CMD 2025

# Shaping next generation material handling for a smarter, safer and better world

Anders Svensson, President and CEO
Teo Ottola, CFO

May 20, 2025

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# Konecranes in brief

Nasdaq Helsinki
**KCR**
since 1996

Headquartered in
**Hyvinkää**
Finland

Active in around
**50**
countries

Approximately
**16,700**
employees, Q1/25

Orders received
**3,999.6**
MEUR, 2024

Net sales
**4,227.0**
MEUR, 2024

Comparable EBITA
**13.1%**
margin, 2024

Order book
**2,888.4**
MEUR, 2024

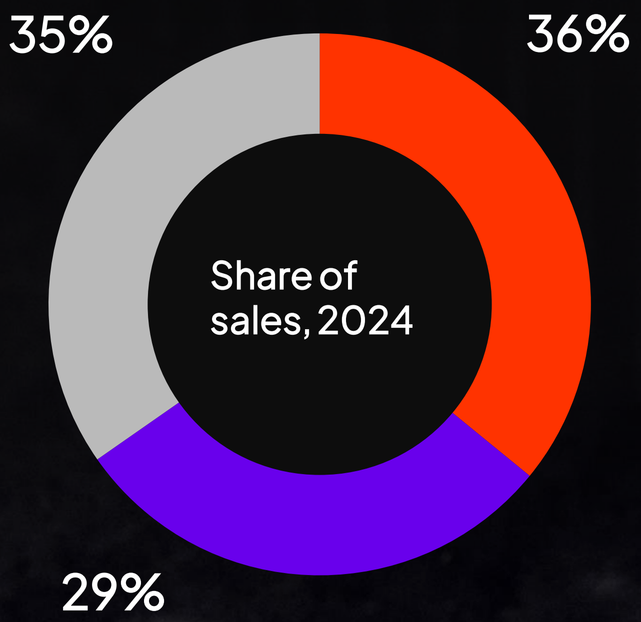
# Business Area overview

## Port Solutions

**Western leader in cargo handling** with widest and deepest offering in container handling

| Market position | Market size | Participants |
|---|---|---|
| #1-3 | ~15-20 BEUR | Hundreds |

| Net sales | Comp. EBITA | Personnel |
|---|---|---|
| 1,521.7 | 9.3% | 3,392 |
| MEUR, 2024 | 2024 | End of Q1/25 |




## Industrial Service

**Industry-leading lifecycle services** for all types and makes of industrial cranes and hoists

| Market position | Market size | Participants |
|---|---|---|
| #1 | ~15 BEUR | Thousands |

| Net sales | Comp. EBITA | Personnel |
|---|---|---|
| 1,574.7 | 21.0% | 7,963 |
| MEUR, 2024 | 2024 | End of Q1/25 |

## Industrial Equipment

**Global leader in sustainable lifting solutions** covering full range of industrial applications

| Market position | Market size | Participants |
|---|---|---|
| #1 | ~10 BEUR | Thousands |

| Net sales | Comp. EBITA | Personnel |
|---|---|---|
| 1,289.3 | 9.0% | 5,214 |
| MEUR, 2024 | 2024 | End of Q1/25 |

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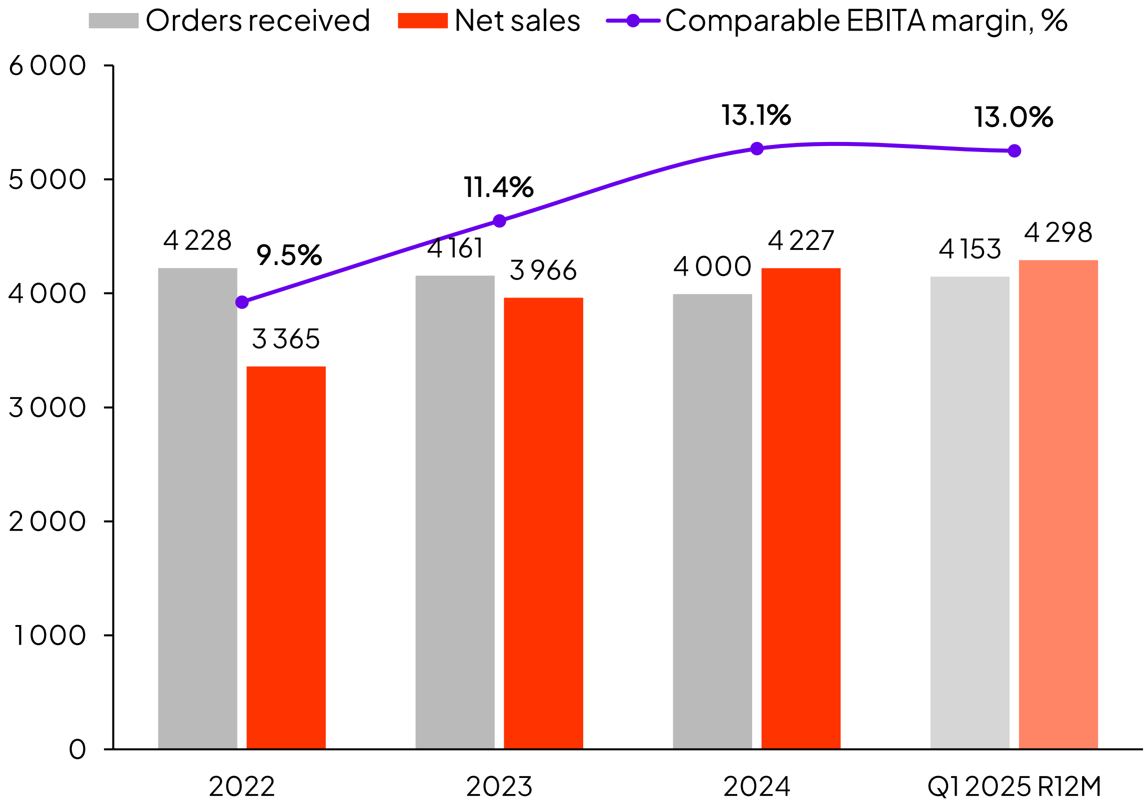
# We have improved our financial performance structurally




**Strong profitability performance driven by:**

- Dynamic pricing
- Volume growth
- Good strategy execution
- Industrial Service and Equipment optimization program
    - Simplified go-to-market model
    - Product platform harmonization

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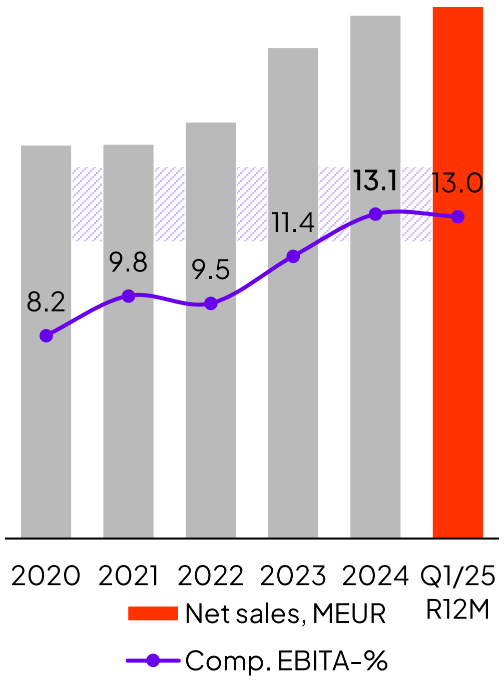
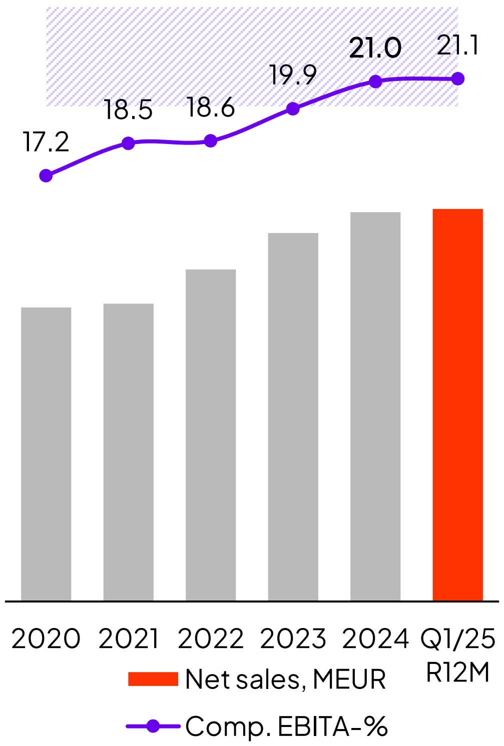
# We have reached our profitability target range ahead of the original timeline

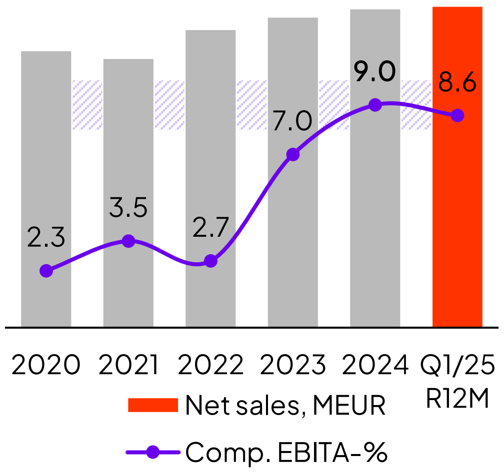
## Group
Target: 12-15%[1]



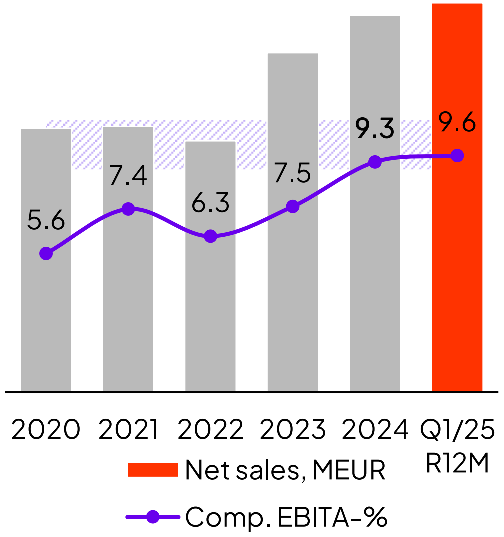

## Industrial Service
Target: 20-24%[1]




## Industrial Equipment
Target: 8-10%[1]




## Port Solutions
Target: 9-11%[1]




Note (1): Profitability range, depending on the cycle

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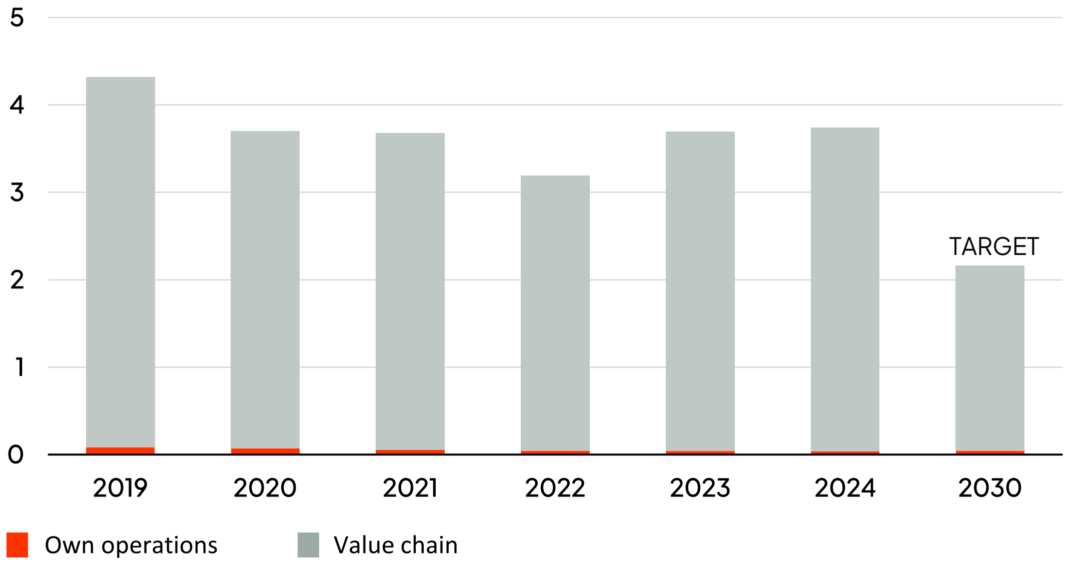
# We have executed on our climate agenda and raised our ambition level

## PROGRESS

Emissions ($CO_2e$ tons, million)




**Additionally, Konecranes has committed to set science-based net-zero 2050 targets**, complementing its current near-term targets.

OWN OPERATIONS:

- **Carbon neutral own operations** by 2030
- **Progress: -56%** in 2019-2024

VALUE CHAIN:

- **50% absolute GHG emission reduction** by 2030 [(1)], encompassing the use of sold products and steel related purchases[(2)]
- **Progress: -12%** in 2019-2024

Sustainability ratings

MSCI ESG RATINGS AAA (CCC B BB BBB A AA AAA)

Climate CDP A List 2024

GOLD | Top 5% ecovadis Sustainability Rating AUG 2024

Note (1): From 2019 base year
Note (2): The Scope 3 SBT target covers more than 70% of the value chain emissions.

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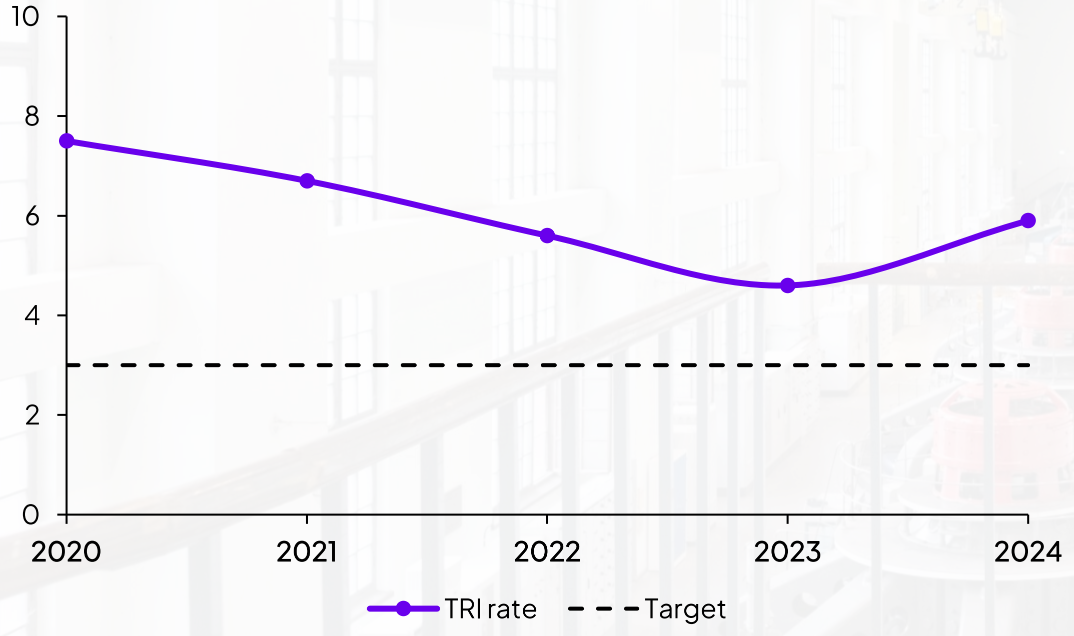
# We have taken actions to bring our safety performance back on track

Group Total Recordable Incident (TRI) rate




**Actions:**

- Increased leadership engagement
- Systematic learning from incidents with follow-up of corrective actions
- Implementation of new metrics to identify high and low performers
- Focused actions based on main risk areas
- Rebuilding of the HSE organisation

# Konecranes is well-positioned for the future

We have improved our performance structurally

We have attractive opportunities for growth

Our strong balance sheet provides financial flexibility

# Future ambition


Teo Ottola, CFO

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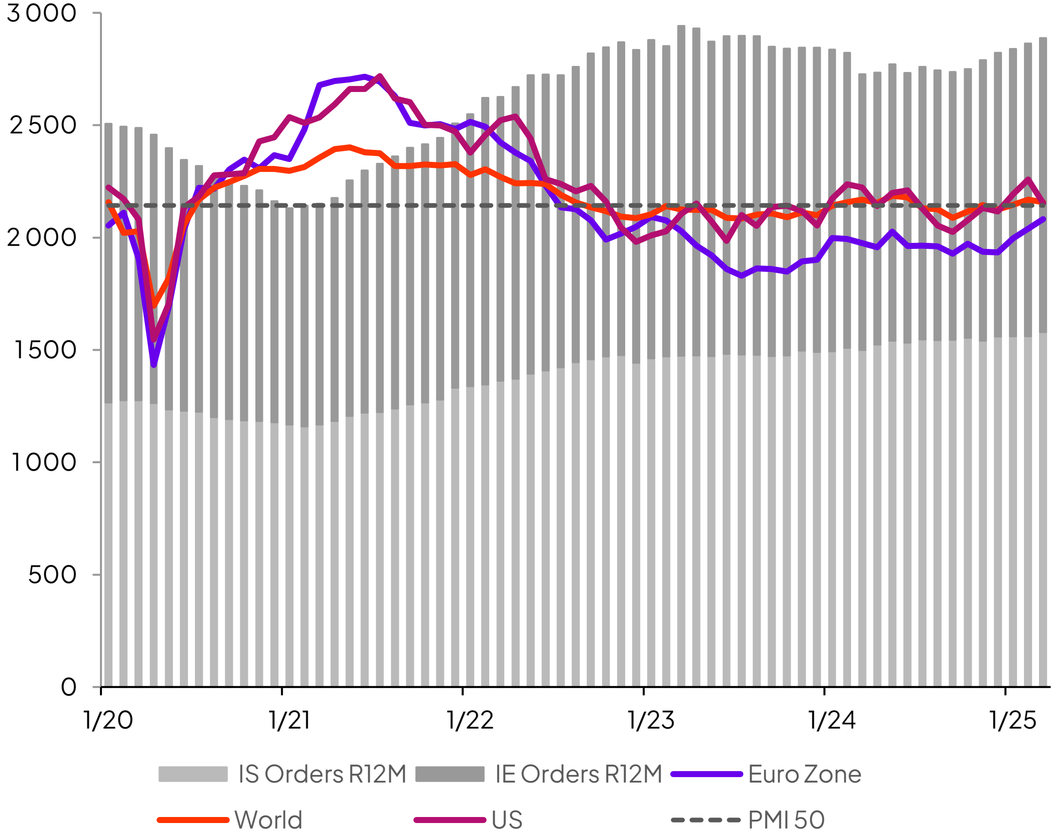
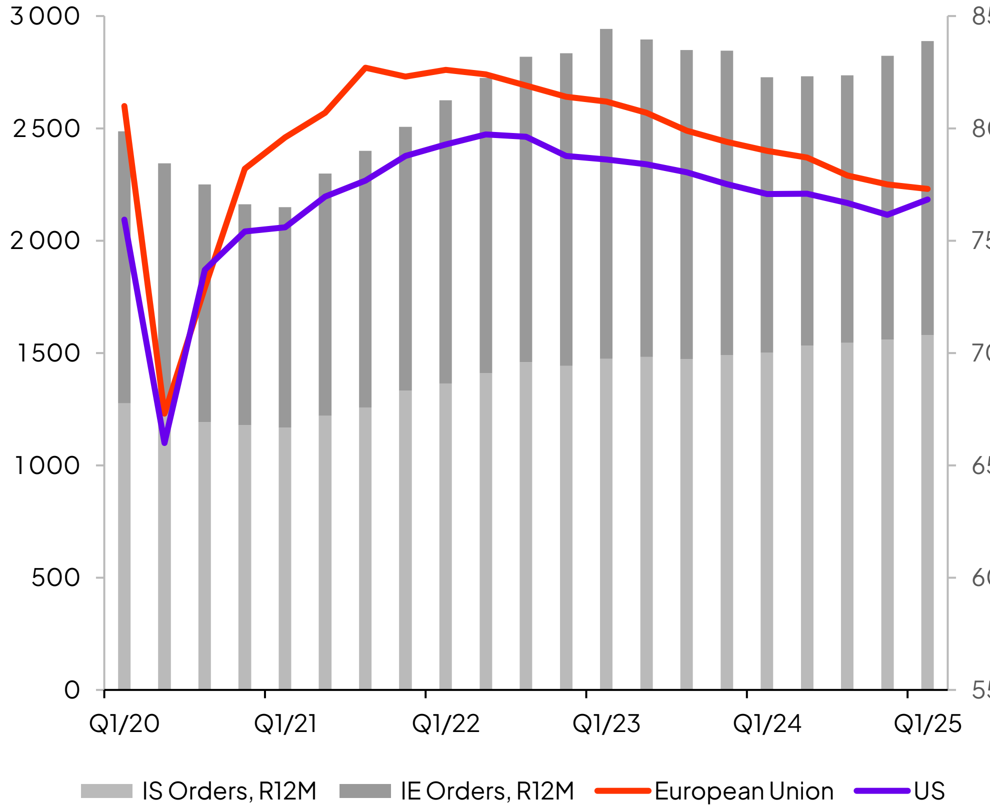
# Our resilience towards economic cycles has improved

## Industrial Service and Equipment orders R12M and monthly PMIs(1)




## Industrial Service and Equipment orders R12M vs. quarterly capacity utilization rates(2)




Note (1): Manufacturing PMI for the World, Euro Zone and US. Source: S&P Global
Note (2): Manufacturing capacity utilization rate in European Union and US. US capacity utilization rate is quarter average. Source: Eurostat, Federal Reserve Economic Data.

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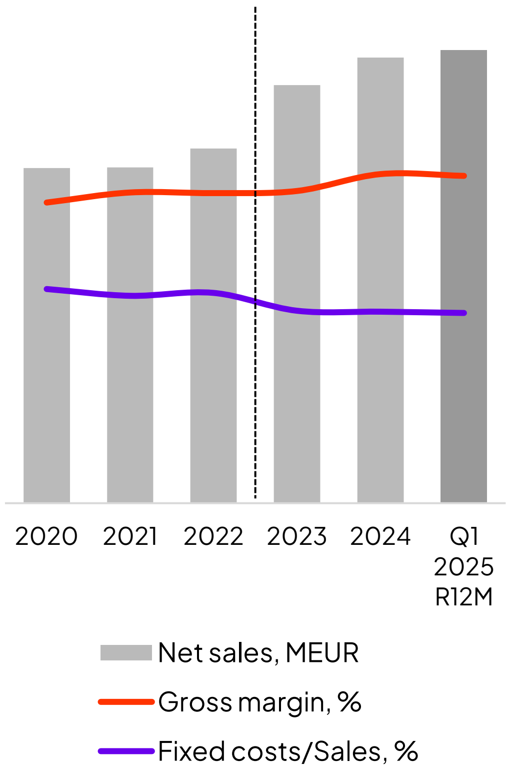
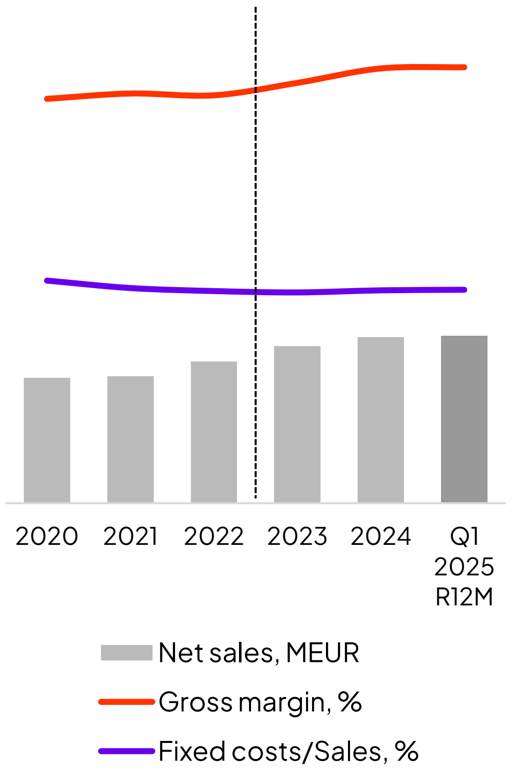
# Structural profitability improvement driven by sales leverage and cost control

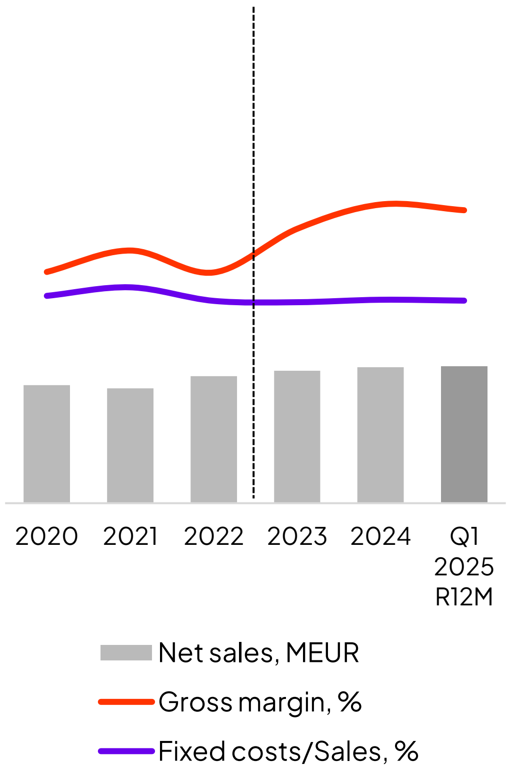
## Group



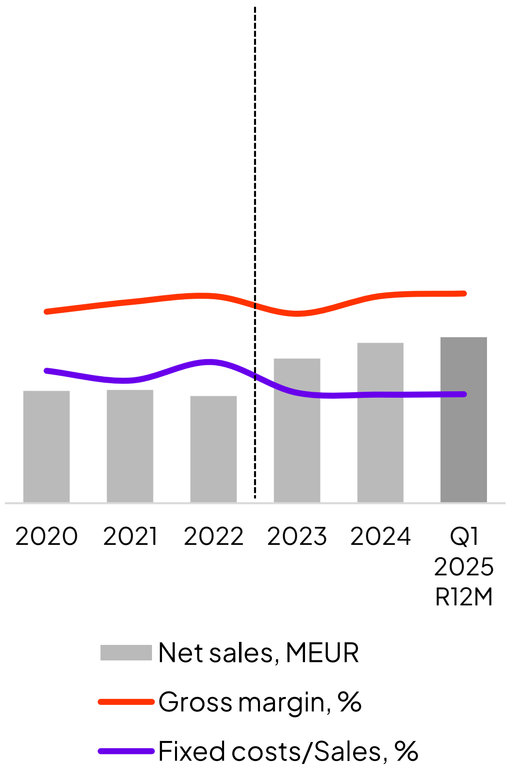

## Industrial Service




## Industrial Equipment




## Port Solutions




Note: Dotted line illustrates development presented in CMD 2023

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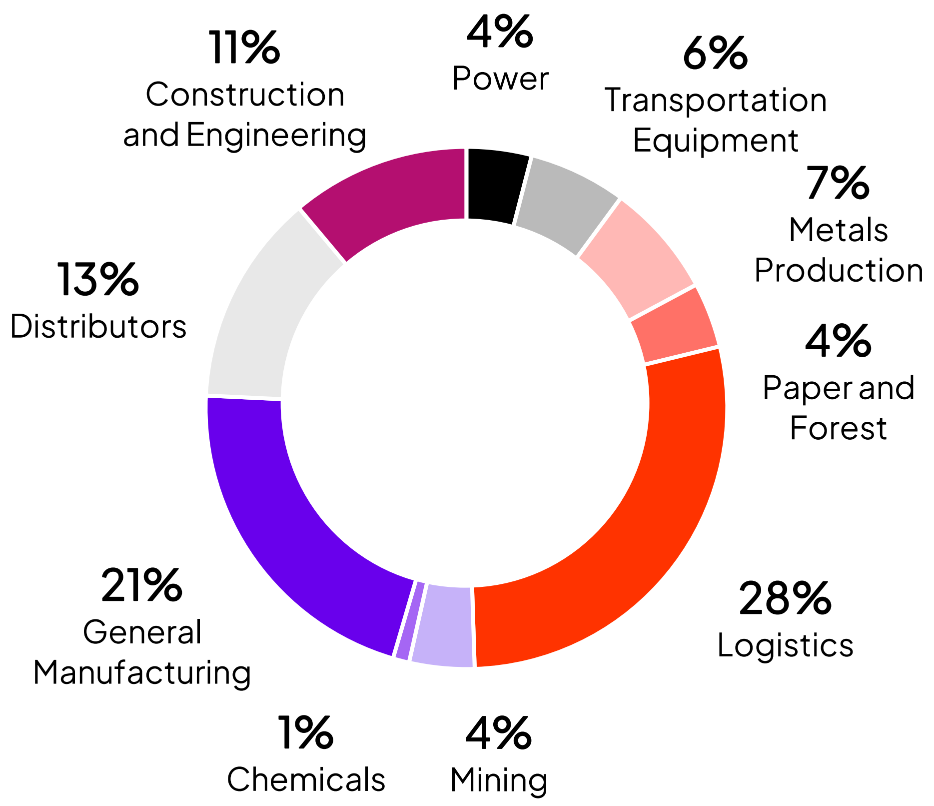
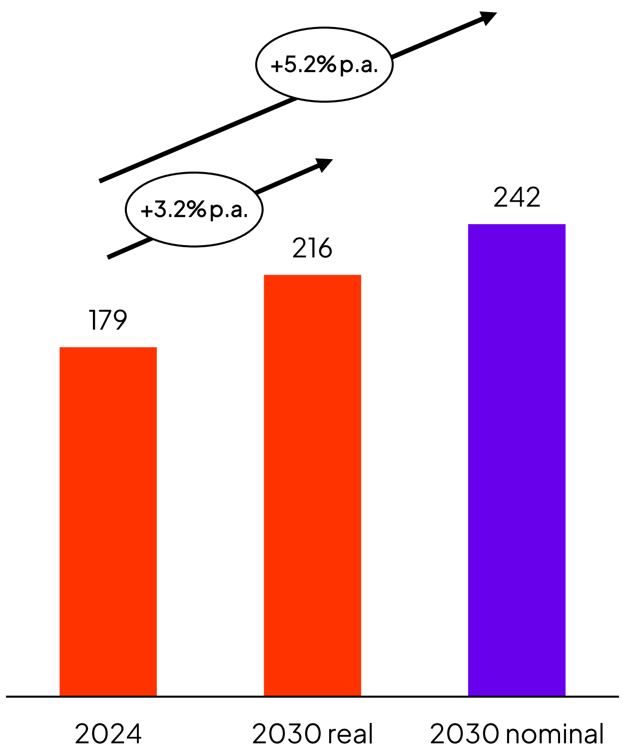
# Our diversified customer base provides good opportunities, while the material handling market is growing

## Orders by customer segments, 2024




## Total material handling growth, EURbn




Note: includes both service and equipment growth and also material handling industries where Konecranes is not currently present
Source: McKinsey analysis

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# Megatrends that shape our industry and provide business opportunities

## Technological development

Technological development is accelerating within the industries we provide solutions to, and customers increasingly explore new solutions to enhance productivity, safety and sustainability.

Automation, digitalization, advanced connectivity, cyber security, AI, electrification

## Geopolitics

Changing trade routes and supply chains increase the global demand for material handling solutions and services.

Nearshoring, friendshoring, regionalization, investments in defense

## Sustainability

While complexity has increased, companies continue to have high ambitions and demands for decarbonization, safety and ethical business conduct.

Circularity, safety, decarbonization, nature, transparency, compliance

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# Material handling will digitalize and continue to provide new market opportunities for Konecranes

## Opportunities & Challenges for Konecranes

Achieving an optimal state requires **seamless integration of humans and all makes of machines** within the same space and the capability for robotic systems to be remotely controlled and monitored.

The extensive data generated from material movements can facilitate a transition towards a **data-centric business model**.

The market dynamics might evolve into direction that industries and ports prefer procuring intralogistics services, thereby accelerating **servitization of intralogistics**.


Material Flow Platform
(with partners)


*Today*

*2030*

| Smart & Connected Machines | Connected Fleet of all makes Smart Machines | Optimized Material Flow System | Human-centred Digitalization of Material Flows |
|---|---|---|---|
| Connectivity and data acquisition enabling the machine to report its real time status, condition for enhanced productivity and remote operation. | Diverse machines connected to one functional fleet of smart machines. | Fleet of machines connected to Manufacturing Operations Management or terminal systems to form an intelligent and autonomous material flow system, optimized by digital twin simulations. | AI Optimized Material Flow, System of Systems, enabling maximum productivity and creating foundation for Industrial Metaverse and Servitization. |

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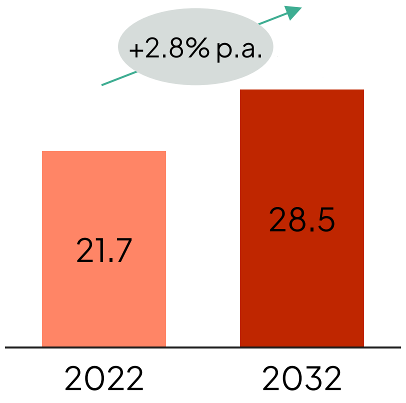
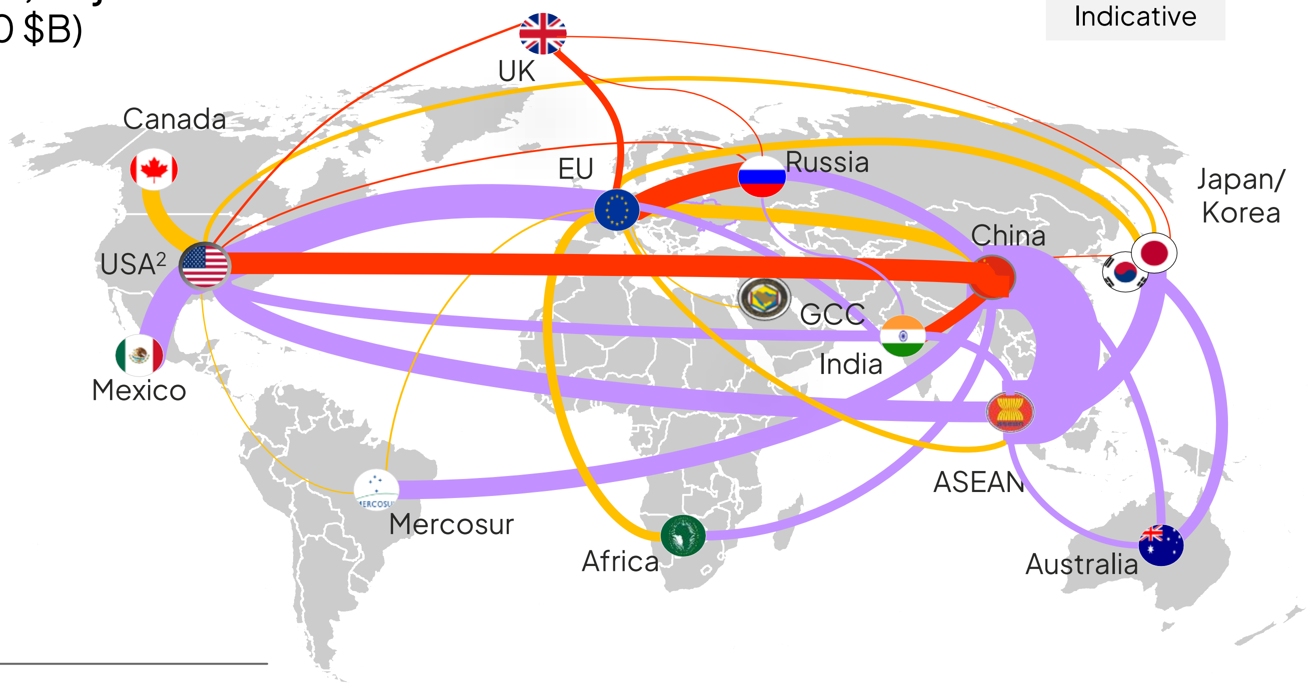
# Geopolitics and macroeconomics are changing the dynamics of global supply chains and trade flows

## Change in trade of goods, major corridors[1]
(2032 vs. 2022, real 2010 $B)

### Exports of goods, global
*Real 2010 $T*




Width of line represents total change in trade flows 2032 vs. 2022

<0% | 0-2.8 | >2.8% — Color of line represents CAGR (%) from 2022 to 2032

## Examples on Konecranes' actions:

- Establishing a US based manufacturing network for Port Solutions
- Reduced dependency on single-source countries and components
- Dynamic tariff tracking process in place

1. Corridors in the map above represent ~45% of global trade in 2022.; 2. Incl. flows from East & West coast Note: Does not include trade of services
Sources: UN Comtrade, Oxford Economics, IHS, WTO, BCG Global Trade Model 2023, BCG analysis

# Our Ambition is to become the world leader in material handling solutions creating value for everyone

### Financial targets:

- Sales growth faster than the market[1]
- Comparable EBITA margin of 13-16%[2] as soon as possible, but no later than in 2029

### Other business targets:

- Reduce absolute Scope 3 value chain GHG emissions by 50% by 2030[3]
- Carbon neutral own operations by 2030
- Total Recordable Incident (TRI) rate less than three by the end of 2030

### Capital allocation:

- CAPEX
- To pay a stable to increasing dividend per share, over the cycle
- Bolt-on acquisitions

[1] nominal world GDP growth, IMF World Economic Outlook
[2] profitability range, depending on the cycle
[3] encompassing purchased goods and services and use of sold products, base year 2019

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# We raise our profitability target level in Industrial Service and Equipment, while Port Solutions remains unchanged

## Sales growth faster than the market[1]

## 13-16% comparable EBITA margin[2]

### Industrial Service

Sales growth clearly faster than the market[1]

**21-25%**
comparable EBITA margin[2]

### Industrial Equipment

Sales growth in line with the market[1]

**8-11%**
comparable EBITA margin[2]

### Port Solutions

Sales growth clearly faster than the market[1]

**9-11%**
comparable EBITA margin[2]

## Comparable EBITA margin target to be reached as soon as possible, but no later than in 2029

[1] nominal world GDP growth, IMF World Economic Outlook
[2] profitability range, depending on the cycle

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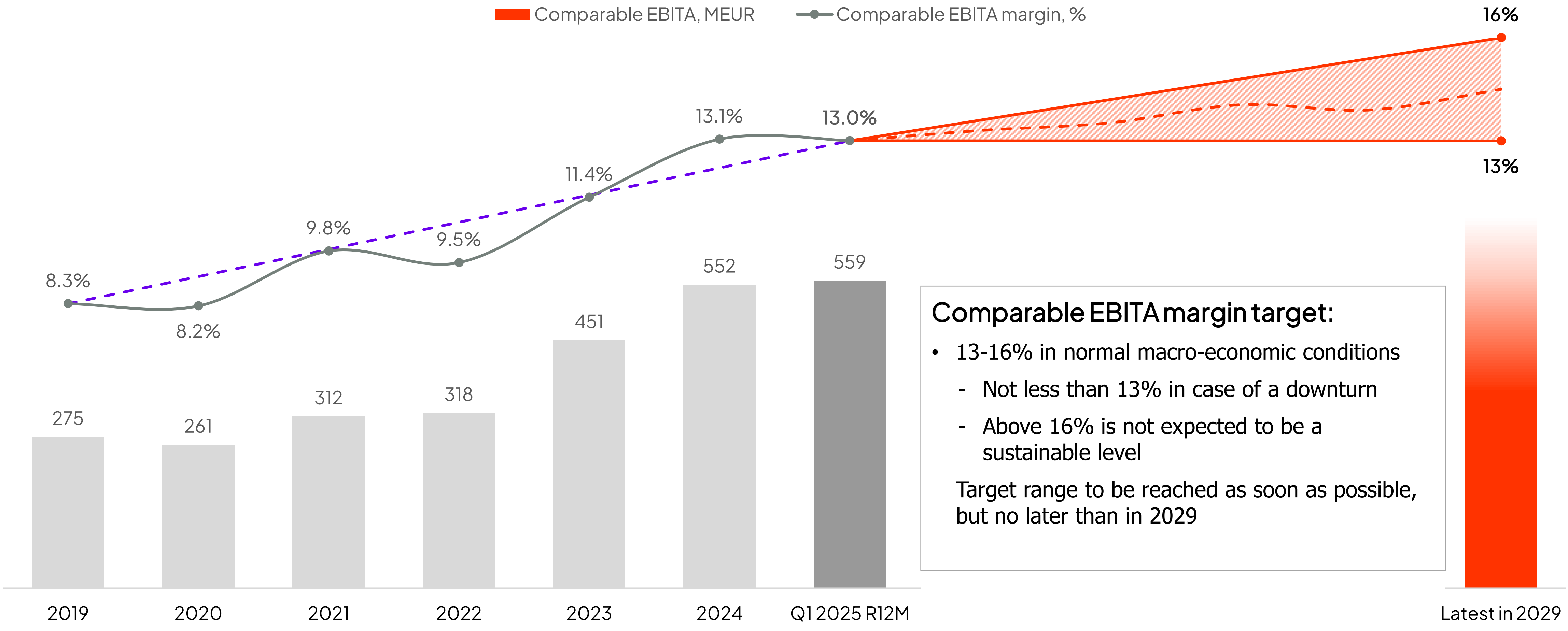
# Our focus is on profitable growth and our Business Areas have clear performance mandates

| Business Area | Industrial Service | Industrial Equipment | Port Solutions |
|---|---|---|---|
| % of total sales | 36% | 29% | 35% |
| % of comp. EBITA | 55% | 20% | 25% |
| Mandate | Growth | Profitability | Growth |
| M&A potential | Bolt-ons | Adjacent & core technology | Bolt-ons, complementary technology |
| Investment appetite | High | Focused | High |

# Illustrative comparable EBITA margin development




## Comparable EBITA margin target:

- 13-16% in normal macro-economic conditions
  - Not less than 13% in case of a downturn
  - Above 16% is not expected to be a sustainable level

Target range to be reached as soon as possible, but no later than in 2029

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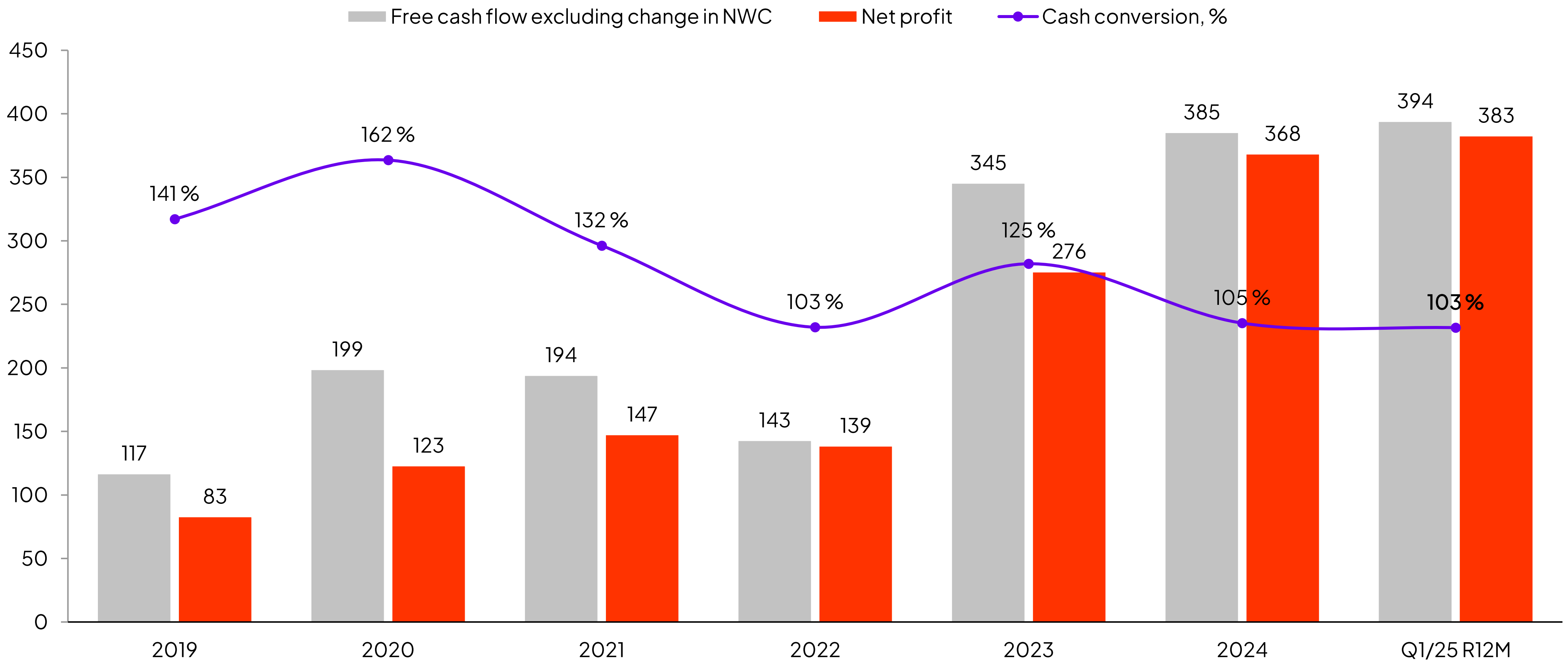
# Our business model is cash generative

**Free cash flow excluding change in NWC and net profit, MEUR and cash conversion, %[(1)]**




Note (1): Free cash flow excluding change in NWC includes repayments of lease liability, cash conversion-% calculated as free cash flow excluding change in NWC and including repayments of lease liability / net profit

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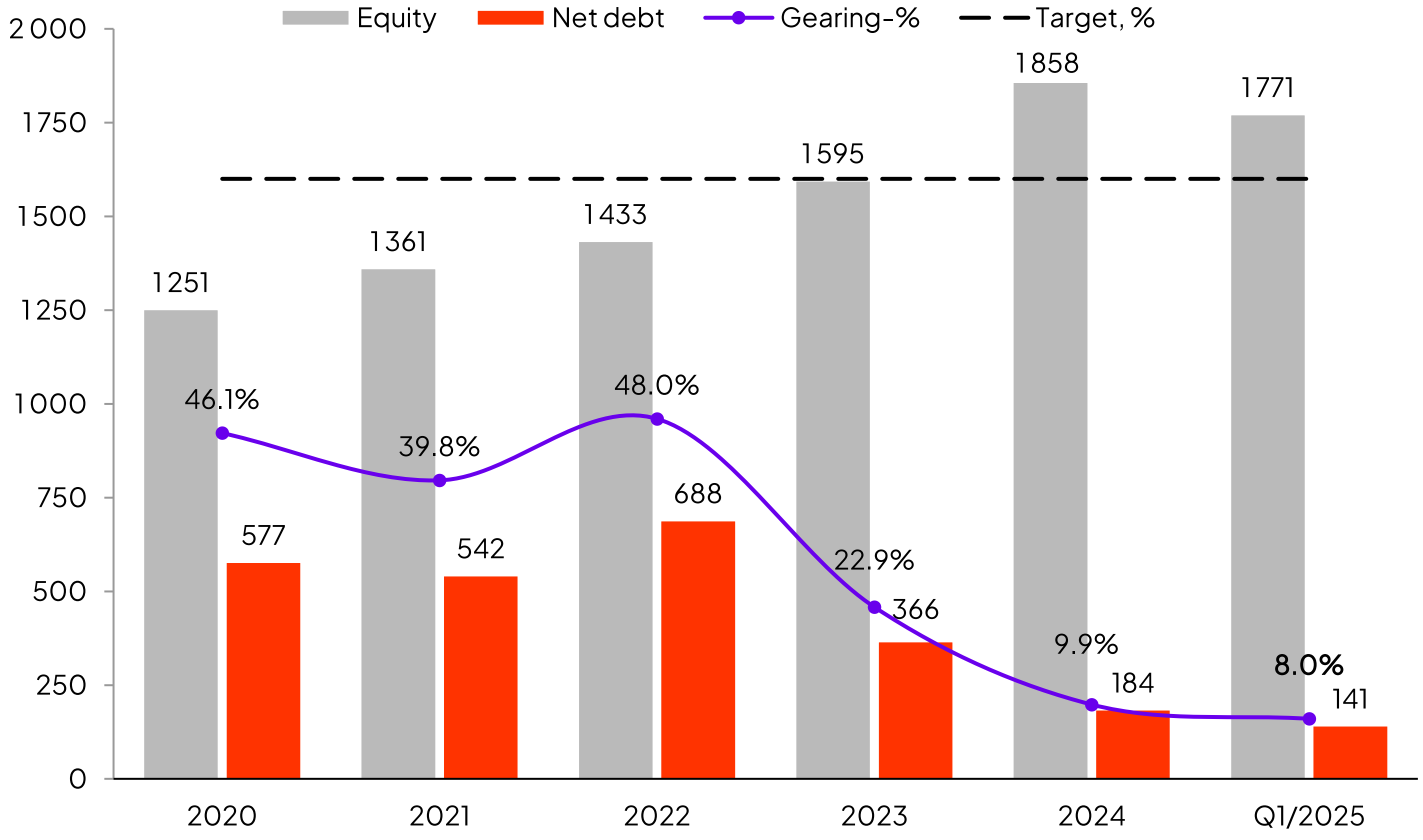
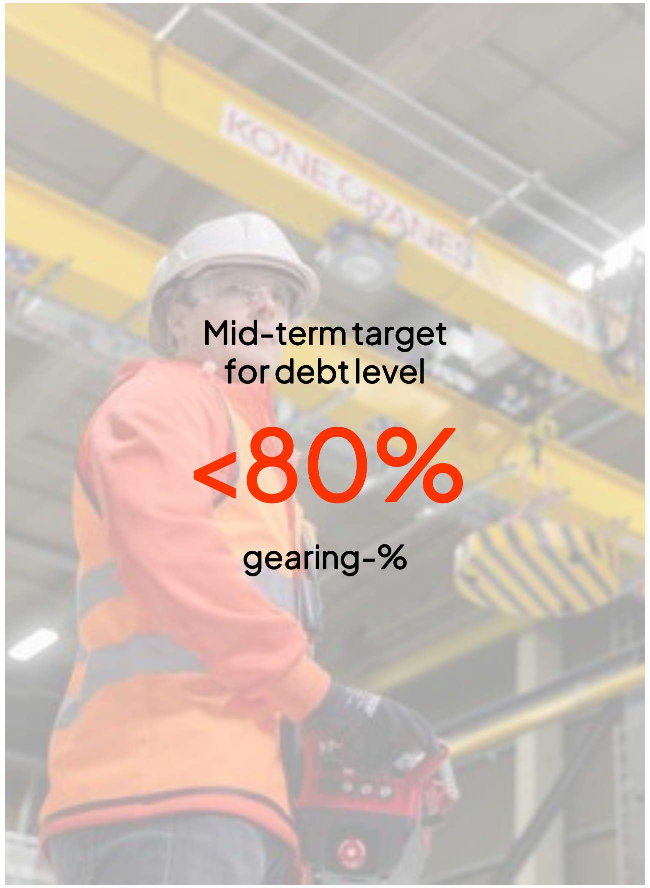
# We have a strong balance sheet with financial flexibility

## Equity & net debt, MEUR and gearing, %



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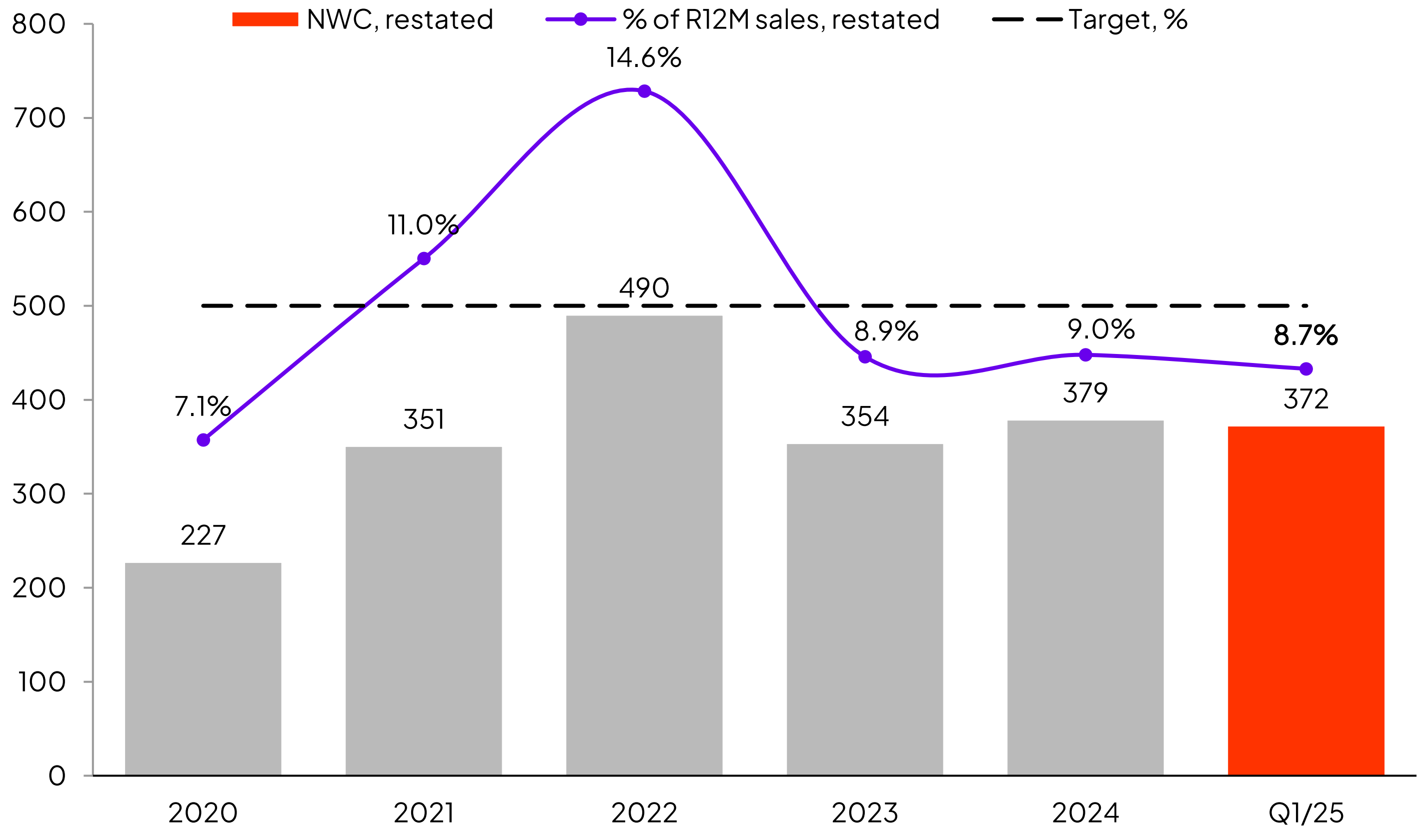
# Our net working capital development is driven by timing of projects and delivery capability

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





Note (1): NWC formula changed from Q1 2023 onwards and net working capital for historical periods restated
Note (2): Q1/25 excluding dividend payable of EUR 130.7 million, Q1/24 excluding dividend payable of EUR 106.9 million

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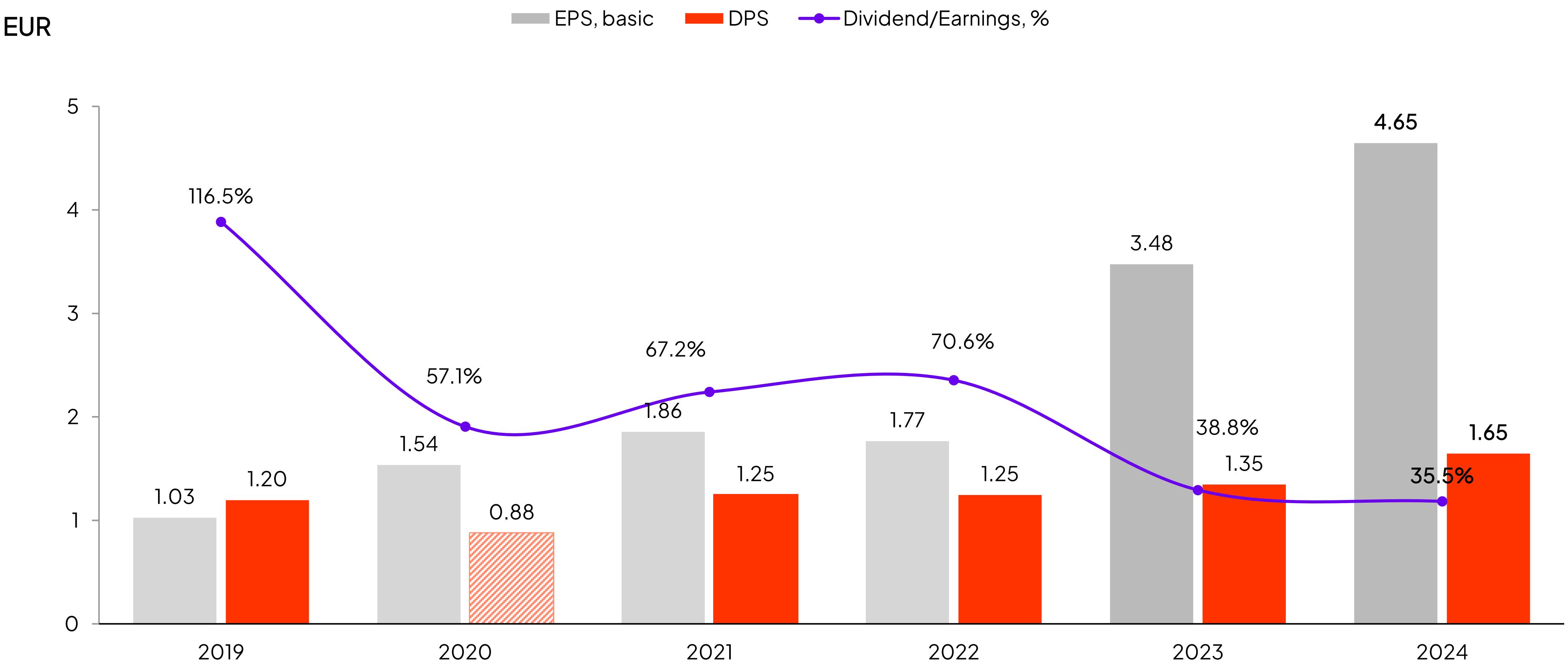
# We pay a stable to increasing dividend to our shareholders




Note (1): For 2020, the dividend of EUR 0.88 per share was in accordance with the Combination Agreement, the planned merger with Cargotec was cancelled in March 2022

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# Our capital allocation priorities

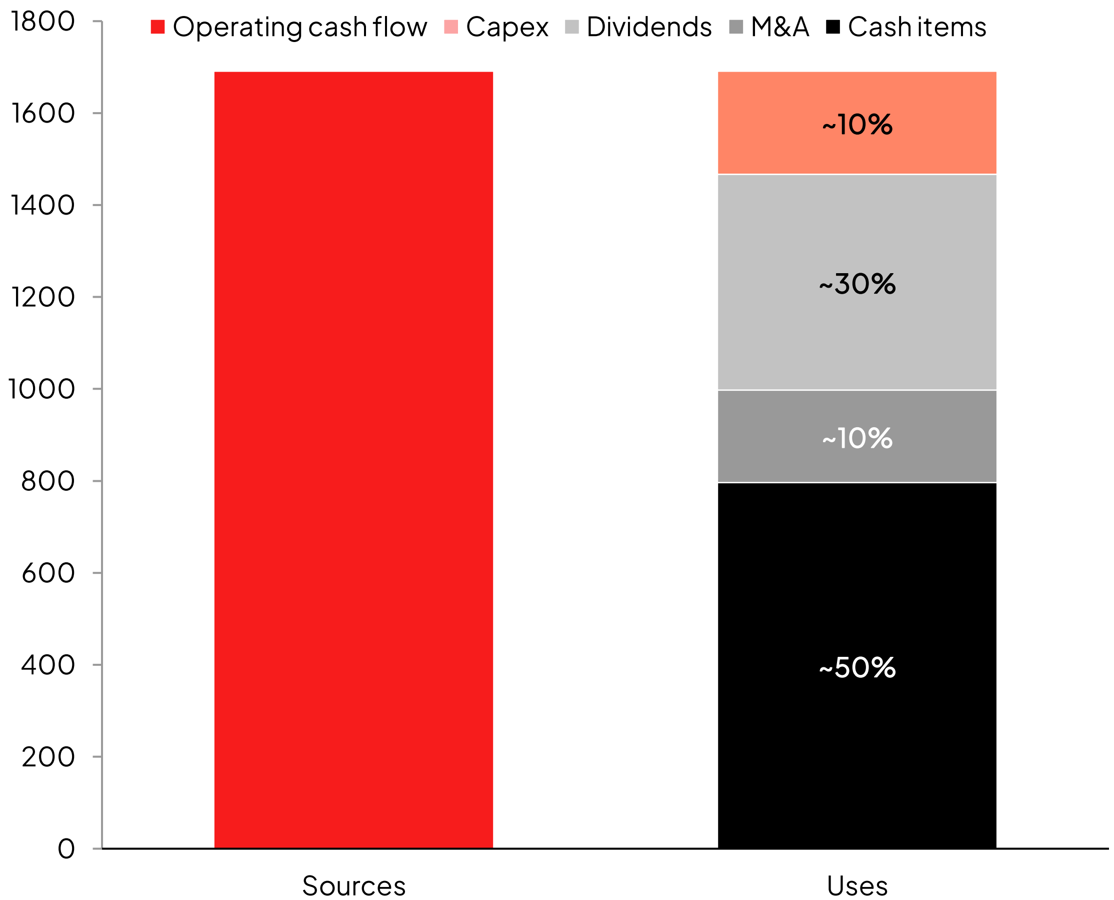
### Capital expenditure
Reinvesting into own operations to grow the business and improve productivity

### Dividends
Distributing profits to shareholders according to the dividend policy

### Acquisitions
Strengthening the business with bolt-on and adjacent acquisitions

### Other
For example, share buybacks, extra dividends

**Sources and uses of cash 2020-2024, MEUR(1)**




Note (1): Capex includes capital expenditures and proceeds from sale of property, plant and equipment, M&A includes acquisition of Group companies and divestment of Businesses (net of cash), Cash includes other cash flow from financing activities, translation differences in cash, and change of cash and cash equivalents

# Konecranes as an investment

Leader in technology

Strong market position in all Business Areas

Attractive opportunities for growth

Profitability target for 13-16% Group comparable EBITA margin

Strong financial position and dividend

Long-term commitment to sustainability

# Thank you.