

EDITED TRANSCRIPT

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CORPORATE PARTICIPANTS

Aki Vesikallio *Cargotec Corporation - Vice President - Investor Relations*

Casimir Lindholm *Cargotec Corporation - President, Chief Executive Officer*

Scott Phillips *Cargotec Corporation - President of Hiab*

Sami Niiranen *Cargotec Corporation - President of Kalmar*

Mikko Puolakka *Cargotec Corporation - Executive Vice President, Chief Financial Officer*

CONFERENCE CALL PARTICIPANTS

Panu Laitinmäki *Danske Bank - Analyst*

Tomi Railo *DNB Markets - Analyst*

Erkki Vesola *Inderes Ltd - Analyst*

PRESENTATION

Aki Vesikallio - *Cargotec Corporation - Vice President - Investor Relations*

Welcome to Cargotec's first quarter 2024 results call. My name is Aki Vesikallio. I'm from Cargotec's Investor Relations. Today's results will be presented by Cargotec CEO, Casimir Lindholm; CFO, Mikko Puolakka; Hiab's President, Scott Phillips; and Kalmar's President, Sami Niiranen. Welcome to the team Sami. The presentation will be followed by Q&A session. And please pay attention to the disclaimer in the presentation as we will be making forward-looking statements.

With that over to you Casimir.

Casimir Lindholm - *Cargotec Corporation - President, Chief Executive Officer*

Thank you, Aki. Welcome also from my behalf. My name is Casimir Lindholm, CEO of Cargotec. Really happy and proud to present the first quarter results. This is the fifth quarter in a row where Cargotec a stable and good performance. All business areas are improving regarding operating profit margin. We have good and stable demand in Hiab and Kalmar, will come back to that a bit later.

MacGregor's merchant business and service business performance on a good level. We see improvement and clear improvement in MacGregor in the first quarter. We still have some challenges remaining in the offshore business. I'm also really happy to present strong cash flow of EUR 174 million in the first quarter. And all in all, the demerger plan and all the work that we are doing internally and have communicated externally is progressing according to plan.

I will go through the update and the planned separation of Kalmar and Hiab, the group level development as such, and then I'll give the word to Scott and to Sami. And then of course, Mikko will present MacGregor and all the financials and the outlook, and then we end up with the Q&A.

So separation of Kalmar and Hiab is progressing according to plan. When we announced the Q4 results, we also announced the demerger plan. We have been working since then relentlessly on the project, both internally and externally. We have received consent from the bondholders and really happy to welcome Sami Niiranen who started on the April 1, as President of Kalmar and CEO of Kalmar.

Cargotec and Kalmar Boards, proposed to the AGM; a large search process in both cases, really happy to see the end result of that search. We have four new Board members joining Cargotec, Hiab-to-be and five Board members proposed for the Kalmar Board.

We have also proposed to the AGM a new governance structure for Kalmar as a stock-listed company, with the shareholder Nomination Board included. Then more technically Kalmar is now reported as discontinued operations as of Q1 '24, Mikko will come back to that what it means regarding the numbers.

Prospectus is planned to be published in May and then we follow that up with Capital Markets Day events at the end of May. The proposed members of Cargotec's Board of Directors: four new Board members, as I said before. We get an international Board in place with a lot of expertise and knowledge from the industry and really happy to see that a proposal then to the AGM.

In a similar fashion for Kalmar Board, we have five new Board members proposed to the Board of Kalmar and also here an international Board in place with a lot of expertise and knowledge from the industry and from the global business.

The structure [of the planned transaction] (added by company after the call), no changes here. We are working towards the separation of Kalmar by July 1, and we are working towards a solution for MacGregor in the second half of '24. And at the end of the day, you will see them two separate stock-listed companies listed in Helsinki, Kalmar and Hiab. And that is then the end result we are striving for.

The timeline was announced, and I showed as part of the Q4 results, no changes here. Everything progressing according to plan. We are in the stage of demerger and listing prospectus published. Then during May, we have two Capital Markets Days, May 28, and 29, for Kalmar and for Hiab, and then the AGM on the May 30. And then again targeting having a separate listing of Kalmar on the July 1.

Then to the results. All in all, a stable and good quarter regarding both Hiab and Kalmar. We can see Hiab now six quarters in a row on the EUR 380 million level regarding order intake every quarter, so stable and good situation in Hiab. Similarly in Kalmar, we are on roughly EUR 400 million mark for three quarters now in a row. Similar, they're stable and good. And we are improving and increasing the order book in the case of MacGregor, actually quite substantial in the first quarter.

We have adjusted the cost structures. I'll come back to that a bit later, both in Hiab and Kalmar, and MacGregor is growing, so there we're actually going in the opposite direction, especially in merchant and service, also adding and recruiting some employees in those two areas.

Sales down in Hiab and Kalmar due to the order book development and sales in MacGregor continued to improve in the first quarter. Cargotec's total eco portfolio, also here positive by an increase of 1%. So all in all, a stable and good development in the eco portfolio as well.

Then to the operating profit. As mentioned before, improvement in all business areas. We are in Hiab on a 16.6% level. Scott will come back regarding all the details. In MacGregor, we on a 6% level. Here, merchant and service above 10% again, like last year in OP. And then we have still losses in the offshore business, taking it down to 6% overall in the case of MacGregor.

But a positive development going from EUR 1 million OP Q1 '23 to EUR 11 million in this quarter. So a very strong development in MacGregor.

Kalmar on a very good stable performance level of 13.5%. So all in all, a really strong good results in the first quarter.

This is actually the all-time high for us first quarter for Cargotec on a 13% OP level. One reason here behind it is, of course, the cost saving program that we announced in October last year. And I'll come back to that shortly how we have in progressing. Then there are, of course, other matters here. We have been good on the material cost side, on the sourcing side and managing the supply chains in a very good way in the first quarter.

Then as promised a few words around the cost saving program. We are then today announcing that we are closing this one. We announced that we're going to strive for EUR 50 million in cost savings. We announced that in October '23. Now we are so far into the process and the actions have been taken, and we can see that on group level, we are able to find cost savings of EUR 10 million. Kalmar is actually targeting and actually getting to the EUR 30 million and Hiab EUR 20 million in cost savings.

So this was one part that was helping us on the OP side in the first quarter. Then on top of that, MacGregor is targeting EUR 10 million cost savings as well, mainly then coming from offshore and headquarter cost reductions.

So, this was in short where we are in Cargotec after the first quarter. And with that, I will give the word to Scott. And Scott will take you through Hiab's Q1.

Scott Phillips - *Cargotec Corporation - President of Hiab*

Thank you, Casimir, and greetings everyone from my side.

In terms of first quarter results for Hiab, we had improved comparable operating profit, certainly sequentially and year-over-year as well. So we're really pleased about that. As Casimir mentioned, we had a stable demand for the sixth quarter in a row, roughly around the EUR 380 million.

Our sales declined slightly and that reflects, of course, declining order book. But at the same time, really pleased, as a result of the improved profitability, our cash flow improved year-over-year significantly. So all in all, a strong start to the quarter.

Getting into the order intake development for roughly the last six quarters in a row. We're at about the same level and we see the same level of developments in the market in terms of demand, in terms of the quote activity.

Our order book is now at EUR 770 million level, so we have good coverage still for the balance of the year, but it's down 31% year-over-year. We had a 1% improvement in orders year-over-year. So that's on roughly still the same level. We see a couple of factors that are still impacting order intake, if you think about compared to the peak period. There's still a significant delay, caused by the high interest rates in the markets. A little bit of inflation as well.

We see that the decision making in terms of converting opportunities into orders is roughly double the time that it's been in the past, and that continues to be the case through the past quarter. At the same time, we're really pleased that loader crane orders improved year-over-year, driven significantly by a large order that we won in the wind segment. So really pleased with this but I'd characterise it certainly as stable level. Haven't seen yet the factors to indicate that the demand curve is expected to go up, but rather looks pretty flat at this point in time.

Then in terms of the sales, we had EUR 415 million of sales in the quarter. That's a 4% decline, as I mentioned earlier, and mentioned by Casimir, a factor of the order book, more impacted in loader crane business, but still on a good level and then quite pleased with the service sales were up 4% year-over-year, and that brought us to 28% of overall revenues.

Our supply chain still continues to improve with a strong focus in creating collaboration with our suppliers on at least two fronts. So we're working hard on supplier development to make sure that we can flex up and down the demand, we can introduce new products effectively. And at the same time, that's translated into better and better delivery precision, partially supported by better and better capacity planning.

And the third element that I'd add to this is that we've been working hard on the quality side of the equation as well. So overall, really nice development first quarter in terms of sales. And that translated into a good development and a good level in terms of profitability at 16.6%. So a strong start to the year. That's 12% improvement versus last year.

Two factors really that are at play here around trying to successfully manage the inflationary pressures that we've seen the last couple of years. So a combination of pricing and productivity, which helped significantly, and that drove the increase in cash flow that we saw in the quarter. So really pleased about that.

And then last, I'd like to end as usual with a new innovation. We introduced, and I'm really pleased to announce our MyHiab. It's the digital assistant that's designed to make life easier, which is core in our strategy for both the operators as well as our service technicians. It puts the operators in a position to get instant insights about the equipment with easy access to support within Hiab.

So we think that this will be a user friendly opportunity to improve efficiency and the operation of the equipment at the same time have a good impact on uptime as the operators and the service technicians fleet managers will get push notifications when it's time to execute on the planned maintenance service events.

So that should all in all make for a much better experience in working with the support that we offer globally. And our objective here is to continue to drive the curve upward in terms of safety and productivity and the overall operating experience for the Hiab equipment. So really pleased about this one.

With that, I'm going to turn the floor over to Sami and take you through Kalmar.

Sami Niiranen - *Cargotec Corporation - President of Kalmar*

Thank you very much, Scott, and good morning, everyone. My name is Sami Niiranen, I'm thrilled to be here as President and proposed CEO of Kalmar. For those that don't know me, let me take a moment to introduce myself before we get into the presentation.

I'm a 51-year-old Finnish-Swedish citizen with over 25 years of international business experience. For the last two decades, I worked with Epiroc and Atlas Copco in various international and senior positions. This has given me a very good understanding of our customer needs and challenges and why I think Kalmar is so well positioned to address them.

The reason why I joined Kalmar is because I saw significant opportunity in this business to address some key market needs. The first is around the increasing demand for more sustainability. And the second is providing innovation support, innovation support and efficiencies across the logistics space. Kalmar is uniquely well placed to address those challenges facing the market. That is what made me join this company today, and that is what gets me excited about the future of Kalmar.

So let's now move on to our first quarter results. Building on a strong year in 2023, our momentum continues with a good start and continued strong profitability into this year. Our commitment to operational excellence is showing results. Solid and successful execution continued both in commercial and operational excellence as well as delivering a strong cash flow in quarter one.

Demand was sequentially stable from the fourth quarter and Kalmar's orders received amounted to EUR 402 million. The business environment in which Kalmar operates is complex and underlying demand drivers are slightly mixed. However, many of our customers and partners are performing well. Demand for mobile equipment used in industries and small and midsized terminals remained good. But we continue to see delayed decision making in larger equipment orders and destocking in the distribution customer segment.

In the first quarter, Kalmar's orders received decreased by 15% from the comparison period, while service order intake increased. As you know, our business is at the forefront of innovation in the industry. In the first quarter, despite the continued delay decision-making in orders of larger equipment, we secured some major orders, which position us well for continued growth.

Examples of the major orders included two fully electric and eight hybrid straddle carriers to a customer in the Netherlands. And two new electric order spreads and retrofitting of two existing hybrid straddle carriers to a customer in the US.

Our order book decreased by 5% from the end of 2023, totalling EUR 971 million at the end of the first quarter. And then Kalmar sales declined by 10% from the previous year and amounted to EUR 439 million, impacted by lower order intake in the second half of last year. Our service sales decreased by 7% and totalled EUR 137 million, representing 31% of sales. Eco portfolio sales continued growing and improved 10% year-on-year, equalling 40% of Kalmar total sales. We also had a strong cash flow, driven by high profitability and a reduction of net working capital.

Our profitability continued strong, driven by continued improvement in both commercial and operational excellence. Kalmar's comparable operating [profit](adding by company after the call) margin increased to 13.5% and amounted to EUR 59 million. Margin improvement was also supported by cost savings actions that we launched in quarter four last year. And these actions offset the decline in sales, and they are now to a large extent implemented, and we foresee EUR 30 million annual savings for Kalmar instead of the original estimate of EUR 20 million.

This summarises our first quarter. I'll now hand it over to you, Mikko.

Mikko Puolakka - *Cargotec Corporation - Executive Vice President, Chief Financial Officer*

Thank you, Sami and good morning also from my side. Let's have a look on MacGregor's result and like Casimir already elaborated, MacGregor had a nice development in the first quarter. Another great quarter with the strong order intake, EUR 267 million of orders. That included also EUR 150 million order for multiple merchant vessels.

The quarter one orders in MacGregor demonstrate MacGregor's really strong offering in various merchant vessel categories, like the car carriers, which have been very active now in quarter one. The merchant equipment and services represented roughly 90% of MacGregor's total quarter one order intake. So actually the offshore is a rather small portion of the overall MacGregor business.

MacGregor's order book is now over EUR 1 billion, out of that, roughly 92% is related to merchant vessels and services. So the offshore equipment order book is only EUR 87 million. MacGregor sales grew 29%, and this is very much driven by the last two years of strong merchant order intake.

MacGregor had a significant profitability improvement in the first quarter from EUR 1 million to EUR 12 million comparable operating profit. And this is very much supported by the merchant vessel related revenue growth and as well as also cost savings. So costs were basically flat, and the revenues grow significantly.

However, the offshore business is still loss making. We have a handful of offshore projects, which are in the late delivery phase, but unfortunately still generate losses. And these projects we aim at delivering during 2024. We have also a dispute related to a larger equipment delivery, which is for a monopile installation vessel.

So all in all, in the coming quarters, our focus in MacGregor is very much on completing these offshore projects and turning also the offshore business to positive numbers. It's good to note that the core of MacGregor is in a very good shape. Excluding the offshore business, MacGregor's quarter 1 comparable operating profit would be actually 11%. So on a good, a very good level.

So in the coming quarters, we continue with the MacGregor offshore turnaround activities. And in addition to that, we aim at delivering another EUR 10 million cost savings during 2024.

Before going to Cargotec financials, consolidated financials, a couple of words from my side about the reporting Kalmar as a discontinued operations.

As you have noticed, our external reporting has changed quite significantly now in quarter one. As the Kalmar demerger is highly probable during the next 12 months' time, i.e. we aim at the listing Kalmar on July 1, Kalmar is reported as discontinued operations from quarter one onwards. And this is according to the IFRS regulations. The idea of the discontinued operations is to separate from Cargotec's continuing operations, i.e. from Hiab and MacGregor, all such revenues and costs which would not exist when Kalmar is no longer a part for Cargotec.

If we look at discontinued operations' orders and sales, those actually one-to-one with the Kalmar segment as you have seen. The differences between Kalmar segment and the discontinued operations, a rise in profitability.

There are basically three drivers for the profitability difference. First of all, Kalmar depreciations are stopped in the discontinued operations reporting. This is roughly EUR 7 million, comparing to the Kalmar business area reporting. Then, some Cargotec Group overheads are also allocated to the discontinued operations. These are overheads, which would not continue after the demerger. And then thirdly, all Kalmar demerger related costs are reported under the discontinued operations.

The result of the discontinued operations is calculated up to the net profit level, so to the lowest profitability level, in other words, after financing costs and taxes.

However, I would like to emphasize that this discontinued operations does not represent a stand-alone Kalmar or remaining Cargotec full profitability, not from a P&L point of view and not also from the balance sheet point of view.

Cargotec's consolidated income statement, as you have seen in our interim report, is shown also on this page that describes the financials of continuing operations. So those are the officially reported numbers for the quarter one. We calculate separately a net profit for the continuing operations. This is EUR 47 million for quarter one. This profit excludes all Kalmar related income, operating costs, financial expenses and taxes, as described earlier.

However, as Kalmar is still part of Cargotec, we still need to calculate the consolidated net profit of Cargotec. And for this purpose, the net profit of the discontinued operations is added as one line item only on Cargotec's P&L, as is shown here with the rectangle. So the discontinued net operations, net profit, the EUR 34 million that consists of Kalmar segment operating profit with those adjustments, which I described on the previous page, then deducted by financial expenses and taxes.

So, when you compare the continuing operations versus the Cargotec total, there is approximately a 40% difference in orders and sales. And this difference is the Kalmar part, i.e. the discontinued operations. The continuing operations, meaning Hiab and MacGregor, order intake and sales growth are very much driven by the good development in MacGregor. Continuing operations' comparable operating profit improvement is driven by MacGregor turnaround, as I explained earlier. And then also, Hiab's solid work to manage inflationary pressures and Hiab's increase in comparable operating profit percentage.

Cargotec's total items affecting comparability were EUR 17 million. And out of this, EUR 2 million is related to MacGregor restructuring. The rest of the items affecting comparability are related to Kalmar demerger and therefore, those are not shown under the continuing operations.

Operating profit percentage is the same for both reporting dimensions. However, please note that this is just a coincidence. And Cargotec's ROCE was all-time high, 21%. This was highly contributed by all three Bas' good profitability development. And also the MacGregor's turnaround is also clearly visible now Cargotec's return on capital employed.

Looking at the cash flow, we had a really strong cash flow in quarter one, like also in the last three quarters. During the last three quarters on Cargotec level, we have generated EUR 650 million cash. For the quarter one, there were basically two main drivers for the strong cash flow. First of all, the solid EBITDA in all three business areas. And then the net working capital reduction, especially in Kalmar and MacGregor, very much driven by the receivables collection.

Cargotec has a very strong balance sheet with now only 3% gearing and leverage of 0.1 times of EBITDA. We have repaid actually now in March a EUR 100 million bond, and we do not have any significant debt repayments in 2024 anymore. As Casimir mentioned, we have received the consent from the bondholders and out of the total Cargotec debt, we split roughly 50-50 at the debt, outstanding debt between Cargotec and Kalmar. And we have received all consents for the demerger related debt right arrangements by now. So both companies, Cargotec and Kalmar, will have a very strong balance sheet as of July 1, 2024.

Last but not least, our outlook for the three businesses. I would like to remind you that the outlook has been defined on the basis of the business area reporting, in order to keep it relevant throughout all these reporting changes what I have described earlier. So please continue to follow also the BA results, those are comparable between this year and the previous years.

And thus our outlook, for Hiab we estimate comparable operating profit to be above 12% and for Kalmar above 11%. And then for MacGregor, we expect the comparable operating profit to be above last year's EUR 33 million.

So with that, I believe we have the time for the Q&A. And before that, just a reminder that, like Casimir said, we have the Capital Market Days for Hiab and Kalmar at the end of May, 28th, and 29th, just before the AGM. So all are warmly welcome to this event, and please register in time before May 8.

Aki Vesikallio - Cargotec Corporation - Vice President - Investor Relations

Thank you, Mikko. Thank you, Casimir, Scott and Sami. Please come back to the stage and then we are ready for the Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Panu Laitinmäki, Danske Bank.

Panu Laitinmäki - Danske Bank - Analyst

Hi, thanks. I have a couple of questions. Firstly, starting from the margins, which were very good. Is there -- was there anything exceptional in Q1 that you would expect to fade away, given that the guidance that you kept looks a bit cautious relative to what we saw in Q1? So was the pricing exceptionally good? And is there anything that will churn in the coming quarters? Thanks.

Scott Phillips - Cargotec Corporation - President of Hiab

Yeah, thanks for the question. I can get started from the Hiab side. So, no exceptional help in the quarter in terms of the margin on the Hiab side, yes, specifically then about pricing, we certainly saw and throughout '23, our debt level of discounts, as you would expect, with the pricing pressure and the expectation of our cost coming down and that translating pricing was higher year-over-year versus '22.

So we expect to see a relatively stable situation in pricing with a bit of pressure potentially in the second half of the year. But at the same time, we certainly are looking towards the revenue curve to start more matching with the order intake that we've had over the past 12 months. And which is what we talked about in Q3 results, which triggered the cost savings programs that we executed on. That's from the Hiab side.

Sami Niiranen - Cargotec Corporation - President of Kalmar

And if I continue on the Kalmar side, of course, as mentioned, in the presentation, we got a lot of contribution from the cost saving actions and activities that were launched at the end of last year. That helped our margin in quarter one.

Panu Laitinmäki - Danske Bank - Analyst

Okay, thank you. But can I just ask a follow up on the guidance? So I mean it still looks a bit cautious. So is there -- what are the main drivers behind this guidance? Or is the thinking that you will give a guidance when the companies are split anyway?

Scott Phillips - Cargotec Corporation - President of Hiab

Yeah, we're leaving open the potential for revising guidance yet later in the year. We're still cautious about the order intake, as I mentioned earlier. And so if you think about back to in Q3, what we talked about was, in both, in the case of Hiab, we were talking depending upon how the developments go, that the 12% -- that at least 12% was in, let's say, a worst-case scenario for the year. And that's still the position we're taking now until we have time to see a bit more of the demand outlook.

Sami Niiranen - Cargotec Corporation - President of Kalmar

And maybe on the Kalmar side. Of course, we are one -- one quarter down the road here, and it still remains a quite a mixed demand -- mixed picture with the demand drivers, of course, and the guidance is for the entire year 2024.

Panu Laitinmäki - Danske Bank - Analyst

Okay, thank you. Just a final question on MacGregor. Seems that the project losses are still continuing. Does this impact your thinking of when do you expect to be able to sell it? You have talked about second half this year earlier, but should we think about '25 now if you still have the project losses there.

Casimir Lindholm - Cargotec Corporation - President, Chief Executive Officer

Regarding the timing of starting a sales process for MacGregor, no changes, the target is to start that in the second quarter. And the target is still to have that process finalised during the second half of '24. So no changes there, both the merchant and the service business performing on a very good level. And we have roughly 10 projects in the offshore still to be delivered that are loss making and challenging for us, and one of them is a larger one.

But of course, looking at the order backlog for MacGregor, over EUR 1 billion, only EUR 89 million of that is offshore. So the offshore challenges are getting smaller and smaller each quarter. And that's, of course, important for us and of course, important for the sales process of MacGregor. So no changes there. And actually, both merchant and service performed at least or even a notch higher in Q1 compared to last year.

Panu Laitinmäki - Danske Bank - Analyst

Okay. Thank you.

Operator

Tomi Railo, DNB.

Tomi Railo - DNB Markets - Analyst

Hi, it's Tomi from DNB. Just two questions. On MacGregor -- sorry if I missed this, but how much were the offshore bad project related sales in the first quarter?

Mikko Puolakka - Cargotec Corporation - Executive Vice President, Chief Financial Officer

At the offshore, basically offshore related revenues were roughly 10% of the total MacGregor quarter one revenues. So it's a fairly small piece of the business. However, the losses were close to EUR 10 million in quarter one. So without that, MacGregor profitability would have been 11% instead of the 6%.

Tomi Railo - DNB Markets - Analyst

Exactly. Thank you. And the second question, if you could comment your overall or maybe even divisional service profitability development. [At the] (added by company after the call) last CMD, you mentioned 19.6% for core [businesses](added by company after the call). Any updates on that?

Mikko Puolakka - Cargotec Corporation - Executive Vice President, Chief Financial Officer

We will actually come back to the services related topics in our Capital Markets Day. So if you don't mind waiting for a couple of weeks. We would come back with more details there.

Casimir Lindholm - Cargotec Corporation - President, Chief Executive Officer

Regarding maybe, the targets, I mean, on a Cargotec level, the profitability targets are not valid now going forward. And then we have, as Mikko referred to, in the Capital Markets Day, you will see then the long-term targets for both Hiab and Kalmar going forward. So by end of May, we'll have a full answer to your question.

Tomi Railo - DNB Markets - Analyst

Happy to wait. Thank you very much.

Casimir Lindholm - Cargotec Corporation - President, Chief Executive Officer

And even before that, for Kalmar sake, those targets are in the prospectus, and prospectus is due around mid-May.

Tomi Railo - DNB Markets - Analyst

Thank you.

Operator

Erkki Vesola, Inderes.

Erkki Vesola - Inderes Ltd - Analyst

Hi, guys. It's Erkki from Inderes. Just regarding MacGregor's profitability, did you Mikko say that it would have been -- okay, 11% excluding offshore. But do see that as a sustainable level going forward? I mean, back in the day, MacGregor made some 13%-14% EBIT margin, at least in 2010, 2012. So where do you see, where do you see your targets? Of course, this is all subject to cycle base but anyway.

Mikko Puolakka - Cargotec Corporation - Executive Vice President, Chief Financial Officer

MacGregor has been enjoying, like I said, a couple of years good order intake mainly coming from the merchant and services. And like this quarter one showed, with this kind of revenues, and eliminating the offshore losses, I don't see a reason why MacGregor could [not] be a two-digit comparable operating profit that business. At the moment, it's unfortunately diluted by the offshore losses, but without the offshore, like quarter one showed, a nice profitability potential for the business.

Casimir Lindholm - Cargotec Corporation - President, Chief Executive Officer

Yeah, and last year, service and merchant was 10% OP level in '23. And now you see the 11% here in first quarter. So in that sense, historically in '23 and now early '24, we are around 10%, 11%.

Erkki Vesola - *Inderes Ltd - Analyst*

Thank you. Then please remind me, I may have missed it, but where do you -- what do you see that the offshore projects would be delivered totally?

Casimir Lindholm - *Cargotec Corporation - President, Chief Executive Officer*

I mean, as mentioned, we have roughly 10 projects to be finalised to a large extent this year, one bigger one. And most of these will be finalised during this year. So when we enter into a sales process of MacGregor, of course, the tail of offshores is quite minimal.

Erkki Vesola - *Inderes Ltd - Analyst*

So we don't talk only about a few millions regarding '25 in terms of revenue?

Casimir Lindholm - *Cargotec Corporation - President, Chief Executive Officer*

Yeah, few projects left in '25. So it will be a really small portion of the total MacGregor order backlog and sales going into '25. And we haven't taken any new orders since Q1 '23: any orders that are of these project pilot type of projects, we haven't been entering into those RFQs since March '23.

Erkki Vesola - *Inderes Ltd - Analyst*

Okay. Thank you so much.

Operator

There are no more questions at this time. So I hand the conference back to the speakers.

Aki Vesikallio - *Cargotec Corporation - Vice President - Investor Relations*

Thank you for the great questions and great answers. Just a reminder to register to our CMD. The last day for registration is May 8. And our second quarter results will be published August 8, a little bit later this year due to the planned separation of Kalmar. Hope I see you all in May. Thank you.

Casimir Lindholm - *Cargotec Corporation - President, Chief Executive Officer*

Thank you.

Mikko Puolakka - *Cargotec Corporation - Executive Vice President, Chief Financial Officer*

Thank you.

Sami Niiranen - *Cargotec Corporation - President of Kalmar*

Thank you.

Scott Phillips - Cargotec Corporation - President of Hiab

Thank you.

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