

# Q2 2024: Continued solid profitability and a successful listing of Kalmar

Roadshow August 2024



August 2024

# Disclaimer

This presentation includes forward-looking statements that are based on present plans, estimates, projections and expectations and are not guarantees of future performance. These forward-looking statements are subject to numerous risks, uncertainties and assumptions, including risks relating to Kalmar's industry and business and the risk that Kalmar's actual results of operations in future periods may differ materially from (and be more negative than) the expected results or performance targets discussed, or suggested, herein. These forward-looking statements reflect knowledge and information available at, and speak only as of, the date they are made, which, even though they seem to be reasonable at present, may turn out to be incorrect.

Except as required by law, Kalmar undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date hereof or to reflect the occurrence of unanticipated events. Readers are cautioned not to place undue reliance on such forward-looking statements.

## **Corporate information and basis for preparation**

Kalmar Corporation was formed as a result of the partial demerger from Cargotec Corporation ("demerger"), which was completed on 30 June 2024. The trading in Kalmar Corporation shares on the main market of Nasdaq Helsinki commenced on 1 July 2024.

In Kalmar's half-year report and in this presentation financial information is presented on an actual basis for the consolidated balance sheet as at 30 June 2024, and on a carve-out basis for the earlier periods. Statement of income is presented on a carve-out basis for all periods presented. The differences in carve-out and actual basis of preparation impacts the presentation of certain key figures. Key figures calculated based on equity, interest bearing debt and net debt are presented only for 30 June 2024 information as the previous periods with carve-out information do not reflect the capital structure and financing of Kalmar Group. Key figures based on number of shares are calculated based on the number of shares upon listing of Kalmar Corporation on 1 July 2024 for all periods presented. Key figures that are based on market value or trading volume are not presented for periods prior to 1 July 2024.

The carve-out financial statements do not necessarily reflect what the financials would have been had Kalmar operated as an independent consolidated group and had it therefore presented stand-alone consolidated financial information during the periods presented. Further, the carve-out financial information may not be indicative of Kalmar's future performance.

# Agenda

- Successful listing of Kalmar
- Strategy & performance targets
- Q2 2024 financials
- Investment highlights
  
- Appendix
  - Key figures
  - Segment figures
  - COP bridge
  - Balance sheet & cash flow key items
  - Outlook 2024 unchanged



# Successful listing of Kalmar and continued solid profitability



We are pleased to report a stable second quarter marked by continued solid profitability. As we look to the future, our strategy is clear: to drive sustainable growth by leading the industry towards greater electrification, accelerate service growth and drive business excellence. In the second quarter, approximately 40 percent of the value of our total sales was attributed to our eco portfolio, underscoring our commitment to sustainable innovation.

President & CEO Sami Niiranen

# Celebrations across the world at Kalmar sites





# Strategy & performance targets

# Making every move count

Vision: Forerunner in sustainable material handling equipment and services

## Market drivers

- Productivity
- Safety
- Intelligent operations
- Decarbonisation & Electrification
- Changing logistics landscape
- Labour shortage

## Strategic pillars

Investing in Sustainable Innovations

Growing Services

Driving Excellence

## Foundations

Customer proximity  
Experienced & talented people

Attractive market  
Strong financial profile

# Pure-play leader in the heavy material handling market



#1

Reachstackers<sup>1</sup>



#2-3

Forklift Trucks,  
medium and heavy



#1

Terminal  
Tractors



#1

Straddle  
Carriers



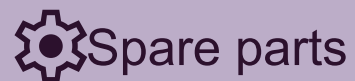
#1

Spreaders

## EQUIPMENT

## SERVICES

A leading service network in the industry, close to customers<sup>2</sup>



Spare parts



Maintenance

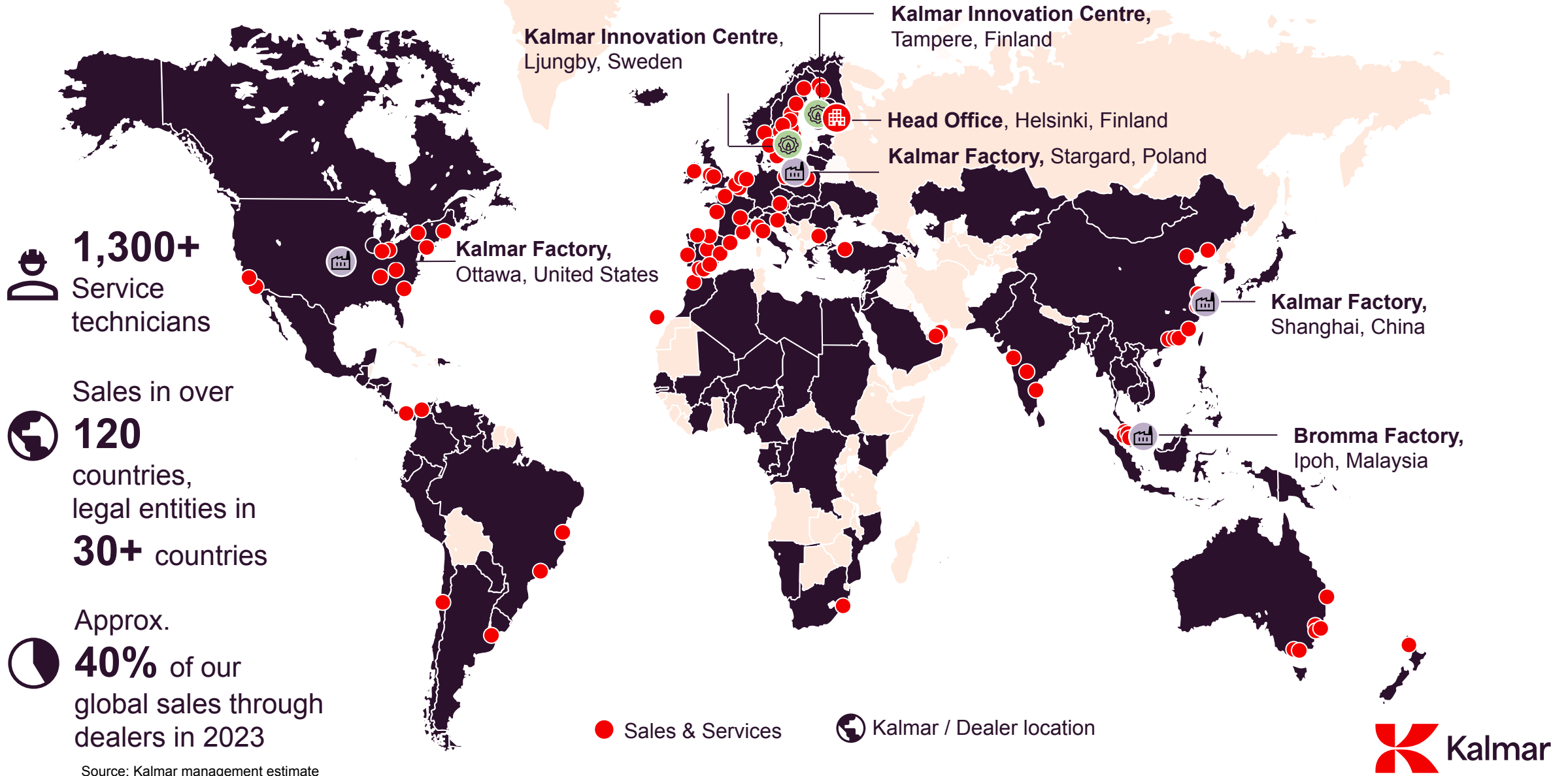


Lifecycle solutions

# Refers to market position; 1) Reachstackers & Empty Container Handlers-category holds a market position of #1-3 globally; Source: KPMG Market Study (in respect of equipment market). Kalmar is a market leader across terminal tractors, straddle carriers, crane spreaders and reachstackers and empty container handlers, and one of the leaders for medium and heavy forklift trucks based on equipment volume (average in 2022-2023) and spare parts capture rate of 29 percent at the end of the first quarter of 2024, 2) Kalmar management estimate



# Leading sales and service network in the industry



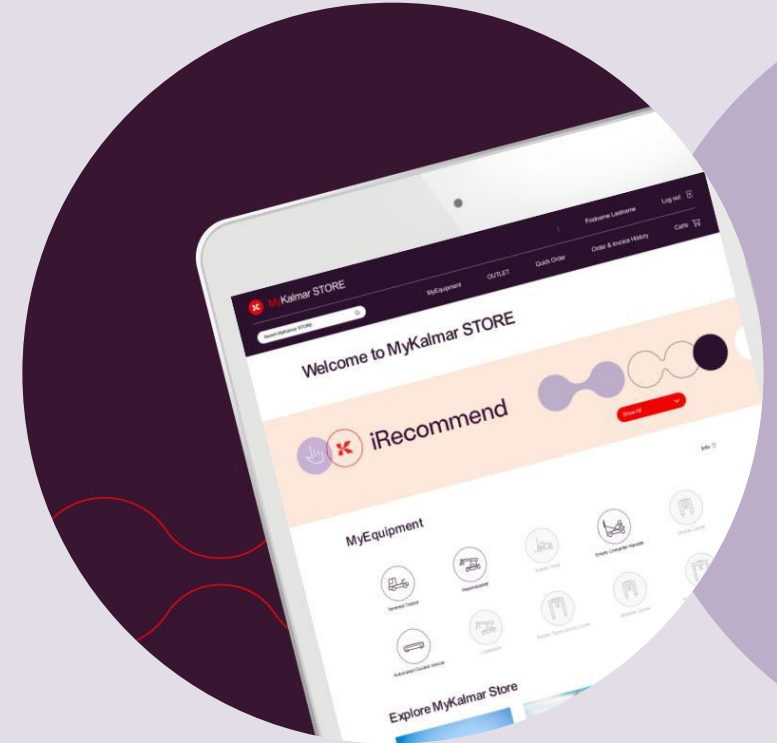
# Strengthening our solutions portfolio



Launch of the Kalmar Electric empty container handler



Unveiling the Kalmar Ottawa T2 Electric Terminal Tractor



MyKalmar 2.0. digital ecosystem introduced: one stop platform for Kalmar equipment owners

# Kalmar's performance targets for 2028

## Financial targets

**5%**

Sales growth p.a.  
over the cycle

**15%**

Comparable operating  
profit margin

**>25%**

ROCE<sup>1</sup>

## Capital structure and sustainability framework

Aligned with<sup>2</sup>  
**SBTi targets  
with 1.5°C  
commitment**

**<2x**

Leverage<sup>3</sup> (Net Debt to  
EBITDA)

Kalmar aims for a  
dividend payout ratio of

**30-50%**

Per annum

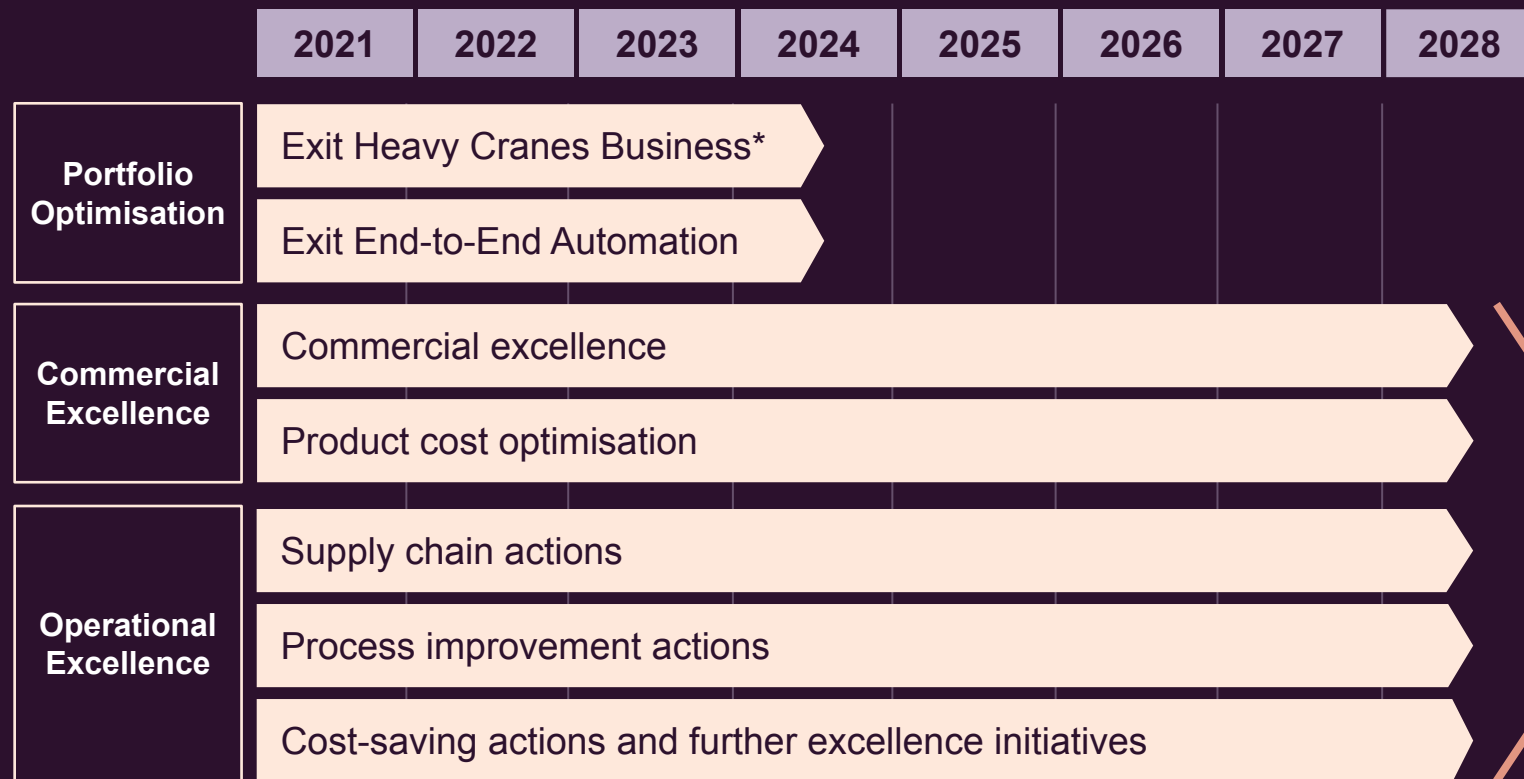
<sup>1</sup> Defined as (Profit before taxes + finance expenses, last 12 months) / (Total equity + interest-bearing debt (12 months average)).

<sup>2</sup> Plan following criteria of the Science Based Targets initiative.

<sup>3</sup> Including IFRS 16

# Kalmar details its driving excellence initiative targeting efficiency gains across its operations

Driving excellence to target best-in-class commercial performance and cost efficiency



Kalmar is planning to reach approximately **€50 million** gross efficiency improvements by the end of 2026, in line with the aim of reaching the previously communicated 15% comparable operating profit margin target by 2028.

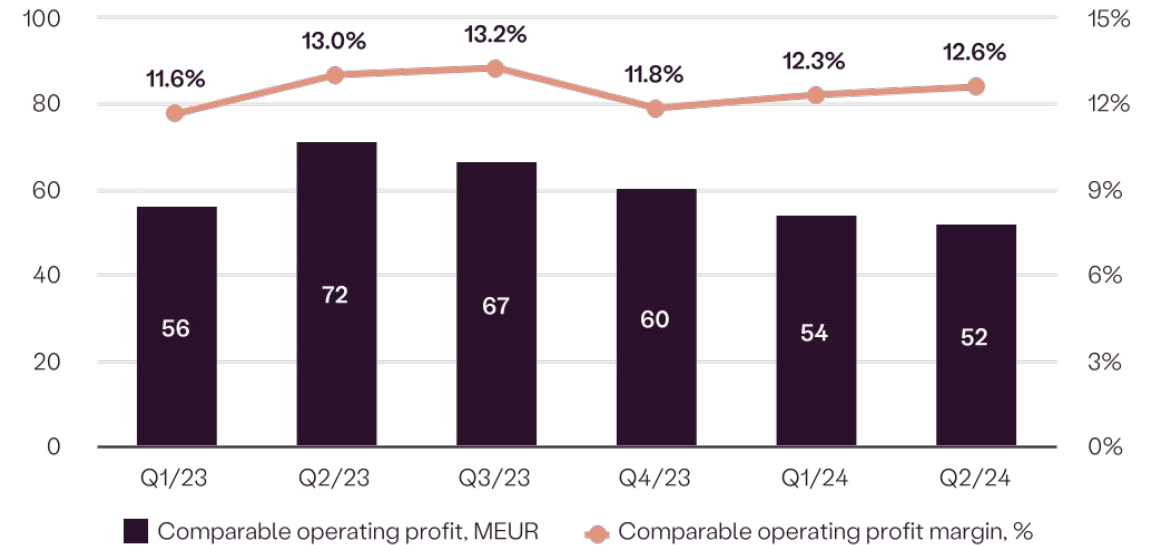
# Q2 2024



# Q2/2024 highlights – Continued solid profitability and successful listing of Kalmar

- Solid profitability primarily driven by commercial performance
- Mixed demand picture, with some softness especially in the North American distribution customer segment
- Successful listing of Kalmar
- Focus on delivering on strategic priorities and long-term targets
  - Driving excellence initiative with efficiency improvements
- Outlook for 2024 and financial targets unchanged

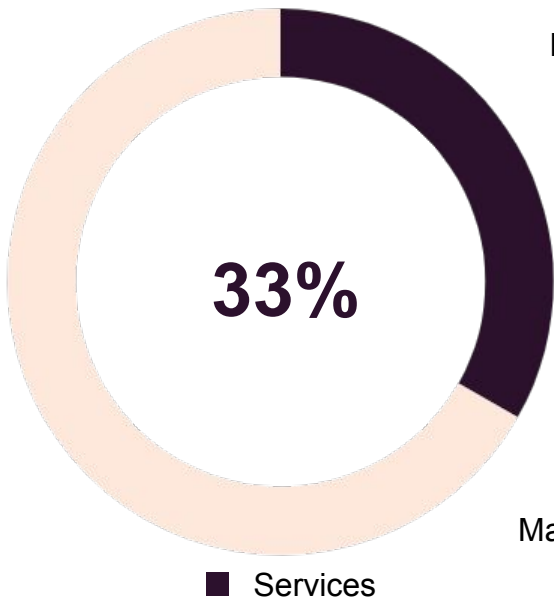
Comparable operating profit, MEUR and %<sup>1</sup>



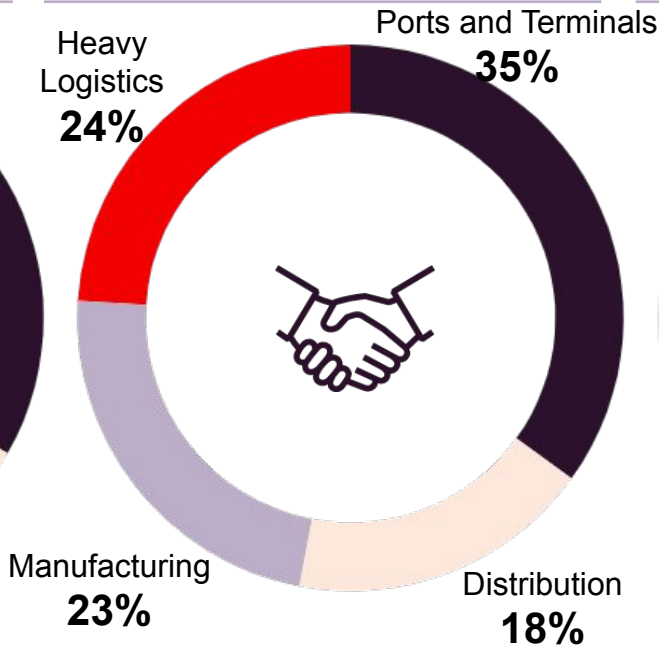
	Q2/24	Q2/23	Change
Comp. OP, MEUR	52.3	71.6	-27%
% of sales	12.6%	13.0%	

# A solid foundation and a well diversified business with solid profitability

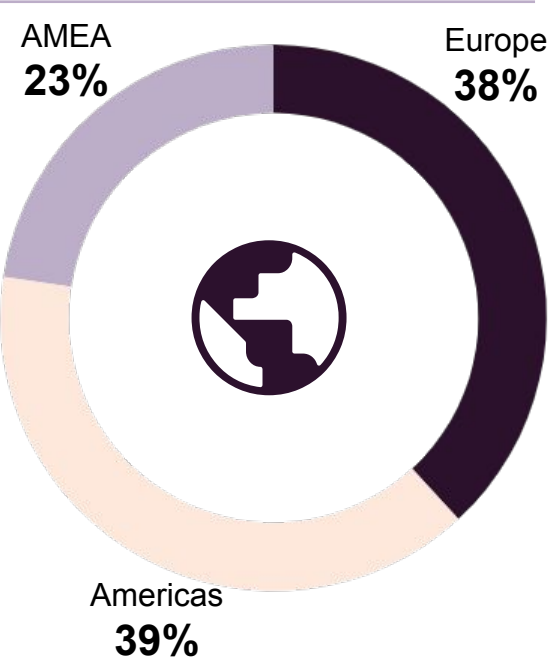
Services share of sales



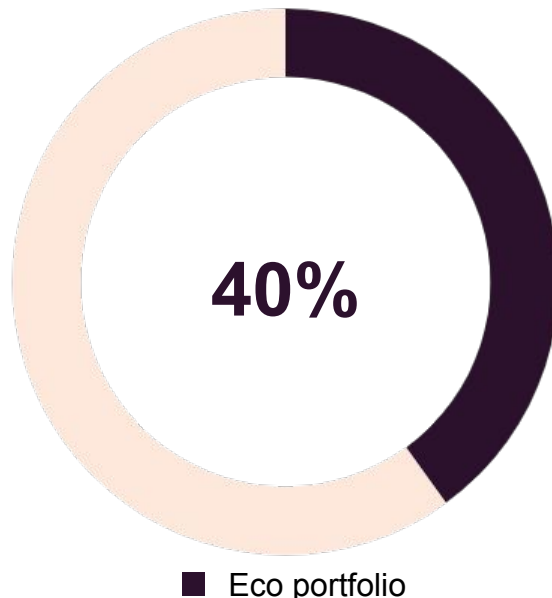
Addressable markets by customer segment



Geographical sales split



Eco portfolio share of sales



Sales, total  
**417 MEUR**



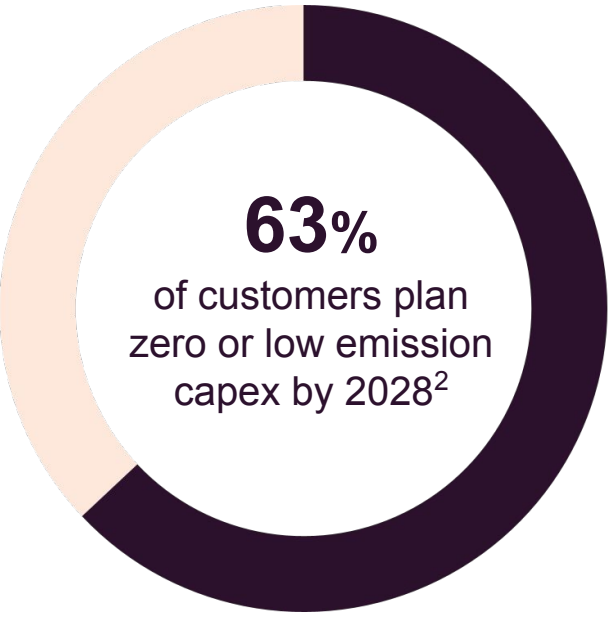
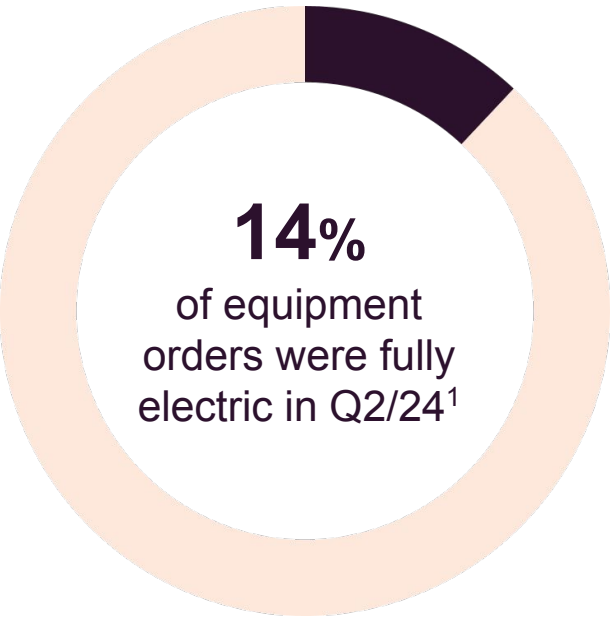
Comparable operating profit margin  
**12.6%**



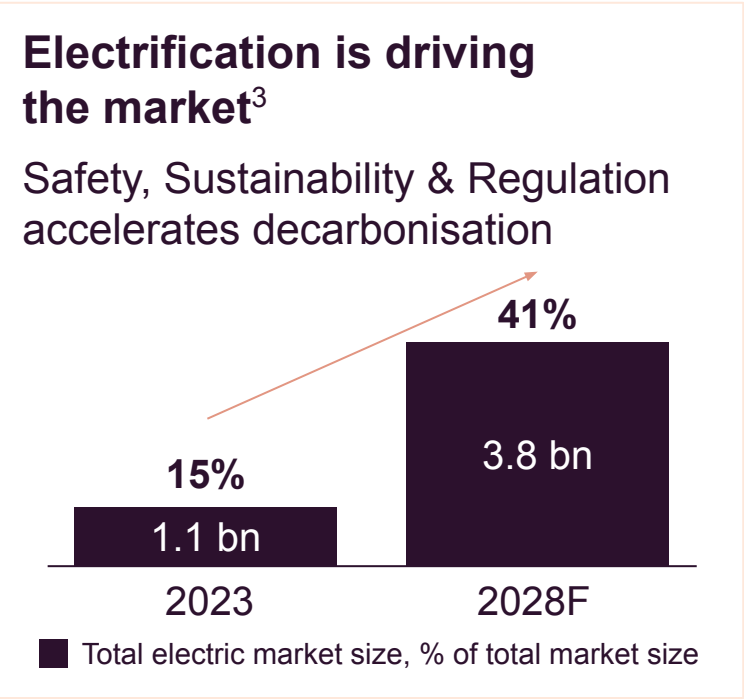
Employees<sup>1</sup>  
**5,198**

<sup>15</sup> Q2/2024 carve-out figures, unless otherwise mentioned.  
<sup>1</sup>End of period 30 June 2024.

# Market is pushing for electrification and our customers are increasingly active



■ Zero/Low-emission    ■ No clear indication



## Multiple benefits

- To Customers**
- Ability to reduce CO<sub>2</sub> emissions
  - Lower operational costs

- To Kalmar**
- Up to 2x revenue per unit
  - Increased potential through lifecycle

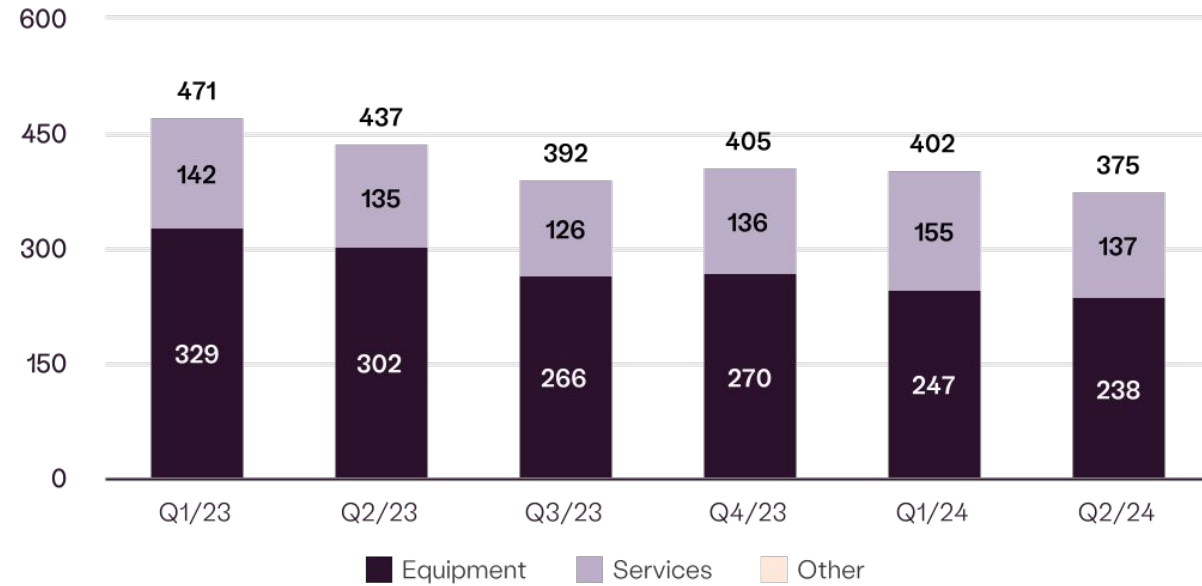
1) Share of the value of Kalmar equipment orders in Q2/2024  
 2) Kalmar Customer Satisfaction Survey 2023  
 3) KPMG Market Study





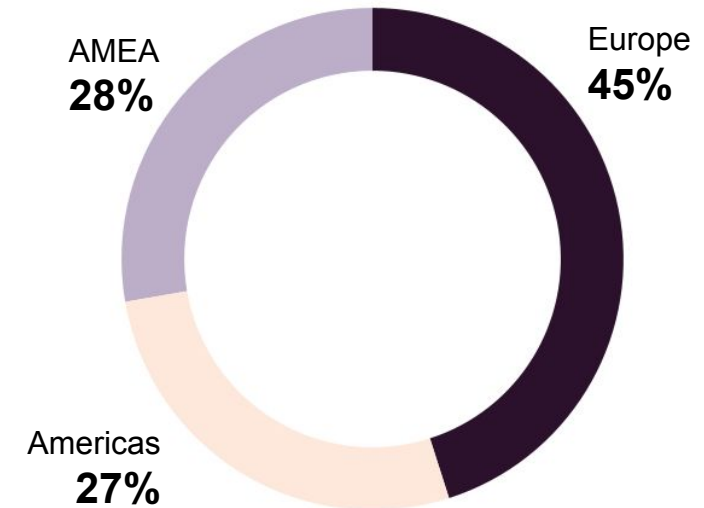
# Demand sequentially on a stable level despite a slight decline in order intake in Q2

Orders received, MEUR



MEUR	Q2/24	Q2/23	Change
Orders received	375	437	-14%

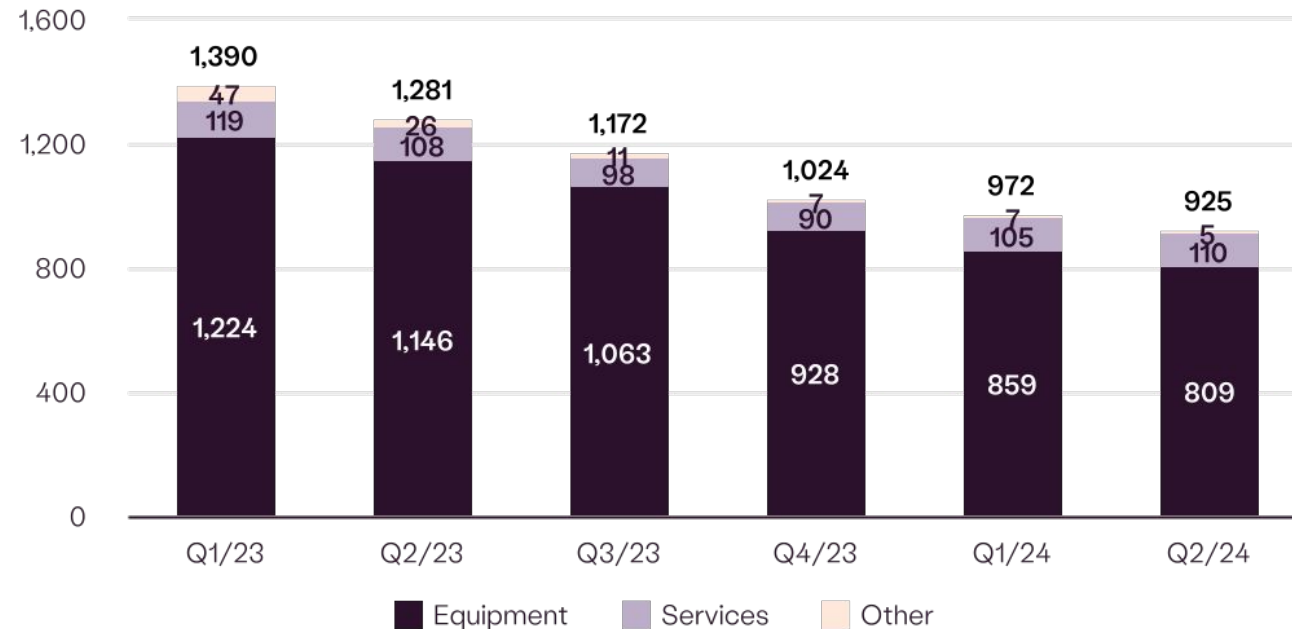
Orders received by region, Q2/24



- Underlying demand drivers mixed
- Delayed decision making continued in orders requiring larger investments
- Destocking prolonged in distribution customer segment due to a softer North American market

# Order book declined from the comparison period

Order book, MEUR

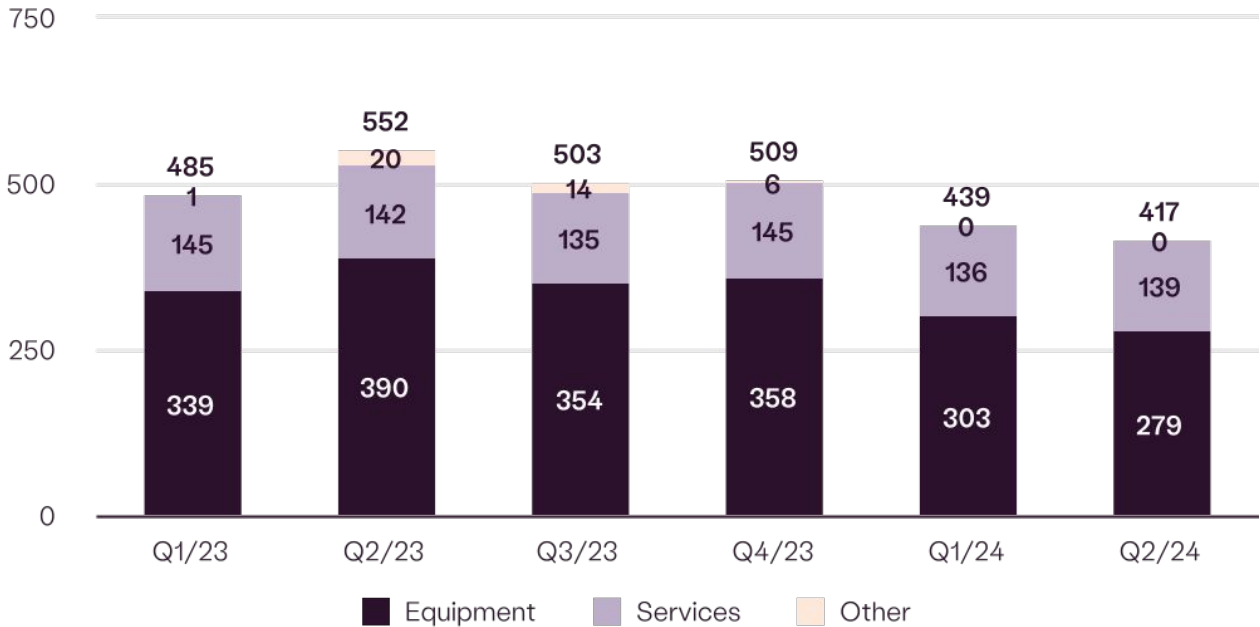


MEUR	Q2/24	Q2/23	Change
Order book	925	1,281	-28%

- Order book providing good visibility for the second half of 2024
- Cost structure adjusted to lower order book

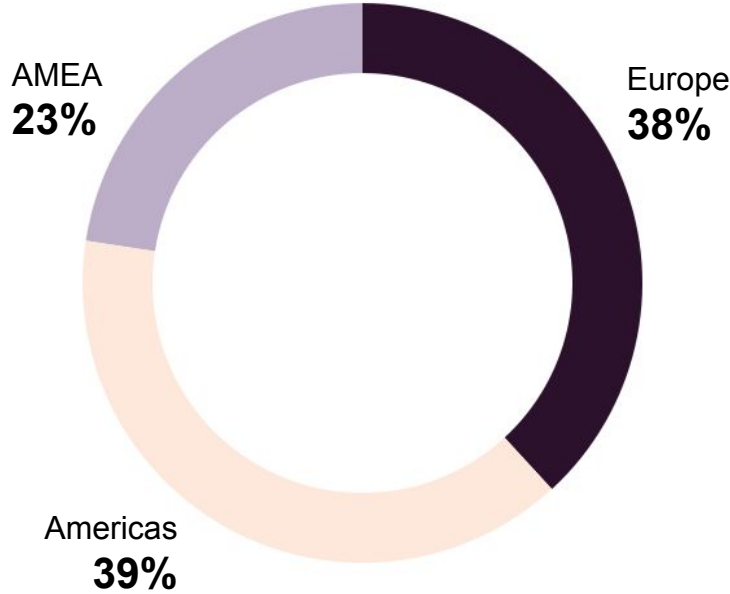
# Slower market activity reflected in sales decline and lower order book

Sales, MEUR



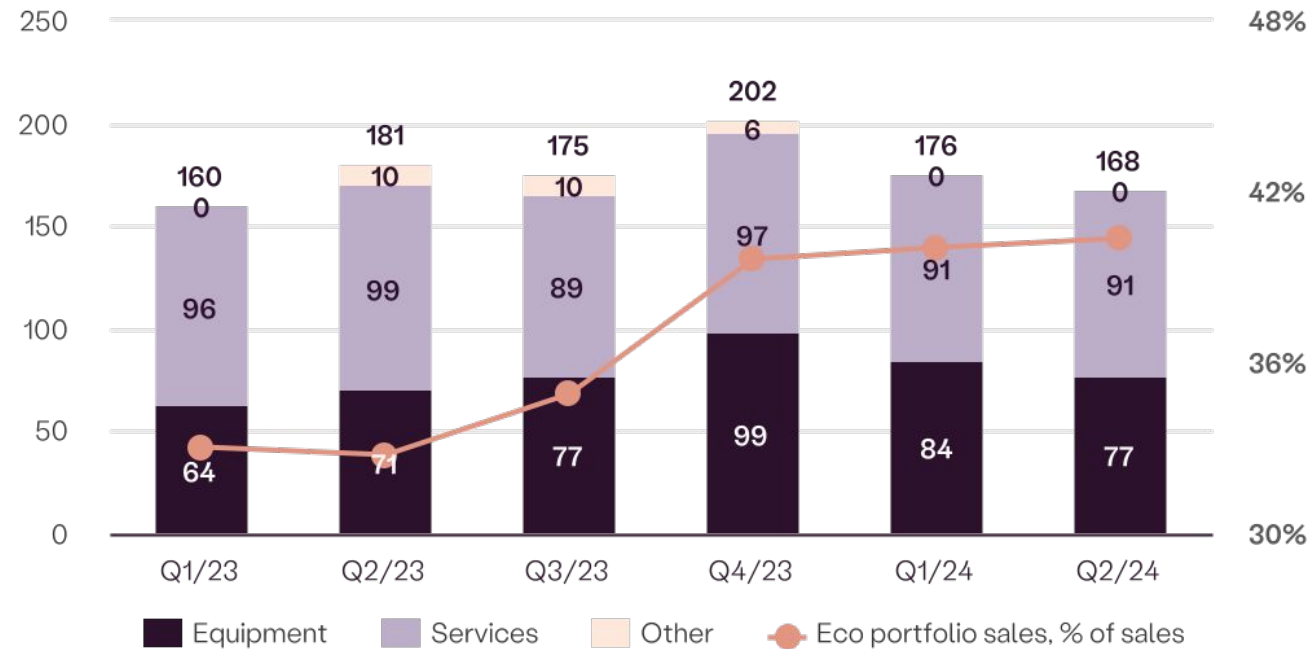
MEUR	Q2/24	Q2/23	Change
Sales	417	552	-25%

Sales by region, Q2/24



# Share of eco portfolio sales continued to increase

Eco portfolio sales, MEUR



MEUR	Q2/24	Q2/23	Change
Eco portfolio sales, MEUR	168	181	-7%
% of total sales	40%	33%	

- 40% of our total sales was attributed to our eco portfolio, underscoring our commitment to sustainable innovation
- Customers' interest in electrification provides good opportunities for growth

# Good business performance in both segments in Q2

## Equipment

## Services

Orders received:  
**238 MEUR**

Orders received:  
**137 MEUR**

Order book<sup>1</sup>:  
**809 MEUR**

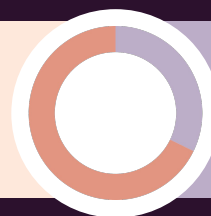
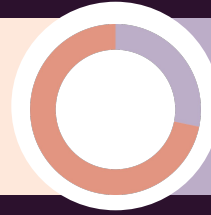
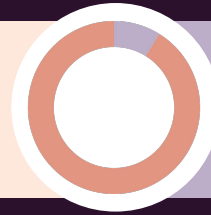
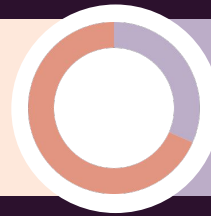
Order book<sup>1</sup>:  
**110 MEUR**

Sales:  
**279 MEUR**

Sales:  
**139 MEUR**

Comparable OP:  
**36.4 MEUR/13.1%**

Comparable OP:  
**24.0 MEUR/17.3%**



Other not included.

Q2/2024 carve-out figures unless otherwise mentioned.

<sup>1</sup>Actual 30 June 2024

# Investment highlights – Making every move count



**People with unique industry experience driving innovation and excellence**

**01** Global leader in an attractive market for mission-critical heavy material handling



**02** Partnering long-term with our customers to deliver a stronger impact

**03** Geared to grow by making the industry more electrified, intelligent and sustainable



**04** Significant services growth upside from large installed base and innovation-enabled offering

**05** Driving excellence to target best-in-class commercial performance and cost efficiency



**06** Significant sales growth and profitability potential enabled by strong financial profile

# Appendix

# Key figures

MEUR	Q2/24 Carve-out	Q2/23 Carve-out	Change	Q1-Q2/24 Carve-out	Q1-Q2/23 Carve-out	Change	2023 Carve-out
Orders received	375	437	-14%	777	908	-14%	1,705
Order book, end of period	925	1,281	-28%	925	1,281	-28%	1,024
Sales	417	552	-25%	856	1,037	-17%	2,050
Eco portfolio sales	168	181	-7%	344	341	1%	718
Eco portfolio sales, % of sales	40%	33%		40%	33%		35%
Operating profit	35.9	71.6	-50%	81.6	127.5	-36%	240.2
Operating profit, %	8.6%	13.0%		9.5 %	12.3%		11.7%
Comparable operating profit	52.3	71.6	-27%	106.3	127.9	-17%	254.7
Comparable operating profit, %	12.6%	13.0%		12.4%	12.3%		12.4%
Profit before taxes	39.7	71.4	-44%	87.5	127.0	-31%	241.5
Cash flow from operations before finance items and taxes	11.3	-1.5	> 100%	113.0	-3.5	> 100 %	256.8
Profit for the period	31.2	55.8	-44%	64.7	100.7	-36%	193.8
Basic earnings per share, EUR*	0.49	0.87	-44%	1.01	1.57	-36%	3.01
Interest-bearing net debt, end of period	157	-173	> 100%	157	-173	> 100%	-123
Gearing, %	27.3%	n/a		27.3%	n/a		n/a
Interest-bearing net debt / EBITDA**	0.6	n/a		0.6	n/a		n/a
Return on capital employed (ROCE), last 12 months, %	20.2%	22.7%		20.2%	22.7%		24.4%
Personnel, end of period	5,198	5,170	1%	5,198	5,170	1%	4,991

\* Based on the number of shares upon listing of Kalmar Corporation on 1 July 2024

\*\* Last 12 months' EBITDA

Basic earnings per share is calculated based on the number of shares upon listing of Kalmar Corporation on 1 July 2024 for all periods presented. Gearing, % and interest bearing net debt / EBITDA are presented only for 30 June 2024 information as the previous periods with carve-out information do not reflect the capital structure and financing of Kalmar Group.



# Attractive & strong financial profile

## Q2/2024 LTM key financial figures

**€1,574** MEUR

Orders received

**€925** MEUR

Order book<sup>1</sup>

(at 30 June 2024)

**25.5%**

Gross profit

**12.5%**

Comparable  
operating profit  
margin

**€1,868** MEUR

Sales

**0.6x**

Leverage

(interest bearing net debt<sup>1</sup> /  
EBITDA)

**20.2%**

Return on capital  
employed<sup>1</sup>

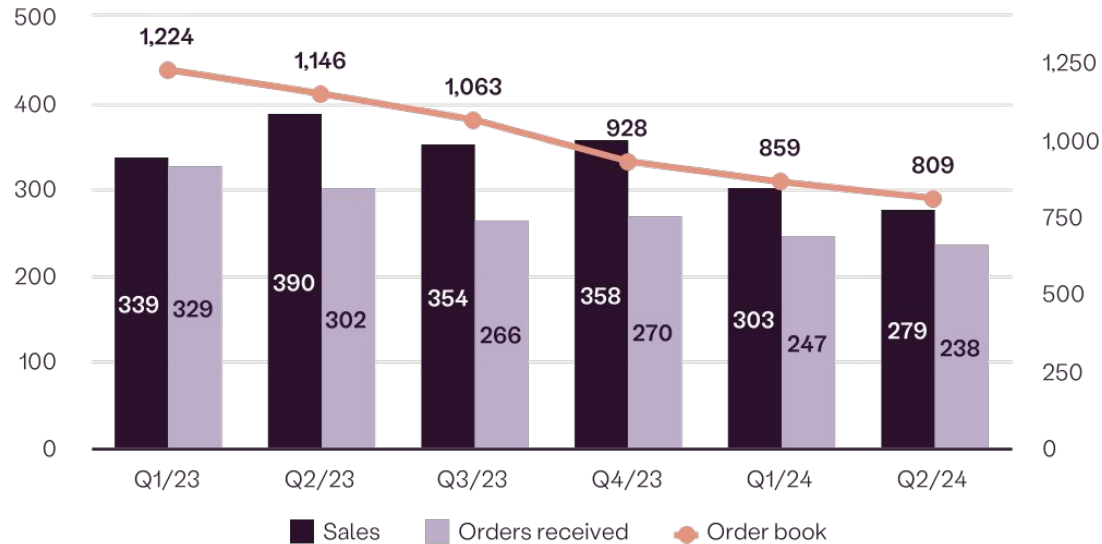
**148%**

Cash conversion

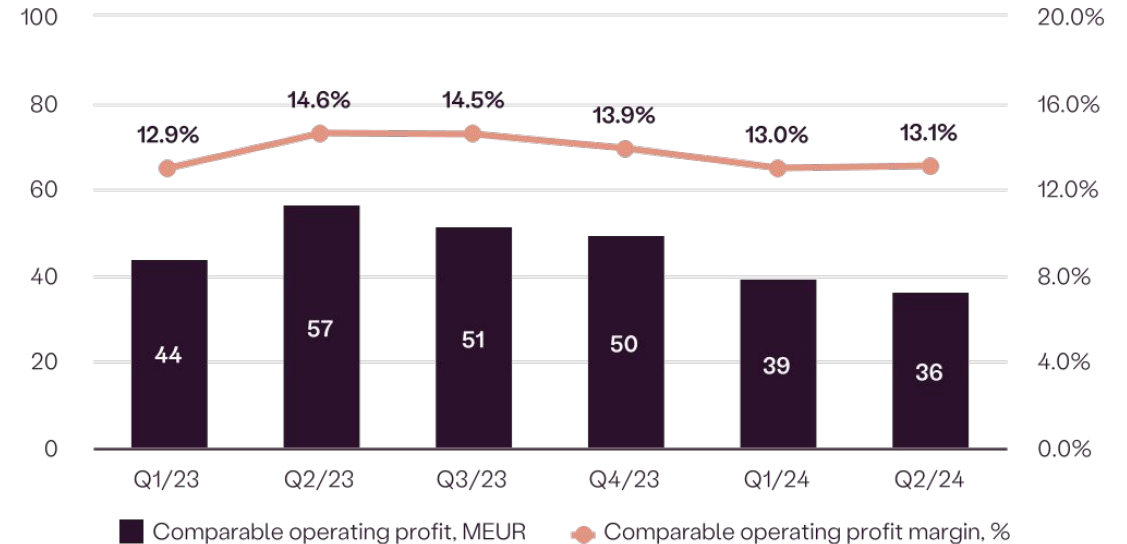
(operating cash flow before finance  
items and taxes / EBITDA)

# Lower order book visible in equipment sales

Equipment; Sales, orders received, order book, MEUR



Equipment; Comparable operating profit, MEUR and %

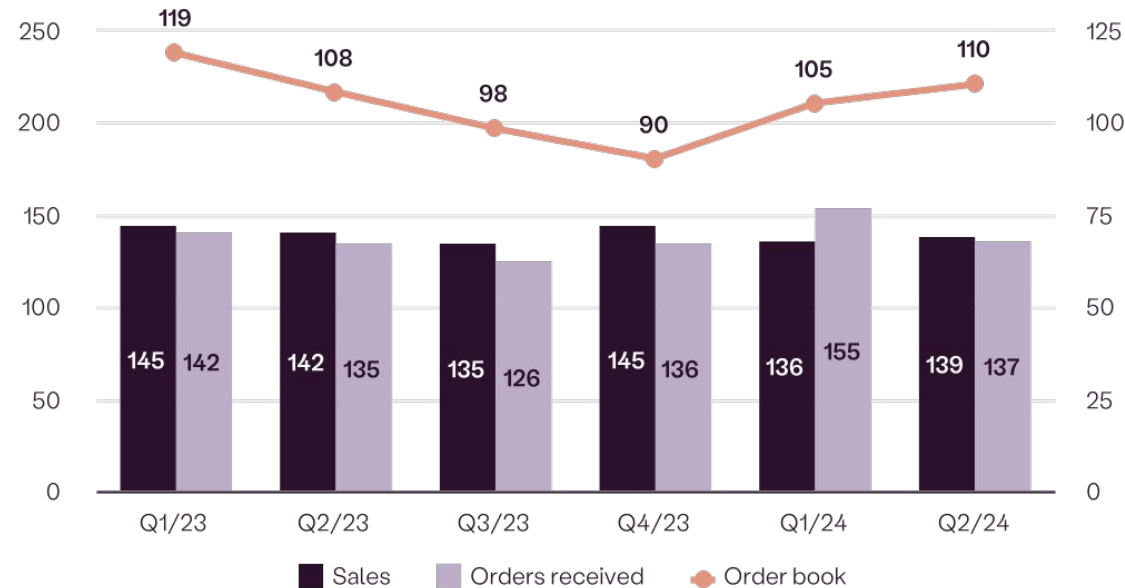


MEUR	Q2/24	Q2/23	Change
Orders received	238	302	-21%
Order book	809	1,146	-29%
Sales	279	390	-28%
Comp. OP	36.4	56.8	-36%
% of sales	13.1%	14.6%	

- Fully electric equipment contributed to 14% of the orders received in Q2/2024
- Profitability remained strong despite lower sales due to successful commercial performance as well as cost savings actions executed

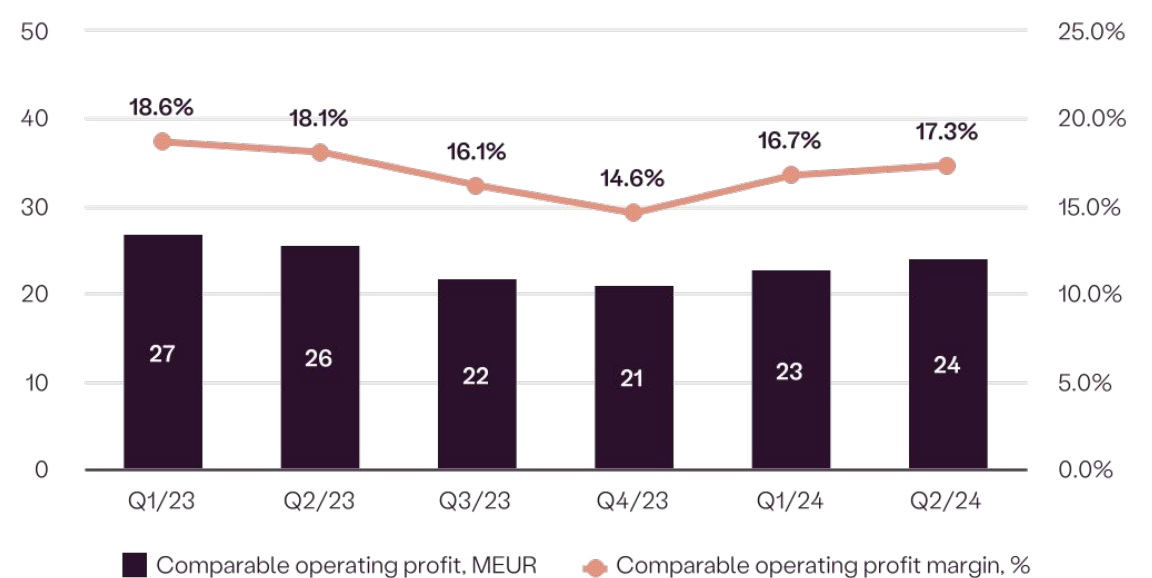
# Services sales stable

Services; Sales, orders received, order book, MEUR



MEUR	Q2/24	Q2/23	Change
Orders received	137	135	2%
Order book	110	108	2%
Sales	139	142	-2%
Comp. OP	24.0	25.6	-6%
% of sales	17.3%	18.1%	

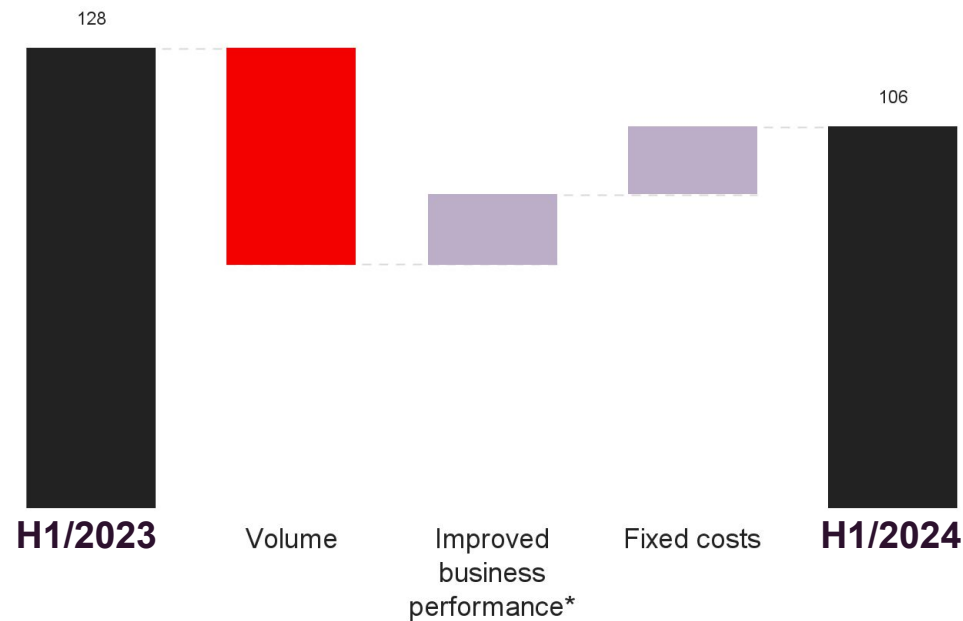
Services; Comparable operating profit, MEUR and %



- Services profitability has grown steadily, currently presenting a solid profitability with opportunities for continued improvement

# Resilient performance driving solid profitability despite lower sales volumes

Comparable operating profit bridge, amounts in MEUR

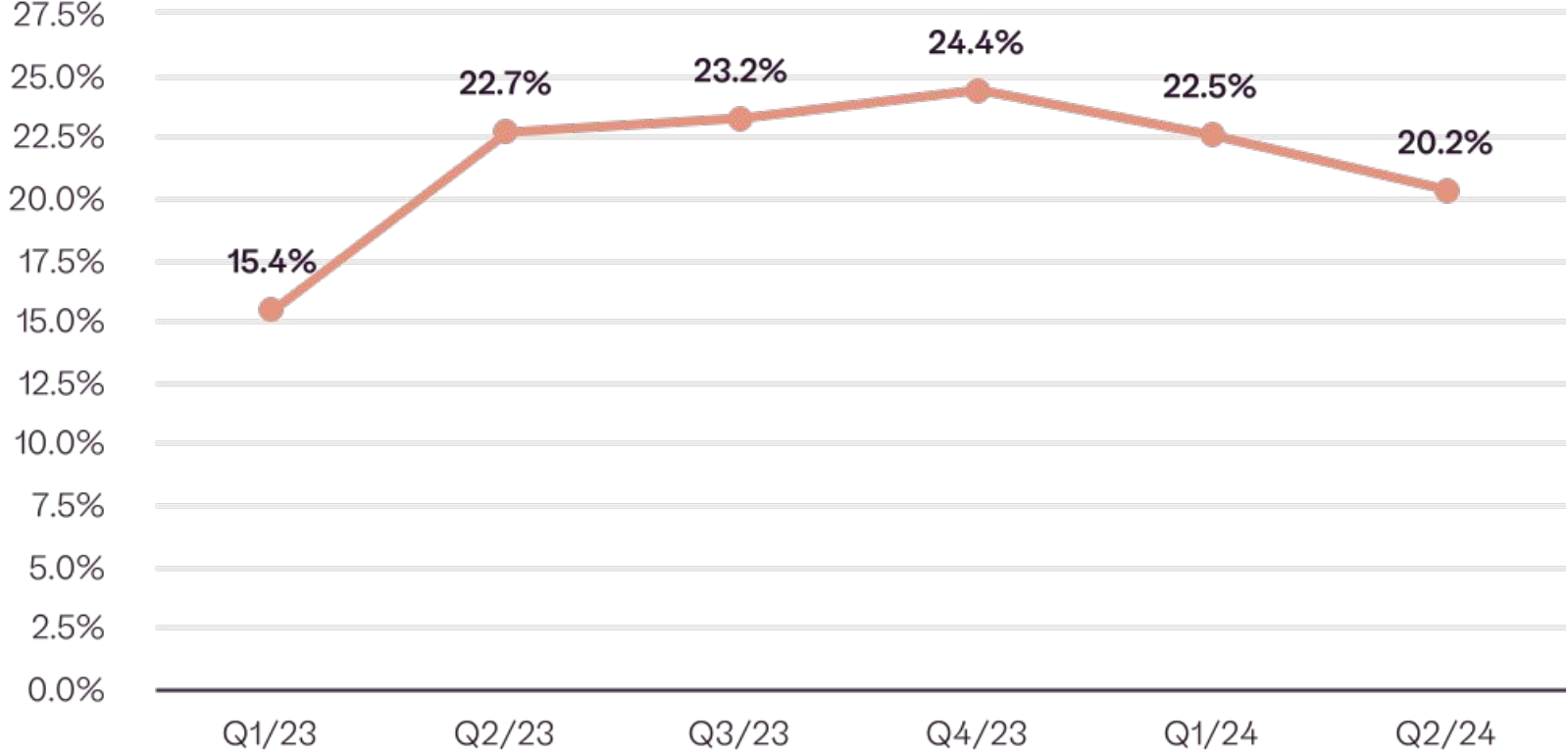


- In line with the previously communicated 30 meur annual cost savings, approximately 20 meur are visible in H1/2024 fixed overhead and production costs.

\*Improved business performance includes e.g. improvement in the sales mix, price management and direct costs

# Kalmar's return on capital employed enables long-term growth

Return on capital employed (ROCE, last 12 months)



# Balance sheet key items

MEUR	31 Dec 2021 carve-out	31 Dec 2022 carve-out	31 Dec 2023 carve-out	30 Jun 2023 carve-out	30 Jun 2024
Total current assets	1,121	1,266	1,190	1,352	1,081
<i>o/w Cash</i>	103	100	83	77	249
<i>o/w Net Working Capital</i>	62	62	92	217	89
Total non-current assets	638	639	656	630	653
<b>Total Assets</b>	<b>1,760</b>	<b>1,905</b>	<b>1,846</b>	1,982	1,734
Invested Equity	776	853	818	976	575
Total non-current liabilities	198	181	243	196	489
Total current liabilities	786	871	785	811	670
<b>Total Invested Equity and Liabilities</b>	<b>1,760</b>	<b>1,905</b>	<b>1,846</b>	1,982	1,846
<b>Net Indebtedness</b>	-	-	-	-	157
<i>x Leverage</i>	-	-	-	-	0.6x
Gearing, %	-	-	-	-	27.3%

# Cash flow key items

MEUR	2021 carve-out	2022 carve-out	2023 carve-out	Q2 2023 carve-out	Q2 2024 carve-out
<b>Capital Expenditure</b>	<b>38</b>	<b>60</b>	<b>82</b>	<b>16</b>	<b>19</b>
<i>% Sales</i>	2.5%	3.1%	4.0%	2.8%	4.6%
<b>Change in Working Capital</b>	<b>-42</b>	<b>12</b>	<b>-32</b>	<b>-85</b>	<b>-39</b>
<i>% Change in Sales</i>	-2.8%	0.6%	-1.5%	-15.4%	-9.4%
<b>Cash Flow from Operations Before Finance Items and Taxes</b>	<b>88</b>	<b>178</b>	<b>257</b>	<b>-1.5</b>	<b>11.3</b>
<b>Net cash flow from operating activities</b>	<b>73</b>	<b>162</b>	<b>221</b>	<b>-16.3</b>	<b>0.9</b>
<i>% Cash Conversion<sup>1</sup></i>	-	-	86%		148%

<sup>1</sup> Cash Conversion defined as Cash Flow from Operations Before Finance Items and Taxes over EBITDA, last 12 months

# Outlook for 2024 unchanged

As published on 1 July 2024, Kalmar's comparable operating profit margin as a standalone company is estimated to be above 11 percent in 2024.





**Making every move count.**