

Hiab Investor Event
Scott Phillips | President Hiab

HIAB - SOLID PERFORMANCE AND STRONG GROWTH

EXTERNAL - CONFIDENTIAL



Disclaimer

This presentation provides estimates on future prospects involving risk and uncertainty factors, and other factors as a result of which the performance, operation or achievements of Cargotec may substantially deviate from the estimates. Forward-looking statements relating to future prospects are subject to risks, uncertainties and assumptions, the implementation of which depends on the future business environment and other circumstances, such as the development of the coronavirus pandemic.

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Welcome to the Hiab Investor Event

Moderator

Aki Vesikallio

Director Investor Relations, Cargotec

Host & Presenter

Scott Phillips, President, Hiab

Format

14:30 – 15:45

Presentation and interactive Q&A





Agenda:

- Hiab - Solid performance and strong growth
- Transformation during the last 18 months
- Navigating today's challenges
- How we will continue our journey of profitable growth



Presenters



Scott Phillips
President Hiab



Simon Greaves
SVP Finance and
Business Control



Michaël Bruninx
SVP Services

**Solid performance and continued
strong growth potential**

Hiab - solid performance and continued strong growth potential

Solid track record of delivering performance improvement creating a solid foundation for growth strategy

Strategic vision to be the number one partner in smart and sustainable load handling solutions

Foundation in place for efficient business operations

Growth strategy to organically grow twice the market

Tailwind from global megatrends

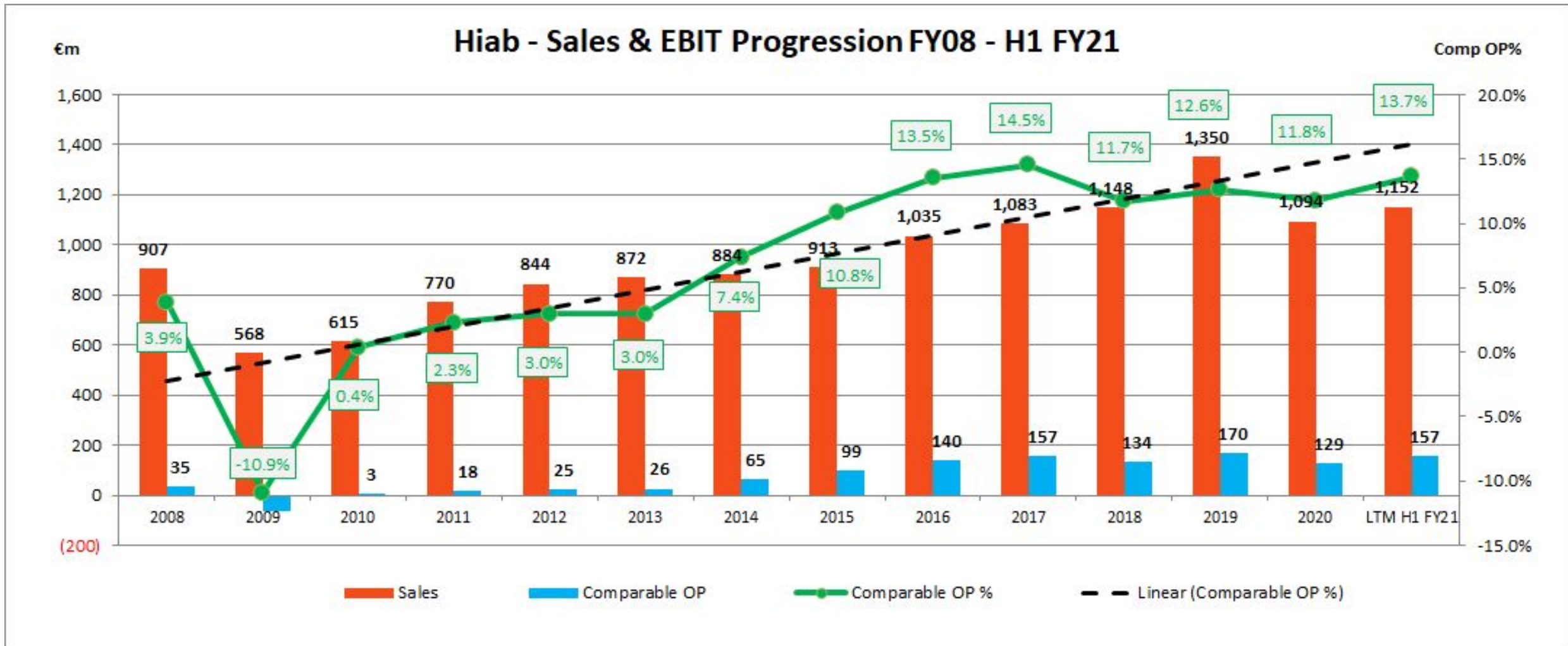
Growing services and digital offering key to delivering differentiated customer experience

Focus on electrification catalyzing growth, creating a sustainable future

M&A opportunities



Sustainable financial turnaround

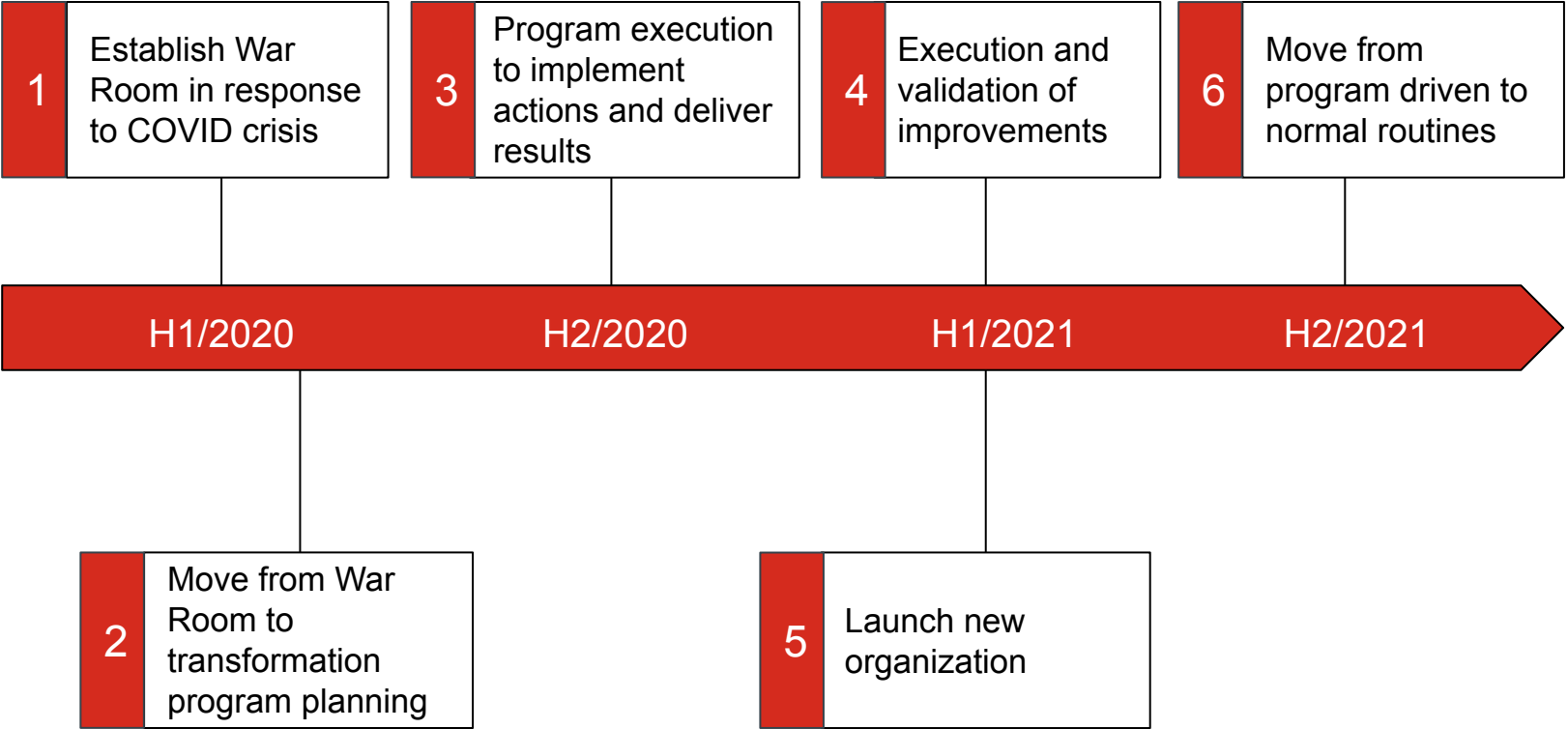


Transformation during the last 18 months

Continuous progress during last 18 months to improve our execution foundation

| Improved key capabilities | Performance management | Financial agility to manage cycles | Supply Chain improvements |
|--|---|---|---|
| <ul style="list-style-type: none">• New decentralised operating model launched 1 January 2021• Investing in services, pricing and sourcing capabilities | <ul style="list-style-type: none">• Standardized reporting across divisions• Hoshin Kanri to align and deploy our strategy• Building Hiab Business System for sustainable competitive advantage | <ul style="list-style-type: none">• Managed COVID crisis through scenario planning and decisive execution• Right-sized cost base and created scale through outsourcing | <ul style="list-style-type: none">• Operational excellence in factories• Sales & Operations Planning• Several production location changes• Manufacturing of Truck Mounted Forklifts in the USA initiated |

Decisive actions in response to COVID has accelerated our transformation

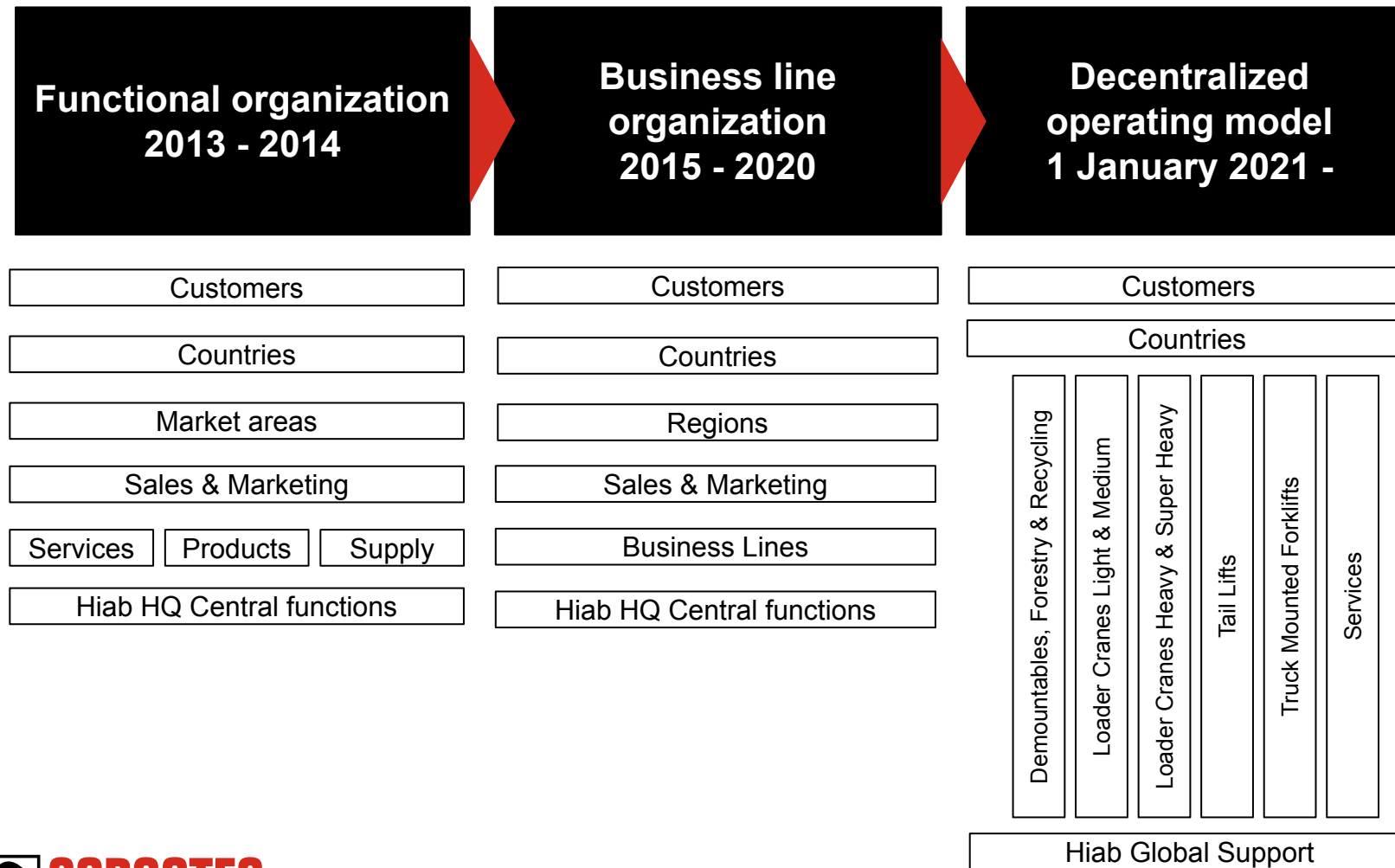


Global COVID-19 response program operational in March 2020 and executed **using our agility planning model** developed in 2019

FY 2020 Results

| | | |
|-------------------------------|----------|---|
| Sales down YOY | -19% | ● |
| Fixed costs down from Q1 FY20 | -20% | ● |
| GM increased YOY | +110 bps | ● |
| OP% Strong | 11.8% | ● |
| Cash conversion | 167% | ● |

Decentralized operating model driving end-to-end P&L, accountability, transparency, speed and focus



- From complex matrix with decisions at many levels, to **6 Divisions with full P&L accountability**
- Divisions closer to customers
- **Global processes** to standardize execution across Hiab
- Majority of the costs controlled by divisions supported by lean **global support functions**

Navigating today's challenges

Navigating today's challenges

Strong demand and record high order intake

- Demand very high in all key markets and geographies
- Orderbook has more than doubled vs pre COVID levels

Supply chain bottlenecks

- Supply chain constraints are already a brake on sales and the recovery is uncertain
- Critical shortages of electronic components, semiconductors and trucks limit current sales
- Some customers are delaying deliveries due to a lack of chassis

Material cost increases

- Material cost increases across component categories
- Freight costs materially higher

Key elements

Actions

- Focus on converting order book to sales across the value chain
- Gain market share across the customer segments

- Close cooperation with supply base to ramp up capacity
- Production ramp-up in our own operations

- Price increases in January, April and July
- Sourcing savings and design-to-cost

How we will continue our journey of profitable growth

Global megatrends support demand driven growth and provide Hiab the opportunity to keep pioneering

Long-term demand drivers



Population growth



Urbanisation



Sustainability



New innovations and solutions



Operator shortage

Digitalization

Electrification

Strong global market position: One global competitor, most are focused niche players

| | MARKET SIZE* (EUR billion) | KEY SEGMENTS | HIAB GLOBAL POSITION & TREND | KEY COMPETITORS |
|--|-------------------------------|---------------------------------|------------------------------|--|
| LOADER CRANES  | ~1.5 | Construction and Logistics | #2 ↗ | PALFINGER FASSI |
| TAIL LIFTS  | ~0.9 | Retail Industry and Logistics | #3 → |  MAXON DHOLLANDIA |
| DEMOUNTABLES  | ~0.6 | Waste and Recycling, Defense | #1 ↗ | PALFINGER  |
| TRUCK MOUNTED FORKLIFTS  | ~0.3 | Construction and Logistics | #1 → | PALFINGER  |
| FORESTRY & RECYCLING CRANES  | ~0.3 | Timber, Pulp, Paper & Recycling | #2 → | PALFINGER  |

A scenic view of a coastal highway bridge with a truck and a forklift. The bridge is a concrete arch bridge spanning a deep canyon. A red truck is driving across the bridge, carrying a load of pallets. A red forklift is parked on the bridge. The background shows a coastline with a beach and waves, and mountains in the distance under a cloudy sky.

THE HIAB VISION

To be the number one partner
in smart and sustainable load
handling solutions

THE HIAB PURPOSE

Together, we keep everyday
life moving to build a better
tomorrow

Hiab in 2024: Leader in smart and sustainable load handling

Profitable growth to #1 position
by being customer's preferred partner
and segment specialists

Industry-leading customer experience
through e-tools, service excellence and
connected services benchmark



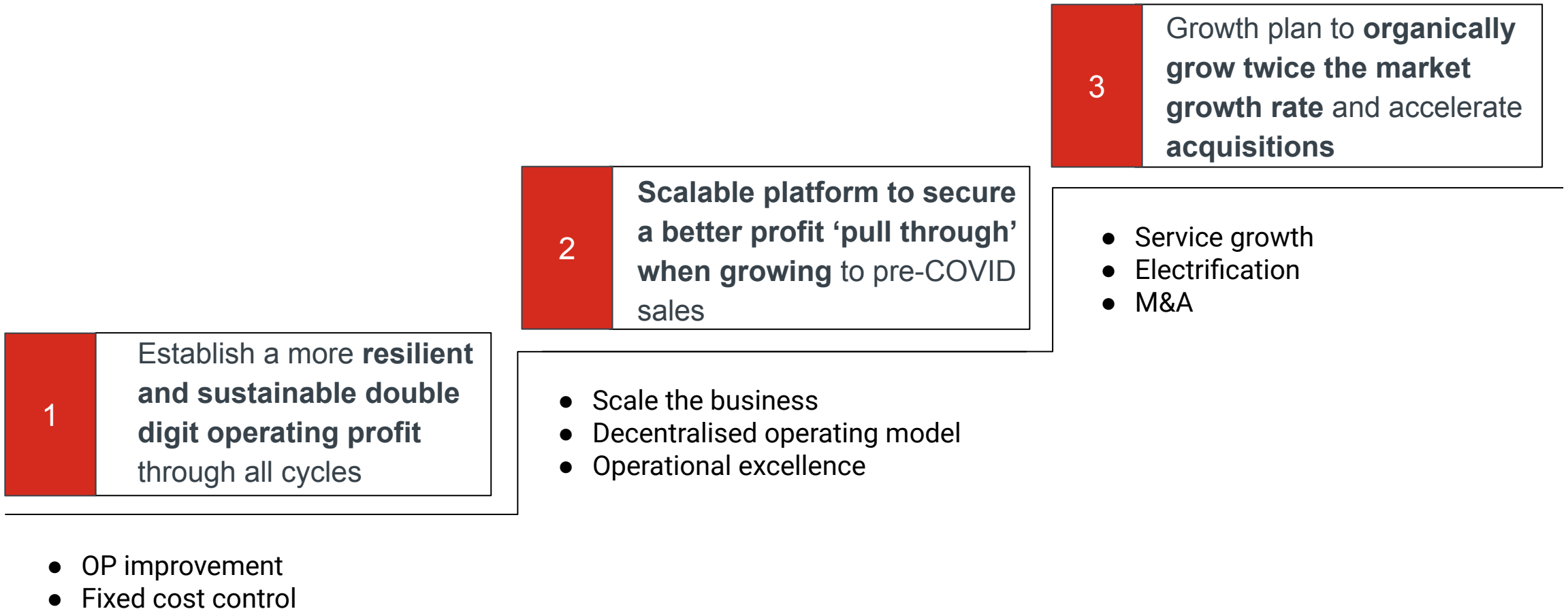
Easy
to do
business
with



Elevating employee engagement
to secure the most engaged and
empowered people

Reducing our CO2 footprint
by leading in automation, alternative
power, and new materials

Hiab platform prepared for growth through 3 step plan



Hiab Services

Scalable Aftermarket Platform

Commercial

- E-commerce adoption above 60% with some product lines above 90%. NPS above 40
- More than 10.000 active service contracts
- Repositioned second hand business in key markets
- Installed base business intelligence platform established

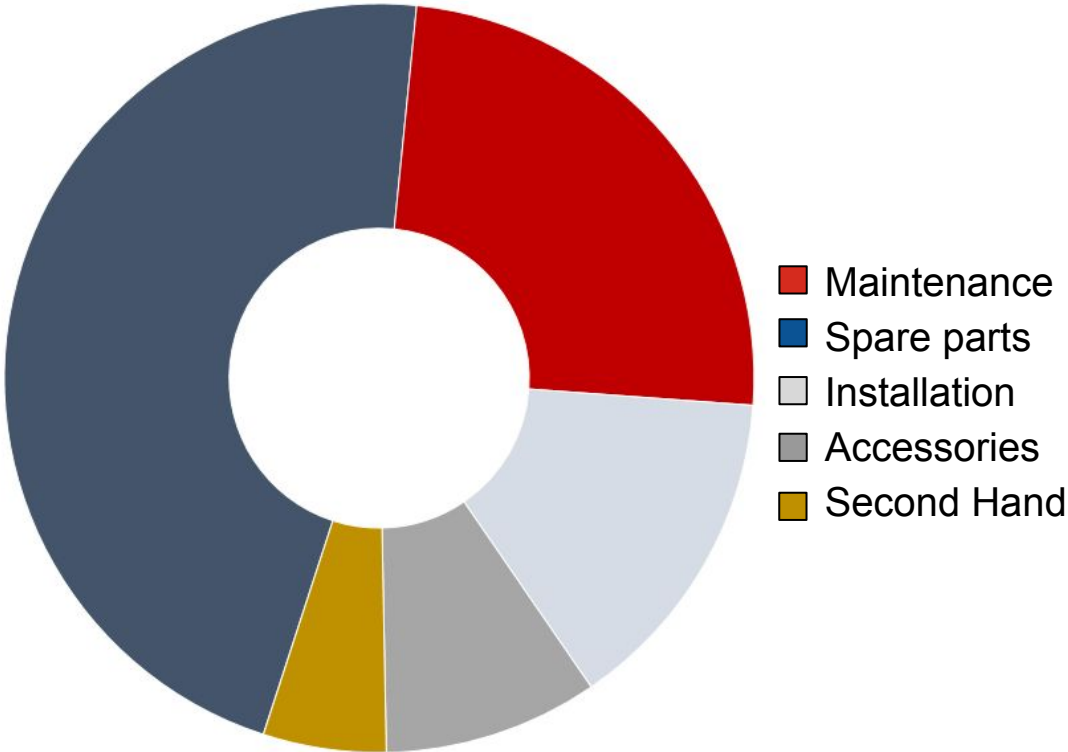
Operational

- Rationalisation service network as part of the route to market strategy. Acquisitions in the Netherlands and Germany.
- Supply chain consolidation in core hubs
- Integration of aftermarket activities in services division
- Significant operational performance improvements in field service and installations centers
- Supply chain NPS 45 , CSAT 85%



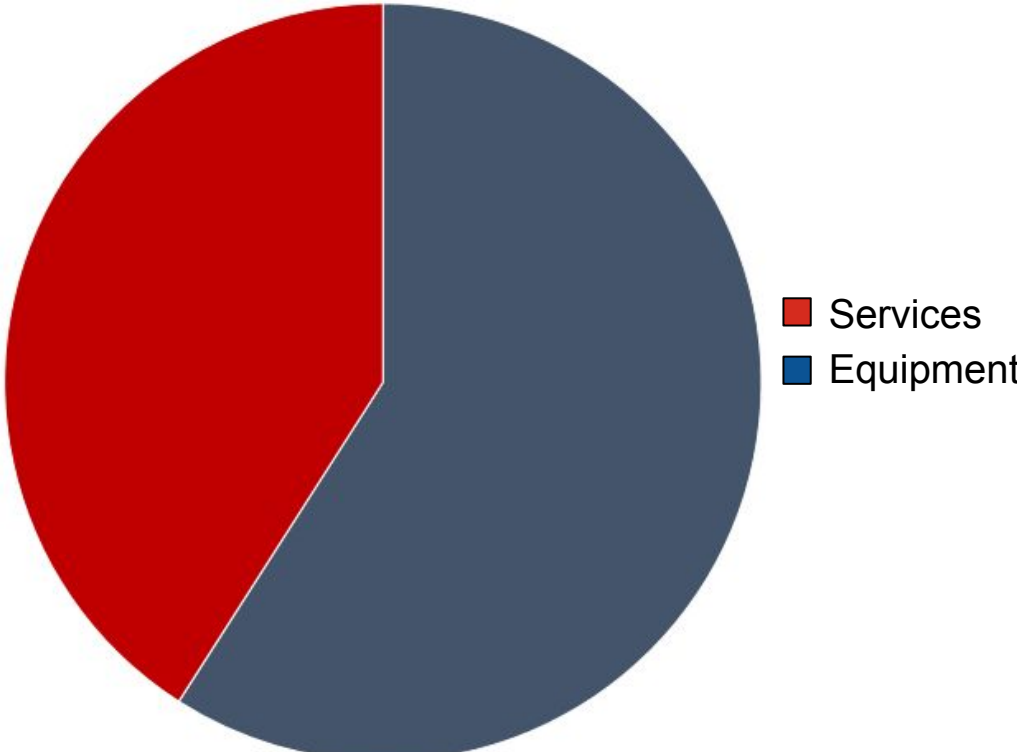
Hiab Services Business Insights

PRODUCT MIX



30% OF HIAB REVENUE

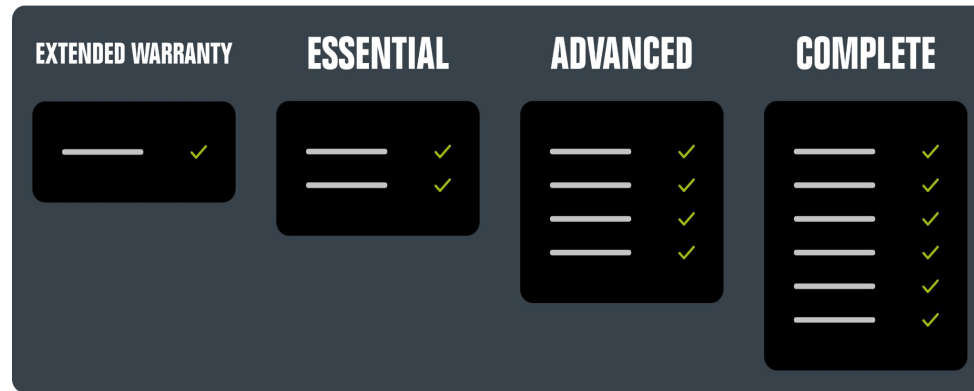
OP CONTRIBUTION



SERVICES OP STRENGTHENED

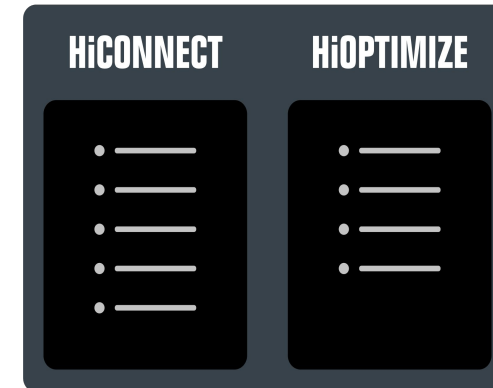
Focus on Customer Value Creation

PRO CARE



Value creation for equipment usage

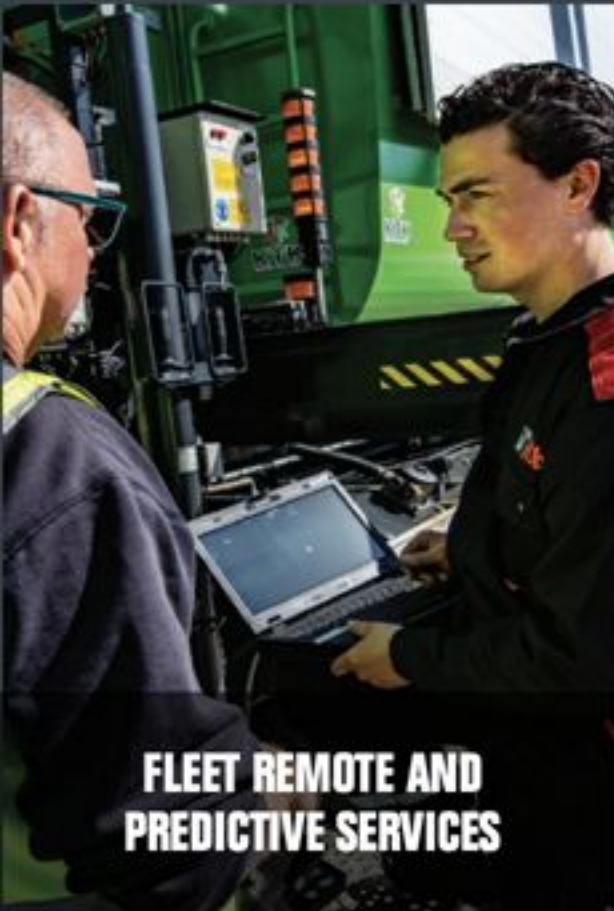
HiPERFORM



Value creation by optimisation of equipment usage

Pioneering the highest productivity in the industry through digitalisation

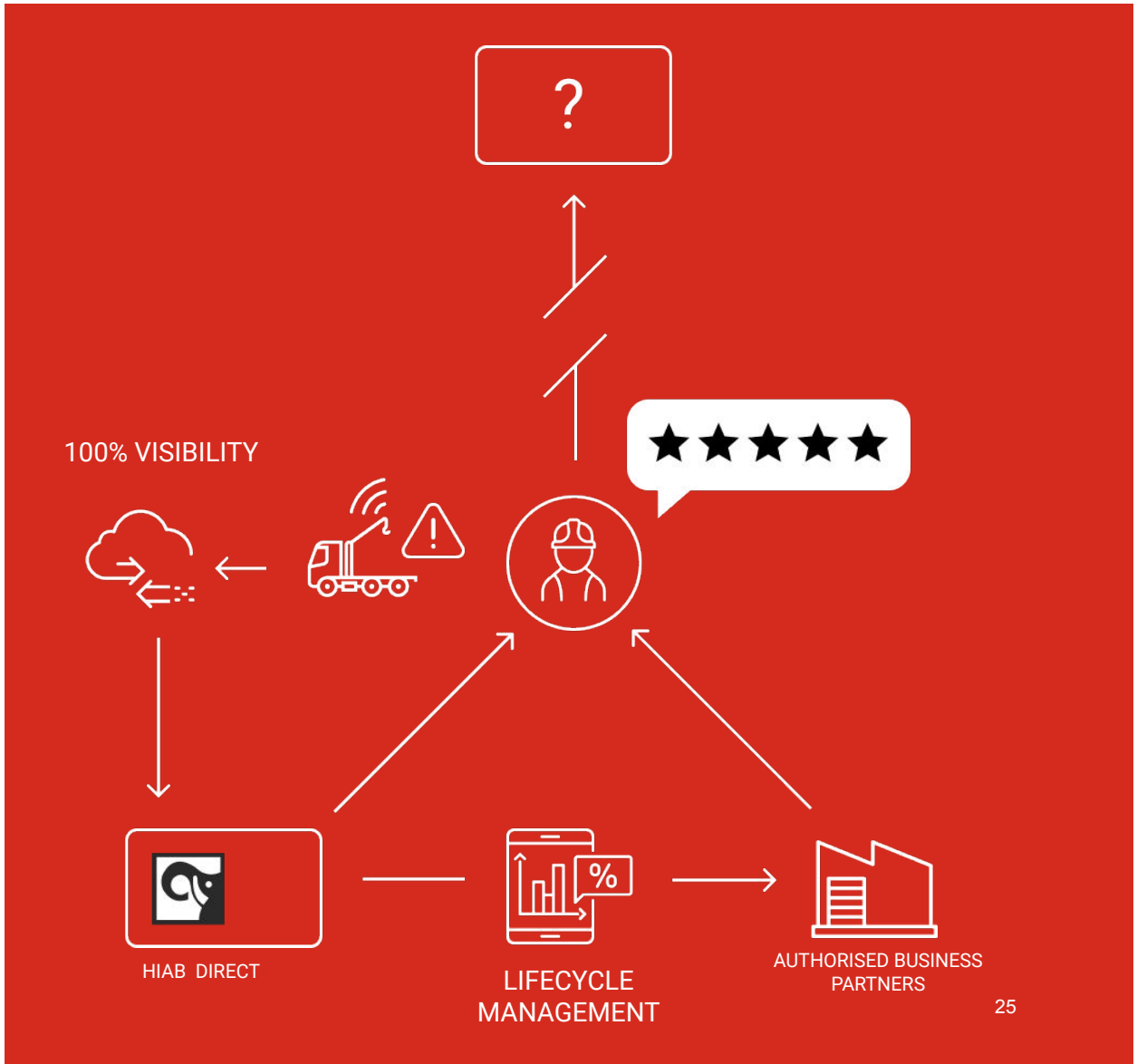
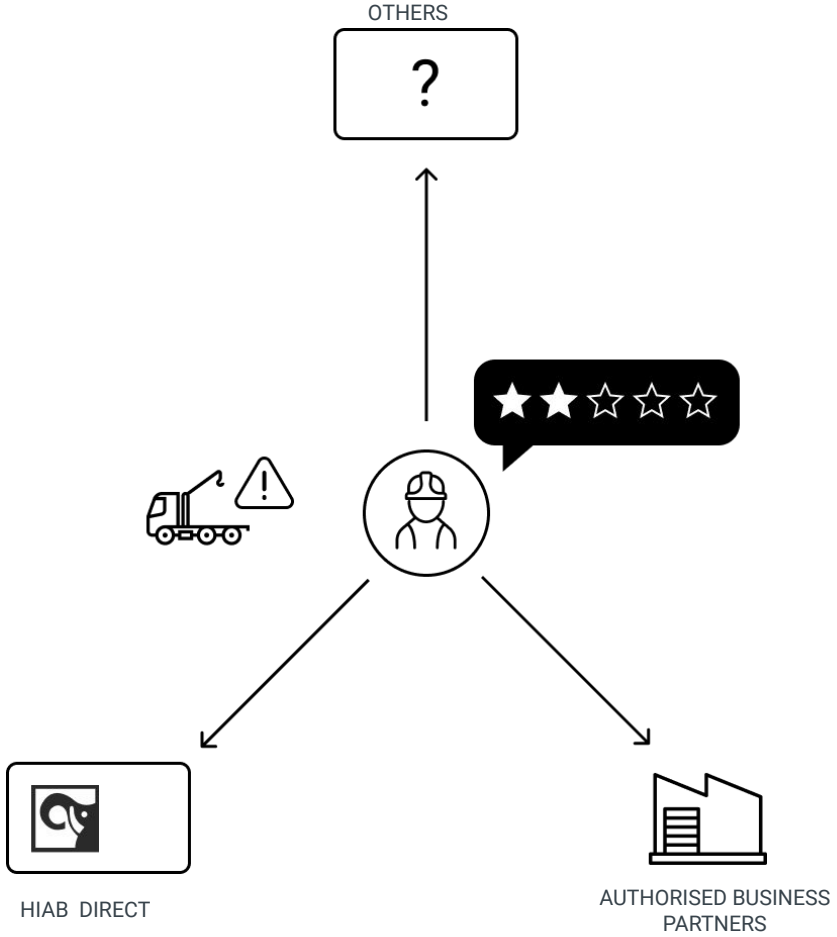
DIGITAL SERVICES



FLEET AUTOMATION



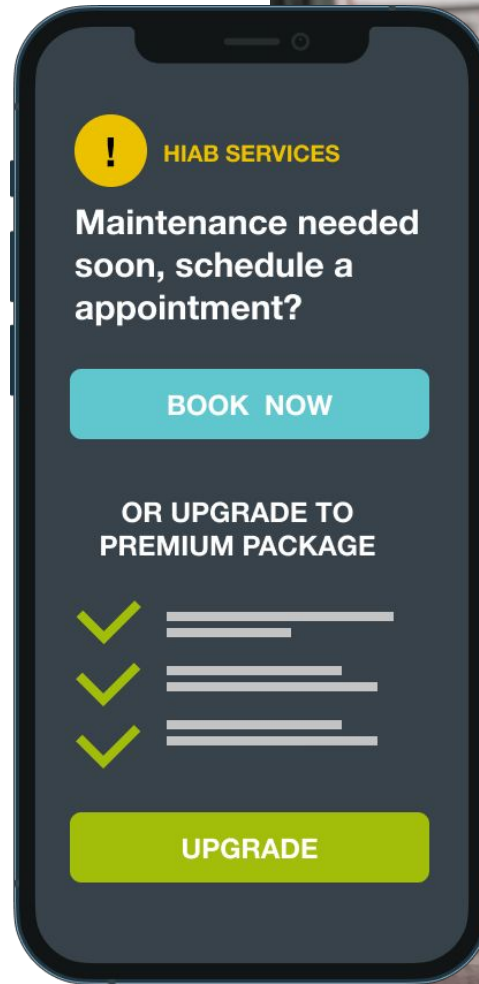
Digitalisation Lifecycle Ecosystem



Focus going forward

CUSTOMER EXPERIENCE:

Delivering the right offer at the right time



Expanding our Electric Offer



Award winning electric MOFFETT e-Series, available in two models and more being added



Hiab's equipment is compatible with alternative power sources with no or minor, non-costly modifications. Customers with electric trucks and Hiab equipment include Noblet Group and DB Schenker



Battery-operated cranes using ePTO (Electric Power Take Off) and WALTCO solar charger



Recent acquisition - US Demountable manufacturer Galfab

- A premier designer and manufacturer of equipment and services for waste and recycling customers with 2021 sales estimate of USD ~30 million
- Adds roll-off hoist, a cable lift, to Hiab's portfolio and enables growth in the US and waste segment market
- Acquisition is in line with our strategy to grow from core businesses
- Synergies come predominantly from cross selling opportunities



M&A opportunities in smart and sustainable load handling space

Examples of recent acquisitions (2017-2021)



Enter to Brazil, one of the largest global loader cranes markets



Strengthen product offering in heavy loader cranes



Largest dealer in the Netherlands to be closer to customers



Local footprint and cross-selling in the US for Demountables

M&A focus areas going forward

1

Strengthen current core business and markets

2

Extend offering close to our core business

3

Adjacent load handling segments with capability overlap

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BUILT TO PERFORM



HIAB • JONSERED • LOGLIFT • EFFER • ARGOS • MULTILIFT • MOFFETT • WALTCO • DEL • ZEPRO

