

A man wearing a white hard hat with a red 'C' logo, a high-visibility yellow and blue jacket with 'KONECRANES' on the chest, and a blue scarf is sitting in the driver's seat of a white van. The van has 'KONEC' written in red on its side. In the background, there are stacked shipping containers, some with 'CMA CGM' and 'UNIT 45' visible.

KONECRANES

Q2 2023 Report

Anders Svensson, President and CEO
Teo Ottola, CFO

July 26, 2023

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Agenda



Anders Svensson

President and CEO

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Teo Ottola

CFO

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Q&A

Q2 2023 – Sustained strong performance

Strong financial performance in Q2

Orders increased and exceeded €1.0 billion again

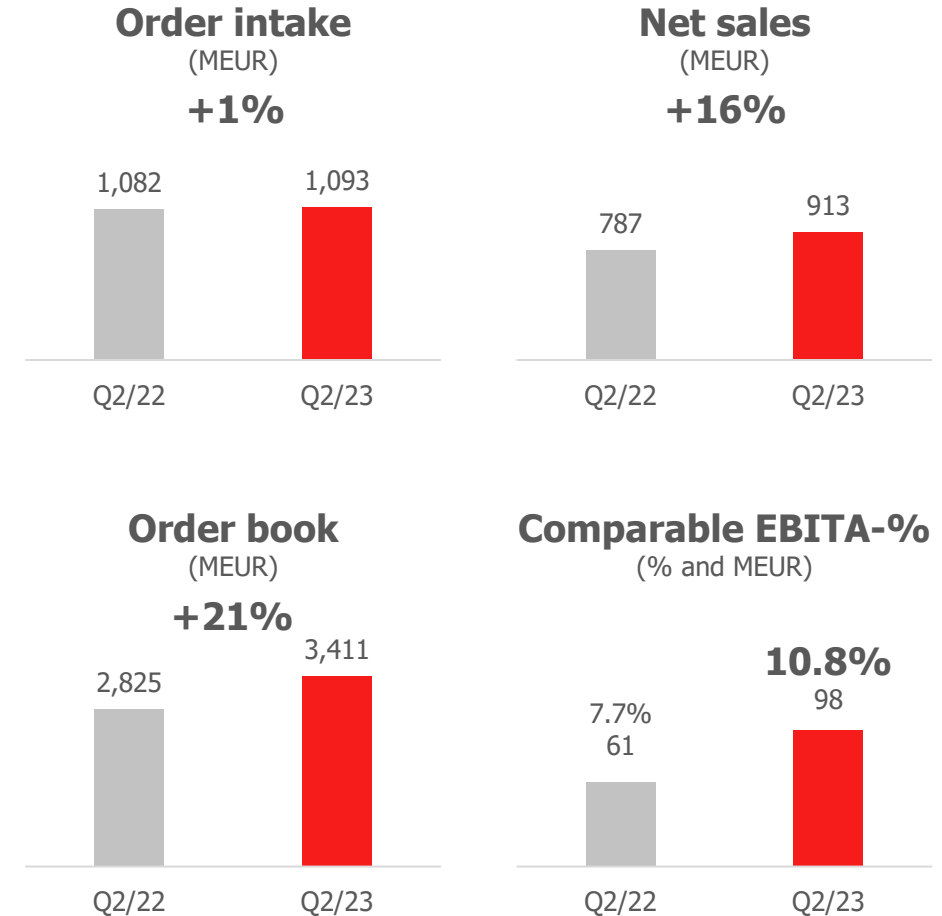
- Demand environment remained good despite weakened economic macro-indicators
- Orders growth in Service and Port Solutions

Sales increased 19% Y/Y (comp. FX)

- Delivery capability continued to be as efficient as in Q1
- Some deliveries postponed by customers and global supply chain challenges despite the good sales execution

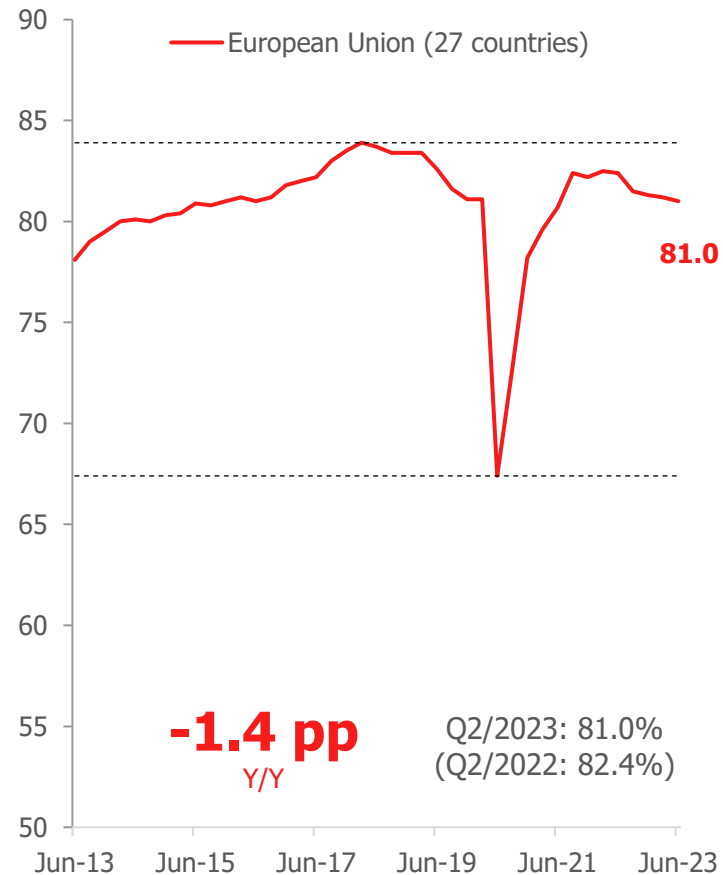
Record-high Q2 comparable EBITA margin

- Driven by higher sales and pricing
- Profitability improved in Service and Industrial Equipment, and was close to the previous year's level in Port Solutions

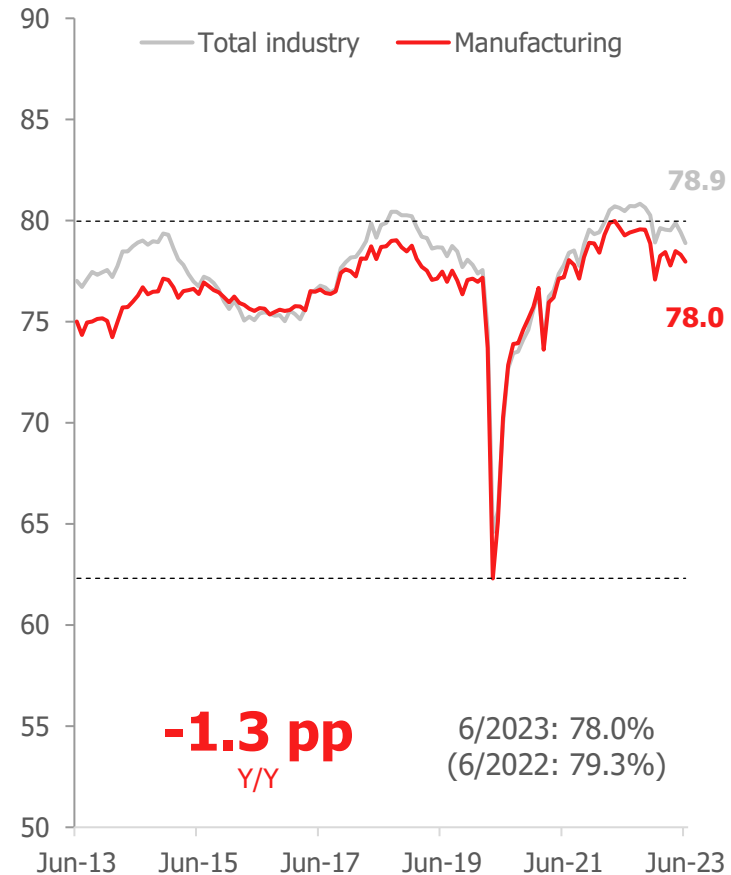


Market environment – Service and Industrial Equipment

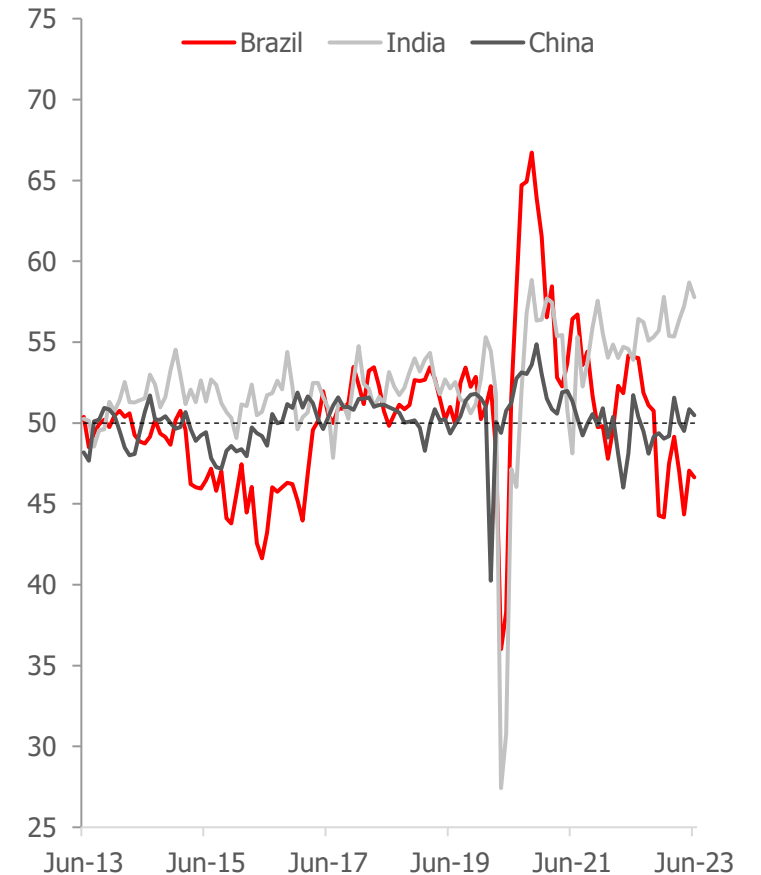
EU capacity utilization rate, %



US capacity utilization rate, %



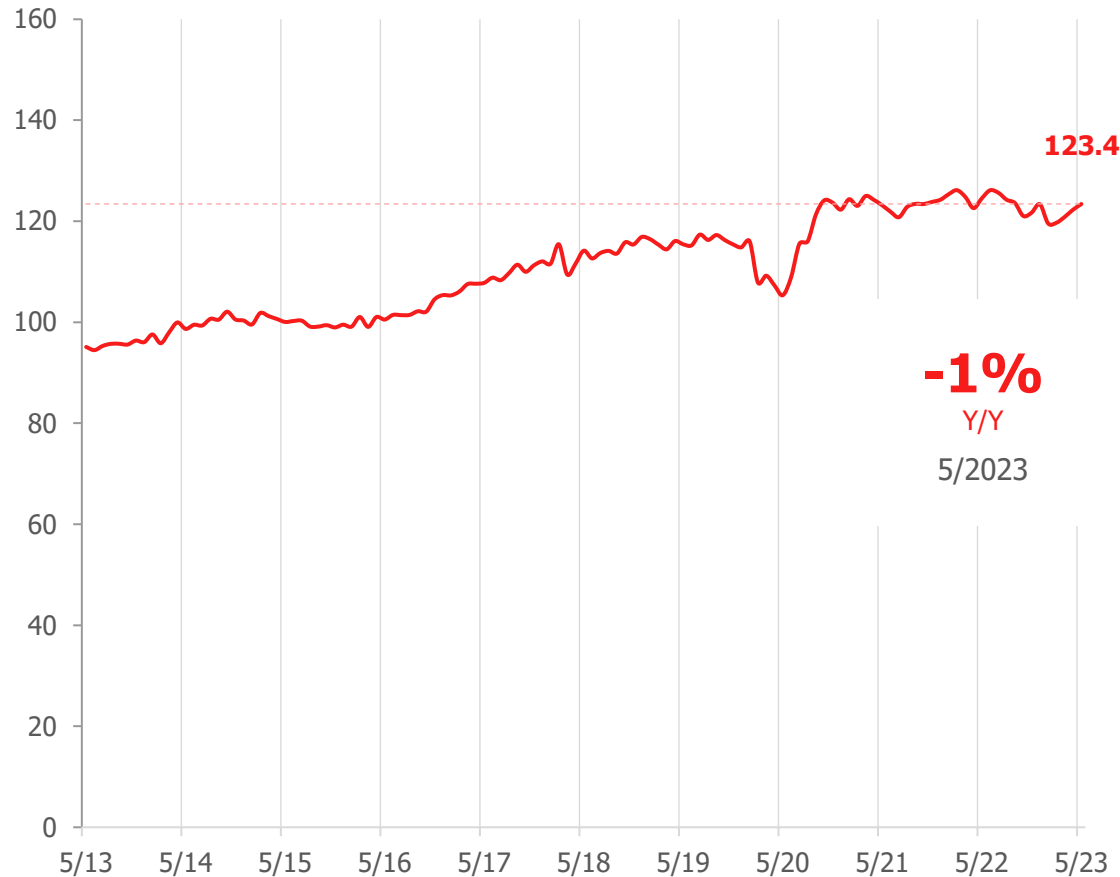
Manufacturing PMIs – Brazil, India & China



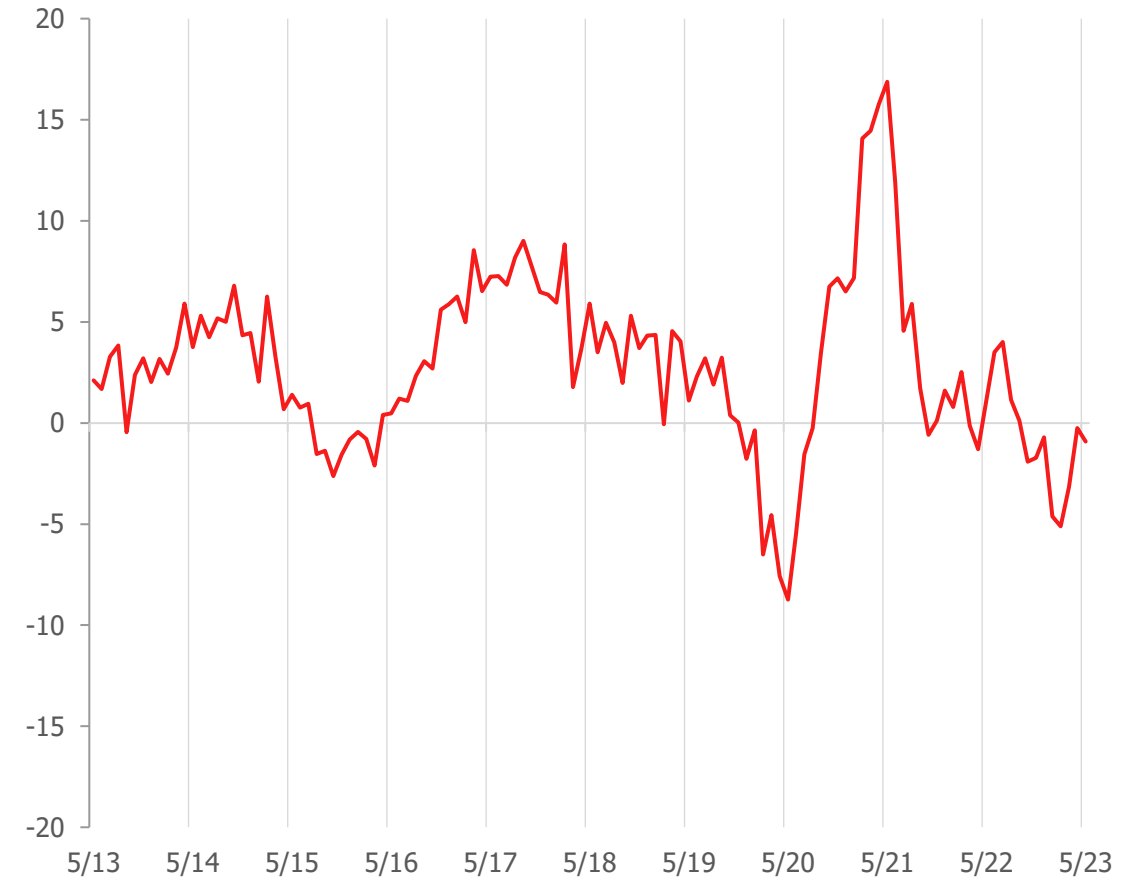
Source: Eurostat, Federal Reserve Economic Data, S&P Global

Market environment – Port Solutions

RWI/ISL Container Throughput Index (2015 = 100)



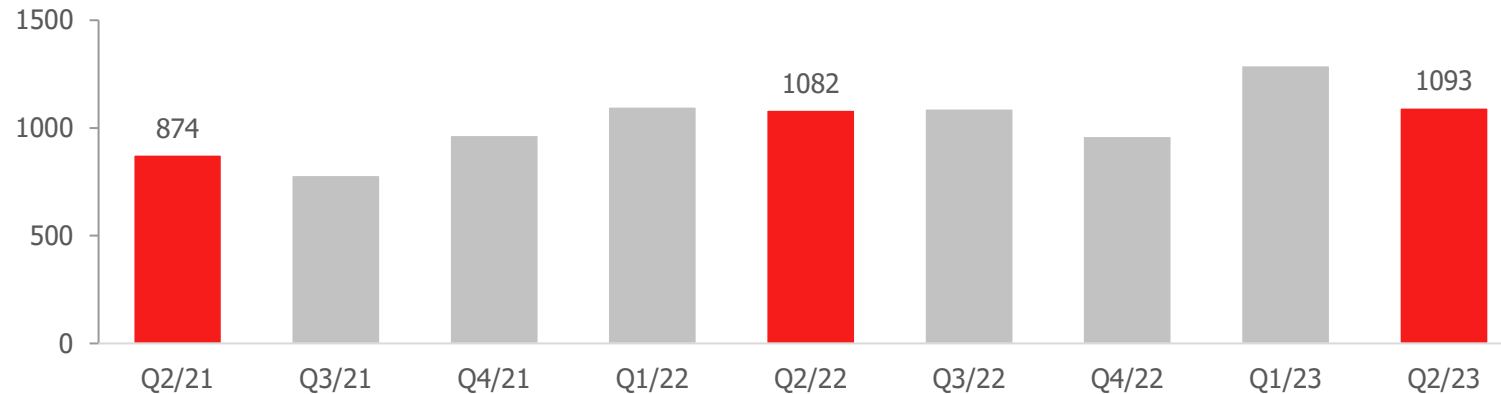
Monthly index change Y/Y, %



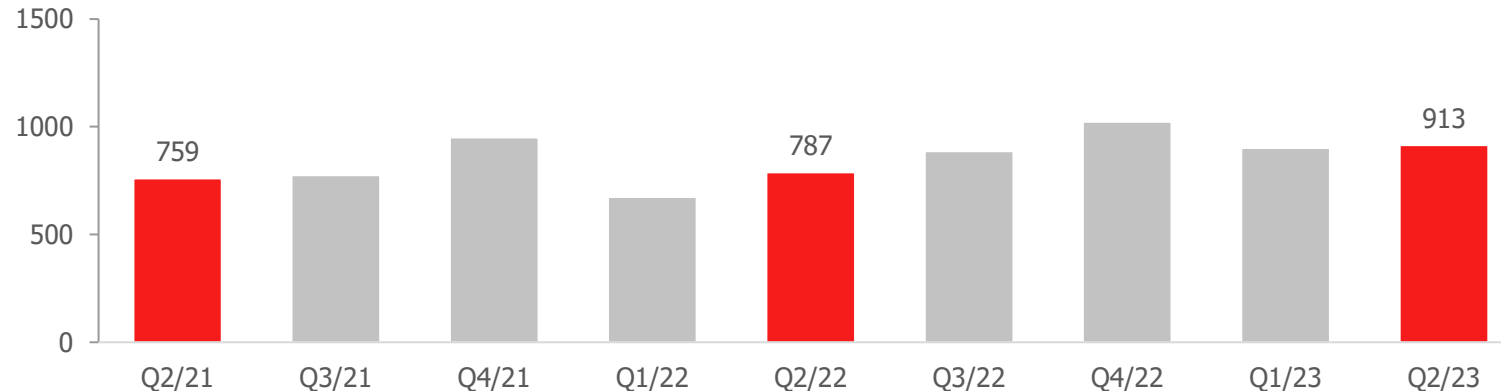
Source: RWI/ISL

Group order intake and net sales

Order intake, MEUR⁽¹⁾



Net sales, MEUR



Order intake

+1.0%

Y/Y reported

+3.5%

Y/Y comp. FX

- EUR 1,092.9 million
- Increase in Service and Port Solutions, decrease in Industrial Equipment
- Increase in the Americas, decrease in EMEA and APAC

Net sales

+16.0%

Y/Y reported

+18.7%

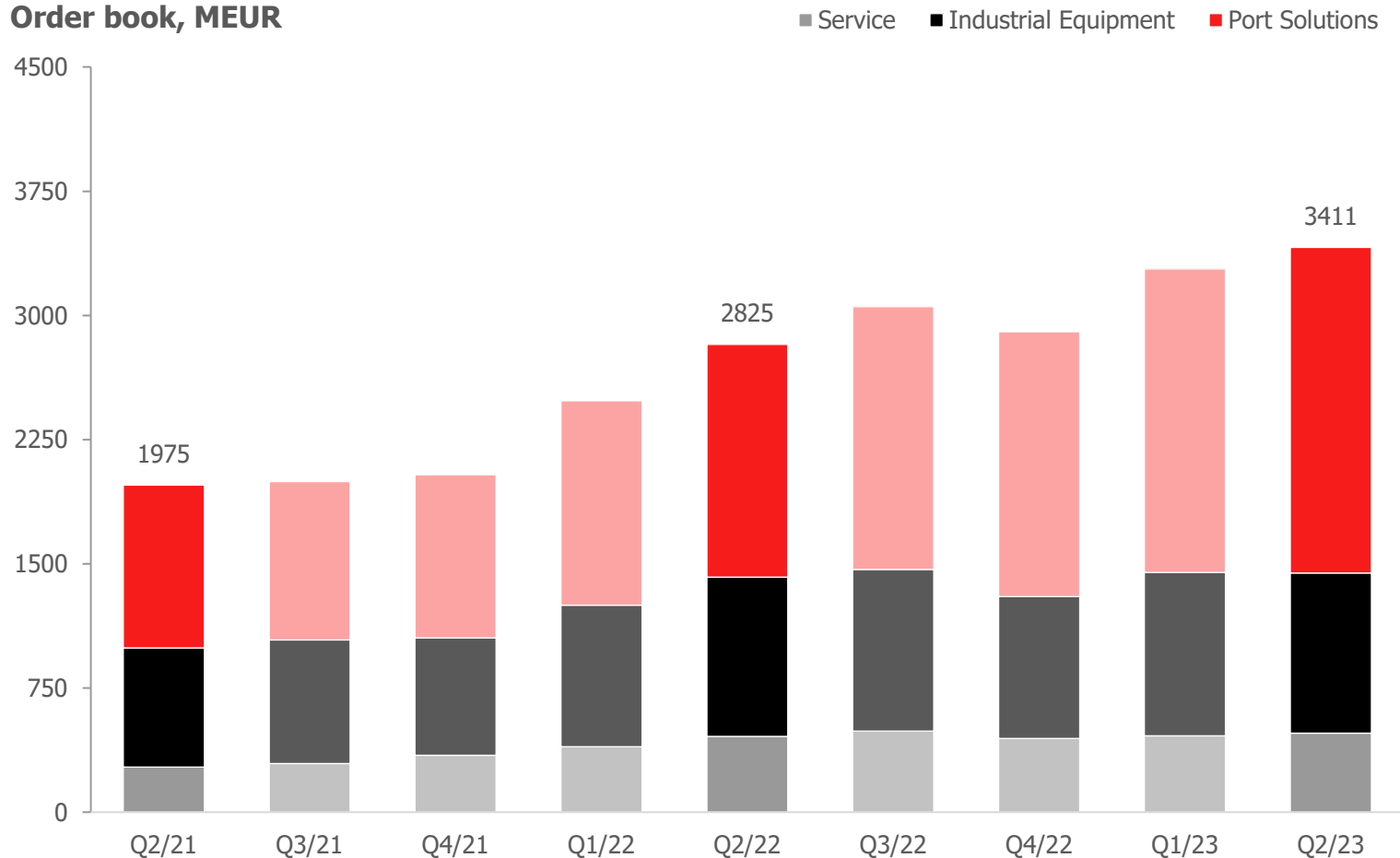
Y/Y comp. FX

- EUR 913.0 million
- Increase in all three segments
- Increase in the Americas, EMEA and APAC

Note (1): Agreement base included in orders received from Q1 2023 onwards and historical figures are restated

Group order book

Order book, MEUR



Order book

+20.7%

Y/Y reported

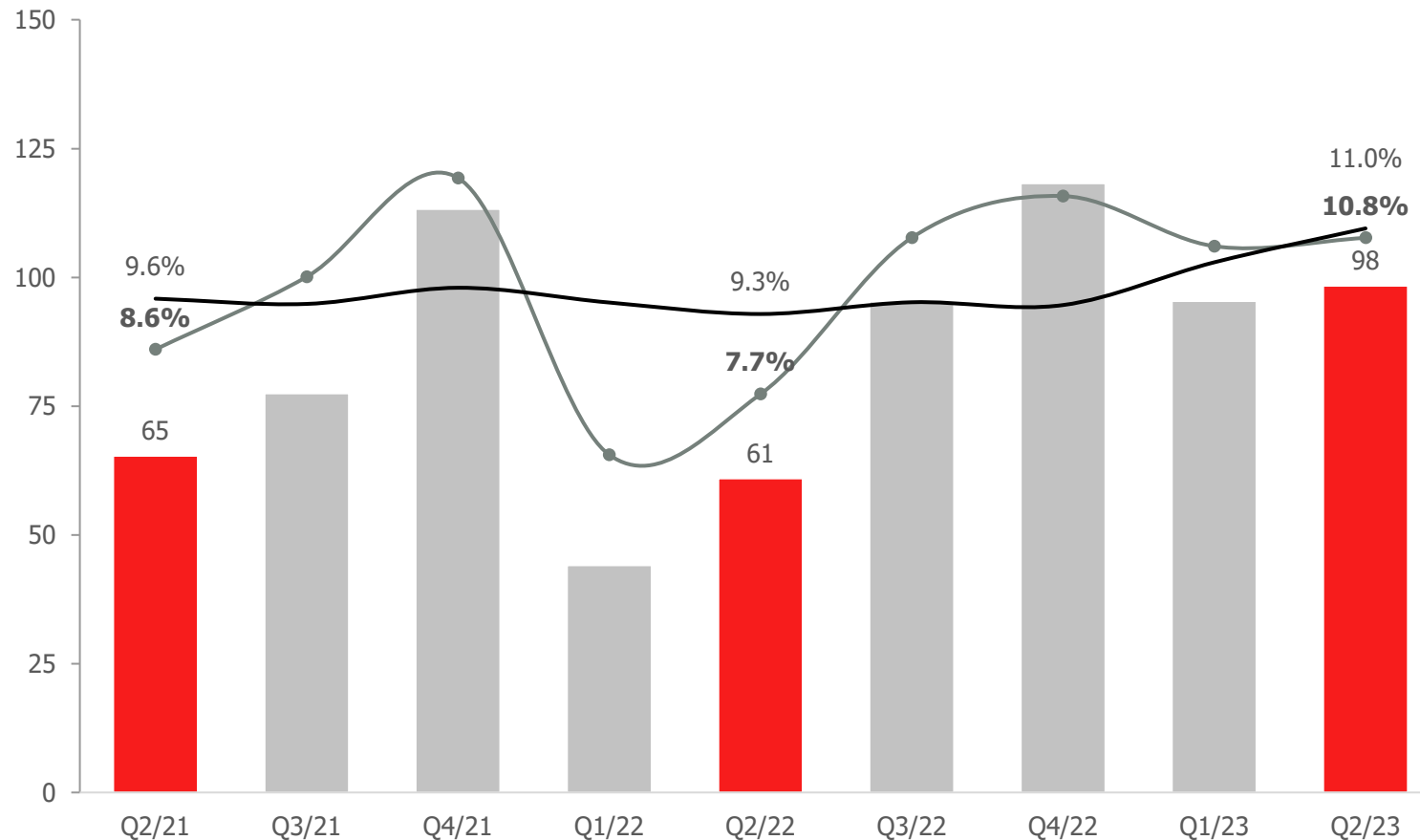
+25.1%

Y/Y comp. FX

- EUR 3,411.4 million
- Increase in all three segments

Group comparable EBITA

Comparable EBITA, MEUR & margin-% ■ Comp. EBITA ● Comp. EBITA-% — R12M comp. EBITA-%



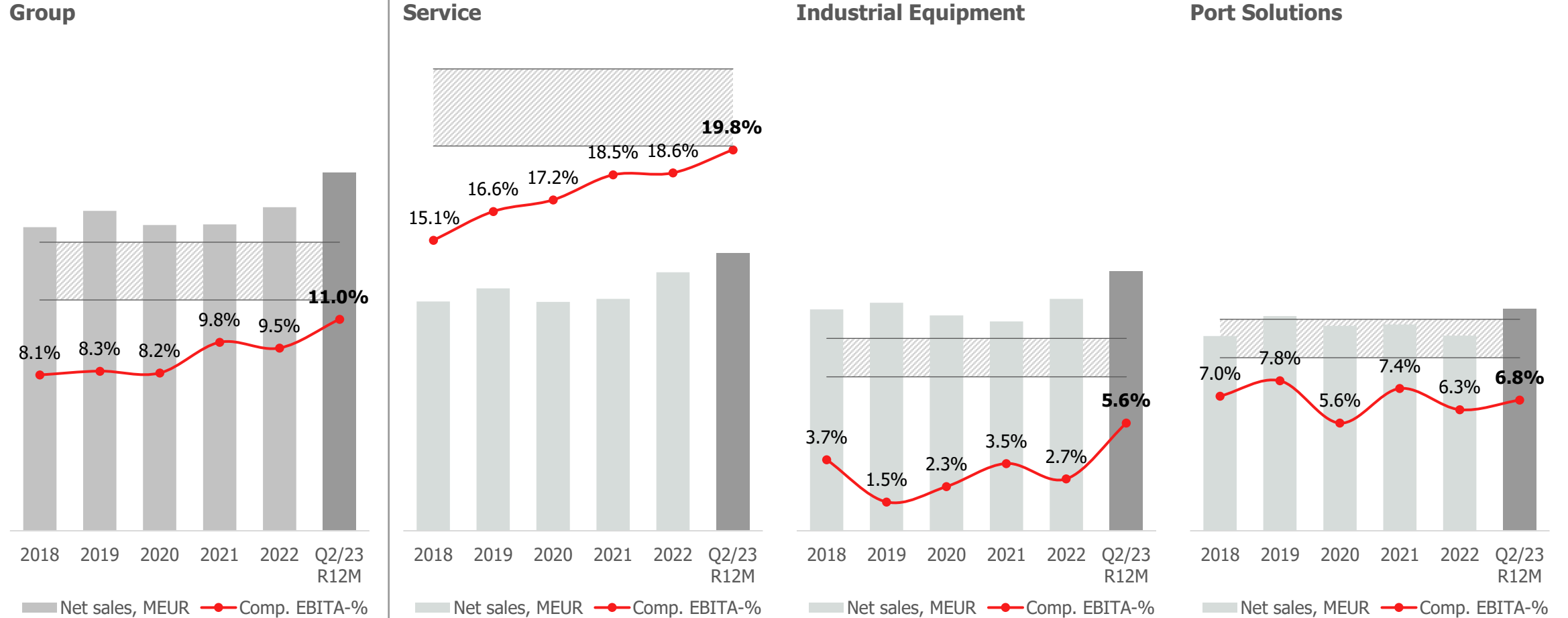
Comparable EBITA

10.8%
margin

+3.0 pp
Y/Y

- EUR 98.3 million
- Comparable EBITA-% increase in Service and Industrial Equipment, decrease in Port Solutions
- Comparable EBITA-% increase mainly attributable to higher sales volumes and pricing
- Gross margin increased

Progress towards Konecranes' financial targets



Q3 2023 demand outlook

The worldwide demand picture remains subject to volatility and uncertainty.

Within industrial customer segments:

Americas

EMEA

Asia-Pacific

Our demand environment within industrial customer segments has remained good and continues on a healthy level, despite the weakened global macro indicators and some signs of weakening in all three regions.

Within port customers:

Global container throughput continues on a high level, and long-term prospects related to global container handling remain good overall. That said, we have started to see hesitation in decision-making in the short term among some port customers.



Financial guidance for full-year 2023

Net sales expected to increase in full-year 2023 compared to 2022.

Comparable EBITA margin expected to improve in full-year 2023 from 2022.



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President and CEO

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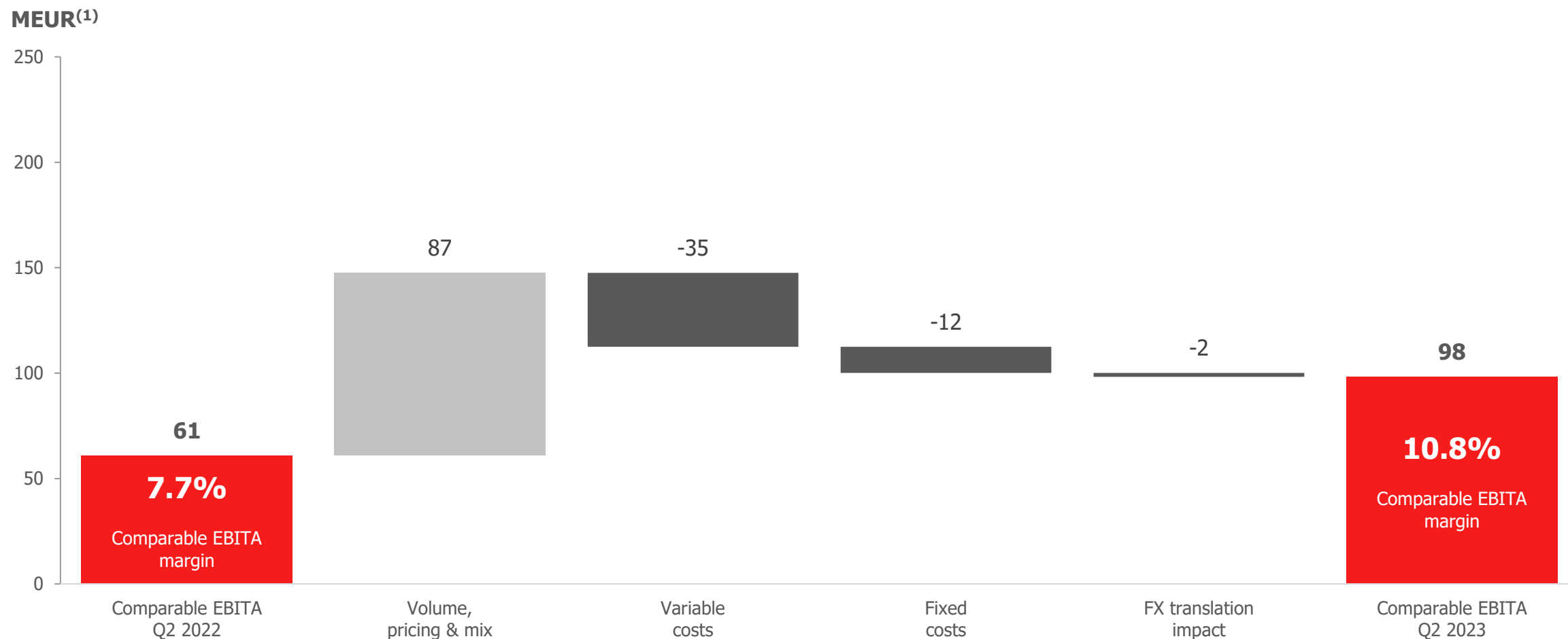
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Q&A

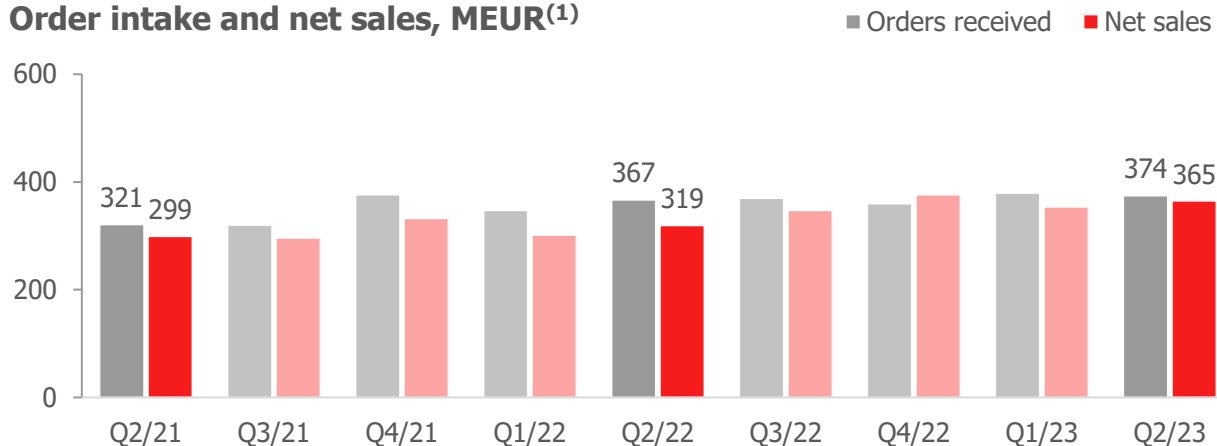
Q2 2023 comparable EBITA bridge



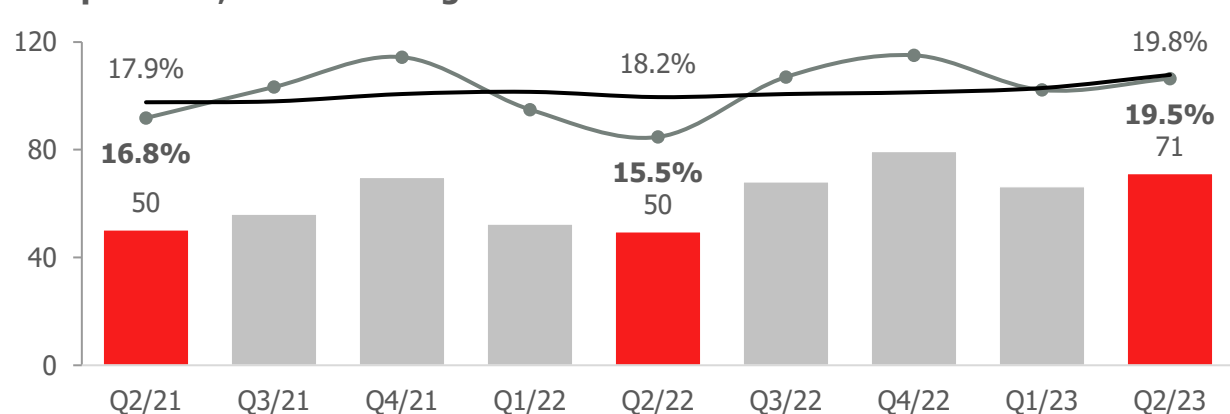
Note (1): Volume, pricing & mix, Variable costs, and Fixed costs effects do not include the FX translation impact component

Service

Order intake and net sales, MEUR⁽¹⁾



Comp. EBITA, MEUR & margin-%



Order intake

+2.1%

Y/Y reported

+4.7%

Y/Y comp. FX

- Increase in field service, parts orders approx. flat
- Increase in the Americas, approx. flat in EMEA and decrease in APAC

Agreement base:

- EUR 313.9 million, +1.2% Y/Y
- +4.8% Y/Y comp. FX

Net sales

+14.2%

Y/Y reported

+17.1%

Y/Y comp. FX

- Increase in both field service and parts
- Increase in the Americas, EMEA and APAC

Order book:

- EUR 477.1 million, +4.4% Y/Y

Comp. EBITA

19.5%

margin

+4.0 pp

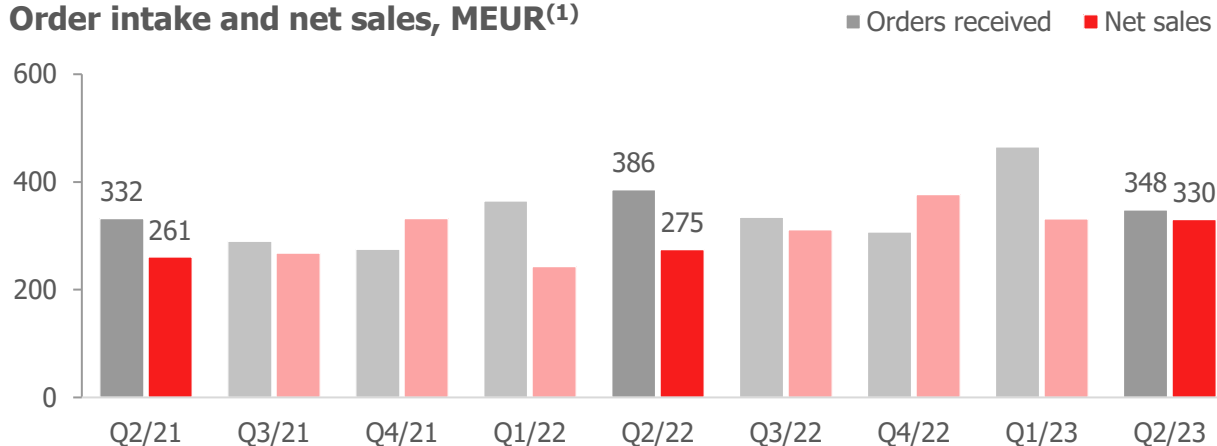
Y/Y

- Comparable EBITA-% increase mainly attributable to sales growth driven by higher sales volumes and pricing
- Gross margin increased

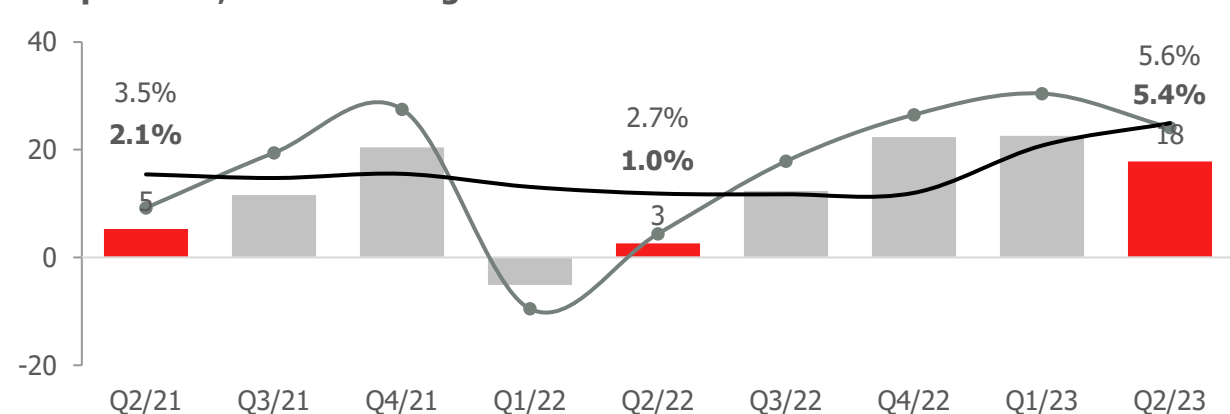
Note (1): Agreement base included in orders received from Q1 2023 onwards and historical figures are restated

Industrial Equipment

Order intake and net sales, MEUR⁽¹⁾



Comp. EBITA, MEUR & margin-%



Note (1): Agreement base included in orders received from Q1 2023 onwards and historical figures are restated

Order intake

-9.8%
Y/Y reported
-8.0%
Y/Y comp. FX

- External orders -2.0% Y/Y comp. FX
- Decrease in process cranes and components, increase in standard cranes
- Decrease in EMEA and APAC, increase in the Americas

Net sales

+20.3%
Y/Y reported
+22.8%
Y/Y comp. FX

- External sales +19.7% Y/Y comp. FX
- Increase in standard cranes, process cranes, and components
- Increase in the Americas, EMEA and APAC

Order book: EUR 968.2 million, +0.7% Y/Y

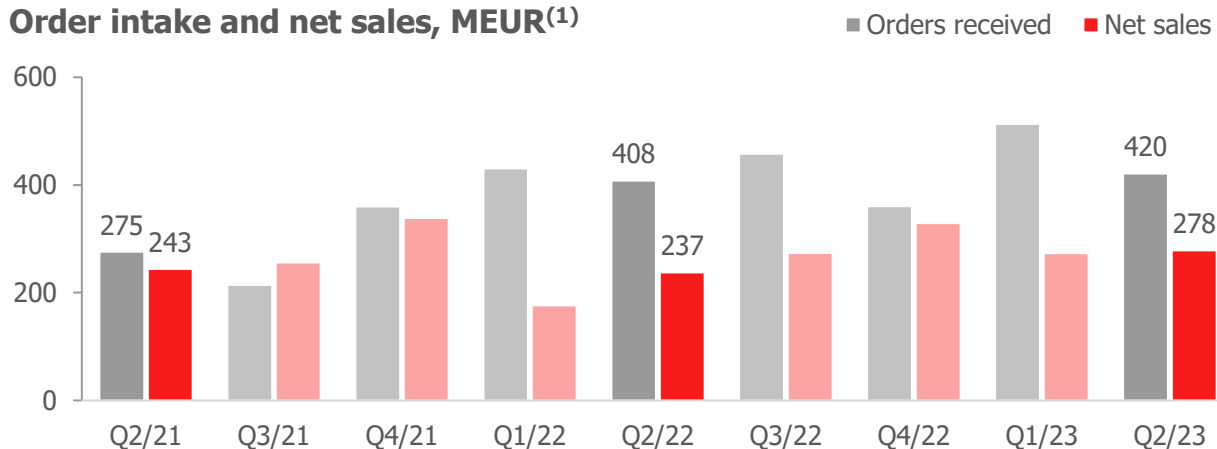
Comp. EBITA

5.4%
margin
+4.4 pp
Y/Y

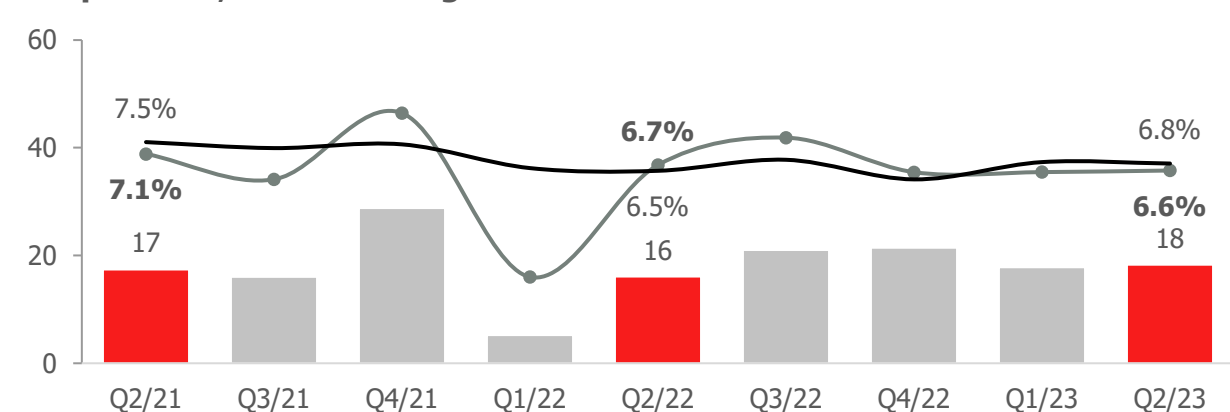
- Comparable EBITA-% increase mainly attributable to higher sales volumes and pricing
- Gross margin increased

Port Solutions

Order intake and net sales, MEUR⁽¹⁾



Comp. EBITA, MEUR & margin-%



Note (1): Agreement base included in orders received from Q1 2023 onwards and historical figures are restated

Order intake

+3.1%

Y/Y reported

+5.7%

Y/Y comp. FX

- Increase in the Americas, decrease in EMEA and APAC

Net sales

+17.1%

Y/Y reported

+19.8%

Y/Y comp. FX

Order book:

- EUR 1,966.1 million, +39.8% Y/Y

Comp. EBITA

6.6%

margin

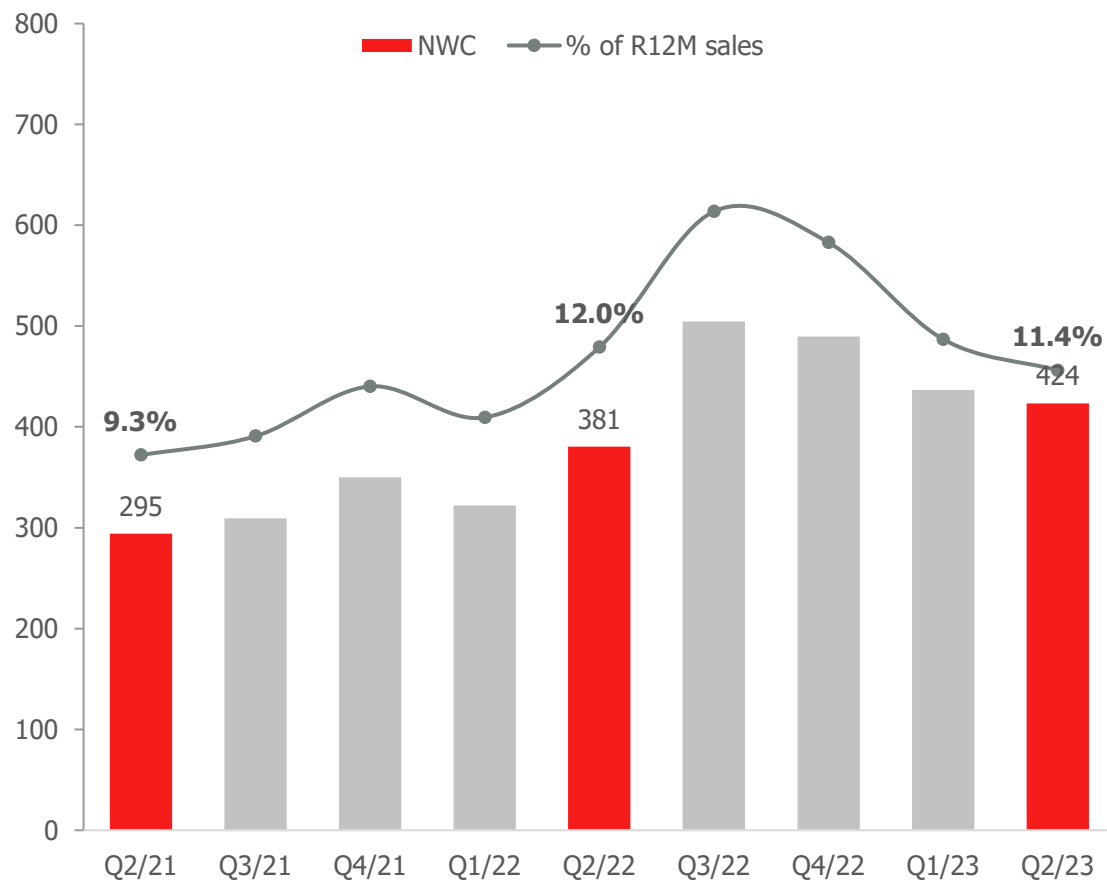
-0.2 pp

Y/Y

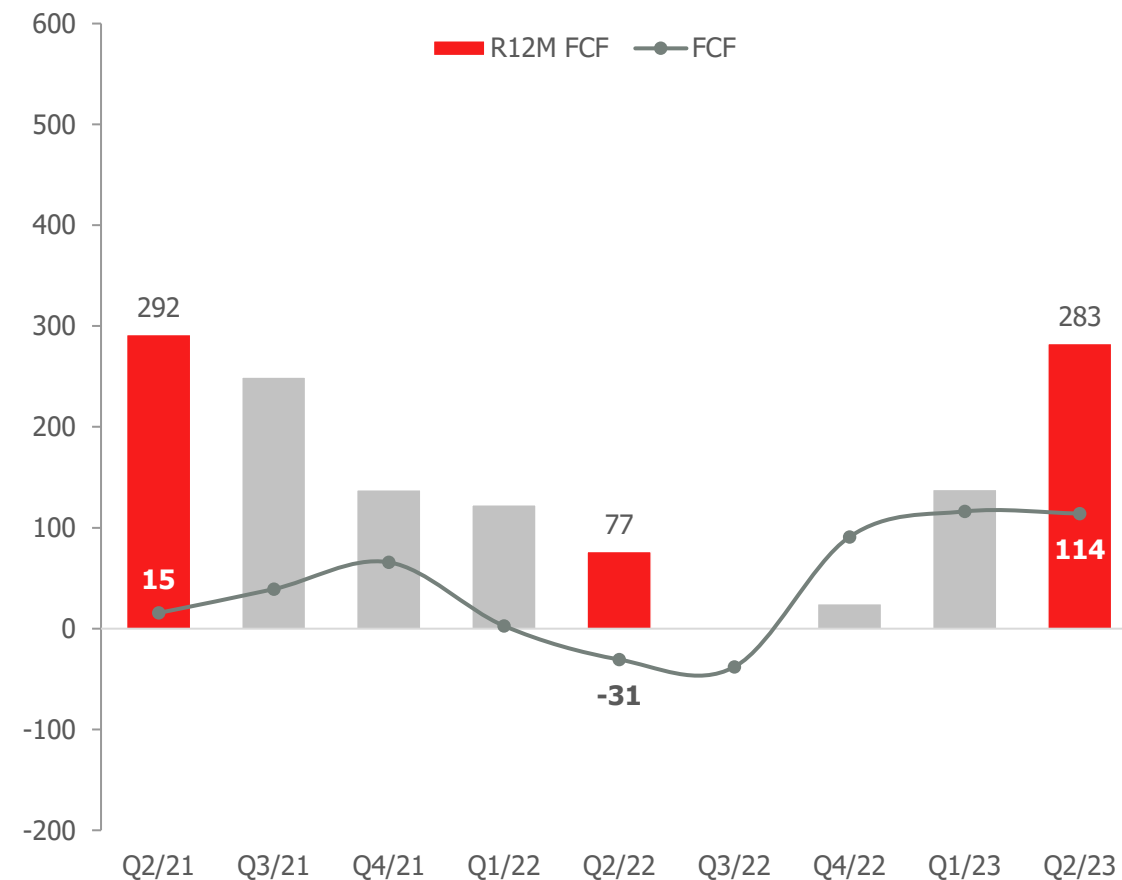
- Comparable EBITA-% decrease mainly attributable to sales mix
- Gross margin decreased

Net working capital and free cash flow

Net working capital, MEUR and percentage of sales⁽¹⁾⁽²⁾



Free cash flow, MEUR

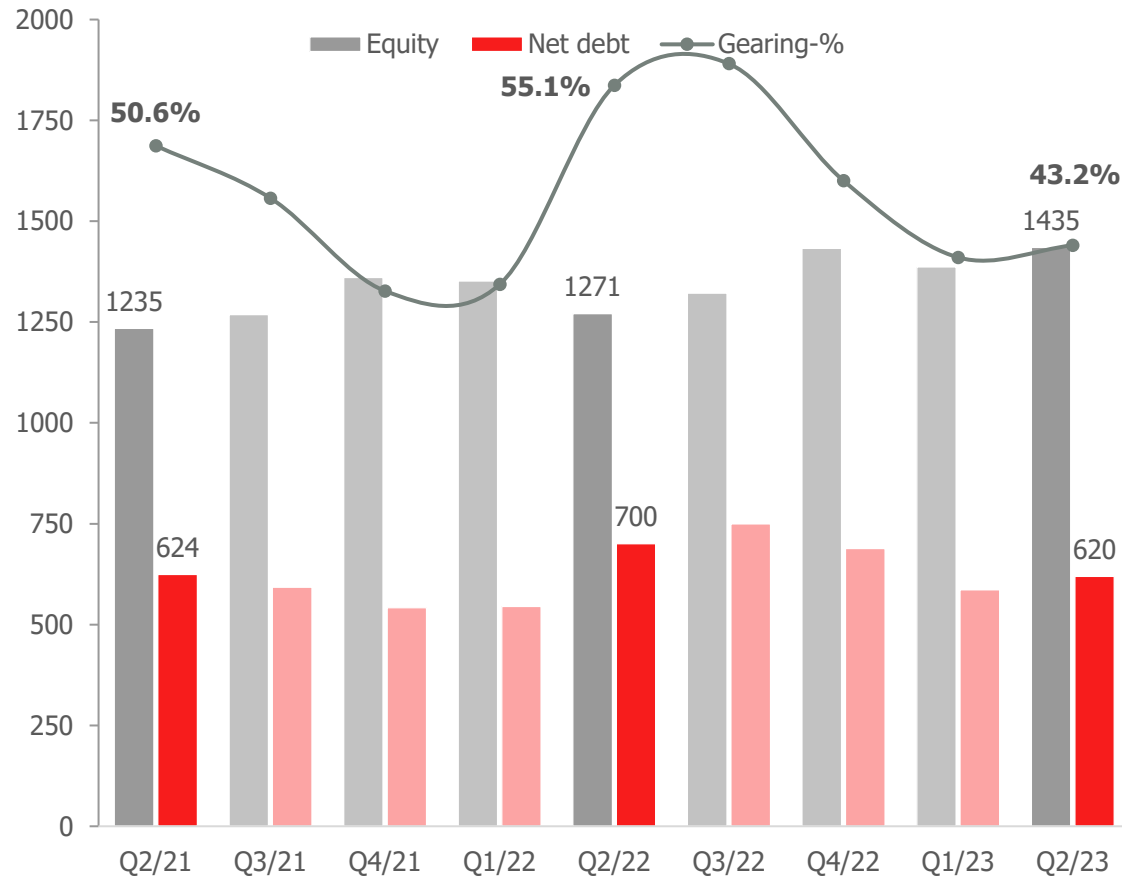


Note (1): NWC formula changed from Q1 2023 onwards and historical figures are restated

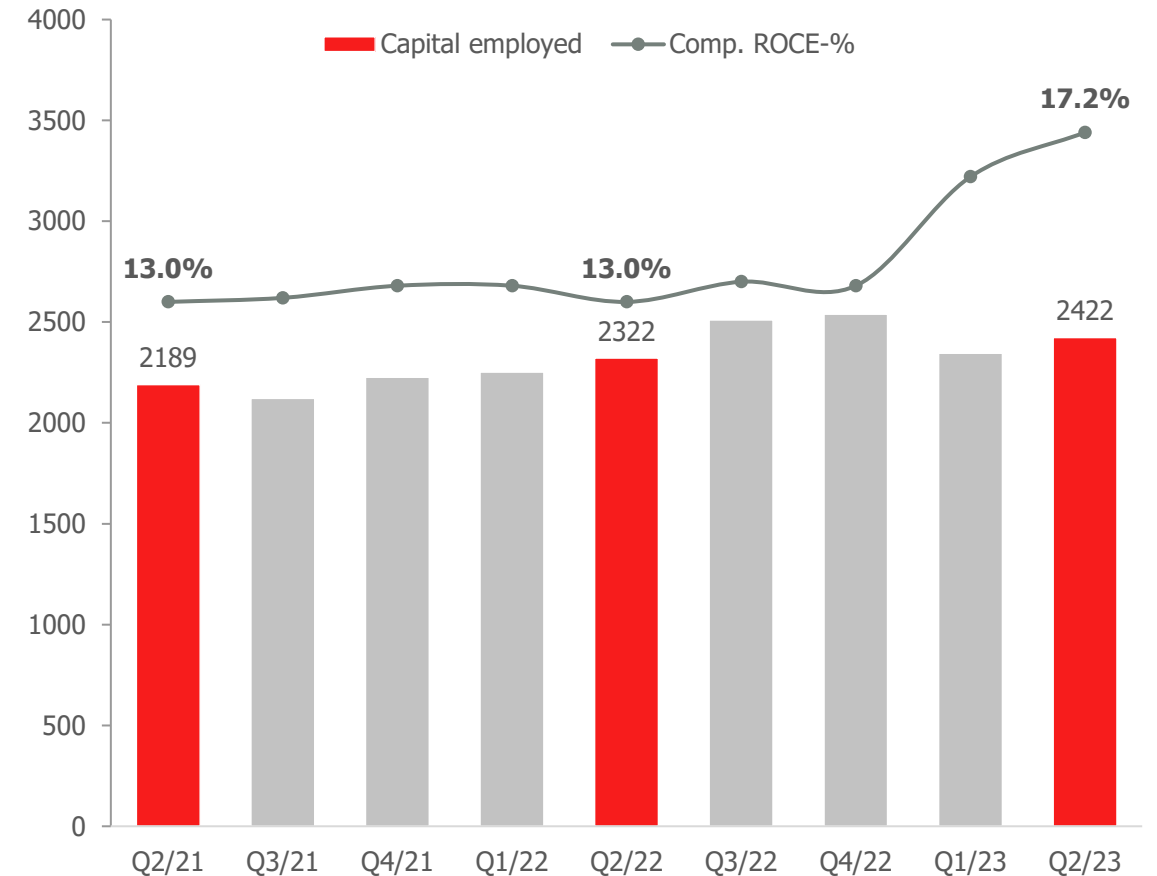
Note (2): Q1/23 excluding dividend payable of EUR 99.0 million and an acquisition advance in deferred assets

Gearing and return on capital employed

Equity & net debt, MEUR and gearing, %



Capital employed, MEUR and comp. return on capital employed, %



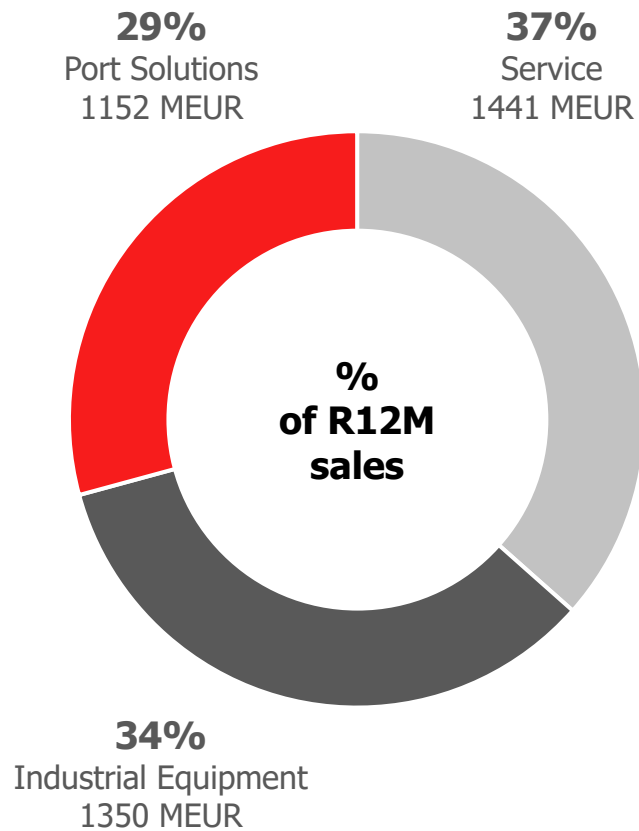


Appendix

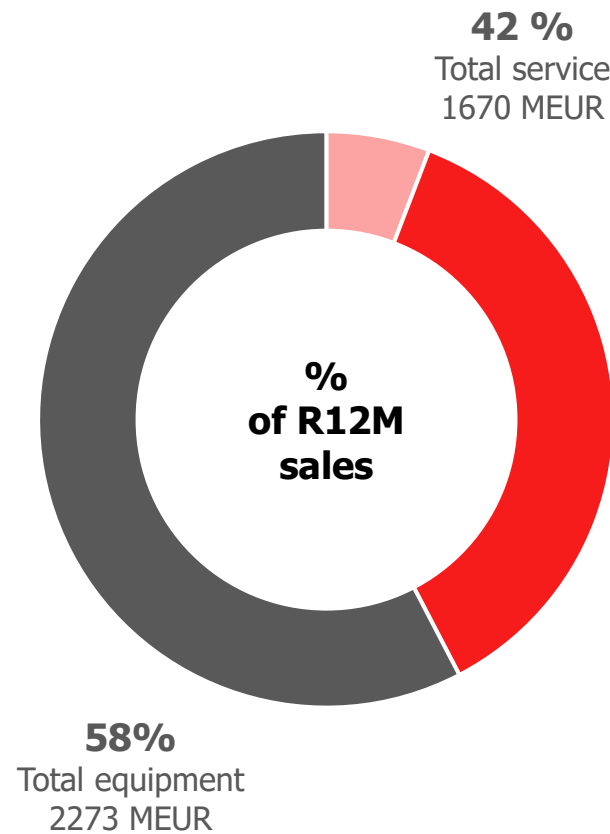


Group R12M sales split

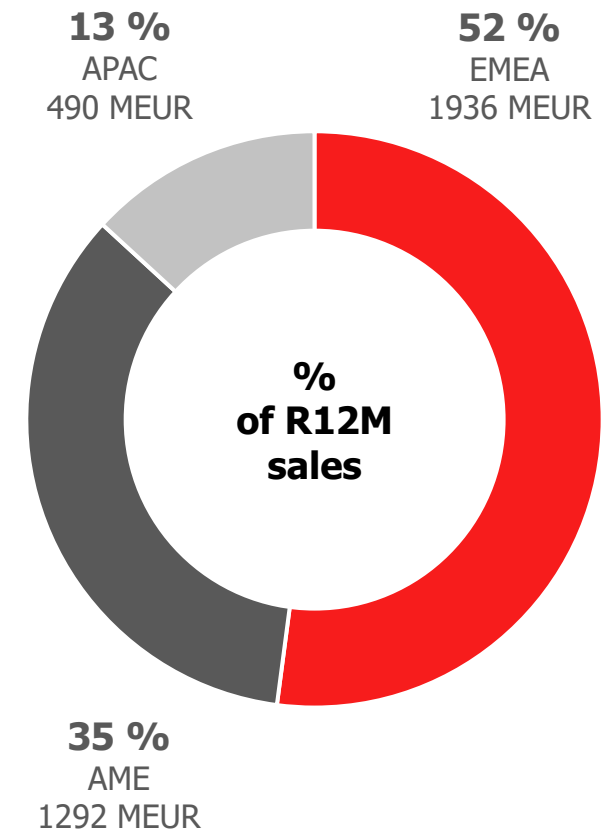
Group R12M sales by segment



Group R12M sales by offering type⁽¹⁾



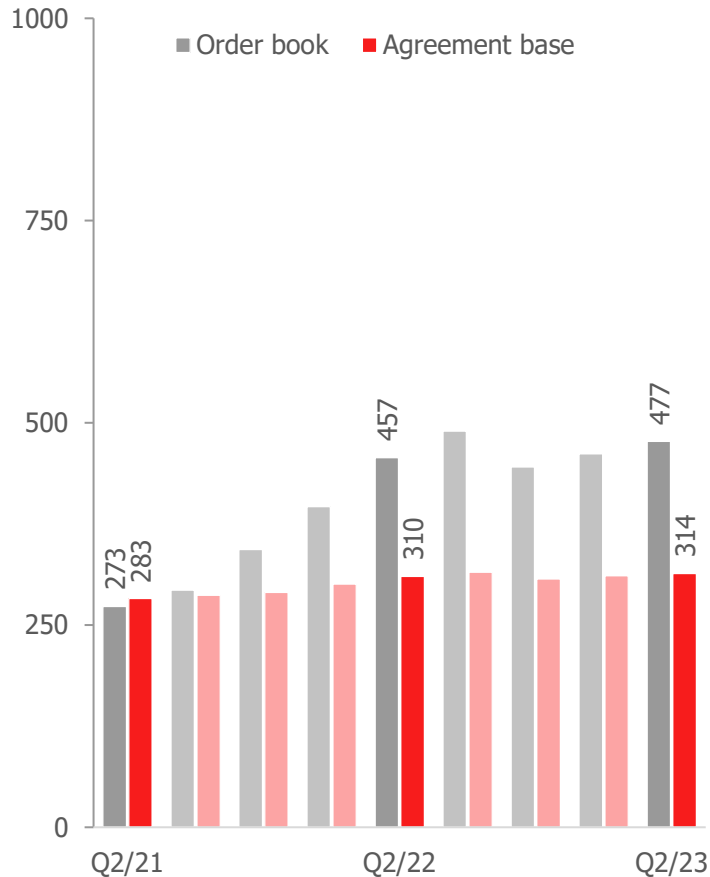
Group R12M sales by region



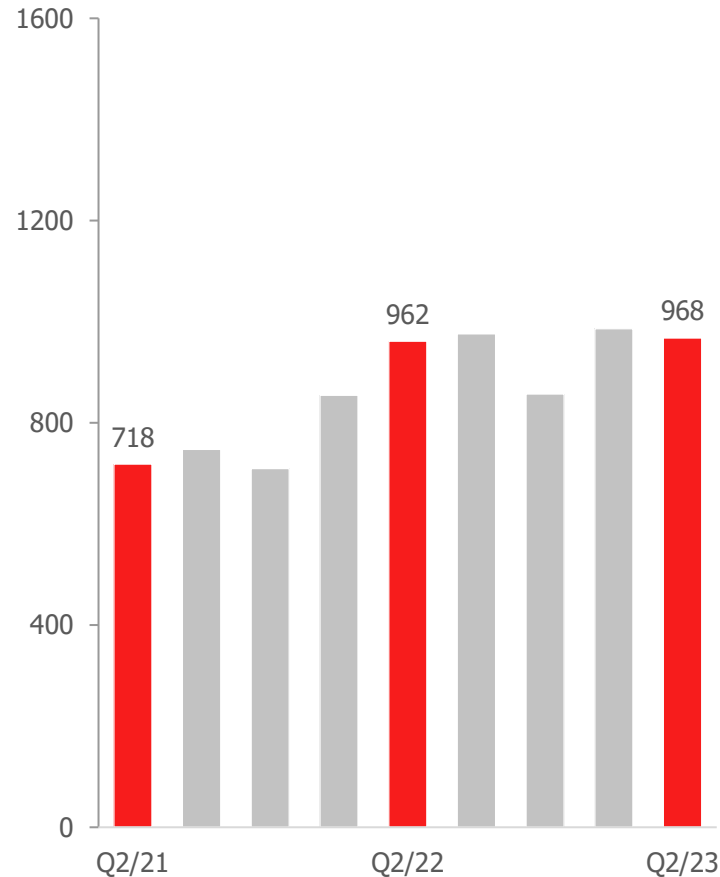
Note (1): Total service includes Service and Port Solutions' service sales, Total equipment includes Industrial Equipment and Port Solutions excluding Port Solutions' service sales

Service agreement base and order book by segment

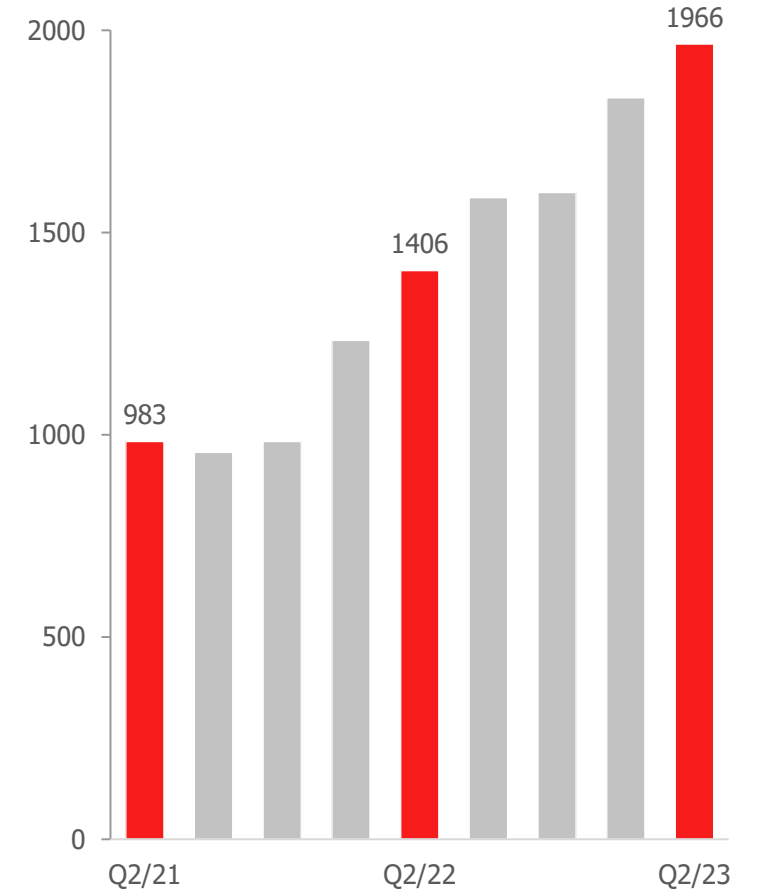
Service agreement base & order book, MEUR



Industrial Equipment order book, MEUR



Port Solutions order book, MEUR



Group key figures 1/2

EUR million	4-6/ 2023	4-6/ 2022	Change %	Change % At comparable currencies	1-6/ 2023	1-6/ 2022	Change %	Change % At comparable currencies	1-12/ 2022
Orders received, MEUR	1,092.9	1,082.1	1.0	3.5	2,382.5	2,179.7	9.3	10.4	4,227.9
Order book at end of period, MEUR					3,411.4	2,825.4	20.7	25.1	2,901.7
Sales total, MEUR	913.0	787.1	16.0	18.7	1,812.3	1,459.2	24.2	25.4	3,364.8
Comparable EBITDA, MEUR	118.7	82.5	43.7		236.5	148.8	58.9		406.1
Comparable EBITDA, %	13.0%	10.5%			13.1%	10.2%			12.1%
Comparable EBITA, MEUR	98.3	60.9	61.5		193.7	105.0	84.5		318.4
Comparable EBITA, %	10.8%	7.7%			10.7%	7.2%			9.5%
Operating profit (EBIT), MEUR	98.0	48.2	103.3		183.7	28.7	541.2		223.2
Operating margin (EBIT), %	10.7%	6.1%			10.1%	2.0%			6.6%
Net profit for the period, MEUR	56.6	27.3	107.1		109.3	6.0	1,719.9		138.5
Earnings per share, basic (EUR)	0.71	0.35	105.3		1.38	0.09	1,457.7		1.77
Earnings per share, diluted (EUR)	0.71	0.35	105.9		1.38	0.09	1,460.2		1.77
Free cash flow, MEUR	114.0	-30.7			230.0	-28.1			24.6
Gearing, %					43.2%	55.1%			48.0%
Comparable ROCE, %, (R12M)					17.2%	13.0%			13.4%

Group key figures 2/2

EUR million	1-6/ 2023	1-6/ 2022	Change %	1-12/ 2022
ROCE, %, (R12M)	15.5	6.8	127.9	9.0
Return on equity, %, (R12M)	17.9	8.5	110.6	9.9
Equity per share (EUR)	18.12	15.96	13.5	18.10
Net debt / Comparable EBITDA, (R12M)	1.3	1.8	-27.8	1.7
Equity to asset ratio, %	38.9	35.3	10.2	37.9
Investments total (excl. acquisitions), MEUR	20.4	20.2	1.0	37.0
Interest-bearing net debt, MEUR	619.8	700.1	-11.5	688.3
Net working capital, MEUR	423.9	381.0	11.3	490.2
Average number of personnel during the period	16,477	16,588	-0.7	16,563
Average number of shares outstanding, basic	79,190,629	79,136,235	0.1	79,151,542
Average number of shares outstanding, diluted	79,370,280	79,443,741	-0.1	79,508,099
Number of shares outstanding	79,202,250	79,166,599	0.0	79,166,599

Key figures by segment

EUR million	4-6/ 2023	4-6/ 2022	Change %	Change % At comparable currencies	1-6/ 2023	1-6/ 2022	Change %	Change % At comparable currencies	1-12/ 2022
Service									
Orders received, MEUR	374.5	366.7	2.1	4.7	753.3	713.5	5.6	6.4	1,442.5
Agreement base value, MEUR	313.9	310.2	1.2	4.8	313.9	310.2	1.2	4.8	306.9
Sales, MEUR	364.5	319.1	14.2	17.1	718.1	620.3	15.8	16.6	1,343.3
Comparable EBITA, MEUR	71.1	49.6	43.4		137.4	102.0	34.7		249.4
Comparable EBITA, %	19.5%	15.5%			19.1%	16.4%			18.6%
Industrial Equipment									
Orders received, MEUR	348.0	385.7	-9.8	-8.0	813.2	750.4	8.4	9.0	1,391.6
of which external	310.8	324.4	-4.2	-2.0	726.0	657.0	10.5	11.2	1,194.8
Sales, MEUR	330.4	274.6	20.3	22.8	661.7	517.7	27.8	28.6	1,205.6
of which external	287.1	245.1	17.1	19.7	573.8	451.8	27.0	27.8	1,068.8
Comparable EBITA, MEUR	17.9	2.7	557.6		40.6	-2.5	1739.4		32.5
Comparable EBITA, %	5.4%	1.0%			6.1%	-0.5%			2.7%
Port Solutions									
Orders received, MEUR	420.4	407.6	3.1	5.7	932.9	837.8	11.4	13.1	1,655.3
Sales, MEUR	278.0	237.3	17.1	19.8	550.8	413.3	33.3	35.5	1,015.0
Comparable EBITA, MEUR	18.2	16.0	13.9		36.0	21.2	69.8		63.5
Comparable EBITA, %	6.6%	6.7%			6.5%	5.1%			6.3%

Statement of income

EUR million	4-6/ 2023	4-6/ 2022	Change %	1-6/ 2023	1-6/ 2022	Change %	1-12/ 2022
Sales	913.0	787.1	16.0	1,812.3	1,459.2	24.2	3,364.8
Other operating income	2.9	2.1		5.8	3.2		8.1
Materials, supplies and subcontracting	-385.4	-331.2		-764.3	-615.1		-1,510.2
Personnel cost	-292.3	-276.3		-583.6	-549.3		-1,091.9
Depreciation and impairments	-28.3	-28.7		-57.8	-60.5		-124.4
Other operating expenses	-112.0	-104.9		-228.7	-208.9		-423.2
Operating profit	98.0	48.2	103.3	183.7	28.7	541.2	223.2
Share of associates' and joint ventures' result	0.5	0.6		0.5	0.5		0.4
Financial income	10.5	17.7		15.9	23.8		26.8
Financial expenses	-31.5	-28.8		-50.5	-44.7		-59.7
Profit before taxes	77.5	37.7	105.7	149.7	8.3	1,707.3	190.7
Taxes	-20.9	-10.4		-40.4	-2.3		-52.2
Profit for the period	56.6	27.3	107.1	109.3	6.0	1,719.9	138.5

Balance sheet

EUR million	30 Jun 2023	30 Jun 2022
Non-current assets	2,006.4	2,031.2
Goodwill	1,038.7	1,026.9
Intangible assets	475.7	491.3
Property, plant and equipment	342.4	356.0
Other	149.6	157.0
Current assets	2,379.9	2,120.8
Inventories	1,122.3	948.4
Accounts receivable	544.4	476.4
Receivables and other current assets	350.5	348.2
Cash and cash equivalents	362.7	347.7
Assets held for sale	0.0	0.0
Total Assets	4,386.3	4,152.0

EUR million	30 Jun 2023	30 Jun 2022
Total Equity	1,434.8	1,271.2
Non-current liabilities	1,278.2	1,207.6
Interest-bearing liabilities	907.9	763.5
Other long-term liabilities	217.1	284.3
Other	153.2	159.8
Current liabilities	1,673.3	1,673.1
Interest-bearing liabilities	79.5	287.0
Advance payments received	696.5	546.0
Accounts payable	319.0	266.1
Provisions	82.6	111.1
Other current liabilities	495.6	463.0
Liabilities directly attributable to assets held for sale	0.0	0.0
Total Equity and Liabilities	4,386.3	4,152.0

Cash flow statement

EUR million	1-6/ 2023	1-6/ 2022	1-12/ 2022
Operating income before change in net working capital	237.7	86.6	344.5
Change in net working capital	52.8	-19.1	-162.3
Cash flow from operations before financing items and taxes	290.5	67.5	182.2
Financing items and taxes	-37.4	-73.2	-115.5
Net cash from operating activities	253.1	-5.7	66.7
Net cash used in investing activities	-52.3	-22.4	-43.6
Cash flow before financing activities	200.8	-28.1	23.1
Net cash used in financing activities	-248.1	43.9	69.1
Translation differences in cash	-3.9	11.2	1.0
Change of cash and cash equivalents	-51.1	27.0	93.2
Free cash flow	230.0	-28.1	24.6

Thank you

Contact information

Kiira Fröberg
Vice President, Investor Relations
Email: kiira.froberg@konecranes.com, tel: +358 20 427 2050

Tomi Kuuppo
Manager, Investor Relations
Email: tomi.kuuppo@konecranes.com, tel: +358 20 427 2961

