Transcript for "Kalmar Half-year financial report January–June 2025"

00:00:26 - 00:00:59
Speaker 1: Good morning, everyone. Welcome to the Kalmar Q2 Results webcast. My name is Camilla Maikola. I'm from Kalmar Investor Relations. Today's results will be presented by our president and CEO, Sami Niiranen, and CFO, Sakari Ahdekivi. The presentation will be followed by a Q&A. Please pay attention to the disclaimer, as we will be making forward-looking statements. Now, over to you, Sami. [silence 00:00:52-00:00:59]

00:00:59 - 00:02:02
Speaker 2: Thank you very much, Camilla, and good morning, everyone. I'm proud to share with you Kalmar's second quarter performance, showing a continued strong order intake and steady progress in our key strategic initiatives. We managed to generate stable revenues and a resilient margin by successfully leveraging Kalmar's leading position in the market and driving excellence in our operations. Our orders received increased by 20 percent from last year, and overall demand was favorable in Q2. Sales returned to modest growth and increased by 1 percent. We delivered a resilient profitability of 13.1 percent, which was supported by the strong equipment profitability. However, there is an increased level of market uncertainties today affected by, for example, new tariff announcements and geopolitical tensions, which pose a potential risk of slower global growth in the second half of 2025. We keep our guidance unchanged, and we expect our comparable operating profit margin to be above 12 percent in 2025.

00:02:04 - 00:03:14
Speaker 2: As mentioned, our orders received in the second quarter increased by 20 percent compared to last year and totalled €450 million, reflecting positive activity and growth in both equipment and services. The order book remained at a good level. Despite prevailing uncertainties, the demand picture overall was favorable during the quarter. In ports and terminals, the demand remained strong globally and was reflected in some larger equipment orders such as straddle carriers. Overall, we saw strong growth in Europe and solid performance in AMEA. However, the US distribution end-customer segment demand was hampered by increased market uncertainty. Then, moving on to our sales performance. Our sales in the second quarter were €420 million. The sales returned to modest growth and were one percent, and in constant currencies, three percent. The softness in the Americas was visible in sales, and Europe was clearly the largest region, representing 44 percent of the sales. The book to build was positive in both Europe and AMEA. Moving on.

00:03:14 - 00:04:28
Speaker 2: This slide provides us with an overview of our well-diversified business with four strong customer segments. The services segment's share of sales was 34 percent in Q2, which provides resilience to our overall revenue. Eco portfolio share of sales remained high at 44 percent, which shows the strong interest in our sustainable solutions. With an installed base of 68,000 machines globally and a strong presence in over 120 countries for sales and services, our extensive reach remains a significant asset. This robust foundation fuels our active acceleration of future service growth through innovative offerings and digital solutions. As a highlight and in line with Kalmar's strategy of growing services, we have invested in relocating and outsourcing its Genuine Parts warehouse from Ottawa, Kansas, to Greenwood, Indiana. In addition to the relocation of the US distribution center, we have decided to relocate our European distribution center to a new facility in Metz, France. Both these relocations will consolidate operations, improve efficiency, and support our long-term service growth.

00:04:44 - 00:05:46
Speaker 2: Today, we have over 1400 owned service technicians around the globe and four factories, which are located in Poland, the US, China, and Malaysia. While the Q2 performance was strong, the global landscape continues to be volatile. The world today presents an increased level of uncertainty related to tariffs, ongoing geopolitical tensions, and the global growth outlook. It's still difficult to draw definite conclusions on how these factors will affect our industry, the demand environment, and global trade. However, we are monitoring the situation closely and have implemented tariff surcharges or tariff-related price adjustments across divisions to a majority of our customers. We are prepared to continue to act swiftly if needed. Due to the uncertainties, the market environment is currently expected to be more subdued in the second half of the year. Let's then take a closer look at our large base of over 14,500 connected equipment around the world. By following the activity of the connected fleet, we get a good view of the activity and demand in different regions.

00:05:46 - 00:06:54
Speaker 2: Overall, we see a positive development trend both year-over-year and quarter-over-quarter, which

indicates increased activity at our customer sites during the second quarter. However, at the same time, we have to remember that there are now more uncertainties in the market. The softness in the US can also be seen in the connected fleet activity in North America compared to last year, Q2. The eco portfolio share of total sales has remained high and increased to 44 percent. Eco portfolio share of order intake was also 44 percent in Q2, which demonstrates our customers' strong interest in electrical and hybrid solutions as well as sustainable service solutions. The fully electric machines' share of equipment orders for the last 12 months remained flat at 10 percent. Despite a slightly sluggish development, we continue to see significant potential with electrification. We have announced five orders booked in Q2, including eight heavy terminal tractors to the CagliariRoRo Terminal in Italy.

00:06:54 - 00:08:05
Speaker 2: Two empty container handlers to depot management in Finland, 11 hybrid straddle carriers and MyKalmar INSIGHT to Seayard in France, and 14 hybrid sterile carriers to Hanseatic Global Terminals in France. Four hybrid automated straddle carriers to the Victoria International Container Terminal in Australia. We have been pleased to announce some steps towards sustainable growth during the quarter. We have further expanded our automation offering by continuing to develop new and advanced automation solutions. An example of this is automation as a service. A subscription-based model designed to ensure successful and efficient deployment of automation in marine container terminals and intermodal sites. We also introduced the flexible and scalable Kalmar One automation system as a standalone solution. With this, Kalmar is responding to the increasing demand from customers for a modular OEM and equipment type agnostic fleet management solution that allows them to choose what to automate in their terminal operations and how to do it.

00:08:06 - 00:09:25
Speaker 2: We have also launched a digital application on the MyKalmar customer platform called Inspector, which helps to streamline daily equipment inspections. The application is compatible with both Kalmar and third-party equipment. In addition, we were proud to announce that the Science Based Targets Initiative has approved Kalmar near and long-term science-based emissions reduction targets, verifying our net-zero target by 2045. These ambitious targets align with the Paris Agreement, solidifying Kalmar's commitment to limiting global temperature rise to 1.5 degrees. Our business performance was good in the second quarter. The equipment margin was strong. The services margin was burdened by temporary impacts, which Sakari will come back to. The order book has strengthened in both segments. On my last slide, I would like to remind you about our Performance targets 2028, which we are fully committed to. Thank you all for now. Next, I will hand over to Sakari. [silence 00:09:16-00:09:24]

00:09:25 - 00:10:51
Speaker 3: Thank you, Sami. Good morning from my side. I will start with our traditional slide on our financial profile. The financial profile has remained strong, and this gives us excellent possibilities for future growth. The highlight I would like to point out is the last 12 months' orders received, which are now at €1.8 billion. We have a significant positive book-to-bill ratio if you compare that to our sales on the back of the three strong order quarters that we have had. Our order book has significantly strengthened from the level that we had one year ago. Our profitability, when looking at it through both gross profit and comparable operating profit margin, is at a good level, 12.7 percent now on an LTM basis for the comparable operating profit margin. Our balance sheet continues to be strong, with a leverage of 0.4 times EBITDA, and our return on capital employed is now at 20.7 percent. Cash conversion is slightly below 100 percent at 95 percent now for the LTM period. Then diving into the segments a bit more in detail.

00:10:51 - 00:12:30
Speaker 3: On the equipment side, all of our equipment divisions performed well in terms of orders received in the second quarter. Our equipment segment orders increased by 28 percent compared to the same quarter last year. The global overall demand environment remained good, however, somewhat subdued, in the Americas towards the end of the quarter, especially. As Sami mentioned, the global landscape continues to be volatile, and there is an increased level of uncertainty going forward. [silence 00:11:28-00:28:34] The profitability of the equipment segment was very strong in Q2 at 13.9 percent. We have seen continued solid commercial performance with stable gross margins and equipment, and our Driving Excellence program is supporting the margin development in the equipment segment, especially. On the services side, we saw an order growth of 7 percent. Services continue to be on a good growth track. This is driven especially by smaller contracts and our spare parts. There are some variations across the regions related to the trade tensions, and the US market is a bit softer at the moment. This is also impacting our service segment.

00:12:33 - 00:13:52

Speaker 3: When we look at the profitability, Sami mentioned this was burdened in the quarter by a couple of things to be mentioned here. One was the impact of tariffs, whereas we did implement the price increases and adjustments related to the tariffs. There is a time lag in implementing those, and that impacted about half of the second quarter before the price adjustments came into force. The other thing we did in the second quarter was to relocate and outsource our warehouse activity for our spare parts in the US. This has had some impact on our operations during the second quarter. However, these are of a temporary nature. I would say that when combining the impacts of these two mentioned things on the profitability of the service, we are talking about slightly over one percentage point of margin. [silence 00:13:35-00:13:40] The execution of our driving excellence initiative is ongoing, and we are planning to reach €50 million of gross efficiency improvements by the end of 2026.

00:14:09 - 00:15:32
Speaker 3: During the first half of 25, we have progressed with the implementation, and a run rate of approximately €16 million has been reached in terms of annualized gross efficiency improvements. To date, the majority of the improvements originate from successful sourcing activities. In addition to that, certain efficiency activities are in process development in our functions. [silence 00:14:26-00:14:33] Our return on capital employed in the second quarter increased to 20.7 percent. Again, as before, it's worth noticing that the items affecting comparability, especially deriving from the demerger and listing process last year, have an impact on the 12-month rolling ROCE number. This impact is about 2.2 percentage points, so the normalized level would be around 22 percent. [silence 00:15:03-00:15:09] Our leverage is at a strong level at only 0.4 times EBITDA, and our gearing is approximately 15 percent. To be noted is that, of course, during the second quarter, we paid our dividends of €64 million, which impacts the net debt position in the second quarter.

00:15:40 - 00:17:10
Speaker 3: Our maturity profile is on the right-hand side of the page, as you can see. No major maturities in 2025. [silence] Our cash flow was not particularly strong in the second quarter, only 22 million of cash flow from operations before finance items and taxes. We have had a very strong cash flow in the previous three quarters. Of course, there are always some timing impacts from larger orders, the advances received, and how the working capital is built up as a result of starting to execute those orders. Over a 12-month period, our cash conversion is still very strong at 95 percent. This is more timing-related when looking at a single quarter. I will finish off. Sami already mentioned this, but our guidance for 2025 remains unchanged. We expect our comparable operating profit margin to be above 12 percent in 2025. Thank you, and that concludes the presentation. [silence 00:16:55-00:17:01]

00:17:10 - 00:17:12
Speaker 1: We are now ready for the Q&A. Moderator, can you please open the line?

00:17:12 - 00:17:34
Speaker 4: If you wish to ask a question, please dial pound key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial pound key six on your telephone keypad. The next question comes from Mikhail Doppel from Nordia . Please go ahead.

00:17:38 - 00:18:17
Speaker 5: Thank you and good morning, everybody. Thanks for taking my questions. I would like to start with the market outlook, where you say that you expect a more subdued market in the second half of the year. I'm just wondering where that estimate comes from. If you look at your development within your sales funnel, for example, then your customer quotations, have you seen any changes there most recently that would indicate that we can demand orders in the second half? That would be the first question.

00:18:17 - 00:19:10
Speaker 2: Thank you for the question. Yes, that's what we indicated was more subdued in the second half, and especially because the tariff landscape is not fully clear yet. There were indications in different directions, so uncertainties exist. That's the basis behind having a little more cloudy view towards the end of the year. America's market, as we could see already in Q2, is one of those more uncertain areas. There are a couple of surrounding countries there as well in South America, I think it's mainly because of that. As we discussed in the previous quarter, this indecisiveness still exists with our customers.

00:19:12 - 00:19:27
Speaker 5: Okay. Would you say, for example, in the US, that the demand is expected to become incrementally

weaker in Q3? Obviously, the tariff uncertainties have remained more or less throughout the whole of Q2 already.

00:19:28 - 00:20:09
Speaker 2: Yes. If you look at the US and especially the distribution segment, which is a big and important segment for us, it started off quite well. At the beginning of the year, we talked about the gradual improvement, which has now slowed down in Q2. That is expected to continue at quite a slow and low level. Quarters, large orders, quarters, they are not equal to each other as well. We have been successful now in Q1 and Q2 with materializing a couple of large orders as well. I think the sentiment is a combination of different factors.

00:20:11 - 00:20:33
Speaker 5: Okay. On the same topic, related to your service business, I'm thinking about the connected fleet activity. Are there any changes there most recently that would signal some weakness ahead? You had quite strong orders at the end of the day in the quarter, but I'm just wondering if there are any signs that you see there that things could slow down?

00:20:35 - 00:21:01
Speaker 2: No, I think in Q2, as we could see, we had a good fleet activity. Still, we were uncertain at the beginning of the quarter, as you remember, but then it turned out quite well. There is this one indication compared to the last year, Q2 in the US, that was on the red color side over there. I don't know if you have anything from the last couple of weeks, any indications.

00:21:01 - 00:21:37
Speaker 6: Not from July but June, there was a bit of a slowness also. This indicates that people are hesitating, and the activity level is somewhat lower, which can be seen in the comparison to the previous year's Q2 also. If you look at the container throughput index, there is quite a lot of volatility from Drury, for example, from month to month, they change the forecast on the container throughput. That gives us the uncertainty and the potential impact of the slowness in the second half.

00:21:37 - 00:21:53
Speaker 3: There's also a dependency between the new equipment sales and the spare parts. For example, in the US, in distribution, you sell less equipment. There's also an impact on the spare parts. That would be something that we could see.

00:21:55 - 00:22:07
Speaker 5: Okay. Well, that makes sense. Just to clarify on the comments on the June weakness in the effectiveness, I guess that's based on a year-over-year basis, I would assume it was this for the US only or globally.

00:22:08 - 00:22:09
Speaker 6: That was the US.

00:22:12 - 00:22:12
Speaker 5: What about globally?

00:22:14 - 00:22:22
Speaker 6: Globally, as far as I recall, it's fairly stable. It's really the US part.

00:22:24 - 00:22:26
Speaker 5: Okay. That's very clear. Thank you very much.

00:22:27 - 00:22:32
Speaker 2: Thank you. [silence 00:22:28]

00:22:32 - 00:22:38
Speaker 4: The next question comes from Antti Kansenen from SEB. Please go ahead.

00:22:43 - 00:23:09
Speaker 7: Hi guys. It's Antti from SEB. I wanted to continue with the same theme as before on the demand side. Could you talk a little bit about your outlook in Europe for the second quarter? You flagged strong growth,

and I guess the themes that you have been talking about regarding the more subdued demand seem to be more impacting the US broadly. What's your outlook for European demand coming into the second half of this year?

00:23:09 - 00:24:07
Speaker 2: That's a good question. Europe so far in the first part of the year, I think it has been very stable and performing very well. Some indecisiveness in certain areas, certain customers may be in Europe, but otherwise, overall, both equipment and services have been performing well in Europe. When it comes to the next couple of months or to the next two quarters, this tariff discussion, which is not fully clear yet between the European Union and the US, is impacting with uncertainties as well. That's what we see. The visibility is not that long, even in Europe. We have full focus on different countries in Europe, and are focusing on service equipment. I think there are a lot of business opportunities in Europe. We have good expectations of keeping Europe at a good level even towards the end of the year.

00:24:09 - 00:25:01
Speaker 7: Okay. That's good to hear. Digging a little deeper into the US side, did I understand correctly that you saw softening demand in the US also within the second quarter? It is not only compared to how you started the year, because the start of this year was quite active, if I remember correctly. I guess the end of the first quarter was already a bit weaker. I wanted to understand, maybe what's your analysis of your client's behavior? Are they just uncertain about their own business outlooks? Is it more uncertainty on the pricing environment that the equipment is going to be regarding the tariffs? What do you think will need to happen for your clients to become a little less hesitant to invest and more optimistic about expanding their fleets and replacing equipment?

00:25:01 - 00:25:51
Speaker 2: It's all that you mentioned, and especially in the distribution segment, the restocking is at a relatively good level. The inventories at our dealer sites, so, are not the big issue at the moment. This uncertainty around the tariffs landscape, price increase, of course, we have implemented some of them as well. Where is the market heading, and what kind of tariff deals and agreements will be established in the next couple of weeks, for instance? I think it's that uncertainty that delays the orders. That's what we saw in the distribution segment for our terminal tractors now in Q2. Even on the service side, we had a bit of a hiccup there when it comes to tariffs, but that was a temporary one in Q2.

00:25:53 - 00:26:05
Speaker 7: Are you quite confident that the softness is not you losing competitiveness or market share, that it's the entire market, and when the demand comes back, you will be there to address it?

00:26:05 - 00:26:52
Speaker 2: Yes, we are ready to act and address it. Now, lately, as you remember, we have launched our electric car terminal tractor called Phoenix as well. We are ready with that product as well once the market picks up. The US market has been slow for 18, 24 months. Even so, now it was picking up a little in Q1, and now it's slowed down again in Q2. We are already there. One example, of course, on the services side, we are now relocating and outsourcing our warehouse distribution center there. The whole target is to grow services even more. We want to be ready with both support and equipment overall.

00:26:53 - 00:27:09
Speaker 6: Overall, what we really see is the tariff discussion in the Americas in the surrounding countries, as Sakari also mentioned. There is hesitation and indecisiveness, as if they are waiting to make a decision on the tariffs.

00:27:11 - 00:27:22
Speaker 3: There's a dependency on overall economic activity as well. How the US economy develops will also drive the freight activity and, therefore, the demand for the product.

00:27:26 - 00:27:57
Speaker 7: The last question is on profitability. Looking at the equipment business, at least in my opinion, very strong margins that you have been generating. Would it be fair to say that when you're moving towards the 50 percent target, it's more about getting the margins clearly on a higher level on the services side, rather than having a major improvement potential on the equipment from the current close to 14 percent that you are running in Q2? Any comments on that one?

00:27:58 - 00:28:17

Speaker 2: That's a fair statement. There is more room for improvement on the services side. We are happy with the equipment margin. This is a result of higher volumes and the driving excellence initiative, good cost control, and so forth. Definitely, we want to improve our services much more.

00:28:17 - 00:28:29
Speaker 3: I think we've been consistently saying that's where the potential is. Now, the second quarter, as I mentioned, was a little exceptionally low due to the reasons that I explained.

00:28:32 - 00:28:47
Speaker 7: That's clear. Also, if we reflect the gross efficiency program that you are flagging on the presentation, would it then also be fair to assume that the remaining benefits are mostly visible on the services segment from here onwards, on the margins?

00:28:47 - 00:28:53
Speaker 3: I wouldn't say that. I think the program is targeted to benefit both equipment and services.

00:28:56 - 00:28:58
Speaker 7: All right. Thank you very much. That's all for me.

00:28:58 - 00:28:59
Speaker 2: Thank you.

00:29:03 - 00:29:09
Speaker 4: The next question comes from Ponu Leighton-Maki from Danske Bank. Please go ahead.

00:29:14 - 00:29:33
Speaker 8: Hi. Thanks for taking my questions. I have three. Firstly, continuing on the service margin. What do you say that the issues that you mentioned were Q2 specific, or will we see any impact from those in Q3? I think you mentioned the warehouse, chains in Europe as well.

00:29:33 - 00:30:22
Speaker 3: They are Q2-specific in terms of the tariffs that came into force. We reacted with price adjustments, but there's a grace period before those come into force. Therefore, with that delay, there was a half-quarter impact from that. That's temporary in that way. If there are changes in tariffs, again, that might happen in the same way. At the current tariff levels, it's a temporary impact. The other part was then related to this warehouse move. We both outsourced and relocated the warehouse, and there were some operational impacts from that. That then is also a temporary impact.

00:30:22 - 00:30:30
Speaker 6: The difference with the European movie, it's not an outsourcing. It's only a relocation, but in the US, it was both outsourcing and relocation.

00:30:30 - 00:30:34
Speaker 3: To answer your question in a simple way, yes, Q2 specific.

00:30:36 - 00:30:57
Speaker 8: Okay, thanks. Then on the equipment margin, going into the second half, do you expect any exceptions there? It's more like this was a run rate that you can generate, and it's about volumes and your operational excellence, or should we consider any lagging impact from tariffs that we didn't see in Q2 yet?

00:30:59 - 00:31:53
Speaker 2: Yes, depending on the magnitude of the tariffs, and we don't know everything yet. Now, we have been living with this 10 percent tariff landscape in the US, which is a little mixed picture. Somewhere, we have been succeeding in penetrating still, but with some customers, there has been more hesitation. When it comes to equipment margin, I think the quarters are not equal to each other. It really depends very much on the mix, the different types of equipment within the quarter. Last year, if I remember right, our equipment margin was close to, was it 12.9 percent or something close for the full year. Now, it was substantially higher than that one. Overall, I would say if our equipment margin is 12 or 13 percent or something like that, I'm pretty happy with that. Thus, more room for improvement on the services side.

00:31:56 - 00:32:12
Speaker 8: Okay. Thanks. My final question is on the delivery times, and how soon will the orders that you have taken in the past quarters be turned into revenue? Could you talk about that? I guess there is a bit of a difference between straddle carriers and smaller equipment.

00:32:12 - 00:32:44
Speaker 2: I think we still talk about three to 12 months lead times and the mentioned straddle carriers, as they are on the longer edge or end. They're closer to 12 months because the demand has been good, and we have been winning nice businesses there. Whereas the terminal tractors, for instance, if the market at some point picks up, of course, we have a much shorter lead time. The smaller the equipment, the faster the lead times are. Three to 12 months, I think that gives an indication.

00:32:44 - 00:32:54
Speaker 3: The larger orders that we've seen quite a few in the last three quarters have a longer delivery time. Closer to the 12.

00:32:54 - 00:33:03
Speaker 8: If I ask you, the strong first-half orders will mostly impact next year and not second-half revenues.

00:33:05 - 00:33:16
Speaker 2: Depending on the type of equipment. The large orders for straddle carriers, some of them, if they came in Q2, for instance, they might be invoiced next year.

00:33:16 - 00:33:24
Speaker 3: However, we had strong orders in Q4 last year as well. Hence, those would be mostly 2025 deliveries.

00:33:26 - 00:33:27
Speaker 8: Okay. Thank you.

00:33:28 - 00:33:32
Speaker 2: Thank you. [silence 00:33:28]

00:33:32 - 00:33:38
Speaker 4: The next question comes from Tom Skogman from Carnegie. Please go ahead.

00:33:42 - 00:34:16
Speaker 9: Good morning. This is Tom Skogman from DNB Carnegie. I just wonder about these surcharges you have for tariffs on products sold in the US. Is the feeling that customers accept this, or have you been forced to have open risks in part of the deals? If the tariff percentage is surpassed, the background here is that you face local competition, so customers can avoid these potential tariffs or charges. They go for the US-made products instead.

00:34:17 - 00:35:13
Speaker 2: Good question, Tom. I think it has been accepted, but the picture is still a little mixed, depending on the customer, depending on the dealer. In the US, we have a lot of dealers. We have been implementing price increases or price adjustments as well, so the same thing there. It requires discussions, explanations, and close collaboration with both dealers and customers. I think overall, what we have seen, they have been quite well accepted. Depending on the tariff levels in the future, we will act accordingly. We have even the third option, which is the delivery terms. In some package deals, for instance, we might have the delivery terms where the tariffs belong to the customers right away according to those terms. There are different variations in these price adjustments, I would say.

00:35:33 - 00:35:43
Speaker 9: To understand this a bit better, so that the customer can now choose between a 10 percent price hike in the US. Alternatively, to include a clause where the price could go up even more if the tariffs are even higher. I think it's just important to understand this so we don't have like bad earnings in Q3 or Q4 just to surprise in tariff percentages.

00:35:50 - 00:36:09
Speaker 2: It depends on the equipment. It depends on the type of business that we have. Kalmar divisions that we have counterbalanced horizontal terminal tractors, which act in different ways. Therefore, as in the presentation, we said we have implemented both surcharges and price adjustments. When it comes to surcharges, if the tariffs were removed completely, then we would act in another direction.

00:36:10 - 00:36:12
Speaker 3: On the spare parts side...

00:36:12 - 00:36:22
Speaker 9: You don't feel that you have hope and risk for Q3, for instance, now that you have promised to sell at the price, and then you just bet that the tariff is a certain percentage.

00:36:23 - 00:36:27
Speaker 2: No, we know we don't see any immediate risk with this one.

00:36:27 - 00:36:36
Speaker 3: On the spare parts side, it's been pretty straightforward with the price increases. It's been quite successful.

00:36:39 - 00:36:59
Speaker 9: Okay. My second question is the share of electric equipment that you are selling. How is that developing, and how is your electric portfolio now priced compared to any product? Is there a major difference between your pricing and selling?

00:37:00 - 00:38:12
Speaker 2: Yes. First of all, we are not talking about the specific competitors. We can talk about competition as such. There is a lot of interest in electric products, as I mentioned in the presentation as well. Also, for our eco portfolio, which is a combination of different solutions, the interest is there. We have been performing well, especially in Europe. It's frank and honest to say that the AMEA market is quite a price-competitive market, so we need to do more. As one example that we reported in today's presentation as well, we are and have introduced the second-generation batteries, which are more cost-competitive, on our equipment. We are taking actions as we speak, but the market is attractive, and it's developing in the right direction. Then, on the terminal tractor side, quite recently, a couple of months ago, we released our electric terminal tractor. We have high hopes and expectations to sell that in the US market and later on elsewhere as well.

00:38:14 - 00:38:21
Speaker 9: Can you confirm that you have similar market shares in force and battery-powered vehicles in Europe?

00:38:22 - 00:38:40
Speaker 2: Yes, I think if we zoom into Europe, I don't have that analysis in front of me exactly here, but we have been successful in Europe overall. From the equipment to services, including eco, electric machines, and diesel equipment as well.

00:38:40 - 00:38:41
Speaker 9: Okay. Thank you.

00:38:41 - 00:38:49
Speaker 2: Thank you. [silence 00:38:42-00:38:48]

00:38:49 - 00:39:08
Speaker 4: As a reminder, if you wish to ask a question, please dial pound key five on your telephone keypad. [silence] There are no more questions at this time, so I hand the conference back to the speakers for any closing comments.

00:39:11 - 00:39:38
Speaker 1: Thank you all for the questions. Lastly, as a reminder, we will be hosting a site visit at our Stargard factory in Poland on the 17th of September. If you are interested and would like to attend, then please register

via our web page. Thank you all for joining today. We will get back on 31st October when we publish our Q3 results. Thank you.

00:39:38 - 00:39:38
Speaker 2: Thank you.

00:39:38 - 00:39:39
Speaker 6: Thank you.

00:39:39 - 00:39:39
Speaker 3: Thank you.