

Q3 2022 Report

October 26, 2022

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Lifting Businesses™



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Agenda

1. Group highlights
2. Service
3. Industrial Equipment
4. Port Solutions
5. Cash flow and balance sheet
6. Appendix

Q3 2022 Highlights

Solid Q3 overall – order intake continued high, and delivery capability improved from the previous quarters

- Group adj. EBITA-% improved Y/Y to 10.8% (10.0) mainly due to pricing driven sales growth and better sales mix
- Profitability improved in Service and Port Solutions but declined in Industrial Equipment

Overall market sentiment remained good, although geopolitical tensions and growing macroeconomic concerns have increased uncertainty

- Orders received grew 34.5% Y/Y in comparable FX, surpassing again €1 billion
- Sales increased 8.8% Y/Y in comparable FX – sales execution improved versus the previous quarters despite component availability and other supply chain constraints
- Order book broke again a new record and was over €3 billion at the end of Q3

Q4 demand outlook updated & full-year 2022 guidance reiterated

Industrial Service and Equipment operations to be optimized globally

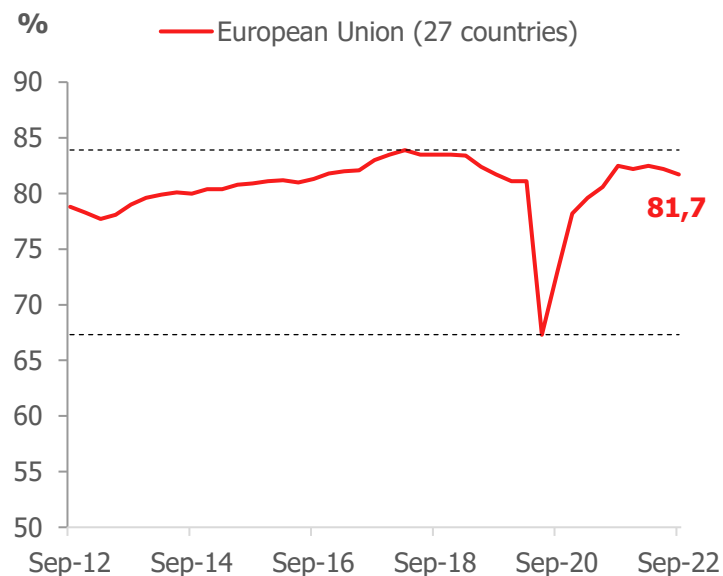


Key figures

Key figures	7-9/ 2022	7-9/ 2021	Change %	Change % At comparable currencies	1-9/ 2022	1-9/ 2021	Change %	Change % At comparable currencies	1-12/ 2021
Orders received, MEUR	1,012.5	713.7	41.9	34.5	3,049.9	2,283.2	33.6	28.3	3,175.5
Order book at end of period, MEUR					3,052.1	1,997.4	52.8	44.8	2,036.8
Sales, MEUR	884.6	773.6	14.4	8.8	2,343.9	2,236.8	4.8	0.6	3,185.7
Adj. EBITDA, MEUR	117.1	98.6	18.8		265.9	264.1	0.7		398.9
Adj. EBITDA, %	13.2%	12.7%			11.3%	11.8%			12.5%
Adj. EBITA, MEUR	95.3	77.4	23.0		200.2	199.0	0.6		312.2
Adj. EBITA, %	10.8%	10.0%			8.5%	8.9%			9.8%
Operating profit (EBIT), MEUR	91.5	49.9	83.5		120.1	134.0	-10.3		220.0
Operating margin (EBIT), %	10.3%	6.4%			5.1%	6.0%			6.9%
EPS, basic, EUR	0.77	0.40	94.2		0.86	0.99	-12.5		1.86
Free cash flow, MEUR	-38.2	39.0			-66.2	72.0			137.7
Net debt, MEUR					749.7	592.8			541.6

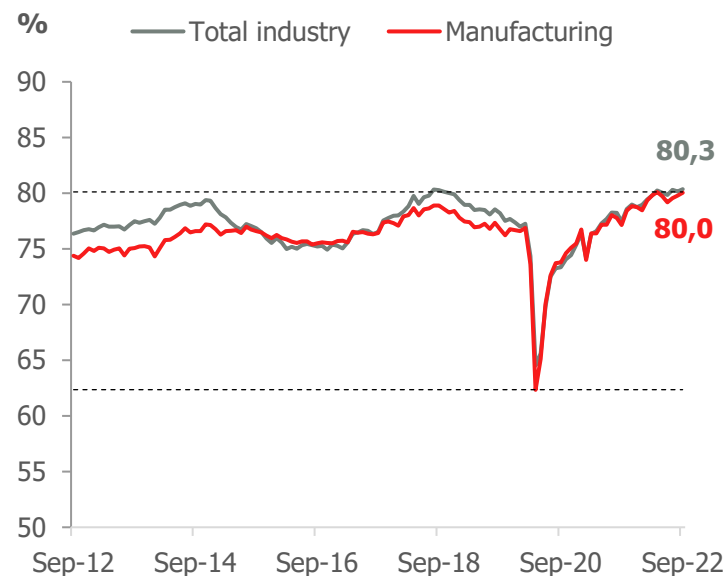
Market environment – Service and Industrial Equipment

Capacity utilization rate – EU



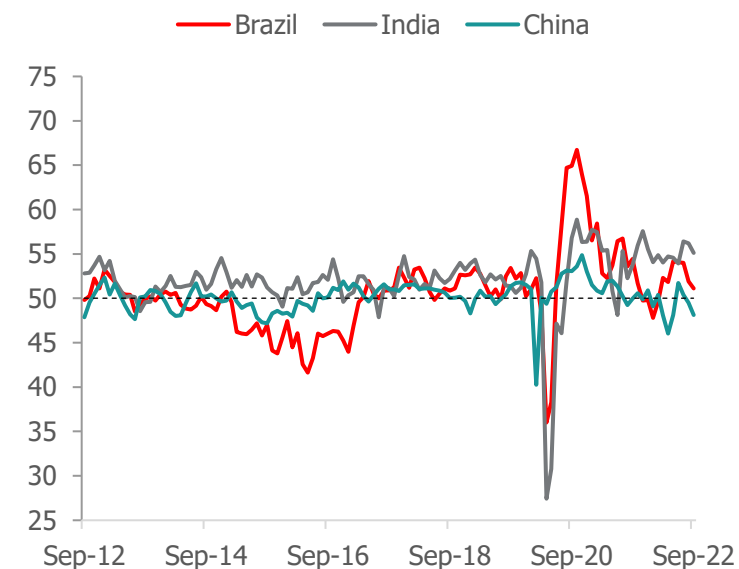
- In the EU, the manufacturing capacity utilization rate decreased in Q3, but remained slightly above the pre-COVID level
- The eurozone manufacturing PMI was in deterioration with a reading of 48.4 in Sept., signalled contraction for 3rd consecutive month

Capacity utilization rate – USA



- In the US, manufacturing capacity utilization rate increased slightly in Q3 after end of H1 decline, continued above the recent peaks of mid-2018
- The US manufacturing PMI continued to signal expansion in Q3 and in September the PMI was 52.0

Manufacturing PMIs – Brazil, India & China

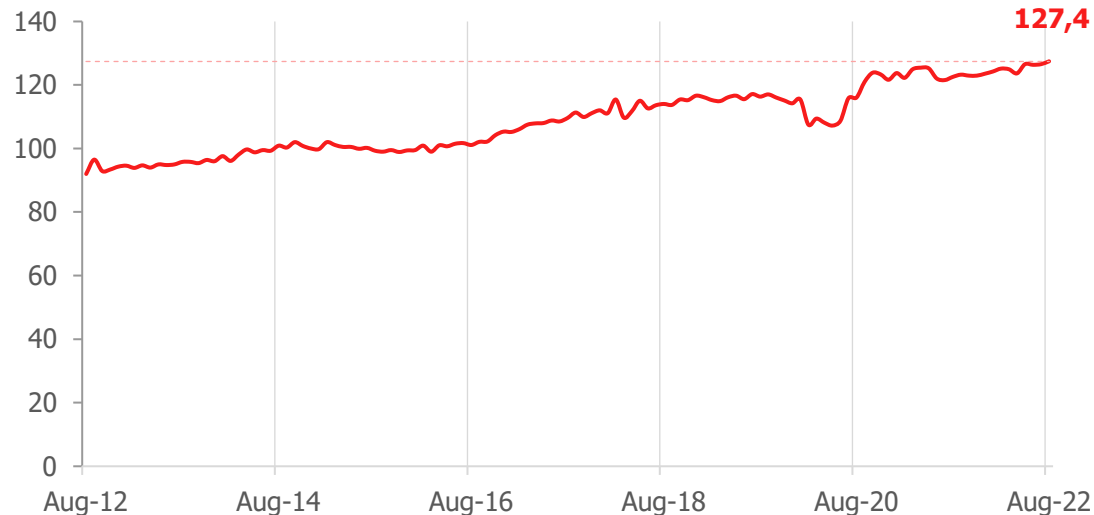


- In the emerging markets, September's PMI was in expansion territory in Brazil and India
- In China, the PMI was in deterioration

Market environment – Port Solutions

RWI/ISL Container Throughput Index

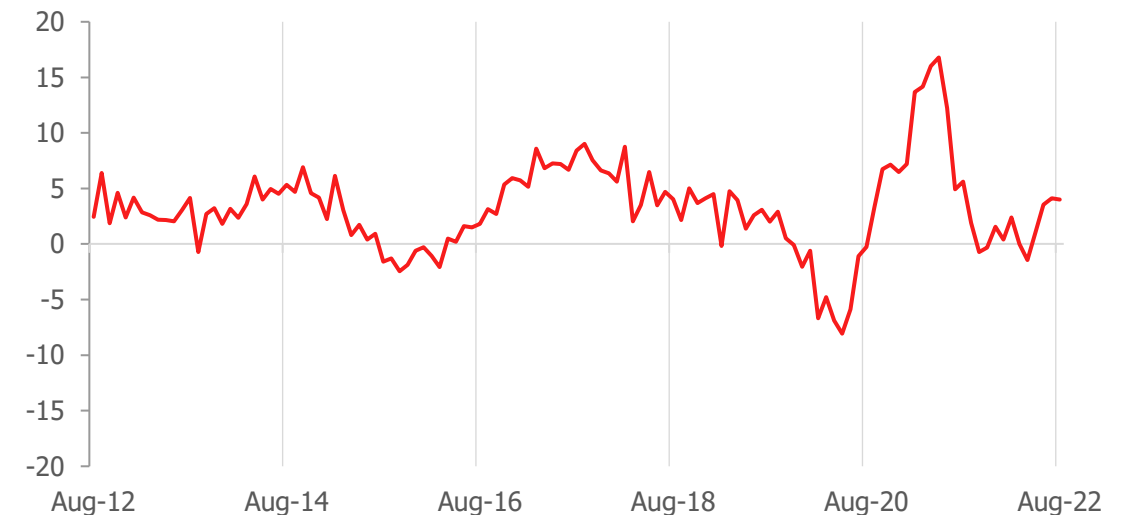
Index (2015 = 100)



- The global container throughput began 2022 at a relatively strong level compared to the historical readings
- In January-August, global container throughput was on an upward trend although there was fluctuation within the period

Monthly index change Y/Y

%



- At the end of August, global container throughput was approximately four percent higher than the year before

Q4 Demand outlook

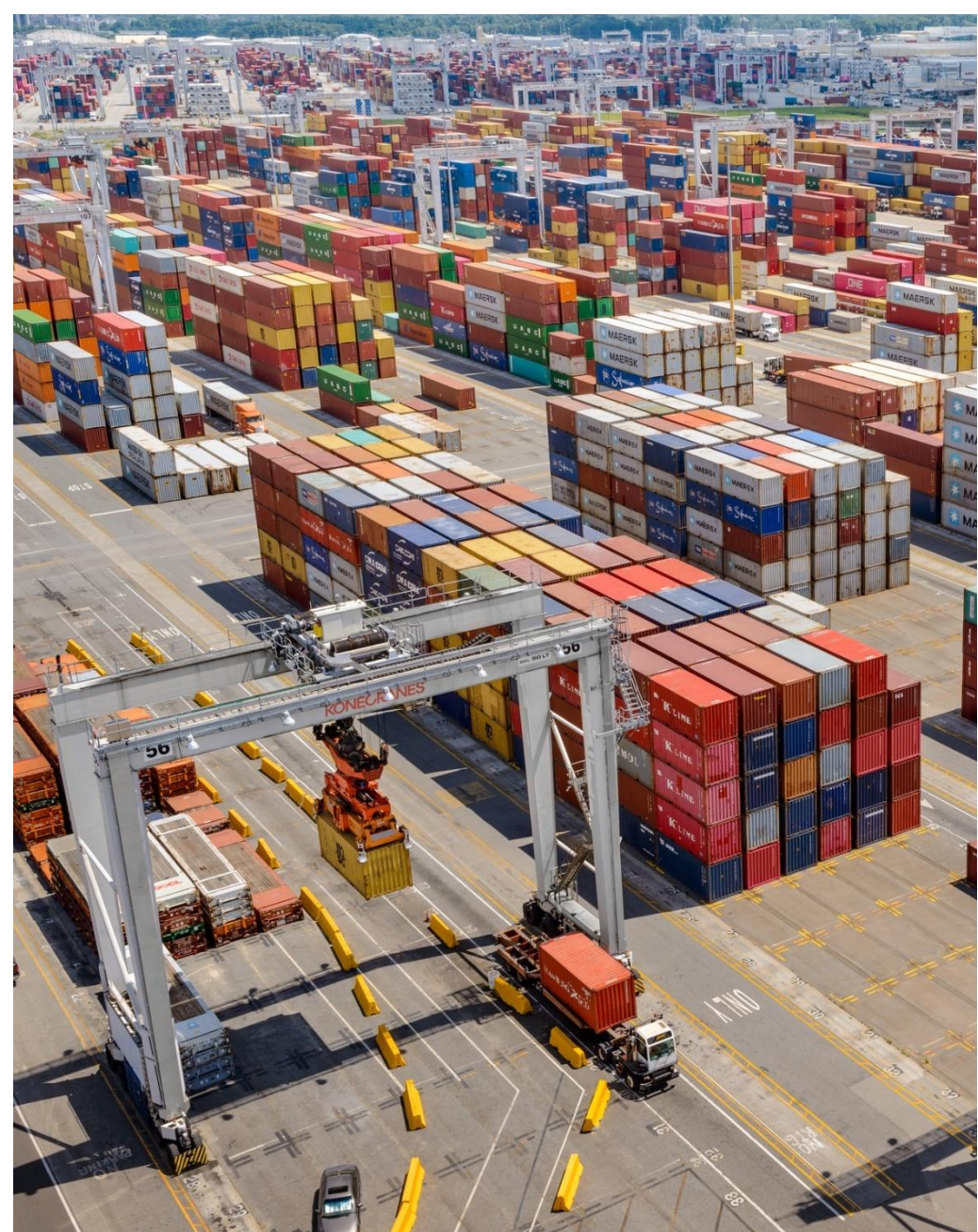
- The worldwide demand picture remains subject to volatility due to the war in Ukraine and COVID-19 having increased inflation, interest rates and material availability concerns.
- Within industrial customer segments, in North America, the demand environment remains active. In Europe, the level of uncertainty is higher compared to North America, and the demand environment has started to show signs of weakening. In Asia-Pacific, the demand environment is stable.
- Global container throughput continues high, and long-term prospects related to global container handling remain good overall.



Financial guidance

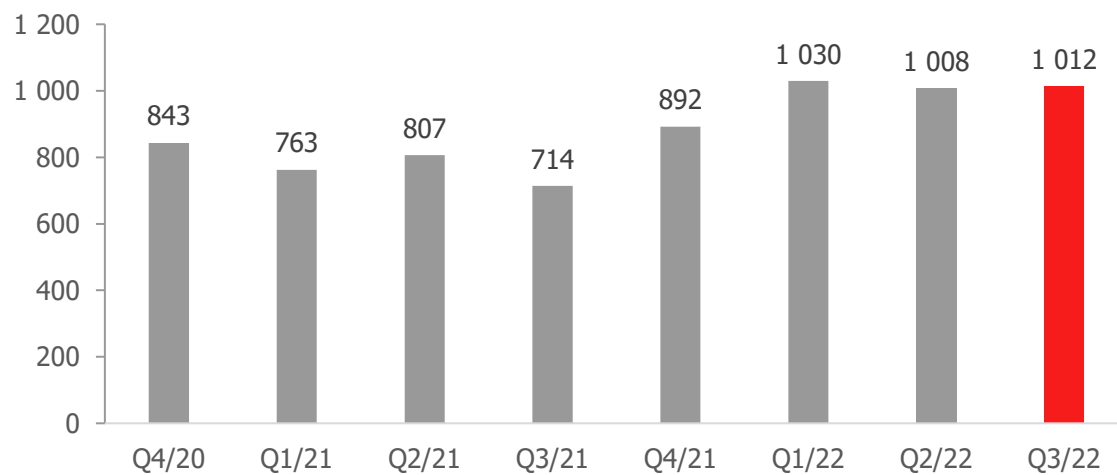
Financial guidance for 2022

- Net sales expected to remain on the same level or to increase in full-year 2022 compared to 2021.
- Adjusted EBITA margin expected to remain on the same level or to decrease in full-year 2022 compared to 2021.



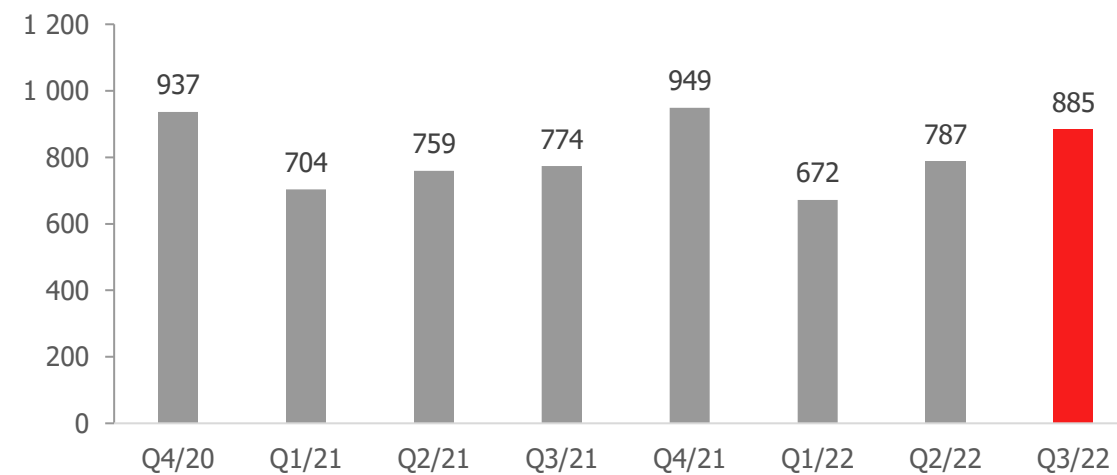
Q3/22 Group order intake and sales

Group order intake, MEUR



- Order intake increased 41.9% to EUR 1,012.5 million (713.7), 34.5% on a comparable currency basis
- Orders received increased in the Americas, EMEA and APAC
- Orders received increased in Service (15.6%), Industrial Equipment (15.3%) and in Port Solutions (115.8%)

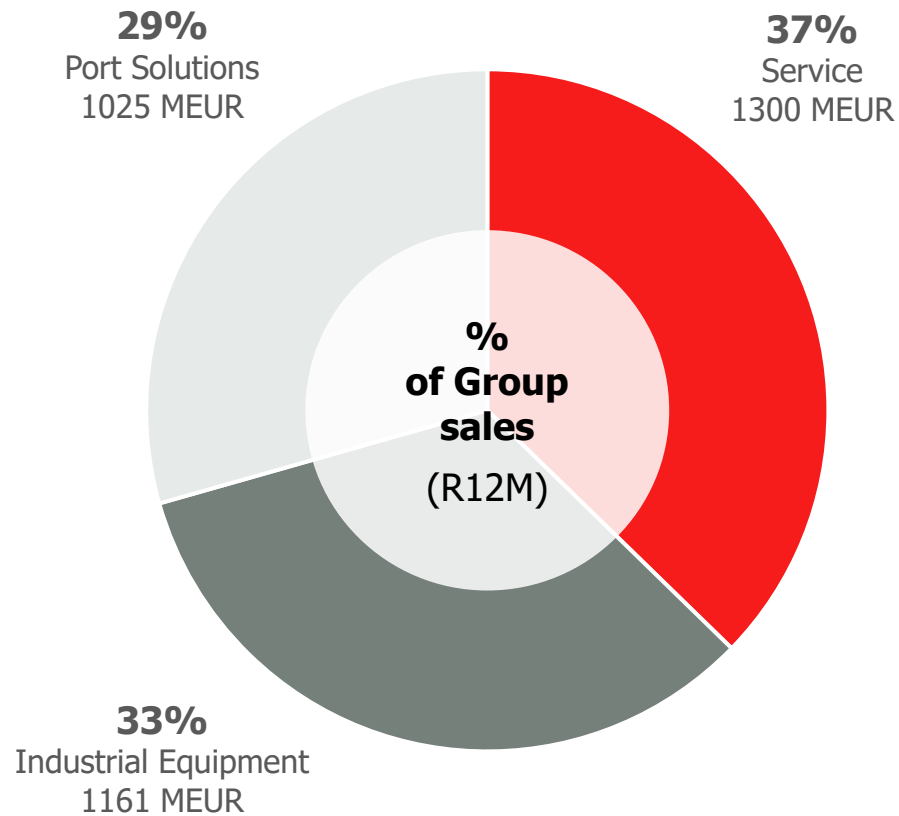
Group net sales, MEUR



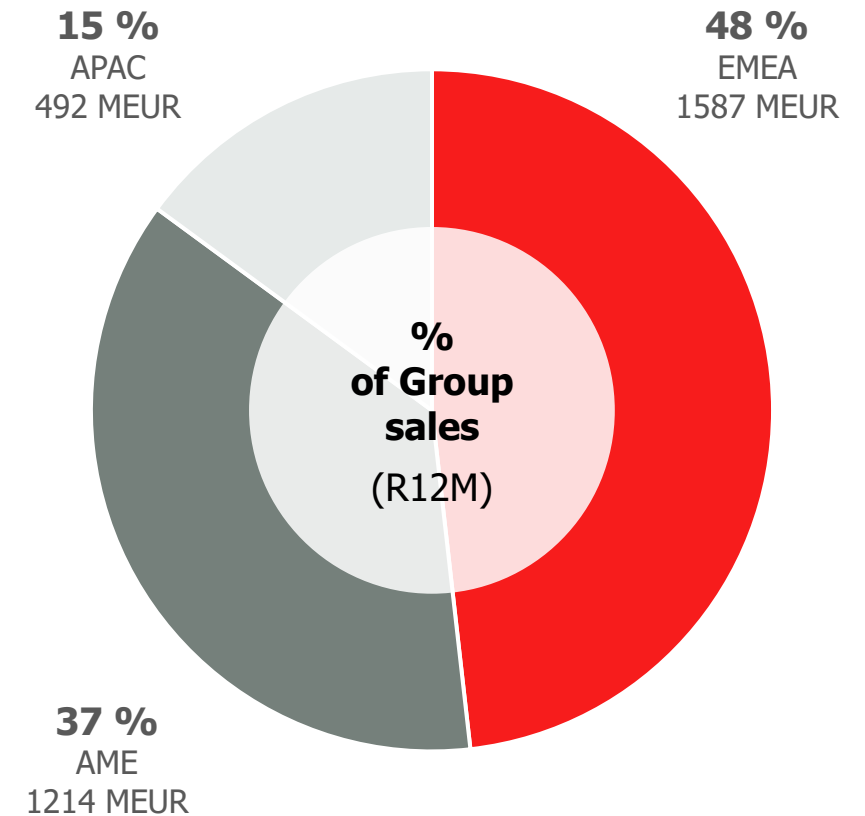
- Sales increased 14.4% to EUR 884.6 million (773.6), 8.8% on a comparable currency basis
- Sales increased in Service (17.3%), Industrial Equipment (16.2%) and in Port Solutions (7.0%)

Group sales by segment and region

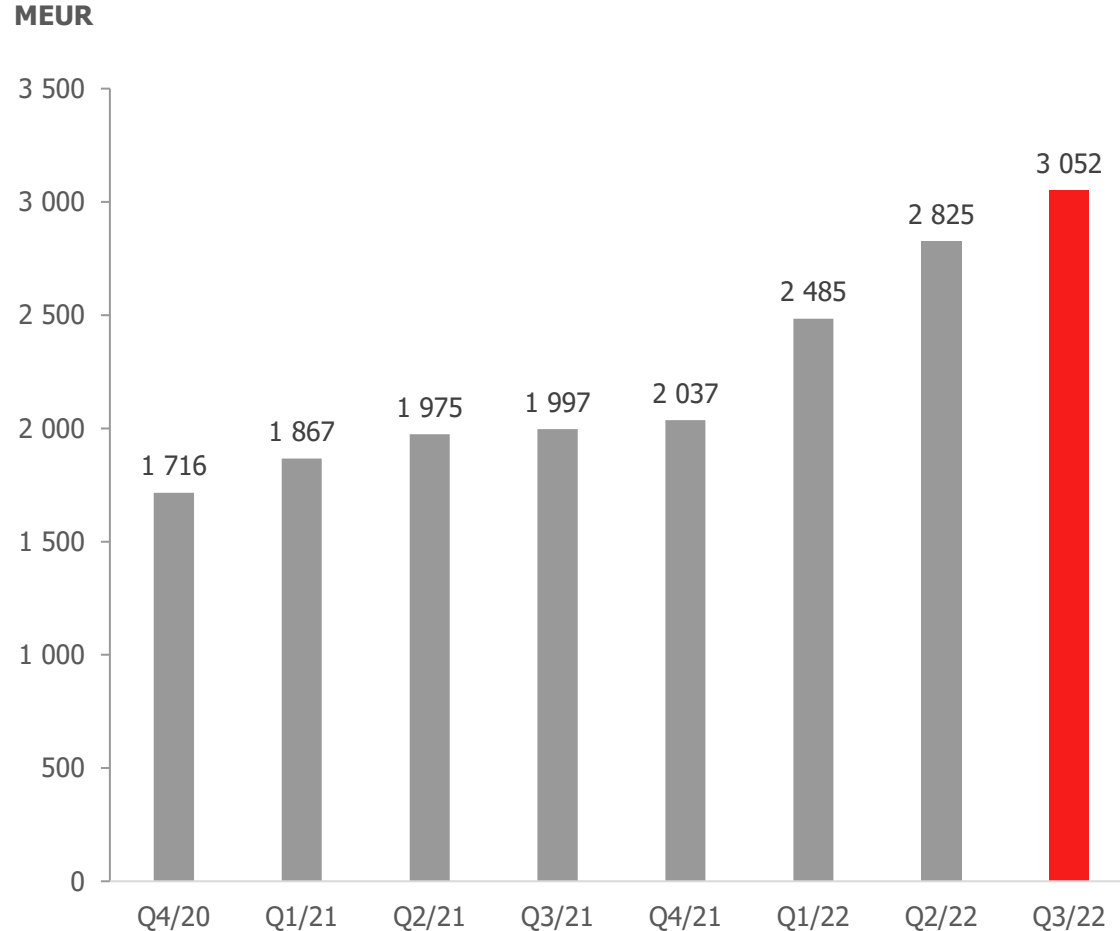
Group sales by segment



Group sales by region

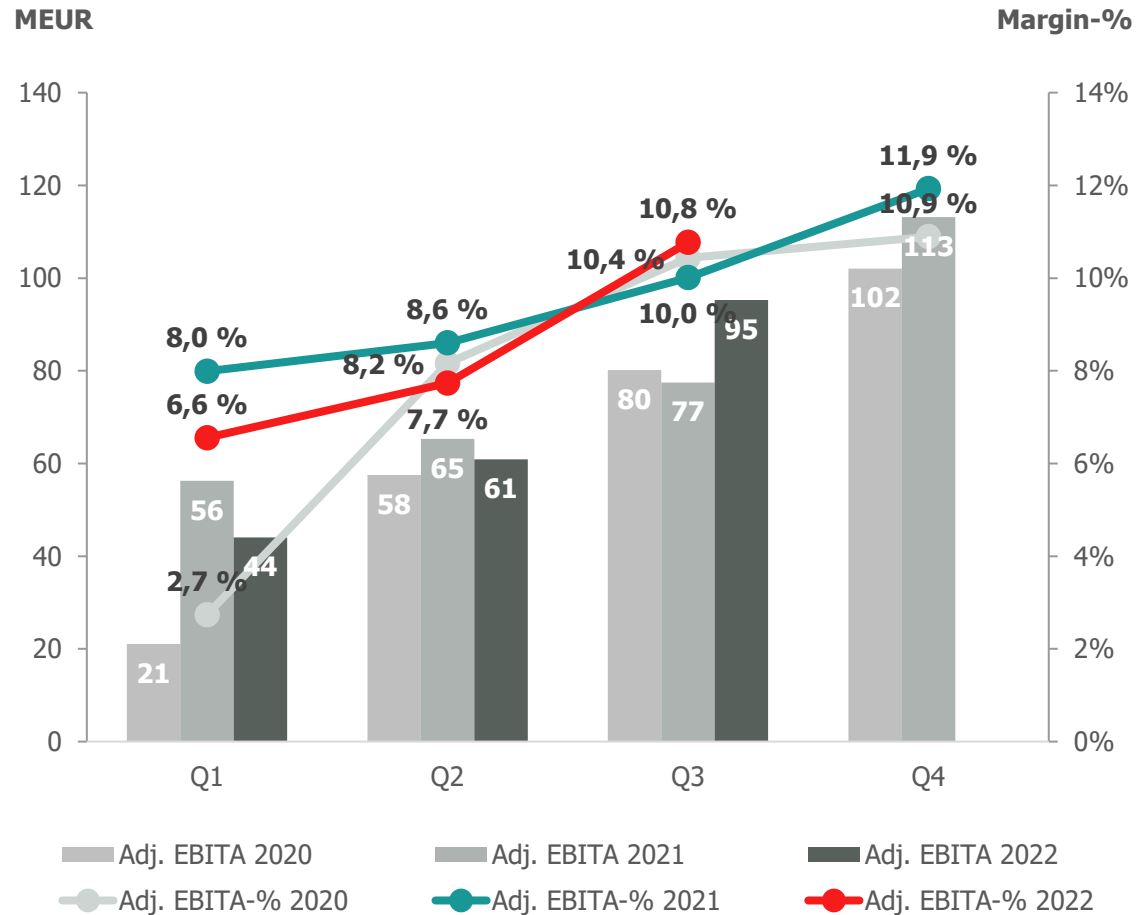


Q3/22 Group order book



- The value of the order book increased 52.8% to EUR 3,052.1 million (1,997.4)
- On a comparable currency basis, the order book increased 44.8%
- Order book increased in Service (67.1%), Industrial Equipment (30.6%) and in Port Solutions (65.8%)

Q3/22 Group adjusted EBITA



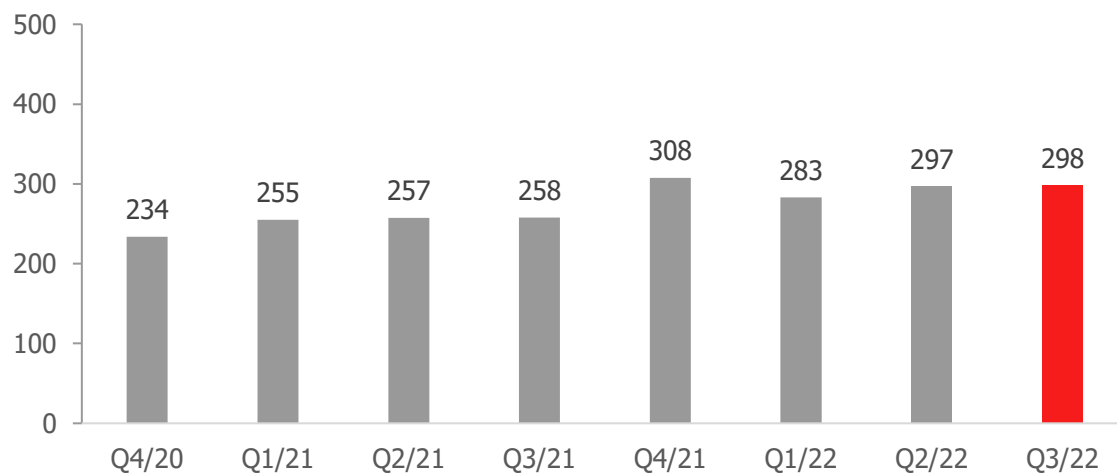
- Group adjusted EBITA increased to EUR 95.3 million (77.4), 10.8% of sales (10.0)
- The increase in the Group adjusted EBITA margin was mainly attributable to sales growth driven by pricing, and positive sales mix
- Gross margin remained approximately on the same level on a year-on-year basis

A low-angle photograph of two male technicians working on a large industrial crane. They are positioned on an orange metal platform. The technician on the left, wearing a dark blue uniform and a white hard hat, is reaching up to adjust a cable on a large pulley system. The pulley has a yellow cap with '5.0T' written on it. The technician on the right, wearing an orange shirt and a white hard hat, is looking up at the equipment. The background shows the steel structure of a building under construction.

Service

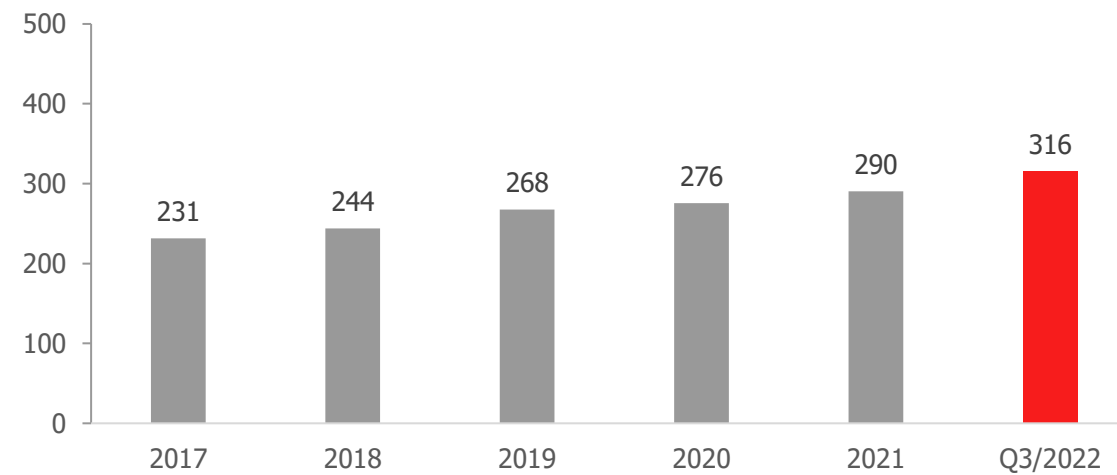
Q3/22 Service order intake and agreement base value

Service order intake, MEUR



- Orders received increased 15.6% to EUR 298.3 million (257.9)
- On a comparable currency basis, orders received increased 6.8%
- Both field service orders and parts orders increased
- Order intake increased in the Americas, EMEA and APAC

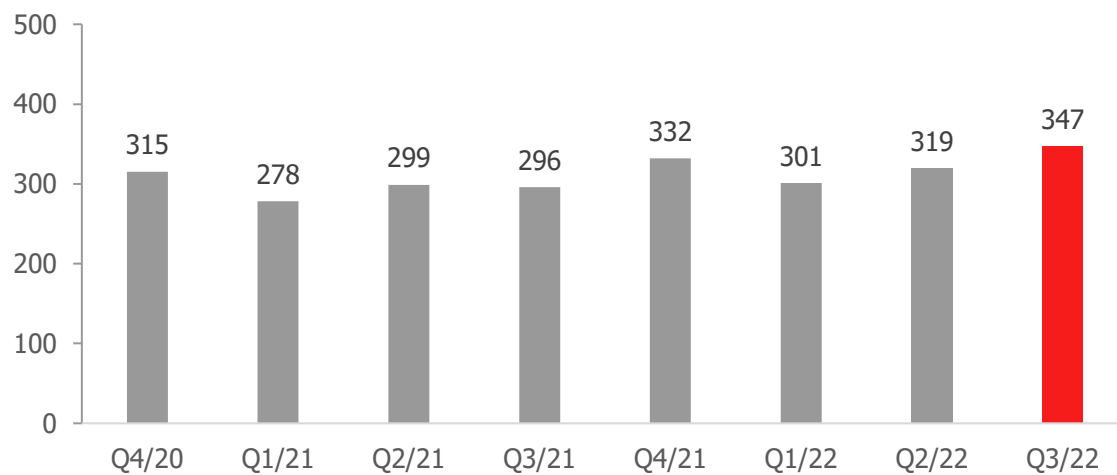
Service agreement base value, MEUR



- Year-on-year, the annual value of the agreement base increased 10.1% to EUR 315.5 million (286.7)
- On a comparable currency basis, the annual value of the agreement base increased 1.8%
- Sequentially, the annual value of the agreement base increased 1.7% on a reported basis and decreased 0.3% on a comparable currency basis

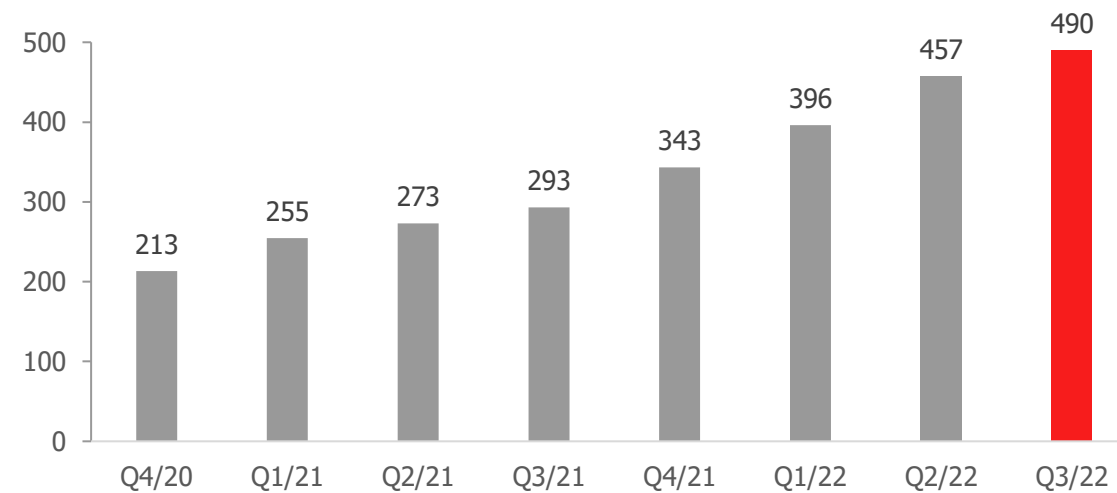
Q3/22 Service sales and order book

Service sales, MEUR



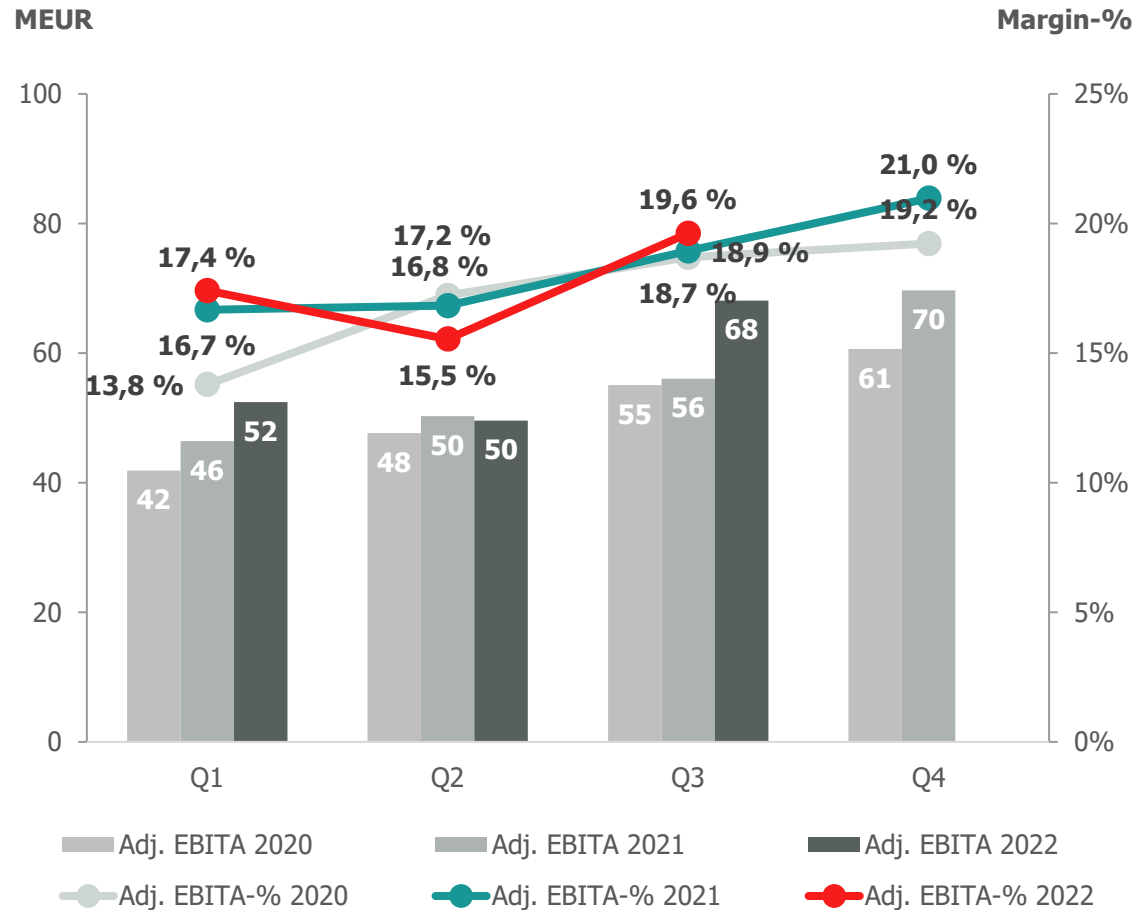
- Sales increased 17.3% to EUR 347.1 million (296.0)
- On a comparable currency basis, sales increased 8.8%
- Both field service sales and parts sales increased
- Sales increased in the Americas, EMEA and APAC

Service order book, MEUR



- The order book increased 67.1% to EUR 490.0 million (293.1)
- On a comparable currency basis, the order book increased 52.3%

Q3/22 Service adjusted EBITA



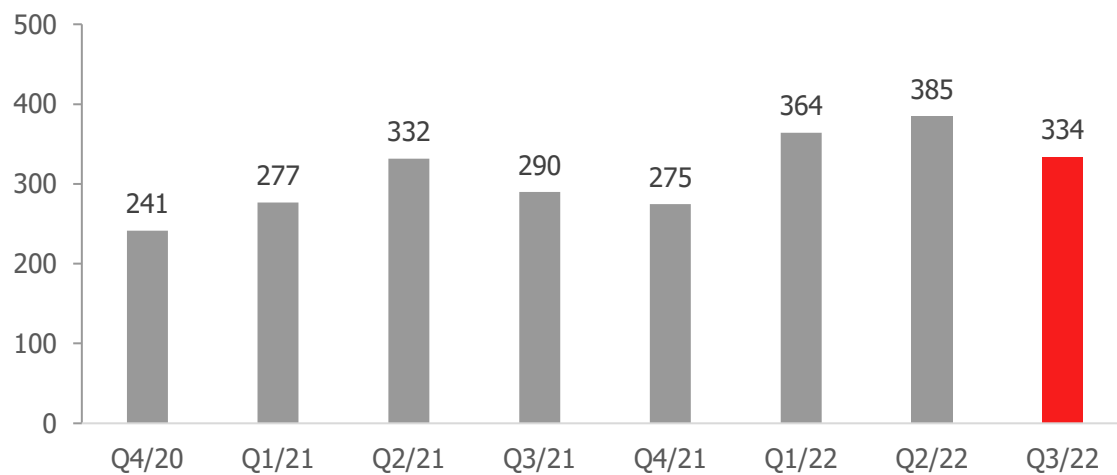
- The adjusted EBITA was EUR 68.1 million (56.1) and the adjusted EBITA margin 19.6% (18.9)
- The increase in the adjusted EBITA margin was attributable to higher sales mainly driven by pricing
- Gross margin remained approximately on the same level on a year-on-year basis

Industrial Equipment



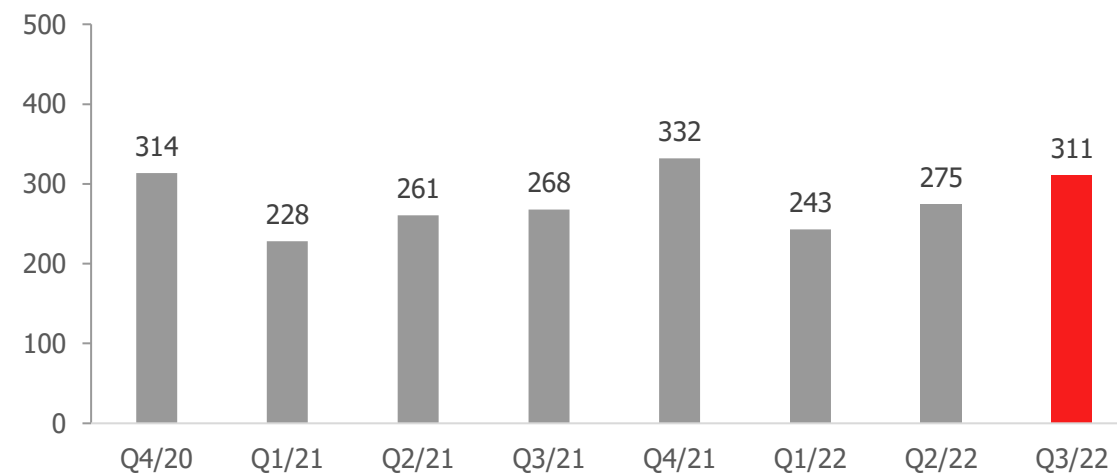
Q3/22 Industrial Equipment order intake and sales

Industrial Equipment order intake, MEUR



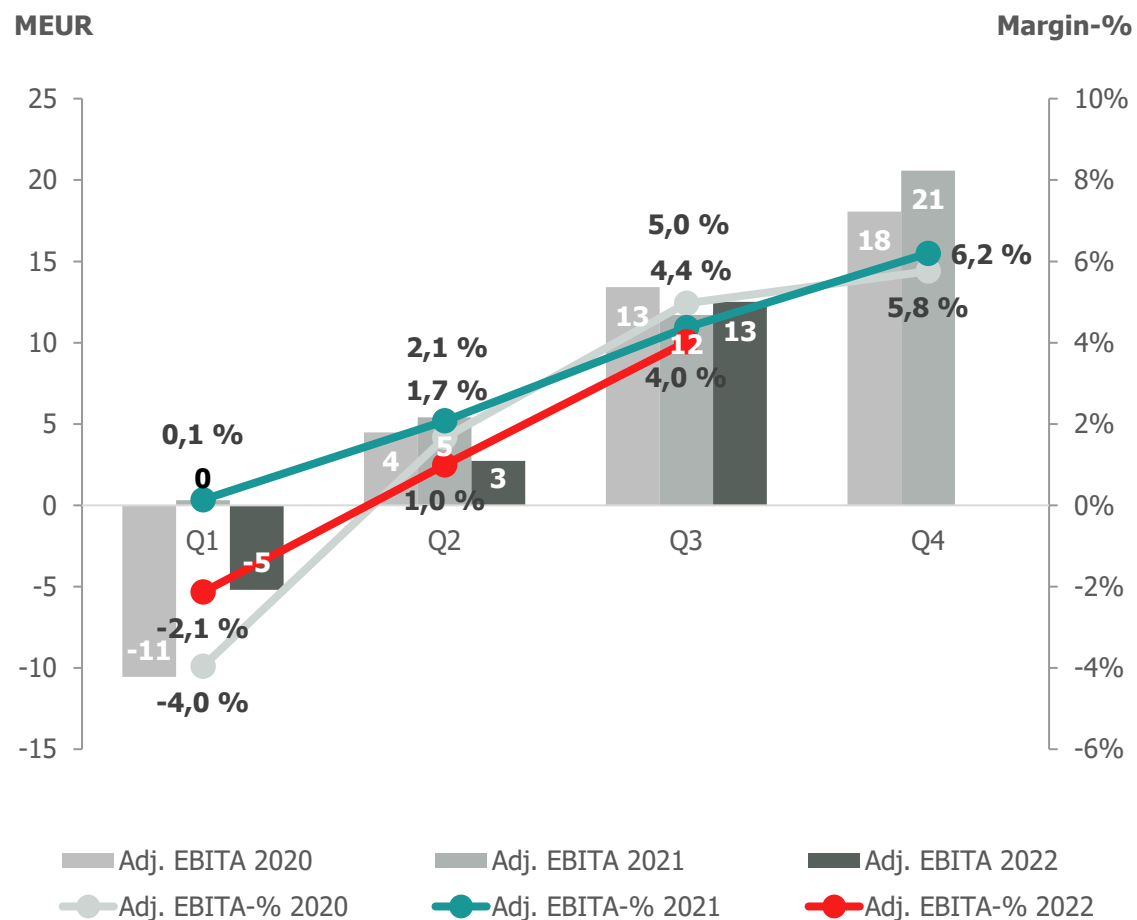
- Orders received totaled EUR 334.0 million (289.8), corresponding to an increase of 15.3%
- External orders received increased 7.8% on a reported basis and 1.1% on a comparable currency basis
- Order intake increased in standard cranes and process cranes but decreased in components
- Orders received increased in the Americas and EMEA but decreased in APAC

Industrial Equipment sales, MEUR



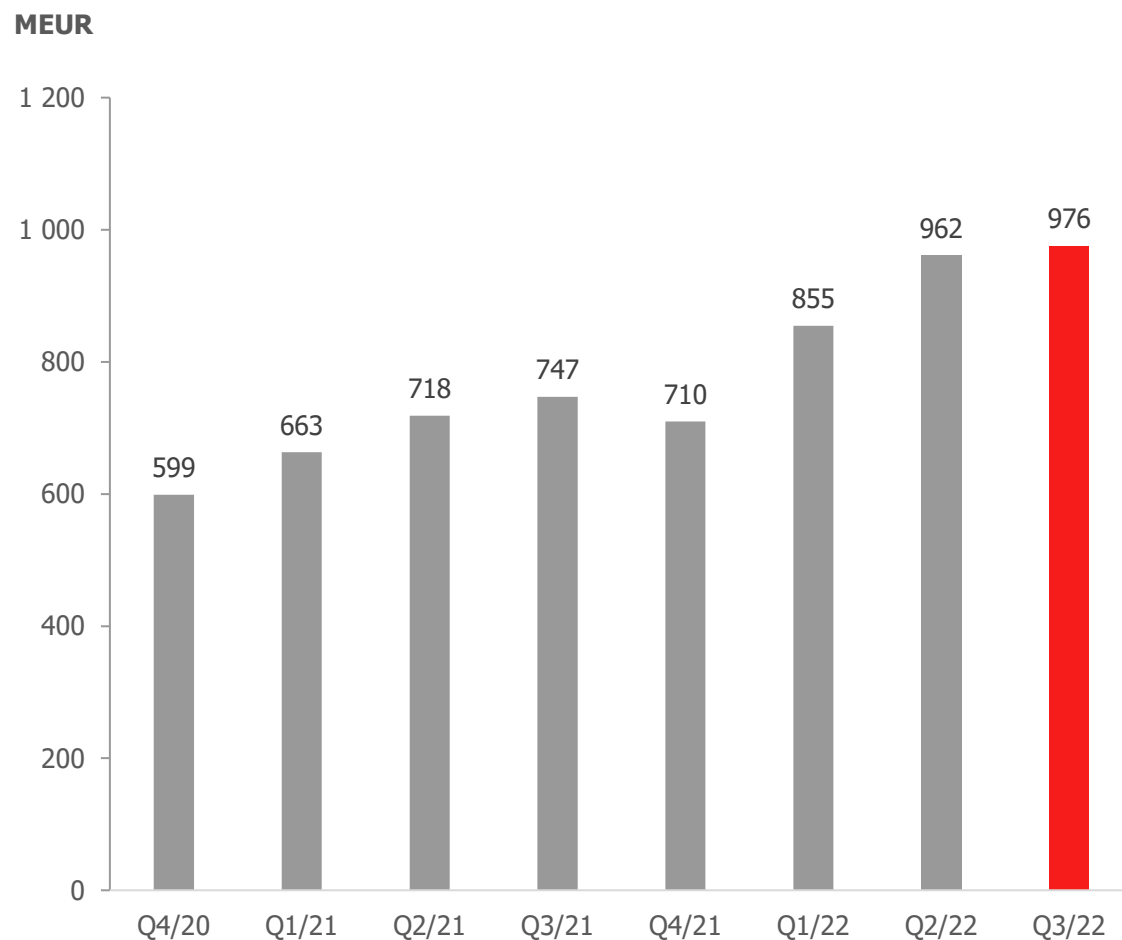
- Sales increased 16.2% to EUR 311.0 million (267.7)
- External sales increased 20.2% on a reported basis and 13.5% on a comparable currency basis
- Sales increased in standard cranes, process cranes and components
- Sales increased in the Americas and APAC but decreased in EMEA

Q3/22 Industrial Equipment adjusted EBITA



- The adjusted EBITA was EUR 12.5 million (11.7) and the adjusted EBITA margin 4.0% (4.4)
- The decrease in the adjusted EBITA margin was mainly attributable to cost inflation
- Gross margin decreased on a year-on-year basis

Q3/22 Industrial Equipment order book



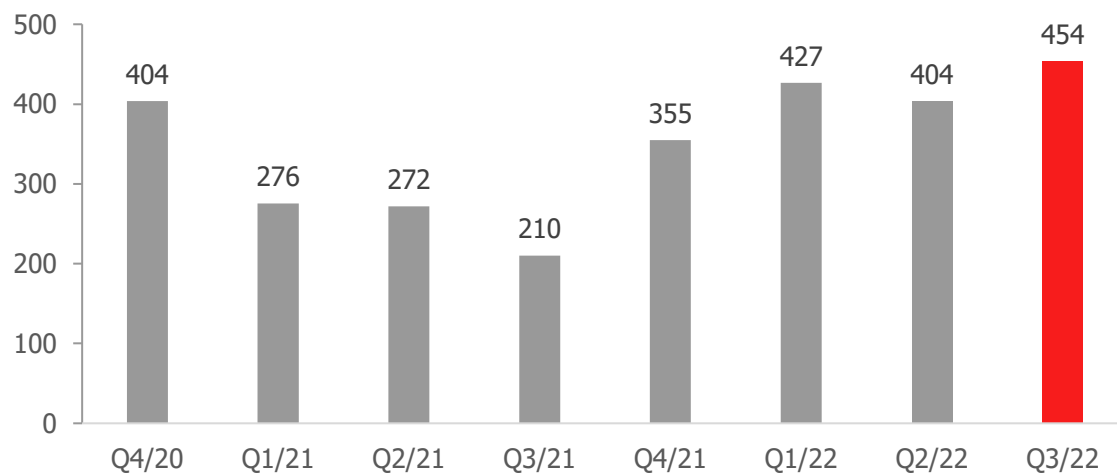
- The order book increased 30.6% to EUR 976.0 million (747.3)
- On a comparable currency basis, the order book increased 19.6%

A large blue and red Konecranes NYCT gantry crane is lifting a blue container from a train car. The crane has "KONECRANES" and "NYCT" written on its red beam. The container is suspended by cables and is being moved from a train car. The train car is blue and has "NYCT" written on it. The scene is set at a port with a blue sky and white clouds. A red semi-transparent box is overlaid on the right side of the image, containing the text "Port Solutions".

Port Solutions

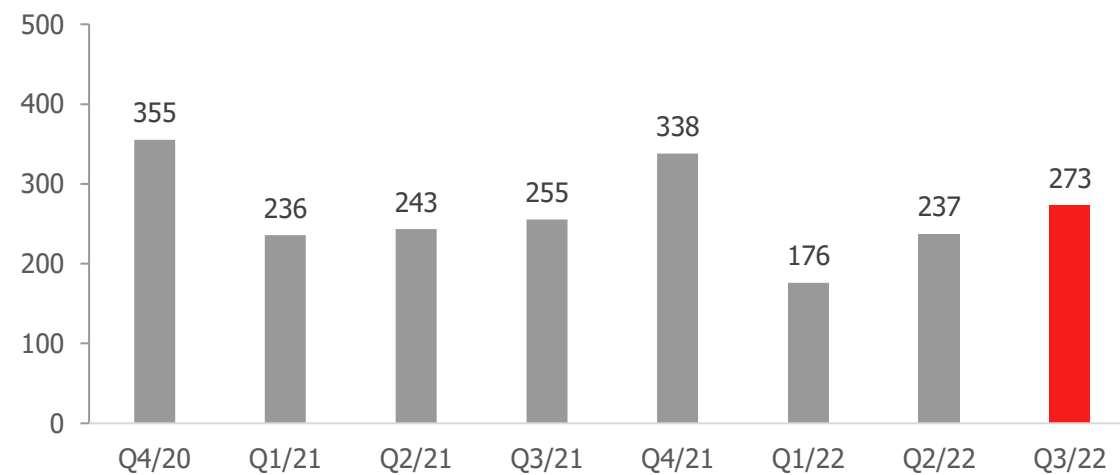
Q3/22 Port Solutions order intake and sales

Port Solutions order intake, MEUR



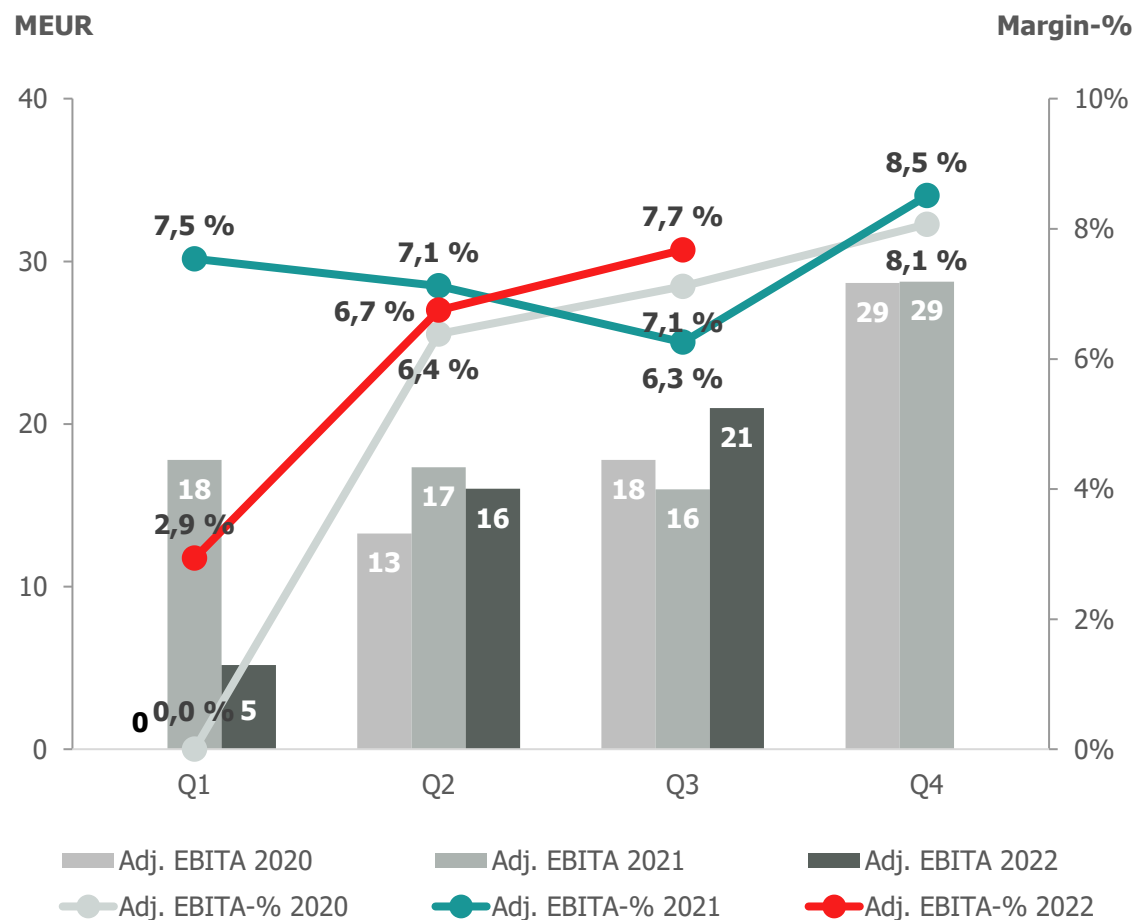
- Order intake totaled EUR 453.6 million (210.2), representing an increase of 115.8%
- On a comparable currency basis, orders received increased 114.5%
- Orders received increased in the Americas, EMEA and APAC

Port Solutions sales, MEUR



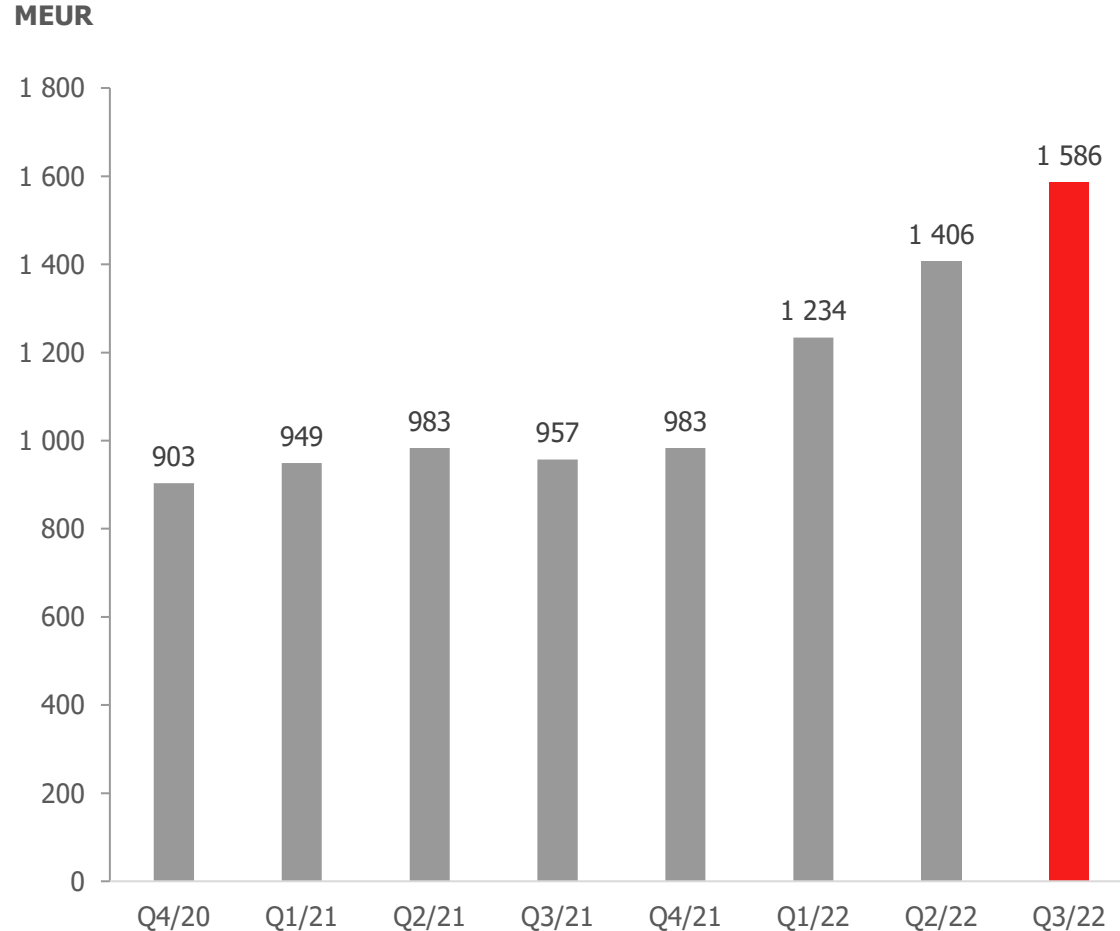
- Sales increased 7.0% to EUR 273.3 million (255.5)
- On a comparable currency basis, sales increased 5.6%

Q3/22 Port Solutions adjusted EBITA



- The adjusted EBITA was EUR 21.0 million (16.0) and the adjusted EBITA margin 7.7% (6.3)
- The increase in the adjusted EBITA margin was mainly attributable to higher sales and positive sales mix
- Gross margin improved on a year-on-year basis

Q3/22 Port Solutions order book



- The order book increased 65.8% to EUR 1,586.2 million (957.0)
- On a comparable currency basis, the order book increased 63.6%



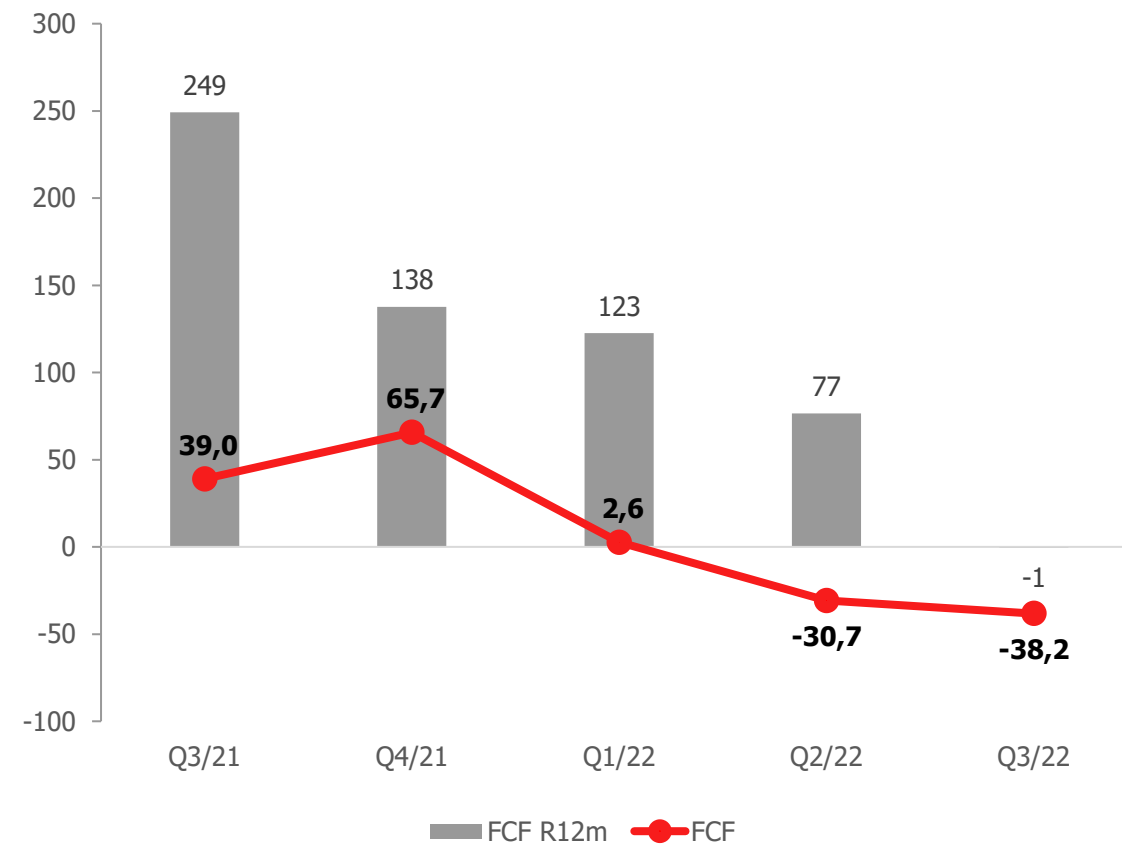
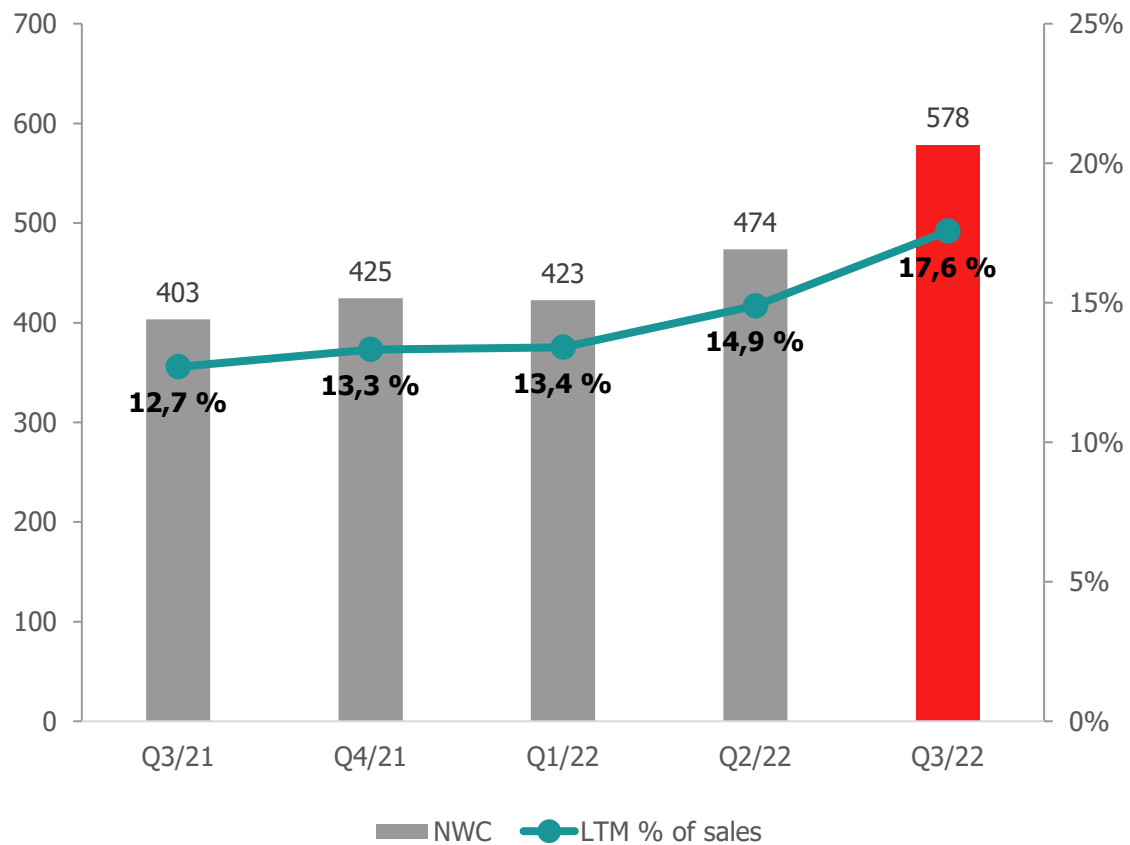
Cash Flow and Balance Sheet

Net working capital and free cash flow

Net working capital, MEUR

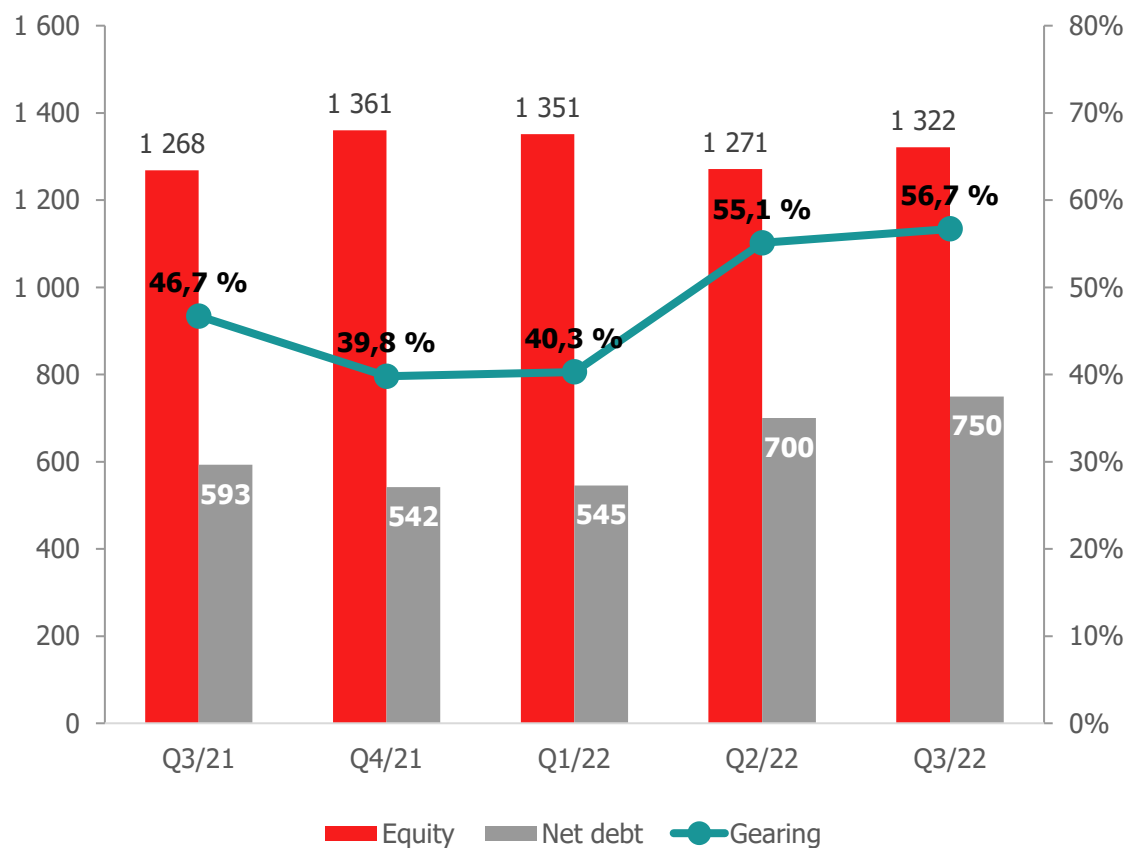
% of sales

Free cash flow, MEUR



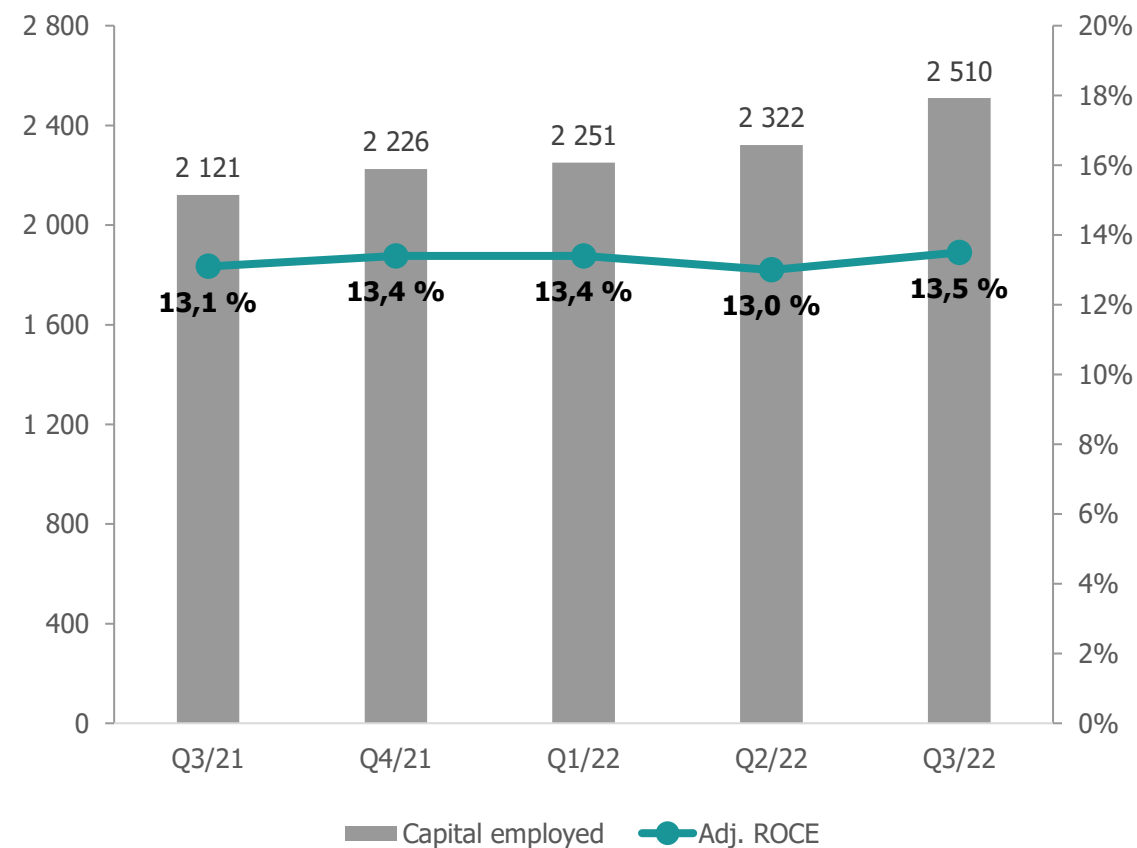
Gearing and return on capital employed

Equity and net debt, MEUR



Gearing-%

Capital employed, MEUR



Return on capital employed-%



Welcome to Konecranes,
Anders Svensson!

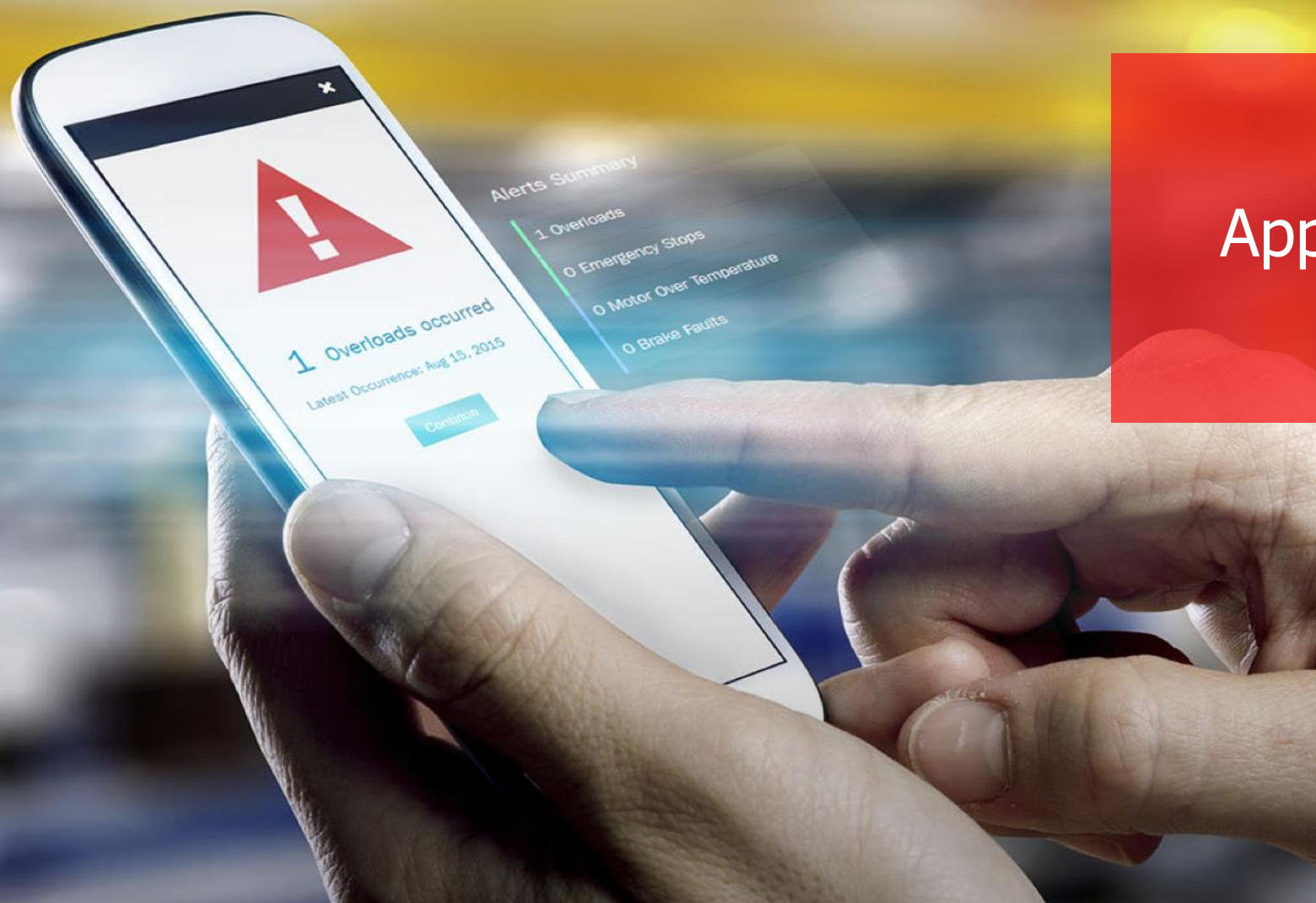
Konecranes

CMD 2023

May 10, 2023
Helsinki



Q&A



Appendix

Key figures by segment

Key figures	7-9/ 2022	7-9/ 2021	Change %	Change % At comparable currencies	1-9/ 2022	1-9/ 2021	Change %	Change % At comparable currencies	1-12/ 2021
Service									
Orders received, MEUR	298.3	257.9	15.6	6.8	878.6	770.6	14.0	7.3	1,078.3
Service agreement base value, MEUR	315.5	286.7	10.1	1.8	315.5	286.7	10.1	1.8	290.4
Sales, MEUR	347.1	296.0	17.3	8.8	967.4	873.1	10.8	4.6	1,205.3
Adj. EBITA, MEUR	68.1	56.1	21.5		170.1	152.7	11.4		222.4
Adj. EBITA, %	19.6%	18.9%			17.6%	17.5%			18.5%
Industrial Equipment									
Orders received, MEUR	334.0	289.8	15.3	8.6	1,083.0	898.0	20.6	15.1	1,172.5
<i>of which external</i>	<i>278.2</i>	<i>258.1</i>	<i>7.8</i>	<i>1.1</i>	<i>933.8</i>	<i>791.3</i>	<i>18.0</i>	<i>12.1</i>	<i>1,033.7</i>
Sales, MEUR	311.0	267.7	16.2	10.3	828.7	756.6	9.5	4.5	1,088.7
<i>of which external</i>	<i>281.9</i>	<i>234.4</i>	<i>20.2</i>	<i>13.5</i>	<i>733.7</i>	<i>666.1</i>	<i>10.2</i>	<i>4.6</i>	<i>960.2</i>
Adj. EBITA, MEUR	12.5	11.7	6.9		10.0	17.4	-42.4		38.0
Adj. EBITA, %	4.0%	4.4%			1.2%	2.3%			3.5%
Port Solutions									
Orders received, MEUR	453.6	210.2	115.8	114.5	1,283.8	757.8	69.4	68.2	1,112.7
Sales, MEUR	273.3	255.5	7.0	5.6	686.6	734.9	-6.6	-7.4	1,072.9
Adj. EBITA, MEUR	21.0	16.0	31.2		42.2	51.1	-17.5		79.9
Adj. EBITA, %	7.7%	6.3%			6.1%	7.0%			7.4%

Statement of income

EUR million	7-9/ 2022	7-9/ 2021	Change %	1-9/ 2022	1-9/ 2021	Change %	1-12/ 2021
Sales	884.6	773.6	14.4	2,343.9	2,236.8	4.8	3,185.7
Other operating income	3.4	3.3		6.6	9.1		11.3
Materials, supplies and subcontracting	-392.2	-343.6		-1,007.3	-948.3		-1,413.0
Personnel cost	-271.9	-245.5		-821.2	-766.7		-1,023.5
Depreciation and impairments	-32.3	-29.6		-92.8	-90.3		-120.1
Other operating expenses	-100.2	-108.3		-309.1	-306.7		-420.4
Operating profit	91.5	49.9	83.5	120.1	134.0	-10.3	220.0
Share of associates' and joint ventures' result	0.0	0.0		0.5	0.1		0.3
Financial income	21.3	1.1		45.2	18.2		28.6
Financial expenses	-29.4	-7.9		-74.2	-41.5		-56.4
Profit before taxes	83.4	43.1	93.5	91.7	110.9	-17.3	192.5
Taxes	-23.4	-11.7		-25.7	-32.7		-45.1
Profit for the period	60.0	31.4	91.1	66.0	78.2	-15.6	147.4

Balance sheet

EUR million	30 Sep 2022	30 Sep 2021
Non-current assets	2,026.7	2,005.8
Goodwill	1,027.1	1,020.4
Intangible assets	483.9	509.0
Property, plant and equipment	352.5	327.1
Other	163.3	149.3
Current assets	2,379.6	1,783.9
Inventories	1,049.4	782.4
Accounts receivable	526.6	454.1
Receivables and other current assets	369.1	289.6
Cash and cash equivalents	434.5	257.7
Assets held for sale	0.0	0.0
Total Assets	4,406.3	3,789.7

EUR million	30 Sep 2022	30 Sep 2021
Total Equity	1,321.7	1,268.3
Non-current liabilities	1,504.3	908.7
Interest-bearing liabilities	1059.0	444.6
Other long-term liabilities	284.9	305.1
Other	160.4	159.1
Current liabilities	1,580.4	1,612.7
Interest-bearing liabilities	129.3	408.5
Advance payments received	556.0	372.2
Accounts payable	299.0	244.0
Provisions	98.6	113.7
Other current liabilities	497.5	474.2
Liabilities directly attributable to assets held for sale	0.0	0.0
Total Equity and Liabilities	4,406.3	3,789.7

Cash flow statement

EUR million	1-9/ 2022	1-9/ 2021	1-12/ 2021
Operating income before change in net working capital	207.5	227.9	346.0
Change in net working capital	-141.3	-67.4	-99.0
Cash flow from operations before financing items and taxes	66.1	160.5	247.0
Financing items and taxes	-101.7	-68.5	-78.6
Net cash from operating activities	-35.5	92.1	168.4
Net cash used in investing activities	-31.7	-20.0	-30.7
Cash flow before financing activities	-67.2	72.0	137.7
Net cash used in financing activities	167.7	-410.8	-417.0
Translation differences in cash	13.4	4.6	8.1
Change of cash and cash equivalents	113.8	-334.2	-271.2
Free cash flow	-66.2	72.0	137.7

Key figures

EUR million	1-9/ 2022	1-9/ 2021	Change %	1-12/ 2021
Earnings per share, basic (EUR)	0.86	0.99	-12.5	1.86
Earnings per share, diluted (EUR)	0.86	0.99	-12.9	1.85
Return on capital employed, %, Rolling 12 Months (R12M)	8.4	9.3	-9.7	9.3
Return on equity, %, Rolling 12 Months (R12M)	10.4	10.8	-3.7	11.3
Equity per share (EUR)	16.63	15.91	4.5	17.08
Net debt / Adjusted EBITDA, Rolling 12 Months (R12M)	1.9	1.5	26.7	1.4
Equity to asset ratio, %	34.3	37.1	-7.5	38.9
Investments total (excl. acquisitions), EUR million	25.8	32.1	-19.6	49.8
Average number of personnel during the period	16,573	16,638	-0.4	16,625
Average number of shares outstanding, basic	79,146,467	79,134,459	0.0	79,134,459
Average number of shares outstanding, diluted	79,456,858	79,134,459	0.4	79,606,960
Number of shares outstanding	79,166,599	79,134,459	0.0	79,134,459



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