

# Generating profitable growth in Port Solutions



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# Port Solutions today



Leading  
Western Supplier  
With the widest and deepest  
offering

Sales breakdown,  
2022



22,000

Installed fleet

With +10 000 Built on  
unified Core of Lifting  
technology platform  
for configure-to-need

4,000

TRUCONNECT  
connections



## FOCUSED INDUSTRY APPROACH

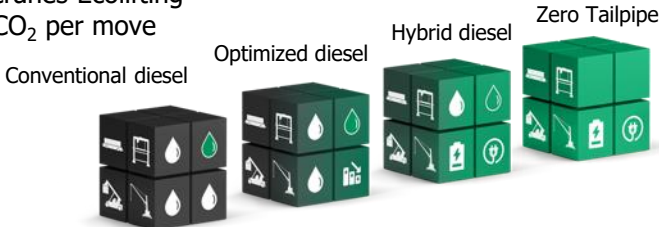


3,100  
employees

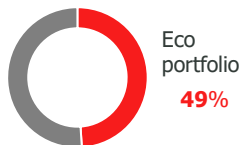


## GLOBAL KNOWLEDGE, COMPLEMENTED WITH LOCAL SERVICE PRESENCE

Konecranes Ecolifting  
Less CO<sub>2</sub> per move



Eco portfolio share of sales,  
2022



Eco portfolio = zero tailpipe, fully  
electrified and hybrid equipment,  
modernizations and retrofits

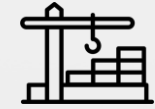
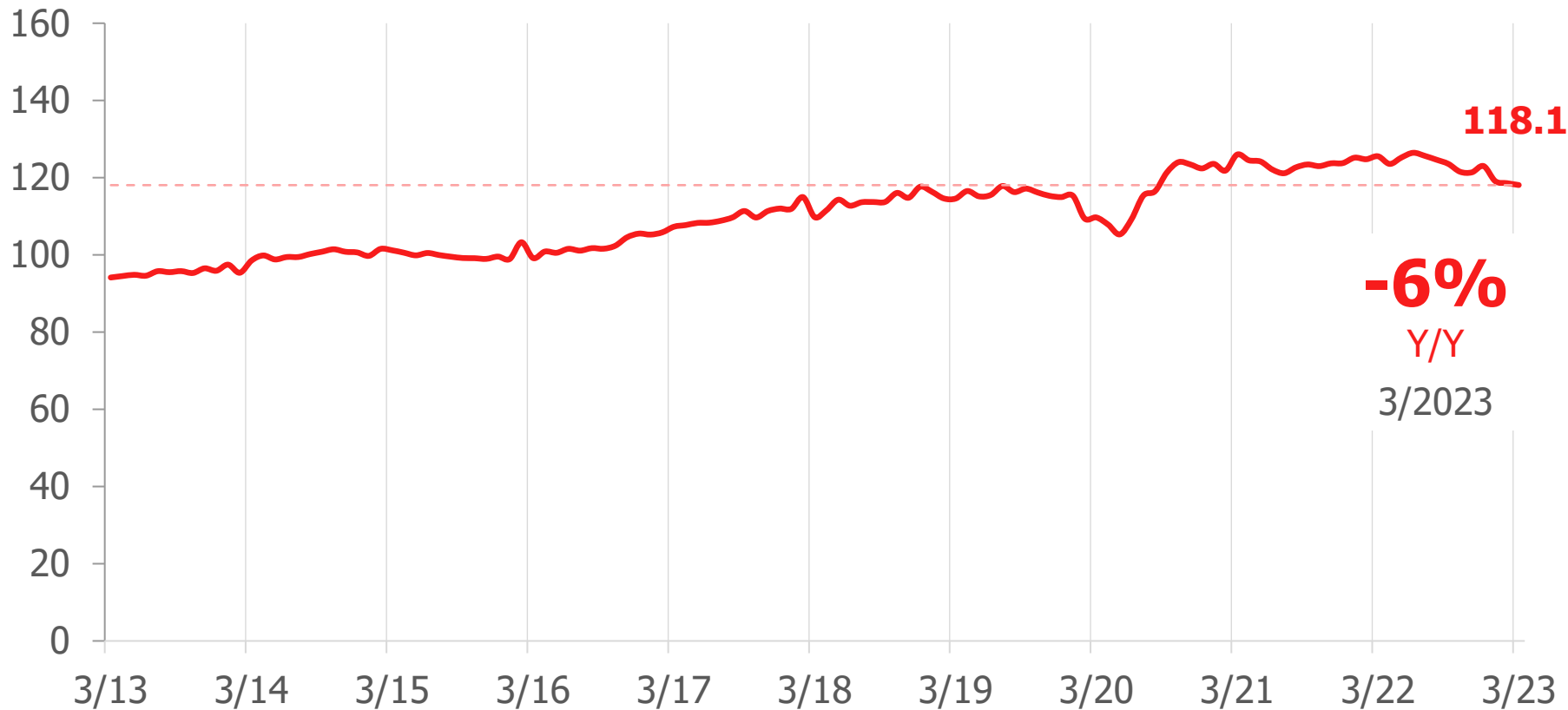


OUR JOURNEY TO LOWER CO<sub>2</sub>

KONECRANES

# Market growth largely driven by container volume

**RWI/ISL Container Throughput Index**



**Container volumes remain at historically high levels**



**Modest growth expected in 2023 and somewhat faster growth in 2024 <sup>1</sup>**

<sup>1</sup>According to the most recent analysis from Drewry.

# Megatrends and other demand drivers providing opportunities for growth

As customers continue to seek increased productivity, enhanced safety and improved predictability



**Digitalization  
& Automation**



**eCommerce &  
changes in  
logistical  
chains**



**Sustainability  
commitments**



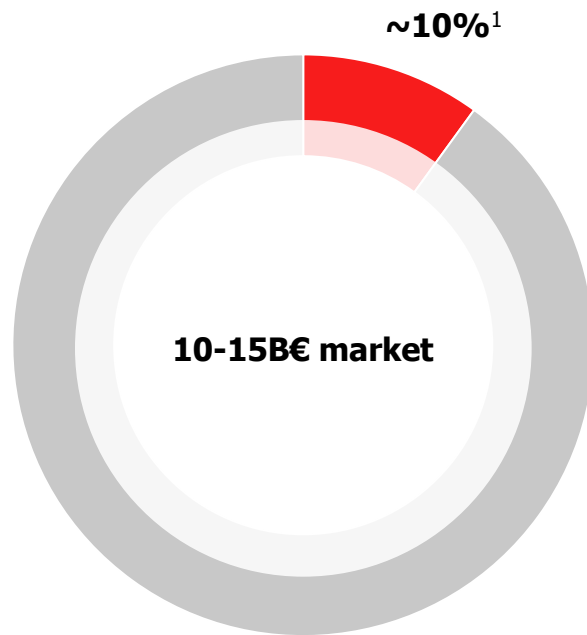
**Labour  
shortage**



**Geopolitics**



# Equipment market position and development



## Port Solutions equipment market

Market size/market share includes solutions and equipment.  
Also segments where Konecranes has no presence.

<sup>1</sup> ~25% market share in stronghold segments

### Market continues to grow

- Global Terminal Operators (GTOs) handle 2/3 of global container throughput and drive the growth
- Consolidation of the customer base continues as GTOs expand their global coverage through M&A and expand to broader logistics chain

### Automation opportunity grows

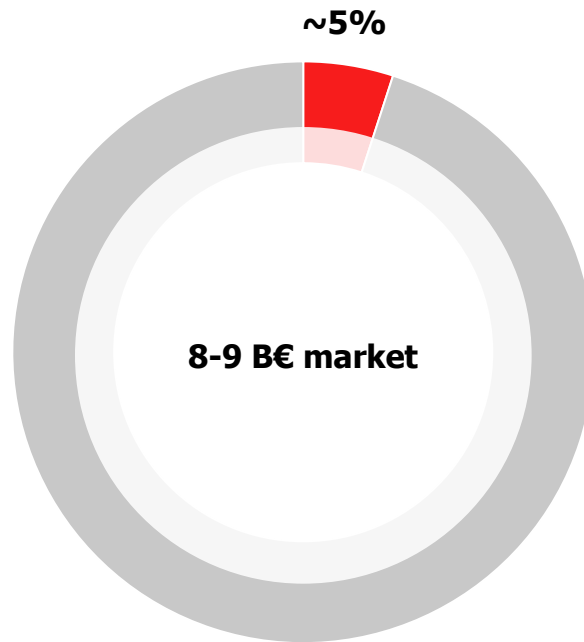
- Pandemic and labour shortage have increased interest towards automation
- Brownfield automation expected to drive future investments
- Growth 2x times faster than manual equipment market

### Increased focus on hinterland terminals

- Search for higher efficiencies in end-to-end logistical chains
- Need for added/sustainable capacity



# Port Services market position and development



## Port Services market expected to grow

- Majority of total market is today in-house/insourced
- Inland terminals more geared for outsourcing than maritime terminals
- Outsourcing driven by aging labour, labour shortage, automation of equipment and systems requiring special knowledge

## Data enabled service opportunities

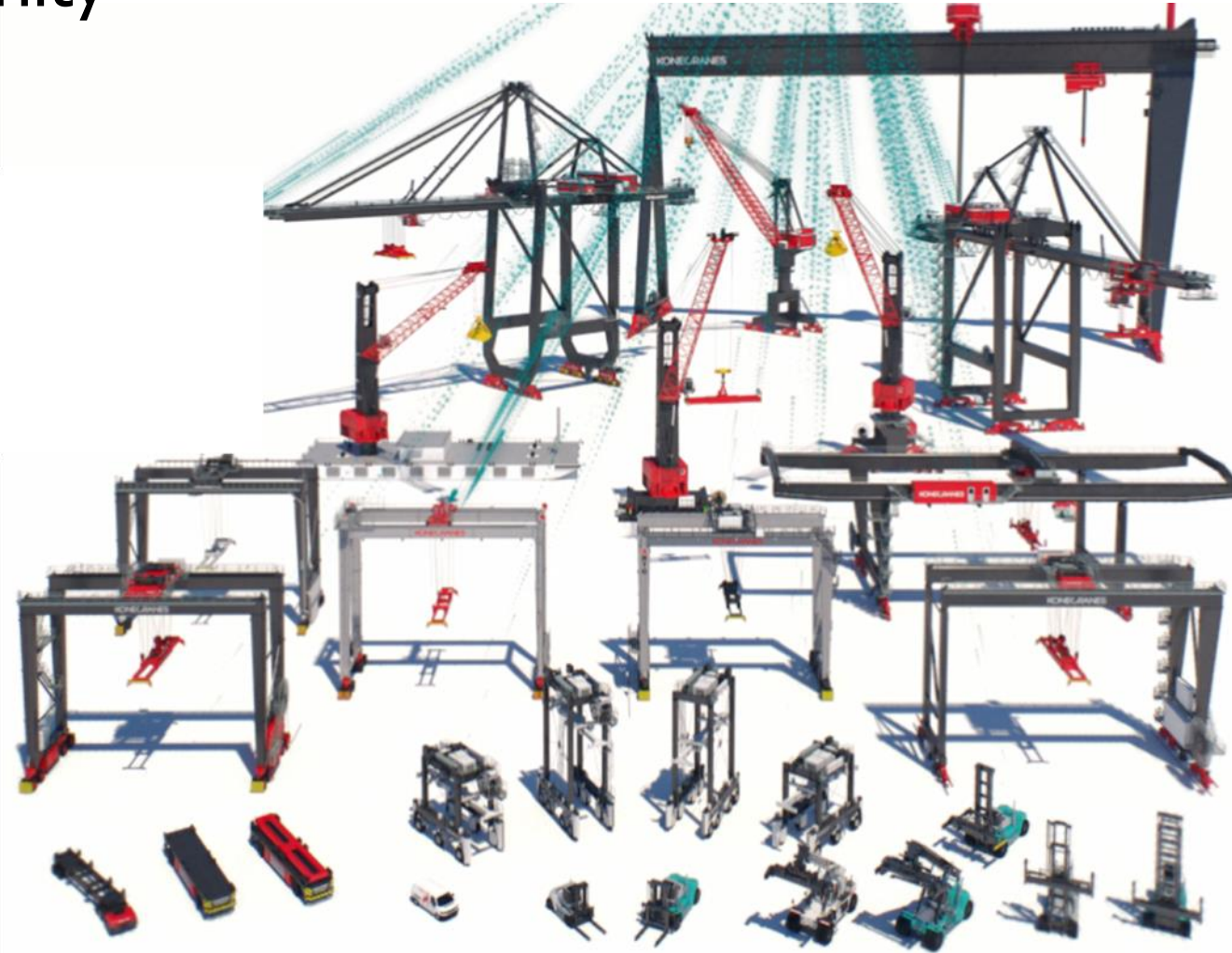
- Data driven predictive maintenance and Service Solutions
- Service Agreements for Automation systems

## Port Services market

Market size/market share includes port services (both insourced and outsourced). Services scope based on current Konecranes offering.

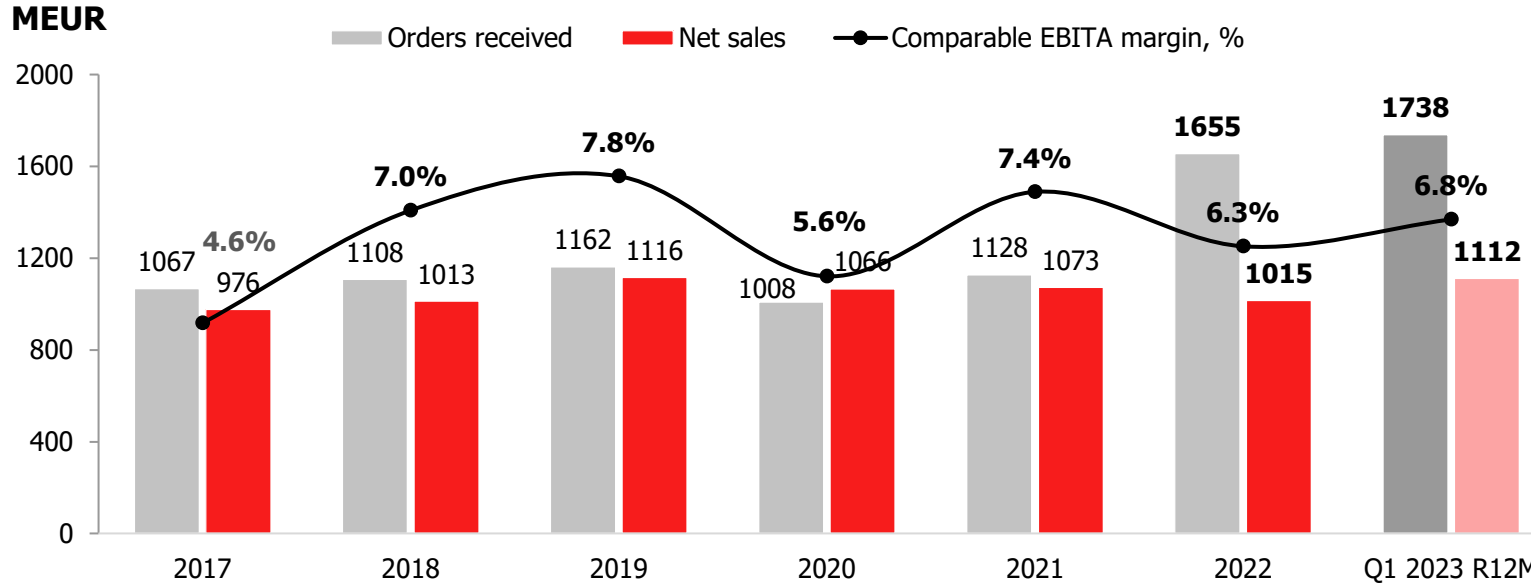
# Our widest and deepest offering enables us to catch the market opportunity

- Our focused industry approach matches with industry development
- We are a true solution provider
- Customers' lifecycle needs from equipment, software and automation to service are met with our sustainable offering
- Our global knowledge is completed with our local service presence

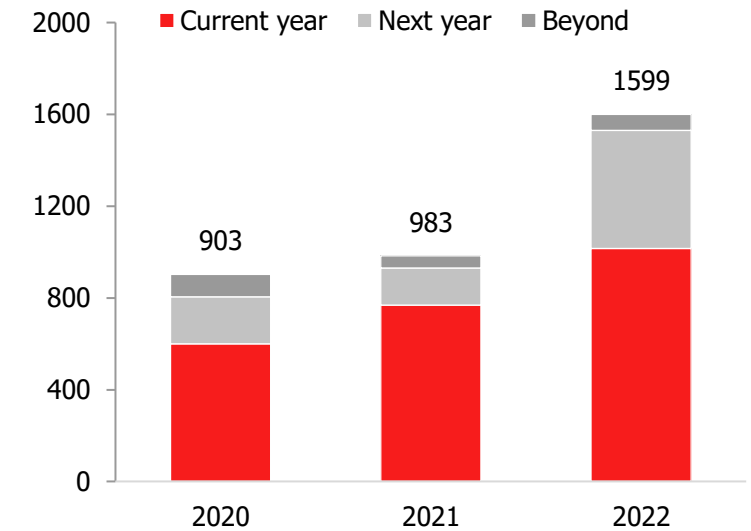




# Geared for growth with strong order book



## Order book, MEUR



## 2017-2019

### Post-MHPS acquisition

- Focus on integration and delivering synergies
- Growth through expanded combined offering
- Footprint and platform optimization

## 2020-2022

### Pandemic and supply chain constraints

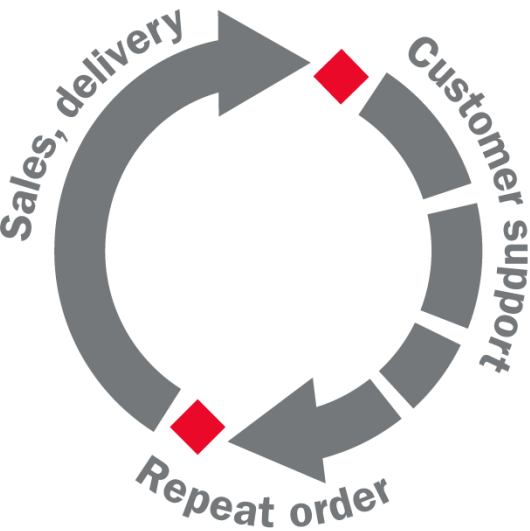
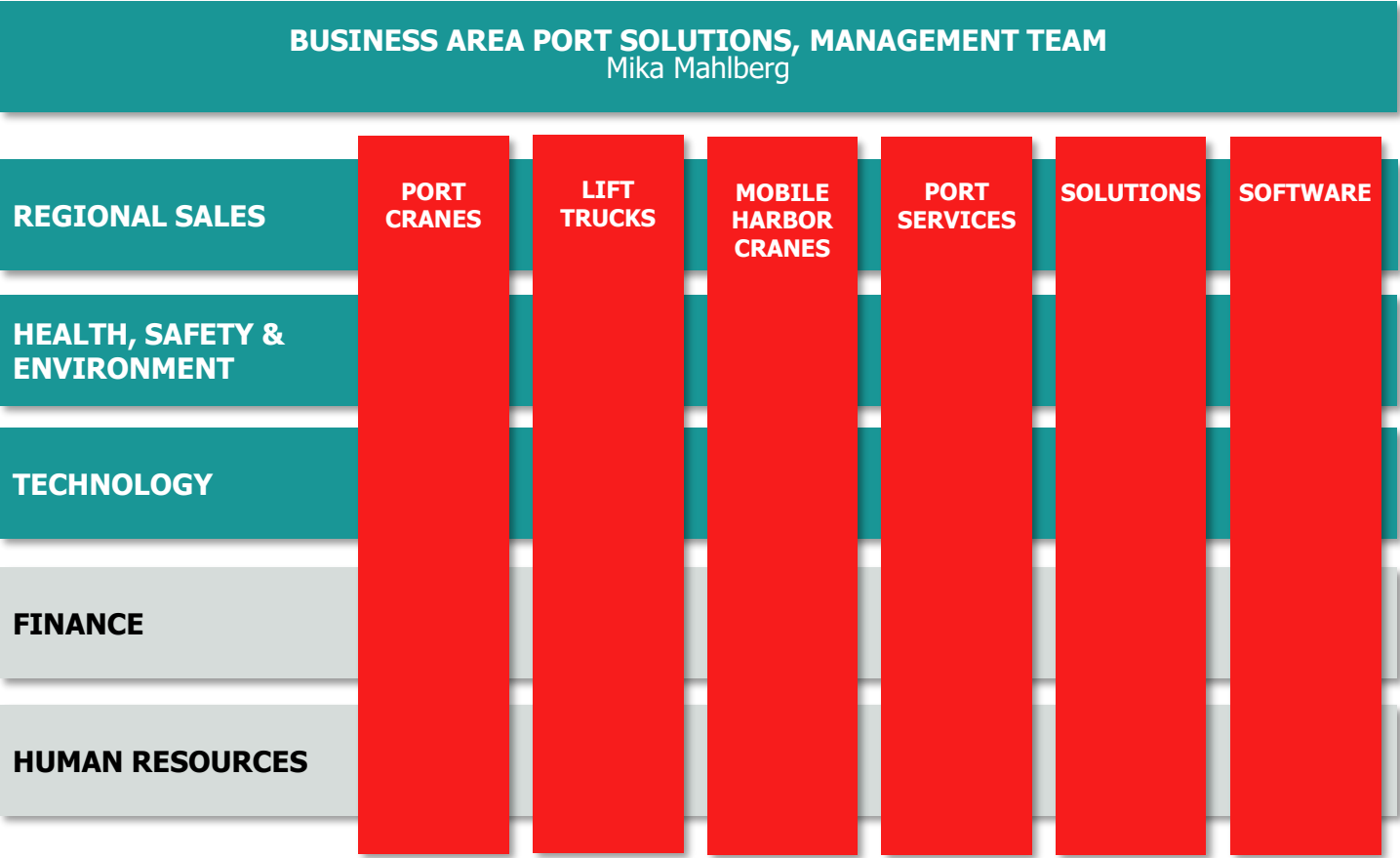
- Focus on cost flexing
- Fast order intake recovery
- Project management and weaker sales mix in 2020
- Launching new offering

## 2023->

### Leading Western Supplier

- Service growth – Advanced Services solution portfolio
- Project management Excellence enabled
- Continuing the port automation leadership
- Driving equipment towards Pure Electric
- Focus on asset light and lean supply

# Port Solutions' decentralized operating model enables agility and decision-making close to customers



■ Business Unit (BU) or organizational unit   ■ BA staff functions   ■ Global Functions dedicated to BA

# We aim to become the World #1 in our core offering

## Financial targets:

- Sales growth clearly faster than the market<sup>1</sup>
- Comparable EBITA margin of 9-11%<sup>2</sup>

<sup>1</sup> nominal world GDP growth, IMF World Economic Outlook















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

## We capture the market opportunity and reach our targets by:

1. Focusing on our core offering with best growth potential
2. Growing our Port Services
3. Further strengthening our automation offering and capturing automation opportunities
4. Strengthening our eco-efficient offering
5. Focusing on Operational Excellence



# Market provides plenty of opportunities for growth

							
	<b>Service</b>	<b>AGV</b>	<b>ASC (ARMG)</b>	<b>Lift trucks</b>	<b>Mobile harbor cranes</b>	<b>(A)RTG cranes</b>	<b>Straddle carriers</b>
<b>Market size</b>	~8-9 B€ <sup>1</sup>	~0.3 B€	~1.5 B€ <sup>2</sup>	~2 B€ <sup>3</sup>	~0.6 B€	~1.5 B€ <sup>2</sup>	~0.4 B€
<b>Global position</b>	#2	#1-2	#1-2	#2-3	#1-2	#1-2, #1 in ARTG systems	#1-2
<b>Market trend</b>							
<b>Key competitors</b>	In-house Kalmar ZPMC Liebherr ABB, Siemens Local service companies	ZPMC VDL Gaussin	ZPMC Künz Sany HHMC ABB Siemens TMEIC	Kalmar Hyster-Yale Taylor Sany ZPMC	Liebherr Italgru Sennebogen ZPMC Sany	ZPMC Mitsui Liebherr Künz Sany MiJack	Kalmar ZPMC

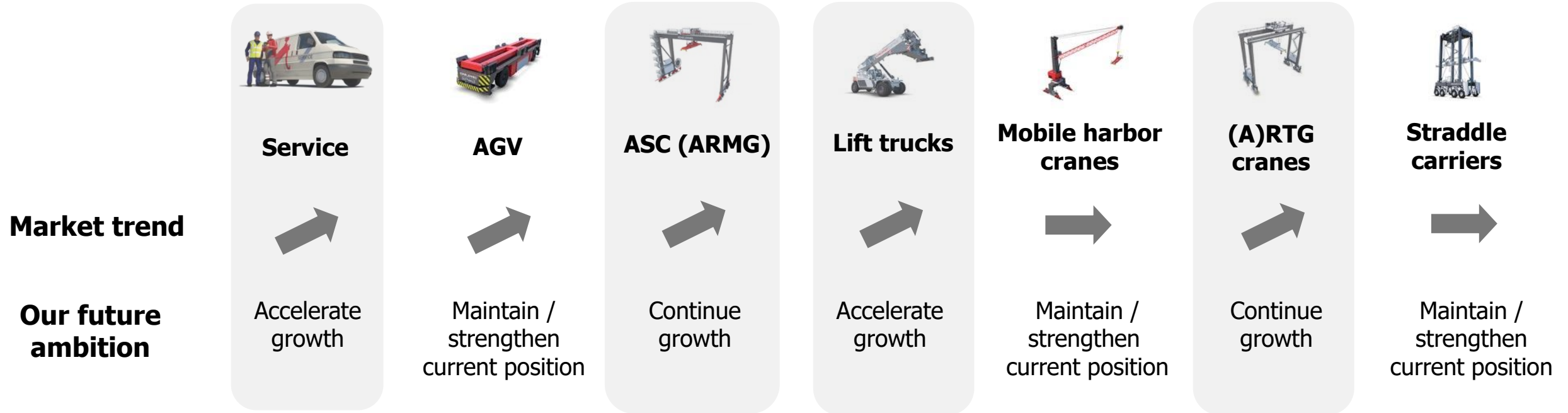
<sup>1</sup> Total market including in-house

<sup>2</sup> For yard cranes, ASC and RTG combined

<sup>3</sup> Container handling equipment and medium and heavy forklift trucks

# We focus on products with the best growth potential

With the rest of the product portfolio, our focus is on market share and profitability



- Focus on products where we offer safety, sustainable solutions, high productivity, high quality, reliability & high uptime and low total cost of ownership (TCO)
- Potential to leverage Konecranes' unique Service offering to customers
- Electrification and agile distribution model provides further opportunities to mobile equipment

# Strategic enablers for Port Solutions profitable growth

## Deepening customer focus

Providing best Customer Experience  
Automation and productivity solutions  
Service Excellence  
Outcome driven Partnerships

## Advancing responsible business

## Enhancing our winning culture

## Accelerating efficiency

Project Management Excellence  
Portfolio Optimization  
Asset light, agile supply chain

## Scaling technology innovation

Automation and Digitalization  
Electrification  
Technology expansion through targeted acquisitions and co-operation



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Portfolio Optimization

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### Automation and Digitalization

### Electrification

Technology expansion through targeted acquisitions and co-operation



# We aim to grow Port Services faster than equipment over the cycle

**Increasing  
own and 3<sup>rd</sup>  
party fleet**

**Boosting  
eCommerce &  
digital  
channels**

**Geographic  
footprint  
expansion**

**Data enabled  
advanced  
offering and  
digital services**

**Sustainability  
& automation  
retrofits**

**Bolt-on M&A**

## KONECRANES PORT SERVICES FACTS

**22%**  
Share of sales

**23**  
countries with own  
operations

**Vast network  
of service partners and  
LFT distributors**

# We are leading port automation

**65%** of all the world's automated container terminals run with Konecranes and more in delivery

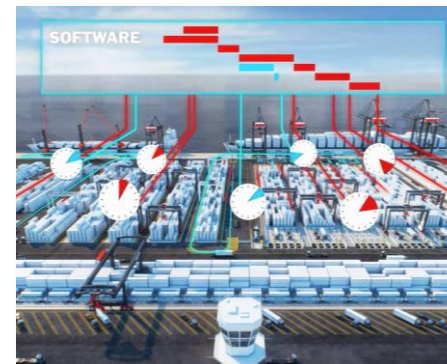
**Inventor of  
AGV**  
+700 units



**Largest western  
ASC/ARMG**  
+400 units



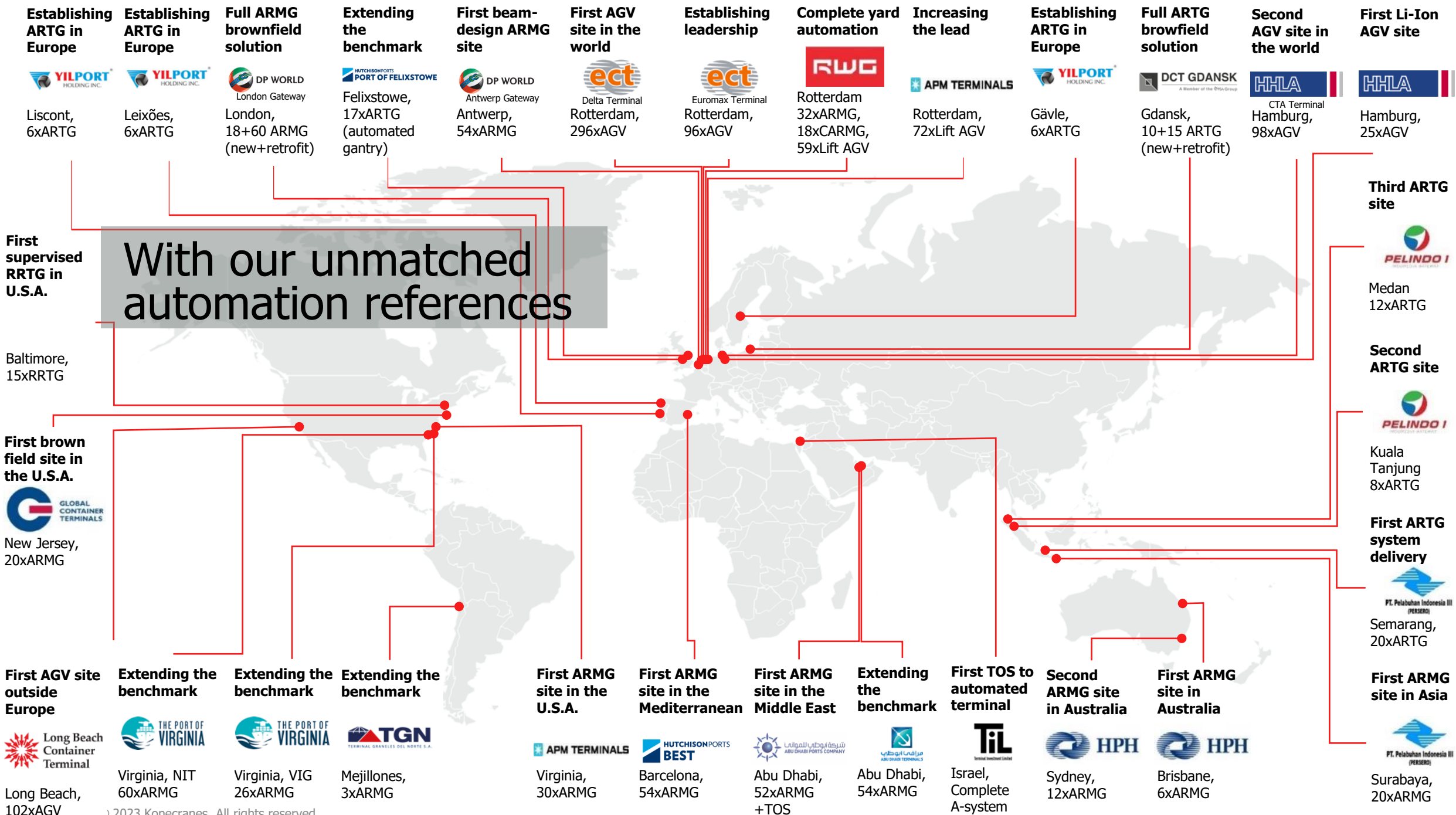
**Best performing  
ECS**  
+10 sites



**Pioneer of  
ARTG**  
+200 units







With our unmatched automation references

# We capture automation opportunities in all terminals with our widest and deepest offering

## LARGE AUTOMATED CONTAINER TERMINALS

AGV, ASC/ARMG,  
A-Sprinter  
and ECS

## MEDIUM-SIZED CONTAINER TERMINALS

With our ARTGs and ECS

## SMALL-SIZED CONTAINER TERMINALS

Limited automation  
opportunities

## EXISTING SITES WITH EXPANSIONS AND REPLACEMENTS

AGV, ASC/ARMG and ECS

## INLAND TERMINALS

ARMG cranes

## NEW SERVICE AGREEMENTS

## BROWNFIELD CONVERSIONS

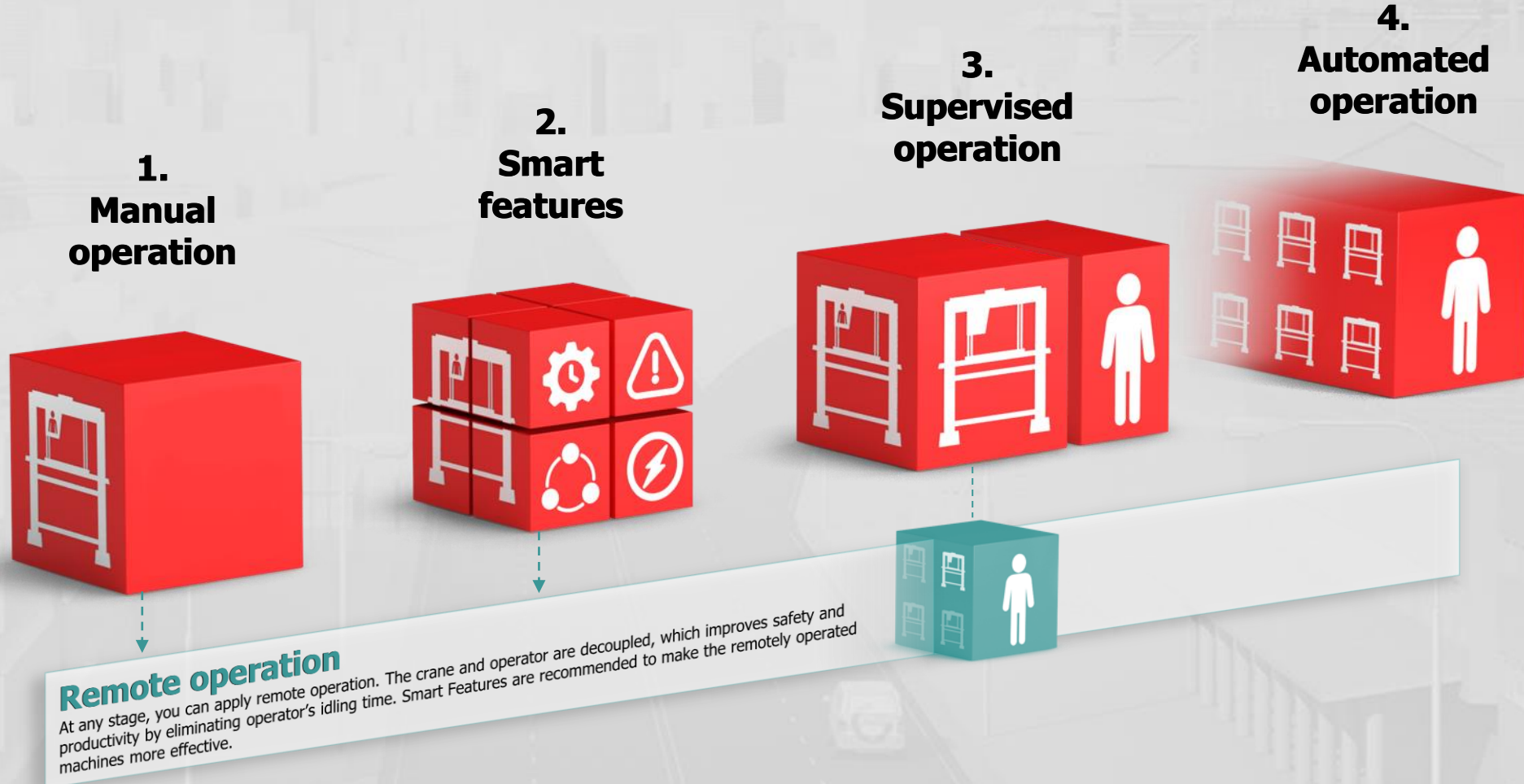
From manual SC  
to ASC/ARMG

Manual RTG to ARTG

## OTHER EQUIPMENT BRANDS

With our automation  
retrofits

# Path to Port Automation enables customers to start their automation journey with us at any stage





# We drive equipment towards Pure Electric, powered by our Core of Lifting heritage technology platform

**CORE OF LIFTING** | electrified & digitalized | developed & supported



## Components

Delivered

**1,000,000+**  
gearboxes

**2,000,000+**  
motors

since 1933



## Inverters and control systems

Delivered

**500,000+**  
inverter based  
control systems

since 1993



## Power options

Conventional

Hybrid

Pure electric

All energy sources &  
fuels for Zero Tailpipe



## CONNECTIVITY

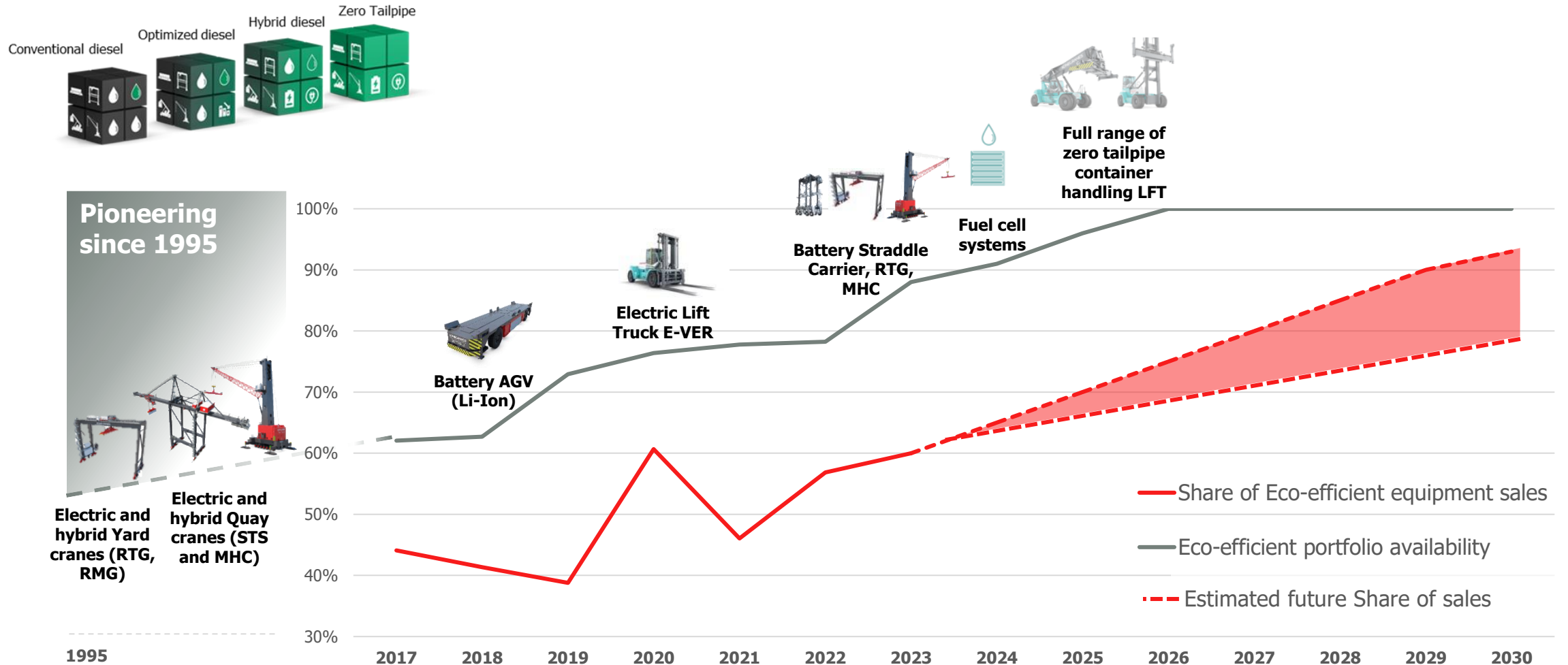
49,000+ connected  
port and industry  
assets



## Global technical expertise & local on site Service

**4,500+**  
Konecranes  
service technicians

# We have a clear eco-portfolio road map



Eco-efficient equipment sales, Port Services excluded

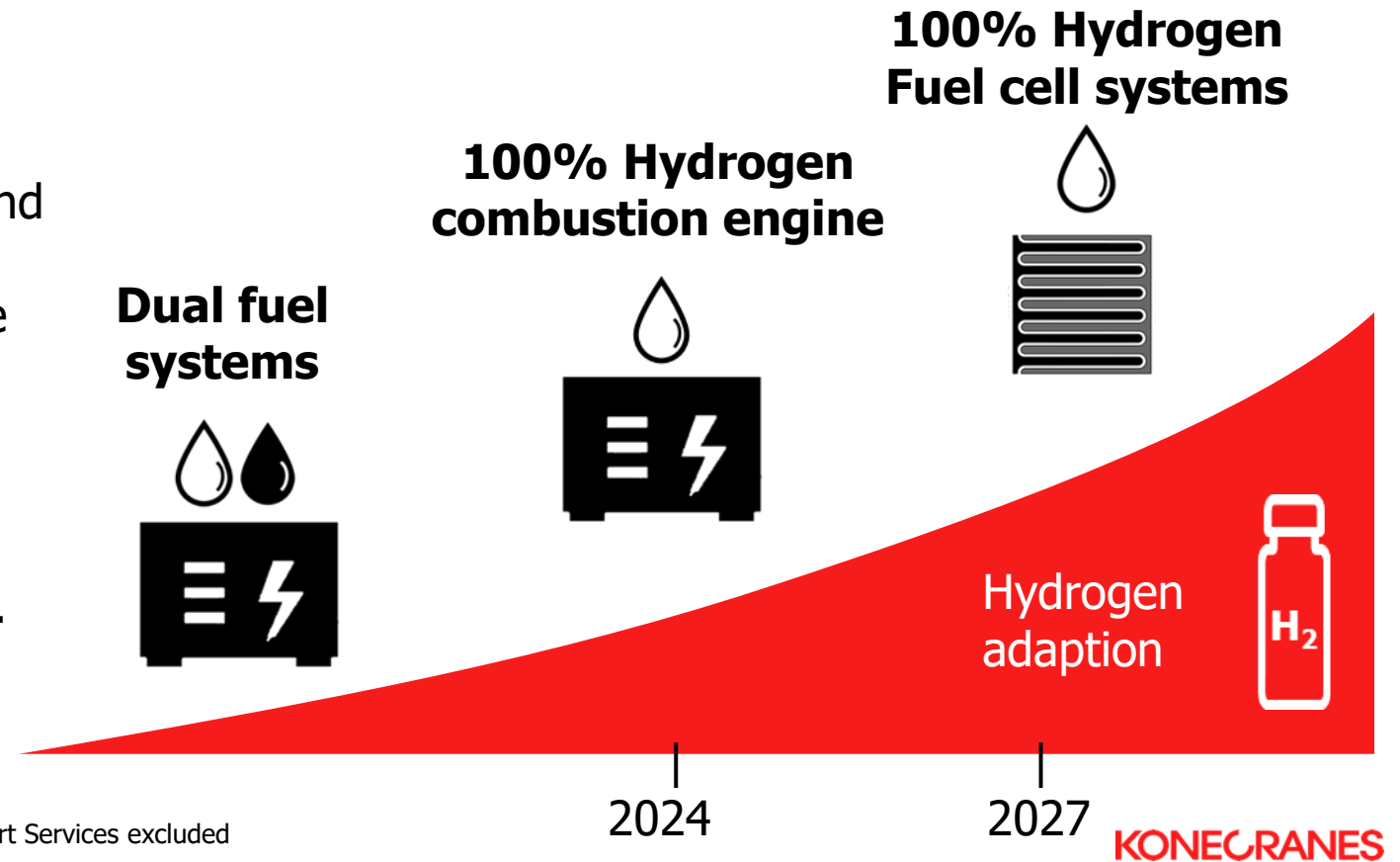
# We are ready for Hydrogen H<sub>2</sub> and Fuel cell

**Hydrogen H<sub>2</sub>** used as fuel solely or in combination with diesel enables reduced local emissions and potentially more sustainable energy solutions.

**Fuel cells** promise better eco-efficiency and operational cost reductions compared to combustion engines, making them a viable solution for mobile machines in ports and logistics hubs.

**CapEx** is still very **high**

**Safety** in mobile applications needs focus.



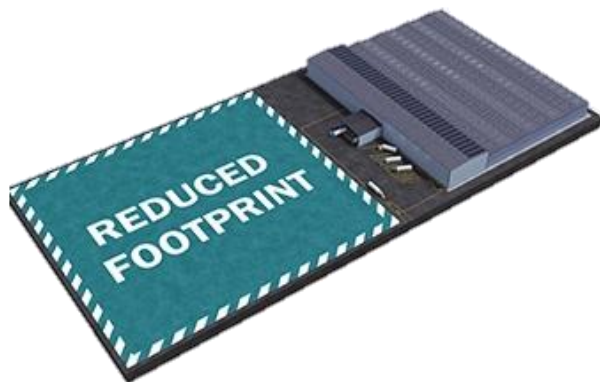
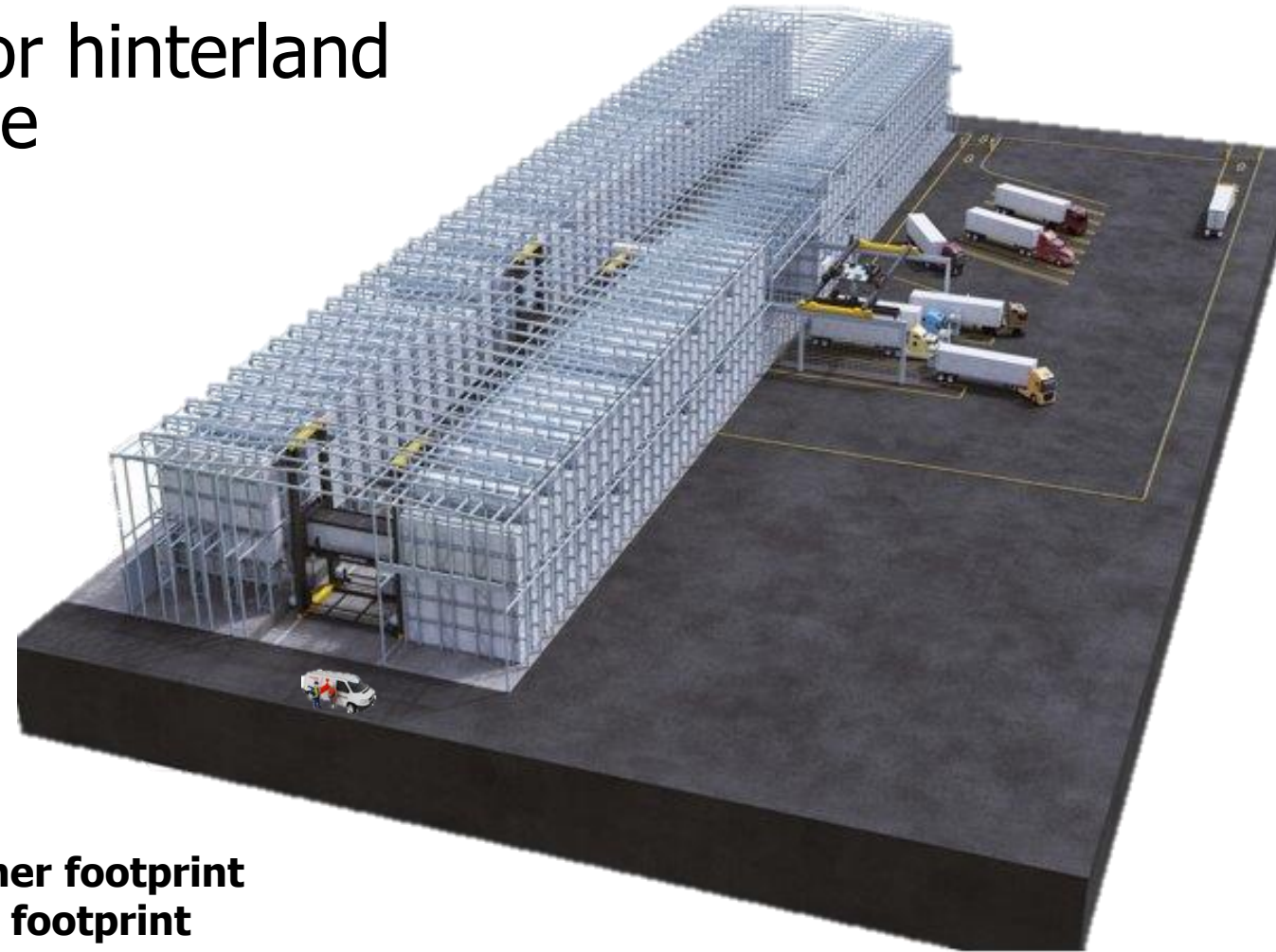
Eco-efficient equipment sales, Port Services excluded



# We have developed solutions for hinterland terminals, driven by eCommerce

## Automated High-Bay Container Storage

- For use in seaports, logistics centers, distribution centers and similar facilities that handle significant quantities of containers.
- Enables storage growth in limited spaces, eliminating many relocation needs
- Increase the scale of operations by making the most of available space



- ✓ **Reduced container footprint**
- ✓ **Reduced carbon footprint**
- ✓ **Faster truck turnaround times**
- ✓ **Faster container-to-gate times**
- ✓ **Lean process and handling**
- ✓ **Scalable and modular**

# Focusing on operational excellence and efficiency improves profitability and maintains flexibility

**Active Pricing  
Management**

**Cost management  
& procurement**

**Repeat business model  
and key account  
management**

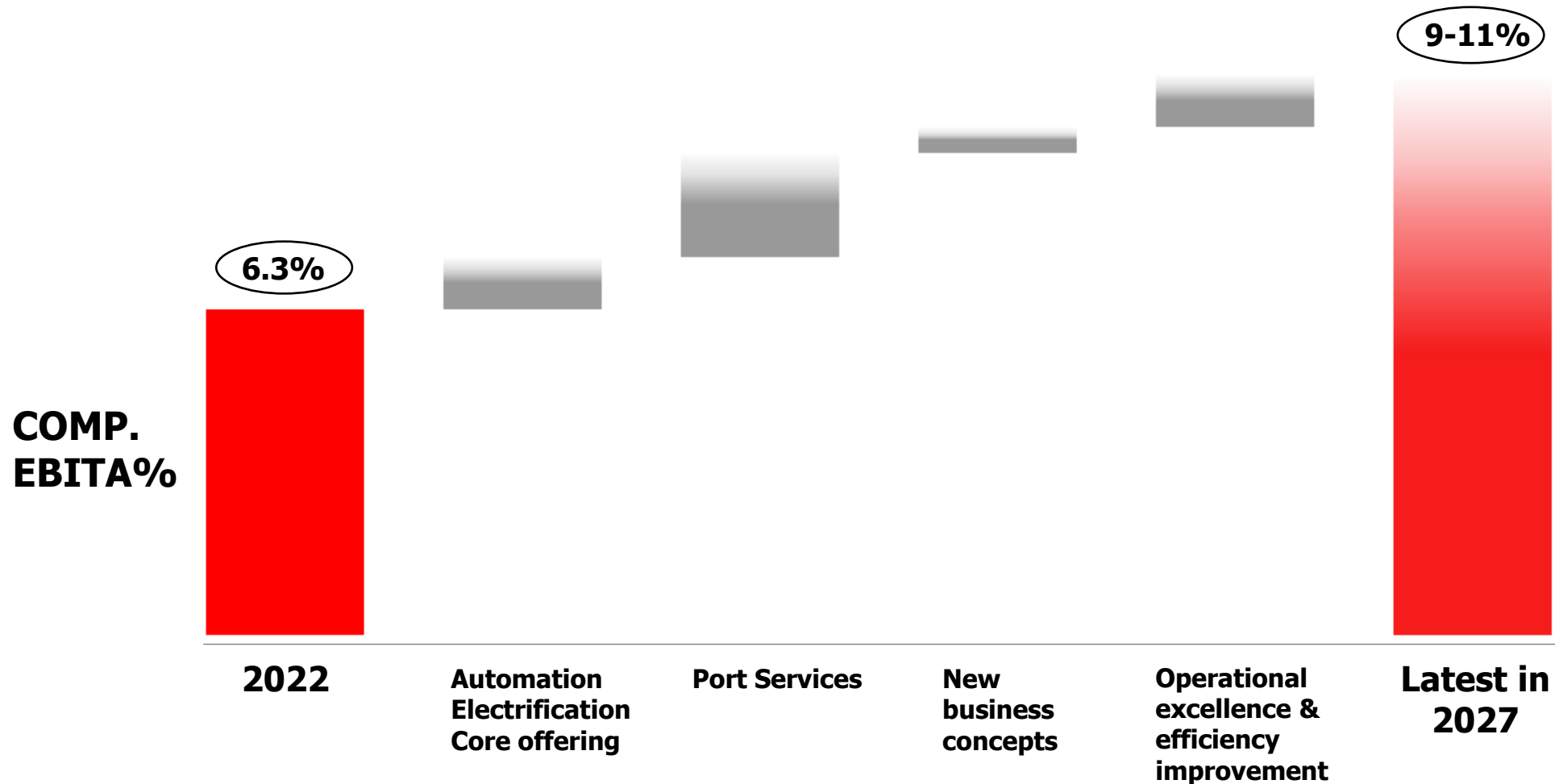
**Asset light and  
flexible supply chain and  
Mobile Equipment  
distribution**

**Project Management  
Excellence**

**Standardized product  
offering with  
"Core of Lifting"**



# Port Solutions profitability improvement plan





# Konecranes Port Solutions is well-positioned to deliver its plan

- Our widest and deepest offering providing good opportunities for growth and to increase market share
- Clear growth plan for Port Services
- Automation and customers' commitments to sustainability drive growth, and we have leading offering
- Continued focus on operational excellence and efficiency
- Strong orderbook for 2023 and beyond a good foundation for growth

## Financial targets

- Sales growth clearly faster than the market<sup>1</sup>
- Comparable EBITA margin of 9-11%<sup>2</sup>

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Thank you

