

CEO Mika Vehviläinen

Annual General Meeting 2020

Strong strategy and good preparation
will carry us over the tough situation

27 May 2020



Agenda

1. Financial review 2019
2. Sustainability as a driver for future growth
3. Q1/20 and the effects of the coronavirus pandemic
4. Dividend and outlook for 2020

Financial review 2019:

Cash flow increased
significantly



Highlights of 2019 – Comparable operating profit and sales increased

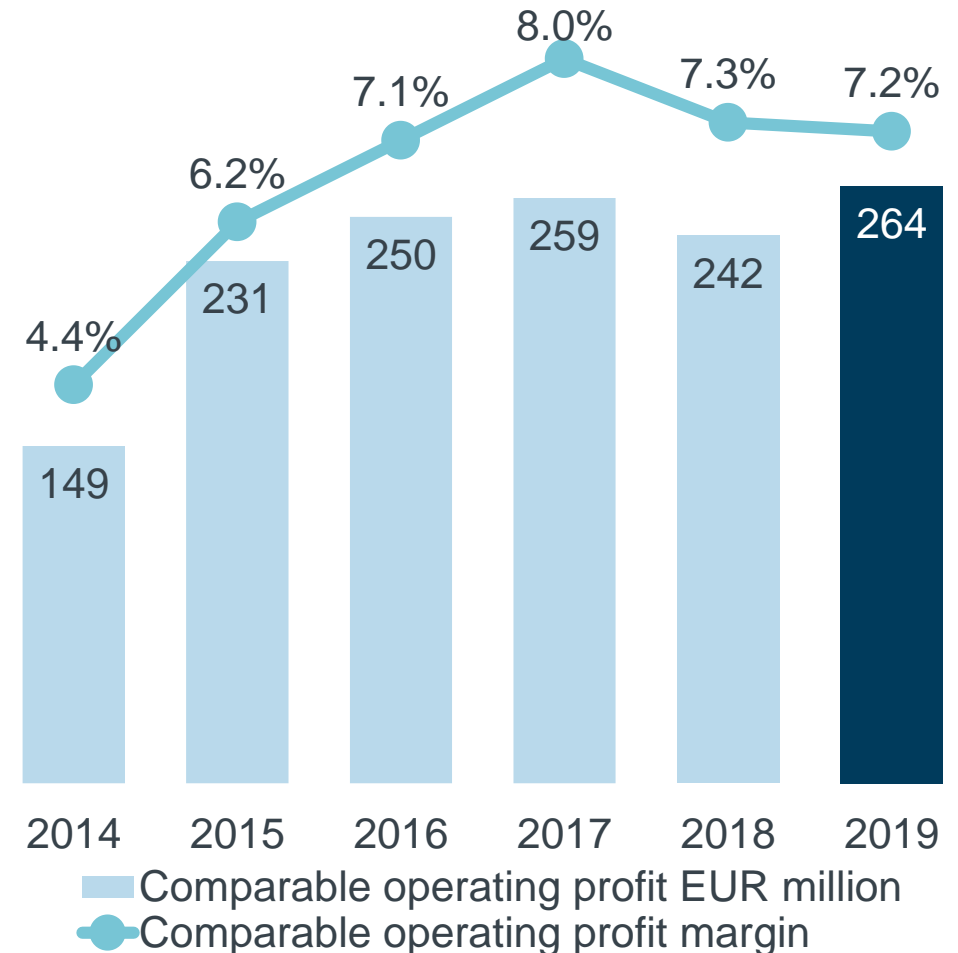
Orders received decreased by 1%

- Kalmar -7%
- Hiab +4%
- MacGregor +9%

Sales increased by 11%

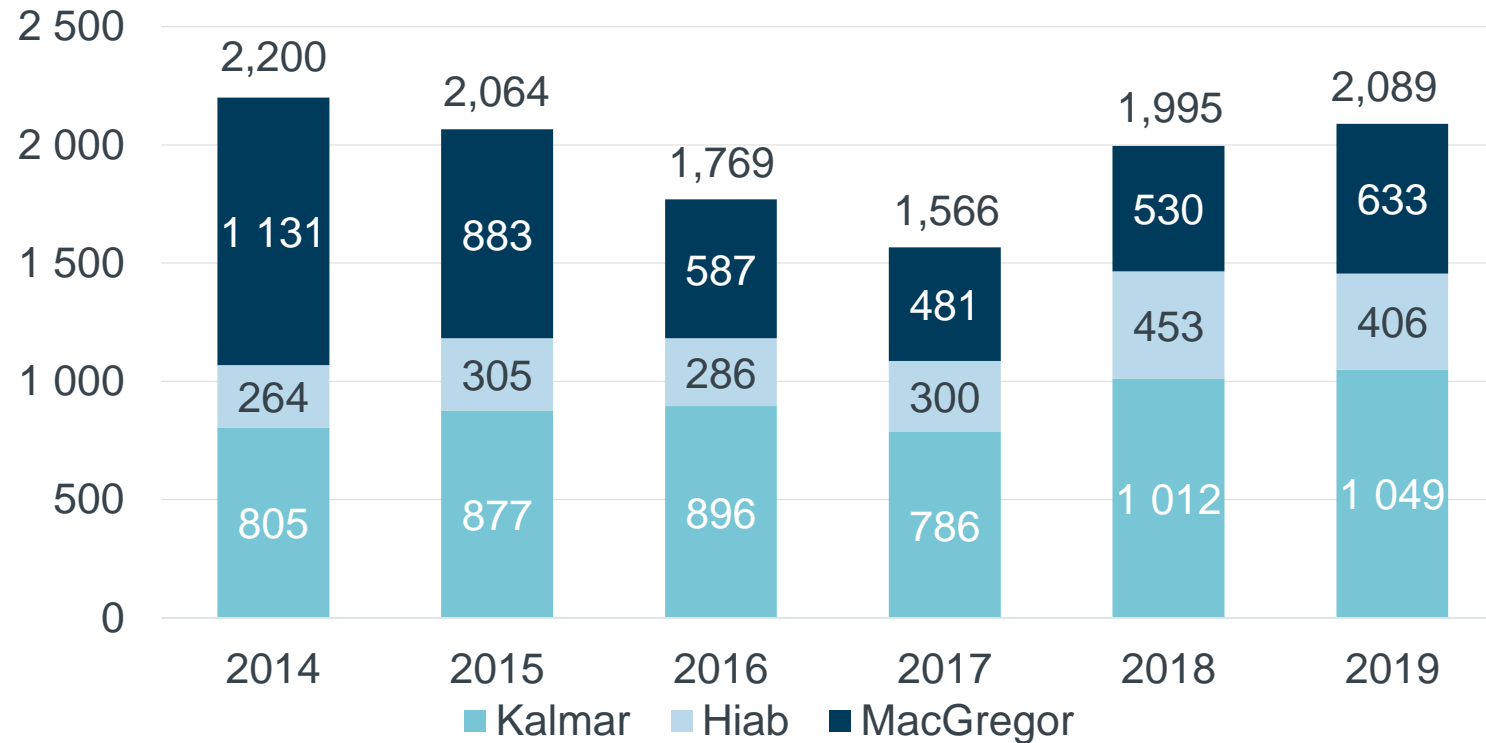
Comparable operating profit increased by 9%

- Kalmar +13%
- Hiab +27%
- MacGregor's comparable operating profit was MEUR -28 EUR

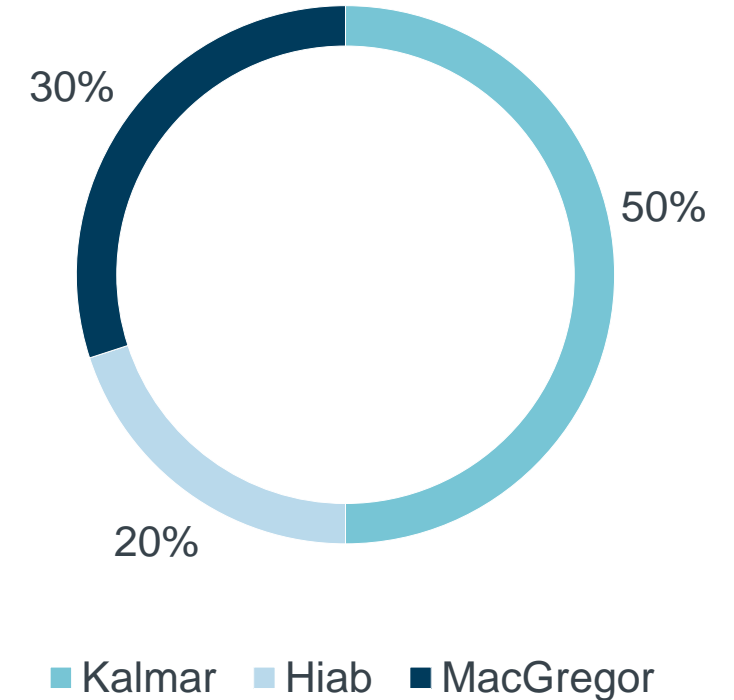


Order book increased compared to 2018, driven by MacGregor and Kalmar

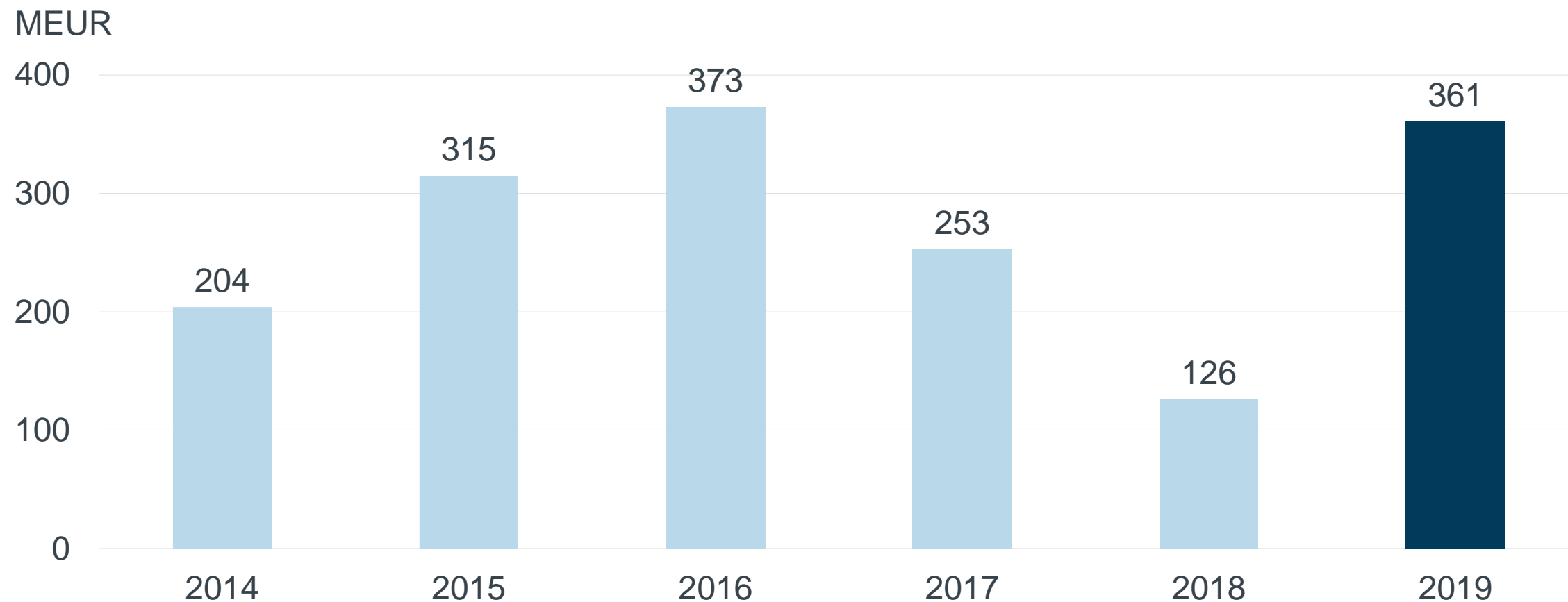
Order book
MEUR



Order book by reporting
segment, 2019



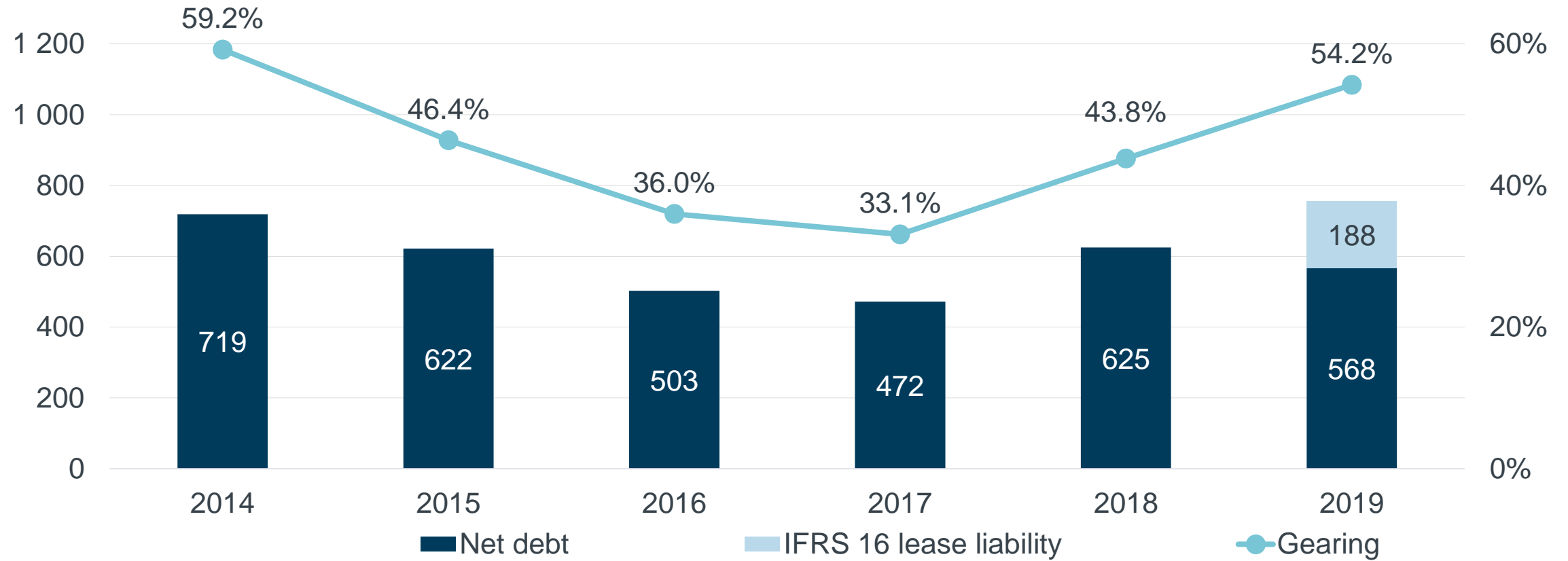
Cash flow improved significantly – supply chain bottlenecks solved



Gearing increased due to application of IFRS 16

Net debt and gearing

MEUR



Key figures in 2019

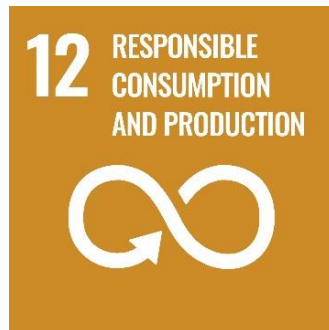
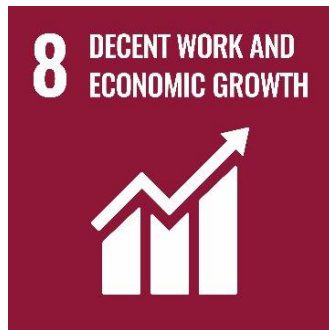
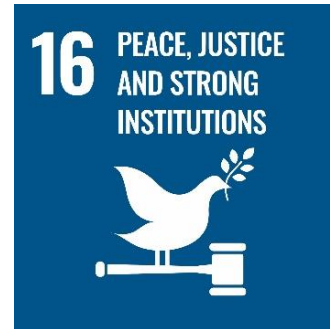
	2019	2018	Change
Orders received, MEUR	3,714	3,756	-1%
Order book, MEUR	2,089	1,995	+5%
Sales, MEUR	3,683	3,304	+11%
Comparable operating profit, MEUR	264	242	+9%
Comparable operating profit, %	7.2%	7.3%	
Items affecting comparability, MEUR	-84	-52	-62%
Operating profit, MEUR	180	190	-5%
Operating profit, %	4.9%	5.8%	
Net income, MEUR	89	108	-17%
Earnings per share, EUR	1.39	1.66	-16%
Equity per share	22.12	22.16	-0%
Return on capital employed (ROCE), %	7.3%	8.4%	
Total equity / total assets, %	36.4%	40.9%	



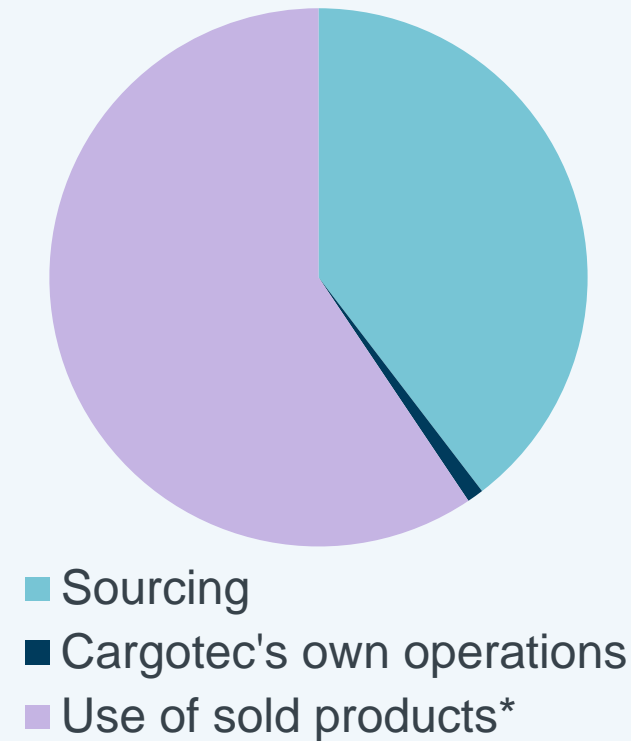
**Sustainability
as a driver for
future growth**

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



1.5

Let's reduce CO₂ emissions at least 50 percent by 2030.
This is critical for limiting global warming to 1.5 degrees.

Q1/20 and the effects of the coronavirus pandemic



Highlights of Q1 2020 – Lower comparable operating profit due to less favourable business mix

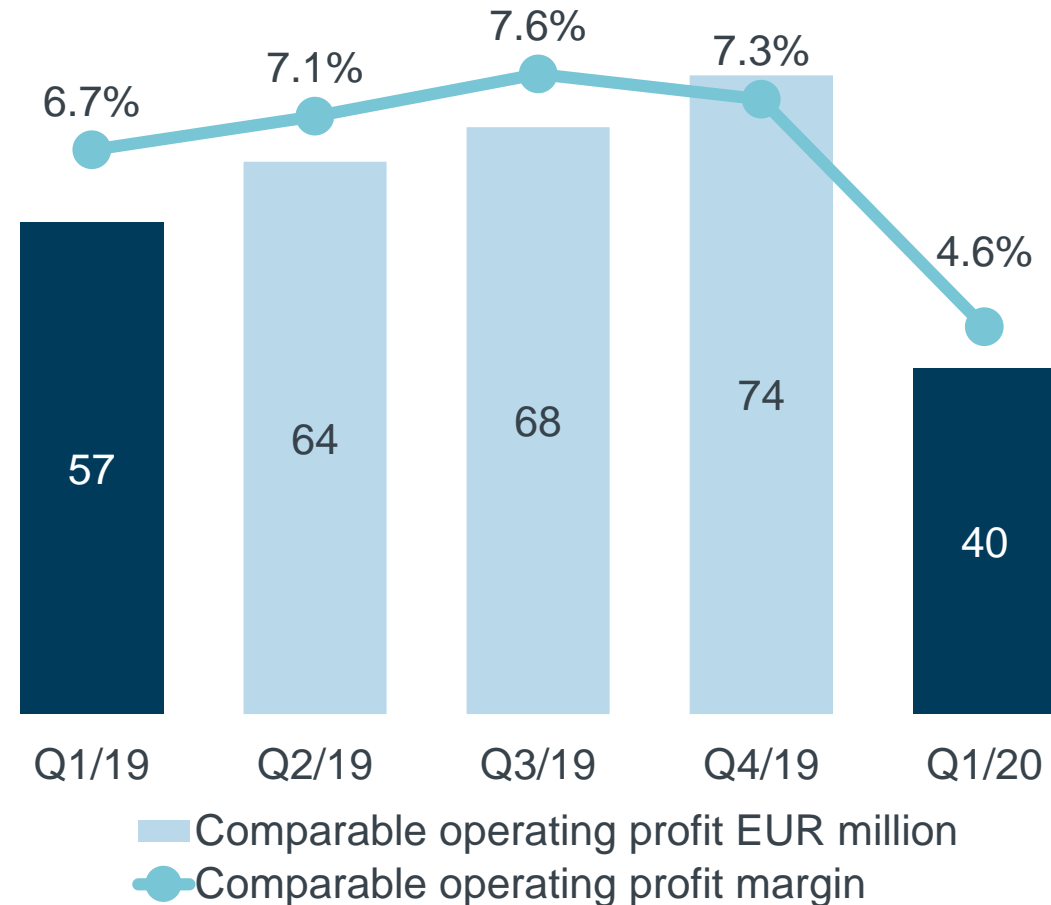
Orders received decreased by 24%

Sales remained on Q1/2019 level

Comparable operating profit decreased by 31%

- Kalmar -21%
- Hiab -11%
- MacGregor's comparable operating profit was -5 MEUR

Assessment of strategic options for Navis paused



The coronavirus pandemic affected Cargotec in Q1/20

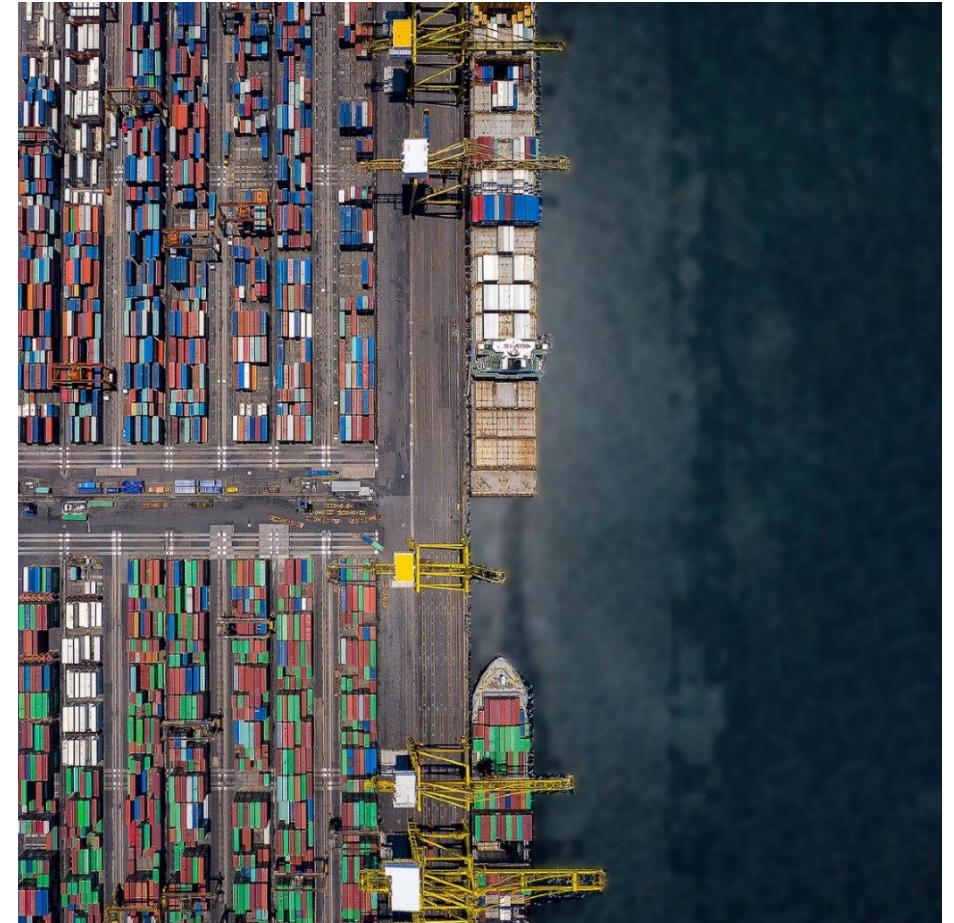
Safety of our personnel and customers top priority
Effects of increased uncertainty and restrictions set by authorities:

- Customers' slower decision making
- Weakened orders received throughout Q1
- Challenges in supply chain: lack of components
- Shutdowns in assembly units during March
- Delays in delivery schedules, limited access for specialists

Weak visibility

Group wide focus areas:

- Safeguarding business continuity and cash
- Adjusting cost structure



We adjusted our cost structure and strengthened our liquidity

**Group wide temporary cost savings programme -
Expected savings 10 MEUR / month**
(communicated 27 March)

- Office workers (ca. 6,000 employees) have shifted to a four-day working week with a corresponding reduction in salaries.
- Until further notice and with their consent, the salaries of the company's management have been reduced by 20 percent as of 1 April.
- Cost structure adjustments will continue as the situation requires

Liquidity position at the end of April: 900 MEUR



Dividend and outlook for 2020



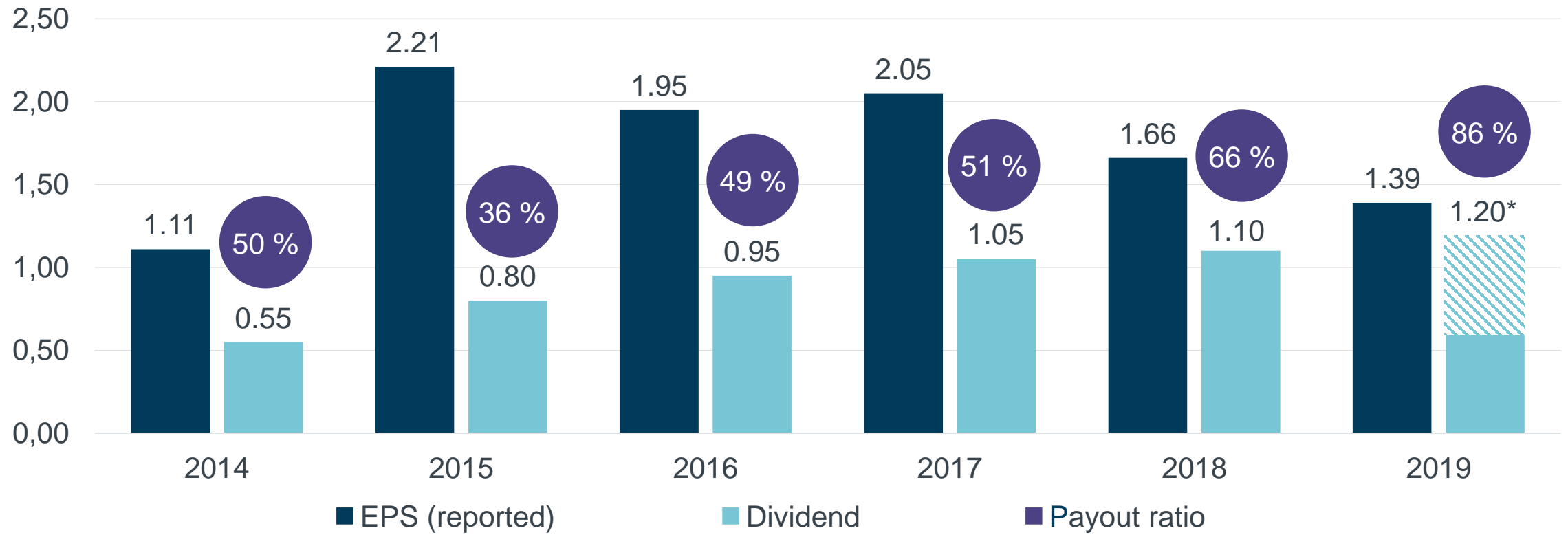
Updated Board of Directors' proposal on the dividend

The dividend, a maximum of EUR 1.20 per B share, will be paid in two instalments

The first EUR 0.60 instalment shall be paid directly based on the decision of the AGM

Authorisation to the Board to decide on a second instalment of a maximum of EUR 0.60

Calculated from EPS excl. items affecting comparability, payout ratio for 2019 is 55%



*Board proposal

Outlook for 2020

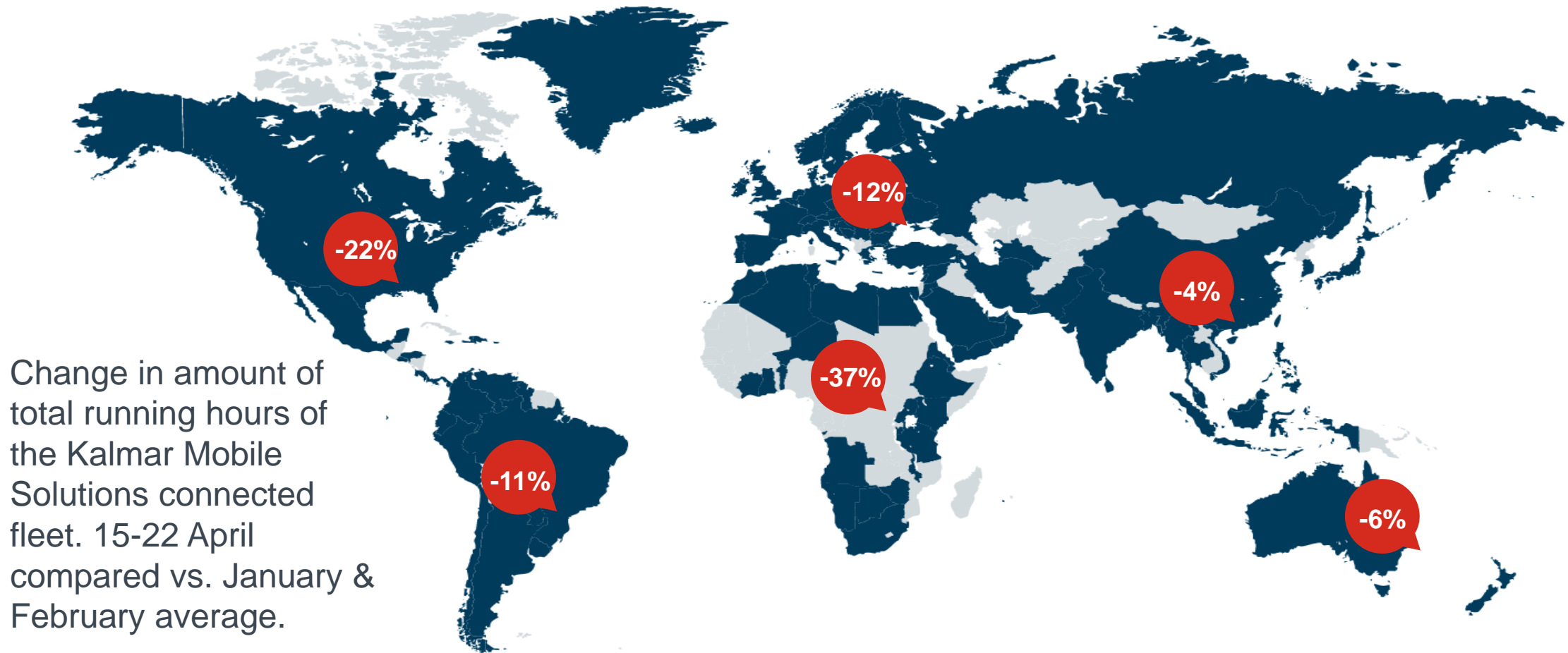
On 27 March 2020, Cargotec updated its outlook for 2020 due to the coronavirus pandemic and related political decisions and administrative restrictions. In the current exceptional situation Cargotec estimated that it is not able to give a guidance for 2020. Cargotec publishes a new guidance later.

In the second quarter, there are significant challenges in relation to deliveries and demand.

- Cargotec estimates a significant decline in orders, sales, comparable operating profit and cash flow in the second quarter compared to Q2/2019
- During the first weeks of April 2020, Cargotec's orders received have significantly decreased from the comparison period
- Due to the challenging operating environment, visibility towards the end of the year is currently weak.



Impact of uncertainty and challenging market has been clearly visible in April



Change in amount of total running hours of the Kalmar Mobile Solutions connected fleet. 15-22 April compared vs. January & February average.

Our strategy to promote intelligent cargo handling has strengthened

VISION	GLOBAL LEADER IN INTELLIGENT CARGO HANDLING	
MUST-WIN BATTLES	WIN THROUGH CUSTOMER CENTRICITY	ACCELERATE DIGITALISATION
	ADVANCE IN SERVICES	PRODUCTIVITY FOR GROWTH



Thank you!

