

Annual General Meeting 2022

Teo Ottola, CFO and Interim CEO

June 15, 2022



Agenda

1. Full-year 2021 highlights
2. Market outlook
3. Konecranes in 2022

2021 was a success for Konecranes

Strong financial results delivered

Continued successful operation despite the pandemic

- Focus on employees' and customers' safety

Big steps in sustainability

- New climate targets published in early 2022

Strategic initiatives continued



Full year 2021 financial highlights (1 of 2)

2021 was a successful year for Konecranes, performance aligned with our guidance

- Group sales increased 0.2% (0.7% with comparable FX)
- Group adjusted EBITA-% increased to 9.8% (8.2% in 2020); improvement in all three Business Areas

Seized on the market recovery, navigating the supply chain constraints and component shortages

- Orders received increased 16.4% (17.0% with comparable FX)
- Order book broke a new record of EUR 2,036.8 million at the end of December

Konecranes' Board of Directors dividend proposal

- The Board of Directors proposes a dividend of EUR 1.25 per share for 2021 (EUR 0.88 in 2020)



Full year 2021 financial highlights (2 of 2)

Service:

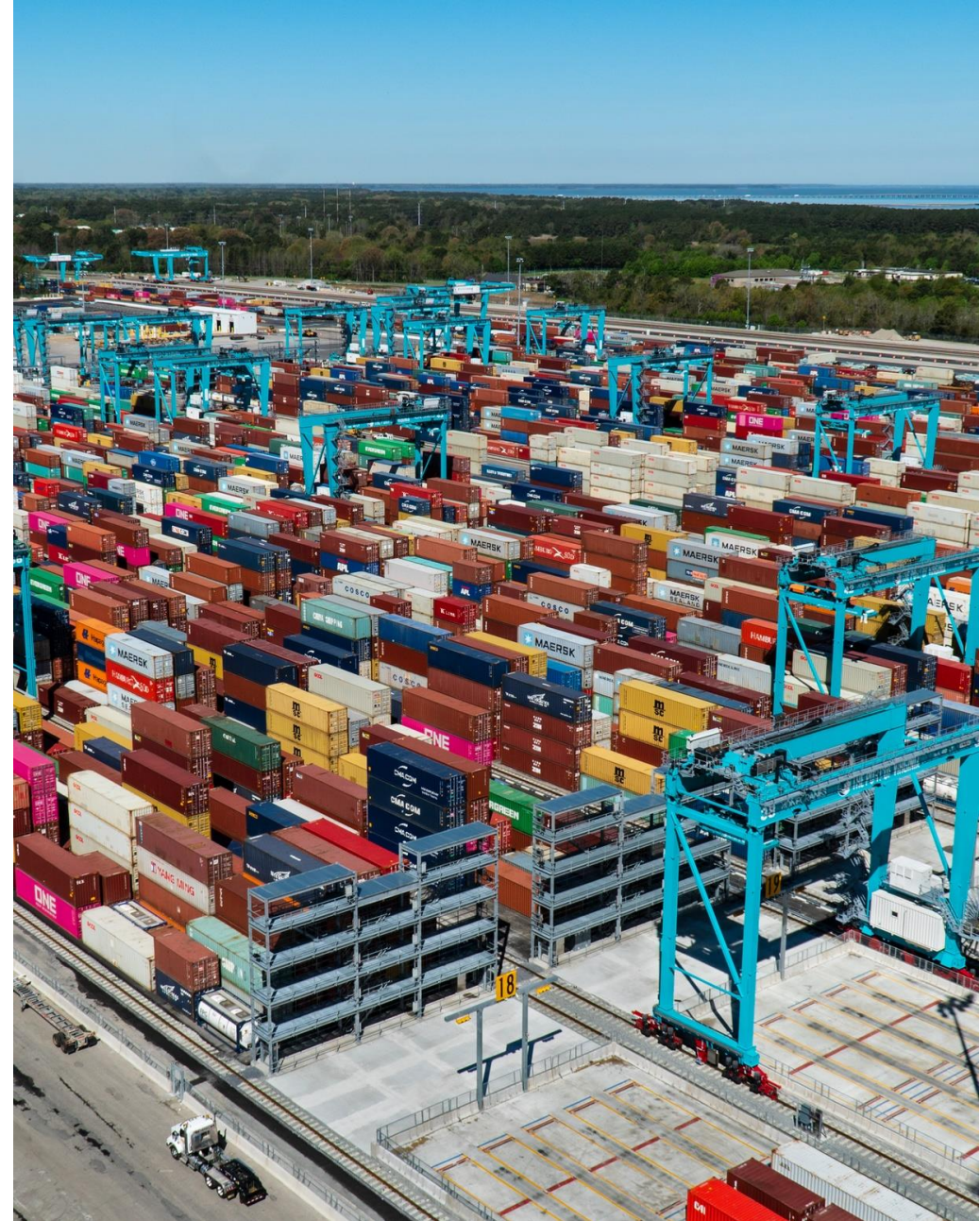
- Continued strong performance and resilience; agreement base value +5.3% (+1.7% with comparable FX)
- Sales +1.3% (+2.2% with comparable FX), despite component shortages and logistics delays; record-high adjusted EBITA margin of 18.5% (2020: 17.2%)

Industrial Equipment:

- Comeback year despite remaining market volatility; external order intake +21.7% (+22.6% with comparable FX)
- External sales declined 1.4% (-0.5% with comparable FX), due to supply chain constraints and customer delays; adjusted EBITA-% up to 3.5%

Port Solutions:

- Solid performance and strong orders in a positive market environment; order intake +11.9% (+11.7% with comparable FX)
- Good sales execution despite component availability; sales +0.6% (+0.4% with comparable FX) and adjusted EBITA-% up to 7.4%

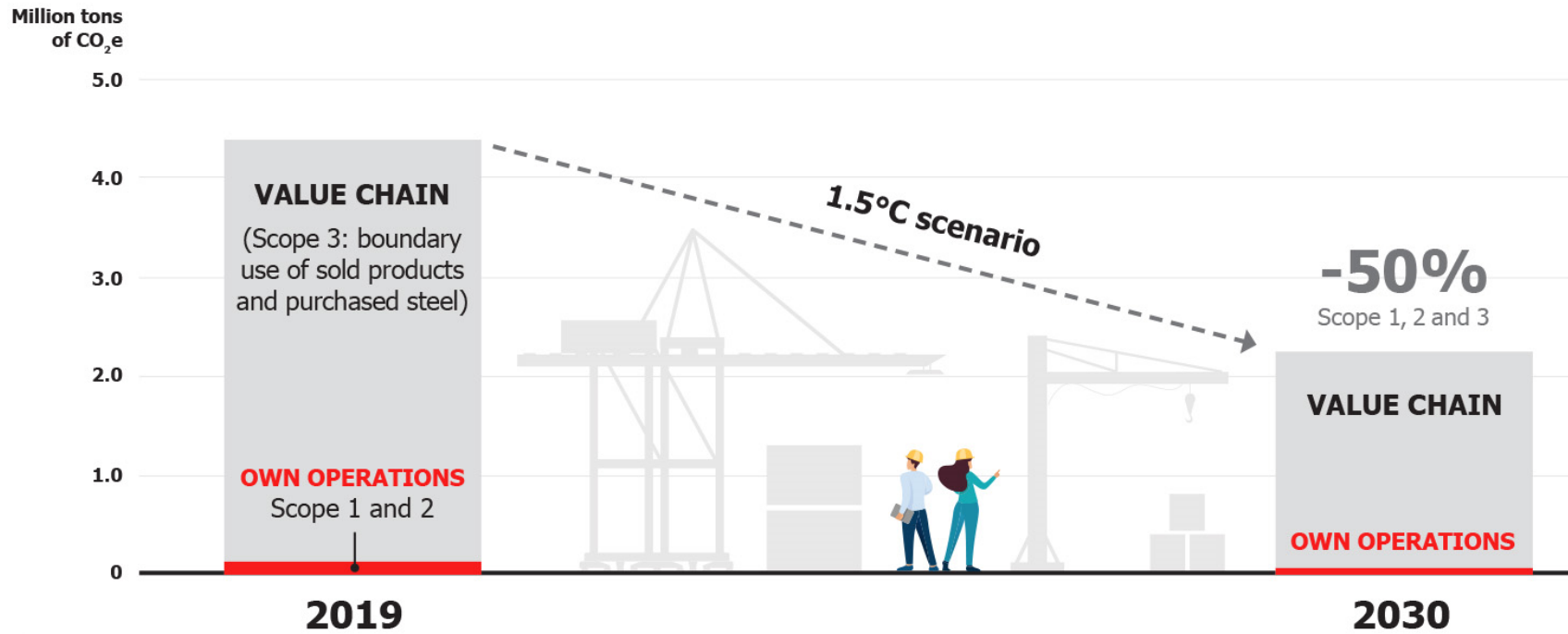


Key figures

Key figures	1-12/ 2021	1-12/ 2020	Change %	Change % At comparable currencies
Orders received, MEUR	3,175.5	2,727.3	16.4	17.0
Order book at end of period, MEUR	2,036.8	1,715.5	18.7	15.7
Sales, MEUR	3,185.7	3,178.9	0.2	0.7
Adj. EBITDA, MEUR	398.9	356.7	11.8	
Adj. EBITDA, %	12.5%	11.2%		
Adj. EBITA, MEUR	312.2	260.8	19.7	
Adj. EBITA, %	9.8%	8.2%		
Operating profit (EBIT), MEUR	220.0	173.8	26.6	
Operating margin (EBIT), %	6.9%	5.5%		
EPS, basic, EUR	1.86	1.54	20.2	
Free cash flow, MEUR	137.7	366.1		

Key figures	31 Dec 2021	31 Dec 2020
Total equity, MEUR	1,360.6	1,251.1
Net debt, MEUR	541.6	577.1
Gearing, %	39.8%	46.1%
Capital employed, MEUR	2,225.7	2,421.9
Adj. return on capital employed, %	13.4%	11.1%

New climate targets aligned with limiting global warming to **1.5° c**



Focus of pathway activities

Introducing new technological innovations to reduce dependency on fossil fuels

Applying smart product design focusing on energy efficiency, durability and maintainability

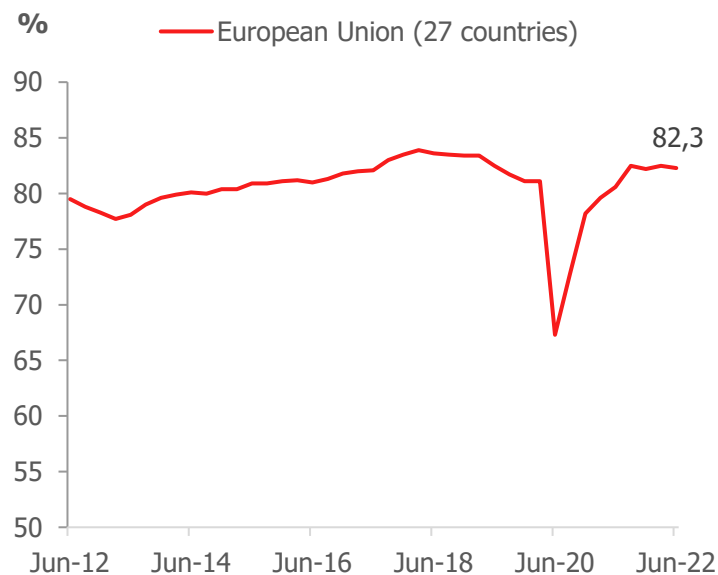
Optimizing material flows with automation and digital solutions

Purchasing steel from suppliers with minimum emissions

Investing in renewable electricity and energy efficiency in own operations

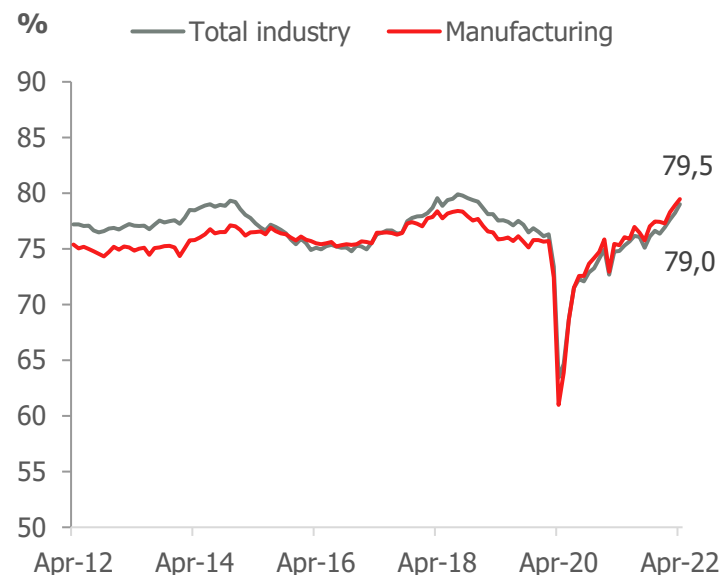
Market environment – Service and Industrial Equipment

Capacity utilization rate – EU



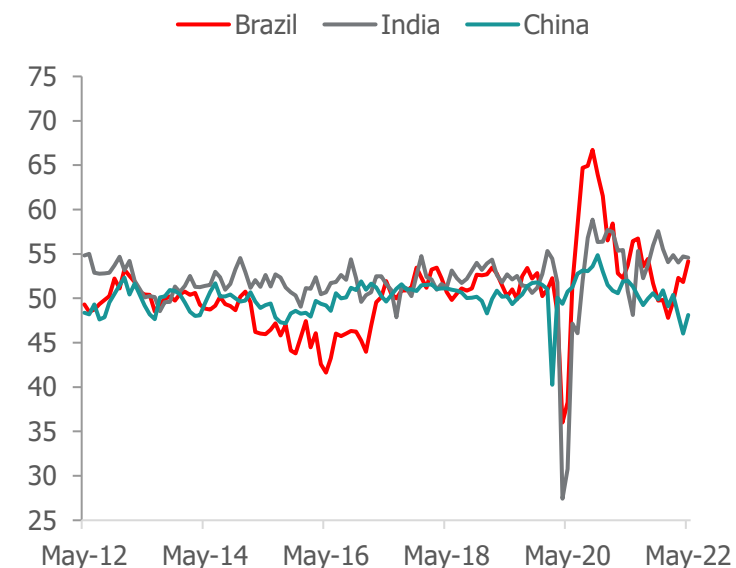
- In the EU, the manufacturing capacity utilization rate has remained steady in H1 2022, and it has been at a similar level as at the end of 2021
- The eurozone manufacturing PMI has remained in expansion in H1, although the pace had slowed down and the PMI was 54.6 in May

Capacity utilization rate – USA



- In the US, manufacturing capacity utilization rate has continued to rise in 2022, and in April it was above the recent peaks of mid-2018
- The US manufacturing PMI was in improvement in January-May, the reading was 57.0 in May

Manufacturing PMIs – Brazil, India & China

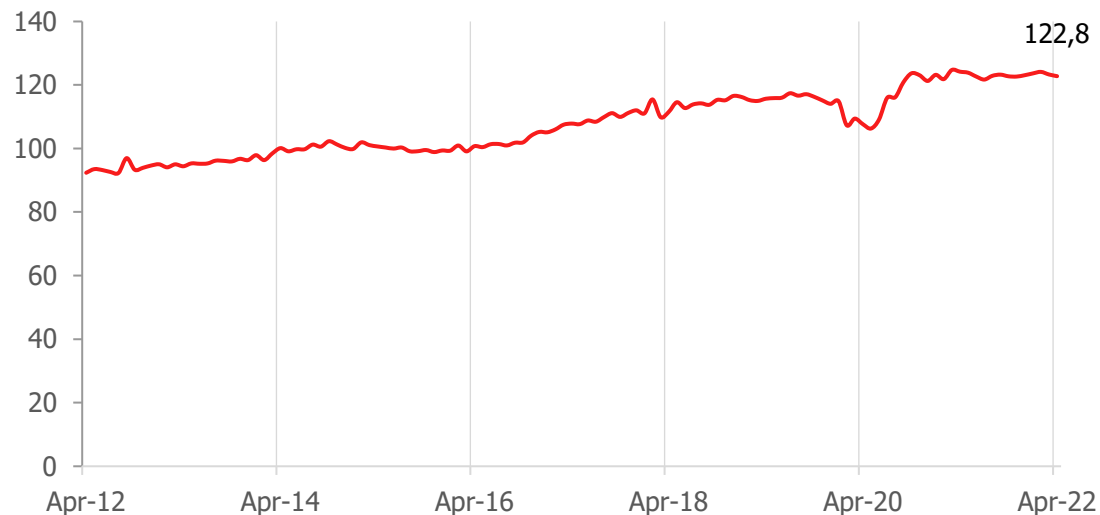


- In the emerging markets, May's PMI was in expansion territory in Brazil and India
- In China, the PMI was in deterioration in May as it continued to be negatively impacted by COVID-19

Market environment – Port Solutions

RWI/ISL Container Throughput Index

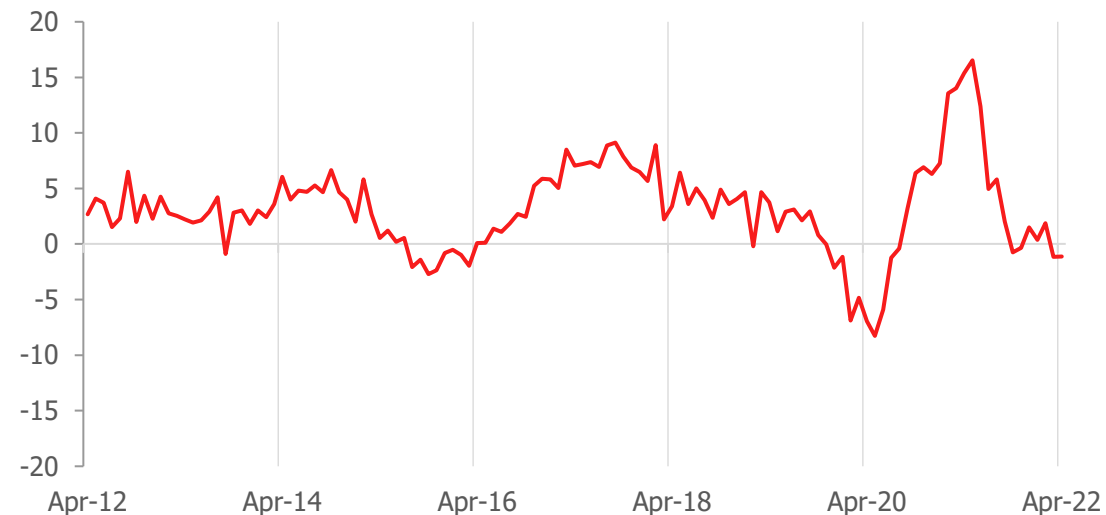
Index (2015 = 100)



- The global container throughput began 2022 at a relatively strong level and during the year, it has remained steady at similar levels as in 2021

Monthly index change Y/Y

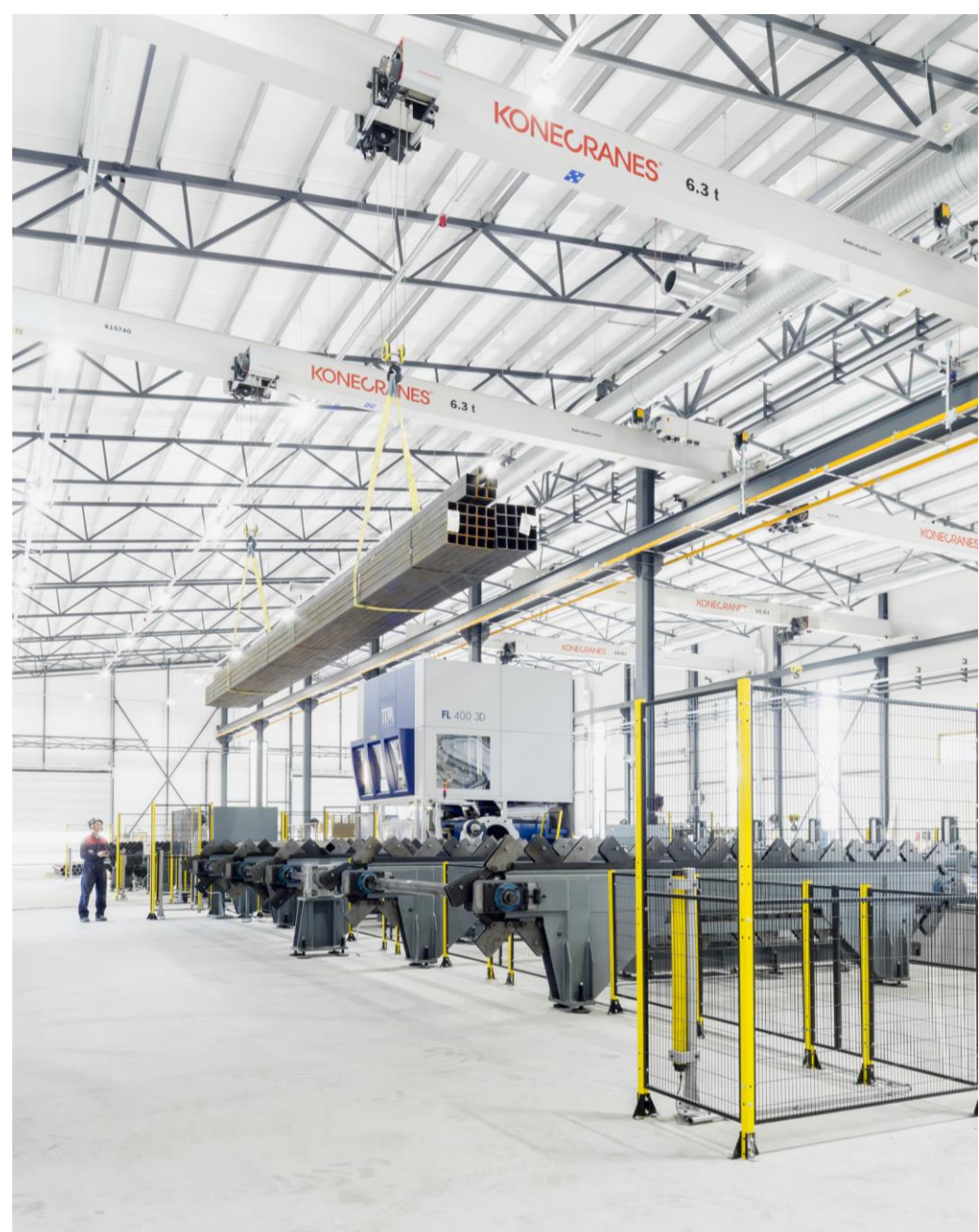
%



- At the end of April, global container throughput was approximately 1 percent lower than the year before

Q2 Demand outlook

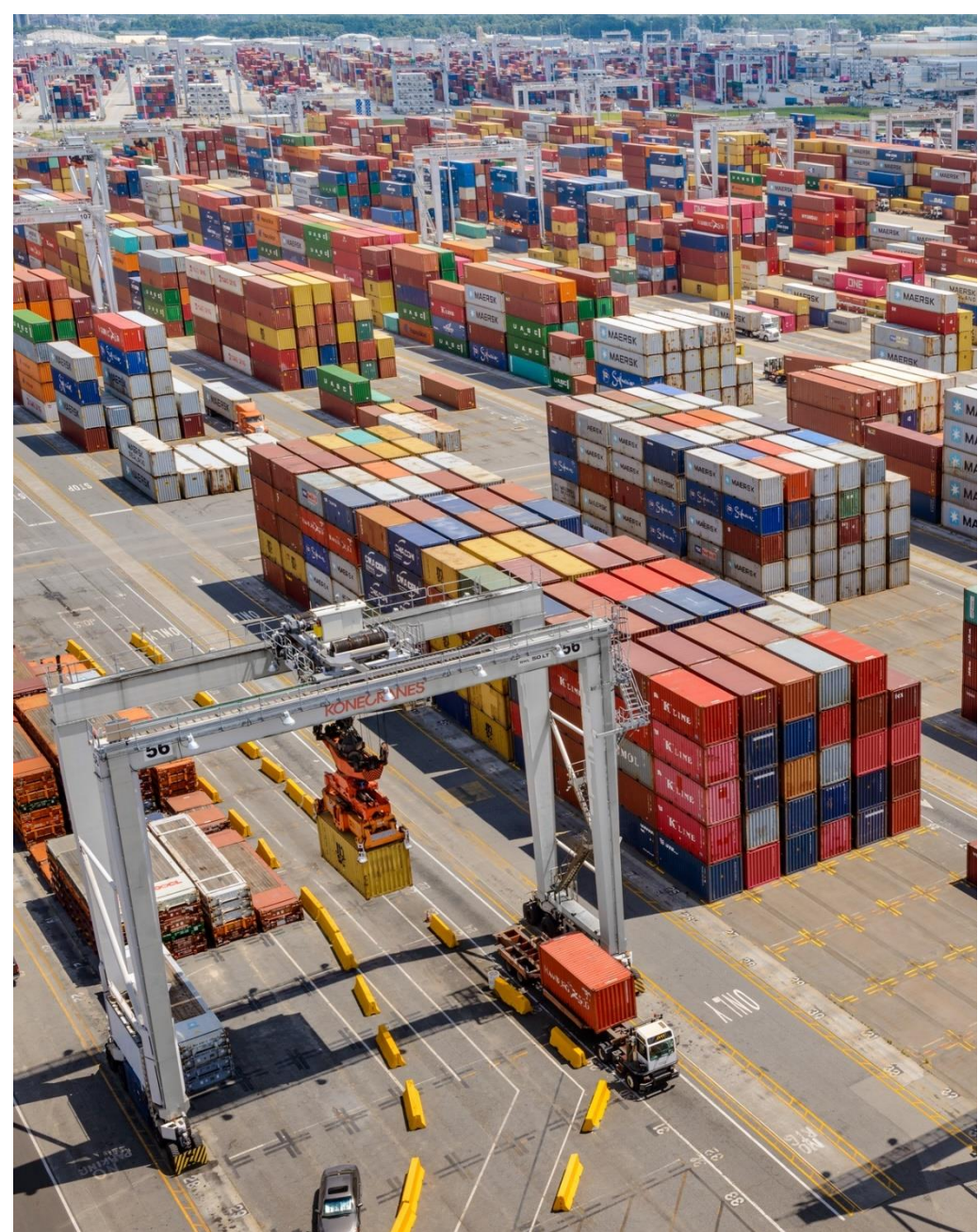
- The worldwide demand picture remains subject to volatility due to the war in Ukraine having increased inflation and material availability concerns. Also the COVID-19 pandemic continues.
- In Europe and North America, the demand environment within the industrial customer segments is on a healthy level. In Asia-Pacific, the demand environment remains below Europe and North America.
- Global container throughput continues high, and long-term prospects related to global container handling remain good overall.



Financial guidance

Financial guidance for 2022

- Net sales expected to increase in full-year 2022 compared to 2021
- Full-year 2022 adjusted EBITA margin expected to improve from 2021



The impact of the war in Ukraine on Konecranes

Konecranes condemns Russia's aggression towards Ukraine. We are saddened and upset by the war and deeply concerned for our Ukrainian employees and their families.

Konecranes in Ukraine

- Over 400 employees in Ukraine and a crane and component factory in Zaporizhzhia, production stopped and redirected to Konecranes' other manufacturing sites
- In Q1, Konecranes impaired all Ukraine related assets, including inventories and receivables

Konecranes is not taking any new business from Russia

- In Q1, Konecranes wrote off EUR 78.9 million of orders from Russia and reversed EUR 32.1 million of sales to Russia
- The orders had been booked and the project revenues recognized prior to 2022

In Q1, the EBIT impact of these impairments and the cancelled project sales was approximately €47 million and the full amount has been included in adjustments



Focus areas in 2022

1. Business excellence
2. Industry Leadership
3. Sustainability



Strategic initiatives strengthening our core competencies



Service Revenue and Profitability Growth



Industrial Equipment Profitability Improvement



Project Management



Lean Operations



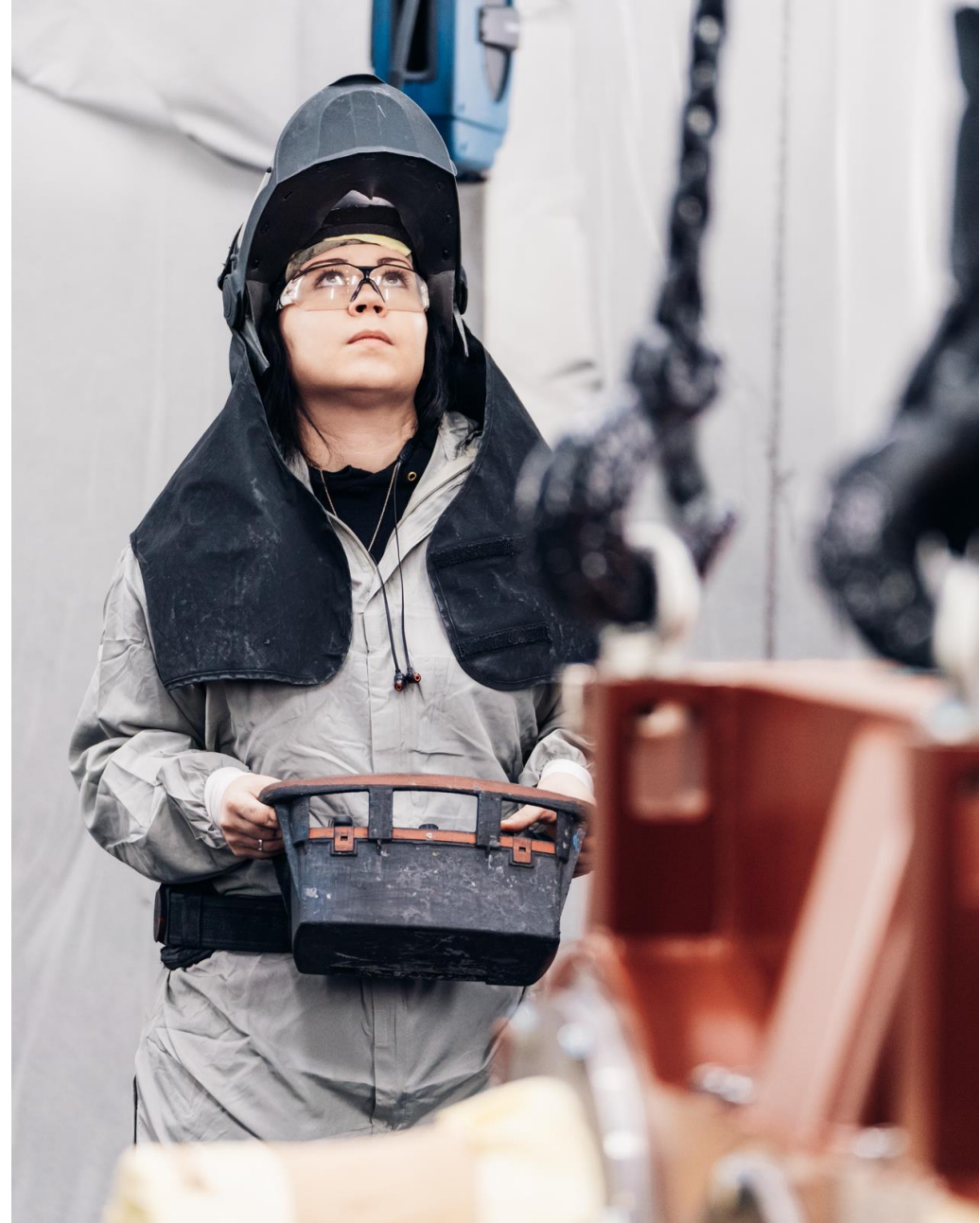
Procurement Excellence



Business Process Efficiency Improvement

Service

- Industry-leading maintenance services for all types and makes of industrial lifting equipment
- Objective is to improve the safety, productivity and sustainability of customers' operations
- The ambition continues to be to grow both sales and profitability



Industrial Equipment

- Konecranes aims to further strengthen its position as a global leader in lifting equipment
- Continued focus on Industrial Equipment profitability improvement



Port Solutions

- The long-term prospects related to container handling remain good overall
- The industry's focus is on electrification, automation and digitalization
- Konecranes wide product, solution and service offering boost sustainability across the industry



Anders Svensson appointed President & CEO of Konecranes



- Anders Svensson will assume his role at the latest on December 7, 2022
- Will join Konecranes from Sandvik, a global, high-tech engineering group
- At Sandvik, he currently leads the Rock Processing Solutions Business Area



**NOT JUST LIFTING
THINGS, BUT ENTIRE
BUSINESSES**