

Cargotec Capital Markets Day

2014



18 November
2014



Building platform for future growth – key actions started to improve profitability

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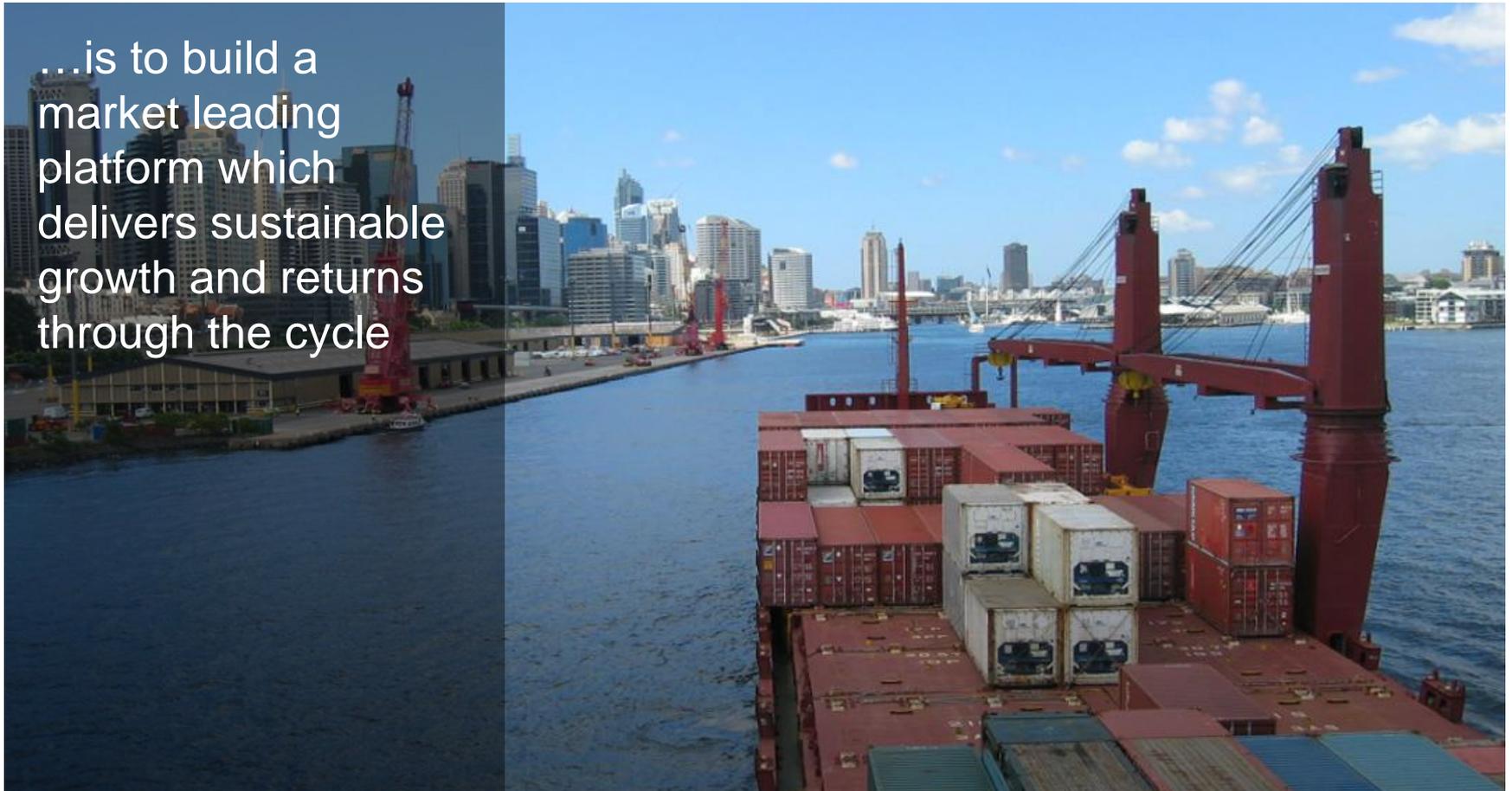
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1. MacGregor overview
2. Market development
 - Merchant
 - Offshore
3. Key strategies
4. Conclusions

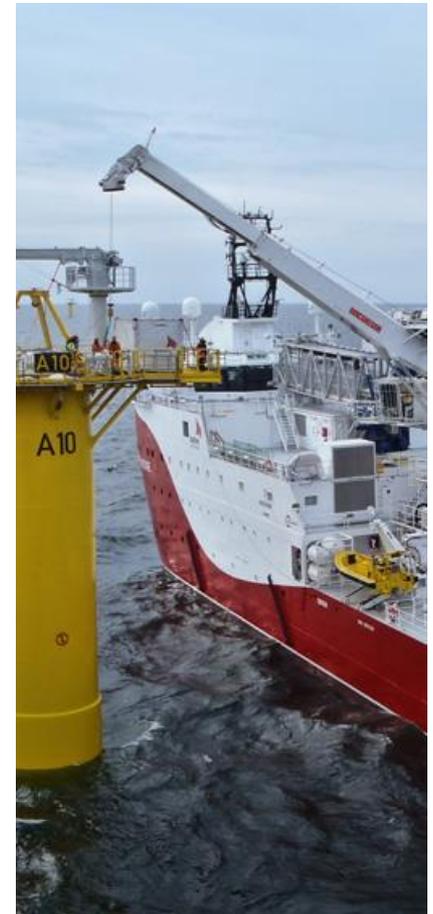
Our ambition

...is to build a market leading platform which delivers sustainable growth and returns through the cycle



MacGregor strengths

- Leading brand with long standing client relationships
- Truly global with 61 service centres and 55 sales offices
- Leading product range
- World class R&D portfolio
- Lean organisation
- Flexible low cost production
- More balanced portfolio: offshore growth and profitability



Strong positions in merchant ship and offshore markets



Optimising functionality with integrated ship-type solutions

Every ship requires a cargo flow solution which

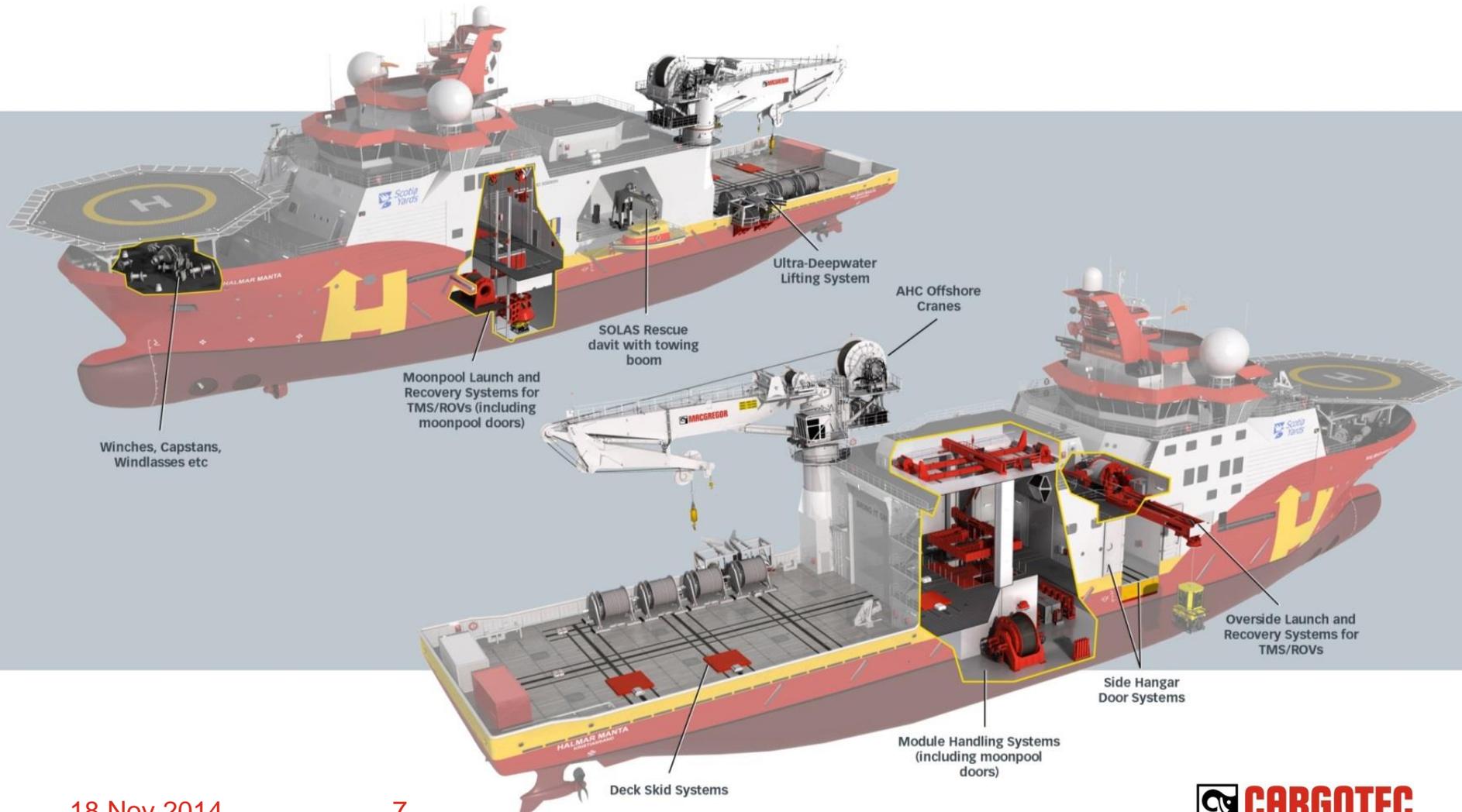
- Improves efficiency
- Increases competitiveness

MacGregor solutions offer functionality in

- Cargo access
- Cargo care/stowage
- Cargo handling

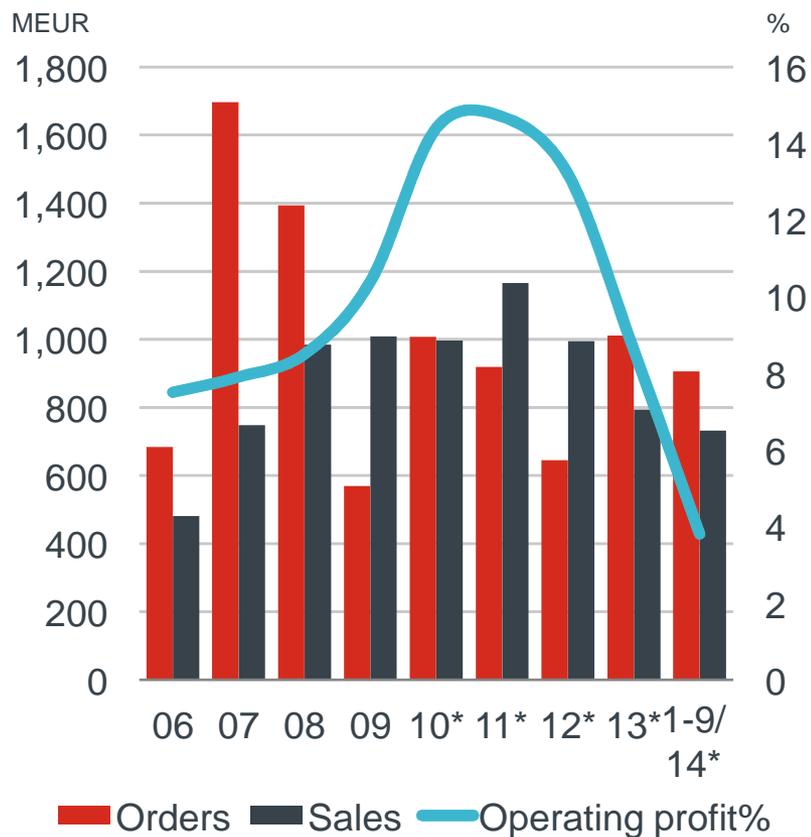


Integrated solutions for specific ship type and its operational requirements



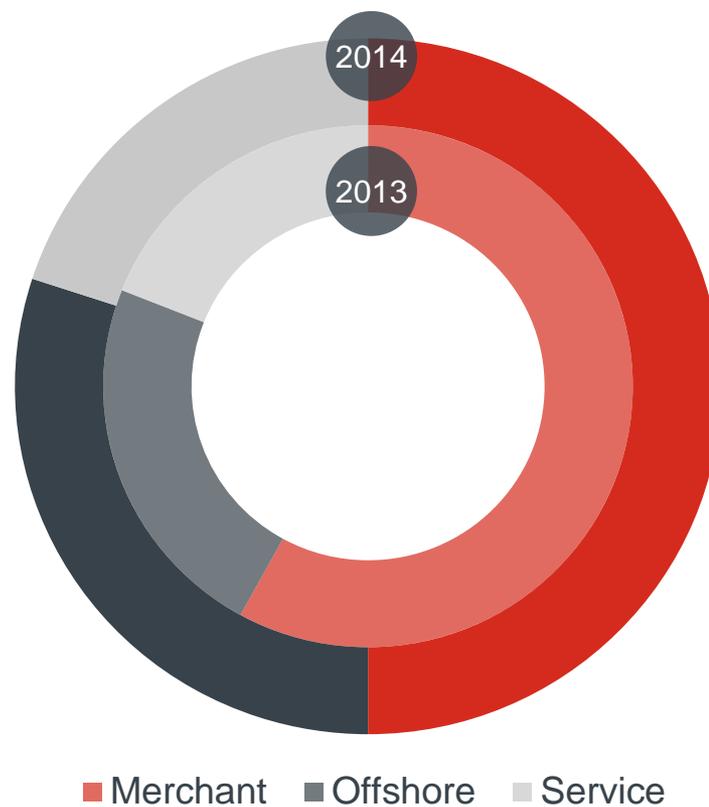
Financials

Financial track record



* excluding Bulk Handling business
Operating profit% excluding restructuring costs

Balanced sales mix



Financial impact of synergies seen in order intake and material cost reduction

Orders 2014



■ Acquisitions ■ Synergies
■ Legacy MacGregor

Sales 2014



■ Acquisitions ■ Synergies
■ Legacy MacGregor

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Slow recovery in merchant shipping

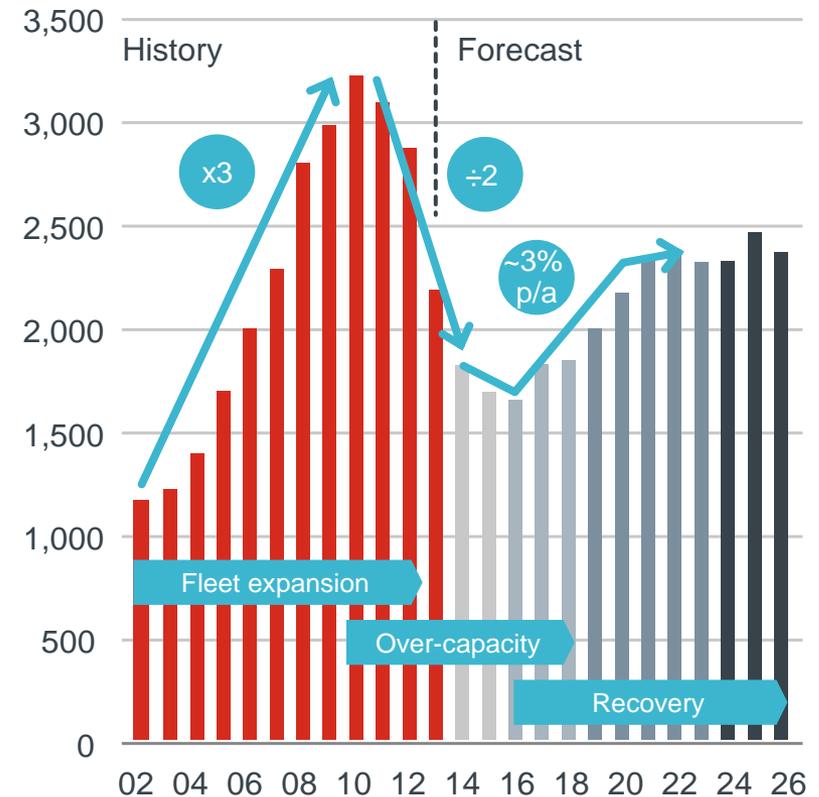
Long-term contracting 2002–2023



Source: Clarkson Newbuilding Market Forecast, September 2014

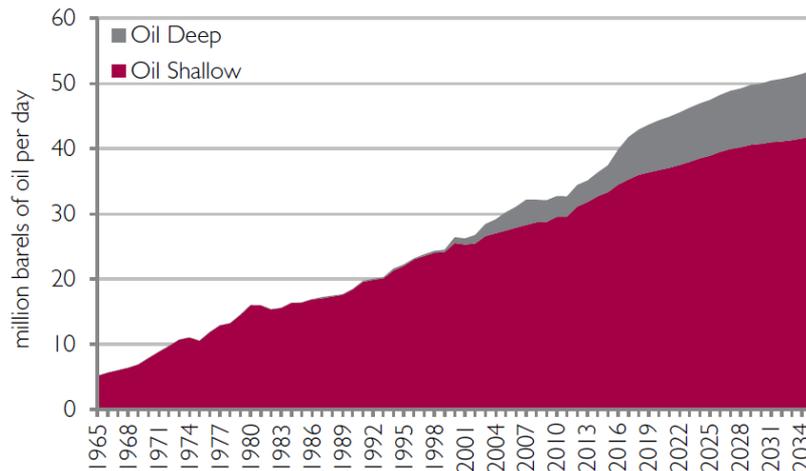
x4 Magnitude of expansion / contraction in ship numbers

World fleet additions 2002–2026



Sub-sea support demand is expected to grow

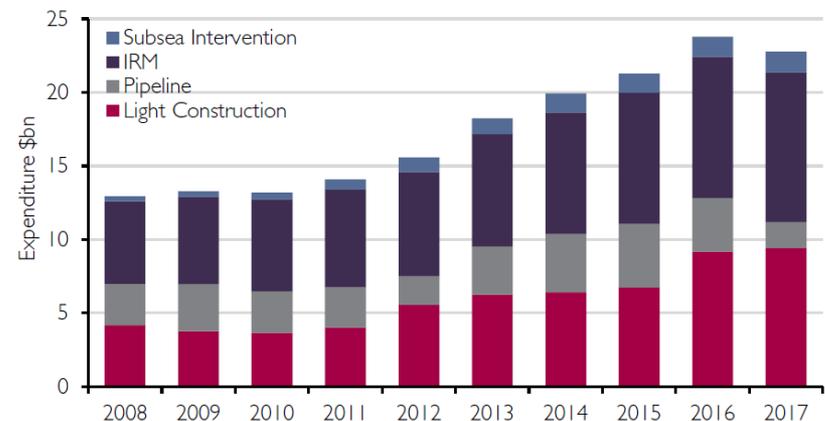
Offshore oil production



- Expecting continued deep water growth
- Current “low” oil price is above break even point of deep-water investments
- Oil majors are cutting capex however, this is being offset by NOC’s expanding

Source: Douglas Westwood

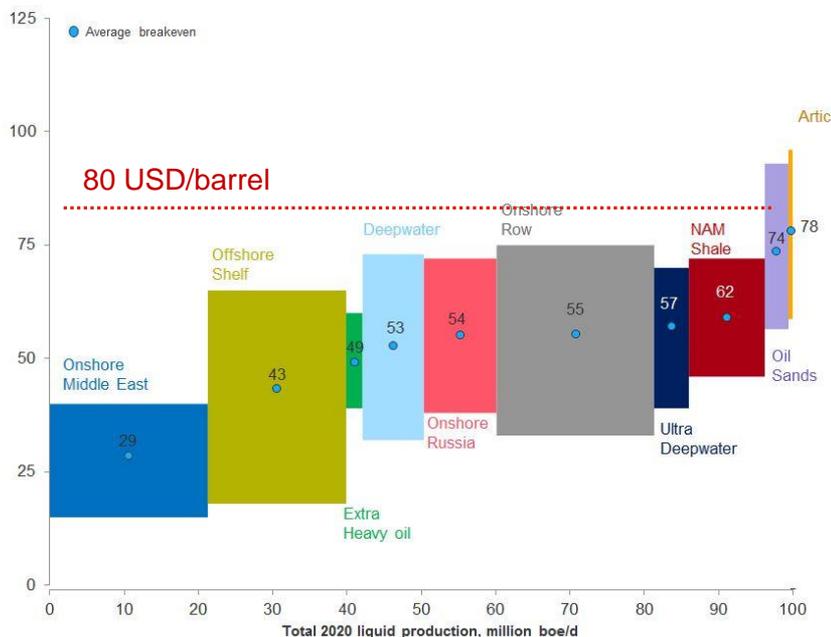
Global vessel market demand



- Core markets will continue to grow, support activity remains stable
- More deep-water activity is supportive of lifting and intervention equipment
- Sweating of existing assets is supportive

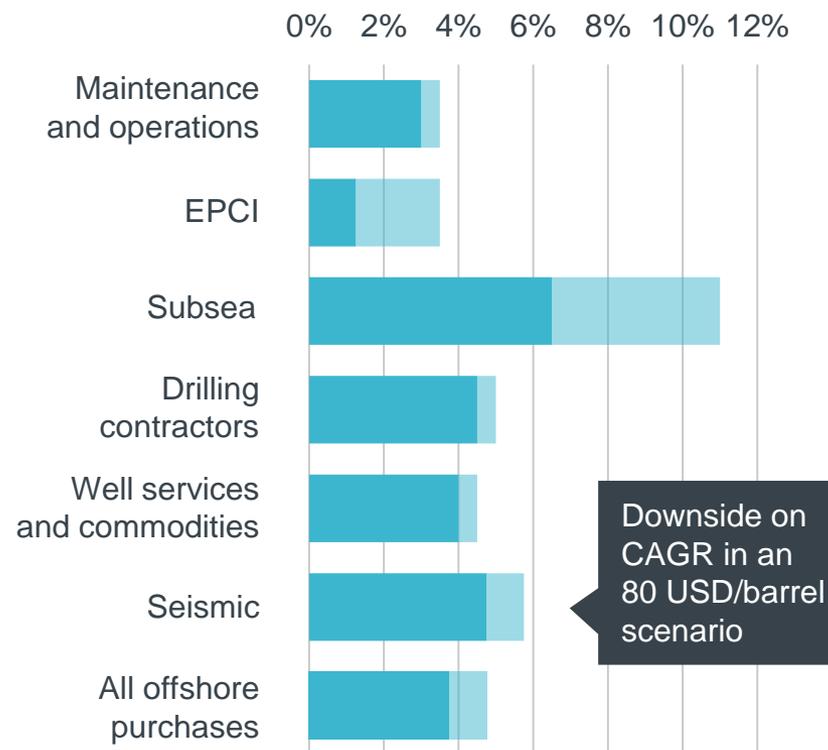
Despite reducing oil price outlook remains positive

Break-even price for non-producing assets in USD/barrel



Source: Rystad energy

Global oilfield service purchases, 2014–2020 CAGR



EPCI = Engineering procurement construction and installation

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Key actions to drive profitability

Service

- Right capabilities and systems
- Service footprint
- Excellence in spare parts availability

Grow services to
30% of sales

Sales

- Increase sales by cross-selling & defining sales models
- Increase solution selling

Cross-selling
100 MEUR +

Effectiveness

- Leveraging technology and R&D
- Design to value

2% product margin
improvement

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Conclusions

- Moderate growth for merchant, offshore outlook remains positive
- Margin impacted by low volumes, competitive environment, one-time costs and delivery mix
- Integration and synergies on target
- Building platform for growth
- Key improvement actions started, impact visible 2016 onwards

