

The image shows two men in industrial workwear. They are wearing white hard hats and high-visibility jackets. The man on the left is wearing a blue and yellow jacket, while the man on the right is wearing a yellow and black jacket. They are both smiling and looking at a tablet held by the man on the right. The background is a blurred industrial site with yellow structures.

BA Industrial Service & Equipment

Investor update

Fabio Fiorino, EVP Industrial Service & Equipment June 11, 2024

KONECRANES

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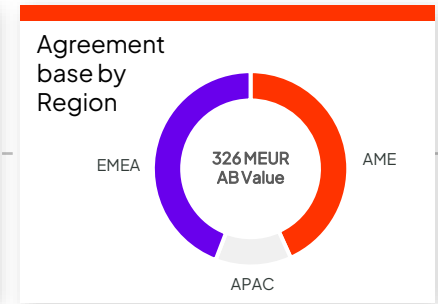
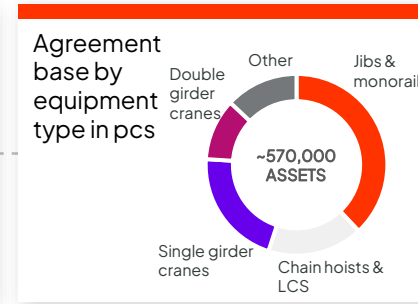
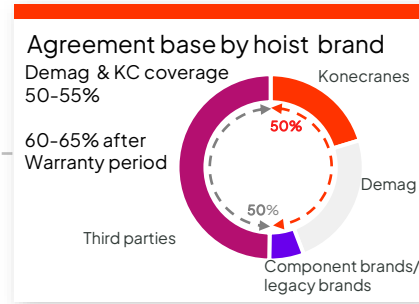
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Service today

IMPROVING THE SAFETY, PRODUCTIVITY AND SUSTAINABILITY OF OUR CUSTOMERS' OPERATIONS

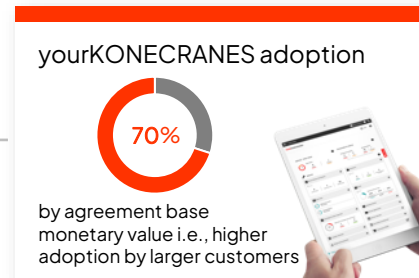


DIVERSIFIED AGREEMENT BASE

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



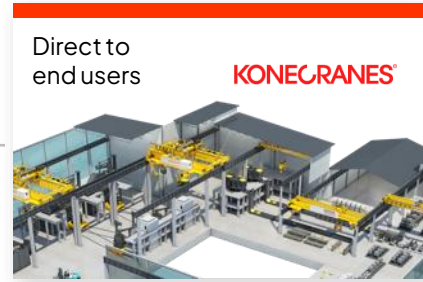
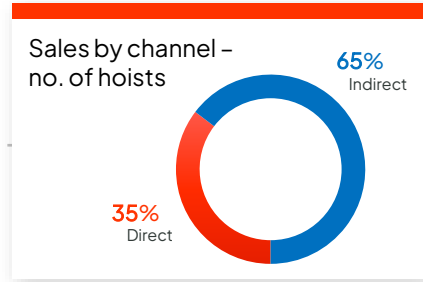
LARGEST AND MOST EXTENSIVE SERVICE NETWORK



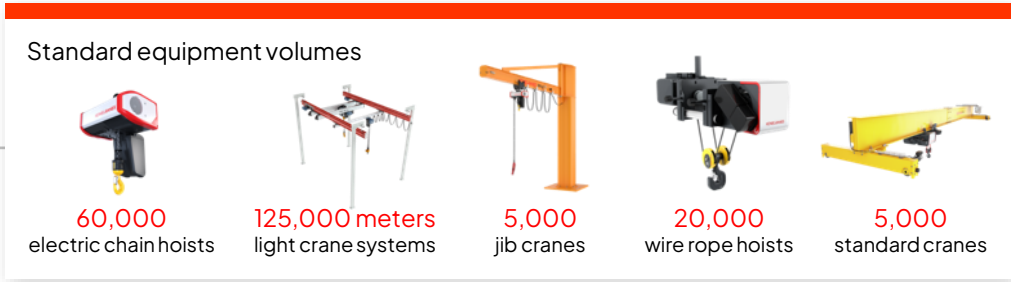
NEXT GENERATION DIGITAL SERVICES

Industrial Equipment today

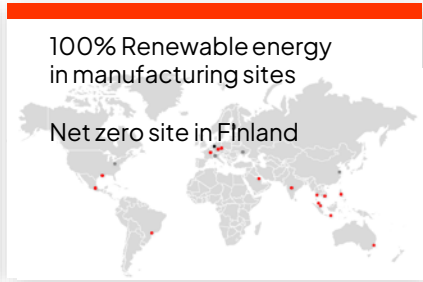
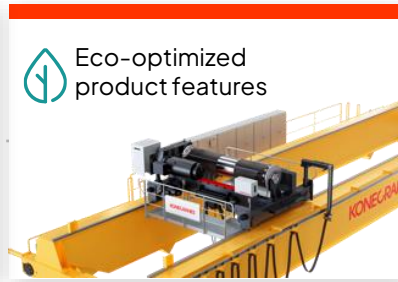
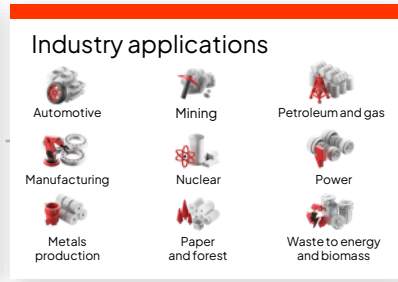
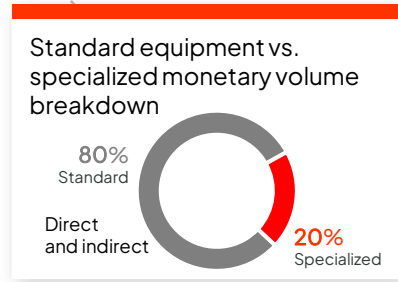
Global leader in sustainable lifting solutions covering a full range of industrial applications



DUAL CHANNELS TO MARKET



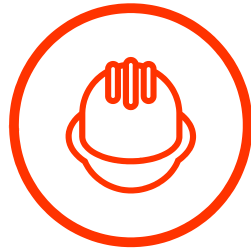
COMPREHENSIVE OFFERING/ECONOMIES OF SCALE



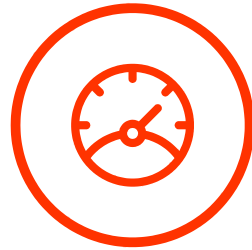
INDUSTRY EXPERTISE

EMBEDDED SUSTAINABILITY

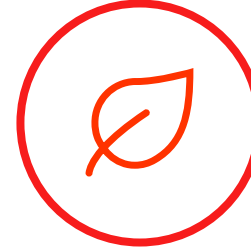
Megatrends and underlying demand drivers



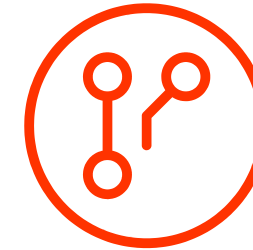
SAFETY



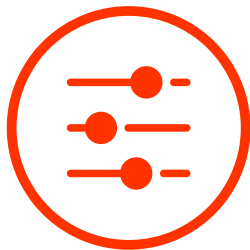
PRODUCTIVITY



SUSTAINABILITY



DIGITALIZATION
& AUTOMATION



REGULATIONS
& COMPLIANCE



OUTSOURCING

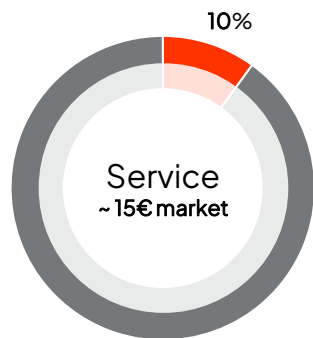
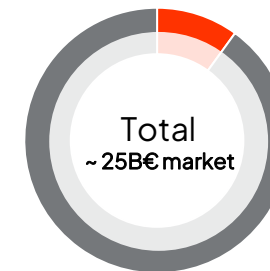


AGING INDUSTRIAL
WORKFORCE



SUPPLY CHAIN
REALIGNMENTS

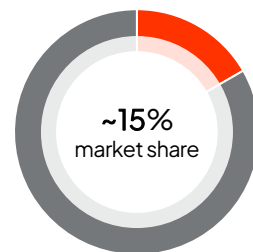
We are a global leader with plenty of opportunity for market share growth



Industrial Service market

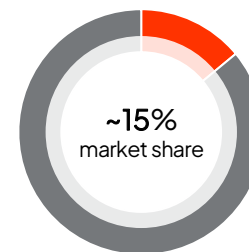
Service market size/ market share includes all maintenance services both insourced and outsourced. Service scope based on current Konecranes scope.

SERVICE: EMEA



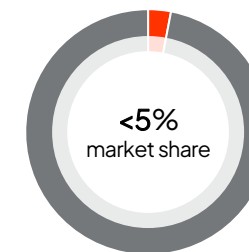
Market size: ~4B€

SERVICE: AME

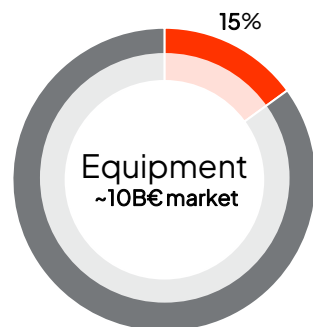


Market size: ~3.5B€

SERVICE: APAC



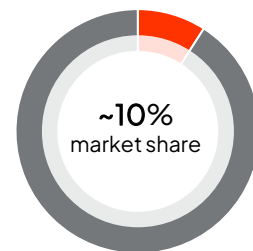
Market size: ~7B€



Industrial Equipment market

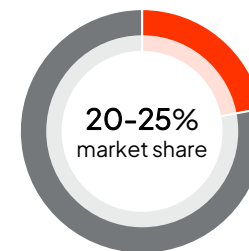
Equipment market share is adjusted for hoist and component packages sold through Alpha channel i.e., equivalent “crane units.”

LIGHT LIFTING EQUIPMENT



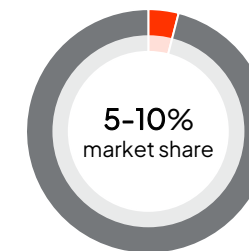
Market size: ~3B€

STANDARD CRANES/
WIRE ROPE HOISTS¹



Market size: ~5B€

PROCESS CRANES



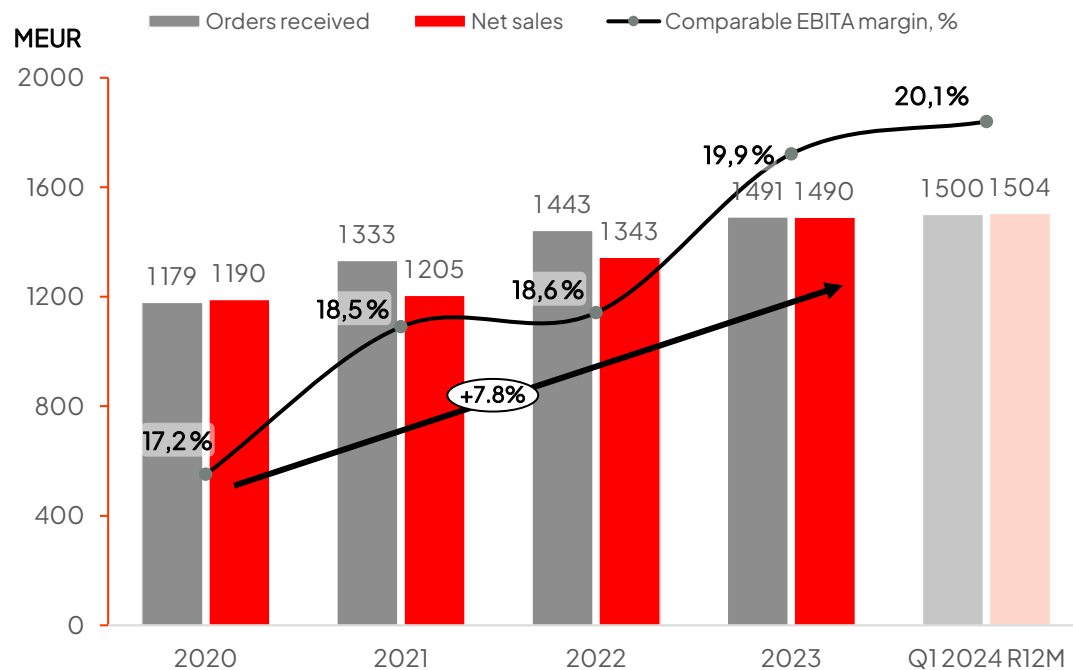
Market size: ~3B€

¹Not all parts of the Chinese market are addressable - nor are western maintenance practices followed throughout. Same comment may apply to other developing markets.

²Market share of CTO/WRH includes estimated crane volume from sold hoists through the Alpha channel. 15% of sold solo hoists are assumed to be for replacement purposes and a crane would need in average 1.15 hoists.

Service

Proven profitability performance | Focus on growth

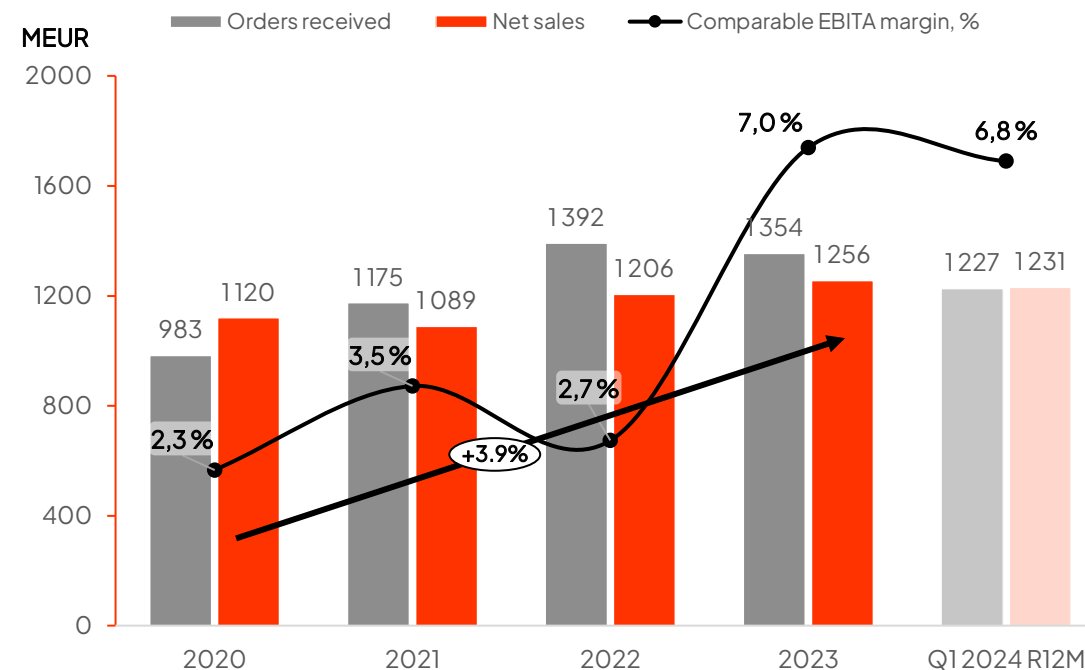


2023-2024 | Focus on growth

- Agreement base expansion / Offering renewal
- Continuous improvement / Customer experience
- Digital services/ecosystem
- Bolt-on acquisitions e.g., Whiting, Munck

Industrial Equipment

Strong orders recovery and profitability improvement



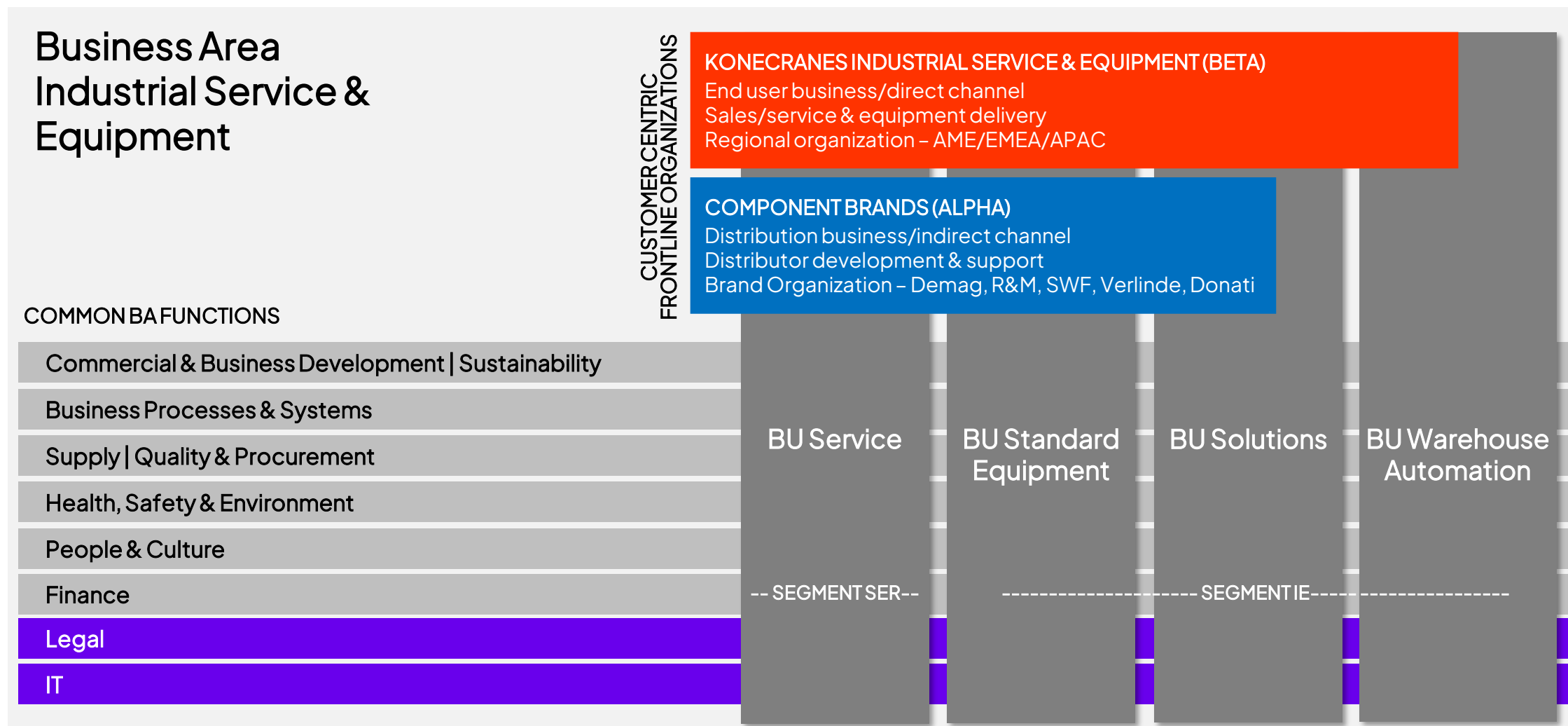
2023-2024 | Focus on profitability

- Simplify go-to market strategy
- Price management / Commercial excellence
- Continue platform harmonization / Offering renewal
- Supply chain optimization / operation excellence; IPD divestment

Note: In the beginning of 2024, Konecranes made changes in reporting Industrial Equipment's order intake and net sales. The change also impacts Industrial Equipment's relative profitability. Year 2023 figures presented have been restated and are fully comparable with the current year figures. Earlier years have not been restated.

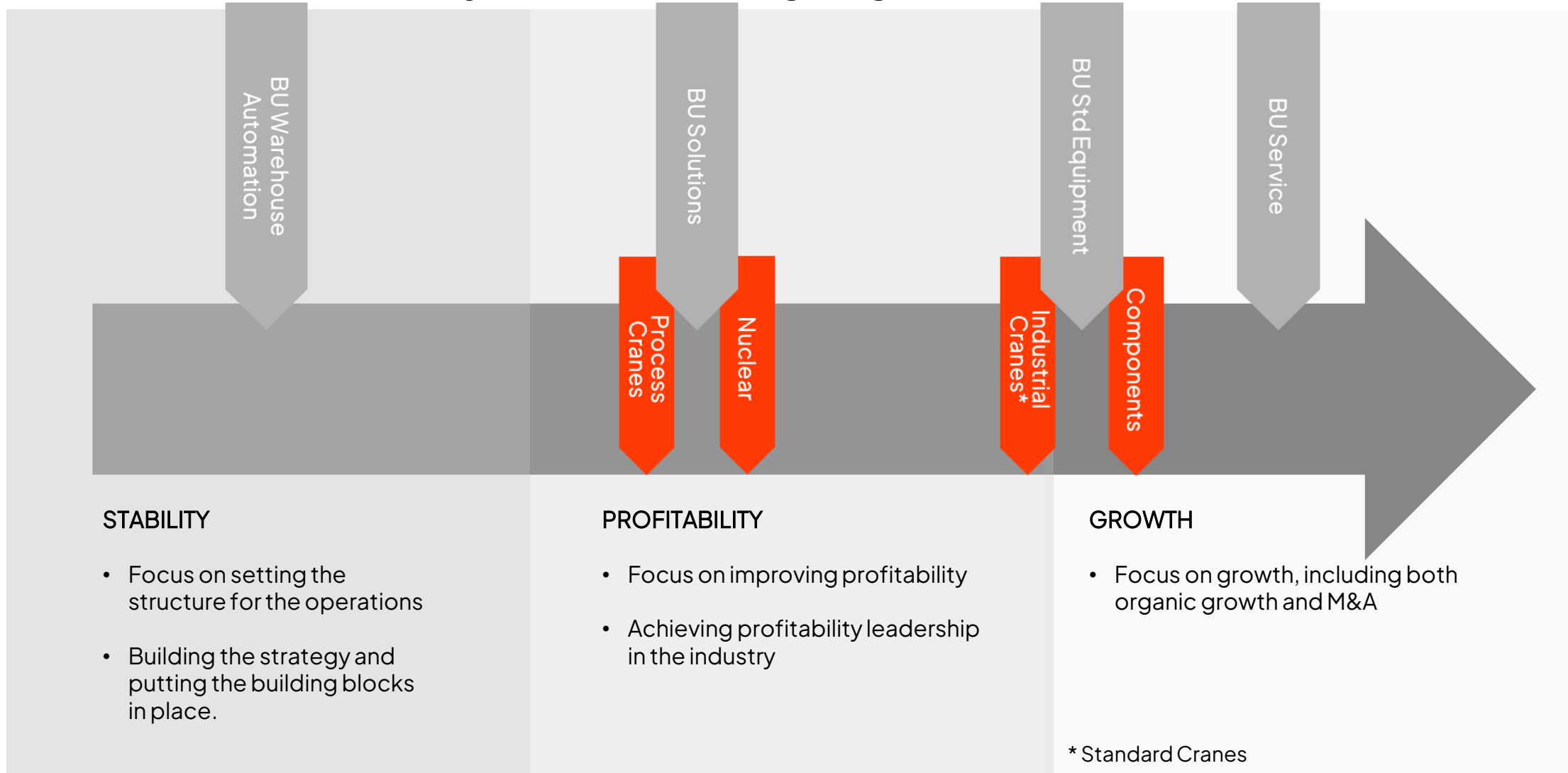
Focused on customer centricity, efficiency and growth

Updated operating model following decentralization round and establishment of BUs



Managed performance

Focused on profitability before moving to growth



Our ambition is to set the benchmark among “industrials”

SERVICE

- Sales growth clearly faster than the market¹
- Comparable EBITA margin of 20-24%²

EQUIPMENT

- Comparable EBITA margin of 8-10%²
- Sales growth in line with the market¹



¹ nominal world GDP growth, IMF World Economic Outlook

² as soon as possible, but no later than in 2027. Profitability range, depending on the cycle.

Service Focus on growth



- Crane 6**
 Single girder EOT - 2 trolleys ...
 KONECRANES/2005/CXT/TR...
 Bay 3 - Structural
 Low
 Jul 29, 2017
 Hoist A Brake 28%
 -1.9% during period
- Crane 4**
 Single girder EOT - 2 trolleys ...
 KONECRANES/2005/CXT/TR...
 Bay 2 - Structural
 Moderate
 Jul 20, 2017
 Hoist A Hoist Cycles 92%
 -0.1% during period
- Crane 10**
 Single girder EOT - 2 trolleys ...
 KONECRANES/CXT/TRU-CXT...
 R&D Center
 Moderate
 Dec 18, 2016
 Hoist A Brake 0%
 0.0% during period
- Crane 9**
 Double girder EOT - 1 trolley ...
 KONECRANES/CXT/TRU-CXT...
 North/West - White Shed
 Low
 Jul 29, 2017
 Hoist A Brake 42%
 -0.5% during period

Working as one customer-centric team

Service actions starting to deliver growth



SERVICE

- Service Programs renewal / Agreement base expansion
- Enhanced customer experience/journey
- Commercial Excellence / Price Management
- Continued optimization of sales and service delivery
- Equivalent Parts for third party equipment
- Bolt-on acquisitions

Service sales growth clearly faster than the market¹
Comparable EBITA margin of 20-24%²

Status Update

- Revised programs / tools launched. Implementation continues.
- Customer portal launch started for Alpha and Beta
- On-going. Spare parts pricing harmonization completed
- Predictive maintenance, planning and tech tools launched
- Offering continues to expand
- Bolt-on acquisition funnel building

Sales growth and EBITA margin development as per plan

¹nominal world GDP growth, IMF World Economic Outlook

²as soon as possible, but no later than in 2027. Profitability range, depending on the cycle.

Our agreement base is the key platform for growth and asset management throughout the lifecycle



~20% of sales

Inspections, Preventive Maintenance, Predictive Maintenance
Agreement Sales, Inside Sales
 New business development and renewals
 Lead generation

~30% of sales

Corrective Maintenance
Inspector, Technician, Inside Sales
 Advice based on findings and condition monitoring – speed
 Lead generation

~25% of sales

Retrofits, Consultation Services, Mods, Lifting Equipment
Service Sales, Inside Sales
 Consultative selling, analytics driven lead generation

~25% of sales*

Spare Parts & Accessories
Inside Sales, eCommerce
 Transactional, convenient

* Includes all channels (direct & indirect)

Achieving organic Service growth

1. Expand agreement base

- Renewed/targeted Service Programs
- Comprehensive agreements for critical/production assets with larger accounts
- Enhanced customer experience driving customer retention

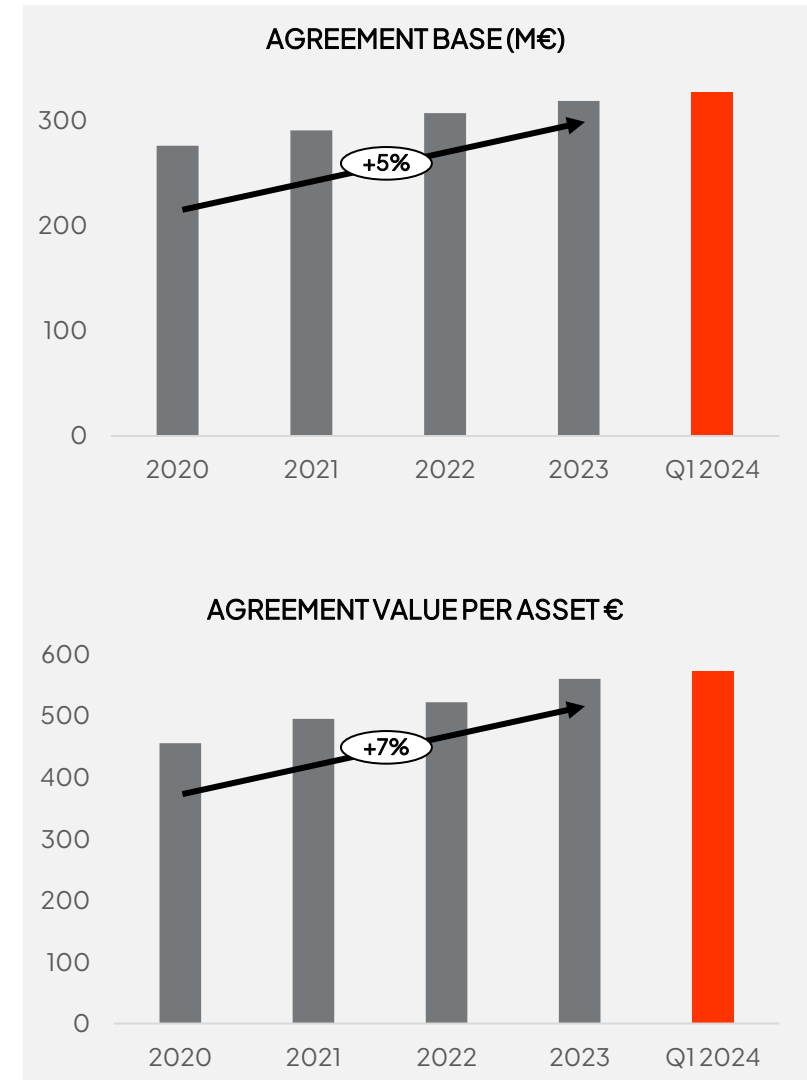
2. Continuously improve sales efficiency, planning and service delivery

- Sales model evolution - leveraging inside sales and customer support
- “Smart” planning tools, automated quotations, and configurator enhancements
- Next generation field mobility tools and parts delivery concept

3. Expand focus on third party equipment

- Equivalent replacement parts
- Hoist and component replacements, retrofits and modernizations
- New equipment (light lifting equipment and cranes)

Improved Agreement Quality

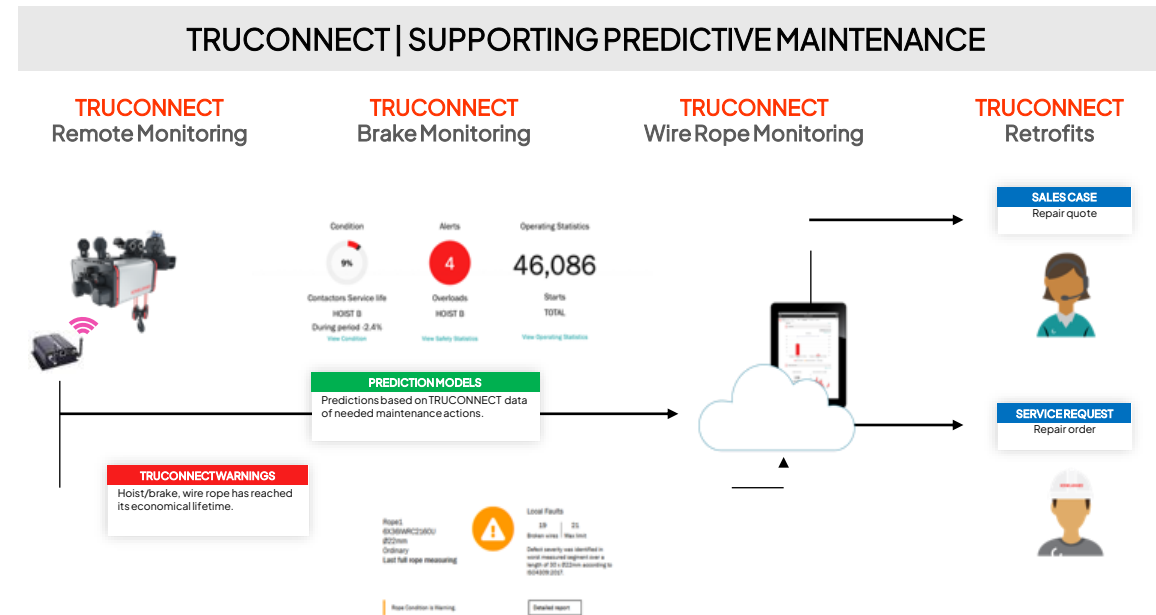


Predictive maintenance generating growth

Predictive Engine leads currently based on TRUCONNECT, condition monitoring unit readings in Siebel and asset age.

Asset types currently reviewed by the Predictive Engine:

- brakes, couplings, contactors, oil changes, overhauls
- Konecranes CXT & Alpha brand hoists
- Konecranes XL hoists
- Demag DR & DMR hoists
- Third-party hoist brands
- S-series hoists
- New components
- Ropes, trolley parts
- Brake monitoring units
- Hook & Gear inspections
- SMARTON & SM winches



~ 7500 predictive sales cases created | ~ 7MEUR won offers¹

¹ Sales cases and won offers as of start of program in May 2023 thru May 2024

Acquisition opportunities across various sectors



BOLT-ON ACQUISITIONS

- Targeting installed base, service opportunities
- Adding certain customer segments and field technical resources
- Able to quickly integrate creating significant synergy potential
- Recent cases: Whiting, Munck



NEW MARKET ENTRY / EXPANSION

- Significant markets where we have little or no presence



TECHNOLOGIES / CAPABILITIES

- Industrial automation, systems integration, material flow simulation
- Opportunity to offer a holistic solution to the customer to optimize production and intralogistics
- Recent case: Crane Automation Technology Systems

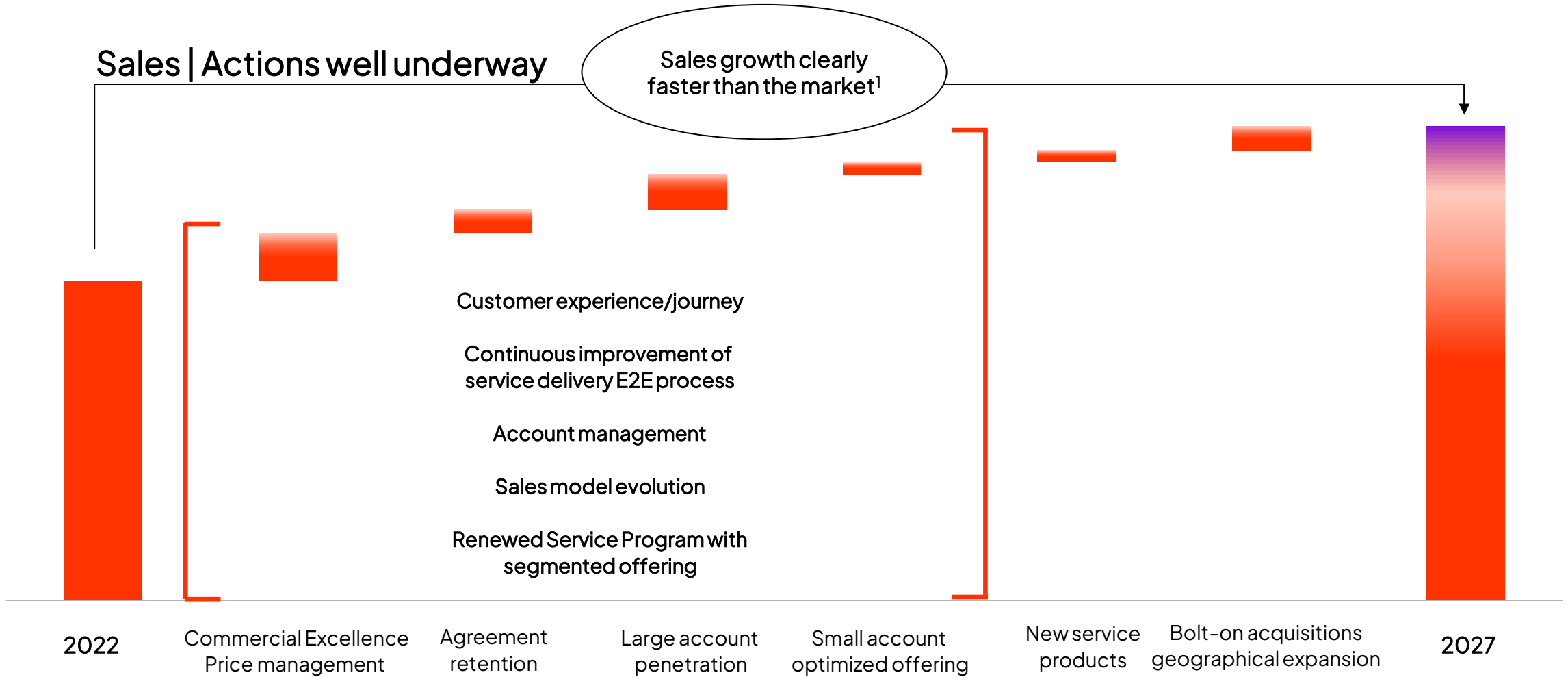


COMPLEMENTARY PRODUCTS & SERVICES

- Manual products, slings and accessories, industrial inspections
- Many of these products and services are currently being offered but not to a wide extent

Service growth plan

Proven business model | continuous improvement | sales acceleration



¹ nominal world GDP growth, IMF World Economic Outlook

KONECRANES

400t

KONECRANES

Industrial Equipment

Focus on Profitability



Working as one customer-centric team

Equipment actions driving improved profitability



EQUIPMENT

- Go-to market / operating model simplification
- Platform harmonization/rationalization
- Commercial Excellence / Price Management
- Renewed offering
- Supply chain efficiency / Operational Excellence

- Portfolio optimization

Equipment profitability: comparable EBITA margin of 8-10%²

Sales growth in line with the market¹

¹nominal world GDP growth, IMF World Economic Outlook

²as soon as possible, but no later than in 2027. Profitability range, depending on the cycle.

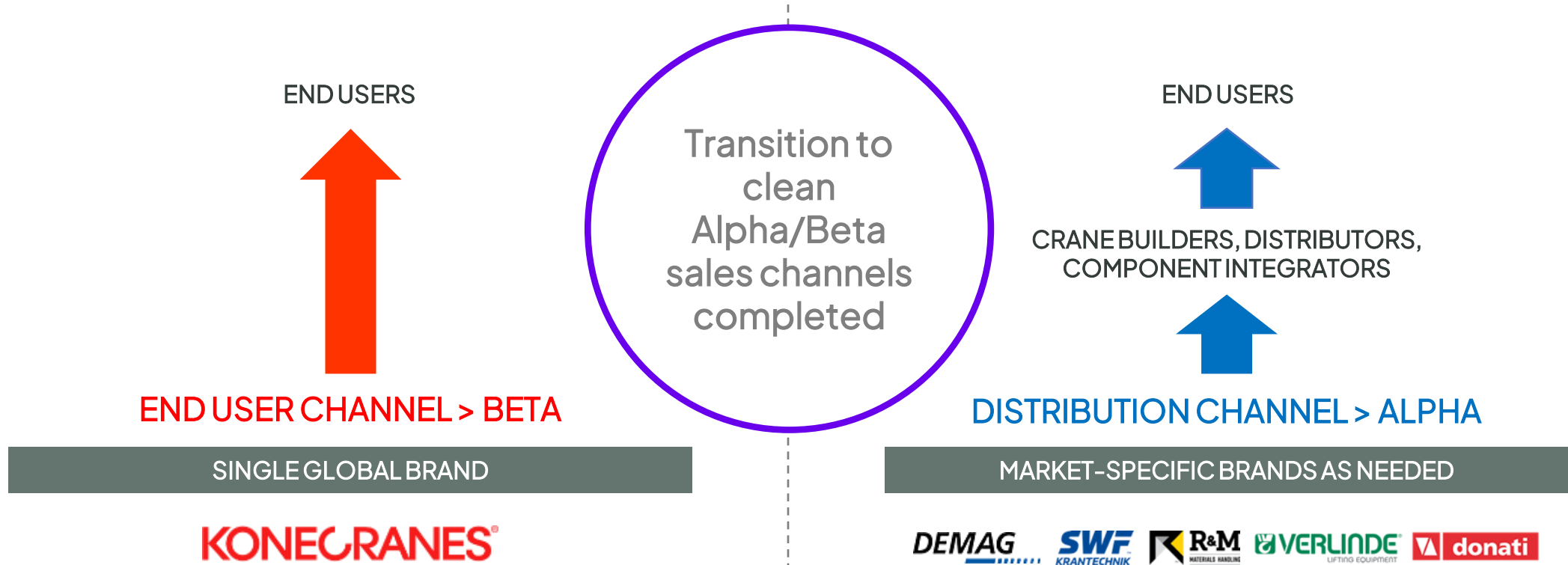
Status Update

- Largely completed. Demag moved to Alpha
- On-going. Several platforms ramped-down
- On-going. Various programs in both/across sales channels
- On going. WRH and ECH platforms launched. LCS expanded
- Supply transformation in Wetter executed/on-going.
- Two crane factories shut down; one right-sized.
- IPD divested

EBITA margin expansion as per plan

Dual channels with shared equipment platforms

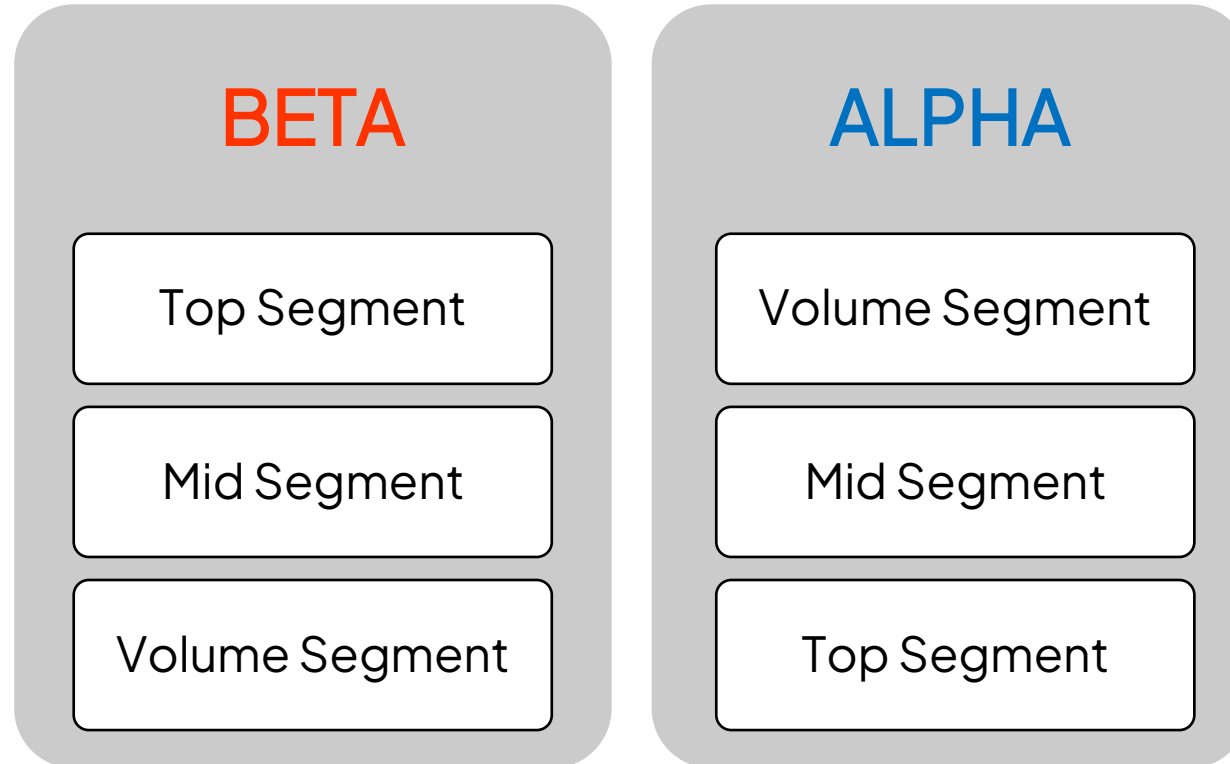
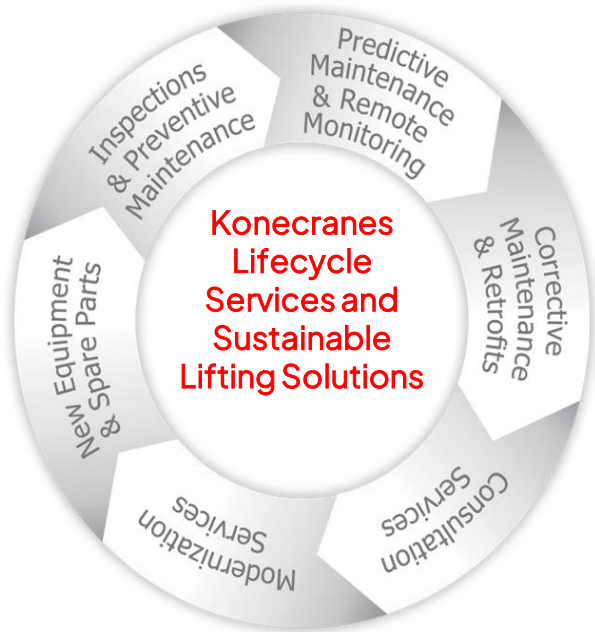
ensure market coverage, drive economies of scale and enhance profitability



Focused and clearly defined sales channels, brands and offering with dedicated teams for direct (end user) and indirect (distribution) channels

Strategic Focus by Sales Channel

Evolving the go-to-market strategy








- WIRE ROPE HOISTS
- COMPONENTS
- CRANE PACKAGES
- ELECTRIC CHAIN HOISTS
- LIGHT CRANE SYSTEMS
- SPARE PARTS
- DRIVES
- DIGITAL SERVICES

Focused and clearly defined sales channels, brands and offering with dedicated teams for direct (end user) and indirect (distribution) channels

Product harmonization and digitalization drive profitability

Core of Lifting “purpose built” components enable competitiveness and economies of scale

PRODUCT OFFERING	PLATFORMS 2018	PLATFORMS 2024*	PLATFORMS 2027	COMMENTS
ELECTRIC CHAIN HOIST 	4	3	1	New platform for Demag launched in June. New platform introduced in all regions for Konecranes and legacy Alpha brands
LIGHT CRANE SYSTEMS 	3	1	1	Harmonized to KBK platform Konecranes KBK and Demag KBK
STANDARD WIRE ROPE HOIST 	6	2	1	New platform orders this summer deliveries beginning in the fall for EMEA
WINCH 	7	5	1	Modular platform consisting of Core of Lifting components for general, industry-specific and special applications.
STANDARD CRANES 	2	1	1	New R-hoist platform replacing current platform

*NOTE: Excludes local/niche/special application products

Next Generation Light Lifting Equipment

Delivering growth opportunities and enhanced profitability

NEW ELECTRIC CHAIN HOIST PLATFORM

- Full range offering: basic/competitive through advanced/premium
- Shared mechanical platforms,
- Differentiation through controls, digitalization, options and services
- Configurable offering drives economies of scale
- Launched globally



- Launched for EMEA at LogiMat in March
Available in configurator for June orders



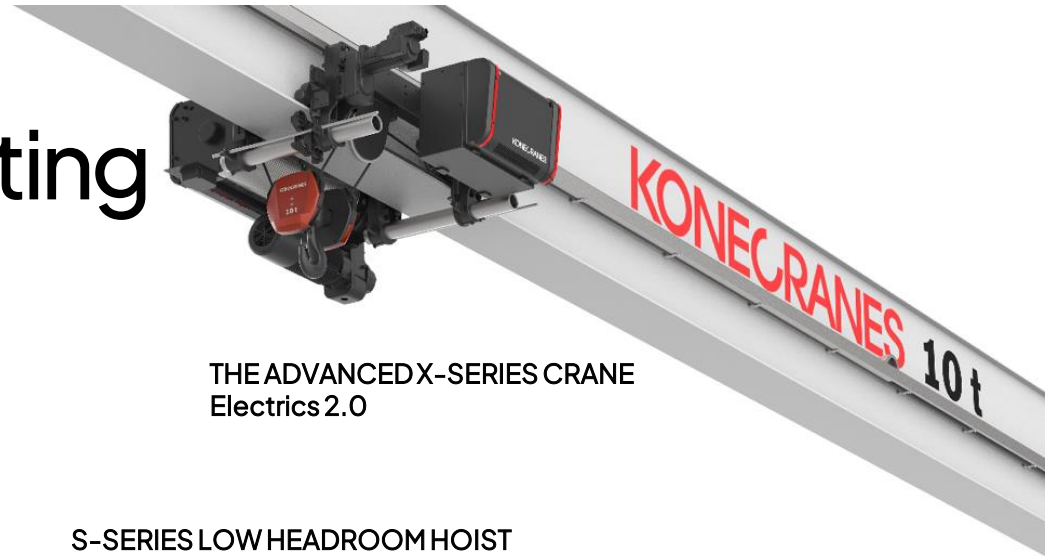
EXPANDED LIGHT CRANE SYSTEM OFFERING

- Expanded range, options and applications
- Free Standing Systems, increased spans, aluminum
- Ergonomics/manipulators, automation, cartesian robots
- Full range extended to Konecranes utilizing well known KBK brand
- Launched in various markets



Setting the new standard of lifting

- Higher performance
- Future proof: meeting the norms and standards of the future
- Eco-efficient
- Over-the-air upgradeable features
- Scalable offering
- Connected Smart Features
- Lower production costs
- New earning models
- Proprietary/patented technology



THE ADVANCED X-SERIES CRANE
Electrics 2.0



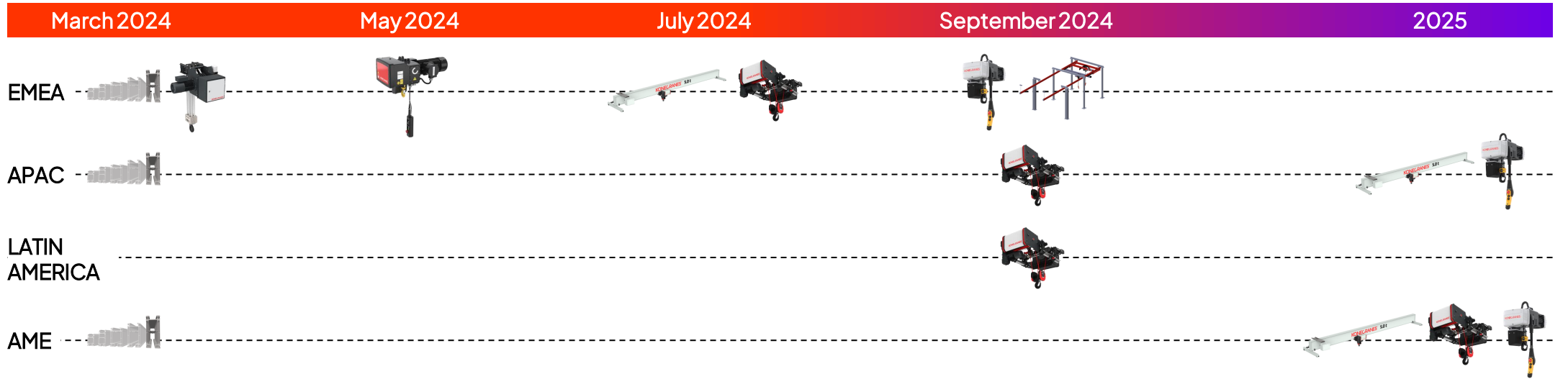
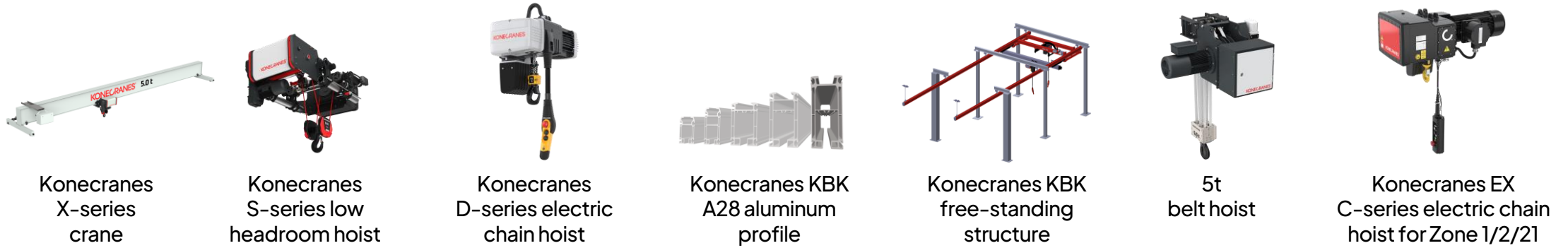
S-SERIES LOW HEADROOM HOIST
(R hoist platform)



SMART, CONNECTED
RADIO CONTROL

Launched for EMEA at LogiMat in March | Available in Configurator in Q3 | First deliveries in Q4

Product Launches



Product launch at LogiMAT

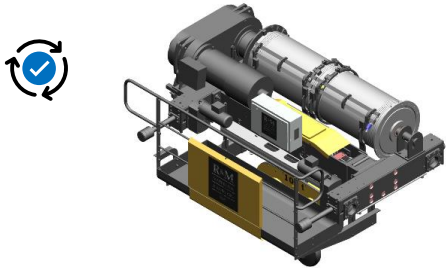
International Trade Show for Intralogistics Solutions and Process Management
March 19-21, 2024 | Messe Stuttgart, Germany



Process Cranes

Improving process cranes profitability through productization, commercial and project management excellence

ASSEMBLY DUTY



PROCESS DUTY



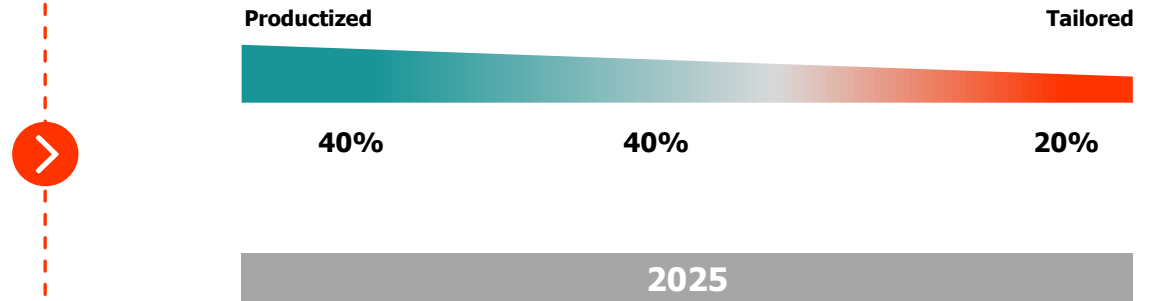
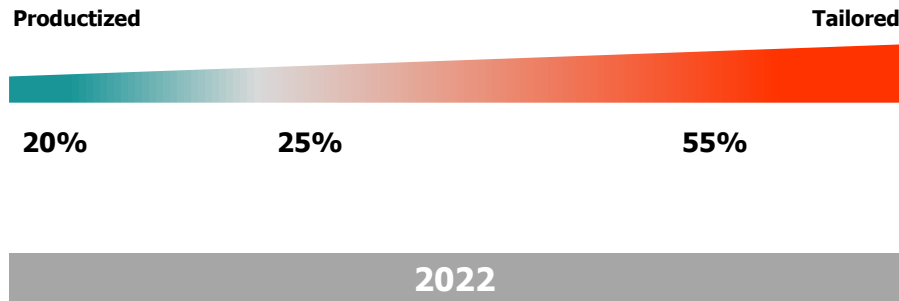
TAILORED



A General
Demanding applications in general industry, power generation, etc.

B Industry-specific
Applications such as WTE, die handling, aviation, paper

C Tailored
Applications such as hot metal

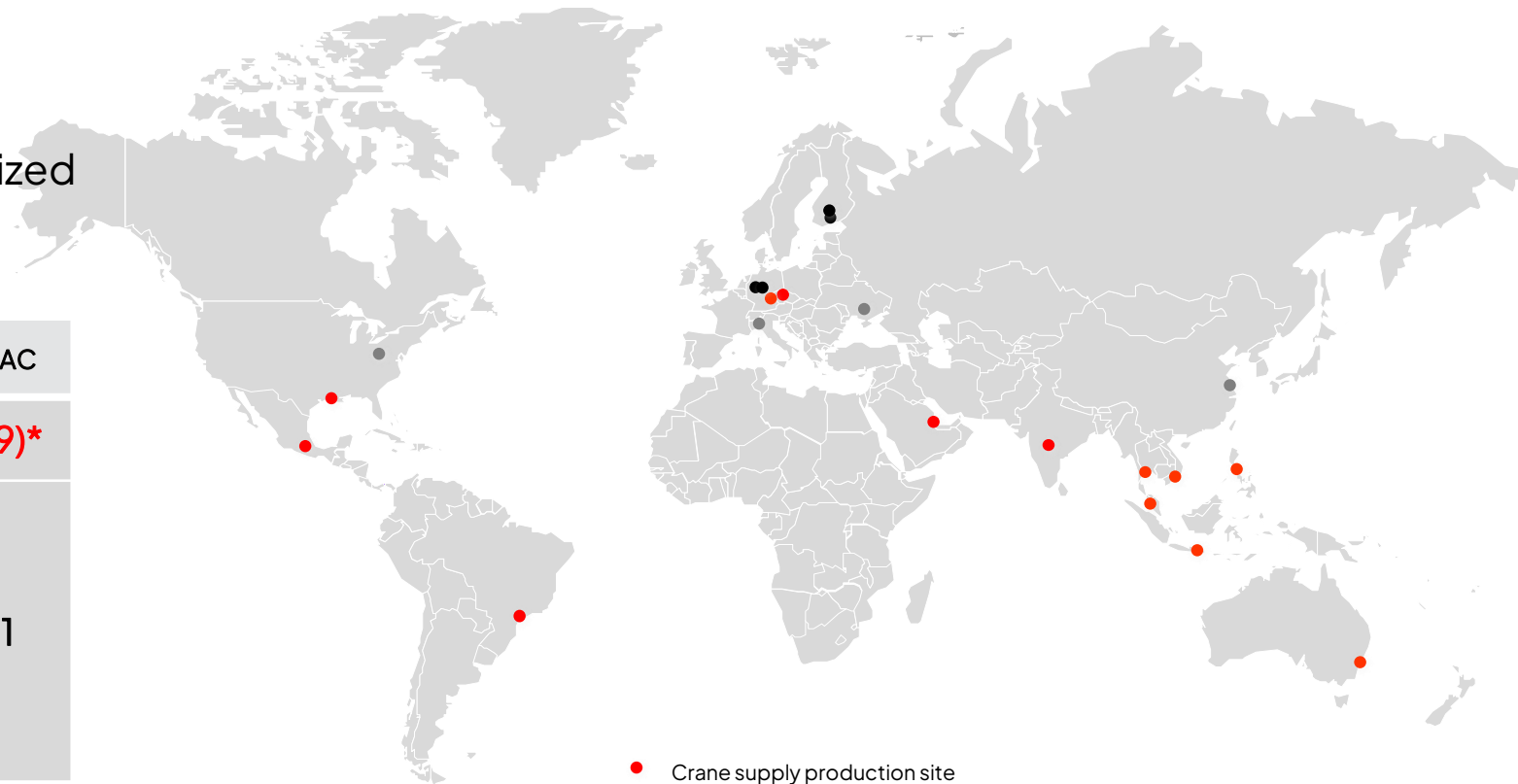


Process cranes provide significant lifecycle management opportunities and are an essential part of the offering as it comes to large customers.

We continue to evaluate our manufacturing footprint to ensure agility and competitiveness in changing environments and conditions

- Crane manufacturing capacity supplemented by subcontracting network
- Component manufacturing centralized in global and regional hubs

		AME	EMEA	APAC
CRANE SUPPLY		4	4(5)*	8(9)*
COMPONENT SUPPLY	WINCHES		1	
	WIREROPE HOISTS	1	1	1
	LIGHT LIFTING EQUIPMENT		1	



- Crane supply production site
- Component supply production site
- Hybrid crane/component supply production site

Regional hubs supply multiple products and platforms

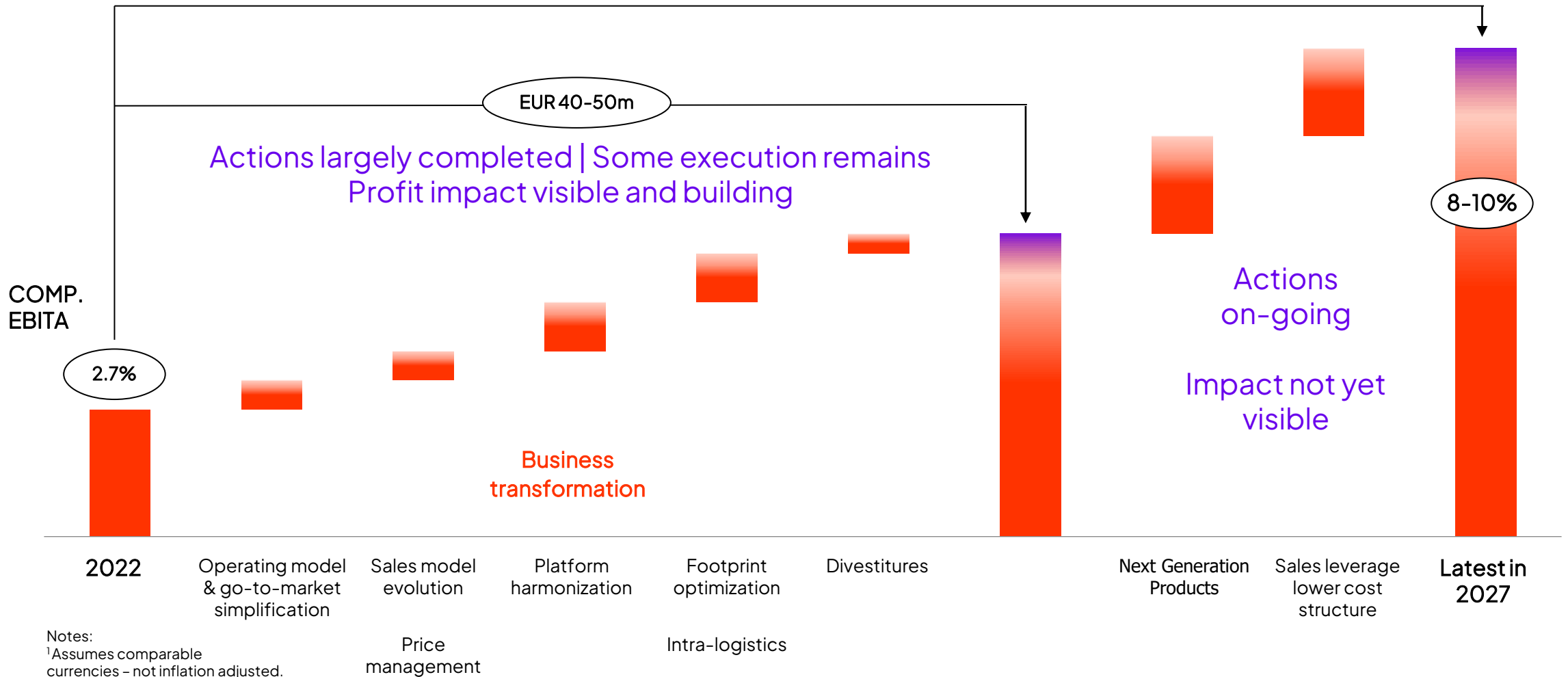
🌐 Global hub

Crane factories in US and China are co-located with component factories

🌐🌐 Regional hubs

*Stopped crane manufacturing in France and Singapore; right-sized India Refocused Wetter, Germany plant; invested in intra-logistics and optimized material flow

Equipment profitability improvement plan



Stay the course – accelerate the pace

Industrial Service & Equipment is well-positioned to deliver its plan



SERVICE

- Agreement base expansion > Service Programs renewal
- Enhanced customer experience/journey
- Commercial Excellence / Price Management
- Predictive Maintenance / Digital Services
- Continued optimization of sales and service delivery
- Equivalent Parts for third party equipment
- Bolt-on acquisitions
- Technician recruitment, development and retention
- Sustainable Fleet

Service sales growth clearly faster than the market¹
Comparable EBITA margin of 20-24%



EQUIPMENT

- Expand market coverage via dual sales channels
- Enhanced customer experience/journey
- Commercial Excellence / Price Management
- Complete platform harmonization
- Expanded and scalable offering
- Improve competitiveness. Reduce delivery times
- Supply chain efficiency / Operational Excellence
- Sustainable factories and offering

Equipment profitability: comparable EBITA margin of 8-10%²
Sales growth in line with the market¹

¹ nominal world GDP growth, IMF World Economic Outlook

² as soon as possible, but no later than in 2027. Profitability range, depending on the cycle.

Thank you.

