



KONECRANES

Q3 2023 Report

Anders Svensson, President and CEO
Teo Ottola, CFO

October 25, 2023

Important Notice

The following applies to this presentation, the oral presentation of the information in this presentation by Konecranes Abp (the “**Company**” or “**Konecranes**”) or any person on behalf of the Company, and any question-and-answer session that follows the oral presentation (collectively, the “**Information**”). In accessing the Information, you agree to be bound by the following terms and conditions.

This presentation does not constitute an offer of or an invitation by or on behalf of, Konecranes, or any other person, to purchase any securities.

The Information is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

The Information contains forward-looking statements. All statements other than statements of historical fact included in the Information are forward-looking statements. Forward-looking statements give the Company’s current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. These statements may include, without limitation, any statements preceded by, followed by or including words such as “target,” “believe,” “expect,” “aim,” “intend,” “may,” “anticipate,” “estimate,” “plan,” “project,” “will,” “can have,” “likely,” “should,” “would,” “could” and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the Company’s actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which it will operate in the future.

The Information, including but not limited to forward-looking statements, applies only as of the date of this document and is not intended to give any assurances as to future results. Market data used in the Information not attributed to a specific source are estimates of the Company and have not been independently verified.

Agenda



Anders Svensson

President and CEO

- | | |
|--|-------------|
| 1. Quarter's highlights | p. 4 |
| 2. Market environment | p. 5 |
| 3. Group financial performance | p. 7 |
| 4. Demand outlook & financial guidance | p. 11 |



Teo Ottola

CFO

- | | |
|---|-------|
| 5. Group profitability bridge | p. 14 |
| 6. Business segments | p. 15 |
| 7. Net working capital & free cash flow | p. 18 |
| 8. Gearing & return on capital employed | p. 19 |

Q&A

Q3 2023 – All-time high quarterly comparable EBITA margin

Strong performance in Q3

Demand environment remained good despite order decline

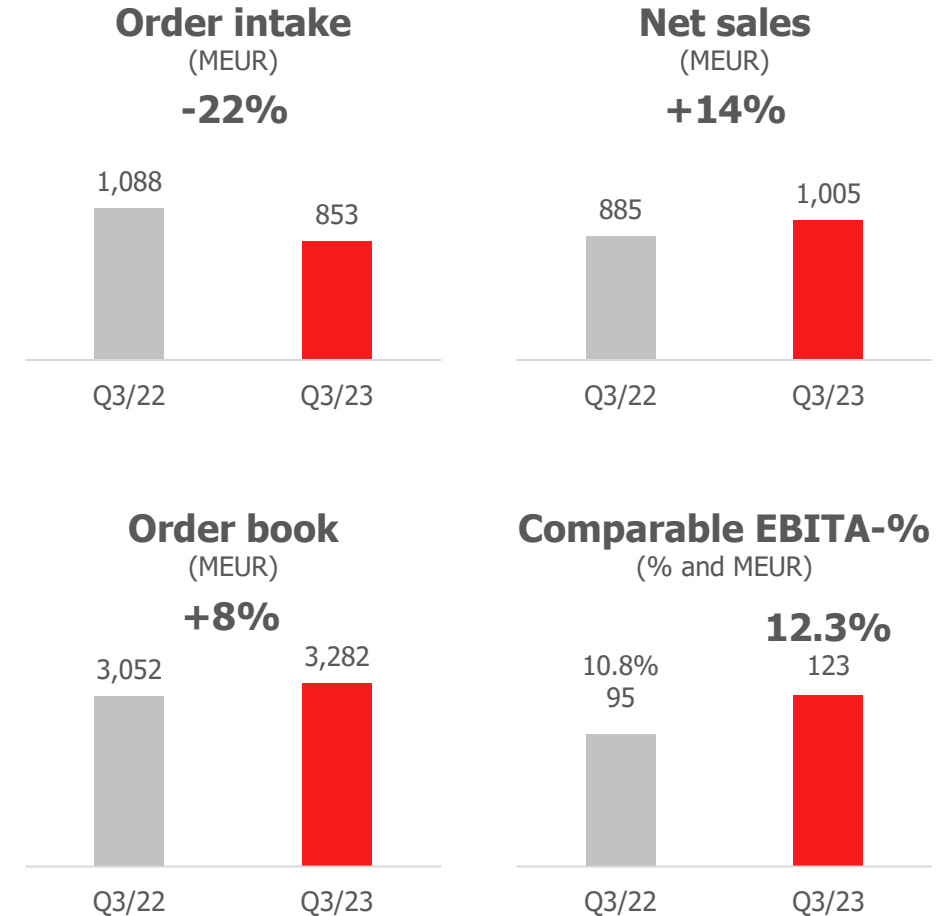
- Orders -19% Y/Y (comp. FX), Port Solutions impacted by timing of customer decision-making
- Orders growth in Service and Industrial Equipment (comp. FX)

Sales exceeded €1.0 billion, +18% Y/Y (comp. FX)

- Delivery capability continued good as in previous quarters

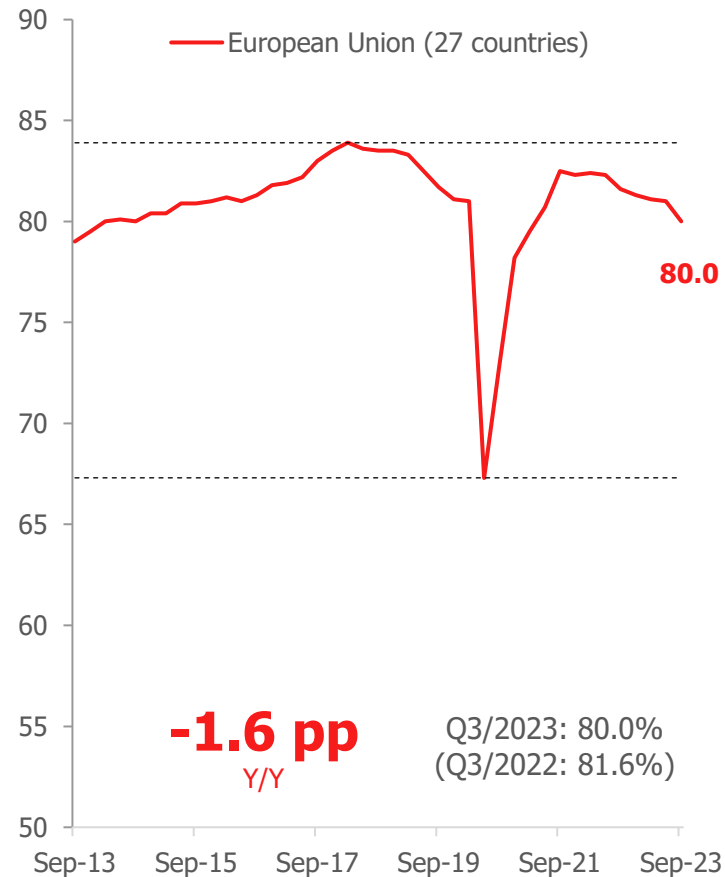
All-time high comparable EBITA margin of 12.3%

- Driven by higher sales and pricing
- Profitability improved in all three Business Segments

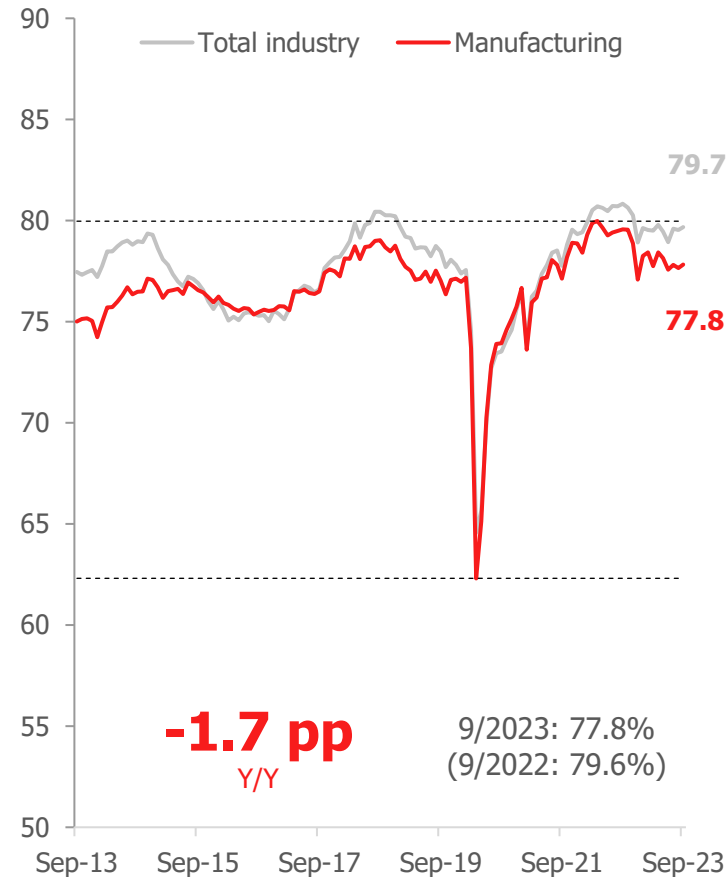


Market environment – Service and Industrial Equipment

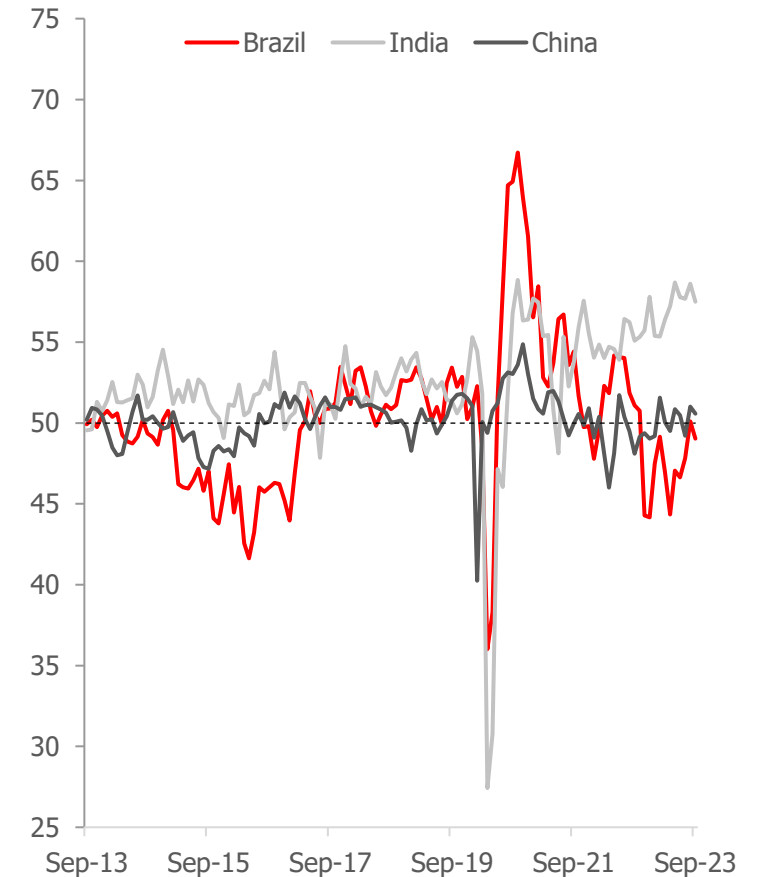
EU capacity utilization rate, %



US capacity utilization rate, %



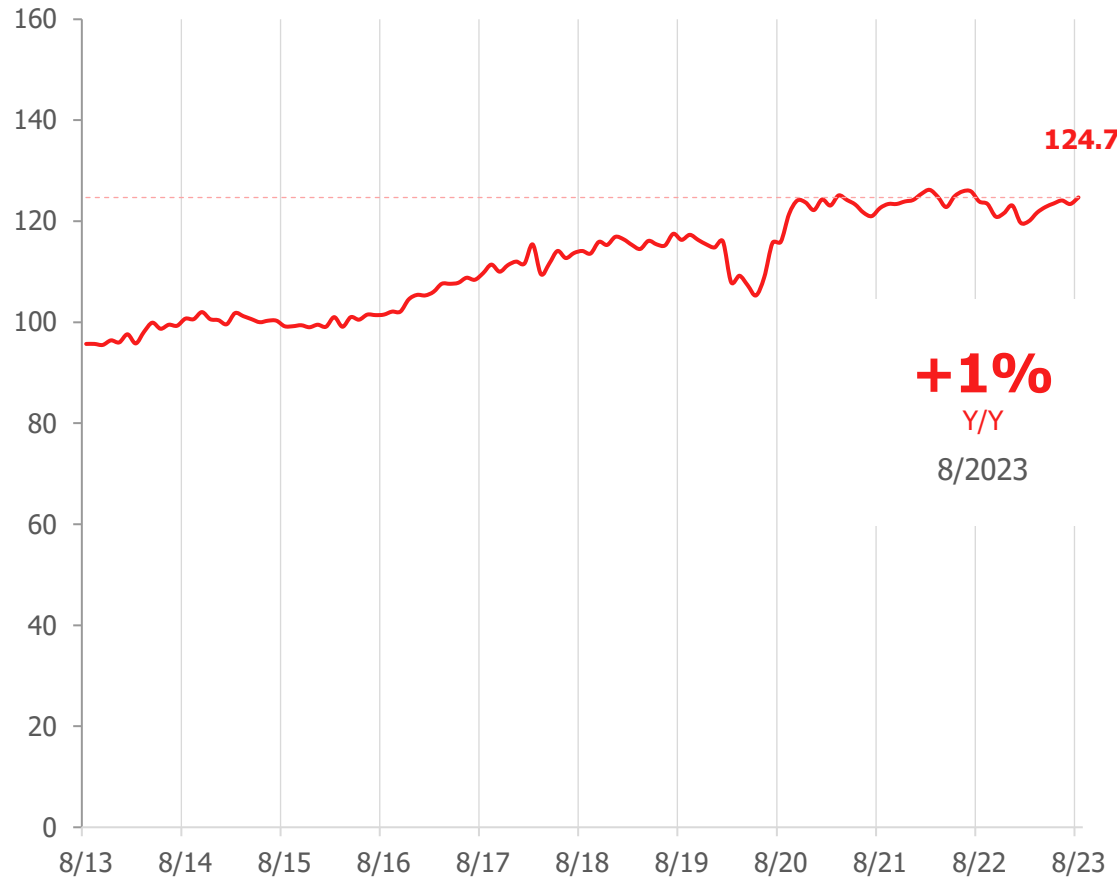
Manufacturing PMIs – Brazil, India & China



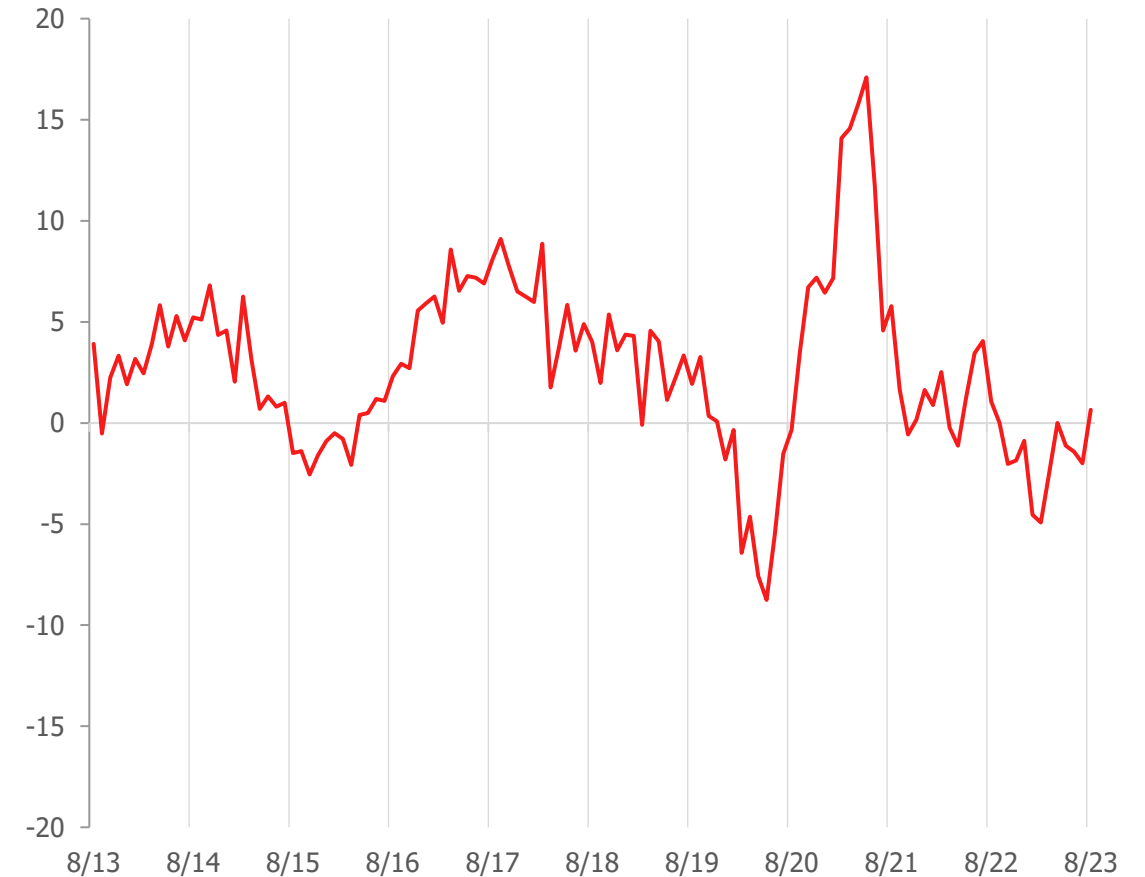
Source: Eurostat, Federal Reserve Economic Data, S&P Global

Market environment – Port Solutions

RWI/ISL Container Throughput Index (2015 = 100)



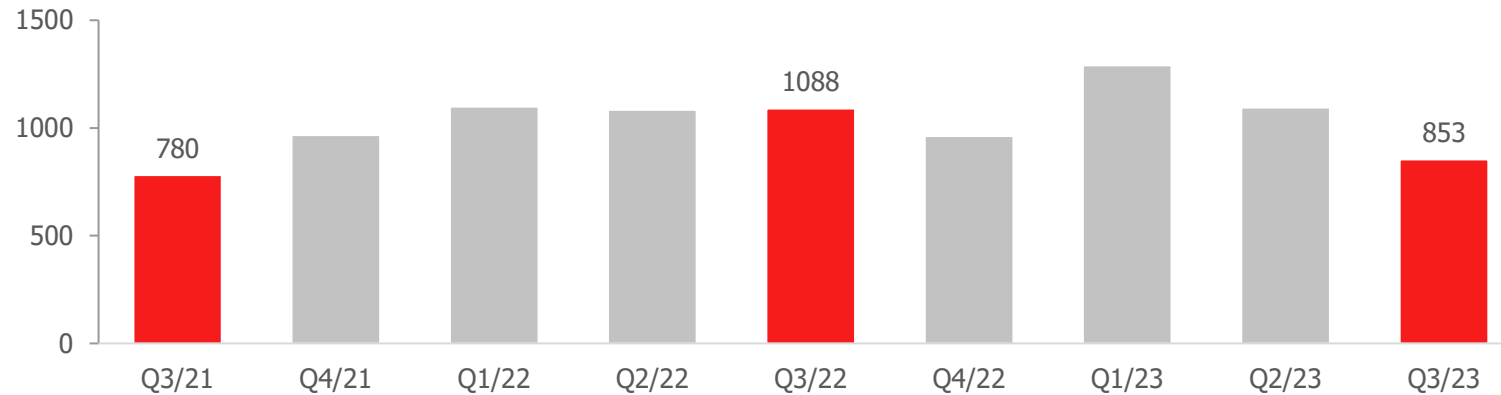
Monthly index change Y/Y, %



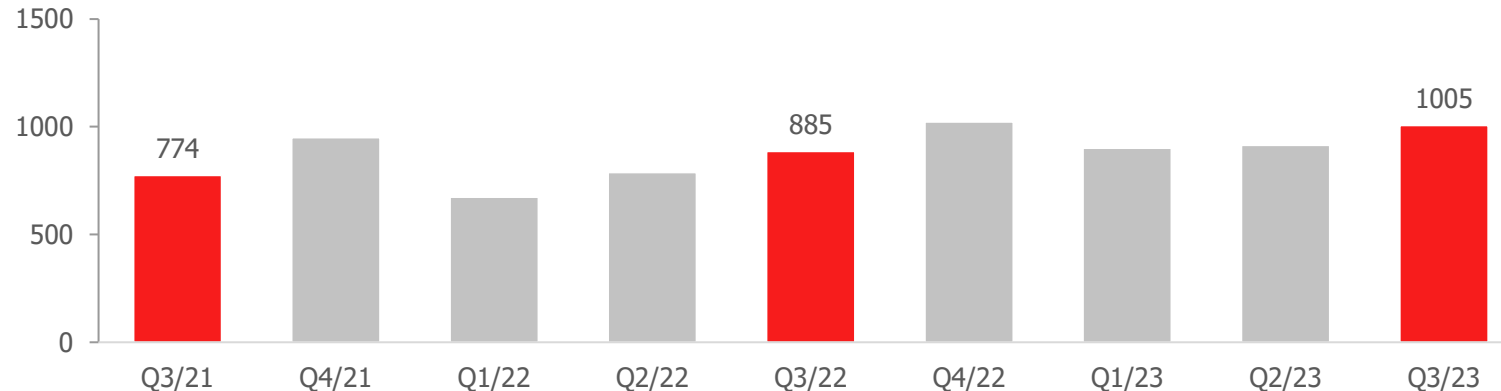
Source: RWI/ISL

Group order intake and net sales

Order intake, MEUR⁽¹⁾



Net sales, MEUR



Order intake

-21.6%
Y/Y reported

-18.7%
Y/Y comp. FX

- EUR 852.9 million
- Decrease in all three segments
- Decrease in the Americas, EMEA and APAC

Net sales

+13.6%
Y/Y reported

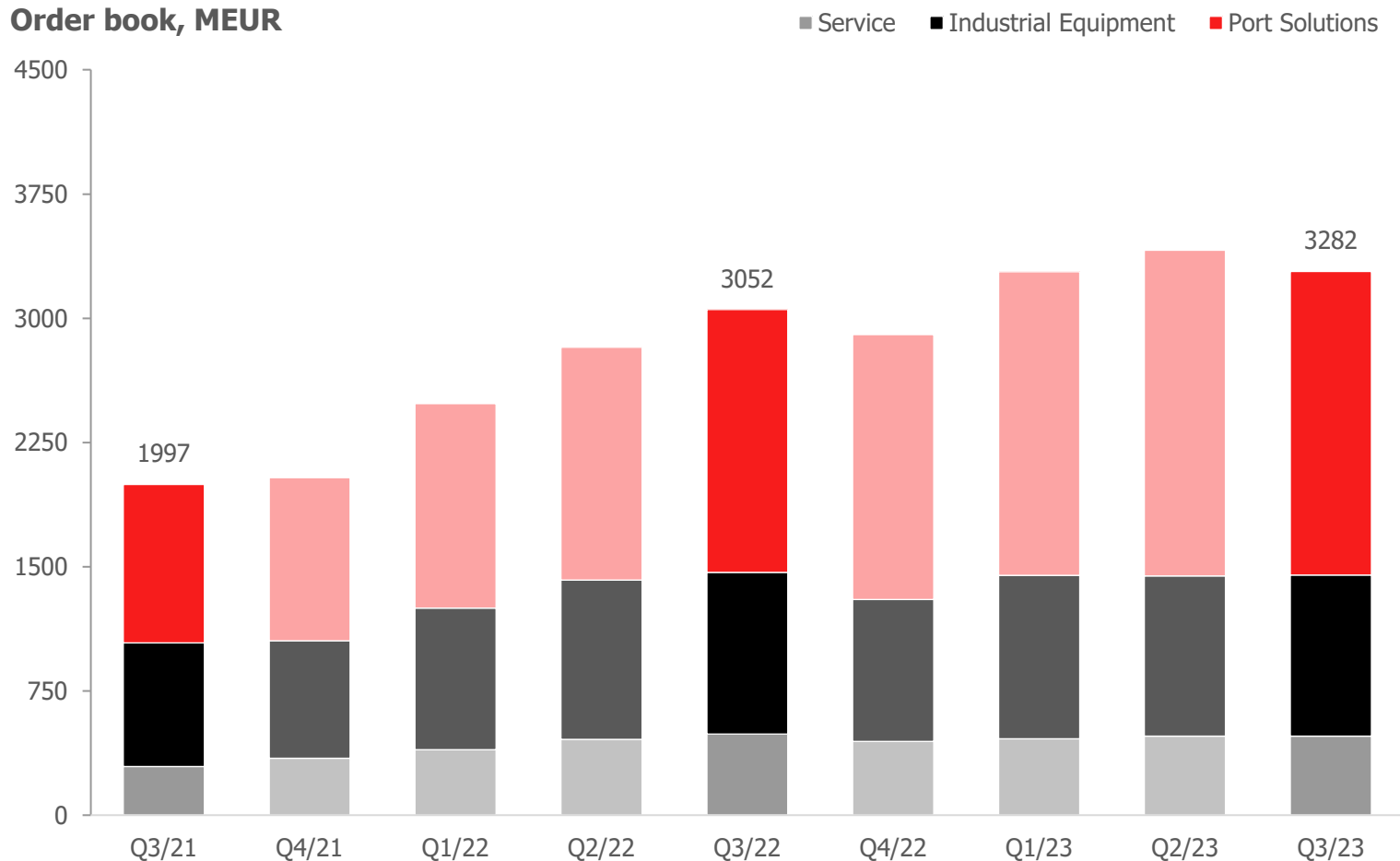
+18.3%
Y/Y comp. FX

- EUR 1,005.1 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

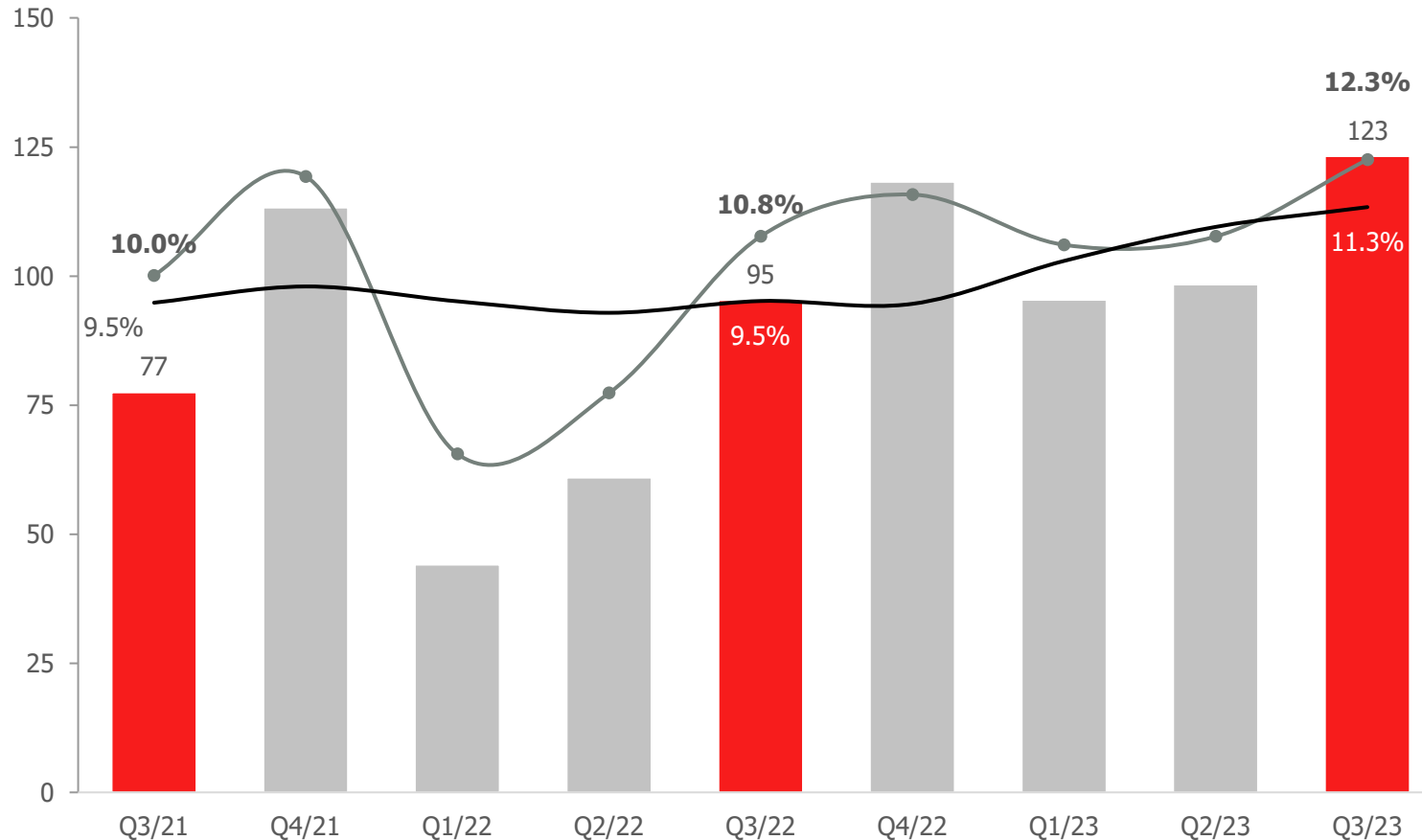
+7.5%
Y/Y reported

+11.7%
Y/Y comp. FX

- EUR 3,282.1 million
- Increase in Port Solutions, decrease in Service and Industrial Equipment

Group comparable EBITA

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



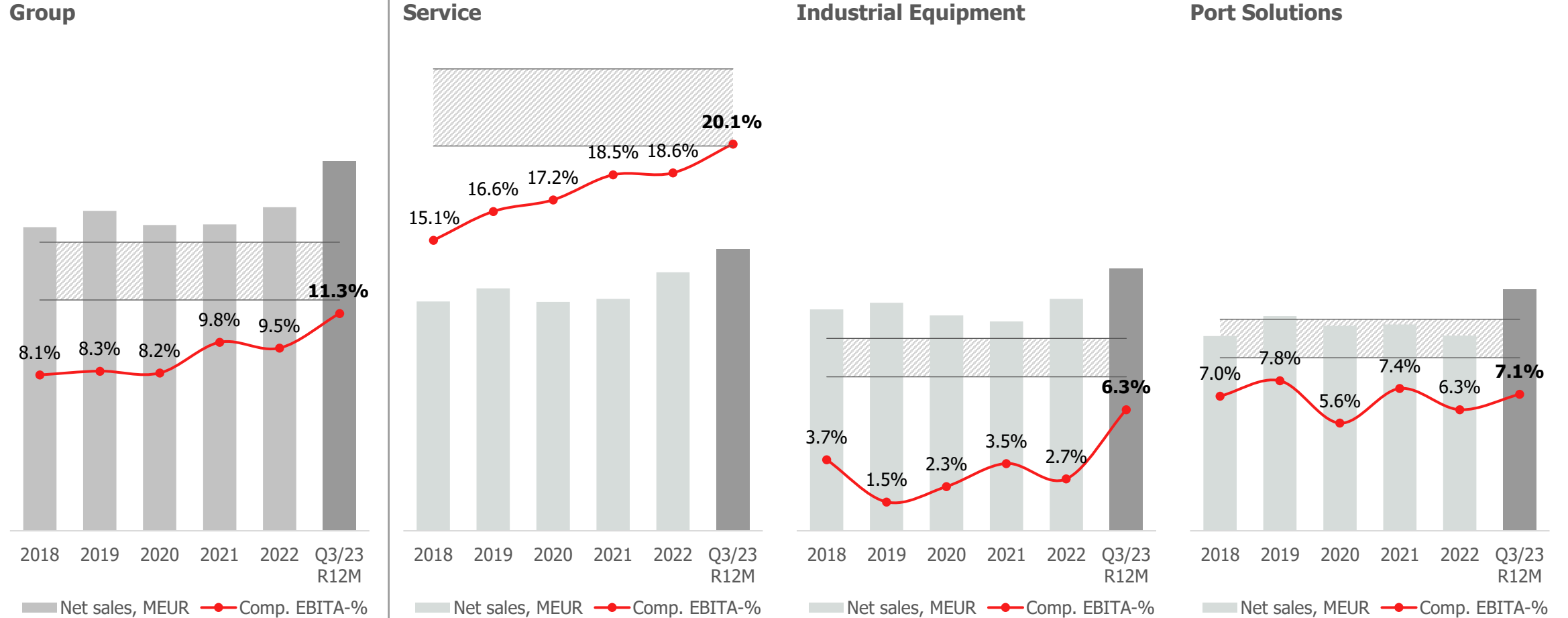
Comparable EBITA

12.3%
margin

+1.5 pp
Y/Y

- EUR 123.2 million
- Comparable EBITA-% increase in all three segments
- Comparable EBITA-% increase mainly attributable to higher sales volumes and pricing
- Gross margin stayed approximately unchanged

Progress towards Konecranes' financial targets



Demand outlook

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.



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.



Agenda



Anders Svensson

President and CEO

- | | |
|--|-------|
| 1. Quarter's highlights | p. 4 |
| 2. Market environment | p. 5 |
| 3. Group financial performance | p. 7 |
| 4. Demand outlook & financial guidance | p. 11 |



Teo Ottola

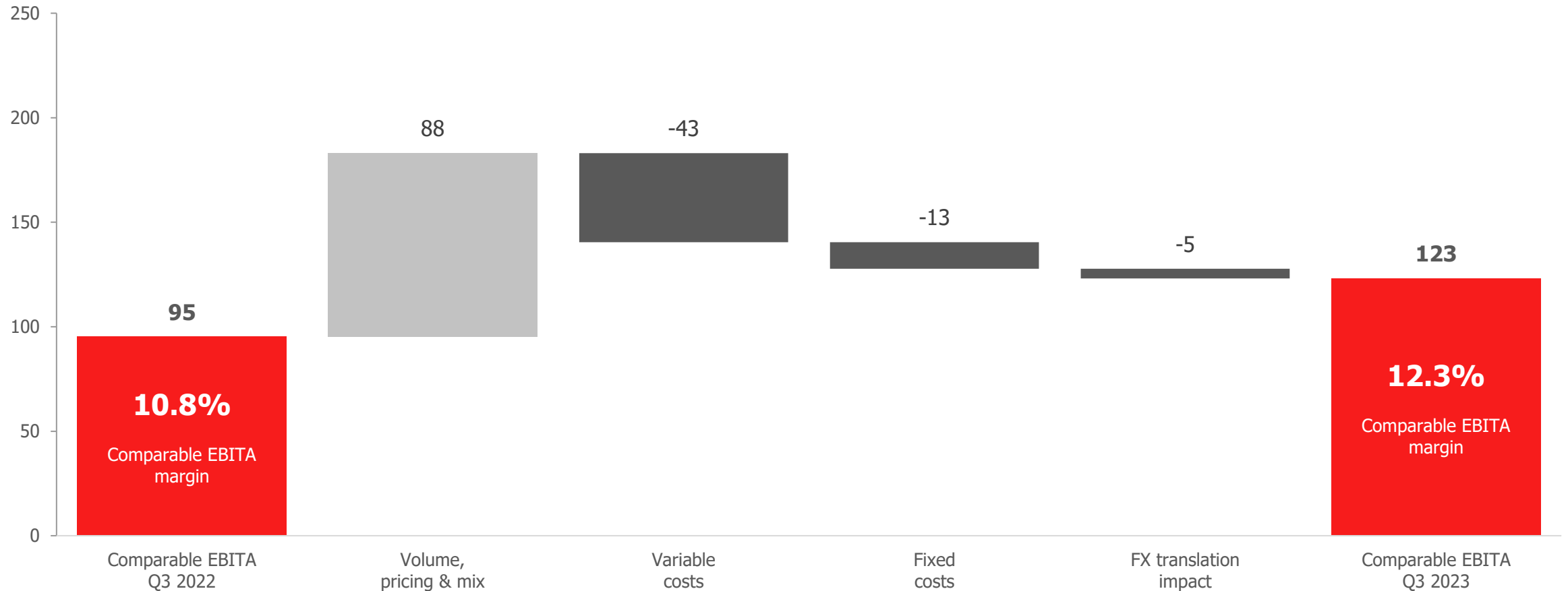
CFO

- | | |
|---|--------------|
| 5. Group profitability bridge | p. 14 |
| 6. Business segments | p. 15 |
| 7. Net working capital & free cash flow | p. 18 |
| 8. Gearing & return on capital employed | p. 19 |

Q&A

Q3 2023 comparable EBITA bridge

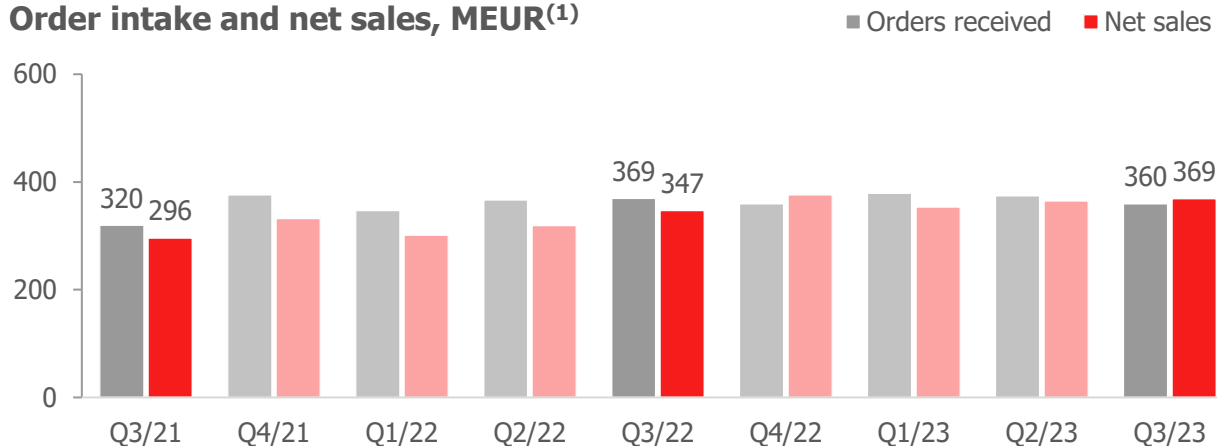
MEUR⁽¹⁾



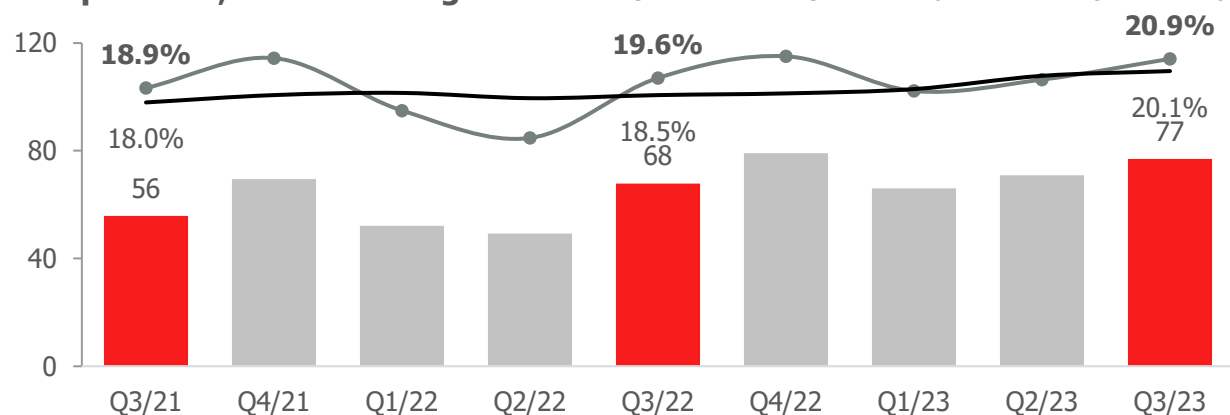
Note (1): Volume, pricing & mix, Variable costs, and Fixed costs effects do not include the FX translation impact component

Service

Order intake and net sales, MEUR⁽¹⁾



Comp. EBITA, MEUR & margin-%



Order intake

-2.7%

Y/Y reported

+2.2%

Y/Y comp. FX

- Decrease in field service and parts
- Decrease in the Americas and APAC, increase in EMEA

Agreement base:

- EUR 321.0 million, +1.7% Y/Y
- +6.0% Y/Y comp. FX

Net sales

+6.3%

Y/Y reported

+11.5%

Y/Y comp. FX

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

Order book:

- EUR 476.8 million, -2.7% Y/Y

Comp. EBITA

20.9%

margin

+1.3 pp

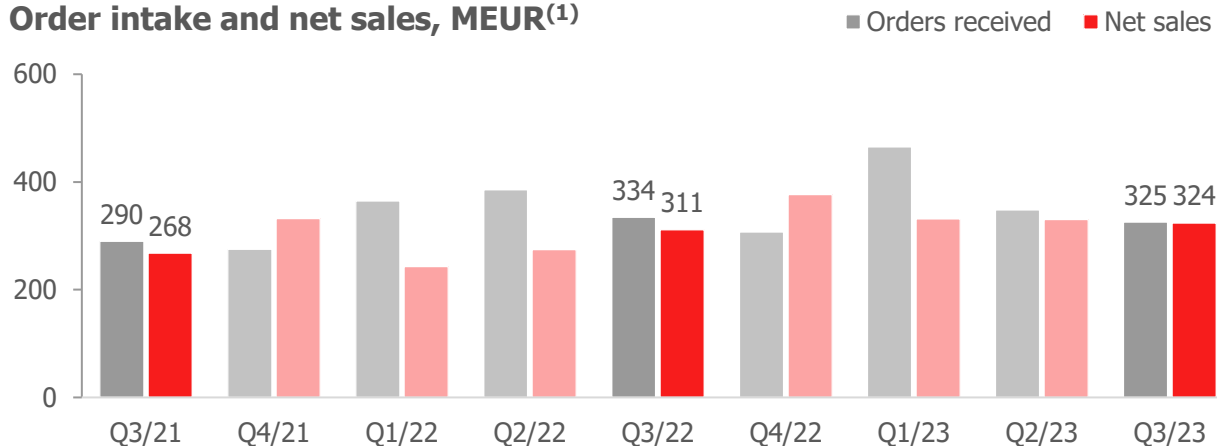
Y/Y

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

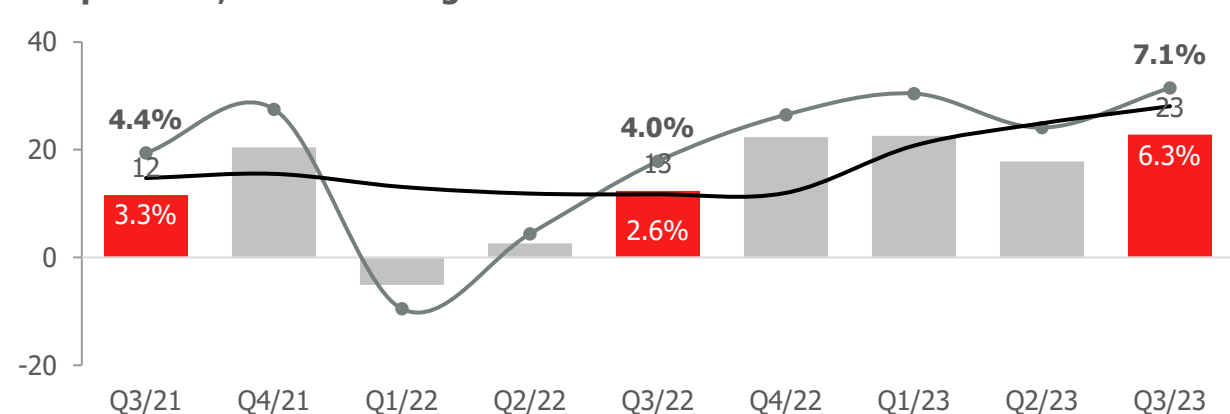
Note (1): Agreement base included in orders received from Q1 2023 onwards and historical figures are restated

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

Note (2): Orders received was negatively impacted by the divestment of MHE-Demag's Industrial Products business

Order intake

-2.7%
Y/Y reported
+1.6%
Y/Y comp. FX

- External orders +3.7% Y/Y comp. FX
- Increase in components and standard cranes, approx. flat in process cranes⁽²⁾
- Decrease in EMEA and APAC, increase in the Americas

Net sales

+4.1%
Y/Y reported
+8.6%
Y/Y comp. FX

- External sales +3.7% Y/Y comp. FX
- Increase in standard cranes and components, decrease in process cranes
- Increase in EMEA, decrease in the Americas and APAC

Order book: EUR 972.4 million, -0.4% Y/Y

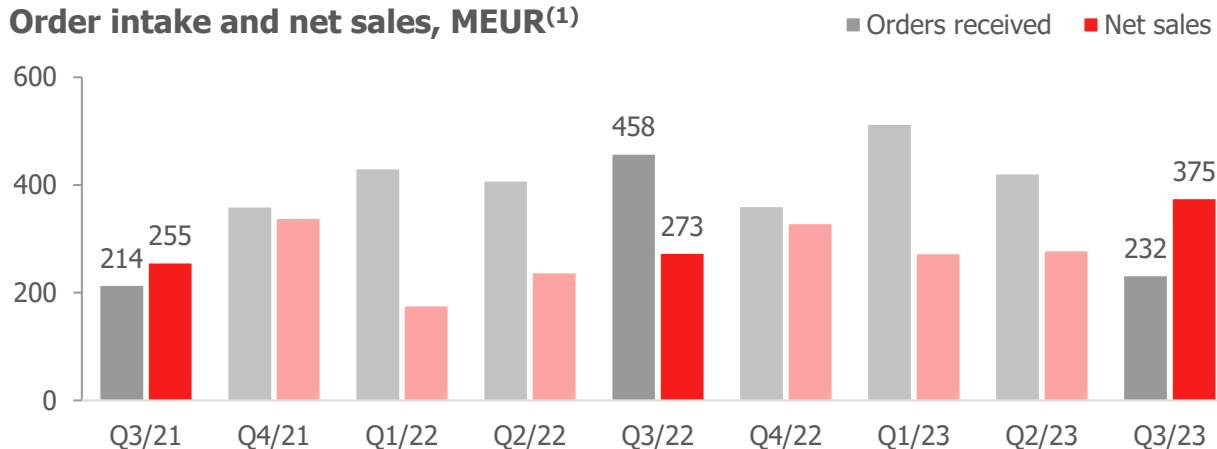
Comp. EBITA

7.1%
margin
+3.1 pp
Y/Y

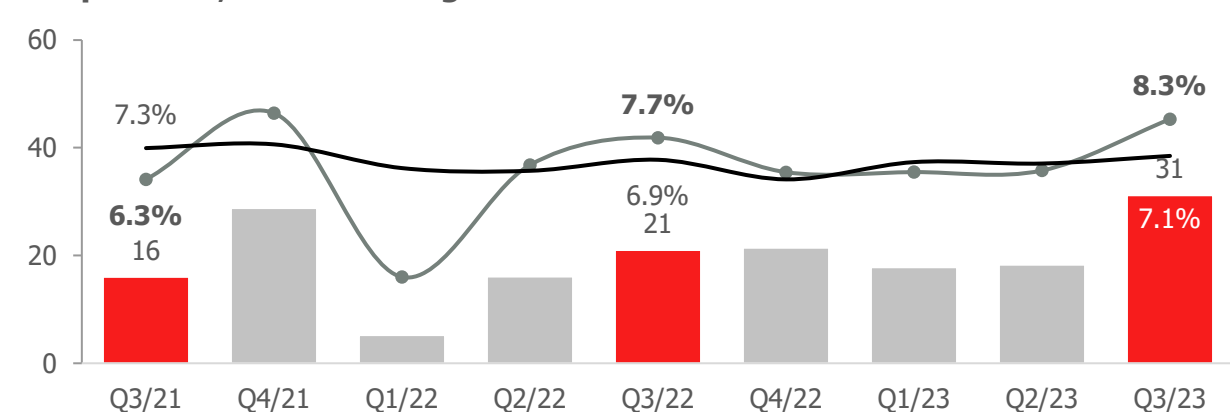
- Comparable EBITA-% increase mainly attributable to higher sales driven by pricing, and positive sales mix
- Gross margin increased

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

-49.4%

Y/Y reported

-48.5%

Y/Y comp. FX

- Decrease in the Americas and EMEA, increase in APAC

Net sales

+37.1%

Y/Y reported

+40.8%

Y/Y comp. FX

Order book:

- EUR 1,832.8 million, +15.5% Y/Y

Comp. EBITA

8.3%

margin

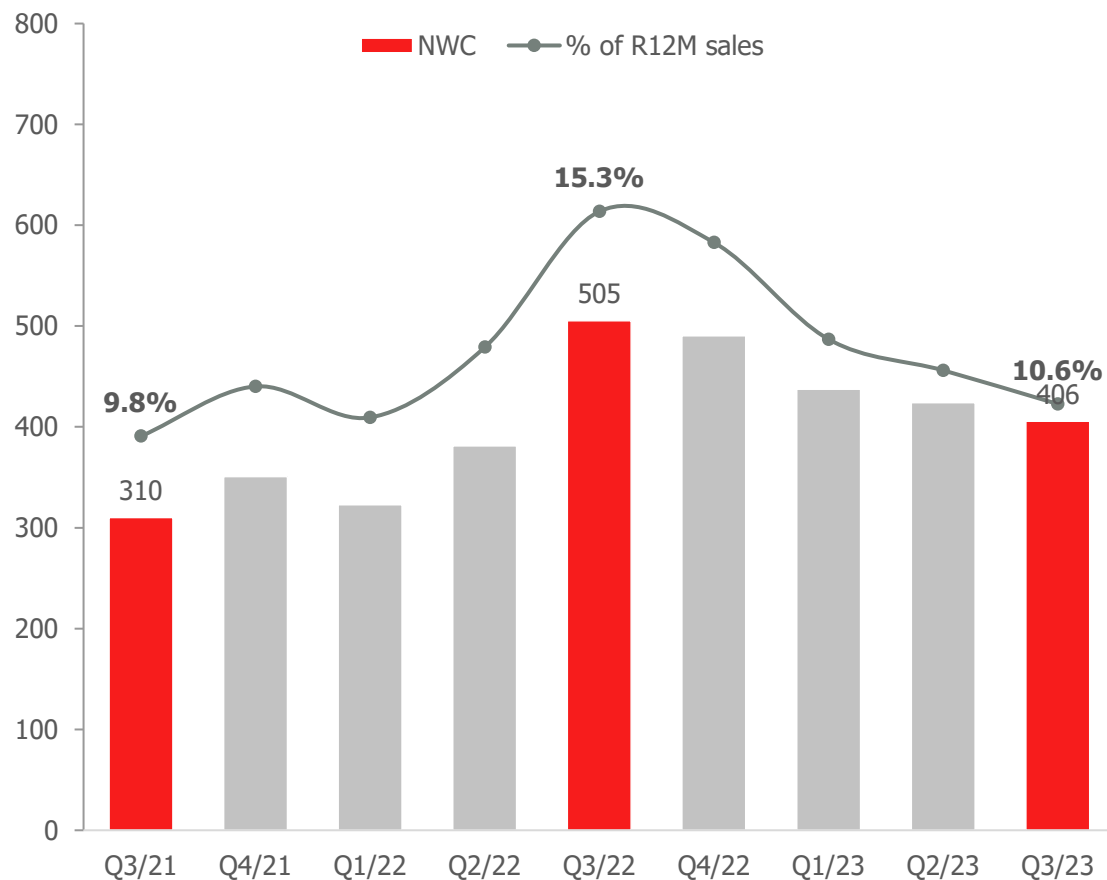
+0.6 pp

Y/Y

- Comparable EBITA-% increase mainly attributable to higher sales volumes
- Gross margin decreased

Net working capital and free cash flow

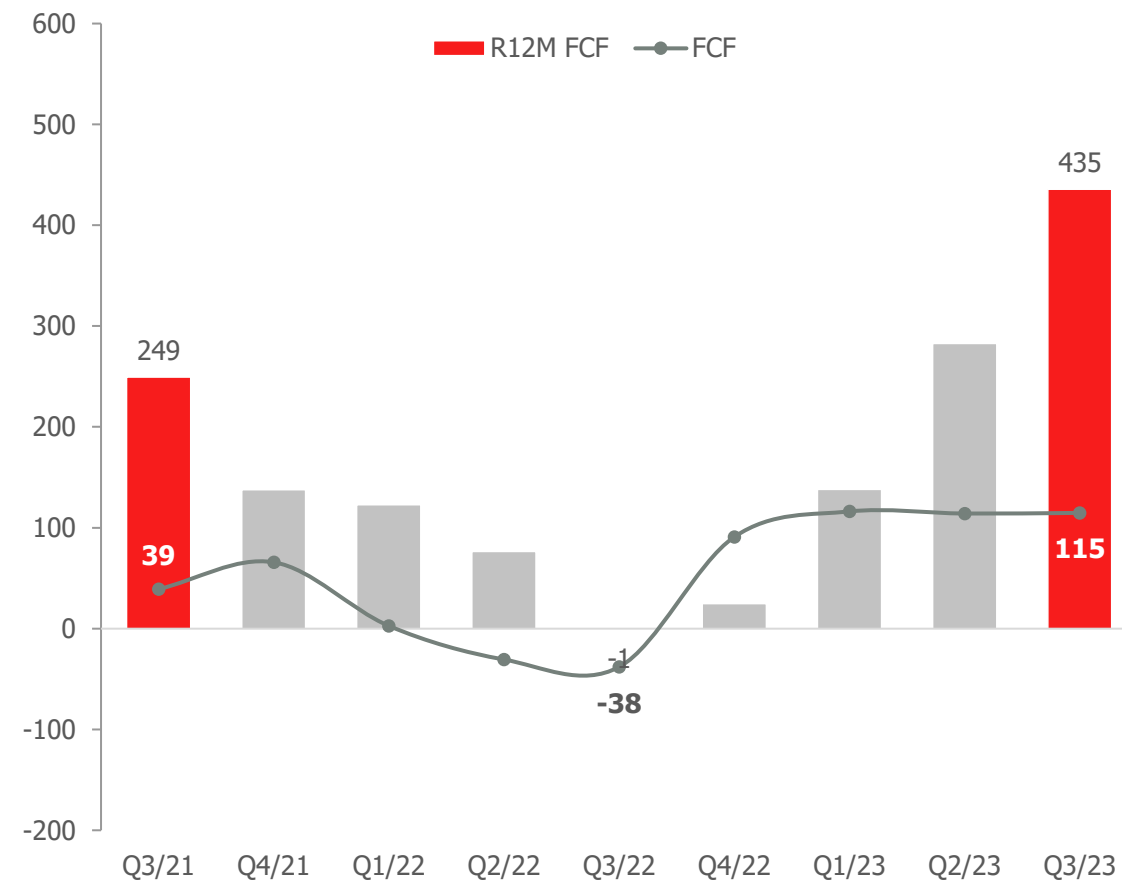
Net working capital, MEUR and percentage of sales⁽¹⁾⁽²⁾



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

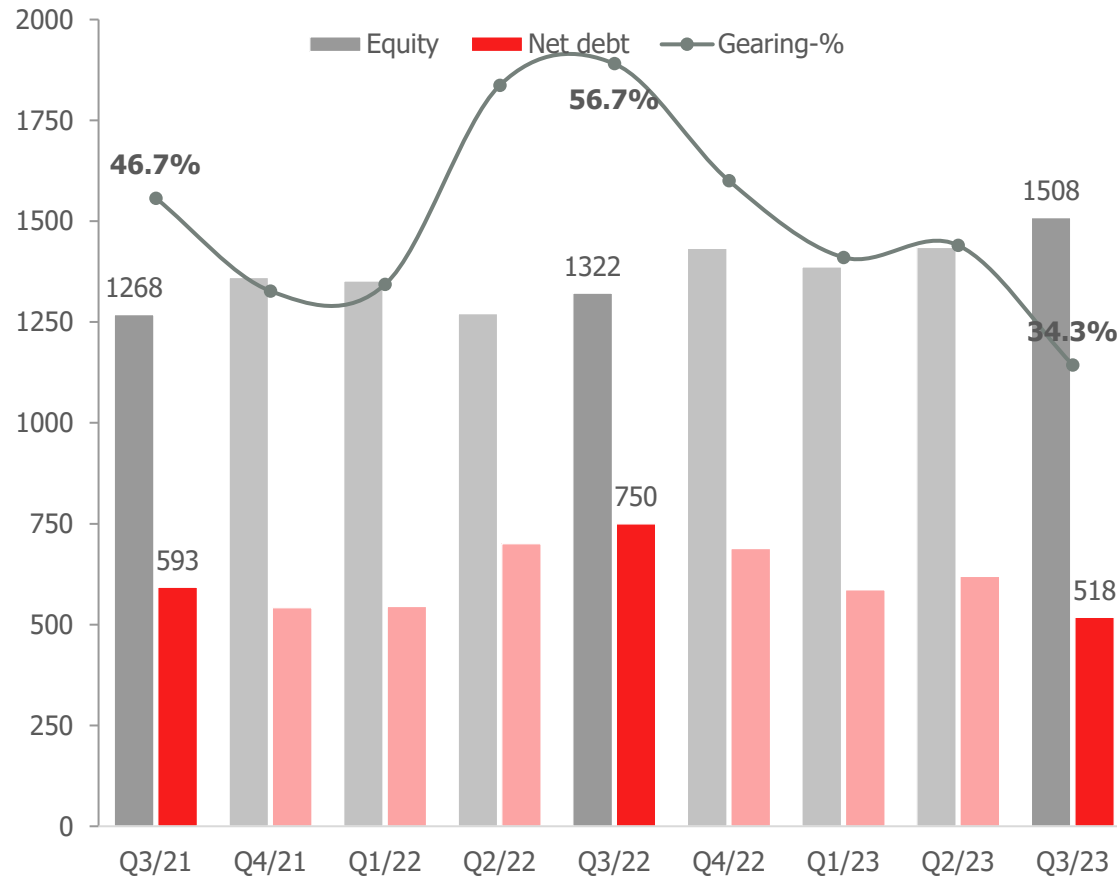
Note (2): Q1/23 excluding dividend payable of EUR 99.0 million and an acquisition advance in deferred assets

Free cash flow, MEUR

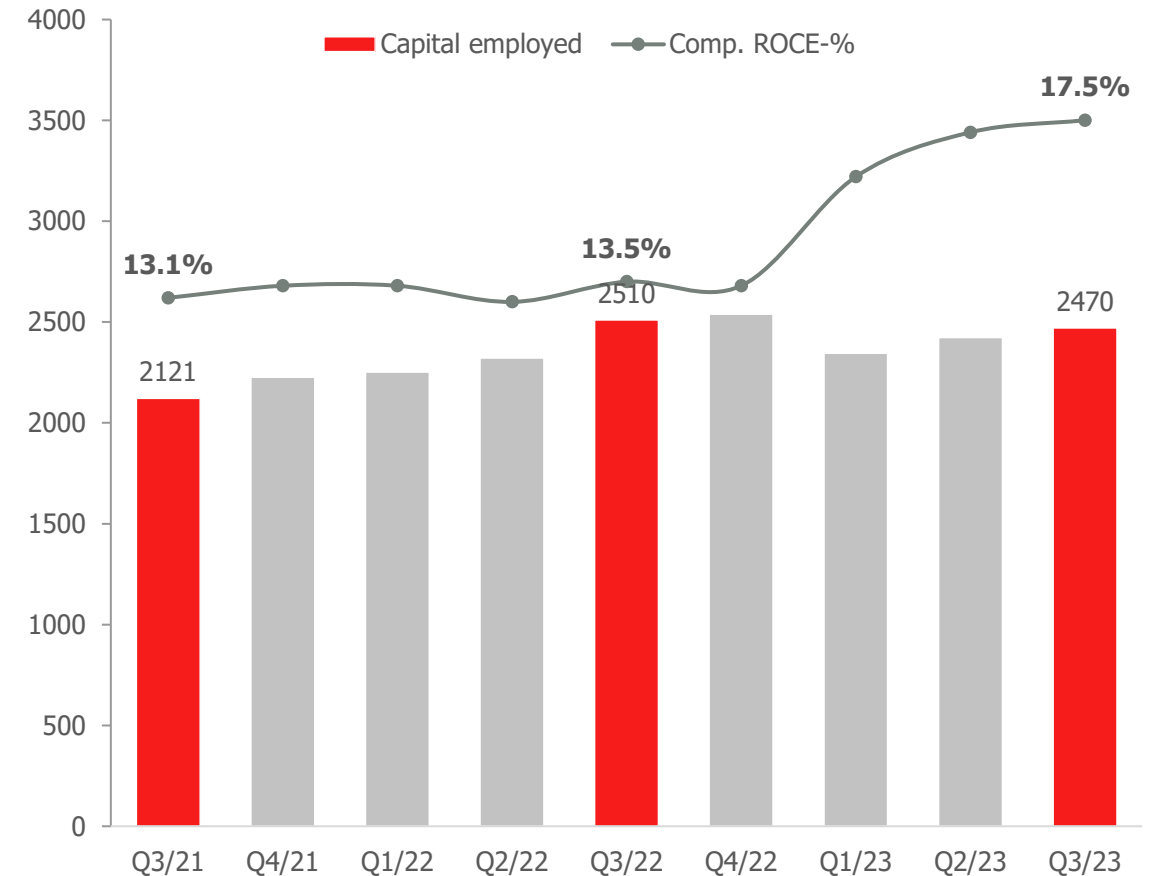


Gearing and return on capital employed

Equity & net debt, MEUR and gearing, %



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



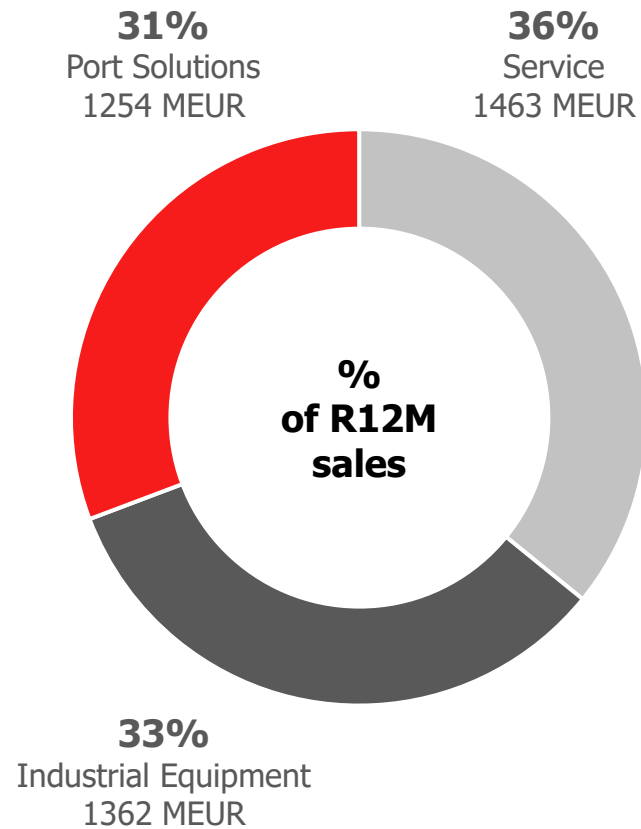


Appendix

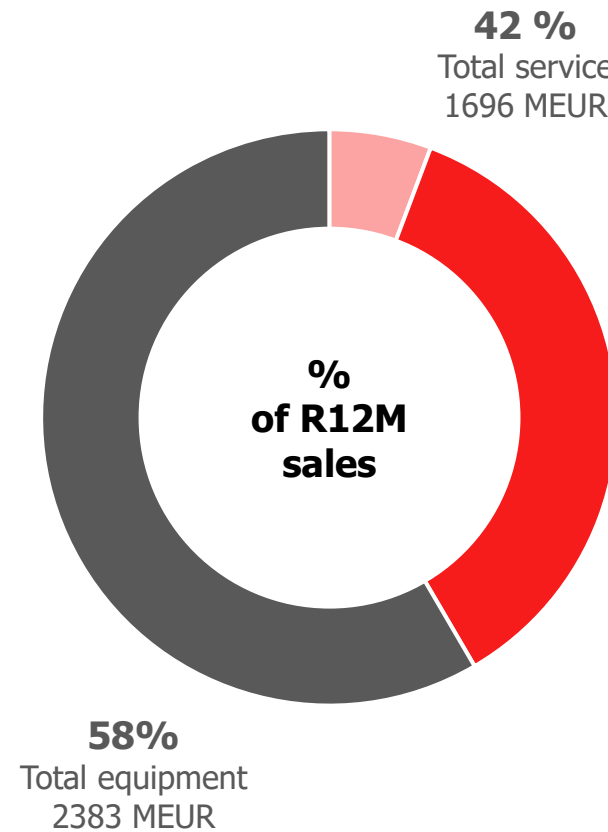


Group R12M sales split

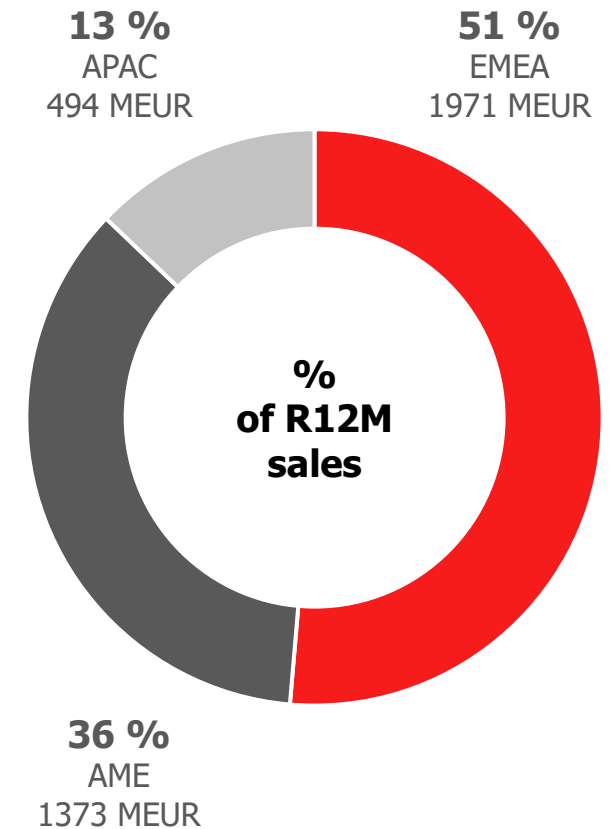
Group R12M sales by segment



Group R12M sales by offering type⁽¹⁾



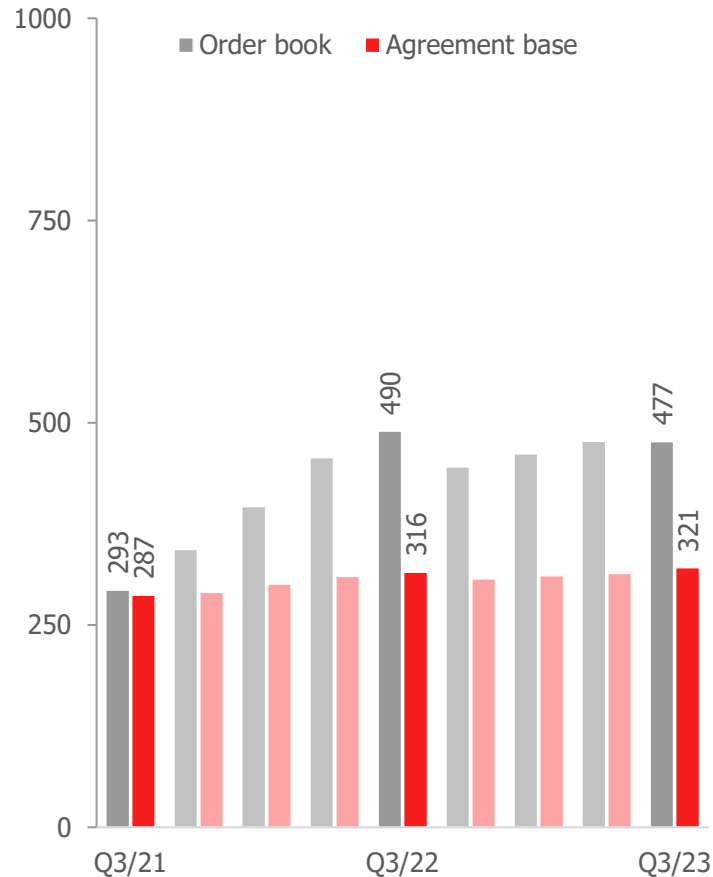
Group R12M sales by region



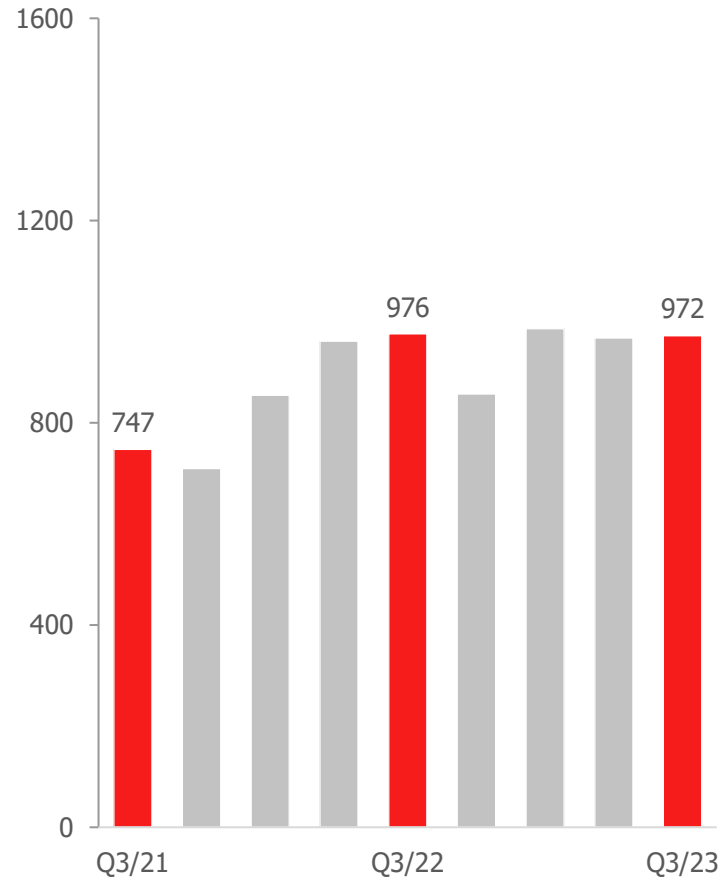
Note (1): Total service includes Service and Port Solutions' service sales, Total equipment includes Industrial Equipment and Port Solutions excluding Port Solutions' service sales

Service agreement base and order book by segment

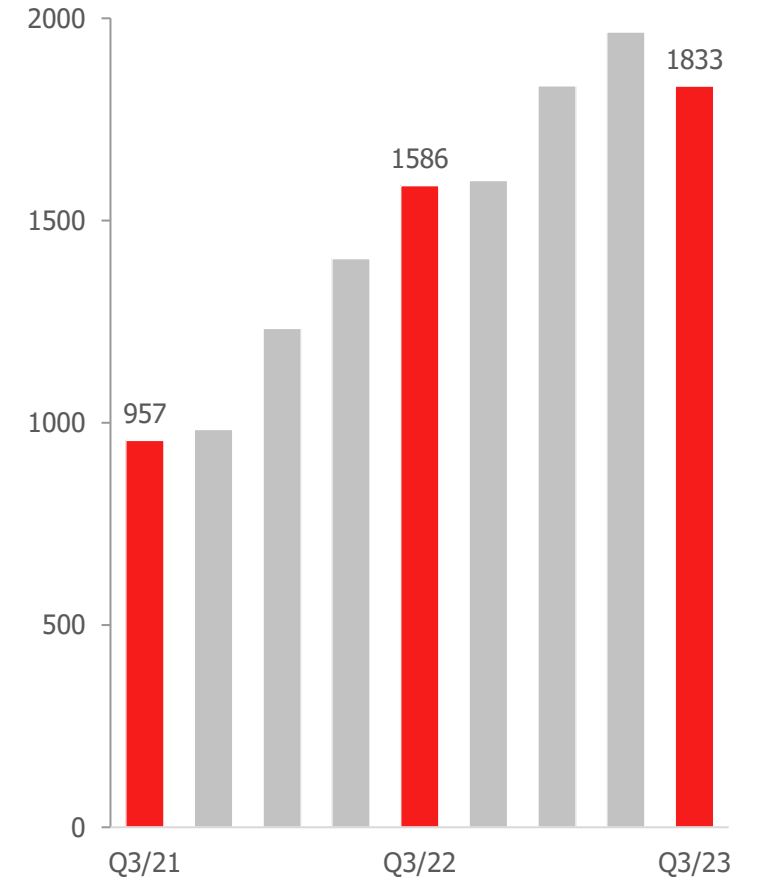
Service agreement base & order book, MEUR



Industrial Equipment order book, MEUR



Port Solutions order book, MEUR



Group key figures 1/2

EUR million	7-9/ 2023	7-9/ 2022	Change %	Change % At comparable currencies	1-9/ 2023	1-9/ 2022	Change %	Change % At comparable currencies	1-12/ 2022
Orders received, MEUR	852.9	1,087.9	-21.6	-18.7	3,235.4	3,267.6	-1.0	1.0	4,227.9
Order book at end of period, MEUR					3,282.1	3,052.1	7.5	11.7	2,901.7
Sales total, MEUR	1,005.1	884.6	13.6	18.3	2,817.4	2,343.9	20.2	22.8	3,364.8
Comparable EBITDA, MEUR	143.6	117.1	22.7		380.1	265.9	43.0		406.1
Comparable EBITDA, %	14.3%	13.2%			13.5%	11.3%			12.1%
Comparable EBITA, MEUR	123.2	95.3	29.3		316.9	200.2	58.2		318.4
Comparable EBITA, %	12.3%	10.8%			11.2%	8.5%			9.5%
Operating profit (EBIT), MEUR	97.2	91.5	6.2		280.9	120.1	133.8		223.2
Operating margin (EBIT), %	9.7%	10.3%			10.0%	5.1%			6.6%
Net profit for the period, MEUR	69.9	60.0	16.5		179.2	66.0	171.5		138.5
Earnings per share, basic (EUR)	0.88	0.77	14.2		2.26	0.86	162.5		1.77
Earnings per share, diluted (EUR)	0.88	0.77	14.3		2.26	0.86	162.9		1.77
Free cash flow, MEUR	114.6	-38.2			344.6	-66.2			24.6
Gearing, %					34.3%	56.7%			48.0%
Comparable ROCE, %. (R12M)					17.5%	13.5%			13.4%

Group key figures 2/2

EUR million	1-9/ 2023	1-9/ 2022	Change %	1-12/ 2022
ROCE, %, (R12M)	15.5	8.4	84.5	9.0
Return on equity, %, (R12M)	17.8	10.4	71.2	9.9
Equity per share (EUR)	19.05	16.63	14.6	18.10
Net debt / Comparable EBITDA, (R12M)	1.0	1.9	-47.4	1.7
Equity to asset ratio, %	39.6	34.3	15.5	37.9
Investments total (excl. acquisitions), MEUR	32.1	25.8	24.5	37.0
Interest-bearing net debt, MEUR	518.0	749.7	-30.9	688.3
Net working capital, MEUR	405.7	505.1	-19.7	490.2
Average number of personnel during the period	16,483	16,573	-0.5	16,563
Average number of shares outstanding, basic	79,194,545	79,146,467	0.1	79,151,542
Average number of shares outstanding, diluted	79,377,899	79,456,858	-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	7-9/ 2023	7-9/ 2022	Change %	Change % At comparable currencies	1-9/ 2023	1-9/ 2022	Change %	Change % At comparable currencies	1-12/ 2022
Service									
Orders received, MEUR	359.6	369.5	-2.7	2.2	1,112.9	1,083.0	2.8	5.0	1,442.5
Agreement base value, MEUR	321.0	315.5	1.7	6.0	321.0	315.5	1.7	6.0	306.9
Sales, MEUR	368.8	347.1	6.3	11.5	1,086.9	967.4	12.4	14.8	1,343.3
Comparable EBITA, MEUR	77.2	68.1	13.3		214.5	170.1	26.1		249.4
Comparable EBITA, %	20.9%	19.6%			19.7%	17.6%			18.6%
Industrial Equipment									
Orders received, MEUR	325.3	334.3	-2.7	1.6	1,138.6	1,084.7	5.0	6.9	1,391.6
of which external	274.8	278.5	-1.4	3.7	1,000.8	935.5	7.0	9.2	1,194.8
Sales, MEUR	323.9	311.0	4.1	8.6	985.5	828.7	18.9	21.2	1,205.6
of which external	279.4	281.9	-0.9	3.7	853.2	733.7	16.3	18.7	1,068.8
Comparable EBITA, MEUR	22.9	12.5	83.4		63.5	10.0	533.7		32.5
Comparable EBITA, %	7.1%	4.0%			6.4%	1.2%			2.7%
Port Solutions									
Orders received, MEUR	231.6	457.6	-49.4	-48.5	1,164.5	1,295.4	-10.1	-8.5	1,655.3
Sales, MEUR	374.7	273.3	37.1	40.8	925.5	686.6	34.8	37.6	1,015.0
Comparable EBITA, MEUR	31.1	21.0	48.3		67.1	42.2	59.1		63.5
Comparable EBITA, %	8.3%	7.7%			7.3%	6.1%			6.3%

Statement of income

EUR million	7-9/ 2023	7-9/ 2022	Change %	1-9/ 2023	1-9/ 2022	Change %	1-12/ 2022
Sales	1,005.1	884.6	13.6	2,817.4	2,343.9	20.2	3,364.8
Other operating income	1.5	3.4		7.2	6.6		8.1
Materials, supplies and subcontracting	-477.7	-392.2		-1,242.0	-1,007.3		-1,510.2
Personnel cost	-302.8	-271.9		-886.4	-821.2		-1,091.9
Depreciation and impairments	-28.2	-32.3		-86.0	-92.8		-124.4
Other operating expenses	-100.7	-100.2		-329.4	-309.1		-423.2
Operating profit	97.2	91.5	6.2	280.9	120.1	133.8	223.2
Share of associates' and joint ventures' result	-0.1	0.0		0.4	0.5		0.4
Financial income	3.4	21.3		19.3	45.2		26.8
Financial expenses	-6.7	-29.4		-57.2	-74.2		-59.7
Profit before taxes	93.8	83.4	12.5	243.5	91.7	165.6	190.7
Taxes	-23.9	-23.4		-64.3	-25.7		-52.2
Profit for the period	69.9	60.0	16.5	179.2	66.0	171.5	138.5

Balance sheet

EUR million	30 Sep 2023	30 Sep 2022
Non-current assets	2,009.0	2,026.7
Goodwill	1,041.9	1,027.1
Intangible assets	467.9	483.9
Property, plant and equipment	349.3	352.5
Other	149.9	163.3
Current assets	2,507.0	2,379.6
Inventories	1,136.5	1,049.4
Accounts receivable	553.7	526.6
Receivables and other current assets	378.4	369.1
Cash and cash equivalents	438.3	434.5
Assets held for sale	0.0	0.0
Total Assets	4,516.0	4,406.3

EUR million	30 Sep 2023	30 Sep 2022
Total Equity	1,508.5	1,321.7
Non-current liabilities	1,276.0	1,504.3
Interest-bearing liabilities	909.5	1,059.0
Other long-term liabilities	218.0	284.9
Other	148.6	160.4
Current liabilities	1,731.5	1,580.4
Interest-bearing liabilities	51.6	129.3
Advance payments received	709.7	556.0
Accounts payable	317.2	299.0
Provisions	97.0	98.6
Other current liabilities	555.9	497.5
Liabilities directly attributable to assets held for sale	0.0	0.0
Total Equity and Liabilities	4,516.0	4,406.3

Cash flow statement

EUR million	1-9/ 2023	1-9/ 2022	1-12/ 2022
Operating income before change in net working capital	365.5	207.5	344.5
Change in net working capital	77.5	-141.3	-162.3
Cash flow from operations before financing items and taxes	443.0	66.1	182.2
Financing items and taxes	-66.7	-101.7	-115.5
Net cash from operating activities	376.3	-35.5	66.7
Net cash used in investing activities	-60.8	-31.7	-43.6
Cash flow before financing activities	315.5	-67.2	23.1
Net cash used in financing activities	-288.8	167.7	69.1
Translation differences in cash	-2.3	13.4	1.0
Change of cash and cash equivalents	24.5	113.8	93.2
Free cash flow	344.6	-66.2	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

