



Cargotec's half-year financial report January–June 2023

# RECORD-HIGH PROFITABILITY



## Cargotec's half-year financial report January–June 2023: Record-high profitability

- Orders received totalled EUR 999 (1,390) million, back to pre-covid level
- Strong development in sales, 25 percent increase
- Record-high comparable operating profit margin 13.2 percent
- Planned separation of Kalmar and Hiab progressing according to plan

### April–June 2023 in brief: Record-high comparable operating profit

- Orders received decreased by 28 percent and totalled EUR 999 (1,390) million.
- Order book amounted to EUR 3,242 (31 Dec 2022: 3,541) million at the end of the period.
- Sales increased by 25 percent and totalled EUR 1,200 (959) million.
- Service sales increased by 14 percent and totalled EUR 344 (303) million.
- Service sales represented 29 (32) percent of consolidated sales.
- Eco portfolio sales increased by 26 percent and totalled EUR 362 (286) million.
- Eco portfolio sales represented 30 (30) percent of consolidated sales.
- Operating profit was EUR 151 (47) million, representing 12.5 (5.0) percent of sales. The operating profit includes items affecting comparability worth EUR -8 (-34) million.
- Comparable operating profit increased by 94 percent and amounted to EUR 158 (82) million, representing 13.2 (8.5) percent of sales.
- Cash flow from operations before finance items and taxes totalled EUR 41 (38) million.
- Profit for the period amounted to EUR 108 (41) million.
- Basic earnings per share was EUR 1.67 (0.64).

### January–June 2023 in brief: Strong growth in sales and profitability

- Orders received decreased by 19 percent and totalled EUR 2,058 (2,525) million.
- Order book amounted to EUR 3,242 (31 Dec 2022: 3,541) million at the end of the period.
- Sales increased by 26 percent and totalled EUR 2,274 (1,810) million.
- Service sales increased by 18 percent and totalled EUR 690 (586) million.
- Service sales represented 30 (32) percent of consolidated sales.
- Eco portfolio sales increased by 24 percent and totalled EUR 707 (571) million.
- Eco portfolio sales represented 31 (32) percent of consolidated sales.
- Operating profit was EUR 254 (85) million, representing 11.2 (4.7) percent of sales. The operating profit includes items affecting comparability worth EUR -16 (-58) million.
- Comparable operating profit increased by 90 percent and amounted to EUR 271 (142) million, representing 11.9 (7.9) percent of sales.
- Cash flow from operations before finance items and taxes totalled EUR 68 (-32) million.
- Profit for the period amounted to EUR 180 (62) million.
- Basic earnings per share was EUR 2.80 (0.97).

## Outlook for 2023 unchanged

Cargotec estimates its core businesses<sup>1</sup> 2023 comparable operating profit to improve from 2022 (EUR 384<sup>2</sup> million) and MacGregor's comparable operating profit in 2023 to be positive (EUR -47<sup>2</sup> million).<sup>3</sup>

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<sup>1</sup> Hiab and Kalmar excluding heavy cranes and including corporate administration and support functions.

<sup>2</sup> Cargotec has changed the definition of the alternative performance measure comparable operating profit starting from 1 January 2023. Comparison figures have been calculated based on the new definition. Additional information about the definition is presented in the stock exchange release published on 4 April 2023.

<sup>3</sup> The outlook for 2023 does not include the comparable operating profit of Kalmar's heavy crane business which will be discontinued.

## Cargotec's key figures

MEUR	Q2/23	Q2/22	Change	Q1-Q2/23	Q1-Q2/22	Change	2022
Orders received	999	1,390	-28%	2,058	2,525	-19%	4,862
Service orders received	326	309	6%	688	616	12%	1,286
Order book, end of period	3,242	3,596	-10%	3,242	3,596	-10%	3,541
Sales	1,200	959	25%	2,274	1,810	26%	4,089
Service sales	344	303	14%	690	586	18%	1,264
Service sales, % of sales	29%	32%		30%	32%		31%
Eco portfolio sales	362	286	26%	707	571	24%	1,288
Eco portfolio sales, % of sales	30%	30%		31%	32%		31%
Operating profit	150.5	47.5	> 100 %	254.5	85.0	> 100%	106.1
Operating profit, %	12.5%	5.0%		11.2%	4.7%		2.6%
Comparable operating profit	158.3	81.6	94%	270.7	142.5	90%	316.4
Comparable operating profit, %	13.2%	8.5%		11.9%	7.9%		7.7%
Profit before taxes	141.0	46.2	> 100 %	236.7	76.4	> 100%	79.0
Cash flow from operations before finance items and taxes	41.2	38.1	8 %	67.7	-32.2	> 100%	231.2
Profit for the period	107.7	40.8	> 100 %	180.3	61.9	> 100%	23.2
Basic earnings per share, EUR	1.67	0.64	> 100 %	2.80	0.97	> 100%	0.37
Interest-bearing net debt, end of period	503	605	-17%	503	605	-17%	378
Gearing, %	31.9%	39.0%		31.9%	39.0%		24.8%
Interest-bearing net debt / EBITDA*	1.1	1.2		1.1	1.2		1.2
Return on capital employed (ROCE), last 12 months, %	11.5%	15.2%		11.5%	15.2%		4.6%
Personnel, end of period	11,745	11,492	2%	11,745	11,492	2%	11,526

\* Last 12 months' EBITDA

Cargotec changed the definition of the alternative performance measure comparable operating profit starting from 1 January 2023. The restated comparable operating profit will also include the impacts of the purchase price allocation, which amounted to EUR 16 million in 2022. Of these items, EUR 1 million were related to Kalmar, EUR 3 million to Hiab, and EUR 12 million to MacGregor. Additional information regarding the changed definition is presented in the stock exchange release published on 4 April 2023.

Cargotec's eco portfolio criteria has been revised and the 2022 eco portfolio sales has been restated accordingly.

## **Cargotec's President and CEO Casimir Lindholm: Record-high financial performance continued, potential separation of Kalmar and Hiab progressing as planned**

The eventful second quarter was the first one for me as the CEO of Cargotec. Financially, the second quarter was twofold. The orders received are back to pre-covid level, declining from the all-time-high comparison period which included large non-recurring orders. However, our order book is clearly above the historical average level. Our sales increased by 25 percent and in comparable operating profit we again reached a new record level of EUR 158 million and a 13.2 percent margin, driven by higher deliveries and successful management of inflationary pressures and costs. Strategically important service businesses and eco portfolio sales continued to grow.

In Kalmar, there was some slowness in customer decision making and orders are back at pre-covid level. The decision process for larger project orders slowed down, while service orders remained stable. Kalmar's sales increased by 29 percent to EUR 552 million as we are delivering from the strong order book. Sales growth was supported by improved efficiency in supply chain management despite persisting volatility of the component availability. Service sales continued to grow, driven by higher spare part capture rate. Kalmar's comparable operating profit margin improved to a record level of 14.2 percent, supported by higher sales, deliveries of semi-finished products, successful management of inflationary pressures and component availability, and lower losses related to heavy cranes business.

In Hiab, underlying demand drivers remained at a good level but orders received declined from the record-high comparison period, which was boosted by pre-buying ahead of pricing increases. Order intake was also affected by inflation, high interest rates, and extended truck lead times. Hiab's order book is at a strong level and, due to robust operational execution, Hiab's sales grew by 20 percent to EUR 485 million. Hiab's comparable operating profit increased by 31 percent to EUR 81 million stemming from higher sales, effective management of inflationary pressures and controlling costs.

In MacGregor, orders received decreased from a high comparison period level but the order book improved by 28 percent from the comparison period. Sales in MacGregor improved to EUR 164 million and MacGregor recorded its best quarterly comparable operating profit in over seven years, EUR 10 million, driven by service and merchant businesses. MacGregor's offshore restructuring is progressing, but we still have challenges related to offshore projects we have committed to in the past.

On 27 April, we announced our plan to investigate and initiate a process to potentially separate our core businesses Kalmar and Hiab into two world-leading standalone companies. The planning of the potential partial demerger is intended to be carried out during 2023 and the potential separate listing of Kalmar on Nasdaq Helsinki would, if carried out, take place in 2024.

Analysing both internal and external feedback, the news about the potential partial demerger has been well received. The planning has progressed in line with previously communicated timeline and objectives and I am happy to announce that one of the key positions has been filled as Sakari Ahdekivi has been appointed Kalmar's Chief Financial Officer. Planning will continue throughout 2023.

To conclude, we continued our strong performance through the first half of 2023. In the period, our core businesses' comparable operating profit increased by 57 percent to EUR 263 million, representing 13.6 percent of sales. The MacGregor turnaround is progressing and the business is on path to deliver a positive comparable operating profit in 2023. Our order book remains above

the historical average and to a large extent covers the second half equipment sales. With the strong order book, combined with a scenario tool box ready to be implemented in case of rapid changes in the market environment, we aim to keep our core businesses' comparable operating profit above 10 percent even if the market situation would prove to be challenging. In the second half of the year, our intense planning of the potential separation of Kalmar and Hiab will continue, while at the same time we will maintain a strong focus on the business execution.

## Reporting segments' key figures

### Orders received

MEUR	Q2/23	Q2/22	Change	Q1-Q2/23	Q1-Q2/22	Change	2022
Kalmar	437	567	-23%	908	1,066	-15%	2,081
Hiab	375	523	-28%	755	1,005	-25%	1,807
MacGregor	187	301	-38%	395	455	-13%	976
Internal orders	0	0		0	0		0
<b>Total</b>	<b>999</b>	<b>1,390</b>	<b>-28%</b>	<b>2,058</b>	<b>2,525</b>	<b>-19%</b>	<b>4,862</b>

### Order book

MEUR	30 Jun 2023	31 Dec 2022	Change
Kalmar	1,281	1,428	-10%
Hiab	1,007	1,185	-15%
MacGregor	953	927	3%
Internal order book	1	1	
<b>Total</b>	<b>3,242</b>	<b>3,541</b>	<b>-8%</b>

### Sales

MEUR	Q2/23	Q2/22	Change	Q1-Q2/23	Q1-Q2/22	Change	2022
Kalmar	552	428	29%	1,037	800	30%	1,943
Hiab	485	404	20%	917	744	23%	1,578
MacGregor	164	127	29%	320	267	20%	569
Internal sales	0	0		0	-1		-1
<b>Total</b>	<b>1,200</b>	<b>959</b>	<b>25%</b>	<b>2,274</b>	<b>1,810</b>	<b>26%</b>	<b>4,089</b>

### Operating profit

MEUR	Q2/23	Q2/22	Change	Q1-Q2/23	Q1-Q2/22	Change	2022
Kalmar	78.4	13.2	> 100%	141.2	35.9	> 100%	142.1
Hiab	81.5	62.6	30%	142.9	106.1	35%	217.1
MacGregor	8.2	-15.0	> 100%	0.8	-20.8	> 100%	-190.2
Corporate administration and support functions	-17.6	-13.3	-33%	-30.5	-36.3	16%	-62.9
<b>Total</b>	<b>150.5</b>	<b>47.5</b>	<b>&gt; 100%</b>	<b>254.5</b>	<b>85.0</b>	<b>&gt; 100%</b>	<b>106.1</b>

### Comparable operating profit\*

MEUR	Q2/23	Q2/22	Change	Q1-Q2/23	Q1-Q2/22	Change	2022
Kalmar	78.4	41.2	91%	141.7	69.4	> 100%	189.2
Hiab	81.4	62.4	31%	142.8	109.8	30%	220.9
MacGregor	10.3	-10.2	> 100%	11.0	-13.0	> 100%	-47.5
Corporate administration and support functions	-11.8	-11.7	-1%	-24.7	-23.7	-4%	-46.3
<b>Total</b>	<b>158.3</b>	<b>81.6</b>	<b>94%</b>	<b>270.7</b>	<b>142.5</b>	<b>90%</b>	<b>316.4</b>

\*Cargotec changed the definition of the alternative performance measure comparable operating profit starting from 1 January 2023. The restated comparable operating profit will also include the impacts of the purchase price allocation, which amounted to EUR 16 million in 2022. Of these items, EUR 1 million were related to Kalmar, EUR 3 million to Hiab, and EUR 12 million to MacGregor. Additional information regarding the changed definition is presented in the stock exchange release published on 4 April 2023.

## Telephone conference for analysts, investors and media

A live international telephone conference for analysts, investors and media will be arranged on the publishing day at 10:00 a.m. EEST. The event will be held in English. The report will be presented by President and CEO Casimir Lindholm, CFO Mikko Puolakka, Kalmar's President Michel van Roozendaal, and Hiab's President Scott Phillips. The presentation material will be available at [www.cargotec.com](http://www.cargotec.com) by the latest 9:30 a.m. EEST.

To ask questions, please join the teleconference by registering via the following link: <https://palvelu.flik.fi/teleconference/?id=1009461>. After the registration, the conference phone numbers and a conference ID to access the conference will be provided. Questions can be presented during the conference. For questions, please press \*5 on your telephone keypad to join the queue.

The event can also be viewed as a live webcast at <https://cargotec.videosync.fi/2023-q2>. The conference call will be recorded and an on-demand version of the conference will be published at Cargotec's website later during the day.

Note that by dialling to the conference call, the participant agrees that personal information such as name and company name will be collected.

**For further information, please contact:**

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Aki Vesikallio, Vice President, Investor Relations, tel. +358 40 729 1670

Cargotec (Nasdaq Helsinki: CGCBV) enables smarter cargo flow for a better everyday with its leading cargo handling solutions and services. Cargotec's business areas Kalmar, Hiab and MacGregor are pioneers in their fields. Through their unique position in ports, at sea and on roads, they optimise global cargo flows and create sustainable customer value. Cargotec has signed the United Nations Global Compact Business Ambition for 1.5°C. The company's sales in 2022 totalled approximately EUR 4.1 billion and it employs around 11,700 people. [www.cargotec.com](http://www.cargotec.com)

## Cargotec's January–June 2023 half-year financial report

The half-year financial report 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.

### Operating environment

During the first half of 2023, the market environment was characterised by elevated uncertainty stemming from high interest rates and inflation, instability of the financial markets, fear of recession, continued supply chain bottlenecks, geopolitical tensions, and sluggish growth estimates. However, many of our customers and partners are performing well and we have experienced steady demand.

The demand for Cargotec's core businesses Hiab and Kalmar is influenced by the development of the global GDP per capita. According to the World Bank's Global Economic Prospects report published in June 2023, global growth is projected to slow significantly in the second half of this year, with weakness continuing in 2024. According to the report, the global economy is projected to slow to 2.1 percent in 2023 and to 2.4 percent in 2024. In the World Bank's advanced economies group (a group of countries which includes several key Cargotec markets, such as the United States, and the Euro area), the World Bank projects a tepid growth with 0.7 percent in 2023 and 1.2 percent in 2024. The main reasons behind the low projections are high inflation and interest rates, leading to a tight monetary policy which is expected to weigh substantially on activity.<sup>4</sup>

The demand for MacGregor's cargo and load handling solutions is impacted by the level of merchant ship contracting, which by the end of the second quarter amounted to 643 (608). For the year 2023, the merchant ship order forecast is 1,316 (1,414). In the offshore sector, the number of new unit contracts in the second quarter was 38 (57). Energy transition and securing energy supply combined with high energy prices drive investments in offshore wind, also boosting offshore oil & gas. The amount of new vessel contracting is still expected to remain modest, with offshore wind and replacement ordering being the key drivers. The offshore newbuild contracting forecast for 2023 is 172 (145).<sup>5</sup> In the coming years, tightening climate regulation will encourage investments in fleet renewal and upgrades. This is expected to create demand for solutions supporting ship operators' energy efficiency and emissions reductions targets.<sup>6</sup>

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<sup>4</sup> World Bank: Global Economic Prospects, June 2023

<sup>5</sup> Clarkson Research, July 2023

<sup>6</sup> International Maritime Organization (IMO), July 2023

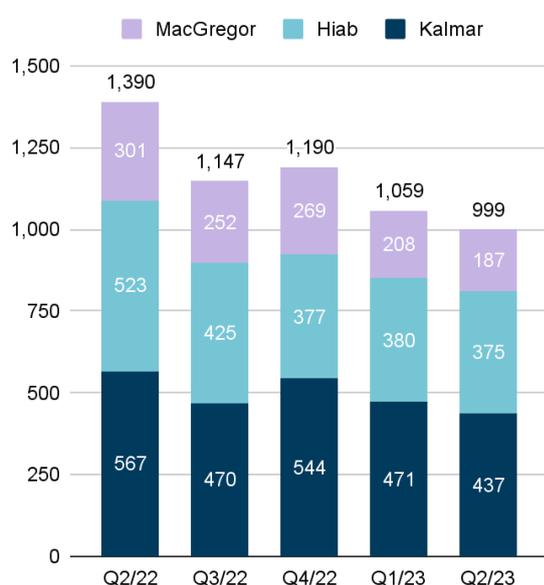
## Financial performance

### Orders received and order book

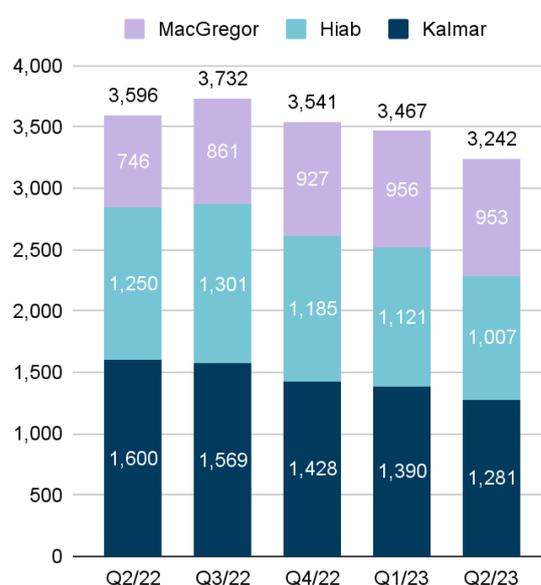
#### Orders received and order book

MEUR	Q2/23	Q2/22	Change	Q1-Q2/23	Q1-Q2/22	Change	2022
Orders received	999	1,390	-28%	2,058	2,525	-19%	4,862
Service orders received	326	309	6%	688	616	12%	1,286
Order book, end of period	3,242	3,596	-10%	3,242	3,596	-10%	3,541

Orders received, MEUR



Order book, MEUR



In the second quarter of 2023, orders received decreased by 28 percent from the comparison period and totalled EUR 999 (1,390) million. The comparison period orders received was at a record-high level with large non-recurring orders. Orders received decreased in all business areas. Service orders received increased by 6 percent and totalled EUR 326 (309) million.

In January–June, orders received decreased by 19 percent from the comparison period and totalled EUR 2,058 (2,525) million. Orders received decreased in all business areas. Service orders received increased by 12 percent and totalled EUR 688 (616) million.

The order book decreased by 8 percent from the end of 2022, and at the end of the second quarter it totalled EUR 3,242 (31 Dec 2022: 3,541) million. Kalmar's order book totalled EUR 1,281 (1,428) million, representing 40 (40) percent, Hiab's EUR 1,007 (1,185) million or 31 (34) percent and MacGregor's EUR 953 (927) million or 29 (26) percent of the consolidated order book.

In geographical terms, the share of orders received in the second quarter was 48 (43) percent in EMEA and 33 (34) percent in the Americas. Asia-Pacific's share of orders received was 19 (23) percent.

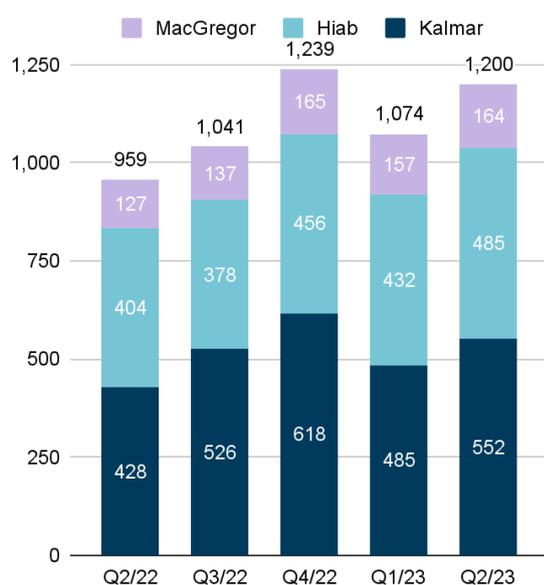
In January–June, the share of orders received was 45 (45) percent in EMEA and 35 (35) percent in the Americas. Asia-Pacific’s share of orders received was 20 (20) percent.

## Sales

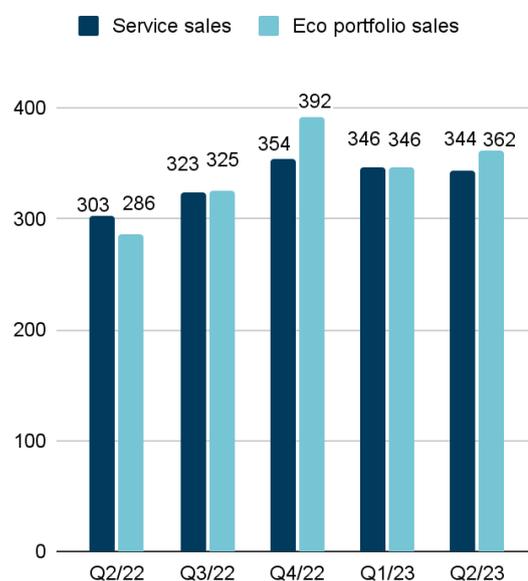
### Sales

MEUR	Q2/23	Q2/22	Change	Q1-Q2/23	Q1-Q2/22	Change	2022
Sales	1,200	959	25%	2,274	1,810	26%	4,089
Service sales	344	303	14%	690	586	18%	1,264
Eco portfolio sales	362	286	26%	707	571	24%	1,288

Sales, MEUR



Service and eco portfolio sales, MEUR

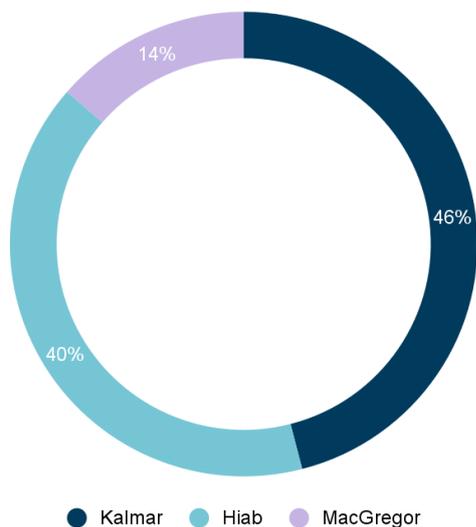


In the second quarter of 2023, sales increased from the comparison period by 25 percent and amounted to EUR 1,200 (959) million. Sales increased in all businesses. Service sales increased by 14 percent from the comparison period and totalled EUR 344 (303) million, representing 29 (32) percent of consolidated sales.

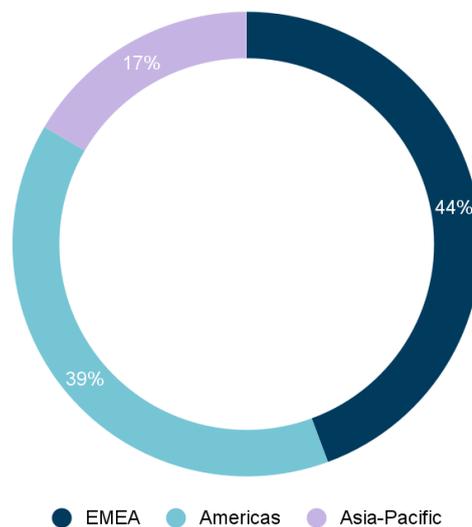
In January–June, sales increased from the comparison period by 26 percent and amounted to EUR 2,274 (1,810) million. Sales increased in all businesses. Service sales increased by 18 percent from the comparison period and totalled EUR 690 (586) million, representing 30 (32) percent of consolidated sales.

Eco portfolio sales increased by 26 percent in the second quarter and totalled EUR 362 (286) million, representing 30 (30) percent of consolidated sales. Eco portfolio sales increased in both climate change mitigation and transition to circular economy categories and in all business areas. In January–June, eco portfolio sales increased by 24 percent and totalled EUR 707 (571) million, representing 31 (32) percent of consolidated sales.

Sales by business area  
 Q2/2023, %



Sales by geographical area  
 Q2/2023, %



Sales increased in all geographical areas in the second quarter. EMEA's share of consolidated sales was 44 (49) percent, Americas' 39 (36) percent and Asia-Pacific's 17 (15) percent.

In January–June, EMEA's share of consolidated sales was 46 (50) percent, Americas' 39 (34) percent and Asia-Pacific's 15 (16) percent.

## Financial result

### Operating profit and comparable operating profit

MEUR	Q2/23	Q2/22	Change	Q1-Q2/23	Q1-Q2/22	Change	2022
Operating profit	150.5	47.5	> 100%	254.5	85.0	> 100%	106.1
Operating profit, %	12.5%	5.0%		11.2%	4.7%		2.6%
Comparable operating profit	158.3	81.6	94%	270.7	142.5	90%	316.4
Comparable operating profit, %	13.2%	8.5%		11.9%	7.9%		7.7%

Operating profit and items affecting comparability  
MEUR



Comparable operating profit, MEUR  
Comparable operating profit margin, %



Operating profit for the second quarter totalled EUR 151 (47) million. The operating profit includes items affecting comparability worth EUR -8 (-34) million. EUR 0 (-28) million of the items were related to Kalmar, EUR 0 (0) million to Hiab, EUR -2 (-5) million to MacGregor and EUR -6 (-2) million to corporate administration and support functions. Of the corporate administration and support functions items affecting comparability, EUR -6 (0) million were related to planning of the potential separation of Kalmar and Hiab. More information regarding items affecting comparability is available in Note 7, Comparable operating profit.

January–June operating profit totalled EUR 254 (85) million. The operating profit includes items affecting comparability worth EUR -16 (-58) million. EUR 0 (-34) million of the items were related to Kalmar, EUR 0 (-4) million to Hiab, EUR -10 (-8) million to MacGregor and EUR -6 (-13) million to corporate administration and support functions. More information regarding items affecting comparability is available in Note 7, Comparable operating profit.

Comparable operating profit for the second quarter increased by 94 percent and totalled EUR 158 (82) million, representing 13.2 (8.5) percent of sales. The comparable operating profit increase was driven by higher sales and successful management of inflationary pressures and costs.

January–June comparable operating profit increased by 90 percent and totalled EUR 271 (142) million, representing 11.9 (7.9) percent of sales. The comparable operating profit increase was driven by higher sales and successful management of inflationary pressures and costs.

## Net finance expenses and net income

Net interest expenses for interest-bearing debt and assets for the second quarter totalled EUR 4 (3) million. Net finance expenses totalled EUR 9 (1) million. January–June net interest expenses for interest-bearing debt and assets totalled EUR 8 (6) million. Net finance expenses totalled EUR 18 (9) million. The increase in group financing expenses was driven by interest rate differences related to hedging and changes in exchange rate differences.

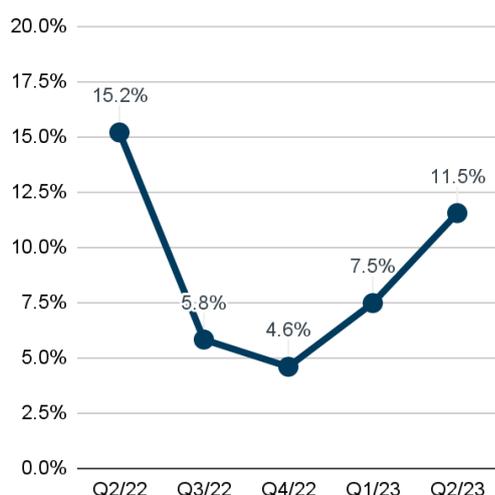
Profit for the second quarter totalled EUR 108 (41) million, and basic earnings per share was EUR 1.67 (0.64). January–June profit totalled EUR 180 (62) million, and basic earnings per share was EUR 2.80 (0.97).

## Balance sheet, cash flow and financing

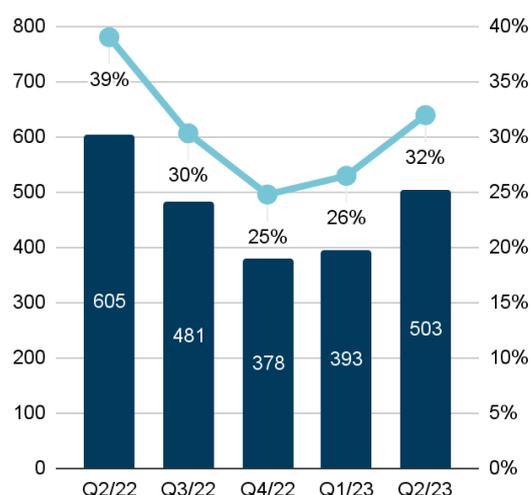
The consolidated balance sheet total was EUR 4,251 (31 Dec 2022: 4,189) million at the end of the second quarter. Equity attributable to the equity holders of the parent was EUR 1,575 (1,528) million, representing EUR 24.35 (23.69) per share. Property, plant and equipment on the balance sheet amounted to EUR 427 (420) million and intangible assets to EUR 983 (1,017) million.

Return on equity (ROE, last 12 months) was 9.1 (31 Dec 2022: 1.5) percent at the end of the second quarter, and return on capital employed (ROCE, last 12 months) was 11.5 (4.6) percent. The return on capital employed was still burdened by the low result and high capital employed of the MacGregor business area.

Return on capital employed, %  
(ROCE, last 12 months)



Interest-bearing net debt, MEUR  
Gearing, %



Cash flow from operating activities before financial items and taxes totalled EUR 68 (-32) million during January–June. Increase in net working capital impacted cash flow.

Cargotec's liquidity position is strong. The liquidity reserves, consisting of cash and cash equivalents and an undrawn EUR 330 million long-term revolving credit facility, totalled EUR 668

million on 30 June 2023 (31 Dec 2022: 782). In addition to the liquidity reserves, Cargotec had access to a EUR 150 million commercial paper programme, of which undrawn EUR 150 (150) million, as well as undrawn bank overdraft facilities, totalling EUR 96 (95) million.

The company's liquidity requirement – repayments of interest-bearing liabilities due within the following 12 months – totalled EUR 341 (87) million, which includes EUR 40 (37) million lease liabilities.

At the end of the second quarter, the interest-bearing debt amounted to EUR 843 (31 Dec 2022: 838) million, of which EUR 168 (165) million was in lease liabilities. Of the interest-bearing debt, EUR 341 (87) million was current and EUR 502 (751) million non-current debt. The average interest rate of interest-bearing liabilities, excluding on-balance sheet lease liabilities, was 2.7 (2.1) percent. Cash and cash equivalents, loans receivable, and other interest-bearing assets totalled EUR 340 (459) million. Interest-bearing net debt totalled EUR 503 (378) million.

At the end of the second quarter, Cargotec's equity to assets ratio was 40.3 (31 Dec 2022: 39.2) percent. Gearing was 31.9 (24.8) percent.

## Impacts of currencies and structural changes

MEUR	Orders received		Sales	
	Q2	Q1-Q2	Q2	Q1-Q2
<b>2022</b>	<b>1,390</b>	<b>2,525</b>	<b>959</b>	<b>1,810</b>
Organic growth in constant currencies, %	-26%	-18%	28%	27%
Impact of changes in exchange rates, %	-2%	-1%	-3%	-1%
Structural changes, %	0%	0%	1%	1%
<b>Total change, %</b>	<b>-28%</b>	<b>-19%</b>	<b>25%</b>	<b>26%</b>
<b>2023</b>	<b>999</b>	<b>2,058</b>	<b>1,200</b>	<b>2,274</b>

In the second quarter of 2023, orders received decreased organically in constant currencies by 26 percent. Changes in exchange rates had a 2 percentage point negative effect on Cargotec's orders received. Structural changes did not have a material impact on Cargotec's orders received. In constant currencies, sales increased organically by 28 percent. Changes in exchange rates had a 3 percentage point negative effect and structural changes a 1 percentage point positive effect on Cargotec's sales.

In January–June, orders received decreased organically in constant currencies by 18 percent. Changes in exchange rates had a 1 percentage point negative effect on Cargotec's orders received. Structural changes did not have a material impact on Cargotec's orders received. In constant currencies, sales increased organically by 27 percent. Changes in exchange rates had a 1 percentage point negative effect on Cargotec's sales. Structural changes had a 1 percentage point positive effect on Cargotec's sales.

## Corporate topics

### Research and development

Research and product development expenditure in January–June totalled EUR 46 (49) million, representing 2.0 (2.7) percent of sales. Research and development investments were focused on solutions supporting climate targets such as digitalisation, electrification, and robotisation as well as projects that aim to improve the competitiveness and cost efficiency of products. During the second quarter, research and development efforts focused for example on the following:

#### Kalmar

During the quarter, Kalmar introduced a range of new sustainability options for the Kalmar electric reachstacker. Kalmar customers can now choose to have their electric reachstacker made partly with SSAB Zero™ steel, which is produced using recycled steel and generated using renewable energy sources such as fossil-free electricity and biogas. In addition, customers have the option to replace standard oil with PANOLIN biodegradable hydraulic oil and extend tire lifetime through eco driver training and a tire pressure monitoring system. Kalmar is also introducing a new emission-reducing counterweight made from unprocessed naturally heavy material to replace the standard cast-iron counterweight.

Kalmar also launched the Electric Straddle Carrier Charge Family, the latest addition to its rapidly growing portfolio of fully electric equipment. The Charge Family comprises battery technologies, charging solutions and charging optimiser software to support operators of both manual and automated terminals with their transition towards decarbonised operations.

Kalmar completed a project with CCB Mongstad AS in Norway to pilot and test a RoboTractor unit in customer's operations. Kalmar RoboTractor is part of the Robotic Portfolio, which is a future range of intelligent, flexible and autonomous mobile equipment solutions designed to improve safety and eco-efficiency without compromising productivity.

In addition, Kalmar introduced a collision warning system for its manually operated straddle carrier portfolio, which increases safety by providing the driver with both visible and audible warnings when there is a risk of collision.

Kalmar showcased a Fuel Cell powered Ottawa T2 terminal tractor in ACT Expo in California. The machine will be delivered to a customer in the near future for an extended demonstration period. This demonstration will provide valuable data on the performance of Hydrogen Fuel Cell technology and how it can perform in terminal tractor applications.

#### Hiab

During the second quarter, Cargotec and SSAB announced that they are introducing SSAB Zero™, a fossil carbon emission-free recycled steel, to the cargo and load handling industry. As a result of the partnership, Hiab already in September 2022 unveiled a prototype of the world's first load-handling equipment, a MULTILIFT hooklift, made with fossil-free steel.

#### MacGregor

During the second quarter, MacGregor FibreTrac, the world's first fibre-rope crane of its type, successfully passed its Sea Acceptance Testing (SAT) and is ready for operation.

## Capital expenditure

Capital expenditure, excluding acquisitions and customer financing, totalled EUR 41 (48) million in January–June. Investments in customer financing were EUR 22 (16) million. Depreciation, amortisation and impairment amounted to EUR 57 (61) million. The amount includes impairments worth EUR 0 (1) million.

## Acquisitions and divestments in 2023

In December 2022, Hiab entered into an agreement to acquire the family-owned Swedish industrial group Olsbergs. Olsbergs is the technological leader in the design and manufacture of hydraulic valves and remote control systems. Its solutions are used to manoeuvre Hiab's truck mounted loader cranes and forestry cranes. The closing of the transaction took place on 1 January 2023.

Cargotec is actively developing and maintaining an M&A pipeline. The aim of potential M&A would be to strengthen Cargotec's portfolio and to complement the offering, enter new developing markets and seek growth in adjacent segments.

Information regarding acquisitions and divestments is available in Note 15, Acquisitions and disposals.

## Operational restructurings

Restructuring costs in the second quarter amounted to EUR 2 (27) million and to EUR 5 (40) million in January–June. The restructuring costs in January–June 2023 were related to MacGregor. For the year 2023, Cargotec estimates to book EUR 55 million items affecting comparability, including restructuring costs of ongoing restructuring programmes and costs related to planning of the potential separation of Kalmar and Hiab. The cost estimate may be subject to change.

More information regarding restructuring costs and other items affecting comparability is available in Note 7, Comparable operating profit.

## Personnel

Cargotec employed 11,745 (31 Dec 2022: 11,526) people at the end of the second quarter. The average number of employees during the first half of the year was 11,667 (1–12/2022: 11,405).

## Vision and strategy

Cargotec's vision is to become the global leader in sustainable cargo flow. The breakthrough objectives are sustainability and profitable growth.

In accordance with its strategy, Cargotec will focus on sustainable and profitable growth on its core businesses Hiab and Kalmar by solving customers' sustainability challenges. The core businesses will support customers with lifecycle services as well as with market leading equipment and technologies. Automated, robotised and zero emission equipment help Kalmar and Hiab customers to overcome sustainability challenges.

In April 2023, Cargotec announced that its Board of Directors had decided to investigate and initiate a process to potentially separate Cargotec's core businesses Kalmar and Hiab into two standalone companies. As announced in November 2022, MacGregor, which currently is one of

Cargotec's three business areas, will not be part of Cargotec's portfolio in the future. Cargotec continues to look for a solution for MacGregor during 2024.

## Performance targets for core businesses<sup>7</sup>

Cargotec's performance targets reflect the company's strategy and ambition to grow profitably by solving customers' sustainability challenges. Performance targets are set for core businesses Kalmar and Hiab and were announced on 15 November 2022:

- Eco portfolio sales: double the growth compared to traditional products
- Reduce CO<sub>2</sub> emissions in Cargotec's value chain<sup>8</sup> by 25% by 2025 and by 50% by 2030
- Sales growth faster than market<sup>9</sup>
- Comparable operating profit 12% by 2025 and 15% by 2030

Cargotec also aims for a growing dividend 30–50% of EPS and to keep gearing below 50%.

## Core businesses' key figures

MEUR	Q2/23	Q2/22	Change	Q1-Q2/23	Q1-Q2/22	Change	2022
Orders received	812	1,083	-25%	1,663	2,059	-19%	3,874
Service orders received	242	237	2%	507	460	10%	961
Order book, end of period	2,265	2,760	-18%	2,265	2,760	-18%	2,566
Sales	1,016	826	23%	1,933	1,510	28%	3,445
Service sales	256	235	9%	515	451	14%	962
Service sales, % of sales	25%	28%		27%	30%		28%
Eco portfolio sales	286	251	14%	572	468	22%	1,056
Eco portfolio sales, % of sales	28%	30%		30%	31%		31%
Operating profit	143.6	92.5	55%	257.1	141.9	81%	352.5
Operating profit, %	14.1%	11.2%		13.3%	9.4%		10.2%
Comparable operating profit	149.3	97.3	54%	262.8	167.2	57%	384.3
Comparable operating profit, %	14.7%	11.8%		13.6%	11.1%		11.2%

Core businesses = Cargotec excluding MacGregor and Kalmar heavy cranes business. Includes corporate administration and support functions.

In the second quarter of 2023, sales of Cargotec's core businesses increased from the comparison period by 23 percent and amounted to EUR 1,016 (826) million. Eco portfolio sales of the core businesses increased by 14 percent and totalled EUR 286 (251) million, representing 28 (30) percent of core businesses' consolidated sales. The comparable operating profit of Cargotec's core businesses increased by 54 percent and amounted to EUR 149 (97) million. In the second quarter, the comparable operating profit margin of the core businesses was 14.7 (11.8).

In January–June, sales of Cargotec's core businesses increased from the comparison period by 28 percent and amounted to EUR 1,933 (1,510) million. Eco portfolio sales of the core businesses increased by 22 percent and totalled EUR 572 (468) million, representing 30 (31) percent of core businesses' consolidated sales. The comparable operating profit of Cargotec's core businesses increased by 57 percent and amounted to EUR 263 (167) million. The comparable operating profit margin of Cargotec's core businesses was 13.6 (11.1) in January–June.

<sup>7</sup> Core businesses = Cargotec excluding MacGregor and Kalmar heavy cranes business

<sup>8</sup> Scopes 1, 2 & 3, compared to 2019

<sup>9</sup> Global GDP, IMF World Economic Outlook, current prices

## Planned separation of Kalmar and Hiab

On 27 April 2023, Cargotec announced that its Board of Directors had decided to investigate and initiate a process to potentially separate Cargotec's core businesses Kalmar and Hiab into two standalone companies. Cargotec's intention would be to separate Kalmar as a new listed company by means of a partial demerger from Cargotec. The planning of the potential partial demerger is intended to take place during 2023 and, if carried out, the potential execution and separate listing of Kalmar on Nasdaq Helsinki, Finland, would take place in 2024.

The planned partial demerger would be a logical next step in Cargotec's previously announced aim to increase the independence of its businesses. Based on its initial assessment, Cargotec's Board of Directors estimates that the separation of Kalmar and Hiab could unlock shareholder value by allowing both businesses to pursue sustainable profitable growth opportunities independently.

The planning of the considered partial demerger has progressed in line with previously communicated timeline and objectives. One of the key positions was filled during the second quarter when Sakari Ahdekivi was appointed Kalmar's Chief Financial Officer. Planning will continue throughout 2023.

In parallel with the planning, Cargotec's focus remains to continue to look for a solution for MacGregor during 2024.

At the end of the quarter, costs related to planning of the planned separation of Kalmar and Hiab amounted to EUR -6 (0) million.

## Sustainability

Cargotec's eco portfolio criteria was revised in 2022, based on the EU Taxonomy criteria, and all eco portfolio sales are reported in accordance with the revised criteria. In the second quarter of 2023, eco portfolio sales increased by 26 percent and totalled EUR 362 million, representing 30 percent of consolidated sales. Eco portfolio sales increased in both climate change mitigation and transition to circular economy categories, and in all business areas.

During the second quarter, Cargotec and SSAB announced that they are introducing SSAB Zero™, a fossil carbon emission-free recycled steel, to the cargo and load handling industry. Cargotec plans to gradually start using this steel in its products during 2023. The collaboration on SSAB Zero™ is a natural next step where Cargotec and SSAB continue their work together to reduce the impact on climate in cargo and load handling solutions. In 2022, the partnership resulted in the introduction of the world's first load handling equipment, a MULTILIFT hooklift, made with fossil-free steel.

In January 2023, the EU's Corporate Sustainability Reporting Directive (CSRD) came into force. The goal of the directive is to provide investors and other stakeholders with information that helps them assess potential investment risks related to climate change and other sustainability topics. Companies in scope of the first wave will have to apply the new directive for the financial year of 2024, with reports published in 2025.

To prepare for the CSRD, Cargotec initiated a group-wide project in the second quarter to raise awareness of the upcoming reporting requirements and how they can be utilised to drive successful business transformation. As part of the project, Cargotec conducted a gap analysis to understand its current reporting capabilities and readiness to report in accordance with the European Sustainability Reporting Standards (ESRS). To support the gap analysis and clarify the reporting scope, Cargotec simultaneously initiated double materiality assessment work. This assessment considers both the assessment of impact and financial materiality, focusing first on the

impact assessment. The impact assessment was completed during the second quarter, with a strong focus on the specific features of each business area. The double materiality work will continue during the third quarter with financial assessments conducted for each business area. The CSRD will replace the existing EU Non-Financial Reporting Directive (NFRD), which applies to Cargotec.

At the end of the second quarter, Cargotec's safety performance, measured by rolling 12 months industrial injury frequency rate (IIFR), was 4.2 (5.7). The IIFR in Cargotec's assembly sites was 4.1 (6.3), while it was 4.3 (5.4) in non-assembly operations. The target for 2023 is to have an IIFR rate below 4.0 in all operations.

## Leadership Team

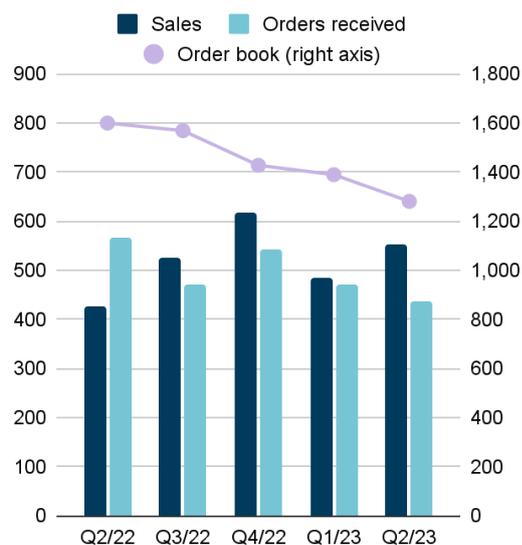
On 30 June 2023, Cargotec's Leadership Team consisted of Casimir Lindholm, President and CEO; Mikko Puolakka, Executive Vice President, CFO; Mikko Pelkonen, Senior Vice President, Human Resources; Mikael Laine, Senior Vice President, Strategy; Soili Mäkinen, Senior Vice President, Sustainable Business Development; Outi Aaltonen, General Counsel; Carina Geber-Teir, Senior Vice President, Communications; Michel van Roozendaal, President, Kalmar; Scott Phillips, President, Hiab; and Leif Byström, President, MacGregor.

## Reporting segments

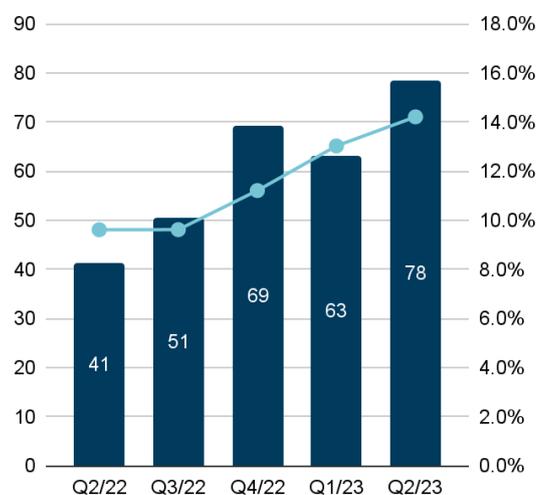
### Kalmar

MEUR	Q2/23	Q2/22	Change	Q1-Q2/23	Q1-Q2/22	Change	2022
Orders received	437	567	-23%	908	1,066	-15%	2,081
Order book, end of period	1,281	1,600	-20%	1,281	1,600	-20%	1,428
Sales	552	428	29%	1,037	800	30%	1,943
Service sales	143	135	6%	290	259	12%	551
% of sales	26%	32%		28%	32%		28%
Operating profit	78.4	13.2	> 100%	141.2	35.9	> 100%	142.1
% of sales	14.2%	3.1%		13.6%	4.5%		7.3%
Comparable operating profit	78.4	41.2	91%	141.7	69.4	> 100%	189.2
% of sales	14.2%	9.6%		13.7%	8.7%		9.7%
Personnel, end of period	5,087	5,058	1%	5,087	5,058	1%	5,012

Sales, orders received and order book  
MEUR



Comparable operating profit, MEUR  
Comparable operating profit margin, %



In the second quarter, orders received by Kalmar decreased by 23 percent from the comparison period and totalled EUR 437 (567) million. There was some slowness in customer decision making and orders received are back to the pre-covid level. The comparison period included a single large order. Service orders received were stable. Compared to the comparison period, orders received decreased in EMEA and Americas, and increased in Asia-Pacific.

Major orders received by Kalmar in the second quarter included:

- four hybrid straddle carriers for Port of Tauranga in New Zealand
- four Kalmar Eco reachstackers and two Kalmar Essential empty container handlers for Access Worlds' new Durban container terminal in South Africa
- two electric reachstackers for French multimodal terminal operator BTM
- eight fully electric straddle carriers with high-energy batteries for DP World's London Gateway logistics hub
- 15 medium electric forklift trucks for the UK material handling equipment provider BJB Lift Trucks Ltd
- 13 forklift trucks and an option for further four units for a leading Italian logistics and equipment rental service provider.

Kalmar's orders received in January–June decreased by 15 percent and totalled EUR 908 (1,066) million.

Kalmar's order book decreased by 10 percent from the end of 2022, totalling EUR 1,281 (31 Dec 2022: 1,428) million at the end of the second quarter.

Kalmar's second quarter sales increased by 29 percent from the comparison period and totalled EUR 552 (428) million. Service sales increased by 6 percent and totalled EUR 143 (135) million, representing 26 (32) percent of sales.

Kalmar's January–June sales increased by 30 percent from the comparison period and totalled EUR 1,037 (800) million. Service sales increased by 12 percent and totalled EUR 290 (259) million, representing 28 (32) percent of sales.

Kalmar's second quarter operating profit totalled EUR 78 (13) million. The operating profit includes EUR 0 (-28) million in items affecting comparability. The comparable operating profit amounted to EUR 78 (41) million, representing 14.2 (9.6) percent of sales. The comparable operating profit increased due to higher sales, deliveries of semi-finished products, successful management of inflationary pressures and component availability, as well as smaller losses related to heavy cranes business, which will be discontinued.

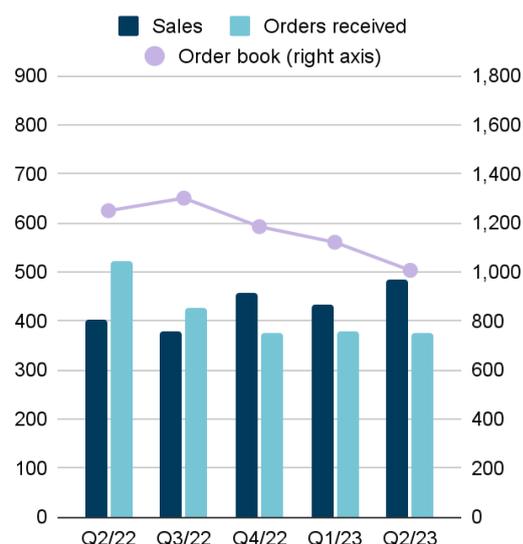
Kalmar's January–June operating profit totalled EUR 141 (36) million. The operating profit includes EUR 0 (-34) million in items affecting comparability. The comparable operating profit amounted to EUR 142 (69) million, representing 13.7 (8.7) percent of sales. The comparable operating profit increased due to higher sales, deliveries of semi-finished products, successful management of inflationary pressures and component availability, as well as smaller losses related to heavy cranes business, which will be discontinued.

Excluding the heavy cranes business, Kalmar sales in the second quarter would have been EUR 532 (423) million, operating profit EUR 80 (43) million, and comparable operating profit EUR 80 (47) million. In January–June, Kalmar sales excluding the heavy cranes business would have been EUR 1,016 (767) million, operating profit EUR 145 (72) million, and comparable operating profit EUR 145 (81) million. At the end of the second quarter, the order book of Kalmar heavy cranes was EUR 23 million, the majority of which is planned to be delivered in 2023.

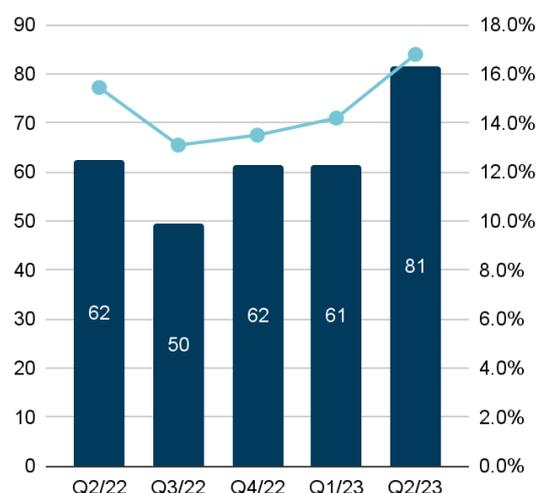
## Hiab

MEUR	Q2/23	Q2/22	Change	Q1-Q2/23	Q1-Q2/22	Change	2022
Orders received	375	523	-28%	755	1,005	-25%	1,807
Order book, end of period	1,007	1,250	-19%	1,007	1,250	-19%	1,185
Sales	485	404	20%	917	744	23%	1,578
Service sales	113	99	14%	226	192	17%	411
% of sales	23%	25%		25%	26%		26%
Operating profit	81.5	62.6	30%	142.9	106.1	35%	217.1
% of sales	16.8%	15.5%		15.6%	14.3%		13.8%
Comparable operating profit	81.4	62.4	31%	142.8	109.8	30%	220.9
% of sales	16.8%	15.4%		15.6%	14.8%		14.0%
Personnel, end of period	3,961	3,695	7%	3,961	3,695	7%	3,778

Sales, orders received and order book  
MEUR



Comparable operating profit, MEUR  
Comparable operating profit margin, %



Hiab's orders received for the second quarter decreased by 28 percent from the comparison period and totalled EUR 375 (523) million. Underlying demand drivers for Hiab's solutions remained at a good level. Service orders received increased. Compared to the comparison period, orders received decreased in all geographical areas.

Major orders received by Hiab in the second quarter included:

- demountables ordered by a NATO country's defence forces. The value of the order is EUR ca. 10 million
- loader cranes and demountables which will be delivered to the defence forces of a NATO country. The value of the order is EUR 9 million.

Hiab's orders received in January–June decreased by 25 percent and totalled EUR 755 (1,005) million.

Hiab's order book decreased by 15 percent from the end of 2022, totalling EUR 1,007 (31 Dec 2022: 1,185) million at the end of the second quarter.

Hiab's second quarter sales increased by 20 percent and totalled EUR 485 (404) million. Service sales increased by 14 percent and amounted to EUR 113 (99) million, representing 23 (25) percent of sales.

Hiab's January–June sales increased by 23 percent and totalled EUR 917 (744) million. Service sales increased by 17 percent and amounted to EUR 226 (192) million, representing 25 (26) percent of sales.

Hiab's second quarter operating profit increased from the comparison period by 30 percent and totalled EUR 82 (63) million. The operating profit includes EUR 0 (0) million in items affecting comparability. The comparable operating profit amounted to EUR 81 (62) million, representing 16.8 (15.4) percent of sales. Hiab's comparable operating profit increased due to higher sales, effective management of inflationary pressures and controlling costs.

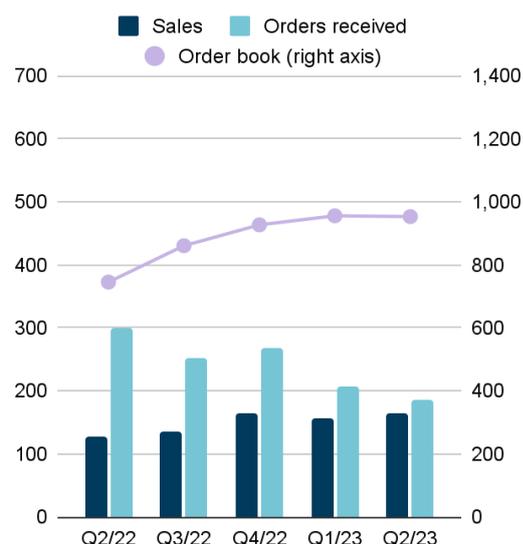
Hiab's January–June operating profit increased from the comparison period by 35 percent and totalled EUR 143 (106) million. The operating profit includes EUR 0 (-4) million in items affecting comparability. The comparable operating profit amounted to EUR 143 (110) million, representing 15.6 (14.8) percent of sales. Hiab's comparable operating profit increased due to higher sales and good management of inflationary pressures and costs.

During the second quarter, Hiab entered into a licence manufacturing agreement with Dalian Shidao Industry Co. Ltd. (DSI) to produce, sell and service MULTILIFT hooklifts in mainland China. The agreement supports wider sales and service coverage for MULTILIFT hooklifts in mainland China, and DSI will also provide original HIAB spare parts to these products.

## MacGregor

MEUR	Q2/23	Q2/22	Change	Q1-Q2/23	Q1-Q2/22	Change	2022
Orders received	187	301	-38%	395	455	-13%	976
Order book, end of period	953	746	28%	953	746	28%	927
Sales	164	127	29%	320	267	20%	569
Service sales	88	68	29%	175	135	30%	301
% of sales	54%	54%		55%	51%		53%
Operating profit	8.2	-15.0	> 100%	0.8	-20.8	> 100%	-190.2
% of sales	5.0%	-11.8%		0.3%	-7.8%		-33.4%
Comparable operating profit	10.3	-10.2	> 100%	11.0	-13.0	> 100%	-47.5
% of sales	6.3%	-8.1%		3.4%	-4.9%		-8.3%
Personnel, end of period	1,935	1,921	1%	1,935	1,921	1%	1,978

Sales, orders received and order book  
MEUR



Comparable operating profit, MEUR  
Comparable operating profit margin, %



MacGregor's orders received in the second quarter decreased by 38 percent from the comparison period to EUR 187 (301) million. Compared to the comparison period, orders received decreased in Asia-Pacific and Americas and stayed at the comparison period level in EMEA. Of the orders, around 90 percent relate to merchant ships and 10 percent to the offshore sector. Service orders received increased.

Major orders received by MacGregor in the second quarter included:

- a comprehensive package of access equipment for a cruise vessel built at a shipyard in France.

MacGregor's orders received in January–June decreased by 13 percent and totalled EUR 395 (455) million.

MacGregor's order book increased by 3 percent from the end of 2022, totalling EUR 953 (31 Dec 2022: 927) million at the end of the second quarter. Of the order book, around 85 percent relate to merchant ships and 15 percent to the offshore sector.

MacGregor's second quarter sales increased by 29 percent and amounted to EUR 164 (127) million. Service sales increased by 29 percent and totalled EUR 88 (68) million, representing 54 (54) percent of sales.

MacGregor's January–June sales increased by 20 percent and amounted to EUR 320 (267) million. Service sales increased by 30 percent and totalled EUR 175 (135) million, representing 55 (51) percent of sales.

MacGregor's operating profit for the second quarter totalled EUR 8 (-15) million. Operating profit includes EUR -2 (-5) million in items affecting comparability related to the ongoing restructuring programme. Comparable operating profit increased and totalled EUR 10 (-10) million, representing 6.3 (-8.1) percent of sales. Comparable operating profit increased due to higher sales in merchant and service businesses.

MacGregor's January–June operating profit totalled EUR 1 (-21) million. Operating profit includes EUR -10 (-8) million in items affecting comparability related to the ongoing restructuring programme. Comparable operating profit increased and totalled EUR 11 (-13) million, representing 3.4 (-4.9) percent of sales. Comparable operating profit increased due to higher sales in merchant and service businesses.

As announced on 14 November 2022, MacGregor will not be part of Cargotec's portfolio in the future. Cargotec will continue to focus on a turnaround of the business and to look for a solution for MacGregor in 2024.

Offshore wind constitutes a very attractive business opportunity. However, development of offshore wind-related new technologies has been challenging and caused additional costs. MacGregor still has challenges with related projects and the offshore wind business is loss making. Despite low sales, MacGregor's business in the merchant ship segment and service business has been profitable. Excluding the offshore wind business, MacGregor's comparable operating profit margin in January–June would have been around 9 percent.

## Shares and trading

### Share capital, own shares and share issue

Cargotec Corporation's share capital totalled EUR 64,304,880 at the end of June 2023. The number of class B shares was 55,182,079, while the number of class A shares totalled 9,526,089.

On 23 March 2023, Cargotec's Board of Directors decided on a directed share issue related to the reward payments for share-based incentive programmes. The share reward payments are related to the performance period 2020–2022 of Cargotec's share-based incentive programme, 2020–2022 restricted shares programme, first instalment of the restricted share programme 2022–2024 and first instalment of the restricted share unit programme 2022–2024.

In the share issue, 224,797 own class B shares held by the company were transferred on Friday 31 March 2023 without consideration to the key employees participating in the share-based incentive programmes in accordance with the programme-specific terms and conditions. More detailed information about the launch and the terms and conditions of these programmes are available in the stock exchange releases published on 6 February 2020 and 13 May 2022.

The decision on the directed share issue is based on the authorisation granted to the Board of Directors by the Annual General Meeting on 23 March 2023. According to the authorisation, the Board of Directors can decide on a share issue amounting to a maximum of 952,000 class A shares and 5,448,000 class B shares.

At the end of June 2023, Cargotec held a total of 7,043 own class B shares, accounting for 0.01 percent of the total number of shares and 0.005 percent of the total number of votes. The number of outstanding class B shares totalled 55,175,036.

### Share-based incentive programmes

In April 2023, Cargotec's Board of Directors decided to establish a new share-based incentive programme for the Group key employees. The reward from the new Restricted Share Unit Programme 2023–2025 is conditional on the achievement of strategic goals set by the Board of Directors. In addition, the reward is based on a valid employment or service and the continuity of the employment or service. The reward is paid at the beginning of 2025. The shares received as a reward from the programme may not be sold, transferred, pledged or otherwise assigned during a lock-up period which ends six months after the reward payment.

The programme is intended for approximately 50 Cargotec Group's key employees, including selected Leadership Team members. The rewards to be allocated on the basis of the Programme will amount up to an approximate maximum total of 268,750 Cargotec Corporation class B shares. In addition, a cash proportion is included in the reward to cover taxes and tax-related costs arising from the reward.

In February 2023, Cargotec's Board of Directors resolved to establish a new share-based incentive programme directed to the key employees of Cargotec. The performance share programme includes calendar years 2023–2025 as a performance period. The performance period includes three measuring periods of one calendar year. For each measuring period, the Board of Directors will annually resolve the performance criteria and the required performance levels for each criterion. The 2023–2025 performance share programme is directed to approximately 100 key employees, including the members of Cargotec Leadership Team.

For the key employees of the business areas Kalmar and Hiab, the potential reward of the programme from the measuring period 2023 will be based on the business areas' earning per

share (EPS). For the Cargotec Corporate key employees, the performance criteria is Cargotec's earning per share (EPS). The rewards to be paid on the basis of the performance period 2023–2025 will amount up to an approximate maximum total of 200,000 Cargotec's class B shares. In addition, the rewards include cash proportions that are intended to cover taxes and tax-related costs arising from the reward to the key employees.

After the end of the performance period, the Board of Directors will confirm the cumulative amount of rewards earned from the measuring periods and potential rewards from the performance period 2023–2025 will be paid partly in Cargotec's class B shares and partly in cash in 2026. As a rule, no reward will be paid, if a key employee's employment or service ends before the reward payment.

In addition, The Board of Directors of Cargotec Corporation has resolved to establish a new restricted shares programme for calendar years 2023–2025. As a part of total compensation, additional restricted share grants can be allocated for selected key employees. The rewards to be paid on the basis of the programme will amount up to an approximate maximum total of 24,000 Cargotec's class B shares. In addition, the rewards include cash proportions that are intended to cover taxes and tax-related costs arising from the reward to the key employees.

The performance share programme, approved by the Board of Directors in 2020, includes three performance periods, of which the period for calendar years 2020–2022 has ended and periods 2021–2023 and 2022–2024 are ongoing. Each performance period includes one to three measuring periods. One measuring period can be three calendar years at maximum, which is the total length of one performance period. For the measuring periods, the Board of Directors will annually resolve the length, the performance criteria supporting the implementation of the strategy and the required performance levels for each criterion. Sustainability is an important part of the target setting and rewarding of the key employees.

For the performance period of 2021–2023, the potential reward of the third measuring period 2023 will be based on the eco portfolio share in orders received for the key employees of the business areas Kalmar, Hiab and MacGregor. For Cargotec Corporate key employees, the performance criterion is Cargotec's eco portfolio share in orders received.

For the performance period of 2022–2024, the potential reward of the second measuring period 2023 will be based on the business areas' service gross profit for the key employees of the business areas Kalmar, Hiab and MacGregor. For Cargotec Corporate key employees, the performance criterion will be Cargotec's service gross profit.

In addition, Cargotec has a share-based incentive programme for the Group key employees established in May 2022.

## Market capitalisation and trading

Trading on Nasdaq Helsinki Oy <sup>10</sup>	Q1–Q2/2023	Q1–Q2/2022
Total market value of class B shares <sup>11</sup> , MEUR	2,778	1,378
Market capitalisation of class A and B shares at the end of the period <sup>12</sup> , MEUR	3,258	1,620
Closing price of class B share <sup>13</sup> , EUR	50.35	25.08
Volume-weighted average price of class B share, EUR	47.98	35.01
Highest quotation of class B share, EUR	55.15	48.46
Lowest quotation of class B share, EUR	41.16	24.90
Trading volume, million class B shares	12	27
Turnover of class B shares, MEUR	566	939

At the end of the period, the number of registered shareholders was 38,015. The number of Finnish household shareholders was 36,126, corresponding to around 17 percent ownership of Cargotec's listed B shares. At the end of the period, over 30 percent of Cargotec's listed B shares were nominee registered or held by non-Finnish holders.

## Short-term risks and uncertainties

Developments in the global economy and cargo flows have a direct effect on Cargotec's operating environment and customers' willingness to invest. Changes in the global economy and supply chains, geopolitical tensions and wars, energy availability, sanctions and trade wars can have an impact on global flow of goods and therefore on the demand of Cargotec's solutions.

Disruptions in supply chains, problems with the availability of raw materials and energy, high inflation, high interest rates, weak consumer confidence, as well as increased uncertainty are slowing down economic growth and may lead to recession.

The above risk factors have affected Cargotec's operations. The order intake during the reporting period did not reach the level of the comparison period while still continuing volatility in the supply chain affected the availability of raw materials and components, slowing down the production process, increasing inventories and delaying the delivery of finished products and the recording of sales revenue. Component availability problems as well as increased labour and energy costs elevate manufacturing costs and increase challenges to control costs and pass them on to the prices of end products.

In a changing market situation, demand for Cargotec's solutions might be lower than in the previous years, which might lead to lower business volumes. Customers may also try to postpone or cancel orders. Despite rigorous scenario planning, lower production volumes could impact Cargotec's profitability margins negatively.

Deterioration of the global economic outlook and access to finance as well as increases in interest rates can lead to economic and financial difficulties among Cargotec's customers. In some cases their financial position may rapidly deteriorate significantly or even lead to insolvency. The

<sup>10</sup> Class B shares were also traded in several alternative marketplaces.

<sup>11</sup> At the end of the period, excluding own shares held by the company.

<sup>12</sup> Excluding own shares held by the company; unlisted class A shares are valued at the average price of class B shares on the last trading day of the period.

<sup>13</sup> On the last trading day of the period.

turnover, availability, and cost of skilled personnel can create disturbances to Cargotec and its supplier operations.

Container traffic growth rate and a possible slowdown or contraction in global economic growth may in the longer term have an effect on the demand of Kalmar's cargo handling solutions. Kalmar's project executions face risks related to schedule, cost and delivery guarantees.

In addition to economic growth, for example, Hiab's demand is also impacted by the development of the construction market. Economic uncertainty as well as high prices and interest rates, and the availability challenges of building materials can have a negative effect on construction activity, which in turn can negatively impact the demand for Hiab's solutions. A significant share of Hiab's orders are from the United States. Even though the cash flows are hedged for the existing order book, the weakening of the US dollar could in the longer term weaken Hiab's results. Similarly, a stronger dollar can improve Hiab's results. The Hiab solutions are installed on trucks, and the truck delivery bottlenecks can have a negative impact on Hiab's sales development.

MacGregor's market development is affected by the tightening emission regulation for ships and related uncertainty. The increases in the new vessel construction costs and high amounts of order bookings at shipyards may slow down new vessel orders, and the recent drop in container shipping rates may increase ship operators' reluctance to make new investments. Global decarbonisation targets have led to a fall in investments by the oil industry, which has long been reflected in decreased offshore vessel investments. However, increase in contracting for wind turbine installations and service vessels is estimated to partly compensate that in the future. Project executions face risks related to schedule, cost and delivery guarantees, especially those related to new product developments. Downward revision of market estimates or rising interest rates could result in an impairment of MacGregor's goodwill.

In November 2022, Cargotec's Board of Directors concluded that MacGregor will not be part of Cargotec's portfolio in the future. Taking into account MacGregor's losses in recent years and significant project cost overruns in the offshore business, in the sale alternative the buyer's view of the company's value may differ significantly from Cargotec's estimate, which could result in an impairment of MacGregor's goodwill. In April 2023, Cargotec announced that its Board of Directors had decided to investigate and initiate a process to potentially separate Cargotec's core businesses Kalmar and Hiab into two standalone companies. The planned actions can include risks related to the retention of skilled personnel, customer relationships, the execution of potential transactions, and costs, for example.

Cargotec is exposed to climate-related risks via environmental, regulatory and technological changes, and due to the commitments it has made to reduce emissions. Evaluation of the financial impacts of climate change on Cargotec is complicated because the occurrence and timing of the resulting effects are difficult to predict, let alone quantify. To reduce emissions generated in its supply chain, Cargotec must reduce emissions through its whole supply chain from raw materials to components and manufacturing, which may result in changes in the suppliers used, limit the number of potential suppliers, and increase costs.

Reaching the set emission targets requires efforts in every aspect of Cargotec's business. In addition to being exposed to climate-related risks, the ongoing transition process causes new risks, the realisation of which can have significant financial effects. These effects can lead, for example, to impairments of assets due to the shortened life cycles of products, as well as additional costs related to the introduction of new technologies, which may arise in product development, the realisation of project risks, the growth of inventories, and new types of warranty defects.

Cargotec is involved in certain legal disputes, investigations and trials. The interpretation of international agreements and legislation may weaken the predictability of the end results of legal disputes and trials.

Risks regarding Cargotec's acquisitions are related to, for example, the knowledge of the local markets, authority processes, customers, corporate culture, integration, costs, achieving targets, as well as key employees.

Information security risks are also materially related to Cargotec's operations. A cyber attack on systems that are critical to the operations of the company, its customers or suppliers can disrupt operational stability, lead to a decrease in sales and damage Cargotec's reputation, for example.

There are also ethical risks related to the industries and the geographical scope where Cargotec operates. Cargotec has increased actions to ensure compliance with its business guidelines, regulations and ethical principles. Related internal processes are constantly being developed.

More information on risks is available at [www.cargotec.com](http://www.cargotec.com), under Investors > Governance > Internal control and risk management.

## Events after the reporting period

There were no material events after the reporting period.

## Outlook for 2023 unchanged

Cargotec estimates its core businesses<sup>14</sup> 2023 comparable operating profit to improve from 2022 (EUR 384<sup>15</sup> million) and MacGregor's comparable operating profit in 2023 to be positive (EUR -47<sup>15</sup> million).<sup>16</sup>

## Financial calendar 2023

Interim report January–September 2023, on Thursday, 26 October 2023

Helsinki, 19 July 2023  
Cargotec Corporation  
Board of Directors

This half-year financial report is unaudited.

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<sup>14</sup> Hiab and Kalmar excluding heavy cranes and including corporate administration and support functions.

<sup>15</sup> Cargotec has changed the definition of the alternative performance measure comparable operating profit starting from 1 January 2023. Comparison figures have been calculated based on the new definition. Additional information about the definition is presented in the stock exchange release published on 4 April 2023.

<sup>16</sup> The outlook for 2023 does not include the comparable operating profit of Kalmar's heavy crane business which will be discontinued.

## Consolidated statement of income

MEUR	Note	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
<b>Sales</b>	5	<b>1,199.9</b>	<b>958.6</b>	<b>2,273.9</b>	<b>1,809.5</b>	<b>4,088.6</b>
Cost of goods sold		-898.4	-743.6	-1,717.4	-1,404.6	-3,230.5
<b>Gross profit</b>		<b>301.4</b>	<b>215.1</b>	<b>556.5</b>	<b>404.9</b>	<b>858.1</b>
<i>Gross profit, %</i>		25.1%	22.4%	24.5%	22.4%	21.0%
Selling and marketing expenses		-53.6	-50.3	-104.3	-97.6	-199.9
Research and development expenses		-23.1	-25.6	-46.3	-49.1	-99.8
Administration expenses		-75.5	-66.6	-151.2	-125.3	-279.7
Restructuring costs	7	-1.7	-26.6	-5.4	-40.0	-91.3
Other operating income		9.9	14.2	19.4	22.5	51.9
Other operating expenses		-9.1	-14.1	-18.2	-33.5	-140.2
Share of associated companies' and joint ventures' result		2.1	1.4	3.8	2.9	7.0
<b>Operating profit</b>		<b>150.5</b>	<b>47.5</b>	<b>254.5</b>	<b>85.0</b>	<b>106.1</b>
<i>Operating profit, %</i>		12.5%	5.0%	11.2%	4.7%	2.6%
Finance income		2.2	1.0	4.5	1.8	4.4
Finance expenses		-11.7	-2.3	-22.3	-10.4	-31.6
<b>Profit before taxes</b>		<b>141.0</b>	<b>46.2</b>	<b>236.7</b>	<b>76.4</b>	<b>79.0</b>
<i>Profit before taxes, %</i>		11.8%	4.8%	10.4%	4.2%	1.9%
Income taxes	9	-33.4	-5.4	-56.5	-14.5	-55.8
Profit for the period		<b>107.7</b>	<b>40.8</b>	<b>180.3</b>	<b>61.9</b>	<b>23.2</b>
<i>Profit for the period, %</i>		9.0%	4.3%	7.9%	3.4%	0.6%
<b>Profit for the period attributable to:</b>						
Shareholders of the parent company		107.7	41.0	180.5	62.2	23.9
Non-controlling interest		-0.1	-0.2	-0.2	-0.4	-0.7
<b>Total</b>		<b>107.7</b>	<b>40.8</b>	<b>180.3</b>	<b>61.9</b>	<b>23.2</b>
<b>Earnings per share for profit attributable to the shareholders of the parent company:</b>						
Basic earnings per share, EUR		1.67	0.64	2.80	0.97	0.37
Diluted earnings per share, EUR		1.66	0.63	2.79	0.96	0.37

The notes are an integral part of the half-year financial report.

## Consolidated statement of comprehensive income

MEUR	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
<b>Profit for the period</b>	<b>107.7</b>	<b>40.8</b>	<b>180.3</b>	<b>61.9</b>	<b>23.2</b>
<b>Other comprehensive income</b>					
<i>Items that cannot be reclassified to statement of income:</i>					
Actuarial gains (+) / losses (-) from defined benefit plans	0.7	1.4	0.9	1.8	27.7
Gains (+) / losses (-) on designated share investments measured at fair value	-	-4.7	-	-6.4	-11.0
Taxes relating to items that cannot be reclassified to statement of income	-0.1	-0.2	-0.2	-0.3	-5.6
<i>Items that can be reclassified to statement of income:</i>					
Gains (+) / losses (-) on cash flow hedges	-12.3	-46.6	-3.1	-58.4	-59.3
Gains (+) / losses (-) on cash flow hedges transferred to statement of income	2.0	20.5	-4.8	32.4	65.9
Translation differences	-14.0	18.7	-44.1	40.9	11.3
Taxes relating to items that can be reclassified to statement of income	1.9	3.5	0.9	3.7	-2.3
Share of other comprehensive income of associates and JV, net of tax	0.0	0.2	0.7	-0.4	-0.8
<b>Other comprehensive income, net of tax</b>	<b>-21.8</b>	<b>-7.1</b>	<b>-49.7</b>	<b>13.3</b>	<b>25.8</b>
<b>Comprehensive income for the period</b>	<b>85.8</b>	<b>33.7</b>	<b>130.5</b>	<b>75.2</b>	<b>49.0</b>
<b>Comprehensive income for the period attributable to:</b>					
Shareholders of the parent company	85.8	33.9	130.8	75.5	49.7
Non-controlling interest	0.0	-0.2	-0.2	-0.3	-0.6
<b>Total</b>	<b>85.8</b>	<b>33.7</b>	<b>130.5</b>	<b>75.2</b>	<b>49.0</b>

The notes are an integral part of the half-year financial report.

## Consolidated balance sheet

ASSETS, MEUR	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Non-current assets</b>				
Goodwill		863.6	971.7	892.1
Intangible assets		119.8	159.8	124.8
Property, plant and equipment		426.9	429.4	420.0
Investments in associated companies and joint ventures	16	68.1	71.8	74.6
Share investments	16	0.0	30.2	0.0
Loans receivable and other interest-bearing assets*	11	0.3	11.2	4.5
Deferred tax assets		131.4	138.3	128.6
Derivative assets	12	1.1	1.1	1.1
Other non-interest-bearing assets		7.1	10.3	7.2
<b>Total non-current assets</b>		<b>1,618.3</b>	<b>1,824.0</b>	<b>1,652.9</b>
<b>Current assets</b>				
Inventories		1,156.7	1,006.4	1,013.3
Loans receivable and other interest-bearing assets*	11	1.8	3.0	2.8
Income tax receivables		28.4	37.5	39.0
Derivative assets	12	16.1	14.4	39.5
Accounts receivable		849.2	764.0	734.7
Contract assets		74.4	110.4	104.0
Other non-interest-bearing assets		168.8	161.7	151.2
Cash and cash equivalents*	11	337.8	313.3	451.9
<b>Total current assets</b>		<b>2,633.1</b>	<b>2,410.7</b>	<b>2,536.4</b>
<b>Total assets</b>		<b>4,251.4</b>	<b>4,234.7</b>	<b>4,189.3</b>

\*Included in interest-bearing net debt.

<b>EQUITY AND LIABILITIES, MEUR</b>		<b>Note</b>	<b>30 Jun 2023</b>	<b>30 Jun 2022</b>	<b>31 Dec 2022</b>
<b>Equity attributable to the shareholders of the parent company</b>					
Share capital			64.3	64.3	64.3
Share premium			98.0	98.0	98.0
Translation differences			-78.0	-4.4	-34.0
Fair value reserves			-9.8	-29.6	-3.5
Reserve for invested unrestricted equity			52.5	52.8	52.8
Retained earnings			1,448.3	1,368.8	1,350.0
<b>Total equity attributable to the shareholders of the parent company</b>			<b>1,575.3</b>	<b>1,549.8</b>	<b>1,527.6</b>
Non-controlling interest			0.5	1.5	0.7
<b>Total equity</b>			<b>1,575.7</b>	<b>1,551.3</b>	<b>1,528.3</b>
<b>Non-current liabilities</b>					
Interest-bearing liabilities*	11		502.1	881.3	750.9
Deferred tax liabilities			28.5	21.7	30.6
Pension obligations			79.1	109.8	82.2
Provisions			5.2	3.1	6.4
Other non-interest-bearing liabilities			81.6	71.2	74.8
<b>Total non-current liabilities</b>			<b>696.5</b>	<b>1,087.1</b>	<b>944.9</b>
<b>Current liabilities</b>					
Current portion of interest-bearing liabilities*	11		326.9	38.1	74.9
Other interest-bearing liabilities*	11		14.1	13.0	11.7
Provisions			169.3	129.6	176.2
Income tax payables			56.9	30.0	52.9
Derivative liabilities	12		22.3	28.3	7.4
Accounts payable			619.9	575.2	617.1
Contract liabilities			345.1	302.3	291.1
Other non-interest-bearing liabilities			424.7	479.8	484.8
<b>Total current liabilities</b>			<b>1,979.2</b>	<b>1,596.3</b>	<b>1,716.1</b>
<b>Total equity and liabilities</b>			<b>4,251.4</b>	<b>4,234.7</b>	<b>4,189.3</b>

\*Included in interest-bearing net debt.

The notes are an integral part of the half-year financial report.

## Consolidated statement of changes in equity

MEUR	Attributable to the shareholders of the parent company						Total	Non-controlling interest	Total equity
	Share capital	Share premium	Translation differences	Fair value reserves	Reserve for invested unrestricted equity	Retained earnings			
<b>Equity 1 Jan 2023</b>	<b>64.3</b>	<b>98.0</b>	<b>-34.0</b>	<b>-3.5</b>	<b>52.8</b>	<b>1,350.0</b>	<b>1,527.6</b>	<b>0.7</b>	<b>1,528.3</b>
Profit for the period						180.5	180.5	-0.2	180.3
Cash flow hedges				-6.3			-6.3	-	-6.3
Translation differences			-44.1				-44.1	0.0	-44.1
Actuarial gains and losses from defined benefit plans						0.7	0.7	-	0.7
Gains and losses on designated share investments measured at fair value						-	-	-	-
<b>Comprehensive income for the period*</b>	<b>-</b>	<b>-</b>	<b>-44.1</b>	<b>-6.3</b>	<b>-</b>	<b>181.2</b>	<b>130.8</b>	<b>-0.2</b>	<b>130.5</b>
Dividends paid						-86.9	-86.9	-	-86.9
Treasury shares acquired					-0.3		-0.3	-	-0.3
Share-based payments						4.1	4.1	-	4.1
<b>Transactions with owners of the company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-0.3</b>	<b>-82.8</b>	<b>-83.1</b>	<b>-</b>	<b>-83.1</b>
Transactions with non-controlling interests						-	-	-	-
<b>Equity 30 Jun 2023</b>	<b>64.3</b>	<b>98.0</b>	<b>-78.0</b>	<b>-9.8</b>	<b>52.5</b>	<b>1,448.3</b>	<b>1,575.3</b>	<b>0.5</b>	<b>1,575.7</b>
<b>Equity 1 Jan 2022</b>	<b>64.3</b>	<b>98.0</b>	<b>-45.2</b>	<b>-7.0</b>	<b>54.0</b>	<b>1,380.1</b>	<b>1,544.3</b>	<b>2.7</b>	<b>1,547.0</b>
Profit for the period						62.2	62.2	-0.4	61.9
Cash flow hedges				-22.7			-22.7	-	-22.7
Translation differences			40.8				40.8	0.1	40.9
Actuarial gains and losses from defined benefit plans						1.5	1.5	-	1.5
Gains and losses on designated share investments measured at fair value						-6.4	-6.4	-	-6.4
<b>Comprehensive income for the period*</b>	<b>-</b>	<b>-</b>	<b>40.8</b>	<b>-22.7</b>	<b>-</b>	<b>57.3</b>	<b>75.5</b>	<b>-0.3</b>	<b>75.2</b>
Dividends paid						-69.5	-69.5	-0.5	-70.0
Treasury shares acquired					-1.2		-1.2	-	-1.2
Share-based payments						1.2	1.2	-	1.2
<b>Transactions with owners of the company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1.2</b>	<b>-68.4</b>	<b>-69.6</b>	<b>-0.5</b>	<b>-70.1</b>
Transactions with non-controlling interests						-0.3	-0.3	-0.4	-0.8
<b>Equity 30 Jun 2022</b>	<b>64.3</b>	<b>98.0</b>	<b>-4.4</b>	<b>-29.6</b>	<b>52.8</b>	<b>1,368.8</b>	<b>1,549.9</b>	<b>1.5</b>	<b>1,551.4</b>

\*Net of tax

The notes are an integral part of the half-year financial report.

## Consolidated statement of cash flows

MEUR	Note	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
<b>Net cash flow from operating activities</b>						
Profit for the period		88.5	40.8	161.2	61.9	23.2
Depreciation, amortisation and impairment	8	28.2	32.6	56.7	61.2	203.9
Finance income and expenses		9.5	1.3	17.7	8.6	27.2
Income taxes	9	52.5	5.4	75.6	14.5	55.8
Change in net working capital		-136.1	-42.1	-240.0	-177.1	-68.3
Other adjustments		-1.5	0.2	-3.6	-1.3	-10.6
<b>Cash flow from operations before finance items and taxes</b>		<b>41.2</b>	<b>38.1</b>	<b>67.7</b>	<b>-32.2</b>	<b>231.2</b>
Cash flow from financing items and taxes		-41.1	-46.8	-39.1	-41.7	-70.7
<b>Net cash flow from operating activities</b>		<b>0.1</b>	<b>-8.6</b>	<b>28.6</b>	<b>-73.9</b>	<b>160.4</b>
<b>Net cash flow from investing activities</b>						
Acquisitions of businesses, net of cash acquired	15	-	0.8	-15.7	0.1	-0.1
Disposals of businesses, net of cash sold	15	-0.5	0.1	7.0	1.5	15.1
Investments in associated companies and joint ventures	16	-	-	-	-	-0.9
Cash flow from investing activities, other items		-10.4	-9.0	-19.6	-18.7	-8.0
<b>Net cash flow from investing activities</b>		<b>-10.9</b>	<b>-8.1</b>	<b>-28.2</b>	<b>-17.1</b>	<b>6.1</b>
<b>Net cash flow from financing activities</b>						
Treasury shares acquired		-	-	-0.3	-1.2	-1.2
Repayments of lease liabilities		-10.8	-10.6	-22.3	-21.0	-43.1
Repayments of long-term borrowings		-	-	-	-	-87.5
Proceeds from short-term borrowings		-5.0	-3.3	6.6	3.8	0.0
Repayments of short-term borrowings		-	-0.1	-	-1.3	-3.3
Dividends paid		-86.9	-11.0	-86.9	-70.0	-70.4
<b>Net cash flow from financing activities</b>		<b>-102.7</b>	<b>-25.0</b>	<b>-103.0</b>	<b>-89.8</b>	<b>-205.5</b>
<b>Change in cash and cash equivalents</b>		<b>-113.5</b>	<b>-41.8</b>	<b>-102.7</b>	<b>-180.7</b>	<b>-39.0</b>
Cash and cash equivalents, and bank overdrafts at the beginning of period		450.4	347.4	445.4	488.2	488.2
Effect of exchange rate changes		-1.4	6.0	-7.3	4.3	-3.8
<b>Cash and cash equivalents, and bank overdrafts at the end of period</b>		<b>335.5</b>	<b>311.7</b>	<b>335.5</b>	<b>311.7</b>	<b>445.4</b>
Bank overdrafts at the end of period		2.3	1.6	2.3	1.6	6.5
<b>Cash and cash equivalents at the end of period</b>		<b>337.8</b>	<b>313.3</b>	<b>337.8</b>	<b>313.3</b>	<b>451.9</b>

The notes are an integral part of the half-year financial report.

# Notes to the half-year financial report

## 1. General information

Cargotec Corporation (1927402-8) is a limited liability company domiciled in Helsinki, Finland. The registered address is Porkkalankatu 5, 00180 Helsinki, Finland. Cargotec Corporation and its subsidiaries form the Cargotec Group (later referred to as Cargotec or company). Cargotec Corporation's class B shares are quoted on Nasdaq Helsinki since 1 June 2005.

## 2. Accounting principles

The half-year financial report has been prepared according to IAS 34 Interim Financial Reporting. The accounting policies adopted are consistent with those of the annual financial statements for 2022 and comply with changes in IAS/IFRS standards effective from 1 January 2023 that had no material impact on the half-year financial report.

All figures presented have been rounded, which may cause, for example, the sum of individual figures to deviate from the presented sum total.

### Amendments to IAS/IFRS standards published in 2023

#### Amendments to IAS 12, International Tax Reform—Pillar Two Model Rules

Pillar 2 is the OECD's initiative to address tax challenges related to the digitalisation of the global economy by introducing Global Anti-Base Erosion (GloBE) rules and a related 15% global minimum tax. The European Union's Council Directive (EU) 2022/2523 entered into force in December 2022, according to which the EU Member States shall transpose the GloBE rules into their domestic law by 31 December 2023.

According to the IASB's published amendments to IAS 12, Cargotec has applied the exception provided in IAS 12 paragraph 4A and has neither recognised nor disclosed information about deferred tax assets or liabilities related to Pillar 2 income taxes.

Pillar 2 rules have been enacted, but are not yet in effect for the financial year 2023, in several countries where Cargotec has operations, including Finland where Cargotec Corporation is incorporated. Based on the initial impact analysis, income taxes in relation to Pillar 2 are not estimated to have a material impact on the income taxes of the group.

## 3. Prevailing economic uncertainty

In the second quarter of 2023, the market environment has continued to show signs of cooling, especially due to the rapid rise in interest rates and persistent inflation, which, together with the ongoing challenges of the supply chain, geopolitical tensions and financial market instability, have depressed economic growth forecasts and increased the risk of recession.

These risk factors have affected Cargotec's operations. The order intake during the review period did not reach the level of the comparison period, and continuous bottlenecks in the supply chain affected the availability of raw materials and components, slowing down the production process, increasing inventories and delaying the delivery of finished products and the recording of sales revenue. Component availability problems as well as increased labour and energy costs elevate manufacturing costs and increase challenges to control costs and pass them on to the prices of

end products. A further increase in economic uncertainty and a weakening of the general economic situation would have a negative impact on the demand for freight transport and thus on the demand for Cargotec's products.

Due to the weakening of the market situation and the availability of financing and the rise in interest rates, Cargotec's customers may run into financial difficulties, which may lead to the postponement or cancellation of orders, and delays in payments. In some cases, the financial position of customers can rapidly deteriorate and even lead to insolvency.

Cargotec's sales to Russia, Belarus, and Ukraine have been low. Cargotec complies with the sanctions imposed on Russia and is retrieving from the country, however, it is difficult to estimate when it can be finalised. In May 2023, Hiab sold its Russian subsidiary Hiab RUS LLC to the company's executive management. At the time of reporting, the assets of Cargotec's Russian subsidiary totalled EUR 6.3 million, which mainly consisted of cash and cash equivalents. In addition, Cargotec's subsidiaries outside of Russia had trade receivables from Russia totalling EUR 1.0 million. Cargotec has a provision of EUR 4.0 million related to the above-mentioned balance sheet items.

### **MacGregor goodwill impairment testing**

MacGregor's goodwill impairment testing was renewed on 30 June 2023 due to the low level of MacGregor's recoverable amount in relation to the assets being tested. Cargotec announced in November 2022 that it has decided that MacGregor will not be part of Cargotec's portfolio in the future. Cargotec will continue to focus on a turnaround of the business and to look for a solution for MacGregor in 2024. As a result of the decision, the recoverable amount of the MacGregor segment is determined in the goodwill impairment testing based on the fair value less costs to sell. The testing indicated that the recoverable amount exceeded the tested assets by a EUR 147.5 million (December 31, 2022: EUR 63.4 million impairment) mainly due to changes in the tested items. The post-tax WACC (weighted average cost of capital) used in the testing was 9.0 (9.0) percent.

Based on the performed impairment testing, no impairment loss has been recorded. However, MacGregor's recoverable amount remains low relative to testable assets and is sensitive to changes in WACC and forecasts. In addition, in the sale alternative, the refinement of MacGregor's fair value may lead to a further impairment of goodwill.

The goodwill of the MacGregor segment was EUR 370.9 (December 31, 2022: 392.6) million at the time of reporting. As part of MacGregor's impairment testing, sensitivity analyses have been performed for the key assumptions based on three different scenarios. The changes tested in the analyses are a 2 percentage point increase in the discount rate in the first scenario, a 10 percent decrease in turnover and a 2 percentage point decrease in operating profit margin throughout the estimation period in the second scenario, and the combined effect of the previous scenarios in the third scenario. The results of the sensitivity analysis are presented in the table below.

## MacGregor goodwill sensitivity analysis

Sensitivity analysis scenarios and results				
	Recoverable amount in excess of book value of assets, MEUR	Scenario 1	Scenario 2	Scenario 3
		WACC +2 percentage points	Sales -10 percent and operating profit - 2 percentage points	Sales -10 percent, operating profit -2 percentage points and WACC +2 percentage points
30 June 2023	147.5	No impairment*	Impairment**	Impairment
31 Dec 2022	0.0	Impairment*	Impairment**	Impairment

\*Threshold for impairment was WACC +3.7 percentage points (31 Dec 2022: any increase in WACC).

\*\*Threshold for impairment was estimation period sales -10 percent and operating profit -1.5 percentage points (31 Dec 2022: any decline in estimation period sales or operating profit).

Due to the current minor excess value of MacGregor's recoverable amount compared to the book value of assets, should the scenarios considered in the sensitivity analysis realise, the amount to be written off would be; EUR 0 (31 Dec 2022: 142) million in the first scenario, EUR 36 (257) million in the second, and EUR 98 (306) million in the third.

## Financial risks related to climate change

Cargotec is exposed to climate-related risks via environmental, regulatory and technological changes, and due to the commitments it has made to reduce emissions. Evaluation of the financial impacts of climate change on Cargotec is complicated because the occurrence and timing of the resulting effects are difficult to predict, let alone quantify. To reduce emissions generated in its supply chain, Cargotec must reduce emissions through its whole supply chain from raw materials to components and manufacturing, which may result in changes in the suppliers used, limit the number of potential suppliers, and increase costs.

Reaching the set emission targets requires efforts in every aspect of Cargotec's business. In addition to being exposed to climate-related risks, the ongoing transition process causes new risks, the realisation of which can have significant financial effects. These effects can lead, for example, to impairments of assets due to the shortened life cycles of products, as well as additional costs related to the introduction of new technologies, which may arise in product development, the realisation of project risks, the growth of inventories, and new types of warranty defects.

More information about the effects of climate-related risks on Cargotec and Cargotec's commitments to reduce its carbon dioxide emissions is given in the 2022 annual report.

## 4. Segment information

Sales, MEUR	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
Kalmar	552	428	1,037	800	1,943
Hiab	485	404	917	744	1,578
MacGregor	164	127	320	267	569
Internal sales	0	0	0	-1	-1
<b>Total</b>	<b>1,200</b>	<b>959</b>	<b>2,274</b>	<b>1,810</b>	<b>4,089</b>

Sales by geographical area, MEUR	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
EMEA	532	465	1,044	900	1,922
Americas	468	350	880	621	1,478
Asia-Pacific	199	144	350	288	688
<b>Total</b>	<b>1,200</b>	<b>959</b>	<b>2,274</b>	<b>1,810</b>	<b>4,089</b>

Sales by geographical area, %	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
EMEA	44%	49%	46%	50%	47%
Americas	39%	36%	39%	34%	36%
Asia-Pacific	17%	15%	15%	16%	17%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Operating profit and EBITDA, MEUR	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
Kalmar	78.4	13.2	141.2	35.9	142.1
Hiab	81.5	62.6	142.9	106.1	217.1
MacGregor	8.2	-15.0	0.8	-20.8	-190.2
Corporate administration and support functions	-17.6	-13.3	-30.5	-36.3	-62.9
<b>Operating profit</b>	<b>150.5</b>	<b>47.5</b>	<b>254.5</b>	<b>85.0</b>	<b>106.1</b>
Depreciation, amortisation and impairment*	28.2	32.6	56.7	61.2	203.9
<b>EBITDA</b>	<b>178.7</b>	<b>80.1</b>	<b>311.2</b>	<b>146.2</b>	<b>310.1</b>

* Includes the impacts of purchase price allocation	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
Kalmar	-0.2	-0.2	-0.4	-0.5	-0.9
Hiab	-0.8	-0.8	-1.5	-2.1	-3.3
MacGregor	-1.7	-2.9	-3.5	-5.8	-11.5
<b>Impacts of purchase price allocation, total</b>	<b>-2.7</b>	<b>-3.9</b>	<b>-5.4</b>	<b>-8.3</b>	<b>-15.7</b>

Operating profit, %	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
Kalmar	14.2%	3.1%	13.6%	4.5%	7.3%
Hiab	16.8%	15.5%	15.6%	14.3%	13.8%
MacGregor	5.0%	-11.8%	0.3%	-7.8%	-33.4%
<b>Cargotec</b>	<b>12.5%</b>	<b>5.0%</b>	<b>11.2%</b>	<b>4.7%</b>	<b>2.6%</b>

Items affecting comparability**, MEUR	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
Kalmar					
Restructuring costs	0.0	-26.3	-0.4	-33.3	-41.4
Other items affecting comparability	-	-1.7	-	-0.2	-5.7
<b>Items affecting comparability, total</b>	<b>0.0</b>	<b>-28.0</b>	<b>-0.4</b>	<b>-33.5</b>	<b>-47.0</b>

Hiab					
Restructuring costs	0.1	0.2	0.1	-3.7	-3.6
Other items affecting comparability	-	0.0	0.0	0.0	-0.3
<b>Items affecting comparability, total</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>-3.7</b>	<b>-3.9</b>
MacGregor					
Restructuring costs	-1.8	-0.3	-5.1	-2.4	-44.8
Other items affecting comparability	-0.3	-4.5	-5.0	-5.3	-97.9
<b>Items affecting comparability, total</b>	<b>-2.1</b>	<b>-4.8</b>	<b>-10.1</b>	<b>-7.7</b>	<b>-142.7</b>
Corporate administration and support functions					
Restructuring costs	0.0	-0.2	0.0	-0.5	-1.5
Other items affecting comparability	-5.8	-1.4	-5.8	-12.1	-15.1
<b>Items affecting comparability, total</b>	<b>-5.8</b>	<b>-1.6</b>	<b>-5.8</b>	<b>-12.6</b>	<b>-16.6</b>
<b>Total</b>	<b>-7.8</b>	<b>-34.1</b>	<b>-16.2</b>	<b>-57.5</b>	<b>-210.2</b>

Comparable operating profit**, MEUR	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
Kalmar	78.4	41.2	141.7	69.4	189.2
Hiab	81.4	62.4	142.8	109.8	220.9
MacGregor	10.3	-10.2	11.0	-13.0	-47.5
Corporate administration and support functions	-11.8	-11.7	-24.7	-23.7	-46.3
<b>Total</b>	<b>158.3</b>	<b>81.6</b>	<b>270.7</b>	<b>142.5</b>	<b>316.4</b>

Comparable operating profit**, %	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
Kalmar	14.2%	9.6%	13.7%	8.7%	9.7%
Hiab	16.8%	15.4%	15.6%	14.8%	14.0%
MacGregor	6.3%	-8.1%	3.4%	-4.9%	-8.3%
Cargotec	<b>13.2%</b>	<b>8.5%</b>	<b>11.9%</b>	<b>7.9%</b>	<b>7.7%</b>

Orders received, MEUR	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
Kalmar	437	567	908	1,066	2,081
Hiab	375	523	755	1,005	1,807
MacGregor	187	301	395	455	976
Internal orders received	0	0	0	0	0
<b>Total</b>	<b>999</b>	<b>1,390</b>	<b>2,058</b>	<b>2,525</b>	<b>4,862</b>

Orders received by geographical area, MEUR	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
EMEA	480	598	937	1,137	2,052
Americas	328	479	711	884	1,712
Asia-Pacific	191	313	411	505	1,099
<b>Total</b>	<b>999</b>	<b>1,390</b>	<b>2,058</b>	<b>2,525</b>	<b>4,862</b>

Orders received by geographical area, %	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
EMEA	48%	43%	45%	45%	42%
Americas	33%	34%	35%	35%	35%
Asia-Pacific	19%	23%	20%	20%	23%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>Order book, MEUR</b>	<b>30 Jun 2023</b>	<b>30 Jun 2022</b>	<b>31 Dec 2022</b>
Kalmar	1,281	1,600	1,428
Hiab	1,007	1,250	1,185
MacGregor	953	746	927
Internal order book	1	0	1
<b>Total</b>	<b>3,242</b>	<b>3,596</b>	<b>3,541</b>

<b>Number of employees at the end of period</b>	<b>30 Jun 2023</b>	<b>30 Jun 2022</b>	<b>31 Dec 2022</b>
Kalmar	5,087	5,058	5,012
Hiab	3,961	3,695	3,778
MacGregor	1,935	1,921	1,978
Corporate administration and support functions	762	818	758
<b>Total</b>	<b>11,745</b>	<b>11,492</b>	<b>11,526</b>

<b>Average number of employees</b>	<b>Q1-Q2/23</b>	<b>Q1-Q2/22</b>	<b>2022</b>
Kalmar	5,037	4,932	4,979
Hiab	3,914	3,665	3,697
MacGregor	1,965	1,912	1,928
Corporate administration and support functions	752	809	801
<b>Total</b>	<b>11,667</b>	<b>11,317</b>	<b>11,405</b>

\*\*Cargotec changed the definition of the alternative performance measure comparable operating profit starting from 1 January 2023. The restated comparable operating profit will also include the impacts of the purchase price allocation, which amounted to EUR 16 million in 2022. Of these items, EUR 1 million were related to Kalmar, EUR 3 million to Hiab, and EUR 12 million to MacGregor. Additional information regarding the changed definition is presented in the stock exchange release published on 4 April 2023.

## 5. Revenue from contracts with customers

<b>Cargotec, MEUR</b>	<b>Q2/23</b>	<b>Q2/22</b>	<b>Q1-Q2/23</b>	<b>Q1-Q2/22</b>	<b>2022</b>
Equipment sales	844	645	1,559	1,201	2,778
Service sales	344	303	690	586	1,264
Software sales	11	11	25	22	47
<b>Total sales</b>	<b>1,200</b>	<b>959</b>	<b>2,274</b>	<b>1,810</b>	<b>4,089</b>
Recognised at a point in time	1,090	889	2,054	1,647	3,630
Recognised over time	110	69	220	163	459

<b>Kalmar, MEUR</b>	<b>Q2/23</b>	<b>Q2/22</b>	<b>Q1-Q2/23</b>	<b>Q1-Q2/22</b>	<b>2022</b>
Equipment sales	397	282	722	519	1,344
Service sales	143	135	290	259	551
Software sales	11	11	25	22	47
<b>Total sales</b>	<b>552</b>	<b>428</b>	<b>1,037</b>	<b>800</b>	<b>1,943</b>
Recognised at a point in time	495	398	907	719	1,665
Recognised over time	57	30	131	81	278

<b>Hiab, MEUR</b>	<b>Q2/23</b>	<b>Q2/22</b>	<b>Q1-Q2/23</b>	<b>Q1-Q2/22</b>	<b>2022</b>
Equipment sales	371	305	691	552	1,167
Service sales	113	99	226	192	411
<b>Total sales</b>	<b>485</b>	<b>404</b>	<b>917</b>	<b>744</b>	<b>1,578</b>
Recognised at a point in time	481	400	910	737	1,565
Recognised over time	3	3	7	7	14

<b>MacGregor, MEUR</b>	<b>Q2/23</b>	<b>Q2/22</b>	<b>Q1-Q2/23</b>	<b>Q1-Q2/22</b>	<b>2022</b>
Equipment sales	76	59	145	132	268
Service sales	88	68	175	135	301
<b>Total sales</b>	<b>164</b>	<b>127</b>	<b>320</b>	<b>267</b>	<b>569</b>
Recognised at a point in time	114	91	238	192	402
Recognised over time	49	36	83	75	167

## 6. Share-based payments

In April 2023, Cargotec's Board of Directors decided to establish a new share-based incentive programme for the Group key employees. The reward from the new Restricted Share Unit Programme 2023–2025 is conditional on the achievement of strategic goals set by the Board of Directors. In addition, the reward is based on a valid employment or service and the continuity of the employment or service. The reward is paid at the beginning of 2025. The shares received as a reward from the programme may not be sold, transferred, pledged or otherwise assigned during a lock-up period which ends six months after the reward payment. The programme is intended for approximately 50 Cargotec Group's key employees, including selected Leadership Team members. The rewards to be allocated on the basis of the Programme will amount up to an approximate maximum total of 268,750 Cargotec Corporation class B shares. In addition, a cash proportion is included in the reward to cover taxes and tax-related costs arising from the reward.

In February 2023, Cargotec's Board of Directors resolved to establish a new share-based incentive programme directed to the key employees of Cargotec. The performance share programme includes calendar years 2023–2025 as a performance period. The performance period includes three measuring periods of one calendar year. For each measuring period, the Board of Directors will annually resolve the performance criteria and the required performance levels for each criterion. The 2023–2025 performance share programme is directed to approximately 100 key employees, including the members of Cargotec Leadership Team. For the key employees of the business areas Kalmar and Hiab, the potential reward of the programme from the measuring period 2023 will be based on the business areas' earning per share (EPS). For the Cargotec Corporate key employees, the performance criteria is Cargotec's earning per share (EPS). The rewards to be paid on the basis of the performance period 2023–2025 will amount up to an approximate maximum total of 200,000 Cargotec's class B shares. In addition, the rewards include cash proportions that are intended to cover taxes and tax-related costs arising from the reward to the key employees.

After the end of the performance period, the Board of Directors will confirm the cumulative amount of rewards earned from the measuring periods and potential rewards from the performance period 2023–2025 will be paid partly in Cargotec's class B shares and partly in cash in 2026. As a rule, no reward will be paid, if a key employee's employment or service ends before the reward payment.

In addition, The Board of Directors of Cargotec Corporation has resolved to establish a new restricted shares programme for calendar years 2023–2025. As a part of total compensation, additional restricted share grants can be allocated for selected key employees. The rewards to be paid on the basis of the programme will amount up to an approximate maximum total of 24,000 Cargotec's class B shares. In addition, the rewards include cash proportions that are intended to cover taxes and tax-related costs arising from the reward to the key employees.

The performance share programme, approved by the Board of Directors in 2020, includes three performance periods, of which the period for calendar years 2020–2022 has ended and periods 2021–2023 and 2022–2024 are ongoing. Each performance period includes one to three measuring periods. One measuring period can be three calendar years at maximum, which is the total length of one performance period. For the measuring periods, the Board of Directors will annually resolve the length, the performance criteria supporting the implementation of the strategy and the required performance levels for each criterion. Sustainability is an important part of the target setting and rewarding of the key employees.

For the performance period of 2021–2023, the potential reward of the third measuring period 2023 will be based on the eco portfolio share in orders received for the key employees of the business

areas Kalmar, Hiab and MacGregor. For Cargotec Corporate key employees, the performance criterion was Cargotec's eco portfolio share in orders received.

For the performance period of 2022–2024, the potential reward of the second measuring period 2023 will be based on the business areas' service gross profit for the key employees of the business areas Kalmar, Hiab and MacGregor. For Cargotec Corporate key employees, the performance criterion will be Cargotec's service gross profit.

In addition, Cargotec has a share-based incentive programme for the Group key employees established in May 2022.

## 7. Comparable operating profit

MEUR	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
<b>Operating profit</b>	<b>150.5</b>	<b>47.5</b>	<b>254.5</b>	<b>85.0</b>	<b>106.1</b>
<b>Restructuring costs</b>					
Employment termination costs	0.5	0.0	2.2	1.6	9.4
Impairments of owned non-current assets*	-	-	-	-	23.6
Impairments of inventories	0.0	0.1	-	0.0	5.0
Restructuring-related disposals of businesses**	0.6	0.1	0.6	0.3	0.4
Other restructuring costs***	0.5	26.3	2.6	38.1	53.0
<b>Restructuring costs, total</b>	<b>1.7</b>	<b>26.6</b>	<b>5.4</b>	<b>40.0</b>	<b>91.3</b>
<b>Other items affecting comparability</b>					
Expenses related to business acquisitions or disposals****	0.1	4.5	0.4	4.7	4.5
Merger plan with Konecranes Plc	-	0.6	-	9.5	9.6
Planning of the partial demerger	5.8	-	5.8	-	-
Impairment of MacGregor's goodwill (additional information in note 3)	-	-	-	-	63.4
Other costs*****	0.2	2.4	4.5	3.3	41.4
<b>Other items affecting comparability, total</b>	<b>6.1</b>	<b>7.6</b>	<b>10.8</b>	<b>17.6</b>	<b>118.9</b>
<b>Comparable operating profit</b>	<b>158.3</b>	<b>81.6</b>	<b>270.7</b>	<b>142.5</b>	<b>316.4</b>

\* During the fourth quarter of 2022, Cargotec reviewed MacGregor's offering, ongoing projects and growth estimates. Based on the review, the company decided to discontinue the business activities related to fishery and research vessels as well as offshore mooring solutions, and a total of EUR 37 million was booked as restructuring costs. This includes a EUR 25 million write-down of intangible assets.

\*\* Additional information regarding disposals of businesses is presented in note 15, Acquisitions and disposals.

\*\*\* Other restructuring costs include contract termination costs (other than employment contracts), costs arising from outsourcing or transferring operations to new locations, maintenance costs of vacant and in the future redundant premises for Cargotec, gains and losses on sale of intangible assets and property, plant and equipment that relate to sold or discontinued operations as well as costs for the group-wide reorganisation of support functions.

Year 2022 includes a EUR 4.7 million impairment provision to assets that relate to Cargotec's business in Russia. In addition, during the third quarter of 2022 Cargotec reversed revenues and recognised impairments related to its ongoing long-term projects to be delivered to Russia in a total of EUR 3.7 million. Kalmar booked in the second quarter of 2022 a EUR 25 million and in the third quarter a EUR 11 million restructuring cost related to the plans to transfer the heavy crane immaterial rights to Rainbow Industries Co. Ltd. (RIC) in China and to ramp down the heavy cranes business. From heavy cranes business ramp down costs, EUR 31 million is included to other restructuring costs.

\*\*\*\* Additional information regarding disposals of businesses is presented in note 15, Acquisitions and disposals and note 16, Joint ventures and associated companies. MacGregor booked in the second quarter of 2022 a total of EUR 4 million impairments into the values of its two Chinese joint venture holdings.

\*\*\*\*\* In 2022, MacGregor booked a EUR 18 million provision for possible consequences related to a project delivered to the U.S. government and EUR 2 million in legal costs related to the case. Cargotec and its subsidiary MacGregor USA, Inc. have made a voluntary self-disclosure to US authorities regarding compliance with certain export regulations related to information management. The outcome of this matter cannot be determined with specificity at this point in time. The amount of the possible penalty is yet to be confirmed; hence the final costs related to the process may change. Additionally in 2022, EUR 14 million were recorded in expert and other expenses related to Cargotec's refocused strategy.

Cargotec changed the definition of the alternative performance measure comparable operating profit starting from 1 January 2023. The restated comparable operating profit will also include the impacts of the purchase price allocation, which amounted to EUR 16 million in 2022. Of these items, EUR 1 million were related to Kalmar, EUR 3 million to Hiab, and EUR 12 million to MacGregor. Additional information regarding the changed definition is presented in the stock exchange release published on 4 April 2023.

## 8. Capital expenditure, depreciation, amortisation and impairment

Capital expenditure, MEUR	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
Owned assets					
Intangible assets	1.6	1.4	2.1	2.9	4.8
Land and buildings	0.6	1.3	1.2	1.7	2.7
Machinery and equipment	14.8	14.3	37.1	27.1	58.7
Right-of-use assets					
Land and buildings	5.3	8.6	10.3	24.6	32.8
Machinery and equipment	7.7	3.8	12.0	7.0	14.7
<b>Total</b>	<b>30.1</b>	<b>29.3</b>	<b>62.6</b>	<b>63.3</b>	<b>113.6</b>

Depreciation, amortisation and impairment, MEUR	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
Owned assets					
Goodwill	-	-	-	-	63.4
Intangible assets	4.1	5.7	8.4	11.5	47.8
Land and buildings	1.6	1.5	3.2	2.9	4.0
Machinery and equipment	11.2	11.4	22.8	22.8	44.2
Right-of-use assets					
Land and buildings	6.8	9.8	13.8	16.1	29.2
Machinery and equipment	4.6	4.2	8.6	7.9	15.3
<b>Total</b>	<b>28.2</b>	<b>32.6</b>	<b>56.7</b>	<b>61.2</b>	<b>203.9</b>

## 9. Taxes in statement of income

MEUR	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
Current year tax expense	36.2	20.2	63.6	37.1	79.9
Change in current year's deferred tax assets and liabilities	-2.1	-4.2	-5.9	-10.9	-12.4
Tax expense for previous years	-0.7	-10.6	-1.2	-11.6	-11.7
<b>Total</b>	<b>33.4</b>	<b>5.4</b>	<b>56.5</b>	<b>14.5</b>	<b>55.8</b>

## 10. Net working capital

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Inventories	1,156.7	1,006.4	1,013.3
Operative derivative assets	42.3	38.7	44.5
Accounts receivable	849.2	764.0	734.7
Contract assets	74.4	110.4	104.0
Other operative non-interest-bearing assets	174.6	157.3	154.6
<b>Working capital assets</b>	<b>2,297.2</b>	<b>2,076.9</b>	<b>2,051.0</b>
Provisions	-174.5	-132.7	-182.6
Operative derivative liabilities	-50.4	-73.6	-38.4
Pension obligations	-79.1	-109.8	-82.2
Accounts payable	-619.9	-575.2	-617.1
Contract liabilities	-345.1	-302.3	-291.1
Other operative non-interest-bearing liabilities	-498.9	-545.2	-553.4
<b>Working capital liabilities</b>	<b>-1,767.8</b>	<b>-1,738.9</b>	<b>-1,764.7</b>
<b>Total</b>	<b>529.4</b>	<b>338.0</b>	<b>286.2</b>

Assets and liabilities that are not allocated to business operations are not included in net working capital. Unallocated assets comprise loans and other interest-bearing receivables, cash and cash equivalents, income tax receivables, deferred tax assets, deferred interests, deferred considerations on disposals, and derivatives designated as hedges of future treasury transactions. Unallocated liabilities comprise loans and other interest-bearing liabilities, income tax payables, deferred tax liabilities, accrued interests, deferred considerations on acquisitions, dividend liabilities, and derivatives designated as hedges of future treasury transactions.

## 11. Interest-bearing net debt and liquidity

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Interest-bearing liabilities	843.1	932.5	837.5
Lease liabilities included in interest-bearing liabilities	167.6	171.2	164.6
Loans receivable and other interest-bearing assets	-2.0	-14.2	-7.3
Cash and cash equivalents	-337.8	-313.3	-451.9
<b>Interest-bearing net debt</b>	<b>503.3</b>	<b>605.0</b>	<b>378.3</b>
Equity	1,575.7	1,551.3	1,528.3
<b>Gearing</b>	<b>31.9%</b>	<b>39.0%</b>	<b>24.8%</b>

MEUR	Q2/23	Q2/22	2022
Operating profit, last 12 months	275.7	371.4	106.1
Depreciation, amortisation and impairment, last 12 months	199.5	119.4	203.9
<b>EBITDA, last 12 months</b>	<b>475.1</b>	<b>490.8</b>	<b>310.1</b>
<b>Interest-bearing net debt / EBITDA, last 12 months</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>

The fair values of interest-bearing assets and liabilities are not significantly different from their carrying amounts.

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Cash and cash equivalents	337.8	313.3	451.9
Committed long-term undrawn revolving credit facilities	330.0	300.0	330.0
Repayments of interest-bearing liabilities in the following 12 months	-341.0	-51.1	-86.6
<b>Liquidity</b>	<b>326.8</b>	<b>562.2</b>	<b>695.3</b>

## 12. Derivatives

### Fair values of derivative financial instruments

	Positive fair value 30 Jun 2023	Negative fair value 30 Jun 2023	Net fair value 30 Jun 2023	Net fair value 30 Jun 2022	Net fair value 31 Dec 2022
<b>MEUR</b>					
<b>Non-current</b>					
Equity warrants	1.1	-	1.1	1.1	1.1
<b>Total non-current</b>	<b>1.1</b>	<b>-</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>
<b>Current</b>					
Currency forwards, cash flow hedge accounting	2.1	2.9	-0.7	-9.9	17.5
Currency forwards, other	14.0	19.4	-5.4	-4.1	14.6
<b>Total current</b>	<b>16.1</b>	<b>22.3</b>	<b>-6.2</b>	<b>-13.9</b>	<b>32.1</b>
<b>Total derivatives</b>	<b>17.2</b>	<b>22.3</b>	<b>-5.1</b>	<b>-12.8</b>	<b>33.2</b>

Financial assets and liabilities recognised at fair value through profit and loss comprise mainly currency derivatives. The recurring measurement of these instruments at fair value is based on commonly applied valuation methods and uses observable market-based variables. Therefore, these measurements are categorised in the fair value hierarchy as level 2 fair values.

### Nominal values of derivative financial instruments

	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>MEUR</b>			
Currency forward contracts	3,742.1	3,631.6	4,305.3
Cash flow hedge accounting	2,500.7	2,439.0	2,687.6
Other	1,241.4	1,192.6	1,617.8
<b>Total</b>	<b>3,742.1</b>	<b>3,631.6</b>	<b>4,305.3</b>

The derivatives have been recognised at gross fair values on the balance sheet, as the netting agreements related to derivatives allow unconditional netting only in the occurrence of credit events but not in a normal situation. The group has not given or received collateral related to derivatives from the counterparties.

## 13. Commitments

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
Customer financing	8.9	11.5	10.0
Off-balance sheet leases	17.2	2.8	6.1
Other contingent liabilities	1.1	1.0	1.1
<b>Total</b>	<b>27.2</b>	<b>15.3</b>	<b>17.2</b>

Cargotec Corporation has guaranteed obligations of Cargotec companies arising from ordinary course of business. The total amount of these guarantees on 30 Jun 2023 was EUR 484.8 (30 Jun 2022: 524.5 and 31 Dec 2022: 471.0) million.

Contingent liabilities are related to guarantees given by Cargotec in the ordinary course of business for the delivery of products and services. Guarantees are provided in different ways including direct guarantees, bank guarantees, and performance bonds. Various Group entities are parties to legal actions and claims which arise in the ordinary course of business. While the outcome of some of these matters cannot precisely be foreseen, they are not expected to result in a significant loss to the Group.

Commitments related to leases include commitments related to off-balance sheet leases and on-balance sheet leases not yet commenced, and residual value risk related to equipment sold under customer finance arrangements and accounted for as leases.

## 14. Related party transactions

Cargotec's related parties include the parent company Cargotec Corporation and its subsidiaries, associated companies and joint ventures. Related parties include also the members of the Board of Directors, the CEO and other members of the Leadership Team, their close family members and entities controlled directly or indirectly by them. In addition, major shareholders with more than 20 percent ownership of shares or of the total voting rights in the company, are included in related parties.

### Transactions with associated companies and joint ventures

MEUR	Q2/23	Q2/22	Q1-Q2/23	Q1-Q2/22	2022
<b>Sale of products and services</b>					
Associated companies	0.0	-	0.0	-	-
Joint ventures	0.4	0.3	1.2	0.7	5.6
<b>Total</b>	<b>0.4</b>	<b>0.3</b>	<b>1.2</b>	<b>0.7</b>	<b>5.6</b>
<b>Purchase of products and services</b>					
Associated companies	0.0	0.0	0.1	0.0	0.0
Joint ventures	2.1	0.1	6.0	1.1	5.1
<b>Total</b>	<b>2.1</b>	<b>0.1</b>	<b>6.0</b>	<b>1.1</b>	<b>5.0</b>
<b>Dividends received</b>					
Joint ventures	-	-	-	-	0.2
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.2</b>

Transactions with associated companies and joint ventures are carried out at market prices.

### Balances with associated companies and joint ventures

MEUR	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Loans receivable</b>			
Associated companies	-	12.0	5.4
<b>Total</b>	<b>-</b>	<b>12.0</b>	<b>5.4</b>
<b>Accounts receivable</b>			
Associated companies	-	-	0.0
Joint ventures	2.1	0.5	0.2
<b>Total</b>	<b>2.1</b>	<b>0.5</b>	<b>0.2</b>
<b>Accounts payable</b>			
Associated companies	-	-	0.0
Joint ventures	2.1	1.3	2.0
<b>Total</b>	<b>2.1</b>	<b>1.3</b>	<b>2.0</b>

Acquisitions and disposals with related parties are presented in note 15, Acquisitions and disposals.

Cargotec did not have other material business transactions with its related parties than those presented above.

## 15. Acquisitions and disposals

### Acquisitions in 2023

Hiab acquired in January the share capitals of Olsbergs Hydraulics Aktiebolag and Olsbergs Electronics AB at a preliminary purchase price of EUR 19.1 million of which the EUR 1.9 million share is conditional and paid later. Olsbergs is the technological leader in the design and manufacture of hydraulic valves and remote control systems. Its solutions are used to manoeuvre Hiab's truck mounted loader cranes and forestry cranes. Via acquisition, Hiab is insourcing these components and has better capabilities to further develop them in an integrated manner with other crane components. In determining the preliminary fair values, EUR 3.3 million of intangible assets and EUR 4.9 million of goodwill, which are not tax deductible, were identified. As a result of the acquisition, approximately 100 employees transferred to Hiab.

#### Acquired net assets and goodwill related to Olsbergs acquisition, MEUR

Intangible assets	3.3
Property, plant and equipment	13.6
Inventories	4.7
Accounts receivable and other non-interest-bearing receivables	3.3
Cash and cash equivalents	0.9
Accounts payable and other non-interest-bearing liabilities	-1.9
Interest-bearing liabilities	-8.2
Deferred tax liabilities	-1.6
<b>Net assets</b>	<b>14.1</b>
Purchase price, payable in cash	17.1
Purchase price, conditional	1.9
<b>Total consideration</b>	<b>19.1</b>
<b>Goodwill</b>	<b>4.9</b>
Purchase price, paid in cash	17.1
Cash and cash equivalents acquired, including overdrafts	-0.9
<b>Cash flow impact</b>	<b>16.2</b>

### Disposals in 2023

In May, Hiab sold its Russian subsidiary Hiab RUS LLC to the company's executive management. The company has mainly sold Hiab equipment and related services to the Russian market. The transaction had no material effect on the reported figures.

### Disposals in 2022

In January, Hiab sold its Ukrainian subsidiary Cargotec Ukraine LLC to the company's executive management. The company has mainly sold Hiab equipment to the Ukrainian market. The transaction had no material effect on the reported figures.

## 16. Joint ventures and associated companies

### Changes in joint ventures and associated companies in 2023

In April, Hiab completed the closure of the joint venture Sinotruk Hiab (Shandong) Equipment Co., Ltd. Termination of the company had no material profit impact.

The sale of TTS Hua Hai Ships Equipment (Shanghai) Co., Ltd. (THH) to CSSC was completed in March. The transaction had no material profit impact.

### Changes in joint ventures and associated companies in 2022

In March, MacGregor restructured its holdings in Cyprus by selling its 30 percent ownership in the associated company J.L. Jumbo Logistics Limited, and by increasing its ownership in the subsidiary Hatlapa (Eastmed) Limited to 100 percent by acquiring 30 percent of the share capital. In total, transactions resulted in a net cash outflow of EUR 0.7 million.

Additionally, MacGregor is finalising changes to its two Chinese joint ventures, which it acquired as part of the acquisition of TTS and that are jointly owned with China State Shipbuilding Corporation (CSSC).

Regarding TTS Hua Hai Ships Equipment (Shanghai) Co., Ltd. (THH), MacGregor is selling its ownership to CSSC. The sales contract has been signed and the deal is awaiting for authority approval. The transaction is expected to be closed during the first quarter of 2023. With the transaction, THH will cease manufacturing and selling hatch covers in China under the TTS brand. MacGregor has recognised an impairment of EUR 2.0 million in the value of its holding, and reimbursement of EUR 2.4 million from the use of the TTS brand during the year 2022, which have been included in other items affecting comparability. The balance sheet value of the holding in the joint venture was EUR 6.5 (31.12.2021: 9.0) million on the reporting date and the sale of ownership is not expected to have a material impact on profit or loss. The consolidation of THH using the equity method has ended in 2022.

Regarding TTS Bohai Machinery (Dalian) Co., Ltd. (TBH), MacGregor and CSSC have transferred the business of the joint venture to CSSC MacGregor Marine Equipment Co., Ltd. (CMME), a joint venture established in 2021. With the transfer, the liquidation process of TBH is underway. In June, MacGregor recorded an impairment of EUR 2.0 million in the value of its holding, which has been included in other items affecting comparability. Additionally, EUR 0.5 million of intangible assets and EUR 3.4 million of goodwill included in the carrying value of TBH were transferred to the carrying value of CMME. The balance sheet value of the holding in the joint venture was EUR 4.3 (31.12.2021: 10.2) million on the reporting date and liquidation of the company is not expected to have a material impact on profit or loss. The consolidation of TBH using the equity method has ended in 2022.

Hiab continued its preparations for the closure of the joint venture Sinotruk Hiab (Shandong) Equipment Co., Ltd. During the first quarter of 2022, Hiab repaid the loan of EUR 2.8 million it had guaranteed for the joint venture, which had a cost impact of EUR 1.4 million.

## 17. Events after the reporting period

There were no material events after the reporting period.

## Key exchange rates for euro

Closing rates	30 Jun 2023	30 Jun 2022	31 Dec 2022
SEK	11.806	10.730	11.122
USD	1.087	1.039	1.067

Average rates	Q2/23	Q2/22	2022
SEK	11.373	10.459	10.626
USD	1.079	1.092	1.056

## Key figures

		Q1-Q2/23	Q1-Q2/22	2022
Equity / share	EUR	24.35	24.03	23.69
Equity to asset ratio	%	40.3%	39.4%	39.2%
Interest-bearing net debt	MEUR	503.3	605.0	378.3
Interest-bearing net debt / EBITDA, last 12 months		1.1	1.2	1.2
Gearing	%	31.9%	39.0%	24.8%
Return on equity (ROE), last 12 months	%	9.1%	19.2%	1.5%
Return on capital employed (ROCE), last 12 months	%	11.5%	15.2%	4.6%

Additional information regarding interest-bearing net debt and gearing is disclosed in note 11, Interest-bearing net debt and liquidity.

## Calculation of key figures

### IFRS key figures

$$\text{Basic earnings per share (EUR)} = \frac{\text{Profit attributable to the shareholders of the parent company}}{\text{Average number of outstanding shares during the period}}$$

$$\text{Diluted earnings per share (EUR)} = \frac{\text{Profit attributable to the shareholders of the parent company}}{\text{Average number of diluted outstanding shares during the period}}$$

### Alternative performance measures

According to the ESMA Guidelines on Alternative Performance Measures, an Alternative Performance Measure (APM) is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. In addition to IFRS key figures, Cargotec uses the following alternative performance measures:

Key figure	Definition	Reason for use	Reconciliation
Operating profit (MEUR and % of sales) =	Sales - cost of goods sold - selling and marketing expenses - research and development expenses - administration expenses - restructuring costs + other operating income - other operating expenses + share of associated companies' and joint ventures' result	Operating profit is used to measure business profitability. It describes the profitability of the business before taking into account financial items and taxes.	Statement of income
Comparable operating profit (MEUR and % of sales) =	Operating profit excluding items significantly affecting comparability	Comparable operating profit is used to monitor and forecast profit development and set related targets. It is calculated by excluding items significantly affecting comparability from operating profit, which makes it easier to compare the profitability of the business at different time periods.	Note 7, Comparable operating profit

Items significantly affecting comparability (MEUR)	Items significantly affecting comparability include, in addition to restructuring costs, mainly capital gains and losses, gains and losses related to acquisitions and disposals, acquisition and integration costs including during years 2020-2022 costs related to the merger plan with Konecranes Plc, impairments and reversals of impairments of assets, insurance benefits, and expenses related to legal proceedings.	Factor used to calculate Comparable operating profit.	Note 7, Comparable operating profit
Cash flow from operations before financing items and taxes	= Profit for the period + depreciation, amortisation and impairment + finance income and expenses + taxes + other adjustments + changes in net working capital	Represents cash flow from operations after income from sales less operating expenses. Measures the company's ability to meet its financial commitments, including interest payments, taxes, investments, and equity and debt payments. Used to monitor and forecast business performance.	Statement of cash flows
Interest-bearing net debt/EBITDA, last 12 months	= $\frac{\text{Interest-bearing net debt}}{\text{EBITDA, last 12 months}}$	Used to measure corporate capital structure and financial capacity.	Note 11, Interest-bearing net debt and liquidity
Interest-bearing net debt (MEUR)	= Interest-bearing liabilities (non-current interest-bearing liabilities + current portion of interest-bearing liabilities + current other interest-bearing liabilities) - interest-bearing receivables (non-current and current loans receivable and other interest-bearing assets) - cash and cash equivalents +/- foreign currency hedge of corporate bonds	Interest-bearing net debt represents Cargotec's indebtedness. Used to monitor capital structure and as a factor to calculate Interest-bearing net debt / EBITDA and Gearing.	Note 11, Interest-bearing net debt and liquidity

EBITDA (MEUR), last 12 months	=	Operating profit + depreciation, amortisation and impairment, last 12 months	Factor used to calculate Interest-bearing net debt / EBITDA.	Note 11, Interest-bearing net debt and liquidity
Net working capital (MEUR)	=	Inventories + operative derivative assets + accounts receivable + contract assets + other operative non-interest-bearing assets - provisions - operative derivative liabilities - pension obligations - accounts payable - contract liabilities - other operative non-interest-bearing liabilities	Net working capital is used to follow the amount of capital needed for the business to operate. It does not include financing items, taxes nor non-current assets. Used also as a factor to calculate Operative capital employed.	Note 10, Net working capital
Investments	=	Additions to intangible assets and property, plant and equipment including owned assets and right-of-use assets, excluding assets acquired through business combinations	Investments refer to money used to acquire long-term assets. Used as a factor in cash flow calculation.	Note 8, Capital expenditure, depreciation and amortisation
Return on equity (ROE) (%), last 12 months	= 100 x	$\frac{\text{Profit for the period, last 12 months}}{\text{Total equity (average for the last 12 months)}}$	Represents the rate of return that shareholders receive on their investments.	Profit for the period: Statement of income; Total equity: Balance sheet
Return on capital employed (ROCE) (%), last 12 months	= 100 x	$\frac{\text{Profit before taxes + finance expenses, last 12 months}}{\text{Total assets - non-interest-bearing debt (average for the last 12 months)}}$	Represents relative profitability or the rate of return that has been received on capital employed requiring interest or other return.	Profit before taxes and finance expenses: Statement of income; Total assets and non-interest-bearing debt: Balance sheet
Non-interest-bearing debt	=	Total assets - total equity - non-current interest-bearing liabilities - current portion of interest-bearing liabilities - current other interest-bearing liabilities	Used as a factor to calculate Return on capital employed (ROCE).	Balance sheet

Equity to asset ratio	= 100 x	$\frac{\text{Total equity}}{\text{Total assets - contract liabilities}}$	Used to measure solvency and describe the share of the company's assets financed by equity.	Balance sheet
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Gearing (%)	= 100 x	$\frac{\text{Interest-bearing net debt}}{\text{Total equity}}$	Represents the company's indebtedness by measuring the amount of interest-bearing debt in proportion to equity capital. Some of Cargotec's loan agreements include a covenant restricting the corporate capital structure, measured by gearing.	Note 11, Interest-bearing net debt and liquidity
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In the calculation of the balance sheet related key figures, the assets held for sale and liabilities related to assets held for sale are included in the applicable account groups, even though in the balance sheet they are presented on one row.

## Quarterly key figures

<b>Cargotec</b>		<b>Q2/23</b>	<b>Q1/23</b>	<b>Q4/22</b>	<b>Q3/22</b>	<b>Q2/22</b>
Orders received	MEUR	999	1,059	1,190	1,147	1,390
Service orders received	MEUR	326	362	345	325	309
Order book	MEUR	3,242	3,467	3,541	3,732	3,596
Sales	MEUR	1,200	1,074	1,239	1,041	959
Service sales	MEUR	344	346	354	323	303
Service sales, % of sales	%	29%	32%	29%	31%	32%
Eco portfolio sales	MEUR	362	346	392	325	286
Eco portfolio sales, % of sales	%	30%	32%	32%	31%	30%
Operating profit	MEUR	150.5	104.0	-28.8	50.0	47.5
Operating profit	%	12.5%	9.7%	-2.3%	4.8%	5.0%
Comparable operating profit*	MEUR	158.3	112.4	84.8	89.1	81.6
Comparable operating profit*	%	13.2%	10.5%	6.8%	8.6%	8.5%
Basic earnings per share	EUR	1.67	1.13	-1.04	0.45	0.64

<b>Kalmar</b>		<b>Q2/23</b>	<b>Q1/23</b>	<b>Q4/22</b>	<b>Q3/22</b>	<b>Q2/22</b>
Orders received	MEUR	437	471	544	470	567
Order book	MEUR	1,281	1,390	1,428	1,569	1,600
Sales	MEUR	552	485	618	526	428
Service sales	MEUR	143	147	150	142	135
Comparable operating profit*	MEUR	78.4	63.2	69.2	50.5	41.2
Comparable operating profit*	%	14.2%	13.0%	11.2%	9.6%	9.6%

<b>Hiab</b>		<b>Q2/23</b>	<b>Q1/23</b>	<b>Q4/22</b>	<b>Q3/22</b>	<b>Q2/22</b>
Orders received	MEUR	375	380	377	425	523
Order book	MEUR	1,007	1,121	1,185	1,301	1,250
Sales	MEUR	485	432	456	378	404
Service sales	MEUR	113	112	113	106	99
Comparable operating profit*	MEUR	81.4	61.4	61.6	49.6	62.4
Comparable operating profit*	%	16.8%	14.2%	13.5%	13.1%	15.4%

<b>MacGregor</b>		<b>Q2/23</b>	<b>Q1/23</b>	<b>Q4/22</b>	<b>Q3/22</b>	<b>Q2/22</b>
Orders received	MEUR	187	208	269	252	301
Order book	MEUR	953	956	927	861	746
Sales	MEUR	164	157	165	137	127
Service sales	MEUR	88	87	91	75	68
Comparable operating profit*	MEUR	10.3	0.7	-34.2	-0.2	-10.2
Comparable operating profit*	%	6.3%	0.4%	-20.7%	-0.1%	-8.1%

\*Cargotec changed the definition of the alternative performance measure comparable operating profit starting from 1 January 2023. The restated comparable operating profit will also include the impacts of the purchase price allocation, which amounted to EUR 16 million in 2022. Of these items, EUR 1 million were related to Kalmar, EUR 3 million to Hiab, and EUR 12 million to MacGregor. Additional information regarding the changed definition is presented in the stock exchange release published on 4 April 2023.