

KONECRANES

# Q3 2023 Report

Anders Svensson, President and CEO  
Teo Ottola, CFO

October 25, 2023



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# Agenda



## Anders Svensson

President and CEO

- 1. Quarter's highlights** p. 4
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4. Demand outlook & financial guidance p. 11
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



## Teo Ottola

CFO

Q&A

# Q3 2023 – All-time high quarterly comparable EBITA margin

## Strong performance in Q3

### Demand environment remained good despite order decline

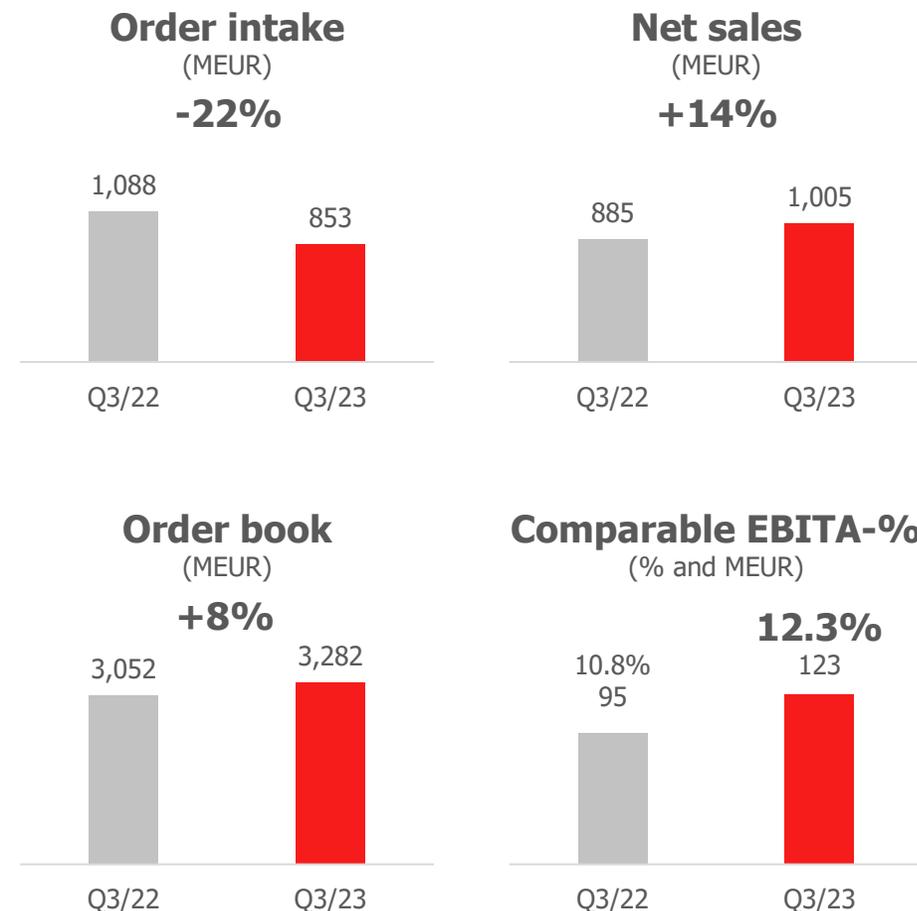
- Orders -19% Y/Y (comp. FX), Port Solutions impacted by timing of customer decision-making
- Orders growth in Service and Industrial Equipment (comp. FX)

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

- Delivery capability continued good as in previous quarters

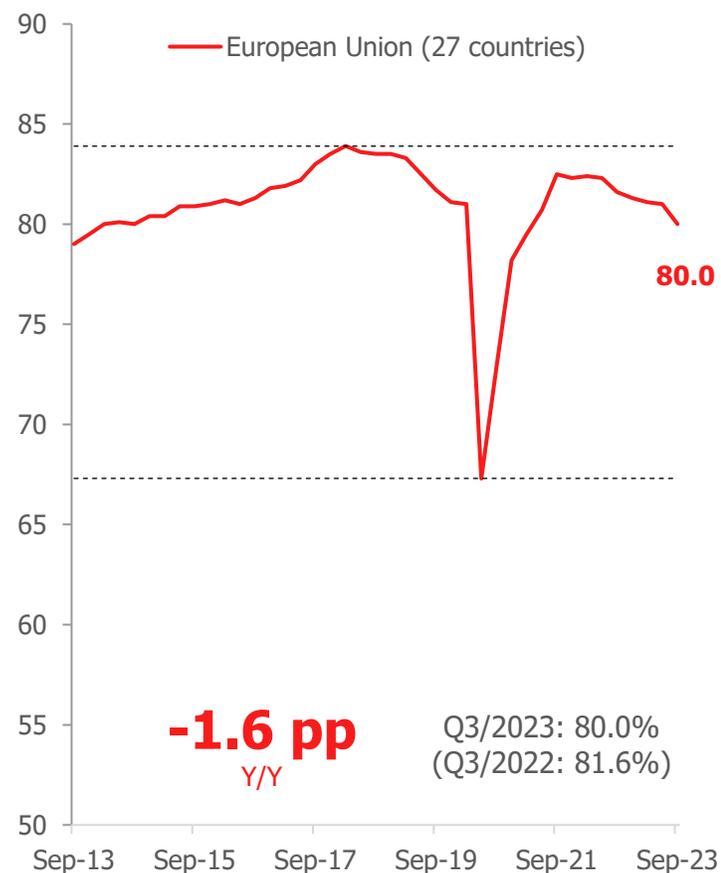
### All-time high comparable EBITA margin of 12.3%

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

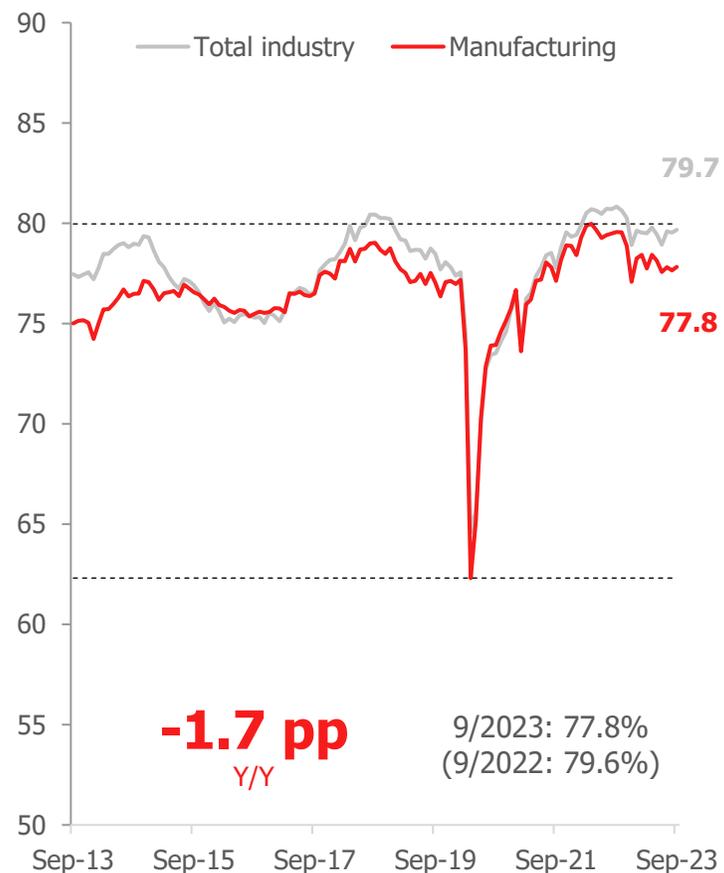


# Market environment – Service and Industrial Equipment

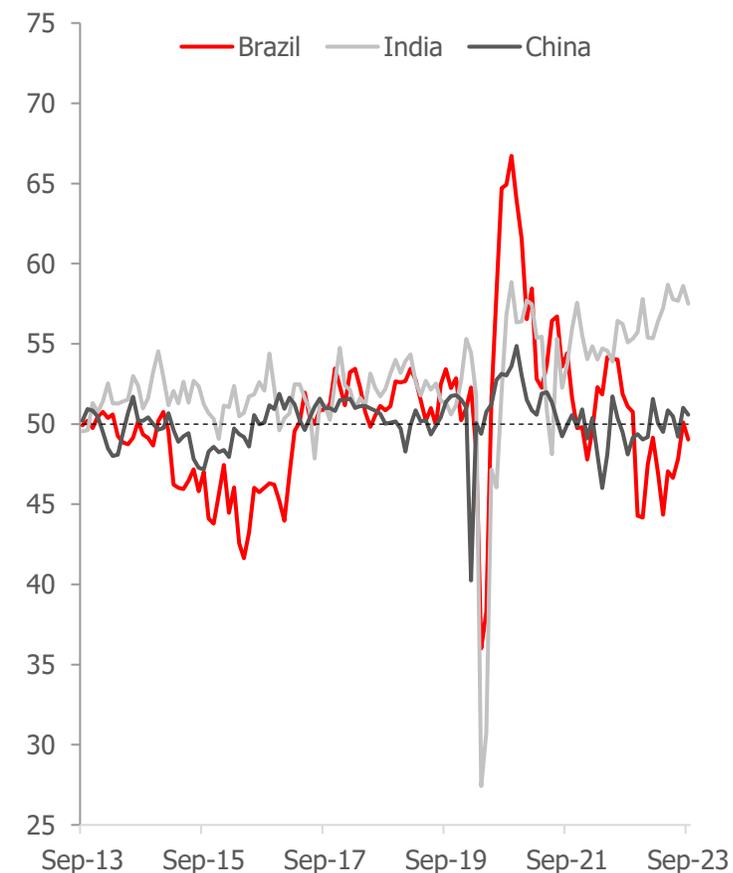
## EU capacity utilization rate, %



## US capacity utilization rate, %



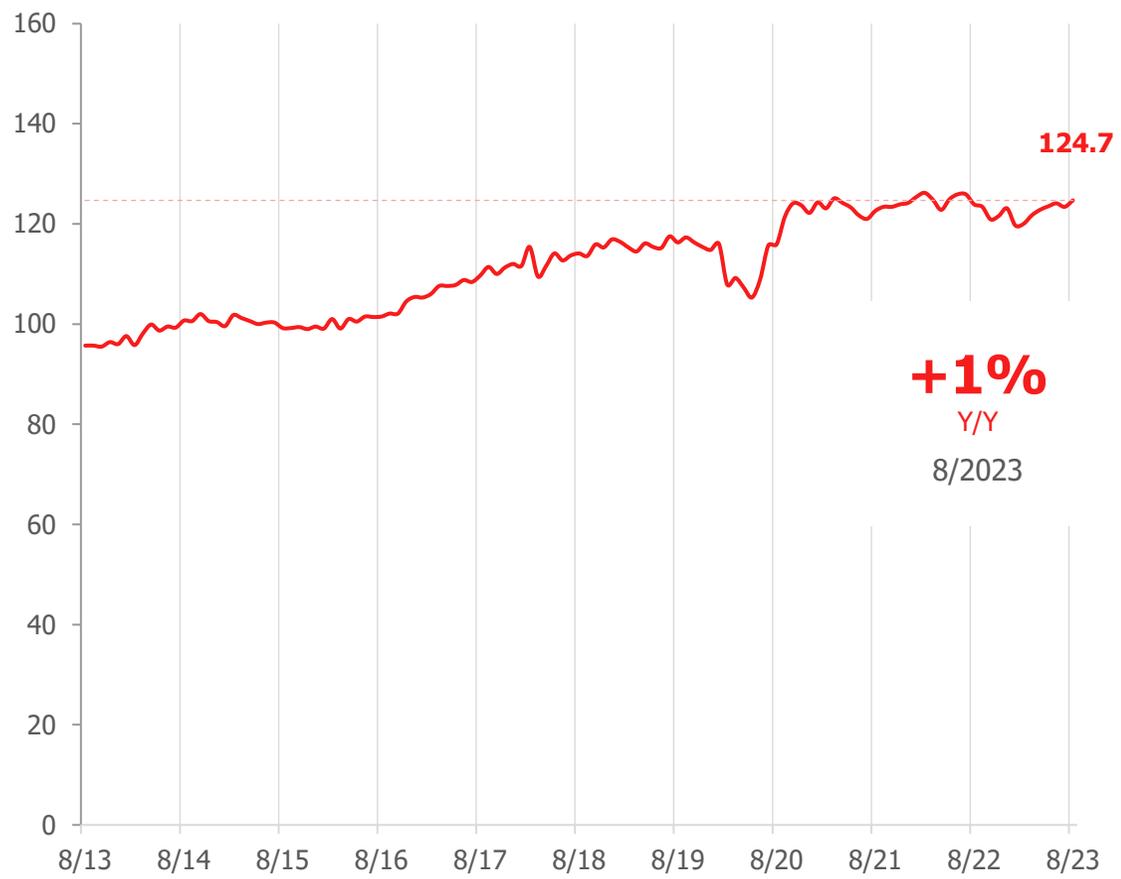
## Manufacturing PMIs – Brazil, India & China



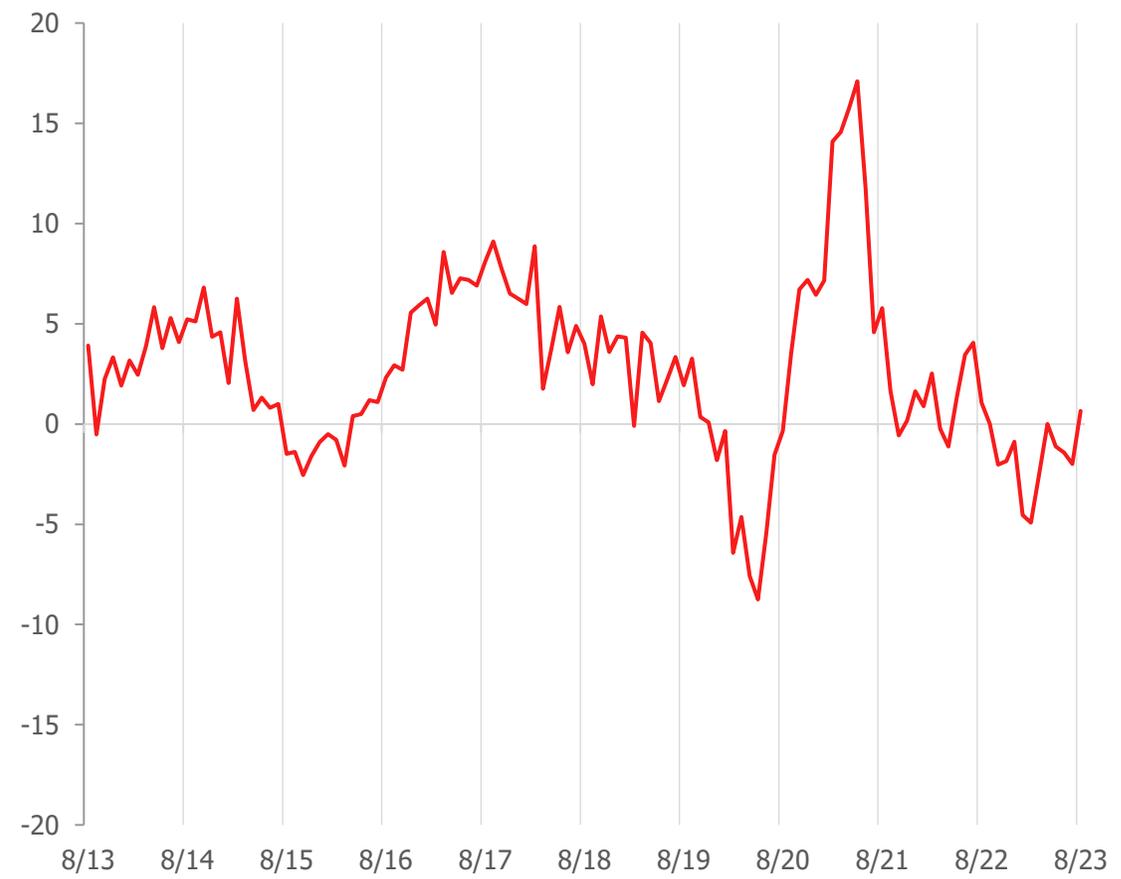
Source: Eurostat, Federal Reserve Economic Data, S&P Global

# Market environment – Port Solutions

RWI/ISL Container Throughput Index (2015 = 100)



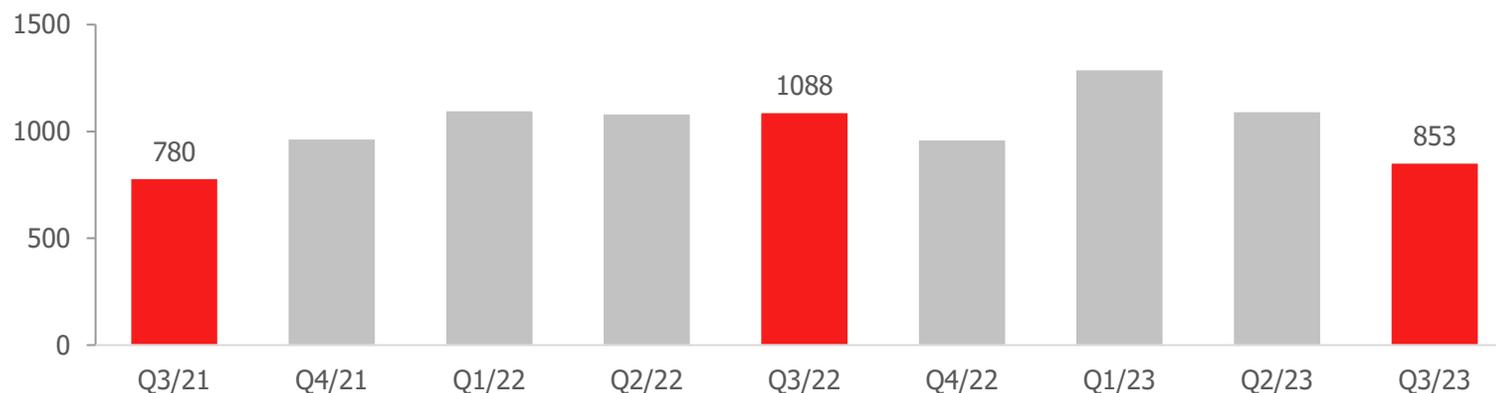
Monthly index change Y/Y, %



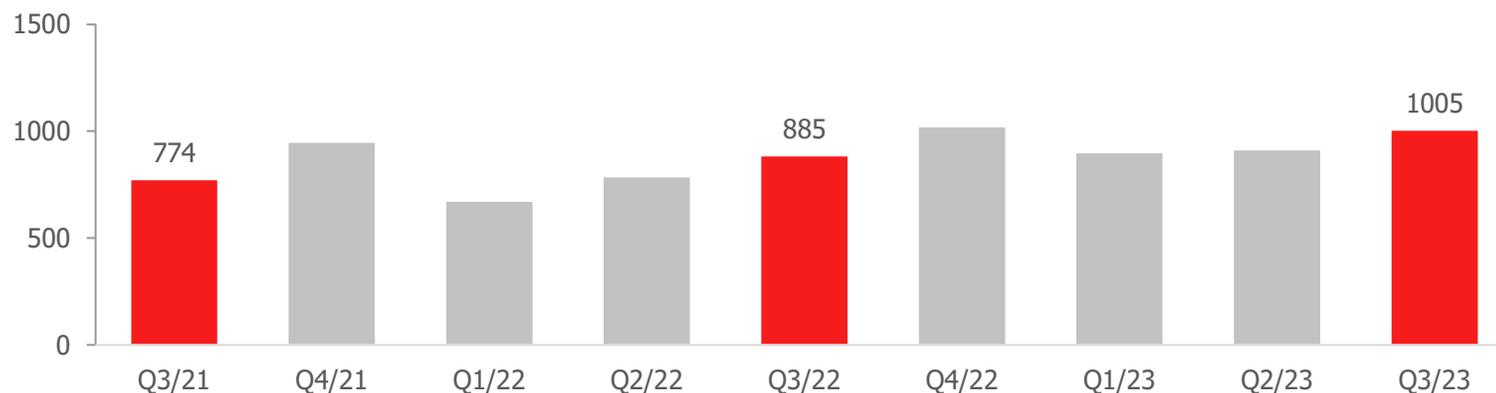
Source: RWI/ISL

# Group order intake and net sales

## Order intake, MEUR<sup>(1)</sup>



## 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

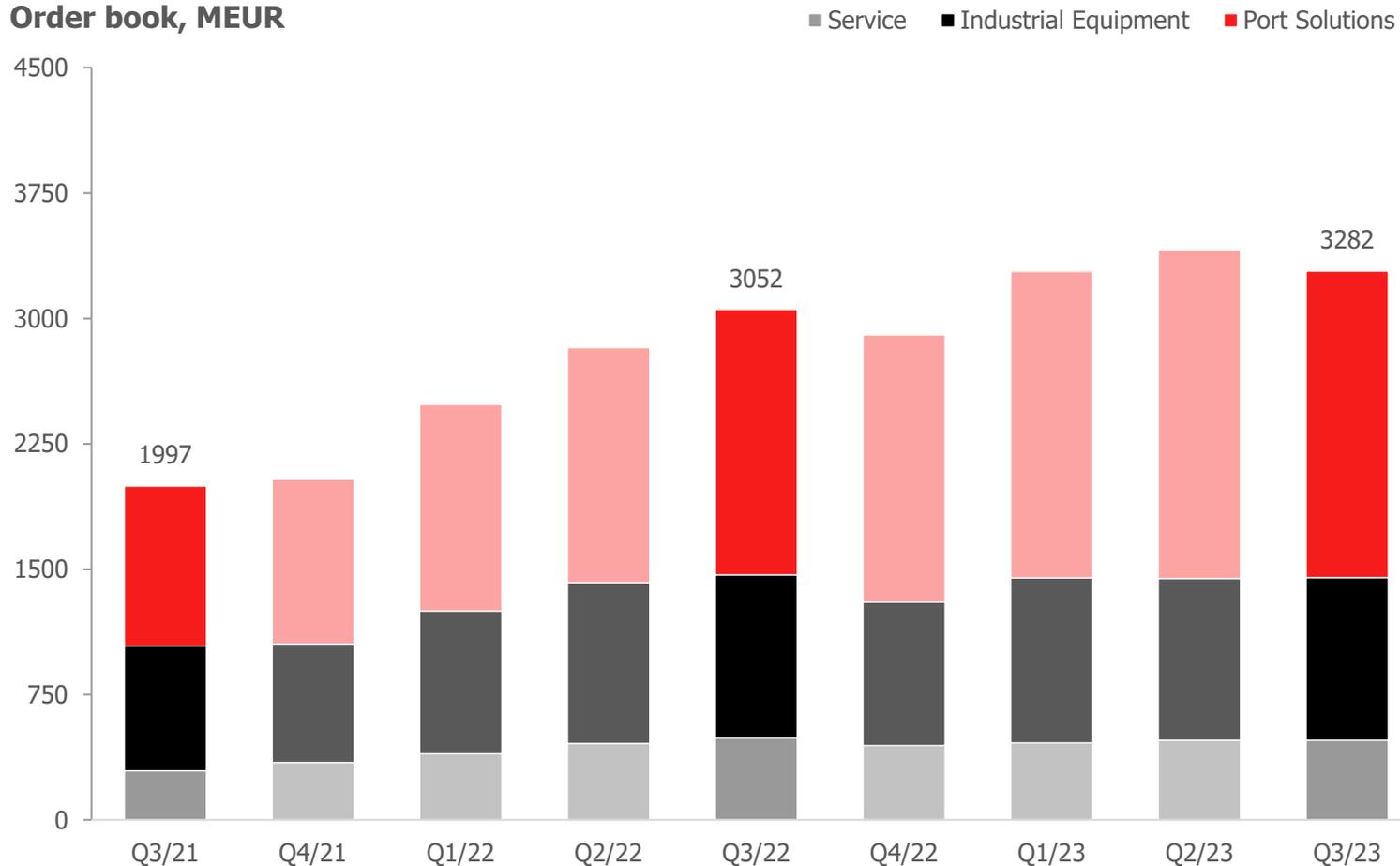
**+18.3%**  
Y/Y comp. FX

- 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

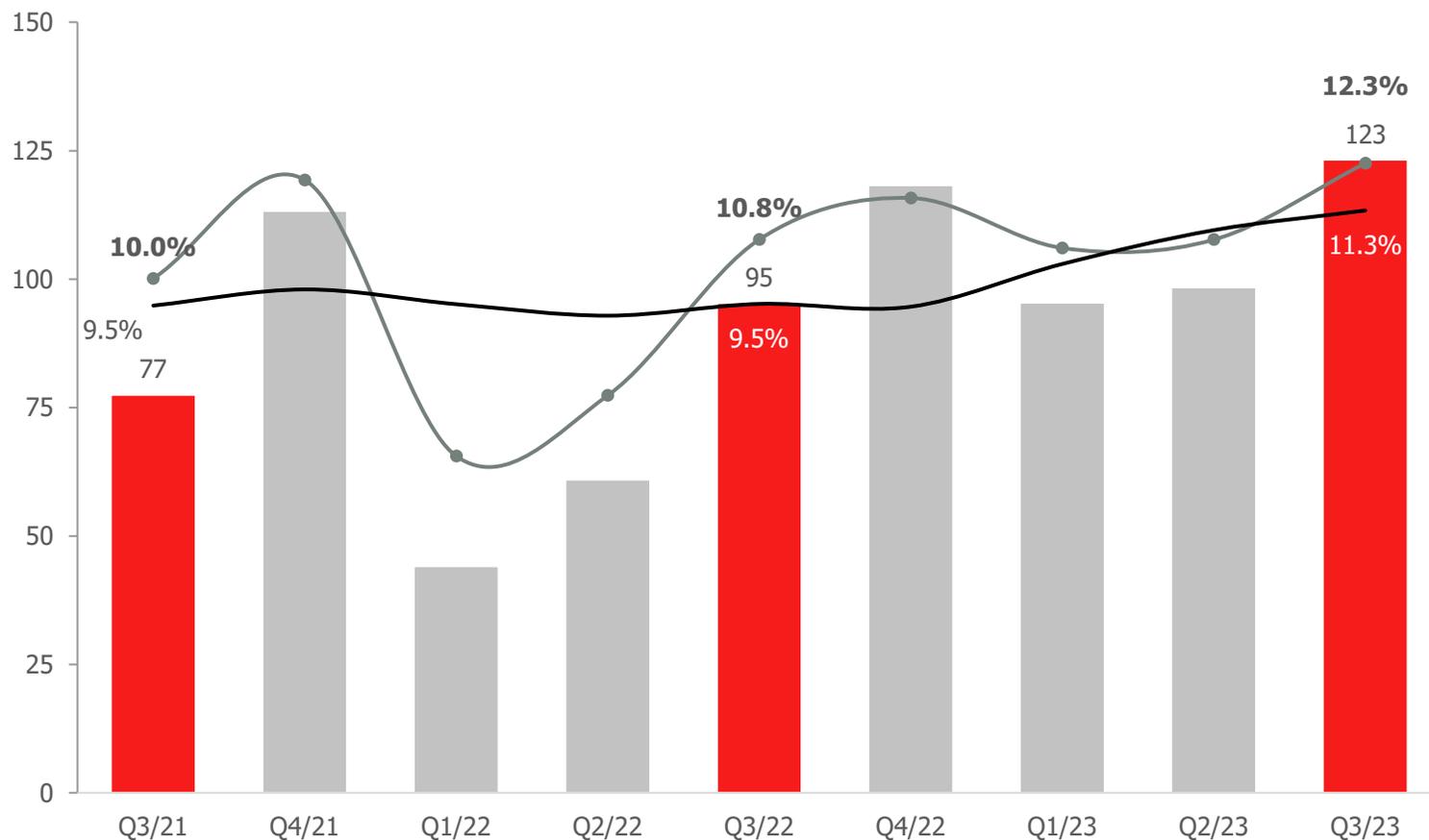
**+7.5%**  
Y/Y reported

**+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-%



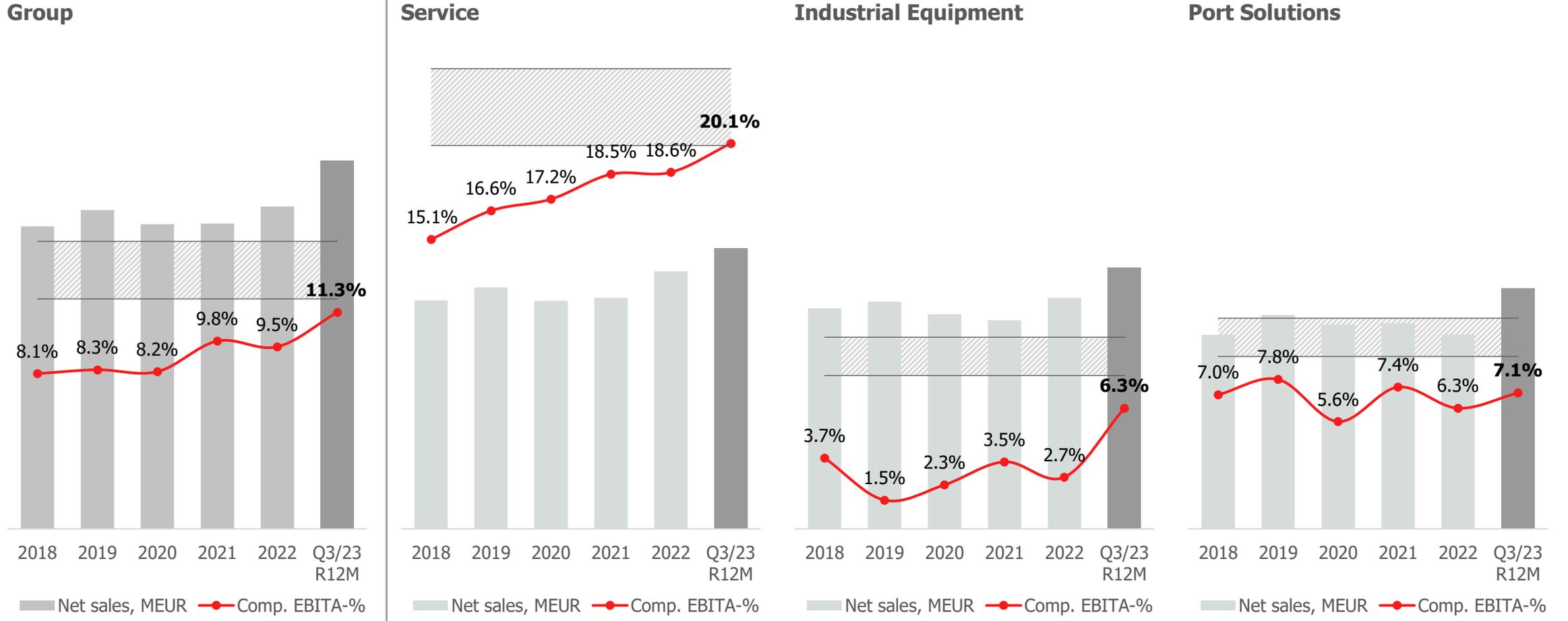
## Comparable EBITA

**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.



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**Anders Svensson**  
President and CEO

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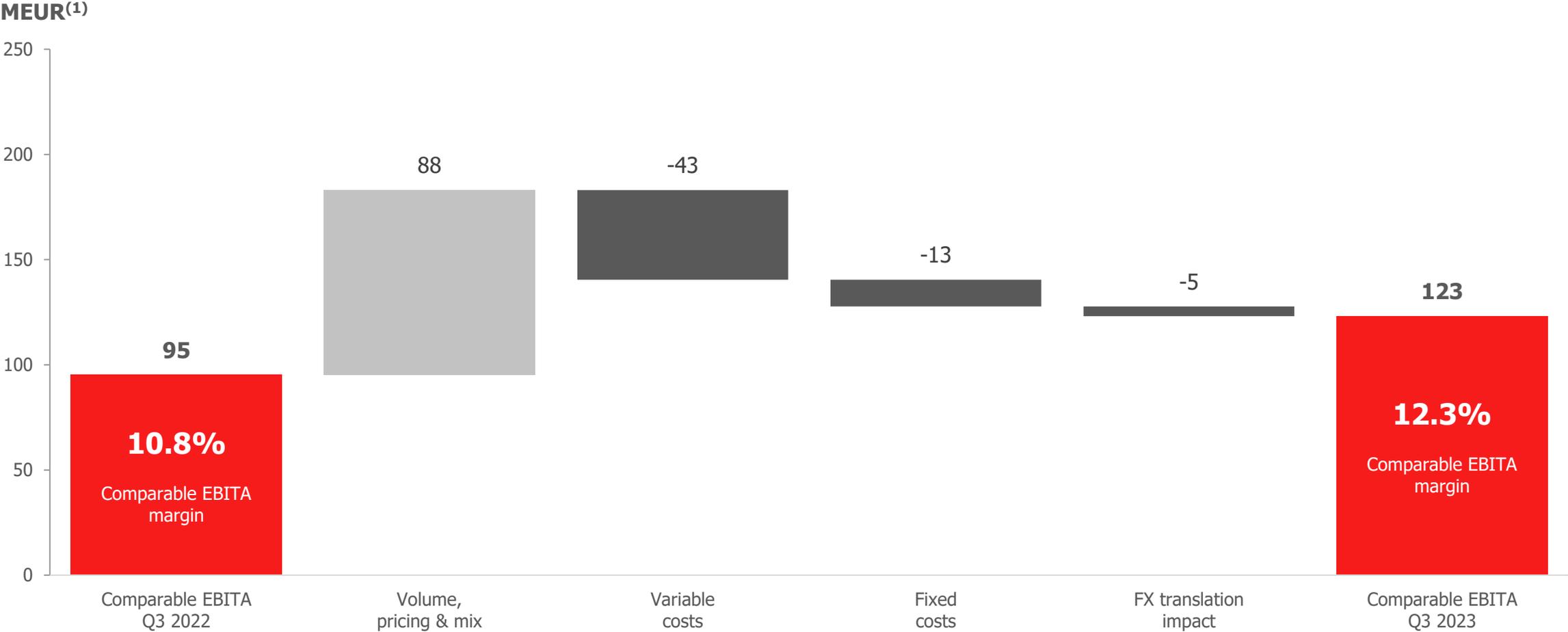


**Teo Ottola**  
CFO

- 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

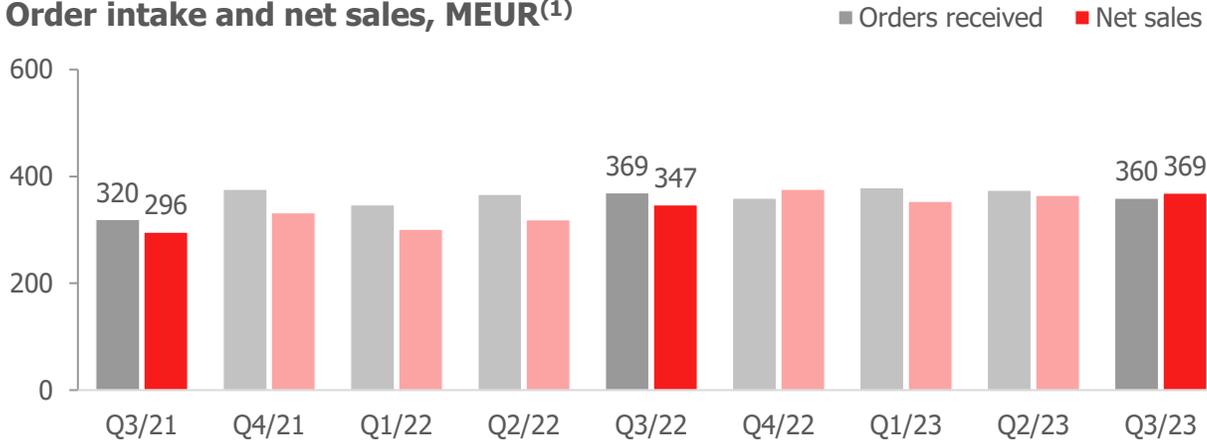
# Q3 2023 comparable EBITA bridge



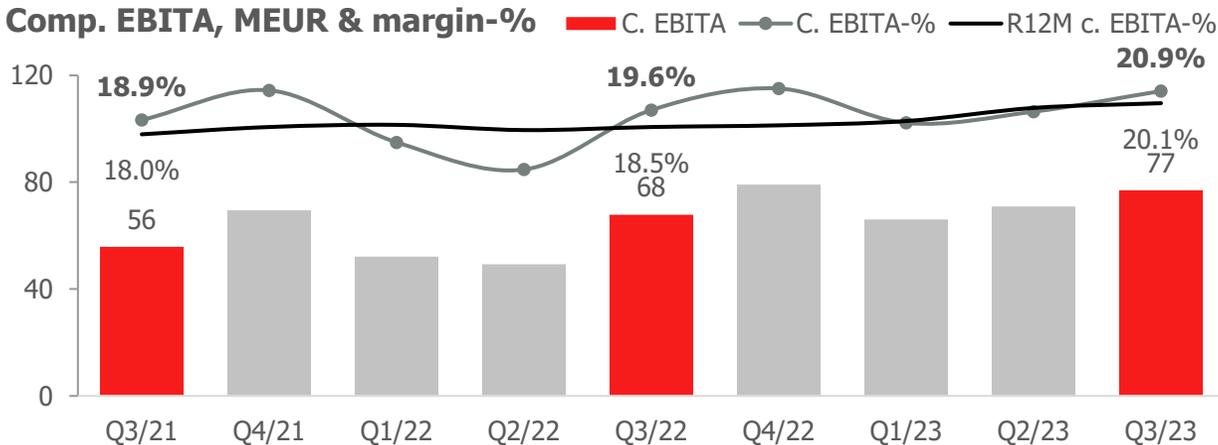
Note (1): Volume, pricing & mix, Variable costs, and Fixed costs effects do not include the FX translation impact component

# Service

**Order intake and net sales, MEUR<sup>(1)</sup>**



**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**

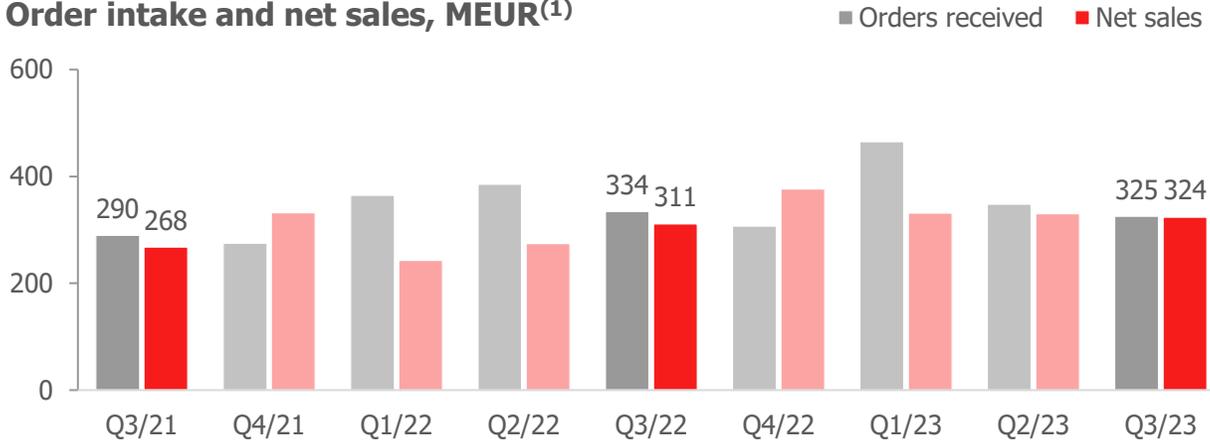
**20.9%**  
margin  
**+1.3 pp**  
Y/Y

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

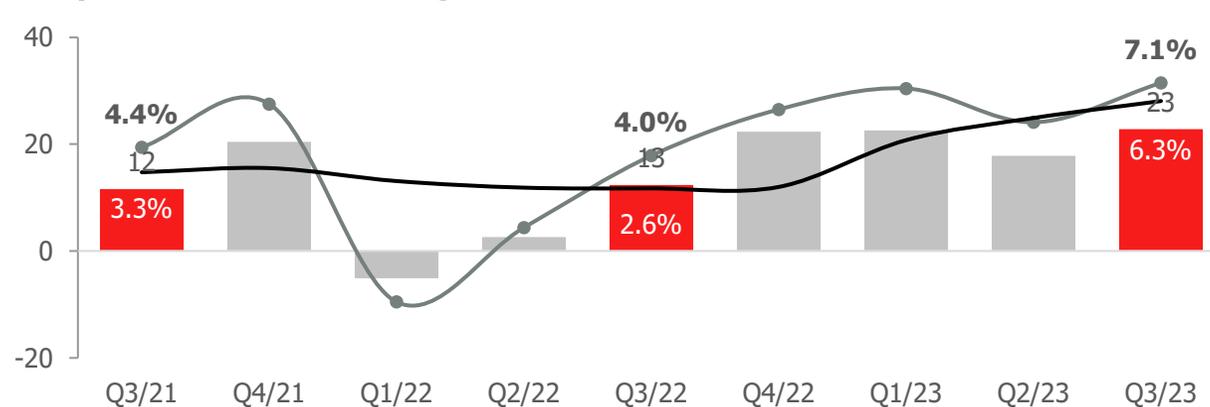
Note (1): Agreement base included in orders received from Q1 2023 onwards and historical figures are restated

# Industrial Equipment

Order intake and net sales, MEUR<sup>(1)</sup>



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<sup>(2)</sup>
- 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

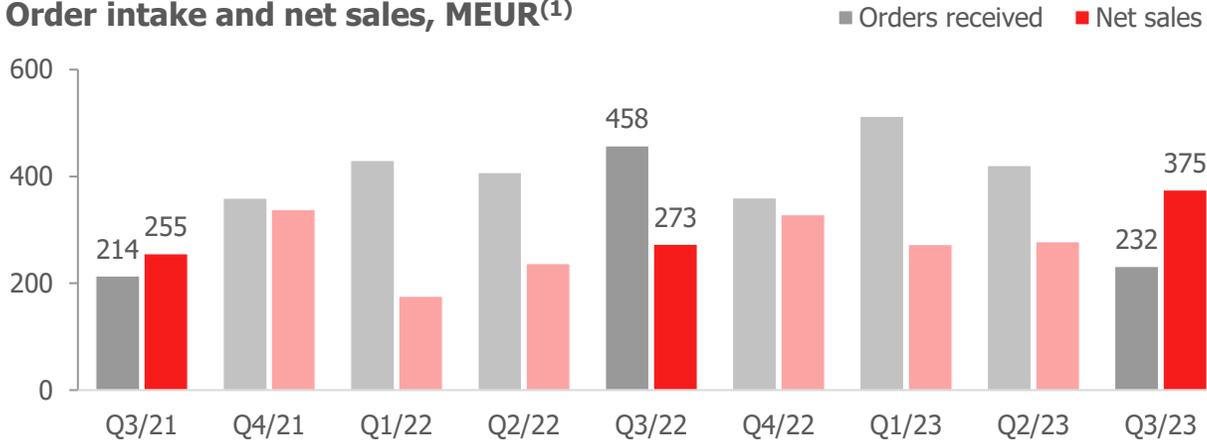
**Comp. EBITA**

**7.1%**  
margin  
**+3.1 pp**  
Y/Y

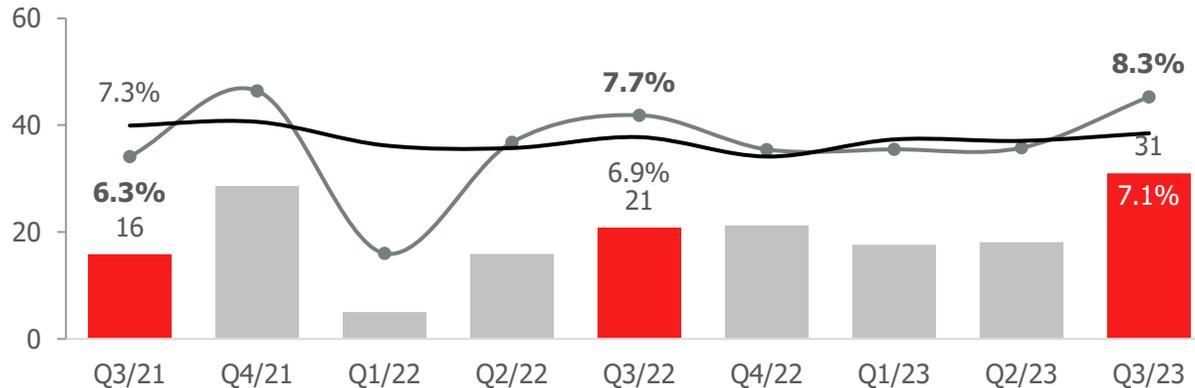
- Comparable EBITA-% increase mainly attributable to higher sales driven by pricing, and positive sales mix
- Gross margin increased

# Port Solutions

**Order intake and net sales, MEUR<sup>(1)</sup>**



**Comp. EBITA, MEUR & margin-%** ■ C. EBITA ● C. EBITA-% — R12M c. EBITA-%



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

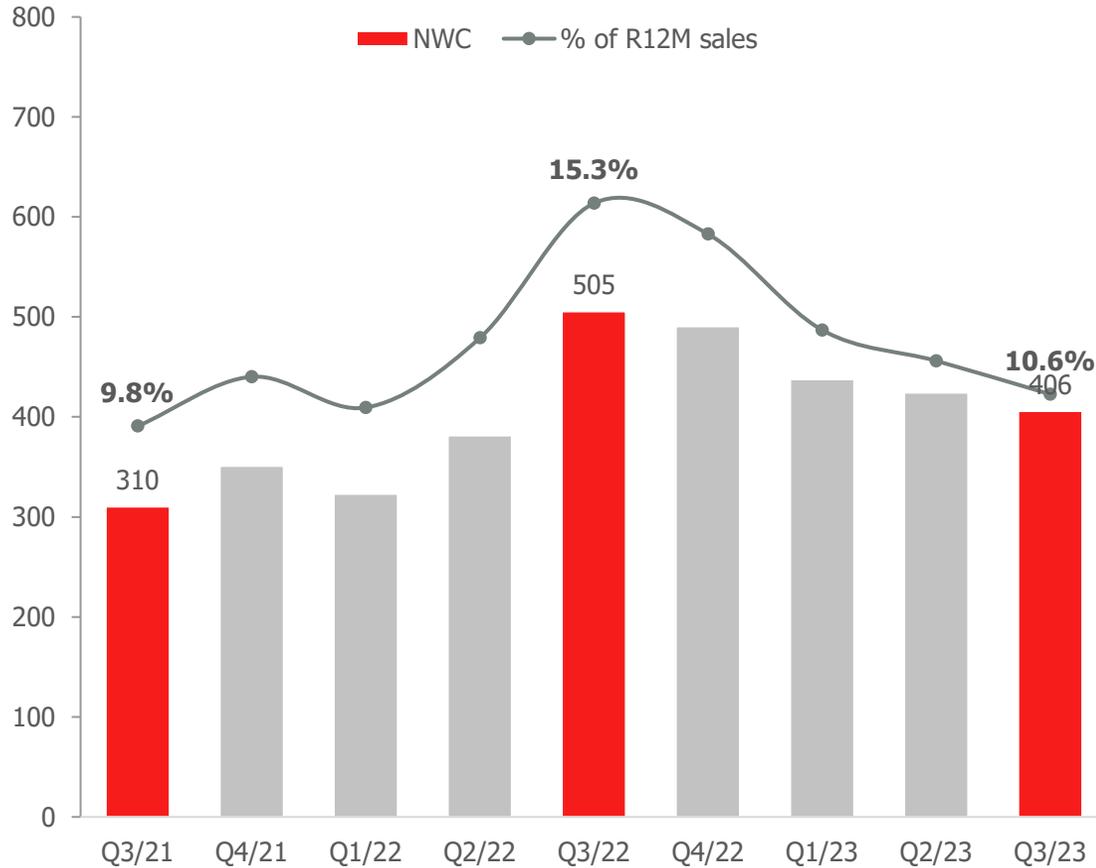
**Comp. EBITA**

**8.3%**  
margin  
**+0.6 pp**  
Y/Y

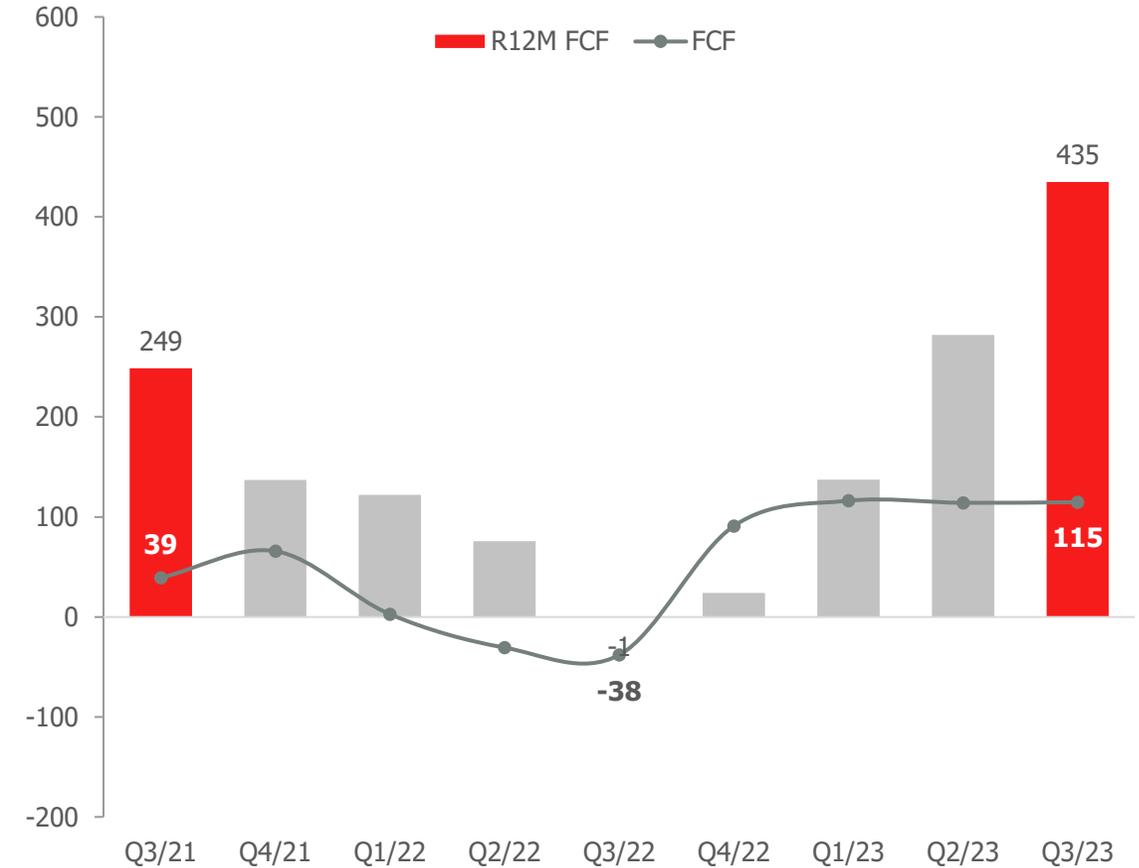
- Comparable EBITA-% increase mainly attributable to higher sales volumes
- Gross margin decreased

# Net working capital and free cash flow

Net working capital, MEUR and percentage of sales<sup>(1)(2)</sup>



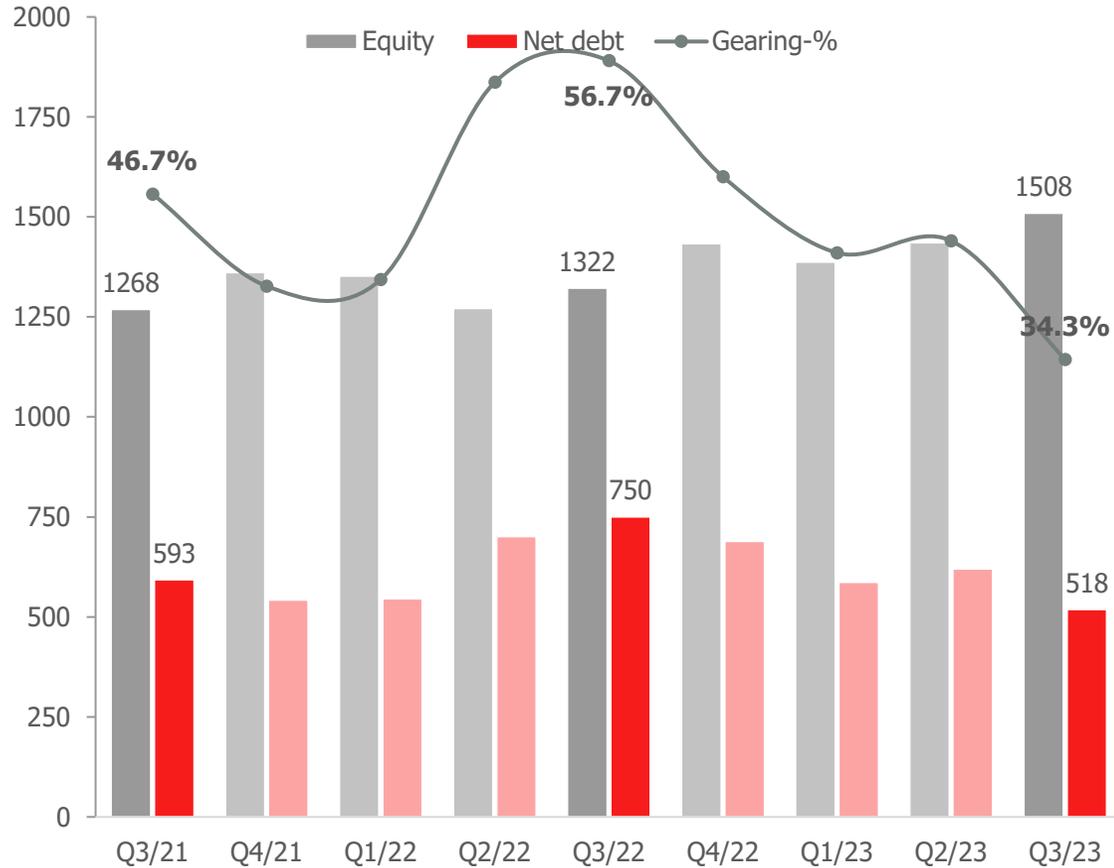
Free cash flow, MEUR



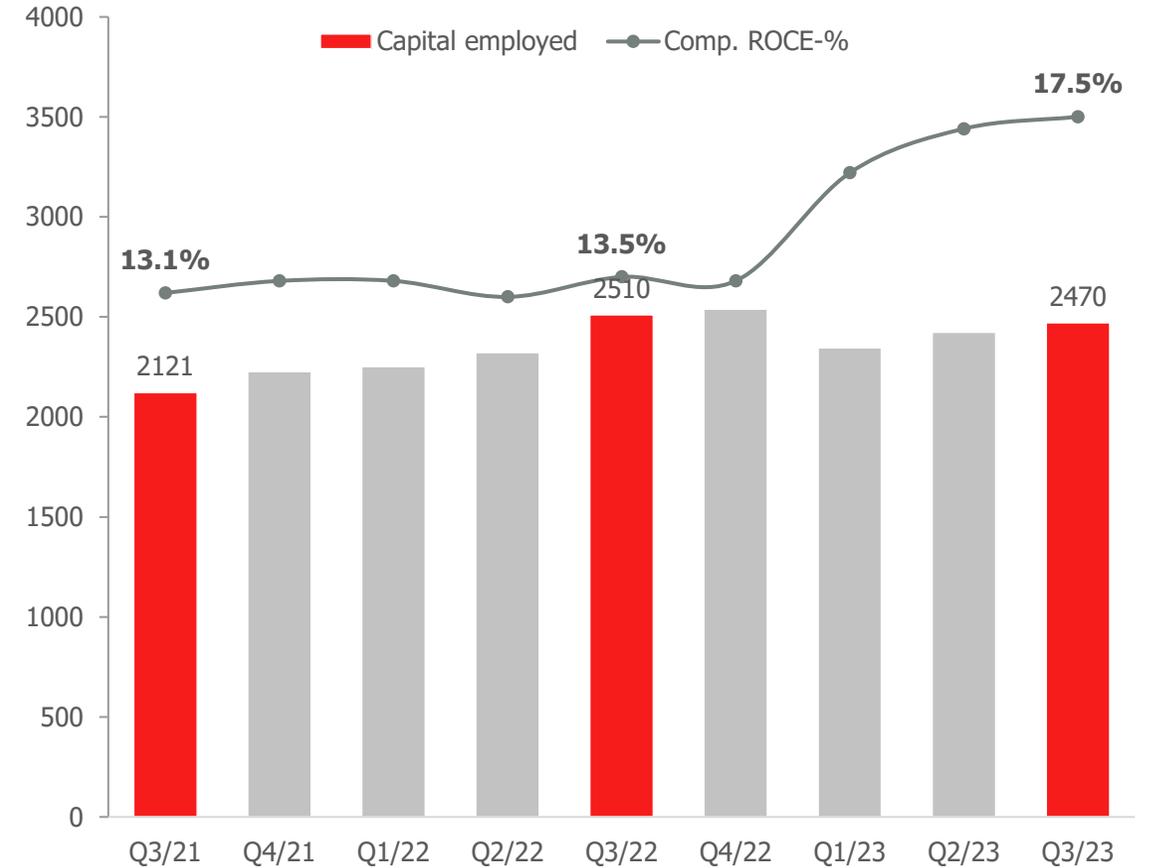
Note (1): NWC formula changed from Q1 2023 onwards and historical figures are restated  
 Note (2): Q1/23 excluding dividend payable of EUR 99.0 million and an acquisition advance in deferred assets

# Gearing and return on capital employed

Equity & net debt, MEUR and gearing, %



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



# Q & A



# Appendix

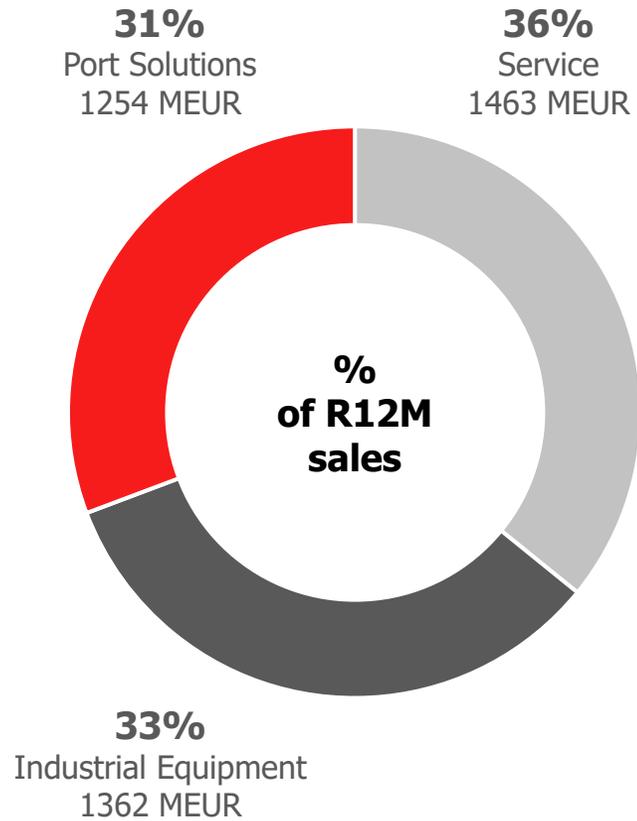


91.45%

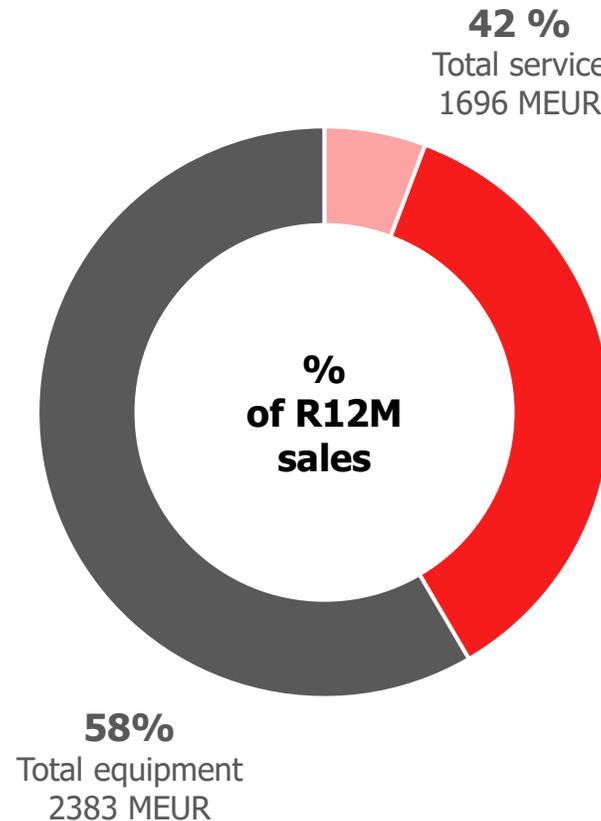
87.42%

# Group R12M sales split

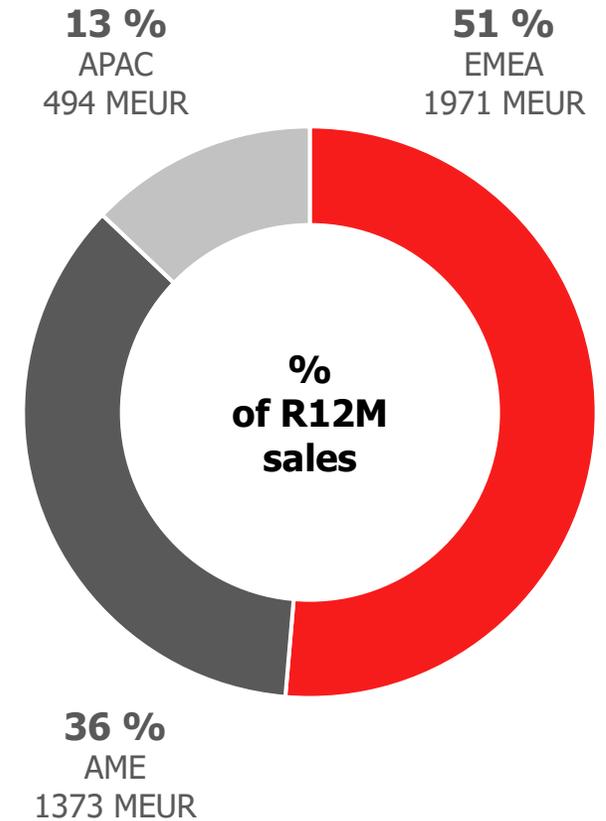
Group R12M sales by segment



Group R12M sales by offering type<sup>(1)</sup>



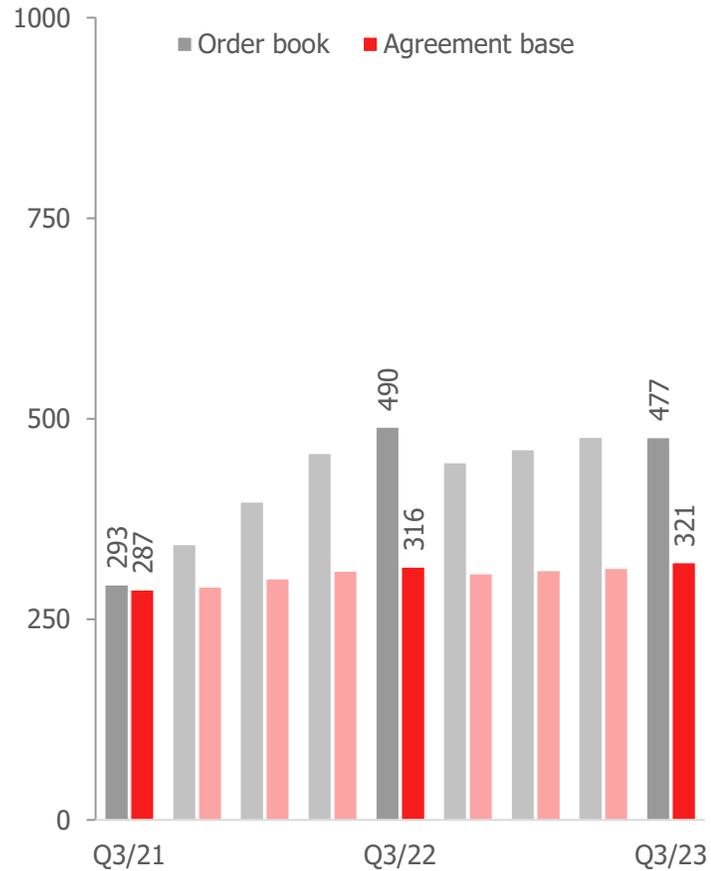
Group R12M sales by region



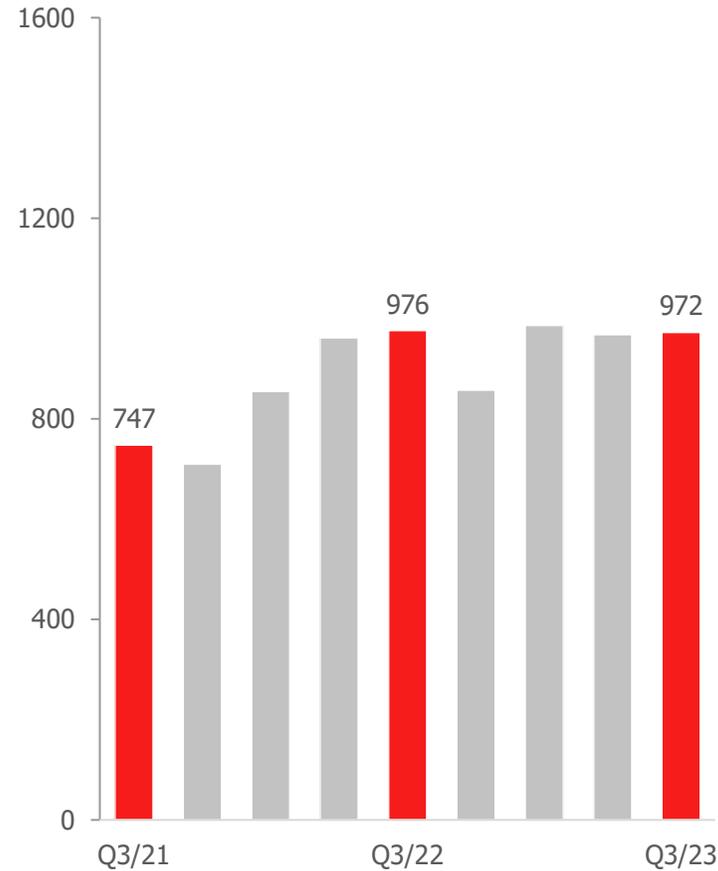
Note (1): Total service includes Service and Port Solutions' service sales, Total equipment includes Industrial Equipment and Port Solutions excluding Port Solutions' service sales

# Service agreement base and order book by segment

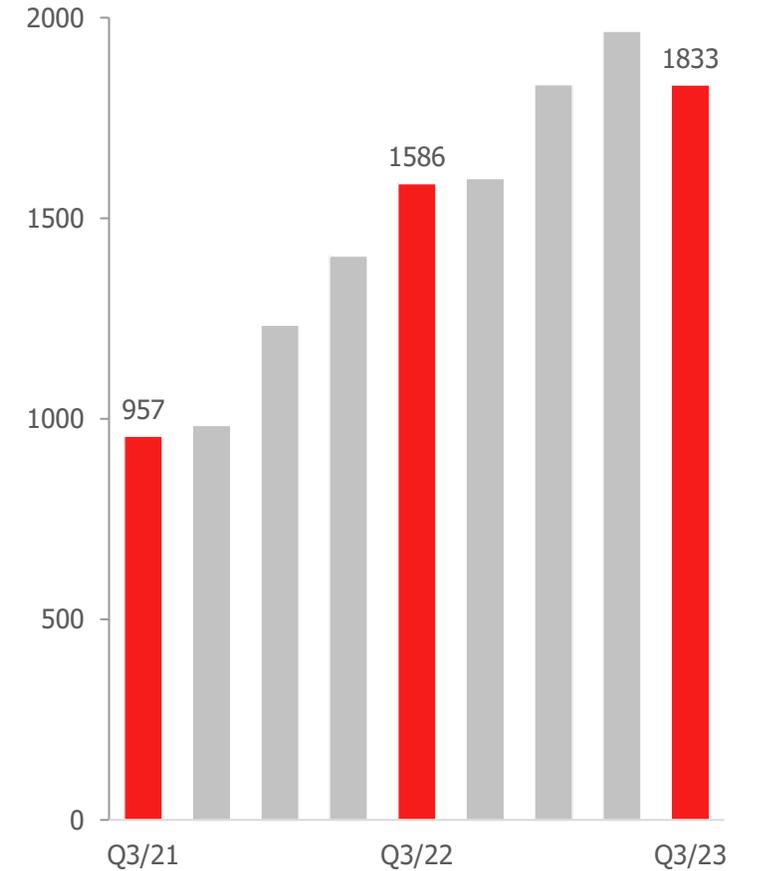
**Service agreement base & order book, MEUR**



**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
<b>Service</b>									
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%
<b>Industrial Equipment</b>									
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%
<b>Port Solutions</b>									
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
<b>Sales</b>	<b>1,005.1</b>	<b>884.6</b>	<b>13.6</b>	<b>2,817.4</b>	<b>2,343.9</b>	<b>20.2</b>	<b>3,364.8</b>
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
<b>Operating profit</b>	<b>97.2</b>	<b>91.5</b>	<b>6.2</b>	<b>280.9</b>	<b>120.1</b>	<b>133.8</b>	<b>223.2</b>
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
<b>Profit before taxes</b>	<b>93.8</b>	<b>83.4</b>	<b>12.5</b>	<b>243.5</b>	<b>91.7</b>	<b>165.6</b>	<b>190.7</b>
Taxes	-23.9	-23.4		-64.3	-25.7		-52.2
<b>Profit for the period</b>	<b>69.9</b>	<b>60.0</b>	<b>16.5</b>	<b>179.2</b>	<b>66.0</b>	<b>171.5</b>	<b>138.5</b>

# 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
<b>Total Assets</b>	<b>4,516.0</b>	<b>4,406.3</b>

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
<b>Total Equity and Liabilities</b>	<b>4,516.0</b>	<b>4,406.3</b>

# 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
<b>Cash flow from operations before financing items and taxes</b>	<b>443.0</b>	<b>66.1</b>	<b>182.2</b>
Financing items and taxes	-66.7	-101.7	-115.5
<b>Net cash from operating activities</b>	<b>376.3</b>	<b>-35.5</b>	<b>66.7</b>
Net cash used in investing activities	-60.8	-31.7	-43.6
<b>Cash flow before financing activities</b>	<b>315.5</b>	<b>-67.2</b>	<b>23.1</b>
Net cash used in financing activities	-288.8	167.7	69.1
Translation differences in cash	-2.3	13.4	1.0
<b>Change of cash and cash equivalents</b>	<b>24.5</b>	<b>113.8</b>	<b>93.2</b>
<b>Free cash flow</b>	<b>344.6</b>	<b>-66.2</b>	<b>24.6</b>

# Thank you

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