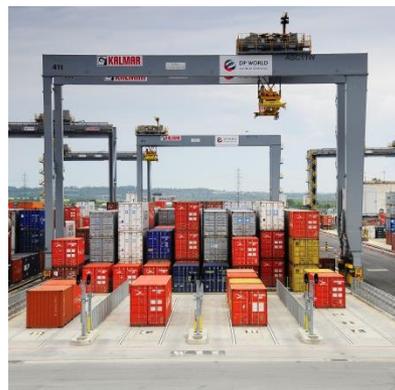


Cargotec Capital Markets Day

2014



18 November
2014



Kalmar profit improvement is proceeding as planned

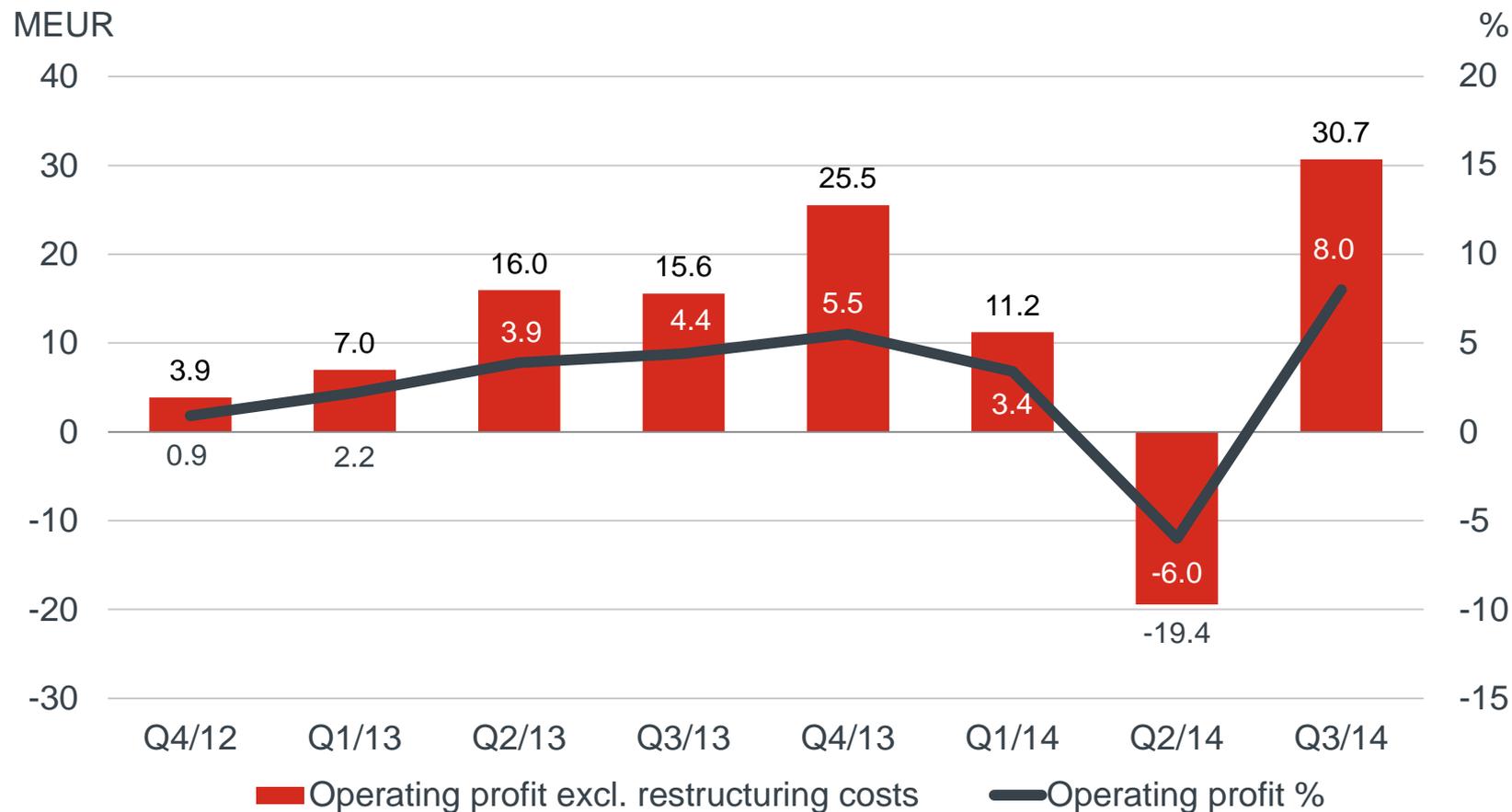
Olli Isotalo
President, Kalmar

Cargotec Capital Markets Day

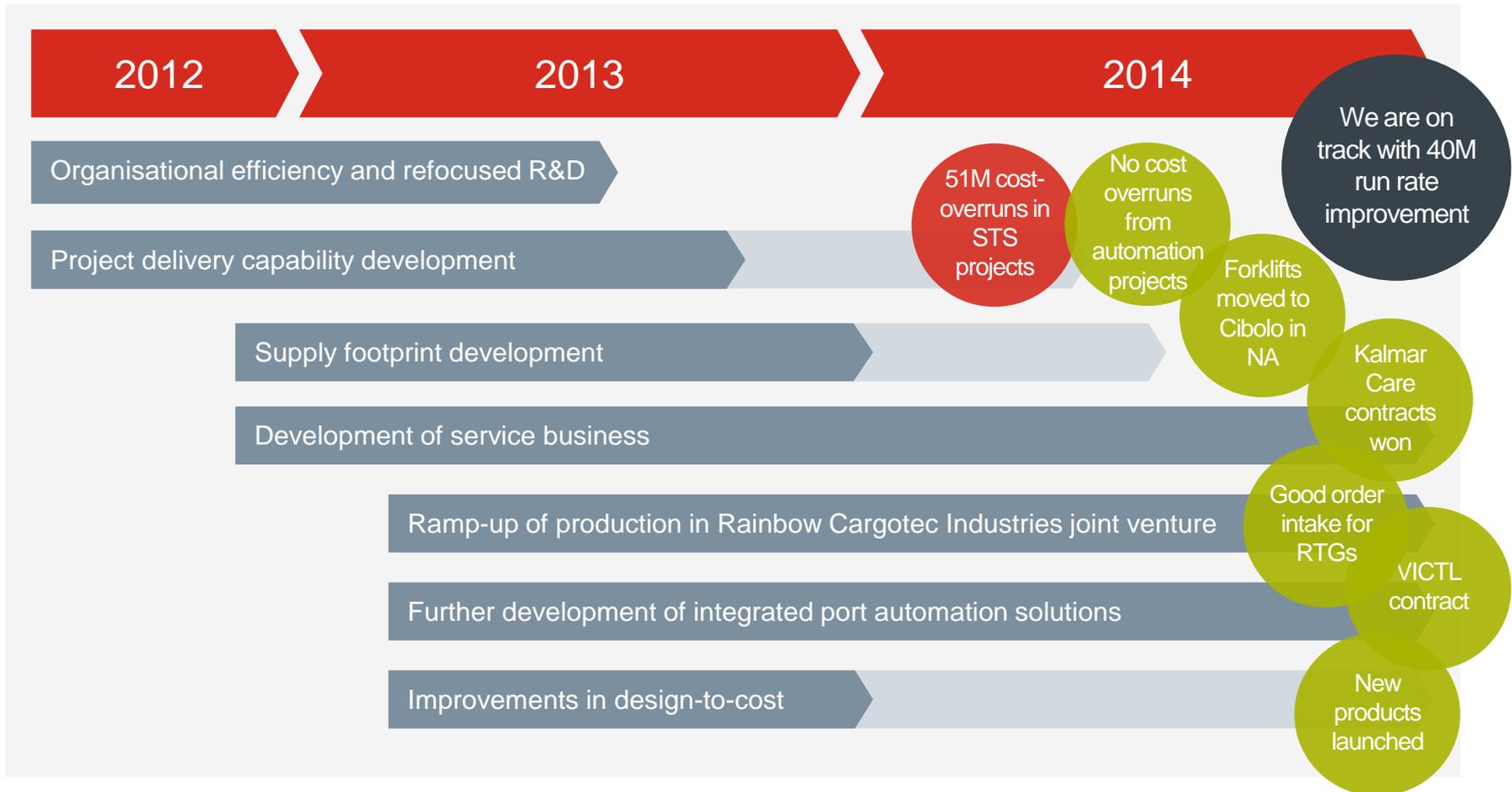
2014

1. Status of Kalmar profitability development
2. Kalmar must-win battles
 - Mobile Equipment
 - Services
 - Automation
3. Conclusions

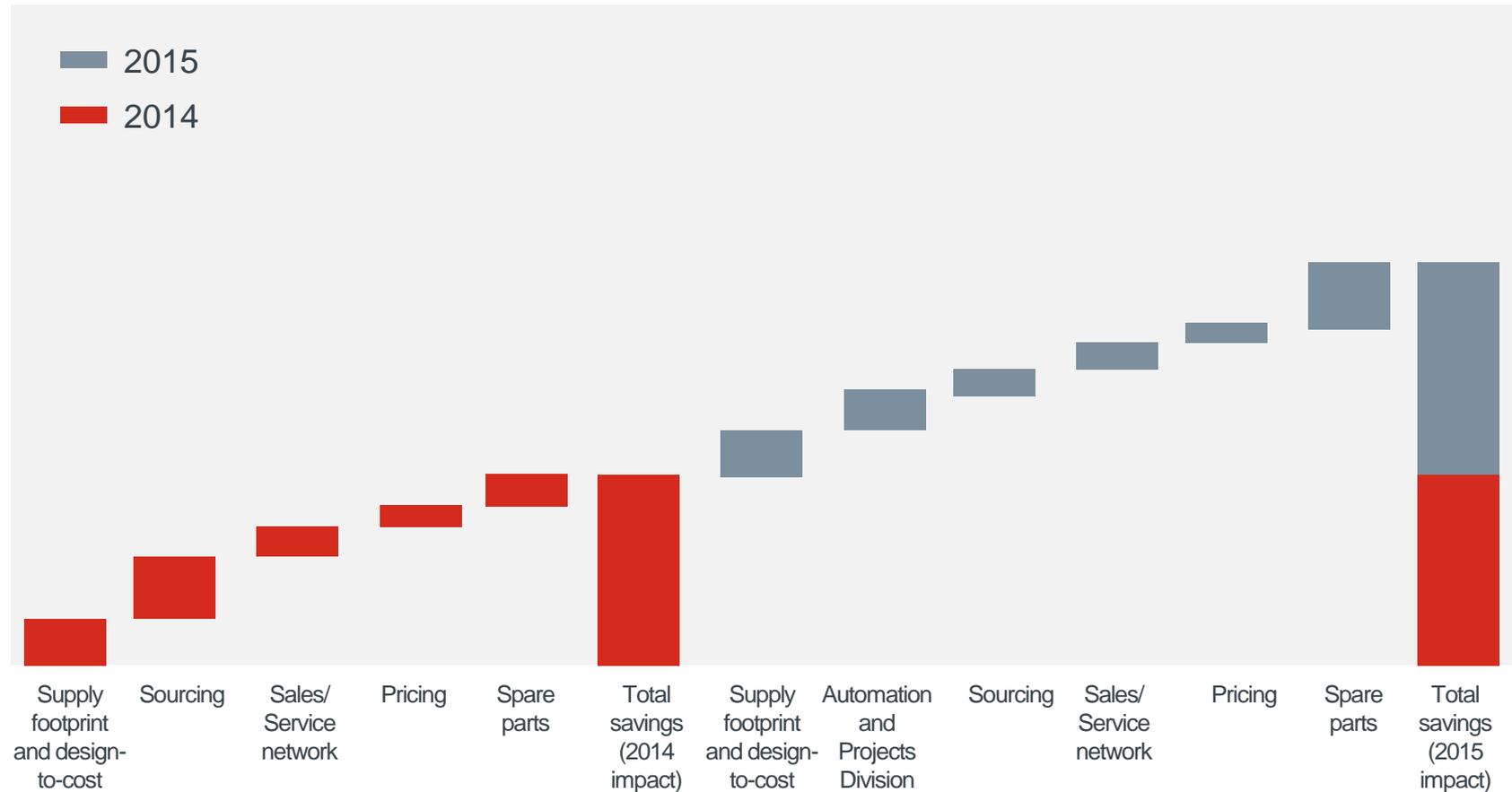
Clear progress in Kalmar profitability development



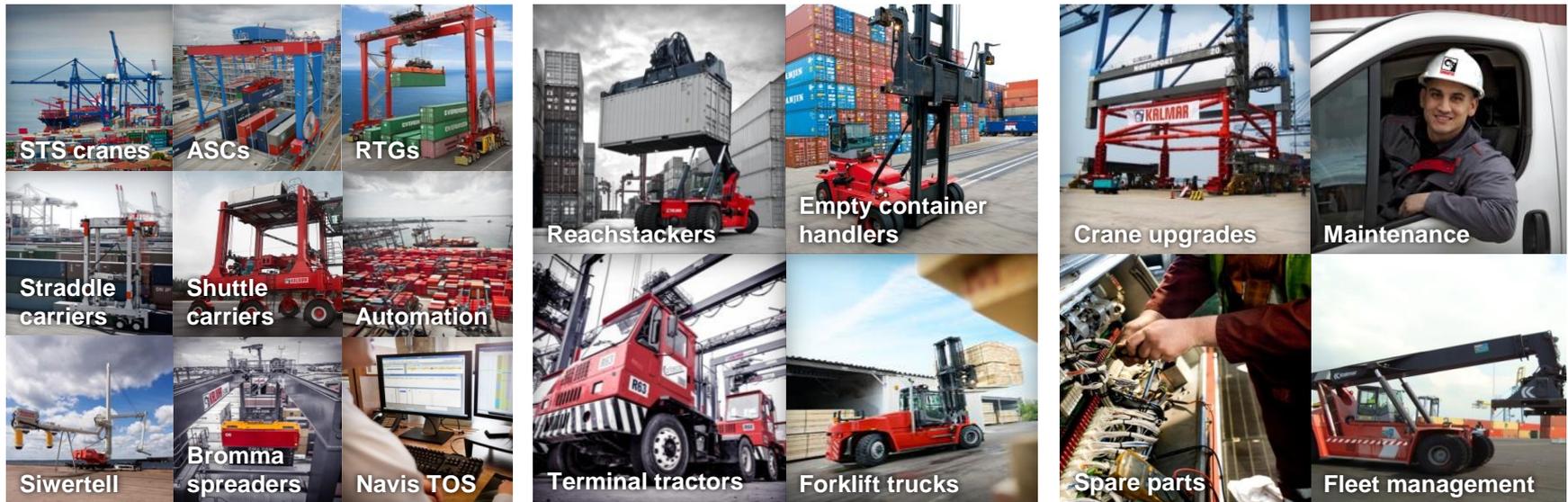
Kalmar is on track with profit improvement initiatives



Kalmar Profit Improvement Programme



Kalmar business mix has changed



Terminal projects
30% ↘

Equipment
42% ↗

Services
28% ↗

Must-win battle:

How to secure competitiveness of Mobile Equipment

New Kalmar Ottawa T2 distribution tractor strengthens our market position in Americas

- Innovative, operator-friendly design
- Safety enhancements and easier maintenance and serviceability
- Profit improvement initiatives integrated
 - Design-to-cost
 - Sourcing
 - Improved pricing power
- Excellent launch and market acceptance
- All time record in order intake and production
- Market share growing



New G-generation electric forklift launched for industrial customers

- Energy efficient and highly environmentally friendly product
- Equally high performing as powerful diesel trucks
- Reduced total cost of ownership
- Profit improvement initiatives integrated
 - Design-to-cost
 - Sourcing
 - Improved pricing power



Kalmar Gloria reachstacker enters Asia and Americas



- High-end product developed based on customer values
- Differentiation against low-cost competition
- Profit improvement initiatives integrated
 - Design-to-cost
 - Sourcing
 - Improved pricing power
- Meeting customer requirements in emerging markets with specialised offering: T-models a success in APAC, now entering also Middle East, Africa and Latin America

Must-win battle:

How to set Services back to peer growth

Services development continues in all areas

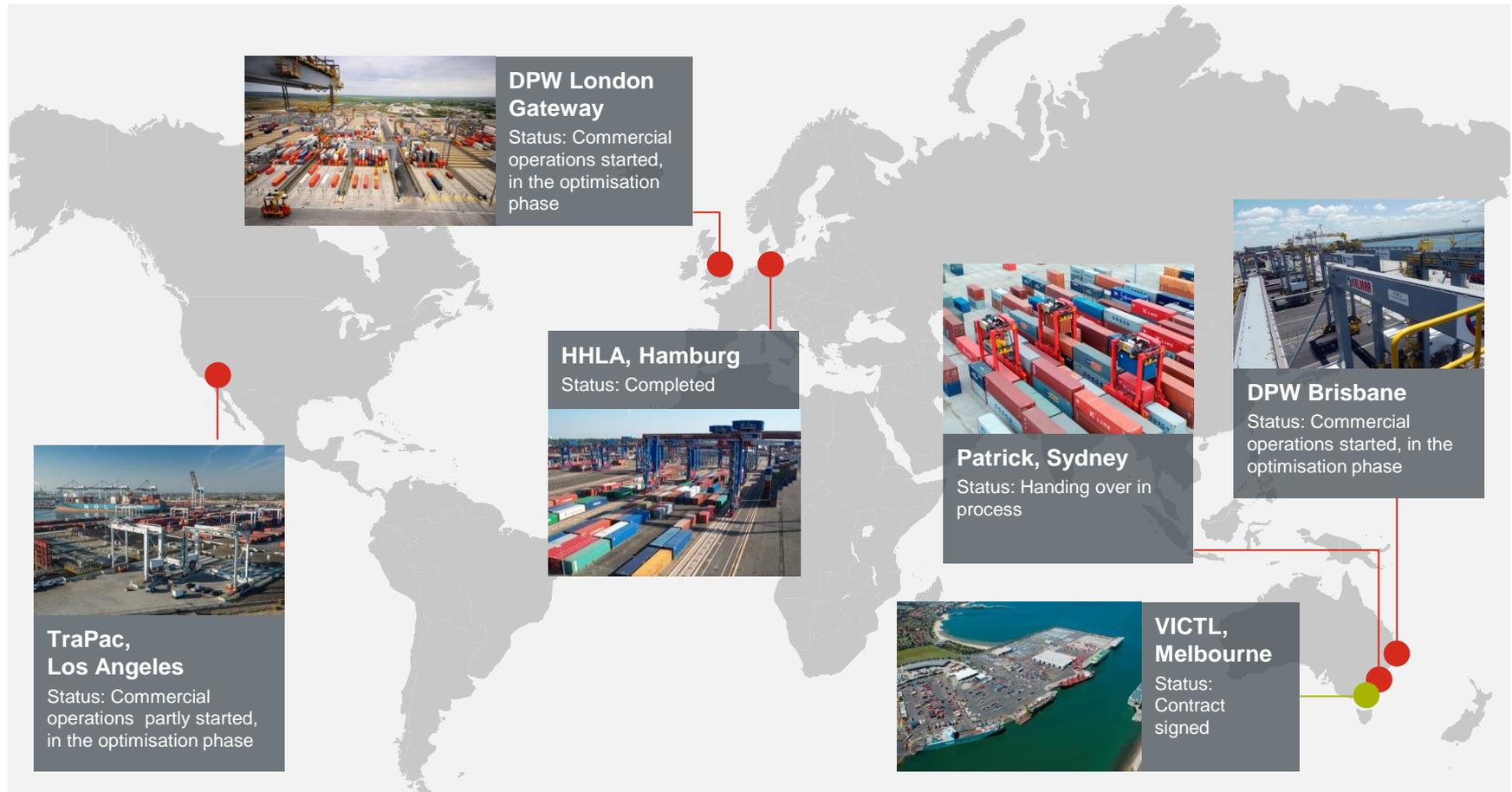
- Kalmar Care contracts won in all regions
- Kalmar Care for automated terminals – work in progress
- Crane Upgrades growth delayed, but still anticipated
- Spare parts pricing and tool development will show results in 2015



Must win battle:

How to win in automation

Lessons learned from current mega projects, now we are ready to win



Kalmar and Navis have a leading position in port automation

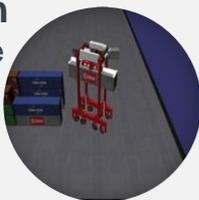
Kalmar's current market share 30–50%, Navis 80% in automated terminals



Digital ecosystem revolutionises the way of working

Testing & simulation

- Investment in Tampere Technology and Competence Centre
- Automation test field
- Automation laboratory
- Simulation environment
- Proto shop

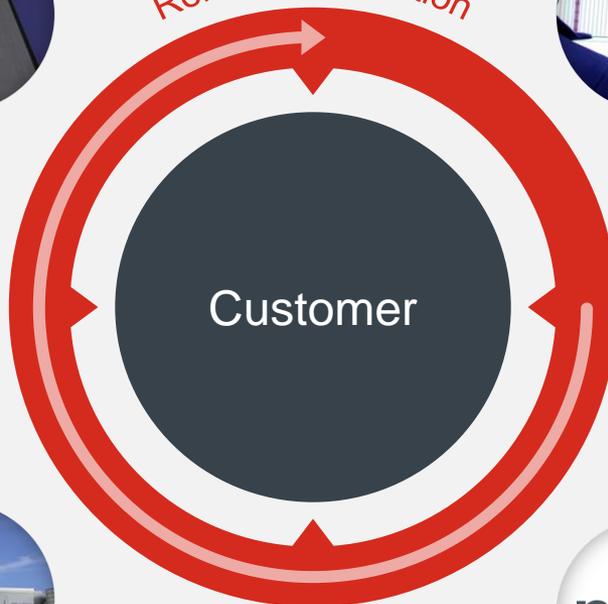


Cooperation with local partners

- Strong utilisation of R&D ecosystem results
- University of Tampere
- FIMECC
- SME partners
- Public funding partner: Tekes



Remote connection



Terminal Logistics System (TLS)

- Modular system architecture
- Measurement systems
- Remote diagnostics
- Fault management
- Graphical UI framework
- Pre-integrated with Navis N4 TOS and Kalmar equipment



Terminal Operating System (TOS)





04

11

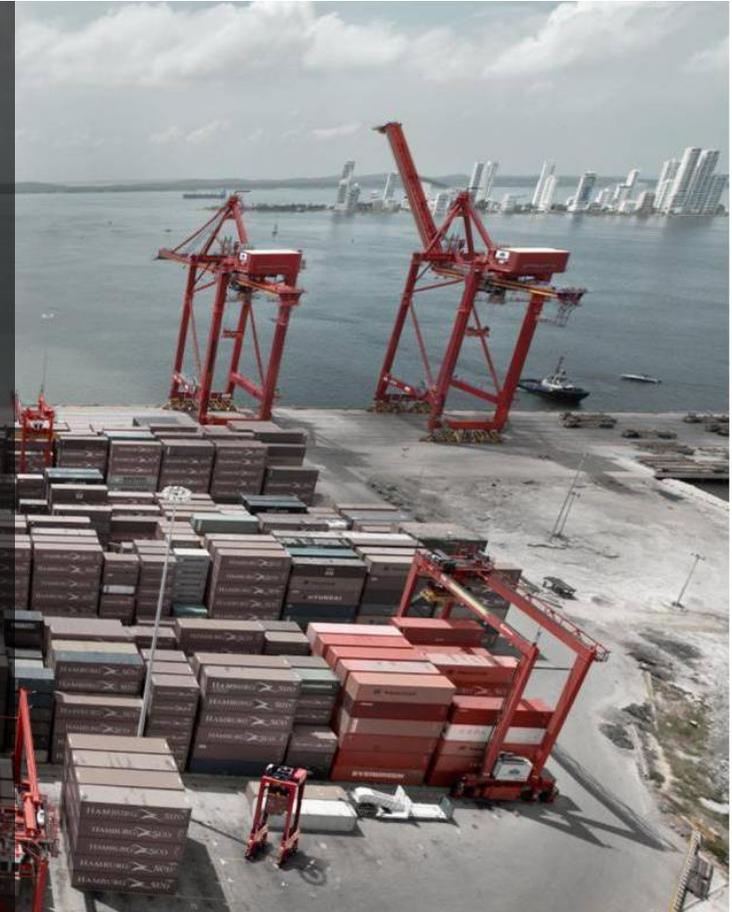
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02

Kalmar has all the capabilities to respond to the increased demand for port automation

- Terminals are looking for different types of automation
- Greenfield projects = New automated terminals, expansion of current automated terminals or conversions of existing manual operations
 - Currently approx. 25 projects on-going or planned
 - Expected 20 more projects in coming five years
- Brownfield projects = Automating existing manual operations
 - Development in early phase
 - Currently approx. 130 existing straddle carrier terminals, of which 10% with automation potential
 - Currently approx. 430 existing RTG terminals, of which 10–15% with automation potential



Conclusions

- Project delivery capabilities improved based on lessons learned
- Excellent development in Mobile Equipment will continue
- Good progress in Services in most of the areas
- Strong future growth expected for port automation
- Increased investments in automation and digitalisation

Kalmar is driving for industry leading financial performance



