

Q1 2021 Report

April 28, 2021

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Lifting Businesses™



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Agenda

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

Q1 2021 Highlights

A strong start to 2021: strong order intake combined with record-high Q1 adjusted EBITA margin

- Group adj. EBITA-% at 8.0% (2.7%), driven by high performance, improved business excellence and efficient cost management
- Service at all-time high Q1 adj. EBITA-% 16.7%, Industrial Equipment at 0.1% and Port Solutions at 7.5%; good traction from our strategic initiative actions

COVID-19 related market uncertainty and volatility is not over, overall market sentiment continued to improve in Q1

- Group order intake grew 6.3% Y/Y in comparable FX, particularly driven by the continued good order momentum in Port Solutions
- In all three Business Areas orders received were flat to higher
- Group sales decreased 6.0% Y/Y in comparable FX, negatively impacted by COVID-19 and lower orderbook, ongoing component availability and container shortages

Demand outlook for Q2 updated

Full-year 2021 guidance reiterated

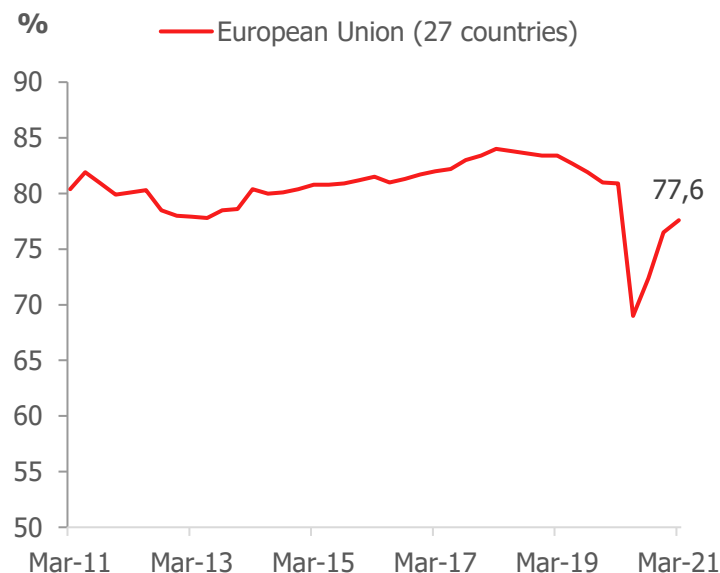


Key figures

Key figures	1-3/ 2021	1-3/ 2020	Change %	Change % At comparable currencies	1-12/ 2020
Orders received, MEUR	762.8	737.0	3.5	6.3	2,727.3
Order book at end of period, MEUR	1,866.7	1,961.3	-4.8	-4.0	1,715.5
Sales, MEUR	704.0	769.6	-8.5	-6.0	3,178.9
Adj. EBITDA, MEUR	79.0	46.0	71.9		356.7
Adj. EBITDA, %	11.2%	6.0%			11.2%
Adj. EBITA, MEUR	56.2	21.1	167.1		260.8
Adj. EBITA, %	8.0%	2.7%			8.2%
Operating profit (EBIT), MEUR	37.5	7.8	381.0		173.8
Operating margin (EBIT), %	5.3%	1.0%			5.5%
EPS, basic, EUR	0.23	0.14	58.7		1.54
Free cash flow, MEUR	17.7	53.8			366.1
Net debt, MEUR	569.2	771.3			577.1

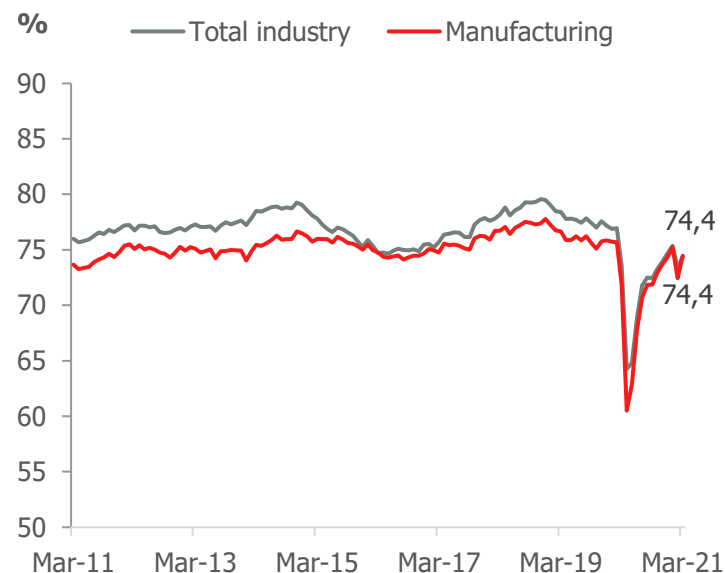
Market environment – Service and Industrial Equipment

Capacity utilization rate – EU



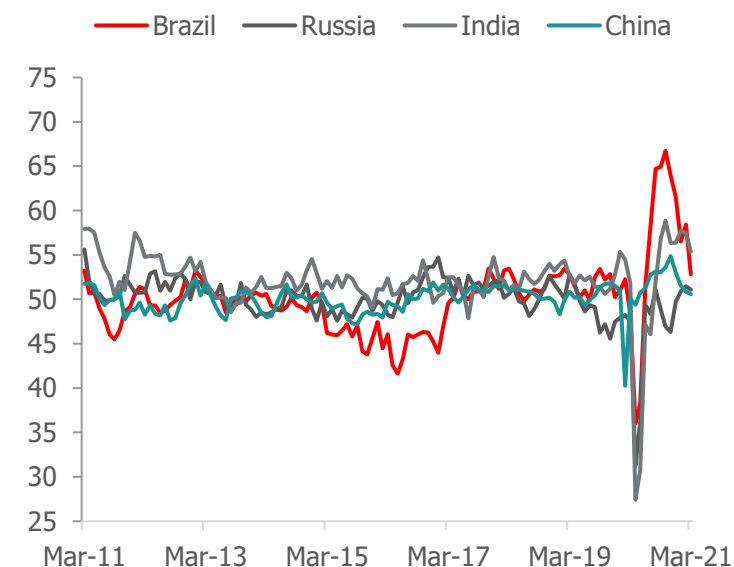
- Operating conditions continued to improve towards the end of Q1 in Europe, manufacturing PMI at record-high of 62.5 in March
- Manufacturing industry capacity utilization rate continued to improve with mild growth in Q1, although it remains below pre-COVID levels

Capacity utilization rate – USA



- In the US, manufacturing PMI began 2021 with a record-high reading of 59.2 in January and remained near record levels in March
- Manufacturing capacity utilization rate continued below pre-pandemic levels

PMIs – BRIC countries

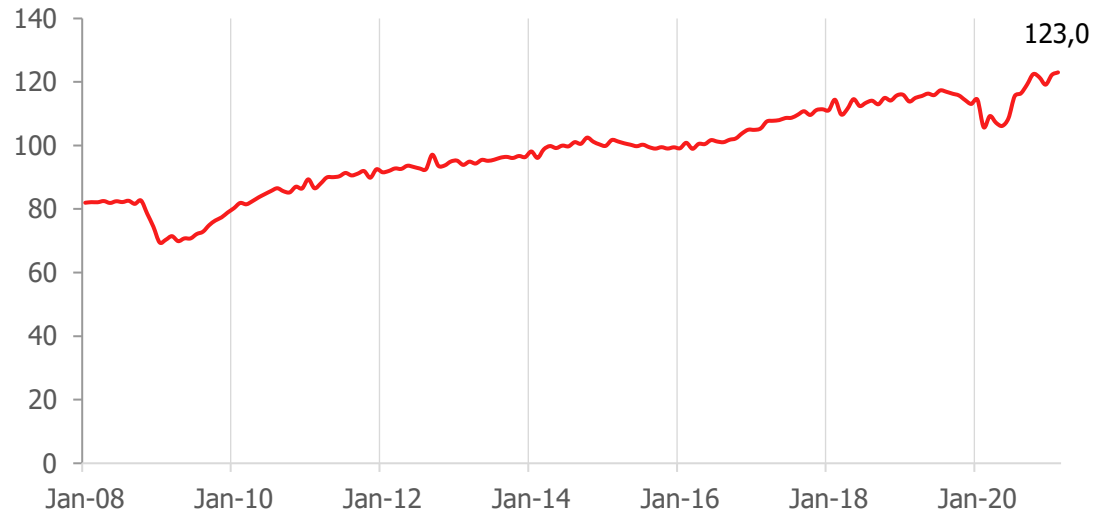


- China's manufacturing PMI carried on in expansion in Q1 with a reading of 50.6 in March
- In Brazil, the manufacturing PMI dropped sharply in March but remained in expansion
- In India, the PMI had a small drop in March while in Russia, the PMI improved marginally during Q1

Market environment – Port Solutions

RWI/ISL Container Throughput Index

Index (2015 = 100)



- The global container throughput started 2021 at a high level following the solid recovery after the drop in the beginning of 2020
- During the first months of 2021, global container throughput was steady at a high level, and up slightly from the end of the previous year

Monthly index change Y/Y

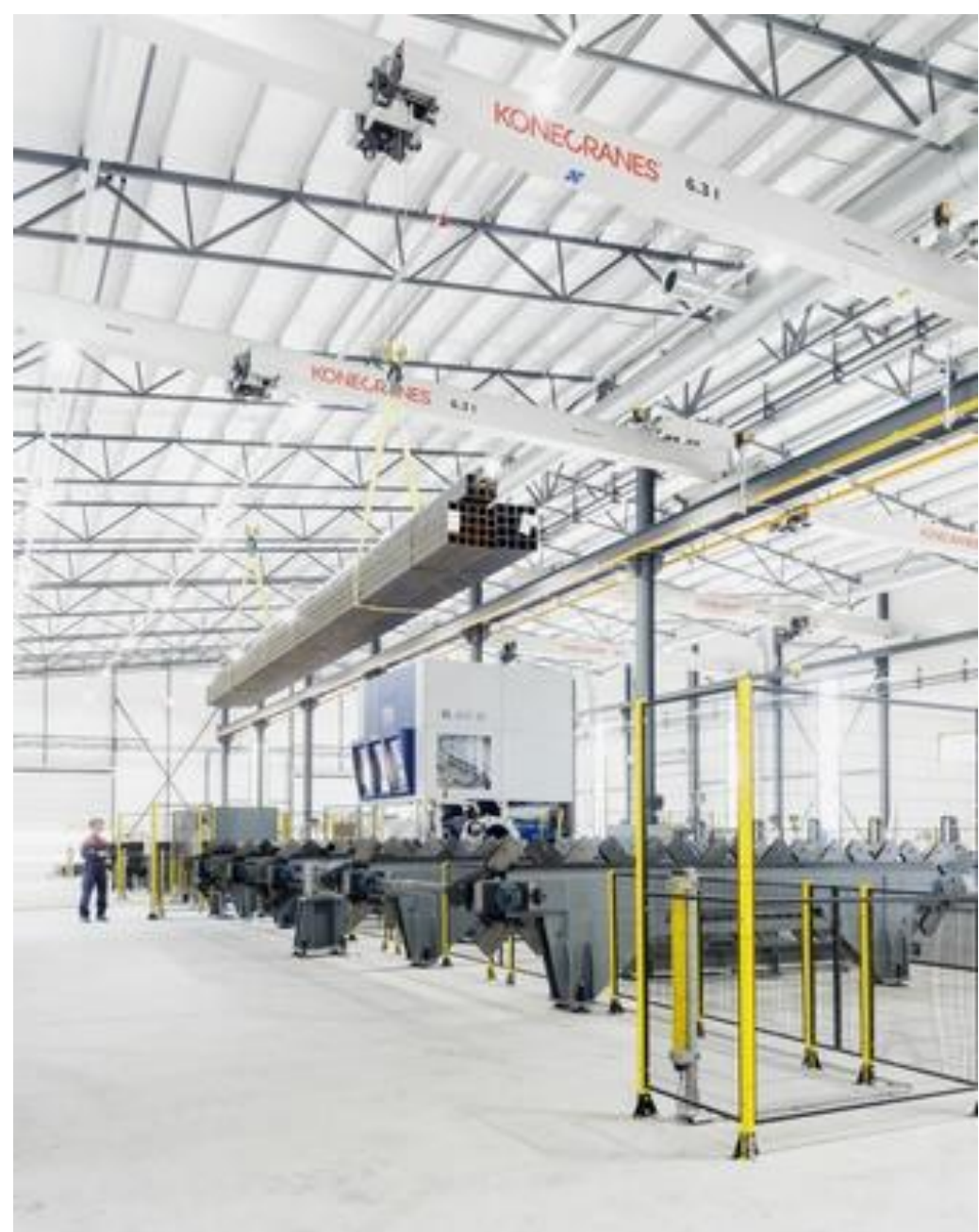
%



- At the end of February, global container throughput was approximately 16 percent higher than the year before

Q2 Demand outlook

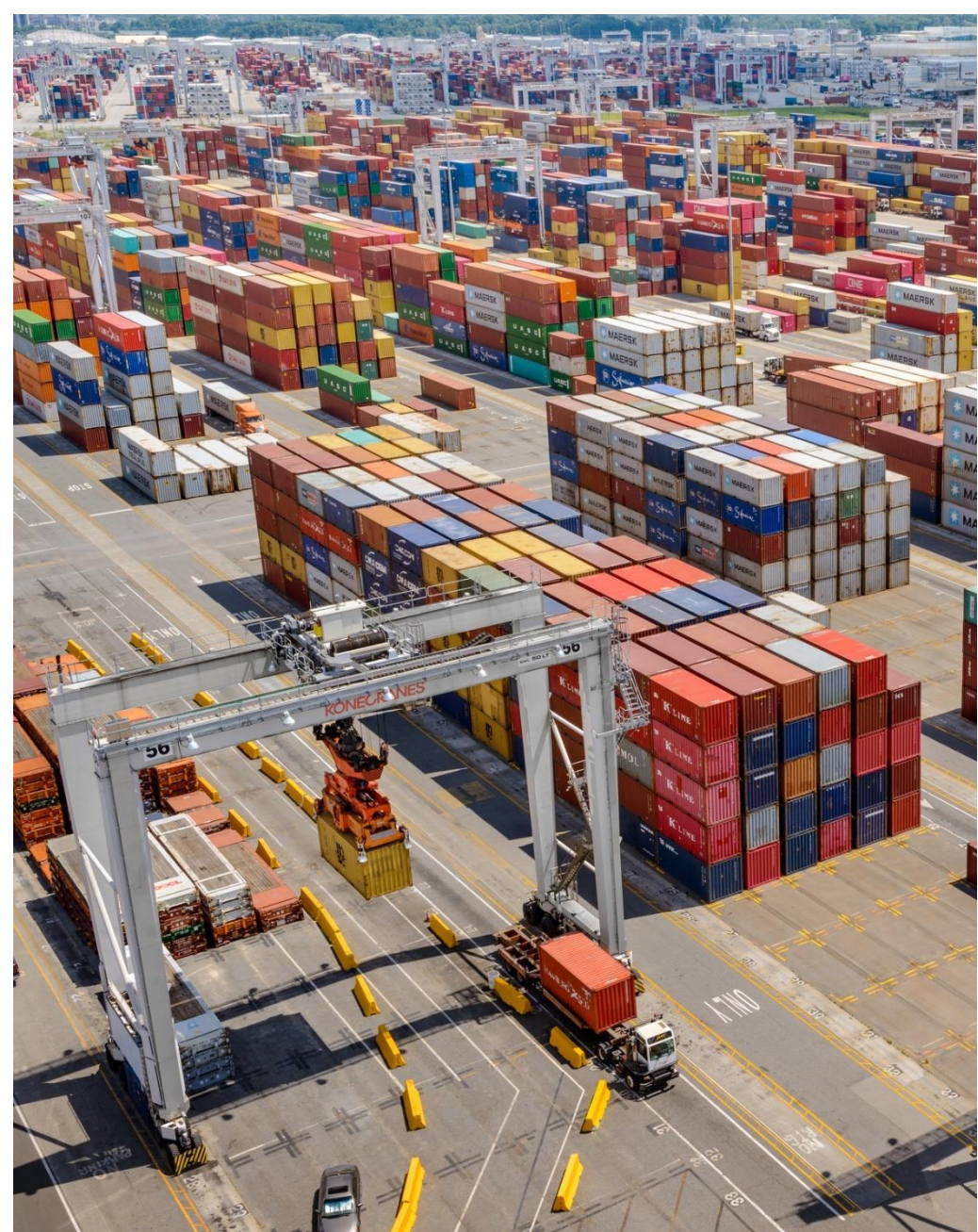
- The worldwide demand picture remains subject to volatility due to the COVID-19 pandemic.
- In Europe and North America, the current demand environment within the industrial customer segments has improved and is approaching the pre-COVID-19 level. In Asia-Pacific, demand environment has started to show signs of improvement also outside China but remains below the pre-COVID-19 level.
- Global container throughput continues to be at a record high, and long-term prospects related to global container handling remain good overall.



Financial guidance

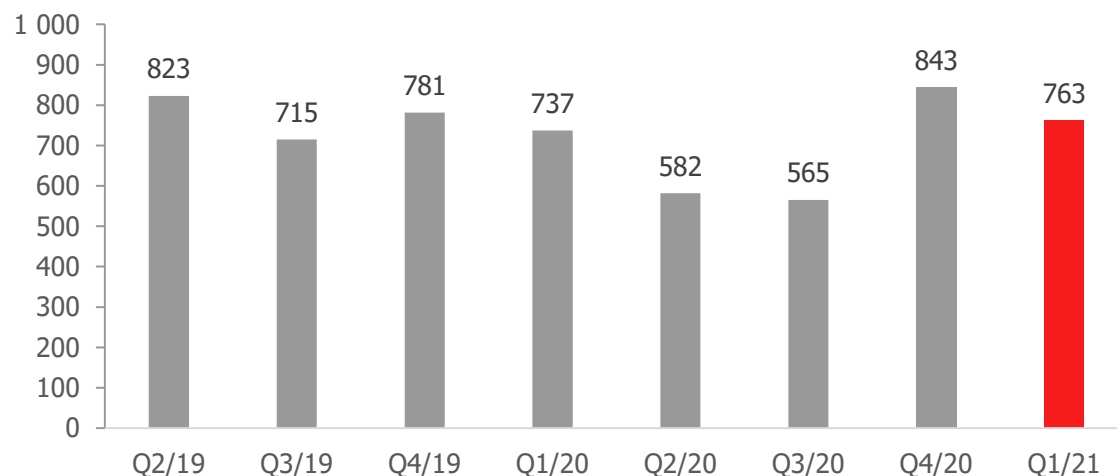
Financial guidance for 2021

- Net sales expected to increase in full-year 2021 compared to 2020
- Full-year 2021 adjusted EBITA margin expected to improve from 2020



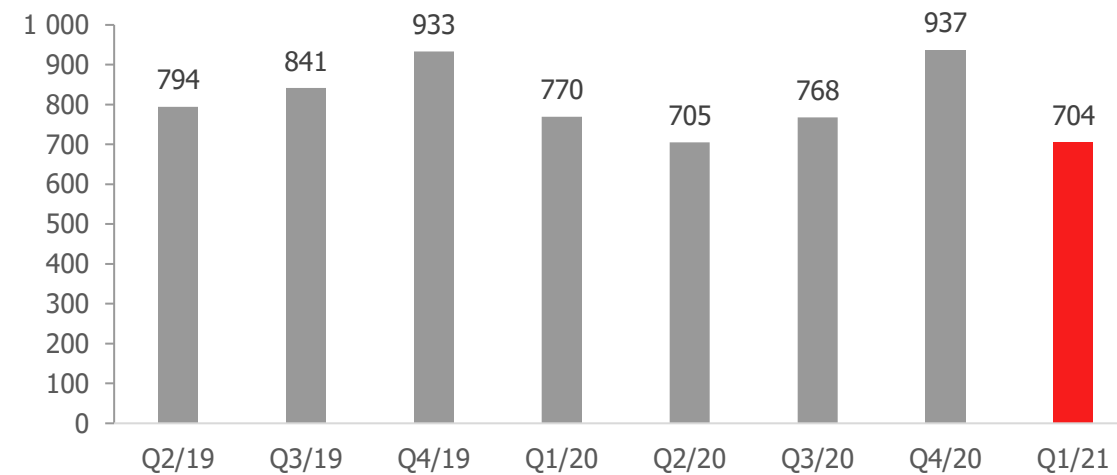
Q1/21 Group order intake and sales

Group order intake, MEUR



- Order intake increased 3.5% to EUR 762.8 million (737.0), +6.3% on a comparable currency basis
- Orders received increased in the Americas and EMEA but decreased in APAC
- Orders received decreased in Service (-4.1%) as well as in Industrial Equipment (-0.5%) and increased in Port Solutions (13.3%)

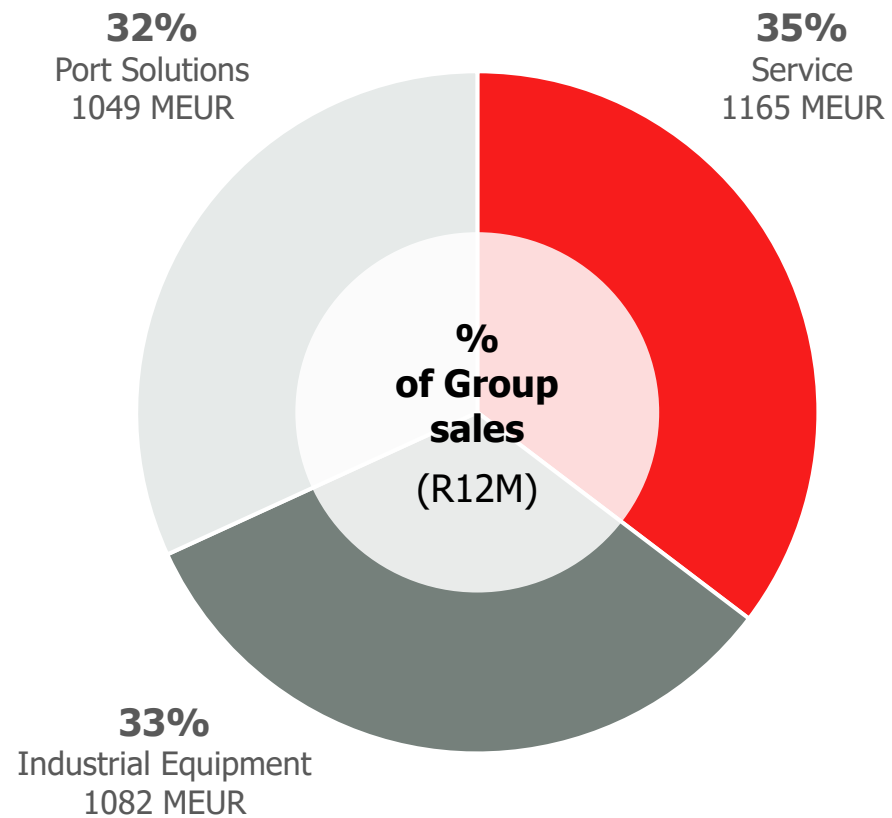
Group net sales, MEUR



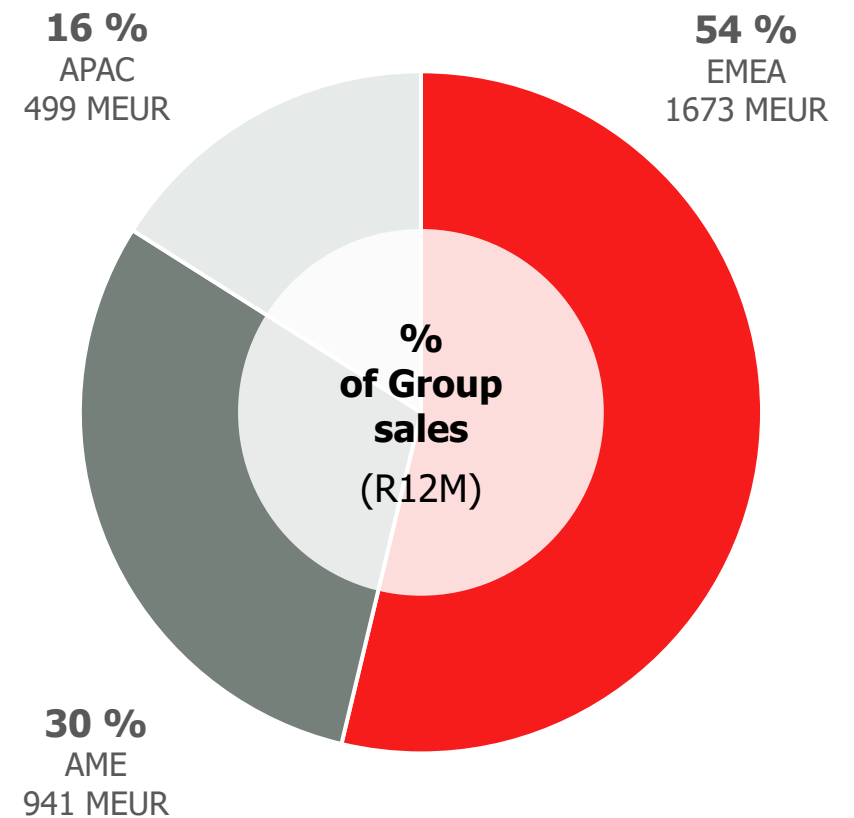
- Sales decreased 8.5% to EUR 704.0 million (769.6), -6.0% on a comparable currency basis
- Sales decreased in all three Business Areas: -8.3% in Service, -14.3% in Industrial Equipment and -6.6% in Port Solutions

Group sales by business area and region

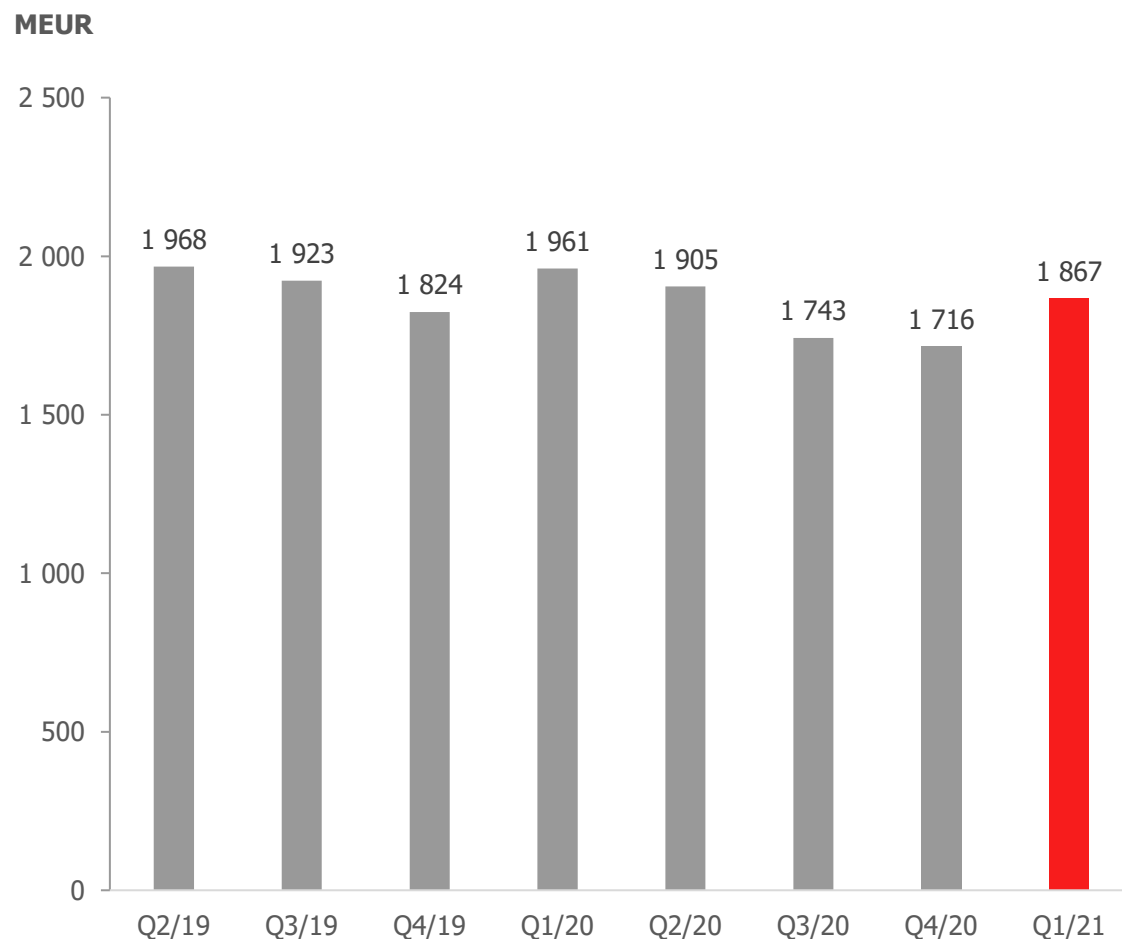
Group sales by business area



Group sales by region

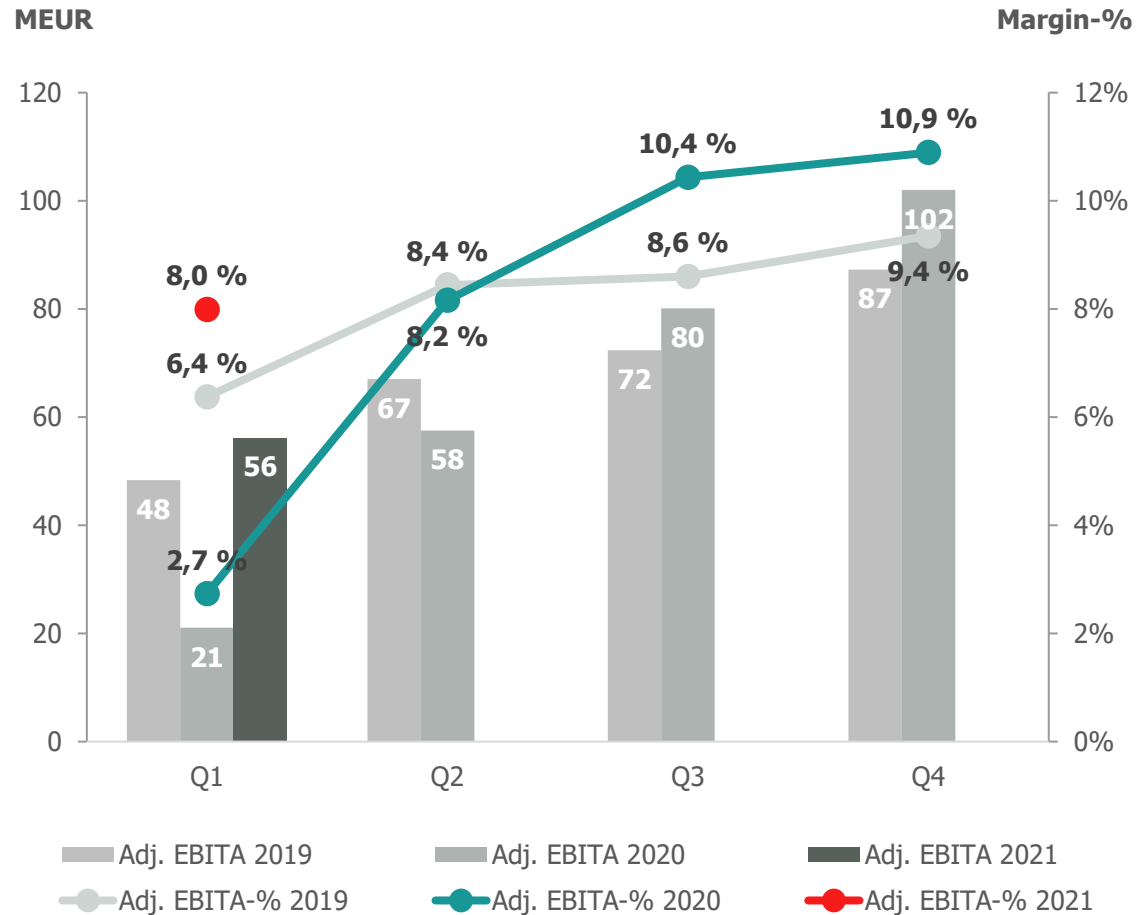


Q1/21 Group order book



- The value of the order book decreased 4.8% to EUR 1,866.7 million (1,961.3)
- On a comparable currency basis, the order book decreased 4.0%
- Order book decreased in Service (-0.9%), in Industrial Equipment (-12.1%) and in Port Solutions (-0.1%)

Q1/21 Group adjusted EBITA



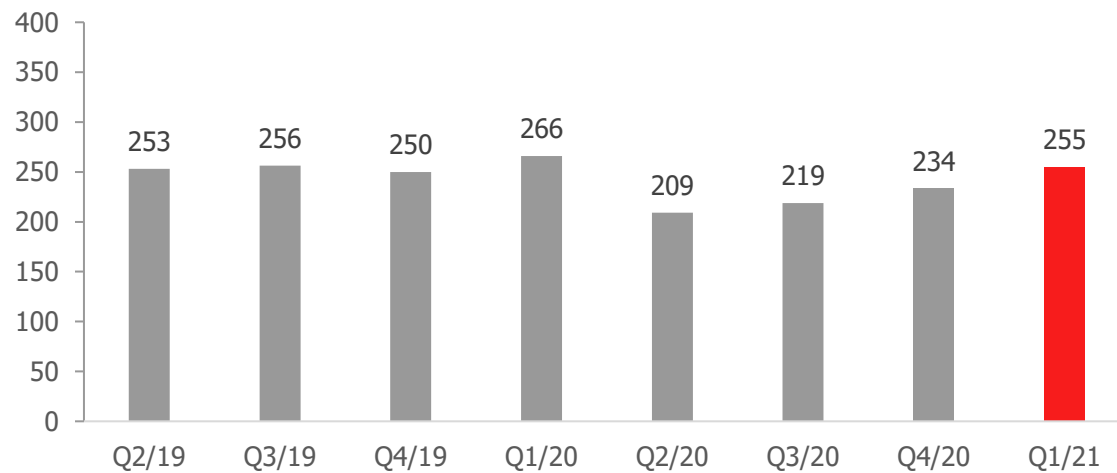
- Group adjusted EBITA increased to EUR 56.2 million (21.1), 8.0% of sales (2.7)
- Focus on strategic initiatives and cost management continued
- The comparison period included a large project cost overrun in Port Solutions and process crane project costs in Industrial Equipment
- Gross margin improved 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

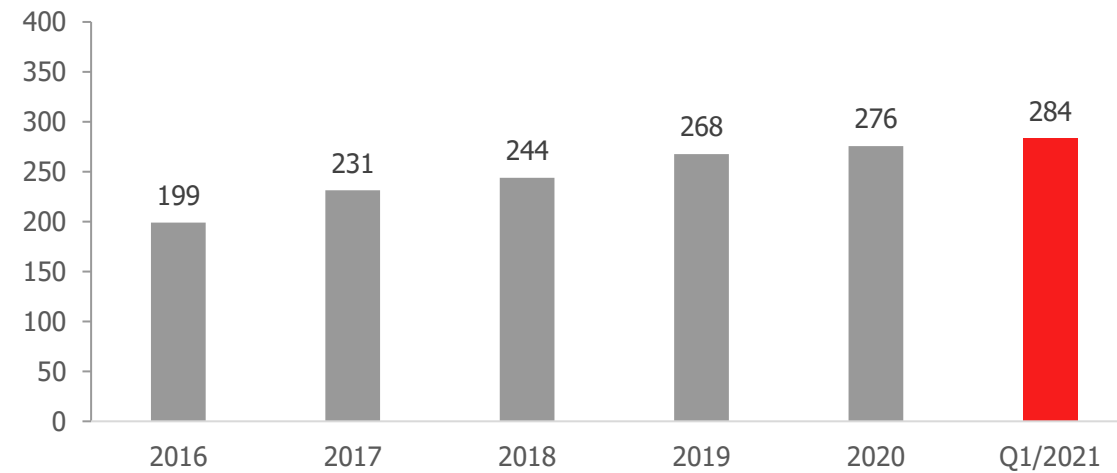
Q1/21 Service order intake and agreement base value

Service order intake, MEUR



- Service orders received decreased 4.1% to EUR 255.2 million (266.1). On a comparable currency basis, orders received increased 0.1%
- Both field service orders and parts orders decreased
- Order intake decreased in the Americas and APAC but increased in EMEA

Service agreement base value⁽¹⁾, MEUR

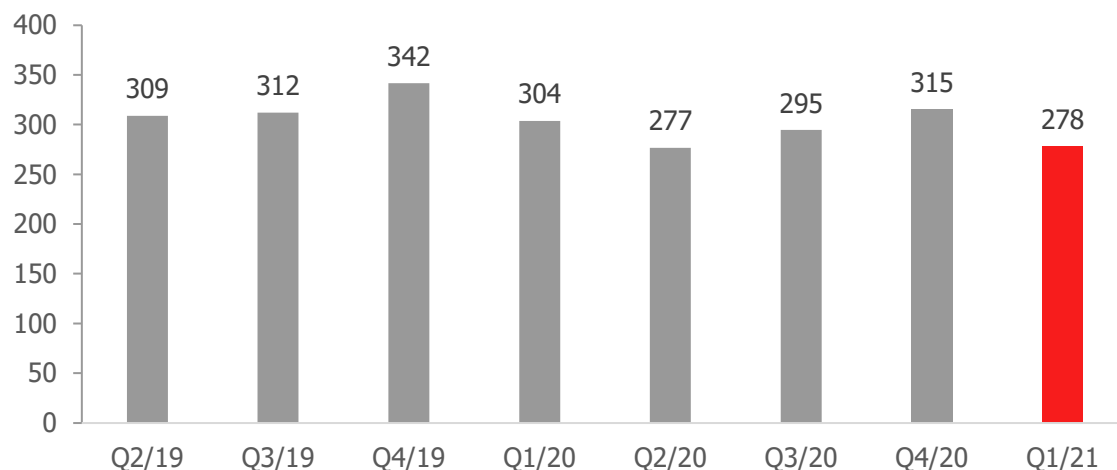


- Year-on-year, the annual value of the agreement base increased 0.6% to EUR 283.6 million (281.9). On a comparable currency basis, the increase was 1.5%
- Sequentially, the annual value of the agreement base increased 2.9% on a reported basis and 0.7% on a comparable currency basis

Note (1): 2016 agreement base on Konecranes stand-alone basis

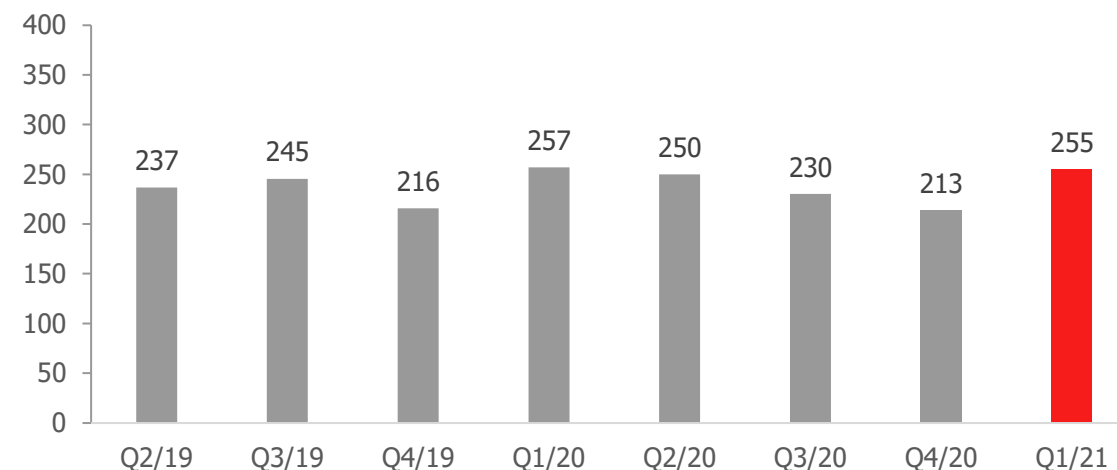
Q1/21 Service sales and order book

Service sales, MEUR



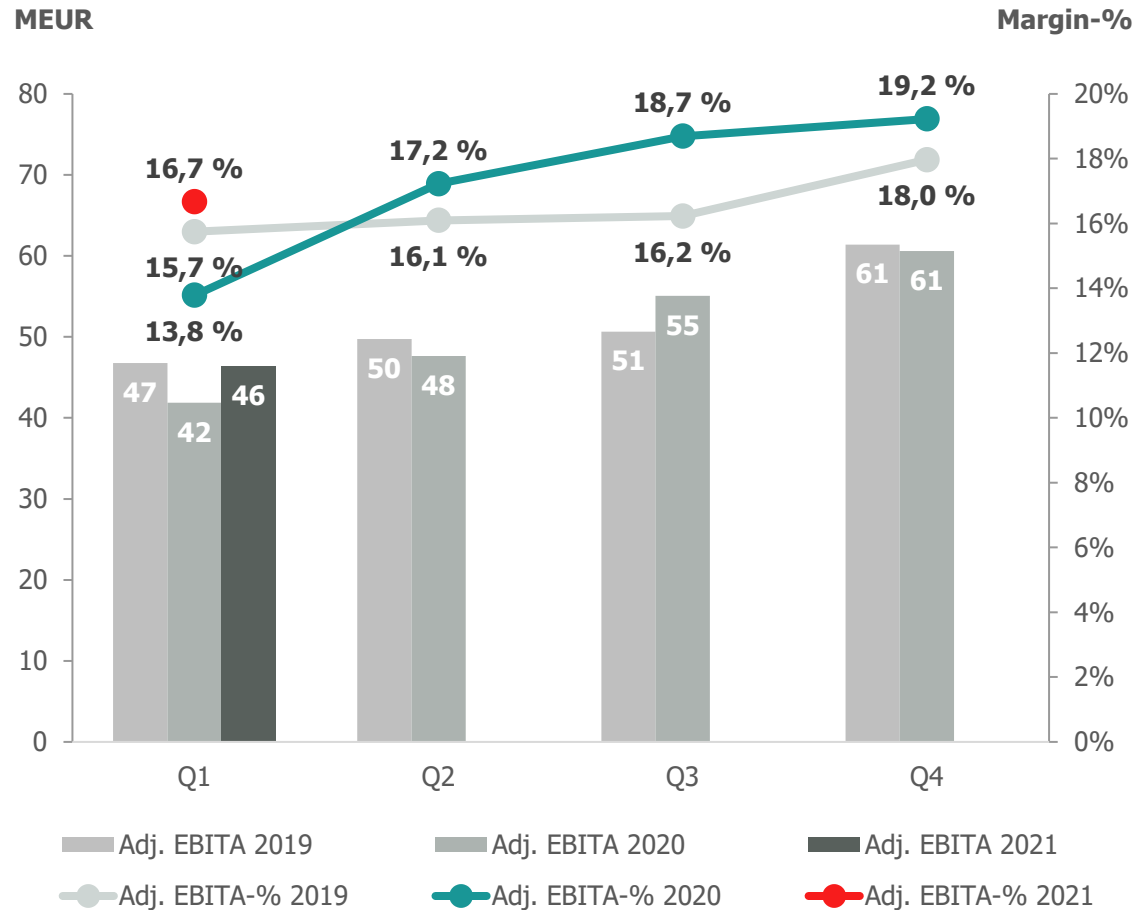
- Sales decreased 8.3% to EUR 278.3 million (303.7)
- On a comparable currency basis, sales decreased 4.3%
- Both field service sales and parts sales decreased
- Sales decreased in the Americas and APAC but increased in EMEA

Service order book, MEUR



- The order book decreased 0.9% year-on-year to EUR 254.5 million (256.9)
- On a comparable currency basis, the order book increased 0.4%

Q1/21 Service adjusted EBITA



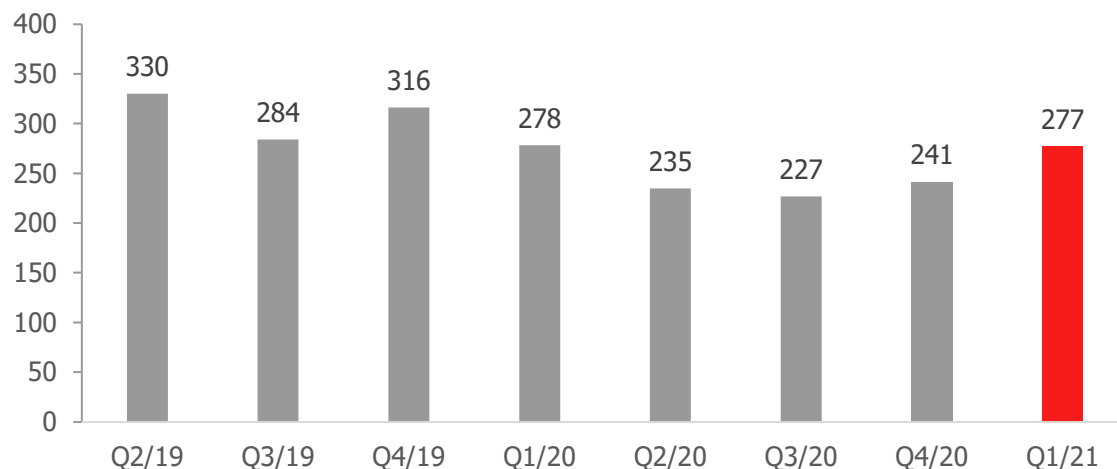
- The adjusted EBITA was EUR 46.4 million (41.9) and the adjusted EBITA margin 16.7% (13.8)
- The increase in the adjusted EBITA margin was mainly attributable to efficient cost management in both variable and fixed costs
- Gross margin improved on a year-on-year basis

Industrial Equipment



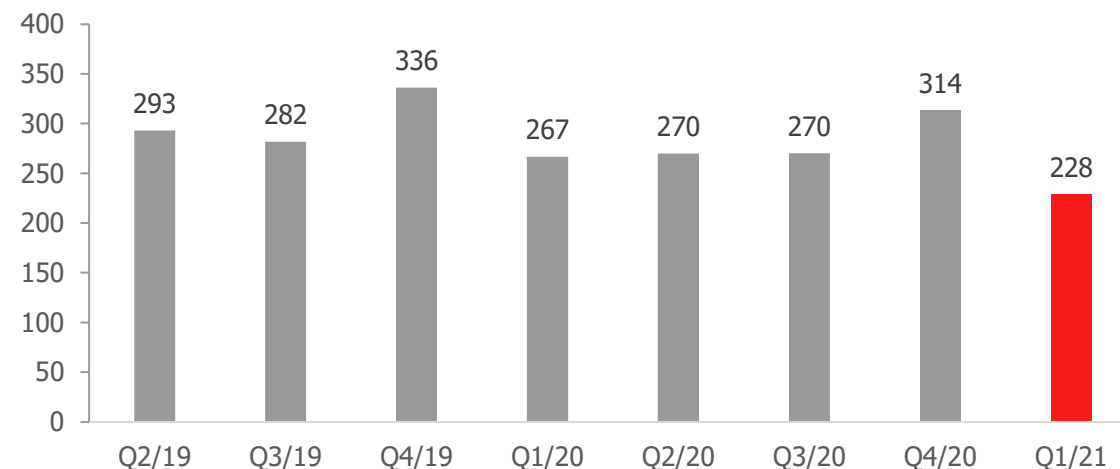
Q1/21 Industrial Equipment order intake and sales

Industrial Equipment order intake, MEUR



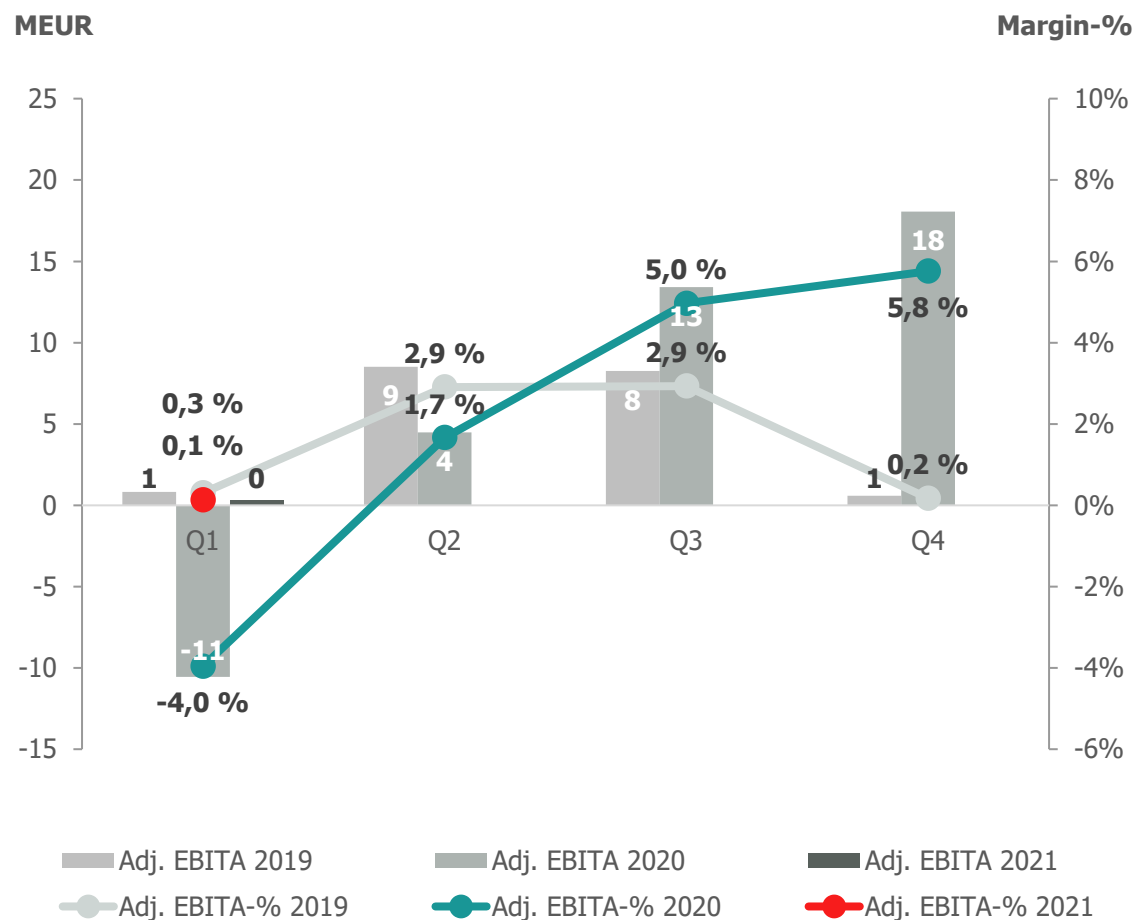
- Orders received totaled EUR 276.7 million (278.2), corresponding to a decrease of 0.5%
- External orders received increased 2.1% on a reported basis and 5.9% on a comparable currency basis
- Order intake decreased in standard cranes and process cranes but increased in components
- Orders received decreased in the Americas but increased in EMEA and APAC

Industrial Equipment sales, MEUR



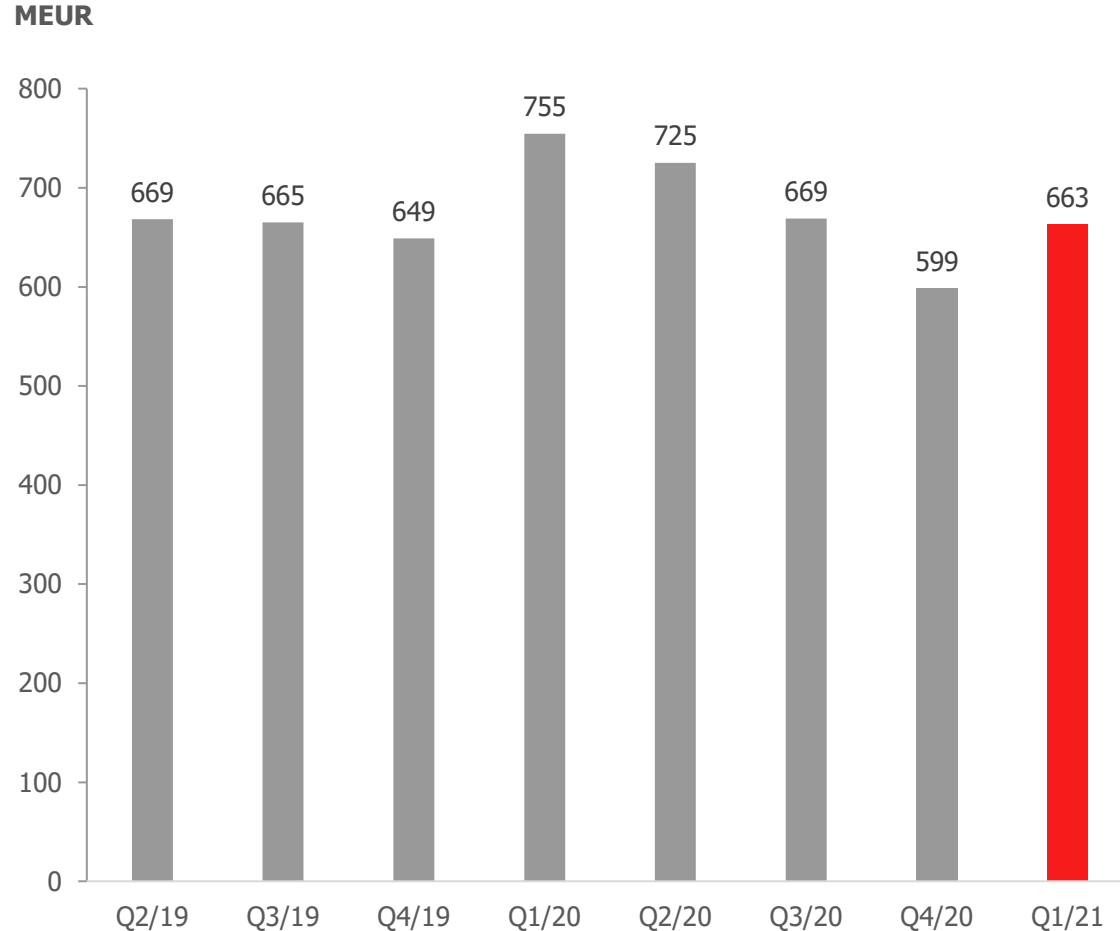
- Sales decreased 14.3% to EUR 228.4 million (266.6)
- External sales decreased 10.9% on a reported basis and 7.6% on a comparable currency basis
- Sales decreased in standard cranes, process cranes and components
- Sales decreased in the Americas and EMEA but increased in APAC

Q1/21 Industrial Equipment adjusted EBITA



- The adjusted EBITA was EUR 0.3 million (-10.6) and the adjusted EBITA margin 0.1% (-4.0)
- The increase in the adjusted EBITA margin was mainly attributable to continued progress on strategic initiatives especially in the process cranes business
- The comparison period also included EUR 5 million of costs related to closing of a process crane project
- Gross margin improved on a year-on-year basis

Q1/21 Industrial Equipment order book



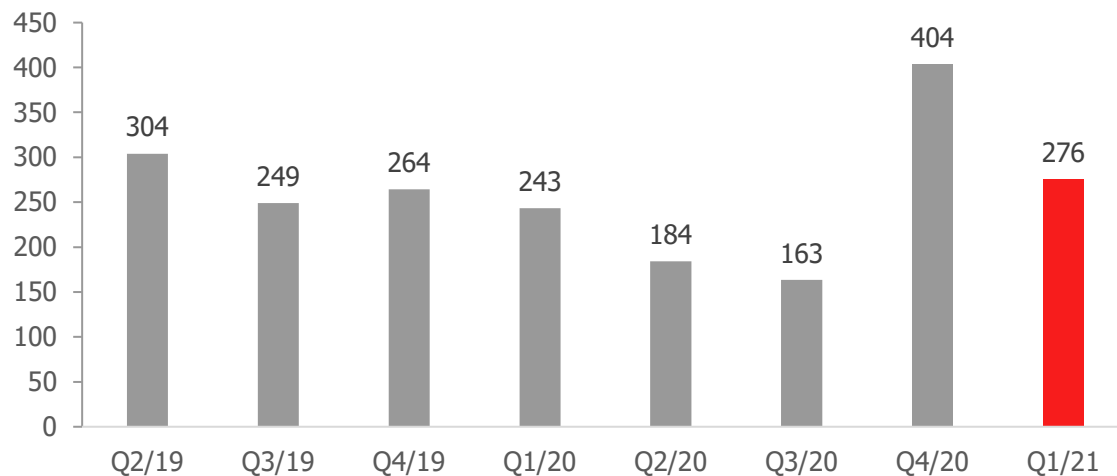
- The order book decreased 12.1% year-on-year to EUR 663.2 million (754.5)
- On a comparable currency basis, the order book decreased 10.1%

A large blue and red Konecranes NYCT gantry crane is shown in operation at a port. The crane is lifting a blue shipping container from a train car. The train car is loaded with several other blue containers. The scene is set against a bright blue sky with scattered white clouds. A red semi-transparent box is overlaid on the right side of the image, containing the text "Port Solutions".

Port Solutions

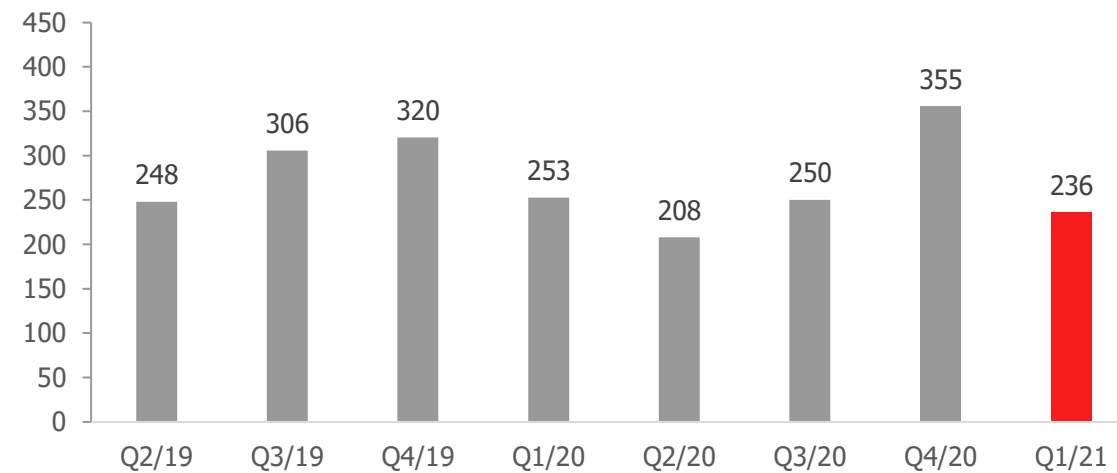
Q1/21 Port Solutions order intake and sales

Port Solutions order intake, MEUR



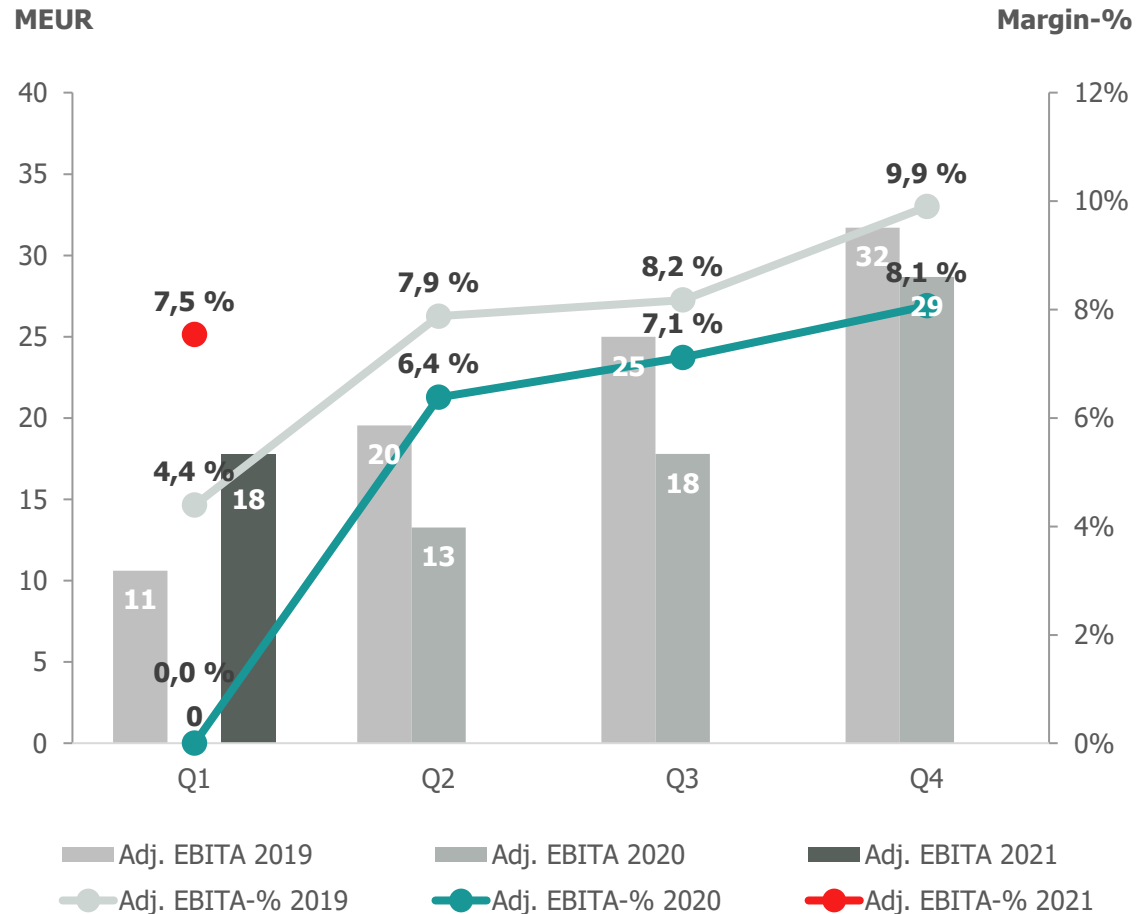
- Orders received totaled EUR 275.5 million (243.2), representing an increase of 13.3%. On a comparable currency basis, orders received increased 13.4%
- Orders received increased in the Americas but decreased in EMEA and APAC

Port Solutions sales, MEUR



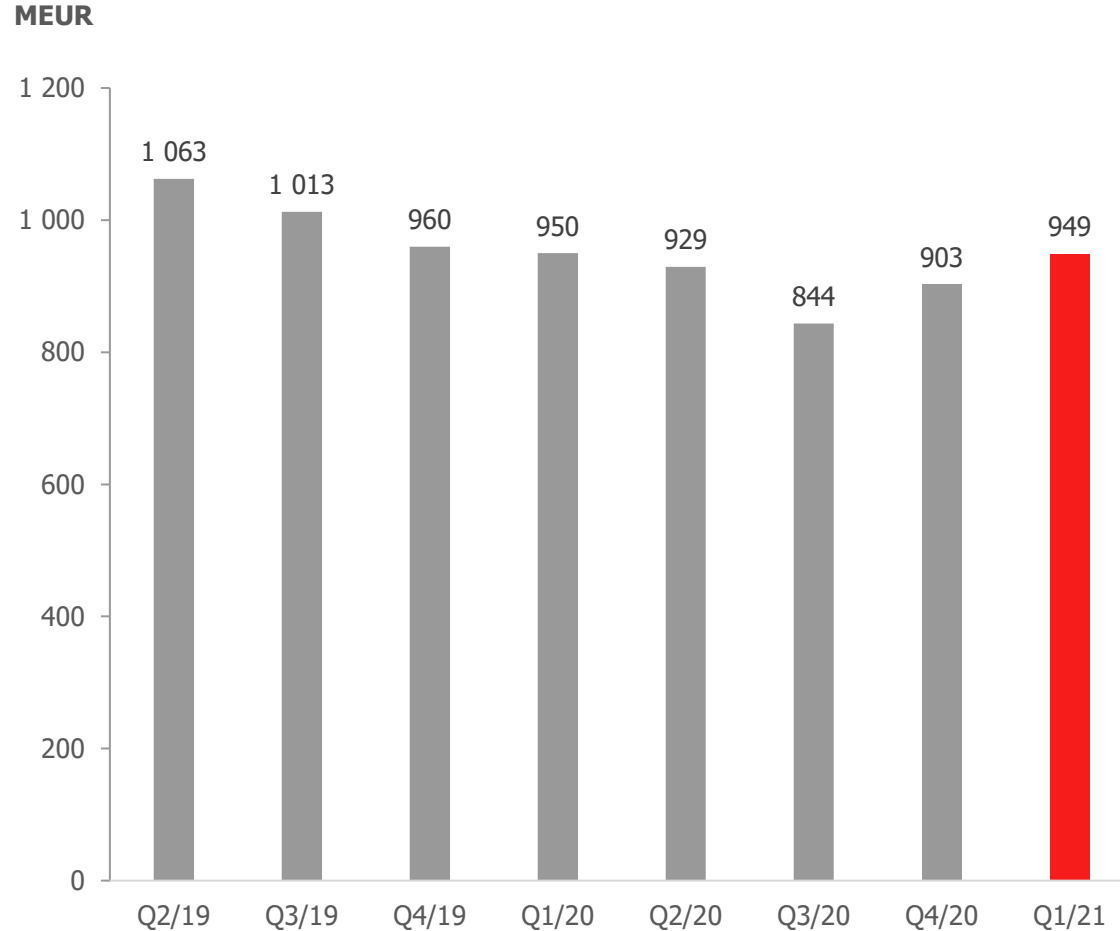
- Sales decreased 6.6% to EUR 236.0 million (252.6). On a comparable currency basis, sales decreased 6.4%

Q1/21 Port Solutions adjusted EBITA



- The adjusted EBITA was EUR 17.8 million (0.0) and the adjusted EBITA margin 7.5% (0.0)
- The comparison period included a large cost overrun of EUR 18 million in a port crane project
- In the first quarter of 2021 a provision of EUR 5 million related to the same port crane project was released, improving the adjusted EBITA
- The increase in the adjusted EBITA margin was also supported by improving project management execution and continued cost management
- Gross margin improved on a year-on-year basis

Q1/21 Port Solutions order book



- The order book decreased 0.1% year-on-year to EUR 949.0 million (949.9)
- On a comparable currency basis, the order book decreased 0.4%



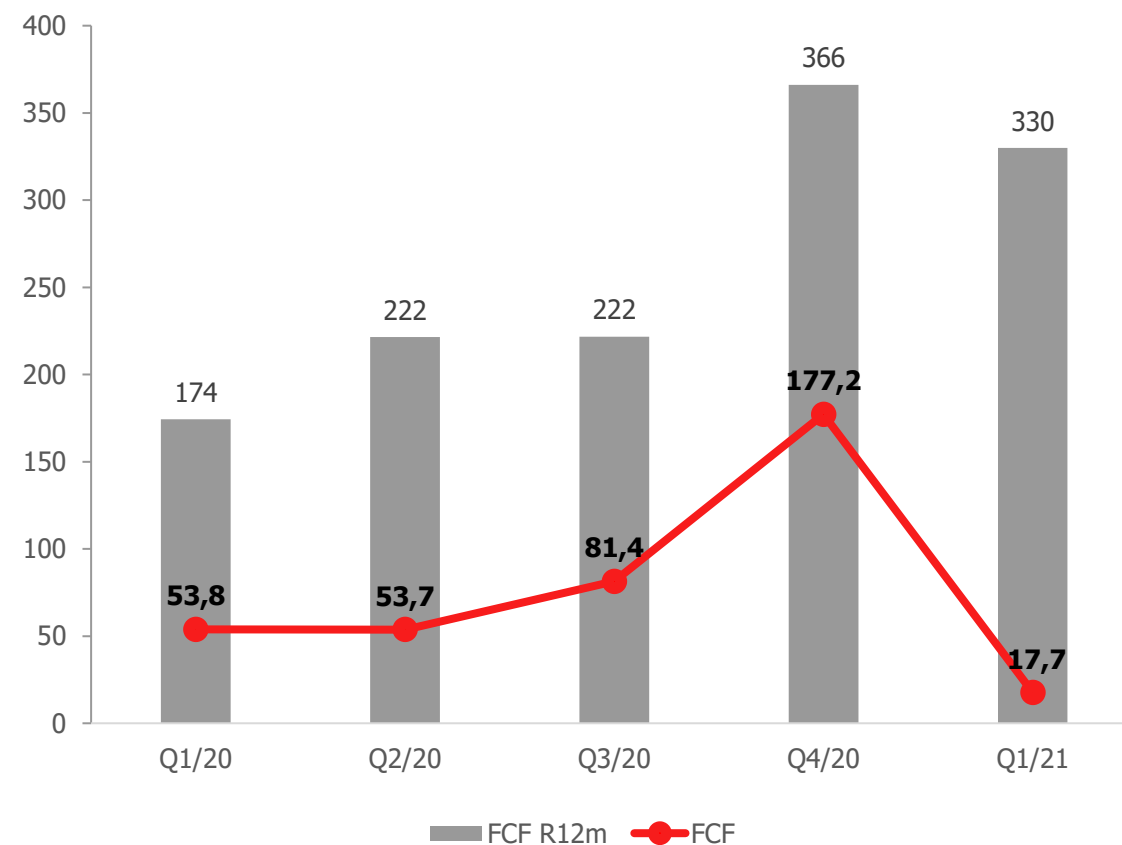
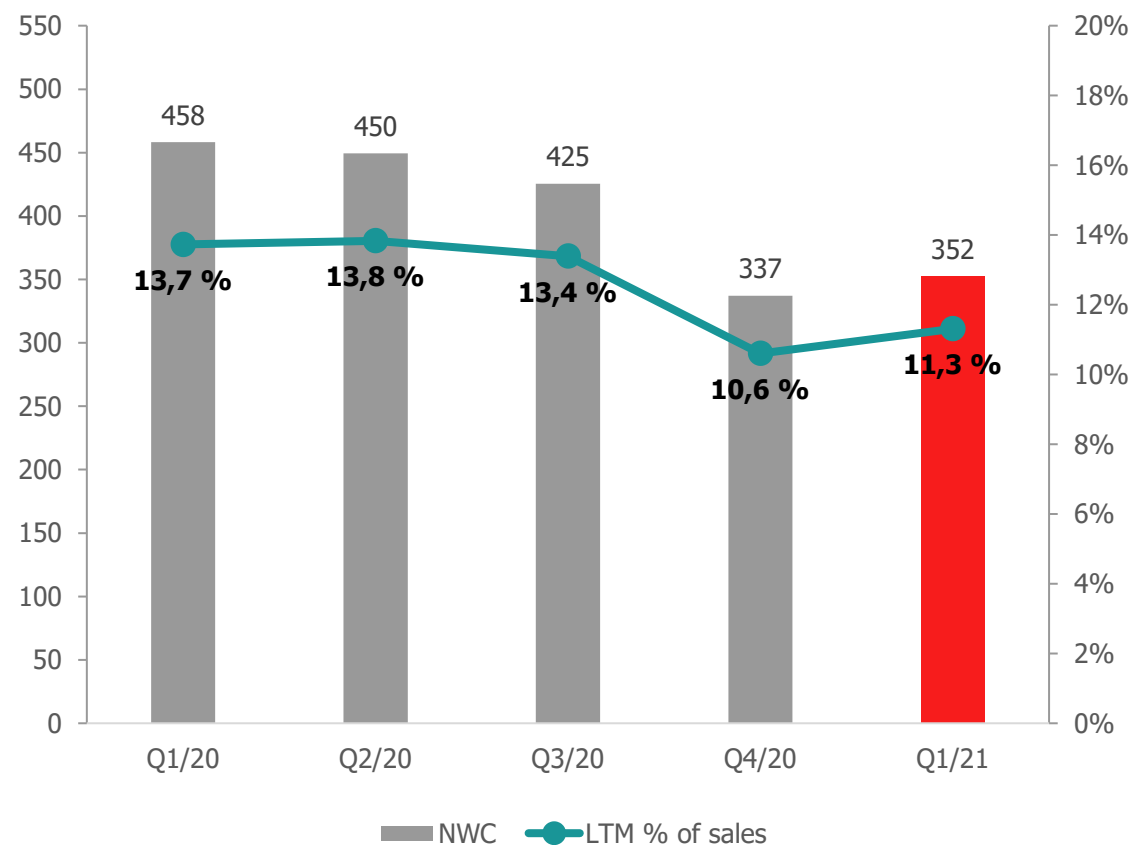
Cash Flow and Balance Sheet

Net working capital and free cash flow

Net working capital⁽¹⁾, MEUR

% of sales

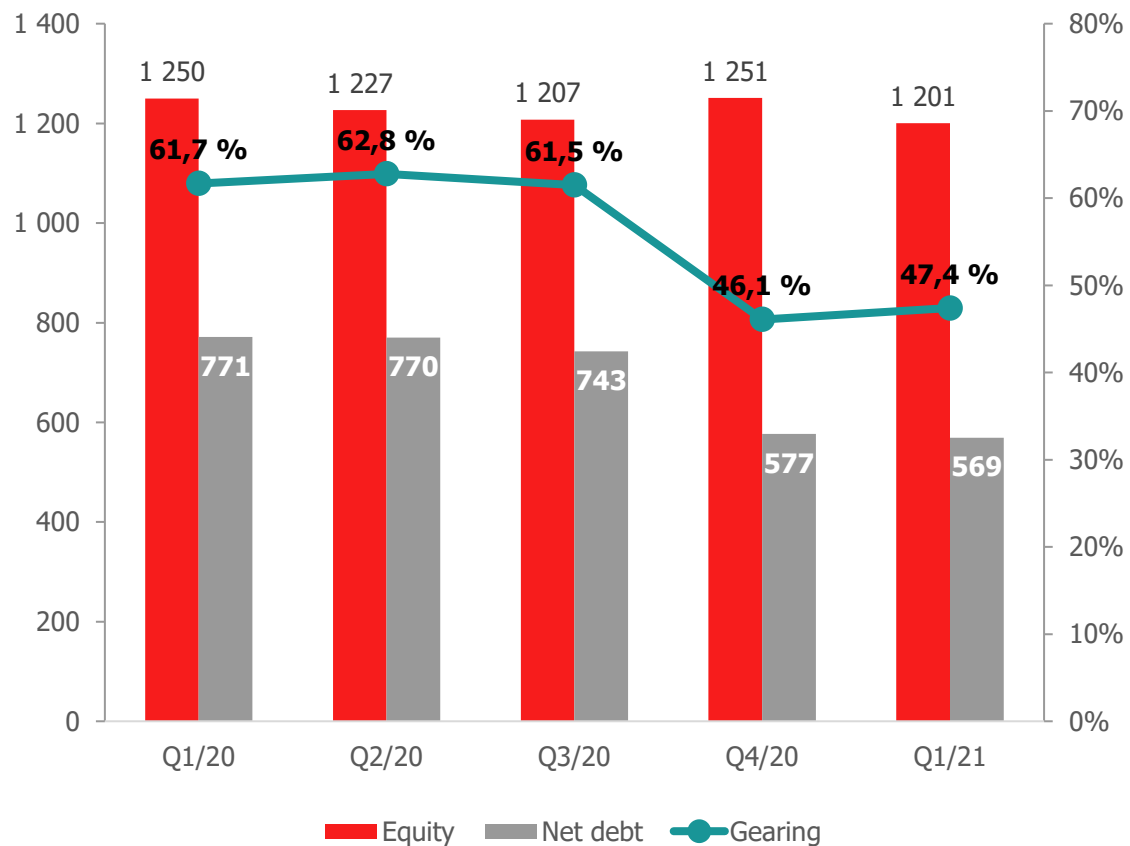
Free cash flow, MEUR



Note (1): Q1/21 excluding dividend payable of EUR 69.6 million

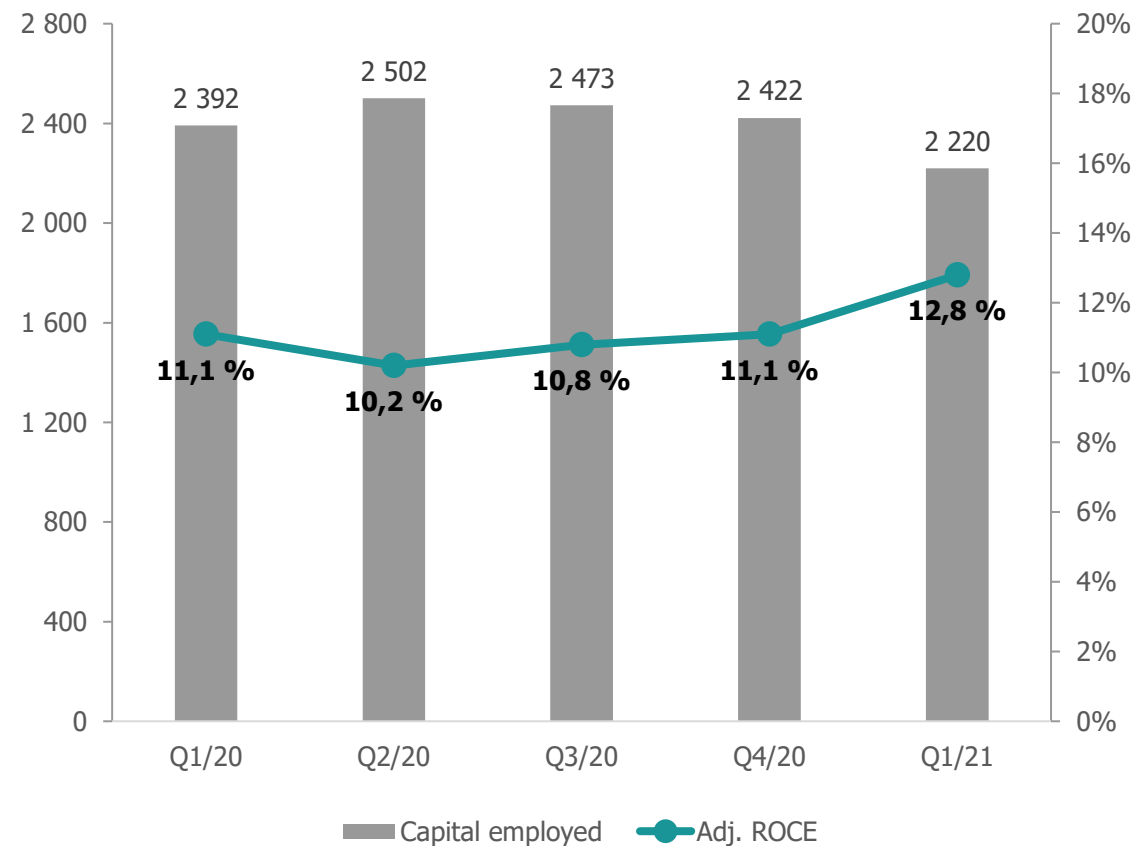
Gearing and return on capital employed

Equity and net debt, MEUR



Gearing-%

Capital employed, MEUR



Return on capital employed-%

Q&A



Appendix

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**

Key figures by business area

Key figures	1-3/ 2021	1-3/ 2020	Change %	Change % At comparable currencies	1-12/ 2020
Service					
Orders received, MEUR	255.2	266.1	-4.1	0.1	927.8
Service agreement base value, MEUR	283.6	281.9	0.6	1.5	275.7
Sales, MEUR	278.3	303.7	-8.3	-4.3	1,190.0
Adj. EBITA, MEUR	46.4	41.9	10.8		205.2
Adj. EBITA, %	16.7%	13.8%			17.2%
Industrial Equipment					
Orders received, MEUR	276.7	278.2	-0.5	3.0	981.2
<i>of which external</i>	<i>245.6</i>	<i>240.6</i>	<i>2.1</i>	<i>5.9</i>	<i>849.1</i>
Sales, MEUR	228.4	266.6	-14.3	-11.3	1,120.1
<i>of which external</i>	<i>202.7</i>	<i>227.5</i>	<i>-10.9</i>	<i>-7.6</i>	<i>973.8</i>
Adj. EBITA, MEUR	0.3	-10.6	102.9		25.4
Adj. EBITA, %	0.1%	-4.0%			2.3%
Port Solutions					
Orders received, MEUR	275.5	243.2	13.3	13.4	994.5
Sales, MEUR	236.0	252.6	-6.6	-6.4	1,066.0
Adj. EBITA, MEUR	17.8	0.0			59.7
Adj. EBITA, %	7.5%	0.0%			5.6%

Statement of income

EUR million	1-3/ 2021	1-3/ 2020	Change %	1-12/ 2020
Sales	704.0	769.6	-8.5	3,178.9
Other operating income	2.7	2.1		10.7
Materials, supplies and subcontracting	-282.2	-344.5		-1,473.0
Personnel cost	-261.0	-268.1		-993.5
Depreciation and impairments	-31.3	-33.5		-130.0
Other operating expenses	-94.8	-117.8		-419.3
Operating profit	37.5	7.8	381.0	173.8
Share of associates' and joint ventures' result	0.1	21.1		21.2
Financial income	16.2	0.4		38.6
Financial expenses	-27.2	-13.1		-63.2
Profit before taxes	26.6	16.1	65.8	170.4
Taxes	-8.3	-4.6		-47.5
Profit for the period	18.4	11.5	60.0	122.9

Balance sheet

EUR million	31 Mar 2021	31 Mar 2020
Non-current assets	2,041.0	2,104.2
Goodwill	1,019.9	1,022.3
Intangible assets	525.5	567.1
Property, plant and equipment	339.9	358.9
Other	155.7	155.9
Current assets	1,838.6	1,956.6
Inventories	690.1	738.4
Accounts receivable	437.1	501.1
Receivables and other current assets	263.7	347.5
Cash and cash equivalents	447.6	369.6
Assets held for sale	0.0	0.0
Total Assets	3,879.6	4,060.8

EUR million	31 Mar 2021	31 Mar 2020
Total Equity	1,200.8	1,249.7
Non-current liabilities	1,320.1	1,258.3
Interest-bearing liabilities	854.9	798.9
Other long-term liabilities	303.7	288.4
Other	161.5	171.0
Current liabilities	1,358.6	1,552.8
Interest-bearing liabilities	163.8	343.1
Advance payments received	328.8	407.3
Accounts payable	224.4	250.6
Provisions	129.8	139.8
Other current liabilities	511.8	412.1
Liabilities directly attributable to assets held for sale	0.0	0.0
Total Equity and Liabilities	3,879.6	4,060.8

Cash flow statement

EUR million	1-3/ 2021	1-3/ 2020	1-12/ 2020
Operating income before change in net working capital	69.7	43.6	302.4
Change in net working capital	-32.2	35.2	125.0
Cash flow from operations before financing items and taxes	37.5	78.8	427.4
Financing items and taxes	-14.5	-15.1	-20.3
Net cash from operating activities	23.0	63.7	407.1
Net cash used in investing activities	-5.4	-134.0	-165.1
Cash flow before financing activities	17.7	-70.3	242.0
Net cash used in financing activities	-165.7	63.7	-12.4
Translation differences in cash	3.8	-2.0	-15.9
Change of cash and cash equivalents	-144.3	-8.6	213.7
Free cash flow	17.7	53.8	366.1

Key figures

EUR million	1-3/ 2021	1-3/ 2020	Change %	1-12/ 2020
Earnings per share, basic (EUR)	0.23	0.14	58.7	1.54
Earnings per share, diluted (EUR)	0.23	0.14	58.7	1.54
Return on capital employed, %, Rolling 12 Months (R12M)	8.9	6.2	43.5	8.3
Return on equity, %, Rolling 12 Months (R12M)	10.6	6.6	60.6	9.8
Equity per share (EUR)	15.06	15.73	-4.3	15.69
Net debt / Adjusted EBITDA, Rolling 12 Months (R12M)	1.5	2.2	-31.8	1.6
Equity to asset ratio, %	33.8	34.2	-1.2	34.1
Investments total (excl. acquisitions), EUR million	7.5	7.5	-0.7	42.8
Average number of personnel during the period	16,738	17,023	-1.7	17,027
Average number of shares outstanding, basic	79,134,459	78,907,498	0.3	79,077,608
Average number of shares outstanding, diluted	79,134,459	78,907,498	0.3	79,077,608
Number of shares outstanding	79,134,459	79,133,459	0.0	79,134,459



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