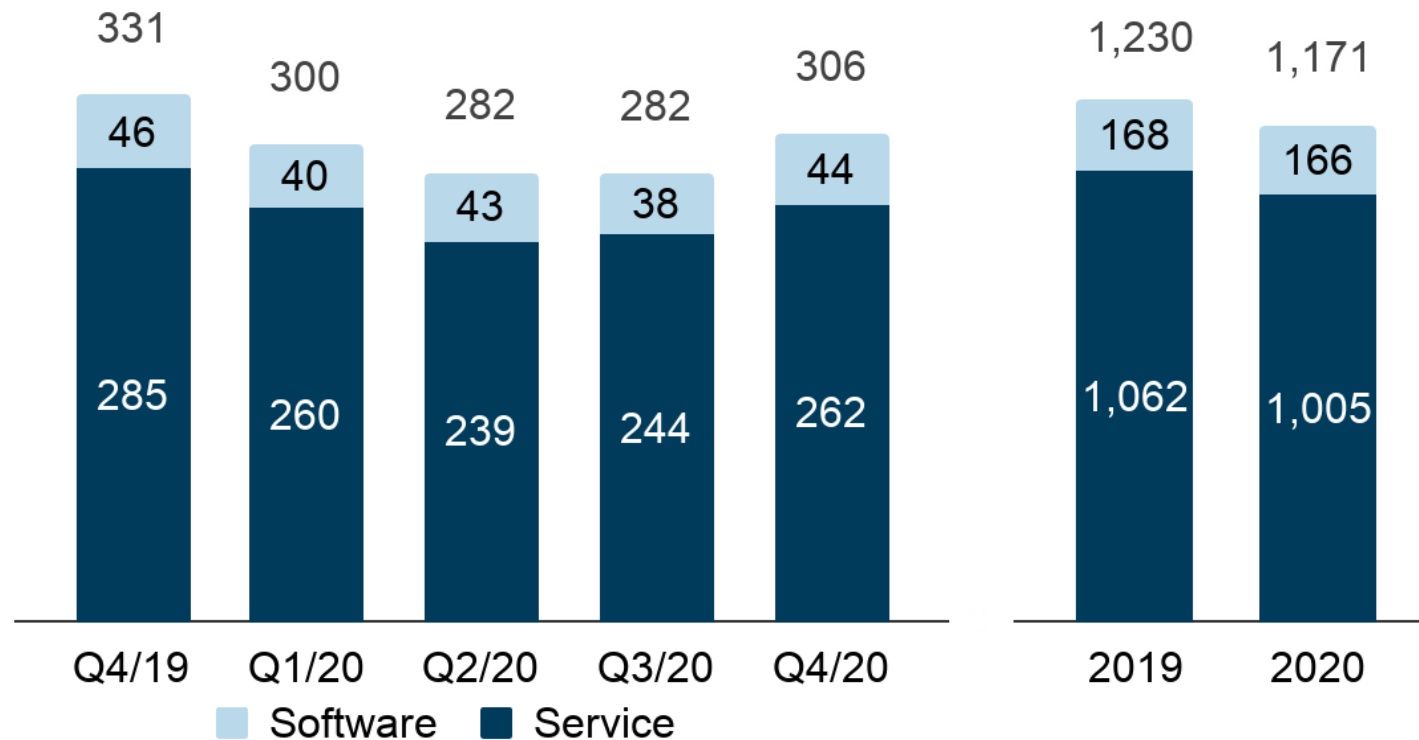
Comparable operating profit MEUR



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

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%

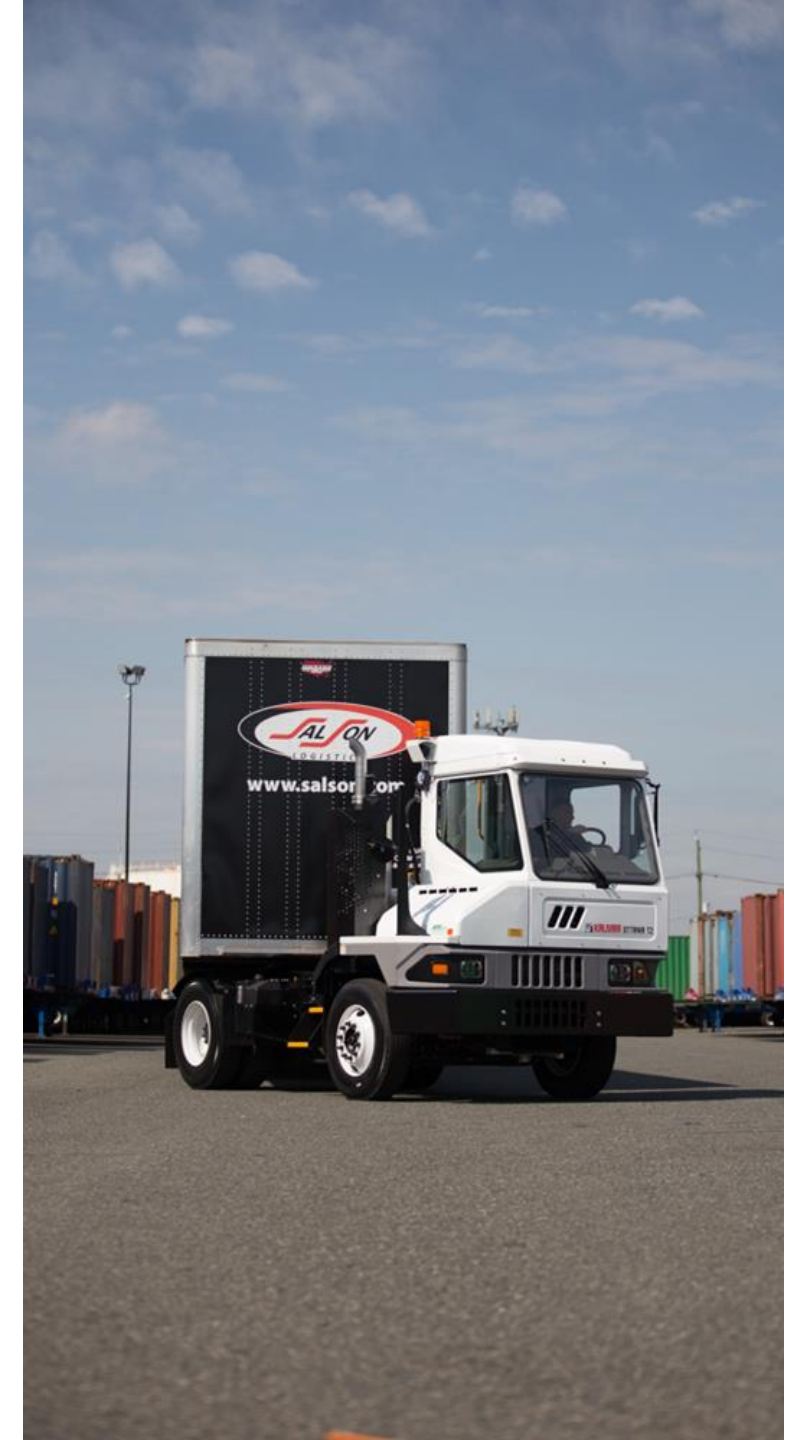
- Increase in Automation & Projects
- Decrease in Mobile Equipment
- Service and software resilient

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	417	322	30%
Order book	503	406	24%
Sales	295	368	-20%
Comparable operating profit	41	52	-21%
Comparable operating profit margin	13.9%	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	100	193	-48%
Order book	480	633	-24%
Sales	168	176	-5%
Comparable operating profit	3	-13	124%
Comparable operating profit margin	1.8%	-7.1%	890bps



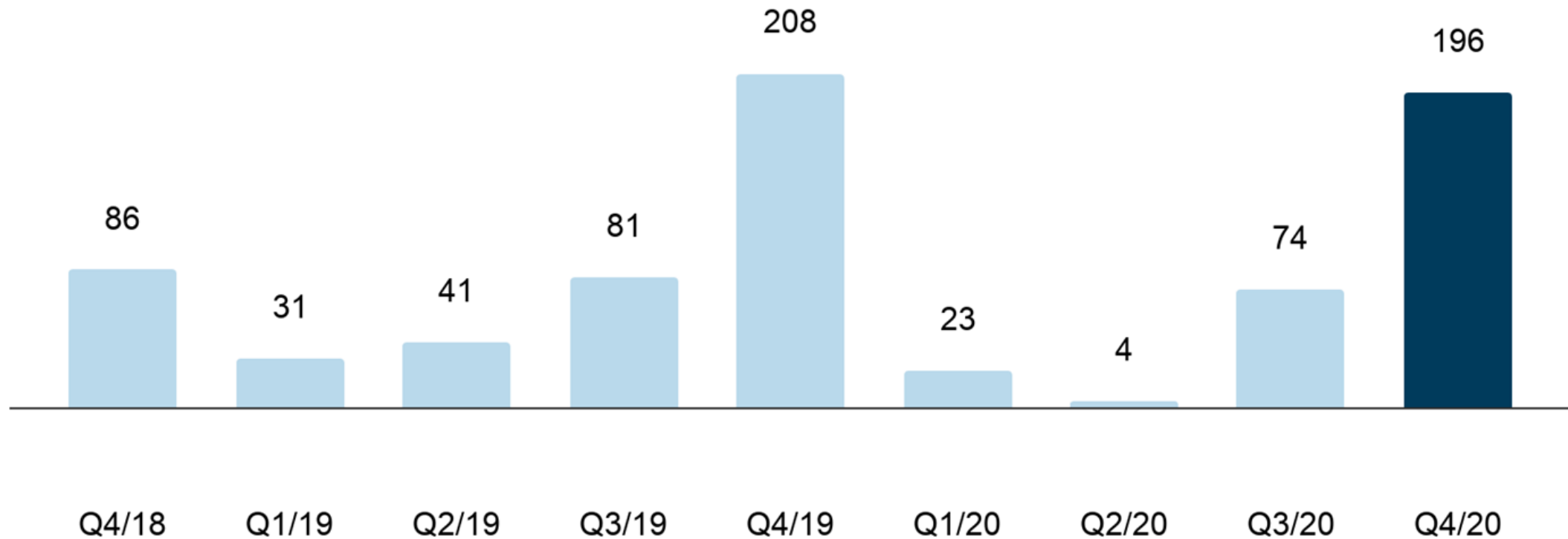
Key figures – Relative profitability at the comparison period's level in Q4

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

Strong cash flow supported by net working capital reduction

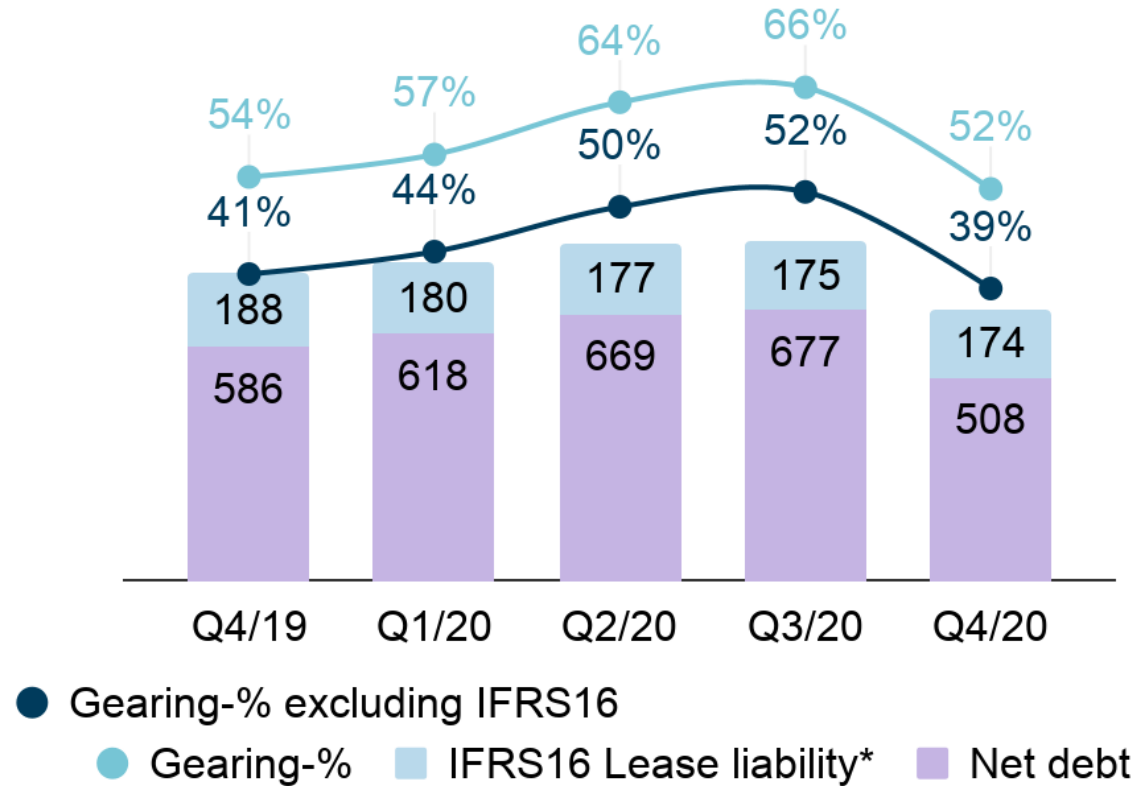
Cash flow from operations before financing items and taxes

MEUR

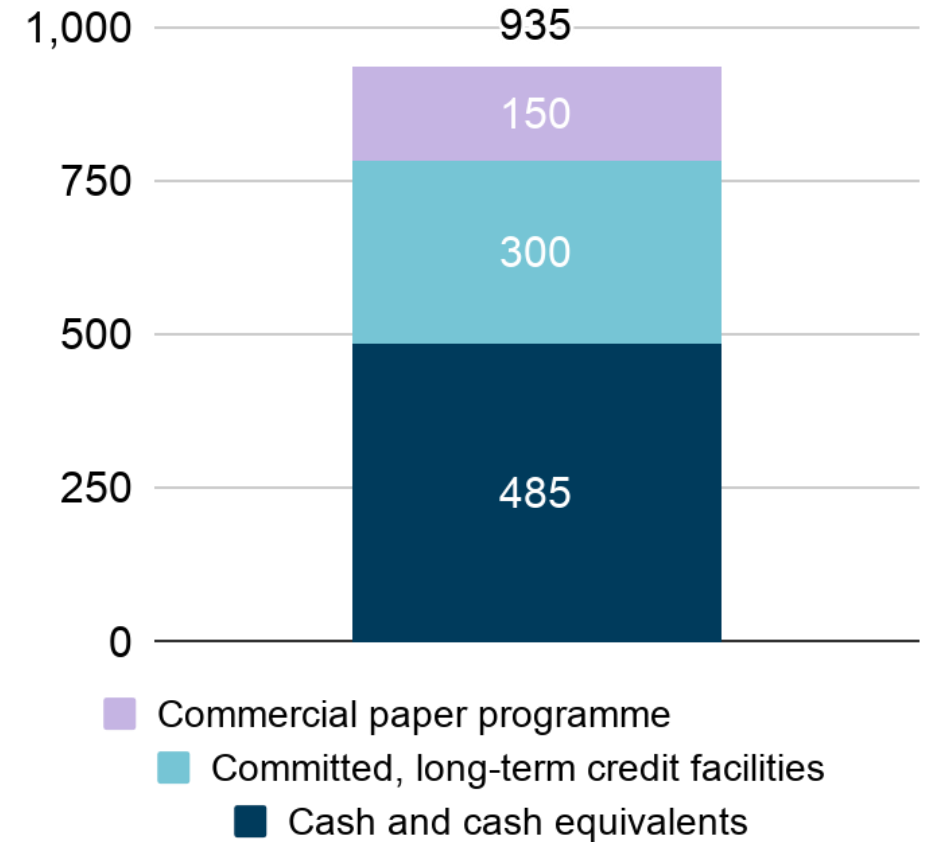


Strong financial position and liquidity

Net debt & gearing MEUR



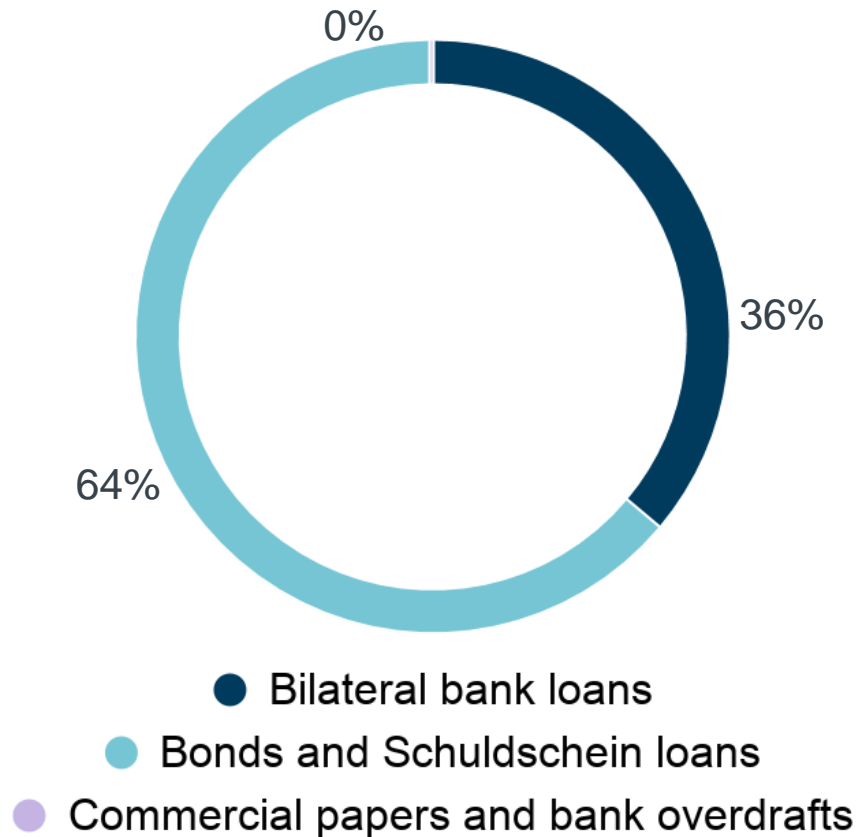
Total liquidity, 31 December 2020



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

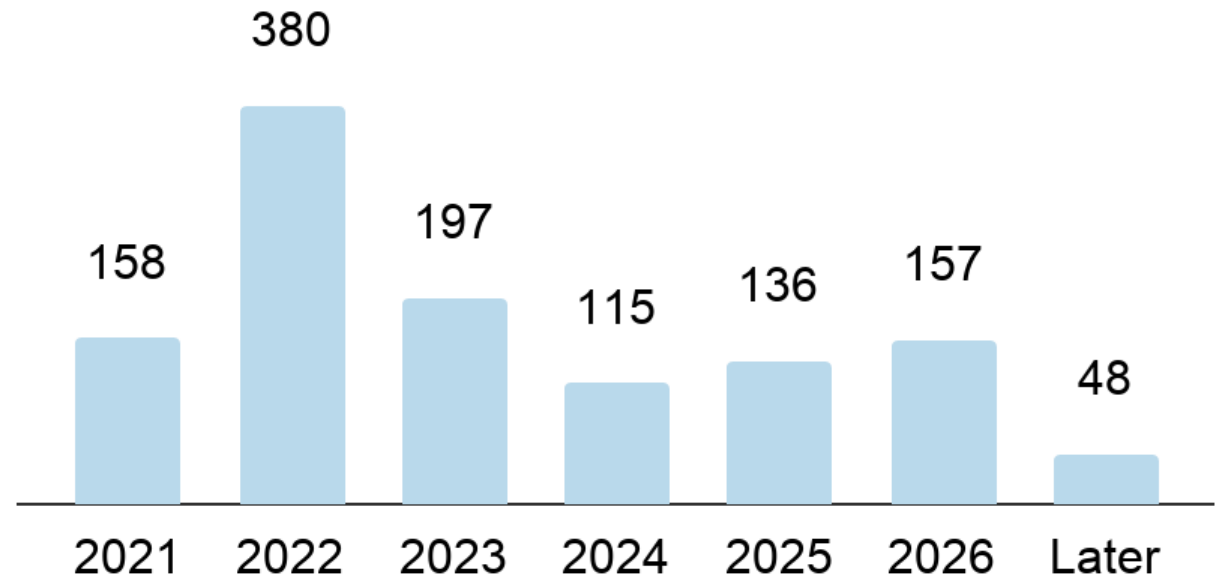
Balanced debt portfolio

Loan structure, 31 December 2020



Repayment schedule of interest-bearing liabilities

MEUR



Outlook for 2021

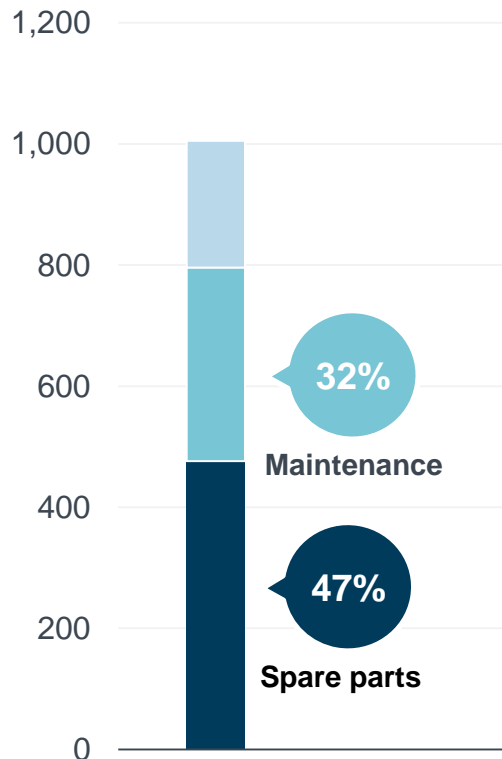
Cargotec estimates 2021 comparable operating profit to improve compared to 2020 (EUR 227 million*)



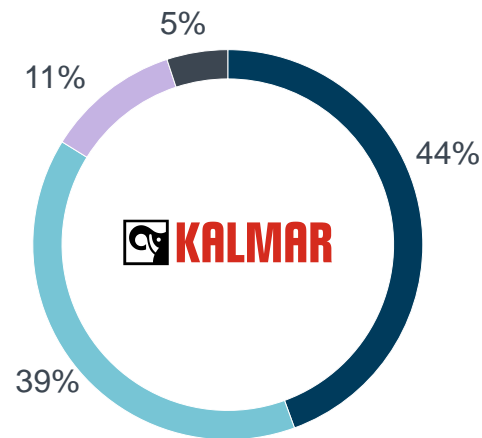
*Cargotec changed the definition of the alternative performance measure comparable operating profit starting from 1 January 2021 to align it with the definition used in the merger prospectus. In addition to the items significantly affecting comparability, the restated comparable operating profit will also exclude the impacts of the purchase price allocation, which amounted to EUR 23 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.

Service sales growth on track towards our targets

Service sales:
EUR 1,005 million
31% of total sales

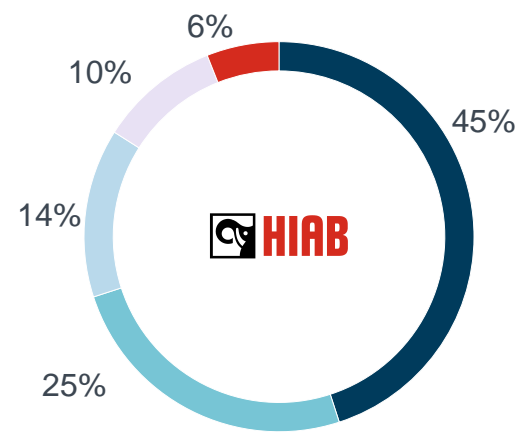


Kalmar	MEUR, %
Service orders received	422 30%
Service sales	437 29%



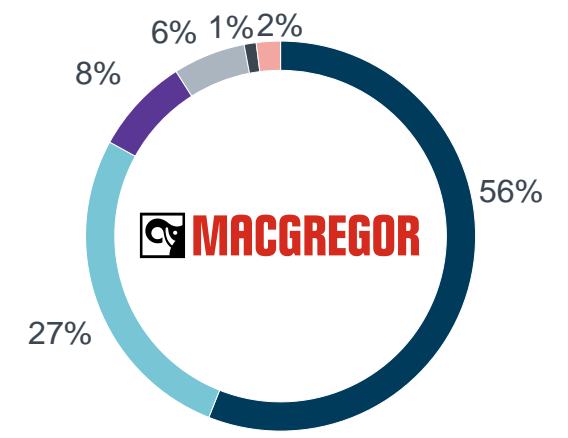
- Spare parts
- Maintenance
- Fleet management
- Upgrade projects

Hiab	MEUR, %
Service orders received	332 27%
Service sales	318 29%



- Spare parts
- Maintenance
- Installations
- Accessories
- Used equipment

MacGregor	MEUR, %
Service orders received	233 46%
Service sales	250 39%



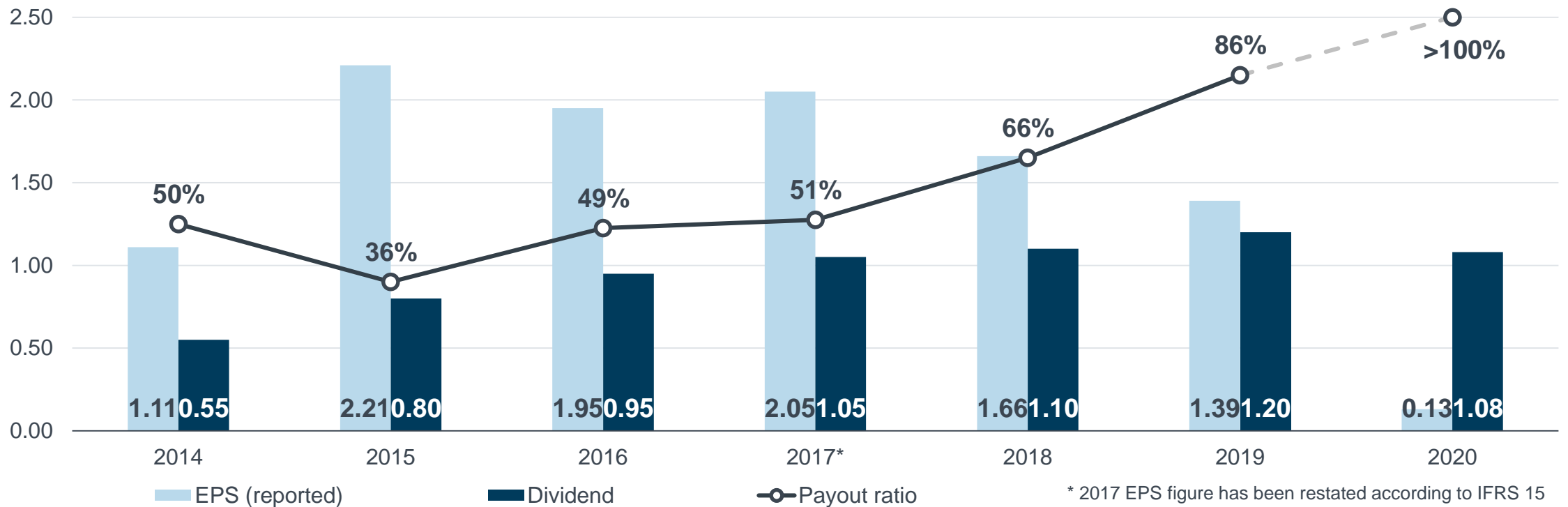
- Spare parts
- Maintenance
- Running supply
- Projects
- Cargo Boost
- RoRo conversions

Dividend of 1.08 EUR in 2020

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

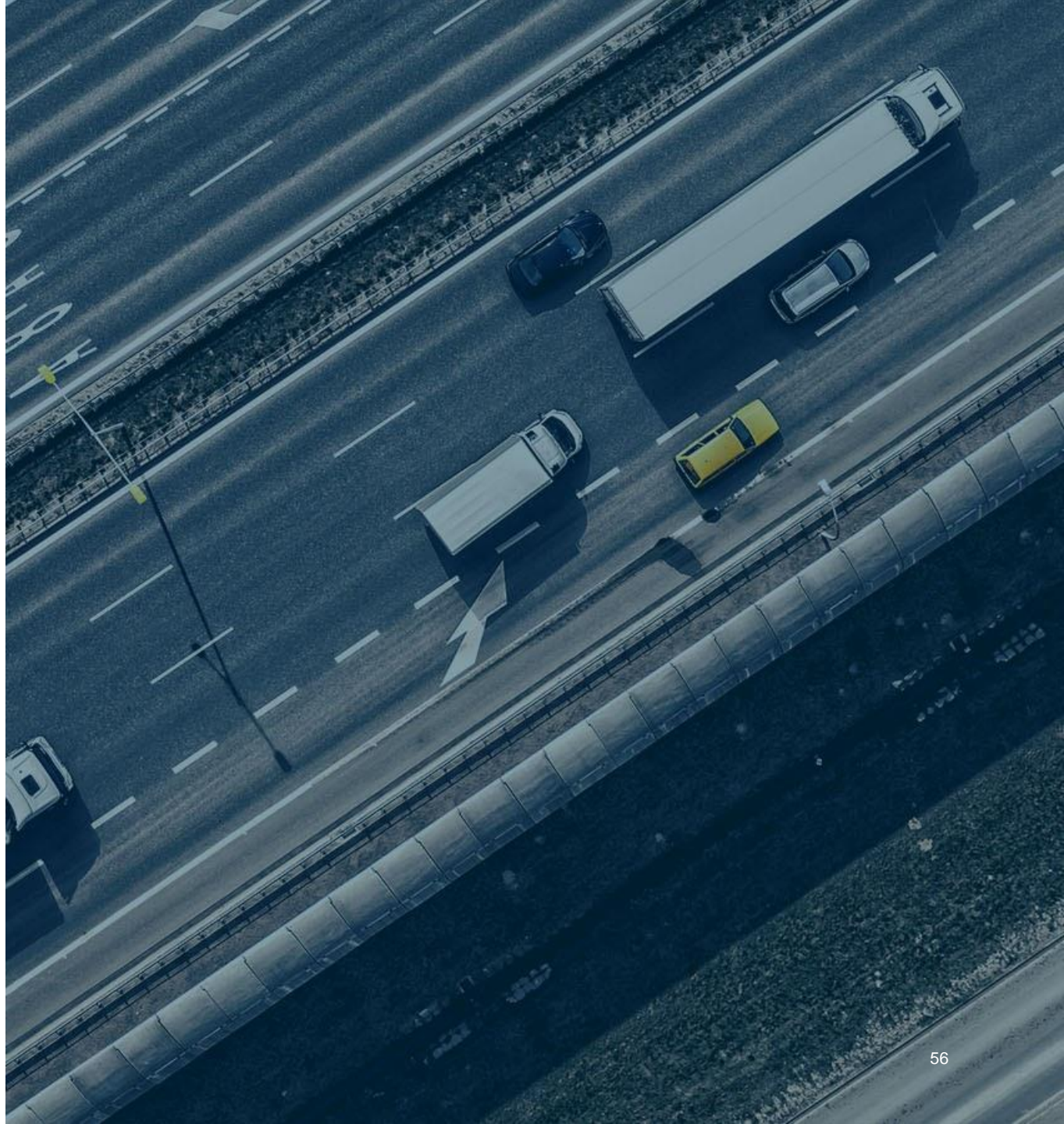
Cargotec's Board of Director's proposes to the AGM to be held on 23 March 2021:

- 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%



Appendix

1. Largest shareholders and financials
2. Sustainability
3. Kalmar
4. Hiab
5. MacGregor

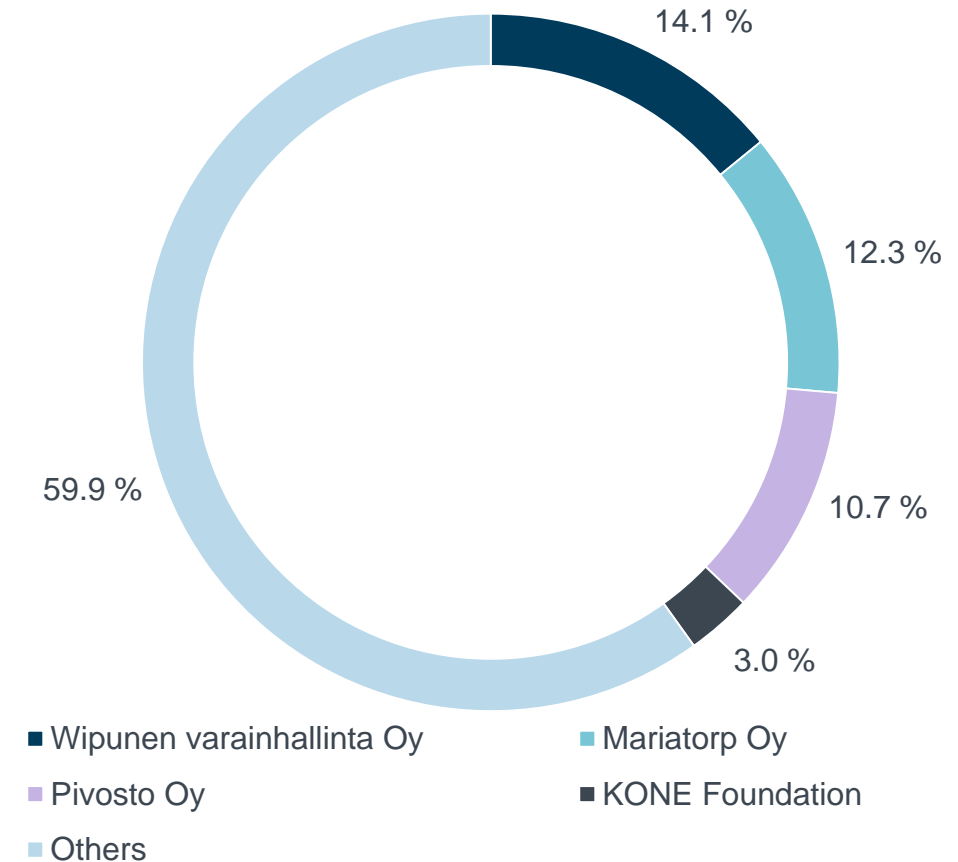


Largest shareholders

31 March 2021

		% 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	2.3	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	1.1	0.4
9.	Herlin Heikki Juho Kustaa	0.6	0.3
10.	Sigrid Jusélius Foundation	0.6	0.2
Nominee registered and non-Finnish holders		27.49%	
Total number of shareholders		35,945	

% 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.

Examples of our wide equipment offering



Reachstacker



Straddle carrier



Loader crane



Truck-mounted forklift



Terminal tractor



Container handler



Hooklift, Skiploader



Taillift



Forklift truck



Automatic stacking crane



Recycling and forestry cranes



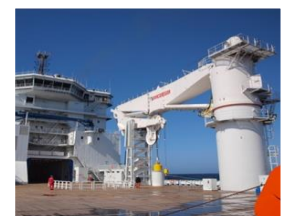
Cranes



Marine self-unloaders



Hatch covers,
container lashings



Offshore load handling



Deck machinery

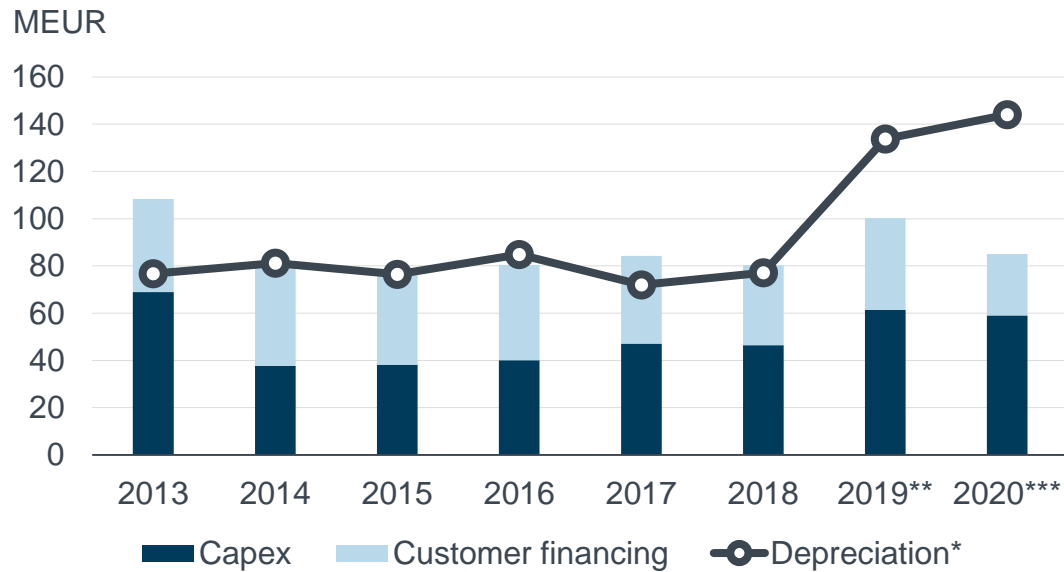


Mooring systems



Capex and R&D

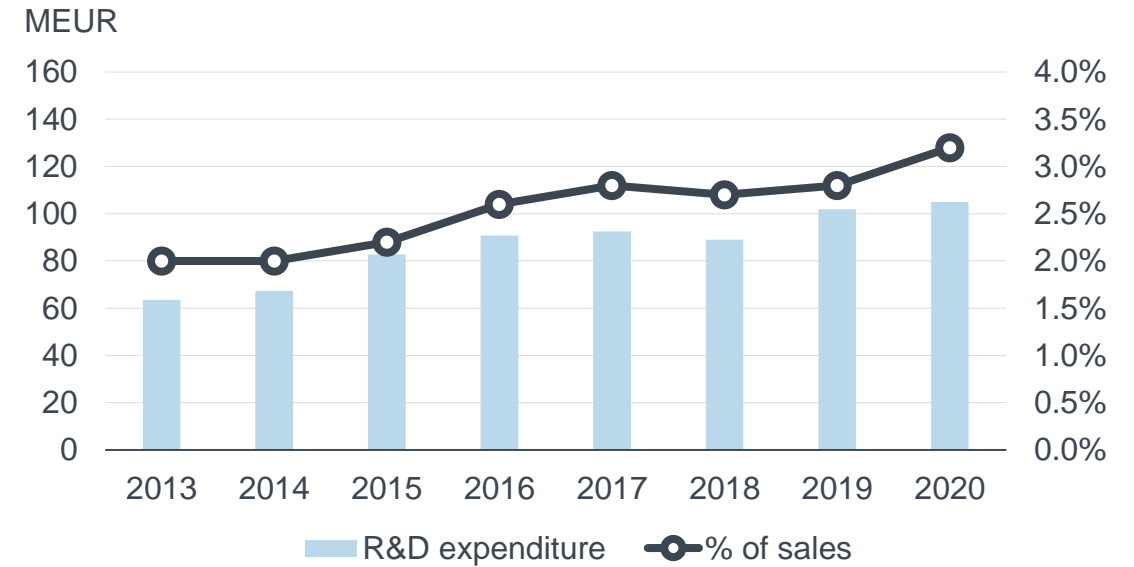
Capital expenditure



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

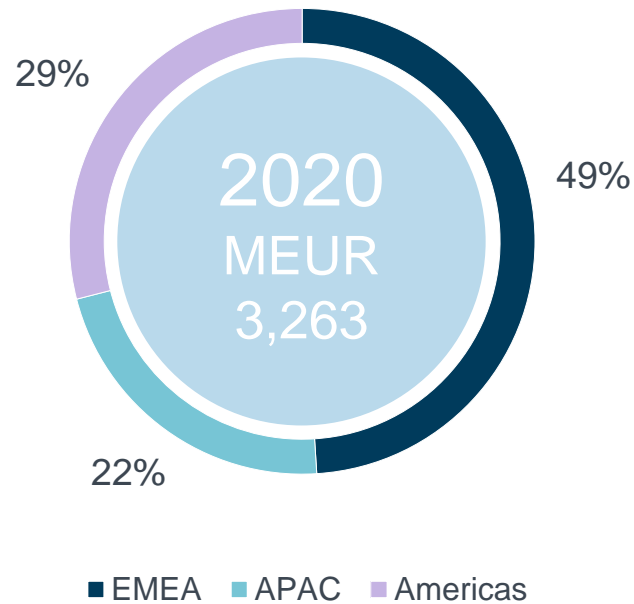
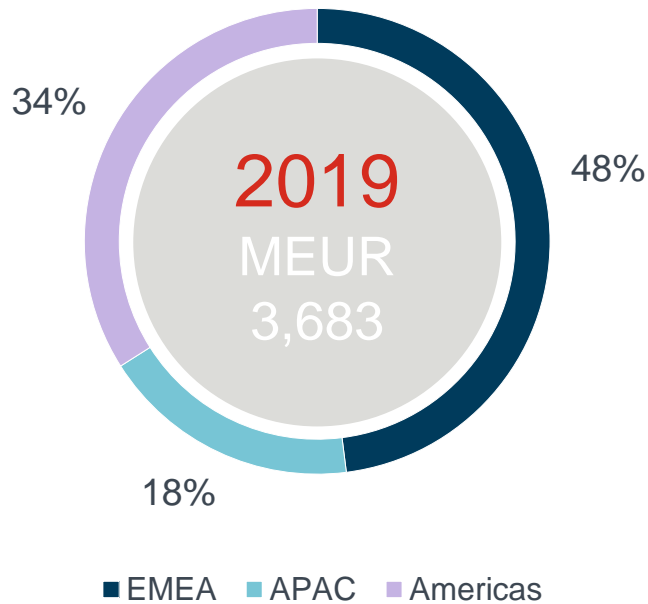
- Themes supporting our climate targets such as digitalisation, electrification and automation
- Competitiveness and cost efficiency of products

*) Including amortisations and impairments

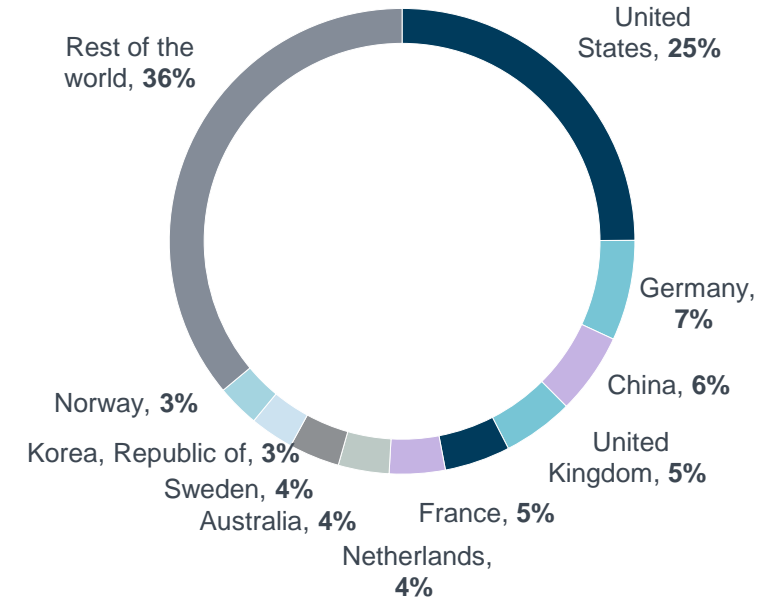
***) depreciation increased due to IFRS 16 implementation

**) depreciation includes impairments worth EUR 16 of which EUR 16 has been booked as restructuring costs

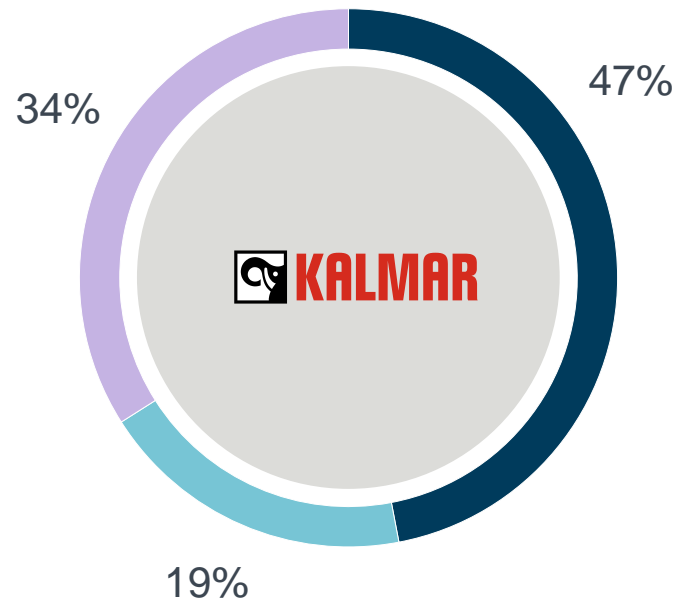
Well diversified geographical sales mix



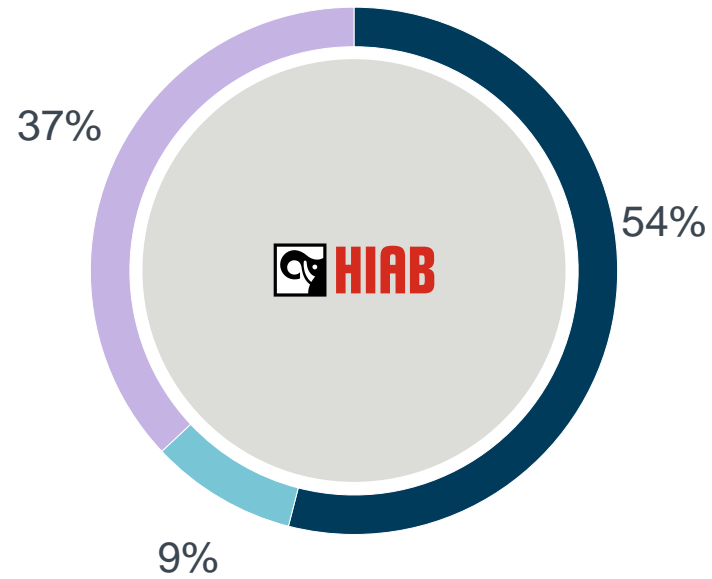
Top-10 countries by customer location



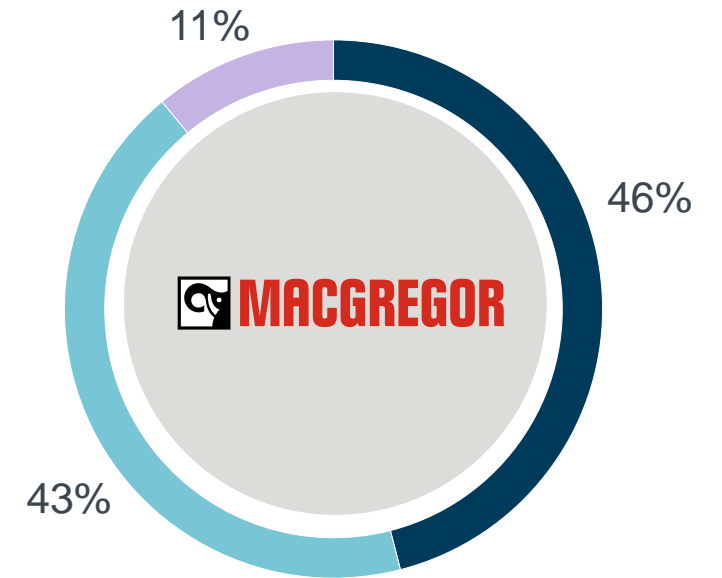
Sales by geographical segment by business area 2020



■ EMEA ■ APAC ■ Americas






■ EMEA ■ APAC ■ Americas




























































■ EMEA ■ APAC ■ Americas

Cargotec's R&D and assembly sites



-  Assembly
-  R&D
-  Head office

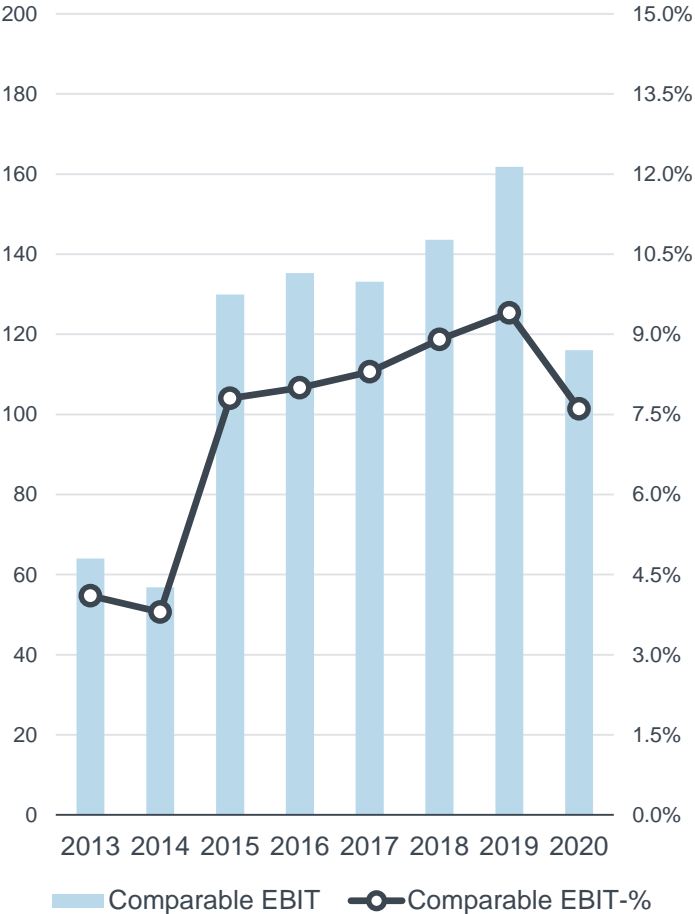


Kalmar		Hiab		MacGregor	
EMEA					
 Stargard Szczecinski, Poland		 Averøy/Bodö			
Ljungby, Sweden		Bispgården, Swe		 Arendal, Norway	
Stockholm, Sweden		Bologna, Italy		 Bergen auf Rugen &	
Tampere, Finland		Dundalk, Ireland		 Bremen, Germany	
Helsinki, Finland		Hudiksvall, Sweden		 Gdansk, Poland	
		Meppel, Netherlands		Gothenburg, Sweden	
		Raisio, Finland		 Hamburg, Germany	
		Taranto, Italy		 Kaarina, Finland	
		Witney, UK		 Kristiansand, Norway	
		Zaragoza, Spain		 Rotterdam, Netherlands	
		Malmö, Sweden		 Zagreb, Croatia	
				Örnsköldsvik, Sweden	
AMER					
Oakland, California		Santo Antonio da Patulha, Brazil		 Seattle, Washington	
Ottawa, Kansas		 Streetsboro, Ohio			
APAC*					
Chennai, India		Chungbuk, South Korea		 Busan, South Korea	
Ipoh, Malaysia		 South Korea		 Haiphong, Vietnam	
Shanghai, China				Singapore	 
Singapore					

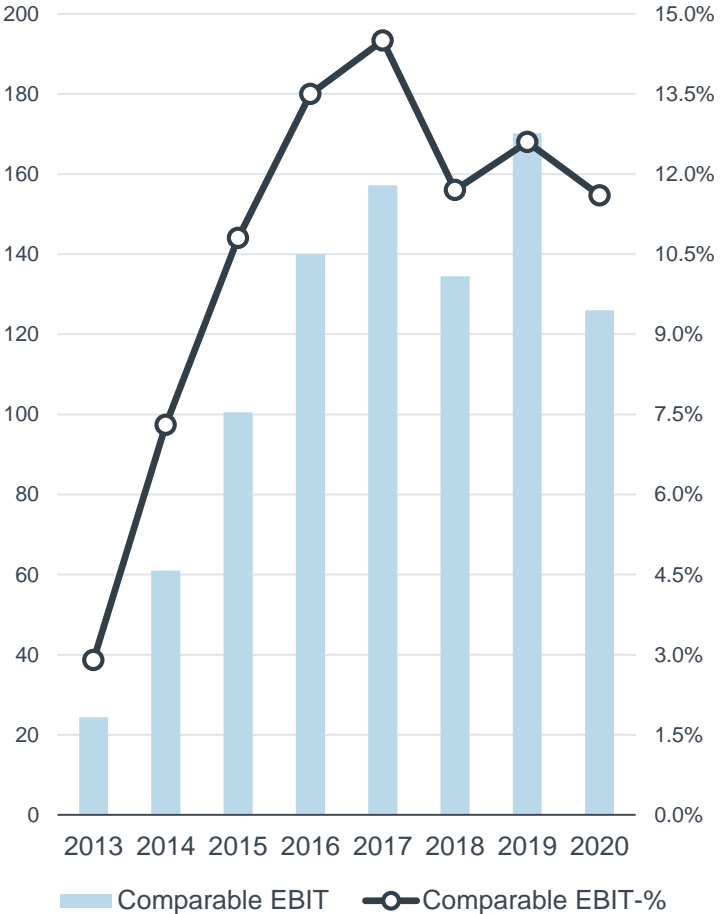
*In addition, Cargotec has presence in China through its joint ventures

Comparable operating profit development

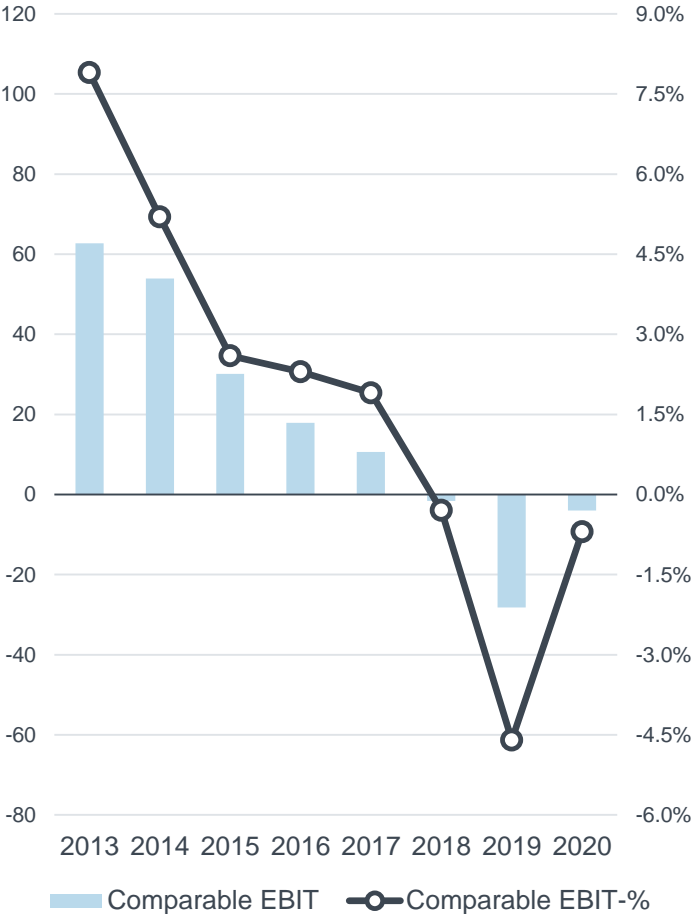
Kalmar



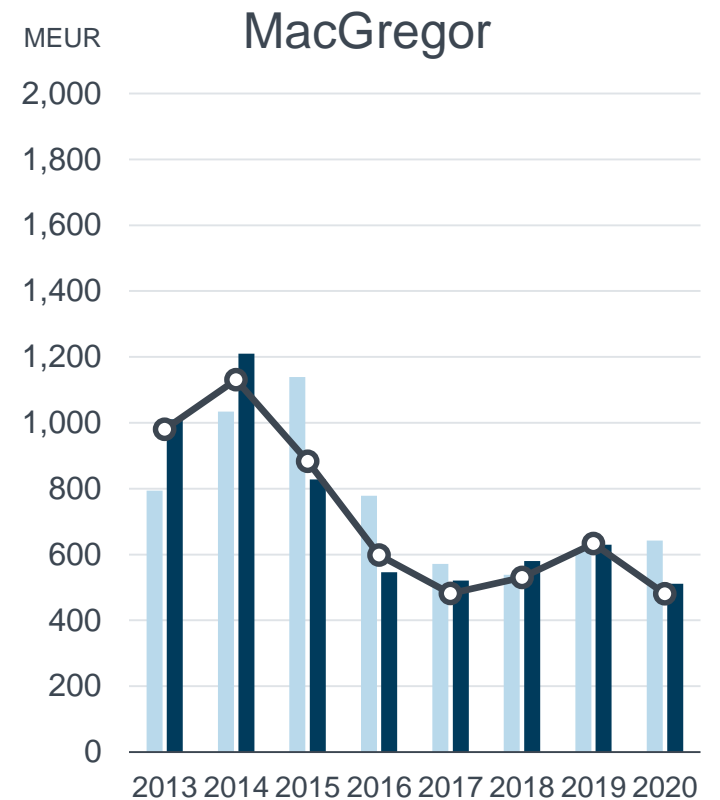
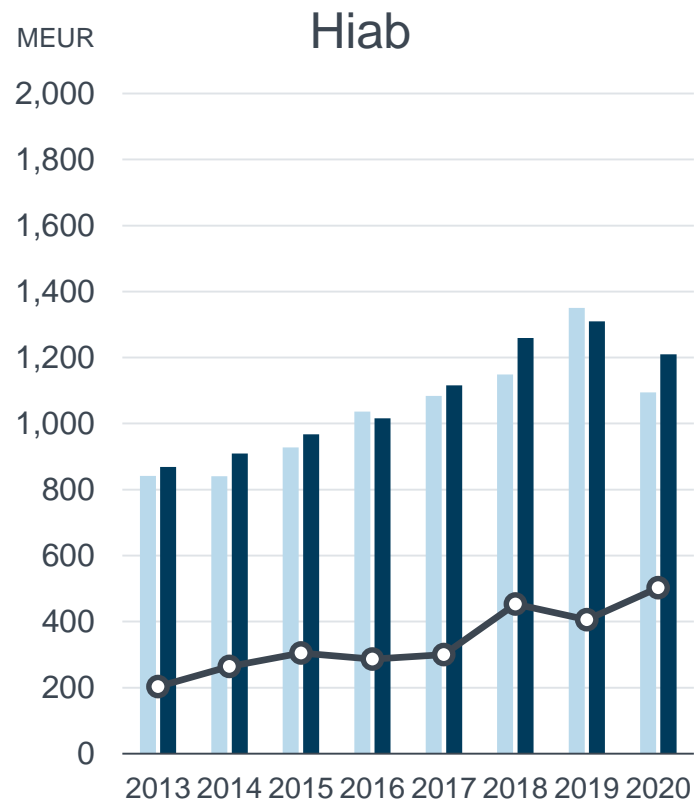
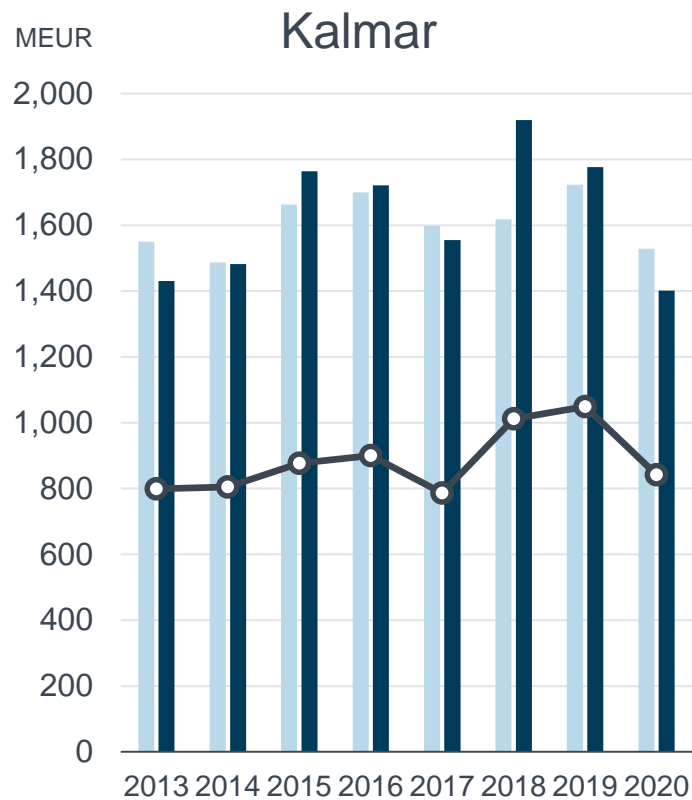
Hiab



MacGregor



Sales and orders received development

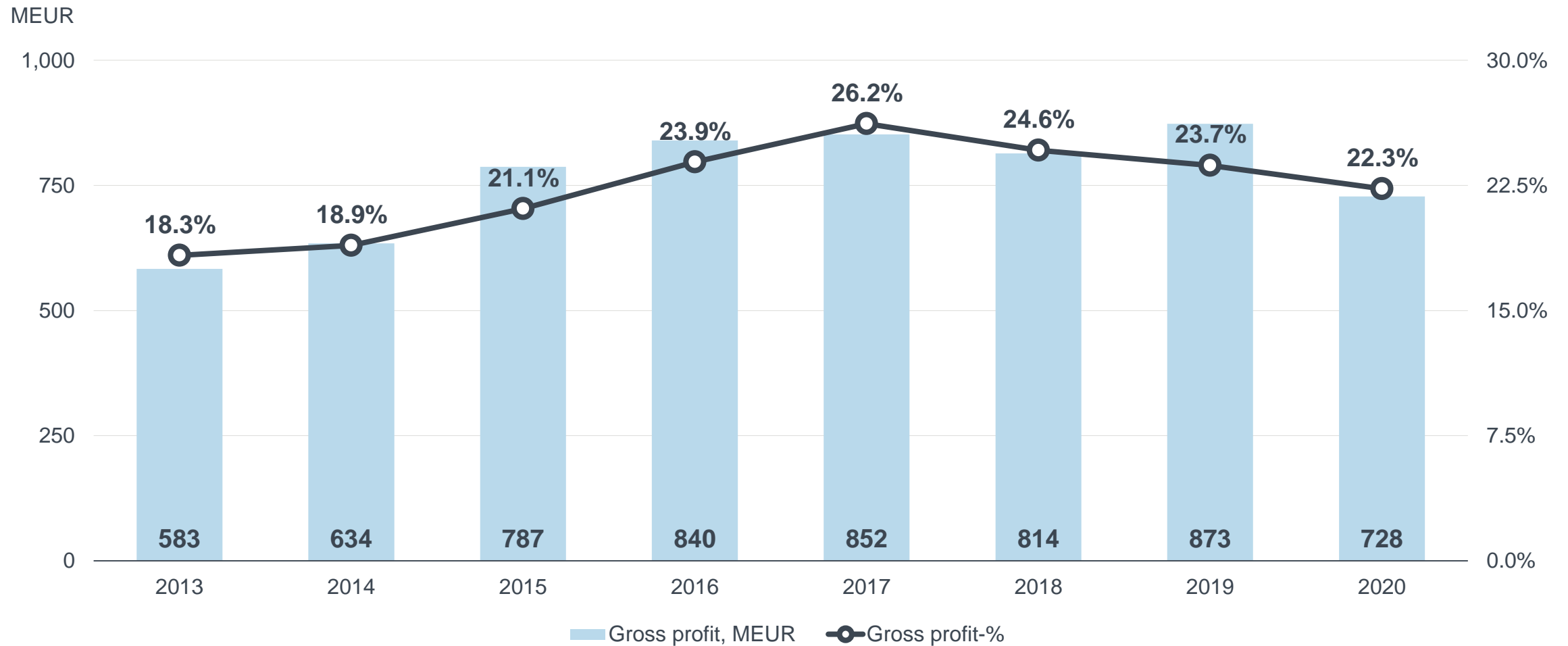


■ Sales ■ Orders received
—○— Order book

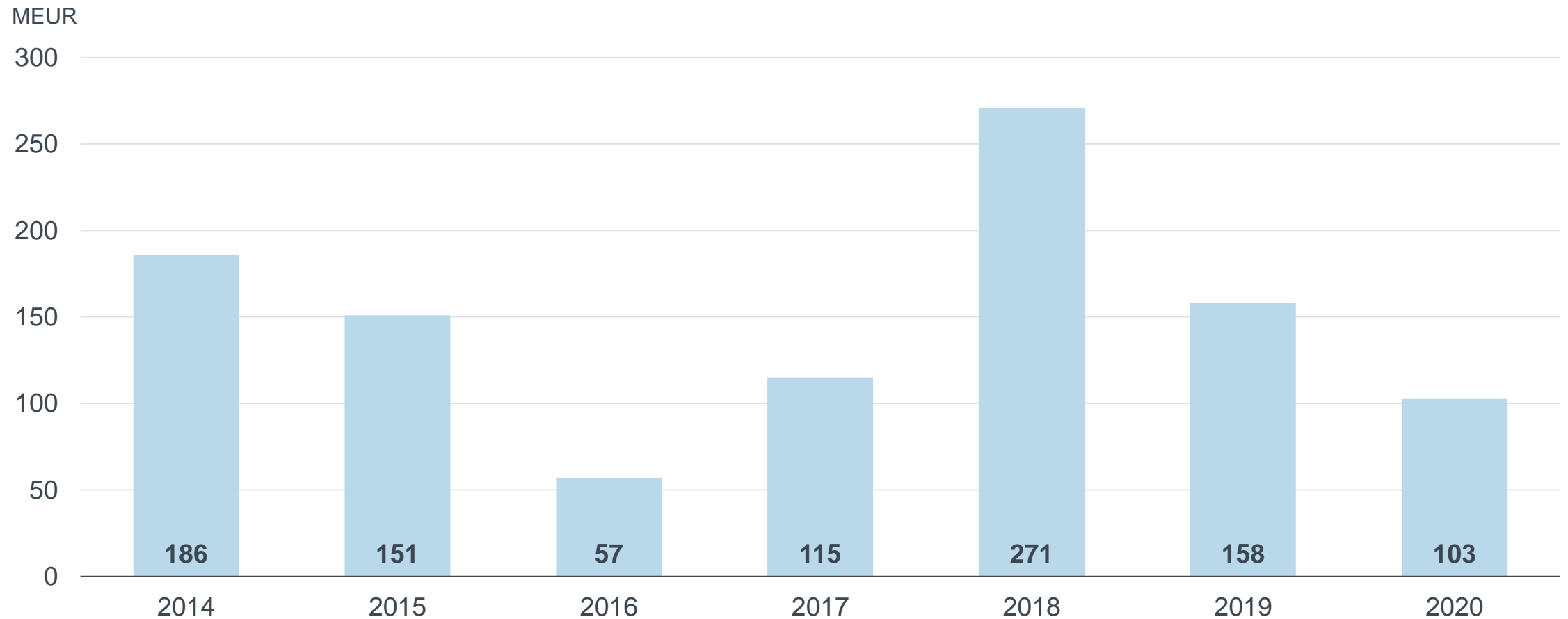
■ Sales ■ Orders received
—○— Order book

■ Sales ■ Orders received
—○— Order book

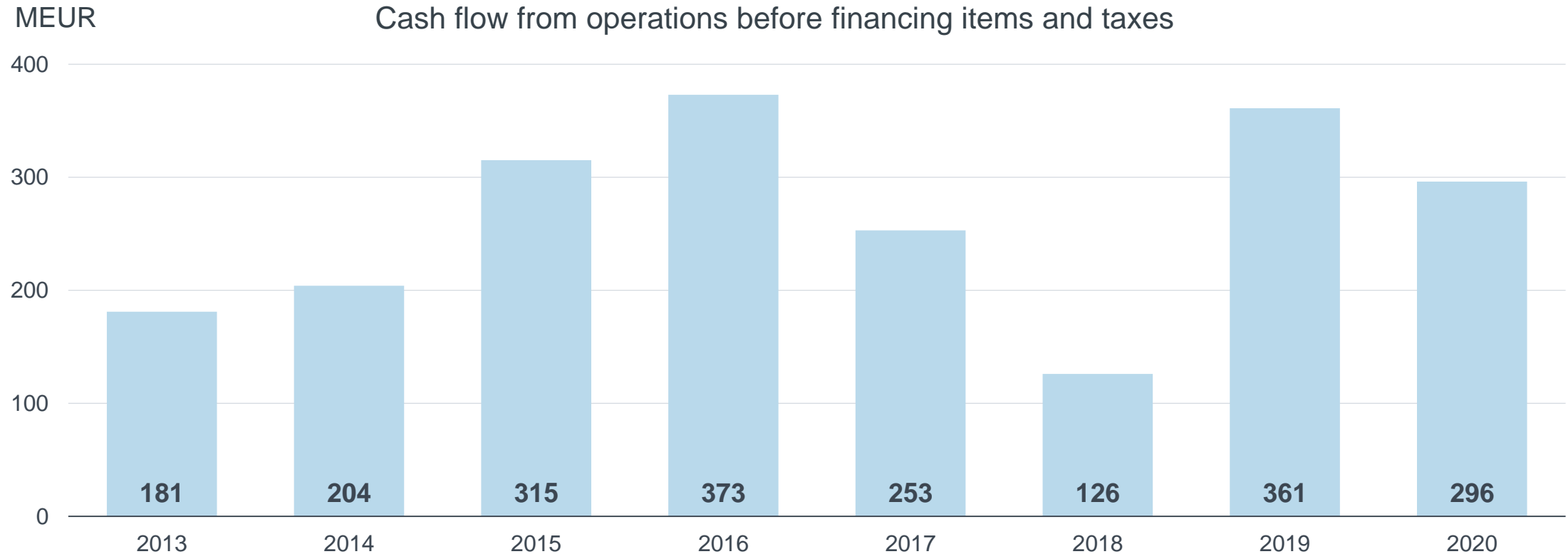
Gross profit development



Net working capital development



Strong cash flow supported by net working capital reduction measures



Income statement

Q4 2020

MEUR	Note	Q4/20	Q4/19	2020	2019
Sales	5	872.8	1,014.7	3,263.4	3,683.4
Cost of goods sold		-672.4	-775.1	-2,535.5	-2,810.3
Gross profit		200.4	239.6	727.9	873.1
<i>Gross profit, %</i>		23.0%	23.6%	22.3%	23.7%
Other operating income		8.3	8.7	48.0	33.5
Selling and marketing expenses		-51.6	-62.6	-199.5	-238.4
Research and development expenses		-29.3	-30.4	-107.9	-105.6
Administration expenses		-60.5	-76.1	-236.7	-269.3
Restructuring costs	7	-39.9	-53.5	-131.0	-80.1
Other operating expenses		-10.6	-10.5	-35.7	-33.8
Costs and expenses		-183.5	-224.3	-662.9	-693.7
Share of associated companies' and joint ventures' net income		0.7	2.7	5.3	0.6
Operating profit		17.6	18.0	70.4	180.0
<i>Operating profit, %</i>		2.0%	1.8%	2.2%	4.9%
Financing income		0.4	0.3	2.8	4.0
Financing expenses		-13.4	-10.2	-38.7	-38.1
Income before taxes		4.5	8.2	34.5	145.9
<i>Income before taxes, %</i>		0.5%	0.8%	1.1%	4.0%
Income taxes	9	2.1	-8.5	-26.4	-56.5
Net income for the period		6.6	-0.3	8.1	89.4
<i>Net income for the period, %</i>		0.8%	0.0%	0.2%	2.4%

Net income for the period attributable to:

Equity holders of the parent		6.5	-0.3	8.1	89.4
Non-controlling interest		0.1	0.0	-0.1	0.0
Total		6.6	-0.3	8.1	89.4

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

Earnings per share, EUR		0.10	-0.00	0.13	1.39
Diluted earnings per share, EUR		0.10	-0.00	0.13	1.39

Balance sheet 31 Dec 2020

ASSETS, MEUR	Note	31 Dec 2020	31 Dec 2019
Non-current assets			
Goodwill		971.9	1,058.5
Other intangible assets		185.8	296.1
Property, plant and equipment		429.7	489.7
Investments in associated companies and joint ventures	16	56.7	120.8
Share investments	16	37.5	0.3
Loans receivable and other interest-bearing assets*	11	18.4	29.1
Deferred tax assets		123.6	131.2
Derivative assets	12	0.1	-
Other non-interest-bearing assets		17.2	10.3
Total non-current assets		1,840.9	2,136.0
Current assets			
Inventories		579.7	713.0
Loans receivable and other interest-bearing assets*	11	4.3	1.3
Income tax receivables		25.4	24.1
Derivative assets	12	13.3	8.5
Accounts receivable and other non-interest-bearing assets		753.9	924.3
Cash and cash equivalents*	11	484.8	420.2
Total current assets		1,861.4	2,091.4
Assets held for sale	17	185.7	-
Total assets		3,888.0	4,227.4

*Included in interest-bearing net debt.

EQUITY AND LIABILITIES, MEUR	Note	31 Dec 2020	31 Dec 2019
Equity attributable to the equity holders of the parent			
Share capital		64.3	64.3
Share premium account		98.0	98.0
Translation differences		-110.9	-33.2
Fair value reserves		4.4	-9.1
Reserve for invested <u>non-restricted</u> equity		57.4	57.4
Retained earnings		1,185.6	1,247.1
Total equity attributable to the equity holders of the parent		1,298.7	1,424.5
Non-controlling interest		2.7	2.8
Total equity		1,301.4	1,427.3
Non-current liabilities			
Interest-bearing liabilities*	11	1,027.4	953.3
Deferred tax liabilities		20.6	39.1
Pension obligations		115.5	110.4
Provisions		7.2	7.0
Derivative liabilities	12	0.0	-
Other non-interest-bearing liabilities		62.6	66.0
Total non-current liabilities		1,233.4	1,175.8
Current liabilities			
Current portion of interest-bearing liabilities*	11	136.1	233.0
Other interest-bearing liabilities*	11	19.6	38.1
Provisions		105.9	114.3
Advances received		182.7	306.3
Income tax payables		21.7	21.1
Derivative liabilities	12	19.4	11.8
Accounts payable and other non-interest-bearing liabilities		797.5	899.8
Total current liabilities		1,282.7	1,624.3
Liabilities directly associated with assets held for sale	17	70.5	-
Total equity and liabilities		3,888.0	4,227.4

*Included in interest-bearing net debt.

Cash flow statement

Q4 2020

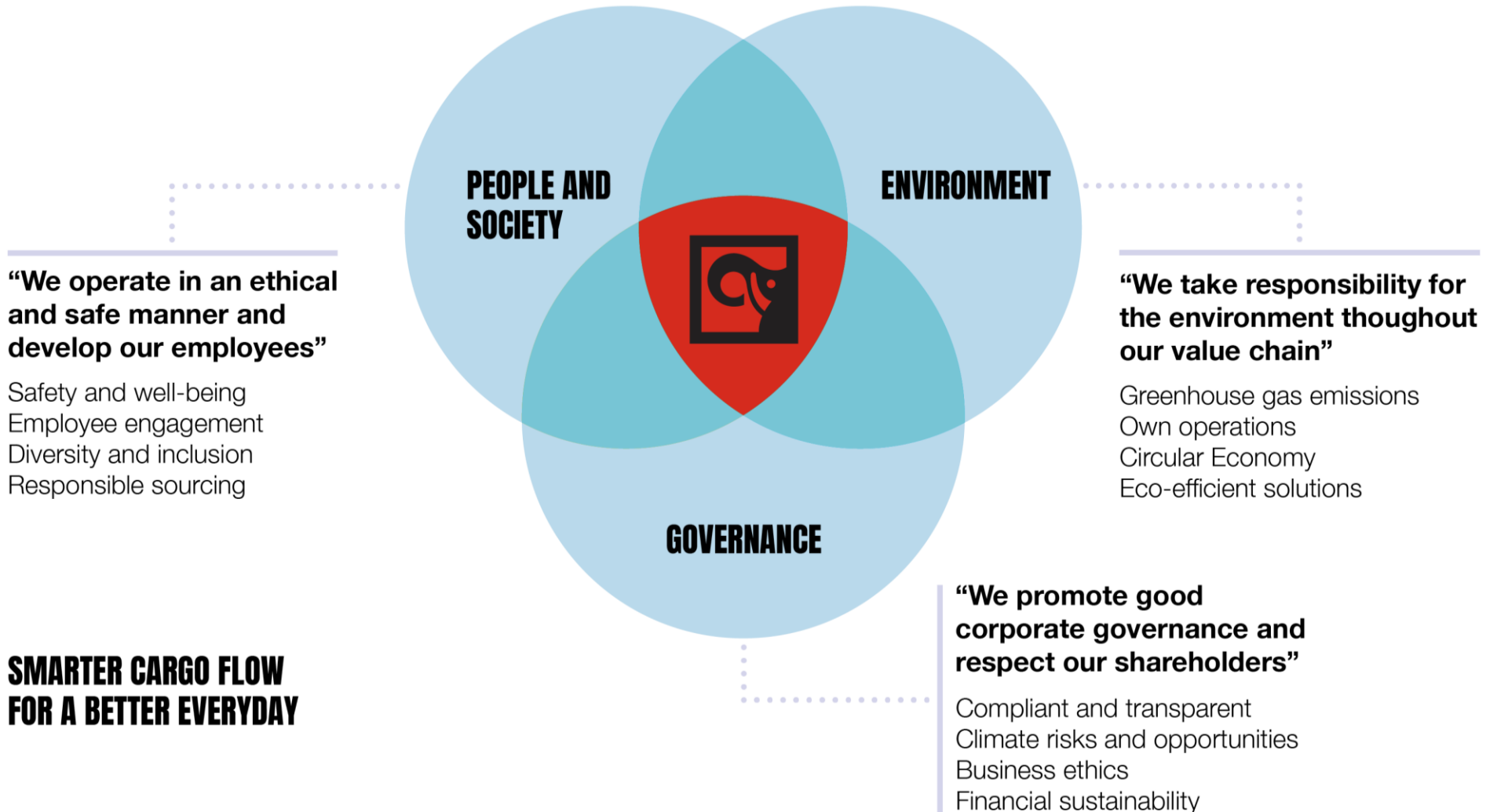
MEUR	Note	Q4/20	Q4/19	2020	2019
Net cash flow from operating activities					
Net income for the period		6.6	-0.3	8.1	89.4
Depreciation, amortisation and impairment	8	35.8	43.6	144.0	133.8
Financing items		13.1	9.8	35.9	34.1
Taxes		-2.1	8.5	26.4	56.5
Change in receivables		9.6	-39.8	106.8	-69.6
Change in payables		12.1	94.2	-149.2	106.5
Change in inventories		122.6	96.7	98.7	13.5
Change in net working capital		144.4	151.1	56.4	50.4
Other adjustments		-1.9	-4.8	25.6	-3.2
Cash flow from operations before financing items and taxes		195.8	208.0	296.4	361.1
Interest received		1.0	1.1	2.8	5.3
Interest paid		-4.3	-5.0	-25.8	-29.4
Dividends received		-	-	0.1	-
Other financing items		-6.5	3.5	-9.0	14.5
Income taxes paid		4.3	12.1	-24.5	-48.1
Net cash flow from operating activities		190.3	219.7	240.0	303.5
Net cash flow from investing activities					
Acquisitions of businesses, net of cash acquired	15	-0.3	-2.5	-12.1	-109.5
Disposals of businesses, net of cash sold	15	0.7	0.3	2.7	0.3
Investments in fixed assets		-12.5	-13.2	-46.7	-68.5
Disposals of fixed assets		8.6	2.8	25.9	20.8
Cash flow from investing activities, other items		7.1	-0.5	8.9	6.2
Net cash flow from investing activities		3.6	-13.0	-21.3	-150.6

	Note	Q4/20	Q4/19	2020	2019
Net cash flow from financing activities					
Treasury shares acquired		-	-	-	-2.2
Repayments of lease liabilities		-11.2	-13.5	-44.1	-45.5
Proceeds from long-term borrowings		-	-0.1	249.5	298.1
Repayments of long-term borrowings		-52.8	-16.5	-251.4	-168.3
Proceeds from short-term borrowings		-0.8	1.5	98.8	271.6
Repayments of short-term borrowings		-6.1	-112.8	-106.9	-257.8
Profit distribution		-3.6	-35.4	-77.8	-71.0
Net cash flow from financing activities		-74.4	-176.7	-131.8	24.9
Change in cash and cash equivalents		119.5	29.9	86.9	177.8
Cash and cash equivalents, and bank overdrafts at the beginning of period		369.8	380.3	409.8	225.5
Effect of exchange rate changes		-7.3	-0.4	-14.8	6.6
Cash and cash equivalents included in assets held for sale	17	0.4	-	0.4	-
Cash and cash equivalents, and bank overdrafts at the end of period		482.3	409.8	482.3	409.8
Bank overdrafts at the end of period		2.5	10.4	2.5	10.4
Cash and cash equivalents at the end of period		484.8	420.2	484.8	420.2



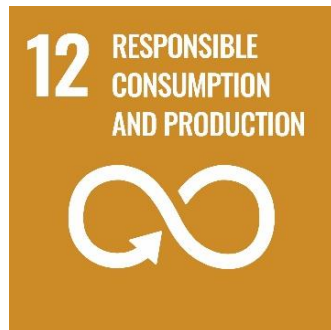
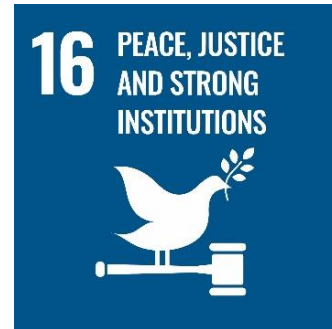
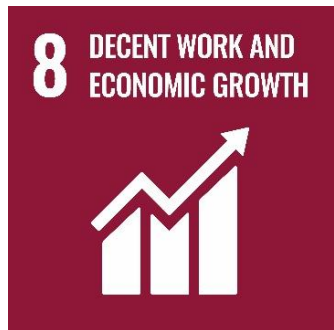
Sustainability as a driver for future growth

We create value for all stakeholder by being a 1.5 degree company

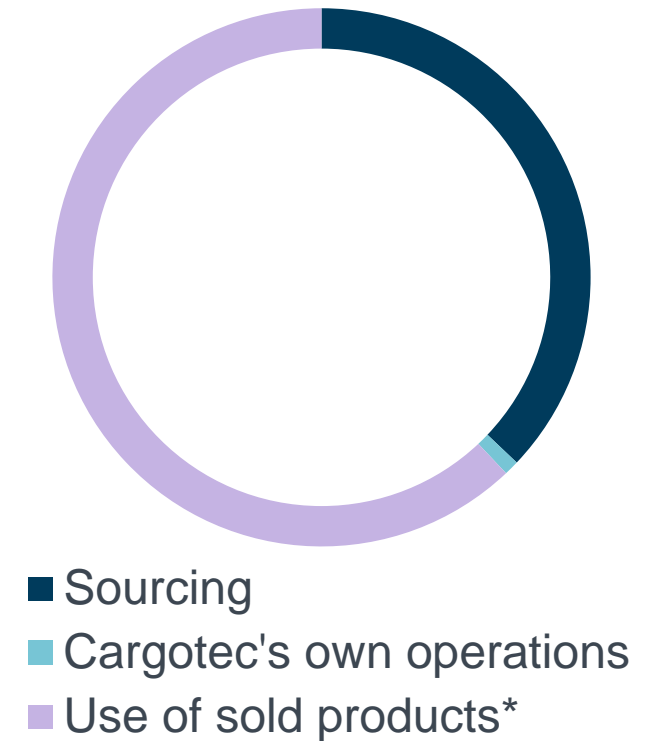


Climate solutions is our focus area in sustainability

SUSTAINABLE
DEVELOPMENT
GOALS



Greenhouse gas emissions*



LIFETIME SAVINGS OF KALMAR'S ELECTRIC TERMINAL TRACTOR

179

CARS OFF
THE ROAD FOR A YEAR



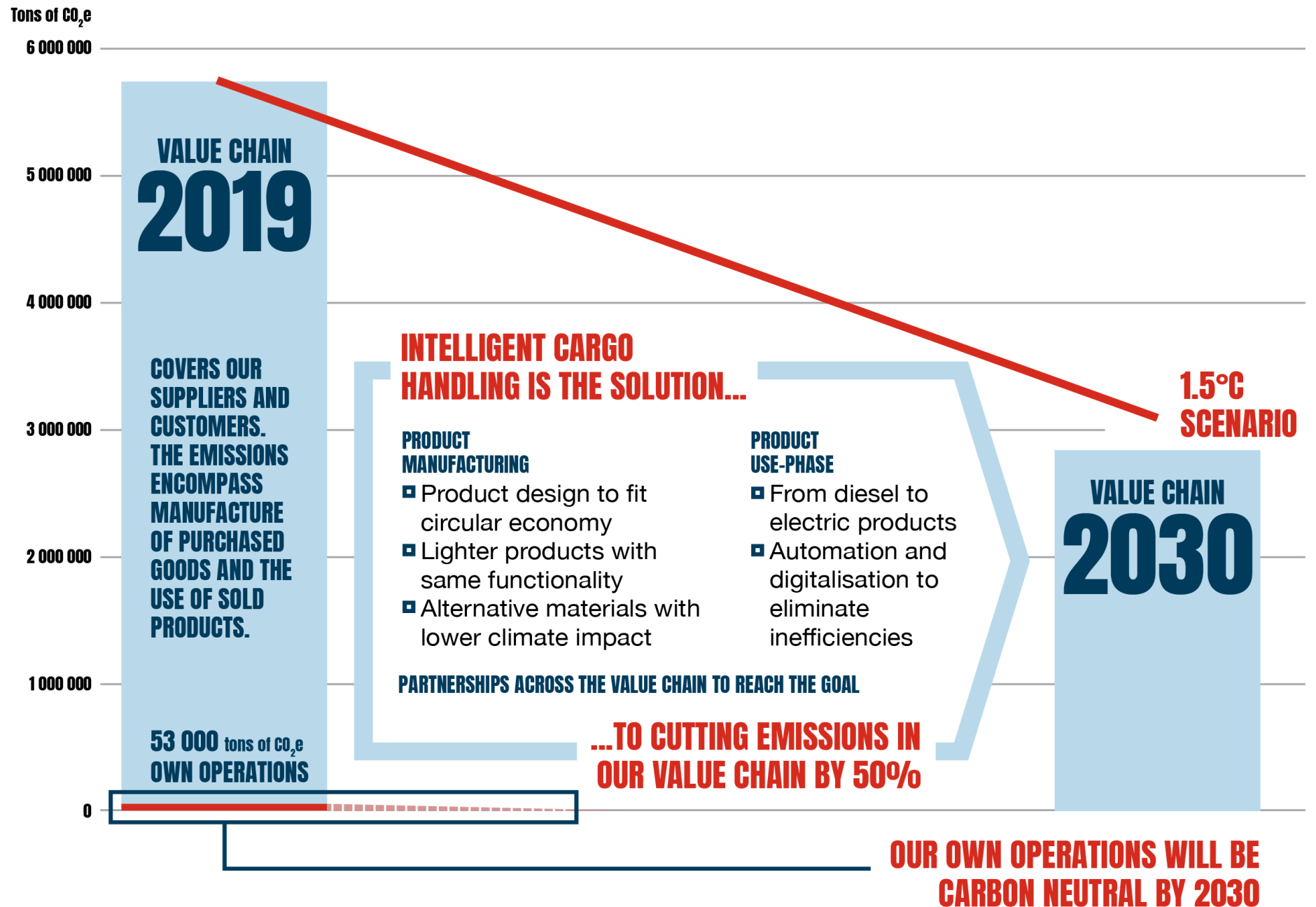
-389

TONS CO₂

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.

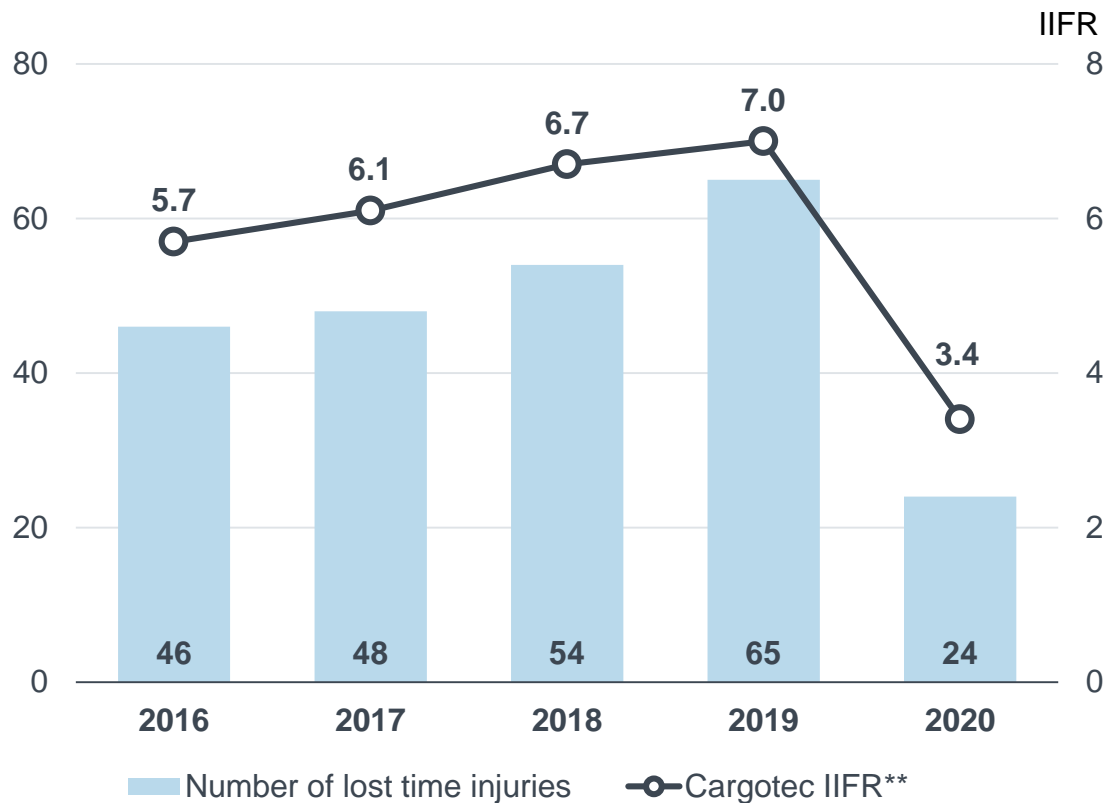
150

CARGOTEC IS COMMITTED TO THE 1.5 DEGREES CLIMATE GOAL



Eco-efficiency portfolio targets double sales growth compared traditional equipment

INDUSTRIAL INJURY FREQUENCY RATE*



ECO PORTFOLIO



*Cargotec assembly sites

** Number of injuries per million worked hours



Sea Freight Transport is by far the most sustainable transport mode in terms of emissions

Compared to transportation of goods

→ by trains, sea freight emits
~2-3 times less emissions

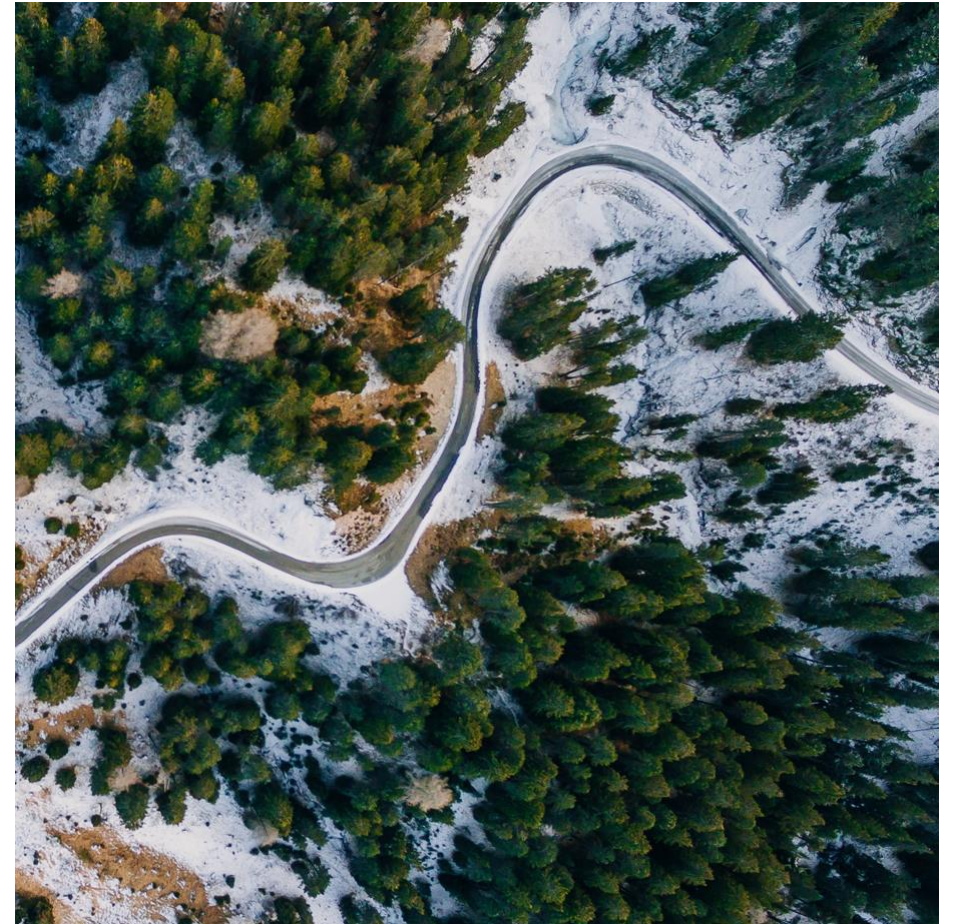
→ by trucks, sea freight emits
~3-4 times less emissions

→ by air cargo, sea freight emits
~14 times less emissions

Kalmar appendix

Cargotec to sell Navis software business

- In February 2020, Cargotec started the review **alternative development paths** of Navis business to secure best possible **growth and value creation** for the next development phase for Navis
- On 26 March 2021, Cargotec announced the sale of Navis to technology investment firm Accel-KKR for an EV of EUR 380 million = 3.6 x sales
- Closing is expected by the end of Q3 2021
- Approximately EUR 230 million positive impact on Cargotec's operating profit in 2021
- Cargotec's investment since 2011 has enabled Navis to become the market leader in terminal operating systems (TOS), and **more than doubled revenue to MEUR 107**
- Cargotec's other software business will not be sold

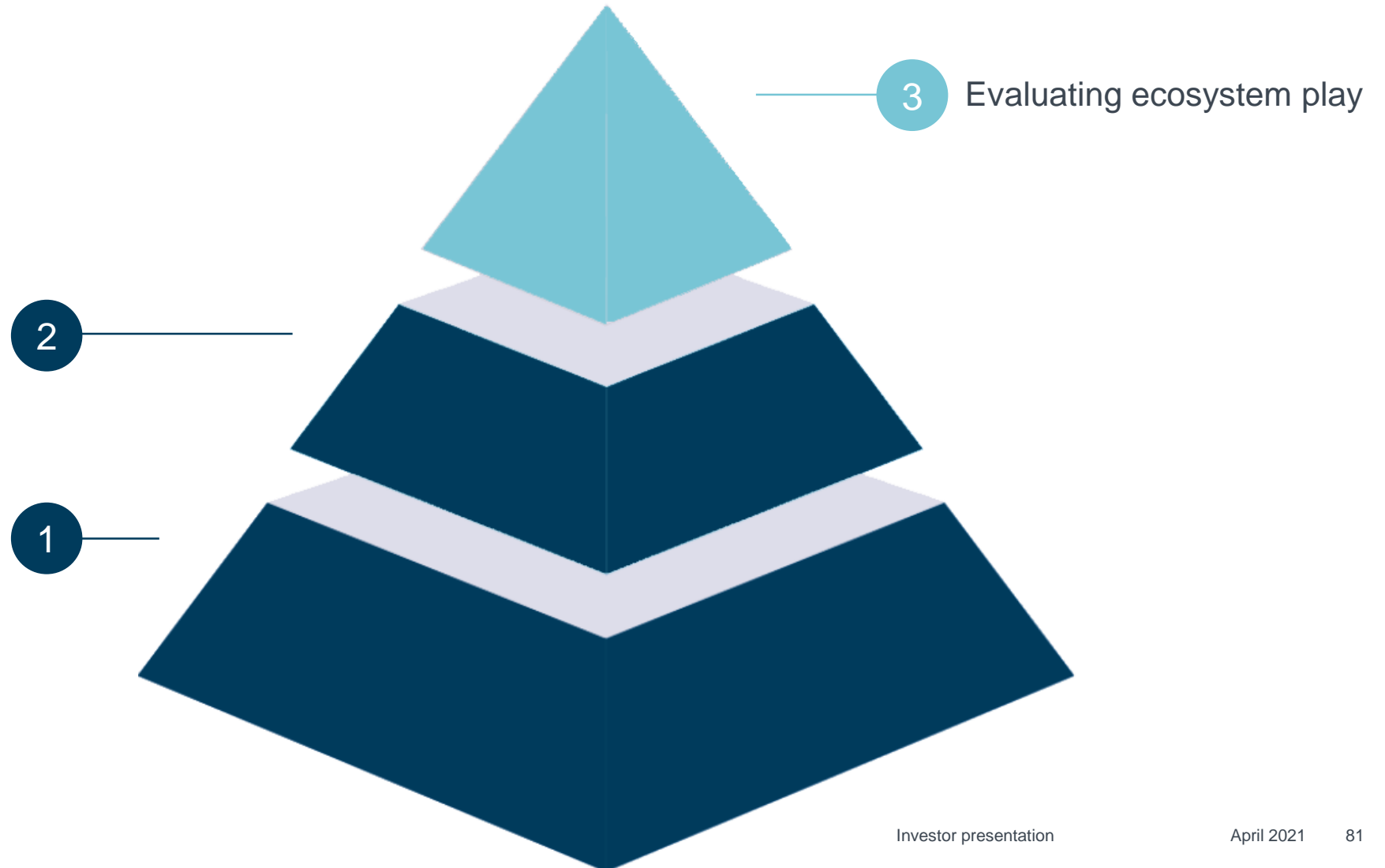


Committed to become the leader in intelligent cargo handling – evaluating future options for value creation

Increased focus on intelligent solutions and system level optimisation.

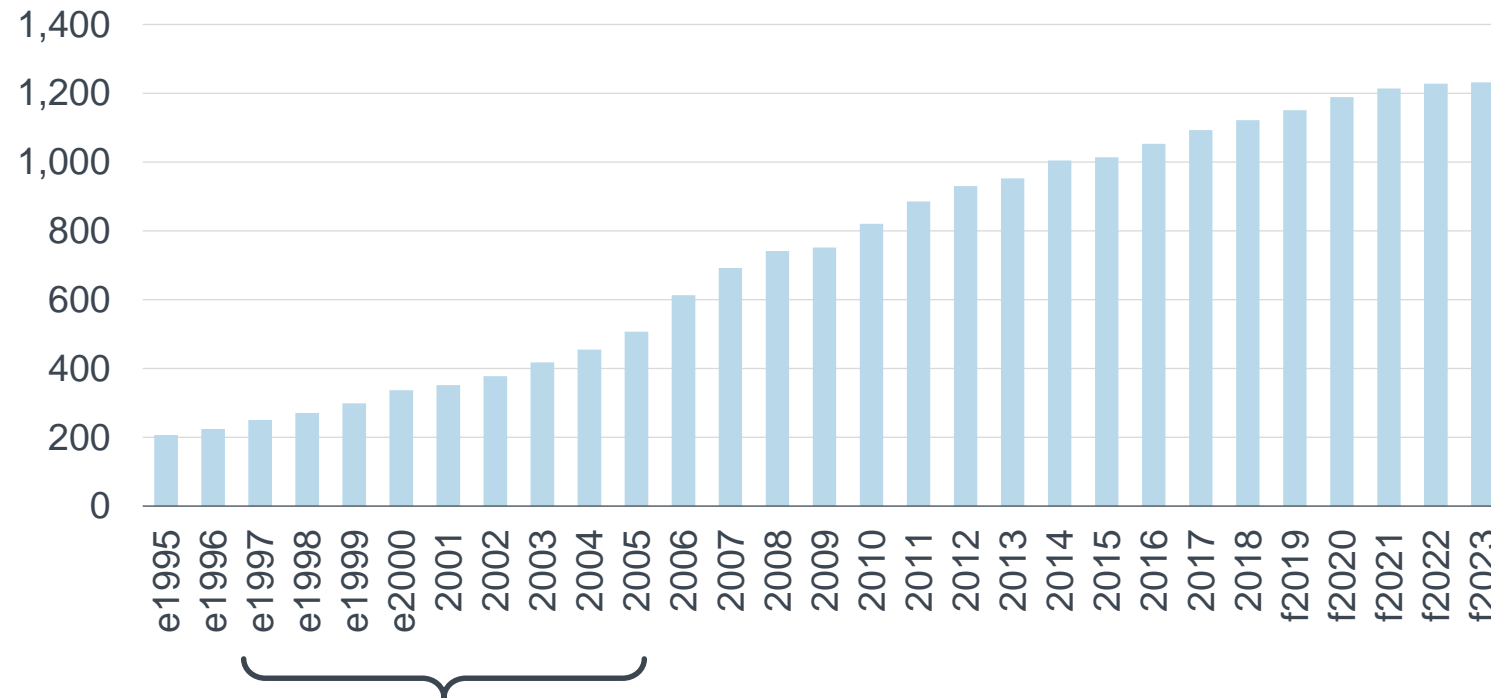
Availability and performance-based solutions and services
Advanced robotics

Continuous development of equipment, spare parts and maintenance services



The current replacement market size for key terminal equipment is EUR 1 billion annually and the market is expected to double in the next decade

Total Capacity MTEU



Replacement after lifetime of equipment

The replacement market will grow in coming years, as the container terminal capacity has expanded significantly during the last two decades.

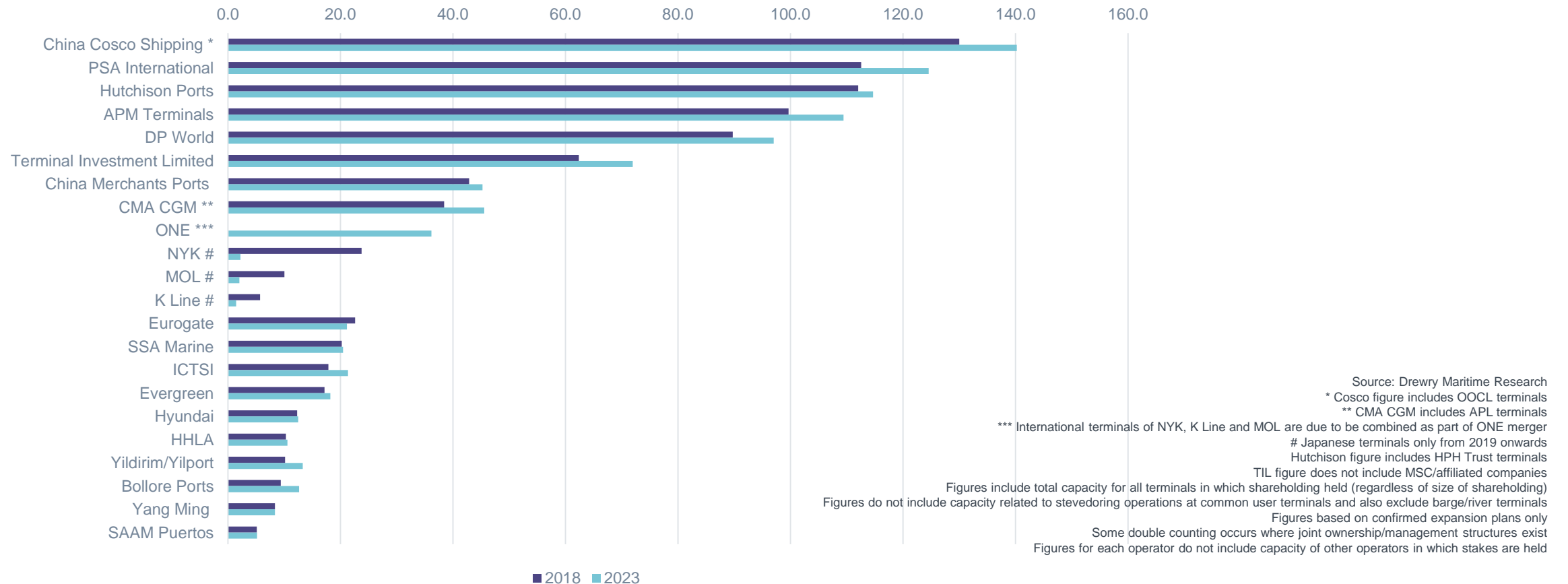
Average lifetime of type of equipment:

- STS - 25 yrs
- RTG -15 yrs
- SC - 8-10 yrs
- RS/ECH/TT – 8 yrs

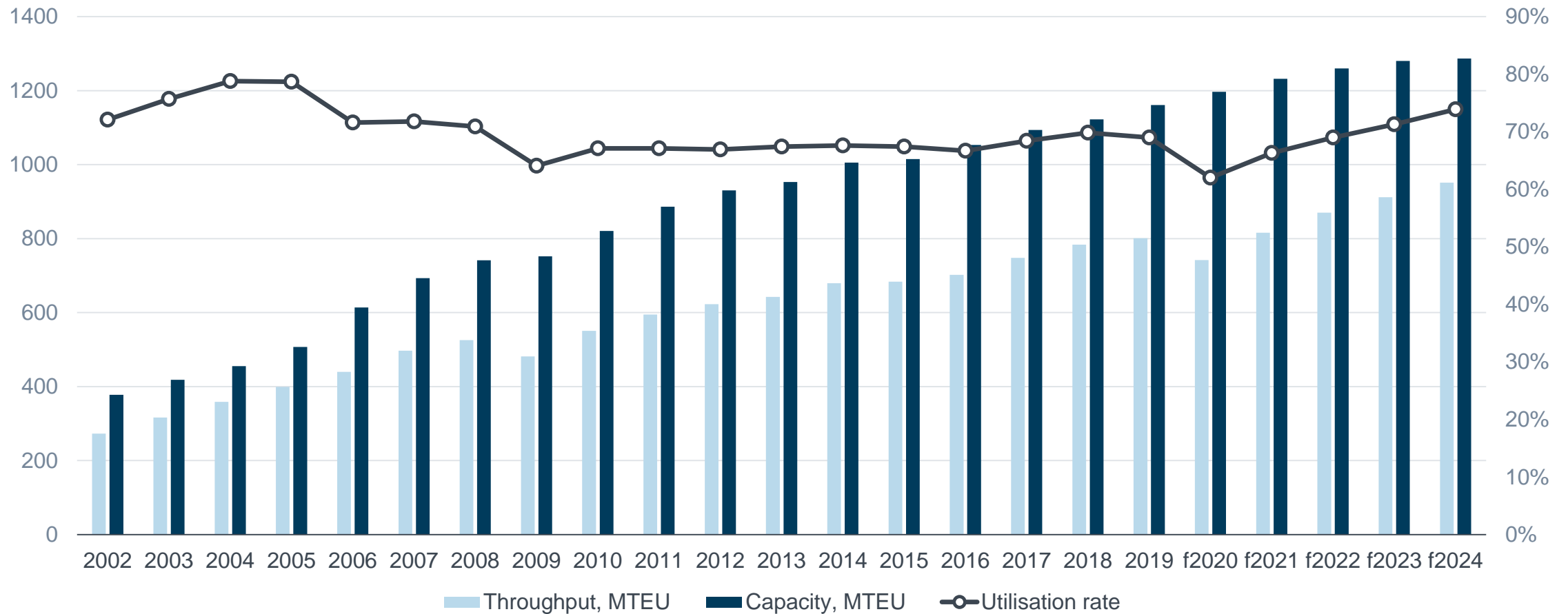
Source: Drewry reports: Global Container Terminal Operators 2001-2016 Note: 1995-2000 capacity is estimation based on the assumption that the utilisation rate has been between 70-72% in that period. 2019-2023 forecast based on Drewry's Global container terminal operators report, published in Q4/2019

Global container terminal operators – Most capacity expected to be added by Cosco

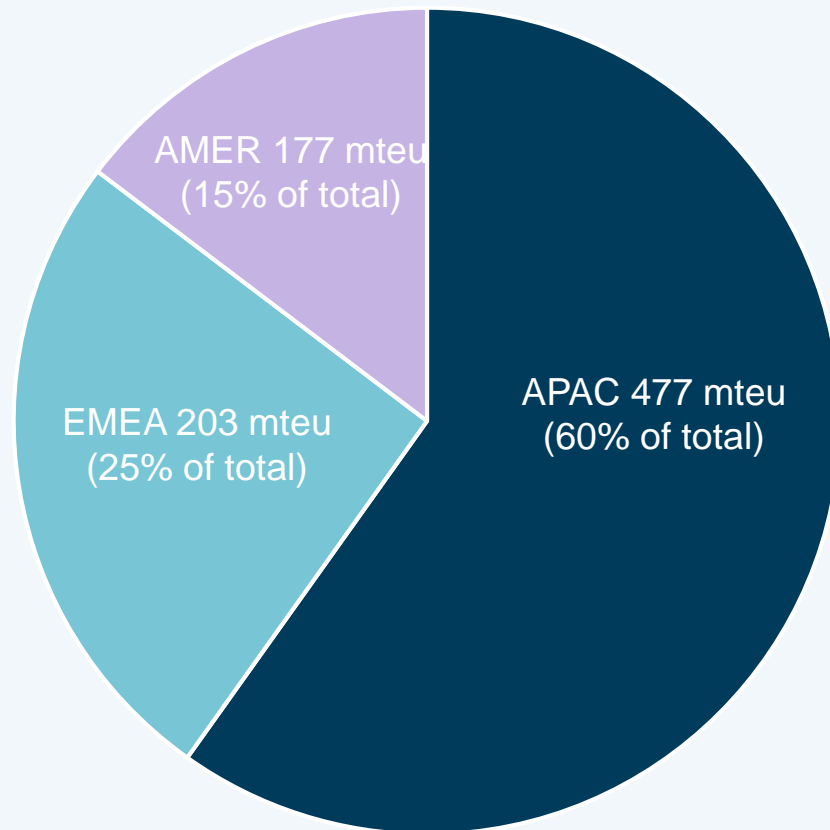
Global/international terminal operators' capacity development, 2018-2023 (MTEU)



Global container throughput and capacity development



60% of global container throughput is expected to take place in APAC in 2020



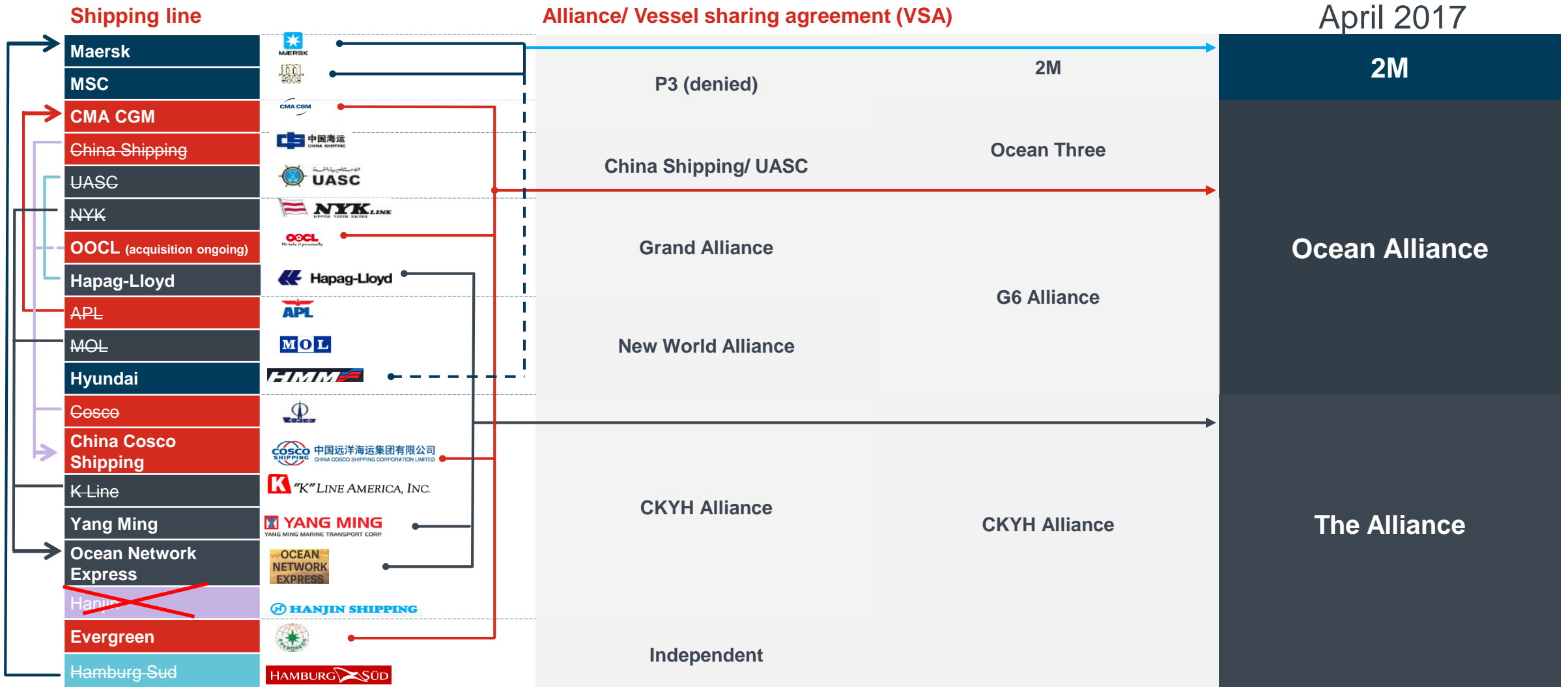
Source: Drewry container forecaster Q4 2019

Global container throughput expected to decrease 0.5% in 2020

- APAC -0.2% (-1 mteu)
- EMEA -1.3% (-3 mteu)
- AMER -0.3% (-0 mteu)

→ Drewry states that its scenario is not a "worst-case" COVID-19 scenario and that a more significant decrease is possible

Three alliances controlling about 80% of global container fleet capacity

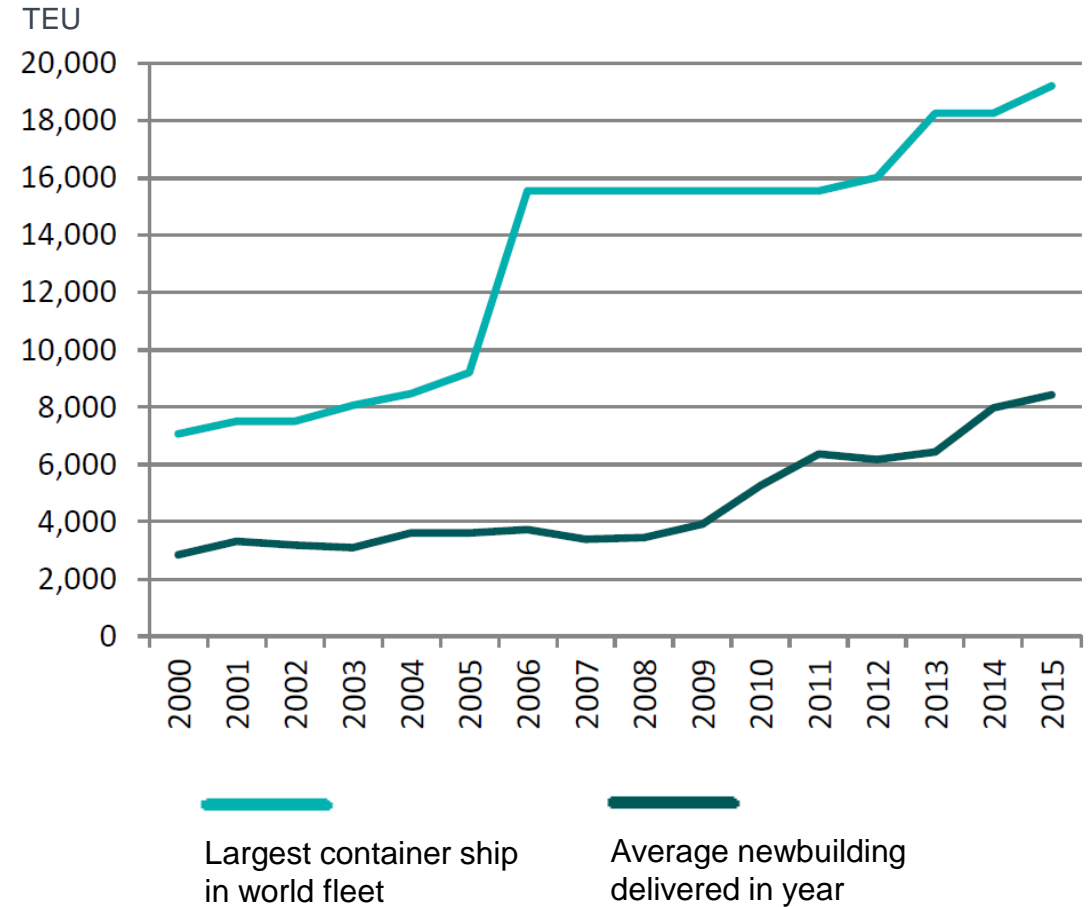


Total: 17
(9 after further consolidations)

- The arrows indicate changes, confirmed or planned, through M&A or JV over the last 18 months. Hanjin bankrupt. Hyundai isn't currently officially part of any alliance, but formed a cooperative relationship with 2M.
- Ocean Network Express (ONE) launch April 2018.
- COSCO Shipping's planned acquisition of OOCL expected to be completed by the end of June
- Analyse excludes Zim, PIL and Wan Hai

Ship sizes increasing dramatically

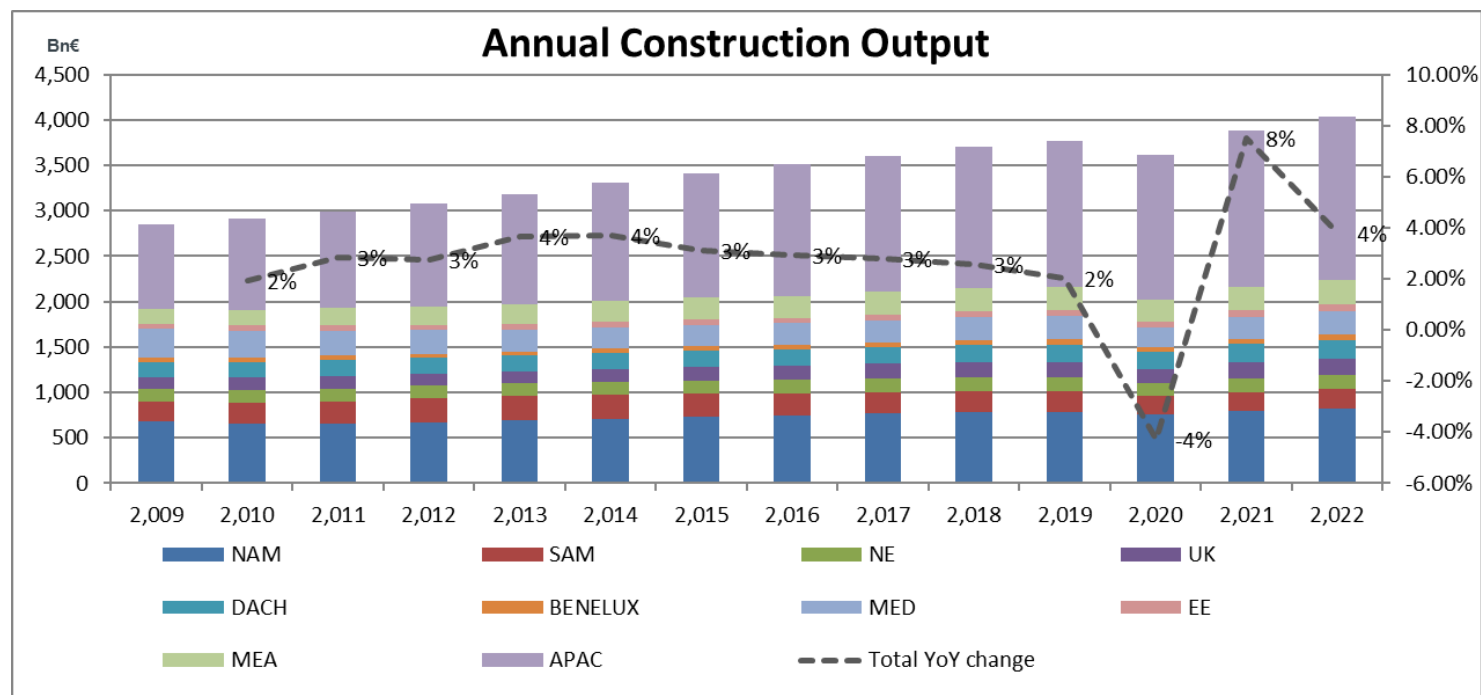
- The largest containership in the fleet has nearly tripled since 2000
- The average size of new builds doubles between 2009 and 2014



Source: Drewry November 2015

Hiab appendix

Construction output forecast

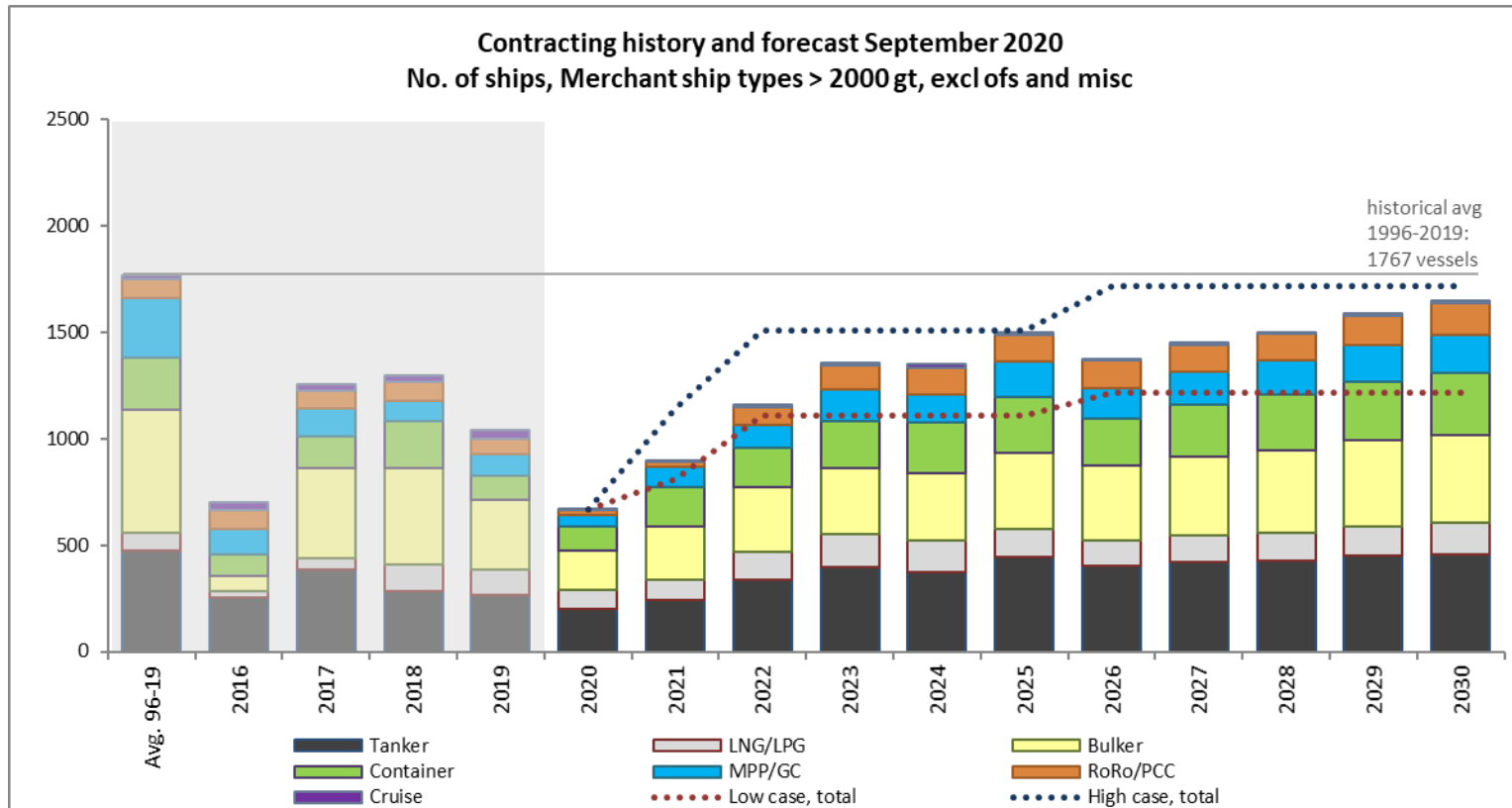


	Percentage point change vs last forecast						YoY changes						
	2017	2018	2019	2020	2021	2022	2017	2018	2019	2020	2021	2022	
NAM	1.2%	-0.4%	-0.8%	-5.2%	2.2%	2.8%	NAM	2.6%	2.0%	-0.1%	-2.8%	4.5%	2.8%
SAM	-0.4%	0.6%	-1.1%	-16.3%	4.0%	3.6%	SAM	-4.0%	-1.2%	-2.0%	-13.7%	7.4%	3.6%
NE	-0.2%	-1.6%	-1.9%	-7.3%	3.2%	2.2%	NE	2.6%	3.9%	1.1%	-5.3%	5.1%	2.2%
UK	-0.7%	-0.3%	0.0%	-16.2%	15.8%	3.8%	UK	6.7%	0.4%	2.2%	-14.5%	17.6%	3.8%
DACH	-1.5%	-0.7%	0.5%	0.0%	1.5%	2.2%	DACH	1.4%	2.0%	2.7%	1.5%	2.8%	2.2%
BENELUX	2.0%	-0.5%	-0.9%	-5.4%	2.8%	3.6%	BENELUX	5.1%	4.6%	4.3%	-3.9%	4.2%	3.6%
MED	-0.5%	-0.7%	0.7%	-19.7%	11.3%	6.3%	MED	2.7%	2.3%	2.9%	-17.5%	13.4%	6.3%
EE	-0.5%	-4.3%	1.1%	-7.7%	2.7%	3.9%	EE	4.2%	7.5%	5.5%	-4.6%	5.7%	3.9%
MEA	0.8%	2.4%	-0.1%	-8.1%	3.3%	5.1%	MEA	2.7%	0.5%	-0.2%	-5.2%	7.2%	5.1%
APAC	-0.1%	-0.3%	-0.9%	-4.8%	4.2%	4.0%	APAC	3.7%	3.7%	3.6%	-0.9%	8.2%	4.0%
Total	0.2%	-0.3%	-0.7%	-7.2%	4.4%	3.8%	Total	2.8%	2.6%	2.0%	-4.3%	7.5%	3.8%

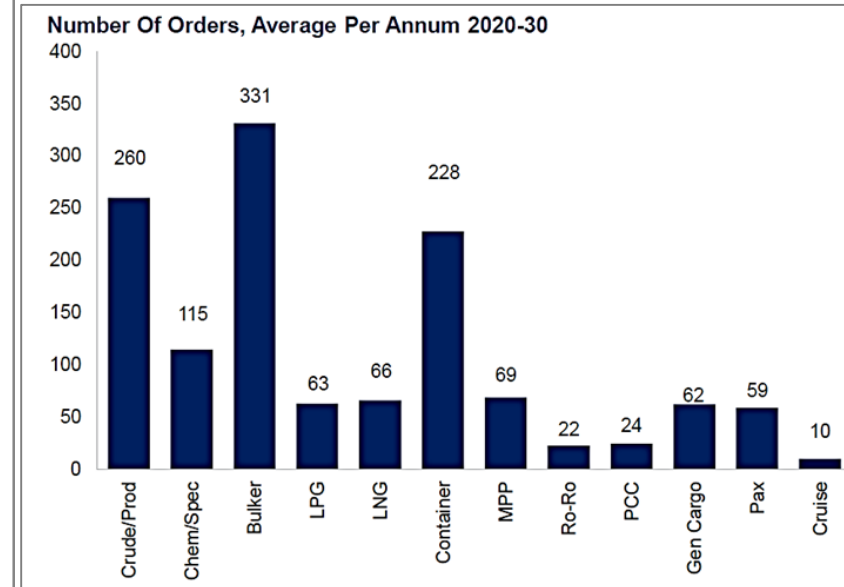
MacGregor appendix

Merchant ships: Contracting forecast by shiptype (no of ships)

Merchant ship types > 2000 gt excl offshore and misc, base case

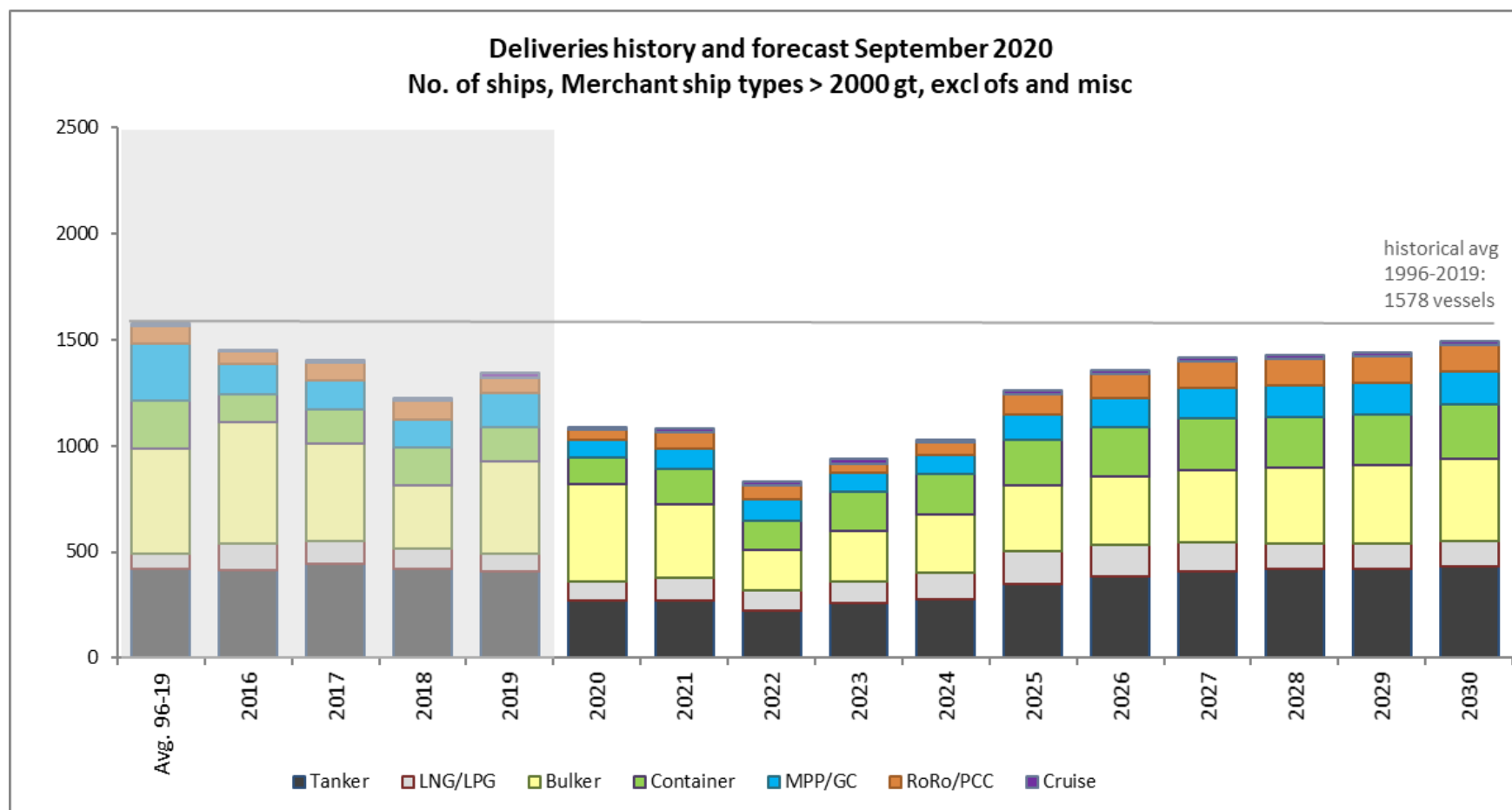


According to the long-term forecast volume sectors (tankers, bulkers, container ships) continue to drive majority of orders in numerical terms.

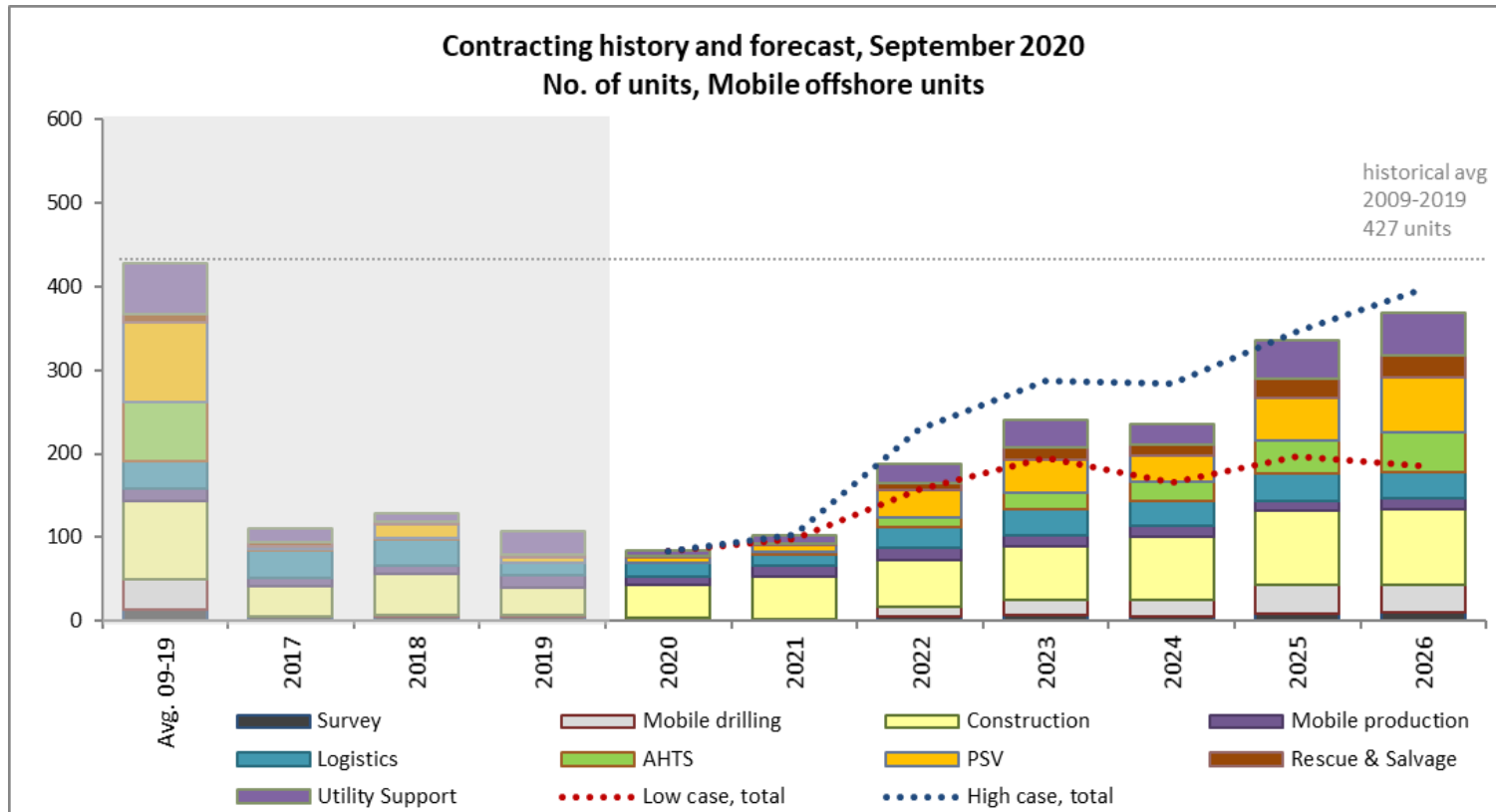


Merchant ships: Deliveries forecast by shiptype (no of ships)

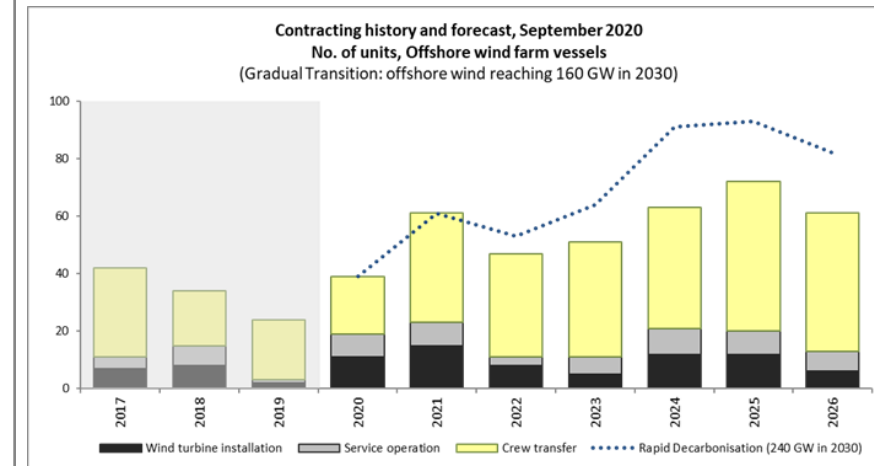
Merchant ship types > 2000 gt excl offshore and misc, base case



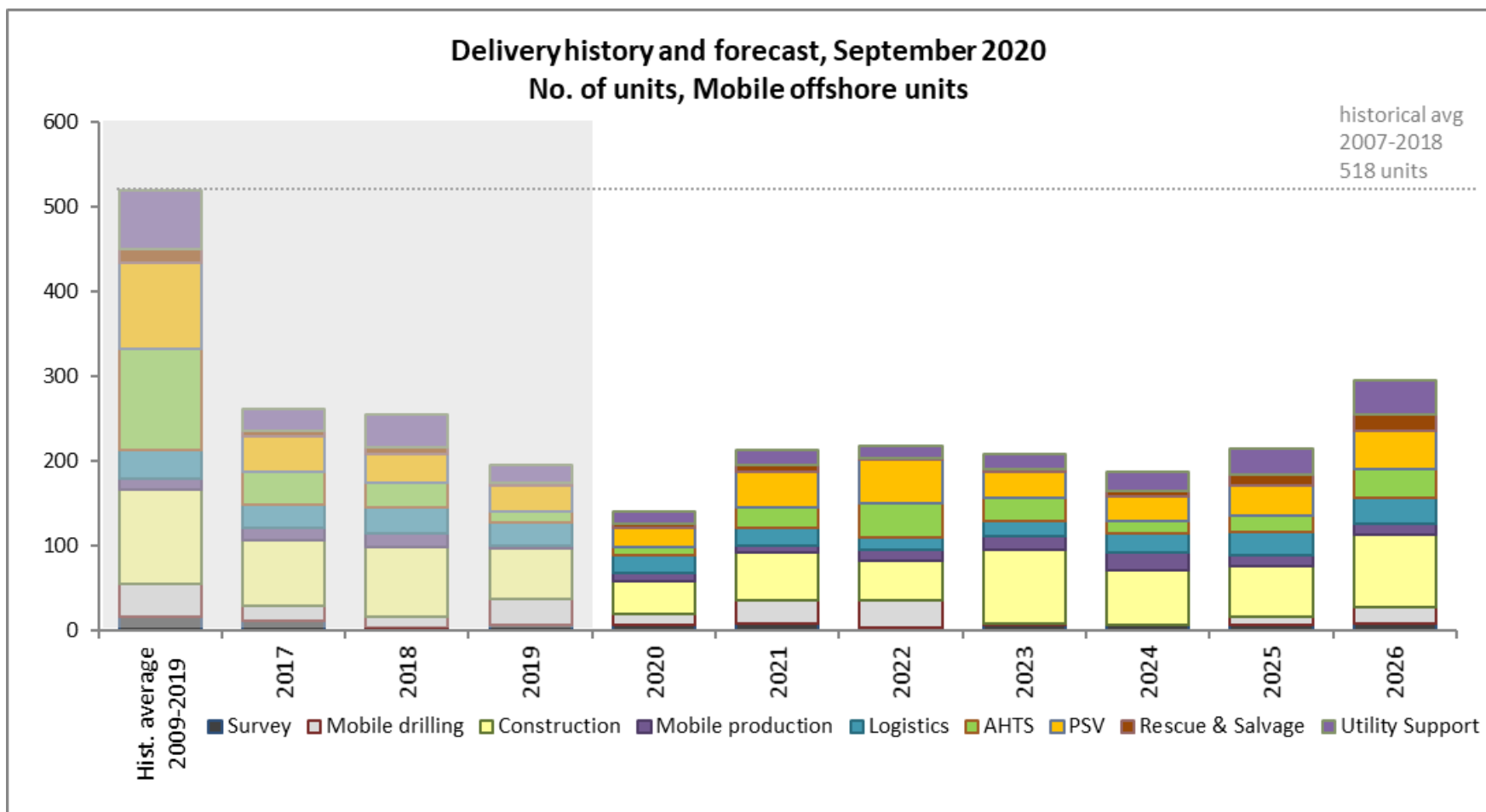
Offshore mobile units: Contracting forecast by shiptype (number of units), base case



Offshore wind is expected to drive ordering of dedicated offshore wind vessels, but also a wider range of other mobile offshore units, such as crane units, cable layers, heavy lift and multipurpose vessels.

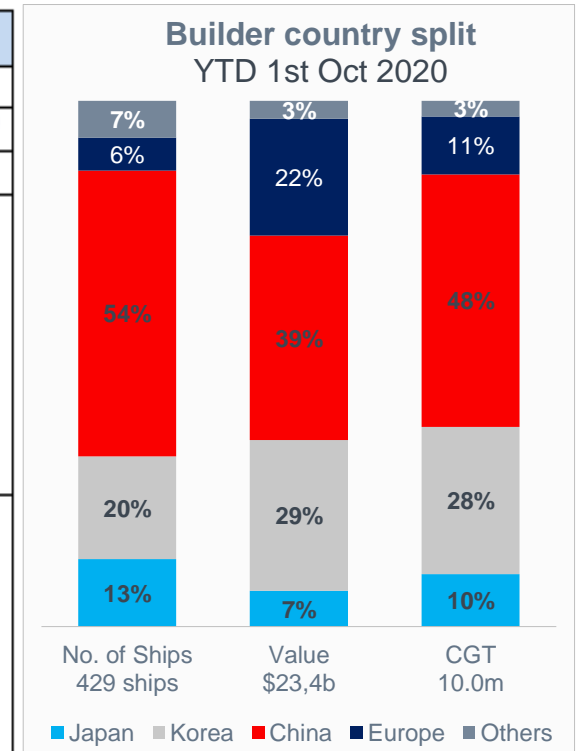


Offshore mobile units: Deliveries forecast by shiptype (number of units), base case



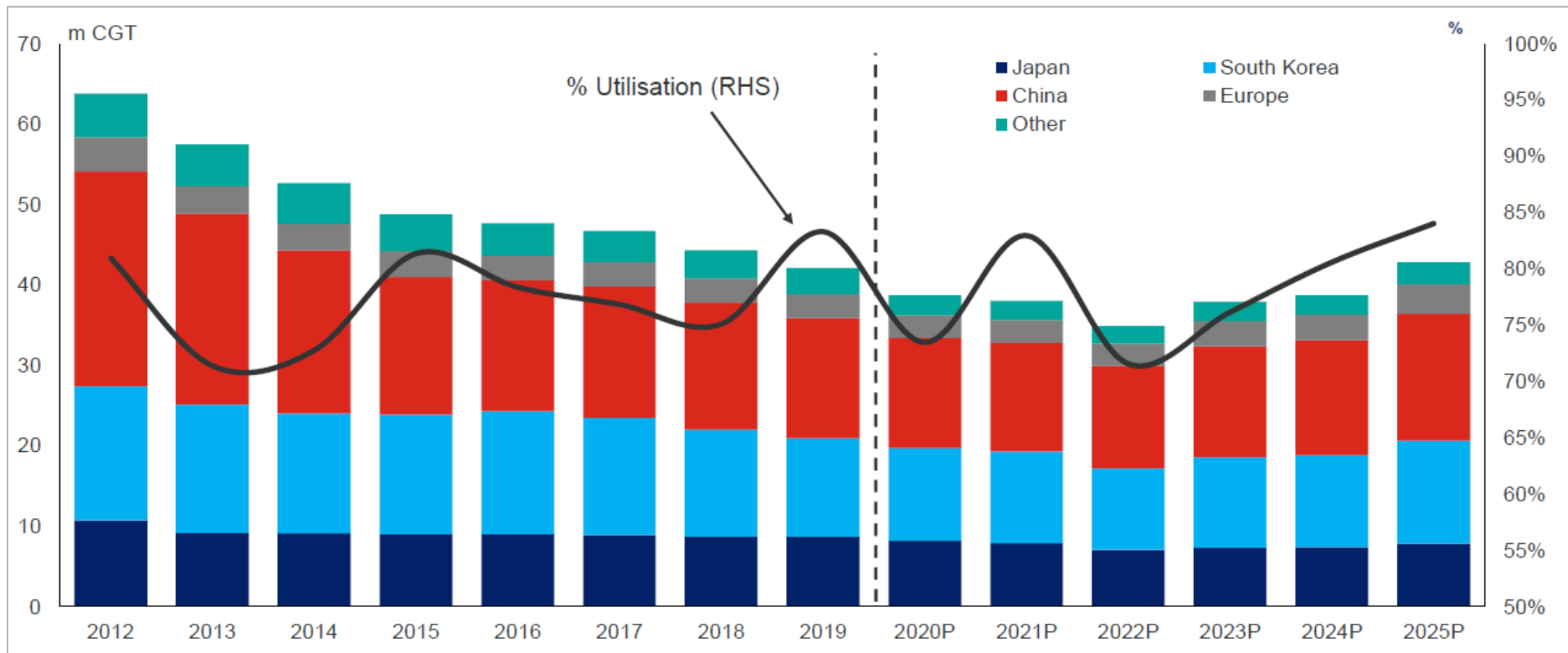
Shipbuilding – contracting ships >2000 gt/dwt

Global Contracting Activity (1st October 2020)												
	No.				\$bn				m. CGT			
	2018	2019	2020ytd	%y-o-y*	2018	2019	2020ytd	%y-o-y*	2018	2019	2020ytd	%y-o-y*
TOTAL (>2,000 Dwt/GT**)	1,387	1,146	429	-50%	78.6	80.4	23.4	-61%	35.4	28.9	10.0	-54%
Vessel Type												
Bulkers	459	336	116	-54%	13.9	10.6	3.1	-61%	9.6	6.7	2.1	-59%
Tankers	283	265	139	-30%	12.2	12.1	6.4	-29%	6.5	6.2	3.3	-30%
Containerships	217	116	30	-66%	11.1	6.9	1.4	-72%	6.4	3.6	0.8	-70%
Gas Carriers	125	123	47	-49%	15.3	14.1	6.6	-38%	6.8	5.7	2.3	-47%
Offshore	64	69	28	-46%	5.3	8.9	2.6	-61%	1.1	1.2	0.8	-10%
Others	239	237	69	-61%	20.9	27.8	3.4	-84%	5.0	5.5	0.8	-80%
Builder Country/Region												
China	545	454	233	-32%	20.7	22.6	9.1	-46%	10.8	9.6	4.8	-33%
South Korea	290	235	84	-52%	27.7	23.3	6.7	-61%	13.6	10.1	2.8	-63%
Japan	384	277	55	-74%	12.2	8.8	1.6	-75%	7.2	4.9	1.0	-74%
Europe	103	99	27	-64%	16.5	23.8	5.2	-71%	3.0	3.6	1.1	-60%
Other	65	81	30	-51%	1.6	1.9	0.8	-45%	0.8	0.8	0.3	-47%



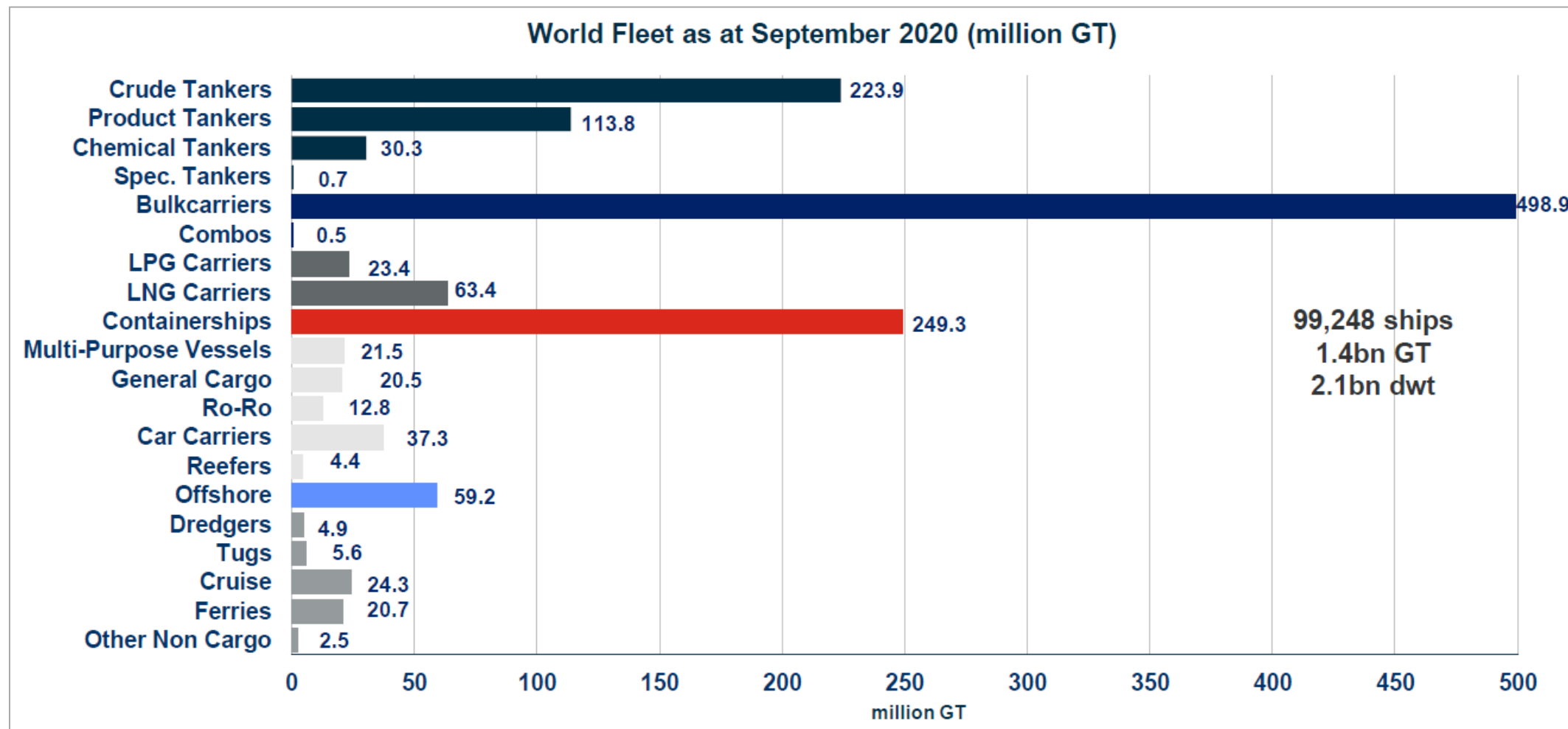
Shipbuilding capacity and utilisation scenario

Capacity projected to reach low at end 2022



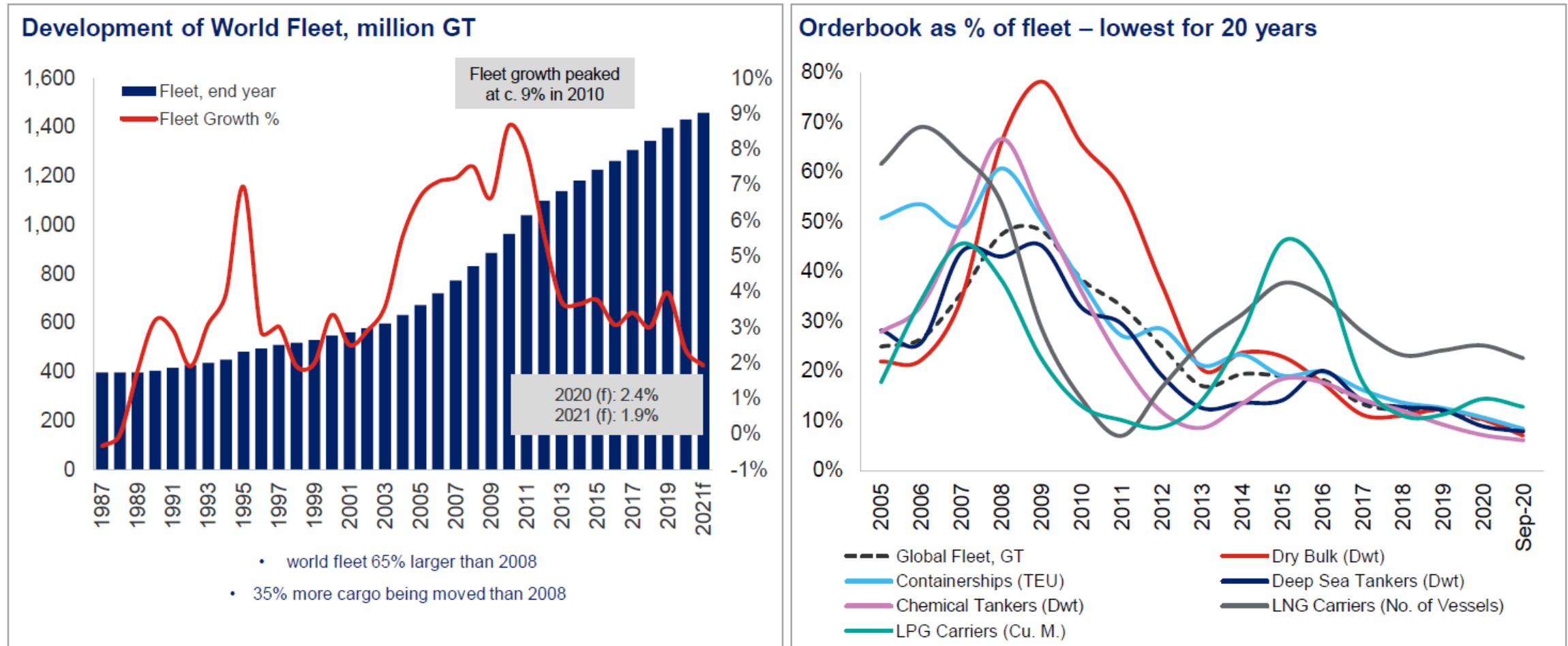
Shipping – The world fleet

Total world fleet (>100 gt) comprises currently roughly 99,000 ships



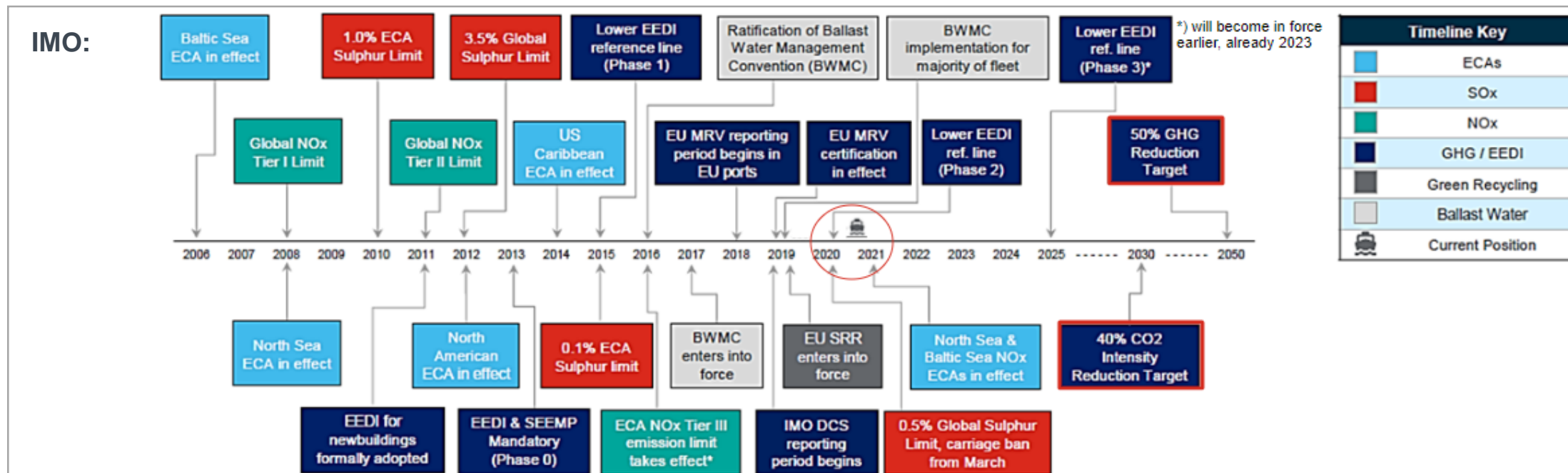
World fleet and order book development

World fleet growth slowing; orderbook at historically low level at ~7% of the fleet



Environmental regulations will only accelerate going forward

Shipping decarbonisation high on the agenda



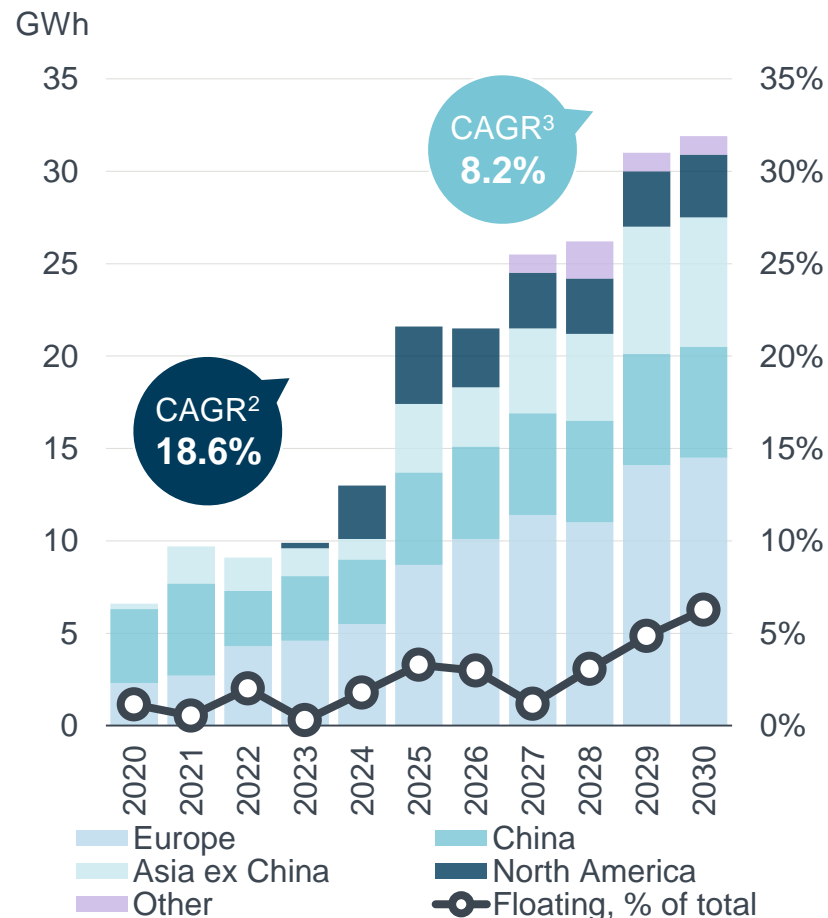
European Union Green Deal - shipping to be included in the EU ETS in 2022.

- In September 2020, the European Parliament voted for the inclusion of greenhouse gas (GHG) emissions from ships over 5,000 gross tonnes in the emissions trading system (EU ETS) by 1 January 2022. It also wants firms to cut ships' annual average CO2 emissions by more than 40% by 2030. It also voted to include methane emissions in the monitoring and reporting obligation.
- The commission is set to announce a revision of the EU's GHG emissions reduction target for 2030 upwards from 40% to 55%. It also seeks to include "at least" intra-EU maritime transport in the EU ETS.
- It called for 50% of revenues from the sale of EU ETS allowances to the maritime sector to be used for an Ocean Fund, established for the period 2022-2030 to improve the energy efficiency of ships and support investment in decarbonisation.
- An additional amendment adopted would oblige the commission to propose by 31 December 2022 "additional requirements to reduce GHG emissions other than CO2, as well as to reduce air pollutants and the discharge of wastewater, including from scrubbers, into open waters from ships". And the review should also "consider" an extension of the scope of the regulation to include ships of 400-5,000 gross tonnage.

Global offshore wind market is in rapid growth

- Offshore wind related capex exceeding oil & gas by 2022⁴
- Growth drivers
 - Increasing electricity usage
 - Demand for sustainable energy
 - Affordable
 - Economic stimulus
- MacGregor focuses on installation and service vessels and is involved in floating solutions
 - Addressable market size in 2021-2030 cumutively a few billion EUR

Global offshore wind installations¹



1) GWEC Market Intelligence, June 2020
 2) Compound Annual Growth Rate 2020-2024
 3) Compound Annual Growth Rate 2025-2030
 4) In Eurore, Source: Rystad Energy research and analysis



Blue Growth, aquaculture and offshore wind energy offer us new interesting growth opportunities



Seaborne
logistics

Traditional
Core



Marine bio-
technology

New
Growth



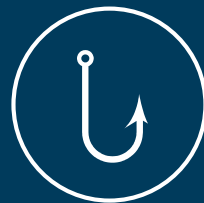
Marine and
seabed mining

New
Growth



Tourism

New
Growth



Fishing

New
Growth



Aquaculture

New
Growth



Offshore
oil and gas

Traditional
Core



Offshore
wind energy

New
Growth



Ocean
renewable
energy

New
Growth

For more information, call us or visit our [IR-page](#)

Upcoming IR events

28 April 2021	Interim report January–March 2021
28 July 2021	Half year financial report January–June 2021
28 October 2021	Interim report January–September 2021

Investor relations contact information

Meeting requests:

Tiina Aaltonen, Executive Assistant to the CFO and IR
Tel. +358 20 777 4105, ir@cargotec.com

IR Team

Hanna-Maria Heikkinen VP, Investor Relations
Tel. +358 20 777 4084

Aki Vesikallio Director, Investor Relations
Tel. +358 40 729 1670

Martti Henttunen Senior Communications Manager
Tel. +358 40 570 1878



