





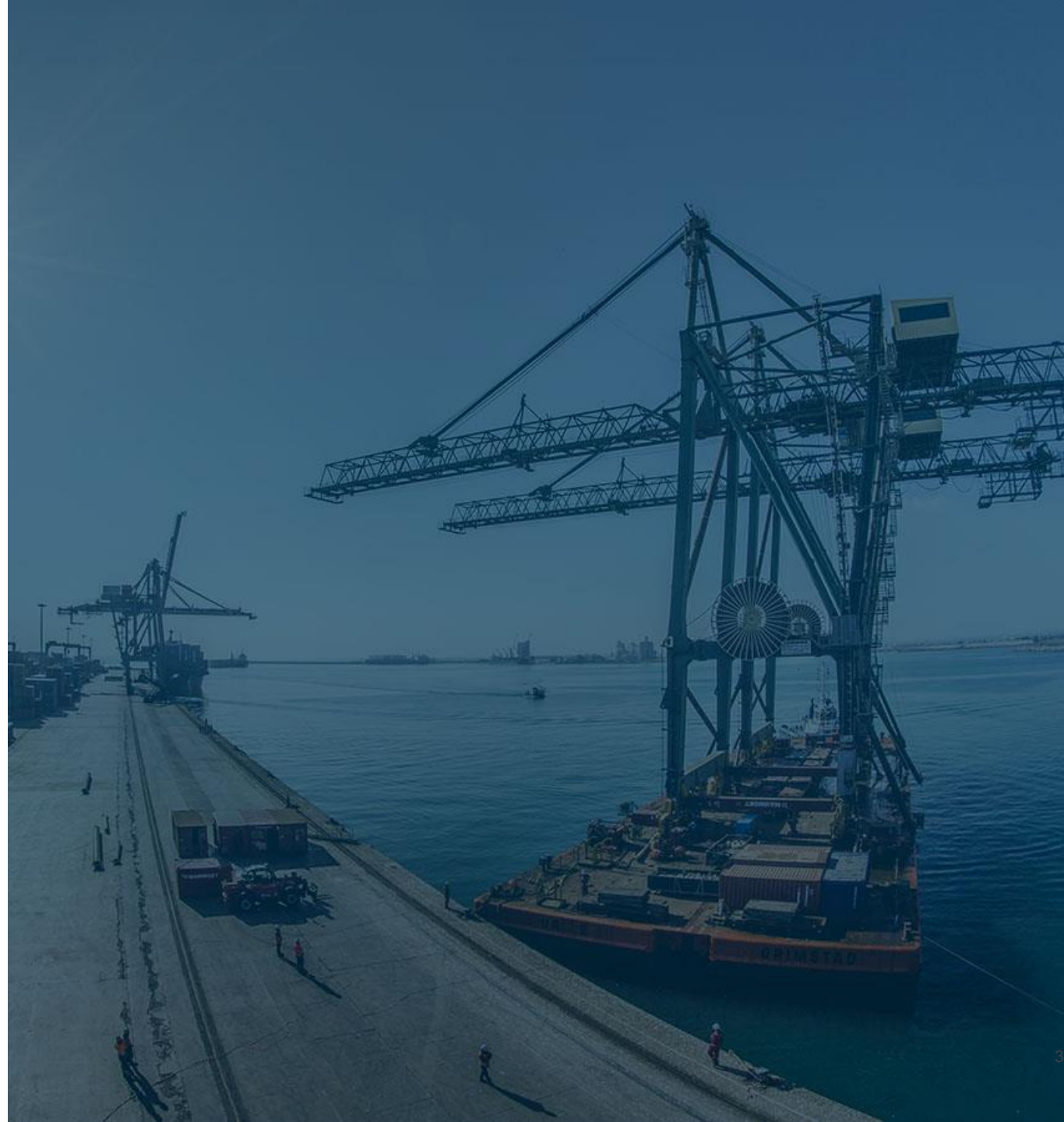
26 April 2017

Strong start for 2017 in Hiab

Cargotec's January – March 2017 interim report
Mika Vehviläinen, CEO • Mikko Puolakka, CFO

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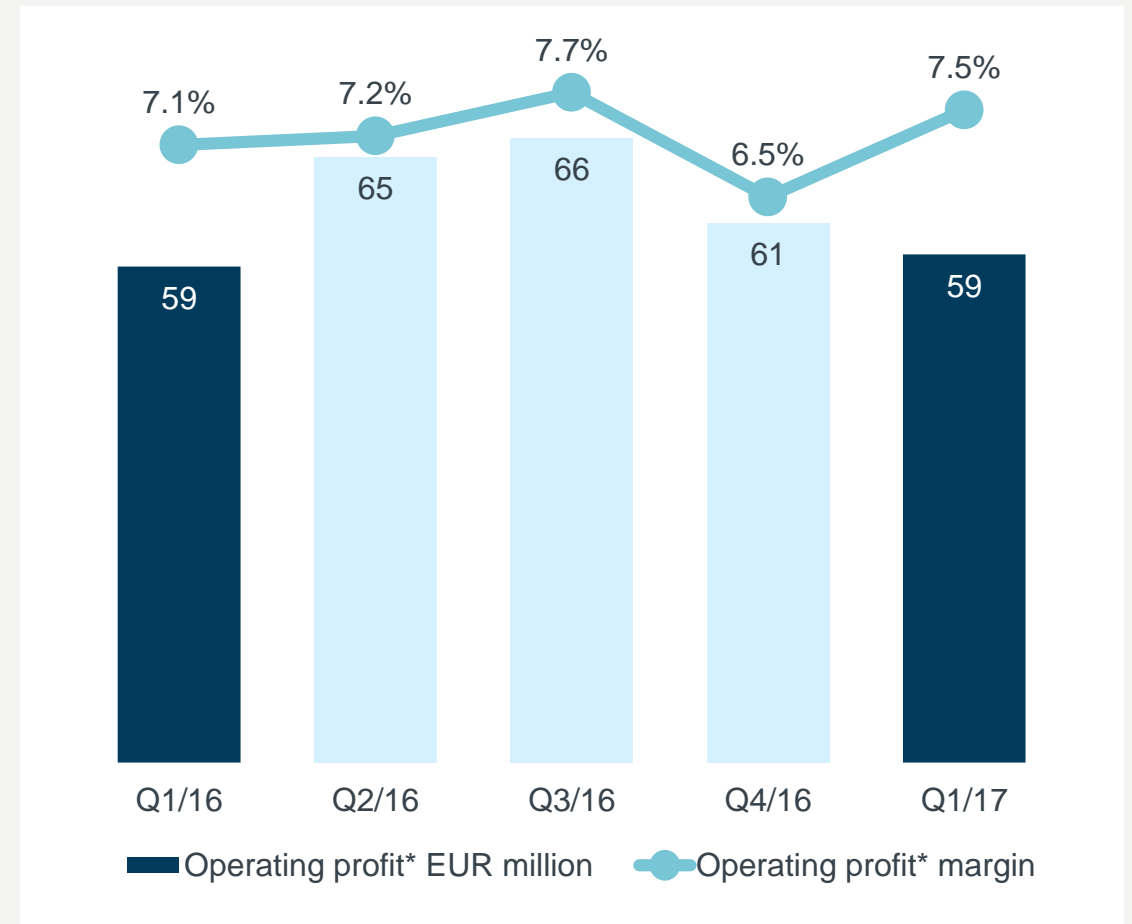
Highlights of Q1 2017 – Strong start for 2017 in Hiab

Cargotec's operating profit* margin improved

- Kalmar's profitability improved
- Record high operating profit margin in Hiab
- Lower sales led to decline in EBIT in MacGregor

Orders received and net sales grew in Hiab, were in previous year's level in Kalmar and declined in MacGregor

Service and software sales 32% of total sales at EUR 250 (239) million



*) Excluding restructuring costs

Market environment in Q1 2017

Number of containers handled at ports grew

- Growth continued in Q1/2017
- Strong interest for efficiency improving automation solutions
- Customers' decision making is slow

Construction activity on good level

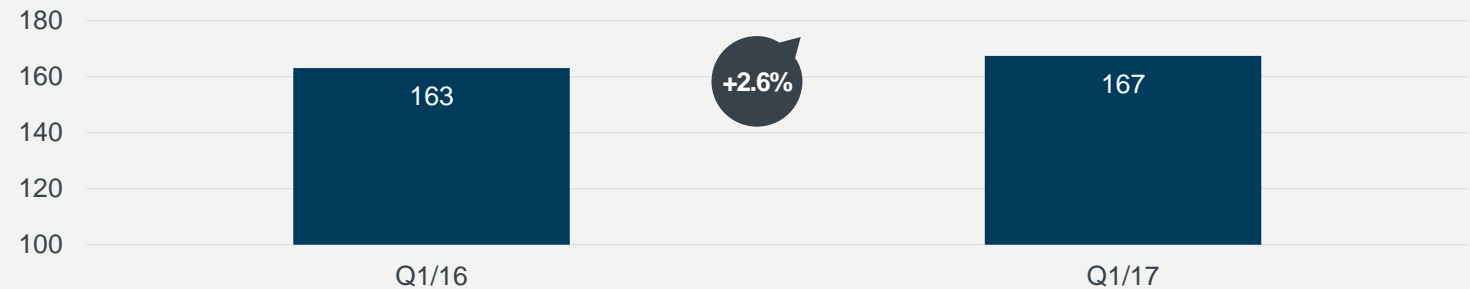
- Good development continued in the US
- Construction market growing in Europe

Marine cargo handling equipment market still weak

- Market improved in Q1/2017 in both merchant and offshore sector, but orders remained well below historical levels

Global container throughput (MTEU) – Key driver for Kalmar

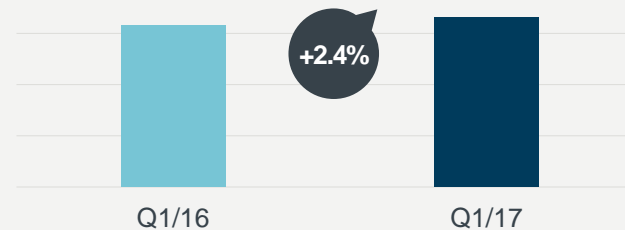
Source: Drewry



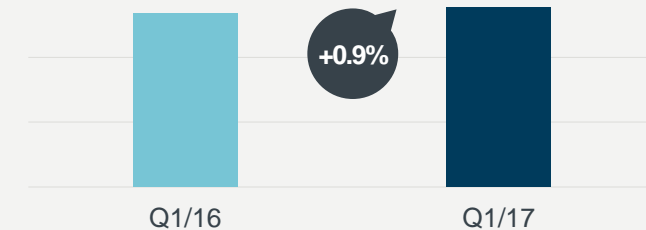
Construction output – Key driver for Hiab

Source: Oxford Economics

United States



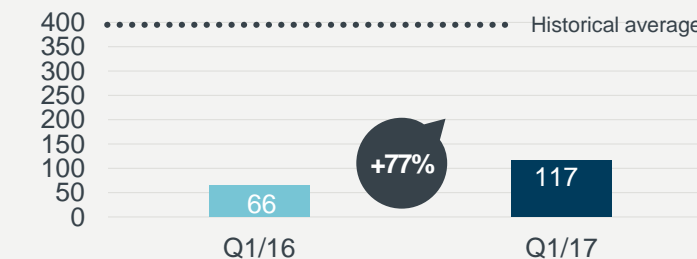
Europe



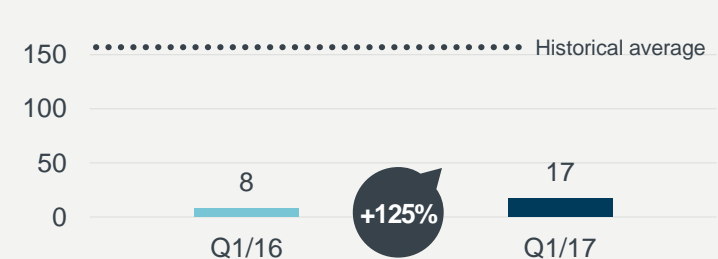
Long term contracting – Key driver for MacGregor

Sources: Unctad, Clarkson Research
(number of ships and offshore units)
Historical average quarterly

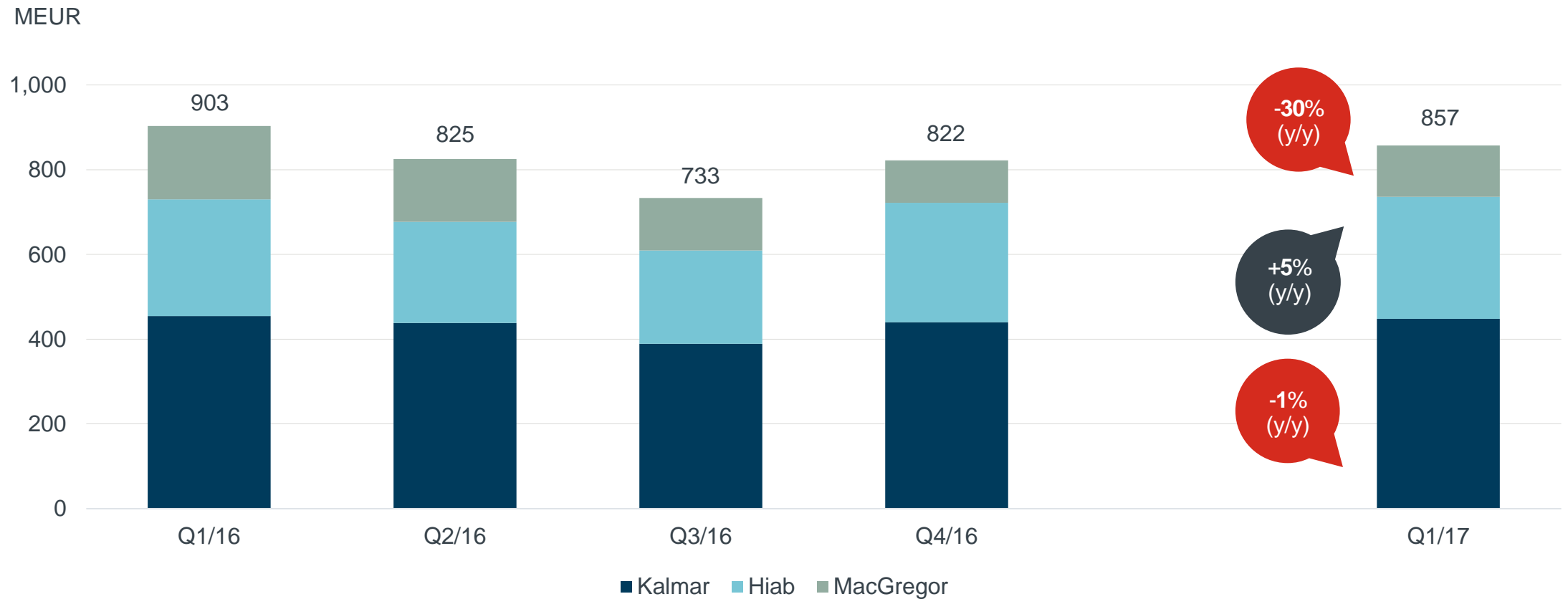
Merchant ships > 2,000 gt



Mobile offshore units



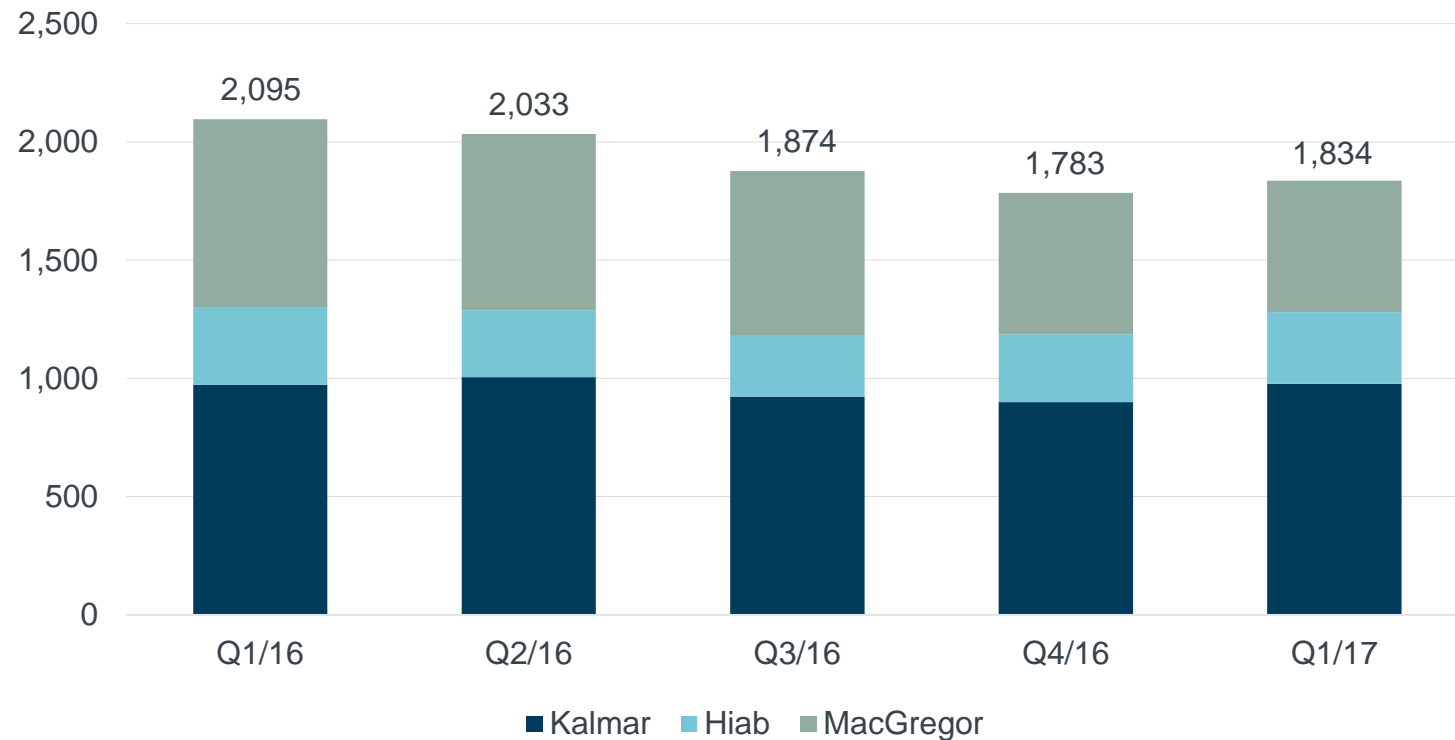
Orders received: Record quarter in Hiab



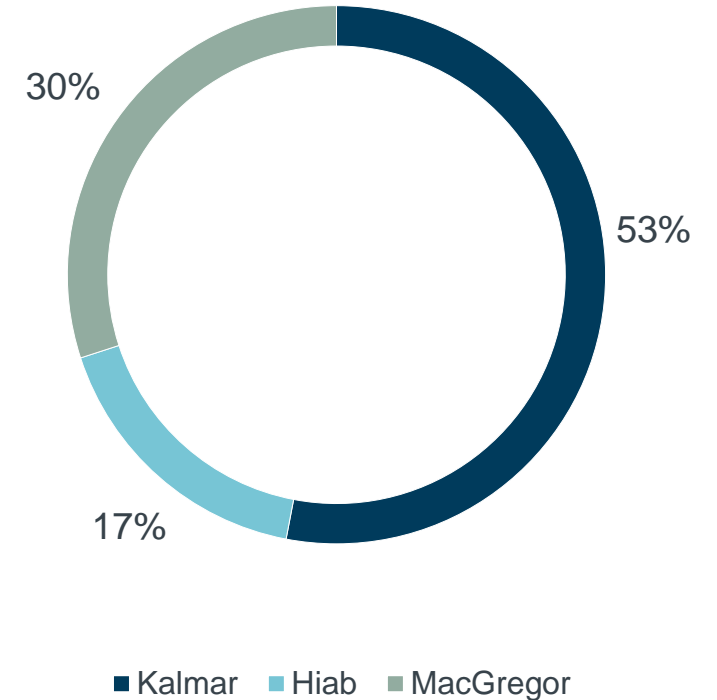
Order book increased in Kalmar and Hiab compared to 2016 year-end

Order book

MEUR



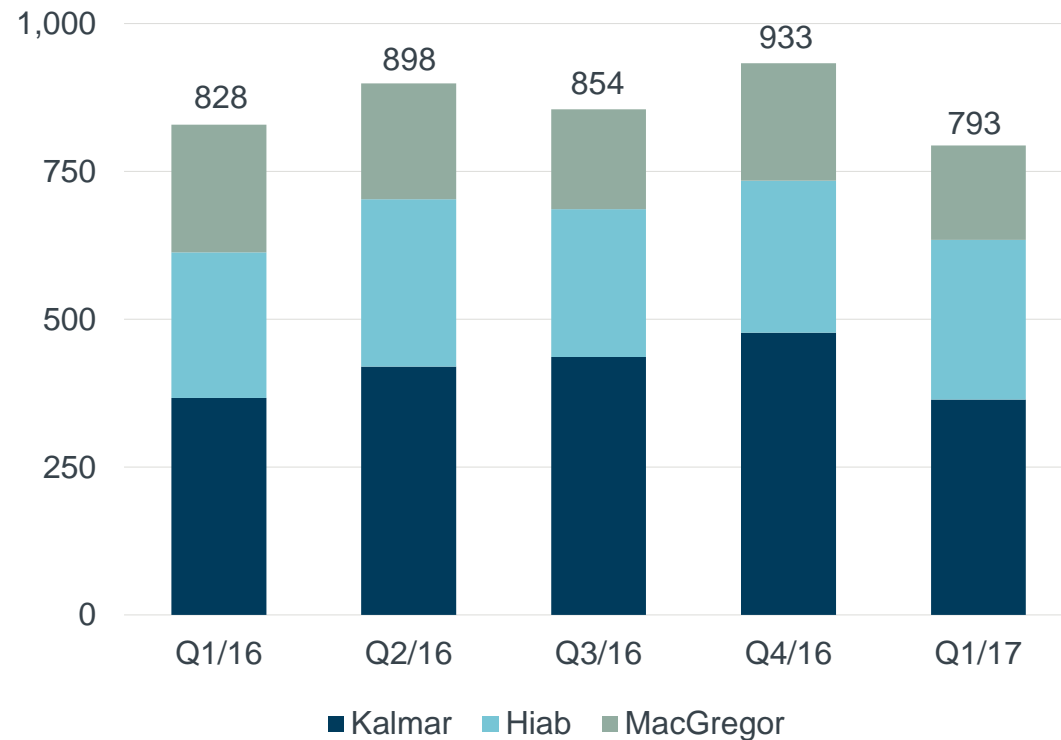
Order book by reporting segments, Q1 2017



Operating profit* improved slightly despite of sales decline

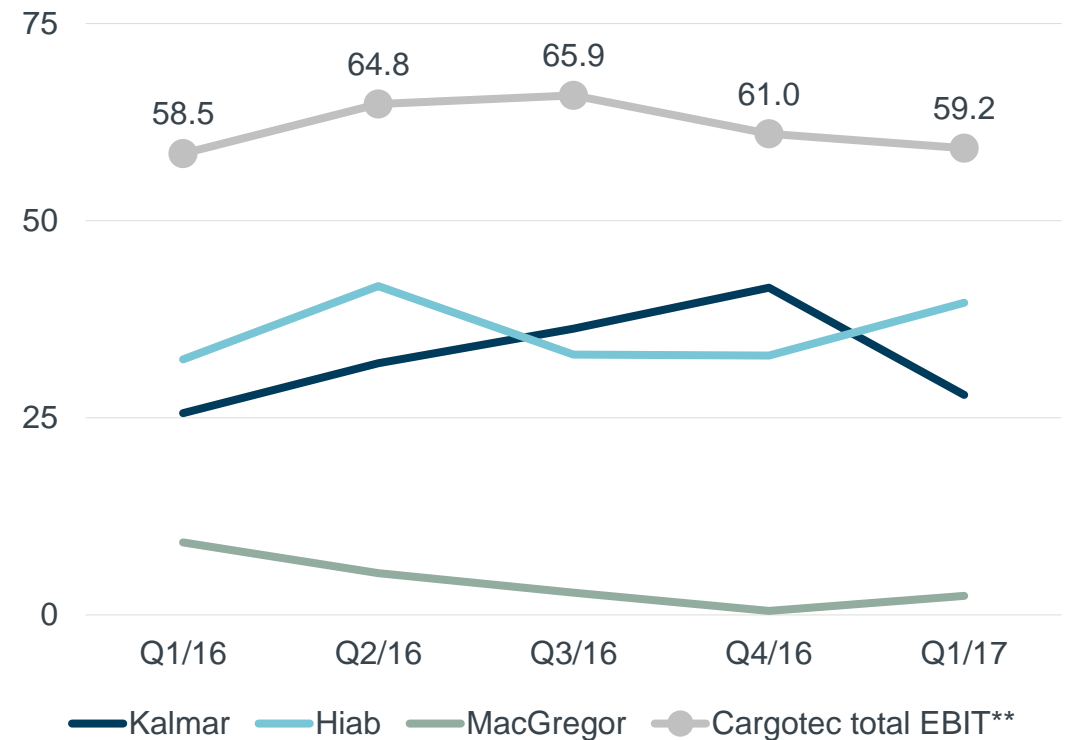
Sales

MEUR



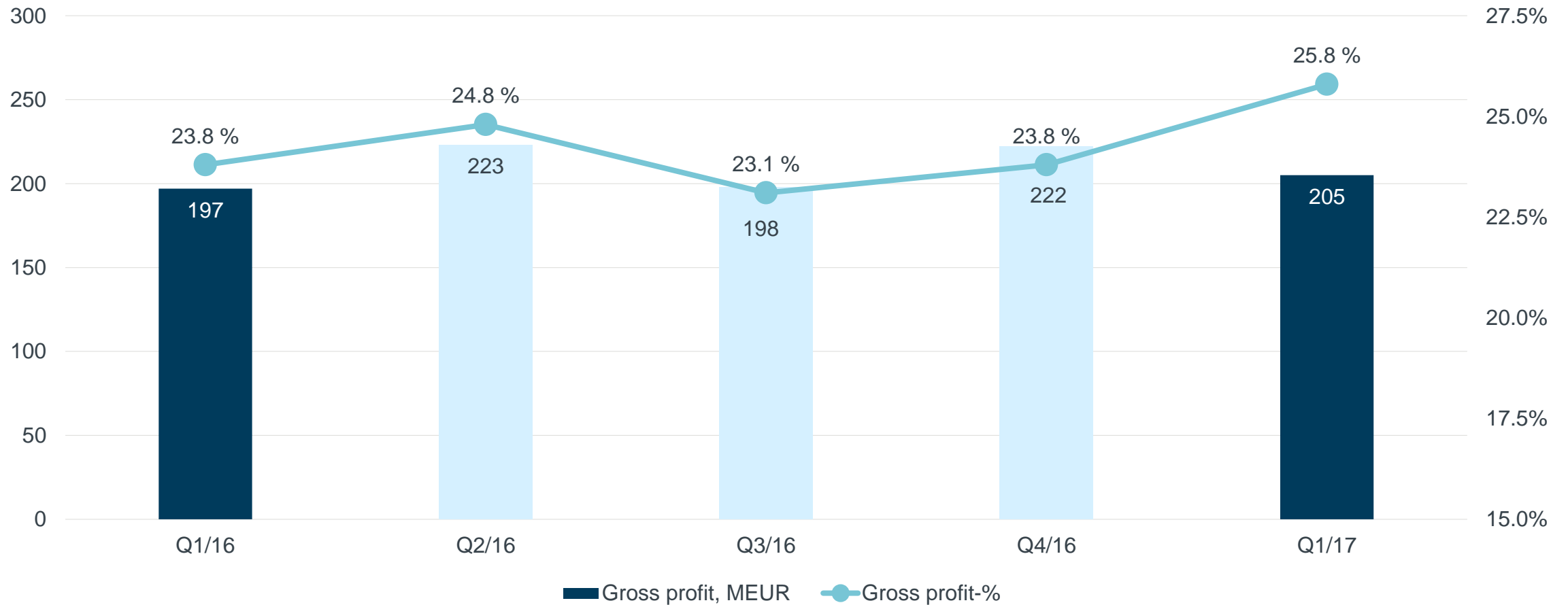
Operating profit*

MEUR



*) Excluding restructuring costs, **) Including Corporate admin and support

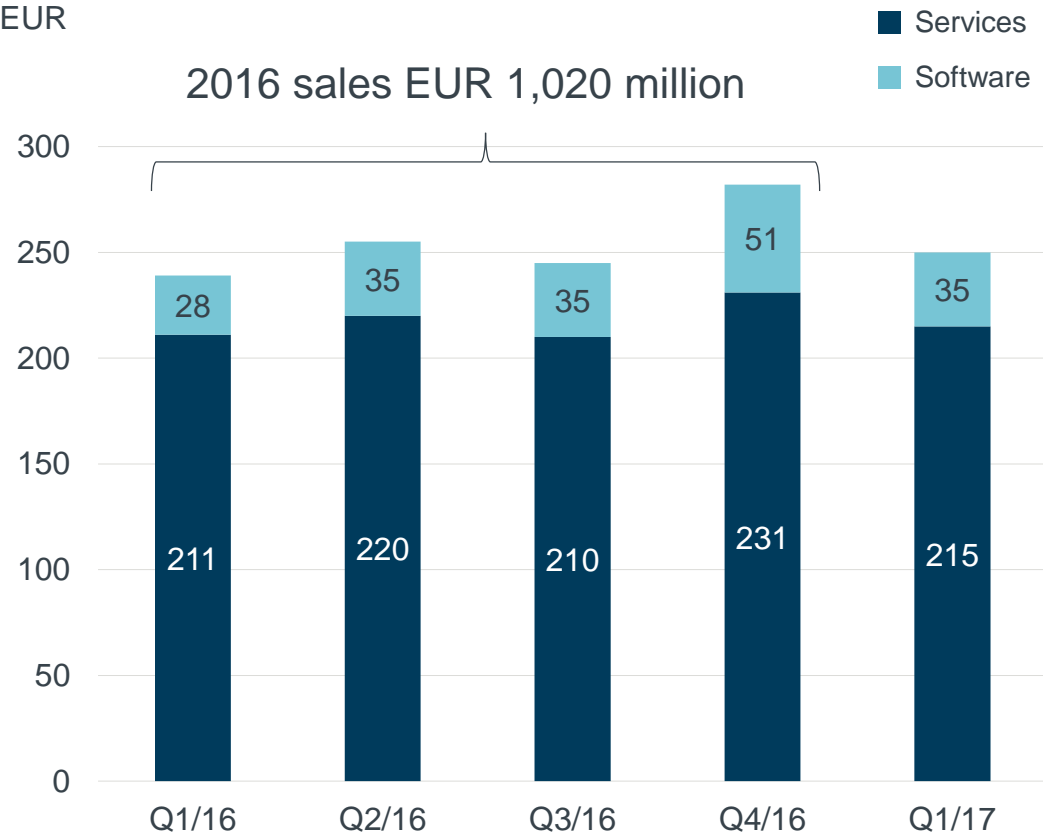
Gross profit margin improvement continued



Services and software as key growth areas

Services and software* sales

MEUR



*Software sales defined as Navis business unit and automation software

Services and software sales over EUR 1 billion on annual level

- Q1/2017 services: Growth in Hiab (+7%) and Kalmar (+3%), MacGregor (-6%) still suffering from weak market situation
- Software business growth +28%
 - Continued development of offering
- Services and software 32% of Cargotec's sales in Q1

Cargotec's offering for eco-efficiency supports growth possibilities



Systems efficiency

Visibility to customers' material flows and the logistics chain

- Improved control over operations that consume fuel and other resources



Efficiency for environmental industries

Products that are in use in the growing environmental industries, wind farming and waste management



Emission efficiency

Technology that enables significant reductions in fuel use or reduce significantly the risks of oil spills in the sea



Resource efficiency

Solutions that help to reduce use of material by maintaining and upgrading the existing solutions more efficiently



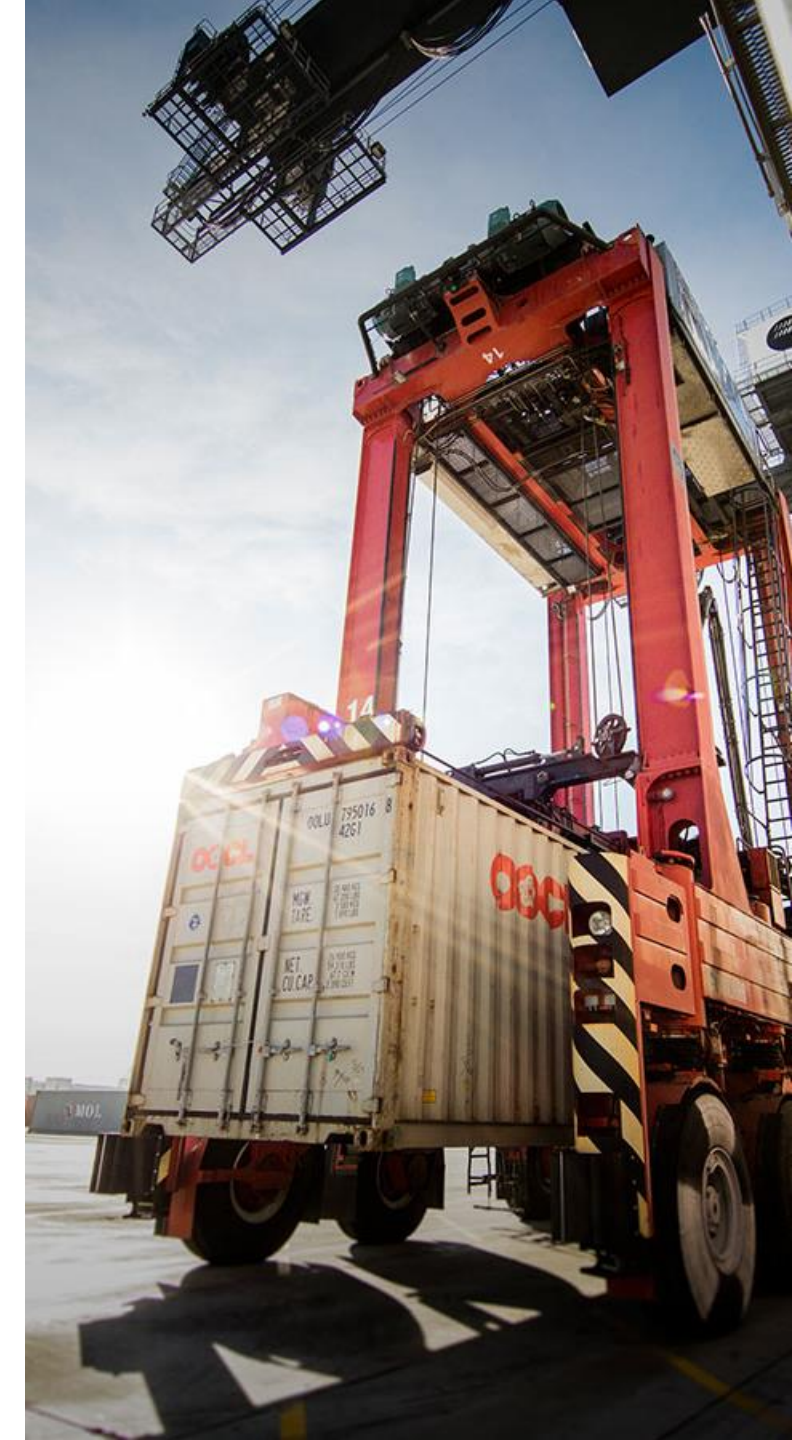
Business areas

Cargotec's interim report Q1 2017

Kalmar Q1 – Profitability improved

- Orders received increased in Americas and APAC
 - Growth in mobile equipment, Bromma and Navis orders received
- Order book at last year's level
- Service sales increased 3%, software sales growing
- Profitability increased due to more favorable sales mix, renewed products and more efficient project management

MEUR	Q1/17	Q1/16	Change
Orders received	448	454	-1%
Order book	977	973	0%
Sales	364	367	-1%
Operating profit*	27.9	25.6	+9%
Operating profit margin*	7.7%	7.0%	



Hiab Q1 – Record high orders received and EBIT-margin*

- Orders received were record high, growth in all regions
 - Growth in tail lifts, loader cranes, services and demountables
- Sales grew in loader cranes, demountables, truck mounted forklifts and services
- Operating profit improvement driven by higher volumes and new products

MEUR	Q1/17	Q1/16	Change
Orders received	288	275	+5%
Order book	302	328	-8%
Sales	270	246	+10%
Operating profit*	39.6	32.4	+22%
Operating profit margin*	14.6%	13.2%	

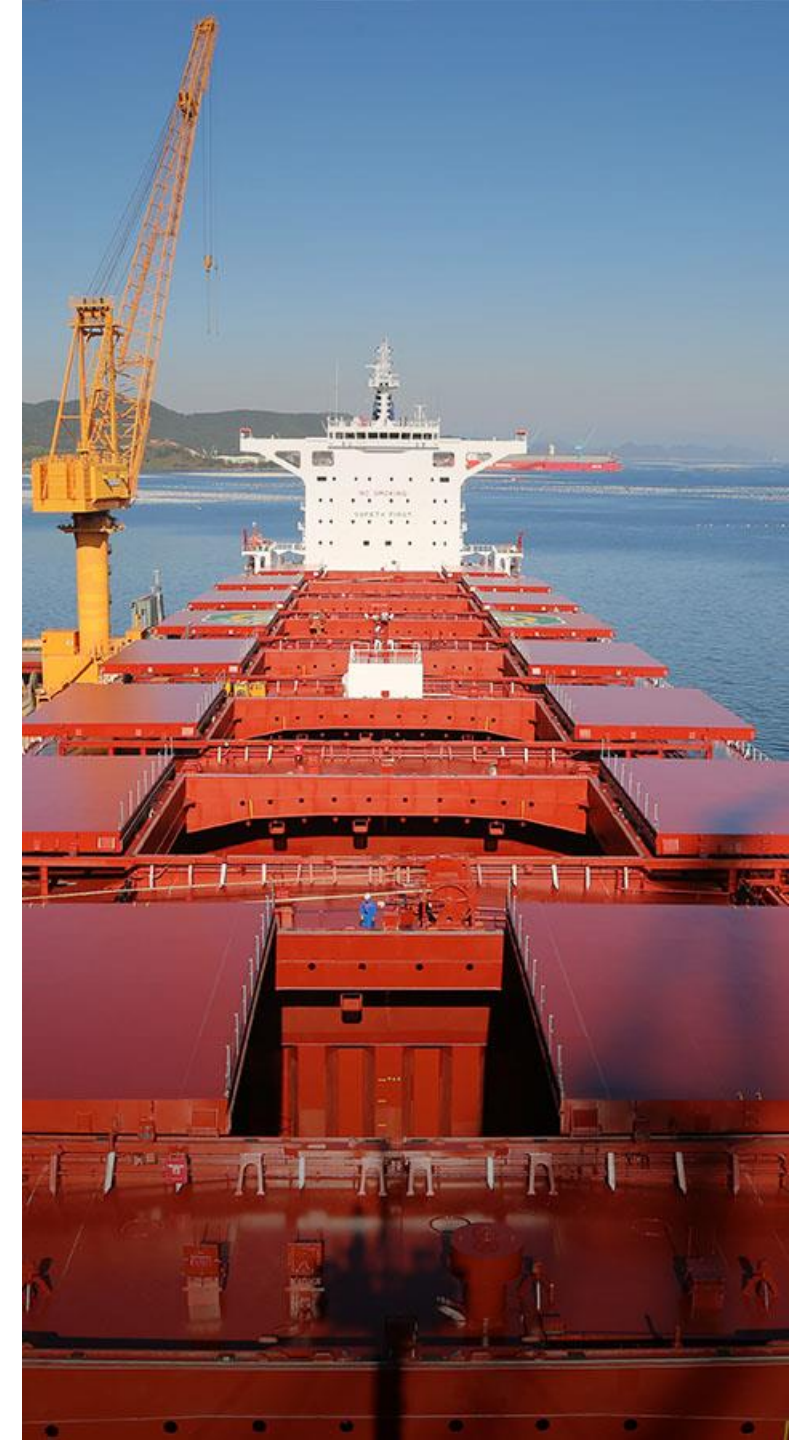


MacGregor Q1 – Operating profit* remained positive due to cost savings

- Orders received decreased in EMEA and APAC and increased from low levels in Americas
 - 21% growth from Q4/16 in total orders received
 - Services orders received increased
- Good sales growth in RoRo, other divisions declined
- Operating profit declined, but stayed positive due to cost savings

MEUR	Q1/17	Q1/16	Change
Orders received	121	173	-30%
Order book	556	795	-30%
Sales	160	216	-26%
Operating profit*	2.4	9.2	-74%
Operating profit margin*	1.5%	4.2%	

*) Excluding restructuring costs



Cost savings programmes proceeding

Announced savings from major restructuring actions

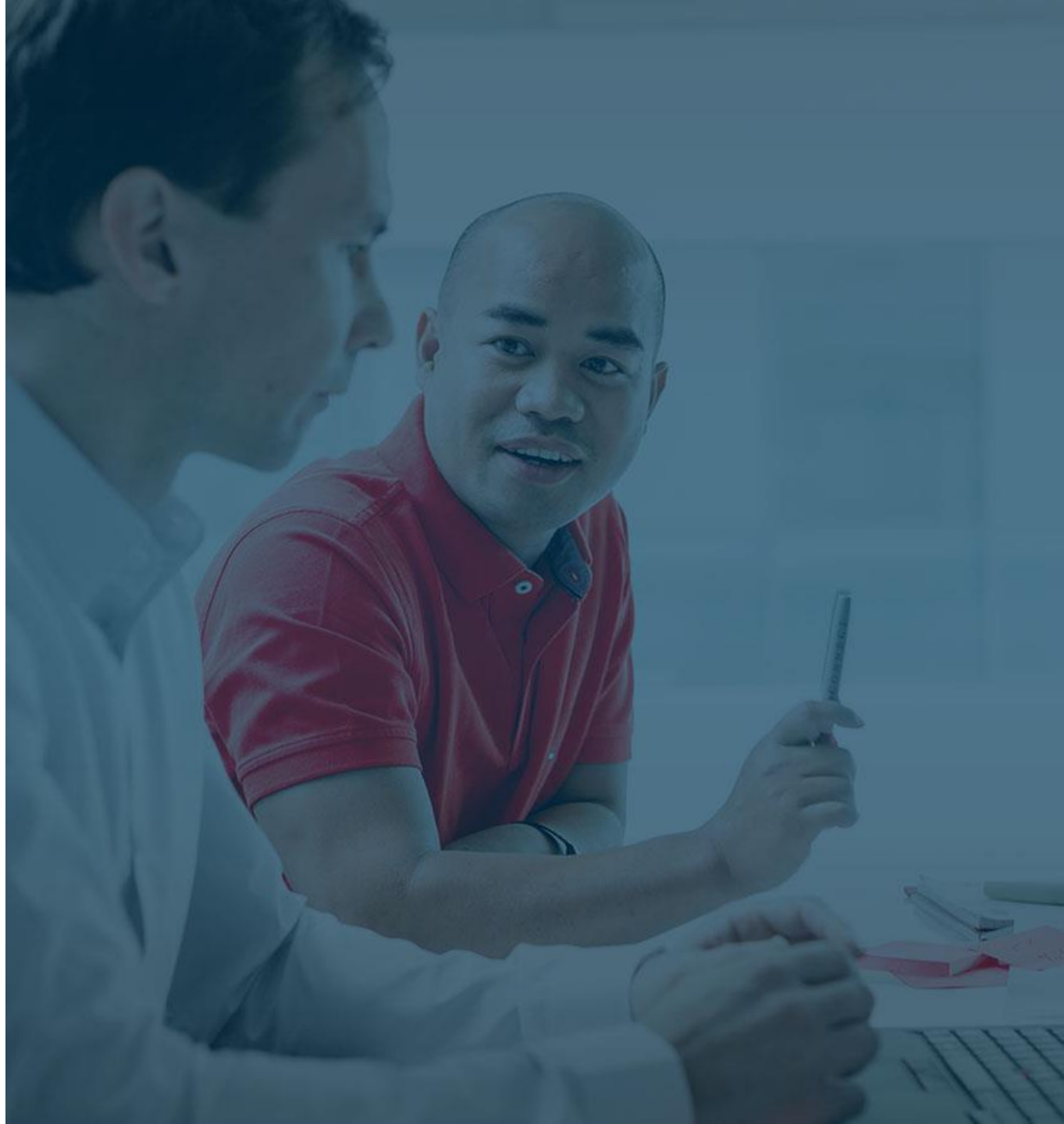
- 2017 EUR 25 million (MacGregor)
 - EUR 5 million savings in Q1/17
- Further EUR 13 million in 2018 (Kalmar)
- Product redesign and project management development continues in 2017

Investigation proceeding on various possibilities to increase our operational efficiency



Financials and outlook

Cargotec's interim report Q1 2017



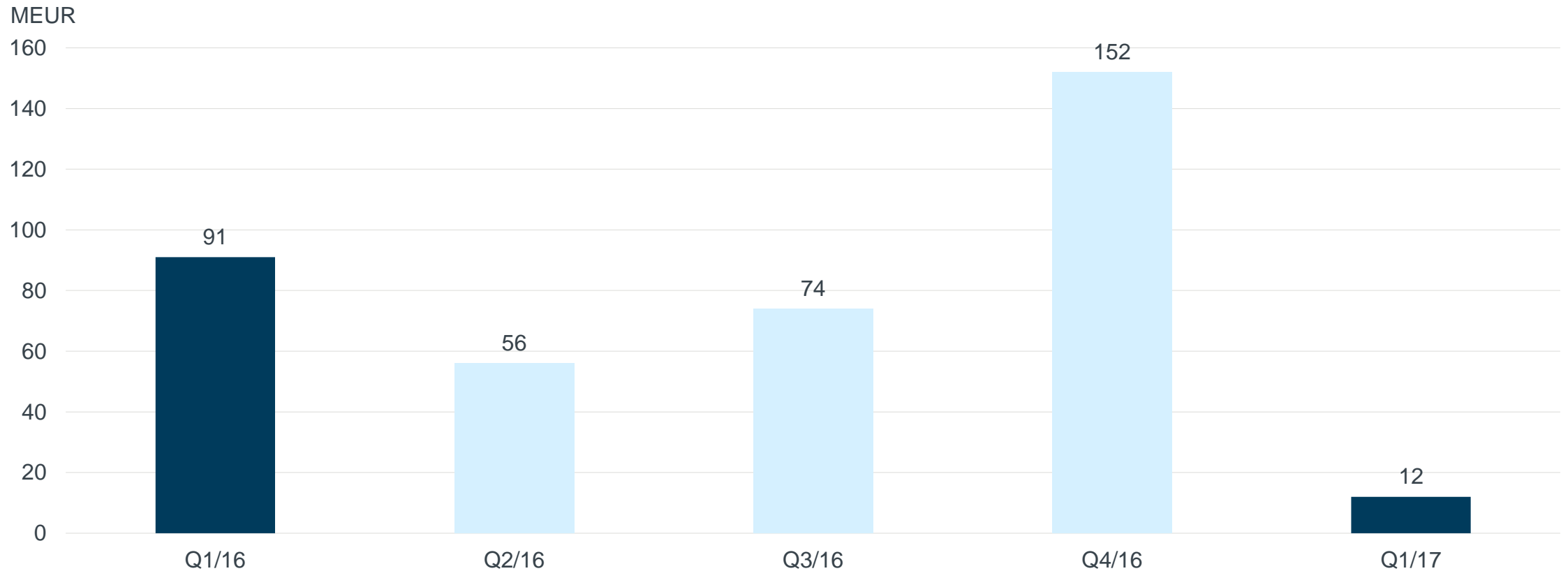
Key figures – Operating profit margin improved

	Q1/17	Q1/16	Change	2016
Orders received, MEUR	857	903	-5%	3,283
Order book, MEUR	1,834	2,095	-12%	1,783
Sales, MEUR	793	828	-4%	3,514
Operating profit, MEUR*	59.2	58.5	+1%	250.2
Operating profit, %*	7.5	7.1		7.1
Cash flow from operations, MEUR	12.5	90.8	-86%	373.0
Interest-bearing net debt, MEUR	631	603	+5%	503
Earnings per share, EUR	0.57	0.61	-6%	1.95
Earnings per share, EUR**	0.60	0.62	-2%	2.54

*) Excluding restructuring costs

**) Excluding restructuring costs, using reported effective tax rate

Cash flow from operations: Q1 2017 impacted negatively by higher working capital



Issued bonds improved maturity profile

**Net debt EUR 631 million
(31 Dec 2016: 503)**

- Average interest rate 1.8% (2.3%)
- Net debt/EBITDA 2.2 (1.8)

**Total equity EUR 1,386 million
(1,395)**

- Equity/total assets 38.7% (39.1%)

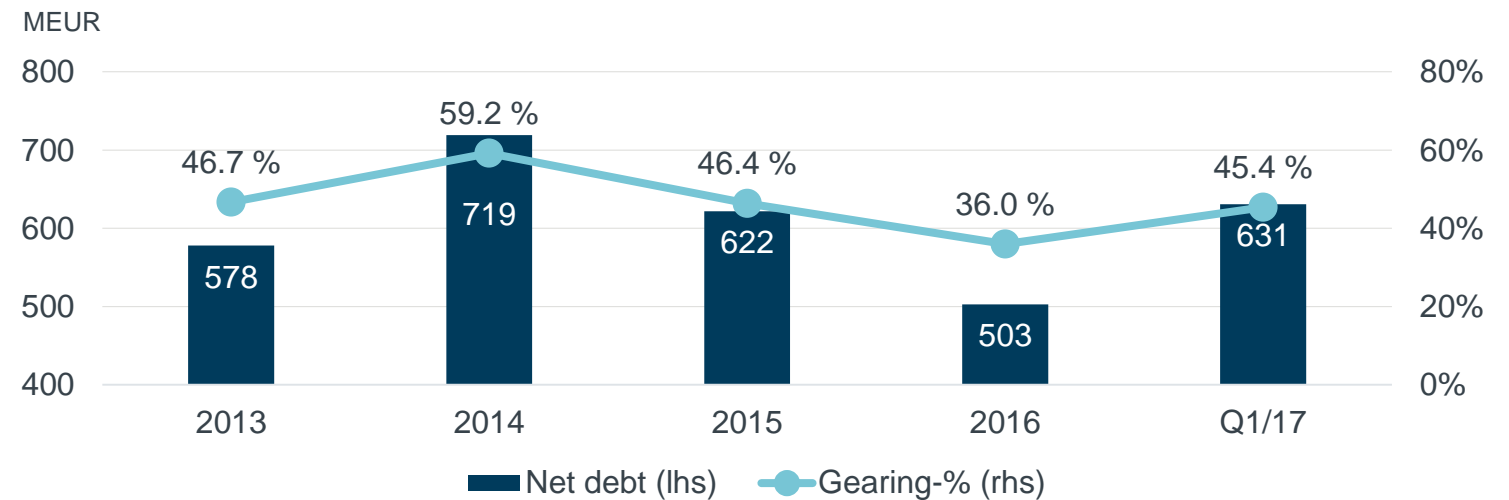
Well diversified loan portfolio:

- Two new bonds issued in Q1/17, total amount EUR 250 million
- Bonds EUR 464 million
- Bank loans EUR 425 million
- Undrawn facilities EUR 300 million

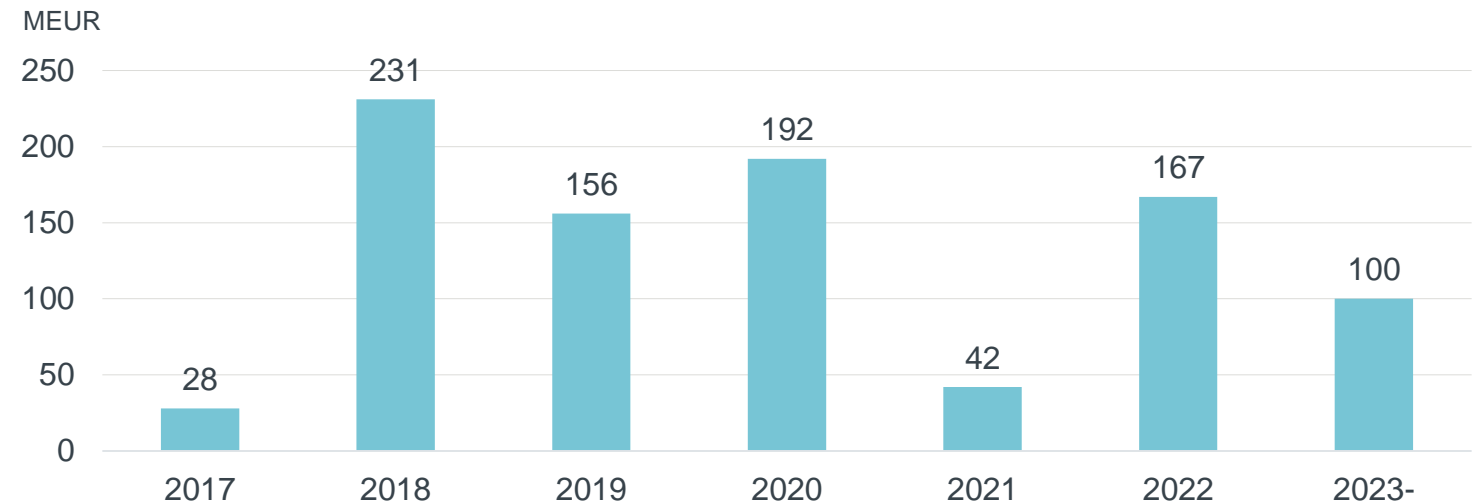
Balanced maturity profile

- EUR 28 million loans maturing in 2017

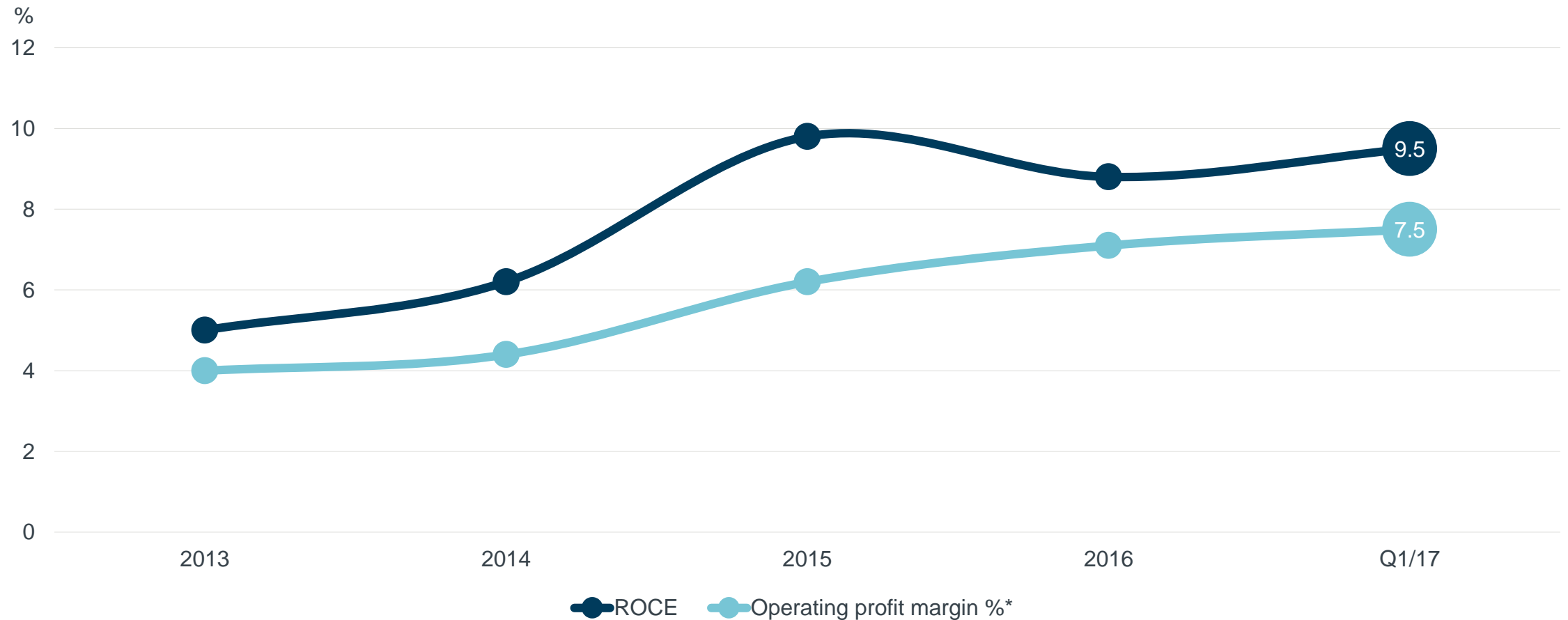
Net debt and gearing



Maturity profile



Operating profit* margin and ROCE improved



ROCE, annualised *) Excluding restructuring costs



2017 outlook – as given 8 February 2017

Operating profit excluding restructuring costs for 2017 is expected to improve from 2016 (EUR 250.2 million)

Upcoming IR events



1 June 2017

Software day (Helsinki)

15 June 2017

Site visit to Shanghai
(part of Finnish Industrial week)

12 September 2017

Capital Markets Day (London)

