CARGOTEC'S INTERIM REPORT

JANUARY–SEPTEMBER 2024

SEVENTH QUARTER IN A ROW WITH GOOD AND STABLE RESULTS

CARGOTEC

CARGOTEC

Cargotec's interim report January-September 2024: Seventh quarter in a row with good and stable results

- Orders received increased in Hiab and MacGregor
- Strong profitability and cash flow
- Sales process of MacGregor progressing according to plan
- Outlook specified for Hiab and MacGregor

Unless otherwise stated, the financial information in this report concerns Cargotec's continuing operations.

July–September 2024 in brief: Orders received increased

- Orders received increased by 14 percent and totalled EUR 597 (522) million.
- Order book amounted to EUR 1,691 (31 Dec 2023: 1,788) million at the end of the period.
- Sales decreased by 1 percent and totalled EUR 590 (598) million.
- Service sales remained at previous year's level and totalled EUR 197 (197) million.
- Service sales represented 33 (33) percent of consolidated sales.
- Eco portfolio sales decreased by 10 percent and totalled EUR 172 (192) million.
- Eco portfolio sales represented 29 (32) percent of consolidated sales.
- Operating profit was EUR 67 (77) million, representing 11.4 (12.8) percent of sales. The operating profit includes items affecting comparability worth EUR -2 (16) million.
- Comparable operating profit increased by 14 percent and amounted to EUR 70 (61) million, representing 11.8 (10.2) percent of sales.
- Profit for the period amounted to EUR 51 (62) million.
- Basic earnings per share was EUR 0.79 (0.97).
- Cash flow from operations before finance items and taxes totalled EUR 148 (184) million.[1]

January–September 2024 in brief: Comparable operating profit increased

- Orders received increased by 10 percent and totalled EUR 1,833 (1,672) million.
- Order book amounted to EUR 1,691 (31 Dec 2023: 1,788) million at the end of the period.
- Sales remained at previous year's level and totalled EUR 1,833 (1,835) million.
- Service sales increased by 3 percent and totalled EUR 616 (598) million.
- Service sales represented 34 (33) percent of consolidated sales.
- Eco portfolio sales decreased by 10 percent and totalled EUR 535 (594) million.
- Eco portfolio sales represented 29 (32) percent of consolidated sales.
- Operating profit was EUR 189 (197) million, representing 10.3 (10.7) percent of sales. The operating profit includes items affecting comparability worth EUR -34 (6) million, which were mainly related to MacGregor's settlement with a monopile installation vessel project customer.
- Comparable operating profit increased by 17 percent and amounted to EUR 223 (191) million, representing 12.2 (10.4) percent of sales.
- Profit for the period amounted to EUR 129 (141) million.
- Basic earnings per share was EUR 2.00 (2.19).
- Cash flow from operations before finance items and taxes totalled EUR 411 (252) million.[1]

[1] Includes discontinued operations

Outlook for 2024 specified

Cargotec estimates[2] Hiab's comparable operating profit margin in 2024 to be above 14.0 percent and MacGregor's comparable operating profit in 2024 to be above EUR 65 million.

In its outlook specified on 8 August 2024, Cargotec estimated Hiab's comparable operating profit margin in 2024 to be above 13.5 percent and MacGregor's comparable operating profit in 2024 to be above EUR 55 million.

Cargotec updated its reporting structure due to the partial demerger starting from the second quarter 2024

The completion of the partial demerger of Cargotec Corporation and the incorporation of a new Kalmar Corporation was registered in the Finnish Trade Register on 30 June 2024. As a result of the partial demerger, Cargotec updated its segment reporting. The new reporting structure was used in the half-year financial report January–June 2024 for the first time. From 30 June 2024 onwards Cargotec has two reporting segments, Hiab and MacGregor. The Kalmar segment was removed.

To provide a basis for comparison, Cargotec published on 3 July 2024 its reclassified financial information of reportable segments and Corporate administration and support functions for all quarters of 2023 and the first quarter of 2024 separately, as well as for the full year 2023. Corporate administration and support functions now reflect continuing operations while Hiab and MacGregor financial information remained unchanged.

The reclassified financial information is unaudited.

[2] The business area 2024 profitability outlook is presented using the same principles which are applied in the 2023 external financial reporting.

Cargotec's key figures

MEUR	Q3/24	Q3/23	Change	Q1–Q3/24	Q1–Q3/23	Change	2023
Orders received	597	522	14%	1,833	1,672	10%	2,282
Service orders received	193	183	6%	602	592	2%	787
Order book, end of period	1,691	1,894	-11%	1,691	1,894	-11%	1,788
Sales	590	598	-1%	1,833	1,835	0%	2,519
Service sales	197	197	0%	616	598	3%	806
Service sales, % of sales	33%	33%		34%	33%		32%
Eco portfolio sales	172	192	-10%	535	594	-10%	797
Eco portfolio sales, % of sales	29%	32%		29%	32%		32%
Operating profit	67.1	76.7	-12%	188.8	197.0	-4%	236.0
Operating profit, %	11.4%	12.8%		10.3%	10.7%		9.4%
Comparable operating profit	69.6	60.9	14%	222.9	191.2	17%	236.7
Comparable operating profit, %	11.8%	10.2%		12.2%	10.4%		9.4%
Profit before taxes	64.3	73.9	-13%	183.9	183.3	0%	219.5
Profit for the period	50.9	62.2	-18%	129.1	140.7	-8%	162.4
Basic earnings per share, EUR	0.79	0.97	-18%	2.00	2.19	-8%	2.49
Personnel, end of period*	6,090	6,600	-8%	6,090	6,600	-8%	6,400

*Comparative information has been adjusted.

Cargotec's key figures*

Among the below presented key figures, statement of income related components and operating cash flow before financing items and taxes include both continuing and discontinued operations in all presented periods. The key figures including components from the balance sheet (interest-bearing net debt at the end of the period, gearing, return on capital employed) include discontinued operations in all presented periods, except months starting from June 2024.

MEUR	Q3/24	Q3/23	Change	Q1–Q3/24	Q1–Q3/23	Change	2023
Cash flow from operations before finance items and taxes	147.6	184.4	-20%	410.5	252.1	63%	544
Interest-bearing net debt, end of period	-64	406	< -100%	-64	406	< -100%	179
Gearing, %	-5.3%	24.2%		-5.3%	24.2%		10.2%
Interest-bearing net debt / EBITDA**	-0.1	0.7		-0.1	0.7		0.3
Return on capital employed (ROCE), last 12 months, %	18.9%	14.8%		18.9%	14.8%		19.9%

*Due to Kalmar business area's classification as discontinued operations, suspended depreciation and amortisation starting from 1 February 2024 had a positive EUR 17.9 million impact on the presented result figures before taxes and EUR 13.4 million positive impact on the result after taxes. Comparative information is not restated accordingly.

**Last 12 months' EBITDA

Cargotec's President and CEO Casimir Lindholm: Seventh quarter in a row with good and stable results

The third quarter was the seventh quarter in a row with good and stable results for Cargotec. Operational performance remained solid and there were no significant changes in the market environment which remained mixed. Expectations on lower interest rates and uncertainty in some of Hiab's key geographies and industries continued to delay customer decision making. On the other hand, MacGregor continued to benefit from the strong ship building cycle.

Taking a look at our financial performance, Cargotec's orders received in the third quarter increased, driven by both businesses and totalled EUR 597 million. Cargotec's consolidated order book declined from the comparison period as Hiab's order book has gradually been returning to a more normal level. Sales amounted to EUR 590 million. The decrease in Hiab's sales was offset by increased sales in MacGregor. Our comparable operating profit increased by 14 percent to EUR 70 million or 11.8 percent of sales. Once again, cash flow from operations before finance items and taxes was very strong, driven by good profitability and reduction in net working capital and totalled EUR 148 million. For the first time in Cargotec's history, we have a net cash position.

In Hiab, the demand has remained on a stable level since the fourth quarter of 2022. Delayed decision making continued due to expectations on lower interest rates and market uncertainty. However, we were able to book some larger key account orders which were postponed from the second quarter, boosting Hiab's orders received to increase by 16 percent from the comparison period to EUR 361 million. Hiab's sales decreased by 8 percent to EUR 388 million. Share of service sales increased to 29 percent of Hiab's sales and amounted to EUR 112 million. Despite lower sales, Hiab's profitability remained on a good level and the comparable operating profit amounted to EUR 59 million, corresponding to 15.3 percent of sales. Hiab's comparable operating profit was supported by successful management of inflationary pressures as well as sourcing and supply chain actions.

In MacGregor, the strong performance in merchant and service businesses continued. Orders received increased by 12 percent to EUR 236 million, driven by continued strong momentum in the ship building market. MacGregor's order book continued to increase and amounted to EUR 1,055 million. The order book gives good visibility for the coming years as, due to the limited shipyard capacity, approximately 40 percent of the order book is scheduled to be delivered in 2026 or later. MacGregor's sales increased by 13 percent to EUR 203 million, driven by merchant business. Due to higher sales and supported by lower losses from the offshore projects, MacGregor's comparable operating profit improved yet again against the comparison period, reaching EUR 20 million or 9.6 percent of sales.

Following the strong third quarter performance in both divisions, we specified our outlook for 2024. Cargotec now estimates Hiab's comparable operating profit margin in 2024 to be above 14.0 percent and MacGregor's comparable operating profit in 2024 to be above EUR 65 million. In the outlook specified in August, we estimated Hiab's comparable operating margin to be above 13.5 percent and MacGregor's comparable operating profit to be above EUR 55 million.

We announced in May that we had started the sales process of MacGregor, aiming to find a solution in 2024. The process has progressed according to plan and after good developments in October we target signing the deal before the year end. We are currently carving out MacGregor from Cargotec and building standalone capabilities for the business. We have also continued to prepare Hiab for its standalone future. During the third quarter, we also successfully completed the final part of the Kalmar separation in just 16 months from the demerger announcement.

Reporting segments' key figures

Orders received

MEUR	Q3/24	Q3/23	Change	Q1–Q3/24	Q1–Q3/23	Change	2023
Hiab	361	311	16%	1,095	1,065	3%	1,466
MacGregor	236	211	12%	738	606	22%	816
Internal orders	0	0		0	0		0
Total	**597**	**522**	**14%**	**1,833**	**1,672**	**10%**	**2,282**

Order book

MEUR	30 Sep 2024	31 Dec 2023	Change
Hiab	636	799	-20%
MacGregor	1,055	988	7%
Internal order book	0	1	
Total	**1,691**	**1,788**	**-5%**

Sales

MEUR	Q3/24	Q3/23	Change	Q1–Q3/24	Q1–Q3/23	Change	2023
Hiab	388	420	-8%	1,235	1,336	-8%	1,787
MacGregor	203	179	13%	598	499	20%	733
Internal sales	0	0		0	0		0
Total	**590**	**598**	**-1%**	**1,833**	**1,835**	**0%**	**2,519**

Operating profit

MEUR	Q3/24	Q3/23	Change	Q1–Q3/24	Q1–Q3/23	Change	2023
Hiab	59.3	61.5	-4%	196.8	204.4	-4%	252.1
MacGregor	19.4	24.3	-20%	21.8	25.2	-13%	31.8
Corporate administration and support functions	-11.6	-9.2	-27%	-29.8	-32.6	9%	-48.0
Total	**67.1**	**76.7**	**-12%**	**188.8**	**197.0**	**-4%**	**236.0**

Comparable operating profit

MEUR	Q3/24	Q3/23	Change	Q1–Q3/24	Q1–Q3/23	Change	2023
Hiab	59.3	61.5	-4%	196.8	204.3	-4%	252.1
MacGregor	19.5	8.5	> 100%	53.0	19.5	> 100%	32.6
Corporate administration and support functions	-9.3	-9.2	-1%	-26.9	-32.6	17%	-48.0
Total	**69.6**	**60.9**	**14%**	**222.9**	**191.2**	**17%**	**236.7**

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 of Cargotec Casimir Lindholm, CFO Mikko Puolakka and President of Hiab Scott Phillips. The presentation material will be available at 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=50049133. 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.

The event can also be viewed as a live webcast at https://cargotec.videosync.fi/q3-2024. 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.

Please 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’s (Nasdaq Helsinki: CGCBV) businesses Hiab and MacGregor enable smarter cargo flow for a better everyday with leading cargo handling solutions and services. Hiab is a leading provider of smart and sustainable on road load-handling solutions, committed to delivering the best customer experience every day with the most engaged people and partners. MacGregor is a leader in sustainable maritime cargo and load handling with a strong portfolio of products, services and solutions. Cargotec's sales in 2023 totalled approximately EUR 2.5 billion and it employs over 6,000 people. www.cargotec.com

Cargotec's interim report January–September 2024

The interim 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

The business environment in which Cargotec operates is complex, stemming from high interest rates and inflation, growing geopolitical tensions, and sluggish growth estimates. However, the global economy has remained remarkably resilient and the shipping market is in a strong cycle.

Demand for Hiab's solutions is influenced by general economic growth, construction market development and truck sales, among others. Inflation, high interest rates and political instabilities continue to cause challenges. Decrease in interest rates, easing inflation and overall enhancing economic outlook may boost the customer investment activity, but timing remains uncertain as customers likely still prolong investments expecting more rate cuts in the future.

According to the International Monetary Fund's (IMF) world economic outlook update published in July 2024, the global economy is projected to grow by 3.2 percent in 2024 and by 3.3 percent in 2025. In the IMF's advanced economies group (a group of countries which includes several key markets for Hiab, such as the United States, the United Kingdom and Germany), the IMF estimates a 1.7 percent growth in 2024 and a 1.8 percent growth in 2025. The report notes that services inflation, linked to both wages and prices, is hindering the disinflation progress and making the normalisation of monetary policy more difficult.[3]

The demand for MacGregor's solutions is driven by merchant ship and offshore newbuilding contracting at shipyards, which has been strong recently. By the end of the third quarter, the new ship orders amounted to 1,723 (Q1–Q3/2023: 1,206), including 119 mobile offshore units. In September 2024, Clarksons Research upgraded their contracting forecast by 17 percent from 1,879 to 2,203 for FY 2024 (FY 2023: 2,221 as per 1 October 2024).[4] In the merchant segment, the newbuilding demand surged in Q3, especially for container ships driven by a strong market, fleet renewal plans and securing shipbuilding slots. In offshore, contracting remains moderate with wind energy being the demand driver, but oil & gas is also picking up. Environmental regulations and ageing fleets are estimated to increase demand for services and fleet upgrades.

The shipping market is in a continued strong market cycle with high earnings. Geopolitical disruptions, for example, are driving robust shipping capacity demand growth, along with improving seaborne trade volumes. A tight supply-demand balance has increased freight rates and ship owner earnings are above the ten-year average. However, shipyard capacity is a limiting factor for sector growth and newbuild prices are approaching a record-high level.

[3] International Monetary Fund: World Economic Outlook Update, July 2024
[4] Clarkson Research, September & October 2024

Financial performance

Orders received and order book

MEUR	Q3/24	Q3/23	Change	Q1–Q3/24	Q1–Q3/23	Change	2023
Orders received	597	522	14%	1,833	1,672	10%	2,282
Service orders received	193	183	6%	602	592	2%	787
Order book, end of period	1,691	1,894	-11%	1,691	1,894	-11%	1,788

In the third quarter of 2024, orders received increased by 14 percent from the comparison period and totalled EUR 597 (522) million. Orders received increased in both Hiab and MacGregor. Service orders received increased by 6 percent and totalled EUR 193 (183) million.

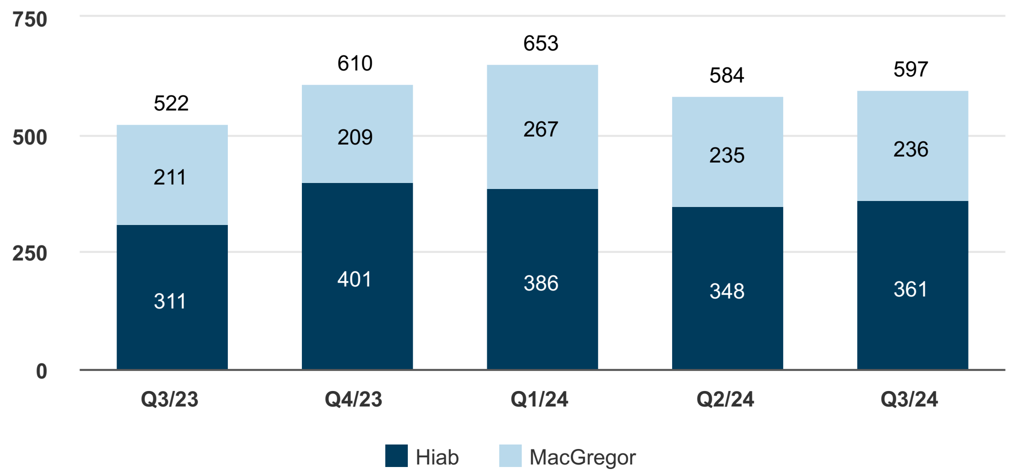
Orders received increased in January–September by 10 percent from the comparison period and totalled EUR 1,833 (1,672) million. Orders received increased in both Hiab and MacGregor. Service orders received increased by 2 percent and totalled EUR 602 (592) million.

The order book decreased by 5 percent from the end of 2023, and at the end of the third quarter it totalled EUR 1,691 (31 Dec 2023: 1,788) million. Hiab's order book totalled EUR 636 (799) million, representing 38 (45) percent of the consolidated order book. MacGregor's order book amounted to EUR 1,055 (988) million or 62 (55) percent of the consolidated order book.

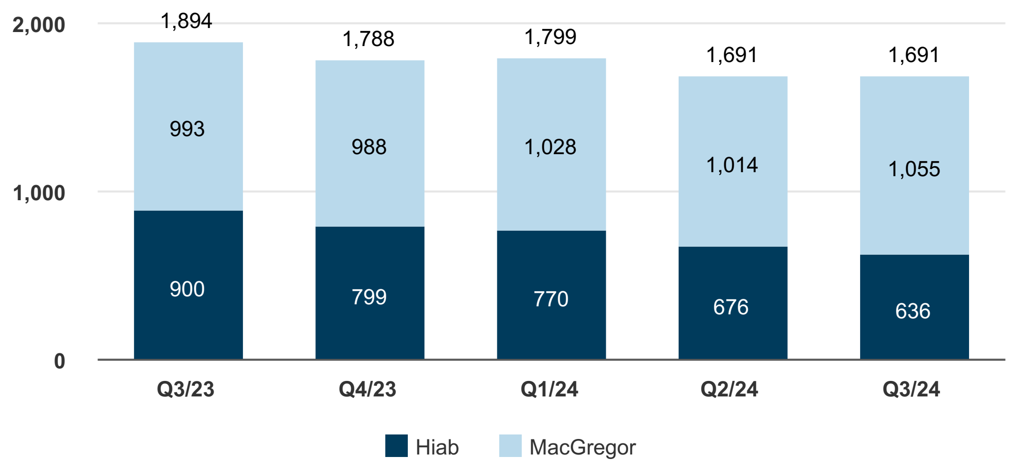
In geographical terms, the share of orders received in the third quarter was 35 (45) percent in EMEA and 33 (25) percent in the Americas. Asia-Pacific's share of orders received was 32 (29) percent.

In January–September, the share of orders received was 39 (44) percent in EMEA and 30 (30) in the Americas. Asia-Pacific's share of orders received was 31 (25) percent.

Orders received, MEUR



Order book, MEUR



Sales

MEUR	Q3/24	Q3/23	Change	Q1–Q3/24	Q1–Q3/23	Change	2023
Sales	590	598	-1%	1,833	1,835	0%	2,519
Service sales	197	197	0%	616	598	3%	806
Eco portfolio sales	172	192	-10%	535	594	-10%	797

In the third quarter of 2024, sales decreased from the comparison period by 1 percent and amounted to EUR 590 (598) million. Sales decreased in Hiab and increased in MacGregor. Service sales remained at the comparison period's level and totalled EUR 197 (197) million, representing 33 (33) percent of consolidated sales.

Sales in January–September remained at the comparison period level and amounted to EUR 1,833 (1,835) million. Sales decreased in Hiab and increased in MacGregor. Service sales increased by 3 percent from the comparison period and totalled EUR 616 (598) million, representing 34 (33) percent of consolidated sales.

During the second quarter, MacGregor settled a customer dispute related to one and only monopile installation vessel project. The settlement and closing of the project had an approximately EUR 39 million negative impact on MacGregor's January–September 2024 sales.

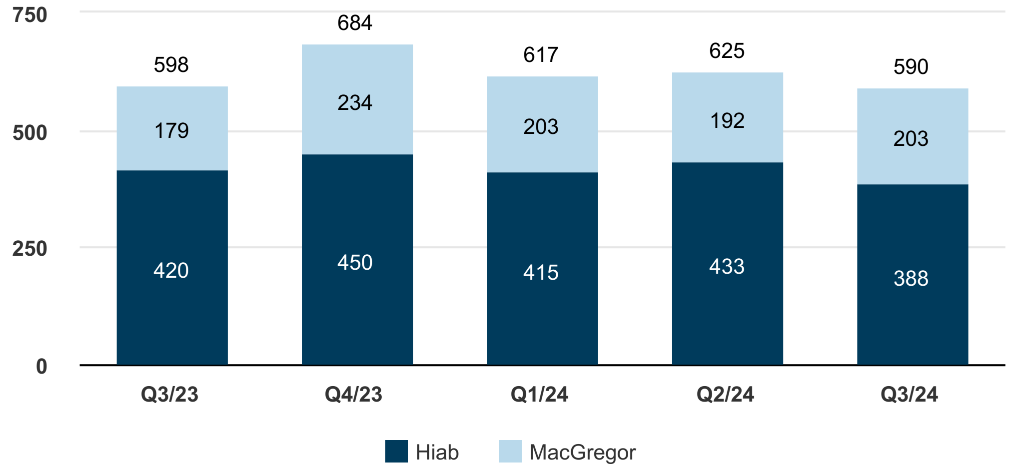
In the third quarter, eco portfolio sales decreased by 10 percent and amounted to EUR 172 (192) million, representing 29 (32) percent of consolidated sales. Eco portfolio sales decreased in the climate solutions category and increased in the circular solutions category. Eco portfolio sales decreased in both Hiab and MacGregor. Economic headwinds and high interest rates have been slowing down green transition and negatively impacted eco portfolio sales.

In January–September, eco portfolio sales decreased by 10 percent and totalled EUR 535 (594) million, representing 29 (32) percent of consolidated sales.

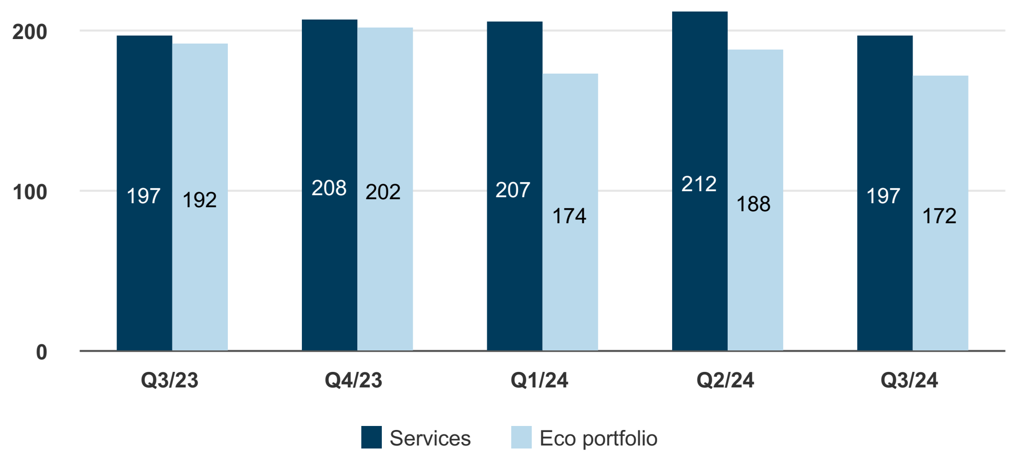
Sales increased in Asia-Pacific and Americas and decreased in EMEA in the third quarter. EMEA's share of consolidated sales was 42 (46) percent, Americas' 34 (32) percent and Asia-Pacific's 24 (22) percent.

In January–September, EMEA's share of consolidated sales was 42 (50) percent, Americas' 33 (31) percent and Asia-Pacific's 25 (19) percent.

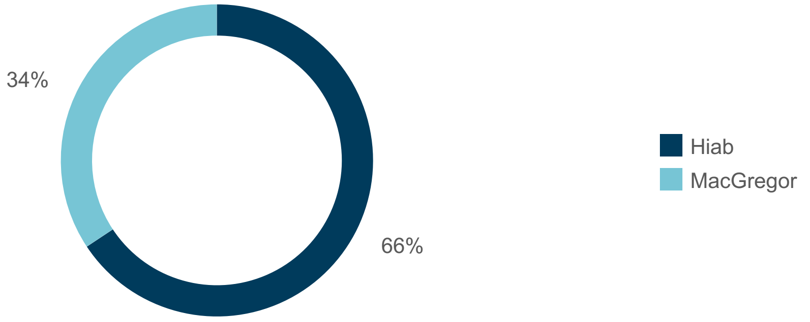
Sales, MEUR



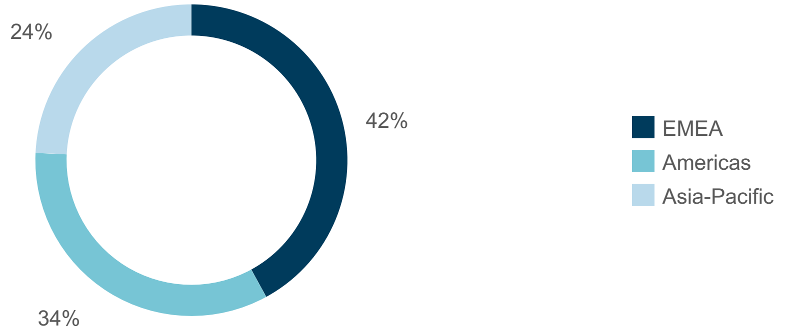
Service and eco portfolio sales, MEUR



Sales by business area Q3/2024, %



Sales by geographical area Q3/2024, %



Financial result

Operating profit and comparable operating profit

MEUR	Q3/24	Q3/23	Change	Q1–Q3/24	Q1–Q3/23	Change	2023
Operating profit	67.1	76.7	-12%	188.8	197.0	-4%	236.0
Operating profit, %	11.4%	12.8%		10.3%	10.7%		9.4%
Comparable operating profit	69.6	60.9	14%	222.9	191.2	17%	236.7
Comparable operating profit, %	11.8%	10.2%		12.2%	10.4%		9.4%

Operating profit for the third quarter totalled EUR 67 (77) million. The operating profit includes items affecting comparability worth EUR -2 (16) million.

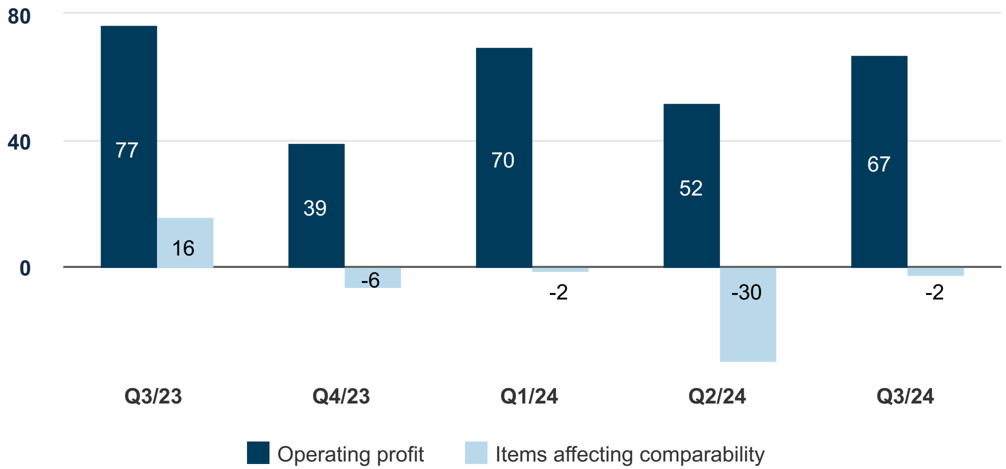
Operating profit in January–September totalled EUR 189 (197) million. Operating profit includes items affecting comparability worth EUR -34 (6) million, the majority of which, EUR -31 (6) million, was related to MacGregor. During the second quarter, MacGregor settled a customer dispute related to a one and only monopile installation vessel project. The settlement and closing of the project had an approximately EUR 29 million negative impact on MacGregor's January–September 2024 operating profit. This impact is reported as items affecting comparability as the settlement is related to a one of its kind pilot project and the product is no longer in MacGregor's sales portfolio. The settlement had a 0.3 percentage point positive impact on Cargotec's January–September comparable operating profit margin due to a reversal of sales related to the project.

Comparable operating profit for the third quarter increased by 14 percent and totalled EUR 70 (61) million, representing 11.8 (10.2) percent of sales. The comparable operating profit increase was driven by MacGregor's improved profitability.

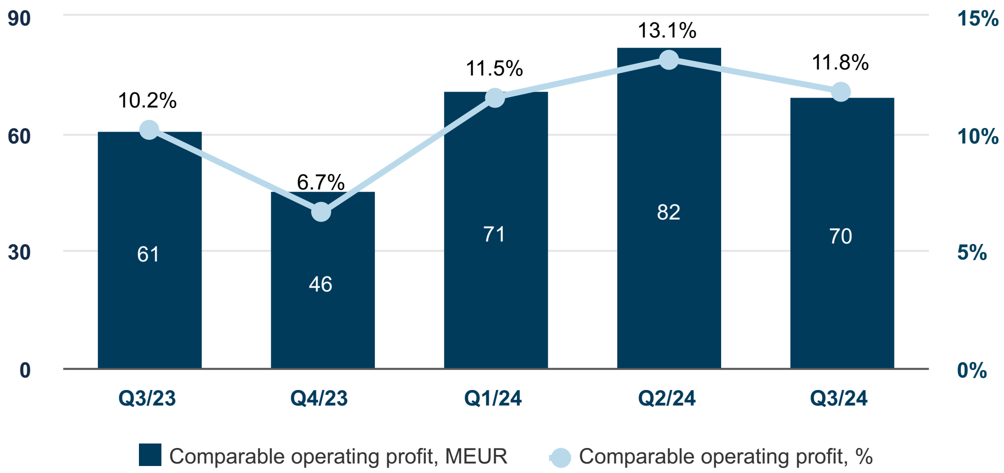
Comparable operating profit in January–September increased by 17 percent and totalled EUR 223 (191) million, representing 12.2 (10.4) percent of sales. The comparable operating profit increase was driven by MacGregor's improved profitability.

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

Operating profit and items affecting comparability, MEUR



Comparable operating profit, MEUR
Comparable operating profit, %



Net finance expenses and net income

Net interest income for interest-bearing debt and assets for the third quarter totalled EUR 1 (interest expense 1) million. Net finance expenses totalled EUR 3 (3) million.

In January–September, net interest income for interest-bearing debt and assets totalled EUR 3 (interest expense 6) million. Net finance expenses totalled EUR 5 (14) million.

Profit for the third quarter totalled EUR 51 (62) million, and basic earnings per share was EUR 0.79 (0.97).

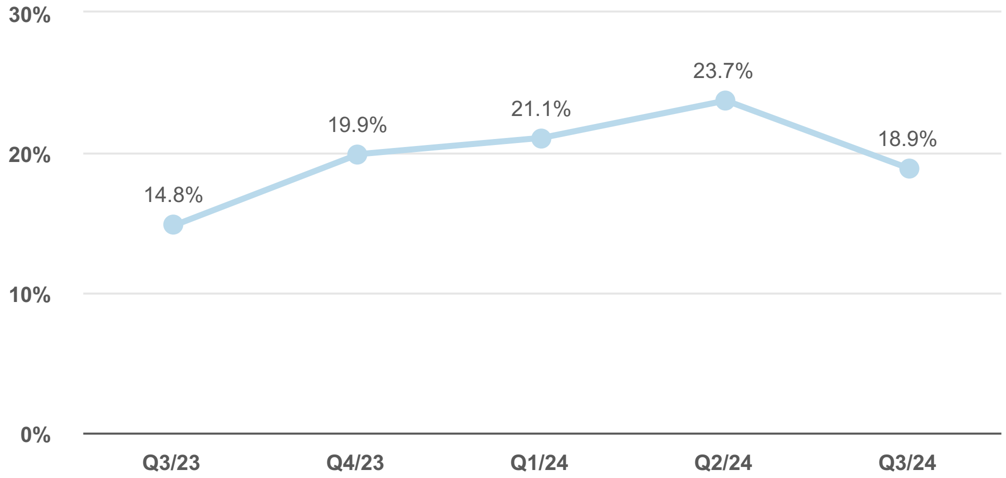
Profit for January–September totalled EUR 129 (141) million, and basic earnings per share was EUR 2.00 (2.19).

Balance sheet, cash flow and financing

In this chapter, the balance sheet comparative periods include continuing and discontinued operations. The consolidated balance sheet total was EUR 2,512 (31 Dec 2023: 4,376) million at the end of the third quarter. Equity attributable to the equity holders of the parent was EUR 1,194 (1,752) million, representing EUR 18.68 (27.25) per share. Property, plant and equipment on the balance sheet amounted to EUR 166 (445) million and intangible assets to EUR 704 (996) million. The decrease was related to the partial demerger of Cargotec Corporation and the incorporation of a new Kalmar Corporation. More information about the partial demerger is available in Note 18, Demerger.

Return on equity (ROE, last 12 months) was 17.3 (31 Dec 2023: 21.2) percent at the end of the third quarter and return on capital employed (ROCE, last 12 months) was 18.9 (19.9) percent. The key figures including components from the balance sheet (interest-bearing net debt at the end of the period, gearing, return on capital employed) include discontinued operations in all presented periods, except months starting from June 2024.

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



Interest-bearing net debt, MEUR, Gearing, %

Cash flow from operating activities before finance items and taxes totalled EUR 411 (252) million during January–September including both continuing and discontinued operations. The increase in cash flow was driven by continued good profitability and lower net working capital.

Cargotec's liquidity position is strong. The liquidity reserves, consisting of cash and cash equivalents and undrawn EUR 330 million long-term committed revolving credit facilities, totalled EUR 767 million on 30 September 2024 (31 Dec 2023: 1,115). In addition to the liquidity reserves, Cargotec had access to a EUR 150 million commercial paper programme, out of which EUR 150 (150) million were undrawn, as well as undrawn bank overdraft facilities, totalling EUR 50 (94) million.

The company's liquidity requirement – repayments of interest-bearing liabilities due within the following 12 months – totalled EUR 129 (159) million, which includes EUR 28 (43) million lease liabilities.

At the end of the third quarter, the interest-bearing debt amounted to EUR 374 (31 Dec 2023: 867) million, of which EUR 98 (178) million was in lease liabilities. Of the interest-bearing debt, EUR 129 (159) million was current and EUR 244 (708) million non-current debt. The average interest rate of interest-bearing liabilities, excluding on-balance sheet lease liabilities, was 1.5 (3.3) percent. Cash and cash equivalents, loans receivable, and other interest-bearing assets totalled EUR 437 (688) million. Interest-bearing net debt totalled EUR -64 (179) million.

At the end of the third quarter, Cargotec's equity to assets ratio was 53.0 (31 Dec 2023: 43.8) percent. Gearing was -5.3 (10.2) percent.

Impacts of currencies and structural changes

	Orders received		Sales	
MEUR	**Q3**	**Q1-Q3**	**Q3**	**Q1-Q3**
2023	**914**	**2,972**	**1,102**	**3,375**
Restatement of Discontinued Operations	-43%	-44%	-46%	-46%
2023 Continuing operations	**522**	**1,672**	**598**	**1,835**
Organic growth in constant currencies, %	16%	11%	0%	1%
Impact of changes in exchange rates, %	0%	0%	0%	0%
Structural changes, %	-1%	-1%	-1%	-1%
Total change, Continuing operations, %	**14%**	**10%**	**-1%**	**0%**
2024	**597**	**1,833**	**590**	**1,833**

In the third quarter of 2024, orders received increased organically in constant currencies by 16 percent. Changes in exchange rates didn't have a significant impact on orders received. Structural changes had a -1 percentage point impact on orders received. In constant currencies, sales remained at the comparison period's level. Changes in exchange rates didn't have a significant impact on sales. Structural changes had a -1 percentage point effect on sales.

In January–September, orders received increased organically in constant currencies by 11 percent. Changes in exchange rates didn't have a significant impact on Cargotec's orders received. Structural changes had a -1 percentage point impact on Cargotec's orders received. In constant currencies, sales increased organically by 1 percent. Changes in exchange rates didn't have a significant impact on Cargotec's sales. Structural changes had a -1 percentage point effect on Cargotec's sales.

Capital expenditure

Capital expenditure excluding acquisitions totalled EUR 41 (39) million in January–September. Depreciation, amortisation and impairment amounted to EUR 43 (44) million. The amount includes impairments worth EUR 0 (2) million.

Acquisitions and divestments in 2024

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

Information regarding the demerger is available on chapter Demerger of Cargotec and in Note 18, Demerger.

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

Operational restructurings

Restructuring costs in the third quarter amounted to EUR 0 (2) million and to EUR 30 (7) million in January–September. Of the January–September restructuring costs, EUR 29 million is related to MacGregor settling a customer dispute related to one and only monopile installation vessel project. The impact of the settlement was reported as items affecting comparability as the settlement is related to a one of its kind pilot project and the product is no longer in MacGregor's sales portfolio. The remaining part of the restructuring costs was related to the restructuring programme in MacGregor. In the fourth quarter, MacGregor continues to adjust its offshore business capacity to match the current demand level. With the restructuring and strengthened project management, Cargotec is continuing to turn around MacGregor's offshore business.

In August 2024, Hiab initiated planning of an efficiency improvement programme to reach approximately EUR 20 million cost savings in 2025. With the efficiency programme, Hiab aims to proactively adjust to continued uncertainty in the market environment. Planning is currently ongoing.

As part of preparing Hiab for its future standalone status, Cargotec is planning to increase Hiab's administrative presence in Finland. This is not estimated to have a significant impact on Cargotec's comparable operating profit.

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

Personnel

Cargotec employed 6,090 (31 Dec 2023: 6,400) people at the end of the third quarter. Hiab employed 3,806 (3,877) people, MacGregor 1,830 (1,853), and corporate administration and support functions 454 (670). The average number of employees during January–September was 6,122 (1–12/2023: 6,544).

Financial targets

Cargotec published new long term financial targets for its Hiab business area on 27 May 2024. Cargotec's Board of Directors has set the following financial targets for Hiab to measure success by 2028:

- Annual sales growth over seven percent over the cycle
- Comparable operating profit 18 percent[5]
- Return on capital employed over 25 percent[6]

In addition to the Hiab-specific long term targets, Cargotec's climate target to reduce greenhouse gas emissions in all three emission scopes by at least 50 percent by 2030 compared to a 2019 baseline remains valid. The target is validated by the Science Based Targets initiative (SBTi). In its planned standalone future after the solution for MacGregor has been found, Cargotec (future Hiab) is planning to publish a new climate target and applying its validation from SBTi.

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

[5] As business area of Cargotec
[6] As business area of Cargotec, operative ROCE defined as (Operating profit / Operative capital employed)

Demerger of Cargotec

The completion of the partial demerger of Cargotec Corporation and the incorporation of a new Kalmar Corporation was registered in the Finnish Trade Register on 30 June 2024. Trading in the Kalmar class B shares on Nasdaq Helsinki commenced on 1 July 2024. Trading in Cargotec's class B shares has continued on the official list of Nasdaq Helsinki with a new ISIN code of FI4000571013. The new ISIN code for Cargotec's class A shares is FI4000571005.

The cumulative total costs related to the partial demerger amount to EUR 76 million. Cargotec estimates to book an additional EUR 5 million cost related to the transaction. The estimate may be subject to change. Costs are reported as part of discontinued operations.

Solution for MacGregor and preparation for standalone Hiab

Cargotec announced in May 2024 that the sales process of MacGregor has been started, aiming to find a solution in 2024. The process has progressed according to plan and after good developments in October, Cargotec targets signing the deal before the year end. Cargotec is currently carving out MacGregor from the group and building standalone capabilities for the business.

If a solution to MacGregor is found so that MacGregor would not thereafter be part of the Cargotec group, Cargotec's Board of Directors is planning to propose to Cargotec's General Meeting of shareholders that the company's name would be changed from Cargotec to Hiab. Should such actions be carried out as planned in the leadership of the current President and CEO of Cargotec, Casimir Lindholm has announced his intention to step down as President and CEO at such point. The Board of Directors would then appoint the President of the Hiab business Scott Phillips as the President and CEO of the renamed company being the current Cargotec. Cargotec currently estimates that these changes to transform into standalone Hiab could take place during 2025. The current Cargotec CFO Mikko Puolakka would continue as CFO of standalone Hiab.

During the third quarter, Cargotec continued to prepare Hiab for its standalone future.

Sustainability

In the third quarter of 2024,Cargotec began the execution of its annual sustainability reporting for 2024, aligned with the EU Corporate Sustainability Reporting Directive (CSRD). In parallel, the company strengthened CSRD-related knowledge transfers to Hiab and MacGregor.

In August, Cargotec was awarded with the highest possible recognition, Platinum, by the global sustainability rating provider EcoVadis. Companies with Platinum-level recognition are among the top 1 percent of the over 130,000 companies evaluated by EcoVadis. EcoVadis assesses organisations against criteria covering the environment, human rights, ethics and sustainable procurement. Cargotec's performance improved in all four areas in 2023 compared to 2022, with the company's total score rising from 73 to 82.

Hiab continuously develops new sustainable solutions. In August, Hiab launched the MULTILIFT eULTIMA, the world's first plug-and-play hooklift designed specifically for electric trucks. Hiab also showcased its latest sustainable load handling solutions at the Elmia Lastbil exhibition. Hiab presented the MULTILIFT eULTIMA, the energy efficient HIAB eX HIPRO loader crane, and the comprehensive HiPerform suite of digital solutions.

In the third quarter, eco portfolio sales decreased by 10 percent and amounted to EUR 172 (192) million, representing 29 (32) percent of consolidated sales. Eco portfolio sales decreased in the climate solutions category and increased in the circular solutions category. Eco portfolio sales decreased in both Hiab and MacGregor. Economic headwinds and high interest rates have been slowing down green transition and negatively impacted eco portfolio sales.

In January–September, eco portfolio sales decreased by 10 percent and totalled EUR 535 (594) million, representing 29 (32) percent of consolidated sales.

Cargotec's safety performance is monitored primarily with the rolling 12 months industrial injury frequency rate (IIFR, number of injuries per million hours worked), which includes fatalities and lost time injuries. At the end of the third quarter, the company's IIFR performance was as follows:

	Hiab	**MacGregor**	**Continuing operations**
Performance in Q3/2024 (Q3/2023)	2.46 (3.94)	3.56 (3.09)	2.59 (3.31)
Assembly sites	2.78 (4.38)	N/A	2.78 (4.38)
Non-assembly sites	2.06 (3.29)	3.56 (3.09)	2.49 (2.72)
Target for 2024	<3.2	<2.3	N/A

In January–September, eco portfolio sales for discontinued operations totalled EUR 344 (516) million. Discontinued operations did not record any sales in the third quarter. At the end of the quarter, the IIFR for discontinued operations was 4.23 (4.79). The IIFR includes only the period January–June 2024.

Leadership Team

On 30 September 2024, 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, Senior Vice President, General Counsel; Scott Phillips, President, Hiab; and Leif Byström, President, MacGregor.

Reporting segments

Hiab

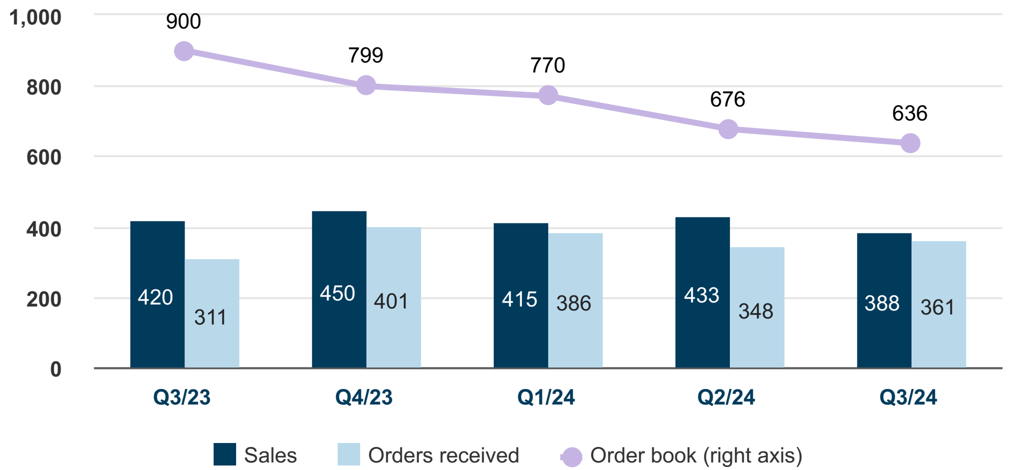
MEUR	Q3/24	Q3/23	Change	Q1–Q3/24	Q1–Q3/23	Change	2023
Orders received	361	311	16%	1,095	1,065	3%	1,466
Order book, end of period	636	900	-29%	636	900	-29%	799
Sales	388	420	-8%	1,235	1,336	-8%	1,787
Service sales	112	113	-1%	344	339	2%	452
% of sales	29%	27%		28%	25%		25%
Operating profit	59.3	61.5	-4%	196.8	204.4	-4%	252.1
% of sales	15.3%	14.7%		15.9%	15.3%		14.1%
Comparable operating profit	59.3	61.5	-4%	196.8	204.3	-4%	252.1
% of sales	15.3%	14.7%		15.9%	15.3%		14.1%
Operative return on capital employed (operative ROCE) (%), last 12 months	29.7%	33.4%		29.7%	33.4%		30.7%
Personnel, end of period	3,806	3,972	-4%	3,806	3,972	-4%	3,877

In the third quarter, Hiab's orders received increased by 16 percent from the comparison period and totalled EUR 361 (311) million. Compared to the comparison period, orders received increased in Americas and decreased in Asia-Pacific and in EMEA. Service orders received increased.

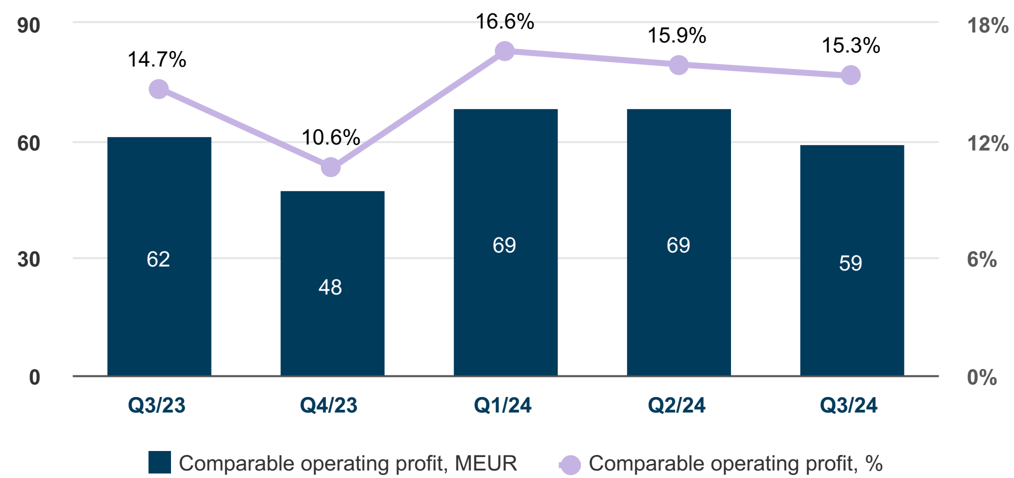
Major orders received by Hiab in the third quarter included:

- two defence logistics orders for NATO member states. The total value of the orders is approximately EUR 16 million
- four truck-mounted forklift orders for construction industry customers. The total value of the orders is approximately EUR 40 million, and
- loader crane order for a construction industry customer. The total value of the order is approximately EUR 7 million.

Sales, orders received, order book, MEUR



Comparable operating profit, MEUR
Comparable operating profit, %



Hiab’s orders received in January–September increased by 3 percent and totalled EUR 1,095 (1,065) million.

Hiab’s order book decreased by 20 percent from the end of 2023, totalling EUR 636 (31 Dec 2023: 799) million at the end of the third quarter.

Hiab’s third quarter sales decreased by 8 percent and totalled EUR 388 (420) million. Service sales decreased by 1 percent and amounted to EUR 112 (113) million, representing 29 (27) percent of sales.

Hiab’s January–September sales decreased by 8 percent and totalled EUR 1,235 (1,336) million. Service sales increased by 2 percent and amounted to EUR 344 (339) million, representing 28 (25) percent of sales.

Hiab’s third quarter operating profit totalled EUR 59 (62) million. The operating profit includes EUR 0 (0) million in items affecting comparability. The comparable operating profit for the third quarter decreased by 4 percent and amounted to EUR 59 (62) million, representing 15.3 (14.7) percent of sales. Hiab’s comparable operating profit decreased due to lower sales. Decline in sales was partly offset by successful management of inflationary pressures as well as sourcing and supply chain actions. Hiab's third quarter cash flow from operations amounted to EUR 100 million.

Hiab’s operating profit in January–September totalled EUR 197 (204) million. The operating profit includes EUR 0 (0) million in items affecting comparability. The comparable operating profit in January–September decreased by 4 percent and amounted to EUR 197 (204) million, representing 15.9 (15.3) percent of sales. Hiab’s comparable operating profit decreased due to lower sales. Decline in sales was partly offset by successful management of inflationary pressures.

Research and development

Hiab's research and product development expenditure in the third quarter totalled EUR 8 (8) million, representing 2 (2) percent of sales. In research and development, Hiab focused on solutions supporting sustainability targets such as electrification, energy efficiency, digitalisation and automation as well as projects that aim to improve the competitiveness and cost efficiency of products.

In September, Hiab launched the heavy loader crane HIAB iQ.708 HIPRO. The model offers a design that balances weight, lifting performance and dimensions that contribute to increased safety and valuable payload. The loader crane is equipped with an advanced SPACEevo control system for improved operational efficiency and safer operations. HIAB iQ.708 HIPRO also expands the range of truck installation options for customers.

In August, Hiab launched the MULTILIFT eULTIMA, the world’s first plug-and-play hooklift designed specifically for electric trucks. Built with sustainability in mind, it is designed to deliver exceptional performance and efficiency, setting a new industry standard.

Also in August, Hiab launched the new JONSERED iZ.18R HD recycling crane, equipped with the advanced SPACEevo control system. For JONSERED, the introduction of this new model signals entering the 18–19 tonne metre market, offering a sturdy and resistant mechanical structure platform.

During the quarter, Hiab introduced MULTILIFT Talon, a semi-autonomous load handling system for defence logistics. Talon automates and enhances container handling for faster, safer operations in challenging conditions. Key features include automatic configuration changes, single-person operation, and enhanced safety measures that allow cargo loading without the operator leaving the cabin.

MacGregor

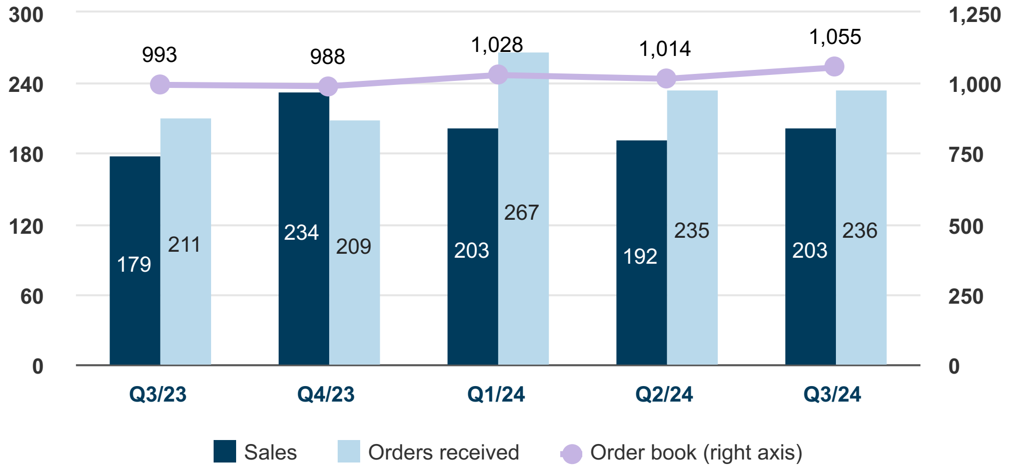
MEUR	Q3/24	Q3/23	Change	Q1–Q3/24	Q1–Q3/23	Change	2023
Orders received	236	211	12%	738	606	22%	816
Order book, end of period	1,055	993	6%	1,055	993	6%	988
Sales	203	179	13%	598	499	20%	733
Service sales	85	85	1%	271	260	5%	354
% of sales	42%	47%		45%	52%		48%
Operating profit	19.4	24.3	-20%	21.8	25.2	-13%	31.8
% of sales	9.6%	13.6%		3.6%	5.0%		4.3%
Comparable operating profit	19.5	8.5	> 100%	53.0	19.5	> 100%	32.6
% of sales	9.6%	4.8%		8.9%	3.9%		4.5%
Personnel, end of period	1,830	1,945	-6%	1,830	1,945	-6%	1,853

In the third quarter, MacGregor's orders received increased by 12 percent from the comparison period to EUR 236 (211) million. Compared to the comparison period, orders received decreased in EMEA and increased in Asia-Pacific and Americas. Service orders received increased.

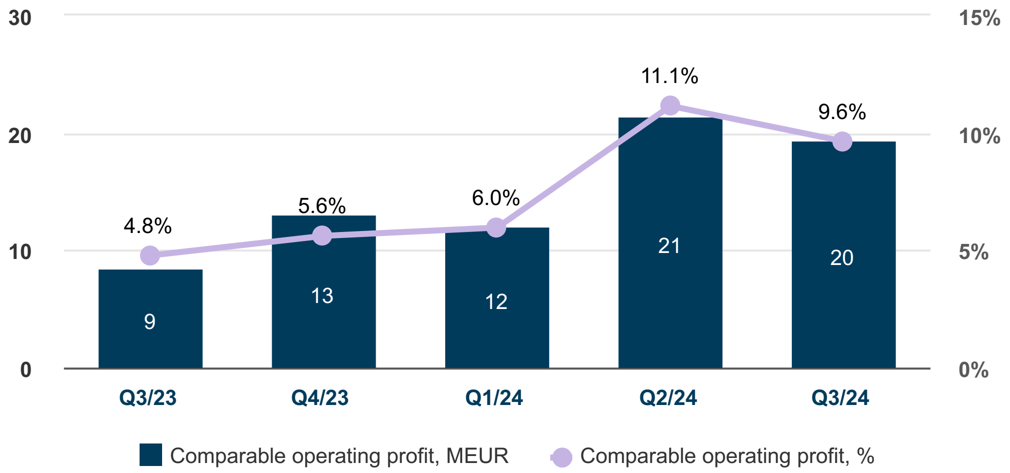
Major orders received by MacGregor in the third quarter included:

- several Pure Car and Truck Carrier (PCTC) orders in various market areas. For instance cargo access equipment for 12 PCTCs.

Sales, orders received, order book, MEUR



Comparable operating profit, MEUR
Comparable operating profit, %



MacGregor’s orders received in January–September increased by 22 percent and totalled EUR 738 (606) million.

MacGregor’s order book increased by 7 percent from the end of 2023, totalling EUR 1,055 (31 Dec 2023: 988) million at the end of the third quarter. Approximately 40 percent of the order book is scheduled to be delivered in 2026 or later.

MacGregor’s third quarter sales increased by 13 percent and amounted to EUR 203 (179) million. Service sales increased by 1 percent and totalled EUR 85 (85) million, representing 42 (47) percent of sales.

MacGregor’s January–September sales increased by 20 percent and amounted to EUR 598 (499) million. Service sales increased by 5 percent and totalled EUR 271 (260) million, representing 45 (52) percent of sales.

MacGregor’s third quarter operating profit totalled EUR 19 (24) million. Operating profit includes EUR 0 (16) million in items affecting comparability. The comparable operating profit increased by more than 100 percent and totalled EUR 20 (9) million, representing 9.6 (4.8) percent of sales. Comparable operating profit increased due to higher sales in the merchant business and smaller losses related to offshore business.

MacGregor’s operating profit in January–September totalled EUR 22 (25) million. Operating profit includes EUR -31 (6) million in items affecting comparability mainly related to the settlement of a dispute related to the monopile installation vessel project. The comparable operating profit in January–September increased by more than 100 percent and totalled EUR 53 (20) million, representing 8.9 (3.9) percent of sales. Comparable operating profit increased due to higher sales in service and merchant businesses and smaller losses related to offshore business.

During the second quarter, MacGregor settled a customer dispute related to a one and only monopile installation vessel project. The settlement and closing of the project had an approximately EUR 29 million negative impact on MacGregor’s January–September 2024 operating profit. This impact is reported as items affecting comparability as the settlement is related to a one of its kind pilot project and the product is no longer in MacGregor’s sales portfolio. The settlement had a 0.5 percentage point positive impact on MacGregor's January–September comparable operating profit margin due to a reversal of sales related to the project.

Cargotec announced in May 2024 that the sales process of MacGregor has been started, aiming to find a solution in 2024. The process has progressed according to plan and after good developments in October, Cargotec targets signing the deal before the year end. Cargotec is currently carving out MacGregor from the group and building standalone capabilities for the business.

MacGregor still has challenges with offshore wind related projects containing new technologies and the offshore business is loss making. MacGregor's business in the merchant ship segment and service business has been profitable. Excluding the offshore business, MacGregor's comparable operating profit margin in January–September would have been around 12 percent. At the end of the third quarter, MacGregor's order book related to offshore pilot projects containing advanced technologies amounted to EUR 15 million. MacGregor continues to adjust its offshore business capacity to match the current level of demand.

Research and development

MacGregor's research and product development expenditure in the third quarter totalled EUR 2 (2) million, representing 1 (1) percent of sales. In research and development, MacGregor focused on solutions supporting climate targets such as digitalisation, electrification and automatisation, as well as projects that aim to improve the competitiveness and cost efficiency of products.

During the third quarter, MacGregor introduced Carbon Calculator. With the calculator, a vessel owner can find out how much CO_2 emissions could be reduced on a vessel with the help of Cargo Boost solution. After having filled in the vessel's operational details (voyage data, vessel input and boost input, etc.), the calculator will estimate how much CO_2 emission reduction can be expected.

In August, MacGregor took highly automated cranes to market. The solution combines advanced electric drive technology to deliver improved safety, enhanced efficiency, and extended equipment lifetime. Highly automated cranes leverage advanced LIDAR sensors to scan and plan the unloading process. This ensures precise movements and optimal positioning of the cranes, reducing the need for manual intervention.

Shares and trading

Share capital, own shares and share issue

Cargotec Corporation’s share capital totalled EUR 20,000,000 at the end of September 2024. The number of class B shares was 55,182,079, while the number of class A shares totalled 9,526,089. The Annual General Meeting of Cargotec held on 30 May 2024 resolved on a decrease of share capital of Cargotec Corporation from EUR 64,304,880 to EUR 20,000,000, and on the dissolution of share premium reserve of Cargotec Corporation, as part of the Demerger resolution. The demerger was completed on 30 June 2024. The Demerger did not have an effect on the number of shares of Cargotec. More information about the Demerger is presented in note 17, Discontinued operations, and in note 18, Demerger.

At the end of September 2024, Cargotec held a total of 777,550 own class B shares, accounting for 1.20 percent of the total number of shares and 0.52 percent of the total number of votes. The number of outstanding class B shares totalled 55,404,529.

During the third quarter, Cargotec's Board of Directors decided to exercise the authorisation of the Annual General Meeting on 30 May 2024 to repurchase company's own shares. According to the decision, Cargotec repurchased 400,000 own class B shares at public trading on Nasdaq Helsinki Ltd. at an average price of 46.6784 EUR between 9 August – 27 September 2024. Taking into account all shares repurchased during the third quarter, the number of own class B shares held by Cargotec is 784,050.

During the first quarter, Cargotec's Board of Directors had exercised the authorisation of the Annual General Meeting on 23 March 2023 to repurchase company's own shares. According to the decision, Cargotec repurchased 150,000 own class B shares at public trading on Nasdaq Helsinki Ltd. at an average price of 61.6730 EUR between 9–29 February 2024.

During the first quarter, Cargotec's Board of Directors decided on a directed share issue related to the reward payments for share-based incentive programmes. In the share issue, 172,993 own class B shares held by the company were transferred on 28 March 2024 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 is available in the stock exchange releases published on 4 February 2021,13 May 2022 and 2 February 2023.

The decision on the directed share issue was 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.

Share-based incentive programmes

During January–September of the financial year 2024, Cargotec had several share-based incentive programmes in place for the group's key employees. During the third quarter, the Board of Directors of Cargotec Corporation did not establish any new share-based incentive programmes.

The completion of the partial demerger of Cargotec Corporation and the incorporation of a new Kalmar Corporation was registered in the Finnish Trade Register on 30 June 2024. On 7 August 2024, Cargotec's Board of Director's resolved on the adjustments of the ongoing share-based incentive programmes due to the demerger. The adjustments aimed at retaining the reward values for the programme participants unaffected by compensating for the decrease in the share's value following the demerger. As a result, the rewards denominated as number of Cargotec class B shares were revised using a multiplier resolved by the Board of Directors. The adjustment was applied to share allocations of active programme participants instead of the original maximum share allocations per programme. Adjustments were not made to the terms and conditions of the programmes.

The following share-based incentive programmes established by the Board of Directors of Cargotec during the past financial years were in operation during January–September 2024:

- Performance share programme 2020–2024, performance period 2022–2024. The performance period includes three measuring periods of one calendar year. For its third measuring period of the financial year 2024, the potential reward will be based on the eco portfolio share in orders received for the key employees of the Hiab business area. For Cargotec Corporate key employees, the performance criterion is Cargotec’s eco portfolio share in orders received. The programme is directed to approximately 70 key employees, including the members of Cargotec Leadership Team. The rewards to be paid on the basis of the performance period to active programme members amount up to an approximate maximum total of 220,000 Cargotec's class B shares.

- Performance share programme 2023–2025, performance period 2023–2025. The performance period includes three measuring periods of one calendar year. For its second measuring period 2024, the potential reward will be based on the service gross profit for the key employees of the Hiab business area. For Cargotec Corporate key employees, the performance criterion is Cargotec's service gross profit. The programme is directed to approximately 70 key employees, including the members of Cargotec Leadership Team. The rewards to be paid on the basis of the performance period to active programme members amount up to an approximate maximum total of 213,000 Cargotec's class B shares.

- Performance share programme 2024–2026, performance period 2024–2026. The performance period includes three measuring periods of one calendar year. For the key employees of the

Hiab business area, the potential reward of the programme from the first measuring period 2024 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 programme is directed to approximately 70 key employees, including the members of Cargotec Leadership Team. The rewards to be paid on the basis of the performance period to active programme members amount up to an approximate maximum total of 200,000 Cargotec's class B shares.

- Restricted share programme 2020–2024, earnings period 2022–2024. The rewards to be paid on the basis of the performance period amount up to an approximate maximum total of 17,000 Cargotec's class B shares.
- Restricted share programme 2023–2025. The rewards to be paid on the basis of the programme to active programme members amount up to an approximate maximum total of 16,000 Cargotec's class B shares.
- Restricted share programme 2024–2026. The rewards to be paid on the basis of the programme to active programme members amount up to an approximate maximum total of 15,000 Cargotec's class B shares.
- Restricted share unit programme 2023–2025. The reward from the programme is conditional on the achievement of strategic goals set by the Board of Directors. The reward is estimated to be paid in 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 paid on the basis of the programme to active programme members amount up to an approximate maximum total of 419,000 Cargotec's class B shares.

Market capitalisation and trading

Trading on Nasdaq Helsinki Oy[7]	Q1–Q3/2024	Q1–Q3/2023
Total market value of class B shares. MEUR[8]	2,855	2,172
Market capitalisation of class A and B shares at the end of the period, MEUR[9]	3,355	2,552
Closing price of class B share, EUR[10]	52.48	39.66
Volume-weighted average price of class B share, EUR	58.28	46.39
Highest quotation of class B share, EUR	82.90	55.15
Lowest quotation of class B share, EUR	41.26	38.06
Trading volume, million class B shares	18	17
Turnover of class B shares, MEUR	1,054	793

At the end of the period, the number of registered shareholders was 35,254. The number of Finnish household shareholders was 33,524, corresponding to around 16 percent ownership of Cargotec's listed B shares. At the end of the period, around 30 percent of Cargotec's listed B shares were nominee registered or held by non-Finnish holders.

Upon the completion of the Demerger 30 June 2024, the shareholders of Cargotec received as demerger consideration one (1) new share of the corresponding share class (i.e., class A or class B) in Kalmar for each class A and class B share owned in Cargotec, which had a negative impact on Cargotec's share price on 1 July 2024.

Short-term risks and uncertainties

Developments in the global economy 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.

Still high borrowing costs and inflation, withdrawal of fiscal support, longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine as well as growing tensions in Middle East, weak growth in productivity and increasing geo-economic fragmentation are limiting economic growth.

In the current market situation, demand for Hiab's solutions might be lower than in previous years. Customers may also try to postpone or cancel orders or demand lower prices. Despite planned cost savings, lower production volumes could impact Hiab's profitability margins negatively.

[7] Class B shares were also traded in several alternative marketplaces.
[8] At the end of the period, excluding own shares held by the company.
[9] 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.
[10] On the last trading day of the period.

In addition to economic growth, for example, Hiab's demand is also impacted by the development of the construction market. Low new building activity can negatively impact demand of a part of Hiab's portfolio, especially in Europe. A significant share of Hiab's orders are from the United States. Even though 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. Hiab's solutions are installed on trucks, and truck delivery bottlenecks can have a negative impact on Hiab's sales development.

Key demand driver for MacGregor equipment and solutions is ship newbuild contracting. Despite the current robust cross-market strength, shipbuilding market has been cyclical by its nature in the past decades. Decline in newbuild contracting would have a negative impact on MacGregor's orders received. The increases in the new vessel construction costs and high amounts of order bookings at shipyards may slow down new vessel orders. Global decarbonisation targets have led to a fall in investments by the oil industry, which has long been reflected in low offshore vessel investments. Project executions face risks related to schedule, cost and delivery guarantees, especially those related to offshore business and new product developments. Currently MacGregor has approximately 10 loss making offshore pilot projects containing advanced technologies in the order book.

Availability problems and increases in costs of components, raw materials and energy could make cost control more challenging, elevate manufacturing expenses as well as increase challenges to pass them on to the prices of end products. The turnover, availability and cost of skilled personnel can create disturbances to Cargotec and its supplier operations and increase costs.

The deterioration of the global economic outlook and access to finance as well as interest rates that have remained higher than in the past decade can lead to economic and financial difficulties among Cargotec's customers and dealers. In some cases their financial position may rapidly deteriorate significantly or even lead to insolvency.

In May 2024, Cargotec announced that it had started the sales process of MacGregor. Taking into account MacGregor's losses in recent years and significant project cost overruns in the offshore business, the buyer's view of the company's value may differ significantly from Cargotec's estimate, which could result in a write-down of MacGregor's book value.

If a solution to MacGregor is found so that MacGregor would not thereafter be part of the Cargotec group, Cargotec's Board of Directors is planning to propose to Cargotec's General Meeting of shareholders that the company's name would be changed from Cargotec to Hiab. The planned actions can include risks related to the retention of skilled personnel, customer relationships, the execution of potential transactions, and costs, for example. Becoming a standalone company could impact Hiab's profitability negatively. Changes in operating models, combined with tightening tax regulation, may lead to additional tax payments.

Cargotec is exposed to climate-related risks via environmental, regulatory, and technological changes, and due to the commitments it has made to reduce emissions. The 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.

The reduction of emissions related to the use of Cargotec's products can only be achieved if there is sufficient demand for low-emission products. In order to achieve this, Cargotec must succeed in developing and selling low-emission products. Cargotec's product development has a critical role in achieving this. Cargotec has invested heavily to electrify its product offering and customers are increasingly choosing low-emission products although the majority of products sold are still based on conventional technologies. In the future, Cargotec's product offering may be based on multiple low-emission technologies, which may increase complexity and cost.

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. In addition, tightening regulation may directly limit Cargotec's product offering.

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. Further, Cargotec is involved in governmental business with specific requirements. Failing to comply with such requirements may lead to penalties or exclusion from government tenders.

Risks regarding Cargotec's acquisitions are related to, for example, the knowledge of 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, under Investors > Governance > Internal control and risk management.

Events after the reporting period

There were no material events after the reporting period.

Outlook for 2024 specified

Cargotec estimates[11] Hiab's comparable operating profit margin in 2024 to be above 14.0 percent and MacGregor's comparable operating profit in 2024 to be above EUR 65 million.

In its outlook specified on 8 August 2024, Cargotec estimated Hiab's comparable operating profit margin in 2024 to be above 13.5 percent and MacGregor's comparable operating profit in 2024 to be above EUR 55 million.

Financial calendar 2025

Cargotec will publish its 2025 financial publication dates later towards the end of 2024.

Helsinki, 22 October 2024
Cargotec Corporation
Board of Directors

This interim report is unaudited.

[11] The business area 2024 profitability outlook is presented using the same principles which are applied in the 2023 external financial reporting.

CARGOTEC

Consolidated statement of income

MEUR	Note	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Sales	5	**590.3**	**598.4**	**1,832.6**	**1,835.4**	**2,519.4**
Cost of goods sold		-433.4	-455.2	-1,344.9	-1,390.2	-1,923.0
Gross profit		**157.0**	**143.3**	**487.6**	**445.2**	**596.5**
Gross profit, %		26.6%	23.9%	26.6%	24.3%	23.7%
Selling and marketing expenses		-30.1	-30.5	-91.5	-93.1	-128.0
Research and development expenses		-10.4	-10.3	-34.4	-31.6	-44.4
Administration expenses		-52.2	-45.9	-149.1	-139.5	-198.2
Restructuring costs	7	0.4	-2.0	-30.3	-7.0	-13.4
Other operating income		3.7	3.3	6.7	7.1	8.7
Other operating expenses		-2.2	17.8	-3.1	14.8	12.7
Share of associated companies' and joint ventures' net result		1.0	0.9	2.9	1.0	2.1
Operating profit		**67.1**	**76.7**	**188.8**	**197.0**	**236.0**
Operating profit, %		11.4%	12.8%	10.3%	10.7%	9.4%
Finance income		3.3	2.0	11.4	3.9	7.0
Finance expenses		-6.2	-4.8	-16.3	-17.6	-23.5
Profit before taxes		**64.3**	**73.9**	**183.9**	**183.3**	**219.5**
Profit before taxes, %		10.9%	12.4%	10.0%	10.0%	8.7%
Income taxes	9	-13.4	-11.7	-54.9	-42.6	-57.1
Profit for the period, continuing operations		**50.9**	**62.2**	**129.1**	**140.7**	**162.4**
Profit for the period, discontinued operations	17	-6.1	44.8	1,097.6	146.6	186.2
Profit for the period		**44.8**	**107.1**	**1,226.7**	**287.3**	**348.7**
Profit for the period, %		7.6%	17.9%	66.9%	15.7%	13.8%
Profit for the period attributable to:						
Shareholders of the parent company		44.6	107.2	1,226.2	287.7	346.9
Non-controlling interest		0.2	-0.1	0.5	-0.4	1.8
Total		**44.8**	**107.1**	**1,226.7**	**287.3**	**348.7**

MEUR	Note	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Earnings per share for profit attributable to the shareholders of the parent company:						
Basic earnings per share, EUR						
Continuing operations		0.79	0.97	2.00	2.19	2.49
Discontinued operations	17	-0.09	0.70	17.08	2.27	2.89
Diluted earnings per share, EUR						
Continuing operations		0.79	0.96	2.00	2.18	2.48
Discontinued operations	17	-0.10	0.69	17.03	2.26	2.88

The notes are an integral part of the interim report.

Consolidated statement of comprehensive income

MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Profit for the period	**44.8**	**107.1**	**1,226.7**	**287.3**	**348.7**
Other comprehensive income					
Items that cannot be reclassified to statement of income:					
Actuarial gains (+) / losses (-) from defined benefit plans	-0.1	-0.1	1.0	0.8	-7.4
Taxes relating to items that cannot be reclassified to statement of income	0.1	0.0	-0.1	-0.2	1.5
Items that can be reclassified to statement of income:					
Gains (+) / losses (-) on cash flow hedges	14.3	-9.5	1.3	-12.6	19.9
Gains (+) / losses (-) on cash flow hedges transferred to statement of income	-4.7	2.1	2.5	-2.8	-19.2
Translation differences*	-2.5	18.0	68.2	-26.1	-22.5
Taxes relating to items that can be reclassified to statement of income	-1.9	1.6	-0.6	2.5	-0.5
Share of other comprehensive income of associates and JV, net of tax	—	0.0	0.7	0.7	0.7
Other comprehensive income, net of tax	**5.3**	**12.2**	**73.0**	**-37.6**	**-27.4**
Comprehensive income for the period	**50.1**	**119.2**	**1,299.6**	**249.8**	**321.2**

MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Comprehensive income for the period attributable to:					
Shareholders of the parent company	49.9	119.4	1,299.1	250.1	319.5
Non-controlling interest	0.2	-0.1	0.5	-0.4	1.7
Total	**50.1**	**119.2**	**1,299.6**	**249.8**	**321.2**
Comprehensive income for the period attributable to Shareholders of the parent company:					
Continuing operations	56.0	76.8	204.0	107.3	135.6
Discontinued operations	-6.1	42.6	1,095.1	142.8	183.9
Total	**49.9**	**119.4**	**1,299.1**	**250.1**	**319.5**

*Including translation differences transferred to statement of income in connection with the partial demerger, see Note 18, Demerger

The notes are an integral part of the interim report.

CARGOTEC

Consolidated balance sheet

ASSETS, MEUR	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
Non-current assets				
Goodwill		608.5	879.0	878.1
Intangible assets		95.2	126.7	118.4
Property, plant and equipment		166.4	438.4	444.9
Investments in associated companies and joint ventures	16	26.1	72.0	76.6
Share investments	16	0.0	0.0	0.0
Loans receivable and other interest-bearing assets	11	—	0.2	0.1
Deferred tax assets		76.6	129.2	122.2
Derivative assets	12	—	1.1	—
Other non-interest-bearing assets		5.2	6.9	5.8
Total non-current assets		**977.9**	**1,653.3**	**1,646.0**
Current assets				
Inventories		532.8	1,148.0	1,033.8
Loans receivable and other interest-bearing assets*	11	0.3	3.4	3.4
Income tax receivables		38.4	28.5	18.5
Derivative assets	12	10.4	15.3	54.0
Accounts receivable		377.1	761.4	723.8
Contract assets		19.6	74.1	47.3
Other non-interest-bearing assets		117.9	176.4	164.9
Cash and cash equivalents*	11	437.1	451.8	684.7
Total current assets		**1,533.6**	**2,658.9**	**2,730.4**
Total assets		**2,511.6**	**4,312.3**	**4,376.5**

*Included in interest-bearing net debt.

Information about the net assets distributed to the owners in connection with the partial demerger is presented in note 18, Demerger. The comparative data include continuing and discontinued operations.

The notes are an integral part of the interim report.

EQUITY AND LIABILITIES, MEUR	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
Equity attributable to the shareholders of the parent company				
Share capital		20.0	64.3	64.3
Share premium		—	98.0	98.0
Translation differences		11.8	-60.0	-56.4
Fair value reserves		1.4	-15.6	-2.5
Reserve for invested unrestricted equity		—	35.3	35.3
Retained earnings		1,161.1	1,558.1	1,613.6
Total equity attributable to the shareholders of the parent company		**1,194.3**	**1,680.1**	**1,752.3**
Non-controlling interest		1.6	0.0	1.5
Total equity		**1,195.8**	**1,680.1**	**1,753.8**
Non-current liabilities				
Interest-bearing liabilities*	11	244.2	509.3	708.2
Deferred tax liabilities		9.4	26.4	21.9
Pension obligations		51.2	81.4	89.0
Provisions		2.5	5.2	5.6
Other non-interest-bearing liabilities		13.0	82.8	87.1
Total non-current liabilities		**320.3**	**705.1**	**911.8**
Current liabilities				
Current portion of interest-bearing liabilities*	11	128.2	329.5	142.9
Other interest-bearing liabilities*	11	1.2	22.7	15.6
Provisions		63.3	152.1	154.9
Income tax payables		45.9	56.7	54.3
Derivative liabilities	12	3.5	28.0	26.0
Accounts payable		271.5	545.8	511.2
Contract liabilities		255.4	362.3	374.5
Other non-interest-bearing liabilities		226.3	429.9	431.5
Total current liabilities		**995.5**	**1,927.0**	**1,710.9**
Total equity and liabilities		**2,511.6**	**4,312.3**	**4,376.5**

Consolidated statement of changes in equity

MEUR	Share capital	Share premium	Translation differences	Fair value reserves	Reserve for invested unrestricted equity	Retained earnings	Total	Non-controlling interest	Total equity
	Attributable to the shareholders of the parent company								
Equity 1 Jan 2024	**64.3**	**98.0**	**-56.4**	**-2.5**	**35.3**	**1,613.6**	**1,752.3**	**1.5**	**1,753.8**
Profit for the period						1,226.2	1,226.2	0.5	1,226.7
Cash flow hedges				3.9			3.9	—	3.9
Translation differences			68.2				68.2	0.0	68.2
Actuarial gains and losses from defined benefit plans						0.9	0.9	—	0.9
Comprehensive income for the period*	**—**	**—**	**68.2**	**3.9**	**—**	**1,227.0**	**1,299.1**	**0.5**	**1,299.6**
Effect of the partial demerger	-44.3	-98.0			-26.0	168.3	—		—
Fair value of net assets distributed to owners						-1,698.2	-1,698.2		-1,698.2
Dividends paid						-138.2	-138.2	-0.4	-138.6
Treasury shares acquired					-9.3	-18.4	-27.6		-27.6
Share-based payments						6.9	6.9		6.9
Transactions with owners of the company	**-44.3**	**-98.0**	**—**	**—**	**-35.3**	**-1,679.5**	**-1,857.1**	**-0.4**	**-1,857.6**
Transactions with non-controlling interests						—	—	—	—
Equity 30 Sep 2024	**20.0**	**—**	**11.8**	**1.4**	**—**	**1,161.1**	**1,194.3**	**1.6**	**1,195.8**
Equity 1 Jan 2023	**64.3**	**98.0**	**-34.0**	**-3.5**	**52.8**	**1,350.0**	**1,527.6**	**0.7**	**1,528.3**
Profit for the period						287.7	287.7	-0.4	287.3
Cash flow hedges				-12.1			-12.1	—	-12.1
Translation differences			-26.1				-26.1	0.0	-26.1
Actuarial gains and losses from defined benefit plans						0.6	0.6	—	0.6
Comprehensive income for the period*	**—**	**—**	**-26.1**	**-12.1**	**—**	**288.3**	**250.1**	**-0.4**	**249.8**
Dividends paid						-86.9	-86.9	-0.3	-87.3
Treasury shares acquired					-17.5		-17.5		-17.5
Share-based payments						6.8	6.8		6.8
Transactions with owners of the company	**—**	**—**	**—**	**—**	**-17.5**	**-80.1**	**-97.6**	**-0.3**	**-98.0**
Transactions with non-controlling interests						—	—	—	—
Equity 30 Sep 2023	**64.3**	**98.0**	**-60.0**	**-15.6**	**35.3**	**1,558.1**	**1,680.1**	**0.0**	**1,680.1**

*Net of tax
The notes are an integral part of the interim report.

Consolidated statement of cash flows

Cash flow statement includes continuing and discontinued operations.

MEUR	Note	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Net cash flow from operating activities						
Profit for the period*		44.8	107.1	1,226.7	287.3	348.7
Depreciation, amortisation and impairment	8	14.4	29.5	54.3	86.3	114.9
Finance income and expenses		2.9	6.0	13.5	23.7	30.8
Income taxes*	9	10.9	27.3	77.4	83.7	104.3
Non-cash adjustments related to partial demerger	18	—	—	-1,039.7	—	—
Change in net working capital		75.7	18.6	89.2	-221.4	-46.5
Other adjustments		-1.1	-4.0	-10.8	-7.6	-8.0
Cash flow from operations before finance items and taxes		**147.6**	**184.4**	**410.6**	**252.1**	**544.2**
Cash flow from finance items and taxes		-9.7	-25.1	-88.7	-64.2	-108.3
Net cash flow from operating activities		**137.9**	**159.3**	**321.8**	**187.8**	**435.9**
Net cash flow from investing activities						
Acquisitions of businesses, net of cash acquired	15	-16.4	-9.5	-17.9	-25.2	-25.7
Disposals of businesses, net of cash sold	15	0.4	—	2.5	7.0	11.1
Cash flow from investing activities, other items		19.6	-14.1	3.9	-33.6	-47.1
Net cash flow from investing activities		**3.5**	**-23.6**	**-11.6**	**-51.8**	**-61.8**

MEUR	Note	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Net cash flow from financing activities						
Treasury shares acquired		-18.3	-17.1	-27.6	-17.5	-17.5
Repayments of lease liabilities		-8.2	-11.8	-32.9	-34.1	-46.9
Proceeds from long-term borrowings		—	—	—	—	50.9
Repayments of long-term borrowings		—	—	-100.0	—	-38.2
Proceeds from short-term borrowings		—	6.3	0.0	12.9	10.6
Repayments of short-term borrowings		—	0.0	-3.0	0.0	-3.9
Dividends paid		-13.1	-0.3	-138.6	-87.3	-87.3
Net cash flow from financing activities		**-39.6**	**-23.0**	**-302.2**	**-126.0**	**-132.1**
Change in cash and cash equivalents		**101.8**	**112.7**	**8.1**	**10.1**	**242.0**
Cash and cash equivalents, and bank overdrafts at the beginning of period		336.2	335.5	680.8	445.4	445.4
Effect of exchange rate changes		-1.1	-0.7	-4.3	-7.9	-6.6
Cash and cash equivalents, and bank overdrafts distributed to the owners	18	—	—	-247.7	—	—
Cash and cash equivalents, and bank overdrafts at the end of period		**436.9**	**447.5**	**436.9**	**447.5**	**680.8**
Bank overdrafts at the end of period		0.2	4.3	0.2	4.3	3.8
Cash and cash equivalents at the end of period		**437.1**	**451.8**	**437.1**	**451.8**	**684.7**

*In Q3/24 Cargotec corrected in the Consolidated statement of cash flows for the period Q3/23 Profit for the period and Income taxes, EUR -19.1 million and EUR +19.1 million respectively.

The notes are an integral part of the interim report.

Notes to the interim 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 interim 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 2023 and comply with changes in IAS/IFRS accounting standards effective from 1 January 2024 that had no material impact on the interim report.

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

The financial information presented in this release refers to Cargotec's continuing operations (Hiab and MacGregor) unless otherwise stated.

Partial demerger of Cargotec

On 30 May 2024, Cargotec's general meeting approved the separation of the Kalmar business area into its own listed company (Demerger). The implementation date of the Demerger was 30 June 2024, after which Kalmar has operated as an independent listed company.

As a result of the planned Demerger, Cargotec presented the Kalmar business area as discontinued operations in accordance with IFRS 5 Non-current assets held for sale and discontinued operations starting from the first quarter of 2024. In accordance with the IFRS 5 standard, the net result of discontinued operations is presented in the consolidated statement of income separately from the income and expenses of continuing operations (Hiab and MacGregor). In addition, the discontinued operations' result includes profit from the Demerger. The cash flow statement and statement of changes in equity include the effects of Kalmar's business and the Demerger. More information about the Demerger is presented in note 17, Discontinued operations, and in note 18, Demerger.

In the statement of income, the comparison periods have been adjusted accordingly. The balance sheet has not been adjusted. The presented discontinued operations profit includes revenue and expenses directly related to the Kalmar business area, as well as other income and expenses related to continuing operations that are not expected to continue after the Demerger or that would have been avoided without the Demerger. In addition to the balance sheet items of the Kalmar segment, certain items not belonging to the Kalmar segment were removed from Cargotec's balance sheet in the Demerger. These items were not depreciated or amortised in accordance with the presentation method of IFRS 5. Due to the reasons mentioned above, the financial information presented as Cargotec's continuing operations and Kalmar business area's discontinued operations do not reflect the previous or future profitability of either business as separate independent operations before or after the Demerger.

The adjusted financial information presented in this release is unaudited. Additional information about the restated comparative information has been published in a stock exchange release on April 8, 2024.

New IAS/IFRS accounting standards and standard amendments published in 2024

Amendments to IFRS 9 and IFRS 7, amendments to the classification and measurement of financial instruments

The amendments include guidance for determining whether cash flows of financial instruments tied to environmental, social, and governance (ESG) objectives are considered to be ordinary payments of principal and interest. The amendments also include certain additional disclosure requirements. The changes become effective on 1 January 2026 and are not expected to impact Cargotec's reporting.

IFRS 18 Presentation and disclosure in financial statements

The standard introduces a standardized structure for the statement of profit and loss, and certain improvements to the statement of cash flows. The standard also provides additional guidance on aggregation and disaggregation of data in financial statements and introduces disclosure requirements related to management-defined performance measures. The standard is becoming effective on 1 January 2027 and will change the presentation of Cargotec's financial statements.

IFRS 19 Subsidiaries without public accountability: disclosures

The standard defines limited reporting requirements that a subsidiary can apply in its own IFRS reporting, if certain conditions are met, instead of the presentation requirements of the normal IFRS accounting standards. The standard is becoming effective on 1 January 2027 and has no impact on Cargotec's reporting.

3. Prevailing economic uncertainty

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 the global flow of goods and therefore on the demand for Cargotec’s solutions.

In the current market situation, demand for Cargotec’s solutions might be lower than in previous years. Customers may also try to postpone or cancel orders or demand lower prices. Despite planned cost savings, lower production volumes could impact Cargotec’s profitability margins negatively. A weakening of the global economic outlook and access to finance as well as increased financing costs 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. A weakening of the financial situation of Cargotec's customers could cause, in addition to reduced sales and profitability, an increase in inventory obsolescence and credit losses related to customer receivables.

MacGregor goodwill impairment testing

MacGregor's goodwill impairment testing was renewed on 30 Sep 2024 due to the low level of MacGregor's recoverable amount in relation to the assets being tested. Cargotec announced in November 2022 that MacGregor will not be part of Cargotec’s portfolio in the future. Cargotec continues to focus on a turnaround of the business and is looking 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 166.8 million (December 31, 2023: EUR 142.0 million). The post-tax WACC (weighted average cost of capital) used in the testing was 7.5 (7.7) 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 373.3 (December 31, 2023: 379.5) 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		
		Scenario 1	Scenario 2	Scenario 3
	Recoverable amount in excess of book value of assets, MEUR	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 Sep 2024	166,8	No impairment*	Impairment**	Impairment
31 Dec 2023	142.0	No impairment*	Impairment**	Impairment

*Threshold for impairment was WACC +2.7 percentage points (31 Dec 2023: +2.1 percentage points).

**Threshold for impairment was estimation period sales -10 percent and operating profit -1.1 percentage points (31 Dec 2023: estimation period sales -10 percent and operating profit -0.9 percentage points).

Due to the current level of 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 85 (96) million in the second scenario, and EUR 135 (151) million in the third.

Hiab goodwill impairment testing

As part of the annual goodwill impairment testing, the recoverable amount of the Hiab segment was determined based on the value in use method. The pre-tax WACC used in the testing was 10.5 (2023: 11.6) percent. Based on the testing, no impairment was recorded in the goodwill, nor did any of the sensitivity analyses indicate an impairment. Sensitivity analyses were performed based on the same principles as the sensitivity analyses performed for MacGregor described above.

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.

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. In addition, tightening regulation may directly limit Cargotec's product offering.

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 2023 annual report.

4. Segment information

The completion of the partial demerger of Cargotec Corporation (“Cargotec”) (the “Demerger”) and the incorporation of a new Kalmar Corporation was registered in the Finnish Trade Register on 30 June 2024. As a result of the Demerger, Cargotec updated its segment reporting. From 30 June 2024 onwards Cargotec has had two reporting segments, Hiab and MacGregor. The Kalmar segment was removed.

To provide a basis for comparison, Cargotec published on 3 July 2024 its reclassified financial information of reportable segments and Corporate administration and support functions for all quarters of 2023 and the first quarter of 2024 separately, as well as for the full year 2023. Corporate administration and support functions now reflect continuing operations while Hiab and MacGregor financial information remained unchanged. The reclassified financial information is unaudited.

Sales, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Hiab	388	420	1,235	1,336	1,787
MacGregor	203	179	598	499	733
Internal sales	0	0	0	0	0
Total	**590**	**598**	**1,833**	**1,835**	**2,519**

Sales by geographical area, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
EMEA	248	273	769	923	1,237
Americas	199	194	609	568	766
Asia-Pacific	143	132	454	344	516
Total	**590**	**598**	**1,833**	**1,835**	**2,519**

Sales by geographical area, %	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
EMEA	42%	46%	42%	50%	49%
Americas	34%	32%	33%	31%	30%
Asia-Pacific	24%	22%	25%	19%	20%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Operating profit and EBITDA, total, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Hiab	59.3	61.5	196.8	204.4	252.1
MacGregor	19.4	24.3	21.8	25.2	31.8
Corporate administration and support functions	-11.6	-9.2	-29.8	-32.6	-48.0
Operating profit	**67.1**	**76.7**	**188.8**	**197.0**	**236.0**
Depreciation, amortisation and impairment*	14.4	15.5	43.1	43.9	57.7
EBITDA	**81.6**	**92.2**	**231.9**	**240.9**	**293.7**

*Includes the effects of allocating the acquisition cost of businesses	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Hiab	-0.8	-0.8	-2.3	-2.3	-3.1
MacGregor	-1.4	-1.7	-4.8	-5.2	-6.9
Effects of allocating the acquisitions cost of businesses in total	**-2.2**	**-2.5**	**-7.1**	**-7.5**	**-10.0**

Operating profit, %	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Hiab	15.3%	14.7%	15.9%	15.3%	14.1%
MacGregor	9.6%	13.6%	3.6%	5.0%	4.3%
Total	**11.4%**	**12.8%**	**10.3%**	**10.7%**	**9.4%**

Items affecting comparability, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Hiab	0.0	0.0	0.0	0.1	0.1
MacGregor	-0.1	15.8	-31.2	5.7	-0.8
Corporate administration and support functions	-2.3	0.0	-2.8	0.0	0.0
Items affecting comparability, total	**-2.4**	**15.8**	**-34.1**	**5.8**	**-0.7**
Restructuring costs	0.4	-2.0	-30.3	-7.0	-13.4
Other items affecting comparability	-2.8	17.8	-3.8	12.8	12.7

Comparable operating profit, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Hiab	59.3	61.5	196.8	204.3	252.1
MacGregor	19.5	8.5	53.0	19.5	32.6
Corporate administration and support functions	-9.3	-9.2	-26.9	-32.6	-48.0
Total	**69.6**	**60.9**	**222.9**	**191.2**	**236.7**

Comparable operating profit, %	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Hiab	15.3%	14.7%	15.9%	15.3%	14.1%
MacGregor	9.6%	4.8%	8.9%	3.9%	4.5%
Total	**11.8%**	**10.2%**	**12.2%**	**10.4%**	**9.4%**

Orders received, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Hiab	361	311	1,095	1,065	1,466
MacGregor	236	211	738	606	816
Internal orders received	0	0	0	0	0
Total	**597**	**522**	**1,833**	**1,672**	**2,282**

Orders received by geographical area, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
EMEA	206	237	712	741	981
Americas	199	133	548	510	697
Asia-Pacific	192	152	574	421	604
Total	**597**	**522**	**1,833**	**1,672**	**2,282**

Orders received by geographical area, %	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
EMEA	35%	45%	39%	44%	43%
Americas	33%	25%	30%	30%	31%
Asia-Pacific	32%	29%	31%	25%	26%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Order book, MEUR	30 Sep 2024	30 Sep 2023	31 Dec 2023
Hiab	636	900	799
MacGregor	1,055	993	988
Internal order book	0	1	1
Total	**1,691**	**1,894**	**1,788**

Number of employees at the end of period*	30 Sep 2024	30 Sep 2023	31 Dec 2023
Hiab	3,806	3,972	3,877
MacGregor	1,830	1,945	1,853
Corporate administration and support functions	454	683	670
Total	**6,090**	**6,600**	**6,400**

Average number of employees*	Q1–Q3/24	Q1–Q3/23	2023
Hiab	3,806	3,929	3,932
MacGregor	1,824	1,958	1,938
Corporate administration and support functions	493	673	674
Total	**6,122**	**6,560**	**6,544**

*Comparative numbers of employees have been adjusted to reflect estimated continuing operations. Corporate administration and support functions numbers in 2023 include employees who have moved to discontinued operations during 2024.

5. Revenue from contracts with customers

Hiab, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Equipment sales	276	307	891	998	1,334
Service sales	112	113	344	339	452
Total sales	**388**	**420**	**1,235**	**1,336**	**1,787**
Recognised at a point in time	384	416	1,223	1,326	1,772
Recognised over time	4	4	12	11	15

MacGregor, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Equipment sales	117	94	326	239	379
Service sales	85	85	271	260	354
Total sales	**203**	**179**	**598**	**499**	**733**
Recognised at a point in time	138	118	457	355	507
Recognised over time	64	61	141	144	226

Cargotec, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Equipment sales	393	401	1,217	1,237	1,714
Service sales	197	197	616	598	806
Total sales	**590**	**598**	**1,833**	**1,835**	**2,519**
Recognised at a point in time	522	534	1,680	1,681	2,278
Recognised over time	69	65	153	154	241

6. Share-based payments

During January–September of the financial year 2024, Cargotec had several share-based incentive programmes in place for the group's key employees. During the third quarter, the Board of Directors of Cargotec Corporation did not establish any new share-based incentive programmes.

The completion of the partial demerger of Cargotec Corporation and the incorporation of a new Kalmar Corporation was registered in the Finnish Trade Register on 30 June 2024. On 7 August 2024 Cargotec's Board of Director's resolved on the adjustments of the share-based incentive programmes due to the demerger. The adjustments aimed at retaining the reward values for the programme participants unaffected by compensating for the decrease in Cargotec's class B share value following the Kalmar demerger. As a result, the rewards denominated as number of Cargotec's class B shares were revised using a multiplier resolved by the Board of Directors. The adjustment was applied to share allocations of active programme participants instead of the original maximum share allocations per programme. The multiplier was also used to adjust the grant date share prices applied in the programmes to maintain the recognised cost related to rewards paid in shares on the same level as before. Adjustments were not made to the terms and conditions of the programmes.

The following share-based incentive programmes established by the Board of Directors of Cargotec during the past financial years were in operation during January–September of 2024:

- Performance share programme 2020–2024, performance period 2022–2024. The performance period includes three measuring periods of one calendar year. For its third measuring period of the financial year 2024, the potential reward will be based on the eco portfolio share in orders received for the key employees of the Hiab business area. For Cargotec Corporate key employees, the performance criterion is Cargotec's eco portfolio share in orders received. The programme is directed to approximately 70 key employees, including the members of Cargotec Leadership Team. The rewards to be paid on the basis of the performance period related to active participants amount up to an approximate maximum total of 220,000 Cargotec's class B shares including the addition of approximately 99,000 shares in accordance with the adjustment made in the third quarter due to the demerger.

- Performance share programme 2023–2025, performance period 2023–2025. The performance period includes three measuring periods of one calendar year. For its second measuring period 2024, the potential reward will be based on the service gross profit for the key employees of the Hiab business area. For Cargotec Corporate key employees, the performance criterion is Cargotec's service gross profit. The programme is directed to approximately 70 key employees, including the members of Cargotec Leadership Team. The rewards to be paid on the basis of the performance period related to active participants amount up to an approximate maximum total of 213,000 Cargotec's class B shares including the addition of approximately 96,000 shares in accordance with the adjustment made in the third quarter due to the demerger.

- Performance share programme 2024–2026, performance period 2024–2026. The performance period includes three measuring periods of one calendar year. For the key employees of the Hiab business area, the potential reward of the programme from the first measuring period 2024 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 programme is directed to approximately 70 key employees, including the members of Cargotec Leadership Team. The rewards to be paid on the basis of the performance period related to active participants amount up to an approximate maximum total of 200,000 Cargotec's class B shares including the addition of approximately 90,000 shares in accordance with the adjustment made in the third quarter due to the demerger.

- Restricted share programme 2020–2024, earnings period 2022–2024. The rewards to be paid on the basis of the performance period related to active participants amount up to an approximate maximum total of 17,000 Cargotec's class B shares including the addition of approximately 2,400 shares in accordance with the adjustment made in the third quarter due to the demerger.

- Restricted share programme 2023–2025. The rewards to be paid on the basis of the programme related to active participants amount up to an approximate maximum total of 16,000 Cargotec's class B shares including the addition of approximately 3,700 shares in accordance with the adjustment made in the third quarter due to the demerger.

- Restricted share programme 2024–2026. The rewards to be paid on the basis of the programme related to active participants amount up to an approximate maximum total of 15,000 Cargotec's class B shares including the addition of approximately 5,400 shares in accordance with the adjustment made in the third quarter due to the demerger.

- Restricted share unit programme 2023–2025. The reward from the programme is conditional on the achievement of strategic goals set by the Board of Directors. The reward is estimated to be paid in 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 paid on the basis of the programme related to active participants amount up to an approximate maximum total of 419,000 Cargotec's class B shares including the addition of approximately 188,000 shares in accordance with the adjustment made in the third quarter due to the demerger.

7. Comparable operating profit

MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Operating profit	**67.1**	**76.7**	**188.8**	**197.0**	**236.0**
Restructuring costs					
Employment termination costs	-0.1	0.2	0.5	2.1	5.1
Impairments of inventories	-0.1	-0.5	0.4	-0.5	-1.2
Restructuring-related disposals of businesses*	—	—	—	0.6	1.6
Other restructuring costs**	-0.1	2.3	29.3	4.8	7.9
Restructuring costs, total	**-0.4**	**2.0**	**30.3**	**7.0**	**13.4**
Other items affecting comparability					
Expenses related to business acquisitions or disposals***	2.6	-0.6	3.6	0.5	0.5
Other costs****	0.2	-17.2	0.2	-13.3	-13.2
Other items affecting comparability, total	**2.8**	**-17.8**	**3.8**	**-12.8**	**-12.7**
Comparable operating profit	**69.6**	**60.9**	**222.9**	**191.2**	**236.7**

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

** Other restructuring costs includes 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.

During the second quarter of 2024, MacGregor settled a dispute with a customer related to an installation vessel pilot project for offshore wind turbines, as a result of which the negative result impact of approximately EUR 29 million related to settlement of the dispute and termination of the project was recorded to restructuring costs. The product is no longer in MacGregor's sales portfolio.

*** Additional information regarding disposals of businesses is presented in note 15, Acquisitions and disposals and note 16, Joint ventures and associated companies.

**** In 2022 Cargotec and its subsidiary MacGregor USA, Inc. made a voluntary self-disclosure to US authorities regarding compliance with certain export regulations related to information management in the context of MacGregor's US Government business in 2022. MacGregor then booked an approximately EUR 18 million provision to cover possible consequences. During the third quarter of 2023, relevant US authorities resolved the matter without monetary penalty, and Cargotec thereby released the provision as an item affecting comparability.

8. Capital expenditure, depreciation, amortisation and impairment

Capital expenditure, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Owned assets					
Intangible assets	0.4	0.5	1.4	2.1	2.6
Land and buildings	0.4	1.1	1.0	1.6	2.6
Machinery and equipment	3.0	4.5	10.9	14.7	20.1
Right-of-use assets					
Land and buildings	5.3	2.6	17.7	10.0	15.3
Machinery and equipment	3.8	3.7	9.5	10.8	14.8
Total	**12.9**	**12.4**	**40.5**	**39.2**	**55.3**

Depreciation, amortisation and impairment, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Owned assets					
Intangible assets	2.9	3.4	9.2	10.3	13.5
Land and buildings	0.7	0.6	2.1	1.9	2.5
Machinery and equipment	2.8	2.7	8.4	8.2	11.5
Right-of-use assets					
Land and buildings	4.8	5.8	13.9	14.8	18.0
Machinery and equipment	3.2	3.0	9.5	8.7	12.2
Total	**14.4**	**15.5**	**43.1**	**43.9**	**57.7**

9. Taxes in statement of income

MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Current year tax expense	19.2	8.3	81.6	43.5	66.3
Change in current year's deferred tax assets and liabilities	-3.4	5.6	-27.6	0.2	-5.1
Tax expense for previous years	-2.5	-2.2	0.8	-1.1	-4.1
Total	**13.4**	**11.7**	**54.9**	**42.6**	**57.1**

10. Net working capital

MEUR	30 Sep 2024	30 Sep 2023	31 Dec 2023
Inventories	532.8	1,148.0	1,033.8
Operative derivative assets	22.9	32.7	35.9
Accounts receivable	377.1	761.4	723.8
Contract assets	19.6	74.1	47.3
Other operative non-interest-bearing assets	122.0	182.0	166.6
Working capital assets	**1,074.5**	**2,198.3**	**2,007.5**
Provisions	-65.8	-157.3	-160.5
Operative derivative liabilities	-24.6	-41.7	-33.0
Pension obligations	-51.2	-81.4	-89.0
Accounts payable	-271.5	-545.8	-511.2
Contract liabilities	-255.4	-362.3	-374.5
Other operative non-interest-bearing liabilities	-238.1	-504.6	-510.4
Working capital liabilities	**-906.7**	**-1,693.1**	**-1,678.6**
Total	**167.8**	**505.2**	**328.9**

Information about the net assets distributed to the owners in connection with the partial demerger is presented in note 18, Demerger. The comparative data include continuing and discontinued operations.

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 Sep 2024	30 Sep 2023	31 Dec 2023
Interest-bearing liabilities	373.6	861.5	866.7
Loans receivable and other interest-bearing assets	-0.3	-3.6	-3.5
Cash and cash equivalents	-437.1	-451.8	-684.7
Interest-bearing net debt	**-63.8**	**406.1**	**178.6**
Equity	1,195.8	1,680.1	1,753.8
Gearing	**-5.3%**	**24.2%**	**10.2%**

MEUR	Q3/24	Q3/23	2023
Operating profit, last 12 months	366.9	366.0	483.8
Depreciation, amortisation and impairment, last 12 months	83.0	201.6	114.9
EBITDA, last 12 months	**449.9**	**567.6**	**598.7**
Interest-bearing net debt / EBITDA, last 12 months	**-0.1**	**0.7**	**0.3**

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

MEUR	30 Sep 2024	30 Sep 2023	31 Dec 2023
Cash and cash equivalents	437.1	451.8	684.7
Committed long-term undrawn revolving credit facilities	330.0	330.0	430.0
Repayments of interest-bearing liabilities in the following 12 months	-129.4	-352.2	-158.5
Liquidity	**637.7**	**429.6**	**956.2**

Information about the net assets distributed to the owners in connection with the partial demerger is presented in note 18, Demerger. The comparative data include continuing and discontinued operations.

12. Derivatives

Fair values of derivative financial instruments

	Positive fair value	Negative fair value	Net fair value	Net fair value	Net fair value
MEUR	30 Sep 2024	30 Sep 2024	30 Sep 2024	30 Sep 2023	31 Dec 2023
Non-current					
Equity warrants	–	–	–	1.1	–
Total non-current	**–**	**–**	**–**	**1.1**	**–**
Current					
Currency forwards, cash flow hedge accounting	2.3	0.1	2.2	-12.3	11.4
Currency forwards, other	8.1	3.4	4.7	-0.3	16.6
Total current	**10.4**	**3.5**	**6.9**	**-12.6**	**28.1**
Total derivatives	**10.4**	**3.5**	**6.9**	**-11.5**	**28.1**

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

MEUR	30 Sep 2024	30 Sep 2023	31 Dec 2023
Currency forward contracts	3,288.4	3,880.2	4,020.2
Cash flow hedge accounting	1,743.7	2,368.1	2,313.9
Other	1,544.8	1,512.1	1,706.3
Total	**3,288.4**	**3,880.2**	**4,020.2**

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.

Information about the net assets distributed to the owners in connection with the partial demerger is presented in note 18, Demerger. The comparative data include continuing and discontinued operations.

13. Commitments

MEUR	30 Sep 2024	30 Sep 2023	31 Dec 2023
Customer financing	–	8.5	8.3
Off-balance sheet leases	4.8	8.6	8.0
Other contingent liabilities	0.6	1.1	1.3
Total	**5.4**	**18.2**	**17.5**

Cargotec Corporation has guaranteed obligations of Cargotec companies arising from ordinary course of business. The total amount of these guarantees on 30 Sep 2024 was EUR 264.6 (30 Sep 2023: 449.0 and 31 Dec 2023: 404.3) 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, on-balance sheet leases not yet commenced, and residual value risk related to equipment sold under customer finance arrangements and accounted for as leases.

The comparative data above include both continuing and discontinued operations.

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.

Business transactions with related parties

MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Sale of products and services					
Joint ventures	1.5	1.3	4.3	2.5	4.5
Purchase of products and services					
Joint ventures	3.4	3.1	9.5	9.0	12.7
Total	**3.4**	**3.1**	**9.5**	**9.1**	**12.7**
Dividends received and return of capital					
Joint ventures	4.3	–	4.3	–	–
Total	**4.3**	**–**	**4.3**	**–**	**–**

Transactions with joint ventures are carried out at market prices.

Assets and liabilities with related parties

MEUR	30 Sep 2024	30 Sep 2023	31 Dec 2023
Accounts receivable			
Joint ventures	1.8	3.5	2.2
Accounts payable			
Joint ventures	3.1	2.6	3.9

Cargotec sold in April a property to its related parties Wipunen varainhallinta oy, Mariatorp Oy, Pivosto Oy who jointly acquired the property on behalf of the established company. The property's sales price was based on estimates given by two independent real estate brokers. The total value of the transaction including movable property was EUR 11.4 million resulting in a sales profit of EUR 7.7 million that was included in the result of the discontinued operation.

Cargotec did not have other material business transactions, or balance sheet items with its related parties than those presented above.

15. Acquisitions and disposals

Cargotec has had no business acquisitions in 2024. Information about the partial Demerger is disclosed in notes 17. Discontinued operations, and 18. Demerger.

Acquisitions in 2023

Hiab acquired in January the share capitals of Olsbergs Hydraulics Aktiebolag and Olsbergs Electronics AB at a purchase price of EUR 19.1 million of which the EUR 1.9 million was conditional and paid in 2024. 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 fair values, EUR 3.3 million of intangible assets and EUR 4.9 million of goodwill, which is 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 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
Net assets	**14.1**
Purchase price, payable in cash	17.1
Purchase price, conditional	1.9
Total consideration	**19.1**
Goodwill	**4.9**
Purchase price, paid in cash	17.1
Cash and cash equivalents acquired, including overdrafts	-0.9
Cash flow impact	**16.2**

Disposals in 2023

In December, Hiab sold its Spanish subsidiary Hiab Iberia S.L.U. at a sales price of EUR 6.1 million, of which EUR 2.1 million was paid during the first quarter of 2024. With the transaction, Hiab transferred its spare parts business in Spain to its partner Mulder Maquinaria S.L.U. The transaction had no material effect on the reported figures.

In November, MacGregor sold its 51% ownership in the UK-based Flintstone Technology Limited to Bridon International Ltd. The transaction had no material effect on the reported figures.

In October, MacGregor sold the Voyage Data Recorder and Maritime Data Engine businesses to Danelec Electronics A/S. The transaction had no material effect on the reported figures.

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.

16. Joint ventures and associated companies

In connection with the Demerger, the associated company Bruks Siwertell Group AB belonging to Kalmar was transferred from Cargotec's ownership. There has been no other changes in Cargotec's ownerships in joint ventures and associated companies during 2024.

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.

17. Discontinued operations

On 30 May 2024, Cargotec's annual general meeting approved the separation of the Kalmar business area into its own listed company (Demerger). The implementation date of the Demerger was 30 June 2024, after which Kalmar has operated as an independent listed company.

As a result of the Demerger, Cargotec has presented the Kalmar business area as discontinued operations in accordance with IFRS 5 Non-current assets held for sale and discontinued operations starting from the first quarter of 2024. In accordance with the IFRS 5 standard, the net result of discontinued operations is presented in the consolidated statement of income separately from the income and expenses of continuing operations (Hiab and MacGregor). The cash flow statement and statement of changes in equity include the effects of Kalmar's business until the Demerger and the effect of Demerger.

In the statement of income, the comparison periods have been adjusted accordingly. The balance sheet has not been adjusted. The presented discontinued operations include revenue and expenses directly related to the Kalmar business area, as well as other income and expenses related to continuing operations that are not expected to continue after the Demerger or that would have been avoided without the Demerger. In addition to the balance sheet items of the Kalmar segment, certain items not belonging to the Kalmar segment were removed from Cargotec's balance sheet in the Demerger. These items were not depreciated or amortised in accordance with the presentation method of IFRS 5. Due to the reasons described above, the financial information presented as Cargotec's continuing operations and Kalmar business area's discontinued operations do not reflect the previous or future profitability of either business as separate independent operations before or after the Demerger.

The tables below include additional information about Kalmar's financial performance as discontinued operations. Information about balance sheet items transferred to Kalmar in the Demerger is presented in note 18, Demerger.

Income for the discontinued operations

MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Sales	**—**	**503.1**	**855.2**	**1,540.0**	**2,049.4**
Cost of goods sold	—	-381.4	-619.0	-1,163.7	-1,540.6
Gross profit	**—**	**121.7**	**236.2**	**376.3**	**508.8**
Selling and marketing expenses	—	-19.8	-42.5	-61.5	-85.5
Research and development expenses	—	-12.1	-22.7	-37.1	-53.9
Administration expenses	-6.7	-18.6	-59.2	-76.1	-111.2
Restructuring costs	—	-0.5	0.0	-0.9	-1.2
Other operating income	1.7	7.8	24.7	23.5	31.2
Other operating expenses	-3.5	-16.7	-47.7	-32.0	-49.4
Share of associated companies' and joint ventures' net result	—	1.9	0.3	5.6	9.0
Operating profit	**-8.6**	**63.6**	**89.1**	**197.8**	**247.8**
Finance income	—	1.5	4.9	4.1	5.7
Finance expenses	—	-4.7	-13.6	-14.1	-20.1
Profit before taxes of the operations transferred to discontinued operations	**-8.6**	**60.4**	**80.4**	**187.8**	**233.5**
Income taxes	2.5	-15.6	-22.5	-41.1	-47.3
Profit for the period of the operations transferred to discontinued operations	**-6.1**	**44.8**	**57.9**	**146.6**	**186.2**
Fair value gain recognised from net assets distributed to the owners	—	—	1,112.7	—	—
Translation differences	—	—	-73.1	—	—
Profit for the period, discontinued operations	**-6.1**	**44.8**	**1,097.6**	**146.6**	**186.2**
Profit for the period attributable to:					
Shareholders of the parent company	-6.1	44.8	1,097.6	146.6	186.2
Non-controlling interest	—	—	—	—	—
Total	**-6.1**	**44.8**	**1,097.6**	**146.6**	**186.2**

Cash flows from discontinued operations

MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Net cash flow from operating activities	-12.1	125.3	83.6	90.9	208.8
Net cash flow from investing activities	—	-21.6	-5.5	-36.3	-43.6
Net cash flow from financing activities	—	2.9	-10.3	-0.5	38.0
Net cash flow total	**-12.1**	**106.6**	**67.7**	**54.2**	**203.2**

Comparable operating profit

MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Operating profit	**-8.6**	**63.6**	**89.1**	**197.8**	**247.8**
Restructuring costs					
Employment termination costs	—	0.5	—	0.7	1.1
Impairments of inventories	—	0.0	-0.1	0.0	0.3
Other restructuring costs*	—	0.0	0.2	0.2	-0.1
Restructuring costs, total	**0.0**	**0.5**	**0.0**	**0.9**	**1.2**
Other items affecting comparability					
Costs related to the partial demerger	8.6	6.5	50.2	12.3	27.6
Other items affecting comparability, total	**8.6**	**6.5**	**50.2**	**12.3**	**27.6**
Comparable operating profit	**–**	**70.6**	**139.3**	**211.0**	**276.7**

* Other restructuring costs includes 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.

Capital expenditure, depreciation, amortisation and impairment

Capital expenditure, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Owned assets	—	12.6	22.5	40.7	55.8
Right-of-use assets	—	13.3	11.4	21.1	25.9
Total	**–**	**26.0**	**33.8**	**61.9**	**81.7**

Depreciation, amortisation and impairment, MEUR	Q3/24	Q3/23	Q1–Q3/24	Q1–Q3/23	2023
Owned assets	—	9.9	2.7	30.6	41.1
Right-of-use assets	—	4.1	8.5	11.7	16.1
Total	**–**	**14.1**	**11.3**	**42.3**	**57.2**

18. Demerger

On 30 May 2024, Cargotec's annual general meeting approved the separation of the Kalmar business area into its own listed company (Demerger). The implementation date of the Demerger was 30 June 2024, after which Kalmar has operated as an independent listed company. The trading in the class B shares of Kalmar on Nasdaq Helsinki commenced on 1 July 2024.

The Hiab business area of Cargotec remains in the Demerger with the current company. As announced by Cargotec on 14 November 2022, MacGregor, which is one of the business areas of Cargotec, will not be part of Cargotec's portfolio in the future. Therefore, in parallel, Cargotec's focus remains to continue looking for a solution for MacGregor during 2024.

Based on the Board of Directors' assessment, Demerger would be expected to improve the business performance of Kalmar and Hiab through higher agility, decisiveness, and stronger management focus. In addition, as two standalone businesses, the companies are positioned to achieve faster organic and inorganic growth thanks to a more tailored capital allocation strategy and flexible access to external capital. The Board of Directors believes the transaction would increase the attractiveness of the companies and facilitate their fair valuation. Furthermore, the separation would improve governance, simplify the structures of the entities, and provide greater transparency and accountability.

In the Demerger, all assets, debts, and liabilities of Cargotec that related to the Kalmar business area or mainly served the Kalmar business area of Cargotec were transferred to a new company named Kalmar Corporation that was incorporated in the Demerger.

The Demerger was executed as a partial demerger, as set out in the Finnish Companies Act (624/2006, as amended). The shareholders of Cargotec received as demerger consideration one new share of the corresponding share class (i.e., class A or class B) of Kalmar for each class A and class B share owned in Cargotec. There are corresponding two share classes in Kalmar as in Cargotec, i.e., class A and class B, which will carry the same voting and dividend rights as class A and class B shares in Cargotec, respectively. No action was required from the shareholders to receive the demerger consideration.

Fair value of the Demerger was determined based on the closing price of 26.40 euros on the first trading day of the Kalmar Corporation class B share on July 1, 2024. Based on the stock of Kalmar's 64,324,118 shares (9,526,089 class A shares and 54,798,029 class B shares), the fair value of the Demerger was EUR 1,698.2 million and the fair value gain from the Demerger was EUR 1,039.7 million. The gain from the Demerger was included in the discontinued operation's result. The demerger gain had no tax effect on the consolidated statement of income.

Fair value gain from the Demerger

MEUR	
Fair value of the Demerger	1,698.2
Net assets distributed to the owners	-585.7
Cash flow hedges transferred to the statement of income, net of tax	0.2
Fair value gain recognised from the net assets distributed to the owners	**1,112.7**
Translation differences	-73.1
Fair value gain from the Demerger	**1,039.7**

Distributed net assets

MEUR	
Assets	
Goodwill	261.0
Intangible assets	17.6
Property, plant and equipment	287.7
Investments in associated companies and joint ventures	47.3
Inventory	455.6
Accounts receivable and other non-interest-bearing receivables	374.0
Loans receivable and other interest-bearing assets	4.1
Cash and cash equivalents	248.6
Deferred tax assets	51.1
Liabilities	
Accounts payable and other non-interest-bearing liabilities	-741.0
Interest-bearing liabilities	-409.6
Deferred tax liabilities	-11.0
Net assets	**585.7**

Additional information about the Demerger can be found in the press release published by Cargotec on 1 February 2024. Additionally, The Demerger and listing prospectus,contains more detailed information about the Demerger and Kalmar.

19. Events after the reporting period

There were no material events after the reporting period.

CARGOTEC

Key exchange rates for euro

Closing rates	30 Sep 2024	30 Sep 2023	31 Dec 2023
SEK	11.300	11.533	11.096
USD	1.120	1.059	1.105

Average rates	Q1–Q3/24	Q1–Q3/23	2023
SEK	11.389	11.458	11.456
USD	1.089	1.080	1.082

Cargotec's key figures

The key figures including components related to the statement of income include both continuing and discontinued operations. The key figures including components from the balance sheet (equity, interest-bearing net debt, gearing, return on capital employed) include discontinued operations in all presented periods, except months starting from June 2024.

		Q1–Q3/24	Q1–Q3/23	2023
Equity / share	EUR	18.68	26.13	27.25
Equity to asset ratio	%	53.0%	42.5%	43.8%
Interest-bearing net debt	MEUR	-63.8	406.1	178.6
Interest-bearing net debt / EBITDA, last 12 months		-0.1	0.7	0.3
Gearing	%	-5.3%	24.2%	10.2%
Return on equity (ROE), last 12 months	%	17.3%	13.4%	21.2%
Return on capital employed (ROCE), last 12 months	%	18.9%	14.8%	19.9%

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

Basic earnings per share (EUR)	=	Profit attributable to the shareholders of the parent company / Average number of outstanding shares during the period
Diluted earnings per share (EUR)	=	Profit attributable to the shareholders of the parent company / 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
Operative capital employed (MEUR)	=	Goodwill + intangible assets + property, plant and equipment + investments in associated companies and joint ventures + share investments + net working capital	Operative capital employed refers to the amount of capital needed for the business to operate and generate profits. It does not include taxes or finance income and expenses. Used to measure the efficiency with which the capital is used.	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	Profit for the period, last 12 months, excluding Fair value gain from the Demerger / 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 Fair value gain from the Demerger: Note 18, Demerger
Return on capital employed (ROCE) (%), last 12 months	= 100 x	Profit before taxes + finance expenses, last 12 months / 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
Operative return on capital employed (operative ROCE) (%), last 12 months	= 100 x	Operating profit, last 12 months / Operative capital employed (average for the last 12 months)	Represents relative business profitability that has been received on operative capital employed requiring interest or other return.	Operating profit: Note 4, Segment information; Operative capital employed: Note 10. Net working capital
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	Total equity / Total assets - contract liabilities	Used to measure solvency and describe the share of the company's assets financed by equity.	Balance sheet
Gearing (%)	= 100 x	Interest-bearing net debt / 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

In the calculation of the balance sheet related key figures, the assets held for distribution to owners and associated liabilities are included in the applicable account groups, even though in the balance sheet they are presented on one row.

Quarterly key figures

Cargotec		Q3/24	Q2/24	Q1/24	Q4/23	Q3/23
Orders received	MEUR	597	584	653	610	522
Service orders received	MEUR	193	204	205	194	183
Order book	MEUR	1,691	1,691	1,799	1,788	1,894
Sales	MEUR	590	625	617	684	598
Service sales	MEUR	197	212	207	208	197
Service sales, % of sales	%	33%	34%	33%	30%	33%
Eco portfolio sales	MEUR	172	188	174	202	192
Eco portfolio sales, % of sales	%	29%	30%	28%	30%	32%
Operating profit	MEUR	67.1	52.0	69.7	39.0	76.7
Operating profit	%	11.4%	8.3%	11.3%	5.7%	12.8%
Comparable operating profit	MEUR	69.6	82.1	71.2	45.5	60.9
Comparable operating profit	%	11.8%	13.1%	11.5%	6.7%	10.2%
Basic earnings per share	EUR	0.79	0.48	0.73	0.31	0.97

Hiab		Q3/24	Q2/24	Q1/24	Q4/23	Q3/23
Orders received	MEUR	361	348	386	401	311
Order book	MEUR	636	676	770	799	900
Sales	MEUR	388	433	415	450	420
Service sales	MEUR	112	115	117	114	113
Comparable operating profit	MEUR	59.3	68.7	68.7	47.8	61.5
Comparable operating profit	%	15.3%	15.9%	16.6%	10.6%	14.7%

MacGregor		Q3/24	Q2/24	Q1/24	Q4/23	Q3/23
Orders received	MEUR	236	235	267	209	211
Order book	MEUR	1,055	1,014	1,028	988	993
Sales	MEUR	203	192	203	234	179
Service sales	MEUR	85	97	89	94	85
Comparable operating profit	MEUR	19.5	21.4	12.1	13.1	8.5
Comparable operating profit	%	9.6%	11.1%	6.0%	5.6%	4.8%