

Credit investor presentation, May 2019

Becoming the leader in intelligent cargo handling

Today's presenters



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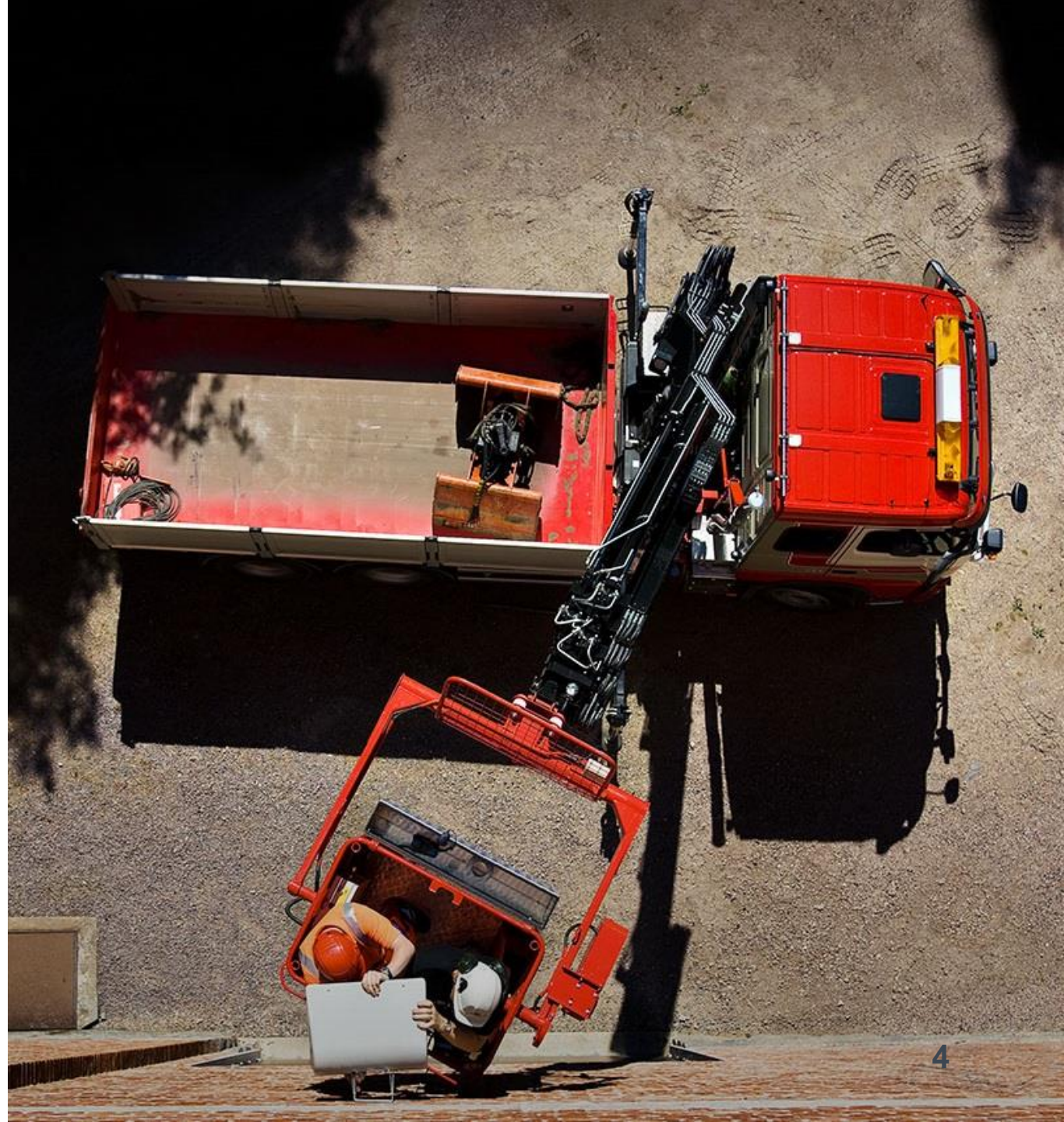
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Content

1. Cargotec in brief
2. Investment highlights
3. Kalmar
4. Hiab
5. MacGregor
6. Recent progress
7. Appendix



Cargotec in brief



Strong global player with well-balanced business

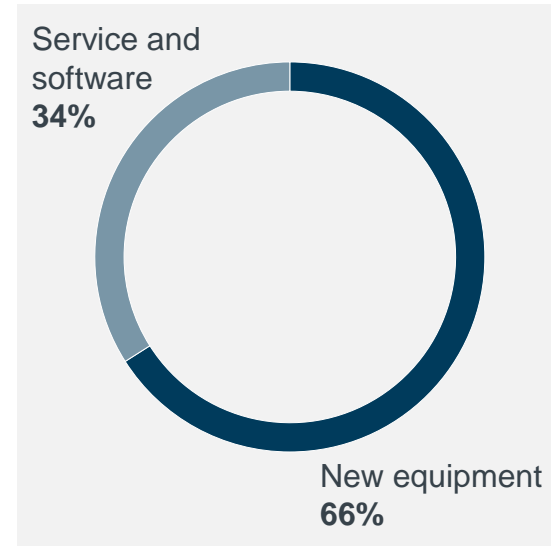
Sales:
EUR 3,304 million
EBIT: 7.3%

Kalmar
 Sales: **EUR 1,618 million**
 EBIT: **8.9%** (EUR 143.6 million)

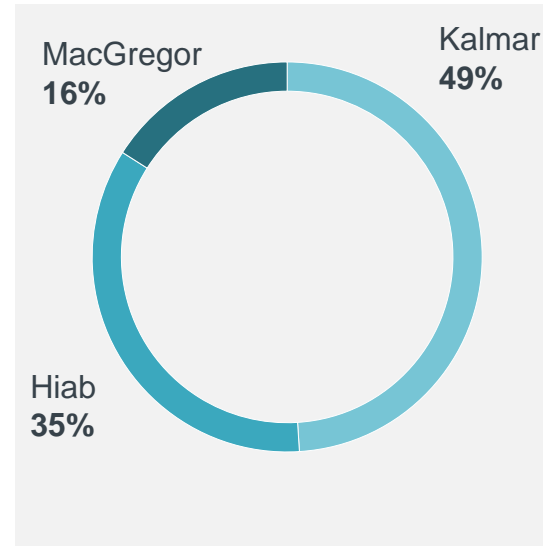
Hiab
 Sales: **EUR 1,149 million**
 EBIT: **11.7%** (EUR 134.5 million)

MacGregor
 Sales: **EUR 538 million**
 EBIT: **-0.3%** (EUR -1.6 million)

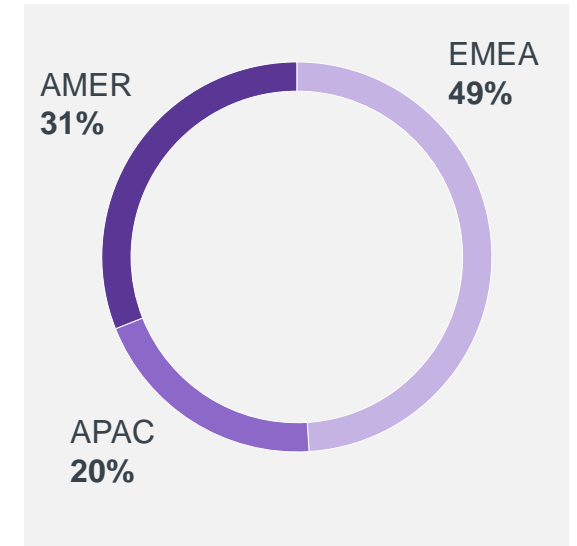
Sales split: new equipment vs service and software



Sales by business areas



Sales by geographical area



Strengths we are building upon

Leading market positions
in all segments

Strong brands

Loyal customers

Leading in technology

Key competitors

Cargotec is a leading player in all of its business areas

Global main competitors



KONGSBERG



Other competitors



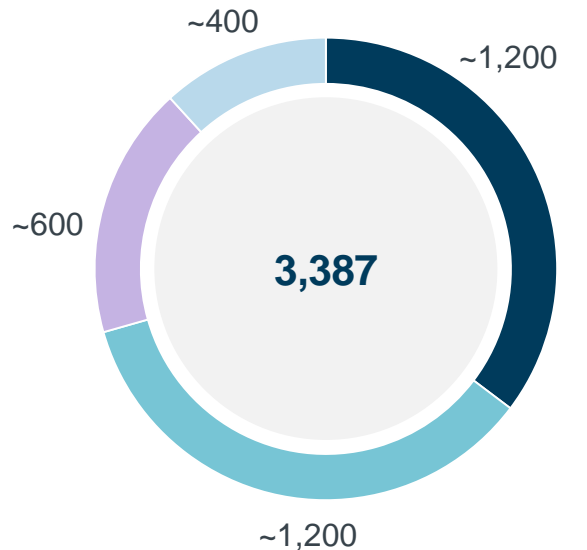
MITSUI E&S



Currently two businesses performing well

Net sales* in Q2/18-Q1/19

EUR million



- Kalmar equipment
- MacGregor
- Hiab
- Kalmar APD and software

	Trend in orders, last 12 months	Profitability: Comparable EBIT margin
Kalmar software (Navis) and Automation and Projects division	➔	Low due to long term investments
MacGregor	+19%	-0.2%
Hiab	+14%	11.1%
Kalmar equipment and service (excluding Automation and Projects Division & Navis)	➔	Low double digit

* Figures rounded to closest 100 million

Credit investment highlights



Credit investment highlights

1. Technology leader and strong market positions, leading brands in markets with long term growth potential
2. Our vision is to become the global leader in intelligent cargo handling
3. Growing service & software business and asset light business model are increasing stability
4. Capitalizing global opportunities for future automation and software growth
5. On track for profitability improvement and to reach financial targets
6. Healthy leverage position



1. Technology leader and strong market positions, leading brands in markets with long term growth potential

Global megatrends

- Globalisation and trade growth
- Urbanisation
- Growing middle class

Growth drivers

- Container throughput growth
- Construction activity
- Automation
- Digitalisation

Competitive advantages

- Strong brands
- Full automation offering
- Technology leadership

Market position

- #1 or #2 in all major segments

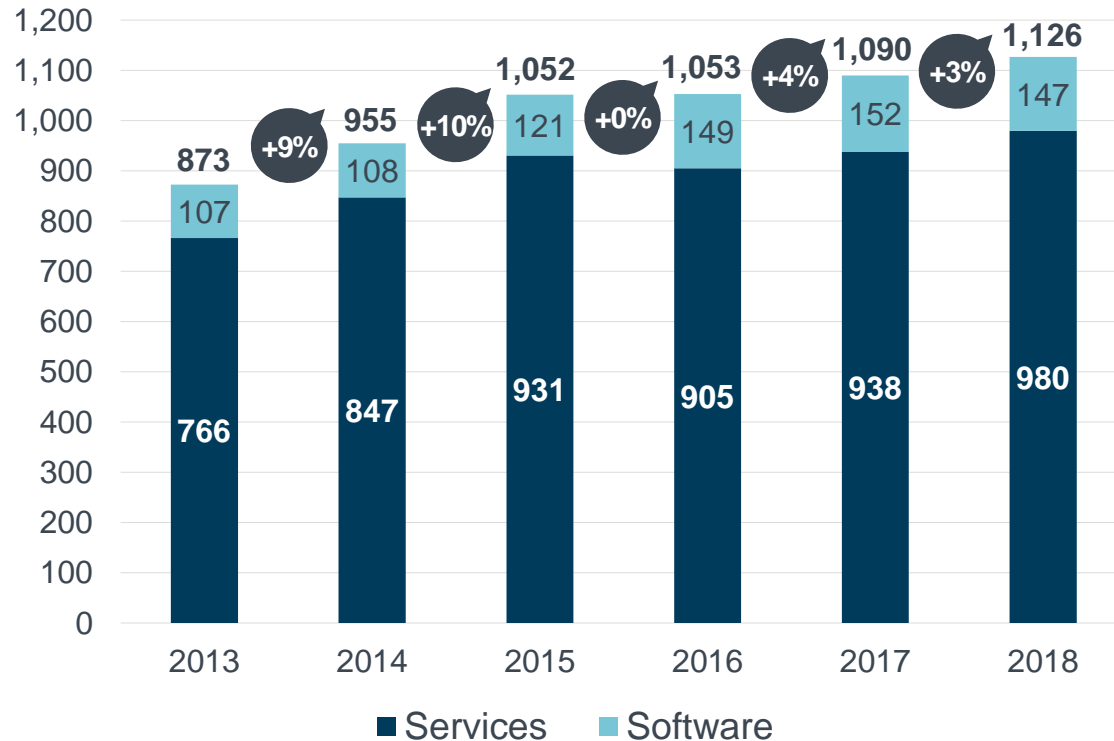
2. Our vision is to become the global leader in intelligent cargo handling

VISION	GLOBAL LEADER IN INTELLIGENT CARGO HANDLING	
MUST-WIN BATTLES	WIN THROUGH CUSTOMER CENTRICITY We help our customers achieve their goals by aligning our offering and way of working to serve them better.	ACCELERATE DIGITALISATION We build and expand our digital solutions to offer a great customer experience and more efficient business processes.
	ADVANCE IN SERVICES We extend our offering towards intelligent solutions that enable us to serve our customers wide across their lifecycle.	PRODUCTIVITY FOR GROWTH We focus on activities that add value and benefit our customers and us by developing our business operations and common platforms.

3. Growing service & software business and asset light business model are increasing stability

Service and software* sales

MEUR



Asset light business model with a flexible cost structure

- Kalmar and Hiab: efficient assembly operation
- MacGregor: efficient project management and engineering office: > 90% of manufacturing and 30% of design and engineering capacity outsourced
- No in-house component manufacturing

Next steps to increase service and software sales:

- Improve service offering through digital solutions
- Build on Navis position as industry leader
- Increase spare parts capture rates
- Boost service contract attachment rates

4. Capitalizing global opportunities for future automation and software growth

Industry trends support growth in port automation:

- Only 40 terminals (out of 1,200 terminals) are automated or semi-automated currently globally
- Ships are becoming bigger and the peak loads have become an issue
- Increasing focus on safety
- Customers require decreasing energy usage and zero emission ports
- Optimum efficiency, space utilization and reduction of costs are increasingly important
- Shortage and cost of trained and skilled labour pushes terminals to automation

Significant possibility in port software:

- Container value chain is very inefficient: total value of waste and inefficiency estimated at ~EUR 17bn
- Over 50% of port software market is in-house, in long term internal solutions not competitive
- Navis has leading position in port ERP

Customers consider their automation decisions carefully

- Shipping line consolidation
- Utilisation rates of the existing equipment base
- Container throughput volumes
- Efficiency of the automation solutions

Automation creates significant cost savings*

Labour costs	60% less labour costs
Total costs	24% less costs
Profit increase	125%



* Change when manual terminal converted into an automated operation

5. Clear plan for profitability improvement and to reach financial targets

Growth

Target to grow faster than market

- Megatrends and strong market position supporting organic growth
- M&A potential

Service and software

Targeting service and software sales 40% of net sales, minimum EUR 1.5 billion in 3-5 years*

Balance sheet and dividend

Target gearing < 50% and increasing dividend in the range of 30-50% of EPS, dividend paid twice a year

Profitability

Target 10% operating profit and 15% ROCE in 3-5 years*

Higher service and software sales key driver for profitability improvement

Cost savings actions:

- 2020 EUR 30 million (indirect purchasing and new Business Services operations)

Product re-design and improved project management

Sales and comparable operating profit development



*Target announced in September 2017

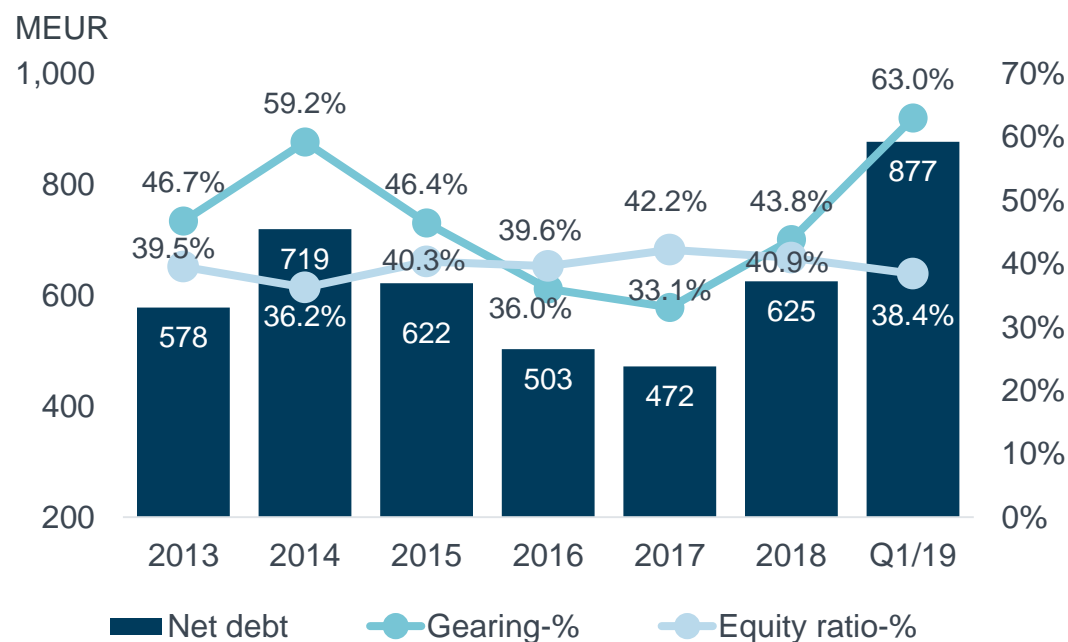
6. Healthy leverage position: Supply chain challenges and IFRS 16 have impacted negatively

Net debt and gearing increased mainly due to IFRS 16

- Q1/19 gearing without IFRS 16 approximately 49%

Target gearing < 50% and loan agreements' financial covenant limit 125%

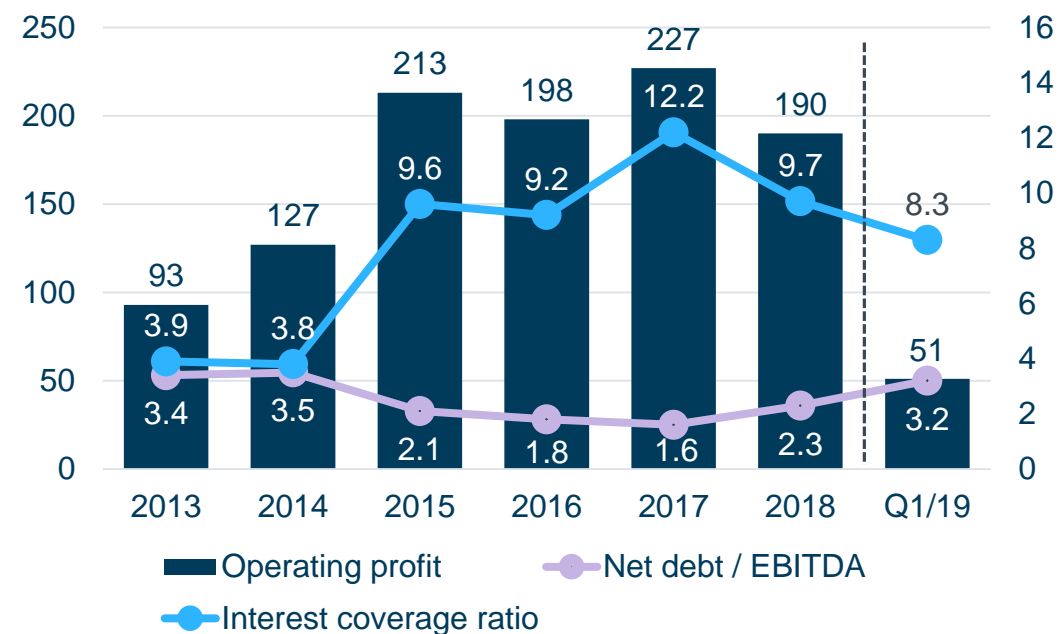
Equity ratio has remained stable at around 40%



Supply chain challenges and higher inventory have impacted cash flow and net debt negatively

- Q1/19 interest coverage ratio without IFRS 16: 12.3
- Q1/19 net debt / EBITDA without IFRS 16: 2.5

MEUR



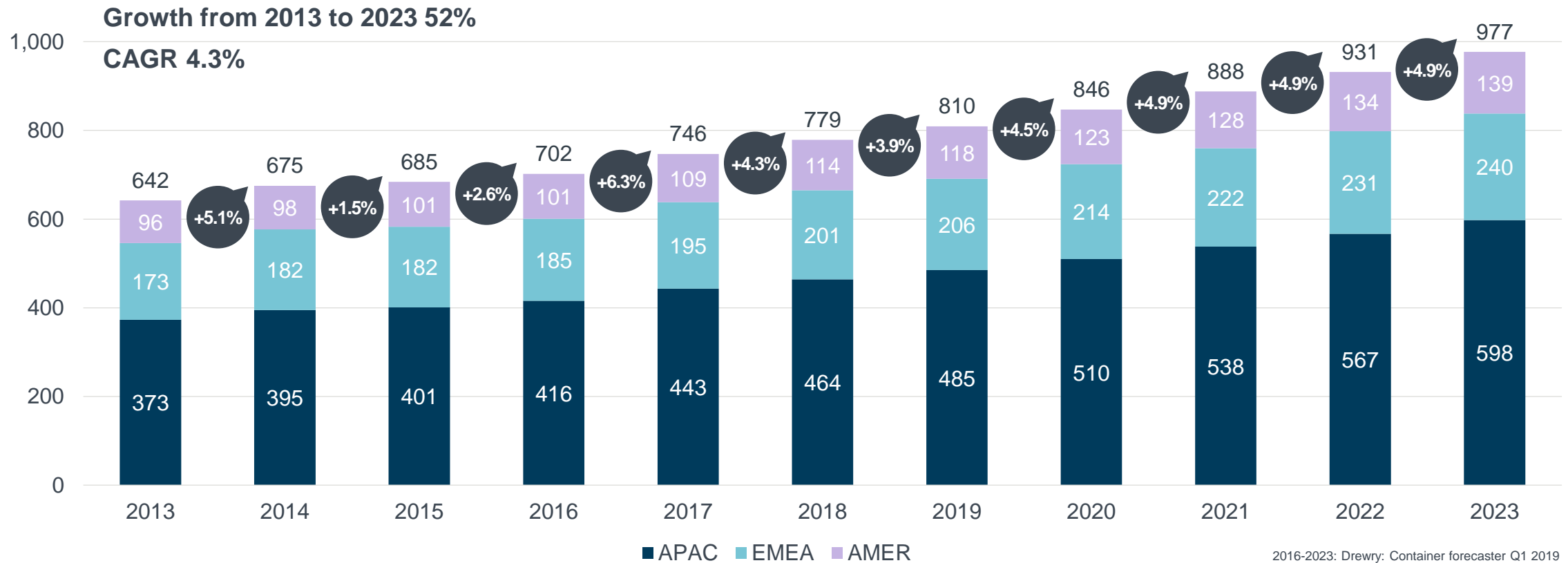
Interest coverage ratio = Operating profit / interest expenses

Kalmar



Container throughput still forecasted to grow year on year

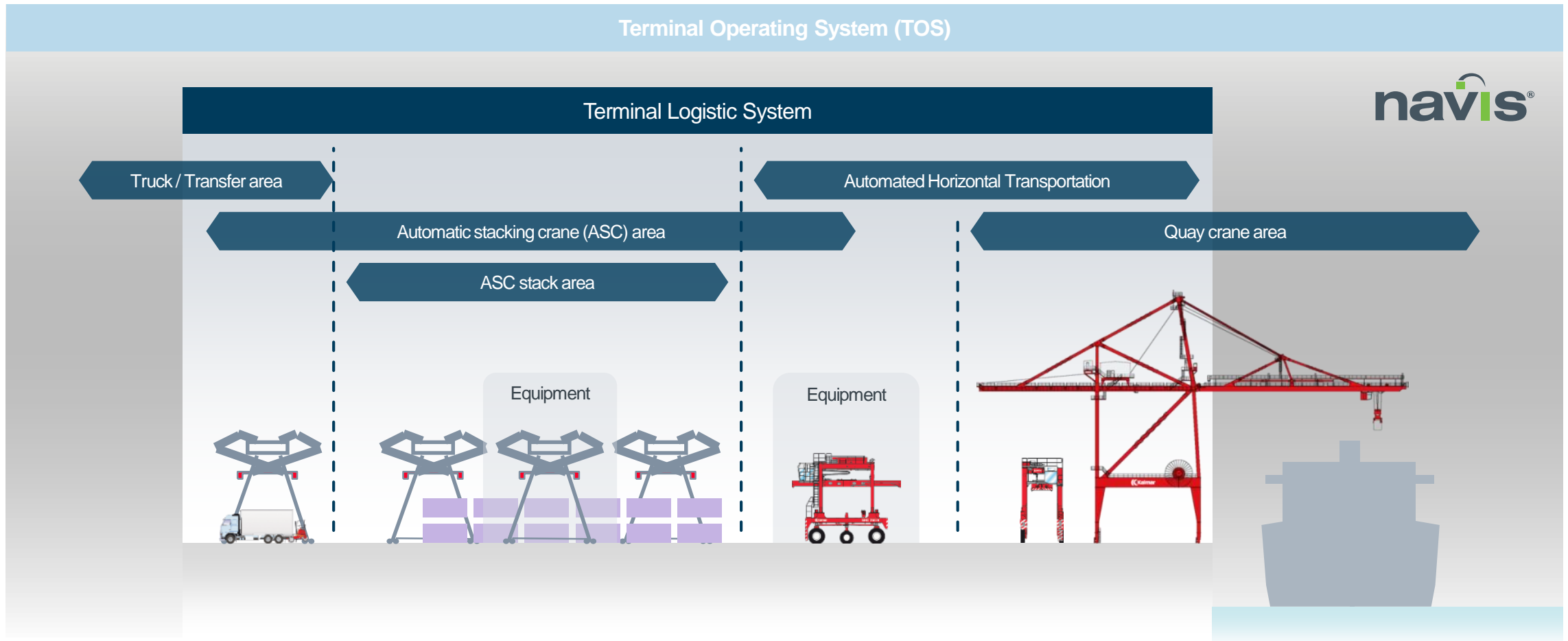
TEU million



2016-2023: Drewry: Container forecaster Q1 2019
2015 Drewry: Container forecaster Q1 2018

2013-2014 Drewry Global Container Terminal Operators Annual Report 2013

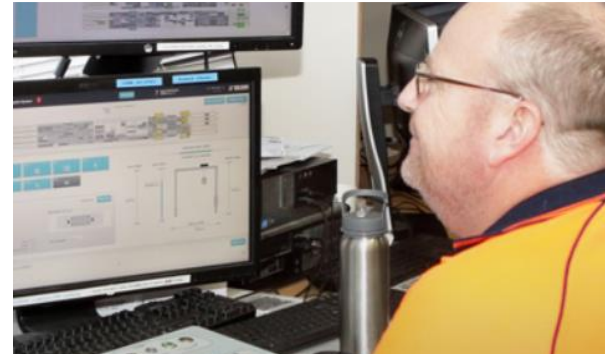
Flexible and scalable Navis TOS software



Services provide our biggest medium term growth opportunity



Equipment & Projects
20-30%



Software
20-30%



Services
3-5%

Market
share

Market
size

6B€

0.5-1B€

8B€

Recent automation deals highlight our successful investments in automation

Kalmar and Navis to deliver world-first intermodal automation solution to Sydney, Australia

Greenfield intermodal terminal, Qube's Moorebank Logistics Park

- First fully automated intermodal terminal in the world

Kalmar OneTerminal contract, including Navis N4 TOS

All equipment can be operated electrically on local solar power

Order value EUR 80 million, booked in Q2 2018

Fully digitalised and autonomous container handling solution with software and services to Yara

Solution enables autonomous, cost efficient and emission-free operations of the Yara Birkeland container ship in Norway



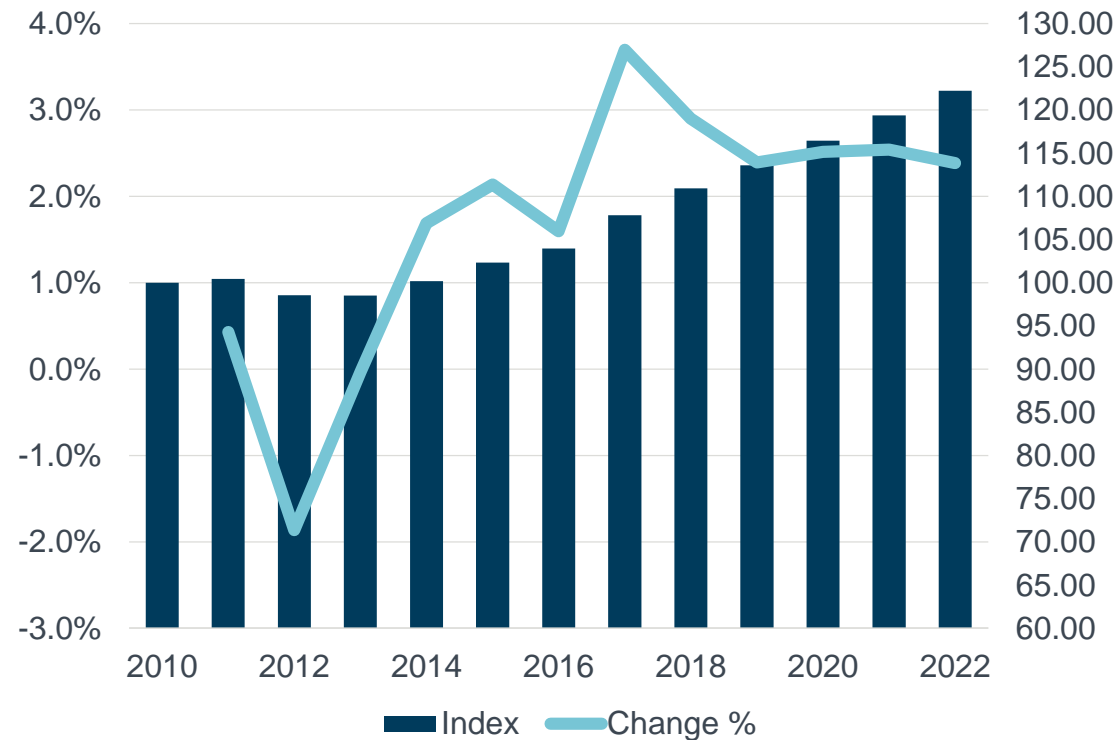
Hiab



Construction output driving growth opportunity

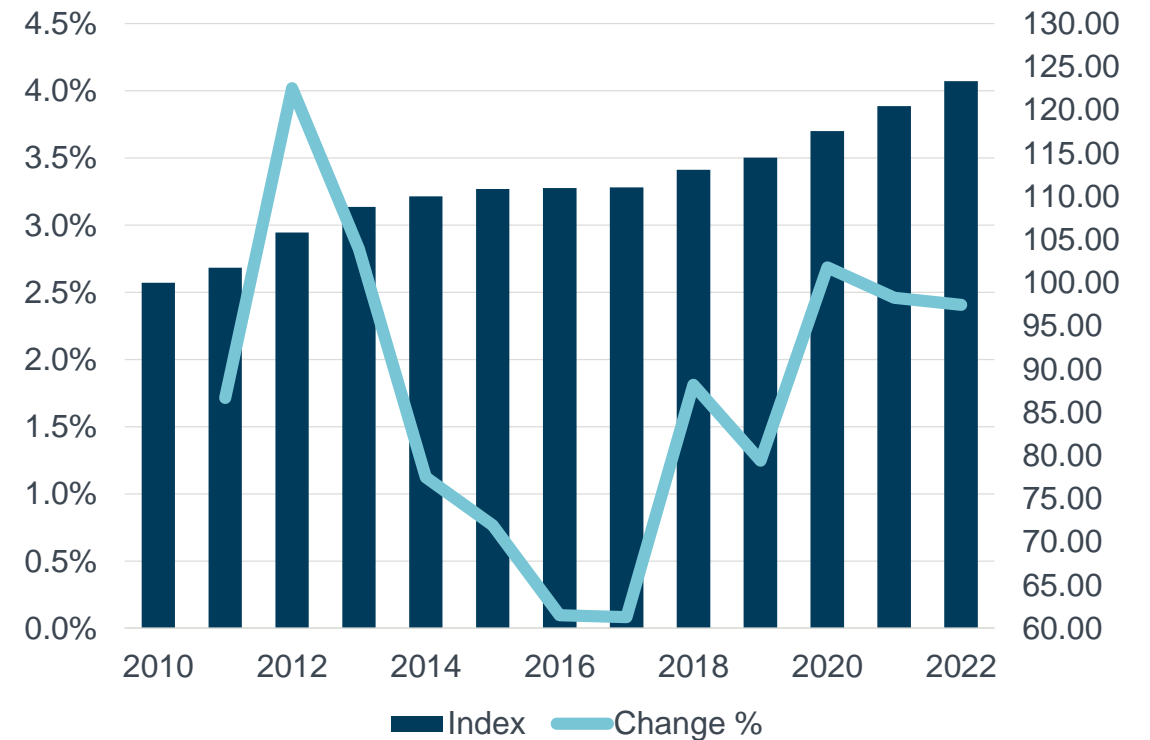
EMEA construction output

y/y change (%)







AMER construction output

y/y change (%)

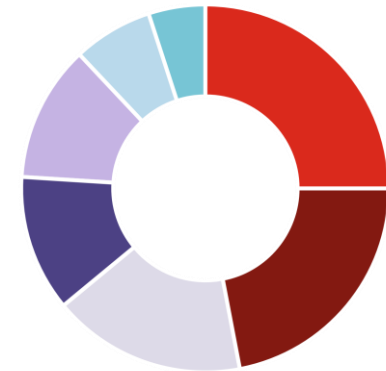


Oxford Economics: Industry output forecast
3/2019

Strong global market position and customers across diverse industries

	MARKET SIZE* (EUR billion)	KEY SEGMENTS	HIAB GLOBAL POSITION & TREND
LOADER CRANES 	~1.5	Construction and Logistics	#1-2 ↗
TAIL LIFTS 	~0.9	Retail Industry and Logistics	#1 ↗
DEMOUNTABLES 	~0.5	Waste and Recycling, Defense	#1 ↗
TRUCK MOUNTED FORK LIFTS 	~0.3	Construction and Logistics	#1 →
FORESTRY & RECYCLING CRANES 	~0.3	Timber, Pulp, Paper & Recycling	#2 →

Industry Segment Indicative Sales Mix 2018



Most important segments

- Construction and Building Material
- Delivery Logistic
- Waste & Recycling
- Timber, Paper & Pulp
- Defense Logistic
- Road & Rail
- Other

Attractive megatrends and growth drivers

MEGA TRENDS



- **Urbanization** and **Consumption** growth driving needs for efficiency
- **Digitalization** and **Connectivity** enabling new **business** solutions

MARKET GROWTH



- **North America** and main **European** markets continue to grow
- **Developing markets** strong load handling equipment penetration potential

KEY SEGMENTS



- **Construction, Waste & Recycling, Logistics** and **Governmental** business segments show continued growth projection

PRODUCT OFFERING



- **New applications** market and segment growth potential
- Developing for increasing demand in **Electrification** and **Automation**

SERVICE SOLUTIONS



- Growing demand for comprehensive **life-cycle service offerings** and tailored **business solutions**

MacGregor



We are an active leader in all maritime segments

~3/4 of sales

~1/4 of sales

<p>Merchant Cargo Flow</p> <p>MARKET POSITION #1</p>	<p>Marine People Flow</p> <p>#1</p>	<p>Marine Resources & Structures</p> <p>#1-2</p>	<p>Naval Logistics and Operations</p> <p>#1-2</p>	<p>Offshore Energy</p> <p>#1</p>
<ul style="list-style-type: none"> ▪ Container cargo ▪ Bulk cargo ▪ General cargo ▪ Liquid cargo ▪ RoRo cargo 	<ul style="list-style-type: none"> ▪ Ferry ▪ Cruise ▪ Superyachts ▪ Walk-to-work 	<ul style="list-style-type: none"> ▪ Research ▪ Fishery ▪ Aquaculture ▪ Mining ▪ Floating structures 	<ul style="list-style-type: none"> ▪ Naval & Military Supplies Logistics ▪ Naval & Military Operations Support ▪ Ship-to-ship transfer 	<ul style="list-style-type: none"> ▪ Oil & Gas ▪ Renewables

Lifecycle Services

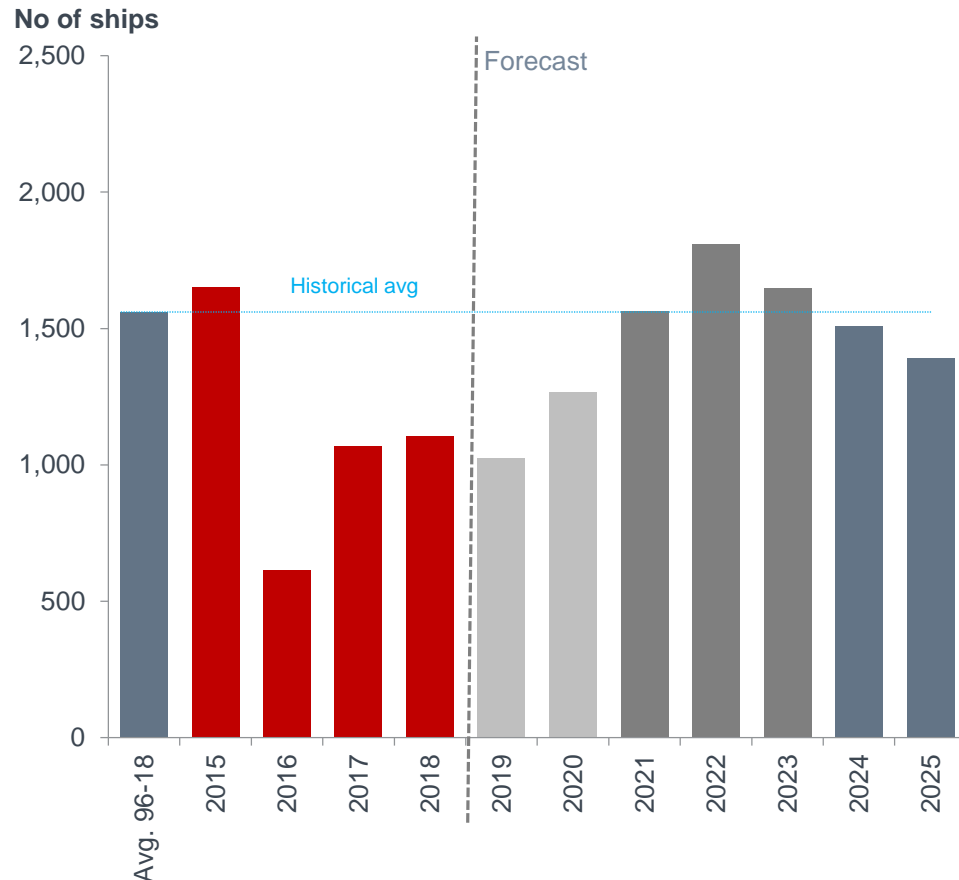


Picture: Statoil

Merchant Ships and Offshore contracting activity below historical levels

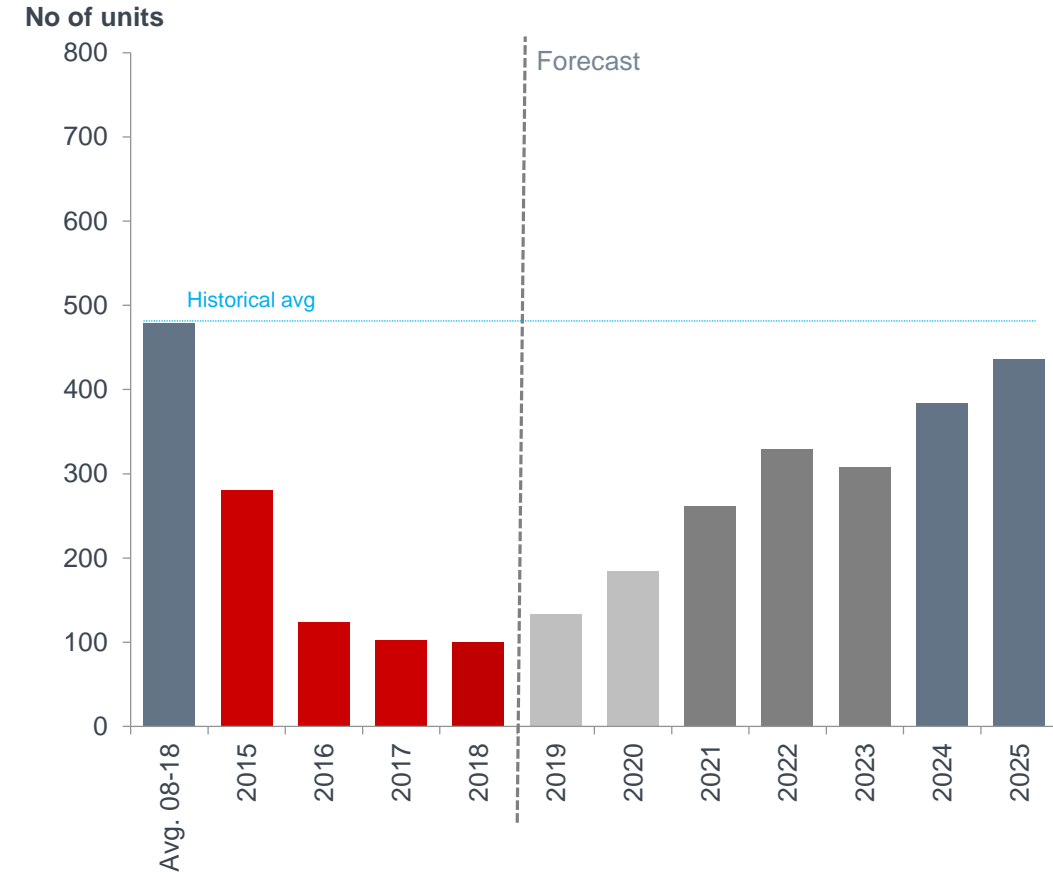
Long term contracting 2015-2025

Merchant ships > 2,000 gt (excl ofs and misc)

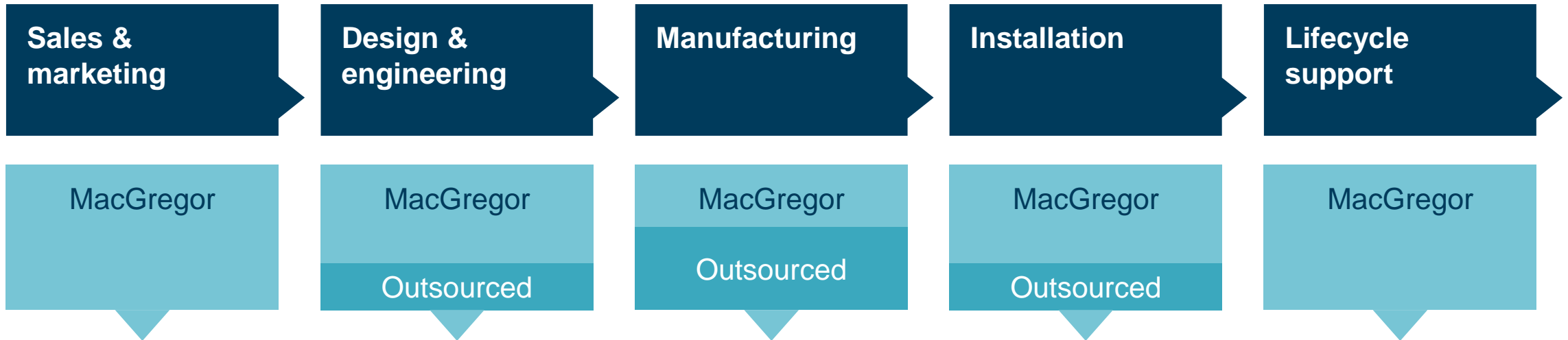


Long term contracting 2015-2025

Mobile offshore units



MacGregor's asset-light business model gives flexibility



Cost-efficient scaling

90% of manufacturing outsourced

30% of design and engineering capacity outsourced



Financials

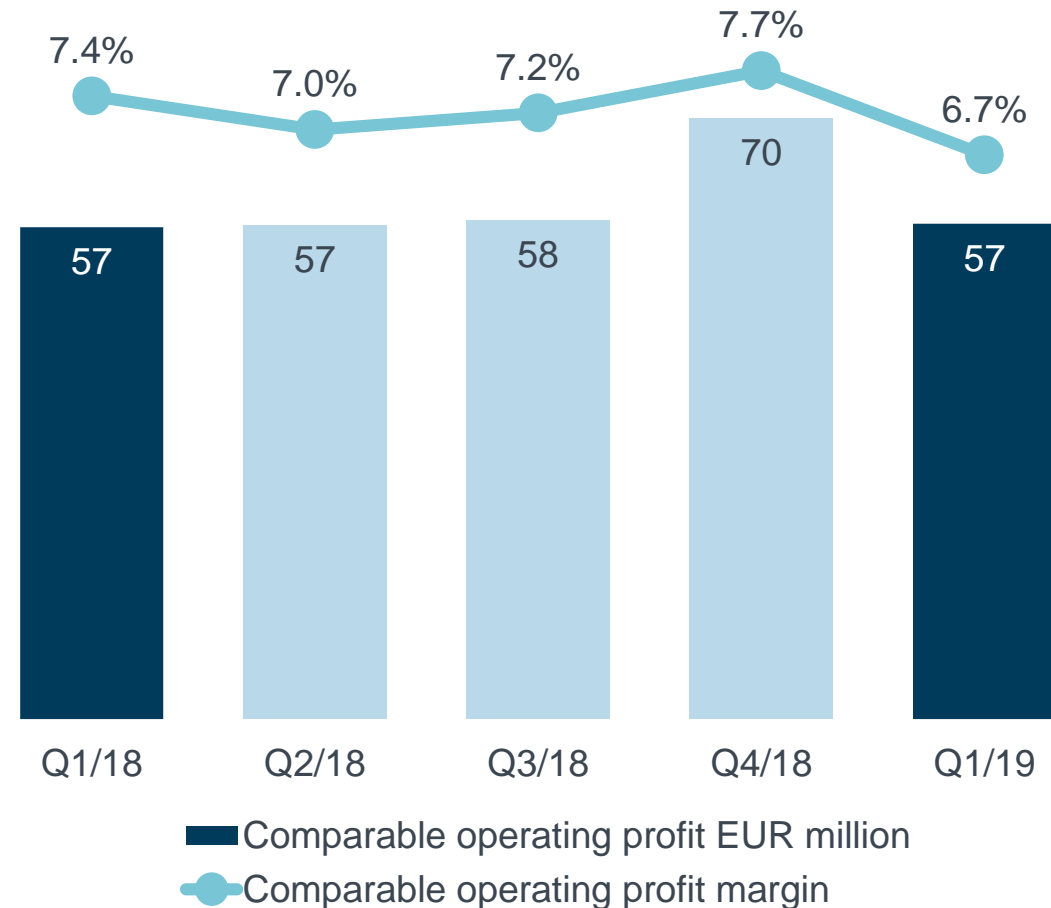
Highlights of Q1 2019 – Orders received increased in all business areas

Orders received increased for the fifth consecutive quarter

- Orders increased 18%
 - Kalmar +19%
 - Hiab +11%
 - MacGregor +33%

Comparable operating profit at last year's level

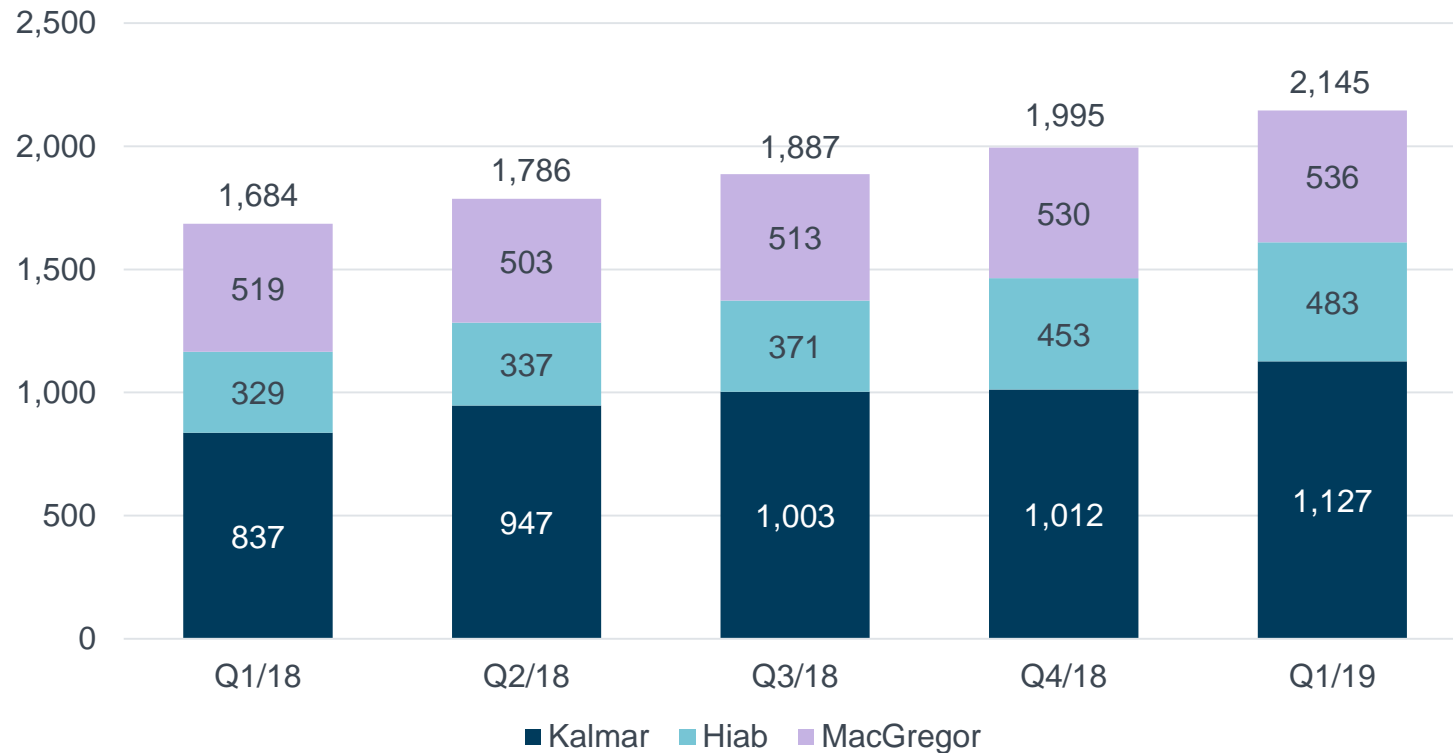
- Kalmar's comparable operating profit increased
- Hiab burdened especially by supply chain bottlenecks
- MacGregor slightly positive



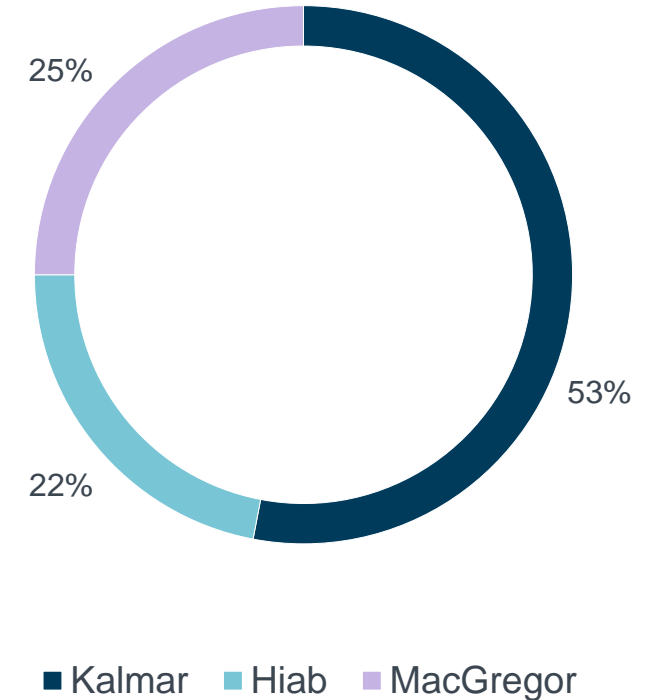
Order book 27% higher than in Q1/18

Order book

MEUR



Order book by reporting segment, Q1 2019



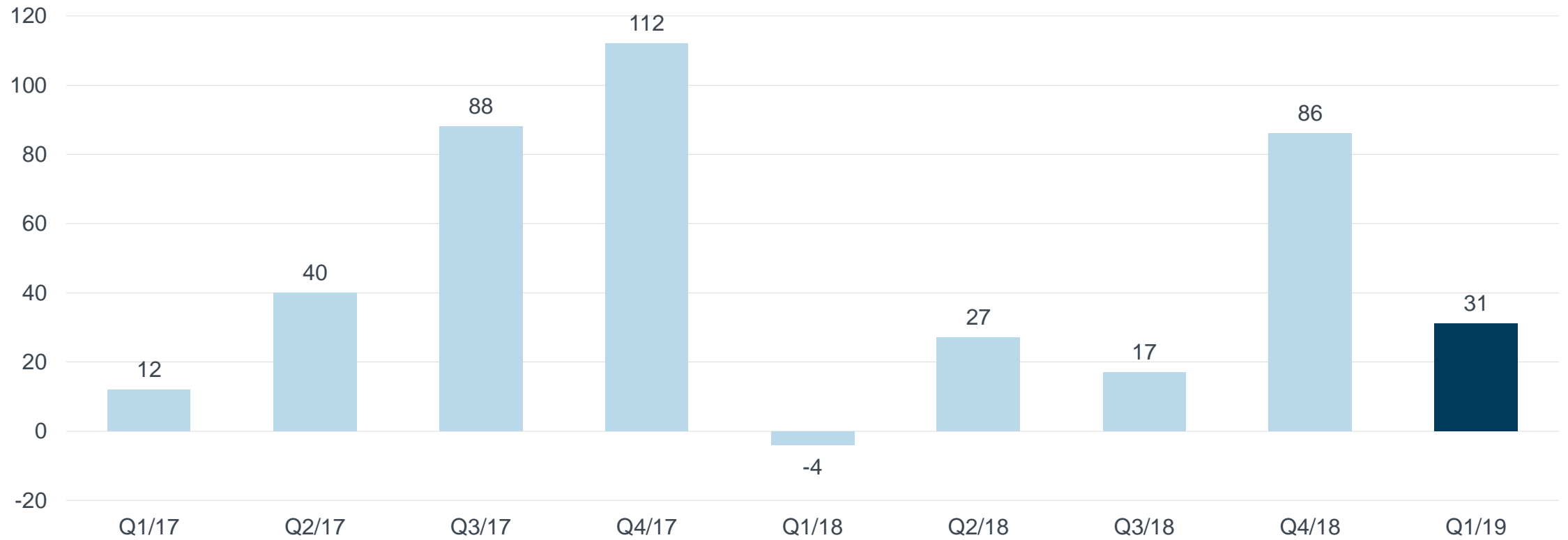
Q1 2019 key figures – Strong orders received

	Q1/19	Q1/18	Change
Orders received, MEUR	1,022	863	+18%
Order book, MEUR	2,145	1,684	+27%
Sales, MEUR	856	773	+11%
Comparable operating profit, MEUR	57.4	57.5	-0%
Comparable operating profit, %	6.7%	7.4%	-74bps
Items affecting comparability, MEUR	-6.3	-4.3	-48%
Operating profit, MEUR	51.0	53.2	-4%
Operating profit, %	6.0%	6.9%	-92bps
Net income, MEUR	31.0	33.7	-8%
Earnings per share, EUR	0.48	0.52	-8%
Earnings per share, EUR*	0.55	0.57	-4%

Cash flow from operations was weak in Q1/19

Cash flow from operations

MEUR



Addressing the supply chain challenge

We have been strategically and operationally addressing the challenges with a **dedicated task force and program** focusing on

- Our **business operations** - planning and managing demand and growth
- Improving on potential **bottlenecks** across the **total value chain**
- Specific activities to increase efficiency and output in **assembly operations**
- **Sourcing, supplier management & development, and competence**



Well balanced financing structure

Interest-bearing liabilities EUR 1,065 million (31 Dec 2018: 930)

- Average interest rate* 2.0% (2.4%)

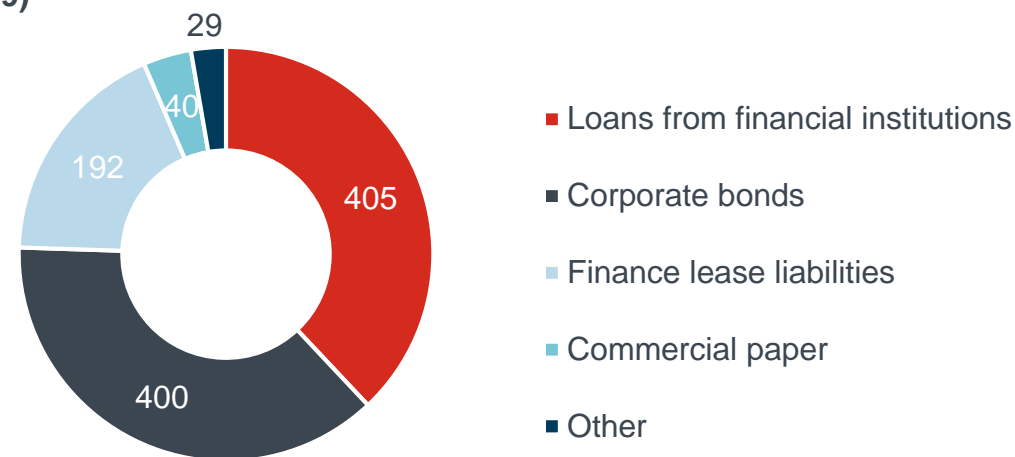
Well diversified debt portfolio

- Bank loans EUR 405
- Bonds EUR 400 million
- Commercial paper EUR 192 million
- In addition, undrawn facilities EUR 223 million

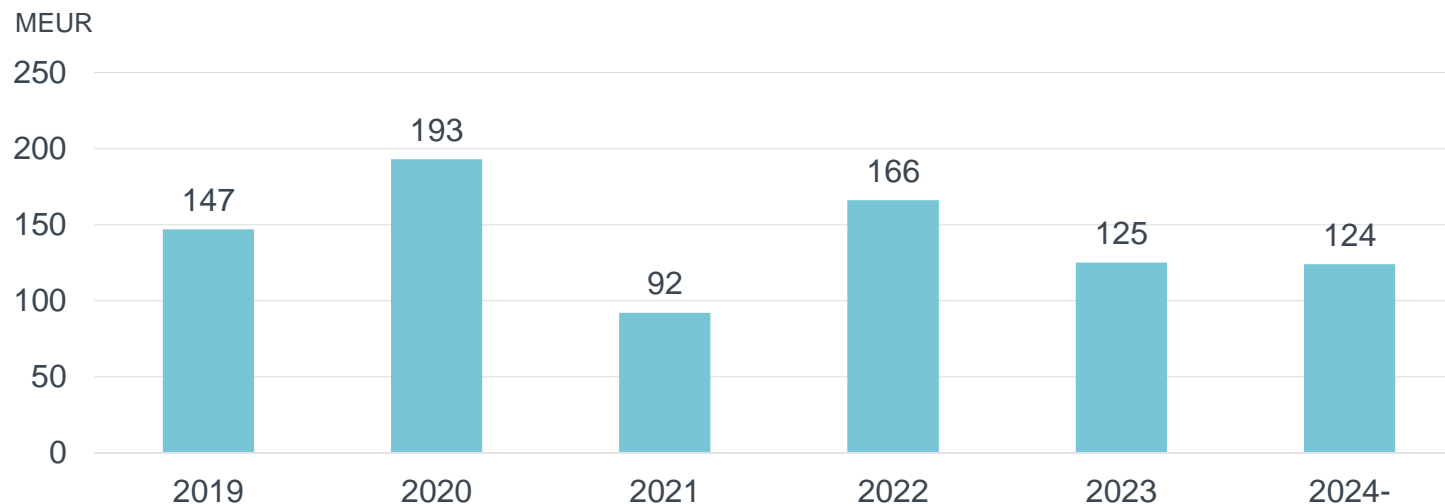
Balanced maturity profile

- EUR 147 million loans maturing in 2019
- Annual amount of debt maturing in 2020-2023 well balanced

Debt structure (31 March 2019)
MEUR



Maturity profile





Outlook for 2019

Cargotec reiterates its outlook published on 8 February 2019 and expects its comparable operating profit for 2019 to improve from 2018 (EUR 242.1 million).

THANK YOU!

Recent progress



Market environment in Q1 2019

Global container throughput at last year's level

- Customers are starting automation projects mainly with phased investments

Construction activity on good level

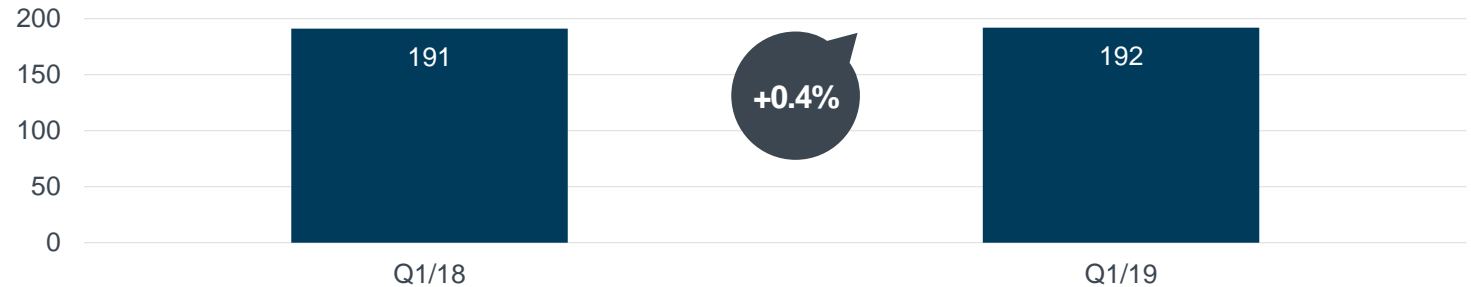
- Good development continued in Europe and the US

Market improved slightly in merchant sector, but orders remained below historical levels

- In offshore, activity remained on a low level

Global container throughput (MTEU) – Key driver for Kalmar

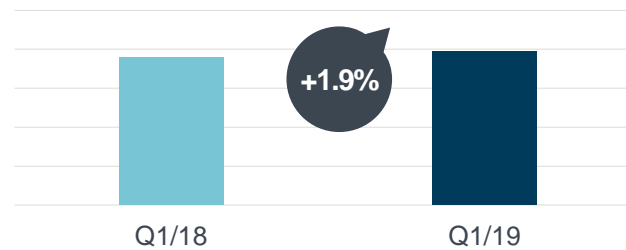
Source: Drewry



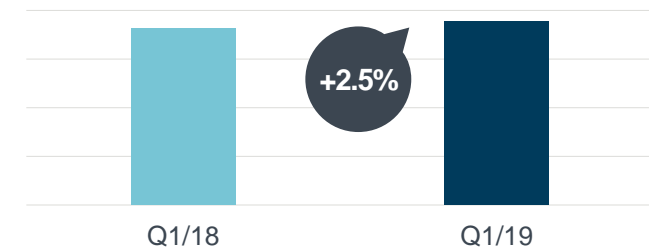
Construction output – Key driver for Hiab

Source: Oxford Economics

United States



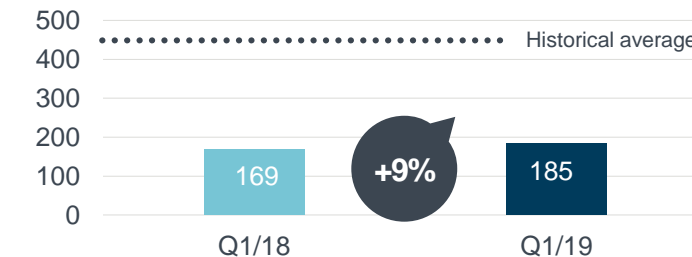
Europe



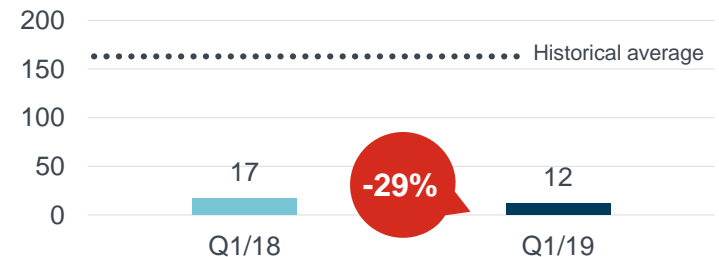
Long term contracting – Key driver for MacGregor

Source: Clarkson Research
(number of ships and offshore units)
Indicative historical average

Merchant ships > 2,000 gt (excl. ofs & misc)



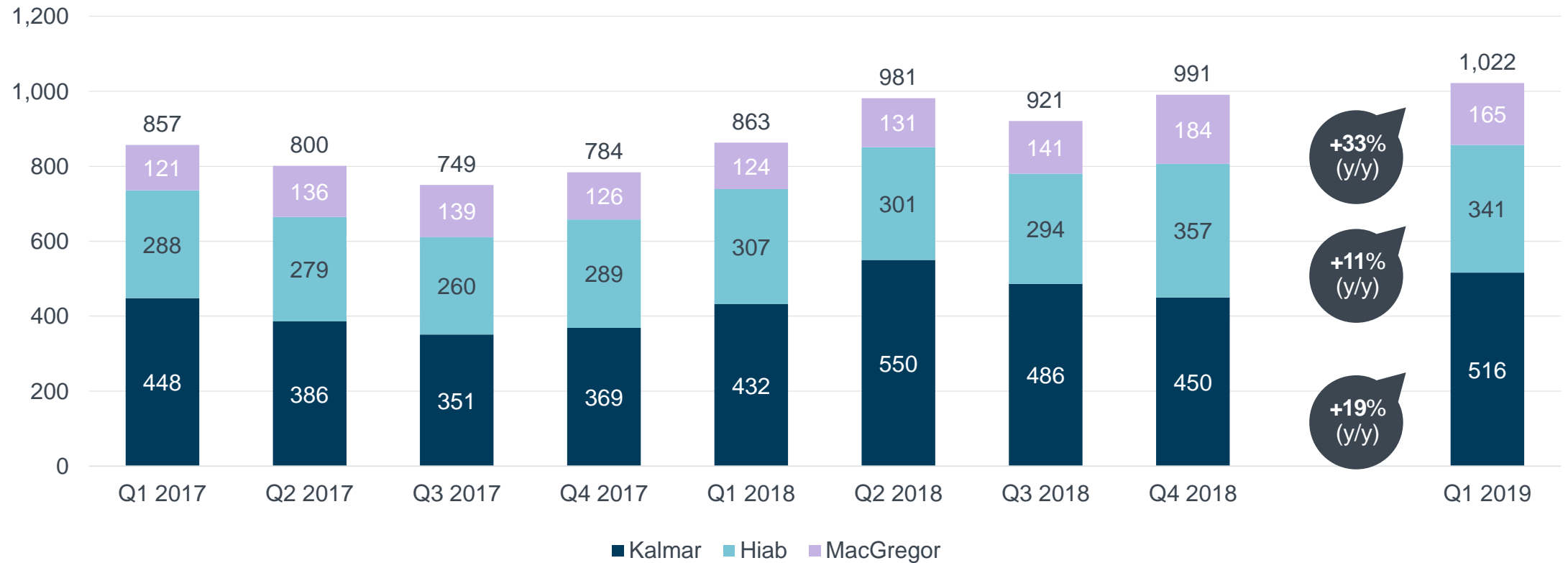
Mobile offshore units



Orders received increased by 18%

Orders received

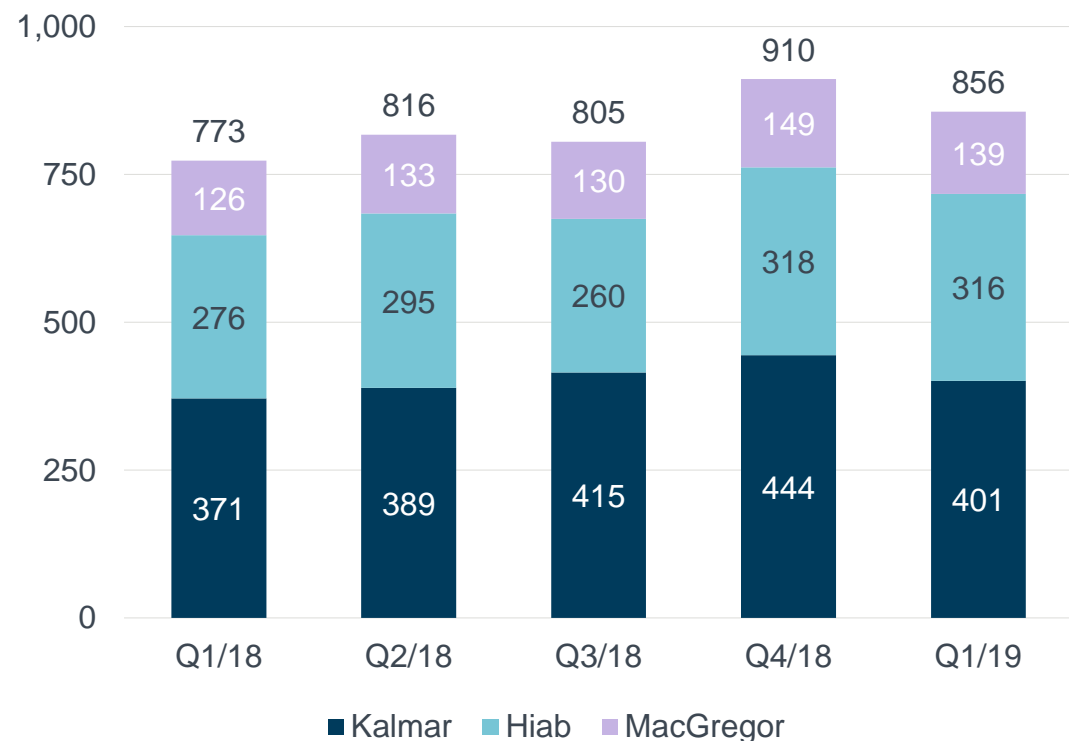
MEUR



Sales increased by 11%, comparable operating profit at last year's level

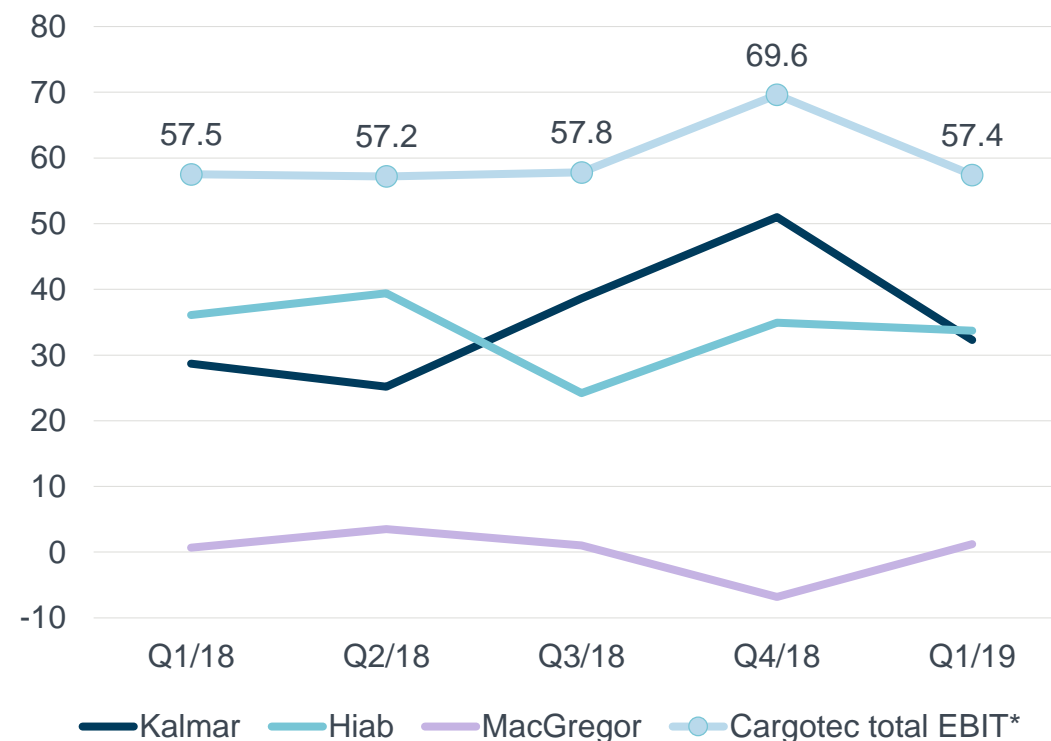
Sales

MEUR



Comparable operating profit

MEUR

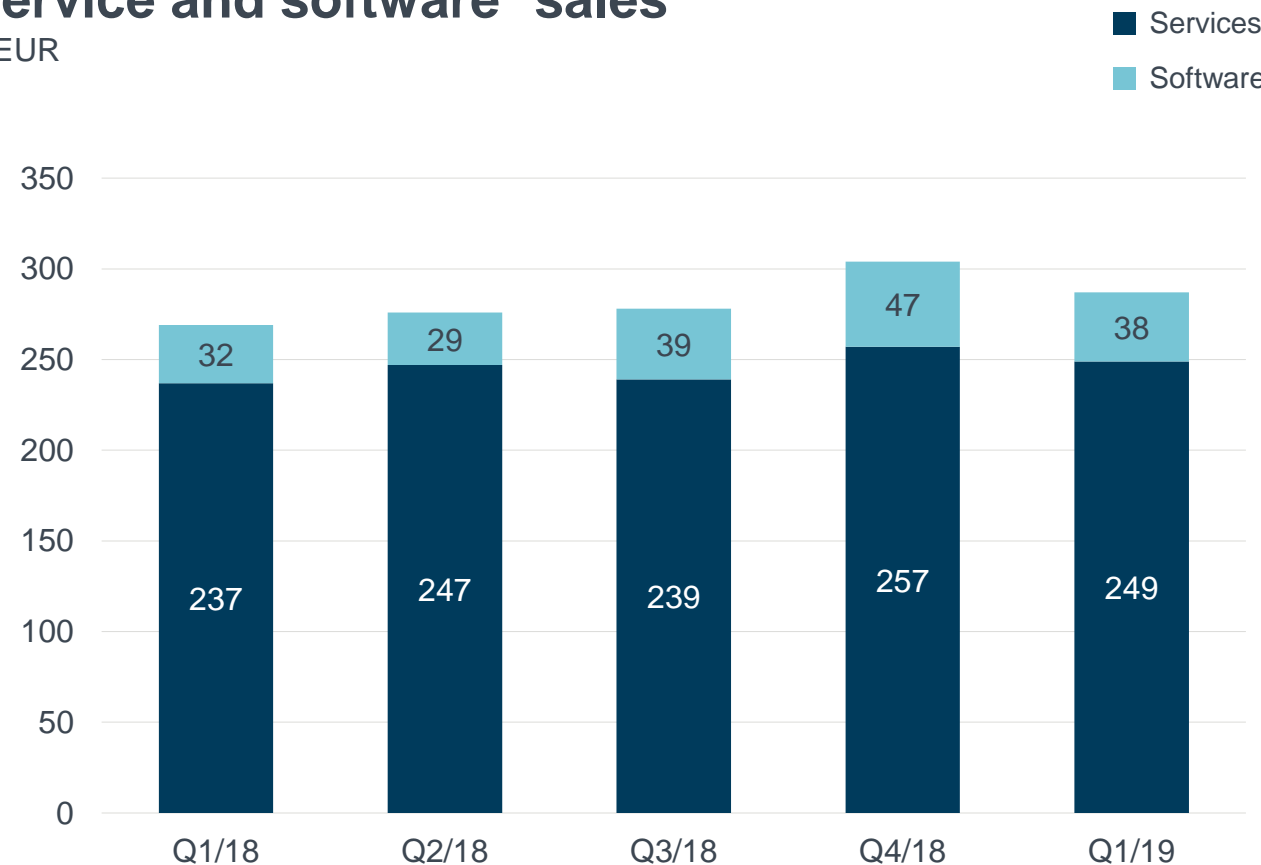


*) Including Corporate admin and support

Growth in service and software sales continued

Service and software* sales

MEUR



*Software sales defined as Navis business unit and automation software

Q1 2019 service sales +5%

- Kalmar at last year's level
 - +5% in comparable FX and adjusted for divestments
- Hiab +11%
- MacGregor +8%
- Total service sales +5% in comparable FX and adjusted for acquisitions and divestments

Software sales +18% and orders +56% in Q1/19

Service and software sales constitute 33% of total sales

Kalmar Q1 – Strong performance in all key figures

Orders received continued to grow strongly

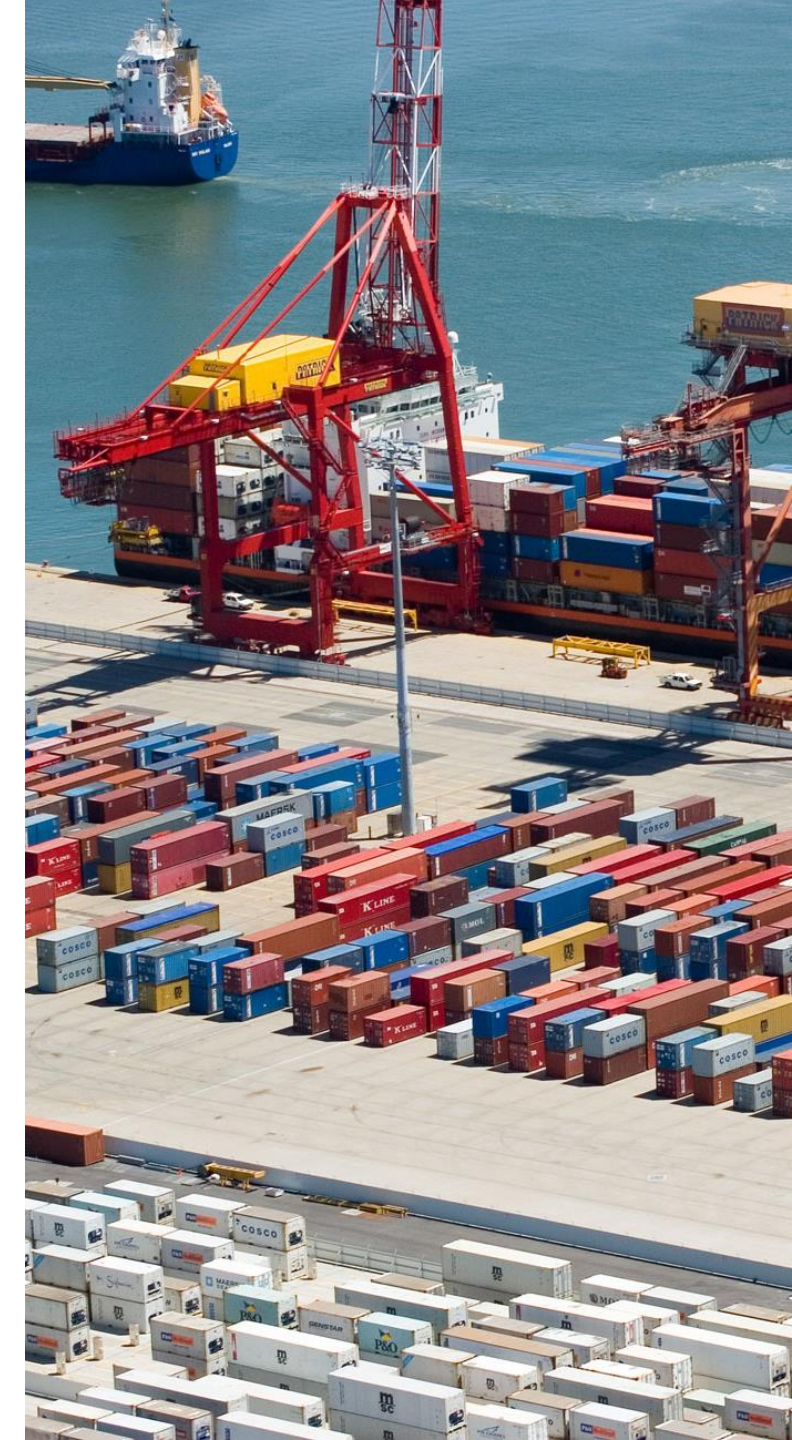
- Strong development in all divisions

Sales increased +8%

- Services growth +5% in comparable FX and adjusted for divestments

Profitability improvement driven by higher sales

MEUR	Q1/19	Q1/18	Change
Orders received	516	432	+19%
Order book	1,127	837	+35%
Sales	401	371	+8%
Comparable operating profit	32.3	28.7	+13%
Comparable operating profit margin	8.1%	7.7%	+31bps



Hiab Q1 – Good development in orders received continued

Orders received grew +11%

- Growth in EMEA (+14%), APAC (+21%) and Americas (+5%)
- Services +10%

Sales +14%

- Sales +8% excl. Effer acquisition
- Service sales +11%

Comparable operating profit declined especially due to supply chain issues

MEUR	Q1/19	Q1/18	Change
Orders received	341	307	+11%
Order book	483	329	+47%
Sales	316	276	+14%
Comparable operating profit	33.7	36.1	-7%
Comparable operating profit margin	10.7%	13.1%	-240bps



MacGregor Q1 – Orders received increased

Orders received +33%

- Strong order intake in RoRo equipment

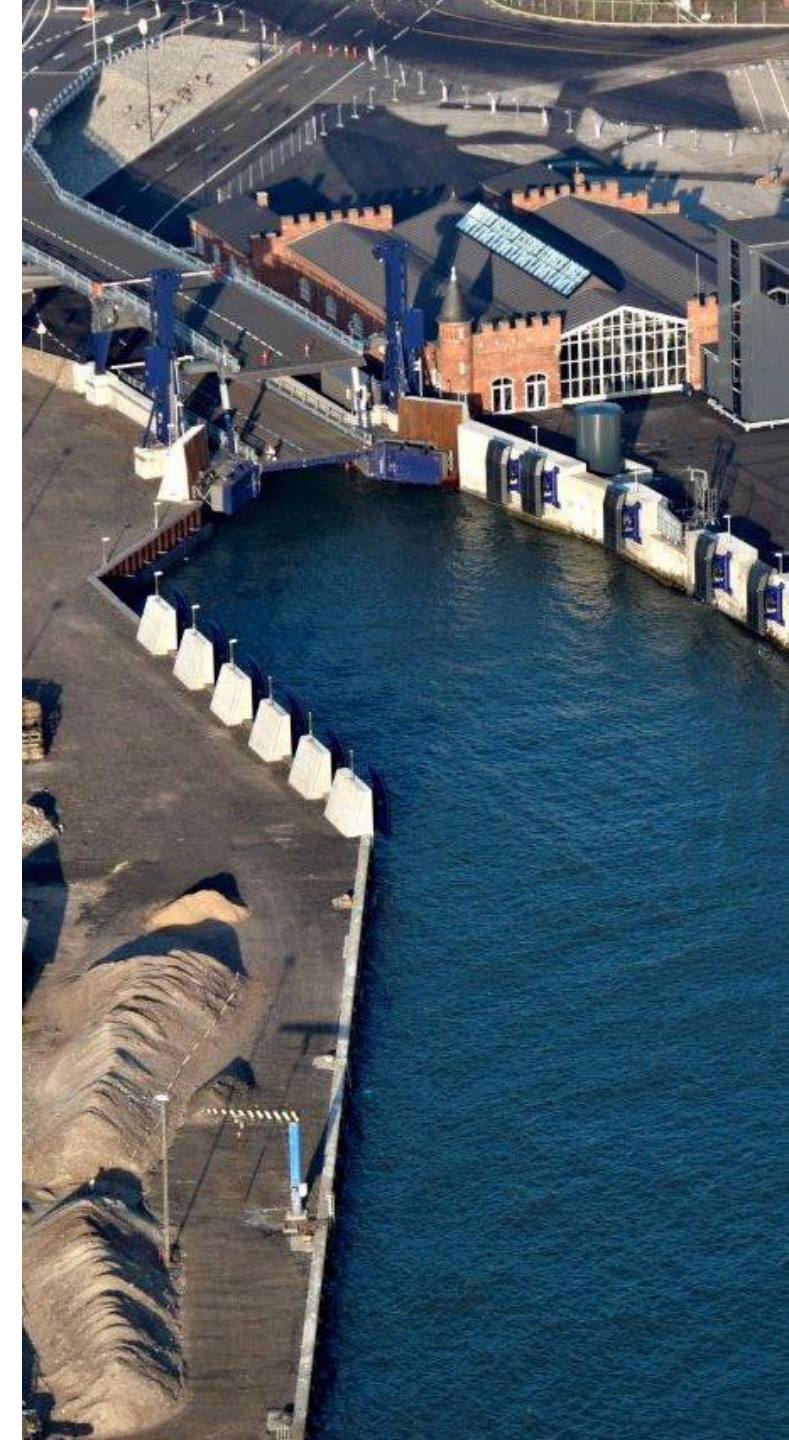
Sales +10%

- Service sales +8%
- Sales excl. Rapp Marine acquisition +8%

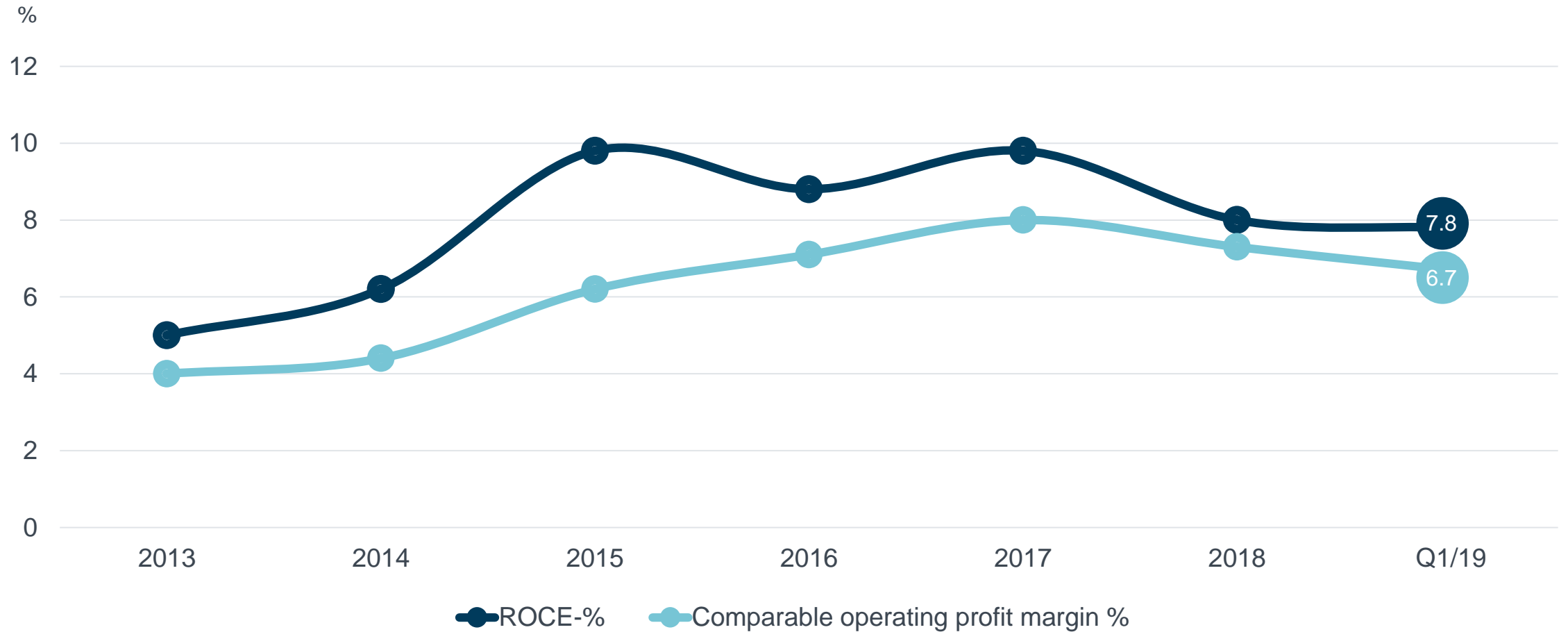
Comparable operating profit improved slightly

- Positive impact from higher sales, but low capacity utilisation burdened profitability

MEUR	Q1/19	Q1/18	Change
Orders received	165	124	+33%
Order book	536	519	+3%
Sales	139	126	+10%
Comparable operating profit	1.2	0.7	+64%
Comparable operating profit margin	0.9%	0.6%	+28bps

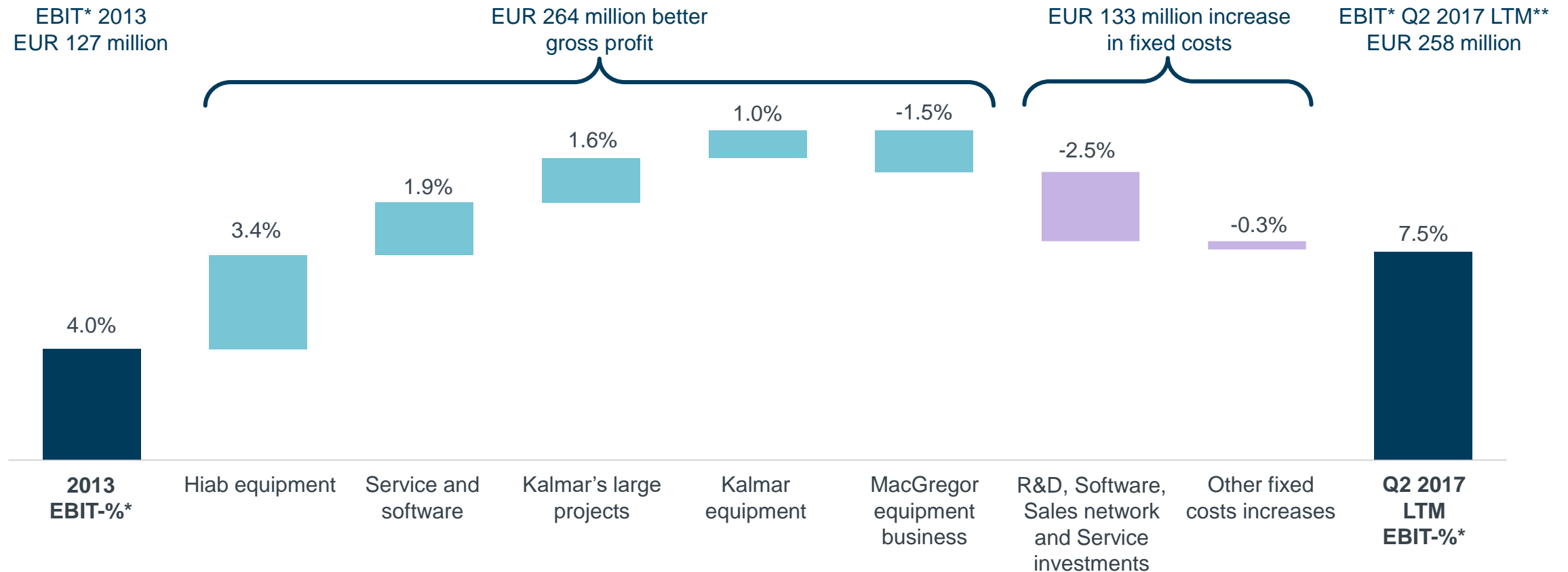


ROCE below the 15% financial target



ROCE (return on capital employed), last 12 months

We have increased EBIT* margins since 2013 through operational improvements



Group wide EUR 50 million cost savings programme proceeding faster than expected

WHY

- Investments in common systems as enabler
- EUR ~600 million addressable indirect cost base

WHAT

- Reductions in indirect purchasing spend (EUR 30 million), and more efficient support functions (EUR 20 million)

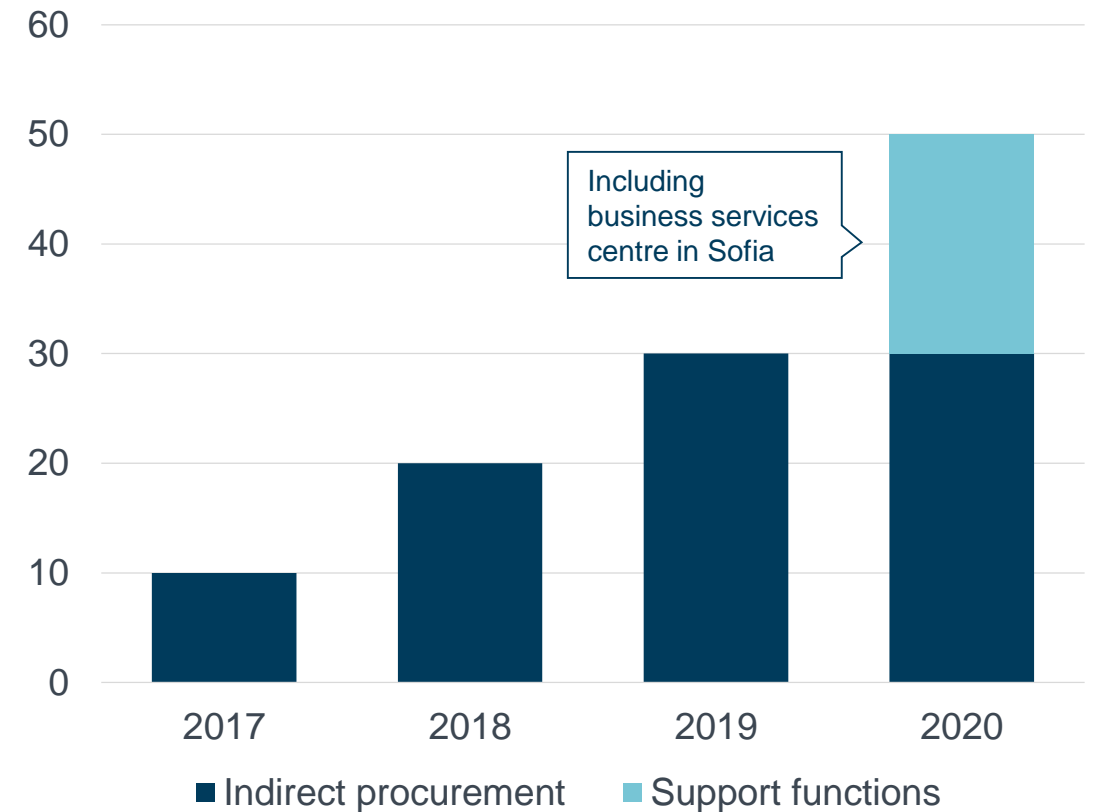
HOW

- Central procurement organization to drive indirect procurement cost and efficiency
- Establishing support function services in Sofia
- Automation in Finance, HR, information management and procurement

RESULTS

- EUR 24 million savings realised since the beginning of the programme in 2017

Expected savings compared to 2016 cost level, MEUR



We have established Cargotec Business Services in Sofia to improve support function efficiency by EUR 20 million

- Savings from consolidation, outsourcing of certain activities, labour arbitrage and robotics
- Scope: Finance, Human Resources, Information Management and Indirect Procurement services primarily from Sofia, Bulgaria
- Good progress in establishing Cargotec Business Services
 - Cargotec Business Service (CBS) centre in Sofia, Bulgaria officially opened 30 January 2018



M&A strategy focusing on bolt-on acquisitions

Key acquisition criteria

Contribution to 15% ROCE target

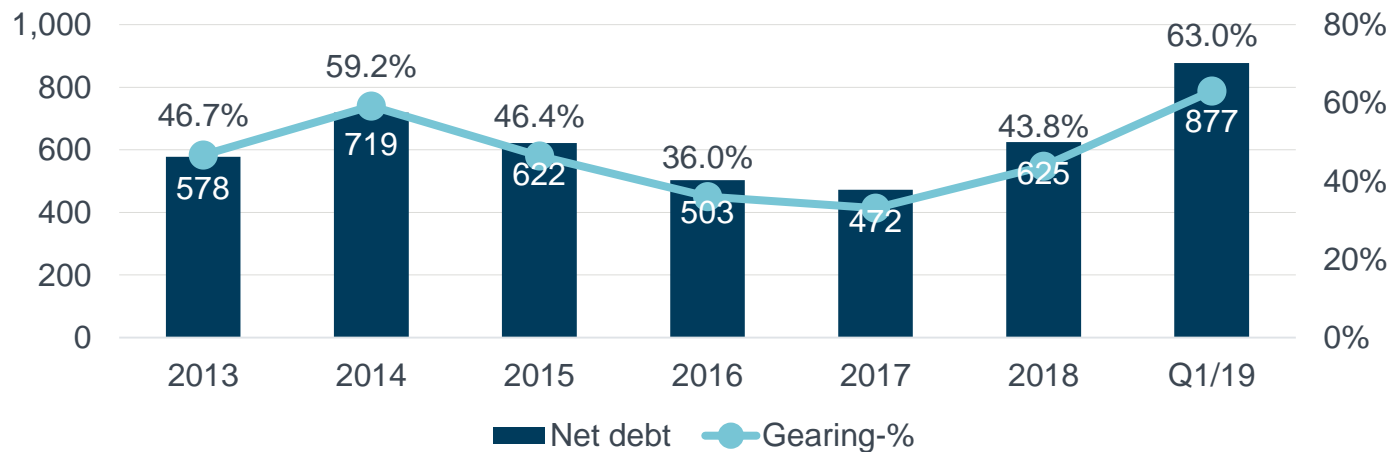
Recurring business

Increase the potential for services through larger installed base and increased presence

Group gearing long term target of 50%

Interest-bearing net debt and gearing

MEUR



M&A focus by business area:

Kalmar

Expand service footprint and software offering

Hiab

Expand geographical presence, service and product offering

MacGregor

Focus on distressed assets and software and intelligent technology

Progress in M&A in 2017

RAPP MARINE GROUP

Strengthen MacGregor's offering for the fishery and research vessel segment

Sales

EUR 40 million

in 2017

Around 30% of sales from services

ARGOS

Hiab entrance to Brazilian loader crane market

Sales

EUR 6 million

in 2017

INVER PORT SOLUTIONS

Broaden Kalmar's existing service capabilities throughout Australia

Sales

EUR 5 million

in 2017

Acquisition of EFFER finalised in Q4 2018

Effer in brief

Global leader in the heavy cranes segment

2018 sales around EUR 97 million and operating profit EUR 5 million

Distribution network of over 100 dealers covering 60 countries globally

Strategic rationale

Effer complements Hiab's loader cranes portfolio and expands the offering in heavy cranes

Leverage Hiab's global service network to boost Effer service sales

Strengthen Hiab's position in Effer's core market areas

Transaction highlights

Enterprise value EUR 50 million

Acquisition was closed on 6 November 2018

Acquisition of TTS marine and offshore business

Strategic rationale

Service growth potential

Strengthening MacGregor's position also in China

Based on preliminary estimates, potential cost synergies are estimated to be around EUR 30-35 million on annual level

Overview of the acquired businesses

Employs 900 people

Sales approximately EUR 211 million in 2017*

Services 26% of revenues

Acquisition

Acquired businesses represent around 90% of total sales of TTS Group

Enterprise value EUR 87 million

The acquisition is subject to regulatory approvals from competition authorities

- Expected closing of the transaction in Q2 2019

TTS product portfolio

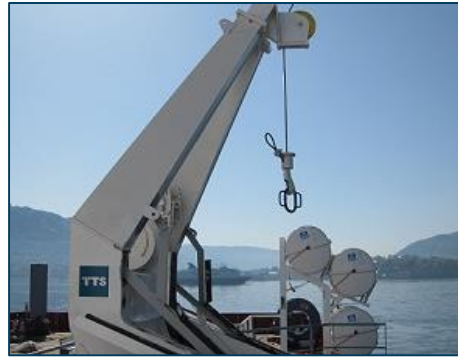
RoRo, Cruise & Navy

Container, Bulk &
Tank Vessels

Multipurpose &
General Cargo

Offshore Vessels

Services



Shaping the portfolio

Two divestments made during Q2/18

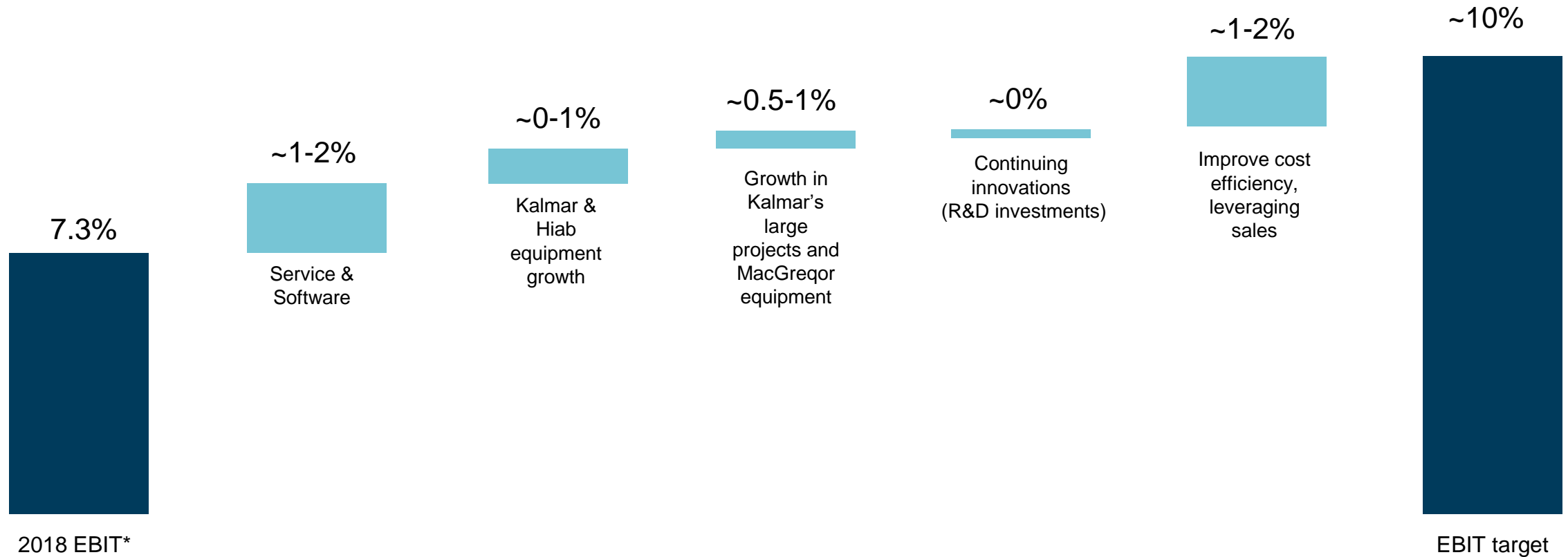
Divestments

- Siwertell and Kalmar Rough Terrain Center
- Both outside of Kalmar's core areas of container ports, heavy industry and distribution

Revaluation of RHI shares during Q2/18, non-cash EUR 30 million charge



Our target is to reach 10% EBIT



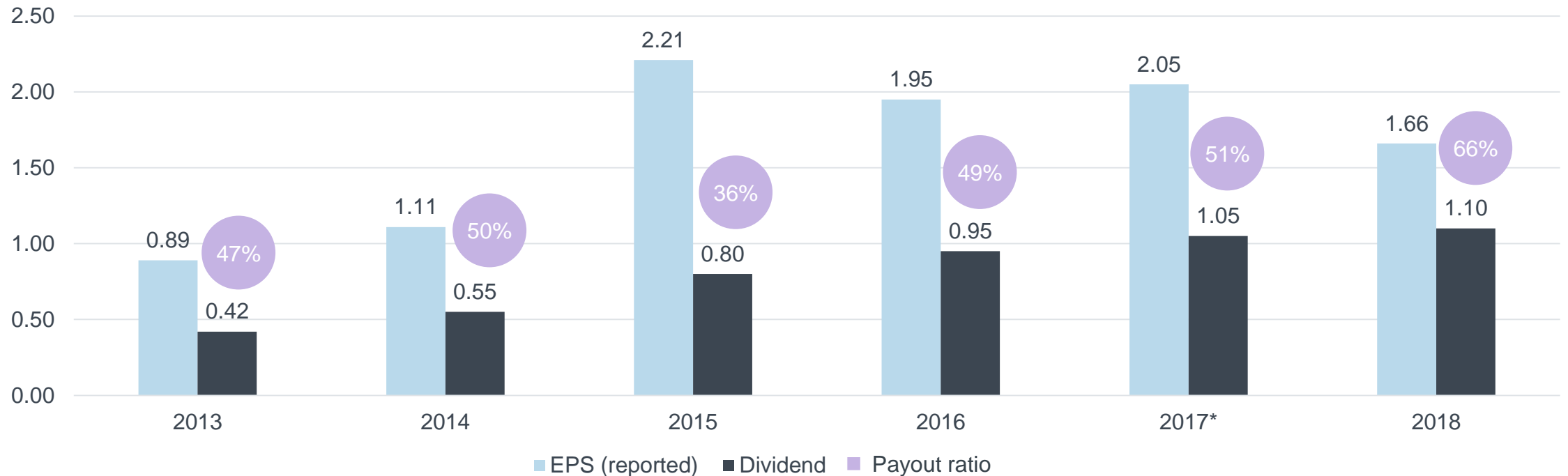
Target announced in September 2017, target to be reached in 3-5 years
*Comparable operating profit

Steadily increasing dividend

EUR 1.10 dividend per B share for 2018

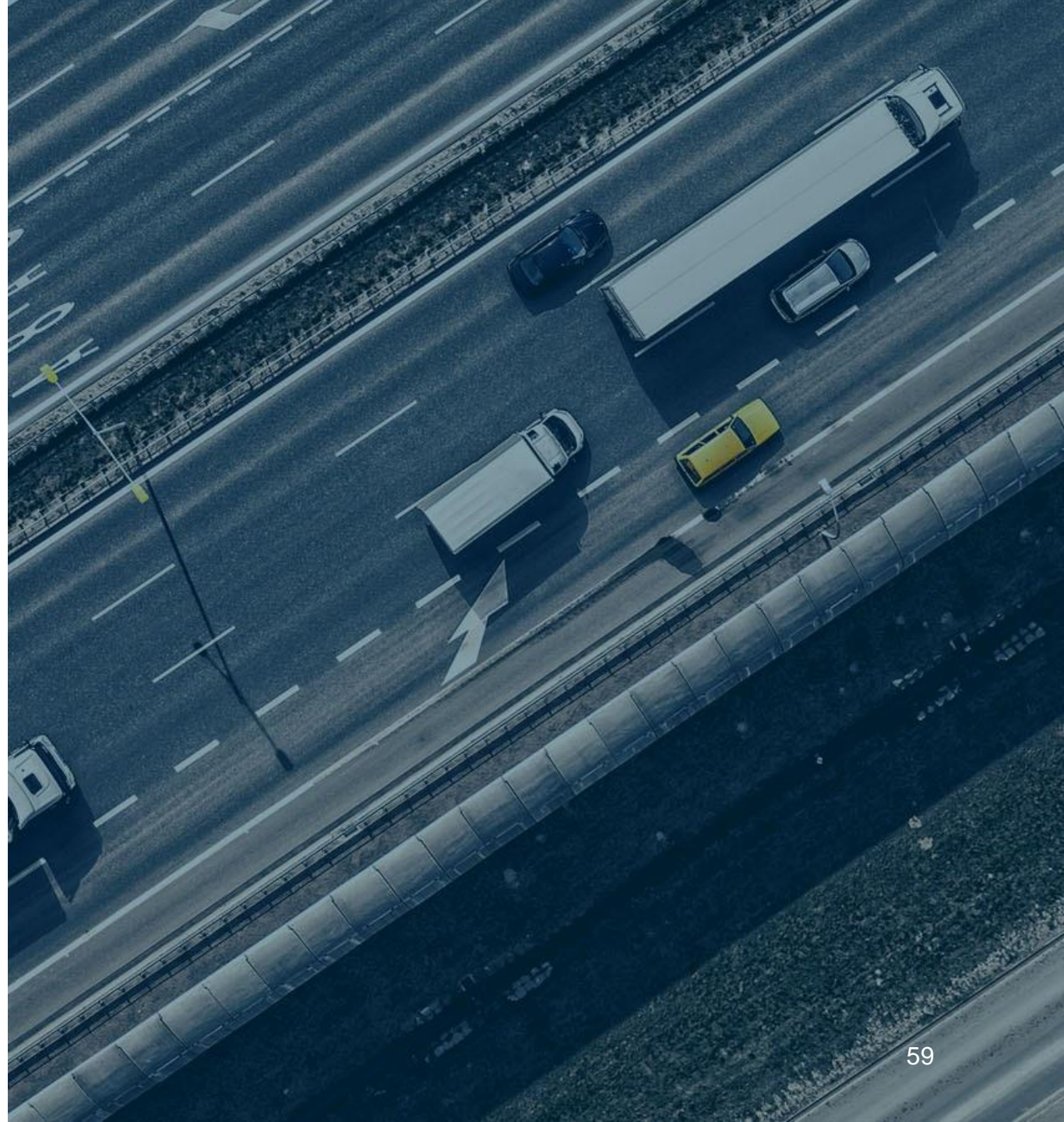
Dividend to be paid in two EUR 0.55 instalments

Calculated from EPS excl. restructuring costs, payout ratio for 2018 is 47%



Appendix

1. Largest shareholders and financials
2. Sustainability
3. Kalmar
4. Hiab
5. MacGregor

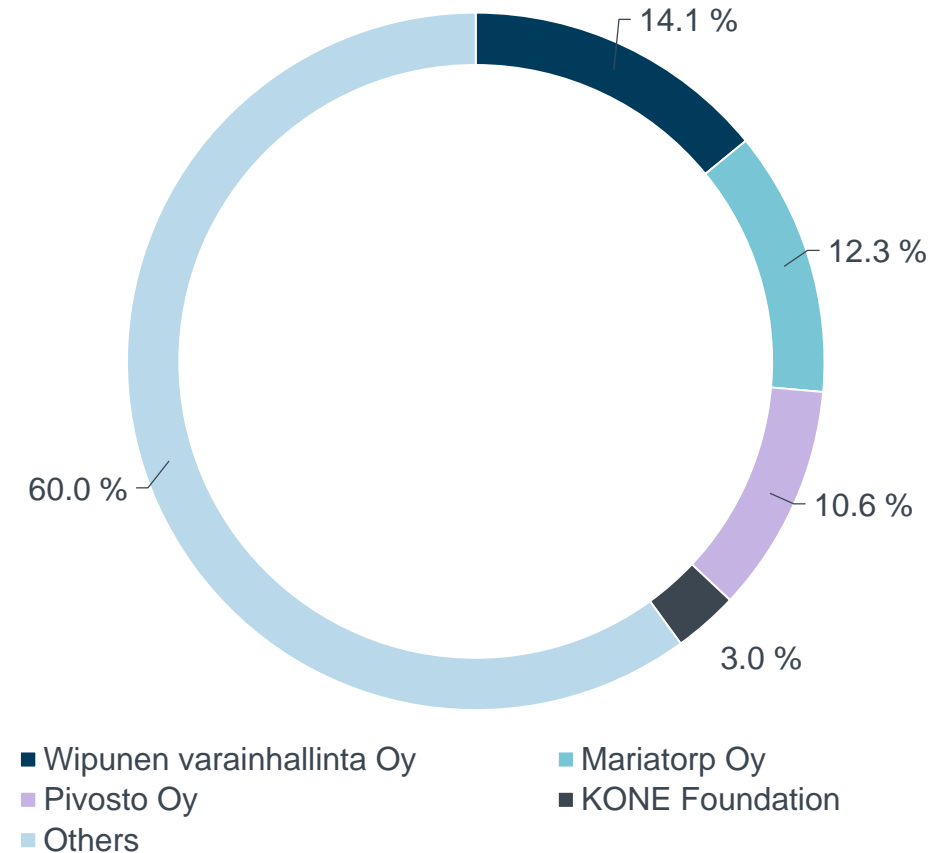


Largest shareholders

30 April 2019

		% of shares	% of votes
1.	Wipunen varainhallinta Oy	14.1	23.7
2.	Mariatorp Oy	12.3	22.9
3.	Pivosto Oy	10.6	22.2
4.	KONE Foundation	3.0	5.5
5.	Ilmarinen Mutual Pension Insurance Company	2.4	1.0
6.	Varma Mutual Pension Insurance Company	1.8	0.8
7.	The State Pension Fund	1.0	0.4
8.	OP-Finland	0.8	0.3
9.	Mandatum Life Insurance Company Ltd.	0.7	0.3
10.	Elo Mutual Pension Insurance Company	0.7	0.3
Nominee registered and non-Finnish holders		27.6	
Total number of shareholders		22,789	

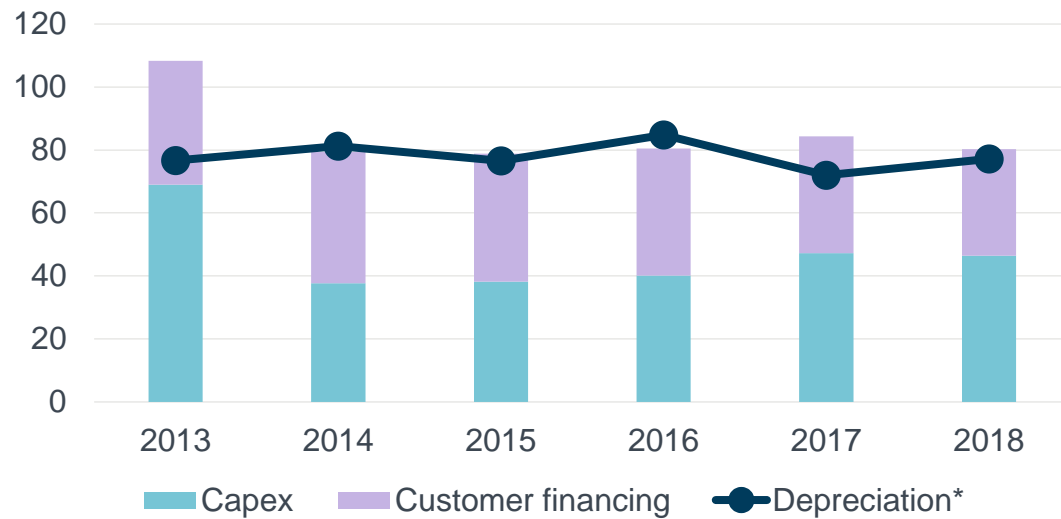
% of shares



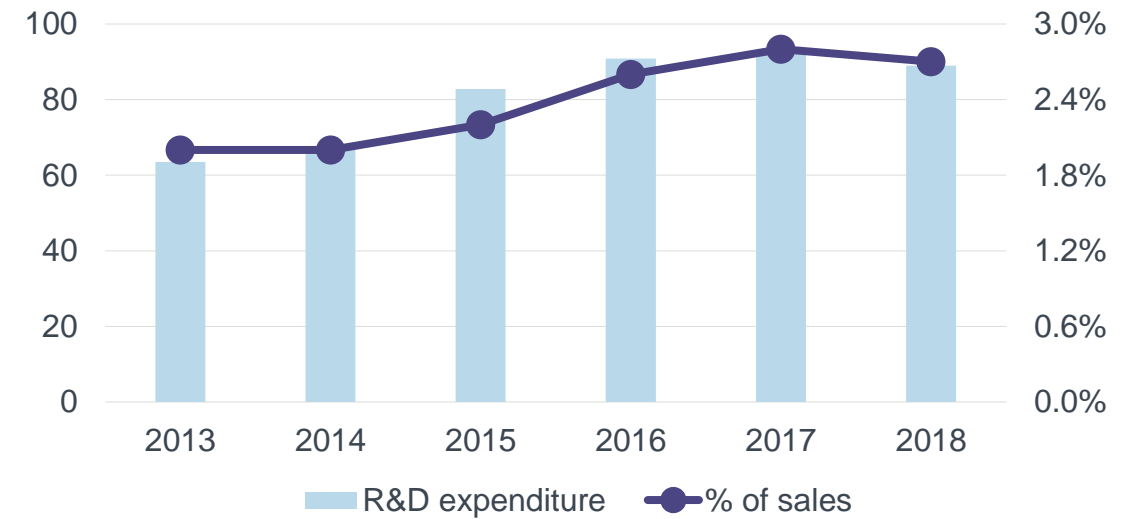
Wipunen varainhallinta Oy is a company controlled by Ilkka Herlin, Mariatorp Oy a company controlled by Niklas Herlin's estate and Pivosto Oy a company controlled by Ilona Herlin.

Capex and R&D

Capital expenditure



Research and development



Main capex investments:

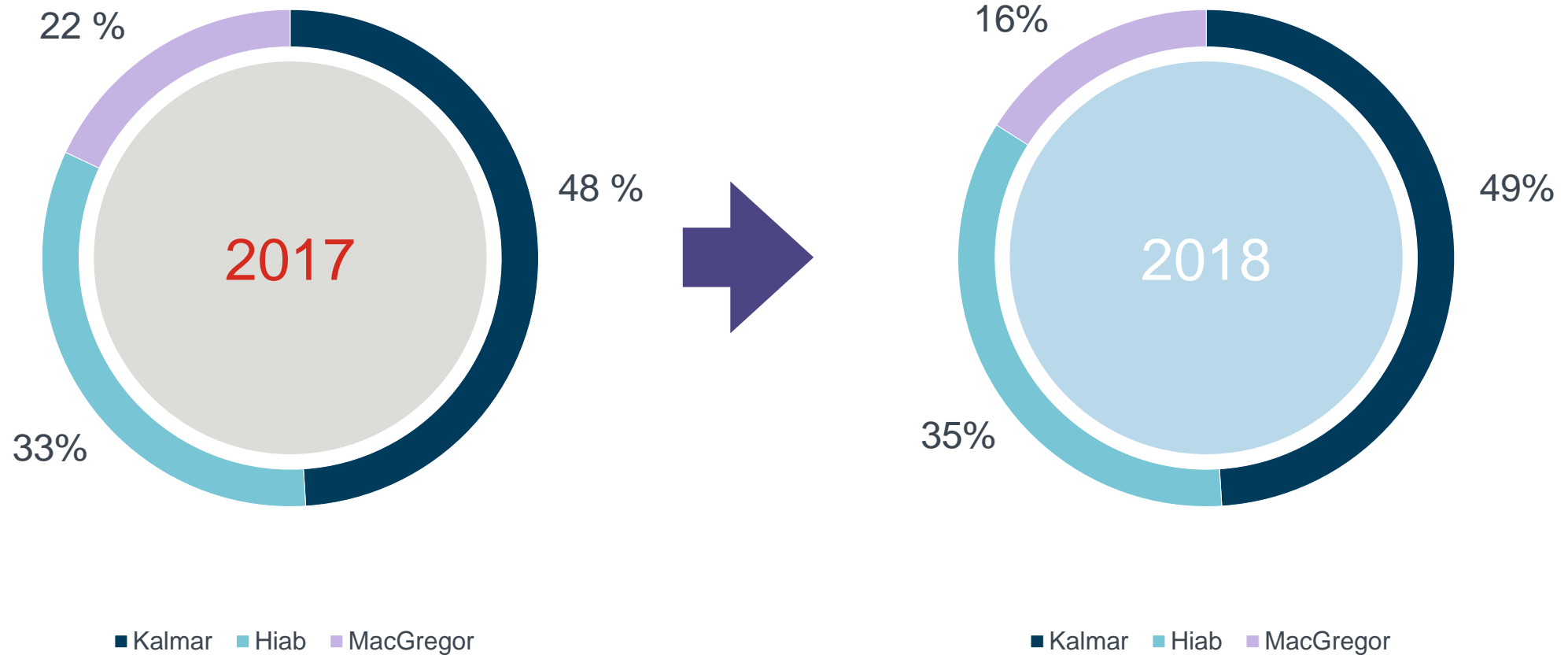
- Kalmar innovation center in Ljungby, Sweden
- Investments in multi-assembly units in Kalmar and Hiab
- Intangible assets, such as global systems to improve efficiency in operational activities and support functions

R&D investments focused on

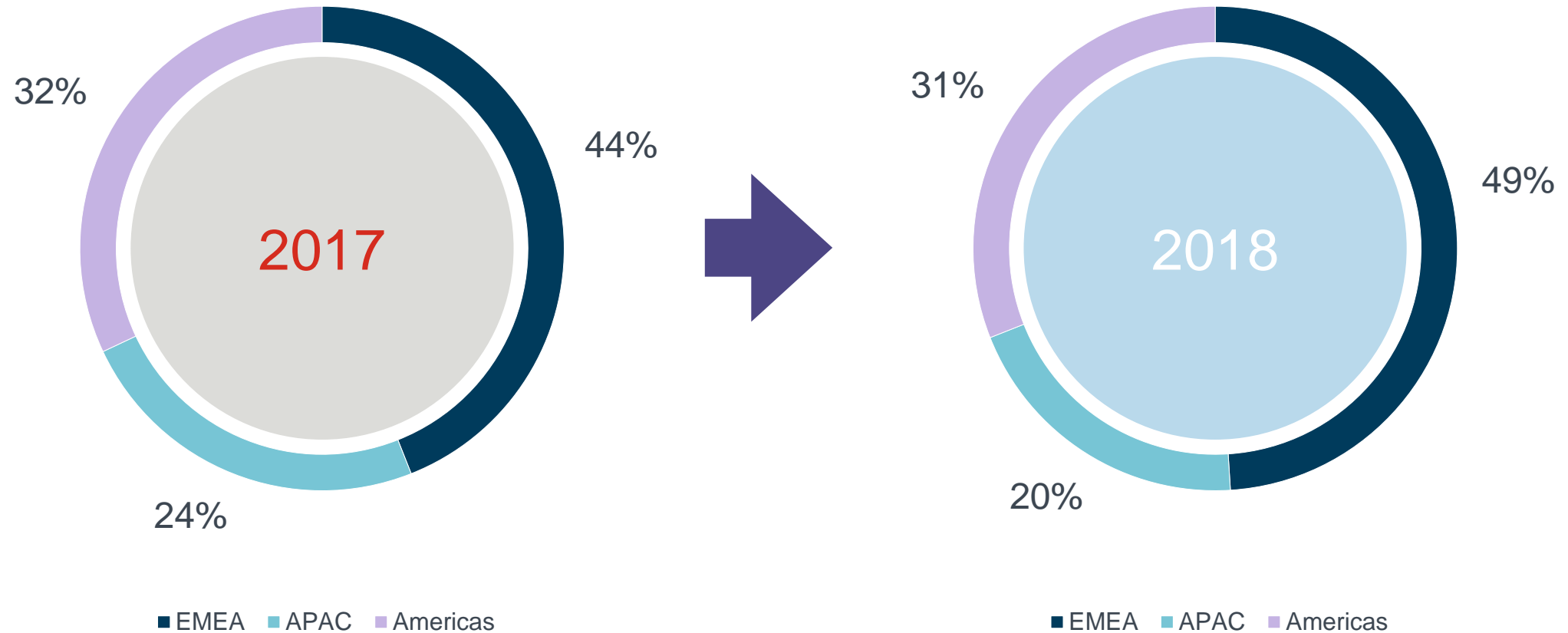
- Digitalisation
- Competitiveness and cost efficiency of products

*) Including amortisations and impairments

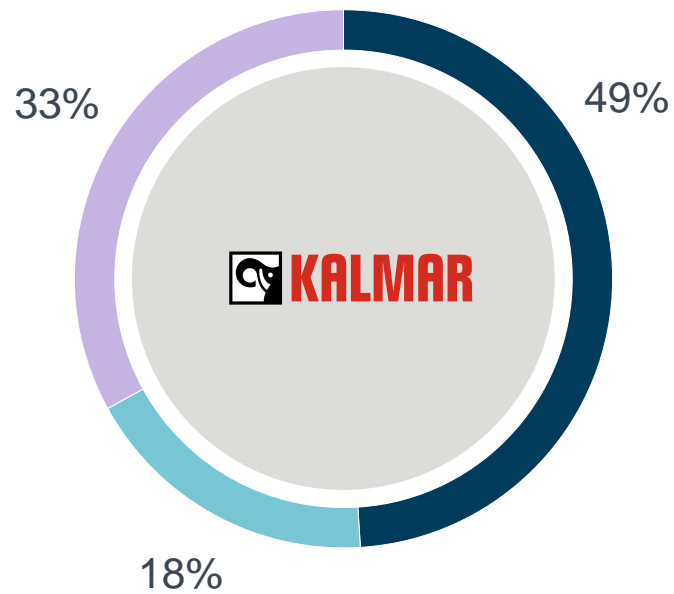
Hiab's share increasing in sales mix



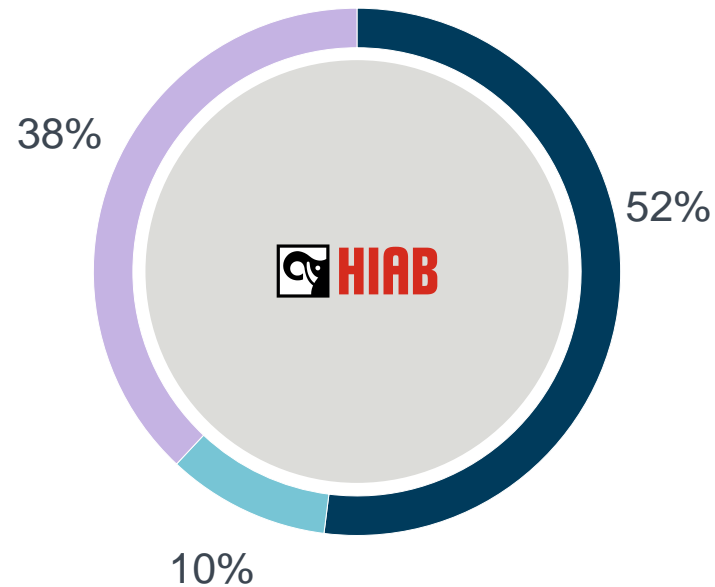
Well diversified geographical sales mix



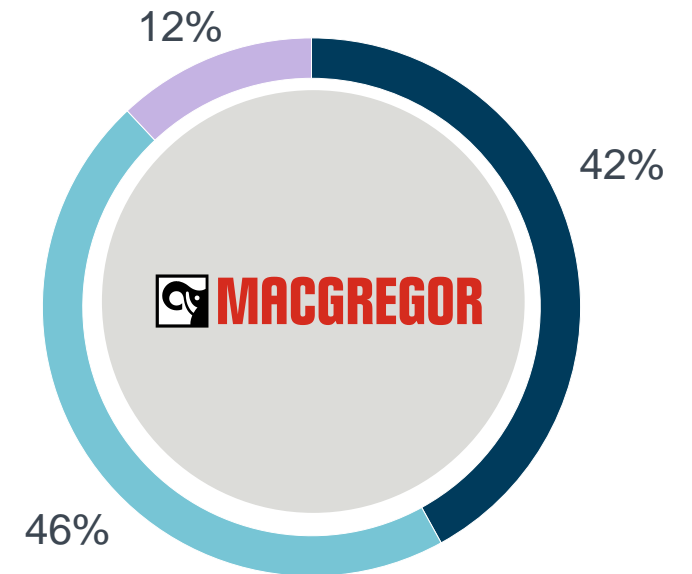
Sales by geographical segment by business area 2018



■ EMEA ■ APAC ■ Americas



■ EMEA ■ APAC ■ Americas



■ EMEA ■ APAC ■ Americas

Cargotec's R&D and assembly sites



EMEA

- Arendal, Norway (MacGregor R&D)
- Averøy, Norway (Macgregor prod + R&D)
- Kristiansand, Norway (MacGregor R&D)
- Dundalk, Ireland (Hiab prod. + R&D)
- Witney, UK (Hiab prod.)
- Whitstable, UK (MacGregor prod.)
- Zaragoza, Spain (Hiab prod.)
- Uetersen, Germany (MacGregor prod. + WS + R&D)
- Schwerin, Germany (MacGregor prod.)
- Stargard Szczecinski, Poland (Kalmar + Hiab prod.)
- Bispgården, Sweden (Hiab prod.)
- Lidhult, Sweden (Kalmar R&D)
- Bjuv, Sweden (Kalmar prod.)
- Örnsköldsvik, Sweden (MacGregor WS + WH + R&D)
- Hudiksvall, Sweden (Hiab R&D)
- Helsinki, Finland (HQ)
- Kaarina, Finland (MacGregor R&D)
- Raisio, Finland (Hiab prod.)
- Tampere, Finland (Kalmar WS + R&D)

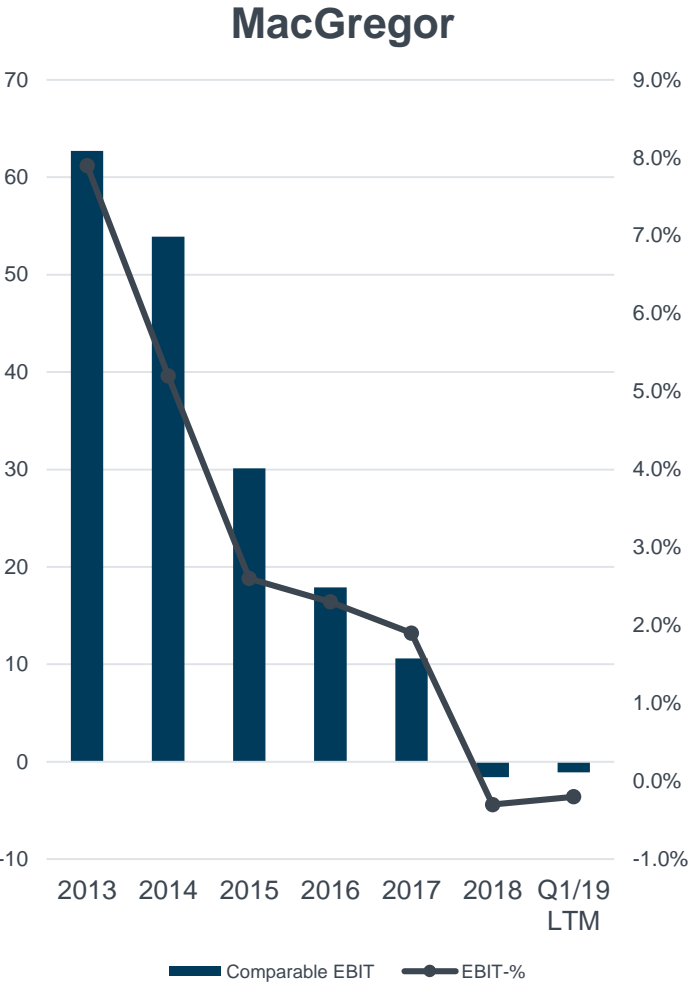
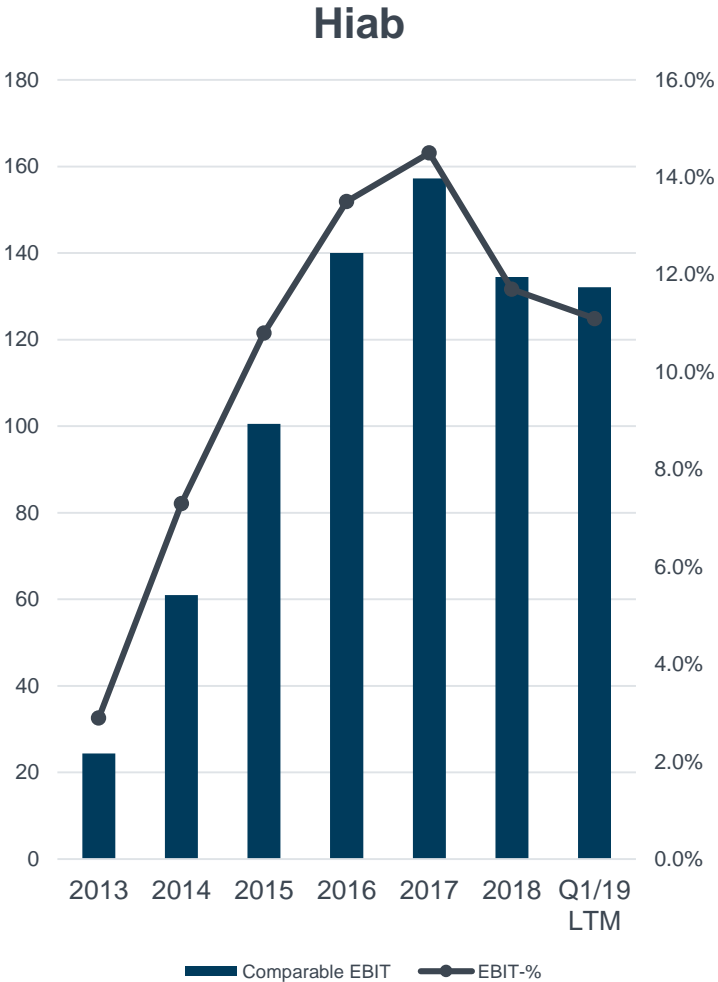
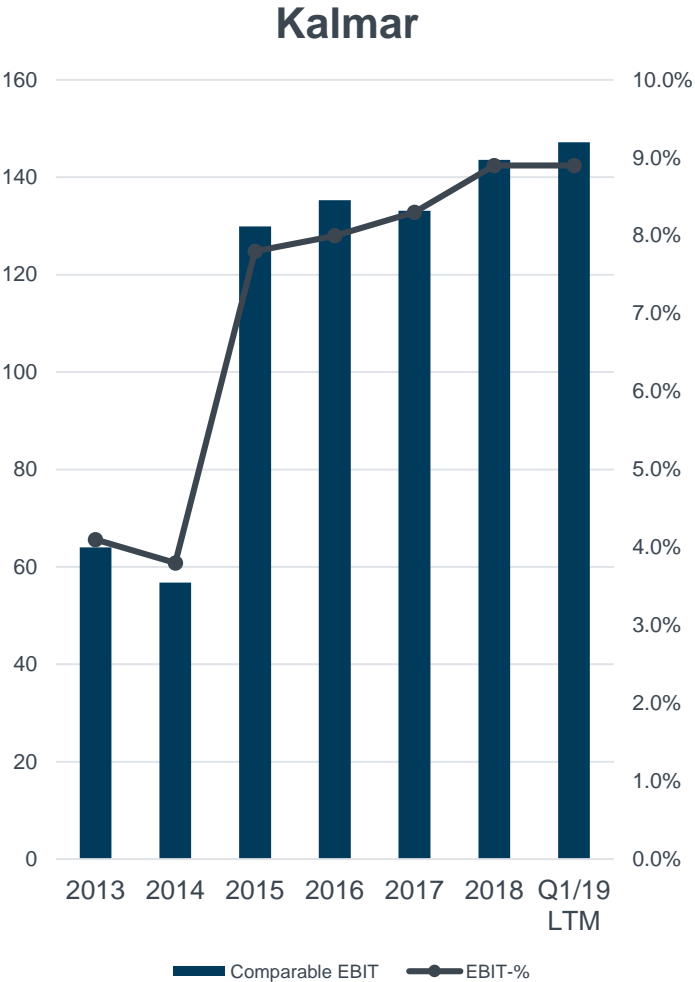
APAC

- Chungbuk, South Korea (Hiab prod.)
- Tianjin, China (MacGregor prod.)
- Bangalore, India (Kalmar prod. + R&D)
- Chennai, India (Navis–Kalmar R&D)
- Ipoh, Malaysia (Bromma prod.)
- Shanghai, China (Kalmar prod. + WH)
- Busan, South Korea (MacGregor prod.)
- Singapore, (R&D)

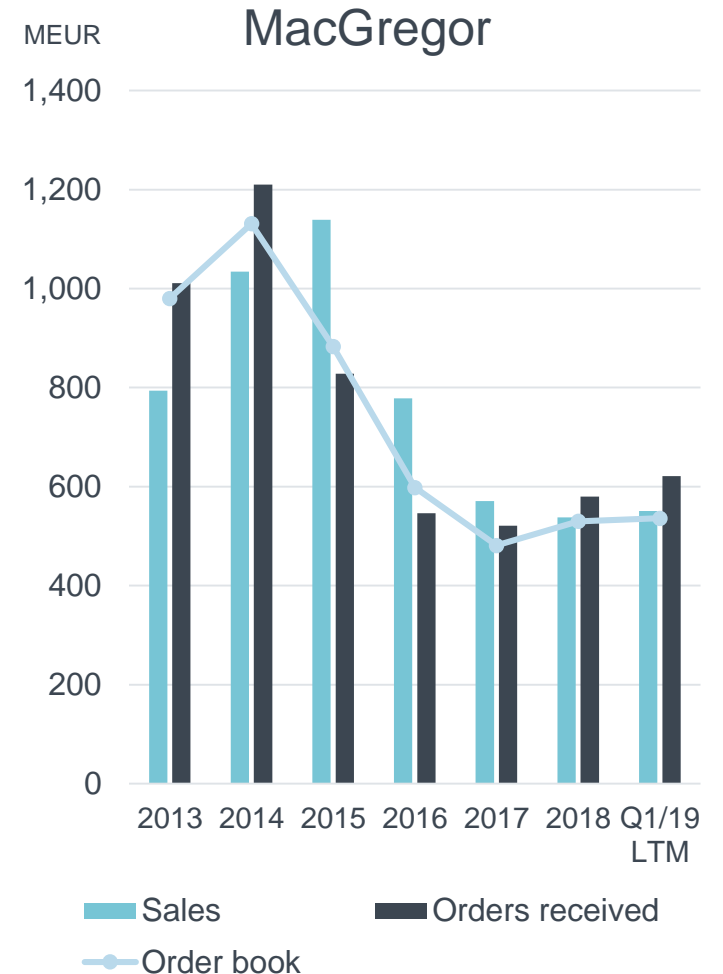
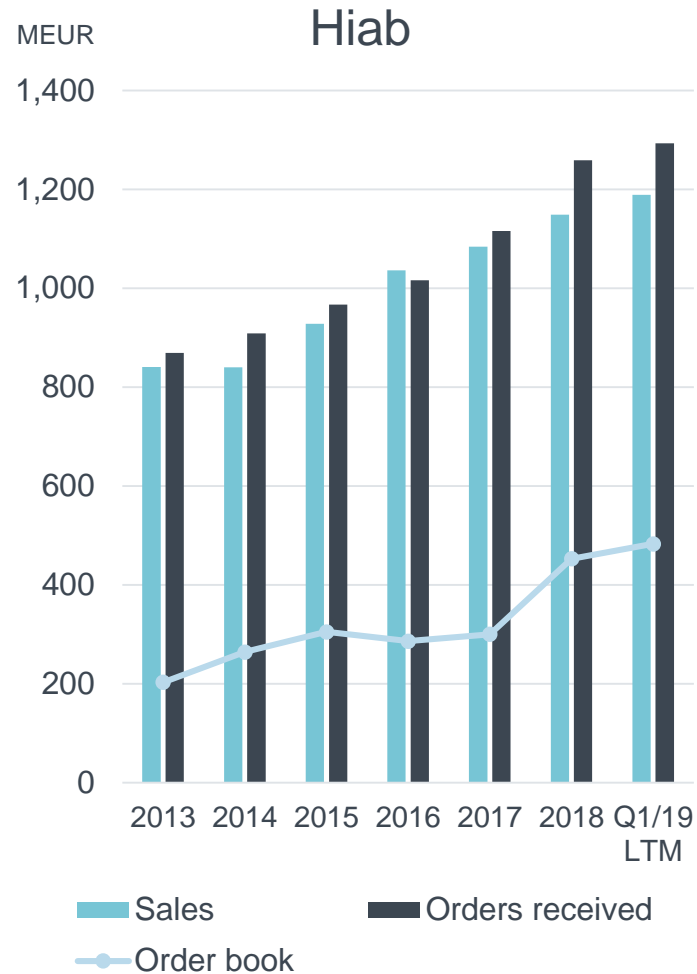
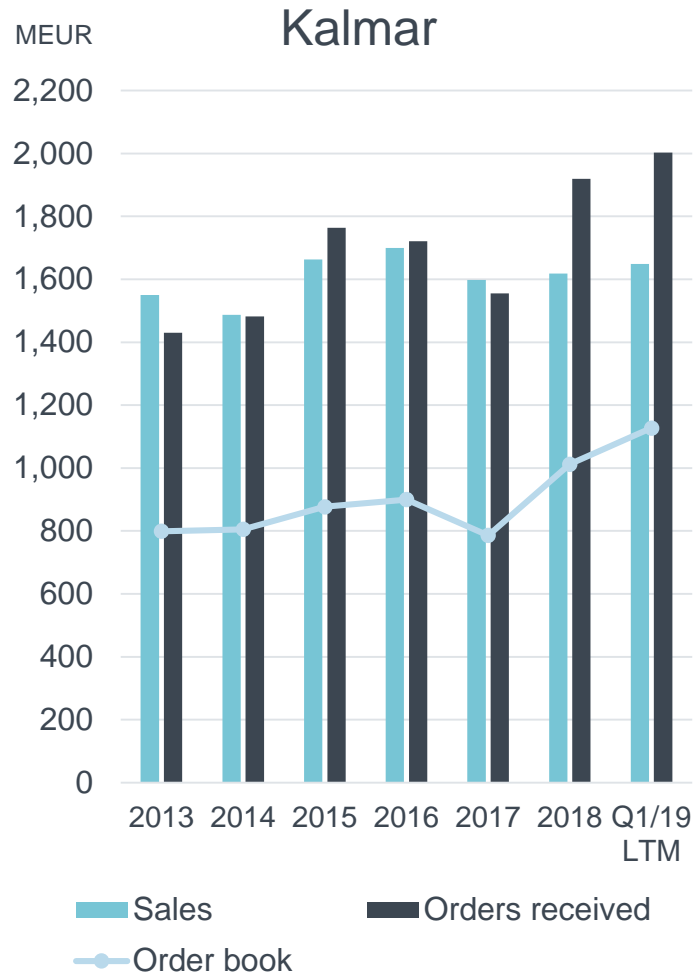
Americas

- Ottawa, Kansas (Kalmar prod.)
- Oakland, California (Kalmar R&D)
- Cibolo, Texas (Kalmar prod.)
- Tallmadge, Ohio (Hiab prod.)

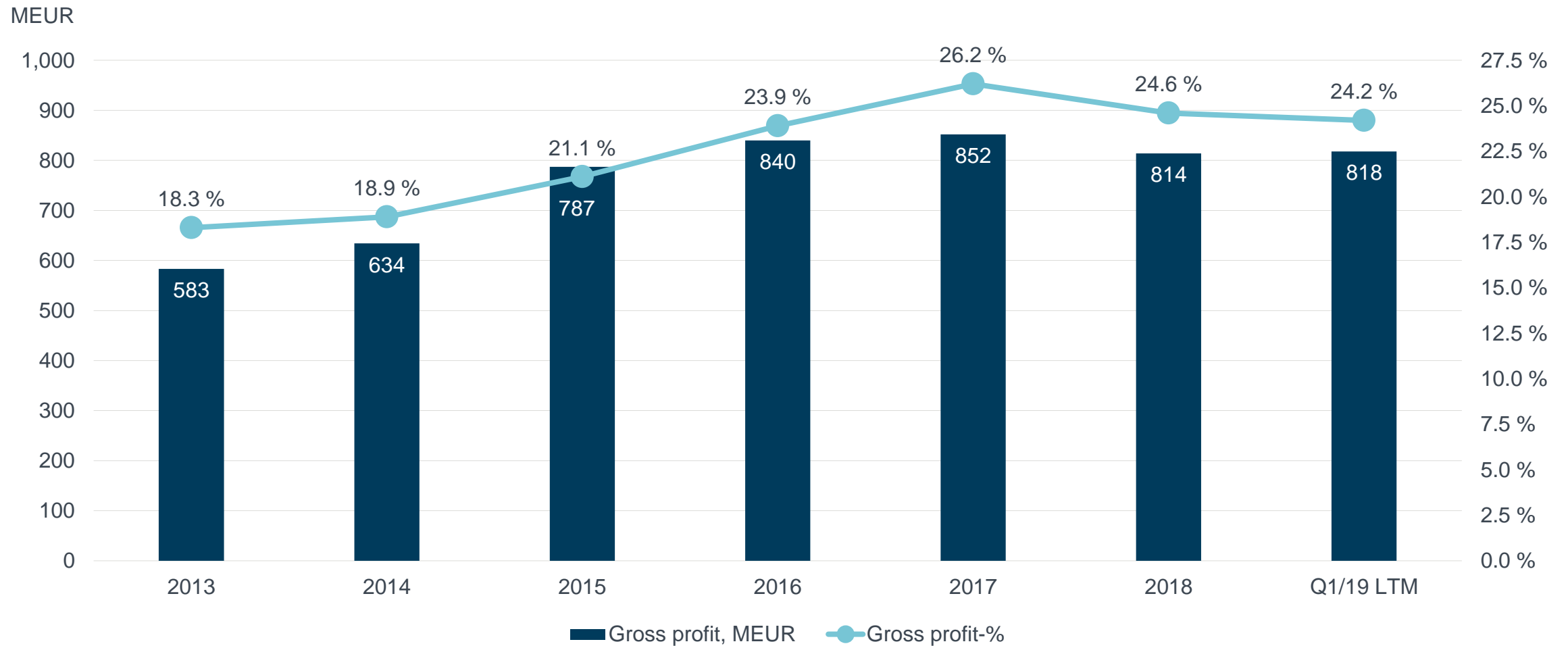
Comparable operating profit development



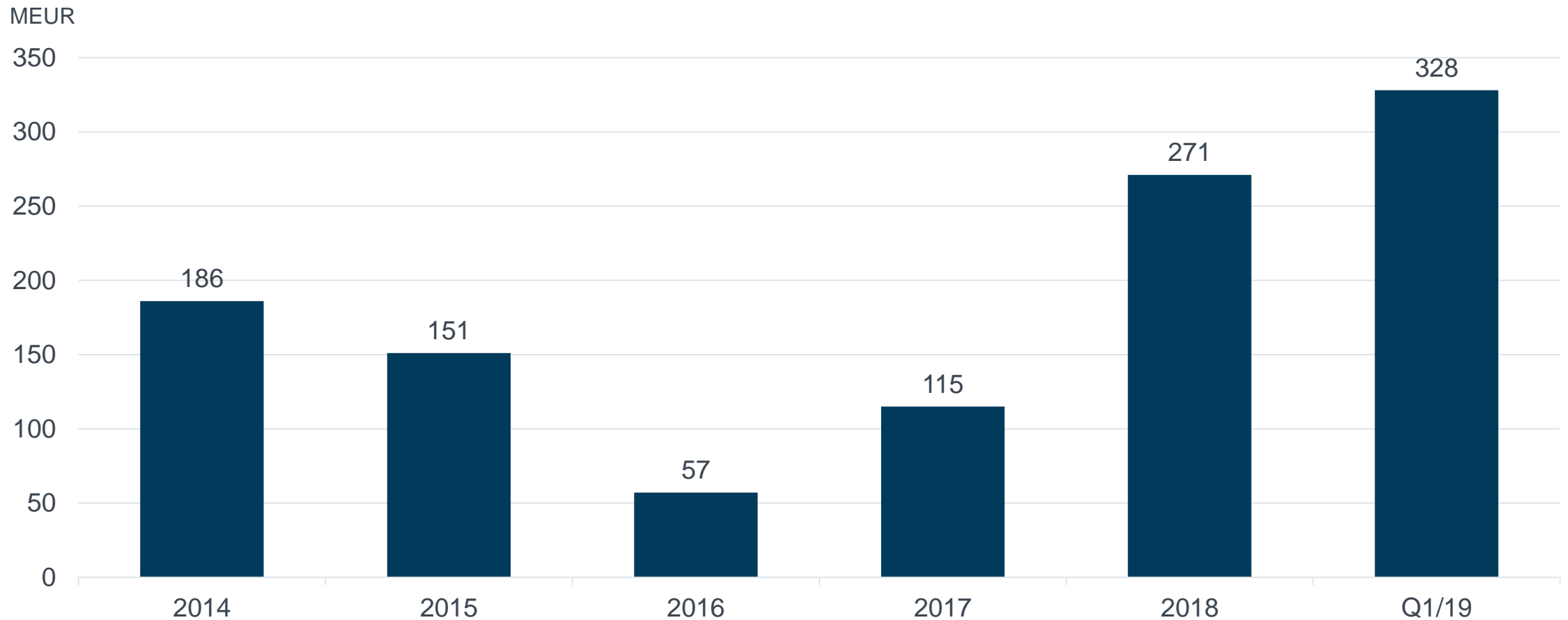
Sales and orders received development



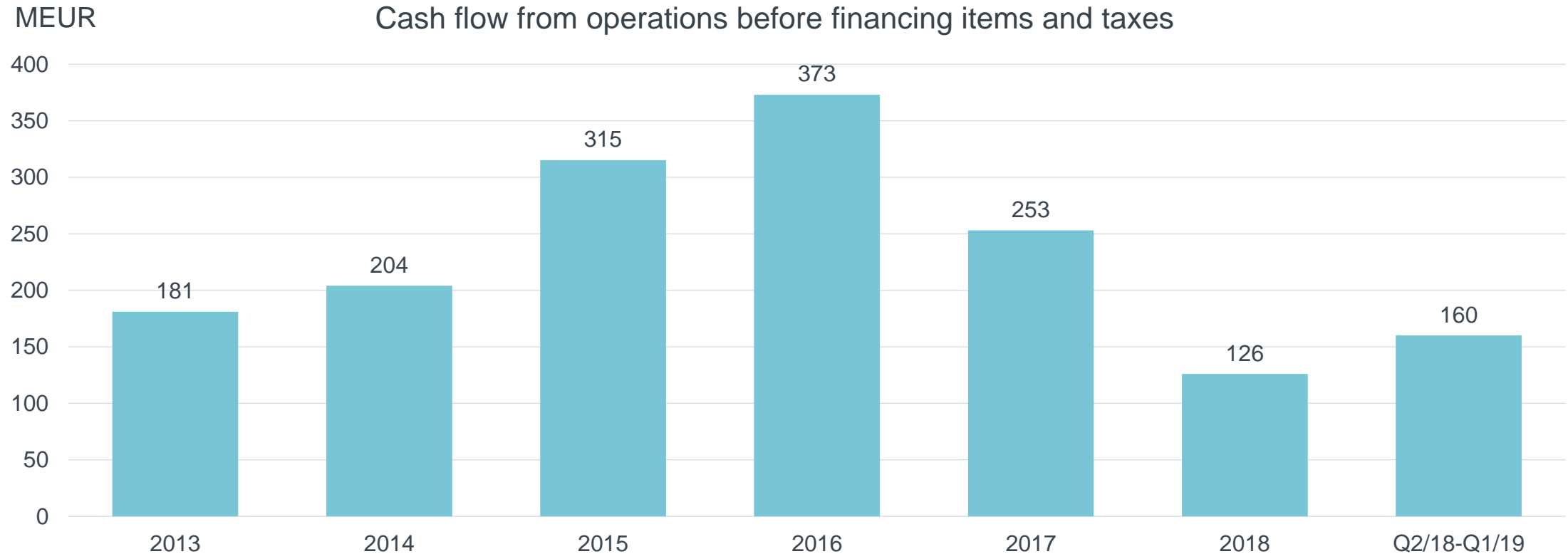
Gross profit development



Net working capital increased due to higher inventories and accounts receivable



Cash flow from operations development



Income statement Q1 2019

MEUR	Q1/19	Q1/18	2018
Sales	855.9	772.6	3,303.5
Cost of goods sold	-649.5	-570.3	-2,489.3
Gross profit	206.3	202.4	814.2
<i>Gross profit, %</i>	<i>24.1%</i>	<i>26.2%</i>	<i>24.6%</i>
Other operating income	8.7	7.9	44.8
Selling and marketing expenses	-60.8	-55.4	-234.4
Research and development expenses	-25.0	-24.7	-94.7
Administration expenses	-63.9	-63.2	-252.9
Restructuring costs	-5.7	-3.8	-53.8
Other operating expenses	-7.8	-9.3	-35.4
Costs and expenses	-154.5	-148.5	-626.5
Share of associated companies' and joint ventures' net income	-0.8	-0.7	2.3
Operating profit	51.0	53.2	190.0
<i>Operating profit, %</i>	<i>6.0%</i>	<i>6.9%</i>	<i>5.8%</i>
Financing income and expenses	-8.3	-6.8	-28.9
Income before taxes	42.8	46.4	161.1
<i>Income before taxes, %</i>	<i>5.0%</i>	<i>6.0%</i>	<i>4.9%</i>
Income taxes	-11.8	-12.8	-53.1
Net income for the period	31.0	33.7	108.0
<i>Net income for the period, %</i>	<i>3.6%</i>	<i>4.4%</i>	<i>3.3%</i>

Net income for the period attributable to:

Equity holders of the parent	30.9	33.8	107.0
Non-controlling interest	0.1	-0.1	1.1
Total	31.0	33.7	108.0

Earnings per share for profit attributable to the equity holders of the parent:

Earnings per share, EUR	0.48	0.52	1.66
Diluted earnings per share, EUR	0.48	0.52	1.65

Balance sheet 31 March 2019

ASSETS, MEUR	31 Mar 2019	31 Mar 2018	31 Dec 2018
Non-current assets			
Goodwill	1,004.0	977.7	970.9
Other intangible assets	267.9	257.2	278.6
Property, plant and equipment	474.3	307.3	308.7
Investments in associated companies and joint ventures	102.7	109.6	99.8
Share investments	0.3	0.3	0.3
Loans receivable and other interest-bearing assets*	35.7	3.6	36.0
Deferred tax assets	140.7	145.8	137.3
Other non-interest-bearing assets	9.5	7.9	9.5
Total non-current assets	2,035.1	1,809.5	1,841.1
Current assets			
Inventories	737.9	668.8	688.8
Loans receivable and other interest-bearing assets*	1.3	3.1	1.8
Income tax receivables	43.7	53.0	56.0
Derivative assets	4.2	10.3	17.4
Accounts receivable and other non-interest-bearing assets	854.1	748.6	822.5
Cash and cash equivalents*	151.3	212.0	256.3
Total current assets	1,792.5	1,695.8	1,842.8
Total assets	3,827.5	3,505.3	3,683.9

EQUITY AND LIABILITIES, MEUR	31 Mar 2019	31 Mar 2018	31 Dec 2018
Equity attributable to the equity holders of the parent			
Share capital	64.3	64.3	64.3
Share premium account	98.0	98.0	98.0
Translation differences	-19.2	-44.1	-44.2
Fair value reserves	-12.0	0.1	-13.5
Reserve for invested non-restricted equity	57.4	69.0	58.5
Retained earnings	1,199.3	1,193.6	1,262.5
Total equity attributable to the equity holders of the parent	1,387.8	1,380.8	1,425.6
Non-controlling interest	3.2	2.2	3.0
Total equity	1,391.0	1,383.1	1,428.5
Non-current liabilities			
Interest-bearing liabilities*	703.6	606.2	717.1
Deferred tax liabilities	26.5	11.3	28.1
Pension obligations	93.0	86.0	92.3
Provisions	8.5	12.6	10.7
Other non-interest-bearing liabilities	62.0	57.6	58.6
Total non-current liabilities	893.6	773.8	906.8
Current liabilities			
Current portion of interest-bearing liabilities*	280.9	152.6	168.4
Other interest-bearing liabilities*	80.6	39.6	44.5
Provisions	88.3	99.0	86.7
Advances received**	204.7	192.9	190.3
Income tax payables	19.6	43.5	39.6
Derivative liabilities	7.5	7.0	5.8
Accounts payable and other non-interest-bearing liabilities**	861.3	813.9	813.5
Total current liabilities	1,542.9	1,348.5	1,348.6
Total equity and liabilities	3,827.5	3,505.3	3,683.9

Cash flow statement Q1 2019

MEUR	Q1/19	Q1/18	2018
Net cash flow from operating activities			
Net income for the period	31.0	33.7	108.0
Depreciation, amortisation and impairment	28.0	18.3	77.2
Other adjustments	20.5	20.0	99.2
Change in net working capital	-48.6	-75.6	-158.7
Cash flow from operations before financing items and taxes	31.0	-3.7	125.8
Cash flow from financing items and taxes	-28.9	-36.0	-85.6
Net cash flow from operating activities	2.0	-39.7	40.2
Net cash flow from investing activities			
Acquisitions of businesses, net of cash acquired	-3.4	-19.6	-70.7
Disposals of businesses, net of cash sold	-	-	-15.5
Investments in associated companies and joint ventures	-	-	-0.5
Cash flow from investing activities, other items	-17.1	-10.1	-50.6
Net cash flow from investing activities	-20.5	-29.7	-137.3
Net cash flow from financing activities			
Treasury shares acquired	-2.2	-	-9.4
Repayments of lease liabilities	-9.4	-0.7	-1.3
Proceeds from long-term borrowings	-	-	199.5
Repayments of long-term borrowings	-75.4	-	-83.7
Proceeds from short-term borrowings	40.0	4.5	3.4
Repayments of short-term borrowings	-	-2.3	-2.6
Profit distribution	-35.4	-31.8	-68.0
Net cash flow from financing activities	-82.3	-30.4	37.7
Change in cash and cash equivalents	-100.8	-99.8	-59.3
Cash and cash equivalents, and bank overdrafts at the beginning of period	225.5	284.7	284.7
Effect of exchange rate changes	0.0	-1.2	0.1
Cash and cash equivalents, and bank overdrafts at the end of period	124.7	183.8	225.5
Bank overdrafts at the end of period	26.6	28.3	30.8
Cash and cash equivalents at the end of period	151.3	212.0	256.3

Sustainability

Sustainability is a great business opportunity

We serve an industry, which produces the majority of emissions as well as GDP in the world

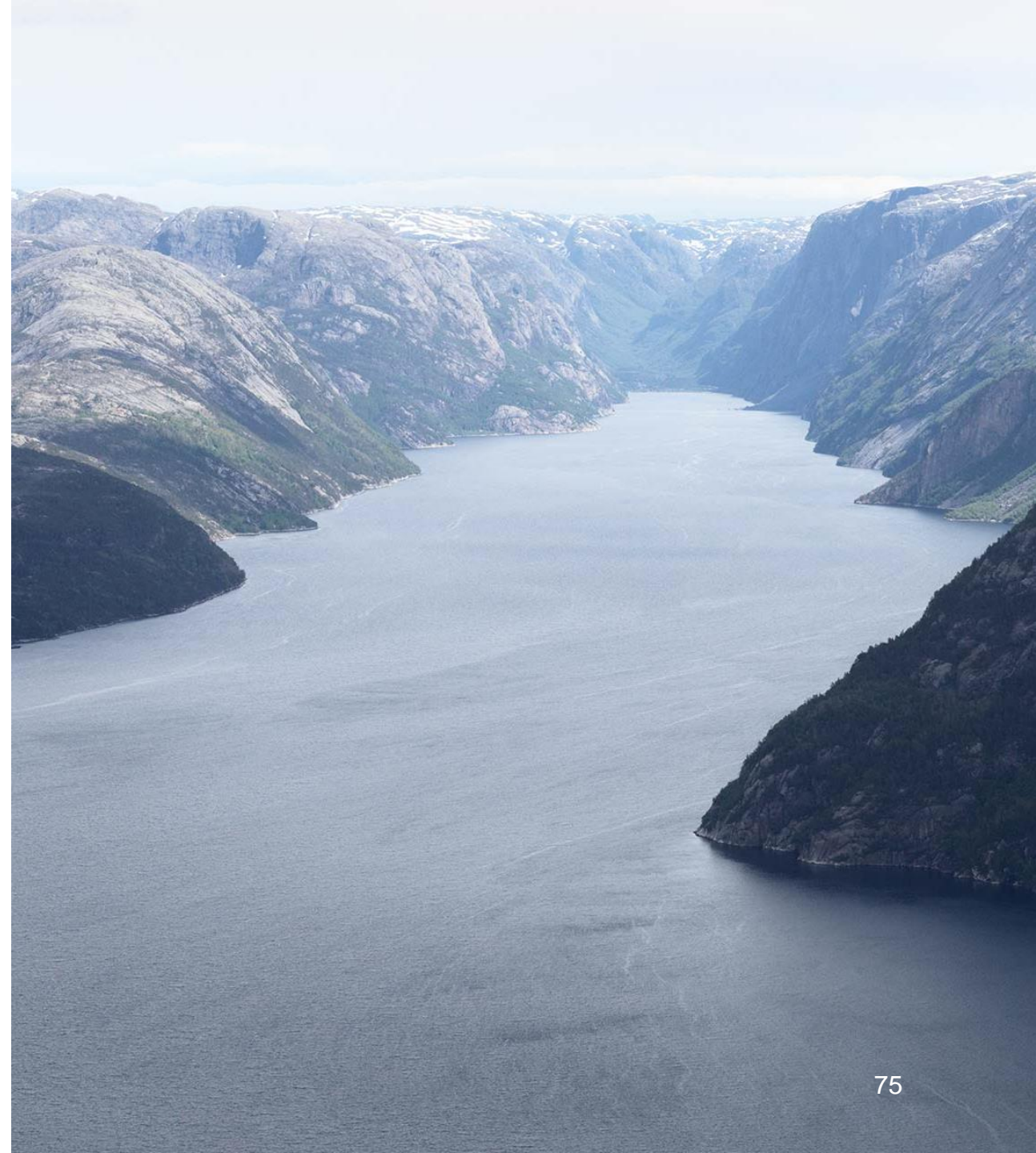
- Inefficient industry with potential to improve

Our vision to be the leader in intelligent cargo handling also drives sustainability

- Increasing efficiency and life-time solutions

We are in a position to be the global frontrunner, setting the sustainability standards for the whole industry

- We are ready to shape the industry to one that is more sustainable





Sea Freight Transport is by far the most sustainable transport mode in terms of emissions

Compared to transportation of goods

→ by trains, sea freight emits
~2-3 times less emissions

→ by trucks, sea freight emits
~3-4 times less emissions

→ by air cargo, sea freight emits
~14 times less emissions

Sustainability is our competitive advantage

Sales account for around 21% of the total revenue in 2018:

Significant R&D and digitalisation investments drive the growth of offering for eco-efficiency

Systems efficiency



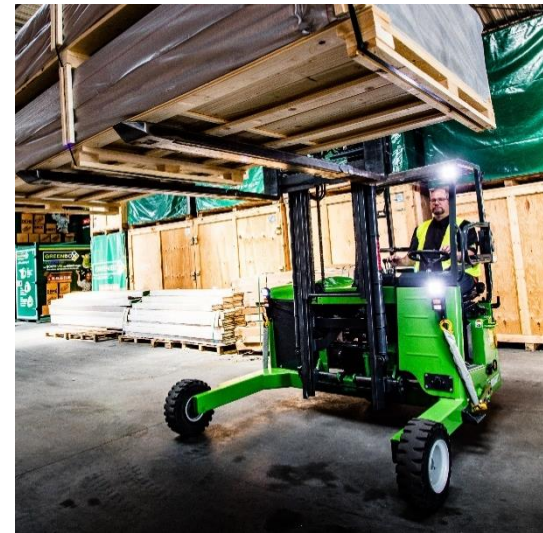
- Visibility to identify inefficient use of resources and fuel
- Software and design system

Efficiency for environmental industries



- Offering to support the operations in environmental industries
- Cargotec solutions for environmental industries

Emission efficiency



- Technology to enable fuel and emission efficient offering
- Products with features to decrease fuel usage and avoidance of maritime hydraulic oil emissions

Resources efficiency



- Service enabling the extended usage of products or new applications
- Product conversions and modernizations

Key to more sustainable cargo handling business is solution development



Waste in cargo handling business due to inefficiencies ~17 billion euros



19 mil CO2 in shipping industry annually
For moving empty containers



~2.5 mil barrels (1.8 mil CO2 equivalent tonnes) of fuel savings enabled by Cargotec port equipment solutions during past 6 to 10 years

~31 900 CO2 eqv. tonnes

of emissions from Cargotec factories annually



Cargotec sustainability managed with clear policies, processes and KPIs on varying areas

- Cargotec is a supporter of UN Global Compact and other major international sustainability initiatives
- We have a clear governance on sustainability issues with Board of Directors overview on the subject
- Safety is our key priority and we have clear improvement program to further decrease our current IIFR rate of 6.7
- Focus on climate change and human rights risks in 2019



PARIS2015
UN Climate Change Conference
COP21-CMP11



Performance highlights 2018

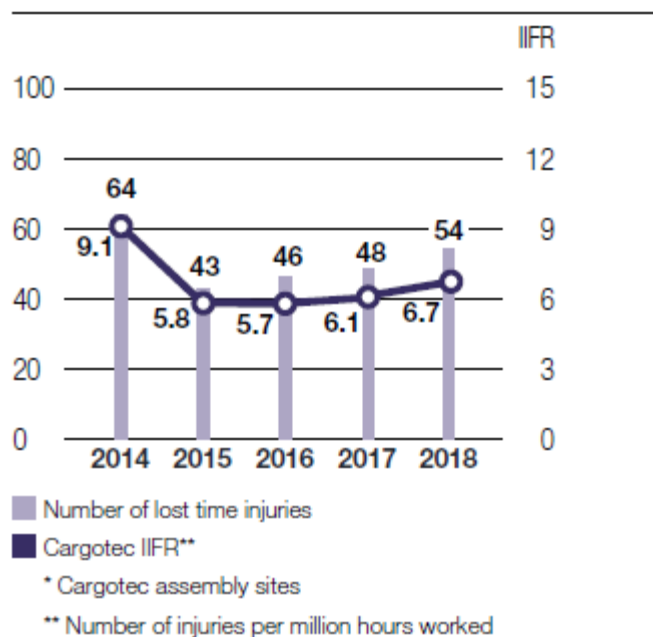
Permanent Code of Conduct panel and case investigation process

72% of all employees have conducted the code of conduct e-learning tool

All strategic suppliers were taken into the sustainability self-assessment tool process

Supplier code of conduct sent to all strategic suppliers

INDUSTRIAL INJURY FREQUENCY RATE*



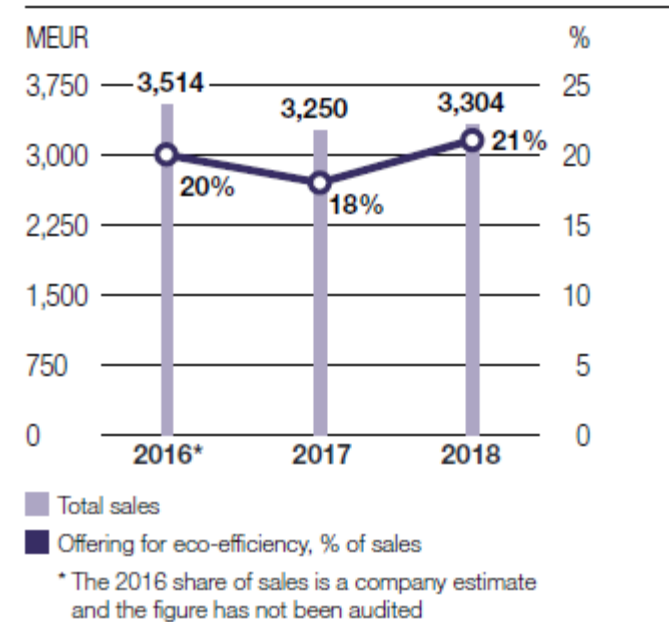
30% of the electricity used by Cargotec is generated from renewable energy sources

Offering for eco-efficiency 21% of total sales

17 products were added to our Offering for eco-efficiency portfolio

A renewed human rights risk assessment was conducted on Cargotec operations

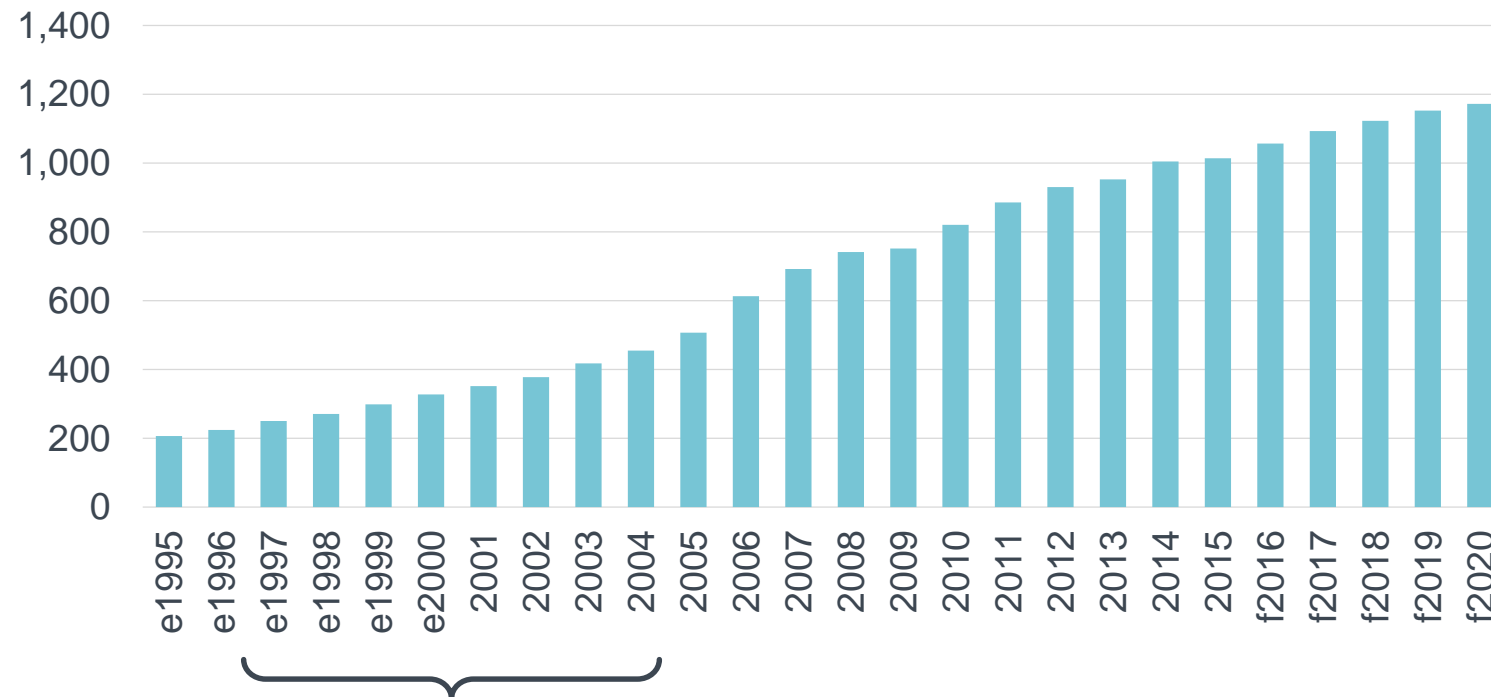
OFFERING FOR ECO-EFFICIENCY



Kalmar appendix

The current replacement market size for key terminal equipment is EUR 1 billion annually and the market is expected to double in the next decade

Total Capacity MTEU



Replacement after lifetime of equipment

The replacement market will grow in coming years, as the container terminal capacity has expanded significantly during the last two decades.

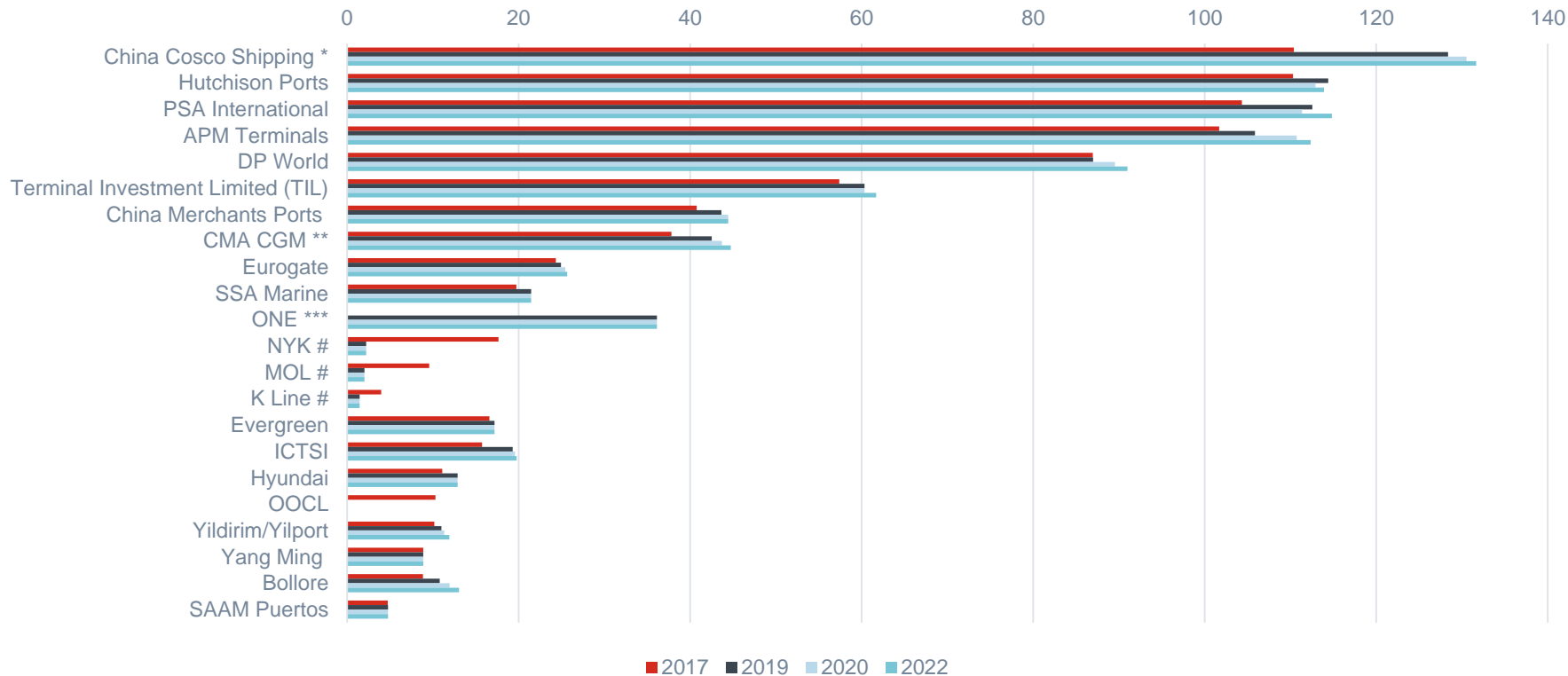
Average lifetime of type of equipment:

- STS - 25 yrs
- RTG -15 yrs
- SC - 8-10 yrs
- RS/ECH/TT – 8 yrs

Source: Drewry reports: Global Container Terminal Operators 2001-2016 Note: 1995-2000 capacity is estimation based on the assumption that the utilisation rate has been between 70-72% in that period. 2016-2020 forecast based on Drewry's Global container terminal operators report, published in August 2016

Global container terminal operators – Most capacity expected to be added by Cosco

Largest container terminal operators measured by capacity (MTEU)



Source: Drewry

* Cosco figure does not include OOCL terminals in 2017 and 2018 as acquisition not finalised. Chinese and Taiwanese terminals included from 2019 onwards, Long Beach excluded

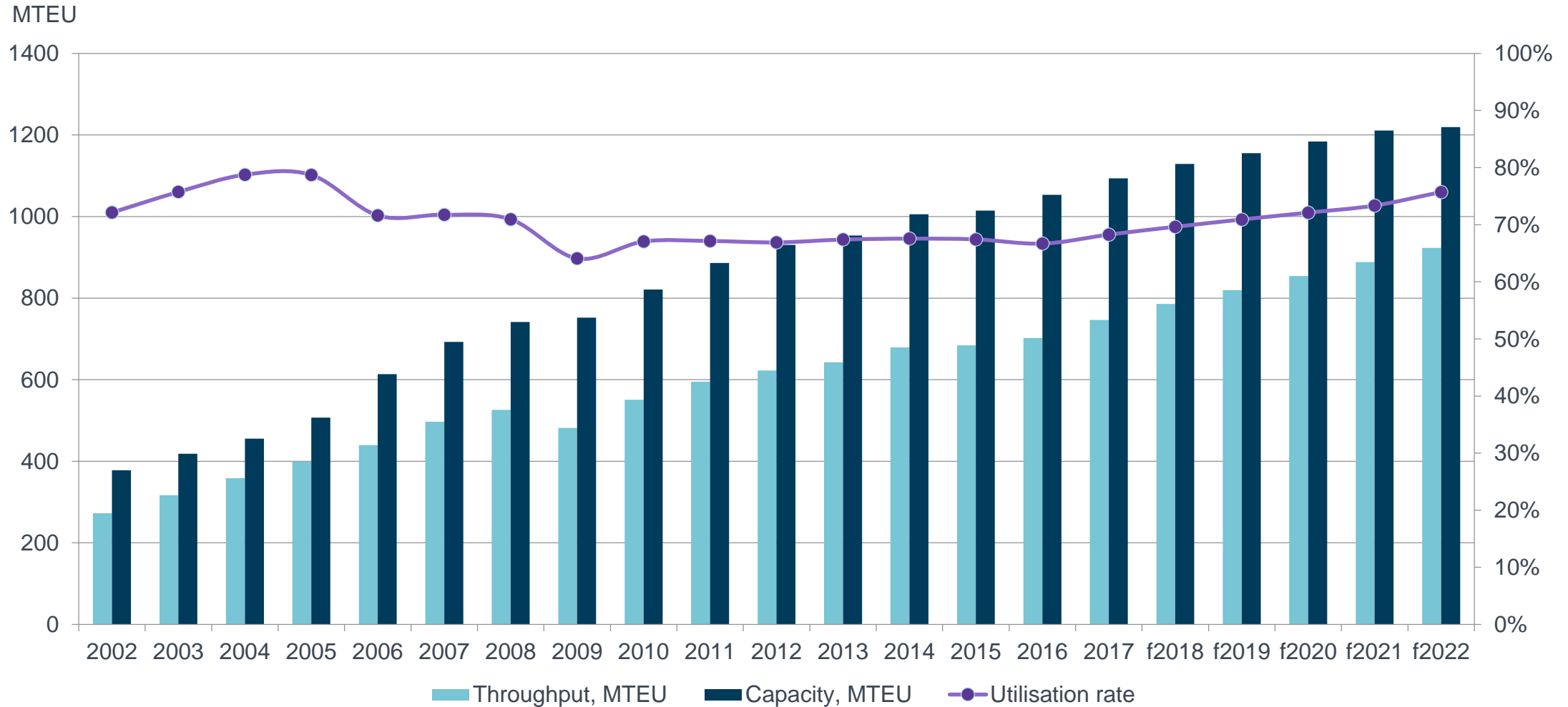
** CMA CGM includes APL terminals

*** International terminals of NYK, K Line and MOL combined as part of ONE merger

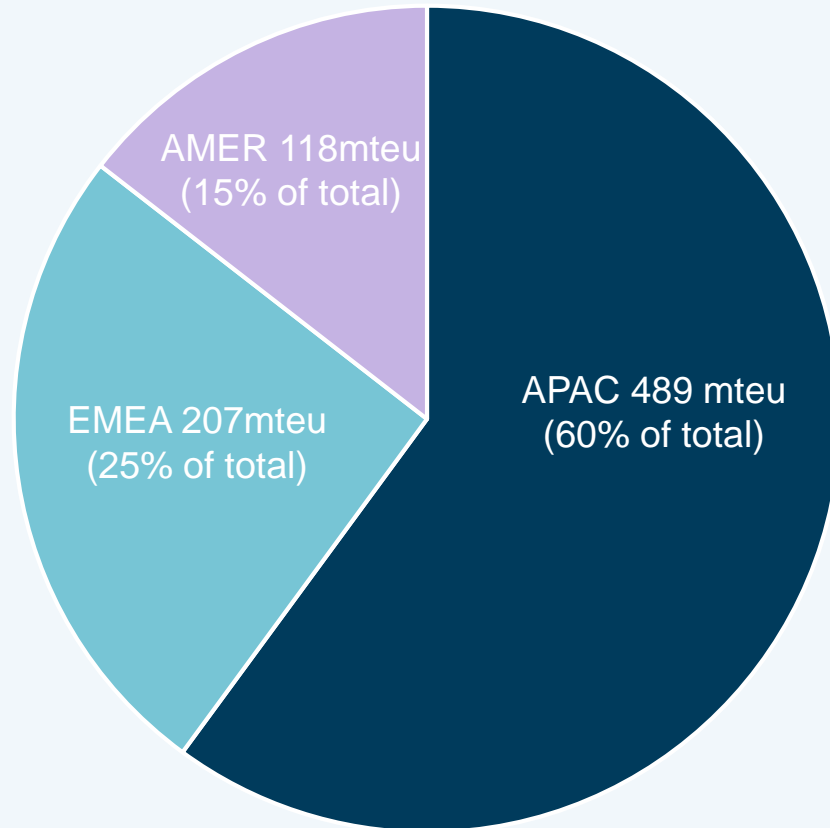
Japanese terminals only from 2019 onwards

Figures include total capacity for all terminals in which shareholding held (regardless of size of shareholding), i.e. includes double counting

Global container throughput and capacity development



59% of global container throughput is expected to take place in APAC in 2019



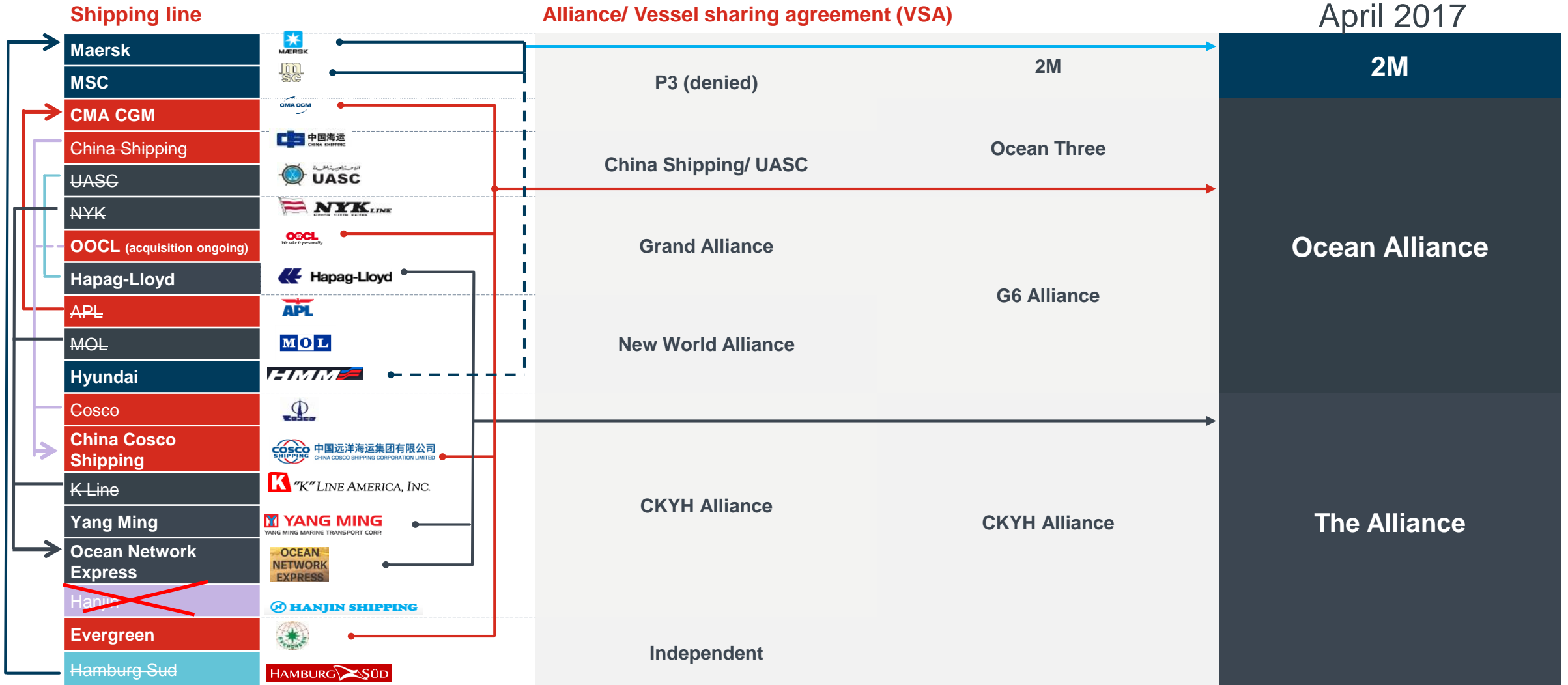
Global container throughput expected to grow 4.1% in 2019

- APAC +5.1% (+24 mteu)
- EMEA +2.0% (+4 mteu)
- AMER +4.4% (+4 mteu)

→ 75% of growth will come from APAC

Source: Drewry: Container forecaster Q4 2018

Three alliances controlling about 80% of global container fleet capacity



Total: 17
(9 after further consolidations)

- The arrows indicate changes, confirmed or planned, through M&A or JV over the last 18 months. Hanjin bankrupt. Hyundai isn't currently officially part of any alliance, but formed a cooperative relationship with 2M.
- Ocean Network Express (ONE) launch April 2018.
- COSCO Shipping's planned acquisition of OOCL expected to be completed by the end of June
- Analyse excludes Zim, PIL and Wan Hai

Kalmar's operating environment



Provides integrated port automation solutions including software, services and a wide range of cargo handling equipment



TOS coordinates and optimises the planning and management of container and equipment moves in complex business environments.

Navis provides also maritime shipping solutions:

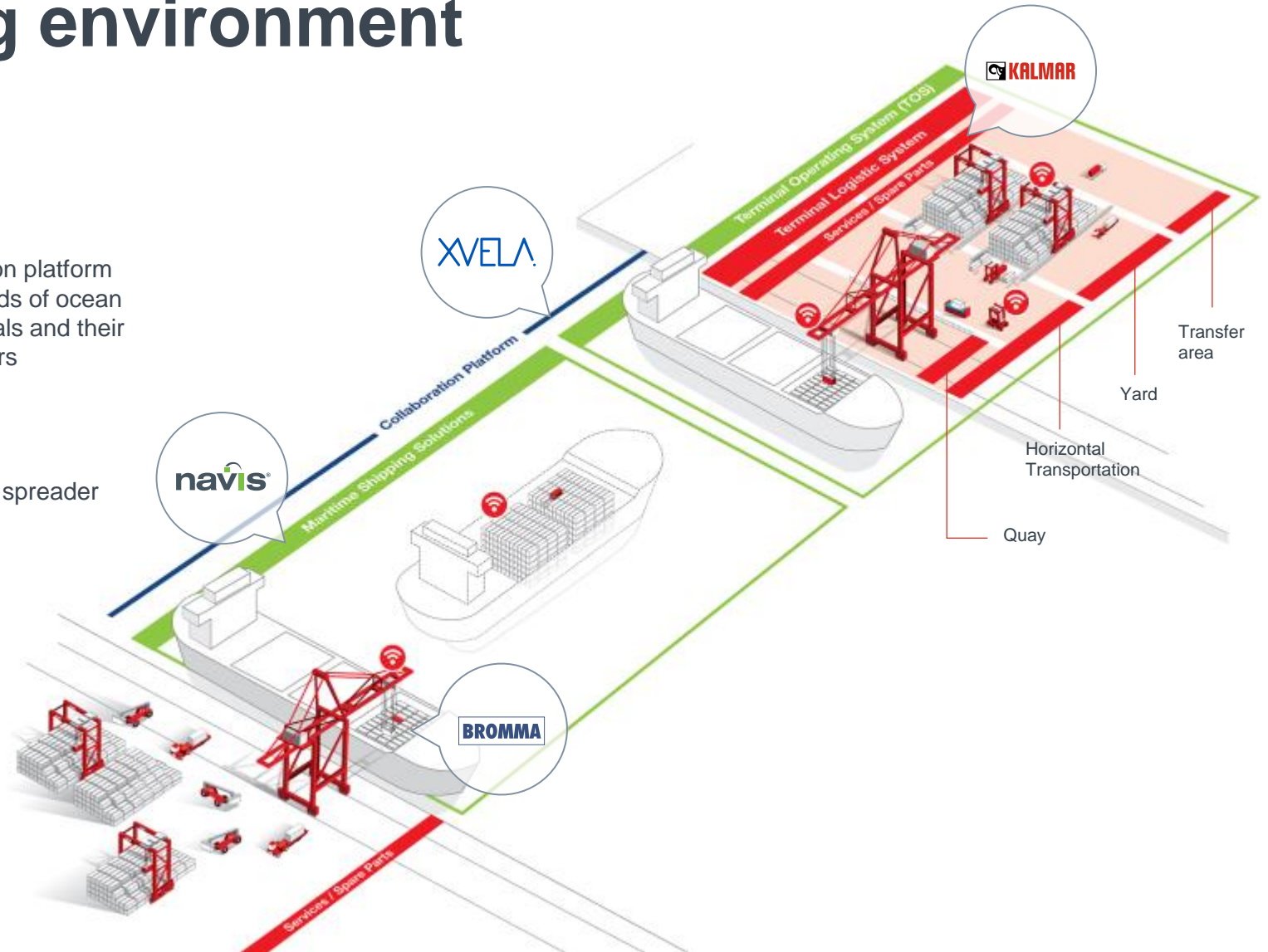
- Stowage planning
- Vessel monitoring
- Loading computer
- Route planning



The collaboration platform serving the needs of ocean carriers, terminals and their shipping partners

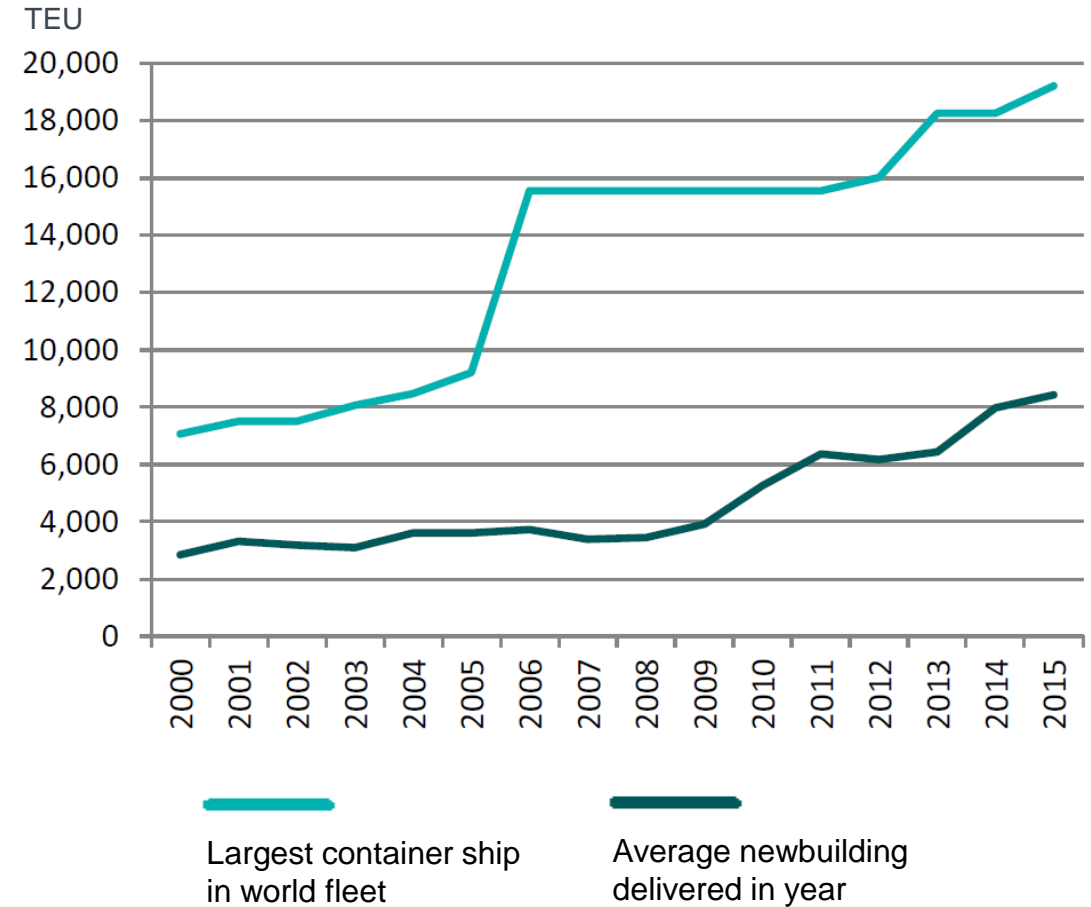


Industry leading spreader manufacturer



Ship sizes increasing dramatically

- The largest containership in the fleet has nearly tripled since 2000
- The average size of new builds doubles between 2009 and 2014



Source: Drewry November 2015

XVELA provides benefits to ocean carriers and terminal operators

- Today's container supply chain is a fragmented and siloed framework
- Information sharing between parties is not optimally structured
 - Forms of communication today include email, phone calls, EDI, paper plans
 - Problems: incomplete data, errors, information not available on time
- In-house developed XVELA is a many-to-many platform to solve these issues
 - Real-time stowage collaboration
 - Port-to-port visibility and collaboration
 - Synchronisation of planning between carriers and terminals

Benefits of XVELA:

- Faster vessel turn times
- Operational efficiencies
- Cost savings



Hiab appendix

Hiab's key growth drivers



Cranes

Gain market share in big loader cranes and crane core markets



Tail lifts

Enter fast growing emerging markets and standardise and globalise business model



Truck-mounted forklifts

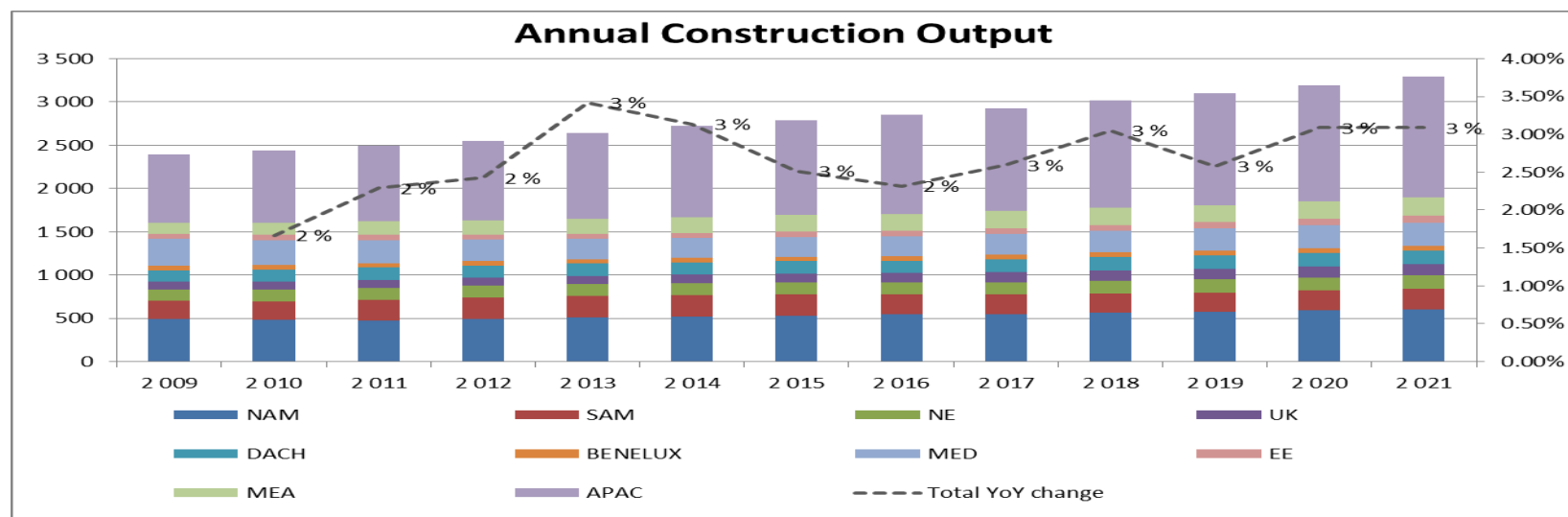
Accelerate penetration in North America and Europe



Services

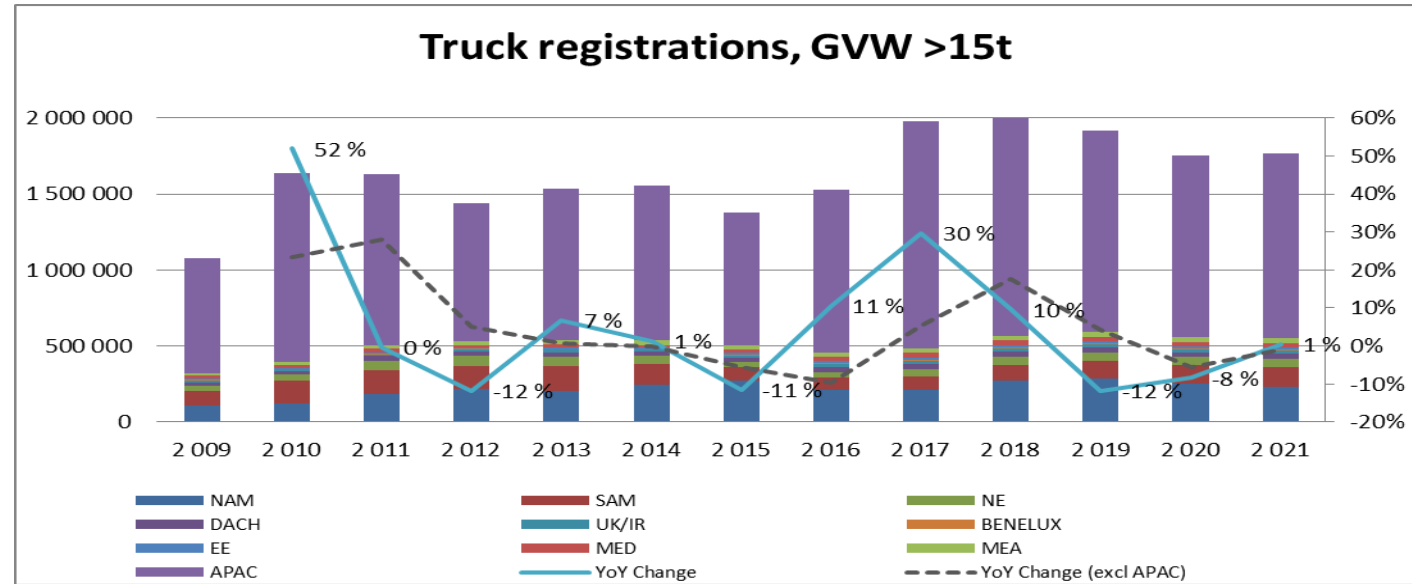
Increase spare parts capture rates driven by connectivity and e-commerce

Construction output forecast



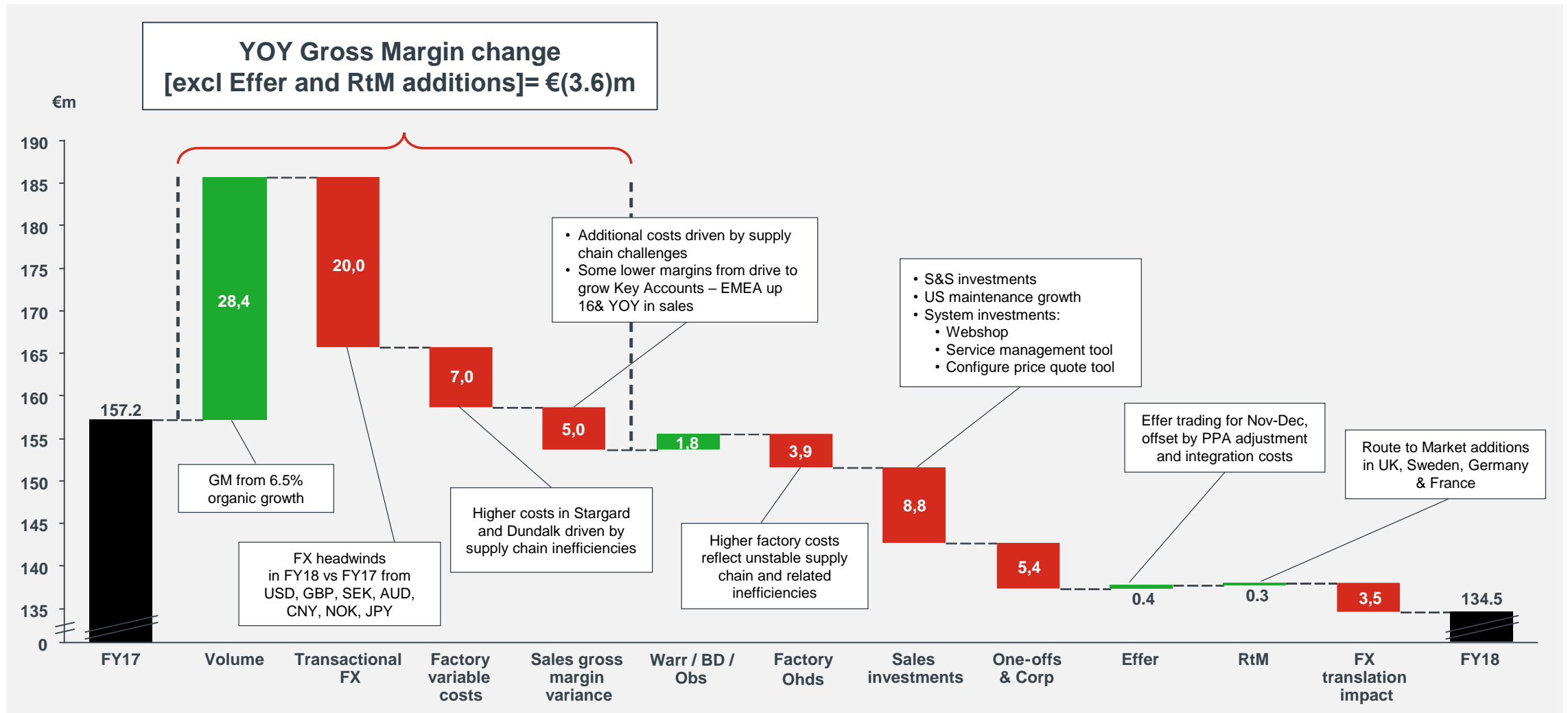
Changes vs last Forecast						YoY changes					
	2017	2018	2019	2020	2021		2017	2018	2019	2020	2021
NAM	0.3%	-0.1%	-0.7%	-0.5%	-0.5%	NAM	1.4%	2.8%	1.4%	2.7%	2.3%
SAM	-2.5%	-4.7%	-4.7%	-4.7%	-4.8%	SAM	-3.2%	-0.5%	1.0%	2.7%	2.9%
NE	0.5%	0.8%	0.8%	0.9%	0.8%	NE	3.2%	2.4%	3.0%	1.9%	1.8%
UK	-0.1%	-0.2%	-1.0%	-1.1%	-1.1%	UK	7.3%	1.1%	1.8%	1.9%	1.8%
DACH	0.0%	0.9%	0.5%	0.5%	0.5%	DACH	2.9%	3.1%	1.8%	1.5%	1.2%
BENELUX	0.0%	0.0%	0.0%	-0.1%	-0.1%	BENELUX	3.2%	4.3%	2.1%	1.8%	1.6%
MED	0.0%	0.0%	-0.4%	-0.4%	-0.4%	MED	3.3%	2.9%	2.0%	2.4%	2.3%
EE	-2.6%	-2.0%	-2.1%	-2.2%	-2.2%	EE	4.0%	11.0%	3.6%	3.0%	2.9%
MEA	0.5%	-2.1%	-3.5%	-4.0%	-4.2%	MEA	1.7%	-0.1%	1.7%	3.1%	3.9%
APAC	0.0%	0.2%	0.4%	0.5%	0.6%	APAC	3.7%	4.2%	3.8%	4.0%	4.1%
Total	-0.1%	-0.4%	-0.6%	-0.6%	-0.6%	Total	2.6%	3.1%	2.6%	3.1%	3.1%

Global truck volumes



Changes vs last Forecast						YoY changes (vs. prev. year)					
	2017	2018	2019	2020	2021		2017	2018	2019	2020	2021
NAM	0.0%	3.1%	-2.7%	-3.9%	-2.4%	NAM	0.6%	31.1%	-0.4%	-14.2%	-5.7%
SAM	-0.9%	-2.2%	-4.7%	1.5%	1.7%	SAM	8.4%	20.5%	9.0%	11.3%	4.7%
NE	0.0%	1.0%	2.7%	-2.3%	-3.2%	NE	27.5%	4.6%	4.9%	-1.2%	4.2%
DACH	0.0%	5.0%	5.7%	11.2%	8.1%	DACH	1.8%	12.6%	-6.3%	-4.2%	-1.4%
UK/IR	0.0%	0.6%	1.5%	-1.1%	-2.0%	UK/IR	0.3%	-11.1%	-5.8%	0.9%	3.8%
BENELUX	1.7%	3.1%	0.8%	1.7%	1.9%	BENELUX	5.4%	6.9%	-12.0%	-1.1%	3.7%
EE	-0.9%	-3.2%	0.1%	-2.4%	-2.9%	EE	-1.6%	28.6%	2.6%	-0.4%	1.5%
MED	0.0%	4.3%	8.0%	6.8%	6.7%	MED	20.3%	8.9%	-2.4%	-8.1%	5.8%
MEA	0.0%	1.4%	-0.1%	-2.2%	-2.5%	MEA	-2.4%	3.0%	1.9%	4.4%	3.0%
APAC	-0.1%	-0.4%	0.2%	0.0%	0.2%	APAC	39.9%	6.8%	-16.9%	-9.7%	1.3%
Total	-0.1%	0.1%	-0.3%	-0.3%	0.0%	Total	29.5%	10.0%	-12.1%	-8.3%	0.8%

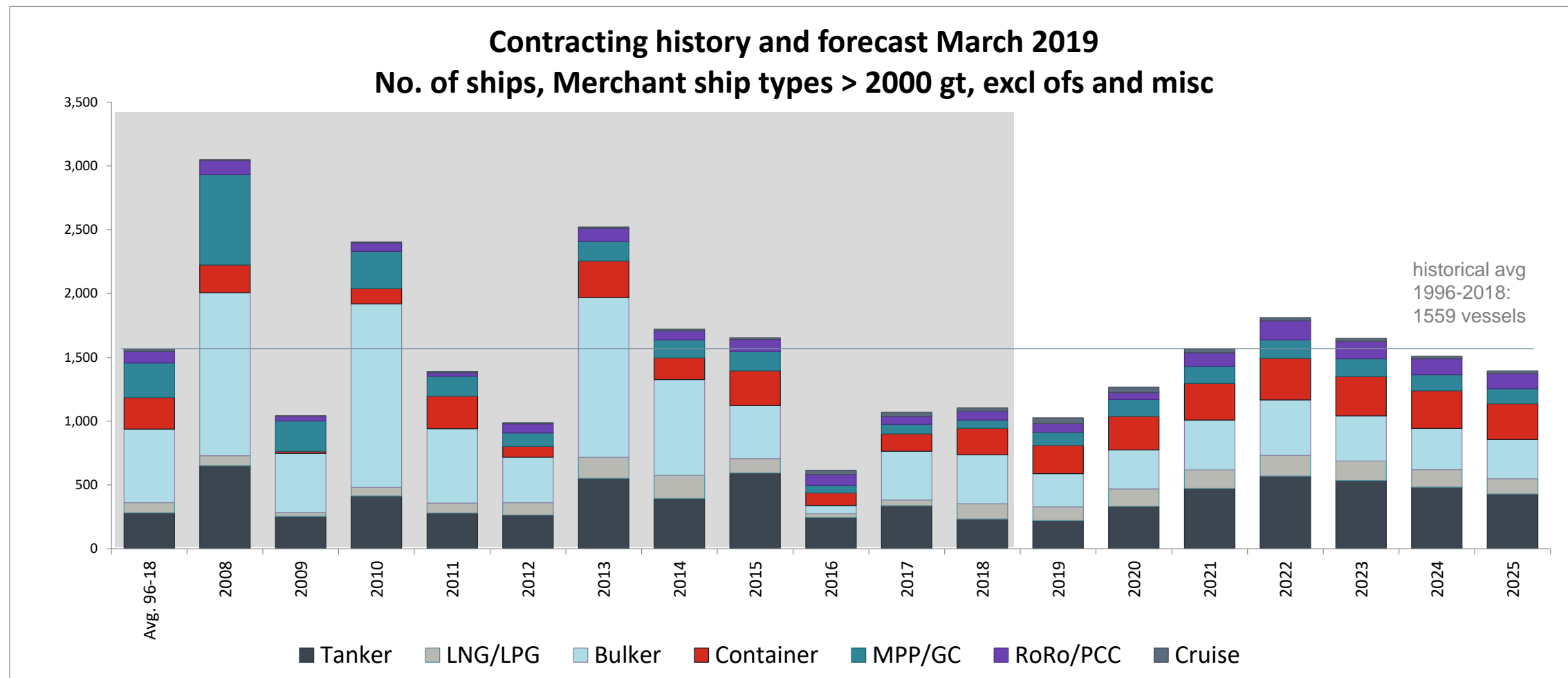
Operating Profit Bridge FY Actual 2018 vs 2017 (AER)



MacGregor appendix

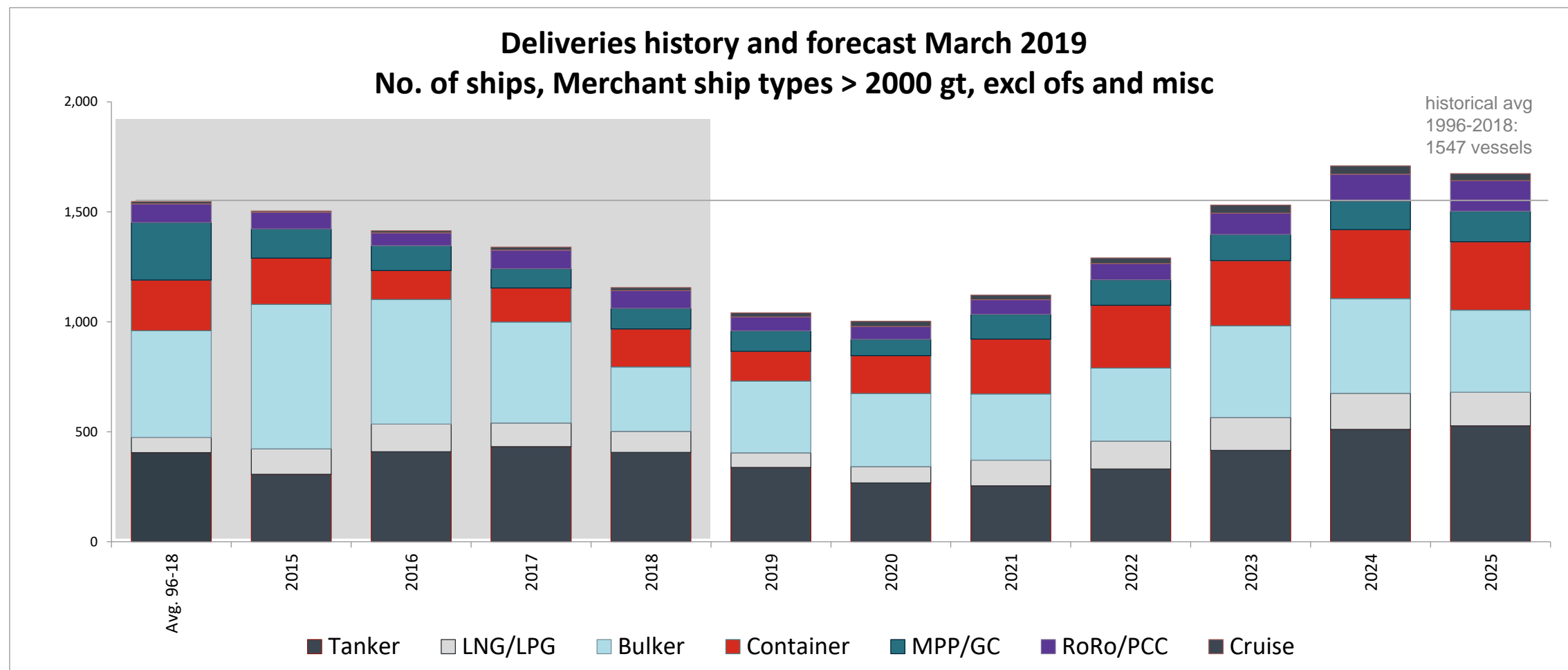
Merchant ships: Contracting forecast by shiptype (no of ships)

Merchant ship types > 2000 gt, base case

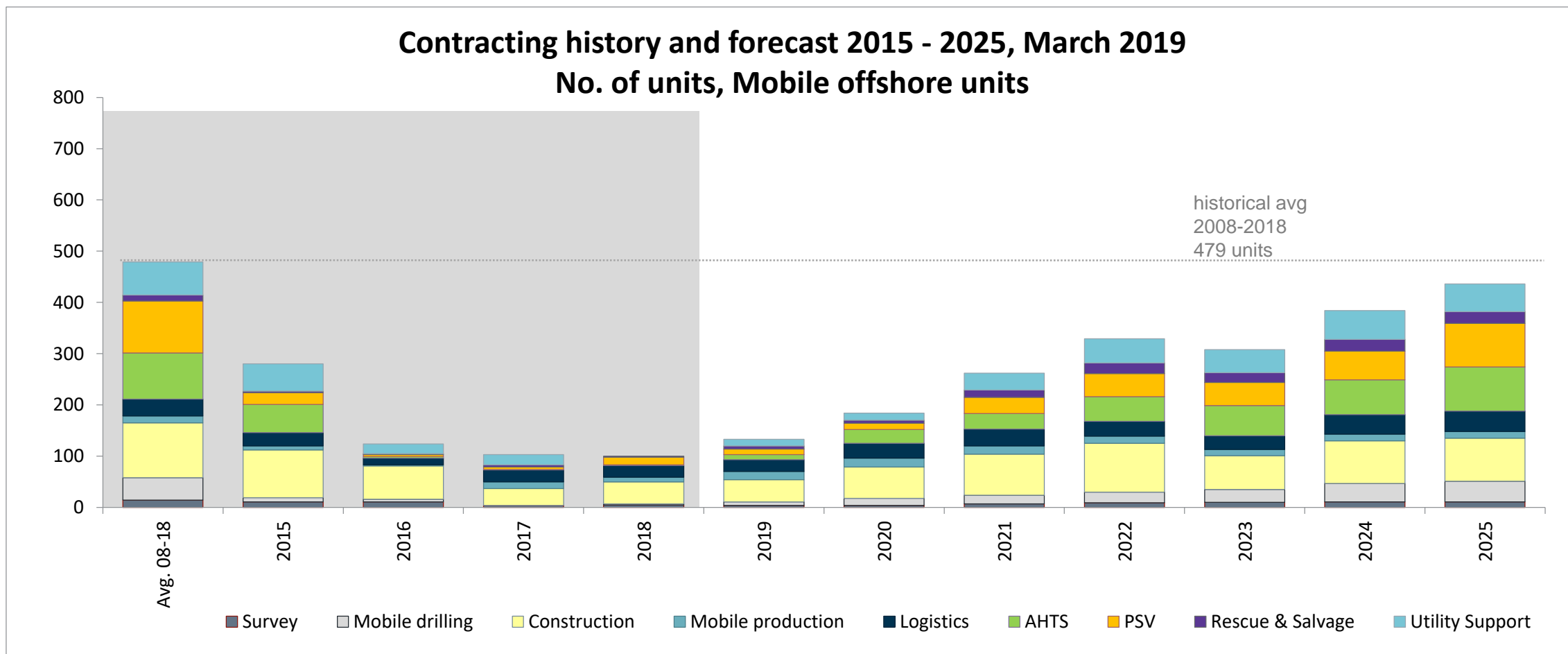


Merchant ships: Deliveries forecast by shiptype (no of ships)

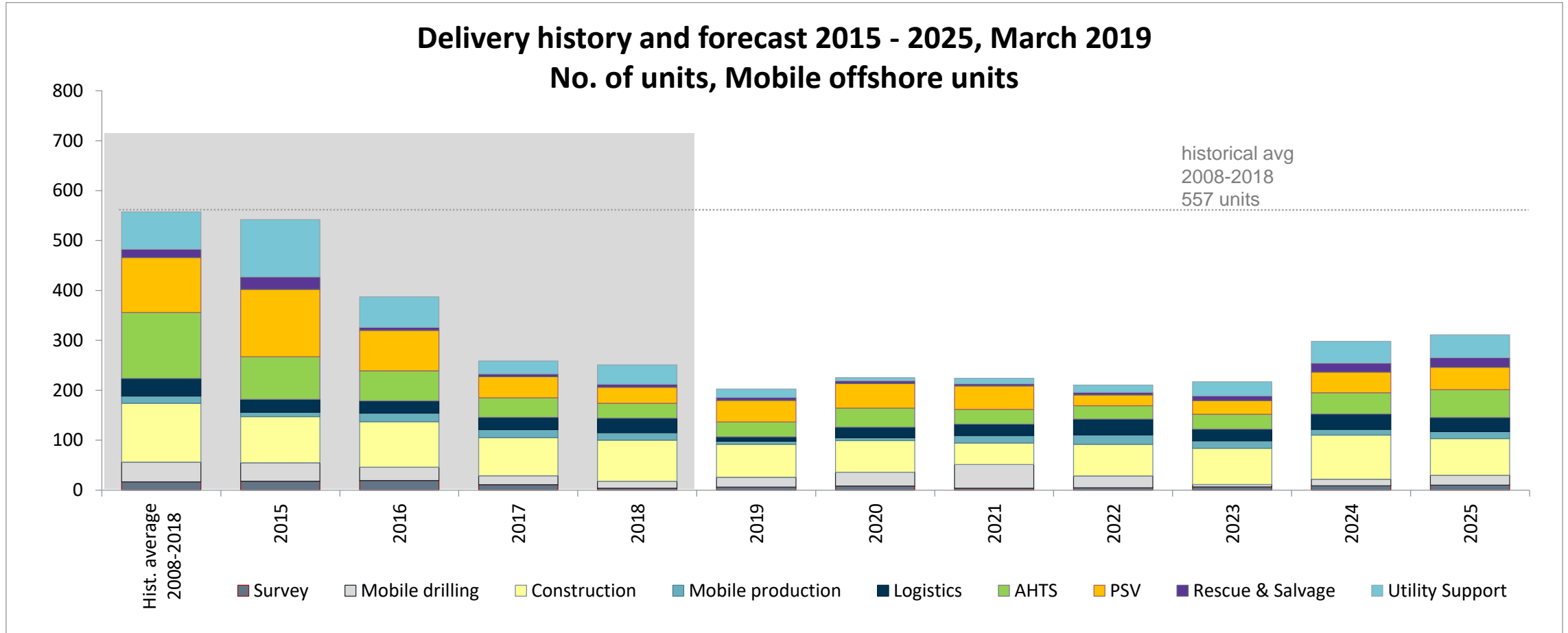
Merchant ship types > 2000 gt, base case



Offshore mobile units: Contracting forecast by shiptype (number of units)



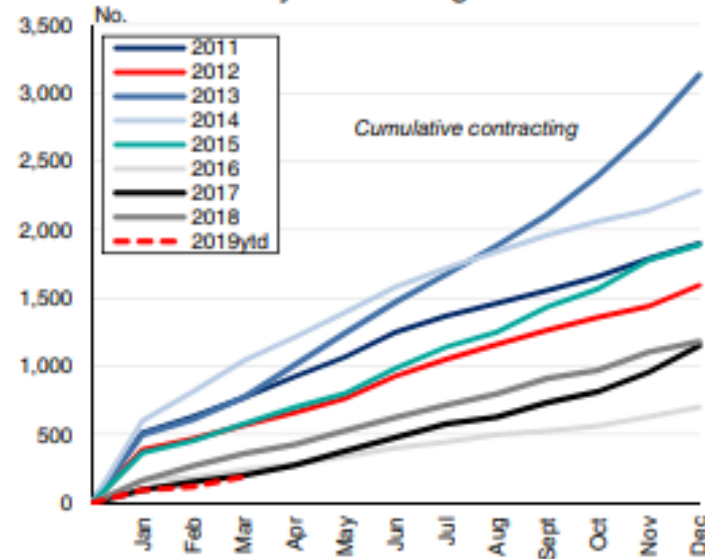
Offshore mobile units: Deliveries forecast by shiptype (no of units)



Shipbuilding – contracting ships >2000 gt/dwt

Global Contracting Activity (1st April 2019)												
	No.				\$bn				m. CGT			
	2017	2018	2019ytd	%y-o-y*	2017	2018	2019ytd	%y-o-y*	2017	2018	2019ytd	%y-o-y*
TOTAL (>2,000 Dwt/GT**)	1,151	1,183	194	-34%	70.2	74.3	18.1	-3%	28.2	32.4	5.8	-28%
Vessel Type												
Bulkers	378	389	40	-59%	11.4	12.0	1.3	-58%	8.4	8.2	0.8	-59%
Tankers	348	238	26	-56%	15.2	11.2	1.5	-47%	8.4	5.8	0.8	-48%
Containerships	139	212	46	-13%	6.0	11.2	2.4	-16%	3.7	6.2	1.2	-23%
Gas Carriers	46	120	25	-17%	2.4	15.1	3.4	-10%	1.8	6.7	1.3	-21%
Offshore	49	52	8	-38%	2.2	5.2	2.9	122%	0.9	1.0	0.3	2%
Others	191	172	49	14%	32.9	19.6	6.7	37%	5.1	4.4	1.4	31%
Builder Country/Region												
China	567	494	107	-13%	20.1	21.0	5.8	11%	4.5	11.7	2.6	-10%
South Korea	202	284	35	-51%	17.3	26.9	3.9	-43%	2.2	7.6	1.6	-15%
Japan	172	274	19	-72%	4.5	8.9	0.9	-59%	2.3	2.9	0.5	-36%
Europe	92	87	28	29%	22.1	15.7	6.0	52%	3.7	3.9	1.0	3%
Other	118	44	5	-55%	6.1	1.7	1.5	244%	15.5	6.3	0.1	-93%

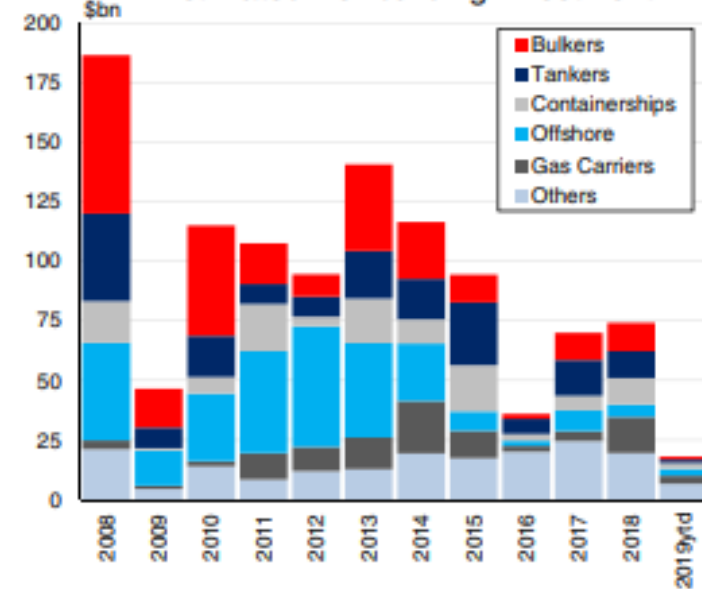
Monthly Contracting Volumes**



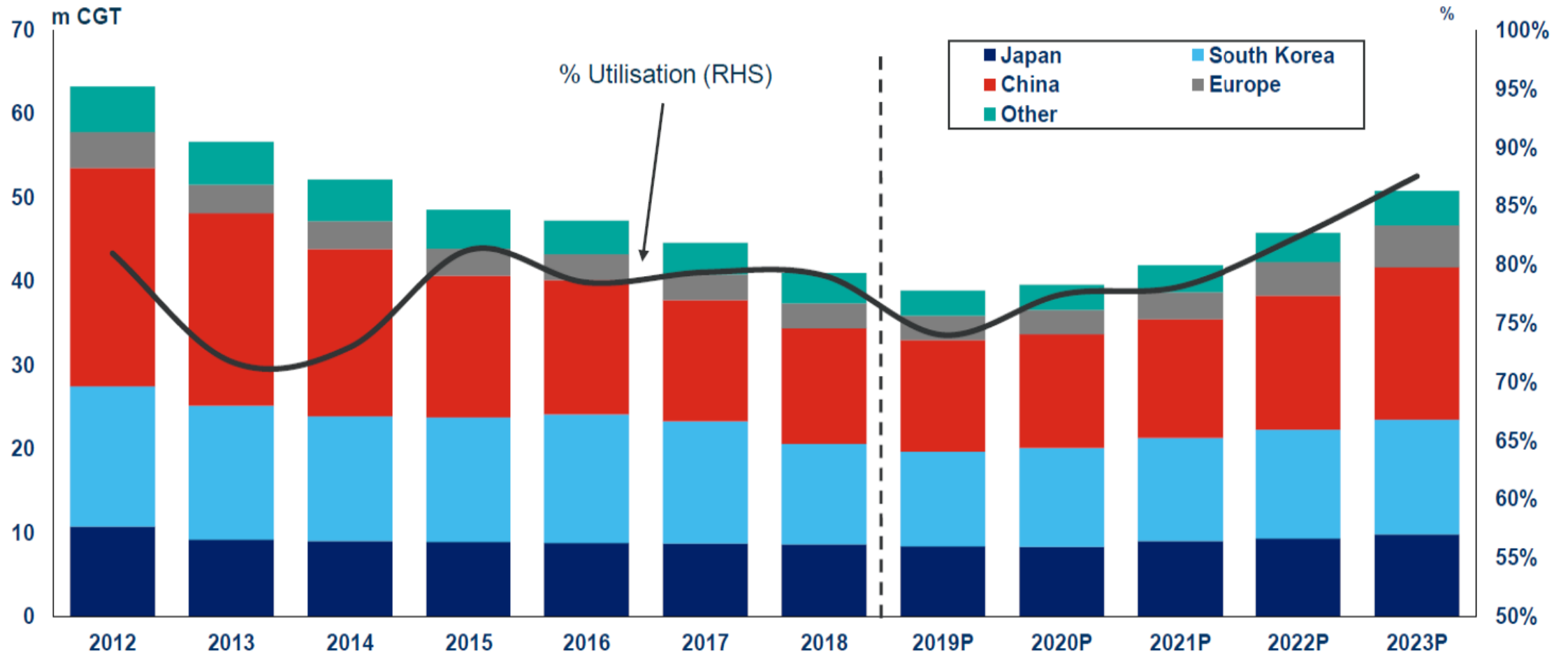
*Year-to-date contracting, annualised.

**Total includes those ship-shaped offshore units below 2,000 Dwt/GT

Estimated Newbuilding Investment



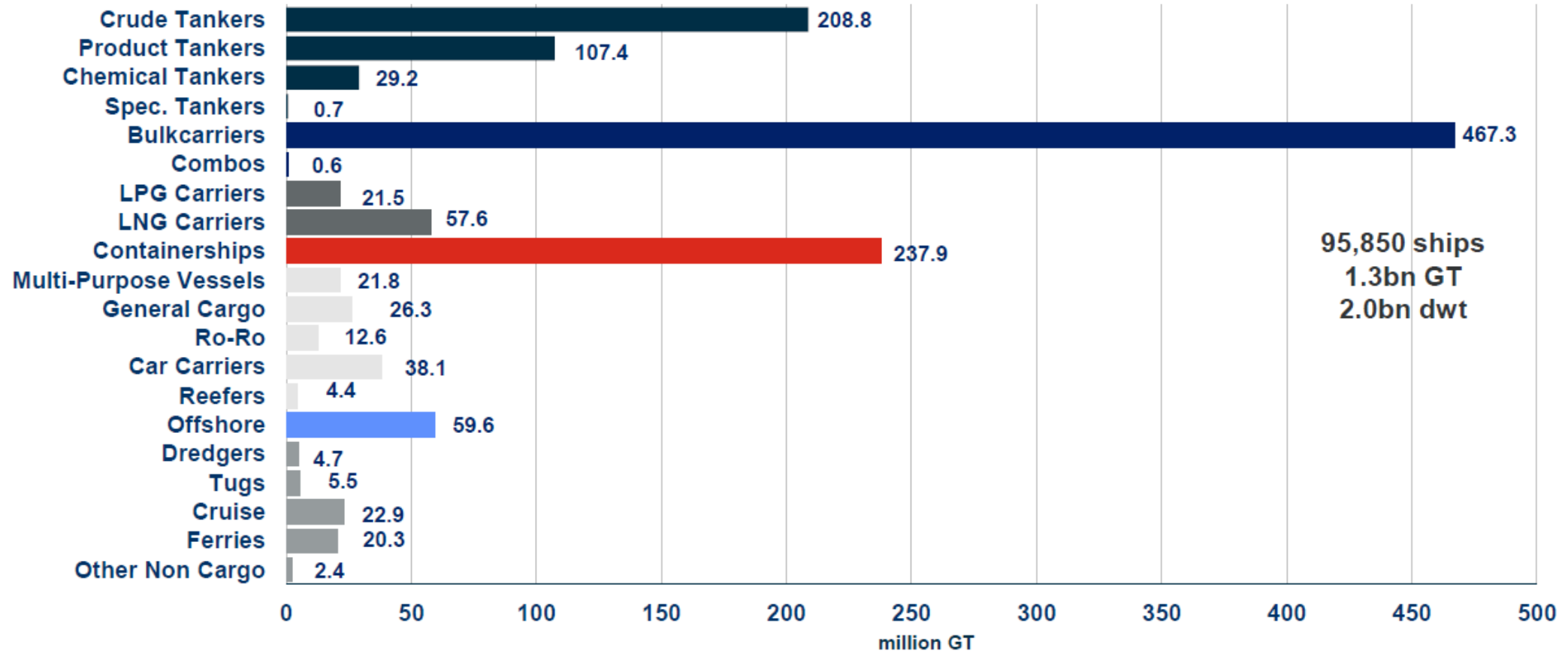
Shipbuilding capacity and utilisation scenario



Shipping – The world fleet

World fleet comprises currently roughly 96,000 ships

World Fleet as at March 2019 (million GT)



We are capturing "blue growth" opportunities



Seaborne
logistics

Traditional
Core



Marine bio-
technology

New
Growth



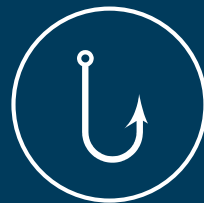
Marine and
seabed mining

New
Growth



Tourism

New
Growth



Fishing

New
Growth



Aquaculture

New
Growth



Offshore
oil and gas

Traditional
Core



Offshore
wind energy

New
Growth



Ocean
renewable
energy

New
Growth

Disclaimer

Although forward-looking statements contained in this presentation are based upon what management of the company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. These statements are not guarantees of future performance and undue reliance should not be placed on them. The company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws.

All the discussion topics presented during the session and in the attached material are still in the planning phase. The final impact on the personnel, for example on the duties of the existing employees, will be specified only after the legal requirements of each affected function/ country have been fulfilled in full, including possible informing and/or negotiation obligations in each function / country.

Why invest in Cargotec?



♥ Our target:
To become
the leader in
intelligent cargo handling

Every 4th container in
the WORLD is moved
by Kalmar solution

♥ Several favorable megatrends
support our growth prospects

Every other ship in the WORLD
has MacGregor equipment on board.

♥♥ We have strong brands
and a loyal global
customer base



● Transformation from
equipment provider
into a leader in intelligent
cargo handling

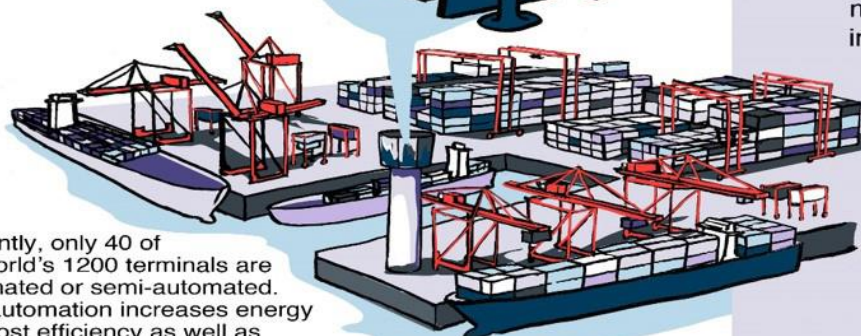


● Unique position to benefit
from the growth prospects
in port automation
and software



● Growing services and software business
increase stability of our business

Currently, only 40 of
the world's 1200 terminals are
automated or semi-automated.
Port automation increases energy
and cost efficiency as well as
employee safety.



€ Financial targets

- Grow faster than the market
- Increase service and software sales to 40% of net sales, min. EUR 1.5 billion in 3-5 years
- Target 10% operating profit and 15% ROCE in 3-5 years
- Target gearing <50% and increasing dividend in the range of 30-50% of EPS, to be paid twice a year

