

26 October 2022

# Strong performance continued in core businesses

Cargotec's January–September 2022 interim report  
Mika Vehviläinen, CEO • Mikko Puolakka, CFO

- All-time high comparable operating profit
- Orders received increased in all businesses
- Supply chain challenges and market uncertainties are expected to continue
- Outlook for 2022 specified

# 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.



# Contents

- Q3/22 highlights
- Market environment
- Group level development
- Business areas
- Financials and outlook



# Highlights of Q3/22 – All-time high comparable operating profit

**Orders received** increased by 16%

- Strong orders in all businesses
- MacGregor orders +50%

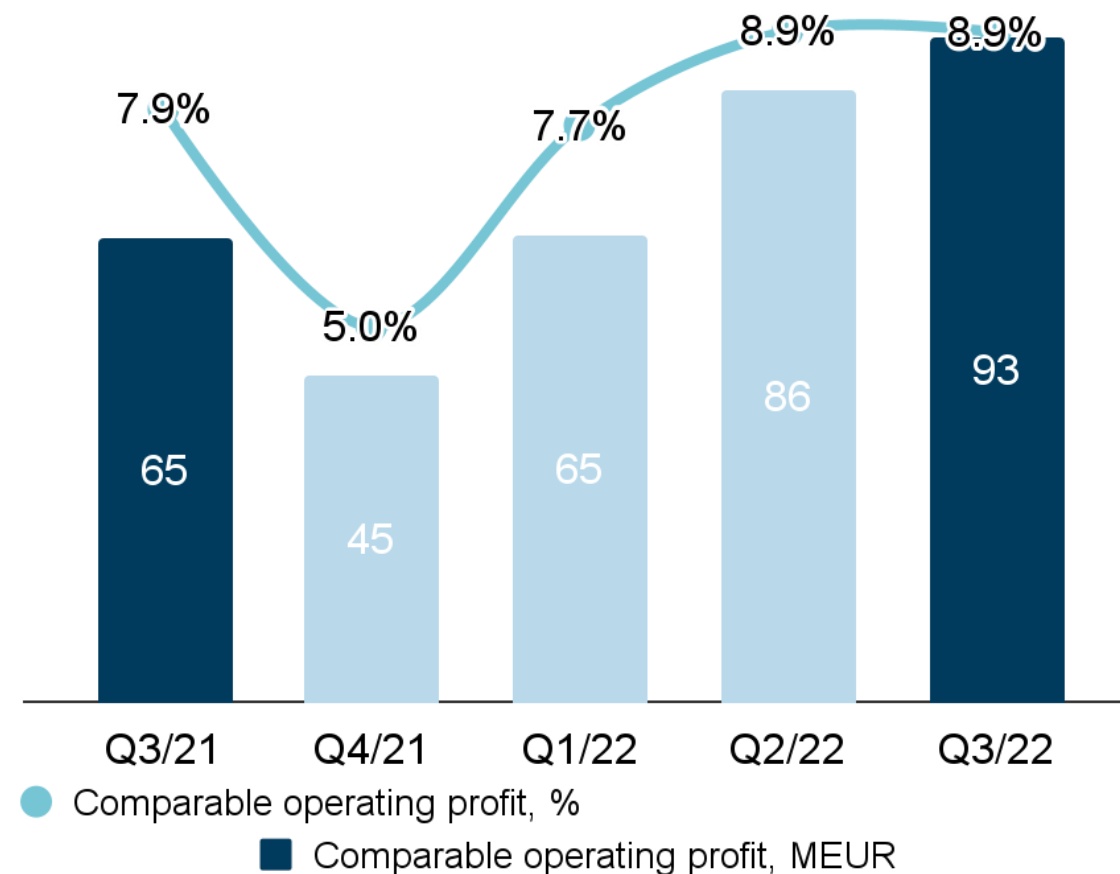
**Sales** increased by 27%

- Driven by core businesses
- Service sales increased by 22%
- Eco portfolio sales doubled to 27% of total sales

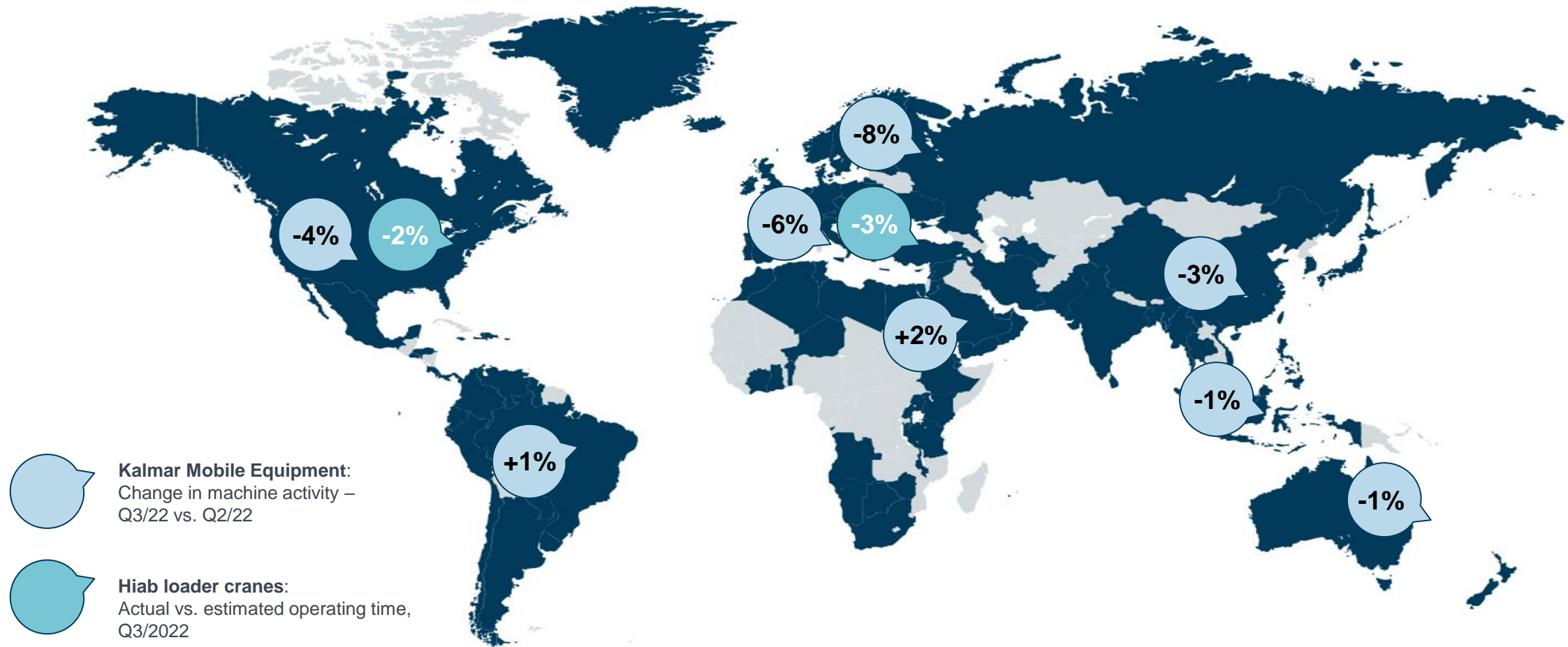
## **Comparable operating profit**

increased by 43%

- Kalmar +21 MEUR
- Hiab +8 MEUR
- MacGregor 0 MEUR

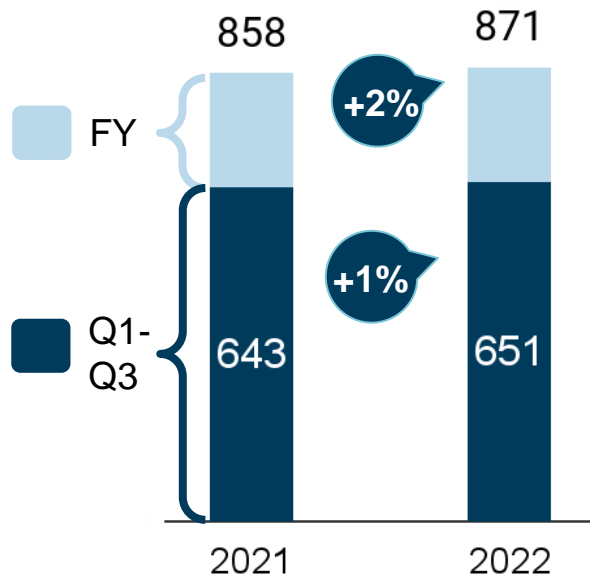


# Slight decline in equipment running hours from high first half level



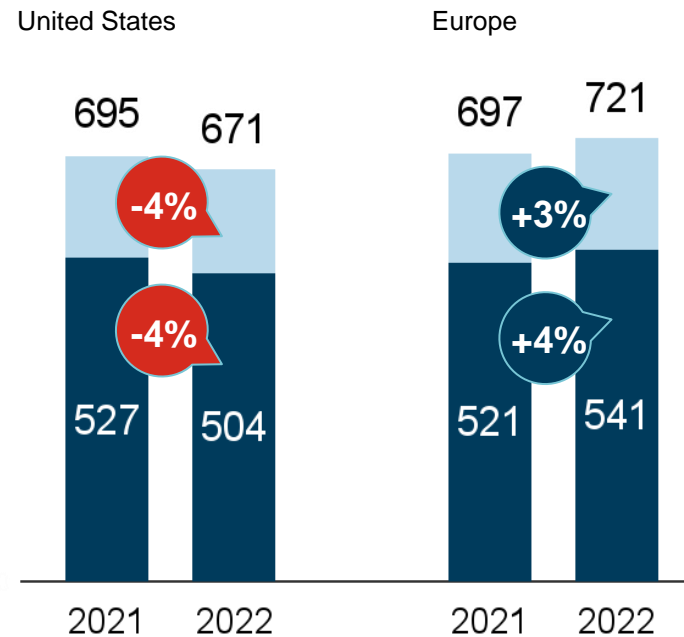
# Market environment - slower growth, economic uncertainty increasing

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



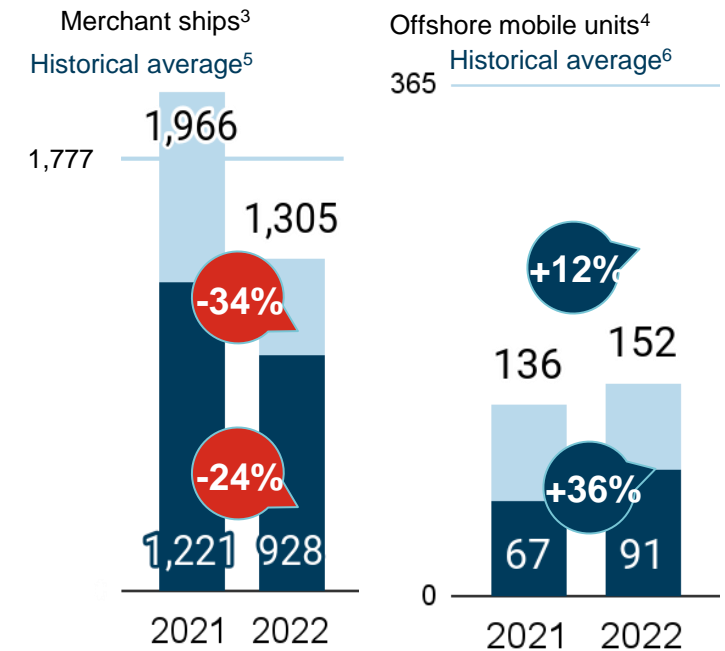
- Modest growth continues

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



- Modest growth expected for 2022 in Europe, US declining

Long term contracting –  
Key driver for MacGregor

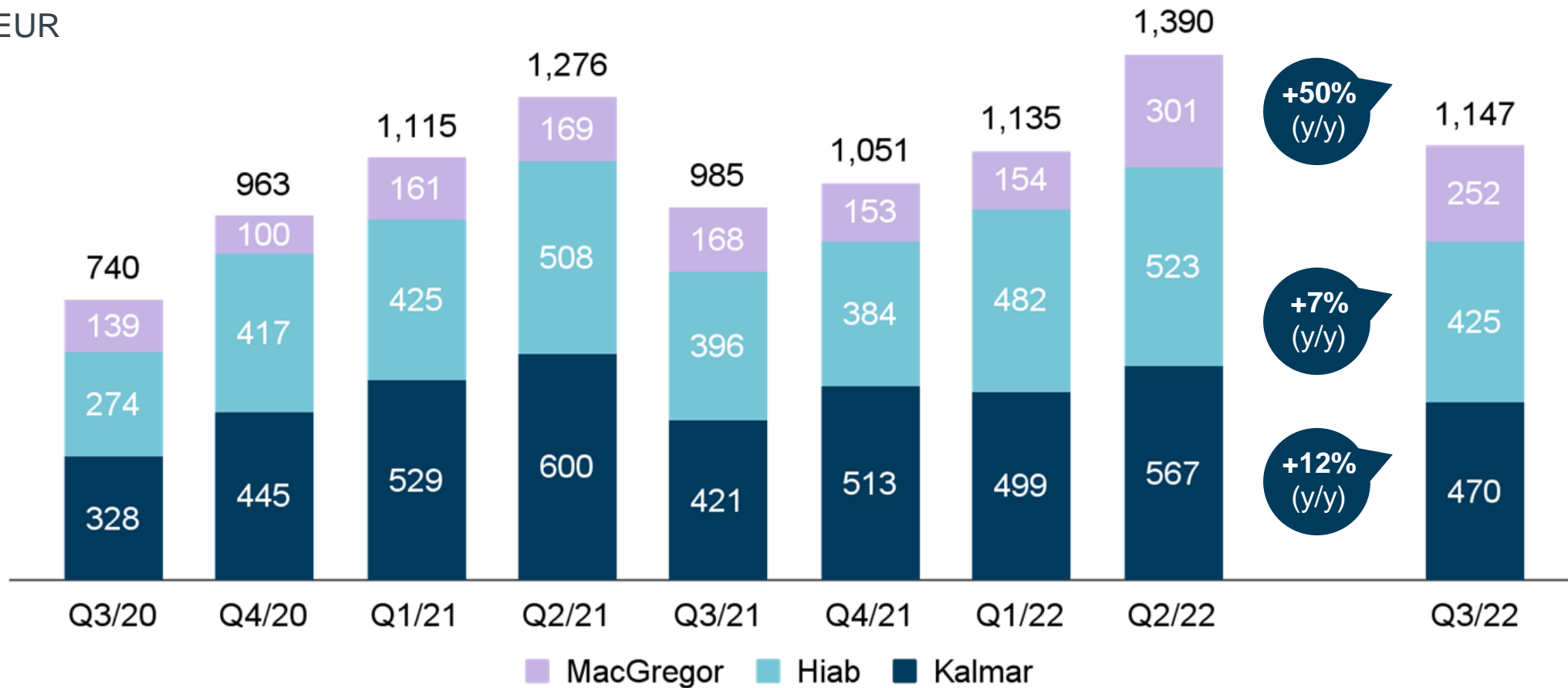


- Positive market outlook despite short term decline in merchant vessel contracting



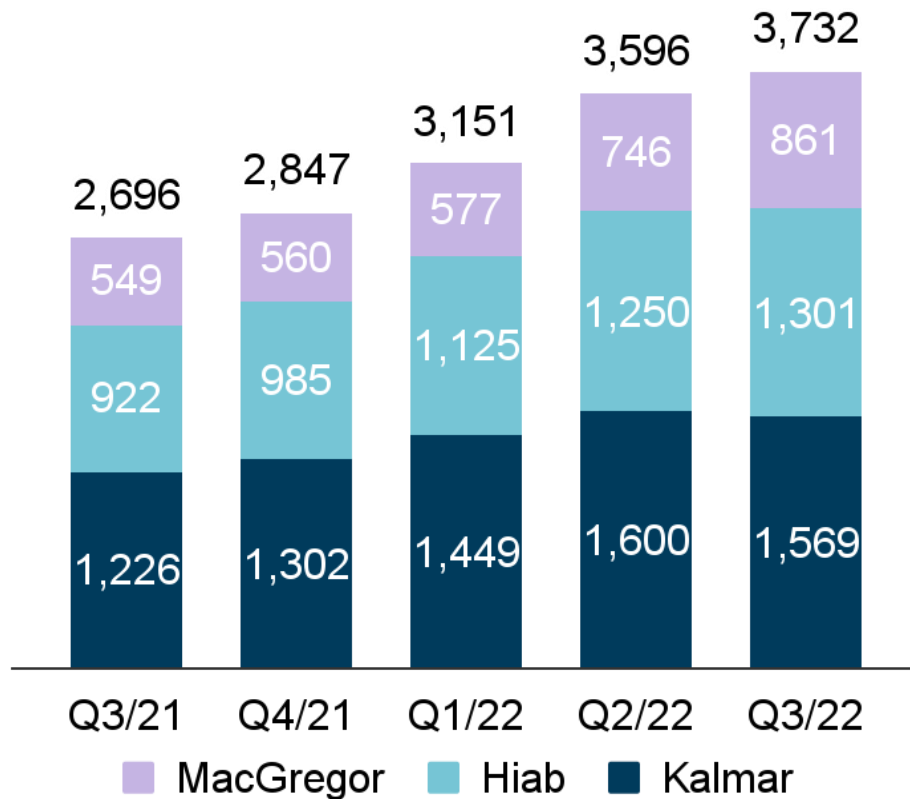
# Orders received increased in all businesses

Orders received  
MEUR

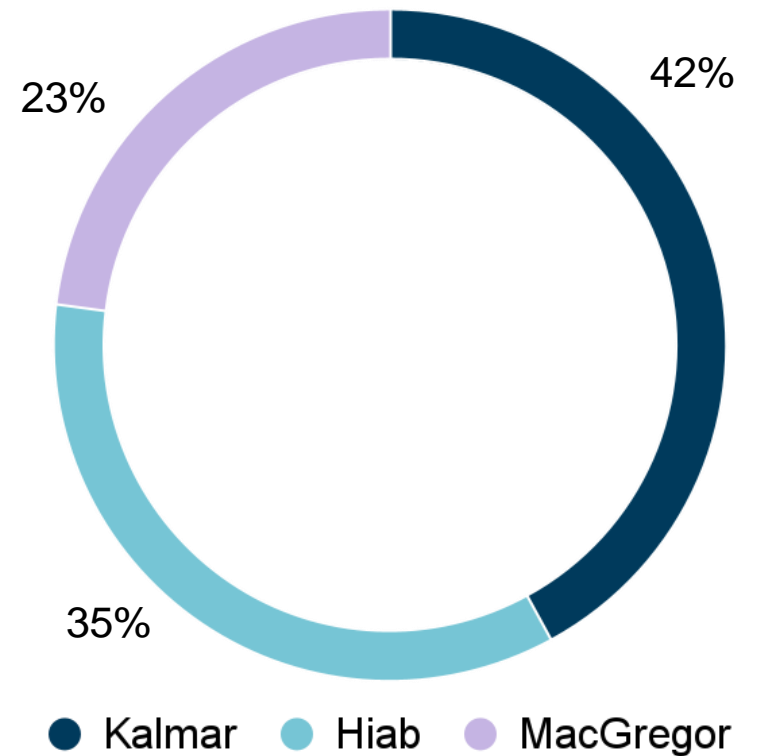


# Order book at all-time high level

Order book  
MEUR



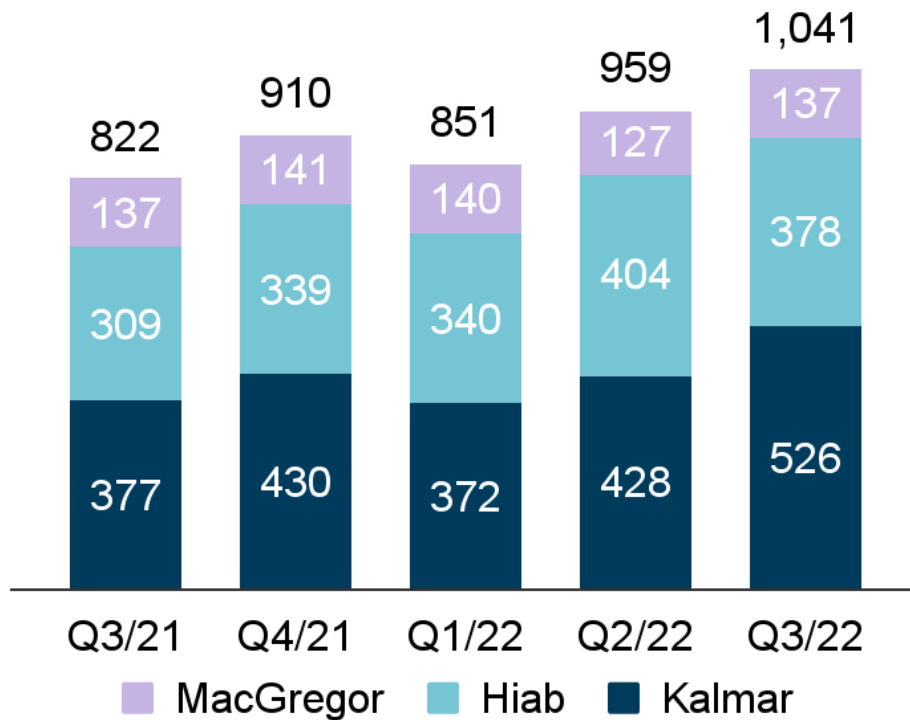
Order book by reporting  
segment, 30 September 2022



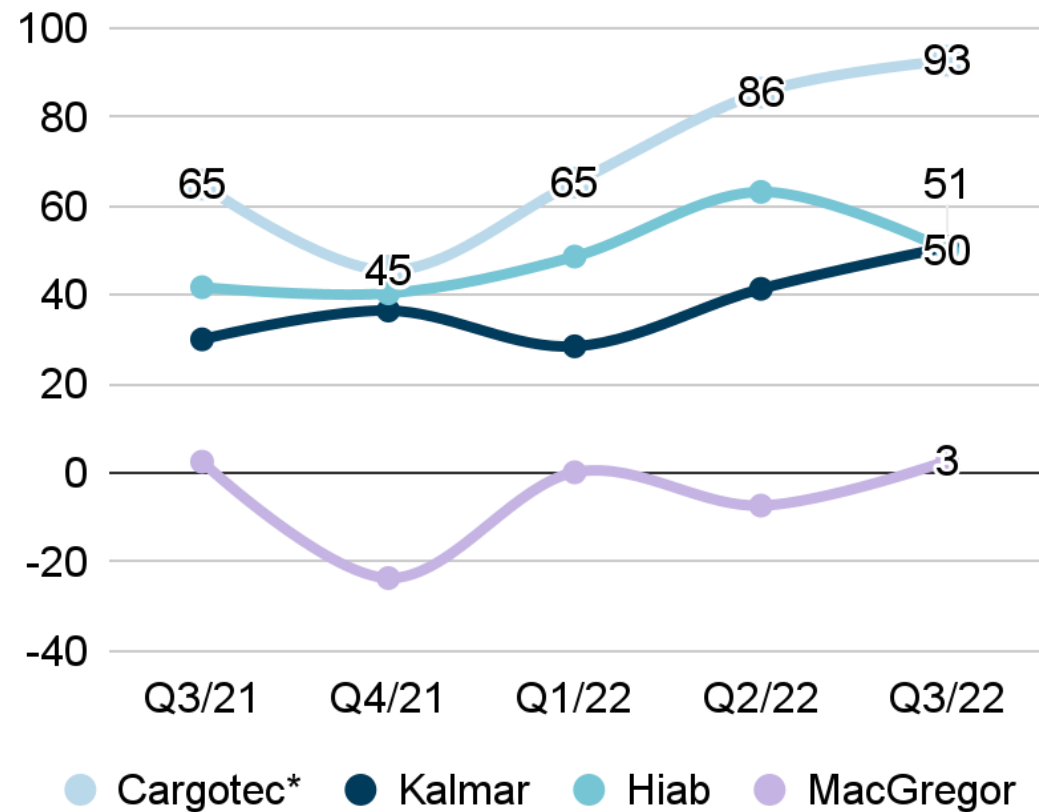


# Record high sales and comparable operating profit

## Sales MEUR



## Comparable operating profit MEUR



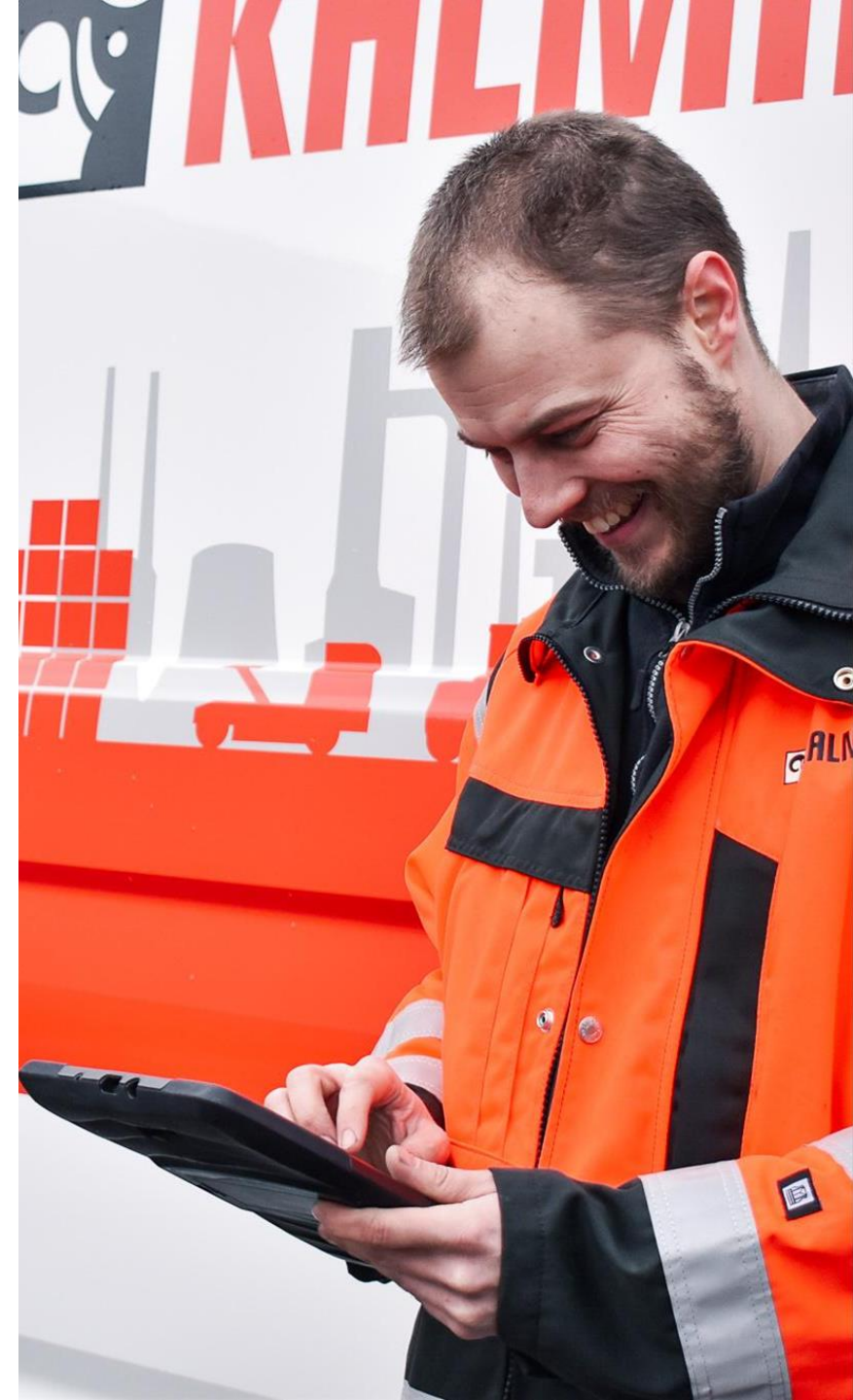
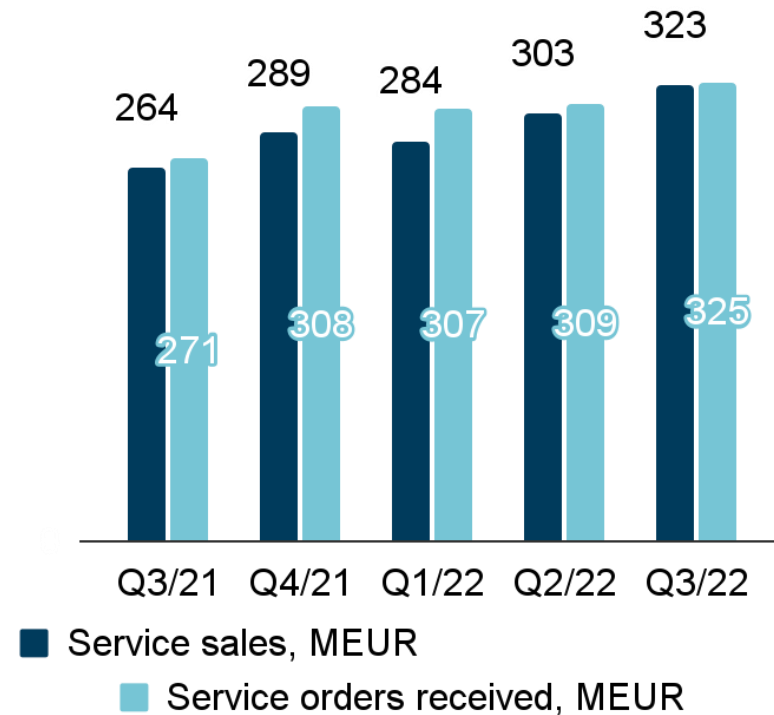
# Another record quarter for service business

Service orders received +20%

Service sales +22%

- Kalmar +24%
- Hiab +21%
- MacGregor +21%

Service share 31% of total sales



# Our vision is to become the global leader in sustainable cargo flow

## PURPOSE

**SMARTER CARGO FLOW FOR A BETTER EVERYDAY**

## VISION

**Global Leader in Sustainable Cargo Flow**

## BREAKTHROUGH OBJECTIVES

**Sustainability**

**Profitable Growth**

## CONCRETE TARGET

**Reduce 1 million tonnes of CO<sub>2</sub> equivalent by 2024**

### WHERE TO WIN

Grow in core and adjacent businesses & markets  
Solve customer challenges in climate change and sustainability  
Invest in industry innovation and transformation  
Expand lifecycle services

### HOW WE MEASURE

Financial performance  
Absolute CO<sub>2</sub> reduction  
Share of sales of eco-offering  
Leadership index  
Customer satisfaction scores



# We have progressed with planned strategic actions announced in March

Strategic evaluation of MacGregor business

On going

Plan to exit heavy cranes business in Kalmar

Final phase of asset transfers

Review of operational model to support refocused group



Capital allocation priorities:

Accelerating  
M&A  
pipeline

Continuing R&D  
investments in  
Electrification, Robotics  
and Digitalisation

Maintaining strong focus  
on Mission Climate  
actions



# Business areas' independence will increase as a result of the review of operational model

~100 persons to be transferred to the business areas

Successfully developed **digitalisation** capabilities to BAs

**Sourcing** activities entirely to business areas

**Sustainability** to technology function and business areas

Cargotec to **focus on listed company duties and back office services**



# Market leading technology and services driving growth

**Grow in core and adjacent businesses & markets**

Hiab launches RAIL series — a full range of railway loader cranes



**Solve customer challenges in climate change and sustainability**

+500 Kalmar hybrid straddle- and shuttle carriers ordered



**Invest in industry innovation and transformation**

World's first hooklift made from fossil-free steel



**Expand lifecycle services**

Hiab launched HiPerform, a new total service solution for optimised performance





# Business areas



# Kalmar Q3 – Excellent quarter

Demand continued at a high level

- Robust mobile equipment demand

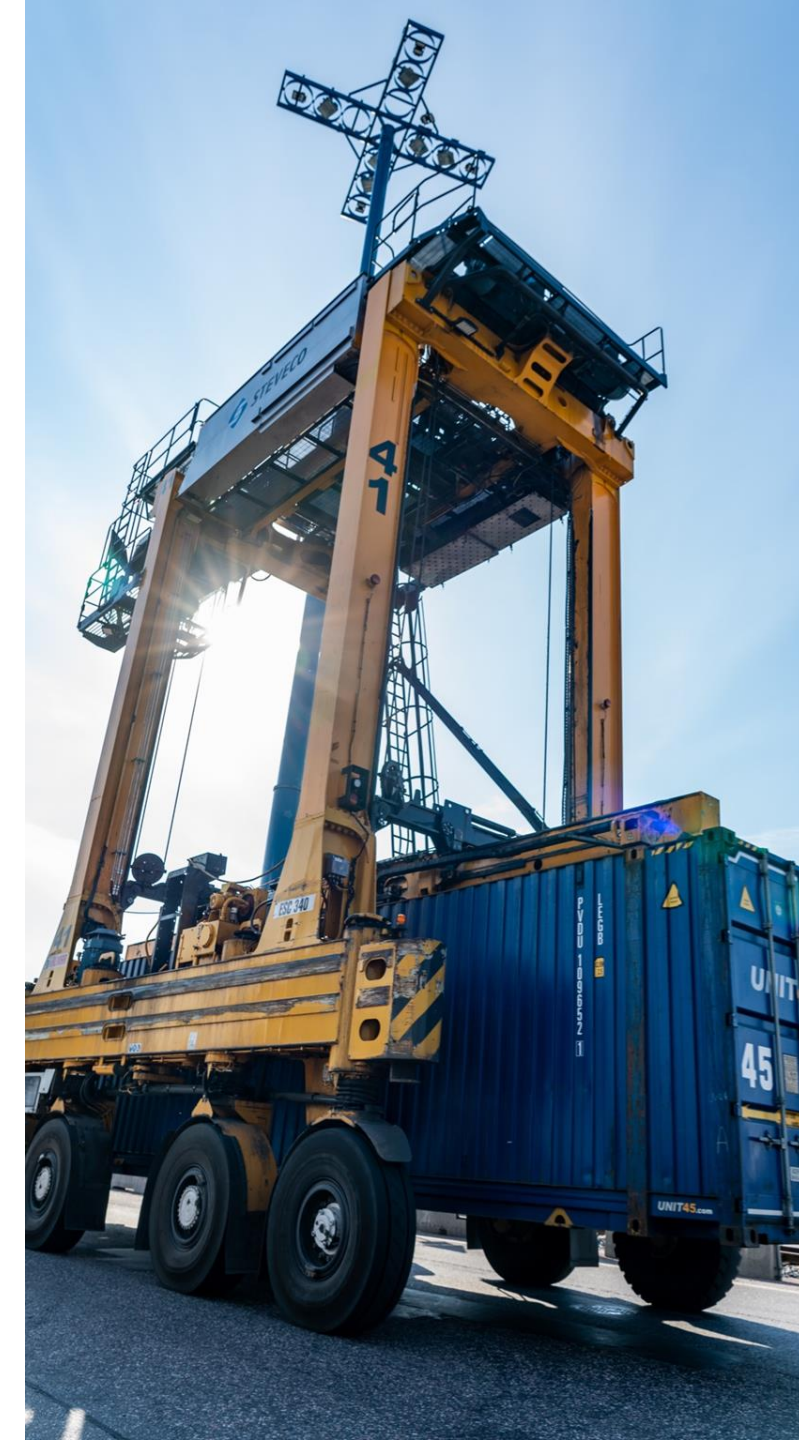
Sales increased by 40%

- Service sales +24%
- Supply chain challenges continue

Comparable operating profit increased

- Higher sales

MEUR	Q3/22	Q3/21	Change
Orders received	470	421	12%
Order book	1,569	1,226	28%
Sales	526	377	40%
Service sales, %	27%	30%	-300 bps
Comparable operating profit	51	30	69%
Comparable operating profit margin	9.7%	8.0%	170 bps





# Hiab Q3 – Strong quarter despite typical seasonal weakness

Strong demand continued

Sales increased by 23%

- Service sales +21%
- Growth in equipment deliveries, supply chain and truck chassis availability challenges continue

Comparable operating profit increased

- Higher sales

MEUR	Q3/22	Q3/21	Change
Orders received	425	396	7%
Order book	1,301	922	41%
Sales	378	309	23%
Service sales, %	28%	28%	0 bps
Comparable operating profit	50	42	20%
Comparable operating profit margin	13.2%	13.5%	-30 bps



# MacGregor Q3 – Surge in orders received and order book

## Orders received surged

- Driven by increase in merchant vessels

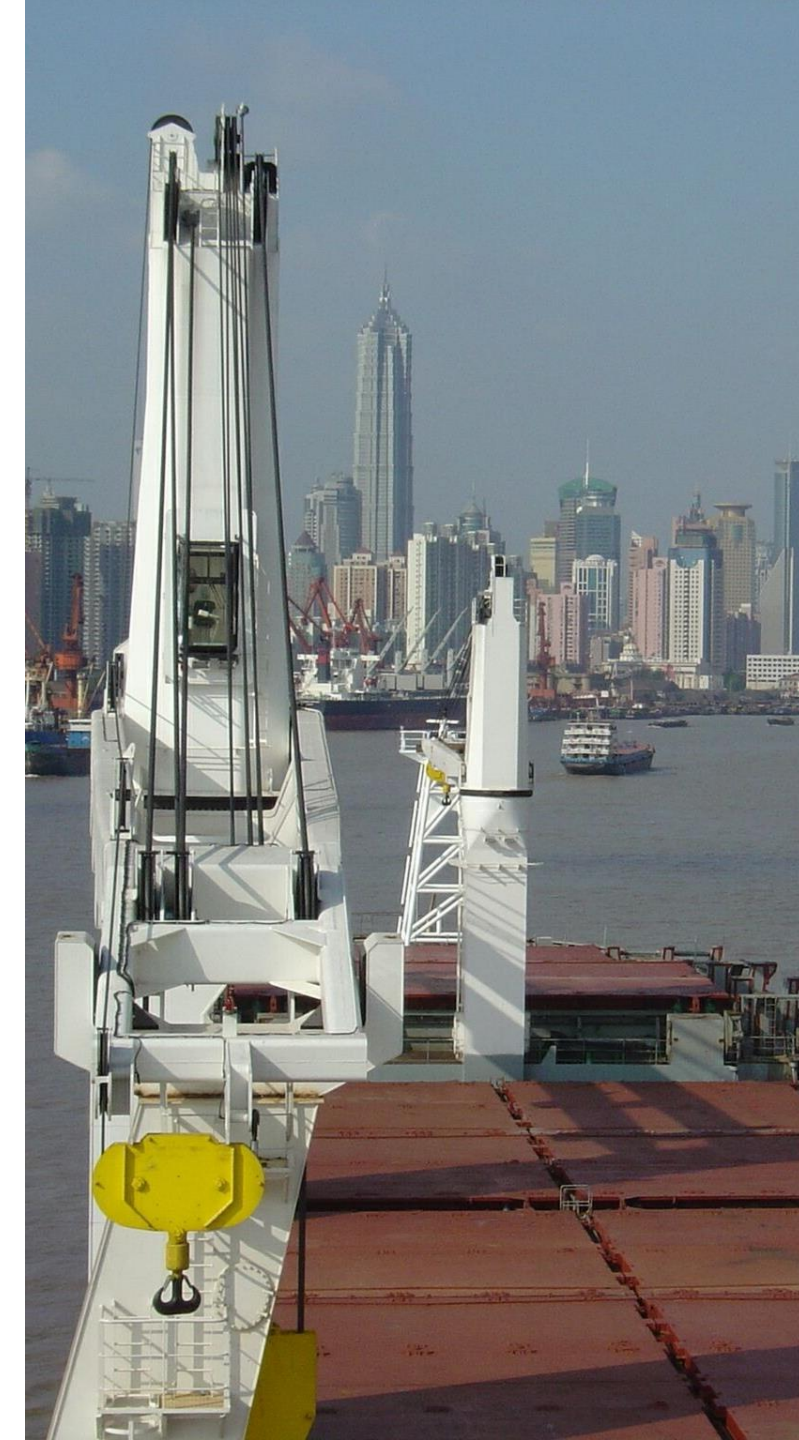
## Sales stable

- Service sales +21%
- Increase in merchant vessels and decrease in offshore sector

## Comparable operating profit stable

- Higher sales in services and merchant vessels
- Lower sales in offshore
- Investments in offshore wind

MEUR	Q3/22	Q3/21	Change
Orders received	252	168	50%
Order book	861	549	57%
Sales	137	137	0%
Service sales, %	55%	46%	900 bps
Comparable operating profit	3	3	7%
Comparable operating profit margin	2.0%	1.8%	20 bps







# Financials and outlook

# Financial highlights

**3,732**

**MEUR**

Record order  
book

**31%**

Q1-Q3/22  
comparable  
operating profit  
increase from Q1-  
Q3/21

**-43**

**MEUR**

Items affecting  
comparability in  
Q3

**696**

**MEUR**

Eco portfolio sales  
in Q1-Q3/22

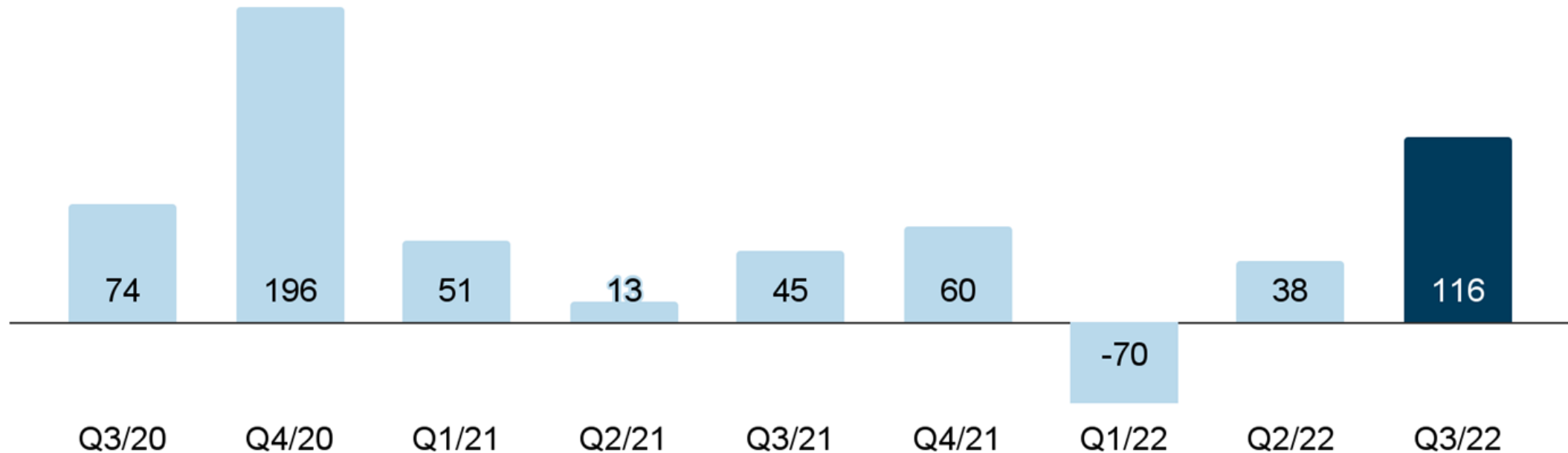
**10.6%**

Core businesses\*  
comparable  
operating profit  
margin in Q3



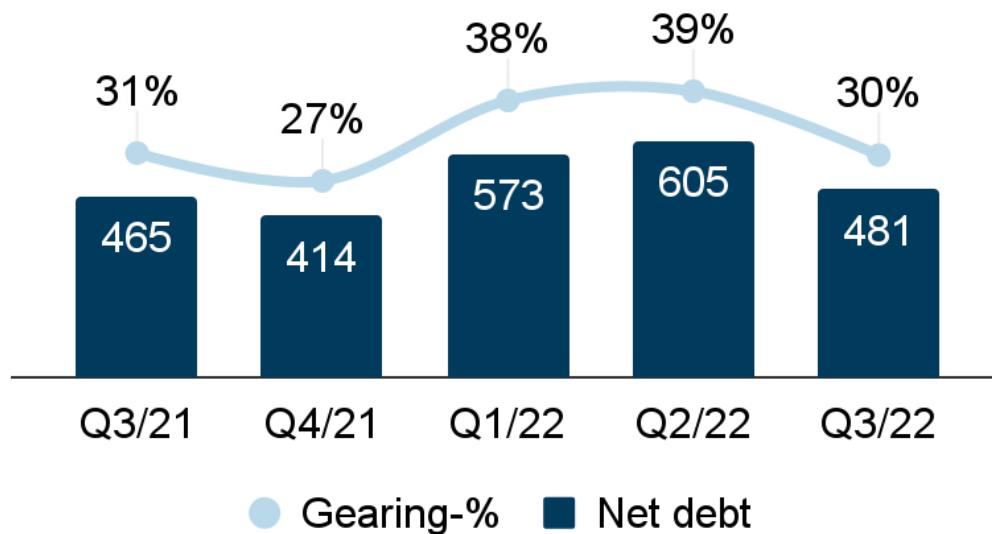
# Advance payments and reduction in account receivable supported our operative cash flow

Cash flow from operations before financing items and taxes  
MEUR

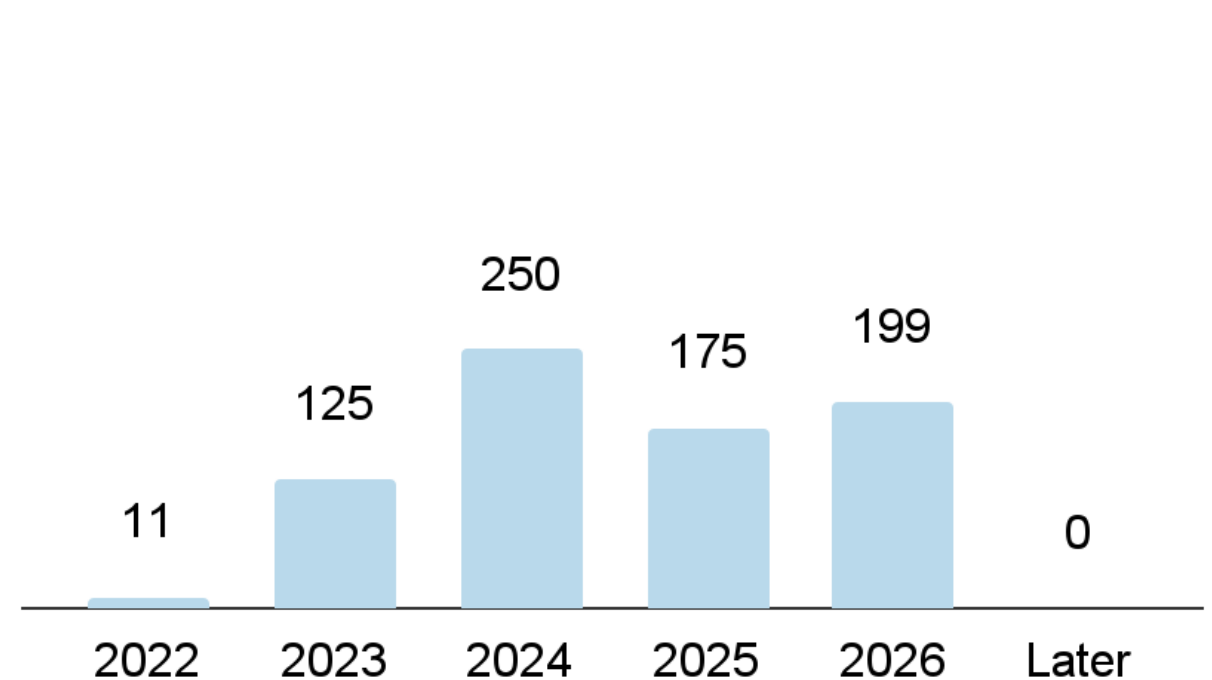


# Gearing improvement driven by good cash flow

Net debt & gearing  
MEUR



Maturity profile, 30 September 2022



# Outlook for 2022 specified

Cargotec estimates its 2022 comparable operating profit to improve EUR 88–118 million compared to 2021 (from EUR 232 million to EUR 320–350 million)





# CAPITAL MARKETS DAY 2022

Sign-up for virtual event open:  
[www.cargotec.com/cmd22](https://www.cargotec.com/cmd22)





# Appendix



# Key figures – Comparison period included significant gain from disposal of Navis software business

	Q3/22	Q3/21	Change	Q1-Q3/22	Q1-Q3/21	Change
Orders received, MEUR	<b>1,147</b>	985	16%	<b>3,672</b>	3,377	9%
Order book, MEUR	<b>3,732</b>	2,696	38%	<b>3,732</b>	2,696	38%
Sales, MEUR	<b>1,041</b>	822	27%	<b>2,850</b>	2,405	19%
Comparable operating profit, MEUR	<b>93</b>	65	43%	<b>243</b>	186	31%
Comparable operating profit, %	<b>8.9%</b>	7.9%	100bps	<b>8.5%</b>	7.7%	80bps
Items affecting comparability, MEUR	<b>-43</b>	213	-120%	<b>-109</b>	161	-167%
Operating profit, MEUR	<b>50</b>	278	-82%	<b>135</b>	347	-61%
Operating profit, %	<b>4.8%</b>	33.8%	-2900bps	<b>4.7%</b>	14.4%	-970bps
Net income, MEUR	<b>29</b>	219	-87%	<b>91</b>	255	-64%
Earnings per share, EUR	<b>0.45</b>	3.40	-87%	<b>1.41</b>	3.95	-64%
Earnings per share, EUR*	<b>0.91</b>	0.91	0%	<b>2.36</b>	2.00	18%
ROCE, %**	<b>5.8%</b>	14.3%	-850bps	<b>5.8%</b>	14.3%	-850bps